bts
Strategy made personal

Interim report January 1–June 30, 2019

Vision
The global leader in turning strategy into action.

Profit increases by 22 percent in the first half of the year

January 1–June 30, 2019

- Net sales amounted to MSEK 853 (727). Adjusted for changes in foreign exchange rates, growth was 10 percent.
- Operating profit (EBITA) increased by 21 percent to MSEK 102[1] (85).
- Profit before tax increased by 22 percent to MSEK 90 (74).
- Profit after tax increased by 22 percent to MSEK 63 (52).
- Earnings per share increased by 21 percent to SEK 3.31 (2.74).

Second quarter 2019

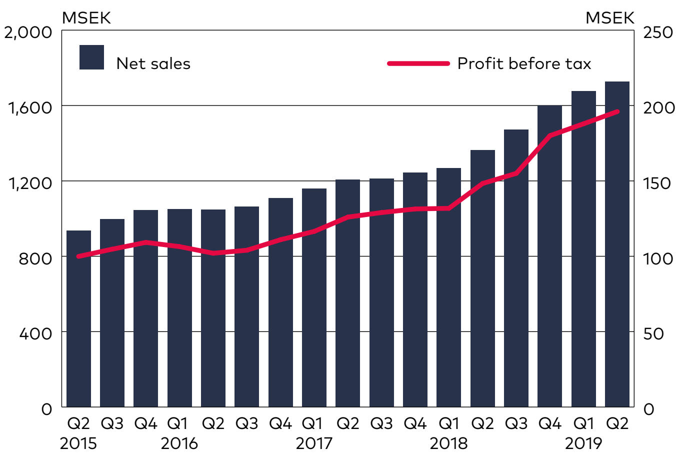
- Net sales amounted to MSEK 477 (427). Adjusted for changes in foreign exchange rates, growth was 6 percent.
- Operating profit (EBITA) increased by 13 percent to MSEK 72 (64).[2]
- Profit before tax increased by 14 percent to MSEK 67 (59).
- Profit after tax increased by 14 percent to MSEK 47 (41).
- Earnings per share increased by 12 percent to SEK 2.46 (2.19).

Upgraded outlook for 2019

Profit before tax is expected to be **significantly** better than in the preceding year, which deviates from the previous report when profit before tax was expected to be better than in the preceding year.

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 2.0 on EBITA for the first half of the year. If the new standard had not been applied, EBITA would have amounted to MSEK 100 (85). For other effects, see the separate table on pages 12–13.
2) IFRS 16 had a positive effect of MSEK 1.0 on EBITA for the second quarter, and if the new standard had not been applied, EBITA would have amounted to MSEK 71 (64).

NET SALES AND PROFIT BEFORE TAX
Rolling 12 months



BTS is a global professional services firm headquartered in Stockholm, Sweden, with approximately 780 professionals in 33 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.

Q2

CEO COMMENTS

Another record-breaking quarter

A positive performance was reported for the first half of the year, with a 22 percent increase in profit before tax. Organic growth was 10 percent.

Our increase in profit has been stable over time. Earnings have now improved every quarter for the past 12 quarters.

The second quarter of the year broke new records. It was the best second quarter ever, and the second best quarter in our history – only the fourth quarter of 2018 was better. And we achieved these results despite a weak quarter in APG and despite the postponement of a few major projects in Europe to the third quarter.

The operating margin increases only 0.1 percentage points during the second quarter, a temporary break in the positive trend we have been seeing in the EBITA margin since the fourth quarter of 2016. We expect further margin increases during the second half of the year.

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 to invest in raising the margin, with a target EBITA margin of 15 percent.

The market for BTS's services is continuing to grow. 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 are securing many new assignments from existing customers while adding many new customers.

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 the end of 2017 have been integrated well and are demonstrating favorable results. There are solid opportunities for further acquisitions that offer appealing synergies and growth potential.

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

Stockholm, August 23, 2019

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

OPERATIONS

Sales

BTS's net sales for the first half of the year amounted to MSEK 853 (727). Adjusted for changes in foreign exchange rates, growth was 10 percent. Growth is exclusively organic.

