GPStrategies®

Your workforce transformation partner™

FOURTH QUARTER 2020 INVESTOR CONFERENCE CALL

March 11, 2021

Together, we make transformation happen

INTRODUCTION TO YOUR DEDICATED TEAM

Working with you side by side, everyday

ADAM H. STEDHAM

CHIEF EXECUTIVE OFFICER

MICHAEL R. DUGAN

CHIEF FINANCIAL OFFICER

CANDICE M. HESTER

VP, CHIEF OF STAFF & INVESTOR RELATIONS

Your trusted workforce transformation partner

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including statements about the anticipated effects of the COVID-19 pandemic and related events on our business and results of operations. The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward looking statements. Forward–looking statements are not statements of historical facts, but rather reflect our current expectations concerning future events and results. We use words such as "expects," "intends," "believes," "may," "will," "should," "could," "anticipates," "estimates," "plans" and similar expressions to indicate forward-looking statements, but their absence does not mean a statement is not forward-looking. Because these forward-looking statements are based upon management's expectations and assumptions and are subject to risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements, including, but not limited to, those factors set forth under Item 1A – Risk Factors of our most recent Form 10-K and those other risks and uncertainties detailed in our periodic reports and registration statements filed with the Securities and Exchange Commission ("SEC"). We caution that these risk factors may not be exhaustive. We operate in a continually changing business environment, and new risk factors emerge from time to time. We cannot predict these new risk factors, nor can we assess the effect, if any, of the new risk factors on our business or the extent to which any factor or combination of factors may cause actual results to differ from those expressed or implied by these forward-looking statements.

If any one or more of these expectations and assumptions proves incorrect, actual results will likely differ materially from those contemplated by the forward-looking statements. Even if all of the foregoing assumptions and expectations prove correct, actual results may still differ materially from those expressed in the forward-looking statements as a result of factors we may not anticipate or that may be beyond our control. While we cannot assess the future impact that any of these differences could have on our business, financial condition, results of operations and cash flows or the market price of shares of our common stock, the differences could be significant. We do not undertake to update any forward-looking statements made by us, whether as a result of new information, future events or otherwise. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this presentation

Non-GAAP Financial Measures

This presentation includes non-GAAP financial information. This non-GAAP information is in addition to, not a substitute for or superior to, measures of financial performance or liquidity determined in accordance with US GAAP. The Securities and Exchange Commission's Regulation G applies to any public disclosure or release of material information that includes a non-GAAP financial measure and requires: (i) the presentation of the most directly comparable financial measure calculated and presented in accordance with US GAAP and (ii) a reconciliation of the differences between the non-GAAP financial measure presented and the most directly comparable financial measure calculated and presented in accordance with US GAAP. The required presentations and reconciliations are contained in this presentation and can also be found at our website at .

- Introductions – **Candice Hester**
- Operational Update – **Adam Stedham**
- Financial Review – **Mike Dugan**
- Q&A
- Closing

