



Q3 2021 Earnings Call

November 5, 2021

Hudson Global, Inc.

Forward-Looking Statements

This presentation contains statements that the Company believes to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this presentation, including statements regarding the Company's future financial condition, results of operations, business operations and business prospects, are forward-looking statements. Words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "predict," "believe" and similar words, expressions and variations of these words and expressions are intended to identify forward-looking statements. All forward-looking statements are subject to important factors, risks, uncertainties and assumptions, including industry and economic conditions that could cause actual results to differ materially from those described in the forward-looking statements. Such factors, risks, uncertainties and assumptions include, but are not limited to, global economic fluctuations; the adverse impacts of the recent coronavirus, or COVID-19 outbreak; the Company's ability to successfully achieve its strategic initiatives; risks related to the Company's large cash balance relative to its market capitalization as a small public company; risks related to potential acquisitions or dispositions of businesses by the Company; the Company's ability to retain and recruit qualified management and/or advisors; the Company's ability to operate successfully as a company focused on its RPO business; risks related to fluctuations in the Company's operating results from quarter to quarter; the ability of clients to terminate their relationship with the Company at any time; competition in the Company's markets; the negative cash flows and operating losses that may recur in the future; risks relating to how future credit facilities may affect or restrict our operating flexibility; risks associated with the Company's investment strategy; risks related to international operations, including foreign currency fluctuations, political events, natural disasters or health crises, including the ongoing COVID-19 outbreak; the Company's dependence on key management personnel; the Company's ability to attract and retain highly skilled professionals; the Company's ability to collect accounts receivable; the Company's ability to maintain costs at an acceptable level; the Company's heavy reliance on information systems and the impact of potentially losing or failing to develop technology; risks related to providing uninterrupted service to clients; the Company's exposure to employment-related claims from clients, employers and regulatory authorities, current and former employees in connection with the Company's business reorganization initiatives, and limits on related insurance coverage; the Company's ability to utilize net operating loss carry-forwards; volatility of the Company's stock price; the impact of government regulations; and restrictions imposed by blocking arrangements. Additional information concerning these and other factors is contained in the Company's filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this document. The Company assumes no obligation, and expressly disclaims any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Q3 2021: Consolidated Financial Results

US\$ in Millions, except EPS

| | '+ / - ⁽¹⁾ | | CC ⁽²⁾ | Q3 2021 | Q3 2020 |
|-------------------------------------|-----------------------|--------------------|-------------------|---------|----------|
| Revenue | + | 77.1% | | \$45.0 | \$25.4 |
| | + | 71.8% | CC | | |
| Adjusted net revenue | + | 98.8% | | \$18.0 | \$9.1 |
| | + | 92.7% | CC | | |
| SG&A ⁽³⁾⁽⁴⁾ | + | 54.7% | | \$15.1 | \$9.7 |
| | + | 50.8% | CC | | |
| Adjusted EBITDA ⁽⁵⁾ | + | N/M ⁽⁶⁾ | | \$3.0 | \$(0.7) |
| | + | N/M | CC | | |
| Net Income (Loss) | + | N/M | | \$1.5 | \$(1.2) |
| Basic EPS | | | | \$0.51 | \$(0.41) |
| Diluted EPS | | | | \$0.49 | \$(0.41) |
| Adjusted Diluted EPS ⁽⁵⁾ | | | | \$0.78 | \$(0.38) |

⁽¹⁾ + / - indicates whether the caption was higher (+) or lower (-) than the comparison period.

⁽²⁾ CC represents constant currency.

⁽³⁾ Excludes stock compensation expense of \$0.7 million and \$0.3 million for the three months ending September 30, 2021 and 2020, respectively.

⁽⁴⁾ Excludes non-recurring expenses of \$0.8 million and \$0.1 million for the three months ending September 30, 2021 and 2020, respectively.

⁽⁵⁾ Adjusted EBITDA and Adjusted Diluted EPS are non-GAAP financial measures. Please reference slide 12 of this presentation for a reconciliation of these non-GAAP measures.

⁽⁶⁾ N/M = Not Meaningful.

