



WAVESTONE

# Conférence Portzamparc Midcap

April 4, 2018

# AGENDA

**A** About Wavestone

**B** H1 Financial results

**C** Outlook and recent news



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



2,600 professionals  
across 4 continents



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

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

\* Business partnerships

# A unique ability to combine in-depth industry expertise, business functions know-how and technology mastering

## BUSINESS FUNCTIONS

---

Strategy

Innovation management  
& funding

Marketing, sales & customer  
experience

People & change

Finance, risk & performance

Operations & supply chain

## INDUSTRIES

---

Financial services

Telecom, media & entertainment

Consumer goods & retail

Manufacturing

Energies & utilities

Transportation & travel

Real estate

Public sector & international  
institutions

## TECHNOLOGY

---

Digital & IT strategy

Digital & emerging technologies

IT & data architecture

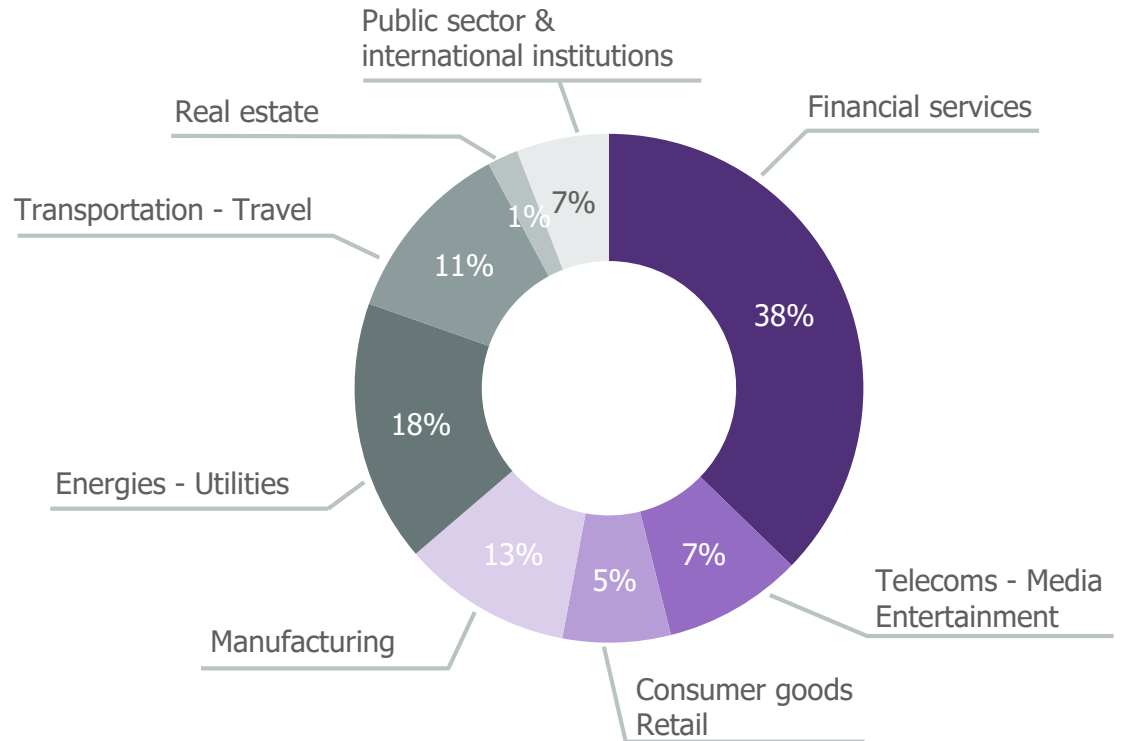
Cybersecurity & digital trust

# A portfolio of major client accounts, across various sectors

## 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%

# AGENDA

**A** About Wavestone

**B** H1 Financial results

**C** Outlook and recent news

# EBIT margin of 9.9%

Consolidated data at 09/30 (in €m) Limited review	H1 2017/18	H1 2016/17 restated <sup>1</sup>	<i>Change</i>	H1 2016/17 published
<b>Revenue</b>	<b>166.5</b>	<b>162.0</b>	<b>+3%</b>	<b>162.0</b>
<b>EBIT</b>	<b>16.4</b>	<b>15.8</b>	<b>+4%</b>	<b>15.8</b>
<i>EBIT margin</i>	<b>9.9%</b>	<b>9.8%</b>		<b>9.8%</b>
Amortization of client relationships	(1.3)	(1.3)		-
Other income and expenses	0.0	(0.6)		(0.6)
<b>Operating income</b>	<b>15.2</b>	<b>14.0</b>	<b>+9%</b>	<b>15.2</b>
Cost of net financial debt	(1.0)	(1.1)		(1.1)
Other financial income and expenses	(0.6)	(0.5)		(0.5)
Income tax expenses	(5.6)	(5.5)		(5.9)
<b>Group share of net income</b>	<b>8.0</b>	<b>6.8</b>	<b>+17%</b>	<b>7.7</b>
<i>Net margin</i>	<b>4.8%</b>	<b>4.2%</b>		<b>4.7%</b>

