



empowering and enabling global logistics

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WiseTech Global Digital Investor Day 2020

WiseTech Global's Digital Investor Day 2020 will be held today, 3 December 2020. The event will include presentations, panel sessions, product demonstrations and Q&A on WiseTech Global's product, approach to technology development and strategy.

The addresses by Founder and CEO, Richard White, and CFO, Andrew Cartledge, and the Investor Day briefing materials are attached.

The event will commence at 9.00am and can be accessed at [Digital Investor Day 2020](#)

An archive of the presentations and videos will be made available at WiseTech Global's Investor Centre at www.wisetechglobal.com/investors

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Authorised for release to ASX by David Rippon, Corporate Governance Executive and Company Secretary.

About WiseTech Global

WiseTech Global is a leading developer and provider of software solutions to the logistics execution industry globally. Our customers include over 17,000 of the world's logistics companies across 160 countries, including 42 of the top 50 global third-party logistics providers and 25 of the 25 largest global freight forwarders worldwide¹. Our flagship platform, CargoWise, forms an integral link in the global supply chain and executes over 60 billion data transactions annually.

Our mission is to change the world by creating breakthrough products that empower those that own, enable and operate the supply chains of the world. At WiseTech, we are relentless about innovation, adding over 3,900 product enhancements to our global platform in the past five years while bringing meaningful continual improvement to the world's supply chains. Our breakthrough software solutions are renowned for their powerful productivity, extensive functionality, comprehensive integration, deep compliance capabilities, and truly global reach.

For more information about WiseTech Global or CargoWise, please visit wisetechglobal.com and cargowise.com

Contact information

MEDIA	Marijana Okanovic	marijana.okanovic@wisetechglobal.com	+ 61 437 398 228
INVESTOR RELATIONS	Christina Nallaiah	investor.relations@wisetechglobal.com	

¹ Armstrong & Associates: Top 50 Global Third-Party Logistics Providers List, ranked by 2019 logistics gross revenue/turnover. Armstrong & Associates: Top 25 Global Freight Forwarders List, ranked by 2019 logistics gross revenue/turnover and freight forwarding volumes.

CEO INTRODUCTION

Good morning everyone and welcome to WiseTech's virtual Investor Session.

The purpose of today's session is to provide you with greater insight into how we see the opportunity that exists for WiseTech in terms of:

- the size of our total addressable market and its ongoing growth in the context of structural changes taking place;
- the competitive landscape, including the opportunity for WiseTech to increase its market penetration; and most importantly
- why WiseTech's strategic focus on *product, penetration, profitability and people* ideally positions us to be the logistics software solution of choice for the major players in the market.

We will share with you today, demos of our technology, and details of our R&D pipeline and provide you with an update on our acquisition integration process and our strategic priorities to deliver greater market penetration and growth.

Total addressable market

So, let's kick off with an overview of the size of the total addressable market and the structural changes that are taking place.

As you know, we operate in the global logistics service provider software market. Our CargoWise offering provides a cloud-based, supply chain and logistics execution software solution, that enables our customers to manage their involvement in logistics and the global supply chain in areas such as freight forwarding, customs clearance, tracking, warehousing, cross-border compliance and transport by air, sea, rail and road.

According to research firm Armstrong & Associates, the global logistics market is valued at approximately US\$9 trillion and expected to grow at approximately 5% p.a. through to 2023, reflecting increasing global trade flows. Gartner estimates transport and logistics IT expenditure in 2019 was valued at \$164 billion or approximately 2% of the total global logistics market.

The supply chain management IT segment

Looking more specifically at the supply chain execution segment, Gartner estimates this to be valued at US\$4.7 billion in 2019 with the broader supply chain software management IT segment valued at US\$15.2 billion. This is supported by Allied Market Research which estimates the global supply chain management market to be valued at US\$15.9 billion.

We have for some time spoken about growth in global logistics occurring at a time when structural change is also taking place.

Logistics service providers are facing a myriad of challenges including increasing supply chain complexity, greater regulation, compliance hurdles and cost pressures resulting in:

- a move to digitalisation or what we call "straight through digital processing" when you consider CargoWise One and CargoWise Neo;
- growing demand for an integrated global logistics technology solution; and
- further industry consolidation.

Acceleration of structural changes

Recent events such as Brexit, trade tensions and many others, are compounding the complexity of global logistics operations and dramatically increasing the volume, complexity and compliance requirements of import and export customs entries.

Formal requirements for international trade, including customs and border requirements have also been moving to whole of government electronic processing (called Trade Single Window) in recent years, a process that will continue to add complexity and data requirements for some time as each country implements the WCO single window model.

The structural changes we are seeing in response to this complexity, have accelerated as a result of COVID-19.

At the time of our full-year 2020 results announcement in August, I noted that when governments globally responded to COVID-19 with restrictions designed to contain the spread of infection, the complexity and risk for logistics service providers increased dramatically. At the same time, demand pressure intensified to get goods through as behavioural changes took place with much discretionary spend moving from services and leisure to being channelled to spend on goods, resulting in what we note is a 'goods-led recovery'. All these pressures have provided the impetus for many logistics providers to rethink their business models.

Once the initial impact of COVID-19 was dealt with, it became even more critical for logistics service providers to:

- remove legacy systems which rely on an aging core system surrounded by many small, glued-together third party systems with inherent cyber security risks and replace them with integrated digital solutions;
- focus on providing global capability and scale through industry consolidation; and
- move to implementing specific eCommerce processes as part of the core business model blended into their well-established bulk freight models.

This pressure has continued to increase, with growing demand for globally capable, highly productive, integrated logistics technology that is truly multi-modal and capable of rapid adaption to manage the changing global landscape. A demand that is perfectly matched to CargoWise.

Competitive landscape is fragmented

Despite the large size of the total addressable market, the competitive landscape is fragmented.

WiseTech competes with a range of companies that vary by market segment and geography.

In freight forwarding, WiseTech's largest opportunity remains replacing aging proprietary in-house systems, each built long ago by logistics service providers and supported by many small, glued-together country based third party systems, in order to comply with modern requirements that vary widely between countries, regions and modes of freight.

In customs and border compliance, in which we have a substantial foothold with CargoWise offering a truly global product architecture, our competitors tend to be domestic-based, providing regional or partial solutions.

As the software industry has evolved, in particular with SaaS and cloud-based delivery systems, and given the substantial requirements that apply to all providers, there has been a move away from self-developed, proprietary software solution development towards commercial software that provides economies of scale with development, upgrade and maintenance costs spread across many customers.

Complexity of the market

There is significant complexity in the global logistics market, which affects the competitive landscape. Sophisticated, truly integrated software takes time, and is complex and expensive, to develop. It requires significant knowledge of the global, regional and local environments and deep design, development and testing to achieve high levels of capability, robustness and reliability. It also requires regular updates to keep pace with the many concurrent changes that occur across each country and region and to best utilise the evolving capabilities of advanced hardware, operating systems and networks.

In addition, development capability in the form of attracting, retaining and training key talent and building specialist technology teams with embedded industry-knowledge, takes time and is very difficult to build and replicate. It requires a unique culture that cultivates innovation, creativity and 'out of the box' thinking and combines industry experience, product-led innovation and deep technology skillsets that can identify the opportunities for new approaches and solve pain points with enhanced productivity and many unique capabilities. It is something WiseTech has built over 25 years and continues to refine.

Other relevant factors include user familiarity, integration with business processes and the cost to customers of switching to a new technology solution provider – all of which create customer 'stickiness' over time. This is evidenced by CargoWise's low customer attrition rates of less than 1% p.a. over the past eight years.

Most importantly, customers value the network effect of having access to extensive datasets that are entered onto one platform but shared across multiple processes and departments at different stages of the supply chain. By not having to source and rekey data many times across these glued-together country based third party systems, customers have increased control and visibility enabling them to operate more efficiently, productively and cost effectively at a higher level of compliance and at a lower level of risk. Developing extensive trade datasets and live status feeds across many modes of freight is complex, difficult and time consuming and requires sourcing data from a large range of participants in the supply chain and global logistics sector. Again, this is something that WiseTech has built over many, many years and is deeply skilled in.

What differentiates WiseTech from its competitors

To understand WiseTech's competitive strength in the market and the vast opportunity for growth that we have, you need to understand our evolution and our customer value proposition.

As many of you know, I founded WiseTech in 1994 with Maree Isaacs, and small team of people including Brett and Ben, who are still with us today. At the time, we were writing code for core freight forwarding, customs and accounting functionality through a first generation solution with a focus on building a leading position in the Australian logistics service provider software market.

In 2002, we turned our attention to developing a features-rich software solution that could meet the needs of multi-region logistics service providers.

By 2004, we had developed our second generation global software solution – ediEnterprise. Having built and implemented in New Zealand and Singapore, we entered the US market in 2006 via an acquisition and later that year entered Europe organically, creating a true multi-region customer base with live customers and transactions that spanned across many trade lanes.

At this point, we reached a critical juncture in the evolution of WiseTech. Our competitors were offering custom-built, custom-designed products with high marginal costs and without the ability to re-use much of the custom developments across other customers and regions. We realised that to achieve our objective of becoming the global operating system for logistics we needed to make the difficult decision to focus on standardisation and globalisation rather than customisation and as such our entire offering needed to be rebuilt – this time with the deep modularity needed to enable global, end-to-end implementation.

I'm going to pause here because this was a critical decision that encapsulates the fundamental principle upon which WiseTech's culture and product design philosophy are built – slower today, faster forever.

'Slower today, faster forever'

It meant that WiseTech would forfeit short-term profit and instead commit to the slower, harder but substantially better route and began the journey that invested 2.5 million development hours across 14 years in standardising the thousands of global variations in freight forwarding across permutations such as countries, languages, trade lanes, transport modes, tax codifications, pricing, currencies, customs and international regulations, conventions, data models and product classifications.

Our focus was on incorporating all of these variables into a single integrated modular product that consolidates and integrates data and front and back-end processes and automates workflow, requiring data to be entered only once.

From 2008, we started to radically build on our global foundation, introducing Software as a Service and On-Demand licensing which allowed us to accelerate sales and further penetrate the market. By 2012, we released our own cloud-based capability, further enabling customers to access our software solution anywhere, anytime via Internet connected devices.

In 2014, we launched CargoWise One, the current generation of our software solution, which replaced our second generation ediEnterprise platform.

Our CargoWise value proposition to prospective customers was:

"If you're willing to invest time, money and effort in continually repeating a task, then let us invest time, money and effort in you no longer having to do it at all."

CargoWise was designed as a single, standardised product whose modular front and back-end can navigate complex tax codes, carrier schedules, bookings, freight rates and regional product classifications and can leverage its customer base, their insights, varied service offerings and data. Importantly, it meant that, unlike our competitors, we would not need to rebuild for every new service, tax regime, or currency that customers wanted to add.

This is an important differentiator of CargoWise vis-à-vis our peers and a characteristic of our offering that cannot be easily replicated. We have remained true to our commitment to standardisation rather than customisation and have not customised code for customers since 2008. Instead, we have learnt to 'productise' by addressing individual customer needs and delivering a solution that can be configured extensively by the customer and be used industry-wide without code changes.

This approach encapsulates our development philosophy of identifying the pain points in the logistics and supply chain cycle and developing long-term technology solutions rather than customer-specific, work arounds and quick-fixes that are not sustainable, maintainable or scalable.

The power of our CargoWise offering was demonstrated in 2016 when DHL, the world's biggest freight forwarder, moved from its SAP-based in-house development and signed up for a global rollout of CargoWise, the initial implementation of which is due to complete at the end of calendar 2020.

Having achieved this significant milestone, we started to think about expansion beyond freight forwarding into new adjacencies and geographies which would enable us to triple our total addressable market by offering customers the benefits of end-to-end integration.

As a result, we embarked on our IPO and ASX listing in 2016 which raised \$125 million to fund our expansion strategy.

Since then, we have completed a further two capital raisings and over 40 acquisitions which have delivered faster entry into new geographies, new adjacencies, relevant customer bases and additional skills in the form of specialist technology teams, as well as access to intellectual property that we are converging with our own technology to optimise our development pipeline and expand our geographic footprint.

Our targeted acquisition strategy has been deliberately aggressive to rapidly provide us with a unique footprint in the global market that would be very difficult to replicate. The strategy was never about acquiring revenue, it was about bringing in talented and knowledgeable people in new markets, accelerating our geographic expansion and solidifying WiseTech as a differentiated offering in the market.

We have always remained focused on the bigger picture of designing better solutions for industry pain points by creating a better product, at a lower cost on a larger scale and leveraging local expertise to give us a competitive edge in other geographies.

Over the past four years, we have:

- invested a further \$348 million in R&D and established 40 development centres;
- tripled our global workforce to around 2,000;
- expanded into new segments and established domain leadership in global logistics execution technology;
- signed up 42 of the top 50 global third party logistic providers as WiseTech customers as well as all of the top 25 global freight forwarders, with 23 of these using the CargoWise platform;
- developed an incredibly powerful dataset that facilitates customers' ability to plan, visualise and control global operations; and
- more than quadrupled our revenues.

Designing integrated solutions for industry pain points

Today, CargoWise provides a unique customer value proposition that differentiates it from competitors and positions us well to continue to grow our market penetration.

We offer customers a global application built on a single dataset with integrated modules that might otherwise be provided by gluing together many separate software applications and many vendors.

The CargoWise customer value proposition

Key competitive strengths of our CargoWise offering compared to other offerings in the market include:

1. integration within and across modules which means data is available immediately in other modules, thereby eliminating duplicate inputs and allowing real-time access across functions;
2. integration across geographies which means data is instantly available across regions and is translated across currencies and languages;
3. integration with other customers enabling logistics providers who interact with each other to benefit from improved productivity and greater operational visibility when they both operate on CargoWise – with data flowing through the one integrated system;
4. integration with other third party systems providing customers with flexibility to rollout CargoWise across their business enabling them to integrate with their other systems and other vendors' products as well as their customers' systems; and
5. integration with government systems such as customs, buyers security, tax, food, drug and other government agencies, allowing electronic processing, faster turn around and reduced rework.

From a customer's perspective, the benefits can be enormous. They achieve productivity gains; cost reductions; scalability and capability to expand into new geographies and services; and compliance and risk mitigation. Importantly, given that CargoWise is built using the philosophy of data defined configurability and workflows rather than customisation at the coding level, it facilitates faster rollout of enhancements and functionality. In FY20, for instance, we rolled out over 1,100 product enhancements that our customers easily accessed without requiring rewrites of customisations and proprietary functionality.

Also of note is the fact that CargoWise incorporates intelligent development features such as customer-definable automation and customer-definable reporting without the need for a software programmer.

These product characteristics are incredibly appealing to logistics service providers and make CargoWise unique and difficult to replicate. Importantly, as you will hear later, today, we remain relentless in continuing to invest in R&D and product innovation to ensure we remain at the forefront of the competitive landscape.

Size of the prize for WiseTech

Despite having over 17,000 customers including all 25 of the largest global freight forwarders, we are still in the very early stages of market penetration.

So, the opportunity for us is vast.

We have made significant progress in signing up global rollouts for freight forwarders with a dramatic ramp-up occurring more recently.

It took us a more than decade to sign up our first seven global rollouts for freight forwarders, but momentum has been gaining pace. In the past nine months we have signed six new customers committing to CargoWise global roll-outs, a much faster pace than ever before.

It is important to remember that new large customers take multiple years to rollout CargoWise across their global businesses – this is significant, because it points to the growth opportunity that we have in growing revenue amongst existing customers.

As these many global roll-outs progress, usage and transaction revenues continue to grow as customers progressively add new countries, adopt new modules and implement our productivity tools.

This is evident with our large logistics customers DHL Global Forwarding and DSV/Panalpina, both expanding and accelerating their global rollouts on CargoWise in FY20.

As of today, we have more than 20 large global freight forwarders, 11 of which are in the top 25, who have either completed their global rollout or are currently in the process of a global rollout on the CargoWise platform.

There is significant runway available in both the top 25 global freight forwarders, the top 200 global logistics providers and other international and domestic logistics segments. Initially, global rollouts were largely driven by our powerful freight forwarding product capability. Now, however, CargoWise also includes native customs in many countries, built on a global architecture, our new version 2 eCommerce platform, transit warehouse and contract warehouse modules.

Looking ahead, you will hear today about our progress in developing CargoWise Neo, which opens up a new customer segment to us and could dramatically increase our total addressable market.

Whilst, to date, CargoWise has focused on third party logistics providers, CargoWise Neo is designed for use by beneficial cargo owners – the large customers of 3PLs, such as large manufacturers.

The longer-term vision is to create a multi-sided, multi-participant network that has the potential to become a global operating system and logistics marketplace.

Capitalising on the strategic opportunity by focusing on the 3Ps

By expanding into product adjacencies including warehousing, eCommerce, road transport management software and to difficult customer basis via CargoWise Neo, not only could we significantly increase WiseTech's total addressable market, but we can also create substantial network effects and enhance our competitive position.

We can drive growth by:

- expanding our global platform through innovation;
- enabling and creating greater usage by existing customers;
- increasing the number of large global customers using the platform;
- stimulating network effects by creating an expanded multi-sided participant platform;
- and

- accelerating our market penetration and competitive edge by remaining attentive to strategic acquisition opportunities albeit at a less aggressive rate than we have adopted over the past four years.

You will hear shortly from the team who will talk to our focus on: Product, Penetration, Profitability and People – these are the core tenets of our business strategy and investment proposition.

Without further ado, let's start with a closer look at our product innovation and development.

CEO CLOSING ADDRESS

To wrap up the Investor Day, the key take-out I'd like to leave you with is that – our vision is unwavering – we are building a world-leading organisation, with a clear goal to empower and enable the world's supply chains.

Our "slower today, faster forever" and "productivity at the centre of everything" mantras have enabled us to create a unique customer value proposition. This culture and the platforms that it has spawned have been 25 years in the making and cannot be easily replicated.

There has never been a greater need for the end-to-end digitised, globally integrated logistics technology that CargoWise provides and the momentum we are gaining in signing up global rollouts is a testament to this.

Our opportunity for growth and continued market penetration is enormous and I can genuinely say that there has never been a more exciting time to be part of the WiseTech team and the WiseTech journey.

I look forward to touching base with you again at our half-year results announcement in February and thank you for your interest in WiseTech.

CFO ADDRESS

WiseTech's commercial model: driving sustainable revenue growth and enhancing profitability

Good morning, everybody. You have heard us talk today about WiseTech's total addressable market, what differentiates CargoWise from competitor offerings and our strategy to increase our market penetration.

I'd like to spend some time now talking about how all of this plays into WiseTech's commercial model and more specifically how it's designed to drive revenue growth and increase profitability.

Sources of revenue generation

Let's start with WiseTech's revenue generation. In short, we generate revenue growth from three sources:

- first, from existing customers who increase their usage (via increased transactions and users) on the CargoWise platform as they continue to roll out and grow, adopt new products and features and increase their demand for paid product enhancements
- second, from new customers that sign up to the CargoWise platform; and
- last, but not least, from our strategic acquisitions.

Revenue leverage fuelled by 'On-Demand' licensing

Given our core offering CargoWise is a SaaS cloud-hosted product, 72% of WiseTech's revenue is generated from On-Demand licensing. This typically involves customers paying monthly in arrears based on usage without any upfront licence fee.

This means we don't require customers to enter long-term contracts.

Customers can configure our platform to suit their specific needs and add further modules, users, locations and transactions, as they become more familiar with our product, without the need for any customisation, site visits, coding changes or additional sales contracts.

This enables us to streamline the sales and on-boarding process, reduce dependence on direct sales, lower our customer acquisition costs and drive customer adoption of our product, whilst at the same time, continuously releasing new features and enhancements which generate further revenue growth opportunities .

Evolution of the WiseTech Global licensing model

We use a Seat Plus Transaction licensing, or STL, model which we introduced in 2014 to coincide with the launch of CargoWise. All new CargoWise customers are signed up to our STL model and, in FY20, STL fees accounted for 94% of all CargoWise revenue.

Prior to 2014, we used a Module User Licence, or MUL model under which we charged a fee per user, per module, per month. We have been phasing out MUL billing by converting customers on to our STL model, with this transition effectively completed in FY20.

Under our STL model, customers pay a small fee per user and a fee for each transaction, which is generally aligned to the point of value creation for a customer.

The inclusion of a fee per transaction is an important and deliberate differentiator that provides greater revenue upside potential for our business.

STL revenue model based on a 'win-win' philosophy

So, let's take a closer look at how we derive that upside. The variables that drive our revenue growth under the STL model reflect the customer's journey from local solution to full global rollout and the productivity benefits and efficiency gains that our software delivers. This results in a 'win-win' model for WiseTech and its customers.

We typically see customers start regionally and expand globally, enabling WiseTech's revenue to grow as our customers expand their usage.

From a productivity perspective, even though fewer users may be required to handle the workflow due to the efficiencies that our software delivers, because we charge on a transaction basis, our revenues grow as customer transaction volumes grow.

STL and long-term revenue growth network effect

This then brings us to one of the most important features of our STL model – the network effect within the existing CargoWise customer base and the broader supply chain market.

Many of our STL customers represent significant embedded growth potential, as strong internal network effects drive organic adoption and increased usage over time, with minimal spending on sales and marketing required by WiseTech.

We leverage the strong internal networks within these customers so that they effectively act as CargoWise champions, promoting our software benefits both internally to other functional teams within their organisation and externally to other global supply chain participants.

The same network principle comes into play with customer counterparties. The interconnectedness and collaboration required throughout the global supply chain mean participants benefit from utilising common logistics service provider software. This facilitates our growth, as existing CargoWise customers encourage other logistics providers to adopt our platform as a way to reduce costs while increasing efficiency, productivity, accuracy, speed and visibility of information between the organisations and across the entire global supply chain.

The networking effect is further enhanced by industry consolidation and you heard Richard talk today about the fragmentation in the logistics provider sector and the structural changes which are gaining pace as a result of the COVID-19 pandemic. We're ideally placed to benefit from this industry consolidation given our strategic focus on the top 25 global freight forwarders and top 200 global logistics providers.

If you look at the freight forwarding sector as an example, whilst it is expected to continue to grow, consolidation has meant that CargoWise has been the beneficiary of a bigger share gain as our customers acquire other smaller players in the market.

If you look at DSV as an example, its early global rollout and company-wide use of CargoWise have facilitated its successful integration of two major, transformative acquisitions in the past five years, enabling it to realise synergy benefits from their integration. This is a testament to the scale and efficiency benefits that customers can realise by using the CargoWise platform – it enables them to seamlessly integrate acquisitions putting them in the driver's seat for further consolidation opportunities that arise as the industry continues to undergo structural change.

Revenue growth drivers

I'd like to pause here and talk about 'value versus price' as a driver of customer behaviour and decision making.

We've spoken extensively about the productivity gains, cost reductions and efficiencies that CargoWise is designed to deliver to our customers.

It enables them to manage highly complex, time-critical operations that are core to their business activities, hence our software becomes embedded in our customers' operational processes and we are able to achieve high levels of customer 'stickiness' with low levels of price sensitivity. This is an important competitive differentiator because it means once a customer is signed up, we don't have to continually participate in competitive tender processes for additional services and functionalities.

As a result our customer attrition rate is very low, at less than 1% p.a. for the past eight years resulting in a significant 'Life Time Value' for each of our CargoWise customers and users.

Another important feature of our On-Demand licensing is that it provides WiseTech with a high degree of revenue visibility.

97% of CargoWise revenue is recurring and 89% of our Group revenue is recurring, providing us with a stable, long-term and relatively predictable revenue stream.

Acquisition revenue and integration upside

Prior to our adoption of On-Demand licensing, we utilised a One-Time Licence model, which involved customers paying an upfront licence fee plus annual recurring maintenance fees.

Whilst WiseTech ceased offering One-Time Licences to new customers in 2012, many of our acquisition assets had One-Time Licence models. In FY20, 17% of our Group revenue was derived from One-Time Licence maintenance fees, which constitute recurring revenue. Another 11% of our revenue was derived from One-Time Licence and support services, which is non-recurring.

As part of our acquisition integration program, we are transitioning these businesses to our long-term growth STL model and expect revenues from these businesses to be flat or reduce as the transition takes place.

In parallel with this transition, we're removing the duplication of functions and are streamlining processes and teams that are part of our acquired businesses, to align them with the WiseTech business model. It should be noted that our acquired businesses generally have higher product and service support costs and lower leverage due to their smaller size and One-Time Licence model, which means they typically have lower gross profit margins and EBITDA margins than CargoWise. For each business we acquire, we expect the dilutive impact of their existing margins to reduce over time as they integrate with or convert onto the CargoWise platform.

