



empowering and enabling global logistics

**ASX Announcement: 2021/26**

4 May 2021

### **WiseTech Global Investor Conference**

WiseTech Global is presenting to the Macquarie Australia Conference today to provide an overview of our business and strategies. The presentation materials are attached.

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

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#### **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<sup>1</sup> of the world's logistics companies across 160 countries, including 41 of the top 50 global third-party logistics providers and all of the 25 largest global freight forwarders worldwide<sup>2</sup>. Our flagship platform, CargoWise, forms an integral link in the global supply chain and executes over 60 billion data transactions annually.

At WiseTech, we are relentless about innovation, adding over 4,000 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](http://wisetechglobal.com) and [cargowise.com](http://cargowise.com)

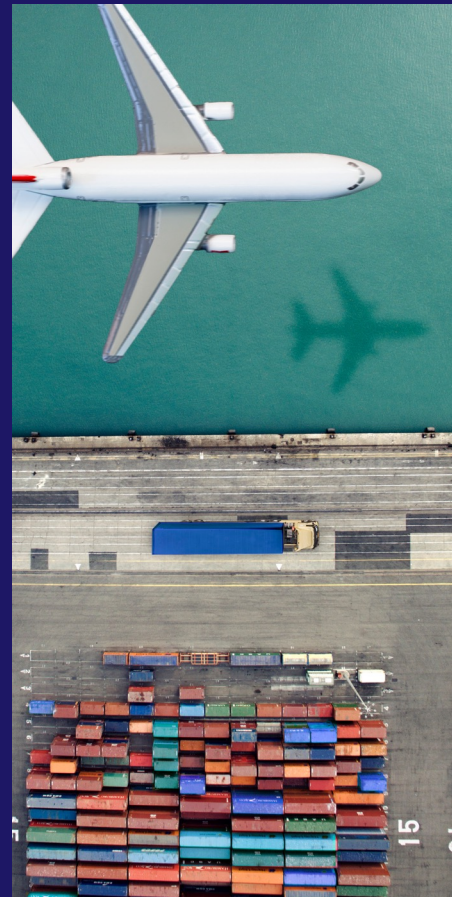
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<sup>1</sup> Includes customers on CargoWise and platforms of acquired businesses whose customers may be counted with reference to installed sites.

<sup>2</sup> 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.

# WiseTech Global Investor Presentation

Macquarie Australia Conference  
4 May 2021



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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** 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

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# Contents

Who we are

Our market and global growth opportunity

Our strategy – the 3Ps

- Product
- Penetration
- Profitability

Conclusion



# Who we are

Our offering – An ASX-listed developer of software solutions to the global logistics sector



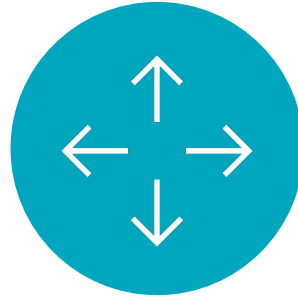
## ASX100 COMPANY

Since listing on the ASX in 2016, we have grown into an ASX100 company with ~\$10 billion market capitalisation.



## LEADING DEVELOPER, GLOBALLY

We are a leading developer and provider of global, integrated software solutions to the logistics execution industry.



## ENABLING GLOBAL SUPPLY CHAINS

Our flagship platform, CargoWise, empowers and enables the world's supply chains – executing over 60 billion data transactions annually.



## CUSTOMER PRODUCTIVITY ENHANCEMENT

CargoWise puts productivity at the centre of global logistics, helping our customers to solve supply chain pain points and enhance accuracy, compliance & profitability.

