



Hudson Global Q4 2016 Earnings Call

March 2, 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.

Q4 2016: Consolidated Financial Results

\$US in Millions, except EPS

	B+ / W- (2)	Q4 2016	Q4 2015
Revenue	- 5%	\$100.3	\$106.1
	- 0% CC (1)		
Gross Margin	- 4%	\$42.8	\$44.4
	+ 0% CC		
SG&A	+ 3%	\$41.9	\$43.1
	- 1% CC		
Adjusted EBITDA	- 33%	\$0.9	\$1.4
	- 30% CC		
Net Income (Loss)	+ 89%	(\$0.3)	(\$2.6)
Basic and Diluted EPS		(\$0.01)	(\$0.07)

(1) CC represents constant currency variance.

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

Q4 2016: Hudson Americas

\$US in Millions

	B+ / W- ⁽¹⁾	Q4 2016	Q4 2015
Revenue	+ 5%	\$3.9	\$3.7
Gross Margin	+ 5%	\$3.4	\$3.2
SG&A	+ 10%	\$2.8	\$2.6
Adjusted EBITDA	- 13%	\$0.6	\$0.7
Adjusted EBITDA, as a % of Revenue		15.0%	18.0%

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

Q4 2016: Hudson Asia Pacific

\$US in Millions

	B+ / W- (2)	Q4 2016	Q4 2015
Revenue	+ 11%	\$59.1	\$53.3
	+ 8% CC (1)		
Gross Margin	- 5%	\$20.5	\$21.6
	- 6% CC		
SG&A	+ 1%	\$20.2	\$19.9
	+ 0% CC		
Adjusted EBITDA	- 78%	\$0.4	\$1.7
	- 77% CC		
Adjusted EBITDA, as a % of Revenue		0.6%	3.2%

(1) CC represents constant currency variance.

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

Q4 2016: Hudson Europe

\$US in Millions

	B+ / W- (2)	Q4 2016	Q4 2015
Revenue	- 24%	\$37.3	\$49.1
	- 12% CC (1)		
Gross Margin	- 4%	\$18.9	\$19.6
	+ 6% CC		
SG&A	+ 5%	\$17.5	\$18.5
	- 6% CC		
Adjusted EBITDA	+ 17%	\$1.3	\$1.1
	+ 13% CC		
Adjusted EBITDA, as a % of Revenue		3.5%	2.3%

(1) CC represents constant currency variance.

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

FY 2016: Consolidated Financial Results

\$US in Millions, except EPS

	B+ / W- (2)	FY 2016	FY 2015
Revenue	- 9% - 5% CC (1)	\$422.7	\$463.2
Gross Margin	- 7% - 4% CC	\$174.4	\$187.7
SG&A	+ 8% + 4% CC	\$175.9	\$190.4
Adjusted EBITDA	+ 45% + 40% CC	(\$1.5)	(\$2.7)
Net Income (Loss)	NM NM	(\$8.8)	\$2.3
Basic and Diluted EPS		(\$0.26)	\$0.07

(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

FY 2016: Hudson Americas

\$US in Millions

	B+ / W- ⁽¹⁾	FY 2016	FY 2015
Revenue	- 46%	\$15.6	\$28.6
Gross Margin	- 16%	\$13.6	\$16.1
SG&A	+ 26%	\$12.4	\$16.8
Adjusted EBITDA	+ 271%	\$1.2	(\$0.7)
Adjusted EBITDA, as a % of Revenue		7.8%	-2.5%

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

FY 2016: Hudson Asia Pacific

\$US in Millions

	B+ / W- (2)	FY 2016	FY 2015
Revenue	+ 8%	\$236.8	\$219.4
	+ 9% CC (1)		
Gross Margin	- 6%	\$84.1	\$89.7
	- 5% CC		
SG&A	+ 1%	\$81.5	\$82.7
	- 1% CC		
Adjusted EBITDA	- 63%	\$2.6	\$7.0
	- 63% CC		
Adjusted EBITDA, as a % of Revenue		1.1%	3.2%

(1) CC represents constant currency variance.

