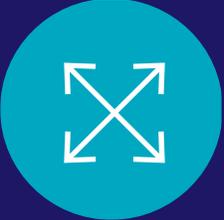# CEO introduction:

Strategic priorities – the focus is global

Richard White
Founder and Chief Executive Officer

Introduction

Total addressable market

Competitive landscape

Strategic focus
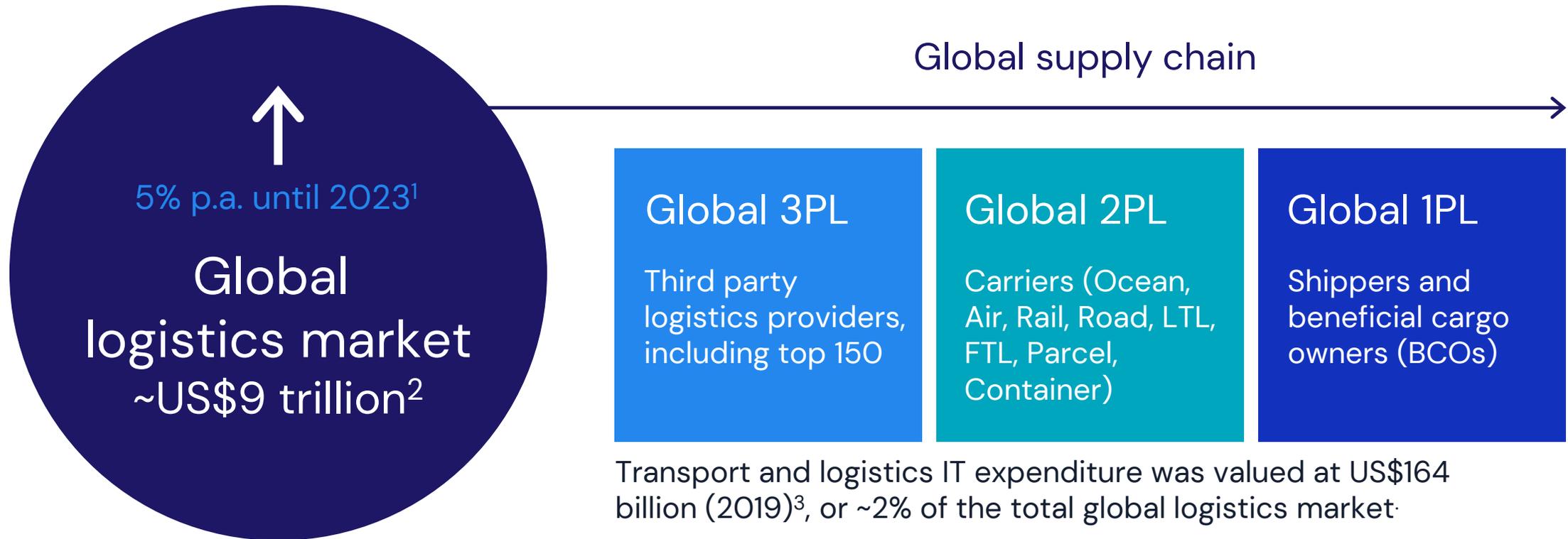
Product demos

R&D pipeline

Integration update

Commercial model

Meet WTC team

Total addressable market

Global logistics

Global
logistics market
~US$9 trillion[2]

5% p.a. until 2023[1]

Global supply chain

Global 3PL	Global 2PL	Global 1PL
Third party logistics providers, including top 150	Carriers (Ocean, Air, Rail, Road, LTL, FTL, Parcel, Container)	Shippers and beneficial cargo owners (BCOs)

Transport and logistics IT expenditure was valued at US$164 billion (2019)[3], or ~2% of the total global logistics market.