Growth varied between the units: BTS Other markets 12 percent, BTS North America 11 percent, BTS Europe 9 percent and APG –7 percent (growth measured in local currency).

Earnings

Operating profit (EBITA) increased by 21 percent in the first half of the year to MSEK 102 (85). The operating margin (EBITA margin) was 12.0 (11.7) percent. IFRS 16 had a positive effect of MSEK 2 on EBITA. If IFRS 16 had not been applied, EBITA would have increased by MSEK 100 (85).

Operating profit (EBIT) increased in the first half of the year by 24 percent in the first quarter to MSEK 93 (75). The operating margin (EBIT margin) was 10.9 percent (10.3). Operating profit (EBIT) for the first half of the year was charged with MSEK 8.9 (9.6) for amortization of intangible assets attributable to acquisitions.

The Group's profit before tax increased by 22 percent to MSEK 90 (74). IFRS 16 resulted in a higher interest expense of MSEK 3.1. If IFRS 16 had not been applied, the Group's profit before tax would have increased by MSEK 91 (74).

The Group's profitability was positively affected by improved profit in all operating units and of positive currency effects.

Second quarter

BTS's second-quarter net sales amounted to MSEK 477 (427). Adjusted for changes in foreign exchange rates, growth was 6 percent.

Operating profit (EBITA) increased by 13 percent in the second quarter to MSEK 72 (64). The operating margin (EBITA margin) was 15.1 (15.0) percent. IFRS 16 had a positive effect of MSEK 1 on EBITA. If IFRS 16 Leases had not been applied, EBITA would have increased by MSEK 71 (64).

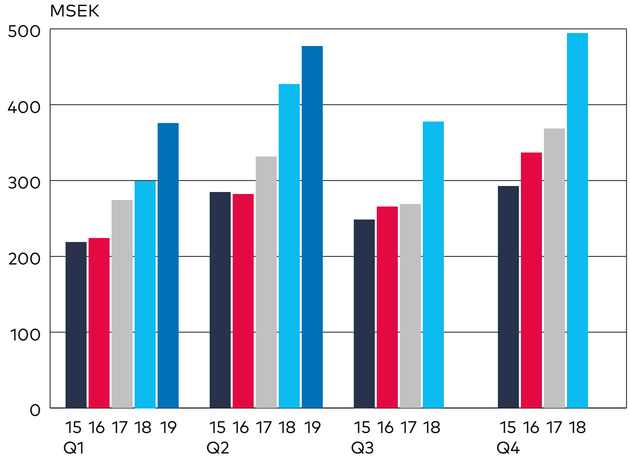
Operating profit (EBIT) increased by 14 percent to MSEK 68 (59). The operating margin (EBIT margin) was 14.2 percent (13.9). Operating profit for the second quarter was charged with MSEK 4.6 (4.9) for amortization of intangible assets attributable to acquisitions.

Profit before tax for the second quarter increased by 14 percent to MSEK 67 (59). IFRS 16 resulted in a higher interest expense of MSEK 1.5. If IFRS 16 had not been applied, the Group's profit before tax would have increased by MSEK 67 (59). The Group's profitability was positively affected by improved profit in all operating units and of positive currency effects.

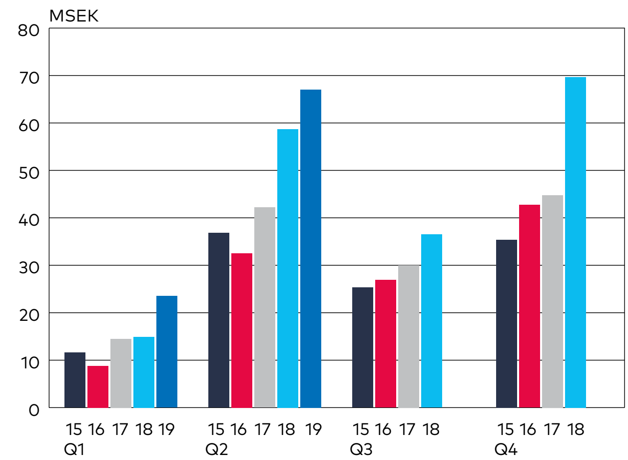
Market development

The market for BTS services continued to trend positively during the first half of the year.

