

# INVESTOR MEETING

## Oddo BHF TMT Forum

March 11, 2022



# AGENDA

/ **01**      About Wavestone

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

/ **03**      Outlook and recent news

# Wavestone: independent pure player in consulting



Independent **pure player**

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

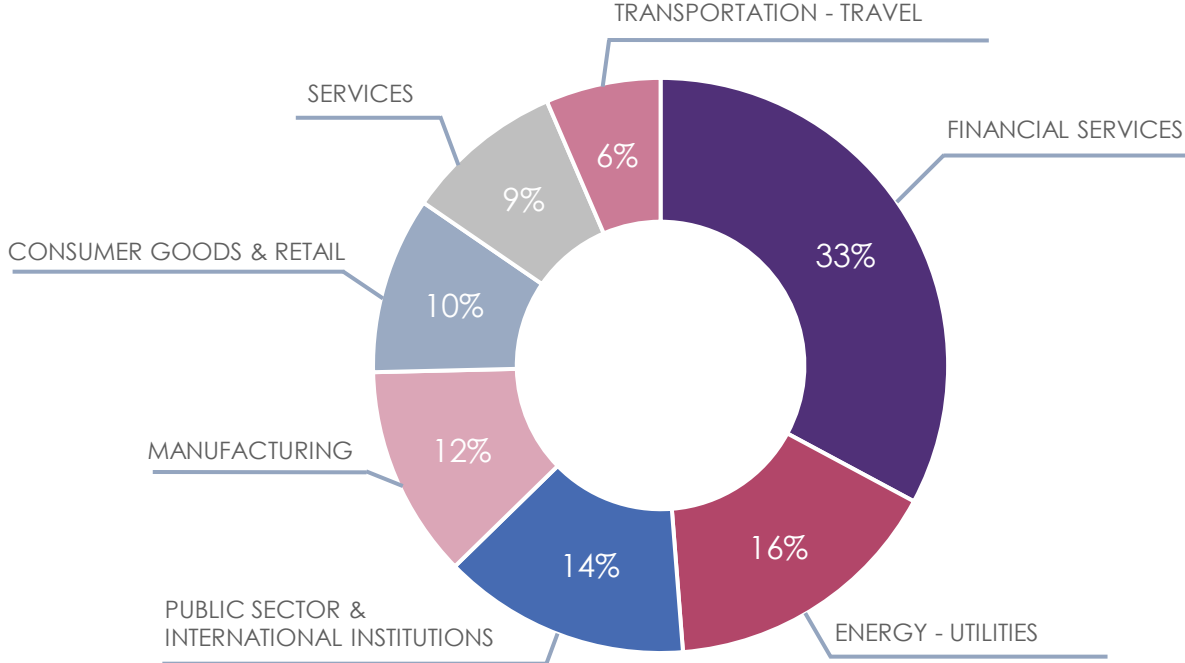


**9 countries**



**+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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## 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)	Change	2020/21 (12 months)
<b>Revenue</b>	<b>217.8</b>	<b>186.8</b>	<i>+17%</i>	<b>417.6</b>
<b>EBIT</b>	<b>31.8</b>	<b>14.3</b>	<i>+122%</i>	<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>	<i>+123%</i>	<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>	<i>+198%</i>	<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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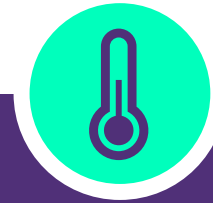
## Profound changes at the source of major transformations



**Increasingly intense competition** in each business sector



Sudden acceleration in the **switch to digital**



Irruption of the **climate** and **environmental urgency**

Wavestone's ambition, as expressed in its *Impact* strategic plan:  
**to become the privileged partner of the major organizations facing these challenges**

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



International & Growth



Expertise & Value



"The Positive Way"

# Ambitions for 2025

## 3 objectives for 2025

Annual revenue

€750m

*A new growth horizon*

International clients

5

*5 major non-French accounts in our TOP 20 clients*

Extra-financial performance

5%

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

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

# 14% growth in the first 9 months of 2021/22

Revenue <i>In €m - unaudited consolidated data</i>	2021/22	2020/21	Total variation	<i>Change at constant scope <sup>1</sup> and on a constant forex basis</i>
Q1	115.2	94.4	+22%	+21%
Q2	102.6	92.4	+11%	+9%
Q3	122.3	111.8	+9%	+7%
<b>9-months</b>	<b>340.2</b>	<b>298.5</b>	<b>+14%</b>	<b>+12%</b>

<sup>(1)</sup> excluding Everest Group *consulting*, consolidated since 05/01/2021 and why innovation!, consolidated since 11/01/2021.

