



WAVESTONE

2016/17 results

Conference call

1 June, 2017

Speakers



Pascal IMBERT

CEO



Tiphane BORDIER

CFO



Patrick HIRIGOYEN

General Manager



Fanny ROUHET

Human Resources Director



In a world where permanent evolution is key to success,
we enlighten and partner our clients in making their most critical business decisions



Tier one clients
leaders in their industry



2,500 professionals
across 4 continents



Among the leading independent
consultancies in Europe,
n°1 in France

Paris | London | New York | Hong Kong | Singapore* | Dubai* | São Paulo*
Luxembourg | Madrid* | Milano* | Brussels | Geneva | Casablanca | Istanbul*
Lyon | Marseille | Nantes

SUMMARY

01	2016/17 results	Page 5
02	2016/17 key events	Page 15
03	Human Resources: a 2017/18 challenge	Page 19
04	Outlook	Page 25



/ 01

2016/17 results

Full-year revenue up 45%

Revenue (€m) <i>(Audited consolidated data)</i>	2016/17	2015/16	<i>Change on a like-for-like and constant forex basis ⁽¹⁾</i>	<i>Reported change</i>
12 months	338.7	233.0	+16%	+45%

↗ 2016/17 revenue of **€338.4m**

↗ Full-year growth of **+16%** on a like-for-like and constant forex basis

⁽¹⁾ excluding Arthus Tech (consolidated since 07/01/15) and Kurt Salmon's European activities* (since 01/01/16)

EBIT margin of 11.4%

Audited consolidated data ⁽¹⁾ at 03/31 (€m)	2016/17	2015/16	% change	2015/16 ⁽²⁾ <i>pro forma</i>
Revenue	338.7	233.0	+45%	326.2
Operating income on ordinary activities	38.7	29.8	+30%	34.5
<i>EBIT margin</i>	<i>11.4%</i>	<i>12.8%</i>		<i>10.6%</i>
Amortization of customer-relationship intangible assets	(2.5)			
Other operating income and expenses	(0.6)	(6.7)		
Operating income	35.6	23.1	+54%	24.1
Cost of net financial debt	(2.1)	(0.7)		
Other financial income and expenses	(0.4)	(0.6)		
Income tax expenses	(13.1)	(8.4)		
Group share of net income	20.1	13.4	+50%	12.6
<i>Net margin</i>	<i>5.9%</i>	<i>5.7%</i>		<i>3.9%</i>

(1) Arthus Tech (consolidated since 07/01/15) and the European activities of Kurt Salmon, excluding its retail and consumer goods consulting activities (since 01/01/16).

(2) Pro-forma 2015/16 financial data based on 12-month consolidation of KS European activities as if the acquisition had taken place on 04/01/15.

Profit & loss account comments

Amortization of customer-relationship intangible assets

Customer-relationship intangible assets initially booked under goodwill, valued at €16.5m - excluding tax impact

