



WAVESTONE

# Annual results for the 2017/18 fiscal year

Investors' meeting

Wednesday, May 30, 2018

# Speakers



**Pascal IMBERT**

CEO



**Patrick HIRIGOYEN**

Director General



**Tiphane BORDIER**

CFO



**Reza MAGHSOUDNIA**

Development Director



In a world where permanent evolution is the key to success, Wavestone's mission is to enlighten and partner business leaders in their most critical decisions.



Tier one clients  
leaders in their industry



2,800 professionals  
across 8 countries



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

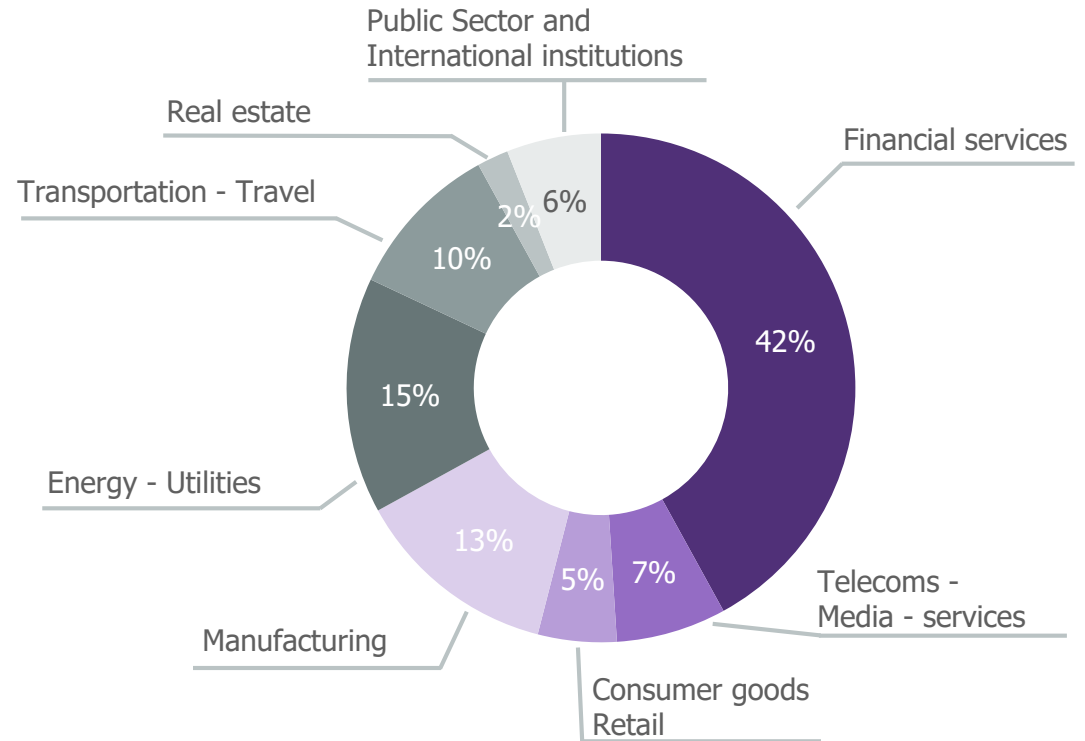
Paris | London | New York | Hong Kong | Singapore\* | Dubai\* | São Paulo\*  
Luxembourg | Madrid\* | Milano\* | Brussels | Geneva | Casablanca | Istanbul\*  
Lyon | Marseille | Nantes

\* Business partnerships

## Top 20 clients – 2017/18

BNP PARIBAS	10%
Societe Generale	9%
EDF	7%
SNCF	5%
La Poste	5%
Credit Agricole	5%
Total	3%
BPCE	3%
Alstom	3%
UGAP	2%
Engie	2%
Sanofi Aventis	2%
Orange	2%
Saint Gobain	2%
SUEZ	2%
AXA	1%
Allianz	1%
AMF	1%
L'Oréal	1%
PSA	1%

