

HRnetGroup

Collaboration, Innovation, Passion

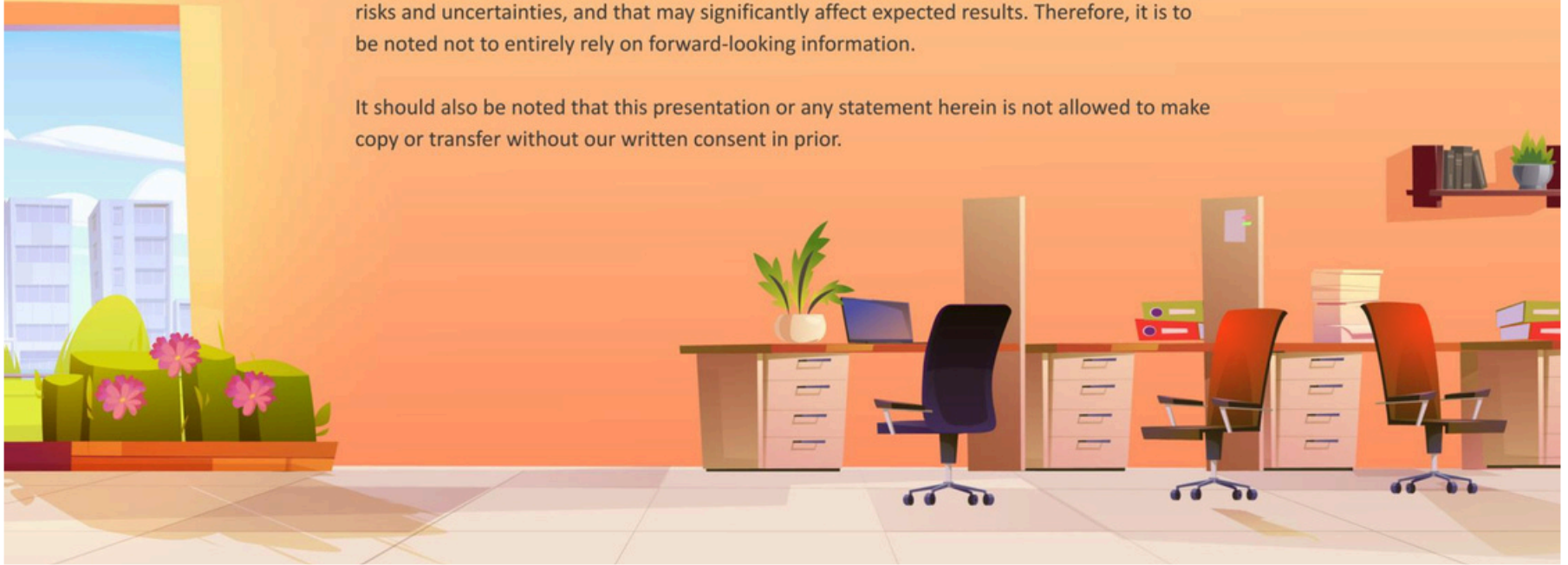
BRINGING IT TOGETHER AGM 2025



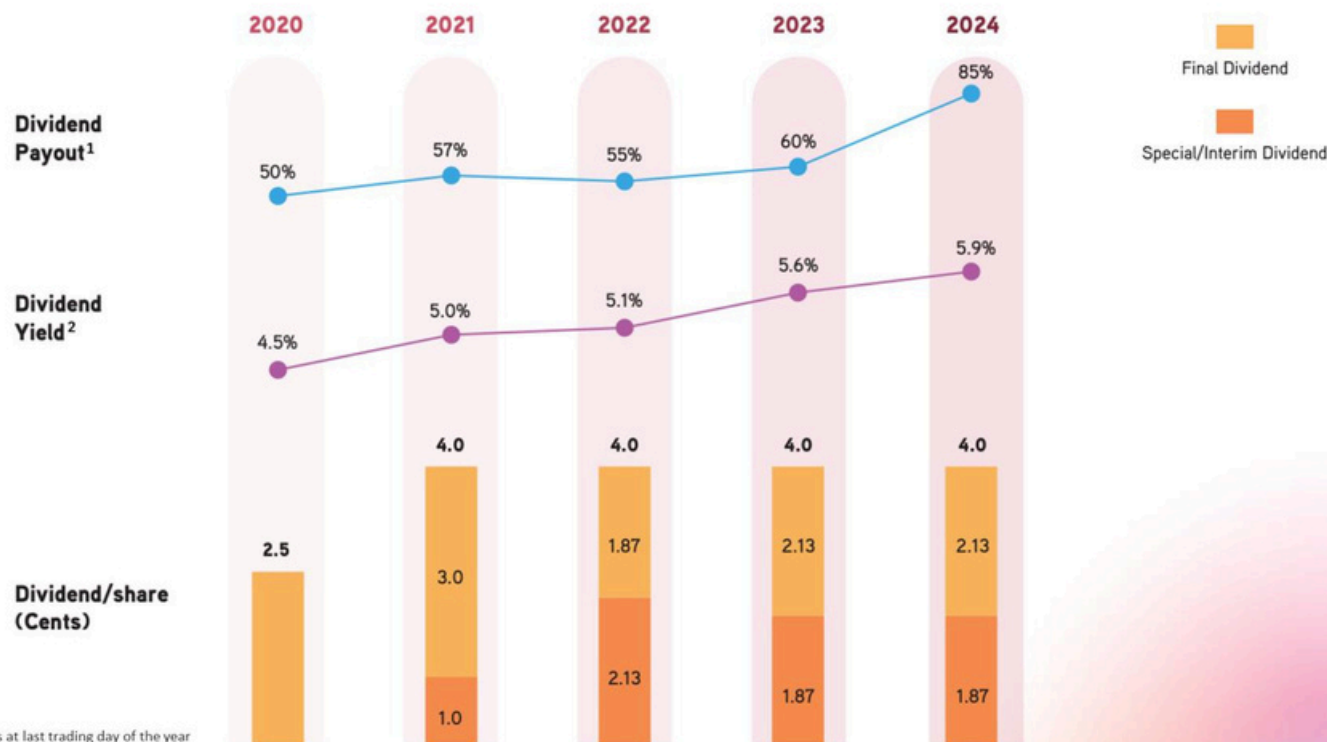
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SHAREHOLDERS' RETURNS



Upon the approval by shareholders on 25 April 2025, the final dividend of 2.13 cents per share, which represents 88.9% of our 2H2024 profits will be paid out to shareholders around mid-May. Together with the interim dividend of 1.87 cents, our total dividend of 4.0 cents per share yields close to 6% based on the recent closing prices. Despite a decline in profits last year, we chose to maintain the dividend per share.

We remain confident in our profitability and will work towards steady and progressive returns to our shareholders.

SHAREHOLDERS' RETURNS

Capital Distribution

	2024 S\$m	Future
Dividend Payout	39.2	Considering Scrip/Cash
Share Buyback	3.3	Balance of \$10.3m ¹
Total Cash Distributed	42.5	

¹ S\$0.9m buybacks from 1 January 2025 to 13 March 2025

Last year, we returned S\$39.2 million in dividends and S\$3.3 million through share buybacks— totaling S\$42.5 million which is equivalent to 86% of our free cash flow. We have S\$10.3 million remaining under the buyback mandate, which at current prices represents around 1.5% of our shares. With a free float of 19.1%, we can continue the buybacks during periods of undervaluation.

We also intend to return liquidity to the market by using our 3.3% treasury shares for M&A, employee rewards, or placements. We are exploring a future possibility for shareholders to choose scrip dividends.

Capital Allocation

	S\$'m
Working Capital	130
Share Buyback	10
M&A	170
Cash & T-Bills	≈ 311

Crises are happening more frequently nowadays. From a financial standpoint, our strong cash position of S\$311.1m in cash and short-term Singapore Treasury Bills provides confidence to our employees, suppliers, and investors.

