

HUDSON GLOBAL, INC.

Q2 2016 EARNINGS CALL

July 28, 2016

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.

Q2 2016: Consolidated Financial Results

\$US in Millions, except EPS

| | B+ / W- (2) | Q2 2016 | Q2 2015 |
|-----------------------|---------------------|----------|---------|
| Revenue | - 8% - 4% CC (1) | \$113.1 | \$122.7 |
| Gross Margin | - 7% - 4% CC | \$46.8 | \$50.2 |
| SG&A | + 5% + 3% CC | \$47.6 | \$50.3 |
| Adjusted EBITDA | NM NM CC | (\$0.7) | (\$0.1) |
| Net Income (Loss) | - 123% - 123% CC | (\$3.1) | \$13.9 |
| Basic and Diluted EPS | | (\$0.09) | \$0.41 |

(1) CC represents constant currency variance.

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

(3) NM: Not meaningful

Q2 2016: Hudson Americas

\$US in Millions

| | B+ / W- (1) | Q2 2016 | Q2 2015 |
|------------------------------------|-------------|---------|---------|
| Revenue | - 64% | \$3.7 | \$10.2 |
| Gross Margin | - 37% | \$3.2 | \$5.1 |
| SG&A | + 40% | \$3.2 | \$5.3 |
| Adjusted EBITDA | + 82% | (\$0.0) | (\$0.2) |
| Adjusted EBITDA, as a % of Revenue | | -1.2% | -2.4% |

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

Q2 2016: Hudson Asia Pacific

\$US in Millions

| | B+ / W- (2) | Q2 2016 | Q2 2015 |
|------------------------------------|----------------------|---------|---------|
| Revenue | + 8% + 13% CC (1) | \$62.0 | \$57.4 |
| Gross Margin | - 6% - 2% CC | \$22.4 | \$23.8 |
| SG&A | + 2% - 2% CC | \$21.2 | \$21.8 |
| Adjusted EBITDA | - 37% - 33% CC | \$1.3 | \$2.0 |
| Adjusted EBITDA, as a % of Revenue | | 2.0% | 3.5% |

(1) CC represents constant currency variance.

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

Q2 2016: Hudson Europe

\$US in Millions

| | B+ / W- (2) | Q2 2016 | Q2 2015 |
|------------------------------------|--------------|---------|---------|
| Revenue | - 14% | \$47.4 | \$55.2 |
| | - 11% CC (1) | | |
| Gross Margin | - 0% | \$21.2 | \$21.3 |
| | + 2% CC | | |
| SG&A | + 7% | \$18.9 | \$20.3 |
| | + 5% CC | | |
| Adjusted EBITDA | + 121% | \$2.3 | \$1.0 |
| | + 116% CC | | |
| Adjusted EBITDA, as a % of Revenue | | 4.9% | 1.9% |

(1) CC represents constant currency variance.

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

H1 2016: Consolidated Financial Results

\$US in Millions, except EPS

| | B+ / W- (2) | H1 2016 | H1 2015 |
|-----------------------|-------------|----------|---------|
| Revenue | - 13% | \$214.3 | \$247.1 |
| | - 9% CC (1) | | |
| Gross Margin | - 10% | \$88.1 | \$98.1 |
| | - 7% CC | | |
| SG&A | + 11% | \$90.8 | \$101.9 |
| | + 8% CC | | |
| Adjusted EBITDA | + 28% | (\$2.7) | (\$3.8) |
| | + 25% CC | | |
| Net Income (Loss) | NM | (\$6.6) | \$7.0 |
| | NM | | |
| Basic and Diluted EPS | | (\$0.20) | \$0.21 |

(1) CC represents constant currency variance.

