



WAVESTONE

## Shareholders' Guide

February 2019

## An introductory word from Wavestone's CEO, Pascal Imbert



*Dear shareholder or future shareholder,*

*I'm pleased to be able to present you with this new edition of the Wavestone Shareholders' Guide.*

*We chose to create this guide to provide you with a clear overview of the company's activities and values, and to enable you to better understand your rights and role as a Wavestone shareholder.*

*Pascal Imbert*

# Summary

/ **01**    Wavestone the company

/ **02**    Wavestone and the stock market

/ **03**    Being a Wavestone shareholder

/ **04**    Staying up to date



/ **1**

Wavestone the company



In a world where the ability to drive transformation is the key to success, we inform and guide our clients in their most strategic decisions.



Clients who are leaders in their sectors



3,000 employees across 8 countries

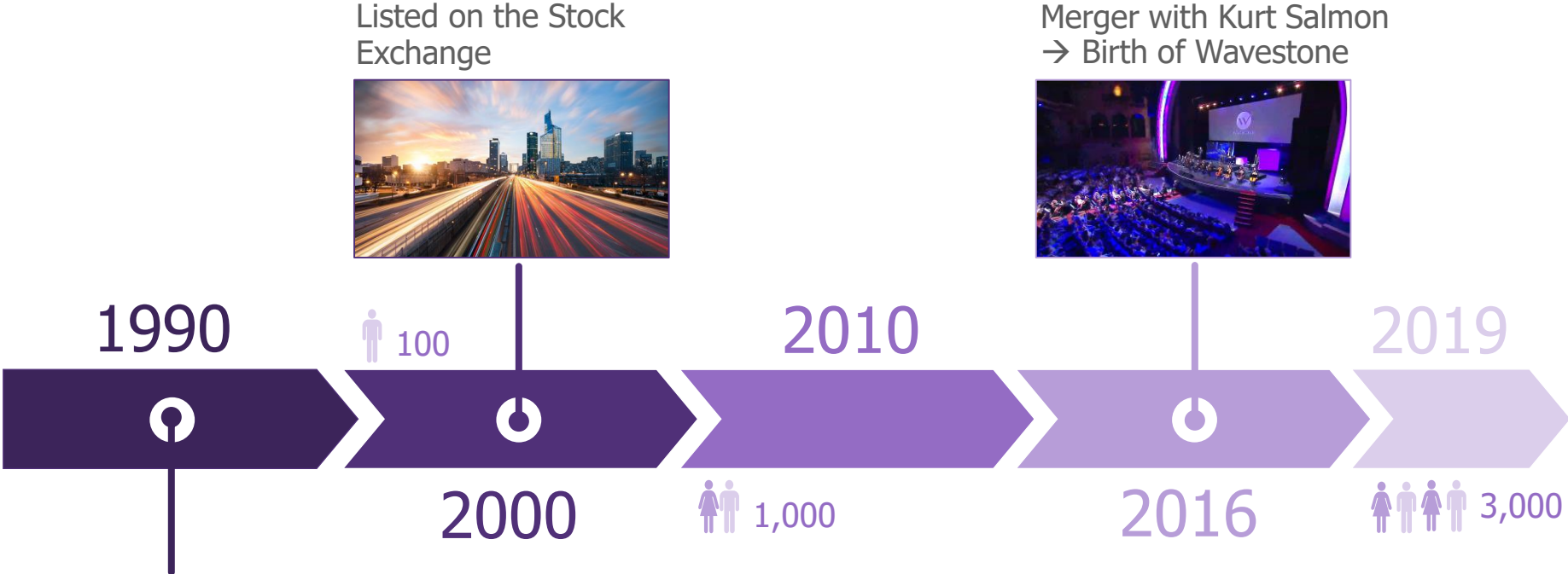


A leading independent player in European consulting, and the number one in France.