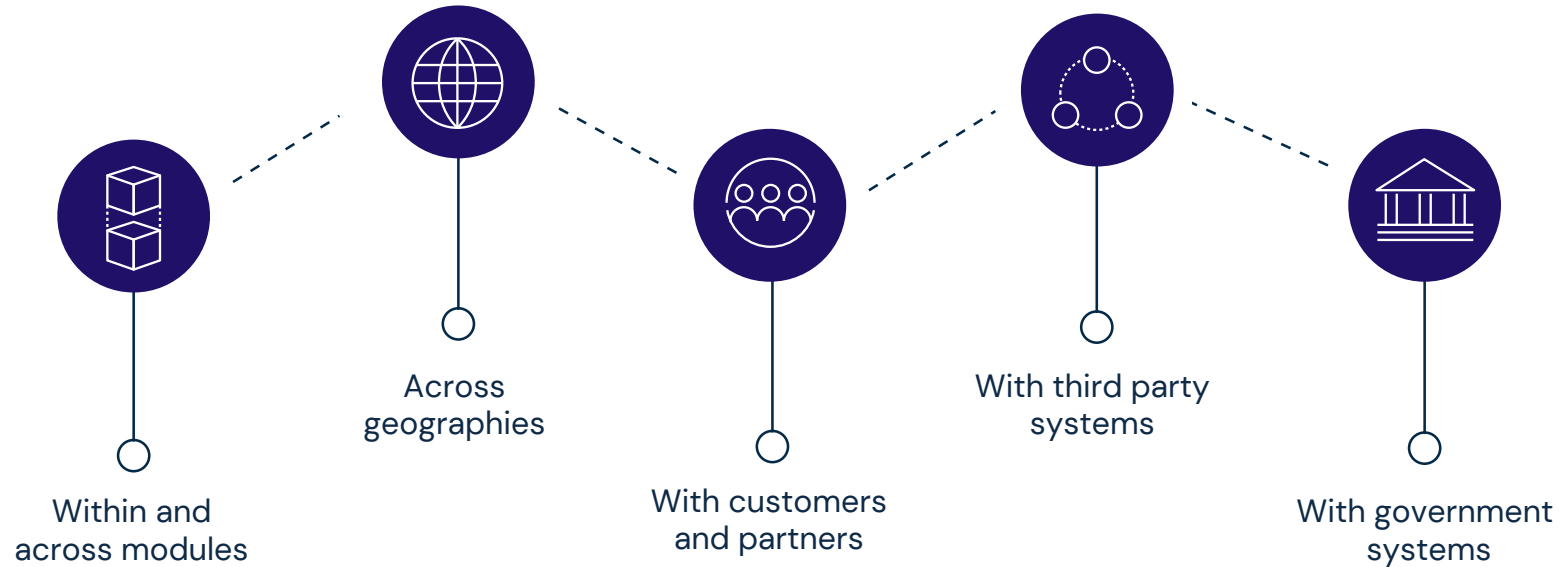


## SOLID GROWTH PROGRESS

We have a strong track record of revenue and earnings growth, including 3X growth in CargoWise revenue over the last 5 years (FY16: \$85.8 million; FY20: \$263.0 million).

# Who we are

The CargoWise customer value proposition – focused on designing integrated solutions



