



Strategy made personal

BTS Group AB (publ)

Q2 2016

Stockholm, Aug 18, 2016

Henrik Ekelund
President and CEO

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Our Vision

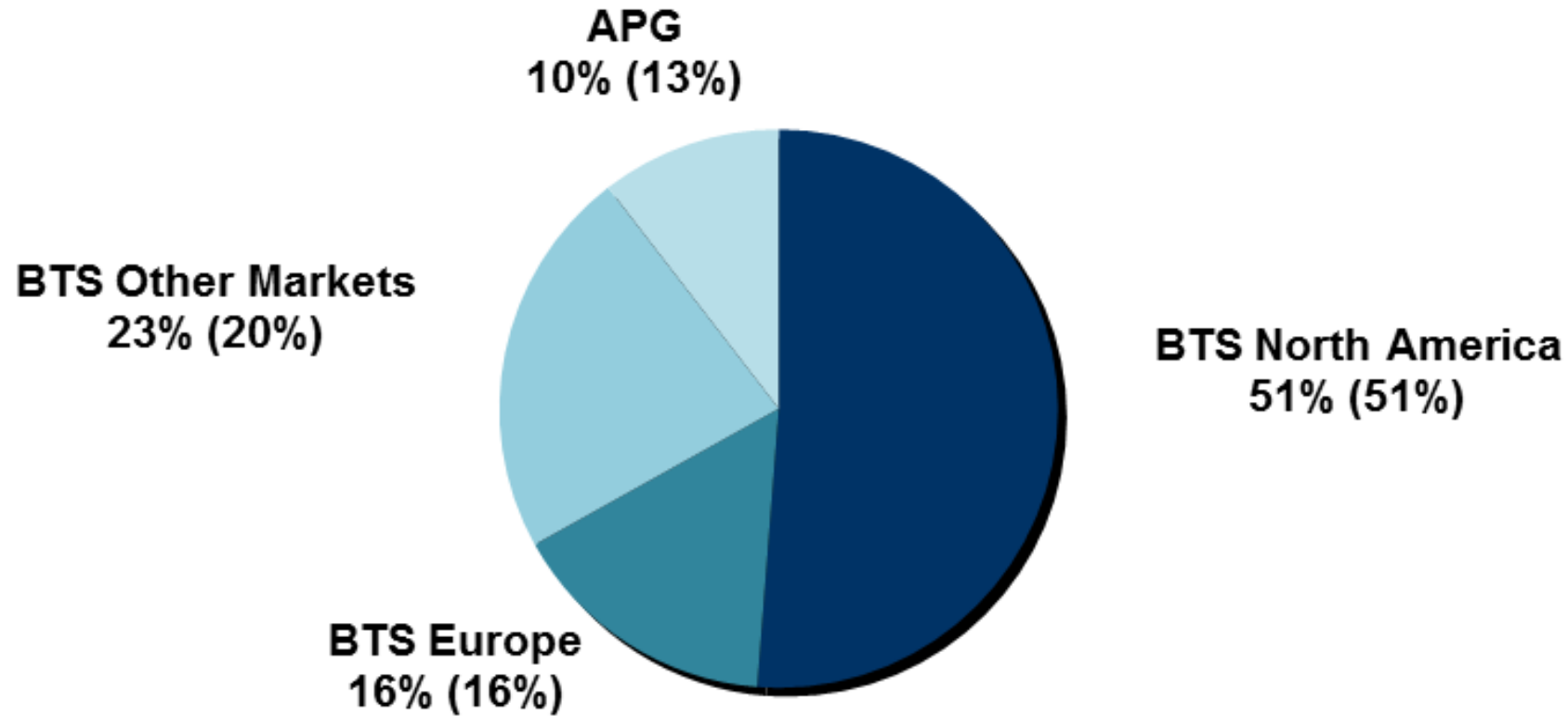


The global
leader in turning
strategy into
action.

