



# Capital Markets Day | Welcome & Introduction

**Jonathan Satchell**

Chief Executive, Learning Technologies Group

15<sup>th</sup> November 2018

# Capital Markets Day Agenda

Thursday 15th November - 09:30 - 12:00

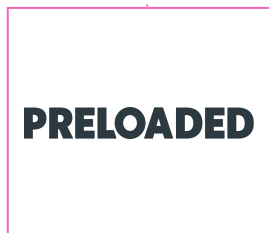
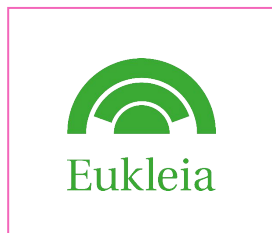
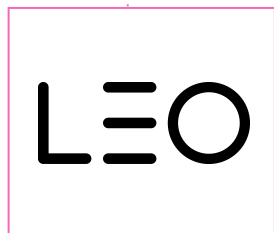
1

<b>Welcome &amp; Introduction</b>	<b>Jonathan Satchell</b> , Chief Executive
<b>Market overview and LTG group selling</b>	<b>Piers Lea</b> , Chief Strategy Officer
<b>Overview of PeopleFluent</b>	<b>Stephen Bruce</b> , Managing Director, PeopleFluent
<b>BREAK</b>	<b>ALL</b>
<b>Overview of Affirmity by video link</b>	<b>Jeffery Lewis &amp; Bruce Kile</b> , Joint MDs, Affirmity
<b>Innovation - leveraging LTG's capabilities</b>	<b>Tim Martin</b> , Chief Innovation & Product Officer
<b>Acquisitions &amp; Strategic Goals</b>	<b>Jonathan Satchell</b> , Chief Executive
<b>Q&amp;A</b>	<b>ALL</b>
<b>Closing remarks</b>	<b>Andrew Brode</b> , Chairman
<b>LUNCH</b>	<b>ALL</b>

# LTG: Creation of a compelling portfolio



## Content & Services (31%\*)



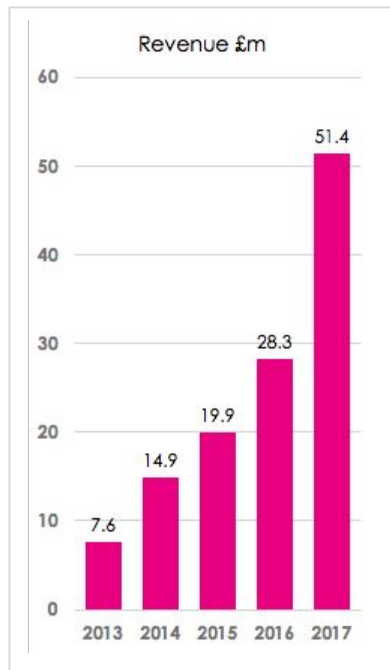
## Software & Platforms (69%\*)



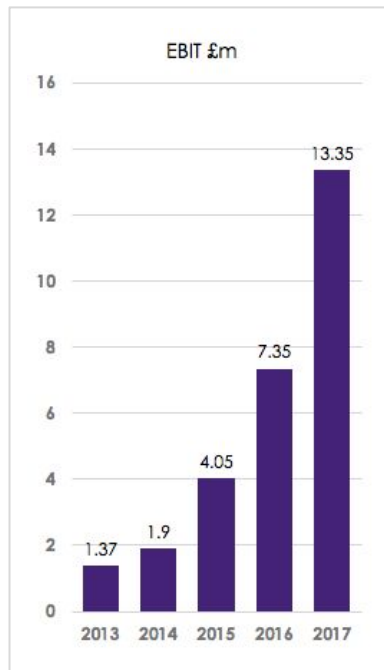
\* Based on approximate 2017 pro-forma revenues

# LTG: Delivering exceptional growth

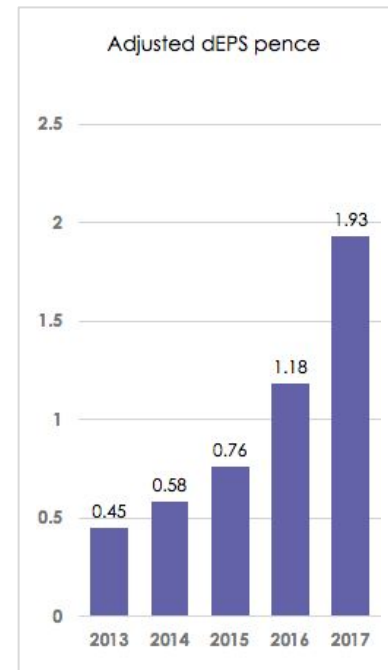
4 Year CAGR: **61%**
















4 Year CAGR: **77%**



4 Year CAGR: **44%**



# LTG's transformed and comprehensive platforms offering

		 affirmity	 VectorVMS		 Watershed	 Rustici Software
<b>Learning Management System (LMS)</b>	<b>Talent Acquisition, Talent Management, Compensation</b>	<b>Workforce Compliance &amp; Diversity</b>	<b>Vendor Management</b>	<b>eLearning Authoring, Hosting &amp; Distribution</b>	<b>Learning Analytics Platform (LAP)</b>	<b>eLearning Standards Experts</b>
<b>\$25m+</b> Pro forma Revenues*	<b>\$65m+</b> Pro forma Revenues*	<b>\$17m+</b> Pro forma Revenues*	<b>\$15m+</b> Pro forma Revenues*	<b>\$4m+</b> Pro forma Revenues*	<b>\$2m+</b> Pro forma Revenues*	<b>\$12m</b> Pro forma Revenues*
<b>400+</b> Clients	<b>40m+</b> LTM Recruiting Unique Visitors <b>\$130bn</b> Employee Compensation Managed	<b>~950</b> Customers	<b>175+</b> Customers	<b>~300</b> Customers	<b>114%</b> Annual Growth of Subscription Revenues	<b>200+</b> Vendor Clients
<b>5.8m+</b> Active Users	<b>25%</b> Share of US Affirmative Action Plans Produced	<b>\$4bn+</b> Annual Spend Managed	<b>6m+</b> Learner Sessions Per Annum	<b>225m+</b> learning experiences analyzed	<b>75+</b> Government Agencies	
  NetDimensions LMS	  PeopleFluent Talent Management		   gomo			

\* Based on approximate 2018 proforma revenues



# Capital Markets Day | Market Overview

**Piers Lea**

Chief Strategy Officer, LTG

15<sup>th</sup> November 2018

A panoramic view of the London skyline, including the Tower Bridge, the Gherkin, and the Shard, with a purple color overlay.