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

(3) NM: Not meaningful

H1 2016: Hudson Americas

\$US in Millions

| | B+ / W- (1) | H1 2016 | H1 2015 |
|------------------------------------|-------------|---------|---------|
| Revenue | - -65% | \$7.5 | \$21.2 |
| Gross Margin | - -33% | \$6.5 | \$9.7 |
| SG&A | + 41% | \$6.3 | \$10.8 |
| Adjusted EBITDA | + 119% | \$0.2 | (\$1.1) |
| Adjusted EBITDA, as a % of Revenue | | 2.6% | -5.0% |

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

H1 2016: Hudson Asia Pacific

\$US in Millions

| | B+ / W- (2) | H1 2016 | H1 2015 |
|------------------------------------|-------------|---------|---------|
| Revenue | + 2% | \$113.1 | \$110.5 |
| | + 8% CC (1) | | |
| Gross Margin | - 8% | \$41.2 | \$44.7 |
| | - 3% CC | | |
| SG&A | + 4% | \$40.1 | \$41.8 |
| | - 2% CC | | |
| Adjusted EBITDA | - 62% | \$1.1 | \$2.9 |
| | - 63% CC | | |
| Adjusted EBITDA, as a % of Revenue | | 1.0% | 2.6% |

(1) CC represents constant currency variance.

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

H1 2016: Hudson Europe

\$US in Millions

| | B+ / W- (2) | H1 2016 | H1 2015 |
|------------------------------------|--------------|---------|---------|
| Revenue | - 19% | \$93.7 | \$115.4 |
| | - 15% CC (1) | | |
| Gross Margin | - 8% | \$40.4 | \$43.7 |
| | - 5% CC | | |
| SG&A | + 12% | \$37.6 | \$42.7 |
| | + 9% CC | | |
| Adjusted EBITDA | + 164% | \$2.8 | \$1.1 |
| | + 142% CC | | |
| Adjusted EBITDA, as a % of Revenue | | 3.0% | 0.9% |

(1) CC represents constant currency variance.

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

Q2 2016: Reconciliation of Retained Revenue

\$US in Millions

| | Reported | | | Retained (1) | | |
|--------------|-----------------|---------------------|-------------------|-----------------|---------------------|-------------------|
| | Q2 2016 | Variance vs Q2 2015 | Constant Currency | Q2 2016 | Variance vs Q2 2015 | Constant Currency |
| Americas | \$ 3.7 | -64.0% | -64.0% | \$ 3.7 | -7.5% | -7.3% |
| Asia Pacific | 62.0 | 8.1% | 13.0% | 62.0 | 8.1% | 13.0% |
| Europe | 47.4 | -14.2% | -10.7% | 47.4 | -9.1% | -4.8% |
| Total | <u>\$ 113.1</u> | -7.9% | -4.2% | <u>\$ 113.1</u> | -0.3% | 4.1% |

- (1) Retained revenue and gross margin and divested revenue and gross margin are non-GAAP terms that management believes provide a better understanding of the underlying revenue and gross margin trends in the business following the divestitures in the second quarter of 2015. Divested revenue and gross margin includes such items attributable to the following businesses: the Americas IT staffing business, the Netherlands business, Ukraine, Czech Republic, Slovakia and Luxembourg. The non-GAAP financial measures do not replace the presentation of GAAP financial results and should only be used as a supplement to, not as a substitute for, Hudson's financial results presented in accordance with GAAP. The above table provides a reconciliation of the non-GAAP financial measure used in its financial reporting to the most directly comparable GAAP financial measure.

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Q2 2016: Reconciliation of Retained Gross Margin

\$US in Millions

| | Reported | | | Retained (1) | | |
|--------------|----------------|---------------------|-------------------|----------------|---------------------|-------------------|
| | Q2 2016 | Variance vs Q2 2015 | Constant Currency | Q2 2016 | Variance vs Q2 2015 | Constant Currency |
| Americas | \$ 3.2 | -37.4% | -37.3% | \$ 3.2 | -8.3% | -8.1% |
| Asia Pacific | 22.4 | -5.9% | -1.7% | 22.4 | -5.9% | -1.7% |
| Europe | 21.2 | -0.4% | 1.7% | 21.2 | 2.8% | 5.2% |
| Total | <u>\$ 46.8</u> | -6.7% | -4.0% | <u>\$ 46.8</u> | -2.4% | 0.7% |

- (1) Retained revenue and gross margin and divested revenue and gross margin are non-GAAP terms that management believes provide a better understanding of the underlying revenue and gross margin trends in the business following the divestitures in the second quarter of 2015. Divested revenue and gross margin includes such items attributable to the following businesses: the Americas IT staffing business, the Netherlands business, Ukraine, Czech Republic, Slovakia and Luxembourg. The non-GAAP financial measures do not replace the presentation of GAAP financial results and should only be used as a supplement to, not as a substitute for, Hudson's financial results presented in accordance with GAAP. The above table provides a reconciliation of the non-GAAP financial measure used in its financial reporting to the most directly comparable GAAP financial measure.