We anticipate that our integration process will deliver net cost savings of \$10 million in FY21, after the impact of one-time costs and achieve a cost savings run-rate for FY22 of \$20-\$30 million. If you look at our FY21 guidance, this contributes to the 3-5 pts of EBITDA margin expansion versus FY20, on top of our already strong CargoWise EBITDA margin, which was 48% in FY20.

Global revenues – a natural FX hedge

I might pause here to highlight the fact that we are a global company with customers operating in 160 countries. 75% of our FY20 Group revenue was generated in currencies other than Australian dollars.

When you think about the foreign exchange position in our business, you should also consider natural hedges we have with both revenue and expenses denominated in local currencies, including recent acquisitions. FY20 revenues included a \$12.1 million FX benefit which was broadly in line with the \$10.0 million benefit we reported in FY19.

In FY21, we have included in our guidance \$20 million of revenue and \$9 million of EBITDA FX headwind versus FY20.

We do have hedging positions in place to cover part of our USD and EUR revenue exposure and when you look at our guidance for FY21, you should review the FX sensitivity analysis we included in our FY20 Results presentation and have provided again today in this presentation.

Enhancing profitability – managing the bottom line

In addition to our focus on top line revenue growth, our commercial model is also designed to ensure profitability is enhanced via an efficient operating structure.

There are three major categories of operating expense in our business:

- general & administration;
- sales & marketing; and
- product design & development.

Our G&A expense represented 20% of revenue in FY20 and include our M&A costs and the impact of acquired businesses which have their own G&A expense.

CargoWise itself, however, is intentionally designed to be a very efficient operating cost model. Our single standardised global architecture with online self-help training and channel partners to assist with integration, mean we avoid the costs associated with non-recurring on-site services, implementations and consulting.

A similar efficient approach is taken to sales and marketing.

Our STL model means a significant portion of our revenue growth is usage-driven, allowing us to generate significant growth without additional sales expenditure. This differs to a common competitor approach which requires more sales interaction and negotiation, site visits and additional licence sales to expand a customer's usage.

In terms of new customer acquisitions, whilst we do have a global sales team in our regional headquarters, our STL model and our ability to leverage the interconnectedness and network promotional effects mean that the sales cycle is shortened and we improve the efficiency of our direct sales activities.

As you heard earlier, our sales process typically does not require on-site visits for CargoWise product demonstrations – instead, we utilise virtual demonstrations conducted by our business development analysts. On-site visits, if required, are typically reserved for larger Delta-size customers. This low-touch sales process has helped maintain our sales and marketing expense at 13% of revenue in FY20 – a comparatively lower level than our SaaS peers.

As I mentioned earlier, we are focused on removing duplication, with significant cost savings ear-marked to be delivered in both FY21 and FY22 as this process takes place.

Driving revenue growth through continued investment in R&D

Whilst our commercial model is designed to enable low maintenance, marketing and sales cost, there is strong, ongoing investment in product design and development.

We're a technology company and the asset we build is software. Our competitive positioning and growth are heavily reliant on our ability to continue to innovate and provide technology solutions for the pain points in the constantly evolving global logistics and supply chain sectors.

Our R&D investment is high and is a key driver of our long-term recurring revenue growth. In FY20, 37% of revenue was reinvested in R&D – which is at the top end of other SaaS peer investment levels.

Our commercial model is based on the premise that, by continuing to increase R&D investment, our operating leverage will deliver long-term recurring revenue growth.

Over the past five years, we have invested \$438 million in R&D and our revenue has grown from \$103.3 million in FY16 to \$429.4 million in FY20, a CAGR of 43%.

In accordance with the requirements of the applicable Australian Accounting and International Financial Reporting Standards, we capitalise our investment in new, internally-developed, software components. For example, our investment in R&D relating to building out our global customs capability (including native customs builds in Asia, Europe and Latin America), international logistics and international eCommerce capabilities are capitalised.

Capitalised R&D accounts for between 40% and 50% of our total R&D investment each year and the remainder, which relates to bug fixes, maintenance and research is expensed.

Expenses compared to SaaS peers

This approach is consistent with other ASX-listed technology peers but is different to the treatment of R&D under US GAAP, which generally leads to lower average capitalisation rates – an important difference when you compare WiseTech to its US counterparts.

Robust cash flows

Before I wrap up, I'd like to talk briefly about our strong operating cash flows and the financial firepower we have to fund future growth initiatives. Over the past five years, WiseTech has delivered \$451 million of operating cash flow as well as \$398 million of EBITDA.

The ability of the business to generate such strong operating cash flows is a testament to the strength of our underlying commercial model and is indicative of the quality of our earnings.

Our closing cash balance at the end of FY20 was \$224 million and together with our undrawn \$190 million debt facility and \$200 million accordion, provides us with significant liquidity and the ability to continue to fund our long-term strategic growth.

High growth, low cost model means significant upside potential

The key take-out I'd like to leave you with today, is that WiseTech's commercial model is built on a solid financial foundation. We have a strong balance sheet, robust cash flows,

ample financial headroom to fund future growth initiatives and an efficient, low-cost operating structure designed to enhance profitability and drive future revenue and growth.

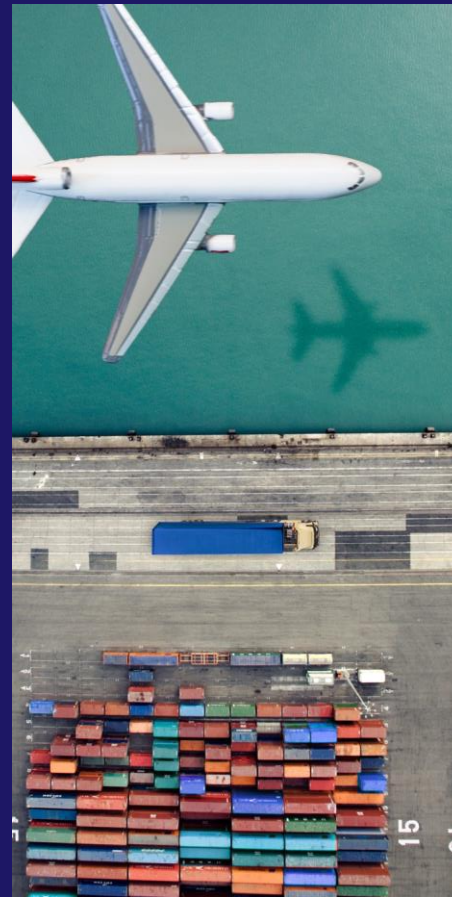
Our product, CargoWise, is a 'win-win' offering that aligns WiseTech's growth to customer productivity gains and usage expansion, resulting in extremely low customer attrition rates of less than 1%.

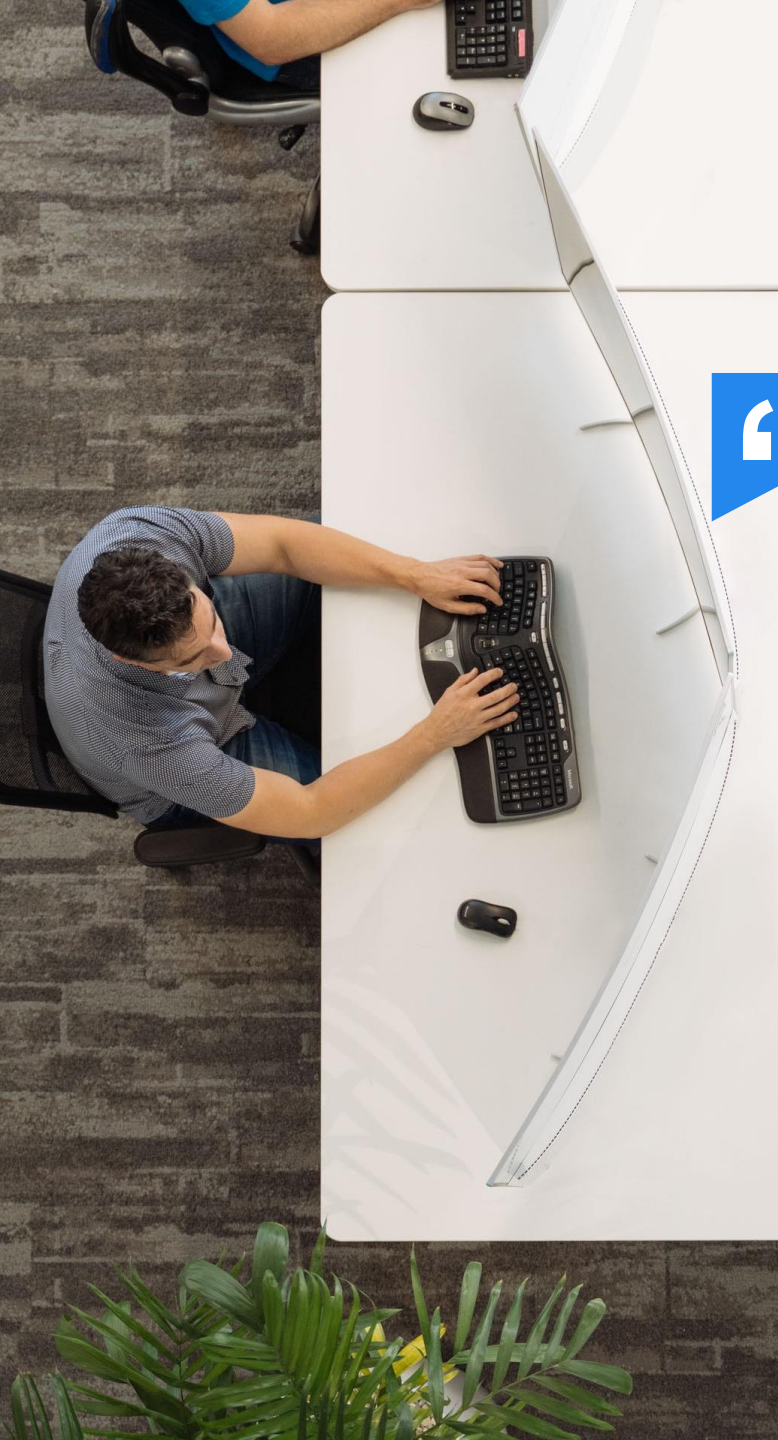
We have a product pipeline and R&D program that we believe will ensure we have a competitive edge and enable us to maintain our existing product leadership position. We're well placed to capitalise on the structural changes in the sector as customers shift from aged legacy in-house proprietary applications and have plenty of upside opportunity to continue to grow our revenues and improve margins and profitability through the centralisation of key functions and the continued focus on the CargoWise product suite.

Our focus is on continuing to differentiate our offering from competitors through relentless product innovation, which means we're not competing merely on price but rather with value add-based expertise' – which brings us to our people.

WiseTech Global Digital Investor Day

3 December 2020





Our innovations and global technology empower, enable and improve the world's supply chains.

We are a force for good, improving productivity, connectivity and resource usage across 160 countries worldwide.

Agenda

- 1 CEO introduction:** Strategic priorities – the focus is global 4
- 2 Product:** The state of innovation – current and future development 17
- 3 Penetration:** Capturing the globals – the customer experience and digital transformation 33
- 4 Profitability:** A commercial model that drives sustainable revenue growth and enhances profitability 62
- 5 Our people and culture:** The WiseTech Global Way 89
- 6 Q&A** 94
- 7 Closing remarks** 95
- 8 Appendices** 98



CEO introduction:

Strategic priorities – the focus is global



Richard White

Founder and Chief Executive Officer

Introduction



Total addressable
market



Competitive
landscape



Strategic focus



Product
demos



R&D pipeline



Integration
update



Commercial
model

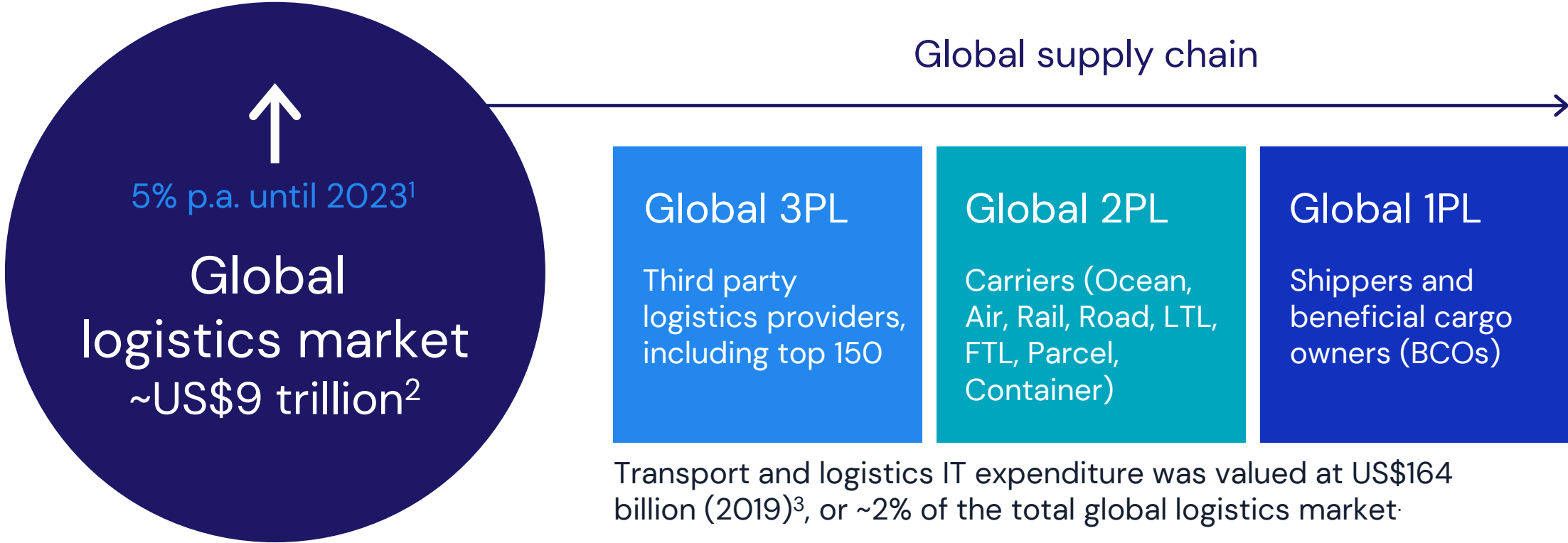


Meet WTC
team

Total addressable market

Global logistics

Global supply chain



The supply chain management IT segment

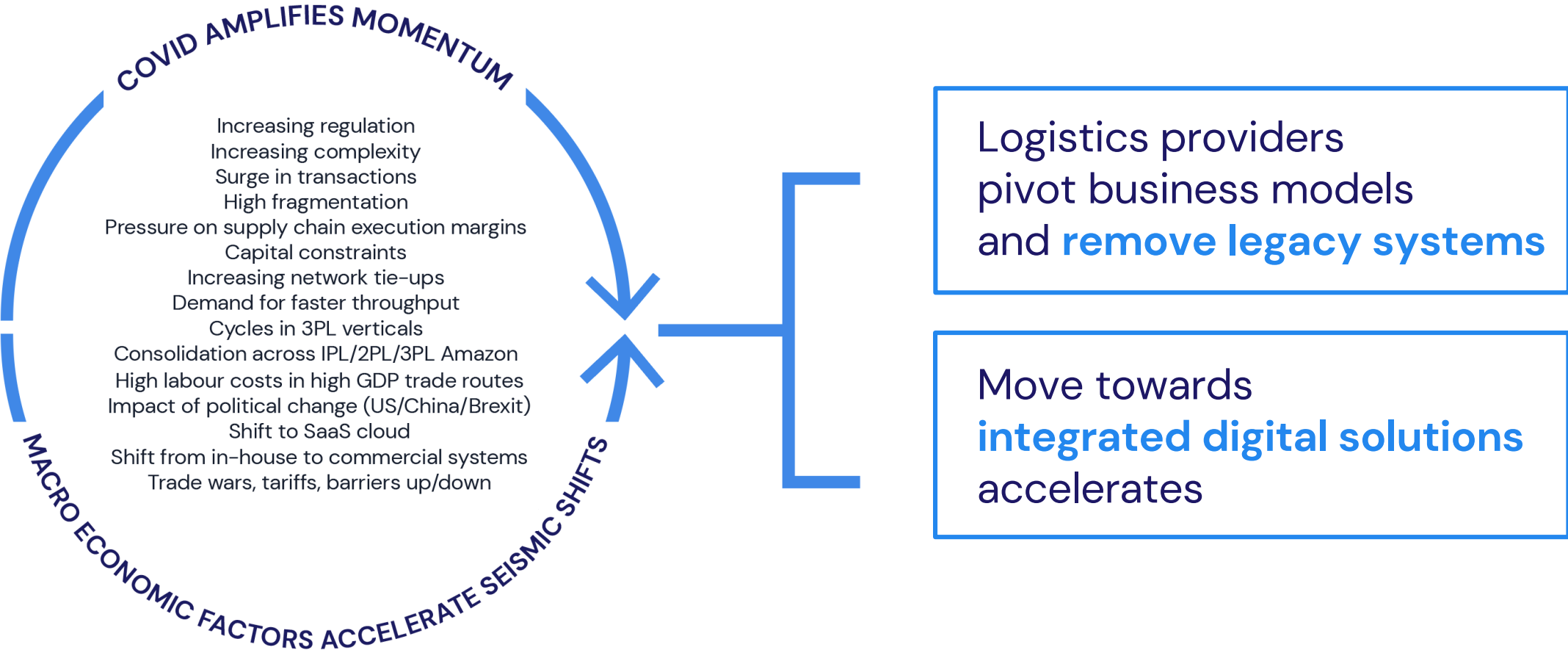


~7% WiseTech FY20 revenue as a % of segment³ **~2%**

1. Source: Gartner Supply Chain Software Execution, Worldwide, 2019
2. Source: Gartner Supply Chain Software Management, Worldwide, 2019
3. See Appendix 3 -Total Addressable Market

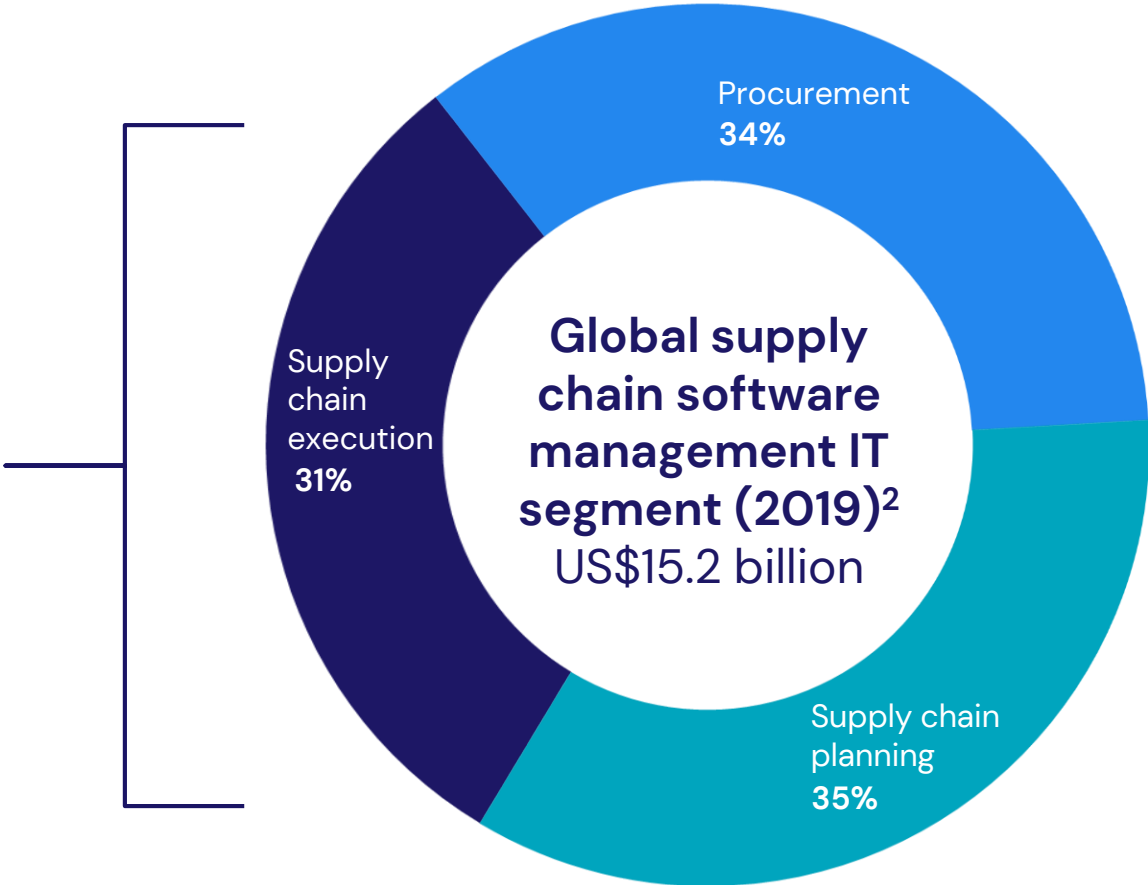
Acceleration of structural changes

Well positioned to transform the US\$9 trillion¹ global logistics market



Competitive landscape is fragmented

- Competitive landscape is fragmented
- Our largest opportunity remains replacing legacy systems
- WiseTech is in early stage penetration of the \$USD 4.7 billion¹ supply chain execution segment
- Native customs expertise delivering economies of scale to global customers
- Costs of development, upgrade and maintenance are spread across many customers



Further opportunity exists as WiseTech continues to build out its product suite (including NEO)

Complexity of the market



Truly integrated software is expensive, requiring significant testing and regular updates.



Software user familiarity and business integration create customer 'stickiness'.



Attracting talent and building specialist tech teams take time and are difficult to replicate.



Extensive datasets take time to develop and require sourcing from a range of participants.

