

**WTC revenue +31%, EBITDA +32%, on track for FY18 guidance**
**Key statutory results 1H18 vs 1H17**

- Total 1H18 revenue of \$93.4m, up 31%
- Net profit attributable to equity holders of \$15.6m, up 8%
- Fully franked interim dividend of 1.05 cents per share

\$m	1H17	1H18	% change
Total revenue	71.1	93.4	+31%
Operating profit	17.9	22.5	+26%
Net profit attributable to equity holders	14.4	15.6	+8%
Earnings per share (cents)	4.9	5.3	+8%
Dividend per share (cents)	1.0	1.05	+5%

**Key performance indicators 1H18 vs 1H17**

- Recurring revenue 100% (excluding acquisitions<sup>1</sup>)
- Annual attrition rate of <1% by CargoWise One customer
- EBITDA \$31.8m, up 32%
- EBITDA margin 34% (46% excluding acquisitions<sup>1</sup>)

\$m	1H17	1H18	% change
Total revenue	71.1	93.4	+31%
Gross profit	61.0	79.4	+30%
Total operating expenses	(37.0)	(47.6)	+29%
EBITDA	24.0	31.8	+32%
EBITDA margin	34%	34%	-
Free cash flow	14.7	11.9	(19)%

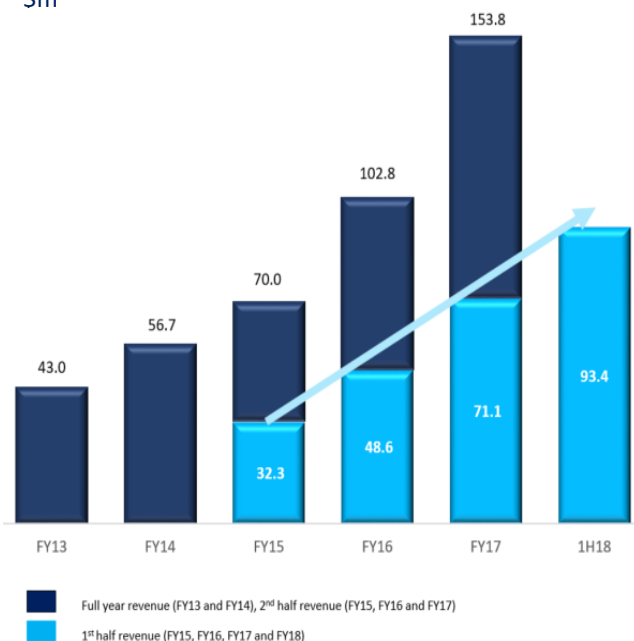
**Strong growth in revenues while expanding global platform**

CEO, Richard White, said “Our global operations continued to deliver quality growth with revenues up 31% to \$93.4m and EBITDA up 32% to \$31.8m for the first half 2018, while we rapidly and relentlessly delivered significant new product innovations and extensive geographic expansion to accelerate our future growth.”

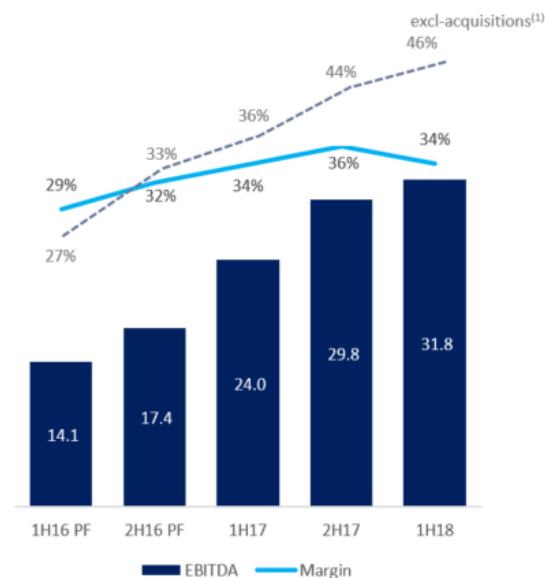
“The power and strength of our CargoWise One operations are reflected in their 100% recurring revenue, annual customer attrition rate of <1% and 46% EBITDA margin — all delivered while enlarging our geographic footprint and significantly expanding our pipeline of innovation to further build our leadership position.”

<sup>1</sup> Acquisitions are those businesses acquired since 2012 and not integrated into CargoWise One.

