

INVESTOR MEETING

Roadshow
Oddo BHF

October 28, 2022



AGENDA

- / **01** About Wavestone
- / **02** 2021/22 annual results
- / **03** 2021/22 CSR results
- / **04** Outlook and recent news

We are recognized by our client as the ones who get the job done



**Business
Technology
Sustainability**



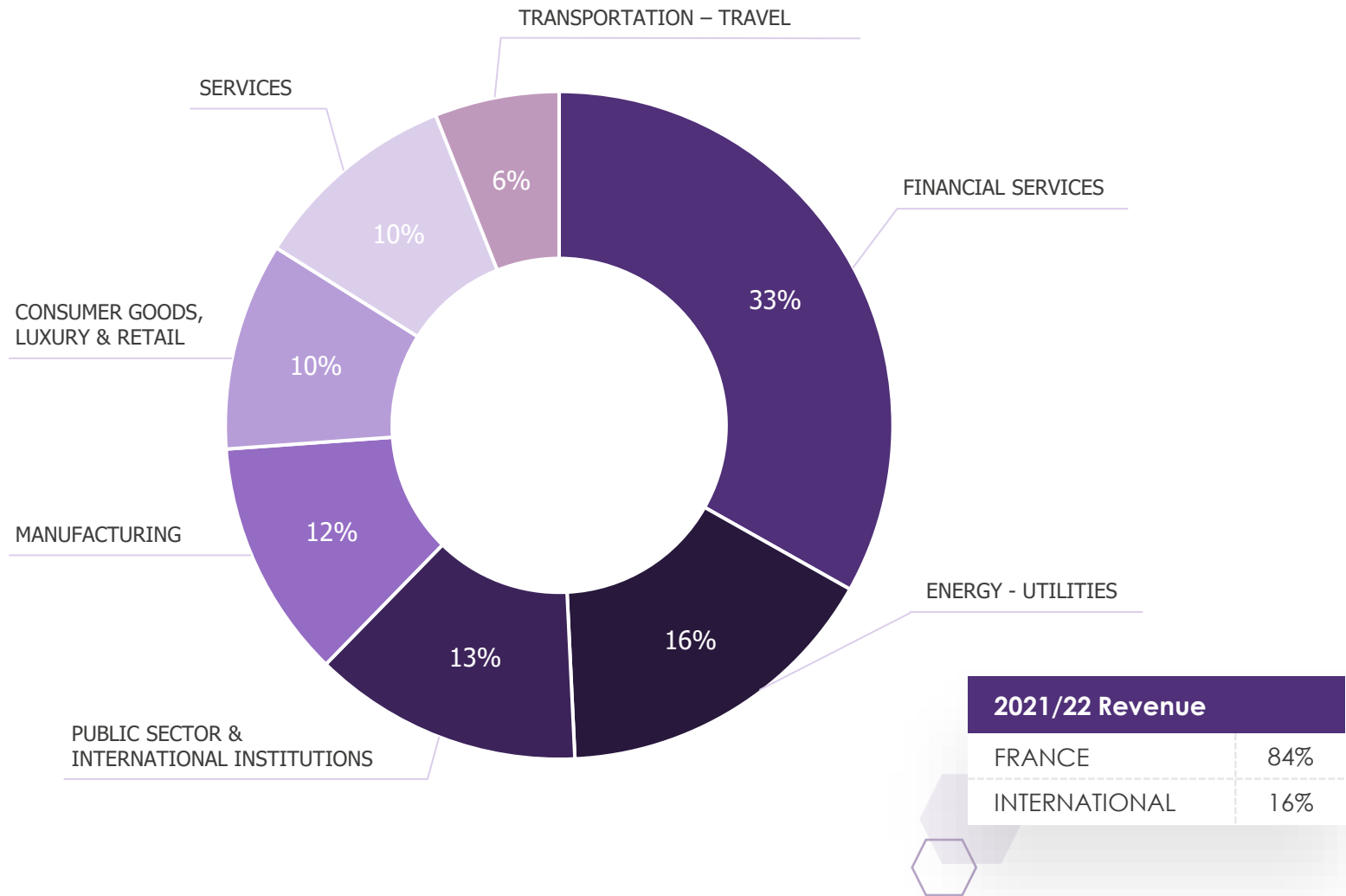
**Result-oriented
culture**



Europe, US, Asia

**~4,000 employees
€470m**

Distribution of revenue in 2021/22



TOP-20 CLIENTS 2021/22

EDF	6%
TOTAL ENERGIES	5%
SNCF	5%
SOCIETE GENERALE	5%
LA POSTE	5%
CREDIT AGRICOLE	5%
BNP PARIBAS	4%
AXA	4%
ENGIE	3%
L'OREAL	2%
BPCE	2%
UGAP	2%
SANOFI	2%
STELLANTIS	2%
MINISTRY OF THE ARMED FORCES	2%
ALLIANZ	2%
GROUPAMA	1%
MINISTRY OF THE ECONOMY	1%
SAINT GOBAIN	1%
LEGAL & GENERAL	1%

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Annual growth of +13% in 2021/22; equivalent to +10% organic growth

Consolidated non-audited data (in €m)	2021/22	2020/21	Change	Change at constant scope ¹ and on a constant forex basis
Revenue	470.1	417.6	+13%	+10%

(1) Excluding Everest Group *consulting* consolidated since 5/01/2021, why innovation! consolidated since 11/01/2021, and NewVantage Partners consolidated since 1/01/2022.

/ €470.1m at the end of the 2021/22 fiscal year, exceeding the objective of €462m

- > sustained growth of +13%; equivalent to +10% at constant scope and exchange rates

Consultant utilization rate of 77% and modest increase in sales prices

	2021/22 fiscal year (12 months)	2020/21 fiscal year (12 months)	
Consultant utilization rate	77%	71%	▶ consultant utilization rate high over 2021/22, above the 75% normative level
Average daily rate	€854	€842	▶ sales prices up on a constant scope basis ▶ increase of +€7 linked to the integration of Everest Group <i>consulting</i> , why innovation!, and NewVantage Partners
Order book	4.3 months	4.1 months	▶ strong levels of order intake at the end of the fiscal year, despite the geopolitical situation