## Breakdown of revenue by sector 2017/18



## Revenue 2017/18

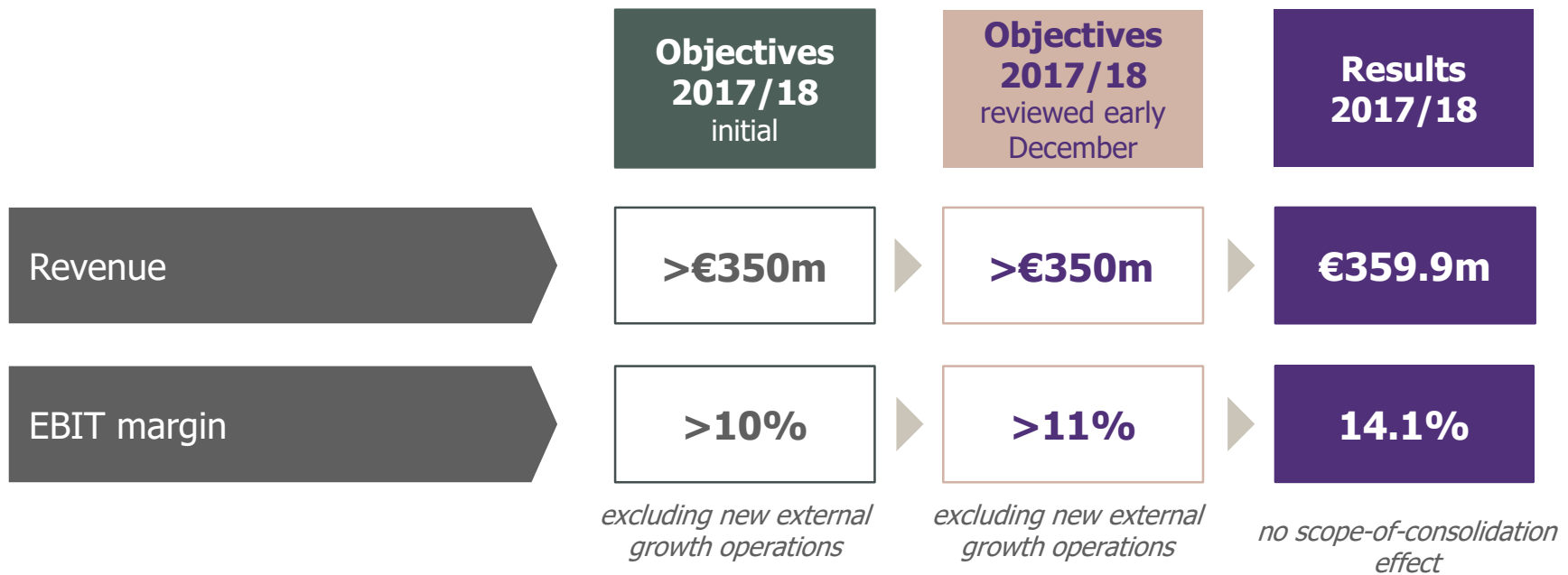
France	89%
International	11%



/ **01**

Highlights of the 2017/18 fiscal year

# Outperforming our 2017/18 objectives



## 6% growth in the firm's workforce



Workforce comprising **2,793 employees** at March 31, 2018

- > compared with 2,628 at March 31, 2017



A **solid recruitment picture**, outperforming the annual hiring plan, despite an extremely competitive labor market

