

WEBSTEP

# Q4 and full year 2022

Save Asmervik, CEO

21 February 2023 | Oslo



# Agenda

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

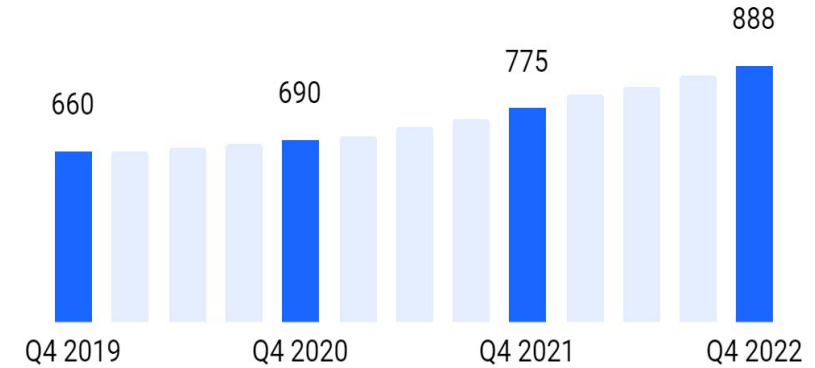


# Highlights from the quarter

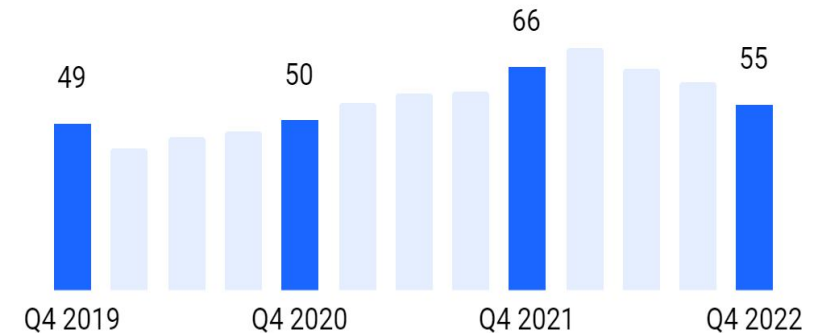
# Highlights

- Revenues
  - Q4: 246.4 MNOK +12.6%
  - FY 2022: 888.4 MNOK +14.6%
- EBIT actual
  - Q4: 11.8 MNOK -36.1%
  - FY 2022: 54.6 MNOK -17.1%
- EBIT adjusted
  - Q4: 17.2 MNOK -6.8%
  - FY 2022: 60.0 MNOK -8.9%
- One-off costs of 5.4 MNOK
  - Overhead cost reduction
    - Group staff reduced with two executive roles
  - Write-down of 2023 lease obligation
- Focus on improving profitability
- Employees - increase of 60 employees +12.6%
- Dividend proposal of NOK 1.70 per share
- New CFO, Ida Amalie Oma appointed

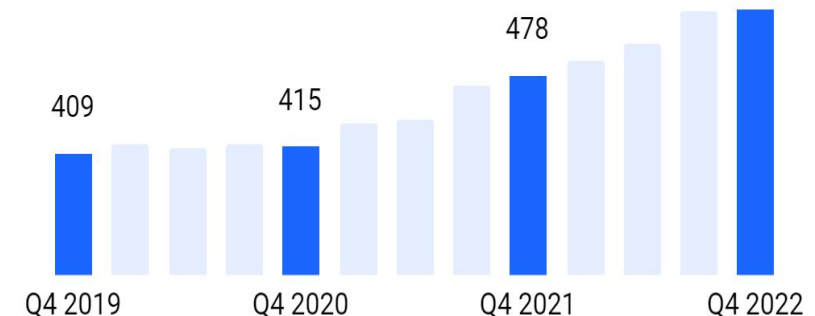
Revenues (LTM)



EBIT (LTM)



Number of employees (EoP)



# Business review



# Market fundamentals

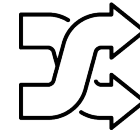
- Strong long term digitalisation trend continues
- Increased need for team deliveries
- Webstep aligned with market trends
- Global tech vendors dominating