Amortization over periods of 3, 4 and 9 years

Other operating income and expenses

- €0.2m in skills-sponsorship costs

- €0.4m in acquisition costs

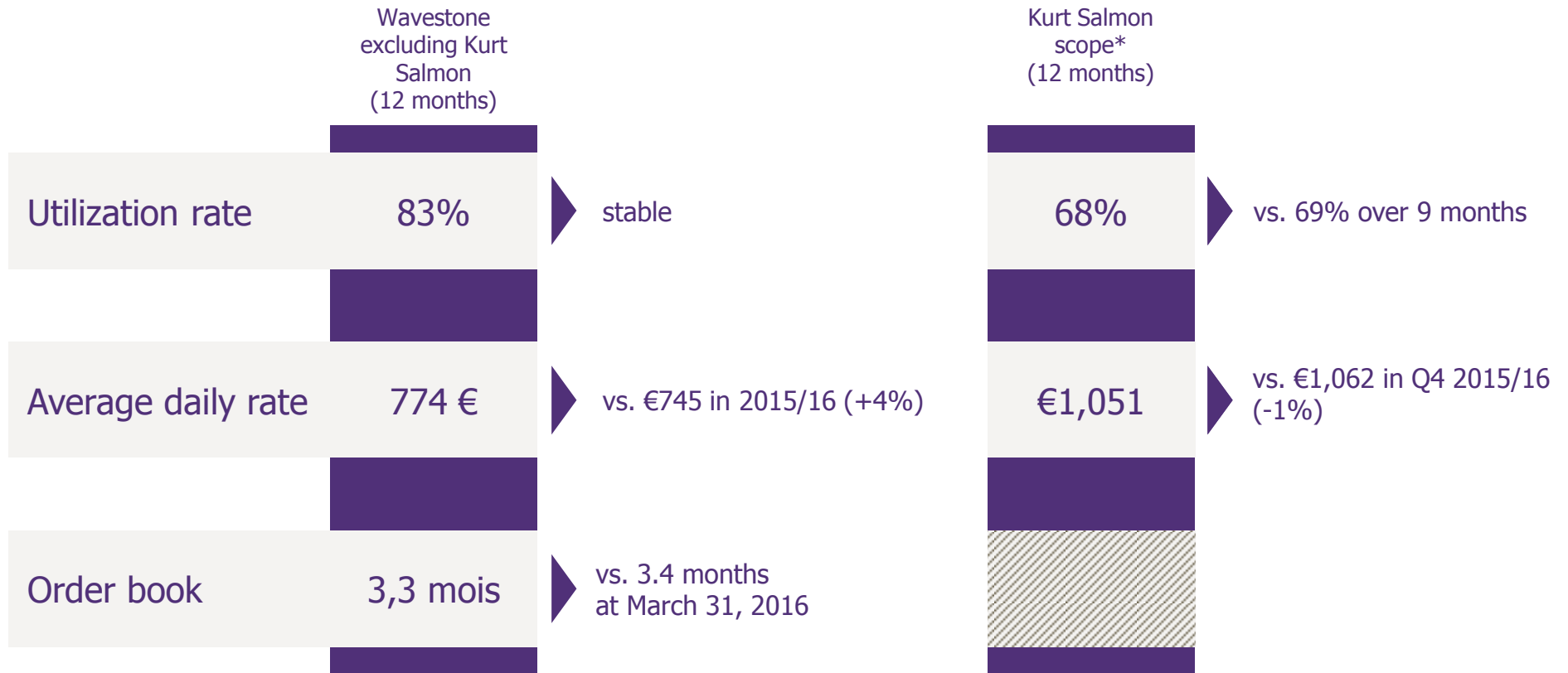
Other financial income and expenses

+ €0.5m from conversion-rate adjustment of forex gains/losses

- €0.7m on non deductible earn-out payment on Hudson&Yorke

- €0.2m on hedging instruments

Mixed trends in operating indicators



* Kurt Salmon European activities (excluding retail & consumer goods)

Operating indicators harmonized as of April 1, 2017

	Wavestone excluding Kurt Salmon (12 months)	Kurt Salmon scope* (12 months)	Consolidated scope (12 months)
Utilization rate	79%	68%	76%
Average daily rate	€774	€1,045	€845

- / Utilization rate based on the total number of operational staff (except trainees), including sales teams, net of any eventual fixed-price contract overruns
- / Average daily rate does not factor in outsourcing expenditure or fixed-price contract overruns

Cash flow from operations up 60% to €24.7m

Audited consolidated data ⁽¹⁾ at 03/31 (€m)	2016/17	2015/16
Gross cash flow	27.1	17.3
Change in WCR	(2.3)	(1.9)
Net cash flow from operations	24.7	15.5
Net cash flow from investments	(18.5)	(96.4)
Net cash flow from financing operations	(7.1)	94.3
o/w dividends	(2.0)	(1.9)
Change in cash	(0.9)	13.4

(1) Arthus Tech (consolidated since 07/01/15) and the European activities of Kurt Salmon, excluding its retail and consumer goods consulting activities (since 01/01/16).

