

Hudson Global Q3 2017 Earnings Call

November 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.

Q3 2017: Consolidated Financial Results

\$US in Millions, except EPS

| | B+ / W- (2) | Q3 2017 | Q3 2016 |
|-----------------------|---------------------|----------|----------|
| Revenue | + 9% + 6% CC (1) | \$118.1 | \$108.1 |
| Gross Margin | + 9% + 6% CC | \$47.2 | \$43.5 |
| SG&A | - 6% - 4% CC | \$45.9 | \$43.2 |
| Adjusted EBITDA | + 271% + 143% CC | \$1.3 | \$0.4 |
| Net Income (Loss) | + 55% | (\$0.8) | (\$1.9) |
| Basic and Diluted EPS | | (\$0.03) | (\$0.06) |

(1) CC represents constant currency variance.

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

Q3 2017: Hudson Americas

\$US in Millions

| | B+ / W- (1) | Q3 2017 | Q3 2016 |
|------------------------------------|-------------|---------|---------|
| Revenue | - 3% | \$4.0 | \$4.2 |
| Gross Margin | - 1% | \$3.7 | \$3.7 |
| SG&A | + 5% | \$3.1 | \$3.3 |
| Adjusted EBITDA | + 37% | \$0.6 | \$0.4 |
| Adjusted EBITDA, as a % of Revenue | | 14.3% | 10.2% |

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

Q3 2017: Hudson Asia Pacific

\$US in Millions

| | B+ / W- (2) | Q3 2017 | Q3 2016 |
|------------------------------------|-----------------------|---------|---------|
| Revenue | + 18% + 15% CC (1) | \$76.5 | \$64.6 |
| Gross Margin | + 13% + 10% CC | \$25.4 | \$22.4 |
| SG&A | - 8% - 6% CC | \$23.1 | \$21.3 |
| Adjusted EBITDA | + 108% + 85% CC | \$2.3 | \$1.1 |
| Adjusted EBITDA, as a % of Revenue | | 3.1% | 1.7% |

(1) CC represents constant currency variance.

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

Q3 2017: Hudson Europe

\$US in Millions

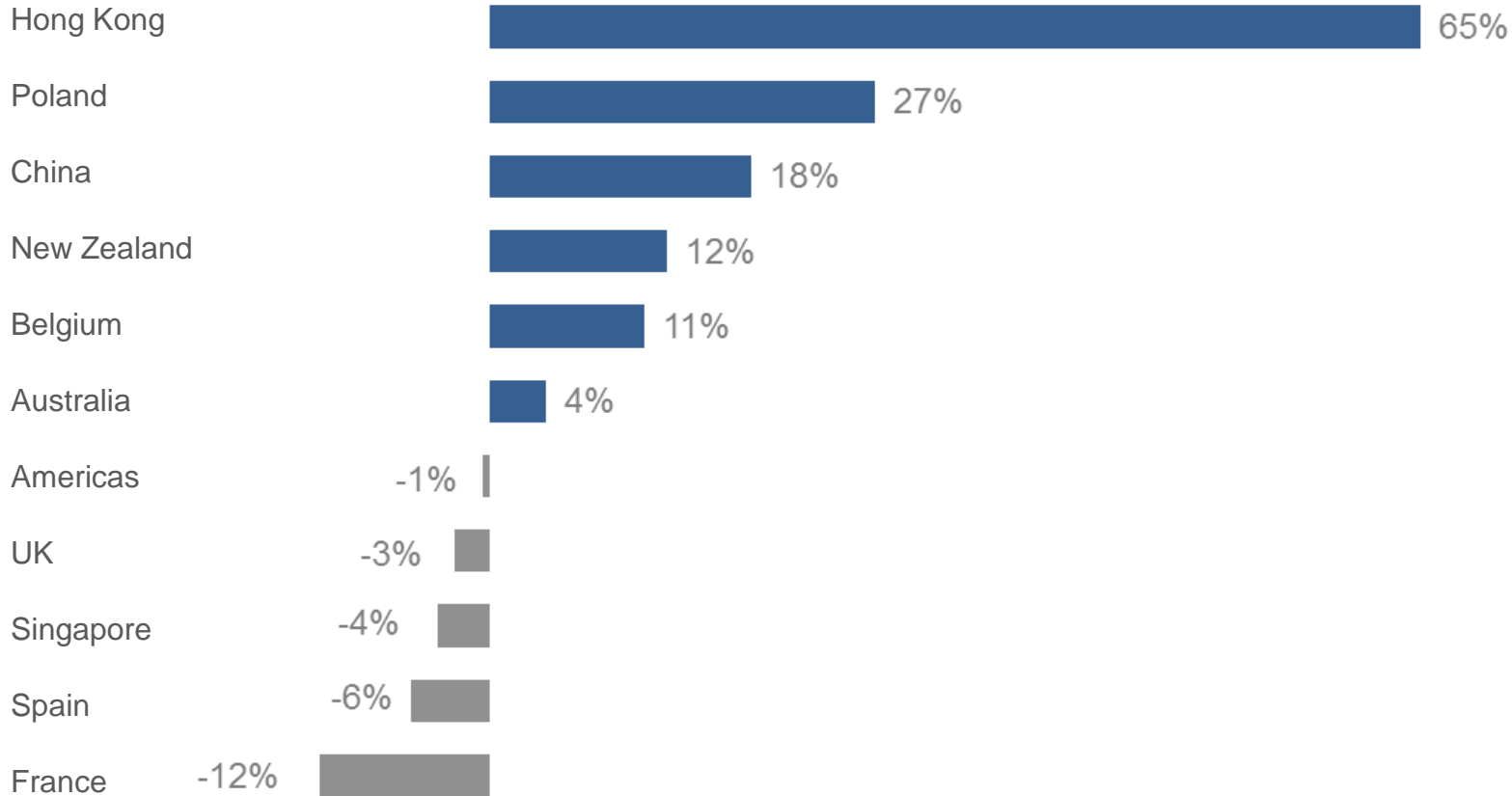
| | B+ / W- (2) | Q3 2017 | Q3 2016 |
|------------------------------------|---------------------|---------|---------|
| Revenue | - 5% - 6% CC (1) | \$37.6 | \$39.4 |
| Gross Margin | + 4% + 1% CC | \$18.2 | \$17.4 |
| SG&A | - 1% + 2% CC | \$17.5 | \$17.3 |
| Adjusted EBITDA | + 521% + 299% CC | \$0.6 | \$0.1 |
| Adjusted EBITDA, as a % of Revenue | | 1.7% | 0.3% |