Q3 2021: Hudson Asia Pacific

US\$ in Millions, except EPS

| | '+ / - (1) | CC (2) | Q3 2021 | Q3 2020 |
|---|------------|--------|---------|---------|
| Revenue | + | 62.4% | \$32.3 | \$19.9 |
| | + | 58.0% | | |
| Adjusted net revenue | + | 58.4% | \$7.9 | \$5.0 |
| | + | 54.2% | | |
| SG&A ⁽³⁾ | + | 40.3% | \$5.7 | \$4.1 |
| | + | 36.6% | | |
| Adjusted EBITDA ⁽⁴⁾ | + | 136.4% | \$2.2 | \$0.9 |
| | + | 129.6% | | |
| Adjusted EBITDA, as a % of Adjusted net revenue | | | 28.1% | 18.9% |

(1) + / - indicates whether the caption was higher (+) or lower (-) than the comparison period.

(2) CC represents constant currency.

(3) Excludes stock compensation expense.

(4) Adjusted EBITDA is a non-GAAP financial measure. Please reference slide 12 of this presentation for a reconciliation of non-GAAP measures.

Q3 2021: Hudson Americas

US\$ in Millions

| | '+ / - ⁽¹⁾ | CC ⁽²⁾ | Q3 2021 | Q3 2020 |
|---|-----------------------|--------------------|---------|---------|
| Revenue | + | 283.8% | \$7.4 | \$1.9 |
| | + | 280.2% CC | | |
| Adjusted net revenue | + | 319.0% | \$7.0 | \$1.7 |
| | + | 315.1% CC | | |
| SG&A ⁽³⁾ | + | 122.6% | \$5.6 | \$2.5 |
| | + | 120.6% CC | | |
| Adjusted EBITDA ⁽⁴⁾ | + | N/M ⁽⁵⁾ | \$1.4 | \$(0.8) |
| | + | N/M CC | | |
| Adjusted EBITDA, as a % of Adjusted net revenue | | | 19.7% | (45.4)% |

⁽¹⁾ + / - indicates whether the caption was higher (+) or lower (-) than the comparison period.

⁽²⁾ CC represents constant currency.

⁽³⁾ Excludes stock compensation expense.

⁽⁴⁾ Adjusted EBITDA is a non-GAAP financial measure. Please reference slide 12 of this presentation for a reconciliation of non-GAAP measures.

⁽⁵⁾ N/M = Not Meaningful.

Q3 2021: Hudson Europe

US\$ in Millions

| | '+ / - ⁽¹⁾ | | CC ⁽²⁾ | Q3 2021 | Q3 2020 |
|---|-----------------------|--------|-------------------|---------|---------|
| Revenue | + | 47.5% | | \$5.3 | \$3.6 |
| | + | 39.3% | CC | | |
| Adjusted net revenue | + | 28.8% | | \$3.1 | \$2.4 |
| | + | 22.1% | CC | | |
| SG&A ⁽³⁾ | + | 26.7% | | \$2.8 | \$2.2 |
| | + | 20.2% | CC | | |
| Adjusted EBITDA ⁽⁴⁾ | + | 375.0% | | \$0.2 | \$— |
| | + | 330.3% | CC | | |
| Adjusted EBITDA, as a % of Adjusted net revenue | | | | 7.6% | 2.1% |

⁽¹⁾ + / - indicates whether the caption was higher (+) or lower (-) than the comparison period.

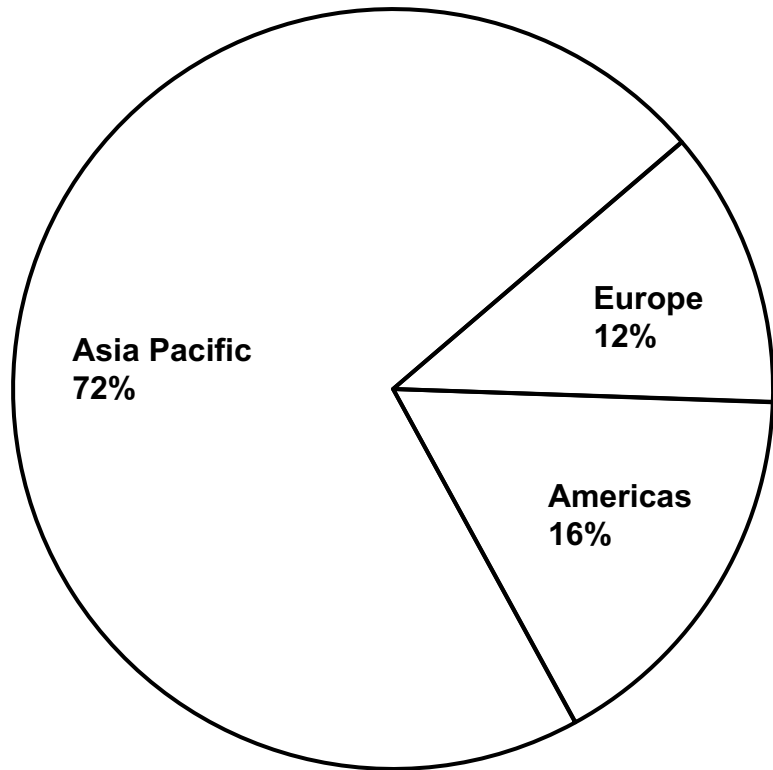
⁽²⁾ CC represents constant currency.

