

WEBSTEP

Q3 2022

Save Asmervik, CEO

10 November 2022 | Oslo



Agenda

1. Highlights
2. Business review
3. Financial review
4. Outlook



Highlights from the quarter

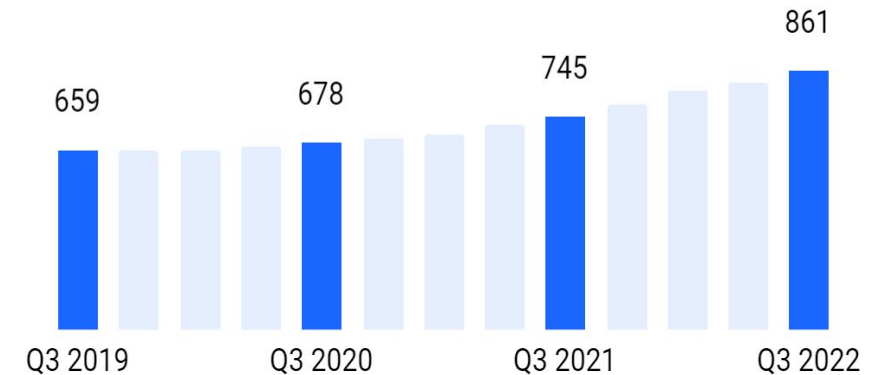
Highlights

- **Employees**
 - 535 employees at the end of the quarter
 - Increase of 66 employees over the last twelve months (+14.0 %)
- **Revenues**
 - 193.9 MNOK for the quarter (+16.5 %)
 - 861 MNOK for last twelve months (+15.6 %)
 - Increased revenues due to higher number of employees and hourly rates, but negatively affected due to lower utilization
- **EBIT**
 - 5.5 MNOK for the quarter (-42.1 %)
 - 61 MNOK for the last twelve months (+5 %)
 - EBIT is impacted by revenue effects above, conference attendings and culture-building activities
- **EBIT below target**
 - Focus to improve profitability will continue as one of our highest priorities
 - Improved cost management and optimizing sales activities will improve profitability
- **Changing macroeconomic environment**

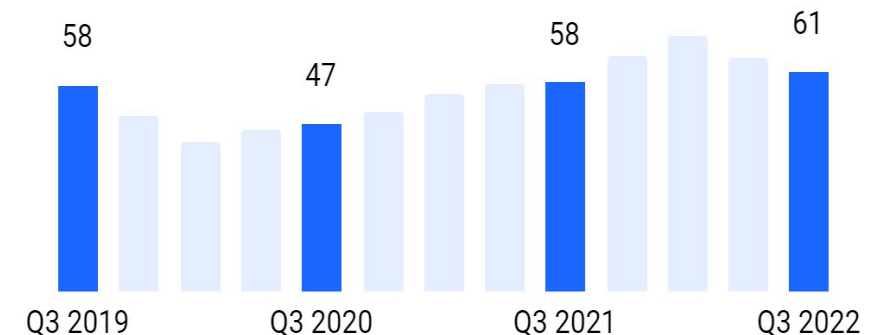
Number of employees (EoP)



Revenues (LTM)



