

Hudson Global Q1 2017 Earnings Call

May 4, 2017

Hudson

Great people. Great performance.



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 2017: Consolidated Financial Results

\$US in Millions, except EPS

	B+ / W- (2)	Q1 2017	Q1 2016
Revenue	+ 2% + 5% CC (1)	\$103.4	\$101.2
Gross Margin	+ 3% + 6% CC	\$42.4	\$41.3
SG&A	+ 3% - 0% CC	\$42.1	\$43.3
Adjusted EBITDA	+ 118% + 118% CC	\$0.4	(\$2.0)
Net Income (Loss)	+ 62%	(\$1.3)	(\$3.5)
Basic and Diluted EPS		(\$0.04)	(\$0.10)

(1) CC represents constant currency variance.

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

Q1 2017: Hudson Americas

\$US in Millions

	B+ / W- (1)	Q1 2017	Q1 2016
Revenue	+ 12%	\$4.3	\$3.8
Gross Margin	+ 15%	\$3.8	\$3.3
SG&A	- 13%	\$3.5	\$3.1
Adjusted EBITDA	+ 39%	\$0.3	\$0.2
Adjusted EBITDA, as a % of Revenue		7.8%	6.3%

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

Q1 2017: Hudson Asia Pacific

\$US in Millions

	B+ / W- (2)	Q1 2017	Q1 2016
Revenue	+ 17% + 13% CC (1)	\$59.7	\$51.1
Gross Margin	+ 5% + 3% CC	\$19.7	\$18.8
SG&A	- 4% - 2% CC	\$19.6	\$18.9
Adjusted EBITDA	+ 180% + 165% CC	\$0.1	(\$0.2)
Adjusted EBITDA, as a % of Revenue		0.2%	-0.3%

(1) CC represents constant currency variance.

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

Q1 2017: Hudson Europe

\$US in Millions

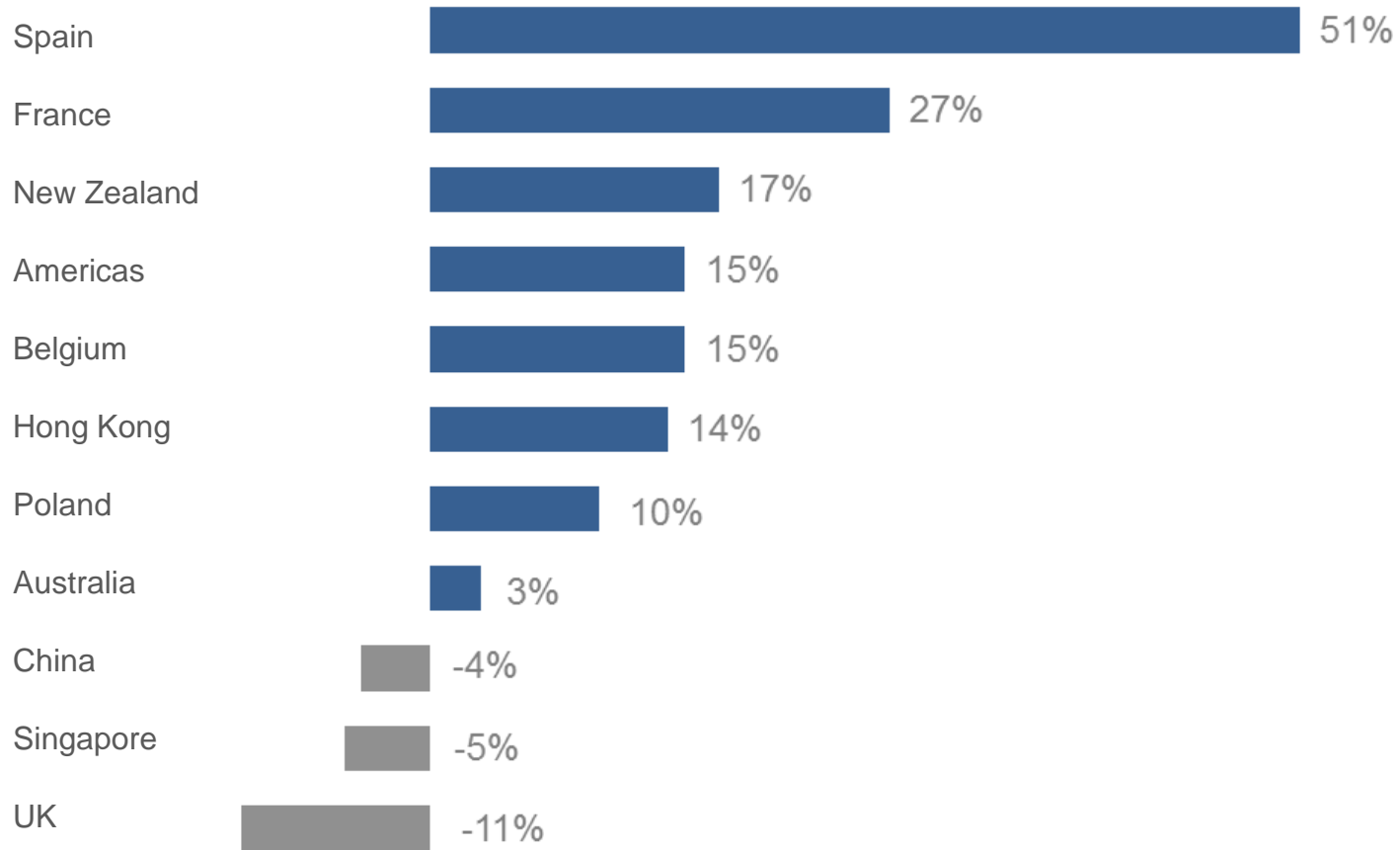
	B+ / W- (2)	Q1 2017	Q1 2016
Revenue	- 15% - 5% CC (1)	\$39.4	\$46.3
Gross Margin	- 2% + 7% CC	\$18.9	\$19.2
SG&A	+ 7% - 2% CC	\$17.4	\$18.7
Adjusted EBITDA	+ 217% + 196% CC	\$1.5	\$0.5
Adjusted EBITDA, as a % of Revenue		3.8%	1.0%

