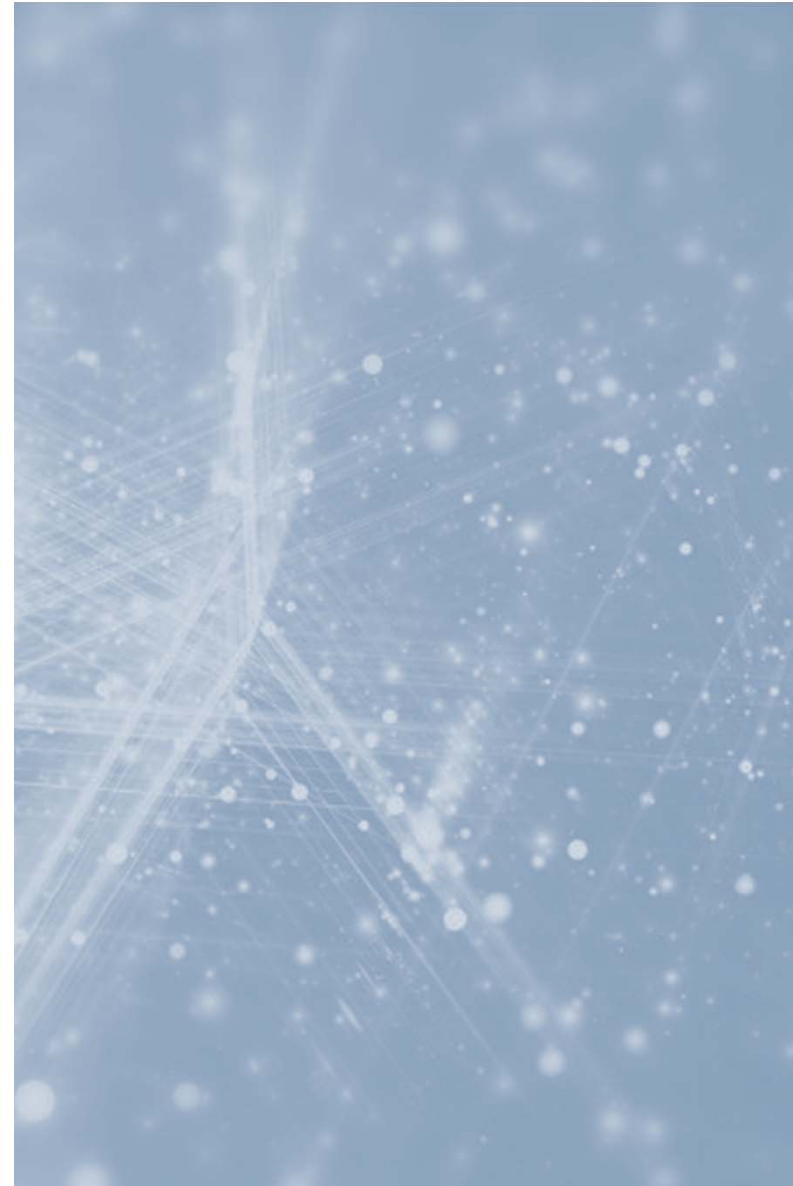





# Investor & Analyst Day

October 2, 2018

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# Cautionary Note About Forward-Looking Statements



This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward looking statements. Forward-looking statements are not statements of historical facts, but rather reflect our current expectations concerning future events and results. We use words such as “expects,” “intends,” “believes,” “may,” “will,” “should,” “could,” “anticipates,” “estimates,” “plans” and similar expressions to indicate forward-looking statements, but their absence does not mean a statement is not forward-looking. Because these forward-looking statements are based upon management’s expectations and assumptions and are subject to risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements, including, but not limited to, those factors set forth under Item 1A – Risk Factors of our most recent Form 10-K and those other risks and uncertainties detailed in our periodic reports and registration statements filed with the Securities and Exchange Commission (“SEC”). We caution that these risk factors may not be exhaustive. We operate in a continually changing business environment, and new risk factors emerge from time to time. We cannot predict these new risk factors, nor can we assess the effect, if any, of the new risk factors on our business or the extent to which any factor or combination of factors may cause actual results to differ from those expressed or implied by these forward-looking statements.

If any one or more of these expectations and assumptions proves incorrect, actual results will likely differ materially from those contemplated by the forward-looking statements. Even if all of the foregoing assumptions and expectations prove correct, actual results may still differ materially from those expressed in the forward-looking statements as a result of factors we may not anticipate or that may be beyond our control. While we cannot assess the future impact that any of these differences could have on our business, financial condition, results of operations and cash flows or the market price of shares of our common stock, the differences could be significant. We do not undertake to update any forward-looking statements made by us, whether as a result of new information, future events or otherwise. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this presentation.

# Agenda



- Welcome & Introductions
- Company Overview
- Situation Analysis
- Integrated Growth Strategy
  - Strategy Going Forward
  - Recharge Organic Growth
  - Practice Growth Strategy
  - Acquisition Growth Strategy
- Financial Analysis
- Q&A
- Closing Remarks



# Company Overview

# Custom Learning & Performance Improvement Company

## Over \$500 Million in Revenue



### New Leadership Team

- New leaders in several key positions



### Sticky, Long-Term Customer Revenue Streams

- 60% average revenue from multi-year contracts
- Additional 30% of annual revenue from existing customer renewals
- Q4 2018 – Anticipate signing of multi-year agreements with largest automotive and financial services clients (27% of revenue)\*



### Diversified Client Base

- Government and commercial customers
- Good penetration in seven different commercial industries
- Five strategic focus industries



### Blue Chip Customer Base

- 127 of Global 500 companies
- Governments including US & UK



### Global Footprint

- More than 75 global offices



### High Free Cash Flow

- 50% of 2017 adjusted EBITDA converted to FCF
- Low capital intensity (2014-2017 average annual fixed asset and software capital expense: \$3M)



### Strong History of Acquisition

- 32 acquisitions since 2007

# Executive Leadership Team

## New Leaders



**Scott Greenberg**  
CEO

- CEO of GP Strategies since 2005; CFO 1989-2005
- Completed over 50 mergers, acquisitions, and equity deals
- Under his leadership: Revenue +190% EBITDA +241%



**Adam Stedham**  
PRESIDENT

- Appointed President in 2017; at GP Strategies since 1997
- More than 23 years of experience in the learning and performance improvement industry



**Mike Dugan**  
CHIEF FINANCIAL OFFICER

- Appointed CFO in 2017; at GP Strategies since 1997
- More than 28 years of experience, including global finance



**Russ Becker**  
CHIEF SALES OFFICER

- Appointed Chief Sales Officer in 2018
- More than 20 years of experience leading sales in the learning and performance improvement industry
- Former CEO of AchieveForum, a leadership & sales training company



**Pat Begley**  
EXECUTIVE VICE PRESIDENT

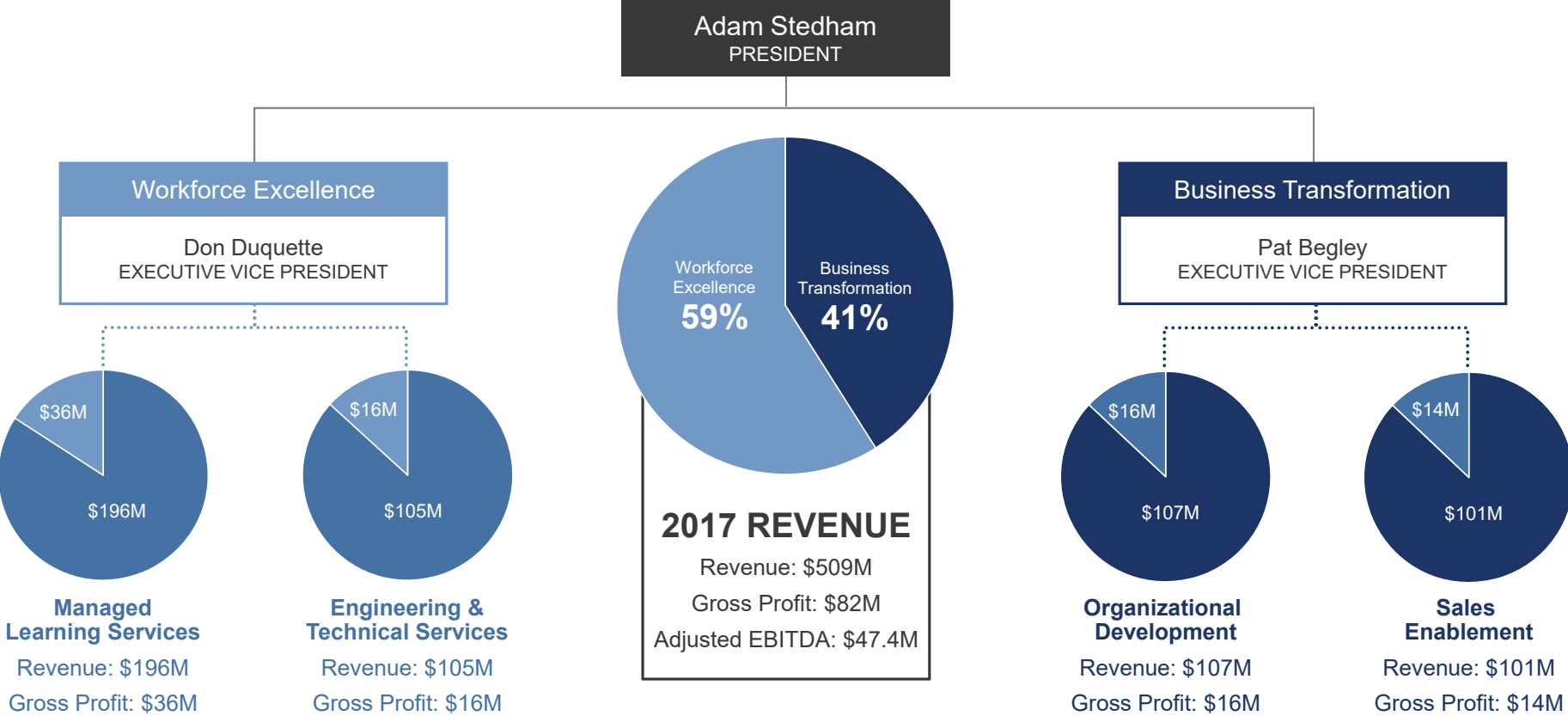
- Appointed EVP of Business Transformation in July 2018
- 20 years of experience working with platform adoption in the high-tech industry
- Leader at SAP from infancy to maturity
- Experience in on-premise and cloud-based solutions



**Don Duquette**  
EXECUTIVE VICE PRESIDENT

- EVP of Workforce Excellence
- EVP of Managed Learning Services business since 2005
- Previously led Engineering and Technical Services business during a high-growth period

