

Chair's address

2021 was another successful year for WiseTech, as we delivered both strong financial performance and continued progress on our strategy to become the operating system for global logistics.

Today, I will touch on our financial performance, solid capital position and governance framework before I hand over to our Founder and Chief Executive Officer, Richard White, who will provide further detail on our strategic progress, including the six global rollouts we secured in FY21 and our recent signing of Fedex.

Market context

To begin, I would note that the overall market conditions in global logistics in FY21 continued to be impacted by ongoing COVID restrictions, with consumer demand for services shifting to demand for goods, supported by various country specific fiscal stimulus measures, boosting demand for global trade.

However, limited sea freight capacity, port access issues and container availability challenges, coupled with reduced air freight bellyhold capacity caused by passenger travel restrictions, have resulted in constrained capacity, congestion, disruption and higher freight rates.

Whilst higher freight rates do not translate into immediate revenue growth for WiseTech, we are benefitting from the acceleration in longer-term structural changes that these conditions create, in particular through digital transformation as logistics providers fast track the replacement of their in-house legacy systems with integrated global software such as CargoWise.

Financial performance

In the context of these market conditions, I am pleased to report that WiseTech reported another year of strong growth, delivering record revenue at the top end of our guidance and EBITDA exceeding guidance.

Our business delivered Total Revenue of \$507.5 million for the year, representing 18% growth on FY20.

Importantly, our CargoWise offering continued to achieve strong growth delivering FY21 revenue of \$331.6 million, up 26% on FY20, reflecting increased usage by existing customers and growth from new customers.

Recurring revenue was strong comprising 90% of our Total Revenue, up one basis point on FY20, providing us with a stable and predictable long-term revenue stream, and CargoWise customer attrition rate remained below 1% for the ninth consecutive year.

Our strategic acquisitions also contributed to our revenue growth, with revenue attributable to acquisitions up 6% in FY21 to \$175.9 million, which included the completion of one small strategic acquisition in Asia during the year.

EBITDA in FY21 was \$206.7 million, up 63% on the prior year, and our EBITDA margin was strong at 41%, reflecting increasing operating leverage as revenue grows and cost reductions are achieved through organisation-wide efficiencies and the extraction of acquisition synergies.

I note that we have not received any material benefit from any COVID-19 government support programs globally.

Our statutory Net Profit After Tax (NPAT) for the year was \$108.1 million, down 33% on the prior year, reflecting fair value adjustments in FY20 from changes to acquisition contingent consideration.

However, our FY21 Underlying NPAT of \$105.8 million was up 101% on the prior corresponding period, demonstrating the ability of our business model to deliver revenue growth and earnings expansion.

Financial strength

Our financial position is robust, supported by a strong balance sheet and strong cash flows.

Cash as at 30 June 2021 was \$315.0 million, with no outstanding debt excluding lease liabilities. We recently completed a refinancing of our debt facility and now have a new, unsecured four-year \$225 million bi-lateral facility in place, supported by six banks, providing a solid financial foundation for future growth.

Our operating cash flow of \$229.9 million was up 57% on FY20 and free cash flow of \$139.2 million was up 149% on FY20, demonstrating the highly cash generative nature of our business and the strength of WiseTech's underlying operating model.

Dividends

In recognition of the continued strength of WiseTech's business, the Board declared a fully franked final dividend of 3.85 cents per share, up 141% on FY20.

Our total dividend for the year was 6.55 cents per share representing a payout ratio of 20% of Underlying NPAT.

We continue to offer a dividend reinvestment plan that enables eligible shareholders to reinvest their dividends to acquire additional WiseTech shares. Our ongoing policy is to target a dividend payout ratio of up to 20% of NPAT.

Board activities

Turning now to developments with your Board which continues to evolve in order to best support WiseTech's needs.

We are aligning the Board composition to support the needs of our growing business.

We have processes in place for Board renewal and succession planning to ensure that the Board's skill mix reflects the evolving needs of WiseTech and that renewal is undertaken in a seamless manner to ensure corporate history and knowledge is retained.

I said in my address last year that we were working on recruiting new directors as part of our ongoing process of Board renewal, and I am pleased to report that we recently announced the appointment of two new non-executive directors – Michael Malone and Richard Dammary – effective from 1 December 2021.

On behalf of the Board, I am delighted to welcome Richard and Michael to the WiseTech Global group. Both Richard and Michael will be valuable additions to our Board, bringing significant ASX experience, a wealth of corporate know-how, and solid understanding of the technology landscape in Australia.

