



Vision
The global leader in turning
strategy into action.

Profit increases by 27 per- cent in the third quarter

January 1 – September 30, 2019

- Net sales amounted to MSEK 1,313 (1,104). Adjusted for changes in foreign exchange rates, growth was 12 percent.
- Operating profit (EBITA) increased by 24 percent to MSEK 156 (126).¹
- Profit before tax increased by 24 percent to MSEK 136 (110).
- Profit after tax increased by 24 percent to MSEK 96 (77).
- Earnings per share increased by 22 percent to SEK 4.98 (4.09).

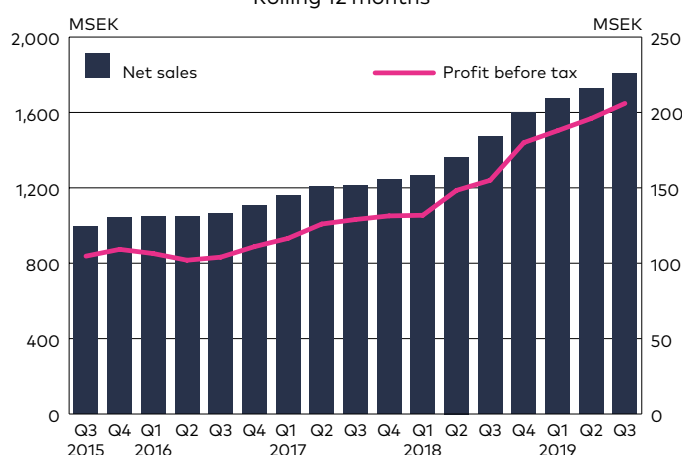
Third quarter 2019

- Net sales amounted to MSEK 460 (377). Adjusted for changes in foreign exchange rates, growth was 16 percent.
- Operating profit (EBITA) increased by 31 percent to MSEK 54 (42).²
- Profit before tax increased by 27 percent to MSEK 46 (37).
- Profit after tax increased by 27 percent to MSEK 32 (25).
- Earnings per share increased by 24 percent to SEK 1.67 (1.35).

¹ BTS applies the new reporting standard IFRS 16 regarding leases as of January 1, 2019. Comparative figures for 2018 have not been restated. IFRS 16 had a positive effect of MSEK 3.4 on EBITA. If the new standard had not been applied, EBITA would have amounted to MSEK 153 (126). For other effects, see the separate table on pages 12–13.

² IFRS 16 had a positive effect of MSEK 1.3 on EBITA for the third quarter, and if the new standard had not been applied, EBITA would have amounted to MSEK 53 (42).

NET SALES AND PROFIT BEFORE TAX
Rolling 12 months



BTS is a global professional services firm headquartered in Stockholm, Sweden, with over 800 professionals in 35 offices located on six continents. We focus on the people side of strategy, working with leaders at all levels to help them make better decisions, convert those decisions to actions and deliver results. At our core, we believe people learn best by doing. For more than 30 years, we've been designing fun, powerful experiences™ that have a profound and lasting impact on people and their careers. We inspire new ways of thinking, build critical capabilities and unleash business success. *It's strategy made personal.*

We serve a wide range of client needs, including: Strategy execution, Leadership development programs, Assessment, Developing business acumen, Transforming sales organizations, Coaching, and Digital solutions, events and services.

We partner with nearly 450 organizations, including over 30 of the world's 100 largest global corporations. Our major clients are e.g.: ABB, Chevron, Coca-Cola, Ericsson, EY, HP, Mercado Libre, Salesforce.com, SAP, and Tencent.

BTS is a public company listed on the Nasdaq Stockholm exchange and trades under the symbol BTS B. For more information, please visit www.bts.com.

Q3

CEO COMMENTS

Thirteenth consecutive record-breaking quarter

The year's third quarter was healthy; revenue increased by 16 percent and earnings by 27 percent.

Our increase in profit has been stable over time. Earnings have now improved every quarter for the past thirteen quarters. For some people thirteen is an unlucky number, but not for us. Our goal is to continue to deliver new record-breaking quarters in the future.

BTS Europe had a very strong quarter, with 40 percent growth and a considerable earnings increase. BTS North America reported a strong quarter, with 21 percent growth and earnings that increased at the same rate. In BTS Other markets, growth was only 4 percent, which had a negative impact on the margin. We noted a weak performance in Mexico and Argentina, two markets where political changes led to significant uncertainty among companies.

The operating margin increased 0.8 percentage points in the third quarter, and 0.5 percentage points in the first nine months. The positive trend in the EBITA margin that began in the fourth quarter of 2016 is continuing.

These improvements were due to a higher share of licensing revenue, more efficient resource utilization and economies of scale – revenue growing more rapidly than overall costs. We will continue our efforts to raise the margin, with a target EBITA margin of 15 percent.

The market for BTS's services is continuing to expand. The rate of change in the global business sector is high, which is favorable for demand. BTS holds a strong competitive position through our global organization, our digital services and our track record on creating earnings for our customers. We can see an increase in inquiries into major projects and an increased win ratio for BTS.