## Pay for one system

Universal price list  
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

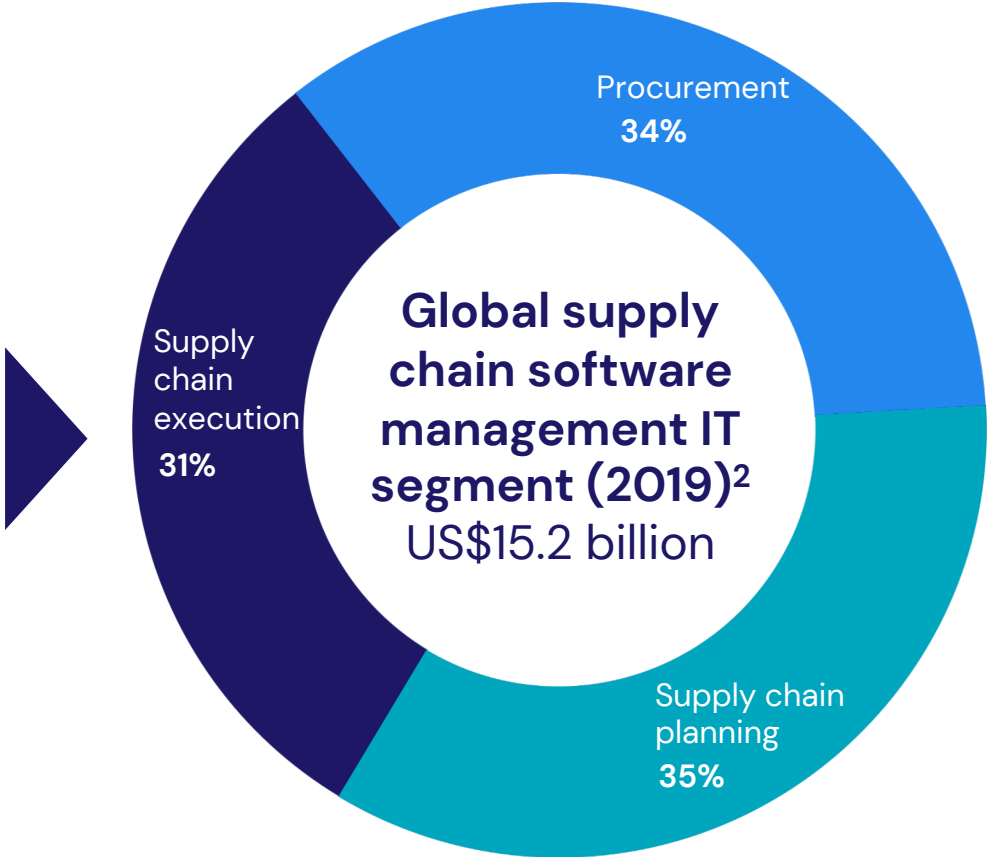
# Our market and global growth opportunity

## Supply chain management IT segment

- Competitive landscape is fragmented
- COVID has accelerated structural changes, as logistics providers pivot business models and replace legacy systems with integrated digital solutions
- Native customs expertise delivering economies of scale to global customers
- Costs of development, upgrade and maintenance are spread across many customers



Early stage penetration  
~7% market share<sup>3</sup>



Further expansion opportunity as WiseTech continues to build out its product suite (incl. NEO).  
~2% markets share<sup>3</sup>

1. Source: Gartner Supply Chain Software Execution, Worldwide, 2019  
2. Source: Gartner Supply Chain Software Management, Worldwide, 2019  
3. WiseTech FY20 revenue as a % of segment

# Our strategy

## The 3 Ps: Product, Penetration & Profitability

Our people facilitate the acceleration of our long-term strategy



### Product

Extend technology lead

- Expanding CargoWise product suite, including native customs geographic expansion
- Beta testing and development of Neo
- Accelerate data agreements and full integration with major carriers for sea, air, rail and road
- Integrate datasets and drive automation within CargoWise stack

### Penetration

Expand market penetration

- Sales team targeting Top 25 Global Freight Forwarders and Top 200 Global Logistics Providers
- Marketing and digital activities focused on CargoWise
- Expand existing global rollouts and customer usage

### Profitability

Drive operational efficiency

- Continued implementation of organisation-wide efficiency program
- Automate high volume, manual customer-facing and internal functions via a self-service portal
- Establish global development centre in Bangalore
- Align all product teams with key development resources and scale in global headquarters (Sydney)



# Product

## Building the operating system for global logistics

### CargoWise product development strategy

456 product features and enhancements in 1H21 ... 4,000+ since FY16

#### Global customs

Global native customs and cross-border compliance



#### Global rates

Build out global rates engines and ecosystem



#### Ecommerce

International Ecommerce



#### Logistics

Landside logistics and land transport



#### Enterprise

Extending enterprise-wide functionality + other modules



Beta launch Neo

#### Neo

Global integrated platform for BCOs to book, track, trace & manage freight



Product development priorities accelerated by strategic investments

- Foothold acquisitions: customs & domestic compliance
- BorderWise compliance libraries
- Cypress machine learning

- Cargoguide
- CargoSphere
- X-ware

- Pierbridge
- SmartFreight
- Foothold acquisitions: customs & domestic compliance

- Containerchain
- Depot Systems
- CMS
- SaaS Transportation
- Trinium
- TransLogix

- CCN
- Containerchain
- Micrologistics
- Softship
- X-ware
- Foothold acquisitions: domestic compliance

Testing with BCOs

Focused on penetration ahead of monetisation.