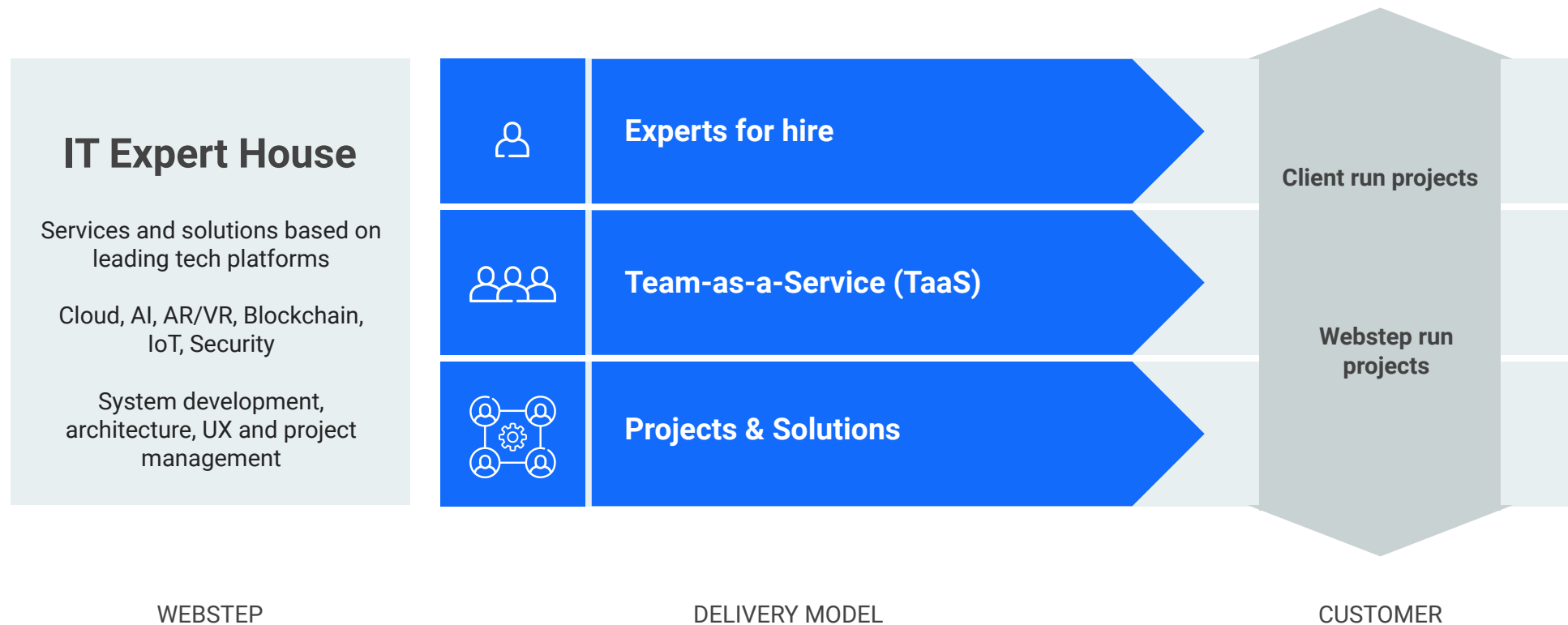
EBIT (LTM)



Business review



Go-to-market model



Market fundamentals

- Changing macroeconomic environment
- Increased need for team deliveries
- Webstep aligned with market trends
- Global tech vendors dominating



Digitalization of business processes



Cyber security and information security



Transformation of business models



Increased **automation** leveraging IoT and AI



radar. ECOSYSTEM SPECIALISTS

Investing in competence

- Initium
 - Young aspiring consultants
 - Strategic move to access more talents
 - Supplement our TaaS-deliveries
- Building competence
 - In-house training
 - Seminars
- External educational events
 - Developer conferences in Q3
JavaZone and **NDC**
- Brand awareness
 - Speaking opportunities
 - Talent acquisition



