

## UAE Transportation – 1Q 2023

Softening of energy prices to benefit the sector

Sector Weighting:  
**MARKET WEIGHT**  
**Preview Note 1Q 2023**

We prefer Air Arabia over Aramex in the transportation sector due to its strong fundamentals and attractive valuation. Air Arabia trades at a 2023 EV/EBITDA multiple of 2.5x with a dividend yield of 7.5% as compared to Aramex's EV/EBITDA multiple of 7.4x and dividend yield of 3.4%. Air Arabia is expected to benefit from a further boost in travel demand as the current demand is still below pandemic levels in February 2023. Air Arabia's financial position remained robust with a net cash balance of AED 4.6 Bn, equivalent to 44.0% of total market capitalization. It generated a steady free cash flow worth AED 2.3 Bn in the last two years. Air Arabia reported a strong cash and bank balance of AED 4.7 Bn in 2022 as compared to AED 3.9 Bn in 2021.

Stock	TP	CMP	Gain	Rating	P/E <sup>1</sup>	EV/EBITDA <sup>1</sup>	Dividend Yield <sup>1</sup>
Air Arabia (AED)	2.75	2.14	<b>28.5%</b>	<b>BUY</b>	7.5	2.6	7.4%
Aramex (AED)	4.35	3.30	<b>31.8%</b>	<b>BUY</b>	21.9	7.4	3.4%

Source: FABS Estimate

<sup>1</sup>Data refers to FY2023

### Key Developments in the Transportation Sector

#### Rapid recovery expected in air travel

According to Dubai Tourism, Dubai welcomed 3.1 Mn tourists in the first two months of 2023, a 42% increase over the same period last year and it is almost equivalent to 3.14 Mn arrivals in 2019. The UAE's hospitality sector expanded rapidly in 1Q23, driven by a continued influx of tourists from three key source markets, namely India, Russia, and Oman. The increase in inbound travel also boosted the lower and mid-tier hospitality segments, which saw a surge in occupancy and increase in RevPAR (revenue per available room) in the first two months of 2023. According to IATA, air travel demand witnessed a strong start in 2023. The swift elimination of COVID-19 travel restrictions for Chinese domestic and international travel bodes well for the industry's sustained robust recovery from the pandemic throughout the year. Despite numerous economic and geopolitical concerns, travel demand is not significantly affected. In February 2023, global passenger demand increased in terms of revenue passenger kilometres (RPKs) by 55.5% YOY, which is still 15.1% lower than the pre-pandemic levels. The recent developments in the Asia Pacific region air transport market contributed to the global traffic recovery. International RPKs grew 89.7% YOY in February 2023 due to increase in passenger flow between Asia Pacific and the rest of the world. Domestic passenger traffic rose 25.2% and achieved 91.2% of February 2019 RPK. However, the Middle East's reliance on long-haul connectivity via its hubs is anticipated to slow down recovery with limited short-haul markets in the region.

#### Crude oil prices expected to decline in 2023

Crude oil price is forecasted to fall by roughly 24% in 2023 and another 5.8% in 2024, while nonfuel commodity prices are expected to remain relatively stable. The forecasts are also based on the assumption that global interest rates will remain higher for a longer period of time than projected. Globally, central banks continue to focus on bringing inflation in control by employing instruments to

ensure financial stability. This is expected to assist the transportation sector by lowering fuel prices and ensure financial stability.

### **KSA's aviation sector to witness growth supported by the launch of Riyadh Air**

Saudi Arabia's aviation market entered a new phase of rapid growth, aided by the rapid implementation of major country-wide projects as part of its Vision 2030, the liberalization of country entry requirements, and intensive media campaigns to transform perceptions of the kingdom. The rising travel demand is primarily supported by favorable demographics and the rising young population, which will support the aviation industry expansion. As a result, Saudi air transport market is expected to grow rapidly in the future. An expanding middle class and a strong demand for commercial air travel continue to make the Middle East a key market for global airlines and investors. Saudi Arabia aims to become a worldwide transportation hub with the inauguration of Riyadh Air. The Airline ordered Boeing 787-9 jets but the next aircraft order is likely to provide more insight into the airline's priorities.