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

FY 2016: Hudson Europe

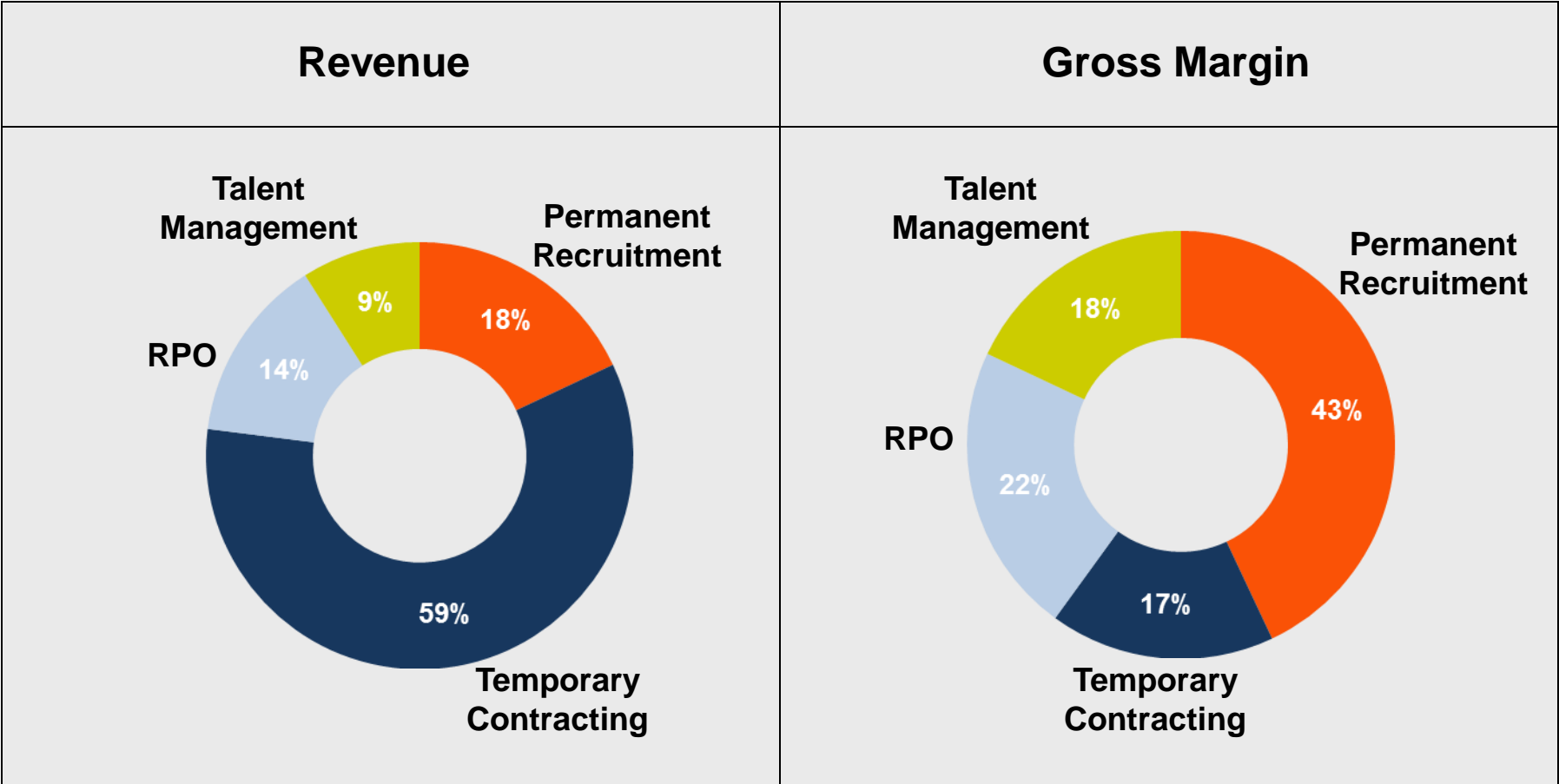
\$US in Millions

	B+ / W- (2)	FY 2016	FY 2015
Revenue	- 21%	\$170.3	\$215.2
	- 14% CC (1)		
Gross Margin	- 6%	\$76.7	\$81.9
	- 1% CC		
SG&A	+ 9%	\$72.5	\$79.6
	+ 4% CC		
Adjusted EBITDA	+ 81%	\$4.2	\$2.3
	+ 72% CC		
Adjusted EBITDA, as a % of Revenue		2.5%	1.1%

