

October 16, 2019

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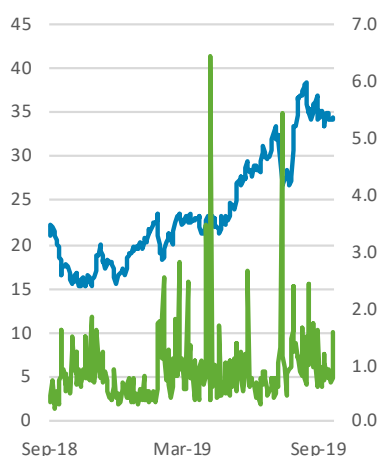
Anne Stevenson-Yang
anne@jcapitalresearch.com

+1 860 391 6094

WiseTech (WTC AU, WTCHF US)

Share Price	\$ 34.37
Av Volume	940,886 shares
Market Cap (mln)	\$ 10,926
Price/Sales	31.4

WiseTech (WTC AU, WTCHF US) last share price in AUD (blue, left) and volume (green, right, mln shares)



Source: Bloomberg October 16, 2019

WiseTech (WTC AU, WTCHF US)

Part 1: The Wizard of WiseTech The Illusion of Success

- ▶ **Overstated profit:** We estimate that overstated profit in the three years since WiseTech listed may be as high as \$116 mln.¹ That would be an overstatement of 178%.
- ▶ **Overstated organic growth:** Using the company's own numbers, we estimate WiseTech's underlying, organic growth rate at 10% not the 25% claimed. That means an estimated 80% of the company's top-line growth is from purchased revenue.
- ▶ **Suspect European revenue growth:** We estimate that European revenues were overstated by as much as \$48 mln in FY 2018. We have obtained financial fillings of European subsidiaries that showed declines in revenue and that support our estimates, and we have spoken with former employees who reported much lower organic growth.
- ▶ **How do they get away with it?** WiseTech is able to shield subsidiaries from audit scrutiny through an Australian peculiarity called the "deed of cross guarantee." Simply put, the auditors aren't looking at the numbers closely enough. WiseTech's Australian subsidiaries, through which much of the international revenue has been channeled, have been shielded from audit scrutiny.
- ▶ **Chair of Audit Committee resigned:** On Tuesday, Christine Holman, who joined the board only 10 months ago, in December 2018, and is chair of the Audit and Risk Manage-

¹ All \$ figures are Australian dollars unless otherwise stated. Years are the WiseTech fiscal year, from July 1 to June 30.

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ment Committee, resigned.

- ▶ **IPO magic:** Prior to IPO, WiseTech profit growth was around 6%, but it soared by 1,100%, from \$3.4 to \$44.2 mln, in FY 2017. We find this suspect, and a number of changes to financial oversight seem suspicious: the CFO was swapped out for someone who had been at GE for 24 years and had no software experience. The lead audit partner changed.
- ▶ **Stock promote:** You may be forgiven for thinking that WiseTech, trading at 30x revenue, is an Australian tech darling like Atlassian (TEAM US), built by two coders in their garage, that has become a global behemoth. WiseTech is more of a clunker. It began life in 1994 as Eagle Developments International and was unspectacular for 20 years. The company has been cobbled together through hasty acquisitions. Its core product is held in low regard by clients. Revenue grew at a 12.5% CAGR in the six years before listing. After listing, revenue growth leapt to 40% annually. We have spent months analyzing the company and concluded that WiseTech is manipulating its accounts to make growth and profit appear higher than they really are.
- ▶ **Who's making the money?** The insiders are cashing in on the story that WiseTech is pushing out to investors. Management and directors have sold \$259 mln in stock since listing. Public investors will not be as fortunate. That is why we are short the stock.

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Profit may be overstated by as much as 178%

We demonstrate that WiseTech is using uniquely confusing accounting strategies to exaggerate growth and income. In this first report, we take investors through two steps: we show that, even if you accept the revenue and profit figures WiseTech reports, slowing the management spin reveals that growth is significantly exaggerated. Next, we present evidence that we believe shows WiseTech's figures can't be relied upon and that the company's profit may have been overstated by as much as 178% cumulatively since FY 2016. In Part II, we will walk you through the underlying acquisitions and argue that the acquisition strategy is failing.



Car outside WiseTech headquarters in Sydney. | Photo by J Capital October 2019.

Late Bloomer?

Before it went public, WiseTech was an unremarkable software offering for trade logistics, with slow growth and modest revenue. The company began life, in 1994, as Eagle Developments International. WiseTech has since rebranded six times, becoming CargoWise EDI Ltd in 2006 (the name of its central software offering) and WiseTechGlobal Pty Ltd in 2011.² It has been expanding outside Australia since 1997 but doesn't dominate any of the international markets it operates in. Before its IPO, it was on a slower trajectory, with a modest 12.5% CAGR in the six years prior. Since IPO, revenue CAGR has soared to 40%. WiseTech did not change

² <https://web.archive.org/web/20020802041700/http://www.edi.com.au/companyprofile.htm>

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its business model to achieve such acceleration. The difference was, the company went public and gained access to shareholder cash. WiseTech then went on a hasty acquisition spree, rapidly growing revenue from a motley collection of assets. We think evidence points not to massive improvement in the business but to a stock promote by a management team tired of waiting for personal wealth.



1994: Nelson Mandela and Bill Clinton become Presidents and WiseTech starts life as EDI

Promotional and Nonsensical

Investors in WiseTech have been excited by top-line growth, with reported revenues tripling from FY2016 to FY2019 and net profit rising an amazing 12x from the \$4.6 mln reported in 2016 to the \$54.1 mln reported for FY 2019. But we conclude that the stunning results have been largely fabricated through accounting manipulations. We calculate underlying, “organic” growth, ex-acquisitions, to be 10%, less than half the 25% WiseTech claims. This is down from an adjusted 18% in 2018, based on our calculations.

Table 1. Organic and Acquisition Revenue Growth (%)

	FY17	FY18	FY19
Organic revenue growth (as reported)	34%	29%	25%
Organic revenue growth (est. J Cap)	26%	18%	10%

Source: Company reports and acquisition press releases

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We calculate
“organic”
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10%, less than
half the 25%
that WiseTech
claims.

Since FY2016, WiseTech has acquired 34 customs and logistics software companies serving mainly freight-forwarding companies around the world. Despite its acquisitive nature, the company stresses its “organic” revenue growth. The headline on page 2 of the 2019 Annual Report claims “Our efficient commercial model and relentless product development deliver high quality, high recurring, organic revenue growth.” Strong “organic growth” is mentioned 10 times in the opening section of the Annual Report and 10 times on the recent August 2019 earnings call.

Under all the acquisition noise, how is the existing business performing?

We do not believe it is going so well. WiseTech claims it is growing “organic” or underlying revenue at 25%. We estimate 10%, based on careful re-assembly of WiseTech’s own numbers.

