

29 November 2023

ASX Announcement

Wiseway Group Limited
ABN 26 624 909 682

Registered office:
39-43 Warren Avenue
BANKSTOWN NSW 2200
T: +61 2 9790 7888

Chair and COO's Addresses and Presentation

Wiseway Group Limited (ASX: WWG, "**Wiseway**", or "**the Company**"), is pleased to release its Chair's and COO's address which will be delivered at the AGM today at 12:00pm, Wednesday 29 November 2023.

Chair's Address

Good afternoon, I am Astrid Raetze, Chair of the Board of Wiseway Group Limited.

May I start by acknowledging the Gadigal people of the Eora Nation, the traditional custodians of this land on which we gather today, and pay my respects to their Elders past and present. I extend that respect to Aboriginal and Torres Strait Islander peoples here today.

I would like to welcome you to Wiseway's fifth Annual General Meeting.

In attendance here in Sydney is Managing Director Florence Tong, Wiseway's CEO Roger Tong, Chief Operating Officer Ken Tong and Chief Financial Officer Simon Yuen. Non-Executive Director Brandon Teo joins us remotely from Perth while Non-Executive Director Jim Tong is an apology.

Refreshed Board and Management team

Our Board and Management team continues to evolve and strengthen into a high performing team. The strength of any organization lies in the talent and expertise of its leadership, and I am confident in our abilities to elevate Wiseway Logistics to new heights.

Particularly, the contributions of Ken and Simon, who joined the financial year as COO and CFO respectively, are yielding positive outcomes across operations, compliance, financial performance and strategy.

FY23 Highlights – Key milestones and growth initiatives

2023 marked another year of solid performance for Wiseway, with the Company recording a Group Revenue of \$106.6 million. Most notably, the group witnesses a significant turnaround from an EBITDA loss of \$0.2 million in the previous year to a positive EBITDA of \$3.7 million. The second half of FY23 saw an impressive increase of \$3.2 million in EBITDA compared to the first half of 2023. This marked Wiseway's strongest second-half profitability since our listing on the ASX in 2018.

Our strategic initiatives are continuing to yield tangible results, particularly in our key growth areas of Perishables, Sea Freight, and Imports. The core Australian division remains robust, with an EBITDA contribution of \$5.5 million, showcasing the resilience and strength of our domestic operations.

I am pleased to share that our overseas plans are progressing according to schedule, with a significant improvement in profitability. This achievement underscores our commitment to expanding Wiseway Logistics into international markets, a crucial step in our journey towards becoming a global logistics leader.

Wiseway priorities for FY24

As we look forward to Fiscal Year 2024, we at Wiseway Logistics are committed to expanding our reach, enhancing our services, and solidifying our standing in a rapidly changing, highly competitive industry. We have several key priorities that will guide our strategic objectives for the forthcoming year.

Firstly, we will strive to maintain our market share in air freight. Our continued alliances, as well as the establishment of fresh vertical partnerships, will help ensure our sustained leadership in this domain.

Secondly, we are committing resources toward expanding our sea freight business. Investments into transport and business development capabilities will play a vital role in advancing our competitive edge in this sector.

Thirdly, we aim to win a greater share of the perishables market. Our strategy for this revolves around superior service and leveraging our airline capabilities for efficient and reliable delivery.

Next, in line with the ongoing surge in the eCommerce industry, we plan to capture the inbound eCommerce trend. Our commitment is to lead in process efficiency, driving smarter operations that increase productivity while improving client satisfaction.

Furthermore, there is a significant opportunity to grow our road transportation and 3PL warehouse services. We are looking to transform them into profitable value-added offerings that contribute meaningfully to our bottom line.

Lastly, reinforcing our global network and value proposition will be a cornerstone of our strategy. We must continue to build and enhance our international presence, bringing efficiencies and value to our clients, wherever they may be.

While setting these priorities, we recognize several critical enablers. We will continue to drive cost and process efficiency across all our operations, embedding digital capabilities, building a world-class team, ensuring compliance and safety, and expand M&A opportunities to seize strategic advantages in new markets

Excellence, growth, and sustainable profitability remain our core objectives at Wiseway Logistics. With our strategic priorities and enablers clearly defined, we are enthusiastic about the prospects of a promising FY24.

Thank you for your continued support and confidence in the Wiseway Group.

COO's Address

As we gather today for our Annual General Meeting, it gives me great pleasure to reflect on our journey so far and outline our future trajectory. 2023 marks Wiseway fifth year as a listed company, and 18 years since it was founded. Since then, our approach continues to be rooted in our commitment to flexibility, agility, and our ability to respond to the needs of our clients.