What differentiates WiseTech from its competitors


Our evolution – product, penetration, profitability and people

Model development '94 – '03	Building global model '04 – '07	Global foundation '08 – '14	CargoWise and listing FY15 – FY17	Resources and foothold FY18 – FY20
PRODUCT <ul style="list-style-type: none"> – First generation solution 	<ul style="list-style-type: none"> – Launched ediEnterprise – focus on global & scalable capabilities – Start objective to become central integrated operative system for logistics service providers 	<ul style="list-style-type: none"> – Adopted cloud-based solution (2012) 	<ul style="list-style-type: none"> – CargoWise newly launched – single, standardised product leveraging customer base, insights and data – Invested \$120m in R&D – Added ~1,800 new features 	<ul style="list-style-type: none"> – Invested further \$348m in R&D – Launched global tracking – Established domain leadership in global logistics execution technology
PENETRATION <ul style="list-style-type: none"> – Building leading position in Australia logistics service provider software market – Acquired a number of small businesses to expand product capability and customer base 	<ul style="list-style-type: none"> – Rolled out product in North America, Southeast Asia and UK – Early penetration of global FFs 	<ul style="list-style-type: none"> – Transition to On-Demand licensing model, accelerating sales and building market share – Globalisation of customer base 	<ul style="list-style-type: none"> – Signed world's largest freight forwarder DHL Global Forwarding – Expansion strategy into new adjacencies and geographies (China, South Africa, Europe) 	<ul style="list-style-type: none"> – 34 acquisitions – new geographies, adjacencies, customer bases – 42 of the top 50 global 3PLs and 25 of top 25 global FFs customers – 15 global rollouts with worlds largest: e.g. DSV/Panalpina, Aramex
PROFITABILITY	<ul style="list-style-type: none"> – Raised capital to fund global expansion¹ 	<ul style="list-style-type: none"> – Transitioned to On-Demand licensing model (2008) 	<ul style="list-style-type: none"> – IPO and ASX listed WiseTech – Raised \$160m in capital – Moved to Seat Plus Transaction Licensing – Doubled revenues 	<ul style="list-style-type: none"> – Grew CargoWise EBITDA margin to 48% – Near doubled revenues
PEOPLE <ul style="list-style-type: none"> – Business Founded by Richard White and Maree Isaacs 		<ul style="list-style-type: none"> – Workforce grown to 275 employees (2014) 	<ul style="list-style-type: none"> – Grew global workforce by 75% – Established corporate infrastructure 	<ul style="list-style-type: none"> – Almost tripled global workforce to over 2,000 – 40 development centres in 23 countries

'Slower today, faster forever'

We committed ourselves to standardising the millions of global variations in freight forwarding across:

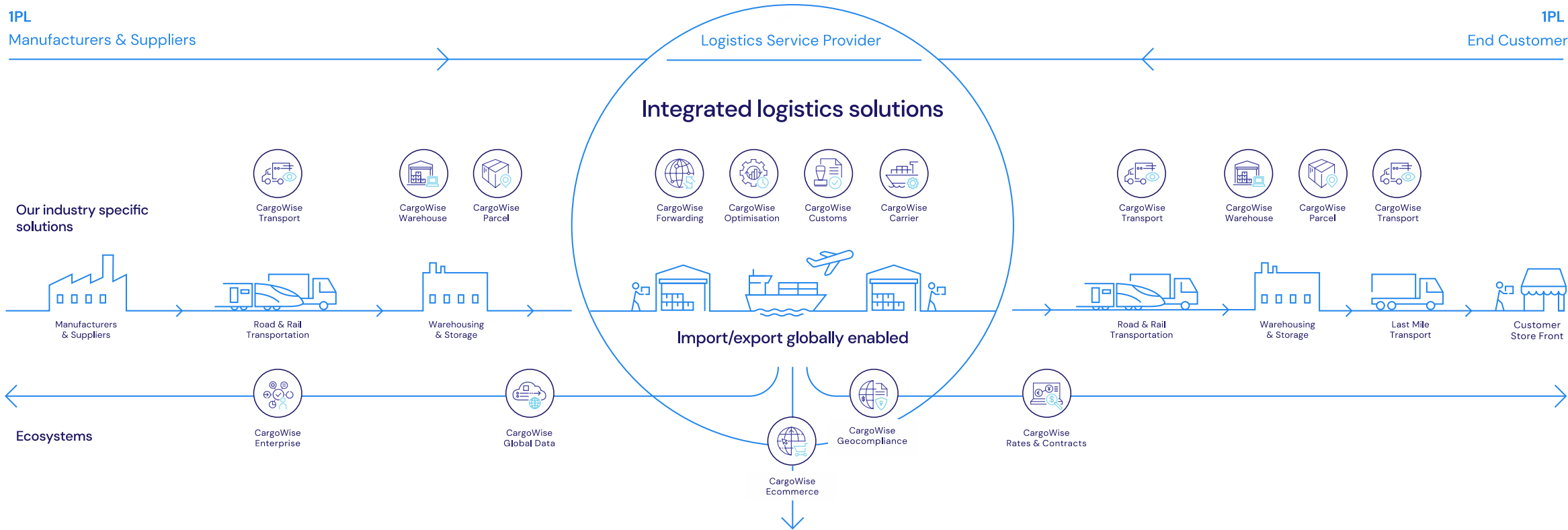
- Countries
- Languages
- Trade Lanes
- Transport Modes
- Tax Codifications
- Pricing
- Currencies
- Customs
- International Regulations
- Conventions
- Data Models
- Product Classifications



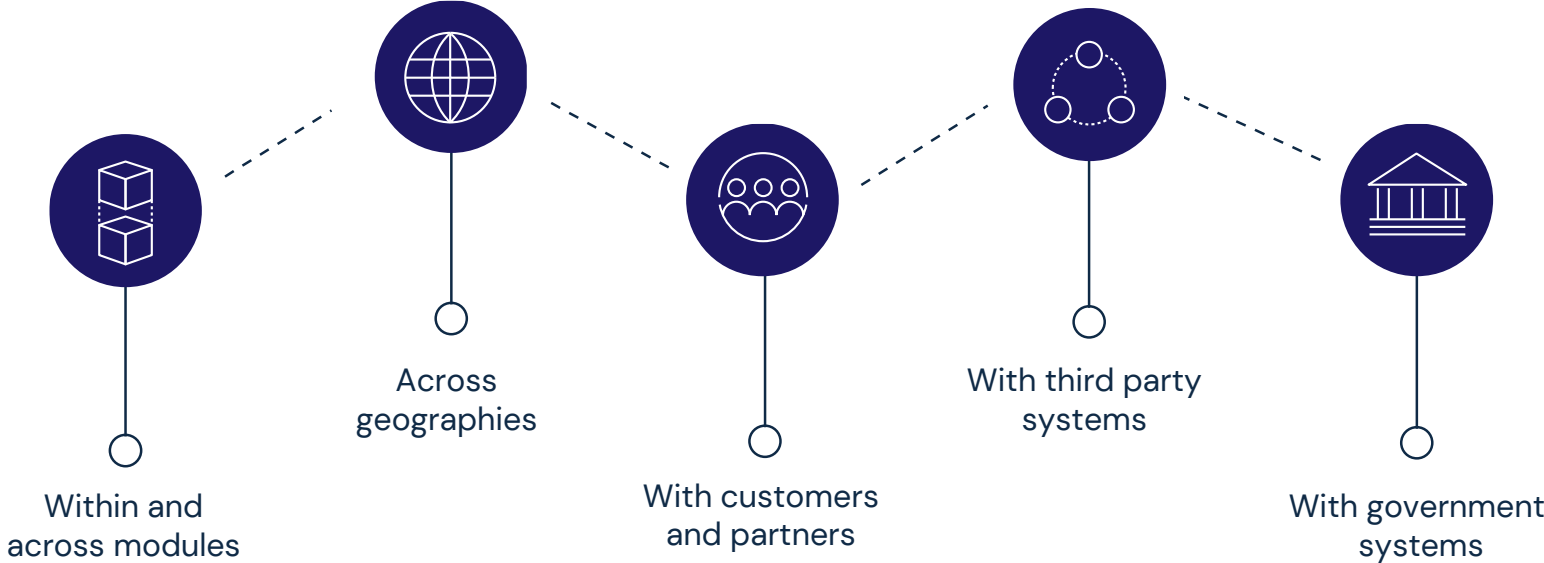
2.5 million
development
hours over
14 years

To build a **single integrated modular product** that consolidates and integrates data and back-end processes and automates workflow, requiring **data to be entered only once**.

Designing integrated solutions for industry pain points



The CargoWise customer value proposition



Pay for one system

- Universal price list
- Rewards for prepayment
- No upfront costs



Learn one system

- Thousands of learning resources
- Upskill through certification
- Easy onboarding



Set up one system

- Extensive configuration tools
- Pay for what you use
- Scale according to your volumes

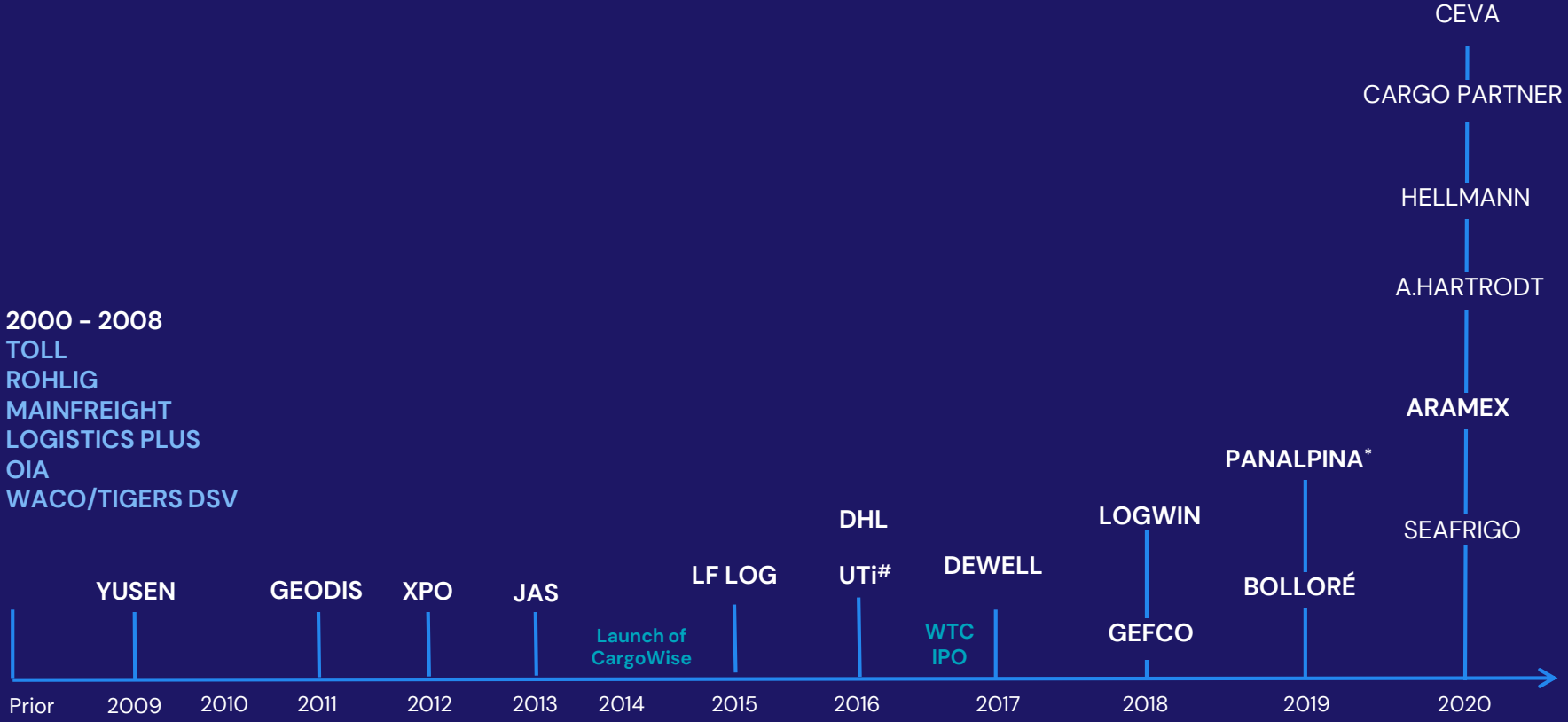


Enter data in one system

- No rekeying data
- Prepopulated fields
- Faster transactions

Size of the prize for WiseTech

Early stages of market penetration



Uti was acquired by DSV and rolled onto CargoWise from FY16
* Panalpina was acquired by DSV in August 2019 and DSV commenced moving major Panalpina operational activities onto CargoWise in FY20

Capitalising on the strategic opportunity by focusing on the 3Ps

Expand technology lead

Product

- Expanding global CargoWise platform through innovation
- Including accelerating key native customs and ecommerce projects
- Launch Neo

Expand market penetration

Penetration

- Enabling greater usage by existing customers
- Drive global rollouts – top 25 global freight forwarders and top 200 global logistics providers
- Stimulate internal and external network effects

Drive operational efficiency

Profitability

- Self-service portal
- Remove duplication in global operations
- Align product teams to key development resources (Sydney)

Product:

The state of innovation
– current and future
development



Product vision:

The future of innovation



Richard White
Founder and CEO



Mike Sverdlov
Chief Technology Officer,
US Development

CargoWise Neo is a global integrated platform for the consumers of logistics services

Freight forwarders
and logistics providers



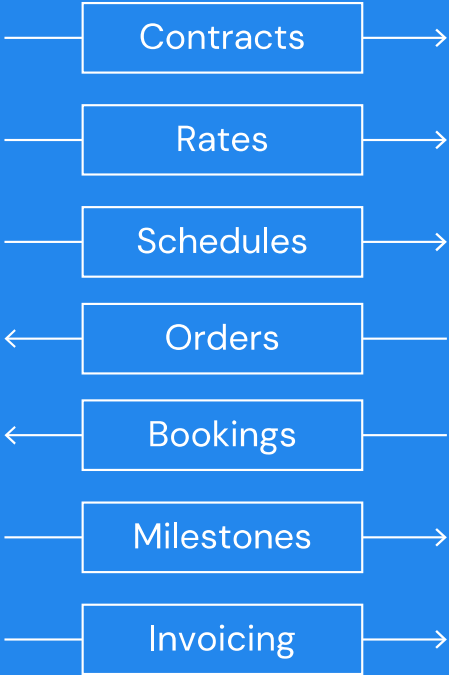
BCOs direct to
a carrier or carriers



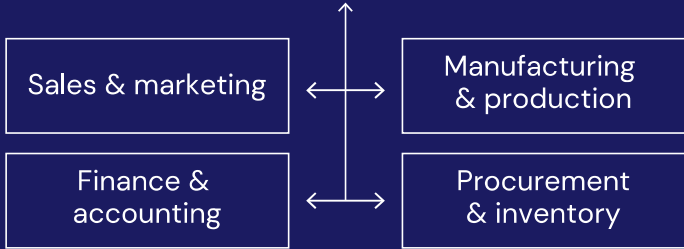
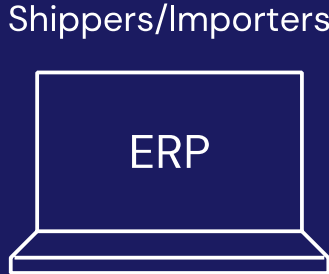
Designed to digitise, automate
and extend the market into this area

CargoWise Neo is the connector between logistics providers, importers, exporters and freight users

Providers of logistics services



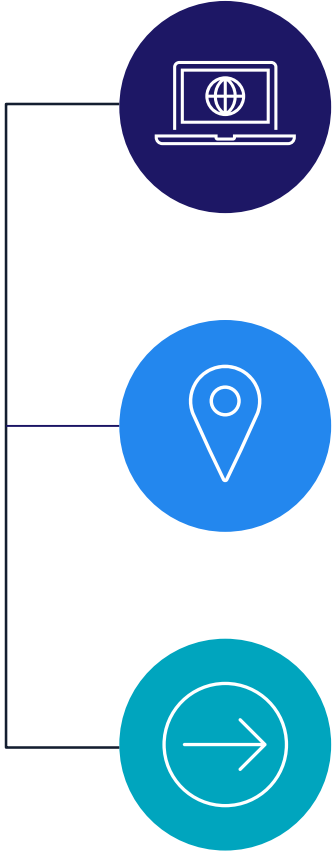
Consumers of logistics services



CargoWise Neo leverages CargoWise technology, our network foundation and global data sets



Beta phase testing



Dashboard – track jobs at a glance

- Shows the most recent jobs
- Combines forwarding shipments, declarations, purchase orders, and other job types
- Movement progress indicator
- Drill down to see tracking history

Integrated tracking

- Integrated with freight tracking for the near real-time view of sea and air shipments
- Available for shipments, declarations, containers, and purchase orders
- Overall shipment location map and other modes on the roadmap
- Includes container-centric view with events coming via global container tracking

Streamlined bookings and quotes

- Wizard user interface with pre-populated defaults and quick access buttons
- Book by packing, mode and from recent consignments
- Integrated with CargoWise One auto-rating
- Rate shopping functionality on the roadmap

Product development:

The state of innovation and development



Brett Shearer
Chief Technology Officer



Igor Malin
Data Scientist



Angela Gadaev
Product Portfolio Manager,
International Logistics

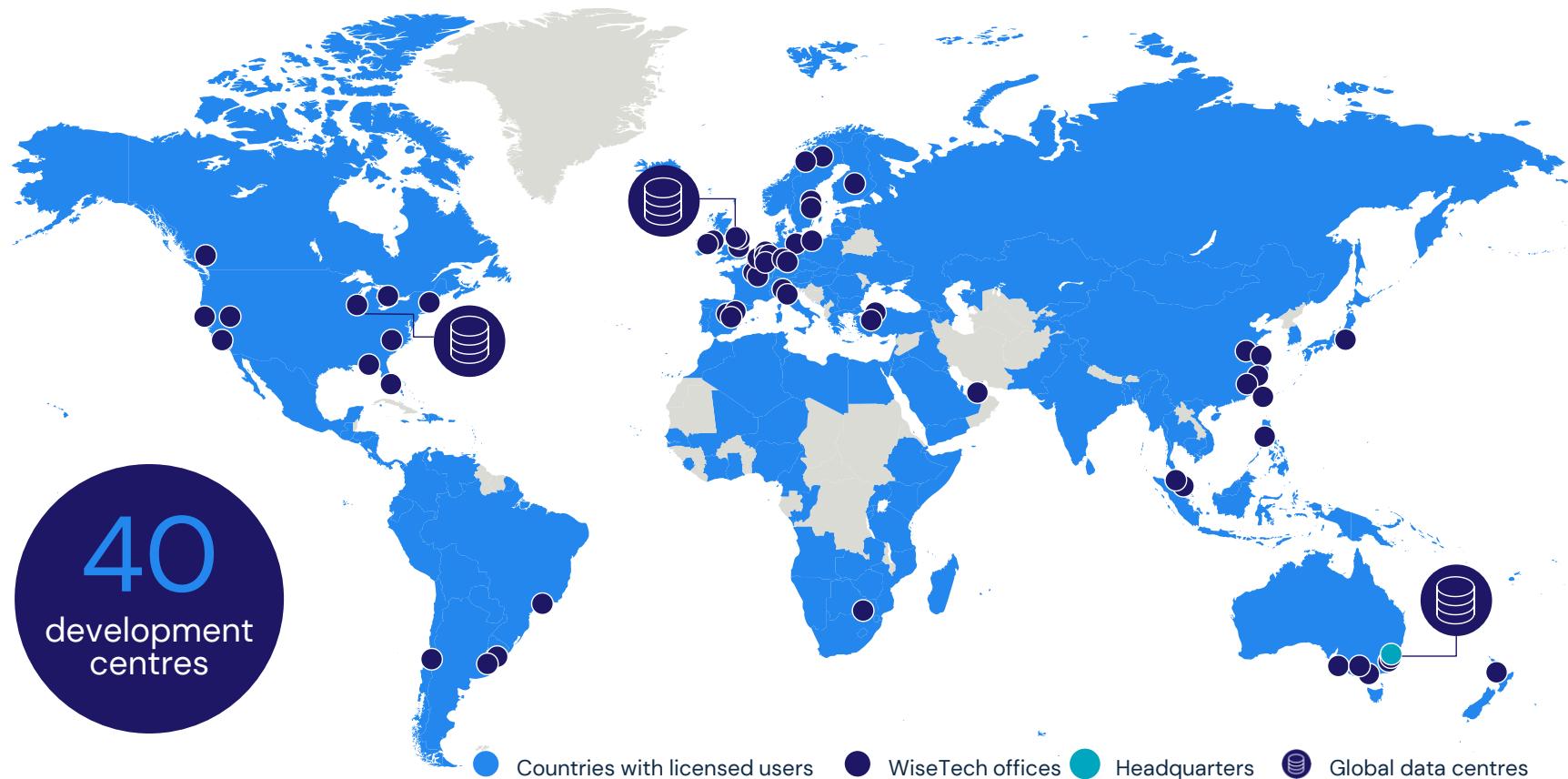


Glenn Lawson
Customs Product Manager



Stephen Dascoli
International Ecommerce
Product Manager

We invest relentlessly in product development and are united in our vision to create the operating system for global logistics



51%

employees focus on product development

1,100

product upgrades and enhancements in FY20

>861,000

unit tests executed every 45 minutes

4.6+ million

development hours as of FY20

Our innovation pathway ensures rapid application development at high quality with efficient resource use

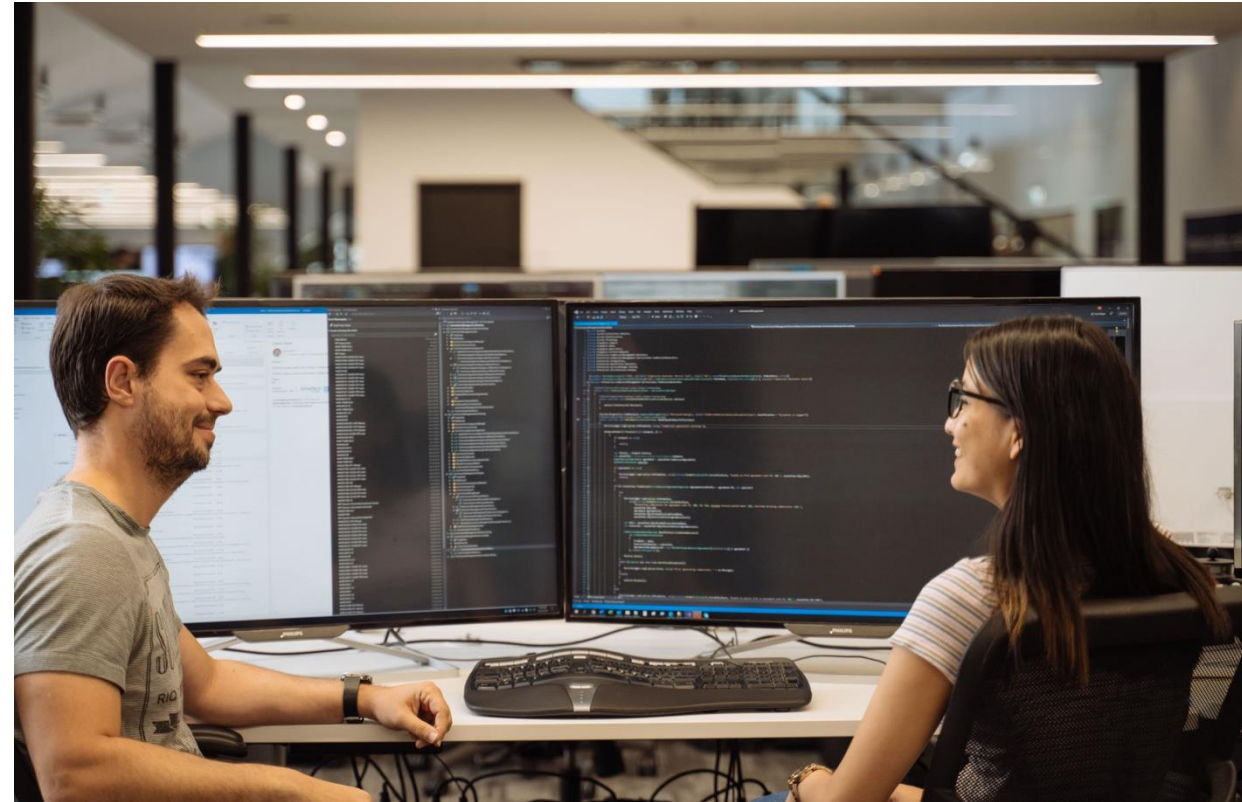
We look for the root cause of our customers' problem and solve for that pain point.

