

INVESTOR MEETING

Oddo BHF Forum

January 7 & 8, 2021



AGENDA

/ **01** About Wavestone

/ **02** H1 2020/21 results

/ **03** Outlook

Wavestone: independent pure player in consulting



Independent **pure player**

Clients who are **leaders** in their sectors

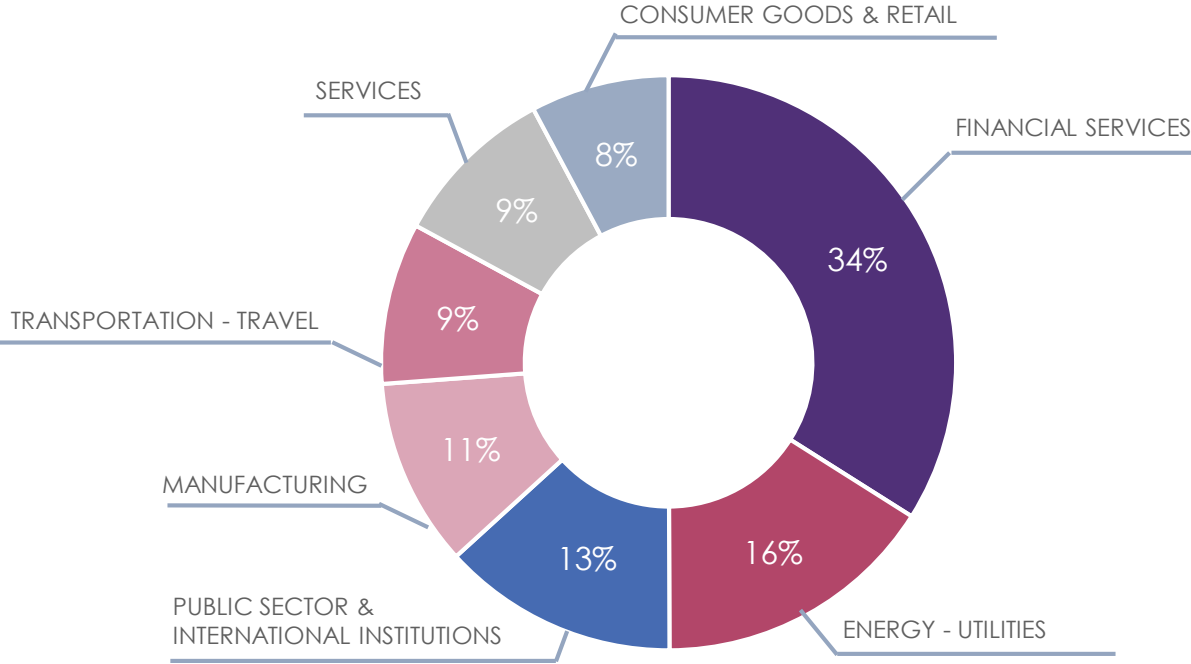


12 offices across 8 countries



+3,000 employees

Distribution of revenue at September 30, 2020



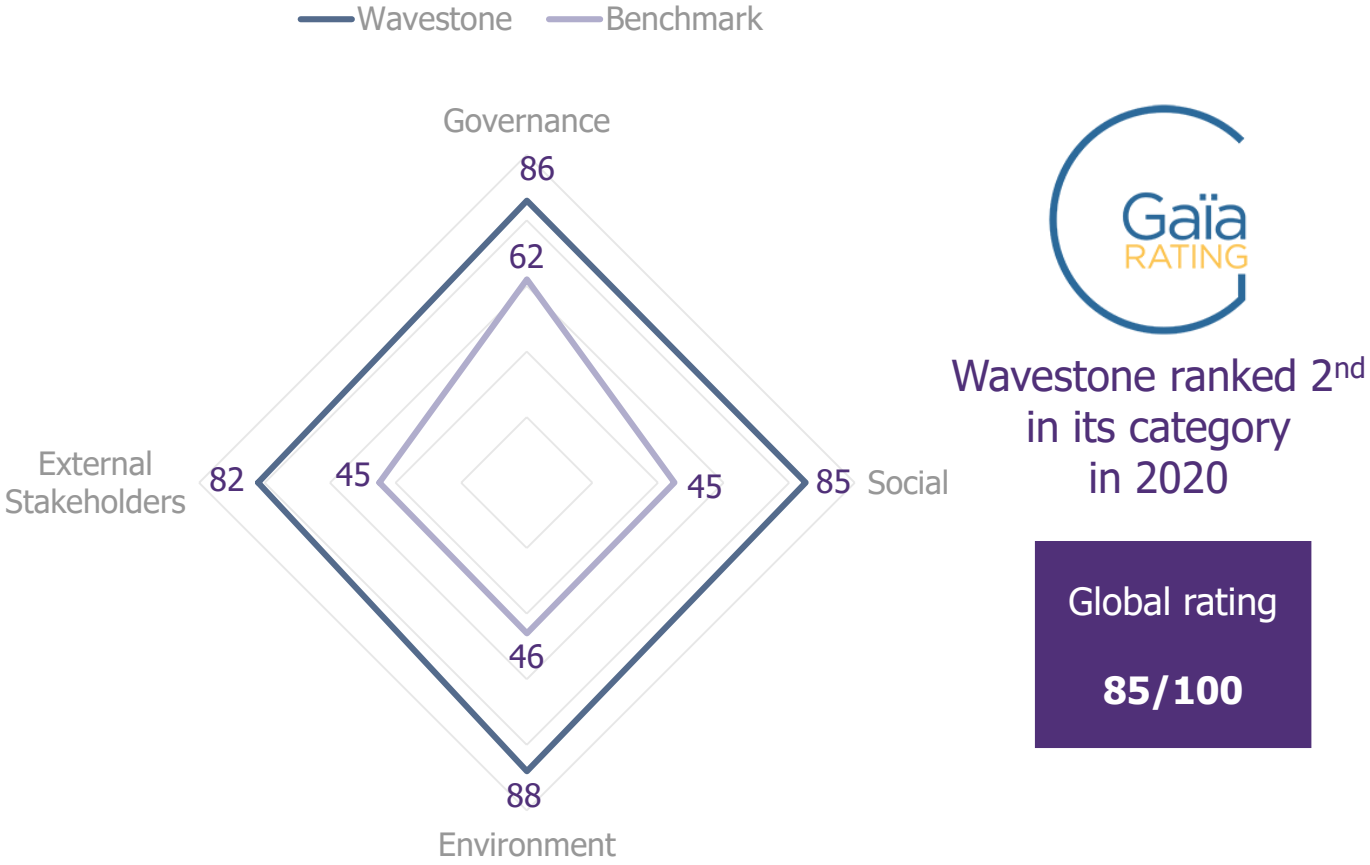
H1 2020/21 revenue	
FRANCE	84%
INTERNATIONAL	16%

TOP-20 CLIENTS in H1 2020/21	
EDF	8%
SNCF	8%
SOCIETE GENERALE	5%
AXA	5%
TOTAL	4%
CREDIT AGRICOLE	4%
LA POSTE	4%
BNP PARIBAS	3%
ENGIE	3%
UGAP	3%
SANOFI	3%
MINISTRY OF THE ECONOMY	2%
BPCE	2%
L'OREAL	2%
ALLIANZ	2%
MINISTRY OF THE ARMED FORCES	1%
BLUCORA	1%
PSA	1%
BPI FRANCE	1%
GROUPAMA	1%



Wavestone's extra-financial performance

Gaïa Rating notation



Other CSR labels



Ranked 4th in its category in 2020



90% of favorable recommendations



73/100 "Gold" commitment



Certified since 2014

Wavestone's corporate social responsibility approach



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 employees¹ in business ethics
- / Draw up a responsible consulting charter and train all employees¹ in how to follow it
- / Devote 1% of the firm's time to social structures

¹ Employees who have been with the Company for at least 1 year

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Limited downturn in revenue in H1 2020/21: -4%

Revenue Consolidated data (in €m) Estimated data for 2020/21	2020/21	2019/20	Change	Change at constant scope ¹ and on a constant forex basis
Q1	94.4	98.3	-4%	-10%
Q2	92.4	96.2	-4%	-4%
H1	186.8	194.5	-4%	-7%

⁽¹⁾ WGroup has been consolidated since 08/01/2019.

