

# WISETECH GLOBAL

## 1H25 RESULTS INVESTOR BRIEFING

### Speakers:

Andrew Cartledge, Interim CEO

Caroline Pham, Interim CFO

Richard White, Founder & Founding CEO

**Andrew Cartledge** Interim CEO

### Slide 6 – Highlights

Good morning everyone, and thanks for joining us for our first half 2025 financial results briefing.

As a reminder and as announced in December, the functional currency of WiseTech Global Limited and other subsidiary entities in the Group have changed to U.S. dollars from Australian dollars, effective 1 July 2024. Consistent with this change, the presentational currency of the Group has also changed to USD. All financial information for the Group has been presented in USD unless otherwise presented.

Now, on to our results highlights.

- In 1H25 we delivered a strong performance with revenue and EBITDA in line with expectations, with EBITDA margin growing five percentage points. Business momentum has continued with two new Top 25 Large Global Freight Forwarder

wins with two of Japan's largest, Nippon Express and LOGISTEED, as well as growth from new and existing customers.

- We continue to actively pursue strategic acquisitions in line with our key development priorities, with BSM Global completed post period end and Singeste joining WiseTech in the first half. We also entered into an agreement to acquire ImpexDocs, which is pending regulatory approval.
- Our breakthrough products are progressing, with ComplianceWise and CargoWise Next launched and Container Transport Optimization now expected as an initial launch in the second half of FY25 in Australia.

All this means that we're well positioned heading into the second half with continuing momentum.

This is all possible because of our talented global team of around 3,500 people. The knowledge, skill and commitment they bring to the table every day drives our success and builds on the value we create for our customers, the broader global logistics industry and the community around us.

### **Slide 7 – Strong 1H25 financial performance**

Turning to our financial performance on the next slide.

In 1H25 we delivered total revenue of \$381.0 million, an increase of 17% on 1H24.

Organically, total revenue grew by 15%.

CargoWise revenue grew organically by 20% to \$331.7 million with recurring revenue at 99%.

EBITDA was up 28% to \$192.3 million, with our EBITDA margin up 5 percentage points to 50%.

Underlying NPAT of \$112.1 million was up 34% and free cash flow of \$124.1 million was up 22%.

The Board determined an interim dividend of 6.7 cents per share, up 31% on 1H24, representing a payout ratio of 20% of Underlying NPAT.

These results clearly show our ability to deliver strong, profitable growth and attractive returns to shareholders through consistent delivery of our 3P strategy, while providing plenty of financial headroom to continue investing for the future.

Caroline Pham, our Interim CFO, will now take you through our 1H25 financial performance in detail.

**Caroline Pham**, Interim Chief Financial Officer

**Slide 8 – 1H25 financial review**

Thanks Andrew and good morning, everyone. It's a pleasure to be speaking with you today.

For those of you I haven't met yet, I'm Caroline Pham, Interim CFO at WiseTech. I've been with the company for over eight years, including as Deputy CFO since March 2023. During this time, I built and led the commercial finance function; have overseen a number of teams including financial planning, commercial finance and treasury; and have supported strategic decision making across the business.

### Slide 9 – 1H25 results

Starting as usual with an overview of our financial performance. As Andrew noted, in 1H25, Total revenue grew by 17% on 1H24 to \$381.0 million, with CargoWise revenues growing 21% to \$331.7 million.

Gross profit was up 19%, with the gross profit margin strengthening by 2 percentage points to 86%.

Reported EBITDA was up 28% to \$192.3 million, with the EBITDA margin increasing by 5 percentage points to 50%, which includes the benefits from the Group's cost efficiency program.

EBIT grew by 31%, with depreciation and amortization increasing by 20%. This reflects a 30% increase in R&D amortization driven by our continued investment in the CargoWise platform, partially offset by lower increases from depreciation and acquired amortization.

Underlying Net Profit after Tax of \$112.1 million was up 34% on 1H24, benefiting from lower net finance costs following a reduction in our drawn debt facility during the period.

Statutory NPAT was up 38% to \$106.4 million, with basic earnings per share up 37% to 32.0 cents.

### Slide 10 – 1H25 revenue growth

On the next slide, you can see the split between recurring and non-recurring revenues, as well as between CargoWise and non-CargoWise revenues.

In 1H25, recurring revenue grew by 18%, or \$55.9 million excluding the impact of FX. This was driven by Large Global Freight Forwarder rollouts, new and existing customer growth, price increases to offset the impact of inflation and to generate returns on product investment, new product releases from prior years and FY24/FY25 M&A.