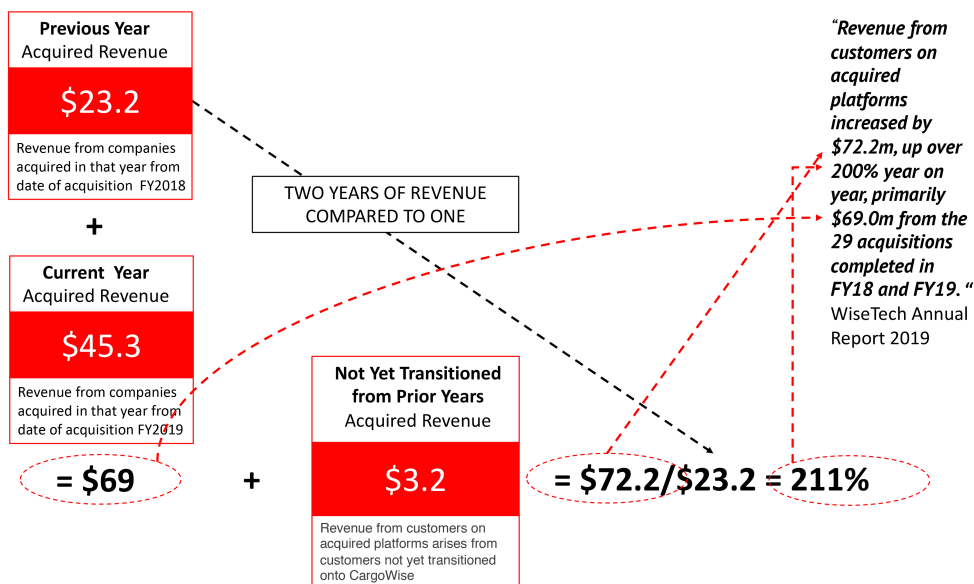
The definition of “organic” growth is open to interpretation, but the accounting manipulations WiseTech undertakes to reach that 25% are ridiculous. WiseTech appears to be making it deliberately difficult, if not impossible, to reconcile its summary of acquired revenue with earlier reports. The first obvious issue is inconsistent reporting. WiseTech reports growth in its half-year statements, but we cannot mathematically reconcile the half-year to the same numbers for the full year. Half-year growth rates compare revenue for an 18-month period with 12 months. Full-year growth compares revenue from acquisitions over 12 months to revenue from acquisitions from all previous years, if the revenue has not been “transitioned” on to the WTC platform. Currency adjustments are made in the half year for both organic and acquired revenue but only for organic revenue in the full year. It feels woefully inadequate to refer to this as comparing apples to oranges.

The second major issue is comparing like and unlike. In the 2019 example below, the company compares two years of growth to one year. *“Revenue from customers on acquired platforms increased by \$72.2m, up over 200% year on year, primarily \$69.0m from the 29 acquisitions completed in FY18 and FY19.”* WiseTech provides incremental growth in absolute numbers without regard to the size of the base or the number of companies acquired, then it compares one absolute number to another.

It takes serious effort and time to reconstruct a fair picture of organic vs acquired revenue from WiseTech’s statements. We did that by adding up numbers the company posted in each of its reports over two years. We asked a simple question: What revenue do they book that is acquired? Once revenue transitions onto WiseTech’s own CargoWise One platform, we no longer view it as “acquired,” but we know from our interviews that a company acquired by WiseTech is generally not integrated for a minimum of two years and typically operates as a standalone

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Chart 1. Nonsensical: Like and Unlike Comparison of Acquisition Revenue Growth



Source: Company Annual Reports

entity with legacy software delivering the revenue.³ We count that revenue on the legacy platforms as "acquired" until the end of the fiscal year after acquisition.

For the current-year acquired revenue, we add:

1. Revenue of a company acquired in the current year from the date it was acquired. We have estimated this based on press releases providing the annual revenue of the acquired entity and pro-rated for the number of months in which the revenue was consolidated.
2. Annual revenue for the current year from entities acquired the previous year. We use the annual revenue disclosed at the time of acquisition, which approximates the company statements (\$44.9 mln is the sum of revenue disclosed in press releases and \$42.3 mln is the full-year revenue reported by the company in FY2018: "If the acquisitions had been acquired from 1 July 2017, the contribution to the Group revenue for the year ended 30 June 2018 would have been \$42.3m").
3. We add in the reported revenue of Softship (SFO GR) a listed German company that was acquired in several tranches and was consolidated from FY2017.

³ From interviews, we know Zsoft,China, acquired in 2015 after four years has converted fewer than 10 of its 1,500 clients to CargoWise One. Compu-Clear, South Africa, acquired in 2015, did not launch an integration until 18 months after acquisition, and four years later, 70% of South African revenue still comes from the legacy systems, CargoSphere, USA, acquired in 2017, took 18 months to launch an integration, and apparently it only partially works.

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Softship was reported separately until H1 2019, when it was delisted, on September 28, 2018.

Then we do the same calculation for the previous year.

Table 2. Acquired Revenue Calculation (J Cap Method) mln

	FY 2018	FY 2019
Consolidated Revenue Current Year	22.8	45.3
Revenue Companies Acquired in the previous year	3.6	44.9
Softship Revenue	14.4	14.8
Total Acquisition Revenue	40.8	105.0

Source: Company reports and press releases

Table 3. WiseTech Acquired Company Annual Revenue and Current Year Consolidated

Business acquired	Date of acquisition	Annual Revenue (mln)	Consolidation % Annual Rev	Consolidated Revenue Current Year (mln)
FY 2019 Total		72		45.32
Ulukom	2-Jul-18	1.9	99%	1.89
SaaS				
Transportation	2-Jul-18	1.8	99%	1.79
Fenix	2-Jul-18	0.9	99%	0.90
Pierbridge	2-Jul-18	9.3	99%	9.25
Multi Consult	19-Sep-18	4	78%	3.11
Trinium	2-Oct-18	11.4	74%	8.46
Taric	1-Oct-18	8.9	75%	6.63
Tankstream	8-Oct-18	0	73%	0.00
CargoIT	1-Nov-18	2	66%	1.32
SmartFreight	1-Nov-18	7.9	66%	5.22
DataFreight	1-Nov-18	1.8	66%	1.19
Systema	1-Feb-19	2.5	41%	1.02
Containerchain	1-Apr-19	16.1	25%	3.97
Xware	1-May-19	3.5	16%	0.58
FY 2018 Total		44.9		22.79
TradeFox	26-Jul-17	0	93%	0.00

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Business acquired	Date of acquisition	Annual Revenue (mln)	Consolidation % Annual Rev	Consolidated Revenue Current Year (mln)
Bysoft	31-Jul-17	3.4	92%	3.11
Digerati1	9-Aug-17	0.7	89%	0.62
ProLink1	31-Aug-17	3.0	83%	2.49
CMS	31-Aug-17	3.9	83%	3.24
Cargoguide	12-Sep-17	2.0	80%	1.59
CargoSphere	29-Sep-17	4.0	75%	3.00
ABM Data Systems	31-Jan-18	4.1	41%	1.68
CustomsMatters	31-Jan-18		41%	0.00
Microlistics	1-Feb-18	6.8	41%	2.78
Intris	28-Feb-18	7.1	33%	2.37
LSP Solutions	31-Mar-18	3.2	25%	0.80
Forward, Softcargo, Easylog	1-May-18	6.7	16%	1.10
FY 2017 Total		3.64		1.48
Znet	31-Jan-17	2.8	41%	1.15
ACO	9-Feb-17	0.84	39%	0.32

Source: Company reports and press releases.

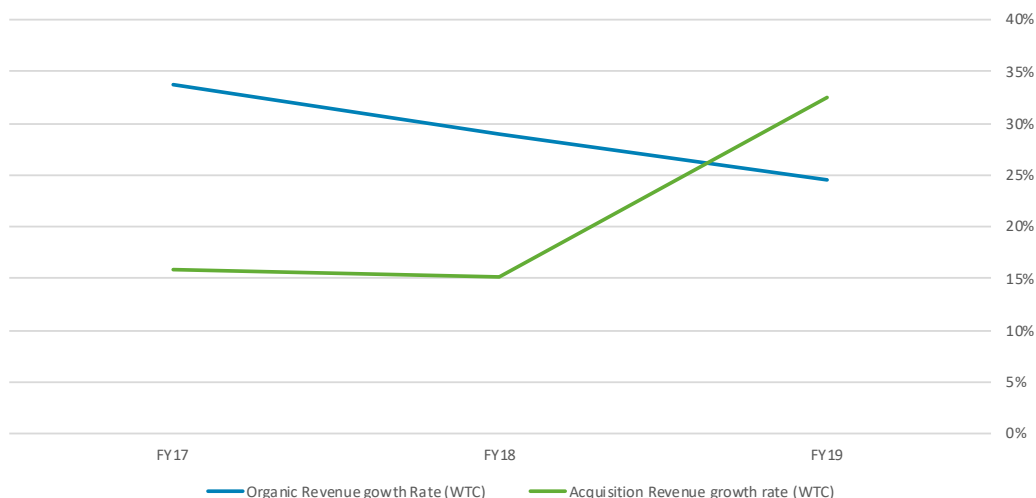
Table 4. Softship Revenue (mln AUS \$)

