Q4 and full year 2021

Webstep ASA

Oslo | 17 February 2022

Save Asmervik, CEO

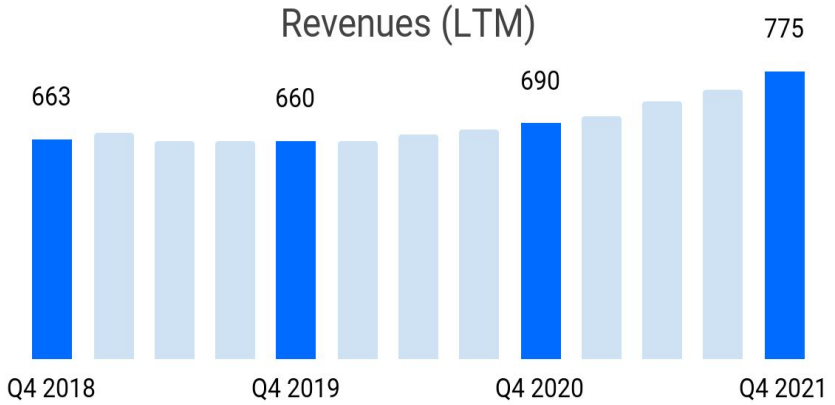
Agenda

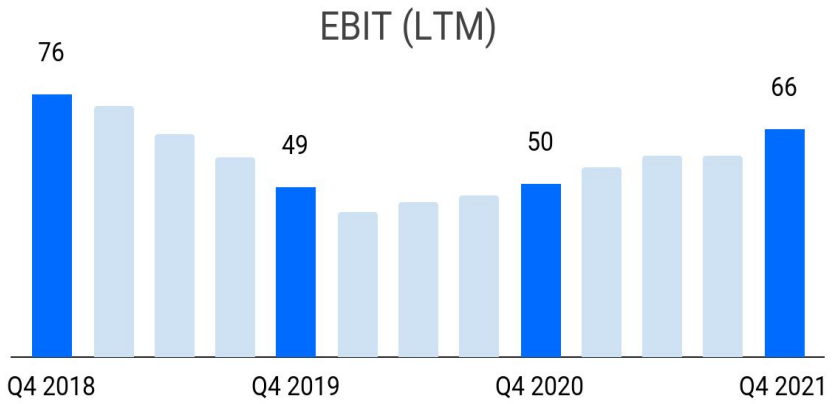
1. Q4 and FY 2021 highlights
2. Business review
3. Financial review
4. Outlook

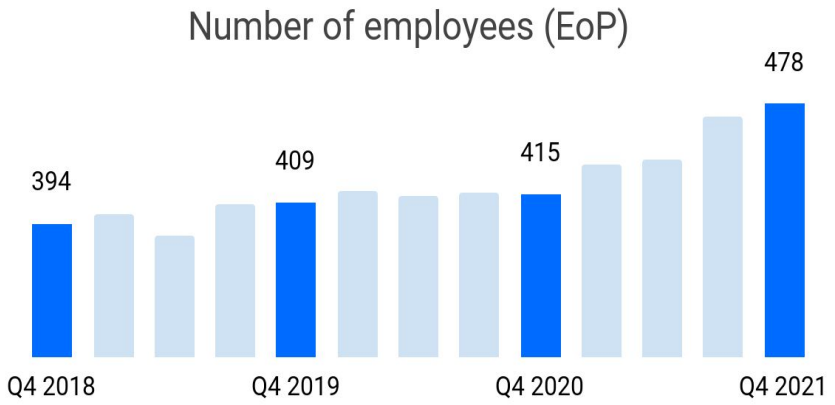
Highlights from the quarter

Q4 and FY 2021 highlights

- Continued strong growth in revenues
  - *218.8 million for the quarter (+16.1%)*
  - *775.0 million for the full year (+12.3%)*
- Improved EBIT
  - *Increased by 69% for Q4 and 32% FY 2021*
- Employees
  - *478 employees at the end of the quarter*
  - *Increase of 63 employees over the last twelve months*
- Strong financial position and positive outlook supports dividend proposal of NOK 1.70 per share