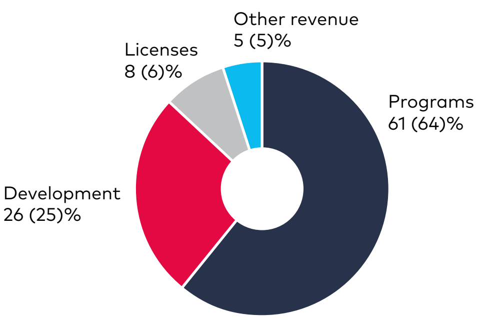
REVENUE BY QUARTER



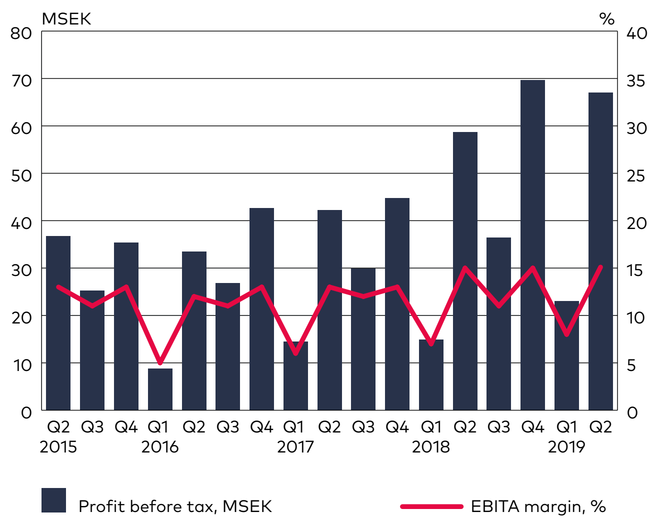
PROFIT BEFORE TAX BY QUARTER



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



PROFIT BEFORE TAX AND OPERATING MARGIN (EBITA) BY QUARTER



SEGMENT REPORTING

The effects if 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

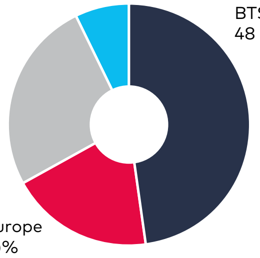
BTS North America consists of BTS's operations in North America excluding APG.

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

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–JUNE 30, 2019 (2018)



NET SALES PER OPERATING UNIT

MSEK	April–June 2019	April–June 2018	Jan–June 2019	Jan–June 2018	July–June 2018/19	Jan–Dec 2018
BTS North America	229	191	409	331	792	714
BTS Europe	89	88	162	143	334	316
BTS Other markets	128	116	225	196	489	460
APG	31	32	58	56	110	109
Total	**477**	**427**	**853**	**727**	**1,725**	**1,598**

OPERATING PROFIT (EBITA) PER OPERATING UNIT

MSEK	April–June 2019	April–June 2018	Jan–June 2019	Jan–June 2018	July–June 2018/19	Jan–Dec 2018
BTS North America	32.5	28.2	57.0	46.5	104.0	93.4
BTS Europe	15.3	14.1	19.2	16.0	48.2	44.9
BTS Other markets	22.5	21.1	23.5	22.2	64.1	62.8
APG	0.9	0.9	0.3	0.0	1.3	0.9
Total	**71.3**	**64.3**	**100.0**	**84.7**	**217.5**	**202.1**

BTS North America

Net sales for BTS's operations in North America amounted to MSEK 409 (331) in the first half of the year. Adjusted for changes in foreign exchange rates, revenue grew by 11 percent. Operating profit (EBITA) amounted to MSEK 57.0 (46.5) in the first half of the year. The operating margin (EBITA margin) was 13.9 (14.0) percent.

