## WAVESTONE

## Interim 2018/19 results

Conference call

December 6, 2018

### Half-yearly growth in line with the roadmap despite a mixed second quarter

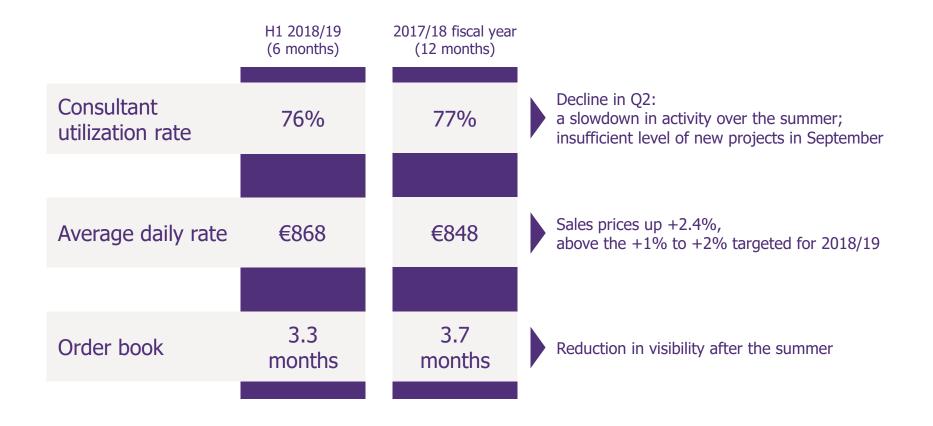
Revenue €m - unaudited consolidated data	2018/19	2017/18	Change	<i>Change on a constant forex basis</i>	<i>Change at</i> <i>constant</i> <i>scope<sup>1</sup> and on</i> <i>a constant</i> <i>forex basis</i>
Q1	95.9	85.4	+12%	+13%	+9%
Q2	86.7	81.2	+7%	+7%	+4%
H1	182.6	166.5	+10%	+10%	+7%

<sup>1</sup> 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



### 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	Change	Fiscal year 2017/18
Revenue	182.6	166.5	+10%	359.9
EBIT	19.9	16.4	+21%	50.6
EBIT margin	<i>10.9%</i>	<b>9.9%</b>		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
Net margin	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	<b>Shareholders' equity</b> of which minority interests	129.5 0.0	130.2 0.0
<b>Current assets</b> of which trade receivables	1 <b>52.5</b> 126.2	1 <b>52.2</b> 123.9	Non-financial liabilities	128.9	144.4
Cash and cash equivalents	31.0	52.1	<b>Financial liabilities</b> 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 September 30, 2017, and €34.6m at March 31, 2018* 

### 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

Revenue: €8.7m at 03/31/2018

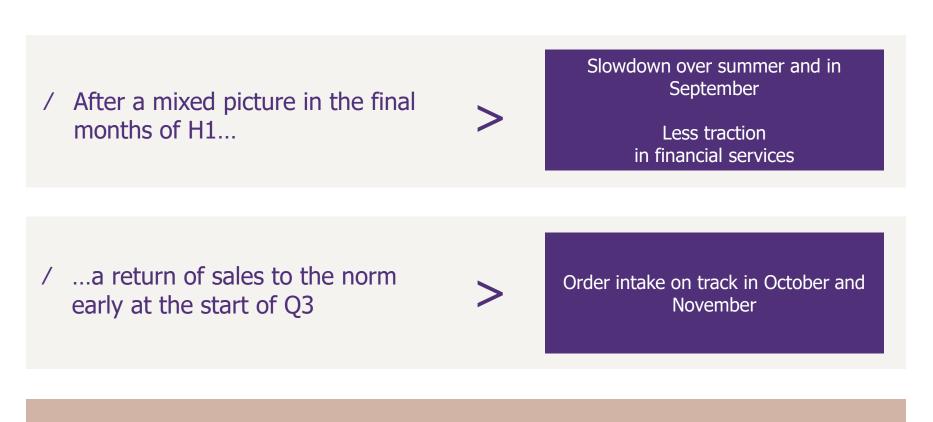
~40 employees (Paris)

**Regular growth** 

EBITDA margin over 15%

© Wavestone

Promising overall market conditions despite greater economic uncertainty



A greater economic uncertainty

### Priorities in H2

#### Quality of execution

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

## 2

#### Maintain focus on key market transformations

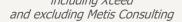
- / The bank of the future
- / Energy transition
- / Autonomous vehicles and new forms of mobility
- / Public sector modernization

## Continue to pursue external growth, especially outside of France



## Confirmation of 2018/19 objectives









## WAVESTONE

## **Q&A** session

Conference call

December 6, 2018

PARIS

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**NEW YORK** 

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SINGAPOUR\*

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Thank you for joining us on this conference call