



Q1 2025 Financial Results: Aramex Delivers Stable Revenues of AED 1.56 billion as business boosts intra-regional activity

- **Revenue Evolution:** Aramex reported stable Group Revenue of AED 1.56 billion, up 1%YoY in Q1 2025, driven by revenue growth in Domestic Express (up 13%), Freight Forwarding (up 9%), and Logistics (up 21%), which offset the decline in International Express (down 13%). As a result, the International Express business has a lower contribution to Group revenues and profits, leading to a change in the Group product mix due to nearshoring.
- **Nearshoring impact:** Businesses continue to streamline supply chains by positioning inventory closer to key markets. As a result of this nearshoring trend, Aramex has seen key customers reposition volumes from long-haul to short-haul trade lanes. For Aramex, this means a change in the product mix, with a flow of volumes out of long-haul international express and an increase in short-haul regional cross-border express and domestic, in addition to warehousing and fulfilment services.
- **Volume Growth:** Domestic express volumes were up 8%, land freight LTL volumes were up 21%, and land freight FTL volumes were up 4%. The warehousing business is operating near full capacity, benefitting from the nearshoring trend.
- **Margin recalibration:** Our profitability profile has adapted in line with the change in product mix, leading to a recalibration in the Group margin profile to 23.3% Gross Profit Margin in Q1 2025 (down from 25.7% Gross Profit Margin in Q1 2024). We expect to continue seeing the impact of nearshoring volume flows from existing customers throughout the first half of 2025 impacting our profitability. Profitability was also impacted by cost inflation in Q1 2025, as well as an increase in direct costs associated with the business increasing capacity in key markets to cater to increased volumes.
- **SG&A control:** Selling, General and Administrative Expenses (SG&A) costs were up 1% YoY in Q1 2025, and represented 20% of total revenues, reflecting management's focus on cost controls.
- **Balance Sheet:** Aramex continues to maintain a robust financial position with a cash balance of AED 545 million and a Debt to EBITDA ratio of 2.9x (including IFRS16) as of 31 March 2025.
- **Accelerate28:** During the first quarter of the year, Aramex launched a company-wide transformation initiative, Accelerate28. The Company's geographic activities have been reorganized from eight regions into four regions to make the business more agile in adapting to the changes required by the evolving industry landscape. Under Accelerate28, certain value capture activities have been initiated, focusing on better pricing and operational efficiencies to help Aramex unlock value.

Dubai, UAE – 7 May 2025: Aramex (DFM: ARMX) a leading global provider of comprehensive logistics and transportation solutions, today announced its financial results for the First Quarter ("Q1") ending 31 March 2025.

In Thousands of UAE Dirhams	Q1 2025	Q1 2024	% Change (YoY)
Revenues	1,563,017	1,540,701	1%
Gross Profit	364,675	395,401	(8%)
Gross Profit Margin	23.3%	25.7%	
EBIT	60,905	92,407	(34%)
EBIT Margin	3.9%	6.0%	
EBITDA	146,948	181,174	(19%)
EBITDA Margin	9.4%	11.8%	
Normalized Net Profit	25,280	46,565	(46%)
Net Profit Margin	1.6%	3.0%	
Net Profit	17,123	46,565	(63%)
Net Profit Margin	1.1%	3.0%	



Financial Performance Commentary

Aramex delivered modest topline growth in Q1 2025, with revenue up 1% YoY to AED 1.56 billion, driven by revenue growth in Domestic Express (up 13%), Freight Forwarding (up 9%), and Logistics (up 21%), which offset the decline in International Express (down 13%).

The company's strategy continues to evolve in response to nearshoring-led shifts in logistics flows. As more clients bring inventory closer to consumers, Aramex has seen stronger demand in Domestic Express, warehousing, and regional cross-border services, leading to a recalibration in its margin profile. Gross Profit was AED 365 million (-8% YoY) and GP margin was 23%, attributed to a lower contribution from international express and an increase in direct costs.

Aramex is navigating this transition with a clear focus on operational efficiency, performance management, and customer-centric innovation. While the transition in product mix presents margin volatility in the short term, the Company made good progress with growth in volumes across domestic express and all freight forwarding products, as well as an increase in utilization across its warehouses.

The GCC region remained pivotal, highlighting the strength of Aramex's home markets. Revenue in the GCC increased 15% YoY in Q1 2025, with the region now contributing 44% of total group revenues, a significant increase from the 39% contribution to total revenues reported at Q1 2024. MENAT, India and Sub-Saharan Africa contribute 20%; Europe and US contribute 20% as well, and Asia Pacific contributes 16% to total group revenues.

Group Selling, General, and Administrative Expenses (SG&A) were up 1% YoY, and represented 20% of total revenues, in line with management's focus on cost controls.

EBITDA was AED 147 million (-19%) and EBIT was AED 61 million (-34%) due to the decline in Gross Profit. For the period ending March 31st, 2025, the Effective Tax Rate (ETR) increased to 33%, due to the introduction of domestic income tax in GCC countries, in addition to the change in the profit mix during the year, with more contributions coming from higher tax jurisdictions.

