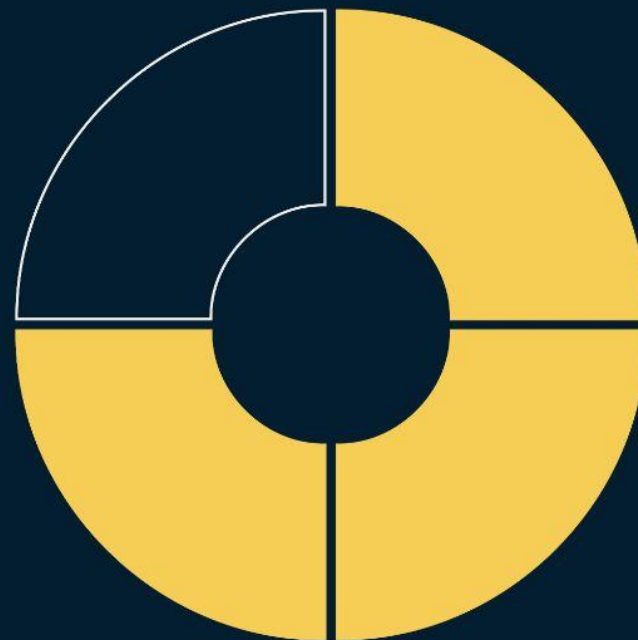


# Q3 2023

Save Asmervik, CEO

Ida Amalie Oma, CFO



09 November 2023 - Oslo

# Our agenda

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## Highlights from the quarter

# Highlights

*Continued revenue growth, planned and executed initiatives to increase margin*

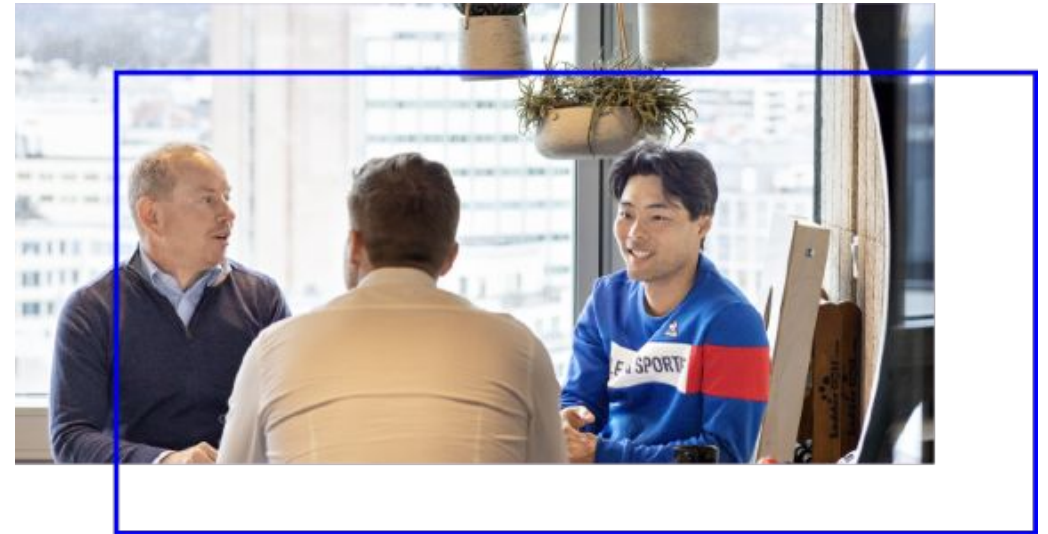
- **Revenue growth**
  - 211.2 MNOK (+8.9%) for the quarter
  - 737.9 MNOK (+14.9%) YTD
- **EBIT**
  - EBIT 2.3 MNOK (-57.5%) and EBIT margin 1.1% (-1.7 pp) for the quarter
  - EBIT 45.2 MNOK (+5.4%) YTD
- **Revenue development and EBIT**
  - Impacted by challenging market conditions, especially for Webstep Sweden
  - The temporary increase in employer contribution results in higher costs for Webstep Norway, 3.8 MNOK
  - Provision of loss on accounts receivable from Q1-23 has been reversed 1 MNOK
  - Costs related to annual company gatherings
- **Planned and executed initiatives to increase margin**
  - Estimated total cost reduction 15-25 MNOK
- **Growth in employees**
  - 566 employees (+5.7%) at the end of third quarter



# Profitability in focus

*Planned and executed initiatives to increase margins;  
estimated total cost reduction at 15-25 MNOK*

- **Downsizing non-billable FTEs**
  - Total reduction of 9 non-billable FTEs for the Group
- **Reorganizing Oslo region**
  - Enhanced scaling capacity, decreased overhead costs
  - Reorganising sales organisation to increase customer value
  - Maintaining delivery excellence and focus on competence
- **Other measures for the Group**
  - Reduced consultants in areas struggling with utilization, especially in Webstep Sweden
  - Reduced overhead
  - Other cost initiatives not related to FTEs
  - Improvement of ratio consultants/sales
- **Cost reductions of 15 MNOK executed with full year effect from 2024**
  - More information about additional initiatives will be shared going forward



# Project highlights

*For digitalisation, deep IT competence is key*

Webstep's commitment to partnerships and major clients with extensive needs is well underway. Important framework agreements are landed, starting in 2024.

