



24 November 2020

**Wiseway Group Limited**  
ABN 26 624 909 682

**Registered office:**  
39-43 Warren Avenue  
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Wiseway Group Limited (ASX: WWG)

## **2020 Annual General Meeting Addresses**

In accordance with ASX Listing Rule 3.13, attached are the addresses to shareholders to be given by the Chairman and Chief Executive Officer at Wiseway Group Limited's Annual General Meeting today in Sydney.

**For further information, investors please contact:**

Roger Tong  
Executive Director and CEO  
E: [admin@wiseway.com.au](mailto:admin@wiseway.com.au)

### **About Wiseway Group Limited**

WiseWay (ASX: WWG) is a leading provider of integrated logistics in Australia and New Zealand with a nation-wide network of strategically located warehouses and facilities and with a large modern fleet of trucks and delivery vehicles. The Company was established in 2005 and listed on ASX in October 2018. WiseWay has grown to become one of the top three outbound air freight logistics providers in Australia with a specialist focus on Australia and Asia trade. WiseWay's focus is on cross-border logistics including air freight, sea freight, import services, domestic transportation, warehousing and customs clearance services, to a large customer base of domestic and international customers across its two main segments, general cargo and perishable cargo.

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



## ANNUAL GENERAL MEETING 2020

### Chairman's Address

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<b>WISEWAY GROUP LIMITED</b>	
ASX: WWG	
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ACN	624 909 682
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Date	Tuesday, 24 November 2020
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Time	11:00AM (AEDT)
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Venue	Offices of KPMG
	Tower Three, International Towers Sydney
	Level 38, 300 Barangaroo Avenue
	Sydney NSW 2000
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## Chairman's Address

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### SLIDE 3

Good morning everyone, I am Michael Hughes, Chairman of the Board of Wiseway Group Limited, and I welcome you to the second Annual General Meeting of the Company.

With me here today, are my fellow Non-Executive Directors, Lin Xu and Stephen Chan, and founding Executive Directors – Managing Director Florence Tong and Chief Executive Officer Roger Tong.

### SLIDE 4 – FY20 key milestones

In my first year as Chairman, the Board's focus has been on generating positive net operating cash flow; continuing the strategy of diversification; and developing scale in key growth areas.

In response, I am pleased to report that in the second half of the 2020 financial year, Wiseway delivered its first pre-tax profit for a six-month period, of \$1.7 million, and achieved three key milestones:

- 1) Accreditation by Air Cargo Agent in New Zealand.
- 2) Accreditation for fruit exports to China.
- 3) And receiving approvals for all of our branches across Australia-New Zealand to operate bonded depots.

These achievements represent key building blocks in the development of a logistics platform, which will enable continuing growth from scalable services.

Our unique logistics platform has enabled Wiseway to offer a wider range of client services to more destinations, thus give the opportunity and flexibility to tap into client demand and changing logistics preferences.

This flexibility and broader range of services has seen Wiseway win important new, major customers in Australia and New Zealand.

In response to increasing demand, and our ability to respond through the diversity of our service offering, we have accelerated growth in our new business divisions:

- Sea freight
- Perishables export
- Airtruck road transportation
- Airnex cargo sales agents
- Imports and distribution
- Auckland bonded depot
- Shanghai client support

New business revenue, as a portion of total revenue has grown by fourfold – from 5 per cent at the time of the IPO, to 22 per cent in financial year 2020.

### **COVID-19**

I would briefly like to touch upon the business response and impact of COVID-19.

Wiseway's focus first and foremost, was to ensure safety and welfare of employees, and continuity of service for its customers. We viewed it as essential work to continue to be able to provide logistics service, and support international trade during this global crisis.

While borders closed and airlines either reduced their services to almost zero, or in some cases shut down, Wiseway looked to how it could continue to support trade, based on its trusted and long-term relationships with both airlines and the charter companies.

Taking this positive and 'needs must' approach, Wiseway was able to deliver logistics services during the pandemic; for example, Wiseway chartered cargo flights. Where ports closed down, Wiseway secured delivery of cargo through a combination of alternative routes.

In response to our innovative approach, hard work and supplier relationships, the 2020 financial results exceeded our expectations. The business reported revenue of \$102.6 million for the year, which was up 9 per cent on the previous year. Roger will speak to the financial result in more detail.

## **SLIDE 5 – Outlook**

Turning to outlook, we are confident with the building blocks we have put in place, and the quality and reliability of services we are offering our clients, that we can continue to thrive in the prevailing operating environment.

However, we are not complacent. We need to remain agile and continue to monitor, adapt, and respond to changing trends and demand for logistics services.

Our balance sheet remains strong, with a positive cash flow, and an undrawn \$5 million loan facility, to support the business and execution of our growth strategy.

Early in the year, it was pleasing that AZ Global became a strategic shareholder of the Company. We continued to build our commercial relationship with AZ Global collaborating with it in Australia and New Zealand in areas of air freight, sea freight, inbound customs clearance, domestic road transportation, warehousing and third-party logistics services.

We were able to move into new markets. For example, during the year, Wiseway's logistics platform supported AZ Global, as they expanded to distributing fresh milk via their online portal.

Looking ahead, we are focused on executing our strategy of building a global logistics platform, beyond the hundred destinations we already service.

WiseWay has established a leading-edge position in the logistics market, and is looking to delivering on the future potential, through leveraging relations with our key distribution partners and building scale in key growth markets.

I would like to acknowledge and thank the Management and all our employees for their effort and commitment. I would also like to acknowledge and thank my Board colleagues.