Investing in competence

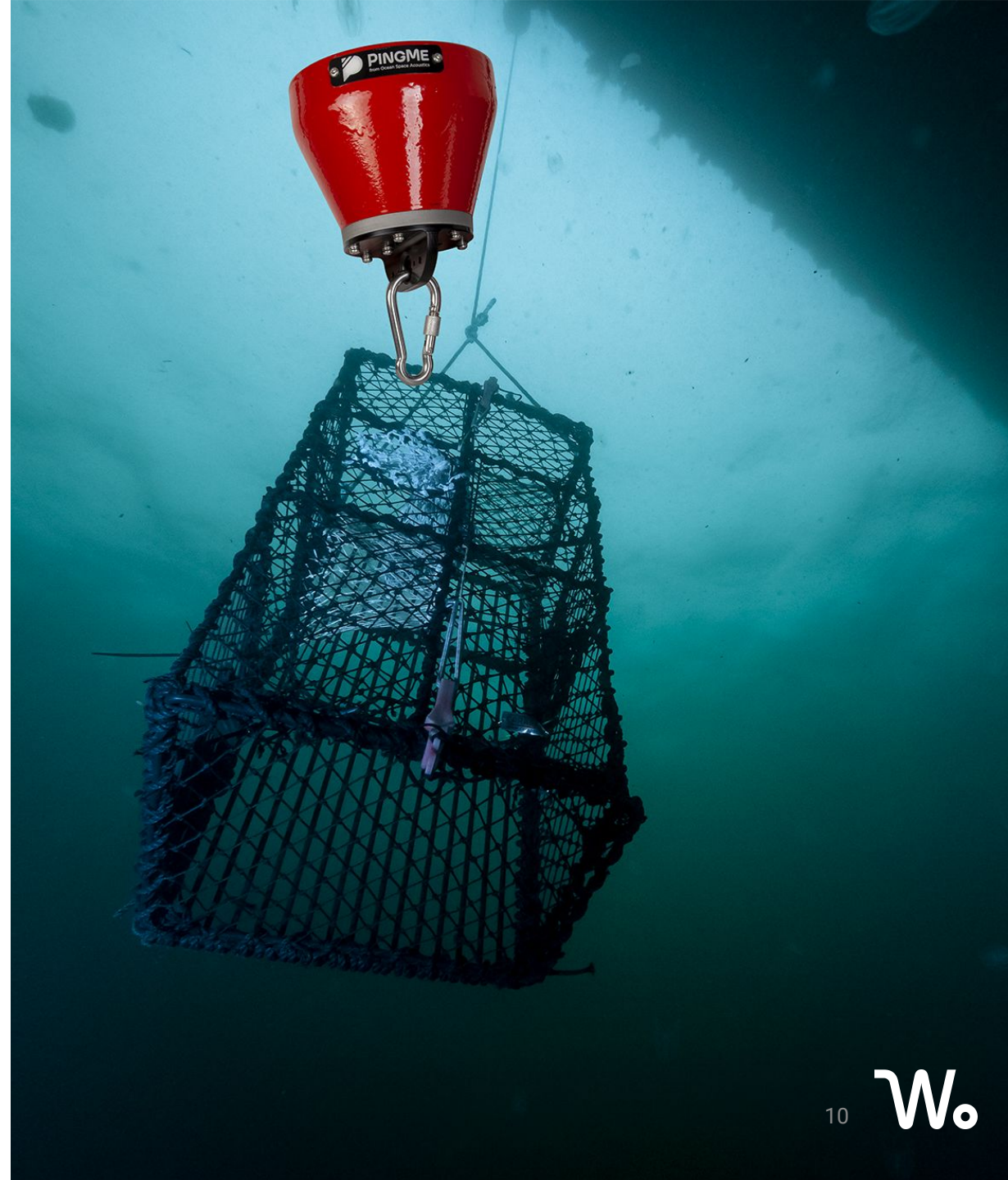
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Making fisheries more efficient and sustainable

- PingMe™ is a smart and modern solution that solves the problem of ghost fishing
- Webstep has built a cloud based solution for storing data in real time and a client application running on the edge to collect and sync data to the cloud
- Critical information about the fisheries can be distributed to stakeholders, ensuring more efficient and sustainable operations

Ocean Space Acoustics contributes to a cleaner and more sustainable ocean as well as making the fisheries more efficient and profitable through providing critical data.



Ensuring efficient rentals

- Working with Ramirent AS since 2021, and signed new agreement with Ramirent in Sweden for 2023
- Cloud based analytics platform with latest data warehouse technology, and data models for finance, supply chain management and sales analytics
- Assisted with IT architecture, advisory services and support on new online rental system

Ramirent is a leading company offering equipment rental for construction and other services, the public sector and households.

RAMIRENT



W.