PAVE | Productivity Acceleration Visualisation Engine

- Manage global development teams
- Eliminate high defect rates
- Reconfigure global development activities with speed and agility

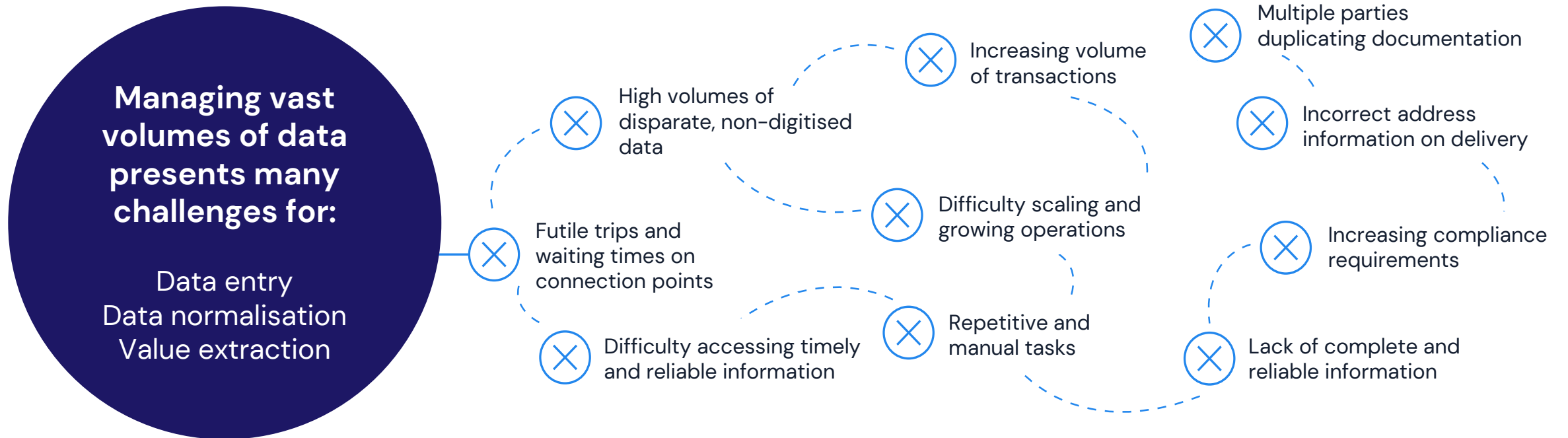
GLOW | Global Logistics On the Web

- Reduce the need for coding by software developers
- Product managers can also build software
- Can be deployed to any device or operating system



The challenge

Logistics providers cannot make accurate decisions with incorrect or incomplete data



Our solution

Data availability, speed, accuracy and quality for all parties involved

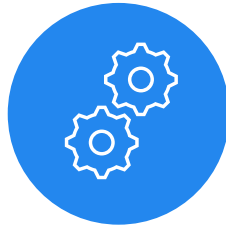
Data entry



1 Eliminate

Manual data entry
Incorrect data
Paper-based documentation

Data normalisation



2 Automate

Data validation
Deduplication of data
Data cleansing

Value extraction



3 Optimise

Shipment movement
Customs clearance
Process automation

✓ Search and relevancy

✓ Decision support

✓ Data analytics and industry insights

✓ Predictive modelling

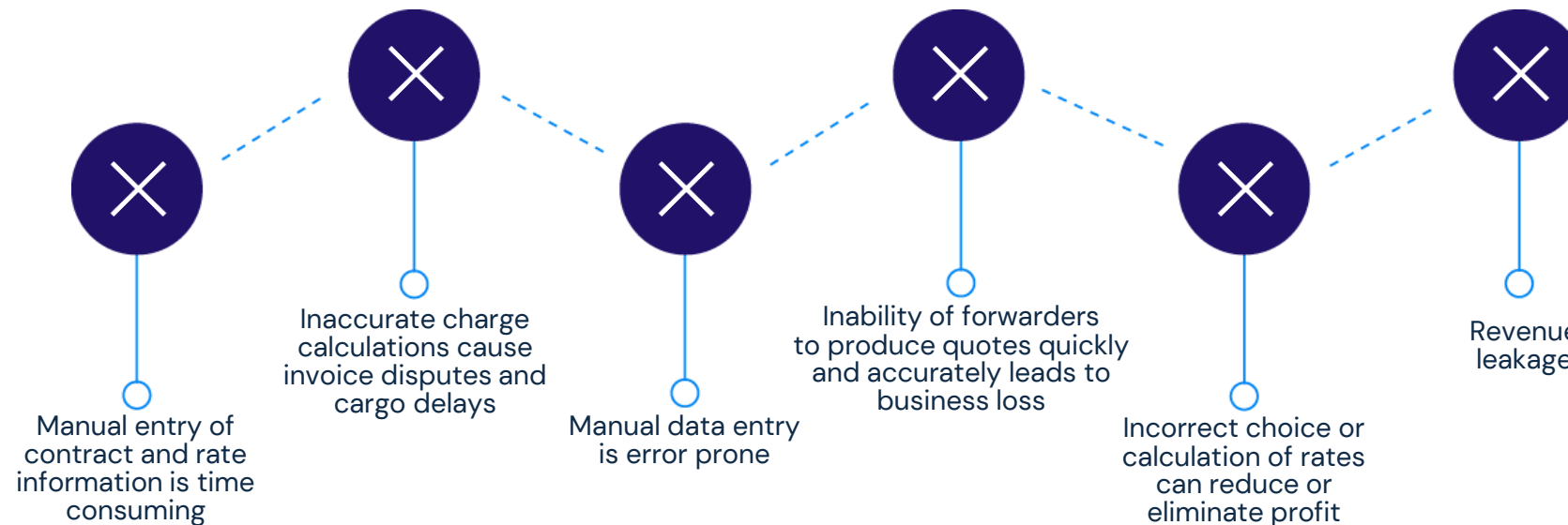
The challenge

Manually searching for rates, tariffs and other charges is time consuming, error prone and costly

CHALLENGES

- Costs are collected and compared from hundreds of service providers and carriers
- Price lists are complex and not standardised
- 1,000+ potential surcharges and discounts
- Surcharges and discounts frequently change
- Manual distribution methods to customers
- Rapidly growing spot market
- Different basis for charges (per weight, per day, per shipment, pivot rate, etc.)
- Coding of charge types different per carrier and customer
- Extremely complex sell rates calculations, based on already complex costs, additional services and a portion of a shipment within consolidated cost
- Tight margins

RISKS



Our solution

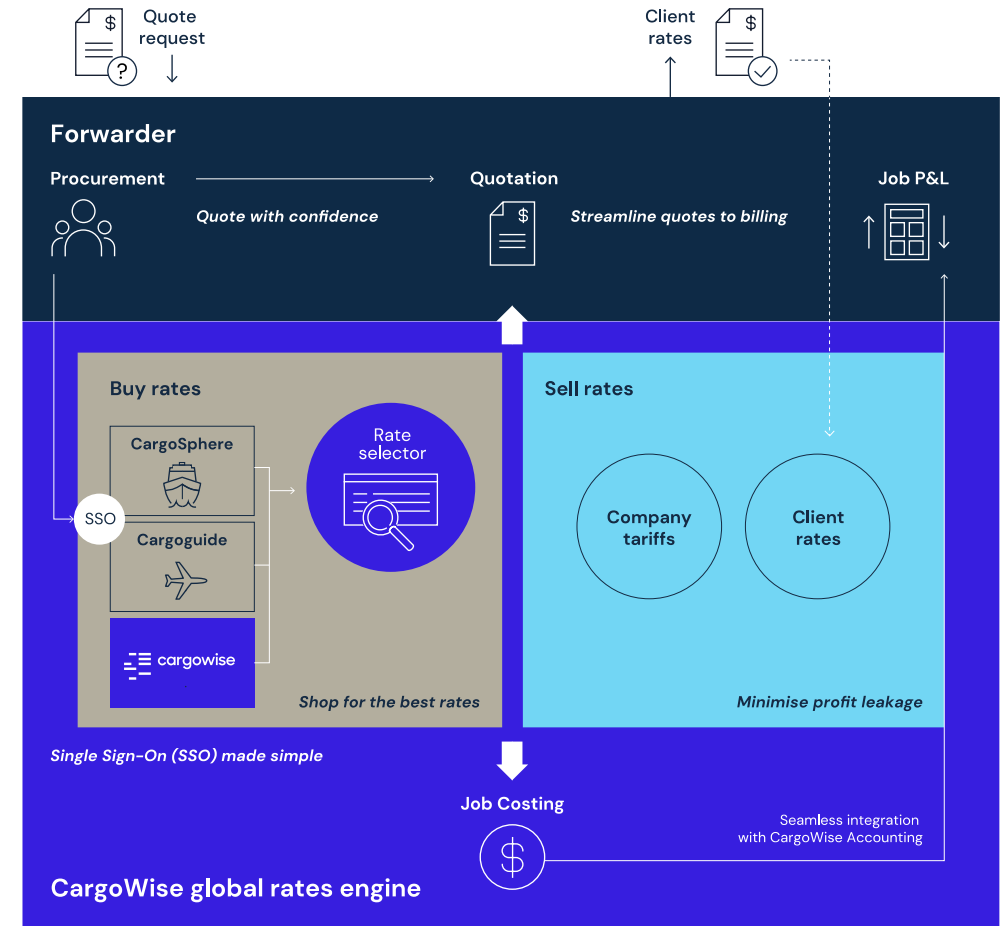
A global rates engine to aggregate, standardise and normalise rates across providers and modes

Features available now:

- ✓ Global data set of buy and sell rates
- ✓ Auto-costing and auto-rating instantly search and apply buy and sell rates to shipments
- ✓ Real-time, automated rates with a direct electronic feed from carriers
- ✓ Configurable calculation strategies to build fast and accurate quotes
- ✓ Ability to immediately convert quotes into a set of client rates
- ✓ Single Sign-On to CargoSphere and Cargoguide

Features in development:

- ✓ Spot rates and instant bookings with ocean and air carriers
- ✓ Provide rate back to carrier with booking and shipping instruction
- ✓ Rate and capacity allocation management
- ✓ Profit and loss simulation



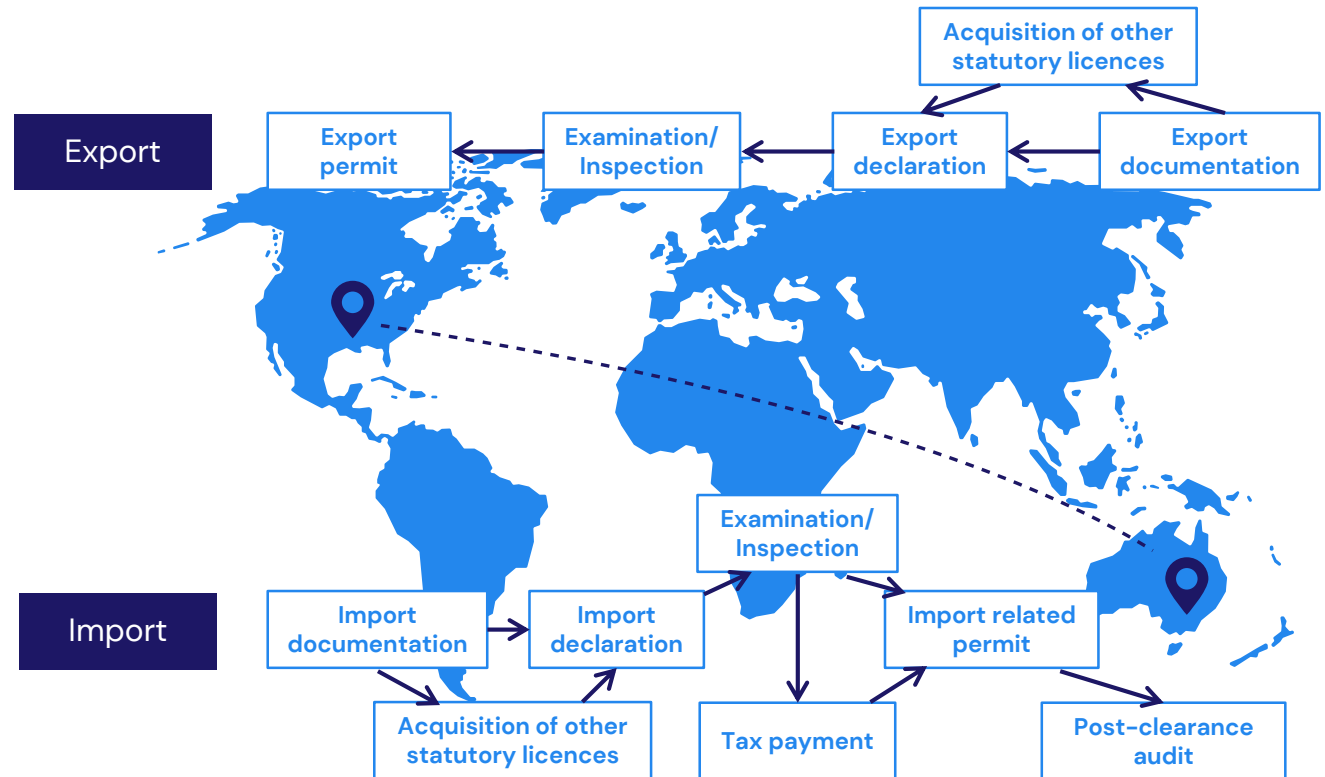
The challenge

Growing complexity in world trade continues to put pressure on global supply chains

The customs compliance landscape is difficult to navigate.

- Local law and regulations
- Licence requirements
- Local goods classification
- Free trade agreements
- Domestic policies
- Tariffs and duties
- Embargos, restricted parties and sanctions
- Customs entries and declarations
- Trade laws and foreign policy

Seamless import and export require vast amounts of documentation, involving multiple parties and message types.



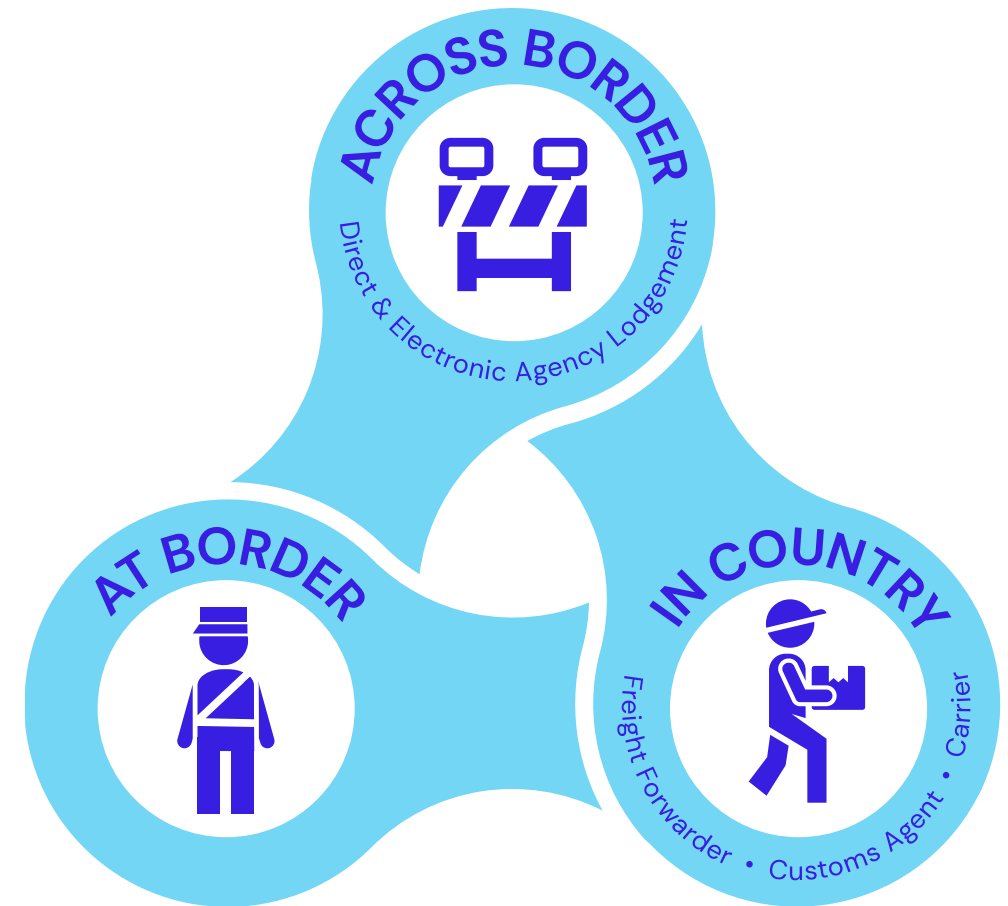
Our solution

One system to create, manage and clear import and export customs declarations in 30 countries

- ✓ Mitigate regulatory risk, reduce spend and streamline import clearances
- ✓ Simplify export processes, safeguard against regulatory exposure and avoid hidden costs
- ✓ Automate data entry and transfer to drive accuracy and productivity while minimising delays and disruptions
- ✓ Correctly classify goods and meet regulatory requirements with comprehensive customs reference material

We are building the world's integrated customs platform, designed to cover ~90% of manufactured trade flows.

With each cross-border acquisition, we integrate and fully embed it into CargoWise.



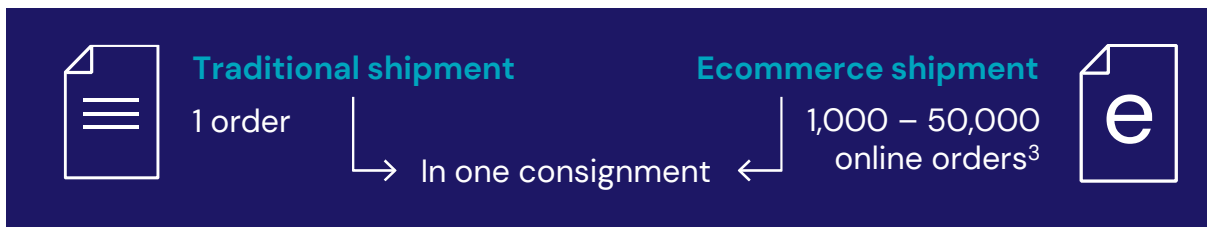
The challenge

The rise of ecommerce has significantly increased the demand for logistics services

The B2B ecommerce market is growing

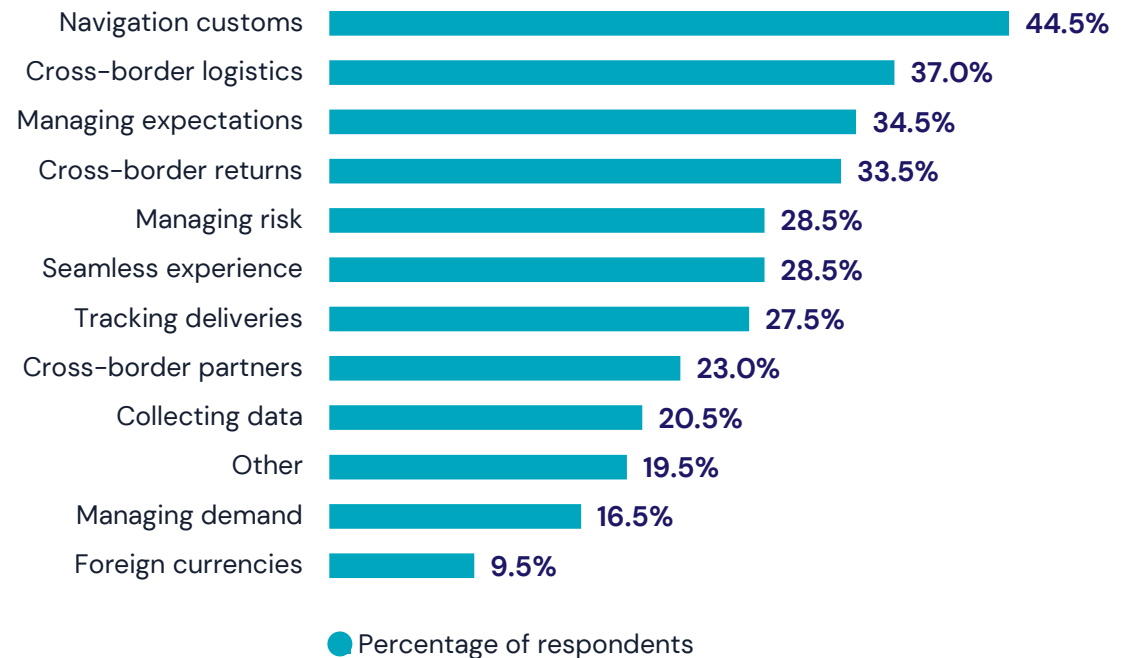


Ecommerce shipments are managing unprecedented volumes



International ecommerce is critical to growth

What challenges do you face with your cross-border ecommerce (other than cost)?¹



Our solution

A single platform for the entire international ecommerce fulfilment supply chain

An integrated information flow from origin to destination

- ✓ Manage customs declarations
- ✓ Automate orders, consignments and shipper manifests
- ✓ Manage international consignments
- ✓ Comply with global customs declaration rules
- ✓ Electronic information exchange
- ✓ Deep CargoWise integrations
 - shipping
 - final mile delivery
 - customs
 - full track and trace
 - international freight forwarding, parcel
- ✓ Web enabled via GLOW
- ✓ View key milestones as they occur



Penetration:

Capturing the globals
– the customer experience
and digital transformation



Capturing globals:

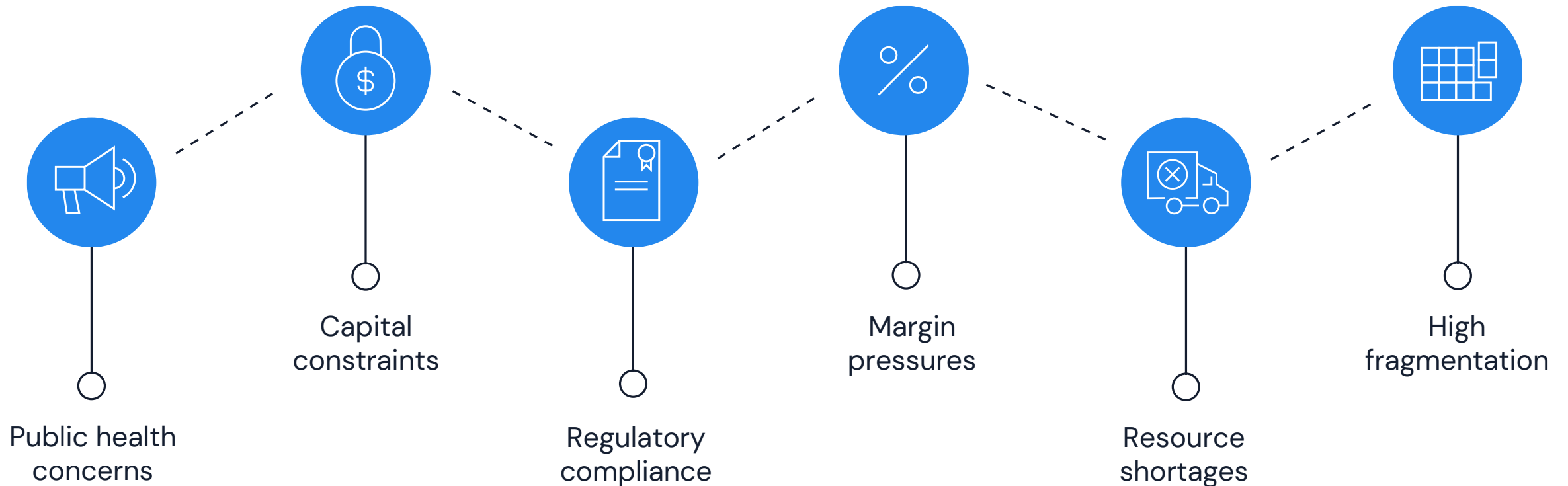
The Delta salesforce



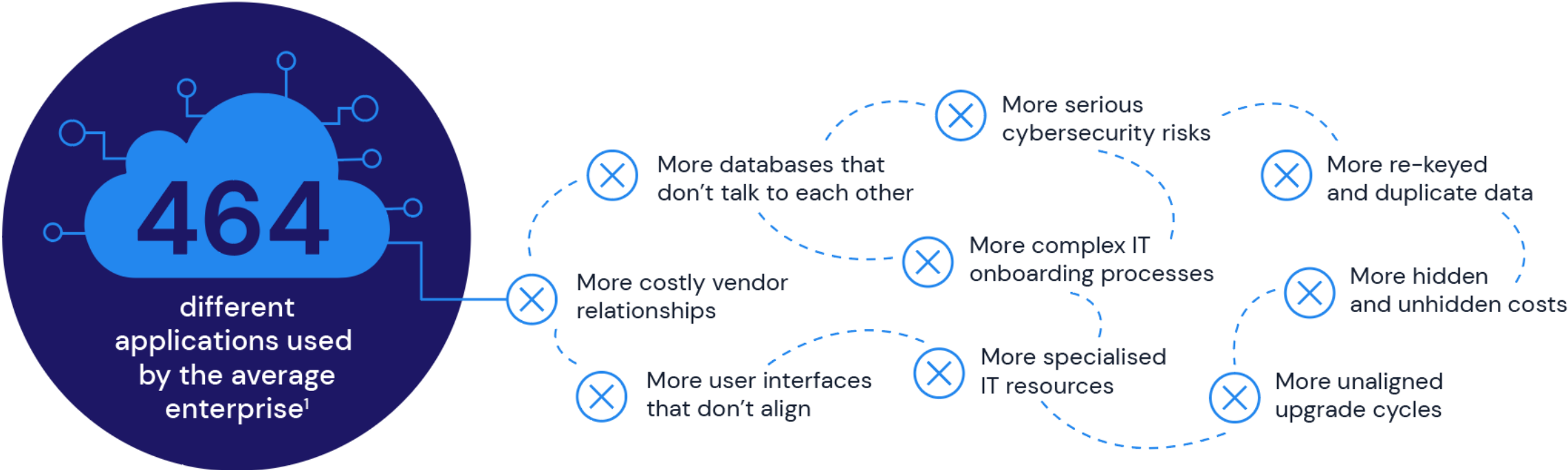
Gene Gander

General Manager, Global Sales

The logistics industry is under immense pressure to do more with less, while moving more for less



Customers cannot innovate if they are reliant on disparate, costly or unsecure systems



Our customers: third party logistics providers

42 of the top 50 third party logistics providers¹ and 30 use CargoWise

Our global platform is available across 160 countries worldwide



Our customers: global freight forwarders

25 of the top 25 global freight forwarders¹ use our solutions across 160 countries worldwide and 23 use CargoWise



“Transcending the challenges in global logistics sustainably and further developing the service quality for our customers, requires a global integrated platform that can provide end-to-end logistics execution.”

[Hellmann Worldwide Logistics²](#)

“We were looking for an enterprise-class type of solution that can help us become a global player.”

[Yusen Logistics³](#)

“We have chosen the CargoWise single platform solution which fully responds to our needs and ambitions. This new tool will gradually replace all of our existing TMS software.”

