

For personal use only

Wiseway Group (ASX: WWG)

FY23 Investor Presentation

31 August 2023



Disclaimer

This presentation contains summary information about Wiseway Group Limited (Wiseway) and its subsidiaries and their activities. The information in this presentation does not purport to be complete. It should be read in conjunction with Wiseway's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at <https://www2.asx.com.au/>

The information contained in this presentation is not investment or financial product advice and has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek independent professional advice appropriate to their jurisdiction and circumstances.

To the maximum extent permitted by law, no responsibility for any loss arising in any way from anyone acting or refraining from acting as a result of this information is accepted by Wiseway, any of its related bodies corporate or its directors, officers, employees, professional advisers and agents (Related Parties). No representation or warranty, express or implied, is made by any person, including Wiseway and its Related Parties, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation.

An investment in Wiseway securities is subject to investment and other known and unknown risks, some of which are beyond the control of Wiseway or its directors. Wiseway does not guarantee any particular rate of return or the performance of Wiseway securities.

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Wiseway and associated entities of Wiseway and certain plans and objectives of the management of Wiseway. Forward-looking statements can be identified by the use of forward-looking terminology, including, the terms "believes", "estimates", "anticipates", "expects", "predicts", "intends", "plans", "goals", "targets", "aims", "outlook", "guidance", "forecasts", "may" or "will", and similar expressions. These forward-looking statements include all matters that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which because of their nature may cause the actual results or performance of Wiseway to be materially different from the results or performance expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Wiseway's present and future business strategies and the political, regulatory and economic environment in which Wiseway will operate in the future, which may not be reasonable, and are not guarantees or predictions of future performance. No representation or warranty is made that any of these statements or forecasts (express or implied) will come to pass or that any forecast result will be achieved. Forward-looking statements speak only as at the date of this presentation and to the maximum extent permitted by law, Wiseway and its Related Parties disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, any assumptions or expectations set out in this presentation).

All figures in this presentation are A\$ unless stated otherwise and all market shares are estimates only. A number of figures, amounts, percentages, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, the actual calculations of these figures may differ from figures set out in this presentation.