1. Source: Armstrong & Associates, Global 3PL Market Size Estimates, Global Logistics Costs – Growth Expectations, 2018–2023
2. Source: Armstrong & Associates, Global 3PL Market Size Estimates, 2019 Logistics Cost, March 2020
3. Source: Gartner Transportation & Logistics IT Expenditure, Worldwide, 2019, 3Q20 Update, 5 October 2020

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The supply chain management IT segment

Global supply chain software execution IT segment (2019)[1] US$4.7 billion

Global supply chain software management IT segment (2019)[2] US$15.2 billion

Procurement 34%

Supply chain planning 35%

Supply chain execution 31%
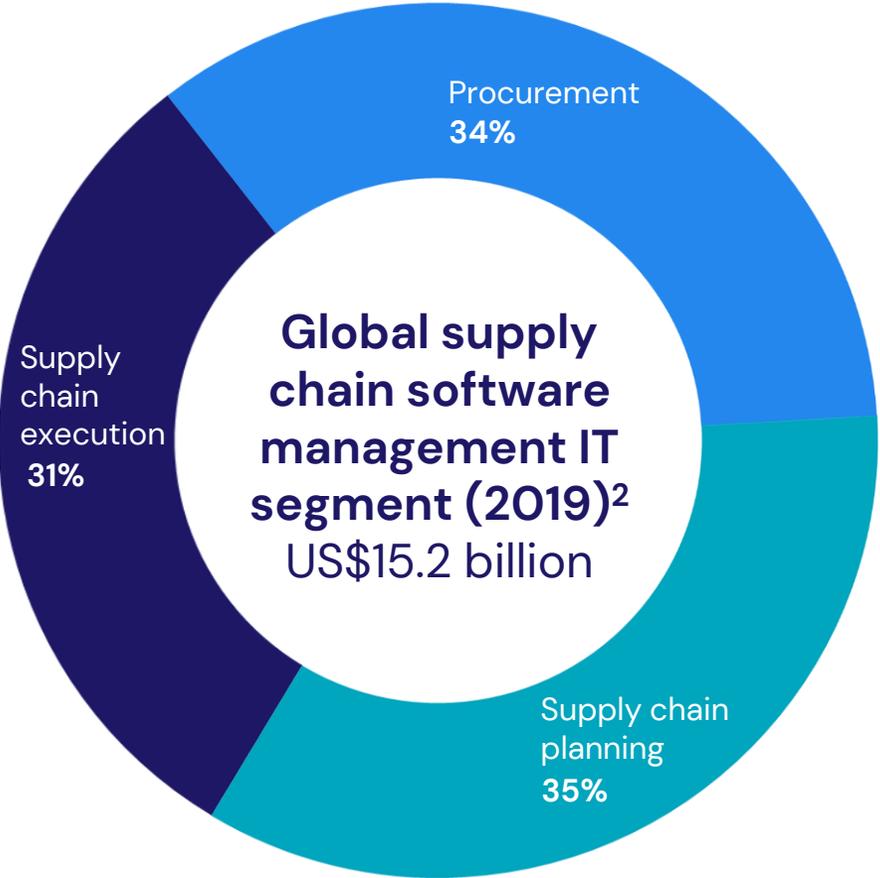
~7% | WiseTech FY20 revenue as a % of segment[3] | ~2%

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Acceleration of structural changes

Well positioned to transform the US$9 trillion[1] global logistics market

COVID AMPLIFIES MOMENTUM

Increasing regulation
Increasing complexity
Surge in transactions
High fragmentation
Pressure on supply chain execution margins
Capital constraints
Increasing network tie-ups
Demand for faster throughput
Cycles in 3PL verticals
Consolidation across IPL/2PL/3PL Amazon
High labour costs in high GDP trade routes
Impact of political change (US/China/Brexit)
Shift to SaaS cloud
Shift from in-house to commercial systems
Trade wars, tariffs, barriers up/down

MACRO ECONOMIC FACTORS ACCELERATE SEISMIC SHIFTS

Logistics providers
pivot business models
and **remove legacy systems**

Move towards
integrated digital solutions
accelerates

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Competitive landscape is fragmented

- Competitive landscape is fragmented

- Our largest opportunity remains replacing legacy systems

- WiseTech is in early stage penetration of the $USD 4.7 billion[1] supply chain execution segment