Net sales for the second quarter amounted to MSEK 229 (191). Adjusted for changes in foreign exchange rates, revenue grew by 10 percent. Operating profit (EBITA) amounted to MSEK 32.5 (28.2) in the second quarter. The operating margin (EBITA margin) was 14.2 (14.7) percent.

BTS North America shows positive growth during the entire first half of the year. The decrease in the operating margin during the second quarter has been deemed temporary.

BTS Europe

Net sales for BTS Europe amounted to MSEK 162 (143) in the first half of the year. Adjusted for changes in foreign exchange rates, revenue grew by 9 percent. Operating profit (EBITA) amounted to MSEK 19.2 (16.0) in the first half of the year. The operating margin (EBITA margin) was 11.9 (11.1) percent.

Net sales for the second quarter amounted to MSEK 89 (88). Adjusted for changes in foreign exchange rates, revenue declined by 1 percent. Operating profit (EBITA) amounted to MSEK 15.3 (14.1) in the second quarter. The operating margin (EBITA margin) was 17.2 (16.1) percent.

The low growth in Europe in the second quarter was due to the postponement of deliveries in some major projects. The growth is deemed to return during the second half of the year.

BTS Other markets

Net sales for BTS Other markets amounted to MSEK 225 (196) in the first half of the year. Adjusted for changes in foreign exchange rates, revenue grew by 12 percent. Operating profit (EBITA) amounted to MSEK 23.5 (22.2) in the first half of the year. The operating margin (EBITA margin) was 10.4 (11.3) percent.

Net sales for the second quarter amounted to MSEK 128 (116). Adjusted for changes in foreign exchange rates, revenue grew by 9 percent. Operating profit (EBITA) amounted to MSEK 22.5 (21.1) in the second quarter. The operating margin (EBITA margin) was 17.6 (18.2) percent.

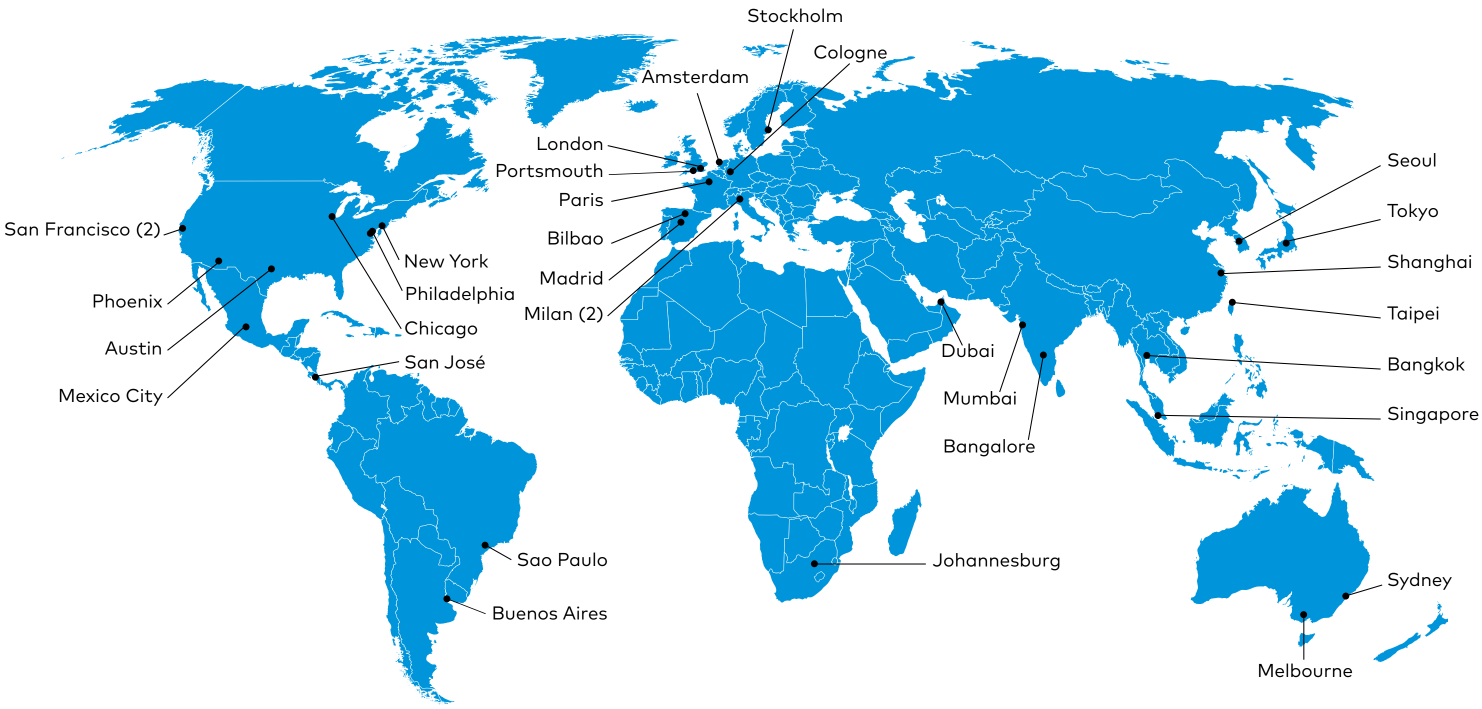
BTS Other markets showed growth during the first half of the year. Owing to investments in the market and in organization, the margin was lower than during the first half of the preceding year.

