

# INVESTOR MEETING

## SEMINAIRE TECH & DIGITAL Portzamparc BNP Paribas

December 10, 2024

WAVESTONE



# Agenda

- 1 **Wavestone, a consulting champion**
- 2 H1 2024/25 results
- 3 Outlook

## We offer high-value consulting services



**360°**

portfolio of best-in-class consulting services



**Worldwide**

presence



**5,500+**

employees



**€944m**

pro forma revenue in 2023/24



**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:

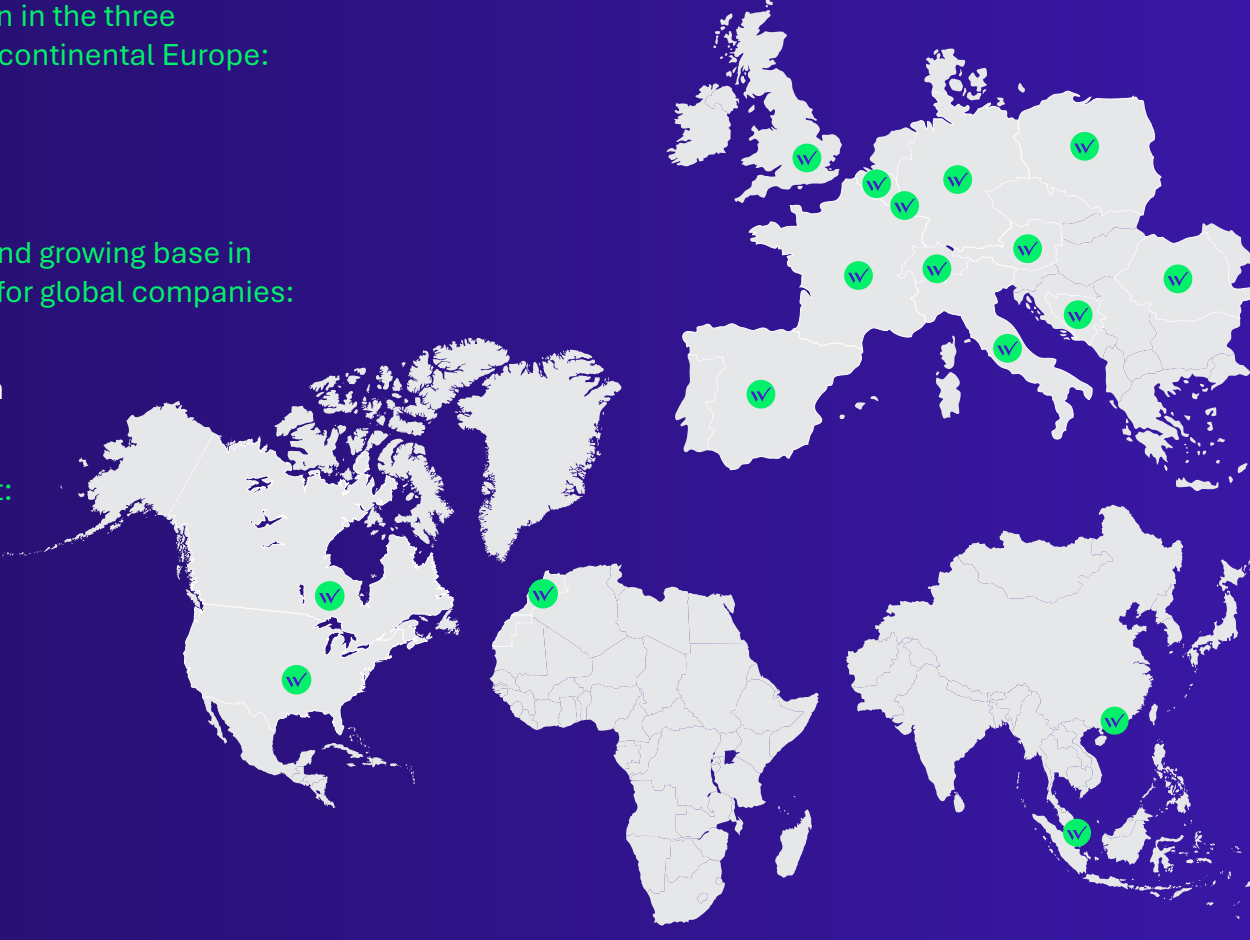
- France
