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## ASX Announcement

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## 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 11:00am, Thursday 28 November 2024.

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### Chair's Address

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

May I start by acknowledging the Cabrogal Clan of the Darug Nation who are the traditional custodians of the land on which we gather today, and pay our respects to the Elders past, present, and emerging. I extend that respect to Aboriginal and Torres Strait Islander people here today.

I would like to welcome you to Wiseway’s sixth 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 and Jim Tong joins us remotely.

### Key milestones and growth initiatives

2024 marked another year of solid performance for Wiseway, with the Company recording a Group Revenue of \$112.3 million despite a moderation in export revenue on the back of normalized freight rates. This marks an increase of \$5.7 million from FY23, a testament to our team’s dedication and our strategic initiatives paying off.

Our financial performance is further highlighted by a **strong EBITDA of \$8.2 million**, which is a remarkable 121% increase from last year’s EBITDA of \$3.7 million. This reflects the success of our relentless focus on efficient operations and the ability to capture the significant eCommerce growth in our imports division, which has grown by **127%** since last year.

In line with our commitment to operational excellence, cost management has been a key priority. We have right-sized non-core support office functions in China and enhanced process efficiencies, ensuring that we remain lean and agile in a competitive market.

Importantly, the Group has returned to full year profitability. This milestone signifies that Wiseway’s investments are bearing fruit and positions us to better capture and realize future opportunities to come.

Lastly, I'm pleased to report that our acquisition of KWT International post FY24, has been a success. The US region has not only improved its profitability but has also reached a break-even for the first time in September. This accomplishment validates our strategic investment and positions us well for future growth in the international arena.

### **Wiseway ambition and priorities for FY25**

Looking forward to FY25, and building on what we have announced in previous AGM's, our ambition remains clear. We will continue establishing ourselves as a leading logistics partner in the Asia Pacific region, providing excellent services and superior customer value.

Wiseway's management team has executed the divisional priorities effectively, resulting in measurable progress. As such, many of the divisional priorities remains consistent to the priorities set last year.

To recap, these priorities are to (1) continue to maintain market share in our general air division, (2) invest to grow in sea freight, (3) use our superior airline capabilities to win in perishables, (4) continue to capture growth in eCommerce, and (5) to ensure our Road Freight and Warehouse divisions are profitable and value-adding.

Our overseas businesses have renewed priorities to drive growth, and a clear strategic direction as outlined in our FY24 results. New Zealand has been streamlined into a single region with Australia, which is expected to deliver both cost and revenue synergies.

In the United States, we expect our growth and return profile to evolve and improve through the acquisition of KWT International Inc., with a clear mandate to pursue Australia and China inbound eCommerce imports. We expect United States to be a growth business in pursuit of these strategies.

China has been transformed into an operations and support office focused region and is expected to yield ongoing cost benefits especially with the standardization of processes. Singapore remains stable and profitable. We anticipate that these changes will deliver meaningful results to the Group in the short-to-medium term.

In FY25, we will pursue cost efficiency, digital capabilities, superior customer service, and the high standards of compliance and safety. Our M&A pillar in FY25 will be more focused on any opportunistic acquisitions rather than a targeted approach.

Excellence, growth, and sustainable profitability remain our core objectives at Wiseway Logistics. We are entering FY25 with great momentum and a clear vision.

Thank you for your continued support and confidence in the Wiseway Group and I will pass onto Ken to commence the Chief Operating Officer's Address.

## 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. 2024 marks Wiseway sixth year as a listed company, and 19 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.

### FY24 Financial highlights

FY24 saw an increase in revenue to \$112.3M which was largely attributed to growth in our Imports division and eCommerce.

EBITDA improved to \$8.2M, which represents a doubling of our margin compared to FY23. Together with the revenue growth momentum, this reflects continued disciplined cost management including right-sizing of non-core support office functions, outsourcing in select regions, and improved process efficiency.

Our Net Profit After Tax improved by \$3.8 million and the Group's balance sheet remains robust with a solid cash and cash equivalent position of \$8.3 million and a net tangible asset of 12 cents per share.

### Wiseway has delivered strong top-line growth in FY24

When we look at our top-line growth, much of our revenue growth has been driven by a significant improvement in our imports division, which has surged by 127%, predominantly due to our growth in eCommerce. This has increased our imports mix from 15% in FY23 to 33% in FY24.