H1 FY 17	6.5
H2 FY17	7.6
FY17	14.1
1H FY18	6.8
2H FY18	7.6
FY18	14.4
1H FY19	6.8
2H FY19*	8.0
FY19	14.8

Source: Company Reports, *Estimated based on H1 FY2019 growth rate of 4.6%

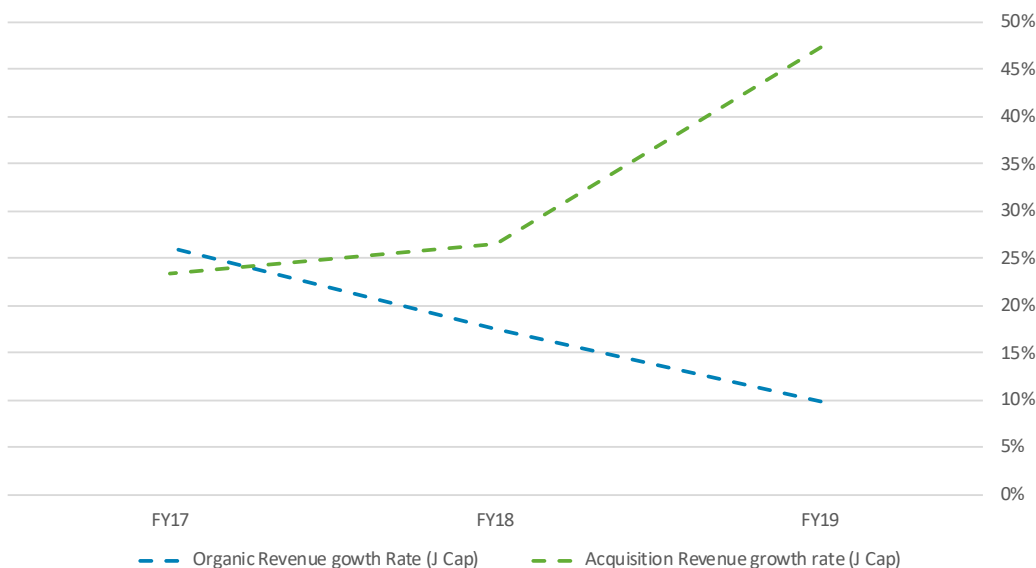
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Chart 2. WTC's Reported Revenue Growth: Organic vs Acquired



Source: Company financial reports

Chart 3. J Cap's Estimated Revenue Growth: Organic vs Acquired



Source: Company acquisition press releases

This ignores the problems we have found at the acquired entities. In Part II of this report, we will show that acquired companies tend to do poorly once in the WiseTech family.

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Intangibles
capitalized each
year match
salary expenses
from software
R&D already
expensed.

The Other Shoe: Exaggerating Revenue and Profit

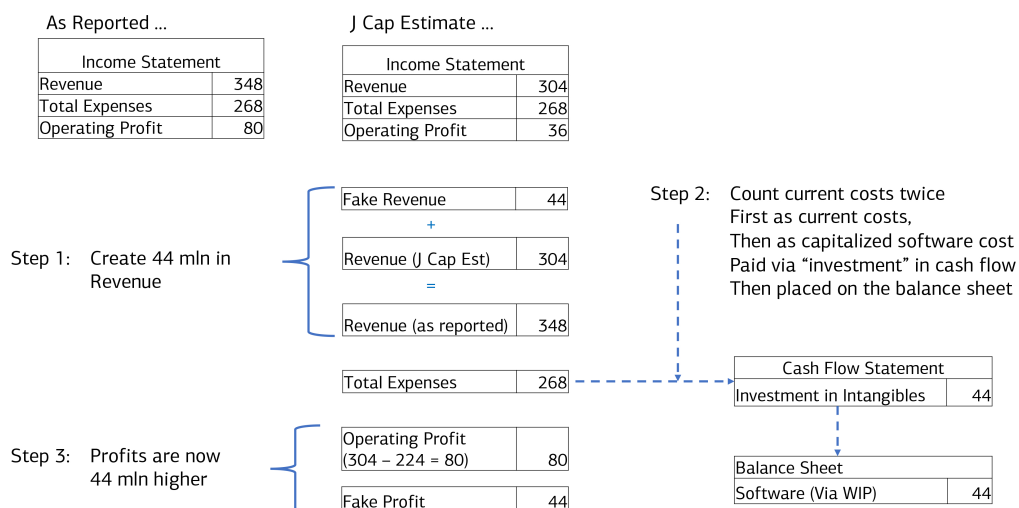
We estimate that WiseTech's profit of \$181 mln over the period FY2016 to FY2019 may be overstated by \$116 mln, or 178%.

When WiseTech makes an acquisition, it quickly moves a portion of invoicing into unaudited subsidiaries in Australia, which promptly report big revenue gains. We suspect that the company may be inventing some of these new revenues. We have conducted interviews covering a meaningful portion of acquired companies and found that few showed organic growth after acquisition and several showed declining revenues and profitability. In Part II of this report, we will present our findings in more detail on the company's acquisition strategy.

We come to a precise estimate of exaggerated revenues and profits through a back door: the balance sheet. In total, we found \$116.3 mln of questionable assets sitting on the balance sheet as of June 2019. Companies that overstate profits generally create assets to balance them out. We believe that WiseTech has done just that in the form of capitalized costs that were never really incurred, invented to balance out the "profits." Profits are the basis of shareholder equity.

The questionable assets are "intangibles" that are capitalized each year and seem to match salary expenses from software R&D that the company already expensed. The potentially phantom "capitalized software" comes to about \$44 mln in FY2019 and \$33 mln in 2018. We believe that these "assets" are a tell showing that profits have been faked by an equal amount. As profits before tax were \$76 mln and \$57 mln in those years, then the overstatement of profits was 181% and 137%.

Chart 4. The Fabrication Method



Source: J Capital

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Table 5. Inflated Assets and Profit Impact

	FY 2016	FY 2017	FY 2018	FY 2019	Total
Payment for intangible assets (Capitalized Costs)	18	22	33	44	116
Profit Before Tax (Reported)	3	44	57	76	181
Profit Before Tax (J Cap Est.)	-14	22	24	33	65

Source: Company reports, J Capital estimates

The main expenses of a software company are employee salary and benefits. A third-party survey of 21 publicly listed SaaS companies shows that 79% of research and development cost and 71% of sales are employee salary and benefits.⁴

WiseTech employee compensation as a share of total expenses was 70% when the company last revealed the amount in its income statement, in FY2013.⁵ Our analysis indicates that those costs are still around 70% of the total.

Using the 70% reference point, the accounts indicate that all employee salary and benefits disclosed by the company are likely paid in the current period. When software is capitalized, those salary expenses are instead added to the balance sheet as part of a new intangible asset. We suspect that the company is incorrectly expensing them AND putting them on the balance sheet—double counting.

