

WELCOME

2021/22 H1 results
Impact, new strategic plan

Wavestone | December 6, 2021



Presenter



Pascal Imbert

CEO



Organic growth of +15% in H1 2021/22

Revenue	2021/22	2020/21	Total variation	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%
Q2	102.6	92.4	+11%	+9%
H1	217.8	186.8	+17%	+15%

⁽¹⁾ 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

Strongly positioned international activity

UK, Luxembourg, Belgium,
Hong Kong, Morocco



Resurgent growth and excellent profitability

Switzerland



After a difficult first quarter, profitability recovered well over the six-month period

US



Disappointing revenue; slightly negative operating margin



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**

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)
Revenue	217.8	186.8	+17%	417.6
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)
EBIT	31.8	14.3	+122%	53.3
<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)
EBIT	31.8	14.3	+122%	53.3
<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)
Operating income	30.1	13.5	+123%	43.3
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)
Group share of net income	20.7	7.0	+198%	25.4
<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)
Self-financing capacity before net financial debt and tax expenses	34.3	20.1	67.0
Tax paid	(7.8)	(10.5)	(17.0)
Change in WCR	(22.8)	9.2	20.8
Net cash flow from operations	3.5	18.8	70.8
Net cash flow from investments	(7.1)	(0.5)	(0.8)
of which fixed asset acquisitions	(0.2)	(0.5)	(0.7)
of which changes in scope	(7.1)	-	-
Net cash flow from financing operations	(15.4)	(38.7)	(47.2)
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)
Change in cash and cash equivalents	(19.1)	(20.4)	22.8

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

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

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

Net cash : €16.9m

compared with €31.8m at March 31, 2021

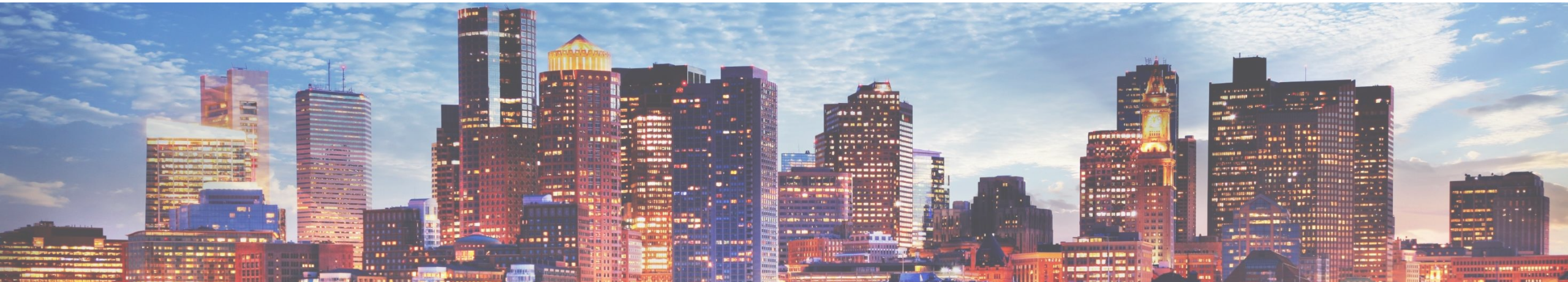
An H2 with strong prospects

/ 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



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

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

/ invest additional resources in skills development

Develop market-leading competency in sustainable development - decarbonization

Develop in depth the expertise of the firm

/ innovation, prospective vision, thought leadership

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

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”

Client satisfaction and support for sustainable performance

Employee development and commitment

Responsibility and ethics

**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

After France, take Wavestone's success to a broader scale

Preparing for the future

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

Questions & Answer Session



HAVE A GOOD DAY

Join us on January 27, 2022

for the publication of Q3 2021/22 revenue