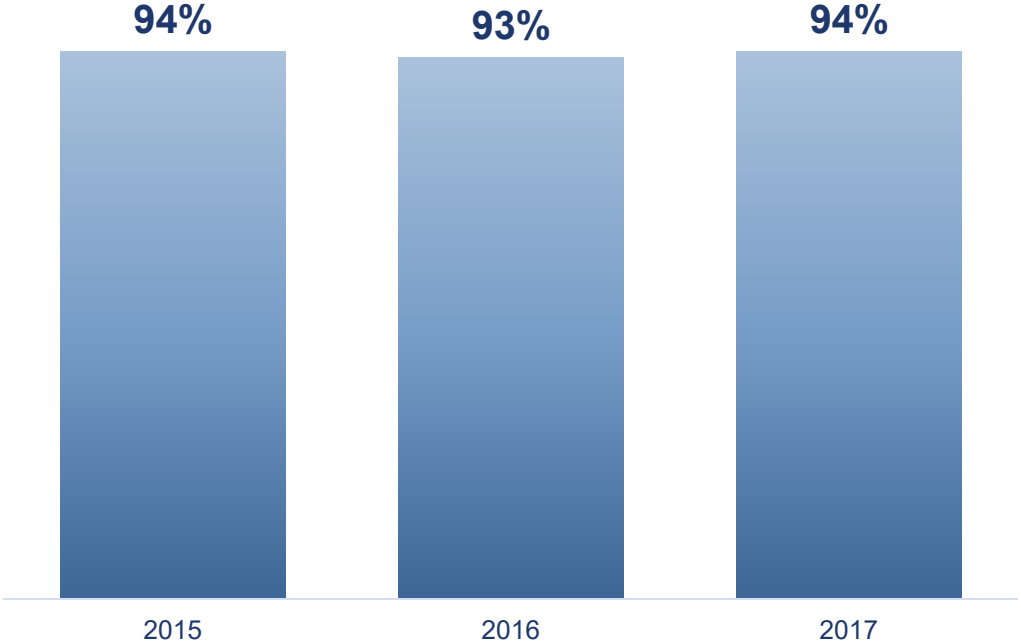
# Key Business Segments



# Sticky Long-Term Customer Revenue Streams

Strong Client Retention

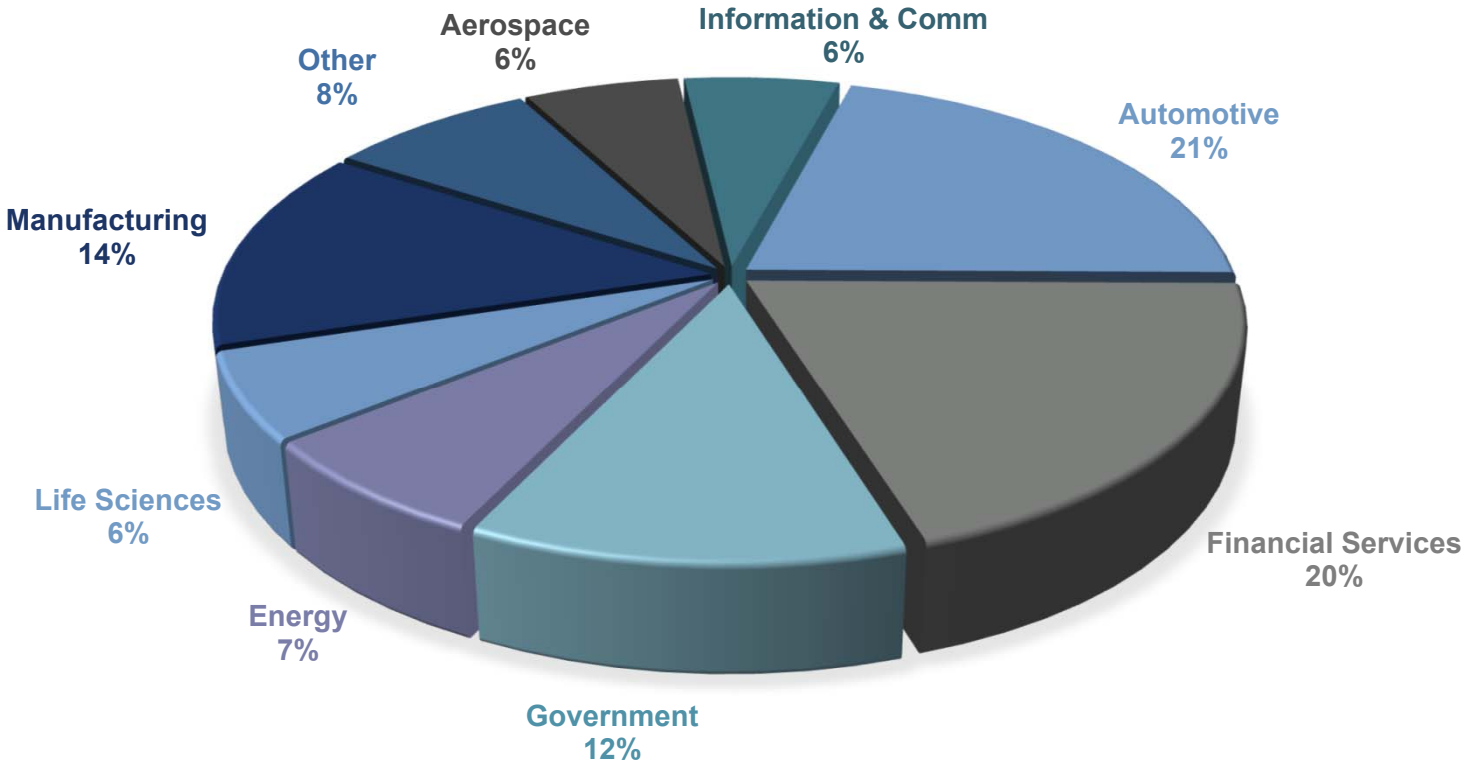
Annual Revenue Retention Within Top 30 Customers



**Top 30 customers accounted for 64% of total revenue in 2017**

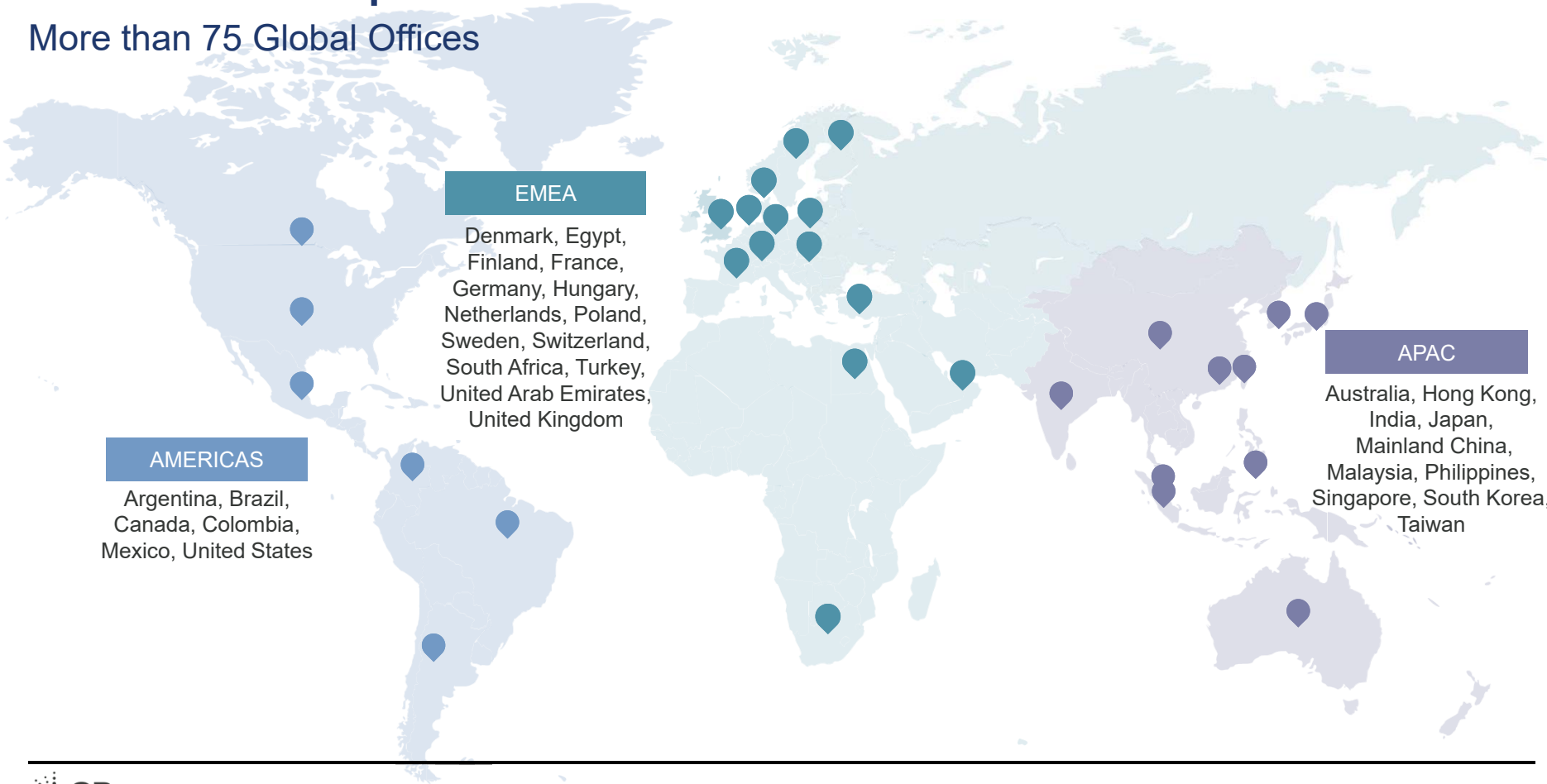
# Diversified Client Base

Revenue by Client Industry



# Global Footprint

More than 75 Global Offices



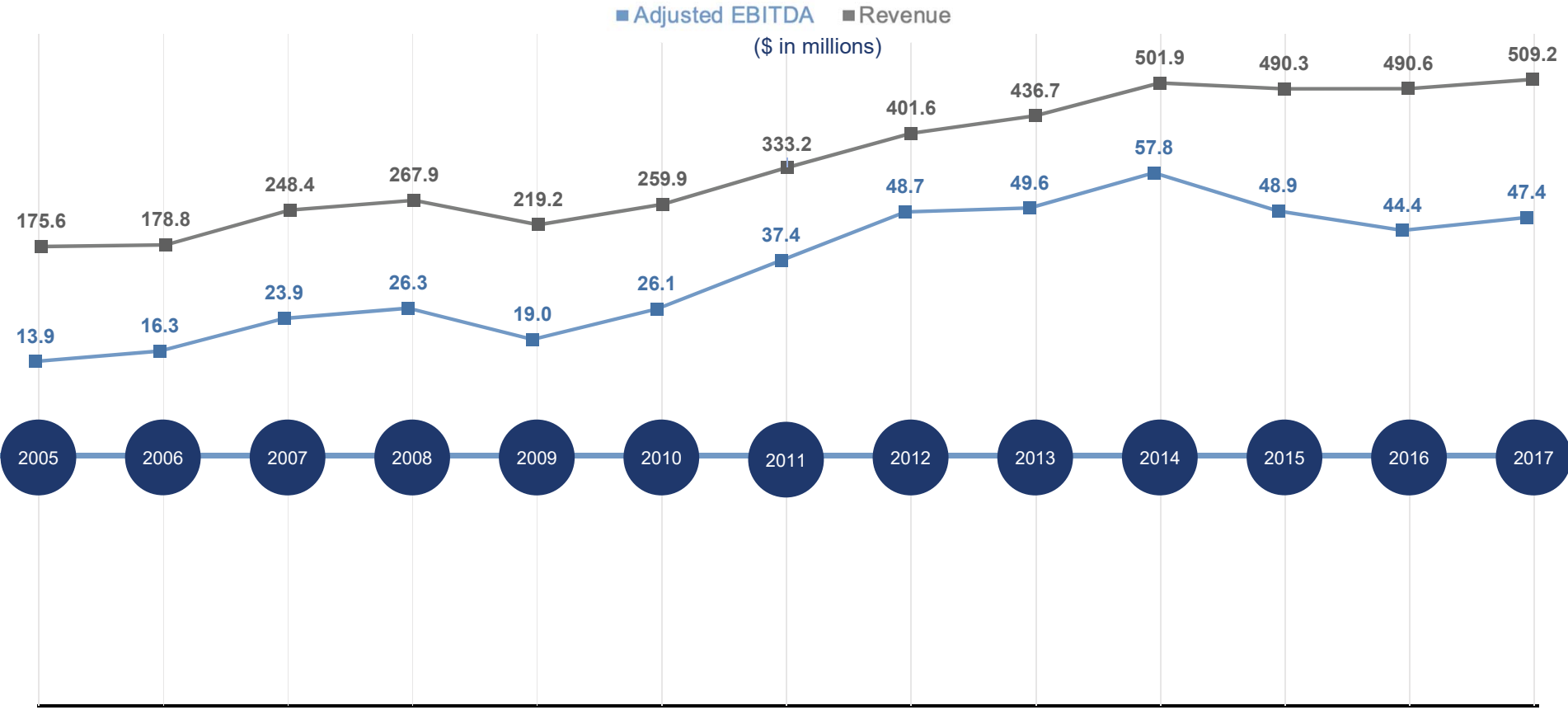
# Acquisition Has Been a Key Strategy Across All Practices

