



WAVESTONE

Kepler Cheuvreux

October 22, 2018

AGENDA

A About Wavestone

B 2017/18 annual results

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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



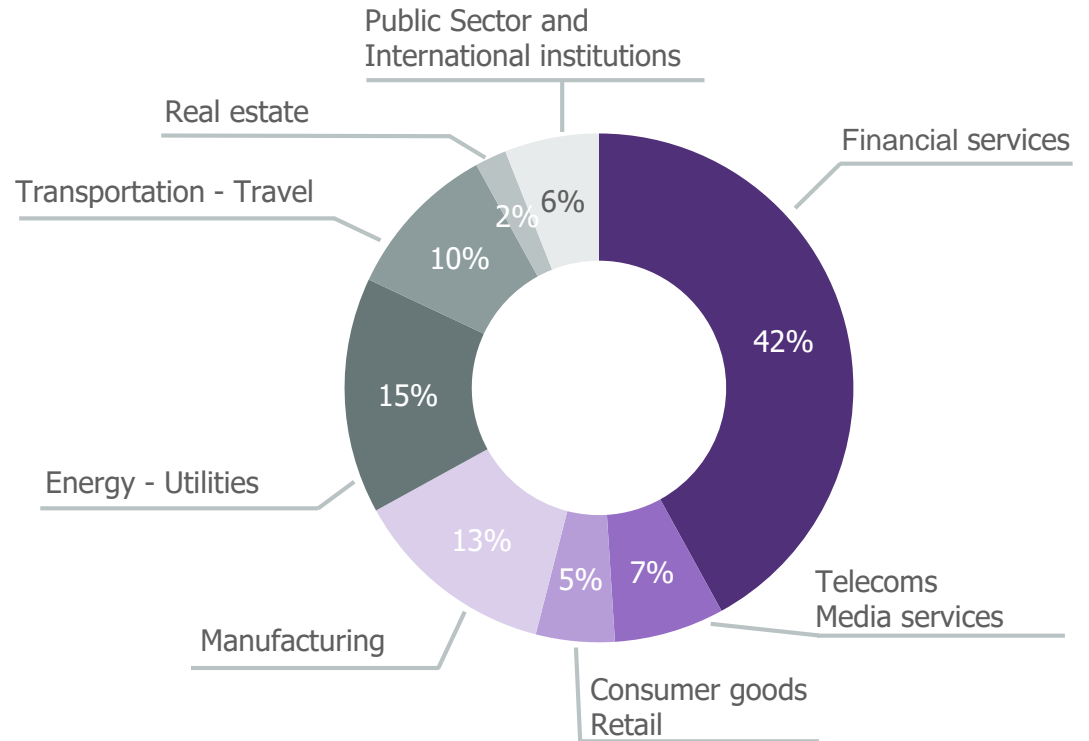
Among the leading independent
consultancies in Europe,
n°1 in France

