



Q4 & FY 2023 Earnings Call

Nasdaq: CRGO

February 26, 2024 08:30



Disclaimer

About this Presentation

This presentation does not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation to purchase any security. Please see our SEC filings for the most up to date information. The information contained herein does not purport to be all-inclusive and none of Freightos or its affiliates or representatives makes any representation or warranty, express or implied, as to the accuracy, completeness or reliability of the information contained in this presentation. Viewers of this presentation should make their own evaluation of Freightos and of the relevance and accuracy of the information contained herein and should make such other investigations as they deem necessary. This presentation does not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation to purchase any security of Freightos, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. You should not construe the contents of this presentation as legal, tax, accounting or investment advice or a recommendation. You should consult your own counsel and tax and financial advisors as to legal and related matters concerning the matters described herein, and, by viewing this presentation, you confirm that you are not relying upon the information contained herein to make any investment decision.

Financial Information; Non-IFRS (Non-GAAP) Financial Measures

While certain financial figures included in this presentation have been computed in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board, this presentation does not contain sufficient information to constitute an interim financial report as defined in International Accounting Standards 34, “Interim Financial Reporting” nor a financial statement as defined by International Accounting Standards 1 “Presentation of Financial Statements”. Not all of the financial information in this presentation has been audited.

In addition, this presentation includes revenue on a constant currency basis, a measure not presented in accordance with IFRS and, this presentation includes certain financial measures not presented in accordance with generally accepted accounting principles (“IFRS”) including, but not limited to, Adjusted EBITDA. Therefore, these measures should not be considered in isolation or as an alternative to revenue, net income, cash flows from operations or other measures of profitability, liquidity or performance under IFRS. You should be aware that the presentation of these measures may not be comparable to similarly-titled measures used by other companies. Freightos believes that revenue on a constant currency basis, EBITDA and other non-IFRS measures provide useful information to investors and others in understanding and evaluating Freightos’ operating results because they provide supplemental measures of our core operating performance and offers consistency and comparability with both past financial performance and with financial information of peer companies. Certain monetary amounts, percentages and other figures included in this press release have been subject to rounding adjustments. Certain other amounts that appear in this presentation may not sum due to rounding.

Forward-Looking Statements

This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “will,” “expect,” “anticipate,” “believe,” “seek,” “target” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These statements are based on various assumptions, whether or not identified in this press release, and on the current expectations of Freightos’ and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Freightos. These forward-looking statements are subject to a number of risks and uncertainties, including competition and the ability of Freightos to build and maintain relationships with carriers, freight forwarders and importers/exporters and retain its management and key employees; changes in applicable laws or regulations; any downturn or volatility in economic conditions whether related to inflation, armed conflict or otherwise; the effects of COVID-19 or other pandemics or epidemics; changes in the competitive environment affecting Freightos or its users, including Freightos’ inability to introduce new products or technologies; risks to Freightos’ ability to protect its intellectual property and avoid infringement by others, or claims of infringement against Freightos; the possibility that Freightos may be adversely affected by other economic, business and/or competitive factors; risks related to the fact that Freightos is incorporated in the Cayman Islands and governed by the laws of the Cayman Islands; and those factors discussed in Freightos’ annual report on Form 20-F filed with the SEC on March 30, 2023, under the heading “Risk Factors,” and any other risk factors Freightos includes in any subsequent reports on Form 6-K furnished to the SEC. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that Freightos does not presently know or that Freightos currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect Freightos’ expectations, plans or forecasts of future events and views as of the date of this press release. Freightos anticipates that subsequent events and developments will cause Freightos’ assessments to change. However, while Freightos may elect to update these forward-looking statements at some point in the future, Freightos specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Freightos’ assessments as of any date subsequent to the date of this press release. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Investor Summit

