

# INVESTOR MEETING

Investor meeting

April 30, 2021



# AGENDA

/ **01**      About Wavestone

/ **02**      2020/21 revenue

/ **03**      Outlook and recent news

# Wavestone: independent pure player in consulting



Independent **pure player**

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

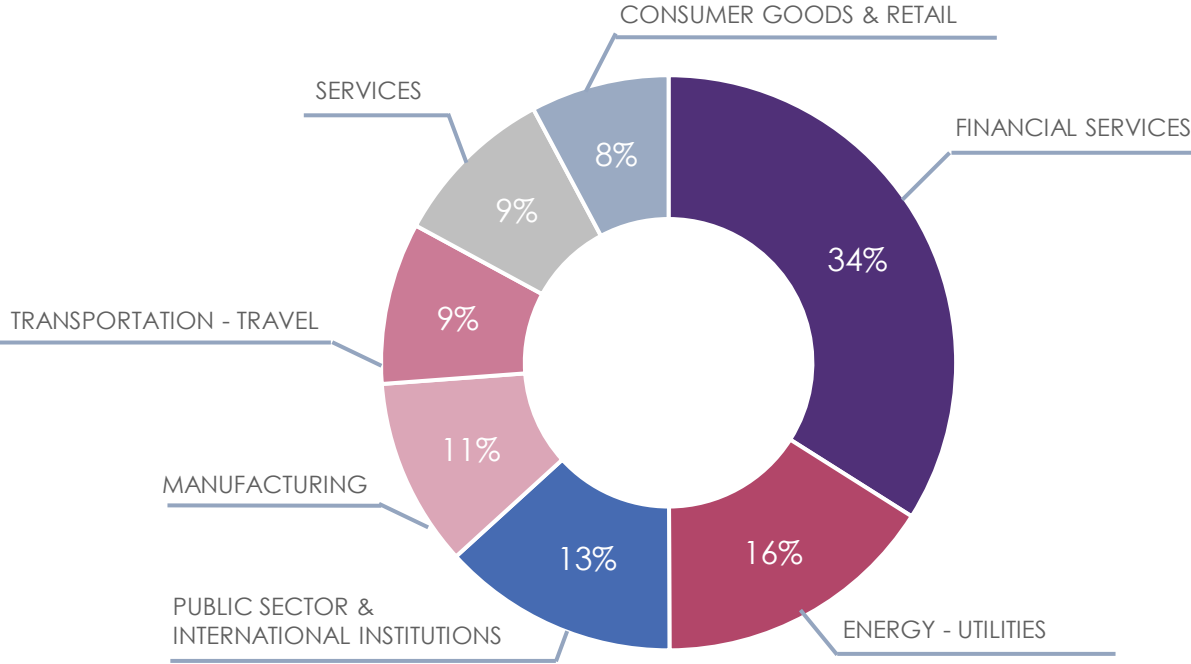


**12 offices** across 8 countries



**+3,000** employees

# Distribution of revenue at September 30, 2020



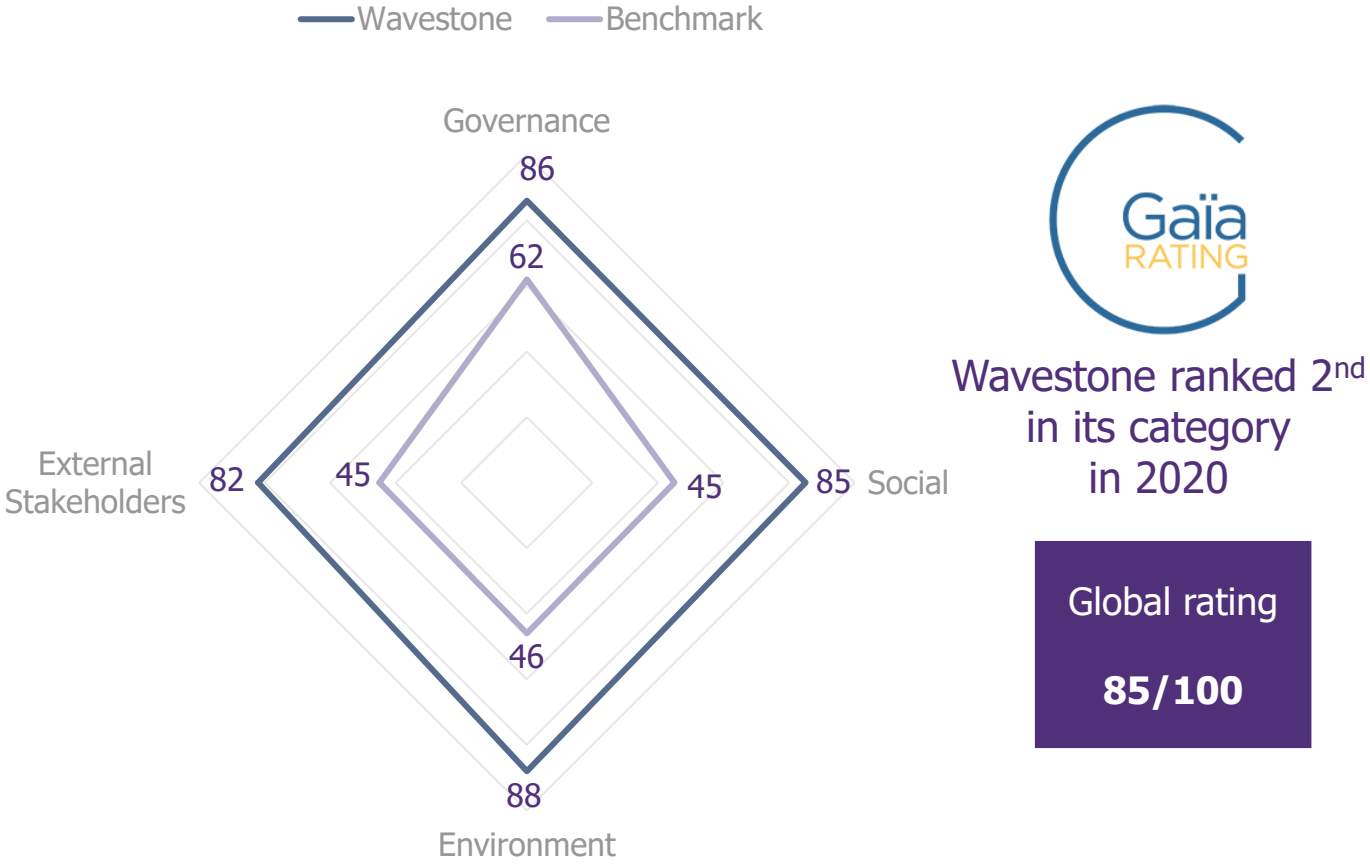
H1 2020/21 revenue	
FRANCE	84%
INTERNATIONAL	16%

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 4<sup>th</sup> in its category in 2020



90% of favorable recommendations



73/100 "Gold" commitment



Certified since 2014



# 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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## Growth of 4% in Q4 2020/21

Revenue unaudited consolidated data (in €m)	2020/21	2019/20	Change	Change at constant scope <sup>1</sup> 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%
Q4	119.1	114.9	+4%	+7%
Twelve-month total	417.6	422.0	-1%	-1%

<sup>(1)</sup> Excluding WGroup, which has been consolidated since 08/01/2019

- / A fourth quarter that outperformed expectations: €119.1m – an increase of +4%
  - > growth of +7% at constant exchange rates and scope (excluding WGroup)
- / €417.6m at the end of the 2020/21 fiscal year, exceeding the end-of-January objective of €410m
  - > a limited decline of -1% (also -1% at constant scope and exchange rates)