APG

Net sales for APG amounted to MSEK 58 (56) in the first half of the year. Adjusted for changes in foreign exchange rates, revenue declined by 7 percent. Operating profit (EBITA) amounted to MSEK 0.3 (0.0) in the first half of the year. The operating margin (EBITA margin) was 0.6 (0.0) percent.

Net sales for the second quarter amounted to MSEK 31 (32). Adjusted for changes in foreign exchange rates, revenue declined by 11 percent. Operating profit (EBITA) amounted to MSEK 0.9 (0.9) in the second quarter. The operating margin (EBITA margin) was 2.9 (2.7) percent.

BTS'S OFFICES AROUND THE WORLD



OTHER INFORMATION

Financial position

BTS's cash flow from operating activities for the first half of the year amounted to MSEK –7.6 (–18.2). IFRS 16 had a positive effect of MSEK 21.2 on the cash flow from operating activities. The weak cash flow, excluding the IFRS effect in the first half of the year compared with the previous year, is exclusively attributable to a reduction in current liabilities.

Available cash and cash equivalents amounted to MSEK 200 (158) at the end of the period. The company's interest-bearing loans attributable to previously implemented acquisitions amounted to MSEK 88 (127) at the end of the period.

BTS's equity ratio was 49 percent (48) at the end of the period. If IFRS 16 had not been applied, the equity ratio would have increased by 54 percent.

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

Employees

At June 30, the number of employees at BTS was 781 (634).

The average number of employees in the first half of the year was 743 (616).

Parent Company

The Parent Company's net sales amounted to MSEK 1.8 (1.7) and profit before tax totaled MSEK 23.1 (22.1). Cash and cash equivalents amounted to MSEK 13.5 (1.0).

Outlook for 2019

Profit before tax is expected to be significantly better than in the preceding year, which deviates from the previous report when profit before tax was expected to be better than in the preceding year.

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 will also have 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.

Financial calendar

Interim report Jan–Sept 2019	November 13, 2019
Year-end report 2019	February 18, 2020
Interim report Jan–March 2020	May 14, 2020

The Board of Directors and the CEO declare that the undersigned interim report provides a true and fair overview of the Company's and the Group's operations, their financial position and performance as well as describing material risks and uncertainties facing the Company and other companies in the Group.