AGENDA

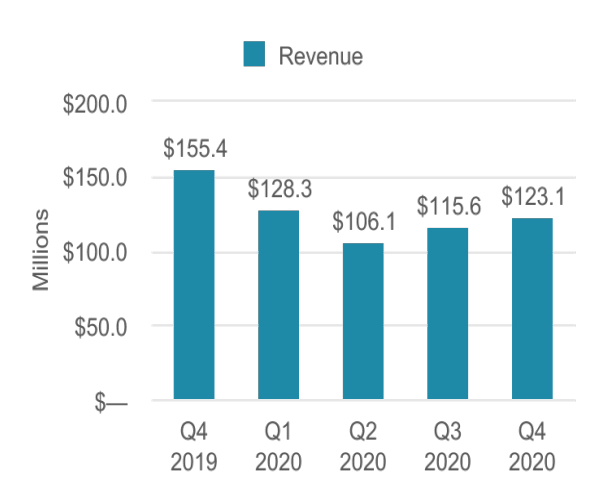
TRANSFORM WITH US

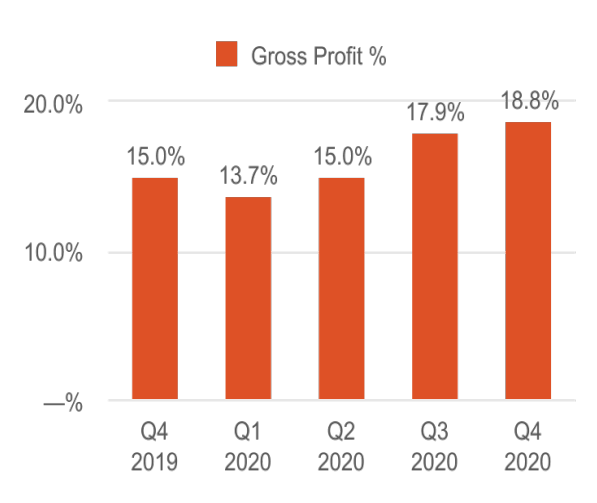
GP STRATEGIES

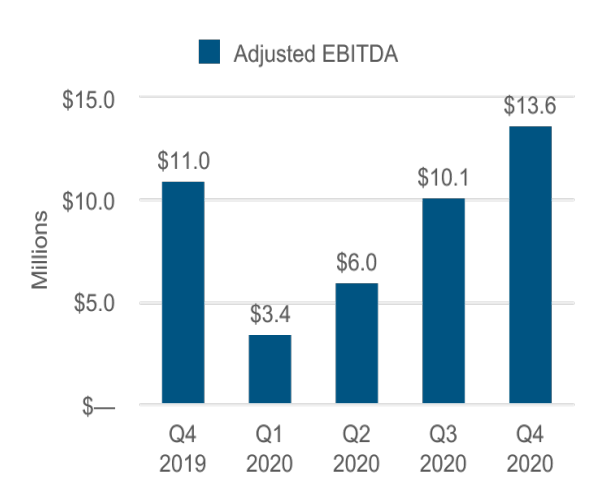
OPERATIONAL UPDATE

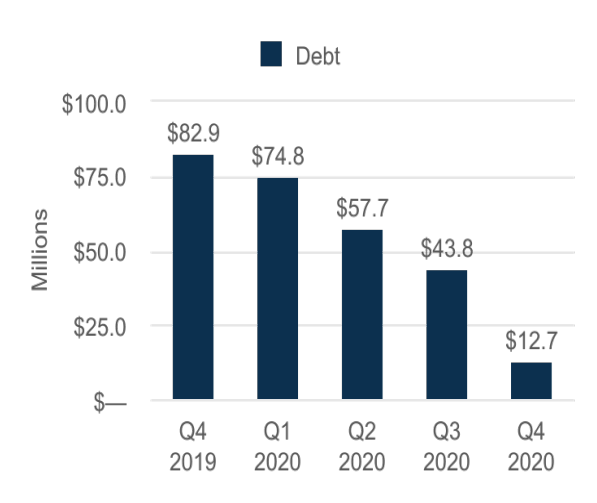
2020 YEAR END REVIEW

- The company has sequentially improved our performance since the onset of the pandemic and dramatically reduced our debt
- We have begun our focus strategy, which targets key industry verticals and regional alignment to clients
- We are in the process of shifting the company to a higher margin profile by reducing the complexity of the business and lowering our overhead costs
- Historically, the company has performed well during an economic recovery and we are seeing the signs that indicate this recovery will follow historical patterns