One trend in the market is that major international companies prefer to work with fewer partners and are looking for more strategic and long-term collaborations. BTS is well positioned here, and we are winning several global, long-term agreements with broader content services.



The acquisitions made in 2016 and 2017 in Italy, Germany and by BTS Coach have been integrated well and are presenting favorable results. There are solid opportunities for further acquisitions that offer appealing synergies and growth potential.

The acquisition of SwissVBS in July has generated synergies; we have already won several joint projects in the market. During the third quarter, SwissVBS demonstrated slightly positive results, and our goal is to improve these in the next quarter.

In 2019, we expect profit before tax that is **considerably** better than in the preceding year.

Stockholm, November 13, 2019

A handwritten signature in blue ink, appearing to read 'Henrik Ekelund', written over a light blue horizontal line.

Henrik Ekelund
President and CEO of BTS Group AB (publ)

OPERATIONS

Sales

BTS's net sales for the nine-month period amounted to MSEK 1,313 (1,104). Adjusted for changes in foreign exchange rates, growth was 12 percent, of which 11 percent was organic.

Growth varied between the units: BTS Europe 19 percent, BTS North America 15 percent, BTS Other markets 9 percent and APG -12 percent (growth measured in local currency).

Earnings

Operating profit (EBITA) for the nine-month period increased by 24 percent to MSEK 156 (126). The operating margin (EBITA margin) was 11.9 (11.4) percent. IFRS 16 had a positive effect of MSEK 3.4 on EBITA. If IFRS 16 had not been applied, EBITA would have increased by MSEK 153 (126).

Operating profit (EBIT) for the nine-month period increased by 27 percent to MSEK 142 (112). The operating margin (EBIT margin) was 10.8 percent (10.2). Operating profit (EBIT) for the nine-month period was charged with MSEK 14.3 (14.1) for amortization of intangible assets attributable to acquisitions.

The Group's profit before tax increased by 24 percent to MSEK 136 (110). IFRS 16 resulted in a higher interest expense of MSEK 5.4. If IFRS 16 had not been applied, the Group's profit before tax would have increased by MSEK 138 (110).

The Group's profitability was positively affected by improved profit in BTS North America and BTS Europe, while weaker earnings in BTS Other Markets and APG had a negative effect.

Third quarter

BTS's third-quarter net sales amounted to MSEK 460 (377). Adjusted for changes in foreign exchange rates, growth was 16 percent, of which 15 percent was organic. Operating profit (EBITA) increased by 31 percent in the third quarter to MSEK 54 (42). The operating margin (EBITA margin) was 11.8 (11.0) percent. IFRS 16 had a positive effect of MSEK 1.3 on EBITA. If IFRS 16 Leases had not been applied, EBITA would have increased by MSEK 53 (42).

Operating profit (EBIT) increased by 32 percent to MSEK 49 (37). The operating margin (EBIT margin) was 10.7 percent (9.8). Operating profit for the third quarter was charged with MSEK 5.4 (4.4) for amortization of intangible assets attributable to acquisitions.

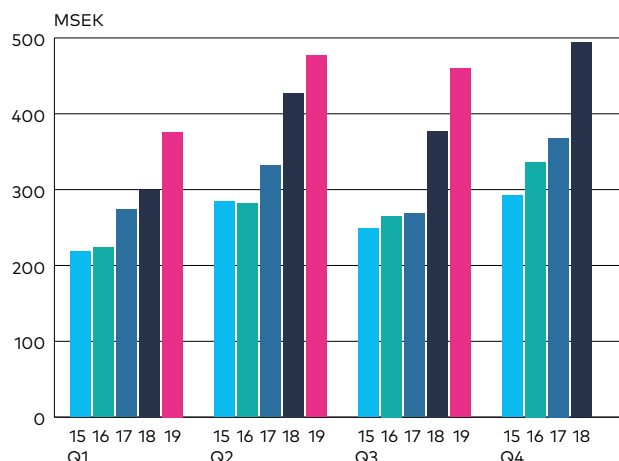
Profit before tax for the third quarter increased by 27 percent to MSEK 46 (37). IFRS 16 resulted in a higher interest expense of MSEK 2.3. If IFRS 16 had not been applied, the Group's profit before tax would have increased by MSEK 47 (37).

The Group's profitability was positively affected by improved profit in BTS North America and BTS Europe, while weaker earnings in BTS Other markets and APG had a negative effect.

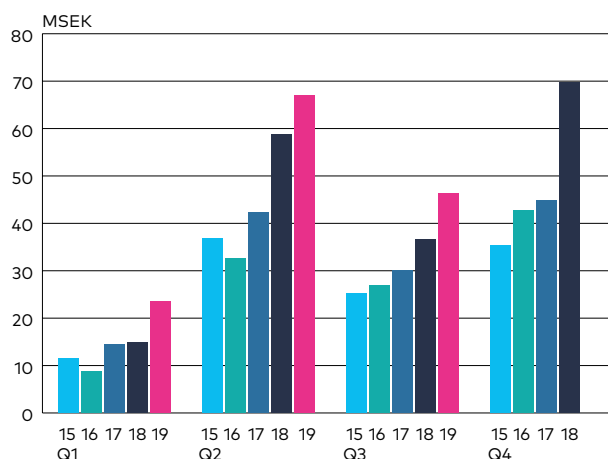
Market development

The market for BTS services continued to trend positively during the nine-month period.

