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Wiseway Group (ASX: WWG)

1H24 Presentation

28 February 2024



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Business overview

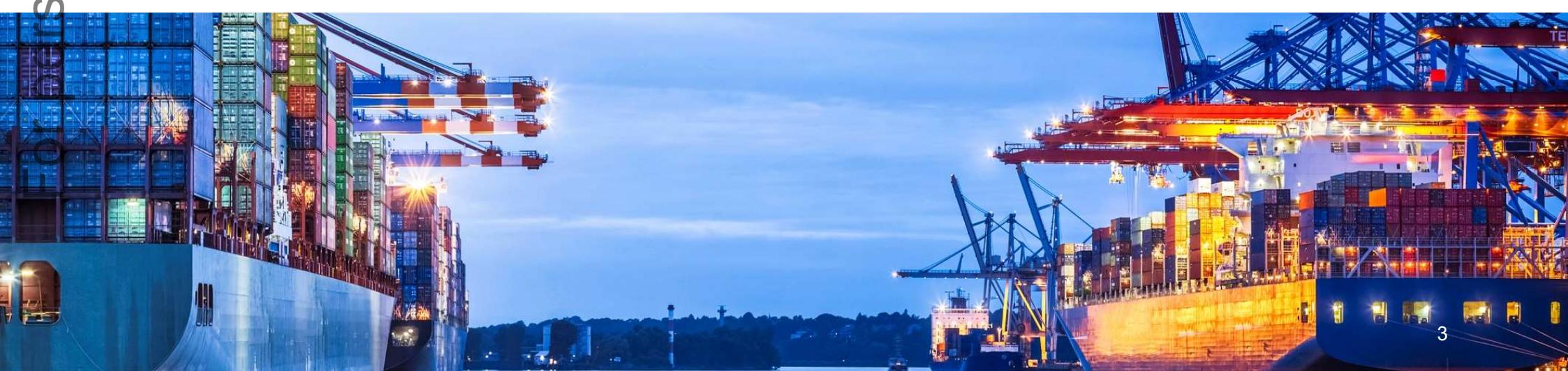
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H24 results overview



Significant increase in profitability (compared to prior period)

1H24 key financial metrics

\$52.3 million

Group Revenue

\$4.3 million

EBITDA

8.2%

EBITDA Margin

\$562,000

Net Profit Before Tax

12.4 cents

Net Tangible Assets per Share

\$7.4 million

Cash and Cash Equivalents

0.2 cents

Interim Dividend per Share Proposed

Operational highlights (comparisons with 2H23)



Strong performance in profitability (35% increase in EBITDA)



Continuing strategic diversification, with Perishables, Sea Freight and Imports contributing more than 50% of Wiseway's Revenue



Continued maturity of overseas divisions, with some international divisions beginning to deliver positive profitability