- **Webstep is prime in a framework agreement with Posten Bring Group**
  - Covering wide-range deliveries and systems development
  - Estimated Posten Bring total spending\* MNOK 250-500 mill
- **Collaboration with partners to comprehensive framework agreement for the Norwegian Directorate of Immigration (UDI)**
  - IT development and maintenance of digital solutions
  - Estimated UDI total spending\* NOK 2,1 billion
- **Collaboration with partners to framework agreement for the Norwegian Police, IT services**
  - Long-term partnership to develop digital services and products
  - Estimated Police IT Service spending\* NOK 4 billion

*\*) Estimated spendings are across framework partners*



Business review



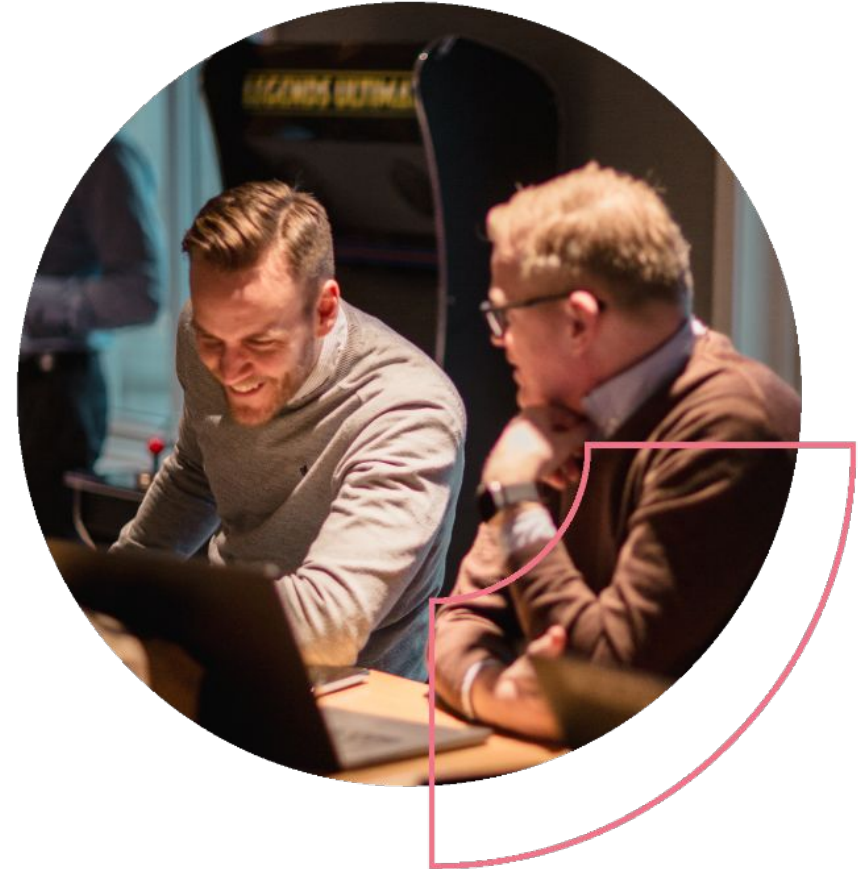
# Leading supplier of development services

*Tougher times reinforce faith in Webstep core pillars*

Consultancies presently undergo a stringent stress test.

We remain committed to strategy and synergies

- **Senior experts rule systems development**
  - Tougher times call for experienced players and core competencies
  - The degree of utilisation reveals premium partnerships
- **Value creation for Webstep customers**
  - Synergies key to holistic customer solutions and value creation through digitisation
  - Strategic partnerships, commitment and win-win relationships enable superior solutions
- **Long term profitable growth**
  - Customer value of higher price and lower cost, simultaneously
  - Improved scalability, reduced overhead
  - The tailor-made Webstep workplace experience