## Revenue \$m



## EBITDA \$m



## Highlights from execution of strategic growth initiatives

- In 1H18, we invested over 37% of our revenue and over 50% of our people in product development, significantly expanding our platform. From FY14 to FY18 we will have invested over \$200m in R&D.
- Continued strong revenue growth with existing customer revenue up \$13.0m and all cohorts growing revenue in the period.
- Existing customers delivering 81% of our organic revenue growth with global penetration still in the early stage.
- CargoWise One licence transition to 'On-Demand' essentially complete.
- Overall, 24 of the top 25 Global Freight Forwarders<sup>2</sup> are customers as are 33 of the top 50 global 3PLs<sup>3</sup>.
- We have progressed product development in China, Italy, Germany and Brazil and across our global adjacencies. Throughout 1H18 and to February 2018, we announced 11 valuable acquisitions across Brazil, Taiwan, Australia, North America, the Netherlands, Ireland and Belgium.

<sup>2</sup> Armstrong & Associates: Top 25 Global Freight Forwarders List, ranked by 2016 logistics gross revenue/turnover and freight forwarding volumes.

<sup>3</sup> Armstrong & Associates: Top 50 Global Third Party Logistics Providers List, ranked by 2016 logistics gross revenue/turnover.

### ***Innovation and expansion of our global platform***

In 1H18, we invested \$34.3m and 50% of our people in product development, further expanding our commercialisable innovations and delivering 230 product upgrades and enhancements seamlessly across the CargoWise One platform.

These hundreds of upgrades and new enhancements included significant initiatives such as:

- Launch of BorderWise, first regional rollout of comprehensive global border compliance engine;
- WiseRates, additional functionality in rates automation;
- Launch of PAVE, Productivity Acceleration and Visualisation Engine, a technology layer applied across our CargoWise One workflow engine; and
- Regulatory upgrades for a myriad of government changes including US Automated Commercial Environment, Canada-EU Free Trade and China golden tax regime.

A sample of the larger pipeline components include:

- Development of our global rates ecosystem, incorporating real-time ocean and air rate processing and management with automations for bookings, invoicing and execution;
- International e-commerce integrated solution for high volume, low value (HVLV) e-tail shipments from origin to door, currently in prototype test with development partner;
- Universal Customs Engine designed to deliver complex, multi-year localisations in a fraction of the time and cost;
- Advancements in architecture engine, GLOW, which allows rapid product development across multiple operating systems on any device, by non-technical staff; and
- Comprehensive global air cargo tracking, including air waybill tracking, events and automations.

Additionally, within our innovation pipeline, we continue to invest research and development resources into machine learning, natural language processing, robotics, process automation and guided decision support, all of which must be driven by large volume transaction data and deep learning around vast border agency data sets, compliance, due diligence, and risk assessment and mitigation. We are uniquely placed to build these global data sets – with our global platform CargoWise One and our 7,000 strong customer base, we see into the supply chain to a depth and breadth that is invaluable for technology development.

### ***Greater usage by existing customers***

We experienced continuing existing customer growth of \$13.0m which delivered 81% of the 1H18 organic revenue growth. This growth was generated by:

- Our large customer base continuing to increase their use of the platform, adding transactions, users and geographies and moving into more modules;
- Increasing usage by many of the world's largest freight forwarding groups. Overall, 24 of the top 25 Global Freight Forwarders<sup>4</sup> are customers. DHL Global Forwarding rollout progressing well, while those global freight forwarding rollouts recently completed (eg Yusen) will start to access productivity gains;
- Continued transition of customer licensing (excluding acquisitions) with 99%+ of CargoWise One revenues generated from On-Demand licensing, an access-as-needed, monthly payment based on usage, licence; and
- Further growth in revenue from larger customers, yet our top 10 customers contribute only 28% of revenue (1H17: 26%). Pleasingly, 33 of the top 50 global 3PLs<sup>5</sup> are now customers.

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<sup>4</sup> Armstrong & Associates: Top 25 Global Freight Forwarders List, ranked by 2016 logistics gross revenue/turnover and freight forwarding volumes.

<sup>5</sup> Armstrong & Associates: Top 50 Global Third Party Logistics Providers List, ranked by 2016 logistics gross revenue/turnover.

### ***Increasing new customers on the platform***

New customer revenue growth rose \$3.1m in 1H18 while new customer sales were on a par with prior period. As we increase our global penetration, we also continue to sign new customer deals with customers where we have a pre-existing relationship in another region. We allocate those new customers to our existing customers' revenue.

### ***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 platform. We further stimulate these effects with targeted partner programs through WiseBusiness, WiseService and WiseTechnical partners, Wise Agent Referral Program (WARP), Certified Professional and deeper WiseIndustry programs for freight forwarding network groups globally. We currently have ~230 external WisePartner organisations across the world, actively referring, promoting or implementing 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.

### ***Accelerating organic growth through acquisitions***

We have progressed product development in China, Italy, Germany and Brazil and across our global adjacencies. We have announced a further 11 valuable acquisitions across Brazil, Taiwan, Australia, North America, the Netherlands, Ireland and Belgium. These acquisitions are at various stages of completion and integration and, once fully embedded, will expand the functionality, scope and value of our industry-leading technology and provide a strong base for further accelerating our long-term organic growth.