(1) CC represents constant currency variance.

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

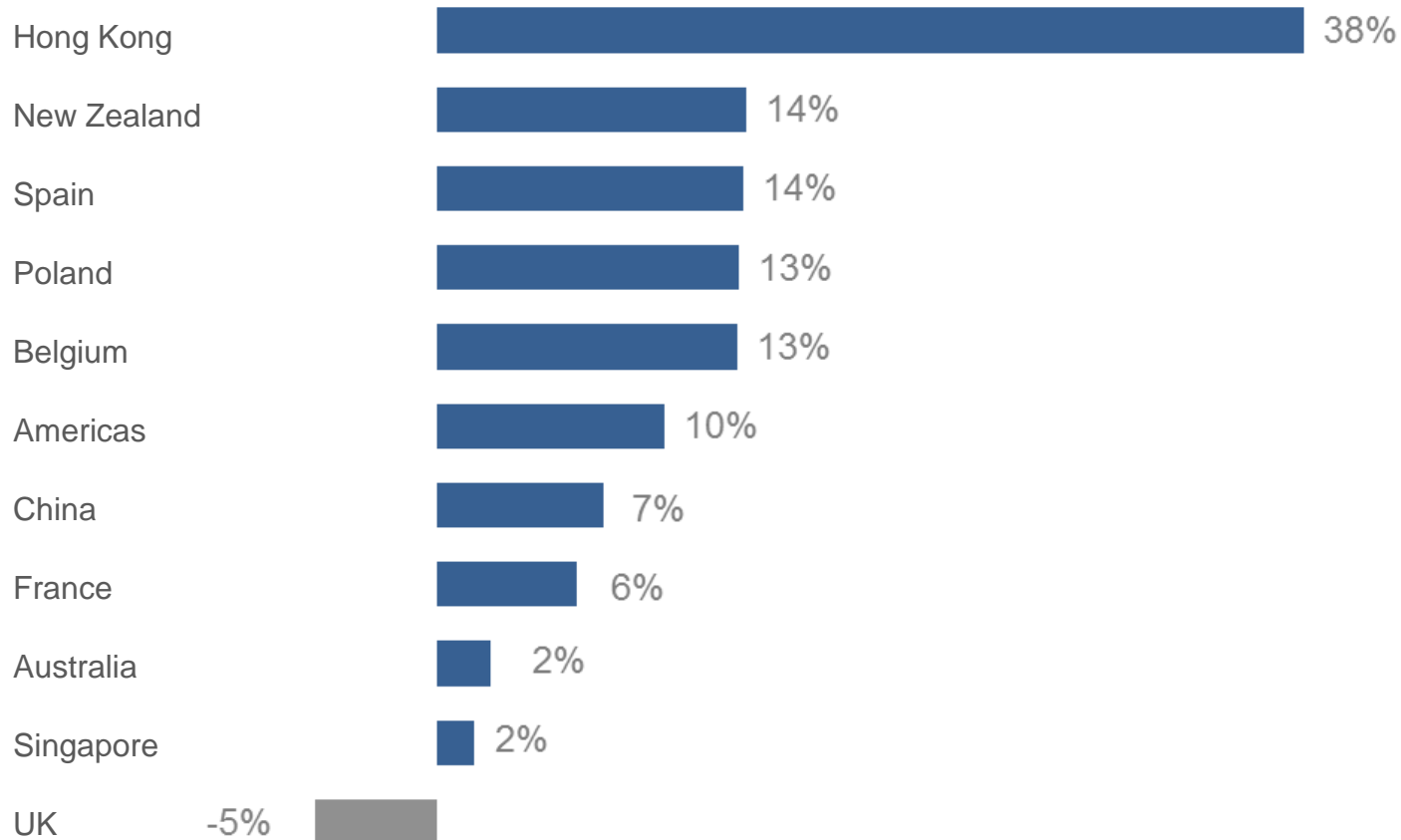
