

Q4 and Full Year 2020

Webstep ASA

Oslo | 17 February 2021

Trond K. Johannessen, Chair

Save Asmervik, CEO

Liv Annike Kverneland, CFO

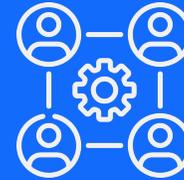
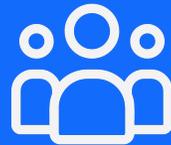


Agenda

1. Q4 highlights
2. New CEO appointed
3. Business review
4. Financial review
5. Outlook

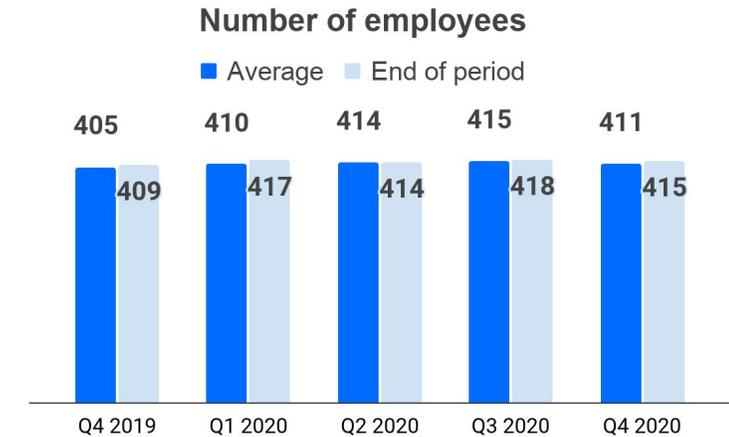
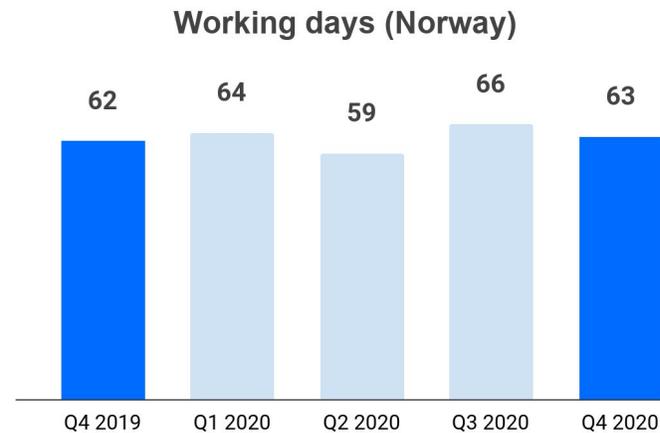
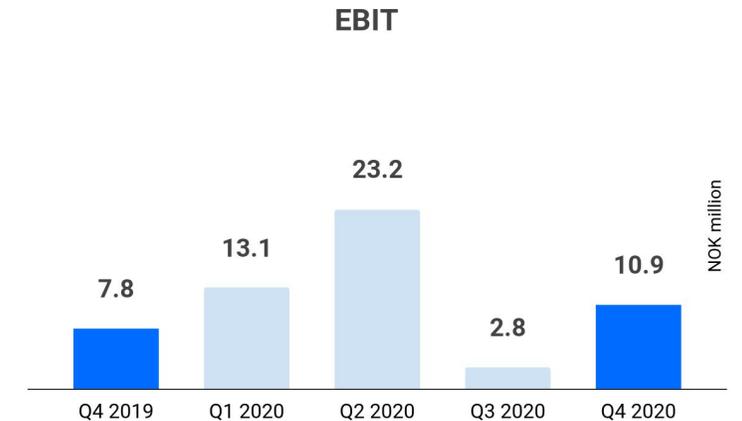
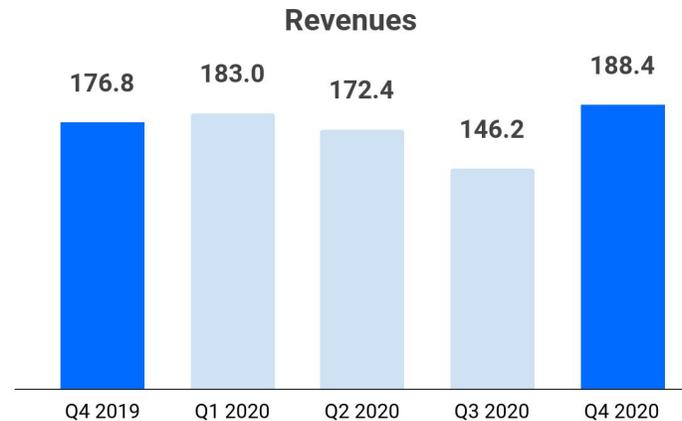