Contents

Business overview

4

Highlights

7

Financial overview

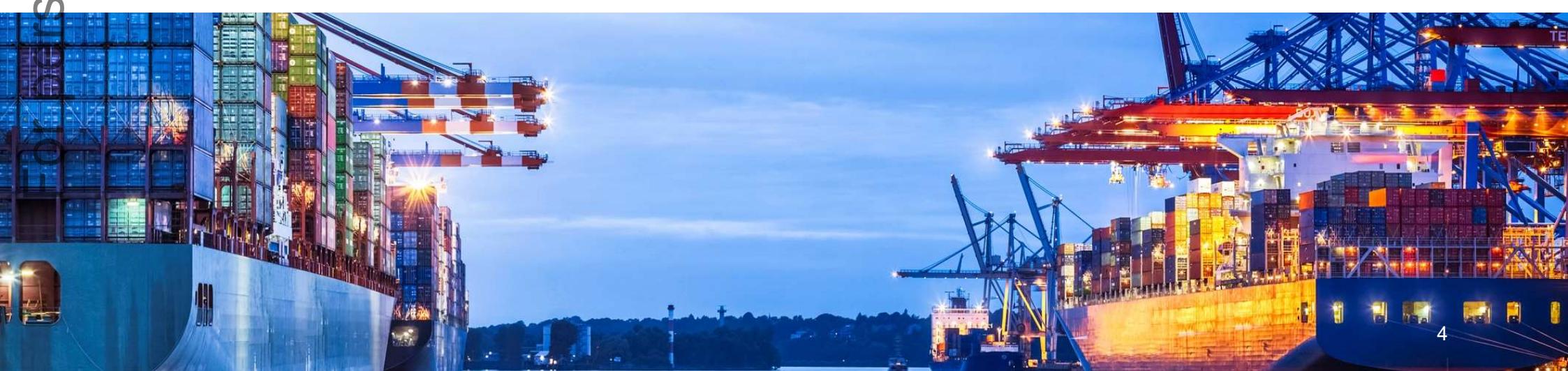
14

Key priorities and outlook

17

For personal use only





Business overview



Our core business segments

1	2	3	4	5	6
Air Freight Exports	Sea Freight Exports	Perishables	Imports	Road & Warehousing	Overseas
 <ul style="list-style-type: none"> Serving e-commerce platforms, suppliers, and parcel consolidators. Shipping infant milk formula, honey, wine, vitamins, and health and skin-care products. 	 <ul style="list-style-type: none"> General food commodities. Australian produce. Food stuffs. Wine. 	 <ul style="list-style-type: none"> Fresh produce. Seasonal fruit. Seafood. Meat. Fresh milk and dairy. 	 <ul style="list-style-type: none"> General cargo imports clearance and delivery. E-commerce parcel imports and distribution. 	 <ul style="list-style-type: none"> Interstate and road transport business. Servicing wholesalers, manufacturers and airlines. 3PL warehousing (>50,000 SQM). 	 <ul style="list-style-type: none"> China (Guangzhou and Shanghai) United States (Los Angeles) New Zealand (Auckland) Singapore

Overview of Wiseway

For personal-use only

Top 3
freight forwarder
(in terms of outbound air freight volumes)

200+
employees

100+
Trucks and trailers

4
depots with cool room
capabilities
(Sydney, Melbourne, NZ, Perth)

12
warehouses
(incl. RACA, Customs Bonded,
Quarantine approved depots)

11
cities across
5
countries

Shipping to
100+
destinations



highlights



FY23 results takeaways

- 1 Continued turnaround in profitability in the last 6 months (+\$3.2m of EBITDA from 1H23 vs 2H23)
- 2 Wiseway achieved the strongest second-half profitability since Listing on the ASX in 2018
- 3 Soft revenue growth as freight rates normalise; limited impact to profitability expected
- 4 Strategy is delivering results, with strong growth in Perishables, Sea Freight and Imports
- 5 Core Australian division remains strong with EBITDA of \$5.5 million
- 6 Overseas plans are on-track with a strong improvement in profitability

Financial highlights

For personal use only

\$106.6 million
Group Revenue

\$3.7 million
EBITDA

\$6.2 million
Underlying EBITDA¹

**+\$4.1 million NPAT
improvement**
1H23 vs 2H23

12 cents
Net Tangible Assets per Security

\$9.1 million
Cash and Cash Equivalents

¹ Underlying EBITDA is a non-IFRS measure that the Group uses to assess performance as it excludes one-off and non-operational items.



Operational Highlights



Reduced operating costs due to process efficiencies and cost streamlining initiatives



Initiatives to enhance capabilities in Perishables, eCommerce Imports and Sea Freight on-track



Investments have been made in building out Wiseway's marketing and business development capabilities