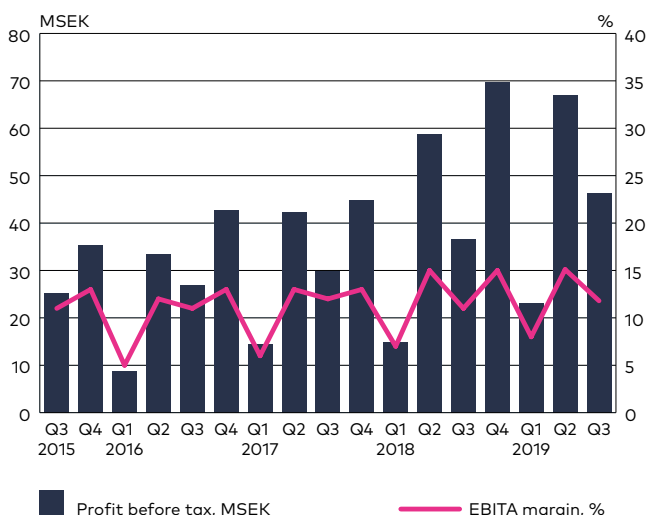
REVENUE BY QUARTER



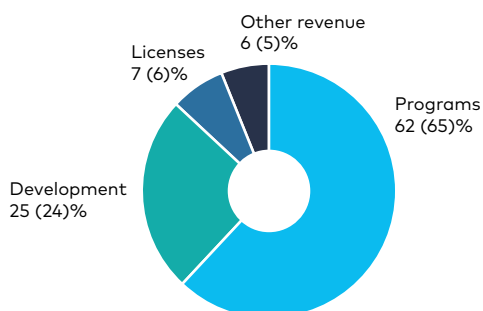
PROFIT BEFORE TAX BY QUARTER



PROFIT BEFORE TAX AND OPERATING MARGIN (EBITA) BY QUARTER



NET SALES BY SOURCE OF REVENUE
JANUARY 1–SEPTEMBER 30, 2019 (2018)



SEGMENT REPORTING

The effects of IFRS 16 are not included in the BTS Operating units reporting. These effects are recognized as Group adjustments and presented in a separate table.

Operating units

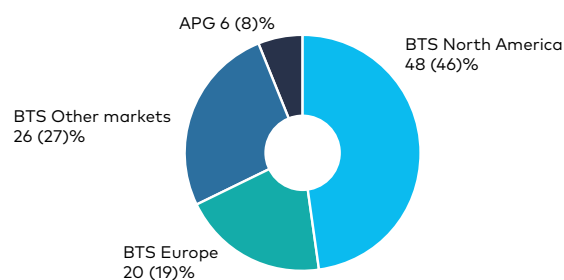
BTS North America consists of BTS's operations in North America, excluding APG but including SwissVBS with its operations in Canada and Switzerland.

BTS Europe consists of operations in France, Germany, the Netherlands, the UK and Sweden.

BTS Other markets consists of operations in Argentina, Australia, Brazil, China, Costa Rica, India, Italy, Japan, Mexico, Singapore, South Africa, South Korea, Spain, Taiwan, Thailand and the United Arab Emirates.

APG consists of operations in Advantage Performance Group in North America.

NET SALES PER OPERATING UNIT JANUARY 1–SEPTEMBER 30, 2019 (2018)



NET SALES PER OPERATING UNIT

MSEK	July–Sep 2019	July–Sep 2018	Jan–Sep 2019	Jan–Sep 2018	Oct–Sep 2018/19	Jan–Dec 2018
BTS North America	224	173	633	504	844	714
BTS Europe	95	67	257	211	362	316
BTS Other markets	116	109	341	305	496	460
APG	24	28	82	84	106	109
Total	460	377	1,313	1,104	1,807	1,598

OPERATING PROFIT (EBITA) PER OPERATING UNIT

MSEK	July–Sep 2019	July–Sep 2018	Jan–Sep 2019	Jan–Sep 2018	Oct–Sep 2018/19	Jan–Dec 2018
BTS North America	29.3	22.4	86.3	68.9	110.9	93.4
BTS Europe	14.2	2.1	33.4	18.1	60.3	44.9
BTS Other markets	9.8	16.5	33.3	38.7	57.4	62.8
APG	-0.3	0.5	0.0	0.5	0.5	0.9
Total	53.0	41.6	153.1	126.2	229.0	202.1

BTS North America

Net sales for BTS's operations in North America amounted to MSEK 633 (504) for the nine-month period. Adjusted for changes in foreign exchange rates, revenue grew by 15 percent. Operating profit (EBITA) for the nine-month period totaled MSEK 86.3 (68.9). The operating margin (EBITA margin) was 13.6 (13.7) percent.