Highlights from the quarter



Q4 highlights

- Revenue growth of 6.6% in Q4 and 4.5% FY 2020
- EBIT growth of 39.9% in Q4 and 1.8% in FY 2020
- EBIT in Q4 impacted by one-off costs NOK 5.5m *
- Good recruiting quarter
- 4-Y contract of appr. NOK 100m signed with the Norwegian Courts Administration
- Solid financial position and positive outlook supports dividend proposal of NOK 1.60 per share



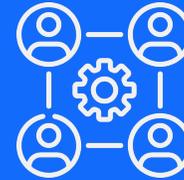
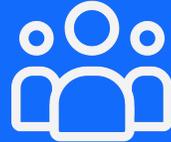
Note: * CEO transition (NOK 3.6m) and provision for loss on receivables for a single customer within the travel industry (NOK 1.9m)

Save Asmervik new Webstep CEO

- **Employed by Webstep since 2011**
- **Comes from the position as regional director of Webstep in Trondheim**
- **Proven innovation track record and strong results**
- **Masters degree from Norwegian University of Science and Technology (NTNU) and Executive Education from Columbia University**
- **Experience from EY, Equinor and IBM**



Business review



Go-to-market model

WEBSTEP

Delivery model

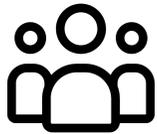
Client



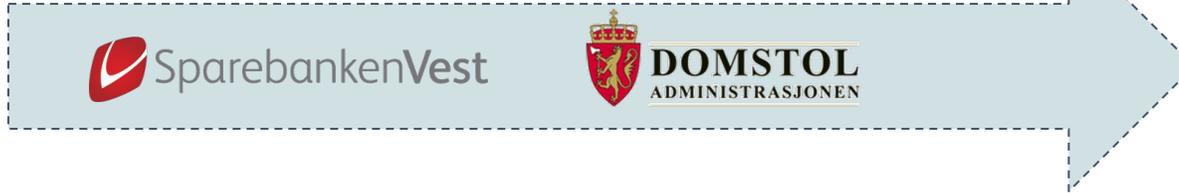
Experts for hire



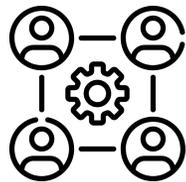
Client run projects



Team-as-a-Service



Webstep run projects



Projects & Solutions



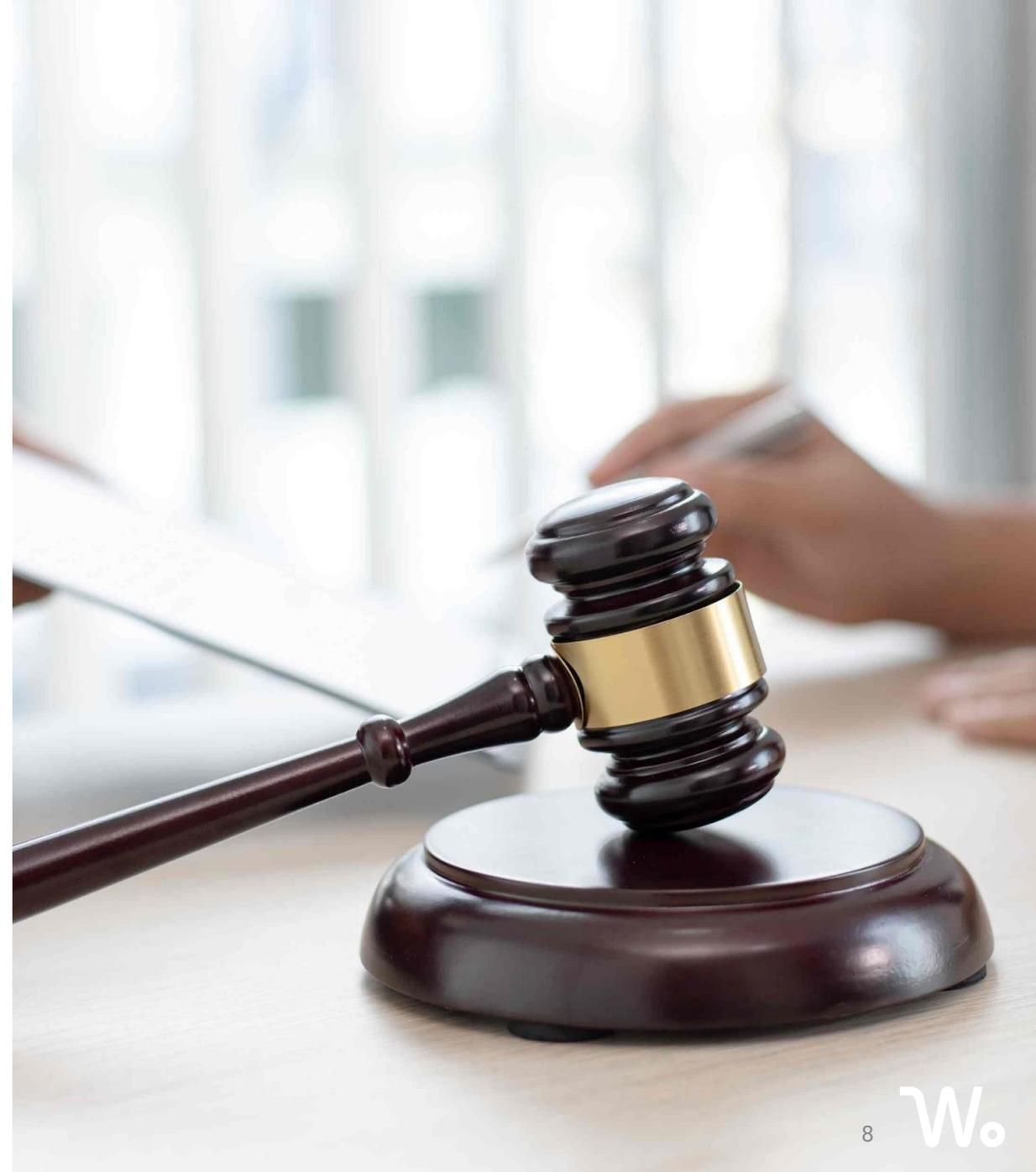
Digital transformation of the Norwegian Courts Administration

- New public customer for Webstep.
- Framework agreement with cross-disciplinary teams securing competence and capacity to realise the digitization strategy.
- The agreement is part of a digital transformation of the case management systems, and Webstep will be responsible for the Java based applications.

The **Norwegian Courts Administration** manages the ordinary courts and the land consolidation courts.



DOMSTOL
ADMINISTRASJONEN



Developing better digital services for customers

- Framework agreement with Webstep covering digital consultancy services to improve digital services for banking customers.
- Long-term relationship with Webstep, based on a common understanding of the importance of culture, sustainability and business needs.
- Access to local IT-expertise allows for a more efficient IT organization with a capacity to rapidly adapt to business needs.

Sparebanken Vest is an independent, listed financial services group engaged in banking and financing activities on the west coast of Norway.



Developing new solution for 'Energimerkesystemet'

- Enova selected Webstep as lead IT partner for next 4 years in 2020
- New project launched within the overall agreement focusing on national regulations for energy classification of buildings
- Webstep will deliver the new solution by end of 2021 with a dedicated project team

Enova SF contributes to reduced greenhouse gas emissions, development of energy and climate technology and a strengthened security of supply.