## Good level of consultant utilization rate and prices stabilizing

	2020/21 fiscal year (12 months)	2019/20 fiscal year (12 months)	
Consultant utilization rate	71%	71%	▶ sustained at 75% in Q4 (75% in Q3   68% in Q2   63% in Q1)
Average daily rate	€842	€878	▶ prices stabilizing at the end of the fiscal year annual change of -4% over 2020/21; in line with the -3% to -5% range announced at the start of the fiscal year
Order book	4.1 months	3.5 months	▶ strong levels of order intake over the quarter further increase in the size of the order book compared with December 31, 2020 (3.9 months)

## Limited decline in the workforce in 2020/21: -1%

### / 3,453 employees at March 31, 2021

- › compared with 3,358 at December 31, 2020, and 3,498 at March 31, 2020
- › a limited, year-end decline of -1% – significantly lower than the -5% seen at the mid-year point

### / Recruitment-plan targets exceeded in 2020/21

- › about 450 gross hires achieved during the year
- › outperforming the 400-hires target

### / Staff turnover rate of 11% at the end of the fiscal year

- › compared with 14% in the previous fiscal year
- › rate expected to rise in the coming quarters
- › objective is to contain turnover rate at about 15% in 2021/22



# Net cash position<sup>1</sup> substantially positive at March 31, 2021

- / Continued strengthening of the firm's financial position
- / Available cash and cash equivalents of €88m<sup>2</sup> at March 31, 2021
- / Net cash position<sup>1</sup> of about €32m<sup>2</sup> at the end of the 2020/21 fiscal year
  - › compared with a net financial debt<sup>1</sup> of €15.6m at the end of September 2020, and €29.1m at the end of March 2020

<sup>1</sup> excluding lease liabilities

<sup>2</sup> unaudited data



# AGENDA

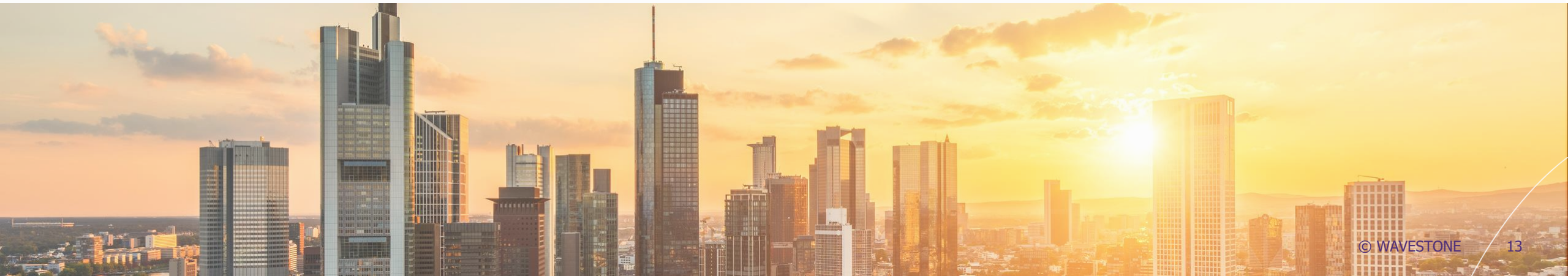
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# A strong end-of-year position for 2020/21

- / A good consultant utilization rate maintained in Q4
  - > as a result of strong levels of order intake in Q3...
  - > ...and the actions taken at the end of 2020 to minimize any disruption to workflows
- / A solid performance over the 2020/21 fiscal year as a whole
  - > despite the exceptional circumstances
- / Proposition to reimburse the monies received under furlough arrangements: €3.2m
  - > given Wavestone's solid performance in 2020/21 and in line with the firm's CSR values
  - > subject to shareholder approval at the Annual General Meeting of July 27, 2021
  - > impact: provision of -€3.2m required; included in 2020/21 EBIT





