

Covid-19: An update from Wavestone

Wavestone's Crisis Unit has been in operation for several weeks now, monitoring the development and impacts of the Covid-19 epidemic. The unit has taken swift action to protect the health of the firm's employees, help limit the spread of the virus, and minimize the impact of the situation on its business and that of its clients.

The implementation of business continuity measures

Since March 16, 2020, almost all the company's teams have been working from home.

Wavestone's Business Continuity Plan has been implemented smoothly. The firm remains fully operational, despite the lockdown measures in force in many countries. As a result, the company is continuing to deliver the vast majority of projects effectively, despite the circumstances.

A noticeable impact on business activity level

The increasingly widespread lockdown measures are starting to have a noticeable impact on the company's level of business activity.

Wavestone has had to suspend some projects at its clients' request, due to the difficulty of delivering them remotely or to the general level of disorganization caused by the epidemic. In addition, the company is also starting to experience the postponement, or even cancellation, of some new projects.

The situation is evolving rapidly and it is difficult, at present, to quantify its effects. It's possible that some suspended projects may resume shortly. Conversely, the degraded and uncertain economic environment carries the risk of compromises and of a reduction in demand.

This situation is likely to affect the annual financial objectives for the 2019/20 fiscal year, but to a limited extent.

Maintaining intense commercial activity and the suspension of recruitment

In the current circumstances, Wavestone's first priority will be to continue working closely with its clients to deliver projects currently in progress as effectively as possible, and to confirm and start work on new projects. The company will also be maintaining the intensity of its commercial activity, focusing efforts on clients whose potential remains high and on proposals that address the issues they currently face.

In addition, Wavestone has taken the decision to freeze all recruitment until June 1, 2020 – a measure that will be extended if necessary. The firm is also considering the option, should the situation require it, of a move to short-time working.

In financial terms, Wavestone is on a sound footing, which enables it to face the current circumstances with confidence. As a reminder, at September 30, 2019, net debt amounted to €61.7m, with available cash of €39.8m. By March 31, 2020, the firm's financial situation will have strengthened further, with net debt significantly reduced compared to September 30.

Commenting on recent events, Pascal Imbert, CEO of Wavestone, said: *"The speed with which Wavestone's teams have adapted in recent days, and their capacity for innovation and engagement, have been remarkable. I know that the firm will rise to meet the challenges that face it, as it has done, at times, in the past. The skills, shared sense of purpose, and commitment of Wavestone's employees are the company's greatest assets."*

Next event: publication of Q4 2019/20 revenue: Tuesday, 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.

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