



Pascal Imbert
CEO

EDITORIAL

« We are approaching the end of the 2020/21 financial year, an unusual year in many ways, marked by the health crisis due to the coronavirus epidemic and its economic consequences. »



Madam, Sir, Shareholder,

We are approaching the end of the 2020/21 financial year, an unusual year in many ways, marked by the health crisis due to the coronavirus epidemic and its economic consequences.

While the first months of our fiscal year were impacted by the economic shock, strongly weighing on the consulting market, we quickly reacted by implementing a battle plan. To cope with such a shock, we have undertaken a vigorous relaunch of our commercial action through the strengthening of our business development teams, the mobilization of additional pre-sales consultants and the acceleration of our prospecting pace.

Since the summer of 2020, these commercial stimulus measures have begun to produce their first effects, resulting in a gradual increase in the consultant utilization rate and a dynamic order intake. In this context, we have decided to reduce our use of furlough mechanisms, maintained only in the United Kingdom, to resume our recruitment and to relaunch our external growth actions.

The end of the calendar year 2020 confirmed the improvement in our business, with the consultant utilization rate reaching 75% in the 3rd quarter, compared to 63% in the 1st quarter of the year at the height of the health crisis. Despite continued pressure on prices, we are confident in our outlook for 2021 and continue to take an aggressive stance towards our market.

Our solid level of activity, which has exceeded expectations, and the positive outlook for the beginning of 2021 led us to raise our annual revenue target at the end of January, which is now expected to be around €410 million, compared with more than €400 million previously. Regarding profitability, the firm is targeting a double-digit annual EBIT margin.

On the stock market side, after the shock of the first months of the health crisis, we have seen a gradual rise in Wavestone's share price since the beginning of April, with a first acceleration at the beginning of September, followed by another one in December. Over a rolling year, Wavestone's share price has risen by more than 30%, and has even rebounded by nearly 120% from its low point on April 1st, 2020.

The health context still prevents us from organizing physical meetings, but rest assured of our desire to maintain the dialogue with you. We hope to be able to meet again in the course of 2021. In the meantime, we will continue to organize video conferences to keep you informed of Wavestone's latest news and answer your questions.

Yours Faithfully.

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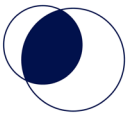
NEWS

WAVESTONE'S CSR APPROACH RECOGNIZED BY THE GAÏA INDEX AND HUMPACT

At the beginning of 2021, Wavestone's CSR was recognized by two independent rankings.



For the 11th year running, Wavestone was listed among the top 70 French SMEs and mid-tier firms, ranked on their environmental, social and governance (ESG) performances. In 2020, Wavestone was ranked 2nd for companies with annual revenues between €150m and €500m.



HUMPACT

Wavestone ranks 2nd in the «Youth» category of the Grand Prix Humpact Emploi France 2020 organized by Humpact, a ranking that rewards for the first time the listed companies that have deployed the most virtuous social policies for employment in France. Wavestone is therefore recognized for the quality of its HR practices and its high rate of youth recruitment.

// The crisis has enabled us to reinvent ourselves, with the desire to place the well-being of our employees at the heart of our HR challenges and to contribute to having a positive impact on employment."

Hélène Cambournac, CSR Manager, Wavestone



SMART STATION: A PROJECT FOR MORE MODERN AND EFFICIENT TRAIN STATIONS

Wavestone is pleased to support SNCF Gares & Connexions on the Smart Station project, which is helping to build the station of the future. By connecting strategic equipment in 579 stations and monitoring them remotely with a dedicated application, Smart Station aims to improve the availability of equipment, and the comfort and satisfaction of passengers and visitors in railway stations. The next challenge after the deployment in the pilot stations will be to finalize the large-scale deployment for the 2024 Olympic Games. To learn more, [click here](#) (in French only).