ENOVA



Monitoring population metrics and demography changes

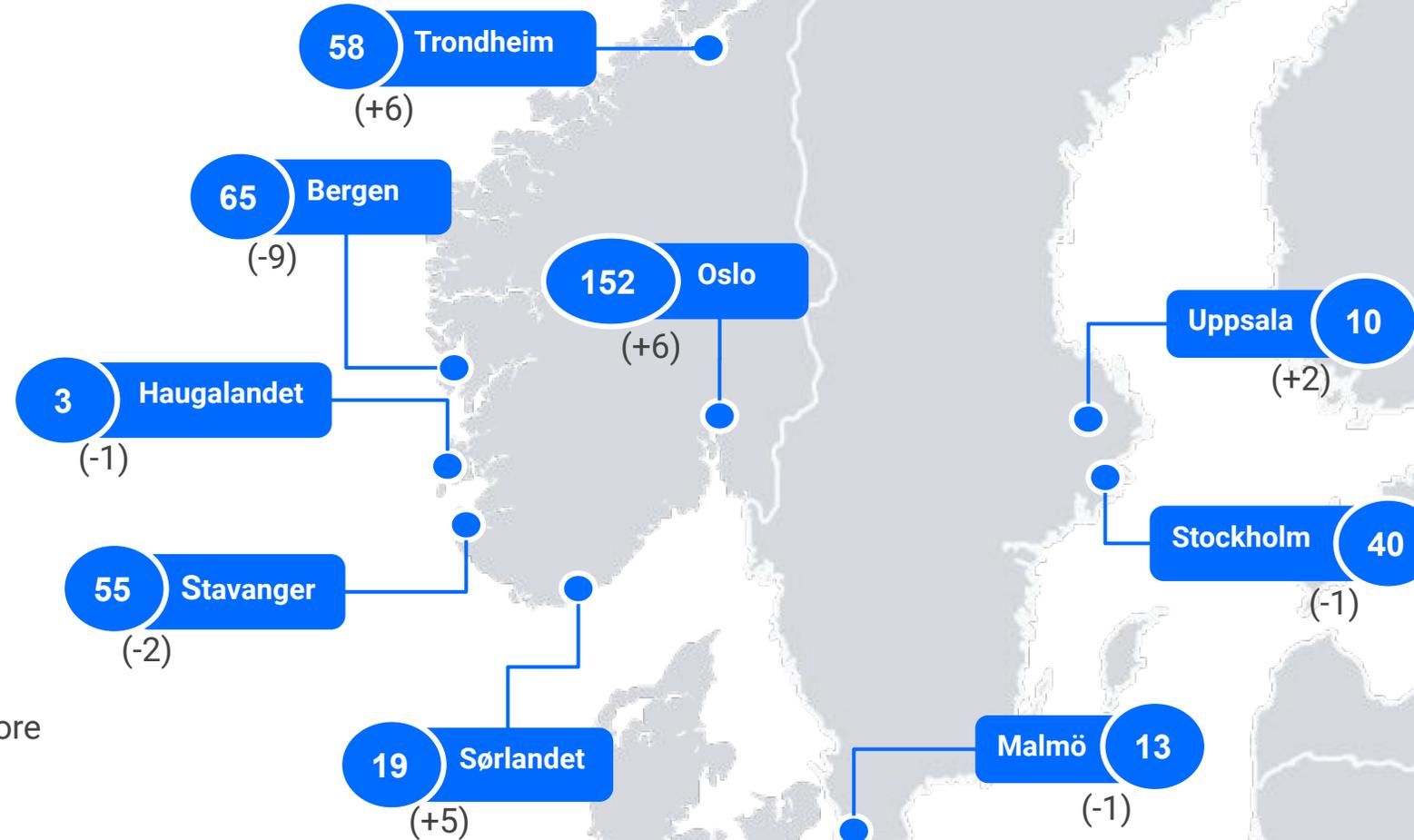
- Webstep has developed and launched *Samla* - a new automated reporting system to visualize key population metrics and changes in demography.
- *Samla*, the cloud based decision support tool, can serve as a digital solution to get improved insights for municipalities.
- Larvik kommune is the first Norwegian municipality to leverage the service on a subscription based contract.

Larvik is Norwegian municipality and regional entity with about 50K inhabitants.