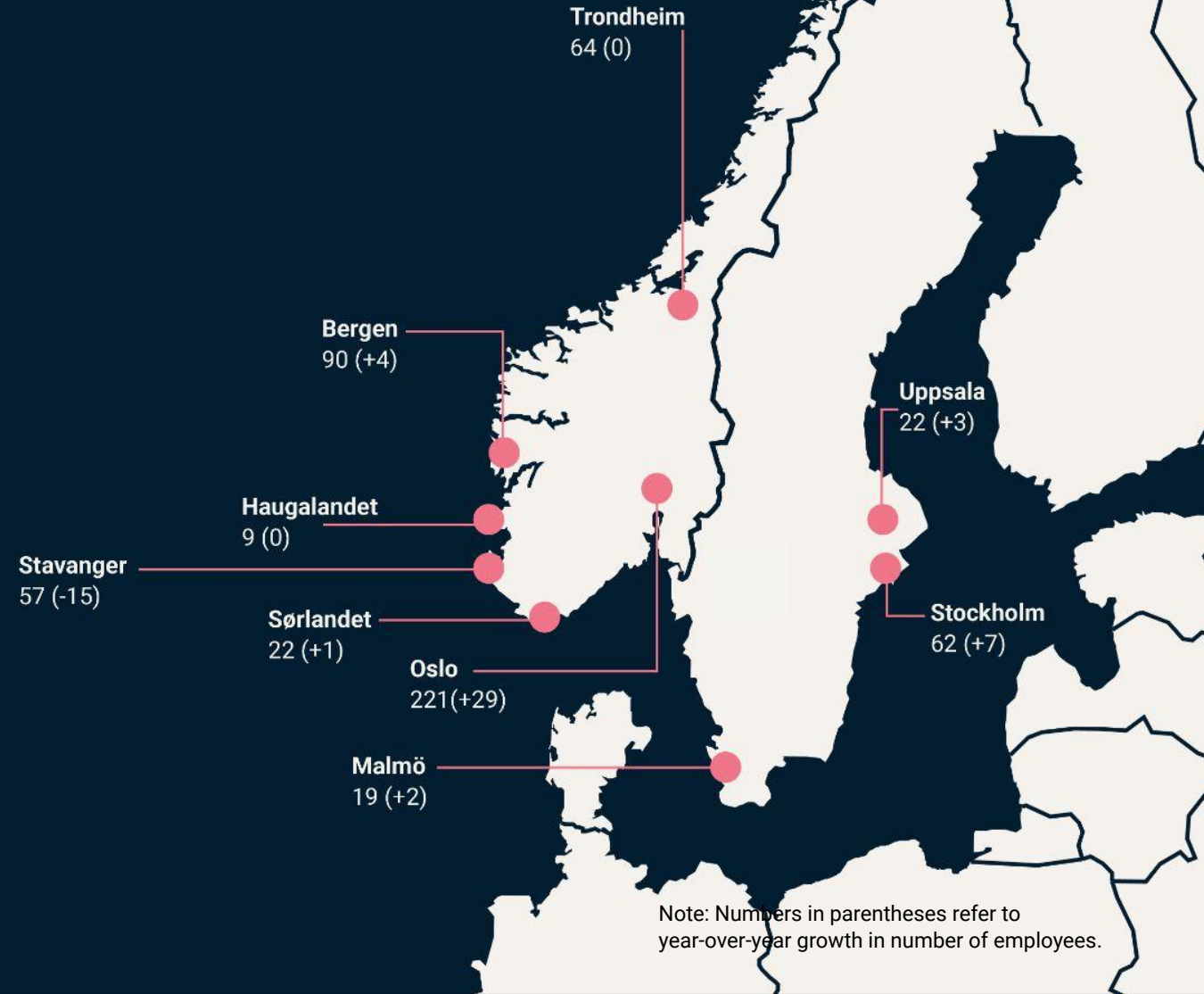




# Organization and employees

*The Webstep experience going forward*

- **Strong culture, stable retention**
  - Reduced headcount growth - rightsizing recruitment
  - Investments in employees to secure retention
- **566 employees at the end of Q3 2023**
  - Recruitment balanced against profitable growth
  - Experienced consultants key to demanding markets and utilisation