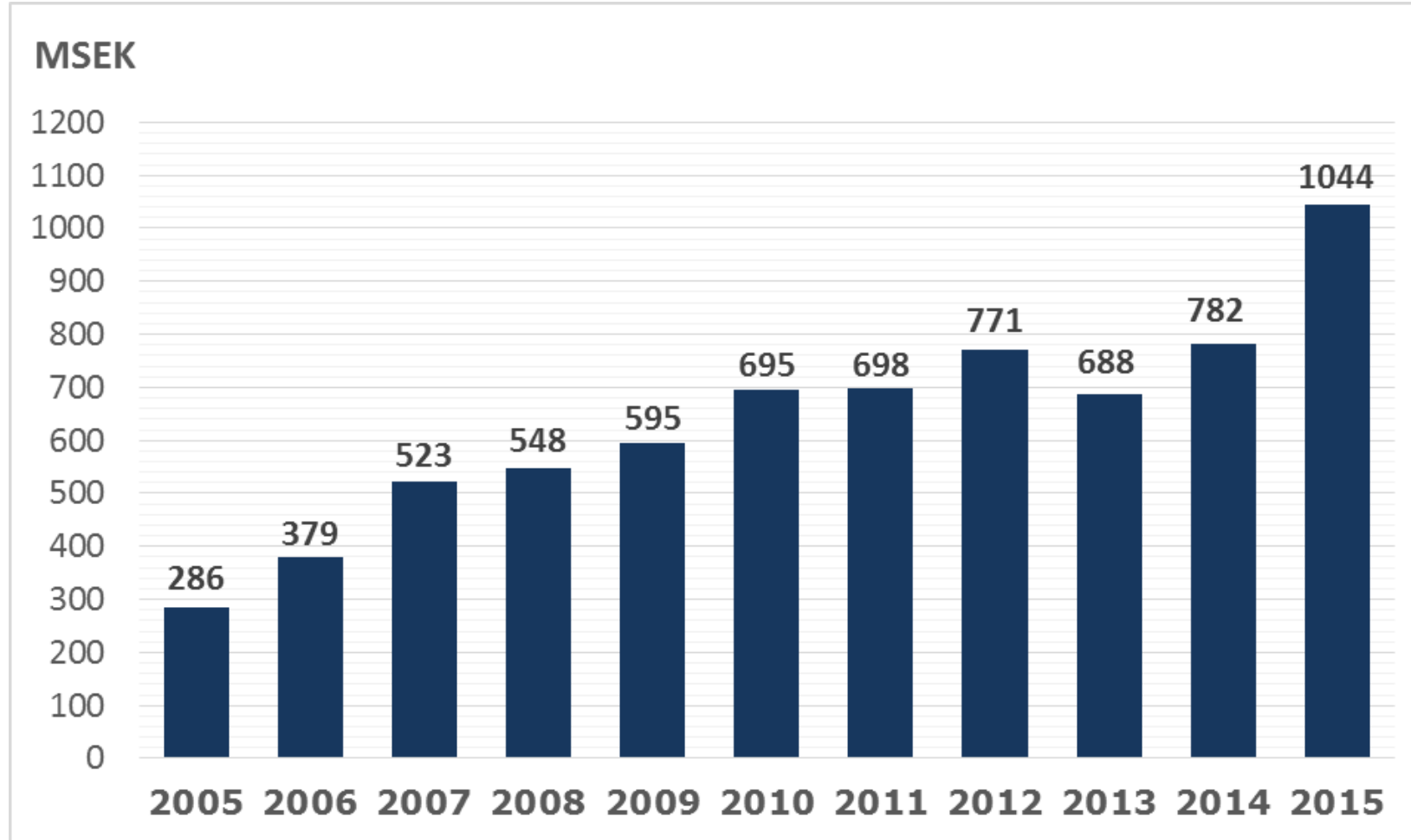
BTS Global Footprint



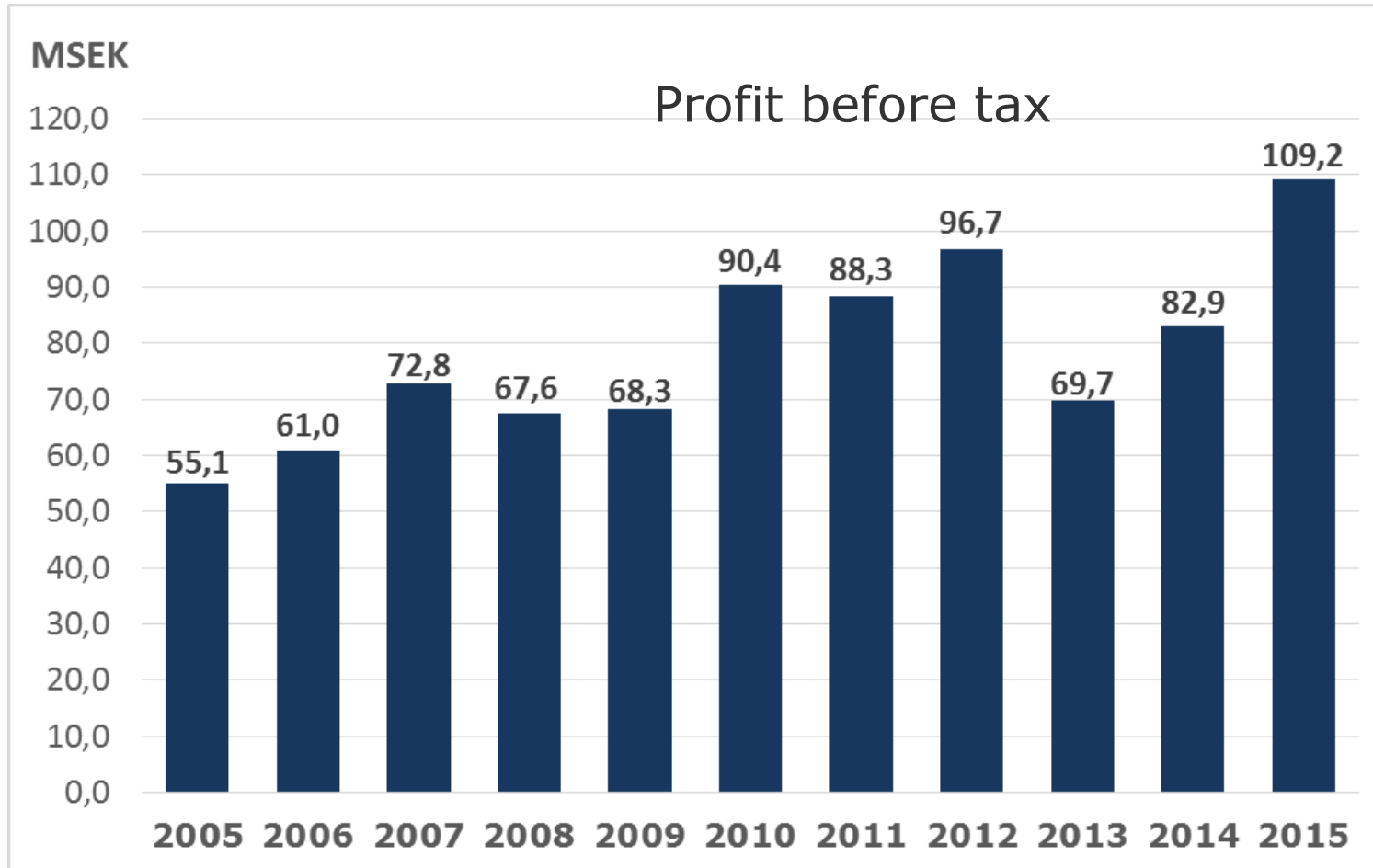
Net sales per operating unit



Ten Year Revenue Growth



Ten Year Profit Growth



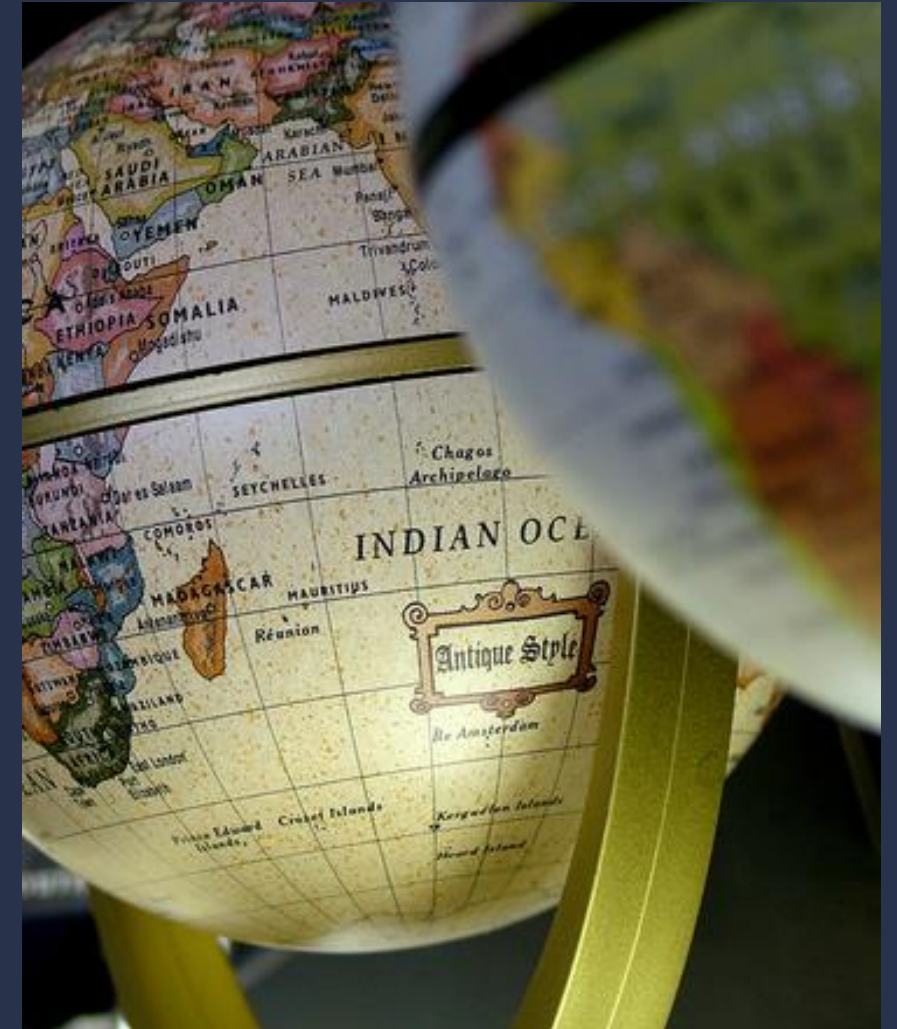
BTS focuses on the people

- We believe people learn best by doing
- For 30 years, BTS has designed powerful experiences that have profound and lasting impact on people and their careers
- It's strategy made personal



BTS leadership and strategy implementation offer

- Strategy execution
- Leadership development
- Transforming sales organizations



Stable client base and revenue development

