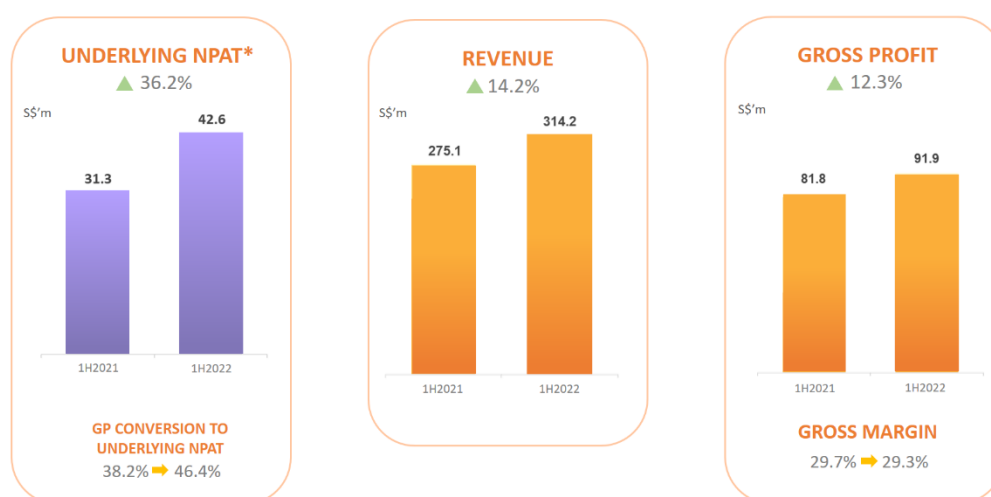


**HRnetGroup rewards investors with S\$21.3m maiden Interim Dividend as Underlying Profit soars 36% to S\$42.6m**

**Singapore, 11 August 2022** – For the first half financial period ended 30 June 2022, HRnetGroup Limited (*HRnetGroup* or *the Group*) reported strong Underlying Profits of S\$42.6m and declares for the first time, an Interim Dividend totaling S\$21.3m or 2.13 Singapore cents per share, based on 50% of the Underlying Profits achieved. This reward for shareholders was on the back of double-digit growth across key financial metrics:



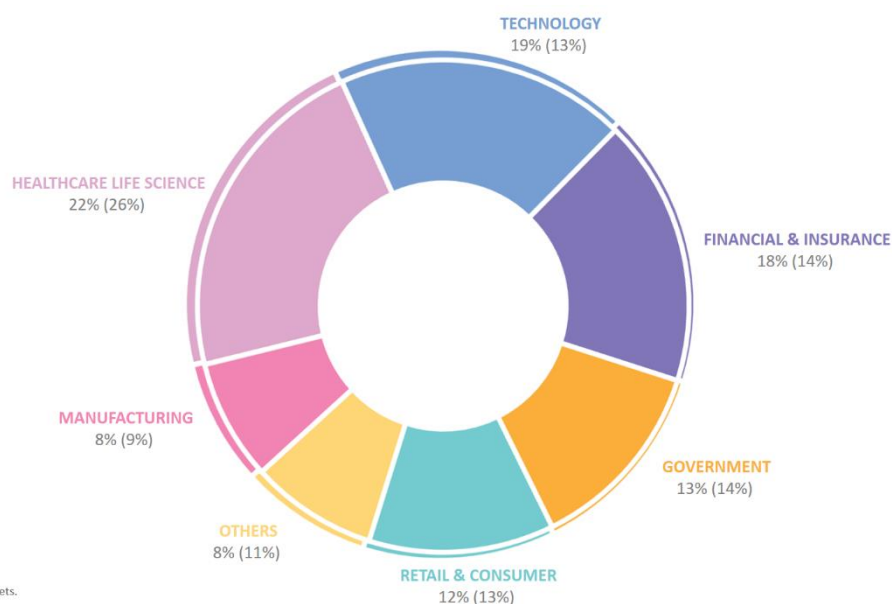
\*Underlying NPAT refers to Net profit after tax less Gain (Loss) from financial assets mandatorily measured at FVTPL.

**Growth Dynamics**

The strong growth was driven by contributions from both business segments: Flexible Staffing (**FS**) and Professional Recruitment (**PR**) in relative proportions of 83:17 in Revenue and 42:58 in Gross Profit. PR business growth rode on the “Battle for Talent” and salary increases; while FS business grew through rapid deployment of contractor volumes in non-COVID related healthcare businesses and other recovering sectors across the board, and rapid capturing of market share in Taiwan and Indonesia.

	Growth across Business Mix (%)			Growth across Geographical Mix (%)		
	Professional Recruitment	Flexible Staffing		Singapore	North Asia	Rest of Asia
Revenue	18.6	13.2	Revenue	7.4	28.4	41.5
Gross Profits	18.8	3.1	Gross Profits	4.3	23.7	10.6

## Sector Revenues



Healthcare Life Science continues to be the lead sector contributing 22% of Revenue. Technology's contribution rose from 13% to 19%, mainly attributable to our semiconductor practices in Mainland China and Taiwan; whilst e-commerce, ride-hailing, food and delivery platforms and gaming clients generated strong demand. Contribution from the Financial Services sector rose from 14% to 18% as our European and Asian banking key accounts increased their manpower needs, and revenues from Buy-Now-Pay-Later clients gaining traction in Singapore. Government, Retail & Consumer and Manufacturing each had growth in absolute amounts of revenue despite reduction in their relative contribution percentages.

## Cash Shelter

The Group's strong cash position of S\$312.7m and zero bank borrowings shielded the Group from the impact of interest rate hikes. As a veteran operator of this business for the last 30 years, the Group generated strong operating cashflow of S\$54m before deploying \$20m of that into working capital for our growing businesses.

## Dividends

The Group had paid out S\$40.1m dividends to shareholders of HRnetGroup and S\$2.7m dividends to co-owners of its subsidiaries from 2021's exceptional profits. With the interim dividends of S\$21.3m to be paid on 6 September 2022, investors who have held the shares since the beginning of the year through the cum-div date of 26 August 2022 will be rewarded with a total of 6.13 Singapore cents a share, equivalent to 7.6% dividend yield against the share price of 80.5 Singapore cents as of 31 December 2021.

## **Outlook**

*“Every one of our fee earners is a sales unit. With our GP per sales unit up 9% YOY to S\$130,000 for the half year, and the bench strength increase of 145 pax, our growth capacity is increasing. Whilst the macro environment for 2H may be uncertain with inflationary-led fears of a recession, we are inclined to believe that the global “battle for talent” is a longer-term trend that will transcend fluctuations of the market. Typically we deliver growth above GDP growth rates as we have the benefit of quickly maneuvering to work on pockets of growth opportunities within our sector specializations.”*

Adeline Sim – Chief Corporate Officer & Executive Director

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