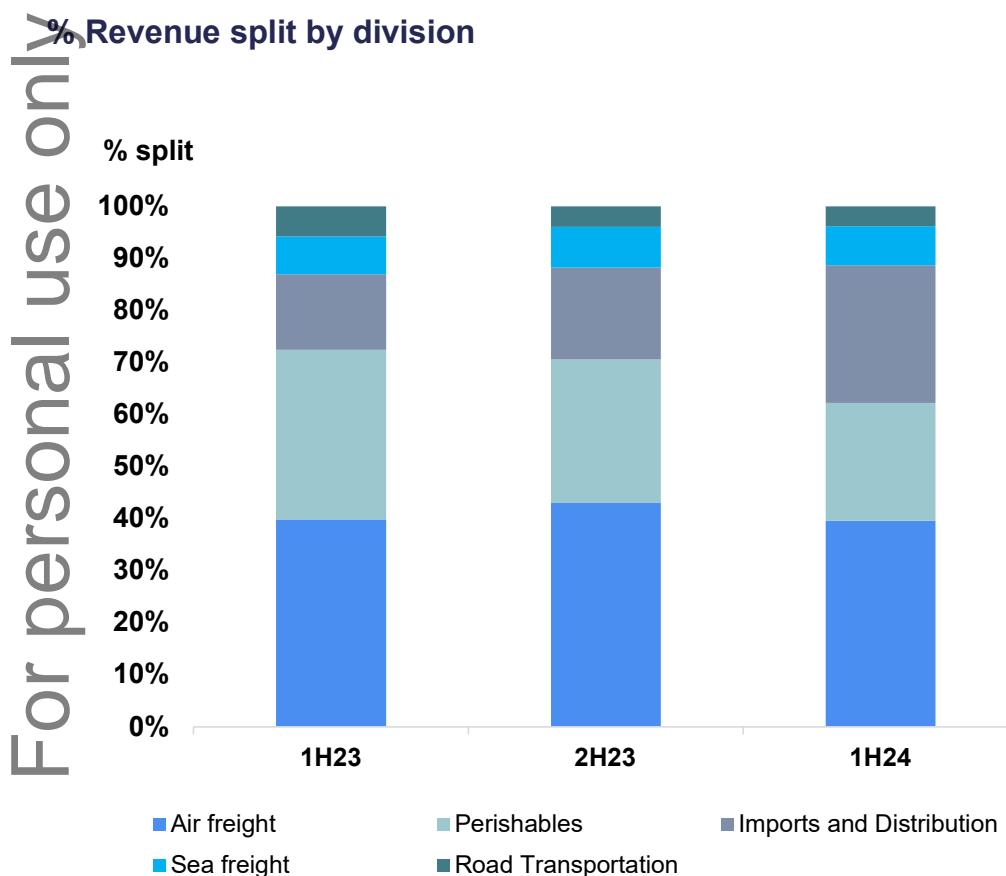


>50% growth in Wiseway's Imports division as Wiseway captures China inbound eCommerce trend



Strong cash position of \$7.4 million in Cash and Cash Equivalents reinforcing the Group's financial strength.

Divisional snapshot | Wiseway continues to diversify revenue



\$ Revenue split by division

\$'000	1H2023	2H2023	1H2024
Air freight – General cargo	22,105	23,038	20,627
Air freight – Perishables	17,597	13,972	11,908
Sea freight	3,813	3,997	3,985
Road freight	2,890	1,542	1,670
Imports	7,651	8,842	13,792
Others	935	170	343
Total	54,991	51,561	51,325

Location snapshot | Core Australia business continues to perform well

Revenue by location

\$'000	1H2023	2H2023	1H2024
Australia	50,002	44,128	45,211
New Zealand	1,724	3,307	3,387
China	1,534	2,083	1,604
Singapore	939	1,146	892
USA	792	897	1,231
Total	54,991	51,561	52,325

EBITDA by location

\$'000	1H2023	2H2023	1H2024
Australia	2,417	3,102	3,569
New Zealand	(180)	127	1,059
China	(1,410)	(96)	(177)
Singapore	95	106	99
USA	(416)	(54)	(246)
Group	506	3,185	4,304

Commentary:

Australia:

- Growth in imports and distribution from capitalising on cross-border eCommerce tailwind
- Continued focus on increasing profitability by streamlining operations

Other divisions:

- Significant increase in profitability in the New Zealand division compared to both 1H23 and 2H23
- Mixed results in other overseas branches outside of Australia and New Zealand

Outlook:

- Continuing to strengthen Australia and New Zealand branches
- Evaluating the correct business model for international divisions to deliver greater returns to shareholders

Balance sheet | Financially stable with a healthy balance sheet

Balance sheet	31 Dec 2023 \$m	30 June 2023 \$m	Change %
Cash and cash equivalents	7.4	9.1	-19%
Trade and other receivables	14.8	9.1	63%
Other current assets	2.7	2.2	23%
Total current assets	24.9	20.4	22%
Fixed & non-current assets	42.0	41.9	0%
Total assets	66.9	62.3	7%
Trade and other liabilities	11.9	6.8	75%
Other current liabilities	1.5	1.2	25%
Current debt	5.6	5.8	-3%
Total current liabilities	19.0	13.8	38%
Loans and borrowings	28.6	29.8	-4%
Other non-current liabilities	0.1	0.1	0%
Total Liabilities	47.7	43.7	9%
Net assets	19.2	18.6	3%

Commentary:

- Healthy balance sheet, with **\$7.4 million** Cash and Cash Equivalents to support strategic opportunities
- Increase in trade receivables and payables reflective of **increased business activity**
- Focus on **improving long term capital structure** of Group through better asset utilization as well as debt reduction.
- **Continuous resource planning**, ensuring ability to meet future obligations



Overview of Wiseway

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Top 4
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)

10
cities across
5
countries

Shipping to
100+
destinations



Our core business segments

1	2	3	4	5	6
Air Freight Exports	Sea Freight Exports	Perishables	Imports	Road & Warehousing	Overseas
					
<p>For personal use only</p> <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



Strategic partnerships in industry built on relationships

Long-standing customer relationships



- A diverse portfolio of customers supported by Wiseway from start-up stage to business maturity, including distributors and parcel express companies.
- Deep customer loyalty with high client retention rate.

