

2023/24 annual results 2024/25 outlook

June 4, 2024

WAVESTONE



Speakers



Pascal Imbert
CEO



Patrick Hirigoyen
COO



Karsten Höppner
COO



Laurent Stoupy
CFO



Hélène Cambournac
CSR Leader

We offer high-value consulting services



360° portfolio of best-in-class consulting services



Worldwide presence



5,500+ employees



€944m pro forma revenue



Independent perspective & solution-based actions



The Positive Way our values



We seamlessly combine teams to deliver the right solutions for your needs

A leading position in the three main markets of continental Europe:

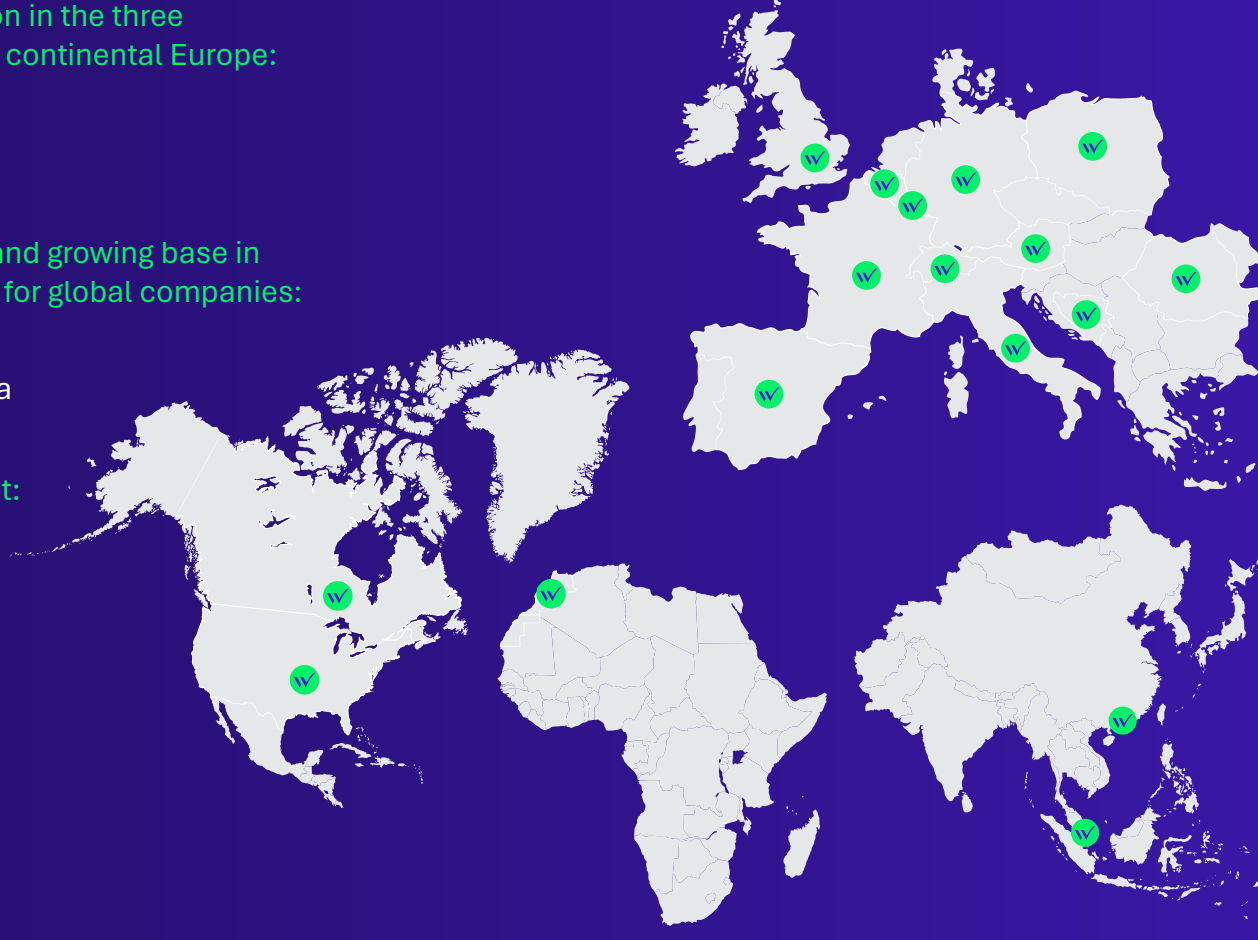
- France
- Germany
- Switzerland

An established and growing base in key geographies for global companies:

- UK
- North America
- Asia

A global footprint:

- Austria
- Belgium
- Bosnia & H.
- Italy
- Morocco
- Luxembourg
- Poland
- Romania
- Spain

