



ASX Announcement: 2021/50

25 August 2021

WTC FY21 results investor presentation

Attached is the FY21 results investor presentation for the year ended 30 June 2021.

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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 18,000¹ of the world's logistics companies across more than 165 countries, including 41 of the top 50 global third-party logistics providers and 24 of the 25 largest global freight forwarders worldwide². Our flagship platform, CargoWise, forms an integral link in the global supply chain and executes over 72 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 4,300 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

¹ Includes customers on CargoWise and platforms of acquired businesses whose customers may be counted with reference to installed sites

² Armstrong & Associates: Top 50 Global 3PLs & Top 25 Global Freight Forwarders ranked by 2020 logistics gross revenue/turnover and freight forwarding volumes

FY21 Results



OUR VISION

To be *the* operating
system for global logistics



OUR MISSION

To create breakthrough
products that enable and
empower those that own
and operate the supply
chains of the world

Agenda



SECTION 01

FY21 highlights

RICHARD WHITE, CEO & FOUNDER



FY21 financial highlights

Robust financial performance, strong revenue growth & cash generation reflecting operating leverage

Total revenue \$507.5m

↑ **24% ex FX** (↑ 18% incl. FX)
on FY20

Total revenue growth **\$78.1m**
Recurring revenue **90%** (↑ 1pp)

CargoWise revenue \$331.6m

↑ **31% ex FX** (↑ 26% incl. FX)
on FY20

CargoWise revenue growth **\$68.6m**
Acquisition revenue¹ **\$175.9m**
(↑ 12% ex FX, ↑ 6% incl. FX)

EBITDA \$206.7m

↑ **63%**
on FY20

EBITDA growth **\$80.0m**
EBITDA margin 41% (↑ **11pp**)
CargoWise EBITDA margin 55%

Underlying NPAT¹ \$105.8m

↑ **101%**
on FY20

Statutory NPAT **\$108.1m** (↓ 33%)²
Underlying EPS **32.6cps** (↑ 99%)

Free cash flow \$139.2m

↑ **149%**
on FY20

Free cash flow conversion rate **67%** (↑ 23pp)
Cash at 30 June 2021 of **\$315.0m**
Undrawn debt facility of **\$225m**
(refinanced July 2021)³

Final dividend 3.85cps

↑ **141%**
on FY20

Fully franked
Payout ratio **20%** of Underlying NPAT

Global supply chain market conditions

Constrained capacity resulting in increasing freight rates, accelerating digitisation & consolidation



Global trade

- 'Goods-led' recovery in global trade has continued in 2021, with consumer demand buoyed by various country-specific COVID-19 fiscal stimulus support packages¹
- This has boosted demand for manufacturing and global trade, resulting in:
 - constrained capacity
 - supply chain bottle-necks
 - increased freight rates



Freight

- Air freight strongly impacted by decline in availability of belly freight on passenger flights due to COVID-19
- Capacity constraints driving up freight rates, ~2X air rates on China-EU/US routes²
- Container shipping not as significantly impacted by restrictions but affected by:
 - geographically unbalanced demand causing vessel and container shortages
 - port access challenges and congestion
- Shanghai Containerized Freight Index ~4X pre-COVID-19 levels³
- Freight capacity investment increasing to prepare for growth post-COVID-19



Structural changes

- Whilst short term freight rate increases do not translate into immediately increased WiseTech revenue, they do lead to acceleration of:
 - replacement of customers' legacy systems
 - demand for integrated global software solutions with increased visibility
- CargoWise customers driving growth and industry consolidation via M&A, such as:
 - DHL's recently announced acquisition of JF Hillebrand
 - JAS Worldwide's recently announced acquisition of Greencarrier
 - DSV statement re interest in acquiring DB Schenker

FY21 strategic highlights

Strategic progress on the 3Ps to leverage structural changes and deliver on our vision



Product

- Significant progress in continued alignment of acquired product & development teams to support WiseTech's development priorities
- Geographic expansion of native customs functionality, covering ~45% of global manufactured trade flows¹
- Product integration of global rates functionalities onto CargoWise – in production with a number of major customers and native rewrite commenced
- Addition of sea freight to eCommerce capabilities – operational in AU, NZ and US
- 1,096 new CargoWise product and feature enhancements
- Deployed beta version of CargoWise Neo



Penetration

- Strategic focus on the Top 25 Global Freight Forwarders¹ & top 200 global logistics providers
- 6 new global rollouts of CargoWise by Large Global Freight Forwarders¹ secured in FY21, bringing total large global customer rollouts to 36 (including DHL, Bolloré, DSV/Panalpina)
- Post-FY21 additional signing of new global rollout with FedEx
- 10 of Top 25 Global Freight Forwarders have either rolled out or are in progress with global rollouts on the CargoWise platform



Profitability

- Strong revenue growth drives operating leverage and margin expansion
- Implementation of organisation-wide efficiency and acquisition synergy program to:
 - streamline processes and teams
 - ensure resources appropriately allocated to support scalability, growth and delivery of WiseTech's vision
- Program delivered:
 - \$22.0m gross FY21 cost reductions (\$8.2m restructuring costs)
 - \$13.8m net benefit, exceeded \$10m target
 - ~\$40m net cost reduction run-rate for FY22, exceeding previous \$20m-\$30m target

SECTION 02

FY21 financial review

ANDREW CARTLEDGE, CFO



FY21 results

Strong financial performance

A\$m	FY20	FY21	% change
CargoWise revenue	263.0	331.6	26%
Acquisition revenue ¹	166.4	175.9	6%
Total revenue	429.4	507.5	18%
Cost of revenues	(76.7)	(77.9)	2%
Gross profit	352.7	429.5	22%
Gross profit margin	82%	85%	3pp
Operating expenses	(226.0)	(222.9)	(1)%
EBITDA	126.7	206.7	63%
EBITDA margin	30%	41%	11pp
Depreciation & amortisation ²	(46.2)	(56.8)	23%
EBIT	80.5	149.8	86%
Net finance costs	(9.8)	(4.1)	(58)%
Fair value gain on contingent consideration	111.0	2.2	(98)%
Profit before income tax	181.8	147.9	(19)%
Tax expense	(21.0)	(39.9)	90%
Statutory NPAT	160.8	108.1	(33)%
Basic EPS (CPS)	50.3	33.3	(34)%
Underlying NPAT³	52.6	105.8	101%
Underlying EPS (CPS)	16.4	32.6	99%

Total revenue

- Total revenue of \$507.5m, up 18% on FY20, top end of guidance range (\$470m – \$510m)
- \$23.4m FX headwind in FY21 (FY20: \$12.1m FX benefit vs. FY19)
- Excluding FX headwind, total revenue grew 24% (equating to \$101.4m growth) and CargoWise revenue grew 31% on FY20 (equating to \$82.2m growth)

Gross profit

- Gross profit was \$429.5m for FY21, a 22% increase on FY20
- This resulted in a gross profit margin of 85%, up 3pp on FY20

EBITDA

- \$206.7m up 63% on FY20 exceeding top of guidance (\$190m), reflecting strong revenue growth and benefits of \$13.8m net cost reductions, versus \$10m target
- EBITDA margin at 41%, up 11pp on FY20
- CargoWise EBITDA margin of 55%, up 7pp on FY20 reflecting revenue growth, a more targeted sales and marketing approach and cost decreases in travel & entertainment, trade shows and running costs in response to COVID-19 environment
- FY21 EBITDA includes \$8.2m of restructuring costs and \$10.6 million FX headwind

EBIT & depreciation & amortisation (D&A)

- EBIT up 86% on FY20 driven by strong operating performance and 23% D&A growth
- 23% increase in D&A reflects continued investment in R&D² to drive future growth

NPAT & earnings per share (eps)

- Underlying NPAT³ of \$105.8m, up 101% on FY20, demonstrating the ability of our business model to deliver revenue growth and earnings expansion
- Statutory NPAT of \$108.1m, down 33% on FY20 reflecting a lower fair value gain in FY21 compared to FY20 in relation to acquisition contingent consideration
- Underlying EPS 32.6cps, up 99% on FY20

1. See definition on slide 40.

2. Reconciliation of statutory expenses to non-statutory expenses on page 36 in appendices.

3. See definition on slide 40 and reconciliation on slide 37. Underlying NPAT excludes fair value adjustments from changes to acquisition contingent consideration (FY21: \$2.2m, FY20: \$111.0m) and contingent consideration interest unwind net of tax (FY21: nil, FY20: \$2.9m).

