

# INVESTOR MEETING

## Kepler Cheuvreux Digital Autumn Conference 2020

September 7, 2020



# AGENDA

/ **1**      About Wavestone

/ **2**      2020/21 Q1 turnover

/ **3**      Outlook

# Wavestone: independent pure player in consulting



Independent **pure player**

**Clients** who are **leaders** in their sectors

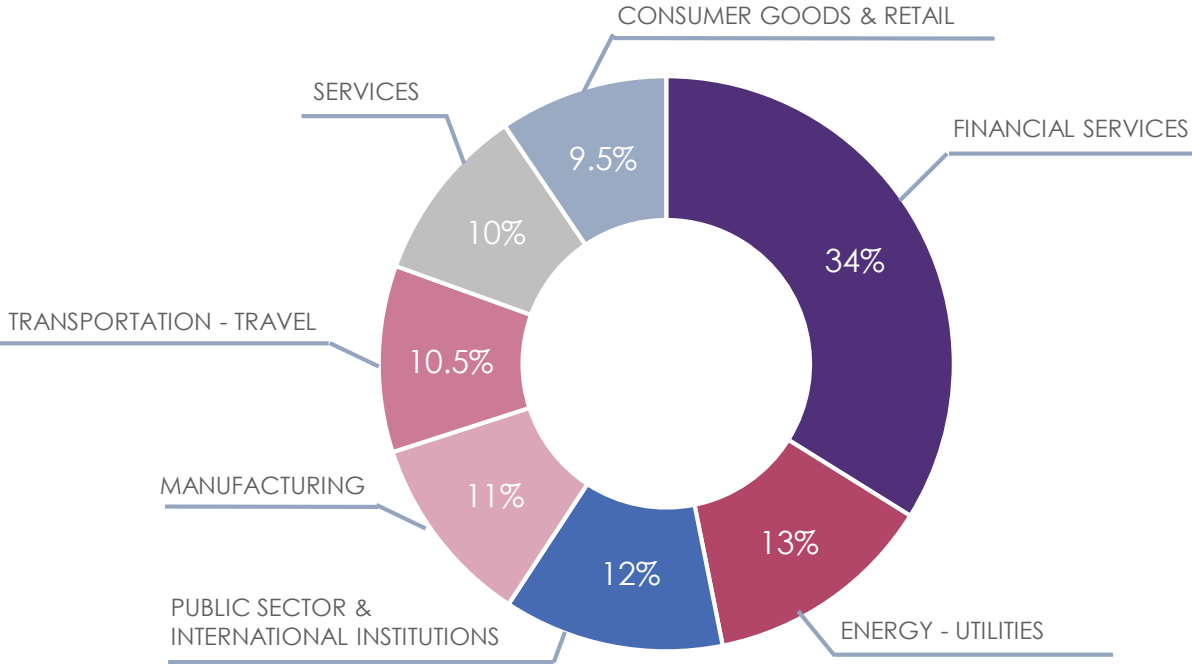


**12 offices** across 8 countries



**+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%





# Wavestone's corporate social responsibility approach



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## Our key objectives

- / Reach 30% representation of women on the Executive Committee
- / Have the same proportion of women in positions of responsibility (operational or hierarchical management) as in the workforce
- / Triple the number of employees with disabilities (objective 33)
- / Have trained 100% of employees<sup>1</sup> in business ethics
- / Draw up a responsible consulting charter and train all employees<sup>1</sup> in how to follow it
- / Devote 1% of the firm's time to social structures

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<sup>1</sup> Employees who have been with the Company for at least 1 year

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## Revenue of €94.4m in Q1 2020/21

Revenue	2020/21	2019/20	Change	Change at constant scope <sup>1</sup> and on a constant forex basis
<i>In €m - unaudited consolidated data</i>				
Q1	94.4	98.3	-4%	-10%

<sup>1</sup> WGroup has been consolidated since 08/01/2019.

### / A reduction of -4% in Q1 2020/21

- > -10% at constant exchange rates and scope (excluding WGroup)
- > reduction in business activity of about -15%, compared with the pre-Covid-19 situation

### / Furlough mechanisms applied to 11% of fee-earning staff over the period

## Consultant utilization rate down sharply and renewed pressure on prices

	Q1 2020/21 (3 months)	2019/20 fiscal year (12 months)	
Consultant utilization rate	63% <sup>1</sup>	71% <sup>1</sup>	▶ sharp decline as a result of the fall in demand
Average daily rate (ADR)	€857	€878	▶ renewed pressure on prices, but impacts remain limited for the time being, down 2%
Order book	3.7 months	3.5 months	▶ -15% decline in order intake in Q1; order book in slight increase due to gradual reduction in headcount

<sup>(1)</sup> Utilization rates are directly comparable; the use of furlough mechanisms has no effect on the calculation of the rate.