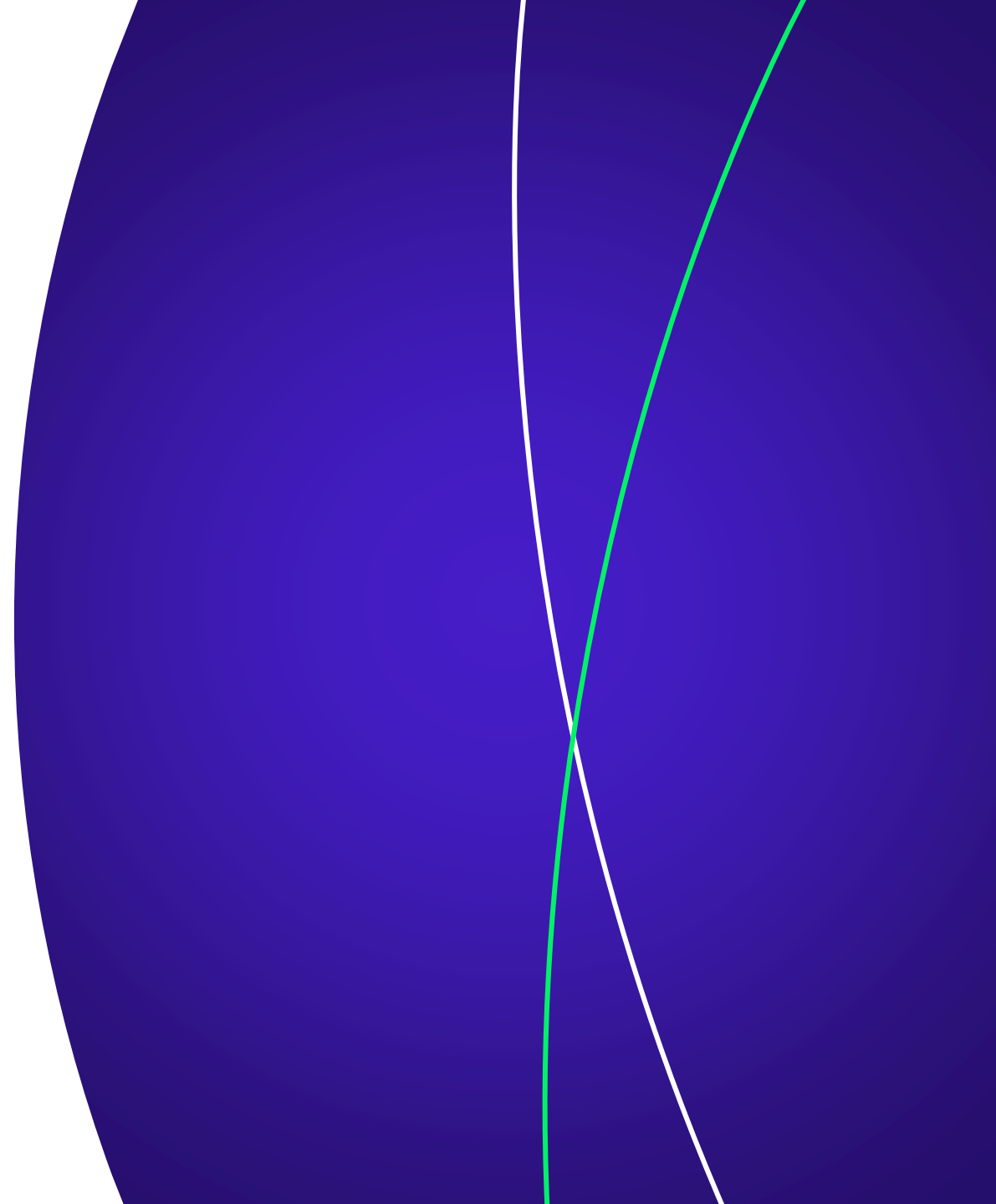


Integrated expertise

We are not siloed.
Teams collaborate creating a collective global capability more powerful than the sum of the parts.

1.

Activity & highlights for the
2023/24 fiscal year



Revenue target exceeded; +9% organic growth over the 2023/24 fiscal year

Revenue in €m <i>Audited data</i> ¹	2023/24	2023/24 excluding Q_PERIOR and Aspirant Consulting	2022/23	Total change	Change at constant scope ² and on a constant forex basis	2023/24 pro forma ³
12-month total	701.1	586.9	532.3	+32%	+9%	943.8

¹ auditing of the accounts is complete, and the auditors are in the process of issuing their report. The 2023/24 pro forma accounts are unaudited; an ad hoc report from auditors will be incorporated in Wavestone's 2023/24 Annual Financial Report

² excluding PEN Partnership, consolidated since August 1, 2022; Coeus Consulting since October 1, 2022; Q_PERIOR since December 1, 2023; and Aspirant Consulting since February 1, 2024

³ the 2023/24 pro forma accounts have been calculated as if the acquisitions of Q_PERIOR and Aspirant Consulting had taken place on April 1, 2023

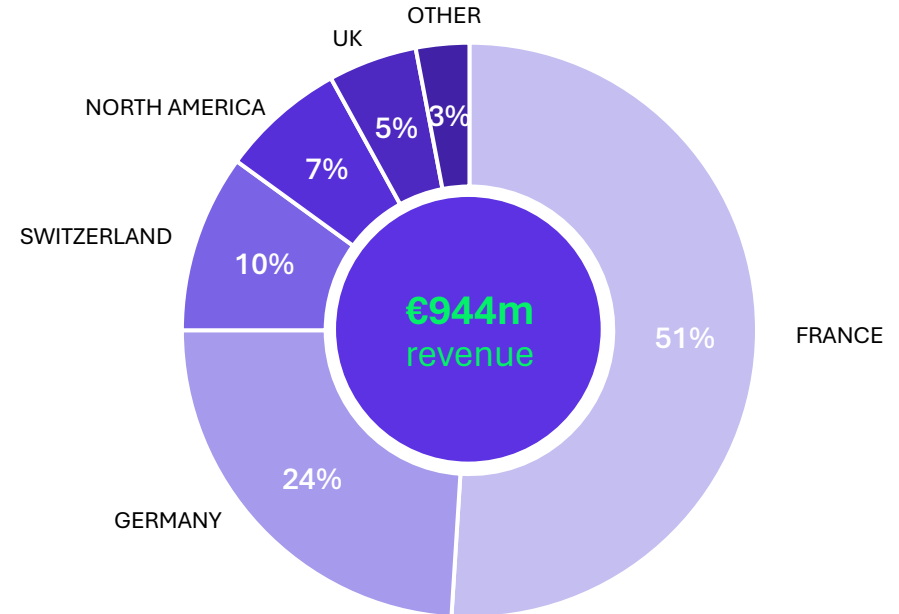
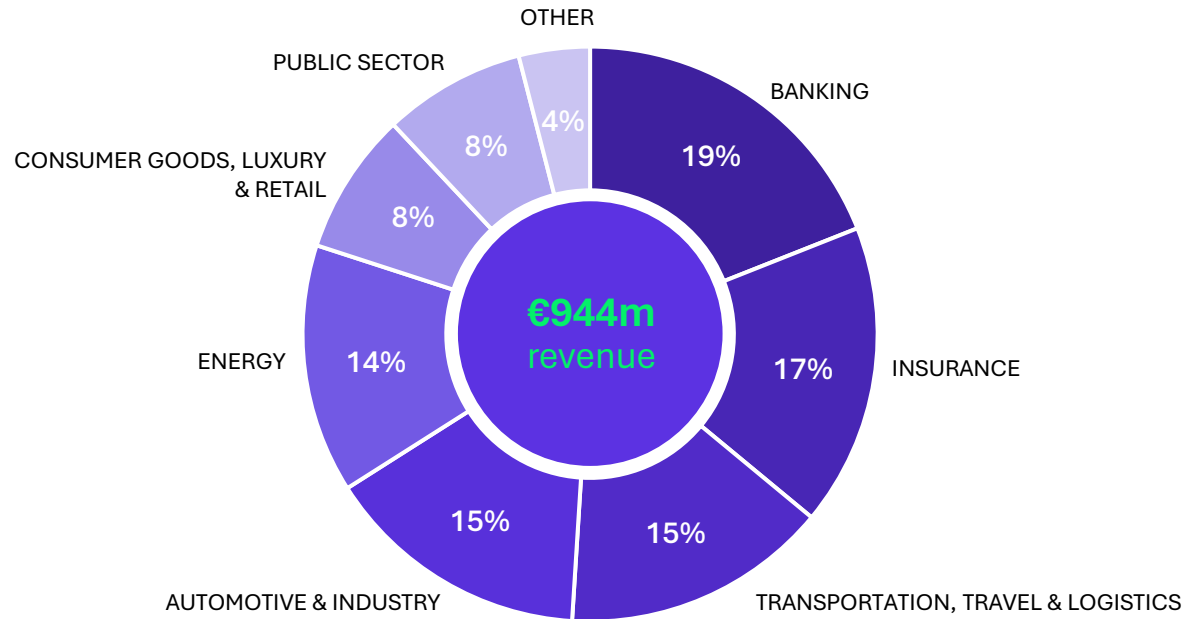
- **12-month revenue on total scope: €701.1m**
 - up +32%, equivalent to +9% organic growth
 - unfavorable working day impact standing at -1.6%
- **12-month revenue excluding Q_PERIOR and Aspirant Consulting: €586.9m**
 - exceeding the annual revenue target of €580m
- **12-month revenue pro forma: €943.8m**

