

Nine-month revenue of €307.2m – growth of +8%

Revenue In €m - unaudited consolidated data	2019/20	2018/19	Change	Change at constant scope ¹ and on a constant forex basis
H1	194.5	182.6	+7%	+1%
Q3	112.7	102.2	+10%	+2%
Nine-month total	307.2	284.8	+8%	+1%

¹ Metis Consulting has been consolidated since 11/01/2018 and WGroup since 08/01/2019.

Revenue growth of +10% during Q3 2019/20

In the third quarter of the 2019/20 fiscal year (October 1 to December 31, 2019), Wavestone generated consolidated revenue of €112.7m, an increase of +10% compared with Q3 of the previous fiscal year.

At constant scope and exchange rates (excluding Metis Consulting and WGroup), revenue for the quarter increased by +2%.

Over the first nine months of the fiscal year, the company generated revenue of €307.2m, an increase of +8% – equivalent to +1% at constant scope and exchange rates.

Progressive recovery in consultant utilization rate during Q3

Despite having weakened during the summer of 2019, the third quarter of 2019/20 saw a gradual recovery in consultant utilization rate; it reached 72% in Q3, after 71% in Q2.

Nine months into the fiscal year, the utilization rate stood at 72%, compared with 75% for the whole of the previous fiscal year.

Sales prices remained strong, with an average daily rate of €879 over the nine-month period, compared with €872 for the whole of the 2018/19 fiscal year. Wavestone has continued to benefit from the positive effect of WGroup in this area. At constant scope, sales prices have seen a slight fall of -1%.

At December 31, 2019, the firm's order book stood at 3.3 months of work, a stable picture compared with the end of September 2019.

Recruitment momentum maintained

Wavestone continued to pursue a dynamic recruitment policy during Q3 2019/20. As a result, the company expects to considerably exceed its business plan target of over 600 gross hires during the whole of the fiscal year.

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

Staff turnover rate continued to reduce toward the end of 2019. At December 31, 2019, the rate stood at 14% over a rolling 12-month period, compared with 16% at September 30, 2019, and 18% at March 31, 2019.

At December 31, 2019, Wavestone had 3,387 employees, compared with 3,094 at March 31.

First tangible results from the drive for business development

For several months now, Wavestone has been intensifying its business development efforts in response to more challenging market conditions, while fully pursuing its objectives to expand the firm's workforce.

It saw the first tangible results of these activities at the end of 2019. While Financial Services, Retail, and some industrial sectors are facing tougher economic conditions, Wavestone has started to reap the benefits of refocusing its efforts toward currently higher-potential sectors that are the Public sector, the Transport, and the Energy/utilities sector.

As a result, the company intends to continue this direction of travel, with consolidation and acceleration of the recovery in consultant utilization rate a priority in the coming quarters.

Confirmation of the 2019/20 objectives

At the end of Q3 2019/20, the company is confirming its annual objectives, which take account of WGroup's consolidation since August 1, 2019: annual revenue growth over 8% with an EBIT margin above 13%.

These objectives are calculated on a constant forex basis and exclude new acquisitions.

Next event: publication of Q4 2019/20 revenue: April 28, 2020, 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 over 3,000 employees across 8 countries. It is a leading independent player in European consulting.

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

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