

HRnetGroup

2023 RESULTS ANNOUNCEMENT

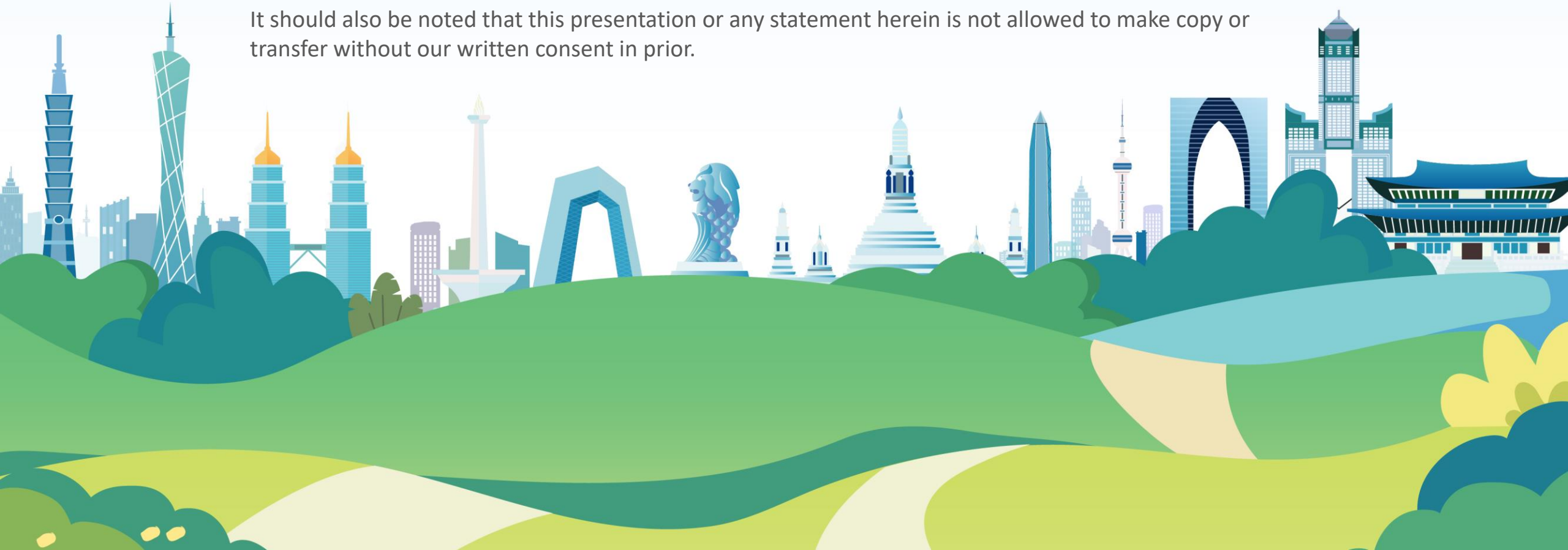
22 FEBRUARY 2024



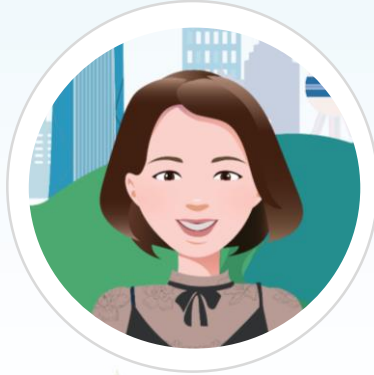
DISCLAIMER

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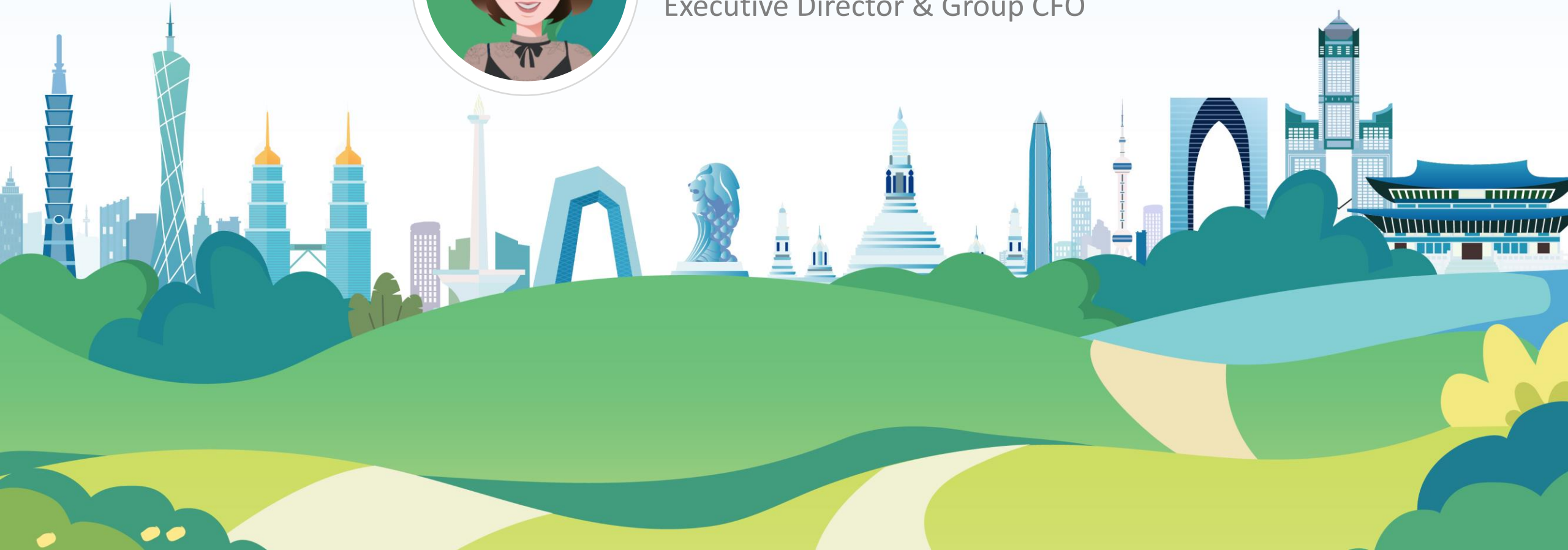
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FINANCIAL HIGHLIGHTS



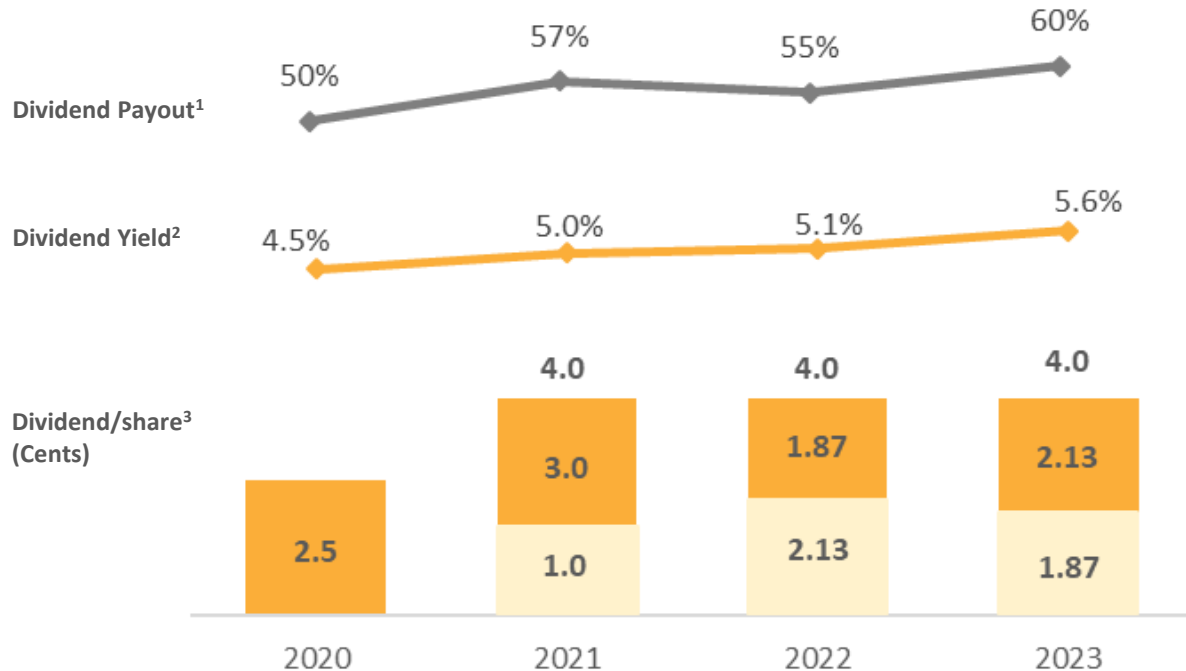
By JENNIFER KANG
Executive Director & Group CFO



2023 HAPPY SHAREHOLDER RETURNS



DIVIDENDS DECLARED



¹ Dividend/NPAT.

