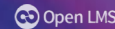
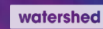




# Capital Markets Day

OCTOBER 2022





# Capital Markets Day | Welcome

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**Jonathan Satchell**

Chief Executive Officer, Learning Technologies Group

October 2022

# Agenda

- 12:00 - 13:00** — **Registration & lunch**
- 13:00 - 13:15** — **Welcome**  
Jonathan Satchell, Chief Executive Officer, LTG plc
- 13:15 - 13:50** — **Addressing the gap in the marketplace**  
Dr. Karie Willyerd, Chief Customer Strategy Officer, LTG plc  
Piers Lea, Chief Strategy Officer, LTG plc  
Russ Becker, Chief Revenue Officer, GP Strategies  
Adam Stedham, Chief Executive Officer, GP Strategies
- 13:50 - 14:00** — **Q&A**
- 14:00 - 14:15** — **Break**
- 14:15 - 15:10** — **How LTG can provide solutions to fill the gap**  
Tammy Rutherford, Managing Director, Rustici Software  
David Ellis, Managing Director, Watershed (video)  
Peter Brussard, Managing Director, Bridge  
Phil Stuart, Executive Creative Director, PRELOADED
- 15:10 - 15:30** — **Strategic targets & conclusion**  
Kath Kearney-Croft, Chief Financial Officer, LTG plc  
Jonathan Satchell, Chief Executive Officer, LTG plc
- 15:30 - 15:45** — **Q&A**
- 15:45** — **Drinks & canapés**

# 2025 Strategic **targets**

- Revenue **£850 million (run-rate)**
  - Organic growth in line with medium-term targets (S&P 7%, C&S 4%)
  - Inorganic growth primarily focused on Software & Platforms funded through internally generated cash and debt
- Adjusted EBIT: **£175 million (run-rate)**
- Net debt / EBITDA **1-1.25x**





# Capital Markets Day | Introduction

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**Dr. Karie Willyerd**

Chief Customer Strategy Officer, Learning Technologies Group

October 2022

# Organisations are facing **unprecedented challenges...**

Business  
disruption



Generational  
shifts



Rapid pace of  
change



Hybrid  
working  
environment



Market  
growth and  
globalisation



New and  
disruptive  
technologies



Organisational  
complexity and  
confusion



Learning and  
talent solutions  
that don't  
deliver impact



Workforce skill  
gaps, difficulty  
recruiting talent



Importance to  
employees of  
development



Employee  
attrition

# People development is **a priority because...**

They choose where to work based on learning opportunities



**Brandon Carson,**

Vice President, Learning  
and Leadership at  
Walmart



**Jenny Dearborn,**

Chief People Officer,  
Board Member, Advisor  
& Author



**Art Mirrow,**

Director, Customer  
Training at Google Cloud



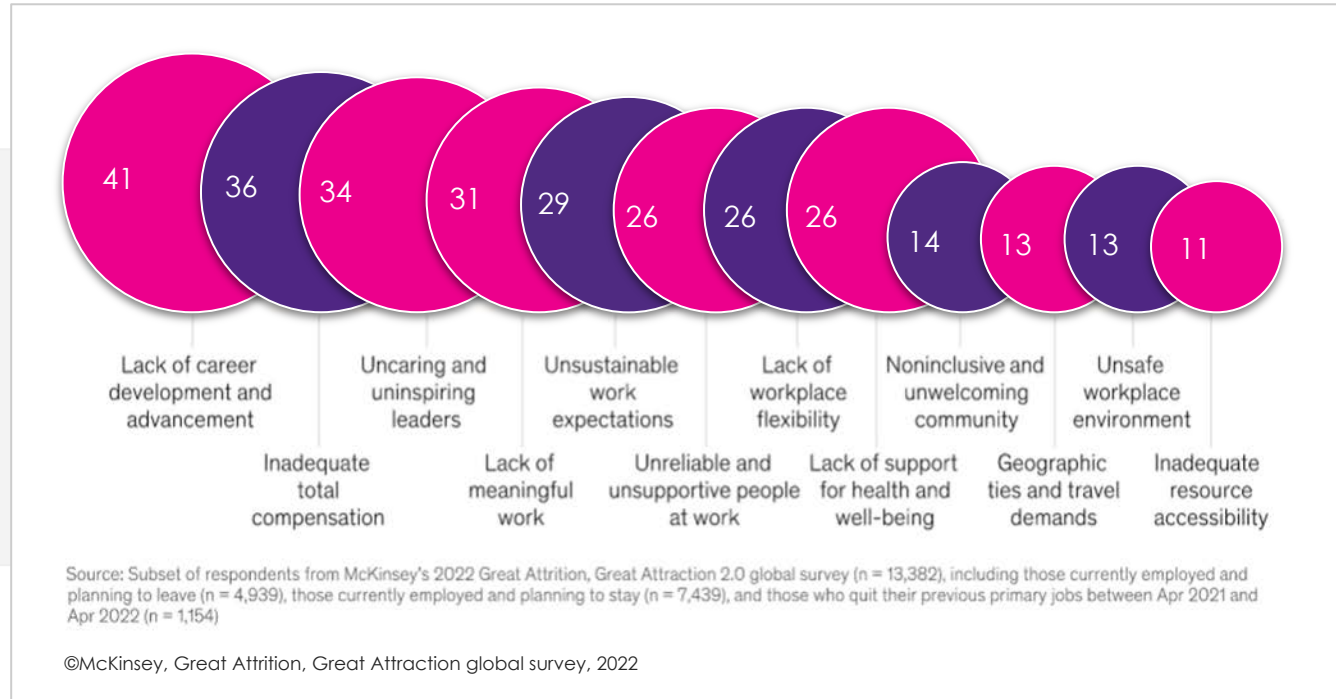
**Gordon Trujillo,**

Head of Learning &  
Development at DaVita

# People development is **a priority because...**

They choose whether to stay based on learning opportunities

**Top reason for quitting in 2022:**  
Lack of career development and advancement





## Future of work

“ **80%** *of organizational skills will have to be reprioritized or revisited because of digital business transformation by 2024*”

Gartner

“ **101** *extra days of learning needed over the next four years— or 25 more training days each year.*”

World Economic Forum

“ **82%** *of executives see reskilling as critical to business success*”

McKinsey Global Institute



## What CLOs say they need to address these challenges:

- Modern, engaging employee experiences at scale
- Comprehensive, integrated skills development solutions
- One-stop shopping with one contract
- Measurement of impact and value