Consultant utilization rate stable at 73% in 2023/24; sales price up by +1%

	2023/24 fiscal year* (12 months)	2022/23 fiscal year (12 months)	
Consultant utilization rate	73%	73%	▶ 73% at the end of 2023/24, stable compared with the previous fiscal year
Average daily rate	€898	€890	▶ increase of +1% compared with the previous fiscal year €900 at constant exchange rates
Order book	4.1 months	4.0 months	▶ 4.1 months at March 31, 2024, compared with 4.2 months at December 31, 2023

* these indicators relate to Wavestone's scope excluding Q_PERIOR and Aspirant Consulting; Wavestone plans to deploy consolidated operating indicators (except order book) across the entire new firm from Q1 2024/25.

Distribution of pro forma revenue at March 31, 2024



TOP-20 CLIENTS

DEUTSCHE BAHN	7%	LA POSTE	2%
EDF	4%	VOLKSWAGEN	2%
AXA	3%	CHANEL	1%
TOTALENERGIES	3%	MUNICH RE	1%
CREDIT AGRICOLE	3%	L'OREAL	1%
SNCF	3%	SBB	1%
SOCIETE GENERALE	3%	UGAP	1%
BNP PARIBAS	2%	HERMES	1%
CONFIDENTIAL (INSURANCE)	2%	BPCE	1%
ENGIE	2%	R+V VERSICHERUNGEN	1%

Strengthening our position in the US with the acquisition of Aspirant Consulting

- **Aspirant Consulting: supporting the digital transformation of businesses**
 - leading expertise in marketing & innovation, organizational design & change management, and digital transformation
 - clients: Global 500 companies and large US companies in several sectors, in particular Life Sciences
- **Strengthening of Wavestone's position in the US**
 - alignment in terms of commercial approach and values
 - leaders of Aspirant Consulting will continue the firm's development within Wavestone
- **Terms of the operation**
 - acquisition by Wavestone of a 100% share capital in Aspirant Consulting
 - purchase price: \$24.0m (€21.9m) in enterprise value
 - up to \$10.0m (€9.1m), depending on the performance of the firm to December 31, 2024

Aspirant Consulting key data

- **Revenue of \$26.0m** for the fiscal year ended December 31, 2023
- Adjusted EBITDA margin of **over 10%**
- **~100 employees** including about 80 consultants
- Headquarters: **Pittsburgh (USA)**
- Consolidated from **February 1, 2024**

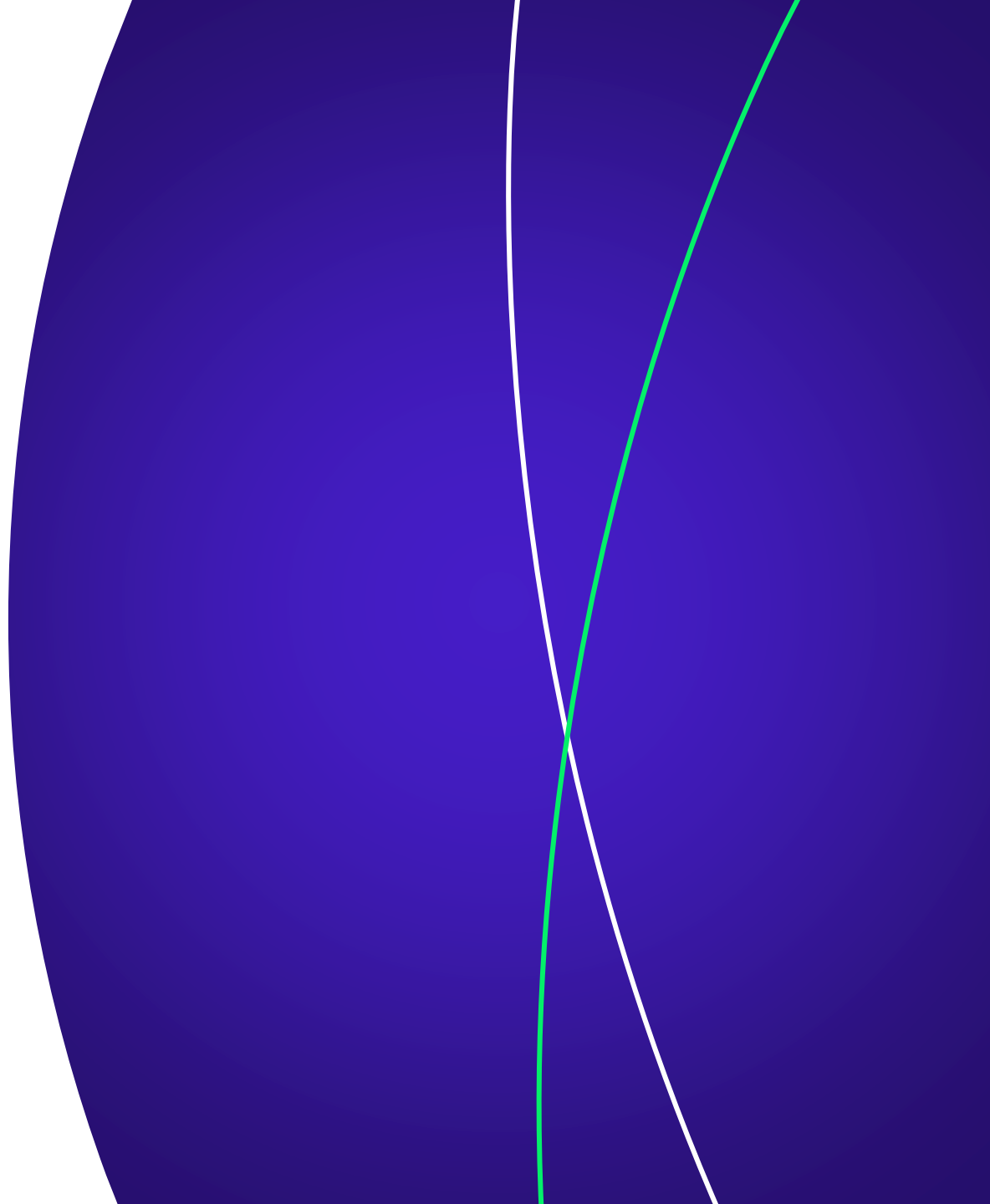
Caution maintained on recruitment; stable staff turnover

