



# △ BTS

*Catalysts for Profitability and Growth*

BTS Group AB (publ)  
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President & CEO

Q3 Report  
November 8, 2007

# BTS in The World

## Short Facts

- 15 offices in 10 countries
- 216 employees
- 24 nationalities
- > 500 000 participants
- Turnover of 80 MUSD
- 26 of the worlds 100 largest companies are customers



# Highlights

| (MSEK)     | Jan – Sept |      | Q3    |      |
|------------|------------|------|-------|------|
| Revenue    | 387.3      | +57% | 121.9 | +61% |
| EBITA      | 63.7       | +43% | 16.1  | +54% |
| Net Profit | 32.3       | +20% | 7.8   | +32% |

- A continued positive market development in all BTS markets
- The average organic growth in all of BTS' units, adjusted for changes in exchange rates, was 15 per cent in Q3 and 14 per cent in Q1 – Q3
- The acquired companies APG and RLC continued the positive trend in growth and earnings, while at the same time, cross-selling with BTS increased
- Strong inflow of new customers e.g. Essent, Harley-Davidson, Kimberly-Clark, Marsh, NetJets and Palm Computer

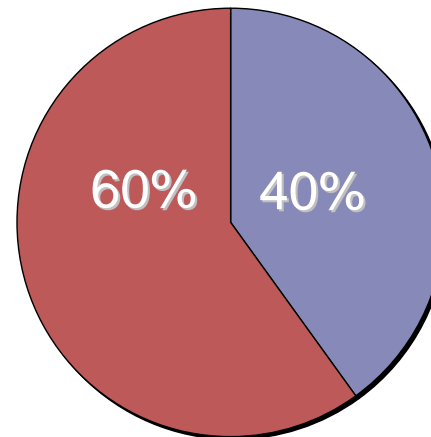
# BTS in Perspective



## The Last Four Years 2004 – 2007\*

- Revenue Growth 3.5x
- Profit Growth 8x

### Acquired Growth vs. Organic Growth



\*Currency adjusted figures based on R12 months as of Sept 30, 2007

# Growth Drivers



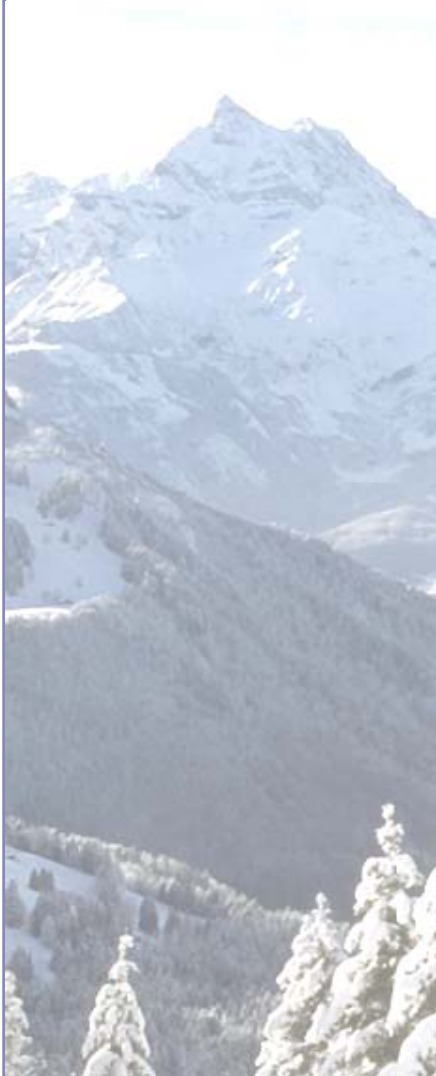
- 1 BTS operates in a growing market, with still a low market share
- 2 BTS offering has strong competitive advantages
- 3 BTS has the best organization and people in the industry
- 4 BTS manage acquisitions well on a fragmented market