**Digitalization** of business processes



**Cyber security** and information security



**Transformation** of business models

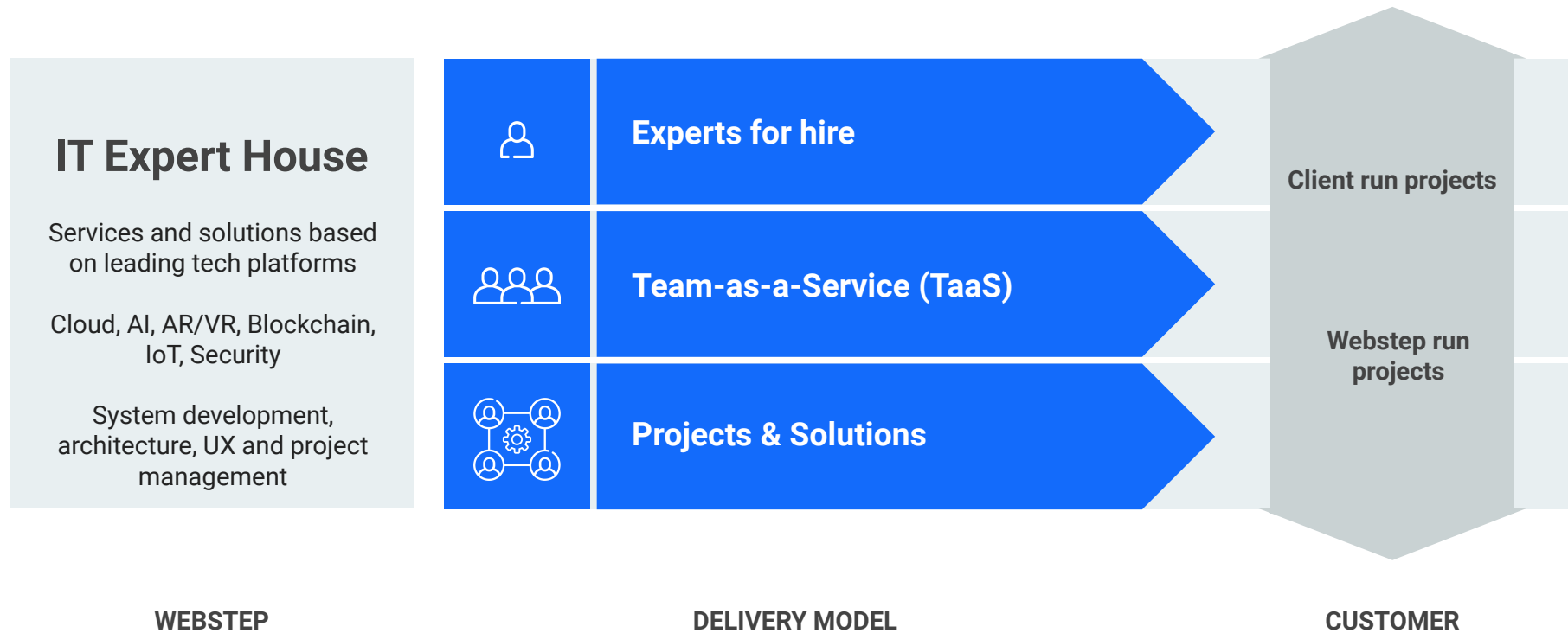


Increased **automation** leveraging IoT and AI

radar. ECOSYSTEM SPECIALISTS



# Go-to-market model



**Major achievement in  
the enterprise market ...**



# Team-as-a-service delivery to the largest bank in Norway

- Dedicated Webstep Team as a Service team signed up for DNB
- The TaaS team is dedicated to develop key functionality to the pension portal project
- Team training and preparation core elements in Webstep Team-as-a-service deliveries.
- Webstep TaaS customer value derives from a wide range of Webstep deliveries to high performing customers





