

H1 in 2024/25: revenue up by 65%, equivalent to +2% organic growth 2024/25 annual objectives becoming more challenging

Revenue in €m Unaudited data	2024/25 consolidated	2023/24 consolidated	2023/24 pro forma ¹	Total growth	Organic growth (pro forma basis ¹)
Q1	232.4	143.3	229.3	+62%	+1%
Q2	225.4	133.4	219.7	+69%	+3%
H1	457.8	276.7	449.0	+65%	+2%

¹ The 2023/24 pro forma financial information has been calculated as if the acquisitions of Q_PERIOR and Aspirant Consulting had taken place on April 1, 2023.

Revenue growth of +69% in Q2 2024/25; equivalent to +3% organic growth

In Q2 of the 2024/25 fiscal year, Wavestone generated consolidated revenue of €225.4 m, a total increase of +69% compared with Q2 of the 2023/24 fiscal year, of which +2% on a constant scope and forex basis.

As a reminder, Wavestone has consolidated Q_PERIOR, a German consulting firm, since December 1, 2023, and Aspirant Consulting, a US consulting firm, since February 1, 2024.

On a pro forma basis, calculated as if the acquisitions of Q_PERIOR and Aspirant Consulting had taken place on April 1, 2023, revenue for Q2 2024/25 showed organic growth of +3%. This figure benefits from a favorable working day impact of +3%¹.

Over the whole of H1 2024/25, revenue amounted to €457.8 m; an increase of +65% compared with H1 2023/24, of which +1% on a constant scope and forex basis.

On a pro forma basis, half-yearly revenue showed growth of +2% over the period. The working day impact was favorable over H1 – standing at +2%¹.

Consultant utilization rate of 73%² in H1 2024/25; average daily rate of €937

In H1 2024/25, the consultant utilization rate stood at 73%. At constant scope, it amounted to 72%, versus 73% for the whole of the 2023/24 fiscal year.

Prices declined slightly during summer. At the mid-point of the 2024/25 fiscal year, the average daily rate was €937 (as a reminder: €944 over Q1). At constant scope, the average sales price was €898, compared with €901 during Q1.

With regard to business development, the order book stood at about 3.7 months of work at September 30, 2024 (including Q_PERIOR and Aspirant Consulting). This compares with 4.3 months at June 30, 2024, and reflects the

¹ taking into account the geographical distribution of Wavestone's workforce

² Wavestone has deployed consolidated operating indicators across the whole firm since Q1 2024/25. It should be noted, however, that the calculation of the order book is still being finetuned. Pro forma operating indicators have not been established for 2023/24

traditional slowdown in order intake during the summer. At constant scope, it stood at 3.4 months, compared with 3.9 months at June 30, 2024.

5,875 employees at September 30, 2024; staff turnover rate stable at 13%

At September 30, 2024, the staff turnover rate (including Q_PERIOR and Aspirant Consulting) stood at 13% on a rolling 12-month basis – a level identical to the one at June 30, 2024. At constant scope, staff turnover rate was 14% – a level equivalent to that of the 2023/24 fiscal year.

At September 30, 2024, Wavestone had 5,875 employees, compared with 5,894 at March 31, 2024.

Given the economic environment that remains uncertain and the moderate staff turnover rate, Wavestone remains cautious in terms of recruitment and sticks to its target of about 1,000 gross hires throughout the whole of 2024/25.

Outlook and priorities for H2 2024/25

The 2024/25 fiscal year shows weaker-than-anticipated demand for consulting services, hardening competition and continued wait-and-see attitude among clients toward new projects and new consulting expenditure commitments.

This slowdown in the market is reflected across numerous sectors. Banking, industry – particularly the automotive industry – retail, and the French public sector remain under pressure. More recently, luxury has also shown a slowdown in consulting demand.

Energy, both in France and Germany, transport and life sciences remain strong sectors. The insurance sector, despite some signs of slowdown before the summer, is still resilient overall.

In terms of Wavestone's offering, projects relating to cybersecurity, cloud, SAP, and PLM (Product Lifecycle Management) continue to be in high demand from clients. Other areas, such as artificial intelligence and sustainability, are also showing sustained momentum, despite limited volumes for the time being.

Given the market conditions, the firm continues to give absolute priority to business-development activity, focusing on the most active sectors and offerings.

2024/25 annual targets becoming more challenging

H1 2024/25 revenue growth is close to plan.

However, market conditions prove to be tougher than anticipated at the beginning of the fiscal year. As a result, achieving the annual revenue growth target becomes more uncertain (as a reminder: +3% to +5% over the 2023/24 pro forma revenue of €943.8m).

The objective of achieving an annual recurring operating margin of over 13% is also becoming more demanding, even if the firm has implemented a cost-saving plan to secure its profitability.

Wavestone will provide a more precise update on its financial objectives for the 2024/25 fiscal year on December 4, 2024 – the date of publication of its H1 results.

Next event: publication of H1 2024/25 results, Wednesday, December 4, 2024, after Euronext market closing.

About Wavestone

Wavestone is a consulting player, whose mission is to support companies and organizations in their strategic transformations in a constantly evolving world, with the ambition of generating positive and lasting impacts for all its stakeholders.

Drawing on more than 5,500 employees in 17 countries across Europe, North America and Asia, the firm has a 360° portfolio of consulting services with high added value, seamlessly combining leading sector expertise with a wide range of cross-sector know-how.

Wavestone is listed on Euronext Paris and recognized as a Great Place to Work®.

Wavestone

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Appendix 1: alternative performance indicator

Recurring Operating Profit (ROP) is an alternative performance indicator obtained by deducting operational expenses related to current activities from revenue. Amortization of customer relationships is not deducted from ROP, nor are non-recurring income and expenses. The latter include, in particular, income or expenses related to business acquisitions or divestitures, as well as income or costs associated with unoccupied premises.