# The BTS Vision



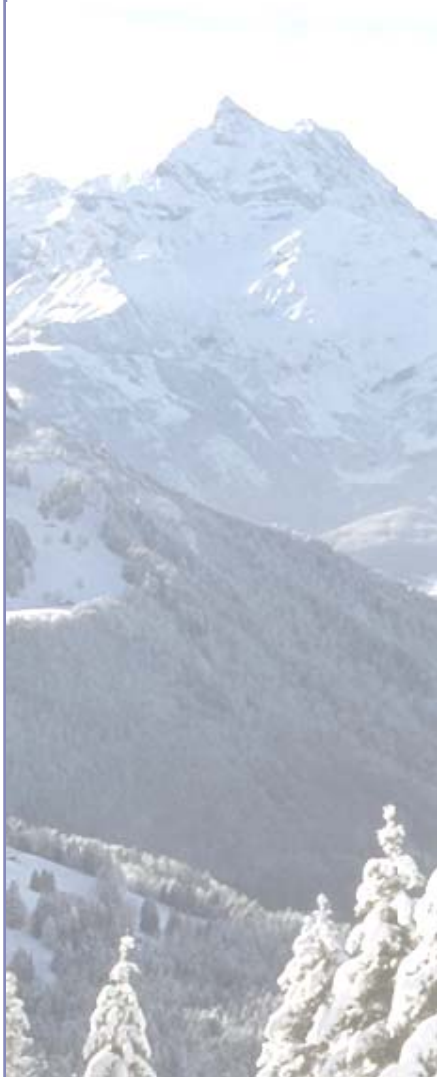
*“To become the World’s No. 1  
Learning & Development  
Consultancy –innovating how  
companies change, learn and  
improve”*

# The DNA of Organic Growth



- Expansion of existing offices
- Geographical expansion through new offices
- Continuous development of new products and solutions

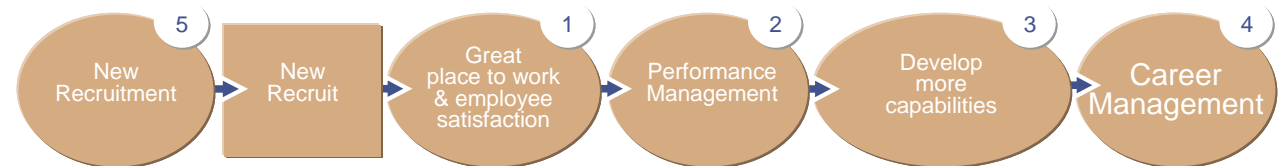
# The DNA of Organic Growth



## Sales Tube



## Talent Tube



# Five Successful Acquisitions



- 2002 BTS Australia founded by an acquisition
- 2003 BTS Spain founded by an acquisition
- 2005 Acquisition of SMG Inc, Philadelphia, USA
- 2005 Acquisition of Business Game Factory, Helsinki, Finland
- 2006 Acquisition of The Real Learning Company (RLC) and Advantage Performance Group (APG), USA