Good recruitment dynamic but staff turnover high

/ 2021/22 recruitment plan targets exceeded

- › nearly 1,000 gross hires over the fiscal year, exceeding the target which was raised to 900 new starters in December 2021

/ Staff turnover rate of 18% over the fiscal year

- › against a target of 15%

/ 3,732 employees at March 31, 2022

- › compared with 3,453 at March 31, 2021

/ Wavestone takes 1st place in the *Great Place to Work*® rankings for France

- › 1st place for companies with over 2,500 employees in France, and 3rd place in Luxembourg
- › 86% of all employees consider Wavestone to be a Great Place To Work®



Solid EBIT margin of 15.9%

Consolidated data (in €m) Audited data	2021/22 (12 months)	2020/21 (12 months)	<i>Change</i>
Revenue	470.1	417.6	<i>+13%</i>
Purchases consumed	(11.2)	(14.0)	
Personnel costs	(336.0)	(310.2)	
External expenses	(34.4)	(23.7)	
Levies and taxes	(7.7)	(7.2)	
Net allocation for depreciation and provisions	(6.0)	(9.7)	
Other operating income and expenses	0.2	0.5	
EBIT	74.8	53.3	<i>+40%</i>
<i>EBIT margin</i>	<i>15.9%</i>	<i>12.8%</i>	

exceptionally low level due to the savings plan put in place during the Covid-19 crisis

reduction of the footprint of premises as part of the Smartworking@Wavestone project

Doubling of the group share of net income

Consolidated data (in €m) Audited data	2021/22 (12 months)	2020/21 (12 months)	Change
EBIT	74.8	53.3	+40%
<i>EBIT margin</i>	<i>15.9%</i>	<i>12.8%</i>	
Amortization of client relationships	(1.5)	(1.5)	
Other operating income and expenses	(0.5)	(8.5)	
Operating income	72.8	43.3	+68%
Cost of net financial debt	(0.9)	(1.1)	
Other income and expenses	(0.0)	(1.5)	
Income tax expenses	(20.9)	(15.3)	
Group share of net income	51.0	25.4	+101%
<i>Net margin</i>	<i>10.9%</i>	<i>6.1%</i>	

includes €8.3m in provisions and depreciation for the Smartworking@Wavestone project