Paris | London | New York | Hong Kong | Singapore\* | Dubai\* | São Paulo\*  
Luxembourg | Madrid\* | Milan\* | Brussels | Geneva | Casablanca | Istanbul\*  
Lyon | Marseille | Nantes

\* Through partnerships

# An expert in management consulting, digital, and technological innovation for almost 30 years



Listed on the Stock Exchange

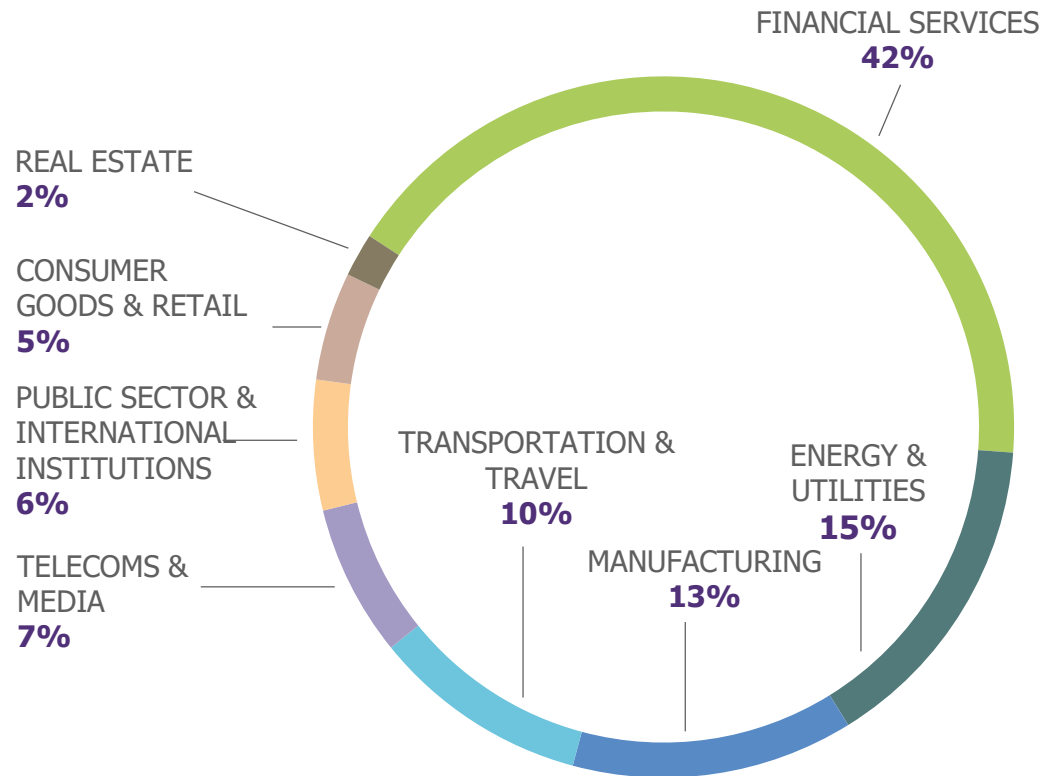


Merger with Kurt Salmon → Birth of Wavestone



Creation of Solucom by Michel Dancoisne and Pascal Imbert

# Distribution of revenue



Breakdown by sector at March 31, 2018

## Top 20 customers

BNP PARIBAS	10%
SOCIETE GENERALE	9%
EDF	7%
SNCF	5%
LA POSTE	5%
CRÉDIT AGRICOLE	5%
Total	3%
BPCE	3%
ALSTOM	3%
UGAP	2%
ENGIE	2%
SANOFI-AVENTIS	2%
ORANGE	2%
SAINT-GOBAIN	2%
SUEZ	2%
AXA	1%
ALLIANZ	1%
AMF	1%
L'ORÉAL	1%
PSA	1%



# Supporting major transformations in all sectors

**Orange Bank**  
The creation of a mobile bank



**EDF-SOWEE**  
The development and launch of the Sowee offering



**PSA**  
Connected vehicles platform



**Ministry of Justice**  
Digitalization of the French Code of Criminal Procedure





# Wavestone's competitive landscape

Independent management consulting firms

**BearingPoint**®

EUROGROUP  
CONSULTING

Consulting branches of the "Big Four"