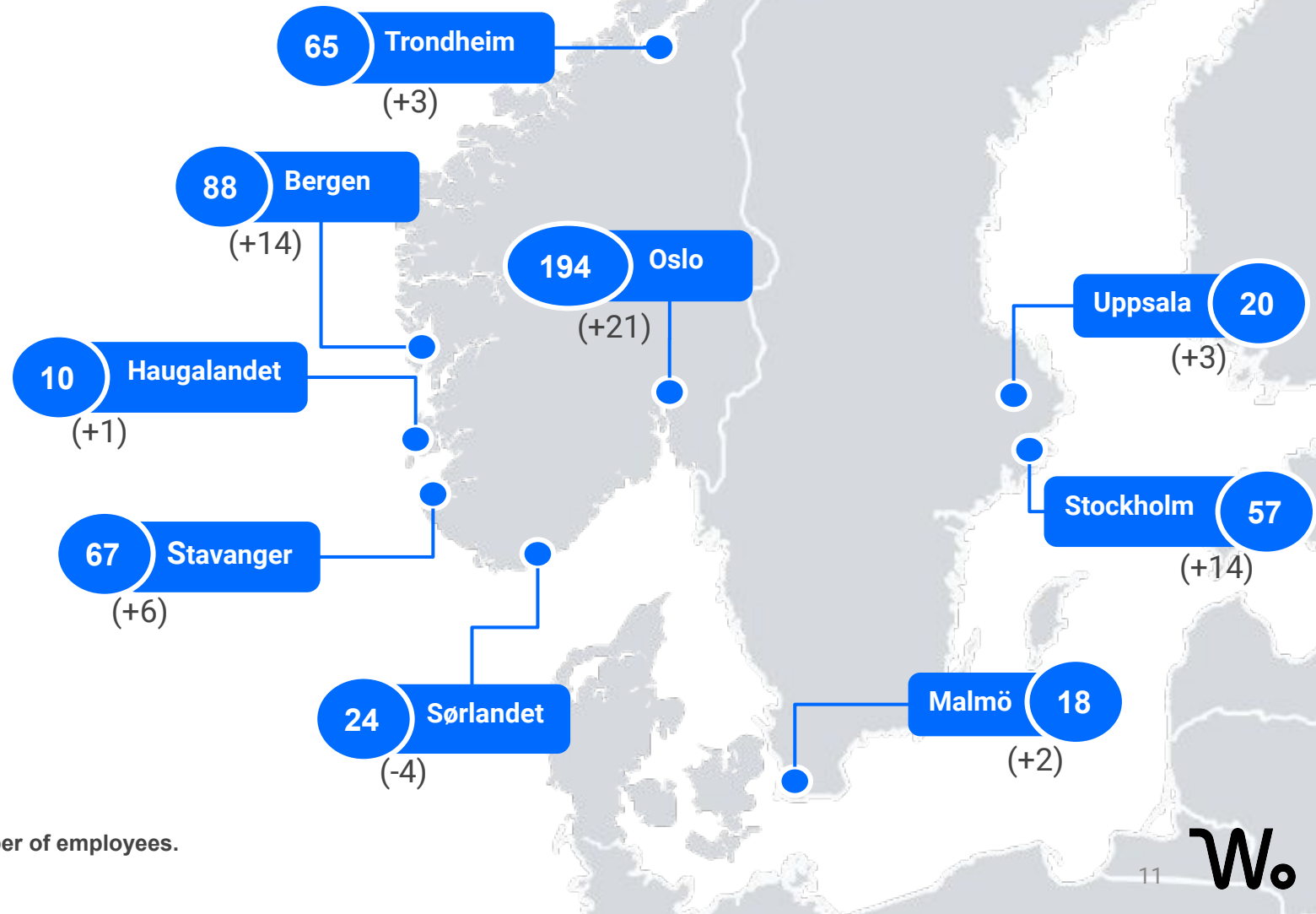
# Clean and diverse Norwegian nature and environment

- Norwegian Environment Agency aim to secure clean and diverse Norwegian nature
- Webstep mobile and web application made for hands-on field resource management
- 4-year frame agreement signed, ongoing projects