# 1. What market are we addressing?

# Learning *and* Talent

*“Putting the best people in the right roles becoming the best they can be”*



# Data-driven - Proof that Investment is Working



# Jobs Changing / Crucial Role of Learning

**By 2022 “...nearly 80% of organizational skills will have to be reprioritized or revisited because of digital business transformation.”**

- GARTNER

**“Scalable learning is the new reason for large organizations to exist.”**

- **John Hagel,**  
Founder, Deloitte Centre  
for the Edge

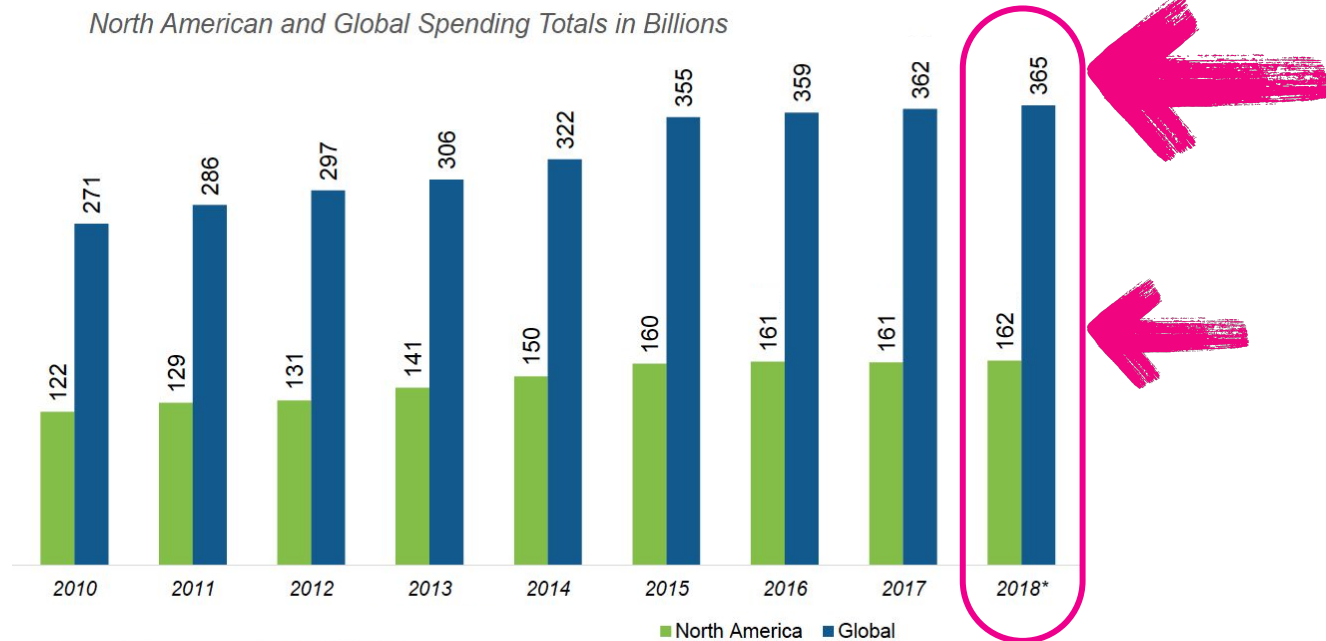




## 2. What is the size of the market?

# Global Market for Corporate Learning

North American and Global Spending Totals in Billions



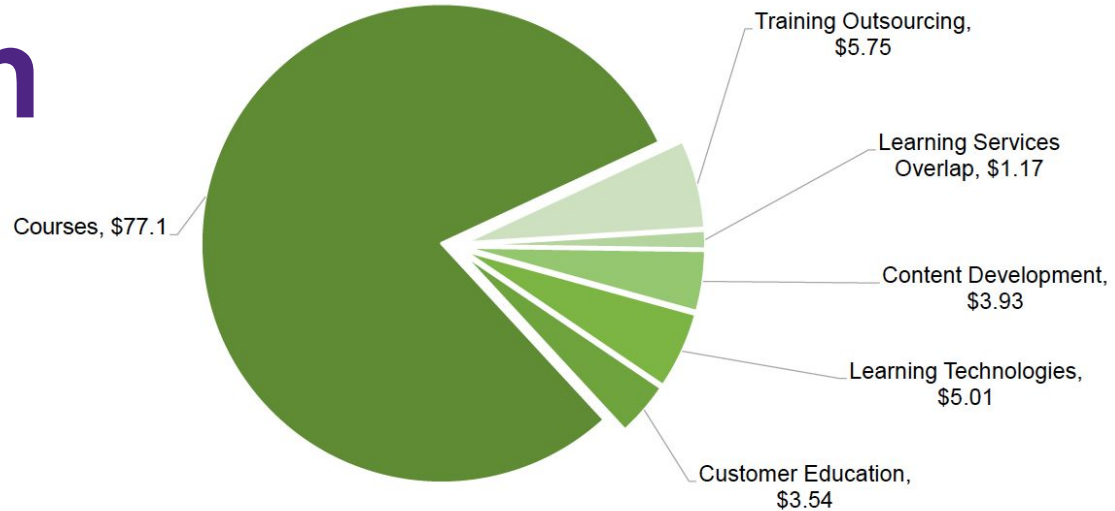
Source: Training Industry, Inc. Research Data  
\*2018 estimated totals

...in all modalities

# Externally Supplied Learning

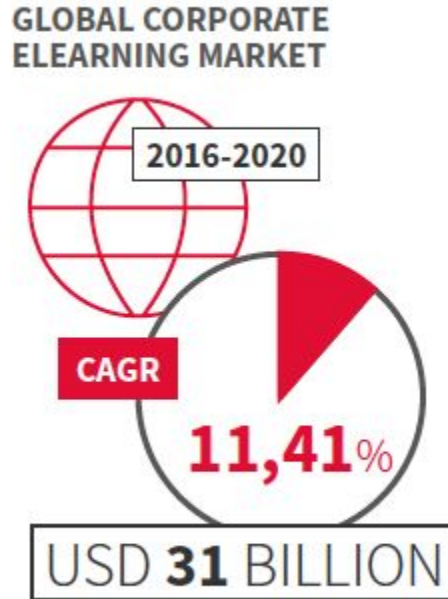
Global **external** spending all modalities:

# \$96.8bn



Source: Training Industry, Inc. Research Data  
Proprietary Information. Copyright © 2018, Training Industry, Inc.

