

# INVESTOR MEETING

## ODDO BHF Nextcap Forum

June 6, 2024

WAVESTONE



# Agenda

- 1 **Wavestone, a new consulting champion**
- 2 Outlook and recent news
- 3 Appendix

## 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.



# We provide a 360° transformation portfolio of consulting services.

## Four sets of sector-specific and transversal capabilities

Matching the knowledge and skills of our consultants with the requirements of our clients to provide the best possible support.

### Core-business process capabilities

Customer Experience, Supply Chain,  
Compliance, Risk and Regulations

### Corporate functions and support-process capabilities

Corporate Finance, HR and Procurement,  
Sourcing & Services Optimization,  
Change Management

### Technology & integration capabilities

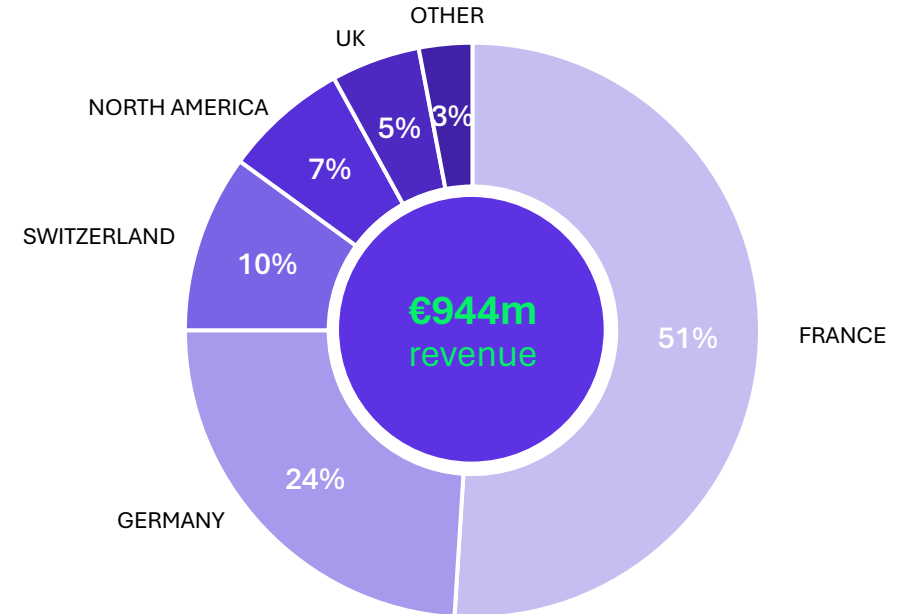
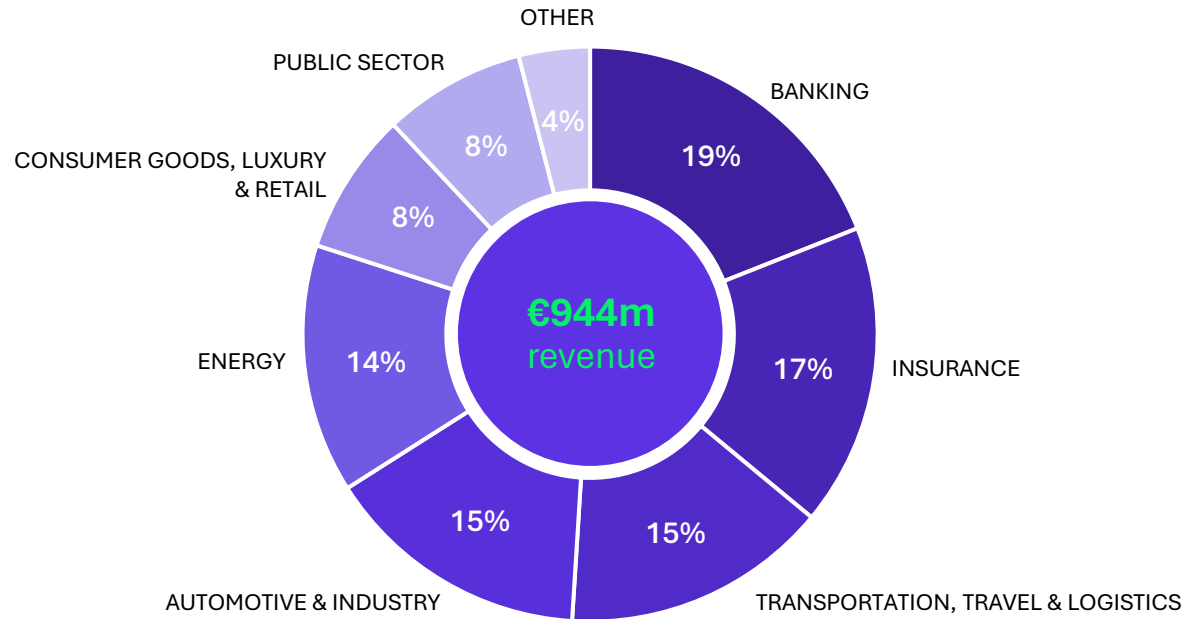
Data & Artificial Intelligence, Cybersecurity,  
SAP Consulting, IT Strategy & CTO Advisory