Stockholm, August 23, 2019

Reinhold Geijer Chairman	Mariana Burenstam Linder Board member
Stefan Gardefjord Styrelseledamot	Dag Sehlin Board member
Anna Söderblom Board member	Henrik Ekelund CEO Board member

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

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GROUP INCOME STATEMENT, SUMMARY

KSEK	April–June 2019	April–June 2018	Jan–June 2019	Jan–June 2018	July–June 2018/19	Jan–Dec 2018
Net sales	477,432	427,172	853,256	726,570	1,725,084	1,598,399
Operating expenses	–390,352	–360,312	–721,761	–636,483	–1,469,728	–1,384,450
Depreciation of property, plant, and equipment	–14,760	–2,608	–29,414	–5,427	–35,822	–11,835
Amortization of intangible assets	–4,570	–4,910	–8,874	–9,645	–17,942	–18,713
Operating profit	**67,749**	**59,341**	**93,207**	**75,015**	**201,592**	**183,401**
Net financial items	–2,010	–765	–4,004	–1,492	–5,642	–3,130
Associated company, profit after tax	1,221	81	745	13	255	–477
Profit before tax	**66,960**	**58,657**	**89,947**	**73,536**	**196,205**	**179,794**
Estimated tax	–19,814	–17,372	–26,640	–21,781	–58,519	–53,660
Profit for the period	**47,146**	**41,284**	**63,307**	**51,755**	**137,686**	**126,134**
attributable to the shareholders of the parent company	47,146	41,284	63,307	51,755	137,686	126,134
Earnings per share, before dilution of shares, SEK	2.46	2.19	3.31	2.74	7.24	6.67
Number of shares at end of the period	19,307,864	18,887,051	19,307,864	18,887,051	19,307,864	19,013,916
Average number of shares before dilution	19,198,247	18,887,051	19,127,669	18,887,051	19,030,433	18,905,124
Earnings per share, after dilution of shares, SEK	2.46	2.14	3.31	2.68	7.24	6.56
Average number of shares after dilution	19,198,247	19,284,748	19,127,669	19,284,748	19,030,433	19,232,346
Dividend per share, SEK						3.60

GROUP STATEMENT OF COMPREHENSIVE INCOME

KSEK	April–June 2019	April–June 2018	Jan–June 2019	Jan–June 2018	July–June 2018/19	Jan–Dec 2018
Profit for the period	**47,146**	**41,284**	**63,307**	**51,755**	**137,686**	**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	–2,241	28,034	28,736	45,389	23,095	39,747
Other comprehensive income for the period, net of tax	**–2,241**	**28,034**	**28,736**	**45,389**	**23,095**	**39,747**
Total comprehensive income for the period	**44,905**	**69,318**	**92,044**	**97,144**	**160,781**	**165,881**
attributable to the shareholders of the parent company	44,905	69,318	92,044	97,144	160,781	165,881

GROUP BALANCE SHEET, SUMMARY

KSEK	June 30 2019	June 30 2018	Dec 31 2018
Assets			
Goodwill	468,441	449,990	455,268
Other intangible assets	65,760	82,758	72,026
Tangible assets	192,343	32,556	38,803
Financial assets	15,677	11,731	15,082
Total non-current assets	**742,220**	**577,035**	**581,179**
Trade receivables	450,947	413,386	512,468
Other current assets	207,996	205,138	172,006
Cash and cash equivalents	199,986	157,817	262,357
Total current assets	**858,929**	**776,340**	**946,831**
TOTAL ASSETS	**1,601,149**	**1,353,375**	**1,528,010**
Equity and liabilities			
Equity	**785,600**	**651,633**	**704,203**
Provisions	176,461[1]	233,494	220,608
Non-current liabilities	209,392	80,632	62,893
Current liabilities	429,696	387,616	540,307
Total liabilities	**815,550**	**701,742**	**823,807**
TOTAL EQUITY AND LIABILITIES	**1,601,149**	**1,353,375**	**1,528,010**

[1] MSEK 48.2 has been reclassified from provisions to long-term and short-term tax liabilities.