On the right-hand side of the slide, you can see the contribution from growth in CargoWise revenue, which was up \$53.3 million, or 20% organically.

Of this, \$44.7 million was from existing CargoWise customers, and \$8.6 million was from new customers.

Importantly, CargoWise customer attrition remains extremely low at less than 1% over the last 12 and half years.

## Slide 11 – 1H25 operating expenses

On the next slide, you can see that overall operating expenses as a percentage of revenue reduced by 2 percentage points from 1H24, driven by savings from the Group's cost efficiency program.

Product design & development expenses increased by \$9.0 million on 1H24 to \$62.6 million, in line with 1H24 at 16 percentage points of revenue, reflecting continued investment in CargoWise innovation and development. Expenses supporting maintenance of non-CargoWise platforms represented 19% of total Product design & development expenses, down 5 percentage points on 1H24.

Sales & marketing expenses of \$22.2 million decreased by 2 percentage points of revenue on 1H24 to 6 percentage points of revenue, largely reflecting benefits from the cost efficiency program.

General & administration expenses were \$52.0 million and 14% of revenue. The \$5.6 million increase from 2H24 was driven by operational investments to support future growth, M&A, litigation defense costs and Board advisory, offset by ongoing cost reductions. Excluding M&A costs, G&A as a percentage of revenue was 13%, down 1 percentage point on 1H24.

## Slide 12 – 1H25 research and development

Turning to the next slide, where you can see our R&D investment, with investment in product innovation remaining a key differentiator and value driver for the Group. Our overall R&D investment increased by \$20.6 million, or 18% versus 1H24, reflecting hiring and investment in the CargoWise platform.

Overall, this represents an investment of 36% of our revenue in R&D, in line with 1H24.

54% of our 1H25 R&D investment was capitalized, which is consistent with 1H24 and in line with our target range of 50 to 55%.

We delivered 612 new product enhancements on the CargoWise application suite in 1H25, bringing total enhancements delivered to over 5,800 across the last five years from a total investment of over \$870 million.

Increased hiring drove CargoWise product development resources up by 10% versus 1H24, with 64% of our global workforce now focused on product development, an increase of 2 percentage points year-on-year.

## Slide 13 – 1H25 balance sheet

Moving to the next slide, you'll see how our strong balance sheet and liquidity continue to provide a solid platform for future growth.

At 31 December 2024, we had total liquidity of over \$380 million, providing significant financial flexibility and headroom to fund strategic growth opportunities.

The \$25.2 million increase in intangible assets was driven largely by investments in ongoing capitalized development, largely offset by amortization.

We retain a five-year, \$310.8 million unsecured debt facility maturing in FY29 that is supported by a diversified panel of nine banks. During the period, we took advantage of our strong operating cash flow to repay \$58.2 million of our drawn debt, with \$30 million remaining drawn at balance date.

We had \$64.5 million in new share capital, which includes new shares issued to the Employee Share Trust to fund our employee equity programs, this was partially offset by a \$57.8 million movement from the functional currency change. The employee equity programs are a key component of our remuneration framework to support staff retention, attract high-quality talent and encourage long-term value-creation across our workforce, with over 90% of our employees holding shares or share rights.

#### **Slide 14 – 1H25 cash flow performance**

Turning to our 1H25 cash flow performance on the next slide.

Operating cash flows increased 24% on 1H24 to \$202.7 million, demonstrating our highly cash-generative operating model.

Our operating cash flow conversion rate of 105% was down 4 percentage points on 1H24 reflecting timing of payments which were made in 2H24, and we expect to be neutral in FY25.



Free cash flow was up 22% to \$124.1 million on 1H24, and free cash flow conversion was down by 3 percentage points on 1H24 to 65%, reflecting higher operating cash flow reinvested into long-term growth, \$78.6 million invested primarily in product development and data center capacity including the purchase of our U.S. data center building.

Taking the sum of our total revenue growth and free cash flow margin, our Rule of 40 was 50% in 1H25, down 9 percentage points from 1H24, driven by 13 percentage points from first time consolidation of Envase and Blume revenue in 1H24.

So overall, the Group delivered revenue and EBITDA in line with expectations in the first half, with continuing momentum into the second half.

I'll now hand back to Andrew.

**Andrew Cartledge**, Interim CEO

### Slide 15 – Strategy & outlook

Thanks, Caroline.

