

21 August 2019

WTC continued strong growth, revenue up 57%, NPAT up 33%
Key statutory results FY19 vs FY18

- Total FY19 revenue of \$348.3m, up 57%
- Net profit attributable to equity holders of \$54.1m, up 33%
- Fully franked final dividend of 1.95 cents per share

\$m	FY18	FY19	% change
Total revenue	221.6	348.3	+57%
Operating profit	58.4	80.2	+37%
Net profit attributable to equity holders	40.8	54.1	+33%
Earnings per share (cents)	13.9	17.7	+27%
Dividend per share (cents)	1.65	1.95	+18%

Key performance indicators FY19 vs FY18

- Recurring revenue 99% for CargoWise One platform
- Annual attrition rate of <1% by CargoWise One customers
- EBITDA \$108.1m, up 39%
- EBITDA margin 31% (48% excluding acquisitions¹)

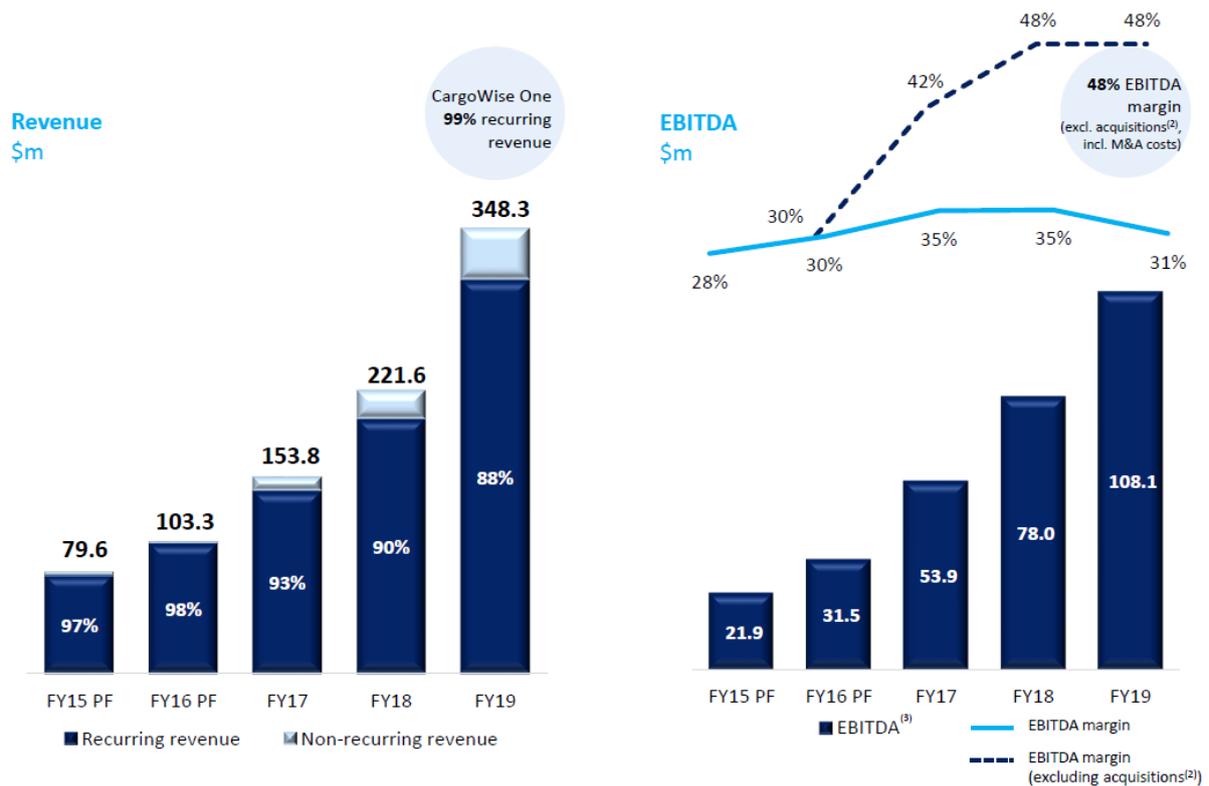
\$m	FY18	FY19	% change
Total revenue	221.6	348.3	+57%
Gross profit	187.3	286.4	+53%
Total operating expenses	(109.3)	(178.3)	+63%
EBITDA	78.0	108.1	+39%
EBITDA margin	35%	31%	(4)pp
Free cash flow	43.5	76.7	76%

Strong growth in revenues while expanding global platform

Founder and CEO, Richard White, said “We continued to deliver high quality growth in FY19 with revenues up 57% to \$348.3m and EBITDA up 39% to \$108.1m, a reflection of our strategy to accelerate WiseTech’s global growth and industry penetration, driven by geographic expansion, relentless innovation and deepening product capability, all of which saw usage by the world’s largest logistics providers increase.

