



WAVESTONE

One-to-one meeting

December 6, 2018

AGENDA

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In a world where the ability to drive transformation is the key to success, we inform and guide our clients in their most strategic decisions.



Clients who are leaders in their sector



2,800 employees across 8 countries



A leading independent player in European consulting, and the number one in France.

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

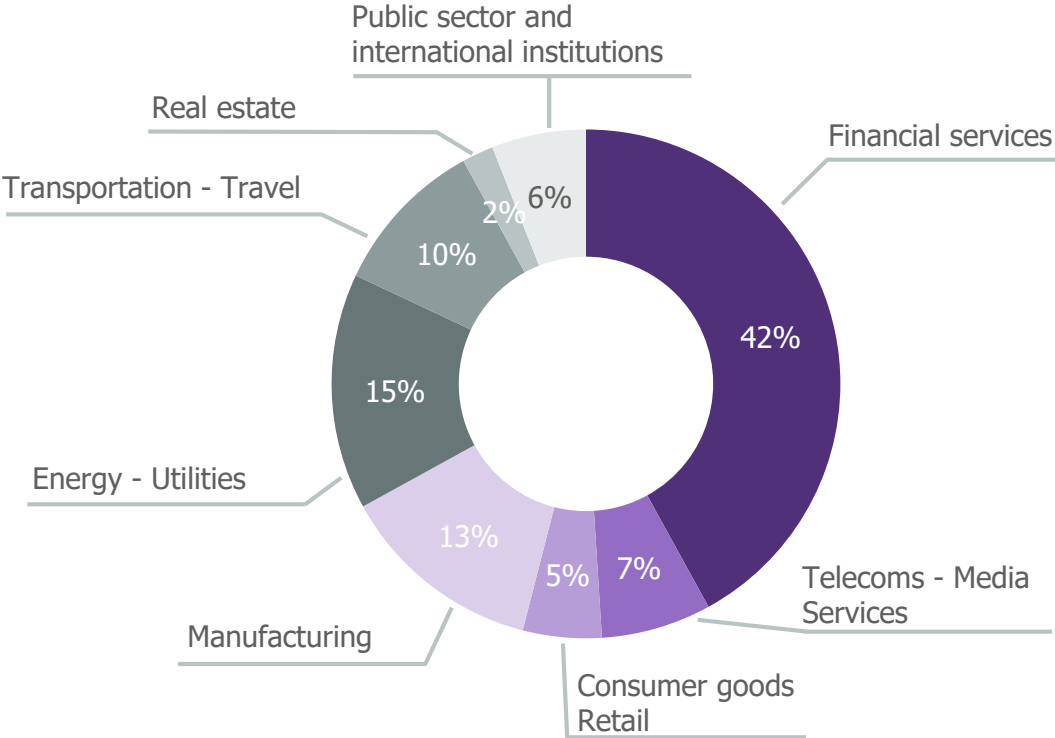
* Through partnerships



Top-20 clients 2017/18

BNP Paribas	10%
Societe Generale	9%
EDF	7%
SNCF	5%
La Poste	5%
Crédit 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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Half-yearly growth in line with the roadmap despite a mixed second quarter

Revenue <i>€m - unaudited consolidated data</i>	H1 2018/19	H1 2017/18	Change	Change on a constant forex basis	Change at constant scope ¹ and on a constant forex basis
Q1	95.9	85.4	+12%	+13%	+9%
Q2	86.7	81.2	+7%	+7%	+4%
H1	182.6	166.5	+10%	+10%	+7%

¹UK firm, Xceed, has been consolidated since April 1, 2018

- / An increase of +10%, compared with H1 2017/18, and organic growth of 7%
- / A slowdown in Q2

Decline in the consultant utilization rate in Q2; increase in sales prices

	H1 2018/19 (6 months)	2017/18 fiscal year (12 months)	
Consultant utilization rate	76%	77%	▶ Decline in Q2: a slowdown in activity over the summer; insufficient level of new projects in September
Average daily rate (ADR)	€868	€848	▶ Sales prices up +2.4%, above the +1% to +2% targeted for 2018/19
Order book	3.3 months	3.7 months	▶ Reduction in visibility immediately after the summer

Persistently high staff turnover; sustained rate of recruitment

/ Staff turnover remains a major concern

- > 21% on a full-year basis
- > compared with 16% for the previous fiscal year

/ Sustained level of recruitment in line with the annual hiring plan (600 hires)

- > despite an increasingly competitive labor market

/ 2,851 employees at September 30, 2018 (including Xceed)