May 15, 2024

Virtual

Wolfe Research Global Transportation & Industrials Conference

May 21-23, 2024

New York

Oppenheimer Annual Israeli Conference

May 26, 2024

Tel Aviv



Agenda

Prepared Remarks

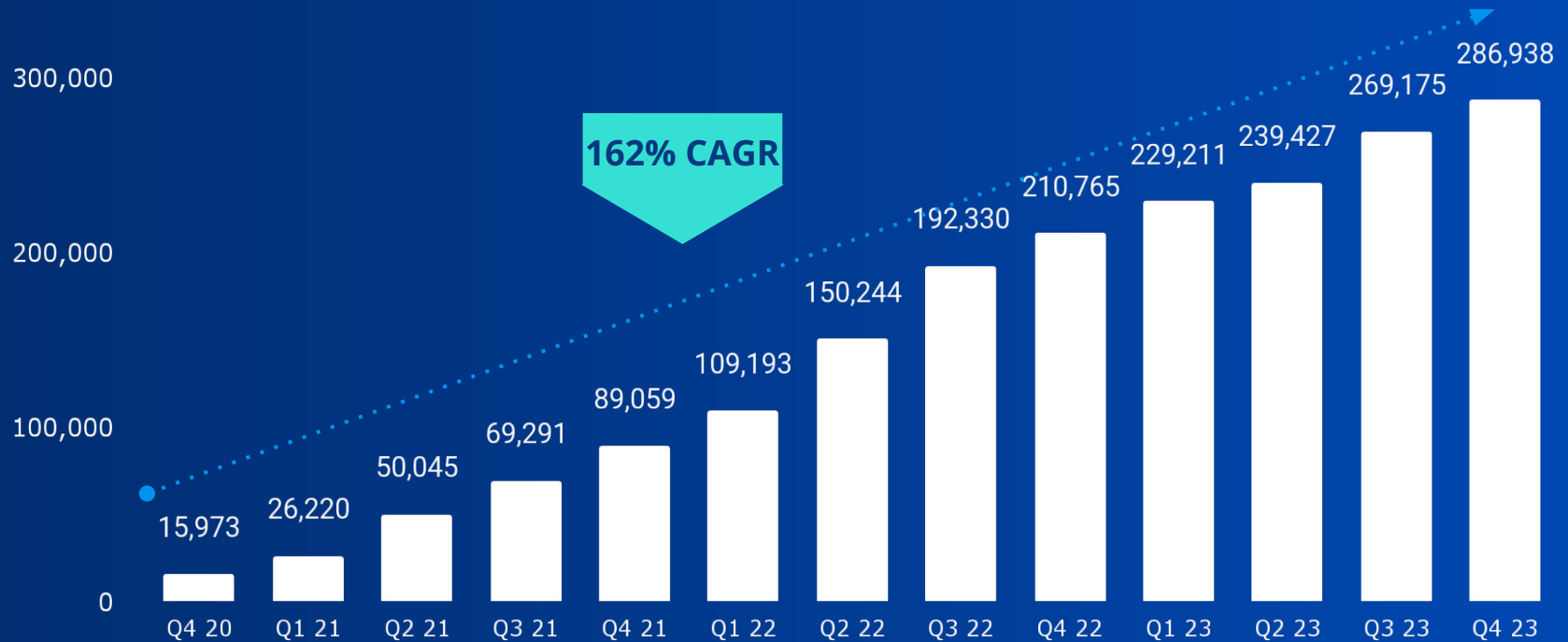
- Q4 & FY Overview
- Long-term Strategy & 2024 Plan
- Freight Market Update
- Financial Results
- Q1 and FY 24 Guidance
- Long-term Targets