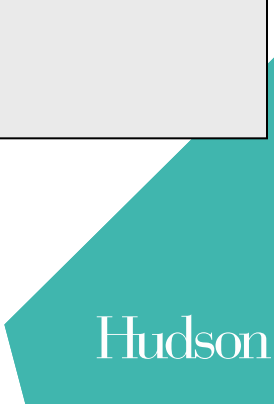
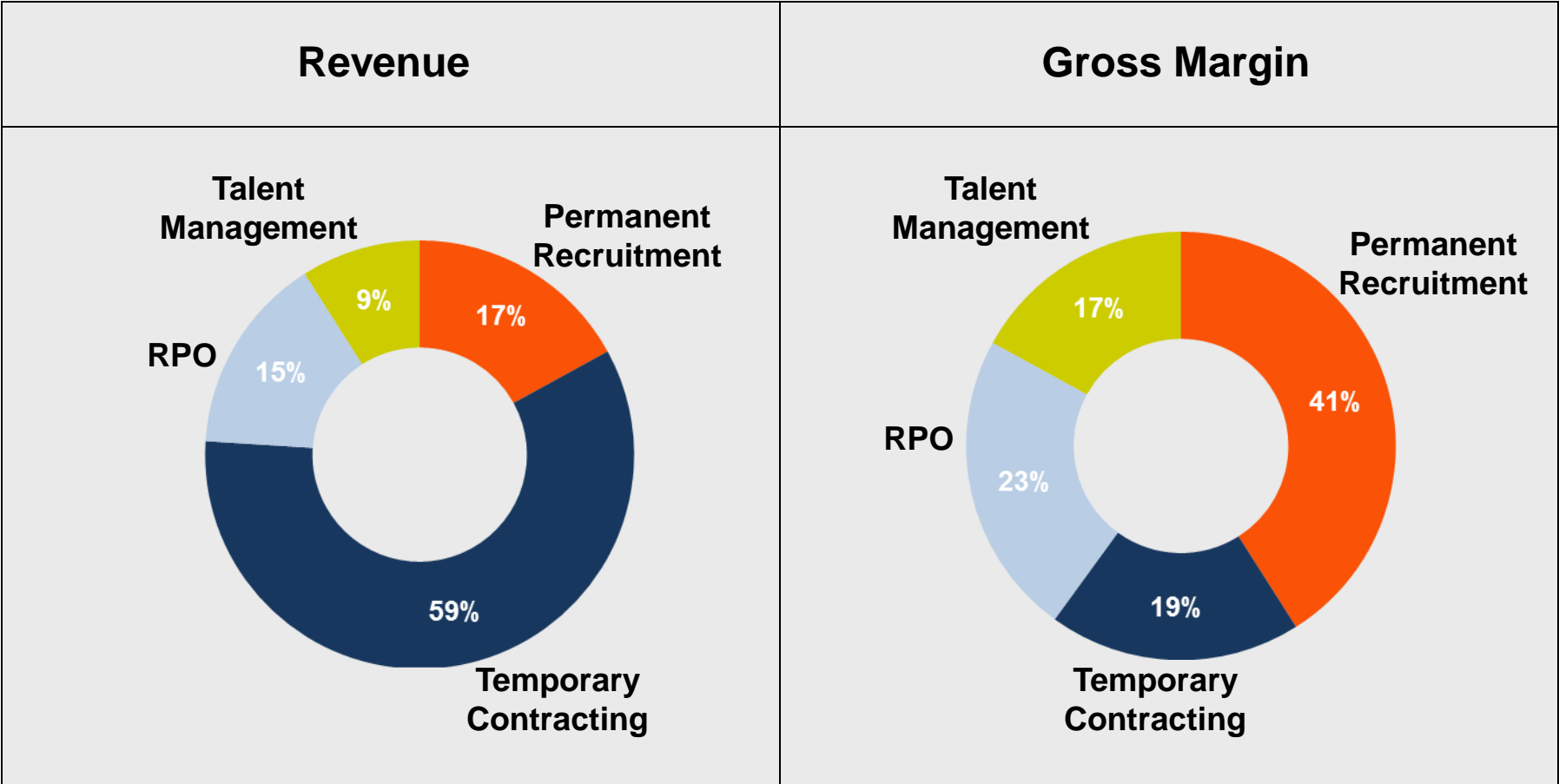
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