

Wavestone general meeting: strong participation and approval of the combination with Q_PERIOR

At today's Combined General Meeting, Wavestone shareholders approved the submitted resolutions, all related to the finalization of the planned combination between Wavestone and Q_PERIOR, announcer on July 25, 2023¹, and to changes in the governance of the new entity.

Participation was particularly high, at 90.7% of share capital, and all resolutions were approved by a very large majority.

In particular, resolutions 1 and 2, concerning the contribution of Q_PERIOR shares and the remuneration of this contribution by the issuance of new Wavestone shares, were approved by more than 99.9% of the voting rights of shareholders excluding the controlling block. For the record, the controlling shareholders had undertaken to neutralize their voting rights for these two resolutions.

Wavestone, a French leading consultancy, and Q_PERIOR, a consulting leader in the Germany-Switzerland-Austria (GSA) region, are thus pleased to announce today that they have joined forces to create a new champion in the consulting market.

*"This combination brings our two firms to a new scale and a new international dimension. It creates new development opportunities, positioning us as the preferred partner for our clients' major transformations, and enabling us to accelerate our expansion into new geographies", says **Karsten Höppner, CEO of Q_PERIOR and future Chief Operating Officer of Wavestone.***

*"Together, we aim to create a new European consulting champion with a global reach, while embracing our European roots, the human values that we cherish, and our commitment to being a responsible corporate citizen," adds **Pascal Imbert, Chairman and CEO of Wavestone.***

Wavestone and Q_PERIOR: a new European consulting firm with a global reach

This combination is transformative and strategic for both firms. It creates a new player in the category of top international consulting firms.

The change in size, international scope and value proposition of the new entity will enable it to access new opportunities, aimed at supporting major international accounts in their most global transformations.

With over 5,500 employees based in 17 countries throughout Continental Europe, the UK, North America and Asia, the new firm is now operating in almost all business sectors and is becoming a major player in many of these areas: Banking, Insurance, Energy, Automotive & Manufacturing, Transportation, Travel & Logistics.

Among its major clients, the new firm serves BMW, BSH, Crédit Agricole, Deutsche Bahn, EDF, EnBW, L'Oréal, LVMH, SNCF, Société Générale, Swiss RE and TotalEnergies².

As of March 31, 2023³, the new entity generates a consolidated annual revenue of €835.2m with an EBIT margin of 12.1%.

¹ Read the [press release](#)

² Ranked by alphabetical order

³ Based on IFRS unaudited pro forma figures for the 12 months to March 31, 2023

A new consulting player with a development model driven by growth

The project co-built by the two firms aims at continuing the development of the new group at a sustained rate of growth over the next few years, through a mix of organic growth and acquisitions.

By 2025, the new firm aims to reach, without new acquisitions, around €1 billion revenue, with an EBIT of at least €130 million in FY 2024/25. These objectives are calculated on a constant forex basis.

In the longer term, the new entity aims to sustain a 15% revenue growth rate, considering both organic and inorganic, and targets a normative EBIT margin of around 15%.

In terms of external growth, the union of Wavestone and Q_PERIOR is thus positioning itself as an attractive platform for future acquisitions. Priority will be given to two geographical areas, the United Kingdom and the United States, as well as on consolidating the positions already established in Asia.

As a benchmark employer, the new firm accompanies its financial ambitions with a particular focus on human capital across all geographies, in order to enhance its appeal in attracting and retaining the best talent. Deeply committed to developing its human capital, the new entity aims to rank in the top of the Great Place to Work® rankings in each of the major countries in which it operates.

The new firm also strives to be at the forefront of social, societal and environmental responsibility issues. On this extra-financial level, the new firm's objective is to rank in the top 5% of companies in terms of CSR performance.

Reminder of the terms of the combination

Wavestone today acquired 100% of the share capital of Q_PERIOR, based on an enterprise value of €330m, excluding any potential earn-out, including €321.9m in shareholders' equity (the base price) and €8.1m of adjusted net financial debt⁴. In addition to this base price, an earn-out of up to €35.0m could be paid, conditioned by the EBIT of Q_PERIOR at March 31, 2024.