Financial review



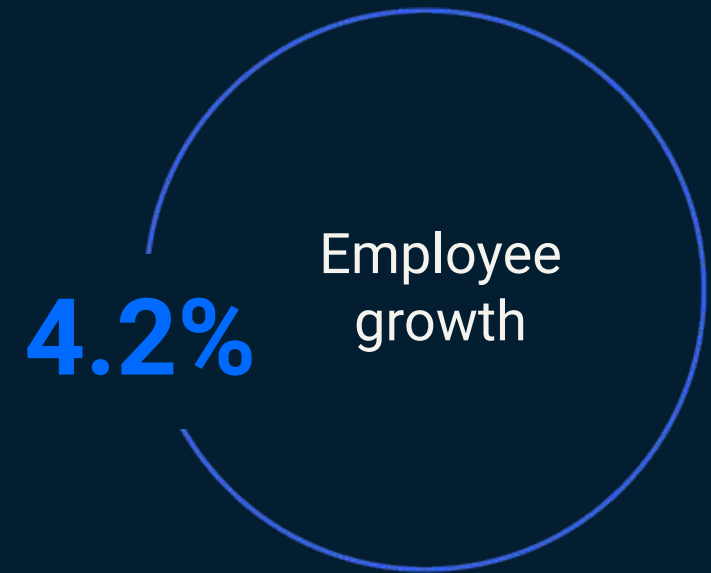
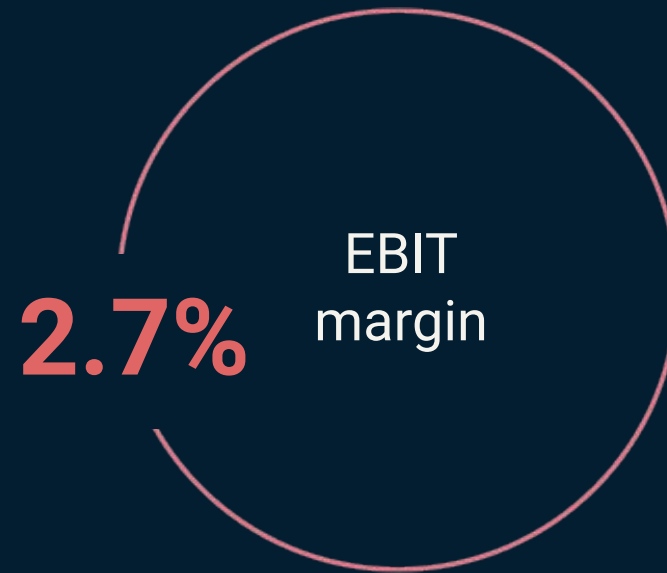
# Key figures - Group

NOK million	Q3 2023	Q3 2022	Y/Y change	YTD 2023	YTD 2022	Y/Y change	FY 2022
Revenues	<b>211.2</b>	193.9	8.9%	<b>737.9</b>	642.0	14.9%	888.4
EBITDA	<b>8.0</b>	10.7	(24.8%)	<b>61.5</b>	57.8	6.5%	76.2
EBITDA margin	<b>3.8%</b>	5.5%	(1.7 pts)	<b>8.3%</b>	9.0%	(-0.7 pts)	8.6%
EBIT	<b>2.3</b>	5.5	(57.5%)	<b>45.2</b>	42.9	5.4%	54.6
EBIT margin	<b>1.1%</b>	2.8%	(1.7 pts)	<b>6.1%</b>	6.7%	(-0.6 pts)	6.2%
Net profit	<b>0.3</b>	3.2	(91.5%)	<b>31.8</b>	30.8	3.1%	38.4
Net free cash flow	<b>(33.3)</b>	0.1	-	<b>(10.8)</b>	27.5	(139.2%)	63.3
Earnings per share (NOK)	<b>0.01</b>	0.12	(91.6%)	<b>1.15</b>	1.13	1.2%	1.40
Earnings per share fully diluted (NOK)	<b>0.01</b>	0.12	(91.6%)	<b>1.14</b>	1.11	2.3%	1.39
Equity ratio	<b>54.0%</b>	60.3%	(6.4 pts)	<b>54.0%</b>	60.3%	(-6.4 pts)	57.9%
Cash and cash equivalents	<b>16.9</b>	24.9	(32.0%)	<b>16.9</b>	24.9	(32.0%)	62.3
Number of employees, average (FTE)	<b>557</b>	524	6.4%	<b>557</b>	503	10.8%	512
Number of employees, end of period	<b>566</b>	535	5.7%	<b>566</b>	535	5.7%	538
Revenues per FTE (NOKt)	<b>379</b>	370	2.4%	<b>1,325</b>	1,281	3.4%	1,736
EBIT per FTE (NOKt)	<b>4.2</b>	10.5	(60.0%)	<b>81.1</b>	85.3	(4.9%)	106.8

## Q3 Comments

- Continued revenue growth
  - Primarily from the Norwegian segment, accounting for 87% of the consolidated revenues in the quarter
- EBIT affected by
  - The temporary increase in employer contribution results in higher costs 3.8 MNOK
  - Costs related to culture building activities in the Norwegian region
  - Challenges with reduced demand and prolonged sales cycles especially for Webstep Sweden
- Negative cash flow from operations mainly explained by calendar effects related to when receivables are falling due
- Employee growth of 31 employees