- **Stable staff turnover rate over the past quarter**
 - 14% over the fiscal year (excluding Q_PERIOR and Aspirant Consulting)
 - compared with 16% over the previous fiscal year
- **Moderate pace of recruitment maintained at the start of the 2024 calendar year**
 - due to the still uncertain economic environment
 - ~800 new employees over the whole of the 2023/24 fiscal year (excluding Q_PERIOR and Aspirant Consulting)
 - on Q_PERIOR side, cautious recruitment policy as well and staff turnover at 11%
- **5,894 employees at March 31, 2024**
 - including 1,422 from the combinations with Q_PERIOR and Aspirant Consulting
 - compared with 4,406 at the end of 2022/23 fiscal year



2.

Zoom on Q_PERIOR's
activity & integration



Q_PERIOR's business activity in line with plan

- **Q_PERIOR facing context similar to the one of Wavestone**
 - resilient demand in the sectors of Insurance, Travel & Transportation and Energy helps to limit the effects of a relatively weak economic environment in Germany
- **Q4 consultant utilization rate in line with the last months of 2023 and company's plan**
 - but with a marked slowdown in growth
- **On the overall, for the period April 2023 to March 2024, Q_PERIOR's business plan achieved:**
 - revenue: €333.4m
 - recurring operating profit: €31.5m
 - recurring operating margin: 9.5%
 - *IFRS figures*



Successful first steps of the combination

- **Fostering business thanks to the combination**
 - promoting cross-selling and cross-delivery thanks to our extended value proposition
 - ~10 projects won together since the merger and many pitches delivered
 - strong added value in the fields of Insurance, SAP and Cybersecurity
 - common go-to-market materials
- **Securing foundations of the new company**
 - integrated operational governance, with members from Q_PERIOR on the Excom
 - common accounting and controlling, based on IFRS
 - IT systems gradually homogenized to seamlessly work together
 - laying the foundations for a shared CSR strategy
- **Making people enthusiastic**
 - strong cultural fit between teams
 - launch of joint mobility program and Great Place To Work® survey in 2024/25
 - unified internal communication



A new era for Wavestone

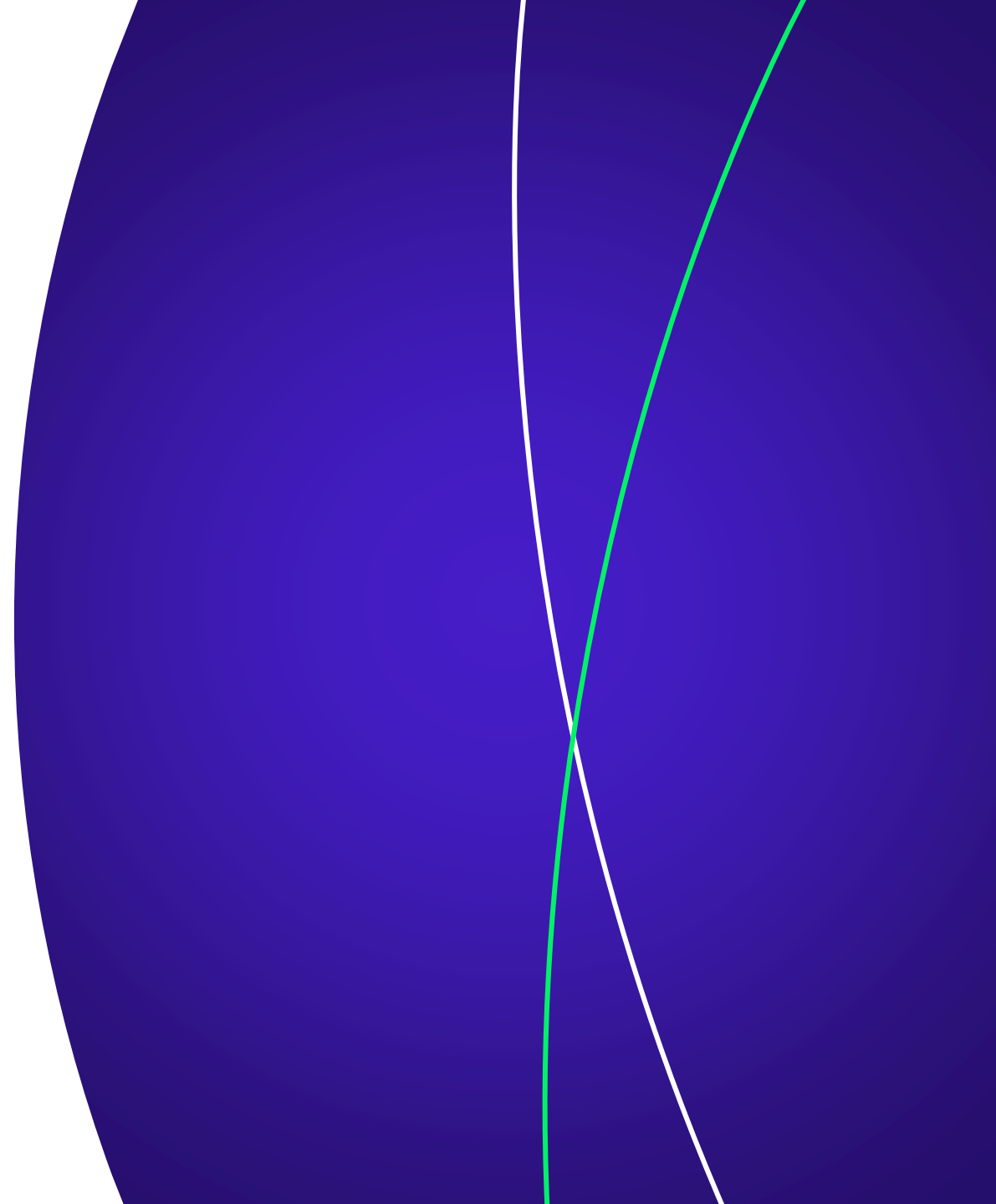
- **“Together As One” event on May 24, a significant milestone in Wavestone’s journey**
 - gathering of all employees from 17 countries in Paris
 - intensive networking to learn about each other services and markets
 - adoption of the Wavestone brand by Q_PERIOR
- **Global teams now united under a reinvigorated Wavestone brand identity**
 - symbol of the union of Wavestone and Q_PERIOR
 - a new look that features vibrant colors
- **The re-expression of the Positive Way, the glue that binds us together**
 - 3 core values: **Energetic, Responsible, Together**
 - make a positive impact for our clients, employees and the world around us

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3.