WAVESTONE AND THE FRENCH CENTRAL DIRECTORATE OF THE JUDICIARY POLICE JOIN FORCES TO FIGHT AGAINST CYBERCRIME



Catherine Chambon, Vice Director of the fight against cybercrime, and Gérôme Billois, Wavestone

On January 13, 2021, the Central Directorate of the Judiciary Police and Wavestone signed a partnership agreement aimed at facilitating and strengthening information sharing and analysis in the field of malware. Aware of the need to strengthen the fight against cyber threats targeting the public and businesses, the objective of this partnership is to deepen their knowledge of malware by allowing the analysis and cross-referencing of information.

To learn more, [click here](#) (in French only)

“ The objective is to accelerate the exchange of operational and research information on the activities of cybercriminals in order to better defend ourselves on a national and European scale. The multiplication of attacks requires the mobilization of all available forces and a good cooperation between public and private actors and this partnership is a concrete demonstration of it.”

Gérôme Billois, Partner, Wavestone

FIND THE LATEST NEWS FROM WAVESTONE ON VIDEO!

Presentation of Q3 2020/21 revenue – February 26, 2021 (in French only)



Wavestone and Interparfums e-meeting for individual shareholders – December 3, 2020 (in French only)



Shareholders' Club Meeting – October 30, 2020 (in French only)



HUMAN RESOURCES



Cécile Trinquier
HR Leader,
Wavestone

// Despite all the benefits of teleworking, there was a strong need within the firm to return to the office. So, we decided to launch SmartWorking@Wavestone, an ambitious plan aimed at structuring our future work set-up. //

SMARTWORKING@WAVESTONE, A PLAN TO INVENT OUR FUTURE WORKING ENVIRONMENT

Can you remind us of how Wavestone adapted its working methods at the beginning of the health crisis?

As soon as the health crisis began in mid-March 2020, all the firm's teams switched to teleworking, with the aim of protecting our employees as much as possible and thus actively contributing to the fight against the spread of the virus. Teleworking was already well established at Wavestone, and we felt that we could continue to work effectively whilst all being remote.

Looking back, how do you view remote working today?

After almost a year of remote work, our latest HR survey conducted in December 2020 shows that employee motivation remains good, even if there are disparities depending on the team or experience. In the first months of the crisis, we all recognized the many benefits of teleworking: less fatigue due to time spent on transportation, more flexibility to manage work/life balance, better efficiency, erasing geographical barriers between offices and countries, etc. But with time, limits appear. The social link becomes more distant, the integration of newcomers is more difficult, some employees do not have optimal teleworking conditions, and finally, we lack the reference points that used to regulate our days in the office.

What is the "SmartWorking@Wavestone" project?

We realized that, despite all the benefits of teleworking, there was a strong need within the firm to return to the office. So, we decided to launch SmartWorking@Wavestone, an ambitious plan aimed at structuring our future work set-up with a new mix of face-to-face and remote working. This project, which will start as soon as the health crisis is over, is built as an experimental approach. Each team will test for several months, independently, new ways of working and new ways of operating (face-to-face / remote mix, IT tools, office layout, managerial practices...). Once these experiments are completed, we will share the feedback to identify best practices and define a coherent operational framework for Wavestone.

What are the main benefits expected from this project?

Of course, we expect to improve the efficiency, the quality of work life, and the work/life balance of our employees. But this new working environment could also strengthen synergies between our offices around the world, reduce the firm's carbon footprint by reducing our travel, and finally improve our brand image in the eyes of our clients and our attractiveness to future companies joining Wavestone through M&A transactions.

EXPERTISE

INDUSTRY 4.0 AT THE TIME OF THE RECOVERY PLAN

At the end of 2020, Wavestone published its Industry 4.0 barometer for the 4th consecutive year. **What are the main trends in digital strategy in the French industry? How far along is the digital transformation of companies, despite the impacts of the Covid-19 epidemic?**

2020: major changes

/ Digital transformation has continued in 2020: 86% of manufacturers surveyed say they have launched Industry 4.0 projects.