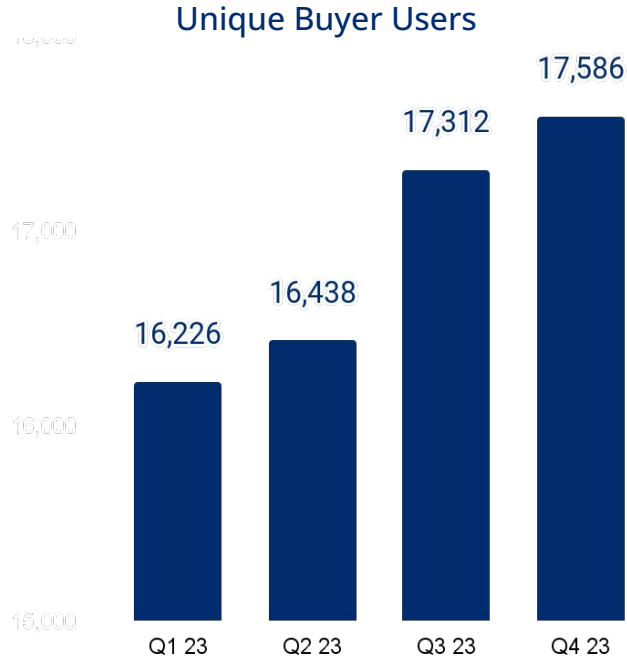
Zvi Schreiber
CEO

Q&A

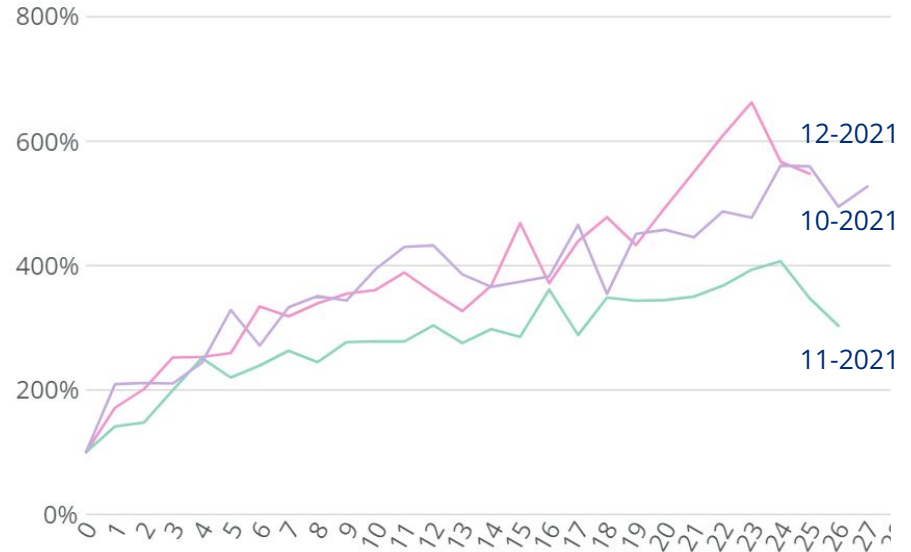
Strong consistent transactions growth reflects marketplace network effect



Marketplace buyers

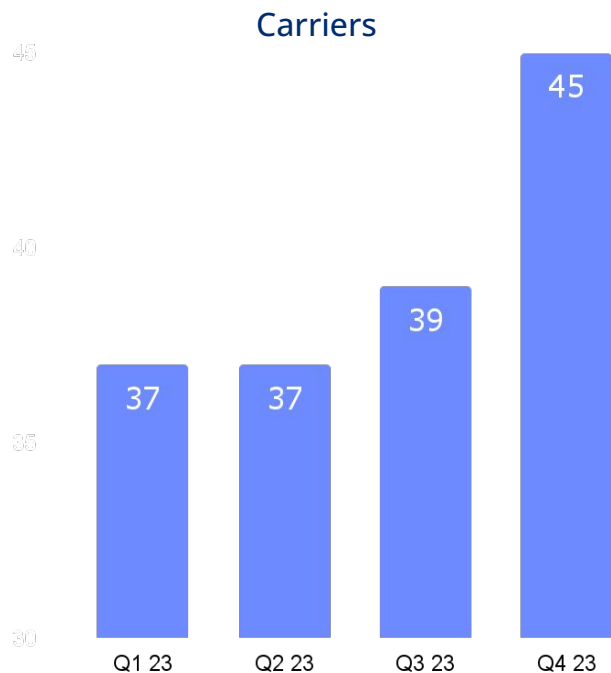


Total Bookings by Cohort (WebCargo, New Users from Q4 2021)

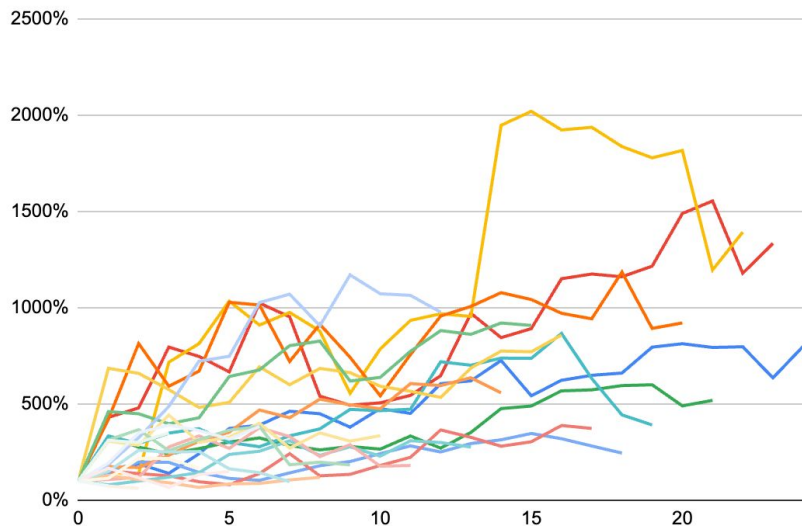


Unique buyer users: Unique buyer users represent the number of individual users placing bookings, typically counted based on unique email logins. The number of buyers, which counts unique customer businesses, does not reflect the fact that some buyers are large multinational organizations while others are small or midsize businesses. Therefore, we find it more useful to monitor the number of unique buyer users than the number of buyer businesses.

