

2022/23 First-half revenue of €237.1m, up 9% Confirmation of annual objectives

Revenue (€m) – unaudited consolidated data	2022/23	2021/22	Change	Change at constant scope* and on a constant forex basis
Q1	122.0	115.2	+6%	+3%
Q2	115.1	102.6	+12%	+5%
H1	237.1	217.8	+9%	+4%

* Excluding Everest Group consulting consolidated since 05/01/2021, why innovation! consolidated since 11/01/2021, NewVantage Partners consolidated since 01/01/2022, Nomadéis consolidated since 04/01/2022 and PEN Partnership consolidated since 08/01/2022.

Revenue up 12% in Q2 2022/23, including 5% on an organic basis

During the second quarter of its 2022/23 fiscal year (from July 1 to September 30, 2022), Wavestone generated consolidated revenue of €115.1m, up 12% compared with the second quarter of 2021/22.

At constant scope and on a constant forex basis, the firm generated organic growth of 5%. The working-day impact was unfavorable over the past quarter and amounted at -1.4%.

For H1 2022/23, Wavestone generated revenue of €237.1m, up 9%, and 4% at constant scope and on a constant forex basis.

Note that, apart from the impact of acquisitions from the previous fiscal year, H1 2022/23 benefited from the contribution from Nomadéis, consolidated since April 1, 2022, and from PEN Partnership consolidated since August 1, 2022. Coeus Consulting will be consolidated from October 1, 2022.

Consultant utilization rate at 75% for H1 2022/23 and increase in the sales price

The utilization rate was down during the second quarter, owing to the impact of numerous new employee arrivals in September. It came to 75% at the end of H1 2022/23, in line with the normative level for the firm, versus 77% for the whole of the 2021/22 fiscal year.

In line with the first quarter, the sales price continued to trend higher. As a result, the average daily rate came to €880 in H1 2022/23, up 3% compared with the average sales price observed for the 2021/22 fiscal year (€854). At constant forex, the average daily rate was €872, up 2% compared with a year earlier.

Dynamic recruitment maintained but turnover still under pressure

The pace of recruitment remained steady during the first half. At the half-year point, the firm was in line with its full-year target aiming to recruit more than 1,000 employees over the 2022/23 fiscal year.

Pressure remains intense on the staff turnover rate. On a rolling 12-month basis, the staff turnover rate came to 19%, compared with 19% at end-June and 18% for the previous fiscal year.

At end-September, Wavestone had 3,864 employees compared with 3,732 end-March at the end of the 2021/22 fiscal year.

Still robust market backdrop despite the complicated economic environment

Wavestone generated Q2 revenue growth in line with its roadmap, with solid operating indicators.

In an economic context marked by accelerating inflation, human resources remains a central concern for Wavestone. To maintain its competitiveness, the firm has adjusted its salary policy. Similarly, adjustments to sales prices are having positive impacts and enable the firm to maintain the ratio of sales price to salaries.

Regarding the economic backdrop, even though slight signs of a slowdown are starting to appear on certain accounts, notably in the public sector and the auto sector, the firm continues to operate in a market that remains buoyant overall. Demand for consulting services remains driven by major digital transformation projects, M&A or reorganization deals, or challenges faced by major companies in terms of cybersecurity and sustainable development.

Order intake remained steady over the summer and at the start of September. The order book stood at 3.7 months at September 30, 2022, the decline compared with June 30, 2022 (4.2 months) owing to the anticipated growth in the headcount for the third quarter of the fiscal year.

Confirmation of 2022/23 annual objectives

Given the non-normative level of operating charges in H1 2021/22 and the acceleration in spending on recruitment and human resources, the H1 2022/23 EBIT margin should be around 12%, i.e. lower than a year earlier (note: 14.6% in H1 2021/22).

Owing to the acquisitions of Nomadéis, PEN Partnership and Coeus Consulting during H1 2022/23 and the firm's usual seasonality, Wavestone's net debt, excluding lease liabilities, should come to around €16m on September 30, 2022 (compared with a net cash position of €60.3m at March 31, 2022).

Wavestone confirms its financial objectives for the 2022/23 fiscal year: a revenue of over €505m for an EBIT margin of the order of 15%, excluding PEN Partnership and Coeus Consulting.

When first-half 2022/23 results are released in early December, Wavestone will update its full-year targets to take into account the consolidation of PEN Partnership and Coeus Consulting.

In terms of external growth, the firm plans to continue its targeted acquisitions policy. After the latest acquisitions, Wavestone does not plan any further operation in the UK over the coming months. The firm therefore plans to give the priority to the United States, although it does not rule out tactical deals in other geographies.

Next publication: 2022/23 first-half results, Monday, December 5, 2022, after the 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 organizations in their most critical transformations, with the ambition of a positive outcome for all stakeholders. This ambition is anchored in the firm's DNA and summarized in its signature approach – "The Positive Way."

Wavestone brings together nearly 4,000 employees in Europe – where it is one of the leading independent consultants – in the United States and in Asia.

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

Wavestone

Pascal Imbert
CEO

Tel.: +33 (0)1 49 03 20 00

Benjamin Clément

Financial Communication

Tel.: +33 (0)1 49 03 20 00

Actus

Mathieu Omnes

Investor and Analyst Relations

Tel.: +33 (0)1 53 67 36 92

Deborah Schwartz

Press relations

Tel.: +33 (0)1 53 67 36 35