**EY**  
Building a better working world

**Deloitte.**

Consulting branches of digital services companies

Capgemini

**accenture**

Niche players

siapartners

exton consulting

ARGON  
CONSULTING

STRATEGY &  
MANAGEMENT

Four main types of competitor

## Wavestone's senior executives



***Pascal Imbert***  
*Chairman of the  
Management Board*  
*CEO*



***Patrick Hirigoyen***  
*Member of the  
Management Board*  
*COO*



***Tiphanie Bordier***  
*CFO*



***Michel Dancoisne***  
*Chairman of the  
Supervisory Board*

***You can find executive biographies and more information on governance in  
Wavestone's 2017/18 Annual Report***

# Key figures from the last fiscal year (1/3)

## Simplified income statement

Consolidated audited data at 3/31 (in €m)	<b>2017/18</b> 3/31/2018	<b>2016/17</b> 3/31/2017	<b>Change</b>
<b>Revenue</b>	<b>359.9</b>	<b>338.7</b>	<i>+6%</i>
<b>EBIT</b>	<b>50.6</b>	<b>38.7</b>	<i>+31%</i>
<i>EBIT margin</i>	<i>14.1%</i>	<i>11.4%</i>	
<b>Operating income</b>	<i>46.8</i>	<i>35.6</i>	<i>+31%</i>
<b>Net income</b>	<b>26.6</b>	<b>20.1</b>	<i>+33%</i>
<i>Net margin</i>	<i>7.4%</i>	<i>5.9%</i>	

NB: Wavestone's fiscal year begins on April 1 and ends on March 31 of each year.

## Key figures from the last financial year (2/3)

### Balance sheet

Consolidated data (in €m)	<b>2017/18</b> (3/31/2018)	<b>2016/17</b> (3/31/2017)	Consolidated data (in €m)	<b>2017/18</b> (3/31/2018)	<b>2016/17</b> (3/31/2017)
<b>Non-current assets</b>	157.1	164.0	<b>Shareholders' equity</b>	130.2	104.1
<b>Current assets</b>	152.2	130.8	<b>Non-financial liabilities</b>	144.4	134.2
<b>Cash and cash equivalents</b>	52.1	38.7	<b>Financial liabilities</b>	86.7	95.2
<b>TOTAL ASSETS</b>	<b>361.3</b>	<b>333.5</b>	<b>TOTAL LIABILITIES</b>	<b>361.3</b>	<b>333.5</b>

**Net debt: €34.6m**

*compared with €56.5m net debt at March 31, 2017*

# Key figures from the last fiscal year (3/3)

## Cash flow statement

Consolidated data at 3/31 (in €m)	<b>2017/18</b> (03/31/2018)	<b>2016/17</b> (03/31/2017)
<b>Gross cash flow margin</b>	32.9	27.1
Change in working capital requirements	(2.8)	(2.3)
<b>Net cash flow from operations</b>	30.1	24.7
<b>Net cash flow from investments</b>	(3.0)	(18.5)
<b>Net cash flow from financing operations</b>	(13.3)	(7.1)
of which dividends	(3.0)	(2.0)
<b>Change in cash and cash equivalents</b>	13.8	(0.9)

# Wavestone's performance indicators

Every quarter, Wavestone communicates on operational indicators specific to its activities; in addition to financial information, these help provide a more accurate assessment of its operating performance:



## **Staff turnover rate**

The annual staff turnover rate is the number of departures through resignation during the year, divided by the headcount at the end of the year.



## **Consultant utilization rate**

The consultant utilization rate is the ratio of the number of days of work invoiced to clients over a given period to the total number of days worked by billable staff, excluding holidays.



## **Order book**

The order book represents the total of consulting services ordered but not yet carried out, on the date when the figure is calculated. It is reported in months.



## **Average daily rate (ADR)**

The average daily rate is the average sales price of a day of consulting work with a client. It is calculated as follows:

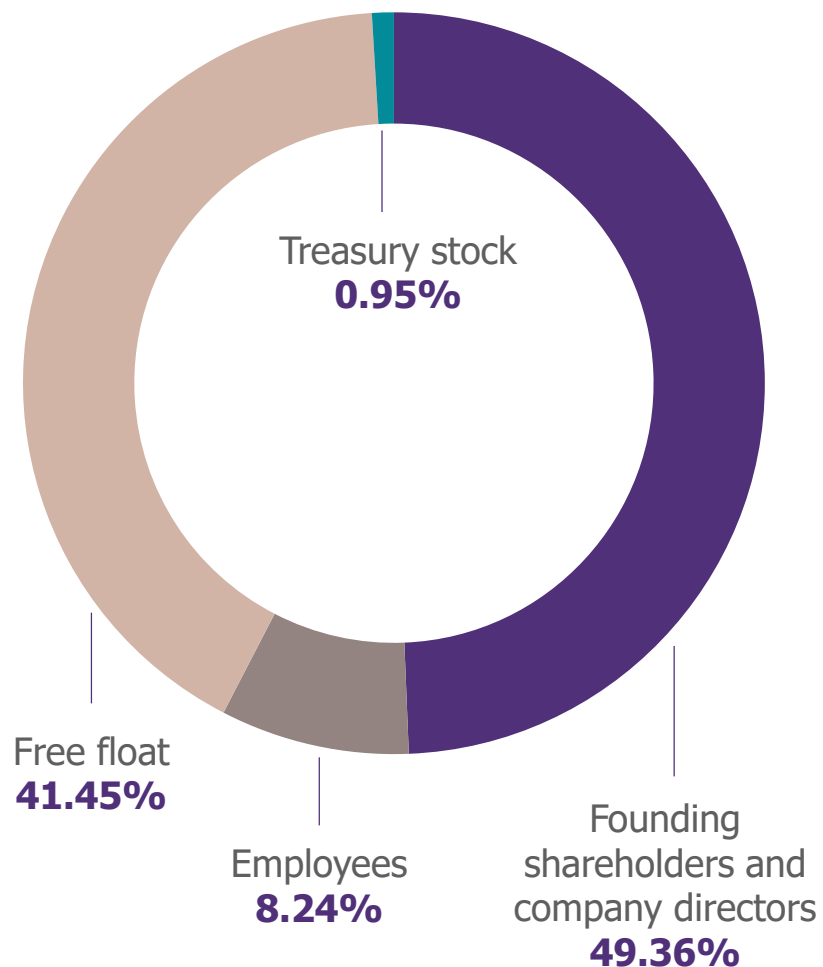
*Revenue from services delivered/Number of days billed to clients.*



# Our key indicators at September 30, 2018

	H1 2018/19 (6 months)	2017/18 fiscal year (12 months)	
Consultant utilization rate	76%	77%	▶ A decline in Q2: slowdown in activity over the summer; insufficient level of new projects in September
Average daily rate (ADR)	€868	€848	▶ Sales prices up +2.4%; above the +1% to +2% targeted for 2018/19
Order book	3.3 months	3.7 months	▶ Reduction in visibility immediately after the summer
Staff turnover rate	21%	16%	▶ A mixed picture in terms of human resources

## Breakdown of share capital at September 30, 2018



Number of shares: **20,196,492**

Potential net dilution of treasury stock: **0.11%**

Dividend distributed in August 2018:  
**€0.20 per share\* (+33%)**

*\*Recalculated following the division by four of the par value of Wavestone shares, which took place in early September*

# Wavestone 2021: Wavestone's strategic plan

**1** Scale

Revenue:  
**€500m**  
EBIT margin:  
**15%**

**2** Reputation

**No. 1** for  
transformation  
consulting in  
France

**3** Commitment

In the **top 3**  
in our category  
for CSR\*

**4** International

**€100m**  
of revenue  
outside France

**2021**  
WAVESTONE



# CSR: 4 themes and 7 commitments

## NEW CSR APPROACH

2021 objectives...

Reach **30%** of women in the Excom  
17% by 31/03/2018

Have the same proportion of women in positions of responsibility (operational or hierarchical management) as in the workforce.  
30% vs. 36% by 31/03/2018

**X3** the number of disabled co-workers  
11 by 31/12/2017



Carry out our activities within the framework of a **clear and responsible** doctrine in the choice of our missions and clients  
No doctrine in 2018

Develop a responsible council charter and train **100%** of employees\* in its application  
No charter in 2018



**ACT FOR THE A VARIETY OF PROFILES AND EQUALITY OF TREATMENT FOR OUR EMPLOYEES AND CANDIDATES**

**BE A RESPONSIBLE EMPLOYER**

**ENSURE THE DEVELOPMENT OF OUR EMPLOYEES**

**MAINTAIN A RESPONSIBLE RELATIONSHIP WITH OUR SUPPLIERS**

**BE A TRUSTED PARTNER**

**ENSURE THE RESPECT FOR TRANSPARENCY RULES, ETHICS AND DATA PROTECTION ACROSS THE WHOLE VALUE CHAIN**

**INTEGRATE CSR ISSUES INTO OUR CONSULTING PRACTICES**

**BE A COMMITTED CONSULTING FIRM**

**LIMIT THE ENVIRONMENTAL EFFECTS OF OUR FIRM**

**HAVE A POSITIVE SOCIAL FOOTPRINT**

**SUPPORT PROJECTS THAT CREATE SOCIAL VALUE AND PUT OUR SKILLS AT THEIR SERVICE**

2021 objectives...



