

INVESTOR MEETING

**KEPLER CHEUVREUX
ESG CONFERENCE**

June 1, 2023



AGENDA

/ **01** About Wavestone

/ **02** 2022/23 annual results

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/ **04** Outlook

Supporting large organizations in their most critical transformations

Pure player
in consulting

~€532m
in 2022/23



Europe
US, Asia

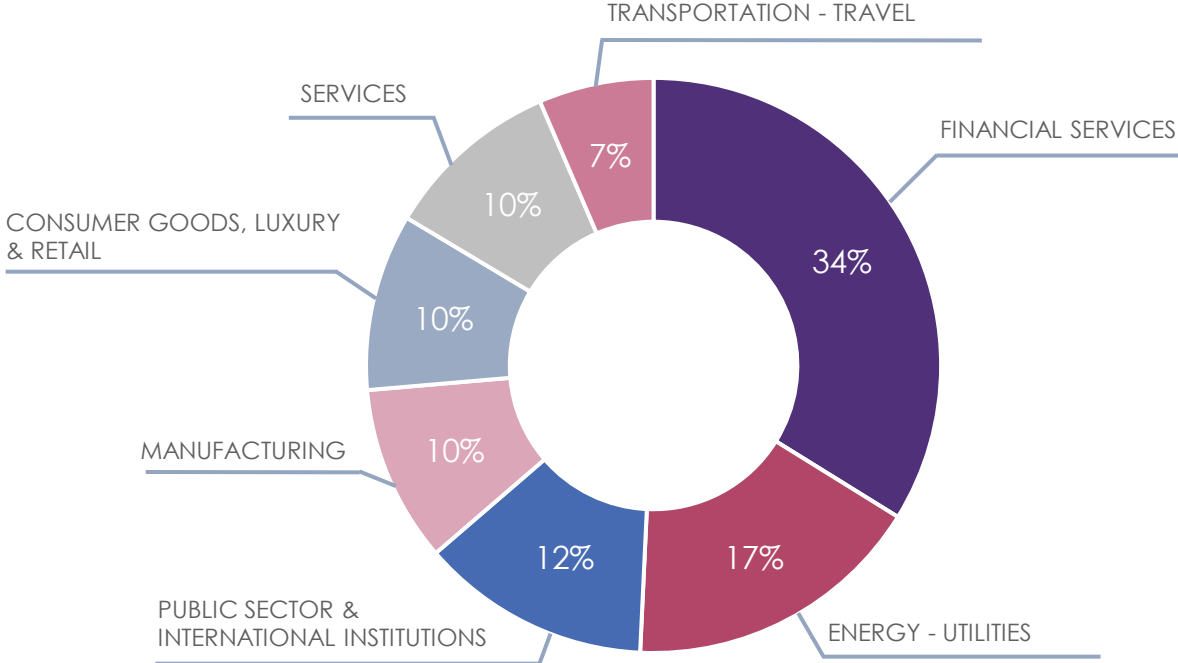
~4,400 employees



Business
Technology
Sustainability



Distribution of revenue at March 31, 2023



2022/23 Revenue	
FRANCE	80%
INTERNATIONAL	20%

TOP-20 CLIENTS 2022/23	
EDF	6%
SOCIETE GENERALE	6%
TOTALENERGIES	6%
CREDIT AGRICOLE	5%
SNCF	5%
AXA	4%
LA POSTE	4%
BNP PARIBAS	4%
ENGIE	3%
L'OREAL	2%
BPCE	2%
UGAP	2%
STELLANTIS	2%
ALLIANZ	1%
CHANEL	1%
GROUPAMA	1%
MINISTRY OF HEALTH	1%
MINISTRY OF THE ARMED FORCES	1%
SAINT GOBAIN	1%
MINISTRY OF THE ECONOMY	1%



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2022/23 annual revenue grows by +13%

<i>Audited consolidated data at 03/31 (in €m)</i>	2022/23	2021/22	Change	<i>Change at constant scope ¹ and on a constant forex basis</i>
12-month total	532.3	470.1	+13%	+7%

¹ Excluding Everest Group consulting, consolidated since 05/01/2021; why innovation!, consolidated since 11/01/2021; NewVantage Partners, consolidated since 01/01/2022; Nomadéis, consolidated since 04/01/2022; PEN Partnership, consolidated since 08/01/2022; and Coeus Consulting, consolidated since 10/01/2022.

