

INVESTOR MEETING

Oddo BHF - Digital TMT Forum

March 11, 2021



AGENDA

- / **01** About Wavestone
- / **02** H1 2020/21 results
- / **03** Outlook and recent news

Wavestone: independent pure player in consulting



Independent **pure player**

Clients who are **leaders** in their sectors

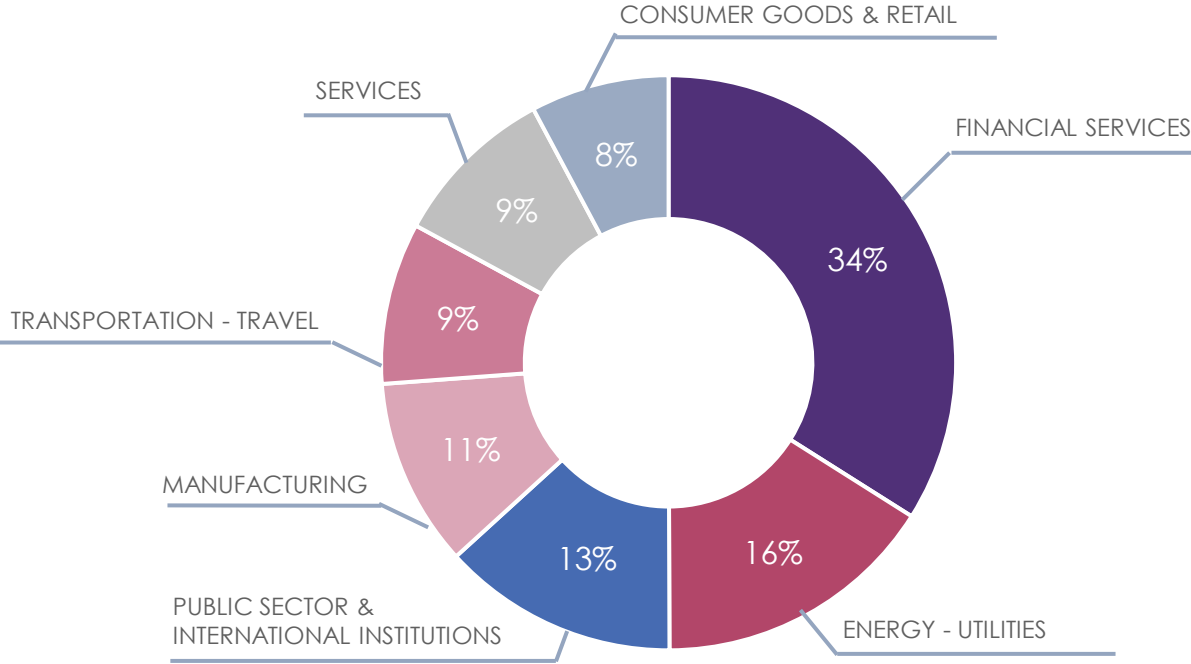


12 offices across 8 countries



+3,000 employees

Distribution of revenue at September 30, 2020



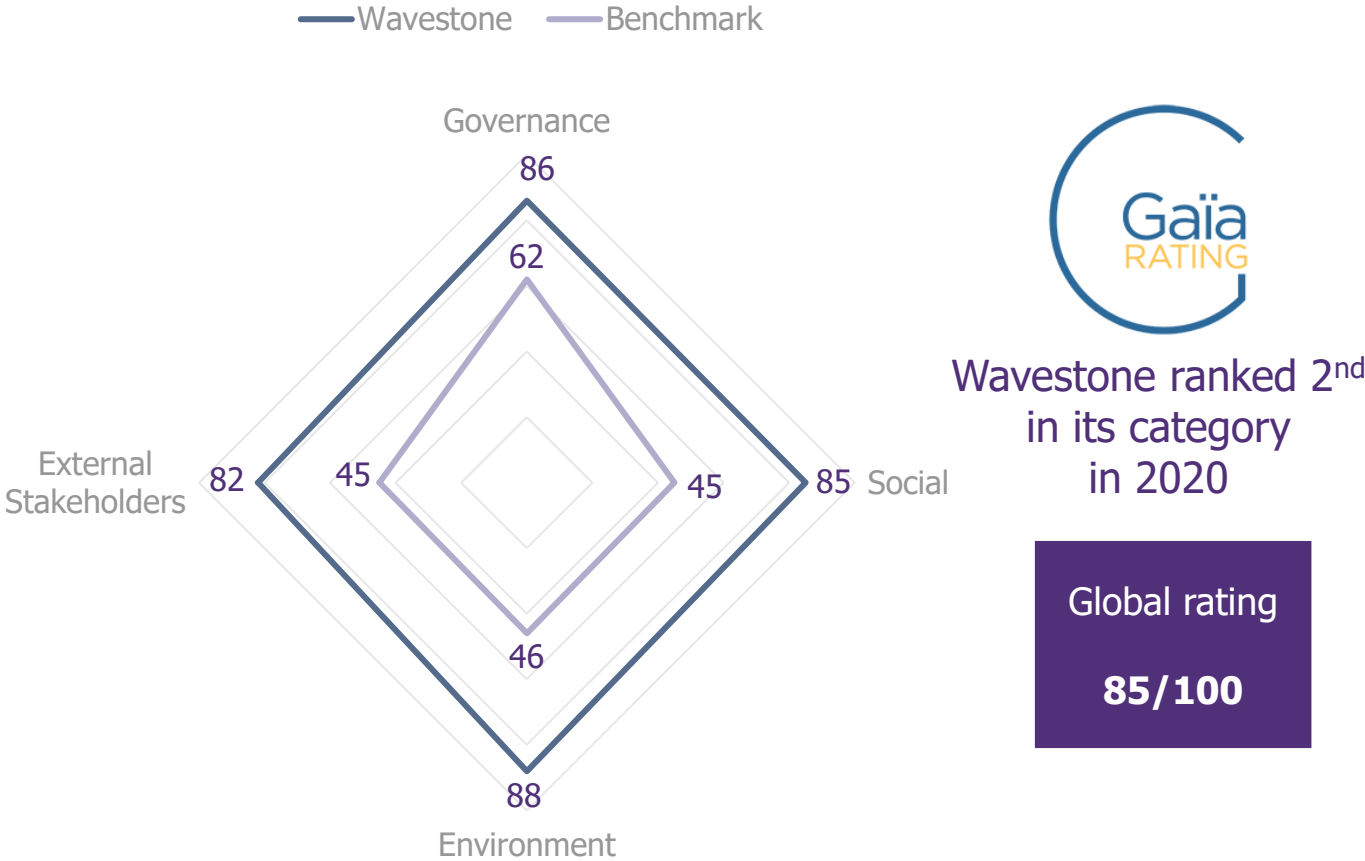
H1 2020/21 revenue	
FRANCE	84%
INTERNATIONAL	16%

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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EBIT margin of 7.7% in H1 2020/21

Consolidated data (in €m)	H1 2020/21 (6 months)	H1 2019/20 (6 months)	Change	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>
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>

/ 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

/ 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)	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)	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)	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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Q3 2020/21 revenue broadly stable

Revenue unaudited consolidated data (in €m)	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%
Q3	111.8	112.7	-1%	+3%
Nine-month total	298.5	307.2	-3%	-4%

⁽¹⁾ Excluding WGroup, consolidated since 08/01/2019.