Financial results for
the 2023/24 fiscal year



Profitability target (excluding Q_PERIOR and Aspirant Consulting) overachieved

Audited data ¹ at 03/31 (in €m)	2023/24 (12 months)	2022/23 (12 months)	Change	2023/24 (pro forma ²)	
Revenue	701.1	532.3	+32%	943.8	
Subcontracting purchases	(67.8)	(21.8)			→ due to higher proportion of subcontracting at Q_PERIOR
Personnel costs	(465.5)	(373.3)			
External expenses	(52.0)	(46.6)			→ strict control of the firm's costs
Levies and taxes	(7.8)	(8.0)			
Net allocation for depreciation and provisions	(8.1)	(5.8)			
Other current income and expenses	1.5	0.2			
Recurring operating profit	101.3	77.0	+32%	123.9	
<i>Recurring operating margin</i>	<i>14.5%</i>	<i>14.5%</i>		<i>13.1%</i>	→ 15.4% excluding Q_PERIOR and Aspirant Consulting, above target

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Recurring Operating Profit (ROP) is an alternative performance indicator related to current activities. This indicator corresponds to the « Operating income » adjusted for the following amortization of customer relationships and other operating income and expenses. It should be noted that the ROP is identical to the aggregate previously named EBIT (“résultat opérationnel courant”) in Wavestone’s financial communication.

Net income up by 17% in 2023/24

Audited data ¹ at 03/31 (in €m)	2023/24 (12 months)	2022/23 (12 months)	Change	2023/24 (pro forma ²)
Recurring operating profit	101.3	77.0	+32%	123.9
<i>Recurring operating margin</i>	14.5%	14.5%		13.1%
Amortization of client relationships	(3.8)	(1.5)		
Other operating income & expenses	(11.8)	(2.9)		
Operating income	85.8	72.7	+18%	103.4
Cost of net financial debt	(1.6)	(1.8)		
Other financial income and expenses	(2.9)	(2.3)		
Income tax expenses	(22.7)	(18.5)		
Net income	58.6	50.1	+17%	68.5
<i>Net margin</i>	8.4%	9.4%		
Group share of net income	58.2	50.1	+16%	67.7

including €2.3m of amortization of Q_PERIOR's client relationships
mostly related to the combinations with Q_PERIOR and Aspirant Consulting

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Doubling of operational cash flow in 2023/24 to €83.1m

Audited data ¹ at 03/31 (in €m)	2023/24 (12 months)	2022/23 (12 months)	
Self-financing capacity before financial debt & tax expenses	101.8	83.8	
Tax paid	(21.7)	(21.1)	
Change in WCR	2.9	(21.6)	→ due to a reduction in DSO
Net cash flow from operations	83.1	41.1	
Net cash flow from investments	(69.0)	(52.7)	
of which fixed asset acquisitions	(3.1)	(3.7)	
of which changes in scope	(66.0)	(49.2)	→ acquisitions of Q_PERIOR (cash portion) and Aspirant Consulting, and earnouts of PEN Partnership and Coeus Consulting
Net cash flow from financing operations	(7.4)	(25.8)	
of which dividends paid	(7.6)	(7.6)	
of which sales (acquisitions) of company shares	(5.9)	(6.4)	
of which loans received net of repayments	14.1	(4.4)	
of which repayments of lease liabilities	(6.2)	(5.1)	
Change in cash & cash equivalents	6.7	(37.4)	

¹ auditing of the accounts is complete, and the auditors are in the process of issuing their report

Net cash of €19.3m at March 31, 2024

Audited data ¹ at 03/31 (in €m)	2023/24 (12 months)	2022/23 (12 months)
Non-current assets	633.7	272.8
of which goodwill	507.9	235.4
of which client relationships	74.5	2.6
of which rights to use leased assets	23.9	13.2
Current assets	266.6	193.1
of which trade receivables	245.9	176.6
Cash & cash equivalents	77.5	70.8
TOTAL ASSETS	977.7	536.8

¹ auditing of the accounts is complete, and the auditors are in the process of issuing their report

Audited data ¹ at 03/31 (in €m)	2023/24 (12 months)	2022/23 (12 months)
Shareholders' equity	571.4	299.1
of which minority interests	1.9	0.0
Financial liabilities	58.2	43.7
of which less than one year	6.0	5.7
Lease liabilities	26.2	15.9
Non-financial liabilities	322.0	178.2
TOTAL LIABILITIES	977.7	536.8

