

Shareholders' letter



FOREWORD

“A continued strong focus on growth despite greater economic uncertainty”

Dear shareholder,

Wavestone ended the 2018/19 fiscal year with a revenue of €391.5m—a year-on-year increase of 9%, and an EBIT margin of 14.1%—broadly stable compared with the previous year.

On the strength of these results, at its next shareholders' Annual General Meeting on July 25, 2019, Wavestone will propose a dividend payment of €0.23 per share for the 2018/19 fiscal year—an increase of 14%. This will be the ninth consecutive year that dividends have increased.

Yet, despite this financial performance, which underscores the resilience of Wavestone's results, the conclusion of the 2018/19 fiscal year was, nonetheless, disappointing. While it saw a significant increase in sales prices, the rising value of the company's services was paralleled by an insufficient rate of order intake and an increasingly uncertain economic environment. Target clients are taking a more cautious, even “wait and see”, approach to using consulting services, especially in the financial sector.

Conversely, while the human-resources picture was at its most challenging a year ago, the situation is progressively coming under control—one of the more satisfying results from the last fiscal year. In 2019, we also had the privilege of being ranked, for the third consecutive year, among the Top-5 French companies—with 500 to 5,000 employees—that are good to work for.

In the coming months, our key priority is to increase the scope and effectiveness of sales efforts, in particular by increasing the size of Wavestone's business development team, but also by focusing on more buoyant business sectors, such as the public sector, transport, and energy/utilities. Despite a beginning to the fiscal year marked by a more uncertain economic environment, we are maintaining our focus on growth by aiming for 600 new hires in 2019/20. This pursuit of growth is also evident in our continued focus on external expansion, with the aim of making one to two acquisitions over the current fiscal year—with international prospects, especially those in the US, a priority.

I look forward to seeing you on July 25, at our Annual General Meeting, where I'll be reviewing our performance over the last fiscal year in more detail, setting out the prospects for 2019/20, and discussing the ambitions in the strategic plan, Wavestone 2021.

Yours sincerely,

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ENEDIS

The home-based charging of electric vehicles



What made this project decisive for Wavestone?

Enedis project brought together two of the four major themes that Wavestone has identified as priorities. To recap, these themes are the bank of the future, the modernization of the public sector, the future of mobility, and energy transition.

What did the project involve?

Enedis, a subsidiary of EDF, is responsible for the management and development of France's electricity distribution network. Led by Enedis, the "BienVEnu" project is a demonstrator that brings together a public/private partnership comprising eight players. It is co-financed by the Investissement d'Avenir Program operated by ADEME (the French Environment and Energy Management Agency), as part of its Intelligent Electricity Networks theme. This project emerged from the observation that the home-based charging of electric vehicles will be the

main mode for charging private electric cars in the years to come.

The project led to the development of an innovative charging solution for electric vehicles at residential buildings. It was based on the installation of a bus cable that runs right through the building's parking garage, making it possible to simply add new charging stations.

The type of charging proposed was based on an intelligent algorithm, developed as part of the project, which optimizes the power required across all terminals in the parking garage, and also limits the maximum power that can be drawn to control the impact of charging vehicles on the domestic distribution network.

Wavestone supported Enedis and its partners in steering the project, in particular by facilitating interactions with ADEME.

What were the results?

To date, the solution has been deployed at ten residential buildings in the Paris area: 84 charging points have been installed, 16 of which are also used to provide car-sharing services for residents.

[See a video about the project here](#)

Partnership with Q_PERIOR

As part of its international development, Wavestone announces the signing of a new, non-capital-holding partnership with Q_PERIOR

Founded in 2011, Q_PERIOR is an owner-managed business and IT consulting firm with locations in Germany, Switzerland, Austria, UK, Bosnia-Herzegovina, and the USA and Canada. The company supports large corporations in the banking and insurance, transport and logistics, automotive or manufacturing sectors, including BMW, Allianz and Deutsche Bahn (German railway company).

This partnership will allow both firms to better accompany their clients in France and Germany, share and strengthen their own capabilities, and to develop cross-border business opportunities in sectors such as Industry.



Reza Maghsoudnia, Strategic Development Director at Wavestone

"Q_PERIOR and Wavestone share market positioning, service offerings, size and growth ambition, as well as strive for independency. These elements represent a fertile ground to cooperate efficiently and develop synergies".

Focus on GPTW

For the third consecutive year, Wavestone is among the Top 5 companies to work for in France

Of the 304 French companies assessed this year by the Great Place to Work® team, 97 feature in the list of companies that are "good to work for." Wavestone is once again among the Top 5, with nearly 82% of employees considering the firm a Great Place to Work®.

