

Wiseway Group Limited

ASX: WWG

AGM 2020 Presentation

24 November 2020



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Chairman's Address

Mr Michael Hughes

FY20 key milestones

1. Established logistics platform for growth	✓ Strong cash flow generation enabled Wiseway to deliver a profit before tax of \$1.7 million for the second half of FY20. ✓ Achieved national bonded depot footprint with fumigation and cold-treatment facilities. ✓ Accredited for fruit exports in China to enable Australia-Asia perishables export. ✓ New businesses revenue portion of the total revenue has grown four-fold since the IPO.
2. Advancing scale	✓ Expanded operations and reach to Auckland, New Zealand. ✓ Major new customer wins, including large importers and exporters in Australia and New Zealand. ✓ 75,342 tonnes of export-import cargo shipped to 100 destinations in FY20.
3. COVID-19: Delivering essential logistics services	✓ Safety is paramount: implemented operational 'COVID-19 safe' procedures to ensure safety and welfare of employees. ✓ Delivering essential logistics services throughout the pandemic. ✓ Secured cargo space by chartering flights to continue servicing demand for air freight. ✓ Leveraging of personal relationships with key airlines, shipping lines and local trucking companies.

Outlook

- COVID-19: supporting our employees, customers, the broader community and international trade.
- Wiseway will continue to monitor, adapt and respond to demand for logistics services in the prevailing operating environment.
- Leverage relations with key distribution partners.
- Building a global logistics platform in key growth markets.
- Target growth via major e-commerce platforms, including through partnership with strategic shareholder AZ Global, and new export customers.



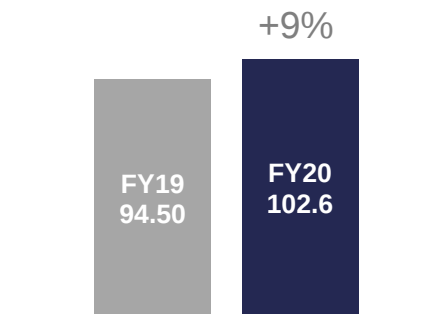
Chief Executive Officer's Address

Mr Roger Tong

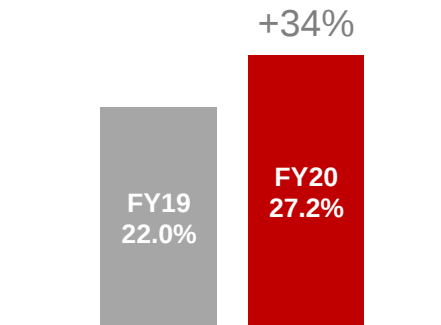
Benefits of revenue diversification strategy flow through in a year of COVID-19

- **Revenue** of \$102.6 million, up 9% from \$94.5 million, driven by Wiseway's new service offerings.
- **Gross profit** of \$27.9 million, up 34% from \$20.8 million, reflecting an increase in gross margin.
- **EBITDA** of \$5.0 million increased from \$0.1 million in FY19.
- **Net operating cash flow** of \$3.8 million, step-change from -\$3.1 million in FY19.
- **Free cash flow** of \$4.6 million in 2H FY20 represents a FCF per share of 3.3 cents up from -2.8 cents in 1H FY20.

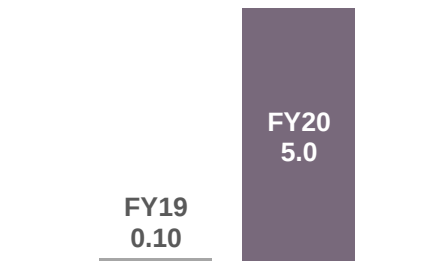
Revenue (\$ million)



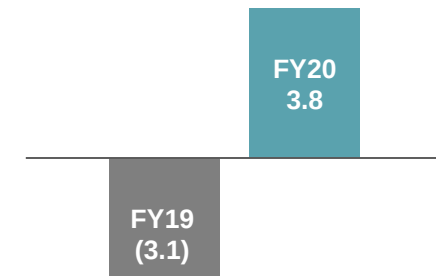
Gross margin (%)



EBITDA (\$ million)



Net operating cash flow (\$ million)