<ul style="list-style-type: none"> <li>▪ A serial, disciplined acquirer</li> <li>▪ Approximately 30 acquisitions since 2009</li> <li>▪ Acquisition summary by practice             <ul style="list-style-type: none"> <li>▪ Managed Learning Services                 <ul style="list-style-type: none"> <li>▪ Design &amp; development – (7)</li> <li>▪ Job skills – (6)</li> </ul> </li> <li>▪ Engineering &amp; Technical Services                 <ul style="list-style-type: none"> <li>▪ Lorien</li> <li>▪ Milsom</li> </ul> </li> <li>▪ Organizational Development                 <ul style="list-style-type: none"> <li>▪ RWD</li> <li>▪ BlessingWhite</li> <li>▪ Maverick</li> </ul> </li> <li>▪ Sales Enablement                 <ul style="list-style-type: none"> <li>▪ Sandy</li> <li>▪ TTI UK</li> </ul> </li> </ul> </li> </ul>	<h3>Consolidation</h3> <ul style="list-style-type: none"> <li>▪ RWD (2011)</li> </ul>	<h3>Rollup</h3> <ul style="list-style-type: none"> <li>▪ Option Six (2009)</li> <li>▪ Martonhouse (2010)</li> <li>▪ UK Skills Funding Academy of Training (2010)</li> <li>▪ Ultra Training (2011)</li> <li>▪ Beneast (2011)</li> <li>▪ Information Horizons (2012)</li> <li>▪ Prospero (2013)</li> <li>▪ Jencal (2016)</li> <li>▪ YouTrain (2017)</li> <li>▪ Hula (2018)</li> </ul>
	<h3>Expand Service</h3> <ul style="list-style-type: none"> <li>▪ Sandy (2007)</li> <li>▪ Milsom (2009)</li> <li>▪ PerformTech (2009)</li> <li>▪ Bath Consulting Group (2010)</li> <li>▪ Blessing White (2012)</li> <li>▪ Asentus (2012)</li> <li>▪ Roving Dynamics (2012)</li> <li>▪ Lorien (2013)</li> <li>▪ Maverick (2016)</li> <li>▪ McKinney Rogers (2017)</li> <li>▪ IC Axon (2018)</li> </ul>	<h3>Expand Footprint</h3> <ul style="list-style-type: none"> <li>▪ Communication Consulting (2011)</li> <li>▪ Effective -People (2014)</li> <li>▪ Emantras (2017)</li> <li>▪ CLS (2017)</li> <li>▪ TTI UK (2018)</li> </ul>
<h3>Acquired Businesses Cluster by Value Creation</h3>		

The background of the slide features a complex network of white lines and nodes on a dark blue gradient. The nodes are represented by small white circles of varying sizes, and the lines connect them in a web-like pattern, suggesting a digital or data network. The overall aesthetic is clean and modern.

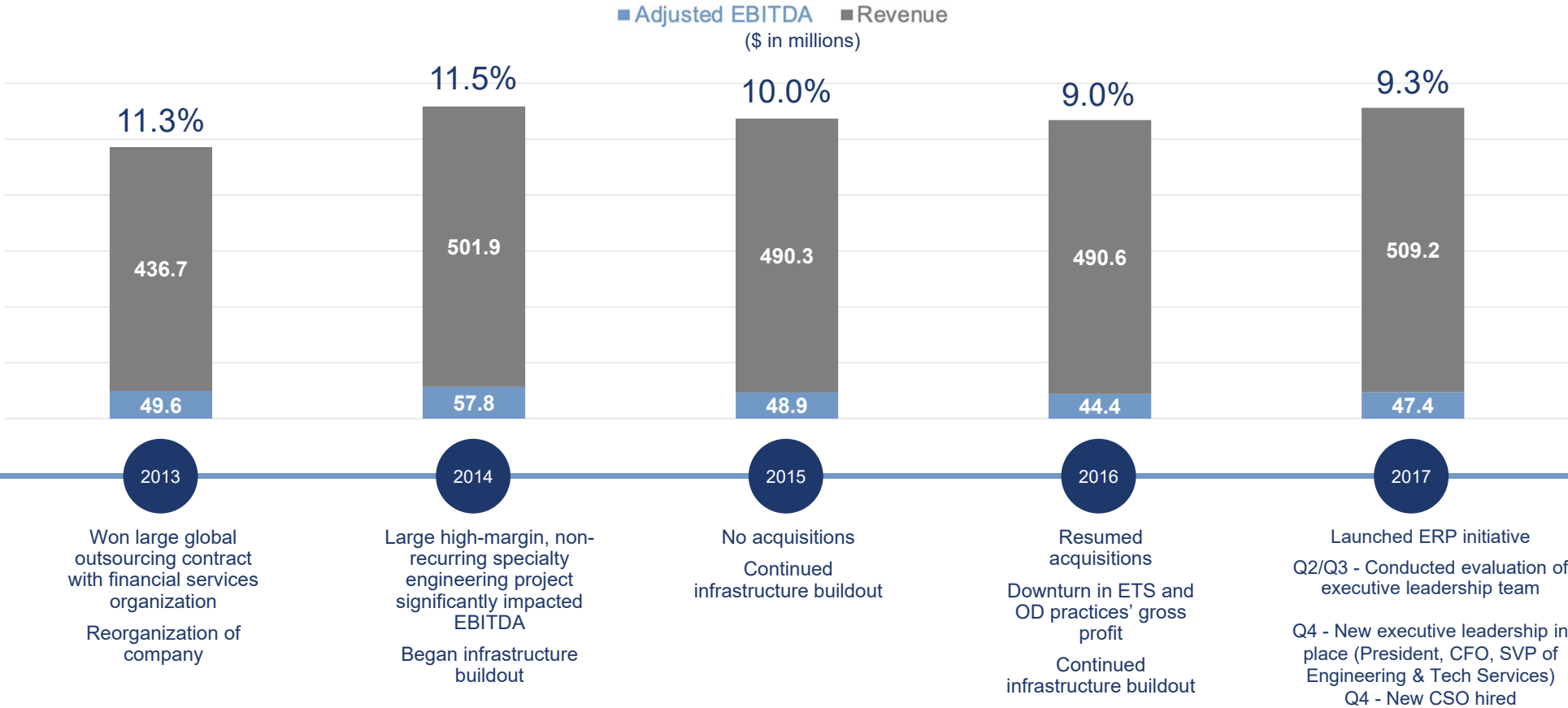
# Situation Analysis

# Past Growth & Trajectory



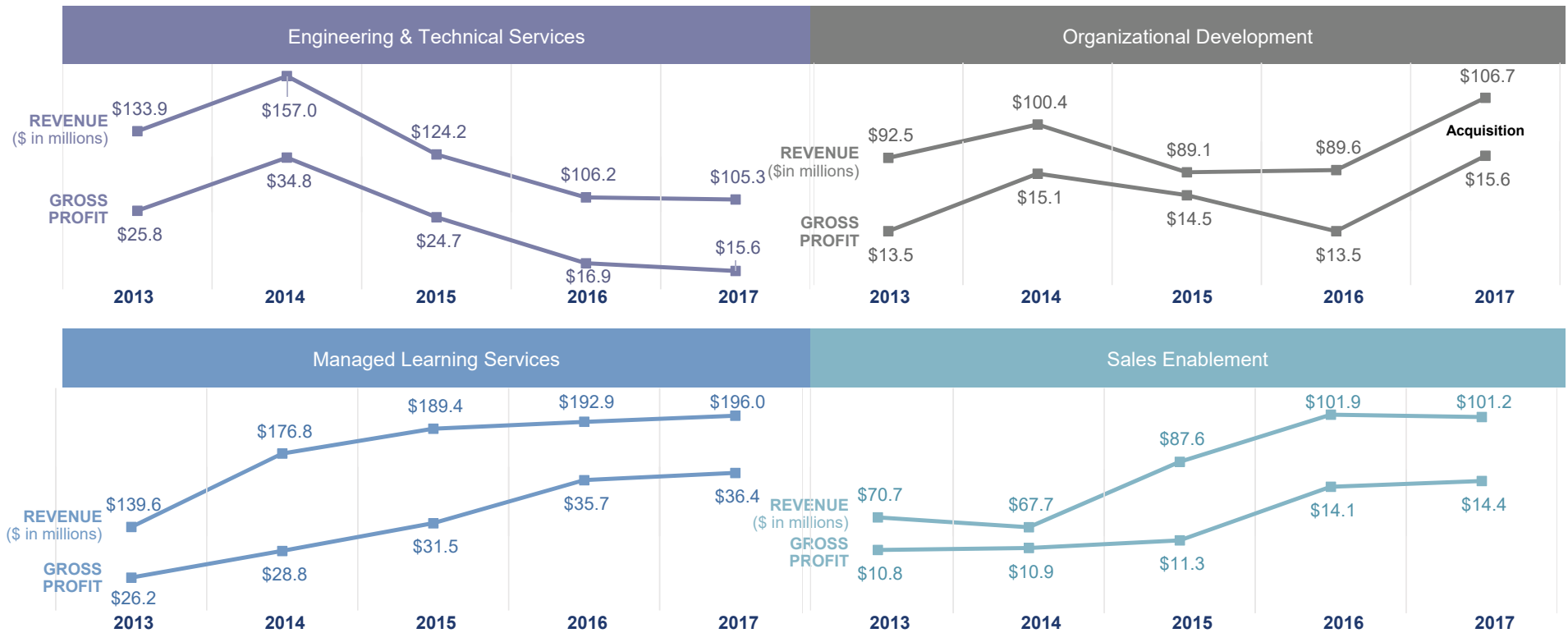
Adjusted EBITDA is a non-GAAP financial measure that the Company believes is useful to investors in evaluating its results. For a reconciliation of this non-GAAP financial measure to the most comparable GAAP equivalent, see the Non-GAAP Reconciliations, along with related footnotes, in the Appendix to this report.

# Past Five Years



Adjusted EBITDA is a non-GAAP financial measure that the Company believes is useful to investors in evaluating its results. For a reconciliation of this non-GAAP financial measure to the most comparable GAAP equivalent, see the Non-GAAP Reconciliations, along with related footnotes, in the Appendix to this report.

# Revenue & Gross Profit by Practice



# Addressing Flat Revenue and Profit Softness

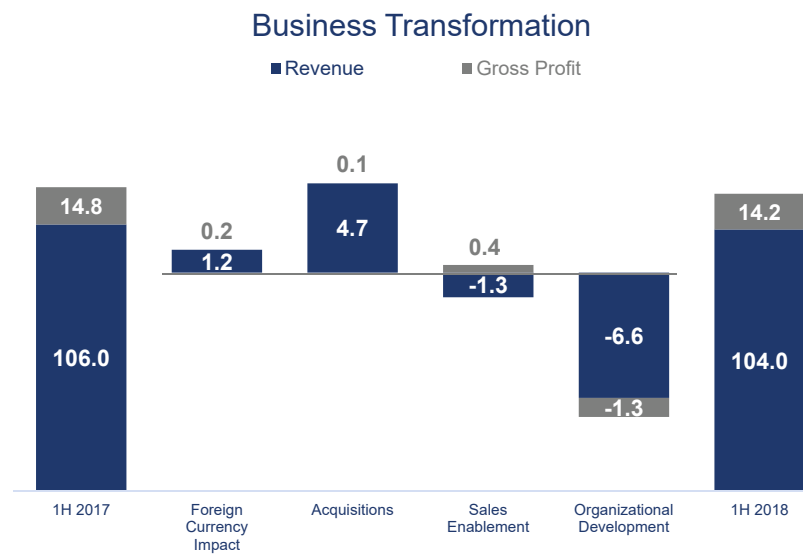
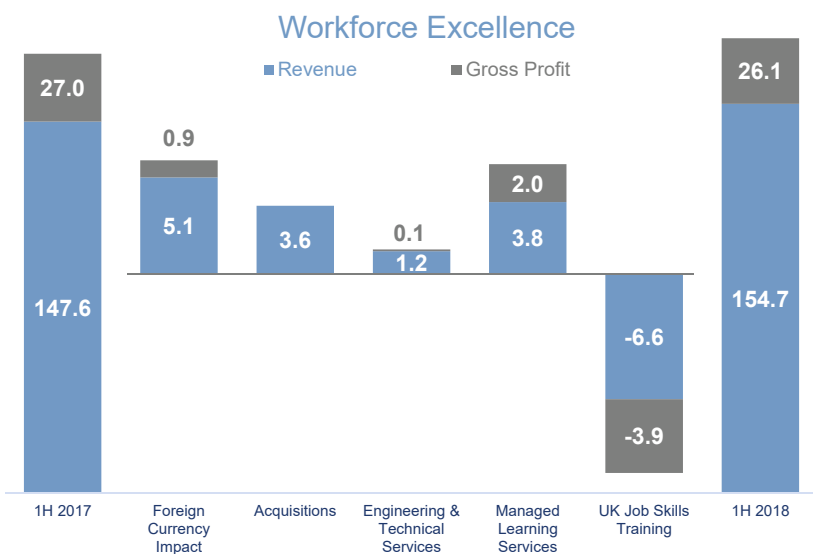
Issue	Cause	Actions
Downturn of Engineering and Technical Services	Displacement of business development resources to support large financial services client	<ul style="list-style-type: none"> <li>• Replaced E&amp;TS practice leadership (Nov. 2017)</li> <li>• Reorganized into two segments to provide cross-selling of technical services (Nov. 2017)</li> <li>• Refocused on domestic energy production and developed market technical services (Jan. 2018)</li> </ul>
	Disappointing results for Middle East strategy	
Downturn of Organizational Development Services	Reorganization due to large financial services client stalled growth of leadership practice	<ul style="list-style-type: none"> <li>• Restructured sales leadership for leadership development practice                             <ul style="list-style-type: none"> <li>• Hired CSO with specific leadership development sales track record (Jan. 2018)</li> <li>• Replaced VP of Sales (Sept. 2018)</li> </ul> </li> <li>• Defined new value creation process for acquisitions and increased cross-selling feasibility focus during due diligence</li> <li>• Replaced segment leader with an experienced software adoption leader (July 2018)</li> </ul>
	Lack of post-acquisition growth	
	Lack of platform adoption growth	