2024 FINANCIAL HIGHLIGHTS

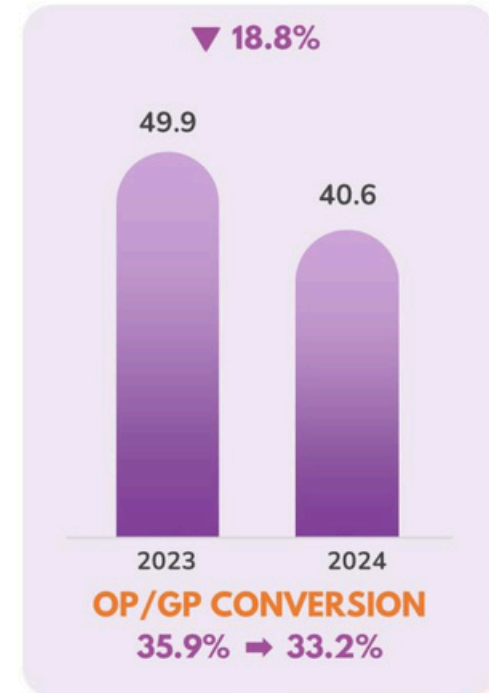
REVENUE



GROSS PROFIT



OPERATING PROFIT



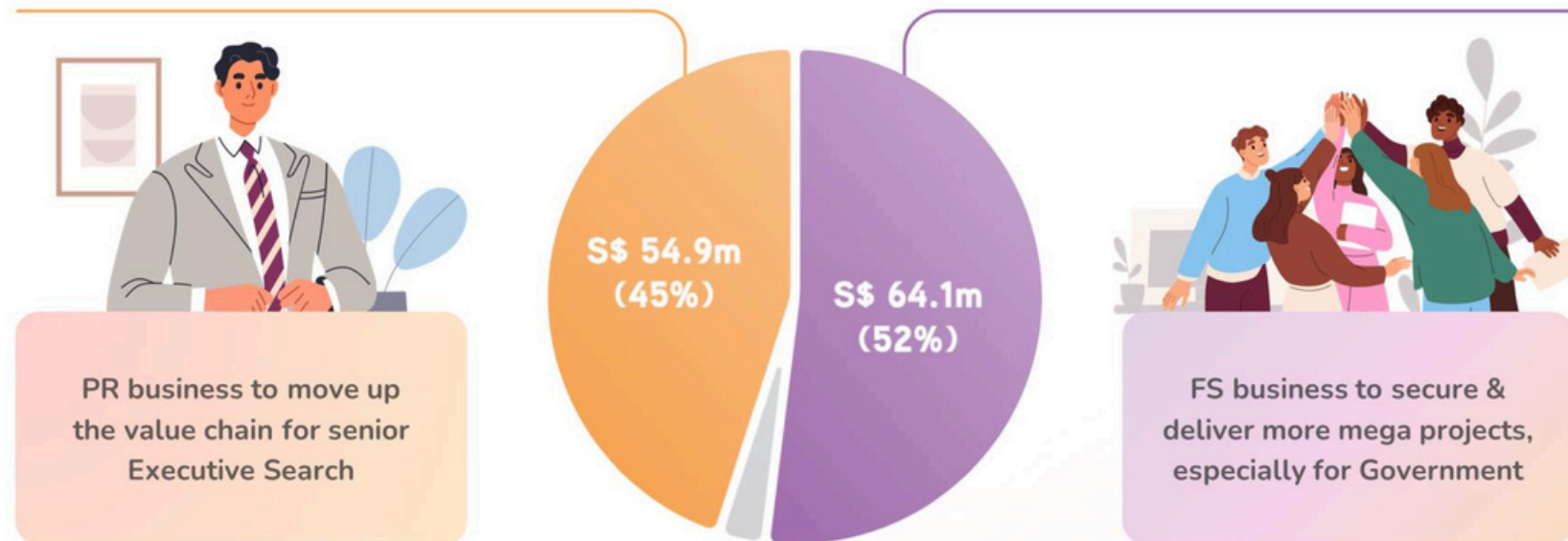
* NPAT declined 29.9% to S\$46.3m (2023: S\$66.1m) as Other Income dropped 45.0% to S\$15.4m (2023: S\$28.1m)
 • Data is presented in S\$m

Revenue stayed near constant to 2023 at S\$567.0m. Gross profit was down by S\$17m as we pivoted more to FS business to hedge the sliding PR business. FS contributed 52% of total GP compared to 50% in 2023.

