

Wiseway Group (ASX: WWG) 1H23 Presentation

21 March 2023



Contents

1H23 results overview	3
Business overview	8
Outlook and priorities	12
Key takeaways	17
Questions	18





1H23 results overview



Turnaround in profitability (compared to prior period)

1H23 key financial metrics

\$55.0 million

Group Revenue

\$506,000

EBITDA

(\$3.7 million)

Net Loss Before Tax

\$2.1 million¹

Underlying EBITDA

4%¹

Underlying EBITDA margin

10.71 cents

Net Tangible Assets per Security

\$10.3 million

Cash and Cash Equivalents

Operational highlights (comparisons with 2H22)



1H23 business rebound and turnaround in profitability.



Encouraging turnaround in the Australian business with Underlying EBITDA of \$2.4 million.



Positive rebound in Australian divisions with growth in perishables of +79%, imports of +23% and sea freight of +23%.



Wiseway continues to diversify revenue streams in non-traditional growth areas.



Strong cash position of \$10.3 million in Cash and Cash Equivalents reinforcing the Group's financial strength.

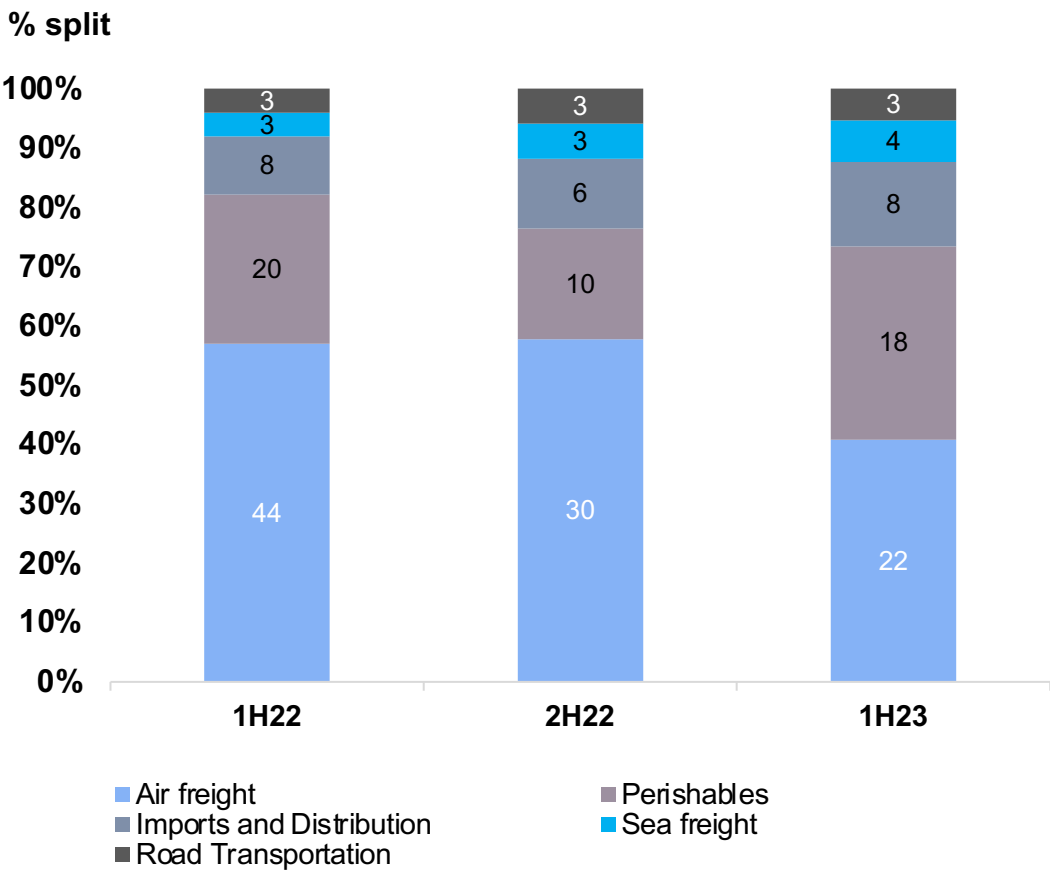


Business turnaround and streamlining efforts accelerated to focus on revenue alignment and cost management.