reduction in the corporate tax rate and CVAE

Increase in self-financing capacity

Consolidated data (in €m) Audited data	2021/22 (12 months)	2020/21 (12 months)
Self-financing capacity before net financial debt and tax expenses	79.0	67.0
Tax paid	(15.8)	(17.0)
Change in WCR	(6.9)	20.8
Net cash flow from operations	56.3	70.8
Net cash flow from investments	(12.5)	(0.8)
of which fixed asset acquisitions	(0.5)	(0.7)
of which changes in scope	(12.5)	-
Net cash flow from financing operations	(24.0)	(47.2)
of which dividends paid	(4.6)	-
of which sales (acquisitions) of company shares	(2.4)	0.1
of which loans received net of repayments	(8.5)	(38.3)
of which repayments of lease liabilities	(7.6)	(7.8)
Change in cash and cash equivalents	19.9	22.8

Available cash and cash equivalents of €60.3m at March 31, 2022

Consolidated data (in €m) Audited data	3/31 2022	3/31 2021
Non-current assets	214.9	212.6
of which goodwill	178.5	162.0
including rights to use leased assets	14.5	21.0
Current assets	171.1	145.8
of which trade receivables	147.8	125.7
Cash and cash equivalents	108.3	88.0
TOTAL ASSETS	494.2	446.5

Consolidated data (in €m) Audited data	3/31 2022	3/31 2021
Shareholders' equity	257.0	206.1
of which minority interests	0.0	0.0
Financial liabilities	47.9	56.2
of which less than one year	8.1	8.2
Lease liabilities	18.1	30.3
Non-financial liabilities	171.3	154.0
TOTAL LIABILITIES	494.2	446.5

Net cash and cash equivalents: €60.3m

compared with €31.8m at March 31, 2021

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Our commitments on sustainable performance

Our commitments

- 1 Improve client satisfaction and support clients in sustainable performance
- 2 Promote employee engagement, well-being, and quality-of-life at work
- 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
- 4 Be a good corporate citizen that behaves ethically and responsibly
- 5 Minimize the impact of our activity on the environment