F24 Performance and recovery to profitability in FY23

FY23 saw a decline in revenue by 18.5% to \$106.6M due to a reduction in air and sea freight rates after the pandemic, as well as a deliberate effort to refine our client mix and operational efficiency, leading to a notable rise in EBITDA and profitability for FY23.

Our EBITDA surged to \$3.7m, a remarkable recovery from a loss of \$0.2 million in FY22, while our after tax net loss narrowed to \$3.2 million from \$8.1 million.

The Group's balance sheet remains robust with a solid cash and cash equivalent position of \$9.1 million and a net tangible asset of 12 cents per share.

Importantly and to reiterate, the EBITDA performance of \$3.7M signifies a remarkable recovery in profitability from the negative 0.2 million in FY22. Where within this result, this saw the second half of FY23 alone finish with an EBITDA of \$3.2 million and deliver a profit of \$0.5 million. This has primarily been driven by operational enhancements, disciplined cost initiatives, strategic engagement in high-margin sectors, and the maturation of our overseas divisions.

FY23 Operational Highlights

Operationally, FY23 saw notable strides that complemented our financial highlights. We reduced operating costs via process optimization and streamlining initiatives. We invested and have seen an expansion in our capabilities across Perishables, eCommerce Imports, and Sea Freight. Our continued investment in bolstering marketing and business development capabilities has also paid off. Our investment in building a global network has also started to yield results, with clients utilizing Wiseway's services in multiple geographies, such as in New Zealand, the US, and Singapore. Additionally, advancements in value-added services, enhanced freight tracking portals, IT integrations, and administration handling exemplify our commitment to progress.

Performance against FY24 division priorities to date

Looking towards FY24 so far, I would like to outline how we are performing against some of our key divisional priorities.

Our Air Freight Export division sees sustained growth with increased customer numbers compared to the prior period. Our strategy to convert multiple air freight customers into seafreight, imports, and warehousing customers has paid off, which not only diversifies our income streams but also solidifies our long-term customer relationships.

Sea Freight continues to capture a greater market share. It benefits from the tail wind of customers transitioning from Air Freight volumes to shipping as shipping becomes more accessible. investment in additional prime movers will expand our capacity to handle the increased Sea

Freight volumes. Additionally, the appointment of a dedicated Head of Sales for Sea Freight embodies our commitment to investment and growth.

In the Perishables sector, renewed contracts with larger customers and expansion of our product mix to include new commodities such as meat and yoghurt, diversifies our offering and increasing our appeal to a broader customer base.

On the Imports front, it saw the Group secure contract wins with multiple major Chinese eCommerce players. We've enhanced our digital capabilities with eCommerce and custom clearance upgrades, aligning with global digital trends.

Road Freight & Warehouse continues to see focus on right-sizing of vehicle fleet to optimize service delivery and deliver a cost effective asset base.

Lastly, our overseas divisions in the USA, New Zealand, Singapore, and China have contributed significantly to our revenue streams, highlighting the benefits of an expansion strategy. Each entity is on an upward growth trajectory and becoming an increasingly important part of our global operations.

Performance against FY24 enablers to date

Wiseway has also made strong progress to ensure that we are implementing the right enablers to complement our divisional priorities.

Firstly, in the pursuit of cost and process efficiency, we expanded our back-office processing overseas. This move resulted in a significant increase in efficiency in our operations, paving the way for superior service to our clients. Our refreshed Standard Operating Procedures relating to transportation and warehousing continue to guide our teams towards delivering at a high level.

Secondly, our digital capabilities saw substantial growth. We've implemented new automated eCommerce clearance systems and API integrations, which resulted in reductions of processing time. These integrations are equally enabling us to anticipate and adapt to market trends, offering us a competitive edge in an increasingly digital world.

Thirdly, our focus on building a high performing team yielded positive results. Our strategic recruitment in the form of senior hires, including a COO and CFO, in addition to seasoned professionals in growth areas, has markedly strengthened our team. Our human resources are better equipped, capable, and driven to steer Wiseway towards our goals.

Meanwhile, we remain committed to compliance and safety. The introduction of new processes, weekly checklists, toolbox talks, and compliance-linked KPIs has notably uplifted our standards. We are also in the final stages of evaluating a compliance model with an external agency to ensure we exceed the industry norms.