### **Air Cargo showed signs of improvement in February 2023**

In February 2023, the global air cargo demand performance remained strong as compared to previous month. Cargo tonne-kilometers (CTKs) fell 7.5% YOY, a substantial improvement from the 14.9% annual fall recorded in January 2023 and 15.3% in December 2022. Global aviation cargo capacity as measured by available cargo tonne-kilometers (ACTKs) increased 8.6% YOY in February 2023. The increase in global air cargo capacity was mainly driven by the recovery of passenger aircraft belly-hold capacity in international markets which rose 57.0% YOY and reached 75.1% of pre-pandemic capacity in February 2023. Global new export order a key component of the manufacturing PMI and a leading indicator of export demand continued to grow in February 2023 driven by a growth in Chinese PMI. In January 2023, global trade of goods fell 1.5% YOY in January 2023 as compared to the decline of 3.3% in the previous month. Asia Pacific holds the largest air cargo market share followed by North America, Europe, Middle East, Latin America, and Africa. All regions recorded a decline in CTK as compared to previous month last year. Measured in terms of CTKs Europe recorded the highest decline falling 15.3% YOY, followed by a decline in Middle East of 8.1%, Asia Pacific 6.0%, Africa 3.4%, and North America 3.2%.

### **MENA region Inflation in the transportation and logistics sector**

The annual CPI Index in Dubai rose 0.3% MOM and 4.3% YOY in March 2023. The rate of inflation softened from 4.90% in February 2023 to 4.32% in March 2023 mainly due to the decline in cost of transportation which fell due to decline in oil prices. The transportation index registered a decline of 1.12% YOY in March 2023 as compared to a growth of 4.28% in February 2023. Moreover, the inflation in UAE is expected to decline from 4.8% in 2022 to 3.2% in 2023, owing to slower price increase in all categories, particularly transportation and food and beverages. Because of the global disinflation trend, imported inflation is estimated to be stable, and rents and wages are also expected to contribute moderately. Inflation is further expected to fall in 2024 to 2.8%, in line with the global trend. Furthermore, the Saudi Arabia's inflation rate also softened from 3.0% in February 2023 to 2.7% in March 2023 as food and transportation prices rose at a slower rate as compared to overall index. The monthly consumer price index (CPI) rose marginally 0.1% due to the decline in food inflation.

**E-Commerce to transform USD 308 Bn retail sector led by user experience**

According to research reports, the Business-to-Consumer (B2C) e-commerce market in the MENA region is expected to grow 12.58 % YOY to reach USD 116.8 Bn in 2023. According to Business Wire, the medium to the long-term future growth story of the B2C e-commerce market in the Middle East and Africa seems promising. B2C e-commerce is predicted to grow at a CAGR of 9.64% between 2023-2027. The region's B2C e-commerce gross merchandise value is expected to grow from USD 103.8 Bn in 2022 to USD 168.8 Bn by 2027.

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## 1Q23 Preview: Air Arabia

Robust travel demand and soft energy prices to boost profitability

CMP (AED): 2.14

Potential upside/(Downside) (%): **+28.5%**

12-m target price:

**AED 2.75**

Stock rating:

**BUY**

### 1Q23 Estimate

Air Arabia's (The Company/ AIRARABIA PJSC) net profit is expected to rise 7.6% YOY to AED 313 Mn in 1Q23 primarily due to an estimated increase in revenue, finance income, and other income partially offset by hike in direct cost, operating expenses and forecasted rise in finance costs due to higher benchmark rates. Air Arabia's revenue is anticipated to grow 16.1% YOY to AED 1,310 Mn in 1Q23. The company's direct costs are expected to increase 20.2% YOY to AED 943 Mn in 1Q23 from AED 784 Mn in 1Q22. Thus, gross profit is estimated to grow 6.5% YOY to AED 367 Mn in 1Q23. Selling and marketing expenses are forecasted to incline 36.5% YOY to AED 18 Mn in 1Q23. G&A expense is anticipated to increase 4.7% YOY to AED 51 Mn in 1Q23. Therefore, EBITDA is expected to decline 3.7% YOY to AED 414 Mn in 1Q23 whereas EBITDA Margin is expected to fall by 566 bps to 32.0%. The company's operating income is forecasted to increase 5.4% to AED 296 Mn in 1Q23 from AED 281 Mn in 1Q22. Finance income is expected to more than double from AED 15 Mn in 1Q22 to AED 33 Mn in 1Q23 and finance cost is estimated to incline 12.7% YOY to AED 31 Mn in 1Q23. Other income is anticipated to rise from AED 12 Mn in 1Q22 to AED 16 Mn in 1Q23.

