

INVESTOR MEETING

European Spring Midcap Event

June 23 & 24, 2020



AGENDA

/ **1** About Wavestone

/ **2** 2019/20 annual results

/ **3** Outlook

Wavestone: independent pure player in consulting



Independent **pure player**

Clients who are **leaders** in their sectors

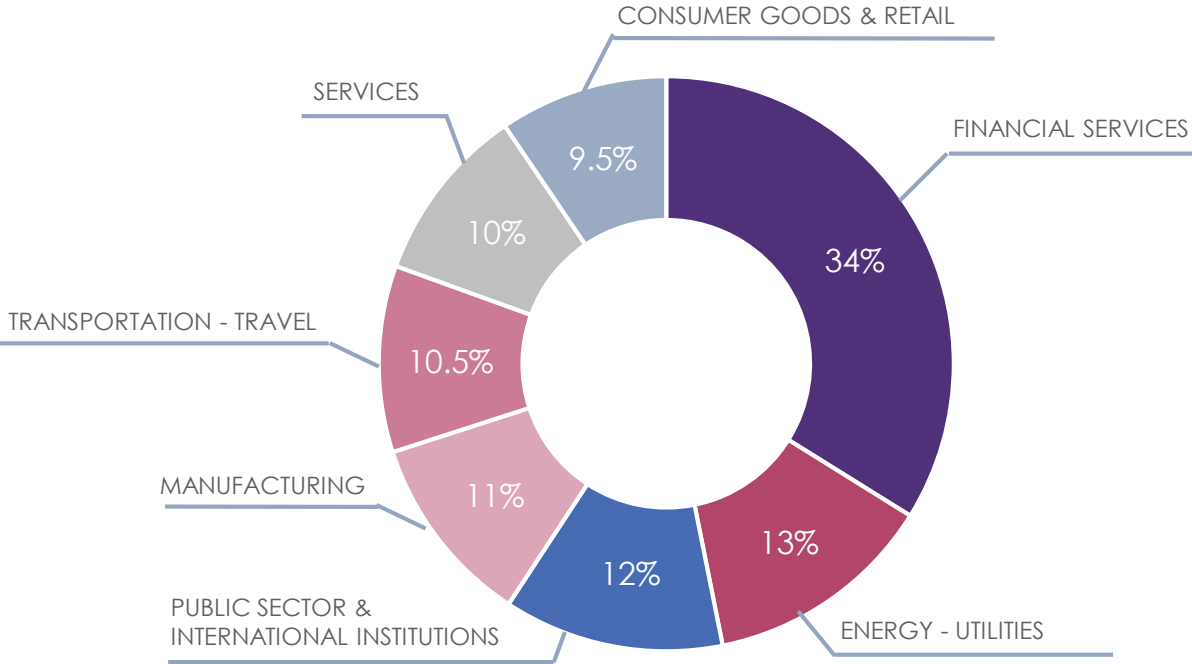


12 offices across 8 countries



+3,000 employees

Distribution of revenue at March 31, 2020



2019/20 REVENUE	
FRANCE	85%
INTERNATIONAL	15%

TOP-20 CLIENTS 2019/20	
SNCF	9%
EDF	7%
SOCIETE GENERALE	7%
CREDIT AGRICOLE	4%
BNP PARIBAS	4%
LA POSTE	4%
TOTAL	3%
UGAP	3%
AXA	3%
BPCE	2%
ENGIE	2%
L'OREAL	2%
SANOFI	2%
PSA	1%
SAINT GOBAIN	1%
RENAULT	1%
MINISTRY OF THE ECONOMY	1%
BLUCORA	1%
MINISTRY OF THE ARMED FORCES	1%
BPI FRANCE	1%



Some notable projects



AXA

Transformation of Motor and Home assistance activities in Europe



Major pharmaceutical company

Digitalization of the drug-manufacturing value chain



European Commission

Evaluation of the NIS Directive (cybersecurity)



**The French Government
Financial Information Agency**

Testing of electronic invoicing between companies

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+8% annual growth in 2019/20

Revenue	2019/20	2018/19	Change	Change at constant scope ¹ and on a constant forex basis
<i>In €m - consolidated audited data</i>				
12 months	422.0	391.5	+8%	+2%