Michael is an Australian based entrepreneur and founder of iiNet with more than 20 years experience across the technology, telecommunications and media industries. He is also a non-executive director of ASX listed Seven West Media Limited and NBN Co.

Richard is a non-executive director at Australia Post, Aussie Broadband Ltd and Doctor Care Anywhere Group plc and was previously a senior executive and lawyer for over 30 years, including the position of Chief Legal Officer and Company Secretary of Woolworths Group.

Environment, social and governance (ESG) – Our people, communities, the environment and marketplace

In addition to Board renewal and succession planning, we are committed to making a positive contribution to the communities that we are part of and recognise that our social licence to operate is integral to our ability to create long-term value for our stakeholders.

The Board places significant importance on corporate social responsibility, culture, governance and accountability.

WiseTech's technology solutions have an important role to play in solving the complex pain points of the logistics industry and in enhancing productivity and efficiencies for logistics providers. We have an outstanding team of over 1,800 people globally, spanning more than 60 nationalities and ranging in age from 18 to 74.

We are proud of our highly diverse and inclusive workforce. Approximately 31% of our employees and 43% of our Board members are female and we remain committed to encouraging and supporting more women to enter the technology and logistics industries.

During FY21, we worked on consolidating our ESG data and establishing a sustainability framework that is broadly guided by and references The Global Reporting Initiative (GRI) Sustainability Reporting Standards – an internationally recognised sustainability reporting framework. We will continue to evolve and enhance our ESG disclosures over time.

Acknowledgments

Before I hand over to Richard, I would like to take the opportunity to thank each and every one of our employees for their outstanding contributions throughout the year. As I mentioned earlier, we have delivered a very strong FY21 performance and the business is well positioned for future growth. Our team has been instrumental in achieving this and I would like to thank them for their outstanding efforts through the year.

I would also like to acknowledge our CEO and Founder, Richard White, for his inspiring leadership and vision.

I extend my thanks to all Directors for their continued commitment and insights from decades of experience which is particularly valuable as WiseTech continues to grow.

Finally, I would like to thank you – our shareholders – for your continued support and investment in WiseTech.

I will now hand over to Richard.

CEO's address

Thank you, Andrew, and good morning everyone.

I am pleased to report that WiseTech delivered another strong financial performance in the 2021 financial year both in terms of strategic progress and financial returns.

Integral to our performance are our people. They embody our culture of innovation and our strong performance is a credit to their hard work and commitment, making me incredibly proud to be part of the WiseTech family.

Strong financial performance

As Andrew mentioned our Total Revenue for the year was \$507.5 million, up 18%, equating to 24% growth ex FX, on the prior year.

Of note was our strong CargoWise revenue growth, which at \$331.6 million was up 26% on FY20, equating to 31% growth ex FX. Strategically, this growth is significant. First and foremost, it is indicative of the growing revenue contribution that our large global freight forwarder rollouts deliver – which will accelerate over time as rollouts progress and as we secure new global customers.

Secondly, it is indicative of the fact that as we have expanded the CargoWise ecosystem, adding new capabilities, modules and geographies, our existing customers have increased their usage and we have secured new customer wins.

Our top line revenue growth, coupled with our organisation-wide efficiencies and our extraction of acquisition synergies, has enabled us to achieve a marked step change in operating leverage which is evident in our strong EBITDA performance. Our FY21 EBITDA was \$206.7 million, representing growth of 63% on FY20, and underlying NPAT of \$105.8 million was up 101% on the prior year.

Structural changes accelerated by COVID-19

Our performance in FY21 should be looked at in the context of the broader market conditions we are operating in. It is fair to say that never have logistics and global supply chains been more critical and visible in ensuring the movement of goods around the world.

We are seeing constrained capacity and congestion resulting in logistics providers accelerating their replacement of in-house legacy systems, with integrated global software that delivers efficiencies, productivity enhancement, transparency, risk mitigation and facilitates planning of their global operations, exactly what CargoWise delivers.

These market conditions are also driving increased consolidation within the sector, which

you can see with the recently announced acquisitions of JF Hillebrand by DHL and Greencarrier by JAS, as well as DSV's public announced interest in acquiring DB Schenker.

Typically, consolidation is driven by the larger global logistics providers, and we benefit to the extent that our customers are the acquirer or our platform is in place in the acquired business and adopted by the acquirer.

The market buzz around other potential acquisitions, shows an acceleration in appetite, size and speed for consolidation among the top 200 global logistics providers, that we regard as our target customers, which is good as an entrée into an update on our strategic deliverables.

Strategic focus on the 3P's: Product, Penetration and Profitability

Our strategy is designed to leverage these structural industry changes and deliver our vision of being the operating system for global logistics by focusing on the *3Ps: Product, Penetration and Profitability*.

