

Aramex Redesigns Operating Model to Capture Growth Opportunities in a Fast-changing Industry

- *Aramex Express and Aramex Logistics created to focus on B2C and B2B customer segments, respectively*
- *Alaa Saoudi appointed COO of Aramex Express, and Mohammad Alkhas appointed COO of Aramex Logistics*
- *New regional structure created with eight global markets, tasked with growing footprint and maximizing commercial opportunities, led by Andy Van der Velde, President*
- *Corporate Center will provide centralized support functions as well as M&A and Strategy, Legal, Risk and Compliance services*
- *Dr. Johannes Distler appointed to the newly created Chief Strategy Officer role*

Dubai, UAE – Tuesday, 7th September 2021: Aramex (DFM: ARMX), a leading global provider of comprehensive logistics and transportation solutions, today announced adopting a new operating model with the strategic objective of enhancing customer service levels and operating efficiencies while capturing greater global market share within both the B2C and B2B customer segments.

Operating Model Redesign

Aramex Express, which includes international and domestic delivery solutions will serve the B2C customer base including Shop & Ship, e-commerce, FMCG, SMEs and other customers needing innovative last mile solutions. Meanwhile, Aramex Logistics, which includes air freight, sea freight, land freight, and warehousing and distribution, will serve B2B customer base across multiple industries including oil & gas, healthcare & pharmaceutical, aerospace, retail & fashion, amongst others.

To ensure the new operating model can successfully create greater value for multiple stakeholder groups, a Chief Operating Officer role has been created for each of Aramex Express and Aramex Logistics. **Mohammad Alkhas has been appointed COO for Aramex Logistics.** Alkhas is a senior logistics executive with over 24 years of experience in leading large and diverse teams within the transport and logistics sector. He is re-joining Aramex, having spent 19 years with the organization through 2016, when he most recently served as Aramex's Regional CEO for the GCC. **Alaa Saoudi has been appointed COO for Aramex Express.** Saoudi joined Aramex in 1998 and has held several senior geographic and operations positions. He was most recently Global Senior Director of Ground Operations for Aramex.

All support functions, including Finance, Human Resources, Procurement, Digital and Customer Contact Centers will be provided centrally by Aramex's Corporate Centre, which will also manage M&A and Strategy, Legal, Risk and Compliance to ensure global control and alignment across the newly formed clusters.

Othman Aljeda, Group CEO of Aramex, said: *"The global transportation and logistics industry is undergoing a fundamental shift, driven predominantly by the boom in e-commerce, supply chain disruptions, customers' increasingly discerning expectations and the turbo speed of*



digitization. For Aramex to stay ahead of the curve and remain a competitive, reliable and sustainably growing industry leader, we decided to focus on capturing growth opportunities by decoupling our core services.

By creating Aramex Express and Aramex Logistics we will have a more agile company, focused on capturing the right opportunities to grow and diversify our customer base, investing in and deploying the best and latest technologies, and operating at higher efficiency levels. The investments we are making in our business today will enable us to provide our customers with improved service levels, and our shareholder with long-term value."

New regional structure

To support Aramex's global growth ambitions, the organization has also created a new regional structure composed of the Americas; Europe; Sub-Saharan Africa; Middle East, North Africa and Turkey (MENAT); GCC; South Asia and North Asia; and Oceania. Each region will be led by a Regional Vice President and will have dedicated Commercial and Operations teams focused on growing Aramex's local footprint and driving commercial opportunities and customer-centric innovations.

Each region will report to **Andy Van der Velde, who has been appointed President**. Van der Velde was previously Aramex's Regional CEO for GCC, Australia, New Zealand and Southern Africa.

Aramex has also appointed **Dr. Johannes Distler as Chief Strategy Officer**, a newly created role, with the purpose of ensuring the development and execution of Aramex's corporate strategy as well as the group's international expansion and M&A agenda. Dr. Distler joins Aramex from Roland Berger, where he was a Partner in the firm's Dubai office.

Alkhas, Saoudi, Van der Velde and Dr. Distler will all report directly to Othman Aljeda, Group CEO of Aramex. Thomas Kipp, who was appointed Aramex Group's COO in November 2020, is leaving the company to pursue other interests.

Market opportunity and growth ambitions

Othman Aljeda, Group CEO of Aramex, said: *"We see good growth opportunities in the express segment, which currently represents 70% of our revenues. We intend to continue to grow our express business by creating new trade lanes domestically and internationally, and scaling up ground operations to cater to growing customer demands, while continuing to invest in technology and automation.*

Our logistics business accounts for 28% of our revenues and we intend to aggressively grow our footprint in our core markets, and markets that will enable trade flow into the region. Therefore, we are investing in specialized warehouses to cater for high potential verticals, and are also scaling up infrastructure beyond main cities to provide extensive coverage. On freight forwarding, we see good growth opportunities in several sectors, one example being O&G with the revival in global oil prices and trade activity."

According to recent market studies, the global logistics industry is expected to reach USD 1,232 billion by 2025, registering a compound annual growth rate (CAGR) of 7.5% from 2020



to 2025. This is underpinned by a robust projected growth across all logistics segments. The global e-commerce logistics industry is expected to reach a value of USD 657 billion in 2025, recording 8.6% CAGR in the forecasted period. The international express and parcel segment is expected to rise 9.2% to reach a value of USD 117 billion while domestic express and parcel is anticipated to register an 8.6% growth to USD 543 billion. Meanwhile, both freight forwarding and contract logistics are projected to record a 6.2% growth to reach USD 242 billion and USD 331 billion respectively.

– Ends –

About Aramex:

Since its foundation in 1982, Aramex has grown to become a global leader in the logistics and transportation industry, recognized for its customized and innovative services for businesses and consumers. Listed on the Dubai Financial Market (DFM) and headquartered in the UAE, our location bridges the path between East and West, enabling our reach to more customers with the provision of effective logistics solutions worldwide. We currently have business operations in 600+ cities across more than 60 countries worldwide and employ over 17,000 professionals. We offer innovative services and solutions including international and domestic express delivery, freight-forwarding, integrated logistics and supply chain management, and e-commerce solutions. We are strategically leveraging technology for better and more efficient last-mile delivery solutions. This approach has significant benefits, and that's why we consider ourselves a technology-driven enterprise, selling transportation and logistics solutions without owning heavy assets.

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