

HRnetGroup

2024 RESULTS ANNOUNCEMENT

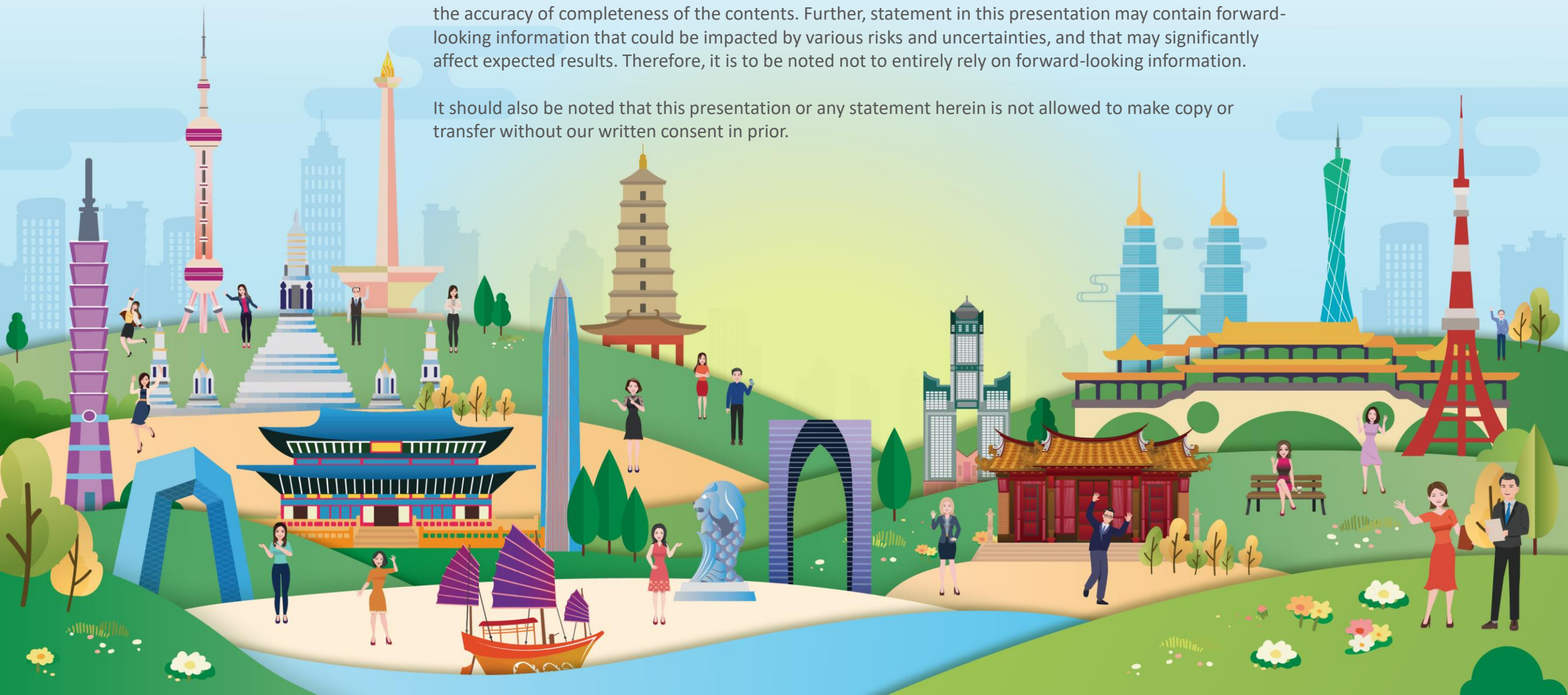
26 FEBRUARY 2025



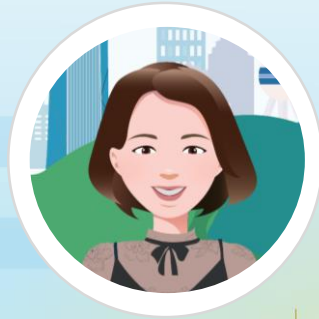
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FINANCIAL HIGHLIGHTS



JENNIFER KANG

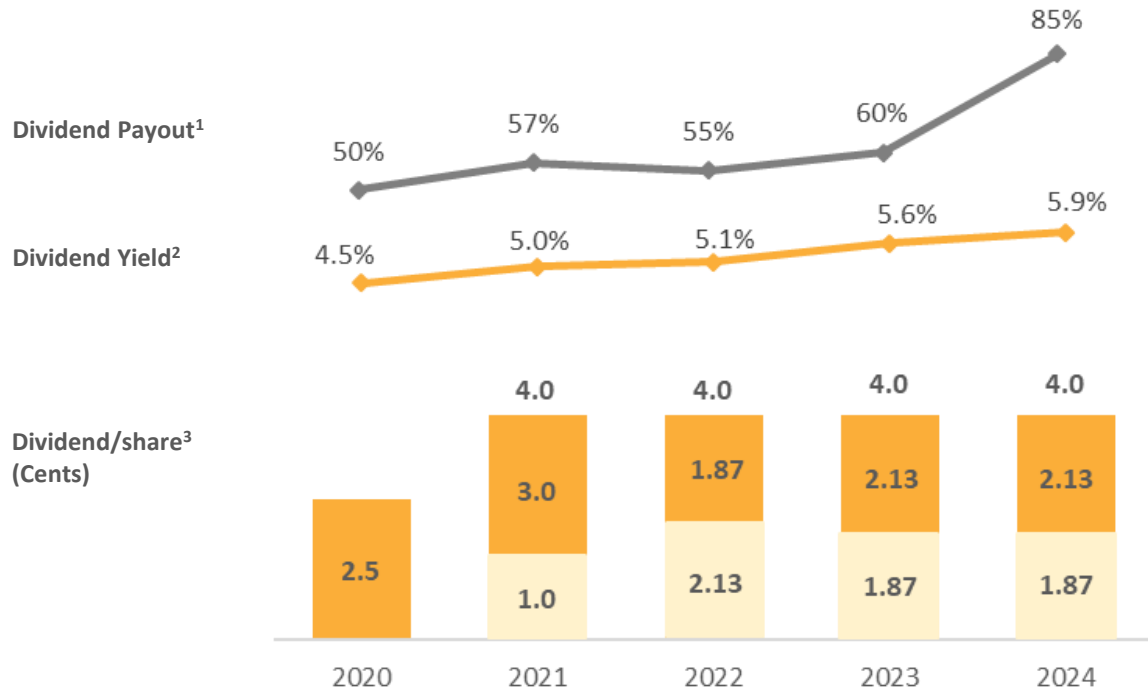
Executive Director & Group CFO



2024 HAPPY SHAREHOLDER RETURNS



DIVIDENDS DECLARED



¹ Dividend/NPAT.

² Dividend/Closing Price as at last trading day of the financial period.