Gross Margin Growth in CC, +6% overall

Q3 2017 vs PY

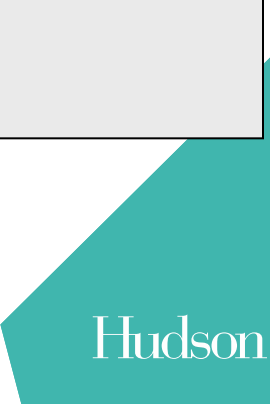
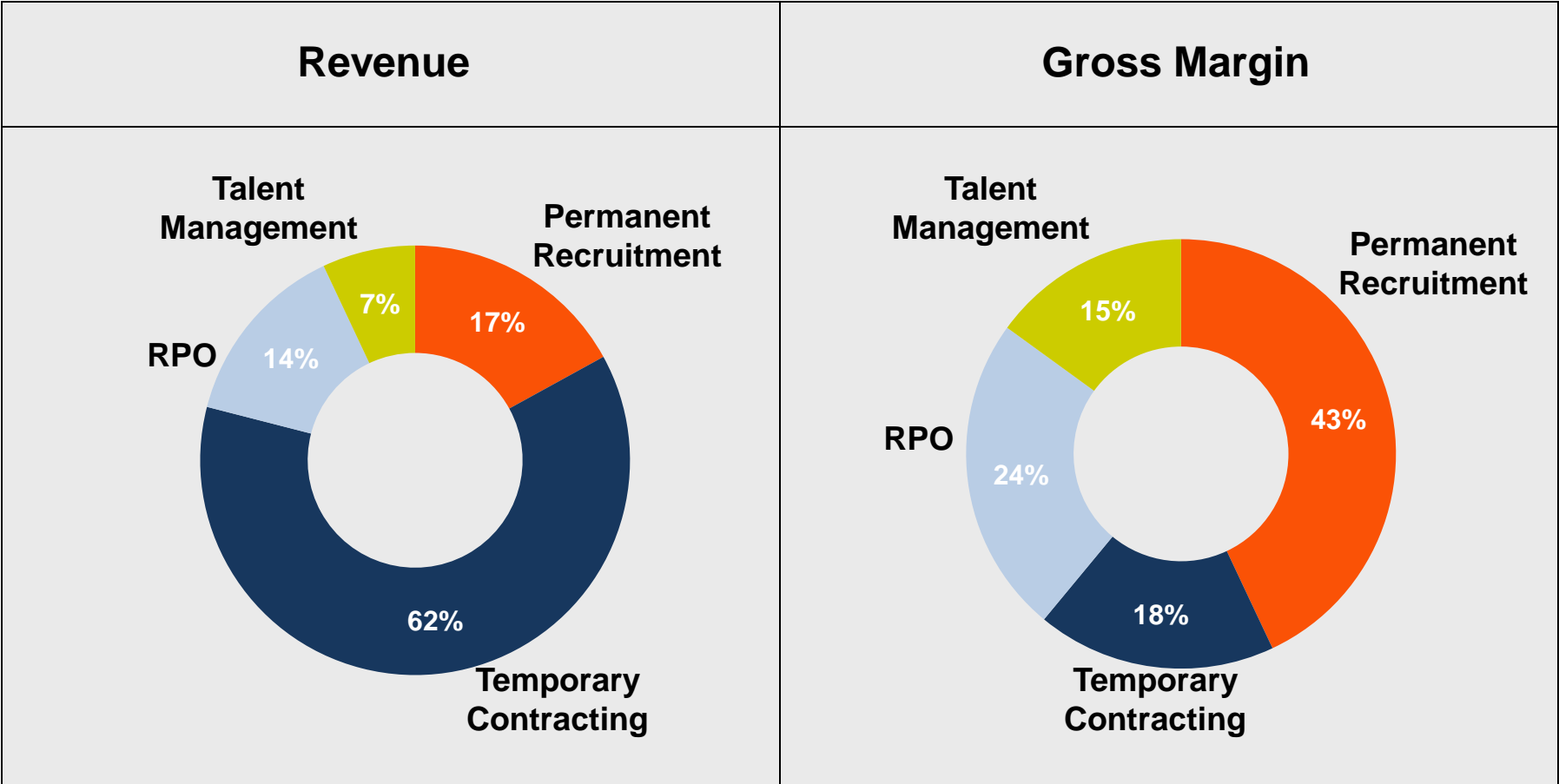


