



SEPTEMBER 2018

GP Strategies INVESTOR Presentation

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Investment Data

Exchange:	NYSE (GPX)
Business:	Custom Training & Performance Improvement
Web Address:	www.gpstrategies.com
Headquarters:	Columbia, Maryland USA

Common Shares Outstanding – Fully Diluted **16.6 million**

Market Capitalization @ \$19.00 per share **\$315 million**

Large Recurring Revenue Stream

Acquisition Strategy Reinstated

Reorganization with new President and Chief Sales Officer

Cost Cutting Initiative Announced

Corporate Contacts:

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Adam Stedham, President	443-367-9916
Michael Dugan, CFO	443-367-9627

Investor Relations:

Ann Blank, Director, Investor Relations	443-367-9925
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GP Strategies is a leading custom

LEARNING and PERFORMANCE

improvement company.

Our **VISION** is a world where business excellence
makes possibilities achievable.

Our **MISSION** is to enable people and businesses
to perform at their highest potential.

GP Strategies AWARDS & RECOGNITION

We have received accolades on the journey to excellence for both the company and our clients.

★ 2017 Brandon Hall Group

- Gold | Best Learning Team | [General Motors](#)
- Gold | Best Advance in High Potential Development | [HAVAS](#)
- Gold | Best Advance in Employee Engagement | [ULTA Beauty](#)
- Silver | Best Advance in Establishing Governance to Guide Learning Decision | [General Motors](#)
- Silver | Best Advance in Learning Measurement | [General Motors](#)
- Silver | Best Use of Games and Simulations for Learning | [General Motors](#)
- Bronze | Best Use of Video for Learning | [Facebook](#)
- Bronze | Best Sales Onboarding Program | [Lowe's](#)
- Bronze | Best Unique or Innovative Learning & Development Program | [MasterCard](#)
- Bronze | Best Learning Program Supporting a Change Transformation Business Strategy | [Mondelez International](#)
- Bronze | Best Unique or Innovative Learning & Development Program | [Propane Education & Research Council \(PERC\)](#)

★ 2017 Deere & Company

- "Partner-Level Supplier" Recognition | [7th Consecutive Year](#)

★ 2017 Innovation Award

- Future Learning 2020 Summit

★ 2017 CIO Review Award

- 20 Most Promising Gamification Technology Solution Providers

★ 2017 Chief Learning Officer Magazine

- Silver | Excellence in Learning | [HAVAS](#)
- Bronze | Excellence in Learning | [MasterCard](#)

★ 2016 Chief Learning Officer Magazine

- Gold | Excellence in Learning
- Gold | Excellence in Partnership
- Silver | Excellence in Learning

★ 2017 Engineering New Record

- ENR Top 500 Design Firms

★ 2018 Training Industry, Inc.

- Top 20 Training Outsourcing Company | [15th Consecutive Year](#)
- Top 20 Sales Training Company | [11th Consecutive Year](#)
- Top 20 Leadership Training Company | [6th Consecutive Year](#)

★ 2017 Training Industry, Inc.

- Top 20 Learning Portal Company | [8th Consecutive Year](#)
- Top 20 Assessment & Evaluation Company | [Inaugural Year](#)
- Top 20 Content Development Company | [7th Consecutive Year](#)
- Top 20 IT Training Company | [9th Consecutive Year](#)
- Top 20 Gamification Company | [3rd Consecutive Year](#)
- Top 20 Workforce Development Company | [5th Consecutive Year](#)