³ Special/Interim dividend Final dividend



SHARE BUYBACK PROGRAM

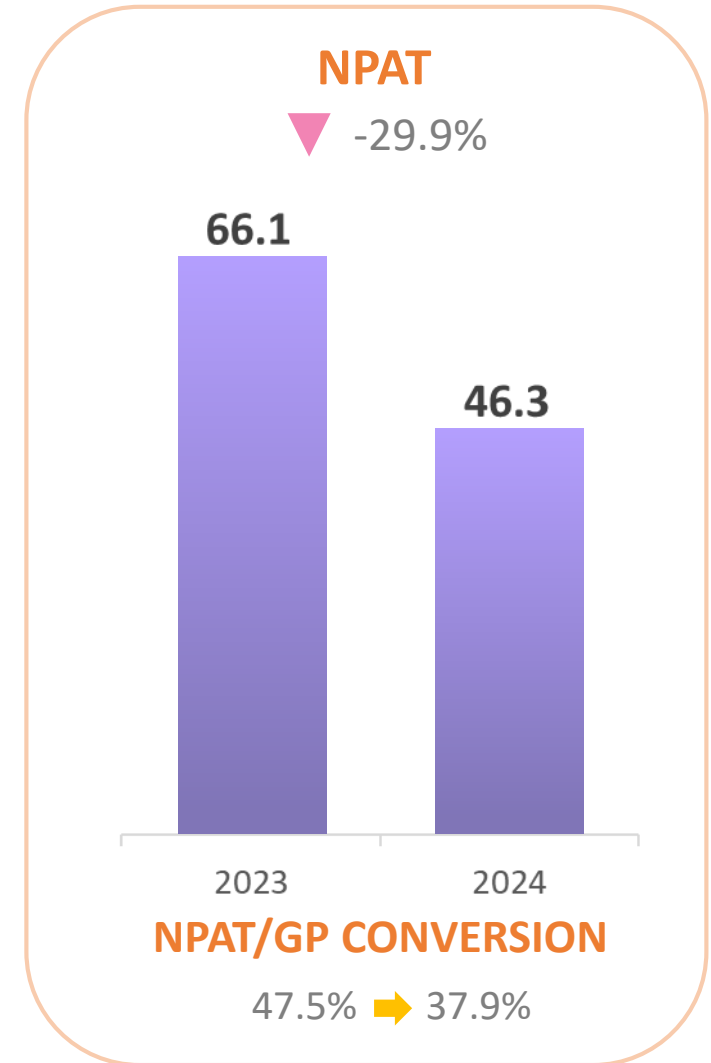
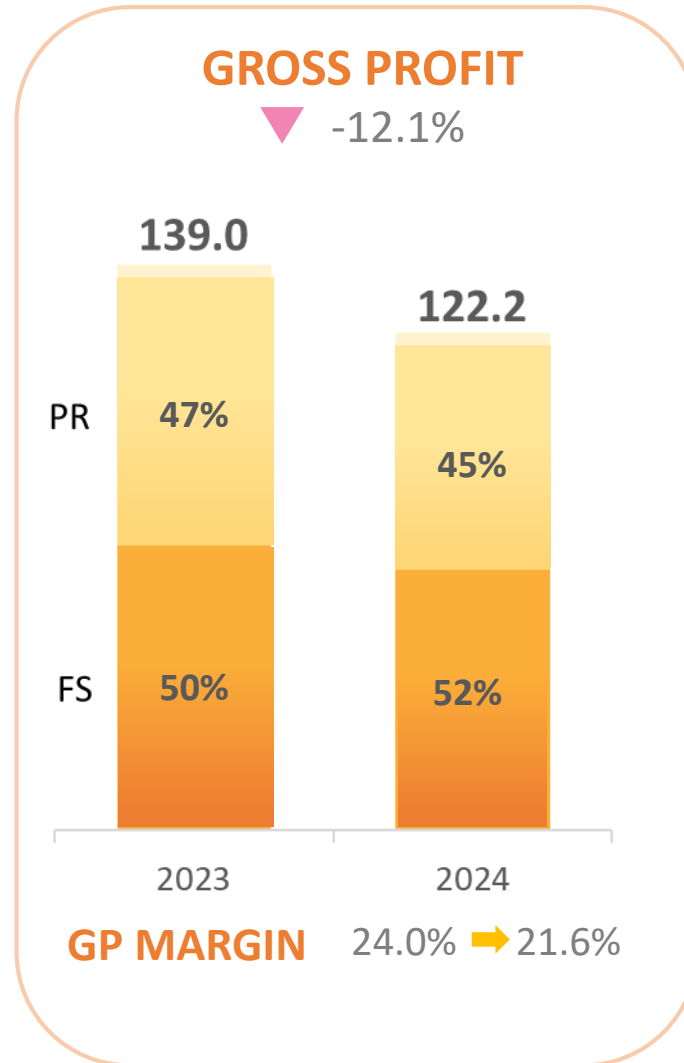
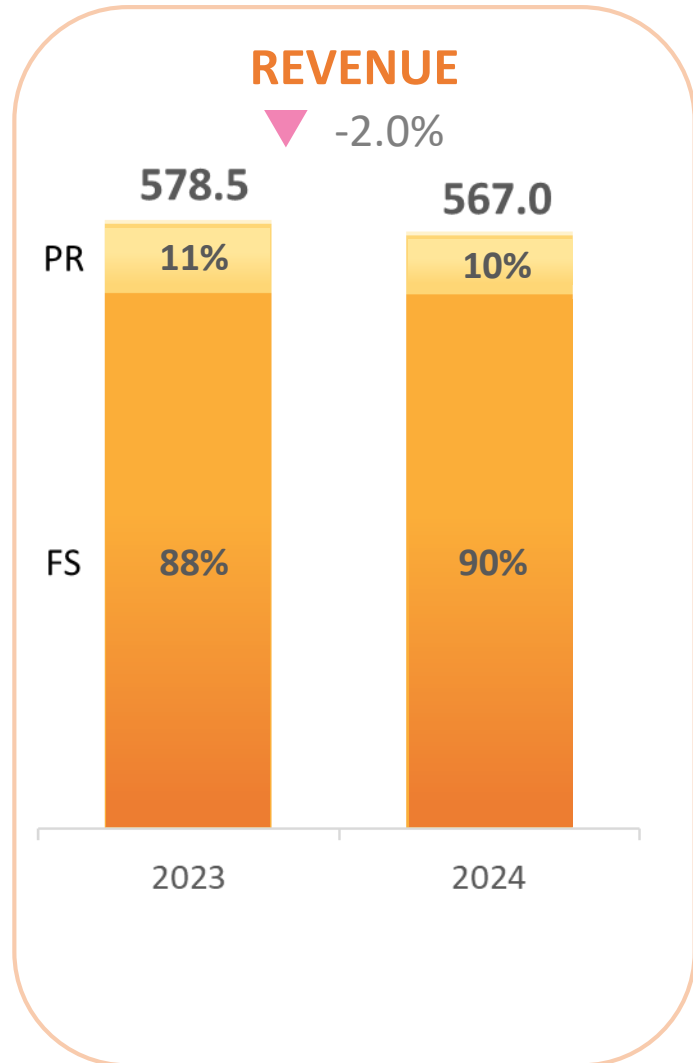
	S\$m
Share Buyback Programme	30.0
2022	(10.1)
2023	(5.4)
2024 up to 02.12.2024	(3.3)
Balance for further buyback	11.2