[Bolloré Logistics⁴](#)

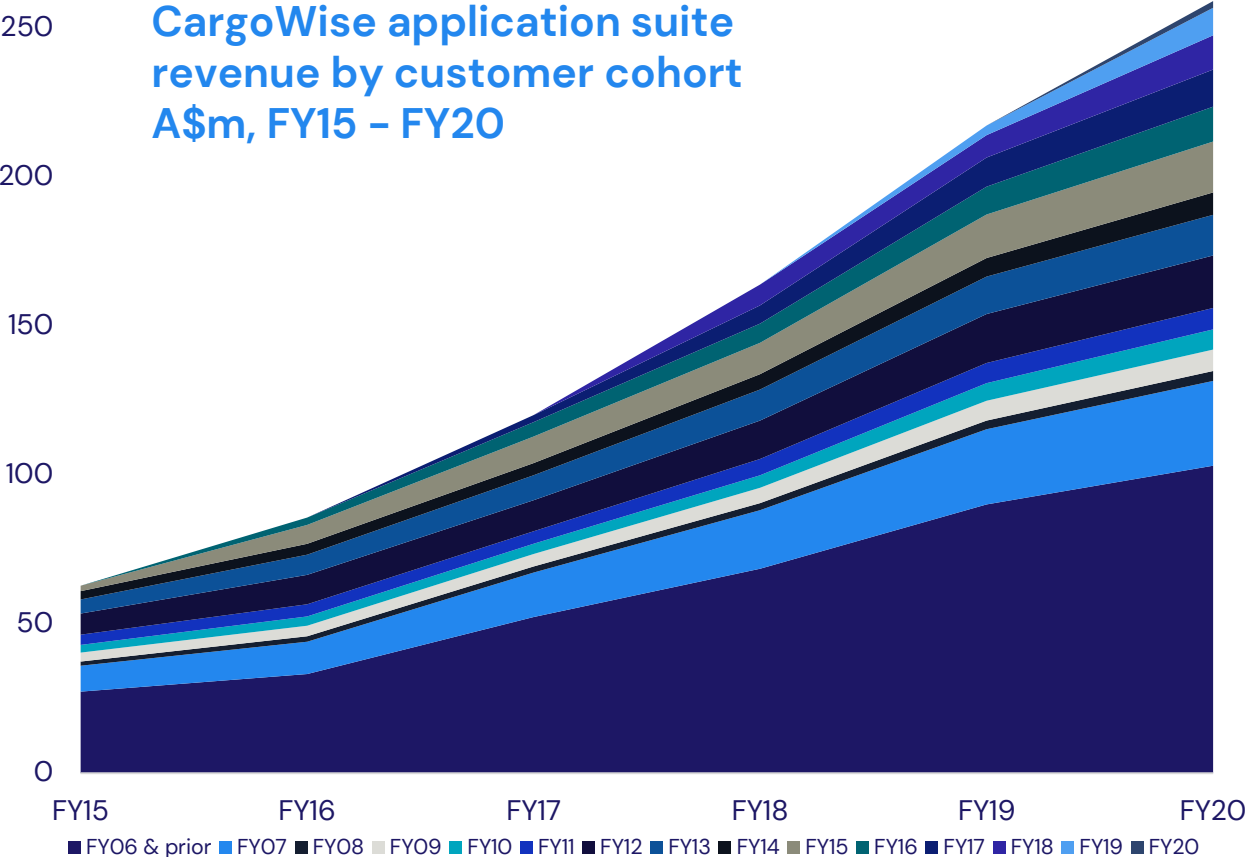
1. Armstrong & Associates: Top 25 Global Freight Forwarders List ranked by 2019 logistics gross revenue/turnover and freight forwarding volumes.

2. Hellmann Worldwide press release on 27 May 2020.

3. WiseTech Global website customer profiles – Yusen Logistics interview on 27 April 2018.

4. Lloyds Loading List article on 4 Dec 2018.

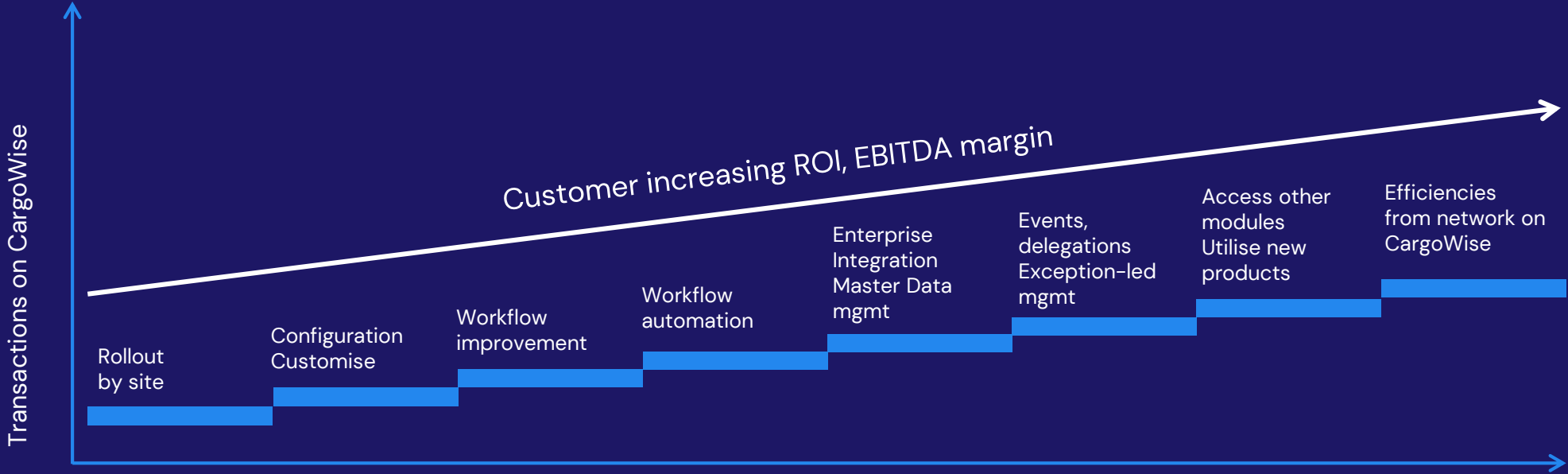
There is significant runway for increased usage and expansion across our extensive base



Increasing uptake and progress of global rollouts for the world's largest logistics providers.

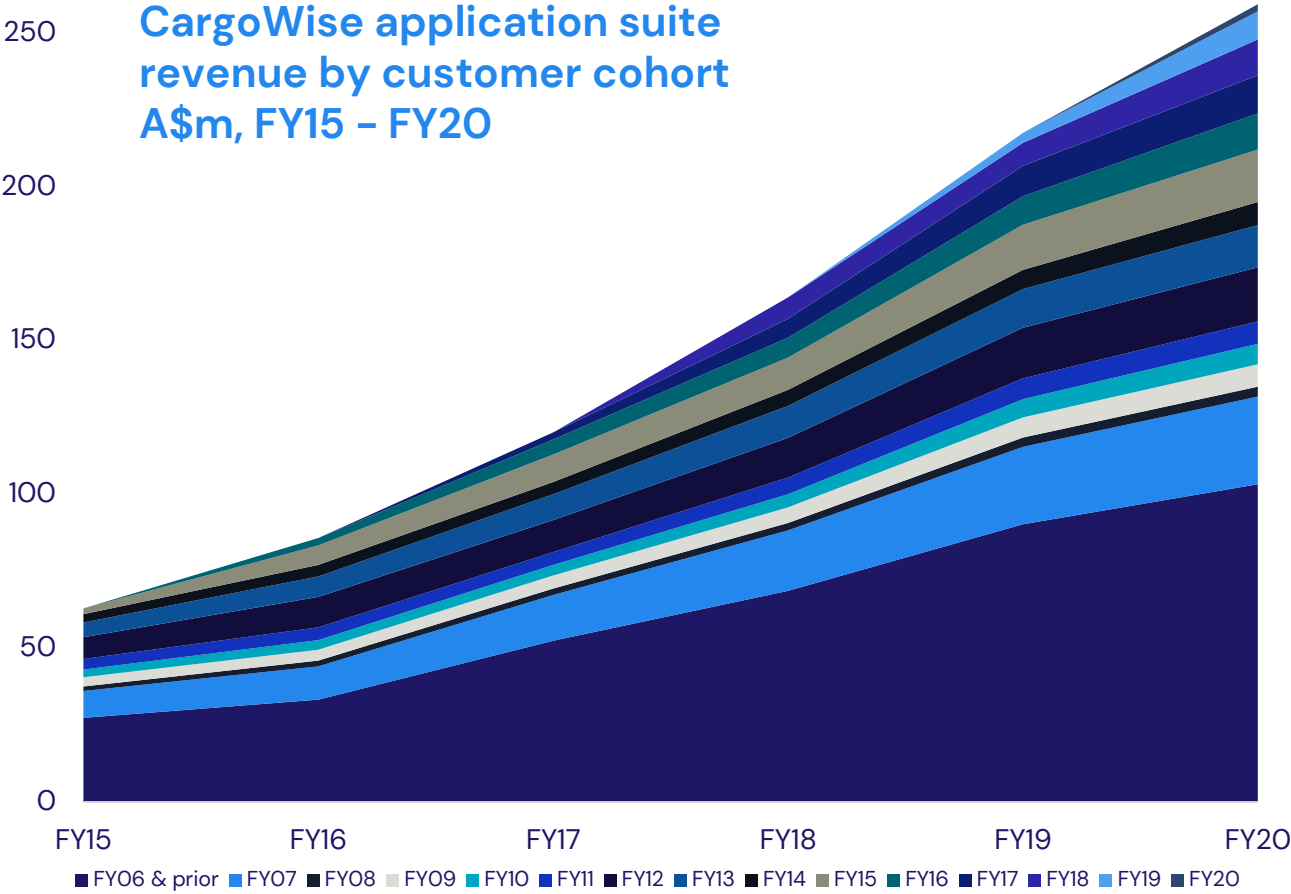
Every cohort of CargoWise customers over the last 12 years **grew revenue in FY20**.

Global rollouts take time, with significant value and future opportunity once complete



Once rolled out, customers can increase transaction throughput with progressive productivity tools and new products.

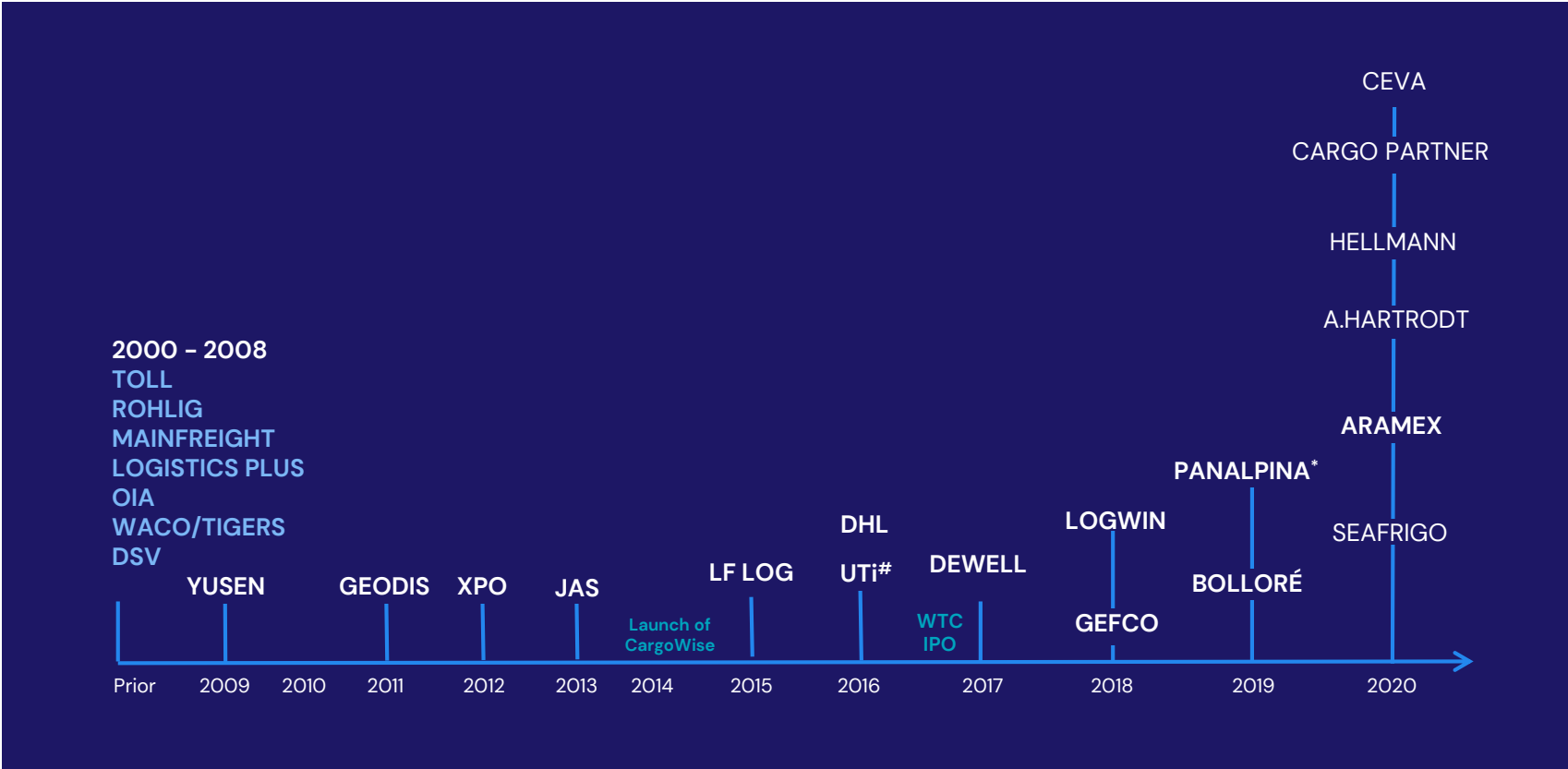
Our customers stay and grow their transaction usage due to the productivity of the platform



<1% attrition every year for the last 8 years¹

1. Annual attrition rate is a customer attrition measurement relating to the CargoWise platform (excluding any customers on acquired legacy platforms). A customer's users are included in the customer attrition calculation upon leaving i.e. having not used the product for at least four months. Based on attrition rate <1% for each year of the last 8 financial years FY13 – FY20.

Global rollouts continue to increase across 3PLs and global freight forwarders, enhancing value over time



CargoWise has 23 large global freight forwarders[^] with global rollouts in process or completed.

11 of these are in the top 25.

Recent sales acceleration and a strong pipeline are driven by a sales team reorganisation (Delta) and COVID-19 industry pressures creating conditions for change.

Uti was acquired by DSV and rolled onto CargoWise from FY16
 * Panalpina was acquired by DSV in August 2019 and DSV commenced moving major Panalpina operational activities onto CargoWise in FY20
 ^ A large global freight forwarder is defined here as having 10 or more countries and 400 or more operational staff on CargoWise

The global depth, reach and capability of CargoWise is purpose built for the needs of the world's largest logistics organisations

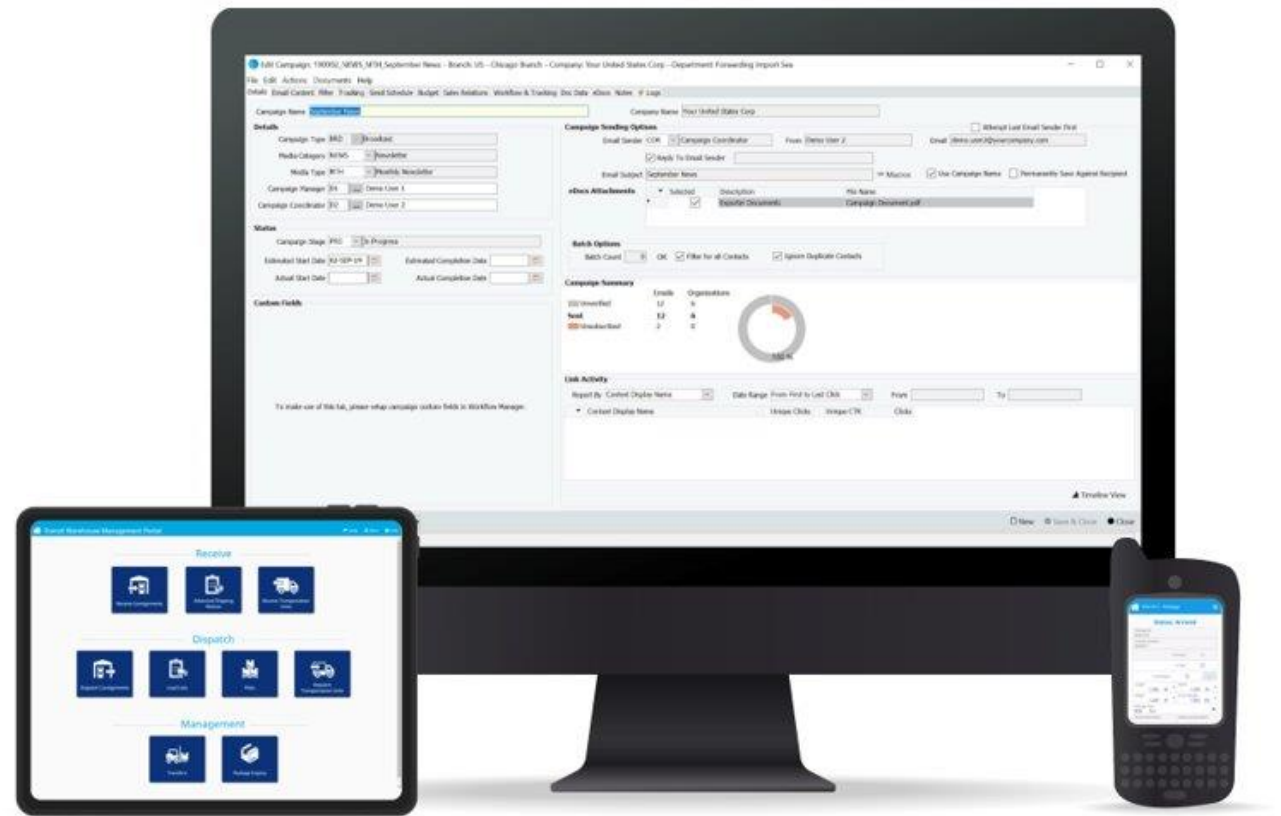


CargoWise transforms and optimises end-to-end logistics processes, putting productivity at the centre of logistics operations

160
countries

30
languages

~3,900
features and
enhancements in
the past 5 years



The customer experience:

Aramex



Mohammed Sleeq
Chief Digital Officer,
Aramex



Gene Gander
General Manager, Global Sales

Mohammed Sleeq, Chief Digital Officer (CDO)



Mohammed Sleeq joined Aramex in 2013 and was appointed CDO in December 2018.

As the company's CDO, Mr Sleeq leads Aramex's transformation aspirations, and is responsible for the execution of the company's business transformation strategy - the cornerstone of a wider strategy that will eventually lead to more efficient internal processes, upgraded customer service levels and a continuous competitive edge.

Mr Sleeq and his team are focused on driving fundamental organisational change through the use of digital technologies and business models to improve performance, enhance customer experience and optimise internal processes.

Aramex is a Global Provider of Logistics and Transportation Solutions

15,623 | **600+** in **65+** | **AED 4.0** | **AED 6.3**
Employees | Offices | Countries | Billion Revenues | Billion Market Cap

Domestic Express

We understand that delivering from one side of the country to another requires efficiency and reliability of global standards and local operations that continually strive for excellence.

International Express

With Aramex International Express, sending time-sensitive documents or packages is prompt, convenient and easy.

Freight

Whether by sea, air or land, Aramex Freight provides the facilities and expertise for seamless and streamlined operations.

Logistics & Other

As a global logistics and transportation solutions provider, Aramex will help simplify customers' operations with cost-effective and comprehensive solutions.

E-Commerce

Aramex works round-the-clock to serve ebusinesses of all sizes. From customised solutions for the checkout, order fulfilment, customs clearance, international shipping, and last mile delivery to returns management.

The customer experience:

DHL



Tim Scharwath

CEO, DHL Global Forwarding, Freight



Gene Gander

General Manager, Global Sales

Tim Scharwath

Member of the Management Board of Deutsche Post DHL Group
CEO, DHL Global Forwarding, Freight



Tim Scharwath has been a Member of the Management Board of Deutsche Post DHL Group since June 2017. He is responsible for DHL's air, ocean and overland freight forwarding business.

In his previous role, Tim Scharwath led the air freight business at Kuehne+Nagel International AG as Executive Vice President and a Member of the Board since 2011. In this function, he was responsible for the global organisation of air freight, sales and marketing.

Scharwath began his career at Kuehne+Nagel Group in 1992, where he held various positions in Germany, the Netherlands and the UK before becoming Member of the Board and moving to the headquarters in Switzerland. He was charged with the migration of different country organizations, the integration of acquired companies, and the successful management of the business during the global economic downturn in 2009.

Tim Scharwath holds a degree in business administration from the University of Hamburg, Germany.



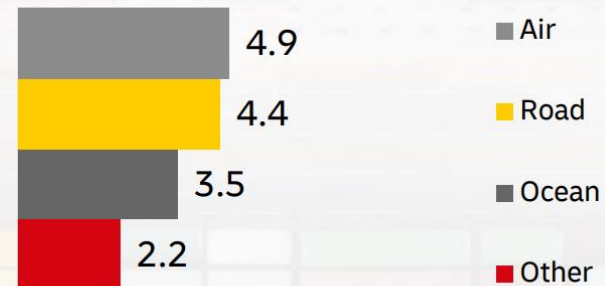
DGFF: The foundation for further success has been laid

The Profitable Core

International transportation of Air Freight, Ocean Freight and Road Freight including Customs Clearance and related Value-added Services like warehousing, cargo insurance, etc.

Revenue Mix

(€bn, FY 2019)



Market Position

(2019)

#1 Air Freight
#2 Ocean Freight
#2 European Road Freight

CargoWise roll-out progressing very well

Benefit realisation started



Ocean Freight

**considered
completed**



Air Freight

**>70%
completed**

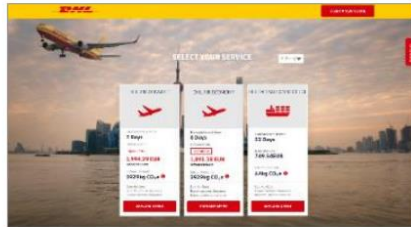
Complete CargoWise1 roll-out by 2021



With IT Renewal Roadmap & Digital Customer Interaction, full form of DGF is enhancing customer experience while increasing operational efficiency

myDHLi 360° VISIBILITY COLLABORATION FULL ACCESS MANAGED BY CUSTOMER

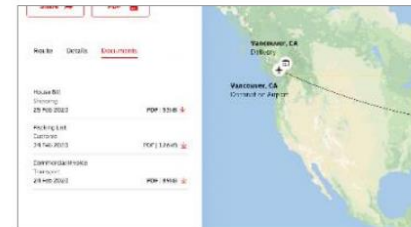
External



QUOTE + BOOK



TRACK



DOCUMENTS



ANALYTICS

IRR - IT Renewal Roadmap: Our Digital Backbone established

Internal



New TMS



Paperless forwarding



Quotation tool



Track + trace / shipment visibility



Steering Logic



... and many more



Future of the logistics industry:

Accelerating digital transformation



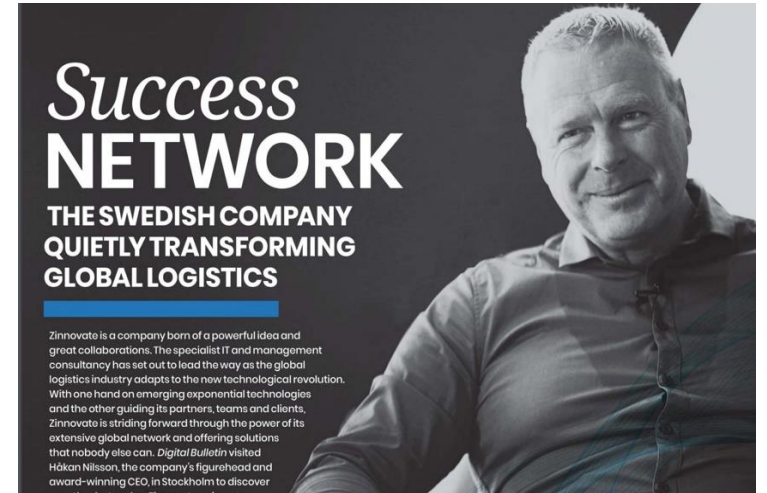
Håkan Nilsson

Chief Executive Officer,
Zinnovate International

Zinnovate is at the forefront of the logistics industry – committed to helping large-scale logistics firms realise the full value of their IT investments.