# Norway Q3



# Key figures - Norway

NOK million	Q3 2023	Q3 2022	Y/Y change	YTD 2023	YTD 2022	Y/Y change	FY 2022
Revenues	<b>184.1</b>	165.7	11.1%	<b>633.4</b>	551.3	14.9%	761.6
EBIT	<b>5.0</b>	4.3	17.0%	<b>43.9</b>	37.7	16.3%	47.7
EBIT margin	<b>2.7%</b>	2.6%	0.1 pts	<b>6.9%</b>	6.8%	0.1 pts	6.3%
Number of employees, average (FTE)	<b>457</b>	436	4.9%	<b>456</b>	418	8.9%	425
Number of employees, end of period	<b>463</b>	445	4.2%	<b>463</b>	445	4.2%	444
Number of workdays	<b>65</b>	66	(1.5%)	<b>188</b>	189	(0.5%)	253
Revenues per FTE (NOKt)	<b>403</b>	380	5.9%	<b>1,390</b>	1,323	5.1%	1,795
EBIT per FTE (NOKt)	<b>11</b>	10	11.5%	<b>96</b>	92	5.0%	114

## Revenue breakdown

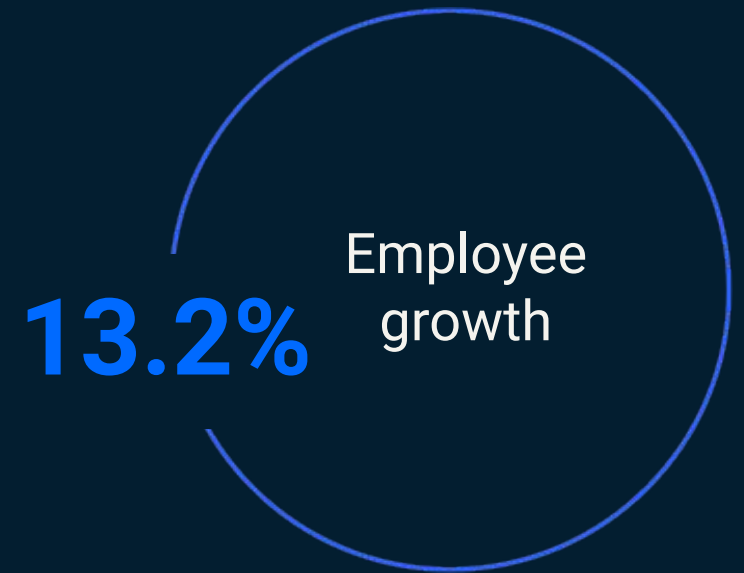
NOK million	Q3 2023	Q3 2022	Y/Y change	YTD 2023	YTD 2022	Y/Y change	FY 2022
Oslo	<b>80.6</b>	71.3	13.0%	<b>271.6</b>	232.3	16.9%	324.7
Regional offices	<b>89.2</b>	85.0	4.9%	<b>315.0</b>	287.8	9.4%	393.7
Subcontractors/resale of licenses*	<b>15.1</b>	9.8	53.9%	<b>49.5</b>	32.9	50.1%	45.7

\*Change in revenues from subcontractors/resale of licenses is mainly due to internal change in accounting.  
Revenue from subcontractors isolated change + 2.3 MNOK Q3, + 8.7 MNOK YTD

## Q3 Comments

- Stable revenue growth for the quarter 11%
  - Revenue from own consultants MNOK 170 (+11%) for the quarter driven by hourly rate and number of consultants
- Stable EBIT
  - The temporary increase in employer contribution results in higher costs 3.8 MNOK
  - Provision of loss on accounts receivable from Q1-23 has been reversed 1 MNOK
  - Webstep tradition for annual company gatherings in the autumn affecting costs
- Employee growth of 18 employees