# Smartworking@Wavestone: imagining the future of work

- / Ways of working changed profoundly during the health crisis
  - > we do not envisage a return to pre-Covid situation
- / Launch of the Smartworking@Wavestone project
  - > principles will be defined within an experimental framework to be run for 12 to 18 months
  - > all the firm's teams will actively contribute
- / Decision to reduce the footprint of the Paris office by 40%, with immediate effect
  - > net annual savings of about €3m from the 2021/22 fiscal year
- / An amount of -€8.3m, for provisions and depreciation, included in operating income for 2020/21 fiscal year
  - > recorded under "other operating expenses"
  - > no impact on cash position or EBIT margin in 2020/21

## Smartworking@Wavestone

- Improving the quality of work life
- Strengthening attractiveness and retention
- Fostering collaboration and the better use of skills
- Reducing carbon footprint



# Maintaining a more bullish approach in the coming fiscal year

## / Resumption of organic growth in 2021/22

- › consulting services still tightly controlled, but an increased number of major transformation projects, accelerated by the crisis
- › strongly-positioned sectors in 2021: pharmaceuticals, utilities, public sector, insurance, and banking
- › sectors remaining sluggish: transportation, automotive, and retail

## / Objective of realizing one or two targeted acquisitions in the 2021/22 fiscal year

- › acquisition of US firms a priority
- › without ruling out tactical acquisitions in France