# Capital Markets Day | **Go To Market**

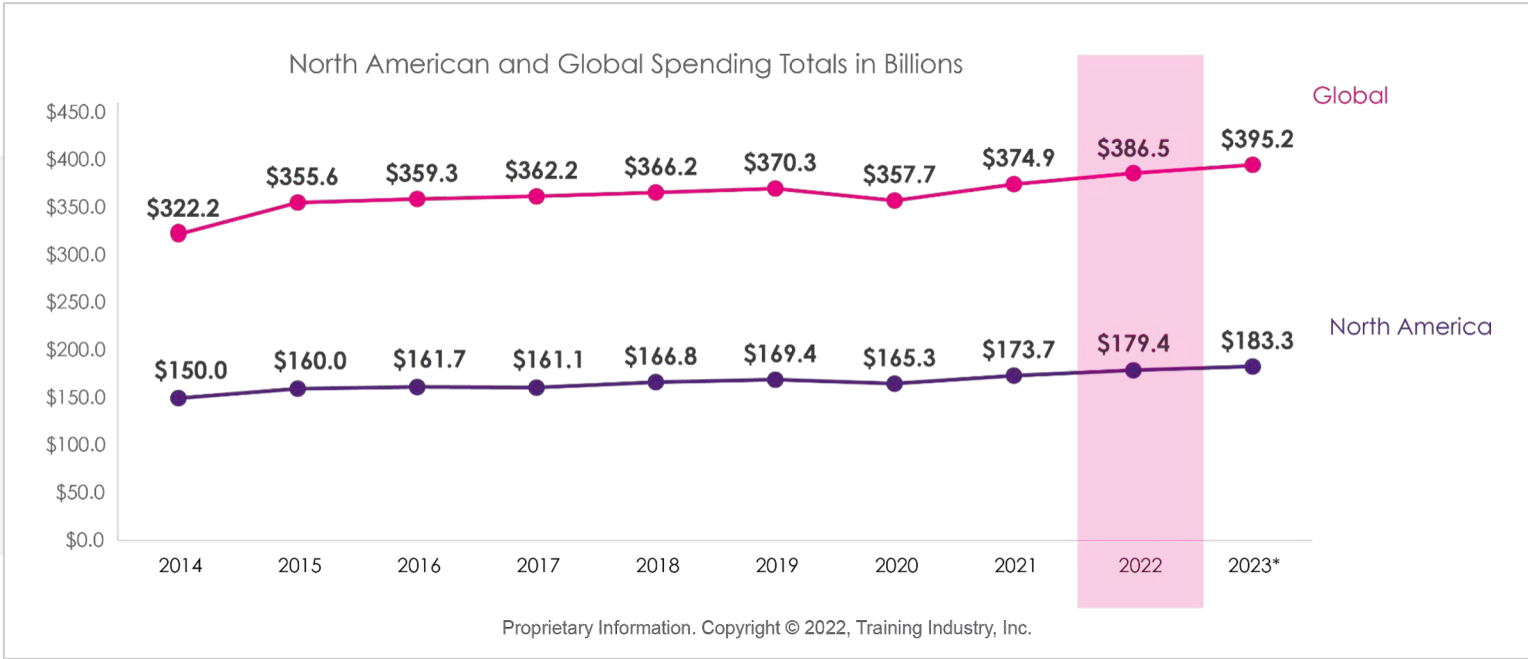
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**Piers Lea**

Chief Strategy Officer, Learning Technologies Group

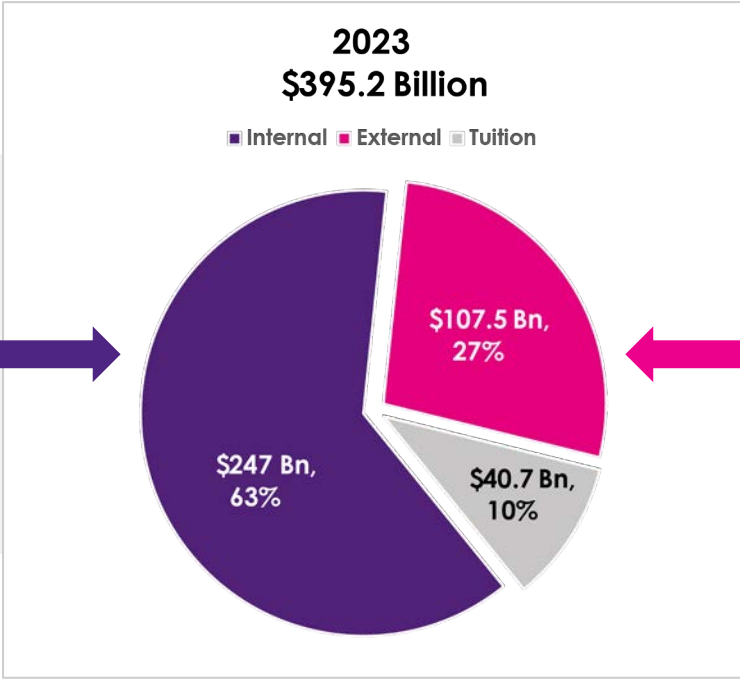
**October 2022**

# The market



The total market is large and growing  
CAGR 3.4% since 2020

# The market



... and part of this 'internal' segment where clients want further managed learning services

Our addressable market is this 'external' segment **\$107 Bn**

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Our new Go To Market is created through the combination of leading organisations that have defined the standard in **performance**, **learning services** and **talent technology**.

Now providing an integrated solution to talent transformation.

GTM **master brand** for the combination is going to be...