- > compared with 2,825 at the end of June, and 2,793 at March 31, 2018

EBIT margin 10.9%, up by 1 percentage point

Consolidated data at 09/30 (€m), limited review	H1 2018/19	H1 2017/18	<i>Change</i>	Fiscal year 2017/18
Revenue	182.6	166.5	+10%	359.9
EBIT	19.9	16.4	+21%	50.6
<i>EBIT margin</i>	10.9%	9.9%		14.1%
Amortization of client relationships	(1.3)	(1.3)		(2.5)
Other income and expenses	(0.2)	0.0		(1.3)
Operating income	18.5	15.2	+22%	46.8
Cost of net financial debt	(0.8)	(1.0)		(1.9)
Other income and expenses	0.4	(0.6)		(1.0)
Income tax expenses	(7.4)	(5.6)		(17.3)
Group share of net income	10.6	8.0	+33%	26.6
<i>Net margin</i>	5.8%	4.8%		7.4%

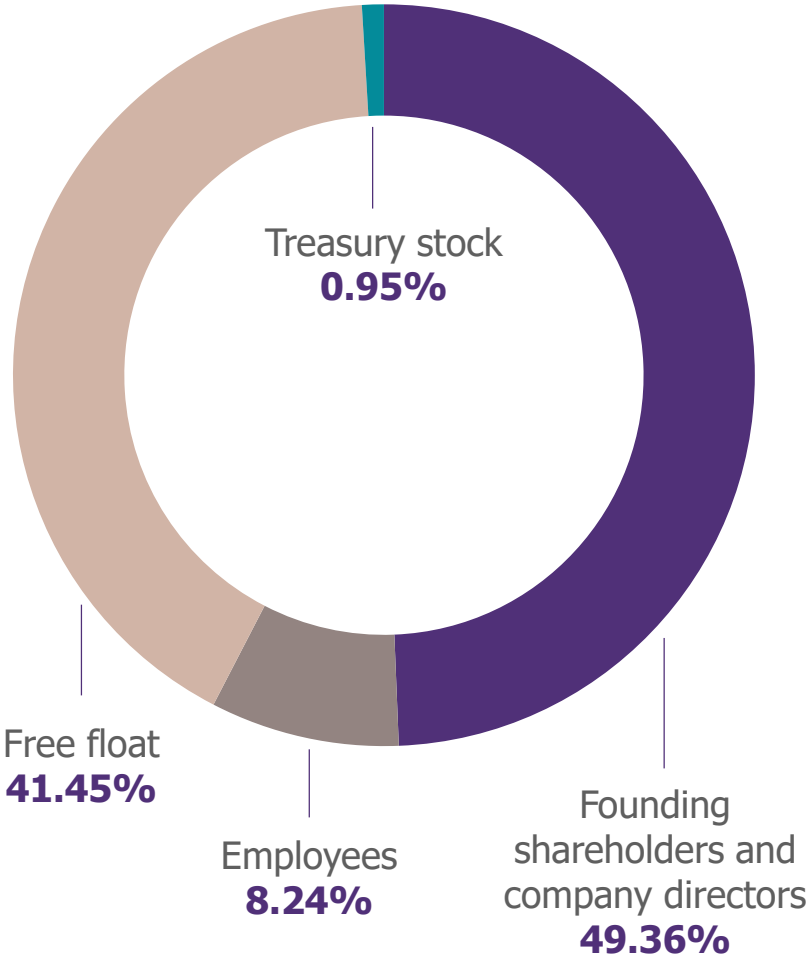
Net debt in line with usual seasonal pattern

Consolidated data (€m)	09/30 2018	03/31 2018	Consolidated data (€m)	09/30 2018	31/03 2018
Non-current assets of which goodwill	167.7 130.9	157.1 118.9	Shareholders' equity of which minority interests	129.5 0.0	130.2 0.0
Current assets of which trade receivables	152.5 126.2	152.2 123.9	Non-financial liabilities	128.9	144.4
Cash and cash equivalents	31.0	52.1	Financial liabilities of which less than one year	92.8 20.6	86.7 16.7
TOTAL ASSETS	351.3	361.3	TOTAL LIABILITIES	351.3	361.3

Net debt: €61.7m

compared with €76.4m at the end of September 2017, and €34.6m at March 31, 2018

Breakdown of share capital at September 30, 2018



Number of shares: **20,196,492**

Potential net dilution of treasury stock: **0.11%**

Dividend distributed in August 2018:
€0.20 per share* (+33%)