/ However, the digitalization of the industry is far from over. New challenges appear regularly, and companies are being increasingly pushed to go digital.

/ The projects launched are deep transformations and long processes, involving all employees, with impacts on all or part of the company's processes.

/ Unlike previous years, in 2020 we are seeing an increase in projects around emerging solutions: data, algorithms, artificial intelligence, machine learning or chatbots.

The observed gains

/ The results of Industry 4.0 projects are visible in less than 2 years for 74% of respondents.

/ These gains are of various kinds: productivity, cost reduction, improved product and service quality, business continuity, etc. For operational staff, these gains take the form of more autonomy and added value, and less hardship.

Overcome the obstacles and succeed in the digital transformation

/ Within all companies, there are classic obstacles to take the step towards transformation, which tend to fade away little by little.

/ The Covid-19 epidemic, and the economic consequences that it caused, strongly affected the industry. The priority was to preserve the human and financial resources.

/ The crisis has also led to the emergence of new obstacles to major digitalization projects: the risk of a low ROI, trade-offs in the size and timing of projects, and prioritizing technologies to meet new needs.

/ Industry 4.0 transformation projects are not called into question by Covid-19, but new trade-offs are appearing on the allocation of resources and the selection of projects.

To learn more, [click here](#) to discover the full barometer (in French only)

INTERNATIONAL

THE RESILIENCE OF THE WAVESTONE LUXEMBOURG OFFICE



Alessandro Zamboni
**Partner, Wavestone
 Luxembourg**

From the beginning of the crisis, we have managed to keep a utilization rate of around 70%, and it has continued to increase since September 2020.

What is the situation in Luxembourg regarding the Covid-19 crisis?

The situation in Luxembourg is like that of most neighboring countries, with an increased rate of Covid-19 cases during the last months. Since February, Luxembourg closed schools and childcare facilities for a period of two weeks as a preventative measure*, and remote working is being advised for all organizations, where possible, to keep employees safe.

What about Wavestone Luxembourg's activity in this context?

In the financial services market, business is starting to recover from the crisis. We expect global demand to increase in mid-2021 with higher priorities given to digitalization projects and the need for regulatory compliance. Moreover, cybersecurity consulting services remain resilient despite the impact of Covid-19 on the wider consulting market.

In the European Institutions market, the demand for consulting services has continued, due to several factors:

the public sector is a counter-cyclical industry and its performance is negatively correlated to the current economic downturn, the European Commission's leadership changed in December 2019, thus bringing about the launch of new initiatives, and lastly, this crisis brought some opportunities, with many EU policies needing to be reshaped to ensure quick economic recovery.

From the beginning of the crisis, we have managed to keep a consultant utilization rate of around 70%, and it has continued to increase since September 2020. Regarding the order intake, we are confident that we will exceed our objectives at the end of the current fiscal year. Consulting services for the European Institutions and projects focused on cybersecurity across industries were strong drivers for growth. This performance has been the result of hard work and continued commitment from all employees and a focused approach to expand our services with our key accounts. In line with the battle plan initiated by the firm, we have broadened our portfolio of clients within the European Institutions to drive revenue growth.



What type of projects are the office currently working on?

For the time being, we are focusing our efforts on developing current key accounts, and on the search for new opportunities in new departments. Complementary to this, we are deploying action plans to increase the number of active key accounts through targeted offerings such as asset servicing.

We are also establishing a significant presence across several accounts of European Institutions throughout more than 30 framework contracts. Our teams are currently working across domains for several general directorates of the Commission, European Agencies and for the European Financial Institutions such as the European Investment Bank or the European Investment Fund.