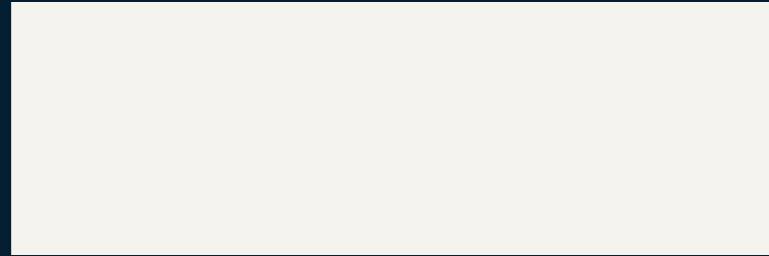
# Organization and employees

- Strong local presence
  - Close to the customer
  - Strategic partner
- Improving the Webstep employee work experience
  - Investing in our experts
  - Diverse project experiences
- 538 employees at the end of 2022
  - Recruitment balanced against profitable growth



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

**Financial review**



# Key figures - Group

NOK million	Q4 2022	Q4 2021	Y/Y change	FY 2022	FY 2021	Y/Y change
Revenues	246.4	218.8	12.6%	888.4	775.0	14.6%
EBITDA	18.5	22.9	(19.4%)	76.2	81.2	(6.1%)
EBITDA margin	7.5%	10.5%	(3 pts)	8.6%	10.5%	(1.9 pts)
EBIT	11.8	18.4	(36.1%)	54.6	65.9	(17.1%)
EBIT margin	4.8%	8.4%	(3.7 pts)	6.2%	8.5%	(2.4 pts)
Net profit	7.8	13.3	(41.7%)	38.6	48.5	(20.4%)
Net free cash flow	35.7	37.7	(5.1%)	63.3	46.9	34.8%
Earnings per share (NOK)	0.29	0.49	(40.9%)	1.42	1.80	(21.6%)
Earnings per share fully diluted (NOK)	0.29	0.48	(40.0%)	1.41	1.78	(20.7%)
Equity ratio	58.0%	60.7%	(2.7 pts)	58.0%	60.7%	(2.7 pts)
Cash and cash equivalents	62.3	46.7	33.5%	62.3	46.7	33.5%
Number of employees, average (FTE)	539	478	12.7%	512	449	13.9%
Number of employees, end of period	538	478	12.6%	538	478	12.6%
Revenues per FTE (NOKt)	457	458	(0.1%)	1,736	1,725	0.7%
EBIT per FTE (NOKt)	21.9	38.6	(43.3%)	106.8	146.7	(27.2%)
EBITDA adj.	22.1	22.9	(3.7%)	79.8	81.2	(1.7%)
EBITDA margin adj.	9.0%	10.5%	(1.5 pts)	9.0%	10.5%	(1.5 pts)
EBIT adj.	17.2	18.4	(6.8%)	60.0	65.9	(8.9%)
EBIT margin adj.	7.0%	8.4%	(1.5 pts)	6.8%	8.5%	(1.7 pts)

## Q4 Highlights

- Solid revenue growth
- EBIT affected by one-off costs and weakened utilization
- Adjusted EBIT 17.2 MNOK
  - One-off restructuring costs of 3.6 MNOK related to overhead cost
  - One-off cost of 1.8 MNOK due to write-down of 2023 lease obligation
- Solid employee growth of 60 employees

# Key figures - Norway

NOK million	Q4 2022	Q4 2021	Y/Y change	FY 2022	FY 2021	Y/Y change
Revenues	210.2	188.6	11.5%	761.6	668.4	13.9%
EBIT	10.0	17.0	(41.1%)	47.7	61.1	(21.9%)
EBIT margin	4.8%	9.0%	(4.2 pts)	6.3%	9.1%	(2.9 pts)
Number of employees, average (FTE)	445	401	10.9%	425	379	12.1%
Number of employees, end of period	444	403	10.2%	444	403	10.2%
Number of workdays	64	64		253	252	
EBIT adj.	15.4	17.0	(9.3%)	53.1	61.1	(13.1%)
EBIT margin adj.	7.3%	9.0%	(1.7 pts)	7.0%	9.1%	(2.2 pts)

