



## Aramex Reports Stable Revenue of AED 4.39 Billion for the First Nine Months of 2022

- Resilient GCC economies underpinned Group revenue growth
- Outstanding performance of the Freight-Forwarding business, attributable to increased volumes from Industrials, Retail, and SME verticals
- Stable gross profit margin in Courier business, driven by operational efficiencies and introduction of premium offerings and same-day deliveries
- Robust balance sheet, conservative leverage, and strong cash position support expansion and M&A plans and investments in digital and tech infrastructure
- Aramex completed the acquisition of MyUS and expects to add approximately AED 110.2 million EBITDA in Full Year 2023

**Dubai, UAE – Thursday, 10<sup>th</sup> November 2022:** Aramex (DFM: ARMX) a leading global provider of comprehensive logistics and transportation solutions, today announced its financial results for the third quarter (“Q3”) and nine months (“9M”) ending 30 September 2022.

<i>In Thousands of AED</i>	Q3 2022	Q3 2021	YoY Change	9M 2022	9M 2021	YoY Change
<b>Revenue</b>	<b>1,426,250</b>	<b>1,461,404</b>	<b>(2%)</b>	<b>4,391,771</b>	<b>4,457,261</b>	<b>(1%)</b>
<b>Gross Profit</b>	<b>320,827</b>	<b>356,080</b>	<b>(10%)</b>	<b>1,043,550</b>	<b>1,103,391</b>	<b>(5%)</b>
Gross Profit Margin	22.5%	24.4%	(1.9pp)	23.8%	24.8%	(1pp)
<b>EBITDA</b>	<b>141,357</b>	<b>163,134</b>	<b>(13%)</b>	<b>465,559</b>	<b>525,687</b>	<b>(11%)</b>
EBITDA Margin	9.9%	11.2%	(1.3pp)	10.6%	11.8%	(1.2pp)
<b>Net Profit from Continuing Operations</b>	<b>36,931</b>	<b>31,350</b>	<b>18%</b>	<b>128,018</b>	<b>132,425</b>	<b>(3%)</b>
Net Profit Margin from Continuing Operations	2.6%	2.1%	0.5pp	2.9%	3.0%	(0.1pp)
<b>Net Profit including Discontinued Operations</b>	<b>39,643</b>	<b>67,815</b>	<b>(42%)</b>	<b>131,514</b>	<b>179,294</b>	<b>(27%)</b>
Net Profit Margin including discounted operations	2.8%	4.6%	(1.8pp)	3.0%	4.0%	(1pp)

### Group Financial Performance Highlights

- 9M 2022 Revenue reached AED 4.39 billion, relatively unchanged from the AED 4.46 billion reported in 9M 2021. The solid performance in Freight Forwarding was offset by the softness in the Courier offering, which is attributed to lower volumes in Oceania and North Asia. Revenue was also impacted by the devaluation of currencies in certain markets.
- GP margin for the Group was 22.5% in Q3 2022 and 23.8% for the nine-month period. The Courier GP margin was stable at 30% in Q3 2022, and it is important to note that the Shop & Ship product delivered the highest GP margin since Q1 2021. Freight Forwarding delivered a 2-point improvement in GP margin to 14% in the first nine months of the year



2022, while Logistics was impacted by one-offs associated with the restructuring in this product which is expected to be completed by end of 2022, as the Company remains focused on quality revenue customers only.

- Despite inflationary pressures, 9M 2022 EBITDA margin was solid at 10.6%, driven by the Company's cost optimization initiatives. Aramex's disciplined approach to cost management lowered Operating Expenses (OPEX) during the reporting period, while maintaining investments to scale operations.
- In Q3 2022, net profit from continuing operations increased 18% YoY to AED 37 million. Net profit from discontinued operations includes profits incurred in Q3 2021 from InfoFort sale last year.
- Year to date, the Company has sustained a very healthy liquidity profile with consistent positive free cash flow, a cash balance of AED 635 million, and a debt-to-EBITDA ratio of 0.8x, excluding IFRS 16. Aramex's strong balance sheet will support the Company's growth strategy including investments in digital and technological infrastructure as well as its active M&A pipeline.