⁽³⁾ Excludes stock compensation expense.

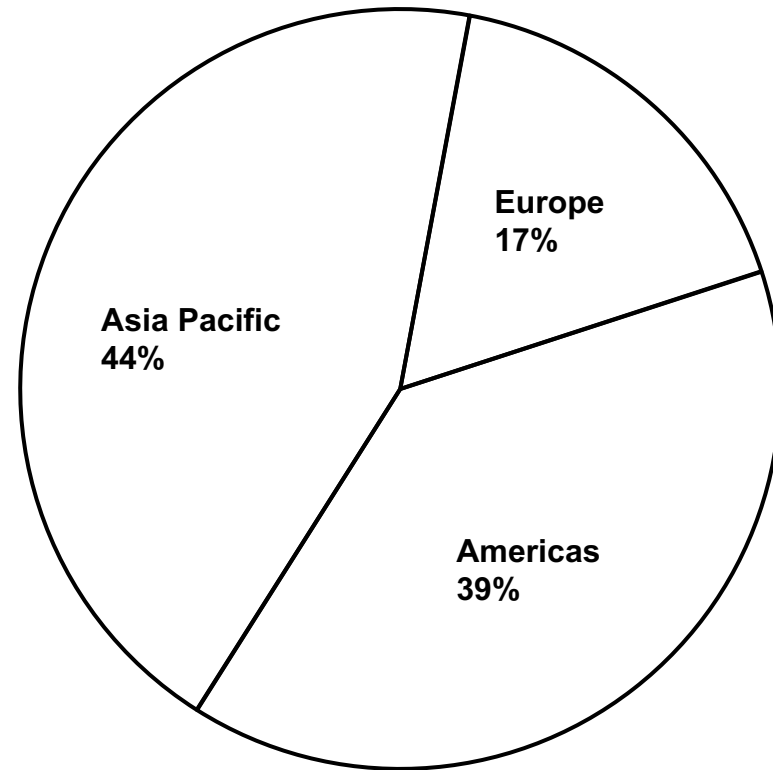
⁽⁴⁾ Adjusted EBITDA is a non-GAAP financial measure. Please reference slide 12 of this presentation for a reconciliation of non-GAAP measures.

