

# HUDSON GLOBAL, INC.

## Q1 2015 EARNINGS CALL

May 11, 2015

Hudson

# Forward-Looking Statements

*Please be advised that except for historical information, the comments made during this presentation and in these slides constitute forward-looking statements under applicable securities laws. Such forward-looking statements involve certain risks and uncertainties, including statements regarding the company's strategic direction, prospects and future results. Certain factors may cause actual results to differ materially from those contained in the forward-looking statements, including global economic fluctuations, risks related to fluctuations in our operating results, the ability of clients to terminate their relationship at anytime, competition, limited availability under our credit facilities and our ability to successfully achieve our strategic initiatives and the other risks discussed in our filings made with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this presentation. The company assumes no obligation, and expressly disclaims any obligation, to review or confirm analysts' expectations or estimates or to update any forward-looking statements, whether as a result of new information, future events or otherwise.*

# Q1 2015: Consolidated Financial Results

*\$US in Millions, except EPS*

	B+ / W- (2)	Q1 2015	Q1 2014
Revenue	- 14% - 3% CC (1)	\$124.3	\$144.2
Gross Margin	- 11% - 0% CC	\$47.9	\$54.0
SG&A	+ 7% - 4% CC	\$52.2	\$55.9
Adjusted EBITDA	- 126% - 85% CC	(\$4.3)	(\$1.9)
EBITDA	- 154% - 128% CC	(\$5.6)	(\$2.2)
EBITDA, as a % of Revenue		-4.5%	-1.5%
Net Income (Loss)	- 50% - 48% CC	(\$6.8)	(\$4.5)
Basic and Diluted EPS		(\$0.21)	(\$0.14)

(1) CC represents constant currency variance.

(2) B/W indicates whether the result was better (+) or worse (-) than the comparison period.

# Q1 2015: Hudson Americas

*\$US in Millions*

	B+ / W- (1)	Q1 2015	Q1 2014
Revenue	- 10%	\$11.0	\$12.2
Gross Margin	+ 3%	\$4.6	\$4.5
SG&A	- 23%	\$5.5	\$4.5
Adjusted EBITDA	NM	(\$0.9)	\$0.0
Adjusted EBITDA, as a % of Revenue		-8.3%	0.0%

(1) B/W indicates whether the result was better (+) or worse (-) than the comparison period.

# Q1 2015: Hudson Asia Pacific

*\$US in Millions*

	B+ / W- (2)	Q1 2015	Q1 2014
Revenue	- 6% + 6% CC (1)	\$53.1	\$56.4
Gross Margin	- 0% + 11% CC	\$20.9	\$20.9
SG&A	+ 4% - 6% CC	\$20.0	\$20.7
Adjusted EBITDA	NM NM CC	\$0.9	\$0.1
Adjusted EBITDA, as a % of Revenue		1.7%	0.2%

(1) CC represents constant currency variance.

(2) B/W indicates whether the result was better (+) or worse (-) than the comparison period.

# Q1 2015: Hudson Europe

*\$US in Millions*

	B+ / W- (2)	Q1 2015	Q1 2014
Revenue	- 20% - 9% CC (1)	\$60.2	\$75.5
Gross Margin	- 22% - 9% CC	\$22.4	\$28.6
SG&A	+ 16% + 3% CC	\$22.5	\$26.8
Adjusted EBITDA	- 101% 101% CC	\$0.0	\$1.9
Adjusted EBITDA, as a % of Revenue		0.0%	2.5%

(1) CC represents constant currency variance.

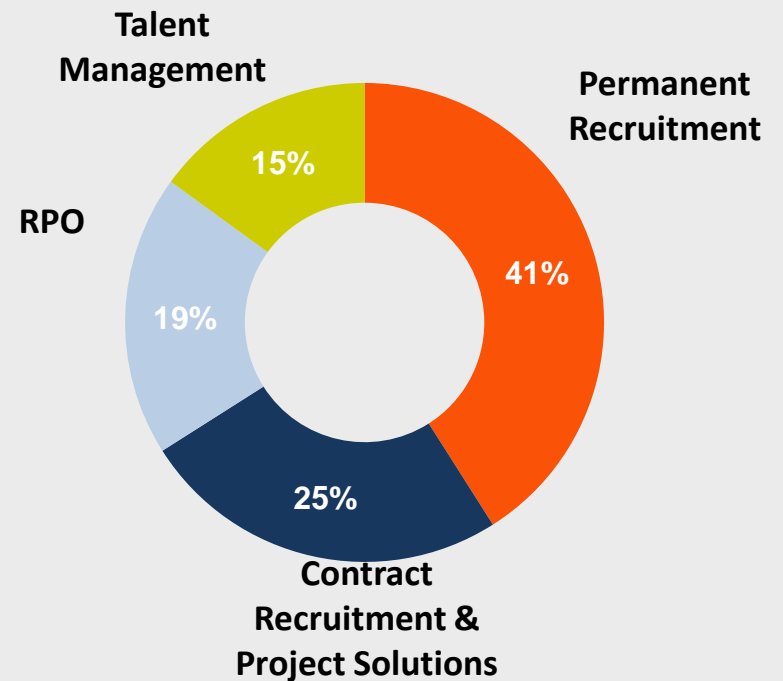
(2) B/W indicates whether the result was better (+) or worse (-) than the comparison period.