### Sustainability capabilities

Decarbonization, Green IT, IT for Green,  
CSRD – Double Materiality Assessment



# 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%

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

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

<sup>1</sup> 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

<sup>2</sup> 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

<sup>3</sup> 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	<b>73%</b>	<b>73%</b>	▶ 73% at the end of 2023/24, stable compared with the previous fiscal year
Average daily rate	<b>€898</b>	<b>€890</b>	▶ increase of +1% compared with the previous fiscal year €900 at constant exchange rates
Order book	<b>4.1 months</b>	<b>4.0 months</b>	▶ 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.

## 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



# 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*



# Profitability target (excluding Q\_PERIOR and Aspirant Consulting) overachieved

Audited data <sup>1</sup> at 03/31 (in €m)	2023/24 (12 months)	2022/23 (12 months)	Change	2023/24 (pro forma <sup>2</sup> )
<b>Revenue</b>	<b>701.1</b>	<b>532.3</b>	+32%	<b>943.8</b>
<b>Recurring operating profit</b>	<b>101.3</b>	<b>77.0</b>	+32%	<b>123.9</b>
<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)		
<b>Operating income</b>	<b>85.8</b>	<b>72.7</b>	+18%	<b>103.4</b>
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)		
<b>Net income</b>	<b>58.6</b>	<b>50.1</b>	+17%	<b>68.5</b>
<i>Net margin</i>	8.4%	9.4%		
<b>Group share of net income</b>	<b>58.2</b>	<b>50.1</b>	+16%	<b>67.7</b>

15.4% excluding Q\_PERIOR and Aspirant Consulting, above target

<sup>1</sup> 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.

<sup>2</sup> 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.

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 cash of €19.3m at March 31, 2024

Audited data <sup>1</sup> at 03/31 (in €m)	2023/24 (12 months)	2022/23 (12 months)
<b>Non-current assets</b>	<b>633.7</b>	<b>272.8</b>
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
<b>Current assets</b>	<b>266.6</b>	<b>193.1</b>
of which trade receivables	245.9	176.6
<b>Cash &amp; cash equivalents</b>	<b>77.5</b>	<b>70.8</b>
<b>TOTAL ASSETS</b>	<b>977.7</b>	<b>536.8</b>

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

**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

# 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

- 1<sup>st</sup> 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

# 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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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			
<b>Recurring operating profit</b>	<b>101.3</b>	<b>77.0</b>	<b>+32%</b>	<b>123.9</b>	
<i>Recurring operating margin</i>	<b>14.5%</b>	14.5%		13.1%	→ <b>15.4%</b> excluding Q_PERIOR and Aspirant Consulting, above target

