



WAVESTONE

## Investor meeting

April 29<sup>th</sup>, 2020



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



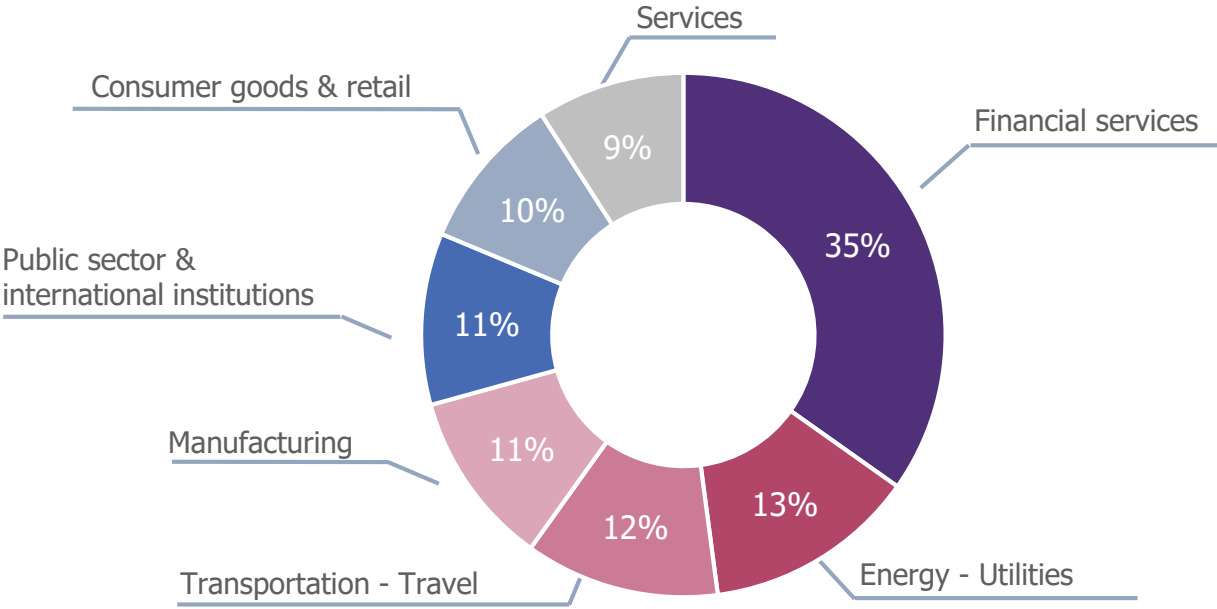
3,000 employees across 8 countries



A leading independent European consulting firm

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

# Distribution of revenue at Septembre 30, 2019



H1 2019/20 revenue	
FRANCE	87%
INTERNATIONAL	13%

## Top-20 clients in H1 2019/20

SNCF	9%
SOCIETE GENERALE	8%
EDF	7%
CREDIT AGRICOLE	4%
BNP PARIBAS	4%
LA POSTE	4%
TOTAL	3%
UGAP	3%
AXA	3%
BPCE	2%
SANOFI	2%
ENGIE	2%
SAINT GOBAIN	1%
L'ORÉAL	1%
PSA	1%
CHANEL	1%
RENAULT	1%
CARREFOUR	1%
BIOMERIEUX	1%
THALES	1%



# Wavestone, at the heart of digital transformation



## Ministry of Finance

Digital master scheme of the DGFIP (French public finance directorate general)



## SNCF Gares & Connexions

Digitalization of stations and improvements to the customer experience



## A major British bank

Integration of security considerations into agile development activities



## La Poste

Véligo, a new mobility offering in the Paris area

## 8% annual growth in 2019/20

Revenue <i>In €m - unaudited consolidated data</i>	2019/20	2018/19	Change	<i>Change at constant scope<sup>1</sup> and on a constant forex basis</i>
9 months	307.2	284.8	+8%	+1%
Q4	114.9	106.8	+8%	+3%
<b>Twelve-month total</b>	<b>422.0</b>	<b>391.5</b>	+8%	+2%

<sup>(1)</sup> Metis Consulting has been consolidated since 11/01/2018 and WGroup since 08/01/2019

- / Revenue growth of 8% in Q4 2019/20, impacted by approximately 2 percentage points as a result of the Covid-19 crisis
- / Annual revenue of €422m in 2019/20, an increase of 8%, foreign exchange effects contributed positively to a level of €1.5m or 0.4 percentage points

## A reduction in consultant utilization rate but sales prices remain strong

	2019/20 fiscal year (12 months)	2018/19 fiscal year (12 months)	
Consultant utilization rate	71%	75%	▶ 69% in Q4, hit by a fall at the start of 2020 and then by the lockdown measures
Average daily rate (ADR)	€878	€ 872	▶ Increase in ADR driven by Wgroup; about -1% decline with WGroup excluded
Order book	3.5 months	3.6 months	▶ Increase in Q4 (vs. 3.3 months at the end of December 2019)