**Othman Aljeda, Chief Executive Officer of Aramex, said:** "The strength and resilience of the GCC economies contributed to the stability of our top line year to date in 2022. In line with our strategic objectives, our revenue mix is now more diversified both in terms of contributions from the different business segments and from a more diverse customer base. Our diversified customer base has further reduced concentration risk, with our top customer currently contributing 7% of the Group's total revenue.

The Courier business remained resilient with a stable GP margin of 30%, supported by initiatives to improve operational efficiencies and the successful rollout of same-day deliveries and other premium services in the GCC. The Freight-Forwarding business continues to be our strong performer, registering double-digit growth in both the three-month and nine-month periods.

We remain cognizant of global macro activity, and believe that our dominant position in the GCC, a region which is enjoying economic expansion and relatively optimistic consumer sentiment, will continue to support our resilient performance.

Q4 2022 marks the first quarter that we are consolidating MyUS, a global technology-driven platform that enables cross-border e-commerce, into Aramex operations, and we look forward to unlocking further value over the long term through revenue and cost synergies."



## Business Performance Highlights

**Courier Business:** Aramex's Courier business includes International Express and Domestic Express and offers delivery and last mile solutions serving the B2B and B2C customer base including Shop & Ship, e-commerce, FMCG, SMEs and others.

### Courier Business Financial Highlights

In Thousands of AED	Q3 2022	Q3 2021	YoY Change	9M 2022	9M 2021	YoY Change
<b>Courier Business Revenue</b>	<b>913,035</b>	<b>1,069,652</b>	<b>(15%)</b>	<b>2,760,290</b>	<b>3,172,576</b>	<b>(13%)</b>
International Express Revenue	496,500	608,877	(18%)	1,641,336	1,988,957	(17%)
Domestic Express Revenue	416,535	460,775	(10%)	1,118,954	1,183,619	(5%)
<b>Courier Business Gross Profit</b>	<b>269,773</b>	<b>322,138</b>	<b>(16%)</b>	<b>794,030</b>	<b>932,550</b>	<b>(15%)</b>

### Courier Business Shipment Volumes

	Q3 2022	Q3 2021	YoY Change	9M 2022	9M 2021	YoY Change
International Express	5,123,776	6,300,214	(19%)	16,393,679	19,704,145	(17%)
Domestic Express	24,481,680	27,600,108	(11%)	73,591,184	78,789,432	(7%)
<b>Total</b>	<b>29,605,456</b>	<b>33,900,322</b>	<b>(13%)</b>	<b>89,984,863</b>	<b>98,493,577</b>	<b>(9%)</b>

- 9M 2022 Revenue for the Courier business was AED 2.8 billion, with AED 1.64 billion reported by international express and AED 1.12 billion reported by domestic express.
- The Courier business Gross Profit margin was stable at 30% in Q3 2022. Notably, Shop & Ship business delivered the highest Gross Profit margin since Q1 2021.
- Domestic Express reported growth in volumes from all regions except Oceania, where a turnaround plan is being rolled out to address challenges resulting from inflation, Covid-related workforce shortages and the increase in fuel costs.
- The cross-border International Express business was impacted by a decrease in cross-border volumes in North Asia and GCC, as well as a softness in volumes in other markets due to macroeconomic conditions and normalization of volumes post-Covid.
- Focus on driving revenue quality and customer diversification has helped with new customer wins in e-commerce, retail, SMEs, and other sectors in Q3 2022. The premium product is progressing well, with good demand intra-GCC on 10 different lanes, with plans to expand in the coming period. In Saudi Arabia, Aramex launched a 4-hour service with a major beauty & fashion retailer.
- To further enhance the last mile journey, Aramex significantly expanded the Pick-Up and Drop-Off (PUDO) network and added new micro hubs in the GCC.
- The Company started receiving shipments from Italy, Netherlands, and Czech Republic as part of our initiatives to build international lanes in partnership with DPDgroup.



