

Ankur Saggar Continues To Call For Urgent Action at GSE Systems

GSE Systems Underperformance is due to Mismanagement during the tenure of Mr. Kyle Loudermilk. Mr. Loudermilk lacks the qualification and drive to lead GSE Systems.

New York City, New York Feb 2, 2023 ([Issuewire.com](https://www.issuewire.com)) - GSE Systems Inc Board,

It is very disappointing that you have refused to take any actions based on our letters and communications in the recent months. It appears that the Board of Directors are more willing to stubbornly protect Mr. Kyle Loudermilk despite his long track record of destroying value and overwhelming dissatisfaction among employees than to represent the interest of all shareholders.

Kyle Loudermilk has a track record that is truly appalling and isn't the right person to lead GSE Systems ("GVP" or the "Company"). GVP needs new leadership with demonstrated experience in selling services to energy sector, margin expansion and most importantly turnarounds. We urge the Board to do an unbiased assessment of GVP's current management and consider the following in relation to Kyle Loudermilk's performance.

- **Poor Financial Performance** - Since Kyle Loudermilk's appointment as CEO, GVP has yielded negative returns for shareholders over his tenure. Revenue and Profitability have declined each year.
- **Decline of Core Simulation Business** -GVP was a market leader in the Simulation Business at the time of Mr. Kyle Loudermilk's hiring. In a Buy-American industry like power generation, being the Only American player offering such products should have given GVP a marketing edge to expand its Simulation products and win new customers but on the Contrary, GVP has lost bids and customers in this business segment to its Foreign competitors. Once a 20m to 30m annual revenue business with no major wins has declined drastically under his watch.
- **Dispirited employees** - We have spoken with numerous former employees and not a single one has anything positive to say about Mr. Kyle Loudermilk's leadership. There is a consistent theme that he cares more about maintaining control of the Company than supporting his employees.
- **Vacant Sales positions and lack of a Sales leader** – Company's sales engine has dwindled under his leadership.
- **Lack of Focus** – Rather than focus on its higher margin simulation business or engineering services, GVP appears to be pulled down by its poor investments into the highly competitive staffing business.
- **Poor Decision Making** - GVP under current management **spent \$32 million of shareholder Cash** for 3 acquisitions that failed to generate projected results.
- **Lost Credibility with Shareholders and Wall Street** – GVP's largest shareholders are disappointed with business results during Kyle Loudermilk's tenure and want to see change.
- **No plan for Growth** - Current managements future business strategy depends on M&A to attain "scale" which is not only a high-risk strategy but leads to compounded risks by issuing new shares or add to debt.

In our opinion, it is in the best interests of all GVP shareholders for GVP to make an immediate leadership change to chart a new path or undertake sale of the it's two segments separately.

We hope that you will act as responsible fiduciaries and take our input to heart but make no mistake:

shareholders will not tire from the task of holding Mr. Loudermilk and you responsible for our losses, nor from reminding you of your obligation to shareholders

Sincerely,

Ankur Saggar

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Source : GVP Shareholders for Change

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