Gross Margin Growth in CC, +6% overall

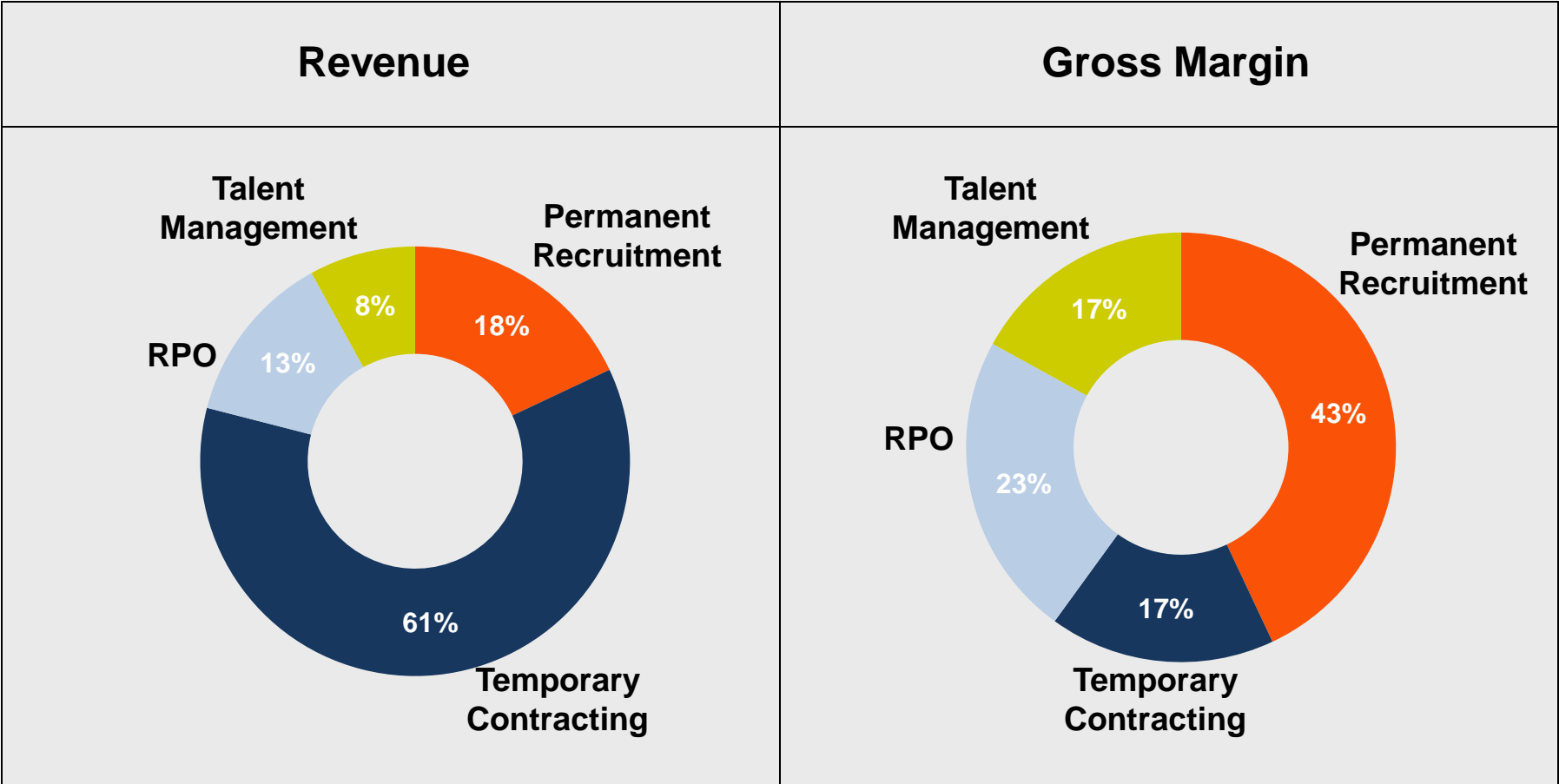
YTD Q3 2017 vs PY



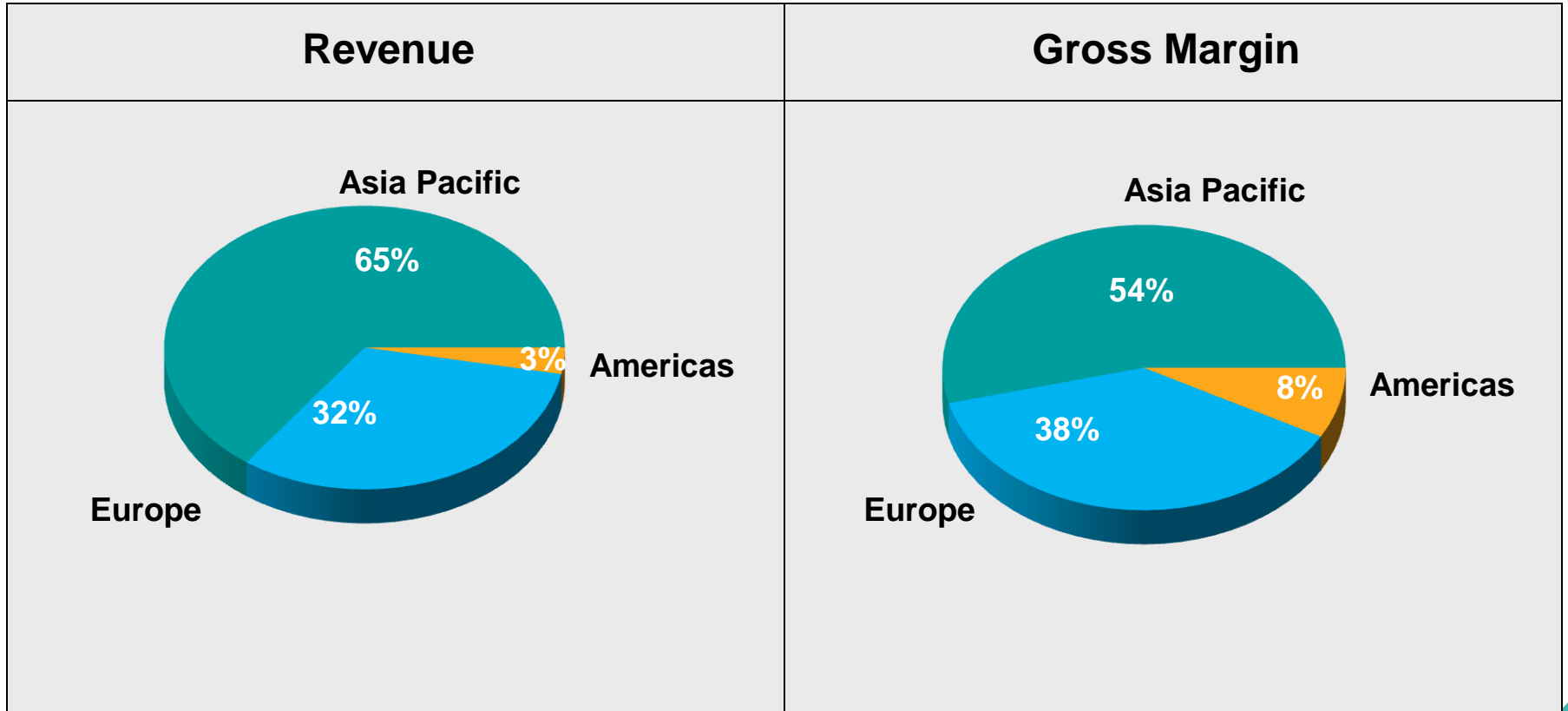
Q3 2017 Global Services Split



Q3 2017 YTD Global Services Split



Q3 2017 Regional Split



Balance Sheet: Selected Items

\$US in Millions

| Selected Assets | | |
|-----------------------|------------------|----------------------|
| | Sept 30, 2017 | December 31, 2016 |
| Cash | \$16.8 | \$21.3 |
| Accounts Receivable | \$71.3 | \$58.5 |
| Selected Liabilities | | |
| | Sept 30, 2017 | December 31, 2016 |
| Short-term Borrowings | \$8.2 | \$7.8 |
| Shareholders' Equity | \$44.8 | \$41.9 |
| Working Capital | | |
| | Sept 30, 2017 | December 31, 2016 |
| Current Assets | \$93.1 | \$84.1 |
| Current Liabilities | \$56.6 | \$50.6 |
| Working Capital | \$36.5 | \$33.5 |