CASH TO SHAREHOLDERS

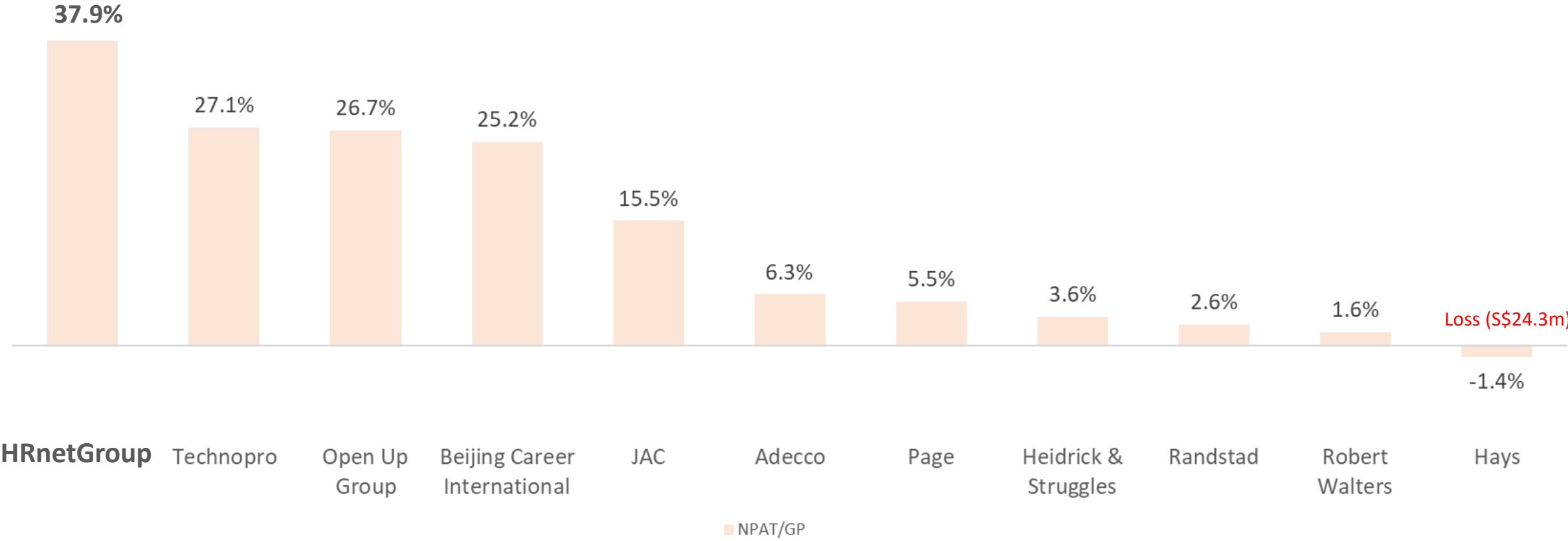
	S\$m
Dividend Payout	39.2
Share Buyback	3.3
Total Cash out	42.5

2024 KEY FINANCIALS

S\$m

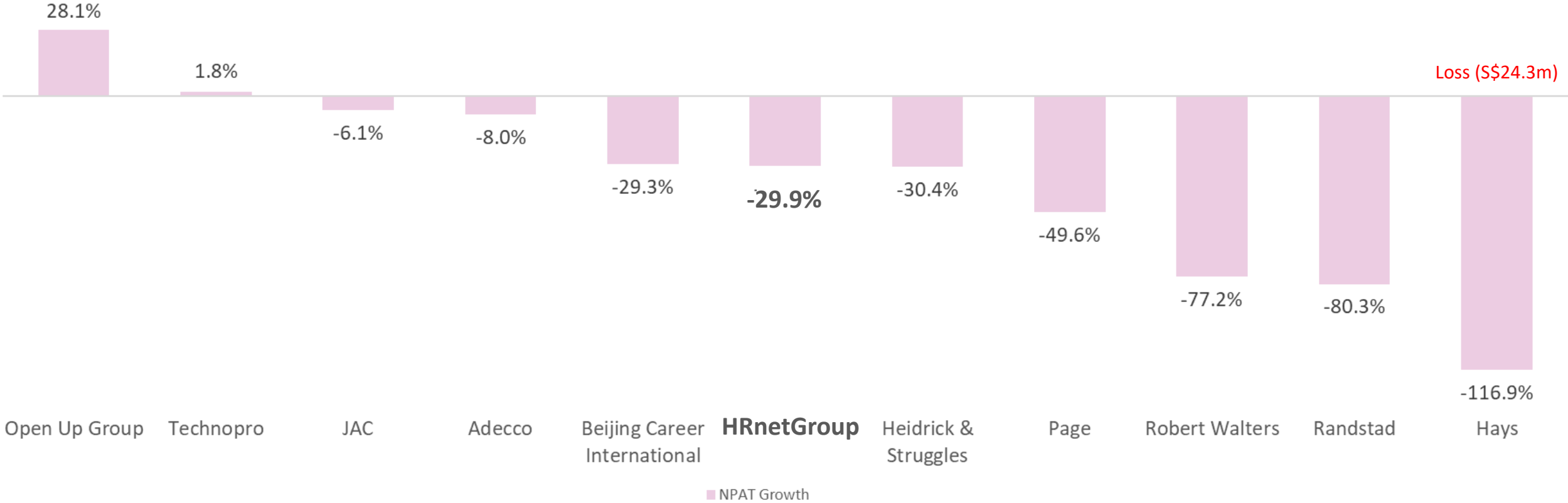


SUPERIOR CONVERSION RATIO



*Source: Company data
*Conversion ratio refers to NPAT/GP

INDUSTRY PROFIT GROWTH



*Source: Company data
*Conversion ratio refers to NPAT/GP

2024 GP DYNAMICS

PROFESSIONAL RECRUITMENT

(21.1)% Volume decrease

6.3% Unit GP increase

(16.1)% Gross Profit decrease

- PR GP and volume down across all regions.
- Unit GP up partly due to senior level assignments.

