

2021/22 H1 revenue of €217.8m – an increase of +17%, equivalent to +15% organic growth

Revenue In €m - unaudited consolidated data	2021/22	2020/21	Change	Change at constant scope ¹ and on a constant forex basis
Q1	115.2	94.4	+22%	+21%
Q2	102.6	92.4	+11%	+9%
H1	217.8	186.8	+17%	+15%

¹ Excluding Everest Group *consulting*, which has been integrated into Wavestone's consolidated accounts since 05/01/2021.

In Q2 of the 2021/22 fiscal year (July 1 to September 30, 2021), Wavestone's revenue stood at €102.6m, up 11% compared with Q2 of the previous fiscal year.

Organic growth, at constant scope and exchange rates, reached +9% in Q2 – building on continuing, solid levels of business activity.

As a reminder, Q1 benefited from a positive working day impact (+3%), as well as especially favorable baseline conditions. Revenue in Q1 2020/21 had reduced by -10% against the previous fiscal year (compared with -4% in Q2 2020/21).

Over the whole of H1 2021/22, Wavestone generated a revenue of €217.8m, an increase of +17%, equivalent to +15% at constant scope and forex basis. The working day impact over H1 was up by +1.4%.

Average daily rate rising and consultant utilization rate remaining high

Consultant utilization rate remained at high levels over the whole six-month period, at 78%, despite a modest decline in Q2 (77%). It is therefore above the normative level of 75%.

Average daily rate stood at €847 over the period, achieving a slight increase compared with Q1 (€842). The integration of Everest Group *consulting* for five months of the six-month period made a positive contribution to sales prices: increasing the average by €5. At the half-year point, the objective of stabilizing the average daily rate compared to the previous year (€842 in 2020/21) therefore appears to be fully secured.

At September 30, 2021, the firm's order book stood at 3.9 months of work, a reduction compared with the exceptionally high level seen at the end of June 2021 (4.3 months). Visibility on future projects nevertheless remains excellent.

Recruitment plan in line with the annual objective; increase in staff turnover rate

At September 30, 2021, Wavestone had 3,476 employees, compared with 3,453 at March 31, 2021.

Following the trends of the previous quarter, staff turnover rate remains high. At September 30, 2021, it stood at 15% over a 12-month rolling period, compared with 13% at the end of Q1, and a low point of 11% during the 2020/21 fiscal year. The firm anticipates an annual staff turnover rate in the range 15% to 20% – above the 15% target set at the start of the year.

Faced with this increase, and given the good visibility on future projects, Wavestone is accelerating its rate of recruitment and expects to exceed its target of 800 gross hires during 2021/22 fiscal year.

Acquisition of why innovation! in Asia

Wavestone announces its acquisition of why innovation!, a consulting firm based in Singapore and Hong Kong that specializes in the agile transformation of organizations.

The team of about twenty consultants at why innovation! works with companies in the finance, transport, industrial, retail, and health sectors, especially by supporting their needs in innovation and digital transformation.

After an initial stage of development in the Asia-Pacific, concretized by the opening of its Hong Kong office in 2016, Wavestone is further strengthening its position in the area.

The two firms will capitalize on their portfolios of complementary offerings to generate more value for their clients in the region.

Over its last three fiscal years, why innovation! achieved an average revenue of over S\$5.0m (~€3.2m), with an average EBITA margin of the order of 15%. For the 2020 fiscal year, which was impacted by the Covid-19 crisis, revenue amounted to S\$4.4m (~€2.8m), with an EBITA margin of 9%.

Wavestone has acquired 100% of the share capital of why innovation!. The purchase price is S\$5.2m (~€3.3m) in enterprise value, financed in cash from Wavestone's own funds; an additional S\$2.7m (~€1.7m) could be added to this, depending on the company's performance over the next 18 months.

The acquisition took place on October 18, 2021. why innovation! will be consolidated into Wavestone's accounts from November 1, 2021.

The firm intends to pursue its objective of external growth: acquisitions in the US remain the priority, but this doesn't rule out tactical purchases in other geographies.

Wavestone once again recognized for its non-financial performance

In October, the firm was awarded several times for its CSR (Corporate Social Responsibility) performance.

Wavestone features for the 12th consecutive year in the Gaïa Research rankings, which recognize the 70 best French SMEs and intermediate-sized companies – in terms of environmental, social, and governance performance. The firm was ranked 2nd in the category for companies with revenue between €150m and €500m.

The firm has also been awarded a Platinum rating by Ecovadis, an independent non-financial ratings agency. Wavestone is now in the Top 1% of companies for high CSR performance, among the 600 international companies assessed by Ecovadis.

Lastly, Wavestone occupies 1st place in the Technology Sector, in rankings by Humpact, a non-financial ratings agency that evaluates the impact that companies have on employment. Wavestone is in 6th place in the overall ranking of the 200 companies assessed.

These recognitions are just a milestone. The commitment to CSR is more than ever at the heart of Wavestone's corporate project.

2021/22 objectives confirmed

Wavestone continues to benefit from buoyant market conditions, driven by demand linked to the numerous major transformation projects being pursued by its clients. In terms of specific sectors, demand is robust in financial services, industry, the public sector, and energy. The situation remains less favorable in the transportation sector.

The momentum of the first half-year, characterized by a high consultant utilization rate and robust sales prices, reinforce Wavestone's confidence in meeting its financial targets for the 2021/22 fiscal year: €460m in revenue and an EBIT margin of about 13%. As a reminder, these objectives are framed at constant exchange rates. They include Everest Group *consulting*, but not, at this stage, why innovation!.

At the point of publication of its H1 2021/22 results, on December 6, 2021, Wavestone will update its annual objectives and present its new strategic plan.

Next event: publication of H1 2021/22 results, Monday, December 6, 2021, 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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