On the M&A front, while there are no immediate opportunities on the horizon, we continue to stay open to strategic considerations that align with our growth targets and objectives.

Launching DG Packaging to offer enhanced capabilities

I am excited to also share an exciting advancement in our expansion strategy — our recent joint venture with DGE Packaging Singapore to announce the launch of DG Packaging Oceania.

Renowned for its innovative approach and extensive expertise in the domain of dangerous goods handling, DG Packaging Pte Ltd has cemented its reputation as a global leader. Their suite of services spans packaging, labeling, documentation, and the transportation of dangerous goods, closely aligning with Wiseway Logistics' commitment to offer diverse, reliable, and comprehensive logistics solutions.

Our collaboration as DG Packaging Oceania unites the strengths of both companies, resulting in a compelling blend of knowledge, capabilities, and market presence. This joint venture broadens our service mix and opens avenues in an ever-evolving, dynamic sector that demands the highest levels of expertise. The partnership empowers us to deliver end-to-end solutions for the transportation of hazardous materials and fosters synergies that strengthens our presence in Oceania.

Outlook

Looking ahead, I would like to provide you with an overview of our outlook for the coming months and the strategic focus areas that will drive Wiseway Logistics forward.

For the first six months of FY24, Wiseway is poised for continued profitability, especially as we approach the peak period for freight starting from September onwards. Our team is well-prepared to navigate the challenges and capitalize on the opportunities that this peak period presents, ensuring that we maximize our operational efficiency and client satisfaction.

While we anticipate moderated revenue growth due to decreasing international freight rates, we remain optimistic about continued volume growth. Our strategic positioning allows us to adapt to market dynamics while maintaining a focus on sustainable growth. Despite the challenges posed by fluctuating rates, we are confident in our ability to sustain healthy profit margins.

One of the key drivers of our growth over the next year will be imports, benefiting from the tailwind of cross-border eCommerce. We are strategically positioned to leverage this growing market, and our emphasis on imports aligns with the evolving demands of our customers in an increasingly interconnected world.

Our overseas divisions will remain a focal point of expansion, representing a key priority for the business. We will continue to invest in these divisions, leveraging our global network to strengthen Wiseway's position as a prominent player in the international logistics arena.

Looking to the broader economic landscape, Wiseway's performance stands to benefit the continued recovery of international trade activities post pandemic. Moreover, we anticipate further upside as the relationship between Australia and China improves. As a company with a significant presence in Asian markets, we are attuned to the macroeconomic factors that influence our performance and are poised to capitalize on positive developments.

In conclusion, the outlook for Wiseway Logistics is one of optimism and strategic foresight. The Group is expected to deliver positive underlying net profit for the first six months of FY24. With a

continued focus on operational excellence, customer satisfaction, and international expansion, Wiseway is well-positioned for sustained success in the dynamic and evolving logistics landscape.

I want to extend a heartfelt thank you to our Board, Management, staff, and investors for your continuous support. Your dedication and belief in Wiseway Logistics have been vital to our success. Your trust in us has guided our progress through challenges and milestones. We deeply value your contributions and collaborative efforts, which have shaped Wiseway Logistics into what it is today. Your ongoing support means the world to us, and we look forward to continuing this journey together towards greater success. Thank you for being an essential part of our story.

Authorised for release by the Board of Directors of Wiseway Group Limited.

Ends

For further information, please contact:

Investor enquiries

Ken Tong
Chief Operating Officer and Company Secretary
E: investors@wiseway.com.au

Media enquiries

Ken Tong
Chief Operating Officer and Company Secretary
E: media@wiseway.com.au

About Wiseway Group Limited (the Company)

WiseWay (ASX: WWG) is a leading provider of integrated logistics solutions, with a global network of strategically located warehouses and facilities and a large modern fleet of trucks, aircraft and delivery vehicles.

Established in 2005 to serve the growing Australia-Asia Pacific trade industry, Wiseway has grown to become one of the top three outbound air freight logistics providers in Australia. With multiple strategically located operation hubs in Australia, the US, and the Asia Pacific, the Company provides its large base of domestic and international customers with specialist cross-border logistics services including air freight, sea freight, import, domestic transportation, warehousing, and customs clearance.

