

21 August 2024

WiseTech delivers strong financial performance and outlook

33% CargoWise revenue growth, 28% total revenue growth
48% EBITDA margin, ahead of expectations

WiseTech Global Limited (WiseTech or the Company) today announced its financial results for the twelve months ended 30 June 2024 (FY24).

FY24 highlights

- Total revenue of \$1,041.7 million, up 28% (up 15% organically¹) on FY23
- CargoWise revenue of \$880.3 million, up 33% (up 19% organically) on FY23, driven by full and part year effect of FY23/FY24 M&A and customer growth including new Large Global Freight Forwarder (LGFF) rollouts
- EBITDA of \$495.6 million, up 28% on FY23; 48% EBITDA margin ahead of expectations and 4QFY24 EBITDA margin run rate at 50%
- Underlying NPAT² of \$283.5 million, up 15% on FY23; with statutory NPAT of \$262.8 million, up 24%
- Strong free cash flow of \$333.0 million, up 14% on FY23
- Final dividend of 9.2cps, up 10% on FY23; representing payout ratio of 20% of Underlying NPAT
- CargoWise customer penetration momentum continues with LGFF wins – Sinotrans (Top 25), APL Logistics, Yamato Transport, TIBA Tech and Grupo TLA Logistics. Nippon Express (Top 25) was secured post year-end
- Three breakthrough product releases announced for FY25 – CargoWise Next, Container Transport Optimization and ComplianceWise, with planned releases commencing 1H25

Group financial metrics	FY23	FY24	FY24 vs. FY23
Total revenue (A\$m)	816.8	1,041.7	28%
Recurring revenue ³	96%	97%	1pp
EBITDA (A\$m)	385.7	495.6	28%
EBITDA margin	47%	48%	40bps
Statutory NPAT (A\$m)	212.2	262.8	24%
Underlying NPAT (A\$m)	247.6	283.5	15%
Underlying EPS (cps)	75.6	85.7	13%
Final ordinary dividend (cps)	8.4	9.2	10%
Free cash flow (A\$m)	291.4	333.0	14%
Free cash flow conversion rate	76%	67%	(8)pp

¹ Refers to revenue and EBITDA growth and EBITDA margin adjusted for FY23/FY24 M&A without full period comparisons, foreign exchange impacts, restructuring and M&A costs

² Underlying NPAT is Net profit after tax excluding fair value adjustments from changes to acquisition contingent consideration (FY24: \$0.3 million, FY23: \$0.2), non-recurring tax on acquisition contingent consideration (FY24: \$1.8 million, FY23: \$2.4 million), acquired amortization, net of tax (FY24: \$17.6 million, FY23: \$10.9 million), contingent and deferred consideration interest unwind, net of tax (FY24: \$0.3 million, FY23: \$0.7 million) and M&A costs (FY24: \$4.9 million, FY23: \$26.4 million)

³ Recurring revenue percentage is the sum of revenue categorized as Recurring On-Demand License revenue and Recurring One-Time License (OTL) Maintenance revenue divided by Total Revenue

WiseTech Founder and CEO, Richard White said, *"I am pleased to announce a strong full year financial performance, driven by the focused execution of our 3P strategy by WiseTech's passionate and dedicated global team of almost 3,500 people. EBITDA came in above our guidance range and EBITDA margin was 50% in the fourth quarter, over a full year ahead of expectations.*

"CargoWise's strong momentum continued throughout the year with the addition of TIBA Tech and Grupo TLA Logistics, as new Large Global Freight Forwarder (LGFF) rollouts, as well as the post year-end signing of Nippon Express, a Top 10 global freight forwarder and Japan's largest, taking us to 52 large global rollouts, and more than 50% of the Top 25, with the opportunity pipeline across the world's major economies strengthening.

"Importantly, our three breakthrough product releases CargoWise Next, Container Transport Optimization and ComplianceWise, will present a step change in our product capabilities, growth and value to customers. Building on our capabilities across our key development areas, the productivity advantages we expect to deliver for our customers are significant and have the potential to change the commercial models of the industry and make the adoption of our software mission critical to remain competitive."

Strong financial and operational performance

The Company reported **Total revenue** growth in FY24 of 28% to \$1,041.7 million (FY23: \$816.8 million). This reflected strong growth from CargoWise (up 33% on FY23), which included \$83.8 million growth from FY23/FY24 M&A and a \$21.3 million FX tailwind. Organically, Total revenue grew by 15% (\$119.7 million) on the prior corresponding period (pcp).

CargoWise recurring revenue in FY24 grew by 33% on FY23 to \$866.8 million. Organically, CargoWise recurring revenue grew by 19%, primarily driven by LGFF rollouts, price increases to offset inflation and generate returns on product investment and growth from existing and new customers.

Reported earnings before interest, tax, depreciation and amortization (EBITDA) grew 28% to \$495.6 million and reflected the benefit of price increases, operating leverage and WiseTech's ongoing financial discipline, offset by increased investment in product development. The reported EBITDA margin was up 40 bps on FY23 at 48%, which is ahead of expectations, and 4QFY24 EBITDA margin run rate at 50%.

Strong balance sheet, cash flow generation and liquidity

FY24 operating cash flow of \$531.1 million was up 23% on FY23 and free cash flow of \$333.0 million was up 14% on FY23, demonstrating the highly cash-generative nature of the Company's operating model. The Company has significant financial headroom, with total liquidity of more than \$500 million from cash and undrawn debt facilities.