- Native customs expertise delivering economies of scale to global customers

- Costs of development, upgrade and maintenance are spread across many customers

Procurement
34%

Supply chain execution
31%

Global supply chain software management IT segment (2019)[2]
US$15.2 billion

Supply chain planning
35%
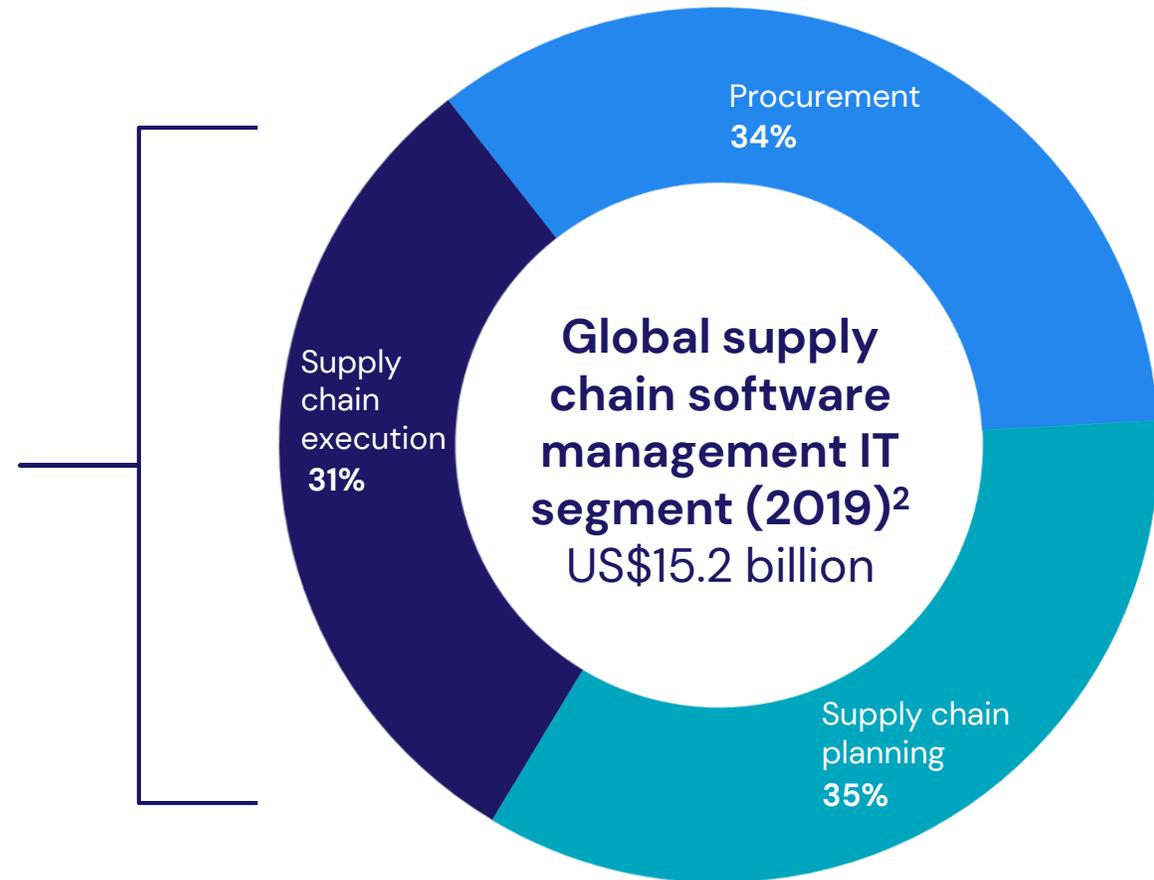
Further opportunity exists as WiseTech continues to build out its product suite (including NEO)

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Complexity of the market

Truly integrated software is expensive, requiring significant testing and regular updates.

Software user familiarity and business integration create customer 'stickiness'.

Attracting talent and building specialist tech teams take time and are difficult to replicate.

Extensive datasets take time to develop and require sourcing from a range of participants.

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What differentiates WiseTech from its competitors

