| Hudson Global, Inc. Form DEFA14A March 02, 2018 UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 SCHEDULE 14A Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No) Filed by the Registrant [X] |
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| Filed by a Party other than the Registrant [] |
| Check the appropriate box: |
| Preliminary Proxy Statement Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)) Definitive Proxy Statement Definitive Additional Materials Soliciting Material Pursuant to § 240.14a-12 Hudson Global, Inc. |
| (Name of Registrant as Specified in its Charter) |
| (Name of Person(s) Filing Proxy Statement, if other than the Registrant) |
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| Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0 11 (set forth the amount on which the filing fee is calculated and state how it was determined): |
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3) Filing Party:

4)Date Filed:

Page 1 March 1, 2018 Hudson Global Q4 2017 Earnings Call

Page 2 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.

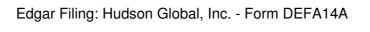
Page 3 Strategic Update Europe and Asia Pacific to will receive estimated proceeds of \$41.2 million in cash, subject to obtain such approval

• On Dec 17, 2017, Hudson announced definitive sale agreements to sell its recruitment and talent management operations in • Hudson intends to focus on its growing, global RPO business going forward • Hudson obtain such approval

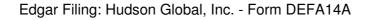
• Hudson filed a definitive proxy statement with the SEC on February 13, 2018 seeking shareholder approval for the sale of • Special meeting of shareholder approval and other customary closing conditions

Page 4 Q4 2017: Consolidated Financial Results \$US in Millions, except EPS Revenue +21% \$121.6 \$100.3 +16% CC (1) Gross Margin +14% \$48.7 \$42.8 +9% CC SG&A -12% \$46.9 \$41.9 -7% CC Adjusted EBITDA +106% \$1.9 \$0.9 +69% CC Net Income (Loss) (3) NM (\$2.0) (\$0.3) Basic and Diluted EPS (\$0.06) (\$0.01) (1) CC represents constant currency variance. (2) B/W indicates whether the result was better (+) or worse (-) than the comparison period. (3) 2017 Net Income includes \$1.9M of goodwill impairment in China. (4) NM: Not meaningful Q4 2017 Q4 2016 B+ / W- (2)

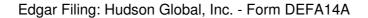




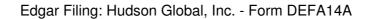
Page 6 Q4 2017: Hudson Asia Pacific \$US in Millions Revenue + 31% \$77.3 \$59.1 + 28% CC (1) Gross Margin + 22% \$25.0 \$20.5 + 19% CC SG&A - 12% \$22.6 \$20.2 - 10% CC Adjusted EBITDA + 546% \$2.4 \$0.4 + 478% CC Adjusted EBITDA, as a % of Revenue 3.1% 0.6% (1) CC represents constant currency variance. (2) B/W indicates whether the result was better (+) or worse (-) than the comparison period. Q4 2017 Q4 2016 B+/W-(2)



Page 7 Q4 2017: Hudson Europe \$US in Millions Revenue + 9% \$40.6 \$37.3 + 1% CC (1) Gross Margin + 9% \$20.5 \$18.9 + 0% CC \$G&A - 6% \$18.6 \$17.5 + 2% CC Adjusted EBITDA + 43% \$1.9 \$1.3 + 28% CC Adjusted EBITDA, as a % of Revenue 4.6% 3.5% (1) CC represents constant currency variance. (2) B/W indicates whether the result was better (+) or worse (-) than the comparison period. Q4 2017 Q4 2016 B+ / W-(2)



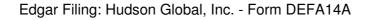
Page 8 FY 2017: Consolidated Financial Results \$US in Millions, except EPS Revenue + 8% \$456.7 \$422.7 + 8% CC (1) Gross Margin + 7% \$186.7 \$174.4 + 7% CC \$G&A - 2% \$179.8 \$175.9 - 2% CC Adjusted EBITDA + 570% \$6.9 (\$1.5) + 768% CC Net Income (Loss) (3) + 67% (\$2.9) (\$8.8) + 66% CC Basic and Diluted EPS (\$0.09) (\$0.26) (1) CC represents constant currency variance. (2) B/W indicates whether the result was better (+) or worse (-) than the comparison period. (3) 2017 Net Income includes \$1.9M of goodwill impairment in China. FY 2017 FY 2016 B+/W-



