

Revenue for Q1 2024/25 up +62%; +1% organic growth 2024/25 fiscal year objectives confirmed

Revenue in €m Unaudited data	2024/25 consolidated	2023/24 consolidated	2023/24 pro forma ¹	Total growth	Organic growth (pro forma basis ¹)
Q1	232.4	143.3	229.3	+62%	+1%

¹ The 2023/24 pro forma financial information has been calculated as if the acquisitions of Q_PERIOR and Aspirant Consulting had taken place on April 1, 2023.

+1% organic growth in Q1 2024/25

In Q1 2024/25, Wavestone generated a consolidated revenue of €232.4m, a total increase of +62%, compared with Q1 2023/24.

As a reminder, Wavestone has consolidated Q_PERIOR, a German consulting firm, since December 1, 2023, and Aspirant Consulting, an American consulting firm, since February 1, 2024.

On a constant scope and forex basis, revenue for Q1 2024/25 was stable. On a pro forma basis, calculated as if the acquisitions of Q_PERIOR and Aspirant Consulting had taken place on April 1, 2023, revenue for Q1 2024/25 showed modest organic growth of +1%, against the backdrop of a hardening business environment.

As expected the rate of organic growth in Q1 was slower than the one targeted for the entire fiscal due to the significant baseline effect (as a reminder: +11% growth at constant scope and forex basis in Q1 2023/24). This baseline effect will continue to weigh on growth rate in Q2 2024/25 (as a reminder: +14% growth at constant scope and forex basis in Q2 2023/24).

Consultant utilization rate of 73% in Q1 2024/25; average daily rate of €944

From Q1 2024/25, Wavestone has deployed consolidated operating indicators across the whole firm. To be noted though, consolidated order book computation remains to be finetuned. Pro forma indicators have not been established for 2023/24.

In Q1 2024/25, the consultant utilization rate was 73%. At constant scope, the rate was also 73%, stable compared with the 2023/24 fiscal year.

The average daily rate reached €944 in Q1 2024/25. At constant scope, the average sales price was up slightly, by +0.3% to €901, compared with €898 over the whole of the 2023/24 fiscal year.

With regard to commercial activity, the order book amounted to around 4.3 months of work at June 30, 2024 (including Q_PERIOR and Aspirant Consulting). At constant scope, it was 3.9 months, to be compared with 4.1 months at March 31, 2024.

5,868 employees at June 30, 2024; staff turnover rate of 13% on a rolling 12-month basis

At June 30, 2024, Wavestone had 5,868 employees, compared with 5,894 at the end of the 2023/24 fiscal year, showing a decrease typical of this period of the year.

The firm continues to be cautious in terms of recruitment as a result of the difficult business environment and of the low staff turnover rate. As a reminder, in this context, Wavestone has set itself the target of about 1,000 hires across the entire firm in 2024/25.

At June 30, 2024, the staff turnover rate was 13%, on a rolling 12-month basis (including Q_PERIOD and Aspirant Consulting). At constant scope, the staff turnover rate was 14%, stable compared with the 2023/24 fiscal year.

Outlook for the 2024/25 fiscal year

Demand for consulting services proves to be weaker than expected in the first months of the 2024/25 fiscal year. The market is hardening, with a more marked wait-and-see attitude from decision-makers, especially in France over May, and then again in June against the backdrop of elections.

The banking, retail, industry sectors and the French public sector remain under pressure. In addition, Wavestone sees signs of a slowdown among some insurance and luxury accounts. To mitigate the effects of this economic environment, Wavestone is focusing its business-development activity on the accounts and the sectors that are currently the most resilient, such as energy, transport, and life sciences.

Q2 of the 2024/25 fiscal year (the period from July 1 to September 30, 2024) is likely to follow a similar trend. There is reduced visibility on projects, especially in France – as a result of the political uncertainty which leads to project delays, and due to the holding of the Olympic and Paralympic Games over the summer.

Against this backdrop, the firm will continue to prioritize business-development activity and continue to favor profitability over growth.

Confirmation of 2024/25 fiscal year objectives

At the end of Q1 2024/25, despite the poor business environment, Wavestone is restating its objectives of an annual growth of about +3% to +5% on the basis of the 2023/24 pro forma revenue (€943.8m), and of a recurring operating margin of over 13%.

As a reminder, the rate of growth in the first half of 2024/25 will be slower than that targeted over the entire fiscal year, given a significant baseline effect (+12% growth at constant scope and forex basis in H1 2023/24). Profitability will also be lower than the annual target due to the usual seasonal effect.

These objectives are at constant exchange rates, exclude any new acquisitions, and include the contributions of Q_PERIOD and Aspirant Consulting over the entire fiscal year.

Project to move Wavestone's head office at the end of the 2026/27 fiscal year

Wavestone announces the signing, on July 24, 2024, of a lease contract, with a view to moving its headquarters, currently located in La Défense, to a new building in Paris' Central Business District.

With these new premises, Wavestone intends to reduce its carbon footprint, increase its attractiveness towards talents and strengthen the image of the firm among major international accounts.

The move should take place in the first calendar half of 2027. It does not impact the objective of delivering a normative annual recurring operating margin of 15%.

Next event: Publication of H1 2024/25 revenue on Wednesday, October 30, 2024, after Euronext market closing.

About Wavestone

Wavestone is a consulting player, whose mission is to support companies and organizations in their strategic transformations in a constantly evolving world, with the ambition of generating positive and lasting impacts for all its stakeholders.

Drawing on more than 5,500 employees in 17 countries across Europe, North America and Asia, the firm has a 360° portfolio of consulting services with high added value, seamlessly combining leading sector expertise with a wide range of cross-sector know-how.

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

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Appendix 1: alternative performance indicator

Recurring Operating Profit (ROP) is an alternative performance indicator obtained by deducting operational expenses related to current activities from revenue. Amortization of customer relationships is not deducted from ROP, nor are non-recurring income and expenses. The latter include, in particular, income or expenses related to business acquisitions or divestitures, as well as income or costs associated with unoccupied premises.