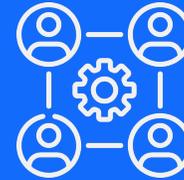
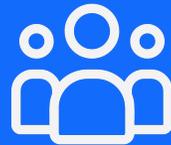
Organization and operations

- Strong local presence
 - *Close to the Customer*
 - *Strategic Partner*
 - *Guiding and Support*
- Building Competence
 - *High quality competence events*
 - *Investing in the experts*
- 415 employees at the end of 2020
 - *Down 3 last quarter*
 - *Up 6 last from end of 2019*
 - *Strong recruitment quarter in Q4*
 - *Continued home office for most employees*
- Liv Annike Kverneland served as interim CEO before Save Asmervik was appointed new CEO in Q1



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

Financial review



Key figures - Group

NOK million	Q4 2020	Q4 2019	Y/Y change	FY 2020	FY 2019	Y/Y change
Sales revenues	188.4	176.8	6.6%	690.0	660.5	4.5%
EBITDA	14.3	12.0	19.4%	63.9	60.4	5.8%
EBITDA margin	7.6%	6.8%	0.8 pts	9.3%	9.1%	0.2 pts
EBIT	10.9	7.8	39.9%	50.0	49.1	1.8%
EBIT margin	5.8%	4.4%	1.4 pts	7.2%	7.4%	(0.2 pts)
Net profit	7.8	5.2	50.6%	36.7	36.1	1.8%
Net cash flow	(13.6)	16.6	182.0%	14.3	(8.0)	277.9%
Earnings per share (NOK)	0.29	0.20	46.4%	1.38	1.36	1.2%
Earnings per share, fully diluted (NOK)	0.29	0.20	46.3%	1.38	1.36	1.2%
Equity ratio	64.3%	65.7%	(1.4 pts)	64.3%	65.7%	(1.4 pts)
Cash and cash equivalents	39.7	25.5		39.7	25.5	
Number of employees, average (FTE)	411	405	1.4%	410	397	3.2%
Number of employees, end of period	415	409	1.5%	415	409	1.5%
EBITDA per FTE (NOK thousand)	34.9	29.7	17.5%	155.9	152.2	2.4%
EBIT per FTE (NOK thousand)	26.6	19.3	37.7%	122.0	132.8	(8.2%)

Q4 highlights

- Revenue growth from own consultants driven by headcount and hourly rates
 - Q4 NOK 164.9m (+7.7%)
 - 2020 NOK 608.6m (+6.3%)
- Less use of subcontractors
 - Q4 NOK 23.5m (-1.1%)
 - 2020 NOK 81.4m (-7.6%)
- EBIT impacted by
 - *One-off costs related to CEO transition (NOK 3.6m)*
 - *Provision for loss on receivables related to a single customer within the travel industry (NOK 1.9m)*
 - *Cost savings from reduced travel, conference and social activities*
- Q4 cash flow includes a dividend of NOK 42.7m

Key figures - Norway

NOK million	Q4 2020	Q4 2019	Y/Y change	FY 2020	FY 2019	Y/Y change
Sales revenues	158.5	152.2	4.1%	583.9	570.3	2.4%
EBIT	8.8	6.9	27.0%	41.6	46.7	(10.9%)
EBIT margin	5.5%	4.6%	0.9 pts	7.1%	8.2%	(1.1 pts)
Number of employees, average (FTE)	349	343	1.7%	348	337	3.4%
Number of employees, end of period	352	346	1.6%	352	346	1.6%
Number of work days, excl. vacation	63	62		252	249	
EBIT per FTE (NOK thousand)	25.1	20.1	25.1%	119.6	138.8	(13.8%)
Revenue breakdown						
NOK million	Q4 2020	Q4 2019	Y/Y change	FY 2020	FY 2019	Y/Y change
Oslo	62.9	57.8	8.8%	219.8	231.6	(5.1%)
Regional offices	82.4	77.1	6.9%	312.5	277.5	12.6%
Subcontractors	14.5	16.8	(13.7%)	54.0	60.8	(10.4%)
Other / eliminations	(1.3)	0.5	(360.0%)	(2.4)	0.5	(606.0%)
Total	158.5	152.2	4.1%	583.9	570.3	2.4%

Q4 highlights

- Revenue growth driven by headcount and hourly rates
- Return to growth in Oslo
- EBIT impacted by
 - *One-off costs related to CEO transition (NOK 3.6m)*
 - *Provision for loss on receivables related to a single customer within the travel industry (NOK 1.9m)*
 - *Cost savings from reduced travel, conference and social activities*
 - *Development of "Samla" booked as cost (NOK 1.7m). The solution was launched in Q1.*

