

Acquisition of UK-based consulting firm Xceed Group: Wavestone accelerates its international development

Wavestone announces the acquisition of UK-based consultancy Xceed Group. Wavestone reported on the exclusive negotiations related to this transaction in its press release dated April 3.

Xceed Group: implementing IT change to enable Financial Services organisations transform their business

Established in London in 2003, Xceed Group is a leading technology consultancy who specialises in implementing large IT transformation programmes for major financial services organisations. These services include the planning and delivery of complex IT change programmes.

The company provides its clients with five main fields of expertise:

- / Banking platform modernisation
- / IT infrastructure transformation
- / Cards engagement platform
- / Digital transformation
- / Sourcing strategy

More than 80% of the company's revenue is derived from the financial services industry, with a focus on retail banks, insurance companies and financial data processors.

Xceed Group has a headcount of 60 permanent employees, spread across London and New York, with the vast majority located in London.

For its last fiscal year (ended 30/11/17), Xceed Group recorded consolidated revenue of £13.3m (approximately €15.3m), up 8%, and an adjusted EBITDA margin of over 20%. These figures do not include the FIMS activity of Xceed Group (Flexible Infrastructure Managed Services), which is not part of the project.

A boost in international development in line with Wavestone 2021 strategic plan

This acquisition accelerates the international development of Wavestone in line with the strategic plan Wavestone 2021.

Xceed Group will play a key role to enrich Wavestone's value proposition in the UK and the US and will help to develop these markets.

With this merger, Wavestone not only bolsters its footprint in London and New York, but also enhances its ability to address global programmes. It also enriches Wavestone's client portfolio with complementary global accounts across the Finance Industry.

For Xceed Group teams, this acquisition is a fantastic opportunity to become part of a new growth dynamic and benefit from a larger business strike force, with a greater international dimension.

Terms of the operation

The transaction takes the form of a 100% acquisition by Wavestone of Xceed Group (Holdings) Limited's, the head holding company of Xceed Group.

The operation has seen a carve-out of the FIMS activity, excluded from the acquisition's perimeter and retained by the current shareholders of Xceed Group.

Xceed Group will be consolidated in Wavestone's accounts as of April 1 2018.

John Casserly, current CEO of Xceed Group, and the other shareholders of the company, will support the merger during a 6 to 12 months transition phase, in order to ensure the successful integration of the company within Wavestone. Xceed's activity will continue to be driven by the current leadership team composed of 5 managers.

The purchase price is £11.5m in enterprise value, plus an additional consideration of up to £5m conditioned by the firm's performance in the year to come.

The acquisition has been paid in cash and funded through an existing credit line negotiated with Wavestone's banks.

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 2,600 employees across four continents. It is a leading player in European independent consulting, and the number one in France.

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. Wavestone is labelled a Great Place To Work®.

Wavestone

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