

Growth of +9% at the nine-month point, equivalent to +6% organic growth More prudent growth objective for 2018/19

Revenue In €m - unaudited consolidated data	2018/19	2017/18	Change	Change at constant scope and on a constant forex basis	Change at constant scope ¹ and on a constant forex basis
H1	182.6	166.5	+10%	+10%	+7%
Q3	102.2	95.0	+8%	+8%	+4%
Nine-month total	284.8	261.5	+9%	+9%	+6%

¹ Xceed has been consolidated since 04/01/2018; Metis Consulting since 11/01/2018.

In Q3 of the 2018/19 fiscal year (October 31 to December 31), Wavestone generated a consolidated revenue of €102.2m, an increase of + 8%. A highlight of the past quarter was the acquisition of consulting firm, Metis Consulting, consolidated since November 1, 2018.

At constant scope and on a constant forex basis, the firm's quarterly organic growth reached +4%. Q3 benefited from a positive working day impact of +1.5%.

Over the first nine months of the 2018/19 fiscal year, Wavestone's consolidated revenue amounted to €284.8m, an increase of + 9%, and equivalent to +6% at constant scope and on a constant forex basis (with a +0.9% positive day impact over the period).

A gradual rise in consultant utilization rate

After a summer marked by the decline in the firm's consultant utilization rate, Q3 saw a modest and gradual recovery in this key operational indicator.

By the end of the nine-month period, the utilization rate was broadly stable at 76% compared with H1, and 77% for the whole of the previous fiscal year.

The average daily rate had reached €867 after nine months (compared with €868 in H1). Daily rate had increased by +2.2% by the end of December, at the top of the firm's +1% to +2% target range for the entire 2018/19 fiscal year.

At December 31, 2018, the firm's order book stood at 3.4 months of work, compared with 3.3 months at the end of September 2018, and 3.7 months at the end of the 2017/18 fiscal year.

Continuing pursuit of workforce growth

Wavestone has successfully pursued its hiring plan over the past quarter, reaping the benefits of its intensified actions in the face of a highly competitive labor market.

¹ In case of discrepancy between the French and English versions of this press release, only the French version should be deemed valid.

This good performance confirms the company's expectation of outperforming its annual hiring plan, with more than 700 gross hires anticipated, compared with the target of 600 set at the beginning of the year.

Strong pressure continues to bear on human resources. Q3 was marked by a slight reduction in staff turnover, which had reached 19% by the end of December on a full-year basis, compared with 21% at the end of September. However, it is too early to conclude that this downward trend is sustainable, and the company is further intensifying its actions on talent retention.

At December 31, 2018, Wavestone had 3,008 employees, compared with 2,793 at March 31, 2018.

More prudent growth objective

After a slowdown in activity in Q2, during the final months of 2018, order intake was in line with the firm's roadmap. However, this was not sufficient to make up for the shortfall seen in the previous quarter.

The recovery in consultant utilization rate in Q3, and at the start of Q4, has been more gradual than expected; in addition, it has been slowed by Wavestone's policy of continuing to hire at a sustained pace.

The economic climate now appears more uncertain, and the firm is detecting less-positive signals from target clients in terms of their project intentions to come.

These factors are leading the company to introduce a degree of prudence into its annual growth target. As a result, for the 2018/19 fiscal year, Wavestone is targeting growth of more than 7.5% including Xceed (compared with at least 8%, initially); which is growth of more than 8.5% including Metis Consulting.

Conversely, the company confirms its objective of an EBIT margin of over 13%, a target that remains identical when Metis Consulting is included.

These objectives are calculated on a constant forex basis.

Next event: 2018/19 annual revenue: Thursday, April 25, 2019, after Euronext market closing.

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 companies and organizations in their most critical transformations, with the ambition of a positive outcome for all stakeholders. That's what we call "The Positive Way."

Wavestone draws on some 3,000 employees across 8 countries. It is a leading independent player in European consulting, and the number one in France.

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

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