

INVESTOR MEETING

Investor Access Event

September 27 & 28, 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

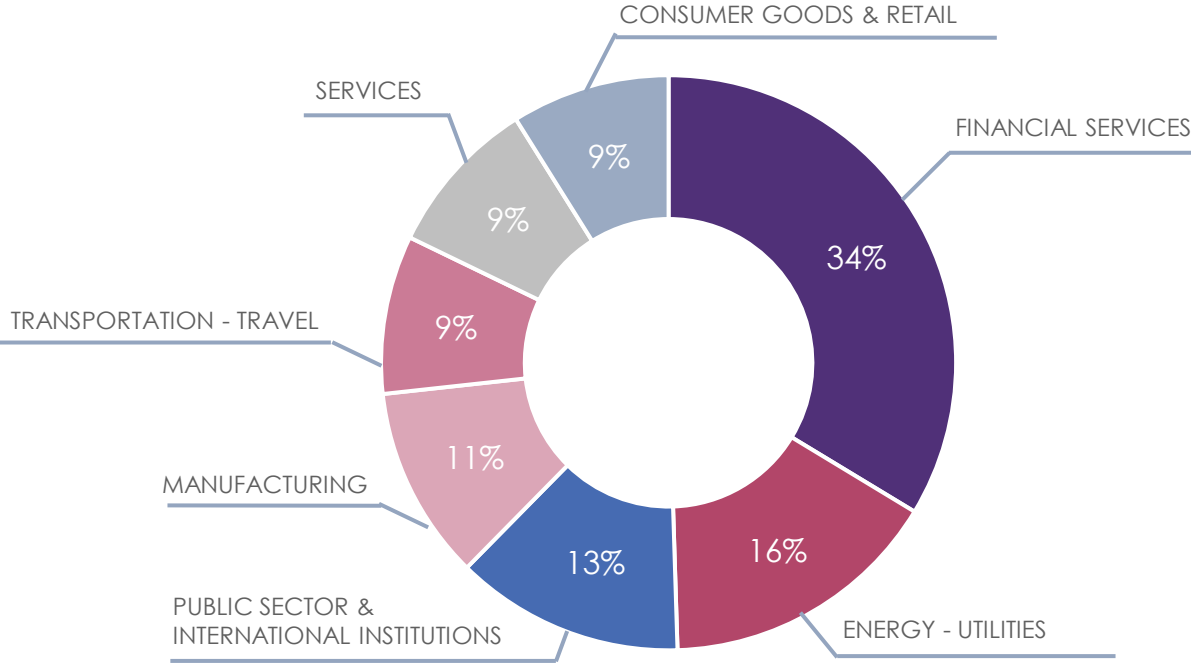


8 countries



+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%
TOTALENERGIES	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 be a responsible and citizen company

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



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

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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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A fiscal year focused on the return to growth

- / A progressive improvement in the consulting market, underpinned by major transformation projects
 - > acceleration of the digital transition
 - > M&A and carve-outs
 - > the quest for operational efficiency and business-model optimization

- / Hiring and staff turnover return to the top of the agenda
 - > acceleration of recruitment: 800 new hires targeted over the fiscal year
 - > an increase in staff turnover rate anticipated...
 - > ...but the aim is to limit it to about 15%

- / Operational indicators: continuing to build on the momentum of 2020/21
 - > stabilize sales prices over the fiscal year
 - > maintain a consultant utilization rate of 75%

Q1 2021/22 revenue of €115.2m – in line with the annual business plan

Revenue		2021/22	2020/21	Change	Change at constant scope ¹ and on a constant forex basis
<i>In €m - unaudited consolidated data</i>					
Q1		115.2	94.4	+22%	+21%

⁽¹⁾ Excluding Everest Group *consulting*, which has been integrated into Wavestone's consolidated accounts since 05/01/2021

/ Revenue growth of +22% in Q1 2021/22

- > a favorable baseline (revenue was down -10% in Q1 2020/21, at constant scope and exchange rates)
- > positive working day impact of + 3% over the quarter

/ Organic growth of +21%

Solid consultant utilization rate; prices stable, compared with 2020/21

	Q1 2021/22 (3 months)	2020/21 fiscal year (12 months)	
Consultant utilization rate	78%	71%	▶ solid consultant utilization rate in Q1 2021/22; higher than the 75% target for the whole of the fiscal year
Average daily rate	€842	€842	▶ sales prices stable compared with the 2020/21 fiscal year; contribution of Everest Group <i>consulting</i> over two months: +€3
Order book	4.3 months	4.1 months	▶ sustained levels of business-development activity in Q1

3,437 employees at the end of June 2021

/ Hiring in line with recruitment objectives

- › reminder: target for the fiscal year is 800 gross hires

/ Staff turnover rate of 13% at the end of June 2021 (on a rolling 12-month basis)

- › vs. 11% in 2020/21
- › confirmation of the tightening labor market that the company anticipated
- › the objective of limiting staff turnover to 15% for the whole of the fiscal year may prove more challenging than expected

/ 3,437 employees at June 30, 2021

- › vs. 3,453 at March 31, 2021



Integration of Everest Group *consulting* in the US

/ Acquisition of Everest Group's consulting practice

- > advises Fortune-500 companies on the challenges they face in terms of IT sourcing and business-process outsourcing
- > strengthens Wavestone's position in the US – a priority market in the firm's international business-development strategy

/ Recap on details of the acquisition

- > Wavestone has acquired all the assets of the *consulting* practice
- > purchase price: \$10.1m (€8.3m) in enterprise value
- > +\$5.1m (€4.2m), depending on revenue performance in the 2021/22 fiscal year

/ Integration is on track

- > despite revenue being lower than the business plan target for May and June

→ **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**

2021/22 financial objectives

- / Revenue objective: €460m
- / EBIT margin objective: close to 13%
- / Continued strategy of targeted acquisitions
 - > acquisition of US firms remains the priority
 - > but without ruling out tactical acquisitions in other geographies
- / Launch of a strategic review in Q1
 - > publication of a new multi-year development plan in December 2021

These financial objectives, which include Everest Group consulting, are calculated on a constant forex basis and exclude new acquisitions.



Financial agenda



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