Table 6. Estimating Employee Benefit Costs in the Income Statement (Mlns)

Income Statement - Expenses	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total Expenses (Cost of Revenue, Product design and development. Sales and Marketing and G&A)	38	43	56	98	112	163	268
Non-Cash Expenses (Excluding Salary paid in Shares) Note 24	5	4	7	12	11	19	29
<i>Non-Cash Expenses (Excluding Salary paid in Shares) % of total Cost</i>	12%	10%	13%	12%	9%	12%	11%
Finance and Operating Leases Note 27	3	3	3	3	5	6	7
<i>Finance and Operating Leases % of Total Expenses</i>	7%	7%	6%	3%	5%	3%	3%
Audit Fees Note 23	0	0	1	3	1	1	1

⁴ <https://www.opexengine.com/whats-dropping-the-salary-component-of-saas-operating-expense/>

⁵ As disclosed to the ASX in 2016 <https://www.asx.com.au/asxpdf/20160411/pdf/436fll4kb8jlfdf.pdf>

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Income Statement - Expenses	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<i>Audit Fees % of Total Expense</i>	0.60%	0.50%	1.10%	2.90%	1.10%	0.60%	0.50%
Other Expenses (inc materials, external services, travel) Estimate	4	4	6	14	16	23	38
<i>Other Expenses % of Total Expenses</i>	10%	10%	11%	14%	14%	14%	14%
Estimated Employment Expenses (Total Expenses less above costs)	27	31	38	67	79	114	193
<i>Estimated Employment Expenses % of Total Expenses</i>	71%	72%	69%	68%	71%	70%	72%
Total employee benefit expense Note 21	-	29	35	71	81	122	199
<i>Variance Disclosed Employee Benefits and Estimated</i>		-1	-4	4	2	7	6

Source: Company reports

We estimated employment benefits expensed in the income statement by subtracting all of the known, non-benefits costs from the total expenses. We then estimated “other costs” (items like materials, travel, outsourced services) based on other costs from FY 2013 and increasing it from 10% at that time to 14% in FY 2019, since “other costs” may have broadened as a category.

There is strong consistency over the period when these costs are viewed on a percentage basis. Employee costs estimated in this way are almost exactly the same as the employee benefit expenses in Note 21 of the 2019 annual report. We know that employee benefits in Note 21 include both current and capitalized employee benefits. Acquired companies consistently report that WiseTech does not integrate their software into its platform or provide upgrades or even interface tweaks.

Although these costs are expensed, WiseTech discloses that its “intangible assets” are capitalized software costs. Software expenses are entered onto the balance sheet as an intangible classified as “Development Costs (Work in Progress)” and then later transferred to “Computer Software.”⁶ Capitalized software includes only self-devel-

6 “Computer software: Development costs for products which are considered ready for their intended use are transferred to the computer software balance. The computer software balance comprises the historic cost of development activities for products that have been transferred and the historic cost of acquired software, less accumulated amortisation and any accumulated impairment losses.

Development costs (WIP): Development costs are capitalised where future economic benefits from development of a chosen alternative for new or improved software products, processes, systems or services are considered probable, and expenditure in relation to such activities is capable of reliable measurement. Future economic benefits are considered probable where commercial benefit and technical feasibility have been established. The expenditure capitalised comprises all directly attributable costs, including external direct costs of materials, services, direct labour and overheads.”

FY 2019 Annual Report Note 8 Intangibles

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If the company accounts correctly for capitalized software and employee benefits, then \$66 mln of its FY2019 expenses are unexplained.

oped software, not software that is purchased or acquired via an acquisition.

This analysis means that the capitalized costs for software do not include employee salary and benefits. For the balance sheet to be true, WiseTech would have to be excluding employee costs from software, and that is impossible.

Three more checks

There are at least three other methods of back-testing whether our calculation is correct, and they support our view that WiseTech's numbers are wrong.

First, there are costs unaccounted for. If the company were accounting correctly for capitalized software and employee benefits, then \$66 mln of its FY2019 expenses were not detailed in the accounts or the notes. Remembering this is a company that has been kind enough to disclose a \$63,000 "hyperinflation adjustment" in the cash-flow adjustments, it would be surprising to neglect \$66 mln.

We arrive at the \$66 mln by subtracting the known disclosed expenses, estimating employee benefits in capitalized software costs and removing that from employee benefits, then removing that from total expenses (see Table 6 below). Employee benefits, rent, data center costs, depreciation, amortization, and audit fees are al-

Table 7. Unexplained Costs of \$66 mln in FY 2019

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
A. Total Expenses (Operating Expense + COR)	43	56	98	112	163	268
B. Disclosed Income Statement Expense (other than employment) (1+2+3)	8	11	18	17	26	38
1. Non-Cash Expenses (Excluding Salary paid in Shares) Note 24	4	7	12	11	19	29
2. Finance and Operating Leases Note 27	3	3	3	5	6	7
3. Audit Fees Note 23	0	1	3	1	1	1
Capitalized Software Costs (Cash Flow - Investments, Payment for intangible assets)	10	13	18	22	33	44
C. Estimated employee costs at 79% of Capitalized Software Costs	8	11	14	17	26	35
D. Total employee benefit expense Note 21	29	35	71	81	122	199
E. Implied employee benefit expenses in current period (D-C)	22	24	57	63	96	164
F. Undisclosed Residual Expenses (A - B - E)	14	20	24	32	41	66
<i>Undisclosed Residual Expenses as a % of Total Expenses (F/A)</i>	32%	37%	24%	28%	25%	25%

Source: Company reports and <https://www.opexengine.com>

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Competitors
spend less
than half what
WiseTech does
on software
development on
a percentage-
of-revenue
basis.

ready accounted for. Data, travel, materials, and training could not account for \$66 mln. At 25% of expenses, \$66 mln is material.

We have to conclude that the company is double counting by both expensing costs and crediting itself with an asset of roughly the same value.

Industry comparison—way too much spending

Next, we do an industry comparison. If WiseTech is reporting accurately, then it is overspending egregiously on software development without much to show for it. The capitalized and expensed numbers attributable to software together show \$133 mln spent on software development in FY2019. Competitors spend less than half that amount on a percentage-of-revenue basis.

The Descartes Systems group Inc. (DSGX US) offers similar software products to similar clients. Descartes is slightly larger by revenue and, like WiseTech, is pursuing aggressive growth through acquisition and product development. The costs as reported are more than double those of Descartes, at 38-40% of total costs versus 17-18% of costs for Descartes. Descartes does not capitalize any self-developed software expenses. We believe that means that either WiseTech wastes a lot of money on development or it is fabricating costs to balance fake profits caused by revenue overstatement.

Table 8. Competitor Comparison (A\$ mln)*

Descartes (DSGX US)	FY 18	FY 19
Revenue	339	393
Research and Development Expenses	60	68
<i>Research and Development Expenses as % of Revenue</i>	18%	17%
WiseTech (WTC AU)		
Revenue	222	348
Product Design and Development Expense	54	84
Capitalized Development Costs	35	49
Total Development Cost	89	133
<i>Development Costs as % of Revenue</i>	40%	38%

*Numbers have been converted from Canadian to Australian dollars.

Source: Company Reports

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Source: J Capital

Costs did not stack up at the time of IPO

Finally, we checked the last time WiseTech disclosed employee salary and benefits. WiseTech said these costs were 57% of current costs and 66% when capitalized costs are included at the time of IPO. We ran the numbers based on the FY 2016 and found that at least \$7 mln of capitalized costs were overstated and potentially as much as \$12.6 mln.

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The listing document stated: "Our people-related costs are our largest individual cost by nature, comprising 57% (net of capitalised developments costs) of total expenses based on the Pro Forma Historical Half Year Results or 1H16, or 66% including the capitalised portion of these costs."⁷ When we apply those ratios to the revenue and costs in FY 2016 employment expenses should be \$76.5 mln, but only \$71 mln were reported. The difference of \$5.5 mln in employment costs, considering that employment costs are around 79% of development costs means that \$7 mln in capitalized development costs are overstated.

Table 9. Overstatement of Capitalized Costs Using WiseTech's Calculations

Item	FY 2016
A. Total expenses (operating expense + COR)	98,170
B. capitalized software costs in the period	17,738
C. Employment Benefits % of Total Expenses	57%
D. Employment expenses Current Period (A*C)	55,957
E. Employment Benefits % of Total Expense + Capitalized Costs (A+B)	66%
F. Employment expenses in total expenses and capitalized costs (E*F)	76,499
G. Actual Reported Total Employment Benefits	70,897
H. Difference Calculated to Reported (F-G)	5,602
I. Estimated overstatement in capitalized costs based on 79% employee cost (G/0.79)	7,091

Source: Company Reports

WiseTech bases its ratios on H1 2016. We use the same ratios and apply them to the full year. Employment costs should have been consistent in the second half-- there was only one acquisition at the end of the half. There were IPO costs charged to salary of \$4.4 mln, so, if anything, that inflated reported employment benefits. That means the overstatement could have been exaggerated by a further \$5.6 mln (4.4/0.79).