For more information, please visit www.wiseway.com.au



Wiseway Group Limited (ASX: WWG)

2023 Annual General Meeting

29 November 2023



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Chair Address

Astrid Raetze

A refreshed Board and Management team to unlock potential and drive future growth



Astrid Raetze
Non-Executive Chair



Florence Tong
Managing Director



Brandon Teo
Non-Executive Director



Jim Tong
Non-Executive Director



Roger Tong
Chief Executive Officer



Simon Yuen
Chief Financial Officer



Ken Tong
Chief Operating Officer &
Company Secretary



FY23 Highlights – Key milestones and growth initiatives

- 1 Continued turnaround in profitability in the last 6 months (+\$3.2m EBITDA from 1H23 to 2H23)
- 2 Wiseway achieved the strongest second-half profitability since Listing on the ASX in 2018
- 3 Soft revenue growth as freight rates normalize; 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

Wiseway priorities for FY24

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Ambition

A leading **logistics partner** in the **Asia Pacific** region, providing **excellent services** and **superior customer value** to our partners

Division priorities

1	Air Freight Export	2	Sea Freight Export	3	Perishables	4	Imports	5	Road Freight & Warehouse	6	Overseas
Maintain Air market share, and partner on new verticals		Invest to grow Sea, including transport and BD capabilities		Win Perishables share via superior service and airline capabilities		Capture inbound eCommerce trend, leading in process efficiency		Optimise Road & Warehouse, to be a profitable value-added service		Build global network and value proposition	

Enablers

Cost and <u>process</u> efficiency (overseas back-office, process automation, KPIs)	Expand <u>digital</u> capabilities (‘turnkey’ integrations, self-serve portal, E2E tracing)	World-class <u>Team</u>, delivering superior customer service	<u>Compliance</u> and <u>Safety</u>, mindset in all operations	<u>M&A</u> opportunities, focused on the United States
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COO Address

Ken Tong



FY23 Financial highlights

Total Group Revenue

\$106.6 million

EBITDA

\$3.7 million

NPAT Improvement

+\$4.1 million
(1H23 to 2H23)

Underlying EBITDA¹

\$6.2 million

NTA per Security

12 cents

Cash and cash equivalents

\$9.1 million

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

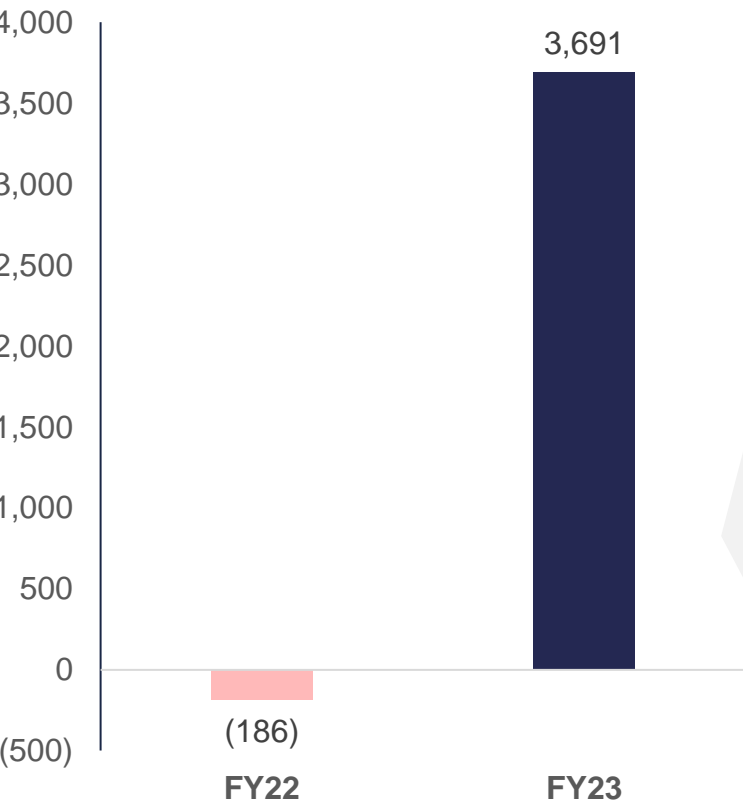
The Group achieved a recovery in profitability in FY23