<sup>1</sup> The column, "H1 2016/17 restated", takes into account the impact of the Purchase Price Allocation of Kurt Salmon's European activities (excluding consulting in the retail and consumer goods sectors) carried out after closing on 09/30/2016.

## A level of debt that remains moderate

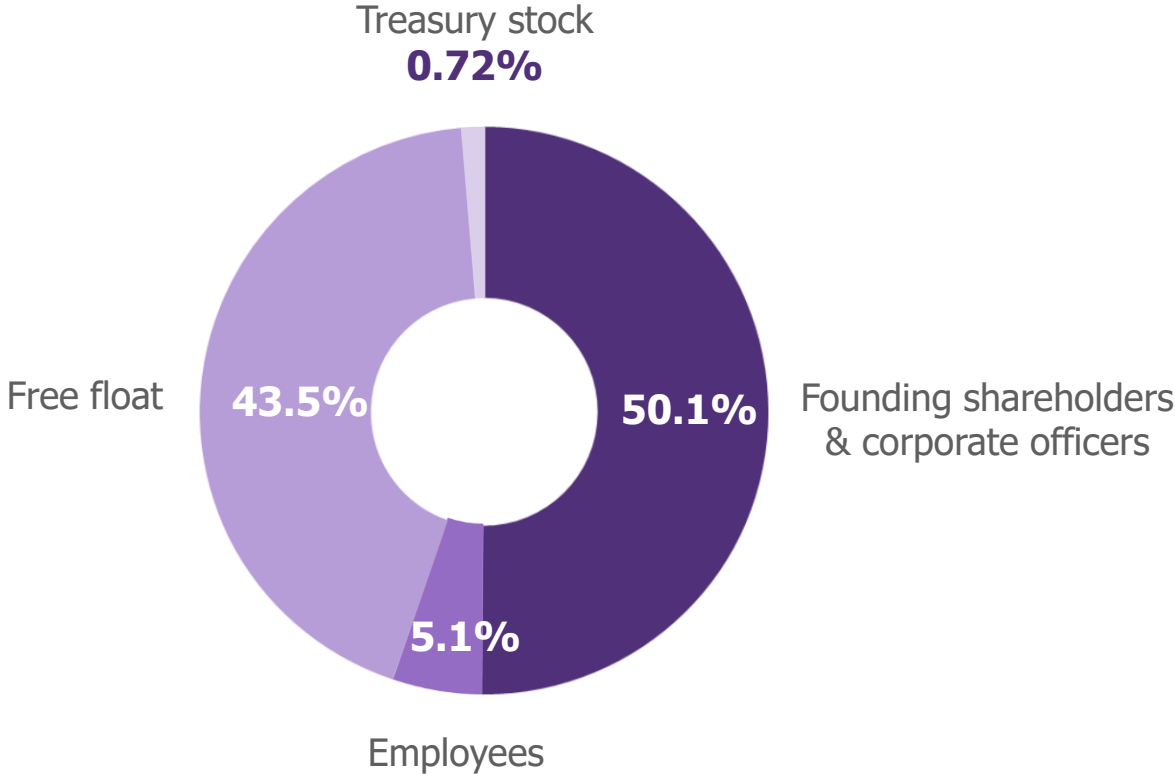
Consolidated data (in €m) Limited review	H1 2017/18	2016/17	Consolidated data (in €m) Limited review	H1 2017/18	2016/17
<b>Non-current assets</b>	161.2	164.0	<b>Shareholders' equity</b>	111.2	104.1
o/w goodwill	119.1	119.8	o/w minority interests	0	0
<b>Current assets</b>	158.6	130.8	<b>Non-financial liabilities</b>	132.2	134.2
o/w trade receivables (clients)	133.6	111.2	<b>Financial liabilities</b>	90.9	95.2
<b>Cash and cash equivalents</b>	14.5	38.7	o/w less than one year	10.9	9.4
<b>TOTAL ASSETS</b>	<b>334.3</b>	333.5	<b>TOTAL LIABILITIES</b>	<b>334.3</b>	333.5