Our evolution – product, penetration, profitability and people

	Model development '94 – '03	Building global model '04 – '07	Global foundation '08 – '14	CargoWise and listing FY15 – FY17	Resources and foothold FY18 – FY20
PRODUCT	– First generation solution	– Launched ediEnterprise – focus on global & scalable capabilities – Start objective to become central integrated operative system for logistics service providers	– Adopted cloud-based solution (2012)	– CargoWise newly launched – single, standardised product leveraging customer base, insights and data – Invested $120m in R&D – Added ~1,800 new features	– Invested further $348m in R&D – Launched global tracking – Established domain leadership in global logistics execution technology
PENETRATION	– Building leading position in Australia logistics service provider software market – Acquired a number of small businesses to expand product capability and customer base	– Rolled out product in North America, Southeast Asia and UK – Early penetration of global FFs	– Transition to On-Demand licensing model, accelerating sales and building market share – Globalisation of customer base	– Signed world's largest freight forwarder DHL Global Forwarding – Expansion strategy into new adjacencies and geographies (China, South Africa, Europe)	– 34 acquisitions – new geographies, adjacencies, customer bases – 42 of the top 50 global 3PLs and 25 of top 25 global FFs customers – 15 global rollouts with worlds largest: e.g. DSV/Panalpina, Aramex
PROFITABILITY		– Raised capital to fund global expansion[1]	– Transitioned to On-Demand licensing model (2008)	– IPO and ASX listed WiseTech – Raised $160m in capital – Moved to Seat Plus Transaction Licensing – Doubled revenues	– Grew CargoWise EBITDA margin to 48% – Near doubled revenues
PEOPLE	– Business Founded by Richard White and Maree Isaacs		– Workforce grown to 275 employees (2014)	– Grew global workforce by 75% – Established corporate infrastructure	– Almost tripled global workforce to over 2,000 – 40 development centres in 23 countries

1. Source: Pg. 34 WTC Prospectus

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'Slower today, faster forever'

We committed ourselves to standardising the millions of global variations in freight forwarding across:
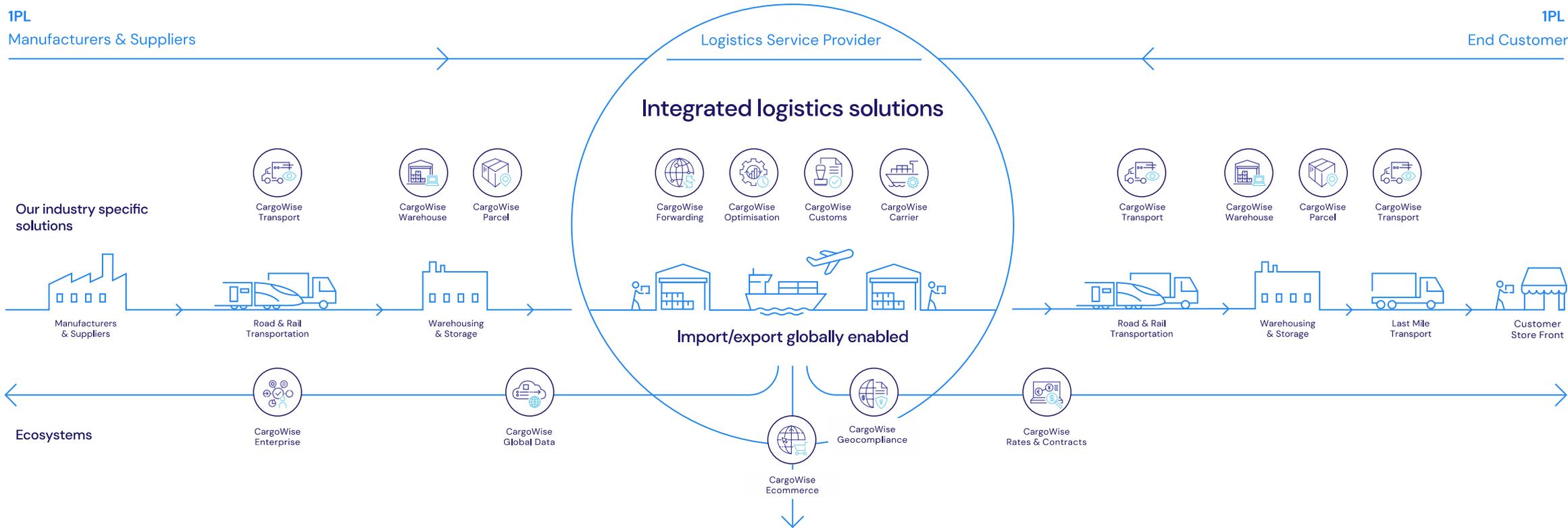
- Countries
- Languages
- Trade Lanes
- Transport Modes
- Tax Codifications
- Pricing