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

Divisional snapshot | Wiseway continues to diversify revenue

% Revenue split by division



\$ Revenue split by division

\$'000	1H2022	2H2022	1H2023
Air freight – General cargo	44,287	30,341	22,105
Air freight – Perishables	19,497	9,808	17,597
Sea freight	3,052	3,090	3,813
Road freight	3,178	3,111	2,890
Imports	7,562	6,204	7,651
Total	77,576	52,554	54,056

Location snapshot | Core Australia business continues to perform well

Revenue by location

\$'000	1H2022	2H2022	1H2023
Australia	73,750	43,248	49,109
New Zealand	805	1,627	1,696
China	521	6,582	1,533
Singapore	1,500	379	928
USA	1,000	718	790
Total	77,576	52,554	54,056

EBITDA by location

\$'000	1H2022	2H2022	1H2023
Australia	5,661	(4,511)	2,417
New Zealand	40	(219)	(180)
China	(97)	(1,077)	(1,410)
Singapore	247	(90)	95
USA	(15)	(124)	(416)
Group	5,835	(6,021)	506

Commentary:

Australia:

- China's COVID-19 lockdown continued to impact revenue as did the lingering effects of the Australian floods.
- Australian business has consistently performed and delivered profits and value for our shareholders.

Other divisions:

- Overseas operations have seen mixed results in 1H23, as the Company continues to invest in building its global network.
- Achieving growth and profitability in Wiseway's overseas operations will be a key focus for Management.

Outlook:

- China's reopening this calendar year should result in a marked pick-up in trade across key segments.
- Early indications that sales volumes are rising across the board.

Balance sheet | Financially stable with a healthy balance sheet

Balance sheet	31 Dec 2022 \$m	30 June 2022 \$m	Change %
Cash and cash equivalents	10.3	6.9	49.2%
Trade and other receivables	12.8	9.5	34.3%
Other current assets	5.0	4.6	6.6%
Total current assets	28.1	21.0	33.1%
Fixed & non-current assets	43.1	40.5	6.3%
Total assets	71.2	61.5	15.5%
Trade and other liabilities	13.2	7.7	72.7%
Other current liabilities	2.0	2.6	-23.7%
Current debt	6.1	4.8	25.2%
Total current liabilities	21.3	15.1	41.0%
Loans and borrowings	31.8	24.9	27.6%
Other non-current liabilities	0.2	0.2	25.5%
Total Liabilities	53.3	40.2	32.6%
Net assets	17.9	21.5	(16.6%)

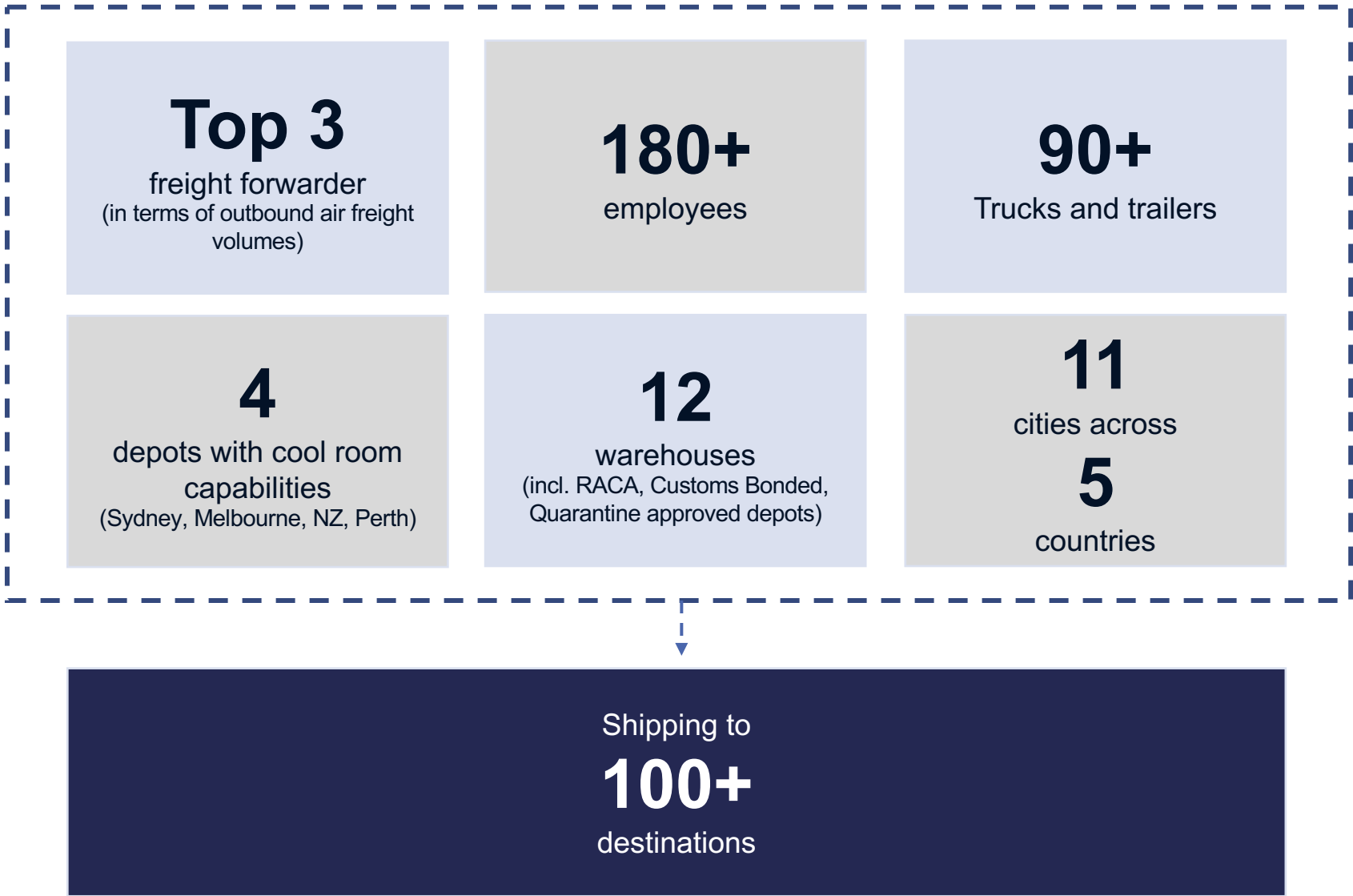
Commentary:

- Healthy balance sheet, with **\$10.3 million** Cash and Cash Equivalents to support strategic opportunities
- Increase in trade receivables and payables reflective of **increased business activity**
- **10.71 cents** Net Tangible Assets
- Continuous resource planning, ensuring ability to meet future obligations







An aerial photograph of a busy port. In the foreground, a white cargo plane is flying over the water. To the left, a large blue-roofed warehouse sits on a dirt lot. Several cargo ships are docked at a long pier. One ship in the center has its deck open, showing yellow cargo. Another ship to the right is loaded with colorful shipping containers. The water is a deep green color.

Business overview

Overview of Wiseway



Wiseway's business has six core segments

Export			Imports and Distribution	Road Transportation	GSA/CSA
<div>Dry cargo (air freight)</div> <div></div> <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.	<div>Perishables</div> <div></div> <ul style="list-style-type: none">• Fresh produce.• Seasonal fruit.• Seafood.• Meat.• Fresh milk and dairy.	<div>Sea freight</div> <div></div> <ul style="list-style-type: none">• General food commodities.• Australian produce.• Wine.	<div>General cargo & e-commerce</div> <div></div> <ul style="list-style-type: none">• General cargo imports clearance and delivery.• E-commerce parcel imports and distribution.	<div>Airtruck</div> <div></div> <ul style="list-style-type: none">• Interstate and road transport business.• Servicing wholesalers, manufacturers and airlines.	<div>Airnex</div> <div></div> <ul style="list-style-type: none">• Representing airlines, selling cargo services to third-party freight forwarders.• Operating 100+ flights per week in normal border conditions (35+ flights today).
Growth opportunities					