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 FY 2017: Hudson Americas
 \$US in Millions
 Revenue + 4% \$16.2 \$15.6
 Gross Margin + 6% \$14.4 \$13.6
 \$G&A - 2% \$12.6 \$12.4

 Adjusted EBITDA + 52% \$1.8 \$1.2
 Adjusted EBITDA, as a % of Revenue 11.3% 7.8% the comparison period.
 (1) B/W indicates whether the result was better (+) or worse (-) than B+ / W- (1)





Page 11 FY 2017: Hudson Europe \$US in Millions Revenue - 7% \$157.7 \$170.3 - 4% CC (1) Gross Margin + 3% \$78.7 \$76.7 + 3% CC SG&A + 1% \$71.6 \$72.5 + 0% CC Adjusted EBITDA + 68% \$7.1 \$4.2 + 61% CC Adjusted EBITDA, as a % of Revenue 4.5% 2.5% (1) CC represents constant currency variance. (2) B/W indicates whether the result was better (+) or worse (-) than the comparison period. FY 2017 FY 2016 B+ / W- (2)

Page 12 Gross Margin Growth in CC, +9% overall Q4 2017 vs PY China Singapore Australia France Poland New Zealand Spain Belgium UK Americas Hong Kong

Page 13 Gross Margin Growth in CC, +7% overall FY 2017 vs PY Hong Kong China Poland New Zealand Spain Belgium Singapore France Americas Australia UK

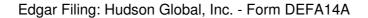
Page 14 Q4 2017 Global Services Split Gross Margin Temporary Contracting Talent Management Revenue RPO Permanent Recruitment RPO Talent Management Permanent Recruitment Temporary Contracting

Page 15 R017 Global Services Split Gross Margin Temporary Contracting Talent Management Revenue RPO Permanent Recruitment RPO Talent Management Permanent Recruitment Temporary Contracting T3% 17% 23% 17%18% 61% 13% 8%

Page 16 Q4 2017 Regional Split Gross Margin Europe Asia Pacific Americas T2% U1% W% Revenue Europe Asia Pacific Americas S3% V4% S%



Page 17 Balance Sheet: Selected Items \$US in Millions December 31, December 31, 2017 2016 Cash \$20.9 \$21.3 Accounts Receivable \$71.9 \$58.5 December 31, December 31, 2017 2016 Short-term Borrowings \$7.1 \$7.8 Shareholders' Equity \$43.2 \$41.9 December 31, December 31, 2017 2016 Current Assets \$97.0 \$84.1 Current Liabilities \$60.6 \$50.6 Working Capital \$36.5 \$33.5 Selected Assets Selected Liabilities Working Capital

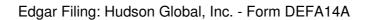


Page 18 Q4 2017: Cash Flow Summary \$US in Millions Net income (loss) \$ (2.0) \$ (0.3) Depreciation and amortization 0.7 0.8 Goodwill and other impairments 1.9 - Stock-based compensation 0.4 0.2 Change in accounts receivable (0.2) 3.0 Change in accounts payable and other I iabilities 5.2 2.9

Other 0.0 (1.0) Cash provided by (used in) operations 6.0 5.6 apital expenditures (0.8) (0.9) Free cash flow 5.2 4.7 Change in net borrowings (repayments) (1.0) 0.2 Purchase of treasury stock (0.2) (0.2) Effect of exchange rates 0.2 (0.8) Change in cash \$ 4.2 \$ 3.9 QTD QTD Dec-17

Dec-16

Page 19 FY 2017: Cash Flow Summary \$US in Millions Net income (loss) \$ (2.9) \$ (8.8) Depreciation and amortization 2.7 3.1 Goodwill and other impairments 1.9 - Stock-based compensation 1.3 1.6 Change in accounts receivable (7.8) (0.6) Change in accounts payable and other 1 iabilities 7.3 (3.3) Other (0.2) (1.3) Cash provided by (used in) operations 2.4 (9.4) Capital expenditures (1.5) (2.8) Free cash flow 0.9 (12.2) Change in net borrowings (repayments) (1.6) 5.7 Purchase of treasury stock (0.9) (5.1) Dividends paid - (3.4) Effect of exchange rates 1.3 (1.3) Change in cash \$ (0.3) \$ (16.3) YTD YTD Dec-17 Dec-16