- Germany
- Switzerland

## 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 results.

### Core-business process

Customer Experience, Supply Chain,  
Compliance, Risk and Regulations

### Corporate functions and support-process

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

### Technology & integration

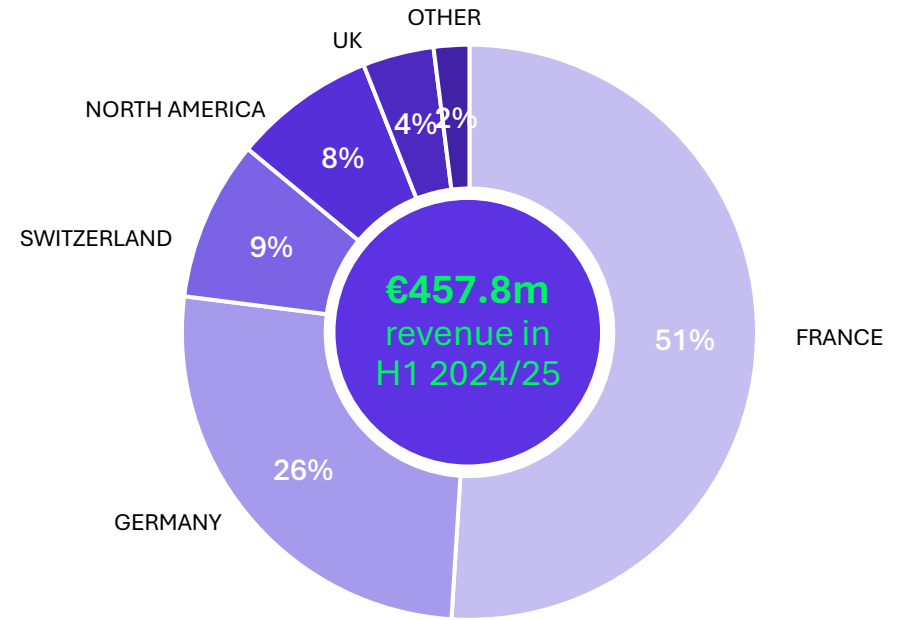
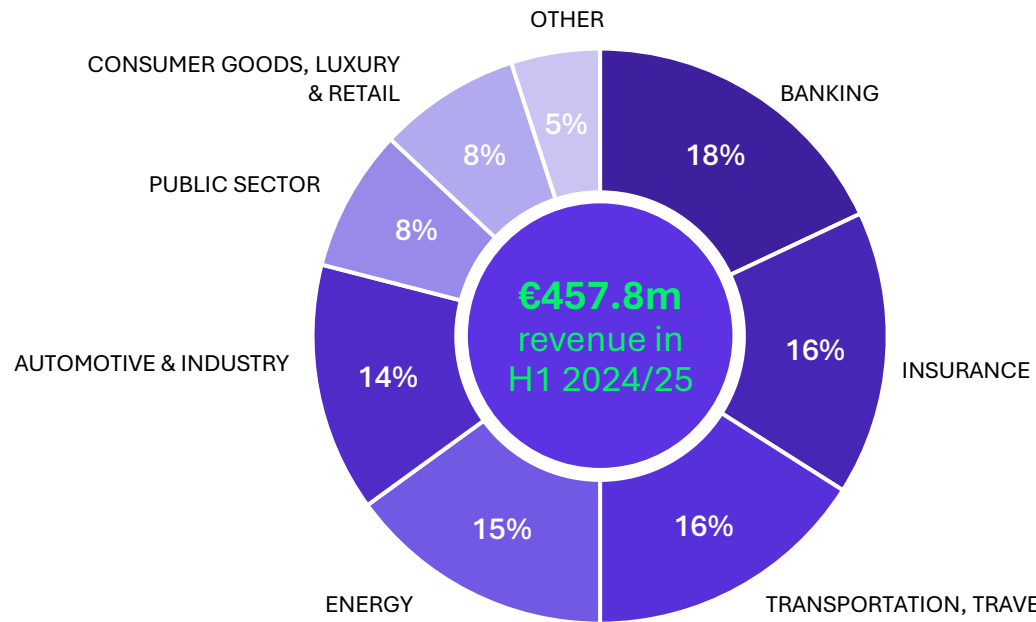
Data & Artificial Intelligence, Cybersecurity,  
SAP Consulting, IT Strategy & CTO Advisory

