

Q1 **2018**

PRESENTATION

Webstep ASA

OSLO, 9 MAY 2018

Kjetil Eriksen, CEO
Anders Løken, CFO



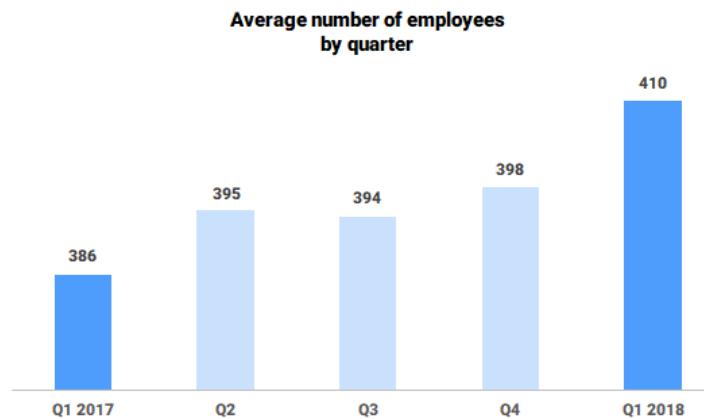
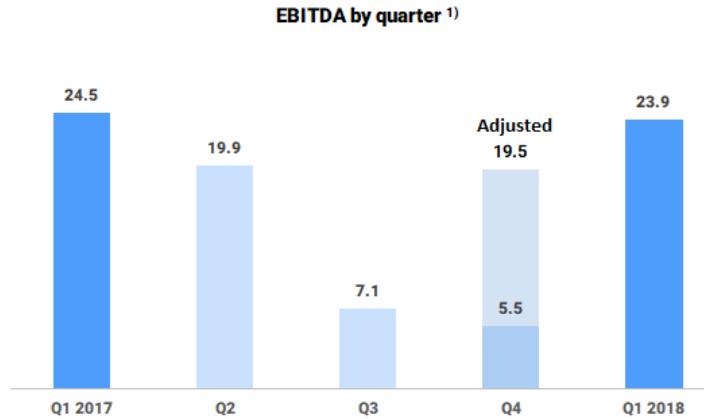
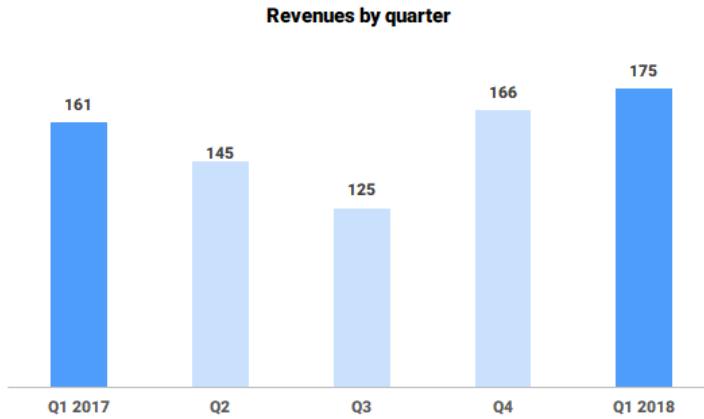
1. **Highlights**
2. Business review
3. Financial review
4. Outlook
5. Q&A

Q1 HIGHLIGHTS

- Revenue of NOK 175m (NOK 161m), growth of 8.6% YOY
- EBITDA of NOK 24m (NOK 25m), margin of 13.7%
- Net profit of NOK 17.7m (15.8m), up 12%
- Easter effect on top line and EBITDA
- Increased revenue capacity YoY (410 FTEs vs 386 FTEs)



CAPACITY AND SEASONALITY KEY VALUE DRIVERS



Highlights Q1

- Proven increase of growth capacity
- Continued high utilization
- Increased hourly rates

