



Engineering  
Services



## SEA Keynote Presentation

**William C. McGinnis**

**Chief Executive Officer**

**NATIONAL TECHNICAL SYSTEMS**

**November 11, 2009**



## Company Overview

- ❏ NTS (NasdaqNM: NTSC) is an engineering services company providing engineering solutions and services ranging from a complete array of testing to product support
- ❏ Founded in 1961
- ❏ 759 Employees
- ❏ 17 North American testing locations plus locations in Japan, Germany and Vietnam

# Customers



**Honeywell**



## Measurable Results

(in thousands)

| Metric                                  | Fiscal Year*<br>2008 | Fiscal Year<br>2009 | Increase<br>(Decrease) |
|---|----------------------|---------------------|------------------------|
| Revenue Growth                          | 100,857              | 119,920             | 19%                    |
| Revenue Per Employee                    | 130                  | 158                 | 21%                    |
| Net Income Increase                     | 2,615                | 3,640               | 39%                    |
| Cost of Goods Sold as<br>a % of Revenue | 74%                  | 72%                 | (2%)                   |
| Client to Client<br>Recommendations     | 74.5%                | 93.5%               | 25%                    |

Current Backlog as of September 30, 2009 is \$55.2mm compared to \$45.6mm as of January 31, 2009

\*Fiscal year ends January 31

## Improvement Journey

| <b>Results Improvements</b>   | <b>How We Did It</b>   |
|-------------------------------|--|
| <b>Revenue growth</b>         | <b>Enterprise approach to implementing lean.<br/>Balance approach to execute strategy.</b>             |
| <b>Net income performance</b> | <b>Streamlined processes using Kaizen events.<br/>6S techniques to modify and upgrade test suites.</b> |
| <b>Client satisfaction</b>    | <b>Enhanced processes within the value streams<br/>and added new test capabilities.</b>                |
| <b>Cost</b>                   | <b>Evaluated best practices across the 17<br/>locations and developed standard work.</b>               |
| <b>Sales Per Employee</b>     | <b>Reinvesting in employee training, innovation<br/>and process improvement.</b>                       |

## Contact Information

Thank you

William C. McGinnis

President/CEO

National Technical Systems, Inc

(818) 591-0776

[bill.mc@ntscorp.com](mailto:bill.mc@ntscorp.com)