



Aramex Delivers Strong Q3 Results with Double-Digit Revenue Growth Across All Product Lines

- **Solid Revenue Growth:** Revenue in Q3 2024 grew by 18% year-on-year (YoY) to AED 1.59 billion, while revenue for the first nine months (9M 2024) rose by 11% to AED 4.63 billion, driven by strong contributions across all four product lines: International Express grew 10% YoY, Domestic Express grew 27% YoY, Freight Forwarding grew 22% YoY and Logistics & Supply Chain Solutions grew 13% YoY in Q3 2024.
- **Consistent Volume Growth Across Key Products:** Aramex continued to build momentum in Q3 2024, with International Express volumes surging by 34%, supported by demand for premium services and cross-border e-commerce. Domestic Express also delivered strong results, with an 18% increase in volumes, reflecting strong consumer activity across home markets. Freight Forwarding saw solid gains, particularly in air and land freight, as businesses leveraged Aramex’s reliable network for seamless trade. Logistics is operating close to full capacity on the back of the new customers onboarded this year.
- **Group Profitability:** In Q3 2024, Aramex's gross profit rose 11% YoY to AED 373 million and the GP margin softened to 23%. Domestic and Logistics improved profitability and margins; International Express margin profile is adjusting based on the new profile of business coming in; Freight Forwarding profitability is under pressure in a challenging operating environment for the industry.
- **On Track performance:** Aramex remains on track to deliver a strong performance for the full year 2024, with projected revenue growth of approximately 9%. For the first nine months of 2024, each product line delivered solid results, keeping the Group on course to meet its targets. Gross profit margins are also expected to remain within the 24% to 25% range, driven by Aramex's continued focus on cost control and operational efficiency.
- **Balance Sheet:** Aramex continues to be well-positioned with a cash position of AED 447 million and a Net Debt-to-EBITDA ratio of 2.1x (incl. IFRS16) as of 30 September 2024. Management's focus on value creation delivers 20 basis points improvement in ROIC, currently standing at 5% for the last twelve trailing months.

Dubai, UAE – Thursday, 7 November 2024: Aramex (DFM: ARMX) a leading global provider of comprehensive logistics and transportation solutions, announced its financial results for the third quarter (“Q3”) and first nine months of the year (“9M”) ending 30 September 2024.

In Thousands of UAE Dirhams	Q3 2024	Q3 2023	% Change (YoY)	Sep YTD 2024	Sep YTD 2023	% Change (YoY)
Revenues	1,592,356	1,349,678	18%	4,629,311	4,170,013	11%
Gross Profit	373,061	334,657	11%	1,113,593	1,038,202	7%
Gross Profit Margin	23%	25%		24%	25%	
EBIT	68,121	44,709	52%	207,490	160,468	29%
EBIT Margin	4%	3%		4%	4%	
EBITDA	156,770	133,866	17%	472,874	430,323	10%
EBITDA Margin	10%	10%		10%	10%	
Net Profit	26,685	9,642	177%	76,143	52,510	45%
Net Profit Margin	2%	1%		2%	1%	



Financial Performance Commentary

In the third quarter of 2024, Aramex delivered results in line with expectations, reporting solid revenue of AED 1.59 billion, marking a strong 18% year-on-year (YoY) increase. This growth was driven by consistent volume gains across all product lines.

The GCC region was a major contributor, posting 21% YoY revenue growth in Q3 2024 and accounting for 41% of the Group's total revenues, reaffirming Aramex's strong position in its home markets. MENAT also demonstrated significant growth with a 33% YoY revenue increase in Q3 2024, while Oceania improved both revenue and profitability as part of the ongoing turnaround plan.

Each of Aramex's product lines achieved double-digit revenue growth in Q3 2024, led by Domestic Express at 27%, followed by Freight Forwarding at 22%, Logistics at 13% and International Express at 10%. Revenue growth is attributed to substantial volume growth, including a 34% increase in International Express and 18% in Domestic Express, along with continued strength in Freight volumes.

Group Selling, General, and Administrative Expenses (SG&A) remained stable as a percentage of revenue, consistent with previous quarters. Expenses increased marginally, driven by higher salaries from new hires, investments in IT software, and legal costs linked to acquisitions within the Oceania franchise network.

Gross profit for the quarter stood at AED 373 million, reflecting an 11% year-on-year growth, with a slight softening in the Gross Profit margin to 23% during Q3 2024 compared to the same period last year, mainly due to intense competition in Freight and a softening in the International Express business. EBITDA margin also stood at a robust 10% for the first nine months of 2024, reinforcing the prudent cost management and strength of Aramex's operational strategies.