Exaggerated Revenues Hiding in Europe?

There are a few cases where we think we can see revenue being invented in front of our eyes. The EMEA region (Europe, Middle East and Africa) is one. In our above analysis we estimate that WiseTech overstated profit by \$33 mln in FY 2018 and \$22 mln in FY 2017. Depending on the margin, the overstatement of revenue should be higher. We estimate that European revenues were overstated by as much as \$48 mln in FY 2018 and \$27 mln in FY 2017.

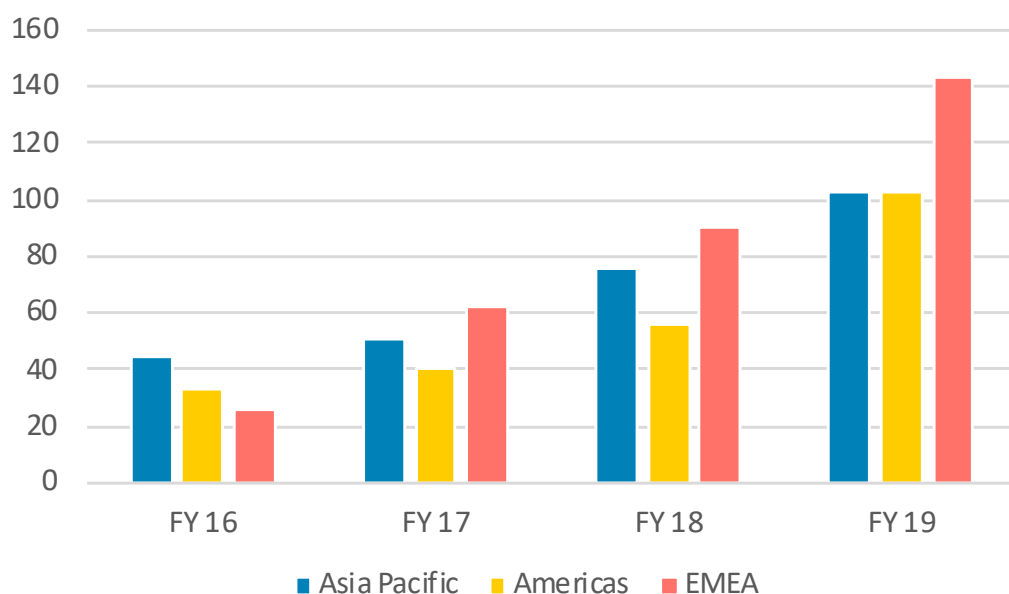
⁷ WiseTech Listing Document Page 74

European revenues were overstated by as much as \$48 mln in FY 2018.

WiseTech's EMEA region provides a clear example of what we believe is overstatement following the company's IPO in FY2016. The FY2017 report was issued a few months after WiseTech entered into a "deed of cross guarantee" that enabled subsidiaries to avoid audit. FY2017 was also the year in which the KPMG audit partner for WiseTech was replaced. The previous year, the WiseTech CFO had been replaced.

Post 2016 IPO, EMEA went from the smallest region, accounting for 24% of revenue in 2016, to the largest region, accounting for 41% of revenue in 2019. In FY2017, WiseTech reported 148% revenue growth in EMEA, from \$25 to \$62 mln. We analyzed public filings for two of WiseTech's European businesses, spoke with former employees of the two largest companies in EMEA, which accounted for 73% of EMEA revenue in FY2016, interviewed key executives from the South African company, and confirmed our estimates in another interview with a former European executive. In total, we came to the view that at least \$27 mln in EMEA sales and profit in FY 2018 and \$48 mln in FY 2019 were invented.

Chart 5. WiseTech Revenue by Sales Region (AUD mln).



Source: Company Reports

Underlying financials for the UK saw revenue decline by 44% in AUD terms (38% in GBP) in 2016 to 2017. Former senior employees in South Africa estimated that revenue in South Africa fell 11% in the period (20% from 2015 to 2018). We found these trends hard to reconcile with the company's reported rapid growth given their outsize contribution to revenue. The revenue of WiseTech Global (UK) exactly matched the reported EMEA revenue in FY2015. In FY 2016 WiseTech acquired

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two companies in South Africa. We estimate that, in FY2016, the UK plus the revenue from the two acquired companies in South Africa together made up 77% of EMEA revenue.

Table 10. Regional sales overstated in EMEA (mln)

Entity	FY15	FY16	FY17	FY18
Europe, Middle East and Africa ("EMEA") (as Reported)	11.6	25.4	62.4	90.1
Wisetech Global UK	11.5	9.8	6.4	6.5
South Africa		8.8	7.9	7.0
CCL		6.7	6.0	5.4
CFS		2.1	1.9	1.7
Italy - ACO			0.4	0.4
Germany			15.6	18.0
Softship			14.1	14.8
Znet			1.5	3.2
DHL			5.0	10.0
EMEA Revenue Derived Total	11.5	18.6	35.3	41.9
Variance with Reported (Overstated Revenue)	0.1	6.9	27.1	48.2
<i>Overstated Revenue as %</i>	1%	37%	77%	115%

Source: Company Reports, WiseTech Global (UK) Ltd, and J Capital Interviews

Chart 6. WiseTech Global (UK) Ltd. FY2017: Dramatic fall in revenue

Profit and Loss Account

For the year ended 30 June 2017

	Notes	2017 £	2016 £
Turnover		3,772,664	5,458,394
Cost of sales		(524,447)	(234,677)
Gross profit		3,248,217	5,223,717
Administration expenses		(3,030,883)	(4,775,637)
Operating profit		217,334	448,080
Profit before tax from continuing operations		217,334	448,080
Tax on profit on ordinary activities	3	(67,733)	(94,008)
Profit for the financial year		149,601	354,072

The Company has no recognised gains or losses other than the profits for the current year or previous year as noted above.

The notes on pages 8 to 13 form part of these financial statements.

Source: WiseTech Global (UK) Limited, Year ended 30 June 2017.

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We set about reconstructing the revenue from constituent parts for each of the years that experienced rapid growth:

FY 2017

The company made three acquisitions in this year in the region, two in Germany, of Softship and Znet, and one in Italy, ACO. Together, according to the company's reports, they contributed \$16 mln to the \$62 mln in EMEA revenues. We can see from published German financial statements that Znet Group, acquired by WiseTech on January 31, 2017, moved from a small profit in FY2016 to EUR935,000 in losses in FY2017 (revenue not reported, we kept the revenue constant for analysis).⁸ We added DHL revenue in this year, because the company stated that it had signed "... a contract with DHL Global Forwarding, which commenced on 1 July 2016 and is expected to deliver \$60m of revenue over the first 4.5 years." Since WiseTech outsources implementation work, we think it fair to believe that the expected revenue from DHL would phase in gradually, so we included \$5 mln in revenue from DHL in Year 1 and \$10 mln in Year 2.

FY 2018

No other revenue-producing entities were added in EMEA during this period. We used corporate records for the UK, reported revenue for Softship, and we estimated the revenue from ACO and Znet based on reported revenues in the year acquired. We estimated revenue from the South African company based on our interviews indicating that revenue declined 20% from the time of acquisition in 2015 to the end of 2018. We added \$10 mln in revenue for DHL in this year.

The above gives us a rough estimate of what revenue really was. It is far below what the company reported. We believe revenue was overstated by potentially as much as \$27.1 mln in FY 2017 (77%) and \$48.2 mln in FY 2018 (115%)

Former sales staff at WiseTech from the EMEA region estimated that organic growth in Europe was around 8-15% in those years. That supports our estimate and does not support WiseTech's reports.