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

- / Annual revenue of €422m in 2019/20, an increase of +8%
 - > benefiting from forex effects of +€1.5m, an impact of +0.4 percentage points
- / On a constant scope and forex basis, annual growth was +2%
- / Impact of Covid-19: about -€2m

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%	▶ 71% over the whole fiscal year, while absorbing the effects of a dynamic recruitment plan Under pressure in Q4 (69%)
Average daily rate (ADR)	€878	€872	▶ Increase in ADR driven by WGroup About a -1% decline with WGroup excluded
Order book	3.5 months	3.6 months	▶ 3.3 months at the end of H1 2019/20

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

- / Continued proactivity in recruitment in 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



WGroup: a highly successful first fiscal year



Acquisition, in July 2019, of WGroup – a consulting firm that operates in the US

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



A very good first fiscal year

- > integration project on track
- > excellent level of activity and realization of the first commercial synergies



A new dimension in Wavestone's US activity in 2019/20

WGROUP. becomes WAVESTONE

The W in WGroup now stands for Wavestone, but our commitment to excellence and your success has not changed.

EBIT margin in line with the 13.2% target

Consolidated audited data at 03/31 (in €m)	2019/20	2018/19	<i>Change</i>
Revenue	422.0	391.5	<i>+8%</i>
EBIT	55.7	55.2	<i>+1%</i>
<i>EBIT margin</i>	<i>13.2%</i>	<i>14.1%</i>	
Amortization of client relationships	(1.6)	(2.3)	
Other operating income and expenses	(0.6)	(0.5)	
Operating income	53.5	52.4	<i>+2%</i>
Cost of net financial debt	(2.2)	(1.7)	
Other financial income and expenses	(1.2)	(0.1)	
Income tax expenses	(19.0)	(19.9)	
Group share of net income	31.1	30.8	<i>+1%</i>
<i>Net margin</i>	<i>7.4%</i>	<i>7.9%</i>	

Available cash of more than €65m; net financial debt of less than €30m

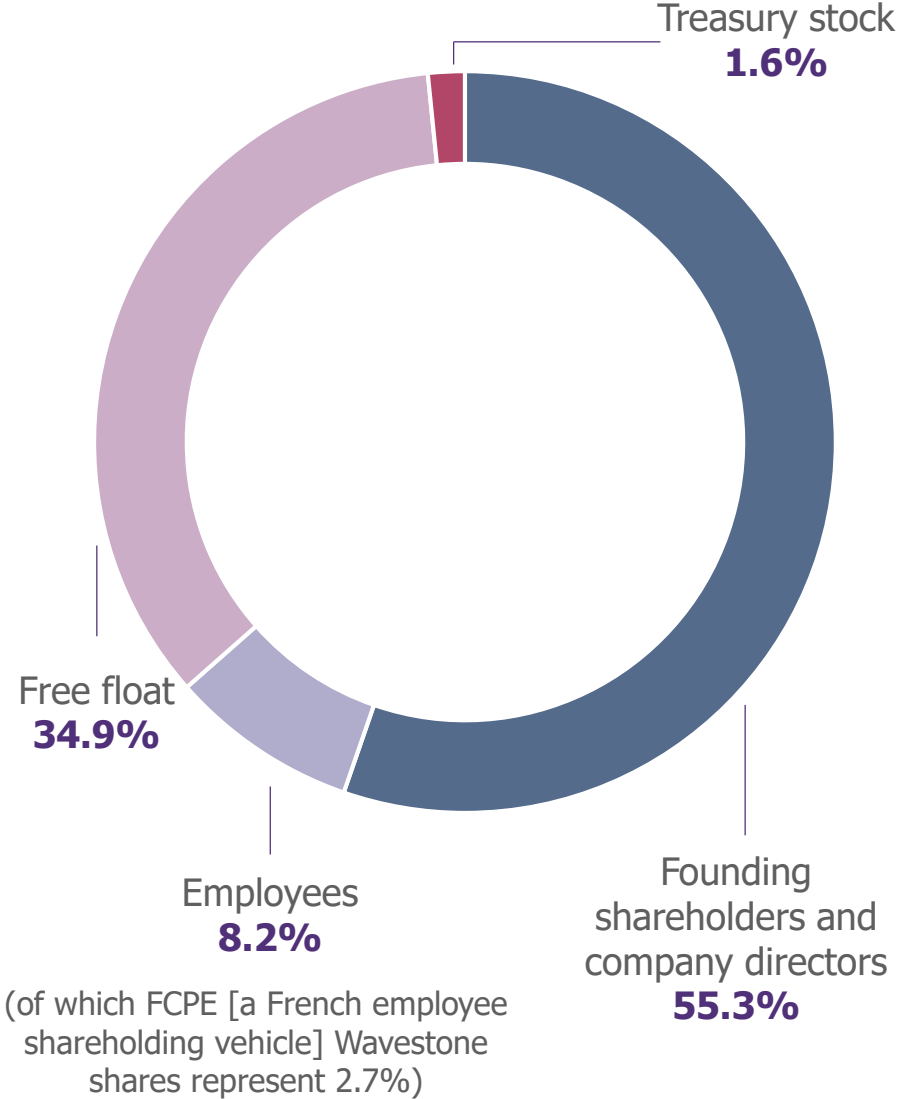
Consolidated audited data at 03/31 (in €m)	03/31 2020	03/31 2019
Non-current assets	232.8	177.4
of which goodwill	166.5	140.6
of which rights to use leased assets	30.6	-
Current assets	151.7	156.1
of which trade receivables	128.4	130.4
Cash and cash equivalents	65.1	50.7
TOTAL ASSETS	449.6	384.2