### 2023 Forecast

Air Arabia's net profit is anticipated to rise 9.9% to AED 1,343 Mn in 2023 mainly due to estimated increase in revenue, finance income, and marginal decline in G&A expenses partially offset by hike in direct cost, selling and marketing expenses, forecasted rise in finance costs due to high-interest rates and decline in other income. Revenue is expected to grow 12.5% to AED 5,896 Mn in 2023 from AED 5,242 Mn in 2022. The company's direct costs are anticipated to rise 11.4% to AED 4,243 Mn in 2023. Thus, gross profit is forecasted to increase 15.5% to AED 1,653 Mn in 2023. Selling and marketing expense is estimated to increase significantly 12.6% to AED 77 Mn in 2023. G&A expense is forecasted to decline marginally 1.2% to AED 283 Mn in 2023. Thus, EBITDA is anticipated to increase 16.9% to AED 1,999 Mn in 2023 whereas, EBITDA Margin is expected to grow 129 bps to 33.9%. The company's operating income is expected to incline 20.1% to AED 1,293 Mn in 2023 from AED 1,077 Mn in 2022. Finance income is forecasted to rise 19.4% to AED 106 Mn in 2023, also finance cost is expected to increase 10.2% to AED 127 Mn in 2023. Other income is estimated to decline 47.8% to AED 70 Mn in 2023.

### 4Q22 Outturn

Air Arabia's revenue rose 7.0% YOY to AED 1,393 Mn in 4Q22 driven by a stable recovery in the aviation industry along with a healthy air travel demand. The Company flew 2.33 Mn passengers in 4Q22 as compared to 1.85 Mn passengers in 4Q21 whereas the load factor marginally increased to 82% in 4Q22, up from 81% in 4Q21. On the other hand, Air Arabia's direct cost rose 19.7% YOY to AED 964 Mn in 4Q22 mainly due to higher fuel prices and lower yield margins. Thus, gross profit declined 13.6% YOY to AED 429 Mn in 4Q22 with a gross profit margin of 30.8% in 4Q22 as compared to 38.1% in 4Q21. Furthermore, the Company's selling and marketing expenses rose 51.4% YOY to AED 21 Mn in 4Q22 whereas G&A expenses more than doubled from AED 43 Mn in 4Q21 to AED 112 Mn in 4Q22. As a result, operating profit declined 32.7% YOY to AED 296 Mn in 4Q22. The Company's finance income more than doubled to AED 33 Mn in 4Q22 as compared to AED 15 Mn in 4Q21 due to higher benchmark rates in the economy whereas finance cost declined 8.8% YOY to AED 31 Mn in 4Q22. Air Arabia's other income rose significantly to AED 66 Mn in 4Q22, up from AED 19 Mn in 4Q21 due to an increase in management fees from JVs and associates. In addition, the Company reported a loss of AED 9 Mn in 4Q22 as compared to a profit of AED 28 Mn in 4Q21 from equity-accounted

investments due to a decline in share of profit from Air Arabia Marco and losses from investment in JVs in Pakistan and Armenia. Thus, net profit declined 23.9% YOY to AED 355 Mn in 4Q22.

### Target price and rating

We maintain our BUY rating on Air Arabia with an unchanged target price of AED 2.75. The aviation sector witnessed a stable recovery in air travel demand in 2022. The total number of passengers flying Air Arabia almost doubled from 4.42 Mn in 2021 to 8.4 Mn in 2022. The Company witnessed a healthy growth in load factor to 80% in 2022 compared to 73% in 2021. Air Arabia added 24 new routes in 2022 from its strategic hubs across UAE, Egypt, Morocco, Armenia, and Pakistan. The Company also added 10 new aircraft in 2022 with a total fleet of 68 Airbus A320 and A321 as of December 2022. Moreover, Air Arabia ordered 120 Airbus A320 family aircraft which will be delivered at the beginning of 2024. The company's joint venture with Fly Arna began operations in 2022, with its base in Yerevan adding an additional five routes, while Fly Jinnah began operations in October 2022, expanding to four domestic destinations. Air Arabia also inked an agreement with DAL group to establish a JV called "Air Arabia Sudan" with a base in Khartoum. Fuel price hikes impacted the Company's net profit in 4Q22 and continue to be a threat to the airline. However, the Company's strategy to expand its fleet to the latest technology in the aviation industry will drive its profitability in the long term. Air Arabia's financial position remained robust with a net cash balance of AED 4.6 Bn equivalent to 44.0% of total market capitalization. It generated steady free cash flow worth AED 2.3 Bn in the last two years. Air Arabia reported a strong cash and bank balance of AED 4.7 Bn in 2022 as compared to AED 3.9 Bn in 2021. Similarly, Air Arabia generated AED 2.2 Bn in cash flow from operation as compared to AED 2.0 Bn in 2021. Thus, based on our analysis, we maintain our rating to BUY on the stock.