Seeding of the market will take 12+ months, with a long lead time before Neo is significantly revenue generating

# Product development priorities CargoWise

## Priority 1: Expanding technology lead in customs and cross-border compliance

### Global customs

Global native customs and cross-border compliance

- **High compliance risks** due complexity & pressure on cross-border trade
- **Hefty fines**, penalties & reputation risk
- Current country-specific solutions **not effective at controlling cross-border risk**

Our global customs platform creates, manages & clears import and export declarations for 17 countries (incl. AU, USA, UK, China), **covering ~40% of global manufactured trade flows:**

- Correctly classifying goods and mitigating regulatory risk
- Simplifying declaration process
- Streamlining or automating data entry

Global customs multi-year development pipeline targets to reach **~90% of manufactured trade flows by FY23+**, accelerated by acquisition capabilities.

### Development pipeline<sup>1</sup>

Live CargoWise	Planned FY21	Planned for FY22	Planned for FY23+
Australia	France	Germany <sup>2</sup>	Argentina
New Zealand	Spain	Ireland <sup>2</sup>	Chile
USA	Italy	Turkey	Costa Rica
Canada		Poland	Dominican Republic
UK		Brazil	Panama
South Africa		Korea	Paraguay
Singapore		Belgium	Puerto Rico
China		Denmark	Switzerland
Taiwan		Netherlands	Japan
+ 8 smaller countries (ASYCUDA) <sup>3</sup>		Norway	
		Sweden	
35-40%	~45%	~70%	~90%

Targeting to reach ~90% of manufactured trade flows

Industry pain points

Our solutions

Development pipeline

# Product development priorities CargoWise

Priority 2 and 3: Expanding our technology lead in other core CW areas

## Industry pain points

## Our solutions

## Development pipeline

### Global rates

Build out global rates engines and ecosystem

- Manual search rates, tariffs & charges **time consuming and error prone**
- Invoicing requires **complex calculations**
- Incorrect provider choice or rate calculation will be **costly**

Our global rates solution **streamlines the booking-to-payment process** and **improves customer profitability** with an advanced multi-modal rates engine and live rate connectivity:

- Real-time, automated rates with direct electronic feed from 9 carriers
- Customisable pricing strategy
- Full invoicing integration with all CargoWise modules

Build out spot rates and instant bookings with ocean and air carriers, as well as guided carrier selection with profitability forecast.

### Ecommerce

International Ecommerce

**Unprecedented volumes of ecommerce shipments** amplifies customer challenges in customs compliance and tracking deliveries

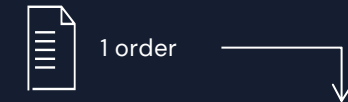
Launched in 1H20, our Ecommerce solution provides a **single platform for the entire international ecommerce fulfilment supply chain**:

- Automate orders, consignments and shipment manifests
- Bulk screening and customs submission – efficiently handling large volumes
- Expanded US ecommerce capabilities

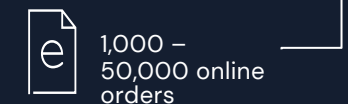
Further development in shipping, customs, final mile delivery, full track-and-trace, international freight forwarding and parcel.

Ecommerce shipments are managing unprecedented volumes

Traditional shipment



Ecommerce shipment



# Penetration

Customer global rollouts increasing across global freight forwarders and 3PLs enhancing value over time

CargoWise has **34<sup>1</sup> large global freight forwarders<sup>2</sup>** with global rollouts in process or completed.