/ Q3 2020/21 revenue exceeded expectations: €111.8m – down slightly by -1%

> +3% growth on a constant scope and constant forex basis, excluding WGroup

/ €298.5m over nine months – a modest decline of -3%

> -4% at constant scope and exchange rates

A continued rise in consultant utilization rate in Q3 – exceeding expectations

	First 9 months of 2020/21 (9 months)	2019/20 fiscal year (12 months)
Consultant utilization rate	69%	71%
Average daily rate	€844	€878
Order book	3.9 months	3.5 months

► utilization rate of 75% in Q3, compared with 68% in Q2, and 63% in Q1

► pressure on prices confirmed: -4% over the 9-month period
annual decline for 2020/21 expected to be in line with the -3% to -5% range announced at the start of the fiscal year

► strong level of order intake over Q3
increase in order book size compared with September 30, 2020 (3.7 months)

Modest increase in headcount in Q3 2020/21

/ 3,358 employees at December 31, 2020

- › compared with 3,324 at September 30, 2020, and 3,498 at March 31, 2020

/ Recruitment plan on track for H2 2020/21

- › now extended into new offices and practices
- › over 400 gross hires targeted for the 2020/21 fiscal year, including 300 new starters by the end of March.

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

- › similar level expected for the whole of the 2020/21 fiscal year, compared with 14% for the previous year



Continued bullish approach in 2021

- / Slowdown in business activity over the first months of 2021 much more limited than expected
 - > increased confidence in the firm's prospects
- / Activity improving across almost all offices and practices
 - > in both technological and management-consulting practices
 - > growing number of assignments about major transformation projects – activity in this area accelerating due to the crisis
- / Concrete resumption of external growth activity in 2021/22
 - > international acquisitions the priority – mainly in the US
 - > possible tactical acquisitions in France



Positive net cash position¹ being targeted for March 31, 2021

/ Company's financial position strengthened in Q3

- › even with €6.3m profit-sharing payment to employees in France (release of payment was delayed from July to December 2020)

/ Net cash position¹ at break-even by December 31, 2020

- › compared with net financial debt¹ of €15.6m at the end of September 2020

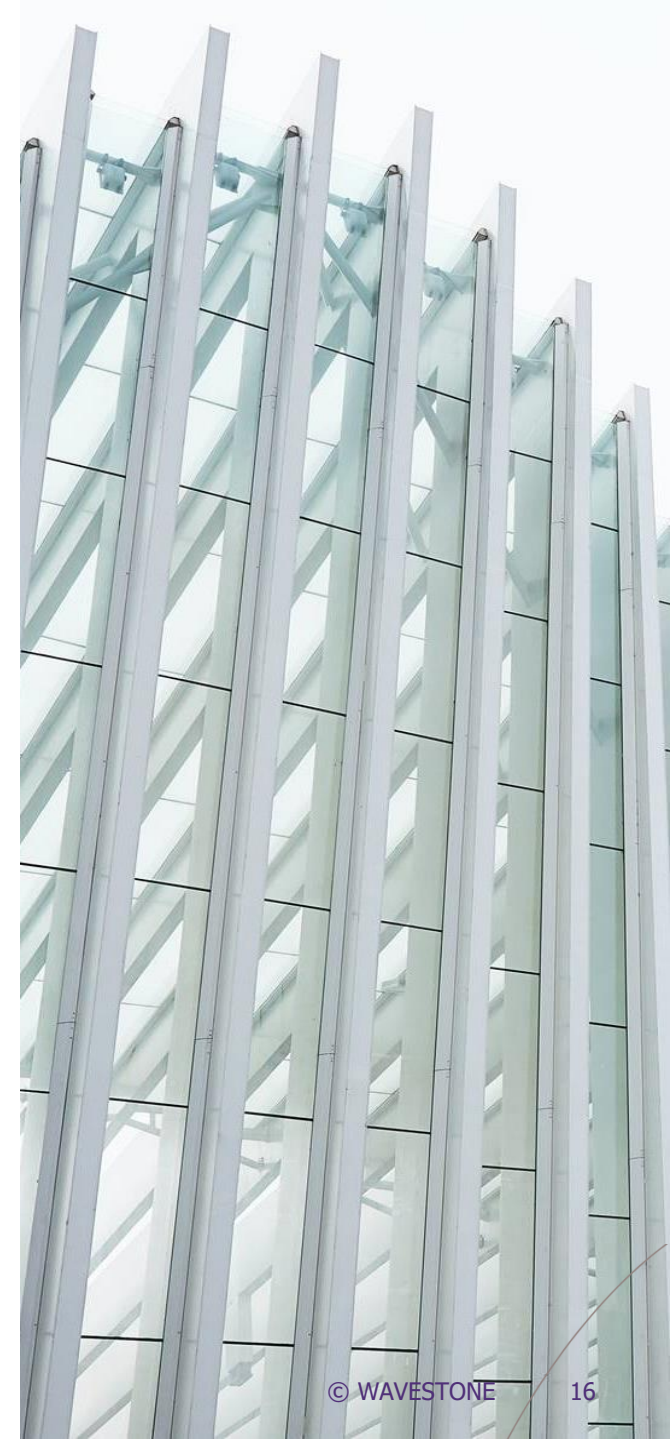
/ Further improvement in net cash position¹ expected by the end of 2020/21 fiscal year