FY21 revenue growth – recurring & non-recurring split

A\$m



Total revenue growth

- Total revenue grew \$101.4m or 24% excluding FX
- Revenue growth was offset by \$23.4m of unfavourable FX movements (FY20: \$12.1m foreign exchange benefit vs. FY19)

Recurring revenue growth excluding FX

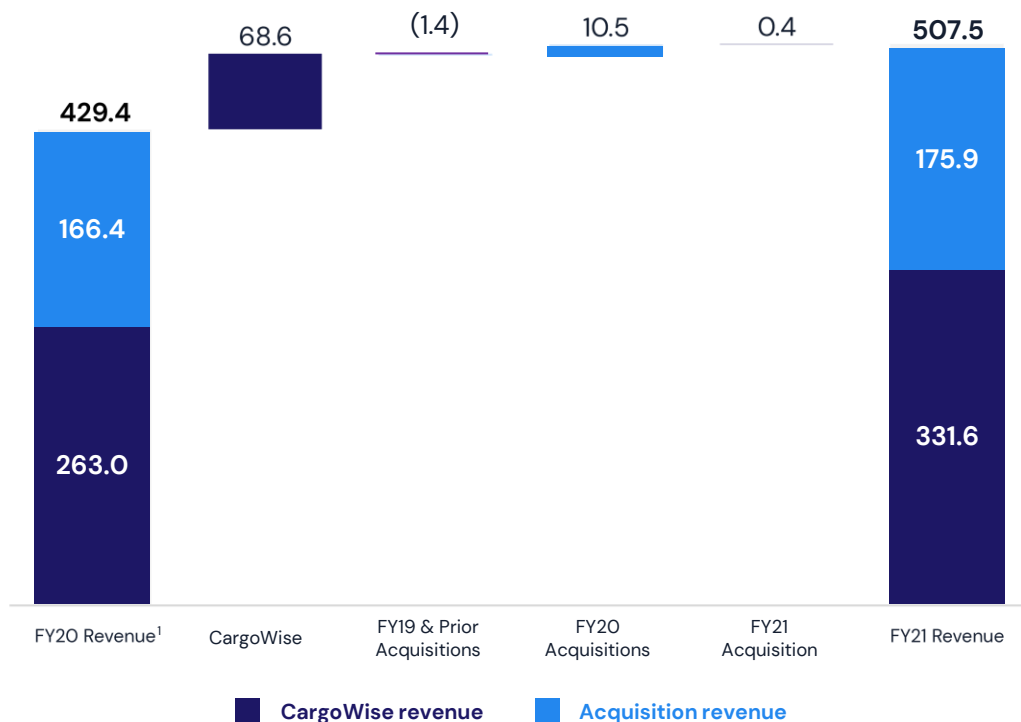
- Recurring revenue excluding FX grew \$97.3m, or 25% in FY21 driven by:
 - Increased CargoWise usage (increased transaction volumes, seats, new sites, new modules utilisation and growth from industry consolidation)
 - \$22m price change for both existing and new customers to offset increased product investment in R&D, data centre hardware and cyber security
 - Increase in revenue from 5 acquisitions in FY20
 - Partially offset by \$21.3m of unfavourable FX movements

Non-recurring revenue growth excluding FX

- Non-recurring revenue excluding FX grew \$4.2m, or 9% in FY21 driven by:
 - Increase in revenue from 5 acquisitions in FY20
 - The contraction from acquisitions in FY19 and prior years as expected
 - Partially offset by \$2.1m unfavourable FX movements

FY21 revenue growth – CargoWise & acquisition revenue split

A\$m



CargoWise revenue growth

- \$68.6m, or 26% revenue growth in FY21 on FY20
- \$52.2m of revenue growth from **existing customers** (FY20: \$31.0m)
- \$16.4m growth from **new customers** (FY20: \$12.4m)
- Growth from existing & new customers reflects:
 - Increased CargoWise usage (increased transaction volumes, seats and new sites, utilisation of new modules and growth from industry consolidation)
 - \$22m price change for both existing and new customers to offset increased product investment in R&D, data centre hardware and cyber security
- Includes \$13.6m FX headwind, 31% growth excluding FX

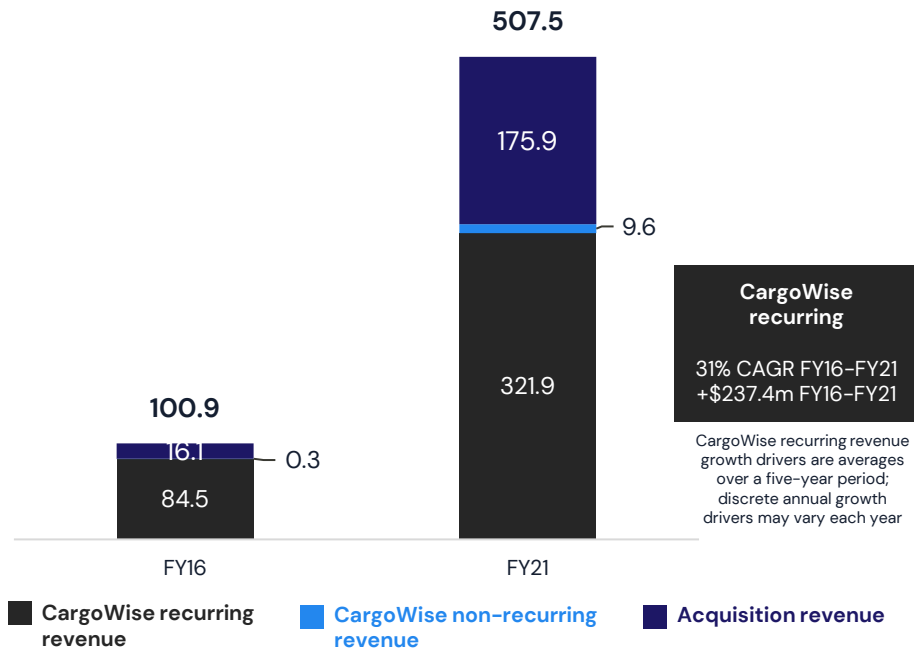
Acquisition revenue growth

- \$10.5m increase in revenue from 5 acquisitions in FY20
- \$(1.4m) net change in revenue from acquisitions in FY19 and prior years, as expected
- Includes \$9.7m FX headwind, 12% growth excluding FX

Revenue growth drivers

CargoWise recurring revenue delivers 31% CAGR FY16 to FY21 (constant currency)