Operating profits were down S\$9.3m as we reduced SG&A expenses by S\$7.4m. The benefits of the cost reduction efforts will continue to roll in for the future, including saving S\$1.6m in future rental costs through consolidation of physical offices into Collaborative Work Spaces, and S\$1.0m in non-replacement of certain senior executives that left us. Payroll costs account for 78% of our Opex and we have the advantage of pegging it to GP and profitability of each business unit to protect our bottom line. This feature will continue as our DNA in our profit-oriented compensation system. This is why we can assure shareholders of continued profitability, as we have done over the many crises we faced over the last 33 years.

BUSINESS PIVOTING

2024 Gross Profits



With our strong foundation of our twin engines PR and FS, we will do what we can control and steer ahead. For our PR business, we are experiencing increases in the number of C-level and strategic hiring in the last 4 months. We see that the substantial de-layering in various organisations has reached a point where criticality of strategic positions necessitated the hiring of fresh talents to steer our client's businesses in the light of new developments happening in the world. Hopefully, this will lift our billing value to help mitigate the effects of the drag in volume.

Our FS business continue to enjoy recurring revenue streams. At the rank and file, the preference for FS will continue. The building of key accounts for mega and government projects in Singapore, Taipei, Hong Kong S.A.R. and Mainland China will give us stability in volatile times like this.

ECONOMIC SHIFTS

Geography	GDP Growth Rate (YOY) (%)		US Tariff Rates (%) (2 Apr 2025 – 9 Jul 2025)
	2024	2025f	
Singapore	4.4	0.0-2.0	10
Taiwan	4.3	1.7	10 → 32
Mainland China	5.0	4.5	145
Hong Kong SAR	2.5	2.2	145
Malaysia	5.1	4.0	10 → 24
Indonesia	5.0	4.7-4.9	10 → 32
Japan	0.1	0.9	10 → 24
South Korea	2.0	1.5	10 → 25
Thailand	2.7	2.5	10 → 36
Vietnam	7.1	6.5-8.0	10 → 46

* April 2 2025 Liberation Day announced by US President Trump on Tariffs to end on July 8, 2025, except for China, which continues to face a 145% tariff rate.
* Sources are hyperlinked

The impact of the US tariffs announced on 2 April 2025 is still evolving. GDP growth forecasts of the countries we operate in have just been revised downwards.

Singapore is the Group's largest contributor with contribution of 66% revenue and 56% GP. The US imposed a base tariff of 10% on Singapore, compared to much higher percentages for other Asian countries.

Whilst some clients have paused immediate hiring, some are adopting a wait-and-see approach for now. It is obvious that Mainland China and ASEAN countries will want to do more business with each other.

GEOGRAPHICAL DIVERSIFICATION

	2024			
S\$'m	Revenue	%	Gross Profit	%
Singapore	375.8	66%	67.8	56%
North Asia	164.1	29%	49.3	40%
Rest of Asia	27.1	5%	5.1	4%
Total	567.0	100%	122.2	100%



Being present in 18 cities across 10 geographies, entrenched in multiple industries in both private and public sectors give us a flexible base to move with agility. Based on what we have learned in the past many economic cycles, business and people will adapt in order to survive. Trade flows will shift, supply chains will re-organise and reroute, talent supply and demand will move. Our Co-ownership model gives us assurance of our adaptability to the changing talent landscape that comes with rebalancing in trade flows.

41 BUSINESS CO-OWNERS



Being an entrepreneur means being the person who bears the risk. We wake up each morning thinking about this company, how we can do better, how we can evolve and grow, how to attract more people to join the cause. The intensity and passion, the sense of urgency, the sense of agency and the belief, that every action we take, can make a difference. In a time when Crisis is Business As Usual, our Business Co-owners are deeply invested, deeply interested, and committed to do our very best.