★ 2018 Recognized as a Supplier of the Year

- For General Motors

Our LOCATIONS



Organizational Growth – CUSTOMERS

148 Fortune 500
Customers

127 Global 500
Customers

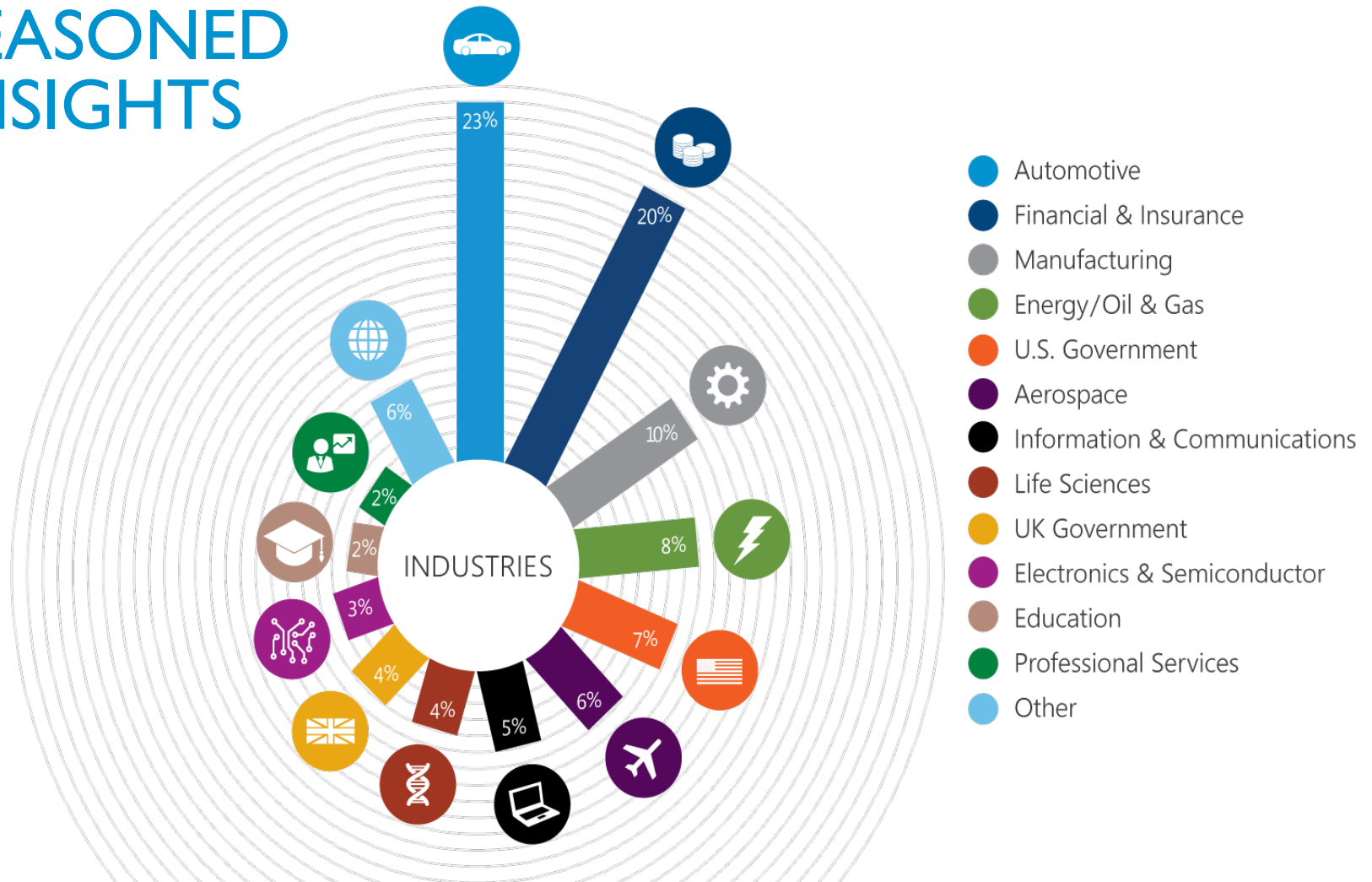


Microsoft



Serving a Diverse CLIENT BASE

Over 50 years of
**SEASONED
INSIGHTS**



GP Strategies **COMPETITIVE STRENGTHS**



Global Delivery and Single-Source Custom Training Solutions Provider



Outstanding Reputation in the Industry



Diverse and Stable Client Base



Scalable Technology Platform



Legacy Technical Expertise



Business Model Supports Visibility of Revenue



Highly Qualified and Dedicated Employees and Tenured Management

GP Strategies **INDUSTRY DRIVERS**



Outsourcing – Companies focusing on core organization competencies and reducing costs