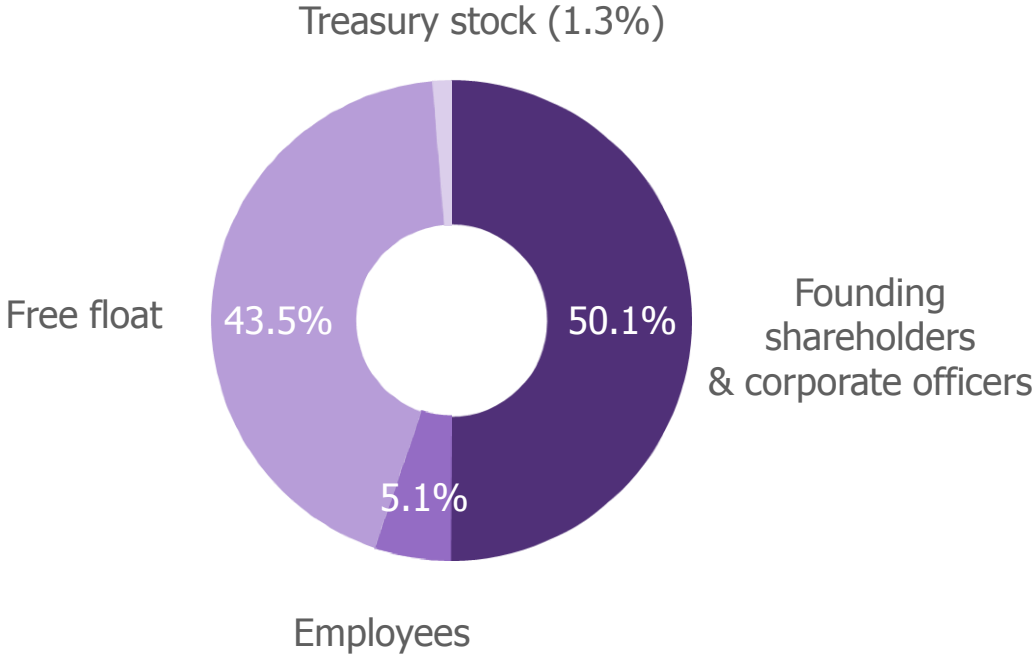
Sound financial situation

Audited consolidated figures (€m)	2016/17 (03/31/2017)	2015/16 (03/31/2016)		2016/17 (03/31/2017)	2015/16 (03/31/2016)
Non-current assets	164.0	147.0	Shareholders' equity	104.1	85.0
o/w goodwill	119.8	130.4	o/w minority interests	0	0
Current assets	130.8	124.9	Non-financial liabilities	134.2	128.2
o/w trade receivables	111.2	101.0	Financial liabilities	95.2	98.6
Cash and cash equivalents	38.7	39.8	o/w less than 1 year	9.4	5.3
TOTAL ASSETS	333.5	311.8	TOTAL LIABILITIES	333.5	311.8