# Q1 2015: Global Services Split

## Revenue

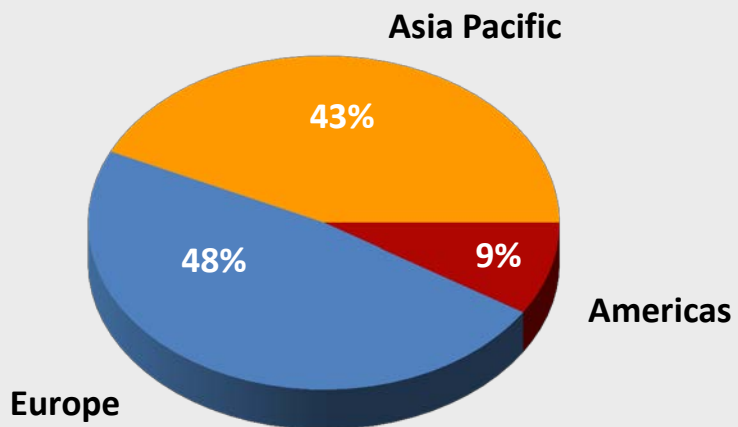


## Gross Margin

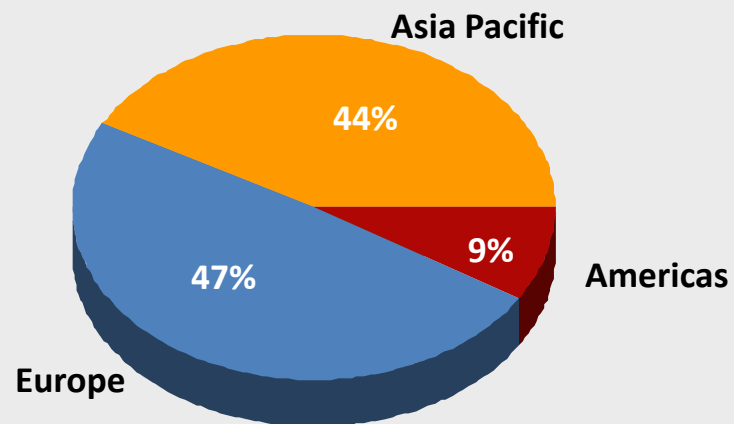


# Q1 2015: Regional Split

**Q1 2015 Revenue**



**Q1 2014 Gross Margin**





# Balance Sheet: Select Items

*\$US in Millions*

Selected Assets		
	March 31, 2015	December 31, 2014
Cash	\$13.9	\$34.0
Accounts Receivable	\$79.5	\$74.1
Selected Liabilities		
	March 31, 2015	December 31, 2014
Short-term Borrowings	\$0.0	\$0.0
Shareholders' Equity	\$50.5	\$59.3
Working Capital		
	March 31, 2015	December 31, 2014
Current Assets	\$101.7	\$118.9
Current Liabilities	\$58.9	\$67.1
Working Capital	\$42.8	\$51.8