Marketplace sellers



Booking Cohorts per Carrier (WebCargo, Total Booking Since Jan-22)



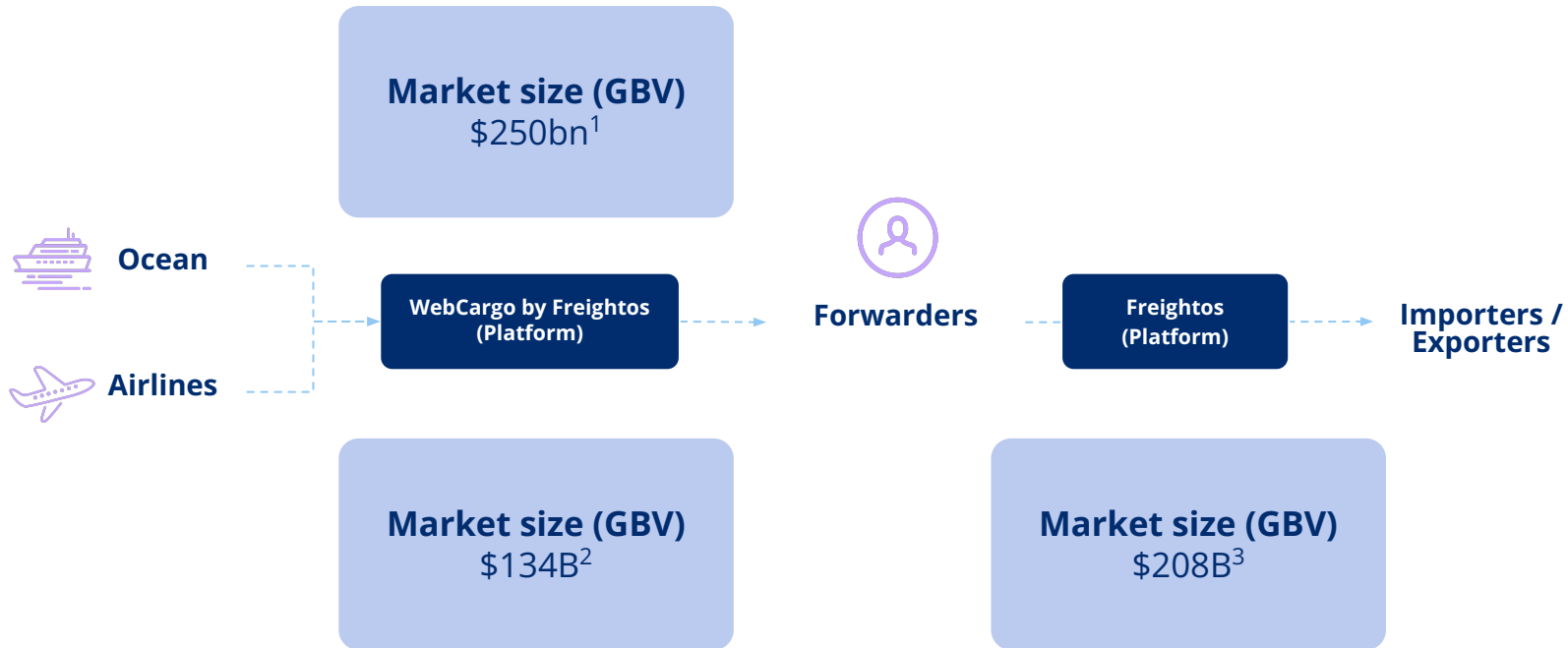
Carriers: Number of unique air and ocean carriers who have been sellers of transactions. For airlines, we count booking carriers, which include separate airlines within the same carrier group. We do not count dozens of other airlines that operate individual segments of air cargo transactions, as we do not have a direct booking relationship with them. Carriers include ocean less-than-container load (LCL) consolidators. In addition, we only count carriers when more than five bookings were placed with them over the course of a quarter.