Sales growth driven by diversification and new services

Growth in revenue from diversification and new services

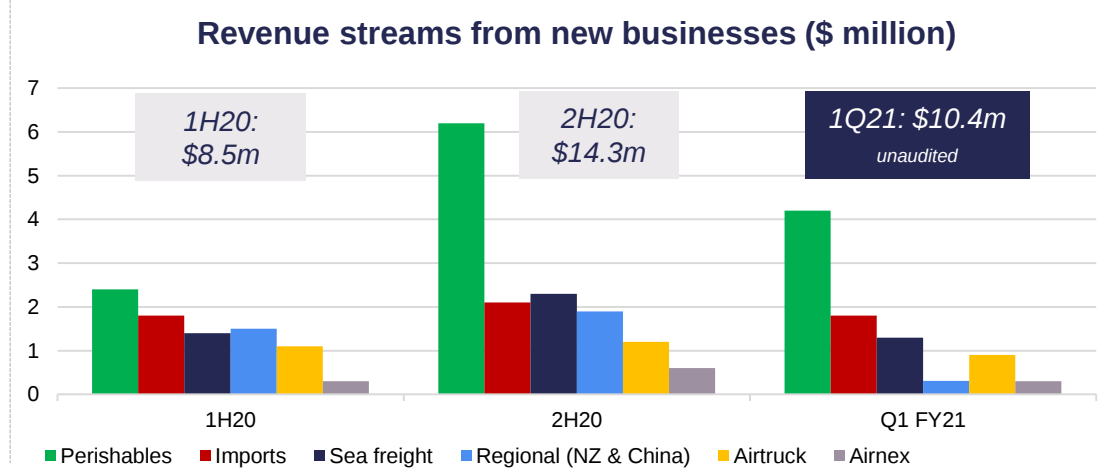
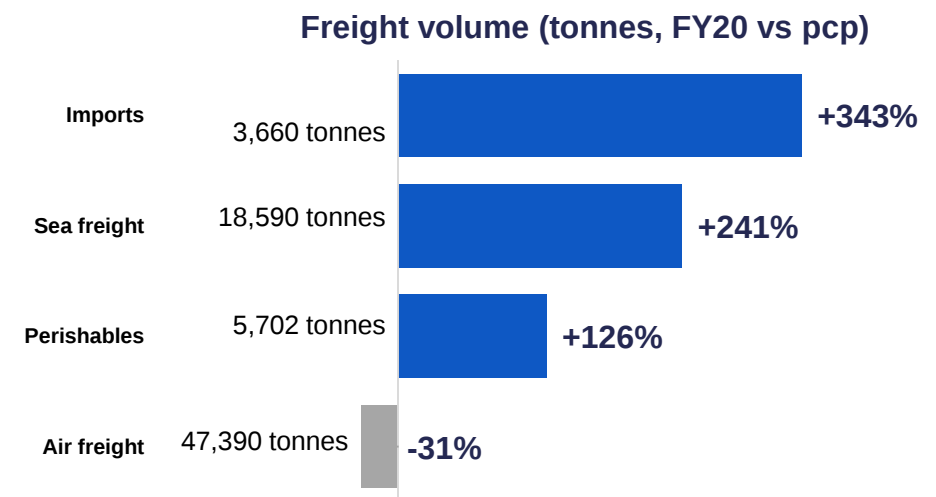
- New division sales more than doubled to \$22.8 million in FY20.
- Growth in new business divisions, particularly in the perishables division driven by an increasing customer base.
- Higher freight volumes of 28,000 tonnes, up by 218% or 19,000 tonnes, largely from stronger sea freight.

New customers

- Major new customer wins, including large Australian exporters, due to the business maintaining its freight capacity in a tightening market.

Strong start into FY21

- Q1 FY21: unaudited revenue of \$31.0 million, up 53% or \$10.7 million on Q1 FY20.



Step-change in net operating cash flow supports future growth opportunities

Financial position as at 30 June 2020

- Cash balance of \$8.6 million (15 November 2020: \$10.5 million).
- NTA per share of 16.9 cents.

Capital management

- Prudent financial debt levels at 53% (as at 30 June 2020).
- Strong financial position going into FY21:
 - *Due to strong cash flow, Wiseway repaid a \$5 million secured bank loan on 2 July 2020.*
 - *Existing bank loan available of \$5 million for redraw (15 November 2020).*
- Positive working relationships with lenders, supporting ongoing development.