(1) CC represents constant currency variance.

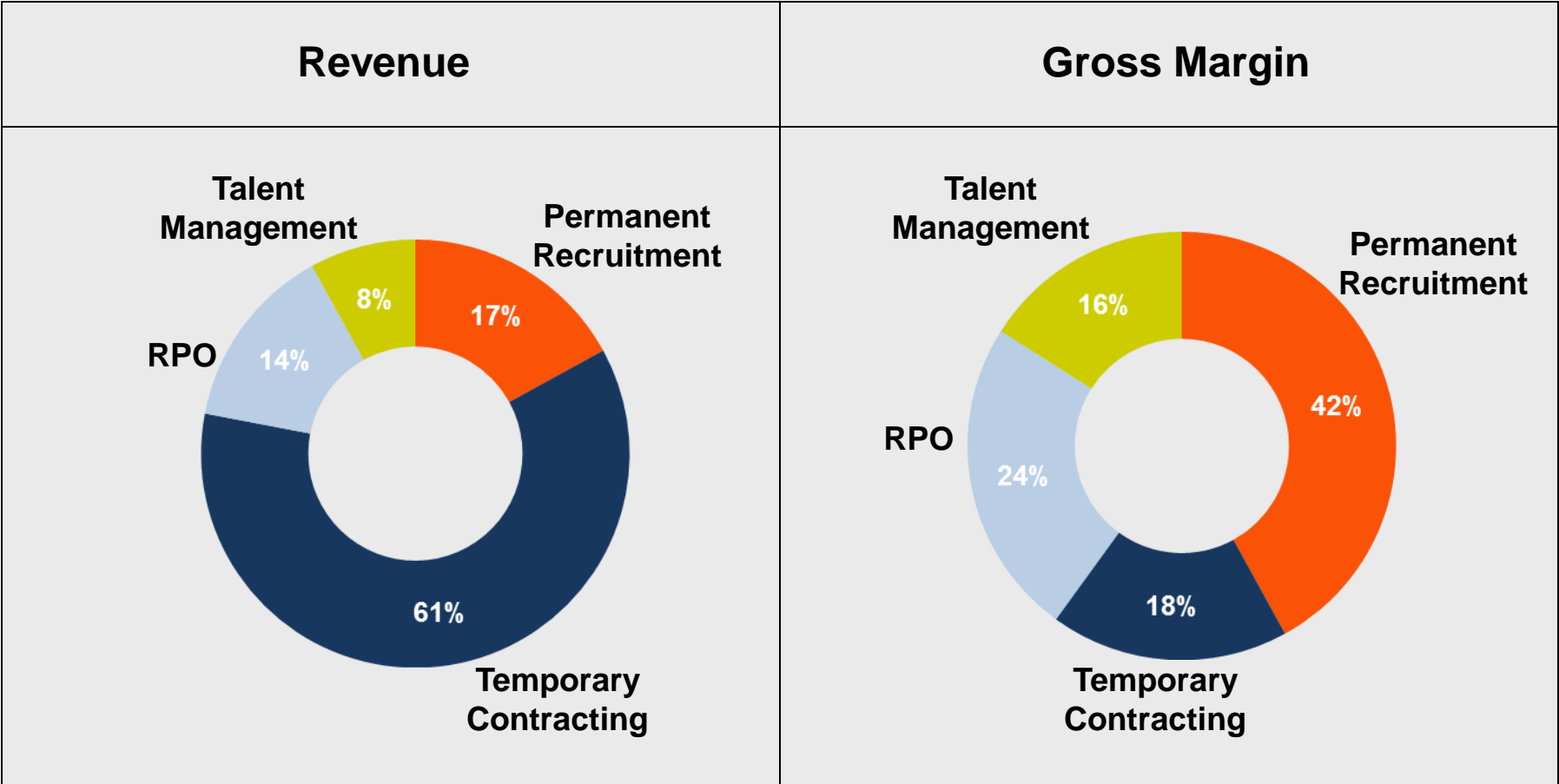
(2) B/W indicates whether the result was better (+) or worse (-) than the comparison period.