- Currencies
- Customs
- International Regulations
- Conventions
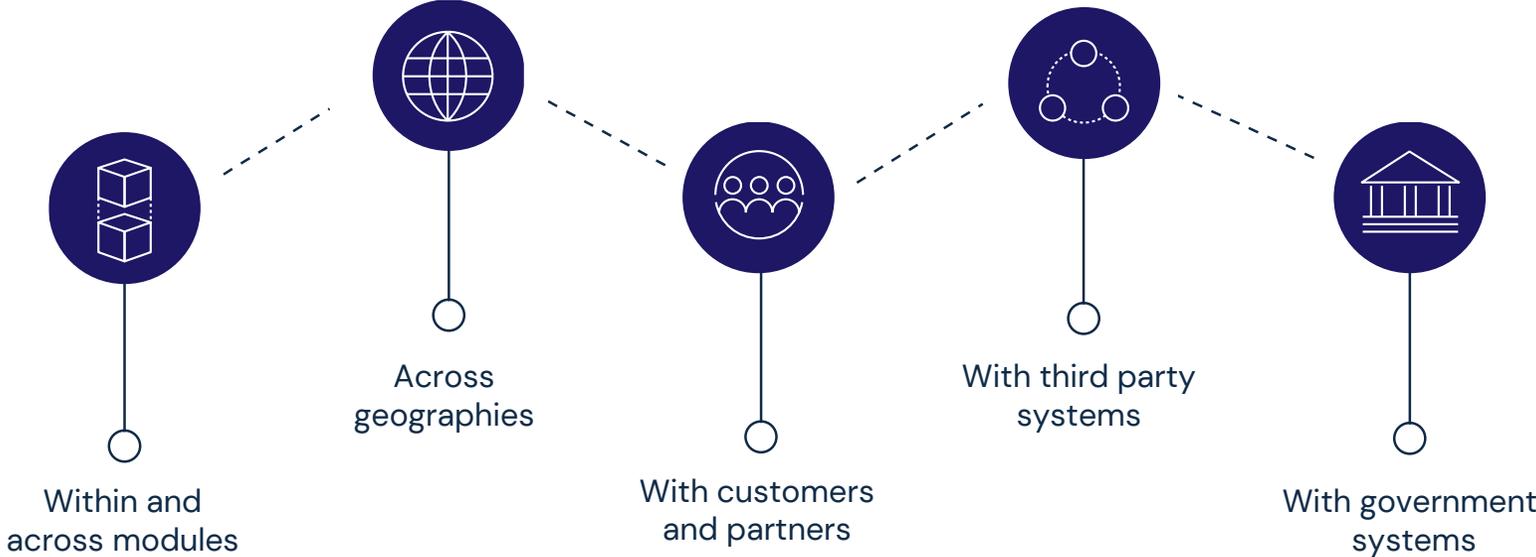- Data Models
- Product Classifications

2.5 million development hours over **14 years**

To build a single integrated modular product that consolidates and integrates data and back-end processes and automates workflow, requiring data to be entered only once.

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Designing integrated solutions for industry pain points