### Air Arabia – Relative Valuation

(at CMP)	2018	2019	2020	2021	2022	2023F
PE (X)	NA	10.1	-52.0	13.9	8.2	7.4
PB (X)	2.2	1.8	2.2	1.6	1.4	1.3
EV / EBITDA	8.2	5.1	17.9	4.9	3.2	2.5
Dividend yield (%)	NA	4.2%	NA	4.0%	7.0%	7.5%

FABS estimate & Co Data

### Air Arabia - P&L

AED mm	1Q22	4Q22	1Q23F	YOY Ch	QOQ Ch	2022	2023F	Change
Revenue	1,129	1,393	1,310	16.1%	-6.0%	5,242	5,896	12.5%
Direct costs	-784	-964	-943	20.2%	-2.2%	-3,810	-4,243	11.4%
<b>Gross profit</b>	<b>344</b>	<b>429</b>	<b>367</b>	<b>6.5%</b>	<b>-14.5%</b>	<b>1,432</b>	<b>1,653</b>	<b>15.5%</b>
Selling & Mkt expense	-13	-21	-18	36.5%	-14.1%	-68	-77	12.6%
G&A expenses	-50	-112	-52	4.7%	-53.2%	-286	-283	-1.2%
<b>EBITDA</b>	<b>435</b>	<b>459</b>	<b>419</b>	<b>-3.7%</b>	<b>-8.6%</b>	<b>1,710</b>	<b>1,999</b>	<b>16.9%</b>
<b>EBIT</b>	<b>281</b>	<b>296</b>	<b>296</b>	<b>5.4%</b>	<b>0.1%</b>	<b>1,077</b>	<b>1,293</b>	<b>20.1%</b>
Finance income	15	33	33	120.7%	-0.3%	89	106	19.4%
Finance costs	-28	-31	-31	12.7%	2.2%	-115	-127	10.2%
Other income	12	66	16	27.8%	-76.3%	136	71	-47.8%
Share of profit on JVs	11	-9	0	NM	NM	36	0	NM
<b>Profit before NCI</b>	<b>291</b>	<b>356</b>	<b>313</b>	<b>7.6%</b>	<b>-12.0%</b>	<b>1,222</b>	<b>1,343</b>	<b>9.9%</b>
Non-controlling int.	0	1	0	NM	NM	1	0	NM
<b>Profit to shareholders</b>	<b>291</b>	<b>355</b>	<b>313</b>	<b>7.6%</b>	<b>-11.9%</b>	<b>1,222</b>	<b>1,343</b>	<b>9.9%</b>

FABS estimate & Co Data

### Air Arabia - Margins

	1Q22	4Q22	1Q23F	YOY Ch	QOQ Ch	2022	2023F	Change
Gross Profit	30.5%	30.8%	28.0%	28	-278	27.3%	28.0%	72
EBITDA	38.6%	32.9%	32.0%	-566	-91	32.6%	33.9%	129
Operating Profit	24.9%	21.2%	22.6%	-366	138	20.5%	21.9%	139
Net Profit	25.8%	25.5%	23.9%	-28	-159	23.3%	22.8%	-53

FABS estimate & Co Data

## 1Q23 preview: Aramex PJSC

Improvement in core markets and cost containment measures will boost profit

CMP (AED): 3.30

Potential upside/(Downside) (%): **+31.8%**

12-m target price:

**AED 4.35**

Stock rating:

**BUY**

### 1Q23 Estimate

Aramex (The Company/ Aramex PJSC) net profit is expected to decline marginally by 2.3% YOY to AED 47 Mn in 1Q23 primarily due to an estimated increase in the cost of services, selling and marketing expenses, administrative expenses, the decline in other income, and rise in finance costs, partially offset by rise in revenue, decrease in impairments, and increase in finance income. Revenue is anticipated to rise 10.7% YOY to AED 1,605 Mn in 1Q23. The company's cost of services is expected to increase 8.9% YOY to AED 1,203 Mn in 1Q23 from AED 1,105 Mn in 1Q22. Thus, gross profit is estimated to rise 16.6% YOY to AED 401 Mn in 1Q23. Selling and marketing expenses are forecasted to grow 17.4% YOY to AED 69 Mn in 1Q23. G&A expenses are anticipated to increase 16.2% YOY to AED 249 Mn in 1Q23. Impairments are expected to decline from AED 5 Mn in 1Q22 to AED 4 Mn in 1Q23 from AED 5 Mn in 1Q22. Other income is anticipated to fall from AED 8 Mn in 1Q22 to AED 6 Mn in 1Q23. Therefore, EBITDA is expected to incline 13.4% YOY to AED 192 Mn in 1Q23 whereas, EBITDA Margin is expected to rise by 28 bps to 12.0% YOY. The company's operating profit is forecasted to rise 14.4% to AED 86 Mn in 1Q23 from AED 75 Mn in 1Q22. Finance income is expected to grow from AED 1 Mn in 1Q22 to AED 2 Mn in 1Q23. Finance cost is estimated to more than double from AED 13 Mn in 1Q22 to AED 31 Mn in 1Q23 due to higher benchmark rates.

### 2023 Forecast

Aramex's net profit is expected to incline significantly 35.0% to AED 223 Mn in 2023 primarily due to estimated rise in revenue coupled with slower rise in expenses as compared to top line partially offset by increase in the finance costs due to higher benchmark rates. Revenue is expected to rise 8.1% to AED 6,407 Mn in 2023. The company's cost of services is estimated to increase 5.3% to AED 4,742 Mn in 2023. Thus, gross profit is forecasted to rise 17.0% to AED 1666 Mn in 2023. Gross profit margin is anticipated to rise from 24.0% in 2021 to 26.0% in 2022. Selling and marketing expenses are estimated to grow 14.4% to AED 295 Mn in 2023. Administrative expenses are anticipated to incline 9.4% to AED 993 Mn in 2023. Other income is expected to fall from AED 2 Mn in 2022 to AED 1 Mn in 2023. EBITDA is estimated to grow 29.4% to AED 788 Mn in 2023 whereas, EBITDA Margin is expected to incline by 202 bps to 12.3% in 2023. Thus, operating profit is estimated to rise from AED 245 Mn in 2022 to AED 363 Mn in 2023. Finance income is expected to rise significantly from AED 5 Mn in 2022 to AED 13 Mn in 2023. Finance costs are anticipated to incline from AED 73 Mn in 2022 to AED 122 Mn in 2023 due to higher interest rates. As a result, profit before tax is anticipated to rise 40.7% to AED 263 Mn in 2023. Tax expenses is expected to rise from AED 26 Mn in 2022 to AED 39 Mn in 2023.

### 4Q22 Outturn

Aramex's total revenue decreased 4.8% YOY to AED 1,534 Mn in 4Q22. The decrease in revenue was due to decline in Express and Logistics Segment revenue partially offset by a growth in the Freight Forwarding segment. Cost of services fell faster than revenue declining 10.2% YOY to AED 1,153 Mn in 4Q22. Therefore, gross profit inclined 16.3% YOY to AED 381 Mn in 4Q22, with an increase in gross profit margin of 450 bps YOY from 20.3% in 4Q21 to 24.8% in 4Q22. Selling and marketing expenses rose 10.0% YOY to AED 72 Mn in 4Q22. While, administrative expenses rose 2.7% YOY to AED 246 Mn in 4Q22. Thus, operating profit declined 14.4% YOY to AED 56 Mn in 4Q22. Resultantly, EBITDA declined marginally from AED 150 Mn in 4Q21 to AED 149 Mn in 4Q22 with EBITDA margin of 9.7% in 4Q22. Net finance cost grew from AED 14 Mn in 4Q21 to AED 28 Mn in 4Q22 due to rising

interest rates. Share of results of joint ventures and associates increased to AED 1 Mn in 4Q22. Income tax expense declined from AED 1 Mn in 4Q21 to a reversal of AED 2 Mn in 4Q22 supporting the bottom line.