Net sales for the third quarter amounted to MSEK 224 (173). Adjusted for changes in foreign exchange rates, revenue grew by 21 percent. Operating profit (EBITA) amounted to MSEK 29.3 (22.4) in the third quarter. The operating margin (EBITA margin) was 13.1 (13.0) percent.

It was a strong third quarter for BTS North America. The market remains strong, where BTS has a good position and continues to gain market shares.

The acquired SwissVBS was consolidated in BTS North America in the third quarter. Excluding SwissVBS, the currency adjusted growth was 18 percent and the EBITA margin higher.

BTS Europe

Net sales for BTS Europe amounted to MSEK 257 (211) for the nine-month period. Adjusted for changes in foreign exchange rates, revenue grew by 19 percent. Operating profit (EBITA) amounted to MSEK 33.4 (18.1) for the nine-month period. The operating margin (EBITA margin) was 13.0 (8.6) percent.

Net sales for the third quarter amounted to MSEK 95 (67). Adjusted for changes in foreign exchange rates, revenue grew by 40 percent. Operating profit (EBITA) amounted to MSEK 14.2 (2.1) in the third quarter. The operating margin (EBITA margin) was 14.9 (3.1) percent.

BTS Europe achieved a very strong third quarter. Considerable growth in Germany played a part.

BTS Other markets

Net sales for BTS Other markets amounted to MSEK 341 (305) for the nine-month period. Adjusted for changes in foreign exchange rates, revenue grew by 9 percent. Operating profit (EBITA) amounted to MSEK 33.3 (38.7) for the nine-month period. The operating margin (EBITA margin) was 9.8 (12.7) percent.

Net sales for the third quarter amounted to MSEK 116 (109). Adjusted for changes in foreign exchange rates, revenue grew by 4 percent. Operating profit (EBITA) amounted to MSEK 9.8 (16.5) in the third quarter. The operating margin (EBITA margin) was 8.4 (15.1) percent.

We have invested in growth in BTS Other markets, but have not achieved this, so the effect on the operating margin is significant.

Developments in Mexico and Argentina are weak, due to political uncertainty companies are cautious with their investments.

APG

Net sales for APG amounted to MSEK 82 (84) in the nine-month period. Adjusted for changes in foreign exchange rates, revenue declined by 12 percent. Operating profit (EBITA) amounted to MSEK 0.0 (0.5) for the nine-month period. The operating margin (EBITA margin) was 0.0 (0.6) percent.

Net sales for the third quarter amounted to MSEK 24 (28). Adjusted for changes in foreign exchange rates, revenue declined by 21 percent. Operating profit (EBITA) amounted to MSEK -0.3 (0.5) in the third quarter. The operating margin (EBITA margin) was -1.4 (1.8) percent.

We had weaker growth than expected for APG this year. A review of the business is in progress.

BTS'S OFFICES AROUND THE WORLD



OTHER INFORMATION

Financial position

BTS's cash flow from operating activities for the nine-month period amounted to MSEK 88.9 (61.1). IFRS 16 had a positive effect of MSEK 34.7 on the cash flow from operating activities. The weaker cash flow, excluding the IFRS effect during the year-earlier nine-month period, pertains exclusively to a reduction in current liabilities.

Available cash and cash equivalents amounted to MSEK 271 (231) at the end of the period. The company's interest-bearing loans attributable to previously implemented acquisitions amounted to MSEK 93 (135) at the end of the period.

BTS's equity ratio was 47 percent (48) at the end of the period. If IFRS 16 had not been applied, the equity ratio would have increased by 52 percent.

The company had no outstanding conversion loans at the balance sheet date.

Employees

At September 30, the number of employees at BTS was 825 (682).

The average number of employees for the nine-month period was 765 (630).

Parent Company

The Parent Company's net sales amounted to MSEK 2.3 (2.3) and profit before tax totaled MSEK 26.5 (20.8). Cash and cash equivalents amounted to MSEK 0.0 (1.0).

Outlook for 2019

Profit before tax is expected to be considerably better than the previous year.

Acquisitions

On July 15, 2019, BTS acquired the shares of SwissVBS, as previously communicated in a press release on the same date, whereby 100 percent of the voting rights have now been acquired. The acquisition encompasses all operations including talent, technology, intellectual property, customer relations, brands and equipment.

Of the initial purchase price, approximately 10 percent was paid in new BTS shares. An additional payment will be paid out in 2021 provided the business meets specific targets 2019-2021 based on the entire measurement period.

SwissVBS provides high impact digital learning solutions for the modern corporate learner. It operates primarily in the European and North American markets, bringing thought leadership and creative solutions to clients through digital journeys as well as learning reinforcement methods. The SwissVBS team will bring world class expertise in digital learning and performance support. This means that BTS can offer clients a wider range of solutions

and become even more competitive as an end-to-end talent partner. SwissVBS will also bring clients with whom the company has developed strong relationships and won awards, making BTS stronger in the Canadian and German-speaking markets.