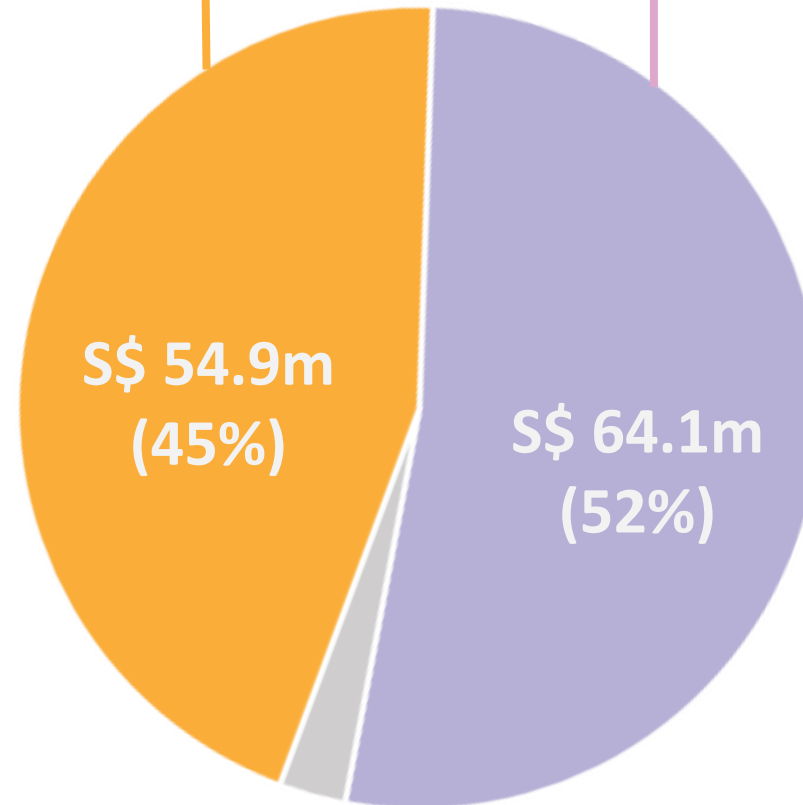
FLEXIBLE STAFFING

(3.7)% Volume decrease

(4.9)% Unit GP decrease

(8.4)% Gross Profit decrease

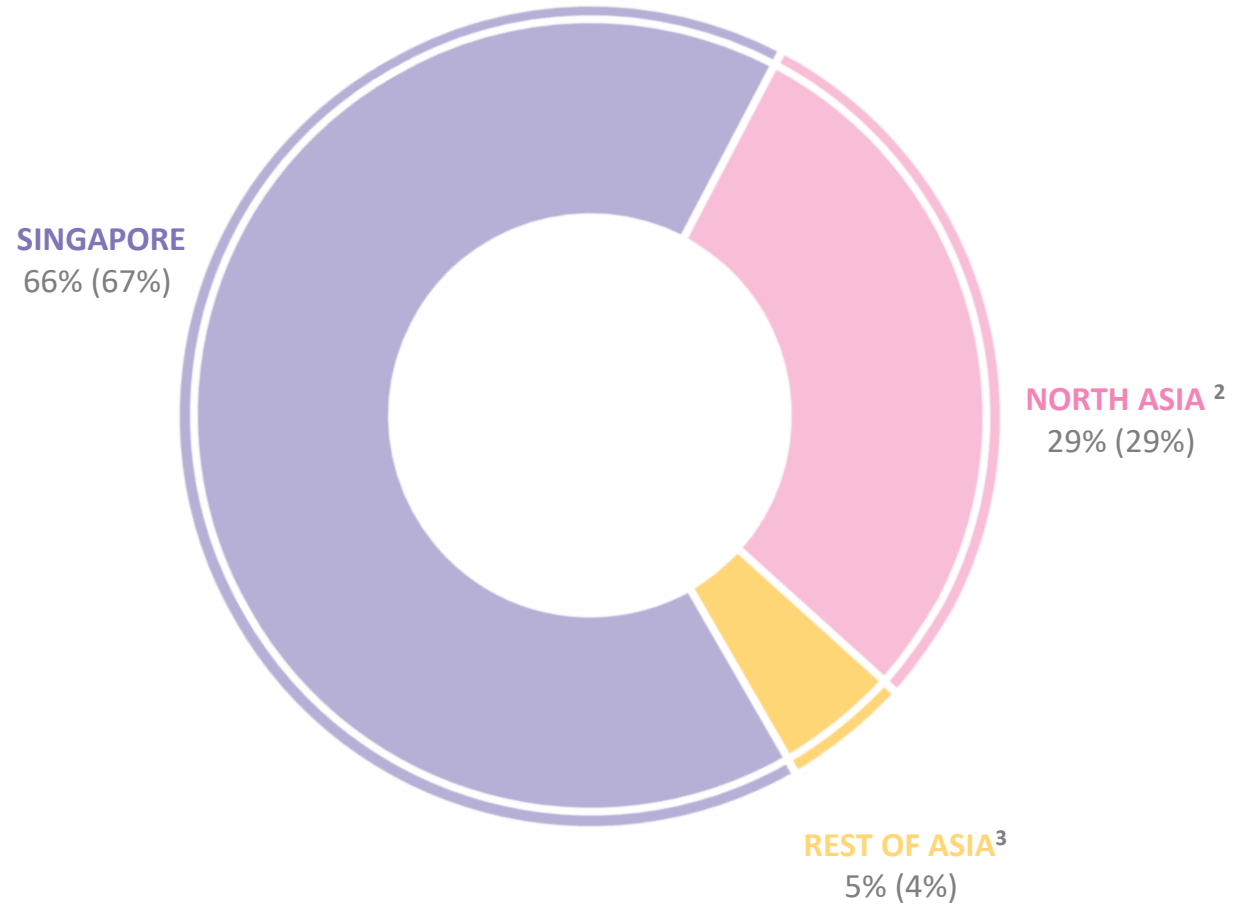
- FS volume up in Jakarta, Taipei and Shanghai
- Unit GP down mainly due to margin pressures in Singapore



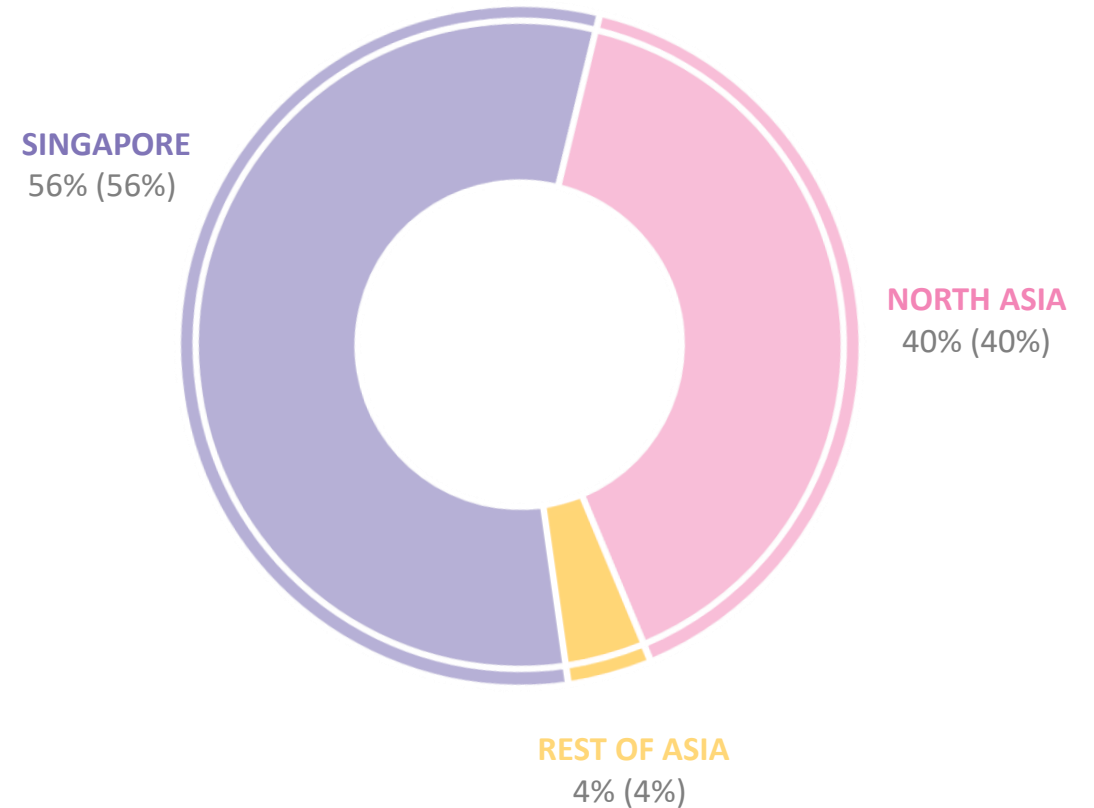
- FS Volume refers to average number of contractors 15,548 (2023: 16,141)
- PR Volume refer to number of placements 4,558 (2023: 5,774)
- FS Unit GP refers to average GP per contractor and PR Unit GP refers to average GP per placement.

