



WAVESTONE

Kepler Cheuvreux roadshow - London

June 7, 2019

AGENDA

A About Wavestone

B 2018/19 annual results

C Outlook and recent news



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 sectors



3,000 employees across 8 countries



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

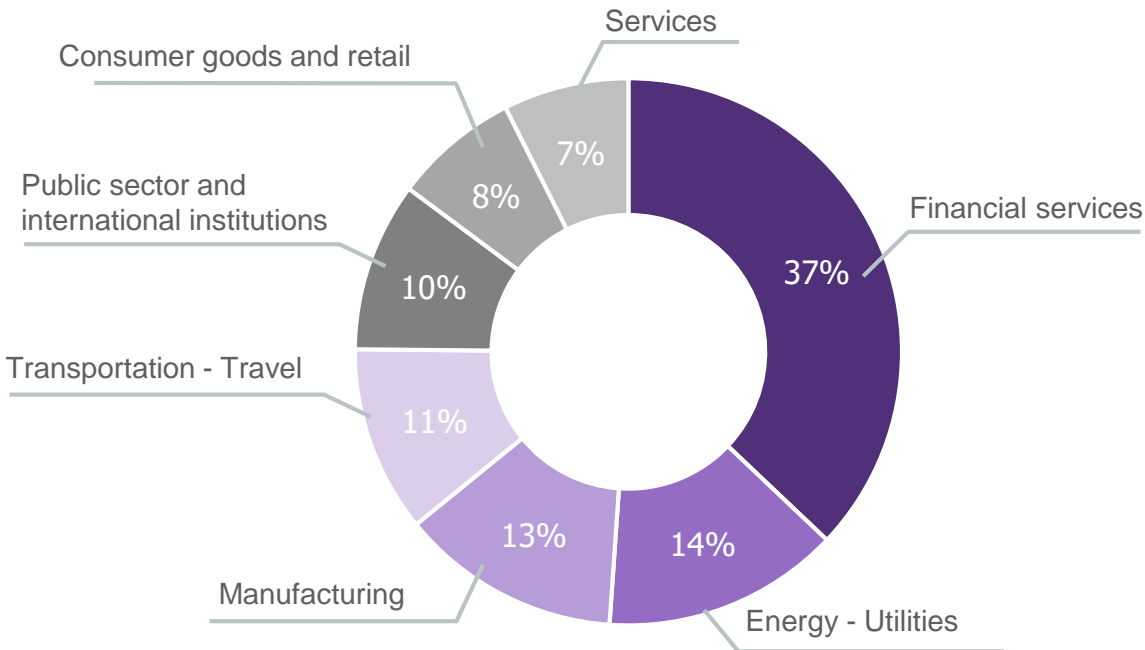
Paris | London | New York | Hong Kong | Luxembourg
Geneva | Brussels | Casablanca | Lyon | Marseilles | Nantes



Top-20 clients 2018/19

SOCIETE GENERALE	9%
BNP PARIBAS	7%
EDF	7%
SNCF	6%
LA POSTE	5%
CREDIT AGRICOLE	4%
TOTAL	4%
UGAP	3%
SANOFI	3%
BPCE	2%
ENGIE	2%
AXA	2%
SAINT GOBAIN	2%
PSA	1%
RENAULT	1%
L'ORÉAL	1%
AMF	1%
ALSTOM	1%
ALLIANZ	1%
CHANEL	1%

Breakdown of revenue by sector 2018/19



2018/19 revenue

France	88%
International	12%

Wavestone at the leading edge of digital transformation and innovation projects

Digital transformation projects...



Carrefour – Supply Chain
grocery e-commerce



SNCF Réseau - Rail infrastructure
maintenance performance



Global distributor of electrical equipment – Transformation of e-commerce
channel at European level

...and projects focused on innovation



Enedis - Recharging of electric vehicles
and the domestic environment



BPI France - Artificial intelligence
to improve the environment



European Commission - Data strategy
for European companies

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Consultant utilization rate under pressure; growth in sales prices

	2018/19 fiscal year (12 months)	2017/18 fiscal year (12 months)	
Consultant utilization rate	75%	77%	▶ A disappointing end to the year (74% in Q4, compared with 75% over the 12-month period)
Average daily rate (ADR)	€872	€848	▶ A progression of +2.8% in 2018/19; better than the firm's +1% to +2% target range for the fiscal year
Order book	3.6 months	3.7 months	

Slowdown in staff turnover

/ Slowdown in staff turnover in H2 2018/19

- > 18% over the 12-month period (compared with 21% [on an annual equivalent basis] at the end of September)
- > the company is gradually converging toward its objective of 15%

/ Dynamic picture with regards to recruitment

- > about 800 gross hires over the year, compared with the target of at least 600 originally set

/ 3,094 employees at March 31, 2019 (including Xceed and Metis Consulting)