A\$m



FY16 revenue is in constant currency terms based on FY21 average exchange rate

CargoWise recurring revenue growth

- 31% CAGR FY16 to FY21
- Significant R&D investment driving long-term growth
- Revenue growth of \$237.4m, ~4X over the last 5 years
- Major recurring revenue growth drivers (averages per year)¹
 - ~12pp Large Global Freight Forwarder rollouts
 - ~6pp New customers' FY17 to FY21 cohorts
 - ~4pp New product features and enhancements reflected in price
 - ~3pp Existing customer growth and market share
 - ~3pp Major new product releases
 - ~3pp Market growth
- 31% CAGR FY16 to FY21**
- CargoWise non-recurring revenue mainly driven by increase in customer paid product enhancements – important future growth enabler
- Acquired businesses drive strategic product development in CargoWise customs and adjacencies, as well as adding to overall revenue growth

Future revenue growth drivers

- CargoWise recurring revenue growth consistent with historical experience, and **accelerated growth** across:
 - Large Global Freight Forwarder rollouts and further contract wins
 - New products and features from acquisitions e.g. Customs, Rates and R&D investment
 - Large new product horizons e.g. CargoWise Neo
 - Potential strategically significant acquisition opportunities

FY21 operating expenses¹

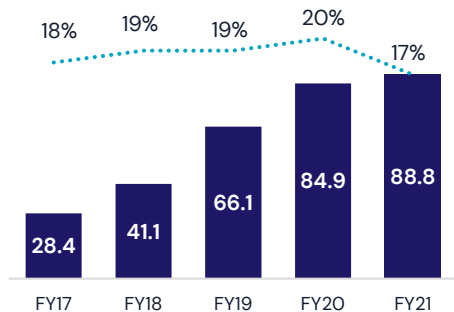
Revenue growth driving margin expansion, supported by synergies and efficiencies

..... % of revenue

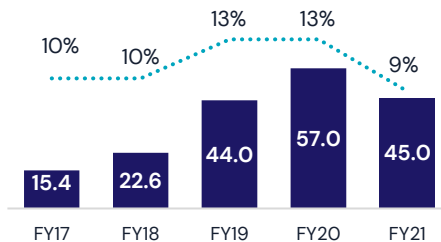
■ Expenses (A\$m)

Overall operating expenses down 9pp as a % of revenue as operating leverage increased

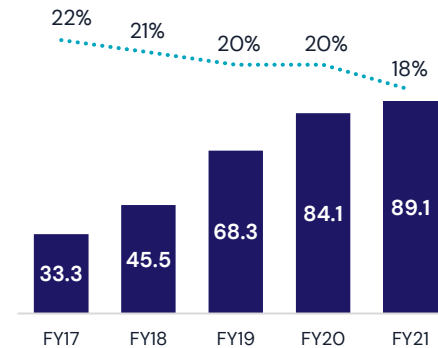
Product design & development (A\$m)



Sales & marketing (A\$m)



General & administration (A\$m)



Product design & development expense

\$3.9m increase in FY21 to \$88.8m, reflecting investment in innovation and development of CargoWise. Down 3pp as a % of revenue for the Group due to the benefits of cost reductions.

~55% of expenses supporting maintenance of acquired legacy products, expected to decrease over time

Sales & marketing expense

Down 4pp as a % of revenue in FY21 reflecting:

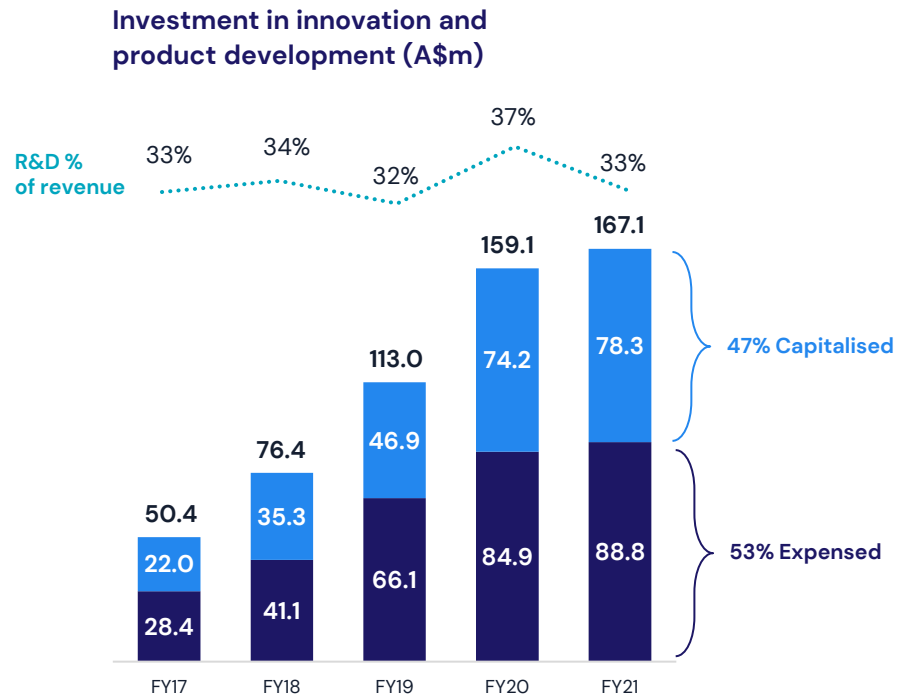
- cost reductions in acquisitions
- a more targeted sales & marketing focus on Top 25 Global Freight Forwarders and top 200 global logistics providers
- reduction in travel and tradeshow costs due to COVID-19

General & administration (G&A) expense

Down 2pp as a % of revenue primarily driven by cost reduction initiatives and benefits from lower costs due to COVID-19. Includes \$8.2m in restructuring cost. G&A excluding restructuring costs was 2pp lower at 16% of revenue

FY21 research and development

Investment in innovation and product development continues to be a priority



Product investment

- 5% increase in innovation and product development in FY21 vs. FY20, focused on product enhancements and further developing the CargoWise platform
- 33% of revenue reinvested in R&D in FY21
- Capitalised development increased 6% to \$78.3 million in FY21 vs. FY20, reflecting increased investment including the development of native customs and accounting in CargoWise
- 47% of R&D investment capitalised in FY21, flat vs. FY20
- Proportion of R&D investment capitalised broadly in the range of 40%-50%
- Maintenance, bug fixes and research costs are expensed
- Over \$560m in product investment in the last 5 years (FY17 to FY21)
- Delivered 1,096 new CargoWise product features and enhancements in FY21 and over 4,300 in the last 5 years (FY17 to FY21)

FY21 balance sheet

Strong balance sheet and liquidity providing solid platform for future growth

A\$m	30 Jun 20	30 Jun 21
Cash	223.7	315.0
Receivables	59.6	74.1
Derivative financial instruments	4.6	3.3
Other current assets	22.3	22.6
Intangible assets	885.0	904.5
Other non-current assets	81.7	80.2
Total assets	1,276.9	1,399.8
Current liabilities	157.2	188.0
Borrowings	-	-
Non-current liabilities	116.4	105.9
Total liabilities	273.5	293.9
Net assets	1,003.4	1,106.0
Share capital	779.8	827.8
Retained earnings & reserves	223.6	278.2
Total equity	1,003.4	1,106.0

Strong liquidity

- \$315.0m in cash
- Post-FY21 refinancing of debt facility with a new unsecured four-year \$225m bi-lateral facility, supported by six banks