GROUP CASH FLOW STATEMENT, SUMMARY

KSEK	Jan–June 2019	Jan–June 2018	Jan–Dec 2018
Cash flow before changes in working capital	94,784	69,493	160,097
Cash flow from changes in working capital	–102,432	–87,714	–1,934
Cash flow from operating activities	**–7,647**	**–18,221**	**158,163**
Acquisition related	–	–	–15,055
Other[1]	–11,547	–6,319	–22,266
Cash flow from investing activities	**–11,547**	**–6,319**	**–37,321**
Dividend	–34,458	–26,442	–53,010
New issue	22,899	–	5,800
Other[2]	–36,608	1,217	–23,366
Cash flow from financing activities	**–48,167**	**–25,225**	**–70,576**
Cash flow for the period	**–67,362**	**–49,765**	**50,266**
Cash and cash equivalents, opening balance	262,357	199,876	199,876
Translation differences in cash and cash equivalents	4,990	7,706	12,215
Cash and cash equivalents, closing balance	**199,986**	**157,817**	**262,357**

[1] Acquisition of assets.
[2] The IFRS effect for the period January to June 2019 appears in a separate table on pages 12–13; the remainder relates to changes in loans.

GROUP CHANGES IN CONSOLIDATED EQUITY

KSEK	Total equity June 30, 2019	Total equity June 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	24,972	–	10,943
Other	–1,161	377	–166
Total comprehensive income for the period	92,044	97,144	165,881
Closing balance	**785,600**	**651,633**	**704,203**

GROUP CONSOLIDATED KEY RATIOS

KSEK	April–June 2019	April–June 2018	Jan–June 2019	Jan–June 2018	July–June 2018/19	Jan–Dec 2018
Net sales	477,432	427,172	853,256	726,570	1,725,084	1,598,399
Operating profit (EBITA)	72,320	64,251	102,081	84,660	219,535	202,114
Operating margin (EBITA margin), %	15.1	15.0	12.0	11.7	12.7	12.6
Operating profit (EBIT)	67,749	59,341	93,207	75,015	201,592	183,401
Operating margin (EBIT margin), %	14.2	13.9	10.9	10.3	11.7	11.5
Profit margin, %	9.9	9.7	7.4	7.1	8.0	7.9
Operating capital[1]					673,390	544,686
Return on operating capital, %					33	35
Return on equity, %					18	20
Equity ratio, at end of the period, %	49	48	49	48	49	46
Cash flow	–58,774	–17,637	–67,362	–49,765	32,670	50,266
Cash and cash equivalents, at end of the period	199,986	157,817	199,986	157,817	199,986	262,357
Average number of employees	765	624	743	616	708	645
Number of employees at end of the period	781	634	781	634	781	701
Revenues for the year per employee					2,435	2,478

[1]The calculation included the item of non-interest-bearing liabilities amounting to KSEK 727,773 (574,324).

PARENT COMPANY'S INCOME STATEMENT, SUMMARY

KSEK	April–June 2019	April–June 2018	Jan–June 2019	Jan–June 2018	July–June 2018/19	Jan–Dec 2018
Net sales	945	575	1,770	1,700	3,025	2,955
Operating expenses	–1,109	–284	–233	761	–2,750	–1,756
Operating profit	**–164**	**291**	**1,537**	**2,461**	**275**	**1,199**
Net financial items	22,127	20,160	21,608	19,606	69,741	67,739
Profit before tax	**21,963**	**20,451**	**23,144**	**22,067**	**70,016**	**68,939**
Estimated tax	–	–	–	–	–827	–827
Profit for the period	**21,963**	**20,451**	**23,144**	**22,067**	**69,190**	**68,112**

PARENT COMPANY'S BALANCE SHEET, SUMMARY

KSEK	June 30, 2019	June 30, 2018	Dec 31, 2018
Assets			
Financial assets	302,606	302,305	301,983
Other current assets	30,266	31,048	41,517
Cash and cash equivalents	13,541	1,010	4,509
Total assets	**346,413**	**334,362**	**348,010**
Equity and liabilities			
Equity	170,539	126,461	156,881
Non-current liabilities	147,802	174,014	147,802
Current liabilities	28,071	33,887	43,327
Total equity and liabilities	**346,413**	**334,362**	**348,010**