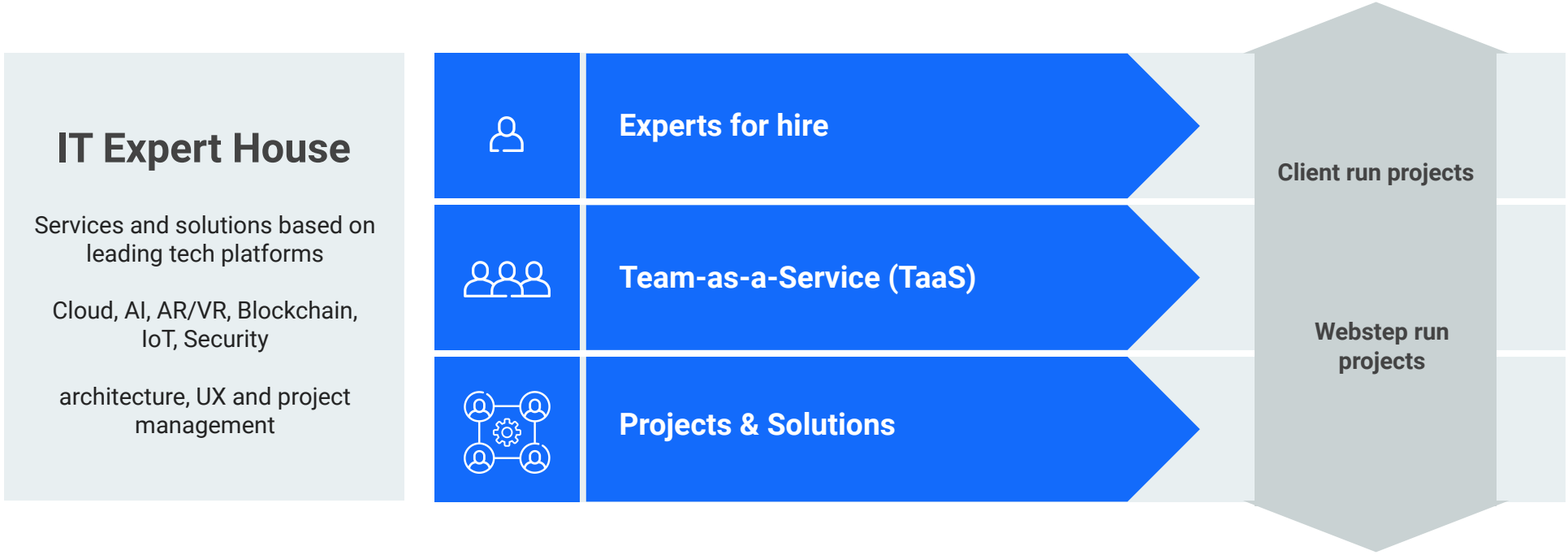






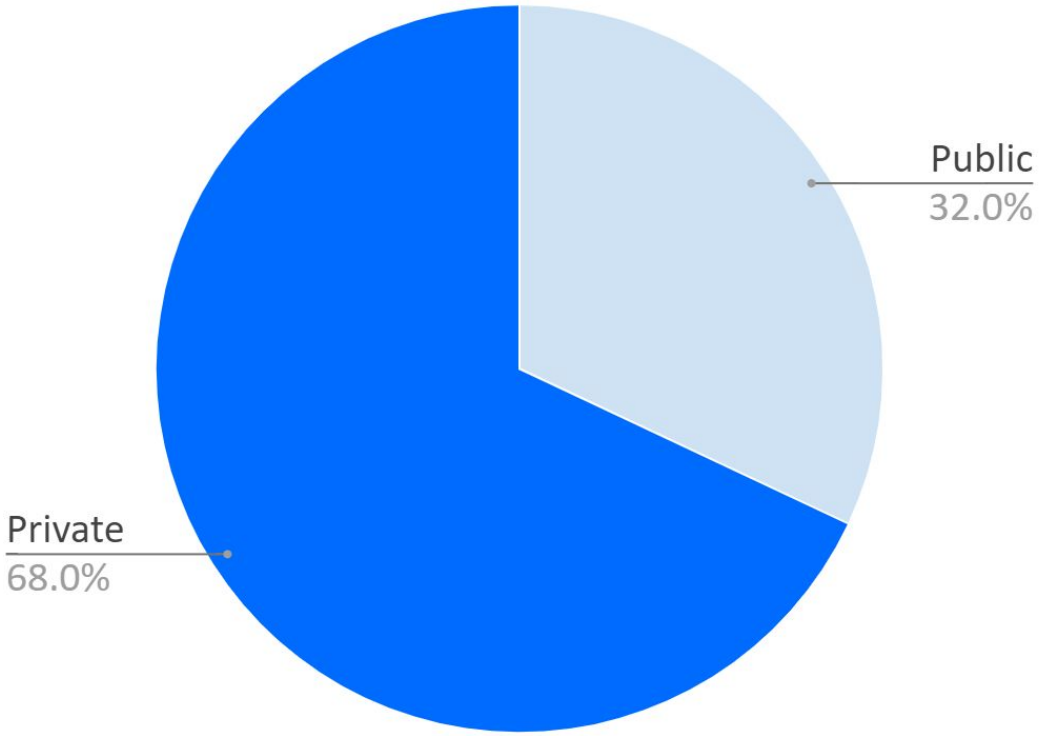
Business review

Go-to-market model

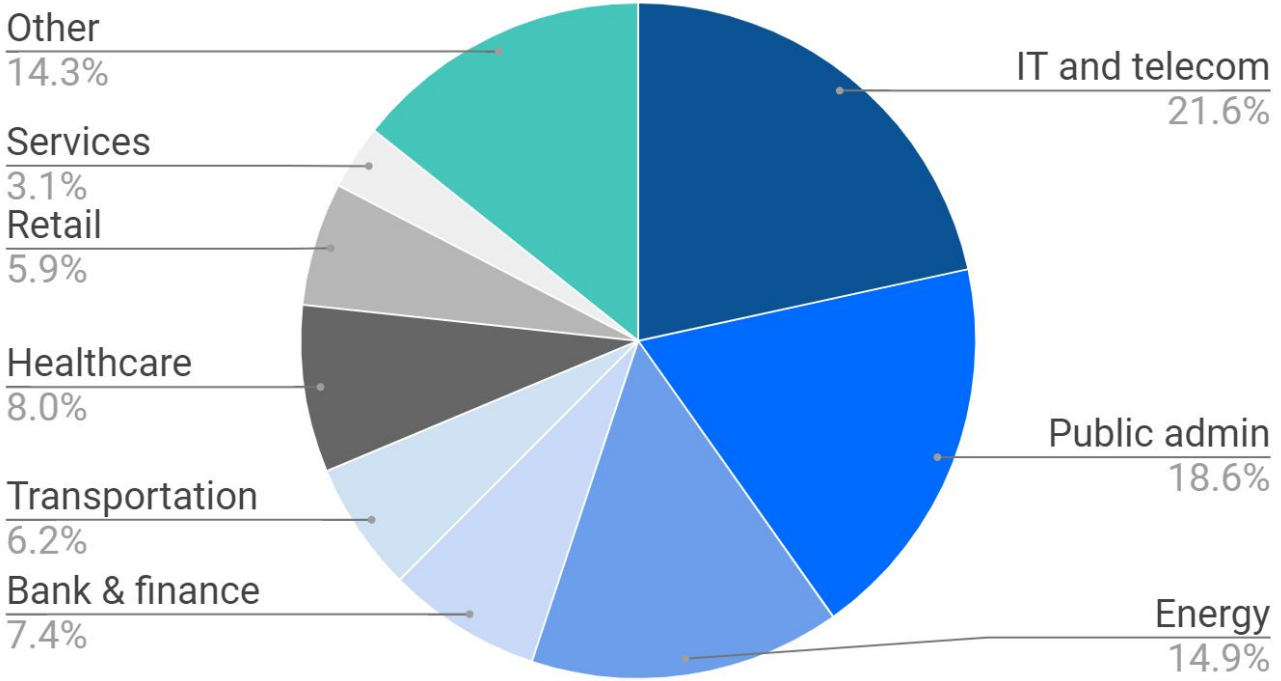


A diversified customer base

Public and Private Sectors Q4 2021



Business Sectors Q4 2021



Top 10 customers represent 34% of total revenues - up from 31% in Q3 2021

BUSINESS REVIEW

Supporting digitization of the fishing and aquaculture fleet

- Webstep is key contributor of software development at Moen Marin
- mLINK, mainly developed by Webstep, is a cloud based solution covering the need for multi level maintenance and safety.
- The mobile application, mLink, is easy to use and fully integrated for industry inspections
- Monitoring is based on live sensor data (IoT)

Moen Marin is the world's largest supplier of working boats to the aquaculture industry.

