

Q1 2019/20 revenue: +3% Confirmation of annual financial targets

Revenue €m – unaudited consolidated data	2019/20	2018/19	<i>Change</i>	<i>Change at constant scope¹ and exchange rates</i>
Q1	98.3	95.9	<i>+3%</i>	<i>0%</i>

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

For the first quarter of the 2019/20 fiscal year (April 1 to June 30, 2019), Wavestone reported consolidated revenue of €98.3 million, up 3% (up 2% at constant exchange rates).

At constant scope and exchange rates, revenue was stable in relation to last year's first quarter.

A consultant utilization rate under pressure, in line with Q4 2018/19

Continuing the trend at the end of the 2018/19 fiscal year, the consultant utilization rate remained under pressure in Q1 2019/20. At 74%, this metric was unchanged from the preceding quarter and down in relation to the 2018/19 full year rate of 75%.

The trend for sales prices was positive with an average daily rate of €877 compared to €872 for the last fiscal year.

At June 30, 2019, the firm's order book stood at 3.7 months of work, compared with 3.6 months at the end of the 2018/19 fiscal year.

The pace of recruitment remains high and the staff turnover rate continues to decline

After a dynamic recruitment campaign in 2018/19, Wavestone has maintained the robust pace of recruitment, in line with its target for a gross addition of 600 consultants in 2019/20.

The staff turnover rate continued to decline in the beginning of the year and at June 30, 2019 was 17% on a twelve-month rolling basis compared to 18% at March 31, 2019.

At June 30, 2019, Wavestone had 3,129 employees, compared with 3,094 on March 31, 2019.

A continuing focus on growth and acquisition of the consulting firm WGroup

In line with the trend at the end of the previous fiscal year, the firm's performance at the start of 2019/20 was mixed.

The intensification of commercial efforts over the last several months has not yet led to an increase in the consultant utilization rate which is expected to remain under pressure in Q2 or even decline.

Despite this, the firm remains confident in its medium-term outlook.

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

On that basis, it is continuing to ramp up recruitment efforts which should lead to a rebound in organic growth in the upcoming quarters.

In addition, on July 19, 2019, Wavestone announced the acquisition of the US-based consultancy firm WGroup to accelerate its development in the United-States, in line with Wavestone 2021 strategic plan.

Confirmation of 2019/20 objectives

Wavestone's mixed performances at the start of the year will weigh on growth and profitability for this year's first half in relation to H1 2018/19.

Wavestone however confirms its 2019/20 targets for annual growth of more than 5% and an EBIT margin above 13% (at constant exchange rates, including Metis Consulting on a full-year basis and excluding WGroup).

Next event: publication of H1 2019/20 revenue, Tuesday, November 5, 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 the European consulting market.

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

Wavestone

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