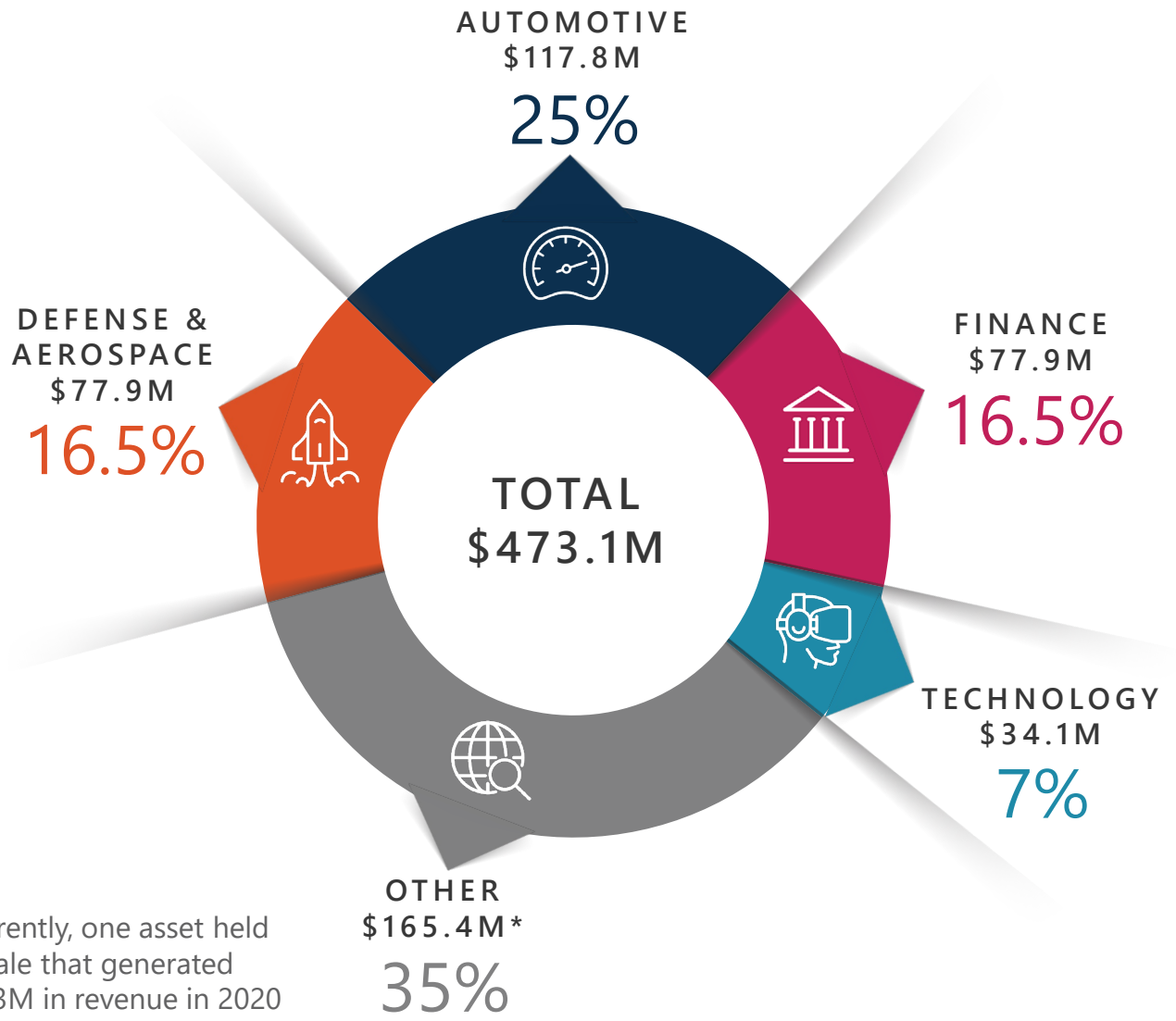






REVENUE BY INDUSTRY

65% of 2020 Revenue Comes From Four Target Industries



*Currently, one asset held for sale that generated $13.3M in revenue in 2020

GP STRATEGIES

FINANCIAL REVIEW

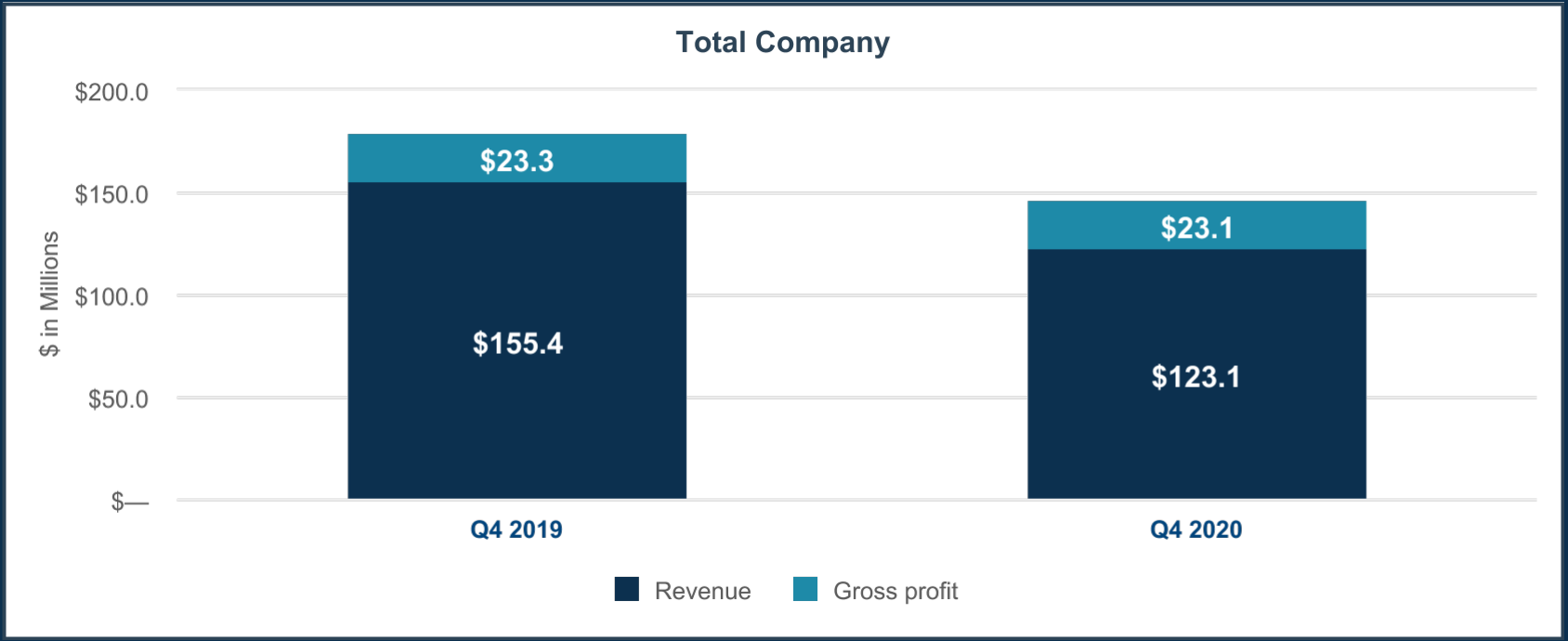
2020 SELECTED FINANCIAL HIGHLIGHTS

	($'s in millions)				
	Q1 2020	**Q2 2020**	**Q3 2020**	**Q4 2020**	**2020**
Revenue	**$ 128.3**	**$ 106.1**	**$ 115.6**	**$ 123.1**	**$ 473.1**
Gross profit *	17.6	15.9	20.7	23.1	77.3
Gross margin *	13.7 %	15.0 %	17.9 %	18.8 %	16.3 %
General and administrative expenses *	17.3	14.2	17.6	13.6	62.7
Sales and marketing expenses *	1.8	1.9	1.7	1.8	7.2
Adjusted EBITDA (1)	**3.4**	**6.0**	**10.1**	**13.6**	**33.1**
Cash flow from operations	**9.8**	**22.9**	**12.6**	**13.6**	**59.0**
Long-term debt, net of cash	**65.8**	**45.6**	**30.5**	**(10.3)**	**(10.3)**

(1) The terms Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization) and Adjusted EPS are non-GAAP financial measures that the Company believes are useful to investors in evaluating its results. For a reconciliation of these non-GAAP financial measures to the most comparable US GAAP equivalents, see the Non-GAAP Reconciliations, along with related footnotes, in the Appendices to this report.

*Q1 2020 results include severance expense of $0.2M. in cost of revenue. Q2 2020 results included severance expense of $2.4M ($2.0M in cost of revenue and $0.4M in SG&A expense). Q3 2020 results included severance expense and a change in Paid Time Off ("PTO") policy that nets to $4.8M ($1.9M in cost of revenue and $2.9M in SG&A expense). Q4 2020 results include severance expense of $1.9M in cost of revenue.

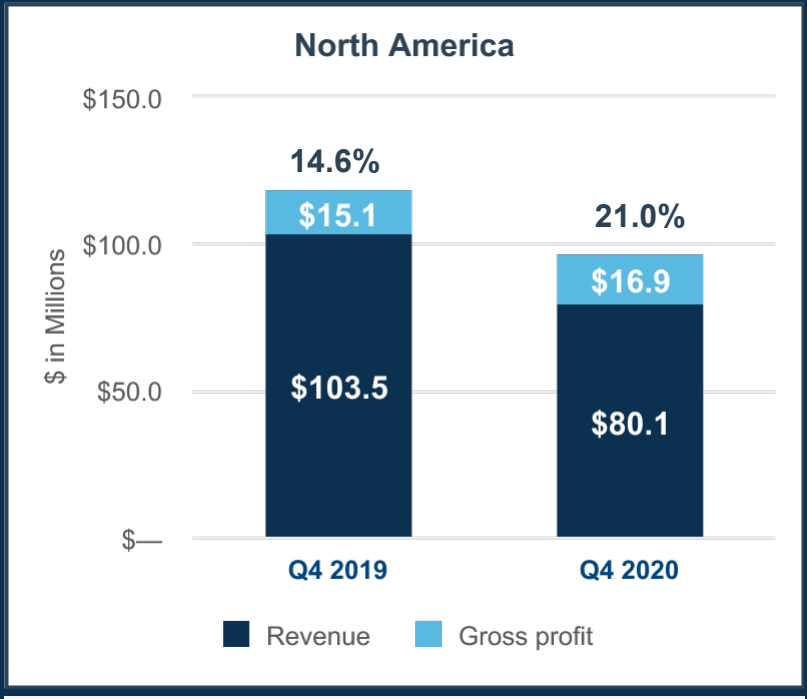
REVENUE & GROSS PROFIT COMPANY – FOURTH QUARTER