Disruption in Learning – Addressing the digitalization & modern learning needs required today



New products, changing technology and regulations



Global expansion and alignment



Digital Transformation – Organizations learning and operating in a connected world

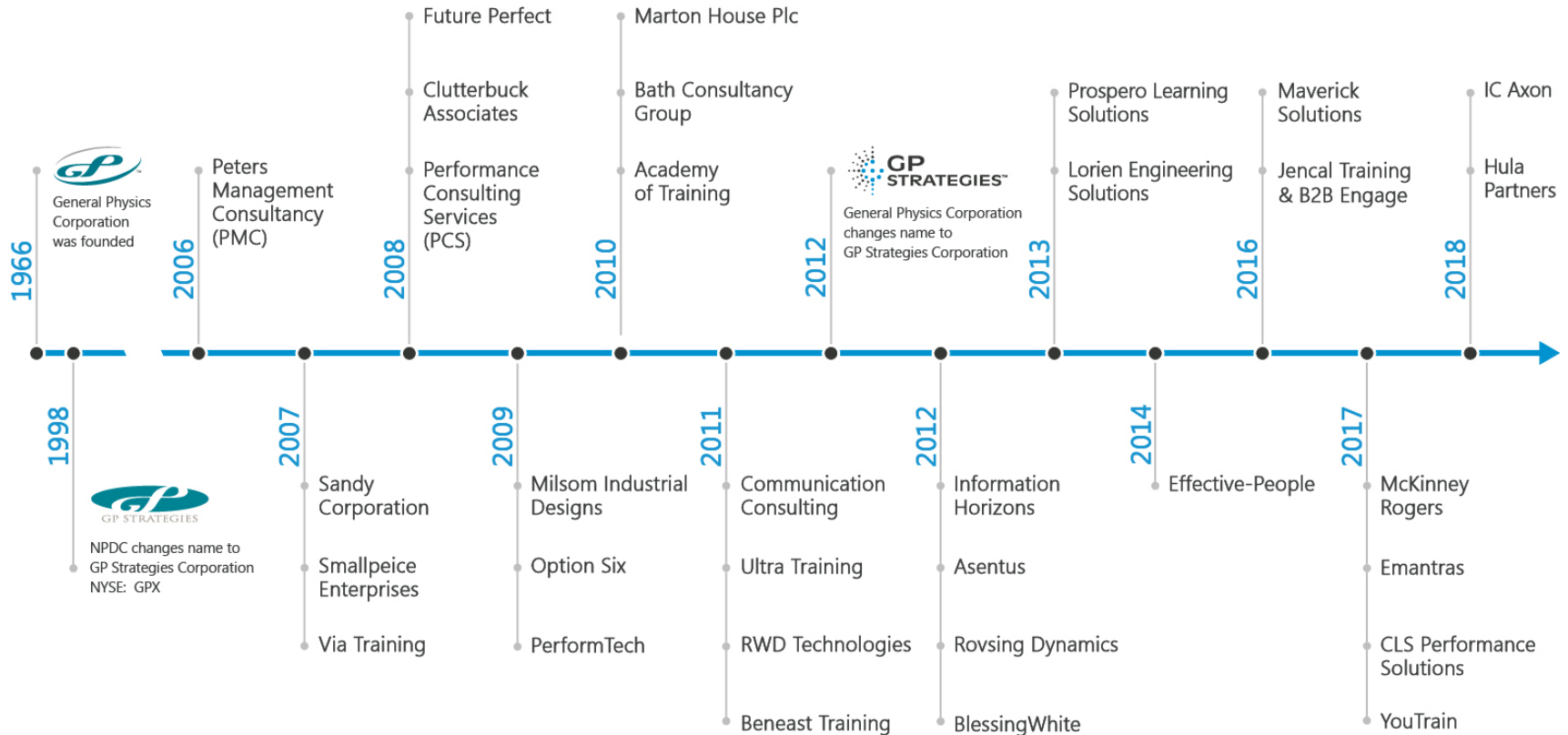


Regulations – Managing complex regulations



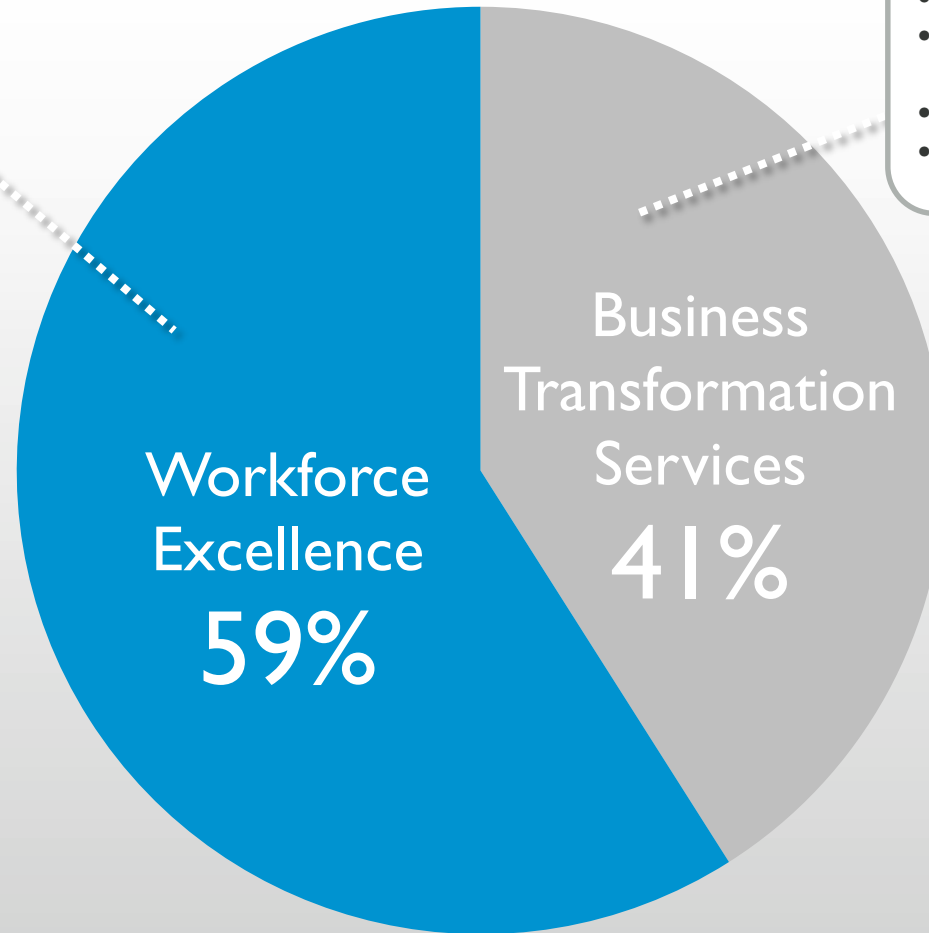
Talent Development – Ability to attract, retain and grow employees

We are focused on expanding our **SERVICES** and **PRODUCT LINES**



GP Strategies BUSINESS SEGMENTS

- Managed Global Learning Services
- Content Design & Development
- Technical & Engineering
- Energy Products
- Government Services



- Product Sales Training
- Marketing
- Organization & Leadership Development
- Sales Solutions
- Technology Integration & Adoption

Workforce Excellence Segment

MANAGED LEARNING SERVICES

FINANCIAL PERFORMANCE



Revenue of
\$196 million,
or 38% in 2017

OTHER HIGHLIGHTS

Extension of Contract with Largest Financial Services Customer

KEY SERVICES



Managed Global Learning Services

- Training Administration
- Instructor Resource Management
- Vendor Management
- Tuition Program Management



Digital Learning Strategies & Solutions

- Content Design and Development
- Learning Transformation Consulting
- Innovation & Emerging Learning Strategies
- Learning Analytics, Measurement & Evaluation