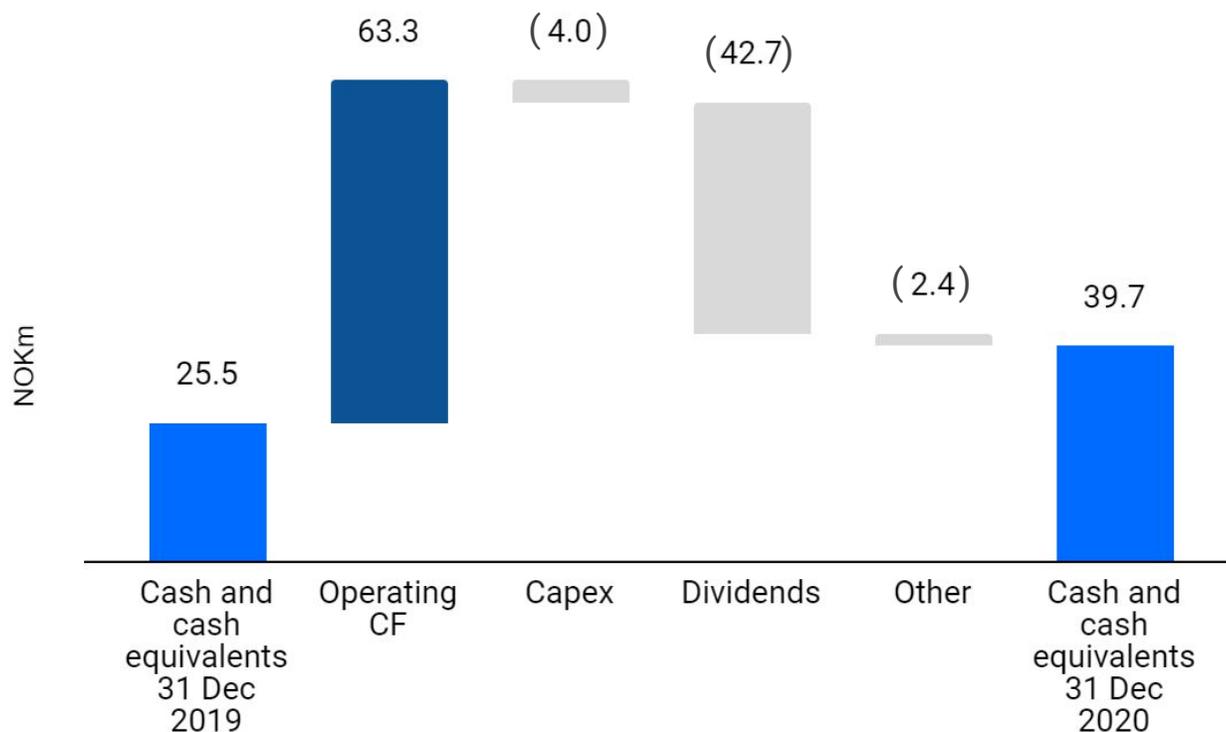
Key figures - Sweden

NOK million	Q4 2020	Q4 2019	Y/Y change	FY 2020	FY 2019	Y/Y change
Sales revenues	29.9	24.7	21.2%	106.1	90.2	17.6%
EBIT	2.1	0.9	138.7%	8.4	2.4	250.7%
EBIT margin	7.2%	3.7%	3.5 pts	7.9%	2.7%	5.2 pts
Number of employees, average (FTE)	62	62	0.0%	63	61	3.0%
Number of employees, end of period	63	63	0.0%	63	63	0.8%
Number of work days, excl. vacation	63	62		252	251	
EBIT per FTE (NOK thousand)	34.6	14.5	139.0%	134.5	39.5	240.6%

Q4 highlights

- Constant currency revenue growth Y/Y:
 - *Increase 10.1% in Q4*
 - *Increase 6.4 % in 2020*
- Increased revenue from own consultants:
 - *+ 6.5% (constant currency) in Q4*
 - *+ 13.3% (constant currency) in 2020*
- Improved EBIT margins from increased revenues from consultants and cost savings

Cash flow and net debt



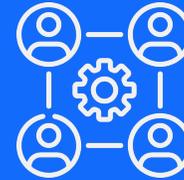
Q4 highlights

- Q4 net cash flow of NOK -13.6m, including dividend payout of NOK 1.60 per share
- Operating cash flow increased from NOK 41.0m in 2019 to NOK 63.3m in 2020
- Capex relates to office equipment
- Undrawn credit line of NOK 110m in Norway and SEK 5m in Sweden per end of quarter

NOK million	31 Dec 2020
Cash and cash equivalents*	(39.7)
Restricted cash	1.9
Debt to credit institutions	0.0
Net interest bearing debt (NIBD)	(37.8)
NIBD/EBITDA (rolling 12 months)**	(0.70)

Note: *Negative indicates positive amount, **The leverage ratio does not include the effects of IFRS 16 Leasing.