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H1 2016: Reconciliation of Retained Revenue

\$US in Millions

| | Reported | | | Retained (1) | | |
|--------------|----------|---------------------|-------------------|--------------|---------------------|-------------------|
| | H1 2016 | Variance vs H1 2015 | Constant Currency | H1 2016 | Variance vs H1 2015 | Constant Currency |
| Americas | \$ 7.5 | -64.6% | -64.5% | \$ 7.5 | 0.9% | 1.2% |
| Asia Pacific | 113.1 | 2.3% | 8.4% | 113.1 | 2.3% | 8.4% |
| Europe | 93.7 | -18.8% | -15.4% | 93.7 | -8.4% | -4.1% |
| Total | \$ 214.3 | -13.3% | -9.3% | \$ 214.3 | -2.7% | 2.3% |

- (1) Retained revenue and gross margin and divested revenue and gross margin are non-GAAP terms that management believes provide a better understanding of the underlying revenue and gross margin trends in the business following the divestitures in the second quarter of 2015. Divested revenue and gross margin includes such items attributable to the following businesses: the Americas IT staffing business, the Netherlands business, Ukraine, Czech Republic, Slovakia and Luxembourg. The non-GAAP financial measures do not replace the presentation of GAAP financial results and should only be used as a supplement to, not as a substitute for, Hudson's financial results presented in accordance with GAAP. The above table provides a reconciliation of the non-GAAP financial measure used in its financial reporting to the most directly comparable GAAP financial measure.

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H1 2016: Reconciliation of Retained Gross Margin

\$US in Millions

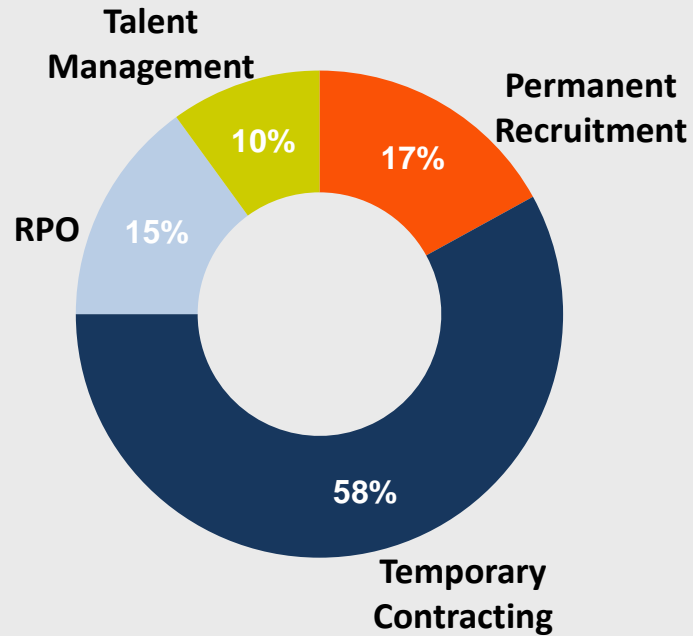
| | Reported | | | Retained (1) | | |
|--------------|----------------|------------------------|----------------------|----------------|------------------------|----------------------|
| | H1 2016 | Variance vs H1 2015 | Constant Currency | H1 2016 | Variance vs H1 2015 | Constant Currency |
| Americas | \$ 6.5 | -32.8% | -32.6% | \$ 6.5 | 3.3% | 3.6% |
| Asia Pacific | 41.2 | -7.9% | -3.0% | 41.2 | -7.9% | -3.0% |
| Europe | 40.4 | -0.4% | -5.0% | 40.4 | 2.8% | 2.2% |
| Total | <u>\$ 88.1</u> | -10.2% | -6.9% | <u>\$ 88.1</u> | -4.0% | -0.2% |

- (1) Retained revenue and gross margin and divested revenue and gross margin are non-GAAP terms that management believes provide a better understanding of the underlying revenue and gross margin trends in the business following the divestitures in the second quarter of 2015. Divested revenue and gross margin includes such items attributable to the following businesses: the Americas IT staffing business, the Netherlands business, Ukraine, Czech Republic, Slovakia and Luxembourg. The non-GAAP financial measures do not replace the presentation of GAAP financial results and should only be used as a supplement to, not as a substitute for, Hudson's financial results presented in accordance with GAAP. The above table provides a reconciliation of the non-GAAP financial measure used in its financial reporting to the most directly comparable GAAP financial measure.

