



Aramex Revenues Grow 2% in Q3 2019

- *Q3 2019 Revenues increased 2% to AED 1,270 million*
- *Q3 2019 Net Profit rose 1% to AED 113.8 million*
- *Domestic Express volumes rose 29% in core markets, and International Express volumes grew by 13%*
- *Revenue growth and profitability were impacted by pricing pressure on e-commerce business and continued investments to upgrade last mile delivery operations*

Dubai, UAE – Wednesday, 30th October 2019: Aramex (DFM: ARMX), a leading global provider of comprehensive logistics and transportation solutions, today announces its financial results for the third quarter ended 30 September 2019.

Aramex's Q3 2019 Revenues grew by 2% to AED 1,270 million, compared to AED 1,239 million in the corresponding period a year ago. Revenues would have grown by 5% excluding the company's strategic restructuring of its operations in India and currency fluctuations. Despite the 13% growth of International Express volumes over the quarter, Revenue growth was lower than expected due to tighter yields on e-commerce business as a result of pricing pressure. Revenues for the nine-month period ending September 30th 2019 increased by 3% to AED 3,782 million, compared to AED 3,661 million in the corresponding period of 2018.

Net Profit registered a 1% increase in Q3 2019 to AED 113.8 million, compared to AED 112.9 million in Q3 2018, due to tighter yields and pricing pressure from the cross-border e-commerce business, as well as the implementation of IFRS16. Excluding IFRS16 impact, Net Profit would have grown by 7% over the quarter. Net Profit for the nine-month period ending September 30th 2019 increased by 2% to AED 344.9 million compared to AED 338.6 million in the prior year period. Excluding an IFRS16 impact of AED 21.3 million, Aramex's Net Profit would have grown by 8% over the nine-month period.

Commenting on the results, Bashar Obeid, Chief Executive Officer of Aramex, said: "We are pleased to see strong growth in Aramex's e-commerce volumes despite pricing pressure witnessed across the e-commerce industry. As we expect the low-margin environment to continue over the next quarter, we will remain focused on improving service levels on the ground to prioritize quality across the delivery journey; and optimizing costs throughout the business to build further resilience. We believe that business transformation and cost optimization are becoming necessary than ever to compensate for the continued investments in upgrading our last mile delivery operations, as well as the pricing pressure on e-commerce business.

"We remain confident in the strategic direction we have taken to maintain and support the growth of our e-commerce business across the region. This opportunity is supported by the



promising growth of our B2B service lines as a result of efforts to diversify our offerings to new customer segments, while maintaining high levels of service,” **added Obeid**.

Iyad Kamal, Chief Operating Officer at Aramex, added: “Over the third quarter, we invested into the growth of the business and into physical capacity on the ground with the ultimate objective of shortening delivery times and improving the overall customer experience. Meanwhile, enhancing the efficiency of our operations through introducing advanced technologies across our first and last mile services remains a key focus to us. This quarter, we embarked on setting up three new facilities in Saudi Arabia in response to increasing shipment volumes into and within the country. We also did a major upgrade in an advanced automation system at our facility in New York to streamline sorting, processing and shipment transit times from North America to the region, which is a growth lane for us. Our innovative new models, such as Aramex Fleet, place us in strong standing to handle the surge in capacity around the upcoming high season.”

Q3 2019 Performance:

Revenues from Aramex's cross-border **International Express** business grew by 3% to AED 556 million. International Express volumes grew by 13% in Q3 2019 on the back of strong demand from USA, China and other Asian markets. While pressure on pricing impacted revenue growth and margins.

The **Domestic Express** business registered healthy growth of 6%, reaching AED 271 million. Domestic Express revenue would have grown by 13% excluding the impact of the strategic restructuring in India, as well as currency fluctuations. Domestic Express volumes rose by 29%, due to strong demand in core GCC markets, including Saudi Arabia and the UAE, as well as a shift in e-commerce fulfillment business models from international to domestic, which has increased the demand for Aramex’s domestic last mile delivery services.

Freight Forwarding dropped by 4% to AED 281 million due to continued regional economic uncertainty.

Aramex’s **Integrated Logistics & Supply Chain Solutions** business continued to perform well, with revenues growing by 16% to AED 88 million versus Q3 2018, owed in large part to increased demand from Oil & Gas customers, as well as a rise in the number of traditional retailers tapping into the multi-sales channel model.

Commenting on Aramex’s outlook for the remainder of 2019, Bashar Obeid said: “As we enter our busiest quarter of the year, we are well prepared to adapt to an expected surge in demand. We expect continued growth in international and domestic e-commerce volumes to support our topline growth over the period. At the same time, pressure on pricing will likely continue to impact revenue growth and profitability for the remainder of the year.



“Our efforts remain firmly focused on further enhancing last-mile delivery solutions and service improvement to ensure Aramex maintains and grows its market share in the Express business. We will continue to expand segments across our B2B business, in order to maintain a secure and sustainable balance in revenues. We will also explore opportunities for inorganic growth, to bolster our service reach and operational capabilities,” **concluded Obeid.**

- 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. The company was the first Arab-based organization to be traded on NASDAQ stock exchange (1997-2002), and today, Aramex is a publicly traded company on the Dubai Financial Market, employing more than 15,500 people in over 600 locations across more than 65 countries. It 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 International and Domestic Express Delivery, Freight-Forwarding, Integrated Logistics Solutions & Supply Chain Management, Secure Records and Information Management Solutions, and e-Commerce Solutions including Shop and Ship.

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