

9-month growth: +70% of which +14% on a like-for-like and constant forex basis

Revenue (€m) – unaudited consolidated data	2016/17	2015/16	<i>Change on a like-for-like and constant forex basis (1)</i>	<i>Reported change</i>
H1	162.0	91.4	+16%	+77%
Q3	86.1	54.2	+10%	+59%
9 months	248.2	145.7	+14%	+70%

(1) excluding Arthus Tech (consolidated as of 07/01/15) and the European activities of Kurt Salmon* (consolidated as of 01/01/16)

Wavestone reported 59% growth in consolidated revenue to €86.1m in the third quarter of 2016/17 (from October 1 to December 31, 2016). On a like-for-like and constant forex basis, growth came out at 10% for the period.

The firm's consolidated revenue in the first nine months of the fiscal year stood at €248.2m, up 70% (up 14% on a like-for-like and constant forex basis).

Pressure remains on the utilization rate for Kurt Salmon's European activities*

The utilization rate of Kurt Salmon's European activities* firmed slightly in the third quarter, but remains under pressure nevertheless. It edged up to 69% in the first nine months of the fiscal year, from 68% in the first half.

The consultant utilization rate for the rest of Wavestone was 83% at the end of December, remaining stable year-on-year.

Prices held up well

The average daily rate for Kurt Salmon's European activities* held up at a high €1,065 over the nine-month period, compared with €1,080 in the first half of the year.

Prices continued to rise steadily for the rest of Wavestone as well. The average daily rate came out at €766 on average at end-December, up more than 2.5% on 2015/16.

Excluding the European activities of Kurt Salmon*, the order book amounted to 3.2 months at the end of the period, versus 3.4 months at the end of September.

For the record, at this stage, the company is unable to communicate any information on its consolidated indicators, since the data of Solucom and Kurt Salmon* are not comparable due to differences in their financial rules.

* excluding Retail & Consumer Goods consulting

Headcount increased, despite Kurt Salmon's high turnover rate*

The staff turnover rate for Kurt Salmon's* European activities continues to be challenging and still remain too high. The rate is 29% on a full-year basis. For the firm's historical scope, the staff turnover rate comes out at the relatively low level of 11% year-on-year, below Wavestone's normal 12-15% range.

Recruitment was particularly strong across the firm reaching and exceeding a high of 500 new hires of young graduates and experienced staff during the fiscal year.

Wavestone's headcount increased to 2,580 employees as at end-December, including 726 for Kurt Salmon's European activities*. For the record, Wavestone had a staff of 2,511 at March 31, 2016, 777 of whom were attached to Kurt Salmon*.

Financial position

Shareholders' equity strengthened from September 30 to December 31. Turning to net debt, it has decreased thanks to positive cash flows generated over the last quarter.

Construction of Wavestone enters the home straight

Following a third quarter marked by the communications campaign which aimed at boosting the brand and the ramp-up of Wavestone's business model, our attention in the fourth quarter will home in on finalizing the organization and of Wavestone's operating processes in addition to rolling out a new ERP system across all the firm's activities.

2016/17 annual financial objectives confirmed

In operational terms, the priority for the year-end is to improve the performance of Kurt Salmon's* European activities, with a particular focus on staff turnover and the consultant utilization rate.

Wavestone confirms its 2016/17 full-year objectives for consolidated revenue in excess of €340m; however pressures remain in light of the subdued performance of Kurt Salmon's* activities. Turning to profitability, the firm reiterates its objective of operating income on ordinary activities above €34m, giving a double-digit EBIT margin.

Upcoming events: 2016/17 annual revenue: Thursday, April 27, 2017, after Euronext market close.

About Wavestone

In a world where permanent evolution is the key to success, Wavestone's mission is to enlighten and partner business leaders in their most critical decisions.

Wavestone draws on some 2,500 employees across four continents. It is a leading player in European independent consulting, and the number one in France.

Created from the merger, at the beginning of 2016, of Solucom and Kurt Salmon's European activities (excluding Retail & Consumer Goods consulting), Wavestone is a company listed on Euronext Paris and eligible for the PEA-PME – a French investment instrument that encourages individuals to invest in smaller and intermediate firms. In 2016, Wavestone has been labeled Great Place To Work®.

Wavestone

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