Our contribution to the Sustainable Development Goals



2021/22: a year rich in achievements

Re-expression of our CSR ambitions in five commitments

Impact credit – introduction of ESG criteria for the financing of the firm

Impact – co-construction with Wavestone teams and stakeholders

Smartworking@Wavestone – a reinvention of ways of working

New awards

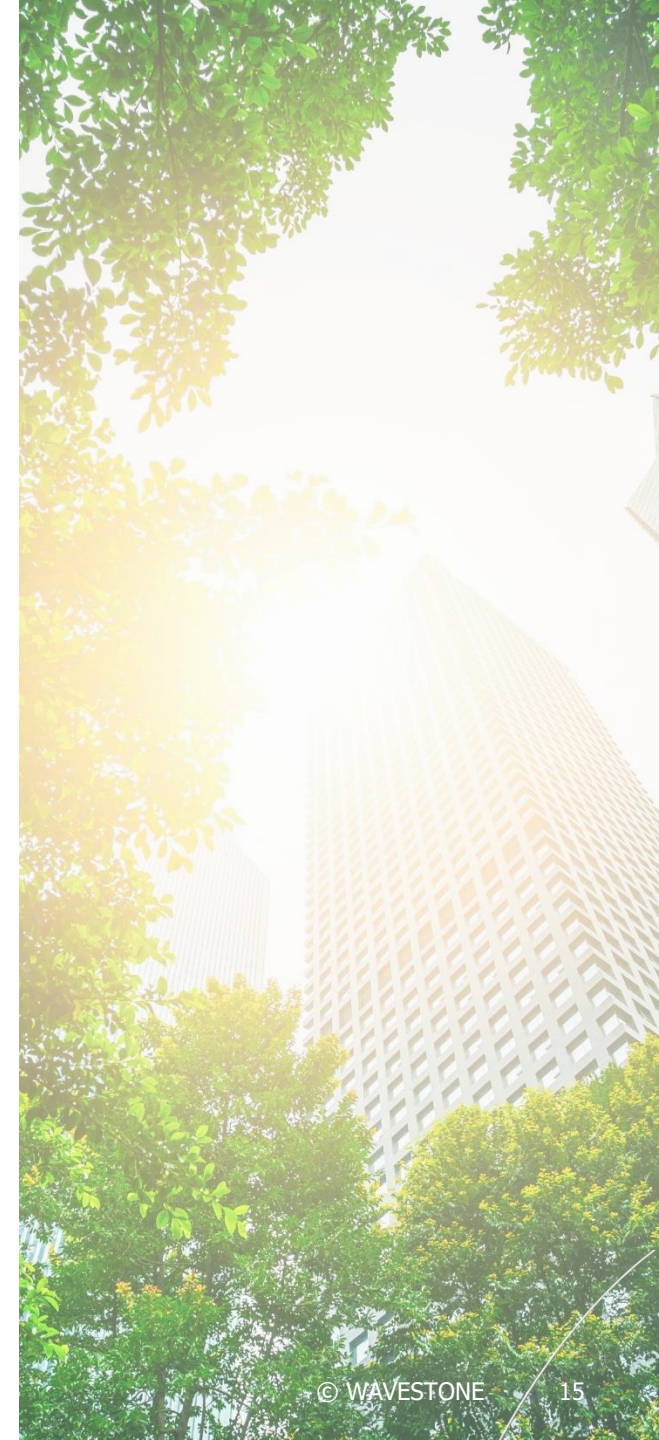


HUMPACT 












...but some areas for progress in the coming year

- / client satisfaction and employee retention below our objectives
- / CDP rating not progressing in line with our ambitions



Assessment 2021/22

	Commitments	Indicators	Results 2021/22	Objectives 2021/22	Results 2020/21
1	Improve client satisfaction and support clients in sustainable performance	NPS ^{® 1}	 48	50	54
		Number of projects done under the responsible consulting approach	 37	25	5
2	Promote employee engagement, well-being, and quality-of-life at work	Employee engagement index	 70	69	-
		Staff turnover rate	 18%	15%	11%
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	 33%	31.5%	31%
		Number of employees with a disability	 35	30	29
4	Be a good corporate citizen that behaves ethically and responsibly	Employees trained in applying the ethical charter	 97%	95%	84%
		Workforce time spent on social engagement	 1.0%	1.0%	0.8%
5	Minimize the impact of our activity on the environment	Reduction in carbon footprint per employee compared with 2019/20	 64%	30%	-

¹ NPS[®] is a registered trademark of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.

Our priorities for the coming fiscal year

1. Improvement in client satisfaction

- › increased focus on the quality of client relations
- › actions targeted at several identified weak points

2. Continuation of employee retention measures

- › by emphasizing the quality of execution of our HR activity
- › by capitalizing on the good GPTW results

3. Definition of an aligned trajectory with the Net-Zero Standard SBTi

- › strengthening the firm's contribution to the climate challenge
- › commitments for 2025 and 2050 submitted in June to the SBTi



2022/23 objectives

	Commitments	Indicators	Objectives 2022/23	Results 2021/22
1	Improve client satisfaction and support clients in sustainable performance	NPS®	50	48
		Number of projects done under the responsible consulting approach	100	37
2	Promote employee engagement, well-being, and quality-of-life at work	Employee engagement index	71	70
		Staff turnover rate	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	33%	33%
		Number of employees with a disability	40	35
4	Be a good corporate citizen that behaves ethically and responsibly	Employees trained in applying the ethical charter	95%	97%
		Workforce time spent on social engagement	1.0%	1.0%
5	Minimize the impact of our activity on the environment	Reduction in carbon footprint compared with 2019/20 (SBTi commitment)	Scope 1 / 2 -13%	-
			Scope 3 (per employee) -20%	-

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Impact: Wavestone's strategic plan for 2025

Major transformations in response to pressing challenges



Competition



Digital



Climate

Wavestone, the privileged partner of major companies facing these challenges

Three ambitions for the 2025 horizon

€750m

Revenue

5

Non-French clients in the TOP 20

5%

Among the 5% of best-performing companies in CSR terms

Nomadéis, an acquisition fully in line with *Impact*

/ Independent French consulting firm specializing in the environment and social responsibility

- › key player in supporting the energy, environmental, and social responsibility transition of companies and public-sector institutions
- › 20 years' experience and over 700 projects in 70 countries