/ €532.3m at the end of the 2022/23 fiscal year – up +13%, of which +7% was organic growth

- > €528.6m at constant exchange rates, in line with the annual target of €525m
- > three external growth acquisitions during the year: the sustainable-development consulting firm Nomadéis in France, and the firms PEN Partnership, and Coeus Consulting in the UK
- > working day impact of -0.3%

+4% increase in sales prices over the fiscal year; consultant utilization rate down at 73%

	2022/23 fiscal year (12 months)	2021/22 fiscal year (12 months)	
Consultant utilization rate	73%	77%	▶ down at the end of the fiscal year due to the high number of new starters in H2 and a slower Q4
Average daily rate	€890	€854	▶ sales prices up +4% (+3% at constant exchange rates)
Order book	4.0 months	4.3 months	▶ order book at March 31, 2023, identical to that of December 31, 2022

2022/23 recruitment plan target exceeded; staff turnover rate reducing

- / A very solid rate of recruitment over the fiscal year
 - > about 1,300 new employees over the fiscal year, against a target of 1,000
- / Continuing fall in staff turnover rate
 - > 16% in 2022/23
 - > compared with 19% on a rolling 12-month basis at the mid-year point, and 18% in 2021/22
- / 4,406 employees at Friday, March 31, 2023
 - > including 126 from the Nomadéis, PEN Partnership, and Coeus Consulting acquisitions
 - > compared with 3,732 at March 31, 2022
- / Wavestone, certified Great Place to Work® for all offices, worldwide
 - > 1st in Great Place To Work® France in its category



Great
Place
To
Work®

Three new acquisitions during the fiscal year

/ Nomadéis – France


- > CSR consulting – ~20 consultants
- > revenue of €1.9m in 2021/22
- > acquisition price in enterprise value: €2.8m

/ PEN Partnership – UK

- > consulting in operational and digital transformation – ~60 permanent employees and 40 contractors
- > revenue of £19.6m for the year ended March 31, 2022
- > acquisition price in enterprise value: £22.5m and an earn-out of up to £7.5m

/ Coeus Consulting – UK

- > IT strategy consulting – ~45 permanent employees and 10 contractors
- > revenue of £9m over the 12-month period ended September 30, 2022
- > acquisition price in enterprise value: £17.5m and an earn-out of up to £3.5m



Nomadéis: the backbone of Wavestone's sustainability business



New dimension for the UK:

- / size of the office has tripled
- / a value proposition that covers a broader range of skills
- / synergies quickly established between the three firms

EBIT margin of 14.5% in 2022/23

Audited consolidated data at 03/31 (in €m)	2022/23 (12 months)	2021/22 (12 months)	Change
Revenue	532.3	470.1	+13%
Purchases consumed	(21.8)	(11.2)	
Personnel costs	(373.3)	(336.0)	
External expenses	(46.6)	(34.4)	
Levies and taxes	(8.0)	(7.7)	
Net allocation for depreciation and provisions	(5.8)	(6.0)	
Other operating income and expenses	0.2	0.2	
EBIT	77.0	74.8	+3%
<i>EBIT margin</i>	<i>14.5%</i>	<i>15.9%</i>	

higher level of subcontracting at PEN Partnership and Coeus Consulting including a non-recurring charge of €1.4m linked to changes in Syntec retirement benefits
operating expenses still subdued in 2021/22, in a post Covid-19 context
acceleration of expenditure on recruitment and HR

Net margin of 9.4% in 2022/23

Audited consolidated data at 03/31 (in €m)	2022/23 (12 months)	2021/22 (12 months)	Change
EBIT	77.0	74.8	+3%
<i>EBIT margin</i>	<i>14.5%</i>	<i>15.9%</i>	
Amortization of client relationships	(1.5)	(1.5)	
Other operating income and expenses	(2.9)	(0.5)	
Operating income	72.7	72.8	+0%
Cost of net financial debt	(1.8)	(0.9)	
Other income and expenses	(2.3)	(0.0)	
Income tax expenses	(18.5)	(20.9)	
Group share of net income	50.1	51.0	-2%
<i>Net margin</i>	<i>9.4%</i>	<i>10.9%</i>	