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

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%

Wavestone's value proposition at work



ORANGE BANK
Creation of a mobile bank



EDF – SOWEE
The launch of a new IoT service offering



PSA
Platform for connected vehicles



MINISTRY OF THE INTERIOR
The Radio Network of the Future

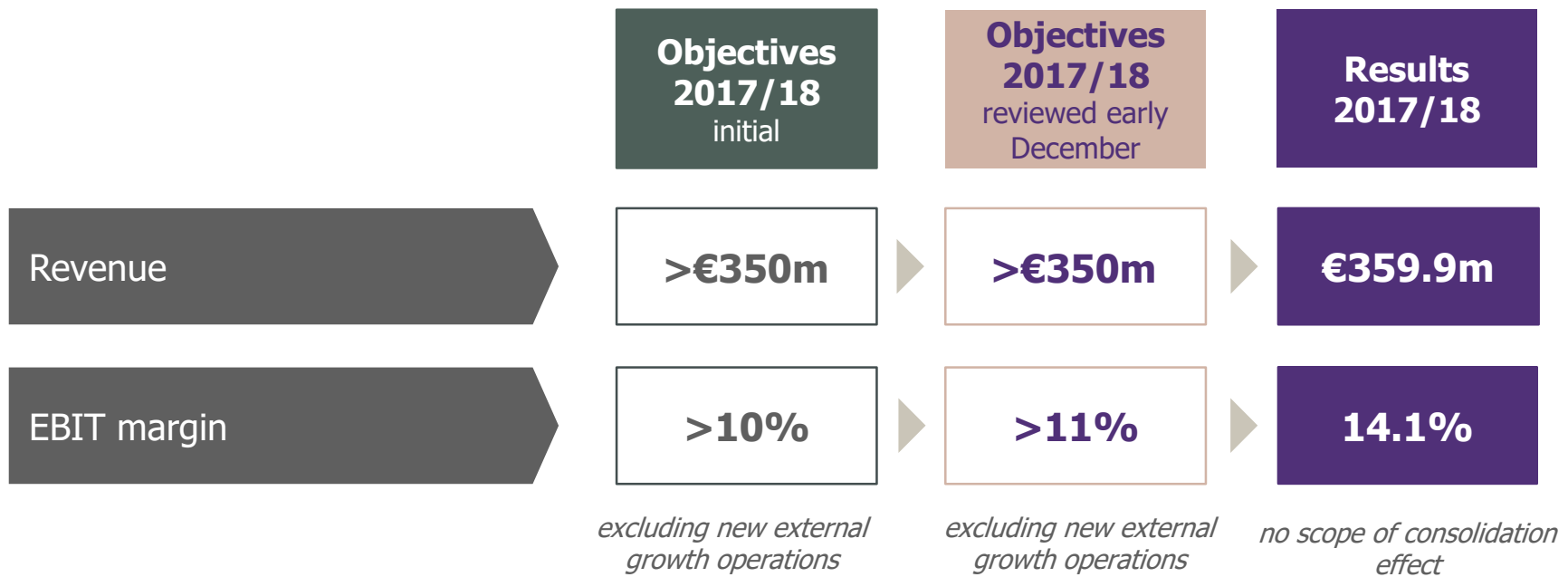
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Outperforming our 2017/18 objectives



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[®]

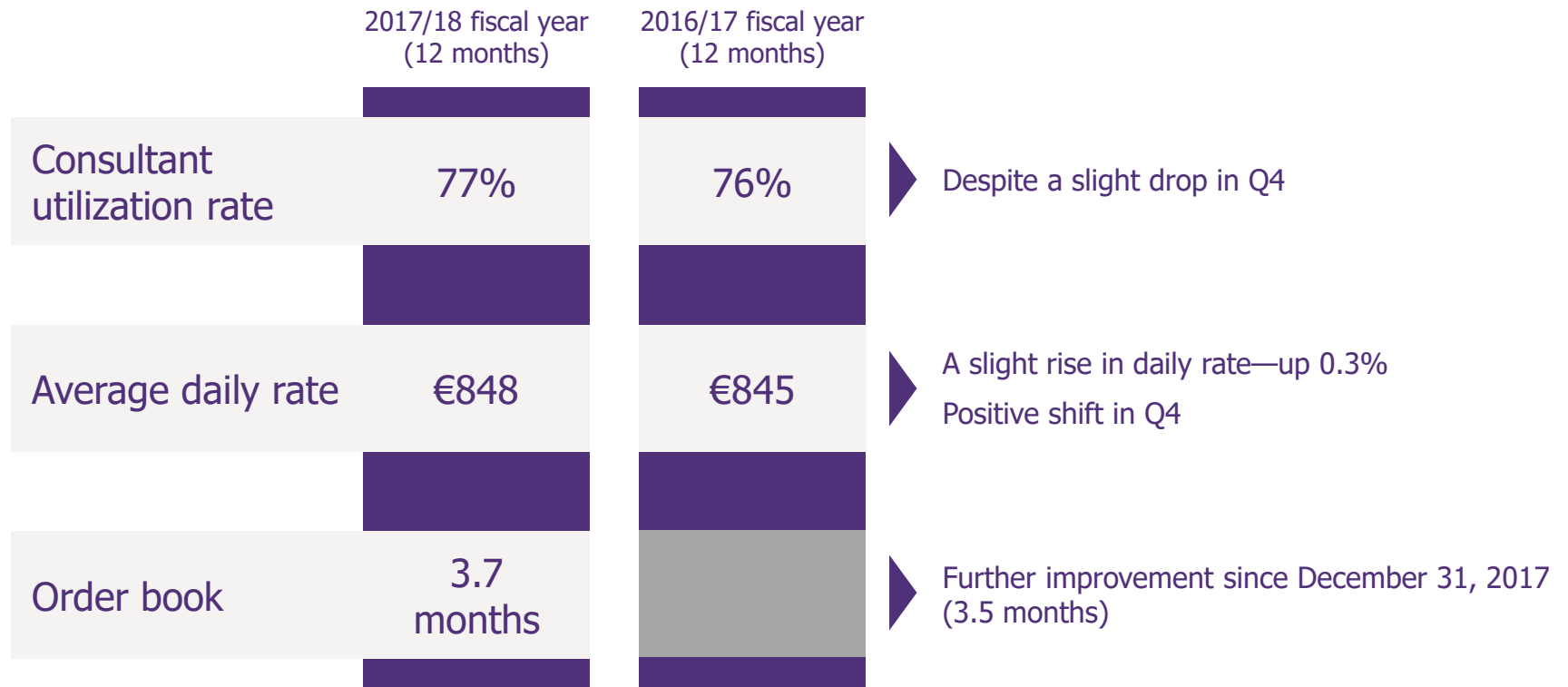
Best Workplaces[™]