Restatements Covering up Missing Revenue and Profits

We believe a clear example of how WiseTech overstates revenue and shifts double-counted costs to the balance sheet comes from the restatement of H1 FY 2018, where a total of \$14.9 mln in cash and \$4 mln in non-cash costs are changed.

Cash expenses in H1 were changed from \$52.7 mln to \$60.8 mln an increase of \$7

⁸ See financial statements at the German company register: <https://www.unternehmensregister.de/ureg/result.html?jsessionid=C5DA9BD4204376BDEBAA001B1FBEAFDF.web03-1?submitaction=showDocument&id=22747240>

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There was an unexplained restatement of \$14.9 mln in cash and \$4 mln in non-cash costs.

mln on the cash flow statement but remained unchanged on the income statement. There was no acknowledgement or explanation of this change.

An increase in cash payments required a decrease in non-cash items for the cash flow from operations to balance. This is why \$4 mln in impairments disappeared from H1 FY2018 without any explanation. Since our analysis shows excessive capitalization of current costs in the previous year, the restatement looks like a cover-up of just such an action.

Table 11. Restatement of H1 FY 2018: Revealing Hidden Revenue and Costs ('000)

	Restated H1 FY 2019	Original	Variance
	H1 FY 2018	H1 FY 2018	
Operating activities			
Receipts from customers	91,201	84,407	6,794
Payments to suppliers and employees	(60,836)	(52,701)	(8,135)
Income tax paid	(1,206)	(1,206)	-
Option premium paid	-	-	-
<i>Net cash flows from operating activities</i>	29,159	30,500	(1,341)
Investing activities			
Payment for intangible assets	(15,811)	(17,150)	1,339
Purchase of property, plant and equipment	(2,617)	(2,617)	(2,617)
Interest received	638	638	
Acquisition of businesses, net of cash acquired	(46,673)	(46,673)	
<i>Net cash flows used in investing activities</i>	(64,463)	(65,802)	
<i>Free Cash flow after investing activities</i>	(35,304)	(35,302)	
Total Expenses from Income Statement	92,391		
Payments to Suppliers and Employees + Capitalized Software Costs	76,647	69,851	6,796

Source: Company Reports

The company explained the restatement thus: "Prior year comparatives have been adjusted removing non-cash additions to intangible assets of \$1.4m." That's false: the restatement is of cash and non-cash items:

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- ▶ The non-cash change is a restatement of an intangible by \$1.4 mln.
- ▶ The change to operating cash flow is balanced by \$1.4 mln but it is achieved by restating receipts from customers that increased by \$6.8 mln and payments to suppliers increasing by \$8.1. Cash restatement totals \$14.9 mln in revenue and costs. Total cash cost paid out increased by \$8.1 million. And there was no change to the income statement.

These second problem in H1 FY2018 is exaggerated non-cash costs of \$4 mln. This was presumably to help explain the difference in costs in the income statement and the operating cash flow. Impairments are \$3.5 mln in the H1 FY2018 when you remove amortization in the period. With a restatement of opening balances, the impairments were transformed into a write-back of \$0.44 mln by the time of the FY18 report. The numbers are just different in the opening balances from H1 FY18 to the Annual Report FY18. No restatement was made or explained.

Table 12. H1 FY2018 Amortization and Impairment – Removing \$4 in non-cash costs ('000)

		Computer software	Development Costs (WIP)	External Software licences	Goodwill	Intellectual property	Customer Relationships	Trade Names	Patents	Total
Source	As at June 30 2017									
AR FY17, 1H FY18	Accumulated amortization and impairment	-17,679		-1,424	-63	-8,643	-3260	-172		-31,241
AR FY18	Restated - Accumulated amortization and impairment	-18,270	-	-2,189	-63	-9,144	-3,260	-172	-	-33,098
IH FY18	Amortization 1H FY18	-3191		-461		-870	-641	-122		-5,485
1H FY18	Amortization and impairment 1H FY18	-21,627		-4011		-10,478	-3,850	-293		-40,259
	Implied Impairment 1H FY18 Before Restatement	-757		-2,126	63	-965	51	1		-3,533
AR FY18	Amortization FY18	-7,414	-	-824	-	-2,348	-1,406	-359	-	-12,351
AR FY18	Amortization and impairment FY18	-25,684	-	-2,033	-63	-12,034	-4,655	-538	-	-45,007
	Implied Impairment FY18	0		980		-542	11	-7		442

Source: Company Reports, Annual Reports FY2017, FY2018 and H1 2018

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WiseTech Global (Australia) Pty Ltd. reported extraordinary revenue growth of 327%, from \$20.3 to \$86 mln, in 2016.

Suspicious Accounting Prior to Listing

We think that WiseTech was already straining to make revenue look good and needed a mechanism to help them do so. In the year WiseTech listed, its key operating entity for Australia, WiseTech Global (Australia) Pty Ltd., reported extraordinary—one might say unbelievable—revenue growth of 327%, from \$20.3 to \$86 mln, in one year. There was one acquisition, of CNN in May 2016, but that company had annual revenue of just \$1.5 mln and would have contributed at most \$200,000 in revenue in FY2016, since the fiscal year ended in June.

How? That entity was sucking in revenue from the European entities. In WiseTech Global (Australia) Pty Ltd's audit report, it states the following: "The Company [WiseTech Global (Australia) Pty Ltd] is principally engaged as an invoicing agent for the ultimate parent entity who provides software to the logistics services industry globally. This arrangement commenced during the financial year beginning from 1 July 2015." We assume this means that some international revenue was now being booked via this company.

At least \$17 mln of the added revenue seems to have been created in related-party transactions. That is evident from the fact that receivables from related parties increased \$17 mln and payables to related parties rose by \$19 mln, to \$24 mln.

Table 13. WiseTech Global (Australia) Pty Ltd ('000)

	2015	2016
Revenue	20,298	86,015
Cost of Revenue	-18,182	-81,180
Gross Profit	2,116	4,835
Profit	483	1,987
Receivables from other Related Parties	0	16,979
Amounts due to related parties	5,032	24,274

Source: ASIC

WiseTech Global (Australia) Pty Ltd does not disclose the related parties. However, WiseTech Global (UK) Limited does in its FY 2016 audit report:

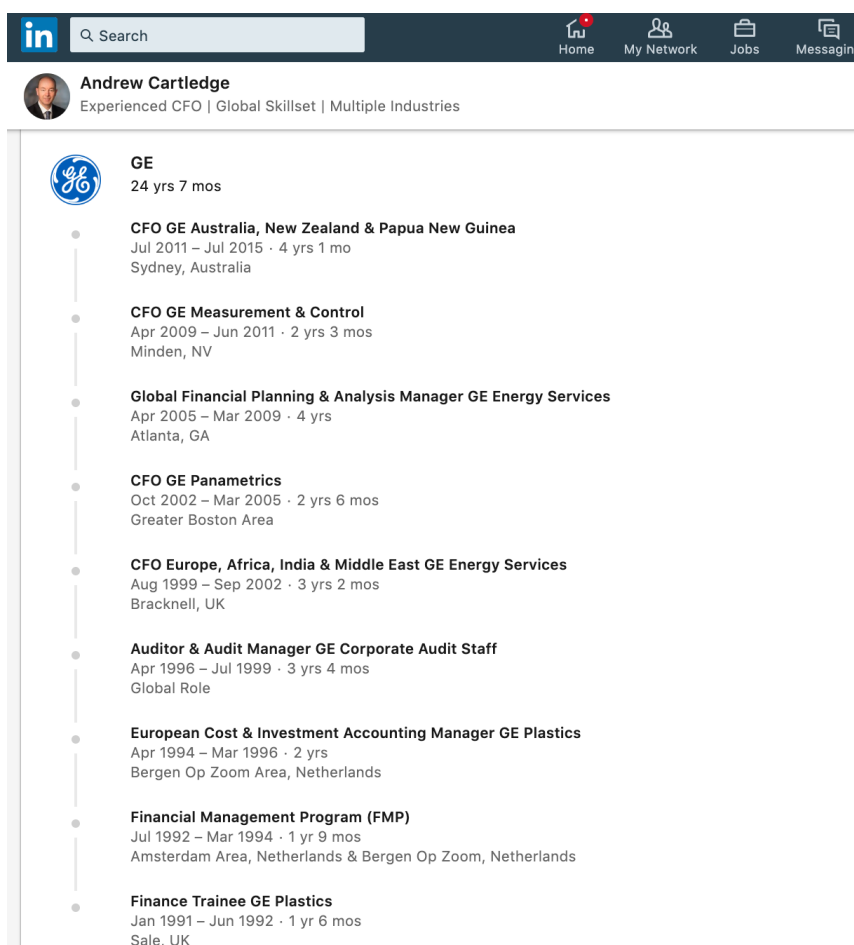
"For the period ending 30 June 2016, revenue is calculated as a cost plus 8% recharge to a related entity namely WiseTech Global (Australia) Pty Ltd. It is the wholly owned by WiseTech Global Trading Pty Ltd which is also the immediate parent entity of WiseTech Global (UK) Limited. "