in particular, acquisition costs of PEN Partnership and Coeus Consulting

related to acquisitions during the fiscal year and the rise in interest rates

of which €0.8m in foreign exchange losses
of which €1.3m in financial instrument costs
of which €0.2m in IFRS 16 interest charges

lower tax rate in France

Increase in self-financing capacity and €41.1m in operating cash flow

Audited consolidated data at 03/31 (in €m)	2022/23 (12 months)	2021/22 (12 months)
Self-financing capacity before financial debt and tax expenses	83.8	79.0
Tax paid	(21.1)	(15.8)
Change in WCR	(21.6)	(6.9)
Net cash flow from operations	41.1	56.3
Net cash flow from investments	(52.7)	(12.5)
of which fixed asset acquisitions	(3.7)	(0.5)
of which change in financial assets	0.0	0.3
of which changes in scope	(49.2)	(12.5)
Net cash flow from financing operations	(25.8)	(24.0)
of which dividends paid	(7.6)	(4.6)
of which sales (acquisitions) of company shares	(6.4)	(2.4)
of which loans received net of repayments	(4.4)	(8.5)
of which repayments of lease liabilities	(5.1)	(7.6)
Change in cash and cash equivalents	(37.4)	19.9

Available cash and cash equivalents of €27.1m at March 31, 2023

Audited consolidated data at 03/31 (in €m)	3/31/23	3/31/22
Non-current assets	272.8	214.9
of which goodwill	235.4	178.5
including rights to use leased assets	13.2	14.5
Current assets	193.1	171.1
of which trade receivables	176.6	147.8
Cash and cash equivalents	70.8	108.3
TOTAL ASSETS	536.8	494.2

Audited consolidated data at 03/31 (in €m)	3/31/2023	3/31/2022
Shareholders' equity	299.1	257.0
of which minority interests	0.0	0.0
Financial liabilities	43.7	47.9
of which less than one year	5.7	8.1
Lease liabilities	15.9	18.1
Non-financial liabilities	178.2	171.3
TOTAL LIABILITIES	536.8	494.2

Net cash and cash equivalents: €27.1m

compared with €60.3m net cash and cash equivalents at March 31, 2022

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Live and spread out Wavestone's values, through 5 key commitments

Responsible Consulting



Improve client satisfaction and support clients in sustainable performance.

Commitment of employees



Promote employee engagement, well-being, and quality-of-life at work.

Diversity & Inclusion



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.

Ethics & Corporate citizenship



Be a corporate citizen that behaves ethically and responsibly.

Environment



Minimize the impact of our activity on the environment.



Continued progress on sustainability in 2022/23

/ Employee engagement

- > Great Place To Work® certification for all offices, 1st in France
- > staff turnover rate under control

/ Re-expression of the firm's values: "The Positive Way"

/ Implementation of a trajectory aligned with the SBTi's Net Zero Standard

- > validation of short-term (2026) and long-term (2050) targets by SBTi

/ Achievement of the objective of being in the 5% of most successful companies

- > Ethifinance ESG Ratings (ex Gaïa Research): 80/100; Top 5% nationally
- > Ecovadis: score of 78/100, "Platinum" level, Top 1%

/ ... but an area for improvement in the year ahead











- > client satisfaction, measured by the NPS®, below our target

EthiFinance
ESG ratings

ecovadis
Business Sustainability Ratings



Assessment 2022/23

	Commitments	Indicators	2022/23 results	2022/23 objectives	2021/22 results
1	Improve clients' satisfaction and support them in sustainable performance	NPS®	 45	50	48
		Number of projects carried out using the responsible consulting approach	 119	100	37
2	Promote employee engagement , well-being, and quality of life at work	Employee engagement index	 74	71	70
		Staff turnover rate	 16%	15%	18%
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	Proportion of women in management	 35%	33%	33%
		Number of employees with a disability	 49	40	35
4	Be a good corporate citizen that behaves ethically and responsibly	Employees trained in applying the business ethics charter	 96%	95%	97%
		Workforce time spent on societal commitments	 1.3%	1.0%	1.0%
5	Minimize the impact of our activity on the environment	Reduction in carbon footprint, compared with 2019/20	 -51% ²	-13%	-
		Scope 3 (footprint per employee)	 -27% ²	-20%	-

¹ The NPS® or Net Promoter Score® is a tool for measuring customer satisfaction, which can range from -100 to 100 (NPS® is a registered trademark of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld).