**Net debt: €76.4m**

*compared with €56.5m net debt at March 31, 2017*



# Breakdown of share capital at September 30, 2017



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

Potential dilution,  
net of treasury stock: **2.5%**

Dividend paid out in July 2017  
**€0.61 per-share (+49%)**

# AGENDA

- A** About Wavestone
- B** H1 Financial results
- C** Outlook and recent news

## Q3: solid progression in revenue

Revenue	2017/18	2016/17	Change <sup>1</sup>
<i>In €m - unaudited consolidated data</i>			
H1	166.5	162.0	+3%
Q3	95.0	86.1	+10%
<b>9-month total</b>	<b>261.5</b>	<b>248.2</b>	<b>+5%</b>

<sup>1</sup> There are no changes to report in the scope of consolidation between the two periods.

### / Sustained growth of +10% in Q3 2017/18

- > +11% on a constant forex basis

### / Total nine-month growth: +5%

- > +6% on a constant forex basis

## Growth fueled by an expanding workforce



Workforce of **2,758 employees** at December 31, 2017

> compared with 2,628 at March 31, 2017



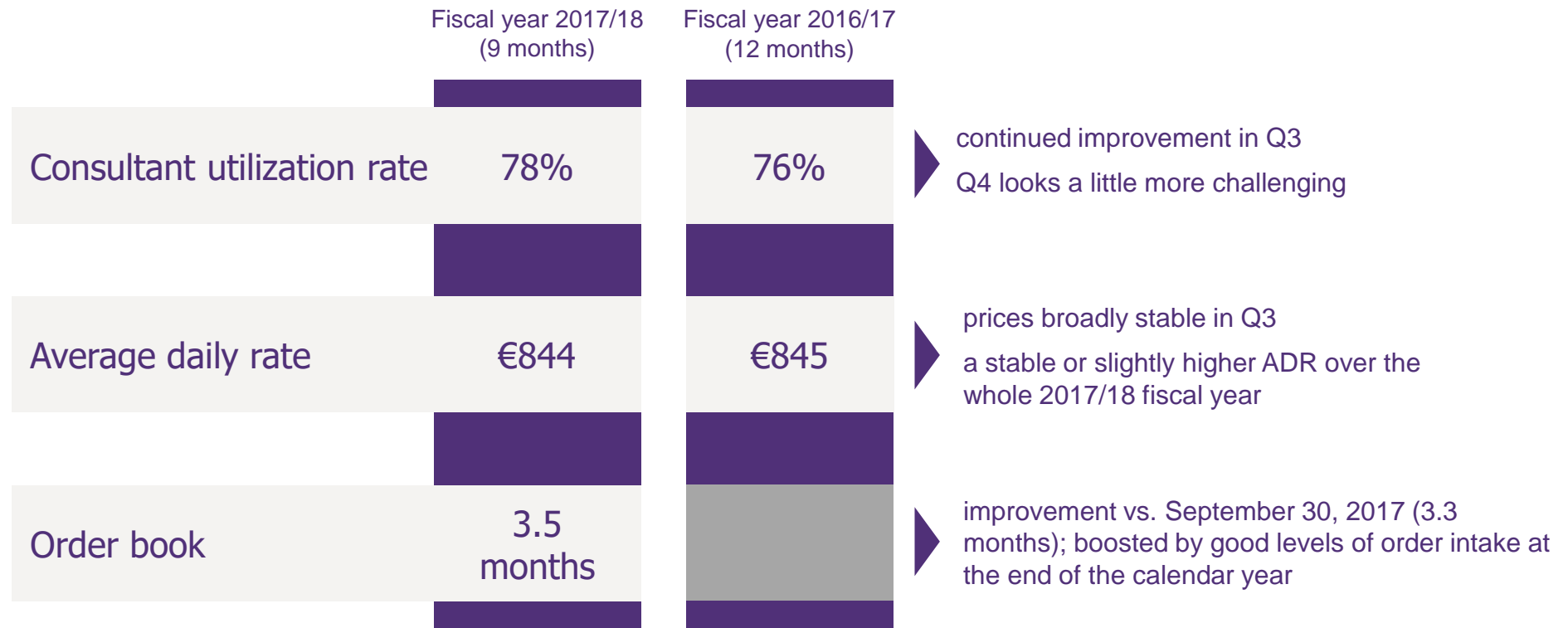
A **sustained recruitment pattern**, in line with the company's roadmap, despite growing tensions in the labor market