Receivables

- 24% receivables increase, in-line with revenue growth

Intangible assets

- \$19.5m increase reflecting investment in new capitalised development, partially offset by amortisation and foreign exchange

Share capital

- \$48.0m increase in share capital reflecting new shares issues to Employee Share Trust for future vesting and for acquisition earnout considerations

FY21 cash flow performance

Highly cash-generative business model delivering strong free cash flow for ongoing investment in growth

A\$m	FY20	FY21	% change
EBITDA	126.7	206.7	63%
Non-cash items in EBITDA	20.2	20.3	–%
Working capital changes	(0.5)	2.9	nm ¹
Operating cash flow	146.3	229.9	57%
Capitalised development costs	(70.4)	(74.5)	6%
Other Capital Expenditure	(20.1)	(16.3)	(19)%
Free cash flow	55.8	139.2	149%
Operating cash flow conversion	116%	111%	(4)pp
Free cash flow conversion	44%	67%	23pp
Free cash flow margin	13%	27%	14pp

Strong operating cash flow

- Operating cash flows were \$229.9m (FY20: \$146.3m), up 57% on FY20, demonstrating the strength of our highly cash-generative operating model
- Increase in operating cash flow reinvested into long-term growth, \$90.8m invested primarily in product development and data centre hardware
- 111% operating cash flow conversion rate, down 5pp on FY20
- Non-cash items flat reflecting an increase in share-based payments which was offset by a reduction in employee provisions
- Changes in working capital mainly reflect increases in trade payables and customer deposits, partially offset by increases in receivables from revenue growth
- FY21 includes \$8.6m of payments relating to restructuring costs

Free cash flow

- FY21 free cash flow up 149% driven by higher EBITDA
- 67% free cash flow conversion rate, up 23pp on FY20
- Free cash flow margin up 14pp on FY20, reflecting improved operating cash flow

SECTION 03

Strategy & outlook

RICHARD WHITE, CEO & FOUNDER



WiseTech's strategy designed to leverage structural changes

Our people facilitate the acceleration of our long-term strategy

To be *the* operating system for global logistics

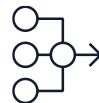
Our strategy is designed to accelerate growth by **leveraging structural changes**



Need to replace ageing legacy systems



Demand for integrated global software solutions with increased visibility



Logistics providers pursuing industry consolidation

Our people are focused on the 3Ps to **deliver on our vision** →

Product

Extend technology lead

Penetration

Expand market penetration

Profitability

Drive operational efficiency

Product – the CargoWise ecosystem

Our product development strategy is designed to enable and empower the world's supply chains



Product development strategy



Product

Our #1 development priority – enhancing our technology lead in global customs & cross-border compliance

Global customs

Global native customs and cross-border compliance

Our
development
goal



Our global customs and cross-border compliance platform will create, manage and clear import / export declarations for customs jurisdictions covering **~90% of global manufactured trade flows**

Progress
to date



- Our native customs platform now covers over 20 customs jurisdictions **representing ~45% of global manufactured trade flows**, up from ~35% in FY20 – Production Releases¹ of France, Italy, Spain & Puerto Rico in FY21
- Technology experts from acquisitions added to customs development team
- Production Release of customs builds of France, Italy and Spain facilitates **native development process of priority European markets**
- Production Releases subject to **regulatory opportunities and requirements**

Production Release¹

Australia
New Zealand
USA
Canada
UK
South Africa
Singapore
Mainland China
Taiwan
Hong Kong
+ 8 smaller
customs
jurisdictions
(ASYCUDA)¹

~45%

Current development pipeline

Priority Europe

Germany²
Ireland³
Netherlands
Belgium
Denmark
Norway
Sweden
Turkey
Switzerland
Poland

Priority Asia

South Korea
Japan
Other strategic Asian economies

Priority South America

Brazil
Argentina
Chile
Costa Rica
Dominican Republic
Panama
Paraguay

Rest of World

Other important trading economies

~90%

Bolded development pipeline customs jurisdictions represent significant markets

Product

Adding functionalities and further extensions of the CargoWise ecosystem

	Global rates Build out global rates engine and ecosystem	eCommerce Expand International eCommerce	Landside logistics & land transport Extension into fragmented market	Neo Global integrated platform for BCOs to manage their freight
Our development goal 	Universal rates engine for carrier booking-to-payment process: • spot rates and instant bookings • block space agreements • allocation management guided carrier selection, P&L simulation	Single platform for international eCommerce fulfilment supply chain in major regions: • final mile delivery • track & trace • International freight forwarding & parcel	Land Transport solution to streamline order-to-delivery in a fragmented market: • landside logistics • transit warehouse • container management • land transport	Global integrated platform for Beneficial Cargo Owners (BCOs) with data connectivity and visibility to book, track, trace and manage freight
Progress to date 	• Cargoguide (air) and CargoSphere (sea) integrations completed & in production with several major customers • Product development teams focused on native rewrite rates engine	• eCommerce solution live in Australia, New Zealand and the United States • Added sea freight to existing air eCommerce functionalities • Strong sales pipeline • Continued eCommerce enhancement as customer trials and implementations proceed	• Long-term opportunity – prioritising landside logistics • Transit Warehouse released in CargoWise and in production with customers • Top 25 Global Freight Forwarder Transit Warehouse implementation agreement	• Long-term opportunity – positive feedback from BCO development partners • Deployment of Neo beta version in FY21 to a select number of BCOs via our customers • Commenced Neo extension for customer and BCO specific needs

Penetration

Market penetration momentum with increased existing customer usage & new global rollout wins

Focus on the **Top 25** Global Freight Forwarders¹ & the **top 200** global logistics providers

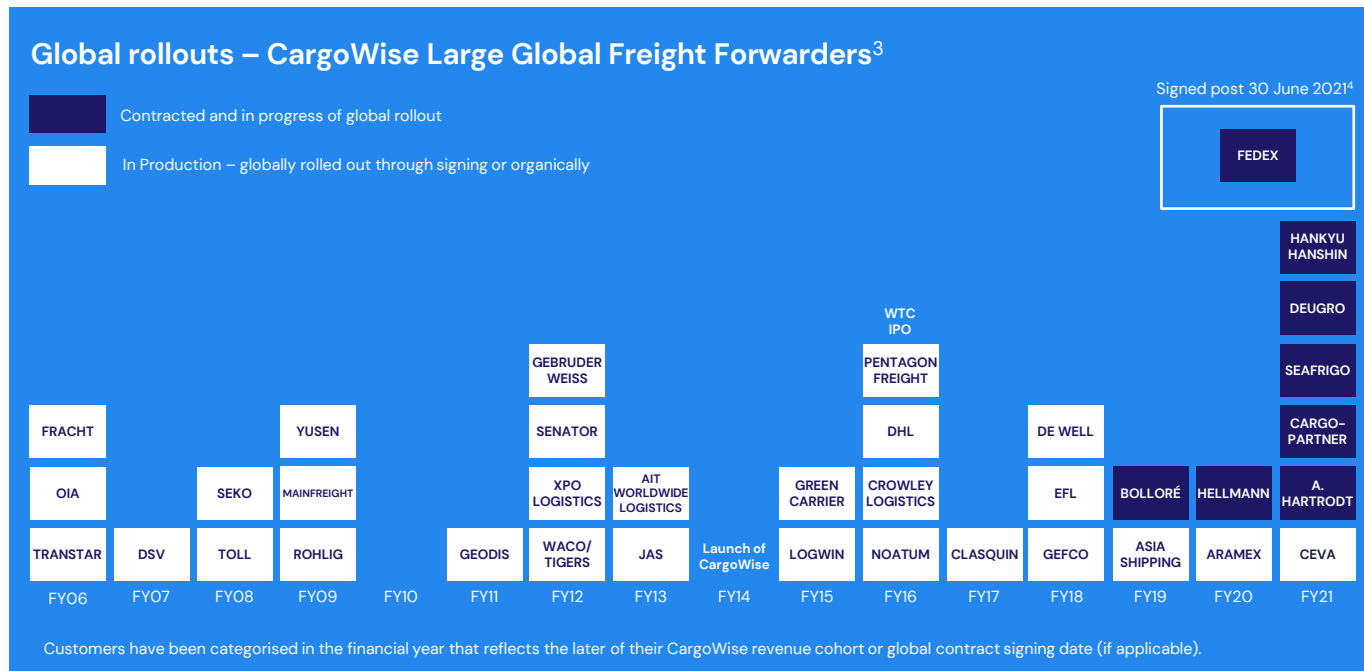
6 new global rollouts by Large Global Freight Forwarders¹ secured in FY21.