A rapidly growing marketplace flywheel

The fundamental buyer-seller network effects, amplified by

	Platform Impact	Example in 2024
More types of transactions	More transactions	Temp. controlled goods, and trucking
More aspects of each transaction	More GBV Higher take rate	Payments, insurance, and customs brokerage
More buyer/seller combinations	Expand unique supply, total sales and take rate	Sales portals for freight forwarders, interlining
More data and system connectivity	Improve monetization and retention	Dynamic pricing for airlines, market intelligence, TMS

With a massive total addressable platform market and significant growth opportunities



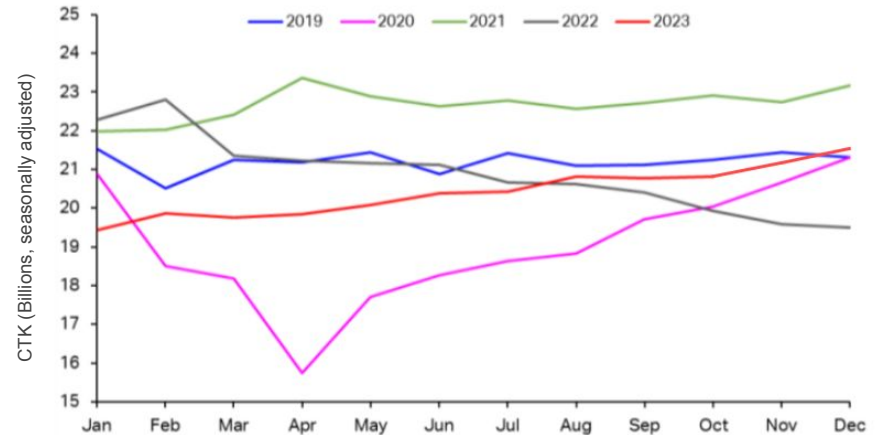
Market Conditions: Freight Volumes

Global Ocean Volumes



Source: Container Trades Statistics

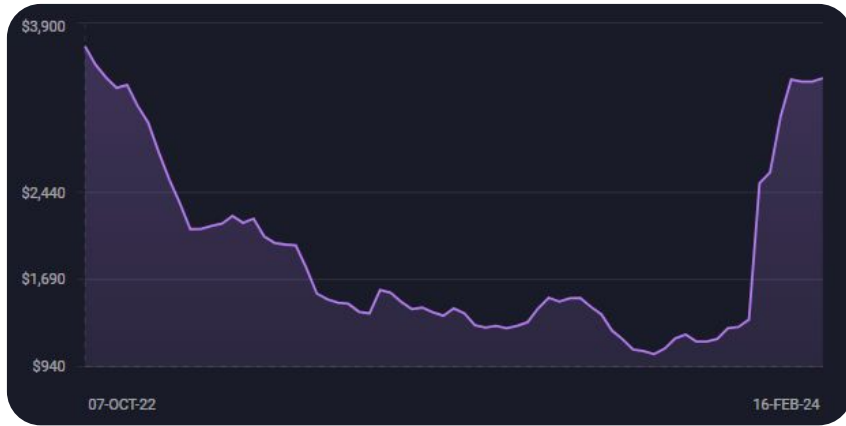
Global Air Cargo Volumes



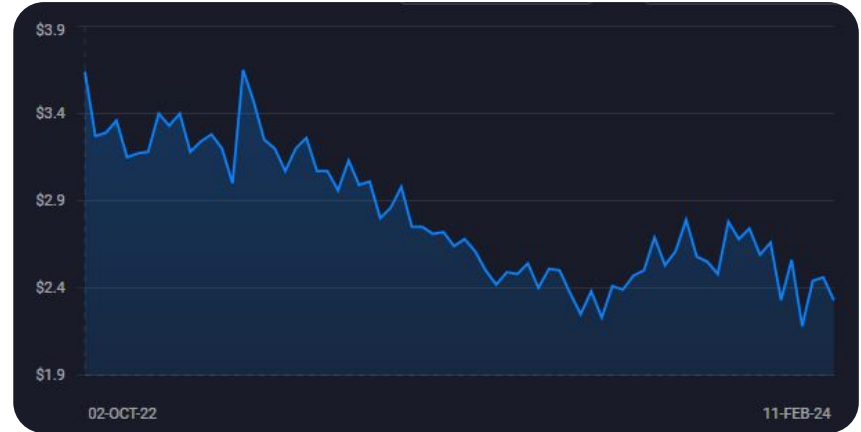
Source: © International Air Transport Association, 2024 Air Cargo Market Analysis December 2023 . All Rights Reserved. Available on IATA Economics page.

