

Dynamic H1 growth: +77%, of which +16% on a like-for-like and constant forex basis

Revenues (€m) (unaudited consolidated data)	2016/17	2015/16	Change on a like-for-like and constant forex basis ⁽¹⁾	Reported change
Q1	88.4	46.5	+19%	+90%
Q2	73.7	44.9	+13%	+64%
H1	162.0	91.4	+16%	+77%

(1) Excluding Arthus Tech (consolidated since 07/01/15) and the European activities of Kurt Salmon* (since 01/01/16).

Wavestone reported a 64% growth in consolidated revenues to €73.7m in Q2 2016/17 (from July 1st to September 30th), of which 13% on a like-for-like and constant forex basis. For the record, this quarterly performance factors in a negative 1.5% working day impact compared to a positive impact of 5% in Q1 2016/17.

Over the first six months of fiscal 2016/17, Wavestone reported consolidated revenue of €162.0m, reflecting an increase of 77%, of which 58.2 m€ from the European activities of Kurt Salmon*.

Favorable pricing trends but deterioration in utilization rate of Kurt Salmon European activities*

Over the first six months of the FY, the utilization rate of Kurt Salmon's European activities came out at 68%, a decrease resulting from an unsatisfactory performance over the summer.

For the rest of Wavestone, the consultant utilization rate stood at 84% over the half-year, up slightly on the FY 2015/16 level of 83%. It should be noted that there has been a sharp increase in the utilization rate for the firm's UK activities over the period, implying that business momentum in this market does not seem to have been dented by the Brexit impact.

The average daily rate of Kurt Salmon's European activities* remained solid at €1,080 over the period. For the rest of Wavestone, prices continued to rise in H1 coming out at €763 on average, up 2.5% on 2015/16.

In addition, excluding the European activities of Kurt Salmon*, the order book remained stable at 3.4 months over the semester.

For the record, the company does not currently wish to communicate any information on its consolidated indicators as the data of the firms' scopes are not comparable due to differences in their financial rules.

Staff turnover rate for Kurt Salmon European activities* high, but strong recruitment drive

Wavestone's staff totaled 2,500 employees at end-September 2016, compared to 2,511 six months earlier.

The headcount for the European activities of Kurt Salmon* narrowed from 777 at end-March 2016 to 738 at end-September 2016. Year-on-year, the staff turnover rate was high at 27%** over the period compared to 26%** at end-June 2016.

* excluding Retail & Consumer Goods consulting.

** Wavestone wishes to bring to your attention an error in the Q1 2016/17 press release concerning the staff turnover rate of Kurt Salmon's European activities*. Year-on-year, this came out at 26% at the end of the 3-month period and not 23% as reported on July 19th, 2016.

On the historical scope, the staff turnover rate came out at the relatively low level of 12% year-on-year, up slightly on 2015/16, but still at the low end of Wavestone's normal 12-15% range.

Nonetheless, Wavestone continued to pursue its dynamic recruitment strategy across the firm, both in terms of young-graduate and expert-consultant hirings.

The launch of Wavestone

The bulk of the operations related to the merger between Solucom and the European activities of Kurt Salmon* has been achieved.

The new firm's positioning and value proposal have now been defined and all teams have shifted to a new, fully integrated operating model during the summer.

All the employees both in France and abroad have now taken on the new identity of the firm: Wavestone. In addition, the company recently launched a large-scale multimedia communication campaign.

In H2 2016/17, the firm's main focus will be on boosting the reputation of the new brand and improving Kurt Salmon's performances.

2016/17 financial objectives confirmed

Trends in the market environment remain positive with a general recovery in investment in almost all sectors of activity. Despite low interest rates, demand is still sustained in the banking sector.

This first half-year was marked by a gradual recovery in major projects, related to consolidation operations, regulatory evolution or the implementation of new strategies to meet digital challenges.

At the close of H1, the firm confirmed its 2016/17 full-year objectives of consolidated revenues over €340m, making for a consolidated growth of over 45%, and an operating income on ordinary activities of more than €34m (implying a double-digit EBIT).

Wavestone's CSR commitment once more rewarded by the Gaïa-Index

Now in its 8th year, the Gaïa-Index ranked Wavestone 2nd in the category of companies with annual revenues between €150m and €500m.

Since 2009, the Gaïa Index has carried out an annual campaign involving the collection of data related to the CSR challenges (governance, social, environment and external stakeholders) of more than 500 French and European SME and mid-tier companies.

Forthcoming events: Publication of H1 2016/17 results: Tuesday, November 29th, 2016, 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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