



Press release

Paris, July 19, 2019, 7:00 am

Acquisition of US-based consulting firm WGroup

Wavestone announces the acquisition of US-based consultancy WGroup.

WGroup: transforming old legacy-centric IT into a modern digital business-oriented one

Founded in 2004 and headquartered in Philadelphia, Pennsylvania, WGroup is an IT executive management consultancy focused on delivering IT strategy, cost optimization, and operational improvement advisory services to IT leaders in large enterprises across North America.

The Company's experience spans multiple verticals such as Healthcare and Insurance, Media & Entertainment, Global Manufacturing, Retail and Financial Services.

WGroup team is comprised of approximately 100 team members, including 50+ permanent employees.

For its last calendar year (ended December 31, 2018), WGroup recorded consolidated revenue of \$26.1m (approximately €23.3m), up 16%, and an adjusted EBITDA margin of circa 15%.

A new and ambitious growth chapter in the US, in line with Wavestone 2021 strategic plan

This acquisition accelerates the international development of Wavestone in the US, in line with Wavestone's 2021 Strategic Plan. After the merger, Wavestone's business in the US will represent an annual revenue of circa \$35m.

"The US is a bellwether market in the consulting industry" commented Pascal Imbert, Wavestone's CEO. *"We were impressed by WGroup's leadership team and its ability consistently to expand its client base. We are eager to start working with WGroup's team and thrive together seizing new opportunities in the US"*.

"After laying a 15-year foundation of persistent organic growth delivering world-class executive IT advisory to some of the best clients in the world, we've reached an inflection point" said Jeffrey Vail, CEO of WGroup. *"We are an ambitious team with our sights set on achieving market-leadership in the US market. To do so, we needed to deliver more service lines, greater breadth of expertise, around-the-globe capability, and overall, enhance our value to clients. Merging with Wavestone gives us this opportunity – today"*.

Terms of the operation

The transaction takes the form of a 100% acquisition of WGroup by Wavestone.

WGroup's leadership team is fully committed to the merger. Jeffrey Vail, its CEO, joins Wavestone's executive committee and is to take the lead of Wavestone's business in the US after the post-merger integration program.

The purchase price is \$22.0m in enterprise value, plus an additional consideration of up to \$8.5m conditioned by the firm's performance in 2019 and 2020.

The acquisition has been paid in cash and funded through an existing credit line negotiated with Wavestone's banks.

WGroup will be consolidated in Wavestone's accounts as of August 1 2019.

Wavestone's advisors:

Innovation Advisors, Dentons, Grant Thornton

WGroup's advisors:

Equiteq Securities LLC, Pepper Hamilton LLC

Next events: publication of Q1 2019/20 revenue, Wednesday, July 24, 2019, after Euronext market closing; and the shareholders' annual general meeting, Thursday, July 25, 2019, at 9:00am at the Pavillon Gabriel (5 Avenue Gabriel, 75008 Paris).

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 some 3,000 employees across 8 countries. It is a leading independent player in the European consulting market.

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

Wavestone

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