### Slide 16 – WiseTech's '3P' strategy

WiseTech's strategic vision is to be ***the operating system for global logistics.***

Our highly skilled, global team, strategic acquisition and integration program, and laser focused strategy, means we've developed the capability and capacity that no

one else in the industry has. Our leading logistics execution platform, CargoWise, is making it easier for large global players to operate efficiently and effectively and has driven vast improvements across the industry. At the same time, consistently executing on our 3P strategy has allowed us to deliver strong, sustainable growth through the cycle.

### Slide 17 – Expanding the CargoWise ecosystem

While our core market remains international freight forwarding, we continue to move into the close adjacencies of Customs and Compliance, Landside Logistics, and Warehouse. This deep focus on our strengths and careful expansion of our product capabilities has led to important product breakthroughs in many areas of CargoWise. And by focusing on our six key development priorities, we continue to revolutionize major parts of the global logistics ecosystem.

Strategic acquisitions remain an active part of our strategy in building out this capability as well as our market presence. During the period we completed another foothold acquisition, Singeste, a leading developer of IT solutions for the customs sector in Portugal. Our native customs platform now covers approximately 80% of global manufactured trade flows including countries in production and development.

Post period we completed the acquisition of BSM Global and entered into an agreement to acquire ImpexDocs. Both are tuck-in acquisitions that will extend our digital documentation capabilities, providing our customers with enhanced functionality to support their customers. BSM Global is a provider of global trade

management systems and solutions that connect companies with trading partners globally, and ImpexDocs provides solutions to centralize, digitize and automate international trade workflows.

### **Slide 18 – Competitive strength across three axes**

As we highlighted at our full year results in August last year, CargoWise drives competitive advantage for our customers and fundamental industry change in three distinctive ways.

Firstly, we look to find fundamental flaws, operating problems, inefficient models and incomplete or ineffective processes, and then embed and automate improvements so that we revolutionize the industry's established model.

Secondly, because of the many cost and management efficiencies achieved through CargoWise, we're driving value for our customers across their entire cost base. This is through four layers of cost efficiencies which starts with eliminating legacy IT costs, then expands to lowering labor costs, reducing fines and penalties, and finally optimizing freight costs.

Thirdly, these cost efficiencies and the operational simplicity CargoWise enables for our customers results in industry consolidation through M&A and the rapid, successful and profitable integration of the businesses they acquire, whilst also driving competitive advantage and profitable organic growth.

## Slide 19 – Strategic highlights

You can see the highlights of our 3P strategy execution on this slide.

We're progressing our three breakthrough products, which I'll update you on in the next slide.

Our acquisition strategy adds to our speed of execution and fuels further and faster organic growth. As I talked to earlier, we made three acquisitions in our key development areas and continue to actively target acquisitions that drive product innovation, market penetration, and growth and profitability over time, which has been demonstrated through our results in recent years.

We intend to continue this highly effective strategy by using our strong balance sheet and cash generative capabilities in a disciplined manner, to further enhance growth.

We continue our unrelenting focus on product, with \$137.0 million invested in product development and innovation in 1H25, up 18% on 1H24.

We've seen strong growth from our Large Global Freight Forwarders usage of global customs, which has grown 25% year over year, and over 50% growth in transit warehouse usage, with rollouts continuing.

In terms of penetration, as mentioned we secured two Japanese Top 25 Global Freight Forwarder rollouts with Nippon Express and LOGISTEED. Two new organic global rollouts that are now 'In Production' are SPARX and MOL Logistics, which

means we now have a total of 54 Large Global Freight Forwarder rollouts including 14 of the Top 25. Note the 13 Large Global Freight Forwarders that are 'Contracted and In Progress' have only approximately 20% of their expected users currently live on CargoWise, so there is plenty of runway ahead.

And lastly on profitability, our company-wide efficiency program has exceeded its target of \$33 million and is expected to deliver \$36 million of annual run rate savings with \$14 million net cost out in 1H25, and FY25 net savings of approximately \$25 million versus around \$20 million previously expected.

Our strategically significant acquisitions Envase and Blume delivered a combined EBITDA margin of greater than 20% in the first half, versus being loss making in 1H24, while growing revenue. This highlights that as businesses integrate into and adopt the WiseTech way, they become more efficient and profitable.

### Slide 20 – Product highlights

Now I'll provide an update on our three breakthrough products.

**ComplianceWise** was launched in 1H25 and rollout across our customer base is progressing with product development continuing in order to drive uptake in the future. ComplianceWise provides our customers with extended functionality in international trade compliance and export and import classification assistance. It also protects them from compliance breaches and audit failures resulting in customer loss, reputational damage and substantial fines, penalties and sanctions.