Throughout 1H18, and to February 2018:

- On 1 August 2017, we completed the acquisition of Bysoft, the largest provider of customs and logistics compliance solutions to the logistics industry across Brazil. This provides a significant foothold in the largest South American market and the opportunity to integrate the Bysoft customs solution into CargoWise One for the benefit of all existing customers;
- In August 2017, we acquired the Digerati business, a leading provider of tariff research and compliance tools utilised by the Australasian customs broking community, and reference data provider, TradeFox, both of which we utilised to enhance our cross-border compliance engine, Borderwise;
- On 31 August 2017, we completed the acquisition of the Prolink business, a leading provider of customs and forwarding solutions across Taiwan and China which gives us additional regional strength to accelerate our growth throughout Asia;
- On 31 August 2017, we completed the acquisition of CMS Transport Systems, a leading Australasian provider of road transport and logistics management systems. This acquisition will allow us to further accelerate our local developments in land transport and integrated telematics;
- On 12 September 2017, we announced the acquisition of two global rate management solution providers: Netherlands-based Cargoguide, a leading provider of global air freight rate management solutions and US-based CargoSphere, a leading provider of global ocean freight rate management solutions. Both acquisitions completed in September 2017;
- On 13 December 2017, we announced the acquisition of Microlistics, a leading provider of specialist warehouse management solutions across Asia-Pacific and North America;
- On 20 December 2017, we announced the acquisitions of two European customs solutions providers, both headquartered in Dublin: ABM Data Systems, a leading pan-European

developer and provider of customs clearance solutions and CustomsMatters, a leading Irish provider of e-customs solutions; and

- On 7 February 2018, we announced the acquisition of Intris, the leading Belgian provider of freight forwarding, customs and warehousing management solutions.

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 adjacencies to facilitate our development of globally available 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 sets. Accordingly, we will continue to execute on our considerable pipeline of near-term, mid-term and long-term acquisition opportunities in target areas of Asia, Europe and South America.

### **Dividend**

We declared an interim dividend of 1.05 cents per share payable on 6 April 2018. This is in-line with our policy – a payout ratio of up to 20% of annual statutory NPAT. The dividend will be fully franked and the record date is 12 March 2018.

### **Outlook**

CEO, Richard White, said “In a rapidly evolving global environment, our significant advances in product development, expanded global footprint, powerful global CargoWise One platform and financial strength, we are exceptionally well-placed to meet the needs of our customers, leverage macroeconomic conditions and drive the competitive dynamics of logistics execution around the world.”

“Additionally, e-commerce is becoming a transformative model alongside the traditional bulk freight markets we already service, with the exponential volumes involved simultaneously pressuring and expanding third-party logistics businesses. We see high growth and increasingly specialised needs in e-commerce cross-border delivery modes and we have product capabilities expressly targeted at this mega trend. As e-commerce logistics evolves, we too continue to develop the technology and productivities needed to support the high volume, small parcel industry.”

“We will continue to drive our ‘5 levers of growth’ across the business: relentless innovation and product development, growing revenue from existing customers, acquiring new customers, stimulating network effects and accelerating organic growth through targeted acquisitions in new geographies and logistics adjacencies.”

### **FY18 guidance on track with strong 1H18 performance**

CEO, Richard White, said “The strong momentum of the Group’s performance in 1H18 combined with 100% recurring revenue (excluding acquisitions), annual customer attrition rate of less than 1% and continued expansion across our global business gives us confidence to expect, subject to currency movements<sup>6</sup>:

**FY18 revenue growth of 35% to 41%, revenue of \$207m to \$217m,  
FY18 EBITDA growth of 32% to 39%, EBITDA of \$71m to \$75m”.**

<sup>6</sup> 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 FY18 guidance is based on rates provided within the investor briefing materials released to the ASX on 21 February 2018.

**/ENDS**

**Investor Presentation** Please refer to the WTC 1H18 Results Investor Presentation released today for detailed financial data and analysis.

**Analyst Briefing** The results presentation webcast to discuss WiseTech Global's 1H18 financial results will be held at 10.30am (Sydney time) today. The webcast and briefing audio will be available at <http://webcast.openbriefing.com/4300/>

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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 guarantees 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 7,000 of the world's logistics companies across 130 countries. Our flagship product, CargoWise One, forms an integral link in the global supply chain. Our software enables our customers to execute highly complex transactions in areas such as freight forwarding, customs clearance, warehousing, shipping, land transport and cross border compliance and to manage their operations on one database across multiple users, functions, countries, languages and currencies. Our breakthrough software solutions are renowned for their powerful productivity, extensive functionality, comprehensive integration, deep compliance capabilities, and truly global reach.