

HRnetGroup



RESULTS ANNOUNCEMENT

For the Half-Year ended 30 June 2017

14 August 2017

Disclaimer

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Snapshot



2Q 2017 Record Top Lines

- Revenue at \$97.4m, up 6.4%
- GP a high of \$34.0m, up 0.2%



2Q 2017 Operational Profitability

- Adjusted profit* at \$10.9m, up 22.1%



1H 2017 Business Volume

- 11,000 employee contractors at new monthly average high (2016: 10,500)
- 4,152 permanent placements (2016: 8,500)

**(excluding IPO expenses \$2.7m and Singapore government subsidies, net of tax \$0.7m)*

2Q17 – A Record Quarter

	Q1'16 S\$m	Q2'16 S\$m	Q1'17 S\$m	Q2'17 S\$m	
Revenue	89.5	91.6	95.4	97.4	☆
Gross Profit	31.9	33.9	32.7	34.0	☆
Adjusted Profit	8.3	8.9	10.1	10.9	

Record 11,000 monthly average employee contractors (2016: 10,500)
as Singapore Flexible Staffing posts strong growth

Profit & Loss

	Q2'17	Q2'16	Change	1H2017	1H2016	Change
	S\$'m	S\$'m	%	S\$'m	S\$'m	%
Revenue	97.4	91.6	6.4	192.8	181.1	6.5
Gross profit	34.0	33.9	0.2	66.7	65.8	1.4
Operating expenses	(23.8)	(22.7)	5.1	(45.5)	(44.6)	2.1
Other income	1.1	0.8	41.2	5.7	10.1	-43.3
Profit before tax	11.3	12.0	-6.3	26.9	31.3	-14.1
Income tax	(2.4)	(2.4)	-1.8	(5.1)	(5.8)	-13.1
Profit after tax	8.9	9.6	-7.4	21.8	25.5	-14.3
Government subsidies (1)	(0.7)	(0.7)	4.3	(4.4)	(8.3)	-46.4
IPO expenses	2.7	-	n.m.	3.6	-	n.m.
Adjusted profit	10.9	8.9	22.1	21.0	17.2	22.5

Note

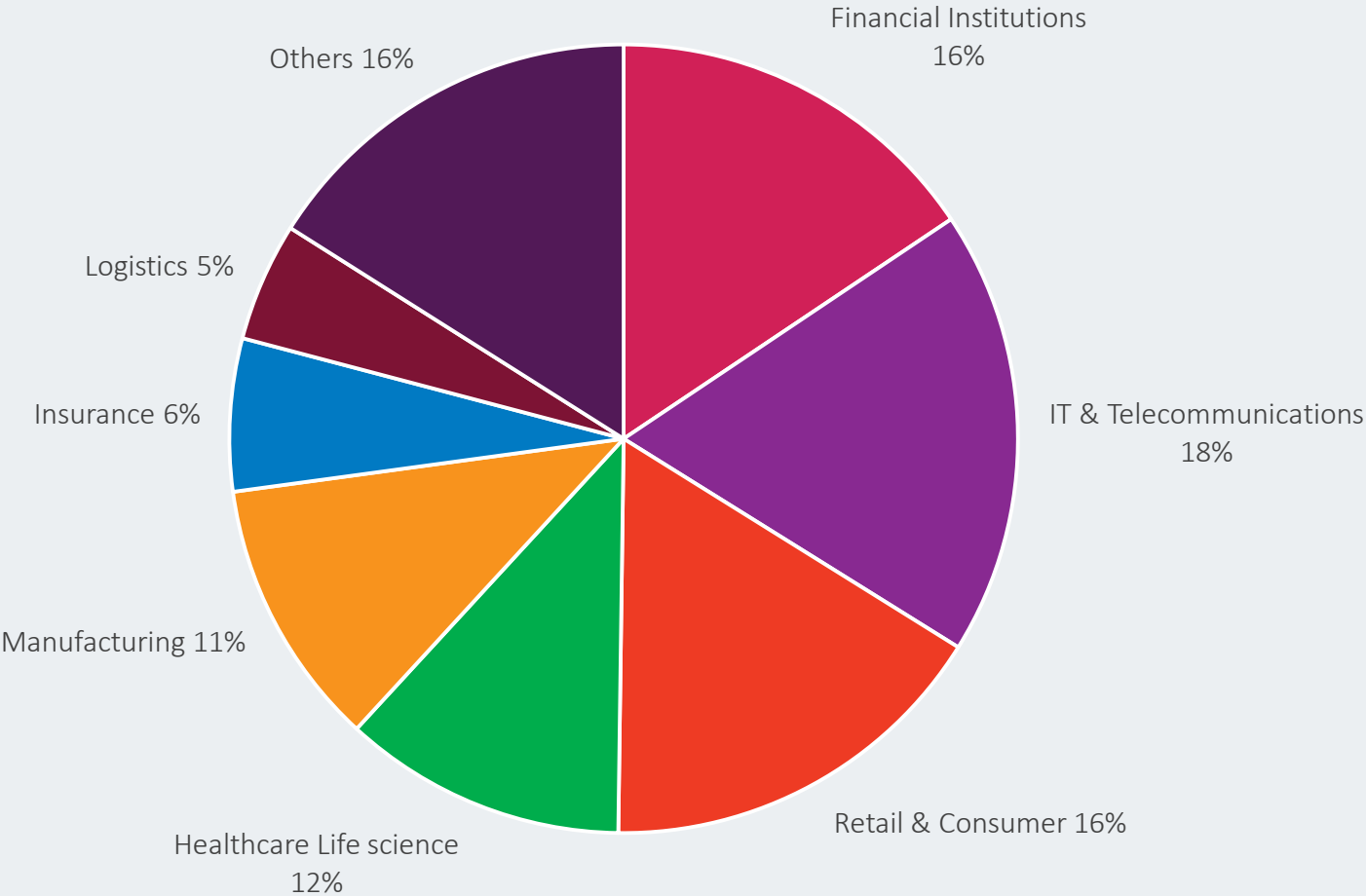
(1) Singapore government subsidies comprising WCS, TEC and SEC, net of tax