Market Conditions: Freight Rates

Freightos Baltic Index Global Benchmark



Freightos Air Index Global Benchmark



Agenda

Prepared Remarks

- Q4 & FY Overview
- Long-term Strategy & 2024 Plan
- Freight Market Update
- Financial Results
- Q1 and FY 24 Guidance
- Long-term Targets



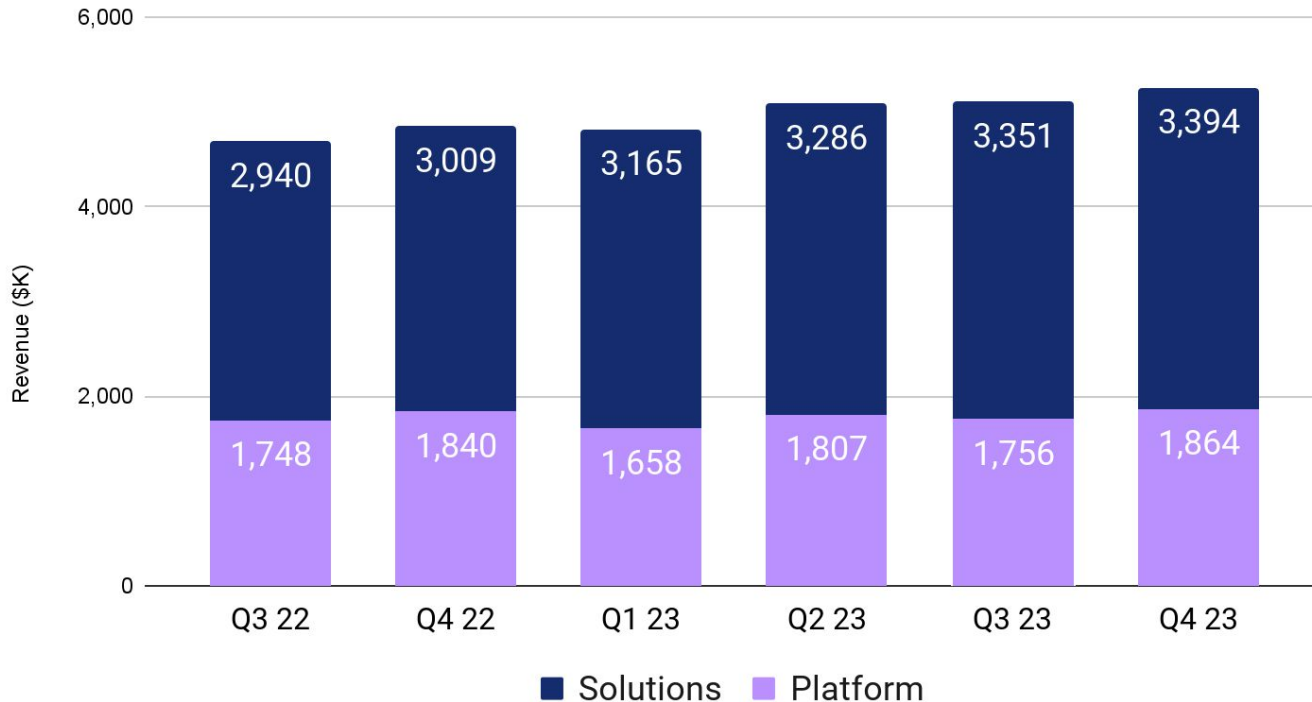
Ran Shalev
Chief Financial Officer

Q&A

Q4 & FY 2023 Actual vs. Guidance

	Q4 23 A	Q4 23 G	FY 23 A	FY 23 G
# Transactions	286,938	273,000 - 284,000	1,024,751	1,010,500 - 1,021,500
GBV (\$m)	\$ 187.5	\$ 163.5 - \$ 175.0	\$ 671.7	\$ 647.5 - \$ 659.0
Revenue (\$m)	\$ 5.3	\$ 5.1 - \$ 5.3	\$ 20.3	\$ 20.1 - \$ 20.3
Adjusted EBITDA (\$m)	\$ (3.8)	\$ (4.7) - \$ (4.4)	\$ (19.0)	\$ (19.9) - \$ (19.6)