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



**Great
Place
To
Work®**

Best Workplaces™

FRANCE

2019

A resilient EBIT margin of 14.1%

Consolidated audited data at 03/31 (in €m)	2018/19	2017/18	Change
Revenue	391.5	359.9	+9%
EBIT	55.2	50.6	+9%
<i>EBIT margin</i>	<i>14.1%</i>	<i>14.1%</i>	
Amortization of client relationships	(2.3)	(2.5)	
Other operating income and expenses	(0.5)	(1.3)	
Operating income	52.4	46.8	+12%
Cost of net financial debt	(1.7)	(1.9)	
Other income and expenses	(0.1)	(1.0)	
Income tax expenses	(19.9)	(17.3)	
Group share of net income	31.0	26.6	+16%
<i>Net margin</i>	<i>7.9%</i>	<i>7.4%</i>	

Cash flow higher than the level of acquisitions

Consolidated audited data at 03/31 (in €m)	2018/19	2017/18 restated ¹	2017/18 published
Gross cash flow margin	43.1	33.9	32.9
Change in working capital requirements	(10.4)	(2.8)	(2.8)
Net cash flow from operations	32.6	31.2	30.1
Net cash flow from investments	(23.4)	(4.1)	(3.0)
Change in financial assets	(0.3)	0.0	1.1
of which changes in scope	(21.6)	(1.4)	(1.4)
Net cash flow from financing operations	(11.1)	(13.3)	(13.3)
of which dividends	(4.1)	(3.0)	(3.0)
of which share buybacks	(8.1)	0.0	-
of which loan repayments	(17.3)	(9.5)	(9.5)
of which loans received	19.6	0.7	0.7
Change in cash and cash equivalents	(1.8)	13.8	13.8

¹ Change in the presentation of its cash flow statement to better reflect the effects of buybacks of its own shares.

A solid financial situation

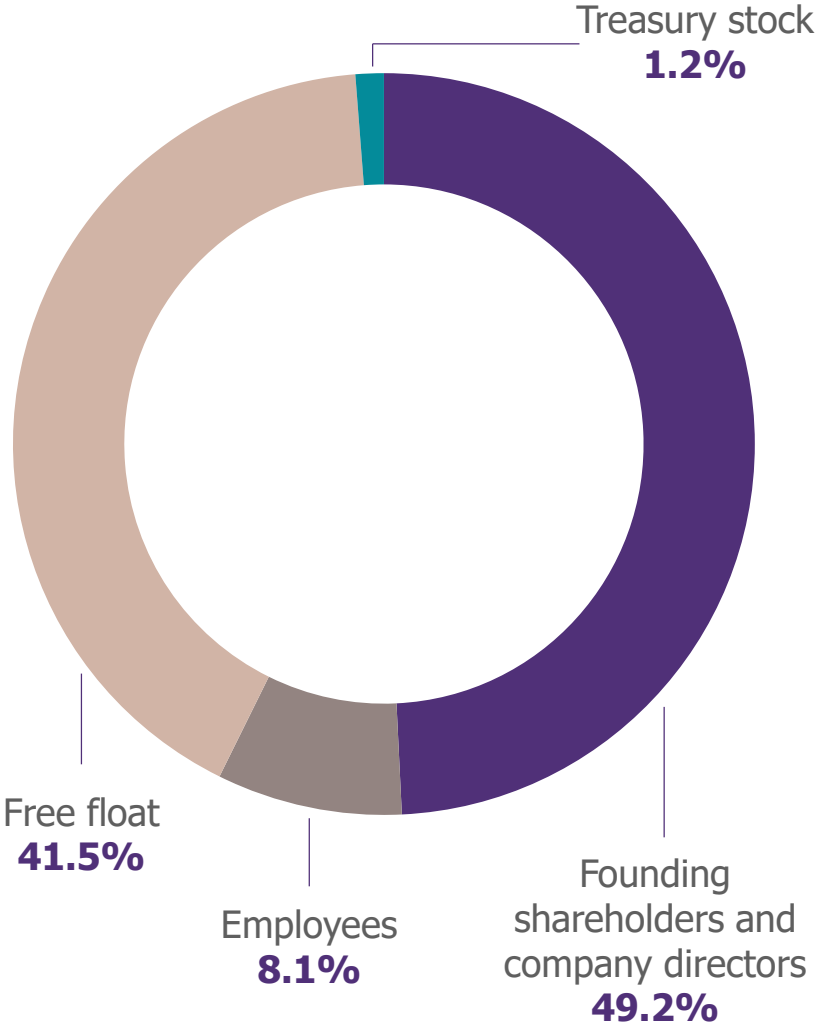
Consolidated audited data at 03/31 (in €m)	03/31 2019	03/31 2018
Non-current assets	177.4	157.1
of which goodwill	140.6	118.9
Current assets	156.1	152.2
of which trade receivables	130.4	123.9
Cash and cash equivalents	50.7	52.1
TOTAL ASSETS	384.2	361.3

Consolidated audited data at 03/31 (in €m)	03/31 2019	03/31 2018
Shareholders' equity	150.8	130.2
of which minority interests	0.0	0.0
Non-financial liabilities	144.0	144.4
Financial liabilities	89.4	86.7
of which less than one year	23.7	16.7
TOTAL LIABILITIES	384.2	361.3

Net debt: €38.7m

compared with €34.6m at March 31, 2018

Breakdown of share capital at March 31, 2019



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

No potential dilution

Dividend to be proposed at the general meeting of July 25, 2019:
€0.23 per share (+14%)