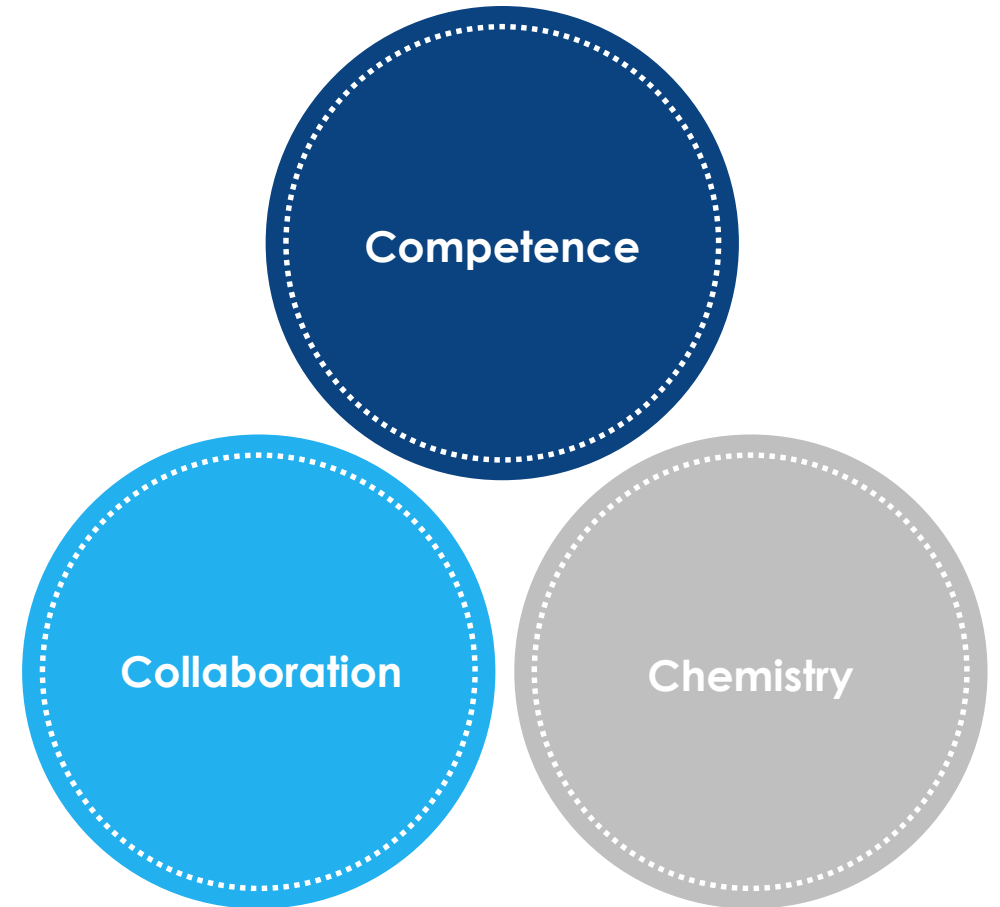
ZINNOVATE





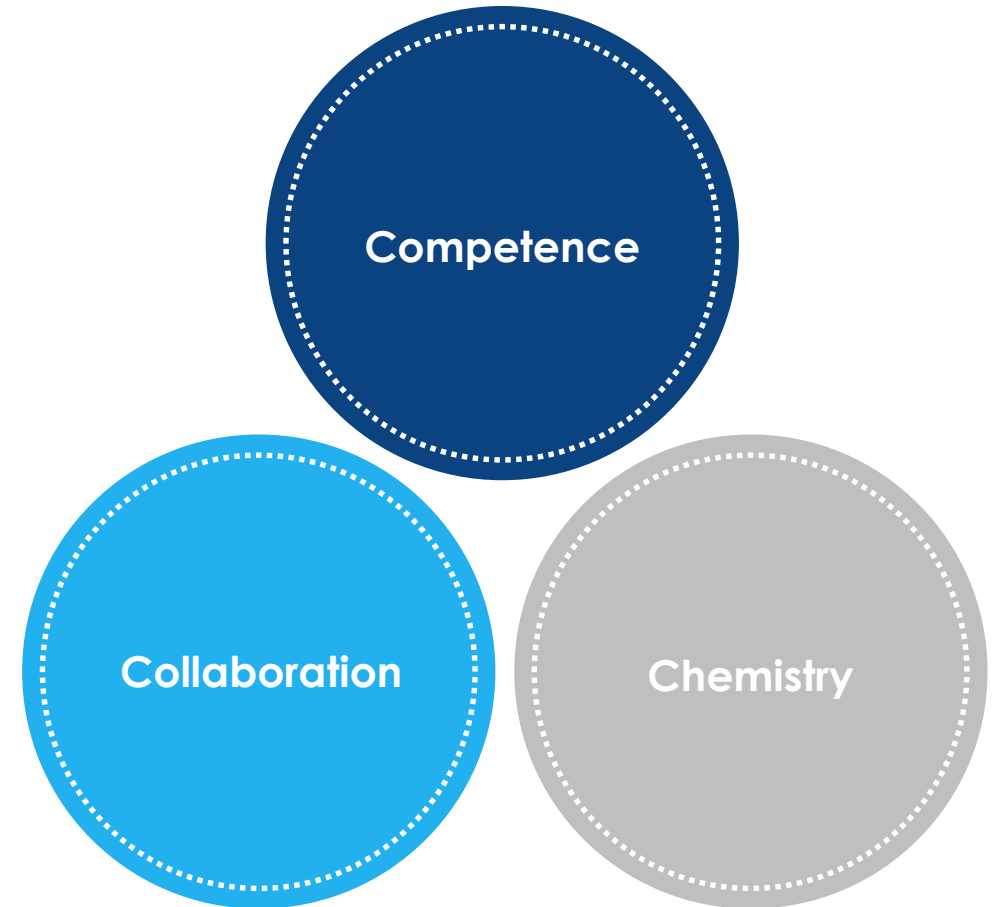
Zinnovate helps logistics organisations transform from local to global optimisation with CargoWise

- ✓ Trusted CargoWise Partner since 2013.
- ✓ Global network of 70+ consultants.
- ✓ Partner with many of CargoWise's largest customers to deliver true business transformation.
- ✓ Awarded Best Management Consultancy in the Global Logistics Industry – 2017 Business Worldwide Corporate Excellence Awards.





Our mantra is to help our customers make the whole more than the sum of its parts, across **systems, processes** and the **organisation**





CargoWise is purpose built to meet the needs of the world's largest logistics companies



Deep functionality

Optimise supply chains
across all modes
and borders



Global reach

Licensed across 160
countries and available
in 30 languages



Comprehensive integrations

Connect to government
and third party systems,
customers and partners



Highly configurable

Parameter settings
enable configuration,
to digitise at speed
and scale



A number of evolving trends are transforming the logistics industry.

1

Industry
expansion into
new territory

2

Accelerated
digital
transformation

3

Increased
ecommerce
demand



Evolving trend



Large forwarders are **expanding their reach** to become full house logistics providers, supporting customers from origin to destination.



Solution

Logistics companies need **a single platform** software solution that can optimise their supply chain across all modes and borders.



Evolving trend



The pandemic has accelerated **digital transformation**, revealing the risks of an old-school, unsecure, multiple platform technology approach.



Solution

Logistics companies need **a secure, deeply integrated** software solution to embed digital processes and drive innovation throughout their operations.



Evolving trend



The **ecommerce boom** is here to stay, with last mile delivery challenges and increasing customer expectations exacerbated by the pandemic.



Solution

Logistics companies need **one platform** for the entire international ecommerce fulfilment supply chain, enabling faster, safer and more reliable international ecommerce operations.

Profitability:

A commercial model that drives sustainable revenue growth and enhances profitability



Acquisitions and integration:

Becoming part of the WiseTech Global family



Mark Hall
Head of Acquisitions and Integration

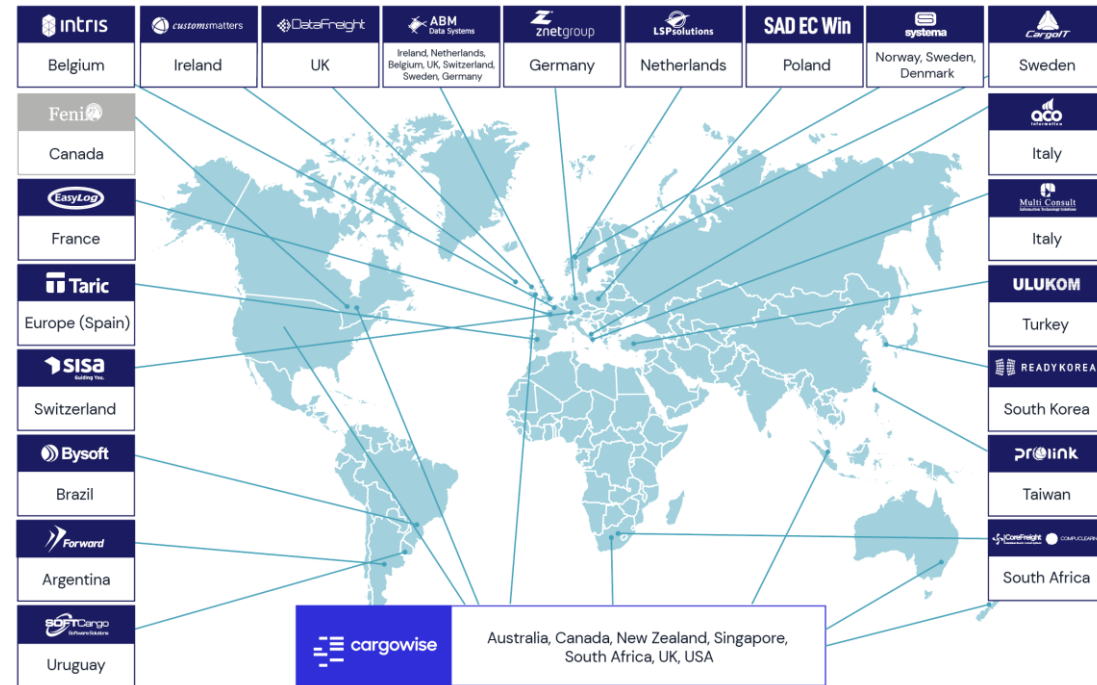
Acquiring assets for geographic expansion

Small targeted acquisitions in key regions provide safer, faster, stronger entry to new markets

Geo – foothold acquisitions

- We buy into leading market positions that would take years to build, integrate swiftly and drive value across the platform.
- We acquire leading software vendors across G20+20 – targeting ~90% of world’s manufactured trade flows.
- We originate our own acquisition pipeline focusing on founder-led assets of significant strategic value. We execute with our internally built M&A engine.
- ~700 industry experts – centuries of hard-to-access capability and significant development capability in local feet on the ground.
- Integration process commences immediately.
- Embedded product build + customer transition over following 3–5yrs.

We are building the world’s customs platform, designed to cover ~90% of manufactured trade flows



30 countries covered in-depth for customs processing

80% of global GDP will be reached

Acquiring adjacency assets for innovation pipeline

Building and extending CargoWise ecosystems

Adjacency acquisitions

- We accelerate convergence of technologies by adding targeted acquisitions of key adjacencies to our innovation pipeline to build valuable ecosystems and global product sets.
- We look for adjacencies that we can scale from domestic multi-region to global product capability.
- We look for adjacencies to scale globally that:
 - provide a core element for ecosystem development
 - expand development of CargoWise modules or
 - feed into global data set for machine learning and automation
- ~600 industry experts with hard-to-access significant development capability in specialist logistics technologies.

TRANSPORT MANAGEMENT SOLUTIONS

pierbridge

Leading parcel shipping TMS provider to large and medium enterprises in the US with offices in the UK and Finland.



Specialist US Less Than Truckload TMS provider with LTL road rate capabilities to expand road booking, rates.



TMS to add to CargoWise next generation Land Transport solution.



Specialist inter-modal trucking TMS and container tracking provider in US and Canada.



A leading multi-carrier parcel and LTL shipping solution in ANZ, UK, South Africa and Asia.

SPECIALIST WMS



Specialist WMS globally for enterprise, express, 3PL and cold storage. Gartner rated.



Leading global provider of software solutions to international liner shipping industry – with operations across Germany, US, Philippines and Singapore.

COMPLIANCE



Australian reference data providers absorbed into stage 1 of our global BorderWise development.

MESSAGING



A leading interoperable messaging and integration solutions provider.

MACHINE LEARNING

CYPRESS

Early-stage machine-learning classification technology developer.

LANDSIDE / CONTAINER

CONTAINERCHAIN

Leading container optimisation and solutions provider to container shipping + landside communities, Asia-Pac, Europe and US.



The leading US container yard solution provider for over 200 depots and terminals and 6 million gate movements per year.

GLOBAL RATES MANAGEMENT

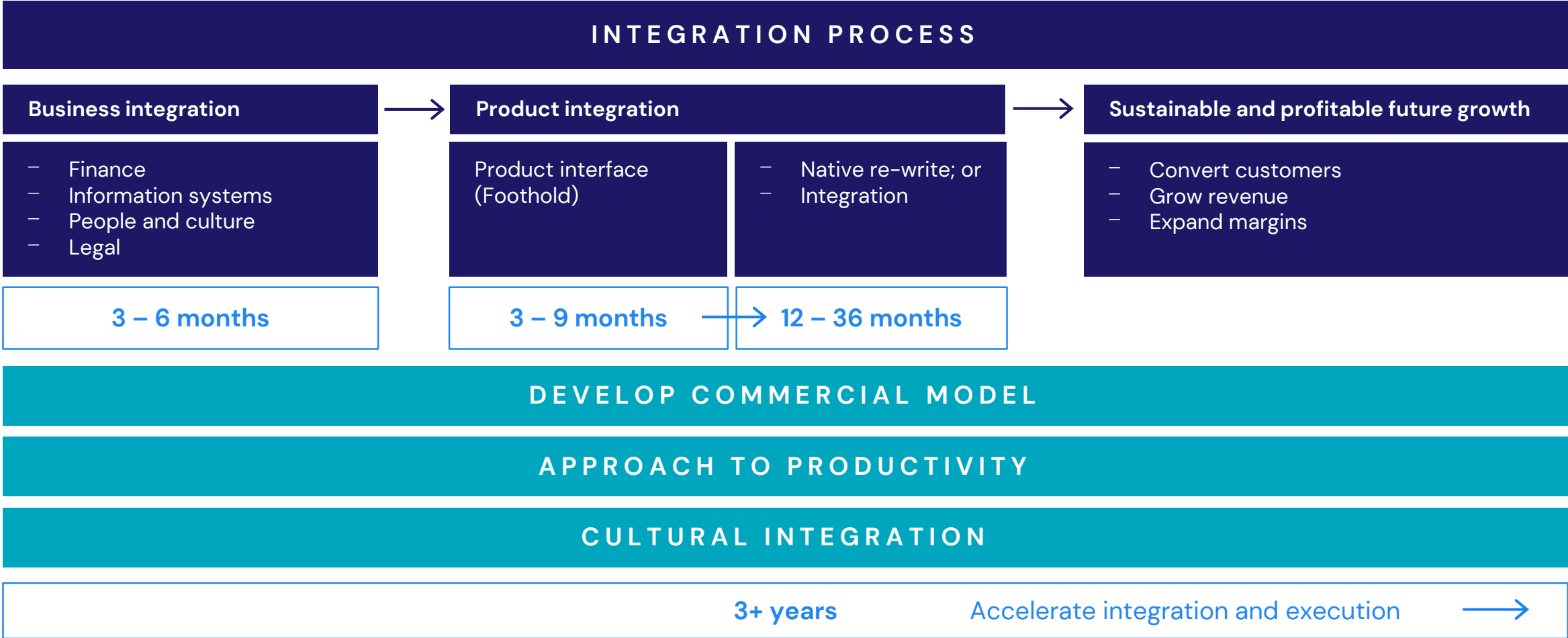


Global ocean rates management – live, global data set on carrier rates. Platform links carriers and 3PLs.



Global air rates management – provides global data set on carrier rates. Platform linking carriers and 3PLs.

Our multi-stage, multi-year integration process is designed to generate long-term value



Productivity is at the core of everything we do, driving efficiencies throughout the integration process



Prioritise quality over speed – slower today, faster forever



Focus on test first and automated testing



Utilise automated workflow tools – PAVE



Deploy universal, scalable content

Five key principles help ensure the integration process is global, efficient and scalable



We ensure alignment from the start

We are anchored by a common culture and agreement on the strategic objectives.



We start our integration work early

We bring forward as much of the integration phase into the acquisition process.



We work in a scalable way and create an efficient process

We utilise functional specialists, extensive content and PAVE to drive global processes.



We understand the differences and leverage similarities

We are focused on aligning resources and empowering the unique capabilities of our acquired assets.



We focus on doing the most important work first

We always prioritise quality and our mantra, 'slower today, faster forever'.

Customs integration and roadmap

Customs becomes native to the CargoWise platform, available to all CargoWise customers and to acquired customers who convert over time.

Live CargoWise	Planned FY21	Planned for FY22	Planned for FY23
Australia	France (EasyLog)	Belgium (ABM Data)	Argentina
Canada	Germany (znet)	Brazil (Bysoft)	Chile
China	Ireland (ABM, CM)	Denmark (Systema)	Costa Rica
New Zealand	Italy (ACO/MC)	Korea (Ready Korea)	Dominican Republic
South Africa	Spain (Taric)	Netherlands (LSP)	Panama
Singapore		Norway (Systema)	Paraguay
Taiwan		Poland (SAD EC)	Puerto Rico
United States		Sweden (CargoIT)	
United Kingdom		Turkey (Ulukom)	

Acquiring adjacency assets for innovation pipeline

TRANSPORT MANAGEMENT SOLUTIONS

pierbridge

Leading parcel shipping TMS provider to large and medium enterprises in the US with offices in the UK and Finland.



Specialist US Less Than Truckload TMS provider with LTL road rate capabilities to expand road booking, rates.



TMS to add to CargoWise next generation Land Transport solution.



Specialist inter-model trucking TMS and container tracking provider in US and Canada.



A leading multi-carrier parcel and LTL shipping solution in ANZ, UK and South Africa.

- ✓ SmartFreight expanding into UK, interface to CargoWise ready for pilot.
- ✓ CMS integration complete Freight 2020 mobility within CargoWise.
- ✓ Trinium executed large customer rollouts, 1H21 beta testing of transport orders in CargoWise.
- ✓ SaaS Trans pilot testing of SaaS LTL CargoWise integration ready to commence 1H21.
- ✓ Pierbridge parcel integration to CargoWise ready for pilot, launched Home Office Shipping.

SPECIALIST WMS



Global specialist WMS provider for enterprise, express, 3PL, cold storage for complex enterprise or mid-tier. Gartner rated.

GLOBAL SHIPPING



Leading global provider of software solutions to international liner shipping industry – with operations across Germany, US, Philippines and Singapore.

COMPLIANCE



Australian reference data providers absorbed into stage 1 of our global BorderWise development.

MESSAGING



A leading interoperable messaging and integration solutions provider.

MACHINE LEARNING

CYPRESS

A leading multi-carrier parcel and LTL shipping solution in ANZ, UK and South Africa.

- ✓ Microlistics large wins in UK/Europe, WMS tailwinds with COVID-19/Brexit ecommerce demands, released pre-configured Global Express WMS.
- ✓ Xware and Cypress progressing technology builds for CargoWise.
- ✓ BorderWise expanded to cover Australia, Canada, Europe, North America, Singapore, South Africa, United Kingdom, United States.
- ✓ Softship developments for large customers, COVID-19 slowing projects, STL model ready.

LANDSIDE / CONTAINER

CONTAINERCHAIN

Leading container optimisation and solutions provider to container shipping + landside communities, Asia-Pac, Europe and US.



The leading US container yard solution provider for over 200 depots and terminals and 6 million gate movements per year.

GLOBAL RATES MANAGEMENT



Global ocean rates management – live, global data set on carrier rates. Platform links carriers and 3PLs.



Global air rates management – provides global data set on carrier rates. Platform linking carriers and 3PLs.

- ✓ Cargoguide launched 2nd gen product, signs include DAMCO and EMO Trans.
- ✓ Containerchain, wins include Ports of Auckland (10 year contract), expanding Europe rollouts.
- ✓ CargoSphere launched Hamburg Sud, progressed key carriers, wins include Rohlig and Cargo Partner.
- ✓ Depot Systems progressing integration and joint teams with Containerchain.

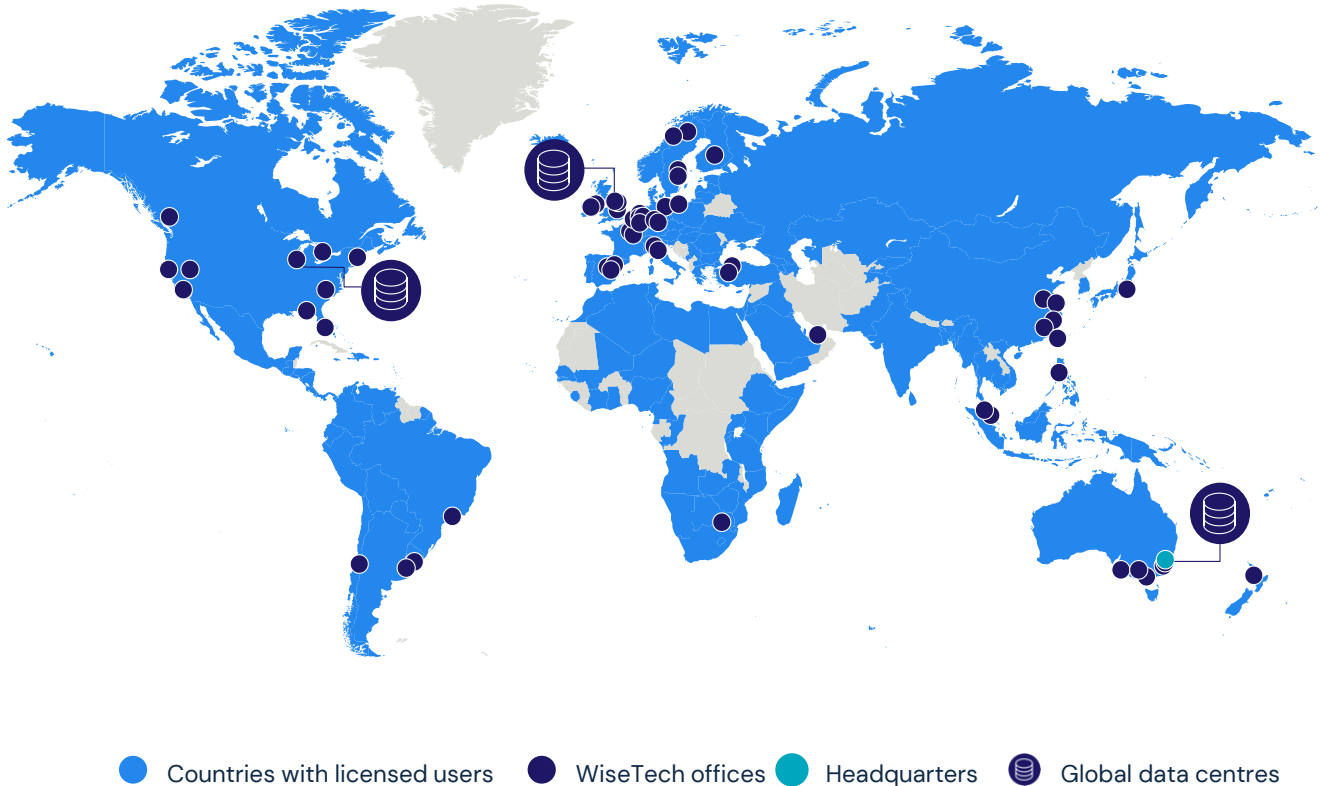
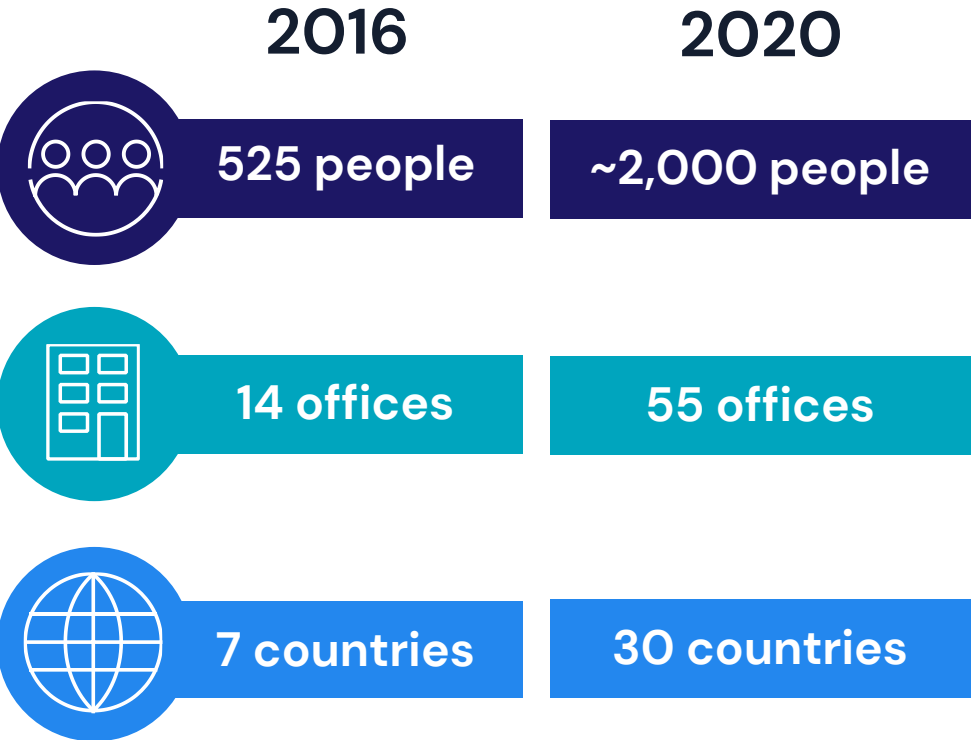
Driving operational efficiency:

Transforming for global growth



Vlad Bilanovsky
Chief Execution Officer

We have experienced significant, sustainable growth since IPO in 2016



Opportunity to deliver efficiencies, productivity improvements and cost savings



Shared functions across global operations and removal of duplication



Centralising physical operations and development hubs in critical jurisdictions



Aligning our product and development teams by co-locating teams across the world



Aligning our product portfolio with the CargoWise product suite



Consolidating software product delivery into three regional data centres



Right-sizing our global operations

Opportunity to generate operational efficiencies and cost savings



Initiatives are well underway

Positioning us to deliver accelerated value-creation, return on investment, capability and growth.