It's important to highlight that the world of compliance and regulation is constantly evolving, and we continue to develop and enhance this functionality as new tariffs and regulations come into effect. This is where we differentiate ourselves – a single platform for customers to see the who, what, and where of compliance for any given job. And it's completely integrated into the day-to-day operational system providing expert-curated content of critical information. Helping customers understand what compliance requirements exist for the goods being shipped and the countries they are being shipped through. Importantly, it also allows our customers to record their compliance activity in the event of an audit. It's incredibly unique and ever more valuable in an environment that is constantly evolving and changing.

***CargoWise Next***, our new, next-generation platform, has launched with pilot customers in 1H25 with a systematic phased rollout expected to start in 2H25. We continue to see strong customer interest in the major new product features in early access, and expect this to pick up at pace through the second half and beyond, which will start to contribute revenue as we commercialize.

As we explained at our Investor Day in December, CargoWise Next will create significant additional IT costs savings and further reduce labor costs for our customers through additional automations, new GenAI applications, and major new product features.

Development of **Container Transport Optimization** is ongoing, and we now expect an initial launch in 2H25, in Australia. This will be a transformational product and it's important to get the product and proposition right to deliver value for our customers.

The industry problem we are solving is extremely complex and layered, involving many players across the logistics supply chain.

Through Container Transport Optimization we will deliver cost efficiencies for our customers through their direct costs of transportation.

What we're building through Container Transport Optimization is a fundamental overarching model of high-level data that allows our customers to choose the best possible routes through a system at a whole of port capability. It encompasses matching an export container with an import container, optimizing gates at ports, reducing truck wait times, reducing dead legs, and reducing inefficient use of trucks. Container Transport Optimization will provide all these capabilities as a single component to our existing customers.

We also see all three breakthrough products as a way to accelerate the transition of non-CargoWise customers off their legacy in-house IT systems.

### Slide 21 – Penetration

We continue to win new major global logistics customers, while these added capabilities and our large customers' ability to grow faster than their peers all drive further adoption of CargoWise.

As mentioned earlier, since the start of FY25, we secured two Top 25 Global Freight Forwarders who are two of Japan's largest, Nippon Express and LOGISTEED. We also added two additional organic rollouts 'In Production' with SPARX and MOL Logistics. This means that of our 54 Large Global Freight Forwarder clients, 41 are now 'In Production'.

Nippon Express recently acquired cargo-partner, another CargoWise Large Global Freight Forwarder customer, highlighting the benefits CargoWise brings to drive consolidation in the industry.

## Slide 22 – Profitability

On to profitability, our focus is to drive shareholder returns through our high growth and scalable SaaS model while continuing to enhance our operating leverage to drive margin improvement. We've digested the margin dilution from the FY23 acquisitions of Envase and Blume and our EBITDA margin is back to 50%, earlier than we originally anticipated, and we expect to deliver further improvements as we scale and deliver additional cost efficiencies and revenue growth.

As outlined earlier, our company-wide cost efficiency program exceeded its target of \$33 million and is expected to deliver \$36 million of annual run rate savings, with \$14 million net cost out in 1H25, and FY25 net savings of approximately \$25 million versus around \$20 million previously expected.



### Slide 23 – FY25 guidance

This leads me to our guidance for FY25 and our continued strong long-term growth outlook. Our guidance is based on the assumptions we've set out here and in the appendix of our investor presentation.

Assuming there are no material changes to these assumptions and no unforeseen events that arise prior to 30 June 2025, we now expect to deliver revenue at the **bottom end** of the \$792 million to \$858 million range, representing revenue growth of 16% to 26%. We expect the first half / second half CargoWise revenue split to be in line with FY24, with CargoWise revenue expected to grow approximately 20% in FY25.

EBITDA margin rate is expected to be at the **top end** of the 50% to 51% range.

In terms of FY25 EBITDA, we expect to deliver \$396 million to \$436 million, representing EBITDA growth of between 22% and 34%, with the EBITDA margin exit rate at the end of FY25 expected to be around 52%.

### Slide 24 – Business model and strategy delivering sustainable shareholder value

We have consistently delivered a strong track record of revenue, EBITDA, and cash flow growth since our listing.

Achieving 32% revenue CAGR, 39% EBITDA CAGR, and 47% free cash flow CAGR really demonstrates the focus on our strategy and the strength and resilience of our business model.

I want to revisit the key points from the start of the presentation.

