
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 7, 2021

HUDSON GLOBAL, INC.
(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction
of incorporation)

000-50129
(Commission
File Number)

59-3547281
(I.R.S. Employer
Identification No.)

53 Forest Avenue
Old Greenwich, CT 06870
(Address of Principal Executive Offices)

Registrant's telephone number, including area code (203) 409-5628

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.001 par value	HSO	The NASDAQ Stock Market LLC
Preferred Share Purchase Rights		The NASDAQ Stock Market LLC

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On May 7, 2021, Hudson Global, Inc. (the "Company") issued a press release announcing its financial results for the three months ended March 31, 2021. A copy of such press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Included in Exhibit 99.1 are references to "liquidity." The Company believes that this Non-GAAP measure provides investors useful information about its combined available cash and borrowing capacity.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements.

None.

(b) Pro Forma Financial Information.

None.

(c) Shell Company Transactions

None.

(d) Exhibits

The exhibit listed in the following Exhibit Index is provided as part of the information furnished under Item 2.02 of this Current Report on Form 8-K:

EXHIBIT INDEX

99.1 [Press Release of Hudson Global, Inc. issued on May 7, 2021.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

HUDSON GLOBAL, INC.
(Registrant)

By: /s/ JEFFREY E. EBERWEIN
Jeffrey E. Eberwein
Chief Executive Officer

Dated: May 7, 2021

For Immediate Release**Hudson Global Reports 2021 First Quarter Results**

OLD GREENWICH, CT - May 7, 2021 - Hudson Global, Inc. (Nasdaq: HSON), a leading global total talent solutions company, announced today financial results for the first quarter ended March 31, 2021.

2021 First Quarter Summary

- Revenue of \$34.5 million increased 42.8% from the first quarter of 2020 and 26.6% in constant currency.
- Adjusted net revenue of \$12.7 million increased 29.8% from the first quarter of 2020 and 19.4% in constant currency.
- Net loss was \$0.2 million, or \$0.07 per basic and diluted share, compared to net loss of \$0.5 million, or \$0.17 per basic and diluted share, for the first quarter of 2020. Adjusted net income per diluted share (Non-GAAP measure)* was \$0.07 compared to adjusted net loss per diluted share of \$0.08 in the first quarter of 2020.
- Adjusted EBITDA (Non-GAAP measure)* was \$0.8 million compared to adjusted EBITDA loss of \$0.1 million in the first quarter of 2020.
- Total cash including restricted cash was \$23.6 million at March 31, 2021.

"Our business exhibited solid growth in revenue, adjusted net revenue, and adjusted EBITDA across all three regions in the first quarter of 2021 versus the prior year quarter," said Jeff Eberwein, Chief Executive Officer of Hudson Global. "Asia Pacific continued to perform well, and we are pleased about the recovery in our Americas results due to organic improvements made last year and the addition of our acquisition in 2020 of Coit Group. Although the recovery is uneven depending on country, we are seeing increased activity levels at our existing clients and an improving pipeline of potential clients."

* The Company provides Non-GAAP measures as a supplement to financial results based on accounting principles generally accepted in the United States ("GAAP"). Constant currency, Adjusted EBITDA, EBITDA, adjusted net income or loss, and adjusted net income or loss per diluted share are defined in the segment tables at the end of this release and a reconciliation of such Non-GAAP measures to the most directly comparable GAAP measures is included within such segment tables.

Regional Highlights

All growth rate comparisons are in constant currency.

Asia Pacific

Asia Pacific revenue of \$25.3 million increased 29% and adjusted net revenue of \$5.8 million increased 12% in the first quarter of 2021 compared to the same period in 2020. EBITDA was \$0.8 million in the first quarter of 2021 compared to EBITDA of \$0.3 million in the same period one year ago, and adjusted EBITDA was \$1.1 million compared to adjusted EBITDA of \$0.6 million in the first quarter of 2020.

Americas

In the first quarter of 2021, Americas revenue of \$4.6 million increased 42% and adjusted net revenue of \$4.2 million increased 46% from the first quarter of 2020. Most of this growth was attributable to the acquisition of Coit Group in Q4 2020. EBITDA loss was \$0.3 million in the first quarter of 2021 compared to EBITDA loss of \$0.1 million in same period last year. The region recorded adjusted EBITDA of \$0.2 million compared to adjusted EBITDA of \$0.1 million a year ago.