/ The backbone of Wavestone's new Sustainability Practice

- › combining of Nomadéis's understanding of the challenges and CSR expertise with Wavestone's skills
- › become a major player in sustainable development consulting

/ Details of the purchase

- › acquisition of a 100% stake in Nomadéis
- › purchase price: €2.8m in enterprise value
- › financed entirely in cash from Wavestone's own funds

- Registered office: **Paris, France**
- **Revenue of €1.9m** in 2021/22; growth of 28%
- Stable profitability
- Consolidated since **April 1, 2022**

Growth of 9% in H1 2022/23

Revenue <i>(€m) – unaudited consolidated data</i>	2022/23	2021/22	Change	Change <i>at constant scope¹ and on a constant forex basis</i>
Q1	122.0	115.2	+6%	+3%
Q2	115.1	102.6	+12%	+5%
H1	237.1	217.8	+9%	+4%

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 and PEN Partnership consolidated since 08/01/2022.

/ Q2 2022/23 revenue: €115.1m, up +12%

- > up 5% on a constant scope and constant forex basis
- > unfavorable working-day impact of -1.4%

/ Revenue of €237.1m in H1 2022/23: +9%, of which 4% on an organic basis

Consultant utilization rate at normative levels and daily rate trending higher

	H1 2022/23 (6 months)	2021/22 fiscal year (12 months)	
Consultant utilization rate	75%	77%	▶ down during the second quarter, owing to the impact of numerous new employee arrivals in September
Average daily rate	€880	€854	▶ an increase in the sales price of +3%, +2% at constant forex
Order book	3.7 months	4.3 months	▶ maintenance of the order intake over the summer decline in the order book (4.2 months at June 30, 2022), due to the growth in the headcount for the 3 rd quarter

Dynamic pace of recruitment maintained but staff turnover rate remains under pressure

- / Recruitment plan in line with the full-year objective
 - > more than 1,000 new recruits planned for FY 2022/23
- / Staff turnover rate at 19% at end-September (on a rolling 12-month basis)
 - > versus 19% at end-June 2022 and 18% for the last fiscal year
- / 3,864 employees on September 30, 2022
 - > versus 3,732 end-March at the end of 2021/22 fiscal year



Accelerated development in the United Kingdom, in line with the *Impact* plan

- / PEN Partnership, a consulting firm expert in operational and digital transformation projects
 - > sectorial capabilities in financial services and life sciences
- / Coeus Consulting, a consulting firm recognized in the area of IT strategy
 - > advisory to Global 500 companies in the UK and in Europe (Industry, Energy & Utilities, Retail and Consumer Goods)
- / **Ambition: to build together a major player in consulting in the UK**
 - > expanding Wavestone's value proposition in the UK with management consulting capabilities
 - > a value proposition enabling the steering of major transformation projects thanks to a combination of business, digital and cybersecurity expertise



PEN Partnership and Coeus Consulting key figures

PEN Partnership

- > London (United Kingdom)
- > 60 permanent employees, plus circa 40 independent consultants
- > revenue of £19.6m (€23.4m) for the fiscal year ending March 31, 2022
- > profitability comparable with that of Wavestone

Terms and conditions of the transaction

- > acquisition of 100% of the capital
- > acquisition price: £22.5m (~€26.8m) in enterprise value
- > additional consideration: up to £7.5m (~€8.9m) conditional on the performance of PEN Partnership over the next 18 months
- > consolidated from August 1, 2022

Coeus Consulting

- > London (United Kingdom)
- > 45 permanent employees, plus circa 10 independent consultants
- > estimated revenue of £9m (€10.4m) for the fiscal year ending September 30, 2022
- > profitability higher than that of Wavestone

Terms and conditions of the transaction

- > acquisition of 100% of the capital
- > acquisition price: £17.5m (~€20.2m) in enterprise value
- > additional consideration: up to £3.5m (~€4.0m) conditional on the performance of Coeus Consulting over the next 12 months
- > consolidated from October 1, 2022



A still-robust market backdrop despite the complex economic environment

/ Growth in line with the roadmap in Q2 2022/23

- > order intake maintaining over the summer and at the start of September
- > sales price holding up well