- We've delivered a strong first half revenue and EBITDA in line with expectations. Business momentum has continued with EBITDA margin expansion of 5 percentage points and two new Top 25 Large Global Freight Forwarder wins, Nippon Express and LOGISTEED.
- We continue to successfully actively pursue strategic acquisitions in line with our key development priorities, and
- Our breakthrough products are progressing.

The opportunity for future growth is substantial and underpinned by our strategic investments in technology, our breakthrough products, our relentless focus on adding value for our global supply chain customers, and our ability to adapt to the ever-changing logistics landscape.

We're not just keeping pace with industry changes; we're leading the way, setting new standards, and driving the evolution of global logistics.

I'm excited about the opportunities that lie ahead for WiseTech.

Our highly skilled global team, the ability to execute on our strategy, and our strong culture, built on innovation and collaboration, will continue to be pivotal to our success.

Before we open for questions, I'd like to hand over to Richard.

**Richard White**, Founder & Founding CEO

Thanks Andrew.

You've had an update on the status of our three breakthrough products from Andrew.

I want to let you know that I am fully engaged and here for the long haul, with invigorated vision, passion and a trove of new ideas to continue to build the company that Maree and I created and that I love so much.

You have my absolute commitment to do everything within my power and ability to accelerate the business you have invested in and that has been so successful over the almost 9 years since listing.

It is also important to remember that WiseTech is a globally successful, product-led company with over 30 years of experience.

Our vision, and my personal mission is for CargoWise to – ***be the operating system for global logistics*** – and with six key development priorities, our product scope encompasses global logistics and the whole supply chain.

One of WiseTech's most powerful capabilities is that we will release around 1200 CargoWise product updates this year alone and have consistently increased this release rate for many years.

Delivering that scale of innovation and at that rate of flow and value to our customers is truly astonishing.

Along with that immense flow of work, we are also winning new customers with the increasing power and productivity of our platform, including signing Nippon Express and LOGISTEED and further increasing our footprint in Japan and Asia.

We are extending the reach of our platform across all of logistics and into supply chain, for the benefit of our customers and their customers, integrated within our unique product.

Logistics does not operate in a vacuum and is an integral part of the global supply chain.

Global Trade Management is now a focus of ours, with the addition of BSM Global and ImpexDocs that also bring this capability into WiseTech along with digital document ingestion, eBookings and eBills of Lading. We intend to create deeper value in CargoWise for our forwarding and shipping line customers in order to better service and integrate their customer's logistics needs.

When you consider the development of our breakthrough products, ComplianceWise and CargoWise Next, they are both truly global products. Until you put these complex types of products in front of customers, get customers actively using them, and get

feedback, you can never fully complete the product and properly address its full scope.

As a result, we are now going through a product hardening and feature expansion process, refining for each country or region and dealing with the multitude of different regulations and their interpretations and application to each of our customers. At the same time, we're making sure we are making the products easier to use and relevant to the customers business needs and customer demands.

The team and I are now focused on how we can further increase the tempo and flow of product development, with a deeper focus on larger product developments like ComplianceWise, CargoWise Next and Container Transport Optimization.

I intend to drive the focus on these key deliverables and their completion. At the scale we now operate and the wide range of customers and markets we now service, we continue to evolve our strong product development with our unique culture and team structure.

Our product scope, customer base and market coverage target almost every country with any substantial international trade. These variations have to be designed, built, and perfected.

I am confident with the progress we are making with ComplianceWise and CargoWise Next and we expect increasing uptake in the next half.

The opportunity for CTO is significant, however, we must ensure that it is fully capable when it enters the market. Thus, taking time to build the full suite of valuable

optimizations is a critical need to ensure commercial adoption and long-term growth and success, which now includes the expected initial launch in 2H25 in Australia.

At the end of the day, all new product developments are ready when our customers say they are ready. We have to work hard to get these products out in test mode and in front of customers as early as possible and then finalized and hardened for commercial deployment.

This process is already part of our successful DNA, however, we are never satisfied with the status quo. This can be refined further to shorten product development, commercialization times and increase return on investment.

In closing, I want to reiterate that you have my absolute commitment to do everything within my power and ability to drive the growth of WiseTech and its products, commercial outcomes, M&A drivers and accelerate the business you have invested in and that has been so successful over the years since listing.

WiseTech has always had a team of incredibly talented and driven people. I am so proud of them and proud to be part of the team with renewed drive and commitment.

Thank you.

## Slide 25 – Q&A

Thanks Richard. Now, let's open for questions.

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