## A workforce approaching 3,500 employees at the end of 2019/20

- / Continued pursuit of a vigorous recruitment policy in Q4 2019/20...
  - > about 900 gross hires achieved during the year
- / ...until the decision was made in mid-March to freeze all new recruitment
  - > but with no interruption to ongoing trial periods
- / A continuing reduction in staff turnover rate
  - > 14% in 2019/20 (vs. 18% in 2018/19)
- / 3,498 employees at March 31, 2020
  - > compared with 3,094 at March 31, 2019



# Impact of the public-health crisis caused by Covid-19: slowdown in business activity of -15% to -20%

## SHORT-TERM IMPACTS



- / Noticeable slowdown since mid-March due to the epidemic and lockdown measures
- / April: business activity reduced by about -15% to -20% compared with the pre-lockdown situation
- / May: activity level expected to be comparable to that of April

## IMMEDIATE MEASURES



- / Recruitment freeze
- / Use of vacation-leave measures
- / Implementation of short-time working arrangements
  - > about 13% of the firm's fee-earning staff



## Deteriorated economic conditions in the coming months

**WAIT-AND-SEE APPROACH  
COMMON DUE TO AN  
UNCERTAIN CONTEXT**

**COST-CUTTING MEASURES  
IMPLEMENTED BY MANY  
COMPANIES**

- ▶ Noticeable decline in demand in the coming months
- ▶ Stiffer competition
- ▶ Price pressure returns



## Solid financial position at March 31, 2020

- / Gross cash and cash equivalents of about €65m and net debt of about €30m
  - > financing contract signed at the end of March: refinancing the firm's existing debt and opening new lines of credit
  - > no recourse at the end of March to government support measures
  - > the firm does not refinance its trade receivables
- / Launch of a €10m - €15m savings plan to reduce the cost base in 2020/21
- / Proposal to the shareholder's general meeting not to pay dividend for the 2019/20 fiscal year



# Focus on the most resilient business sectors and service offerings

## / Strong revitalization of business-development activity

- › strengthening of the firm's business development teams
- › additional mobilization of consultants on presales activity
- › intensified pace of prospecting

## / Efforts directed toward the most resilient business sectors

PHARMACEUTICALS

FINANCIAL SERVICES

UTILITIES

PUBLIC SECTOR

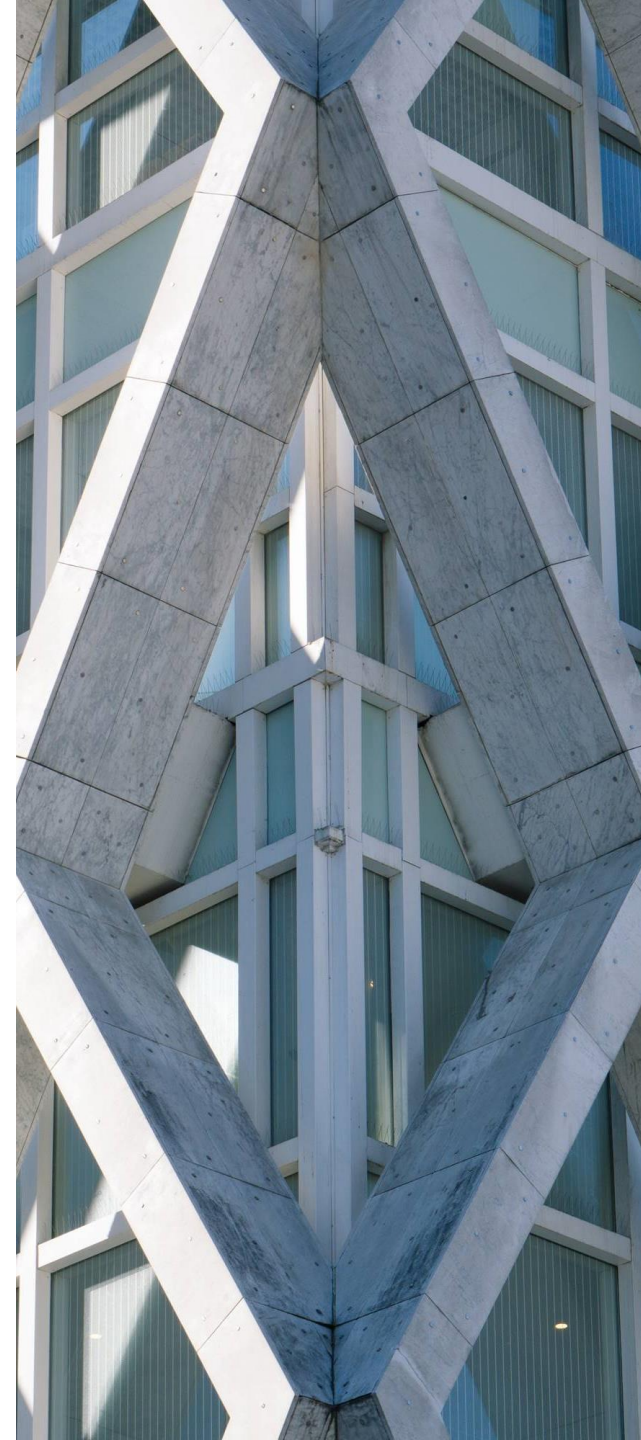
## / Focus on service offerings that address the challenges of the period