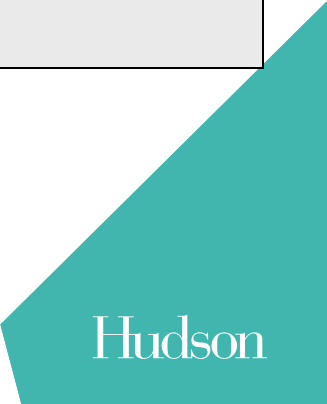
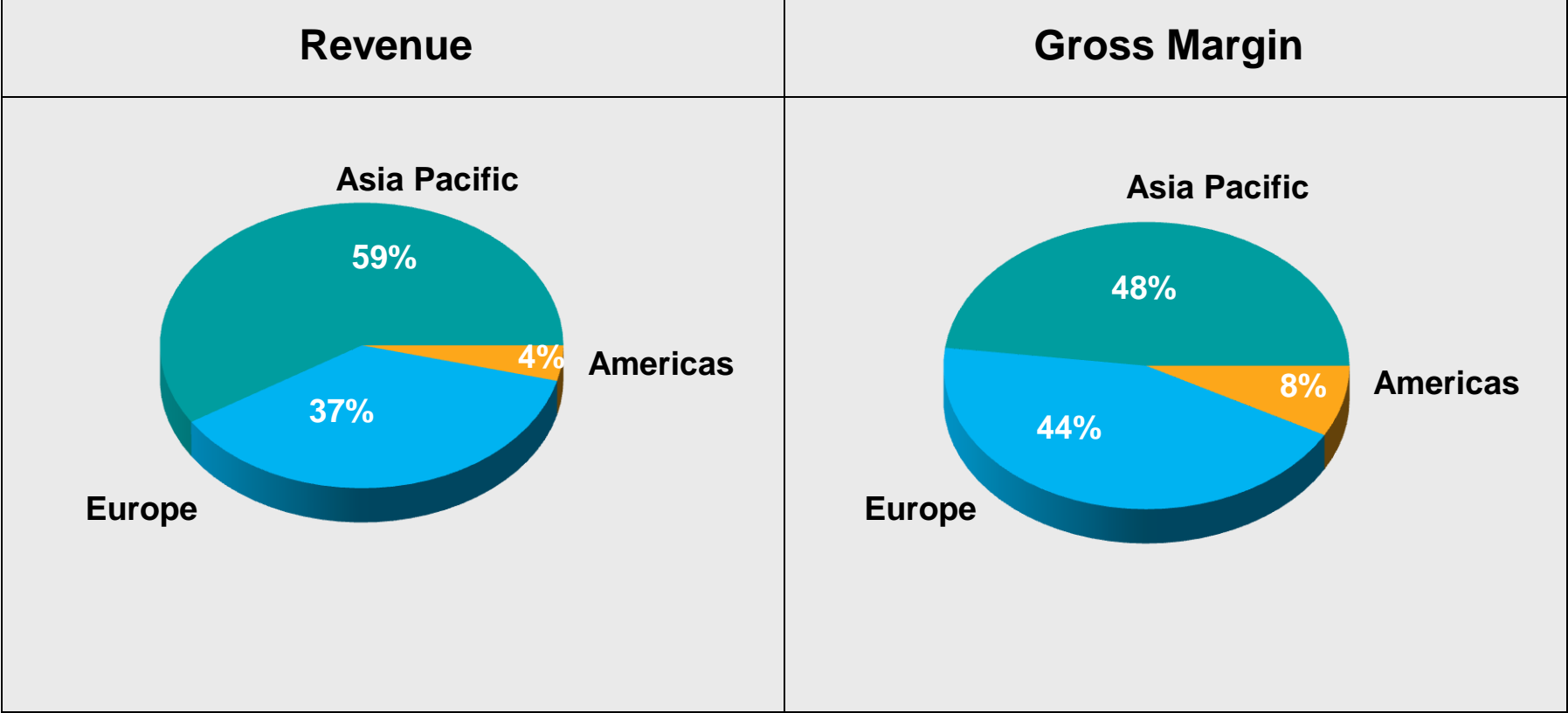
Q4 2016 Global Services Split