2024 GEOGRAPHY MIX

REVENUE



GROSS PROFIT

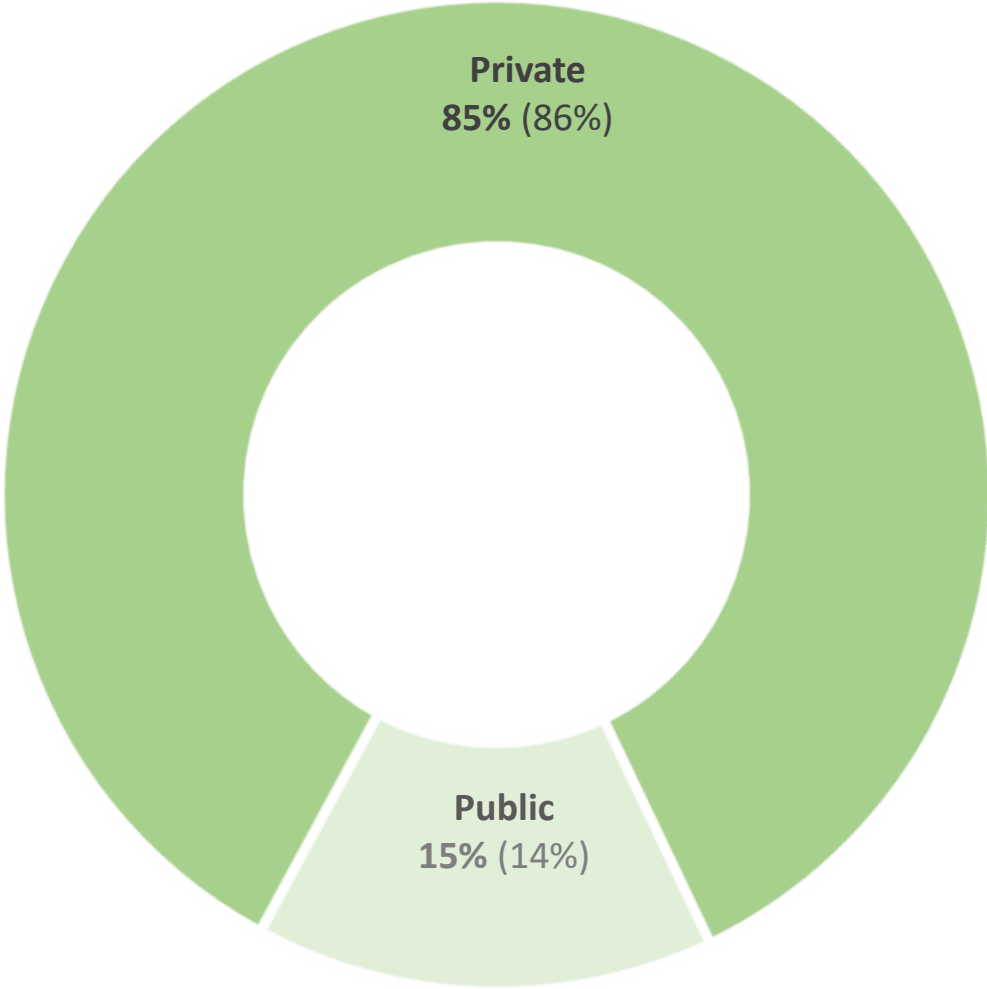
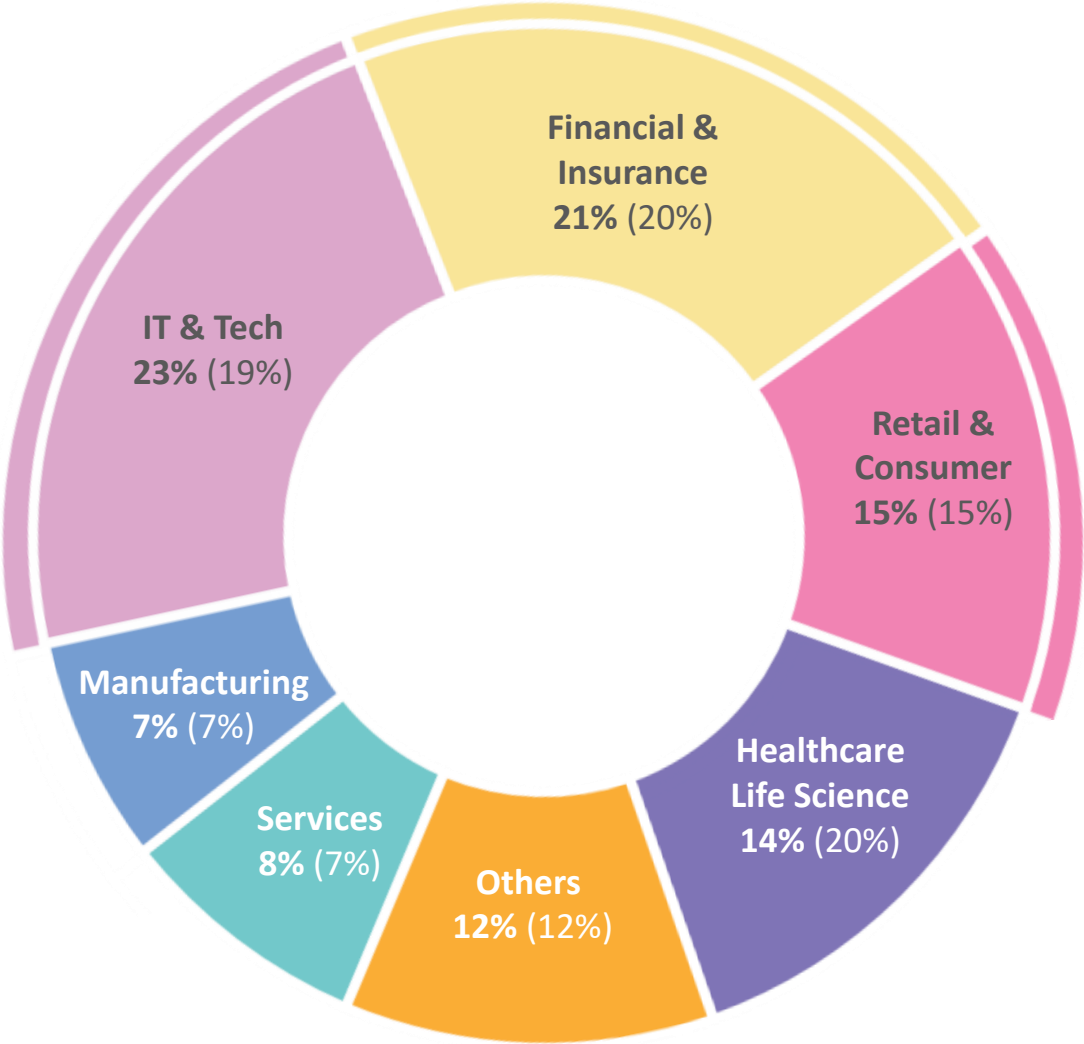


¹ 2023 figures in brackets.