NEW BUSINESS CO-OWNERS



Welcome the Class of 2025 - our new cohort of Business Co-Owners joining us this year, who bring with them fresh energy, ideas, and the desire to do great things. They are strengthening our bench and bringing us to 46 Co-Owners. Congratulations Agnes, Daniel, Deborah, Grace and Mag. Deborah first joined HRnet as a fresh graduate, for Daniel, HRnet was his first job upon returning to China 12 years ago, Mag was initially a MOE teacher then a Director at the Singapore Productivity Board, Agnes is a career headhunter, whilst Grace is an alumni of American Express. All roads lead to HRnet.

NEW BUSINESS UNITS



We are working to capture more of the HR dollar by expanding our service offerings and building out our strengths as a regional platform. Hence the birth of mass manpower supply company CREW, EOR business DouDou, HR consulting expert LEAPS, semicon recruitment AllwaysHRnet, and AllwaysFirst Vietnam which Group CFO is personally sponsoring.

M&A FEATURES



What we care most about is the Management Team:

1. P.H.D stands for Passion, Hunger, and self-Discipline (note the **self in small letters**)
2. Runway in terms of the willingness and ability to stay engaged for at least 7 to 10 years

We typically have a senior executive as a Sponsor to guide new partners through integration, helping them adopt best practices and thrive within the Group.

The search is still on – as we continue to explore with business owners and co-owner wannabes in various parts of Asia and the Middle East.

CREATING VALUE FOR OUR STAKEHOLDERS



How can we keep calm and hire on, in a most unpredictable and volatile environment, when crisis is business as usual?

1. **Knowing our why** – the talent acquisition and staffing work we do is a gift that keeps on giving to our clients and candidates. For companies who acquire good talent, there will be years of value add and contributions. For candidates, joining an organisation which is a right fit makes all the difference to their careers and lives. The Economic Value we create of S\$582.4m is representative of just a snap shot in time, right at the moment of hiring. In reality the value we create is many many times that.

OUR MASTER RECRUITERS



Another key stakeholder group are our Employees, and here we work on curating an environment where our employees can thrive and do very well. Two weeks ago, at our Recruit Express' quarterly workshop we celebrated 40 Master Recruiters in Singapore who each generate gross profit in excess of S\$500k. The colleague who took the No. 1 position clocked in S\$2.6m. Last month when one of our leaders retired, she cashed out S\$1.8m. In short, the work we do is very meaningful, and it rewards well.

COLLABORATIVE WORK SPACES

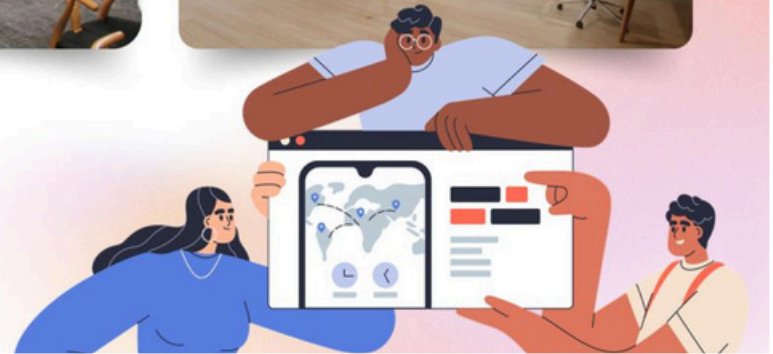
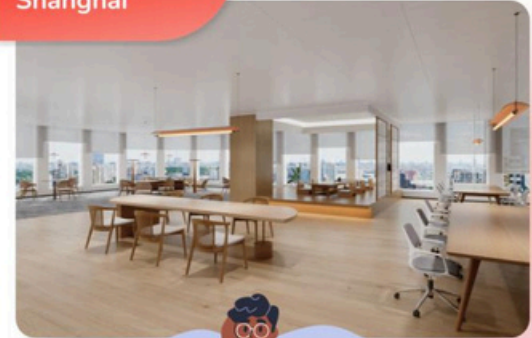
Kuala Lumpur



Hong Kong
SAR



Shanghai



2. Through Collaboration, Innovation and Passion

Our collaborative work spaces across Singapore, Kuala Lumpur, Hong Kong S.A.R., Shanghai and in a few months Jakarta are physical manifestations of a strong belief in collaboration between our brands and across geographies with the removal of silos – and the cross-selling of products to existing and new clients to capture untapped revenue streams.