Net profit for Q3 2024 was AED 27 million, representing a 177% YoY growth, positioning the Company on the right track with its strategic goal to improve profitability. For 9M 2024, Net Profit was reported at AED 76 million, a 45% increase from same period the prior year.

As of September 30th, the Effective Tax Rate (ETR) for the last twelve months was 21%. For the full year, the Company forecasts an increase in the ETR to approximately 27% due to anticipated non-recurring items and also a change in the profit mix during the year, with more contributions from higher tax jurisdictions.

Aramex maintained a strong balance sheet position with Net Debt-to-EBITDA ratio of 2.1x incl. IFRS16 and a healthy cash balance of AED 447 million as of September 30, 2024.

Othman Aljeda, Chief Executive Officer of Aramex, said: "We made good progress this quarter and we see our recovery story advancing. I would like to thank all our employees for their contribution and dedication to Aramex.

"Domestic express gained volumes and significantly improved profitability. International express also reported good volume growth while the margin profile is adjusting based on the profile of the new business coming in. For our contract logistics product, we said we expected to see a turnaround in the second half of 2024 and this is what we are delivering. Our logistics business reported better quality revenue and improved profitability on the back of the actions we have taken. Although it is our smallest contributor to group revenue, logistics plays a strategic role at the heart of our transportation ecosystem.

"In freight forwarding, the operating environment remains challenging. We reported further pressure in our freight forwarding margins and we are in the process of reassessing certain activities for this product.

"We are seeing important changes in our industry with e-tailers and brands nearshoring activities and bringing inventories closer to demand centers and to end consumers in our home markets. This means that we are seeing increased volume flows towards services such as domestic express, and warehousing and fulfillment, in addition to freight forwarding and international express. The investments we are making across infrastructure, technology, and capabilities in each of our four products, are providing Aramex with a competitive edge in this new market environment.

"Looking ahead, we are on track to meet our year-end targets and sustain our growth trajectory."



Product Performance

International Express (Including Parcel Forwarding)

<i>In Thousands of UAE Dirhams</i>	Q3 2024	Q3 2023	% Change (YoY)	Sep YTD 2024	Sep YTD 2023	% Change (YoY)
Revenues	562,319	511,951	10%	1,797,424	1,639,573	10%
Gross Profit	178,700	182,510	(2%)	585,947	554,630	6%
Gross Profit Margin	32%	36*%	(4%)	33%	34%	(1%)

International Express Shipment Volumes

<i>In millions of shipments</i>	Q3 2024	Q3 2023	% Change (YoY)	Sep YTD 2024	Sep YTD 2023	% Change (YoY)
Total Number of Shipments	6.5	4.9	34%	20.9	15.7	33%

The **International Express** product delivered solid results in Q3 2024, with revenue up 10%, driven by a 34% surge in shipment volumes to 6.5 million, riding on strong local economies and increased consumer activity. However, gains were partially offset by declines in Europe and North America, along with softer revenue booked by MyUS Parcel Forwarding.

Gross profit dipped 2%, with margins adjusting to 32% in Q3 2024. As a reminder, at Q3 2023 we had a positive impact in Q3 2023 costs. *Excluding the one-off impact, the adjusted GP margin was 33% at Q3 2023.

The profitability of the International express product is adjusting based on: 1) the change in customer mix which is leading to a lower weight per shipment; 2) the change in trade lanes with more cross border activity intra region in GCC and MENAT and 3) the drop in surcharges associated with fuel and covid, which were there last year.

International express segment remains on track to meet full-year expectations. Looking at the performance for the first nine months of 2024, International Express delivered a 10% growth in revenue and a 6% increase in gross profit, supported by 33% volume growth.

Domestic Express

<i>In Thousands of UAE Dirhams</i>	Q3 2024	Q3 2023	% Change (YoY)	Sep YTD 2024	Sep YTD 2023	% Change (YoY)
Revenues	448,633	352,597	27%	1,204,912	1,065,634	13%
Gross Profit	108,593	72,164	50%	284,833	234,392	22%
Gross Profit Margin	24%	20%		24%	22%	

Domestic Express Shipment Volumes

<i>In millions of shipments</i>	Q3 2024	Q3 2023	% Change (YoY)	Sep YTD 2024	Sep YTD 2023	% Change (YoY)
Total Number of Shipments	28.9	24.5	18%	80.2	73.4	9%

The **Domestic Express** product delivered strong results in Q3 2024, with revenue rising 27%, driven by an 18% increase in volumes across the GCC and MENAT regions, reflecting growing regional demand and trends toward nearshoring and local warehousing. Oceania also reported a solid performance, with both volumes and revenues grew double digit YoY in this market. Overall the growth in domestic product from these regions offset the impact of currency devaluation in Egypt. Throughout the first nine months of 2024, revenue climbed 13% YoY, supported by a 9% rise in volumes, as strategic efforts to optimize delivery networks and enhance service offerings continued to pay off.