“With the addressable market in technology for global logistics in the hundreds of billions and the spend on digital transformation hundreds of millions more again, we are moving fast to leverage our lead. Expanding out from our stronghold of international logistics and complex cross-border compliance, we are deepening our reach across the supply chain and putting in place the key technologies and assets to build out powerful ecosystems. We leverage the network effect of our new geographic markets and dozens of new technology adjacencies with our integrated global CargoWise platform across 150 countries, significant multi-year innovation pipeline and the 12,000 logistics organisations who currently use our solutions worldwide.”

¹ Acquisitions are those businesses acquired since 2012 and not embedded into CargoWise One.



Highlights from execution of strategic growth initiatives

- We delivered significant revenue growth of 57% driven by continued strong organic growth across our global business, the addition of over 830 internally developed product enhancements and features to our CargoWise One technology platform, and the acquisition of strategic assets in new geographies and adjacent technologies from which we will accelerate our future growth.
- Strong organic revenue growth with revenues from existing and new customers up \$54.5m, 33% yoy. Importantly, every CargoWise One customer cohort as measured in the last 12 years once again grew revenue in FY19.
- Overall, all 25 of the top 25 Global Freight Forwarders⁴ are now customers, as are 43 of the top 50 global 3PLs⁵, yet global penetration is still in the early stage with significant runway for years to come. Additionally, we now have 10 of the world's largest logistics providers in global rollout or in the process of rolling out – including DHL Global Forwarding, DSV, Toll, Bollore Logistics, Yusen and GEODIS.
- The attrition rate for the CargoWise One technology platform continued to be extremely low, at under 1%, as it had been for the previous seven years since we started measuring. Our customers stay and grow their transaction usage due to the productivity of our platform.
- EBITDA overall has more than doubled since FY17 while our EBITDA margin (excluding acquisitions but including M&A costs) was 48% – as we continue to see the benefits of our disciplined and highly efficient commercial model in our core operations.
- We progressed product development in China, Italy, Germany, Brazil, Ireland, the US, and Australasia and across our global adjacencies including global rates management, border compliance, transport management solutions and landside logistics. Since 1 July 2018, we have announced a further 15 valuable geographic and adjacent acquisitions across Turkey, North America, Spain, Italy, Australia, the UK, Sweden, Norway and Singapore.

² Acquisitions are those businesses acquired since 2012 and not embedded into CargoWise One.

³ Minor adjustment in FY17 and FY18 EBITDA excluding acquisitions to reflect allocation of South Africa CW1 business from acquisition to core business in FY17 and updated cost functional split in 2H18.

⁴ Armstrong & Associates: Top 25 Global Freight Forwarders List, ranked by 2017 logistics gross revenue/turnover and freight forwarding volumes.

⁵ Armstrong & Associates: Top 50 Global Third Party Logistics Providers List, ranked by 2017 logistics gross revenue/turnover.

- We invested resources into machine learning, natural language processing, process automation and guided decision support, driven by vast volumes of transactional and border agency data sets to enable enhanced compliance, due diligence, risk assessment and risk mitigation.

Delivery on our growth strategy

The key strategic focal points, investment areas and developments in FY19 were:

Expansion of our global platform

We invested \$113.0m and 47% of our people in product development, further expanding our pipeline of commercialisable innovations, and delivered over 830 product enhancements and upgrades seamlessly across the CargoWise One global platform. We are accelerating our development capability within our development teams in over 30 countries.

The hundreds of FY19 upgrades include initiatives such as:

- real-time container and vessel visibility along with expanded and embedded global automation covering air waybills movement and flight tracking and process automation
- additional China solution interface and localised CargoWise platform;
- extension of localisation of our comprehensive accounting solution to further countries;
- increased rates shopping, automation and bookings direct to ocean carriers;
- completion of border compliance engine, BorderWise, for the US market;
- consolidation planning board module to allow export forwarders, trans-shipment agents and gateways to optimise space and cost allocation over multiple shipments and consolidations; and
- regulatory upgrades for a myriad of government changes including UK regulatory CDS platform replacement, China Single Window (31 provinces), Canada Trans-Pacific Partnership revisions, Malaysian uCustoms, Australian GST, EU Union Customs Code implementation, South Africa NCAP and German ATLAS release.