UPCOMING



Jakarta



Fri, 16 May 2025
3 - 5.30 PM



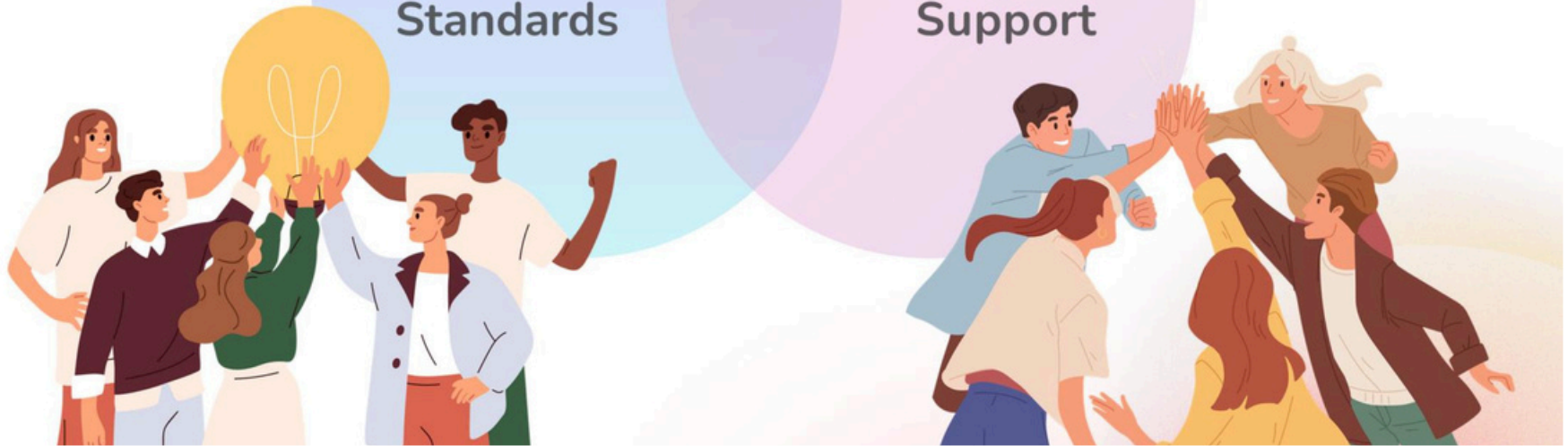
Balancing negotiation power
between employers and
candidates in 2025

HRnetGroup is a living organism, constantly evolving and innovating. Over the next 4 months, we are doing both internal training and client events across Jakarta, BKK, Singapore and KL around issues including managing 4 generations in the workplace when we don't even have 4Gens living together in households anymore, as well as compensation negotiations given that budgets today are under careful scrutiny and hiring managers are cautious. We constantly keep our finger on the pulse, won't be caught dead at Augusta whilst the market is ripping, and would never have imagined just a few years ago that Amazon, BMW and H&M would be using our workforce management technology,

A CULTURE OF

↑↑↑
High
Standards

↑↑↑
High
Support



3. A Culture of High Standards, High Support.

There is a reason why people love hiring our alumni. They have experienced doing great work, they know what quality looks like, what it takes to get there. And that is what will get us through Crisis as Business As Usual. In times of crisis, there is a flight to quality, particularly in the age of AI. That is a trend we are seeing - the winner takes all culture where fewer people are getting hired, but those who do are having to do more and are getting paid more. We will ride on that trend - seek out the best fit talents for our clients.

BLUE COLLAR WORKERS IN DEMAND

F&B

Retail

Logistics



An equal and opposite trend would be blue collar workers particularly in our home market of Singapore. People who choose to do blue collar work - frontline F&B, retail, logistics workers - are very much in demand. That is another trend we are riding on and today whether you are at Marina Bay Sands or Seng Kang Hospital, there are our Contractors working there.