### Sustainability

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



# Distribution of consolidated revenue on September 30, 2024



TOP-20 CLIENTS			
DEUTSCHE BAHN	8%	CONFIDENTIAL (INSURANCE)	2%
EDF	5%	L'OREAL	2%
CREDIT AGRICOLE	3%	CHANEL	2%
TOTALENERGIES	3%	SOCIETE GENERALE	2%
AXA	3%	BPCE	2%
SNCF	3%	LA POSTE	1%
MUNICH RE	2%	R+V VERSICHERUNGEN	1%
BNP PARIBAS	2%	SBB	1%
ENGIE	2%	HERMES	1%
VOLKSWAGEN	2%	WESTINGHOUSE ELECTRIC COMPANY	1%

# Our ambition: become a European Global champion in the business of consulting

1

Enter the league of **global consulting firms** to successfully pursue our journey

- break the **glass ceiling** linked to our current 'local player' status
- become the **preferred partner** of some of the largest European companies

2

Remain at the forefront of delivering **Client success, HR and CSR** best practices

- embody our **European DNA**
- target **sustainable and successful trajectory** over the long term

3

Deliver **sustained and profitable growth**

- **Mid-term target** | 15% revenue growth rate combining organic growth and acquisitions  
15% EBIT margin

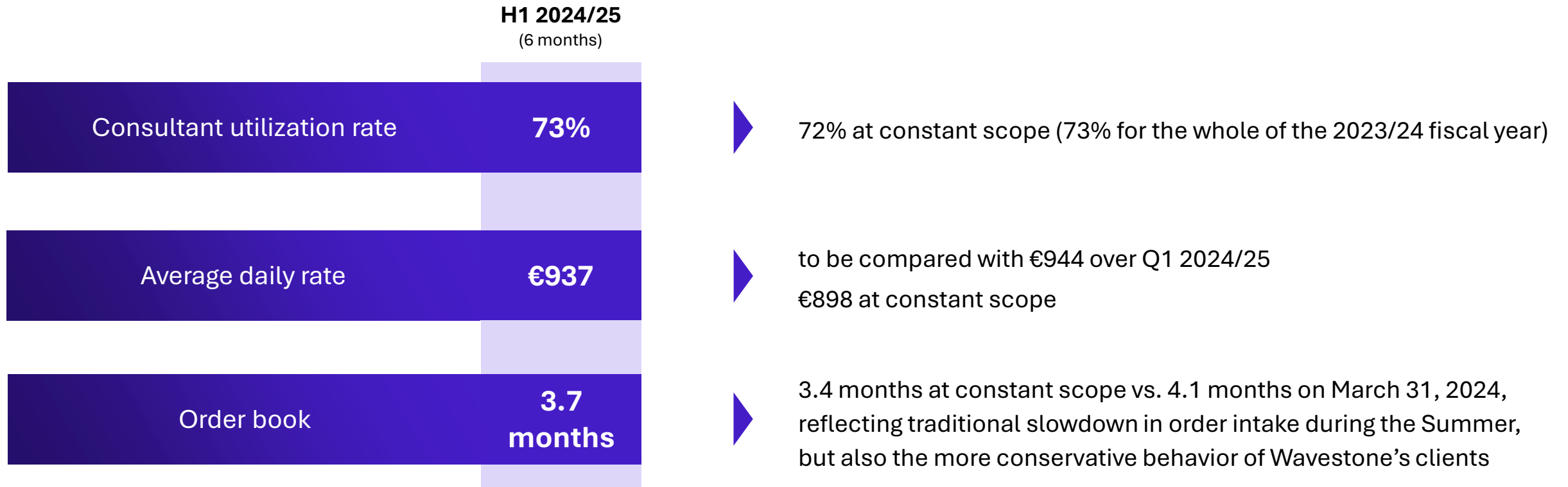


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# Consultant utilization rate of 73%; average daily rate of €937



Wavestone has deployed consolidated operating indicators across the whole firm from FY 2024/25. The calculation of the order book is still being finetuned.

