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ASX Announcement

Wiseway Group Limited
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1H24: Results announcement

Wiseway Group Limited (ASX: WWG, “**Wiseway**”, “**the Company**” or “**the Group**”), one of Australia’s leading integrated freight and logistics operators, today announced its financial results for the six months ended 31 December 2023 (**‘1H24’**).

The Company continued its turnaround trajectory over the last 6 months, achieving \$4.3 million in EBITDA and \$562,000 in Net Profit Before Tax. Overall, in the last 12 months (January to December 2023), the Group has achieved an EBITDA of \$7.5 million and \$1.1 million in Net Profit After Tax. These results reflect the flow through benefits from effective cost management, operational improvements, and focused strategic initiatives to increase profitability.

Overview of results:

- Group Revenue of \$52.3 million.
- EBITDA of \$4.3 million
- EBITDA margin of 8.2%
- Net Profit Before Tax of \$562,000.
- Net Tangible Assets per Share of 12.4 cents
- Cash and Cash Equivalents of \$7.4 million
- Interim Dividend Proposed per Share of 0.2 cents

Operational highlights – (comparisons with 2H23):

- Strong performance in profitability, with a 35% increase in EBITDA - seeing EBITDA margin expand from 6.2% to 8.2%
- Continuing strategic diversification, with Perishables, Sea Freight and Imports contributing more than 50% of Wiseway’s Revenue
- >50% growth in Wiseway’s Imports division as Wiseway captures China inbound eCommerce trend
- Continued maturity of overseas divisions, with some international divisions beginning to deliver positive profitability

Commentary:

Mr Roger Tong, Wiseway Chief Executive Officer, commented:

“In the last six months, Wiseway achieved commendable results, with revenue and EBITDA figures reflecting continued growth and profitability. This can be attributed to several strategic initiatives that Wiseway has been prioritising. The focus on expanding imports has particularly paid off, as Wiseway captures market share in the inbound eCommerce market from China. Close collaboration with eCommerce platforms and local distribution suppliers has been instrumental in driving this growth.”

“The positive trajectory of Wiseway’s imports division has been supplemented by the integration of IT technology and automation within the business. A technology-driven approach has enhanced our operational efficiency and contributed to the growth of this segment.”

“Furthermore, our investments in overseas branches have yielded positive returns. In particular, the New Zealand office has nearly doubled in revenue, with a significant improvement in profitability.”

“The Group's revenue for the period was slightly lower than the previous half-year results (1H23) reflecting freight revenue and cost normalizing lower post-Covid. This is particularly notable in our Perishables division, which has seen increased volumes but significantly decreased freight rates.

“Our growth on freight volume together with a focus on effective cost management and operational improvements resulted in a notable increase in profit, amounting to \$562,000, a significant turnaround from the loss of \$3.7m in the same period in 2022.”

“This focus on efficient operations reflects a renewed strategic focus on profitability. We are pleased to see continued profitability over the last 12 months, with a total EBITDA of \$7.5 million and a \$1.1 million profit after tax. In the next 12-24 months, we are looking to stabilise our overseas branches, and have a heightened focus towards local markets in Australia and New Zealand.”

1H24 financial results overview and business update:

\$'000			
Key metrics	1H2023	2H2023	1H2024
Revenue	54,991	51,561	52,325
Reported EBITDA	506	3,185	4,304
Net Profit After Tax	(3,652)	492	562

Revenue breakdown by division and location:

\$'000			
	1H2023	2H2023	1H2024
Division breakdown			
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
Other	935	170	343
Total	54,991	51,561	52,325
Location breakdown			
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

Outlook:

Wiseway is anticipating continued growth in Imports and eCommerce. Imports is expected to become one of Wiseway's largest business divisions as the Group continues to invest to capture the cross-border eCommerce tailwind. The Company is also committed to improving operational efficiency, with a clear focus on enhancing business stability. This includes a renewed focus to strengthen Australia and New Zealand branches, whilst evaluating the correct business model for international divisions in order to deliver greater returns to shareholders.

Wiseway intends to continue distributing dividends to shareholders as the company realises positive results, with a focus on paying sustainable dividends while ensuring continued reinvestment in the business. The Company will also remain committed to the ongoing development of IT technology as an instrumental factor to drive growth through more seamless operations and further efficiency gains.

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

Ends

For further information, please contact:

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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