# Our integrated story

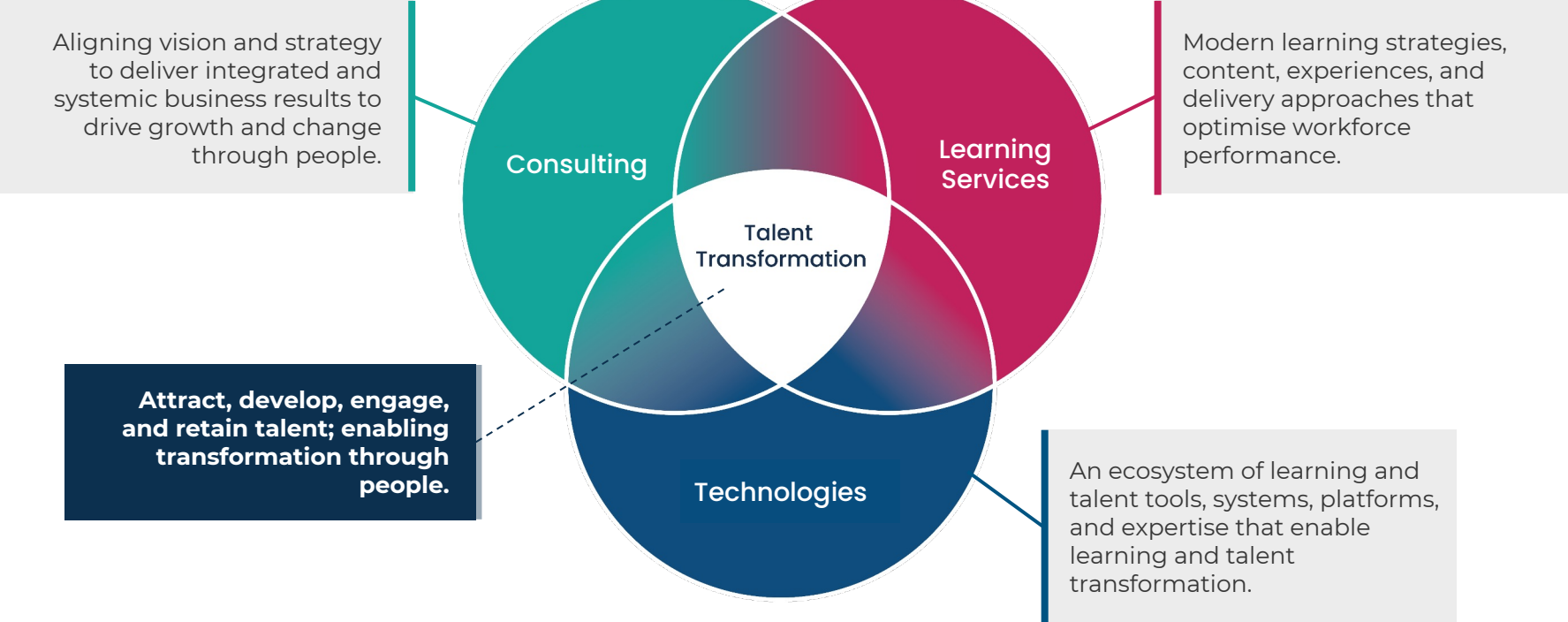
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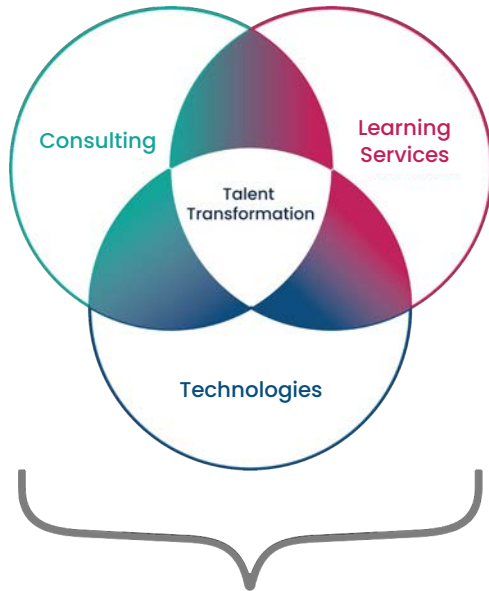


We help organisations **transform**  
through their people.

# Our **unique value** is in the **intersection** of these areas




# Our **unique value** is in the **intersection** of these areas



All available via a single Managed Learning Services contract

Consulting	Learning Services	Technologies
<ul style="list-style-type: none"><li>• Organisational Performance Strategy</li><li>• Talent Strategy</li><li>• Organisational Design</li><li>• L&amp;D Transformation</li><li>• Strategic Learning Consulting</li><li>• Learning Technology Consulting</li><li>• Measurement &amp; Analytics Consulting</li><li>• Change Management</li></ul>	<ul style="list-style-type: none"><li>• Managed Learning Services</li><li>• Learning Experience Design</li><li>• Immersive &amp; XR</li><li>• Learning Experience Delivery</li><li>• Leadership Development</li><li>• Diversity, Equity, &amp; Inclusion</li><li>• Sales Training</li><li>• Technical Training</li><li>• Technology Implementation &amp; Adoption</li></ul>	<ul style="list-style-type: none"><li>• Talent Acquisition</li><li>• Onboarding</li><li>• Authoring</li><li>• Learning &amp; Performance</li><li>• Talent Management</li><li>• Succession</li><li>• Talent Mobility</li><li>• Compensation</li><li>• Diversity, Equity, &amp; Inclusion</li><li>• Learning Analytics</li></ul>

