

## H1 2018/19: revenue growth of +10%, +7% on a constant forex basis

Revenue In €m - unaudited consolidated data	2018/19	2017/18	Change	Change on a constant forex basis	Change at constant scope <sup>1</sup> and on a constant forex basis
Q1	95.9	85.4	+12%	+13%	+9%
Q2	86.7	81.2	+7%	+7%	+4%
<b>H1</b>	<b>182.6</b>	166.5	<b>+10%</b>	<b>+10%</b>	<b>+7%</b>

<sup>1</sup> UK firm, Xceed, has been consolidated since 04/01/2018

In Q2 of the 2018/19 fiscal year (July 1 to September 30), Wavestone generated a consolidated revenue of €86.7m, an increase of +7%.

At constant scope and exchange rates, the firm's organic growth reached +4% over the quarter.

Over the whole of H1 2018/19, the company's revenue amounted to €182.6m; an increase of +10%, or +7% at constant scope and exchange rates. To note: H1 benefited from a positive working day impact of +0.6%.

### A dip in consultant utilization rates, but a solid increase in sales prices

Q2 was marked by a slowdown in the firm's growth, resulting from a dip in consultant utilization rates and continuing pressure from staff turnover.

At the end of September, the utilization rate stood at 76%, compared with 78% at the end of Q1, and 77% over the whole of the previous fiscal year. This decline was due to a slowdown in some projects during the summer and insufficient levels of new projects in September.

The upward trend in sales prices remained solid. The average daily rate reached €868 in H1, compared with €848 over the whole of the 2017/18 fiscal year. This is an increase, at the mid-year point, of +2.4%—somewhat above the firm's forecast of +1 to +2% for the entire 2018/19 fiscal year.

At September 30, 2018, the firm's order book stood at 3.3 months of work, compared with 3.6 months at the end of June 2018, and 3.7 months at the end of the 2017/18 fiscal year.

### Staff turnover remains a major concern

Strong concerns about staffing levels were shown to be justified over the summer and immediately after it.

At the end of September, staff turnover stood at 21%, year-on-year, compared with 16% for the whole of 2017/18.

Wavestone is continuing to intensify the human-resource-related actions it is taking to address the issue.

At the end of September, despite a highly competitive labor market, the firm is on track to meet its recruitment plan for 600 new hires over the whole of the fiscal year—and it hopes to outperform it in H2.

At September 30, 2018, Wavestone had 2,851 employees, compared with 2,793 at March 31, 2018.

### **Reconfirmation of the 2018/19 objectives**

After a dynamic Q1, the firm's growth slowed in Q2 due to continuing challenges on staff turnover and a decline in consultant utilization rates—two indicators that are key priorities for the company in the coming months.

Demand remains strong, despite a more uncertain economic environment, something that will see Wavestone carefully monitoring developments in the areas its clients are investing in.

Wavestone reconfirms its financial objectives for the 2018/19 fiscal year: to achieve consolidated revenue growth of at least 8%, with an EBIT margin of over 13%. These objectives are calculated on a constant forex basis and exclude new acquisitions.

**Next event:** publication of the H1 2018/19 results, Tuesday, December 4, 2018, 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 guide large companies and organizations in shedding new light on their most critical transformation projects, with the ambition of creating a positive impact for all stakeholders. That's what we call "The Positive Way".*

*Wavestone brings together 2,800 employees across 8 countries. It is amongst the leading independent firms in consulting in Europe, and the n°1 independent consulting firm in France.*

*Wavestone is listed on Euronext, Paris, and is recognized as a Great Place To Work®.*

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