The Digital Dimension



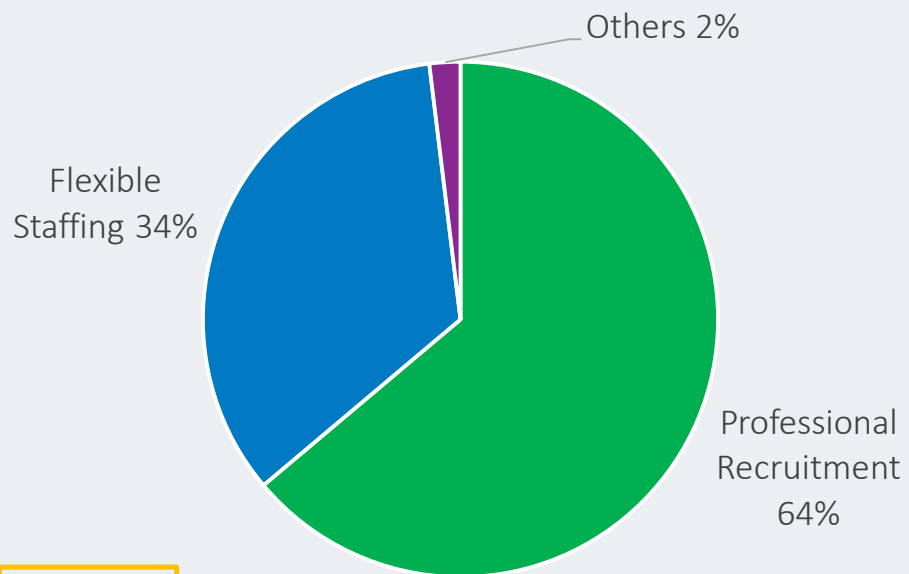
- eCommerce, online, gaming, fintech, internet, and mobile apps
- S\$9.8m = 5% in 1H 2017 revenue