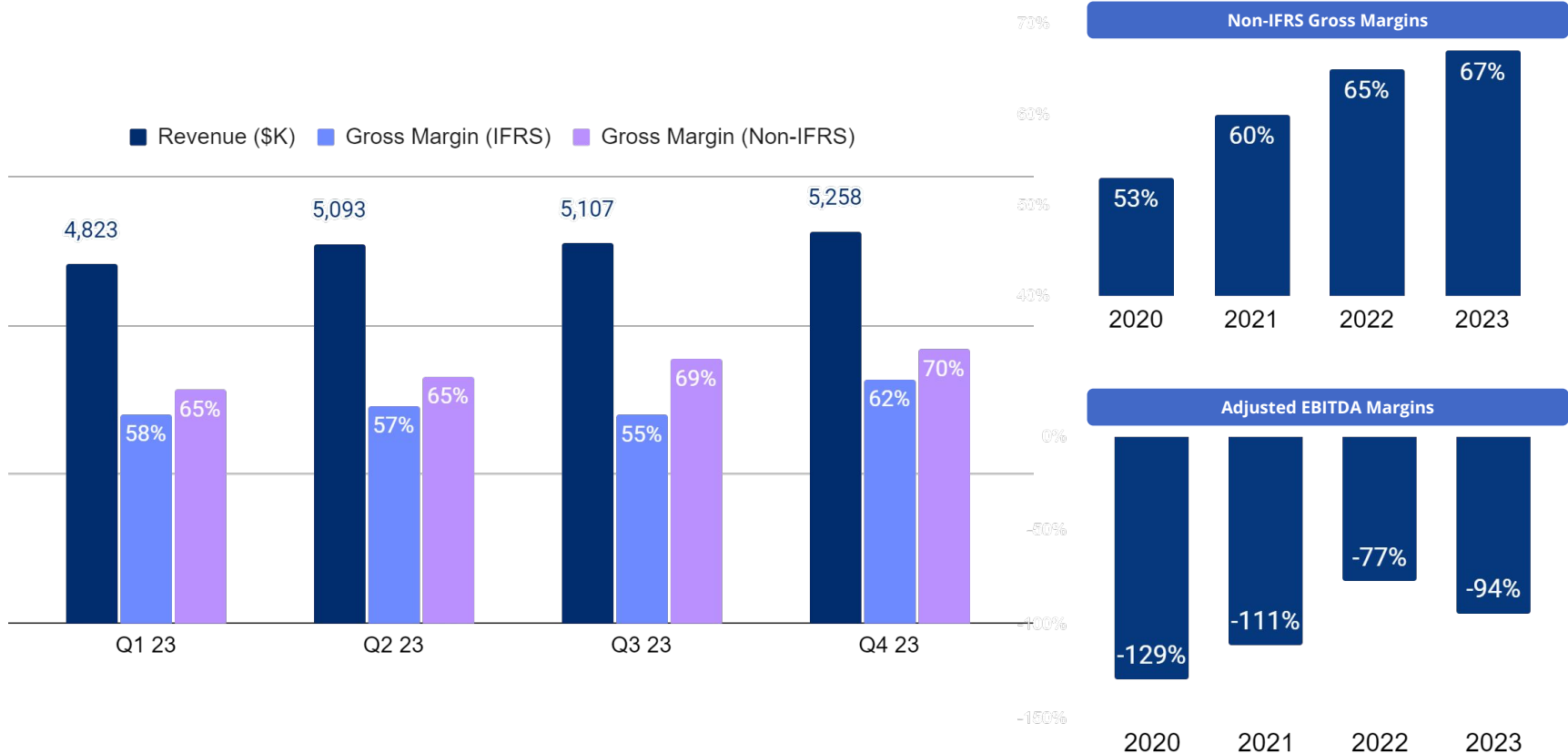
Monetizing the network value: SaaS-enabled marketplace flywheel



Solutions revenue is primarily recurring subscriptions for SaaS or data

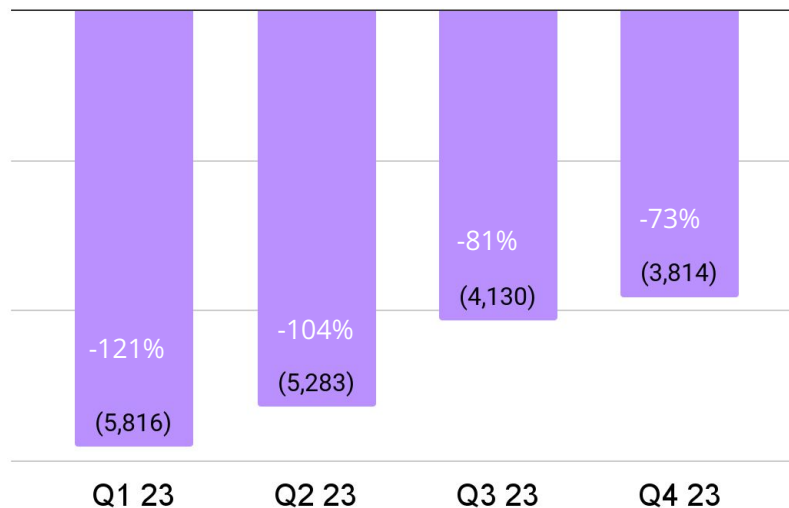
Platform revenue = fees associated with specific freight-service transactions booked between Buyers and Sellers on our Platform