² North Asia : Beijing, Shanghai, Shenzhen, Guangzhou, Suzhou, Chengdu, Xi'an, Taipei, Kaohsiung, Hsinchu, Hong Kong, Tokyo and Seoul.

³ Rest of Asia : Kuala Lumpur, Jakarta and Bangkok.

2024 SECTOR DYNAMICS



*2023 figures restated in brackets, including re-presenting Government as a dimension (Public vs Private sector) instead of an industry

2024 DIVERSIFIED CLIENT BASE

Our **Top 5** clients have been with us for an average of **19** years

	Customer since	2024 Revenue Contribution
1. Client (Financial & Insurance)	2000	5.3%
2. Client (IT services)	2022	4.4%
3. Client (Financial & Banking)	2004	3.8%
4. Client (Retail & Consumer)	1999	2.4%
5. Client (Financial & Banking)	2001	2.0%
Contribution from Top 5 clients		17.9%
Contribution from Top 10 clients		25.6%

SUPERIOR COST MANAGEMENT

	2024	2023	(Cost Savings)	
	\$'m	\$'m	\$'m	%
Selling, General, Admin Expenses				
> Employee Benefit Expenses	63.9	71.1	(7.2)	(10.0)
Payroll	49.8	51.5	(1.7)	(3.2)
Incentives/Bonuses	12.6	18.2	(5.6)	(30.7)
Others	1.5	1.4	0.1	7.8
> Facilities & Depreciation	11.4	10.8	0.6	5.3
Selling, Finance & Others	6.3	7.1	(0.8)	(0.1)
	81.6	89.0	(7.4)	(8.3)

2024 OTHER INCOME

	2024	2023	Change	
	S\$'m	S\$'m	S\$'m	%
> Interest income	8.0	6.9	1.1	16.1
> Government subsidies	6.8	9.2	(2.4)	(26.0)
> Reversal of trade related accruals	2.3	9.3	(7.0)	(75.5)
Dividend income	0.9	0.8	0.1	8.4
Gain on disposal of investments	0.1	-	0.1	n.m
Others	1.6	0.5	1.1	328.7
> Net fair value (loss) gain on financial assets*	(4.3)	1.4	(5.7)	n.m
Other income	15.4	28.1	(12.7)	(45.0)

*Mainly marketable securities in the HR space

2024 GOVERNMENT SUBSIDIES

S\$'m

	Categories	2023	2024	2025	2026
SG	PWCS ¹	7.3	6.0	3.1 ² & To receive	To receive
	JGI ³	1.2	0.1		
	SEC, EEC, CTO ⁴	0.5	0.5	To receive	To receive
HK, CN, SG	Others	0.2	0.2		
TOTAL		9.2	6.8		

¹ [Progressive Wage Credit Scheme](#) : Co-funding of 50% of wage increases relating to gross monthly wages capped at S\$3,000.

² Co-funding of 2023 wage increases, originally expected in 2024, eventually received and recognized in 2025. Co-funding of 2024 wages increases are expected to be received in 2025, barring unforeseen delay.

³ [Jobs Growth Incentive](#) : To support employers to expand local hiring, for increase in local employee earning \geq \$1.4k per month. Scheme stopped in March 2023.

⁴ [Senior Employment Credit](#) : For wages paid between 1 Jan 2024 and 31 Dec 2026, employers will receive up to 7% of the wages for Singaporean workers aged 60 and above and earning up to \$4,000 per month, depending on their age and wage.

[Enabling Employment Credit](#) : For hiring of local employees with disabilities aged 13 and above and earning below \$4,000 per month. The EEC provides a wage offset of up to 20% of the employees' monthly income, capped at \$400 per month for each employee.

[CPF Transition Offset](#) : 50% of each year's increase in employer CPF contribution rates for aged 55 to 70.

2024 STRONG CASH FOR EXPANSION POSSIBILITIES



ZERO BORROWINGS

Cash + T-Bills

$$S\$258.4m^1 + 53.0m^2 = S\$311.4m$$

NET CASH OUTFLOW OF S\$13.2M:

OPERATING

+ S\$51.6m

- S\$59.2m operating cashflow
- S\$(7.6m) working capital changes & tax payments

INVESTING

- S\$12.8m

- S\$(13.0m) net purchase of CLN³/T-Bills
- S\$1.5m from disposal of other financial assets
- S\$(1.3m) Capex & others

FINANCING

- S\$51.5m

- S\$(41.0m) dividends paid
- S\$(5.9m) repayment of lease liabilities
- S\$(3.3m) share buyback
- S\$(1.3m) other financing activities

FOREX

- S\$0.5m

Effect of foreign exchange rate changes on Cash & Cash equivalents

¹ Cash & Cash equivalents

² T-Bills : T-bills are short-term Singapore Government Securities (SGS) issued by MAS

³ Credit Linked Notes (CLN) are DBS issued notes with Monetary Authority of Singapore (MAS) bill as credit underlying



STRONG FINANCIALS 2024

- Revenue S\$567.0m
- Gross Profit S\$122.2m
- NPAT S\$46.3m. FCF S\$49.4m
- Cash + T-Bills S\$311.4m, zero borrowings



INFRASTRUCTURE TO SCALE

- 1,056 people, 40 Business Units, 36 offices, 17 Asian cities
- 18 brands with product & service differentiation
- Systems, processes, digital infrastructure



DIVIDENDS PAYOUT

- Dividend : Interim 1.87 cts + Final 2.13 cts = 4.0 cts. 5.9% yield
- 85% Dividend Payout
- 61% Cumm dividend payout



CO-OWNERS BUILD TO LAST

- Co-ownership model with 41 business leaders
- M&A profit accretive & successful integration