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And later in the report it stated “Amounts owed by group undertakings GBP 2,803,953,” and “Amounts due to the group undertakings GBP 2,476,201.”

When WiseTech’s FY2016 report was issued, the auditors had likely not gotten access to audited financials for two major subsidiaries. The same audit partner at KPMG who signed off on WiseTech Global signed the accounts of WiseTech Global (Australia) Pty Ltd on October 31, 2016, one month after the FY2016 report for WiseTech was published to the stock exchange, on September 28, 2016. WiseTech Global (UK) Limited FY 2016 audited financial statements were issued on February 23, 2017, five months after WiseTech’s FY 2016 Annual Report. The audit partner was replaced a few months later, when WiseTech reported its H1 FY2017, in February 2018. The WiseTech CFO was replaced at the beginning of FY 2016. A change in CFO and audit partner in this critical period may have provided an opportunity for the company to get away with overstatement.

We think it is odd that the new CFO, Andrew Cartledge, had no previous experience in a software company. He spent the previous 24 years in various finance roles at GE.



Andrew Cartledge
Experienced CFO | Global Skillset | Multiple Industries

GE
24 yrs 7 mos

- CFO GE Australia, New Zealand & Papua New Guinea**
Jul 2011 – Jul 2015 · 4 yrs 1 mo
Sydney, Australia
- CFO GE Measurement & Control**
Apr 2009 – Jun 2011 · 2 yrs 3 mos
Minden, NV
- Global Financial Planning & Analysis Manager GE Energy Services**
Apr 2005 – Mar 2009 · 4 yrs
Atlanta, GA
- CFO GE Panametrics**
Oct 2002 – Mar 2005 · 2 yrs 6 mos
Greater Boston Area
- CFO Europe, Africa, India & Middle East GE Energy Services**
Aug 1999 – Sep 2002 · 3 yrs 2 mos
Bracknell, UK
- Auditor & Audit Manager GE Corporate Audit Staff**
Apr 1996 – Jul 1999 · 3 yrs 4 mos
Global Role
- European Cost & Investment Accounting Manager GE Plastics**
Apr 1994 – Mar 1996 · 2 yrs
Bergen Op Zoom Area, Netherlands
- Financial Management Program (FMP)**
Jul 1992 – Mar 1994 · 1 yr 9 mos
Amsterdam Area, Netherlands & Bergen Op Zoom, Netherlands
- Finance Trainee GE Plastics**
Jan 1991 – Jun 1992 · 1 yr 6 mos
Sale, UK

Source: LinkedIn

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We believe WiseTech's subsidiaries evade audit scrutiny through the use of the Deed of Cross Guarantee.

In the following year, the accounts for this entity were not disclosed, as WiseTech Global (Australia) Pty Ltd became a party to the “Deed of Cross Guarantee,” an Australian accounting peculiarity that enables a company to avoid audit. WiseTech Global (Australia) Pty Ltd. has not been audited since. We discuss this issue in more detail below.

Why Haven't the Auditors Noticed?

We think WiseTech's inventions were becoming outlandish, and the company needed a means of shielding itself from close attention to its accounts. Conveniently, it found one. We believe WiseTech's subsidiaries evade audit scrutiny through the uses of the “Deed of Cross Guarantee,”⁹ which exempts subsidiaries from reporting and being separately audited, providing they enter into an agreement to guarantee one another's debts. We spoke with a lawyer, an accountant at a Big Four audit firm, and an auditor in Australia to better understand the limits of audits of subsidiaries within a deed of cross guarantee. We also consider the \$1.2 mln audit fee low. For comparison, median audit fees for public companies reported in the 2018 survey by the Financial Education and Research Foundation¹⁰ were US\$3.7 mln. Only 39% is spent auditing international operations when they account for more than 75% of revenue with over 30 international acquisitions.

“WiseTech Global Limited and two of its wholly owned subsidiaries, WiseTech Global (Trading) Pty Ltd and WiseTech Global (Australia) Pty Ltd, are parties to the Deed of Cross Guarantee entered into on 26 June 2017.”¹¹ Since that time, all new and acquired Australian subsidiaries have become a party to the same guarantee.

9 <https://www.legislation.gov.au/Details/F2016L01538> “Deed of Cross Guarantee

Entities subject to Class Order relief

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, the wholly-owned subsidiaries listed below are relieved from Corporations Act 2001, requirements for preparation, audit and lodgment of financial reports, and Directors' reports.

It is a condition of the Instrument that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.”

10 See the report here: <https://connect.societycorp.gov.org/blogs/randi-morrison/2019/01/01/audit-fee-benchmarking-for-public-private-nfp-orga>

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WiseTech is structured so that the international companies are owned by Australian subsidiaries that are exempt from reporting. Unless the international companies are required to be audited in another jurisdiction, as they are in the United Kingdom, they do not appear to be separately audited.

The deed of cross guarantee means that the relevant subsidiaries are not required to lodge separate audited financial statements with ASIC. It does not mean that those subsidiaries may not be part of the audit process of the consolidated statements of the “closed group,” a term that refers to the set of companies covered by the guarantee. Key here is the issue of materiality. Materiality will be determined by what is material to the consolidated statements, not what is material to the subsidiary. Materiality is often set at between 5% and 10% of profit, but the profit for WiseTech is the same as for the closed group. We can see the high level of materiality used by WiseTech, as it claims that none of the acquisitions was material to the group, including the largest acquisition of Containerchain for \$92 mln in February 2019:

“To facilitate the exit of existing portfolio investors, the purchase cost is ~A\$92m in cash, net of cash acquired, funded through existing group resources. With FY18 annual revenue of ~\$14.4m and no contribution to EBITDA, this transaction, while of significant strategic value, is not material to the Group.”¹²

Our concern with WiseTech is that it has exaggerated revenue. Subsidiaries are not required to provide statutory or management accounts to the auditors, just trial balances. Without separately audited financial statements for each subsidiary, we do not believe the auditor can eliminate the possibility of exaggerated revenue. With the materiality set at the group level, subsidiaries, which include many foreign entities, largely slip under the audit radar.

KPMG has identified “revenue recognition” as one of its three key audit matters in the course of its audit in 2018 and 2019. This is an issue about how and when revenue is recognized, but it does not test for whether the revenue was actually received. KPMG in the Key Audit Matters section of the report lists in detail the actions it took to verify the revenue-recognition method, including deploying data specialists who analyzed database transactions. It does not list verification that payment for the transaction was received into a bank account of the relevant subsidiary, which would be the case if the subsidiary were subject to an audit of its separately reported financial statements.