We progressed our larger pipeline components including:

- web-based international fulfilment Ecommerce integrated solution for 3PLs, which manages shipments from origin to door with Shipper Portal, export consolidation warehouse and import deconsolidation warehouse automations and optimisations all deeply integrated to CargoWise functionality along with connections to customs and last mile and parcel delivery;
- comprehensive global port integration for all ports in the Netherlands and all automated ports across South Africa, Germany and Australia. This was completed for Shanghai and Ningbo-Zhoushan covering the majority of ports in China (with the world's largest global forwarder, DHL GF, already live);
- additional machine learning, natural language and data robotics that monitor, retrieve and process data sets automatically, across myriad sources and providers in the supply chain;
- expansion of the Universal Customs Engine designed to deliver complex, multi-year localisations;
- progress in the development of CargoWise NeXus, with early beta release to select BCO and 3PL customers at the end calendar year 2020. NeXus is designed for the users of logistics services, connecting logistics providers, importers, exporters and other logistics users;
- integration of acquired agencies and our innovation developments to build out the cargo chain ecosystem for rates, schedules, contracts, quoting and bookings; and
- commenced scaling of database models (including new SQL and non-SQL database structures), sharding and decoupling projects to further scale WiseCloud infrastructure, increasing redundancy and expanding performance capacity.

In addition, we have also invested resources into in-application machine learning, natural language processing, process automation and guided decision support, driven by vast volumes of transactional, carrier and border agency data sets to enable enhanced productivity, automation, visibility, predictability, compliance, due diligence, risk assessment and risk mitigation for the logistics industry.

Within our acquired strategic assets, significant development work is progressing. A sample of activities include:

- commencing integration between our specialist Transport Management Solutions (“TMS”) agencies and direct integration with CargoWise and our international ecommerce;
- simultaneous build-out of embedded customs for acquired geographies and expansion of European customs solutions to encompass bonded warehousing;
- multiple-solution design development ahead of Brexit to accommodate potential outcomes for the UK and key countries across Europe;
- expanding CargoSphere capability and integration to CargoWise One, with 3 of the world’s largest global ocean carriers, including Maersk and Hapag Lloyd, along with other key regional players, now live on the global rates platform;
- integration of Taiwan customs and compliance modules expanding our CargoWise Asian capability;
- utilising our local acquired operations to build out key regional components for our global engines; and
- leveraging select geographic and adjacent technology acquisitions to address new customer segments or expand regional presence.

Greater usage by existing customers

We experienced continuing strength in existing customer revenue growth of \$46.8m, providing 86% of organic revenue growth in FY19. Highlights include:

- our large customer base increasing its use of the CargoWise One platform, adding transactions, users, new sites and geographies, taking up new products and moving into more modules;
- increasing usage by many of the world’s largest freight forwarding groups. We have 25 of the top 25 global freight forwarders as customers and seven of the top 25 are in progress, or have completed, global forwarding rollouts, including DSV, DHL, Toll and Yusen. The DHL Global Forwarding rollout continues to make significant progress with a strong increase in both core users and countries;
- continued transition of customer licensing (excluding acquisitions), with 98% of CargoWise One revenues generated from On-Demand licensing, an access-as-needed, monthly payment based on usage licence. Our transaction-based licensing (STL) now accounts for 81% of CargoWise One revenues (FY18: 57%);
- In FY19, once again, revenue growth for CargoWise One was achieved across all existing customer cohorts (from FY06 through to FY19);
- further growth in revenue from larger multi-region customers with 43 of the top 50 global 3PLs now customers, yet even our global relationships are still in early penetration and our top 10 customers contribute only 22% of revenue (FY18: 29%); and
- each cohort of customers from FY06 to FY19 grew revenue in the period.

Increasing the number of new customers on the platform

We continue to bring new customers onto the platform with new regional customer deals including Bon Voyage Logistics, HAVI Freight Management and a full global rollout for Bolloré Logistics (a global leader in supply chain management ranking among the world’s top 10 in transport and logistics with an integrated network of 609 offices in 107 countries).