COMPARISON BETWEEN IFRS 16 AND IAS 17

Excerpt from Group income statement

KSEK	IFRS 16 Jan–June 2019	Change	IAS 17 Jan–June 2019	IAS 17 Jan–June 2018
EBITDA	**131,495**	**24,306**	**107,189**	**90,087**
Depreciation of property, plant, and equipment	–29,414	–22,270	–7,143	–5,427
EBITA	**102,081**	**2,036**	**100,045**	**84,660**
Amortization of intangible assets	–8,874	–	–8,874	–9,645
EBIT	**93,207**	**2,036**	**91,171**	**75,015**
Net financial items	–4,004	–3,056	–948	–1,492
Associated company, profit after tax	745	–	745	13
EBT	**89,947**	**–1,020**	**90,967**	**73,536**
Estimated tax	–26,640	302	–26,942	–21,781
Profit for the period	**63,307**	**–718**	**64,025**	**51,755**

Group balance sheet

KSEK	IFRS 16 June 30, 2019	Change	IAS 17 June 30, 2019	IAS 17 June 30, 2018
ASSETS				
Goodwill	468,441	–	468,441	449,990
Other intangible assets	65,760	–	65,760	82,758
Tangible assets	192,343	147,878	44,465	32,556
Financial assets	15,677	–	15,677	11,731
Total non-current assets	**742,220**	**147,878**	**594,342**	**577,035**
Trade receivables	450,947	–	450,947	413,386
Other current assets	207,996	–3,525	211,521	205,138
Cash and cash equivalents	199,986	–	199,986	157,817
Total current assets	**858,929**	**–3,525**	**862,454**	**776,340**
TOTAL ASSETS	**1,601,149**	**144,353**	**1,456,796**	**1,353,375**
EQUITY AND LIABILITIES				
Equity	**785,600**	**–709**	**786,309**	**651,633**
Provisions	176,461	–	176,461	233,494
Non-current liabilities	209,392	103,481	105,911	80,632
Current liabilities	429,696	41,582	388,114	387,616
Total liabilities	**815,550**	**145,063**	**670,487**	**701,742**
TOTAL EQUITY AND LIABILITIES	**1,601,149**	**144,353**	**1,456,796**	**1,353,375**

Group cash flow statement

KSEK	IFRS 16 Jan–June 2019	Change	IAS 17 Jan–June 2019	IAS 17 Jan–June 2018
Cash flow before changes in working capital	94,784	21,250	73,534	69,493
Cash flow from changes in working capital	–102,432	–89	–102,342	–87,714
Cash flow from operating activities	**–7,647**	**21,161**	**–28,808**	**–18,221**
Cash flow from investing activities	**–11,547**	**–**	**–11,547**	**–6,319**
Cash flow from financing activities	**–48,167**	**–21,161**	**–27,006**	**–25,225**
Cash flow for the period	**–67,362**	**–**	**–67,362**	**–49,765**
Cash and cash equivalents, opening balance	262,357	–	262,357	199,876
Translation differences in cash and cash equivalents	4,990	–,	4,990	7,706
Cash and cash equivalents, closing balance	**199,986**	**–**	**199,986**	**157,817**

NET SALES ACCORDING TO BUSINESS MODEL

MSEK	Jan–June 2019					Jan–June 2018				
	BTS North America	BTS Europe	BTS Other markets	APG	Total	BTS North America	BTS Europe	BTS Other markets	APG	Total
Programs	219	88	166	47	519	189	87	142	46	464
Development	126	55	41	0	222	95	50	38	0	183
Licenses	38	9	8	11	67	22	1	8	10	41
Other revenue	26	9	10	0	45	24	6	9	0	39
TOTAL	**409**	**162**	**225**	**58**	**853**	**331**	**143**	**196**	**56**	**727**

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.*

Vision

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Purpose

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

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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