



Aramex Announces Record Full Year 2018 Results

Record profitability as restructuring efforts pay off and digitization strategy successfully positions Aramex at the center of global e-commerce boom

Financial highlights

- *2018 Full Year Net Profit increased by 13% to AED 492.6 million, and Revenue grew by 8% to AED 5,086 million.*
- *Q4 2018 Net Profit decreased by 7% to AED 154 million, and Q4 2018 Revenue increased by 8% to AED 1,425 million.*
- *Excluding the one-off impairment from the divestment of Aramex Global Solutions (AGS), 2018 Full Year Net Profit would have grown by 24% to AED 538.3 million, and by 21% to AED 199.7 million in Q4.*

Dubai, UAE – Tuesday, 5th of February 2019:

Aramex (DFM: ARMX), the leading global provider of comprehensive logistics and transportation solutions, today announced its financial results for the Fourth Quarter and Full Year ending 31 December 2018.

Aramex's Q4 2018 Revenue grew by 8% to AED 1,425 million, compared to AED 1,324 million in Q4 2017. Q4 Net Profit dropped by 7% to AED 154 million, compared to AED 165 million in the corresponding period of 2017. Excluding the one-off impairment of AED 46 million from the divestment of Aramex Global Solutions (AGS) during the quarter, net profit would have risen by 21% to AED 199.7 million.

2018 Full Year Revenue increased by 8% to AED 5,086 million, compared to AED 4,721 million in FY 2017. Aramex's Net Profit in 2018 increased by 13% to AED 492.6 million, compared to AED 435.4 million for 2017. Excluding the one-off impairment from the divestment of AGS, the company's Net Profit in 2018 would have increased by 24% to AED 538.3 million compared to the prior year period, thanks to improvements in efficiencies, which helped reduce overheads as a percentage of gross profits to 75.5% in 2018 from 78.4% in 2017.

As part of Aramex's strategy to independently tap into the growth of global e-commerce markets, the company announced its divestment of its full 60% stake in "Aramex Global Solutions (AGS)" to Australia Post in Q4 2018. While this transaction incurred a one-off impairment of AED 46 million for Aramex, it will not have any impact on Aramex's financial results in the future, since this joint venture was only accounted for on equity basis and had an immaterial contribution to the company's Net Income.

Commenting on the results, Bashar Obeid, Chief Executive Officer of Aramex, said:

"We are very pleased to report one of Aramex's most profitable years. Our 2018 financial results reflect the success to date of our digital transformation efforts and the strong growth experienced across all verticals, particularly within our International Express business, which

has been well positioned to benefit from the global boom in e-commerce. Throughout 2018 we continued to invest in creating a leaner, more efficient business and transforming our overall operations. This work has paid off and ultimately expanded both our top and bottom line while significantly upgrading our service level to our customers.”

Iyad Kamal, Chief Operating Officer at Aramex, added:

“2018 was a transformational year for Aramex as we reaped the rewards of our new strategy through improved efficiencies and enhanced customer experience. We upgraded our service levels by increasing last mile capacity, enhancement of our next day delivery services within most of our core markets and digitizing the end-to-end shipment journey. Moving forward, we will continue to leverage new innovations such as Aramex Fleet, our crowdsourcing model; and WhatsApp for Business, to create more personalized interaction channels with our customers that deliver the transparency, visibility and flexibility they demand.”

“One of the key highlights of 2019 will be focusing on operations optimization by introducing new operational methods and processes that will further improve our service levels throughout all key verticals,” **added Kamal.**

Q4 2018 Performance Highlights:

Aramex's **International Express** business witnessed double-digit growth of 15% to AED 702 million, compared to AED 608 million in Q4 2017. This is attributed to the significant growth in cross-border e-commerce across all regions.

Domestic Express dropped by 1%, to AED 270 million, compared to AED 272 million in Q4 2017. While Aramex's Domestic Express services witnessed excellent growth in GCC and Africa, the overall growth was impacted by the strategic downscaling of the company's operations in India as part of restructuring efforts.

Freight-Forwarding dropped by 4%, to AED 293 million, from AED 304 million in Q4 2017. Despite this drop, Aramex's Oil and Gas business in the GCC and Asia registered double-digit growth. Aramex continued to diversify across different geographies and strategic sector verticals, setting the foundation for a steady projected growth in the coming quarters.

Aramex's **Logistics and Supply Chain Management** business grew by 23% to AED 84 million, compared to AED 69 million in Q4 2017, as a result of the growth of business across the company's key markets. This growth was largely fueled by the rise of Omni-channel sales from traditional retailers in GCC.

Full Year 2018 Performance Highlights:

Over FY 2018, Aramex's **International Express** business grew by 13% to AED 2,273 million, compared to AED 2,006 million in 2017, as an increasing number of customers across all regions expanded their e-commerce business activities.

The **Domestic Express** business grew by 3% to AED 1,051 million, compared to AED 1,022 million in 2017, driven by the rise in domestic e-commerce across GCC and Africa.

Performance was impacted by the strategic downscaling of operations in India as part of restructuring efforts, which over the longer term will ultimately have a positive impact on the bottom line. Excluding India operations impact, Domestic Express would have grown by 8% in 2018.

Aramex's **Freight-Forwarding** business increased by 1% to AED 1,164 million over 2018, compared to 1,157 million in 2017. This is mainly attributed to the growth in the Oil and Gas vertical predominantly in GCC and Asia.

Logistics and Supply Chain Management operations over the year grew by 16% to AED 302 million, compared to AED 260 million, due to the strong demand for Aramex's warehousing and other value-added services across key markets.

Commenting on Aramex's outlook for 2019, Bashar Obeid said:

"We finished 2018 on a very positive note, resulting in one of our strongest financial years to date. In 2019, we will remain focused on implementing a lean and efficient business model, enabling Aramex to remain resilient against global geo-economic challenges. We will also remain open to unlocking opportunities in new sectors and geographies, particularly in specialized industry verticals where we see strong demand, to further enable B2B growth."

"We are well positioned to benefit from the ongoing growth of the global e-commerce industry and will continue to ensure that the business remains diversified and efficiently operated, with a strong focus on improving last-mile delivery."

- Ends -

About Aramex:

Aramex (DFM: ARMX) is a leading global provider of comprehensive logistics and transportation solutions. Established in 1982 as an express operator, the company rapidly evolved into a global brand recognized for its customized services and innovative multi-product offering. Traded on the NASDAQ from 1997 to 2002, Aramex today is a publicly traded company on the Dubai Financial Market, employing more than 16,500 people in over 600 locations across more than 65 countries and leads a strong alliance network providing global presence, and bringing together 40 independent express companies from around the world. The range of services offered by Aramex includes integrated logistics solutions, international and domestic express delivery, freight forwarding, secure records and information management solutions, and e-services, including e-business solutions and Shop and Ship. www.aramex.com

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