

Aramex Q2 2021 Revenue increases 21% to AED 1.6 billion

- Strong cross-border e-commerce and rebound in oil & gas sector spurs strong Revenue growth
- Aramex's global network and strategic hubs enable it to benefit from global economic recovery and boom in e-commerce activities

Financial Summary

<i>In Thousands of AED (unless otherwise stated)</i>	Q2 2021	Q2 2020	% change (YoY)	H1 2021	H1 2020	% change (YoY)
Revenue	1,570,923	1,293,776	21%	2,995,856	2,445,420	23%
Operating Profit ("EBIT")	99,551	126,721	(21%)	179,007	226,229	(21%)
Operating Profit Margin	6.3%	9.8%	(3.5%)	6.0%	9.3%	(3.3%)
EBITDA Margin	12.3%	16.2%	(3.9%)	12.1%	16.0%	(3.9%)
Net Profit	65,466	94,378	(31%)	111,479	161,796	(31%)

Shipment Volumes

<i>In Thousands of shipments</i>	Q2 2021	Q2 2020	% change (YoY)	H1 2021	H1 2020	% change (YoY)
Express	32,746	28,681	14%	63,941	53,797	19%
International Express*	6,893	5,710	21%	12,987	11,133	17%
Domestic e-commerce – Core Markets	7,061	7,313	(3%)	13,387	11,932	12%

*including Shop & Ship

Dubai, UAE – Thursday, 5th August 2021: Aramex (DFM: ARMX) a leading global provider of comprehensive logistics and transportation solutions, today announced its financial results for the second quarter ("Q2") and first half ("H1") ending 30 June 2021.

Q2 2021 & H1 2021 Financial Overview

- In Q2 2021, Revenue rose 21% to AED 1,571 million, compared to AED 1,294 million in the same period last year driven by increased demand for cross border e-commerce services and significant growth in the freight forwarding and logistics business.



- In H1 2021, Revenues were up 23% YoY to AED 2,996 million, compared to AED 2,445 million in H1 2020.
- Net Profit for Q2 2021 decreased 31% to AED 65.5 million compared to AED 94.4 million in Q2 2020 as the business continued to invest in its digital transformation to drive further operating efficiencies and adapt to evolving consumer and industry trends.
- H1 2021 Net Profit decreased 31% to AED 111.5 million, compared to AED 161.8 million in H1 2020.
- Q2 2021 Operating Profit declined 21% to AED 99.6 million YoY on the back of the continued investments to build and secure capacity to accommodate for higher volumes and higher line haul costs caused by the disruptive impact of the COVID-19 pandemic on global supply chains. For the six-month period ending 30 June 2021, Operating Profit declined 21% YoY to AED 179 million.
- As a result of prudent financial management, Aramex maintained a strong balance sheet with negative net debt position of AED 300 million, indicating a strong cash balance as at end 30 June 2021.

Othman Aljeda, Chief Executive Officer of Aramex, said: “I am pleased with our performance in the first half of the year and encouraged by the double-digit growth in almost all our services. The pandemic accelerated consumers’ online shopping behaviors and we were able to immediately capitalize on the shifting trends because our strategically-located global hubs enabled us to efficiently handle and deliver shipments from and to all over the world. Our freight forwarding business witnessed a swift recovery to better than pre-pandemic levels thanks to our operational and commercial readiness to service the strong rebound in cyclical industries, specifically oil & gas and retail.

Innovation and technology remain a key strategic area of focus for our business. Over the course of the year, we invested in upgrading our consumer facing and back-end systems to increase efficiency from first to last mile while ensuring we give our customers visibility and timely updates on shipment progress. We are also supporting the SME sector in more ways, enabling them to play a crucial role in economic growth and diversification.

I am also very proud of the outstanding work all our employees have produced and thank them for successfully steering the company through the last 18 challenging months.”

Thomas Kipp, Chief Operating Officer at Aramex, said: “We continued to handle a growing number of shipments with an impressive growth momentum over the last three months from cross-border e-commerce. This a strong testament of the benefit of our global operations and network and our ability to continue securing capacity amidst constrained cargo space, especially air cargo. While the disconnect between cargo supply and demand have pushed line haul rates higher, with no visibility as to when those rates may abate, our role is to continue to find innovative and cost-efficient ways to overcome those pandemic-induced challenges and to optimize our operations. On the last mile, our on the ground operations have never been bigger and busier. We have been investing in growing our warehouse

operations, fleet size and number of couriers in our core markets, especially in Saudi Arabia to service the growing demand for our last mile services.”

Q2 2021 & H1 2021 Business Performance Highlights:

International Express (including Shop & Ship):

- Q2 2021 Revenue jumped 26% to AED 733.6 million, compared to AED 582.2 million in Q2 2020 driven by 21% growth in shipment volumes. This growth was underpinned by an increase in cross-border e-commerce activities from the US, UK, Hong Kong, and other Southeast Asia as well as UAE and Kuwait origins into the GCC.
- Operating Profit for the period was weighed by higher last mile delivery and line haul costs.
- In H1 2021, the cross-border business witnessed a strong 30% YoY increase in Revenue to AED 1,380 million.

Domestic Express

- Q2 2021 Revenue increased 9% YoY to AED 367.23 million despite a small decline in domestic e-commerce volumes in core markets. The performance of certain geographies, notably in South Africa and the greater African continent and the Oceania Region have supported revenue growth.
- Operating Profit for the period was weighed by higher last mile related costs.
- In H1 2021, the domestic express business produced a 16% YoY increase in Revenue, to AED 722.8 million.

Freight-Forwarding

- Q2 2021 Revenue rose 23% YoY to AED 328.6 million driven primarily by the strong rebound in the oil & gas and retail sectors. The healthcare sector continues to add top line growth at a steady pace.
- Operating Profit for the period was relatively robust, slightly weighed by the higher line haul costs.
- In H1 2021, Freight Forwarding Revenue grew 16% YoY to AED 616.9 million

Integrated Logistics & Supply Chain Solutions

- Q2 2021 Revenue surged 28% YoY to AED 108.8 million on the back of higher volumes in online sales from traditional retailers and e-tailers and an increase in the number of food & cold chain, and oil & gas contracts.
- Operating profit for the period was weighed by higher costs related to servicing the retail sector and handling in and out throughputs.
- In H1 2021, Revenue for this service line climbed 19% YoY to AED 213.4 million.

Commenting on the outlook for the remainder of 2021, Othman Aljeda said: “We anticipate cross-border e-commerce activity to continue growing at a healthy pace and expect the global economic recovery will be sustained. As a facilitator of global e-commerce and trade, Aramex is well positioned to benefit from those growth drivers for the remainder of 2021.



Our strategy for the Express business is simple: we want to get closer to our customers and expedite delivery times by further expanding our last mile infrastructure and locations. We also want to improve our service levels and reliability by continuing to invest in game-changing technologies that will use data to improve predictions, automate scheduling, and optimize routes while improving customer interface and communication channels. For our B2B business, we will continue to strengthen our position in strategic verticals, to enable us to capture greater market share.”

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