Commercial Model:

Driving sustainable revenue growth
and enhancing profitability



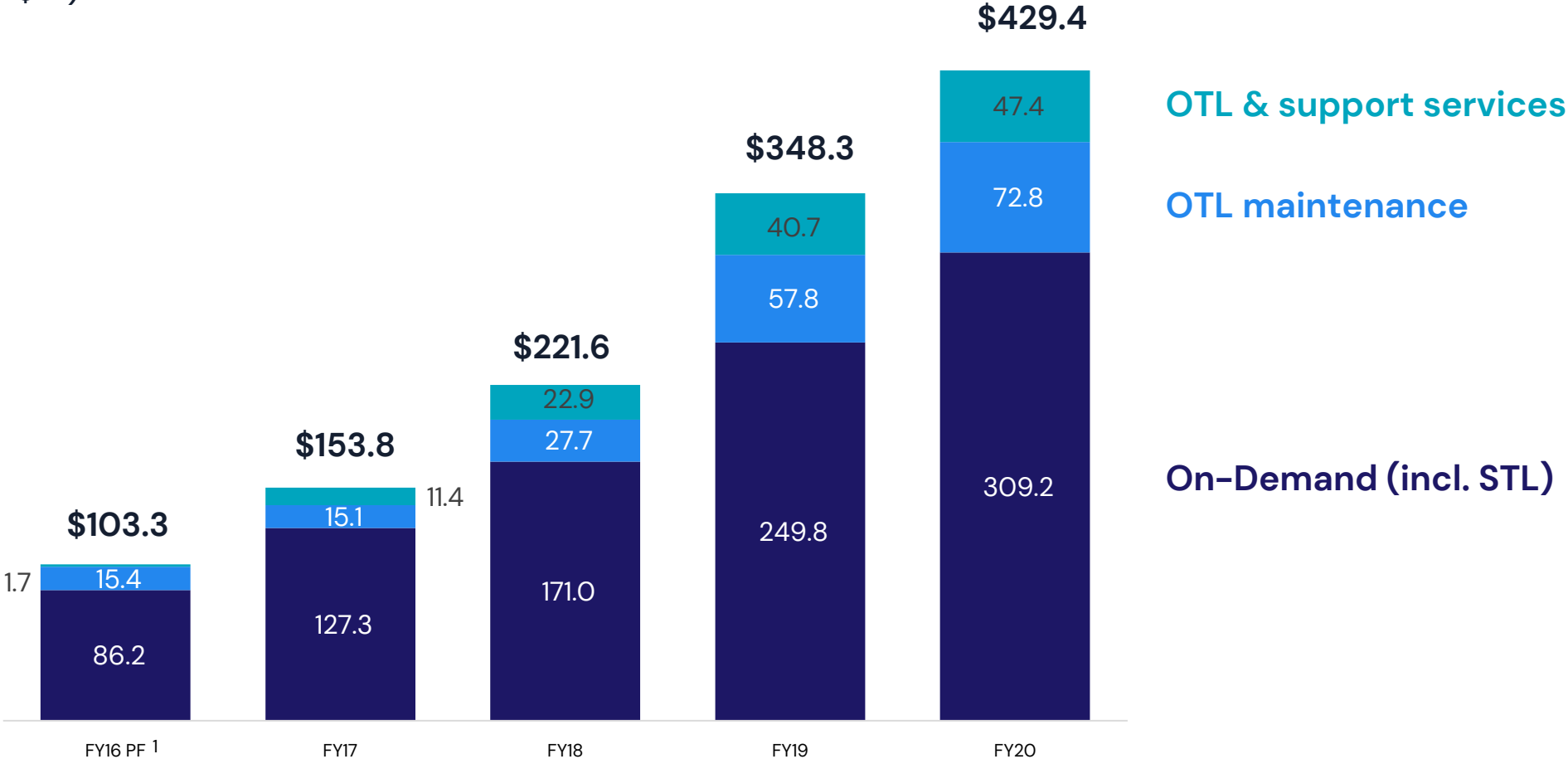
Andrew Cartledge
Chief Financial Officer

Sources of revenue generation

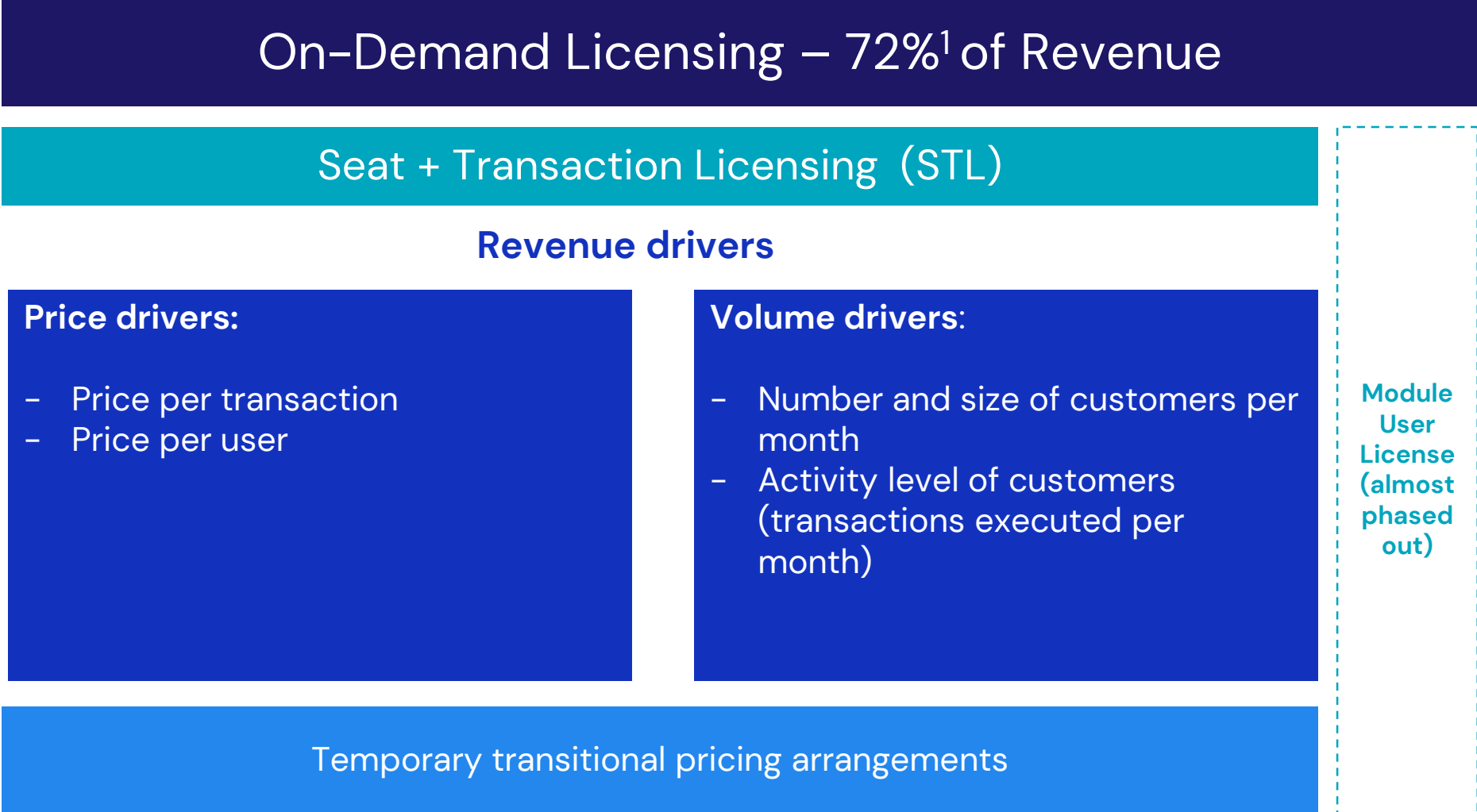


Revenue leverage fueled by 'On-Demand' licensing

Group revenue by license type
(A\$m)



Evolution of the WiseTech Global licensing model



¹Source: FY20 Presentation WiseTech Global, page. 37

STL revenue model based on a 'win-win' philosophy

STL revenue **94%** of all CargoWise revenue¹

STL Revenue	FY20
Stable and growing	~50%
Transactional and growing	~50%

- About half of CargoWise organic STL revenue is considered stable and growing, and includes elements such as seat revenue from new and existing customers, static pricing arrangements or transitional contracts for rollouts and commitment agreements.
- About half the organic STL revenue is related to transactions which are growing as customers increase usage of the platform increase number of transactions, module usages, new features and enhancement etc.

CargoWise transaction volumes are not entirely correlated to wider industry volumes, but are instead driven by:



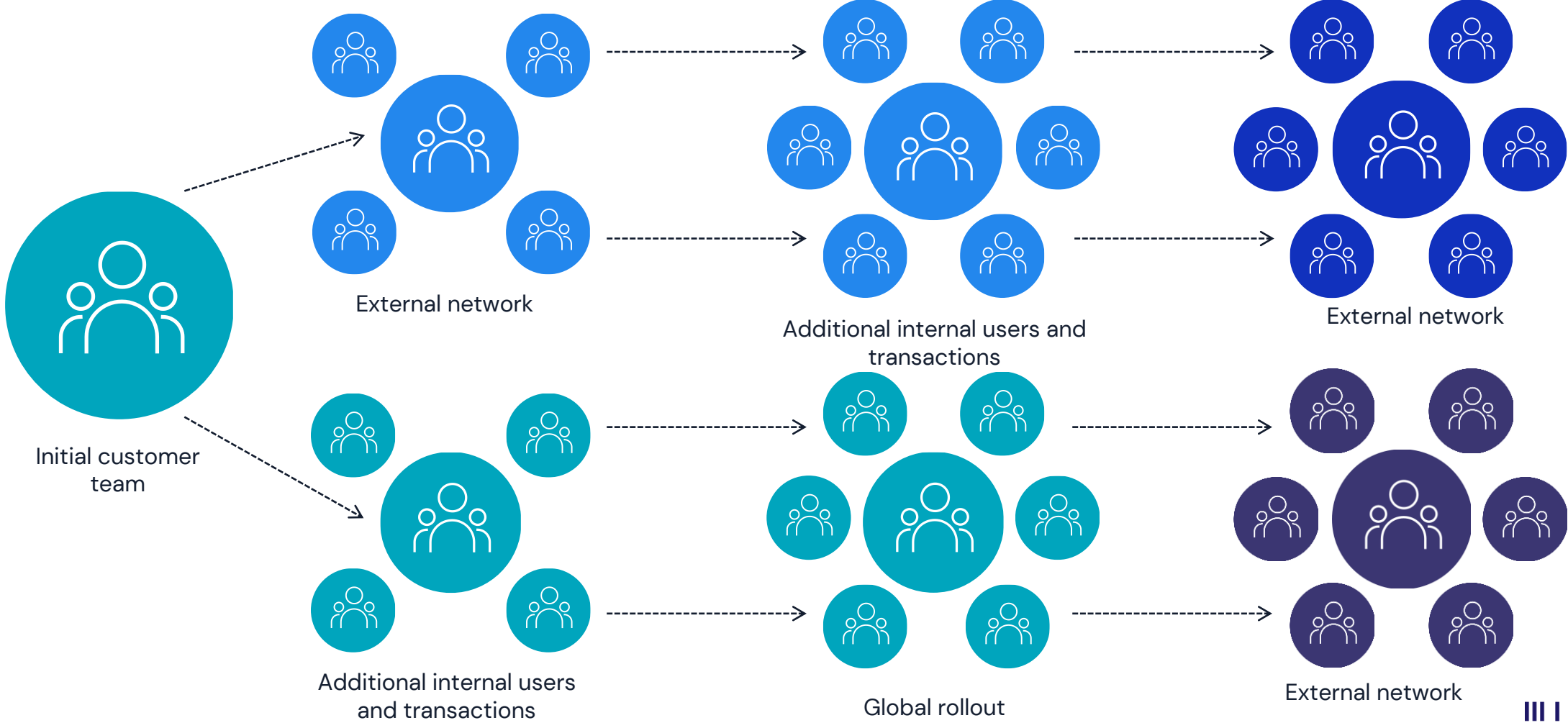
Increased market penetration



CargoWise customers increasing use of & expansion across the platform

STL and long-term revenue growth network effect

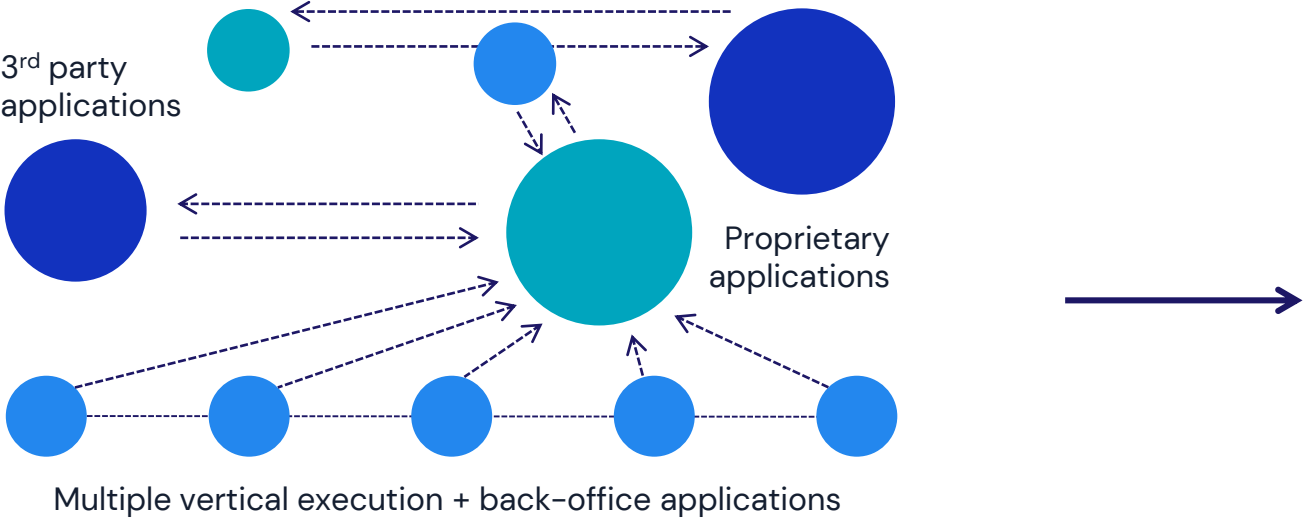
Internal and external network effect



Revenue growth drivers

Value versus price

Multiple software applications by multiple suppliers¹



CargoWise provides an integrated software solution, requiring fewer users to process higher volumes of transactions



Many users processing transactions with multiple applications



Acquisition revenue and integration upside

Integration process to deliver net cost savings

Many acquired businesses with OTL model

FY20 revenue

- 17% OTL maintenance (recurring)
- 11% OTL and Support

Transitioning acquired businesses to STL model

Revenue flat/reduced during transition

Removing duplication of functions and streamlining processes and teams

FY21

\$10 million in net cost savings (after one-time costs)

Contributing to 3–5 pts of EBITDA margin expansion

FY22 run rate

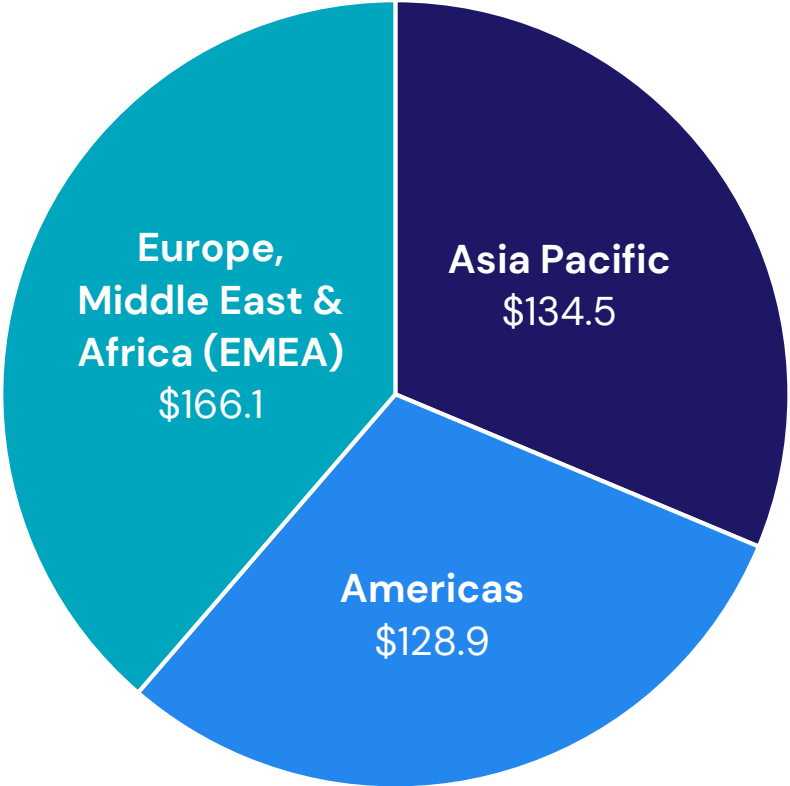
\$20–30 million in cost savings

Future margin expansion

Global revenues – a natural FX hedge

We are a global company operating in 160 countries

Revenue generated by invoicing location (FY20)
(A\$m)



75% of revenue generated in non-AUD currencies (FY20)

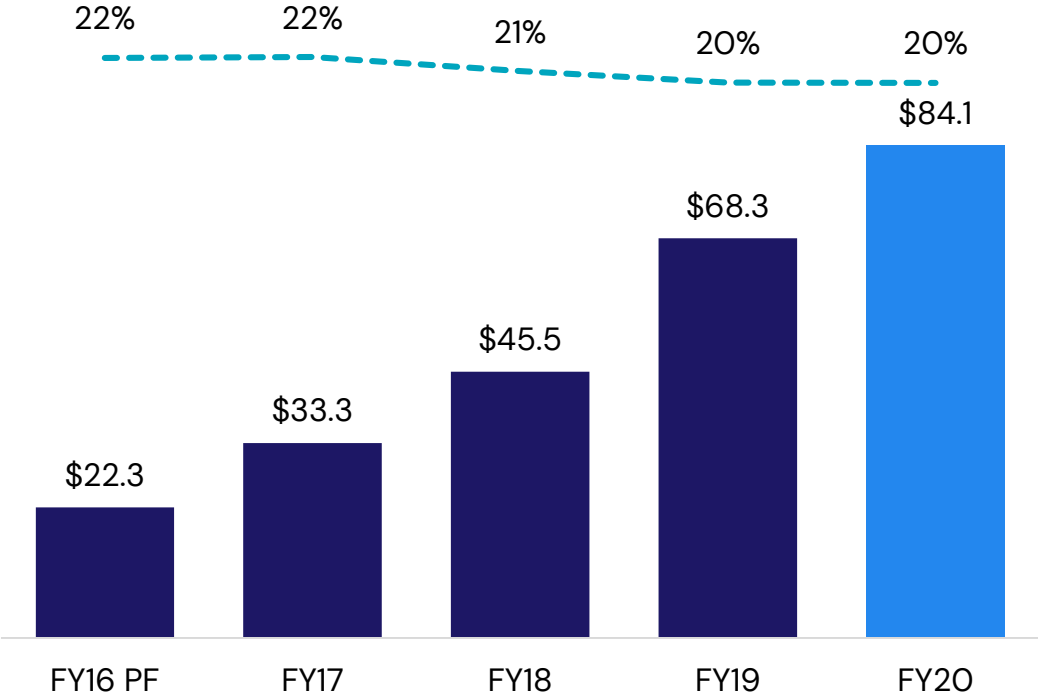
43% of revenue in non-local (FY20) due to impact from overseas acquisitions and mix of CargoWise transactions & users

FX sensitivity analysis available in FY20 Results Presentation

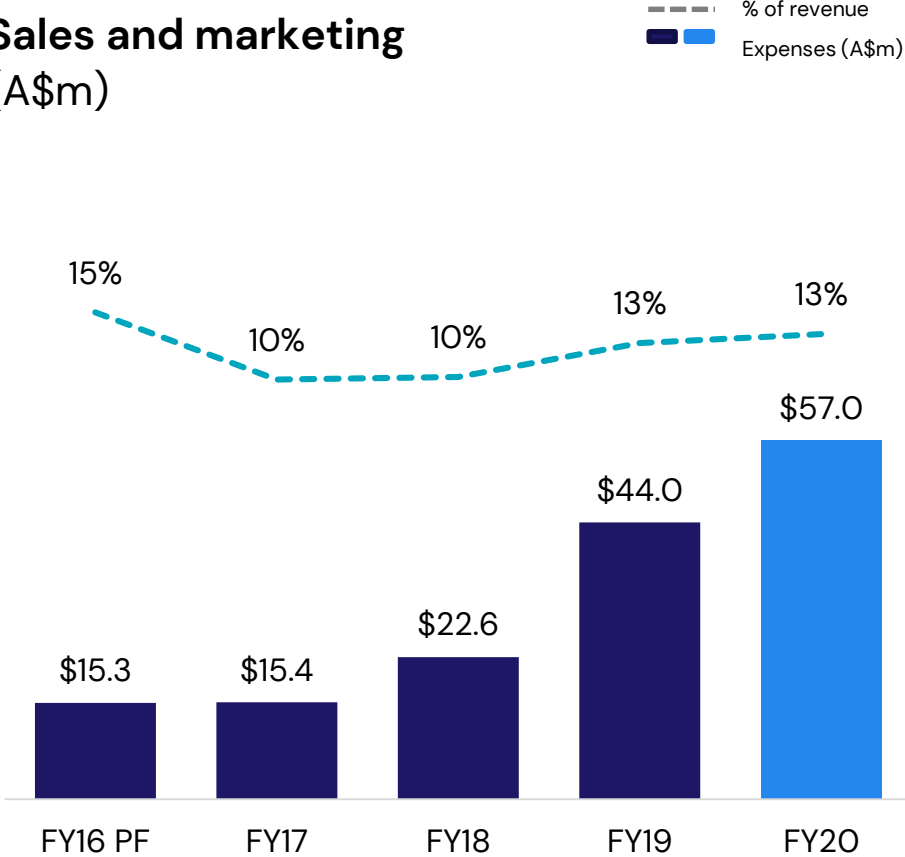
Enhancing profitability

Managing the bottom line

General and administration (A\$m)