Post-FY21 additional global rollout signing with FedEx.

CargoWise has global rollouts 'In Production' or 'Contracted and In Progress' with **36 Large Global Freight Forwarders** at 30 June 2021:

- 29 are 'In Production'¹
- 7 are 'Contracted and In Progress'¹ (i.e. in the process of a global rollout)

Of the 36 global rollouts in place at 30 June 2021, 10 are with Top 25 Global Freight Forwarders².



1. See definitions on slide 40.

2. Of the 10 global rollout customers that are in the Top 25, Global Freight Forwarders, 8 are "In Production" and 2 are "Contracted and In Progress".

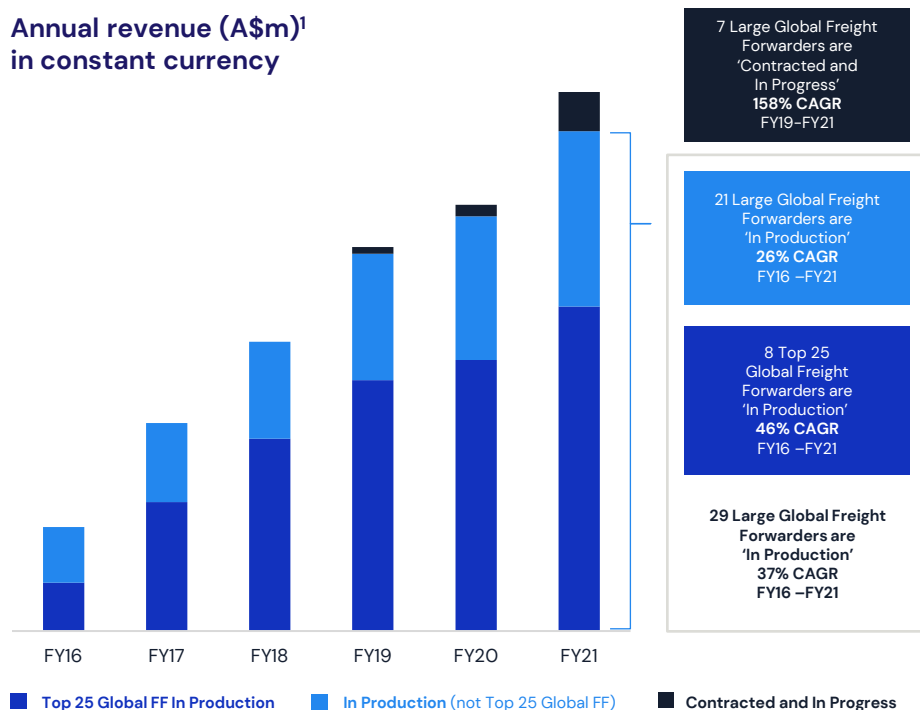
3. Reconciliation of global rollouts reported on 1H21 and FY21 on slide 39.

4. Includes customer signings post-FY21 up to and including at 24 August 2021.

Penetration

36 Large Global Freight Forwarder rollouts are driving long term revenue growth

Annual revenue (A\$m)¹
in constant currency



29 Large Global Freight Forwarders with rollouts of CargoWise 'In Production'² have delivered:

- **Revenue growth of 37% CAGR** over the period FY16 to FY21, driven by:
 - Ongoing growth of initial global rollouts including DHL, DSV, Toll, Yusen and Geodis
 - Adoption of more CargoWise modules, new products, features, enhancements & geographies
 - Customer M&A activity integrating their acquired businesses onto CargoWise
- 8 are Top 25 Global Freight Forwarders and have delivered **revenue growth of 46% CAGR** over the period FY16 to FY21

Significant future growth expected from:

- The 7 Large Global Freight Forwarders that are 'Contracted and In Progress' given **less than 10% of their expected users are currently live on CargoWise** and they have delivered revenue growth of 158% CAGR over the period FY19 to FY21
- The existing 29 Large Global Freight Forwarders currently 'In Production' as their global rollouts continue to expand
- Adoption of new products and features, including customs as penetration of global manufactured trade flows increases from ~45% to ~90% target
- Further industry M&A driving consolidation and integration onto CargoWise
- Future new Large Global Freight Forwarder global contracts wins, including FedEx

Profitability

Organisation-wide efficiency program to maximise operating leverage and support growth

Organisation-wide efficiency
and acquisition synergy program
**to support scalability and delivery
of WiseTech's strategic vision**



Streamline
processes
and teams



Maximise
WiseTech's
operating leverage



Allocate
resources
appropriately



Efficiency
initiatives
to date

- Centralising physical operations and product development hubs
- Data centre consolidation and data migration of acquired businesses
- Gross reduction of 357¹ employees and contractors resulting from the integration of acquired teams
- Streamlining facility & office support



Exceeding
cost
reduction
targets

FY21

Delivered \$13.8m in net cost reductions in FY21
(after \$8.2m restructuring costs)