Gross profit for Q3 surged 50%, lifting the margin to 24%, up from 20% last year, a level maintained throughout the first nine months of 2024.



Freight-Forwarding

<i>In Thousands of UAE Dirhams</i>	Q3 2024	Q3 2023	% Change (YoY)	Sep YTD 2024	Sep YTD 2023	% Change (YoY)
Revenues	449,686	367,911	22%	1,259,492	1,111,953	13%
Gross Profit	53,461	58,314	(8%)	161,918	176,066	(8%)
Gross Profit Margin	12%	16%		13%	16%	

Freight-Forwarding Shipment Volumes

	Q3 2024	Q3 2023	% Change (YoY)	Sep YTD 2024	Sep YTD 2023	% Change (YoY)
Air Freight (KGs)	11,320,925	10,901,706	4%	34,752,896	32,873,748	6%
Sea Freight (FCL TEU)	7,594	8,051	(6%)	22,934	23,093	(1%)
Sea Freight (LCL CBM)	30,889	5,439	468%	49,892	17,086	192%
Land Freight (FTL)	7,380	7,718	(4%)	22,004	21,129	4%
Land Freight (LTL KGs)	56,785,710	53,409,441	6%	156,215,610	128,250,199	22%

Our **Freight Forwarding** product navigated the global complexity in supply chains worldwide, generating a 22% YoY growth in revenue in Q3 2024 supported by contributions from MENAT, GCC, and South Asia, partially offset by declines in some international markets. For the first nine months of 2024, Freight Forwarding reported a 13% increase in revenue, and a decline in the gross profitability of the product, leading to a lower Gross Profit margin of 13%.

The operating environment today is characterized by persistent volatility, dynamic pricing and rate evolution, and disruptions which are leading to lower margins across the industry. We expect to continue to see pressure on the margins given the industry dynamics and therefore, we are re-assessing certain activities, with the objective of stabilizing the margin to create a better profitability profile for our freight business in 2025.

Freight forwarding, alongside contract logistics, remain two key enablers of our corporate growth strategy and an essential part of our transportation ecosystem. Customers are moving towards a more integrated and regional model, effectively nearshoring their activities and bringing stock closer to demand centers.

Contract Logistics

<i>In Thousands of UAE Dirhams</i>	Q3 2024	Q3 2023	% Change (YoY)	Sep YTD 2024	Sep YTD 2023	% Change (YoY)
Revenues	118,313	104,813	13%	332,588	318,073	5%
Gross Profit	20,662	11,651	77%	49,348	44,152	12%
Gross Profit Margin	17%	11%	6%	15%	14%	1%

In line with expectations, **Contract Logistics** delivered good growth in Q3 2024, with revenue rising 13% and Gross Profit improving 77% YoY leading to a GP margin of 17%, a significant improvement compared to the GP margin of 11% in Q3 last year. The strong momentum was sustained for the first nine months of 2024, with the segment recording a 12% rise in Gross Profit, maintaining a solid margin of 15%.

This strong performance during Q3 2024 was primarily driven by the onboarding of new business during H1 2024, which further strengthened the quality of revenue streams. The division continued its strategic investments in infrastructure and personnel, ramping up operations across its warehouses.

Our Logistics product sits at the heart of our transportation eco-system and is an integral part of our corporate strategy as we continue to expand our total end-to-end and flexible transportation solutions for our customers.

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About Aramex:

Founded in 1982, Aramex has emerged as a global leader in logistics and transportation, renowned for its innovative services tailored to businesses and consumers. As a listed company on the Dubai Financial Market (since 2005) and headquartered in the UAE, our strategic location facilitates extensive customer reach worldwide, bridging the gap between East and West. With operations in 600+ cities across 70 countries, Aramex employs over 16,000 professionals. Our success is attributed to four distinct business products that provide scalable, diversified, and end-to-end services for customers. These products are:

- International Express, encompassing Aramex's Parcel Forwarding Business (Shop & Ship and MyUS).
- Domestic Express
- Freight Forwarding
- Logistics & Supply Chain Solutions

Sustainability is at the core of our vision and mission. To build a truly sustainable business, we leverage our core competencies to make a positive impact as responsible members of the communities we serve. Through partnerships with local and international organizations, we strive to expand our reach and benefit more individuals through targeted programs and initiatives, ensuring long-term positive change and community development.

For more information, please visit us: www.aramex.com

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