



**Fast recovery on all fronts from end FY20**

**Not too many sneezes at WiseTech**

<b>Company/ASX Code</b>	WiseTech Global Limited, WTC
<b>AGM date</b>	Thursday 26 November 2020
<b>Time and location</b>	10am on line <a href="https://agmlive.link/WTC20">https://agmlive.link/WTC20</a>
<b>Registry</b>	Link Market Services
<b>Webcast</b>	Yes
<b>Poll or show of hands</b>	Poll on all items
<b>Monitor</b>	Mary Curran assisted by Pamela Murray-Jones
<b>Pre AGM Meeting?</b>	Yes with Chairman Andrew Harrison and Chief Growth Officer Gail Williamson

The individual(s) (or their associates) involved in the preparation of this voting intention have shareholdings in this company.

WiseTech provides software solutions to the logistics industry. Known as part of the Australian WAAAX group (WiseTech, Altium, Appen, Afterpay and Xero) it has a global outlook with over 17,000 customers across approximately 160 countries with low customer attrition (<1%). The flagship product, Cargowise, executes over 60 billion data transactions annually and 71% of its revenue growth in 2020 came from existing customers. Twenty-five of the top 25 global freight forwarders use WiseTech's solutions. Top 10 customers represent 20% of revenue (FY19 22%) with no single customer greater than 5%.

Despite COVID, the company delivered solid growth with revenues up 23% and EBITDA up to \$126.7m. The anomaly with the 197% growth in NPAT to \$160.8m (Annual Report p2) is attributed to the accounting required for earnout provisions from acquisitions where earnouts did not eventuate. The Chair referred to NPATA, a non-statutory measure which he suggests is a better benchmark. The pandemic has highlighted the need for best in class, cloud enabled logistical solutions and being a technology company, WiseTech reacted quickly to COVID with its workforce. The transition to WFH (work from home) was seamless and there was a 10% increase in developer productivity. WiseTech continue to hire rather than fire, particularly looking for software engineers.

From its 2016 IPO offer price of \$3.35, its share price has risen to \$33.10 at the time of writing. However, during FY20, total shareholder return was negative approximately 30% (technology shares tended to fall off a cliff at the start of COVID) but WTC appears to be recovering. The company did not publish the TSR (total shareholder return) bar chart this year, but has agreed to reinstate for the future.

Last year without warning, a report was released to the market by J Capital (a US based organisation) purporting financial impropriety and irregularity on the part of the company. This caused a drop in the share price and unusual trading in the market. There has been no significant activity since. The Chairman stated this simply detracts from focussing on the business: the company religiously provided updates to the market and they would prefer not to see such activity but it is a 'feature of the landscape'.

Looking ahead, container bookings are positive. The Chairman noted WiseTech has click per transaction revenue as well as the opportunity to upsell current clients. The general sales pipeline is also promising.

Over 4.6 million hours of development has been invested in R&D making CargoWise a formidable product and providing a moat against a competitor entering the market.

### Key Events

Arlene Tansey joined the board in June 2020 (see resolution 4).

The founder, Richard White placed part of the WiseTech Alexandria offices, which he owns, on the market for sale. We support this best practice to move away from founder-related party transactions. The sale is subject to a current five-year lease with option provisions for a further five plus five, giving certainty to tenure and given the customisation of the premises cost \$14m to the landlord.

### Senior Management Changes

The company continues to be led by its founders Richard White and Maree Isaacs.

### Governance and culture

WiseTech has a culture of diversity and inclusion.

It has a global workforce. Australia represents the largest region at 35%, with a range of age and ethnicity. The company mantras include "slower today, faster forever", "anyone can speak to anyone at any time for any reason" and "bold ideas build bold products". Prior to listing, the company offered existing staff shares at no cost up to \$1,000 and it now has an Invest as You Earn Program which provides employees with the opportunity to purchase shares through monthly deductions from their salaries.

There is an executive KMP share ownership policy, the requirement being 100% of fixed remuneration within five years of appointment. To facilitate employee equity awards, the board prefers to issue new capital, (to a maximum of 1% of issued share capital in any 12-month period) while reserving the right to buy shares on market and off market where appropriate.

33% of employees overall, 22% of senior management and 43% of the Board are female.

The Chairman stated he looks forward to returning to a physical AGM where the board can mingle and mix with the shareholders.