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

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 18.01.2024	(0.1)
Balance for further buyback	14.4

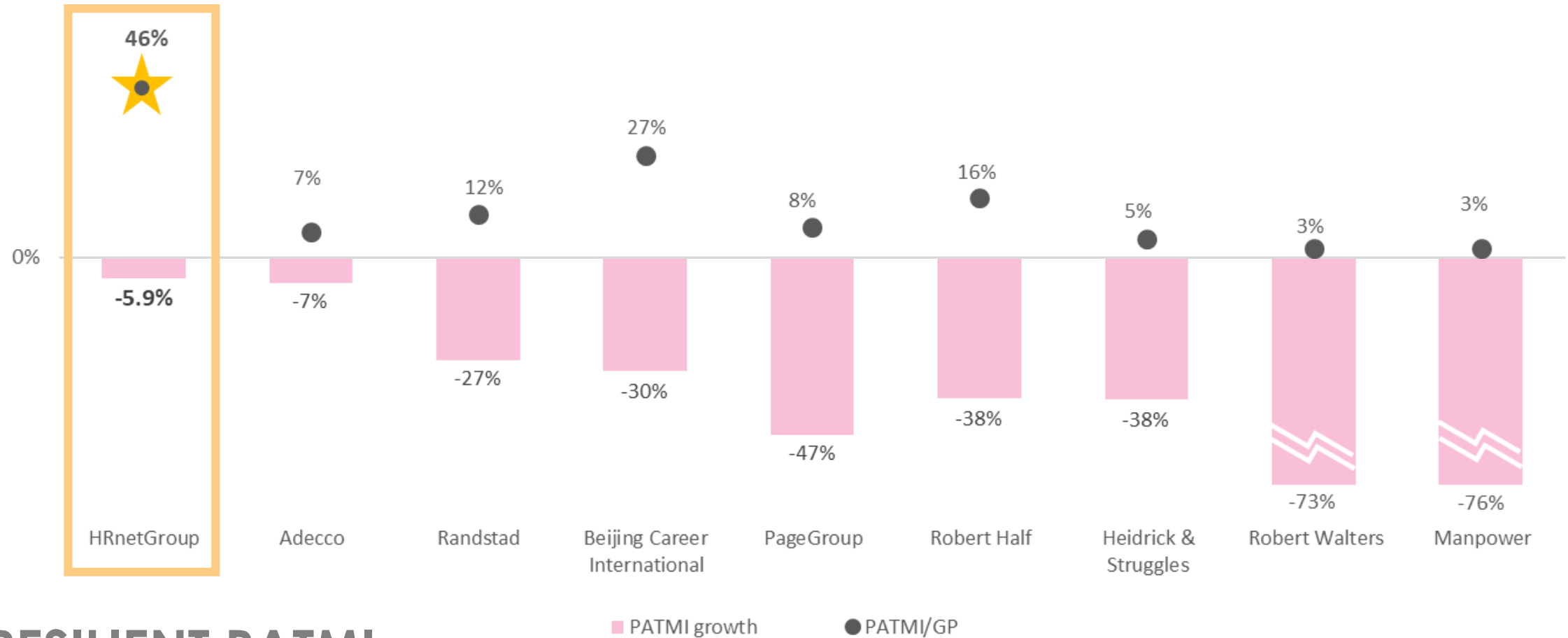
CASH TO SHAREHOLDERS

	S\$m	
Dividend Payout	36.9	
Share Buyback	5.4	
Total Cash out	42.3	= 76% FCF

2023 EARNINGS OUTPERFORMED ANALYSTS' EXPECTATIONS

			RHB	Phillip Capital	DBS	MAYBANK	CGS-CIMB
	2023A	Analysts Consensus Estimate	2023F	2023F	2023F	2023F	2023F
S\$m							
NPAT	66.1	61.0	64.0	63.6	58.4	58.7	60.3
PATMI	63.6	57.6	62.0	59.1	54.5	55.2	57.0
EPS (cent)	6.44	5.76	6.00	5.99	5.50	5.60	5.70
Date of last report			31-Oct-23	13-Aug-23	28-Jun-23	13-Aug-23	11-Aug-23
Analyst Recommendation			BUY	BUY	HOLD	HOLD	HOLD
Target Price S\$			0.91	0.88	0.86	0.80	0.80