CYBERSECURITY

IT OPTIMIZATION

OPERATIONAL EFFICIENCY

## / Continuously adjustment to the shape of the new business environment



## 2019/20 EBIT margin close to the target

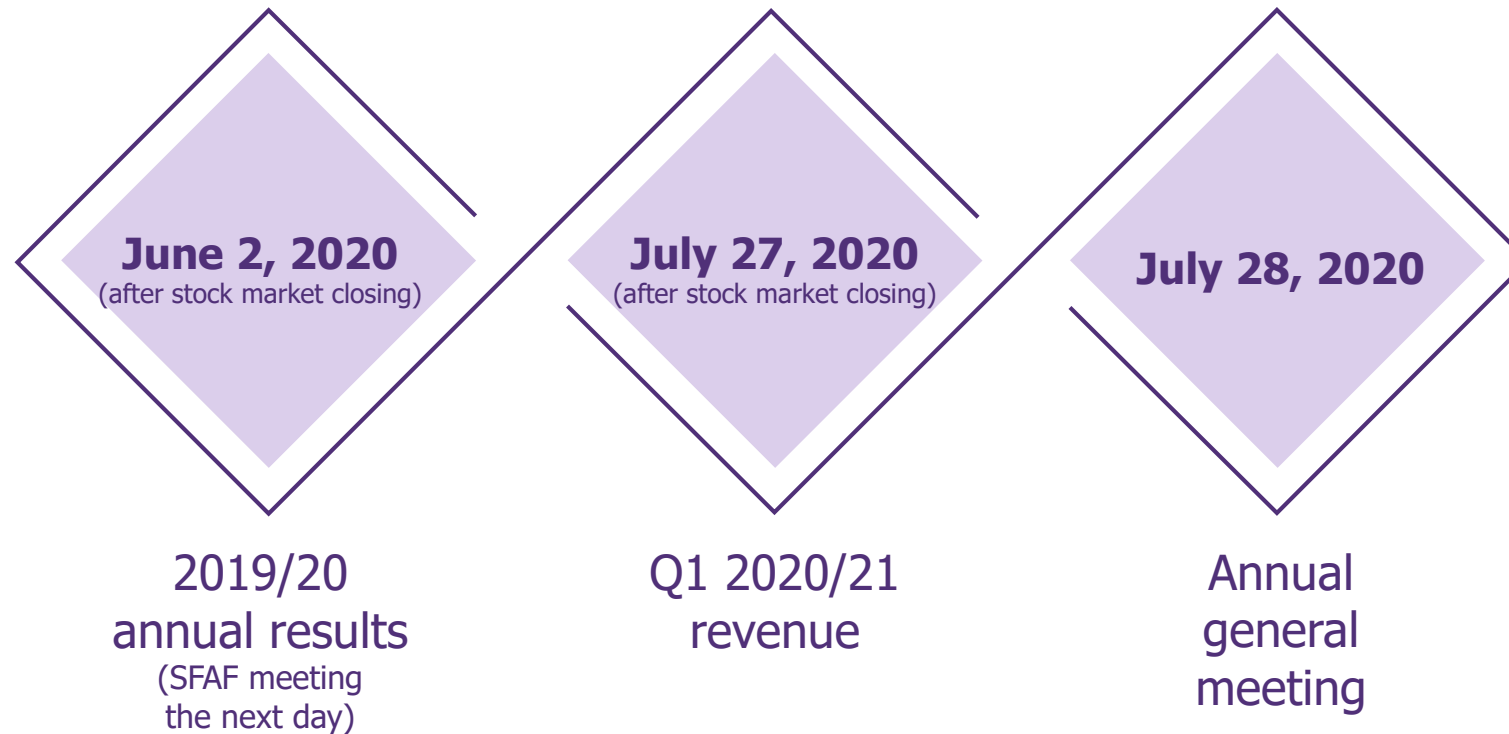
/ An annual profitability impacted by the year-end decline in activity under the effects of Covid-19...

/ ...but in line with the 13% target set by the firm at the start of the fiscal year

	2018/19 results	2019/20 updated objectives <sup>1</sup>	2019/20 results
<b>Revenue</b>	€391.5m	Growth >8%	€422.0 million growth of 8%
<b>EBIT margin</b>	14.1%	>13%	

<sup>1</sup> updated in December 2019

# Financial agenda



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