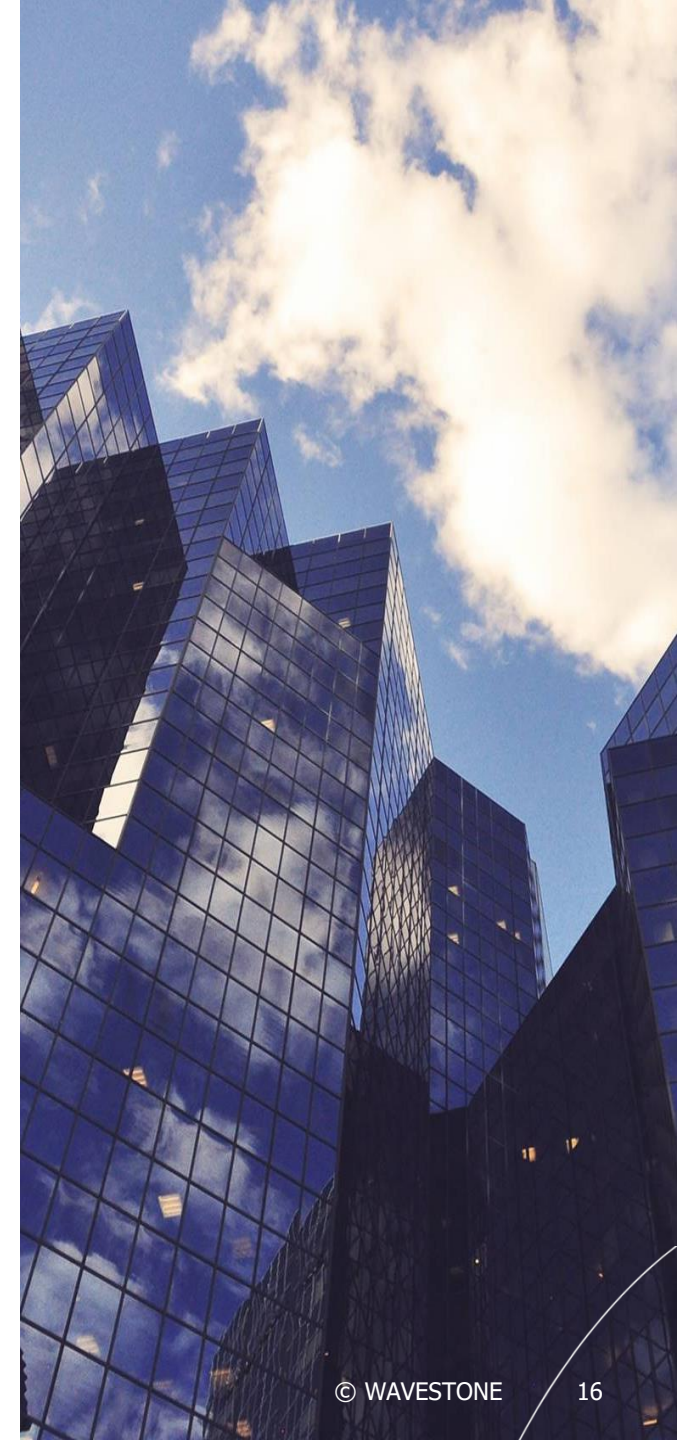


# Profitability resilient in 2020/21 and first indications for 2021/22

- / EBIT margin expected to be about 12.5%<sup>1</sup> for 2020/21
  - > vs. 13.2% in 2019/20
  - > includes the reimbursement of receipts under furlough arrangements
  
- / Double-digit operating margin expected
  - > includes Smartworking@Wavestone provisions and depreciation...
  - > ...and amortization of client relationships
  
- / Initial indications for 2021/22 objectives
  - > revenue of about €450m<sup>2</sup>
  - > EBIT margin close to 13%<sup>2</sup>
  - > includes renewed expenses linked to growth, partially offset by savings from Smartworking@Wavestone

<sup>1</sup> unaudited data

<sup>2</sup> excluding new acquisitions



# Financial agenda

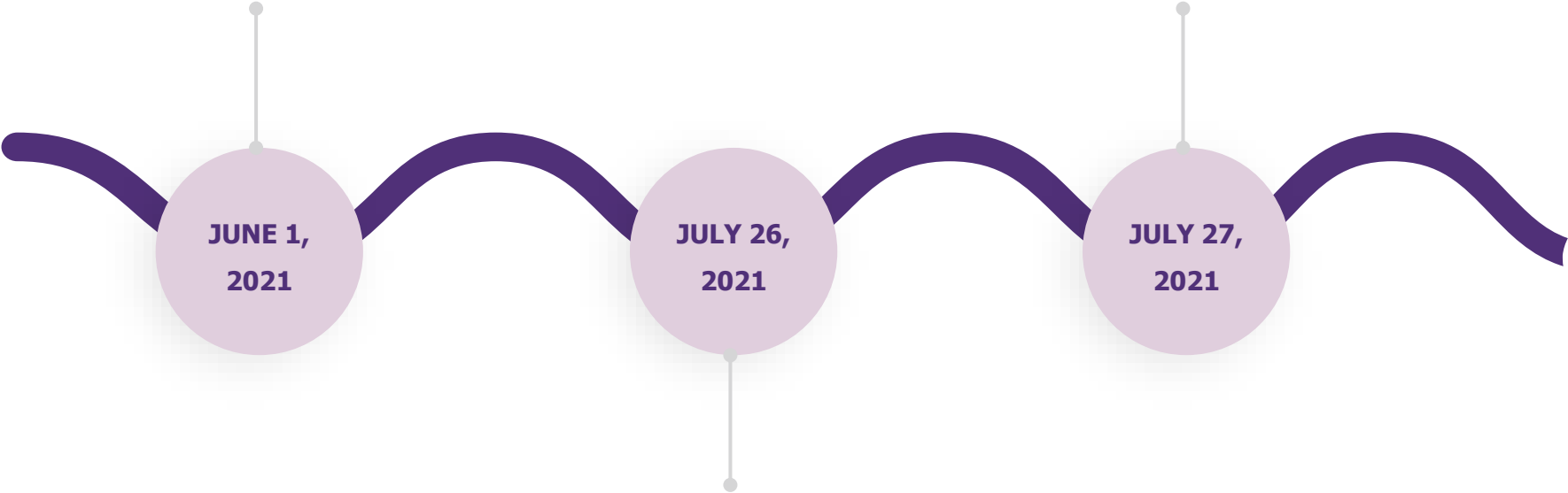
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## 2020/21 annual results

(after stock market closing; followed by investors' meeting)

3

## Annual General Meeting



2

## 2021/22 Q1 revenue

(after stock market closing)

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