



Aramex doubles Net Profit in Q1 2024
International Express Volumes are up 44% YoY setting another record quarter

- *Aramex saw solid revenue contribution from all products with Group Revenue growing by 8% year on year (YoY) in Q1 2024 attributed to new customer wins, seasonality and the company's increased focus on sales specialism.*
- *International Express and Domestic Express drove strong revenue growth, while Freight Forwarding showed resilience with a 3% increase amid global shipping challenges. Logistics and Warehousing maintained stable performance both in Revenue and Profitability, adeptly navigating the currency devaluation impact coming mostly from Egypt.*
- *The Company's dual focus on sales and operational efficiency translated into bottom-line success, evident in improved margins across Gross Profit, EBIT and EBITDA. In addition, Gross Profit increased by 10% YoY in Q1 2024, with a strong improvement in EBIT of 47% and increase in EBITDA of 18% YoY. These results reflect the Company's continuous investment in initiatives aimed at maximizing operational efficiency and optimizing costs.*
- *Aramex continues to be well-positioned with a strong cash position of AED 571 million and a Net Debt-to-EBITDA ratio of 0.8x. Management's focus on value creation delivers 40 basis points improvement in ROIC, currently standing at 5.2% for the trailing twelve months.*

Dubai, UAE – Thursday, 9 May 2024: Aramex (DFM: ARMX) a leading global provider of comprehensive logistics and transportation solutions, today announced its financial results for the First Quarter ("Q1") ending 31st March 2024.

<i>In Thousands of UAE Dirhams</i>	Q1 2024	Q1 2023	% Change (YoY)
Revenues	1,540,701	1,431,496	8%
Gross Profit	395,401	358,000	10%
Gross Profit Margin	26%	25%	
EBIT	92,407	63,000	47%
EBIT Margin	6%	4%	
EBITDA	181,174	153,163	18%
EBITDA Margin	12%	11%	
Net Profit	46,565	23,909	95%
Net Profit Margin	3%	2%	

Financial Performance Commentary

In Q1 2024, Aramex reported 8% year-on-year (YoY) increase in Group Revenues, with strong contributions from all product lines reflecting the strength of its diverse portfolio. International Express emerged as a key driver, delivering remarkable volume growth of 44% in Q1 this year compared to the same period in 2023, leading to a revenue increase of 14% YoY. Domestic Express and Freight Forwarding were resilient, with Revenue growing by 5% and 3% YoY respectively. Logistics and Supply Chain Solutions maintained a stable performance in Q1 2024 compared to the same period last year, despite the challenges associated with currency devaluations in Egypt which negatively



impacted revenues.

Effective management of the Group's Selling, General, and Administrative Expenses (SG&A) saw a modest 4% YoY increase in Q1 this year, primarily attributed to increased selling expenses, as well as annual employee compensation adjustments.

Group Gross Profit surged by 10% to AED 395 million, in the first quarter of 2024 compared to AED 358 million in Q1 2023. EBIT and EBITDA also displayed robust growth, expanding by an impressive 47% and 18% YoY respectively. These gains reflect the Company's commitment to continuously streamline operations and maximize cost-effectiveness, also evident in improved margins across Gross Profit, EBIT, and EBITDA. Notably, the Gross Profit Margin for Q1 2024 stood at 26%, marking a 70-bps improvement from the same period previous year, while the EBITDA margin increased by 110-bps to 12% compared to Q1 2023.

The Net Profit for Q1 2024 nearly doubled, reaching AED 47 million, marking two consecutive quarters of strong performance. The Net profit margin improved to 3%.

Aramex maintained a strong balance sheet position with Net Debt-to-EBITDA excl. IFRS16 ratio of 0.8x and a healthy cash balance of AED 571 million as of 31 March 2024. The Company also improved its working capital and delivered record low DSOs during the quarter.



Othman Aljeda, Chief Executive Officer, Aramex, said: “Our International Express delivered a 44% increase in volumes YoY in Q1 2024, while Domestic Express delivered a 7% increase, with both driven by new customer wins, as well as seasonality during Ramadan. Our freight forwarding product grew volumes double digit across land, sea and air while our Logistics and Warehousing product continued to support customers with 3PL and 4PL activities ensuring efficient logistics and fulfillment of goods in key markets.

During the first quarter of the year we injected significant volumes into our network while maintaining high service levels. I am proud of my team's performance and commend the hard work of every Aramexian, for their dedication and capability to handle significant volume growth and heightened consumer activity, seamlessly delivering the level of service our customers value.

Our ongoing investment in automation and operational optimization remains a core advantage and has ensured that our network is agile and responsive to our customer needs and market dynamics. Furthermore, our focus on technologies, such as last-mile route optimization, is yielding results, significantly enhancing operational efficiency. This strategic approach enables us to accommodate increased growth effectively. “

Commenting on the outlook for 2024, Mr. Aljeda continued: “Looking ahead, we anticipate Q2 and Q3 2024 to continue to deliver volume growth YoY, albeit at a softer rate compared to the levels seen during the peak seasons in Q1 2024 and in Q4 2023 due to seasonality. We will continue to manage our cost base and SG&A to ensure profitable growth. Our focus remains on working towards our long-term ambition, which involves delivering quality service and enhancing our operational efficiency to meet the evolving needs of all our stakeholders.