Net debt: €56.5m

versus net debt of €58.8m at 03/31/2016

Breakdown of share capital at March 31, 2017



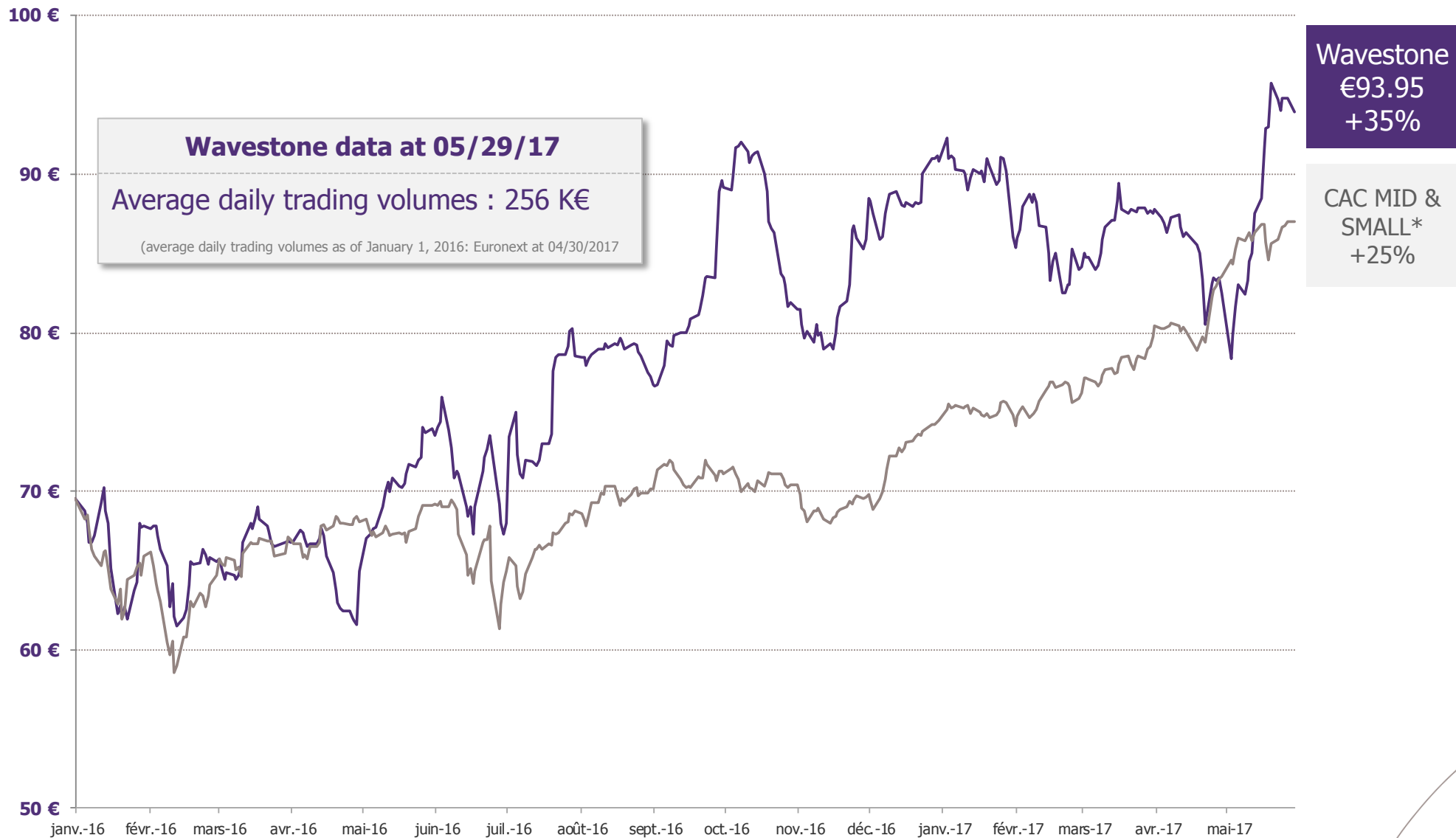
Number of shares: **4,966,882**

Potential dilution, net of treasury stock: 2.2%

Dividend to be proposed at the July 27 2017 AGM **€0.61 per share (+49%)**



Share price gains 35% as of January 1, 2016



* CAC MID & SMALL realigned to Wavestone share price at December 31, 2015



/ 02

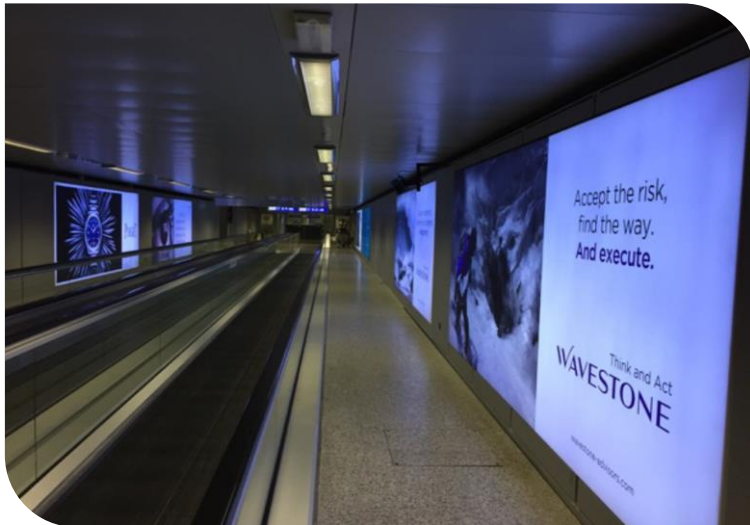
2016/17 key events

Creation of Wavestone in July 2016

An intense year, during which we...

- ✓ Drafted the Group's value proposal
- 🎯 Drew up the operating model
- 🏠 Physically merged the firms' teams

- 🌐 Launched the new brand
- 🔗 Adopted a unified ERP
- 👤 Designed the new HR model



Geneva airport – October 2016

... and received a warm market reception for the Wavestone project

A dynamic year abroad



Partnership with Bip

- / Italian management-consulting firm with a staff of 1,300 professionals
- / International coverage highly complementary with that of Wavestone: Italy, Spain, Brazil, etc.



Office opened in Hong-Kong

- / Positioned in financial services and cyber security



Wavestone's positions reinforced with major international accounts

- / Banco de Chile , Barclays, HSBC, JP Morgan
- / Crédit Suisse, Sanofi, Transport for London