# Sweden Q3



# Key figures - Sweden

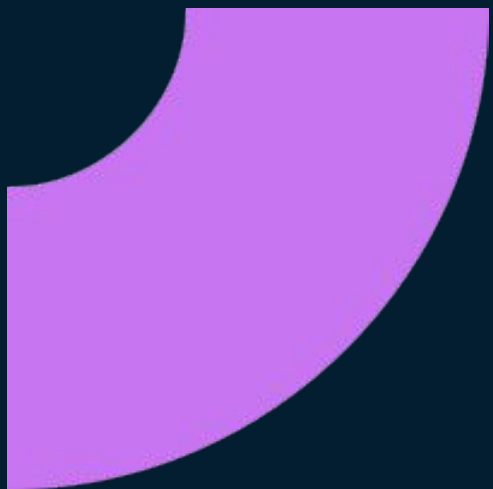
NOK million	Q3 2023	Q3 2022	Y/Y change	YTD 2023	YTD 2022	Y/Y change	FY 2022
Revenues	<b>27.1</b>	28.3	(3.9%)	<b>104.6</b>	90.7	15.3%	126.9
EBIT	<b>(2.6)</b>	1.2	(311.8%)	<b>1.3</b>	5.1	(74.9%)	6.9
EBIT margin	<b>(9.8%)</b>	4.4%	(14.2 pts)	<b>1.2%</b>	5.7%	(-4.4 pts)	5.5%
Number of employees, average (FTE)	<b>100</b>	88	13.6%	<b>101</b>	84	20.8%	86
Number of employees, end of period	<b>103</b>	91	13.2%	<b>103</b>	91	13.2%	102
Number of workdays	<b>65</b>	66	(1.5%)	<b>188</b>	189	(0.5%)	253
Revenues per FTE (NOKt)	<b>271</b>	320	(15.4%)	<b>1,030</b>	1,084	(5.0%)	1,469
EBIT per FTE (NOKt)	<b>-26</b>	14	(286.5%)	<b>12</b>	63	(80.4%)	81

## Revenue breakdown

NOK million	Q3 2023	Q3 2022	Y/Y change	YTD 2023	YTD 2022	Y/Y change	FY 2022
Regional offices	<b>21.1</b>	21.8	(2.9%)	<b>83.2</b>	74.1	12.2%	103.0
Subcontractors	<b>6.0</b>	6.5	(7.5%)	<b>21.4</b>	16.6	28.9%	23.9

## Q3 Comments

- Market slowdown continues in the third quarter
  - Following strong organic growth, Webstep Sweden is particularly exposed to market changes
- Revenue
  - Negative development in revenue from own consultants due to lower market demand and prolonged sales cycles
  - Use of subcontractors relates to services outside of core competencies
- EBIT affected by decreased utilisation and cost commitments



# Outlook



# Outlook



## Market

- Long term trend of digitalisation continues regardless of a changing macroeconomic environment
- Webstep has a strong position in the market with a robust business model and a diversified customer base which gives adaptive capabilities
- Webstep will reinforce focus on expert system developers, as the proven cornerstones of the Group's strategic approach
- Webstep is ready to deliver on important framework agreements recently closed both prime and in collaboration with other partners
- AI development creates new opportunities which align well with Webstep's services



## Path towards further sustainable growth and profits

- Headcount growth balanced against profitability
- Expect to be approximately 568 employees by year end
- Continued and intensified focus on cost savings to secure margin improvement through measures implemented. Additional initiatives will be considered based on the market development
- Costs related to the temporary increase in employer contribution for 2024 will be addressed differently than in 2023
- Optimizing sales and strengthening focus on enterprise market
- Long term target for EBIT above 10%

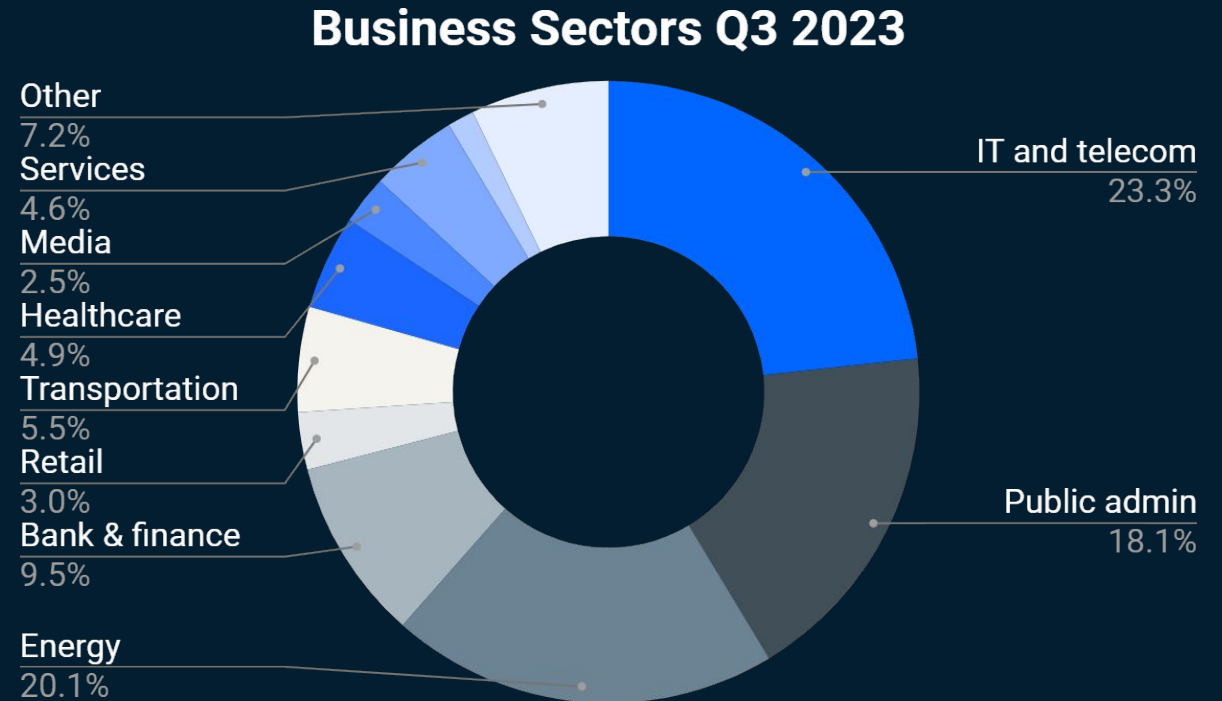
# Questions?