Business milestones represent a step-change in scale and reach



Wiseway: Top Australia-Asia air freight forwarder and provider of integrated logistics services

ANZ footprint:

- 9 accredited Regulated Air Cargo Agent locations in Australia and New Zealand
- Customs-bonded warehouse capability
- Accreditation to export perishables to China

Growth areas:

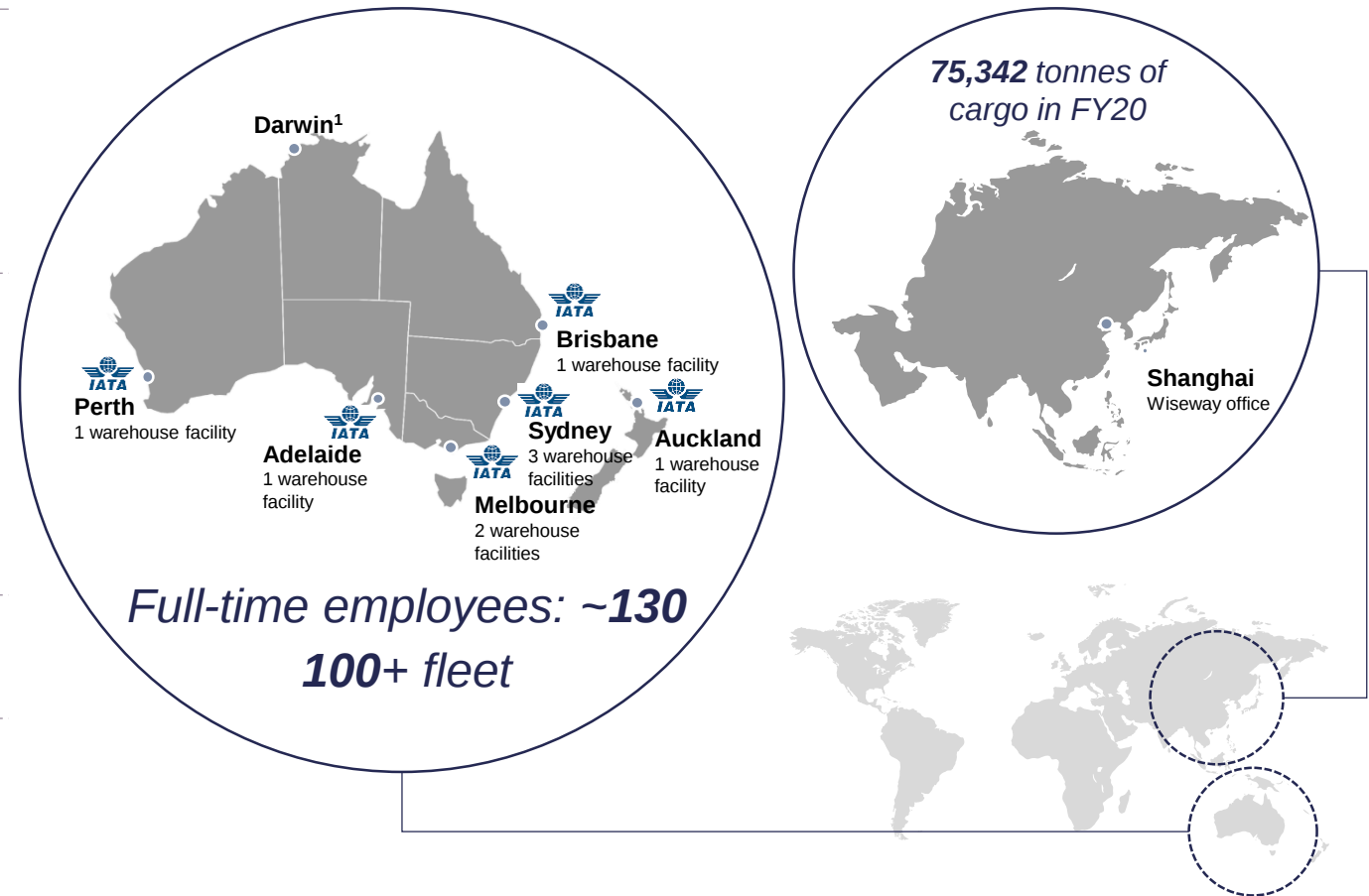
- Perishables (fresh produce, food, wine)
- Airtruck – interstate road transportations ‘food movers’
- Imports
- Sea freight export
- Airnex – cargo sales agent

Customers:

- Diversified business shipping to 100 destinations

Governance:

- Formalised performance review processes
- Role-specific KPIs
- Bonus Incentives – linking personal performance and company performance



Note:

1. Darwin branch is managed by an exclusive local agent

Trading conditions

- Restrictions on international and interstate travelling have supported demand for freight services.
- Asia international routes opening up.
- Strong demand in e-commerce and fresh produce supported by high trade activity and transaction volumes from China.