Exceeded target of \$10m

FY22

Cost reduction run-rate ~\$40m for FY22

Exceeding previous target of \$20m-\$30m

FY22 guidance

Strong growth outlook

FY22 revenue

\$600m – \$635m

18% – 25%

FY22 growth vs FY21

FY22 EBITDA

\$260m – \$285m

26% – 38%

FY22 growth vs FY21

FY22 EBITDA %

43% – 45%

2pp – 4pp

FY22 vs FY21

FY22 guidance assumptions

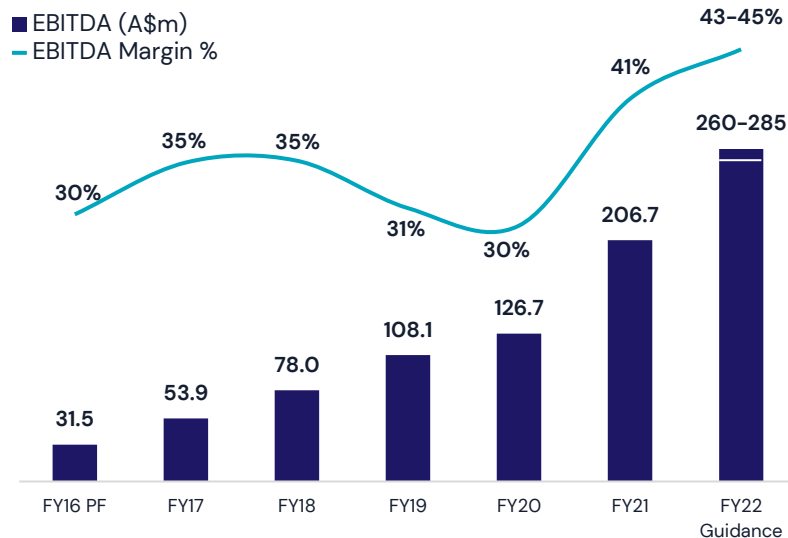
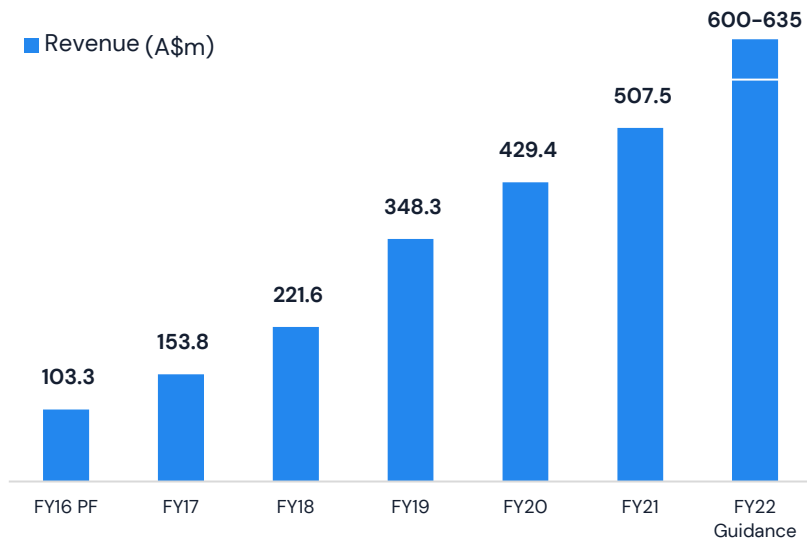
- ① **CargoWise: revenue growth of ~30% – 40%** (excluding FX)
 - Strong momentum from FY21 run rate
 - FY22 first and second half splits broadly similar to FY21
 - FX headwind reduces growth by ~3pp
- ② **Acquisitions:**
 - No new acquisitions not already closed
 - Flat revenue growth
- ③ **FX: headwind \$10m revenue and \$7m EBITDA**
 - Additional FX variability, partially offset by hedging
 - See Appendix for sensitivity analysis
- ④ **Operating Expenses:**
 - ~\$40m cost reduction run rate for FY22, \$13.8m net benefit achieved in FY21, results in ~\$26m net cost reductions in FY22 vs. FY21
 - ~\$70m – \$80m additional cost investments to support long-term growth, staff retention and post COVID-19 activities

Guidance provided in line with these assumptions and those in the Appendix, slide 29.

Uncertainty around future economic and industrial production growth and pandemic stimulus measures may lead to alternative outcomes.

Prevailing uncertainties relating to sovereign and geopolitical risk may also reduce assumed growth rate.

Strategic approach delivering long-term sustainable shareholder value



- Delivering strong revenue growth
- Gaining momentum in market penetration
- Expanding CargoWise ecosystem
- Increasing operating leverage
- Growing EPS
FY16 PF: 5.4cps to FY21: 33.3cps

Q&A



Appendices

Slides

- 29. FY22 guidance assumptions and FX
- 30. Customer growth and low attrition
- 31. Earnings diversification
- 32. Revenue growth excluding FX
- 33. Overview of revenue licensing models
- 34. Income statement
- 35. Key operating metrics
- 36. Reconciliation of statutory expenses to non-statutory expenses
- 37. Reconciliation of Underlying NPAT, NPATA and Underlying ETR
- 38. CargoWise recurring revenue growth drivers
- 39. Global rollouts
- 40. Glossary
- 41. Important notice and disclaimer



FY22 guidance assumptions and FX

What is included in the FY22 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 FY21 acquisition and minimal growth for acquisitions as a group overall

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
- Changes in the mix of invoicing currencies
- Future potential acquisitions, revenues and associated costs
- Uncertainty around future economic and industrial production growth, pandemic stimulus measures, sovereign and geopolitical risk
- Any impact from supply chain disruption related to ongoing pandemic

FX rates ¹ v AUD	FY21 Actual	FY22 Guidance
USD	0.72	0.74
EUR	0.61	0.63
GBP	0.56	0.54
ZAR	11.58	10.73
TRY	5.58	6.45
NZD	1.07	1.07
RMB	4.94	4.85
CHF	0.67	0.68

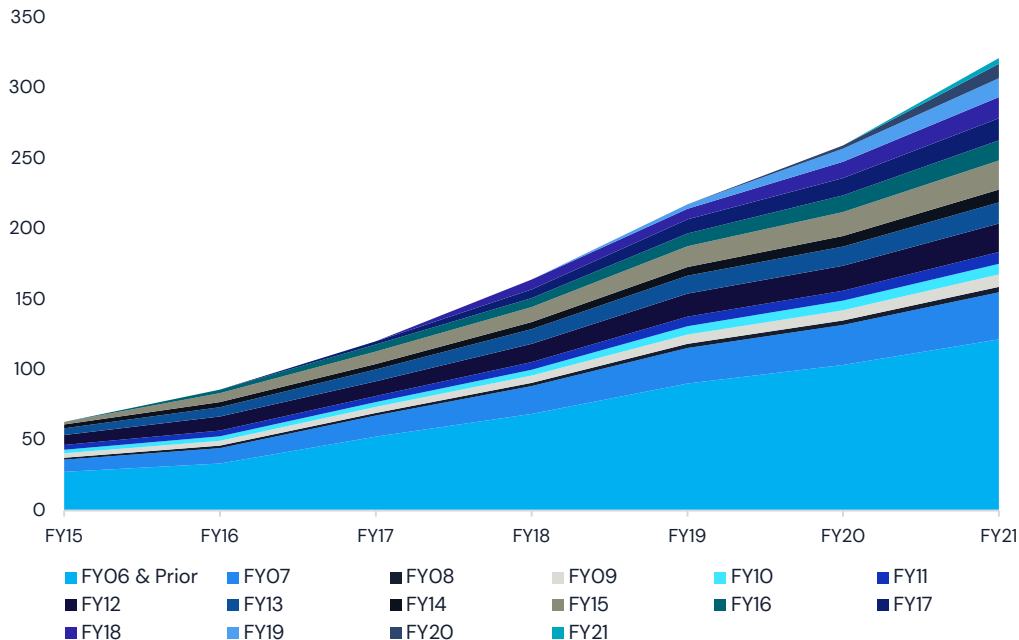
Sensitivities ²	Increase/decrease	FY22 Revenue \$m	FY22 EBITDA \$m
FX rates vs AUD			
USD	+/- 5%	-3.6 / +4.5	-1.9 / +2.6
EUR	+/- 5%	-2.7 / +3.1	-0.6 / +0.9
GBP	+/- 5%	-0.7 / +0.7	-0.3 / +0.3
ZAR	+/- 10%	-1.0 / +1.3	-0.7 / +0.9
TRY	+/- 10%	-0.1 / +0.1	+0.1 / -0.1
NZD	+/- 5%	-0.8 / +0.9	-0.8 / +0.9
RMB	+/- 5%	-0.2 / +0.2	+0.1 / -0.1
CHF	+/- 5%	-0.4 / +0.5	-