### Target price and rating

We maintain our 'BUY' rating on Aramex with a revised target price of AED 4.35. International Express business impacted due to lockdowns in China in 2022, however the revenue of the segment will benefit due to lifting of restrictions and robust growth in Shop and Ship business which will benefit from MyUs acquisition. Freight Forwarding business is expected to benefit from the expansion of air and sea charters and increase focus in the core markets of UAE and KSA. Logistics and supply chain benefitted from increased utilization of warehouses which stood at 85% in 2022. Aramex plans to double the warehousing space by 2027 to accommodate growth in the business. The Company margin is expected stabilize and improve further due to disciplined approach to cost management and efficiency measures undertaken by management despite inflationary cost pressure. Aramex further focuses to increasing its market share to reach a dominant position in key emerging markets. The Company earmarked AED 2.4 Bn in capital expenditure over the next five years for its organic growth plans. It plans to enter into M&A opportunities to enhance and build its scale. Recently Aramex completed its largest acquisition to date of MyUS supporting its parcel forwarding business, Shop n Ship. Aramex also focusses on direct customers, SMEs, and B2B business as well as high margin verticals going forward. Furthermore, the company's also have a strong balance sheet, adequate liquidity, which will further aid in its internal or external expansion through internal accruals. The Company proposed a dividend of 84.4% in 2022 and is trading at dividend yield of 3.4% based on 2023 forecasted financials. Hence based on our analysis we maintain our BUY rating on the stock.

### Aramex – Relative Valuation

(At CMP)	2018	2019	2020	2021	2022	2023F
PE (X)	9.80	9.71	18.10	21.40	29.17	21.94
PB (X)	2.01	1.85	1.80	1.81	1.93	1.88
EV / EBITDA (x)	5.79	5.14	5.95	6.57	8.75	7.10
Dividend yield (%)	5.0%	5.0%	3.9%	3.9%	2.9%	3.4%

FABS estimate and Co data

### Aramex - P&L

AED mm	1Q22	4Q22	1Q23F	YOY Ch	QOQ Ch	2022	2023F	Change
Rendering of Services	1,449	1,534	1,605	10.7%	4.6%	5,926	6407	8.1%
Cost of Services	-1,105	-1,153	-1,203	8.9%	4.3%	-4,502	-4742	5.3%
<b>Gross profit</b>	<b>344</b>	<b>381</b>	<b>401</b>	<b>16.6%</b>	<b>5.4%</b>	<b>1,424</b>	<b>1666</b>	<b>17.0%</b>
S&M Expenses	-59	-72	-69	17.4%	-3.5%	-258	-295	14.4%
Administrative Expenses	-214	-246	-249	16.2%	1.0%	-908	-993	9.4%
Net Impairment loss	-5	-2	-4	-11.5%	77.0%	-16	-16	0.0%
Other income, net	8	-5	6	-23.1%	NM	2	1	-49.8%
<b>Operating profit</b>	<b>75</b>	<b>56</b>	<b>86</b>	<b>14.4%</b>	<b>53.7%</b>	<b>245</b>	<b>363</b>	<b>48.0%</b>
<b>EBITDA</b>	<b>170</b>	<b>149</b>	<b>192</b>	<b>13.4%</b>	<b>29.0%</b>	<b>609</b>	<b>788</b>	<b>29.4%</b>
Finance Income	1	2	3	223.8%	47.6%	5	13	159.8%
Finance Costs	-13	-28	-31	138.3%	8.3%	-73	-122	68.2%
Share of results of JV & Asso	4	1	0	NA	NA	9	9	0.0%
<b>Profit before Income Tax</b>	<b>67</b>	<b>30</b>	<b>58</b>	<b>-12.4%</b>	<b>92.8%</b>	<b>187</b>	<b>263</b>	<b>40.7%</b>
Income Tax Expense	-20	2	-12	-40.5%	NM	-26	-39	53.7%
<b>Profit for the period</b>	<b>47</b>	<b>32</b>	<b>47</b>	<b>-0.6%</b>	<b>45.0%</b>	<b>161</b>	<b>223</b>	<b>38.7%</b>
Discontinued Ops	0	0	0	NM	NM	1	0	NM
Gain on sale of a subsidiary	1	1	0	NM	NM	4	0	NM
<b>Profit attributable</b>	<b>48</b>	<b>33</b>	<b>47</b>	<b>-2.3%</b>	<b>41.1%</b>	<b>165</b>	<b>223</b>	<b>35.0%</b>

FABS estimate & Co Data

**Aramex - Margins**

	<b>1Q22</b>	<b>4Q22</b>	<b>1Q23F</b>	<b>YOY Ch</b>	<b>QOQ Ch</b>	<b>2022</b>	<b>2023F</b>	<b>Change</b>
Gross Profit	23.7%	24.8%	25.0%	125	18	24.0%	26.0%	197
EBITDA	11.7%	9.7%	12.0%	28	227	10.3%	12.3%	202
Operating Profit	5.2%	3.6%	5.3%	17	171	4.1%	5.7%	153
Net Profit	3.3%	2.2%	2.9%	-39	75	2.8%	3.5%	69

*FABS estimate & Co Data*

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