- Average customer life span 7 years
- 80% of revenues from existing client base

Q2 2016 summary

Strong Europe and Other Markets, weak USA

- Continued rapid growth in Other Markets
- Europe back to growth and higher margins
- Negative growth and declining margins in the US
- Jessica Parisi appointed CEO of BTS USA
- Acquisition of Italian based Cesim, (Q3)

BTS digital solutions

- Continued investments in digital solutions during 2016, 3-4 MUSD
- A new virtual assessment platform launched
- Several core simulations digitized, allowing virtual delivery
- ChangR app revenue doubled to 4 MSEK in 1h



Strategy made personal

Q2 2016

	<u>Apr – Jun 2016</u>	<u>Apr – Jun 2015</u>	<u>Change.</u>
Total Revenue, MSEK	282.0	284.6	+4%*
EBITA	33.6	38.0	-12%
EBIT	32.5	36.9	-12%
Profit before tax	32.5	36.8	-12%
Profit after tax	21.9	24.6	-11%
EPS	1.17	1.32	-11%
EBITA margin	12%	13%	
EBIT margin	12%	13%	

*Currency adjusted

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Q2 2016

Revenue and Margin per Business Unit

	<u>Apr – Jun 2016</u>	<u>Apr – Jun 2015</u>	<u>Change.*</u>	<u>EBITA Margin</u>
Total Revenue, MSEK	282.0	284.6	+4%	12%(13)
BTS North America	140.0	148.2	-3%	11%(14)
BTS Europe	48.7	48.4	+5%	16%(12)
BTS Other Markets	69.2	58.0	+31%	14%(17)
APG	24.1	30.0	-18%	1%(3)