Foreign Exchange

- 73% of FY21 revenue in non-AUD currencies, 2pp lower than FY20 (75%)
- Natural hedges in some regions with both revenue and expenses denominated in local currencies – including acquisitions
- 44% of FY21 revenue in non-local currencies due to impact from overseas acquisitions and mix of transactions and users in CargoWise
- Hedged positions in place to cover ~60%-65% of FY22 USD and EUR revenue

Customer growth and low attrition

CargoWise¹ application suite revenue by customer cohort
A\$m



Increasing adoption by Large Global Freight Forwarders

Top 300 customers now deliver ~80% of CargoWise revenue

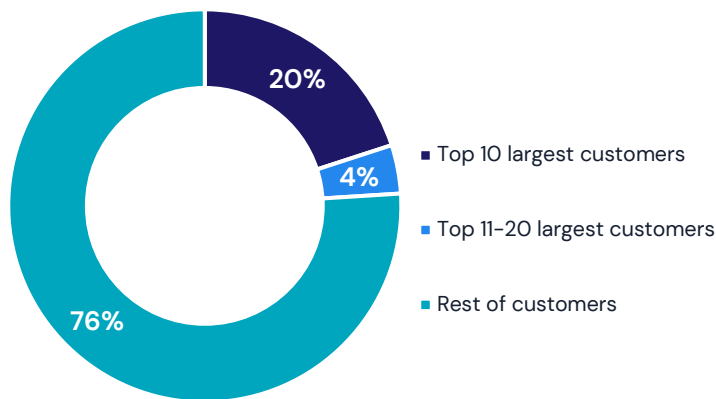
Customers stay and use more

<1% attrition every year for last 9 years²
Annual customer attrition rate

FY21 revenue growth achieved across all customer cohorts (FY06 & Prior – FY21)

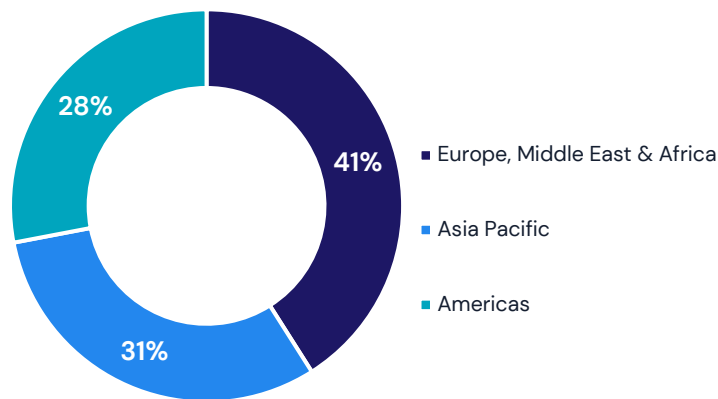
Earnings diversification

FY21 Revenue by customers¹ (%)



We maintain a prudent and robust diversity of revenue across our customer base

FY21 Revenue by geography^{2,3} (%)



We are a global company with customers operating in 169 countries as at 30 June 2021 (160 countries as at 30 June 2020)

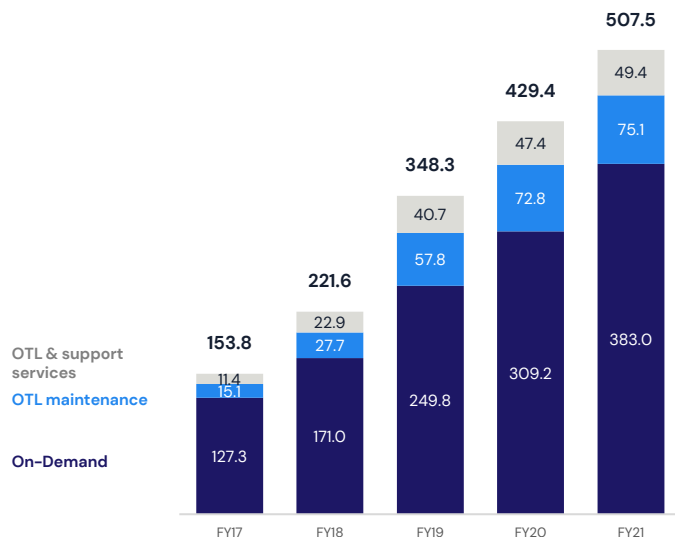
Our global presence provides important revenue diversification across geographies and currencies

Revenue growth excluding FX

	A\$m	FY20			FY21			\$ change			% change		
		Recurring revenue	Non-recurring revenue	Total revenue	Recurring revenue	Non-recurring revenue	Total revenue	Recurring revenue	Non-recurring revenue	Total revenue	Recurring revenue	Non-recurring revenue	Total revenue
Reported revenue and reported revenue growth	CargoWise revenue	253.9	9.1	263.0	321.9	9.6	331.6	68.0	0.6	68.6	27%	6%	26%
	Acquisition revenue	128.1	38.3	166.4	136.1	39.8	175.9	8.0	1.5	9.5	6%	4%	6%
	Total revenue	382.0	47.4	429.4	458.0	49.4	507.5	76.0	2.1	78.1	20%	4%	18%
FY21 FX (tailwind)/headwind	CargoWise revenue				13.5	0.1	13.6						
	Acquisition revenue				7.7	2.0	9.7						
	Total revenue				21.3	2.1	23.4						
Revenue and revenue growth – excluding FX	CargoWise revenue	253.9	9.1	263.0	335.5	9.7	345.2	81.6	0.7	82.2	32%	7%	31%
	Acquisition revenue	128.1	38.3	166.4	143.8	41.8	185.6	15.7	3.5	19.2	12%	9%	12%
	Total revenue	382.0	47.4	429.4	479.3	51.5	530.8	97.3	4.2	101.4	25%	9%	24%

Overview of revenue licensing models

Total revenue by licence type (A\$m)



	FY17	FY18	FY19	FY20	FY21
Recurring revenue (A\$m)	142.4	198.7	307.6	382.0	458.0
% of total revenue	93%	90%	88%	89%	90%

	Recurring revenue (90% of revenue) ¹			Other revenue (10% of revenue) ¹		
Revenue	On-Demand Licensing 75% ¹		One-Time Licensing (OTL) maintenance 15% ¹	OTL & support services 10% ¹		
Licence	Seat + Transaction Licensing (STL)		Module User Licensing (MUL)	OTL maintenance	OTL	Support services
Revenue drivers	Price drivers • Seat licence fee • Transaction fee Volume drivers • Monthly number of seats & users • Monthly transactions	Transition pricing & commitment agreements	Price drivers • Price per user • Price per module used Volume drivers • Number of users • Monthly modules used <i>(only 1% of CargoWise revenue is MUL)</i>	Price drivers: • Annual maintenance price per licence Volume drivers: • Number of licences	Price drivers: • One-time price per perpetual licence Volume drivers: • Number of licences	Ad hoc revenue (professional services, training & customer paid product enhancements)
CargoWise	✓	✓	✓	✗	✗	✓

Income statement

A\$m	FY20	FY21
Revenue		
Recurring On-Demand licence	309.2	383.0
Recurring OTL maintenance	72.8	75.1
OTL and support services	47.4	49.4
Total revenue	429.4	507.5
Cost of revenues	(76.7)	(77.9)
Gross profit	352.7	429.5
Operating expenses		
Product design and development	(84.9)	(88.8)
Sales and marketing	(57.0)	(45.0)
General and administration	(84.1)	(89.1)
Total operating expenses	(226.0)	(222.9)
EBITDA	126.7	206.7
Depreciation	(17.1)	(19.6)
Amortisation	(18.5)	(27.8)
EBITA	91.1	159.2
Acquired amortisation	(10.6)	(9.4)
EBIT	80.5	149.8
Net finance costs	(9.8)	(4.1)
Fair value gain on contingent consideration	111.0	2.2
Profit before income tax	181.8	147.9
Tax expense	(21.0)	(39.9)
NPAT	160.8	108.1
Underlying NPAT¹	52.6	105.8
NPATA²	64.6	113.6