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



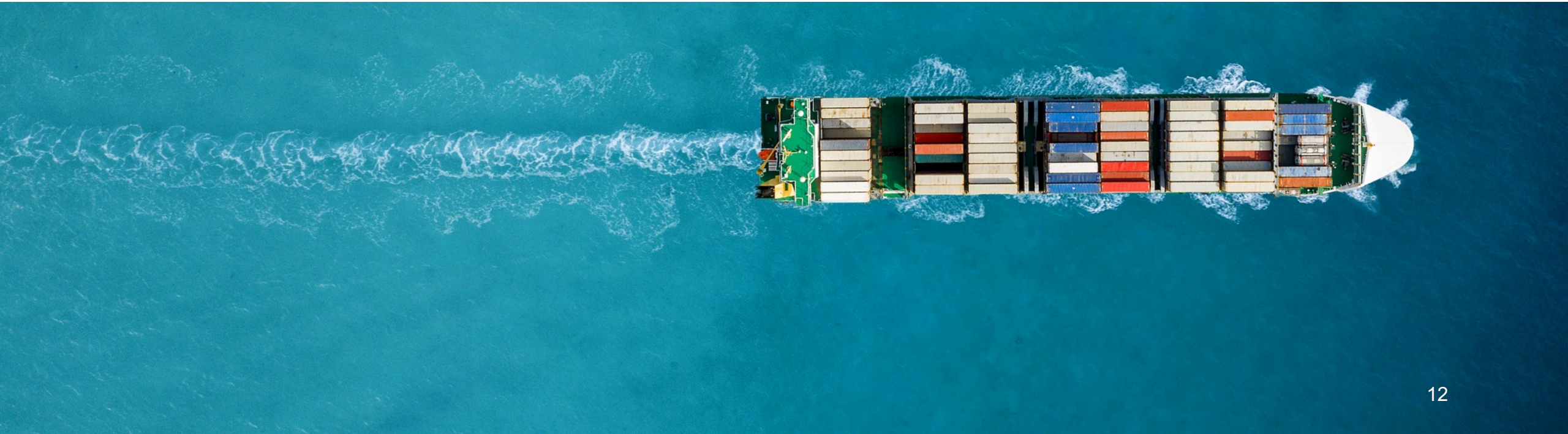
- Experienced leadership team, with continued involvement from the Company's founders and commitment to original vision of global growth.
- A unique understanding of the cross-border e-commerce market and import/export regulation.

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



Trends | Wiseway well placed to capture market tailwinds



China reopening driving a recovery in China consumer spending (e.g., China GDP forecasted to grow by 6.5% in 2023)¹.



Improved Australia-China geopolitical tensions (e.g., potential easing of lobster ban).



Boom in **mid-corps and e-commerce platforms** (e.g., tailwind has supported +23% growth in Wiseway's imports).



Rapid growth in ASEAN next 10 years, with growth in global trade flows to and from ASEAN countries.



Shippers looking for increasingly connected multi-regional services and **end-to-end integrated logistics solutions**.

Overall priorities | A focused global growth strategy with disciplined execution



Diversify

- Continue to expand product offerings beyond the traditional dry cargo air freight business, with a focus on the key growth segments of perishables, imports, sea freight and air freight general cargo.
- Utilise the Group's diversified product offerings to attract and retain new customers seeking integrated logistics solutions to meet their shifting needs and preferences.



Integrate

- Deliver logistics solutions through a lean, integrated and tech-enabled platform.
- Focus on bringing core operations and processes to world-class standards.
- Continue to invest in internal proprietary technologies and digital processes such as our streamlined labelling and customs clearance services.



Expand

- Harness expansion momentum in Los Angeles and Singapore as a stepping stone into new untapped markets in North America and the Asia Pacific and capitalise on the Group's unparalleled local expertise.
- Develop opportunities for revenue synergies and partnerships across the Company's growing global network.
- Extend Wiseway's capabilities, resources and expertise to the Group's global operations.