- > nearly 700 hires, compared with a target of 600



A **staff turnover of 16% in 2017/18**



Great  
Place  
To  
Work<sup>®</sup>

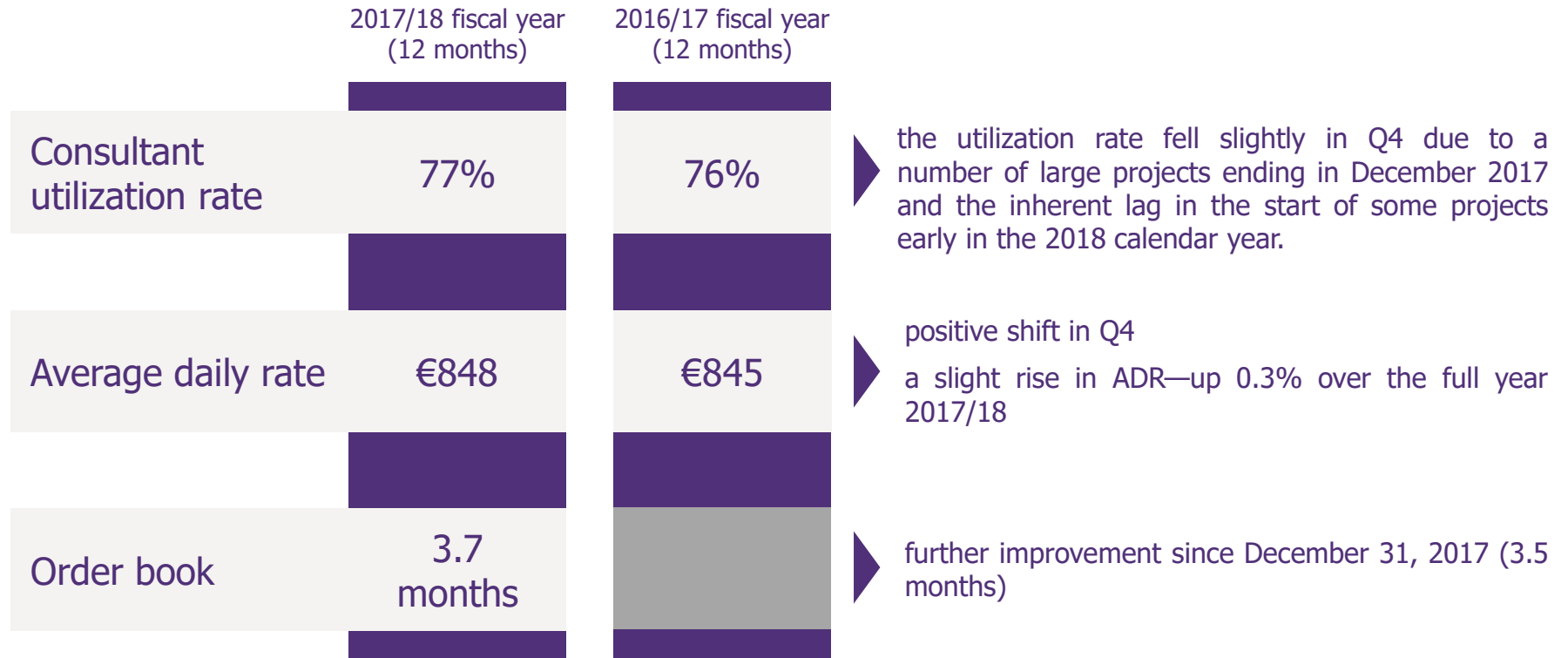
Best Workplaces<sup>™</sup>

500 à 5000 salariés

FRANCE

2018

# Improving operating indicators







**/ 02**

Annual results 2017/18

# Annual revenue grows by 6%

Revenue	2017/18	2016/17	Change
<i>In €m - consolidated data<sup>1</sup></i>			
12 months	<b>359.9</b>	338.7	<b>+6%</b>

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

- / Annual growth was 6% (+7% on a constant forex basis)
- / Annual revenue was €359.9m, well above the €350m target

## EBIT margin 14.1%

Consolidated data <sup>1</sup> at 03/31 (€m)	2017/18	2016/17	Change
<b>Revenue</b>	<b>359.9</b>	<b>338.7</b>	<b>+6%</b>
<b>EBIT</b>	<b>50.6</b>	<b>38.7</b>	<b>+31%</b>
<i>EBIT margin</i>	<i>14.1%</i>	<i>11.4%</i>	
Amortization of client relationships	(2.5)	(2.5)	