**Recalculated following the division by four of the par value of Wavestone shares which took place in early September*

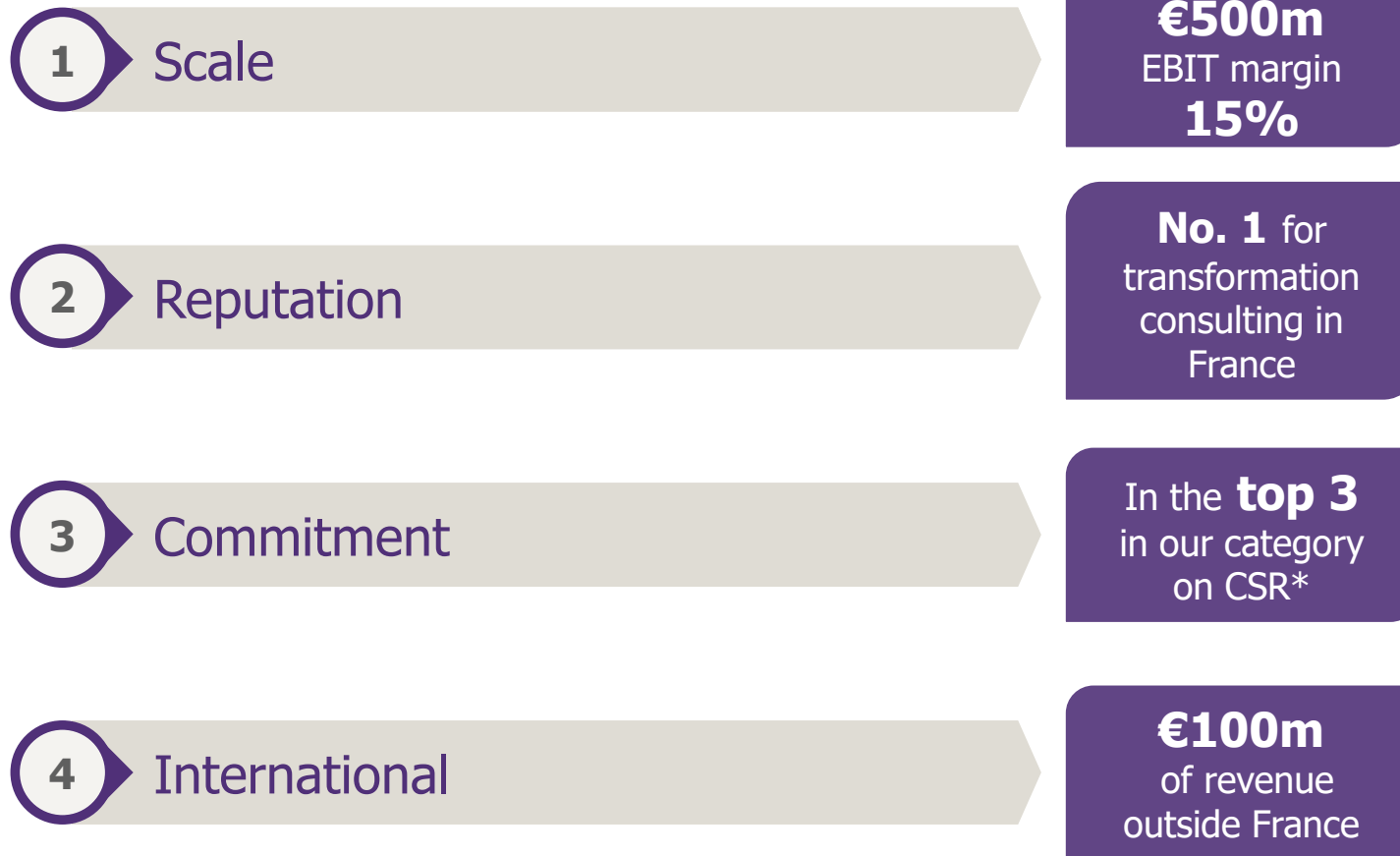
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Wavestone 2021, Wavestone's strategic plan



2021
WAVESTONE



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*

Acquisition of Metis Consulting, a supply chain specialist



Metis Consulting advises companies in the transformation of their **supply chain operations**

- > clients mostly from retail, e-commerce, and luxury sectors
- > 6 partners, who will continue to head up Metis



Ambition

- > make Wavestone a leader in supply chains
- > carve out a distinctive position in supply chain digitalization



Details of the operation

- > purchase price: **~€7.6m in enterprise value**
- > plus **€2.9m**, depending on performance over the next 18 months
- > consolidated on November 1, 2018

METIS CONSULTING
A WAVESTONE COMPANY

**Revenue: €8.7m at
03/31/2018**

**~40 employees
(Paris)**

Regular growth

EBITDA margin over 15%

Promising overall market conditions despite greater economic uncertainty

/ After a mixed picture in the final months of H1...



Slowdown over summer and in September

Less traction in financial services

/ ...a return of sales to the norm early at the start of Q3



Order taking on track in October and November

A greater economic uncertainty

Priorities in H2

1

Quality of execution

- / Further intensify HR-related actions
- / Improve operational performance, especially utilization rate

2

Maintain focus on key market transformations

- / The bank of the future
- / Energy transition
- / Autonomous vehicles and new forms of mobility
- / Public sector modernization

3

Continue to pursue external growth, especially internationally



Confirmation of 2018/19 objectives

/ A satisfactory six months

- > +10% growth; +7% at constant scope and exchange rates
- > a full percentage point improvement in EBIT margin

/ A closer monitoring for the next months

- > but demand still buoyant at the start of Q3
- > a greater economic uncertainty

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

*including Xceed
and excluding Metis Consulting*

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

