

# INVESTOR MEETING

## Digital Seminar



**PORTZAMPARC**  
BNP PARIBAS GROUP

December 9, 2021



# AGENDA

/ **01** About Wavestone

/ **02** 2021/22 half-year results

/ **03** Outlook

# Wavestone: independent pure player in consulting



Independent **pure player**

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

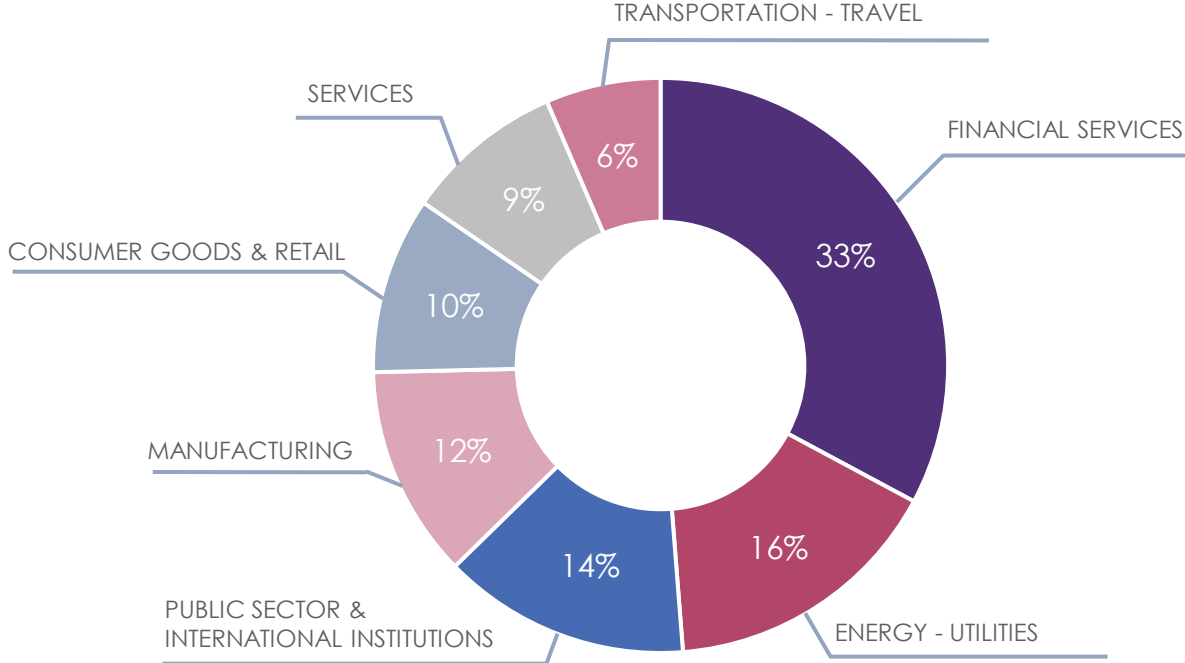


**9 countries**



**+3,000 employees**

# Distribution of revenue at September 30, 2021



H1 2021/22 revenue	
FRANCE	86%
INTERNATIONAL	14%

TOP-20 CLIENTS in H1 2021/22	
EDF	6%
SNCF	5%
TOTALENERGIES	5%
SOCIETE GENERALE	5%
CREDIT AGRICOLE	5%
LA POSTE	4%
AXA	4%
BNP PARIBAS	4%
ENGIE	3%
BPCE	2%
L'OREAL	2%
STELLANTIS	2%
MINISTRY OF THE ECONOMY	2%
UGAP	2%
SANOFI	2%
MINISTRY OF THE ARMED FORCES	2%
ALLIANZ	2%
LEGAL & GENERAL	1%
GROUPAMA	1%
SAINT GOBAIN	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



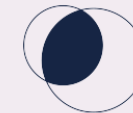
*2<sup>nd</sup> in our class in 2021*



*74/100 "Platinum"*



*Score B-*



**HUMPACT**

*1<sup>st</sup> place in the Technology Sector*



*4<sup>th</sup> in class in 2020*



*90% favorable recommendations*

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## Organic growth of +15% in H1 2021/22

Revenue	2021/22	2020/21	Total variation	Change at constant scope <sup>1</sup> and on a constant forex basis
<i>In €m - unaudited consolidated data</i>				
Q1	115.2	94.4	+22%	+21%
Q2	102.6	92.4	+11%	+9%
<b>H1</b>	<b>217.8</b>	<b>186.8</b>	<b>+17%</b>	<b>+15%</b>