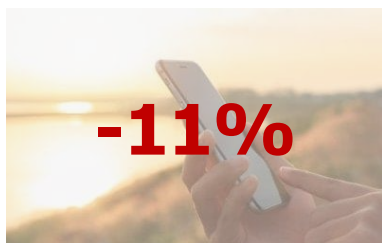
- / Revenue €186.8m in H1 2020/21: -4% growth; equivalent to -7% at constant scope & exchange rates
 - > use of furlough measures for 6% of the fee-earning workforce during the first half of the year
- / At constant scope and exchange rates, a less pronounced decline in revenue in Q2 than in Q1

Pressure on prices; recovery in the consultant utilization rate in Q2

	H1 2020/21 (6 months)	2019/20 fiscal year (12 months)	
Consultant utilization rate	65% ¹	71% ¹	▶ recovery in consultant utilization rate to 68% in Q2, vs. 63% in Q1
Average daily rate	€850	€878	▶ pressure on prices; average daily rate fell by -3% in H1 2020/21 prices still expected to decline between -3% and -5% over the entire fiscal year
Order book	3.7 months	3.5 months	▶ order intake in Q2 stronger than anticipated

⁽¹⁾ figures are directly comparable – the use of furlough measures does not affect the calculation of consultant utilization rate.

Trends in H1 2020/21, compared with the 2019/20 fiscal year



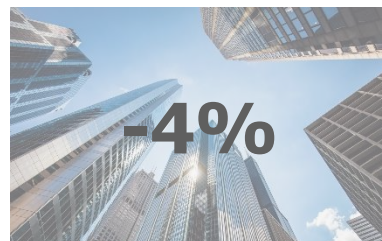
SERVICES



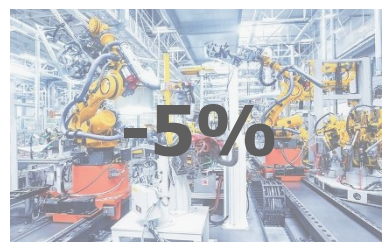
TRANSPORTATION - TRAVEL



CONSUMER GOODS & RETAIL



FINANCIAL SERVICES



MANUFACTURING



ENERGY - UTILITIES



PUBLIC SECTOR &
INTERNATIONAL INSTITUTIONS

TOP-20 CLIENTS in H1 2020/21

EDF

SNCF

SOCIETE GENERALE

AXA

TOTAL

CREDIT AGRICOLE

LA POSTE

BNP PARIBAS

ENGIE

UGAP

SANOFI

MINISTRY OF THE ECONOMY

BPCE

L'OREAL

ALLIANZ

MINISTRY OF THE ARMED FORCES

BLUCORA

PSA

BPI FRANCE

GROUPAMA

= account showing significant growth

= account showing significant contraction

A -5% contraction in headcount at September 30, 2020

/ 3,324 employees at September 30, 2020

> vs. 3,498 at March 31, 2020

/ Gradual resumption of recruitment since September

> within the most resilient practices, especially those that are technology-led

/ Staff turnover rate of 13% at the end of September (on a rolling 12-month basis)

> vs. 14% at March 31, 2020



EBIT margin of 7.7% in H1 2020/21

(1/2)

Consolidated data (in €m) Estimated data for H1 2020/21	H1 2020/21 (6 months)	H1 2019/20 (6 months)	<i>Change</i>	2019/20 (12 months)
Revenue	186.8	194.5	-4%	422.0
Purchases consumed	(6.5)	(5.5)		(13.0)
Personnel costs	(147.1)	(136.9)		(289.9)
External expenses	(11.5)	(24.4)		(46.7)
Levies and taxes	(2.9)	(2.0)		(6.3)
Net allocation for depreciation and provisions	(4.5)	(5.2)		(10.3)
Other operating income and expenses	(0.0)	(0.3)		(0.1)
EBIT	14.3	20.7	-31%	55.7
<i>EBIT margin</i>	<i>7.7%</i>	<i>10.6%</i>		<i>13.2%</i>

- / Personnel costs: +€10m
 - + €11m related to workforce growth
 - + €4m related to WGroup scope effects
 - €5m related to use of furlough measures

- / External expenses: -€13m
 - €11m related to the savings plan
 - €2m related to the reduction of rechargeable expenses, with no impact on the result

EBIT margin of 7.7% in H1 2020/21

(2/2)