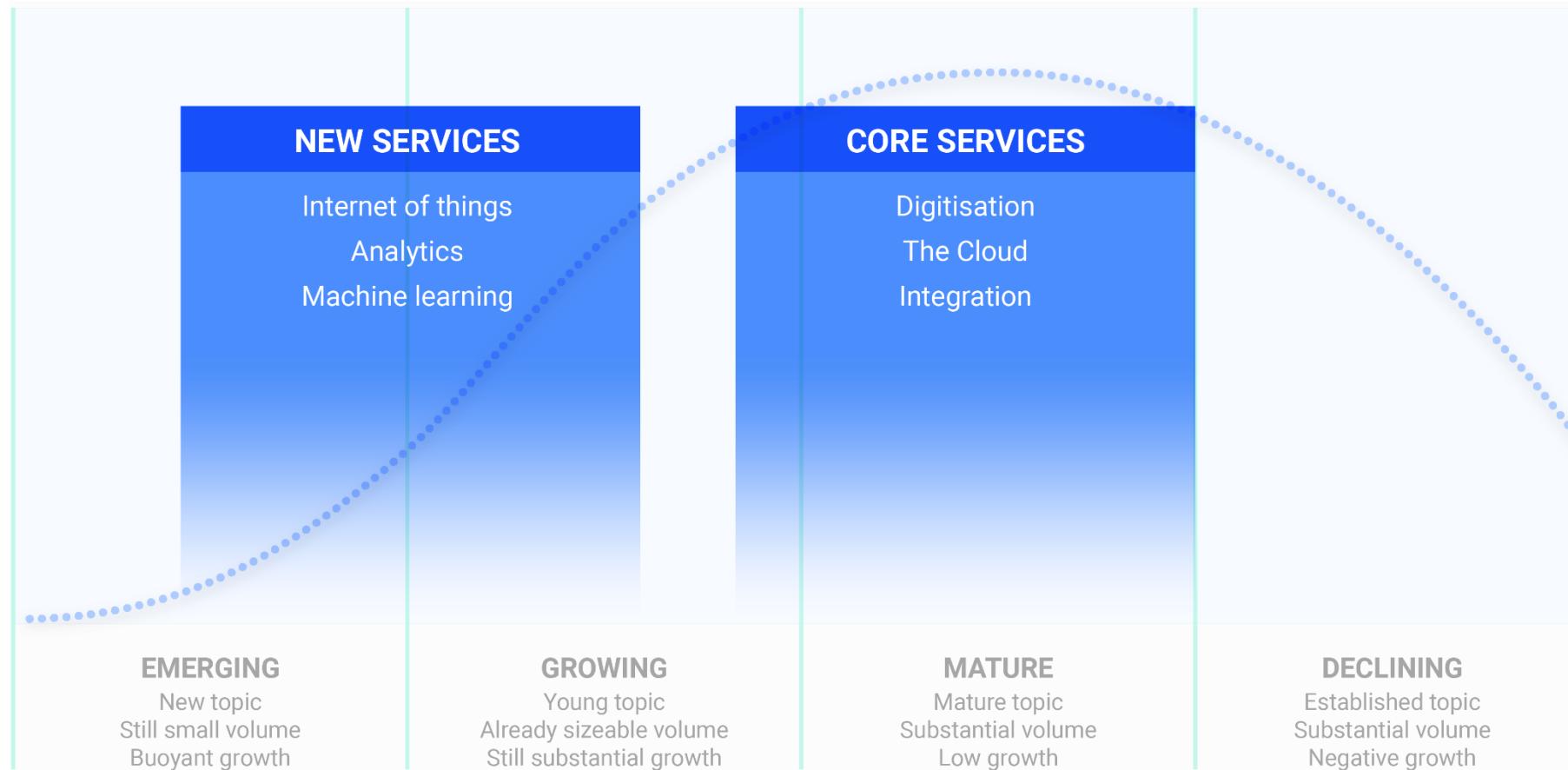
Other comments:

- Less working days due to Easter

¹⁾ IPO costs and other non-recurring items of NOK 14 million recorded in Q4 2017

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ENABLING FUTURE GROWTH MEETING TODAY'S DEMAND



BUSINESS REVIEW

MARKET AND CUSTOMERS

- The digitalisation wave **drives market growth**
 - Delivering services to clients with strategic focus on digitalisation
- Continued **strong demand** for Core Services
- **Improved sales** of New Services
 - Ability to move consultants between new and core services improves flexibility and utilisation
- Continued **long-lasting customer relations**



BUSINESS REVIEW

EMPLOYEES AND ORGANISATION

- **Added capacity** in Q1 to meet client demand
 - Still recruiting solely experienced experts
- A highly **competitive market** for IT experts
- Continued high **employee satisfaction**
- Ranked as one of the **best workplaces** in Norway and Sweden by GPTW *

- 11 consecutive years in Norway, 8 years on top 3
- 3 consecutive years in Sweden