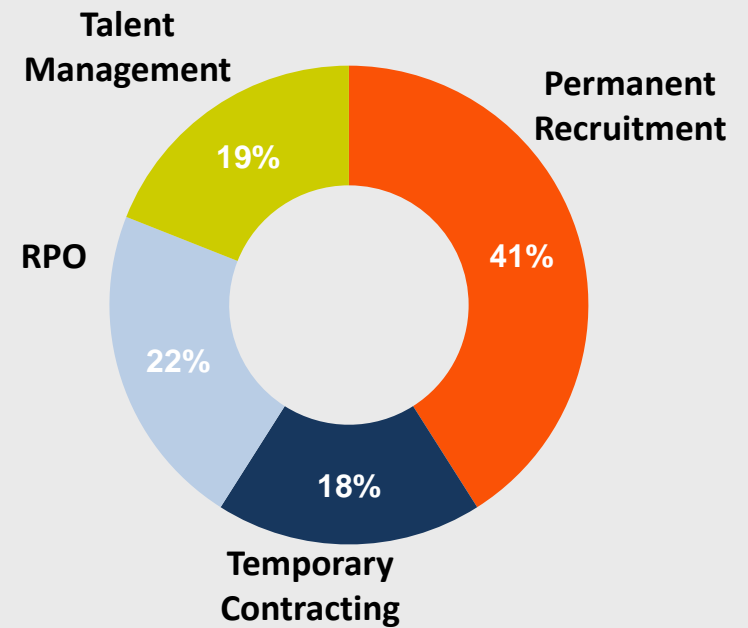
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Q2 2016: Global Services Split

