

INVESTOR MEETING

GROUP MEETING PORTZAMPARC

June 18, 2021



AGENDA

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

Wavestone: independent pure player in consulting



Independent **pure player**

Clients who are **leaders** in their sectors

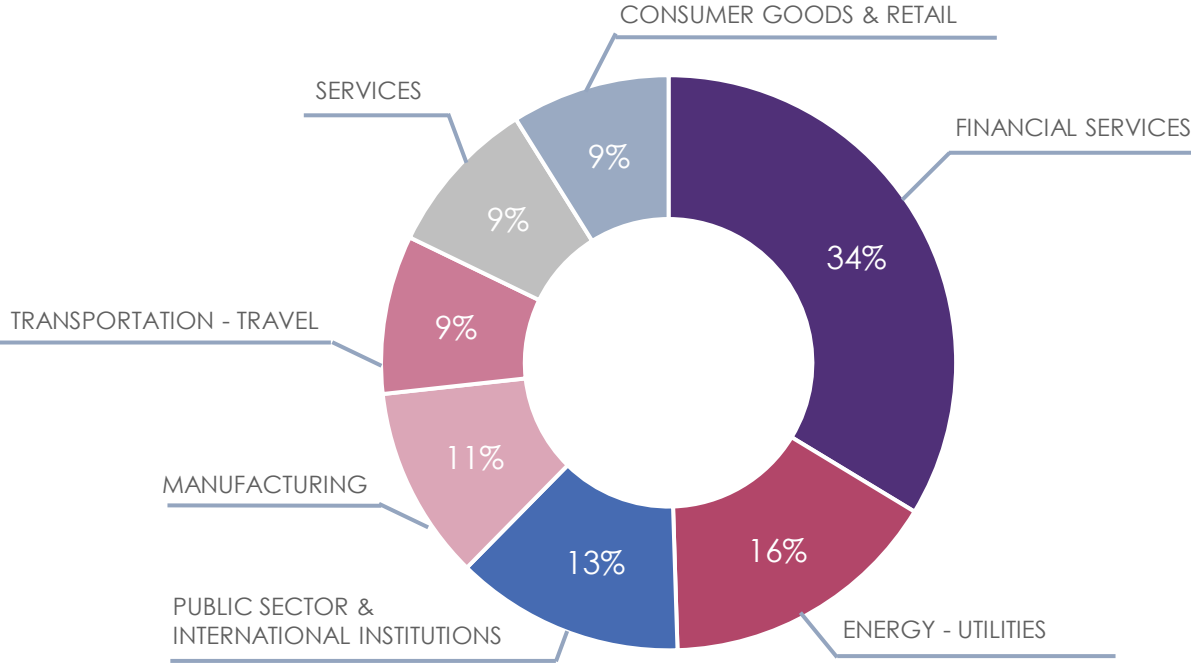


12 offices across 8 countries



+3,000 employees

Distribution of revenue at March 31, 2021



2020/21 Revenue	
FRANCE	85%
INTERNATIONAL	15%

TOP-20 CLIENTS 2020/21	
EDF	8%
SNCF	7%
SOCIETE GENERALE	5%
AXA	4%
CREDIT AGRICOLE	4%
TOTAL	4%
LA POSTE	4%
BNP PARIBAS	3%
ENGIE	3%
UGAP	2%
L'OREAL	2%
SANOFI	2%
BPCE	2%
MINISTRY OF THE ECONOMY	2%
ALLIANZ	2%
MINISTRY OF THE ARMED FORCES	1%
STELLANTIS	1%
GROUPAMA	1%
LEGAL & GENERAL	1%
BIOMERIEUX	1%



Our ambition: to remain a company at the forefront of CSR

- 1 High expectations from our clients
- 2 A lever to nurture employee commitment to the business's vision
- 3 In balance with the long-term dimension of Wavestone's business vision

And an essential part of the company's DNA:

To be a responsible company and a good corporate citizen



2nd in our class in 2020



72/100 "Gold" Commitment



Score B-



2nd in the "Youth" category



4th in class in 2020



90% favorable recommendations

Our commitments on sustainable performance

Our commitments

- 1 Improve client satisfaction and support clients in sustainable performance
- 2 Promote employee engagement, well-being, and quality-of-life at work
- 3 Act for diversity, and create an inclusive working environment where everyone is free to be themselves, and has the same opportunity to fulfill their potential
- 4 Be a corporate citizen that behaves ethically and responsibly
- 5 Minimize the impact of our activity on the environment

Our challenges

- △ / Client satisfaction
/ Responsible Consulting
- △ / Employee development, retention, and engagement
/ Work-life balance and well being
- △ / Diversity, inclusion, and professional equality
/ Responsible recruitment
- △ / Corporate citizenship
/ Ethics, compliance, and data protection
/ Governance and financial transparency
/ Responsible purchasing
/ Pro bono consulting
/ Charity sponsorship
- △ / Environmental footprint

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Limited decline in annual revenue of -1%

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%
Q4	119.1	114.9	+4%	+7%
Twelve-month total	417.6	422.0	-1%	-1%

⁽¹⁾ Excluding WGroup, which has been consolidated since 8/1/2019.