Other operating income and expenses	(1.3)	(0.6)	
<b>Operating income</b>	<b>46.8</b>	<b>35.6</b>	<b>+31%</b>
Cost of net financial debt	(1.9)	(2.1)	
Other income and expenses	(1.0)	(0.4)	
Income tax expenses	(17.3)	(13.1)	
<b>Group share of net income</b>	<b>26.6</b>	<b>20.1</b>	<b>+33%</b>
<i>Net margin</i>	<i>7.4%</i>	<i>5.9%</i>	

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

## Activity-related changes to cash flow

Consolidated data at 03/31 (€m)	2017/18	2016/17
<b>Gross cash flow margin</b>	32.9	27.1
Change in working capital requirements	(2.8)	(2.3)
<b>Net cash flow from operations</b>	30.1	24.7
<b>Net cash flow from investments</b>	(3.0)	(18.5)
<b>Net cash flow from financing operations</b>	(13.3)	(7.1)
of which dividends	(3.0)	(2.0)
<b>Change in cash and cash equivalents</b>	13.8	(0.9)

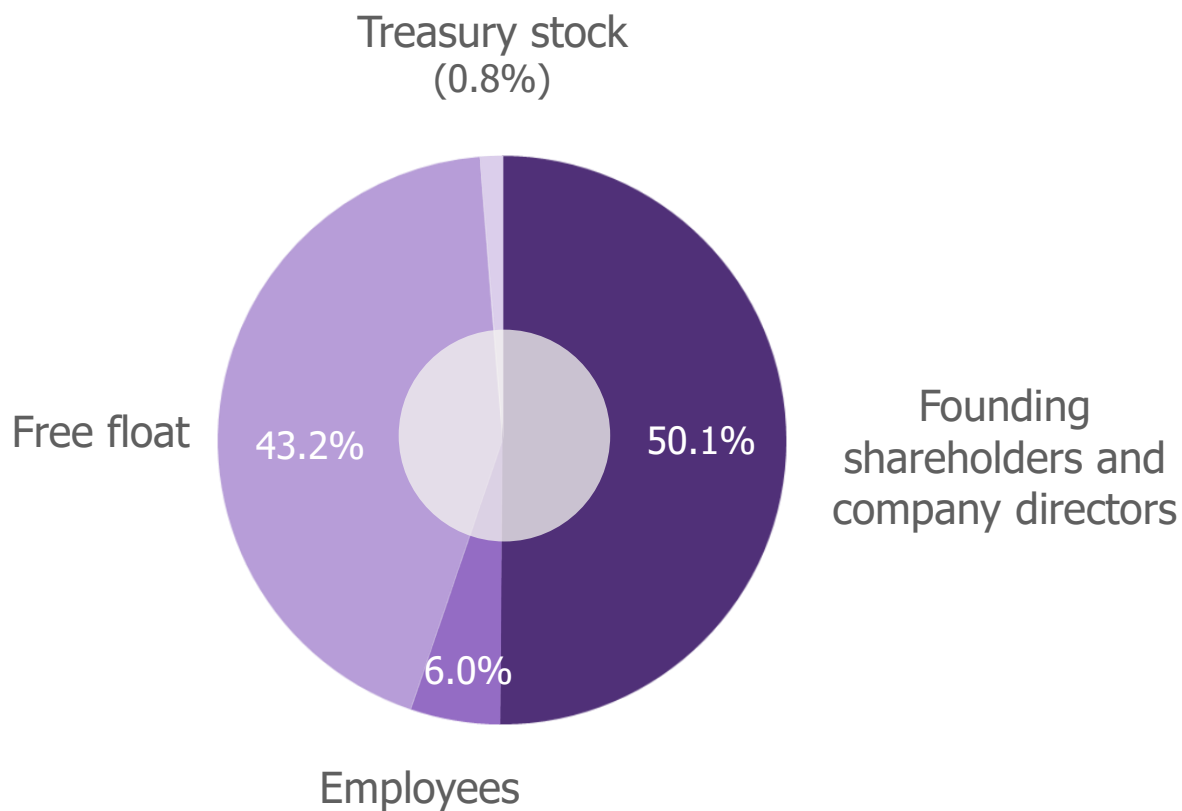
## A reduction of more than €20m in net debt