Reducing the carbon footprint in the ocean sector

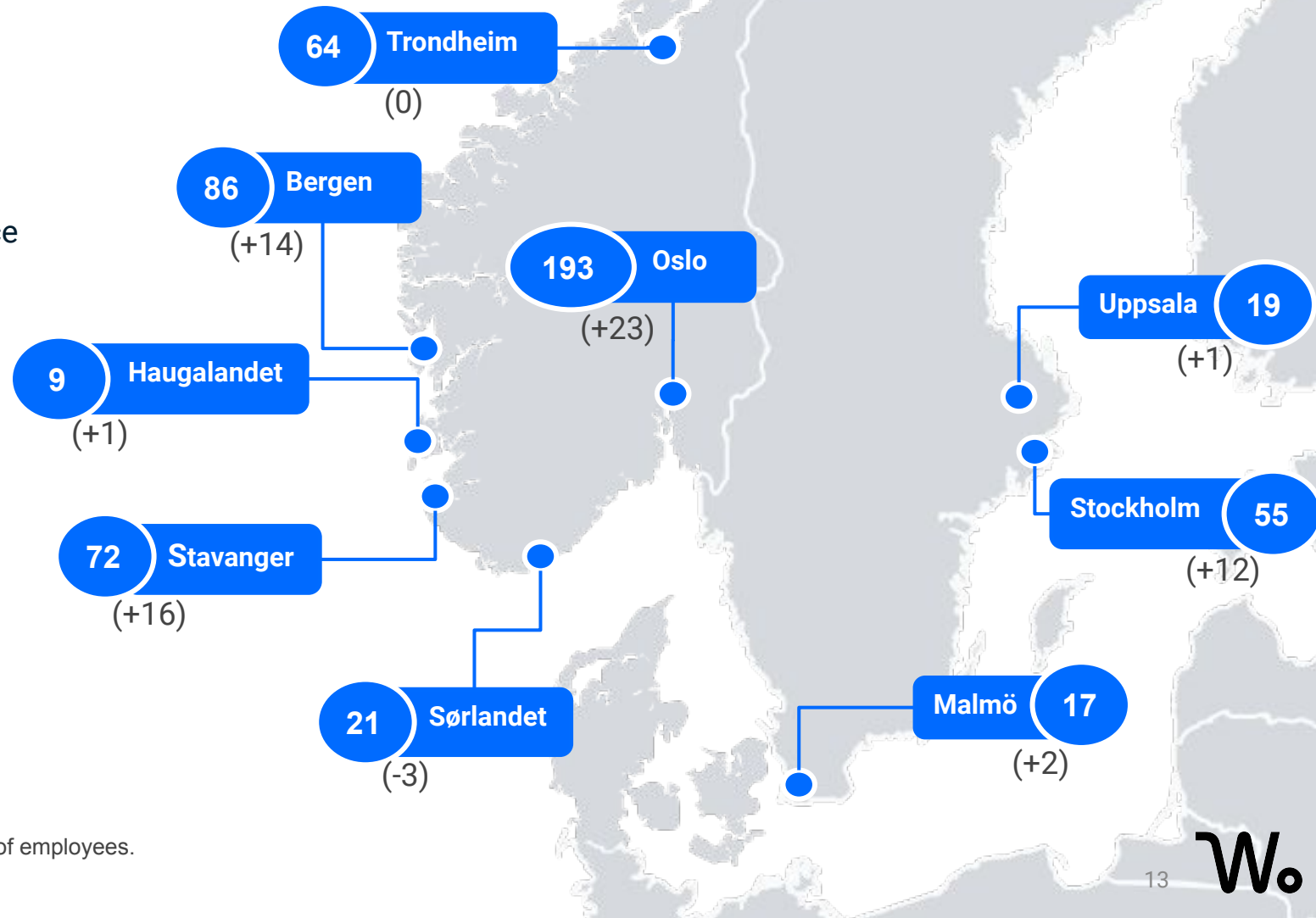
- Assisting in making sure maritime companies reach their efficiency and environmental goals
- Software development related to automation of maritime electronics solutions
- Reduced climate impact and increased efficiency lowering cost for customers of SEAM

SEAM is a leading supplier of hybrid and fully electric solutions to ships and the maritime business.