Consolidated audited data at 03/31 (in €m)	03/31 2020	03/31 2019
Shareholders' equity	177.1	150.8
of which minority interests	0.0	0.0
Financial liabilities	94.3	89.4
of which less than one year	38.2	23.7
Lease liabilities	37.7	-
Non-financial liabilities	140.5	144.0
TOTAL LIABILITIES	449.6	384.2

Net debt: €29.1m

compared with €38.7m at March 31, 2019

Breakdown of share capital at March 31, 2020



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

No potential dilution

No dividend to be proposed at the general meeting of July 28, 2020

Creation in April 2020 of the Wavestone Individual Shareholders Advisory Committee (6 members)

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A severely degraded market for consulting in the coming months

WAIT-AND-SEE APPROACH DUE TO AN UNCERTAIN ECONOMIC CONTEXT

COST-SAVING MEASURES AND INVESTMENT TRADE-OFFS

The market for consulting is likely to be severely affected: -18% globally¹ in 2020; -20% in Europe¹

Reduction in demand in the coming months

Price pressure returns

Stiffer competition



¹ Source: Source Global Research

Slowdown in business activity of -15% to -20% since mid-March

DIRECT IMPACTS



- / Noticeable slowdown since mid-March due to the epidemic and lockdown measures
- / Business activity reduced by about -15% to -20% in April and May, compared with the pre-lockdown situation
- / Severely disrupted order intake since mid-March