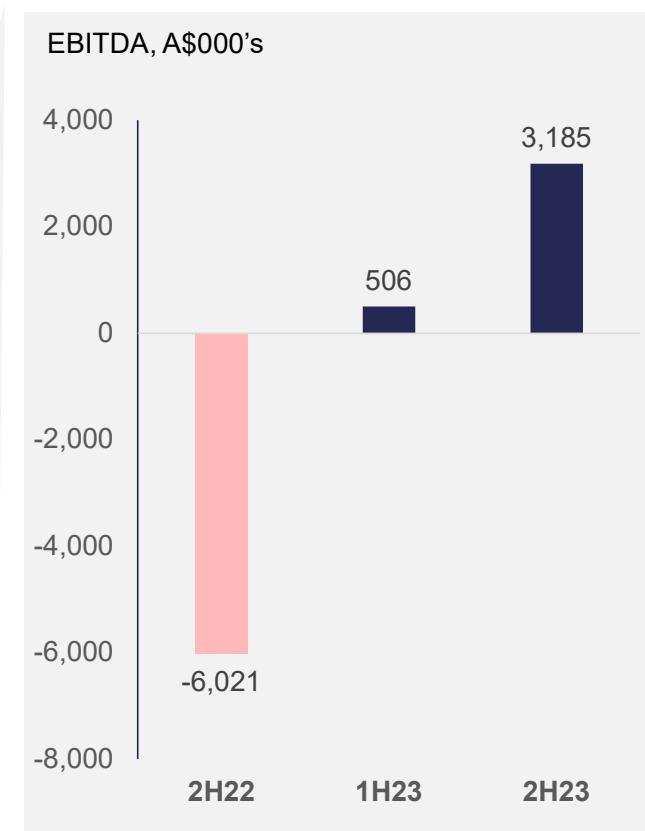
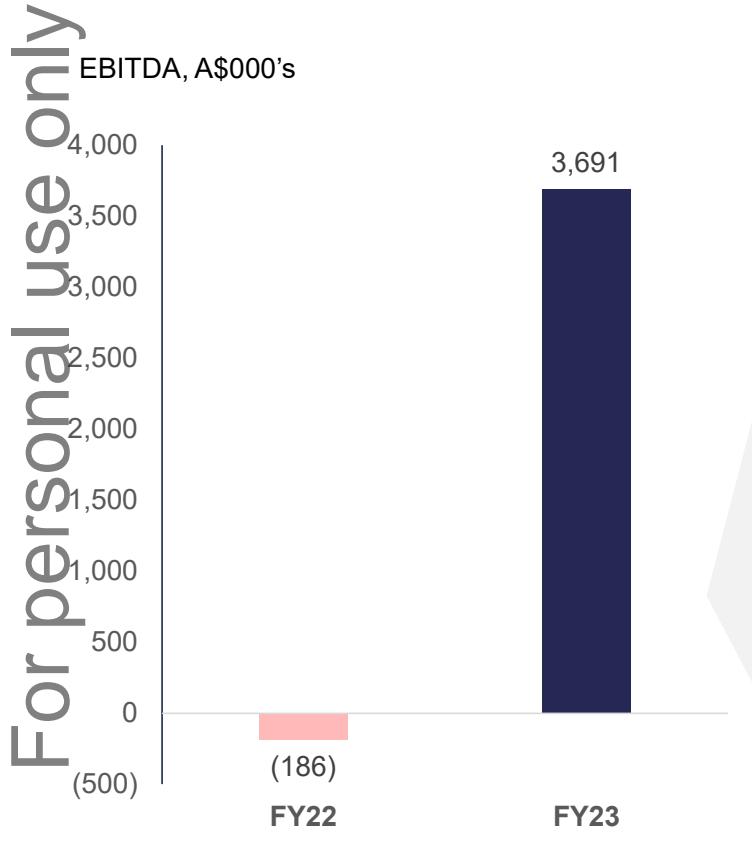
Global network has started to yield results, with clients using Wiseway in multiple geographies



Expanded into more value-added services for customers, including IT integrations, client tracking portals, and administration handling