* Annual survey by Great Place To Work® Institute

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FINANCIAL REVIEW | PROFITABLE REVENUE GROWTH

(Amounts in NOK million)	Q1 2018	Q1 2017	% <i>Change</i>	Comments:
Total revenues	174.9	161.0	8.6 %	
Cost of services and goods	17.3	10.6		
Salaries and personell cost	124.6	117.7		
Other operating expenses	9.0	8.2		
EBITDA	23.9	24.5	-2.5 %	
EBITDA margin	13.7 %	15.2 %		
Depreciation and amortisation	0.6	2.1		
EBIT	23.3	22.5	3.7 %	
EBIT margin	13.3 %	14.0 %		
Net financial items	-0.4	-1.8		
Profit before tax	22.9	20.7	10.5 %	
Income tax expenses	5.2	5.0		
Profit for the period	17.7	15.8	12.0 %	
Earnings per share (NOK)	0.67	0.76	-12.2 %	
Earnings per share, fully diluted (NOK)	0.67	0.76		

FINANCIAL REVIEW | NORWAY

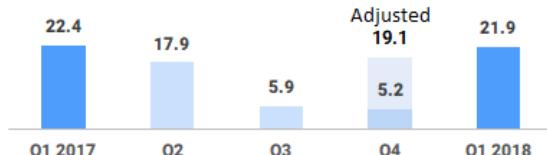
Revenue growth and Easter effects

- Revenue growth above expectations
- EBITDA impacted by calendar effects (Easter)
- Continued strong utilisation within Core Services
- Improved sales of New Services

Revenues by quarter



EBITDA by quarter¹⁾



¹⁾ IPO costs and other non-recurring items of NOK 14 million recorded in Q4 2017

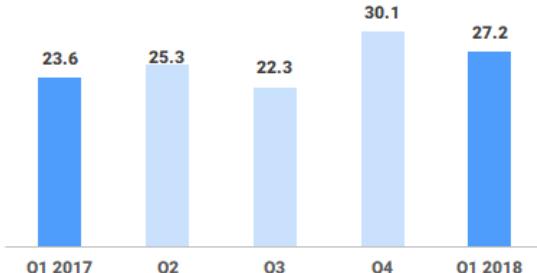


FINANCIAL REVIEW | SWEDEN

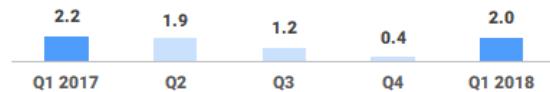
Continued revenue growth and positive client development

- Strong revenue growth (+15.2% YoY) enabled by strategic use of subcontractors
- Slightly lower margins due to subcontractors, yet enables new client relations and increases long term growth potential
- Still a highly competitive market for recruitment of experienced experts

Revenues by quarter



EBITDA by quarter¹⁾



FINANCIAL REVIEW | A CAPITAL EFFICIENT BUSINESS

(Amounts in NOK million)	31 March			Year end 2017	(Amounts in NOK million)	31 March			Year end 2017
	2018	2017	2017			2018	2017	2017	
EQUITY									
Share capital	27.0	21.3	27.0		ASSETS				
Treasury shares	-0.6	-0.6	-0.6		<i>Non-current assets</i>				
Share premium	149.8	32.1	149.8		Intangible assets				
Retained earnings	194.9	161.3	181.6		Fixed assets				
Non-controlling interest	-	-	-		Non-current financial assets				
Total equity	371.1	214.1	357.7		Deferred tax asset				
					Total non-current assets				
						389.4	391.2	392.5	
LIABILITIES									
<i>Non-current liabilities</i>					<i>Current assets</i>				
Borrowings	-	153.8	-		Trade receivables				
Deferred tax	1.5	3.3	1.6		Other current receivables				
Total non-current liabilities	1.5	157.0	1.6		Cash and short-term deposits				
					Total current assets				
						147.0	165.4	135.7	
Debt to credit institutions	3.0	31.3	24.3		Total assets				
Trade and other payables	14.1	9.4	16.7			536.3	556.7	528.3	
Tax payable	5.7	14.9	7.3						
Dividends payable	-	-	-						
Social taxes and VAT	61.4	51.9	49.3						
Other short-term debt	79.5	78.1	71.4						
Total current liabilities	163.8	185.6	168.9						
Total equity and liabilities	536.3	556.7	528.3						

- **Stronger financial position post IPO**
 - Capital issue and repayment of long term loan
- **Negative calendar effect in cash and receivables:**
 - Receivables falling due on Saturday 31 March (Easter) paid in April
 - NOK 46.3 million paid by 5 April
 - Leaving trade receivables at appx. NOK 86.1 million and cash at appx. NOK 53.8 million after this date