# Some of our clients



# The Market

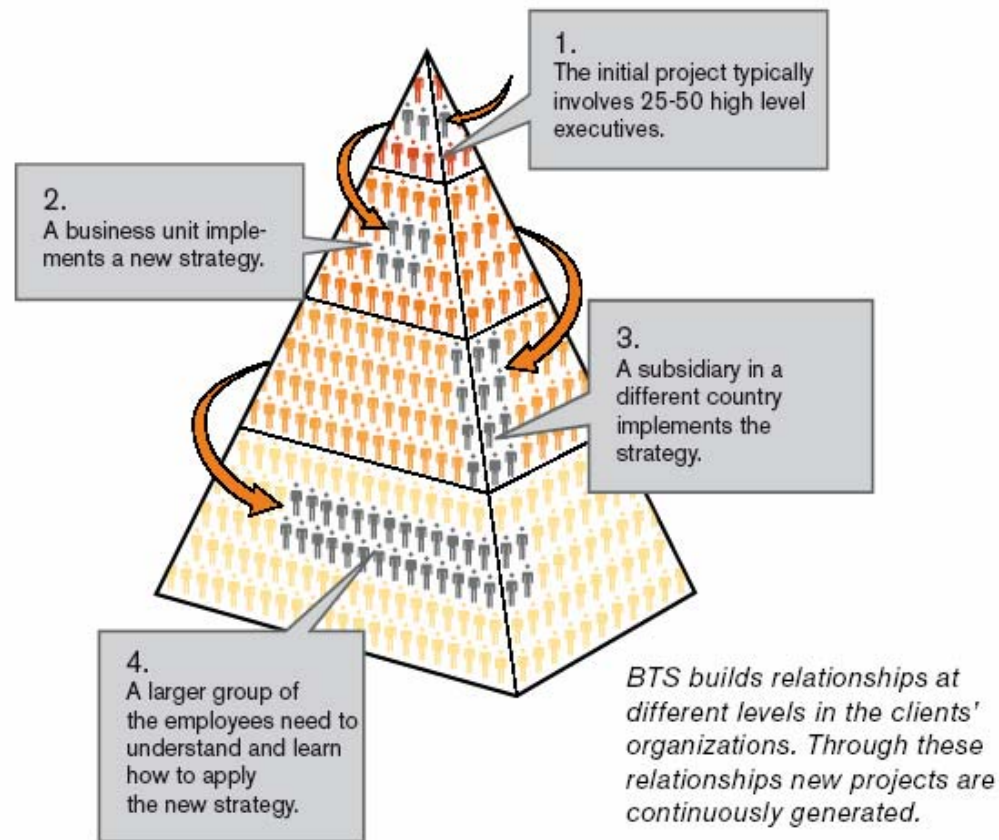


# Strategy

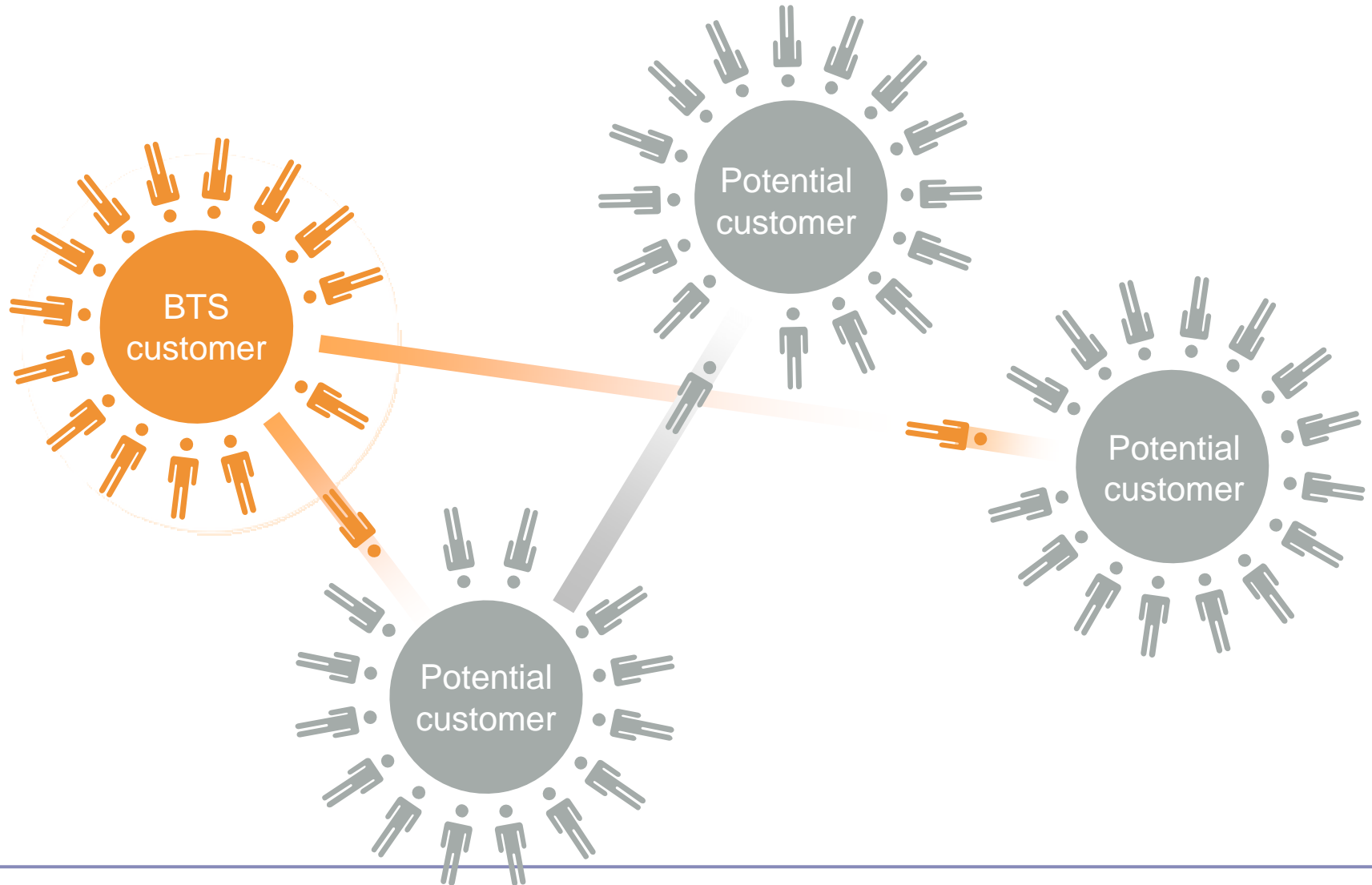
- Global Fortune 2000 companies
- Strategic, high value projects
- Tailor-made business simulations
- Premium strategy
  - Superior customer satisfaction
  - Long term relationships
- Networked new sales
- Product development
- Recruit and retain outstanding employees