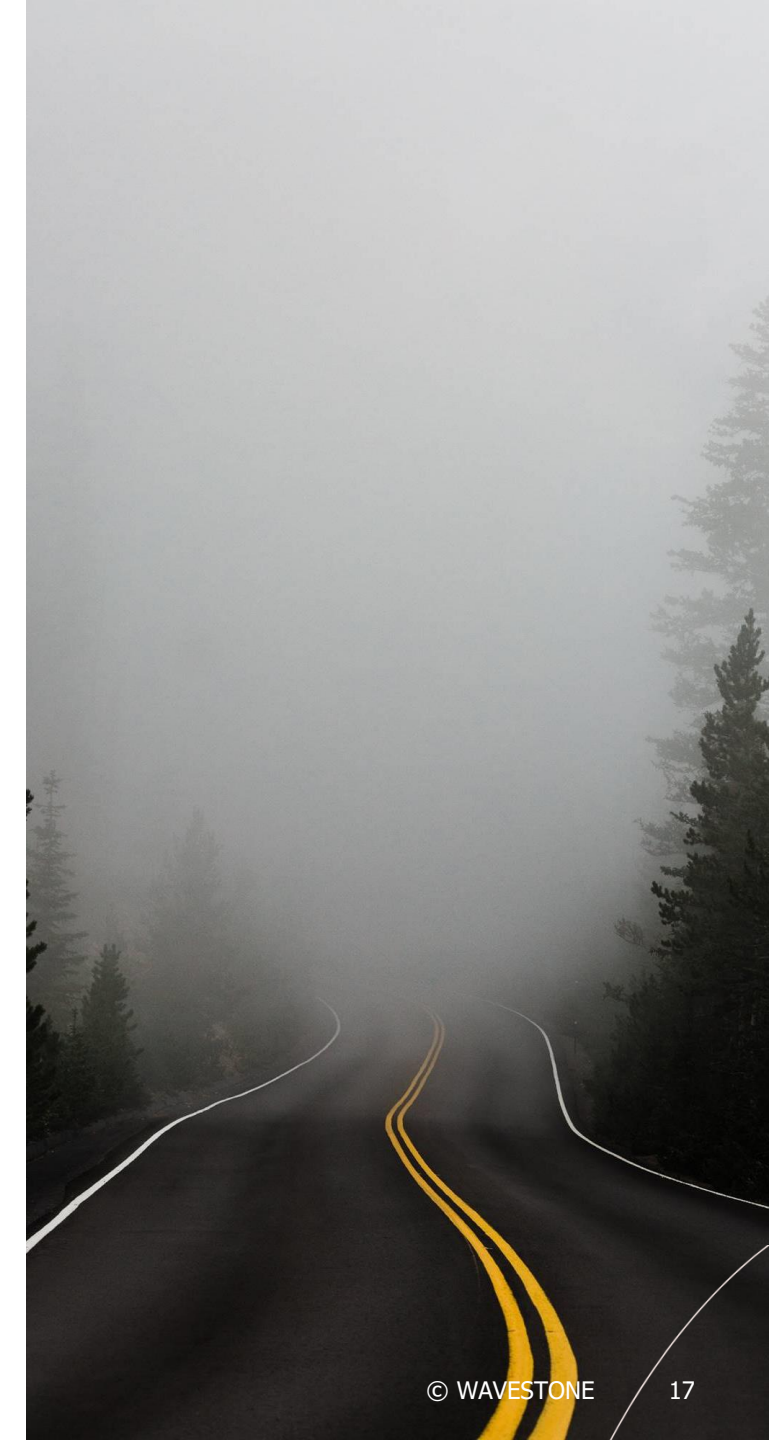
IMMEDIATE MEASURES



- / Recruitment freeze
- / Use of vacation-leave measures
- / Implementation of short-time working arrangements
 - > ~12% of the firm's fee-earning staff

Outlook

- / After the initial shock, a fall-off in business activity has now set in
- / June expected to be broadly in line with April and May...
 - > toward a utilization rate of about 60% over Q1
 - > a slightly improved order intake
- / ...but Q2 could see a further deterioration in activity
 - > as a consequence of low order intake since the beginning of the crisis
 - > risk of seeing new trade-offs linked to drastic cost-savings plans being put in place by some clients
 - > moderate effects on prices for the time being, but pressure is increasing



Wavestone's battle plan for 2020 (1/2)

/ Strong revitalization of business development activity

- › strengthening of business development teams
- › mobilization of additional pre-sales consultants
- › accelerated prospecting