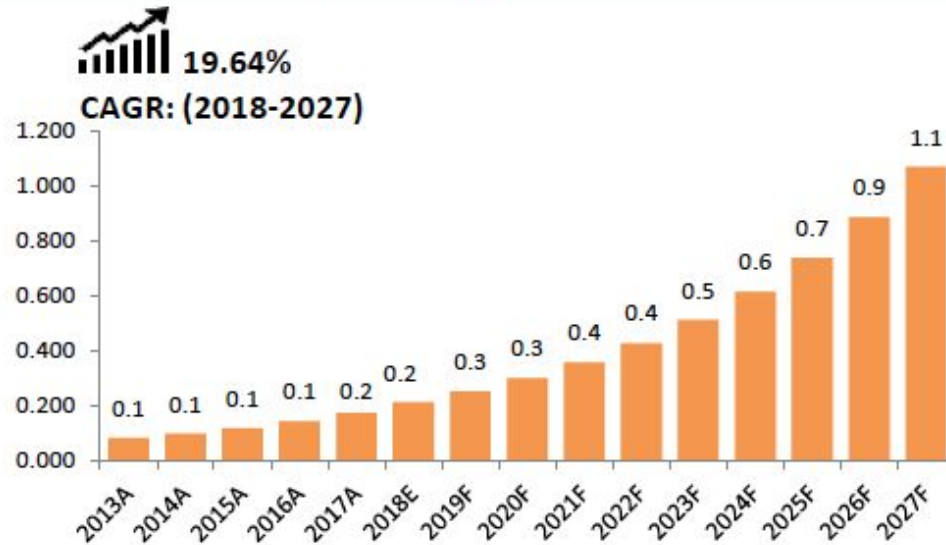
# Corporate E-learning Market



Source: Docebo "eLearning Trends for 2018" (citing Technavio "Global Corporate eLearning Market 2016-2020")

# One to Note...

Fig: 8-18 Global Learning Experience Platform(LXP) Market Size (USD Billion), 2013-2027



Source: Research Nester



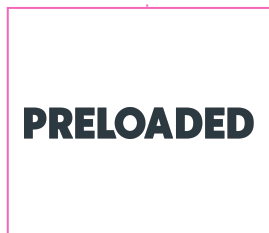
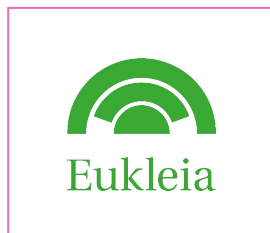
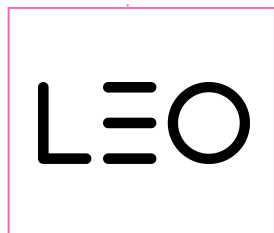
### 3. How are we approaching the market?



# Mix of Products and Services - USP



## Content & Services



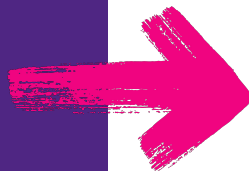
## Software & Platforms



# 'Partner for Success' Previously Rated Low

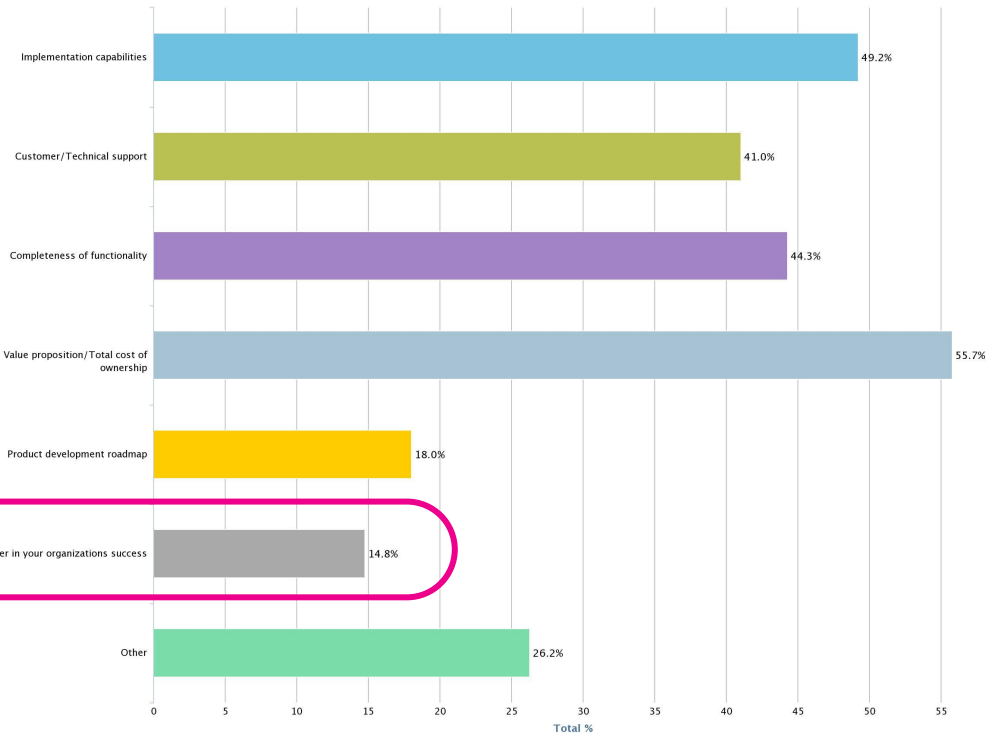
Reasons for  
choosing

CURRENT  
SYSTEM



DataNow®  
Powered by: Analytics  
August 7, 2018

HIGH CONSEQUENCE:  
Learning Management Tech 2018  
Please indicate the reasons for choosing current LMS provider(s). (n=61)