Consolidated data (in €m) Estimated data for H1 2020/21	H1 2020/21 (6 months)	H1 2019/20 (6 months)	Change	2019/20 (12 months)
EBIT	14.3	20.7	-31%	55.7
<i>EBIT margin</i>	<i>7.7%</i>	<i>10.6%</i>		<i>13.2%</i>
Amortization of client relationships	(0.7)	(0.8)		(1.6)
Other operating income and expenses	(0.1)	(1.3)		(0.6)
Operating income	13.5	18.6	-27%	53.5
Cost of net financial debt	(0.6)	(0.9)		(2.2)
Other income and expenses	(0.6)	(0.0)		(1.2)
Income tax expenses	(5.3)	(8.5)		(19.0)
Group share of net income	7.0	9.3	-25%	31.1
<i>Net margin</i>	<i>3.7%</i>	<i>4.8%</i>		<i>7.4%</i>

/ Income tax expenses: €5.3m
of which + €2,5m in CVAE (a French
business tax based on corporate
added value)
of which - €0.6m in tax credits

Good level of cash flow maintained

Consolidated data (in €m) Estimated data for H1 2020/21	H1 2020/21 (6 months)	H1 2019/20 (6 months)	2019/20* (12 months)
Self-financing capacity before net financial debt and tax costs	20.1	26.7	68.3
Income tax paid	(10.5)	(10.2)	(19.2)
Change in working capital requirements	9.2	(3.8)	6.2
Net cash flow from operations	18.8	12.7	55.3
Net cash flow from investments	(0.5)	(24.6)	(29.5)
of which fixed asset acquisitions	(0.5)	(2.4)	(3.1)
of which changes in scope	-	(22.3)	(26.6)
Net cash flow from financing operations	(38.7)	(0.5)	(11.2)
of which dividends paid	-	(4.6)	(4.6)
of which sales (acquisitions) of company shares	0.1	(3.5)	(3.5)
of which loans received net of repayments	(34.1)	11.7	6.5
of which repayments of lease liabilities	(4.1)	(3.4)	(6.7)
Change in cash and cash equivalents	(20.4)	(12.4)	14.6

* A change in the presentation of the cash flow statement has been made compared to fiscal year 2019/20. See the consolidated financial statements for more details.

Net financial debt of less than €16m; available cash and cash equivalents of €45m

Consolidated data (in €m) Estimated data for 09/30/2020	09/30 2020	03/31 2020
Non-current assets	224.1	232.8
of which goodwill	161.2	166.5
including rights to use leased assets	27.5	30.6
Current assets	137.3	151.7
of which trade receivables	115.1	128.4
Cash and cash equivalents	44.6	65.1
TOTAL ASSETS	406.0	449.6

Consolidated data (in €m) Estimated data for 09/30/2020	09/30 2020	03/31 2020
Shareholders' equity	184.7	177.1
of which minority interests	0.0	0.0
Financial liabilities	60.2	94.3
of which less than one year	8.1	38.2
Lease liabilities	33.8	37.7
Non-financial liabilities	127.2	140.5
TOTAL LIABILITIES	406.0	449.6

Net debt: €15.6m

compared with €29.1m at March 31, 2020

Reminder: the release of €6.3m in employee profit-sharing payments in France has been delayed until December

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What is the impact of the 2nd wave of the epidemic?