New customers take time to roll out and then transaction revenue grows over time. Our Delta team builds relationships with global 3PLs and international freight forwarders. As we increase our global penetration, we also continue to sign new deals with customers where we have a pre-existing relationship which add to our existing customers’ revenue. We are seeing larger potential global logistics organisations engaging with us and we expect to see this trend expand into further major new customer contracts.

In addition, through industry consolidation, CargoWise is capable of capturing large global rollouts without further sales activity – e.g. DSV’s acquisition of UTi and recent acquisition of Panalpina. However, we are still in early penetration of both new and existing customers.

Stimulated network effects

We harness important natural network effects that exist because of the necessarily collaborative nature of supply chain execution and the inherent effect of our deeply integrated global software platform. We further stimulate these effects with targeted partner programs through WisePartners, CargoWise Certified

Professional and deeper WiseIndustry programs for freight forwarding network groups globally.

We now have over 270 external WisePartner organisations across the world, actively referring, promoting or implementing our platform. In FY19, we certified a further 4,000 CargoWise One practitioners, who work within the logistics industry across our customer or partner organisations. We now have over 15,000 who utilise and promote the features of our platform.

In addition, each new geography and adjacency we acquire adds a valuable point on our strategic map, accelerates the network effects and makes CargoWise One even more compelling to local and global logistics providers and their customers. In FY19, we continued to leverage our acquired business relationships with key global customers and explored connections between the adjacent acquisitions, CargoWise One and geographic footholds.

Our reach now extends out from international freight forwarding and 3PL logistics, making inroads into the 2PL, 1PL and domestic transportation globally. Across the WiseTech Global group we now have over 30 product development centres worldwide and over 50 offices.

Accelerating organic growth through acquisitions

In expanding geographically, we buy into market positions that would take years to build, and we then integrate the acquired industry and developer talent and customers over time to accelerate our organic growth. We further utilise acquisitions in key adjacent technologies to facilitate our development of globally scalable innovations, to fuel the convergence of technologies that add to our next generation of automations and machine learning and to grow and enhance our extensive global data and transaction sets.

In FY19, we have progressed product development in China, Italy, Germany, Brazil, Ireland, the US, and Australasia and across our global adjacencies. In addition, since 1 July 2018, we have announced a further 15 valuable geographic and adjacent acquisitions across Turkey, North America, Spain, Italy, Australia, the United Kingdom, Sweden, Norway and Singapore.

In FY19, our acquisitions for geographic expansion comprised:

- on 2 July 2018, we completed the acquisition of *Ulukom*, a leading logistics and customs solutions provider in Turkey – one of Europe’s largest trading partners bridging Europe, the Middle East and Asia;
- on 2 July 2018, we completed the acquisition of *Fenix*, a Canadian customs management solutions provider with specialised focus on cross-border road and rail movements;
- on 19 September 2018, we completed the acquisition of *Multi Consult*, the leading Italian customs and freight forwarding solution provider with domestic TMS capabilities;
- on 2 October 2018, we completed the acquisition of *Taric*, a leading provider of customs management solutions in Spain who will assist to extend customs and compliance capabilities for our recent acquisitions of freight forwarding solutions providers across Latin America;
- on 1 November 2018, we completed the acquisition of *DataFreight*, a leading provider of customs, freight forwarding and warehouse management software solutions in the UK who will strengthen our development capacity in preparation for Brexit;
- on 1 November 2018, we completed the acquisition of *CargoIT*, a leading customs management and logistics solutions provider in Sweden; and
- on 1 February 2019, we completed the acquisition of *Systema*, a leading customs management solutions provider in Norway.

In FY19, and to 20 August 2019, our acquisitions for adjacencies and technologies convergent with our innovation pipeline comprised:

- on 2 July 2018, we completed the acquisition of *SaaS Transportation*, a specialist Less Than Truckload (“LTL”) TMS provider in the US with US LTL road rate capabilities which will expand our road booking

and road rates offering;

- on 2 July 2018, we completed the acquisition of *Pierbridge*, a leading parcel TMS provider whose enterprise-class, multi-carrier, parcel shipping solution, allows freight forwarders, warehouses and shippers, such as online retailers, to more efficiently manage high volumes of parcel shipments, and will enable our customers to ship with US-based global couriers;
- on 1 October 2018, we completed the acquisition of *Trinium*, a leading intermodal trucking TMS and container tracking provider in the US and Canada;
- on 8 October 2018, we completed the acquisition of *Tankstream*, a learning management system provider in Australia;
- on 1 November 2018, we completed the acquisition of *SmartFreight*, a leading parcel and LTL shipping software provider in Australia;
- on 1 April 2019, we completed the acquisition of *Containerchain*, a leading container optimisation solutions provider to the shipping and landside logistics communities in Asia Pacific, Europe and the US;
- on 1 May 2019, we completed the acquisition of *Xware*, a leading messaging integration solutions provider in Sweden; and
- on 19 August 2019, we announced the acquisition of *Depot Systems*, the leading provider of container yard and terminal management logistics solutions in the US.