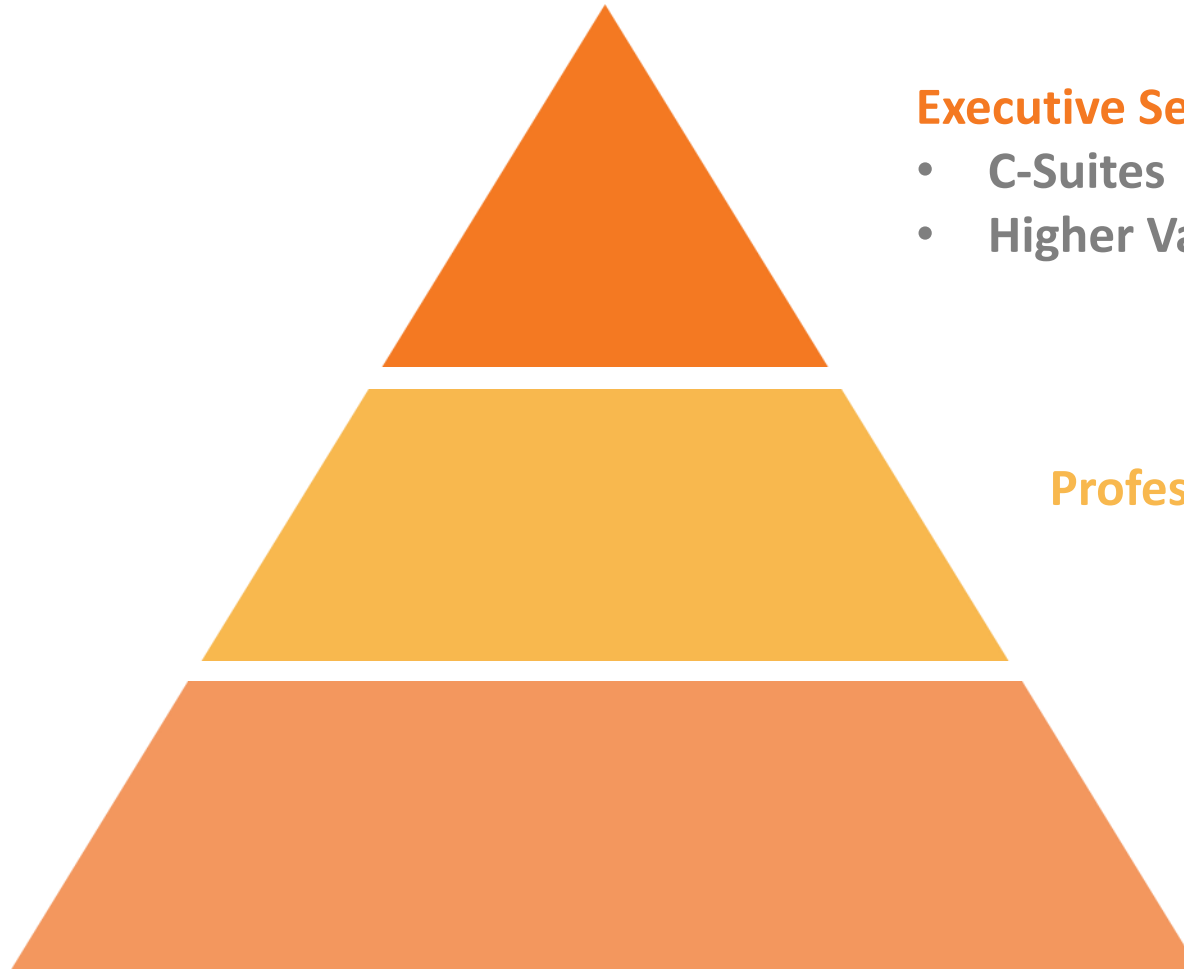
OUTLOOK – GDP

Geography	GDP Growth Rate (YoY)		
	2023	2024e	2025f
NEW Vietnam	5.0	7.1	6.1
Indonesia	5.0	5.0	5.1
Mainland China	5.2	5.0	4.5
Malaysia	3.6	5.1	4.4
Hong Kong SAR	3.3	2.5	3.0
Thailand	1.9	2.7	3.0
Taiwan	1.3	4.3	2.7
Singapore	1.1	4.4	2.5
South Korea	1.4	2.0	2.2
Japan	1.7	0.1	1.1



*Sources: National Statistics of respective countries, IMF

STRENGTHENING THE RECRUITMENT PYRAMID



Executive Search

- C-Suites
- Higher Value Billings

Professional Recruitment

Flexible Staffing

- Mega Projects
- Higher Contracting Volume
- Mega Recurring Project

2025 OUTLOOK



Contributions by new units



Management De-Layering annualised cost savings \$1.0m



Office rental savings \$1.6m over lease period



PR business to move up the value chain for senior Executive Search



FS business to secure & deliver more mega projects, especially for Government



Government Grants (PWCS) \$3.1m already received in 1H2025



New Geography: Vietnam Executive Search business & M&A

HRnetGroup

THANK YOU!



APPENDIX A - SOLID FINANCIAL PERFORMANCE


	Year ended 31 December			
	2024	2023	Change	
	\$'m	\$'m	\$'m	%
Revenue	567.0	578.5	(11.5)	(2.0)
Direct Costs	(444.8)	(439.5)	(5.3)	(1.2)
GP	122.2	139.0	(16.8)	(12.1)
Other income	15.4	28.1	(12.6)	(45.0)
SG&A				
Employee Benefit Expenses	(63.9)	(71.1)	7.1	(10.0)
Facilities & Depreciation	(11.4)	(10.8)	(0.6)	5.3
Others	(6.3)	(7.1)	0.8	(11.6)
	(81.6)	(89.0)	7.4	(8.4)
PBT	56.0	78.0	(22.0)	(28.2)
Tax	(9.7)	(12.0)	2.2	(18.7)
NPAT	46.3	66.1	(19.8)	(29.9)
PATMI	44.5	63.6	(19.0)	(30.0)
EBITDA	56.4	79.5	(23.1)	(29.0)
EPS (cents)	4.53	6.35	(1.82)	(28.6)


APPENDIX B - STRONG BALANCE SHEET


	Group	
	31 December 2024	31 December 2023
	\$'m	\$'m
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	258.4	271.6
Trade receivables	93.3	94.5
Other receivables and prepayments	7.3	6.9
Other assets	4.3	3.3
Other financial assets	68.7	61.8
Total current assets	432.1	438.0
Non-current assets		
Pledged deposits	1.2	1.2
Plant and equipment	2.8	2.1
Right-of-use assets	12.9	10.1
Other intangible assets	4.5	1.7
Goodwill	6.3	5.9
Other financial assets	19.7	19.2
Deferred tax assets	2.7	1.6
Total non-current assets	50.2	41.9
Total assets	482.3	479.9


	Group	
	31 December 2024	31 December 2023
	\$'m	\$'m
<u>LIABILITIES AND EQUITY</u>		
Current liabilities		
Trade payables	9.6	8.8
Other payables and accruals	55.4	57.5
Lease liabilities	4.7	5.3
Income tax payable	9.0	9.7
Total current liabilities	78.6	81.3
Non-current liabilities		
Deferred tax liabilities	0.4	0.5
Lease liabilities	9.1	5.2
Total non-current liabilities	9.5	5.7
Capital, reserves and non-controlling interests		
Share capital	260.6	260.6
Treasury shares	(22.7)	(19.7)
Equity reserve	(46.8)	(47.2)
Investments revaluation reserve	(51.4)	(51.7)
Translation reserve	(4.8)	(4.2)
Retained earnings	244.0	238.7
Equity attributable to owners of the Company	378.8	376.6
Non-controlling interests	15.3	16.3
Total equity	394.2	392.9
Total liabilities and equity	482.3	479.9