/ Efforts directed toward the most resilient business sectors

PHARMACEUTICALS

FINANCIAL SERVICES

UTILITIES

PUBLIC SECTOR

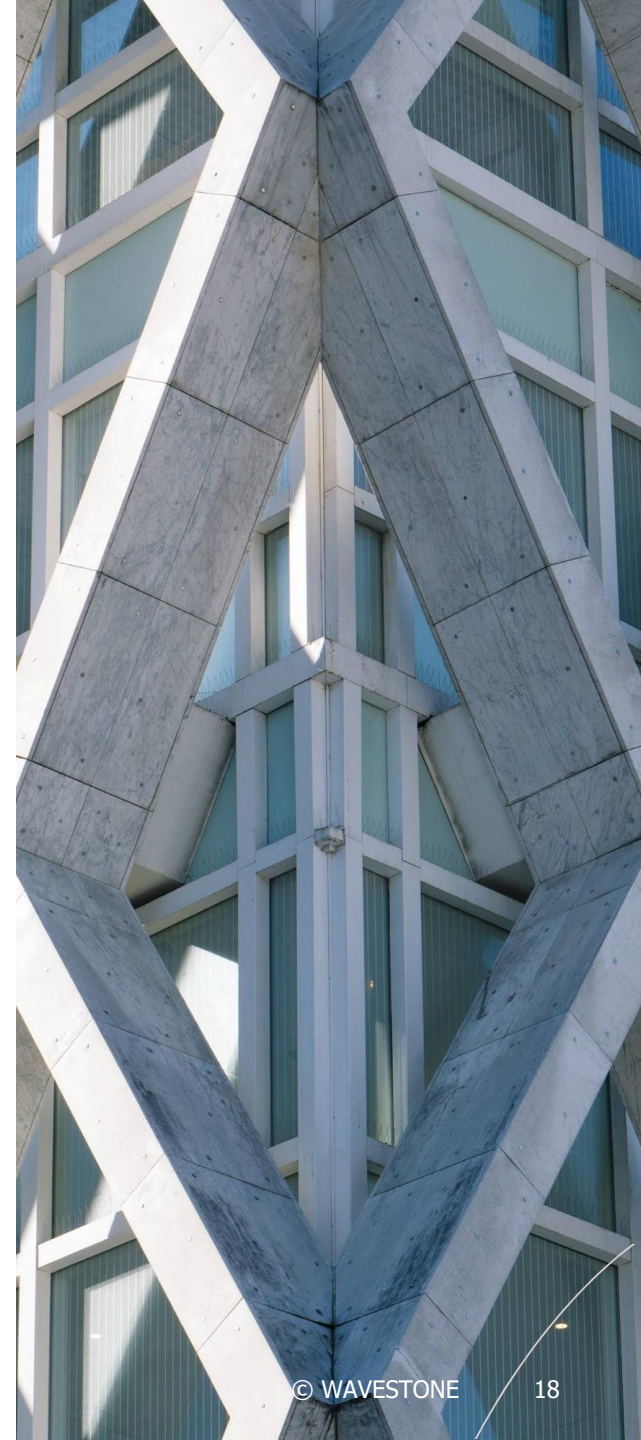
/ A focus on service offerings that address the challenges of the period

CYBERSECURITY

IT OPTIMIZATION

OPERATIONAL EFFICIENCY

/ Customer-by-customer, go-to-market agility – to tap into demand where it arises