FINANCIAL REVIEW | CASH FLOW

(Amounts in NOK million)

Operating activities			
Profit/(loss) before tax	22.9	20.7	0
Adjustments for:	-	-	-
Depreciation of property, plant and equipment	0.6	2.1	2.1
Net change in trade and other receivables	-10.3	-21.1	-21.1
Net change in other liabilities	17.7	19.0	19.0
Net foreign exchange differences	-0.1	-0.1	-0.1
Income tax expenses	-7.0	-5.2	-5.2
Net cash flow from operating activities	23.9	15.4	15.4
Investing activities			
Payments for R&D initiative	-1.0	-1.0	-1.0
Purchase of property and equipment	-0.7	-0.9	-0.9
Net cash flow from investing activities	-1.7	-1.9	-1.9
Financing activities			
Proceeds from borrowings	-	-	-
Repayment of borrowings	-	-7.5	-7.5
Change in bank overdraft	-21.3	-28.7	-
Net proceeds from equity	-	-	-
Payment of dividends	-	-	-
Net cash flows from financing activities	-21.3	-36.2	-7.5
Net increase/(decrease) in cash and cash equivalents	1.0	-22.7	6.0
Cash and cash equivalents at 1 January	6.6	80.3	51.6
Cash and cash equivalents at end of period	7.5	57.6	57.6

Restated
Q1 YTD
2017

- Restated cash flow for Q1 2017 to ease comparison**

- Q1 2017 cash flow impacted by change in reporting practice for cash, short term deposits and bank overdraft
 - Balance date 31 December 2016 (audited FY figures): Gross assets and debt figures reported
 - Balance date 31 March 2017 (unaudited Q figures): Net asset or debt figure reported
- Restate is based on both balance dates being reported as net asset/debt

- Negative calendar effect on receivables:**

- NOK 46.3 million of receivables falling due on Saturday 31 March (Easter) were not recorded as paid until early April

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OUTLOOK

STRONG MARKET FUNDAMENTALS

- **Continued robust market outlook**, driven by high digitalisation investment activity
- New Services expected to be **important growth areas**, yet still in early phase
- **Continued very high demand** for Core Services



OUTLOOK

STRONG MARKET POSITION

- Continued **strong order backlog**
 - Confirms good momentum
- **Higher level of revenue capacity** established
 - High FTE growth last quarters, likely to stabilise
- Strong focus on **employee retention and recruitment**
 - Will be further strengthened going forward
- Positive calendar effects in Q2 2018
- Over all ambition unchanged; **profitable growth and EBITDA margin above the average market levels**



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APPENDIX

FINANCIAL REVIEW

SEGMENTS

Norway

(Amounts in NOK million)

	Q1 2018	Q1 2017	YTD 2018	YTD 2017	FY 2017
Sales revenues	147.7	137.4	147.7	137.4	495.3
EBITDA ¹⁾	21.9	22.4	21.9	22.4	51.4
EBITDA margin ¹⁾	14.8 %	16.3 %	14.8 %	16.3 %	10.4 %
EBITDA excl. non-recurring costs ¹⁾	21.9	22.4	21.9	22.4	65.4
EBITDA margin excl. non-recurring costs ¹⁾	14.8 %	16.3 %	14.8 %	16.3 %	13.2 %
Number of employees, average (FTE)	349	324	349	324	331
Number of employees, end of period	351	328	351	328	342
Number of work days, Norway (excl. vacation)	62	65	62	65	251
EBITDA per average employee ¹⁾ (tNOK)	62.8	69.2	62.8	69.2	155.4
EBITDA per average employee excl. non-recurring costs ¹⁾ (t)	62.8	69.2	62.8	69.2	197.5

¹⁾ Adjusted for IPO costs and other non-recurring items of NOK 14.0 million in Q4 2017. See note 12 for alternative performance measures.