From a capital allocation perspective, our priority for this year is debt repayment of approximately USD \$50-70 million, to lower our interest expenses in today’s high-rate environment. We will also maintain capex at similar levels to last year, to continue investments in critical projects such as warehouse expansion, automations and technology rollout.”

Business Performance

International Express (Including Parcel Forwarding: Shop & Ship and MyUS)

<i>In Thousands of UAE Dirhams</i>	Q1 2024	Q1 2023	% Change (YoY)
Revenues	645,805	566,581	14%
Gross Profit	219,166	183,795	19%
Gross Profit Margin	34%	32%	

International Express Shipment Volumes

<i>In millions of shipments</i>	Q1 2024	Q1 2023	% Change (YoY)
Total Number of Shipments	7.8	5.4	44%

International Express reported consolidated Revenue of AED 646 million, marking a remarkable 44% increase in shipment volumes YoY, totaling 7.8 million shipments, a new quarterly record in volume numbers. Aramex showcased remarkable agility in scaling up and managing a substantial surge in volume in Q1 2024, while maintaining delivery KPIs and a high level of service, thanks to the dedication



and hard work of its people and the Company's sustained investments in automation, operational efficiencies and technological adoption.

The quarter benefited from new customer wins and early Ramadan seasonality, with notable expansion driven by ecommerce and banking sectors. Notably, the Gross Profit for Q1 2024 surged to AED 219 million, reflecting a 19% increase, while the Gross Profit Margin increased to 34%.

The significant increase in volumes led to improved margins, as fixed cost base did not escalate at the same pace. This underscores the efficiency and scalability of the Company's network.

Domestic Express

<i>In Thousands of UAE Dirhams</i>	Q1 2024	Q1 2023	% Change (YoY)
Revenues	380,204	361,652	5%
Gross Profit	94,793	87,637	8%
Gross Profit Margin	25%	24%	

Domestic Express Shipment Volumes

<i>In millions of shipments</i>	Q1 2024	Q1 2023	% Change (YoY)
Total Number of Shipments	26	25	7%

Domestic Express showcased resolute performance with healthy volume growth in Q1 2024 compared to the same period last year, and stable volumes compared to the peak season of Q4 2023. Revenue for Q1 2024 increased to AED 380 million, representing a 5% increase year-on-year over Q1 2023 and sequentially, over the previous quarter of Q4 2023. This can be attributed to enhancements in the turnaround strategy implemented in Oceania, along with the expanding e-commerce activities in several markets. Excluding the impact of currency translation, Domestic Revenue grew 9% in Q1 2024 compared to Q1 2023.

The Gross Profit Margin increased to 25% in Q1 2024 compared to same period last year, showcasing the company's achievement in operational efficiencies, particularly in the 'last mile,' that enhanced courier productivity as well as the pick-and-drop network in key markets.

Freight-Forwarding

<i>In Thousands of UAE Dirhams</i>	Q1 2024	Q1 2023	Q4 2023	% Change (YoY)	% Change (QoQ)
Revenues	398,539	385,432	383,917	3%	4%
Gross Profit	56,532	61,151	53,272	(8%)	6%
Gross Profit Margin	14%	16%	14%		

Freight-Forwarding Shipment Volumes

	Q1 2024	Q1 2023	% Change (YoY)
Air Freight (KGs)	12,422,682	11,158,986	11%
Sea Freight (FCL TEU)	7,822	7,004	12%
Sea Freight (LCL CBM)	12,155	6,072	100%
Land Freight (FTL)	7,893	6,829	16%
Land Freight (LTL KGs)	48,960,168	36,357,056	35%



Aramex's **Freight-Forwarding** business delivered a robust performance with Revenue growing by 3% YoY to AED 399 million in Q1 2024, while also showing improvement compared to the previous quarter of Q4 2023. Revenue growth comes from volume growth across all product lines, with air, sea and land freight growing volumes double digit compared to the same period last year.

Over the past year, rates have decreased globally across the industry due to competitive pressures, leading to lower profitability. This is reflected in the year-over-year performance of the business. The Company navigated the market environment by focusing on driving revenue on key lanes as well enhancing operational efficiencies. The Company improved financial performance across all key indicators in Q1 2024 compared to Q4 2023 delivering growth quarter on quarter.

Logistics and Supply Chain Solutions

<i>In Thousands of UAE Dirhams</i>	Q1 2024	Q1 2023	% Change (YoY)
Revenues	106,604	107,044	(0%)
Gross Profit	16,330	16,203	1%
Gross Profit Margin	15%	15%	

The **Logistics and Supply Chain Solutions** segment reported stable Revenues of AED 107 million, despite significant foreign exchange translation impact over recent quarters. Pertinently, the segment faced exchange losses in Egypt due to currency devaluation, however, when excluding the impact of currency translation, Revenue witnessed a growth of 1%.

Gross Profit was relatively stable, up 1% compared to Q1 2023, aligning with Revenue performance. The margin remained resilient at 15%, showcasing the segment's ability to maintain consistency amidst challenging market conditions. The focus moving forward will continue to be on product rebalancing and building capacity in key markets.

- Ends -



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. To address environmental concerns and combat climate change, we have committed to the Science Based Targets initiative (SBTi), renowned globally. This commitment propels us to accelerate our climate action goals, aiming for Carbon-Neutrality by 2030 and Net-Zero emissions by 2050.

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

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