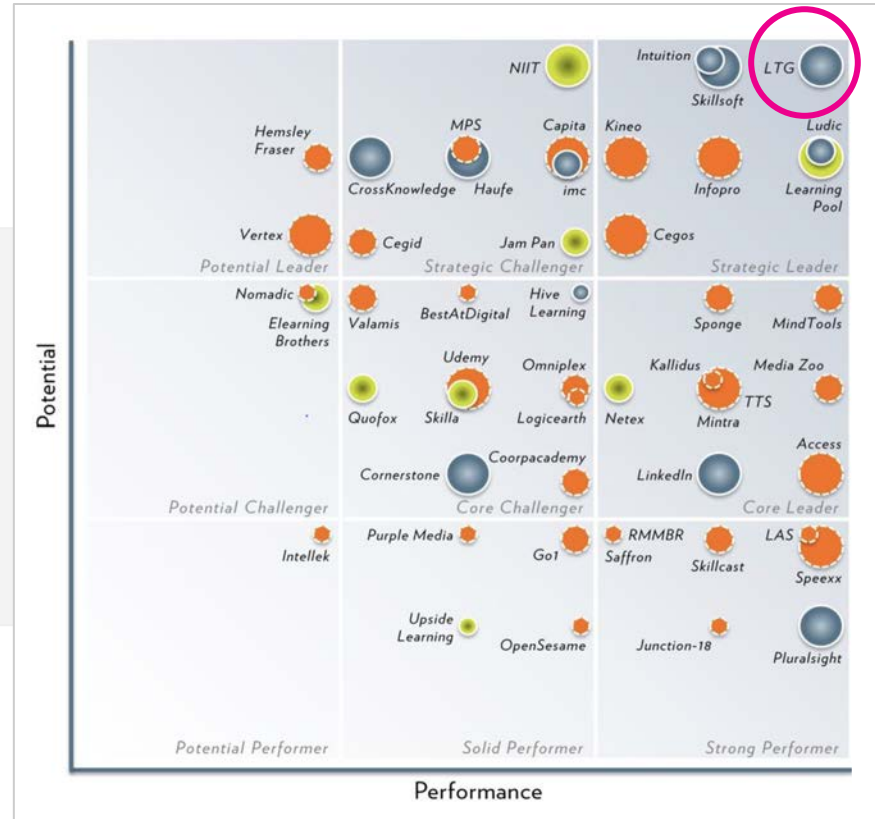
# LTG recognised as a leader



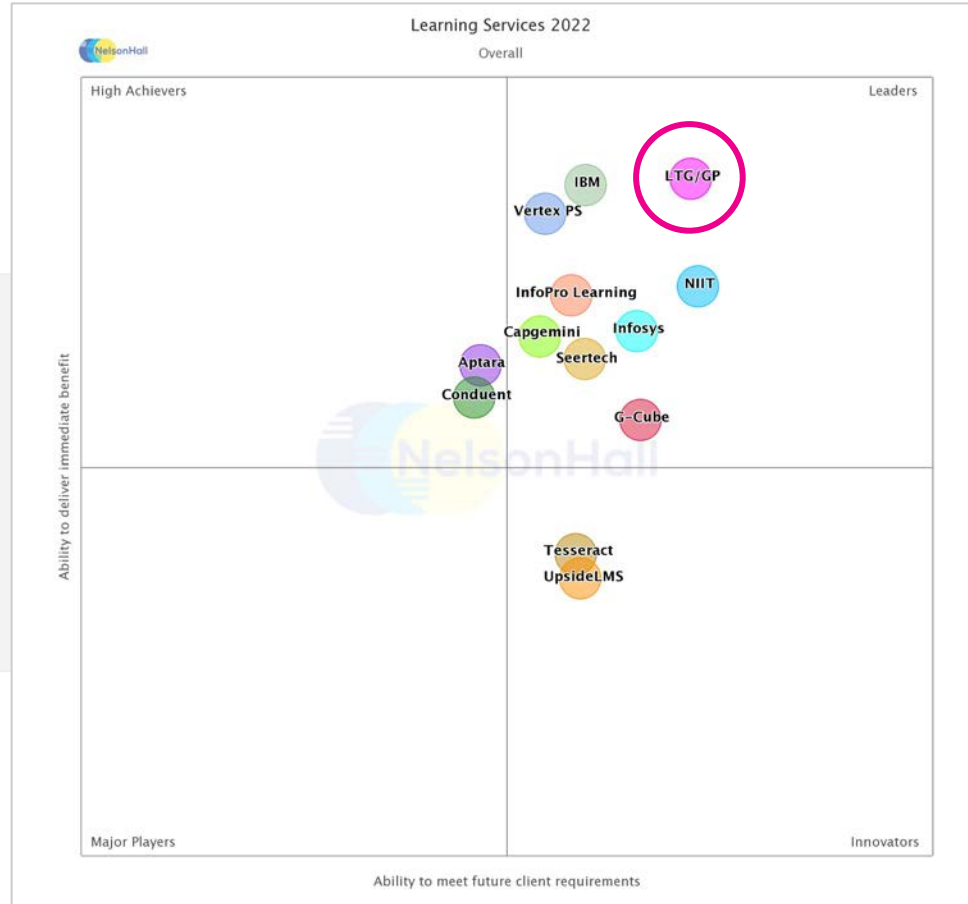
**FOSWAY GROUP 2022**  
**Strategic Leader**  
*9-Grid™ for Digital Learning*

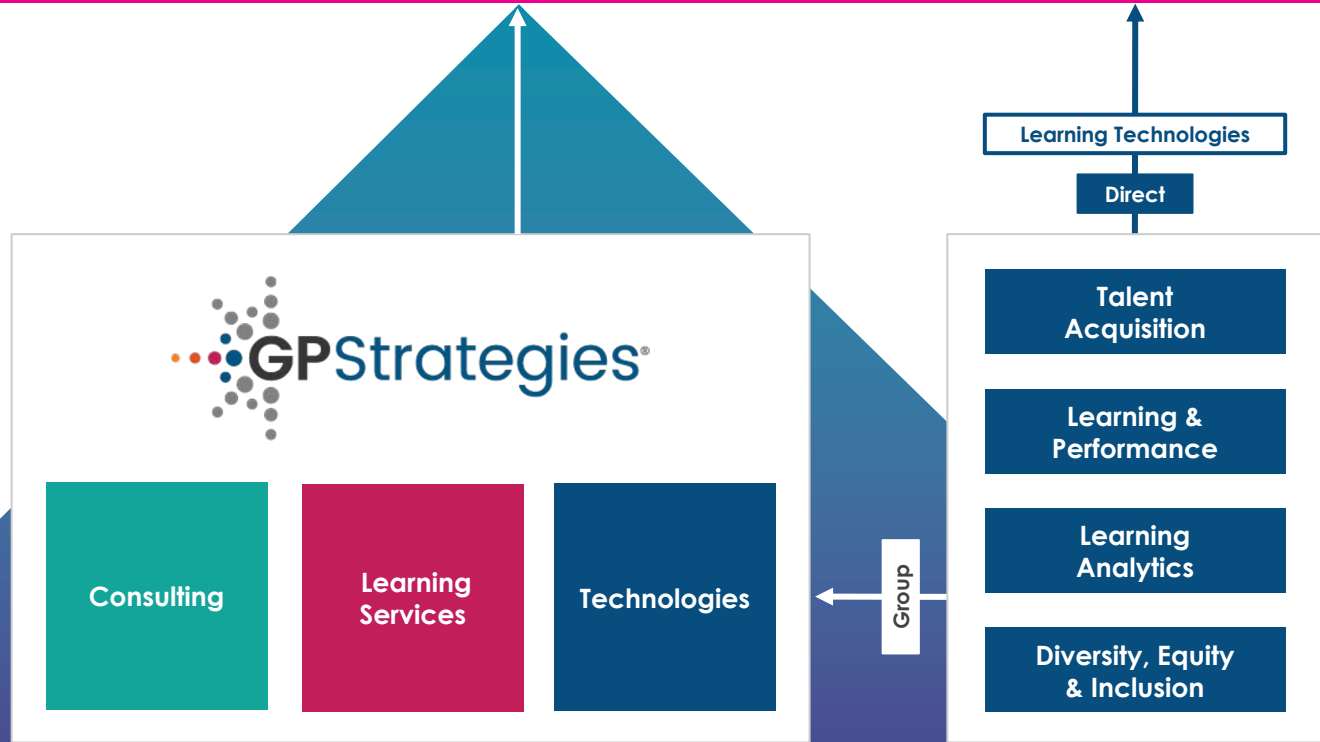
<u>Presence</u>		<u>Total Cost of Ownership</u>	
Higher		Higher	
Mid		Mid	
Lower		Lower	

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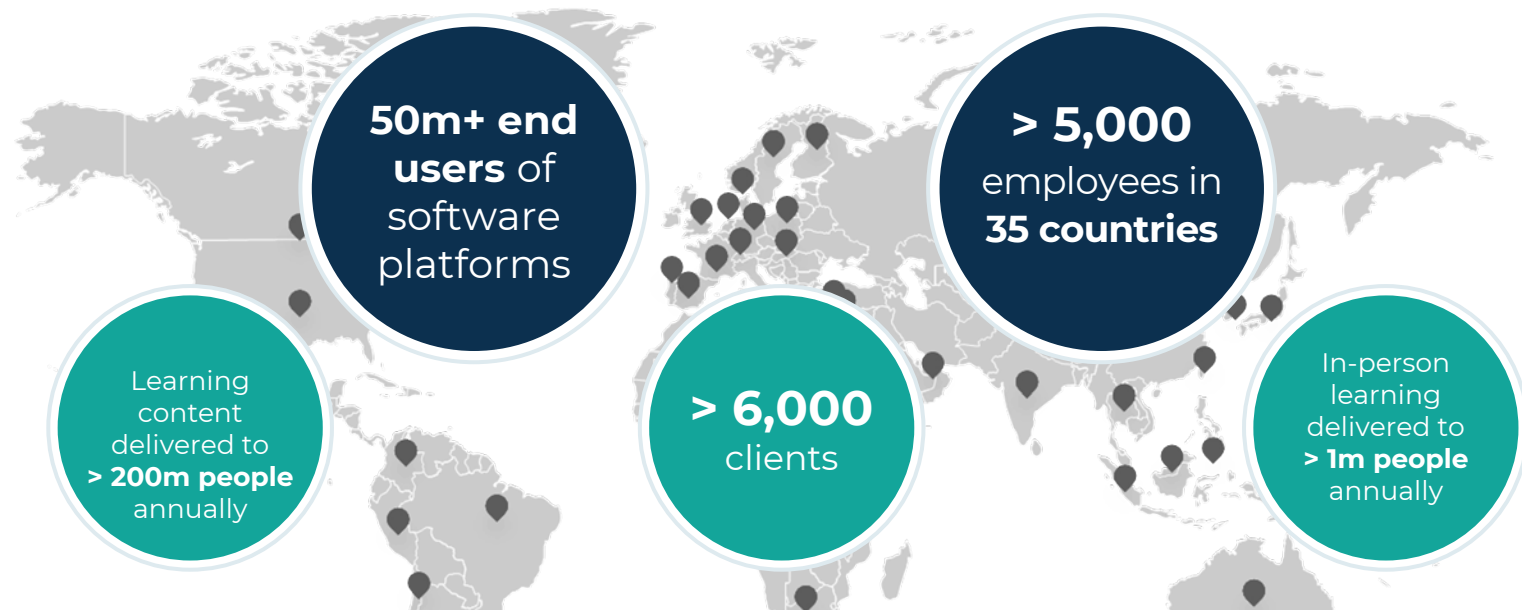