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A disappointing fiscal year closure for 2018/19 and a shifting business climate

/ Disappointing performance over recent months

- > a rise in the value of consulting services that has helped boost sales prices...
- > ...but mirrored by an insufficient rate of order uptake, leading to a sharp erosion in consultant utilization rate

/ Greater economic uncertainty

- > target clients more cautious and judicious
- > especially in the banking sector

/ A settling human resources picture



More intense business development efforts; continued focus on growth



/ An increase in the level and effectiveness of business development activities

/ Maintaining high levels of recruitment

- > pursuit of growth, even if it means a brake on improvements in consultant utilization rate in the short term.
- > target of over 600 gross hires
- > without losing focus on sustained efforts to bring staff turnover under control

/ Continued pursuit of external growth, especially internationally

- > aim to make one to two acquisitions over the year
- > with international targets as a priority

Pursuit of the Wavestone 2021 strategic plan

/ Ambitions to 2021 confirmed...

/ ...but growth objectives under greater pressure

- > in France, growth has been more lackluster in recent months
- > internationally, high valuations are hindering M&A activity

2021
WAVESTONE

1 Measure

Revenue: **€500m**
EBIT margin: **15%**

3 Commitment

In the **top 3**
in our category
on CSR*

2 Reputation

No. 1 for
transformation
consulting in
France

4 International

€100m
of revenue outside
France

2019/20 guidance

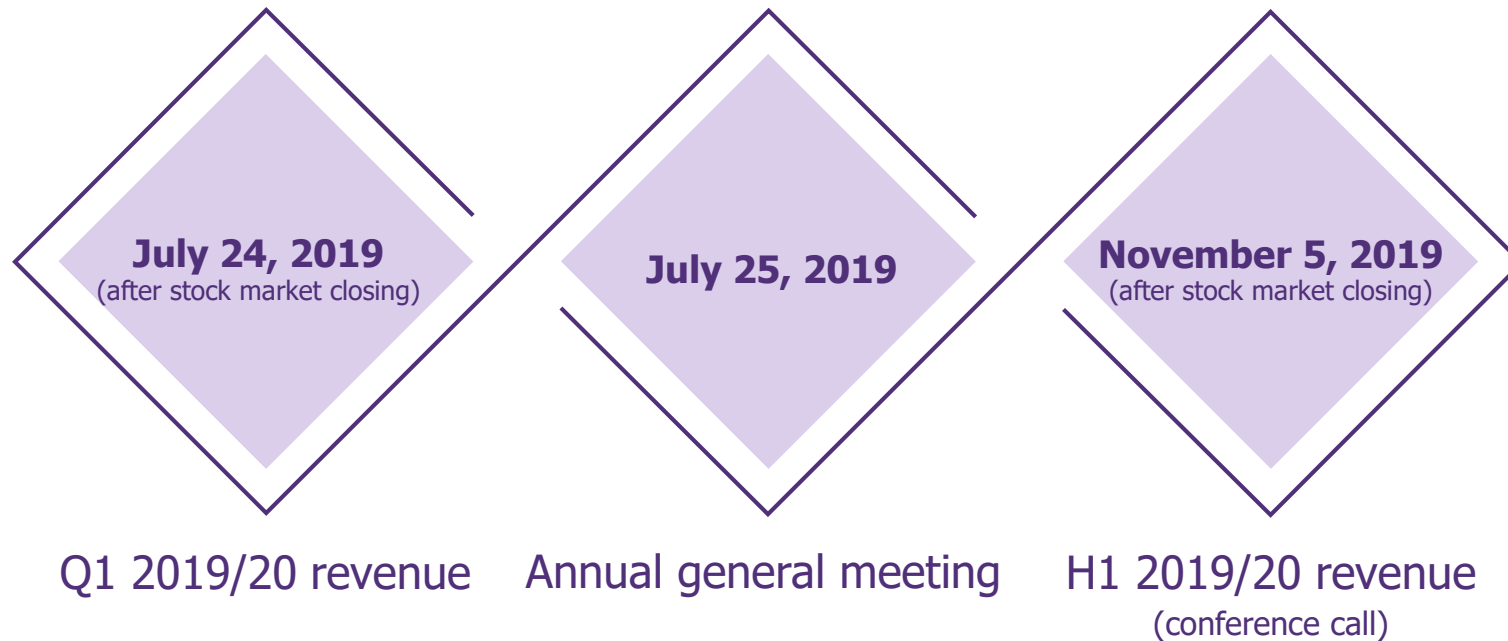
/ Prudent objectives

- > performance disappointing at the end of the 2018/19 fiscal year
- > and a less buoyant market

	2018/19 results	2019/20 objectives
Revenue	€391.5m	Growth >5%
EBIT margin	14.1%	>13%

*including Metis Consulting and
excluding new acquisitions*

Financial calendar: next events



PARIS

LONDON

NEW YORK

HONG KONG

LUXEMBOURG

BRUSSELS

GENEVA

CASABLANCA

LYON

MARSEILLE

NANTES

WAVESTONE