² As part of the SBTi trajectory, emissions are now calculated and reported using the GHG Protocol methodology. The scope of the SBTi commitment includes all three scopes (market-based) and excludes optional emissions as defined by the GHG Protocol (hotel accommodation, remote employee working, external use of sites) and firms integrated in the 2022/23 fiscal year.

Our priorities for the coming fiscal year

1. Improvement in client satisfaction

- › more resources to execute the action plan

2. Supporting clients on sustainable development issues

- › accelerated dissemination of the responsible consulting approach
- › development of the sustainability offer

3. Actions to reduce greenhouse gas emissions

- › to ensure success on a demanding SBTi trajectory



2023/24 objectives

	Commitments	Indicators	2023/24 objectives	2022/23 results	
1	Improve clients' satisfaction and support them in sustainable performance	NPS®	50	45	
		Number of projects carried out using the responsible consulting approach	300	119	
2	Promote employee engagement , well-being, and quality-of-life at work	Employee engagement index	74	74	
		Staff turnover rate	15%	16%	
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	Proportion of women in management	34.5%	35%	
		Number of employees with a disability	58	49	
4	Be a good corporate citizen that behaves ethically and responsibly	Employees trained in applying the business ethics charter	95%	96%	
		Workforce time spent on societal commitments	1.0%	1.3%	
5	Minimize the impact of our activity on the environment	Reduction in carbon footprint, compared with 2019/20			
			Scope 1 & 2 (total Wavestone footprint)	-17%	-51%
			Scope 3 (footprint per employee)	-25%	-27%

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Outlook of the firm for the 2023/24 fiscal year

/ The progressive re-establishment of performance

- › a consultant utilization rate of about 73% targeted for Q1 2023/24, compared with 71% in the previous quarter
- › capitalize on the positive trend in sales prices

/ Intense and agile business development activity

- › to leverage business development opportunities for specific market segments and clients

/ A more cautious recruitment plan

- › due to the less buoyant market environment and lower staff turnover rate

/ Continued pursuit of the external growth policy

- › priority to targeted acquisitions in the UK and US, without ruling out tactical purchases in other geographies
- › while remaining open to opportunities for more transformative mergers



2023/24 objectives

Revenue



**2022/23
results**

€532.3m



**2023/24
objectives**

> €580m

+9%

(+7% at constant scope)