**Logistics & Freight-Forwarding:** Aramex's Logistics & Freight-Forwarding business includes air freight, sea freight, land freight, and warehousing and distribution solutions. It serves a B2B customer base across multiple verticals including industrials, healthcare & pharmaceutical, aerospace, retail & fashion, amongst others.

### Logistics & Freight-Forwarding Business Financial Highlights

<i>In Thousands of AED</i>	Q3 2022	Q3 2021	YoY Change	9M 2022	9M 2021	YoY Change
<b>Logistics &amp; Freight-Forwarding Revenue</b>	<b>550,004</b>	<b>426,445</b>	<b>29%</b>	<b>1,597,409</b>	<b>1,256,715</b>	<b>27%</b>
Freight-Forwarding Revenue	439,530	318,000	38%	1,263,073	934,875	35%
Integrated Logistics & Supply Chain Solutions Revenue	110,475	108,445	2%	334,336	321,840	4%
<b>Logistics &amp; Freight-Forwarding Gross Profit</b>	<b>69,489</b>	<b>51,879</b>	<b>34%</b>	<b>221,059</b>	<b>147,611</b>	<b>50%</b>

### Freight-Forwarding Shipment Volumes

	Q3 2022	Q3 2021	YoY Change	9M 2022	9M 2021	YoY Change
Land Freight (FTL)	7,355	6,294	17%	21,420	18,182	18%
Land Freight (LTL KGs)	38,523,420	39,762,129	(3%)	114,618,154	111,786,577	3%
Sea Freight (FCL TEU)	7,766	8,663	(10%)	22,741	26,969	(16%)
Sea Freight (LCL CBM)	4,759	8,441	(44%)	14,018	29,066	(52%)
Air Freight (KGs)	11,773,193	12,392,469	(5%)	40,946,033	34,882,011	17%

- The Freight-Forwarding business delivered solid growth, with revenues reaching AED 1.3 billion in 9M 2022, predominantly driven by strong demand from industrials, as well as good contributions from other high-growth verticals such as retail, SME businesses and pharmaceuticals across the network. The business delivered a 2-percentage point improvement in GP margin to 14% in the first nine months of the year 2022.
- Integrated Logistics & Supply Chain Solutions delivered good growth in revenues for the Q3 and 9M periods in 2022, attributed to strong e-commerce activity in the GCC and partially offset by one-off provisions. The Gross Profit margin for the business was impacted by one-offs associated with restructuring of the business which is expected to be completed by end of this year as we remain focused on quality revenue customers only.
- Utilization across owned and leased warehouses reached 90% in key markets and automation rollout of facilities is on track.

- 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, Aramex's location bridges the path between East and West, enabling its reach to more customers with the provision of effective logistics solutions worldwide.

Aramex currently has business operations in 600+ cities across more than 60 countries worldwide and employs over 16,000 professionals.

The Company has two core businesses:

1. **Express:** it includes International Express and Domestic Express and offers innovative delivery and last mile solutions serving the B2B and B2C customer base including Shop & Ship, e-commerce, FMCG, SMEs and others.
2. **Logistics & Freight-Forwarding:** it includes air freight, sea freight, land freight, and warehousing and distribution solutions. It serves a B2B customer base across multiple verticals including industrials, healthcare & pharmaceutical, aerospace, retail & fashion, amongst others.

Contributing to sustainable development is a core pillar of Aramex's strategy. Through its Delivering Good program, Aramex pioneers sustainable projects on the three key themes of Education and Youth Empowerment, Entrepreneurship, and Environment. Aramex is committed to the Science Based Targets initiative (SBTi), with a clear roadmap to achieve its Net Zero goal by 2040.

For more information, please visit us: [www.aramex.com](http://www.aramex.com)

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