SUPERIOR CONVERSION RATIO

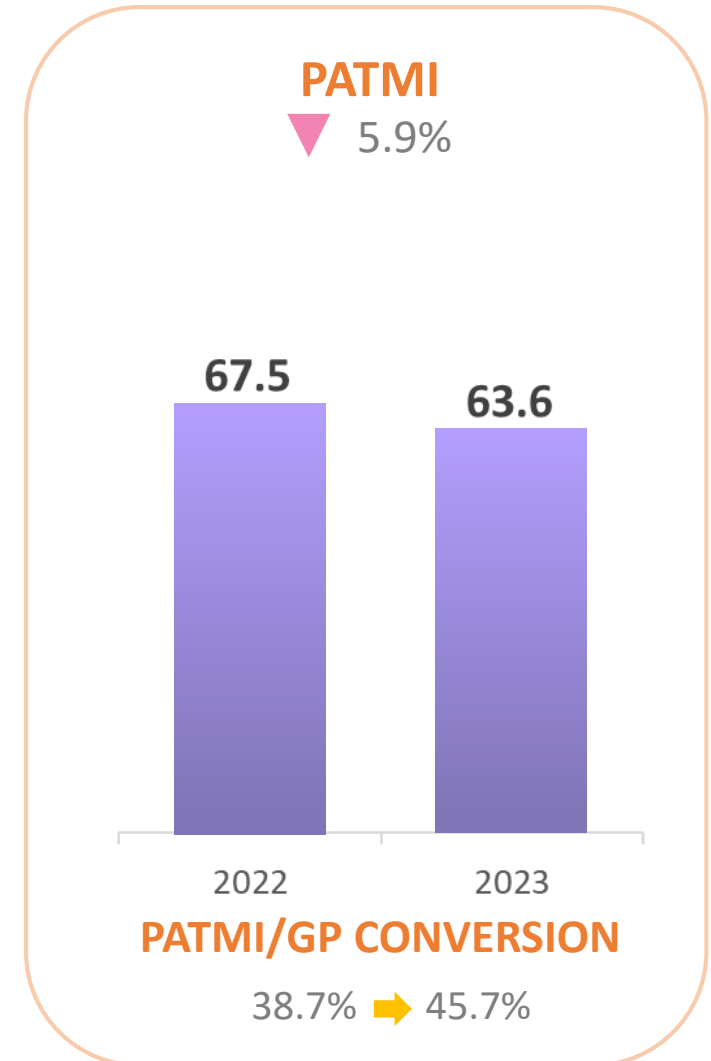
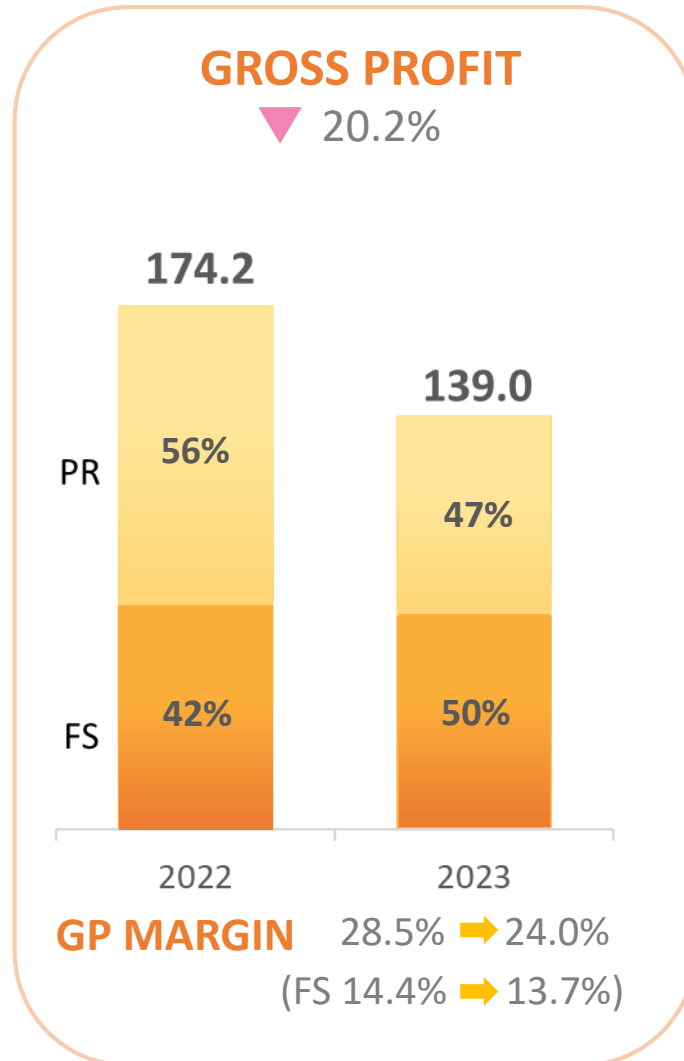
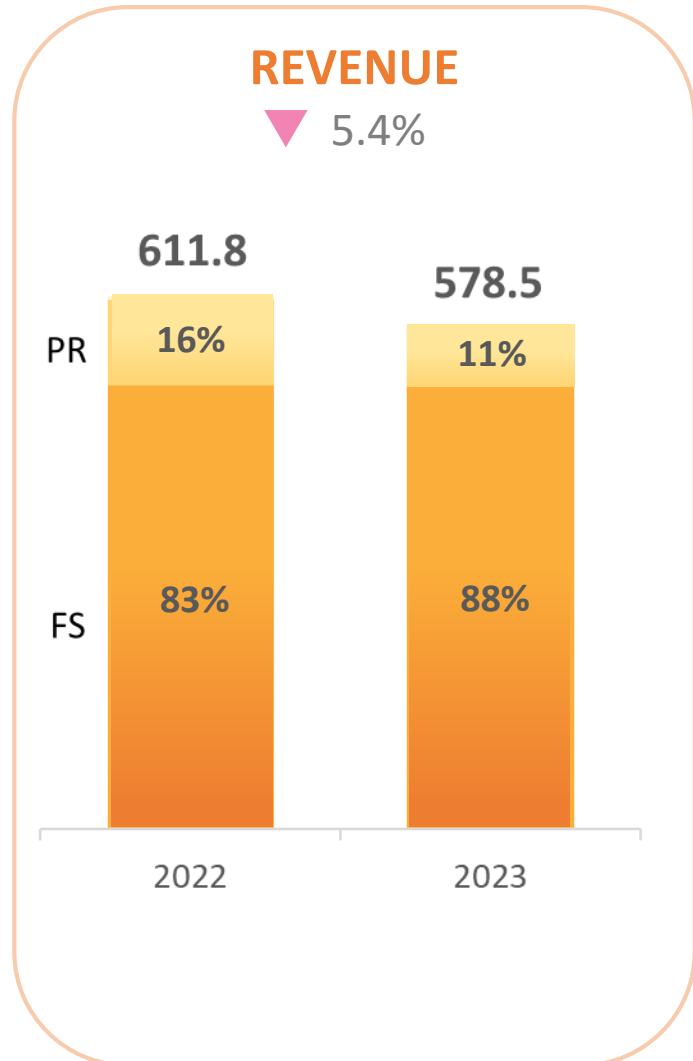