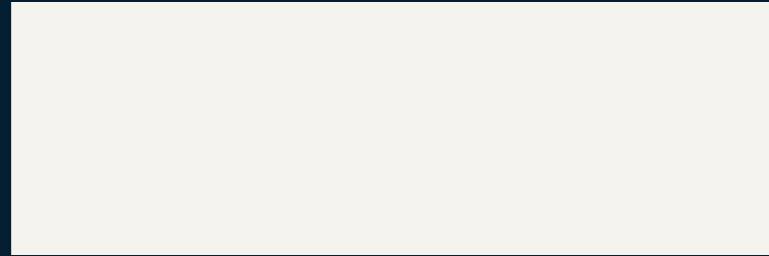
Organization and employees

- Strong local presence
 - Close to the Customer
 - Strategic Partner
- Improving the Webstep employee work experience
 - Investing in our experts
 - Company gatherings
 - Facilitating collaboration and knowledge sharing
- 535 employees at the end of third quarter
 - Up 28 from last quarter
 - Up +66 from same quarter last year
 - Ongoing strong recruitment with seasonal variations



Note: Numbers in parentheses refer to year-over-year growth in number of employees.

Financial review



Key figures - Group

NOK million	Q3 2022	Q3 2021	Y/Y change	YTD 2022	YTD 2021	Y/Y change	FY 2021
Revenues	193.9	166.5	16.5%	642.0	556.2	15.4%	775.0
EBITDA	10.7	13.2	(19.0%)	57.8	58.3	(0.9%)	81.2
EBITDA margin	5.5%	7.9%	-2.4 pts	9.0%	10.5%	-1.5 pts	10.5%
EBIT	5.5	9.5	(42.1%)	42.9	47.5	(9.7%)	65.9
EBIT margin	2.8%	5.7%	-2.9 pts	6.7%	8.5%	-1.9 pts	8.5%
Net profit	3.2	6.7	(52.2%)	30.8	35.2	(12.4%)	48.5
Net free cash flow	0.1	7.5	(98.8%)	27.5	9.3	196.8%	46.9
Earnings per share (NOK)	0.12	0.25	(52.2%)	1.13	1.31	(14.4%)	1.80
Earnings per share fully diluted (NOK)	0.12	0.24	(51.6%)	1.12	1.29	(13.5%)	1.78
Equity ratio	60.3%	61.9%	-1.5 pts	60.3%	61.9%	-1.5 pts	60.7%
Cash and cash equivalents	24.9	16.7	48.8%	24.9	16.7	48.8%	46.7
Number of employees, average (FTE)	524	459	14.2%	503	440	14.3%	449
Number of employees, end of period	535	470	14.0%	535	470	14.0%	478
Revenues per FTE (NOKt)	370	363	2.0%	1,277	1,265	1.0%	1,725
EBIT per FTE (NOKt)	10.5	20.8	(49.3%)	85.3	108.0	(21.0%)	147

Highlights

- Employee growth YoY 14.0 %
- Strong revenue growth +16.5 %
 - Continued double digit growth
- Lower utilization affects revenue and EBIT negatively
- EBIT
 - EBIT reduced by MNOK 4
 - The positive effect from higher revenue is offset by higher operating expenses, primarily related to culture-building activities and conferences

Key figures - Norway

NOK million	Q3 2022	Q3 2021	Y/Y change	YTD 2022	YTD 2021	Y/Y change	FY 2021
Revenues	165.7	145.5	13.9%	551.3	479.8	14.9%	668.4
EBIT	4.3	9.8	(56.5%)	37.7	44.1	(14.5%)	61.1
EBIT margin	2.6%	6.7%	-4.2 pts	6.8%	9.2%	-2.4 pts	9.1%
Number of employees, average (FTE)	436	385	13.1%	418	372	12.5%	379
Number of employees, end of period	445	394	13.0%	445	394	13.0%	403
Number of workdays	66	66		189	188		252