# BTS Business Model



# Sales strategy – Networked Sales



# January – September, 2007

| (MSEK)            | <u>Jan – Sept<br/>2007</u> | <u>Jan – Sept<br/>2006</u> | <u>Change</u> |
|-------------------|----------------------------|----------------------------|---------------|
| Net Revenue       | 387.3                      | 247.3                      | +57%          |
| EBITA             | 63.7                       | 44.6                       | +43%          |
| EBIT              | 56.0                       | 42.3                       | + 33%         |
| Profit Before Tax | 51.5                       | 42.5                       | + 21%         |
| Net Profit        | 32.3                       | 27.0                       | +20%          |
| EPS               | 1.79                       | 1.52                       | + 18%         |
| EBITA Margin      | 16%                        | 18%                        |               |
| EBIT Margin       | 14%                        | 17%                        |               |



# Q3, 2007



| (MSEK)            | <u>Jul – Sept</u><br><u>2007</u> | <u>Jul – Sept</u><br><u>2006</u> | <u>Change</u> |
|-------------------|----------------------------------|----------------------------------|---------------|
| Net Revenue       | 121.9                            | 75.8                             | + 61%         |
| EBITA             | 16.1                             | 10.4                             | + 54%         |
| EBIT              | 13.6                             | 9.7                              | + 40%         |
| Profit Before Tax | 12.0                             | 9.5                              | + 27%         |
| Net Profit        | 7.8                              | 5.9                              | + 32%         |
| EBITA Margin      | 13%                              | 14%                              |               |
| EBIT Margin       | 11%                              | 13%                              |               |

# January – September, 2007

## Revenue per Business Unit

| (MSEK)            | <u>Jan – Sept 07</u> | <u>Jan – Sept 06</u> | <u>Change*</u> |
|-------------------|----------------------|----------------------|----------------|
| BTS North America | 152.9                | 150.8                | + 10%          |
| BTS Europe        | 79.0                 | 81.6                 | - 3%           |
| BTS Other Markets | 25.7                 | 14.9                 | + 72%          |
| APG & RLC         | 129.7                | -                    |                |

\* Change calculated in local currency

Q3, 2007

## Revenue per Business Unit

| (MSEK)            | <u>Jul – Sept 2007</u> | <u>Jul – Sept 2006</u> | <u>Change*</u> |
|-------------------|------------------------|------------------------|----------------|
| BTS North America | 46.4                   | 48.1                   | +4%            |
| BTS Europe        | 21.7                   | 21.4                   | +1%            |
| BTS Other Markets | 10.6                   | 6.3                    | +70%           |
| APG & RLC         | 43.2                   | -                      |                |