\* due to rounding, minor errors may occur in the number totals - Copyright: 2018 Brandon Hall Group, Inc

# 'Partner for Success' Now Highly Rated | Perfect for LTG

Reasons for  
choosing

FUTURE  
SYSTEM

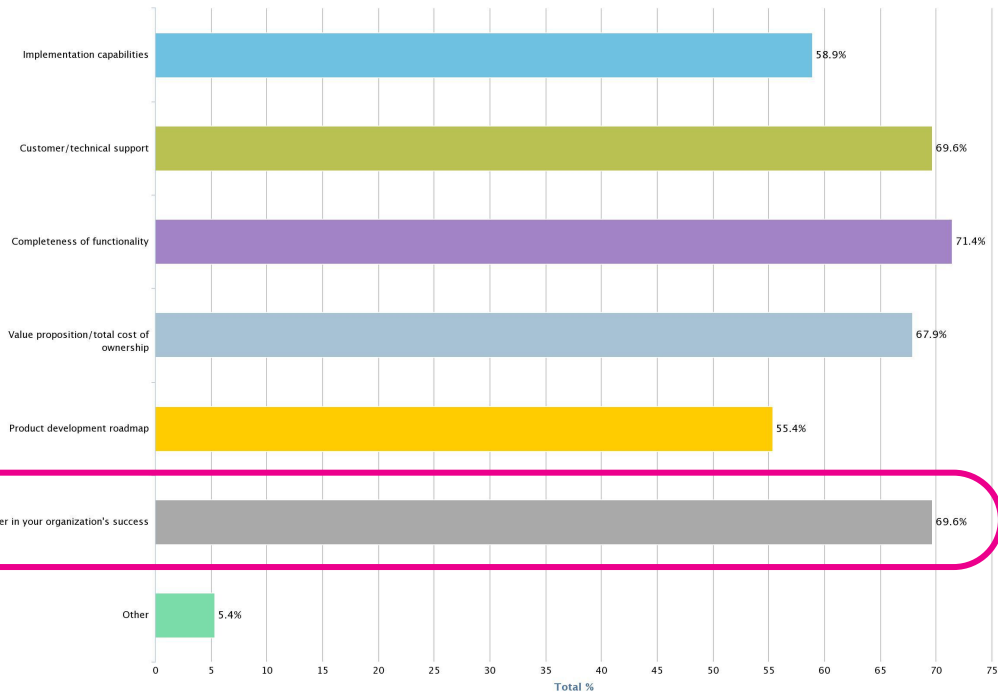
What are you looking  
to improve?



DataNow®  
Powered by: BRANDON HALL GROUP  
August 7, 2018

Learning Management Tech 2018  
What areas are you looking to improve with your next LMS provider? (n=56)

FILTER:  
Organization Size: Employees  
Mid-size: 500-4,999  
Large: 5,000+



\* due to rounding, minor errors may occur in the number totals - Copyright: 2018 Brandon Hall Group, Inc

A panoramic view of the London skyline at dusk, featuring the Tower Bridge on the left, the Gherkin, and other skyscrapers. The scene is overlaid with a purple gradient.

## 4. Do we have a particular focus?

# Focus

Finance

Pharmaceuticals

Healthcare

Telecoms

Utilities

Aerospace

## High Consequence

Chemicals

“Licence to Operate”

Manufacturing

Insurance

Banking

Energy

\*Industry analyst Brandon Hall defines 'High-Consequence Industries' as **Aerospace, Banking, Chemicals, Energy, Finance, Healthcare, Insurance, Manufacturing, Pharmaceuticals, Telecoms, Utilities**

# NetDimensions LMS

Rated #1 in the World for Compliance



**PeopleFluent**<sup>®</sup>  
Learning



Learning



NetDimensions LMS



gomo learning

# Rail Delivery Group

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National Rail



BRITAIN  
RUNS  
ON RAIL

Welcome, Vicky Pattison

SOUTHERN

- HOME
- LEARNING CENTRE
- CAREER CENTRE
- CONNECT
- REPORTS

## HOME

### MY PROGRESS

0  
✓ Completions

1  
🔄 In Process

16  
📌 Not Started

### MY QUICK LINKS



My L&D Records



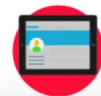
My Probation Review



L&D Catalogue



My Induction Checklist



### NEWS

**Train Driver - Route knowledge (Classroom Part 1) @ Arriva**  
Arriva is proud to announce its Route Knowledge (part 1) Course is now open to external operators.  
[Read more >](#)

**Train Driver - Route knowledge (Classroom Part 2) @ Arriva**  
Arriva is proud to announce its Route Knowledge (part 2) Course is now open to external operators.  
[Read more >](#)

### ENROLMENTS

**Train Driver - Rolling stock**  
Programme, Enrolled On 28-Jun-2018 12:20 BST  
⚠ Not Started  
[Launch](#)

Show Sub-Modules

**Train Driver - Infrastructure**  
Programme, Enrolled On 28-Jun-2018 12:19 BST  
⚠ Not Started  
[Launch](#)

Show Sub-Modules

# Driver Simulator

**PRELOADED**







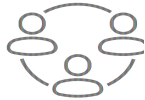
## 5. Are different parts of the group working together?