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# Net income up by 17% in 2023/24

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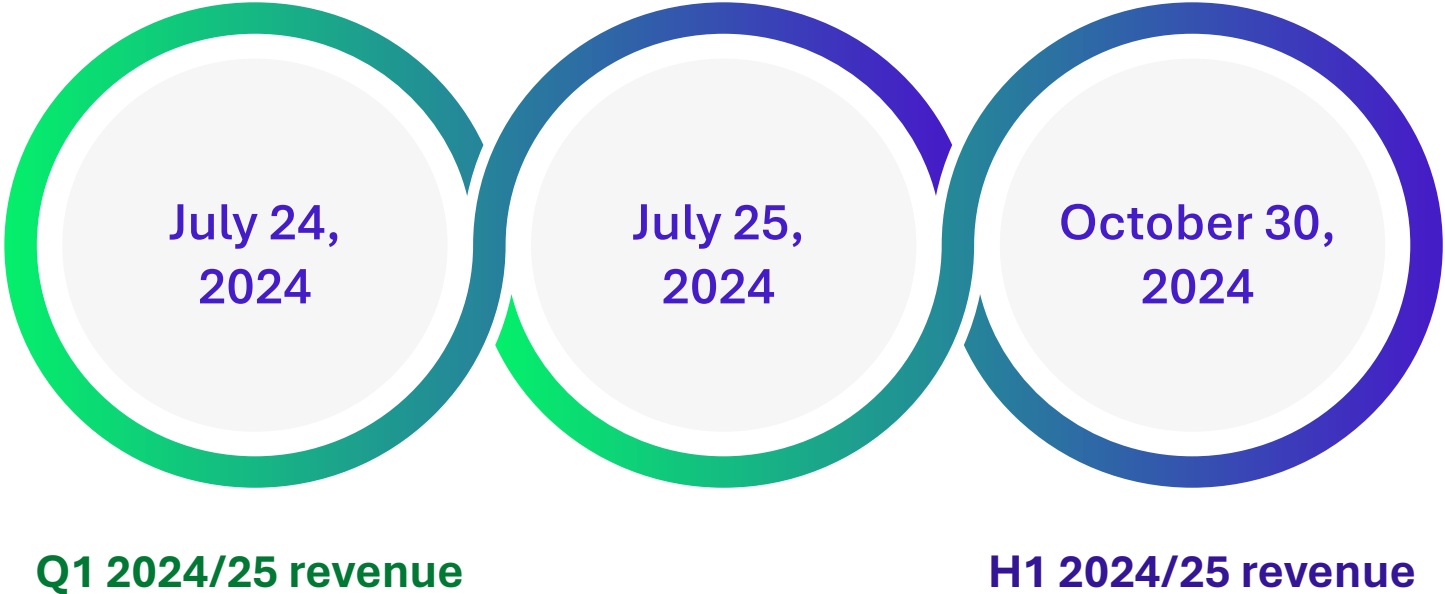
# Doubling of operational cash flow in 2023/24 to €83.1m

Audited data <sup>1</sup> at 03/31 (in €m)	2023/24 (12 months)	2022/23 (12 months)	
<b>Self-financing capacity before financial debt &amp; tax expenses</b>	<b>101.8</b>	<b>83.8</b>	
Tax paid	(21.7)	(21.1)	
Change in WCR	2.9	(21.6)	→ due to a reduction in DSO
<b>Net cash flow from operations</b>	<b>83.1</b>	<b>41.1</b>	
<b>Net cash flow from investments</b>	<b>(69.0)</b>	<b>(52.7)</b>	
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
<b>Net cash flow from financing operations</b>	<b>(7.4)</b>	<b>(25.8)</b>	
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)	
<b>Change in cash &amp; cash equivalents</b>	<b>6.7</b>	<b>(37.4)</b>	

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# Financial agenda

## Annual General Meeting



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