Revenue by Sector

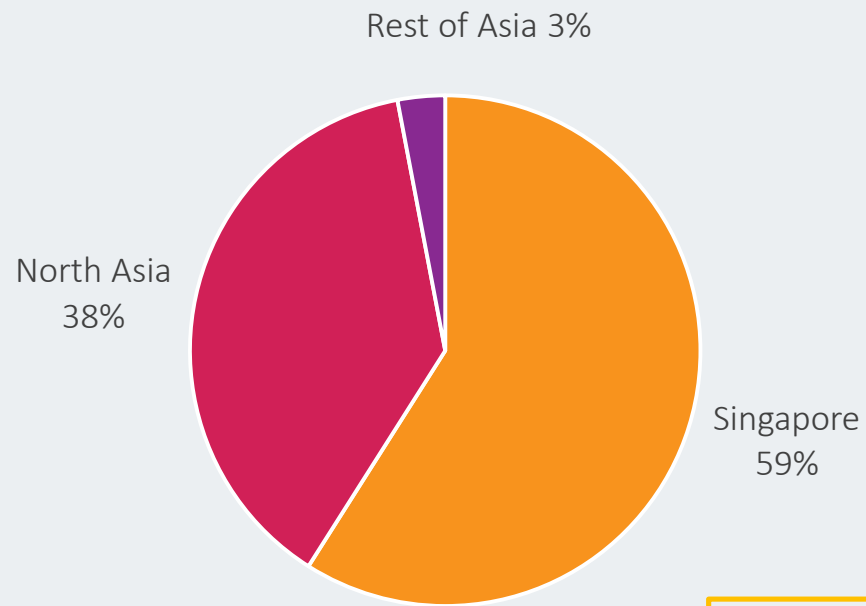


Gross Profit by Business Segment & Geography

Balanced Growth with Strength in Singapore

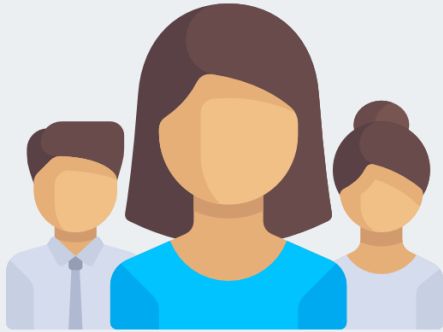


2016
PR 66%
FS 32%



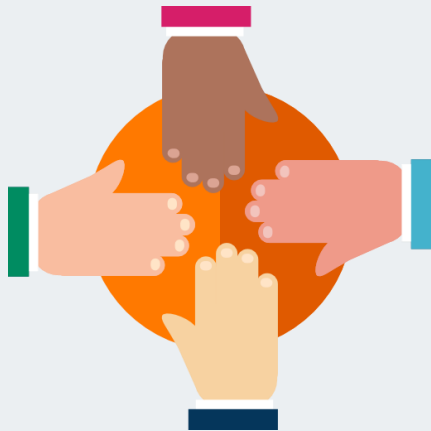
2016
SG 57%
NOA 39%

Increase in Headcount and % of PHC



65.3% of our Permanent Sales Headcount are PHC (2016: 62.7%)

(i.e. achieved $GP \geq 3 \times$ payroll cost)



Total Headcount up

- 1,155 as at 30 Jun 2017
- 1,039 as at 31 Dec 2016

People Strength

Job Function	Jun-17	Dec-16
Executive Directors and Executive Officers	7	7
Leaders	141	132
Consultants	554	584
Business Support	106	115
Permanent employees	808	838
Temp/Contract	347	201
Total	1155	1039

Co-Owners

The Heart of the Matter



52.5% of our permanent employees are Co-owners

404 Co-Owners under 123GROW invested S\$7.4m in cash and S\$4.9m in Loyalty Fund Credits for 1.4% shares

20 Co-Owners under 88GLOW swapped their stakes in their respective subsidiaries for 3.4% Shares

Delivering on Our Strategy

Igniting Our Inorganic Engine



Capital and Business Alliance Agreement entered into on 31 Jul 2017.

HRnetGroup is working on TechnoPro's talent acquisition plan for engineers in FY2018.

Both parties are

- working together to utilize TechnoPro's established relationships with Japanese corporates
- exploring the further development of the engineering outsourcing and placement business, and co-investments in HR related businesses across Asia.

