



WAVESTONE

Large and Midcap Event - Paris

October 14, 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 European consulting firm

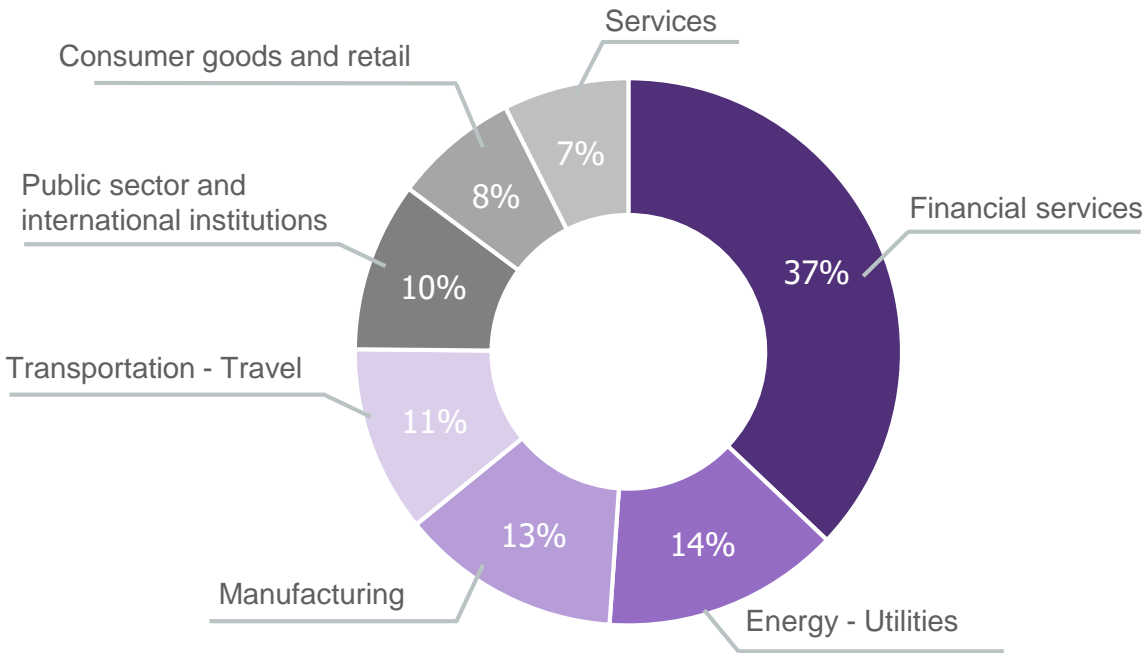
Paris | London | New York | Philadelphia | Hong Kong |
Luxembourg | Geneva | Brussels | Casablanca | Lyon | Marseilles | Nantes



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

	FY 2018/19 (12 months)	FY 2017/18 (12 months)	
Consultant utilization rate	75%	77%	▶ A contracting consultant utilization rate reflecting insufficient level of order intake
Average daily rate	€872	€848	▶ Growth of 2.8% in 2018/19, better than the firm's 1%-2% target range for the fiscal year
Order book	3.6 months	3.7 months	

Rapid staff growth

/ Particularly dynamic recruitment

- > about 800 gross hires over the year 2018/19, compared with the target of at least 600 originally set

/ Pressure on staff turnover though in the process of returning to normal

- > 18% compared to 16% of the previous fiscal year
- > after a challenging start of year, the firm is gradually converging towards its target of 15%

/ 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™

500 à 5000 salariés

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	30.8	26.6	+16%
<i>Net margin</i>	<i>7.9%</i>	<i>7.4%</i>	