FINANCIAL REVIEW

SEGMENTS

Sweden

(Amounts in NOK million)

	Q1 2018	Q1 2017	YTD 2018	YTD 2017	FY 2017
Sales revenues	27.2	23.6	27.2	23.6	101.2
EBITDA ¹⁾	2.0	2.2	2.0	2.2	5.7
EBITDA margin ¹⁾	7.4 %	9.1 %	7.4 %	9.1 %	5.6 %
EBITDA excl. non-recurring costs ¹⁾	2.0	2.2	2.0	2.2	5.7
EBITDA margin excl. non-recurring costs ¹⁾	7.4 %	9.1 %	7.4 %	9.1 %	5.6 %
Number of employees, average (FTE)	61	63	61	63	63
Number of employees, end of period	58	64	58	64	60
Number of work days, Sweden (excl. vacation)	63	64	63	64	251
EBITDA per average employee ¹⁾ (tNOK)	32.9	34.3	32.9	34.3	89.7
EBITDA per average employee excl. non-recurring costs ¹⁾ (tI)	32.9	34.3	32.9	34.3	89.7

¹⁾ Adjusted for IPO costs and other non-recurring items of NOK 14.0 million in Q4 2017. See note 12 for alternative performance measures.

FINANCIAL REVIEW

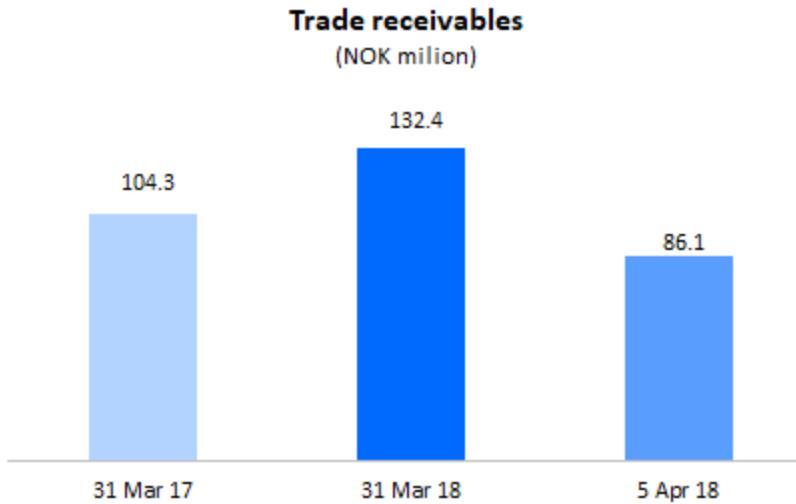
EQUITY CHANGES

(Amounts in NOK million)	Issued capital	Treasury shares	Share premium	Foreign currency translation reserve	Retained earnings	Total attributable to equity owners parents		Total equity
						Attributable to equity owners parents	Non-controlling interests	
At 1 January 2016	21.3	-0.6	32.1	8.8	135.3	196.9		196.9
Profit for the period	-	-	-	-	33.9	33.9		33.9
Other comprehensive income/(loss)	-	-	-	3.5	-	3.5		3.5
Net purchase of treasury shares	-	-	-	-	-	-		-
Restructuring of sub-group	5.7	-	117.5	-	-	123.2		123.2
Dividends to NCI	-	-	-	-	-	-		-
Dividends	-	-	0.2	-	-	0.2		0.2
At 31 December 2017	27.0	-0.6	149.8	12.4	169.2	357.7		357.7
Profit for the period	-	-	-	-	17.7	17.7		17.7
Shares issued	-	-	-	-	-	-		-
Other comprehensive income/(loss)	-	-	-	-4.6	-	-4.6		-4.6
Share incentive program	-	-	-	0.3	-	0.3		0.3
At 31 March 2018	27.0	-0.6	149.8	8.1	186.8	371.1		371.1