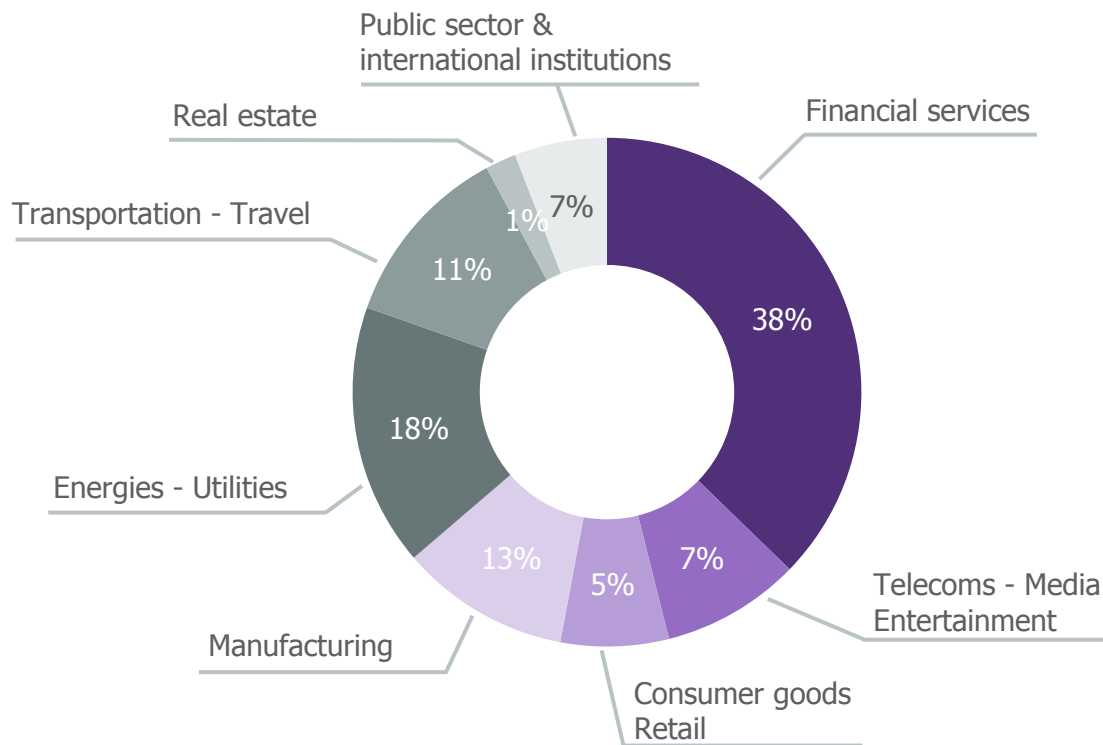


Client portfolio remains solid and balanced

TOP 20 clients in 2016/17

BNP PARIBAS	9%
EDF	7%
SOCIETE GENERALE	6%
SNCF	5%
CREDIT AGRICOLE	5%
TOTAL	4%
ENGIE	4%
LA POSTE	4%
ALSTOM	4%
BPCE	3%
BANQUE DE FRANCE	2%
FRANCAISE DES JEUX	1%
CARREFOUR	1%
AMF	1%
ORANGE	1%
AXA	1%
SANOFI AVENTIS	1%
RENAULT	1%
ALLIANZ	1%
MACIF	1%

Breakdown of 2016/17 revenue by sector of activity



2016/17 revenue

FRANCE	89%
INTERNATIONAL	11%



/ **03**

Human Resources, a 2017/18 challenge

2016/17: mixed performances in terms of Human Resources

Staff turnover rates high for Kurt Salmon teams...

... but tightly controlled for the rest of the Group

Historic recruitment drive with more than 600 new employees taken on in 2016/17



Kurt Salmon* turnover rate, short-term and structural factors

- Some teams disturbed by the merger
- Strong pressure on our teams from head hunters and competitors