Having trained **100%** of employees\* in business ethics  
0% in 2018

Having trained **100%** of employees\* in data protection  
70% of newly hired by 31/03/2018



Devote **1%** of the firm's time to social structures  
0,2% by 01/09/2017

\* Employees present in the firm for at least 1 year



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Wavestone and the stock market

# Wavestone and the stock market

Share price at January 18, 2019

**€26.50**

Number of shares

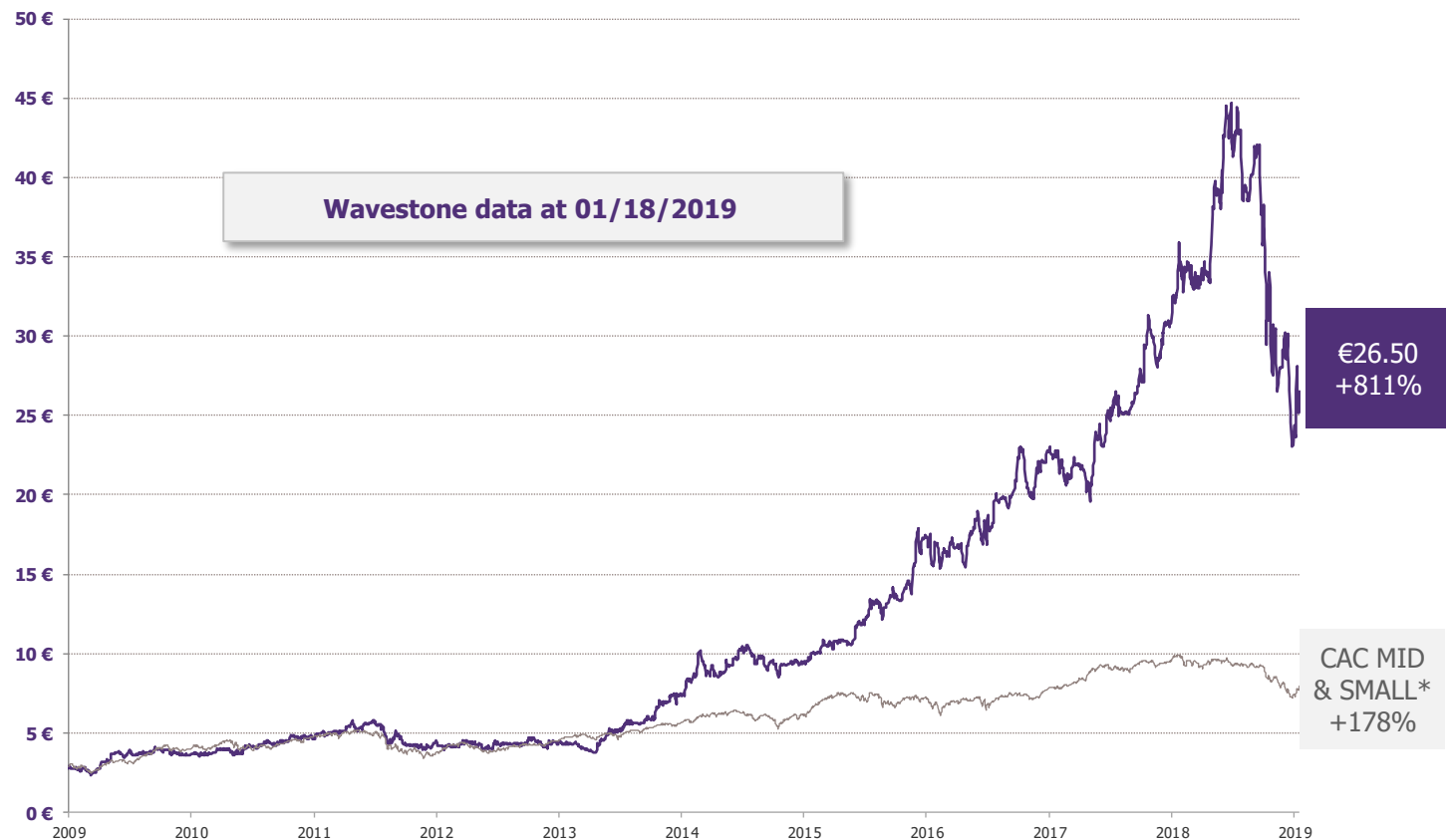
**20,196,492**

Market capitalization

**€535m**

Dividend

**€0.20**



\* CAC Mid & Small rebased on Wavestone's opening price at Wednesday, December 31, 2008

MARKET

Euronext (Paris)

MNEMONIC CODE

WAVE.PA (Reuters)  