FINANCIAL REVIEW | CASH & RECEIVABLES

WHEN QUARTER END FALLS ON A SUNDAY

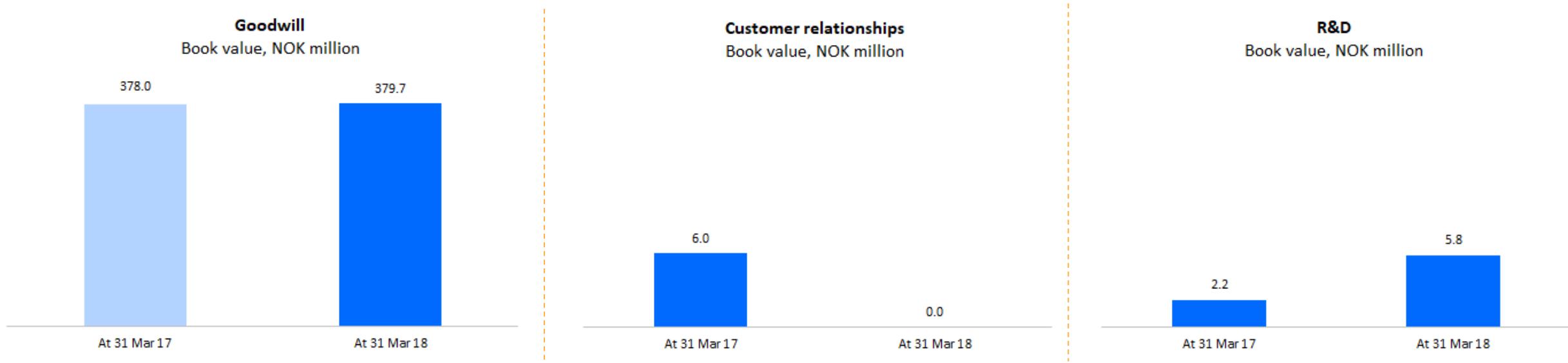
- Monthly invoicing and 30 days net. Mont end therefore due date for most payments
- When due date falls on Saturday/Sunday, delayed customers normally pay on Monday
- NOK 46.3 million falling due on Saturday 31 Mar recorded as cash on Friday 5 April (after Easter holidays)



FINANCIAL POSITION

INTANGIBLE ASSETS

- Goodwill arisen from acquisitions of Webstep AS in 2011 and Webstep AB in 2012/13.
- Customer relationships fully depreciated at 31 Dec 17
- R&D added at 31 Dec 17 and reclassified for 31 Mar 17



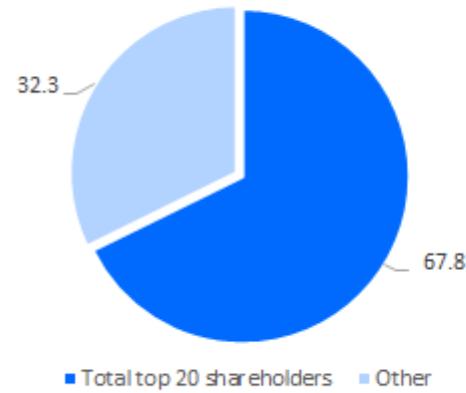
TOP 20 SHAREHOLDERS AT 7 MAY 2018

#	Shareholder name	Shares	%	Type	Country
1	GLOBAL DIGITAL HOLDI	3 844 255	14.3		NOR
2	Virtus KAR Internati The Bank of New York	3 831 491	14.2		USA
3	VERDIPAPIRFONDET ALF SEB Investor World G	1 532 037	5.7		NOR
4	JPMorgan Chase Bank, JPMCB RE HB SWED FUN	1 141 788	4.2	Nominee	SWE
5	COLINA INVEST AS	839 080	3.1		NOR
6	PARK LANE FAMILY OFF	703 414	2.6		NOR
7	VPF NORDEA NORGE VER C/O JPMORGAN EUROPE	685 000	2.5		NOR
8	AZURE HOLDING AS	610 301	2.3		NOR
9	Goldman Sachs Intern SECURITY CLIENT SEGR	600 000	2.2	Nominee	GBR
10	Taaleri Nordic Value	540 000	2.0		FIN
11	XERXES AS	540 000	2.0		NOR
11	Citibank, N.A. S/A MUT FD EQ NORDIC	438 491	1.6	Nominee	FIN
13	SOLE ACTIVE AS	401 046	1.5		NOR
14	SEB PRIME SOLUTIONS SKANDINAViska ENSKIL	400 000	1.5		LUX
15	NWT MEDIA AS c/o Thommessen AS	390 000	1.5		NOR
16	ILLARI AS	387 268	1.4		NOR
17	NORDEA NORDIC SMALL	355 130	1.3		FIN
18	DnB NOR Bank ASA EGENHANDELSKONTO DnB NOR Marl	349 000	1.3		NOR
19	Danske Invest Norge	342 000	1.3		NOR
20	Danske Bank A/S 3993 NORDIC SETTLEMENT	340 576	1.3	Nominee	DNK
Total top 20 shareholders		18 270 877	67.8		
Other		7 977 514	32.3		
Total shares outstanding		26 248 391	100.0		

TOP 20 SHAREHOLDERS

SHARE OF TOTAL AND BY GEOGRAPHY AT 7 MAY 2018

Top 20 shareholders at 7 May 2018



Top 20 shareholders by geography , 7 May 2018