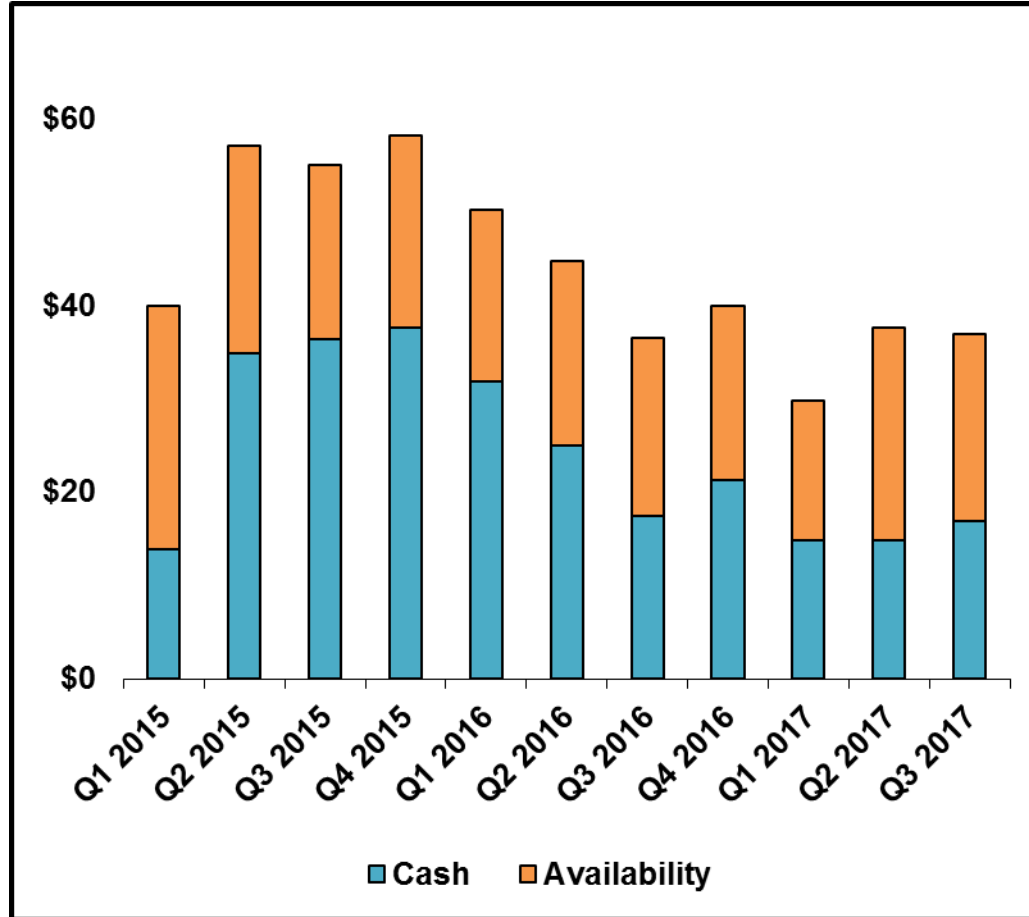
Q3 2017: Cash Flow Summary

\$US in Millions

| | QTD <u>Sep-17</u> | QTD <u>Sep-16</u> |
|--|----------------------|----------------------|
| Net income (loss) | \$ (0.8) | \$ (1.9) |
| Depreciation and amortization | 0.7 | 0.8 |
| Stock-based compensation | 0.2 | 0.2 |
| Change in accounts receivable | 2.2 | 2.8 |
| Change in accounts payable and other liabilities | (2.8) | (7.2) |
| Other | 1.5 | 0.3 |
| | <hr/> | <hr/> |
| Cash provided by (used in) operations | 1.0 | (5.0) |
| Capital expenditures | (0.3) | (0.6) |
| | <hr/> | <hr/> |
| Free cash flow | 0.7 | (5.6) |
| Change in net borrowings (repayments) | 1.1 | 0.7 |
| Purchase of treasury stock | (0.2) | (2.6) |
| Effect of exchange rates | 0.3 | (0.0) |
| | <hr/> | <hr/> |
| Change in cash | \$ 2.0 | \$ (7.5) |

Flexible Liquidity

\$US in Millions



APPENDIX



Q3 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% | 20% | 15% |
| ASIA | 0% | 80% | 15% | 5% |
| Europe | 15% | 50% | 10% | 25% |
| UK | 30% | 40% | 25% | 5% |
| Cont. Europe | 5% | 55% | 5% | 35% |
| Hudson Total | 15% | 45% | 25% | 15% |

Q3 EBITDA Reconciliation

\$US in Millions

| Q3 2017 | Hudson | | | | Total |
|---|----------|--------------|----------|----------|----------|
| | Americas | Asia Pacific | Europe | Corp | |
| Revenue | \$ 4.0 | \$ 76.5 | \$ 37.6 | \$ - | \$ 118.1 |
| Gross margin | \$ 3.7 | \$ 25.4 | \$ 18.2 | \$ - | \$ 47.3 |