500 à 5000 salariés

FRANCE

2018

Improving operating indicators



EBIT margin 14.1%

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

¹ There are no changes to report in the scope of consolidation between the two periods

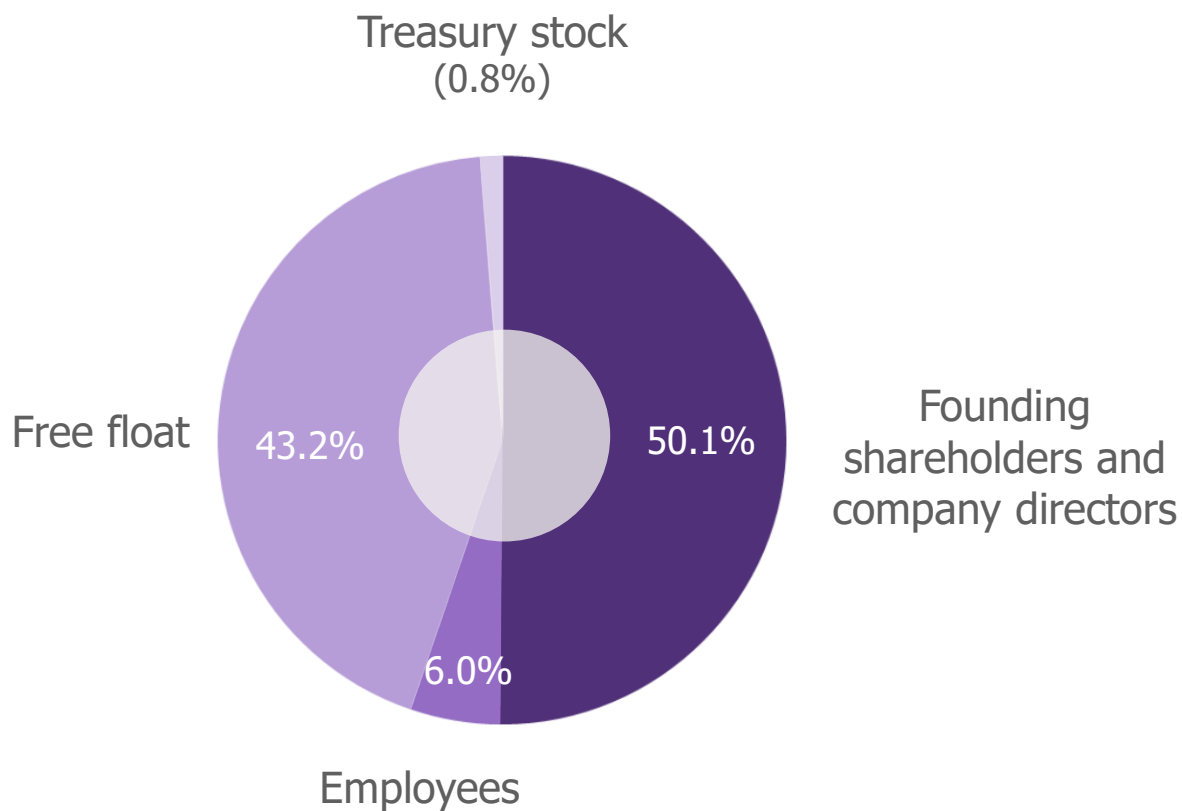
A reduction of more than €20m in net debt