# Q1 2015: Cash Flow Summary

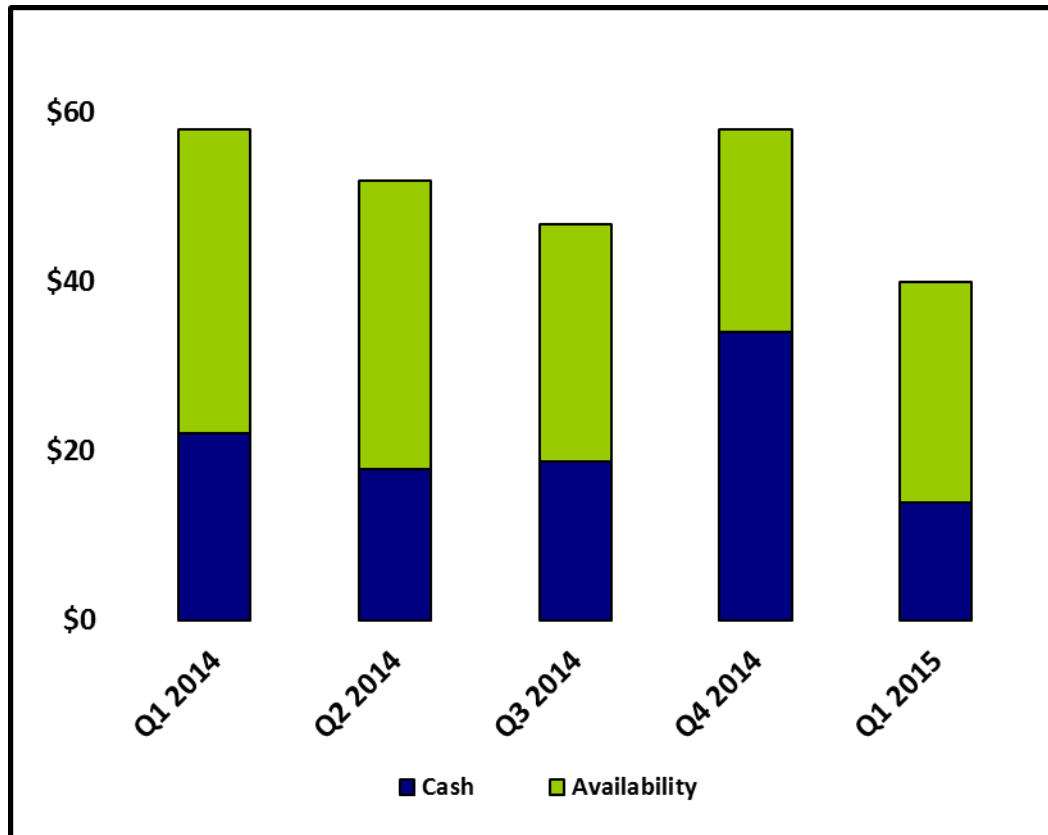
*\$US in Millions*

	QTD <u>Mar-15</u>	QTD <u>Mar-14</u>
Net income (loss)	\$ (6.8)	\$ (4.5)
Depreciation and amortization	1.1	1.5
Stock-based compensation	0.5	0.5
Change in accounts receivable	(9.8)	(12.4)
Change in accounts payable and other liabilities	(4.7)	4.4
Other	1.3	(3.1)
<b>Cash provided by (used in) operations</b>	<b>(18.4)</b>	<b>(13.6)</b>
Capital expenditures	(0.7)	(1.5)
<b>Free cash flow</b>	<b>(19.1)</b>	<b>(15.1)</b>
Change in net borrowings (repayments)	0.1	0.1
Other	-	(0.3)
Effect of exchange rates	(1.1)	-
<b>Change in cash</b>	<b>\$ (20.1)</b>	<b>\$ (15.3)</b>

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# Flexible Liquidity

*\$US in Millions*



# Temporary Contracting GM by Region

	Q1 2015	Q1 2014
America	22.3%	20.2%
Asia Pacific	12.8%	12.6%
Europe	15.4%	15.9%
Hudson Total	15.0%	15.0%



# Appendix

# Q1 2015 Regional Gross Margin Mix

*Approximate mix of gross margin by product around the globe*

	Temp	Perm	Talent Mgmt
Americas	40%	60%	0%
Europe	30%	50%	20%
UK	45%	50%	5%
Cont. Europe	20%	45%	35%
Asia Pacific	25%	65%	10%
ANZ	35%	50%	15%
ASIA	0%	100%	0%
Hudson Total	25%	60%	15%

# Q1 EBITDA Reconciliation

*\$US in Millions*

Q1 2015	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Revenue	\$ 11.0	\$ 53.1	\$ 60.2	\$ -	\$ 124.3
Gross margin	\$ 4.6	\$ 20.9	\$ 22.4	\$ -	\$ 47.9
Adjusted EBITDA (loss)	\$ (0.9)	\$ 0.9	\$ -	\$ (4.2)	\$ (4.3)
Business reorg expenses	0.4	0.0	0.9	0.0	1.3
Non-operating expenses (income)	0.3	0.1	1.2	(1.6)	-
EBITDA (Loss)	\$ (1.6)	\$ 0.8	\$ (2.2)	\$ (2.6)	\$ (5.6)
Depreciation and amortization					1.1
Interest expense (income)					0.1
Provision for (benefit from) income taxes					(0.1)
Loss (income) from disc ops, net of taxes					0.2
Net income (loss)					\$ (6.8)

Q1 2014	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Revenue	\$ 12.2	\$ 56.4	\$ 75.5	\$ -	\$ 144.2
Gross margin	\$ 4.5	\$ 20.9	\$ 28.6	\$ -	\$ 54.0
Adjusted EBITDA (loss)	\$ -	\$ 0.1	\$ 1.9	\$ (3.9)	\$ (1.9)
Business reorg expenses	0.1	-	-	-	0.1
Non-operating expenses (income)	0.4	0.4	1.2	(1.8)	0.2
EBITDA (Loss)	\$ (0.5)	\$ (0.3)	\$ 0.7	\$ (2.1)	\$ (2.2)
Depreciation and amortization					1.4
Interest expense (income)					0.1
Provision for (benefit from) income taxes					0.4
Loss (income) from disc ops, net of taxes					0.4
Net income (loss)					\$ (4.5)

- (1) EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization. Adjusted EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization, non-operating income, goodwill and other impairment charges, business reorganization expenses and other charges.

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