Revenue breakdown

NOK million	Q3 2022	Q3 2021	Y/Y change	YTD 2022	YTD 2021	Y/Y change	FY 2021
Oslo	71.3	62.0	15.1%	232.3	200.3	16.0%	281.0
Regional offices	85.0	75.5	12.7%	287.8	246.4	16.8%	343.5
Subcontractors	9.8	8.3	18.9%	32.9	34.6	(4.9%)	45.8
Other / eliminations	(0.5)	(0.2)	150.0%	(1.8)	(1.6)	12.5%	(1.9)
Total	165.7	145.5	13.9%	551.3	479.8	14.9%	668.4

Highlights

- Employee growth YoY 13.0 %
- Revenue growth +13.9 %
 - Strong growth but weakened by lower utilization
- EBIT decreased with -56.5 %
 - Higher conference activity
 - Annual company gatherings
- Increase focus on profitability going forward
 - Improved cost management
 - Strengthening utilization
 - Enterprise segment
 - TaaS initiative
 - Cross regional activities

Key figures - Sweden

NOK million	Q3 2022	Q3 2021	Y/Y change	YTD 2022	YTD 2021	Y/Y change	FY 2021
Revenues	28.3	21.0	34.8%	90.7	76.5	18.6%	106.7
EBIT	1.2	(0.3)	561.8%	5.1	3.4	53.5%	4.8
EBIT margin	4.4%	-1.3%	5.7 pts	5.7%	4.4%	1.3 pts	4.5%
Number of employees, average (FTE)	88	73	20.5%	84	68	23.7%	70
Number of employees, end of period	91	76	19.2%	91	76	19.2%	75
Number of workdays	66	66		189	189	0.0%	253

Revenue breakdown

NOK million	Q3 2022	Q3 2021	Y/Y change	YTD 2022	YTD 2021	Y/Y change	FY 2021
Regional offices	21.8	16.4	33.0%	74.1	58.8	26.0%	83.6
Subcontractors	6.5	4.6	41.1%	16.6	17.7	(6.1%)	23.1
Total	28.3	21.0	34.8%	90.7	76.5	18.6%	106.7

Highlights

- Employee growth YoY +19.2 %
 - Approaching 100 employees at the end of the quarter
- Strong revenue growth +34.8 %
 - Swedish segment represents 14.6 % of consolidated revenue in Q3
- Strengthened EBIT
 - Higher utilization and hourly rate
- Q3 constant currency
 - Revenues: +9.0 m
 - EBIT: +1.8m



Outlook

Outlook

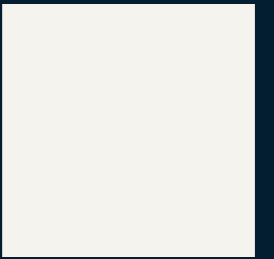
- Long term trend of digitalisation continues in a changing macroeconomic environment
- Competing for talents
 - Headcount growth balanced against profitability
 - Continued work on retention
- Forward capacity
 - Minor expectations for growth in headcount by end of Q4
 - Expected increased headcount in Q1 2023
- Initiatives to increase profitability
 - Optimizing sales activities
 - Cost management
 - Strengthening and co-ordinating enterprise initiatives
- Long term target for EBIT above 10%



Questions?

Please contact us at [**ir@webstep.com**](mailto:ir@webstep.com)