# Addressing Flat Revenue and Profit Softness

Issue	Cause	Actions
Slowdown of Learning Services Growth	<p>Vendor management outsourcings generated lower gross margins</p> <p>Lower close rate for outsourcing contracts bid outside of Managed Learning Services practice</p>	<ul style="list-style-type: none"> <li>Discontinued sales efforts for vendor management-only outsourcings (Apr. 2018)</li> <li>Centralized proposal management and marketing (Jan. 2018)</li> </ul>
Deemphasized Acquisitions	Lack of organizational bandwidth	<ul style="list-style-type: none"> <li>Ramped up acquisitions (2017 &amp; 2018)</li> </ul>
Increased G&A Cost	Investment in global support requirements	<ul style="list-style-type: none"> <li>Increased global revenues without incremental G&amp;A cost</li> <li>Implementing new ERP to provide efficiency</li> </ul>

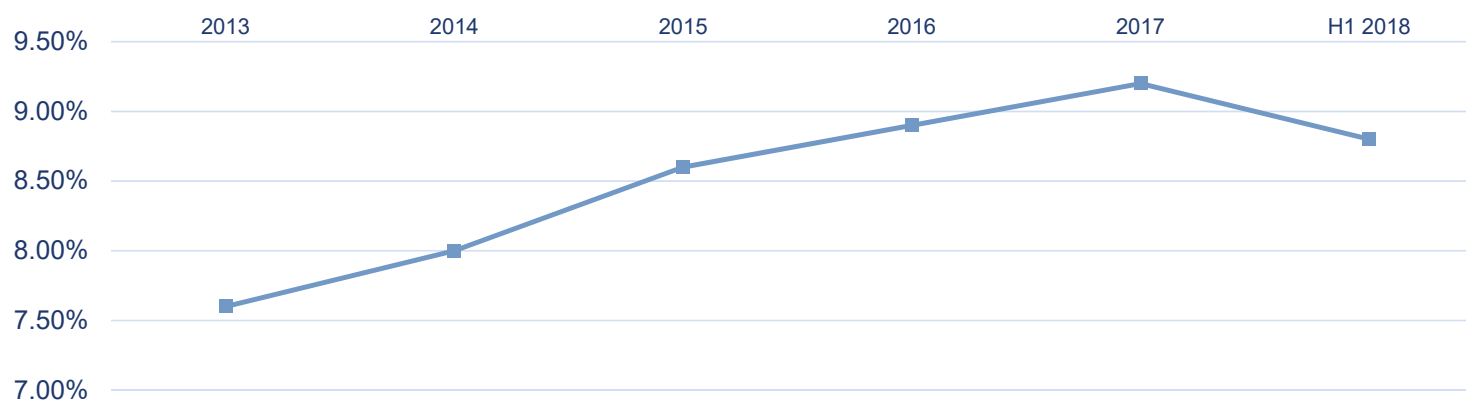
# Revenue & Gross Profit by Segment

(\$ in millions)	Six Months ended June 30, 2017			Six Months ended June 30, 2018			Revenue	Gross Profit
	Revenue	Gross Profit	% of Revenue	Revenue	Gross Profit	% of Revenue	Change	Change
<b>Workforce Excellence</b>	147.6	27.0	18.3%	154.7	26.1	16.9%	4.8%	-3.4%
<b>Business Transformation</b>	106.0	14.8	13.9%	104.0	14.2	13.6%	-1.9%	-4.4%
<b>TOTAL</b>	<b>253.6</b>	<b>41.8</b>	<b>16.5%</b>	<b>258.7</b>	<b>40.3</b>	<b>15.6%</b>	<b>2.0%</b>	<b>-3.8%</b>



# SG&A Analysis

## G&A Corp Services % Revenue



\$ in Millions	2013	2014	2015	2016	2017	1H 2018
Revenue	436.7	501.9	490.3	490.6	509.2	258.7
SG&A Reported/Projected	39.6	47.1	47.7	48.6	57.4	29.8
- Selling & Marketing Expense	(1.3)	(1.3)	(1.4)	(1.4)	(1.7)	(1.8)
- Amortization Expense	(5.2)	(5.7)	(4.1)	(3.5)	(3.8)	(2.2)
- ERP Costs (*includes internal training)	-	-	-	-	(4.9)	(3.0)*
<b>G&amp;A Corporate Services Expense</b>	<b>33.1</b>	<b>40.1</b>	<b>42.2</b>	<b>43.7</b>	<b>47.0</b>	<b>22.8</b>
<b>G&amp;A Corporate Services % of Revenue</b>	<b>7.6%</b>	<b>8.0%</b>	<b>8.6%</b>	<b>8.9%</b>	<b>9.2%</b>	<b>8.8%</b>



# Integrated Growth Strategy

# Strategy Going Forward



## Focus on Margin Expansion

- International expansion
- Key industry focus
- Increase share of wallet with existing customer base



## Recharge Organic Revenue Growth

- Hired Chief Sales Officer
- Redesigned Account Management
- Increase share of wallet with existing customer base