During Q1 2025 the Company incurred non-operational expenses associated with legal and consultancy fees for the Q Logistics Acquisition Offer. Normalized Net Profit, excluding these non-operational expenses, was AED 25 million in Q1 2025, down 46% from AED 47 million in Q1 2024.

Reported Net Profit for the first quarter of 2025 was AED 17 million. These results reflect a broader pivot toward more regionalized, service-intensive logistics, and Aramex's investments to support this shift.

Post period, at the 2024 Annual General Meeting held on 20 March 2025, the shareholders of Aramex approved the recommendation of the Board of Directors to not distribute a dividend payment for the financial year ended 31 December 2024. This decision reflects the Company's capital allocation priorities toward transformation and growth programs, including investments in infrastructure, technology, and operational efficiencies, aimed at strengthening profitability and delivering long-term shareholder value.

Nicolas Sibuet, Acting Group Chief Executive Officer said: "This quarter reflects both continuity and change — stable revenues, healthy volumes, and a clear shift in customer behaviour. As supply chains become more regional and service expectations evolve, Aramex is well placed to deliver agile, integrated solutions that meet the moment. To accelerate our journey, we have launched a company-wide transformation initiative under our strategy Accelerate28 to help us adapt with purpose, focusing on efficiency and performance."



Product Performance

Courier (Express and Domestic Consolidated)

In Thousands of UAE Dirhams	Q1 2025	Q1 2024	% Change (YoY)
Consolidated Revenues	990,868	1,026,010	(3%)
<i>Of which, International Express</i>	560,110	645,805	(13%)
<i>Of which, Domestic Express</i>	430,758	380,204	13%
Consolidated Gross Profit	272,008	313,947	(13%)
<i>Gross Profit Margin</i>	27%	31%	
<i>Of which, International Express</i>	176,597	219,142	(19%)
<i>Gross Profit Margin</i>	32%	34%	
<i>Of which, Domestic Express</i>	95,411	94,805	1%
<i>Gross Profit Margin</i>	22%	25%	

Courier Shipment Volumes

In millions of shipments	Q1 2025	Q1 2024	% Change (YoY)
Total Number of Courier Shipments	34.7	34	2%
International Express	6.4	7.8	(18%)
Domestic Express	28.3	26.2	8%

The **Courier** business reported volume growth of 2% YoY in Q1 2025 compared to the same period last year, as the business continues to see the flow of volumes from international express into domestic express, reflecting the ongoing nearshoring trend from current customers. We expect to continue seeing an impact throughout the first half of 2025.

Q1 2025 revenue was AED 991 million, a 3% decline YoY attributed to a 13% decline in International Express revenues which was partially offset by a 13% growth in Domestic revenues in Q1 2025 compared to Q1 2024. An increase in direct costs and inflationary pressures contributed to the decline in profitability of the Courier product, in addition to the changes in customer mix. Gross profit declined 13% in Q1 2025 to AED 272 million and the gross profit margin declined to 27%.

Freight-Forwarding

In Thousands of UAE Dirhams	Q1 2025	Q1 2024	% Change (YoY)
Revenues	432,950	398,540	9%
Gross Profit	60,515	56,537	7%
<i>Gross Profit Margin</i>	14%	14%	

Freight-Forwarding Shipment Volumes

	Q1 2025	Q1 2024	% Change (YoY)
Air Freight (KGs)	12,613,334	12,422,682	2%
Sea Freight (FCL TEU)	8,378	7,822	7%
Sea Freight (LCL CBM)	15,363	12,155	26%
Land Freight (FTL)	8,172	7,893	4%
Land Freight (LTL KGs)	59,379,278	48,960,168	21%



Freight Forwarding recorded a 9% YoY revenue increase in Q1 2025 to AED 433 million, with broad-based volume growth across air, land, and sea. Air freight volumes were up 2%, sea freight (LCL) increased 26%, and land freight (LTL) jumped 21%, driven by growth in e-commerce and energy.

Gross Profit for the segment rose 7% YoY to AED 61 million, with a stable margin of 14%. While pricing pressure and competition remain industry-wide challenges, Aramex remains focused on operational efficiency and customer service.

Logistics and Supply Chain Solutions

In Thousands of UAE Dirhams	Q1 2025	Q1 2024	% Change (YoY)
Revenues	128,574	106,603	21%
Gross Profit	22,889	16,330	40%
Gross Profit Margin	18%	15%	

Logistics and Supply Chain Solutions delivered one of the strongest performances in Q1 2025. Revenue surged 21% YoY to AED 129 million, supported by higher warehouse utilization, new client contracts, and expanded capacity.

Gross Profit jumped 40% YoY to AED 23 million, with the margin improving to 18% in Q1 2025, up from 15% in Q1 2024. The segment continues to benefit from the nearshoring trend and Aramex's investment in scalable logistics infrastructure.

- 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, ensuring long-term positive change and community development. As part of our commitment to a sustainable future, we are dedicated to achieving Net-Zero emissions by 2050, aligning our efforts with global climate goals and integrating sustainable practices across our operations.

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

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