This operation was financed for 79.0% of the base price by the issuance today of 4,709,840 new Wavestone shares on the basis of a reference price of €54 per new share, i.e., a total of €254.3m. These new Wavestone shares are now issued and held by Q_PERIOR shareholders, who thus become Wavestone shareholders as of today.

The remaining balance of the base price, i.e. €67.6m, and if applicable the earn-out up to a maximum of €35.0m, are financed in cash from Wavestone's available funds.

Following the operation, Wavestone's share capital is now composed of 24,906,332 shares.

On the basis of these terms and the capital structure of Wavestone at September 30, 2023, the breakdown of shareholders is now as follows:

Shareholders	Number of shares	% of total share capital	Number of exercisable voting rights	% of total exercisable voting rights
Imbert Family (Wavestone's founder)	5,789,136	23.24%	11,578,272	31.32%
Dancoisne – Chavelas Family (Wavestone's founder)	5,211,088	20.92%	10,422,176	28.19%
Majority shareholders of Q_PERIOR	3,989,956	16.02%	3,989,956	10.80%
Controlling shareholders acting in concert	14,990,180	60.19%	25,990,404	70.31%
Other Wavestone executives, Directors and employees	1,646,409	6.61%	2,721,845	7.36%
Q_PERIOR employees	719,884	2.89%	719,884	1.95%
Free float	7,222,517	29.00%	7,534,408	20.38%
Treasury stock	327,342	1.31%	-	-
Total	24,906,332	100.00%	36,966,541	100.00%

⁴ Including financial net debt, debt-like items, and approximately €8 million corresponding to the value of some minority stakes owned by managers involved in the development of some Q_PERIOR's subsidiaries.

The main shareholders of the new entity, comprising Pascal Imbert, Chairman and CEO of Wavestone, the Dancoisne - Chavelas family and the majority shareholders of Q_PERIOR, are now acting in concert and have become the new controlling shareholders of Wavestone. This action in concert will operate under a joint control governance and is underpinned by a 10-year shareholders' agreement, which testifies the strong and lasting alignment of all the controlling shareholders of the new entity.

The controlling shareholders' commitment to the new group's growth strategy is further strengthened by a lock-up mechanism⁵ for their Wavestone shares. This is implemented on a degressive basis for a period of 4 years for the shareholders acting in concert (60.19% of the capital). Q_PERIOR's minority shareholders (2.89% of the capital) are subject to a 2-year lock-up.

As a reminder, Wavestone obtained a waiver from the AMF on November 15, 2023 from the obligation to file a public offer.

An extended and strengthened corporate governance

Wavestone shareholders also approved at the General Meeting the appointment of two new Directors, Karsten Höppner, CEO of Q_PERIOR, and Astrid Blechschmidt, Partner of Q_PERIOR, to reflect the new capital structure and its international dimension, while maintaining a significant proportion of independent Directors, with six independent Directors out of a Board of Directors now made up of fourteen members.

The appointment of an independent Director will be submitted to the vote of shareholders at the Annual General Meeting in July 2024.

At its meeting following the General Meeting, the Board of Directors approved the appointment of Karsten Höppner as Chief Operating Officer⁶, alongside Patrick Hirigoyen.

Q_PERIOR's key executives will also join Wavestone's management team, so that the new firm's operational governance bodies accurately represent the newly formed entity.

The voting results for each resolution of the Combined General Meeting of December 5, 2023 will soon be available on the Wavestone website (www.wavestone.com), Investors section, under General Meeting.

Next event: Publication of Q3 2023/24 revenue, Tuesday, January 30, 2024, after Euronext market closing.

About Wavestone

Wavestone, an independent leading French consulting pure-player, and Q_PERIOR, an independant consulting leader in the Germany-Switzerland-Austria region, joined forces in 2023 to become the most trusted partner for critical transformations.

Drawing on more than 5,500 employees across Europe, North America and Asia, the firm combines seamlessly first-class sector expertise with a 360° transformation portfolio of high-value consulting services.

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

Wavestone

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⁵ Period during which shareholders must not sell their shares.

⁶ With effect from January 1, 2024