The CargoWise customer value proposition

Within and
across modules

Across
geographies

With customers
and partners

With third party
systems

With government
systems

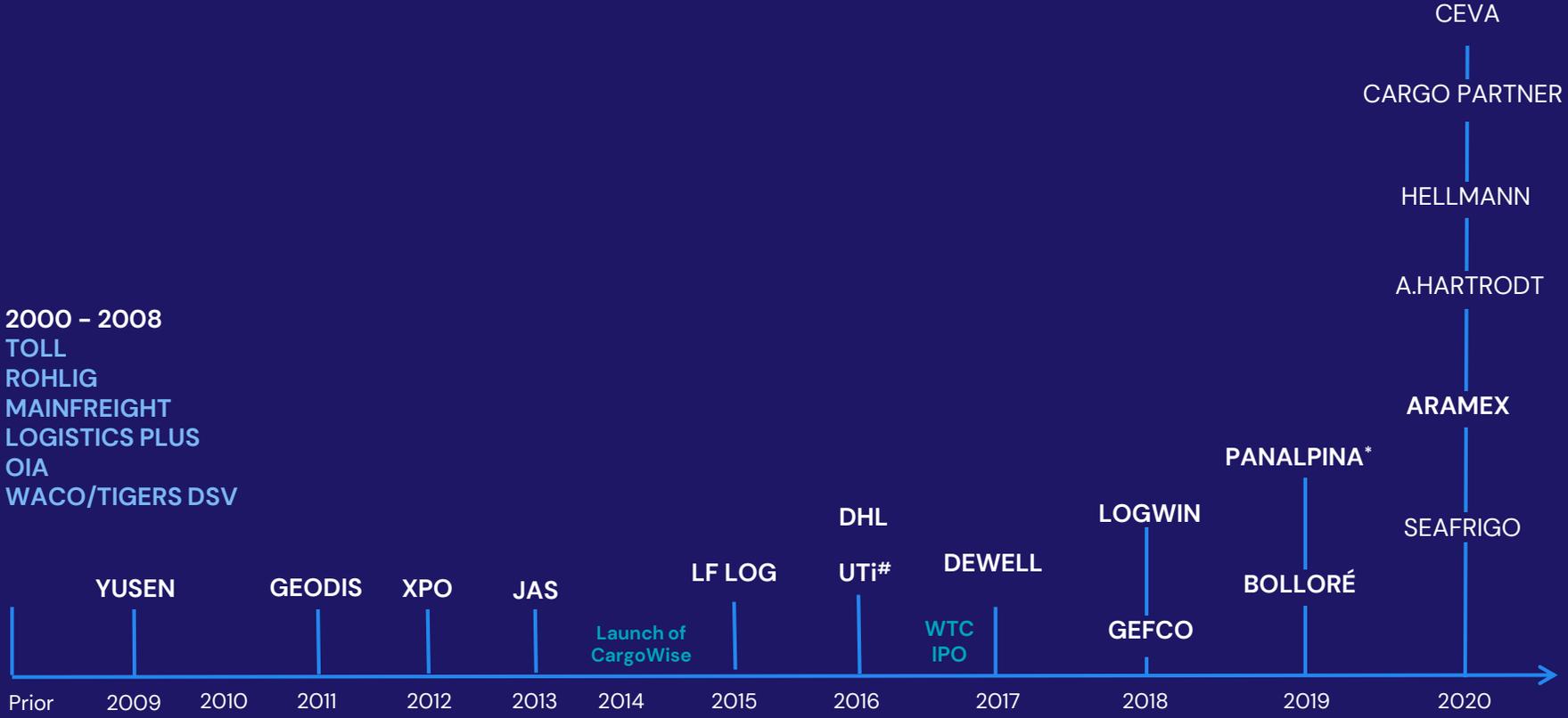| ✓ Pay for one system	✓ Learn one system	✓ Set up one system	✓ Enter data in one system
Universal price list Rewards for prepayment No upfront costs	Thousands of learning resources Upskill through certification Easy onboarding	Extensive configuration tools Pay for what you use Scale according to your volumes	No rekeying data Prepopulated fields Faster transactions

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global

Size of the prize for WiseTech

Early stages of market penetration

CEVA

CARGO PARTNER

HELLMANN

A.HARTRODT

2000 – 2008
TOLL
ROHLIG
MAINFREIGHT
LOGISTICS PLUS
OIA
WACO/TIGERS DSV

ARAMEX

PANALPINA*

SEAFRIGO

DHL

LOGWIN

LF LOG

UTi#

DEWELL

YUSEN   **GEODIS**   **XPO**   **JAS**

Launch of CargoWise

WTC IPO

GEFCO

BOLLORÉ

Prior   2009   2010   2011   2012   2013   2014   2015   2016   2017   2018   2019   2020

© 2020 WiseTech Global   # Uti was acquired by DSV and rolled onto CargoWise from FY16
* Panalpina was acquired by DSV in August 2019 and DSV commenced moving major Panalpina operational activities onto CargoWise in FY20

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Capitalising on the strategic opportunity by focusing on the 3Ps

Expand technology lead
Product

- Expanding global CargoWise platform through innovation
- Including accelerating key native customs and ecommerce projects
- Launch Neo

Expand market penetration
Penetration

- Enabling greater usage by existing customers
- Drive global rollouts – top 25 global freight forwarders and top 200 global logistics providers
- Stimulate internal and external network effects

Drive operational efficiency
Profitability

- Self-service portal
- Remove duplication in global operations
- Align product teams to key development resources (Sydney)

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