Moen Marin

BUSINESS REVIEW

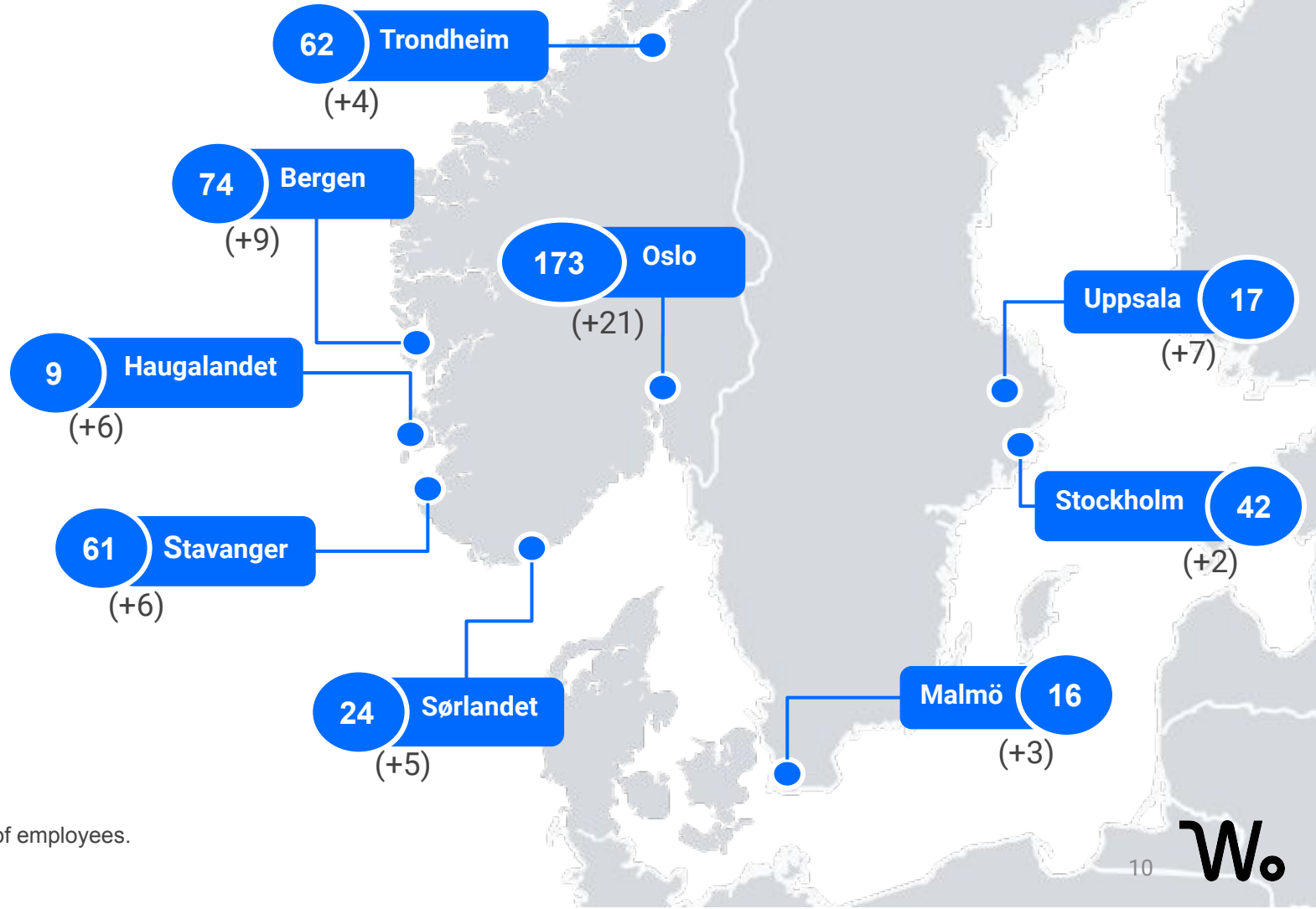
Supporting digital transformation in Equinor [UPDATE]

- Framework agreement providing Equinor with increased capacity for DevOps teams and individual consultants
- Team-as-a-service delivered by Webstep
- IT experts from Webstep working on software development in Equinor
- Estimated total contract value of approximately 140 million NOK (2021-2023)

Equinor is a broad energy company committed to developing oil, gas, wind and solar energy in more than 30 countries worldwide.