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

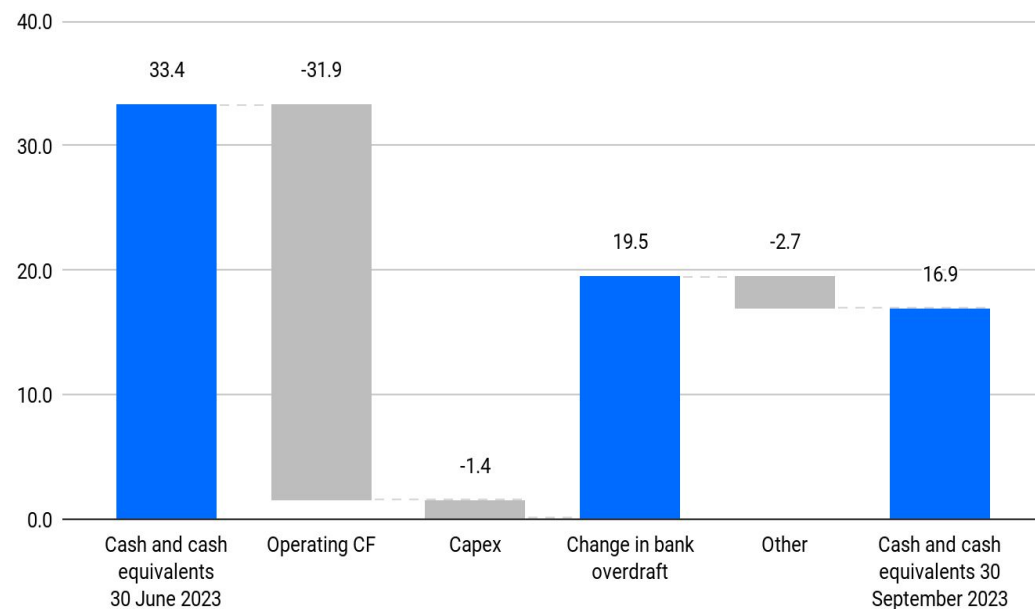
# Appendix



# A diversified customer base



# Cash flow and net debt



NOK million 30 Sep 2023

Cash and cash equivalents*	(16.9)
Restricted cash	1.7
Debt to credit institutions	19.5
<b>Net interest bearing debt (NIBD)**</b>	<b>4.3</b>
<hr/>	
NIBD/EBITDA (rolling 12 months)	0.1
<hr/>	
NIBD/EBITDA (rolling 12 months) Including IFRS 16 Lease liabilities	1.1

*Note: \*Negative indicates positive amount.*

*\*\*Effects related to IFRS 16 (leasing) are excluded.*

- Q3 free cash flow of MNOK -32.9
- Negative cash flow from operating activities mainly explained by calendar effects related to which weekday receivables fall due
- The Group has credit facility of MNOK 110 in Norway and SEK 5m in Sweden
- Credit facility was utilized with MNOK 19.5 by the end of third quarter
- Capex relates to office and equipment

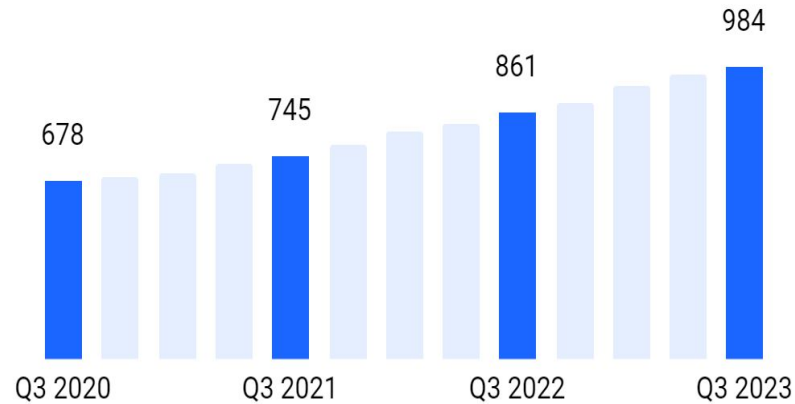
# Top 20 shareholders at 8 November 2023