/ €417.6m for the 2020/21 fiscal year, a limited decline of -1%

> also -1% at constant scope and exchange rates

/ Solid outperformance of the market, in a consulting sector that contracted in 2020

> -13% contraction worldwide (source: Source Global Research), -11% in France (source: Syntec Conseil)

Good consultant utilization rate and prices stabilizing



	2020/21 fiscal year (12 months)	2019/20 fiscal year (12 months)	
Consultant utilization rate	71%	71%	▶ from 63% in Q1, to 75% in Q4
Average daily rate	€842	€878	▶ 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	▶ 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
- › decline ultimately limited to -1% over the fiscal year

/ 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% a year before
- › rate expected to rise in the coming quarters



EBIT margin of 12.8% in 2020/21

Consolidated data (in €m) Audited data	2020/21 (12 months)	2019/20 (12 months)	Change
Revenue	417.6	422.0	-1%
EBIT	53.3	55.7	-4%
<i>EBIT margin</i>	<i>12.8%</i>	<i>13.2%</i>	
Amortization of client relationships	(1.5)	(1.6)	
Other operating income and expenses	(8.5)	(0.6)	
Operating income	43.3	53.5	-19%
Cost of net financial debt	(1.1)	(2.2)	
Other income and expenses	(1.5)	(1.2)	
Income tax expenses	(15.3)	(19.0)	
Group share of net income	25.4	31.1	-19%
<i>Net margin</i>	<i>6.1%</i>	<i>7.4%</i>	

/ €19.5m in savings achieved in 2020/21

> exceeding the €15m initially targeted in the performance plan

/ €3.2m provision within EBIT, following the proposal to reimburse the monies received under furlough arrangements

/ €8.3m in provisions and depreciation within other operating income and expenses, linked to the Smartworking@Wavestone project

> including €5.3m in future disbursements

Record cash flow from business activities in 2020/21: €70.8m

Consolidated data (in €m) Audited data	2020/21 (12 months)	2019/20* (12 months)
Self-financing capacity before net financial debt and tax expenses	67.0	68.3
Tax paid	(17.0)	(19.2)
Change in working capital requirements	20.8	6.2
Net cash flow from operations	70.8	55.3
Net cash flow from investments	(0.8)	(29.5)
of which fixed asset acquisitions	(0.7)	(3.1)
of which changes in scope	-	(26.6)
Net cash flow from financing operations	(47.2)	(11.2)
of which dividends paid	-	(4.6)
of which sales (acquisitions) of company shares	0.1	(3.5)
of which loans received net of repayments	(38.3)	6.5
of which repayments of lease liabilities	(7.8)	(6.7)
Change in cash and cash equivalents	22.8	14.6

* The way the cash flow table is presented has changed since September 30, 2020. See the consolidated financial statements for more details.

Net cash position of €31.8m

Consolidated data (in €m) Audited data	3/31 2021	3/31 2020
Non-current assets	212.6	232.8
of which goodwill	162.0	166.5
including rights to use leased assets	21.0	30.6
Current assets	145.8	151.7
of which trade receivables	125.7	128.4
Cash and cash equivalents	88.0	65.1
TOTAL ASSETS	446.5	449.6

Consolidated data (in €m) Audited data	3/31 2021	3/31 2020
Shareholders' equity	206.1	177.1
of which minority interests	0.0	0.0
Financial liabilities	56.2	94.3
of which less than one year	8.2	38.2
Lease liabilities	30.3	37.7
Non-financial liabilities	154.0	140.5
TOTAL LIABILITIES	446.5	449.6

Available cash and cash equivalents of €31.8m at March 31, 2021

against net debt of €29.1m at March 31, 2020

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Acquisition of Everest Group's *Consulting* practice in the US

- / Everest Group, a market research and consulting firm
 - > the consulting practice advises companies on the challenges they face in terms of IT sourcing and business-process outsourcing
 - > a client portfolio drawn from the top-500 US companies across a range of sectors – including financial services, utilities, retail, and consumer goods
- / Details of the acquisition
 - > Wavestone has acquired all the *Consulting* practice assets
 - > purchase price: \$10.1m (€8.3m) in enterprise value
 - > +\$5.1m (€4.2m) depends on revenue in the 2021/22 fiscal year
 - > financed from cash
- / A strategic partnership between Wavestone and Everest Group
 - > Wavestone is Everest Group's exclusive consulting partner in North America