## Revenue breakdown

NOK million	Q4 2022	Q4 2021	Y/Y change	FY 2022	FY 2021	Y/Y change
Oslo	92.3	80.8	14.3%	324.7	281.0	15.5%
Regional offices	105.8	97.1	8.9%	393.7	343.5	14.6%
Subcontractors	12.7	11.1	14.5%	45.7	45.8	(0.2%)
Other / eliminations	(0.6)	(0.4)	52.7%	(2.4)	(1.9)	26.7%
<b>Total</b>	<b>210.2</b>	<b>188.6</b>	<b>11.5%</b>	<b>761.6</b>	<b>668.4</b>	<b>13.9%</b>

## Q4 Highlights

- Stable revenue growth
  - Revenue from own consultants increased with 20.3 MNOK
    - Increased revenues from average number of employees and hourly rates, partly offset by weakened utilization
- EBIT 10.0 MNOK affected by one-off costs
  - Restructuring cost
  - Write-down of 2023 lease obligation
- EBIT adjusted 15.4 MNOK
- Employee growth of 41 employees

# Key figures - Sweden

NOK million	Q4 2022	Q4 2021	Y/Y change	FY 2022	FY 2021	Y/Y change
Revenues	36.2	30.2	19.9%	126.9	106.7	19.0%
EBIT	1.8	1.4	22.3%	6.9	4.8	44.1%
EBIT margin	4.9%	4.8%	0.1 pts	5.5%	4.5%	1 pts
Number of employees, average (FTE)	94	77	21.9%	86	70	23.2%
Number of employees, end of period	95	75	26.1%	95	75	26.1%
Number of workdays	64	64	0.0%	253	253	0.0%

## Revenue breakdown

NOK million	Q4 2022	Q4 2021	Y/Y change	FY 2022	FY 2021	Y/Y change
Regional offices	28.9	24.8	16.7%	103.0	83.6	23.2%
Subcontractors	7.2	5.4	34.7%	23.9	23.1	3.7%
<b>Total</b>	<b>36.2</b>	<b>30.2</b>	<b>19.9%</b>	<b>126.9</b>	<b>106.7</b>	<b>19.0%</b>

## Q4 Highlights

- Solid revenue growth 19.9%
  - Swedish segment represents 14.7% of consolidated revenue in Q4
- EBIT strengthened 22.3%
- Q4 constant currency
  - Revenues: +7.8 m
  - EBIT: -0.1m
- Employee growth of 20 employees



# Outlook



# Outlook

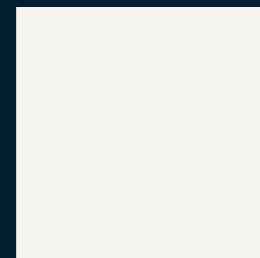
- Long term trend of digitalisation continues in a changing macroeconomic environment
- Balanced growth
  - Headcount growth balanced against profitability
  - Continued work on retention
- Forward capacity
  - Expect to be 550 employees by the end of first quarter 2023
- Initiatives to increase profitability
  - Cost management
  - Strengthening focus on enterprise market
  - Optimizing sales
- Long term target for EBIT above 10%