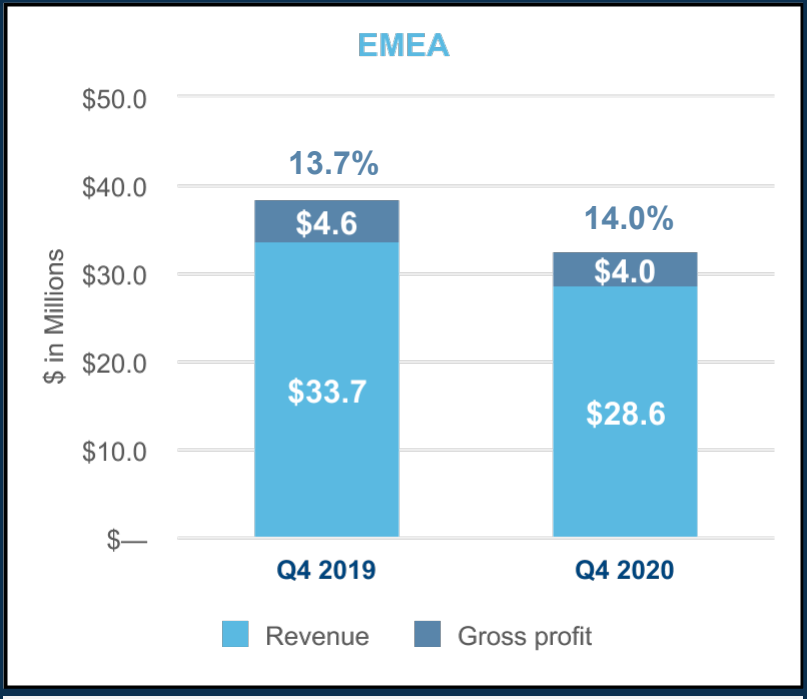


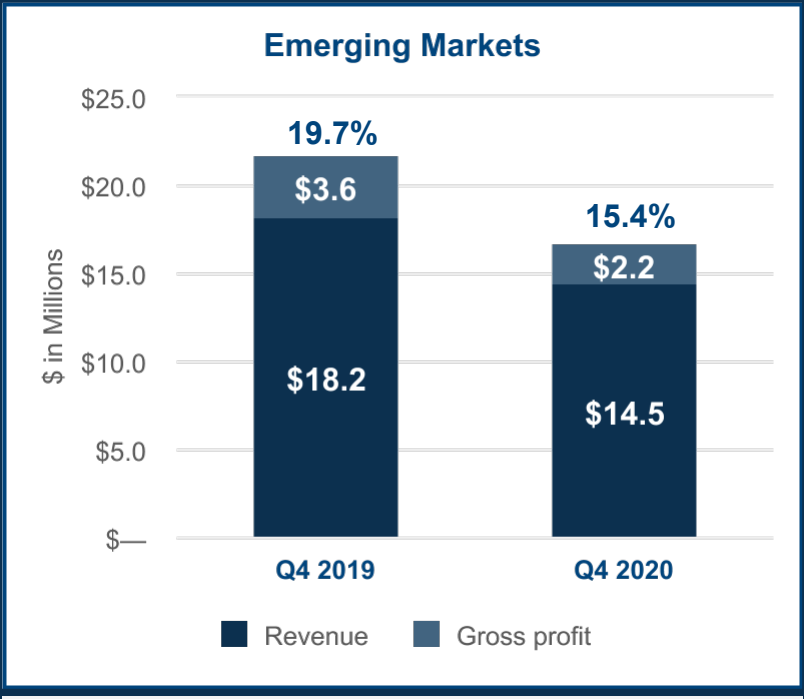
- **Total revenue down $32.3M or 20.8%**
  - $17.9M decrease due to COVID-19 impact
  - Excluding COVID-19 impact, divestitures and foreign currency impact
    - $4.6M decrease in North America
    - $1.9M decrease in EMEA
    - $2.9M decrease in Emerging Markets
  - $6.3M decrease due to divestitures
  - $1.3M increase due to Foreign currency impact

- **Gross profit down $0.2M or 1.0%**
  - Improving gross margins are due to our margin expansion strategy and focus on cost containment

REVENUE & GROSS PROFIT BY SEGMENT – FOURTH QUARTER





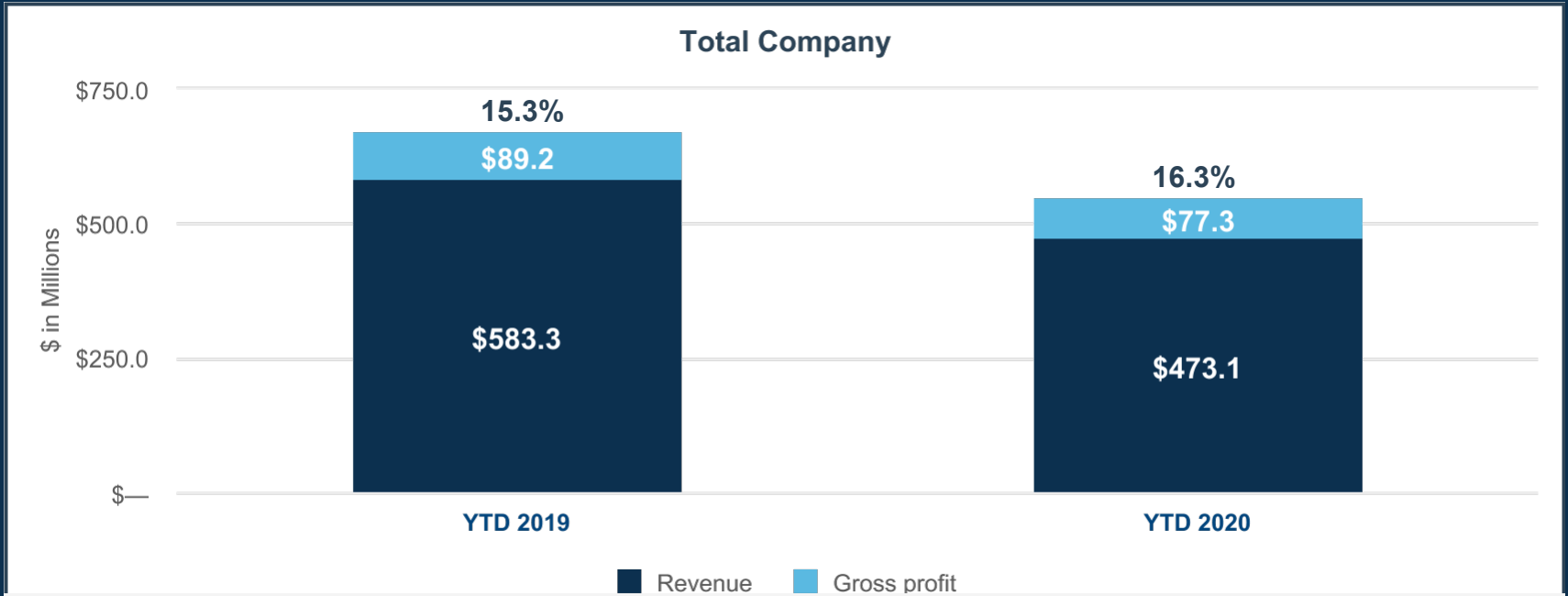


- **Total segment revenue down $23.4M or 22.6%**
  - $12.4M decrease due to COVID-19 impact
  - Excluding COVID-19, divestitures and foreign currency impacts
    - $1.4M decrease in OPS
    - $5.0M decrease in TPS
    - $1.7M increase in APS
  - $6.3 decrease due to divestitures
- **Total segment gross profit up $1.8M or 11.6%**
  - Gross Margin is improving due to the replacement of lower margin revenue with higher margin revenue streams, a $0.5M product license sale in our Energy sector, and our overall margin expansion strategy