Organization and employees

- Strong local presence
  - *Close to the Customer*
  - *Strategic Partner*
- Building Competence
  - *High quality competence events*
  - *Investing in the experts*
- Reaching 478 employees at the end of 2021
  - +63 YtY comparison
  - Growth in all regions
- Successful recruitment and flexible work environment



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

Environment and society

- Creating profitability with respect for individuals, the environment and the society at large.
- Recognizing Websteps responsibility to the achievement of UN's Sustainable Development Goals
- Vocal and engaged in discussing societal matters
- Promoting the tech industry to female students in order to inspire more women to choose education in IT

Miljøfyrtårn®

Foto: Petmal

Grønne hensikter krever handlekraft

Bærekraftig utvikling er en plan for fremtiden, for jorden vår og alle som bor her. I den planen spiller IT-selskapene en viktig rolle. Evnen til å ta grep er avgjørende, skriver Save Asmervik

Foto: iStock / courtneyk

SYNSPUNKT | Verdien av gode råd

Senterparti-leder Trygve Slagsvold Vedum forstår ikke konsulentbransjen. Det er synd. Vi har kompetanse et samfunn i omstilling neppe greier seg uten, skriver Save Asmervik. Han gir fire grunner til hvorfor.

DEBATT: MANGFOLD

Mer mangfold, takk!

Juni preges av feiring, fest og farger. Store teknologiselskaper pryder seg med regnbueflagg og store ord. Det er Pride-måned. Men hva betyr egentlig markeringen for samfunnet, og hvordan er det på innsiden av «skapet»? Her er min beretning om en IT-ansatts frigjøring – og følgene av et mer mangfoldig samfunn.

De vil ha jentene inn i bransjen:

– Mye av teknologien er laget for menn

Thomas Bergstøl (t.v.) og Stian Vere i Swipload Technologies AS. FOTO: KJARTAN BJELLAND

Milliondryss til grønnere transport

FAKTA

NFR-programmet

Fædrelandsvennen

Always Cargo har også fått penger

Forskningsrådet vil

Financial review

Key figures - Group

NOK million	Q4 2021	Q4 2020	Y/Y change	FY 2021	FY 2020	Y/Y change
Revenues	**218.8**	188.4	16.1%	**775.0**	690.0	*12.3%*
EBITDA	**22.9**	14.3	59.9%	**81.2**	63.9	*27.0%*
EBITDA margin	**10.5%**	7.6%	*2.9 pts*	**10.5%**	9.3%	*1.2 pts*
EBIT	**18.4**	10.9	68.9%	**65.9**	50.0	*31.8%*
EBIT margin	**8.4%**	5.8%	*2.6 pts*	**8.5%**	7.2%	*1.3 pts*
Net profit	**13.3**	7.8	69.8%	**48.5**	36.7	*32.0%*
Net free cash flow	**37.7**	25.6	46.9%	**46.9**	59.4	*(20.9%)*
Earnings per share (NOK)	**0.49**	0.29	*67.5%*	1.80	1.38	*28.9%*
Earnings per share. fully diluted (NOK)	**0.48**	0.29	*65.2%*	1.78	1.38	*29.0%*
Equity ratio	**60.7%**	64.3%	*-3.6 pts*	**60.7%**	64.3%	*-3.6 pts*
Cash and cash equivalents	**46.7**	39.7	*17.6%*	**46.7**	39.7	*17.6%*
Number of employees, average (FTE)	**478**	411	*16.4%*	**449**	410	*9.6%*
Number of employees, end of period	**478**	415	*15.3%*	**478**	415	*15.3%*
Revenues per FTE (NOKt)	**458**	459	*(0.3%)*	**1,725**	1,683	*2.5%*
EBIT per FTE (NOKt)	**38.6**	26.6	*45.0%*	**146.7**	122.0	*20.3%*