Net cash: €19.3m

compared with €27.1m net cash at March 31, 2023

Earnouts

Q_PERIOR

€35m

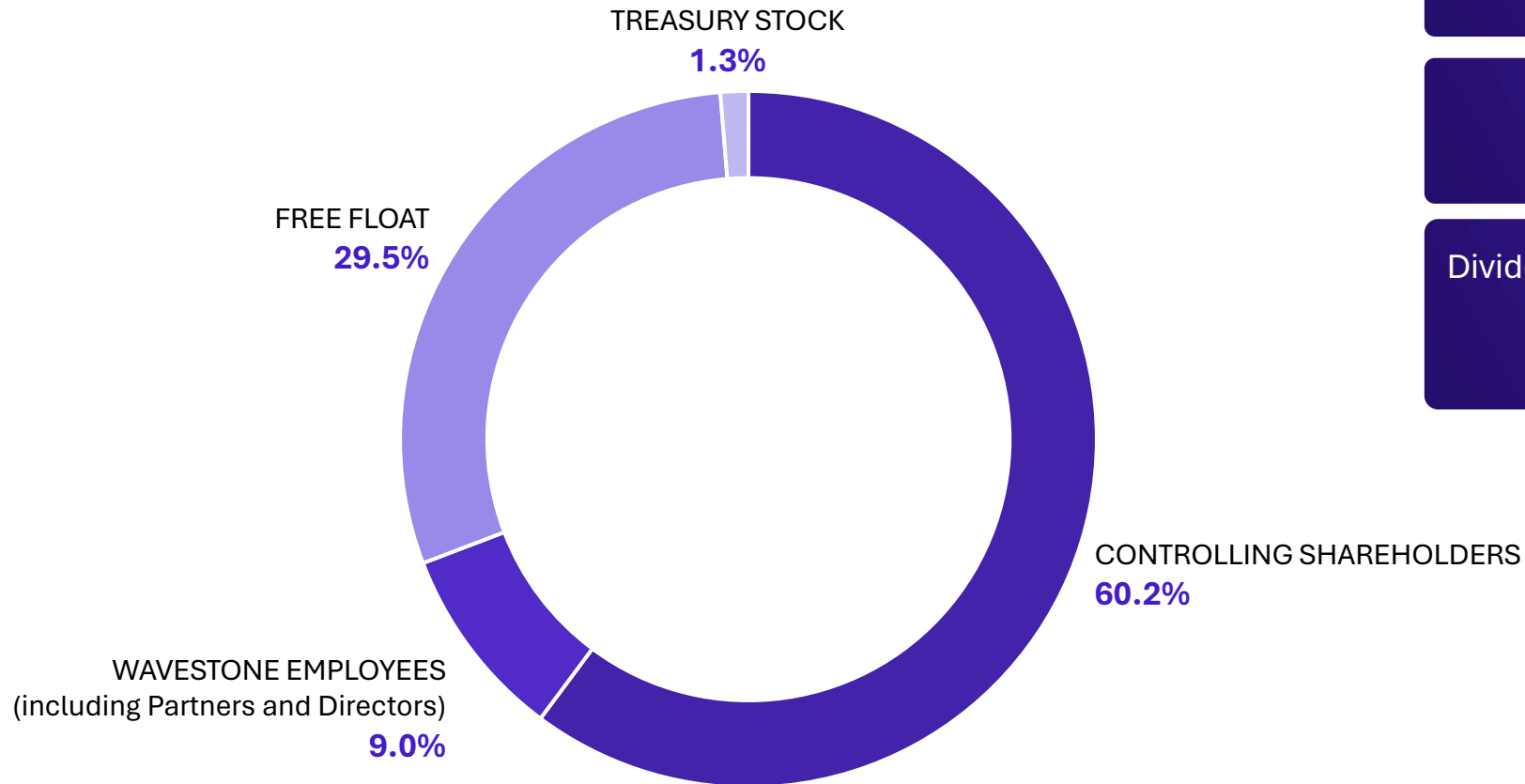
Aspirant

to be paid in Q1 2024/25

up to \$10m (**\$6m** provisioned)

potentially paid in Q4 2024/25

Breakdown of share capital at March 31, 2024



Number of shares: **24,906,332**

No potential dilution

Dividend to be proposed at the Shareholders' Annual General Meeting of July 25, 2024:

€0.38 per share



+38% increase in share price since January 1, 2023

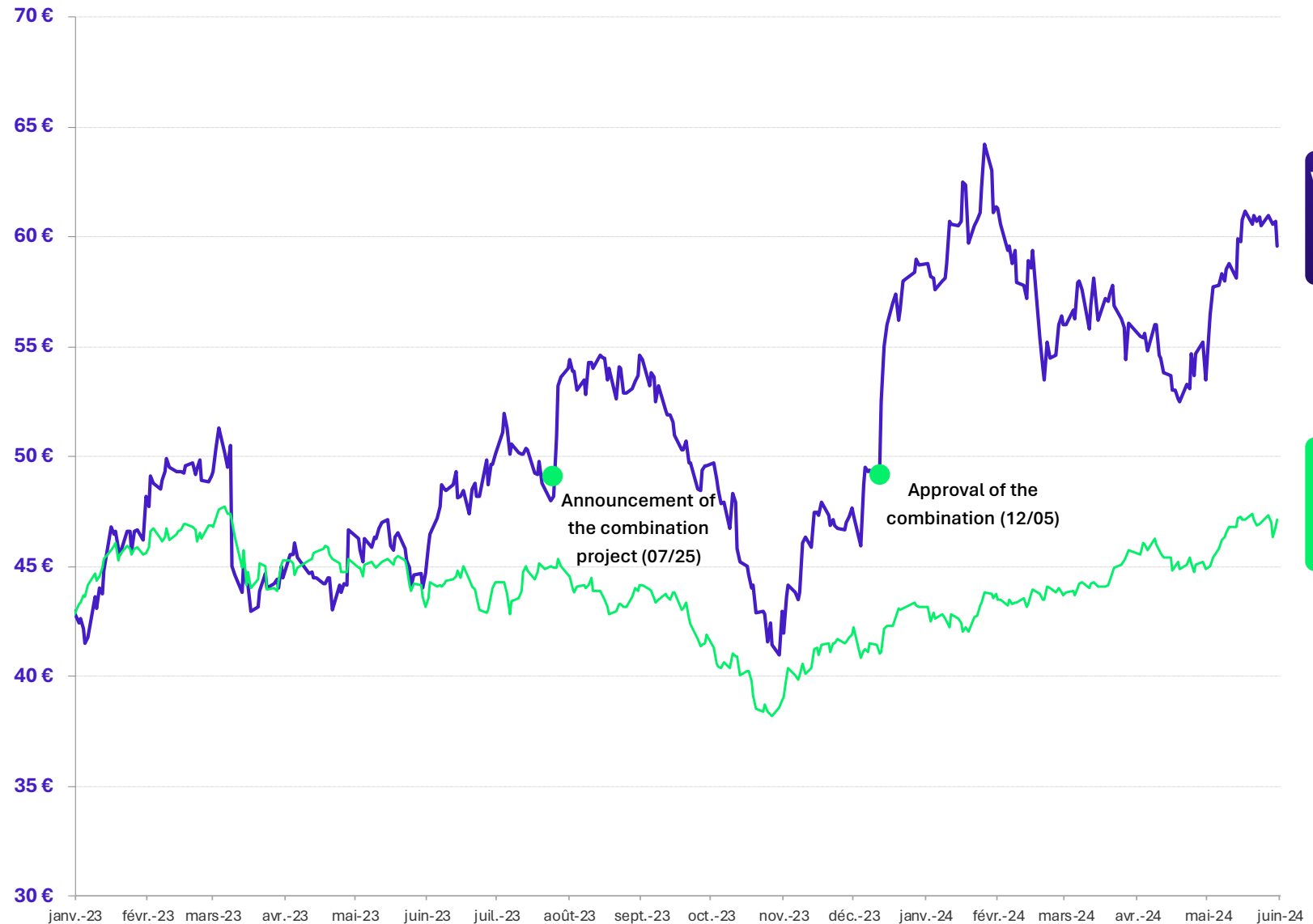
Average daily liquidity on Euronext: €468k

(since December 31st, 2022 – source: Euronext)