Wavestone's engagement with Great Place to Work® is part of the company's desire to be a benchmark employer—and remain so for the long term. As Cécile Trinquier, a Domain HR Manager at Wavestone explains, "the job market in general, and the consulting sector in particular, is highly competitive: talent that is ever-more difficult to attract is becoming more and more demanding in terms of working environment and meaningful careers. Staff turnover is a reality that we have to live with and manage on a daily basis. Against this backdrop, Great Place to Work® is a valuable tool to help us enhance our HR policy, helping us operate our teams in the most effective and relevant ways possible."

While the focus on individual skills development is strong, that on work-life balance is even greater. Patrick Dumoulin, the CEO of Great Place to Work® France, confirms this: "Wavestone is increasingly blending employee well-being with economic performance. It's the fruit of a deeply people-centered strategy that makes the firm a high-ranking champion with the ability to stay at the top



of the list of France's Best Workplaces, year after year. Achieving this balance is particularly helped by the measures put in place for parents, such as providing 85 nursery places in 2018 (15% more than in 2017, something that makes Wavestone one of Babilou's main customers in the market).

Wavestone believes that attracting the best talents and giving them a desire to grow within the firm is something that can only be achieved through people's active participation in company life. That's why the company pursues co-construction at all levels. For example, the firm's CSR strategy was developed collaboratively, on a company-wide basis. Whatever their position or seniority, employees are encouraged to develop and promote their projects. Recently, Wavestone's working environment was redesigned on the initiative of a group of the firm's consultants who wanted the essential needs of their roles—and the innovative practices they involve—to be better facilitated by workspace design.

EVENT

Focus on Wavestone Bridges

Wavestone takes over the plaza at La Défense

On Friday, June 14, some 3,000 Wavestone employees, from eight different countries, gathered in Paris for a morning of work, discussion, and knowledge sharing, known as "Wavestone Bridges." Everyone had the freedom to organize a training session, workshop, or meeting—and there was no lack of rallying since more than 200 "bridges" were planned. The choice in terms of training, introductory, and working sessions was vast and included: "How to be a cyber spy", "Industry 4.0", "Three minutes to convince them", "Tontons du bled" and "US Open" (to introduce Wavestone's Moroccan and US offices), as well as "A Climate Fresco", "Flight Simulator," "LGBT+ Stereotypes," and "Equality of the Sexes."

To host the event, a vast, 1,500 m² pavilion was set up on the plaza at La Défense. It was a temporary space, but one that perfectly facilitated the many discussions between colleagues, who enjoyed a convivial ambiance as well as making themselves very visible to Wavestone's clients and prospects.



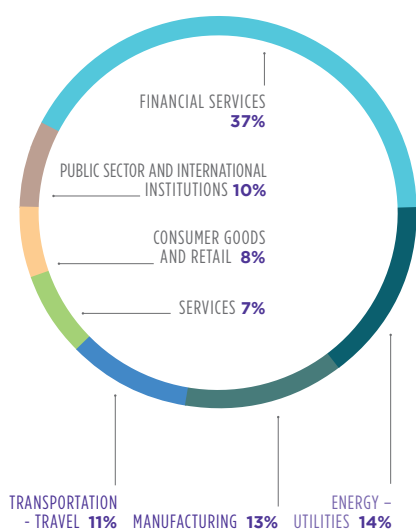
Income Statement

Consolidated audited data at 03/31 (in €m)	2018/19	2017/18	Change
Turnover	391.5	359.9	+9%
EBIT	55.2	50.6	+9%
<i>EBIT Margin</i>	14.1%	14.1%	
Operating Income	52.4	46.8	+12%
Group share of net income	30.8	26.6	+16%
<i>Net margin</i>	7.9%	7.4%	

2018/19 Key figures

Revenue	EBIT	Group share of net income	Dividend	Employees
€391.5m	14.1 %	€30.8m	€0.23 /share	3,094

Breakdown of revenue by sector 2018/19



Top-20 clients 2018/19

SOCIÉTÉ GÉNÉRALE	9%
BNP PARIBAS	7%
EDF	7%
SNCF	6%
LA POSTE	5%
CRÉDIT 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%

Stock market data at June 30, 2019

Share price: 24.85	ISIN Code: FR0013357621
Number of shares: 20,196,492	SRD: long only
Market capitalization: €502m	Reuters: WAVE.PA
Stock market information: Euronext (Paris) / Compartment B / Mnemonic: WAVE	Bloomberg: WAVE.FP
	Indices: CAC Mid & Small, CAC Small, CAC Technology, EnterNext© - PEA-SME 150, European Rising Tech

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