# LTG recognised as a leader





# We have unparalleled global reach and scale



LTG product family and partner technologies



# Capital Markets Day | Driving growth

**Adam Stedham**

Chief Executive Officer, GP Strategies

**Russ Becker**

Chief Revenue Officer, GP Strategies

October 2022



# Deep client relationships are the **foundation for growth** and our **ability to cross-sell**

## Top 15 Clients

93%

We are delivering  
more than one  
service

16  
Years

Average  
tenure

Represent  
50%

of our  
2021 revenue

## Top 50 Clients

60%

We are delivering  
more than one  
service

Represent  
75%

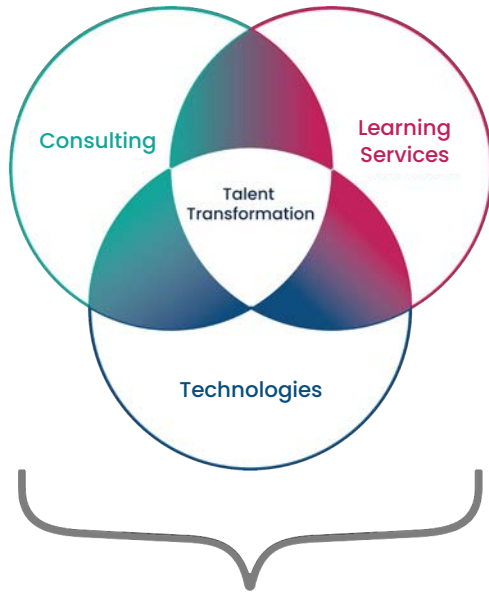
of our  
2021  
revenue

## New & Emerging Clients

5+

New multi-year  
clients signed this  
year that will rise to  
Top 50 status in 2023

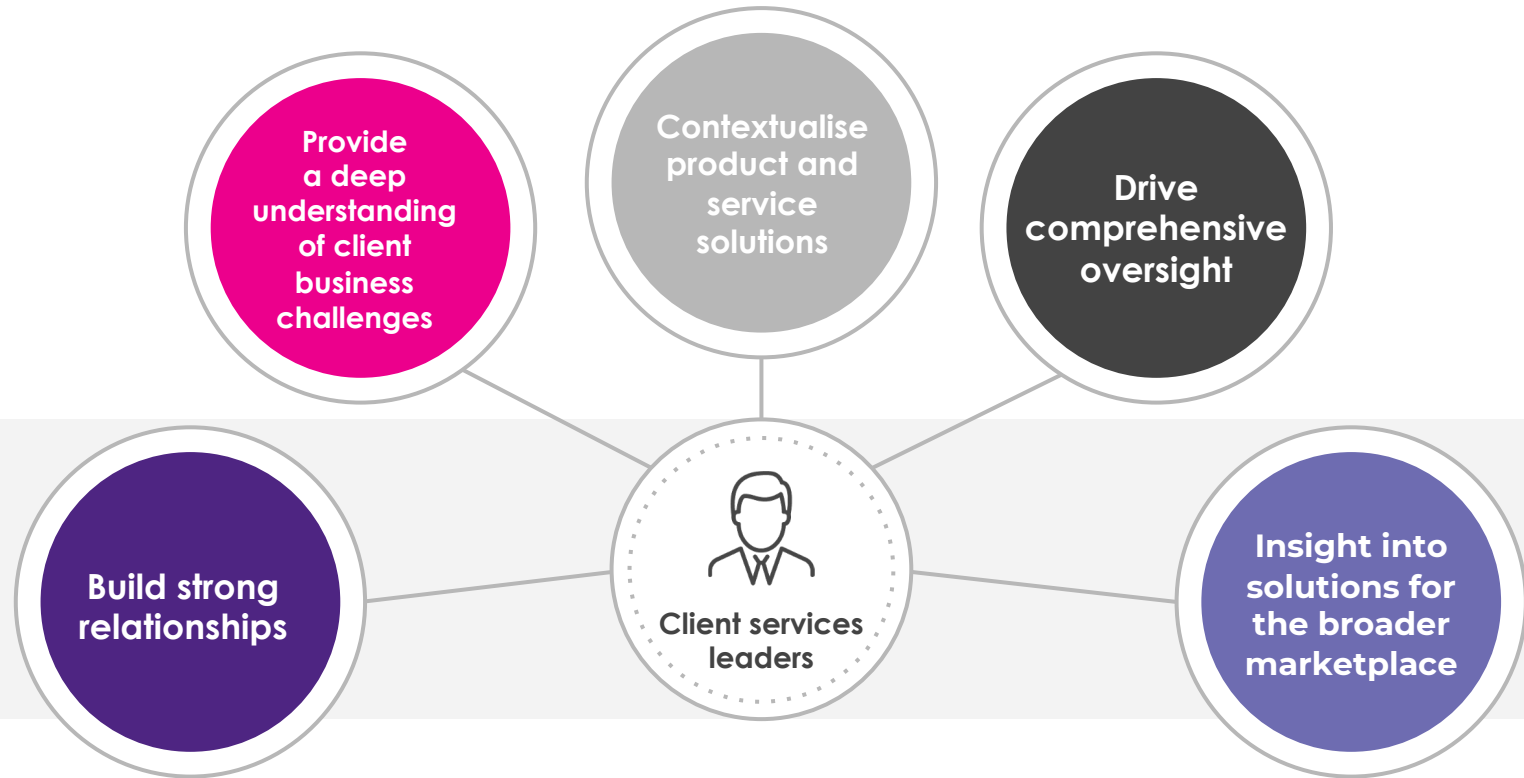
# We deliver **fully integrated learning and talent solutions**