| Adjusted EBITDA (loss) | \$ 0.6 | \$ 2.3 | \$ 0.6 | \$ (2.2) | \$ 1.3 |
| Business reorg expenses | - | - | 0.5 | - | 0.5 |
| Stock-based comp expense | 0.0 | 0.0 | 0.0 | 0.1 | 0.2 |
| Non-operating expenses (income) | 0.1 | 0.6 | 0.5 | (1.1) | 0.1 |
| EBITDA (Loss) | \$ 0.5 | \$ 1.7 | \$ (0.4) | \$ (1.3) | \$ 0.5 |
| Depreciation and amortization | | | | | 0.7 |
| Interest expense (income) | | | | | 0.1 |
| Provision for (benefit from) income taxes | | | | | 0.5 |
| Income (loss) from discontinued ops | | | | | (0.0) |
| Net income (loss) | | | | | \$ (0.8) |

| Q3 2016 | Hudson | | | | Total |
|---|----------|--------------|----------|----------|----------|
| | Americas | Asia Pacific | Europe | Corp | |
| Revenue | \$ 4.2 | \$ 64.6 | \$ 39.4 | \$ - | \$ 108.1 |
| Gross margin | \$ 3.7 | \$ 22.4 | \$ 17.4 | \$ - | \$ 43.5 |
| Adjusted EBITDA (loss) | \$ 0.4 | \$ 1.1 | \$ 0.1 | \$ (1.3) | \$ 0.4 |
| Business reorg expenses | (0.0) | (0.0) | 0.2 | (0.0) | 0.2 |
| Stock-based comp expense | 0.0 | (0.0) | 0.1 | 0.1 | 0.2 |
| Non-operating expenses (income) | 0.1 | 0.9 | 0.3 | (1.0) | 0.3 |
| EBITDA (Loss) | \$ 0.3 | \$ 0.3 | \$ (0.5) | \$ (0.4) | \$ (0.3) |
| Depreciation and amortization | | | | | 0.8 |
| Interest expense (income) | | | | | 0.1 |
| Provision for (benefit from) income taxes | | | | | 0.7 |
| Income (loss) from discontinued ops | | | | | 0.0 |
| Net income (loss) | | | | | \$ (1.9) |

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