**Staff turnover stable at 17% (annual equivalent)**



# Progress on operational performance confirmed



# Toward complete success of the Wavestone project



## Recent pitfalls well on the way to resolution

- > stable staff retention despite stiff labor market competition
- > utilization rates approaching target levels



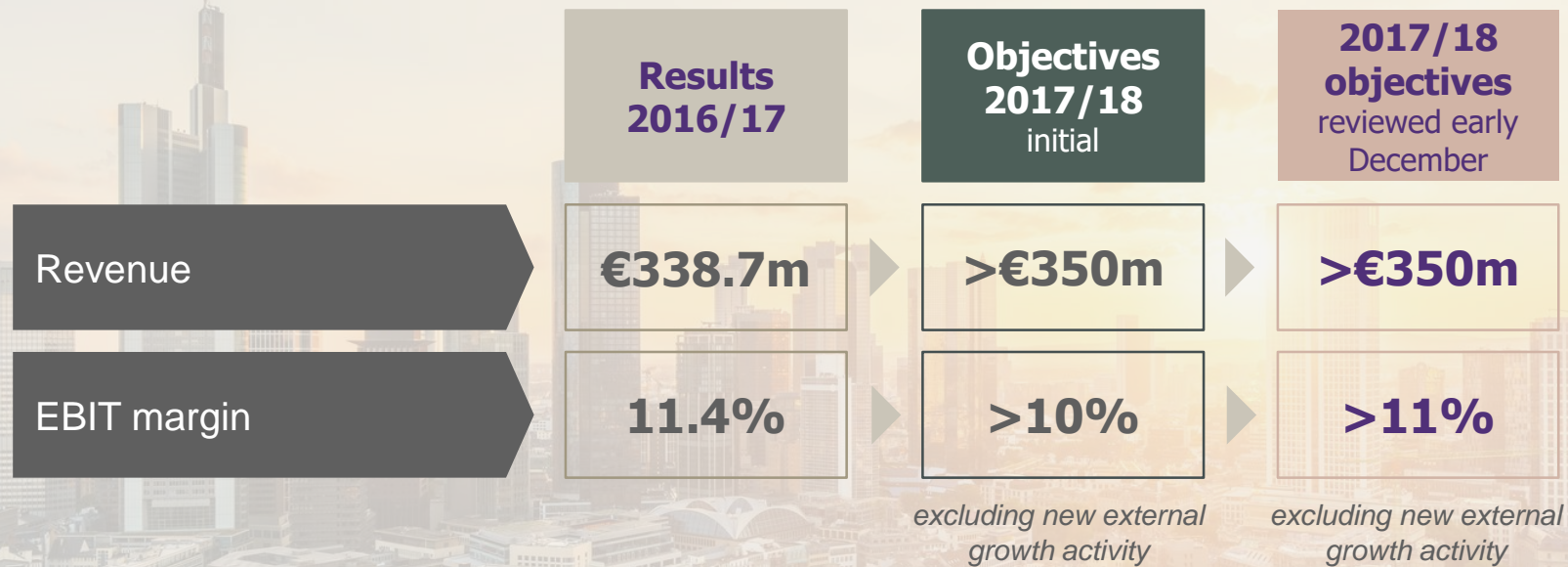
## An impactful value proposition



## Confidence rising regarding our performances

- > even though some question marks remain for Q4

# Confidence in annual objectives reinforced



# Priorities for the upcoming quarters

## 1

### Consolidate operational performance improvement

- > continue to increase our utilization rates
- > maintain our promising trend in HR
- > focus progressively on pricing

## 2

### Redouble efforts in our priority areas

- > capitalize on our first successes on the bank of the future and connected vehicles
- > win key positions in state-sector modernization and new energy models

## 3

### Continue in our endeavor to achieve new acquisitions, especially internationally





# Final negotiations to acquire a UK consultancy



A leading technology consultancy specialised in large **IT transformation** programmes for major **banks and financial institutions**



A boost in **international development** in line with Wavestone 2021 strategic plan

- > Targeted acquisitions in the range €5m to €20m of revenues primarily in the UK or the US
- > Aligned with the firm's focus on the financial sector outside of France



## Terms of the operation

- > The transaction would take the form of a 100% acquisition by Wavestone of the company's capital
- > The purchase price would be based on an enterprise value representing circa 1.2 times 2017 revenues
- > The deal is expected to be completed in April