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)
Non-current assets	157.1	164.0	Shareholders' equity	130.2	104.1
of which goodwill	118.9	119.8	of which minority interests	0	0
Current assets	152.2	130.8	Non-financial liabilities	144.4	134.2
of which trade receivables	123.9	111.2	Financial liabilities	86.7	95.2
Cash and cash equivalents	52.1	38.7	of which less than one year	16.7	9.4
TOTAL ASSETS	361.3	333.5	TOTAL LIABILITIES	361.3	333.5

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 **4,966,882¹**

Potential net dilution of treasury stock
2.02%¹

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

- **dividend of €0.81 per share (+33%)**
- **par/nominal value of shares divided by 4 on 09/04/2018**



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

¹ Following the capital increases that took place on June 29 and July 20 (as a result of free share allocation), the number of Wavestone shares was 5,049,123. The potential net dilution of treasury stock stood at 0.49%.

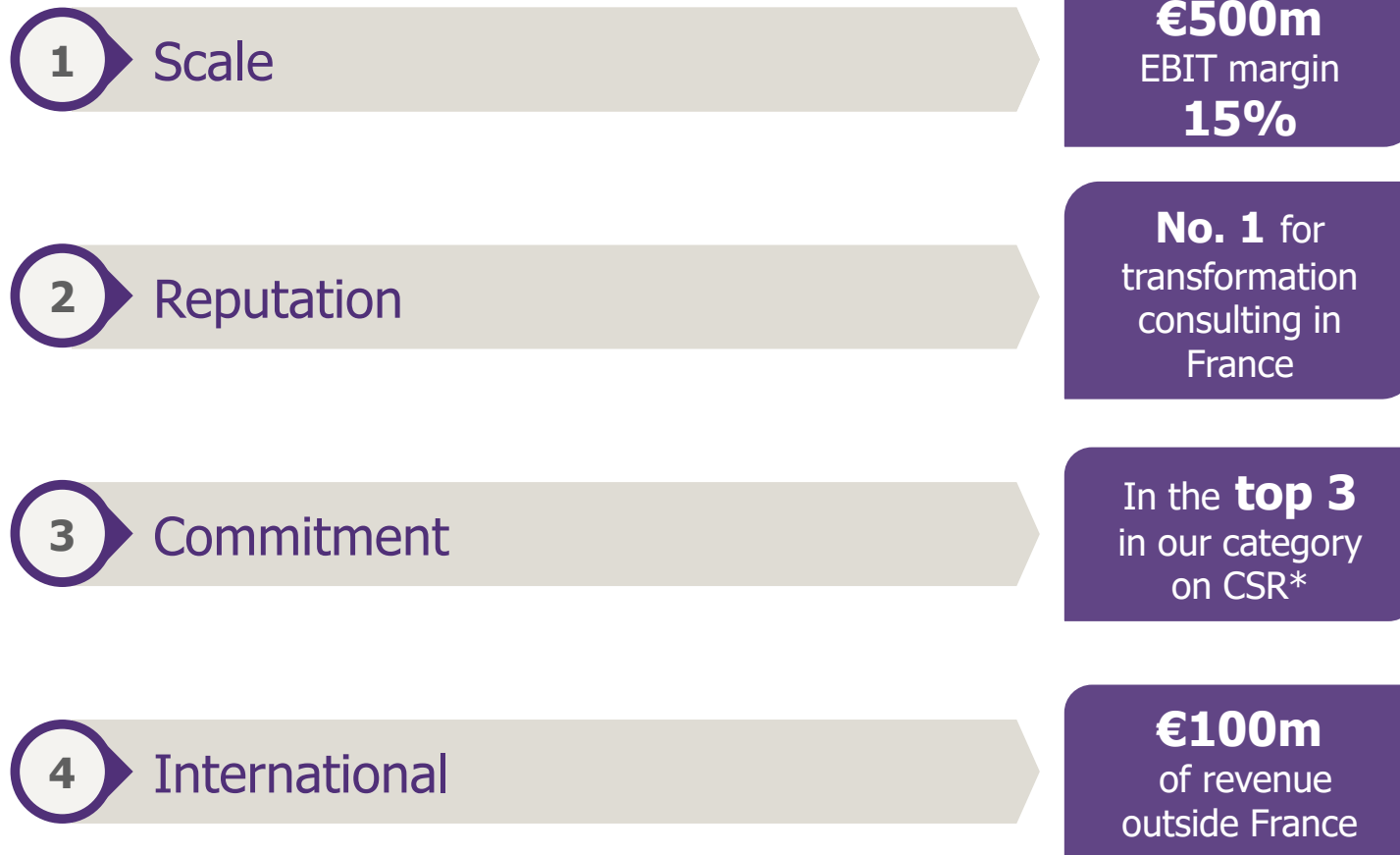
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Wavestone 2021, Wavestone's strategic plan