Europe

Europe revenue in the first quarter of 2021 increased 6% to \$4.6 million and adjusted net revenue of \$2.8 million increased 5% from the first quarter of 2020. EBITDA was \$0.1 million in the first quarter of both 2021 and 2020. Adjusted EBITDA was \$0.2 million in the first quarter of 2021 compared to adjusted EBITDA of \$0.1 million a year ago.

Corporate Costs

In the first quarter of 2021, the Company's corporate costs were \$0.8 million, flat versus the the first quarter of 2020. Corporate costs in the first quarter of 2020 excluded non-recurring expenses of \$0.3 million.

Liquidity and Capital Resources

The Company ended the first quarter of 2021 with \$23.6 million in cash, including \$0.4 million in restricted cash. The Company used \$2.4 million in cash flow from operations during the first quarter of 2021, compared to using \$2.7 million of cash flow from operations in the first quarter of 2020.

Share Repurchase Program

Since the beginning of 2019, the Company has reduced its share count by 16% and continues to view share repurchases as an attractive use of capital. Under its \$10 million common stock share repurchase program, the Company has \$1.7 million remaining.

COVID-19 Update

As disclosed in previously issued Company press releases as well as in our 2020 Form 10-K, our business has been adversely impacted by the COVID-19 outbreak and the accompanying economic downturn. This downturn, as well as the uncertainty regarding the duration, spread and intensity of the outbreak, led to a reduction in demand for our services in 2020. Some of our customers have instituted hiring freezes, while other customers that are more capable of working remotely have been allowed to operate somewhat as usual. The expected timeline for this reduction in demand for our services remains uncertain and difficult to predict considering the rapidly evolving landscape, but we have begun to see signs of positive momentum at certain clients.

The Company is vigilantly monitoring the business environment surrounding COVID-19 and continues to proactively address this situation as it evolves. The Company is confident that it can continue to take appropriate actions to manage the business in this challenging environment due to the flexibility of its workforce and the strength of its balance sheet.

Conference Call/Webcast

The Company will conduct a conference call today at 10:00 a.m. ET to discuss this announcement. Individuals wishing to listen can access the webcast on the investor information section of the Company's web site at [hudsonrpo.com](https://www.hudsonrpo.com).

If you wish to join the conference call, please use the dial-in information below:

- Toll-Free Dial-In Number: (866) 220-5784
- International Dial-In Number: (615) 622-8063
- Conference ID #: 9799225

The archived call will be available on the investor information section of the Company's web site at [hudsonrpo.com](https://www.hudsonrpo.com).

About Hudson Global

Hudson Global, Inc. is a leading global total talent solutions provider operating under the brand name Hudson RPO. We deliver innovative, customized recruitment outsourcing and total talent solutions to organizations worldwide. Through our consultative approach, we develop tailored talent solutions designed to meet our clients' strategic growth initiatives. As a trusted advisor, we meet our commitments, deliver quality and value, and strive to exceed expectations.

For more information, please visit us at hudsonrpo.com or contact us at ir@hudsonrpo.com.

Investor Relations:

The Equity Group

Lena Cati

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Forward-Looking Statements

This press release contains statements that the company believes to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this press release, including statements regarding the company's future financial condition, results of operations, business operations and business prospects, are forward-looking statements. Words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "predict," "believe" and similar words, expressions and variations of these words and expressions are intended to identify forward-looking statements. All forward-looking statements are subject to important factors, risks, uncertainties, and assumptions, including industry and economic conditions that could cause actual results to differ materially from those described in the forward-looking statements. Such factors, risks, uncertainties and assumptions include, but are not limited to, global economic fluctuations; the adverse impacts of the recent coronavirus, or COVID-19 outbreak; the Company's ability to successfully achieve its strategic initiatives; risks related to potential acquisitions or dispositions of businesses by the Company; the Company's ability to retain and recruit qualified management and/or advisors; the Company's ability to operate successfully as a company focused on its RPO business; risks related to fluctuations in the Company's operating results from quarter to quarter; the loss of or material reduction in our business with any of the Company's largest customers; the ability of clients to terminate their relationship with the Company at any time; competition in the Company's markets; the negative cash flows and operating losses that may recur in the future; risks relating to how future credit facilities may affect or restrict our operating flexibility; risks associated with the Company's investment strategy; risks related to international operations, including foreign currency fluctuations, political events, natural disasters or health crises, including the ongoing COVID-19 outbreak; the Company's dependence on key management personnel; the Company's ability to attract and retain highly skilled professionals; the Company's ability to collect accounts receivable; the Company's ability to maintain costs at an acceptable level; the Company's heavy reliance on information systems and the impact of potentially losing or failing to develop technology; risks related to providing uninterrupted service to clients; the Company's exposure to employment-related claims from clients, employers and regulatory authorities, current and former employees in connection with the Company's business reorganization initiatives, and limits on related insurance coverage; the Company's ability to utilize net operating loss carry-forwards; volatility of the Company's stock price; the impact of government regulations; and restrictions imposed by blocking arrangements. Additional information concerning these, and other factors is contained in the Company's filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this document. The Company assumes no obligation, and expressly disclaims any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Financial Tables Follow

HUDSON GLOBAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2021	2020
Revenue	\$ 34,461	\$ 24,131
Operating expenses:		
Direct contracting costs and reimbursed expenses	21,743	14,333
Salaries and related	10,590	8,217
Other selling, general and administrative	2,000	2,081
Depreciation and amortization	110	24
Total operating expenses	34,443	24,655
Operating income (loss)	18	(524)
Non-operating income (expense):		
Interest income, net	10	79
Other (expense) income, net	(53)	41
Loss before provision for income taxes	(25)	(404)
Provision for income taxes	178	107
Net loss	\$ (203)	\$ (511)
Basic and diluted loss per share:		
Loss per share	\$ (0.07)	\$ (0.17)
Weighted-average shares outstanding:		
Basic	2,891	3,065
Diluted	2,891	3,065

HUDSON GLOBAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)
(unaudited)

	March 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 23,150	\$ 25,806
Accounts receivable, less allowance for doubtful accounts of \$2 and \$10, respectively	17,118	13,445
Restricted cash, current	210	152
Prepaid and other	904	889
Total current assets	41,382	40,292
Property and equipment, net	125	115
Operating lease right-of-use assets	737	210
Deferred tax assets	1,093	1,037
Restricted cash	231	241
Goodwill	2,088	2,088
Intangible assets, net	1,320	1,400
Other assets	5	3
Total assets	\$ 46,981	\$ 45,386
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 437	\$ 576
Accrued expenses and other current liabilities	10,547	9,241
Operating lease obligations, current	448	192
Total current liabilities	11,432	10,009
Income tax payable	903	887
Operating lease obligations	302	22
Other liabilities	193	188
Total liabilities	12,830	11,106
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 10,000 shares authorized; none issued or outstanding	—	—
Common stock, \$0.001 par value, 20,000 shares authorized; 3,675 and 3,672 shares issued; 2,688 and 2,685 shares outstanding, respectively	4	4
Additional paid-in capital	487,127	486,825
Accumulated deficit	(437,953)	(437,750)
Accumulated other comprehensive loss, net of applicable tax	300	526
Treasury stock, 987 and 987 shares, respectively, at cost	(15,327)	(15,325)
Total stockholders' equity	34,151	34,280
Total liabilities and stockholders' equity	\$ 46,981	\$ 45,386

HUDSON GLOBAL, INC.
SEGMENT ANALYSIS - QUARTER TO DATE (continued)
RECONCILIATION OF ADJUSTED EBITDA

(in thousands)
(unaudited)