# Wavestone 2021: 4 challenges, 4 objectives

# 2021

WAVESTONE



Wavestone: a high-value consulting brand

**N°1** in  
transformation  
in France



Wavestone: a successful player

Revenues:  
**€500m**  
EBIT: **15%**



Wavestone: an international consultancy

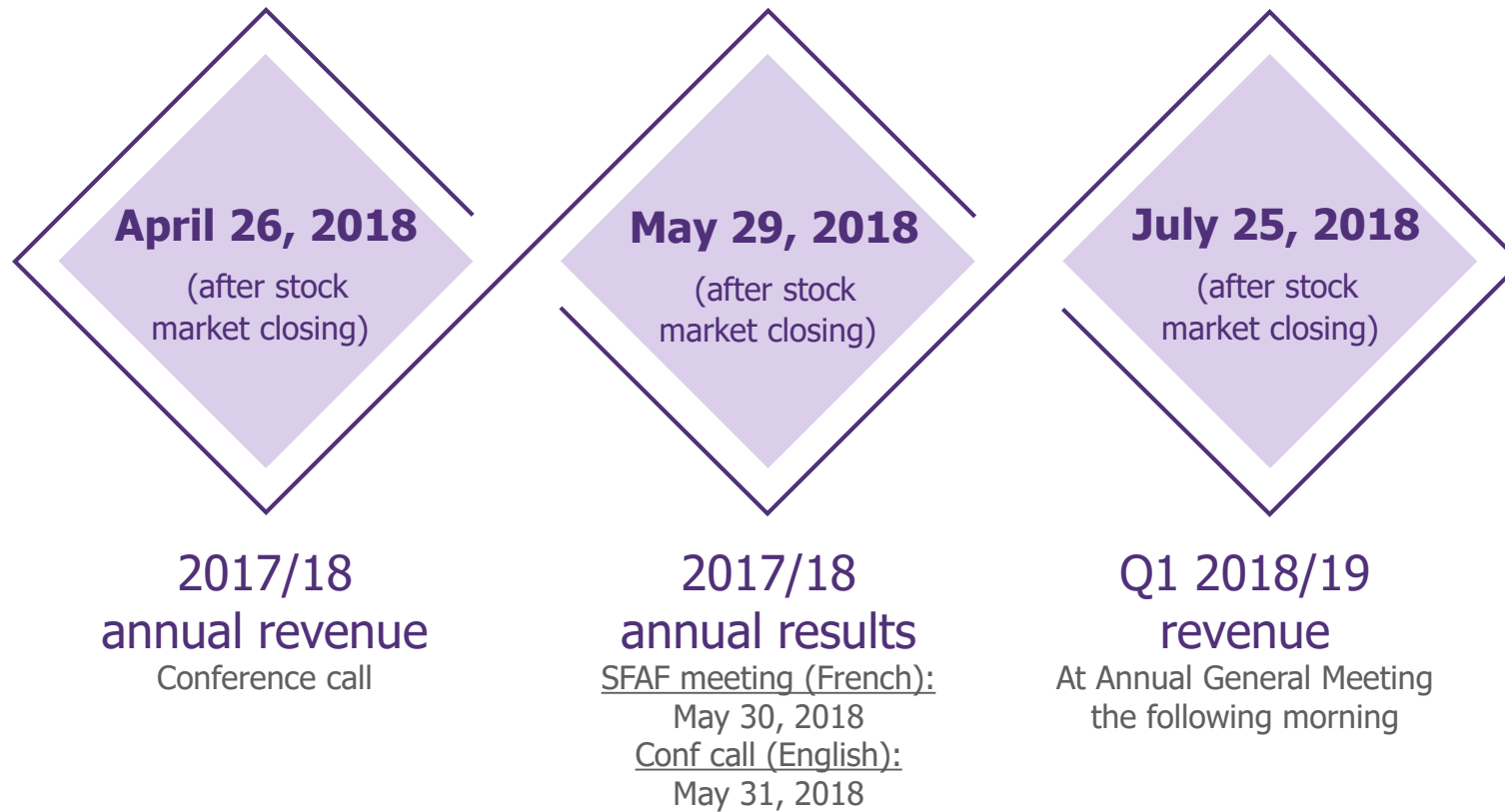
**€100m**  
international  
revenues



Wavestone: a socially responsible company

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

# Financial calendar: upcoming events



PARIS

LONDON

NEW YORK

HONG KONG

SINGAPORE \*

SAO PAULO \*

LUXEMBOURG

MADRID \*

MILANO \*

BRUSSELS

GENEVA

CASABLANCA

ISTANBUL \*

LYON

MARSEILLE

NANTES

\* Partnerships

WAVESTONE