This growth cements our ANZ division as the continued core of the Wiseway Group, which now accounts for 95% of our revenue in FY24. By capitalizing on the booming eCommerce market and strengthening our imports, we've solidified our position in the region and set a strong foundation for continued success.

### Profitability has also improved significantly since FY23

Bottom-line EBITDA grew by 121% since FY23 to \$8.2M.

A significant contributor to this financial success has been our Imports eCommerce division, which is driving substantial growth that flows directly to our bottom line. This division has capitalized on market opportunities, resulting in remarkable performance that underscores the effectiveness of our focus in this area.

Our overseas divisions are also showing promising progress as they continue to mature and advance on the path to profitability. For example, ongoing development in the US reflects our commitment to expanding our global presence and tapping into new markets.

In addition to revenue growth, our cost-saving initiatives have delivered notable results. By right-sizing certain areas, such as in China, and enhancing process efficiency, we've managed to reduce operational expenses while maintaining high standards of quality and service.

While we've faced some compression on margins compared to FY23, we've successfully offset this through our growth strategies and cost reductions. This balanced approach ensures that we remain financially resilient and well-positioned for continued success.

## Operational highlights

Operationally, FY24 saw notable strides that complemented our financial highlights. We streamlined ANZ into a single management structure, yielding synergies across both businesses. We have managed costs through right sizing certain key areas of our business, and improved process efficiencies. We have continued our investment to ensure a high level of customer service, processing times, and compliance across all divisions. Our perishables strategy is continuing to make strong strides in the market, with new clients onboarded despite a softer Asian export market. We have stood up a new Wiseway sales division focused on expansion, and our investment in building a global network has also started to yield results. A key milestone is the successful integration of KWT International into Wiseway Group to give us greater presence in the US.

## Wiseway USA and KWT has delivered initial results

To expand further on that last point, the recent acquisition of KWT has significantly bolstered our operations in the United States. This strategic move has provided Wiseway with robust 3PL fulfillment and inbound customs clearance capabilities, enhancing our service offerings in this key market. In the last U.S. financial year, KWT achieved a revenue of USD 11 million, and since July 1, 2024, our performance indicates that we are on track to exceed those expectations. Importantly, the combined US business achieved breakeven for the first time in September, marking a key milestone and indicating significant potential for the US business. This progress underscores the success of our integration efforts and sets a strong foundation for future profitability in the region.

## NAB Facility increased to \$11.1m and term extension

In addition, we have strengthened our financial position through the expansion of our NAB facility from \$8 million to \$11.1 million, unlocking \$3 million in additional funding to support our ongoing and projected growth. We have also secured extension of the facility to October 2028 and a circa 90 bps reduction in interest rate on this facility, reflecting our improved financial standing and strong relationship with our banking partners.

The facility is secured against the Group's assets and its Chipping Norton property that was purchased in 2019 for \$10.75m and carried at amortised cost in the financial statements. Bank valuation indicate a current market value of \$18.6m.

This enhanced facility not only provides us with greater financial flexibility but also positions us to seize new opportunities and drive continued success for Wiseway.

## Performance Outlook for FY25

Looking ahead to FY25, we are optimistic about our performance outlook. We expect an expansion in profitability in the first half of the year, fueled by continued growth in our eCommerce division and strong performance from Wiseway USA. Our revenue for the first half of FY2025 is projected to increase by more than 50%, a significant leap that underscores the effectiveness of our strategic initiatives in these key areas.

While we anticipate compression to margins due to a softer market for export freight and the inherently lower margins of the eCommerce business, our overall profitability is expected to be higher. This reflects our ability to scale operations and capitalize on high-growth opportunities despite market challenges.

Our eCommerce platform and Wiseway USA are set to continue driving this robust growth. Although our Airfreight and Perishables divisions have experienced a softer first half due to a slowing market in Asia, we remain confident in their long-term potential and are prepared to adapt our strategies accordingly.

Moreover, there exist further potential upside to our performance if trade pressures ease—for example, the resumption of lobster exports to China could significantly boost our export business. Such developments would enhance our profitability and strengthen our position in the market.

In summary, we are entering FY25 with strong momentum and a clear vision. 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 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**

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**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](http://www.wiseway.com.au)**