## Turn Around Declining Business Units

- Technical Services business
- Organizational Development business

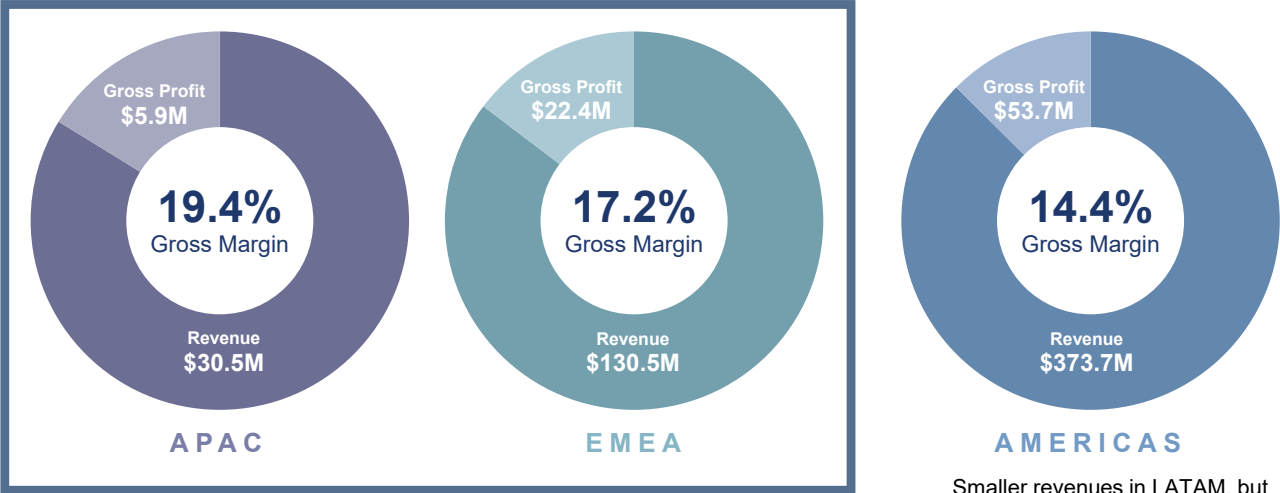


## Focused Acquisition Activity

- Increased in 2018
- Large and active pipeline
- Disciplined process

# Higher International Gross Profit

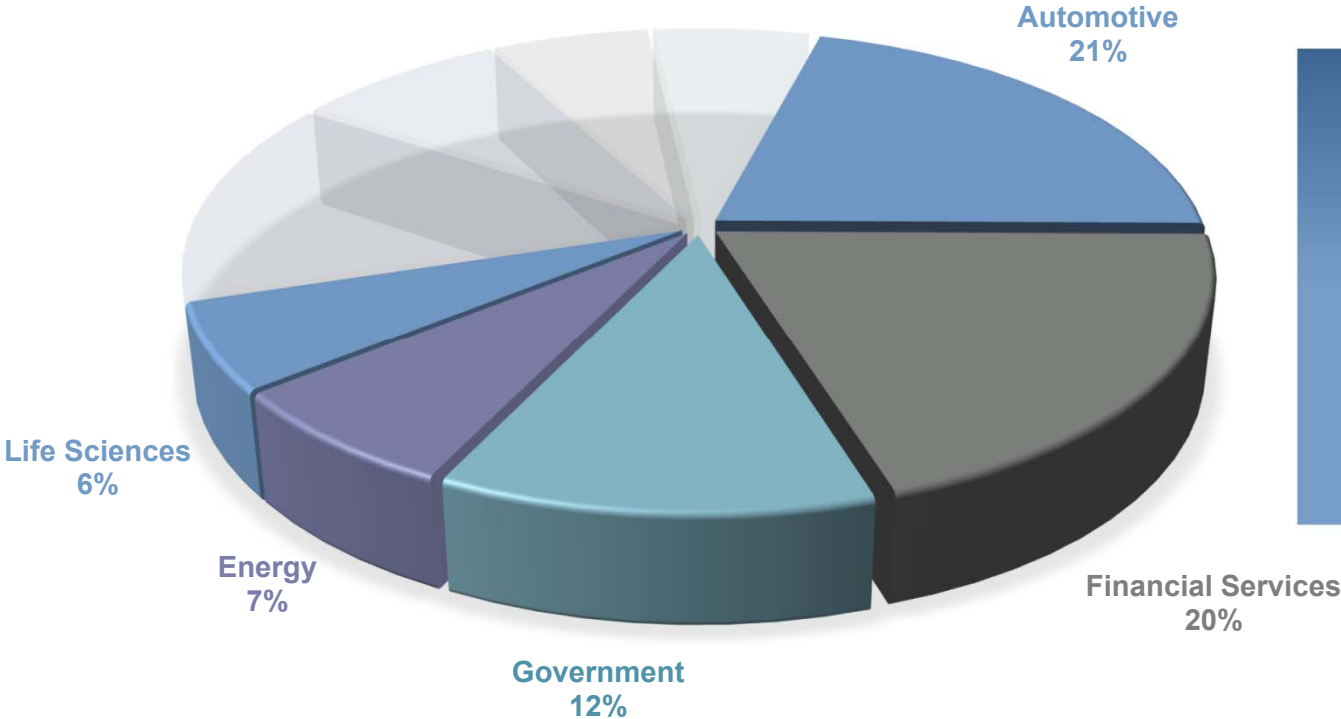
2017



Smaller revenues in LATAM, but the region has the highest gross margin

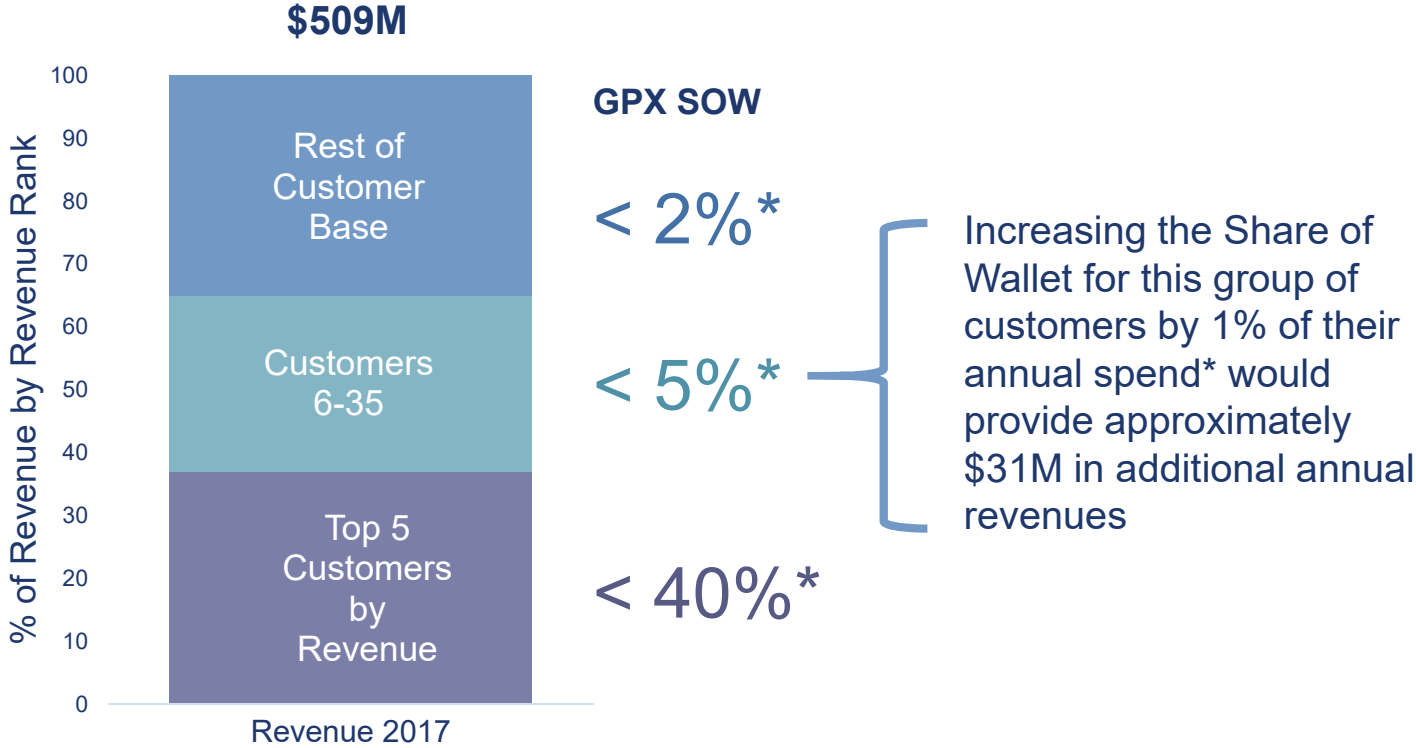
# Strategic Industry Focus

Target Industries



- Why These Industries?**
- ✓ Large scale
  - ✓ Highly complex
  - ✓ High regulation/ compliance
  - ✓ Deep expertise
  - ✓ Established customer base

# Increase Share of Wallet (SOW)



**Significant opportunity to gain SOW across a majority of our customer base**

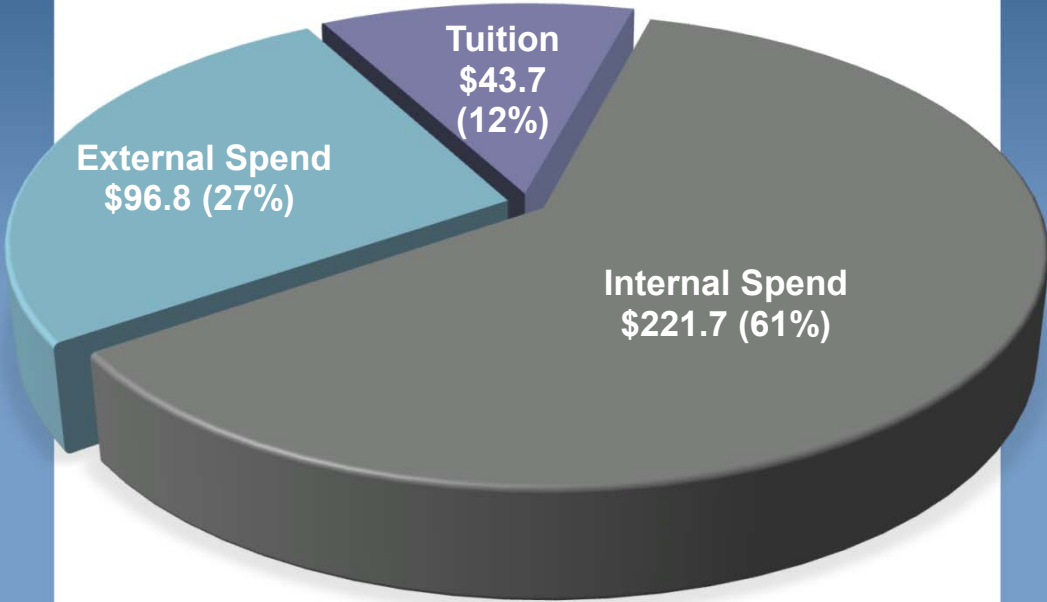
\* Source: Based on average direct learning expenditure per employee listed in the ATD 2017 State of the Industry Report



# Recharge Organic Growth

# Large Global Corporate Training Market

**\$362.2 BILLION (2017)**



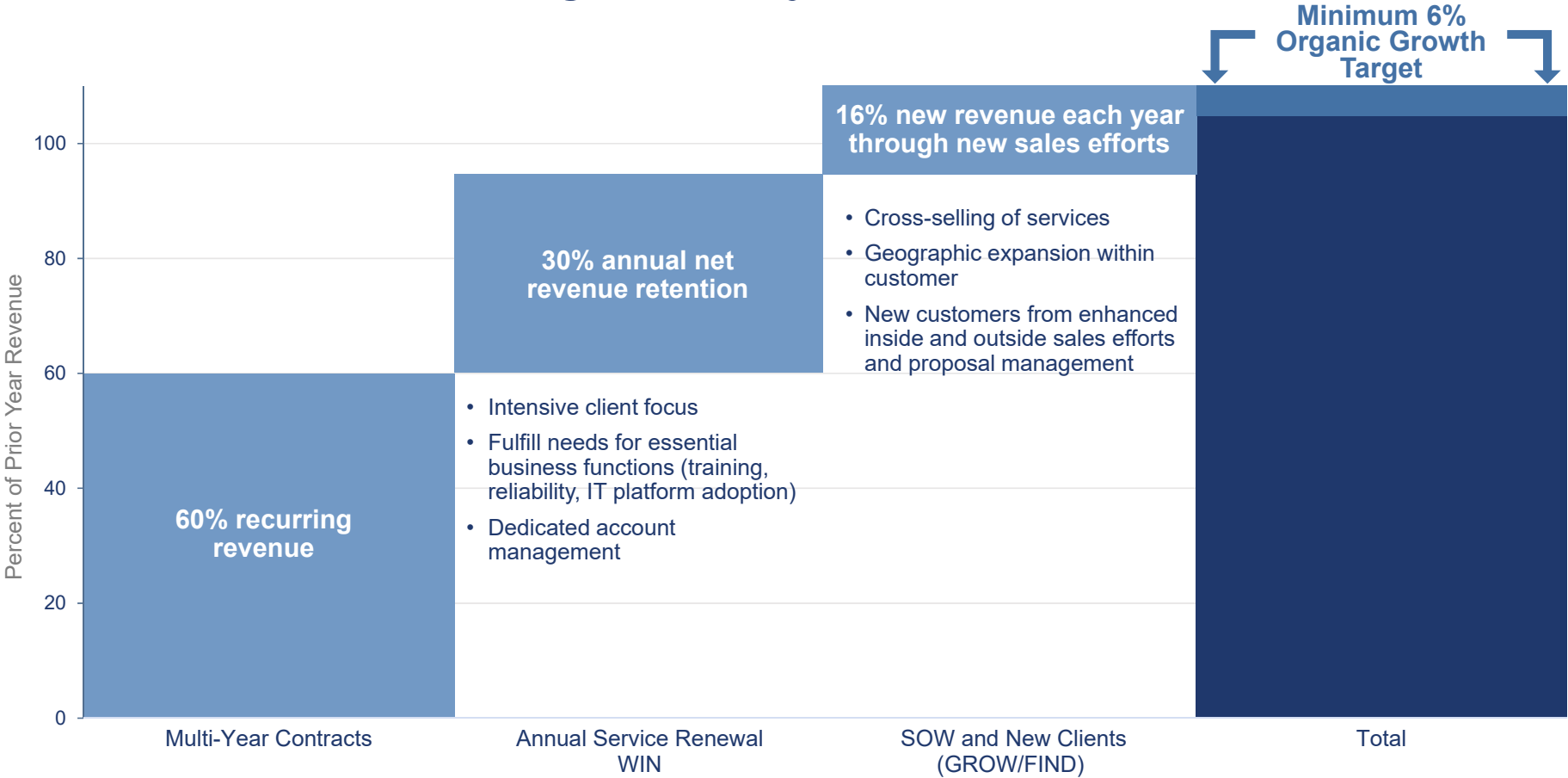
- Trends Influencing External Spend:**
- Compliance
  - Leadership development
  - Sales training
  - Mobile learning
  - Outsourcing
  - Software adoption services
  - Capital projects
  - Centralized governance

- Drivers to Acquire Internal Business:**
- Cost savings
  - Automation
  - Variable cost model
  - Off-shoring
  - Shared processes
  - Innovation