- **Total segment revenue down $5.2M or 15.4%**
  - $4.6M decrease due to COVID-19 impact
  - Excluding COVID-19 and foreign currency impacts
    - $0.2M decrease in OPS
    - $0.3M decrease in TPS
    - $1.4M decrease in APS
  - $1.3M increase due Fx impact
- **Total segment gross profit down $0.6M or 13.6%**
  - Gross Profit includes in cost of sales $1.2M in severance expense, which was partially offset by a one-time benefits reversal of -$0.7M
  - Excluding these items, gross margins are still improving due to our margin expansion strategy

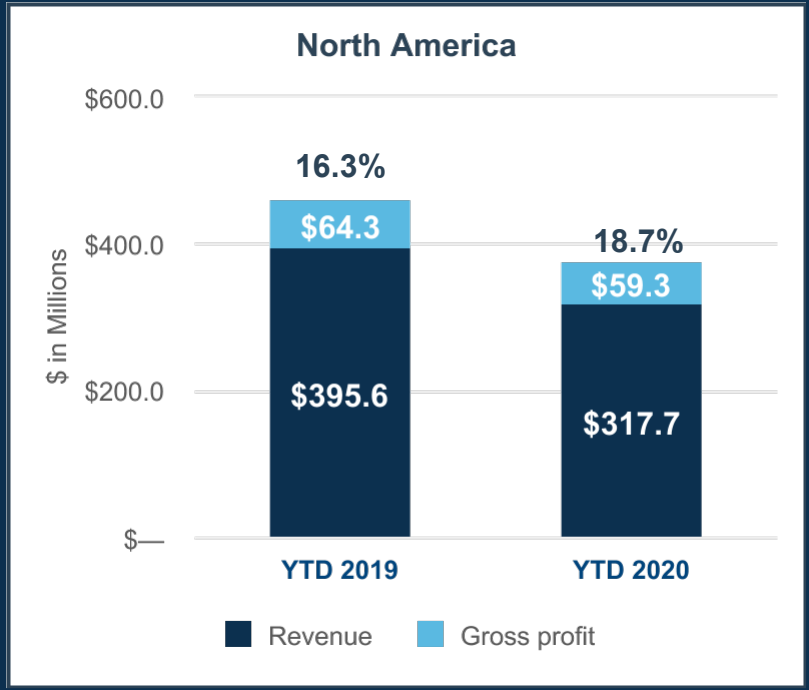
- **Total segment revenue down $3.7M or 20.5%**
  - $0.8M decrease due to COVID-19 impact
  - Excluding COVID-19 and foreign currency impact
    - $1.5M decrease in OPS
    - $1.4M decrease in APS
- **Total segment gross profit down $1.3M or 37.5%**
  - Gross margin excluding severance was 18.0% in Q4 2020 vs 19.1% in Q4 2019

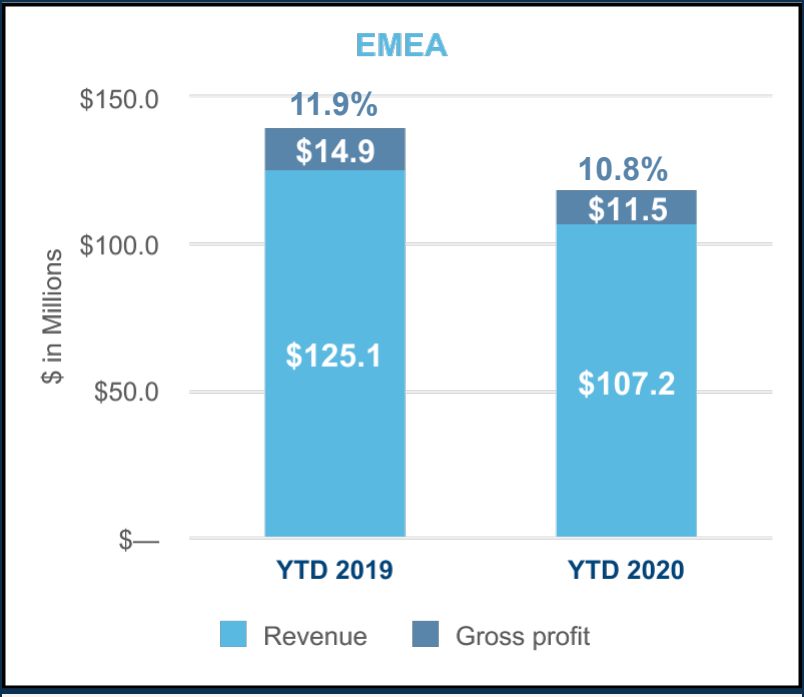
REVENUE & GROSS PROFIT COMPANY – 2020 VS 2019