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

Strengthening of Wavestone's brand in the market

3

Key market transformations

Bank of the future

Energy transition

Autonomous vehicles and new forms of mobility

Modernization of the public sector

4

International



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** (contracts for the first joint projects are now signed)



Integration is **on track**

- > Despite of a slowdown in Xceed's activity over the period
- > Gathering teams in the same offices (relocation is complete in both New-York and London)
- > Brand harmonization (switchover to the Wavestone brand completed since mid-September)

60 employees
(London and New York)

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

Adjusted 2017 EBITDA
greater than 20%

Price of £11.5m (EV) plus an
earn-out of up to £5m

** at 11/30/2017*

Solid growth in Q1 2018/19: +12%

Revenue	2018/19	2017/18	Change	Change on a constant forex basis	Change at constant scope ¹ and on a constant forex basis
<i>In €m - unaudited consolidated data</i>					
Q1	95.9	85.4	+12%	+13%	+9%

¹Xceed consolidated since April 1, 2018

- / An increase of +12% compared with Q1 2017/18; 13% on a constant forex basis
- / Organic growth (at constant scope and on a constant forex basis) of +9%

Positive operating indicators

	Q1 2018/19 (3 months)	2017/18 fiscal year (12 months)	
Consultant utilization rate	78%	77%	► Utilization rates rose in Q1 2018/19
Average daily rate (ADR)	€869	€848	► Sales prices up 2.5%, following the positive signs of previous months
Order book	3.6 months	3.7 months	

Continued expansion of the workforce, but increasing concerns over staff turnover

/ A solid recruitment picture

- > in line with the firm's roadmap (of more than 600 hires)
- > despite an increasingly competitive labor market

/ An upturn in staff turnover rate

- > 21% on a full-year equivalent basis
- > a clear area of focus in the coming months

/ 2,825 employees at June 30, 2018 (including Xceed)