Gross Margin Growth in CC, +6% overall

Q1 2017 vs PY

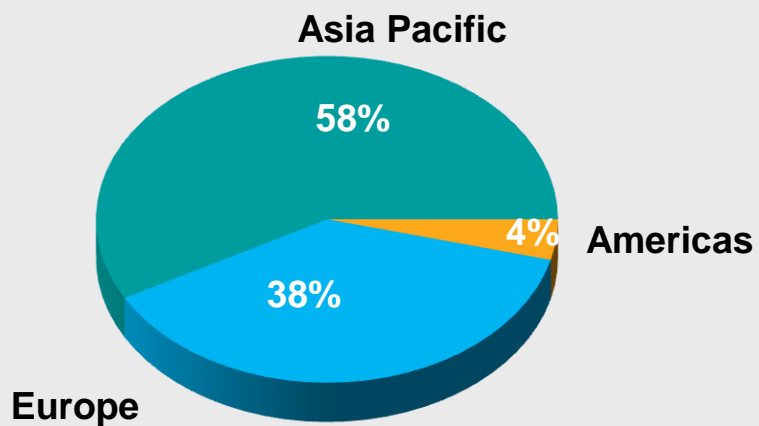


Q1 2017 Global Services Split

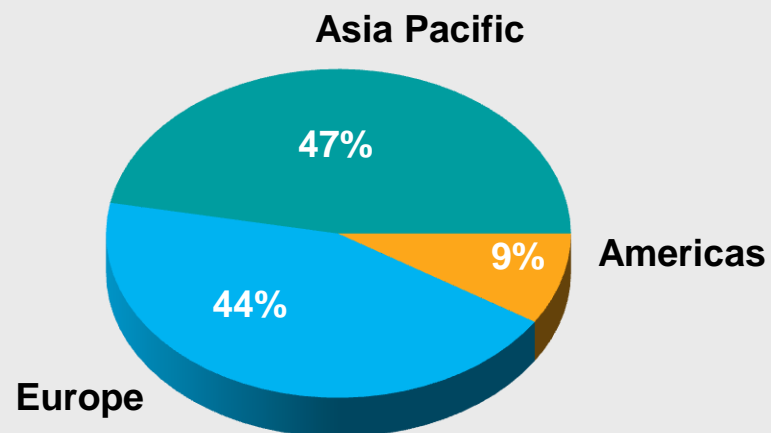


Q1 2017 Regional Split

Revenue



Gross Margin



Balance Sheet: Selected Items

\$US in Millions

Selected Assets		
	March 31, 2017	December 31, 2016
Cash	\$14.8	\$21.3
Accounts Receivable	\$66.8	\$58.5
Selected Liabilities		
	March 31, 2017	December 31, 2016
Short-term Borrowings	\$11.3	\$7.8
Shareholders' Equity	\$41.8	\$41.9
Working Capital		
	March 31, 2017	December 31, 2016
Current Assets	\$86.7	\$84.1
Current Liabilities	\$53.7	\$50.6
Working Capital	\$33.0	\$33.5