Q4 highlights

- Revenue from own consultants driven by higher headcount, utilization and hourly rates
  - *Q4 NOK 202.3 (+23%)*
  - *2021 NOK 706.2 (+16%)*
- Less use of subcontractors
  - *Q4 NOK 16.5 (-30%)*
  - *2021 NOK 68.8 (-15%)*
- Strengthening of the EBIT
- Strong recruitment year in both Norway and Sweden

Note: FY 2021 EBIT impacted by one-off costs reported in Q3 of MNOK 2

Key figures - Norway

NOK million	Q4 2021	Q4 2020	Y/Y change	FY 2021	FY 2020	Y/Y change
Revenues	**188.6**	158.5	*19.0%*	**668.4**	583.9	*14.5%*
EBIT	**17.0**	8.8	*93.7%*	**61.1**	41.6	*46.8%*
EBIT margin	**9.0%**	5.5%	*3.5 pts*	**9.1%**	7.1%	*2 pts*
Number of employees, average (FTE)	**401**	349	*15.1%*	**379**	348	*9.0%*
Number of employees, end of period	**403**	352	*14.5%*	**403**	352	*14.5%*
Number of workdays	**64**	63		**252**	252	

Revenue breakdown

NOK million	Q4 2021	Q4 2020	Y/Y change	FY 2021	FY 2020	Y/Y change
Oslo	**80.8**	62.9	*28.4%*	**281.0**	219.8	*27.8%*
Regional offices	**97.1**	82.4	*17.9%*	**343.5**	312.5	*9.9%*
Subcontractors	**11.1**	14.5	*(23.3%)*	**45.8**	54.0	*(15.2%)*
Other / eliminations	**(0.4)**	(1.3)	*(68.9%)*	**(1.9)**	(2.4)	*(21.8%)*
Total	**188.6**	158.5	*19.0%*	**668.4**	583.9	*14.5%*

Highlights

- Norwegian segment represents 86% of consolidated revenue in Q4 and full year
- Good recruitment year
- Solid growth in revenues
- Improved EBIT

Key figures - Sweden

NOK million	Q4 2021	Q4 2020	Y/Y change	FY 2021	FY 2020	Y/Y change
Revenues	**30.2**	**29.9**	0.7%	**106.7**	106.1	0.5%
EBIT	**1.4**	**2.1**	(32.6%)	**4.8**	8.4	(43.1%)
EBIT margin	**4.8%**	**7.2%**	-2.4 pts	**4.5%**	7.9%	-3.4 pts
Number of employees, average (FTE)	**77**	62	*24.2%*	**70**	63	*11.9%*
Number of employees, end of period	**75**	63	*19.0%*	**75**	63	*19.0%*
Number of workdays	**64**	63		**253**	252	*0.4%*

Q4 highlights

- Swedish segment represents 14% of consolidated revenue in Q4 and full year
- Employee growth YoY
- Revenues are impacted by
  - *Reduction in use of subcontractors*
  - *Decrease in billable hours per employee*
- 2021 constant currency
  - *Revenues: +3.4m (+3%)*
  - *EBIT: -2.9m (-37%)*