# FIND-WIN-GROW

# How We Grow Organically



# Key Actions & Initiatives for Growth

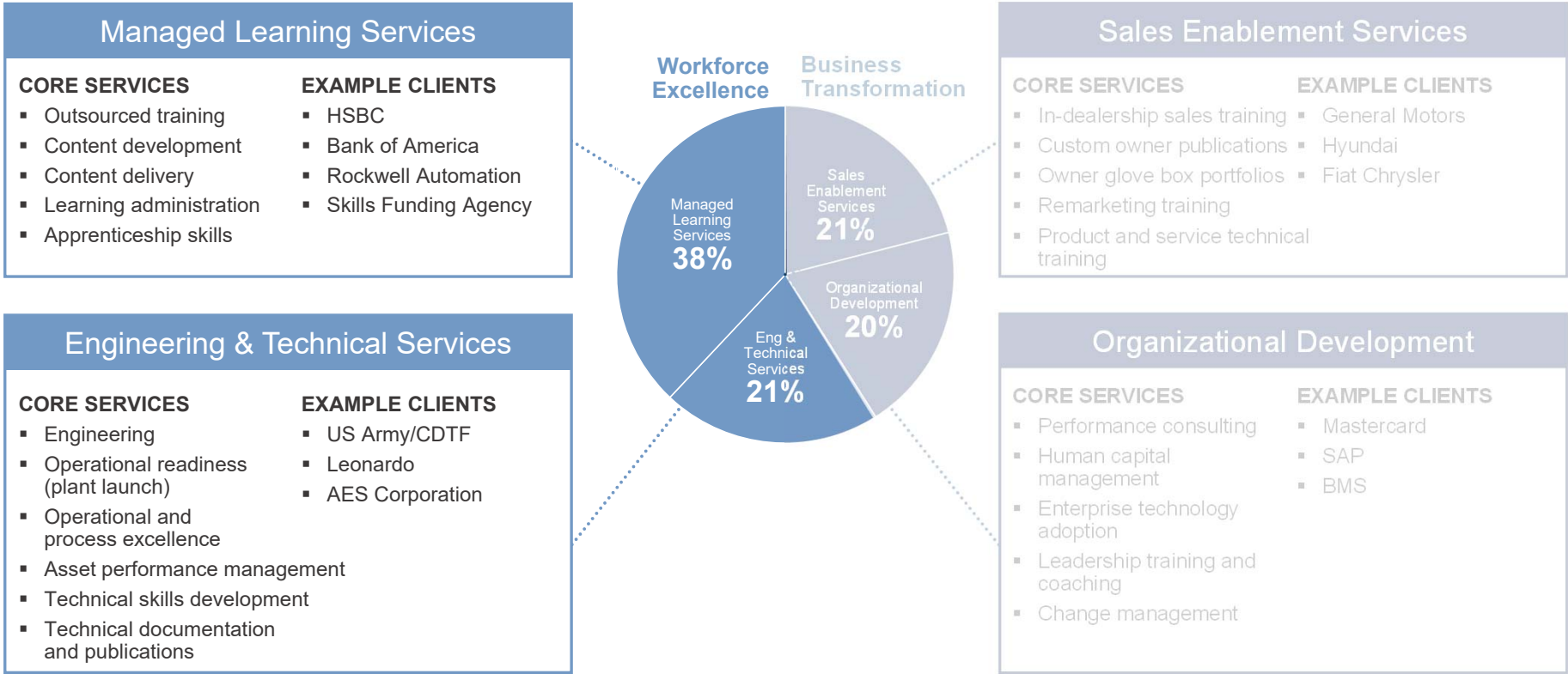
<p><b>Direct Sales</b></p> <ul style="list-style-type: none"> <li>▪ Hired &amp; onboarded experienced sales leaders in key business areas</li> <li>▪ Upgraded sales rep talent with key hires</li> </ul> <p><b>Expand GP sales methodology and sales leadership standards to additional service lines</b></p>	<p><b>Inside Sales Demand Generation</b></p> <ul style="list-style-type: none"> <li>▪ Appointed Global Head of Demand Generation</li> <li>▪ Hired &amp; deployed inside Sales team</li> <li>▪ Deployed industry-focused demand creation activities</li> </ul> <p><b>Expand focus of the inside Sales team to additional countries</b></p>	<p><b>Account Management</b></p> <ul style="list-style-type: none"> <li>▪ Hired Vice President of Global Account Management</li> <li>▪ Deployed defined account management methodology</li> </ul> <p><b>Expand the account management process to global markets and additional accounts</b></p>
<p><b>Marketing</b></p> <ul style="list-style-type: none"> <li>▪ Appointed Vice President of Marketing</li> <li>▪ Centralized Global Marketing teams and activities across the organization</li> </ul> <p><b>Roll out updated branding and new global website</b></p>	<p><b>Proposal Management</b></p> <ul style="list-style-type: none"> <li>▪ Appointed Global Head of Proposal Management</li> <li>▪ Integrated Global Proposal team resources</li> <li>▪ Defined company-wide proposal approach</li> </ul> <p><b>Expand proposal support coverage to global markets</b></p>	<p><b>CRM Technology</b></p> <ul style="list-style-type: none"> <li>▪ Deployed company-wide reporting/dashboards for Find, Win, &amp; Grow approach</li> </ul> <p><b>Streamline reporting and analytics capabilities to provide real-time insights</b></p>



# Practice Growth Strategy

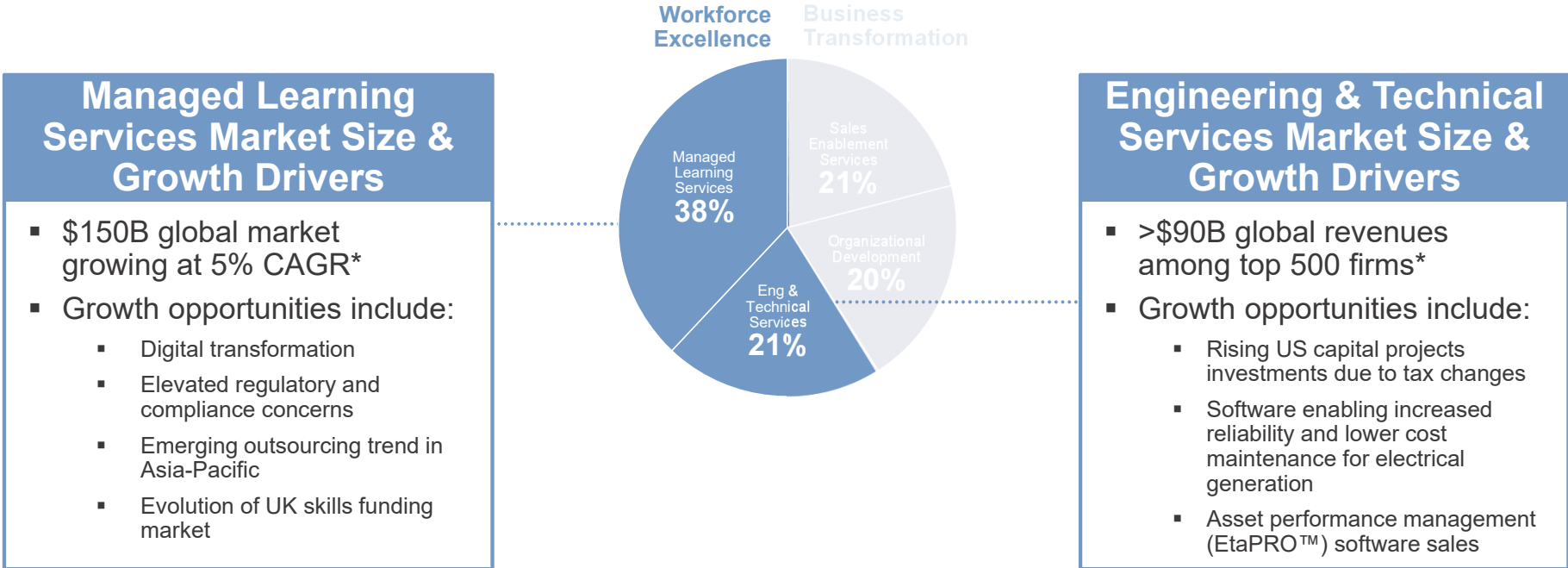
# Our Business Today

## WORKFORCE EXCELLENCE



# Market Size & Growth Drivers

## WORKFORCE EXCELLENCE



### Managed Learning Services Market Size & Growth Drivers

- \$150B global market growing at 5% CAGR\*
- Growth opportunities include:
  - Digital transformation
  - Elevated regulatory and compliance concerns
  - Emerging outsourcing trend in Asia-Pacific
  - Evolution of UK skills funding market

### Engineering & Technical Services Market Size & Growth Drivers

- >\$90B global revenues among top 500 firms\*
- Growth opportunities include:
  - Rising US capital projects investments due to tax changes
  - Software enabling increased reliability and lower cost maintenance for electrical generation
  - Asset performance management (EtaPRO™) software sales

\*Source: Global Market Insights, September 2017

\*Source: ENR 2018 Top 500 Design Firms

# Managed Learning Services Key 2019+ Strategies

## Key Growth Strategies

### Strategic Focus:

- Increase sales in APAC and EMEA
- Focus on financial and life sciences industries (regulated)
- Invest in digital innovation products
- Change UK skills approach to new levy system

### Service Focus:

- Digital learning and solutions
- Managed learning services
- Apprenticeship skills training

## Focus: Increase Sales Activity in APAC and EMEA

- Establish regional hub and spoke development and operations centers
- Upskill APAC and EMEA existing teams
- Establish strong partnerships with key vendors
- Develop global and regional based go-to-market strategies supported by the field sales organization

# Fortune 100 Financial Company

## CASE STUDY



### Business Need

- A fragmented learning function and lack of a clear global learning strategy resulted in duplication of effort, resources, budgets, and content across the regions.
- Learning demand was driven by regions and did not consistently support corporate goals.
- Rigorous compliance and regulatory environment, including strict requirements for learning and development activities



### Our Solution

- Assumed learning responsibility and strategic consulting for all employees in 17 countries including:
- Learning operations management and governance
  - Content design and development for all channels
  - Learning vendor management
  - Learning delivery management
  - Organizational performance consulting



### Results

- Moved from a regional-based learning model to a centralized learning model
- Identified more than 20% in savings in first year
  - Reduced course offerings by 75% through content rationalization
  - Instituted global learning processes
  - Deployed global compliance courses to meet regulatory requirements
  - Instituted learning governance consistency

# Engineering & Technical Services Key 2019+ Strategies

## Key Growth Strategies

### Strategic Focus:

- Pursue capital improvement & infrastructure projects
- Renew focus on US government customers (historical area of strength for GPX)
- Drive sales of EtaPRO power plant monitoring software (differentiated, high margin)
- Increase sales activity in US, South America, and Europe

### Service Focus:

- Operational and process excellence consulting
- Asset performance management
- Documentation development
- Engineering
- Compliance and regulatory
- Technical skills development

## Renew Focus on US Government Customers

- Launch dedicated support team for business development
- Focus on training and engineering support opportunities
- Develop strategic partnerships with large government contractors (Bechtel, AECOM, Hendrix, Leidos)
- Hire strong account managers to deliver sustainable growth

# Chemical Demilitarization Training Facility

## CASE STUDY



### Business Need

- Mission: Manage the Nation’s stockpile of chemical weapons, assess and destroy chemical warfare material, comply with chemical weapons treaty, protect people and the environment



### Our Solution

Design, develop and deliver chemical demilitarization training to the staff to safely destroy the US Government’s arsenal of chemical agents.



### Results

- 53,000 munitions eliminated
- 25 GP employees on-site at a 25,000 ft<sup>2</sup> training facility
- Spotlited on the History Channel on September 1, 2018 – “Project Impossible”

# Our Business Today

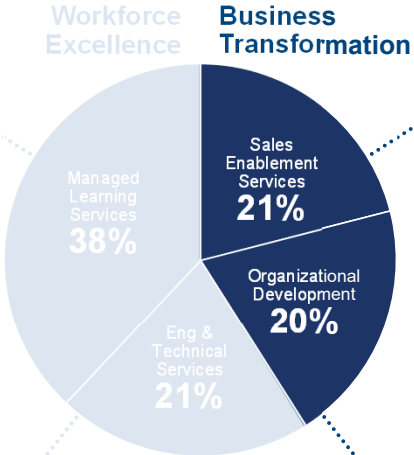
## BUSINESS TRANSFORMATION

### Managed Learning Services

CORE SERVICES	EXAMPLE CLIENTS
<ul style="list-style-type: none"> <li>Outsourced training</li> <li>Content development</li> <li>Content delivery</li> <li>Learning administration</li> <li>Apprenticeship skills</li> </ul>	<ul style="list-style-type: none"> <li>HSBC</li> <li>Bank of America</li> <li>Rockwell Automation</li> <li>Skills Funding Agency</li> </ul>

### Engineering & Technical Services

CORE SERVICES	EXAMPLE CLIENTS
<ul style="list-style-type: none"> <li>Engineering services</li> <li>Operational readiness (Plant Launch)</li> <li>Operational and process excellence</li> <li>Asset performance management</li> <li>Technical skills development</li> <li>Technical documentation and publications</li> </ul>	<ul style="list-style-type: none"> <li>US Army / CDTF</li> <li>Leonardo</li> <li>AES Corporation</li> </ul>



### Sales Enablement Services

CORE SERVICES	EXAMPLE CLIENTS
<ul style="list-style-type: none"> <li>In-dealership sales training</li> <li>Custom owner publications</li> <li>Owner glove box portfolios</li> <li>Remarketing training</li> <li>Product and service technical training</li> </ul>	<ul style="list-style-type: none"> <li>General Motors</li> <li>Hyundai</li> <li>Fiat Chrysler</li> </ul>

### Organizational Development

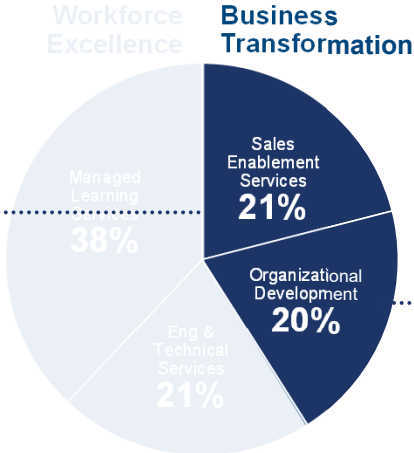
CORE SERVICES	EXAMPLE CLIENTS
<ul style="list-style-type: none"> <li>Performance consulting</li> <li>Human capital management</li> <li>Enterprise technology adoption</li> <li>Leadership training and coaching</li> <li>Change management</li> </ul>	<ul style="list-style-type: none"> <li>Mastercard</li> <li>SAP</li> <li>BMS</li> </ul>