RESILIENT PATMI

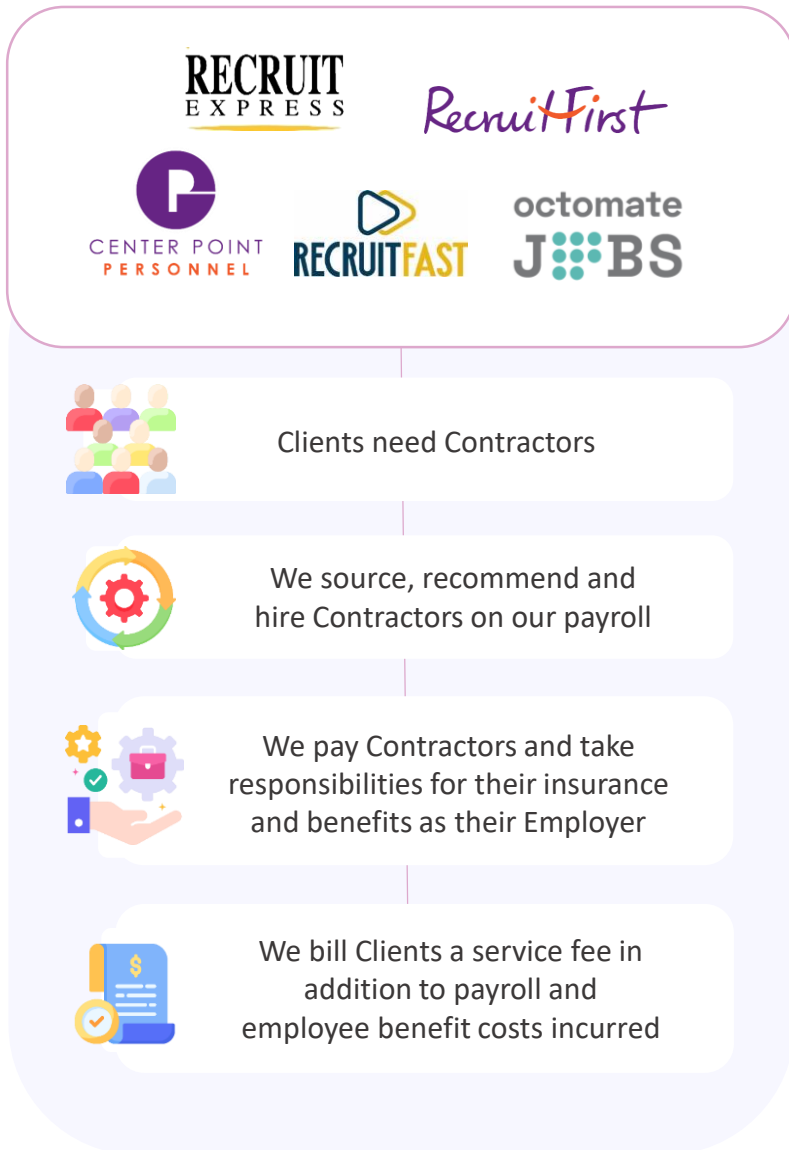
*Source: Company data

2023 KEY FINANCIALS

S\$m

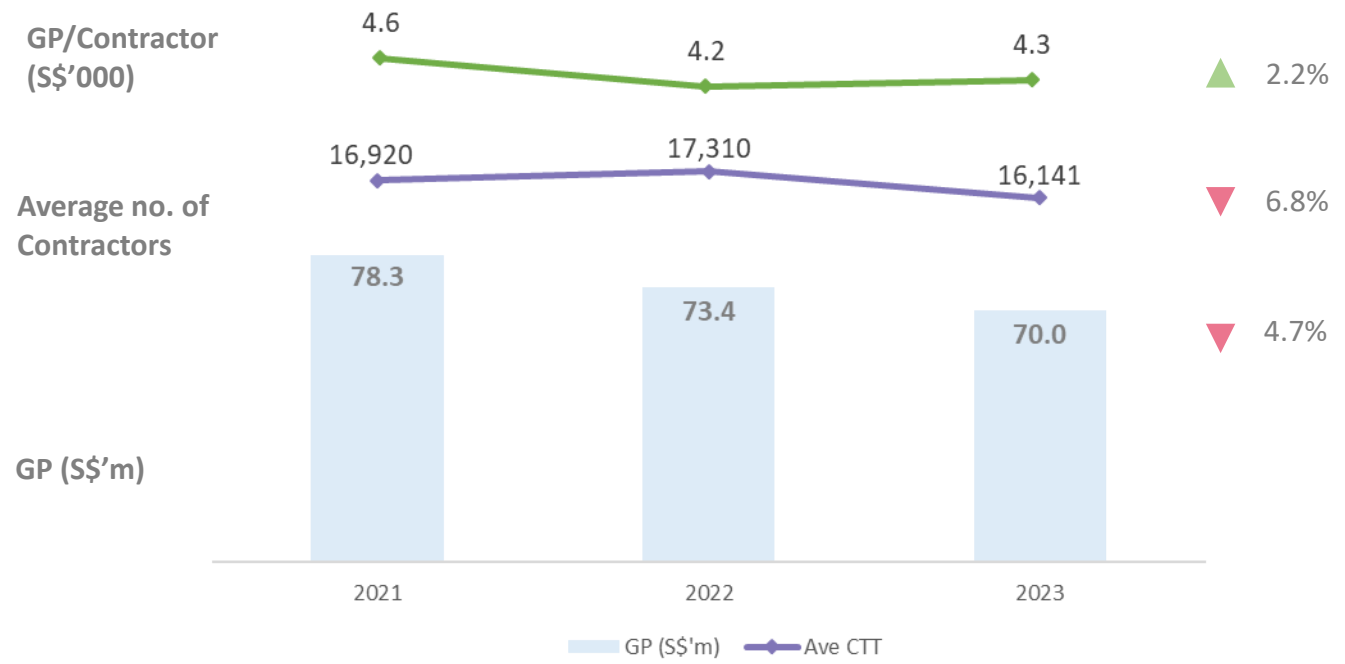


2023 FS BUSINESS DYNAMICS



FLEXIBLE STAFFING

REVENUE	GP	GP MARGIN	Unique No. of Contractors
\$508.9m	\$70.0m	13.7%	47,138
▼ 0.2%	▼ 4.7%	▼ 0.7% pts	▼ 15.8%



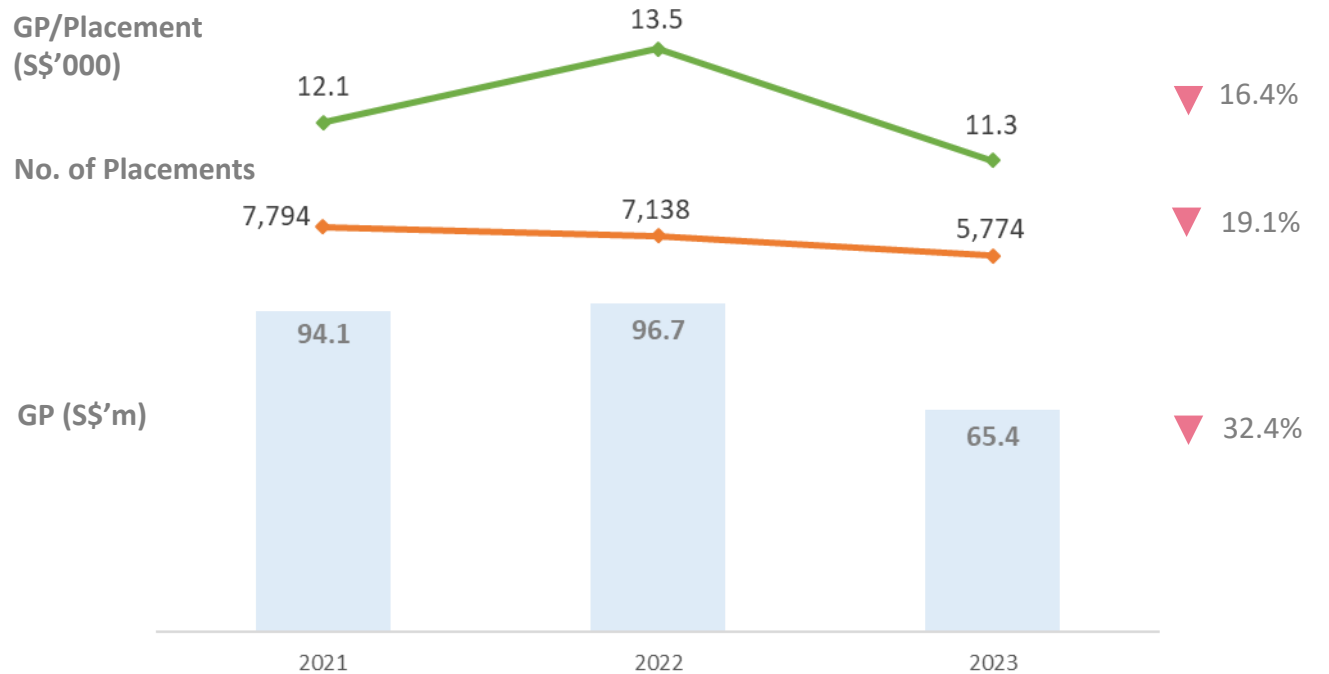
2023 PR BUSINESS DYNAMICS

HRnetOne HRnetRimbun
 PeopleSearch PeopleFirst
 SEARCHASIA RECRUITLEGAL
 MANAGING CAREERS PROCURING TALENT MANAGING LEGAL CAREERS PROCURING LEGAL TALENT
 REFORCE
 RECRUITMENT EXPERT FORCE