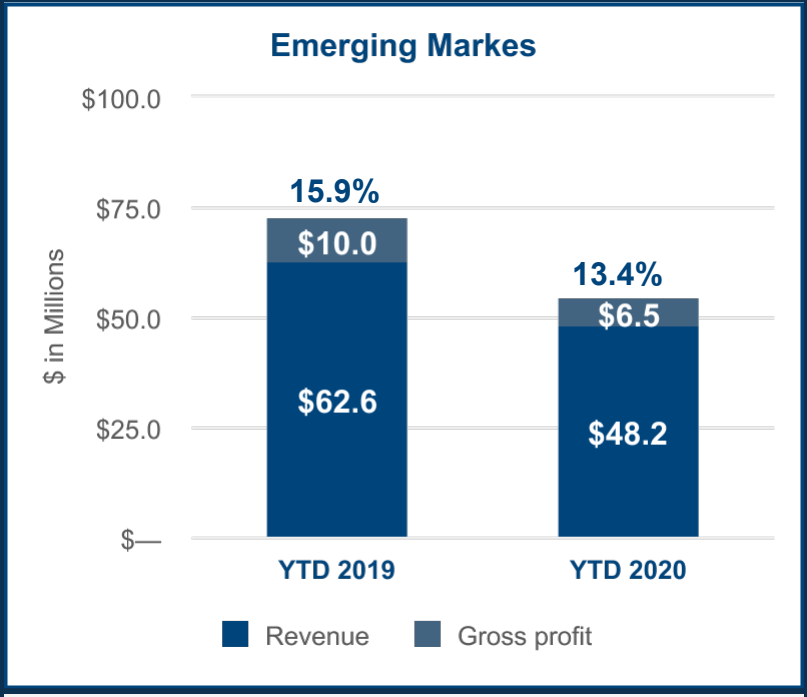


- **Total revenue down $110.2M or 18.9%**
  - $80.3M decrease due to COVID-19 impact
    - Excluding COVID-19 impact, divestitures and foreign currency impact
      - $8.0M decrease in North America
      - $0.2M decrease in EMEA
      - $1.9M decrease in Emerging Markets
    - $19.3M decrease due to divestitures
    - $0.5M decrease due to Foreign currency impact
- **Gross profit down $12.0M or 13.4%**
  - Severance expense and change in PTO policy resulted in a $6.0 net expense in 2020 vs a $2.2M expense in 2019
  - Gross margin excluding these items was 17.6% in 2020 vs 15.6% in 2019

REVENUE & GROSS PROFIT BY SEGMENT – 2020 VS 2019







- **Total segment revenue down $77.9M or 19.7%**
  - $50.0M decrease due to COVID-19 impact
  - Excluding COVID-19, divestitures and foreign currency impacts
    - $2.2M increase in OPS
    - $4.4M decrease in TPS
    - $5.5M decrease in APS
  - $19.3 decrease due to divestitures
  - $0.5M decrease due Fx impact
- **Total segment gross profit down $5.1M or 7.9%**
  - Gross profit down due to revenue declines, but gross margin is improving

- **Total segment revenue down $17.9M or 14.3%**
  - $18.8M decrease due to COVID-19 impact
    - Excluding COVID-19 and foreign currency impacts
      - $0.5M decrease in OPS
      - $3.6M increase in TPS
      - $3.1M decrease in APS
  - $1.0M increase due Fx impact
- **Total segment gross profit down $3.4M or 22.7%**
  - Gross margin excluding severance was 14.2% in 2020 vs 12.8% in 2019

- **Total segment revenue up $14.4M or 23.0%**
  - $11.5M decrease due to COVID-19 impact
    - Excluding COVID-19 and foreign currency impacts
      - $0.8M decrease in OPS
      - $0.4M decrease in TPS
      - $0.6M decrease in APS
  - $1.0 decrease due Fx impact
- **Total segment gross profit down $3.5M or 35.0%**
  - Gross margin excluding severance was 15.1% in 2020 vs 15.8% in 2019

SG&A EXPENSES

	($'s in millions)							
	Q4 2020	Q4 2019	$ Inc. (Dec.)	% Change	2020	2019	$ Inc. (Dec.)	% Change
General & administrative expenses	$13.6	$17.7	$(4.1)	(23.3)%	$62.7	$64.5	$(1.8)	(2.8)%
Sales & marketing expenses	1.8	2.2	(0.3)	(15.9)%	7.2	7.9	(0.7)	(8.7)%

GENERAL & ADMINISTRATIVE

- $4.1M decrease in Q4 2020 vs. Q4 2019 primarily the result of
  - $1.9M reduction due to cost reduction initiatives
  - $1.2M reduction in bad debt
  - $0.7M reduction in amortization primarily due to divestitures
  - $0.3M reduction related to a one-time credit for legal expense deductible being exceeded

SALES & MARKETING EXPENSES

- Sales and marketing expense was down slightly from Q4 of last year

OTHER P&L ITEMS

	($'s in millions)					
	Q4 2020	**Q4 2019**	**$ Inc. (Dec.)**	**2020**	**2019**	**$ Inc. (Dec.)**
Restructuring charges	$0.5	$0.2	$0.3	$1.4	$1.6	$(0.3)
Gain on change in fair value of contingent consideration, net	—	—	—	—	0.7	(0.7)
Gain on sale of business	5.0	12.1	(7.1)	6.1	12.1	(6.1)
Interest expense	0.9	1.2	-0.3	2.9	6.1	-3.1
Other income (expense)	-0.0	0.1	-0.2	-0.5	0.4	-0.9
Income tax expense	2.8	4.8	-2.0	1.5	7.2	-5.6
Effective income tax rate	24.8%	33.4%	(8.7)%	17.9%	32.1%	(14.2)%

RESTRUCTURING CHARGES: increased $0.3M for Q4 2020 (2020 restructuring for transition activities to improve operational efficiency and reduce costs of the G&A function and 2019 restructuring costs for TTi integration)

GAIN ON SALE OF BUSINESS: decreased $7.1M for Q4 2020 (Q4 2020 sold IC Axon and Q4 2019 sold Tuition Management Program)

INTEREST EXPENSE: decreased $0.3M for Q4 2020 due to lower borrowings and interest rates under the credit facility

OTHER EXPENSE: decreased $0.2 for Q4 2020

INCOME TAX EXPENSE: The decrease in the effective income tax rate for 2020 compared to 2019 was primarily due to the tax effect of the sale of a subsidiary, partially offset by an increase in the valuation allowance on deferred tax assets. Our normalized tax rate for 2020 would have been 34.6% excluding the sale of IC Axon and certain one time discrete items.

EARNINGS SUMMARY

	($'s in millions, except per share data)			
	Q4 2020	**Q4 2019**	**2020**	**2019**
Net income	$8.4	$9.5	$7.1	$15.2
Earnings per share – diluted	0.47	0.56	0.41	0.90
Adjusted EPS (1)	0.38	0.23	0.73	0.84
Adjusted EBITDA (1)	13.6	11.0	33.1	40.9

(1) The terms Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization) and Adjusted EPS are non-GAAP financial measures that the Company believes are useful to investors in evaluating its results. For a reconciliation of these non-GAAP financial measures to the most comparable US GAAP equivalents, see the Non-GAAP Reconciliations, along with related footnotes, in the Appendices to this report.