- **Average annual revenue of \$11m (~ €9.1m)** over the last three fiscal years
- **Profitability comparable to Wavestone's**
- **5 partners and 20 employees**
- Registered office: **Dallas, USA**
- Consolidated since **May 1, 2021**

2021, progressive recovery in confidence

/ A gradual improvement in consulting market conditions

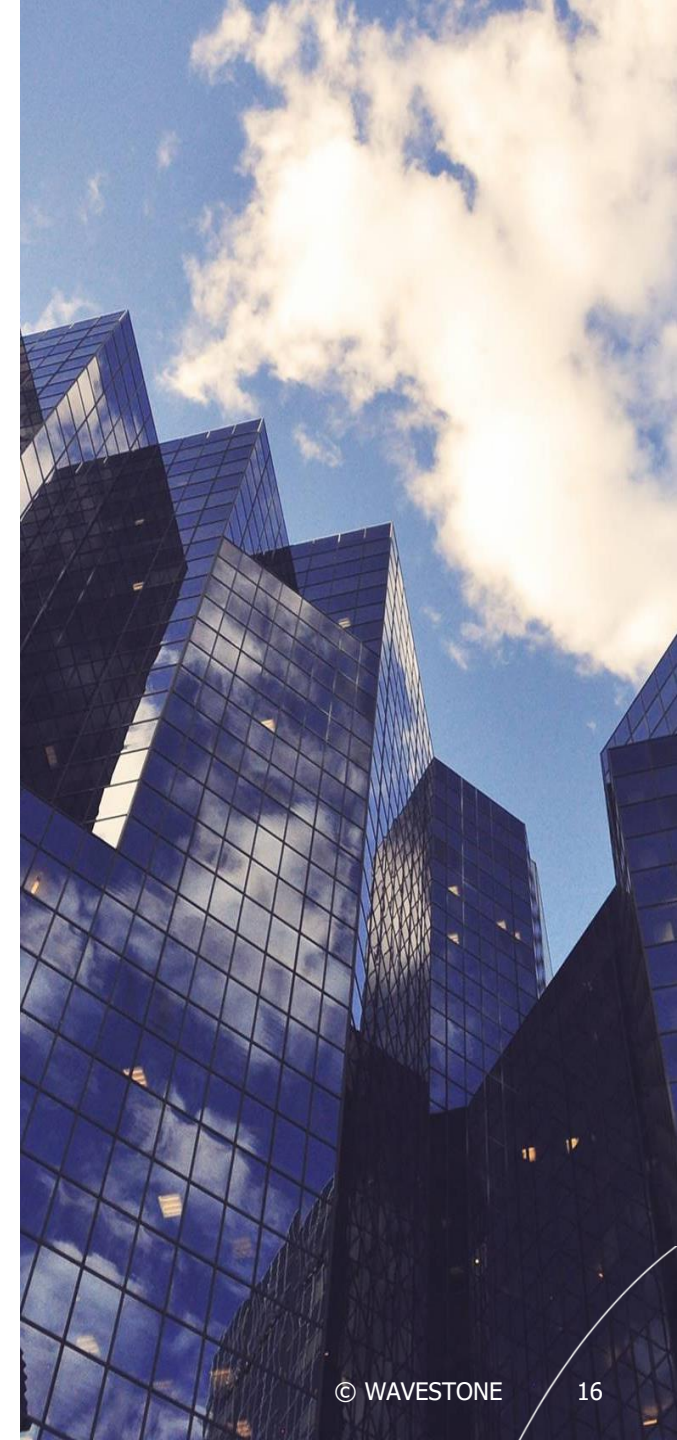
- › spending on consulting services still being tightly controlled...
- › ...but an increased number of major transformation projects, accelerated by the crisis

/ The motors of recovery

- › acceleration of the digital transition
- › M&A and carve-outs
- › the quest for operational efficiency and business-model optimization

/ Sector dynamics are still sharply contrasted

- › sectors that remain sluggish: automotive, retail, transportation
- › strongly-positioned sectors: pharmaceuticals, utilities, the public sector, insurance, and banking





A fiscal year focused on a return to growth

/ Maintenance of high levels of business activity

- > restore the performance of activities still impacted by the crisis
- > remain alert for potential new downturns
- > support the return to growth

/ Hiring and staff turnover return to the top of the agenda

- > acceleration of recruitment: 800 new hires targeted for the current fiscal year
- > after the low of 2020/21, staff turnover likely to increase...
- > ...but the aim is to contain it at about 15%