SwissVBS was established in St. Gallen in 2001 as an offspring of the University of St. Gallen. Since then it has successfully grown into a respected provider of customized digital learning to some of the world's largest corporations.

Acquisition calculation at the date of acquisition translated at the exchange rate prevailing on the balance sheet date of September 30, 2019:

	MSEK
Tangible assets	0.1
Intangible assets	16.6
Financial assets	0.1
Accounts receivable	5.7
Cash and cash equivalents	0.1
Current liabilities	-5.3
Non-current liabilities	-7.4
Identifiable assets	9.9
Goodwill	49.3
Total purchase prices	59.3
Fair value of issued shares	-0.7
Provision for conditional purchase prices	-51.4
Cash paid purchase prices for 2019 acquisitions	7.2

Goodwill consists of expected future synergy effects in the form of an expanded product range and services. Alongside synergy effects, the addition of qualified employees and future profitability components are included in the goodwill item.

As previously communicated in a press release, the companies Polaris Assessment Systems and Samsari AB were acquired during the year. Through the acquisition of Polaris, BTS gains two business advantages: new industry-leading services that give access to a new market segment worth approximately USD 2 billion globally, and secondly, bringing on board three influential thought leaders in this market segment. The acquisition of Samsari provides BTS with several years of experience in change management, transformation projects and communication and contributes to broadening its customer base in the Nordic market.

A complete analysis of the year's acquisitions will be presented in the 2019 year-end report.

Events after the end of the period

No significant events occurred after the close of the period.

Risks and uncertainties

The Group's material risks and uncertainties include market and business risks, operational risks and financial risks. Business and market risks may relate to greater customer exposure for specific sectors and companies as well as sensitivity to market conditions. Operational risks include dependence on individuals, skills supply and intellectual property as well as BTS meeting the high quality demands of its clients. Financial risks mainly relate to foreign exchange and credit risks.

The management of risks and uncertainties is described in the 2018 Annual Report. BTS is considered to have a good spread of risks across companies and sectors, and operational risks are handled in a structured manner through well-established processes. Day-to-day exposure to currency fluctuations is limited since revenue and costs are mainly in the same currency in each market, and credit risk is limited since BTS only accepts creditworthy counterparties. No new material risks or uncertainties are deemed to have arisen during 2019.

Critical accounting estimates and assumptions

In order to prepare the financial statements in conformity with IFRS, Corporate Management is required to make estimates and assumptions that affect the application of accounting principles and the recognized amounts of assets, liabilities, revenue and costs. Estimates and assumptions are based on historical experience and a number of other factors that are regarded as reasonable under prevailing conditions. Actual outcomes can deviate from these estimates and assumptions. Estimates and assumptions are reviewed regularly.

Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU, RFR 1 Supplementary Accounting Rules for Groups, and the Swedish Annual Accounts Act. The Parent Company's statements have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Annual Accounts Act.

New accounting policies for 2019

IFRS 16 Leases

BTS applies IFRS 16 Leases as of January 1, 2019. IFRS 16 is applied retrospectively without restating comparative figures. Accordingly, the opening balance for 2019 has been restated in accordance with the new standard. The standard has impacted BTS's accounting of the Group's operating leases, which mostly comprise premises.

The Group recognizes a right-of-use asset in the balance sheet and a lease liability at the present value of future lease payments, adjusted for any prepaid or accrued payments attributable to the lease. The leased asset is depreciated straight-line over the lease term or over the useful life of the underlying asset if it is deemed to be probable that the Group will take over ownership at the end of the lease term. The lease expense is recognized as depreciation in EBITA and interest expenses in net financial items.

The implementation of the new lease standard results in increased assets and interest-bearing liabilities in the balance sheet, which thus impact the net financial position. The implementation also had a positive impact on EBITA in profit or loss based on a portion of the lease expenses being recognized as interest expenses in net financial items. In the cash flow statement, lease payments are distributed between interest paid in the operating cash flow and repayment of lease liabilities in the financing activities. Since the main payment is recognized in financing activities, cash flow from financing activities is reduced by the corresponding increase in cash flow from operating activities.

The average interest rate for the transition calculation was 4 percent. The Group applies the modified retrospective approach, meaning that the asset is recognized at the same amount as the lease liability, and for this reason no transition effect is presented in equity. Accordingly, comparative information continues to be recognized in accordance with IAS 17 Leases.

The opening effect on the consolidated balance sheet on January 1, 2019 was a reported lease asset (right-of-use asset) of MSEK 170 and a lease liability of MSEK 167 were added, of which MSEK 3 was reclassified from prepaid rent. The implementation effects are summarized in the table "Comparison between IAS 17 and IFRS 16." More details about the implementation, restated financial information and a description of new accounting principles are presented in BTS's 2018 Annual Report.