<b>Item 1</b>	<b>Consideration of accounts and reports</b>
<b>ASA Vote</b>	No vote required

### Summary

(As at FYE)	2020	2019	2018	2017	2016
NPAT* (\$m)	160.8	54.1	40.8	31.9	2.2
UPAT (\$m)	n/a	n/a	n/a	n/a	n/a
Share price (\$)	\$19.35	\$27.71	\$15.66	\$6.92	\$4.43
Dividend ** (cents)	3.3	3.15	2.25	1.0	1.51
TSR (%)	(30.1)	77.1%	126.6%	56.4%	32.2%***
EPS (cents)	50.3	17.7	13.9	10.9	0.8
CEO total actual remuneration	\$1m	\$1m	\$1m	\$1m	\$1m

\*NPAT = NPAT attributable to equity holders of the parent

\*\* dividends paid during the financial year

\*\*\* TSR for the period 11 April 2016 to 30 June 2016, based on the IPO price of \$3.35. Dividends paid in FY16 were paid before the IPO and therefore excluded from the TSR calculation.

For 2020 the CEO's total actual remuneration was 10.87 times the Australian Full time Adult Average Weekly Total Earnings (based on May 2020 data from the Australian Bureau of Statistics).

<b>Item 2</b>	<b>Adoption of Remuneration Report</b>
<b>ASA Vote</b>	<b>For</b>

### Summary of ASA Position

The WiseTech Remuneration Report is very comprehensive and overall meets ASA guidelines. Actual remuneration is clearly disclosed and includes a column showing equity. The methodology for incentives is based on performance against financial and operational targets and key actions.

In FY20, Founder and CEO, Richard White, was remunerated solely with fixed pay as WTC believes that his significant equity holdings of 46% approx. of the company provide adequate motivation and alignment with other shareholders. His base pay (fixed annual pay) is \$1,000,000 which is well in line with industry. During the year he sold approximately 3 million shares.

Maree Issacs, a co-founder, receives a fixed base pay of \$400,000 and a performance incentive package of up to 50% of fixed annual salary which is in cash. Her FY total remuneration was

\$500,00. Given she holds >11.6million shares, the company believes this provides adequate alignment with other shareholders.

CFO Andrew Cartledge received a total of \$1,421.019 (includes equity growth) and CTO Brett Shearer \$828,947 (includes equity growth). Both these KMPs own more than one year's fixed remuneration in equity.

The actual remuneration table on p 57 is very clear. Last year there was a 99.31% vote for the remuneration report.

CEO rem. Framework for WTC	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1.000	100%	1.000	100%
STI - Cash	n/a		n/a	
STI - Equity	n/a		n/a	
LTI	n/a		n/a	
Total	1.000	100%	1.000	100%

<b>Item 3</b>	<b>Re-election of Maree Isaacs as a Director</b>
<b>ASA Vote</b>	<b>For</b>

#### Summary of ASA Position

As co-founder Maree Issacs is not independent but brings essential corporate memory to the company as well as decades of expertise in the technology and logistics industry. As noted, she holds a significant shareholding in the company.

<b>Item 4</b>	<b>Election of Arlene Tansey as a Director</b>
<b>ASA Vote</b>	<b>For</b>

#### Summary of ASA Position

ASA welcomes the appointment of Arlene Tansey who is a well-qualified director with more than 30 years' international experience. Since printing of the Notice of Meeting she had resigned from the Healius board. She is currently a non-executive director of Aristocrat Leisure and TPG Telecom. She holds 1,000 shares in the company (worth approximately \$29,000) which is acceptable given she only joined the board in June.

<b>Item 5</b>	<b>Approval of Equity Incentives Plan</b>
<b>ASA Vote</b>	<b>For</b>

### Summary of ASA Position

This is to ratify the Equity Incentive Plan whereby employees may be granted equity in the form of share rights and options and is specifically to comply with regulations of the Californian Corporations Code, i.e. a formality.

<b>Item 6</b>	<b>Grant of share rights to Non-Executive Directors under the Non-Executive Directors Fee Sacrifice Share Acquisition Plan</b>
<b>ASA Vote</b>	<b>For</b>

### Summary of ASA Position

This permits non-executive directors to acquire shares by sacrificing their pre-tax directors' fees and build up a shareholding in the company. The period will generally be annually and operates by a conditional right to acquire one fully paid share at no cost. This resolution facilitates the issuance of shares without shareholder approval as opposed to buying shares on market. The company has not made a firm decision to either issue or buy on market. ASA asked to consider on market as less dilution to shareholders.

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