I will now hand over to the CEO, Mr Roger Tong, to present to you.



## ANNUAL GENERAL MEETING 2020

### CEO's Address

<b>WISEWAY GROUP LIMITED</b>	
ASX: WWG	
ACN	624 909 682
Date	Tuesday, 24 November 2020
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Venue	Offices of KPMG Tower Three, International Towers Sydney Level 38, 300 Barangaroo Avenue Sydney NSW 2000

## **CEO's Address**

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Thank you, Michael.

### **SLIDE 6**

Good morning everyone and thank you for joining us today.

This is our second year as a listed company, and fifteenth year of operations. The birth of Wiseway was partly as a result of the demand and innovation brought on by another deadly pandemic, the 2003 SARS, which had a profound effect in Asian countries.

When covid hit, no one expected it to become a global event. But the economies must keep going. Freight of goods cannot stop, especially the delivery of essential products.

I don't have to describe in detail the challenges this pandemic has brought on, as I am sure all of us have faced the same difficulties in one way or another.

What I will say is this – Wiseway is and remains a provider of essential services. In these last eleven months, we have learnt a lot as a team, and grown as a business.

### **SLIDE 7 – Revenue diversification**

Moving to an overview of the 2020 financial result.

Our revenue was up by \$8 million, as we adapted in the new environment and continued to provide our logistics services to our clients.

Our gross profit, that is – revenue minus direct expenses – went up by 34 per cent or \$7 million.

For the year we reported earnings before interest, tax, depreciation and amortisation of \$5.0 million. This is an improvement from \$0.1 million on last year. This shows continued discipline of cost control.

What I would really like to highlight, is the net operating cash flow, which saw a turnaround from minus \$3 million to \$3.8 million.

## **SLIDE 8 – Strong revenue growth across all divisions**

Looking at the reasons behind this result, here is the snapshot of what was driving the higher revenue. Freight volumes across the new divisions were higher than in 2019, even though air freight was lower.

We delivered to more destinations not just China – but also to Vietnam, Singapore, Thailand and Japan.

We are getting more traction with new customers and onboarded some large exporters.

Going into the new financial year, we provided a market update and reported unaudited revenue for the first three months of the year, of \$31 million. This includes \$10 million from the new business divisions and that we have started the new year on a good footing.

## **SLIDE 9 – Balance sheet strength from step-change in cash flow**

The turnaround in net operating cash flow during the year, and a strong start in 2021 set us up well with a strong balance sheet. As of fifteenth of November, Wiseway held five million dollars in cash and had a five million dollar bank loan available to draw.

Last year, we elevated focus on improving profitability and cost control. This continued and will continue.

## **SLIDE 10 – Step-change in scale and reach**

As Michael mentioned, a major milestone this financial year was achieving the national warehouse footprint early on in the year.

Wiseway started operating facilities to run the perishables business in all major Australian cities. We also obtained accreditation for Wiseway to export perishables to China. This capability underpins the export business of fresh produce from Australia to Asia.

Importantly, we added a New Zealand base and are now fully set up in Auckland, with all the necessary licencing and accreditations.



At the start of COVID-19, and as the logistics sector started adjusting to state and international border closures, Wiseway teams worked relentlessly. We worked with airlines, shipping lines and local trucking companies, helping to keep states connected and delivering goods across the country.

Customer service and sales teams reconfigured Wiseway's service offering, based on client needs.

Through investments made during the last two years, we have evolved the business and grown, in a very difficult year for the industry.

We remain committed to improving our new services. We continue to see high demand for logistics services.

Particularly in China, we are building Wiseway as an agile player in the cross-border e-commerce market.

In Australia and New Zealand, we are building relations with new customers.

We see innovation coming through from the disruption to global supply chains. If there is disruption and conditions change, we will adapt.

#### **SLIDE 11 – Top Australia-Asia air freight forwarder and provider of integrated logistics**

I would hereby thank our leadership team and the dedication of more than a hundred and thirty employees, for their outstanding efforts in making Wiseway the top logistics provider between Australia and Asia.

We have been guided by our Board, particularly as we have implemented employee bonus schemes that are linked to personal performance and company performance. This is to ensure alignment of interests between the Company and our shareholders.

#### **SLIDE 12 – Trading conditions**

If this year has taught us anything, it is to expect the unexpected.

Restrictions on international and interstate travelling have supported demand for freight services. We won't know how this will change in the prevailing environment.

We are seeing Asia international routes opening up and this is supportive to our diversified service offering in China and South East Asian markets, whether it is transporting electronic goods or fresh produce.

However the new environment will turn out to be, we must be vigorous in managing risks, and maintaining our flexibility to change.

We have shown we can do this. Wiseway remained an essential service provider during total lockdowns in Victoria.

We did this by building new and fostering existing relationships with all our key distribution partners.

### **SLIDE 13 – Business strength**

To conclude, Wiseway holds a defensible and growing position in a market with high barriers to entry, thanks to our business strength.

### **SLIDE 14 – Wiseway's business strategy**

I don't think anyone could have been fully prepared for the turbulent year that was 2020.

The strategic focus of our business has not changed. It is to maintain our core growth in dry cargo export, whilst growing our new divisions on the logistics platform.

Wiseaway has a highly capable team and their hard work will continue to navigate through the rough patches.

I look forward to the years ahead with confidence, and to speaking with you after this meeting.

Thank you for listening to me and I will now hand back to our Chairman of the Board, Michael Hughes.