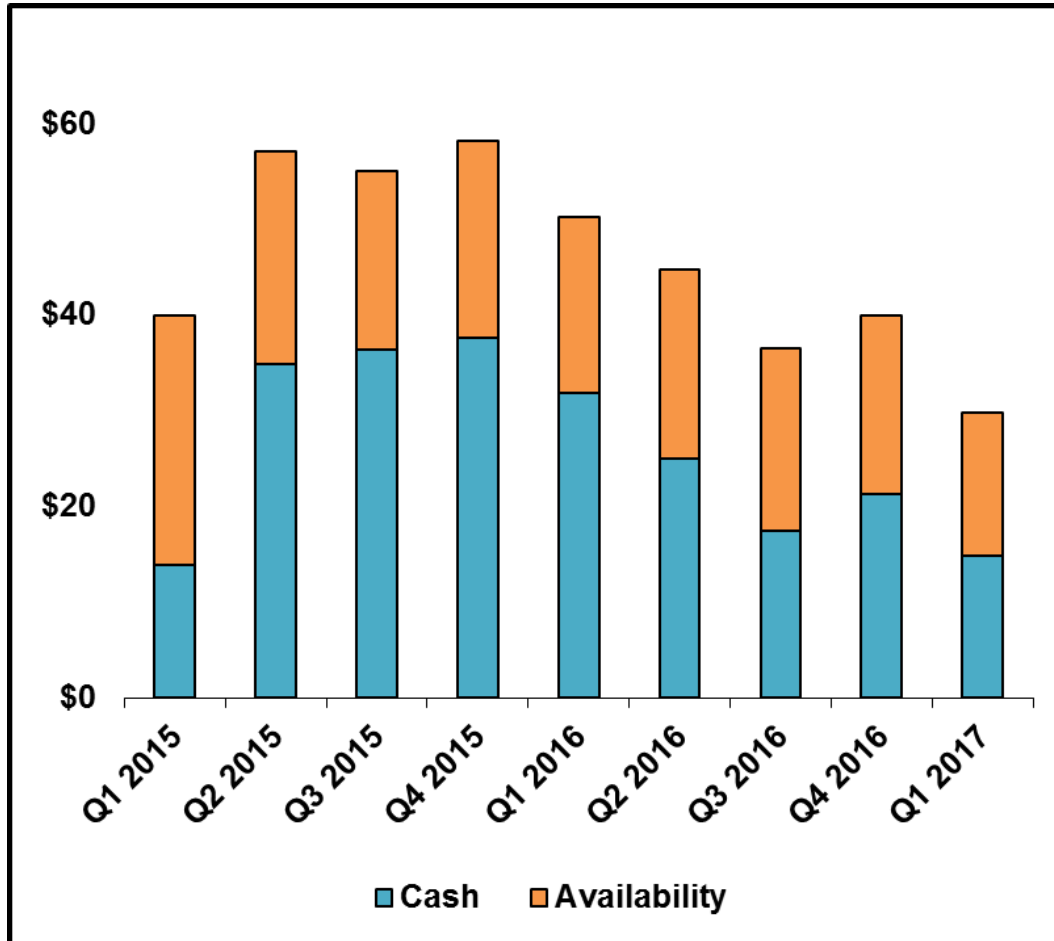
Q1 2017: Cash Flow Summary

\$US in Millions

	QTD <u>Mar-17</u>	QTD <u>Mar-16</u>
Net income (loss)	\$ (1.3)	\$ (3.5)
Depreciation and amortization	0.7	0.7
Stock-based compensation	0.2	0.4
Change in accounts receivable	(6.5)	(0.8)
Change in accounts payable and other liabilities	(1.4)	(1.5)
Other	<u>(0.7)</u>	<u>(1.1)</u>
Cash provided by (used in) operations	(9.0)	(5.8)
Capital expenditures	<u>(0.4)</u>	<u>(0.6)</u>
Free cash flow	(9.4)	(6.4)
Change in net borrowings (repayments)	3.0	3.1
Purchase of treasury stock	(0.3)	(1.0)
Dividends paid		(1.7)
Effect of exchange rates	<u>0.2</u>	<u>0.3</u>
Change in cash	\$ (6.5)	\$ (5.7)

Flexible Liquidity

\$US in Millions



Gross Margin % by Region

Temporary Contracting GM %

	Q1 2017	Q1 2016
Asia Pacific	11.4%	12.2%
Europe	13.3%	14.2%
Hudson Total	12.1%	13.1%

Total GM %

	Q1 2017	Q1 2016
Americas	88.9%	87.0%
Asia Pacific	33.0%	36.8%
Europe	47.9%	41.3%
Hudson Total	41.0%	40.8%

APPENDIX



Q1 2017 Regional Gross Margin Mix

Approximate gross margin mix by product around the globe

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

Q1 EBITDA Reconciliation

\$US in Millions

Q1 2017	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Revenue	\$ 4.3	\$ 59.7	\$ 39.4	\$ -	\$ 103.4