RESPONSIBILI



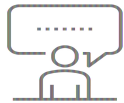
SAFETY



COLLABORATI



RESPECT



INTEGRITY



Scenarios



OIL COMPANY

# Strategy & Values

Use your phone camera to find out more



Poster campaign

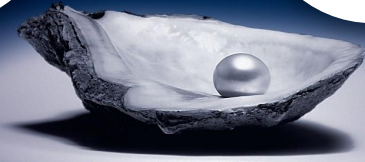
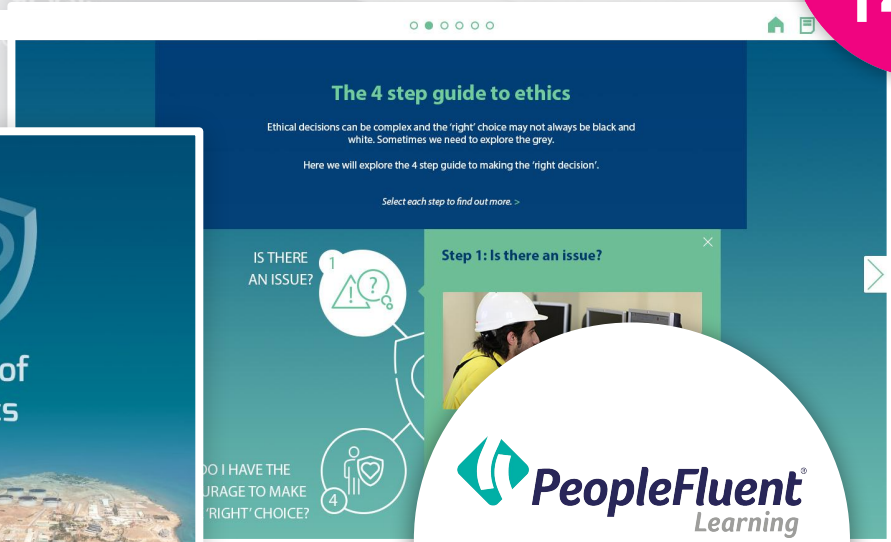
Digital flying classrooms

Brand assets

Gallery/ space for foyers

Digital learning





7 / 11

SAVINGS LANDSCAPE > DISCOVER MORE

### How our customers are protected

You've probably seen some of the news stories. When a large employer goes bust, it can mean bad press for pensions. Is this justified? What do you think happens to current and retired employees' pensions?

Select the correct option then Confirm.

- The government will make up any shortfall
- They have insurance to cover it
- The company CEO has to put money in
- It depends on the type of pension scheme you have

Confirm

1 / 11


SAVINGS LANDSCAPE > DISCOVER MORE

### Who wouldn't want to have a comfortable retirement?

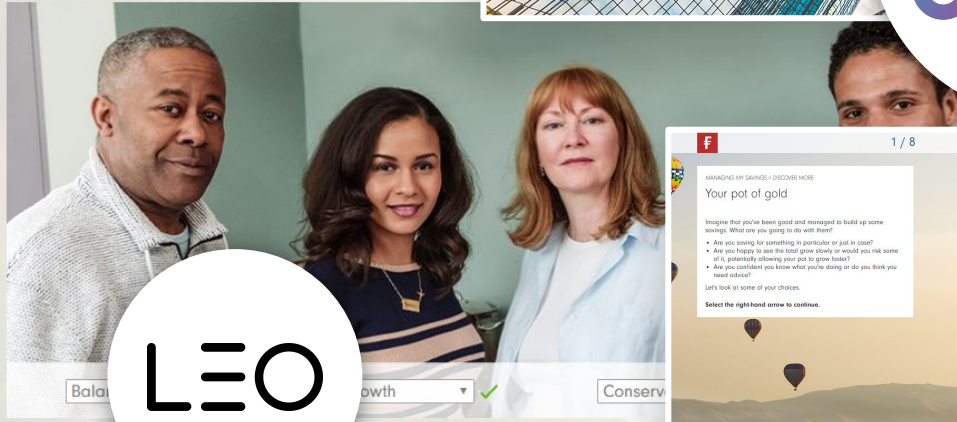
...that most of us look forward to a time in our lives when there are no more rules or deadlines that dictate how we live. Another retirement is a long way off or coming up. Decisions to be made about creating a confident future when we get to retirement.

Managing My Savings Completions vs. Resource Use

Life can get pretty complex though, can't it? There are so many events and decision points in life that we tend to do the things that are easy and avoid the ones that are hard. We will help you get comfortable with how Fidelity's solutions work with these decisions and events.




Based on what you know about the Williams family, which strat



1 / 8

MANAGING MY SAVINGS > DISCOVER MORE

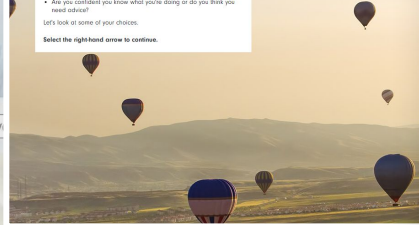
### Your pot of gold

Imagine that you've been good and managed to build up some savings. What are you going to do with them?


- Are you saving for something in particular or just in case?
- Are you happy to see the pot grow slowly or would you risk some of it, potentially allowing your pot to grow faster?
- Are you confident you know what you're doing or do you think you need advice?

Let's look at some of your choices.

Select the right-hand arrow to continue.



### Are our courses meeting NPS targets?



Line chart of measures organized by months.

MORE

### When do no-shows happen?

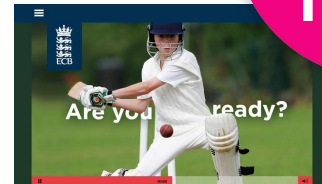
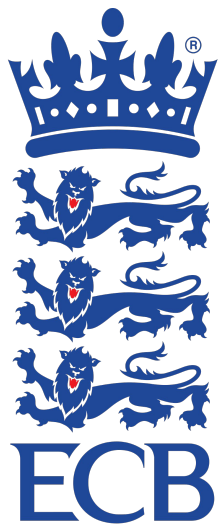


Bar chart of measures organized by days of the week.