Appendix



A diversified customer base

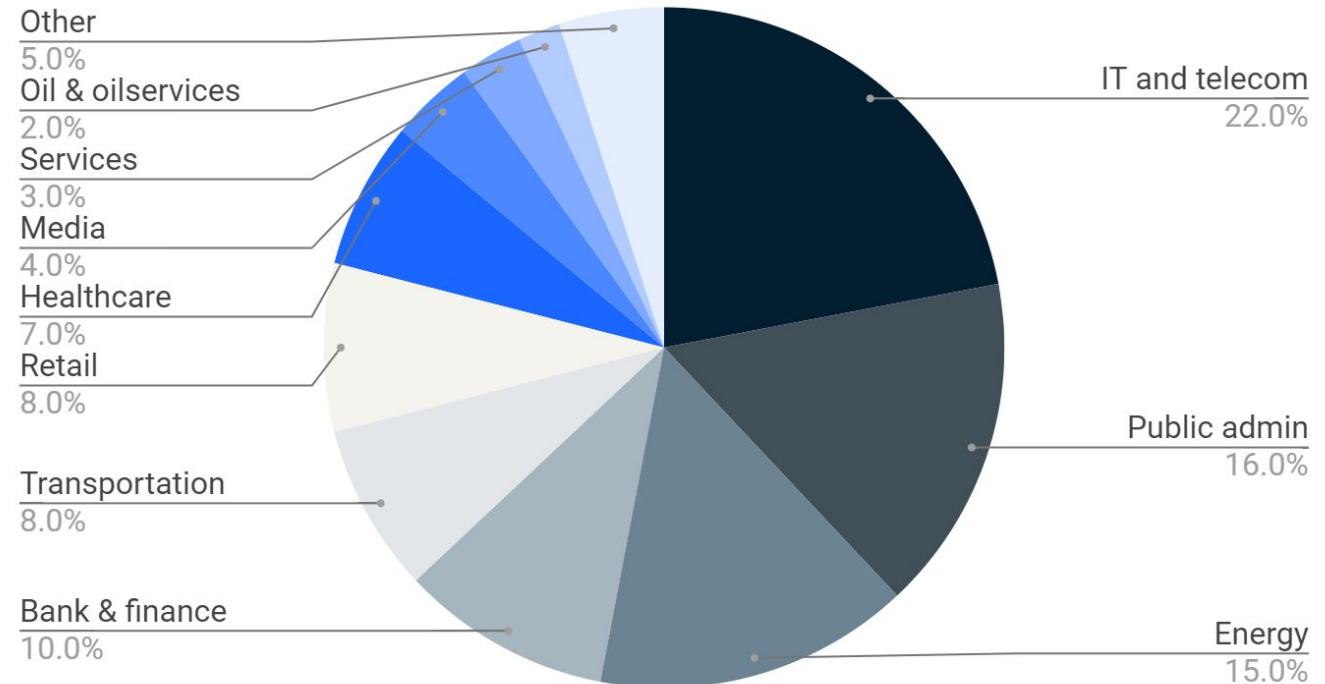
Private sector

71 %

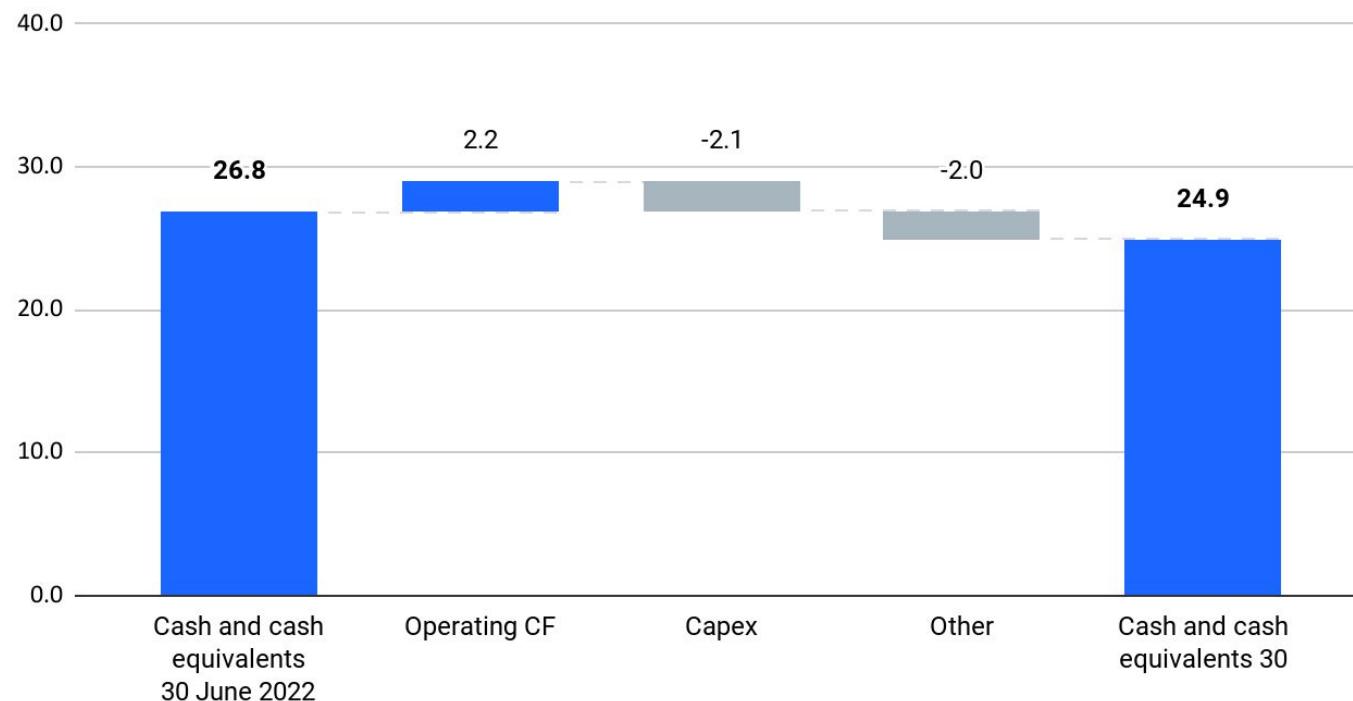
Public sector

29 %

Business Sectors Q3 2022



Cash flow and net debt



Highlights

- Q3 free cash flow of MNOK 0,1
- Capex relates to office, inventory and equipment
- Credit facility of MNOK 110 in Norway and SEK 5m in Sweden per end of quarter

Cash and cash equivalents*	(24.9)
Restricted cash	1.5
Debt to credit institutions	0.0
Net interest bearing debt (NIBD)**	(23.3)
NIBD/EBITDA (rolling 12 months)	-0.3
NIBD/EBITDA (rolling 12 months) Including IFRS 16 Lease liabilities	0.4

Note: *Negative indicates positive amount.
 **Effects related to IFRS 16 (leasing) are excluded.

Top 20 shareholders at 4 November 2022

Shareholder name	Shares	%
1 EMBRO EIENDOM AS	8,218,070	29.9%
2 J.P. Morgan SE	1,970,890	7.2% Nominee