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

### / Revenue of €217.8m in H1 2021/22: +17% in one year

- > +12%, compared with H1 2019/20
- > +15% organic growth, compared with H1 2020/21
- > very favorable baseline + positive working day impact in Q1 (+3%); no working day impact in Q2

## Consultant utilization rate remains high and average daily rate rising

	H1 2021/22 (6 months)	2020/21 fiscal year (12 months)	
Consultant utilization rate	78%	71%	▶ consultant utilization rate high over H1 – above the 75% normative level
Average daily rate	€847	€842	▶ firm sales prices well oriented, with a positive impact of +€5 from the integration of Everest Group <i>consulting</i>
Order book	3.9 months	4.1 months	▶ very good visibility on future projects, despite the reduced order-book size, compared with March 31, 2021



# A positive outlook for practically all sectors of activity



TRANSPORTATION - TRAVEL



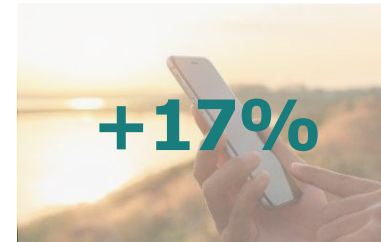
FINANCIAL SERVICES



ENERGY - UTILITIES



PUBLIC SECTOR & INTERNATIONAL INSTITUTIONS



SERVICES



MANUFACTURING



CONSUMER GOODS & RETAIL

Sectoral trends in H1 2021/22, compared with 2020/21

# Recruitment plan accelerates in 2021/22

- / 3,476 employees at September 30, 2021
  - > vs. 3,453 at March 31, 2021
- / Staff turnover rate of 15% at the end of September (on a rolling 12-month basis)
  - > compared with 13% at the end of June 2021, and 11% over the previous fiscal year
  - > tending toward an annual staff turnover rate of 15% to 20% – higher than the target set at the start of the year (15%)
- / Accelerating the pace of recruitment
  - > about 900 new arrivals now targeted for 2021/22 fiscal year, compared with 800 initially



## High operating margin of 14.6% in H1 2021/22

Consolidated data (in €m) Limited review	H1 2021/22 (6 months)	H1 2020/21 (6 months)	<i>Change</i>	2020/21 (12 months)
<b>Revenue</b>	<b>217.8</b>	<b>186.8</b>	<b>+17%</b>	<b>417.6</b>
Purchases consumed	(5.2)	(6.5)		(14.0)
Personnel costs	(161.0)	(147.1)		(310.2)
External expenses	(14.5)	(11.5)		(23.7)
Levies and taxes	(3.1)	(2.9)		(7.2)
Net allocation for depreciation and provisions	(2.8)	(4.5)		(9.7)
Other operating income and expenses	(0.4)	(0.0)		(0.5)
<b>EBIT</b>	<b>31.8</b>	<b>14.3</b>	<b>+122%</b>	<b>53.3</b>
<i>EBIT margin</i>	<i>14.6%</i>	<i>7.7%</i>		<i>12.8%</i>

€0.4m in savings linked to the reduction in the size of Wavestone's offices

€1.5m in savings linked to the reduction in the size of Wavestone's offices

## Half-year net margin of 9.5%

Consolidated data (in €m) Limited review	H1 2021/22 (6 months)	H1 2020/21 (6 months)	<i>Change</i>	2020/21 (12 months)
<b>EBIT</b>	<b>31.8</b>	<b>14.3</b>	<b>+122%</b>	<b>53.3</b>
<i>EBIT margin</i>	<i>14.6%</i>	<i>7.7%</i>		<i>12.8%</i>
Amortization of client relationships	(0.7)	(0.7)		(1.5)
Other operating income and expenses	(0.9)	(0.1)		(8.5)
<b>Operating income</b>	<b>30.1</b>	<b>13.5</b>	<b>+123%</b>	<b>43.3</b>
Cost of net financial debt	(0.5)	(0.6)		(1.1)
Other income and expenses	(0.3)	(0.6)		(1.5)
Income tax expenses	(8.7)	(5.3)		(15.3)
<b>Group share of net income</b>	<b>20.7</b>	<b>7.0</b>	<b>+198%</b>	<b>25.4</b>
<i>Net margin</i>	<i>9.5%</i>	<i>3.7%</i>		<i>6.1%</i>

related to the acquisition costs of Everest Group's consulting practice and why innovation!