MORE







- 1 Understanding the role
- 2 Recruiting coaches
- 3 Being an advocate
- 4 Representing your club
- 5 Unlocking potential

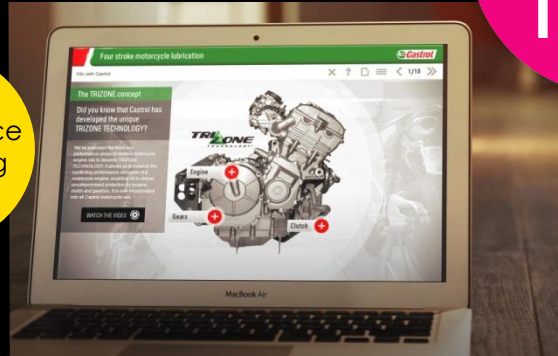




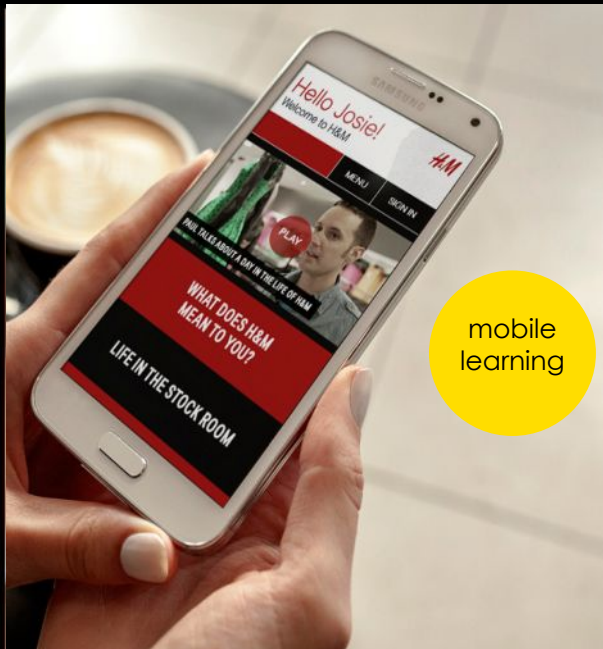
games & simulations



talent & performance



multi-device e-learning



mobile learning



videos & animations



learning comms & rollout



learning platforms

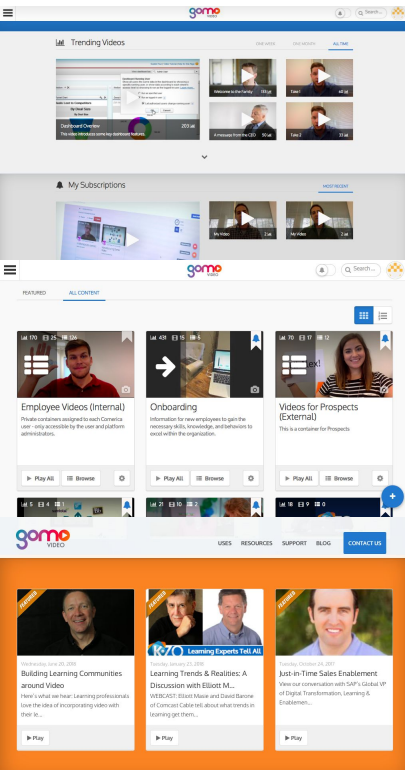


A panoramic view of the London skyline at dusk, featuring the Tower Bridge on the left, the Gherkin, and other modern skyscrapers. The scene is overlaid with a purple gradient.

## 6. Where are we innovating?



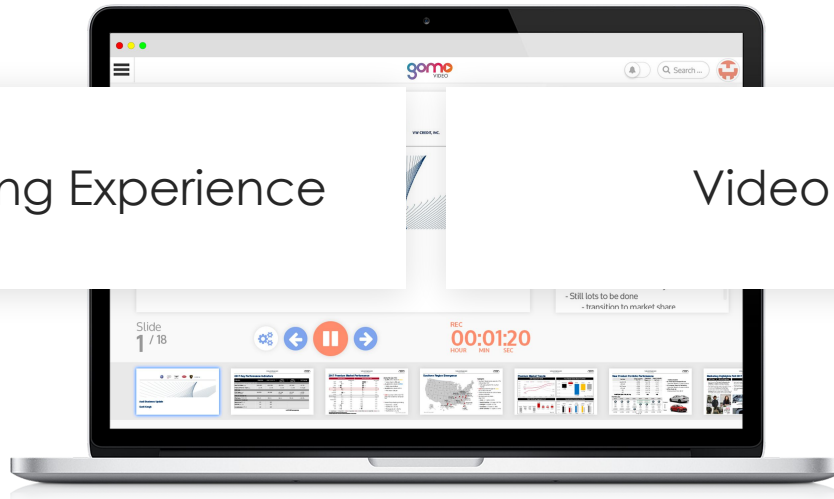
# Key Market Challenge - ENGAGEMENT



## Emerging Areas

Learning Experience

Video



# Key Takeaways

- **Market is large and growing**
- **Strong US presence**
- **Unique mix of products and services**
- **Market looking for “partners” - LTG is well positioned**
- **Group selling underway - exciting developments**
- **Great innovation to tackle market priorities - more later!**



**Thank you**



# Capital Markets Day | PeopleFluent

**Stephen Bruce**

Managing Director, PeopleFluent

15<sup>th</sup> November 2018

# Overview



A Leader in Talent and Learning

# Leader in Cloud-Based Talent and Learning Software

PeopleFluent helps HR and organizations

**recruit, develop  
reward, and advance**

their workforce to improve productivity  
and achieve business results

Serving the large enterprise market,  
our clients include

**notable blue-chip  
global organizations**

Combined NetDimensions and  
PeopleFluent revenue of

**US \$85 million**

excludes Affirmity and VectorVMS

**Strong, differentiated**  
value proposition



**PeopleFluent solutions meet the unique and modern talent and learning needs of Human Resources**

# Depth Across Product Areas

## Human Resources (CHRO)

Talent Acquisition

Organizational Development

Leadership Development

Compensation & Benefits

Learning & Compliance

## PeopleFluent Cloud Software

Recruiting and Onboarding

Performance Management

Succession Planning

Compensation Management

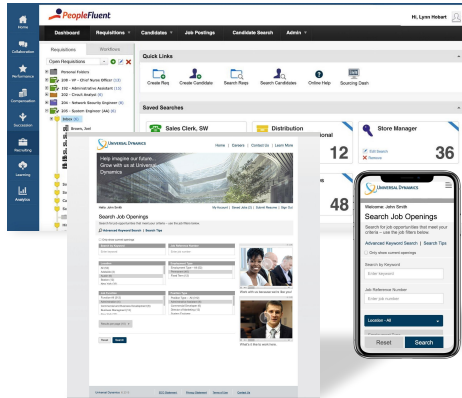
Learning Management



# Best-of-Breed Product Suites



Recruitment and Onboarding



Performance, Succession, Compensation



NetDimensions LMS



Deployed individually by module, as a set, or as part of an integrated talent management suite.