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

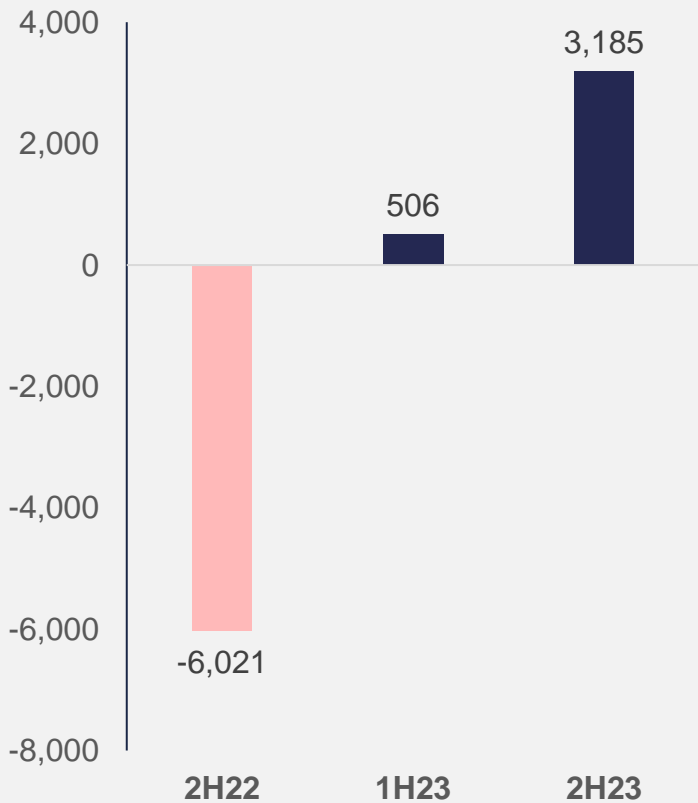
Key drivers of improvement

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EBITDA, A\$000's



EBITDA, A\$000's



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

FY23 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 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

Performance against FY24 division priorities to date

1 Air Freight Export

- Increased customer numbers compared previous period
- Converted multiple air freight customers into seafreight, imports and warehousing customers

2 Sea Freight Export

- Growth in Sea Freight as Air Freight volumes shifted to the business unit
- New prime movers acquired to facilitate Sea Freight volumes
- Head of Sales hired to focus on Sea Freight

3 Perishables

- Renewed contracts with large customers
- Expanded product mix into new commodities including meat and yoghurt

4 Imports

- New partnerships and contracts with multiple major Chinese eCommerce players
- Enhanced digital eCommerce and custom clearance capabilities

5 Road Freight & Warehouse

- right-sizing vehicle fleet in order to match cost base required to achieve profitability
- Maximise productivity of asset base

6 Overseas

- USA, New Zealand, Singapore and China are growing to become a larger proportion of revenue

Performance against FY24 enablers to date

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Cost and process efficiency

- Expanded back-office processing in overseas offices, including many customer service roles
- Refreshed Standard Operating Procedures relating to transportation and warehousing

Expand digital capabilities

- New automated eCommerce clearance systems and API implemented
- Integrations with new last-mile-providers in New Zealand and the United States

High performance team

- Senior hires in-place and up and running (COO and CFO)
- Bolstered growth areas with experienced hires e.g., imports operation manager

Compliance and safety

- New processes put in place including weekly checklists, toolbox talks
- New KPIs introduced linked to compliance and safety
- Compliance model with external agency currently being evaluated

M&A opportunities

- Wiseway is open to opportunistic M&A; no immediate opportunities on the horizon

Wiseway launches DG Packaging Oceania to offer enhanced DG capabilities

Collaborative
venture

DG packaging
capabilities

Rationale for
venture

WISEWAY LOGISTICS



DG Packaging Pte Ltd
... SAFETY - OUR FIRST PRIORITY ...



DANGEROUS GOODS TRANSPORT

- Fully Licensed Fleet of DG Trucks
- SCDF Licensed
- NEA Licensed



LOGISTICS MANAGEMENT BUSINESS

- International Logistics Service
- Warehouse and Distribution



CHEMICAL & SPECIALTY LOGISTICS

- Hazardous and Dangerous Goods Logistics Integrator
- Dangerous Goods Packaging Solution Provider



BIOMEDICAL SERVICES

- IATA approved DG packaging services
- Packaging of Class 6.2
- Cold room packaging services



TEMPERATURE SENSITIVE PACKAGING

- Validated -2°C to -8°C Coolpac kits available
- Temperature tested performance reports available on request

- Wiseway brings its extensive knowledge and capabilities in global logistics, while DG Packaging Pte Ltd specializes in the safe packaging and handling of dangerous goods.
- The partnership empowers us to deliver end-to-end solutions for the transportation of hazardous materials and fosters synergies that strengthen our presence in Oceania

Performance Outlook in FY24

- ▶ Expecting **continued profitability** in the first half of FY24
- ▶ 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** as international trade continues to recover post pandemic



Thank you

