

H1 2023/24 revenue up +17%

Confirmation of annual objectives

Revenue In €m - unaudited consolidated data	2023/24	2022/23	Change at constant scope* and on a constant forex basis	Total change
Q1	143.3	122.0	+11%	+17%
Q2	133.4	115.1	+14%	+16%
H1	276.7	237.1	+12%	+17%

* Excluding PEN Partnership, consolidated since 8/1/2022; and Coeus Consulting, consolidated since 10/1/2022.

Revenue increased by +16% in Q2 2023/24, equivalent to +14% organic growth

In Q2 of the 2023/24 fiscal year (July 1 to September 30, 2023), Wavestone generated consolidated revenue of €133.4m, a solid increase of +16% compared with Q2 of the 2022/23 fiscal year.

On a constant scope and forex basis, organic growth was 14%, despite an unfavorable working day impact of -1.5%¹.

Over the whole of H1 2023/24, Wavestone generated revenue of €276.7m, an increase of +17%, of which +12% on a constant scope and forex basis (despite an unfavorable working day impact of -2.2%¹). As a reminder, H1 2023/24 benefited from the contributions of PEN Partnership, consolidated since August 1, 2022, and Coeus Consulting, consolidated since October 1, 2022.

The solid progression in revenue at constant scope is the result of the intensification of business development activity over the last few quarters, and of the headcount growth at the end of the 2022/23 fiscal year.

Stabilization of the staff turnover rate at 14%, recruitment activity still moderate

At September 30, 2023, staff turnover was continuing to decline and is now stabilized at 14% on a rolling-12-month basis; this compares with 15% at June 30, 2023 and 16% for the whole of the previous fiscal year.

At mid-year, given the uncertain economic environment and reduced staff turnover, Wavestone is maintaining a moderate rate of recruitment compared with the previous year.

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

At September 30, 2023, Wavestone had 4,305 employees, compared with 4,406 at the end of March – the end of the 2022/23 fiscal year. Despite more moderate recruitment activity, the firm is targeting an increase in the workforce over the entire 2023/24 fiscal year.

Consultant utilization rate of 73% in H1 2023/24 and an increase in sales price of +1.1%

In Q2, the firm consolidated the recovery in its consultant utilization rate, after the significant drop at the end of the 2022/23 fiscal year (71% in Q4 2022/23). Consultant utilization rate stood at 73% in Q2, as well as over H1 as a whole.

The average daily rate reached €900 in H1 of the 2023/24 fiscal year – an increase of +1.1% compared with the average sales price for the whole of the previous fiscal year (€890). At constant exchange rates, the average daily rate was €902, up +1.3%.

Strong first half of 2023/24, but caution maintained for the second half

The first half of the 2023/24 fiscal year was marked by a solid growth in Wavestone's revenue, as a result of intense business development activity. H1 also saw a slowdown in staff turnover and a progressive recovery in the consultant utilization rate. Sales prices remained solid, up slightly compared with the previous fiscal year.

The last few months have, however, seen a deterioration in the economic environment, which is characterized by increased volatility and a more marked wait-and-see attitude from decision makers to committing expenditure. Although this deterioration in the economic environment is significantly impacting demand in some business sectors (banking, retail, services and the public sector), others, such as energy, insurance, luxury goods, and transport remain better oriented. Moreover, the firm has seen strong resilience on technological projects (cybersecurity, IT infrastructures, AI & Data).

The order book fell back to 3.6 months of work at September 30, 2023, compared with 4.0 months at March 31, 2023 and 4.2 months at June 30, reflecting the traditional slowdown in order intake during the summer, as well as the downturn in the market environment.

In other geographies, the buoyant activity in the UK is being maintained, reinforced by the successful integration of PEN Partnership and Coeus Consulting. In the US, on the other hand, Wavestone is operating in a difficult market environment, which, in recent months, has led the firm to slow down its recruitment activity in this region.

Confirmation of the 2023/24 annual objectives

At the end of the first half of the fiscal year, despite deteriorating market conditions, Wavestone confirms its financial objectives for 2023/24: to achieve organic growth at least equal to that of the 2022/23 fiscal year (+7%), despite an unfavorable working day impact (-1.6% over the whole of the fiscal year).

At full scope, integrating the effect of the full-year consolidation of PEN Partnership and Coeus Consulting, Wavestone is targeting revenue of over €580m, which represents total growth of +9% for an annual EBIT margin of about 15%.

As a reminder, it should be noted that profitability over H1 of the fiscal year will be penalized by an unfavorable working day impact of -2.2%, compared with H1 of the 2022/23 fiscal year.

These objectives are calculated on a constant forex basis and exclude Q_PERIOR or any other new acquisition.

Progress update on the combination project between Wavestone and Q_PERIOR

Following the announcement, on July 25, 2023, of the proposed combination between Wavestone and Q_PERIOR, to create a European consulting champion², the stages preceding the operation are being followed in line with the announced schedule.

² [read the press release of July 25, 2023](#)

The contribution agreement for the contribution of Q_PERIOR shares to Wavestone was signed on October 26. The Combined General Meeting, which must decide on the operation and, in particular, on the contribution of Q_PERIOR shares and its remuneration in newly issued Wavestone shares, is convened for Tuesday, December 5, 2023 at 10:00 am (CET) at Pavillon Gabriel, 5 avenue Gabriel, 75008 Paris. The preparatory documentation for this General Meeting will be published on Wavestone's website in the coming days.

Next events: Publication of H1 2023/24 results, Monday, December 4, 2023, after Euronext market closing; and the Combined Shareholders' General Meeting, Tuesday, December 5, 2023, at 10:00 am (CET).

About Wavestone

In a world where knowing how to drive transformation is the key to success, Wavestone's mission is to inform and guide large organizations in their most critical transformations, with the ambition of a positive outcome for all stakeholders. This ambition is anchored in the firm's DNA and summarized in its signature approach – "The Positive Way."

Wavestone brings together more than 4,000 employees in Europe, the United States, and Asia.

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

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