## Moderate recruitment plan; stable staff turnover rate

- **Staff turnover rate of 13% on September 30, 2024 (on a rolling 12-month basis)**
  - level identical to the one on June 30, 2024
  - 14% at constant scope, equivalent to previous fiscal year
- **5,875 employees on September 30, 2024**
  - vs. 5,894 at the end of 2023/24 fiscal year
- **Moderate recruitment plan of 1.000 gross hires over 2024/25**
  - as planned at the beginning of the fiscal year



## 10.1% recurring operating margin in H1 2024/25

On 09/30 (in €m) Limited review	H1 2024/25 (6 months)	H1 2023/24 (6 months)	Change	
<b>Revenue</b>	<b>457.8</b>	<b>276.7</b>	<b>+65%</b>	
<b>Recurring operating profit</b>	<b>46.4</b>	<b>36.8</b>	<b>+26%</b>	profitability impacted by the usual seasonal effect and exceptional external expenses
<i>Recurring operating margin</i>	10.1%	13.3%		
Amortization of customer relationships	(4.4)	(0.7)		including €3.6m of amortization of Q_PERIOR's customer relationship
Other operating income & expenses	(0.5)	(2.8)		
<b>Operating profit</b>	<b>41.6</b>	<b>33.2</b>	<b>+25%</b>	due to an increase in financial debt as a result of the recent acquisitions
Cost of net financial debt	(1.6)	(0.7)		
Other financial income and expenses	(1.7)	(0.3)		of which €0.6m relates to the unwinding of the discount effect of Q_PERIOR's earn out
Tax expenses	(11.0)	(9.2)		
<b>Net income</b>	<b>27.3</b>	<b>23</b>	<b>+19%</b>	
<i>Net margin</i>	6.0%	8.3%		
<b>Group share of net income</b>	<b>27.2</b>	<b>23.0</b>	<b>+19%</b>	
<i>Earnings Per Share (in €)</i>	1.11	1.16	-4%	

# Self-financing capacity up by +38%; €2.5m of operating cash flow

On 09/30 (in €m)  
Limited review

## Self-financing capacity before costs of net financial debt and tax

Tax paid

Change in WCR

## Net operating cash flow

## Net investing cash flow

of which fixed asset acquisitions

of which changes in scope

## Net financing cash flow

of which dividends paid

of which sales (acquisitions) of company shares

of which loans received net of repayments

of which repayments of lease liabilities

## Net change in cash and cash equivalents

	H1 2024/25 (6 months)	H1 2023/24 (6 months)	
	<b>54.3</b>	<b>39.4</b>	
	(22.1)	(9.8)	inclusion of Q_PERIOR and Aspirant
	(29.7)	(20.3)	usual reduction in employee-related liabilities in the H1 and to an increase of 5% in DSO
	<b>2.5</b>	<b>9.3</b>	
	<b>(37.8)</b>	<b>(6.5)</b>	
	(2.2)	(1.1)	
	(35.6)	(5.3)	€35.0m related to the payment of Q_PERIOR's earn-out
	<b>8.6</b>	<b>(19.7)</b>	
	(10.1)	(7.6)	
	(6.4)	(6.0)	
	31.2	(2.8)	
	(4.1)	(2.6)	
	<b>(26.7)</b>	<b>(16.9)</b>	

# Net financial debt of €38.5m on September 30, 2024

On 09/30 (in €m) Limited review	09/30 2024	03/31 2024
<b>Non-current assets</b>	<b>633.7</b>	<b>633.7</b>
of which goodwill	510.5	507.9
of which client relationships	70.2	74.5
of which rights-of-use assets	26.0	23.9
<b>Current assets</b>	<b>263.9</b>	<b>266.6</b>
of which trade receivables	239.3	245.9
<b>Cash &amp; cash equivalents</b>	<b>51.0</b>	<b>77.5</b>
<b>TOTAL ASSETS</b>	<b>948.5</b>	<b>977.7</b>