Revenue

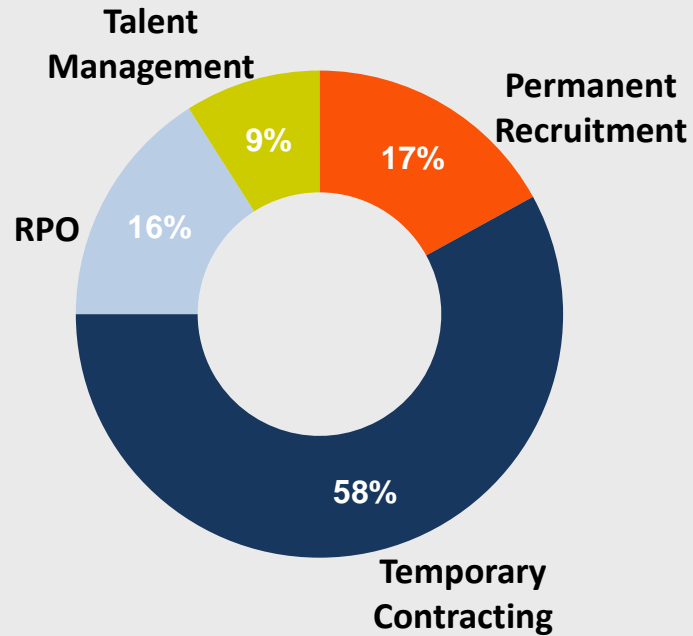


Gross Margin

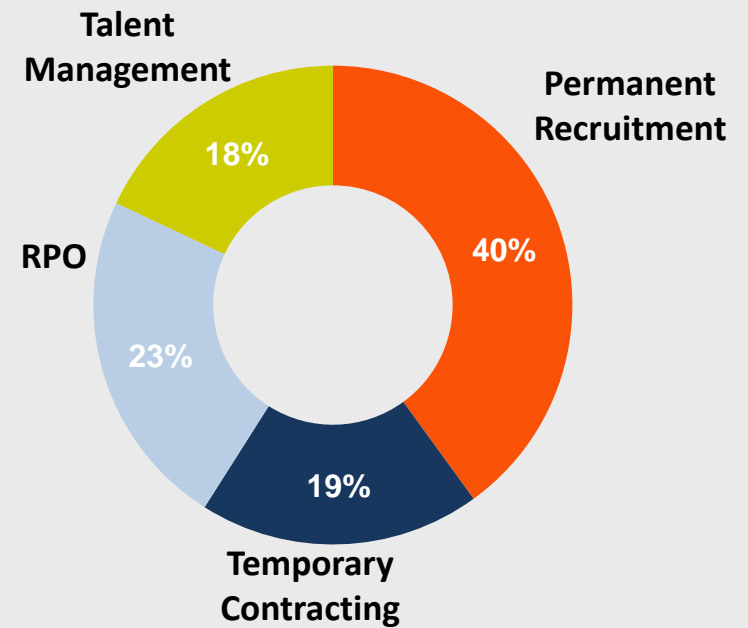


H1 2016: Global Services Split

Revenue

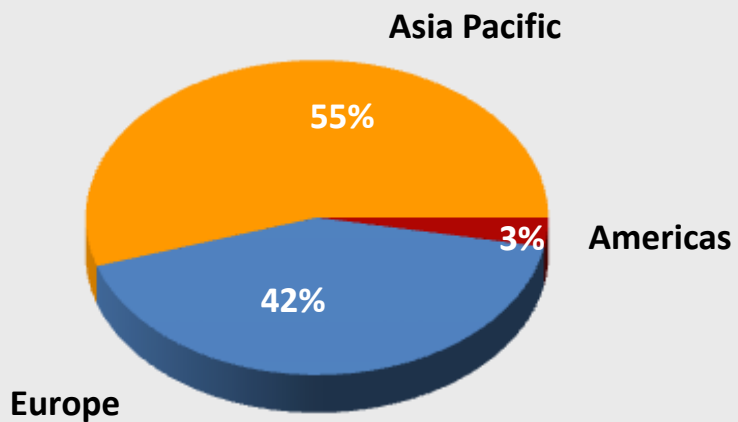


Gross Margin

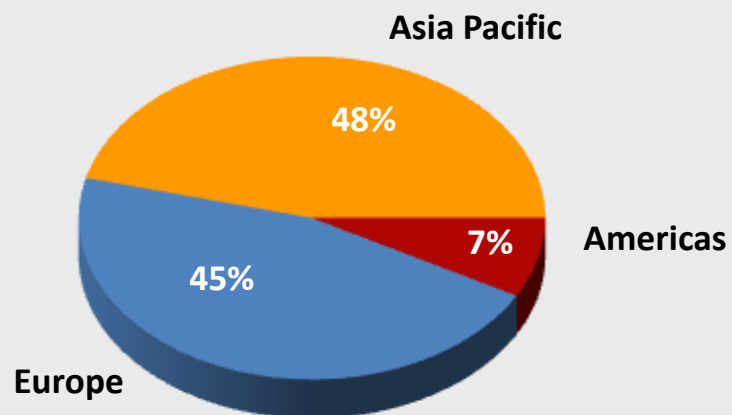


Q2 2016: Regional Split

Revenue

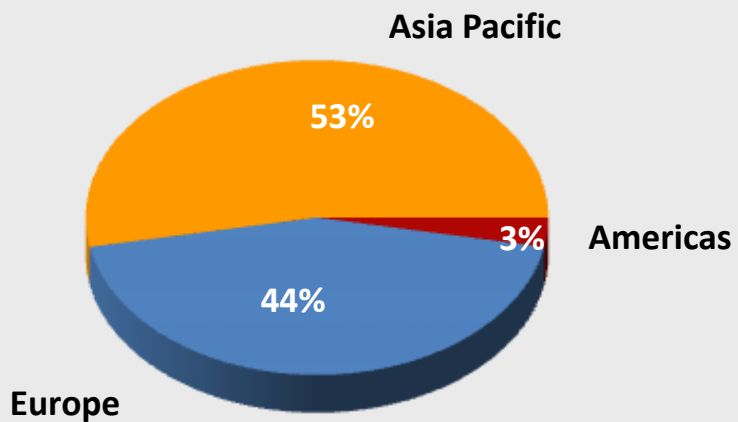


Gross Margin

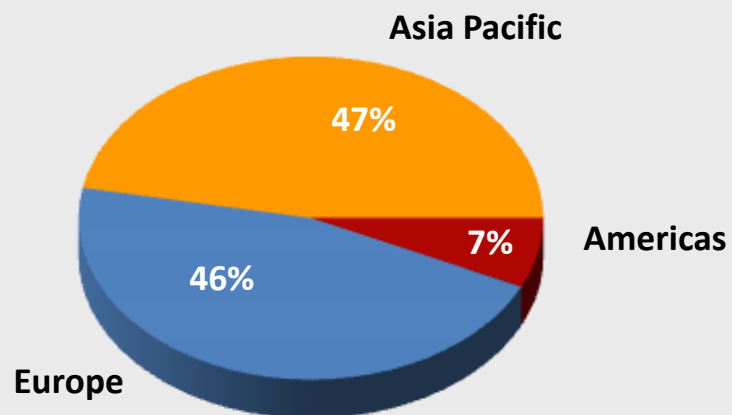


H1 2016: Regional Split

Revenue



Gross Margin



Balance Sheet: Select Items

\$US in Millions

| Selected Assets | | |
|-----------------------|------------------|----------------------|
| | June 30, 2016 | December 31, 2015 |
| Cash | \$24.9 | \$37.7 |
| Accounts Receivable | \$67.4 | \$62.4 |
| Selected Liabilities | | |
| | June 30, 2016 | December 31, 2015 |
| Short-term Borrowings | \$7.2 | \$2.4 |
| Shareholders' Equity | \$48.8 | \$61.2 |
| Working Capital | | |
| | June 30, 2016 | December 31, 2015 |
| Current Assets | \$97.2 | \$106.1 |
| Current Liabilities | \$56.6 | \$51.6 |
| Working Capital | \$40.6 | \$54.6 |