# New Opportunities as Part of LTG

## New product capabilities with NetDimensions

- Migration of Learning customers to NetDimensions LMS

## Increased investment in product development and innovation

- Significant product and engineering investment, improving the pace of new innovation and developing broader capabilities in user experience, platform extensibility, and digital/emerging technologies

## Value-added solutions of LTG portfolio and learning ecosystem

- Multi-channel bespoke learning, compliance, and training services
- Authoring, video, and gaming technologies
- Insights and learning analytics

# Building Upon Strengths and Market Leadership

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- Substantial benefits to be gained from LTG leadership, process/systems improvement, and cross-sell synergies with merger of NetDimensions and PeopleFluent and as part of LTG
- Organizational realignment, increasing product and engineering resources
- Renewed focus on market leading compensation and learning products
- Specialization in healthcare and other high-consequence industry segments
- Operational efficiencies resulting in EBIT margin improvement in 2019

# Growing Talent and Learning Software Market

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Cloud Talent Management market remains

**strong**

CAGR =

**9.4%**

## 2018-2019 Worldwide TM Market (US\$ Millions)

Products	2018	2019	CAGR
Recruiting	\$2,112	\$2,298	8.8%
Learning	\$1,305	\$1,428	9.4%
Performance	\$1,258	\$1,377	9.5%
Compensation	\$761	\$845	11.0%
<b>Total</b>	<b>\$5,436</b>	<b>\$5,948</b>	<b>9.4%</b>

Source: IDC Market Analysis Worldwide and U.S. Human Capital Management Applications Forecast by Lisa Rowan

# Key Takeaways

## Growth and margin expansion into 2020 based on:

- Growing cloud talent management software market
- Leadership in talent management and learning software with differentiation by
  - Enabling superior data-driven talent processes – improving how organizations attract, develop, and reward talent to drive productivity
  - Better HR outcomes through improved employee engagement across talent journeys
- NetDimensions LMS merger and LTG portfolio synergies
- Geographic sales expansion and partner synergies with learning and talent products

## Already seeing benefits from LTG integration

**PeopleFluent targeted to deliver EBIT margin of at least 25% in 2019**



**Thank you for your time**



*lt*g learning  
technologies  
group

Break



# Capital Markets Day | **Affirmity**

**Bruce Kile**

Co-Managing Director, Affirmity

**Jeffery D. Lewis**

Co-Managing Director, Affirmity

**15<sup>th</sup> November 2018**



# Affirmity Vision



## Vision

To be the leading global provider of software and services for affirmative action and global workforce compliance and diversity programs

# Business Overview

Affirmity is the largest vendor in the US affirmative action market, with 20% market share

Business began in  
**1975**

Affirmity brand launched  
**October 30, 2018**

[www.affirmity.com](http://www.affirmity.com)

Primary office in  
**Dallas (Irving) Texas**

Louisiana, Georgia, Florida, Virginia, North Carolina,  
New York, California

**62 employees**

(41 in professional services)

**\$17+ million revenue**  
**50% EBIT margin**

**2/3**  
service

**1/3**  
software

Powerful enterprise software and an experienced team of consultants

## 1.

### Statistical analysis and reporting for US federal contractors and subcontractors that must comply with US affirmative action regulations

- Annual reporting and management requirements
- Software, professional services, and training
- Currently has 20+% market share, with recent product launches to expand that share



## 2.

### Pay equity analysis and compliance

- Professional services
- Growing global opportunity – particularly in the UK
- 2019 focus for business expansion



## 3.

### Diversity analytics, benchmarks, and dashboards for all companies

- Software, professional services, and training
- Growing market opportunities in US and globally
  - Human Capital Media survey revealed that top challenge facing diversity managers is a “lack of accepted benchmarks”
- 2019 focus for Affirmity business expansion



# Diversity Insights Dashboards

Configurable

Consumable

Actionable

Diversity - Benchmark Progress Trend

XYZ Corporation

XYZ - XYZ Corporation

People of Color Year-to-Date Trend by Quarter - relative to 01/01/2018 workforce representation baseline (↑↓)

Band	Baseline	2018 Q1	2018 Q2	2018 Q3	2018 Q4
A - 0-100	●	↑	↑	↑	↑
B - 101-200	●	↓	↓	↓	↓
C - 201-300	●	↓	↓	↓	↓
D - 301-400	●	↑	↓	↑	↓
E - 401-500	●	↑	↓	↓	↓
F - 501-600	●	↑	↑	↓	↓
G - 601-700	●	↑	↑	↑	↑

**People of Color Representation vs. Benchmark:**

- At or above benchmark
- Below benchmark and <1 person difference
- Below benchmark

**Year-to-Date Progress vs. Benchmark:**

- ↑ Progress
- No Change
- ↓ Decline

# Focus on Affirmity's Success

- LTG recognized the value and potential of Peoplefluent's Workforce Compliance and Diversity Division
- July 8 strategic decision to spin the division out as a standalone business to unleash global growth and better serve existing clients
- October 30 new brand launched, with excellent feedback from our clients
- LTG team delivered outstanding support and creative direction for the brand launch
- Affirmity team excitement and positive attitude continues to grow

# Key Takeaways

- **Affirmity brand launched successfully**
- **We are well positioned for the growing focus on equality and diversity in the global workforce**
- **Our products and services are at the forefront of this growing market opportunity**
- **We plan to leverage cross-sell opportunities into other LTG company clients**