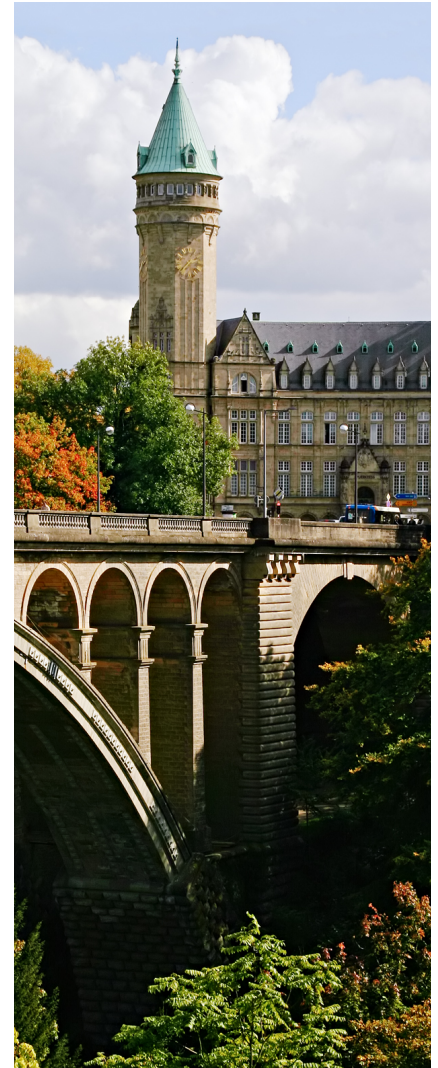
As an example, Wavestone Luxembourg contributed to forward-looking policy studies on the revision of the NIS Directive, and on defining common requirements for ICT Products (Information and Communication Technologies). We are also implementing several projects for financial institutions locally in Luxembourg to help them with their digital transformation and to cope with regulatory constraints. Finally, we are increasing our close collaboration with the European Financial Institutions and assisting them in managing their strategic projects on both business and IT related topics, in a time of record-breaking financial demand, particularly from small and medium-sized enterprises.

Have you noticed a change in customer needs since the beginning of the crisis?

As mentioned above, the financial sector slowed down during the first phase of Covid-19. The key priorities now include workplace digitalization and manual processes automation.

The demand from the European Institutions operating in the financial sector are primarily around regulatory compliance (for example: market abuse, conflict of interest), payments and market infrastructure transformation, process enhancement and digitalization, and the use of smart automation.

The European Institutions have intensified their policy-making activities and prioritized certain political and legislative initiatives to focus on the post Covid-19 recovery. For example, the Commission has already adopted several measures and proposals on the economic recovery. Besides these urgent measures, the Commission adopted a new recovery instrument, Next Generation EU, in May 2020, which is focused on the green and digital transition of the EU economy and society. That being said, the main demand of our clients within the European Commission is to broaden the use of emerging technologies to boost the recovery and future growth of strategic ecosystems, such as small and medium-sized enterprises. Furthermore, we are solicited to provide our advice on how to tackle issues that the current crisis has been magnifying, such as illegal activities on Internet.



“ The European Institutions have intensified their policy-making activities and prioritized certain political and legislative initiatives to focus on the post Covid-19 recovery. ”

PLACE FOR SHAREHOLDERS

MEMBERS OF THE SHAREHOLDER ADVISORY COMMITTEE, CREATED IN APRIL 2020, ASK WAVESTONE THEIR QUESTIONS.

Claude Haroche: In 2020, Wavestone ranked 2nd in the category of companies with revenues between €150m and €500m in the Gaïa Rating. How is this ranking likely to guide investment management companies in their decision to invest in Wavestone shares?

The Gaïa Rating is a ranking that distinguishes the 70 best French SMEs and mid-caps in terms of environmental, social and governance performance. It is a reference SRI (Socially Responsible Investment) index for mid-cap companies, used by leading investment management companies in their management process and investment decisions. Indeed, SRI funds, i.e. funds that invest only in companies that respect ESG criteria (environment, social, governance), are more and more numerous. The performance of these funds often outperforms the "classic" indices, and allows them to participate in the ecological and digital transition through green technologies, etc.

Carole Sens: How do you plan to return to the office once the Covid-19 epidemic is under control?