11 of these are in the Top 25<sup>3</sup>

- 26 are **in production<sup>4</sup>** on CargoWise
- 8 are **contracted** and in the process of a global rollout

Additional opportunities exist as freight forwarders increase consolidation:

- DSV Panalpina acquisition of Agility
- Kuehne+Nagel acquisition of Apex
- JAS proposed acquisition of Tigers
- VISA and Mondiale merger

## Global rollouts – CargoWise large global freight forwarders



Customers have been categorised in the financial year that reflects the later of their CargoWise revenue cohort or global contract signing date (if applicable).

1. At the WiseTech Global Digital Investor Day (3 December 2020), we reported 23 large global freight forwarders. Subsequently, a total of 10 customers that met the criteria of a large global freight forwarder have been added to this metric. In addition, 1 new global rollout contract has been recently signed with Hankyu Hanshin Express.

2. A large global freight forwarder is defined here as a CargoWise customer contracted to grow or who has grown organically to 10 or more countries and 400 or more registered users on CargoWise.

3. Top 25 Global Freight Forwarder based on Armstrong & Associates, Inc. Top 25 Global Freight Forwarders List ranked on 2019 Logistics Gross Revenue/Turnover and Freight Forwarding Volumes (revenues are company reported or Armstrong & Associates estimates).

4. In production means that a customer is operationally live on CargoWise and using the platform on a production database.

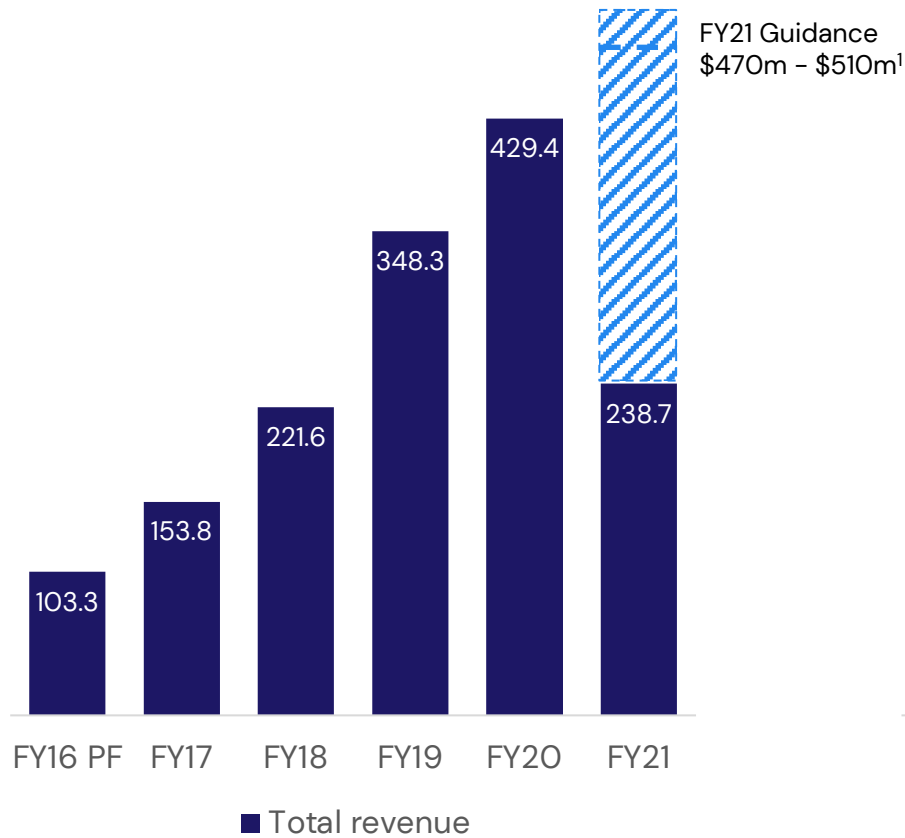
5. Aramex went operationally live with a "big bang" rollout in FY21 and is currently in production on CargoWise.