HRnetGroup Overview

Today

Largest Asia-based Recruitment Agency in Asia Pacific (ex-Japan)^(a)

25 Years of proven track record

24 Operating units in 10 Asian growth cities

1,155 Employees^(b)

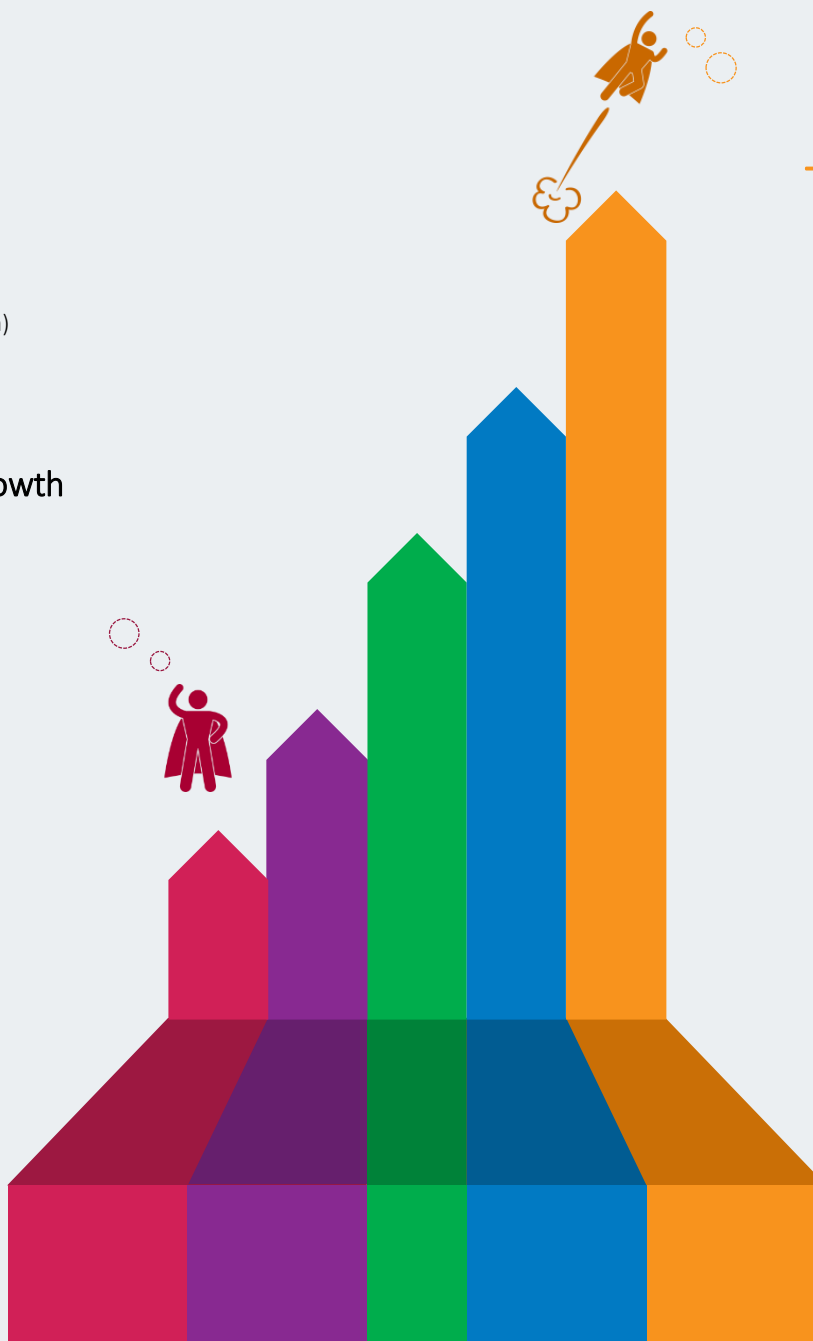
S\$365m Revenue, S\$48m NPAT^(c)

To Be

S\$176m Net proceeds from IPO to expand in Asian growth cities

424 Co-owners as at 19 June 2017 to drive growth and profitability

Target dividends of 50% of net profit after tax (excluding exceptional items) for FY2017 and FY2018^(d)



- (a) As compared to other key players within the professional recruitment and flexible staffing industry with Asia-Pacific presence; Source: Frost & Sullivan
- (b) As at 30 June 2017
- (c) As of FY2016
- (d) Statement of present intention and future dividends are subject to Directors' sole and absolute discretion

HRnetGroup

HR for Asia

众里寻他千百度，暮然回首，
那人却在，灯火阑珊处。