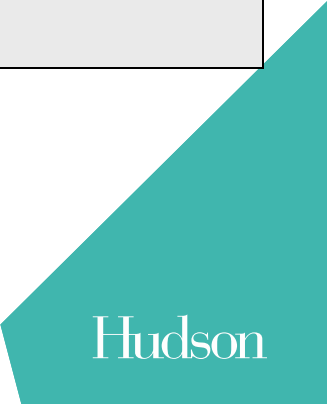
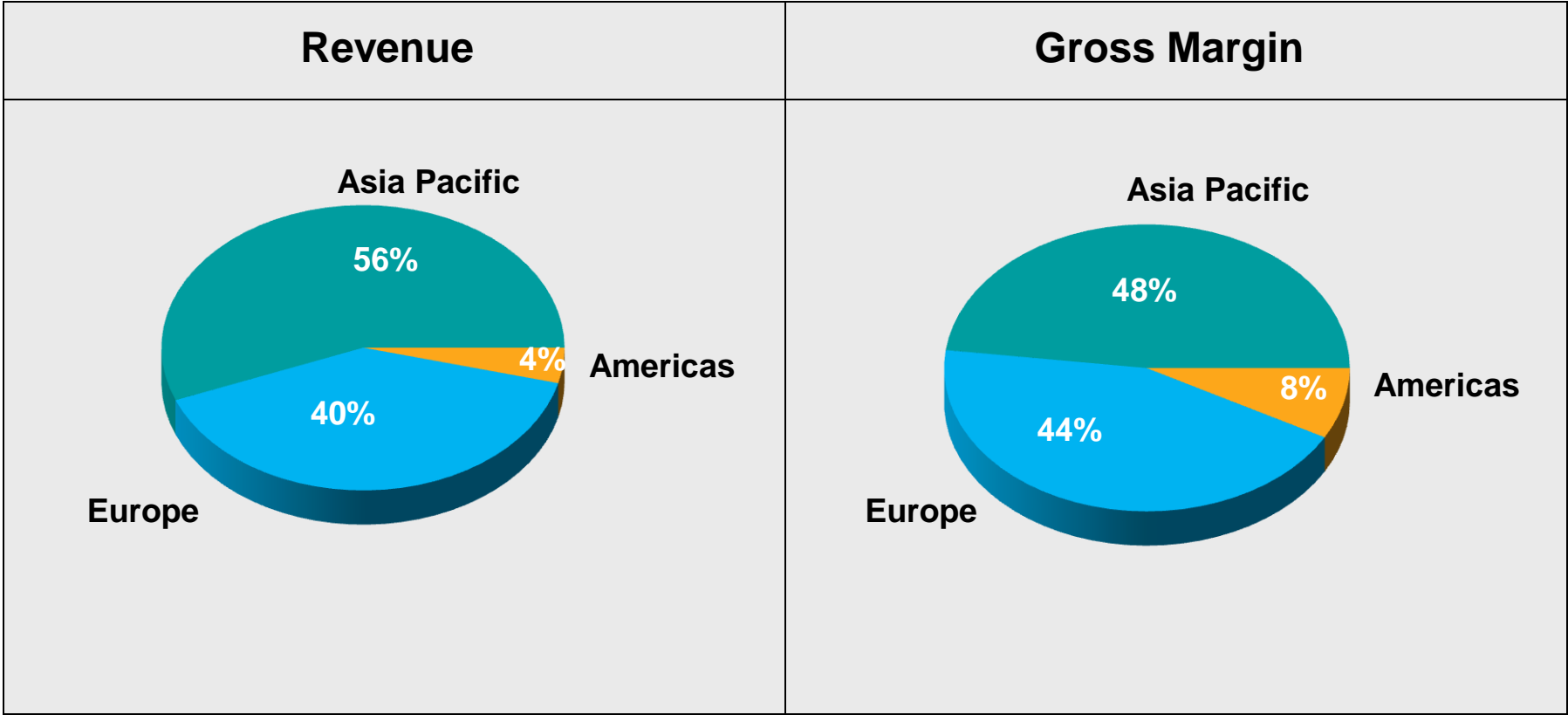
FY 2016 Global Services Split



