

ASX Announcement: 2023/08

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## WiseTech Global acquires Blume Global

- Strategically significant acquisition of Blume Global, a leading intermodal rail solutions provider, for US\$414 million.
- Blume brings a core platform for execution and visibility of rail transport in North America where its customers include 6 of the 7 Class 1 US railroads.
- Extends WiseTech's presence in landside logistics, one of the Company's six key CargoWise development priority areas, through the addition of rail.

[WiseTech Global](#) (ASX:WTC), developer of the leading logistics execution software CargoWise, today announces its acquisition of [Blume Global](#) (Blume), provider of a leading solution facilitating intermodal rail in North America, for US\$414 million. Headquartered in the United States, Blume is being acquired from funds managed by Apollo, EQT and other minority shareholders.

North America is the world's largest domestic logistics region<sup>1</sup>, and Blume manages intermodal containers and chassis on behalf of 6 of the 7 Class 1 US railroads, ocean carriers and other intermodal equipment providers including global freight forwarders and Beneficial Cargo Owners (BCOs). Blume is a high-growth recurring revenue business and is expected to generate FY24<sup>2</sup> revenues in the range of US\$65 million to US\$70 million representing annual growth of 45% to 55%. Before operational synergies, on a standalone basis, Blume expects to achieve FY24 EBITDA margins of approximately 10% and be cash flow breakeven by the end of FY24.

WiseTech expects to fund the transaction via a combination of US\$134.8 million from existing cash reserves, US\$155.0 million of debt from new facilities and US\$124.2 million new WiseTech Global shares issued to the vendors. This represents a funding mix of 70% cash and 30% WiseTech Global shares. The WiseTech Global shares issued to the vendors will be subject to 12-month escrow agreements from the date of completion. In addition, one-off transaction costs of approximately US\$10 million will be funded from existing cash reserves. On completion of the transaction, WiseTech Global expects to have available liquidity of approximately \$400 million from existing cash reserves and undrawn debt facilities in addition to ongoing strong free cash flow generation.

The transaction is subject to customary conditions precedent including receipt of US regulatory approval and is expected to complete in April 2023.

<sup>1</sup> [Logistics Market: Global Industry Analysis and Forecast \(2022-2029\) \(maximizemarketresearch.com\)](#).

<sup>2</sup> Year end 30 June 2024.

Richard White, Founder and CEO of WiseTech Global, said: "This is another strategically significant acquisition that follows our acquisition of [Envase Technologies](#) last month. It further extends our capability in one of our six key CargoWise development priority areas, integrating rail into our landside logistics offering in North America, the most complex and largest logistics region in the world. Blume also brings significant new talent, a portfolio of other valuable product capabilities, and further enhances our product development skill set. This transaction demonstrates WiseTech's continued investment in its CargoWise ecosystem, improving visibility and process efficiencies end-to-end across the supply chain for our customers."

Blume Global's CEO Pervinder Johar said: "Joining the WiseTech Global group means greater scale and resources to make logistics processes more productive, agile, dependable, and sustainable with innovative execution and visibility solutions. We want to thank the team at Apollo for helping to stand up and grow Blume as a standalone company and are thrilled to embark on this next chapter to drive even greater digital innovation in this sector."

Further information on this acquisition and WiseTech's performance and outlook will be provided at the Company's half year earnings briefing at 10am on 22 February 2023 (AEDT). Please register [here](#).

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Authorized for release to ASX by David Rippon, Corporate Governance Executive and Company Secretary.

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### About WiseTech Global

WiseTech Global is a leading developer and provider of software solutions to the logistics execution industry globally. Our customers include over 18,000<sup>3</sup> of the world's logistics companies across more than 170 countries, including 41 of the top 50 global third-party logistics providers and 24 of the 25 largest global freight forwarders worldwide<sup>4</sup>.

Our mission is to change the world by creating breakthrough products that enable and empower the supply chains of the world. At WiseTech, we are relentless about innovation, adding over 4,900 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. For more information about WiseTech Global or CargoWise, please visit [wisetechglobal.com](#) and [cargowise.com](#).

<sup>3</sup> Includes customers on CargoWise and platforms of acquired businesses whose customers may be counted with reference to installed sites.

<sup>4</sup> Armstrong & Associates: Top 50 Global 3PLs & Top 25 Global Freight Forwarders ranked by 2021 logistics gross revenue/turnover and freight forwarding volumes - Updated 4 August 2022.