Workforce Excellence Segment

ENGINEERING & TECHNICAL SERVICES

FINANCIAL PERFORMANCE

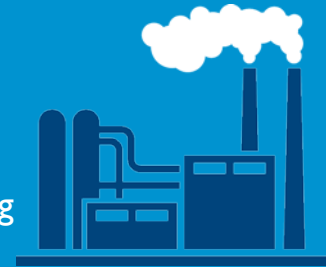


Revenue of
\$105 million,
or 21% in 2017

KEY SERVICES

Energy, Oil & Gas

- Power Plant Performance Consulting and Operator Training
- Design/Build/Maintenance of LNG, LCNG and Hydrogen Fueling
- EtaPRO™ and GPiLearn+™



Technical and Engineering

- Government
- Technical Documentation
- Maintenance and Reliability Training and Tactics
- Process Safety, Risk Management and Compliance Solutions



Business Transformation Services Segment

SALES ENABLEMENT

FINANCIAL PERFORMANCE



Revenue of
\$101 million,
or 20% in 2017

OTHER HIGHLIGHTS



5 customers in **TOP 20**

35+ years experience



Expansion into **new customers**
in 2018, using global platform

Recognized as a 2017 **Supplier of the Year**
and Predominant dealership sales training
provider at **General Motors** in USA



KEY SERVICES



Automotive dealership
sales training



SOLUTIONS INCLUDE:

Technical Training

Publications

Product Launch Services

Business Transformation Services Segment

ORGANIZATIONAL DEVELOPMENT

FINANCIAL PERFORMANCE



Revenue of
\$107 million,
or 21% in 2017

KEY SERVICES



Strong **FINANCIAL POSITION**



Strong incremental operating margins

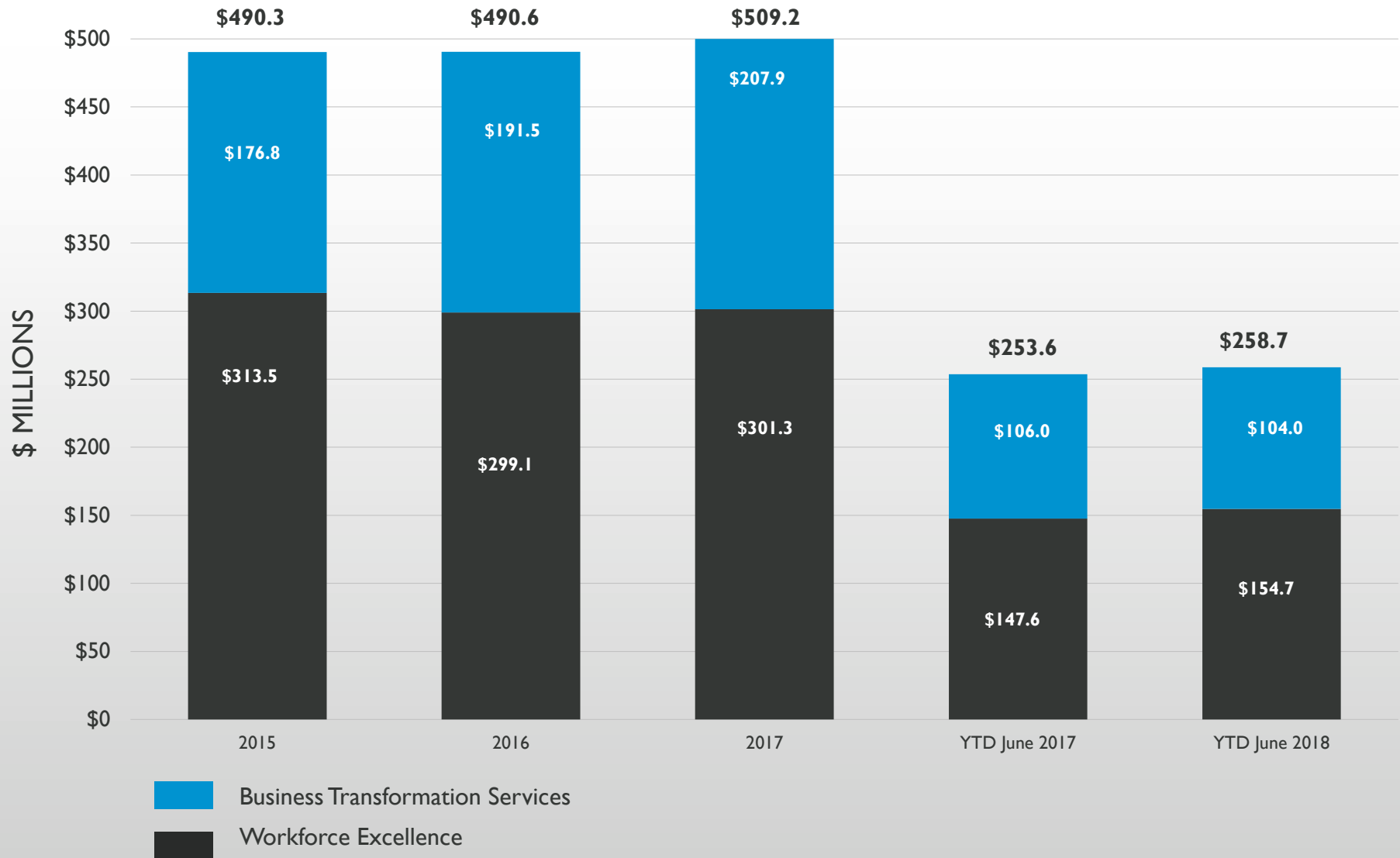
Variable cost structure

Strong cash flow

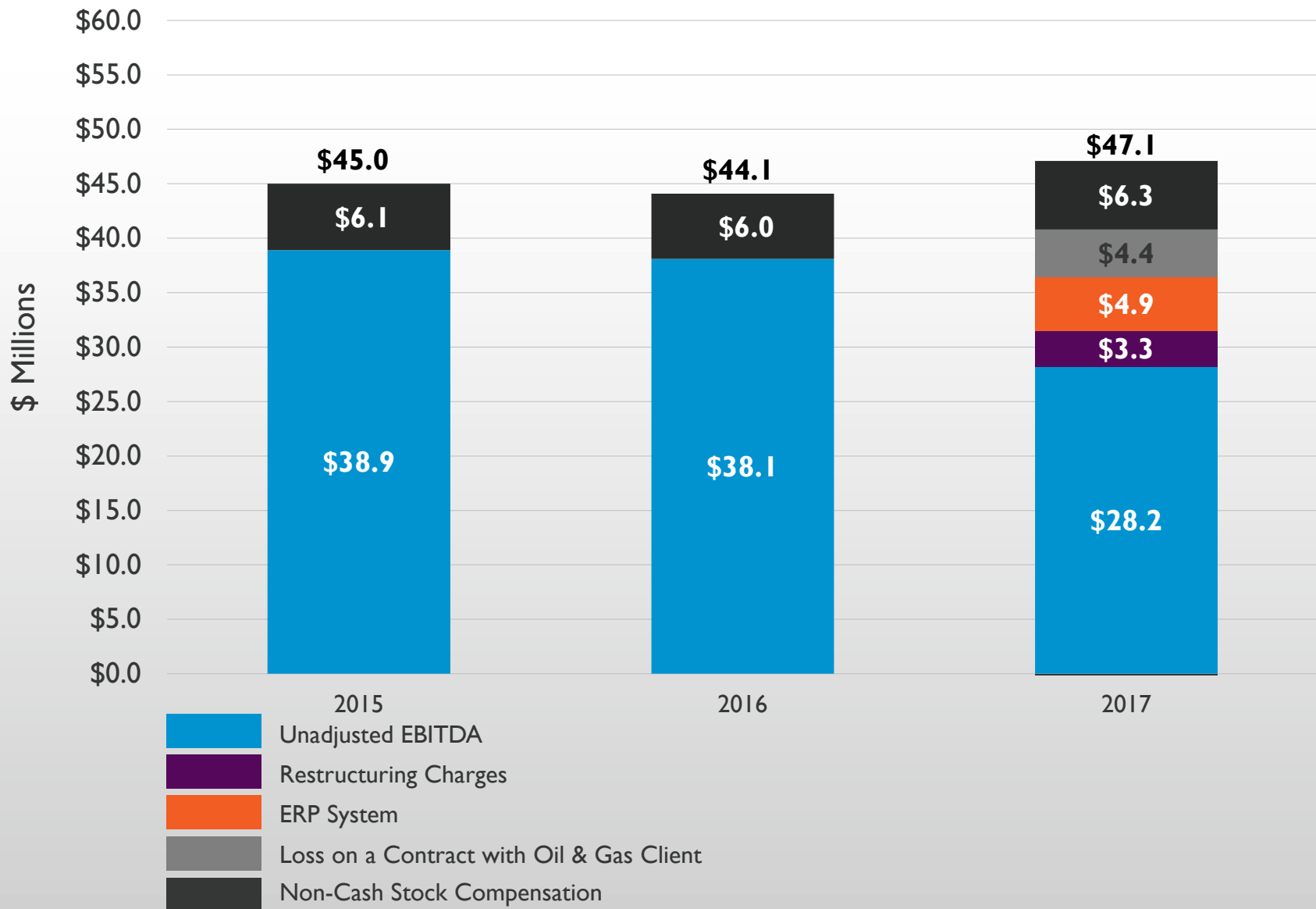
Recurring client base

Backlog visibility

GP Strategies – REVENUE TRENDING



GP Strategies **ADJUSTED** EBITDA



GP Strategies Non-GAAP Reconciliation – Adjusted EBITDA⁽¹⁾

(\$ in thousands) (Unaudited)

	Quarters Ended June 30		6 Months Ended June 30	
	2018	2017	2018	2017
Net Income	\$3,575	\$5,863	\$6,207	\$9,949
Interest Expense	(150)	534	536	972
Income Tax Expense	1,332	2,597	3,062	4,589
Depreciation & Amortization	1,919	1,763	3,761	3,206
EBITDA	6,676	10,757	13,566	18,716
<u>Adjustments:</u>				
Non-Cash Stock Compensation	1,125	1,734	2,534	3,192
ERP System Implementation Costs	1,206	1,150	2,610	1,692
Restructuring Charges	2,495	–	2,930	–
Foreign Currency Transaction Losses	1,160	171	1,417	164
(Gain) Loss on Contingent Consideration	(894)	96	(3,446)	(101)
Adjusted EBITDA	\$11,768	\$13,908	\$19,611	\$23,663