All available via a single Managed Learning Services contract

Consulting	Learning Services	Technologies
<ul style="list-style-type: none"><li>• Organisational Performance Strategy</li><li>• Talent Strategy</li><li>• Organisational Design</li><li>• L&amp;D Transformation</li><li>• Strategic Learning Consulting</li><li>• Learning Technology Consulting</li><li>• Measurement &amp; Analytics Consulting</li><li>• Change Management</li></ul>	<ul style="list-style-type: none"><li>• Managed Learning Services</li><li>• Learning Experience Design</li><li>• Immersive &amp; XR</li><li>• Learning Experience Delivery</li><li>• Leadership Development</li><li>• Diversity, Equity, &amp; Inclusion</li><li>• Sales Training</li><li>• Technical Training</li><li>• Technology Implementation &amp; Adoption</li></ul>	<ul style="list-style-type: none"><li>• Talent Acquisition</li><li>• Onboarding</li><li>• Authoring</li><li>• Learning &amp; Performance</li><li>• Talent Management</li><li>• Succession</li><li>• Talent Mobility</li><li>• Compensation</li><li>• Diversity, Equity, &amp; Inclusion</li><li>• Learning Analytics</li></ul>

# Client services leaders: **Orchestrators of growth**



# Growth plan





## Success & results

- Cross-selling wins with more than \$10m in closed contracts
- Growing pipeline of additional cross-selling opportunities



# Capital Markets Day

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## How LTG can provide solutions to fill the gap



watershed

∴ BRIDGE

PRELOADED



**watershed**

# Capital Markets Day | **Filling the learning analytics gap**

**Tammy Rutherford**  
Managing Director, Rustici Software

**David Ells**  
Managing Director, Watershed (on video)

**October 2022**

# Rustici Software: **Meet the standards experts**

- Founded in **2002**
- **2000+** clients
- **75%** of learning platforms
- 6-year revenue **CAGR 24%**

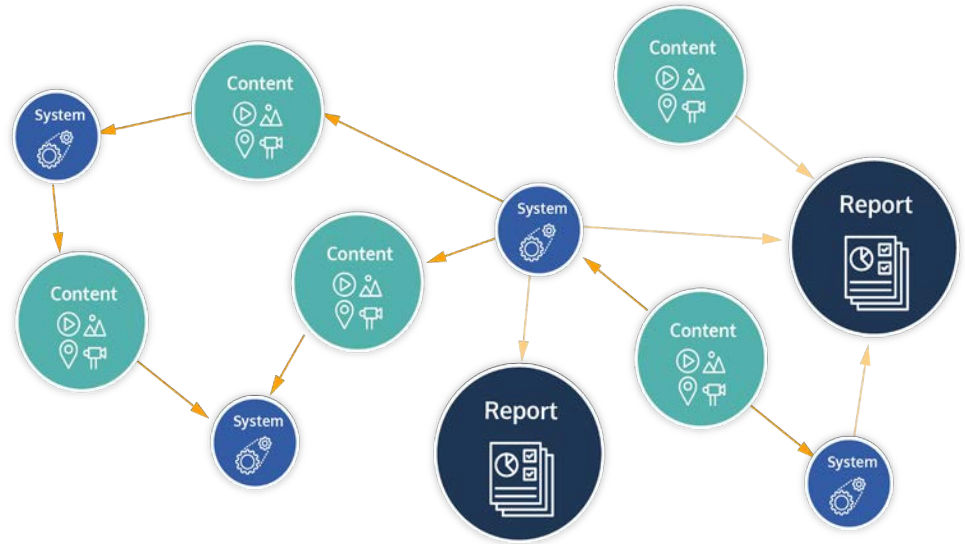


*Rustici's software is part of nearly every learning transaction*



# Delivery and tracking: **Data collection**

- Interoperability between products
- Common data model to track and measure
- Reliability and scalability
- Content Controller: Distribution



*“On average, organisations use **25 different** learning technologies.”*

Source: Emerald Works, [“Back to the Future,”](#) Feb. 2020

# Watershed: **Measuring the data**



**David Ells,**  
Managing Director at  
Watershed



**Alex Crispin,**  
Senior Manager, Learning  
Analytics at PwC

# Watershed: **Measurement synergies**



**Bonnie Beresford, PhD**

Human Capital and  
Performance Improvement  
Strategist at GP Strategies

The Bridge logo icon consists of three white dots arranged in a vertical column, with a horizontal line passing through the middle dot.

# BRIDGE

## Capital Markets Day | **Filling the mid-market gap**

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**Peter Brussard**

Managing Director, Bridge

October 2022

# An awakening to the value of people and the accessibility of solutions to companies of all sizes

The global recognition that people really do matter most

- Challenge of 'The Great Resignation' (retention)
- Challenge of retraining new people



# An awakening to the value of people and the accessibility of solutions to companies of all sizes

The rise of SaaS solutions for HR and its expansion into the mid-market.

- Big companies have had SaaS for 20 years
- New entrants to the market are largely mid-market



# People matter most



**Carleigh Courteau**

Platform Administration  
Specialist at Spectrum  
Automotive



**Kate Toothman,**

Program Manager of HR  
Technology at Southern  
Glazer's Wine & Spirits



**Ali Berkowitz,**

Creative Manager at  
NBCUniversal



**James Kirchhoff,**

Senior Product Manager,  
HR Technology at  
Paychex



A recent acquisition, **Bridge** is a flagship learning and development platform optimised for the mid-market



Under LTG, it is growing to be a unified next-generation **talent management solution** - all built on the **Bridge** platform.





LTG assets are yielding enhancing exponential improvements to the user experience very quickly



Our go-to-market story will focus on **'People Matter Most'**, selling to **mid-market** and **small-enterprise** clients.

# GP managed services & LTG SaaS applications

## For the mid-market

- HR team struggles to keep up with growing needs
- Teams are typically headed by a skilled practitioner who must hire a small team
- A managed service will allow better outcomes for less money





# PRELOADED

**Capital Markets Day |**

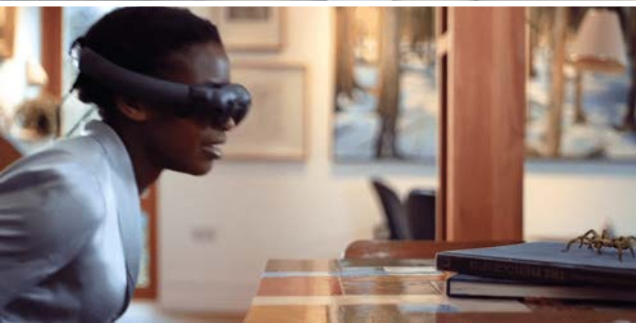
**The new possibilities of  
emerging technology**