- › compared with €29.1m in net financial debt¹ at the end of March 2020

/ Resumption of Wavestone's dividend payment policy for the 2020/21 fiscal year

- › considering the firm's improved performance and the resilience of the outlook in the consulting market, despite the health situation

¹ excluding lease liabilities



2020/21 revenue target raised

2020/21 OBJECTIVES

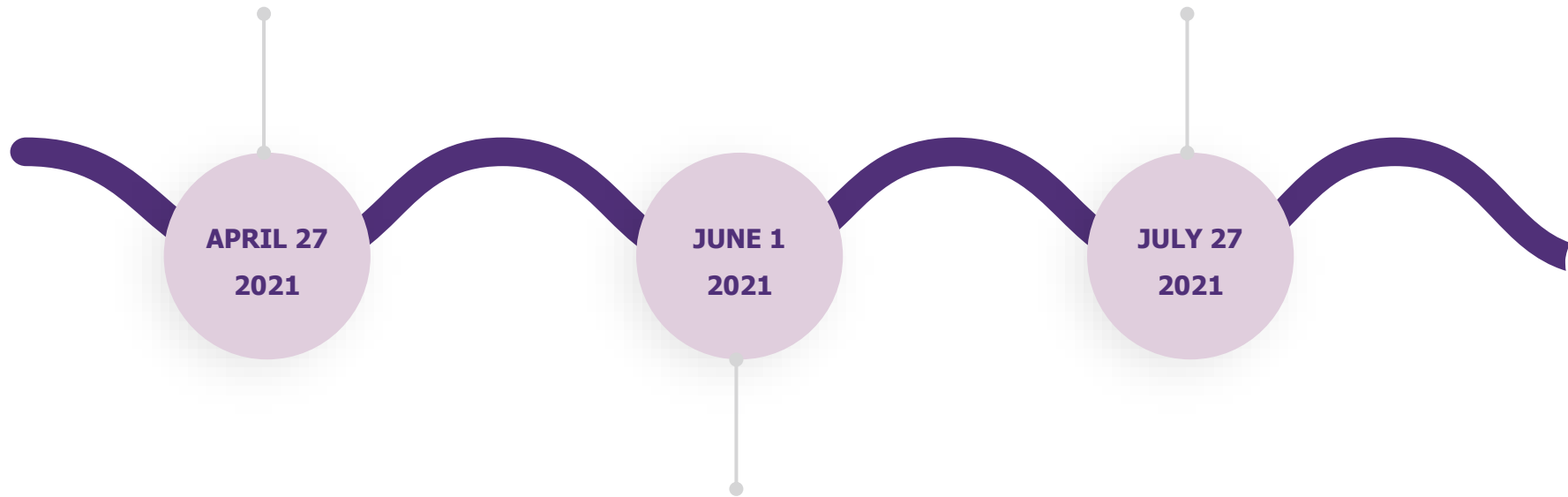
- / 2020/21 revenue of about €410m, compared with the previous target of over €400m
- / Double-digit annual EBIT margin



Financial agenda

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

3 **Annual General Meeting**



2 **2020/21 annual results**
(after stock market closing; followed by an investors' meeting)

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