**Thank you for your time**

# Capital Markets Day | Innovation

**Tim Martin**

Chief Innovation and Product Officer, LTG

15<sup>th</sup> November 2018

# Four Companies

**gomo**  
LEARNING

**Rustici**  
Software

**gr219**  
VIDEO

**W**atershed

# Four Problems

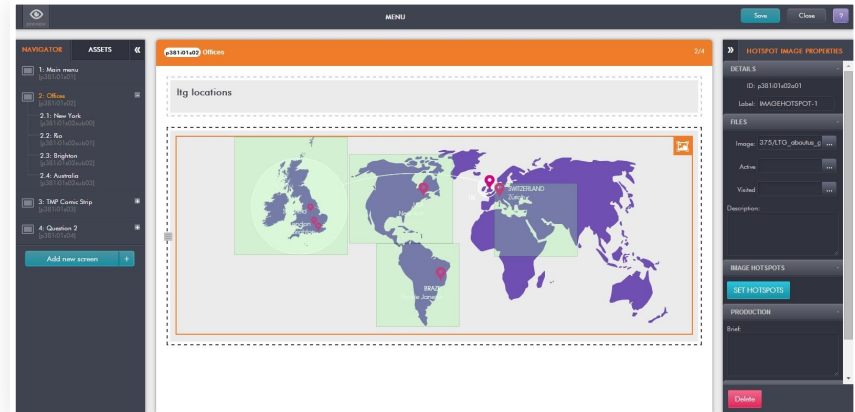
**Creation**

**Distribution**

**Delivery**

**Analytics**

# Creation



# Creation & Delivery





# Delivery & Distribution



***“[Content Controller] helps us understand and protect our content and its usage and allows the frequent and consistent updates required by our industry and customers.”***

- Dan deBeaubien, Director, SANS Institute





# Analytics



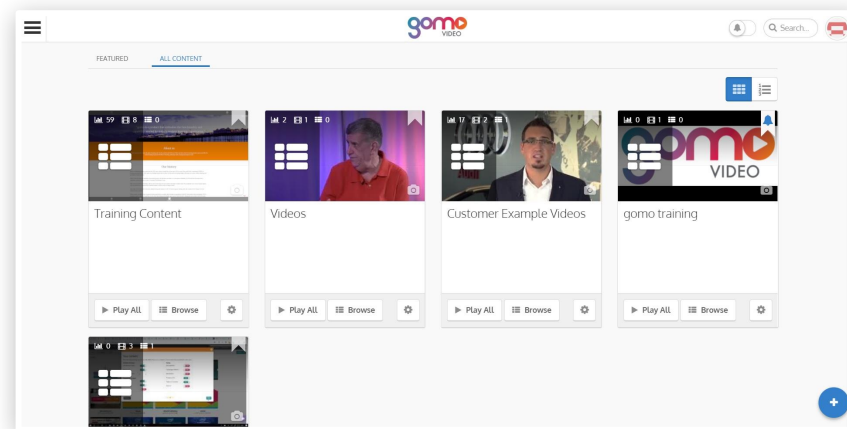
Watershed



# Delivery

***“Simply explained, the LXP is a place employees go to learn... It curates and recommends content based on your role, experience, goals and interests; it lets employees publish and share content they find useful; and it uses data, AI and machine intelligence to recommend, nudge, and push content to people based on the skills they want (or need) to develop.”***

- Josh Bersin, Industry Analyst



# Key Takeaways

- **Well-positioned businesses**
- **Watershed acquisition - timely and important**
- **Rustici Software - a new venue for selling other technology**
- **Learning Experience Platform (LXP) - a recent product category and new opportunity for LTG**



**Thank you for your time**



# Capital Markets Day | Acquisitions & Strategic Goals

**Jonathan Satchell**

Chief Executive, Learning Technologies Group

15<sup>th</sup> November 2018

# LTG's acquisition formula

- Acquire fast-growing businesses with high-quality leadership
- Willing and able to take on underperforming software businesses to revive and return to growth
- Always improve the operating model and hence EBIT margin
- Integration with LTG's core capabilities is crucial to supporting growth
- Relentless concentration on cost base, utilisation, gross margins

# Support systems: Scaling for growth

FUNCTION	LEGACY SYSTEMS		NEW SYSTEM	MIGRATION
HR Management	Sage, ADP, local providers	➔	ADP	Q4 2018
Purchasing	Manual, NetSuite, Intact	➔	TBC	H1 2019
Travel and expenses	Manual, Concur, Intact	➔	TBC	H1 2019
Project management	Hive, Traffic, Harvest	➔	TBC	H1 2019
Finance	Access, Sage, NetSuite	➔	TBC	H1 2019
Sales	Salesforce (multiple)	➔	Salesforce	Q4 2018
Marketing	Pardot, Marketo	➔	Pardot	Q4 2018
Support	Freshdesk, Zendesk, Salesforce	➔	Zendesk	Q1 2019
Communication	Outlook, Gmail	➔	Gmail	Q3 2018
Other	Various	➔	Egnyte, Confluence	H2 2018

# Active rationalisation of property portfolio

UK		US		ROW	
London – Cannon Street	×	New York	×	Rio de Janeiro	—
London – Finsbury Park	—	Nashville	—	São Paulo	—
London – Fetter Lane	▲	Waltham	▼	Hong Kong	▼
Brighton	—	Raleigh	—		
Sheffield	—	Atlanta	×		
		New Orleans	×		
		Irving, Texas	▼		
		Bloomington	×		
		Rocky Hill	×		
		Reston, VA	×		

×	Closed
—	Retained
▲	Increased
▼	Reduced
■	Pending



# New Strategic Objective for 2021

## Previous financial goals:

- **2018:** Revenue of £50m and £10m EBITDA (set in November 2013)
  - Achieved in 2017
- **2020:** Revenue of £100m and £25m EBIT on run-rate basis by end of year (set in October 2017)
  - Achieved in 2018 following acquisition of PeopleFluent

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## LTG today announces new 2021 financial target:

- to double **run-rate revenues to c£200m**
- to double **run-rate EBIT to at least £55m**

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## Assumptions:

- Acquisitions and R&D to be financed through internally generated operating cash flows and prudent debt financing
- Minimal dilution to shareholders
- 2021 Plan excludes acquisitions of scale that require significant shareholder financing

## Comprehensive/Integrators

Insights, information and tools for the business of learning TrainingIndustry.com



Q&A



## Capital Markets Day | Closing Remarks

**Andrew Brode**

Chairman, Learning Technologies Group

15<sup>th</sup> November 2018



Thank you