EBIT margin

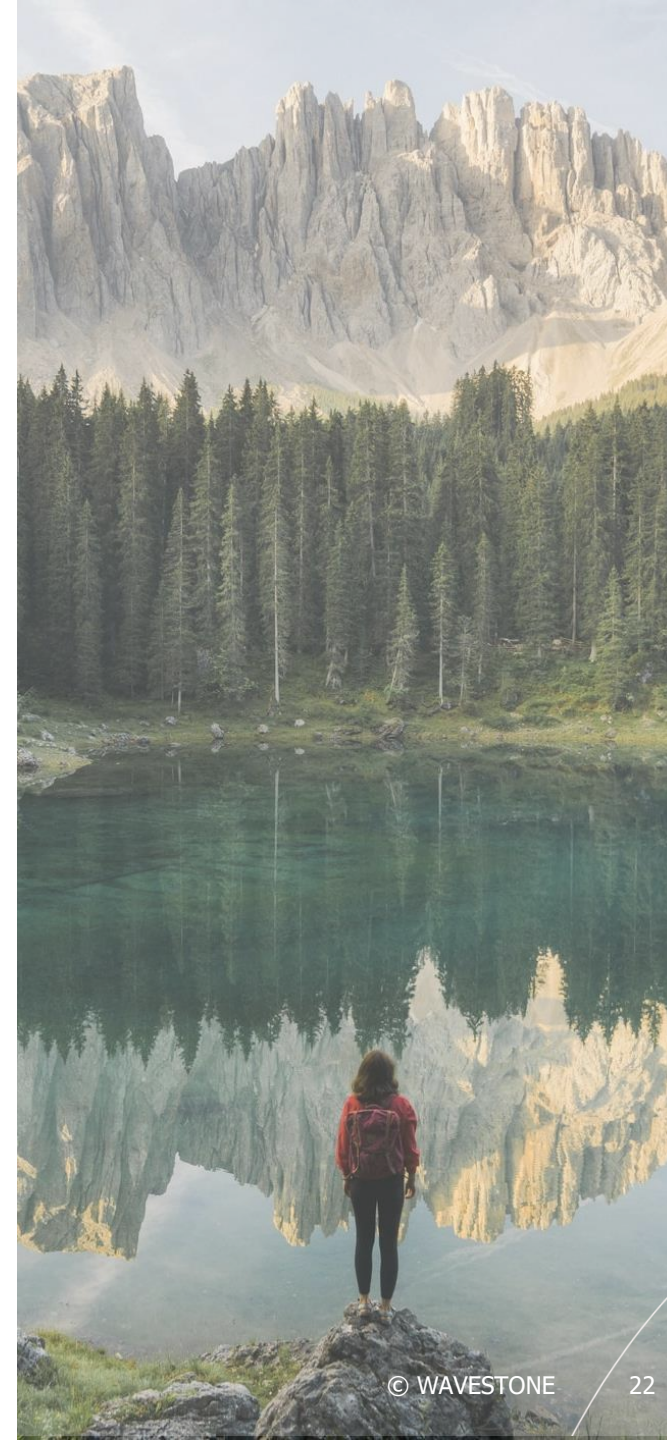


14.5%



~15%

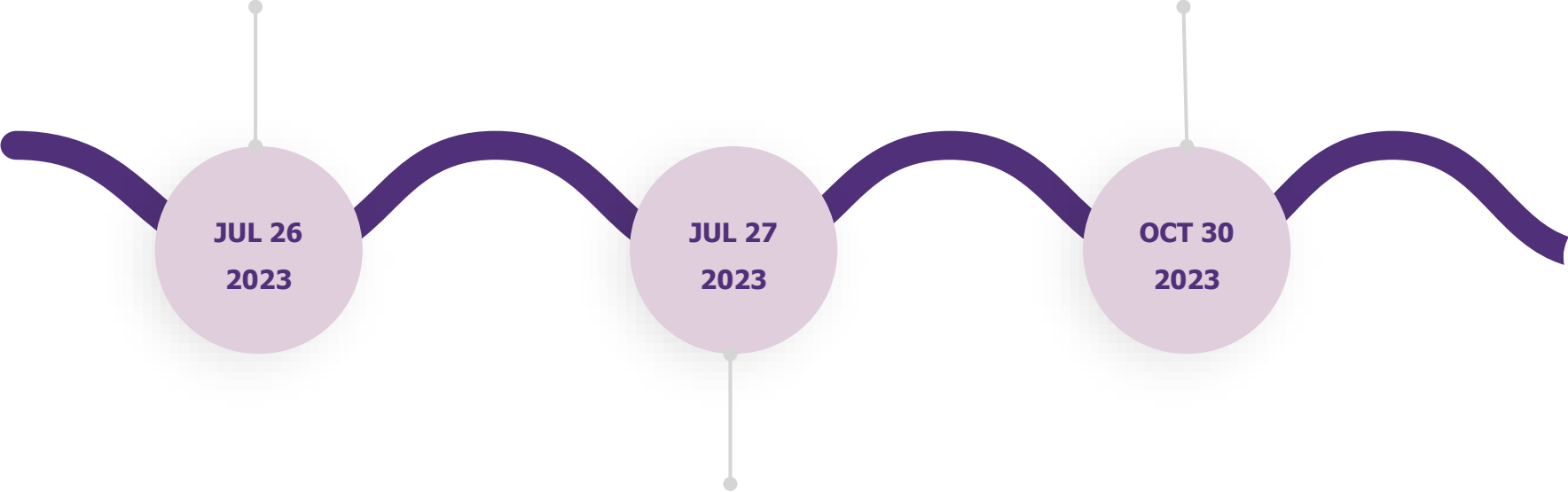
*on a constant forex basis,
excluding new acquisitions*



Financial agenda

1 **Q1 2023/24 revenue**
(after stock market closing)

3 **H1 2023/24 revenue**
(after stock market closing)



2 **Annual General Meeting**

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