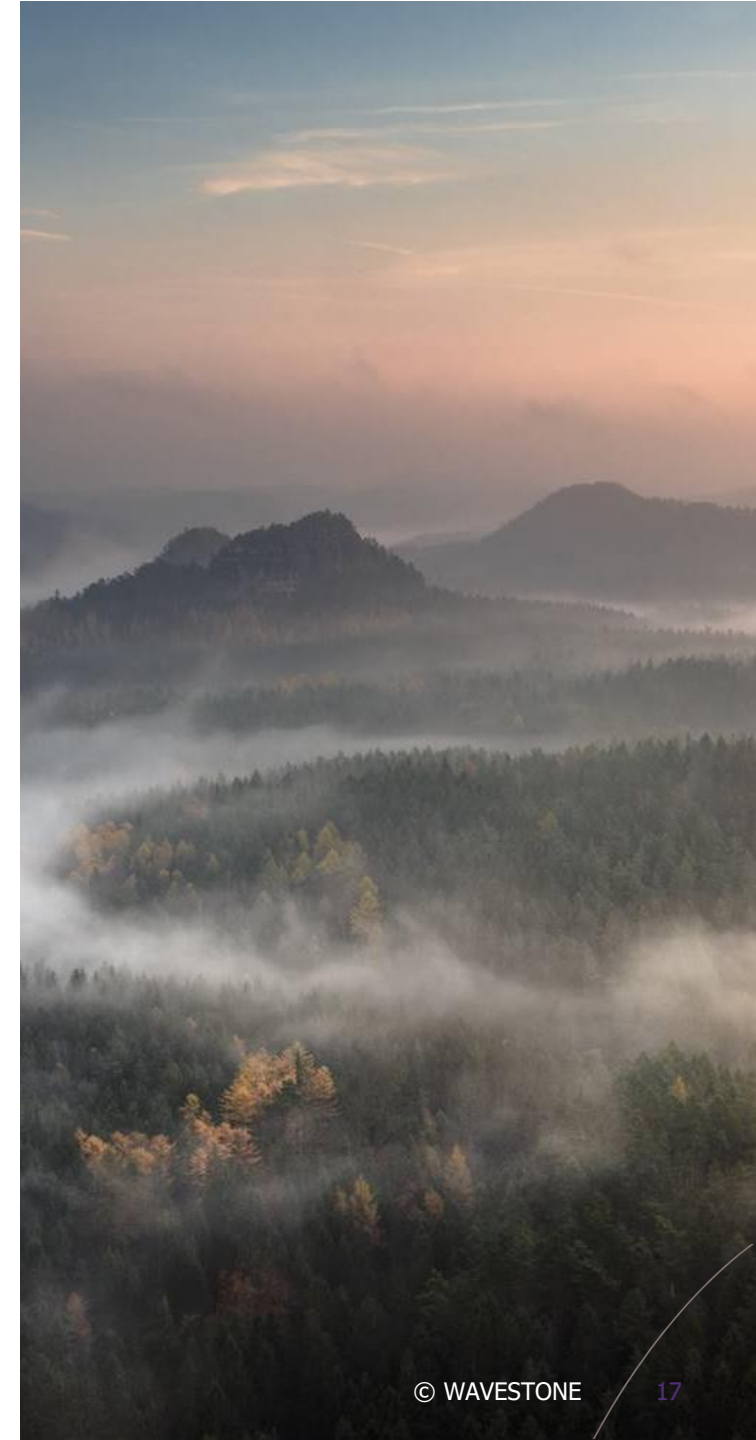
- / A very limited direct impact of the return to lockdown on Wavestone's business activity
- / But uncertainty has returned for the first months of 2021
 - > the outlook for 2021 is less certain than that envisaged a few months ago
 - > a start to the year that will potentially be slowed by clients taking a cautious approach
- / Several levers for Wavestone despite the uncertainties

CYBERSECURITY

IT OPTIMIZATION

ACCELERATION OF
TRANSFORMATIONS

M&A - CARVE-OUT



Continued pursuit of the battle plan in H2 2020/21

- / Ongoing and intense business development activity
 - > continual adjustment to business priorities
- / Intensification of stimulus actions – targeted at practices and offices lagging on performance recovery
- / Active preparation for the start of 2021
 - > to minimize potential staffing disruptions
- / Confirmation of the performance plan
 - > €16.5m is now the target for savings over the whole year (which excludes the effects of furlough measures and assumes no adjustment to the workforce)



Taking a progressively more bullish stance

/ Near-total cessation of furlough arrangements

- > maintained in the UK only

/ Gradual expansion of the resumed recruitment activity to new offices and practices

- > over 400 gross hires envisaged for the 2020/21 fiscal year, including 300 new starters by the end of March.
- > hiring salaries same as previous year
- > nevertheless, a decline in headcount of about 5% over the year, as a result of recruitment freeze in H1 and staff turnover rate

/ Relaunch of external growth activity

- > international acquisitions to be the priority
- > possible strategic acquisitions in France



2020/21 financial objectives

Q3

- / Target is consultant utilization rate of over 72% for the quarter (vs. 65% in H1)
- / Reduced level of revenue of the same order as that seen in H1
 - > effect of changes in workforce and prices

2020/21
OBJECTIVES

- / 2020/21 revenue of over €400m
- / Double-digit EBIT margin



Financial agenda

1 Q3 2020/21 revenue
(after stock market closing; followed by a videoconference)

3 2020/21 annual results
(after stock market closing; followed by an investors' meeting the next day)



2 2020/21 annual revenue
(after stock market closing; followed by a videoconference)

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