WAVE: FP(Bloomberg)

ISIN CODE

FR0013357621

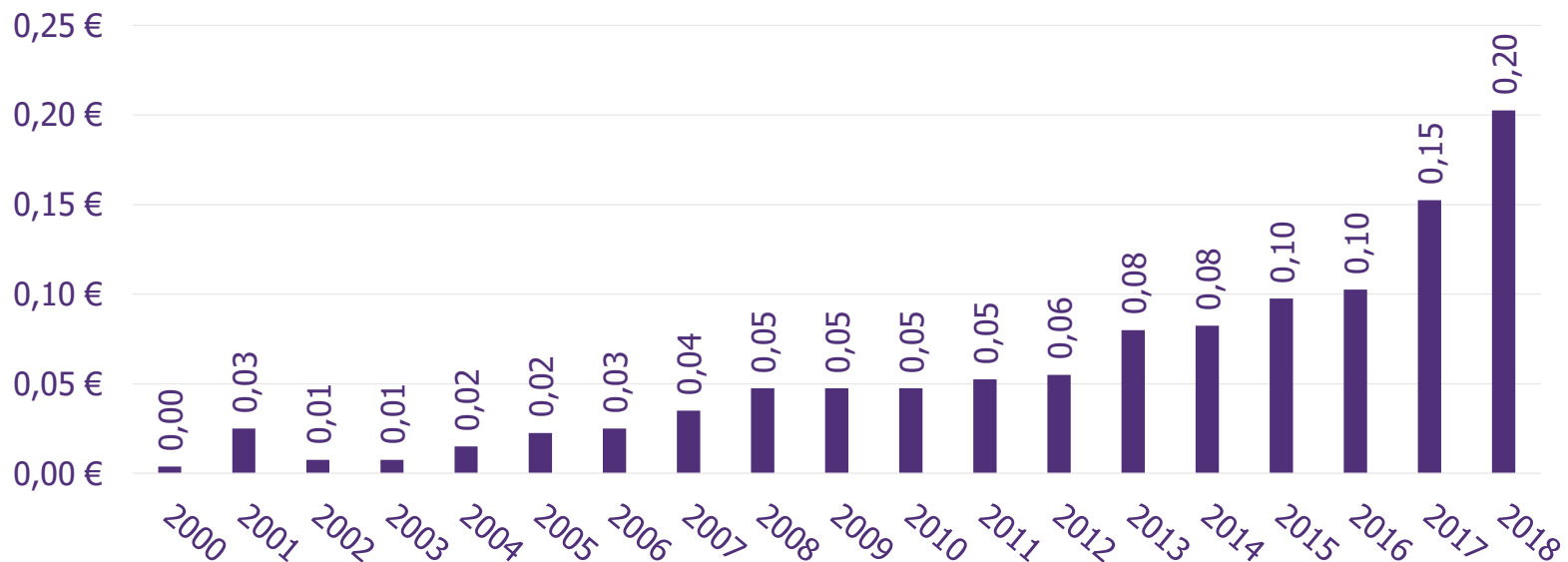


# A steady increase in dividends year on year

The dividend for 2017/18, approved at the Annual General Meeting on **July 26, 2018**, was **€0.20 per share**<sup>1</sup>.

As a company with a vision for growth, Wavestone reinvests a significant proportion of its profits to finance its development. The dividend paid each year represents **a distribution rate of 15%** of the group share of net income.

Evolution of dividend per share following the division by four of the par value of Wavestone shares



1: Following the decision to divide the par value of Wavestone shares by four. Prior to the division, the dividend was €0.81 per share.