*Currency adjusted

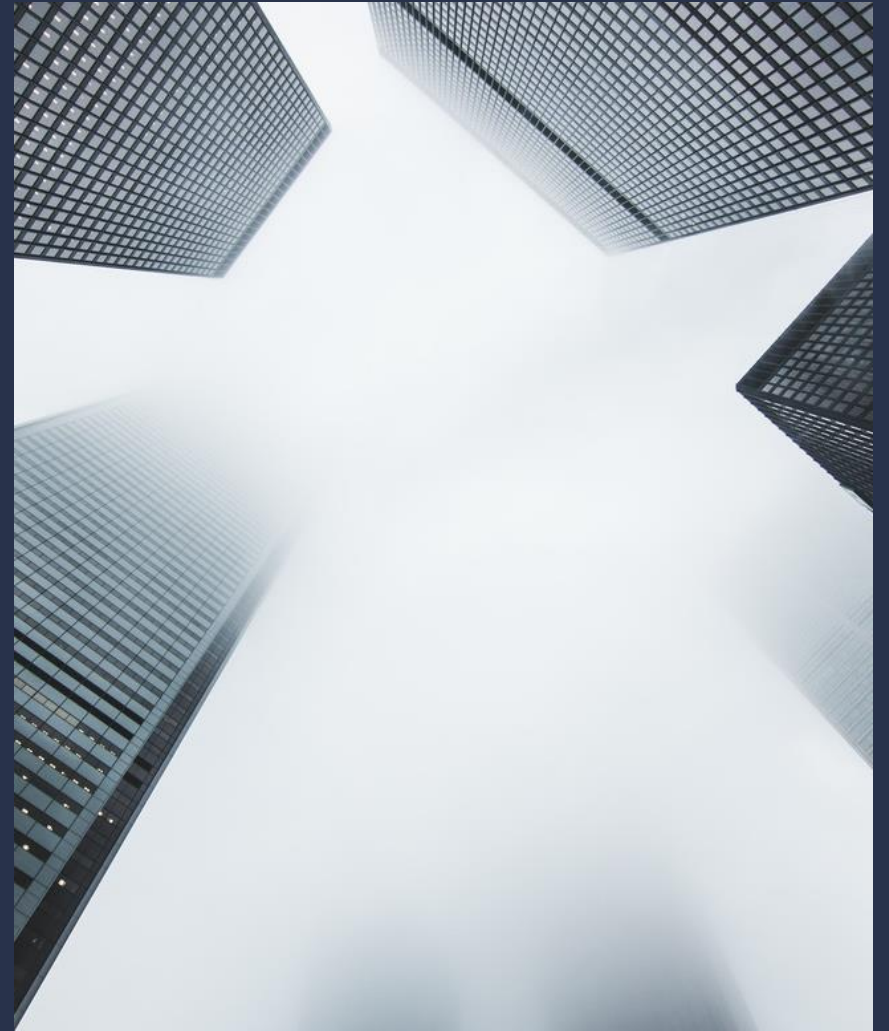
First half 2016

	<u>Jan – Jun 2016</u>	<u>Jan – Jun 2015</u>	<u>Change.</u>
Total Revenue, MSEK	506.0	502.9	+4%*
EBITA	43.8	50.6	-13%
EBIT	41.7	48.4	-14%
Profit before tax	41.3	48.5	-15%
Profit after tax	27.6	32.4	-15%
EPS	1.48	1.74	-15%
EBITA margin	9%	10%	
EBIT margin	8%	10%	