# Market Size & Growth Drivers

## BUSINESS TRANSFORMATION

### Sales Enablement Market Size & Growth Drivers

- ~\$2.7B global training and publications market
- Correlated with auto sales at ~\$40 per vehicle
- Training market dynamics include:
  - Clients demand and reward deep industry expertise
  - Regional knowledge essential to serve differing auto ecosystems around the world
  - Dealership business model evolution and transformation



### Organizational Development Market Size & Growth Drivers

- ~\$2.5B global leadership market expected to grow 14% CAGR\*
- ~\$2.1B LMS global market expected to grow 28.2% CAGR\*
- Leadership training market dynamics include:
  - Digital disruption causing organization structures to change
  - The need to become more integrated into the strategy
  - Not enough leaders in the pipeline

\*Source: Human Capital Management Market Global Forecast 2017- 2022  
Global Corporate Leadership Training Market 2017-2021

# Sales Enablement Services Key 2019+ Strategies

## Key Growth Strategies

### Strategic Focus:

- Coordinated expansion outside of North America
- Increased SOW in other leading US automakers
- Cross selling technical services for retail, wholesale, and manufacturing with automotive clients
- Support dealership evolution with retail go-to-market strategies, curriculum development, and industry expertise

### Service Focus:

- In-dealership sales training
- Custom owner publications
- Process, skills, & business management training
- Product and service technical training

## Focus: Coordinated expansion outside of North America

- Strategic account growth plans leveraging the TTI UK acquisition and growth in Asia
- Strategic hires with established relationships and experience
- Utilize data results and existing points of entry from newly acquired automotive research group

# Domestic Fortune 100 Automotive Company

## CASE STUDY



### Business Need

- Curricula was driven by stakeholders who had no learning background
- This led to limited emphasis on learner outcomes leading to inconsistent results
- Eleven vendors hindered standardized training protocols
- Vendor competition resulted in a lack of consistency across all learning



### Our Solution

- Shifted to a culture of performance improvement
- Focused on learner needs that drove performance improvement and impact business outcomes
- Provided a measurement and assessment strategy which measured learner outcomes



### Results

- After moving from 11 vendors to GP, the client is realizing a 20% savings in development and delivery
- Helpdesk calls were reduced by 17%
- Training seat time was reduced from 54 minutes per web based class to 14 minutes

# Organizational Development Key 2019+ Strategies

## Key Growth Strategies

### Strategic Focus:

- Coordinated expansion of offerings with focus on existing global accounts
- Coordinated expansion in APAC and EMEA
- Add new channel partnerships to increase sales
- Expand HCM customer base

### Service Focus:

- Training to support strategy execution
- Leadership training and coaching
- Learning management system implementation
- Technology adoption
- Learning experience/consulting
- Change management

## Focus: Coordinated expansion of offerings with focus on the existing global accounts

- Digitize existing leadership programs to appeal to the three generations of learners
- Restructure US sales team
- Upskill sales team and Account Managers globally to more effectively position the OD solutions
- Strategic account planning to position full programs
- Effectively pull through all OD services based on the point of entry

# Global 500 Technology Company

## CASE STUDY



### Business Need

- Our client was losing market share as its on premise clients were migrating to cloud-based HCM solutions. Competitors were winning the migration business for its client segment that was less than \$1B in revenue.
- As the company was transforming from an on premise software company to an agile, cloud-based software subscription solution provider, its dependency on customers renewing their subscription and expanding the licensed user base has become a vital strategy to its growth plan.



### Our Solution

- Developed a global boutique HCM system implementation and user adoption capability through key acquisitions in the US and EMEA. GP allowed our customer to improve its ability to compete by providing cost-effective migrations.
- Created an integrated service offering to provide our customer's clients with an end-to-end enablement of their human capital management solution to reinforce its ability to drive renewals of annual software subscriptions.



### Results

- The company has experienced a double digit increase in HCM cloud migrations.
- Our customer has seen a 4x increase in the sale of its user enablement technology.
- Improved renewal rates and more predictable subscription revenue.



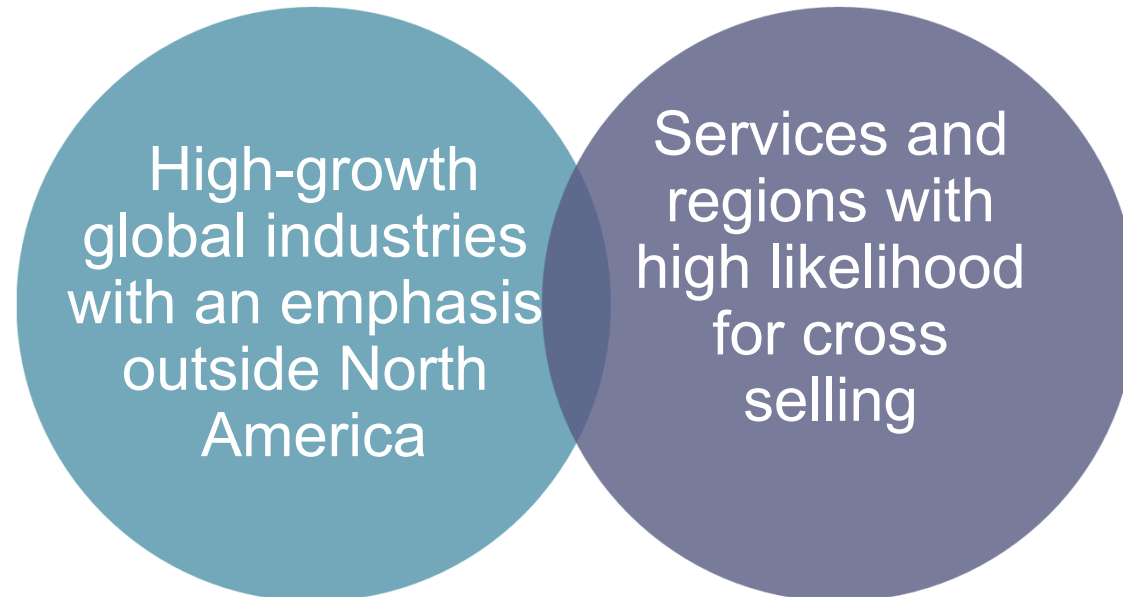
# Acquisition Growth Strategy

# Acquisition Has Been a Key Strategy Across All Practices

<ul style="list-style-type: none"> <li>▪ A serial, disciplined acquirer</li> <li>▪ Approximately 30 acquisitions since 2009</li> <li>▪ Acquisition summary by practice             <ul style="list-style-type: none"> <li>▪ Managed Learning Services                 <ul style="list-style-type: none"> <li>▪ Design &amp; development – (7)</li> <li>▪ Job skills – (6)</li> </ul> </li> <li>▪ Engineering &amp; Technical Services                 <ul style="list-style-type: none"> <li>▪ Lorien</li> <li>▪ Milsom</li> </ul> </li> <li>▪ Organizational Development                 <ul style="list-style-type: none"> <li>▪ RWD</li> <li>▪ BlessingWhite</li> <li>▪ Maverick</li> </ul> </li> <li>▪ Sales Enablement                 <ul style="list-style-type: none"> <li>▪ Sandy</li> <li>▪ TTI UK</li> </ul> </li> </ul> </li> </ul>	<h2>Consolidation</h2> <ul style="list-style-type: none"> <li>▪ RWD (2011)</li> </ul>	<h2>Rollup</h2> <ul style="list-style-type: none"> <li>▪ Option Six (2009)</li> <li>▪ Martonhouse (2010)</li> <li>▪ UK Skills Funding Academy of Training (2010)</li> <li>▪ Ultra Training (2011)</li> <li>▪ Beneast (2011)</li> <li>▪ Information Horizons (2012)</li> <li>▪ Prospero (2013)</li> <li>▪ Jencal (2016)</li> <li>▪ YouTrain (2017)</li> <li>▪ Hula (2018)</li> </ul>
	<h2>Expand Service</h2> <ul style="list-style-type: none"> <li>▪ Sandy (2007)</li> <li>▪ Milsom (2009)</li> <li>▪ PerformTech (2009)</li> <li>▪ Bath Consulting Group (2010)</li> <li>▪ Blessing White (2012)</li> <li>▪ Asentus (2012)</li> <li>▪ Roving Dynamics (2012)</li> <li>▪ Lorien (2013)</li> <li>▪ Maverick (2016)</li> <li>▪ McKinney Rogers (2017)</li> <li>▪ IC Axon (2018)</li> </ul>	<h2>Expand Footprint</h2> <ul style="list-style-type: none"> <li>▪ Communication Consulting (2011)</li> <li>▪ Effective -People (2014)</li> <li>▪ Emantras (2017)</li> <li>▪ CLS (2017)</li> <li>▪ TTI UK (2018)</li> </ul>
<h3>Acquired Businesses Cluster by Value Creation</h3>		

# Growth-Focused Acquisition Strategy

The company has developed a focused acquisition strategy to drive an **average of 10% annual growth in EBITDA over the next 5 years** focused on two key areas:



# Growth-Focused Acquisition Strategy

We have established a baseline evaluation criteria that will keep us focused on our core business and drive higher margin growth:

Core Strategic Fit Opportunities Only

High-Margin Businesses: Minimum 15% Gross Margin

EPS Accretive After Implementation Period

20% Cash ROI Within 3 Years

# Focused Acquisition Strategy

High-growth global industries allow rapid expansion in international markets and reinforce long-term, high-quality revenues at a higher margin

Industry	Current Revenue Mix (%)	Acquisitions (2005-2018)	Why these industries? They're a perfect fit for our skills and business approach: <ul style="list-style-type: none"> <li>▪ Large scale</li> <li>▪ Highly complex</li> <li>▪ High regulation/compliance</li> <li>▪ Deep expertise</li> <li>▪ Established customer base</li> </ul>
Automotive	21%	3	
Financial Services	20%	1	
Government	12%	6	
Energy	7%	2	
Life Sciences	6%	3	

Acquisitions will be prioritized in Practices based upon strategic goals

Practice	2020	2022	Active pipeline for learning services and technical services acquisitions.
Sales Enablement		High Priority	
Technical Services	High Priority		
Learning Services	High Priority		
Organizational Development			

# Selected Recent 2018 Acquisitions

COMPANY	CONSIDERATION	REVENUE	EBITDA	PRACTICE SEGMENT	VERTICALS	RATIONALE
IC Axon	\$30M 8.5x EBITDA	\$12M	\$3.5M	Managed Learning Services	Life Sciences	Significantly strengthens our position in pharmaceutical sector
Hula	\$10M 8x EBITDA	\$7M	\$1.3M	Organizational Development	All	Expand cross selling services in SAP Success Factors market
TTi UK	\$3M 6x EBITDA PROFORMA	\$5M	\$0.5M	Sales Enablement	Automotive	Expansion into Europe automotive

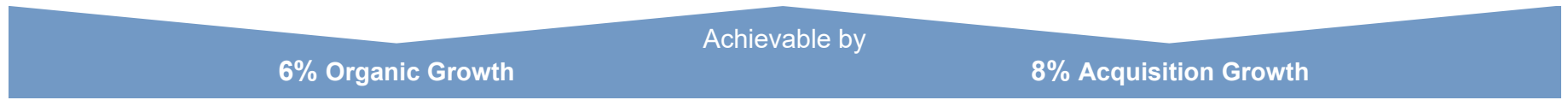
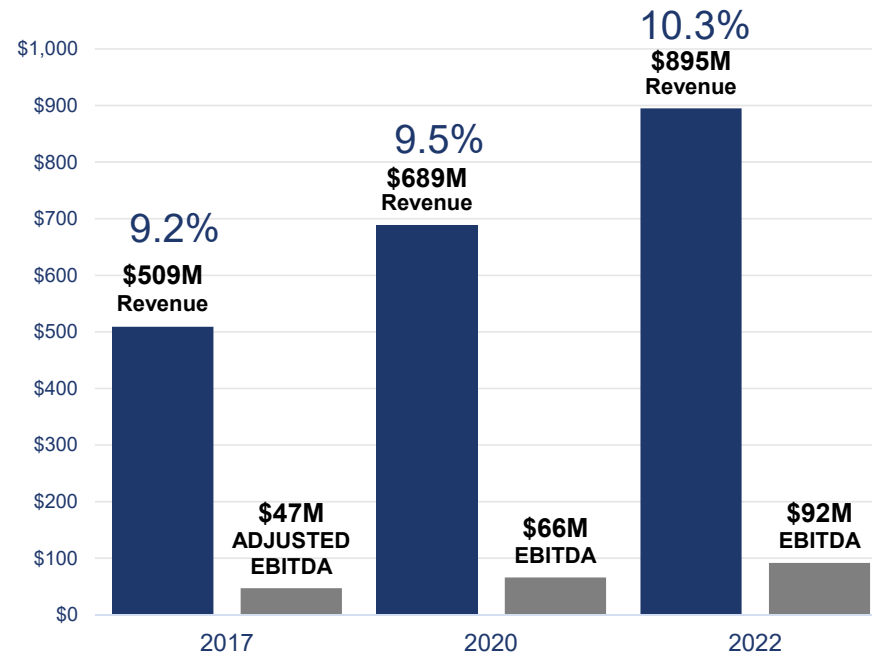
**Pipeline:** Currently evaluating transactions in excess of \$50 million in revenue

**Detailed Reviewed:** Evaluated in excess of 10 transactions in last year with over \$200 million in revenue

The background of the slide is a deep blue color with a complex, abstract pattern of white lines and dots. These elements resemble a network or data visualization, with many thin lines connecting various points, some of which are larger and more prominent than others. The overall effect is one of a dynamic, interconnected system.