Key operating metrics

	FY20	FY21	FY21 CargoWise ¹
Total revenue growth vs. prior year	23%	18%	26%
Recurring revenue – % of total revenue	89%	90%	97%
On-Demand licence revenue – % of total revenue	72%	75%	97%
Gross profit margin	82%	85%	92%
Product design and development – % of total revenue	20%	17%	12%
Total R&D – % of total revenue	37%	33%	30%
Sales and marketing – % of total revenue	13%	9%	8%
General and administration – % of total revenue	20%	18%	17%
EBITDA margin	30%	41%	55%
EBIT margin	19%	30%	
Underlying NPAT ² – % of total revenue	12%	21%	
NPATA ² – % of total revenue	18%	22%	
Capitalised development investment A\$m	74.2	78.3	
Total R&D A\$m	159.1	167.1	
Effective tax rate	12%	27%	
Underlying effective tax rate ²	30%	27%	

Reconciliation of statutory expenses to non-statutory expenses

Statutory to non-statutory reconciliation	A\$m	FY20	FY21
	Cost of Revenues		
	Cost of revenue – statutory	83.5	85.6
	Less: Depreciation & amortisation	6.8	7.6
	Cost of revenues – non-statutory	76.7	77.9
	Product design & development		
	Product design & development – statutory	115.4	128.9
	Less: Depreciation & amortisation	33.1	42.5
	Less: Right-of-use asset depreciation capitalised	(2.6)	(2.4)
	Product design & development – non-statutory	84.9	88.8
	Sales & marketing		
	Sales & marketing – statutory	62.3	50.3
	Less: Depreciation & amortisation	5.4	5.2
	Sales & marketing – non-statutory	57.0	45.0
	General & administration		
	General & administration – statutory	87.7	92.9
	Less: Depreciation & amortisation	3.5	3.8
	General & administration – non-statutory	84.1	89.1

Reconciliation of Underlying NPAT, NPATA and Underlying ETR

Net Profit after Tax (NPAT)	A\$m	FY20	FY21
	NPAT	160.8	108.1
	Fair value gain on contingent consideration	(111.0)	(2.2)
	Contingent consideration interest unwind (net of tax)	2.9	-
	Underlying NPAT¹	52.6	105.8
	NPAT	160.8	108.1
	Fair value gain on contingent consideration	(111.0)	(2.2)
	Acquired amortisation (net of tax)	7.8	6.9
	Contingent consideration interest unwind (net of tax)	4.2	0.9
	NPATA¹	64.6	113.6

Effective tax rate	A\$m	FY20	FY21
	Profit before income tax	181.8	147.9
	Fair value gain on contingent consideration	(111.0)	(2.2)
	Underlying profit before income tax¹	70.7	145.7
	Tax expense	(21.0)	(39.9)
	Underlying effective tax rate (ETR)	29.7%	27.4%

CargoWise recurring revenue growth drivers

Details on inclusions in each category of revenue drivers

CargoWise recurring revenue growth drivers	Growth rate FY16 to FY21 (averages per year)	What's included
Large Global Freight Forwarder rollouts	12pp	Growth in users and transactions from Large Global Freight Forwarders ¹
New customers' FY17 to FY21 cohorts	6pp	New CargoWise customers recurring revenue growth from customer cohorts added from FY17 to FY21 (non Large Global Freight Forwarders)
New product features and enhancements reflected in price	4pp	Monetised new product features and enhancements and standard periodic price increases reflecting ongoing product development investment delivering enhancements
Existing customer growth and market share	3pp	Increased usage of CargoWise by existing (non Large Global Freight Forwarders) customers adding transaction volumes, seats and new sites, utilisation of new modules
Major new product releases	3pp	Significant new CargoWise product releases not included in new product features and enhancements
Market growth	3pp	Growth driven by changes in industrial production and world trade in manufactured goods

31% CAGR FY16 to FY21

(28% CAGR from WiseTech specific growth factors)

CargoWise recurring revenue growth drivers are averages over a five-year period; discrete annual growth drivers may vary each year

Global rollouts

Reconciliation of CargoWise global rollouts

	In Production	Contracted	Total LGFF ¹	Top 25
As at 24 Feb 2021	26	8	34	11
XPO removed from A&A Top 25 Global Freight Forwarders ¹	-	-	-	(1)
New organic rollouts "In Production": Pentagon Freight, Fracht, AIT Worldwide Logistics	3	-	3	-
CEVA "Contracted in Progress" to "In Production"	1	(1)	-	-
Logistics Plus no longer a Large Global Freight Forwarder ²	(1)	-	(1)	-
As at 30 Jun 2021	29	7	36	10

Post-FY21 additional signing of new CargoWise global rollout with FedEx

Glossary

	Abbreviation	Definition	First reference slide
Acquisition Revenue	-	Revenue generated by businesses acquired since 2012 that are not included in CargoWise revenue.	5
Annual attrition rate	-	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.	30
Automated System for Customs Data	ASYCUDA	A computerised system designed by the United Nations Conference on Trade and Development to administer a jurisdiction's customs. Used by ~100 smaller customs jurisdictions for which we can enable connections upon customer request.	20
"Contracted and In Progress" global rollouts	Contracted and In Progress	Customers who are contracted and in progress to grow to rolling out CargoWise in 10 or more countries and for 400 or more registered users.	22
Global manufactured trade flows	-	Global manufactured trade flows refers to import and export related manufactured commodities	7
"In Production" global rollouts	In Production	Customers who are operationally live on CargoWise and are using the platform on a production database, having rolled out in 10 or more countries and 400 or more registered users on CargoWise.	22
Large Global Freight Forwarder	LGFF	A CargoWise customer contracted to grow or who has grown either organically or contractually to 10 or more countries and 400 or more registered users on CargoWise.	7
Net Profit After Tax Amortisation	NPATA	Net profit after tax before: acquired amortisation net of tax, contingent consideration interest unwind net of tax, and fair value changes on contingent consideration. NPATA is a non-statutory measure used for the purpose of assessing the Group's performance (see slide 37).	34
Production Release of native customs	Production Release	CargoWise Customs is defined as "Production Release" for a particular country when the product module has been released into the main CargoWise release build, available for production use by any customer, and is able to be used for all major customs import / export procedures.	20
Top 25 Global Freight Forwarders	Top 25 Global FF	Top 25 based on Armstrong & Associates, Inc. Top 25 Global Freight Forwarders List ranked by 2020 logistics gross revenue/turnover and freight forwarding volumes (revenues are company reported or Armstrong & Associates estimates). Updated 10 August 2021 (see reconciliation of CargoWise global rollouts from 1H21 to FY21 on slide 39).	7
Underlying Net Profit After Tax	Underlying NPAT	Net Profit After Tax excluding fair value adjustments from changes to acquisition contingent consideration and contingent consideration interest unwind net of tax (see slide 37).	5
Underlying profit before income tax	Underlying PBT	Profit before income tax excluding fair value adjustments from changes to acquisition contingent consideration.	37

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