Q2 2016: Cash Flow Summary

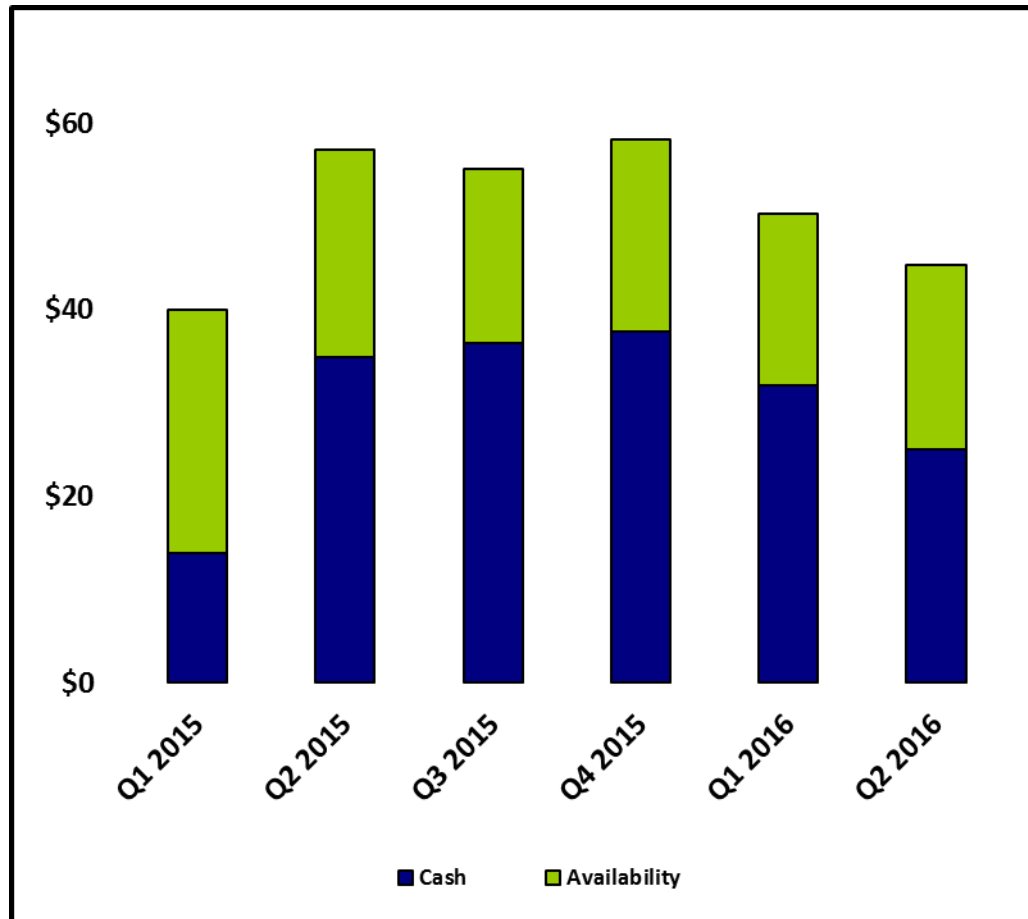
\$US in Millions

| | QTD <u>Jun-16</u> | QTD <u>Jun-15</u> |
|--|----------------------|----------------------|
| Net income (loss) | \$ (3.1) | \$ 13.9 |
| Depreciation and amortization | 0.8 | 1.0 |
| Stock-based compensation | 0.8 | 3.2 |
| Change in accounts receivable | (5.6) | (1.5) |
| Change in accounts payable and other liabilities | 3.4 | (0.8) |
| Net gain on disposition of assets | - | (21.4) |
| Other | (0.6) | 1.0 |
| | <hr/> | <hr/> |
| Cash provided by (used in) operations | (4.3) | (4.6) |
| Capital expenditures | (0.6) | (0.6) |
| Proceeds from sale of assets | - | 24.7 |
| | <hr/> | <hr/> |
| Free cash flow | (4.9) | 19.5 |
| Change in net borrowings (repayments) | 1.7 | 1.2 |
| Purchase of treasury stock | (1.4) | - |
| Dividends paid | (1.7) | - |
| Other | - | (0.3) |
| Effect of exchange rates | (0.8) | 0.5 |
| | <hr/> | <hr/> |
| Change in cash | \$ (7.0) | \$ 20.9 |

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Flexible Liquidity

\$US in Millions



Retained GM % by Region

Temporary Contracting GM %

| | Q2 2016 | Q2 2015 |
|--------------|---------|---------|
| Asia Pacific | 11.9% | 12.9% |
| Europe | 13.7% | 12.7% |
| Hudson Total | 12.6% | 13.0% |

Total GM %

| | Q2 2016 | Q2 2015 |
|--------------|---------|---------|
| Americas | 86.9% | 87.6% |
| Asia Pacific | 36.1% | 41.5% |
| Europe | 44.8% | 39.7% |
| Hudson Total | 41.4% | 42.3% |



Appendix

Q2 2016 Regional Gross Margin Mix

Approximate mix of gross margin by product around the globe

| | Temp | Perm | RPO | Talent Mgmt |
|--------------|------|------|------|-------------|
| Americas | 0% | 0% | 100% | 0% |
| Europe | 15% | 45% | 10% | 30% |
| UK | 35% | 40% | 20% | 5% |
| Cont. Europe | 5% | 50% | 5% | 40% |
| Asia Pacific | 20% | 45% | 25% | 10% |
| ANZ | 30% | 30% | 25% | 15% |
| ASIA | 0% | 75% | 20% | 5% |
| Hudson Total | 20% | 40% | 20% | 20% |