Global team capabilities



- Experienced leadership team, with continued involvement from the Company's founders and commitment to original vision of global growth.
- A unique understanding of the cross-border e-commerce market and import/export regulation.

Strategic industry partnerships

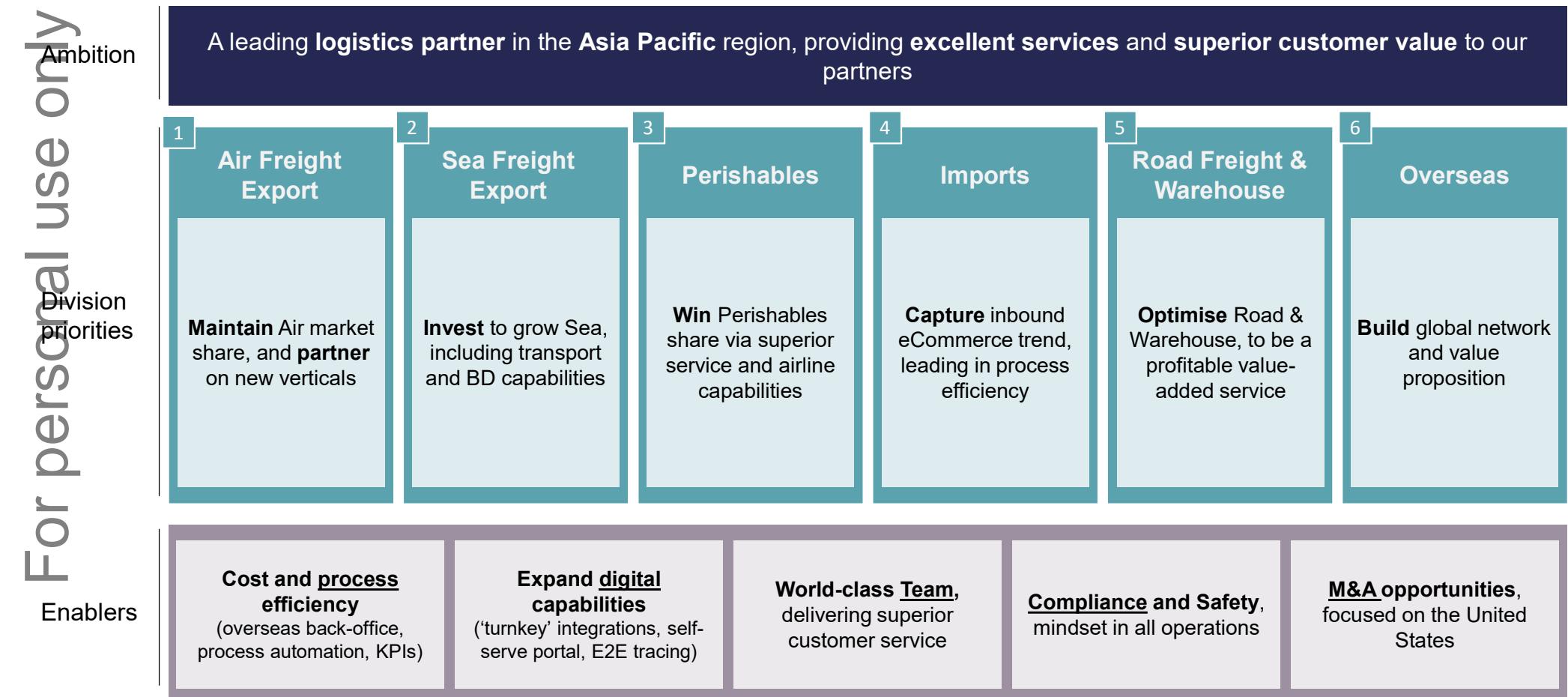


- Long-standing GSA and CSA relationships with major international airlines across the Asia Pacific region and globally.
- Well-established business relationships with local road transportation partners across Wiseway's global locations.

Outlook and priorities



Wiseway priorities for FY24



Outlook

- ▶ **Margins expected to be largely maintained**, despite decreasing freight rate
- ▶ **Imports is expected become one of Wiseway's largest business divisions** as the Group continues to invest to capture the cross-border eCommerce tailwind
- ▶ Renewed focus on **strengthening Australia and New Zealand**, whilst evaluating the **correct business model for our international divisions** to deliver greater returns to shareholders
- ▶ **Ongoing development of IT technology** as an instrumental factor to drive growth through more seamless operations and further efficiency improvements

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