Q3 2021 Regional Split

Revenue

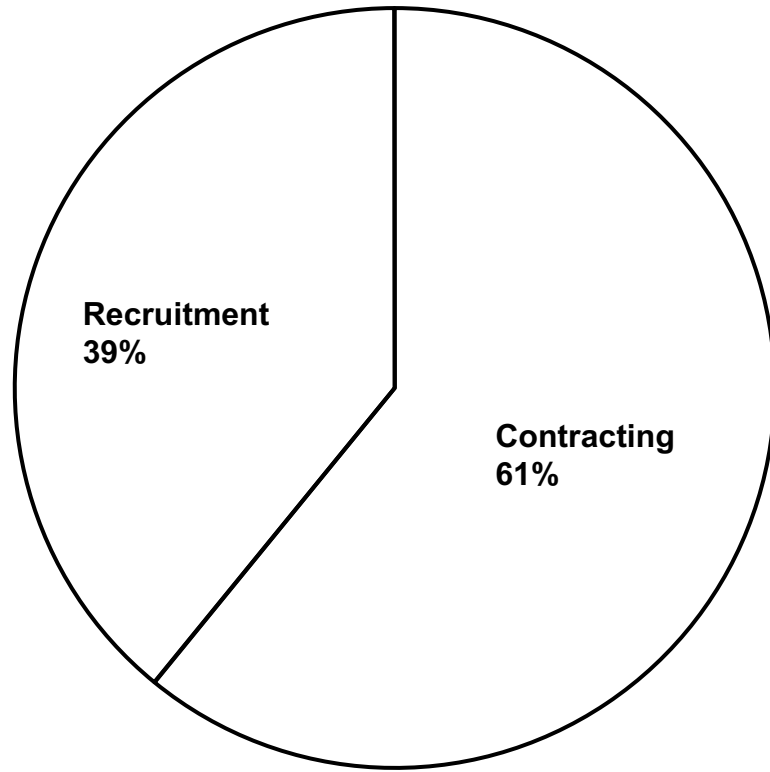


Adjusted Net Revenue

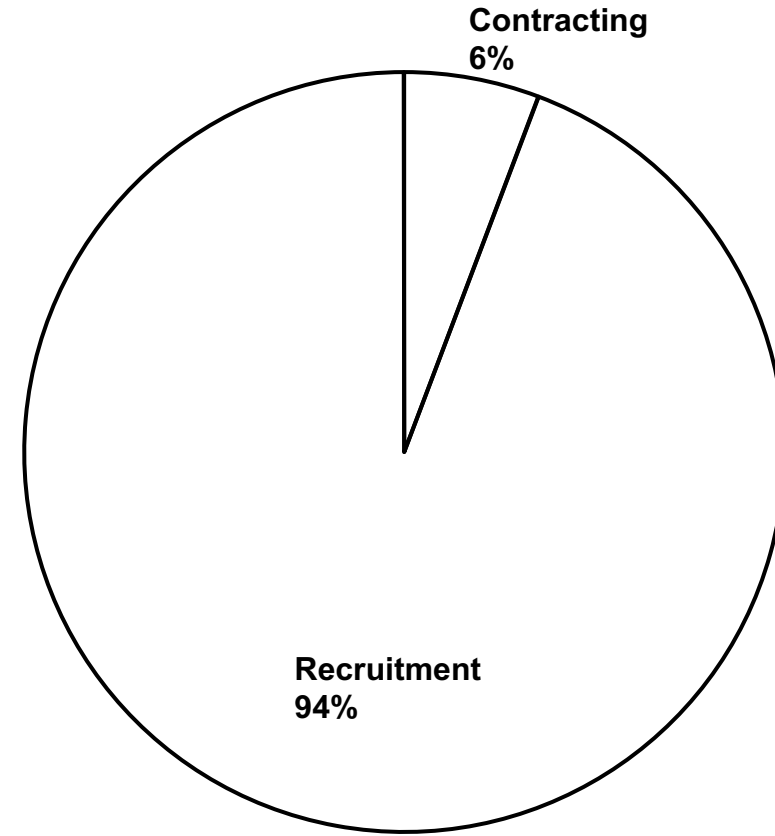


Q3 2021 RPO Services Split

Revenue



Adjusted Net Revenue



Balance Sheet: Selected Items

US\$ in Millions

| | Q3 2021 | Q4 2020 |
|-----------------------------|---------|---------|
| Selected Assets | | |
| Cash | \$26.2 | \$25.8 |
| Restricted Cash | \$0.3 | \$0.4 |
| Accounts Receivable | \$21.0 | \$13.4 |
| Shareholders' Equity | | |
| Stockholders' Equity | \$36.5 | \$34.3 |
| Working Capital | | |
| Current Assets | \$48.6 | \$40.3 |
| Current Assets ex-cash | \$22.4 | \$14.5 |
| Current Liabilities | \$16.7 | \$10.0 |
| Working Capital | \$31.9 | \$30.3 |
| Working Capital ex-cash | \$5.7 | \$4.5 |

2021: Cash Flow Summary

US\$ in Millions

| | QTD | | YTD | |
|--|--------------|------------|--------------|------------|
| | September-21 | | September-21 | |
| Net income | \$ | 1.5 | \$ | 1.2 |
| Depreciation and amortization | | 0.1 | | 0.3 |
| Benefit from deferred income taxes | | (0.1) | | (0.3) |
| Stock-based compensation | | 0.7 | | 1.8 |
| Change in accounts receivable | | (1.9) | | (8.3) |
| Change in prepaid and other assets | | (0.5) | | (0.5) |
| Change in accounts payable and other liabilities | | 2.5 | | 6.7 |
| Cash used in operations | | 2.3 | | 0.8 |
| Capital expenditures | | — | | (0.1) |
| Free cash flow | | 2.2 | | 0.7 |
| Effect of exchange rates | | (0.2) | | (0.4) |
| Change in cash, cash equivalents, and restricted cash | \$ | 2.0 | \$ | 0.3 |