A solid financial situation

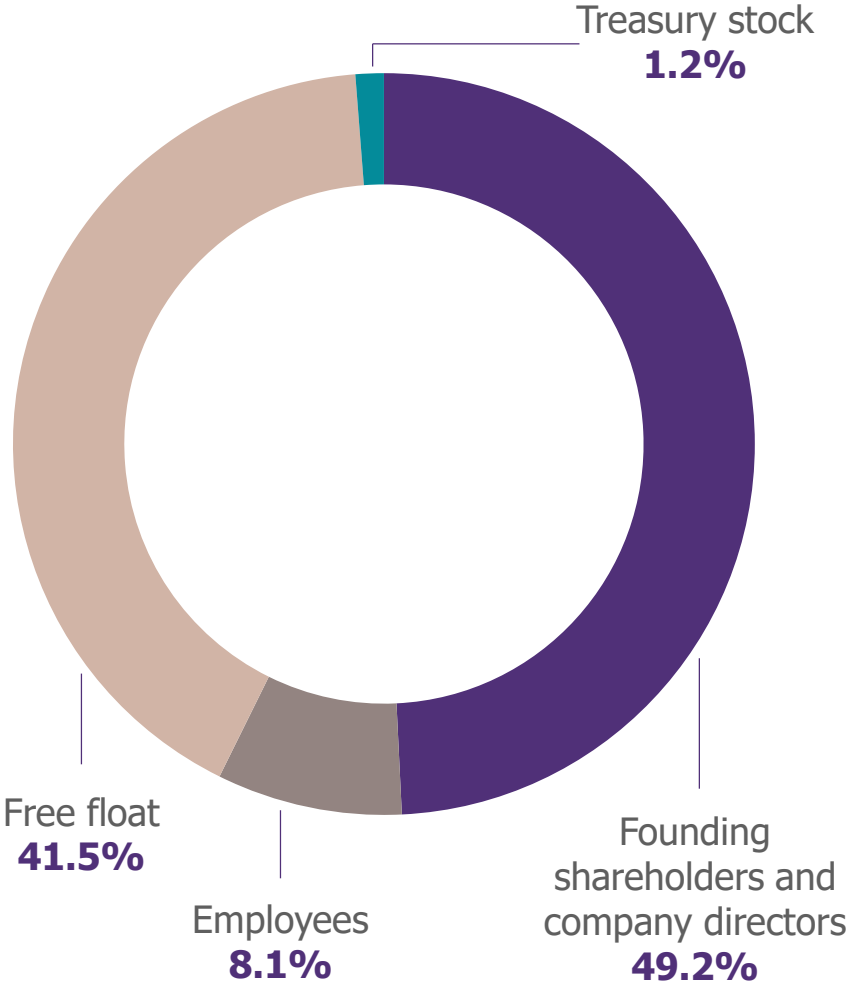
Consolidated audited data at 03/31 (in €m)	2018/19	2017/18
Non-current assets	177.4	157.1
of which goodwill	140.6	118.9
Current assets	156.1	152.2
of which trade receivables	130.4	123.9
Cash and cash equivalents	50.7	52.1
TOTAL ASSETS	384.2	361.3

Consolidated audited data at 03/31 (in €m)	2018/19	2017/18
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 paid in September 2019:
€0.23 per share (+14%)

AGENDA

- A** About Wavestone
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Q1 revenue: +3%

Revenue <i>In €m - unaudited consolidated data</i>	2019/20	2018/19	Change	Change at constant scope ¹ and exchange rates
Q1	98.3	95.9	+3%	0%

¹ Metis Consulting has been consolidated since 11/01/2018.

- / Impacted by a consultant utilization rate which remains under pressure...
- / ...and a high comparison base (from organic growth of +9% in Q1 2018/19)

A consultant utilization rate still low, a positive trend for sales prices

	Q1 2019/20 (3 months)	FY 2018/19 (12 months)	
Consultant utilization rate	74%	75%	▶ A consultant utilization rate remaining steady in relation to the prior quarter
Average daily rate	€877	€872	▶ A 0.6% increase
Order book	3.7 months	3.6 months	▶ The order book remains steady

Continuing recruitment efforts

/ The pace of recruitment remains high

- > targeting a gross addition of more than 600 new consultants in 2019/20

/ The staff turnover rate continues to decline

- > 17% on a twelve-month rolling basis (compared to 18% at March 31, 2019)

/ 3,129 employees at June 30, 2019

- > compared with 3,094 at March 31, 2019



Acquisition of WGroup in July 2019



WGroup, a US-based IT management consultancy

- > assisting large companies in succeeding their digital transformation
- > customers mainly in Healthcare and Insurance, Media & Entertainment, Global Manufacturing, Retail and Financial Services



Ambition

- > initiating a new phase of development in the US
- > developing a portfolio of top-tier customers
- > gradually strengthen Wavestone's brand awareness



Terms of the acquisition

- > acquisition of 100% of WGroup's share capital
- > Purchase price: an enterprise value of €22.0m
- > plus up to \$8.5m in contingent consideration linked to the company's performance in 2019 and 2020
- > consolidated from August 1, 2019

The logo for WGROUP, with 'W' in red and 'GROUP' in black, set against a background of a sunset over a canyon.

WGROUP.

2018 revenue
US\$26.1m (+16%)

Adjusted EBITDA margin
~15%

~100 employees
of which +50 permanent
employees

Headquarters: Philadelphia

Pursuit of the Wavestone 2021 strategic plan

/ Ambitions to 2021 confirmed...

/ ...but growth targets under greater pressure

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

2021
WAVESTONE

1 Scale

Revenue:
€500m
EBIT margin:
15%

3 Commitment

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

2 Reputation

No. 1 for
transformation
consulting in
France

4 International

€100m
of revenue
outside France

Confirmation of 2019/20 targets

- / Recruitment to continue at a robust pace, substantial commercial investments
- / Consultant utilization rate to remain under pressure in the months ahead
 - > mixed performances expected to weigh on H1 growth and profitability
- / Annual targets are nevertheless confirmed

Revenue

EBIT margin

**2018/19
results**

€391.5m

14.1%

**2019/20
objectives**

**Growth
>5%**

>13%

*including Metis Consulting
and excluding WGroup*

Financial calendar: next events



PARIS

LONDON

NEW YORK

PHILADELPHIA

HONG KONG

LUXEMBOURG

BRUSSELS

GENEVA

CASABLANCA

LYON

MARSEILLE

NANTES

WAVESTONE