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Being a Wavestone shareholder

# Ways of holding Wavestone shares

## Pure registered shares

This method of holding shares offers you the closest relationship with the company. **Your shares are registered directly with Wavestone's<sup>1</sup> shareholding service provider and you manage them yourself.** You will automatically receive the notice and documents for the Annual General Meeting.

## Bearer shares

This is the most common way to hold shares in France. **You are registered only with your financial intermediary** (the only party to hold your name) and **not on Wavestone's records.** You will not automatically receive information about Wavestone.

## Administered registered shares

This form of holding combines the features of the two previous ones. **Your shares are registered with Wavestone's<sup>1</sup> shareholding service provider but are managed by your financial intermediary.** You will also receive information about Wavestone and enjoy a privileged relationship with the company.

### I am a bearer shareholder—what are the advantages of being registered?

You will automatically receive information about Wavestone as well as notifications for Annual General Meetings. However, even if you'd prefer to remain a bearer shareholder, you can still benefit from relevant information about Wavestone; get in touch with your financial intermediary if you want to attend our Annual General Meeting.

1: Caceis Corporate Trust; see contact information on page 26

# Summary of ways of holding shares

Shareholding type	Pure nominative	Administered nominative	Bearer
<b>Annual General Meeting</b>	Automatic sending of the notice and the documents required for postal voting (by proxy and internet)		You need to make a request to your financial intermediary
<b>Custodian</b>	Caceis, Wavestone's shareholding service provider	Your financial intermediary	
<b>Handling of stock market orders</b>	<i>Via</i> the <a href="#">Olis Shareholders</a> website	<i>Via</i> your financial intermediary	
<b>Fees</b>	No custody or management fees. Higher transaction fees.	Variable, depending on the financial intermediary	
<b>Option to register your shares in a PEA (Plan d'épargne en actions—a French investment vehicle that allows the tax-free holding of shares).</b>	Difficult	Yes	
<b>Option to receive a consolidated statement of account</b>	No	Yes	
<b>Annual tax return</b>	Caceis sends you a single tax statement (calculation of capital gains on sales, whether or not the transactions have been carried out by Caceis)	Your financial intermediary sends you a single tax statement that summarizes all the transactions on your shareholding account + some intermediaries offer the management of capital gains	

# Wavestone's General Meeting of Shareholders

## What is the General Meeting?

The General Meeting is an important event in Wavestone's annual calendar. It is the point in the year when **the company's executives are accountable to the firm's shareholders**. For shareholders, it represents a unique event where they can ask questions about the company's situation, and express their views, by voting on matters relating to its management and the level of dividend.

## Who can attend the General Meeting?

You have the right to **attend the General Meeting if you hold Wavestone shares (in registered or bearer form)** and if these shares are registered with Wavestone or in bearer share accounts. If you own Wavestone shares as a bearer, your financial intermediary will need to issue a **shareholding certificate** as proof of your investment. This certificate is required if you want to attend the meeting but have not received your admission card.

## How to attend the General Meeting?

To attend Wavestone's Annual General Shareholders' Meeting, simply request (either by post or electronically) an **admission card from Caceis<sup>1</sup>** or the authorized intermediary who manages your shareholding accounts. If you can't attend the meeting in person, you have the option to **submit a postal vote, obtain a proxy or give proxy authorization to the chairman**. You can also **vote or give proxy authorization via the Internet**. However, the ways of doing this vary depending on whether you are a registered or bearer shareholder. For more information, visit the dedicated area on our website: <https://www.wavestone.com/en/investors/general-assembly/>

1: See contact information on page 26

# How to place a stock market order?

## Who should you contact?

- / **If you are a bearer or registered shareholder,** you will need to contact your financial intermediary.
- / **If you are a pure registered shareholder,** you will need to contact Caceis, Wavestone's shareholding service provider.

Most financial intermediaries now offer shareholders the option of placing orders online.

**caceis**  
INVESTOR SERVICES

## How to formulate an order?

### Limit orders

The order consists of placing a order to buy (or sell) along with a maximum purchase (or minimum sale) price.

### Best limit order

This type of order is executed at the best price offered when the share is placed on the market, i.e. it offers no guarantee on price.