Appendix

Reconciliation of Non-GAAP Financial Measures

| Q3 2021 | Asia Pacific | Americas | Europe | Corporate | Total | Q3 2020 | Asia Pacific | Americas | Europe | Corporate | Total |
|--|--------------|----------|--------|-----------|---------|--|--------------|----------|--------|-----------|----------|
| Revenue | \$ 32.3 | \$ 7.4 | \$ 5.3 | \$ — | \$ 45.0 | Revenue | \$ 19.9 | \$ 1.9 | \$ 3.6 | \$ — | \$ 25.4 |
| Adjusted net revenue ⁽¹⁾ | \$ 7.9 | \$ 7.0 | \$ 3.1 | \$ — | \$ 18.0 | Adjusted net revenue ⁽¹⁾ | \$ 5.0 | \$ 1.7 | \$ 2.4 | \$ — | \$ 9.1 |
| Net income | | | | | \$ 1.5 | Net loss | | | | | \$ (1.2) |
| Provision for income taxes | | | | | (0.1) | Provision for income taxes | | | | | 0.2 |
| Interest income, net | | | | | — | Interest income, net | | | | | — |
| Depreciation and amortization | | | | | 0.1 | Depreciation and amortization | | | | | — |
| EBITDA (loss) ⁽²⁾ | \$ 1.8 | \$ 0.6 | \$ 0.1 | \$ (1.0) | \$ 1.5 | EBITDA (loss) ⁽²⁾ | \$ 0.5 | \$ (0.8) | \$ — | \$ (0.7) | \$ (1.0) |
| Non-operating expense (income), including corporate administration charges | 0.3 | 0.1 | — | (0.5) | — | Non-operating expense (income), including corporate administration charges | 0.4 | — | 0.1 | (0.6) | (0.1) |
| Stock-based compensation expense | 0.1 | 0.1 | 0.1 | 0.4 | 0.7 | Stock-based compensation expense | — | — | — | 0.3 | 0.3 |
| Non-recurring items | — | — | — | 0.2 | 0.2 | Non-recurring items | — | — | — | 0.1 | 0.1 |
| Compensation expense related to the Coit acquisition | — | 0.6 | — | — | 0.6 | Adjusted EBITDA (loss) ⁽²⁾ | \$ 0.9 | \$ (0.8) | \$ — | \$ (0.9) | \$ (0.7) |
| Adjusted EBITDA (loss) ⁽²⁾ | \$ 2.2 | \$ 1.4 | \$ 0.2 | \$ (0.9) | \$ 3.0 | | | | | | |

⁽¹⁾ Represents Revenue less direct contracting costs and reimbursed expenses.

⁽²⁾ 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, stock-based compensation expense, and other items such as non-recurring severance and professional fees.

Per Diluted Share Three Months Ended

| | September 30, 2021 | September 30, 2020 |
|---|--------------------|--------------------|
| Net income (loss) | \$ 0.49 | \$ (0.41) |
| Non-recurring items (after tax) | 0.08 | 0.03 |
| Compensation expense related to the Coit acquisition (after tax) ⁽³⁾ | 0.21 | — |
| Adjusted net income (loss) ⁽⁴⁾ | \$ 0.78 | \$ (0.38) |

⁽³⁾ Represents compensation expense payable to the principals of Coit per the terms of the acquisition agreement, including a promissory note, common stock, and earn-out payments.

⁽⁴⁾ Adjusted net income or loss per diluted share is a non-GAAP measure defined as reported net income or loss per diluted share before items such as PPP loan forgiveness, acquisition-related costs, and non-recurring severance and professional fees after tax that is presented to provide additional information about the company's operations on a basis consistent with the measures which the company uses to manage its operations and evaluate its performance. Management also uses these measurements to evaluate capital needs and working capital requirements. Adjusted net income or loss per diluted share should not be considered in isolation or as a substitute for net income or loss per share and other income or cash flow statement data prepared in accordance with generally accepted accounting principles or as a measure of the company's profitability or liquidity. Further, adjusted net income or loss per diluted share as presented above may not be comparable with similarly titled measures reported by other companies.



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Thank You!