Outlook

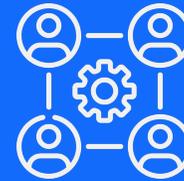
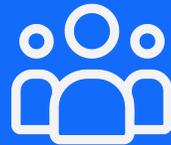


Outlook

- Positive market outlook
 - *New, significant contracts signed*
 - *High demand for Webstep consultants and solid order book for 2021*
- Strong recruiting drive across the organization
 - *Expected headcount of approximately 430 end of Q1*
 - *Reduced employee turnover*
- Organic growth in existing locations is the main focus in the coming quarters
 - *Strong momentum and promising opportunities within Teams and Project deliveries*



Appendix

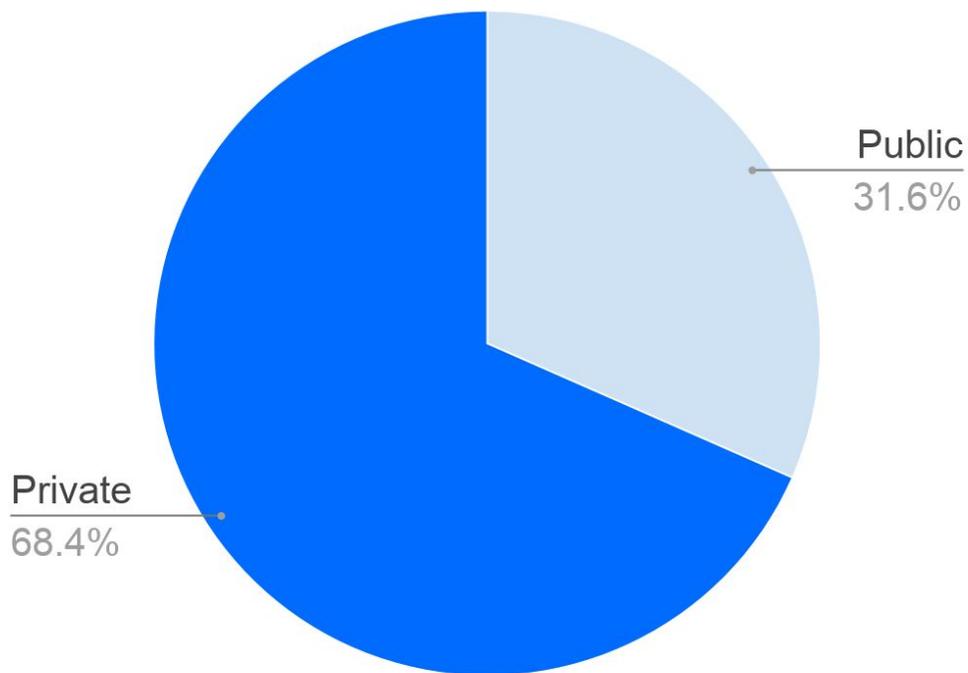


Top 20 shareholders at 12 February 2021

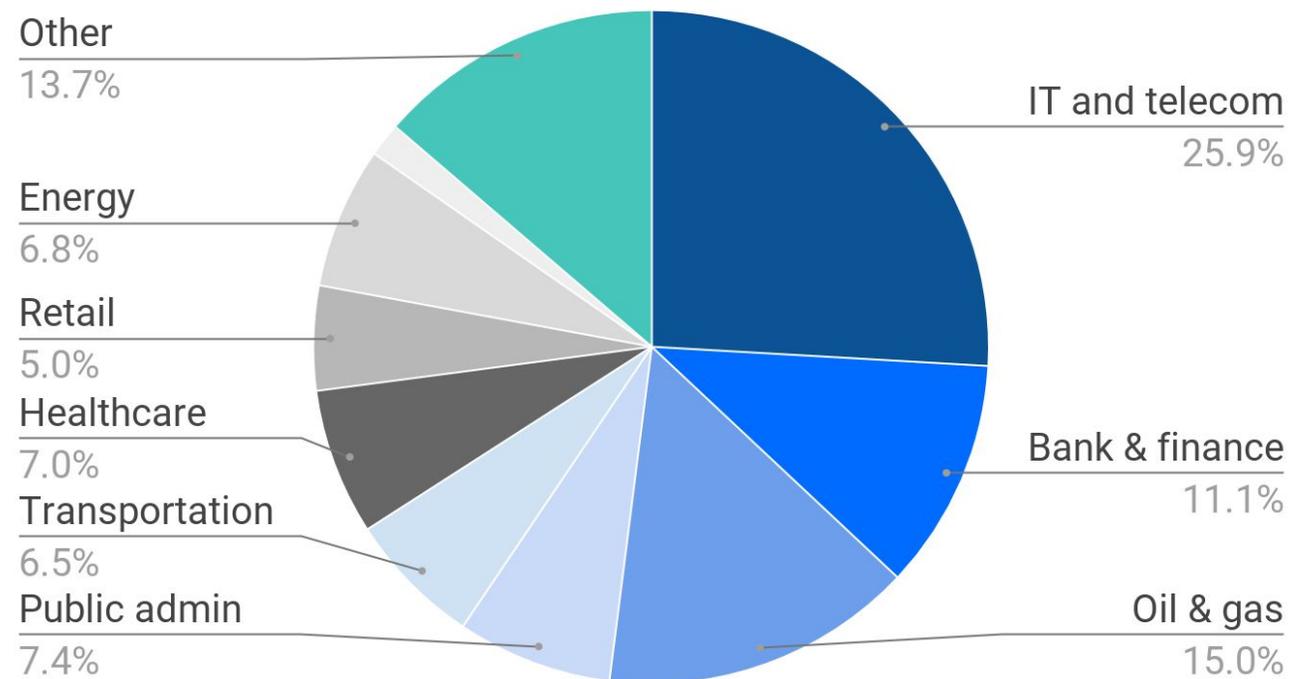
Shareholder name	Shares	%	Type	Country
EMBRO EIENDOM AS	7,721,387	28.6%	Ordinary	Norway
Virtus KAR International Small-Cap	3,119,279	11.6%	Ordinary	United States
VERDIPAPIRFONDET ALFRED BERG GAMBA	1,556,645	5.8%	Ordinary	Norway
JAKOB HATTELAND HOLDING AS	1,000,000	3.7%	Ordinary	Norway
SALT VALUE AS	997,444	3.7%	Ordinary	Norway
J.P. Morgan Bank Luxembourg S.A.	736,613	2.7%	Nominee	Finland