\* Change calculated in local currency

# January – September, 2007

## EBIT per Business Unit

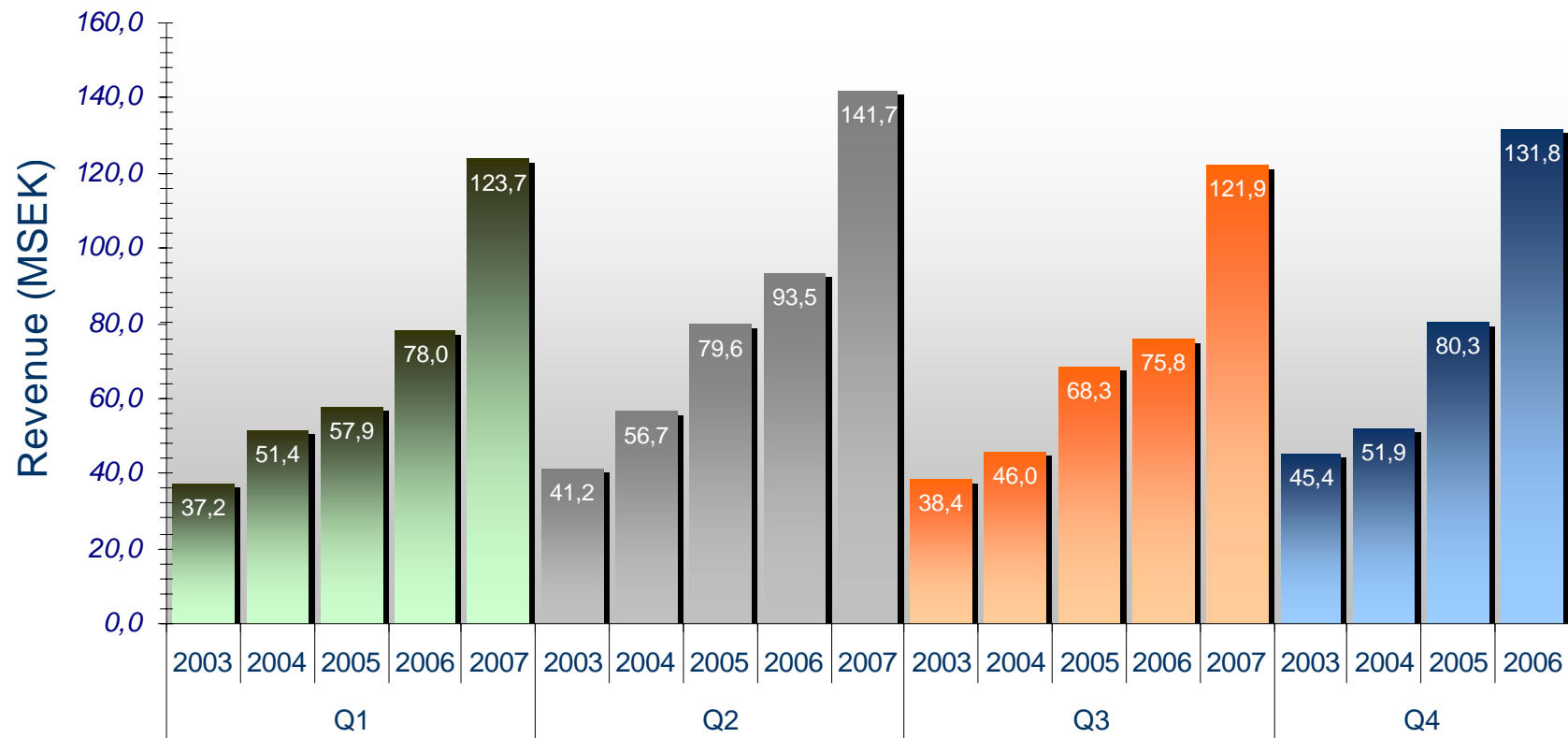
| (MSEK)            | Jan – Sept 2007 |                    | Jan – Sept 2006 |                    |
|-------------------|-----------------|--------------------|-----------------|--------------------|
|                   | <u>EBIT</u>     | <u>EBIT margin</u> | <u>EBIT</u>     | <u>EBIT margin</u> |
| BTS North America | 29.4            | 19%                | 26.8            | 18%                |
| BTS Europe        | 10.1            | 13%                | 13.5            | 17%                |
| BTS Other Markets | 3.7             | 14%                | 2.0             | 13%                |
| APG & RLC         | 12.8            | 10%                | -               |                    |