6. Includes customer signings up to and including 23 February 2021.

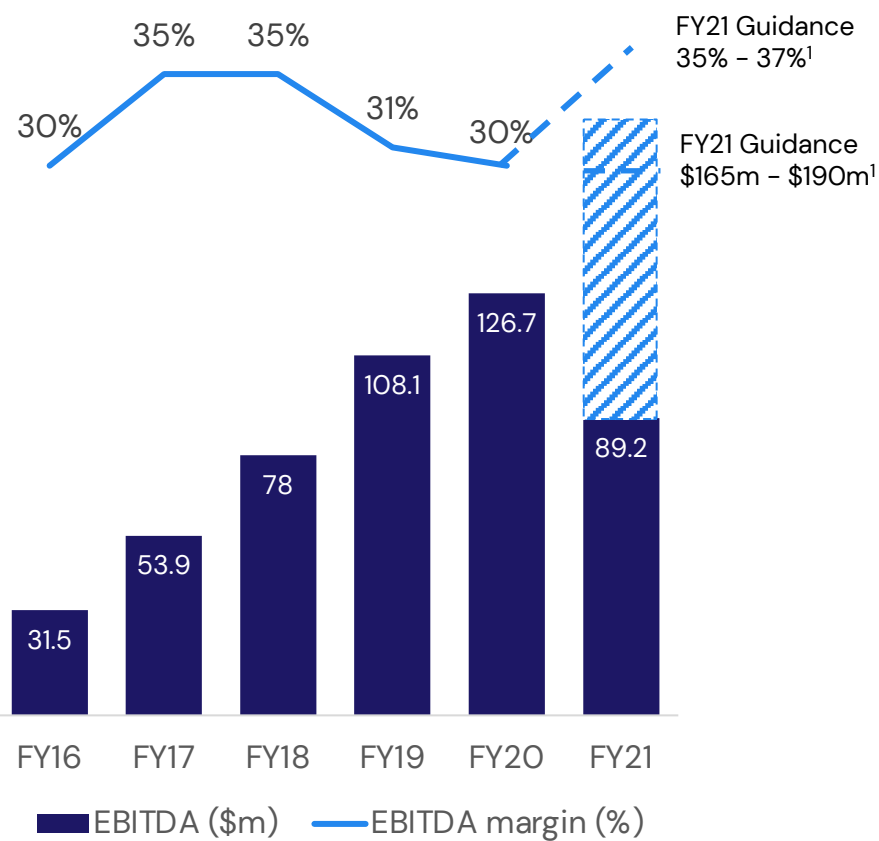
# Profitability

Strong track record of revenue and earnings growth

## Revenue (\$m)



## EBITDA (\$m)



## 1H21 Highlights

**Underlying NPAT**  
**\$43.6m ↑61%**  
 on 1H20

**Free cash flow**  
**\$48.7m ↑74%**  
 on 1H20

**Interim dividend**  
 2.70 cps (↑59%)

# Conclusion

## CargoWise delivering solid revenue growth

207% growth in CargoWise Revenue (FY16: \$85.8m; FY20: \$263.0m)

## Strong EBITDA and Underlying NPAT growth

Expanding CargoWise EBITDA margins from 30% in FY16 to 54% in 1H21

## Leading product development

4,000+ product enhancements since FY16 and good progress on CargoWise priorities

## Increasing market penetration

Increase in CargoWise large global freight forwarders<sup>1</sup> from 20 (FY16) to 34

## Unique technology expertise

1,024 technology and industry experts at 1H21 (up from 225 at FY16) with 53% focused on R&D

## Strong balance sheet & cash flows

High quality earnings and significant liquidity providing financial flexibility and headroom

1. A large global freight forwarder is defined here as a CargoWise customer contracted to grow or who has grown organically to 10 or more countries and 400 or more registered users on CargoWise.

# Visit our investor centre for more information

[www.wisetechglobal.com/investors](http://www.wisetechglobal.com/investors)



[Information about CargoWise & the logistics industry](#)



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# Q&A