Business strength

Asia-focused specialist provider



Strategic relationships with airlines

- ✓ Long-standing relationships with major international airlines, particularly on Australia to Asia routes
- ✓ Wiseway has been appointed GSA (exclusive) and CSA (non-exclusive) for major Asian airlines



Long-standing customer relationships

- ✓ Wiseway has supported the growth of many suppliers, distributors and parcel express companies from infancy to established market players
- ✓ New customers, particularly the larger Australian importers and exporters



Unique service provider

- ✓ Wiseway has a unique understanding of cross-border e-commerce market and perishables regulation

Scale advantage



Trans-Tasman footprint

- ✓ Presence in six Australian capital cities and Auckland
- ✓ Can attract large suppliers, distributors and parcel express companies who require multi-city services



Competitive freight rates

- ✓ Top Australia-Asia air freight forwarder
- ✓ Top three Australia-worldwide air freight forwarder



One-stop shop logistics provider

- ✓ Services in export air freight, sea freight, perishables, customs clearance, warehousing, import e-commerce and domestic transportation
- ✓ RACA designated and permitted
- ✓ Customs bonded warehouse Australia-wide and in New Zealand

Defensible and growing market position with high barriers to entry

Wiseway is strategically positioned for long-term growth

Wiseway's growth strategy is focused on three key components

1

Maintain core growth

- Continue to offer customer-first integrated service offering
- Investment in digital processes and automation
- Leverage its Trans-Tasman presence to deepen its relationships with Asian e-commerce platforms and suppliers
- Continue strong organic growth from expanded warehouses and facilities

2

Accelerate new growth

- Leveraging partnerships in the Asia-Pacific region
- Established outbound perishables and bonded warehouses
- Operating platform for e-commerce parcels from the greater Asian region via bonded warehouse facilities across Australia
- RACA designated and fully accredited

3

Well-positioned for recovery from the pandemic

- International expansion in the Asia-Pacific region by leveraging extensive expertise in air freight and sea freight
- Opened an office in Shanghai and registered a fully owned subsidiary Wiseway Shanghai
- Expanded operations in Auckland, New Zealand
- Essential service provider during the pandemic

Successful strategy of growth

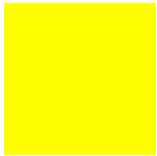
The scale and breadth of Wiseway's business will enable it to take advantage of emerging trends and growing demand for logistics services



Formal business

Shareholder voting cards

Shareholder Voting Card



**Entitled to vote and
address the meeting**

Non-Voting Shareholder Card



**Not entitled to vote,
but may address the
meeting**

Visitor Card



**Not entitled to vote or
address the meeting**

Proxy votes

- To be valid, proxies must have been received by Link Market Services at least 48 hours prior to the meeting.
- Valid proxies will be displayed prior to the resolution being considered by the meeting.
- All undirected proxies to the Chairman will be voted in favour of each resolution.
- All resolutions will be decided on a show of hands.



Items of business

Item 1: FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2020.

Item 2: REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as a non-binding resolution:

“To adopt the Remuneration Report, as set out in the Directors’ Report for the Company and its controlled entities for the financial year ended 30 June 2020.”

Notes:

- I. In accordance with section 250R of the *Corporations Act 2001 (Cth)*, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
- II. A voting exclusion statement applies to this resolution (see Explanatory Notes of details).

Item 3: ELECTION OF LIN XU

To consider, and if thought fit, to pass the following motion as an ordinary resolution:

“That Lin Xu, who retires in accordance with clause 20.6 of the Company’s Constitution, be elected a Director of the Company.”

Item 4: RATIFICATION OF APPOINTMENT OF AUDITOR

To consider, and if thought fit, to pass the following motion as an ordinary resolution:

“That, in accordance with section 327B(1)(a) of the Corporations Act 2001 (Cth) and for all other purposes, KPMG having been nominated by a shareholder and consented in writing to act in the capacity of Auditor, be appointed as the Auditor of Wiseway Group Limited.”

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