Q4 2016 Regional Split



FY 2016 Regional Split



Balance Sheet: Selected Items

\$US in Millions

Selected Assets		
	December 31, 2016	December 31, 2015
Cash	\$21.3	\$37.7
Accounts Receivable	\$58.5	\$62.4
Selected Liabilities		
	December 31, 2016	December 31, 2015
Short-term Borrowings	\$7.8	\$2.4
Shareholders' Equity	\$41.9	\$61.2
Working Capital		
	December 31, 2016	December 31, 2015
Current Assets	\$84.1	\$106.1
Current Liabilities	\$50.6	\$51.6
Working Capital	\$33.5	\$54.6

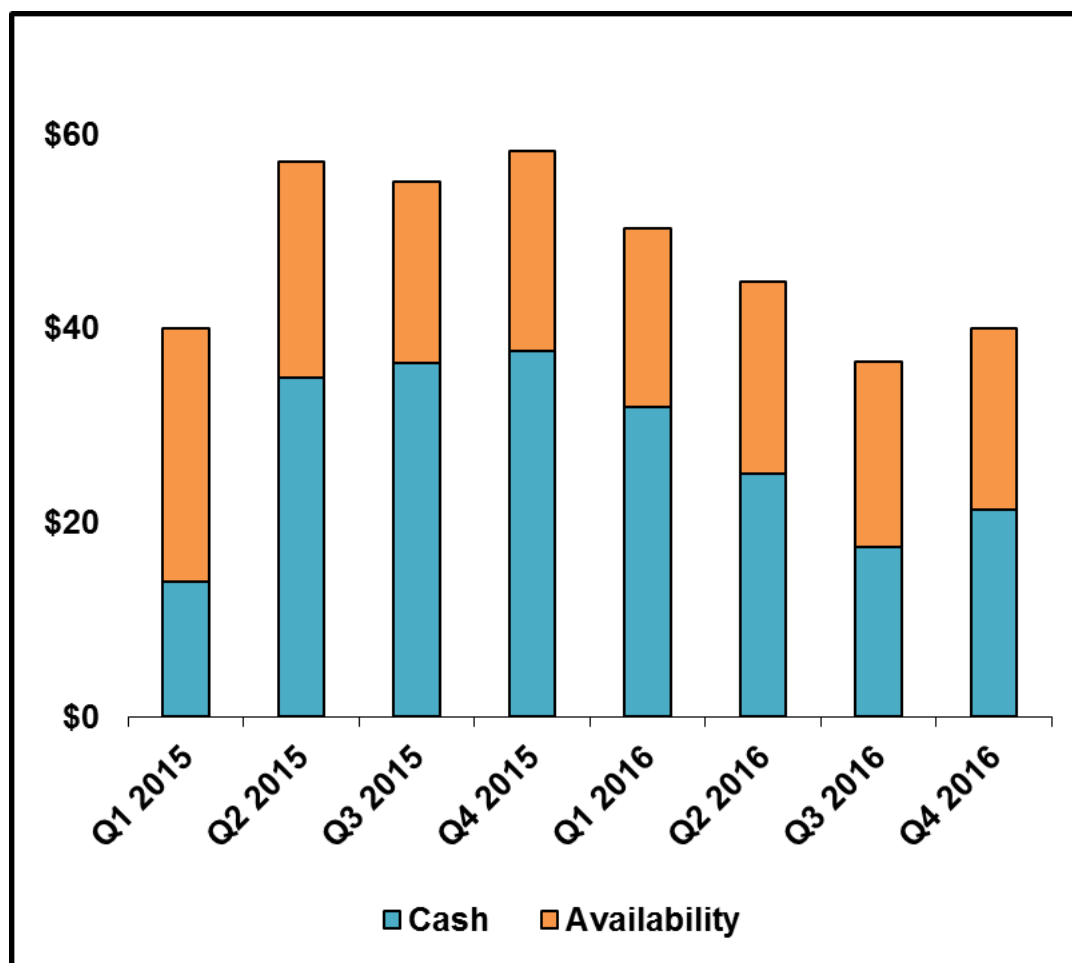
Q4 2016: Cash Flow Summary

\$US in Millions

		QTD <u>Dec-16</u>	QTD <u>Dec-15</u>
Net income (loss)	\$	(0.3)	(2.6)
Depreciation and amortization		0.8	0.8
Stock-based compensation		0.2	0.3
Change in accounts receivable		3.0	3.2
Change in accounts payable and other liabilities		2.9	(0.7)
Net gain on disposition of assets		-	-