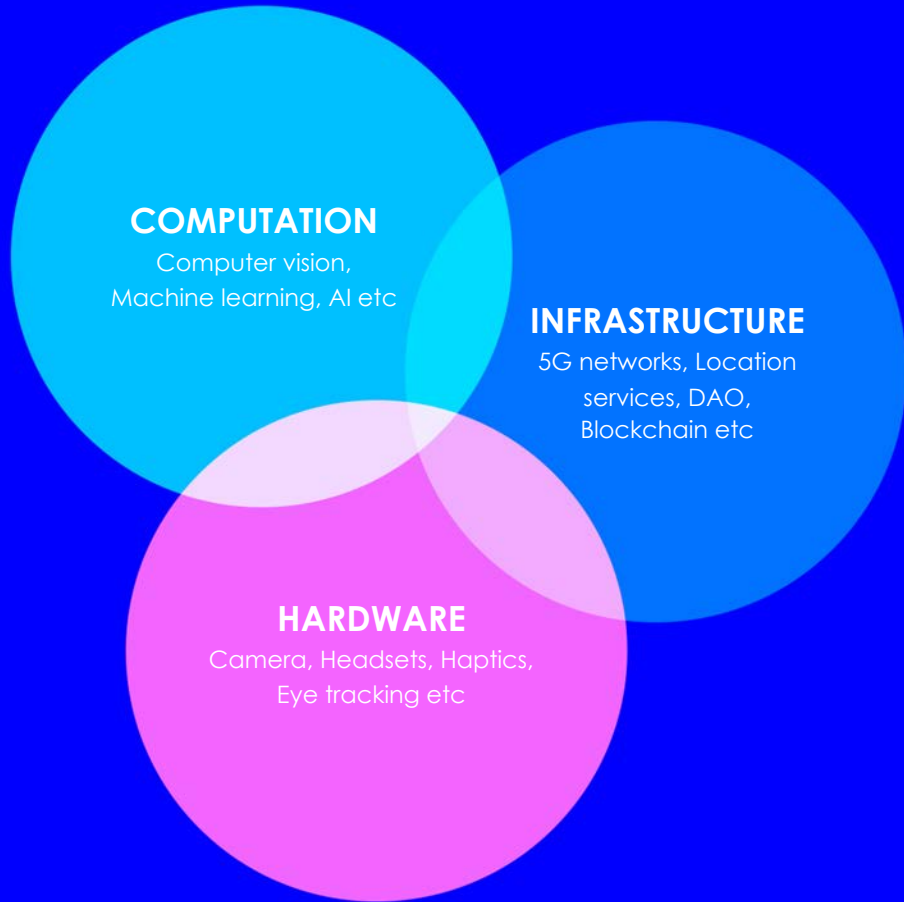
**Phil Stuart**

Executive Creative Director, PRELOADED

October 2022

# PRELOADED





**PRELOADED**



Magic Leap 



NIANTIC



Magic Leap 

Snap Inc.

Google

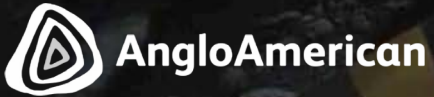
 holoride

 VIVE

 NIANTIC



...G ZONE 2





 REAL

# PRELOADED



# Capital Markets Day | Strategic targets & conclusion

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**Jonathan Satchell**  
Chief Executive Officer, LTG

**Kath Kearney-Croft**  
Chief Financial Officer, LTG

October 2022



# Macro considerations

- **71%** revenue on long-term services or SaaS contracts
  - SaaS contracts renew on average every 2.5 years
  - Long-term services contracts renew on average every 5 years
- In prior downturns, GP Strategies has experienced increased demand for Managed Learning Services (MLS)
- **29%** project based revenue predominantly 'must have' e.g. compliance or product launch
  - c. 5% of revenue more discretionary
- Diversified international footprint - **c. 70% US, 12% UK, 18% RoW**

# 2025 Strategic **targets**

- Revenue **£850 million (run-rate)**
  - Organic growth in line with medium- term targets (S&P 7%, C&S 4%)
  - Inorganic growth primarily focused on Software & Platforms funded through internally generated cash and debt
- Adjusted EBIT: **£175 million (run-rate)**
- Net debt / EBITDA **1-1.25x**



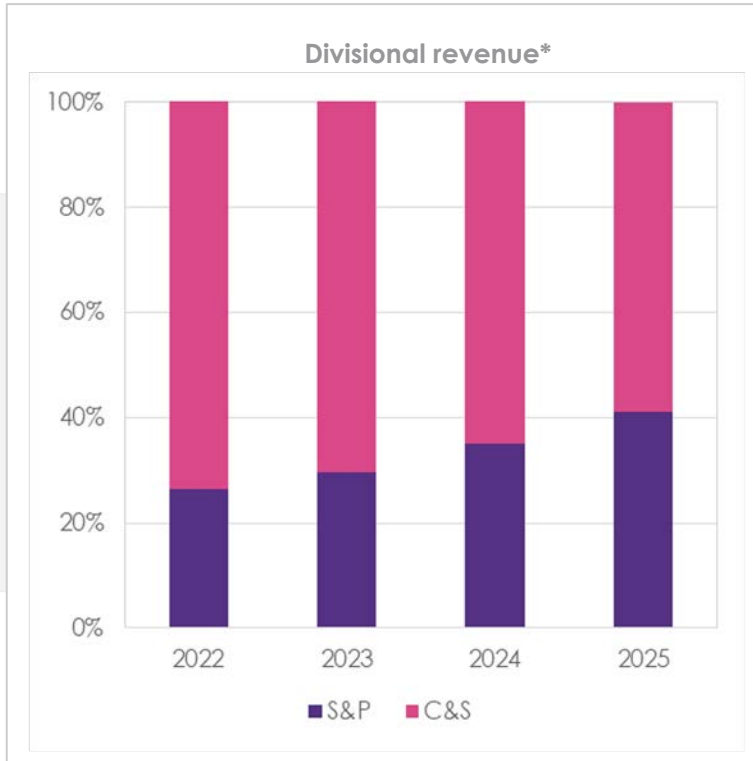


# Model assumptions

- Revenue & margin modelled for each business by year
  - Organic revenue growth c. 5%
  - Adjusted EBIT margins c. 21% by end of 2025
- Potential acquisition financials overlaid
  - Assumed c. 1.0x year-end net debt / EBITDA - **2023-2025 Firepower £220 million**
- Interest rate assumed: 7% 2023 declining to 5% in 2025
- Adjusted effective tax rate assumed at 27% across all years
- GBP/USD 2022 estimate 1.22 and held flat across all years