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

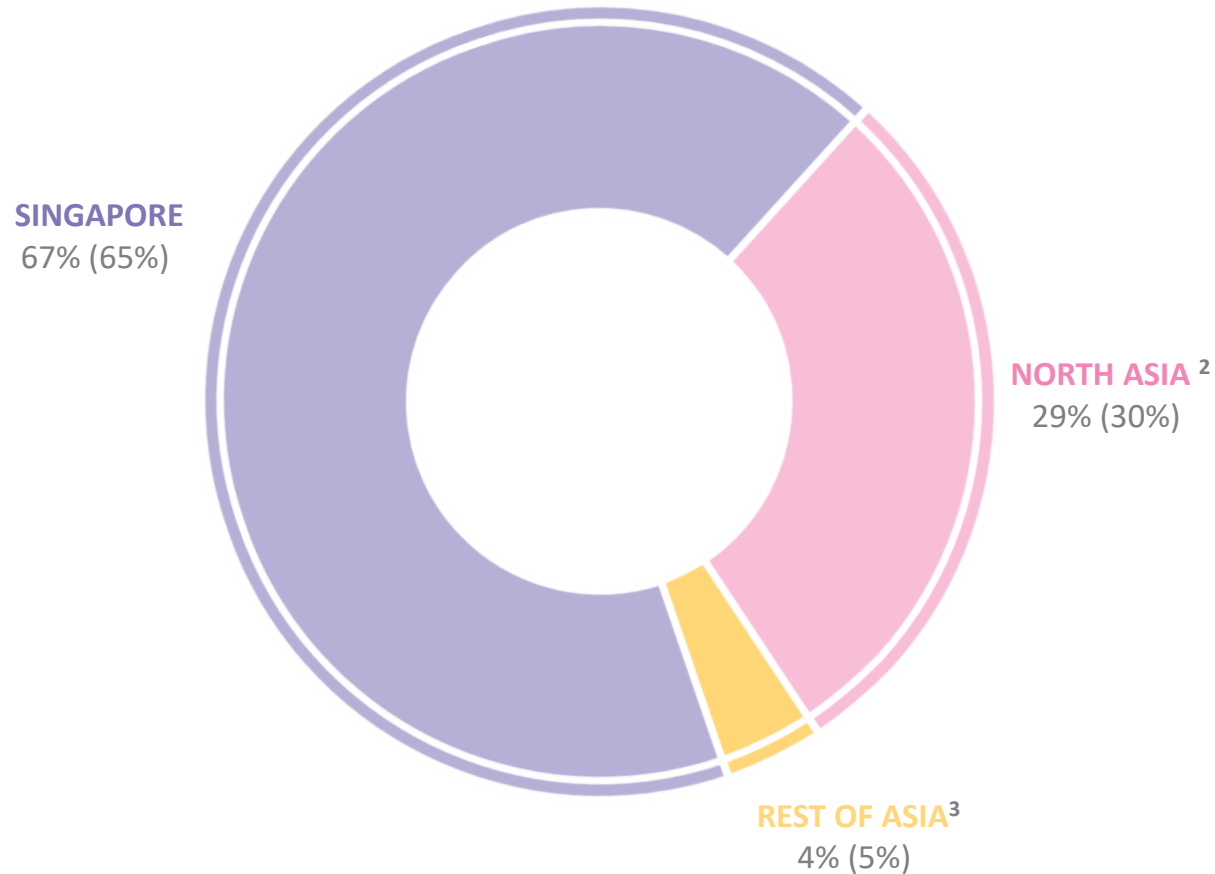
PROFESSIONAL RECRUITMENT

REVENUE	GP	GP MARGIN	PLACEMENTS
S\$65.5m	S\$65.4m	99.8%	5,774
▼ 32.5%	▼ 32.4%	▲ 0.2% pts	▼ 19.1%

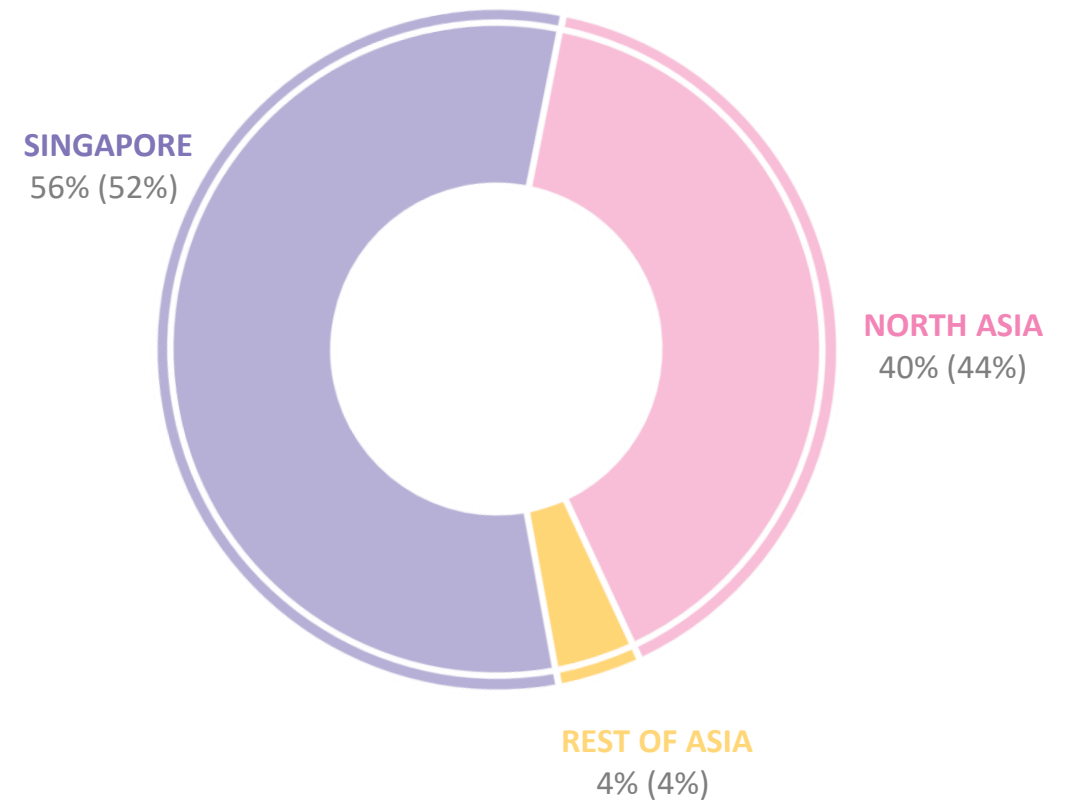


2023 GEOGRAPHY MIX

REVENUE



GROSS PROFIT

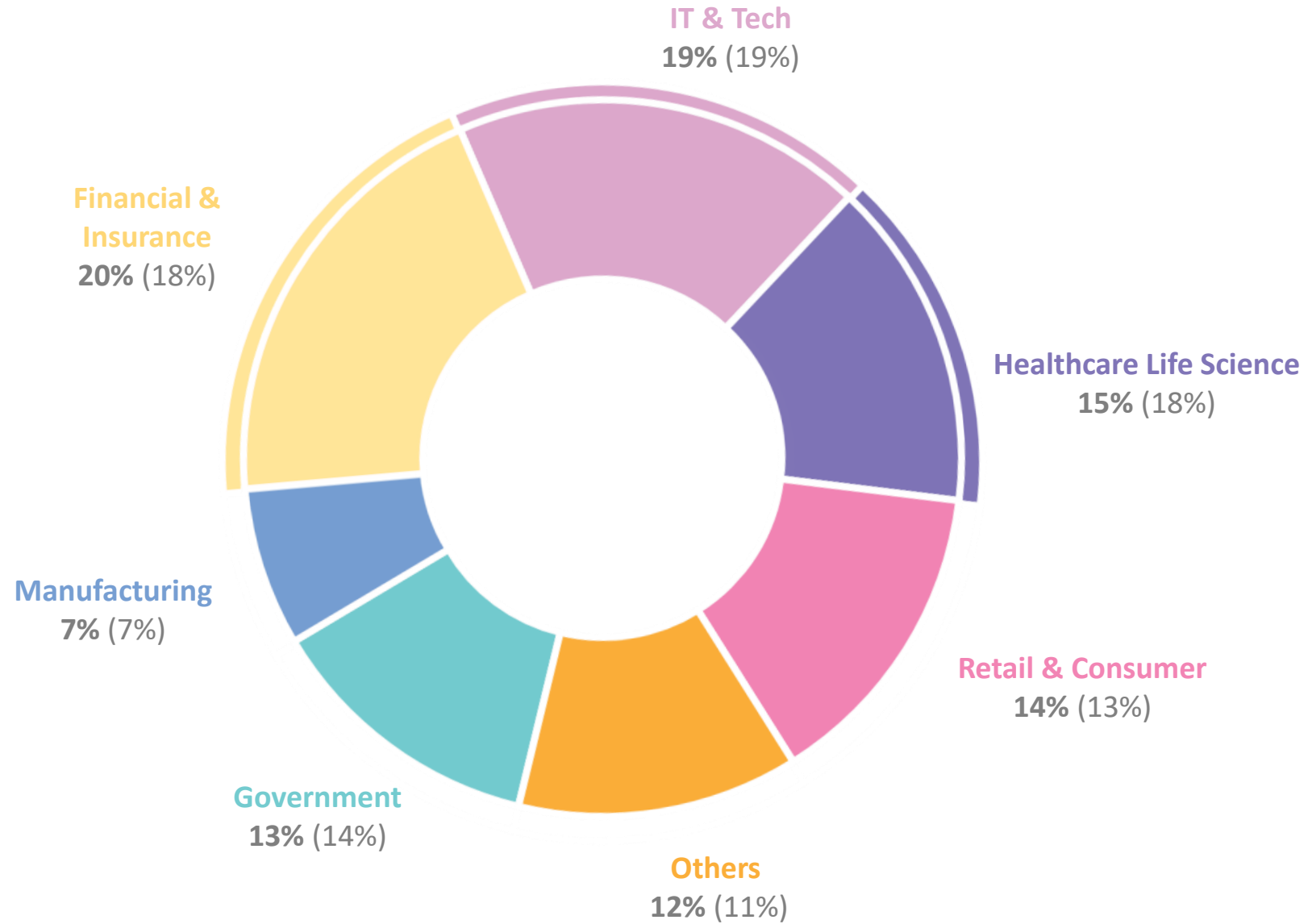


¹ 2022 figures in brackets.

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.

2023 SECTOR DYNAMICS



*2022 figures were restated in brackets.