/ Operational indicators: continue to build on the momentum of Q4 2020/21

- > confirm the stabilization of sales prices over the fiscal year
- > maintain a consultant utilization rate of 75% – close to that of H2 2020/21

2021/22 financial objectives

/ Revenue target raised to €460m

- › against a previous target of €450m – set before taking into account the integration of Everest Group's consulting practice from May 1, 2021

/ Objective of an EBIT margin close to 13% is confirmed

- › includes renewed expenses linked to growth, partially offset by savings from Smartworking@Wavestone

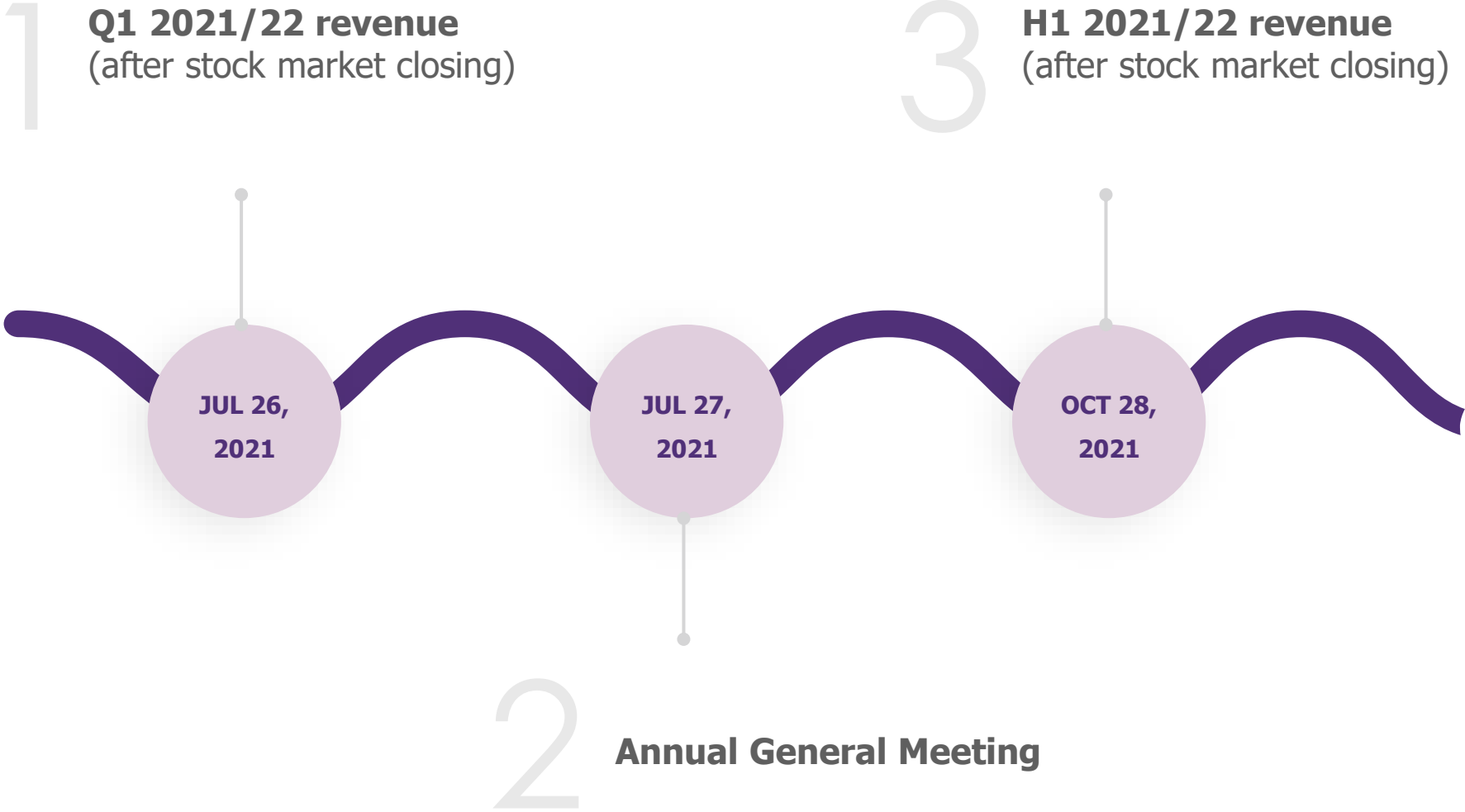
/ Continuation of the strategy of targeted acquisitions

- › acquisition of US firms remains the priority
- › but without ruling out tactical acquisitions in other geographies, especially France

These objectives are calculated on a constant forex basis and exclude new acquisitions.



Financial agenda



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