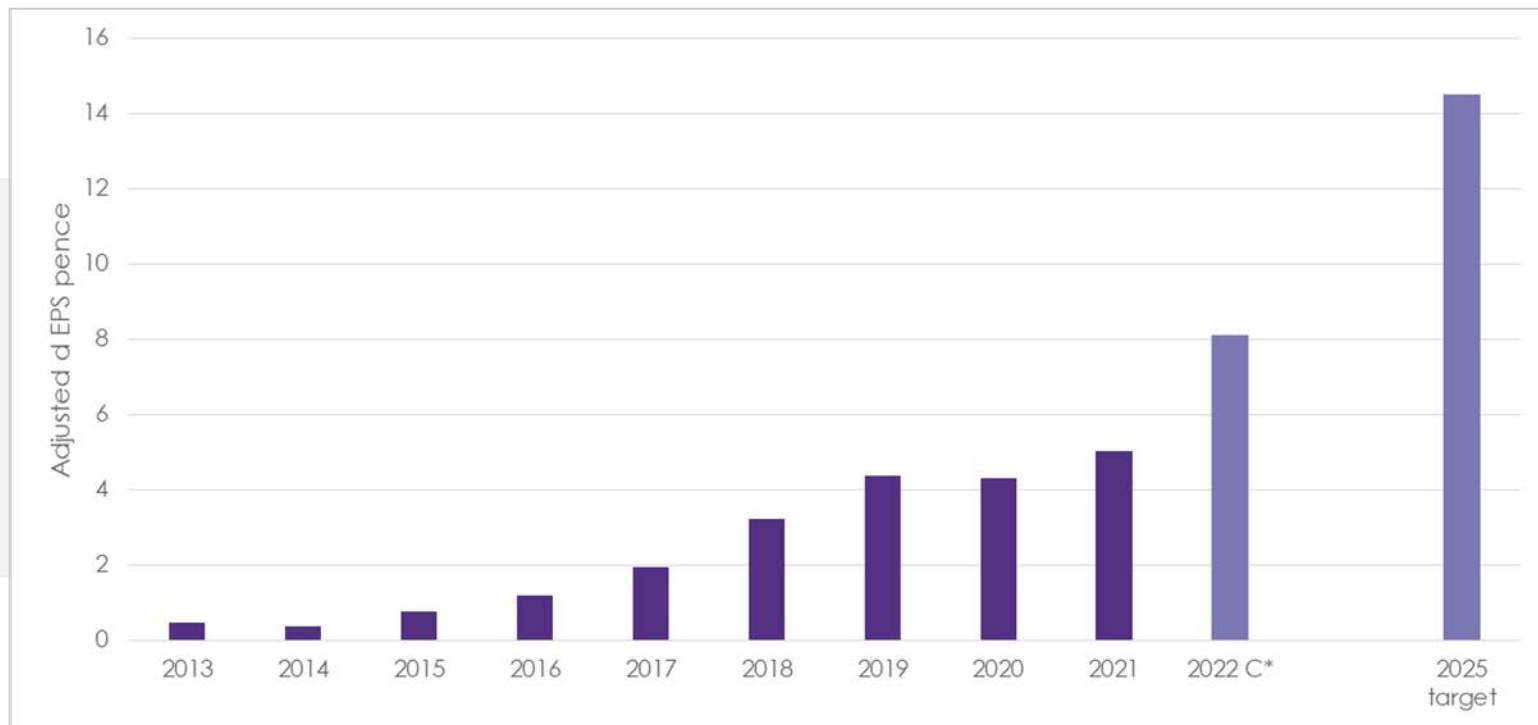


# Rebalanced and highly visible revenue



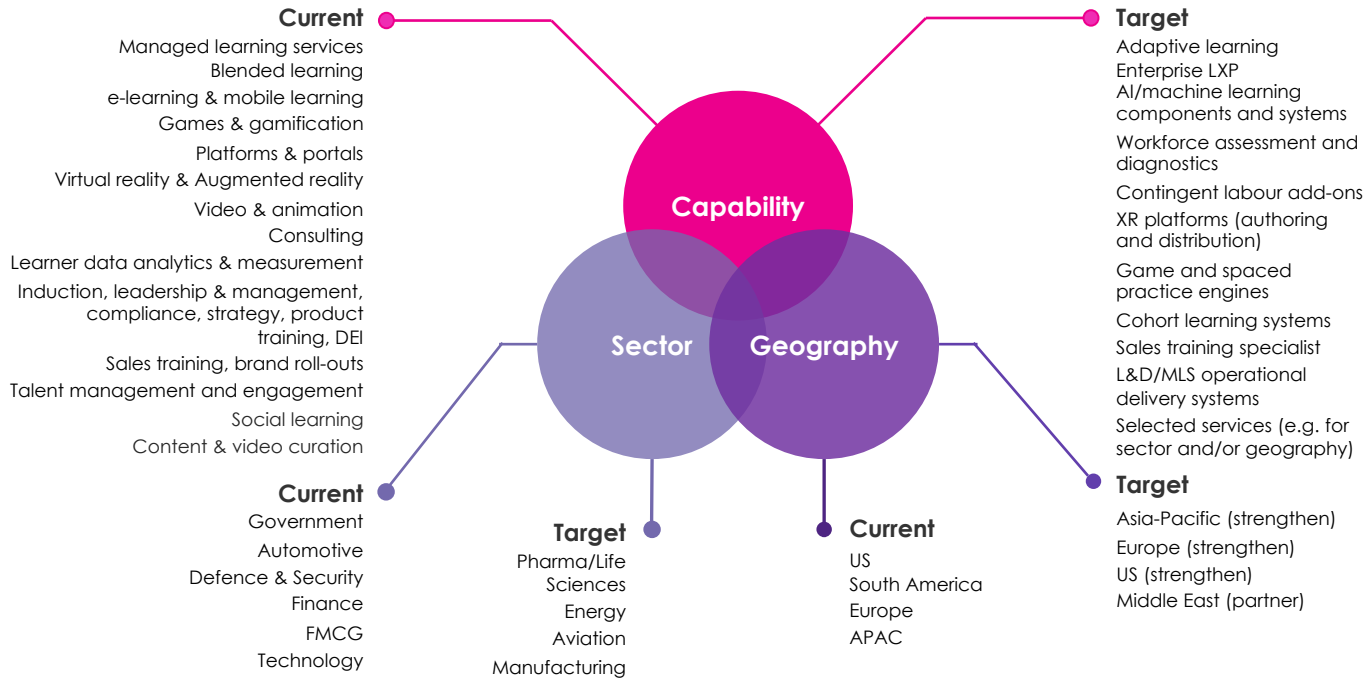
\*estimated future split

# Strong earnings per share growth



\*company compiled consensus as at 29 September 2022

# M&A opportunities



Partner programme for Go To Market purposes being developed with organisations like:  
IBM, SAP, Babcock, Zoom, Blackboard, KPMG, Henley Business School

**Acquisition target characteristics:**

We will continue to look for businesses that have:

1. Strong management
2. New market/sector access
3. Complementary products/services
4. Founder-led growth



## Overview and conclusion

- Detailed insights into the talent development challenges faced by corporates
- Explicit rationale for the constituents of the Group
- Large and well-established global market with sustained growth characteristics
- Mindful of economic conditions but are reassured about LTG's resilience



# Capital Markets Day

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# Q&A



**Thank you**

— | Capital Markets Day | —

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# Appendix

| Capital Markets Day |

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Investors and central services

Direct

Talent Acquisition	
breezy	SMB
VectorVMS	Enterprise
Learning & Performance	
Open LMS	Open source
BRIDGE	Mid-Market
Reflektive	Mid-Market
gomo LEARNING	Mid-Market
Rustici Software	Mid-Market & Enterprise
PeopleFluent	Enterprise
Learning Analytics	
watershed	Enterprise
Diversity, Equity & Inclusion	
affirmity	Mid-Market & Enterprise

Group