2023 DIVERSIFIED CLIENT BASE

Our **Top 5** clients have been with us for an average of **17** years

	Customer since	2023 Revenue Contribution
1. Client (Financial & Insurance)	2000	4.4%
2. Client (Financial & Banking)	2004	3.4%
3. Client (Healthcare)	2006	2.8%
4. Client (Retail & Consumer)	1999	2.4%
5. Client (IT services)	2021	1.9%
Contribution from Top 5 clients		14.9%
Contribution from Top 10 clients		23.0%

2023 OTHER INCOME

	2023	2022	Change	
	S\$'m	S\$'m	S\$'m	%
Reversal of trade related accruals	9.3	14.8	(5.5)	(37.2)
Government subsidies	9.2	7.0	2.2	32.7
Interest income	6.9	2.7	4.2	153.7
Dividend income	0.8	0.9	(0.1)	(10.4)
Gain on disposal of investments	-	0.9	(0.9)	(100.0)
Net fair value gain/(loss) on financial assets*	1.4	(6.6)	8.0	121.6
Others	0.5	0.3	0.2	65.4
Total	28.1	20.0	8.1	40.6

*Mainly marketable securities in the HR space

2023 GOVERNMENT SUBSIDIES

S\$'m

	Categories	2022	2023	2024	2025	2026
SG	WCS ¹	3.8				
	PWCS ²		7.3	To receive	To receive	To receive
	JGI ³	1.4	1.2			
	SEC, EEC, CTO ⁴	0.3	0.5	To receive	To receive	To receive
HK, CN, SG	Others ⁵	1.5	0.2			
TOTAL		7.0	9.2			

¹ [Wage Credit Scheme](#) : Government co-funding 15% wage increase for monthly wage ≤S\$5k

² [Progressive Wage Credit Scheme](#) : Government co-funding up to 75% wage increase for the 1st tier (≤ S\$2.5k monthly wage) and up to 45% for 2nd tier (≤ S\$3k monthly wage)

³ [Jobs Growth Incentive](#) : Incentive for increase in overall local workforce and increase in local employee’s monthly earning ≥\$1.4k

⁴ [Senior Employment Credit](#) : Government subsidy of up to 8% for hiring employees of age ≥55 - 60 years, up to monthly wage of S\$4k

[Enabling Employment Credit](#) : Government subsidy of up to 20% for monthly wage of <S\$4k, with disabilities of age ≥13 years

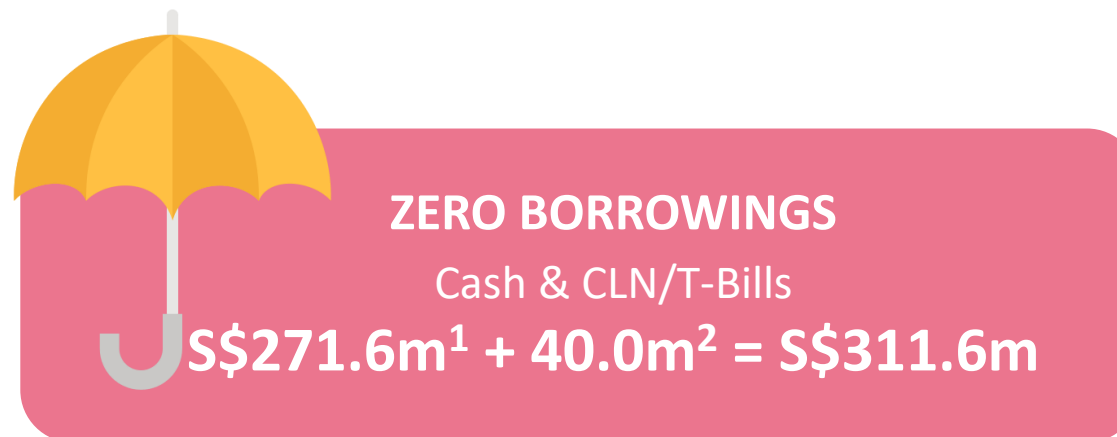
[CPF Transition Offset](#) : 50% of each year's increase in employer CPF contribution rates for aged from 55 – 70

⁵ 2022 included Covid-related subsidies

SOLID FINANCIAL PERFORMANCE

	Year ended 31 December			
	2023	2022	Change	
	\$'m	\$'m	\$'m	%
Revenue	578.5	611.8	(33.3)	(5.4)
Direct Costs	(439.5)	(437.6)	(1.9)	0.4
GP	139.0	174.2	(35.2)	(20.2)
Other income	28.1	20.0	8.1	40.6
SG&A				
Employee Benefit Expenses	(71.1)	(87.9)	16.8	(19.1)
Facilities & Depreciation	(10.8)	(11.5)	0.7	(5.8)
Others	(7.1)	(8.0)	0.9	(11.0)
	(89.0)	(107.4)	18.4	(17.1)
PBT	78.0	86.8	(8.7)	(10.1)
Tax	(12.0)	(14.3)	2.3	(16.4)
NPAT	66.1	72.5	(6.4)	(8.8)
PATMI	63.6	67.5	(4.0)	(5.9)
EBITDA	79.5	93.1	(13.6)	(14.6)
EPS (cents)	6.44	6.75	(0.31)	(4.6)

2023 STRONG CASH, BENEFITED FROM INTEREST HIKES



NET OUTFLOW OF S\$13.0M:

OPERATING

+ S\$57.6m

- S\$77.3m operating cashflow
- S\$(19.7m) working capital changes & tax payments

INVESTING

- S\$17.7m

- S\$(14.1m) net purchase of CLN/T-Bills
- S\$(0.2m) purchase of other financial assets
- S\$(2.0m) investing in gold certificates
- S\$(1.4m) Capex & others

FINANCING

- S\$51.4m

- S\$(38.9m) dividends paid
- S\$(6.5m) repayment of lease liabilities
- S\$(5.4m) share buyback
- S\$(0.6m) others

FOREX

- S\$1.5m

Effect of foreign exchange rate changes on Cash & Cash equivalents

¹ Cash & Cash equivalents

² CLN/T-Bills : Credit Linked Notes (CLN) are DBS issued notes with Monetary Authority of Singapore (MAS) bill as credit underlying, while T-bills are short-term Singapore Government Securities (SGS) issued by MAS

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	9.1
Start-up of subsidiaries	9.9
IPO related expenses	9.1
Balance pending deployment	42.7
Total IPO Proceeds	174.1

EARMARKED FOR 2024 :

Investment in AllwaysHRnet in China	1.0
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MOVEMENT	Amount S\$m
As at 1 January 2023	129.9
Investment in new subsidiaries - RFKR & RFF & OSS ¹	1.3
Additional investments in Staffline (FVTPL)	0.2
As at 31 December 2023	131.4

¹ Including RecruitFirst Korea Inc. (RFKR) announced on 10 Feb 2023, RecruitFast (Shanghai) Limited (RFF) announced on 12 Apr 2023 & Octomate Staffing Pte Ltd announced on 19 Dec 2023.

OUTLOOK – GDP & INFLATION



Geography	Real GDP ¹ Growth Rate	
	2023e	2024f
● Indonesia	5.0	5.0
● Mainland China	5.2	4.6
● Thailand	2.5	4.4
● Malaysia	3.8	4.3
UAE	3.4	4.0
● Taiwan	1.4	3.4
● HK SAR	4.4	3.2
● S. Korea	1.4	2.3
● Singapore	1.2	2.1
US	2.5	2.1
● Japan	1.9	0.9
UK	0.5	0.6

Sources: National Statistics of respective countries, IMF



STRONG FINANCIALS 2023

- Revenue S\$578.5m
- Gross Profit S\$139.0m
- PATMI S\$63.6m. FCF S\$76.0m
- Cash/CLN/T-Bills S\$311.6m, zero borrowings



INFRASTRUCTURE TO SCALE

- 1,032 people, 36 Business Units, 43 offices, 17 Asian cities
- 15 brands with product & service differentiation
- Systems, processes, digital infrastructure



DIVIDENDS & SHARE BUYBACK

- Dividend : Interim 1.87 cts, Final 2.13 cts. 5.6% yield
- 60% Dividend Payout



CO-OWNERS BUILD TO LAST

- Co-Ownership model with 40 business leaders
- M&A profit accretive & successful integration