The Group achieved a recovery in profitability in FY23

EBITDA of \$3.7 million, a reversal compared to a loss of \$0.2 million in FY22

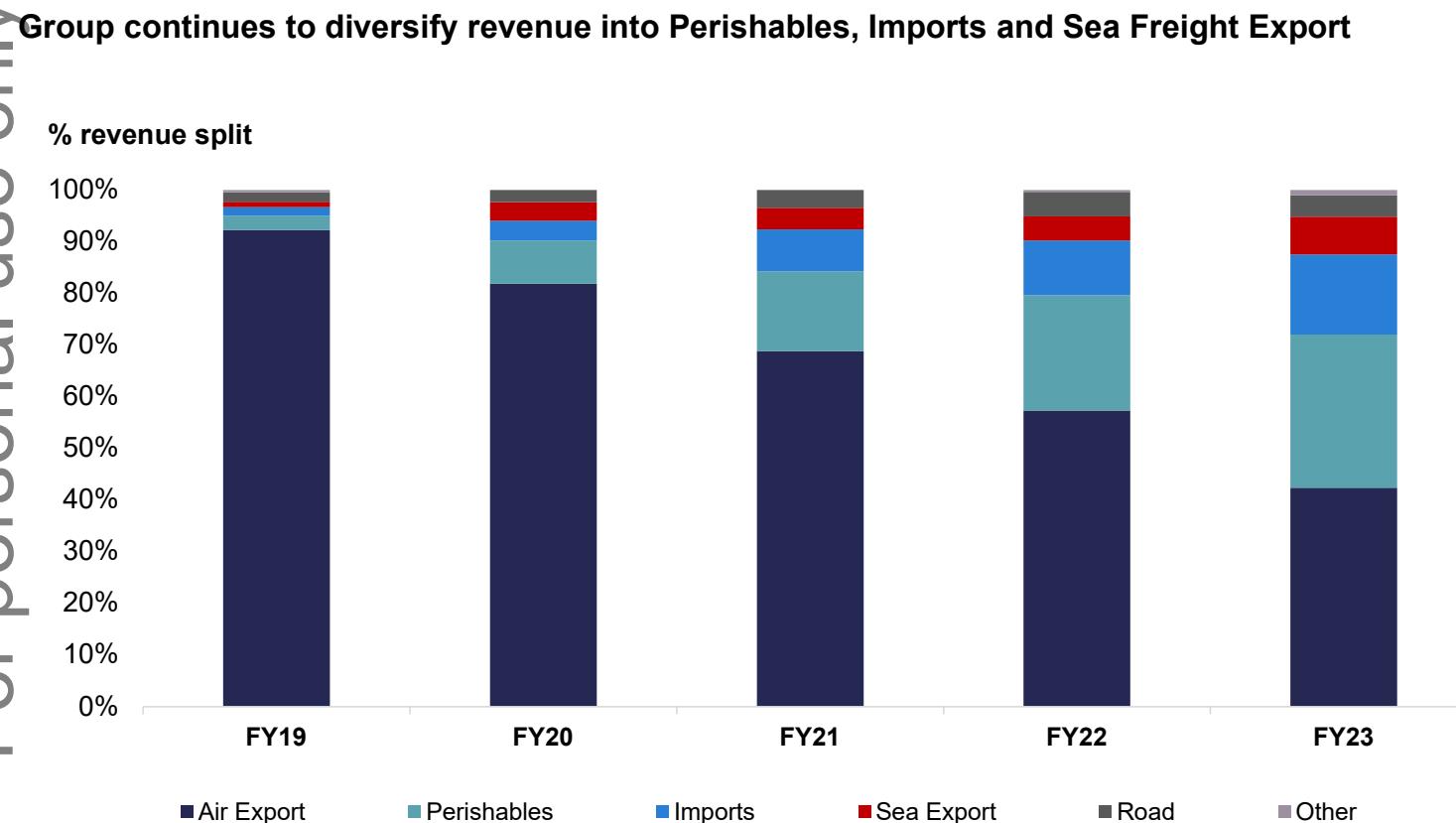


Key drivers of improvement

- ▶ **Operational and process improvements**
- ▶ **Cost initiatives, yielding results**
- ▶ Improved **revenue mix** to higher margin areas
- ▶ **Maturing overseas divisions**

