

22 April 2020

WiseTech business update and FY20 guidance reaffirmed

WiseTech Global (ASX: WTC) today releases a business update to the market regarding the evolving environment, trading and guidance.

Trading update

Our position as a leading global provider of logistics execution software gives us visibility to trends in trade-flows and supply chain behaviour. At the time of our 1H20 results in February, our global data gave us early insight to the potential impact of COVID-19 outbreak in China on manufacturing and global trade, and on our business. Today, we reaffirm our FY20 guidance¹, subject to currency movements:

FY20 revenue of \$420m - \$450m, revenue growth of 21% - 29%,

EBITDA² of \$114m - \$132m, EBITDA growth of 5% - 22%.

For the 3 months to 31 March 2020, our business traded in line with our expected range for FY20 guidance, reflecting continued growth in revenue, cash generation from operations and further onboarding of additional users, which substantially offset the expected reductions from COVID-19 disruptions, including deferred rollout of new products, and slowdown in new business growth. Similarly, EBITDA is tracking in line with our FY20 guidance range.

The continued demand for our globally integrated logistics technology is demonstrated by the global freight-forwarding rollouts already underway, and the finalisation in March of a further global rollout commitment with another of the world's largest logistics providers, Hellmann Worldwide Logistics, commencing in 2021.

Strong balance sheet, robust liquidity and cash generation

Our financial position is strong with robust cash generation, and significant liquidity to support our strategic and operational initiatives. Our net cash position is \$230m as at 31 Mar 2020 (in line with \$233m net cash at 31 Dec 2019) and our established debt facility of \$190m remains undrawn with a further \$200m accordion facility in place.

We are well-funded to execute our strategy under a range of scenarios and do not intend to raise additional capital or debt.

Platforms and people fully operational

Our foremost priority during COVID-19 is keeping our people, customers, partners and the communities we operate in, as healthy, safe and productive as possible. Our platforms, systems and data centres are fully operational across all geographical locations. Our robust IT remote-access infrastructure enables our people globally to work remotely, efficiently and effectively.

¹ For information on FY20 guidance assumptions, sensitivities and foreign exchange rates refer to 1H20 Investor Briefing Materials released to ASX on 19 Feb 2020. Our revenue is invoiced in a range of currencies, reflecting the global nature of our customer base and as a result is impacted by movements in foreign exchange rates.

² The application of AASB 16 Leases brought into effect from 1 July 2019, is expected to add \$6m to EBITDA with no change to revenue. The total is reflected in the guidance provided.

We will continue to support our people across our 60 offices worldwide working remotely, and our customers globally, as each community progresses through and exits containment measures over the coming months.

Early in March, we received the provincial authorisations to reopen our 4 offices across China and customers and manufacturers in China are continuing to rebuild their operational capability.

Prioritising capital flexibility, cash generation and disciplined use of resources

While our business has remained resilient, we believe COVID-19 will continue to adversely impact many economies and global supply chain movements, across all modes of transportation. We expect demand for global technology, digital transformation and integrated platforms, such as CargoWise, will continue to accelerate. However, the logistics industry that we support, and the economies it services, face substantial uncertainty.

As a cloud-based, SaaS technology business, we have the flexibility and experience to transform our operations in the face of a global economic downturn, while we continue to invest further in our technology and remain ready to take advantage of economic recovery.

Considering the speed and scale of the global crisis, throughout this period and into FY21, we are proactively tightening the focus of investments in new products, reducing discretionary cash expenditure, and deferring execution of our acquisition pipeline appropriately.

Founder and CEO, Richard White, said “We take seriously our responsibility in enabling the world’s supply chains with our critical logistics execution technology. We are proud of the dedication of our employees and our customers in their important efforts to keep global supply chains moving across the world and within communities during this time.”

“In this challenging economic environment, we will take necessary actions to prioritise critical technology development, be highly cost efficient, safeguard our financial strength, and continue to build our competitive position providing technology to many of the world’s largest logistics providers.”

“Our technology continues to drive and enable our customers to more efficiently digitise and rewire supply chains to respond faster to change. Today, every country, every company, every citizen, is now alert to the importance of supply chains and logistics execution – and there has never been a greater need for the digitisation and globally integrated logistics technology that we provide through CargoWise. We remain optimistic that the long-term opportunity available to us is vast.”

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Authorised for release to ASX by David Rippon, Corporate Governance Executive and Company Secretary.

About WiseTech Global

WiseTech Global is a leading developer and provider of software solutions to the logistics execution industry globally. Our customers include over 15,000 of the world’s logistics companies across 150+ countries, including 40 of the top 50 global third-party logistics providers and 25 of the 25 largest global freight forwarders worldwide³. Our flagship platform, CargoWise, forms an integral link in the global supply chain and executes over 50 billion data transactions annually.

³ Armstrong & Associates: Top 50 Global Third-Party Logistics Providers List, ranked by 2018 logistics gross revenue/turnover. Armstrong & Associates: Top 25 Global Freight Forwarders List, ranked by 2018 logistics gross revenue/turnover and freight forwarding volumes.



At WiseTech, we are relentless about innovation, adding ~3,500 product enhancements to our global platform in the past five years while bringing meaningful continual improvement to the world's supply chains. Our breakthrough software solutions are renowned for their powerful productivity, extensive functionality, comprehensive integration, deep compliance capabilities, and truly global reach.

The WiseTech Global group includes CargoWise, ABM Data Systems, ACO Informatica, BorderWise, Bysoft, Cargoguide, CargolT, CargoSphere, CMS Transport Systems, Containerchain, CustomsMatters, DataFreight, Depot Systems, EasyLog, Fenix, Forward, Intris, LSP Solutions, Microlistics, Multi Consult, Pierbridge, Prolink, Ready Korea, SaaS Transportation, SISA, SmartFreight, Softcargo, Softship, Systema, Taric, Trinium Technologies, Ulukom, Xware, zsoft and znet Group.

For more information about WiseTech Global or CargoWise One, please visit [wisetechglobal.com](https://www.wisetechglobal.com) and [cargowise.com](https://www.cargowise.com)

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