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 is a new interpretation that clarifies the accounting for uncertainty in income taxes under the framework of IAS 12 Income Taxes. For BTS, this entails a change to the classification of identified income-tax related risks that were previously recognized as a provision for tax expenses that are probable for setting the commitment. The uncertainty in the treatment of income taxes is recognized as a tax liability going forward.

IFRIC 23 is applied retrospectively without restating comparative figures. Accordingly, the opening balance for 2019 has been restated in accordance with the new interpretation. Income-tax related risks that were previously recognized as short and long-term provisions are reclassified to tax liabilities at an amount totaling MSEK 48 on January 1, 2019. Accordingly, no transition effect is presented in equity.

Nomination Committee

As previously announced, a Nomination Committee has been appointed. In consultation with Chairman of the Board Reinhold Geijer, BTS's three largest shareholders have appointed the following individuals to serve on the Nomination Committee:

- Anders Dahl, appointed by Henrik Ekelund
- Erik Durhan, appointed by Nordea Fonder
- Reinhold Geijer, Chairman of the Board of BTS Group AB
- Stefan af Petersens, own holding.

Anders Dahl has been appointed Chairman of the Nomination Committee.

The task of the Committee is to put forward proposals prior to the 2020 Annual General Meeting for chairman of the annual meeting, the Board, the Chairman of the Board, and auditors, proposals of fees for Board member and the auditors, and principles for the composition of the Nomination Committee.

Shareholders in BTS Group AB are welcome to submit proposals to the Chairman of the Nomination Committee at the following address: dalledulsing@me.com or by mail to: BTS Group AB, Nomination Committee, Grevgatan 34, SE-114 53 Stockholm, Sweden.

The proposed composition of the Board of the Directors will be announced in the notice convening the next Annual General Meeting.

Financial calendar

Year-end report 2019	February 18, 2020
Interim report Jan–March 2020	May 14, 2020
Interim report Jan–June 2020	August 18, 2020
Interim report Jan–Sep 2020	November 11, 2020

Stockholm, November 13, 2019

Henrik Ekelund
President and CEO

This report has not been reviewed by BTS's auditors.

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GROUP INCOME STATEMENT, SUMMARY

KSEK	July-Sep 2019	July-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Oct-Sep 2018/19	Jan-Dec 2018
Net sales	459,739	377,403	1,312,994	1,103,973	1,807,420	1,598,399
Operating expenses	-387,927	-333,563	-1,109,688	-970,046	-1,524,092	-1,384,450
Depreciation of property, plant, and equipment	-17,448	-2,277	-46,862	-7,703	-50,993	-11,835
Amortization of intangible assets	-5,380	-4,424	-14,254	-14,069	-18,898	-18,713
Operating profit	48,984	37,139	142,191	112,155	213,437	183,401
Net financial items	-2,686	-854	-6,691	-2,347	-7,474	-3,130
Associated company, profit after tax	-37	243	708	256	-25	-477
Profit before tax	46,261	36,529	136,208	110,064	205,937	179,794
Estimated tax	-14,006	-11,071	-40,646	-32,852	-61,454	-53,660
Profit for the period	32,255	25,458	95,562	77,212	144,483	126,134
attributable to the shareholders of the parent company	32,255	25,458	95,562	77,212	144,483	126,134
Earnings per share, before dilution of shares, SEK	1.67	1.35	4.98	4.09	7.55	6.67
Number of shares at end of the period	19,318,292	18,887,051	19,318,292	18,887,051	19,318,292	19,013,916
Average number of shares before dilution	19,311,340	18,887,051	19,188,893	18,887,051	19,139,005	18,905,124
Earnings per share, after dilution of shares, SEK	1.67	1.32	4.98	4.00	7.55	6.56
Average number of shares after dilution	19,311,340	19,284,748	19,188,893	19,284,748	19,139,005	19,232,346
Dividend per share, SEK						3.60

GROUP STATEMENT OF COMPREHENSIVE INCOME

KSEK	July-Sep 2019	July-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Oct-Sep 2018/19	Jan-Dec 2018
Profit for the period	32,255	25,458	95,562	77,212	144,483	126,134
Items that will not be reclassified to profit or loss	-	-	-	-	-	-
	-	-	-	-	-	-
Items that may be reclassified to profit or loss						
Translation differences in equity	32,224	-10,964	60,960	34,425	66,283	39,747
Other comprehensive income for the period, net of tax	32,224	-10,964	60,960	34,425	66,283	39,747
Total comprehensive income for the period	64,478	14,493	156,522	111,637	210,766	165,881
attributable to the shareholders of the parent company	64,478	14,493	156,522	111,637	210,766	165,881

GROUP BALANCE SHEET, SUMMARY

KSEK	Sep 30 2019	Sep 30 2018	Dec 31 2018
Assets			
Goodwill	543,572	444,476	455,268
Other intangible assets	82,712	77,182	72,026
Tangible assets	220,843 ¹	36,908	38,803
Financial assets	13,736	13,336	15,082
Total non-current assets	860,863	571,901	581,179
Trade receivables	432,603	368,428	512,468
Other current assets	246,728	229,265	172,006
Cash and cash equivalents	270,541	230,600	262,357
Total current assets	949,872	828,292	946,831
TOTAL ASSETS	1,810,735	1,400,194	1,528,010
Equity and liabilities			
Equity	854,204	666,408	704,203
Provisions	233,906 ²	220,455	220,608
Non-current liabilities	228,422 ¹	81,190	62,893
Current liabilities	494,202 ¹	432,141	540,307
Total liabilities	956,530	733,786	823,807
TOTAL EQUITY AND LIABILITIES	1,810,735	1,400,194	1,528,010

¹The IFRS effect for the period January to September 2019 appears in a separate table on page 13.