Q2 EBITDA Reconciliation

\$US in Millions

| Q2 2016 | Hudson | | | | Total | Q2 2015 | Hudson | | | | Total |
|---|----------|--------------|---------|----------|----------|----------|----------|--------------|----------|----------|-------|
| | Americas | Asia Pacific | Europe | Corp | | | Americas | Asia Pacific | Europe | Corp | |
| Revenue | \$ 3.7 | \$ 62.0 | \$ 47.4 | \$ - | \$ 113.1 | \$ 10.2 | \$ 57.4 | \$ 55.2 | \$ - | \$ 122.7 | |
| Gross margin | \$ 3.2 | \$ 22.4 | \$ 21.2 | \$ - | \$ 46.8 | \$ 5.1 | \$ 23.8 | \$ 21.3 | \$ - | \$ 50.2 | |
| Adjusted EBITDA (loss) | \$ (0.0) | \$ 1.3 | \$ 2.3 | \$ (4.2) | \$ (0.7) | \$ 0.2 | \$ 2.0 | \$ 1.0 | \$ (2.9) | \$ (0.1) | |
| Business reorg expenses | 0.0 | 0.4 | 0.2 | 0.2 | 0.8 | (0.0) | 0.3 | 0.5 | 1.2 | 2.1 | |
| Stock-based compensation | 0.0 | 0.1 | 0.1 | 0.5 | 0.8 | 0.5 | 0.7 | 0.8 | 1.3 | 3.2 | |
| Non-operating expenses (income) | 0.1 | 0.5 | 0.6 | (1.1) | 0.0 | 15.9 | - | 4.1 | - | 20.0 | |
| EBITDA (Loss) | \$ (0.2) | \$ 0.6 | \$ 1.6 | \$ (3.6) | \$ (1.6) | \$ (0.2) | \$ 1.6 | \$ 0.4 | \$ (1.7) | \$ 0.0 | |
| Depreciation and amortization | | | | | 0.8 | \$ 15.4 | \$ (0.6) | \$ 3.4 | \$ (3.7) | \$ 14.6 | |
| Interest expense (income) | | | | | 0.1 | | | | | 1.0 | |
| Provision for (benefit from) income taxes | | | | | 0.8 | | | | | 0.4 | |
| Income (loss) from disc ops, net of taxes | | | | | 0.2 | | | | | 0.5 | |
| Net income (loss) | | | | | \$ (3.1) | | | | | \$ 1.1 | |
| | | | | | | | | | | \$ 13.9 | |

- (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.

H1 EBITDA Reconciliation

\$US in Millions

| | Hudson | | | | Total |
|---|----------|--------------|---------|----------|----------|
| | Americas | Asia Pacific | Europe | Corp | |
| H1 2016 | | | | | |
| Revenue | \$ 7.5 | \$ 113.1 | \$ 93.7 | \$ - | \$ 214.3 |
| Gross margin | \$ 6.5 | \$ 41.2 | \$ 40.4 | \$ - | \$ 88.1 |
| Adjusted EBITDA (loss) | \$ 0.2 | \$ 1.1 | \$ 2.8 | \$ (6.8) | \$ (2.7) |
| Business reorg expenses | (0.0) | 0.3 | 0.6 | (0.0) | 0.8 |
| Stock-based compensation | 0.1 | 0.2 | 0.1 | 0.7 | 1.1 |
| Non-operating expenses (income) | 0.2 | 1.3 | 0.8 | (2.1) | 0.2 |
| EBITDA (Loss) | \$ (0.0) | \$ (0.7) | \$ 1.2 | \$ (5.3) | \$ (4.8) |
| Depreciation and amortization | | | | | 1.5 |
| Interest expense (income) | | | | | 0.2 |
| Provision for (benefit from) income taxes | | | | | 0.5 |
| Income (loss) from disc ops, net of taxes | | | | | 0.3 |
| Net income (loss) | | | | | \$ (6.6) |

| | Hudson | | | | Total |
|---|----------|--------------|----------|----------|----------|
| | Americas | Asia Pacific | Europe | Corp | |
| H1 2015 | | | | | |
| Revenue | \$ 21.2 | \$ 110.5 | \$ 115.4 | \$ - | \$ 247.1 |
| Gross margin | \$ 9.7 | \$ 44.7 | \$ 43.7 | \$ - | \$ 98.1 |
| Adjusted EBITDA (loss) | \$ (1.1) | \$ 2.9 | \$ 1.1 | \$ (6.7) | \$ (3.8) |
| Business reorg expenses | 0.4 | 0.3 | 1.4 | 1.3 | 3.4 |
| Stock-based compensation | 0.6 | 0.7 | 0.8 | 1.7 | 3.8 |
| Gain on sale and exit of business | 15.9 | - | 4.1 | - | 20.0 |
| Non-operating expenses (income) | 0.1 | 1.7 | 1.6 | (3.4) | 0.0 |
| EBITDA (Loss) | \$ 13.8 | \$ 0.2 | \$ 1.3 | \$ (6.3) | \$ 9.0 |
| Depreciation and amortization | | | | | 2.1 |
| Interest expense (income) | | | | | 0.4 |
| Provision for (benefit from) income taxes | | | | | 0.3 |
| Income (loss) from disc ops, net of taxes | | | | | 0.9 |
| Net income (loss) | | | | | \$ 7.0 |

- (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.