WWG continues to evolve into an integrated logistics service provider

For personal use only



Key drivers

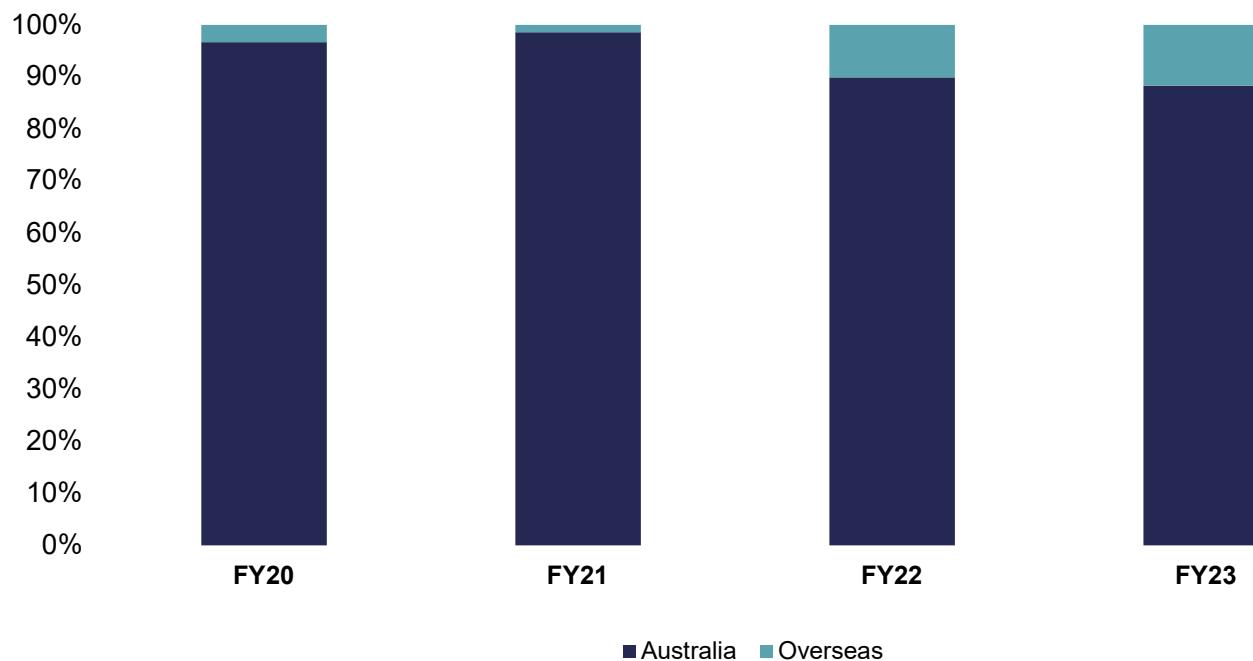
- ▶ Investments in **Perishables** operational and go-to-market capabilities driving growth
- ▶ Asia **inbound eCommerce** a significant driver of **imports** growth; expected to continue
- ▶ Some migration of volume from Air Export to **Sea Export**; continued market share gain

Wiseway continues to drive expansion in overseas divisions

For personal use only

Overseas divisions now account for 13% of group revenue

% revenue split



Key drivers

- ▶ USA, New Zealand, Singapore and China continue to grow to a **larger proportion of Group revenue**
- ▶ Wiseway branding and **value proposition overseas** starting to **gain traction**
- ▶ Overseas divisions are **closer to achieving profitability** in the future



Financial overview



Income statement reflects return to profitability

	FY2023	FY2022	Change %
Revenue	106,552	130,668	-18.5%
Direct Cost	(72,558)	(102,781)	-29.4%
Gross profit	33,994	27,887	21.9%
Gross margins	32%	21%	49.5%
Operating expenses	(30,303)	(28,073)	7.9%
EBITDA	3,691	(186)	2084.4%
EBITDA margin	3%	0%	2533.5%
Loss after tax	(3,160)	(8,096)	61.0%
Net Tangible Assets (cents)	12	13	7.7%

Gross profit up 22% (\$6.1m) reflecting effects of better client/service mix and direct cost control initiatives