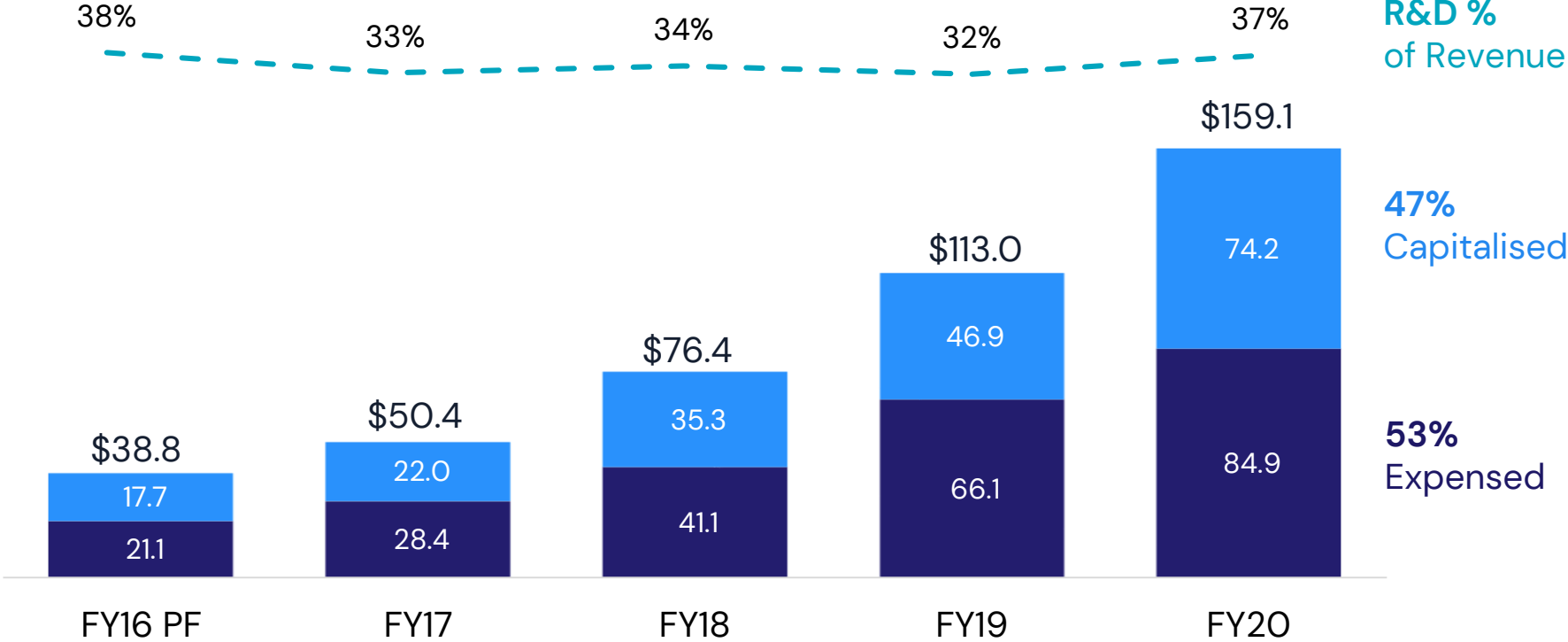
Sales and marketing (A\$m)



Driving revenue growth through continued investment in R&D

Product development and innovation key driver of long-term recurring revenue growth

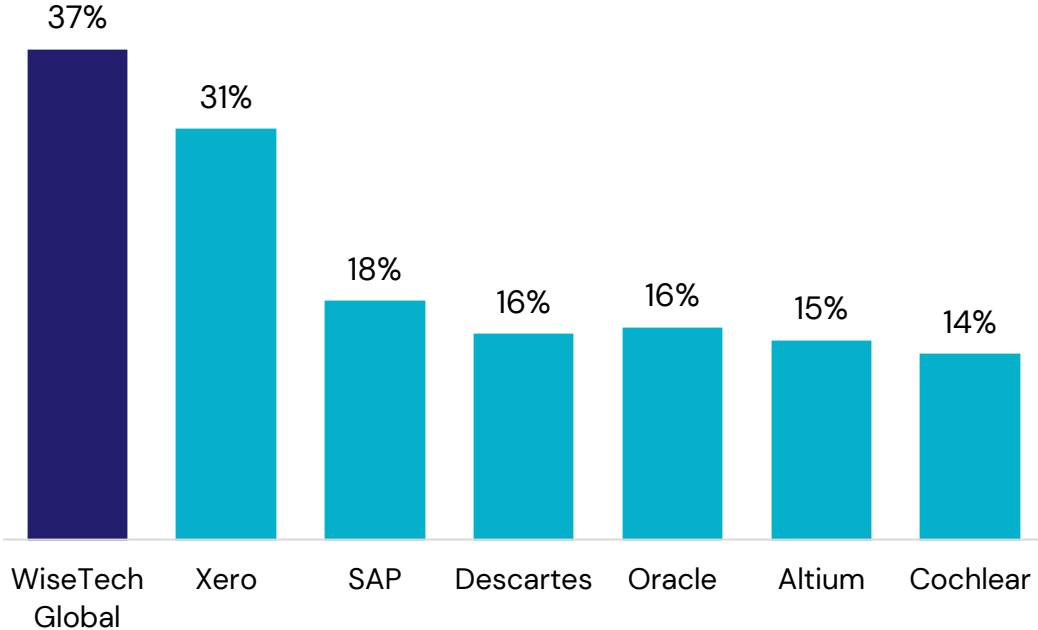
Investment in Product Development & Innovation (A\$m)



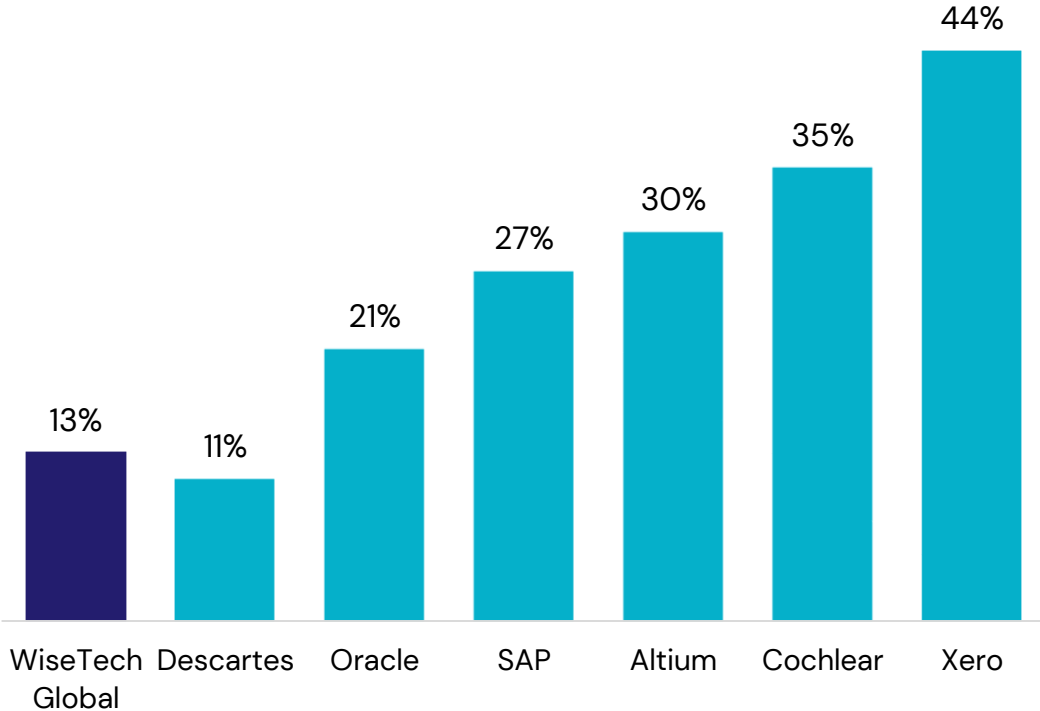
Expenses compared to SaaS Peers

R&D investment focus with efficient sales and marketing

R&D Investment¹
% of total revenue



Sales and marketing expense¹
% of total revenue

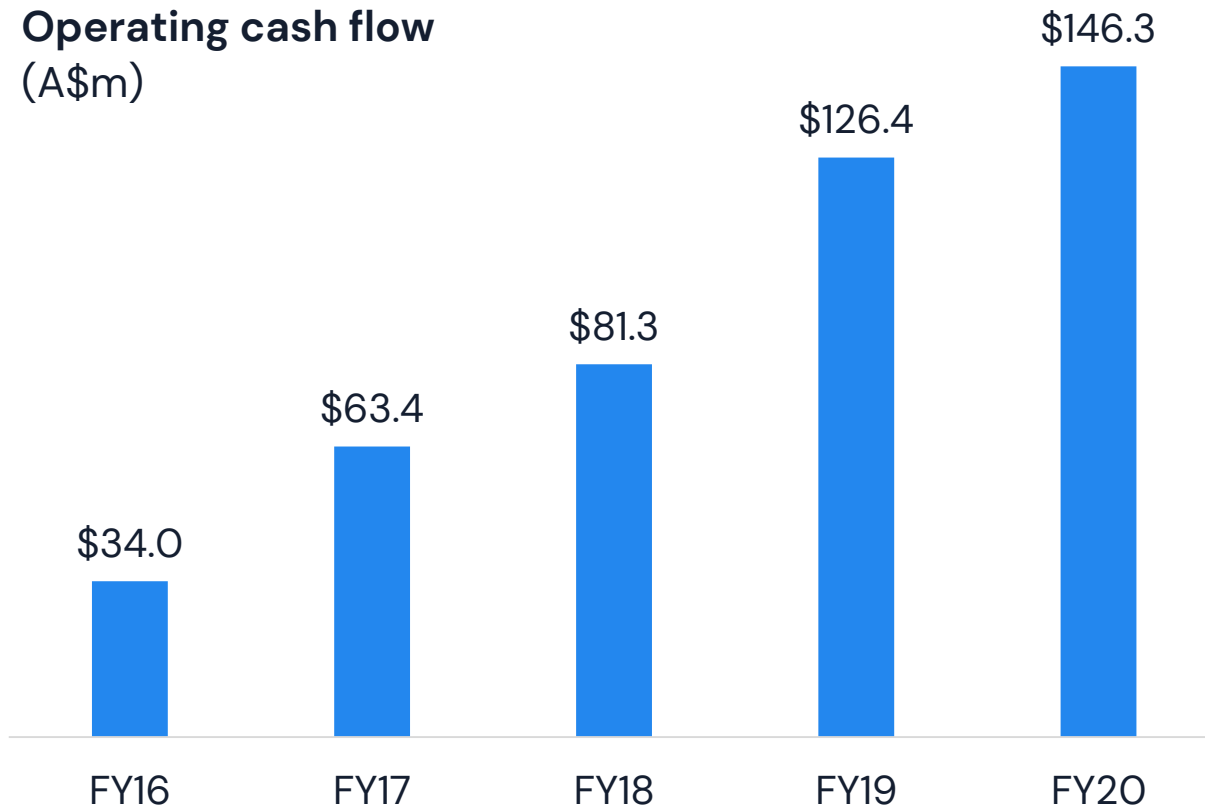


¹Sources: relevant public disclosures of FY20 results of Xero, Altium and Cochlear, 4Q20 results of Oracle, 2Q20 results of SAP and 1Q21 results of Descartes.

Robust cashflows

Testament to high quality earnings

Operating cash flow
(A\$m)



Delivered \$398 million EBITDA
over the past 5 years

\$451 million operating cash flow
over the past 5 years

Closing cash balance \$224 million
(at 30 June 2020)
providing significant liquidity

\$190 million undrawn debt facility
with additional \$200 million accordion

High growth, low cost model means significant upside potential

Strong revenue growth

+43% CAGR in last 5 years

High quality recurring revenue

CargoWise 97% recurring revenue in FY20

Strong balance sheet

\$224m in cash and undrawn facility of \$190m (30 Jun 20)

High EBITDA margin CargoWise

CargoWise EBITDA margin 48% in FY20

Low customer attrition

<1% CargoWise customer attrition annually

Robust operating cash flow

+16% on FY19 – Testament to high quality earnings

Our people and culture:

The WiseTech Global Way



Our people:

Creating an environment
for innovation to flourish



Angelina McMenamin
Head of Talent

The talent, motivation and enthusiasm of our diverse, global team drive our innovation and growth

Employees by function

(%, as at 30 June 2020)



● Product design and development	51%
● Sales and marketing	11%
● Technical and product support	21%
● General and administration	17%

Employees by region

(%, as at 30 June 2020)



● Australia and New Zealand	35%
● Europe	30%
● South Africa	3%
● Asia	15%
● North America	10%
● Latin America	5%
● Middle East	2%

Employees by age

(%, as at 30 June 2020)



● Under 30	19%
● 30-44	51%
● 45 and over	30%

We have a flat, low-hierarchy management system with small, diverse teams who are empowered to deliver

- Anyone can talk to anyone at any time, for any reason
- Productivity at the centre of everything
- Find the root cause and solve for that
- Win-win or no deal
- Lead with content
- Slower today, faster forever
- Creative abrasion fuels collaboration
- Lead others, manage yourself
- Culture eats strategy for lunch

At **all levels** across all teams and all departments, each one of us is actually **encouraged** to ask questions and to find out how we can do **better**.

WiseTech Global Australia



Our new hybrid model is driven by five global principles



Ensuring a safe and effective setup

We have an optimal environment for producing meaningful work, wherever we are.



Enhancing productivity and performance

We manage ourselves and lead others, working to clear targets aligned with our mission to build the operating system for global logistics.



Nurturing creativity and connections

We have the virtual meeting capabilities, digital tools and in-person opportunities required to effectively communicate, create, design, plan and innovate with each other, our customers and partners.



Strengthening wellbeing and balance

Our mental and physical health and wellbeing are strengthened through services and initiatives that promote balance and welfare both at and away from the office.



Supporting learning and development

We lead with content and are empowered to improve ourselves with the tools and opportunities to strive, learn, grow and flourish.

Q&A



Richard White
Founder and CEO



Brett Shearer
Chief Technology Officer



Gene Gander
General Manager, Global Sales



Mark Hall
Head of Acquisitions
and Integration

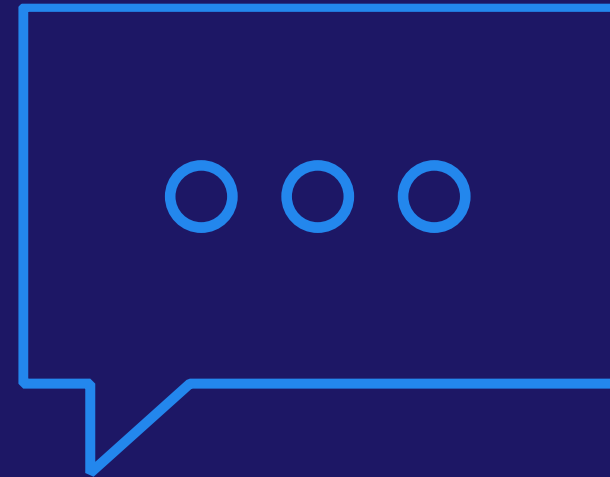


Vlad Bilanovsky
Chief Execution Officer



Andrew Cartledge
Chief Financial Officer

Closing remarks



Summary

Well positioned to continue to grow and increase market penetration



Clear goal to empower and enable the world's supply chains.



Product pipeline and R&D providing competitive edge and significant profitability opportunity.



Ideally positioned to deliver continued growth and market penetration.



Comprehensive strategy and financial firepower to fund growth.

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Presentation of information

- The financial data in this presentation is provided on a statutory basis but in a non-statutory presentation format (unless otherwise stated).
- **Pro forma (PF)** Where indicated, financial measures for periods prior to FY17 are provided on a pro forma basis. Information on the specific pro forma adjustments is disclosed on page 116 of WiseTech Global's 2019 Annual Report.
- **Currency** All amounts in this presentation are in Australian dollars unless otherwise stated.
- **FY** refers to the full year to 30 June, 1H refers to the six months to 31 December, and 2H refers to the six months to 30 June.
- **Rounding** Financial amounts in this presentation have been rounded to the nearest \$0.1m. Any differences between this presentation and the accompanying financial statements are due to rounding. Amounts shown as "-" represent zero amounts and amounts less than \$50,000 which have been rounded down.

Third party information and market data

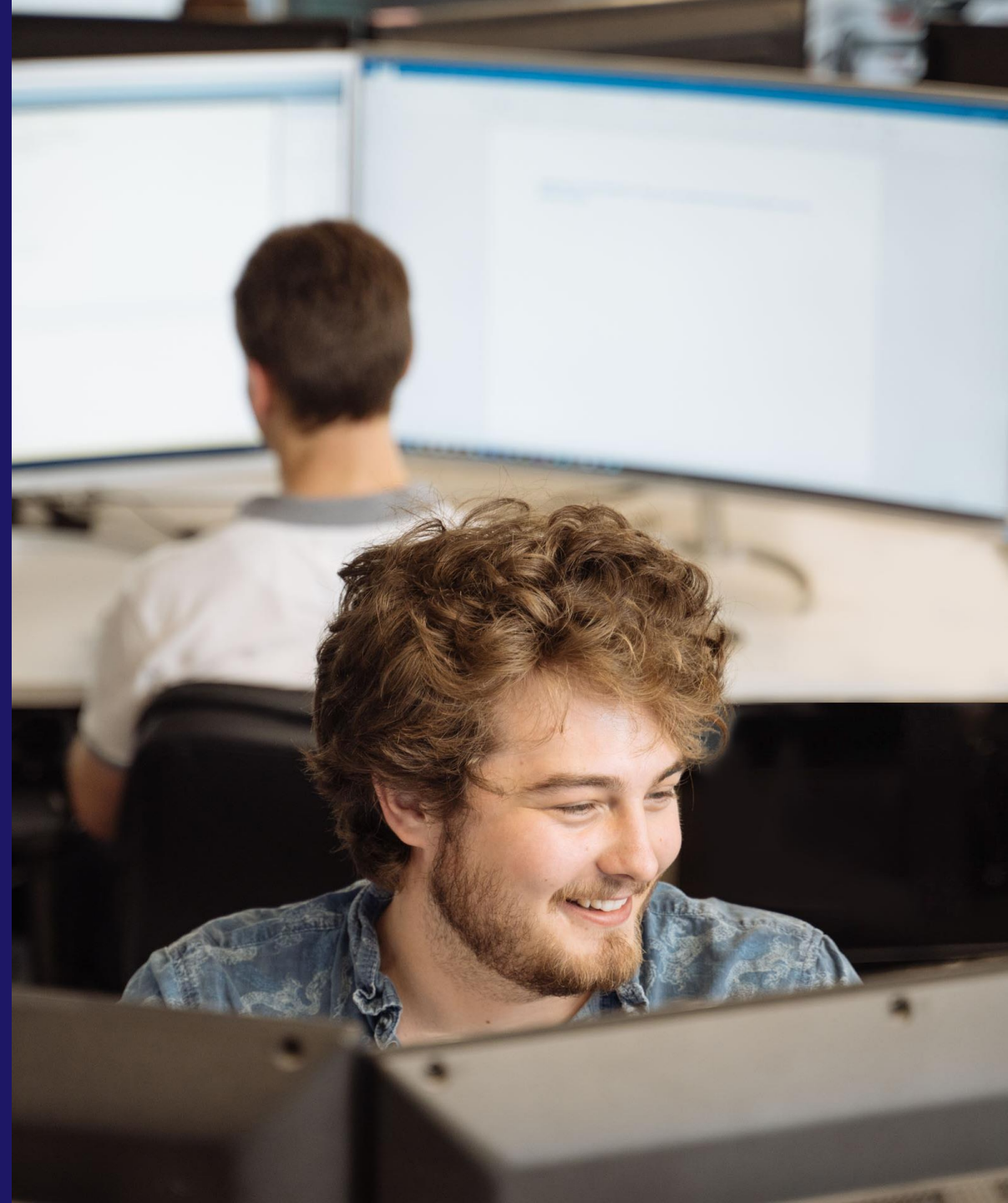
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No liability or responsibility

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Appendices



Appendix 1 – FY21 guidance

Key assumptions and sensitivities

Background

- FY21 guidance based on five significant parameters.
- Uncertainty around future economic and industrial production growth based on pandemic, stimulus measures and China may lead to alternative outcomes.
- Market share growth is the main driver of CargoWise revenue growth
- 2H20 COVID related growth reduction has some correlation to global Industrial Production (IP)
- China IP decline in Feb '20 and ROW in Mar-Apr '20 and the recovery in Jun '20 were reflected in our monthly trading results
- IP growth is forecast to recover in Jul '20 and return to historic levels by the end of Dec '20 ... FY21 guidance is provided on this basis



FY21 Guidance

1. CargoWise: recurring revenue market share growth of 15%–30%

- allowed for 15–30% YOY organic growth (usual range 20–30%)
- key variables include large customer roll-outs, new customer wins, user and transaction growth, new product and feature enhancement roll-outs

2. CargoWise: recurring revenue industrial production growth

- external industrial production growth rate average 2H18–1H20: 0.8% HoH
- 2H20 significant decline (5.2)% HoH due to China shutdown and pandemic disruption
- expect 1H21 rebound 3% – 5% supported by Jul/Aug data
- 2H21 return to pre pandemic growth levels

3. FX headwind \$20m revenue; \$9m EBITDA – see Appendix for sensitivity analysis

4. Acquisitions

- No new acquisitions not already closed
- Full-year impact of FY20 acquisitions \$12m
- Flat growth

5. Cost reduction

- \$10m net cost out in FY21, expect \$20–\$30m run rate for FY22

Guidance provided in line with these assumptions and those in Appendix slide 2. Uncertainty around future economic and industrial production growth based on pandemic, stimulus measures and China may lead to alternative outcomes. Prevailing uncertainties relating to sovereign and geopolitical risk may also reduce assumed growth rate.

Appendix 2 – FY21 guidance COVID-19 impact assumptions, F/X

What is included in the FY21 guidance:

- Retention of existing customers with CargoWise usage growth consistent with historical levels
- New customer growth consistent with historical levels
- New product and feature launches monetised
- Contractual increases in revenue from existing customers, including those reflecting the end of temporary pricing arrangements
- Standard price increases
- Full year effect of prior year acquisitions and minimal growth for acquisitions as a group overall
- Prudent allowance for COVID-19 impact

What is not included in the guidance:

- Revenue from new products in development but not planned to be commercialised
- Benefits from migration of customers from acquired platforms, where CargoWise development is yet to be completed
- Growth in services revenue outside of e-services
- Changes in the mix of invoicing currencies
- Future potential acquisitions, revenues and associated costs

FX rates v AUD	FY20 actual	FY21 guidance
GBP	0.53	0.55
RMB	4.71	4.89
EUR	0.61	0.62
NZD	1.05	1.06
ZAR	10.37	11.74
USD	0.67	0.72
TRY	4.05	4.79

Sensitivities	Increase/decrease	FY21 revenue \$m	FY21 EBITDA \$m
FX rates vs AUD			
USD	+/- 5%	-/+ 8.7	-/+ 6.2
EUR	+/- 5%	-/+ 4.2	-/+ 1.7
GBP	+/- 5%	-/+ 0.7	-/+ 0.2
ZAR	+/- 10%	-/+ 1.0	-/+ 0.5
TRY	+/- 10%	-/+ 0.1	-/+ 0.0

Foreign Exchange

- 75% of FY20 revenue in non-AUD currencies, 2pp lower than FY19 (77%)
- Natural hedges in some regions with both revenue and expenses denominated in local currencies – including recent acquisitions
- 43% of FY20 revenue in non-local currencies due to impact from overseas acquisitions and mix of transactions and users in CargoWise
- Minor hedge position in place to cover part of USD and EUR revenue exposure

Appendix 3 – Total addressable market

Ref.	Data Point Description	Value
A	Global Logistics Costs ¹	USD \$9.3tr
B	Transportation & Logistics IT Expenditure ²	USD \$164bn
C	Global Supply Chain Management Expenditure ³	USD \$15.2bn
C(i)	Supply Chain Execution Expenditure ³	USD \$4.7bn
C(ii)	Supply Chain Planning Expenditure ³	USD \$5.3bn
C(iii)	Procurement Expenditure ³	USD \$5.2bn
D	WiseTech FY20 Revenue (AUD \$429.4m at 0.72) ⁴	USD \$309.2m

Statement	Calculation
Transport and logistics IT expenditure was valued at US\$164 billion (2019) ² , or ~2% of the total global logistics market:	$\frac{\text{USD } \$164\text{bn (B)}}{\text{USD } \$9.3\text{tr (A)}}$ <p>= 2%</p>
WiseTech FY20 Revenue as a % of the Global Supply Chain Management segment	$\frac{\text{USD } 309.2\text{m (D)}}{\text{USD } \$15.2\text{bn (C)}}$ <p>= 2%</p>
WiseTech FY20 Revenue as a % of the Global Supply Chain Execution segment	$\frac{\text{USD } 309.2\text{m (D)}}{\text{USD } \$4.7\text{bn (C (i))}}$ <p>= 7%</p>

¹ Armstrong & Associates, Inc, Global 3PL Market Size Estimates, 2019 Logistics Cost, updated 7 October 2020

² Gartner – Enterprise IT Spending by Vertical Industry Market, Worldwide, 2018–2024, 3Q20 Update, published 5 October 2020

³ Gartner – Market Share: Supply Chain Management, Worldwide, 2019, published 12 June 2020

⁴ AUD \$429.4m WiseTech Global FY20 Revenue as reported per the FY20 Results on 19 August 2020 converted to USD using the AUD to USD FX rate of 0.72 (FY21 Guidance FX Assumptions)