Consolidated data (€m)	2017/18 (03/31/2018)	2016/17 (03/31/2017)	Consolidated data (€m)	2017/18 (03/31/2018)	2016/17 (03/31/2017)
<b>Non-current assets</b>	157.1	164.0	<b>Shareholders' equity</b>	130.2	104.1
of which goodwill	118.9	119.8	of which minority interests	0	0
<b>Current assets</b>	152.2	130.8	<b>Non-financial liabilities</b>	144.4	134.2
of which trade receivables	123.9	111.2	<b>Financial liabilities</b>	86.7	95.2
<b>Cash and cash equivalents</b>	52.1	38.7	of which less than one year	16.7	9.4
<b>TOTAL ASSETS</b>	<b>361.3</b>	<b>333.5</b>	<b>TOTAL LIABILITIES</b>	<b>361.3</b>	<b>333.5</b>

**Net debt: €34.6m**

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

# Breakdown of share capital at March 31, 2018



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

Potential dilution of treasury stock  
**2.02%**

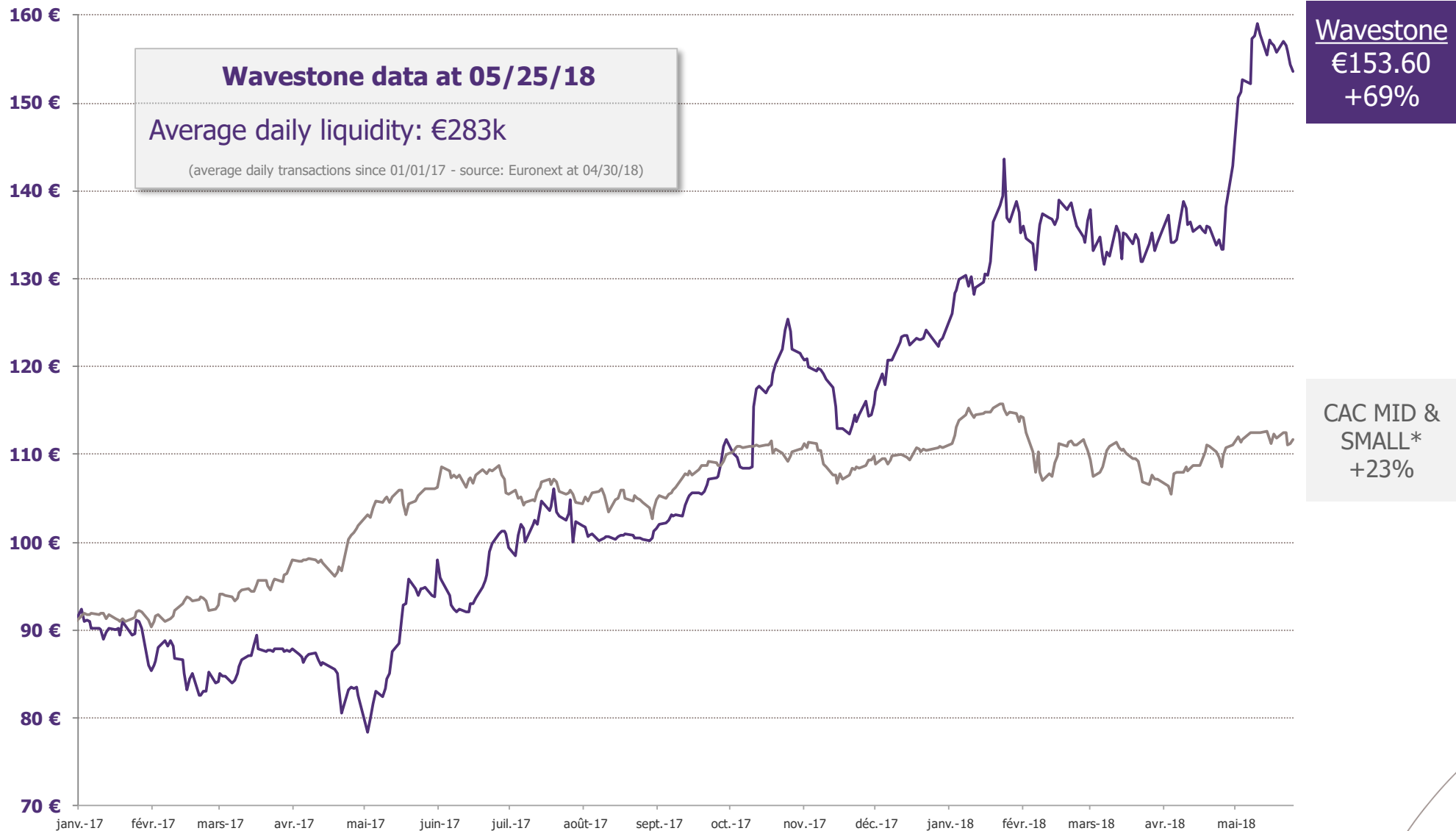
Proposals to the shareholders' annual general meeting of 07/26/2018