3 VERDIPAPIRFONDET ALFRED BERG GAMBA	1,556,645	5.7%
4 SALT VALUE AS	1,430,121	5.2%
5 VERDIPAPIRFONDET DNB SMB	1,141,834	4.2%
6 JAKOB HATTELAND HOLDING AS	1,000,000	3.6%
7 J.P. Morgan SE	900,000	3.3% Nominee
8 HOLMEN SPESIALFOND	703,053	2.6%
9 VERDIPAPIRFONDET NORDEA NORGE VERD	664,317	2.4%
10 Danske Invest Norge Vekst	542,000	2.0%
11 Goldman Sachs International	416,571	1.5% Nominee
12 INTERTRADE SHIPPING AS	400,000	1.5%
13 HAUSTA INVESTOR AS	393,500	1.4%
14 Danske Bank A/S	320,000	1.2% Nominee
15 ESPEDAL & CO AS	308,980	1.1%
16 IVAR LØGE AS	250,000	0.9%
17 Pictet & Cie (Europe) S.A.	232,675	0.8% Nominee
18 VERDIPAPIRFONDET NORDEA AVKASTNING	225,383	0.8%
19 MP PENSJON PK	224,000	0.8%
20 EUROVEST AS	200,000	0.7%
Top 20 shareholders	21,098,039	76.8%
Other	6,363,609	23.2%
Total share outstanding	27,461,648	100.0%

Disclaimer

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