Strategic execution

WiseTech's '3P strategy' – *Product; Penetration; and Profitability* – is key to delivering its vision and enabling WiseTech to achieve sustainable growth through the cycle.

1. Product

In FY24, the Company continued to make progress on its key development priorities, with the announcement of three breakthrough products: CargoWise Next, the new next-generation platform; Container Transport Optimization, bringing together WiseTech's landside logistics investments and innovation to dramatically improve and optimize container movements; and ComplianceWise, deep functionality in international trade compliance and export and import classification assistance.

WiseTech also continued to accelerate its innovation and product development efforts, increasing its R&D investment by 41% to \$368.2 million (FY23: \$261.9 million), equating to 35% of Total revenue. This investment delivered 1,135 new product enhancements in FY24, taking total product enhancements delivered on the CargoWise application suite over the last five years to more than 5,600, from a total investment of over \$1.1 billion.

FY24 capitalized development increased by 46% to \$195.9 million, with 53% of total R&D investment being capitalized. This reflects increased product investment and the underlying quality of WiseTech's development process, which delivers higher productivity and lower defects, enabling teams to focus more on developing new products. This positive trend is expected to continue in FY25 with capitalized development expected to be in the 50% to 55% target range going forward.

WiseTech's organic growth is supplemented by targeted acquisitions to accelerate CargoWise product development. In FY24, the Company completed the acquisitions of MatchBox Exchange, which is delivering important container transport optimization capabilities to CargoWise, along with Sistemas Casa and Aktiv Data, creating customs footholds in Mexico and Finland respectively. As a result, WiseTech's global customs platform will now cover greater than 75% of global manufactured trade flows including countries in production and development.

2. Penetration

WiseTech's market approach targets the Top 25 Global Freight Forwarders⁴ and top 200 global logistics providers, enabling the Company to benefit from large-scale global rollouts and consolidation within the logistics sector.

In FY24, the Company secured a new rollout with Top 25 Global Freight Forwarder Sinotrans, as well as LGFF rollouts with Yamato Transport, APL Logistics, TIBA Tech and Grupo TLA Logistics. Since the year-end, it has also secured Nippon Express, a Top 10 global freight forwarder and Japan's largest, with continued momentum across its pipeline. The Company has a total of 52 LGFF rollouts, and more than 50% of the Top 25 Global Freight Forwarders.

3. Profitability

WiseTech's strong revenue growth, efficient operating model, and continued strong financial discipline continue to drive operating leverage and robust margins. In FY24, profitability also benefited from price increases to offset the impacts of inflation and generate appropriate returns on its investments.

⁴ Based on Armstrong & Associates, Inc. Top 25 Global Freight Forwarders List ranked by 2022 gross logistics revenue/turnover and freight forwarding volumes - Updated 5 October 2023

The Company-wide cost efficiency program has achieved its goal and delivered \$40 million annual run rate savings with \$14 million net cost out in FY24. The program has been expanded with an updated target of \$50 million annual run rate savings. EBITDA margin was 48% in FY24, ahead of expectations, with a run rate of 50% in the fourth quarter.

Dividend

Reflecting its confidence in the underlying business performance and outlook, the Board has declared a fully franked final ordinary dividend of 9.2cps, representing a 10% increase on the FY23 final dividend. The final dividend is payable on 4 October 2024 to shareholders registered as at 9 September 2024 and represents a payout ratio of 20% of Underlying NPAT.

Outlook and guidance

FY25 guidance is provided on the basis that market conditions do not materially change, and reflects current trends in supply chain volumes, noting that changes in industrial production and/or global trade (both favorable and unfavorable) may impact guidance. Subject to the assumptions set out in the WiseTech Global FY24 Results presentation, the Company anticipates FY25 revenue of \$1,300 million–\$1,350 million (representing revenue growth of 25%–30%) and EBITDA of \$660 million–\$700 million (representing EBITDA growth of 33%–41%). The Company's full year EBITDA margin is expected to be 51%–52%.

Mr White concluded, *"We have the capability and capacity that no one else in this industry has, and we are achieving outcomes that have real impact for our customers and the industry we serve. Through the consistent execution of our product led, 3P strategy, we are revolutionizing major parts of the global logistics ecosystem as we expand our capabilities with the announcement of our three breakthrough product releases. CargoWise, our world-leading solution, is making it easier for large global players to operate more efficiently and effectively and has driven vast improvements across the industry. Our strategic vision is to be the operating system for global logistics, and we are accelerating our pace to achieve this vision."*

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Authorized for release to ASX by Maree Isaacs, Executive Director & Company Secretary.

Investor Presentation Please refer to the WiseTech Global FY24 Results presentation released today for detailed financial data and analysis.

Analyst Briefing The WiseTech Global FY24 Results presentation webcast will be held at 10.00am (Sydney time) today. The webcast will be available [here](#).

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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 17,000⁵ of the world's logistics companies across 183 countries, including 46 of the top 50 global third-party logistics providers and 25 of the 25 largest global freight forwarders worldwide⁶.

Our mission is to change the world by creating breakthrough products that enable and empower those that own and operate the supply chains of the world. At WiseTech, we are relentless about innovation, adding over 5,600 product enhancements to our global CargoWise application suite in the last 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](https://www.wisetechglobal.com) and [cargowise.com](https://www.cargowise.com)

⁵ Includes customers on CargoWise and non-CargoWise platforms whose customers may be counted with reference to installed sites

⁶ Armstrong & Associates: Top 50 Global 3PLs & Top 25 Global Freight Forwarders ranked by 2022 gross logistics revenue/turnover and freight forwarding volumes – Updated 5 October 2023