including (€1.3m) in CVAE  
including +€0.8m in tax credits

## Solid increase in self-financing capacity, but a rise in WCR

Consolidated data (in €m) Limited review	H1 2021/22 (6 months)	H1 2020/21 (6 months)	2020/21 (12 months)
<b>Self-financing capacity before net financial debt and tax expenses</b>	<b>34.3</b>	<b>20.1</b>	<b>67.0</b>
Tax paid	(7.8)	(10.5)	(17.0)
Change in WCR	(22.8)	9.2	20.8
<b>Net cash flow from operations</b>	<b>3.5</b>	<b>18.8</b>	<b>70.8</b>
<b>Net cash flow from investments</b>	<b>(7.1)</b>	<b>(0.5)</b>	<b>(0.8)</b>
of which fixed asset acquisitions	(0.2)	(0.5)	(0.7)
of which changes in scope	(7.1)	-	-
<b>Net cash flow from financing operations</b>	<b>(15.4)</b>	<b>(38.7)</b>	<b>(47.2)</b>
of which dividends paid	(4.6)	-	-
of which sales (acquisitions) of company shares	(2.0)	0.1	0.1
of which loans received net of repayments	(4.2)	(34.1)	(38.3)
of which repayments of lease liabilities	(4.1)	(4.1)	(7.8)
<b>Change in cash and cash equivalents</b>	<b>(19.1)</b>	<b>(20.4)</b>	<b>22.8</b>

## Net cash position of €16.9m at September 30, 2021

Consolidated data (in €m) Limited review	09/30 2021	03/31 2021
<b>Non-current assets</b>	215.4	212.6
of which goodwill	168.2	162.0
including rights to use leased assets	19.4	21.0
<b>Current assets</b>	151.5	145.8
of which trade receivables	131.4	125.7
<b>Cash and cash equivalents</b>	69.0	88.0
<b>TOTAL ASSETS</b>	<b>435.9</b>	<b>446.5</b>

Consolidated data (in €m) Limited review	09/30 2021	03/31 2021
<b>Shareholders' equity</b>	221.8	206.1
of which minority interests	0.0	0.0
<b>Financial liabilities</b>	52.1	56.2
of which less than one year	8.2	8.2
<b>Lease liabilities</b>	25.1	30.3
<b>Non-financial liabilities</b>	136.9	154.0
<b>TOTAL LIABILITIES</b>	<b>435.9</b>	<b>446.5</b>

**Net cash : €16.9m**

*compared with €31.8m at March 31, 2021*

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# Acquisition of why innovation! in Asia

## / Consulting firm specializing in the agile transformation of organizations

- › supports clients in the finance, transport, industrial, retail, and health sectors
- › ~20 consultants operating in Singapore and Hong Kong

## / Strengthening of Wavestone's position in the Asia-Pacific

- › follows the opening of a Hong Kong office in 2016
- › portfolios of complementary offerings will generate more value for clients in the region
- › commercial synergies already active

## / Details of the purchase

- › purchase price: S\$5.2m (~€3.3m) in enterprise value
- › + up to S\$2.7m (~€1.7m), depending on performance over the next 18 months
- › financed entirely in cash from Wavestone's own funds

- **Average annual revenue of S\$5m (~€3.2m)** over the last three fiscal years

- **Average EBITA margin of 15%** over the last three fiscal years

- Registered office: **Singapore**

- Consolidated since **November 1, 2021**



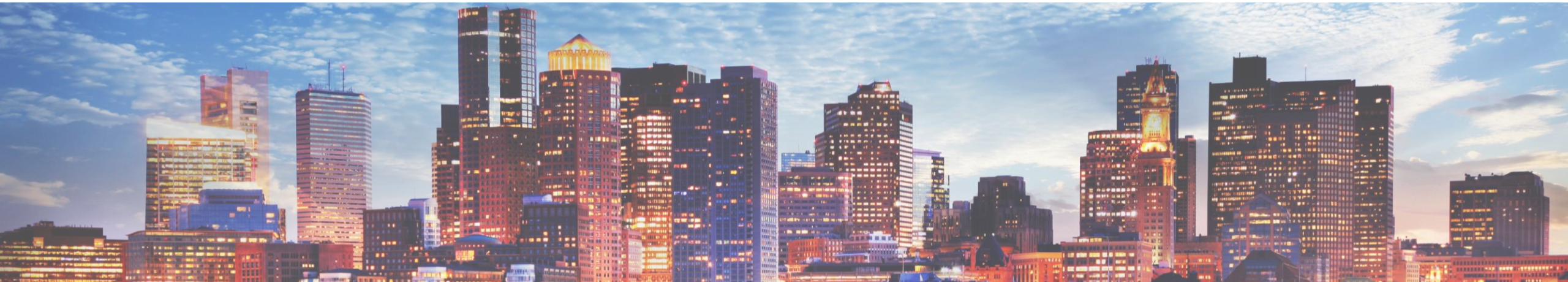
## An H2 with strong prospects

### / Continuing momentum in H2

- › a market that remains buoyant
- › consultant utilization rate being maintained above 75%
- › sales prices that remain robust