Other		(1.0)	(0.2)
		<hr/>	<hr/>
Cash provided by (used in) operations		5.6	0.8
Capital expenditures		(0.9)	(0.7)
		<hr/>	<hr/>
Free cash flow		4.7	0.1
Change in net borrowings (repayments)		0.2	2.3
Purchase of treasury stock		(0.2)	(0.7)
Other		-	(0.1)
Effect of exchange rates		(0.8)	(0.3)
		<hr/>	<hr/>
Change in cash	\$	3.9	\$ 1.3

Flexible Liquidity

\$US in Millions



Gross Margin % by Region

Temporary Contracting GM %

	Q4 2016	Q4 2015
Asia Pacific	11.5%	12.6%
Europe	13.5%	14.7%
Hudson Total	12.2%	13.7%

Total GM %

	Q4 2016	Q4 2015
Americas	87.1%	86.7%
Asia Pacific	34.6%	40.3%
Europe	50.7%	40.0%
Hudson Total	42.6%	41.9%

APPENDIX



Q4 2016 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	30%	35%	25%	10%
ASIA	0%	80%	15%	5%
Europe	20%	45%	10%	25%
UK	40%	35%	20%	5%
Cont. Europe	5%	50%	5%	40%
Hudson Total	20%	40%	25%	15%