2024 FS BUSINESS DYNAMICS
















 Clients need Contractors

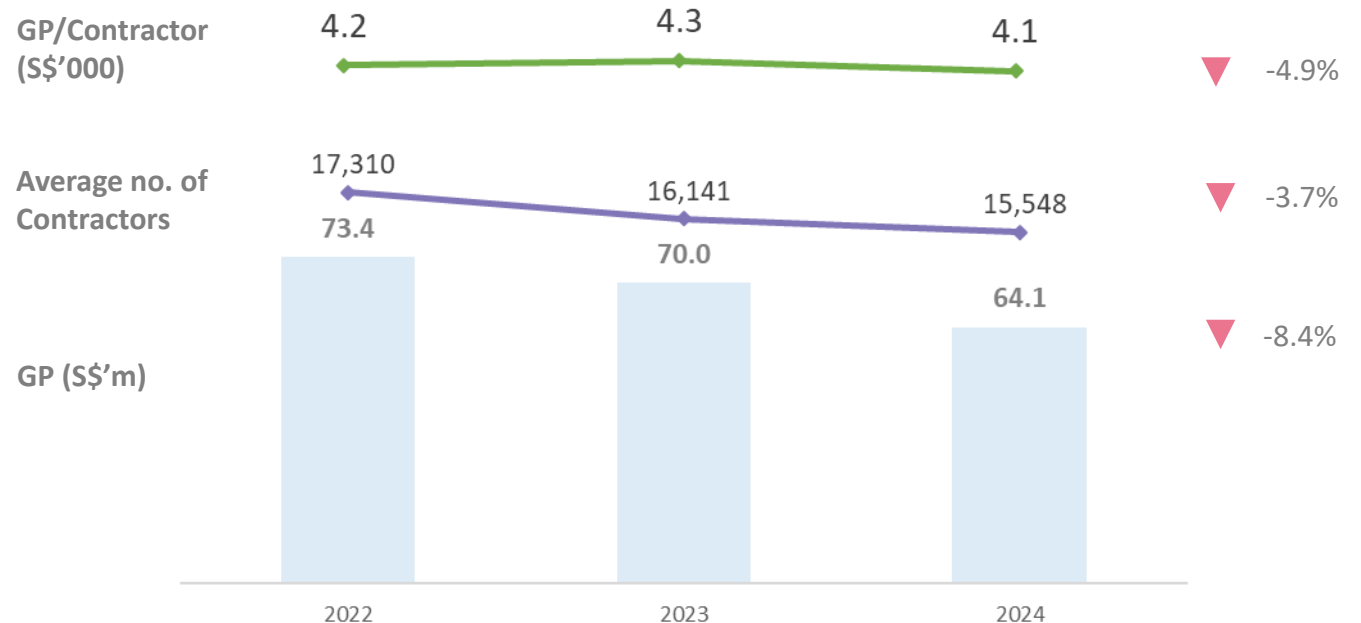
 We source, recommend and hire Contractors on our payroll

 We pay Contractors and take responsibilities for their insurance and benefits as their Employer

 We bill Clients a service fee in addition to payroll and employee benefit costs incurred



FLEXIBLE STAFFING			
REVENUE	GP	GP MARGIN	No. of Contractors In Dec
S\$508.0m	S\$64.1m	12.6%	17,336
▼ -0.2%	▼ -8.4%	▼ -1.1% pts	▼ -0.5%



2024 PR BUSINESS DYNAMICS



Clients need talents for junior, mid to senior-level positions



We source, interview, recommend and select qualified and suitable Candidates



We facilitate contract negotiation



Clients hire successful Candidates & they start work

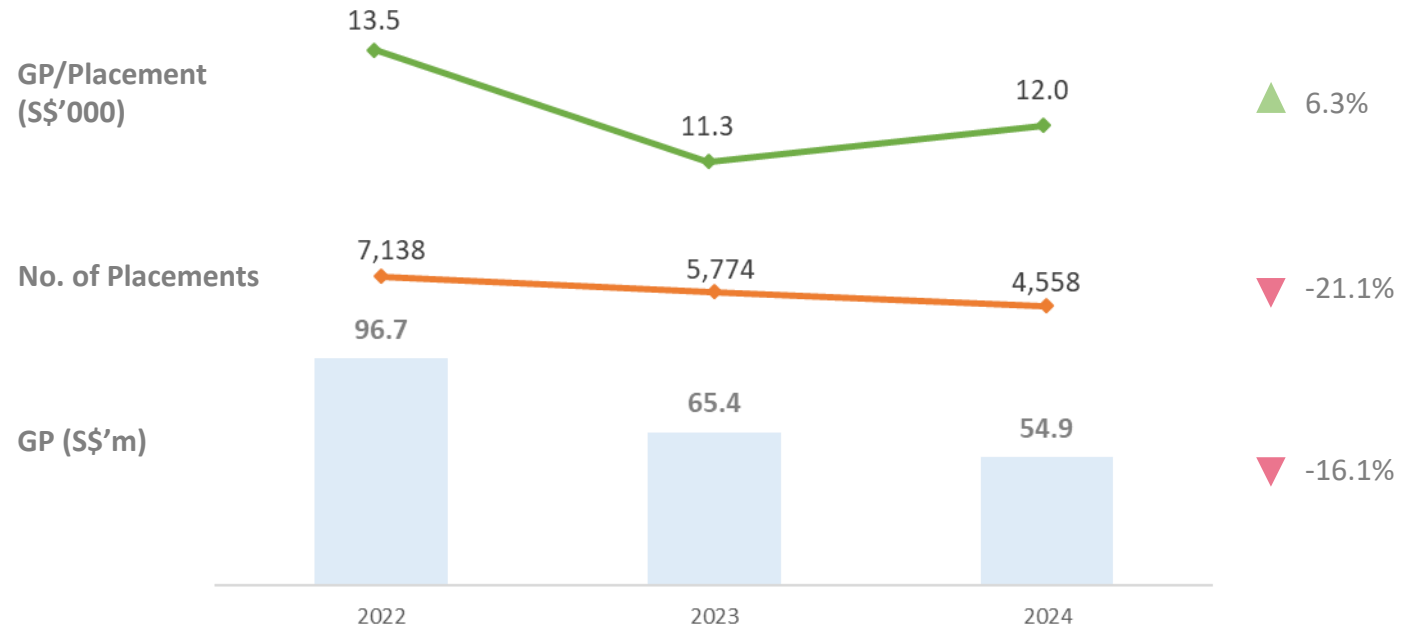


We bill Clients a % of the successful Candidates' 1st year remuneration



PROFESSIONAL RECRUITMENT

REVENUE	GP	GP MARGIN	PLACEMENTS
S\$54.9m	S\$54.9m	99.9%	4,558
▼ -16.2%	▼ -16.1%	▲ 0.1% pts	▼ -21.1%



USE OF IPO PROCEEDS

UTILISATION	Amount S\$m
Investments in Staffline and Bamboos (FVTOCI)	64.0
Purchase of financial assets (FVTPL)	39.3
Acquisition and investment in subsidiaries	10.1
Start-up of subsidiaries	9.9
IPO related expenses	9.1
Balance pending deployment	41.7
Total IPO Proceeds	174.1

MOVEMENT	Amount S\$m
As at 1 January 2024	131.4
Investment in new M&A subsidiary - AllwaysHRnet (Shanghai) Limited	1.0
As at 31 December 2024	132.4