**dividend of €0.81 per share (+ 33%)  
par/nominal value of shares to be  
divided by four**



CAC MID & SMALL - CAC SMALL  
CAC SOFT. & C.S. - CAC TECHNOLOGY  
ENTERNEXT PEA-SME 150  
ENTERNEXT TECH 40 - GAÏA INDEX

# +69% increase in Wavestone's share value since early 2017



\* CAC MID & SMALL rebased on Wavestone share price at December 31, 2016



/ **03**

Strategy to develop internationally



# Wavestone's international reach is limited at present

11% of revenue generated outside France

€5 to €15m



<5€m



First global customers

Performance still low



# Challenges for our international strategy

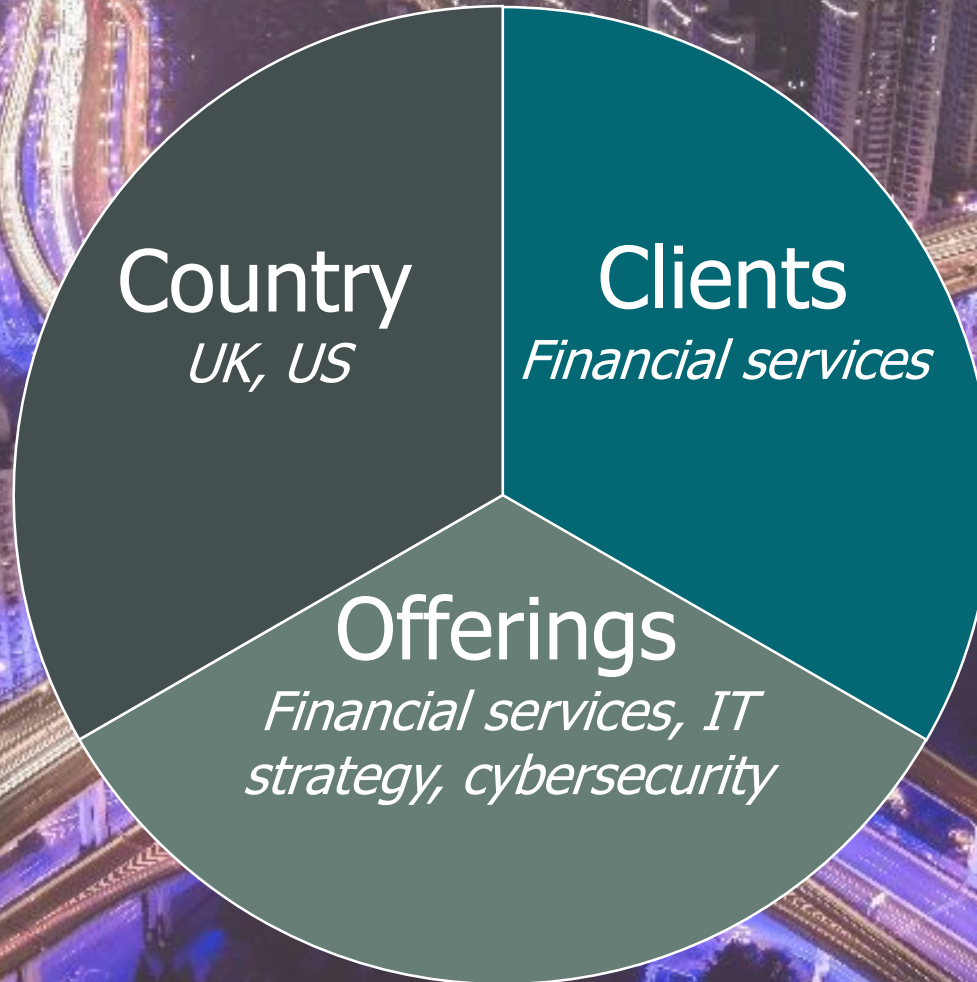


Working with multinationals



Finding market openings for growth

# A triple focus for sustained market conquest



# Acquisition of Xceed Group in April 2018



A consulting firm that specializes in leading **IT transformation** programs for **major banks and financial institutions**



First operational **synergies**



Next steps

- > Acceleration of synergies
- > Gathering teams in the same offices
- > Brand harmonization