ORGANISATION & OUTLOOK



By ADELINE SIM

Executive Director & Chief Corporate Officer

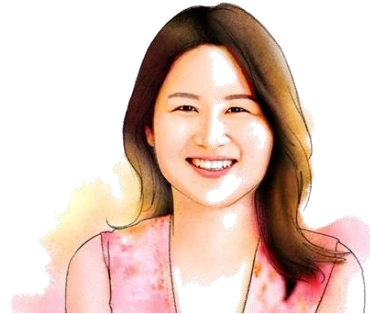


OUR INTERNATIONAL BOARD WITH TALENT EXPERTISE



JENNIFER KANG

Executive Director &
Group CFO



ADELINE SIM

Executive Director &
Chief Corporate Officer



PETER SIM

Executive Director
& Founding Chairman



JS SIM

Executive Director,
CEO of Recruit Express



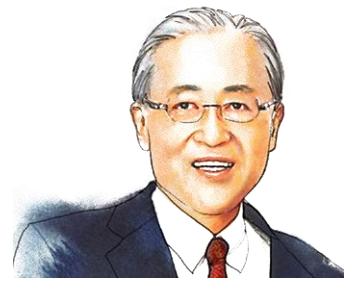
MAE HENG

Lead Independent Director,
Chairman of Audit Committee
& Remuneration Committee



PONG CHEN YIH

Independent Director,
Chairman of Nominating Committee,
Member of Audit Committee &
Remuneration Committee



HANK SATO

Independent Director,
Member of Audit Committee



WALLACE GAO

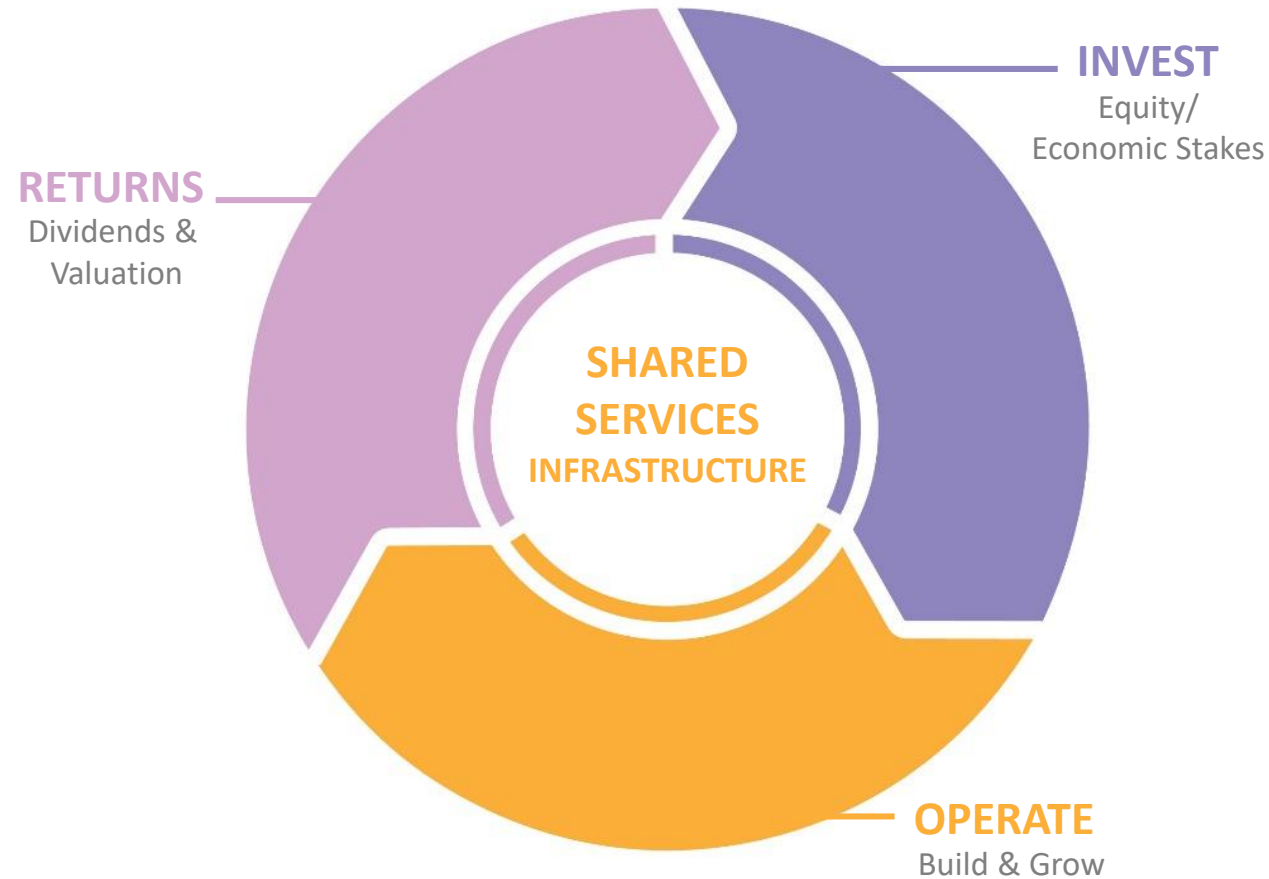
Independent Director,
Member of Remuneration Committee



ALBERT ELLIS

Independent Director

CO-OWNERSHIP OPERATING MODEL



OUR 40 BUSINESS LEADER CO-OWNERS

propelled growth across 17 Asian cities, 43 offices and 36 Business Units over the last 31 years.

NET INCREASE FROM 6/2017 IPO – 12/2023

- 18 Business Leader Co-owners from 22 to now 40.
- 11 new Business Units established.

SKIN IN THE GAME

- Organic Business Units powered by pioneer and key business leaders.
- Inorganic Business Units welcomed co-owners to stay on and tap onto the infrastructure of shared services & infrastructure.

40+4 BUSINESS LEADER CO-OWNERS

HRnetOne

PeopleSearch

PeopleFirst



ADRIAN CHIA
Shanghai



ANGELA KWAK
Seoul



ASAKO YOSHII
Tokyo



BLISS TSAI
Guangzhou



CATHERINE YEOW
Thailand & Singapore



FRANCES LI
Shenzhen



LORENCZ TAY
Singapore/Shanghai/
Hong Kong SAR /Taipei/Tokyo



JARED NG
Hong Kong SAR



KUNG SHIH CHAN
Shanghai



PING CHEN
Taipei



STEVEN LIM
Taipei



LEE MEI CHIN
Kuala Lumpur



KAREN KOH
Hong Kong SAR



MADELINE WAN
Greater China & Japan



MAVERICK TAN
Guangzhou &
Shenzhen



MIRANDA CHIN
Taipei



RUBBY LIM
Jakarta

octomate

octomate
JOBS

RecruitFirst



ZOEY TONG
Singapore



AVIEL SIM
Singapore/ Hong Kong SAR
/Kuala Lumpur



ANNIE ZHANG
Shanghai



BENNY ZHANG
Taipei



DEBBY LIM
Jakarta

REFORCE
RECRUITMENT EXPERT FORCE

RECRUITFAST



AMELIA MA
Chengdu



BEN PENG
Shanghai



BOWEN NI
Chengdu



WILL YAN
Beijing



RITA DONG
Shanghai



JOYCE LI
Shanghai



JACELYN CHUA
Singapore



KATHERINE CHOW
Hong Kong SAR



KELVIN RIMBUN
Jakarta



LEE CHUNG
Taipei



DAIKI DAI
Chengdu



FIONA FENG
Beijing



GLORIA JIANG
Guangzhou



VIRGIN SHEN
Shanghai



VIRGINIA ZHANG
Guangzhou



YUKI ZHU
Shanghai

RECRUIT
EXPRESS



VICKI ONG
Taipei



KHIM GOH
Kuala Lumpur

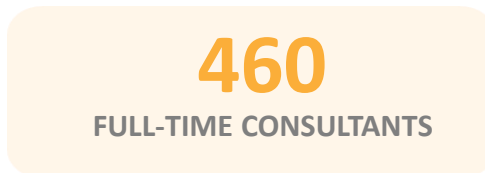
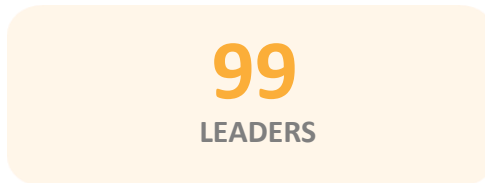
EXPANSION OF SALES CAPACITY