### Market order

This order takes precedence over other types of order. It is executed until the desired quantity of transactions is achieved (to the maximum extent possible) without any attempt to control the price.

Your stock market orders must be clearly worded and must contain the following information:

- The name and ISIN code of the security to be processed
- The nature of the transaction: purchase or sale
- The amount of shares to be processed
- The execution price
- The period of validity of the order (to a maximum of "end of month")

### Investor Relations

Tel. Paris: + 33 (0)1 57 78 34 44

Fax: + 33 (0)1 49 08 05 80

Email [ct-contact@caceis.com](mailto:ct-contact@caceis.com)

OLIS-Shareholder website:

<https://www.nomi.olisnet.com>

### By mail

CACEIS Corporate Trust,

14 rue Rouget de Lisle,

92862 Issy Les Moulineaux Cedex 09



# 1 vote/e-notice = 1 tree planted

Wavestone encourages shareholders to opt for the e-notice. It's also possible to vote electronically, via the internet, at the General Meeting.

## A "vote" for the environment



**1 electronic notice or electronic vote  
= 1 tree planted\***

By registering for an e-notice (the e-mail receipt of the electronic notice and the documents for the General Meeting) or by casting an electronic vote, your action contributes to the reforestation of France's forests—something made possible by Wavestone's partnership with Reforest'Action.

*\* The e-notice and e-voting services are provided by the OLIS-SHAREHOLDER platform of CACEIS Investor Services*



**Eliminating the use of paper in the AGM  
registration process**

Since the Annual General Shareholders' Meeting of July 27, 2017, Wavestone has moved to a paperless shareholder registration process.



Thanks to you,  
**290 trees** were  
planted in 2018!



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Shareholder relations at Wavestone

# Our range of communications

## Annual Report



French version available in hard copy at the AGM or on our [website](#) from the investors' area

## CSR Report



This report, which sets out Wavestone's CSR policy in detail, is available in our [annual report](#).

## Social media



YouTube: [Wavestone](#)  
Twitter: [wavestone](#)  
Facebook: [Wavestone](#)  
LinkedIn: [Wavestone](#)  
Instagram: [wavestone\\_consulting](#)

## Shareholders' letter



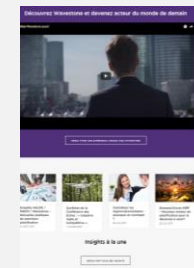
[Shareholders' Letter](#) sent by post or email.

## Press releases



- Receive them by email
- ActusNews subscription

## Our website



A dedicated [investor area](#) that contains all our financial documentation

# The Wavestone Shareholders Club



## What is the Shareholders Club?

The Wavestone Shareholders Club is free to join, and open to all Wavestone shareholders. Its aim is to provide shareholders with a better understanding of the firm, its strategy and activities, as well as company life in general.

It enables Wavestone to get to know its shareholders' expectations and inform them transparently, and regularly, on company news and prospects for development.



## What are the advantages ?

The club enables you to:

- Receive real-time financial information from Wavestone, such as press releases, shareholders' letters, annual reports, etc.
- Meet with the firm's executives at informational meetings (such as the Annual General Meeting, members-only shareholders' meetings, etc.) where they will inform you about the firm's news, results, and prospects for development.
- Receive invites to special events, such as a personal invitation to the Actionaria trade show, etc.



**How can I  
join?**

Visit our website [www.wavestone.com](http://www.wavestone.com) and go to the investors' area, where you can find an online form

# Your Wavestone contacts



## Email

### Two addresses to answer your inquiries

**General inquiries:**  
action@wavestone.com

**Questions about the club:**  
clubactionnaires@wavestone.com

### The shareholder relations team

Sarah Lamigeon, Communications Director  
Benjamin Clément, Communications Officer  
Justine Brosset, Communications Officer

## Employees

## Telephone

### A dedicated line

Call us on +33 (0)1 49 03 28 28

## Dates of annual meetings for your calendar





PARIS

LONDRES

NEW YORK

HONG KONG

SINGAPOUR \*

DUBAI \*

SAO PAULO \*

LUXEMBOURG

MADRID \*

MILAN \*

BRUXELLES

GENEVE

CASABLANCA

ISTANBUL \*

LYON

MARSEILLE

NANTES

\* Partenariats

WAVESTONE

