

2021/22 revenue of €470.1m, up +13% Further increase in the EBIT margin objective

Revenue In €m - unaudited consolidated data	2021/22	2020/21	Change	Change at constant scope ¹ and on a constant forex basis
9 months	340.2	298.5	+14%	+12%
Q4	129.9	119.1	+9%	+5%
12-month total	470.1	417.6	+13%	+10%

¹ Excluding Everest Group consulting consolidated since 05/01/2021, why innovation! consolidated since 11/01/2021, and NewVantage Partners consolidated since 01/01/2022.

Revenue of €129.9m in Q4, up +9%

In the fourth quarter of the 2021/22 fiscal year (January 1 to March 31, 2022), Wavestone generated consolidated revenue of €129.9m, an increase of +9% compared with Q4 of the previous fiscal year.

On a constant scope and forex basis, organic growth was +5% over the last quarter.

For the full 2021/22 fiscal year, Wavestone's consolidated revenue stood at €470.1m, exceeding the target of €462m. This amounted to sustained growth of +13% (equivalent to +10% at constant scope and exchange rates). To note: the firm benefited from a positive working day impact over the whole year of +1.1%.

Consultant utilization rate of 77% and modest increase in sales prices over the 2021/22 fiscal year

As expected, the consultant utilization rate fell slightly to 75% in the fourth quarter of 2021/22. This was due to the high number of new starters since September 2021 and a relative increase in Covid-19-related absences.

Over the year as a whole, the consultant utilization rate reached a high level of 77%, compared with 71% a year earlier, and above the 75% targeted for the fiscal year.

The positive trend in sales prices was confirmed in Q4. The average daily rate for the whole of the 2021/22 fiscal year stood at €854, compared with €842 in 2020/21. Everest Group consulting, why innovation!, and NewVantage Partners contributed €7 to this increase over the year.

In terms of business climate, despite the geopolitical situation, the consulting market has remained buoyant since the start of 2022. Order intake was excellent in Q4, enabling the order book to reach 4.3 months of work at March 31, 2022, compared with 4.1 months at December 31, 2021.

Good recruitment momentum but staff turnover still significant

Momentum on recruitment was strong throughout the year, enabling the firm to recruit nearly 1,000 employees in 2021/22, above the target of 900 new starters set in December 2021.

This high rate of recruitment has enabled the firm to offset a sustained level of staff turnover, which stood at 18% for 2021/22 compared with 11% in the previous fiscal year. Wavestone's objective is to gradually reduce this rate to about 15% during the 2022/23 fiscal year.

At March 31, 2022, Wavestone had 3,732 employees, compared with 3,453 at March 31, 2021.

Wavestone was once again recognized as a *Great Place To Work*® and now stands in 1st place in the 2022 ranking of companies with more than 2,500 employees in France, as well as ranking 3rd in the "50 to 100 employees" category (medium-sized companies) in Luxembourg. 86% of the firm's employees consider Wavestone to be a *Great Place To Work*® (see the press release of April 6, 2022: [Wavestone is ranked 1st in France for Great Place to Work](#)).

Acquisition of consulting firm Nomadéis

On April 13, 2022, Wavestone announced the acquisition of Nomadéis, a French consulting firm specializing in the environment and social responsibility. Nomadéis and Wavestone share an ambition to jointly carve a leading position in sustainable development consulting, in line with the *Impact* strategic plan (see the press release of April 13, 2022: [Wavestone and Nomadéis join forces to become a leading player in the field of sustainability](#)).

Founded in 2002 and based in Paris, Nomadéis has worked on over 700 projects across 70 countries, establishing itself as a key player in supporting the energy, environmental, and social responsibility transitions of companies and public-sector institutions. In 2021/22, Nomadéis achieved an estimated turnover of €1.9m, up +28%, with break-even profitability.

Wavestone has acquired a 100% stake in Nomadéis, funded from cash reserves. The purchase price amounts to €2.8m in enterprise value. Nomadéis has been consolidated into Wavestone's accounts since April 1, 2022.

Further increase in the profitability objective for 2021/22

In the light of solid levels of business activity in 2021/22 and an upward trend in sales prices, Wavestone is again raising its annual profitability target. The firm is now aiming for an EBIT margin above 15.5% over the fiscal year, compared with the target of 13% at the start of the year, which was raised to 15% in December 2021.

This objective takes into account the consolidation of Everest Group consulting since May 1, 2021, why innovation! since November 1, 2021, and NewVantage Partners since January 1, 2022.

Outlook for the 2022/23 fiscal year

The consulting market remains buoyant at the start of the 2022/23 fiscal year with clients showing a clear appetite for transformation.

Wavestone begins the year with the objective of achieving organic revenue growth of more than 5%. In parallel, the firm will continue to pursue external growth with the objective of making new acquisitions; the US and the UK remain the priorities, without ruling out tactical purchases in France.

Against an inflationary backdrop, close attention will be paid to salary levels over the fiscal year. While the firm did not see any significant inflation in remuneration in 2021/22, over 2022/23 it will ensure that its salary policy is adjusted accordingly to maintain the firm's competitiveness in HR terms.

Although the sustained pace of recruitment will enable mitigation of the effects of salary inflation on average compensation, Wavestone has set itself the objective of continuing to increase sales prices, in order to manage the price-to-salary ratio in the best possible way.

The other focus of the fiscal year will be the evolution of the economic climate against a much more uncertain backdrop, in particular due to the conflict in Ukraine. The firm is being especially vigilant with respect to the risk of a downturn in demand and has decided to maintain an intense level of business-development activity to build resilience against this risk. To note: Wavestone does not operate in either Russia or Ukraine.

Wavestone will share its financial objectives for the 2022/23 fiscal year on May 31, 2022 – the date of publication of its 2021/22 annual results.

Next event: publication of the 2021/22 annual results, Tuesday, May 31, 2022, 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 3,500 employees across 9 countries. It is a leading independent player in European consulting.

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

Wavestone

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