



WAVESTONE

Half-yearly results for the
2019/20 fiscal year

Conference call

December 4, 2019

Revenue increased by +7% in H1 2019/20

Revenue	2019/20	2018/19	Change	Change excluding WGroup	Change at constant scope ¹ and on a constant forex basis
<i>In €m - unaudited consolidated data</i>					
Q1	98.3	95.9	+3%	+3%	0%
Q2	96.2	86.7	+11%	+5%	+2%
H1	194.5	182.6	+7%	+4%	+1%

¹ Metis Consulting has been consolidated since 11/01/2018 and WGroup since 08/01/2019

- / Half-yearly growth of 7%, of which +0.8% was due to a positive working day impact
- / Growth of 4% excluding WGroup, equivalent to 1% at constant scope and on a constant forex basis

Consultant utilization rate under pressure, but sales prices hold up well

	H1 2019/20 (6 months)	2018/19 fiscal year (12 months)	
Consultant utilization rate	72%	75%	▶ A marked decline in Q2 – to 71%, under the effects of project slowdowns during the summer
Average daily rate (ADR)	€876	€872	▶ Positive impact of WGroup
Order book	3.3 months	3.6 months	▶ A reduced order book during the summer

A continued easing of the HR situation

/ A recruitment picture that remains dynamic

- › in line with the firm's plan of more than 600 gross hires in 2019/20

/ Confirmation of the reduction in staff turnover rate

- › 16% over a rolling 12-month period (compared with 18% at March 31, 2019)

/ 3,262 employees at September 30, 2019

- › including 61 permanent new employees from WGroup from August 1, 2019
- › compared with 3,094 at March 31, 2019



Acquisition of WGroup in July 2019



WGroup, a consulting firm operating in the US

- > digital transformation of large companies
- > *Healthcare and Insurance, Media & Entertainment, Global Manufacturing, Retail, and Financial Services*



Recap on details of the operation

- > acquisition of a 100% stake in WGroup
- > purchase price: \$22.0m in enterprise value
- > + up to \$8.5m, depending on performance in 2019 and 2020



First months after acquisition very promising

- > integration project underway
- > commercial synergies realized in the US with the first joint projects
- > excellent levels of business activity

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 of US\$26.1m
(+16%)**

**Adjusted EBITDA margin
~15%**

**~100 employees, including
+50 permanent employees**

**Registered office:
Philadelphia**

**Consolidated on August 1,
2019**

EBIT margin of 10.6% in H1 2019/20

Consolidated data at 09/30 (€m), limited review	H1 2019/20	H1 2018/19	<i>Change</i>	FY 2018/19
Revenue	194.5	182.6	+7%	391.5
EBIT	20.7	19.9	+4%	55.2
<i>EBIT margin</i>	10.6%	10.9%		14.1%
Amortization of client relationships	(0.8)	(1.3)		(2.3)
Other income and expenses	(1.3)	(0.2)		(0.5)
Operating income	18.6	18.5	+1%	52.4
Cost of net financial debt	(0.9)	(0.8)		(1.7)
Other income and expenses	(0.0)	0.4		(0.1)
Income tax expenses	(8.5)	(7.4)		(19.9)
Group share of net income	9.3	10.6	-13%	30.8
<i>Net margin</i>	4.8%	5.8%		7.9%

Net debt under control as a result of strong cash flow generation

Consolidated data at 09/30 (€m), limited review	09/30 2019	03/31 2019	Consolidated data at 09/30 (€m), limited review	09/30 2019	03/31 2019
Non-current assets	232.8	177.4	Shareholders' equity	152.3	150.8
of which goodwill	166.6	140.6	of which minority interests	0.0	0.0
including rights to use leased assets	31.7	-	Financial liabilities	101.5	89.4
Current assets	152.4	156.1	of which less than one year	29.4	23.7
of which trade receivables	127.0	130.4	Lease liabilities	38.3	-
Cash and cash equivalents	39.8	50.7	Non-financial liabilities	132.9	144.0
TOTAL ASSETS	425.0	384.2	TOTAL LIABILITIES	425.0	384.2

Net debt: €61.7m

compared with €61.7m at September 30, 2018, and €38.7m at March 31, 2019

A less favorable economic climate

/ Uncertainty continues to weigh heavily on business investment and demand for consulting services

- Growth slowing globally
- Trade wars
- Brexit
- Negative rates

/ The slowdown in spending is gradually spreading

- > following trends in financial services, manufacturing, and retail
- > budgets are tightening, the scope of projects reducing, and decisions taking longer

/ But expectations are for a soft landing rather than a stall

- > corporate margins are resistant
- > transformations are more selective, but continue

Key areas of focus for H2

/ Maintain intense business development efforts

- > prospecting, expansion, additional effort at the presales stage

/ Pursue a shift in focus toward the highest potential sectors

- > energy, transport, public sector

/ Focus on the areas where our clients are most active

- > operational efficiency, digitalization, agility, data/AI, compliance, cybersecurity

/ Recruitment plan set out at the start of the year confirmed for H2

- > confidence gained in the results of the actions undertaken since the beginning of 2019
- > will underpin growth potential for future years

Updating of 2019/20 objectives

- / Updating of annual objectives, taking into account the contribution from WGroup
- / A degree of prudence of one percentage point on non-WGroup growth
 - > after a low point reached during summer, the consultant utilization rate began to recover gradually

	2018/19 results	2019/20 initial objectives	2019/20 updated objectives
Revenue	€391.5m	Growth > 5%	Growth > 8%
EBIT margin	14.1%	> 13%	> 13%

including Metis Consulting and excluding WGroup

including both Metis Consulting and WGroup

In summary

1 Consultant utilization rate under pressure in H1, with a low point in the summer

2 A solid EBIT margin

3 A gradual recovery in H2 but the pace of recovery remains uncertain

4 WGroup is being successfully integrated

5 Strong pursuit of growth



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