# XCEED

A WAVESTONE COMPANY

**60 employees**  
(London and New York)

**2017 consolidated revenue:**  
**£13.3m\***  
(about €15.3m)

**Adjusted 2017 EBITDA**  
**greater than 20%**

*\* at 11/30/2017*

# Our priorities

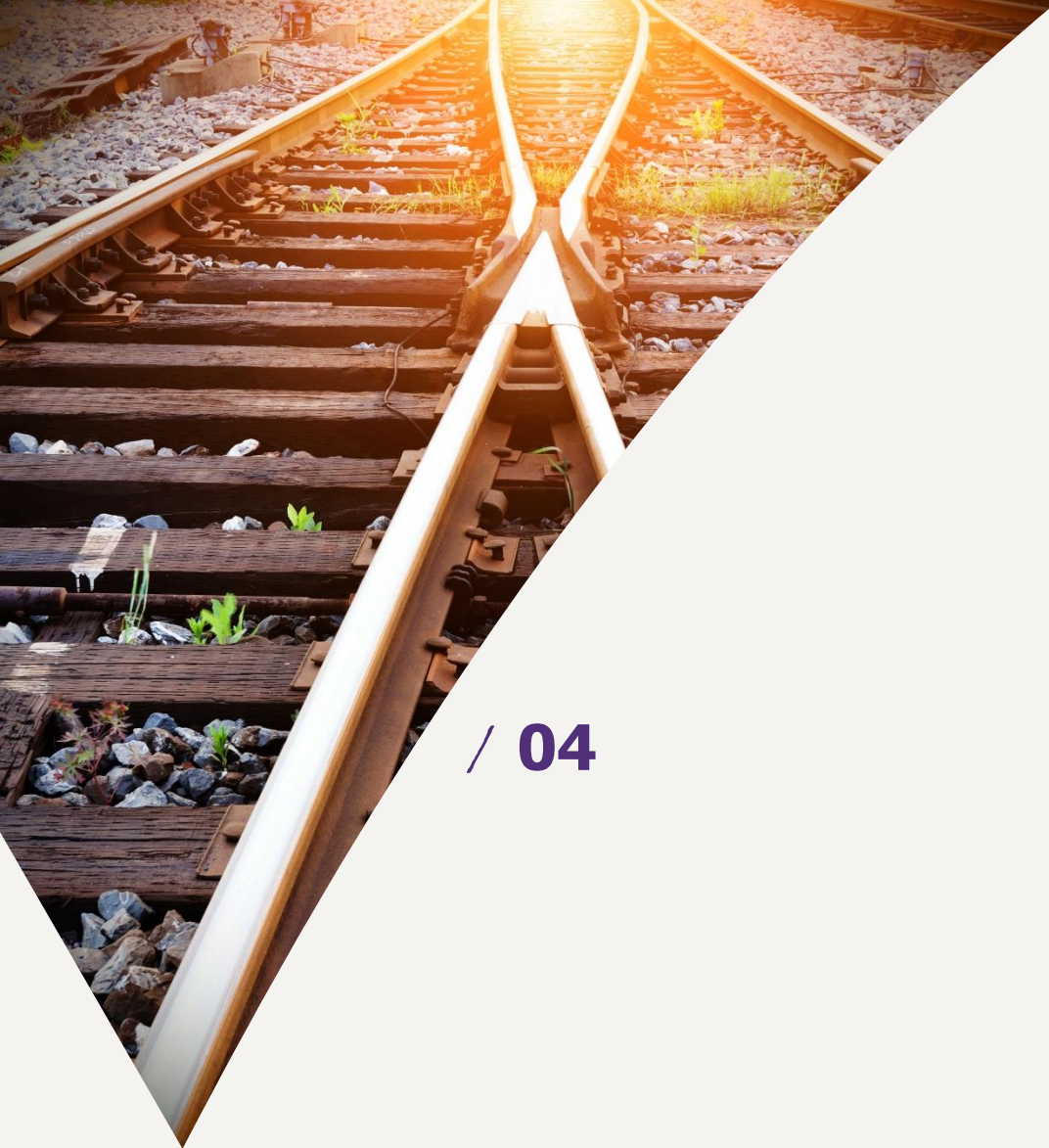


**1** Accelerate activity in the UK and US

**3** Invest more heavily in global accounts

**2** Continue our groundwork in HK

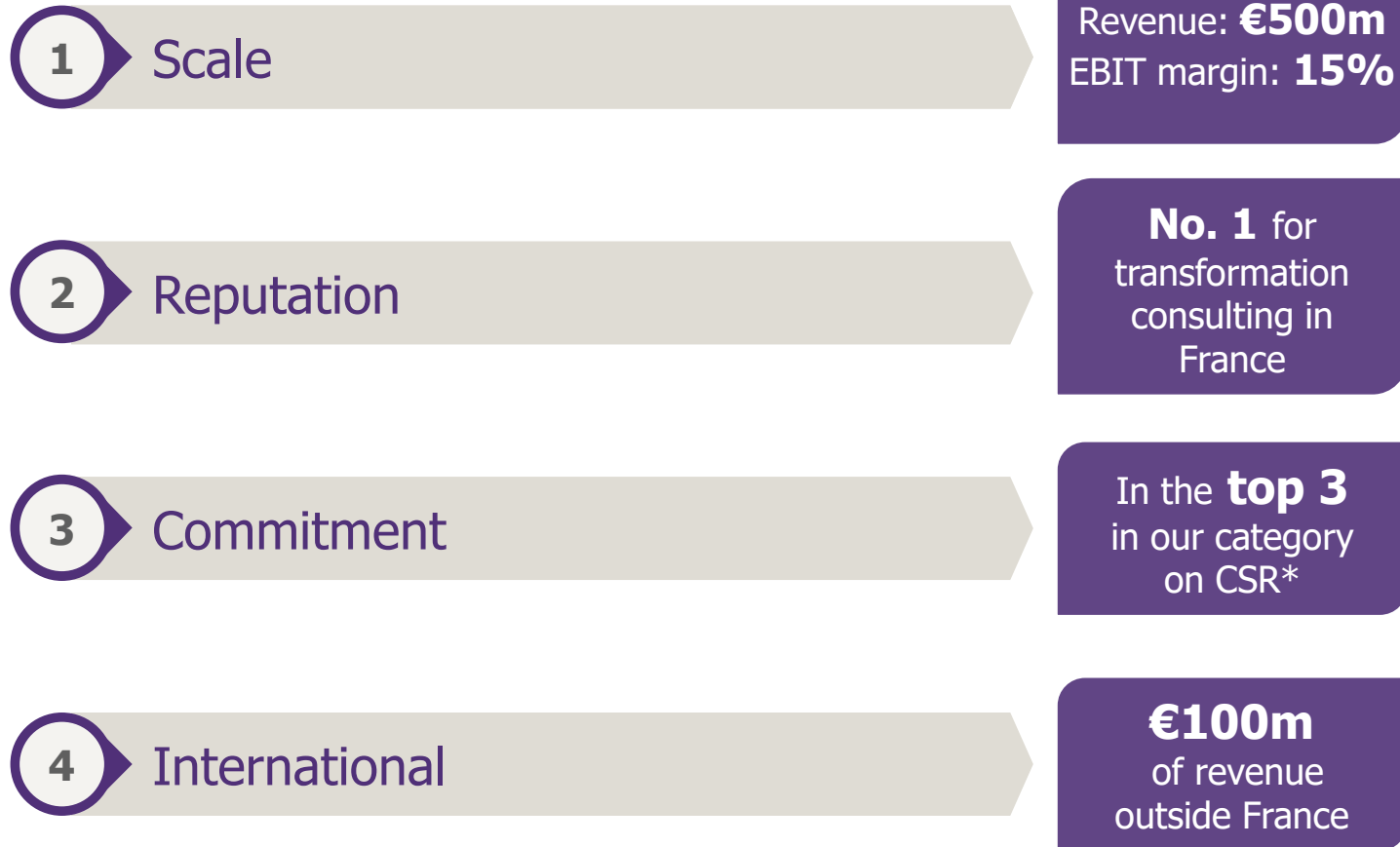
**4** Focus on increasing profitability in other countries



/ 04

Outlook

# Direction—Wavestone 2021



**2021**  
WAVESTONE



\* Gaïa-Index ranking

# A business environment marked by growing confidence



## Growth firmly driven by digital and innovation

- > the customer journey, new ways of working, modernization of the public sector, new business models
- > the internet of things, cybersecurity, artificial intelligence