Gross margin	\$ 3.8	\$ 19.7	\$ 18.9	\$ -	\$ 42.4
Adjusted EBITDA (loss)	\$ 0.3	\$ 0.1	\$ 1.5	\$ (1.6)	\$ 0.4
Business reorg expenses and impairment	(0.1)	-	0.3	(0.0)	0.2
Stock-based comp expense	0.0	0.0	0.0	0.1	0.2
Non-operating expenses (income)	0.1	0.8	0.2	(0.8)	0.4
EBITDA (Loss)	\$ 0.3	\$ (0.7)	\$ 0.9	\$ (0.9)	\$ (0.4)
Depreciation and amortization					0.7
Interest expense (income)					0.1
Provision for (benefit from) income taxes					0.2
Income (loss) from discontinued ops					0.4
Net income (loss)					\$ (1.3)

Q1 2016	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Revenue	\$ 3.8	\$ 51.1	\$ 46.3	\$ -	\$ 101.2
Gross margin	\$ 3.3	\$ 18.8	\$ 19.2	\$ -	\$ 41.3
Adjusted EBITDA (loss)	\$ 0.2	\$ (0.2)	\$ 0.5	\$ (2.6)	\$ (2.0)
Business reorg expenses and impairments	(0.0)	0.2	0.5	(0.0)	0.6
Stock-based comp expense	0.0	0.1	0.0	0.2	0.4
Non-operating expenses (income)	0.1	0.8	0.3	(1.0)	0.1
EBITDA (Loss)	\$ 0.2	\$ (1.2)	\$ (0.3)	\$ (1.8)	\$ (3.2)
Depreciation and amortization					0.7
Interest expense (income)					0.1
Provision for (benefit from) income taxes					(0.3)
Income (loss) from discontinued ops					0.1
Net income (loss)					\$ (3.5)

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.



THANK YOU