# Questions?

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

# Appendix



# A diversified customer base

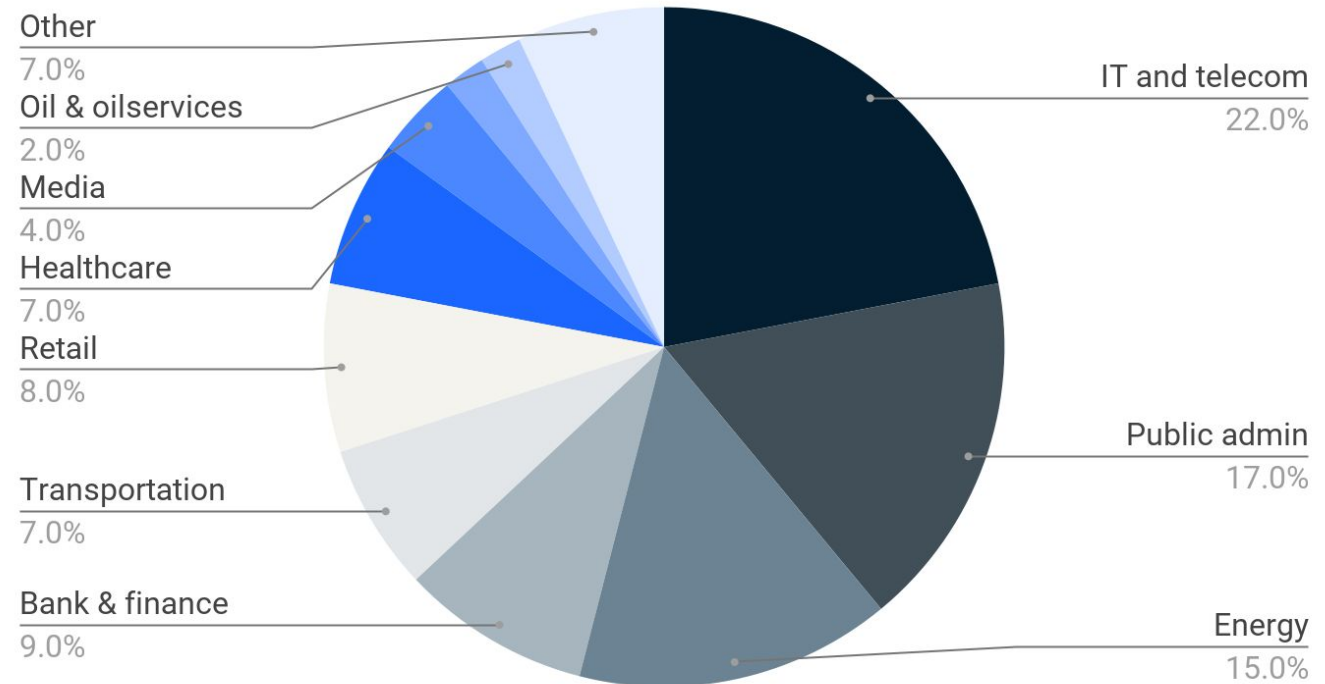
Private sector

**71 %**

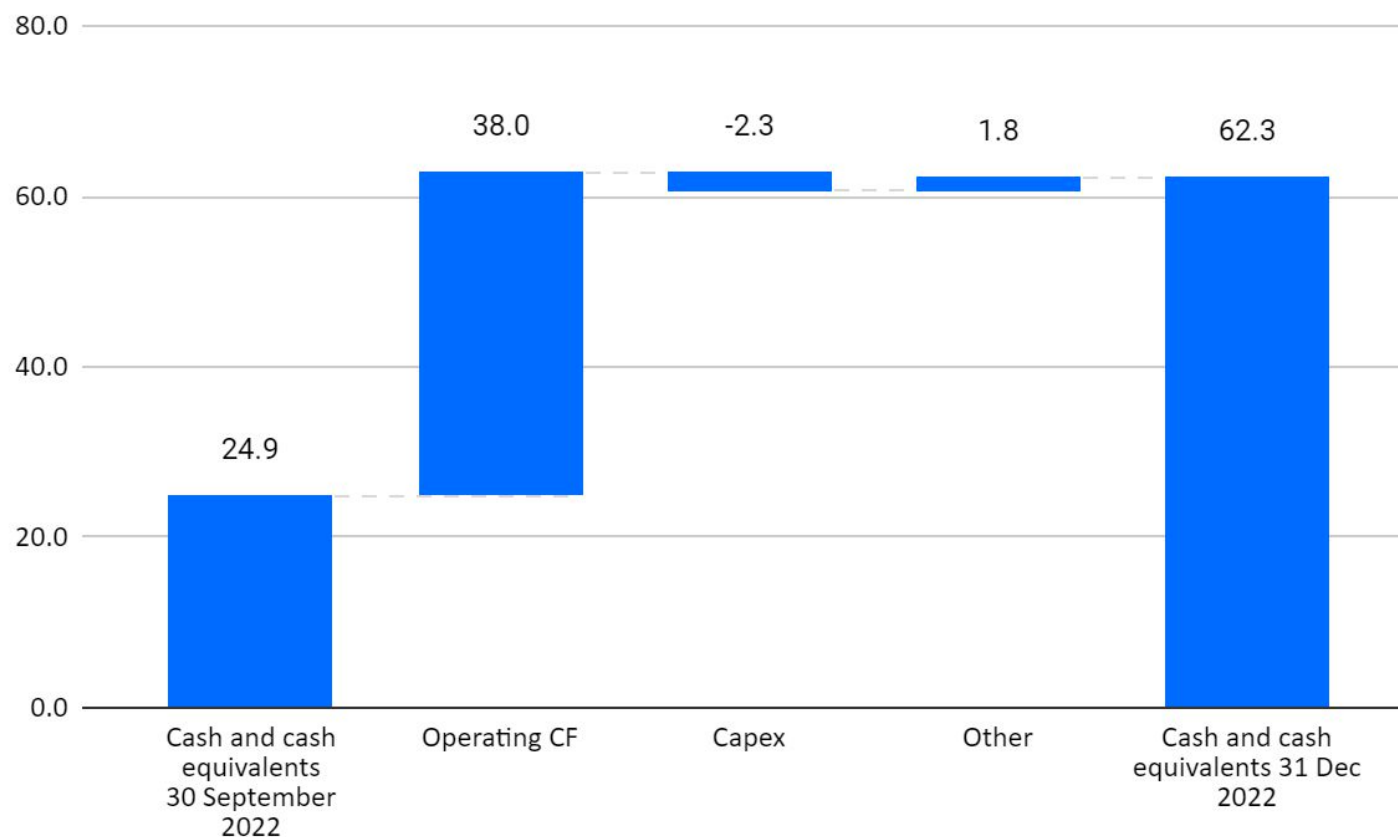
Public sector

**29 %**

**Business Sectors Q4 2022**



# Cash flow and net debt



## Highlights

- Q4 free cash flow of MNOK 35.7
- Capex relates to office and equipment
- Credit facility of MNOK 110 in Norway and SEK 5m in Sweden per end of quarter

NOK million	31 Dec 2022
Cash and cash equivalents*	(62.3)
Restricted cash	1.7
Debt to credit institutions	0.0
<b>Net interest bearing debt (NIBD)**</b>	<b>(60.6)</b>
NIBD/EBITDA (rolling 12 months)	(0.8)
NIBD/EBITDA (rolling 12 months) Including IFRS 16 Lease liabilities	0.1

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

# Top 20 shareholders at 16 February 2023

Shareholder name	Shares	%
1 EMBRO EIENDOM AS	8,312,727	30.1%
2 J.P. Morgan SE	1,970,890	7.1% Nominee