### / Exclusive negotiations for the acquisition of NewVantage Partners, in Boston, USA

- › niche player, specializing in data strategy
- › generated about \$2.6m (~€2.3m) in revenue in 2021
- › acquisition price between \$2.7m and \$3.9m (~€2.4m and €3.5m), depending on the company's results over the next 12 months



# 2021/22 EBIT margin objective raised

## / Update to 2021/22 financial objectives

- > reflecting the good trend in operational indicators...
- > ...while including provision for additional investment in recruitment and human resources in H2
- > including why innovation! consolidation since November 1, 2021



*Impact*  
**Wavestone's new strategic plan**



# An open and collective approach

## An approach launched in June 2021...

/... in 4 steps: desires and key questions → instruction → convergence → launching

/ ... and steered by the Strategic Committee of the firm

## Discussions involving all Wavestone's management and employees

/ online forum

/ instruction in 7 streams involving "experts" in each of the topics addressed

/ Wavestone Bridges, a one-day event on September 10, 2021: 3,000 people, 10 sites, 350 workshops

/ 35 convergence workshops, 750 participants

## Close interaction with the firm's ecosystem

/ 600 client interviews

/ 6 keynotes with competitors / partners / analysts

# 2016-2020: a transformative step – perfectly implemented

## 2016, the opening of a new chapter for Wavestone

- / a new dimension
- / an idea: to combine business and technological skills
- / and an ambition: to become the leader in the digital transformation of companies

## A successful movement, despite the health crisis

**2015**

**2020**

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1,700 employees

3,400 employees

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€200m in revenue

> €400m in revenue

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EBIT margin between  
12 and 13%

Toward an EBIT margin  
of 15%

**Success that goes beyond the purely financial: every year, Wavestone is in the Top 3 in its category for CSR**



# 2021, start of a new economic cycle

A wave of major transformations as a result of profound changes

1

Increasingly intense competition in each business sector

2

Sudden acceleration in the switch to digital

3

Irruption of the climate and environmental urgency

**Wavestone's objective:  
to become the privileged partner of the major companies facing these challenges**

***Impact:*** a new impetus for Wavestone,  
built on three key pillars



**INTERNATIONAL  
& GROWTH**



**EXPERTISE  
& VALUE**



**“THE POSITIVE  
WAY”**



## International & Growth



### Align business-development investments with the firm's key challenges

- / clients that support growth
- / clients that enable Wavestone's international expansion

### Investing in the growth of international offices as a priority

- / mobilize the firm's key skills to serve them
- / develop their sales, marketing, recruitment, and human resources teams

### Accelerate the firm's external growth in its target geographies

- / the US, UK, and in the medium term, Asia
- / seize fundamental acquisition opportunities, if they arise





## Expertise & Value

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**Become one of the best training grounds for consultants at all career stages**

/ invest additional resources in skills development

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**Develop market-leading competency in sustainable development - decarbonization**

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**Develop in depth the expertise of the firm**

/ innovation, prospective vision, thought leadership

/ hot topics: cybersecurity, data, AI, new digital business models

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**Toward an enhanced and deepened value proposition that offers a 360° vision**

/ business, technology, and sustainable development challenges

The effort needed may result in a fall in utilization rates...  
offset by an increase in sales prices



## “The Positive Way”

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**Client satisfaction and support for sustainable performance**

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**Employee development and commitment**

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**Responsibility and ethics**

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**Sense of corporate spirit,  
a distinctive quality of Wavestone's  
DNA**

**Strengthen the firm's identity and shared sense of purpose,  
to better meet the challenges of growth**

# Ambitions for 2025

**€750m**

**Annual  
revenue**

A new growth  
horizon

**25%**

**International  
clients**

5 major non-French  
accounts in our  
TOP 20 clients

**Top 5%**

**Extra-financial  
performance**

Within the top 5% of best  
performing companies in  
CSR terms

**Replicating Wavestone's success in France on an international scale**

# Preparing for the future

## July 2022: new legal organization of governance

/ Michel Dancoisne will not seek a new mandate as Chairman of the Supervisory Board

