

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

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)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) 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):

4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

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4)Date Filed:

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 • On Dec 17, 2017, Hudson announced definitive sale agreements to sell its recruitment and talent management operations in Europe and Asia Pacific to strategic buyers in three transactions • Hudson intends to focus on its growing, global RPO business going forward • Hudson will receive estimated proceeds of \$41.2 million in cash, subject to adjustment at closing • Transactions are subject to the approval of the majority of the outstanding HSON shares • Hudson filed a definitive proxy statement with the SEC on February 13, 2018 seeking shareholder approval for the sale of substantially all of its assets as a result of the proposed transactions • Special meeting of shareholders scheduled for March 20, 2018 at 8:00 a.m. ET to obtain such approval • Expected close at the end of March 2018, subject to 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 5 Q4 2017: Hudson Americas \$US in Millions Revenue - 6% \$3.7 \$3.9 Gross Margin - 6% \$3.2 \$3.4 SG&A + 5% \$2.7 \$2.8 Adjusted
EBITDA - 12% \$0.5 \$0.6 Adjusted EBITDA, as a % of Revenue 14.1% 15.0% (1) B/W indicates whether the result was better (+) or worse (-) than the
comparison period. (2) NM: Not meaningful Q4 2017 Q4 2016 B+ / W- (1)

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 SG&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 SG&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- (2)

Page 9 FY 2017: Hudson Americas \$US in Millions Revenue + 4% \$16.2 \$15.6 Gross Margin + 6% \$14.4 \$13.6 SG&A - 2% \$12.6 \$12.4
Adjusted EBITDA + 52% \$1.8 \$1.2 Adjusted EBITDA, as a % of Revenue 11.3% 7.8% (1) B/W indicates whether the result was better (+) or worse (-) than
the comparison period. FY 2017 FY 2016 B+ / W- (1)

Page 10 FY 2017: Hudson Asia Pacific \$US in Millions Revenue + 19% \$282.8 \$236.8 + 17% CC (1) Gross Margin + 11% \$93.6 \$84.1 + 9%
 CC SG&A - 7% \$86.9 \$81.5 - 5% CC Adjusted EBITDA + 158% \$6.7 \$2.6 + 136% CC Adjusted EBITDA, as a % of Revenue 2.4% 1.1% (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 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 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 liabilities	5.2	2.9
Other	0.0	(1.0)	Cash provided by (used in) operations	6.0	5.6	Capital expenditures	(0.8)	(0.9)
Cash provided by (used in) operations	6.0	5.6	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)
	Other	(0.2)	(1.3)	Cash provided by (used in) operations	2.4	(9.4)	Capital expenditures	(1.5)	(2.8)
	borrowings (repayments)	(1.6)	5.7	Purchase of treasury stock	(0.9)	(5.1)	Dividends paid -	(3.4)	Effect of exchange rates
				(0.3)	\$ (16.3)	YTD YTD	Dec-17	Dec-16	Change in net liabilities 7.3 (3.3)
									Change in cash \$

Page 22 Q4 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 30% 30% 25% 15% ASIA 0% 80% 15% 5% Europe 10% 50% 10% 30% UK 30% 40% 25%
5% Cont. Europe 5% 55% 0% 40% Hudson Total 15% 45% 20% 20%

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				Q4 2016			
	Americas	Asia Pacific	Europe	Corp Total	Americas	Asia Pacific	Europe	Corp Total
Revenue	3.7	77.3	40.6	-\$ 121.6	3.9	59.1	37.3	-\$ 100.3
Gross margin	3.2	25.0	20.5	-\$ 48.7	3.4	20.5	18.9	-\$ 42.8
Adjusted EBITDA (loss)	0.5	2.4	1.9	(2.9)	1.9	0.6	0.4	1.3
Adjusted EBITDA (loss)	0.6	0.4	1.3	(1.4)	0.9	0.6	0.4	1.3
Business reorg expenses (recovery)	0.0	0.0	0.1	0.2	0.0	0.0	0.1	0.2
Business reorg expenses (recovery)	0.0	0.0	0.1	0.2	0.0	0.0	0.1	0.2
Impairment of long-lived assets	- 1.9	-	-	1.9	-	-	-	1.9
Stock-based comp expense	0.0	0.0	0.1	0.3	0.4	0.0	0.0	0.4
Stock-based comp expense	0.0	0.0	0.1	0.3	0.4	0.0	0.0	0.4
Non-operating expenses (income)	0.1	0.4	0.4	(1.1)	(0.2)	0.1	0.4	0.4
Non-operating expense (income), including corporate administration charges	0.0	0.2	0.3	(0.5)	0.0	0.2	0.3	(0.5)
EBITDA (Loss)	0.5	0.0	0.3	(0.5)	0.3	0.5	0.3	0.1
EBITDA (loss)	0.5	0.2	0.2	0.9	0.5	0.2	0.2	0.9
Depreciation and amortization	0.8	0.7	0.7	0.1	0.8	0.7	0.7	0.1
Depreciation and amortization	0.8	0.7	0.7	0.1	0.8	0.7	0.7	0.1
Interest expense (income)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Interest expense (income)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

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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
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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			
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)
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)
Impairment of long-lived assets	-	1.9	-	-	1.9	Stock-based compensation expense	0.1	0.2	0.2	1.0
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
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)
EBITDA (loss)	0.8	(0.3)	1.1	(6.2)	(4.7)	EBITDA (loss)	1.6	2.5	4.6	(6.2)
Depreciation and amortization	3.1	Depreciation and amortization	2.7	Interest expense (income), net	0.4	Interest expense (income)	0.4			

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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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