


Date:	Wednesday, 5 th August 2020
Name of the Listed Company:	Aramex PJSC
The period of the financial statements covered by the report:	Financial Statements for the second quarter and half year ended 30 th June 2020
Overview of the main results during the financial period:	<ul style="list-style-type: none"> • Q2 2020 Revenues grew by 4% to AED 1,332 million, compared to AED 1,279 million in Q2 2019. • Revenues in first half of 2020 increased by 1% to AED 2,528 million, compared to AED 2,512 million in the corresponding period of 2019 • Net Profit in Q2 2020 declined 23% to AED 94.4 million, compared to AED 123 million in Q2 2019. • Net Profit in the First Half of 2020 fell by 30% to AED 162 million, compared to AED 231 million in H1 2019.
Securities issued during the financial period:	The Company did not issue any securities during Q2 2020.
Summary of the key non-financial events and developments during the financial period:	<ul style="list-style-type: none"> • Q2 2020 Revenues growth was driven mainly by a surge in e-commerce activities resulting from increased online shopping during COVID-19 related lockdowns. • Q2 2020 Net profit was negatively impacted by the rise in unforeseen costs prompted by the global onslaught of COVID-19 such as the exceptional challenges in cross-border operations due to border closures, the increase in line haul costs which in turn impacted profit margins in both International Express and Freight. • For Domestic Express, higher costs were incurred related to scaling operations in core markets in response to the surge in shipment volumes. Additionally, in line with Aramex's commitment to providing safe and essential services to its customers, there were increased costs related to personal protective equipment for Company employees and other health and safety measures such as sanitization of warehouses, sorting facilities and fleets. • Over the period, the Company introduced cost containment measures and expects most measures to remain in place for the second half of the year in light of the uncertain market outlook and lack of visibility of second and consequent COVID-19 waves. • Domestic Express was the standout performer driven by exceptional growth from e-commerce related deliveries as government mandated stay at home measures and lockdowns forced people to turn to online channels to shop for necessities and other goods. • Aramex also benefitted from a surge in demand for healthcare related shipments which is positively reflected in its Freight and Domestic Express service lines. • In Q2 2020, Aramex started ramping up on the ground operations and investing in expanding last mile capacity in its core markets to meet the surge in volumes led by robust demand from the e-commerce segment. • The Company is hiring more couriers, increasing its fleet, and investing in expanding its warehousing facilities and related infrastructure.

	<ul style="list-style-type: none"> • Aramex is also capitalizing on its crowd sourcing solution, Aramex Fleet, and other digital-enabled cost-efficient solutions to help handle the spike in volumes. • During the quarter, the Company introduced Aramex SMART, a full stack payment option which fits perfectly in the contactless environment and expect it to be a powerful payment and delivery solution for e-tailers.
<p>Summary of operational performance during the financial period:</p>	<ul style="list-style-type: none"> • Cross-border International Express decreased by 1% to AED 582 million and shipment volumes fell by 4%. However, Shop & Ship, a component of this business line, enjoyed a good quarter, especially from US origins. It is worth noting that International Express continues to witness margin pressures not only because of COVID-19 related costs, but because of overall pricing pressure, a facet which has been weighing on this business line for several quarters. • The Domestic Express business grew by 31% to AED 336 million and e-commerce volumes in core markets surged 133% over the period with particularly strong contribution from Saudi Arabia, UAE and Kuwait. This was driven by a very strong demand from e-commerce activities and particularly from increased online shopping pre-rise in VAT and custom duties in Saudi Arabia. • Freight-Forwarding decreased by 3% to AED 268 million, mainly because of the decline in demand from the oil and gas and the traditional retail segments. However, the healthcare segment continued to perform exceptionally, alleviating some of the pressure from other segments. • The Logistics & Supply Chain Solutions business was unchanged year-on-year at AED 85 million. However, over the H1 period, it was up 6%, mainly owed to the increase in demand for those services from traditional retailers expanding into online sales to service changing customer behavior.
<p>Summary of profit and loss during the financial period:</p>	<p>Please refer to Appendix 1</p>
<p>Summary of financial position as at the end of the financial period:</p>	<p>Please refer to Appendix 1</p>
<p>Summary of cash flow during the financial period:</p>	<p>Please refer to Appendix 2</p>
<p>Key Performance Indicators:</p>	<ul style="list-style-type: none"> • Revenues • Net Operating profit • Overall performance of Last Mile Delivery Services • Employees Engagement
<p>Expectations for the sector and the company's role in these expectations:</p>	<ul style="list-style-type: none"> • The road to recovery from COVID-19 is not yet clear. • There is also ambiguity around shifts in consumer demand trends in a post-COVID-19 world.
<p>Expectations regarding the economy and its impact on the company and the sector:</p>	<ul style="list-style-type: none"> • The road to recovery from COVID-19 is not yet clear. • There is also ambiguity around shifts in consumer demand trends in a post-COVID-19 world.
<p>Future plans for growth and changes in operations in the future:</p>	<ul style="list-style-type: none"> • Aramex has developed strategic plans to invest in infrastructure, technology and innovation in the last mile delivery services

	<ul style="list-style-type: none"> • Aramex has also strengthened its sales operations by developing its human capital and attracting the best talents specialized in strategic sectors for the Company.
The size and impact of current and projected capital expenditures on the company:	Please refer to Appendix 3
Developments of the implementation of projects, plans and deals addressed by the company's Board of Directors in the Directors' Report for the previous fiscal year:	<ul style="list-style-type: none"> • The Company continues to improve operating efficiencies and accelerated its digital transformation efforts in order to enhance service levels. • The Company continues to invest heavily in the last mile operations, one of the most critical and competitive stages of the delivery journey. • The Company continues to fast tracking its commercial transformation process to encourage accelerated growth in the B2B business lines.

Name of the Chairman of the Board of Directors or his representative	Bashar Obeid, Chief Executive Officer
Signature and Date:	Wednesday, 5 th August 2020 
Company Seal:	



Aramex PJSC
AED'(000)

1- Balance sheet

	<u>Jun-20</u>	<u>Dec-19</u>
Current Assets	2,486,655	2,468,847
Non Current Assets	3,217,379	3,273,957
Current liabilities	2,190,795	2,083,108
Non Current liabilities	986,265	1,027,154
Shareholders Equity	2,526,974	2,632,542

2- Income statement

	<u>2nd Qtr'20</u>	<u>2nd Qtr'19</u>	<u>Jun YTD'20</u>	<u>Jun YTD'19</u>
Revenue	1,331,846	1,278,603	2,527,617	2,512,340
Net Operating Profit	133,406	160,413	240,399	299,315
Net Profit for period	94,638	124,155	162,745	233,274
Earning per share	0.064	0.084	0.111	0.158

Cash Flow Summary for the period ended 30 of Jun
All amounts are in AED'000

	2020	2019
Net Cash Generated from Operating Activities	416,930	305,007
Net Cash Generated from Investing Activities	(47,441)	(327,529)
Net Cash Generated from Financing Activities	(215,906)	(96,481)
Net Foreign Exchange Difference	(15,552)	(58,423)
Cash and Cash equivalents at 1 January	588,114	709,955
Cash and Cash equivalents at 30th June	726,146	532,529



Capital Expenditures during the year ended 30th Jun
All amounts are in AED'000

	2020	2019
Capital Expenditures	57,099	58,186