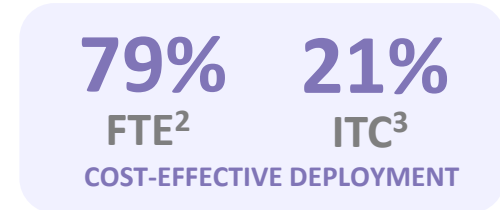
SALES PRODUCTIVITY



FULL-TIME EMPLOYEES²



GROWTH CAPACITY



¹ PHC: Productive Heartcount (Sales employees that generate GP ≥ 3x payroll cost)

² FTE : Full-time employees

³ ITC : Interns, Trainees, Contractors

ALLWAYSHRNET: A SEMICON RECRUITMENT JOINT-VENTURE IN CHINA



- Professional recruitment and RPO¹ in Mainland China since 2009
- 4 Co-owners with engineering backgrounds and rich industry experience
- Semicon specializations
 - IC Design
 - EDA/IP²
 - Wafer Manufacturing
 - Packaging and Testing
 - Semiconductor Equipment
 - Semiconductor Materials
 - IDM³

¹ Recruitment Process Outsourcing

² Electronic Design Automation/Intellectual Property

³ Integrated Device Manufactured



ORGANIC

Startups

- Market readiness
- People willingness
- Invest personally
- Build business
- Cultivate team

RecruitFirst
Hsinchu/Seoul

REFORCE
RECRUITMENT EXPERT FORCE
Shenzhen/Xi'an



INORGANIC

M&A

- Likeminded entrepreneurs
- Continue to own a substantial stake
- Synergies
- Profit accretive
- Earned out mechanism

allwaysHRnet



COMBO

Post-M&A New Ventures

- Joining forces with co-owners
- Good integration experience
- Startup readiness & willingness

RECRUITFAST

octomate
JBS

PRODUCTIVE WORKFORCE

GP / Sales
Employee (S\$'000)



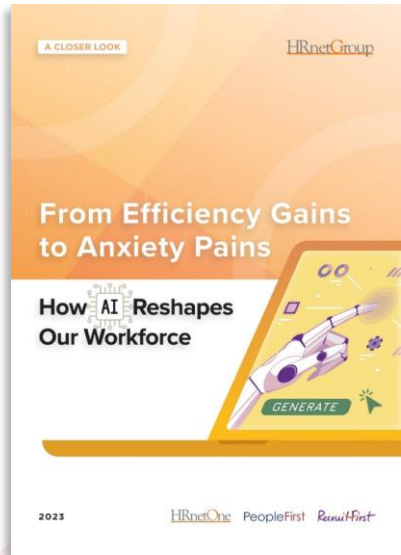
	2021	2022	2023
PHC (#)	472	427	335
% PHC	70	63	56
Singapore	88	84	73
North Asia	61	54	48
Rest of Asia	63	65	53
% of Sales Employees	81	78	75

CO-WORKING HUBS

We are transforming our workspace into a multi-brand co-working hubs. With newly renovated, vibrant spaces, we're fostering closer collaboration and synergy among our consultants while saving costs by housing multiple brands under one roof. Our vision for this space goes beyond just a place to work – it's a versatile, multi-use environment that adapts to our needs, from meetings and events to games and parties!



TREND REPORTS & THOUGHT LEADERSHIP



- The advantages of AI-driven automation for businesses
- The impact on employers and employees
- Insights from our leaders
- Solutions and implementation ideas for employers and employees



SCAN TO READ



- Researching the company
- How to dress to impress
- Techniques to answer interview questions & handling difficult questions
- Online interview tips



SCAN TO READ



- Analysis of the evolving talent market demands
- Sourcing, supply chain, retail, healthcare & HR
- Talent mobility trends
- Actionable strategies to overcome



SCAN TO READ

SURVEY: Taiwanese Professionals' Perspectives on Working Abroad



- Key factors influencing relocation readiness
- Preferred destinations
- Ranking of individuals open to relocation
- Interest in overseas assignments
- Strategies to boost willingness for international moves



SCAN TO READ

2023 Taiwan FMCG Talent Trend Report



- Importance of ongoing digital transformation
- Emerging pipelines and product categories
- Competition between MNC and local brands
- The disruption of traditional e-commerce by new companies.
- Talent trends, recruitment strategies, and compensation guide



SCAN TO READ

CIIE: China International Import Expo



HRnetGroup was invited by the Singapore Business Federation to join the 6th China International Import Expo.

CIIE is part of China's effort to increase imports, improve trade balance, and foster an environment of open market access for global businesses.

Our participation at CIIE included a speaking slot along with a livestream and a visit by Minister Low Yen Ling.

HRoot: Human Capital Forum



On September 15th, HRnetGroup participated in the 2023 Human Capital Forum hosted by HRoot, a prestigious event in the HR industry. This event saw over 800 senior HR professionals coming together to discuss and share insights on human capital management.

Our Group Business Leader Madeline, was invited to serve as a judge for the HRoot Human Resources Award.

Taiwan Talent Market Trends



This webinar provided insights into the evolving landscape of Taiwan's talent market, focusing on current trends and future prospects for human resource in the region.

AWARDS

HRnetGroup

Best Managed Companies 2023 by Deloitte Private (2nd year) - June



Octomate

Inaugural ACE Startup Awards



PeopleSearch Shanghai

2023 Shanghai Government Talent Scout Award



RecruitFirst Hong Kong

QR Star Supporter by The Government of the Hong Kong Special Administrative Region of the People's Republic of China



HRnetOne Shanghai

2023 Shanghai Changning District Talent Development Special Award



HRnetOne, PeopleSearch, RecruitFirst, RecruitExoress

2023 Grade A Accreditation by the Taipei City Government



SINGAPORE



Community engagement

HONG KONG



Blood Donation

HONG KONG



Food rescue & redistribution

SHANGHAI



Walkathon to raise funds for elderly individuals

KUALA LUMPUR



Blood Donation

TAIPEI



Blood Donation



Mountain Clean up



Food & goods donation



Community engagement

APPENDIX A - STRONG BALANCE SHEET

	Group	
	31 December	31 December
	2023	2022
	\$'m	\$'m
ASSETS		
Current assets		
Cash and cash equivalents	271.6	284.6
Trade receivables	94.5	99.8
Other receivables and prepayments	6.9	7.0
Other assets	3.3	1.1
Other financial assets	61.8	46.6
Total current assets	438.0	439.1
Non-current assets		
Pledged deposits	1.2	1.0
Plant and equipment	2.1	1.5
Right-of-use assets	10.1	9.6
Other intangible assets	1.7	1.3
Goodwill	5.9	5.9
Other financial assets	19.2	24.0
Deferred tax assets	1.6	1.4
Total non-current assets	41.9	44.9
Total assets	479.9	484.0

	Group	
	31 December	31 December
	2023	2022
	\$'m	\$'m
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	8.8	8.2
Other payables and accruals	57.5	76.7
Lease liabilities	5.3	5.5
Income tax payable	9.7	10.7
Total current liabilities	81.3	101.0
Non-current liabilities		
Deferred tax liabilities	0.5	0.4
Lease liabilities	5.2	4.4
Total non-current liabilities	5.7	4.8
Capital, reserves and non-controlling interests		
Share capital	260.6	260.6
Treasury shares	(19.7)	(14.5)
Equity reserve	(47.2)	(47.4)
Investments revaluation reserve	(51.7)	(46.4)
Translation reserve	(4.2)	(2.7)
Retained earnings	238.7	212.1
Equity attributable to owners of the Company	376.6	361.8
Non-controlling interests	16.3	16.4
Total equity	392.9	378.2
Total liabilities and equity	479.9	484.0

HRnetGroup

THANK YOU!



HRnetGroup

2023 RESULTS ANNOUNCEMENT

JENNIFER KANG

Group CFO
& Executive Director

ADELINE SIM

Chief Corporate Officer
& Executive Director