Outlook

Outlook

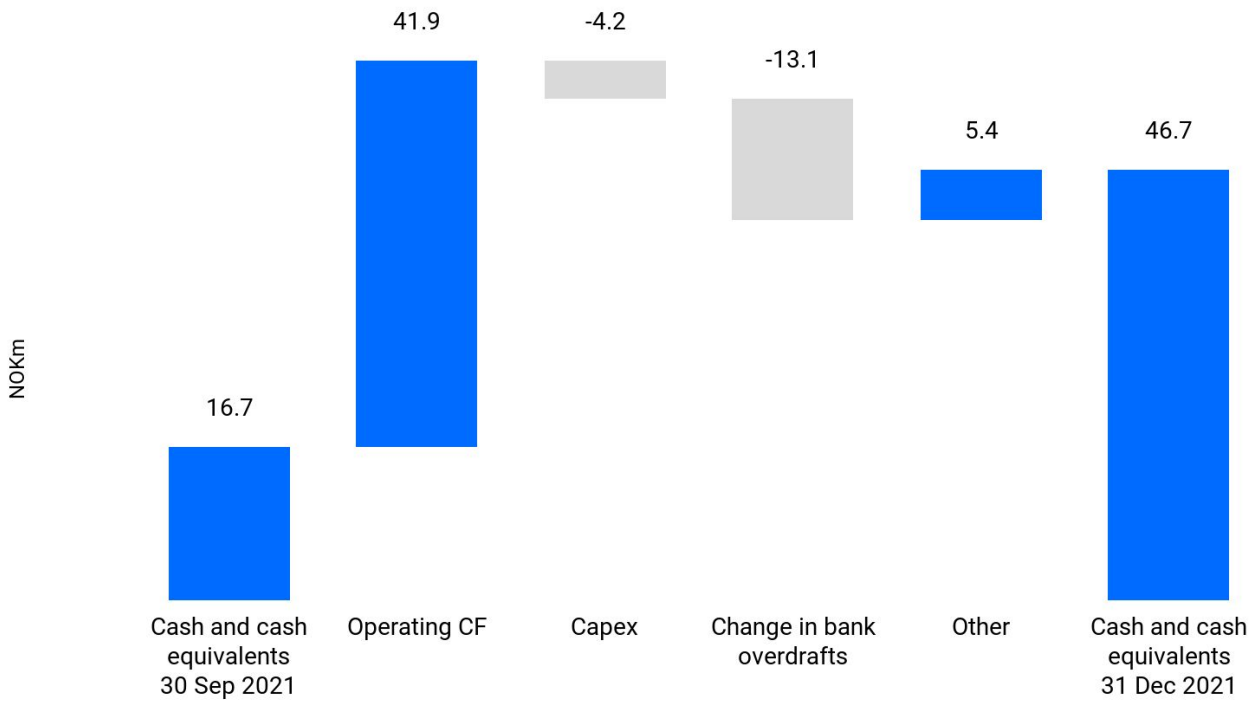
- Positive market outlook
  - *High demand for Webstep services and consultants*
- Capacity growth
  - *Expect to be 485 employees by the end of Q1*
- Main focus
  - *Continued focus on existing GTM models*
    - Boosting Team-as-a-Service deliveries
  - *Organic growth in existing locations*
    - Improved operations in Oslo and increased focus on the Webstep working experience
  - *Activities for margin expansion*
    - Scaling effect from organic growth and teams, as well as more effective onboarding

Questions?

Please contact us at
ir@webstep.com

Appendix

Cash flow and net debt



Q4 highlights

- Q4 free cash flow of NOK 37.7 m
- Operating cash flow increased from NOK 26.3m in Q4-20 to NOK 41.9m in Q4-21
- Capex relates to office equipment
- Credit facility of NOK 110m in Norway and SEK 5m in Sweden per end of quarter

NOK million	31 Dec 2021
Cash and cash equivalents*	(46.7)
Restricted cash	1.9
Debt to credit institutions	
Leasing liabilities	61.5
Net interest bearing debt (NIBD)	**16.7**
NIBD/EBITDA (rolling 12 months)	0.2

*Note: *Negative indicates positive amount.*

APPENDIX

Top 20 shareholders at 14 February 2022

	Shareholder name	Shares	%	
1	Embro Eiendom AS	8 159 382	29,9%	
2	VERDIPAPIRFONDET ALFRED BERG GAMBA	1 556 645	5,7%	
3	J.P Morgan AG	1 395 632	5,1%	Nominee
4	VERDIPAPIRFONDET DNB SMB	1 249 592	4,6%	
5	SALT VALUE AS	1 237 218	4,5%	
6	JAKOB HATTELAND HOLDING AS	1 000 000	3,7%	
7	J.P Morgan AG	900 000	3,3%	Nominee
8	HOLMEN SPESIALFOND	699 576	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	Danske Bank A/S	320 000	1,2%	Nominee
14	BLUEBERRY CAPITAL AS	317 007	1,2%	
15	HAUSTA INVESTOR AS	300 000	1,1%	
16	ESPEDAL & CO AS	264 363	1,0%	
17	IVAR LØGE AS	250 000	0,9%	
18	VERDIPAPIRFONDET NORDEA AVKASTNING	225 383	0,8%	
19	MP PENSJON PK	224 000	0,8%	
20	Pictet & Cie (Europe) S.A.	222 603	0,8%	Nominee
	Top 20 shareholders	20 344 289	74,5%	
	Other	6 977 919	25,5%	
	Total share outstanding	27 322 208		

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