Q3, 2007

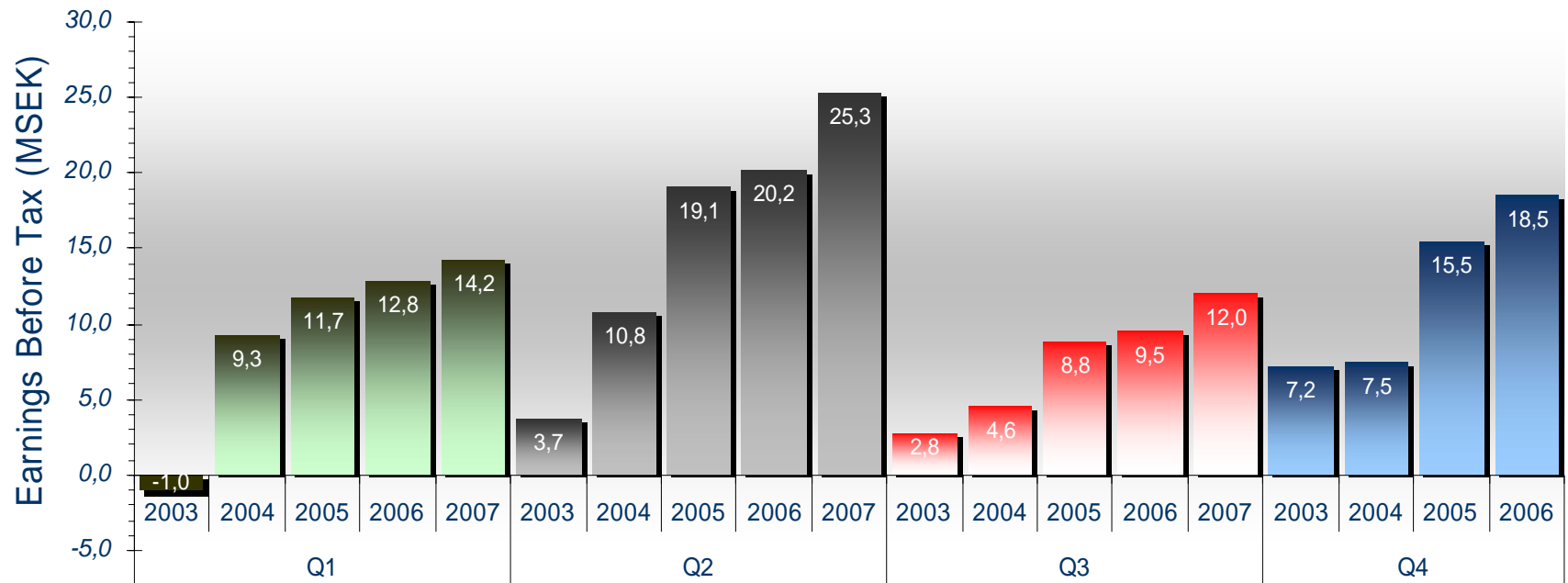
## EBIT per Business Unit

| (MSEK)            | Jul – Sept 2007 |                    | Jul – Sept 2006 |                    |
|-------------------|-----------------|--------------------|-----------------|--------------------|
|                   | <u>EBIT</u>     | <u>EBIT margin</u> | <u>EBIT</u>     | <u>EBIT margin</u> |
| BTS North America | 6.5             | 14%                | 6.9             | 14%                |
| BTS Europe        | 0.8             | 4%                 | 1.1             | 5%                 |
| BTS Other Markets | 2.4             | 23%                | 1.7             | 27%                |
| APG & RLC         | 3.9             | 9%                 | -               |                    |