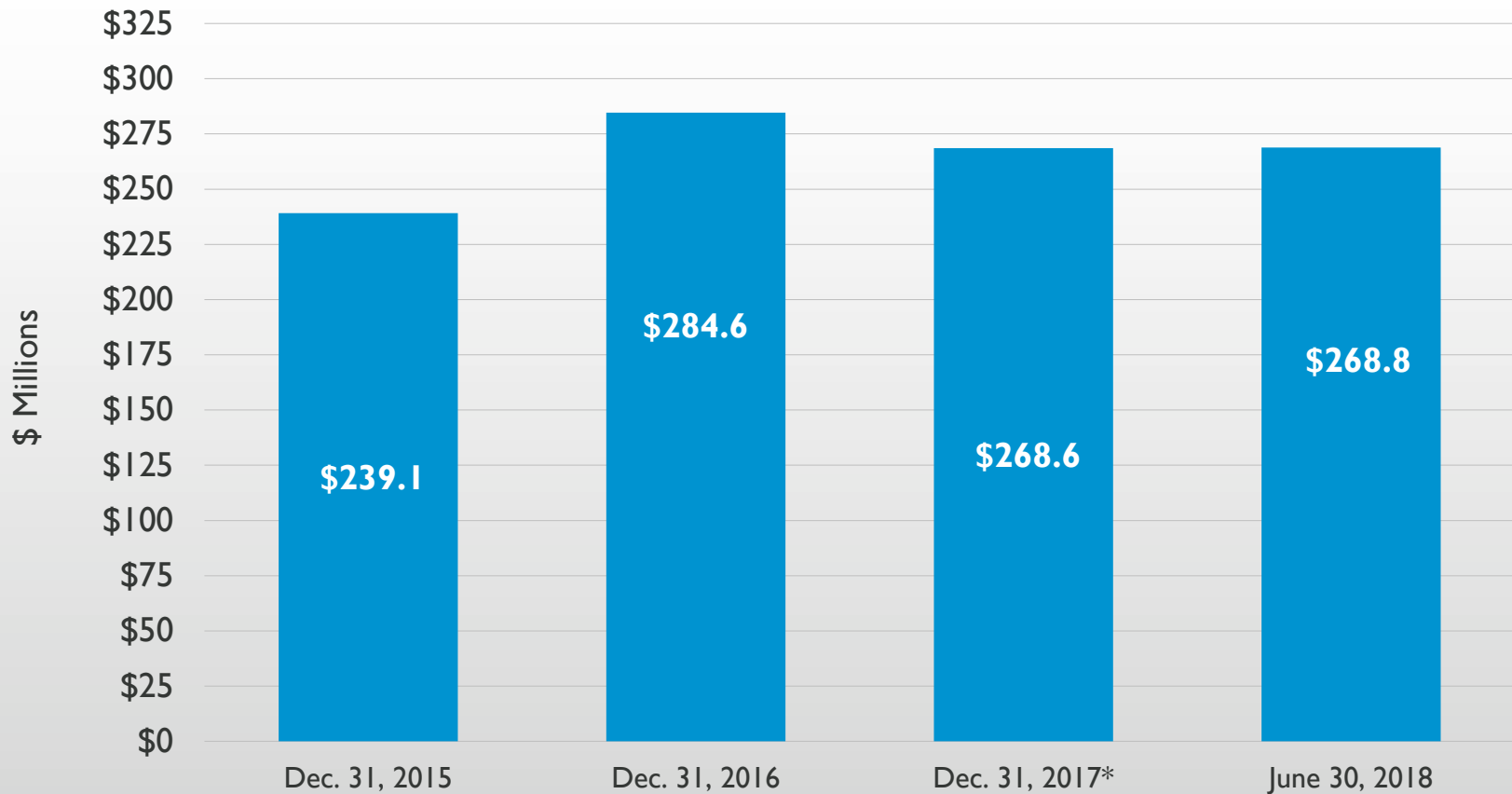
(1) Adjusted earnings before interest, income taxes, depreciation and amortization (Adjusted EBITDA) is a widely used non-GAAP financial measure of operating performance. It is presented as supplemental information that the Company believes is useful to investors to evaluate its results because it excludes 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.

GP Strategies

BALANCE SHEET

	June 30, 2018	December 31, 2017
Cash	\$ 14,134	\$ 23,612
Accounts Receivable	110,122	119,335
Unbilled revenue	45,527	42,958
Prepaid Expenses & Other	14,664	14,212
Total Current Assets	<u>184,447</u>	<u>200,117</u>
Property, Plant & Equip.	5,501	5,123
Goodwill & Intangibles	190,897	153,198
Other Assets	8,250	6,569
Total Assets	<u>\$ 389,095</u>	<u>\$ 365,007</u>
Short Term Borrowings	\$ 61,823	\$ 37,696
Current Portion of LT Debt	12,000	12,000
Accounts Payable	72,893	78,280
Deferred revenue	18,694	22,356
Total Current Liabilities	<u>165,410</u>	<u>150,332</u>
Long-Term Debt	28,000	16,000
Other Non-Current Liabilities	9,601	10,621
Stockholders' Equity	186,084	188,054
Total	<u>\$ 389,095</u>	<u>\$ 365,007</u>

GP Strategies BACKLOG



*Includes a \$26 million reduction in backlog on a contract with a foreign oil and gas client which was terminated in Q4 2017.

Poised for **SUCCESS**



Global footprint

Recognized leader
in a large
training market

Blue chip
customers in
multiple markets

Strong
financial position

Successful acquisition
strategy in highly
fragmented markets

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