Data for 2024 YTD

Wavestone: +2%

CAC Mid & Small : +9%



Data at
May 31, 2024

Wavestone

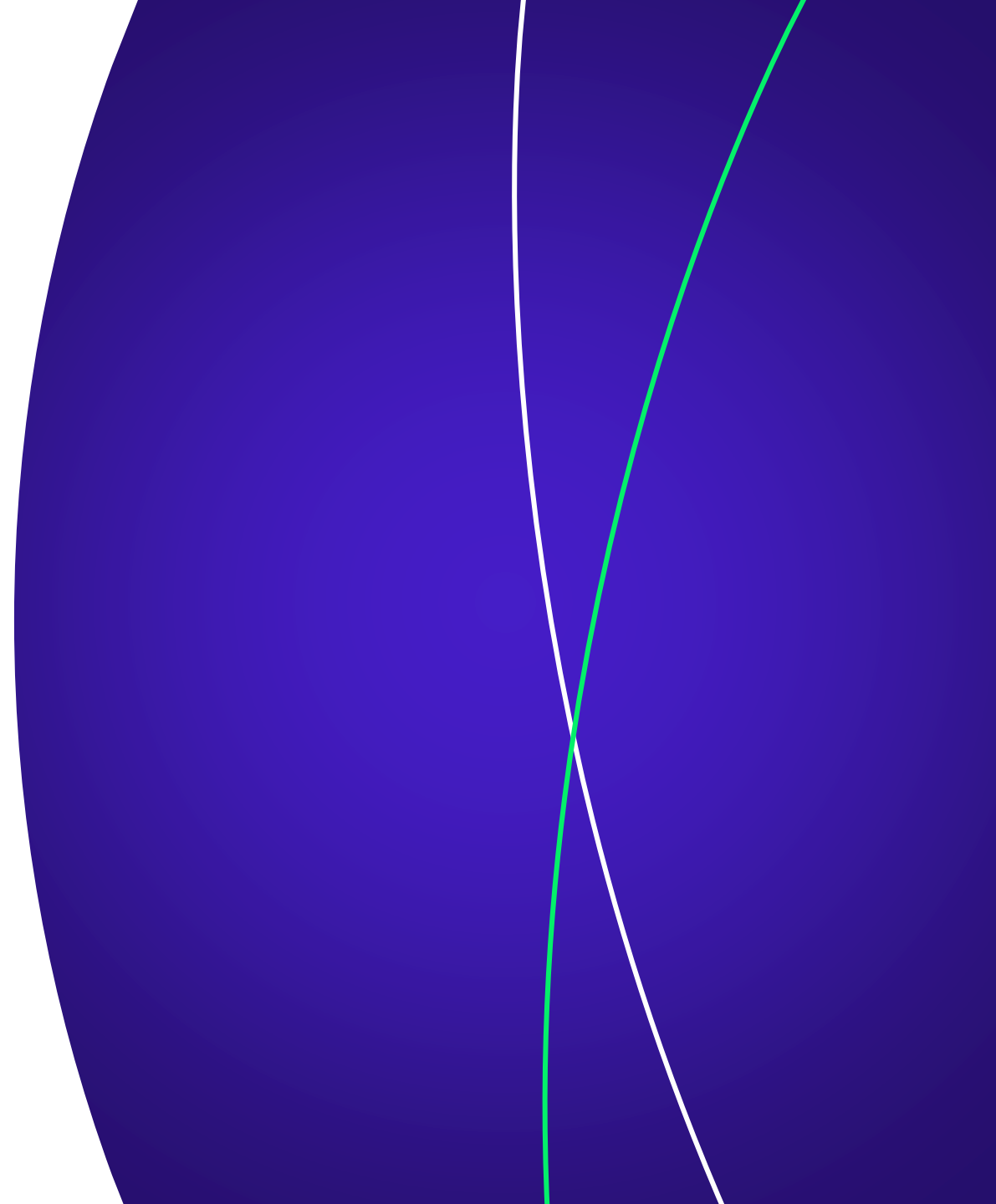
€59.6*
+38%

**CAC MID
& SMALL***
+11%

* CAC MID & SMALL rebased on Wavestone's opening price at December 31, 2022

4.

CSR results for the 2023/24
fiscal year



Wavestone's key achievements in CSR in 2023/24



Re-enchanting client satisfaction

- making it a priority within the firm and tackling weaknesses expressed by clients
- resulting in a strong increase of our NPS®, at 73, compared with 45 a year earlier
- result of actions taken on weaknesses, but also potential effect of the switch from an online survey to face-to-face interviews



Acceleration of our responsible consulting approach

- across 387 projects, way above the objective of 300



High position in the Great Place to Work® rankings

- 1st place in France, Top 25 for UK Large Companies, and certification of all offices...
- ...low turnover rate, below our objective of 15%...
- ...however, decrease in the employee engagement index at 70, below the objective of 74



9 over 10 objectives achieved or exceeded in 2023/24

Wavestone in the Top 5% of best performing companies in CSR terms for 2023/24

- **Achievement of the objective of being in the Top 5% of most successful companies**
 - EthiFinance ESG Ratings (ex Gaïa Research): 78/100; Top 5% nationally
 - Ecovadis: score of 78/100, “Platinum” level, Top 1%
- **On Q_PERIOR side, common CSR foundations shared with Wavestone**
 - sustainable growth and performance, people-centric culture, social commitment, and environmental impact
 - Ecovadis (Bronze level), Great Place To Work® (6th place in Germany in its category)



Our CSR priorities for 2024/25

1.

Embark gradually Q_PERIOR on Wavestone's CSR journey

- starting by women representativity in management positions and SBTi trajectory redefinition
- defining more globally our CSR objectives for the future

2.

Ensure compliance with CSRD regulation

- without jeopardizing our CSR momentum

3.