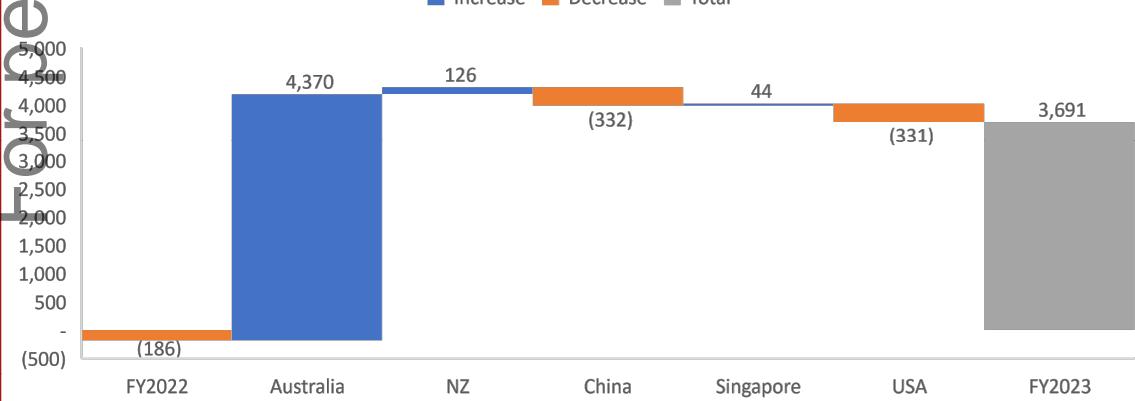
Operating cost excluding spend on air operating certificate cost is otherwise similar to FY2022

EBITDA strong turnaround from a loss to a \$3.7m profit driven by strong recovery in the Australian business.

Whilst finishing with a loss of \$3.2m, this was largely arising from the first half of the financial year (reported loss of \$3.7m) where China covid restrictions were still in place.

EBITDA Bridge (\$'000)

■ Increase ■ Decrease ■ Total



Overall, the Australia business has rebounded strongly with China reopening with positive signs also seen in New Zealand and Singapore.

Balance Sheet remains healthy

Balance Sheet	FY2023	FY2022
Cash and cash equivalents	9,072	6,933
Trade and other receivables	9,084	9,507
Other current assets	2,253	4,644
Total current assets	20,409	21,084
Right of Use Assets	18,925	15,041
Fixed & non-current assets	23,006	25,506
Total assets	62,340	61,631
Trade and other payables	6,753	7,659
Loans and debt financing	3,176	2,760
Lease and others	3,882	4,655
Total current liabilities	13,811	15,074
Loans and debt financing	12,128	10,657
Lease and other non-current liabilities	17,778	14,420
Total liabilities	43,717	40,151
Net assets	18,623	21,480
Financial Debt ¹	15,304	13,417
Lease Liability ¹	20,340	16,317
Debt/Equity ¹	76%	59%
Debt/Total Assets ¹	35%	29%

Strong cash position providing liquidity and opportunity to invest in growth.

Improved trade receivables position with notable reduction in provisioning.

Focus on improving long term capital structure of Group through better asset utilization as well as debt reduction.