This entails building our capabilities and, where appropriate, fast-tracking our technology development and know-how through acquisitions.

Having completed 39 acquisitions since our IPO in 2016, we have assembled significant resources and development capabilities to fuel the CargoWise technology pipeline.

While we remain open to significant strategic acquisition opportunities, we have slowed our near-term acquisition activity in order to focus on expanding the CargoWise ecosystem and on extracting synergies from the acquisitions to maximise operating leverage and drive scalability.

1. Product

Product development and innovation continued to be a priority in FY21. We invested \$167.1 million in R&D equating to 33% of Total Revenue and made significant progress in continuing to align our acquisition development teams to support our development priorities.

In addition, we established another centre of excellence in Bangalore and recommenced recruitment of technology and industry talent, following a short slowdown in 2H20 at the outset of COVID-19, leveraging our broad geographic footprint to recruit from the global talent pool.

Our top development priority in FY21 was to accelerate native customs and cross border compliance builds in key markets. As of the 30 June 2021, the CargoWise native customs functionality was in *Production Release* across jurisdictions accounting for approximately 45% of manufactured trade flows (up from approximately 35% in FY20).

We also completed the product integration of global rates functionalities (secured via the CargoSphere and Cargoguide acquisitions) onto the CargoWise platform. This integrated functionality is currently in production with several major customers and work has commenced on the native rewrite onto the CargoWise platform.

Additionally, 1,096 CargoWise new product features and enhancements were delivered throughout the year and solid progress was made in extending CargoWise enterprise-wide functionalities (such as automation and tracking) from the adjacency businesses, with customer integrations well advanced.

Also, of strategic note in FY21, was the deployment of the beta version of CargoWise Neo (Neo) to a select group of beneficial cargo owners (BCOs) via existing WiseTech customers and the commencement of work on extending aspects of Neo for customer specific needs. Neo is a longer-term development priority that will deliver a web-based, integrated platform enabling BCOs to link directly with their logistics providers to plan, price, book, track, trace and manage their freight.

2. Penetration

With the market penetration of fully digital and highly automated global logistics solutions still in the early stages, the opportunity for growth is vast.

Our market penetration approach is to target the Top 25 Global Freight Forwarders and the top 200 global logistics providers. This enables us to benefit from global rollouts and consolidation within the logistics sector as large customers acquire other industry players and add them to their rollout on the CargoWise platform.

In FY21, we secured six new global rollouts and signed FedEx post 30 June 2021. These new global rollouts are in addition to the 30 existing rollouts that WiseTech already has in place.

Ten of the Top 25 Global Freight Forwarders have rollouts on the CargoWise platform either *In Production* or are *Contracted and in Progress*. Given these large customers can take multiple years to roll out CargoWise across their sites globally, usage and transaction revenues are expected to continue to grow over time.

3. Profitability

In FY21 we commenced work on an organisation-wide efficiency and acquisition synergy extraction program designed to streamline our processes and teams, maximising operating leverage and ensure appropriate allocation of resources to support scalability and delivery of our strategic vision.

This program delivered a \$13.8 million net benefit in FY21 (after recognising \$8.2 million of restructuring costs), exceeding our previously announced \$10 million target.

These cost reductions have partially offset our increased investment in product development and recruitment of technology specialists to support ongoing growth.

We are on track to achieve a cost reduction run rate of ~\$40 million for FY22 exceeding our previous \$20–30 million target.

Outlook

Looking ahead, supply chain disruption, capacity constraints and the outbreaks of new COVID-19 strains in key markets are likely to continue to impact global trade until there is a widespread rollout of vaccines.

As noted in August at the time of our FY21 Results, subject to the assumptions set out in the WiseTech FY21 Results presentation, we anticipate FY22 revenue growth of 18% to 25% (representing revenue of \$600 million to \$635 million) and EBITDA growth of 26% to 38% (representing \$260 million to \$285 million).

We are ideally positioned for continued growth and further market penetration. We have a well-considered, comprehensive plan to deliver on our strategic objectives, and our strong balance sheet, strong cash flows and robust liquidity mean we have significant financial firepower to fund our growth.

Acknowledgments

On behalf of the WiseTech Global team, I thank each of our shareholders for your investment and support.

We have an exciting future with many growth opportunities ahead of us. There has never been a greater need for the globally integrated logistics technology that CargoWise provides.

Our vision inspires our people and we remain focused on R&D that delivers breakthrough products that enable and empower those that own and operate the supply chains of the world.

I will now hand back to Andrew for the formal business of the meeting.