On 09/30 (in €m) Limited review	09/30 2024	03/31 2024
<b>Shareholders' equity</b>	<b>579.6</b>	<b>571.4</b>
of which minority interests	1.2	1.9
<b>Financial liabilities</b>	<b>89.5</b>	<b>58.2</b>
of which less than one year	40.7	6.0
<b>Lease liabilities</b>	<b>28.5</b>	<b>26.2</b>
<b>Non-financial liabilities</b>	<b>250.9</b>	<b>322.0</b>
<b>TOTAL LIABILITIES</b>	<b>948.5</b>	<b>977.7</b>

**Net debt: €38.5m**

(excluding IFRS 16 lease liabilities)

compared with €19.3m net cash on March 31, 2024

**Earnouts**

Q\_PERIOR

€35m paid in Q1 2024/25

Aspirant

up to \$10m (\$8m provisioned)

potentially be paid in Q4 2024/25

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# A hardening business environment

- **Weaker-than-expected demand for consulting services**
  - continued wait-and-see attitude among clients toward new investments and consulting expenditures
  - tougher competition
- **Slowdown across numerous sectors...**
  - banking, industry - particularly automotive industry, retail and the French public sector remain under pressure
  - luxury sector also showing a slowdown since this Summer
- **... despite some areas of resilience**
  - energy, transport, life sciences and insurance are still resilient, as well as certain topics such as cybersecurity, the cloud, SAP, and artificial intelligence
- **Growing price pressure**
  - impact on profitability mitigated by lower pressure on salaries
  - limited effect expected in 2024/25



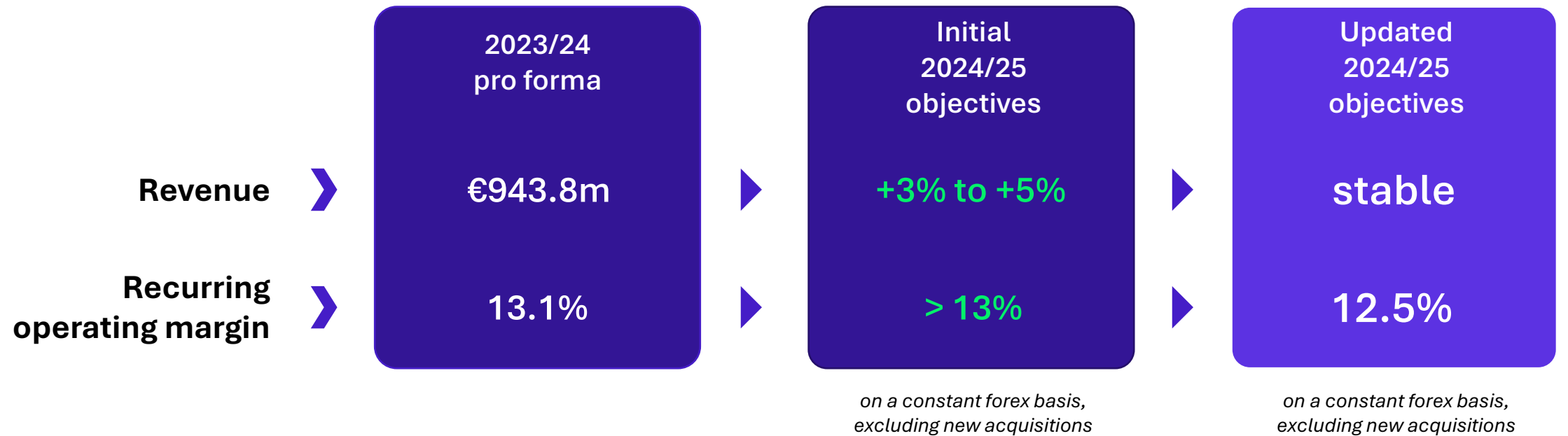
# Lack of visibility for the next months

- **Lower than anticipated business activity since September**
- **Lack of visibility on Q4 2024/25**
  - investments likely to remain under pressure in the short term, despite the easing interest rates
  - absence of signs of economic recovery in Europe
  - risk of a slow start to the 2025 calendar year (Q4 2024/25)
- **Impact on the firm's revenue**
  - profitability also impacted, although effects partly mitigated by the cost-saving plan implemented by the firm
- **However, decision to keep recruitment plan unchanged**
  - +3% of net growth in consultant headcount targeted over 2024/25





# More cautious 2024/25 objectives



# Financial agenda



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