3 SALT VALUE AS	1,430,121	5.2%
4 VERDIPAPIRFONDET DNB SMB	1,139,284	4.1%
5 HVALER INVEST AS	1,000,000	3.6%
5 JAKOB HATTELAND HOLDING AS	1,000,000	3.6%
5 PROTECTOR FORSIKRING ASA	1,000,000	3.6%
8 J.P. Morgan SE	900,000	3.3% Nominee
9 HOLMEN SPESIALFOND	861,524	3.1%
10 VERDIPAPIRFONDET NORDEA NORGE VERD	664,317	2.4%
11 Danske Invest Norge Vekst	542,000	2.0%
12 Goldman Sachs International	416,571	1.5% Nominee
13 HAUSTA INVESTOR AS	400,000	1.4%
13 VPF FONDSFINANS UTBYTTE	400,000	1.4%
13 INTERTRADE SHIPPING AS	400,000	1.4%
16 Danske Bank A/S	320,000	1.2% Nominee
17 ESPEDAL & CO AS	308,980	1.1%
18 Pictet & Cie (Europe) S.A.	232,675	0.8% Nominee
19 EUROVEST AS	230,000	0.8%
20 MP PENSJON PK	224,000	0.8%
<b>Top 20 shareholders</b>	<b>21,753,089</b>	<b>78.7%</b>
Other	5,875,409	21.3%
<b>Total share outstanding</b>	<b>27,628,498</b>	<b>100.0%</b>

# Disclaimer

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