²MSEK 49.1 has been reclassified from provisions to long-term and short-term tax liabilities.

GROUP CASH FLOW STATEMENT, SUMMARY

KSEK	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Cash flow before changes in working capital	150,652	104,369	160,097
Cash flow from changes in working capital	-61,718	-43,229	-1,934
Cash flow from operating activities	88,934	61,140	158,163
Acquisition related	-11,618	-	-15,055
Other ¹	-20,074	-25,274	-22,266
Cash flow from investing activities	-31,691	-25,274	-37,321
Dividend	-34,458	-26,442	-53,010
New issue	22,899	-	5,800
Other ²	-52,583	8,823	-23,366
Cash flow from financing activities	-64,142	-17,619	-70,576
Cash flow for the period	-6,899	18,246	50,266
Cash and cash equivalents, opening balance	262,357	199,876	199,876
Translation differences in cash and cash equivalents	15,082	12,478	12,215
Cash and cash equivalents, closing balance	270,541	230,600	262,357

¹Acquisition of assets.

²The IFRS effect for the period January to September 2019 appears in a separate table on page 13; the remainder relates to changes in loans.

GROUP CHANGES IN CONSOLIDATED EQUITY

KSEK	Total equity Sep 30, 2019	Total equity Sep 30, 2018	Total equity Dec 31, 2018
Opening balance	704,203	580,555	580,555
Dividend to shareholders	-34,458	-26,442	-53,010
New issue	26,657	-	10,943
Other	1,281	658	-166
Total comprehensive income for the period	156,522	111,637	165,881
Closing balance	854,204	666,408	704,203

PARENT COMPANY'S INCOME STATEMENT, SUMMARY

KSEK	July-Sep 2019	July-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Oct-Sep 2018/19	Jan-Dec 2018
Net sales	545	625	2,315	2,325	2,945	2,955
Operating expenses	561	-1,261	328	-500	-928	-1,756
Operating profit	1,106	-636	2,643	1,825	2,017	1,199
Net financial items	2,279	-594	23,886	19,012	72,614	67,739
Profit before tax	3,385	-1,230	26,529	20,837	74,631	68,939
Estimated tax	-	-	-	-	-827	-827
Profit for the period	3,385	-1,230	26,529	20,837	73,804	68,112

PARENT COMPANY'S BALANCE SHEET, SUMMARY

KSEK	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
Assets			
Financial assets	302,981	302,026	301,983
Other current assets	53,430	50,680	41,517
Cash and cash equivalents	9	1,002	4,509
Total assets	356,420	353,707	348,010
Equity and liabilities			
Equity	175,608	125,231	156,881
Non-current liabilities	147,802	167,802	147,802
Current liabilities	33,010	60,675	43,327
Total equity and liabilities	356,420	353,707	348,010

GROUP CONSOLIDATED KEY RATIOS

KSEK	July-Sep 2019	July-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Oct-Sep 2018/19	Jan-Dec 2018
Net sales	459,739	377,403	1,312,994	1,103,973	1,807,420	1,598,399
Operating profit (EBITA)	54,364	41,564	156,445	126,224	232,335	202,114
Operating margin (EBITA margin), %	11.8	11.0	11.9	11.4	12.9	12.6
Operating profit (EBIT)	48,984	37,139	142,191	112,155	213,437	183,401
Operating margin (EBIT margin), %	10.7	9.8	10.8	10.2	11.8	11.5
Profit margin, %	7.0	6.7	7.3	7.0	8.0	7.9
Operating capital ¹					676,413	544,686
Return on operating capital, %					35	35
Return on equity, %					19	20
Equity ratio, at end of the period, %	47	48	47	48	47	46
Cash flow	60,462	68,011	-6,899	18,246	25,121	50,266
Cash and cash equivalents, at end of the period	270,541	230,600	270,541	230,600	270,541	262,357
Average number of employees	809	657	765	630	748	645
Number of employees at end of the period	825	682	825	682	825	701
Revenues for the year per employee					2,417	2,478

¹The calculation included the item of non-interest-bearing liabilities amounting to KSEK 863,781 (598,235).