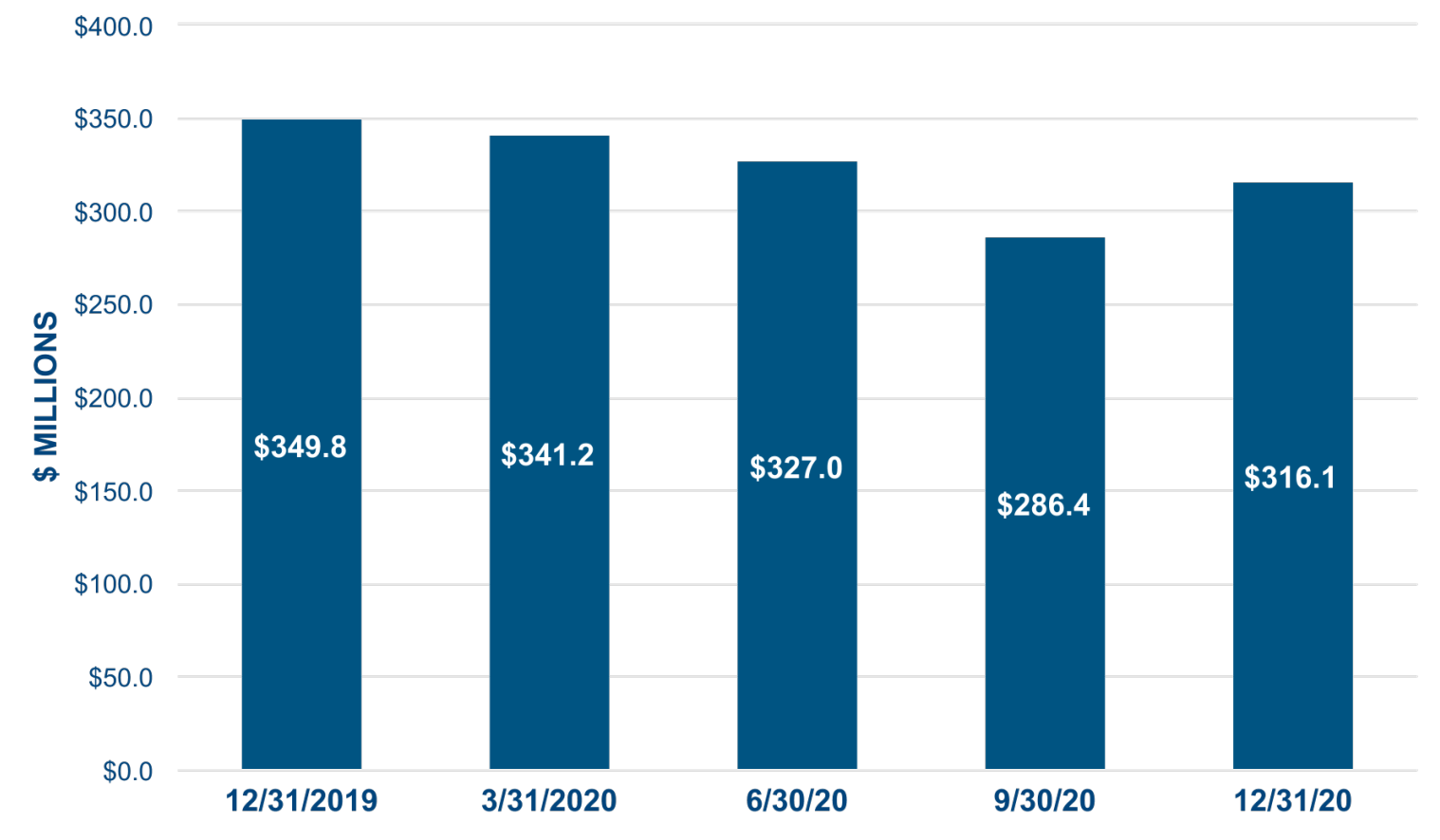
BALANCE SHEET

SIGNIFICANT DRIVERS

- Operating Cash Flow in Q4 was $13.6M and 2020 was $59.0M
- Deferred payroll and other tax liabilities of $10.4M as of 12/31/20 under the CARES Act and other COVID relief which will be paid through 2022
- Debt was $12.7M as of 12/31/20 which is a reduction of $70.2M from $82.9M as of 12/31/19
- At 12/31/20, long term debt, net of cash was a net cash balance of $10.3M which is an $85.0M improvement from the net debt balance of $74.7 at 12/31/19.
- Assets held for sale includes $42.5M of assets primarily composed of intangible assets and $5.9M of liabilities related to the impending sale of a business in one of our non-focus industries

($'s in thousands)	December 31, 2019	December 31, 2020
Cash	$ 8,159	$ 23,076
Accounts receivable	131,852	110,575
Unbilled revenue	57,229	28,100
Prepaid expenses & other	19,115	15,186
Assets held for sale	—	42,463
Total current assets	216,355	219,400
Property, plant & equipment	5,803	4,650
Operating lease assets	27,251	20,862
Goodwill & intangible assets, net	187,907	126,245
Other assets	11,586	10,619
Total assets	$ 448,902	$ 381,776
Accounts payable & accrued expenses	$ 92,332	$ 91,572
Current portion lease liabilities	7,871	5,523
Deferred revenue	23,234	16,509
Liabilities held for sale	—	5,868
Total current liabilities	123,437	119,472
Long-term debt	82,870	12,748
Long-term portion lease liabilities	22,159	16,260
Other non-current liabilities	10,522	9,950
Stockholders' Equity	209,914	223,346
Total	$ 448,902	$ 381,776

BACKLOG TRENDING



- Backlog down $33.7M from reported 12/31/2019
- Backlog at 12/31/2019 includes $11.0M from divested businesses
- Backlog expressed as months of revenue is 7.7 months for Q4 2020 vs 6.8 month for Q4 2019

LET'S WORK TOGETHER

Q&A

APPENDICES

NON-GAAP RECONCILIATION – ADJUSTED EBITDA[1]