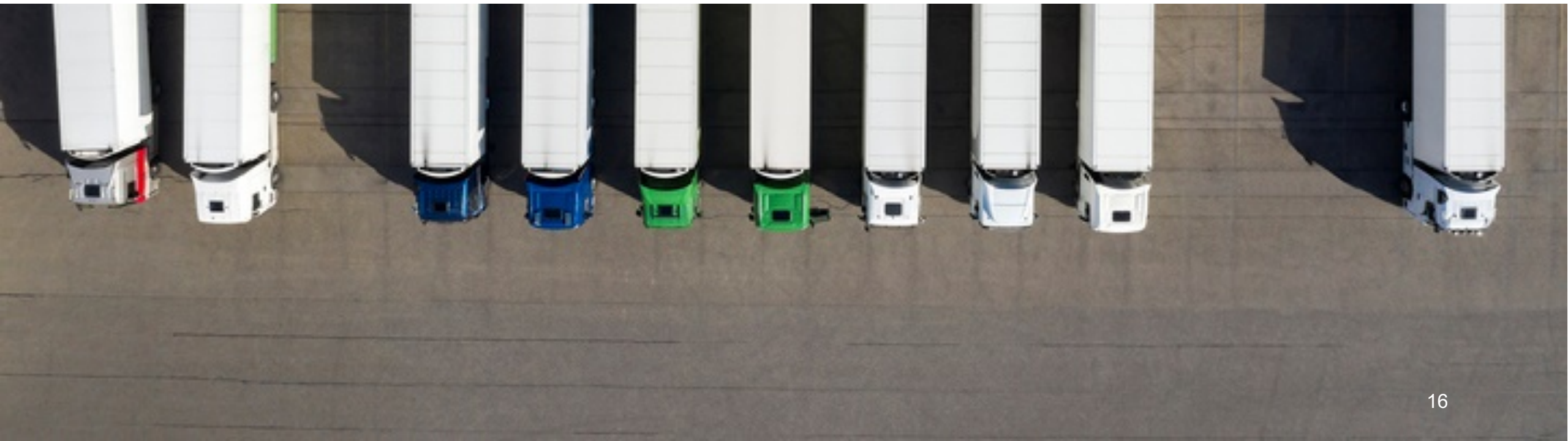


2H23 | Key Wiseway priorities for next six months

- 1 Work towards achieving **sustainable profitability** in the **Group's overseas segments**.
- 2 Develop opportunities for **revenue synergies and partnerships** across the Company's growing global network (e.g., AUS-SIN, AUS-NZ, AUS-US, AUS-CHN, CHN-US).
- 3 Invest in **Perishables and Imports** capabilities, capturing volumes from China reopening, ASEAN countries, India and boom in e-commerce platforms.
- 4 Continue to **streamline cost base** and make strategic re-investments, targeting \$500k to \$1 million in savings in operating costs in FY23.
- 5 Look for **accretive M&A opportunities**, focused on the United States.
- 6 Refresh **Wiseway's three-year strategic roadmap**.



Key takeaways





Key takeaways

1H23 summary:

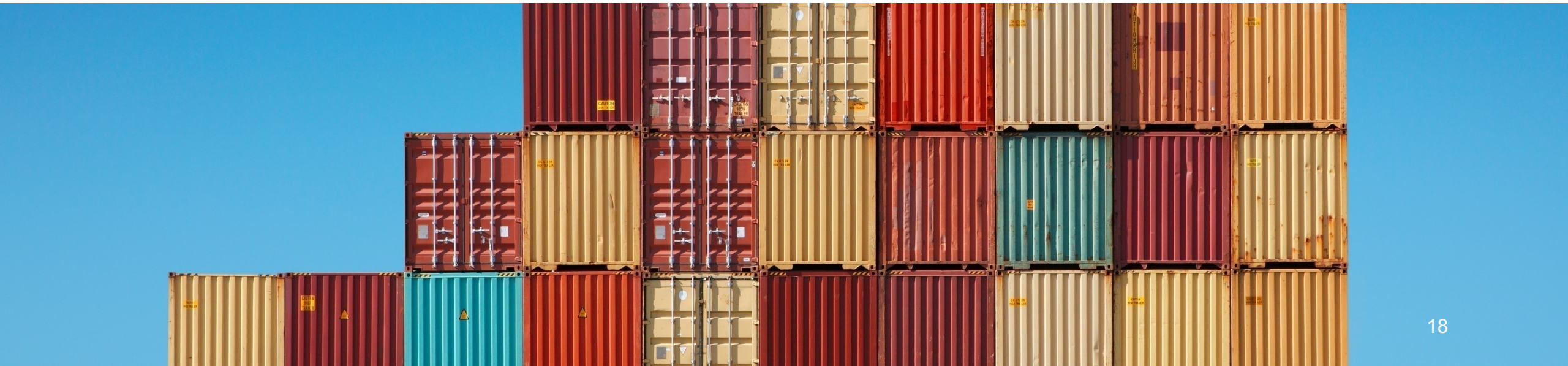
- ▶ **Board and leadership** refresh reflects Wiseway's growth ambitions and focus on the future.
- ▶ **Turnaround in profitability** compared to previous period, particularly in Australian business.
- ▶ Continued **diversification of revenue**, with solid growth in perishables, sea freight and imports.
- ▶ Wiseway remains financially stable with a **healthy balance sheet** – \$10.3 million Cash and Cash Equivalents and 10.71 cents Net Tangible Assets.

