

WTC accelerated growth in revenue in 1H17, on track to deliver FY17 guidance

Key results 1H16 statutory vs 1H17 statutory

- Total 1H17 revenue of \$71.1m, up 46%
- Net profit attributable to equity holders of \$14.4m, up 361%
- Fully franked interim dividend of 1 cent per share

\$ million	1H16 statutory	1H17 statutory	% change
Total revenue	48.6	71.1	+46%
NPAT	3.1	14.5	+368%
Net profit attributable to equity holders	3.1	14.4	+361%
Earnings per share (cents)	1.2	4.9	+308%

Key results 1H16 pro forma vs 1H17 statutory

- Total 1H17 revenue of \$71.1m, up 44%
- Recurring revenue 99% (excluding recent acquisitions¹)
- Annual attrition rate of <1% by CargoWise One customer
- EBITDA \$24.0m, up 70%
- Net profit attributable to equity holders of \$14.4m up 188%

\$ million	1H16 pro forma	1H17	% change
Total revenue	49.3	71.1	+44%
Gross profit	43.3	61.0	+41%
Total operating expenses	(29.2)	(37.0)	+27%
EBITDA	14.1	24.0	+70%
EBITDA margin	29%	34%	+5pp
NPAT	5.0	14.5	+189%
Net profit attributable to equity holders	5.0	14.4	+188%

For an explanation of the pro forma adjustments, refer to WTC Investor Presentation dated 22 Feb 2017.

Strong, high quality growth in revenues while expanding global platform

CEO, Richard White, said “We are pleased to announce strong performance from our global business, delivering high growth in revenues of 44% and increasing EBITDA by 70%, while we also focused on executing significant strategic actions to drive future revenue growth and expand even further globally.”

¹ Recent acquisitions are those executed in the 12 months to 31 December 2016: Cargo Community Network Pty Ltd and Softship AG

“Our high quality earnings growth and 361% increase in net profit has been fuelled by significant growth in revenue from existing customers across transactions, modules and geographies and new sales worldwide, further accelerated by targeted acquisitions.”

Highlights from execution of strategic growth initiatives

Innovation and expansion of our global platform

- In 1H17 we invested \$24m and 51% of our people in product development, further expanding our commercialisable innovations and delivering approximately 300 product upgrades and enhancements across the CargoWise One platform.
- We have added to our considerable pipeline of development initiatives focusing on universal cross-border compliance, productivity and visibility, machine learning and artificial intelligence.

Greater usage by existing customers

- Strong existing customer revenue growth of \$12.8m delivering the majority of 1H17 organic revenue growth. Our large customer base continues to increase their use of the platform, adding transactions, users and geographies and moving into more modules.
- Expanding further global rollout programmes with the world’s largest global forwarding groups.
- Continued transition of customer licensing (excluding recent acquisitions) with 91% of revenues generated from On-Demand licensing, an access-as-needed, monthly payment based on usage licence.

Increasing new customers on the platform

We continued to enjoy strong new customer growth, as our On-Demand commercial model encourages customers of all sizes to migrate from outdated platforms. New customer wins progressed in the mid-market (100-500 users) across North America, Asia and Europe and we are growing revenue as larger 3PL customers (including Hitachi, CEVA and Pentagon) further on-board.

Stimulated network effects

We utilised the powerful network effect present in global logistics through our customers and their partners and within our CargoWise One platform. To further stimulate network effects that support lead generation and sales activity, we operate active targeting programmes including WiseBusiness, WiseService and WiseTechnical partners, Wise Agent Referral Program (WARP), Certified Professional plus WiseIndustry programs for freight forwarding network groups globally.

Accelerating organic growth through acquisitions

- Developed product and commenced early adopter sales for our integrated acquisitions in China (Zsoft) and South Africa (Core Freight and Compu-Clearing) and fully integrated air cargo messaging distributor (Cargo Community Network)
- Increased strategic shareholding in German-domiciled, global sea-freight software provider, Softship to 50.01%.
- Continued to build and develop our considerable pipeline of near-term, mid-term and long-term acquisition opportunities in our target areas of Asia, Europe and South America.
- In February 2017, we acquired German customs solutions provider, znet Group GmbH, and Italian customs solutions provider, ACO Informatica S.r.l..

Dividend

We declared an interim dividend of 1.0 cent per share payable on 4 April 2017. 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 13 March 2017.

Outlook

CEO, Richard White, said “Heading into 2017, our technology, financial strength and efficient business model ensure that we are very well-placed to leverage macroeconomic conditions and the competitive dynamics of the supply chain execution industry globally.”

“Our leading global logistics software and open-access, usage-driven business model work to remove constraints to revenue growth and our relentless focus on product development places us at the forefront of managing cross-border compliance challenges, changes in trade patterns and evolving logistics regulation.”

“We have a high growth forward trajectory into 2018 and well-beyond, supported by our high performance core business, strong balance sheet and significant pipeline of innovations and acquisition opportunities.”

“We will continue focused pursuit of our 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 acquisitions.”

Guidance for FY17 earnings reaffirmed by strong 1H17 performance

CEO, Richard White, said “The strong momentum of the Group’s performance in the first half of 2017, combined with 99% recurring revenue (excluding recent acquisitions), annual attrition rate of less than 1% and continued growth across our global operations, affirms that we are on track to meet our guidance.”

We confirm our expectation of revenue growth for FY17 of 43% to 50%, revenue of \$148m to \$155m, EBITDA growth of 59% to 68% and EBITDA of \$50m to \$53m.

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Investor Presentation Please refer to the WTC 1H17 Results Investor Presentation released today for detailed financial data and analysis.

Analyst Briefing The results presentation webcast to discuss WiseTech Global’s 1H17 financial results will be held at 10.30am (Sydney time) today. The webcast and briefing audio will be available at <http://webcast.openbriefing.com/3187/>

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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 6,000 of the world's logistics companies across more than 125 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.