- HR investments traditionally lower at Kurt Salmon*

Departures concentrated on intermediary levels of seniority



2017/18: resurgence of the talent war

Companies ramping up recruitment efforts in all sectors

Turn-over on the increase in consulting sector

More competition in terms of recruitment

Recruitment: maintaining our momentum in a tighter labor market



Tightened steering mechanisms

Step up investment

Pursue employer-brand development actions

Promote new initiatives designed to optimize our achievement rates

Staff retention: four drivers for improvement



Wavestone: an attractive corporate project



An HR model focused on talent development



Working environment designed to promote fulfilment of all employees



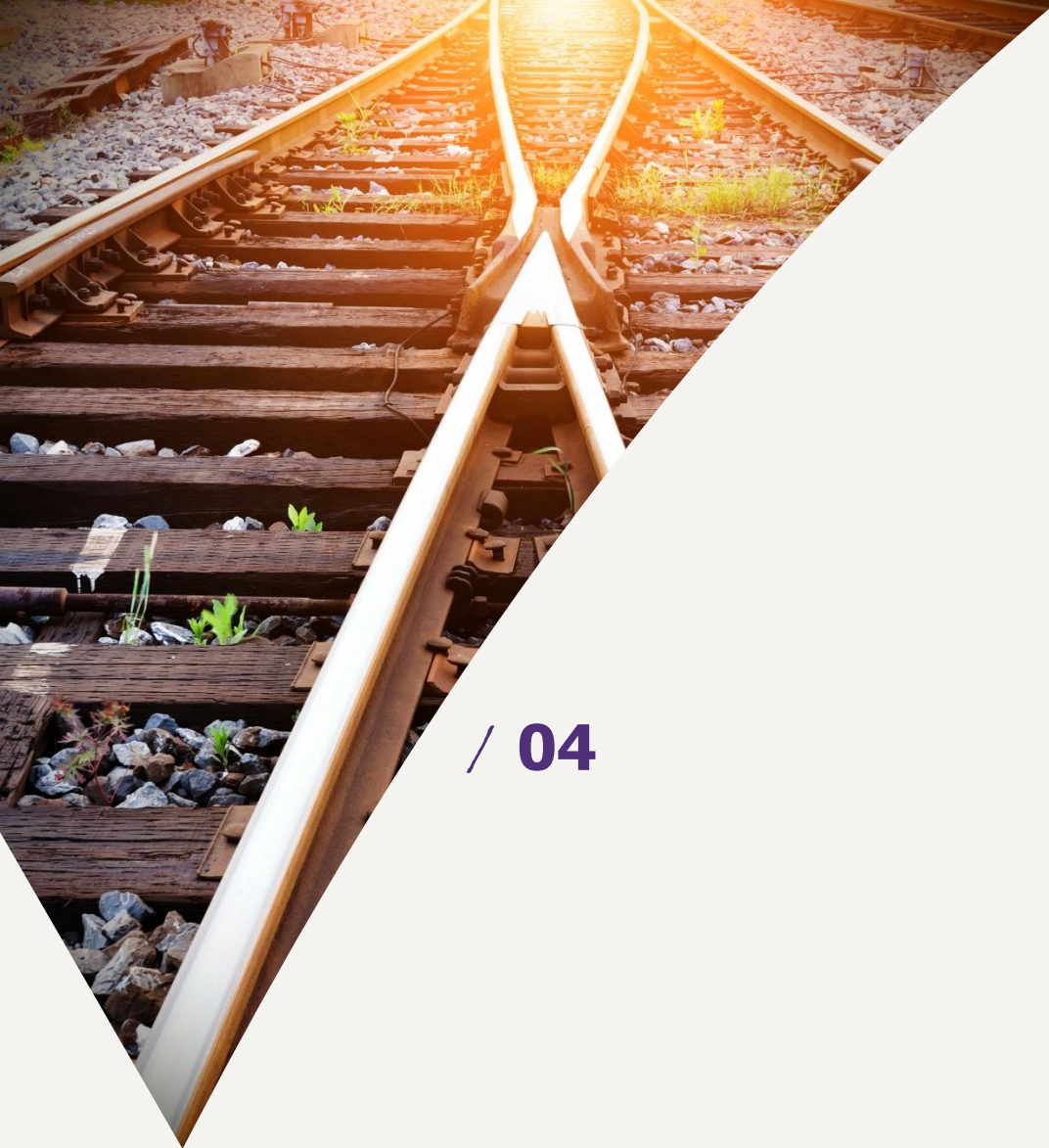
Significant investment in Human Resources, notably in proximity management and HR teams