Outlook FY20

WiseTech Global Founder and CEO, Richard White, said “Throughout the world, the dynamics inherent in the logistics industry causing pain points for operators worldwide are cycling up faster. This is creating a Gordian Knot across the supply chain: increasing regulation, tariffs and taxes, trade wars, capital constraints, economic changes, the tsunami of ecommerce volumes and margin pressures to name just a few, all of which create ever stronger tailwinds for greater adoption and use of CargoWise One.”

“With our global reach, we see into the world’s supply chains at a breadth and depth that allow us to identify and build large global data sets and transaction execution capabilities. We have established the development capacity, geographic footprint and global integrated platform, which together give us a strong foundation to build the critical cargo chain, border compliance and ecommerce ecosystems.”

“The opportunity available to us is vast and while our growth rates to date have been strong our penetration of both customers and addressable markets is still in the early stages. We are moving swiftly with determination to build upon our lead. Our powerful innovation capacity across our 36 development centres worldwide, expanded geographic footprint, and significant operational capacity to support new entry markets, presents an incredible opportunity for efficient future growth – benefiting new segments across the global supply chain and the 12,000 organisations using WiseTech logistics solutions across the world.”

Guidance for FY20 revenue and earnings

Founder and CEO, Richard White, said “The strong momentum and significant growth of the Group during FY19, the power of the CargoWise One platform, annual customer attrition rate of less than 1% and continued relentless investment in innovation and expansion across our global business give us confidence to expect, subject to currency movements⁶:

**FY20 revenue of \$440m - \$460m, revenue growth of 26% - 32%,
EBITDA⁷ of \$145m - \$153m and EBITDA growth of 34% - 42%.”**

⁶ Our revenue is invoiced in a range of currencies, reflecting the global nature of our customer base and as a result is impacted by movements in foreign exchange rates. Our FY20 guidance is based on rates provided within the Investor briefing materials released to the ASX on 21 August 2019.

⁷ The application of AASB 16 Leases brought into effect from 1 July 2019, is expected to add \$6m to EBITDA for FY20, with no change to revenue. The total is reflected in the guidance provided.

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Investor Presentation Please refer to the WiseTech Global FY19 Results Investor briefing materials released today for detailed financial data and analysis.

Analyst Briefing The results presentation webcast to discuss WiseTech Global's FY19 financial results will be held at 10.30am (Sydney time) today. The webcast and briefing audio will be available at <http://webcast.openbriefing.com/5275/>

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Forward looking statements

Forward-looking statements in this release are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of WiseTech Global. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.

About WiseTech Global

WiseTech Global is a leading developer and provider of software solutions to the logistics execution industry globally. Our customers include over 12,000 of the world's logistics companies across 150+ countries, including 43 of the top 50 global third-party logistics providers and 25 of the 25 largest global freight forwarders worldwide⁸. Our flagship platform, CargoWise One, forms an integral link in the global supply chain and executes over 51 billion data transactions annually. At WiseTech, we are relentless about innovation, adding ~4,500 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.

The WiseTech Global group includes CargoWise One, ABM Data Systems, ACO Informatica, BorderWise, Bysoft, Cargoguide, CargoIT, CargoSphere, CMS Transport Systems, Containerchain, CustomsMatters, EasyLog, Fenix, Forward, Intris, LSP Solutions, Microlistics, Multi Consult, Pierbridge, Prolink, SaaS Transportation, SmartFreight, Softcargo, Softship, Systema, Taric, Trinium Technologies, Ulukom, Xware, zsoft and znet Group.

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

⁸ Armstrong & Associates: Top 50 Global Third Party Logistics Providers List, ranked by 2017 logistics gross revenue/turnover. Armstrong & Associates: Top 25 Global Freight Forwarders List, ranked by 2017 logistics gross revenue/turnover and freight forwarding volumes.