Q4 EBITDA Reconciliation

\$US in Millions

Q4 2016	Hudson				Total	Q4 2015	Hudson				Total
	Americas	Asia Pacific	Europe	Corp			Americas	Asia Pacific	Europe	Corp	
Revenue	\$ 3.9	\$ 59.1	\$ 37.3	\$ -	\$ 100.3	Revenue	\$ 3.7	\$ 55.6	\$ 50.7	\$ -	\$ 110.0
Gross margin	\$ 3.4	\$ 20.5	\$ 18.9	\$ -	\$ 42.8	Gross margin	\$ 3.2	\$ 23.4	\$ 18.6	\$ -	\$ 45.1
Adjusted EBITDA (loss)	\$ 0.6	\$ 0.4	\$ 1.3	\$ (1.4)	\$ 0.9	Adjusted EBITDA (loss)	\$ (0.3)	\$ 2.3	\$ 0.1	\$ (2.4)	\$ (0.2)
Business reorg expenses	0.0	(0.0)	0.6	0.0	0.6	Business reorg expenses	0.6	0.3	1.3	0.1	2.3
Stock-based comp expense	0.0	(0.0)	0.0	0.1	0.2	Stock-based comp expense	-	-	-	0.2	0.2
Non-operating expenses (income)	0.1	0.4	0.4	(1.1)	(0.2)	Integration expense /(gains) on disposals	(0.0)	-	(0.2)	-	(0.2)
EBITDA (Loss)	\$ 0.5	\$ 0.0	\$ 0.3	\$ (0.5)	\$ 0.3	Non-operating expenses (income)	0.1	0.3	0.8	(1.4)	(0.2)
Depreciation and amortization					0.8	EBITDA (loss)	\$ (1.0)	\$ 1.7	\$ (2.1)	\$ (1.2)	\$ (2.6)
Interest expense (income)					0.1	Depreciation and amortization expenses					0.8
Provision for (benefit from) income taxes					(0.5)	Interest expense (income), net					0.2
Income (loss) from discontinued ops					(0.2)	Provision for (benefit from) income taxes					2.0
Net income (loss)					\$ (0.3)	Income (loss) from discontinued ops					(0.1)
						Net income (loss)					\$ (2.6)

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.

FY EBITDA Reconciliation

\$US in Millions

	Hudson					Total
	Americas	Asia Pacific	Europe	Corp		
FY 2016						
Revenue	\$ 15.6	\$ 236.8	\$ 170.3	\$ -		\$ 422.7
Gross margin	\$ 13.6	\$ 84.1	\$ 76.7	\$ -		\$ 174.4
Adjusted EBITDA (loss)	\$ 1.2	\$ 2.6	\$ 4.2	\$ (9.5)		\$ (1.5)
Business reorg expenses (recovery)	(0.0)	0.2	1.4	(0.0)		1.6
Stock-based compensation expense	0.1	0.2	0.2	1.0		1.4
Non-operating expense (income)	0.4	2.5	1.5	(4.2)		0.2
EBITDA (loss)	\$ 0.8	\$ (0.3)	\$ 1.1	\$ (6.2)		\$ (4.7)
Depreciation and amortization expenses						3.1
Interest expense (income), net						0.4
Provision for (benefit from) income taxes						0.7
Income (loss) from discontinued ops						0.1
Net income (loss)						<u>\$ (8.8)</u>

	Hudson					Total
	Americas	Asia Pacific	Europe	Corp		
FY 2015						
Revenue	\$ 28.6	\$ 219.4	\$ 215.2	\$ -		\$ 463.2
Gross margin	\$ 16.1	\$ 89.7	\$ 81.9	\$ -		\$ 187.7
Adjusted EBITDA (loss)	\$ (0.7)	\$ 7.0	\$ 2.3	\$ (11.3)		\$ (2.7)
Business reorg expenses (recovery)	1.1	0.7	2.9	1.2		5.8
Stock-based comp expense	0.6	0.8	0.8	2.1		4.2
Gain (loss) on sale and exit of businesses	15.9	-	3.9	-		19.8
Non-operating expenses (income)	0.2	2.6	2.8	(5.3)		0.3
EBITDA (loss)	\$ 13.4	\$ 2.9	\$ (0.2)	\$ (9.2)		\$ 6.8
Depreciation and amortization expenses						3.8
Interest expense (income), net						0.7
Provision for (benefit from) income taxes						0.6
Income (loss) from discontinued ops						0.7
Net income (loss)						<u>\$ 2.3</u>

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