OUR DIFFERENTIATORS



>Key Differentiators

Before we move on to the formal section of the AGM, let me recap why your decision to be a HRnet shareholder is such a wise one:

1. We are delivering in the region of 6% in dividend yield
2. Whilst investing in HRnet is not risk-free, we are debt-free and financially robust, with dry powder ready for when opportunities arise
3. When it comes to HR, we are the only co-owner led regional platform with boots on the ground in 18 cities across Asia, built to last for 33 years and counting.

Talent is the lifeblood of every business

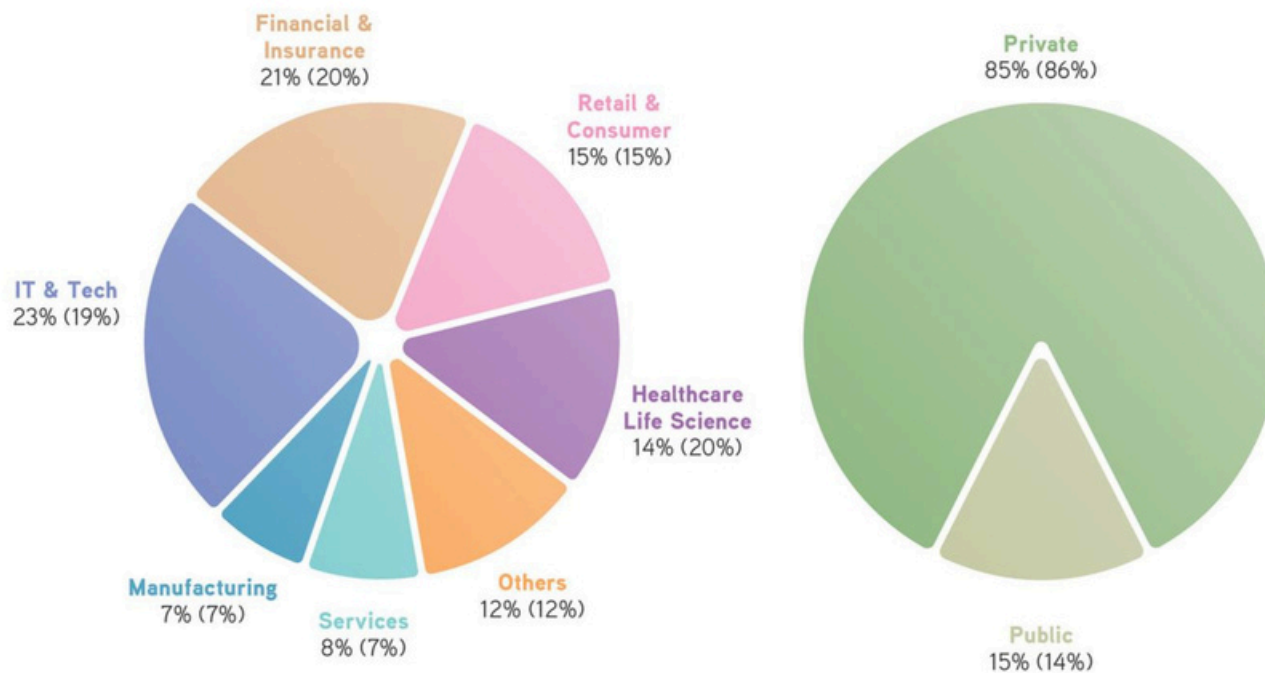


So why HR you may ask? It is a necessity. The word company originated from com and panis - people coming together to break bread. There will be no company which doesn't require manpower - as sure as the sun will rise. Every AI company, every semiconductor company, every company with any hope of making money, there is no one who doesn't need manpower. No matter what crisis strikes tomorrow, HRnet will live to hire another day, will be providing staffing services, workforce management technology, HR services. We will see you next year, and for many years to come. Thank you for your trust, and support.

THANK YOU

APPENDICES

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%

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)

STRONG BALANCE SHEET

	Group	
	31 December 2024	31 December 2023
	\$'m	\$'m
ASSETS		
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
LIABILITIES AND EQUITY		
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