

24 August 2016

**ASX Announcement: 2016\20**

**WTC delivers strong growth in revenue, upgrades FY17 forecast**

**Key results**

*Statutory*

- Total revenue of \$102.8m, up 47% yoy
- Recurring revenue 98%
- Net profit after tax of \$2.2m (including IPO transaction costs and other significant items of \$17.3m before tax), compared to a FY16 Prospectus forecast loss of \$0.7m

*Pro forma*

- Total revenue of \$103.3m, up 30% yoy
- Recurring revenue 98%
- EBITDA \$31.5m, up 44% yoy
- Net profit after tax \$14.2m, up 37% yoy and exceeding FY16 Prospectus forecast of \$13.0m

\$ million	FY15 Pro forma results	FY16 Pro forma results	yoy % change	FY16 Prospectus Pro forma forecast
Total revenue	79.6	103.3	<b>+30%</b>	102.0
Gross profit	66.7	90.2	<b>+35%</b>	89.0
Total operating expenses	(44.8)	(58.7)	<b>+31%</b>	(59.0)
EBITDA	21.9	31.5	<b>+44%</b>	30.0
EBITDA margin	28%	30%	<b>2pp</b>	29%
NPAT	10.4	14.2	<b>+37%</b>	13.0

For an explanation of the pro forma adjustments, refer to WTC Investor Presentation dated 24 Aug 2016.

**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 pro forma revenues of 30% (47% on a statutory basis) and increasing pro forma EBITDA by 44%, while we also focused on executing significant strategic actions to drive future revenue growth and expand globally.”

“With our global CargoWise One platform that delivers more than 34 billion data transactions annually for our customers in more than 125 countries, our growth has been fueled by greater usage by existing customers across transactions, modules and geographies and strong new sales worldwide.”

“We continued our relentless focus on innovation by investing 37% of revenue and 51% of our people in product development this year, delivering more than 670 product upgrades across the integrated CargoWise One logistics execution platform and significantly adding to our pipeline of innovation for years to come.”

During the year, WiseTech Global achieved an important milestone by listing on the Australian Securities Exchange with an IPO raising of \$125m in new equity which will provide capital to support our growth strategy and future growth opportunities, including accelerating our organic growth through both product development and acquisitions.

## **Strategic highlights from FY16**

In addition to our ASX listing and expansion of our global platform, the key strategic developments in the year were:

### ***Greater usage by existing customers***

- Strong existing customer revenue growth of \$15.1m which was more than double the \$7.2m growth from the prior year. Growth was generated from our large customer base increasing their use of the platform adding transactions, users and geographies and moving into more modules.
- Expanding further our global rollout programme with the world’s largest global forwarding groups (including DSV, GEODIS, Mainfreight, OHL and JAS) by signing a contract with DHL Global Forwarding which commenced on 1 July 2016 and is expected to deliver \$60m of revenue over 4.5 years.
- Continued transition of customer licensing with 83% of revenues generated from on “On-Demand” licensing, an access-as-needed, monthly payment based on usage licence.

### ***Increasing new customers on the platform***

Our increased growth in new sales reflected strong North American sales following our first-to-market implementation of the new US Customs system (ACE), swifter on-boarding of new customers and increased strength in securing mid-large 3PL clients including large and global rollout contracts with Hitachi, XPO and CEVA.

### ***Stimulated network effects***

We stimulated natural network effects with active targeting programmes, launching the CargoWise Certification programme, initiating the next-generation WARP<sup>1</sup> project and signing a further 19 multi-national freight forwarding networks.

### ***Accelerating organic growth through acquisitions***

- Acquired and commenced integration of South African leading software vendor, Compu-Clearing Outsourcing Limited and Australian and New Zealand air messaging distributor Cargo Community Network Pty Ltd
- Completed stage 1 integration into our global group of acquired South African leading software provider Core Freight Systems (Pty) Ltd and Chinese vendor, Shenzhen Zsoft Software Development Co. Ltd
- Increased strategic holding in German-domiciled, global sea-freight software provider, Softship AG and in July achieved a majority shareholding of 50.01%.

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<sup>1</sup> Wise Agent Referral Programme

## Dividend

The Company paid an interim dividend of 0.60 cents per share on 4 April 2016 and has not declared a final dividend for FY16. From FY17, we expect to target a dividend payout ratio of up to 20% of annual statutory NPAT.

## Outlook for FY17

For FY16, we exceeded both our statutory and pro forma revenue and profit forecasts set out in our Prospectus.

Richard White said “This year’s strong performance, combined with 98% recurring revenue, an annual attrition rate of less than 1%, earnings contribution from recent acquisitions and continued growth across our global operations, affirms that we are on track to exceed our FY17 Prospectus forecast for revenue of \$135m. We are expecting revenue growth for FY17 of 43% to 50% and therefore have upgraded our guidance for FY17 for revenue to a range of \$148m to \$155m and for EBITDA, a range of \$50m to \$53m.”

- ENDS –

## Analyst briefing

A results presentation and Q&A session to discuss the Company’s financial results will be held at 11.30am (Sydney time) today. A webcast of this presentation and briefing audio will be available at <http://webcast.openbriefing.com/2927/>.

## About WiseTech Global

WiseTech Global is an innovative, multi-award winning global developer of cloud-based software solutions for the international and domestic logistics industries. Since 1994, we have helped logistics companies efficiently manage the movement of goods and information. Our leading platform, CargoWise One, forms an integral link in the global supply chain. With over 6,000 customers in more than 125 countries, our breakthrough software solutions are renowned for their powerful productivity, extensive functionality, comprehensive integration, deep compliance capabilities, and truly global reach.

WiseTech Global is listed on the ASX (ticker WTC)

For more information on WiseTech Global, please visit: [www.wisetechglobal.com](http://www.wisetechglobal.com)

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