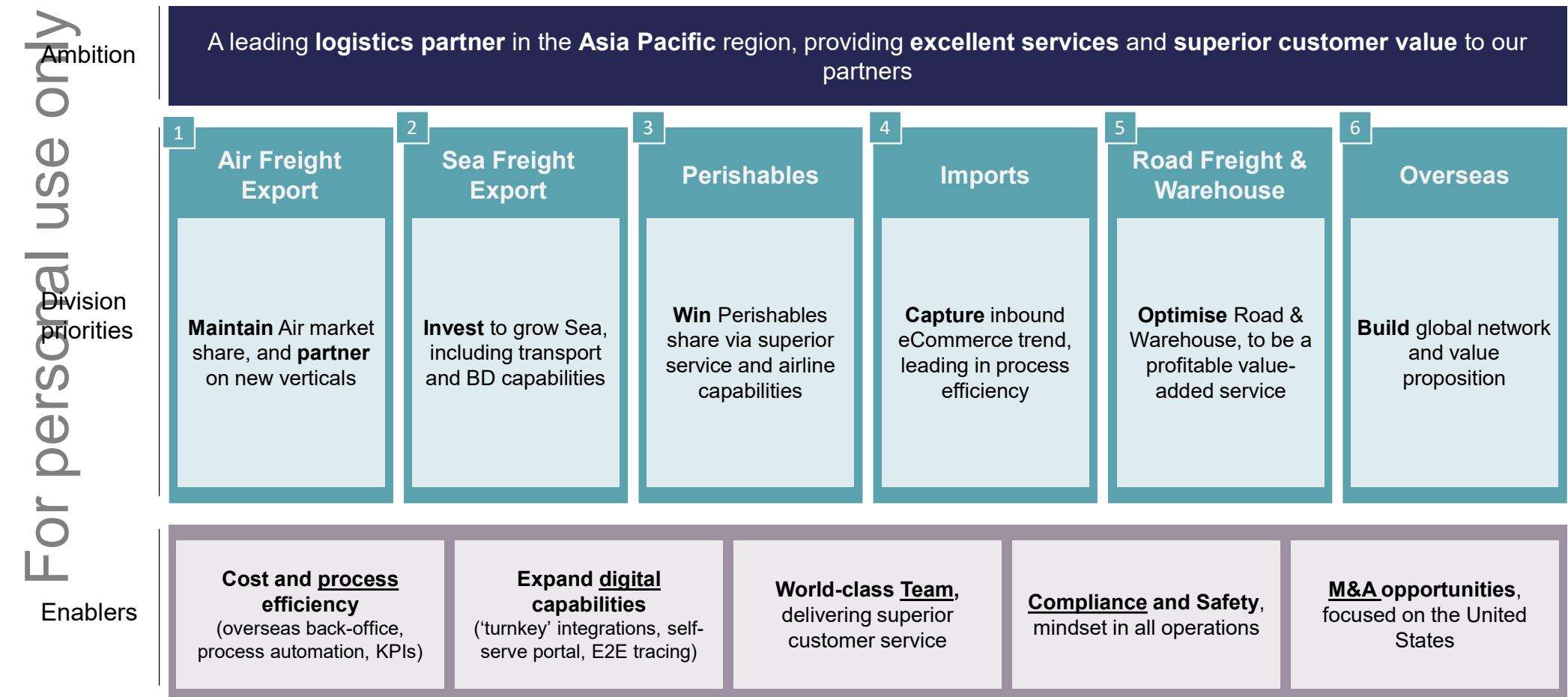
Group has \$1.5m of deferred tax assets not recognized in the balance sheet available for use when it generates available taxable profits in the future.

¹ Excludes AASB 16 finance lease liabilities and ROU assets

Outlook and priorities



Wiseway priorities for FY24



Outlook

- ▶ Expecting **continued profitability** in the next 6 months, as Wiseway enters the peak period for freight from September onwards
- ▶ Revenue growth expected be moderated due to decreasing international freight rates, but **continued volumes growth expected**
- ▶ **Margins expected to be can be largely maintained**, despite decreasing freight rate
- ▶ **Imports expected to be a key source of growth** over the next year, as it benefits from cross-border eCommerce tailwind
- ▶ The Group's **overseas divisions** will be a continued source of expansion, representing a key priority of the business
- ▶ **Further upside to Wiseway's performance** if there is a rebound in China's economy, and trade bans and tariffs for key commodities such as Lobster and Wine are lifted in the next year

Personal
Social

Contact us

Company/investor enquiries:
investor.relations@wiseway.com.au

Media/investor enquiries:
media@wiseway.com.au