($'s in thousands) (Unaudited)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Net income (loss)	$ 8,447	$ 9,495	$ 7,068	$ 15,189
Interest expense	909	1,206	2,934	6,058
Income tax expense	2,783	4,772	1,542	7,180
Depreciation & amortization	1,675	2,490	7,879	9,482
EBITDA	**$ 13,814**	**$ 17,963**	**19,423**	**37,909**
ADJUSTMENTS:				
Non-cash stock compensation expense	1,846	1,656	6,256	5,595
Stock compensation related to severance	—	—	1,721	—
Restructuring charges	532	234	1,387	1,639
Severance expense	1,870	206	9,372	2,232
Change in paid time off policy	—	—	(1,894)	—
Gain on contingent consideration, net	—	—	—	(677)
ERP implementation costs	—	585	—	2,188
Foreign currency transaction (gains) losses	25	(334)	747	718
Legal acquisition/divestiture and transaction costs	516	621	1,922	1,291
Impairment of operating lease right-of-use asset	—	—	255	—
Gain on sale of business	(5,000)	(12,126)	(6,064)	(12,126)
Loss on settlement with foreign oil & gas client	—	2,154	—	2,154
Adjusted EBITDA	**$ 13,603**	**$ 10,959**	**$ 33,125**	**$ 40,923**

(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. In particular, with regard to our comparison of our first quarter 2020 Adjusted EBITDA to our currently anticipated second quarter 2020 Adjusted EBITDA, we believe that certain gains and charges in the first quarter and certain anticipated gains and charges in the second quarter, such as the gain on sale of business, legal acquisition and transaction costs, restructuring charges and severance expense, while difficult to predict in the current environment, will vary significantly and make a quarter to quarter comparison of net income less useful to investors than a comparison of Adjusted EBITDA in understanding the impact of COVID-19 and related effects on our results of operations. The Company is unable without unreasonable efforts to estimate specific line items in Adjusted EBITDA which are necessary to a quantitative reconciliation for the forward-looking information above, due to factors including the COVID-19 pandemic and its rapidly-changing effects. Without the availability of this significant information, the Company is unable to provide such a reconciliation. 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. For the periods presented, these other items are restructuring charges, severance expense, ERP implementation costs, foreign currency transaction losses, legal acquisition & transaction costs, impairment of operating lease right-of-use asset, and gain on sale of business. 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.

NON-GAAP RECONCILIATION – ADJUSTED EPS[1] FY

($'s in thousands, except per share amounts) (Unaudited)	Three Months Ended December 31,					
	2020			2019		
	Gross	Net of Tax	EPS	Gross	Net of Tax	EPS
			$ 0.47			$ 0.56
ADJUSTMENTS:						
Restructuring charge	$ 532	$ 400	0.02	$ 234	$ 125	0.01
Severance expense	1,870	1,406	0.08	206	92	0.01
ERP implementation costs	—	—	—	585	369	0.02
Foreign currency transaction (gains) losses	25	19	—	(334)	(253)	(0.01)
Legal acquisition/divestiture and transaction costs	516	388	0.02	621	406	0.02
Settlement of contingent consideration in shares	—	—	—	275	176	0.01
Gain on sale of business	(5, 000)	(3,760)	(0.21)	(12,126)	(8,234)	(0.48)
Loss on settlement with foreign oil & gas clients	—	—	—	2,154	1,463	0.09
Adjusted EPS			$ 0.38			$ 0.23

(1) Adjusted Earnings per Diluted Share ("Adjusted EPS"), 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 EPS is calculated by adding back to earnings per share gain or loss on the change in fair value of contingent consideration and other unusual or infrequently occurring items. For the periods presented, these other items are restructuring charges, severance expense, ERP implementation costs, foreign currency transaction losses, legal acquisition & transaction costs, settlement of contingent consideration in shares, impairment of operating lease right-of-use asset, gain on sale of business. Management uses Adjusted EPS to assess total Company operating performance on a consistent basis. We believe that this non-GAAP financial measure, which excludes the gain or loss on the change in fair value of acquisition-related contingent consideration and other special charges, when considered together with our US GAAP financial results, provides management and investors with an additional understanding of our business operating results, including underlying trends.

NON-GAAP RECONCILIATION – ADJUSTED EPS[1] YTD DECEMBER

($'s in thousands, except per share amounts) (Unaudited)	Twelve Months Ended December 31,					
	2020			2019		
	Gross	Net of Tax	EPS	Gross	Net of Tax	EPS
			$ 0.41			$ 0.90
ADJUSTMENTS:						
Stock compensation severance expense	$ 1,721	$ 1,274	0.07	$ —	$ —	—
Restructuring charges	1,387	1,033	0.06	1,639	1,113	0.07
Severance expense	9,372	6,944	0.40	2,232	1,516	0.09
Change in paid time off policy	(1,894)	(1,402)	(0.08)	—	—	—
Gain on contingent consideration, net	—	—	—	(677)	(460)	(0.03)
ERP implementation costs	—	—	—	2,188	1,486	0.09
Foreign currency transaction losses	747	450	0.03	718	488	0.03
Legal acquisition/divestiture and transaction costs	1,922	1,262	0.07	1,291	877	0.05
Impairment of operating lease right-of-use asset	255	172	0.01	—	—	—
Settlement of contingent consideration in shares	600	431	0.02	700	475	0.03
Gain on sale of business	(6,064)	(4,476)	(0.26)	(12,126)	(8,234)	(0.48)
Loss on settlement with foreign oil & gas client	—	—	—	2,154	1,463	0.09
Adjusted EPS			$ 0.73			$ 0.84

(1) Adjusted Earnings per Diluted Share ("Adjusted EPS"), 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 EPS is calculated by adding back to earnings per share gain on change in fair value of contingent consideration and other unusual or infrequently occurring items. For the periods presented, these other items are restructuring charges, severance expense, ERP implementation costs, foreign currency transaction losses, legal acquisition & transaction costs, settlement of contingent consideration in shares, (gain) loss on divested business, loss on settlement with foreign oil & gas client, and reversal of contingent interest. Management uses Adjusted EPS to assess total Company operating performance on a consistent basis. We believe that this non-GAAP financial measure, which excludes the gain or loss on the change in fair value of acquisition-related contingent consideration and other special charges, when considered together with our US GAAP financial results, provides management and investors with an additional understanding of our business operating results, including underlying trends.

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