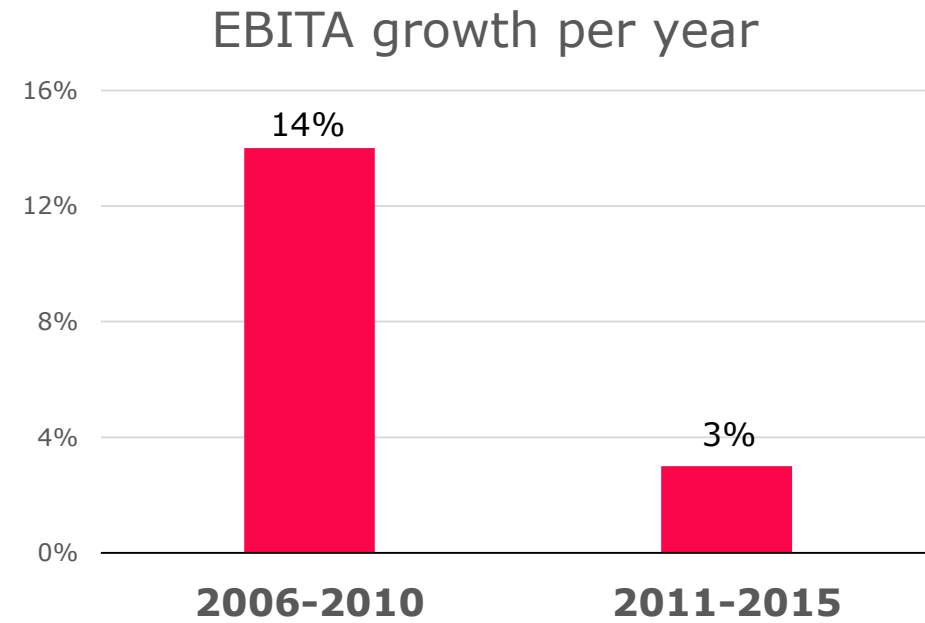
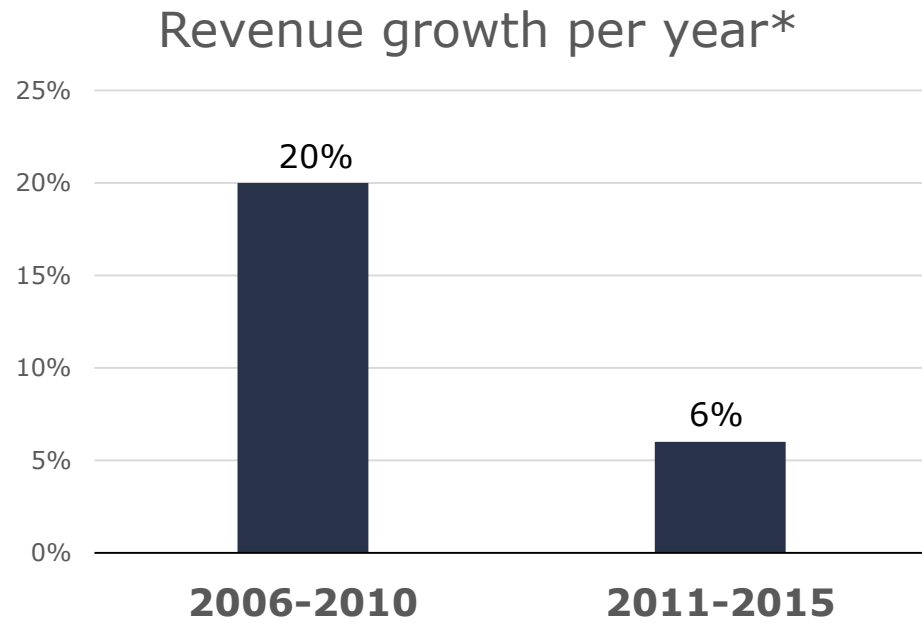
*Currency adjusted