/ proposal to the Shareholders General Meeting to be constituted as an SA (Société Anonyme) with a Board of Directors

Pascal Imbert, CEO

Patrick Hirigoyen, Deputy CEO

Michel Dancoisne, Administrator

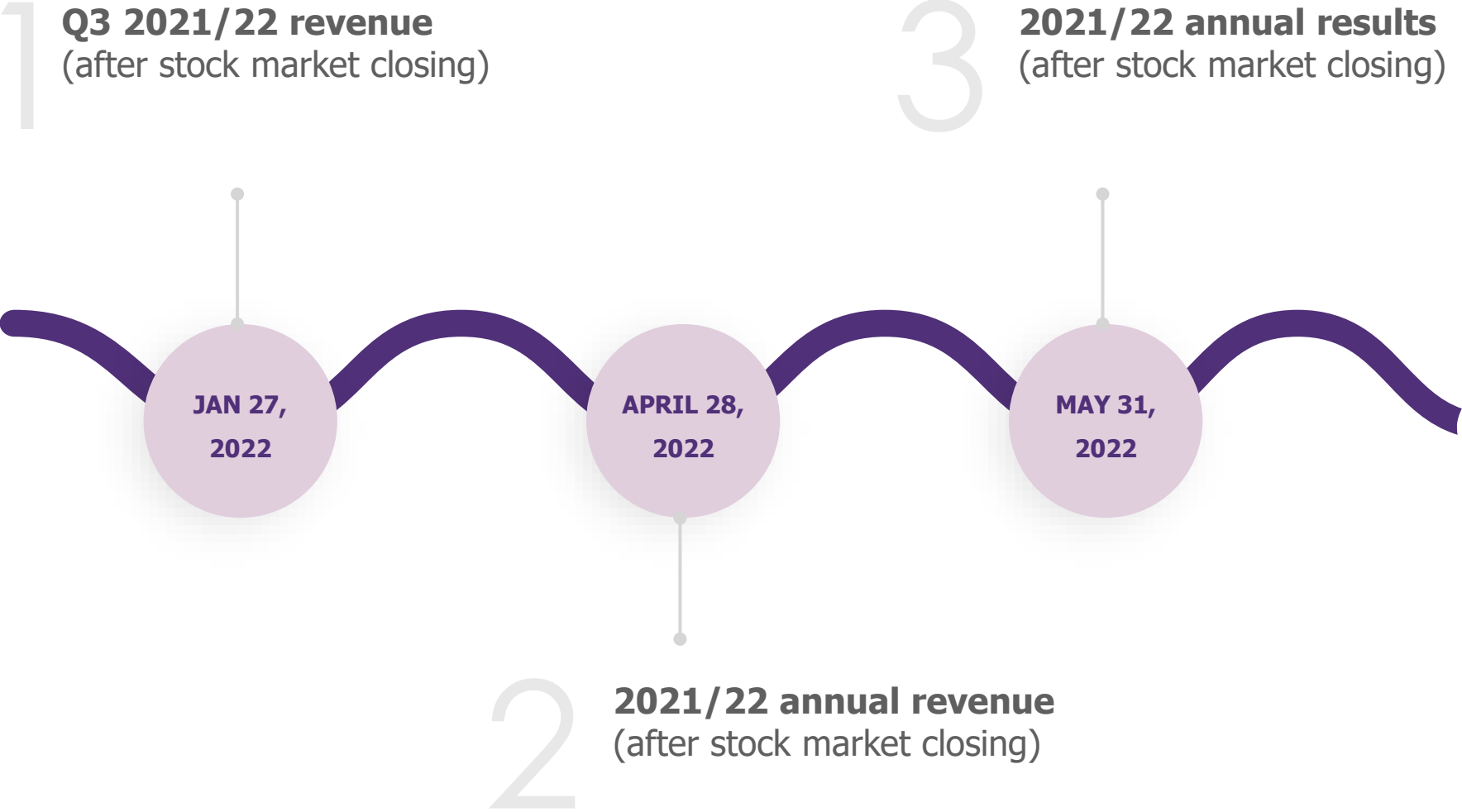
## 2025: start of the transition to a new management team

/ structuring of Wavestone's management throughout *Impact* in preparation for this stage

## Michel Dancoisne and Pascal Imbert will maintain their positions as major shareholders

/ for the long-term development of Wavestone

# Financial agenda





**Pascal IMBERT**  
CEO

The Positive Way  
**WAVESTONE**

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