For The Three Months Ended March 31, 2021	Asia Pacific	Americas	Europe	Corporate	Total
Revenue, from external customers	\$ 25,340	\$ 4,561	\$ 4,560	\$ —	\$ 34,461
Adjusted net revenue, from external customers ⁽¹⁾	\$ 5,758	\$ 4,209	\$ 2,751	\$ —	\$ 12,718
Net loss					\$ (203)
Provision from income taxes					178
Interest income, net					(10)
Depreciation and amortization					110
EBITDA (loss) ⁽²⁾	\$ 762	\$ (278)	\$ 70	\$ (479)	75
Non-operating expense (income), including corporate administration charges	316	65	139	(467)	53
Stock-based compensation expense	43	111	19	129	302
Non-recurring severance and professional fees	—	15	—	17	32
Compensation expense related to the Coit acquisition ⁽³⁾	—	291	—	—	291
Adjusted EBITDA (loss) ⁽²⁾	\$ 1,121	\$ 204	\$ 228	\$ (800)	\$ 753
For The Three Months Ended March 31, 2020	Asia Pacific	Americas	Europe	Corporate	Total
Revenue, from external customers	\$ 16,951	\$ 3,188	\$ 3,992	\$ —	\$ 24,131
Adjusted net revenue, from external customers ⁽¹⁾	\$ 4,511	\$ 2,860	\$ 2,427	\$ —	\$ 9,798
Net loss					\$ (511)
Provision for income taxes					107
Interest income, net					(79)
Depreciation and amortization					24
EBITDA (loss) ⁽²⁾	\$ 337	\$ (60)	\$ 63	\$ (799)	(459)
Non-operating expense (income), including corporate administration charges	190	137	1	(369)	(41)
Stock-based compensation expense	24	6	2	112	144
Non-recurring severance and professional fees	—	—	—	278	278
Adjusted EBITDA (loss) ⁽²⁾	\$ 551	\$ 83	\$ 66	\$ (778)	\$ (78)

(1) Represents Revenue less the Direct contracting costs and reimbursed expenses caption on the Condensed Consolidated Statements of Operations.

(2) Non-GAAP earnings before interest, income taxes, and depreciation and amortization ("EBITDA") and Non-GAAP earnings before interest, income taxes, depreciation and amortization, non-operating income, business reorganization expenses, stock-based compensation expense, and other non-recurring expenses ("Adjusted EBITDA") are presented to provide additional information about the Company's operations on a basis consistent with the measures which the Company uses to manage its operations and evaluate its performance. Management also uses these measurements to evaluate capital needs and working capital requirements. EBITDA and adjusted EBITDA should not be considered in isolation or as a substitute for operating income, cash flows from operating activities, and other income or cash flow statement data prepared in accordance with generally accepted accounting principles or as a measure of the Company's profitability or liquidity. Furthermore, EBITDA and adjusted EBITDA as presented above may not be comparable with similarly titled measures reported by other companies.

(3) Represents compensation expense payable to the principals of Coit per the terms of the acquisition agreement, including a promissory note and earn-out payments.

HUDSON GLOBAL, INC.
RECONCILIATION OF CONSTANT CURRENCY MEASURES
(in thousands) (unaudited)

The Company operates on a global basis, with the majority of its revenue generated outside of the United States. Accordingly, fluctuations in foreign currency exchange rates can affect its results of operations. Constant currency information compares financial results between periods as if exchange rates had remained constant period-over-period. The Company defines the term “constant currency” to mean that financial data for a previously reported period are translated into U.S. dollars using the same foreign currency exchange rates that were used to translate financial data for the current period. Changes in revenue, adjusted net revenue, selling, general and administrative expenses (“SG&A”), other non-operating income (expense), operating income (loss) and EBITDA (loss) include the effect of changes in foreign currency exchange rates. The Company’s management reviews and analyzes business results in constant currency and believes these results better represent the Company’s underlying business trends. The Company believes that these calculations are a useful measure, indicating the actual change in operations. There are no significant gains or losses on foreign currency transactions between subsidiaries. Therefore, changes in foreign currency exchange rates generally impact only reported earnings.