Many listed Australian companies use a deed of cross guarantee in order to avoid

12 <https://ir.wisetechglobal.com/DownloadFile.axd?file=/Report/ComNews/20190226/02079843.pdf>

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Only 39% of audit fees are spent auditing international operations, when they account for more than 75% of revenue. WiseTech has made over 30 international acquisitions.

preparing, auditing, and lodging separate financial reports for each subsidiary, but most still have the major subsidiaries audited. One notable exception was Harvey Norman (HVN AU). Until we published a report on Harvey Norman in March 2017, the company's auditor, E&Y, did not audit the subsidiaries. Since then, E&Y has insisted on auditing Harvey Norman's subsidiaries.

KPMG states that it audits WiseTech. "We have audited the Financial Report of WiseTech Global Limited (the Company)." It lists the financial reports as:

- ▶ "Consolidated statement of financial position as at 30 June 2018
- ▶ Consolidated statement of profit or loss and other comprehensive income,
- ▶ Consolidated statement of changes in equity, and Consolidated statement of cashflows for the year then ended
- ▶ Notes including a summary of significant accounting"

Not mentioned are subsidiaries of the company, yet when KPMG audits subsidiaries, it clearly states that. KPMG was recently criticized by the Australia regulator, ASIC for the quality of its audits.¹³

WiseTech's first half usually has the statements that are hardest to reconcile with what we can see. Australian H1 reporting requirements are lax. For example, auditors do not reconcile operating cash flow to non-cash items in the first half. Auditors review the results but do not audit them.

¹³ <https://www.afr.com/companies/professional-services/asic-releases-kpmg-s-audit-inspection-report-20190807-p52elc>

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“Painful, expensive, time consuming. You can go out of business using CargoWise.”

Negative Online Reviews

We were surprised to find reviews for CargoWise One that are markedly more negative than reviews for similar products. For example, searching for the most highly rated freight-logistics software on the software-recommendation site [Capterra](#), CargoWise does not appear in the first 100 results.¹⁴ Only two companies on this site receive fewer than three stars, and those ratings are based on a single review each. In context, customers pan CargoWise One. Our interviews, in our next report, confirm what you can read online.

	AscendTMS Logistics Software by Information Global Inc.	CargoWise One by WiseTech Global	Shippo by Shippo
Starting Price	\$59.00/month/user	Not provided by vendor	\$0.05/one-time
Best For	Capterra's highest rated TMS system & the world's most popular, with 21,200+ clients (brokers, carriers and shippers). The world's only free tier option. No contracts. No installs. TRULY cloud based.	CargoWise One is aimed at logistics companies with freight forwarding, customs, wharf cartage, container freight station, local transport, shipping, ships agency and contract warehousing requirements.	E-commerce merchants, online marketplaces and e-commerce platforms or vendors.
Rating	★★★★★ 5 / 5 (173) Read All Reviews	★★★☆☆ 3 / 5 (22) Read All Reviews	★★★★★ 5 / 5 (193) Read All Reviews
Ideal number of Users	1 - 1000+	1 - 1000+	1 - 999
Ease of Use	★★★★★ 5 / 5	★★★☆☆ 2.5 / 5	★★★★★ 4.5 / 5
Customer Support	★★★★★ 5 / 5	★★★☆☆ 2 / 5	★★★★★ 4.5 / 5
Features & Functionality	★★★★★ 5 / 5	★★★★★ 3.5 / 5	★★★★★ 4.5 / 5
Value for Money	★★★★★ 5 / 5	★★★☆☆ 2.5 / 5	★★★★★ 5 / 5

Comparison of CargoWise with Ascend and Shippo software platforms. Screenshot from Capterra October 2019

Some 22 people have reviewed CargoWise. Of the 22, 11 said they would not recommend CargoWise. The consistent themes were that it is difficult to use, offers poor customer service, and provides poor value for money. The overall rating was 3 out of 5, scoring only 2.5 for ease of use. By way of comparison, Descartes had 13 reviews, 10 recommend the system and it has a score of 4.5/5.

Negative comments on Capterra include the following:

“CW1 - a story of undelivered promises... Key reason for choosing CargoWise One as the company's ERP was to realize substantial savings in resources time & cost. However, even after a year of implementation we've seen only costs escalating.” Swati P.

“System is great, but their support system is horrendous.” Mike M.

“WiseTech's Cargowise One : Lack of support biggest issue” Larry L

¹⁴ https://www.capterra.com/logistics-software/?utf8=%E2%9C%93&sort_options=Highest+Rated

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“Worst software and complete lack of customer service.”

“Worst software and complete lack of customer service.” Nick N.

“Painful, expensive, time consuming. You can go out of business using CW.” Hooman H.

“Worst TMS system ever. Over-complicated. No support. No communication from support.” Scott S.

“This was a very expensive mistake.” Ben O

WiseTech GLOBAL CargoWise One Reviews
by WiseTech Global ★★☆☆☆ 3/5 (22) [Write a Review](#)

Hooman H.
CEO
Maritime, 11-50 employees
Used the software for: 1-2 years

Overall Rating ★☆☆☆☆ 1/5

Ease of Use ★☆☆☆☆ 1/5

Customer Service ★☆☆☆☆ 1/5

Features ★☆☆☆☆ 1/5

Value for Money ★☆☆☆☆ 1/5

Likelihood to Recommend 0/10

Reviewer Source
Source: Capterra
February 20, 2018

“Painful, expensive, time consuming. you can go out of business using CW.”

Pros: Excellent selling strategies. We thought we bought a revolutionary software. I wish we could go back and chose another software. We have already spent a lot.

Cons: 1- No customer service. I wish I could forward some correspondences we had with our account manager. You have to see it to believe it. 2- Unnecessary completed procedure to do a simple job : Go to Maersk website, it takes 2 minutes to make a booking. On CW, you need the full day! error after error 3- Cargowise partners charge /hour for CW training. They can't resolve your issues. They always have to get back to you later. And some of them are former CW employees! 4- I am an engineer. there is no logic behind all these unnecessary codes and details. Focus on that and lose business! 5- We all purchase a software hoping to save our time in operation. Cargowise involves the employees on many unnecessary date entries.

A review of CargoWise from Capterra, screenshot October 2019

Capterra is clearly the leading platform for software reviews in this category; other sites have very few reviews. But the ones that do are also not very positive on CargoWise. The most detailed review on the G2 platform is highly negative. By comparison, reviews for Descartes MacroPoint and its Global Logistics Platform are uniformly positive, if not enthusiastic.

★☆☆☆☆ May 23, 2019

“Horrible software with no phone software.”

What do you like best?

can track all cost and revenue by job, that is legitimately it.

What do you dislike?

Everything else, the software experience is a mess. No phone support, you can not pick up the phone and speak to anyone, what year is it at cargowise hq? The only time they take your call is to make a sale, then youre on your own. You have to submit a ticket for issue, and they get back to you 4 days later, so if you need help now, well too bad you are out of luck. They claim this is a superior accounting software to quickbooks, haaa, doesnt even come close, very limited capabilities. Overall stay away from this mess. I bought there sales pitch and I cant undo my mistake of switching. Also as mentioned, once you sign the contract you find out that you need to hire a 3rd party to set it up and train you. Zero free training.

Recommendations to others considering the product:

Do not switch to this software, do research and find alternatives. What a mess

What problems are you solving with the product? What benefits have you realized?

Stay away!

Review of CargoWise from the G2 platform, screenshot October 2019

October 16, 2019

★★★★☆ Dec 25, 2018

"Okay Platform"

What do you like best?

This software is great when it comes to route optimization and transportation cost savings.

What do you dislike?

While great for cost savings and transportation, this platform is not that great for scenario planning.

What problems are you solving with the product? What benefits have you realized?

Currently using this for route optimization activities within the transportation department.

A typical review of the Descartes Global Logistics platform from G2

In our next report, we will show that WiseTech's acquisition has been a poison pill to the companies we were able to interview. This makes the growth claims even harder to swallow.

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