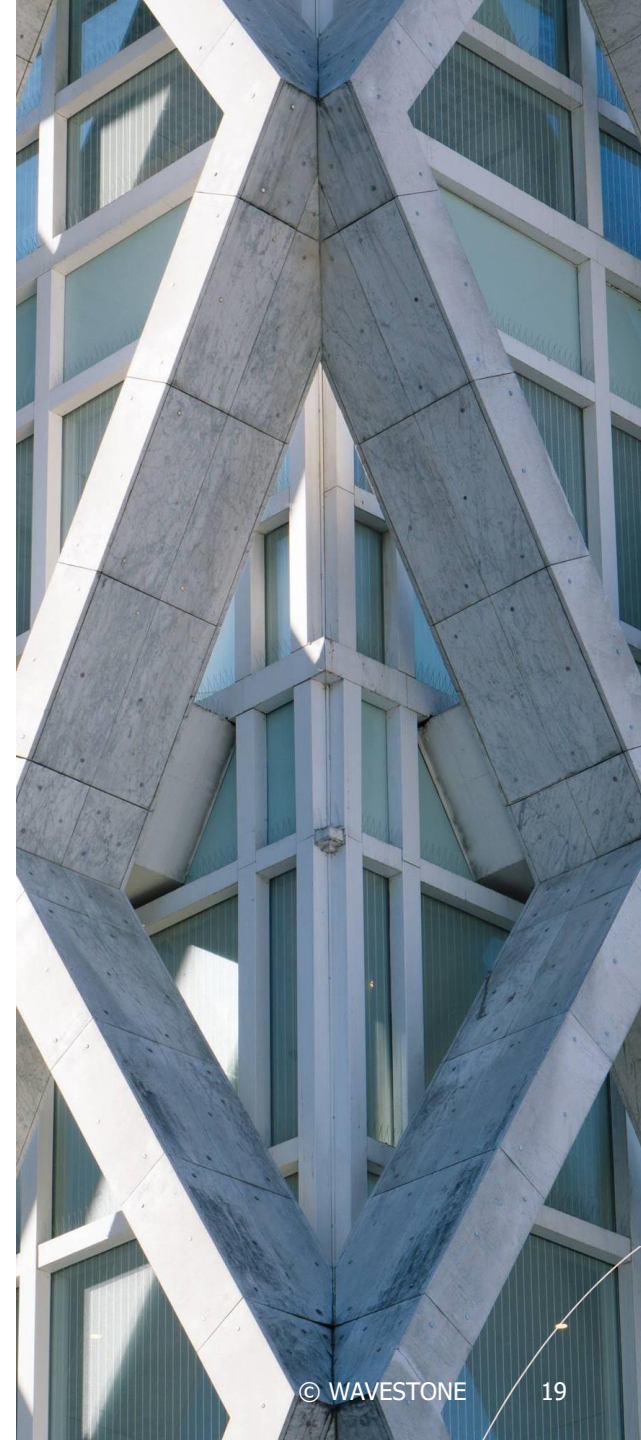


Wavestone's battle plan for 2020 (2/2)

- / Continuation of the recruitment freeze
- / Implementation of a performance plan to generate savings of about €15m
 - > excluding the effects of short-time working arrangements and without any workforce-adjustment measure
- / Alignment of all teams toward a single objective: the firm's profitability
- / Suspension of Wavestone 2021 in order to focus on the short term
 - > and suspension of external growth projects

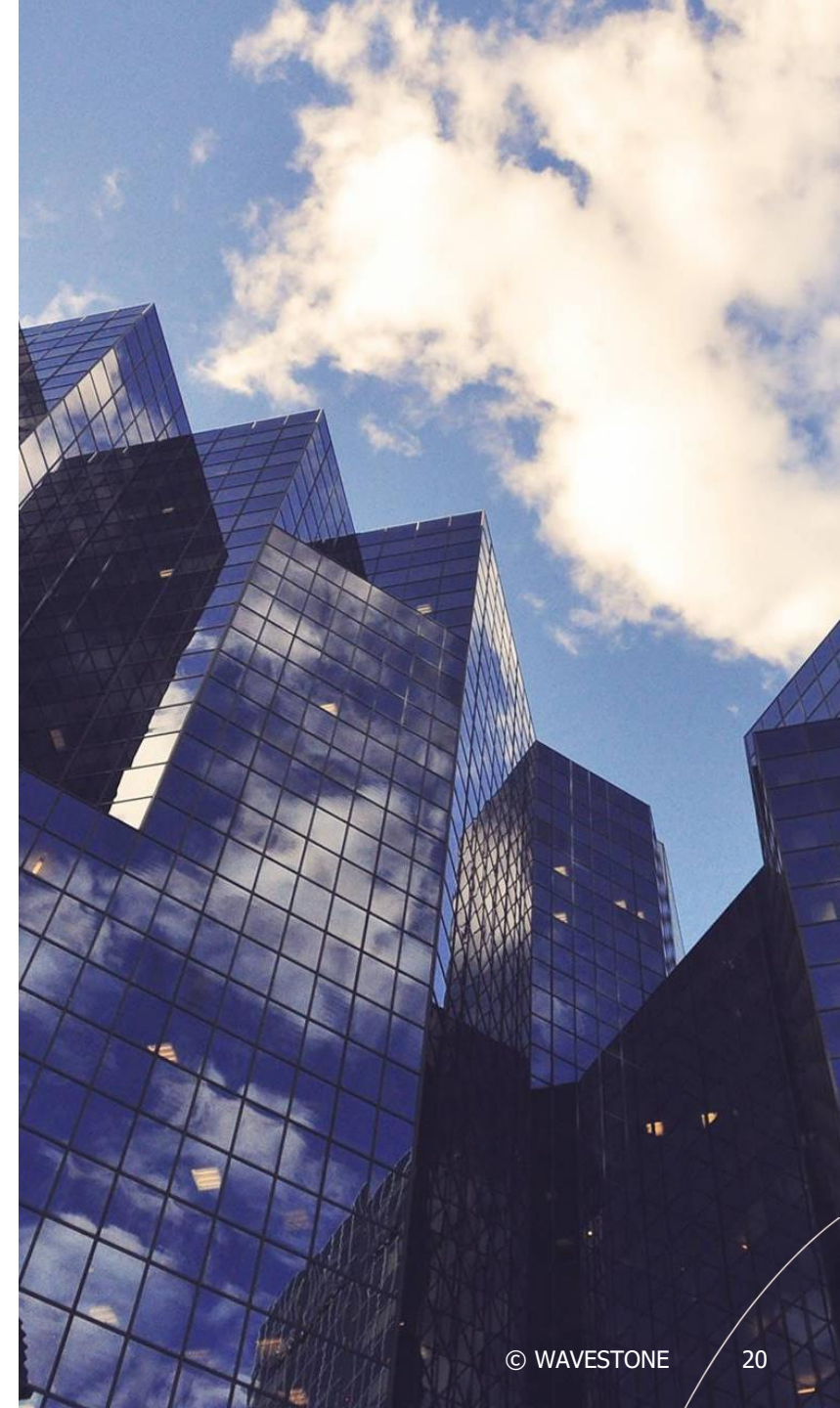
➔ DECISION NOT TO SET FINANCIAL TARGETS FOR 2020/21

