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WTC acquires US container yard solutions provider, Depot Systems

Global logistics solutions group, WiseTech Global, today announced the acquisition of leading US-based container yard and terminal management logistics solutions company, Depot Systems.

As the leading provider, Depot Systems offers container yard management, and container maintenance and repair estimating. It helps manage container bookings, releases and manifests, container lifting and mounting, gate EDI, as well as repair and equipment status.

Headquartered in Ohio, Depot Systems has over 200 predominantly US-based depots and terminals as customers, including Container Maintenance Corp, Trac Intermodal, ContainerPort Group and XPO Logistics. Depot Systems averages over 500,000 gate movements per month.

WiseTech Global Founder and CEO, Richard White, said "Depot Systems is highly regarded as the US leader in container yard management software with innovative products and significant container yard experience. Empty container yards are a vital but often overlooked part of the international supply chain and landside logistics, thus Depot Systems is a valuable addition to build further opportunities for our technology solutions."

"Bringing Depot Systems into the group provides important synergies with our container optimisation solutions business, Containerchain, which we acquired in April this year and brings large scale in container yard customers in the US. Together, this gives us better coverage and visibility into the container yard sector to solve the broader landside logistics issues. This will also further expand our powerful CargoWise One platform and help us drive long-term operational improvements for logistics providers."

For Depot Systems the purchase cost comprises \$4.4m upfront with a further multi-year earn-out potential of ~\$2.7m related to customer contracting, customer conversion and product integration¹. With Depot Systems CY18 annual revenue and EBITDA of ~\$1.3m and ~\$0.2m this transaction, while of strategic value, is not material to the WiseTech Global group. Depot Systems is expected to be consolidated into WiseTech Global accounts from October 2019.

This transaction follows WiseTech's other recent logistics solutions acquisitions in Argentina, Australasia, Belgium, Brazil, Canada, France, Germany, Ireland, Italy, the Netherlands, North America, Norway, Spain, Sweden, Taiwan, Turkey, the UK and Uruguay, and is in line with WiseTech Global's clearly stated strategy of accelerating long-term organic growth through targeted, valuable geographic foothold and technology adjacency acquisitions.

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¹ Approximate AUD equivalents to consideration amounts denominated in USD.

For Depot Systems, approximately 50% of consideration payable on the achievement of specific earn-out criteria will be paid to the vendors in cash. The residual consideration will be delivered to the vendors through the issue of fully paid ordinary shares in WiseTech Global. Those shares will rank equally with all other fully paid ordinary shares quoted on the ASX and will be subject to a voluntary 12-month escrow from the date of their issue. The number of new shares to be issued will be determined based on the market value of WiseTech shares on or around the date of issue. It is presently expected that those shares will be issued without shareholder approval and within the 15% capacity permitted by ASX Listing Rule 7.1.

About WiseTech Global

WiseTech Global is a leading developer and provider of software solutions to the logistics execution industry globally. Our customers include 12,000 of the world's logistics companies across 130 countries, including 38 of the top 50 global third party logistics providers and all 25 of the 25 largest global freight forwarders worldwide². Our flagship product, CargoWise One, forms an integral link in the global supply chain and executes over 54 billion data transactions annually. At WiseTech, we are relentless about innovation, adding more than 3,000 product enhancements to our global platform in the past five years while bringing meaningful continual improvement to the world's supply chains. Our breakthrough software solutions are renowned for their powerful productivity, extensive functionality, comprehensive integration, deep compliance capabilities, and truly global reach.

The WiseTech Global group includes CargoWise One, ABM Data Systems, ACO Informatica, BorderWise, Bysoft, Cargoguide, CargoIT, CargoSphere, CMS Transport Systems, Containerchain, CustomsMatters, DataFreight, EasyLog, Fenix, Forward, Intris, LSP Solutions, Microlistics, Multi Consult, Pierbridge, Prolink, SaaS Transportation, SmartFreight, Softcargo, Softship, Systema, Taric, Trinium Technologies, Ulukom, Xware, zsoft and znet Group.

For more information about WiseTech Global or CargoWise One, please visit wisetechglobal.com

About Depot Systems

Founded in 1998, Depot Systems is the leading container yard/terminal management software system in the US, containing container yard management and container maintenance and repair estimating.

Headquartered in Ohio, USA, Depot Systems has over 200 predominantly US-based depots and terminals as customers, including Container Maintenance Corp, Trac Intermodal, ContainerPort Group and XPO, and a team of six experienced industry and technical professionals.

Visit depotssystems.com to find out more.

About Containerchain

Founded in 2007, now part of the WiseTech Global Group, Containerchain has offices in Singapore, Australia and Malaysia, and provides solutions for container depots, road transporters, container terminals, warehouses, shipping lines and cargo owners. Containerchain is associated with industry associations including: Container Transport Alliance Australia, CBFA Australia, CDAS, Container Owners Association, Freight & Trade Alliance, National Road Carriers, Shipping Australia Ltd, Singapore Business Federation, Victorian Transport Association, Women's International Shipping & Trading Association, and Road Transport Association NZ.

Visit www.containerchain.com to find out more.

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² Armstrong & Associates: Top 50 Global Third Party Logistics Providers List, ranked by 2016 logistics gross revenue/turnover.

Armstrong & Associates: Top 25 Global Freight Forwarders List, ranked by 2016 logistics gross revenue/turnover and freight forwarding volumes.