For almost a year now, we have seen that we can continue to work efficiently by all working from home. However, time is showing its limits and we need to think about new ways of working when the epidemic is under control and so we can go back to our offices. We invite you to read the interview with Cécile Trinquier, HR Leader at Wavestone, on page 4 of this newsletter, to learn more about the SmartWorking@Wavestone project.

Pierre Allard: Do you plan to return to your policy of paying a dividend? If so, what will be the amount of the dividend for fiscal year 2020/21?

As announced on January 29, 2021, Wavestone's Supervisory Board has approved the Management Board's proposal to resume the firm's dividend distribution policy, after having suspended it in the context of the Covid-19 crisis. The improvement of the firm's performance and the resilience of the consulting market outlook, despite the worsening health context, led us to take this decision.

At the General Meeting on July 27, 2021, we will propose a resolution to approve the financial statements for fiscal year 2020/21, the amount of the proposed dividend will thus be determined regarding the accounts closed on March 31, 2021.

Caroline Meignen: **What are the consequences of the Covid-19 epidemic on Wavestone's international development?**

At the beginning of the epidemic, in March 2020, we made the decision to stop discussions on possible acquisitions, in view of the difficult market environment and to preserve our cash. Since the end of 2020 and the improvement of Wavestone's activity, we have resumed our external growth actions, with priority given to international operations and in particular to the United States. Our objective is to complete transactions during the 2021/22 fiscal year.

Françoise Guelle: **What are Wavestone's activities?**

Wavestone wants to have a positive social impact by supporting projects that create social value and by putting its skills at their service. The firm thus makes the skills and expertise of its employees available to organizations with a social vocation, through skills sponsorship assignments. These assignments require the same skills, the same high standards and the same commitment as regular consulting assignments. In 2020, some sixty pro bono consulting missions for associations were carried out, involving over 130 consultants. We have also set up mentoring programs, where our employees provide help and support on a particular theme, for example for Elles bougent or the Institut Villebon. Finally, Wavestone also carries out financial sponsorship actions through the [Fondation Wavestone](#).

Valérie Bondon: **How does Wavestone compare to its competitors in this period of crisis?**

Wavestone held up better than the average of its competitors. This resilience is undoubtedly due to the larger share of IT and digital in Wavestone's activities, which are activities where demand has been maintained despite the economic uncertainties.

IN FIGURES

2020/21 HALF-YEAR RESULTS

Income statement

Consolidated audited data at 09/30 (in €m)

	2020/21	2019/20	Change
Revenue	186.8	194.5	-4%
EBIT	14.3	20.7	-31%
<i>EBIT margin</i>	<i>7.7%</i>	10.6%	
Operating income	13.5	18.6	-27%
Group share of net income	7.0	9.3	-25%
<i>Net margin</i>	<i>3.7%</i>	4.8%	

Key figures

Revenue	EBIT margin	Group share of net income	Employees	Net debt
€186.8m (-4%)	7.7%	€7.0m	3,324	€15.6m

2020/21 FIRST NINE MONTHS REVENUE

Key figures

Q3 revenue	9 months revenue	Employees
€111.8m (-1%)	€298.5m (-3%)	3,358

FINANCIAL CALENDAR

04/27/2021	2020/21 annual revenue
06/01/2021	2020/21 annual results
07/26/2021	2021/22 Q1 revenue
07/27/2021	Annual General Meeting
10/28/2021	2021/22 half-year revenue
12/06/2021	2021/22 half-year results

STOCK MARKET DATA ON MARCH 3, 2021

Share price: €35.05
Number of shares: 20,196,492
Market capitalization: €708m
Stock market information: Euronext (Paris) / Compartment B
Mnemonic: WAVE
ISIN code: FR0013357621
SRD: long only
Reuters: WAVE.PA

Bloomberg: WAVE:FP
Indices: CAC Mid & Small, CAC Small, CAC Technology, EnterNext®, PEA-PME 150, European Rising Tech

Next event: publication of 2020/21 annual revenue on April 27, 2021 after the close of the market

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