COMPARISON BETWEEN IFRS 16 AND IAS 17

Excerpt from Group income statement

KSEK	IFRS 16		IAS 17	
	Jan-Sep, 2019	Change	Jan-Sep, 2019	Jan-Sep, 2018
EBITDA	203,307	39,100	164,207	133,927
Depreciation of property, plant, and equipment	-46,862	-35,717	-11,145	-7,703
EBITA	156,445	3,384	153,061	126,224
Amortization of intangible assets	-14,254	-	-14,254	-14,069
EBIT	142,191	3,384	138,807	112,155
Net financial items	-6,691	-5,360	-1,331	-2,347
Associated company, profit after tax	708	-	708	256
EBT	136,208	-1,977	138,185	110,064
Estimated tax	-40,646	585	-41,232	-32,852
Profit for the period	95,562	-1,391	96,953	77,212

Group balance sheet

KSEK	IFRS 16		IAS 17	
	Sep 30, 2019	Change	Sep 30, 2019	Sep 30, 2018
ASSETS				
Goodwill	543,572	–	543,572	444,476
Other intangible assets	82,712	–	82,712	77,182
Tangible assets	220,843	167,165	53,678	36,908
Financial assets	13,736	–	13,736	13,336
Total non-current assets	860,863	167,165	693,698	571,901
Trade receivables	432,603	–	432,603	368,428
Other current assets	246,728	–3,718	250,446	229,265
Cash and cash equivalents	270,541	–	270,541	230,600
Total current assets	949,872	–3,718	953,590	828,292
TOTAL ASSETS	1,810,735	163,447	1,647,287	1,400,194
EQUITY AND LIABILITIES				
Equity	854,204	–1,460	855,664	666,408
Provisions	233,906	–	233,906	220,455
Non-current liabilities	228,422	120,610	107,813	81,190
Current liabilities	494,202	44,297	449,905	432,141
Total liabilities	956,530	164,907	791,623	733,786
TOTAL EQUITY AND LIABILITIES	1,810,735	163,447	1,647,287	1,400,194

Group cash flow statement

KSEK	IFRS 16		IAS 17	
	Jan–Sep 2019	Change	Jan–Sep 2019	Jan–Sep 2018
Cash flow before changes in working capital	150,652	33,740	116,912	104,369
Cash flow from changes in working capital	–61,718	941	–62,659	–43,229
Cash flow from operating activities	88,934	34,681	54,253	61,140
Cash flow from investing activities	–31,691	–	–31,691	–25,274
Cash flow from financing activities	–64,142	–34,681	–29,461	–17,619
Cash flow for the period	–6,899	–	–6,899	18,246
Cash and cash equivalents, opening balance	262,357	–	262,357	199,876
Translation differences in cash and cash equivalents	15,082	–	15,082	12,478
Cash and cash equivalents, closing balance	270,541	–	270,541	230,600

NET SALES ACCORDING TO BUSINESS MODEL

MSEK	Jan-Sep 2019					Jan-Sep 2018				
	BTS North America	BTS Europe	BTS Other markets	APG	Total	BTS North America	BTS Europe	BTS Other markets	APG	Total
Programs	343	148	255	68	814	285	130	231	69	716
Development	194	81	59	0	333	147	68	48	0	263
Licenses	50	17	13	14	93	37	2	12	15	66
Other revenue	42	17	14	0	72	35	10	13	0	59
TOTAL	628	262	341	82	1,313	504	211	305	84	1,104

BTS applies *IFRS 15 Revenue from contracts with customers* from 2018. For more information, see *Note 2 Significant accounting policies* and *Note 9 Segment reporting* in the Annual Report 2018.

DEFINITIONS

Earnings per share

Earnings attributable to the parent company's shareholders divided by number of shares before dilution.

Operating margin (EBITA margin)

Operating profit before interest, tax and amortization as a percentage of net sales.

Operating margin (EBIT margin)

Operating profit after depreciation as a percentage of net sales.

Profit margin

Profit for the period as a percentage of net sales.

Operating capital

Total balance sheet reduced by liquid funds and other interest-bearing assets and reduced by non-interest bearing liabilities.

Return on operating capital

Operating profit (EBIT) as a percentage of average operating capital.

Return on equity

Profit after tax as a percentage of average equity.

Equity ratio

Equity as a percentage of total balance sheet.

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BTS focuses on the people side of strategy, working with leaders at all levels to help them make better decisions, convert those decisions to actions and deliver results. At our core, we believe people learn best by doing. For more than 30 years, we've been designing fun, powerful experiences™ that have a profound and lasting impact on people and their careers. We inspire new ways of thinking, build critical capabilities and unleash business success. *It's strategy made personal.*

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Purpose

We inspire and equip people to do the best work of their lives, creating better businesses and a better world.

Value proposition

We make strategy personal and drive great execution. Our unforgettable experiences create levels of alignment, mindset, and capability that deliver better results, faster.

Financial goals

BTS's financial goals over time are to reach:

- A revenue growth, adjusted for changes in exchange rates, of 20 percent, primarily organic.
- An EBITA margin of 15 percent.
- An equity ratio that does not fall below 50 percent over extended periods.

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