	Three Months Ended March 31,			
	2021	2020		
	As reported	As reported	Currency translation	Constant currency
Revenue:				
Asia Pacific	\$ 25,340	\$ 16,951	\$ 2,765	\$ 19,716
Americas	4,561	3,188	19	3,207
Europe	4,560	3,992	305	4,297
Total	<u>\$ 34,461</u>	<u>\$ 24,131</u>	<u>\$ 3,089</u>	<u>\$ 27,220</u>
Adjusted net revenue ⁽¹⁾				
Asia Pacific	\$ 5,758	\$ 4,511	\$ 645	\$ 5,156
Americas	4,209	2,860	19	2,879
Europe	2,751	2,427	185	2,612
Total	<u>\$ 12,718</u>	<u>\$ 9,798</u>	<u>\$ 849</u>	<u>\$ 10,647</u>
SG&A: ⁽²⁾				
Asia Pacific	\$ 4,680	\$ 3,991	\$ 539	\$ 4,530
Americas	4,421	2,783	22	2,805
Europe	2,542	2,357	169	2,526
Corporate	947	1,167	1	1,168
Total	<u>\$ 12,590</u>	<u>\$ 10,298</u>	<u>\$ 731</u>	<u>\$ 11,029</u>
Operating income (loss):				
Asia Pacific	\$ 1,063	\$ 514	\$ 87	\$ 601
Americas	(298)	72	(2)	70
Europe	200	59	16	75
Corporate	(947)	(1,169)	—	(1,169)
Total	<u>\$ 18</u>	<u>\$ (524)</u>	<u>\$ 101</u>	<u>\$ (423)</u>
EBITDA (loss):				
Asia Pacific	\$ 762	\$ 337	\$ 49	\$ 386
Americas	(278)	(60)	(6)	(66)
Europe	70	63	15	78
Corporate	(479)	(799)	—	(799)
Total	<u>\$ 75</u>	<u>\$ (459)</u>	<u>\$ 58</u>	<u>\$ (401)</u>

(1) Represents Revenue less the Direct contracting costs and reimbursed expenses caption on the Condensed Consolidated Statements of Operations.

(2) SG&A is a measure that management uses to evaluate the segments’ expenses and includes salaries and related costs and other selling, general and administrative costs.

HUDSON GLOBAL, INC.
RECONCILIATION OF ADJUSTED NET LOSS PER DILUTED SHARE
(in thousands, except per share amounts)
(unaudited)

	Adjusted	Diluted Shares	Per Diluted
For The Three Months Ended March 31, 2021	Net Income	Outstanding ⁽¹⁾	Share
Net loss	\$ (203)	2,891	\$ (0.07)
Non-recurring items (after-tax)	32	2,932	0.01
Compensation expense related to the Coit acquisition (after tax) ⁽²⁾	381	2,932	0.13
Adjusted net income ⁽³⁾	<u>\$ 210</u>	2,932	<u>\$ 0.07</u>

	Adjusted	Diluted Shares	Per Diluted
For The Three Months Ended March 31, 2020	Net Loss	Outstanding	Share
Net loss	\$ (511)	3,065	\$ (0.17)
Non-recurring items (after-tax)	278	3,065	0.09
Adjusted net loss ⁽³⁾	<u>\$ (233)</u>	3,065	<u>\$ (0.08)</u>

- (1) The weighted average number of shares outstanding used in the computation of diluted net loss per share for the three months ended March 31, 2021 did not include potentially outstanding shares of common stock because the effect would have been anti-dilutive. However, these shares have been added to the adjusted net income per share reconciliation when their impact would be dilutive.
- (2) Represents compensation expense payable to the principals of Coit per the terms of the acquisition agreement, including a promissory note, common stock, and earn-out payments.
- (3) Adjusted net income or loss and adjusted net income or loss per diluted share are Non-GAAP measures defined as reported net income or loss and reported net income or loss per diluted share before items such as PPP loan forgiveness, acquisition-related costs, and non-recurring severance and professional fees after tax that are presented to provide additional information about the company's operations on a basis consistent with the measures that the Company uses to manage its operations and evaluate its performance. Management also uses these measurements to evaluate capital needs and working capital requirements. Adjusted net income or loss and adjusted net income or loss per diluted share should not be considered in isolation or as substitutes for net income or loss and net income or loss per share and other income or cash flow statement data prepared in accordance with generally accepted accounting principles or as measures of the company's profitability or liquidity. Further, adjusted net income or loss and adjusted net income or loss per diluted share as presented above may not be comparable with similarly titled measures reported by other companies.