

Solid growth of +12% in Q1 2018/19

Revenue In €m - unaudited consolidated data	2018/19	2017/18	Change	Change on a constant forex basis	Change at constant scope ¹ and on a constant forex basis
Q1	95.9	85.4	+12%	+13%	+9%

¹ UK firm, Xceed, has been consolidated since 04/01/2018

In Q1 of the 2018/19 fiscal year (April 1 to June 30, 2018), Wavestone generated a consolidated revenue of €95.9m, an increase of 12%, and 13% on a constant forex basis.

At constant scope and exchange rates, the firm's organic growth reached 9%.

Very positive operating indicators

This sustained quarterly growth is a reflection of the positive operating indicators seen over the period.

Consultant utilization rate stood at 78% in Q1 2018/19, compared with 77% for the whole of the last fiscal year.

Following the signs of previous months, sales prices confirmed their positive trend. The average daily rate was €869 over the quarter, compared with €848 for 2017/18: an increase of 2.5%.

Lastly, at June 30, 2018, the firm's order book stood at 3.6 months of work, compared with 3.7 months at the end of the 2017/18 fiscal year.

Continued expansion of the workforce, but increasing concerns about staff turnover

Despite an increasingly tight labor market, Wavestone's recruitment plan is progressing according to its annual business plan, with more than 600 hires envisaged in the 2018/19 fiscal year.

In contrast, Q1 was marked by renewed concerns over staff turnover. Levels reached 21%, year-on-year, compared with 16% for the whole of the previous fiscal year, clearly above the 15% level envisaged by the company for the medium-term.

Wavestone will therefore intensify the human-resource activity begun several months ago, which is designed to remedy this.

At June 30, 2018, Wavestone had 2,825 employees, compared with 2,793 on March 31, 2018.

Xceed: on track for integration

Q1 2018/19 was also marked by the acquisition, in early April, of UK consulting firm, Xceed.

Although, during the early part of the fiscal year, Xceed's activity saw something of a slowdown, its integration into Wavestone is firmly on track, with contracts for the first joint projects now signed.

From this summer, Xceed's teams will be based in Wavestone's London office, and, immediately after the summer, they will switch over to the Wavestone brand.

Confirmation of 2018/19 objectives

Wavestone had a dynamic and better than expected start to the 2018/19 fiscal year, which was driven by solid levels of activity and a steady increase in sales prices.

However, Q2 may prove less dynamic, due to the effects of staff turnover—a clear area of focus in the coming months, and the risk of a decline in utilization rate over the summer and immediately after.

For the whole of the 2018/19 fiscal year, Wavestone fully confirms its annual financial objectives: to achieve consolidated revenue growth of at least 8%, including Xceed, with an EBIT margin of over 13%. These objectives are calculated on a constant forex basis and exclude new acquisitions.

Next event: 2018/19 H1 revenue: November 6, 2018, after Euronext market closing.

About Wavestone

In a world where understanding transformation is the key to success, Wavestone's ambition is to provide its clients with advice that is unique in the market, enlightening and guiding them in their most strategic decisions.

Wavestone draws on some 2,800 employees in 8 countries. It is a leading independent player in European consulting, and the number one in France.

Wavestone is listed on Euronext, Paris, and is eligible for the PEA-PME (a French investment instrument that encourages individuals to invest in smaller and intermediate-sized firms). Wavestone is recognized as a Great Place to Work®.

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