Page 20 Flexible Liquidity \$US in Millions

Page 21 APPENDIX

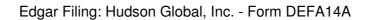


Page 23 Q4 EBITDA Reconciliation EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization. Adjusted EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization, non-operating income, goodwill and other impairment charges, business reorganization expenses and other charges. \$US in Millions Q4 2017 Americas Asia Pacific Europe Corp Total Q4 2016 Americas Asia Pacific Europe Corp Total Revenue 3.7\$ 77.3\$ 40.6\$ -\$ 121.6\$ Revenue 3.9\$ 59.1\$ 37.3\$ -\$ 100.3\$ Gross margin 3.2\$ 25.0\$ 20.5\$ -\$ 48.7\$ Gross margin 3.4\$ 20.5\$ 18.9\$ -\$ 42.8\$ Adjusted EBITDA (loss) 0.5\$ 2.4\$ 1.9\$ (2.9)\$ 1.9\$ Adjusted EBITDA (loss) 0.6\$ 0.4\$ 1.3\$ (1.4)\$ 0.9\$ Business reorg expenses (recovery) 0.0 - 0.1 - 0.1 Business reorg expenses (recovery) 0.0 (0.0) 0.6 0.0 0.6 Impairment of long-lived assets - 1.9 - - 1.9 Stock-based comp expense 0.0 (0.0) 0.0 0.1 0.2 Stock-based comp expense 0.0 0.0 0.1 0.3 0.4 Non-operating expenses (income) 0.1 0.4 0.4 (1.1) (0.2) Non-perating expense (income), including corporate administration charges 0.0 0.2 0.3 (0.5) - EBITDA (Loss) 0.5\$ 0.0\$ 0.3\$ (0.5)\$ 0.3\$ EBITDA (loss) 0.5\$ 0.2\$ 1.5\$ (2.7)\$ (0.5)\$ Depreciation and amortization 0.8 Depreciation and amortization 0.7 Interest expense (income) 0.1 Interest expense (income) 0.1

Provision for (benefit from) income taxes (0.5) Provision for (benefit from) income taxes 0.8 Income (loss) from discontinued ops (0.2) Income (loss) from discontinued ops (0.0) Net income (loss) (0.3)\$ Net income (loss) (2.0)\$ Hudson Hudson

Page 24 FY EBITDA Reconciliation 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. \$US in Millions FY 2017 Americas Asia Pacific Europe Corp Total FY 2016 Americas Asia Pacific Europe Corp Total Revenue 16.2\$ 282.8\$ 157.7\$ 456.7\$ Revenue 15.6\$ 236.8\$ 170.3\$ -\$ 422.7\$ Gross margin 14.4\$ 93.6\$ 78.7\$ 186.7\$ Gross margin 13.6\$ 84.1\$ 76.7\$ -\$ 174.4\$ Adjusted EBITDA (loss) 1.8\$ 6.7\$ 7.1\$ (8.7)\$ 6.9\$ Adjusted EBITDA (loss) 1.2\$ 2.6\$ 4.2\$ (9.5)\$ (1.5)\$ Business reorg expenses (recovery) (0.1) 0.0 0.8 (0.0) 0.7 Business reorg expenses (recovery) (0.0) 0.2 1.4 (0.0) 1.6 Impairment of long-lived assets - 1.9 - - 1.9 Stock-based compensation expense 0.1 0.2 0.2 1.0 1.4 Stock-based compensation expense 0.1 0.1 0.2 0.9 1.3 Non-operating expense (income) 0.4 2.5 1.5 (4.2) 0.2 Non-operating expense (income) 0.2 2.2 1.5 (3.4) 0.5 EBITDA (loss) 0.8\$ (0.3)\$ 1.1\$ (6.2)\$ (4.7)\$ EBITDA (loss) 1.6\$ 2.5\$ 4.6\$ (6.2)\$ 2.5\$ Depreciation and amortization 3.1 Depreciation and amortization 2.7 Interest expense (income), net 0.4

Provision for (benefit from) income taxes 0.7 Provision for (benefit from) income taxes 2.3 Income (loss) from discontinued ops 0.1 Income (loss) from discontinued ops (0.0) Net income (loss) (8.8)\$ Net income (loss) (2.9)\$ Hudson Hudson



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