/ Human resources: a key focus

- > adjustments of salary policies, with a view to enhancing competitiveness...
- > ...simultaneous growth in sales prices allowing to maintain the daily rate/salary ratio

/ A still-robust market, but caution remains the watch word for the start of 2023

- > demand drivers:
 - major digital transformation projects
 - M&A or reorganization deals
 - cybersecurity
 - sustainability
- > initial signs of a slowdown in demand at certain accounts, notably in the public sector and in the auto sector

Confirmation of 2022/23 financial objectives

FIRST-HALF 2022/23

- / H1 2022/23 EBIT margin: around 12%
 - > versus 14.6% in H1 2021/22
 - > acceleration in recruitment and HR spending
- / Net debt on September 30, 2022: anticipated at ~€16m
 - > versus net cash of €60.3m on March 31
 - > owing to the acquisition of Nomadéis, PEN Partnership and Coeus Consulting, and to the seasonality of firm business

FISCAL YEAR 2022/23

- / Confirmation of 2022/23 financial objectives
 - > revenue: over €505m
 - > EBIT margin: around 15%
 - > objectives to be updated in early December integrating PEN Partnership and Coeus Consulting
- / Continuation of targeted external growth policy
 - > no new acquisitions planned in the UK in the coming months
 - > priority given to the US, without ruling out the possibility of tactical deals in other geographies

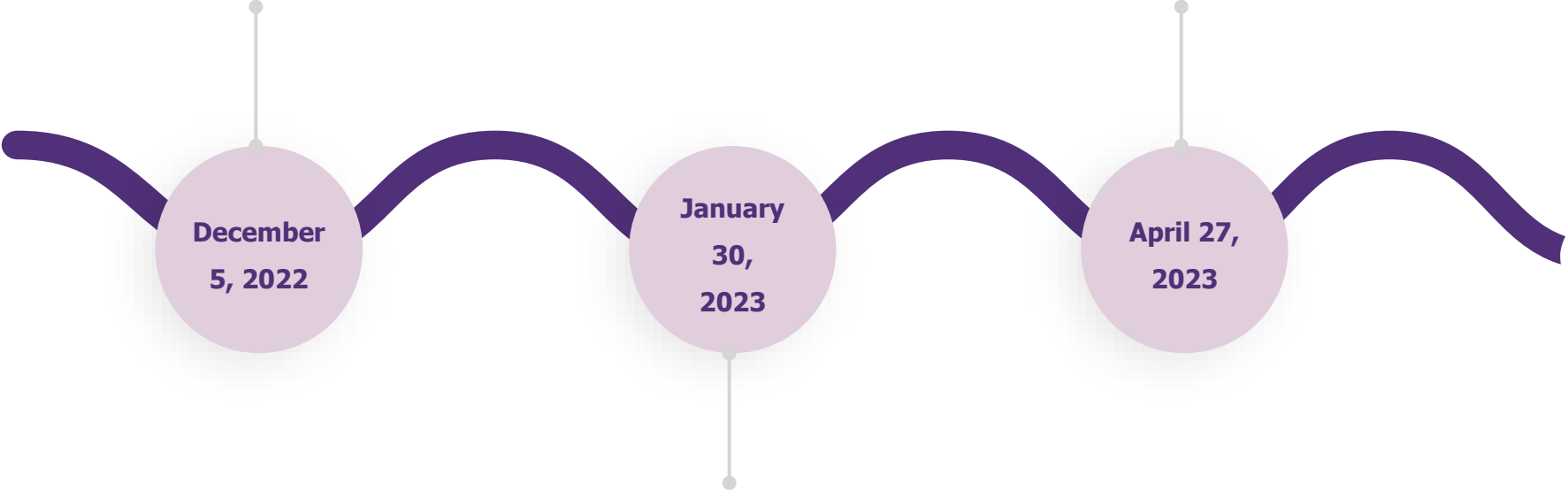
The financial objectives, which include Nomadéis but not yet PEN Partnership nor Coeus Consulting, are at constant forex and excluding new acquisitions.



Financial schedule

1 First-half results 2022/23
(after market, followed by the SFAF investors' meeting)

3 Full-year revenue 2022/23
(after market, followed by a videoconference)



2 Q3 2022/23 revenue
(after market, followed by a videoconference)

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