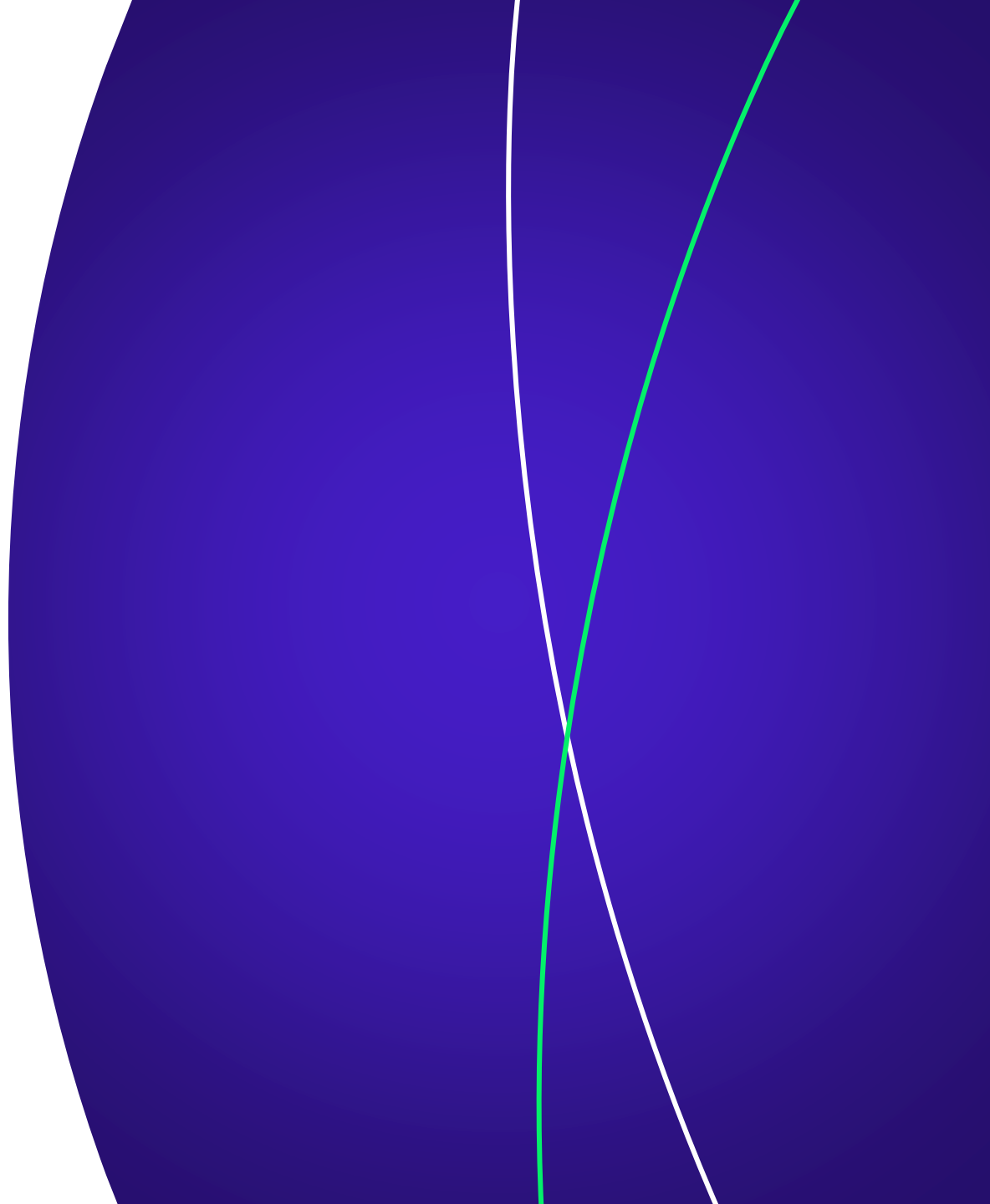
Scale-up the responsible consulting approach across the company

- revisiting the responsible consulting approach to do so



5.

Outlook 2024/25



A business environment still challenging for 2024/25 fiscal year

- **Demand under pressure**

- sluggish business environment
- economic and geopolitical uncertainties



continued wait-and-see attitude on new consulting expenditures

- **Some sectors particularly impacted**

banking, retail, industry and the public sector (in France)

- **Need for an intense and agile business activity, focused on the resilient sectors...**

insurance, energy, transport, luxury & beauty and life sciences

- **...and the most active topics**

IT infrastructure, cybersecurity, SAP consulting, AI

AI, a rising demand

- **Limited volume for the time being**
~€20m in 2023/24
- **Numerous projects**
over ~50, many of them just starting

Our priorities in 2024/25

1.
Making the combination between Wavestone and Q_PERIOR a success
capitalize on the first months' good momentum

2.
Maintaining an unwavering intensity of business development
mitigate the effect of the uncertain economic environment

3.
Prioritizing profitability over growth until visibility improves
moderate recruitment plan, of about 1,000 hires across the entire firm

And
Further planning of the General Management's succession

dedicated Nomination Committee created in April 1, 2024



2024/25 financial objectives

Revenue



2023/24
pro forma

€943.8m



2024/25
objectives

+3% to +5%

(€972m – €991m)

Recurring operating margin



13.1%



> 13%

*on a constant forex basis,
excluding new acquisitions*

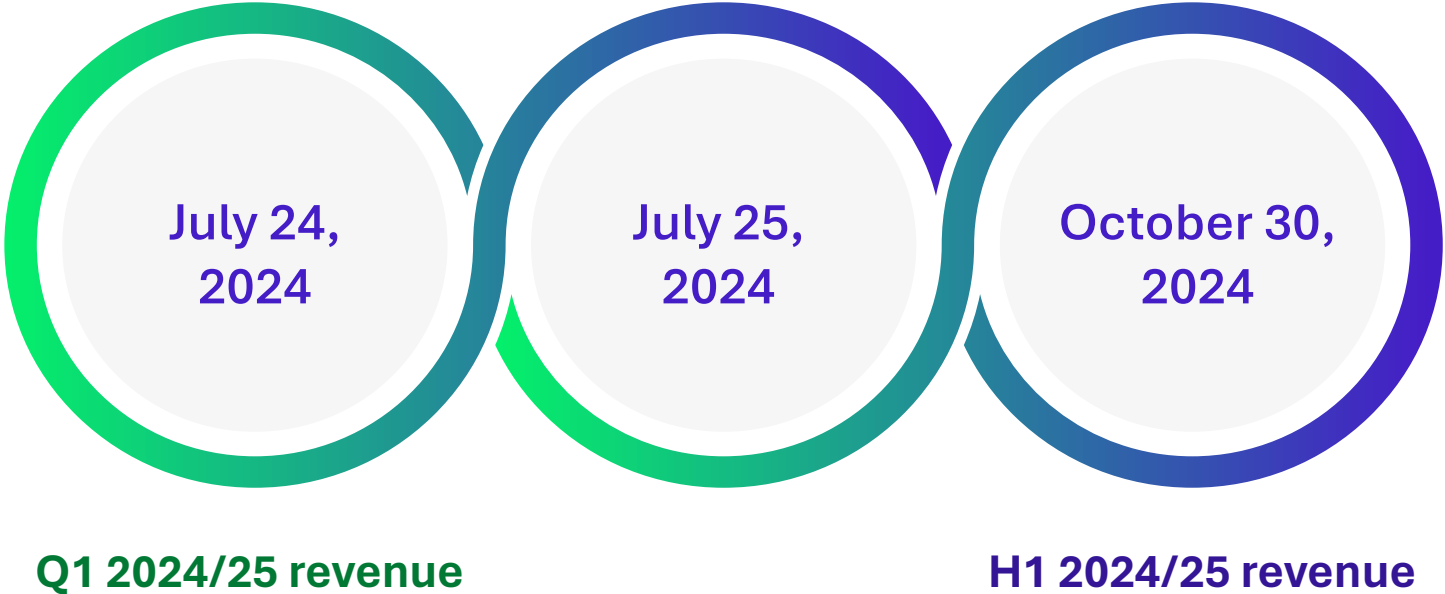


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QUESTIONS & ANSWERS

Financial agenda

Annual General Meeting



WAVESTONE