VERDIPAPIRFONDET NORDEA NORGE VERD	664,317	2.5%	Ordinary	Norway
PARK LANE FAMILY OFFICE AS	650,000	2.4%	Ordinary	Norway
HOLMEN SPESIALFOND	568,566	2.1%	Ordinary	Norway
Danske Invest Norge Vekst	542,000	2.0%	Ordinary	Norway
VIOLA AS	418,782	1.6%	Ordinary	Norway
Goldman Sachs International	418,372	1.6%	Nominee	United Kingdom
INTERTRADE SHIPPING AS	400,000	1.5%	Ordinary	Norway
Citibank, N.A.	320,000	1.2%	Nominee	Ireland
VIRTUS TACTICAL ALLOCATION FUND	282,917	1.0%	Ordinary	United States
ESPEDAL & CO AS	261,111	1.0%	Ordinary	Norway
Nordnet Bank AB	243,737	0.9%	Nominee	Sweden
EMPLOYEES RETIR SYSTEM OF TEXAS	225,741	0.8%	Ordinary	United States
VERDIPAPIRFONDET NORDEA AVKASTNING	225,383	0.8%	Ordinary	Norway
MP PENSJON PK	224,000	0.8%	Ordinary	Norway
Top 20 shareholders	20,576,294	76.3%		
Other	6,390,723	23.7%		
Total share outstanding	26,967,017	100.0%		

A diversified customer base

Public and Private Sectors Q4 2020



Business Sectors Q4 2020



Top 10 customers represent 34.6% of total revenues – up from 30.7% in Q4 2019

Disclaimer

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