

Webstep Q2 2018: Strong and profitable growth

(Oslo 15. August 2018) Webstep reports strong and profitable growth in the second quarter and the first half of 2018. The market situation is favourable with continued high demand for digital expertise remains high and the order book is strong.

Webstep ASA reports double digit revenue growth in the second quarter and first half of 2018. Total consolidated revenues in the second quarter ended at NOK 174.9 million, up 20.9 per cent from the same quarter last year. Revenues for the first half of 2018 rose by 14.4 per cent from the same period last year, and ended at NOK 349.8 million.

"I am very pleased to see that our focused sales efforts pay off in combination with a continued strong market. We see continued high demand for Webstep's core digitalisation offering and our focus on cloud services has been a success. We also see that sales of New Services such as IoT and machine learning is growing, as a result of our strong emphasis on sharing knowledge and expertise across the organisation. This is strengthening the offering to existing and new clients in all Webstep locations", says Mr Kjetil Bakke Eriksen, CEO of Webstep ASA.

EBITDA for the second quarter improved considerably and amounted to NOK 28.5 million (NOK 19.9 million). The solid growth of 43.4 per cent from the corresponding quarter last year is mainly a consequence of the revenue growth combined with the benefits of high utilisation and higher rates achieved, together with two more working days in 2018 (Norway). Consequently, the EBITDA-margin was strengthened and came to 16.3 per cent, compared to 13.7 per cent in the second quarter of 2017. EBITDA for the first half year ended at NOK 52.4 million (NOK 44.4 million), with an EBITDA margin of 15 per cent, also strengthened from last year's 14.5 per cent.

Net profit for the second quarter was NOK 20.9 million, up from NOK 11.5 million in the same quarter last year. Net profit for the first half year was NOK 38.5 million (NOK 27.3 million).

The financial position is strong, with total equity at 30 June of NOK 350.5 million (NOK 226.7 million), corresponding to an equity ratio of 64.7 per cent (42.4 per cent).

Cash flow from operations in the first half year was improved and amounted to NOK 22.6 million (NOK 8.3 million). Affected by dividend payment of 39.5 million, the net cash flow of the first half of 2018 was zero. Net cash flow for the same period last year was negative NOK 39.5 million.

Webstep has a strong market position and a solid financial position. The general outlook for 2018 is robust and positive, but the company expects the growth rate to be lower in the second half than in the first half of 2018. Unexpectedly high churn at one branch in the Oslo office occurred in the second quarter and will to some extent impact growth capacity in the second half.

"It think it is great to be in a position where we are hiring new employees to meet our customers' increased demand. However, the second quarter proved that the high market activity creates an even tougher competition with new and existing players competing about the IT resources. Our key to continued success is to maintain the strong ability to attract and retain talents and experts, which I am sure we will" says Mr Bakke Eriksen

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Webstep ASA is a provider of consultancy services to the private and public sector, with the IT expertise necessary to deliver the most demanding digitalisation and IT services. The Webstep Group

employs approximately 400 employees in Norway and Sweden, of which more than 360 are expert consultants. Since its establishment in 2000, Webstep has delivered profitable growth. The company offers its services to more than 200 customers annually and has been recognised for its work environment.