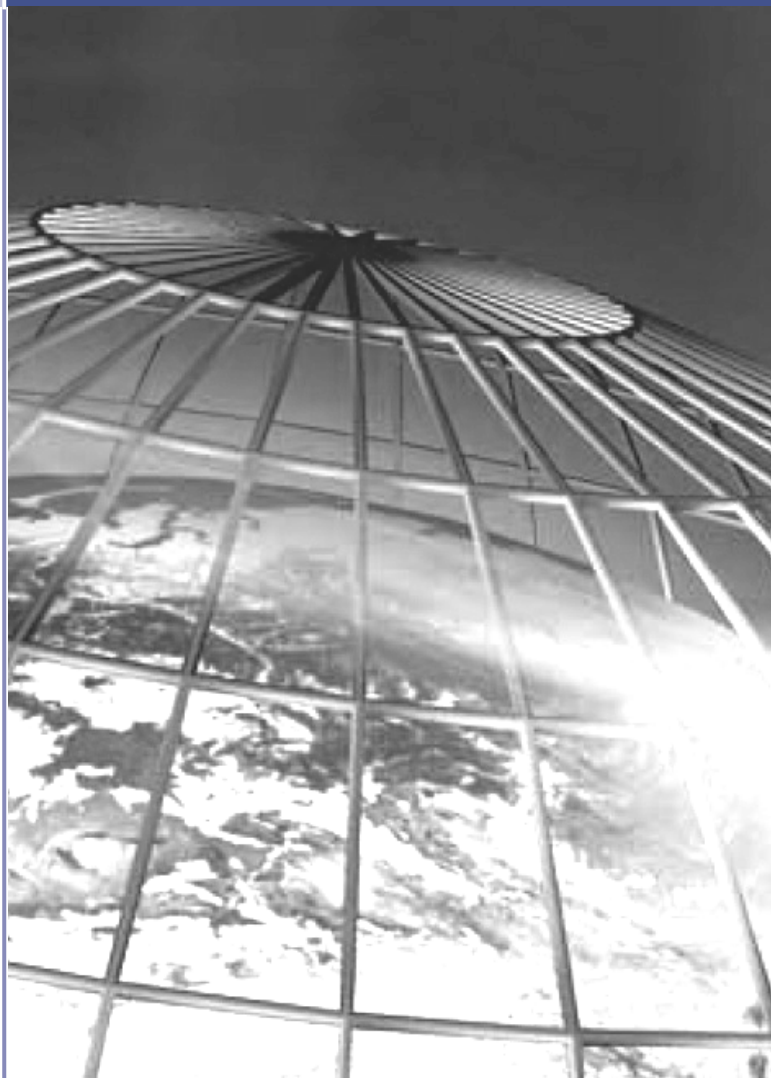
# BTS Quarterly Revenue Development



# BTS Quarterly Earnings Development



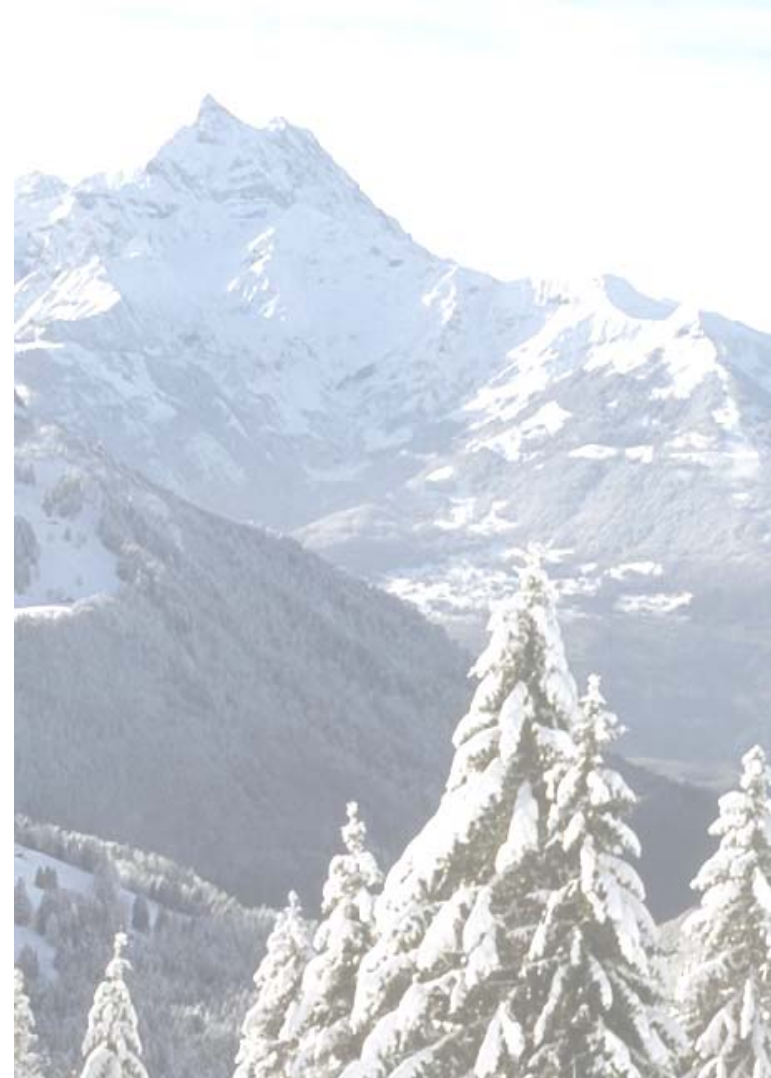
# Outlook for 2007



Based on continued strong market conditions for BTS and the completed acquisitions, the profit before tax for 2007 is expected to be significantly better than the previous year.

# BTS Summary

- BTS continues its long-term development of profitable organic growth
- The acquisition of APG/RLC continues to deliver revenue growth , profit growth and strategic synergies
- Our customer base, product portfolio and organization are strongest ever
- We have an excellent position to continue our growth and to become the no. 1 Learning & Development company in the world





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