

2022/23 nine-month revenue grows by +11% Confirmation of annual objectives

Revenue In €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%
Q3	139.1	122.3	+14%	+6%
9-month total	376.2	340.2	+11%	+5%

* 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; PEN Partnership, consolidated since 08/01/2022; and Coeus Consulting, consolidated since 10/01/2022.

Revenue growth of +14% in Q3 2022/23 – equivalent to +6% organic growth

In Q3 of the 2022/23 fiscal year (October 1 to December 31, 2022), Wavestone generated consolidated revenue of €139.1m, an increase of +14% compared with Q3 of the previous fiscal year.

Q3 2022/23 benefited from the consolidation of the UK consulting firm Coeus Consulting since October 1, 2022, which follows the consolidations of Nomadéis since April 1, 2022, and PEN Partnership since August 1, 2022.

On a constant scope and forex basis, quarterly revenue growth was +6%. The working day impact was negative over the past quarter – standing at -1.6%.

At the end of the first nine months of the fiscal year, Wavestone's consolidated revenue amounted to €376.2m, an increase of +11% – equivalent to +5% at constant scope and on a constant forex basis (working day impact -1.0%).

Solid growth in sales prices and a consultant utilization rate of 74% over the nine months

The consultant utilization rate fell in Q3, due to the arrival of numerous employees since September. Over nine months, the rate stood at 74%, compared with 75% for the first half of the fiscal year.

The average daily rate (ADR) reached €886 over the nine months – an increase of +4% compared with the average sales price for the whole of the previous fiscal year (€854). Sales prices have thus continued to rise, in particular due to the integration of PEN Partnership and Coeus Consulting, which contributed +€10 to the ADR over the period. At constant exchange rates, the ADR stood at €879, up +3%.

On the sales side, order intake was solid at the end of the calendar year, as is typically the case at this period. The firm's order book stood at 4.0 months of work at December 31, 2022 (3.7 months at the end of September 2022).

Annual recruitment plan target exceeded; staff turnover reducing

Wavestone has maintained a sustained pace of recruitment and now expects to significantly exceed its annual plan of 1,000 gross hires in 2022/23.

Staff turnover has slowed down over the quarter. At the end of December, it stood at 17% on a rolling 12-month basis, compared with 19% at the mid-point of the fiscal year. Even if this trend is positive, the firm wants to remain cautious about the evolution of turnover over the coming quarters.

At December 31, 2022, Wavestone had 4,198 employees, including 126 from the mergers with Nomadéis, PEN Partnership and Coeus Consulting, compared with 3,864 at September 30, and 3,732 at the end of March (the end of the 2021/22 fiscal year).

Confirmation of 2022/23 annual objectives; less buoyant business environment in 2023

Q3 did not see any major changes, either in operational indicators or business development dynamics.

The start of 2023 is marked by a market that is less buoyant overall, with clients being more cautious in the face of deteriorating economic indicators. The environment also remains less than favorable in France's public sector. While this backdrop is impacting demand in some business sectors (manufacturing, insurance, and the public sector), others, such as banking, energy, and the luxury sector continue to offer attractive business development opportunities.

The firm remains confident about its continued pursuit of growth in the coming months, and is maintaining intense business development activity targeted at the best-placed sectors.

At the end of the first nine months of the fiscal year, the firm confirms its annual objectives for 2022/23: to achieve consolidated revenue of over €525m, taking into account the consolidation of PEN Partnership and Coeus Consulting, and to achieve an EBIT margin of about 15% over the fiscal year.

On external growth, Wavestone intends to pursue its policy of targeted acquisitions, giving priority to the US but without ruling out tactical purchases elsewhere.

Next event: publication of Q4 2022/23 revenue: Thursday, April 27, 2023, 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 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 more than 4,000 employees in Europe, in the United States and in Asia.

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

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