- > compared with 2,793 at March 31, 2018

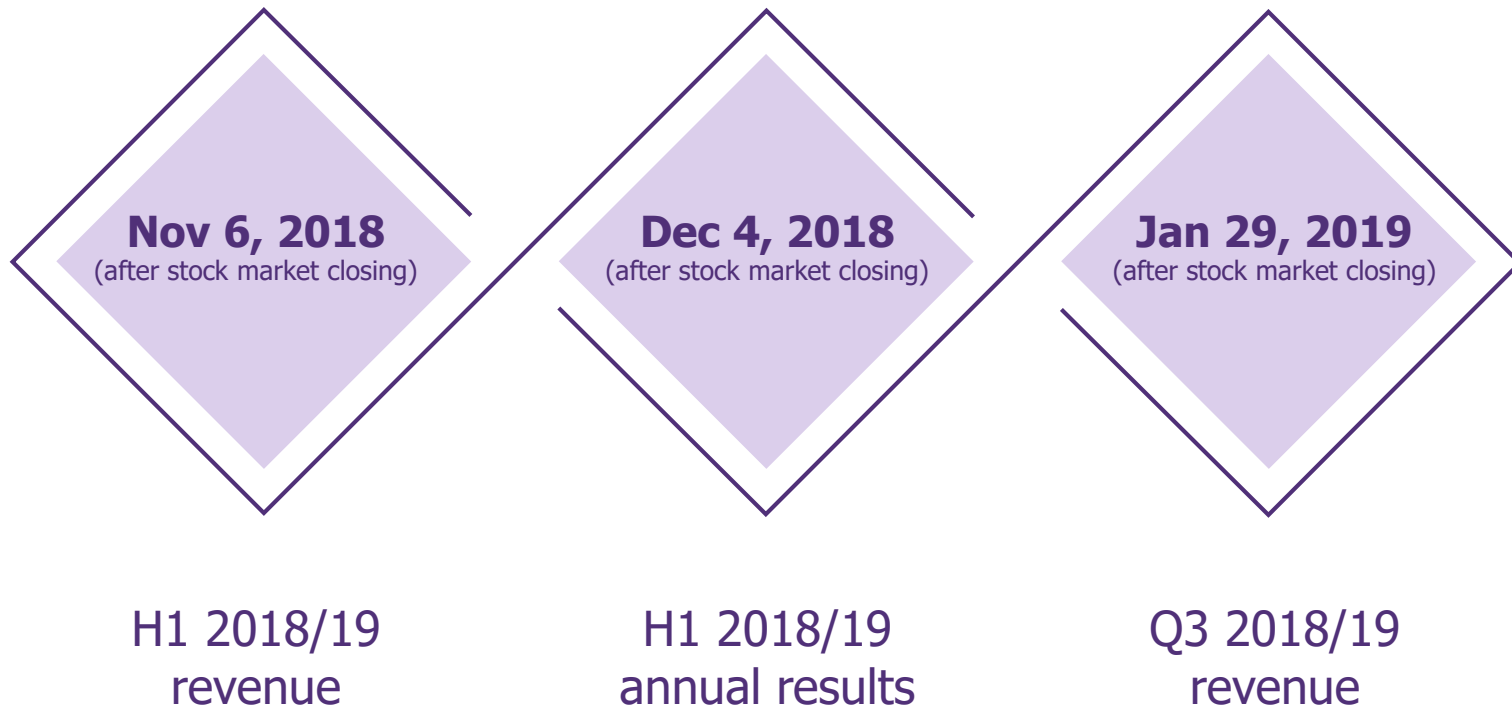
Confirmation of 2018/19 objectives

- / A solid and better than expected start to 2018/19
- / Q2 may prove more challenging
 - > staff turnover must be brought back under control
 - > a risk of a decline in activity levels during the summer and immediately after
- / Annual financial targets confirmed

	Results 2017/18	Objectives 2018/19
Revenue	€359.9m	Growth >8%
EBIT margin	14.1%	>13%

including Xceed and excluding new acquisitions

Financial calendar: next events



PARIS

LONDON

NEW YORK

HONG KONG

SINGAPORE *

DUBAI *

SAO PAULO *

LUXEMBOURG

MADRID *

MILANO *

BRUSSELS

GENEVA

CASABLANCA

ISTANBUL *

EDINBURGH

LYON

MARSEILLE

NANTES

* Partners

WAVESTONE