Outlook 2016

Profit before tax is expected to be in line with the previous year



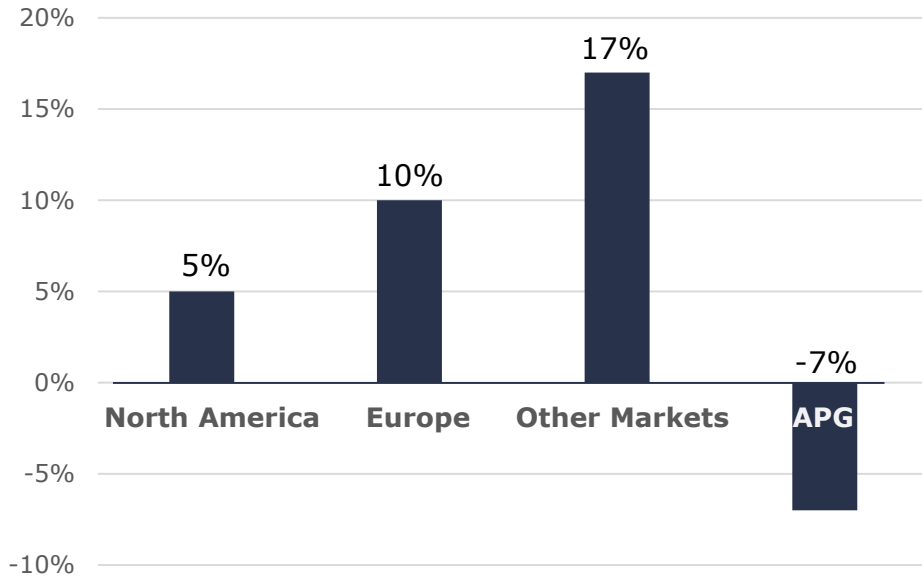
Long-term growth and profit in BTS



*Currency adjusted

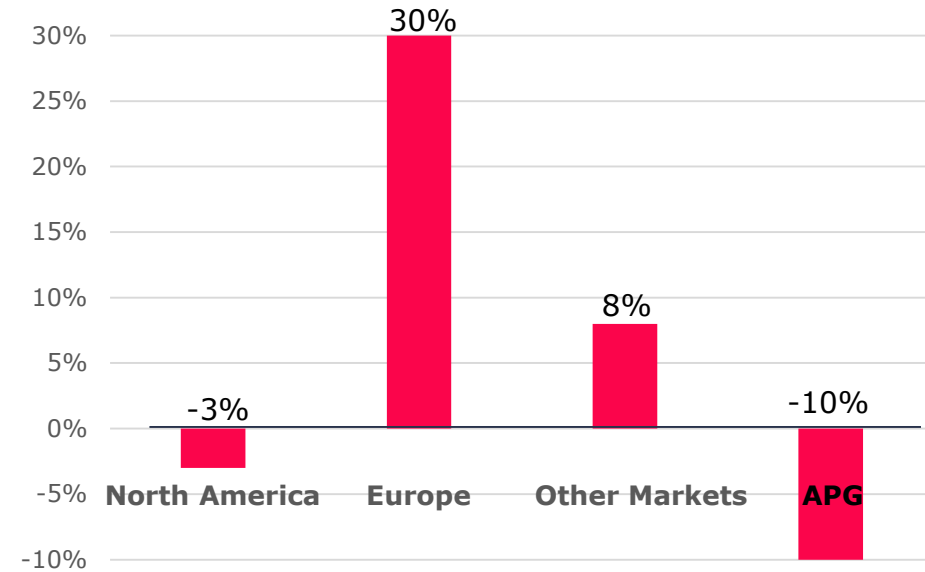
Operating unit performance 2011-2015

Revenue growth per year*



*Currency adjusted

EBITA growth in SEK per year



BTS USA – back to growth of revenues and profits

1. Grow revenue and share of wallet per account

- broader range of services
- stronger account management

2. Increasing efficiency

- billability
- project execution
- management & overhead costs



APG – back to growth of revenues and profits

1. Launch new solutions
2. Hire new partners
3. Enhance marketing
4. Increase operational efficiency



Looking ahead

Market drivers

- High demand for strategy alignment and transformation solutions, especially from industries undergoing rapid change
- Demand for global delivery of leadership development, e.g. within pharmaceutical, accounting and software industries. BTS is one of the few global players.
- Trend moving from competence to focus on behavior, where BTS has a strong offer based on its own point-of view of what defines great leadership



Superior business results and ROI sets BTS apart



Discovery-based learning



Broad range of innovative and practical solutions with proven, high impact



Global presence



Deep customization



Close and long standing customer relations

How we generate growth

1. Talent growth
2. Grow revenue and share of wallet per account
3. Innovation
 - Digital
 - Content
4. New geographies
5. Acquisitions

Average growth
over 10 years

14%

Acquisition strategy

1. Aims to strengthen and expand base for growth and service offering
2. Complementary solutions
3. Expand geographic reach
4. Focus on small to mid size businesses
5. Talent and culture fit

Company	Year	Country
Wizerize	2013	Denmark
Fenestra	2014	USA
AVO	2015	South Africa
Synergy Group	2015	Australia
Cesim	2016	Italy

How to reach our EBITA margin goal of 15%

1. Increase billability
2. More efficient project execution
3. Reduce management and overhead through better systems and processes
4. Increase license share through digital solutions
5. Optimize pricing
6. Reduce Digital Investments as % of revenue – currently peaking at over 3%



Thank you!

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