Staff turn-over objective:
return to levels below 15%

As soon as it was created, Wavestone was ranked among the top 5 Great Places to Work





/ 04

Outlook

Confirmation of market growth momentum

Digital transformation more than ever central to corporate strategies

- ▶ Clients expressing new expectations
- ▶ Competitive landscape destabilized
- ▶ Digitally revised products and services
- ▶ New Ways of Working gaining ground



Investments and transformations in almost all sectors of activity



Larger, more structured and more global projects



Catalysts driving growth: regulatory, M&A, etc.

Context bearing out the relevance of Wavestone and our strategic plan

2021

WAVESTONE



Wavestone: a high-value consulting brand

N°1 in digital transformation in France



Wavestone: a successful player

Revenues: **€500m**
EBIT: **15%**



Wavestone: an international consultancy

€100m international revenues



Wavestone: a socially responsible company

Ranked among **top 3** in terms of CSR

Construction of Wavestone: final stages now completed

Functional teams integrated into Wavestone configuration

Roll out of HR model and processes

Wavestone's ERP go-live in April 2017



Wavestone, now fully operational

Two points of attention to be addressed in the coming months

1

Persistent staff turnover in some teams

2

Under-performance of some activities

- › Amount of work to be done greater than expected
- › Impact of measures carried out taking time to feed through
- › We remain cautious in the short term

Priorities for the fiscal year to come

1 Continue to expand brand awareness

2 Materialize the value of Wavestone



The bank of the future

New energy models and services

The automobile industry in the age of the autonomous car

State modernization

3 Resume our external growth strategy, notably abroad



2017/18 Objectives

	2016/17 reported	2017/18 objectives
Revenue	€338.7m	> €350m
EBIT margin	11.4%	> 10%

excluding new external growth operations

Financial calendar: upcoming events



PARIS

LONDRES

NEW YORK

HONG KONG

SINGAPOUR *

DUBAI *

SAO PAULO *

LUXEMBOURG

MADRID *

MILAN *

BRUXELLES

GENEVE

CASABLANCA

ISTANBUL *

LYON

MARSEILLE

NANTES

* Partenariats

WAVESTONE