/ Revenue totaled €340.2 over the nine-month period: up 14% – equivalent to 12% organic growth

> working day impact of +1.0% over the period

## Consultant utilization rate and prices in line with annual ambitions

	2021/22 (9 months)	2020/21 fiscal year (12 months)	
Consultant utilization rate	77%	71%	▶ high consultant utilization rate over the nine-month period – above the 75% normative level
Average daily rate	€849	€842	▶ strongly-positioned sales prices; slightly higher than the previous year increase of +€6 linked to the integration of Everest Group <i>consulting</i> and why innovation!
Order book	4.1 months	4.1 months	▶ sustained levels of order intake at the end of 2021; business momentum remaining excellent

## Recruitment momentum maintained

- / Staff turnover rate 17% at the end of December (on a rolling 12-month basis)
  - > vs. 15% at September 30, 2021, and 11% over the previous fiscal year
  - > rate expected to be in the middle of the range 15% to 20% for the 2021/22 fiscal year
- / Recruitment plan in line with the objective strengthened in December
  - > over 900 gross hires now being targeted over the 2021/22 fiscal year, compared with 800 initially
- / 3,624 employees at December 31, 2021
  - > compared with 3,476 at September 30, 2021; and 3,453 at March 31, 2021





# Acquisition of NewVantage Partners in the US

## / A niche consultancy specializing in data strategy

- › advises blue-chip clients, including several Fortune-200 companies

## / Consolidating Wavestone's position in the US

- › recognized expertise in data strategy, a key topic in the Impact strategic plan

## / Details of the purchase

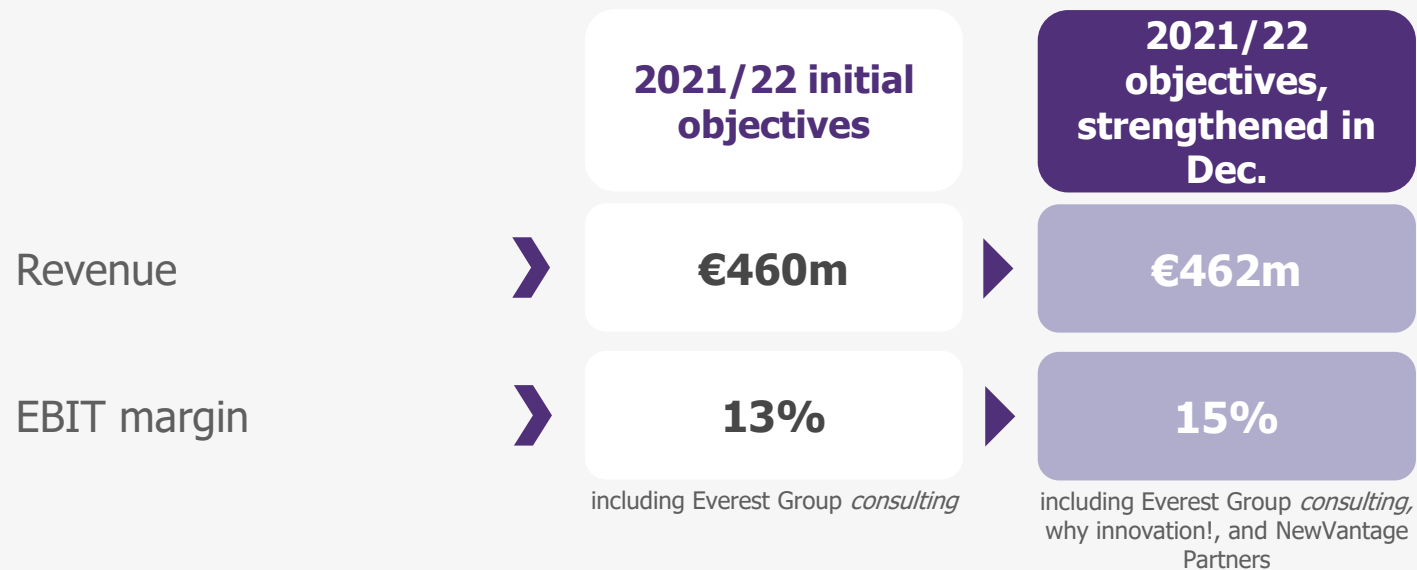
- › acquisition of 100% of the share capital of NewVantage Partners
- › acquisition price: total in the range \$2.7m to \$3.9m (~€2.4m to €3.5m), depending on the company's results over the next 12 months
- › financed entirely in cash from Wavestone's own funds



- Registered office: **Boston, USA**
- **Revenue of \$2.6m** (~€ 2.3m) in 2021
- consolidated on **January 1, 2022**

## 2021/22 annual objectives confirmed

- / Slight reduction in consultant utilization rate expected in Q4
  - > cumulative impact of many new starters since September 2021
  - > increased levels of sick leave in recent weeks, linked to the continuing Covid-19 situation
- / Confidence in achieving the annual objectives strengthened at the beginning of December
  - > performance indicators solid over the fiscal year
  - > future project visibility and business-development results remain excellent moving into Q4



# Financial agenda

1 **2021/22 annual revenue** (after stock market closing; followed by a videoconference)

3 **Annual General Meeting**



2 **2021/22 annual results** (after stock market closing; followed by an investors' meeting)

**Pascal IMBERT**  
CEO

[pascal.imbert@wavestone.com](mailto:pascal.imbert@wavestone.com)

**Laurent STOUPY**  
CFO

[laurent.stoupy@wavestone.com](mailto:laurent.stoupy@wavestone.com)