GIVEN THE HIGHLY UNCERTAIN CONTEXT



Our strengths to face the crisis

- / An organization focused on business development
 - > atypical business organization in the world of consulting
 - > sector-agility demonstrated on previous occasions
 - > portfolio of offerings rich in “crisis products”
- / An efficient business model
 - > fluid cooperation and structuring of teams
 - > strong culture of performance management
- / A sound financial situation
 - > a solid gross cash and cash equivalents and net debt limited
 - > a position further strengthened at the end of May
- / The commitment and team spirit of the company’s employees



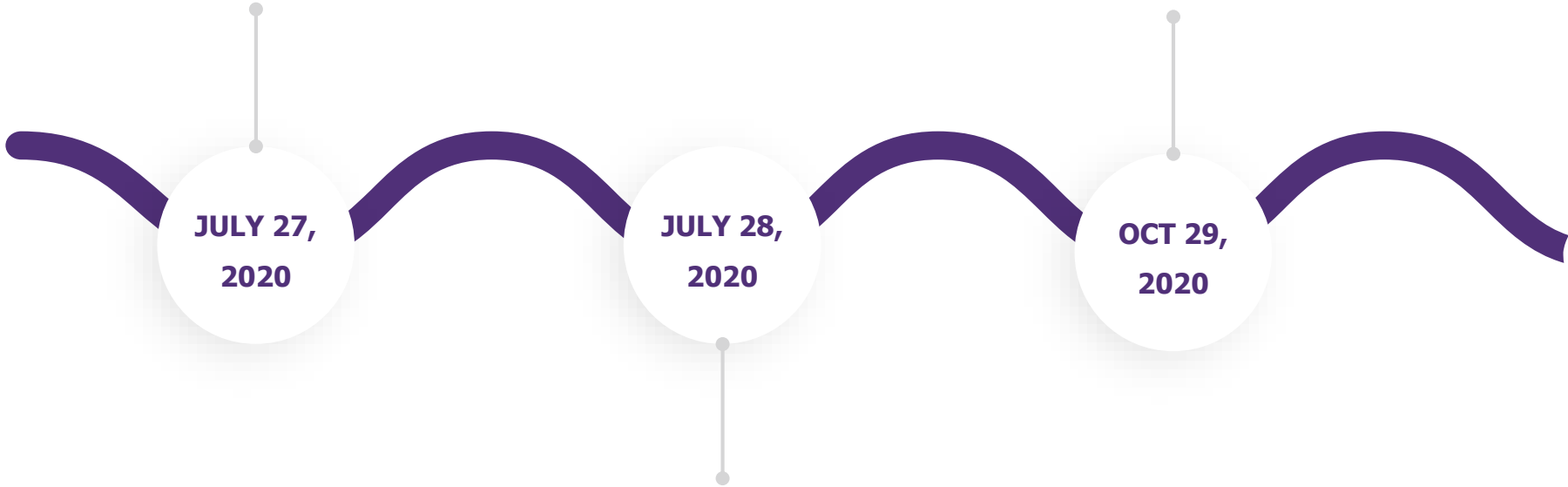
Financial agenda

1

Q1 revenue for the 2020/21 fiscal year
(after stock market closing)

3

H1 revenue for 2020/21 fiscal year
(after stock market closing)



2

Combined annual general meeting
of shareholders

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