## Especially promising sectors

- > financial services, manufacturing, energy, public



## Increasingly large projects

- > scale-up, increasing number of M&A operations



...but recruitment and talent retention is becoming a major theme



# Our priorities for the 2018/19 fiscal year

**1**

**Human resources and operational performance**

**2**

**The strengthening of Wavestone's brand in the market**

**3**

**Key market transformations**

**The bank of the future**

**Energy transition**

**Autonomous vehicles and new forms of mobility**

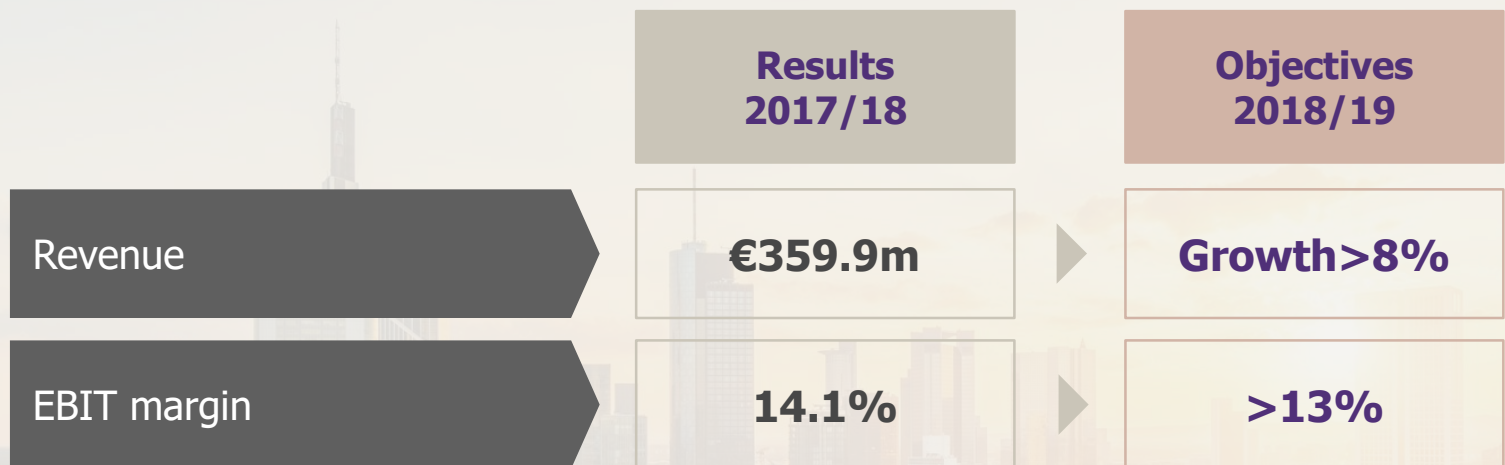
**Modernization of the public sector**

**4**

**International**

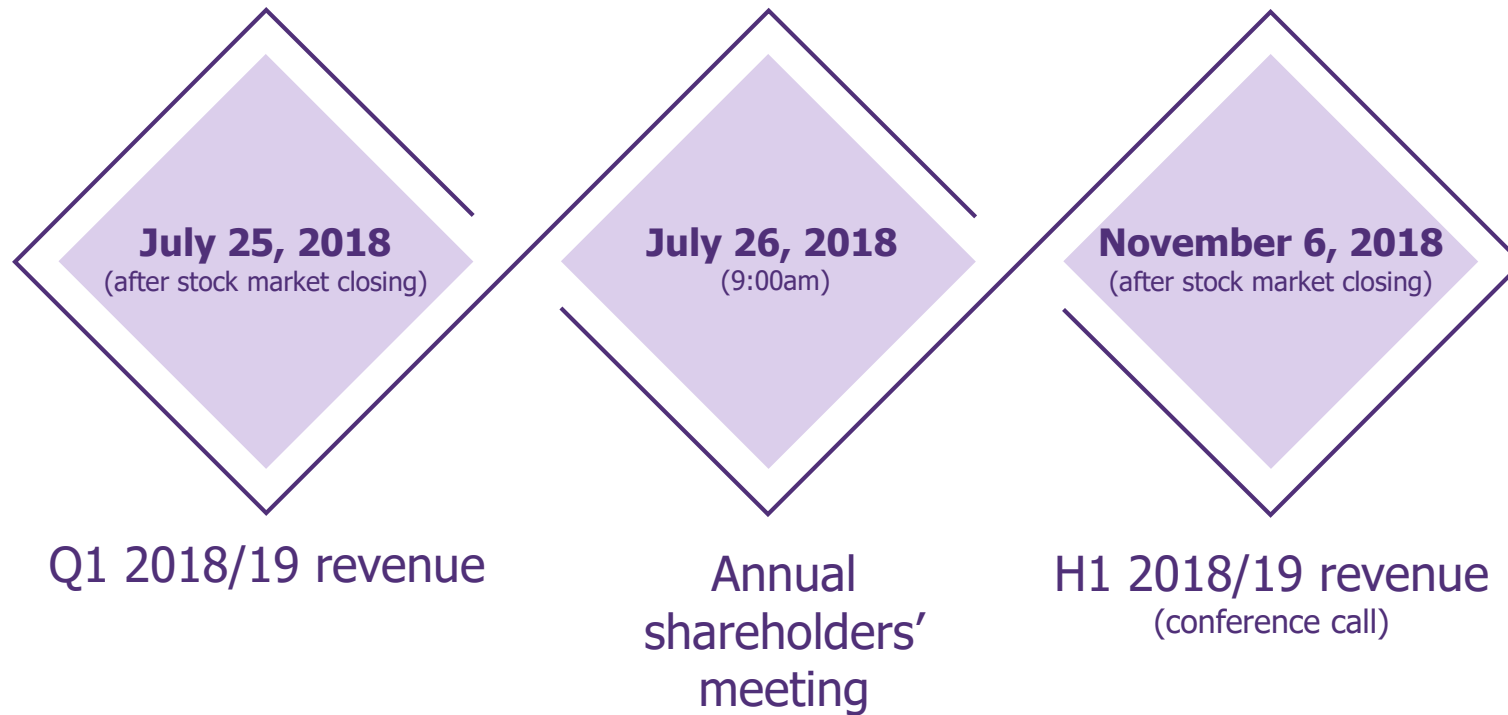


# 2018/19 objectives



*including Xceed and excluding new acquisitions*

# Financial calendar: next events



PARIS

LONDRES

NEW YORK

HONG KONG

SINGAPOUR \*

DUBAI \*

SAO PAULO \*

LUXEMBOURG

MADRID \*

MILAN \*

BRUXELLES

GENEVE

CASABLANCA

ISTANBUL \*

LYON

MARSEILLE

NANTES

\* Partenariats

WAVESTONE

*Thank you for joining us*