Outlook:

- ▶ **Market tailwinds** expected in 2H23 with China reopening, easing geopolitical tensions, and boom in mid-corp and e-commerce platforms.
- ▶ A key focus in the coming months is working towards **profitability in our overseas operations**.
- ▶ **Fully utilise the Group's global network**, providing a solid platform for new organic growth.
- ▶ Invest in **Imports and Perishables**, as two primary growth segments.
- ▶ Continue to **streamline cost base** and make strategic re-investments.
- ▶ Wiseway is open to the consideration of **acquisitions**, should they prove value accretive.



Questions



Disclaimer

This presentation contains summary information about Wiseway Group Limited (WiseWay) and its subsidiaries and their activities. The information in this presentation does not purport to be complete. It should be read in conjunction with Wiseway's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at <https://www2.asx.com.au/>

The information contained in this presentation is not investment or financial product advice and has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek independent professional advice appropriate to their jurisdiction and circumstances.

To the maximum extent permitted by law, no responsibility for any loss arising in any way from anyone acting or refraining from acting as a result of this information is accepted by Wiseway, any of its related bodies corporate or its directors, officers, employees, professional advisers and agents (Related Parties). No representation or warranty, express or implied, is made by any person, including Wiseway and its Related Parties, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation.

An investment in Wiseway securities is subject to investment and other known and unknown risks, some of which are beyond the control of Wiseway or its directors. Wiseway does not guarantee any particular rate of return or the performance of Wiseway securities.

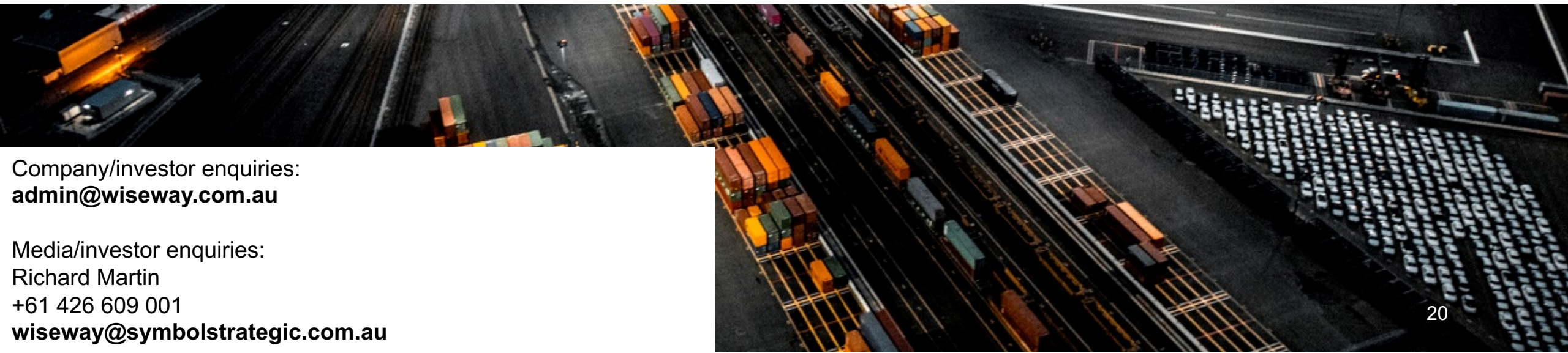
Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Wiseway and associated entities of Wiseway and certain plans and objectives of the management of Wiseway. Forward-looking statements can be identified by the use of forward-looking terminology, including, the terms "believes", "estimates", "anticipates", "expects", "predicts", "intends", "plans", "goals", "targets", "aims", "outlook", "guidance", "forecasts", "may" or "will", and similar expressions. These forward-looking statements include all matters that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which because of their nature may cause the actual results or performance of Wiseway to be materially different from the results or performance expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Wiseway's present and future business strategies and the political, regulatory and economic environment in which Wiseway will operate in the future, which may not be reasonable, and are not guarantees or predictions of future performance. No representation or warranty is made that any of these statements or forecasts (express or implied) will come to pass or that any forecast result will be achieved. Forward-looking statements speak only as at the date of this presentation and to the maximum extent permitted by law, Wiseway and its Related Parties disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, any assumptions or expectations set out in this presentation).

All figures in this presentation are A\$ unless stated otherwise and all market shares are estimates only. A number of figures, amounts, percentages, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, the actual calculations of these figures may differ from figures set out in this presentation.



Contact us



Company/investor enquiries:
admin@wiseway.com.au

Media/investor enquiries:
Richard Martin
+61 426 609 001
wiseway@symbolstrategic.com.au