## Q3 2023

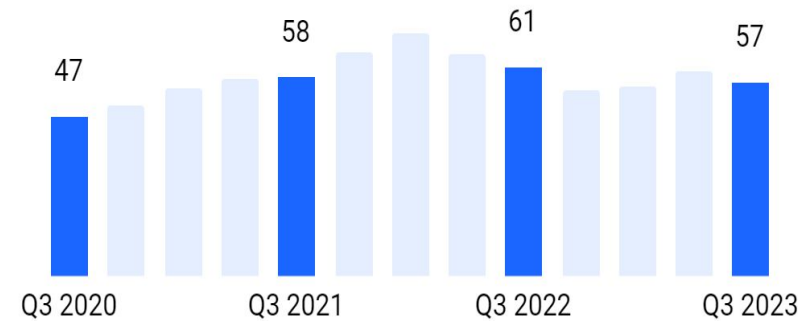
Shareholder name	Shares	%
1 EMBRO EIENDOM AS	8,312,727	30.0%
2 J.P. Morgan SE	1,970,890	7.1% Nominee
3 HVALER INVEST AS	1,735,018	6.3%
4 SALT VALUE AS	1,535,258	5.5%
5 PROTECTOR FORSIKRING ASA	1,300,000	4.7%
6 VPF FONDSFINANS UTBYTTE	1,100,000	4.0%
7 JAKOB HATTELAND HOLDING AS	1,000,000	3.6%
8 J.P. Morgan 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 INTERTRADE SHIPPING AS	400,000	1.4%
13 Danske Bank A/S	320,000	1.2% Nominee
14 ESPEDAL & CO AS	308,980	1.1%
15 VERDIPAPIRFONDET DNB SMB	289,749	1.0%
16 EUROVEST AS	250,001	0.9%
17 Bank Pictet & Cie (Europe) AG	232,675	0.8% Nominee
18 MP PENSJON PK	224,000	0.8%
19 BERGEN KOMMUNALE PENSJONSKASSE	200,000	0.7%
20 LEROLI AS	197,281	0.7%
<b>Top 20 shareholders</b>	<b>22,344,420</b>	<b>80.8%</b>
Other	5,326,539	19.2%
<b>Total share outstanding</b>	<b>27,670,959</b>	<b>100.0%</b>

# Revenue, EBIT and employee development

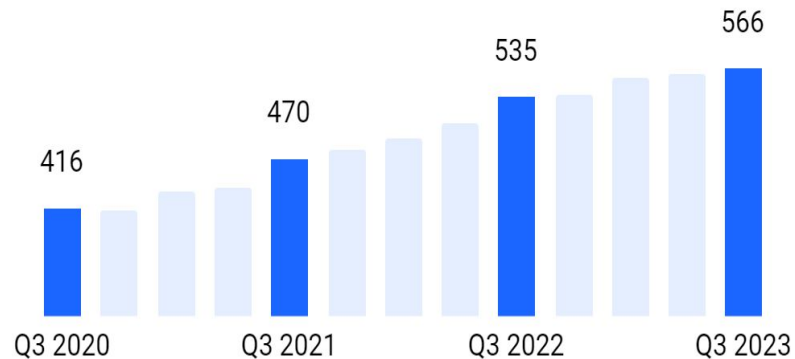
Revenues (LTM)



EBIT (LTM)



Number of employees (EoP)



# Number of employees EoP

Number of employees, end of period	Q3	Q2	Q1	Q4	Q3
Norway	2023	2023	2023	2022	2022
<b>Norway total</b>	<b>463</b>	459	455	444	445
Oslo	221	211	205	194	193
Bergen	90	94	92	88	86
Trondheim	64	61	64	65	64
Stavanger	57	62	63	67	72
Sørlandet	22	22	21	20	21
Haugalandet	9	9	10	10	9
	Q3	Q2	Q1	Q4	Q3
<b>Sweden</b>	<b>2023</b>	2023	2023	2022	2022
<b>Sweden total</b>	<b>103</b>	102	102	95	91
Stockholm	62	60	58	57	55
Malmö	19	20	22	18	17
Uppsala	22	22	22	20	19



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This Presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this Presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for Webstep ASA and Webstep ASA's (including subsidiaries and affiliates) lines of business. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for Webstep ASA. Although Webstep ASA believes that its expectations and the Presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the Presentation. Webstep ASA is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Presentation, and neither Webstep ASA nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.