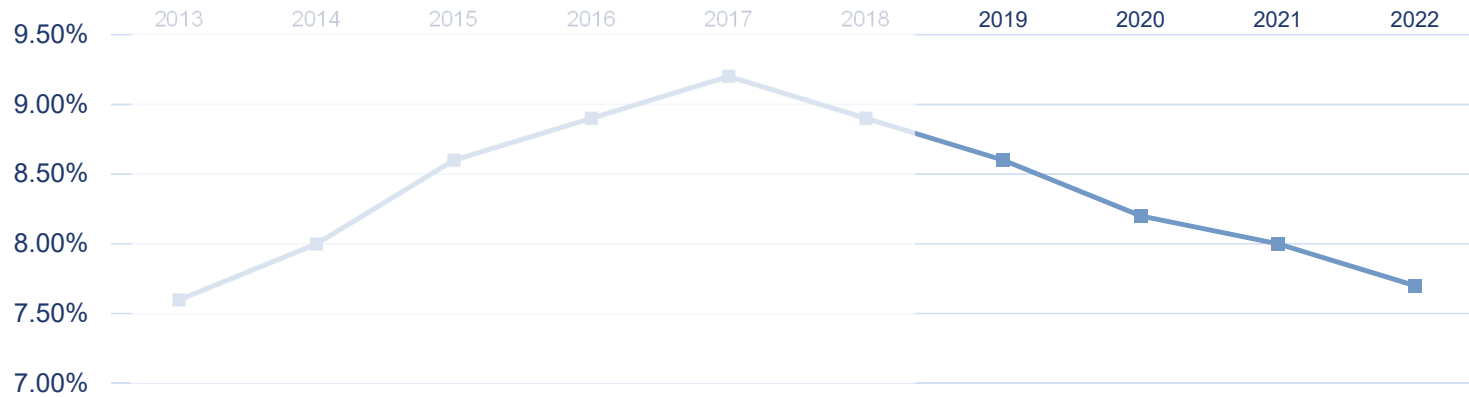
# Financial Analysis

# 2022 Revenue and EBITDA Targets



# SG&A Analysis

## G&A Corp Services % Revenue



\$ in Millions	2013	2014	2015	2016	2017	1H 2018	2020	2022
Revenue	436.7	501.9	490.3	490.6	509.2	258.7	688.8	895.1
SG&A Reported/Projected	39.6	47.1	47.7	48.6	57.4	29.8	70.7	88.9
- Selling & Marketing Expense	(1.3)	(1.3)	(1.4)	(1.4)	(1.7)	(1.8)	(6.2)	(7.8)
- Amortization Expense	(5.2)	(5.7)	(4.1)	(3.5)	(3.8)	(2.2)	(7.7)	(11.7)
- ERP Costs (*includes internal training)	-	-	-	-	(4.9)	(3.0)*	-	-
G&A Corporate Services Expense	33.1	40.1	42.2	43.7	47.0	22.8	56.8	69.3
G&A Corp Services % of Revenue	7.6%	8.0%	8.6%	8.9%	9.2%	8.8%	8.2%	7.7%

# Balance Sheet

(\$ in thousands)	December 31, <u>2016</u>	December 31, <u>2017</u>	June 30, <u>2018</u>
<b>Cash</b>	\$ 16,346	\$ 23,612	\$ 14,134
<b>Accounts Receivable</b>	<b>105,549</b>	<b>119,335</b>	<b>110,122</b>
Unbilled revenue	39,318	42,958	45,527
Prepaid Expenses & Other	11,481	14,212	14,664
Total Current Assets	<u>172,694</u>	<u>200,117</u>	<u>184,447</u>
<b>Property, Plant &amp; Equip.</b>	<b>4,547</b>	<b>5,123</b>	<b>5,501</b>
Goodwill & Intangibles	133,597	153,198	190,897
Other Assets	4,763	6,569	8,250
Total Assets	<u>\$ 315,601</u>	<u>\$ 365,007</u>	<u>\$ 389,095</u>
<b>Short Term Borrowings</b>	<b>\$ 17,694</b>	<b>\$ 37,696</b>	<b>\$ 61,823</b>
<b>Current Portion of LT Debt</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>
Accounts Payable	64,596	78,280	72,893
Deferred revenue	18,545	22,356	18,694
Total Current Liabilities	<u>112,835</u>	<u>150,332</u>	<u>165,410</u>
Long-Term Debt	28,000	16,000	28,000
Other Non-Current Liabilities	7,270	10,621	9,601
Stockholders' Equity	167,496	188,054	186,084
Total	<u>\$ 315,601</u>	<u>\$ 365,007</u>	<u>\$ 389,095</u>

# Acquisition Strategy – Financing

The Company has historically generated strong net cash flow from operating activities.



Targeting Debt/EBITDA leverage ratio below 2.5 times.  
Bank calculation on a Proforma basis of 2.4 times as of 6/30/18.

Strong relationships with potential sources of additional financing.



# Key Financial Metrics

	2017 Actual	2022 Target
Organic revenue growth		\$149M
Acquisition revenue growth		\$237M
Total revenue	\$509M	\$895M
Gross profit as a % of revenue	16.1%	17.4%
G&A as a % of revenue (excludes amortization)	9.2%	7.7%
Adjusted EBITDA %	9.3%	10.3%
Cash flow from operations as a % of adjusted EBITDA	55.5%	50.0%
Leverage (Debt/Adjusted EBITDA)	1.4	2.2

# Q&A

The image features the text "Q&A" in a large, white, sans-serif font centered on a solid blue background. Above the ampersand, there are two overlapping speech bubbles, also in white, with the top one slightly behind and to the right of the bottom one.



# Conclusion

# Conclusion

## Focus on High Growth and High Margin Opportunities

- Expand globally: Asia-Pacific, Latin America, EMEA
- Strengthen leading-positions in target industries
- Reignite growth in organizational development segment
- Reignite growth in technical services revenue in energy and government segments

## 6% Organic Revenue CAGR

### Metrics (Targets)

- 90% net revenue retention
- 10% Share Of Wallet (SOW) growth annually
- 6% new customer revenue annually

### Tactics

- Account management and planning (SOW, cross-selling)
- New account development (inside sales, outside sales, proposal management)
- Find, Win, Grow sales model

## 8% Annual Revenue Growth from Acquisitions

### Strong Acquisition Track Record

- Build Scale
- Core practice areas: organizational development services (leadership, HCM, platform adoption)
- Expand geographically
- Target key industries

### Financial Criteria

- Minimum 15% gross margins
- EPS accretive in 1 year
- 20% cash ROI within 3 years



# Appendix

# GP Strategies Non-GAAP Reconciliation – Adjusted EBITDA<sup>(1)</sup>

(In thousands)	Six months ended June 30,		Years ended December 31,												
	2018	2017	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Net income (loss)	6,207	9,949	12,891	20,247	18,789	27,098	23,756	22,688	17,860	12,732	(1,190)	7,837	9,684	6,642	7,213
Interest expense	536	972	3,132	1,568	1,381	833	366	269	209	236	217	699	1,218	1,558	1,518
Income tax expense	3,062	4,589	6,798	9,787	10,834	15,725	14,732	13,114	10,531	8,120	4,585	6,313	7,222	5,068	6,767
Depreciation & Amortization	3,761	3,206	6,974	6,462	7,865	9,758	8,617	7,971	6,187	4,230	3,380	3,229	3,637	1,524	1,456
<b>EBITDA</b>	<b>13,566</b>	<b>18,716</b>	<b>29,795</b>	<b>38,064</b>	<b>38,869</b>	<b>53,414</b>	<b>47,471</b>	<b>44,042</b>	<b>34,787</b>	<b>25,318</b>	<b>6,992</b>	<b>18,078</b>	<b>21,761</b>	<b>14,792</b>	<b>16,954</b>
<b>Adjustments:</b>															
Non-cash stock compensation	2,534	3,192	6,314	6,015	6,059	4,823	3,673	3,615	3,100	2,012	1,638	2,776	2,099	1,439	1,233
ERP system implementation costs	2,610	1,692	4,916	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring charges	2,930	-	3,317	-	1,551	-	-	-	-	-	-	-	-	-	-
Loss on a contract w/ oil & gas client	-	-	4,383	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency loss (gain)	1,417	164	334	170	2,042	950	87	229	66	107	185	(68)	1	31	(10)
Loss (gain) on change in fair value of contingent consideration	(3,446)	(101)	(1,620)	136	371	(1,392)	(1,676)	789	(517)	(1,313)	-	-	-	-	-
Goodwill impairment loss	-	-	-	-	-	-	-	-	-	-	10,163	5,508	-	-	-
Loss from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,244
Gain on litigation settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,552)
<b>Adjusted EBITDA</b>	<b>19,611</b>	<b>23,663</b>	<b>47,439</b>	<b>44,385</b>	<b>48,892</b>	<b>57,795</b>	<b>49,555</b>	<b>48,675</b>	<b>37,436</b>	<b>26,124</b>	<b>18,978</b>	<b>26,294</b>	<b>23,861</b>	<b>16,262</b>	<b>13,869</b>
<b>Revenue</b>	<b>258,723</b>	<b>253,608</b>	<b>509,208</b>	<b>490,559</b>	<b>490,280</b>	<b>501,867</b>	<b>436,689</b>	<b>401,572</b>	<b>333,167</b>	<b>259,926</b>	<b>219,240</b>	<b>267,893</b>	<b>248,422</b>	<b>178,783</b>	<b>175,555</b>
<b>Adjusted EBITDA Margin</b>	<b>7.6%</b>	<b>9.3%</b>	<b>9.3%</b>	<b>9.0%</b>	<b>10.0%</b>	<b>11.5%</b>	<b>11.3%</b>	<b>12.1%</b>	<b>11.2%</b>	<b>10.1%</b>	<b>8.7%</b>	<b>9.8%</b>	<b>9.6%</b>	<b>9.1%</b>	<b>7.9%</b>

(1) Adjusted earnings before interest, income taxes, depreciation and amortization (Adjusted EBITDA) is a widely used non-GAAP financial measure of operating performance. It is presented as supplemental information that the Company believes is useful to investors to evaluate its results because it excludes certain items that are not directly related to the Company's core operating performance. Adjusted EBITDA is calculated by adding back to net income interest expense, income tax expense, depreciation and amortization, non-cash stock compensation expense, gain or loss on the change in fair value of contingent consideration and other unusual or infrequently occurring items such as restructuring charges. Adjusted EBITDA should not be considered as a substitute either for net income, as an indicator of the Company's operating performance, or for cash flow, as a measure of the Company's liquidity. In addition, because Adjusted EBITDA may not be calculated identically by all companies, the presentation here may not be comparable to other similarly titled measures of other companies.