

Webstep ASA: Third quarter results 2020

Oslo 11 November 2020: Webstep ASA reports revenue growth and increased margin for the third quarter 2020. Revenues for the third quarter increased to NOK 146.2 million (NOK 137.2 million), EBIT increased to NOK 2.8 million (NOK 1.5 million), and the EBIT-margin increased to 1.9 per cent (1.1 per cent).

The revenue growth of 6.5 per cent was driven by increased headcount and higher hourly rates, but the growth has been partly offset by lower utilization and less use of subcontractors. Operating costs were impacted by increased personnel costs, due to increased headcount and the COVID-19 salary program introduced in March, partly offset by cost savings as a result of COVID-19 restrictions. Net profit for the third quarter was NOK 1.7 million (NOK 0.6 million).

“We are experiencing a continued high demand for our services and solutions. We are satisfied with the Q3 results, even though the quarter has been somewhat affected by a challenging business environment. We continue to capitalize on the strength in our local presence, Webstep Solutions has continued the positive development, and the demand for project deliveries are growing”, says CEO of Webstep ASA, Arne Norheim.

Year to date revenues increased by 3.7 per cent, from NOK 483.7 million in 2019 to NOK 501.6 million in 2020. Year to date EBIT amounted to NOK 39.1 million (41.3 million) and the EBIT-margin was 7.8 per cent (8.5 per cent). Net profit was NOK 28.9 million (NOK 30.8 million) year to date. Webstep Sweden has continued the positive development with increased revenues and profitability during the third quarter. Webstep had 418 employees at the end of the third quarter, an increase of 4 employees from the last quarter and an increase of 11 employees the last twelve months.

“The digital transformation of society requires more IT expertise. In a competitive market, I am proud that we are able to attract some of the most experienced IT consultants”, says Arne Norheim.

The financial position 30 September was strong, with total equity of NOK 410.0 million (NOK 362.4 million), corresponding to an equity ratio of 68.3 per cent (68.1 per cent). On 13 October 2020, the Board of Directors resolved to distribute an ordinary dividend of NOK 1.60 per share based on the Group's net profit for the 2019 financial year. The resolution was based on the authorization granted by the Annual General Meeting 7 May 2020.

“The initiatives we have taken in 2019 and 2020 are proving to be correct and important for Webstep's further development. Increased demand for our services creates exciting opportunities for our IT experts, who want to develop tomorrow's digital solutions and societies”, says Arne Norheim.

There is still uncertainty regarding the effects that the COVID-19 outbreak will have on the markets in which Webstep operates, but based on the experiences from the past quarters, the outlook for Webstep is positive.

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Webstep ASA is a provider of consultancy services to the private and public sector, with the IT expertise necessary to deliver the most demanding digitalisation and IT services. The Webstep Group employs approximately 400 employees in Norway and Sweden. The company offers its services to more than 200 customers annually and has been recognised for its work environment.

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.