Highly capital-efficient growth

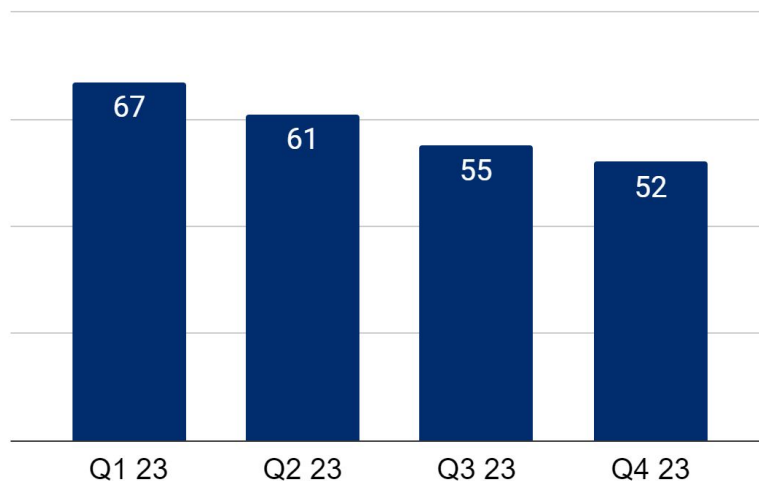


On track to profitability with cash at hand

Adjusted EBITDA (\$K)



Cash, ST Deposits and Investments (\$M)



Q1 & FY 2024 Guidance

Management Expectations

	Q1 2024	FY 2024
# Transactions	280,500 - 288,000	1,286,500 - 1,376,000
Year over Year Growth	22% - 26%	26% - 34%
GBV (\$m)	\$ 168.0 - \$ 172.5	\$ 788.9 - \$ 844.1
Year over Year Growth	(0)% - 2%	17% - 26%
Revenue (\$m)	\$ 5.2 - \$ 5.3	\$ 22.4 - \$ 24.0
Year over Year Growth	8% - 10%	11% - 18%
Adjusted EBITDA (\$m)	\$ (4.2) - \$ (3.9)	\$ (15.3) - \$ (13.8)

Long-term Growth Model

Building a valuable and durable platform: 2025-2030

#Transactions & GBV

Growth of 20%-30% per year

Revenue

Growth of 25-30% per year

Gross Profit Margin

70-80% (non-IFRS)

Adjusted EBITDA margin

Positive during 2026, then up
8-12pp per year

Thanks!

Questions



Learn more at
freightos.com/investors



 FREIGHTOS

Reconciliation of IFRS Gross Margin to Non-IFRS

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2023	2022	2023	2022
	(unaudited)		(unaudited)	
IFRS gross profit	\$ 3,272	\$ 2,871	\$ 11,802	\$ 11,226
Add:				
Share-based compensation	101	81	692	290
Depreciation & Amortization	309	237	1,180	920
Non-IFRS gross profit	\$ 3,682	\$ 3,189	\$ 13,674	\$ 12,436
IFRS gross margin	62.2%	59.2%	58.2%	58.8%
Non-IFRS gross margin	70.0%	65.8%	67.4%	65.2%

Reconciliation of IFRS Operating Loss to Adjusted EBITDA

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2023	2022	2023	2022
	(unaudited)		(unaudited)	
Operating loss	\$ (4,642)	\$ (8,894)	\$ (77,800)	\$ (24,272)
Add:				
Share-based compensation	923	539	5,426	1,906
Depreciation & Amortization	710	644	2,791	2,413
Share listing expense	-	-	46,717	-
Non-recurring expenses	-	-	499	-
Redomicile costs	-	109	-	734
Transaction-related costs	-	1,334	3,703	2,887
Changes in the fair value of contingent consideration	(941)	(710)	(1,583)	(935)
Reorganization	-	-	884	-
Operating expense settled by issuance of shares	136	2,621	320	2,621
Adjusted EBITDA	\$ (3,814)	\$ (4,357)	\$ (19,043)	\$ (14,646)
Adjusted EBITDA margins	-72.5%	-89.9%	-93.9%	-76.7%