## 3,434 employees at June 30, 2020

### / Freeze on hiring since mid-March

- > contracts signed before the recruitment freeze have been honored, which meant there were new starters during Q1

### / Staff turnover rate of 15% at June 30 (on a rolling-12-month basis), compared with 14% in 2019/20

- > includes the impact on resignations felt in Q4 2019/20
- > decline expected in the coming quarters

### / 3,434 employees at June 30, 2020

- > compared with 3,498 at March 31, 2020, decrease of -2%



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# Confirmation of the firm's sectoral choices

## / Gradual recovery in the consulting market

- › fewer projects cancellations and trade-offs in planned investments than expected
- › European consulting market still expected to contract by about -14% in 2020<sup>1</sup>

## / Confirmation of the resilience of the sectors targeted in renewed business development activity

- › pharmaceuticals, utilities, public sector and insurance are all confirming their resilience
- › less severe slowdown than anticipated in the energy and transport sectors

<sup>1</sup> Source: Source Global Research, August 21<sup>st</sup>, 2020



# First results of the commercial intensification measures

## / Activity better than expected in Q2 2020/21

- > improvement of the consultant utilization rate, > 65% expected in Q2 vs. 63% in Q1
- > good order intake forecasted in September, order book expected stable at Q2 end
- > but, as expected, still pressure on sales prices

## / Furlough mechanisms to be stopped by end of September 2020

- > at least in France
- > furlough mechanisms applied to ~6% of the fee-earning staff over Q2

## / Gradual recruitment restart within the most resilient practices

- > mainly in technological practices





## Decline in activity but resilience of the EBIT margin

- / H1 2020/21 revenues expected to decline less than in Q1
- / H1 2020/21 EBIT margin expected to be resilient at ~7%
  - > vs. ~7% in Q1 2020/21<sup>1</sup>
  - > despite less staff on furlough during Q2

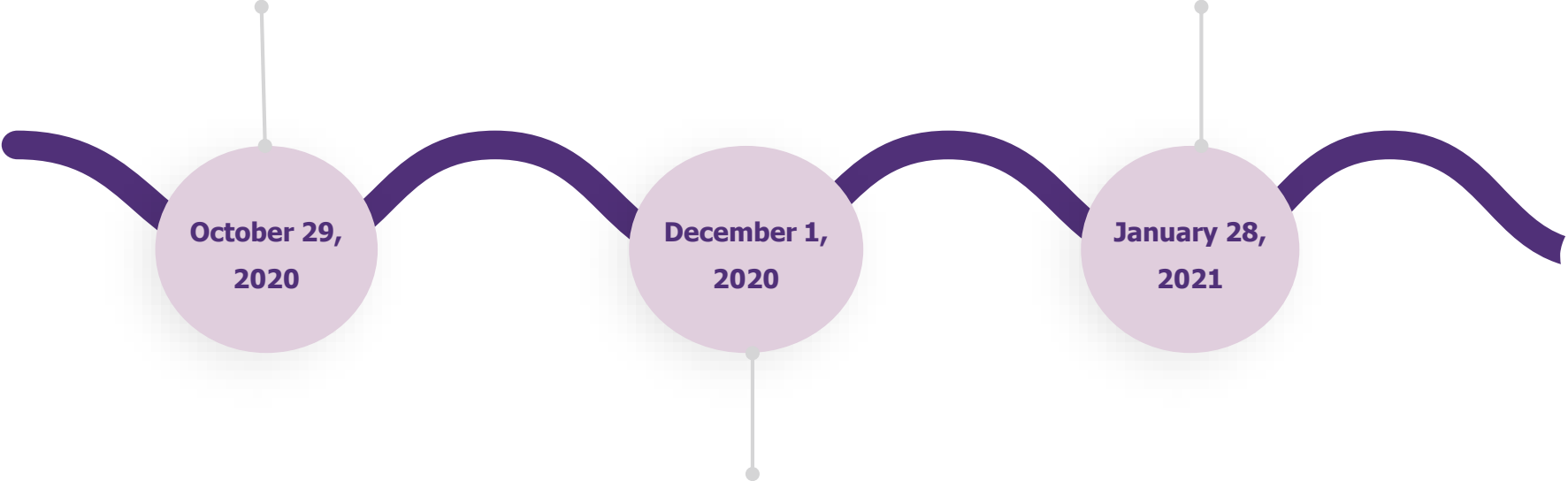
<sup>1</sup> Company estimate - unaudited data



# Financial agenda

**1 H1 revenue 2020/21** (after stock market closing, followed by videoconference)

**3 Q3 revenue 2020/21** (after stock market closing, followed by videoconference)



**2 H1 results 2020/21** (after stock market closing, followed by an SFAF meeting)



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