Company Note

HRnetGroup Limited

Labour shortage a boon

Singapore

ADD *(no change)*

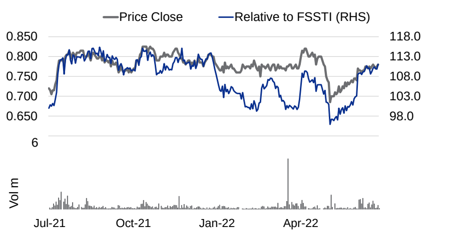
Consensus ratings*:	Buy 4	Hold 0	Sell 0

Current price:	S$0.78
Target price:	S$1.15
Previous target:	S$1.15
Up/downside:	47.4%
CGS-CIMB / Consensus:	5.8%
Reuters:	HRNE.SI
Bloomberg:	HRNET SP
Market cap:	US$556.7m
	S$782.1m
Average daily turnover:	US$0.13m
	S$0.18m
Current shares o/s:	1,011m
Free float:	19.7%

**Source: Bloomberg*

Key changes in this note

- No change.



Source: Bloomberg

Price performance	*1M*	*3M*	*12M*
Absolute (%)	6.1	0	9.9
Relative (%)	10.1	9.9	11.1

Major shareholders	% held
Simco Global Ltd	77.6
FMR LLC	3.1
Vanda 1 Investments	2.0

- Singapore's 1Q22 unemployment rate (2.2%) has recovered close to pre-Covid-19 levels, driven by easing measures and greater hiring activity.
- In China, we understand that HRnet has been able to capture strong hiring demand from sectors such as semiconductors and luxury retail.
- HRnet has a strong net cash position of c.45% of current market cap. We reiterate Add at an unchanged TP of S$1.15, based on c.17x FY23F P/E.

Singapore labour markets recovering well

Singapore's 1Q22 unemployment rate improved 0.7% pt yoy to 2.2% (vs. 1Q21: 2.9%) on the back of improving economic activity. This is close to the average 10-year pre-pandemic (2010-2019) unemployment rate of 2.1%. Job vacancies to unemployed ratio also rose to a record high of 2.42 at end-Mar 22. Recently eased border and domestic restrictions in Singapore should further support hiring activity from consumer-facing and travel-related sectors. According to the 3Q22 ManpowerGroup employment outlook survey, employers' hiring intention reached its highest level since 4Q11, with employers from the finance and real estate sectors expressing the highest intent to hire.

Talent demand and salaries should remain elevated in the near term

The outlook for talent demand appears robust, based on the outlook commentary from global recruitment services peers (Fig. 3). Key takeaways from their latest results include 1) 1QCY22 has been an exceptional quarter for many recruitment services firms (especially in Asia Pacific) as labour markets rebounded, and 2) wage inflation and shortage of talent are key drivers of rising salaries; these are expected to continue in the near term. We expect HRnet's permanent placement business to continue benefiting from these trends and reaffirm our expectation of FY22F GPM expansion.

China business not significantly impacted despite lockdowns

We recently spoke with management from HRnet. Based on our conversation, we understand that the group's China business has not seen much negative impact despite the challenging operating environment; examples of sectors seeing strong demand include semiconductors and luxury retail. In addition, HRnet mostly focuses on mid-senior level hires (within China), which should enjoy more resilient demand compared to fresh graduates, in our view. Note that the group has grown its North Asia GP from S$46m in FY14 to S$72m in FY21 (CAGR: 6.7%).

Reiterate Add at unchanged TP of S$1.15

The start of the group's S$30m share buyback (up to 10% of issued shares) programme in Jun reflects management's optimism, in our view; the group has only repurchased 0.1% of issued shares YTD. Our TP is pegged to c.17x FY23F P/E, based on +1 s.d. from 4-year historical mean. Re-rating catalysts include quicker recovery in China job market and M&As. Downside risks include prolonged Covid-19 restrictions in China and recession risks.

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Financial Summary	**Dec-20A**	**Dec-21A**	**Dec-22F**	**Dec-23F**	**Dec-24F**
Revenue (S$m)	433.0	590.5	603.2	629.2	622.9
Operating EBITDA (S$m)	51.38	79.67	86.22	93.15	89.39
Net Profit (S$m)	46.87	65.49	66.51	70.16	68.60
Normalised EPS (S$)	0.047	0.065	0.066	0.070	0.068
Normalised EPS Growth	(8.9%)	39.7%	1.6%	5.5%	(2.2%)
FD Normalised P/E (x)	16.70	11.95	11.76	11.15	11.41
DPS (S$)	0.025	0.040	0.033	0.035	0.034
Dividend Yield	3.21%	5.13%	4.25%	4.48%	4.38%
EV/EBITDA (x)	9.06	5.94	5.11	4.34	4.13
P/FCFE (x)	7.36	27.83	9.07	9.31	9.36
Net Gearing	(95.7%)	(84.3%)	(87.0%)	(88.1%)	(89.2%)
P/BV (x)	2.38	2.11	1.97	1.81	1.68
ROE	14.1%	18.7%	17.4%	16.9%	15.3%
% Change In Normalised EPS Estimates			0%	0%	0%
Normalised EPS/consensus EPS (x)			0.98	0.97	0.90

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

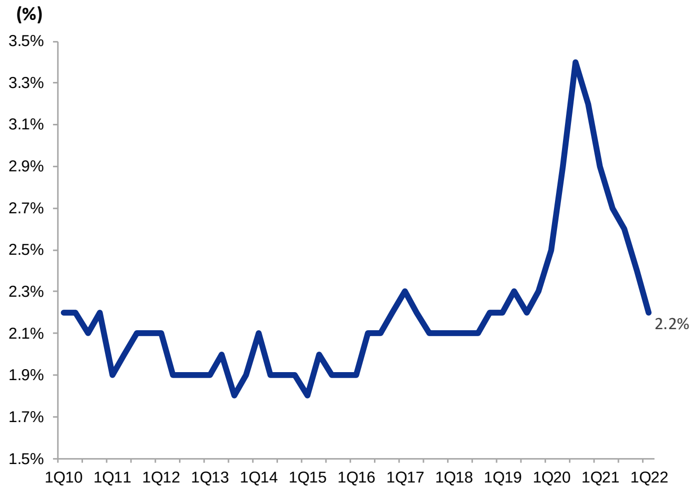
Singapore labour market continues to improve

The Singapore labour market improved further in 1Q22. According to the Ministry of Manpower's report released on 17 June 2022, the unemployment rate improved to 2.2% in 1Q22, close to the pre-pandemic average (2010-2019) of 2.1%. Job vacancies to unemployed ratio rose to a record high of 2.42 in Mar 2022 (vs. 2.11 in Dec 2021), with the bulk of job vacancies stemming from construction & manufacturing, financial services, technology, education, and professional services.

The positive outlook is further corroborated by Manpower Group's 3Q22 Singapore employment outlook survey. Key highlights include:

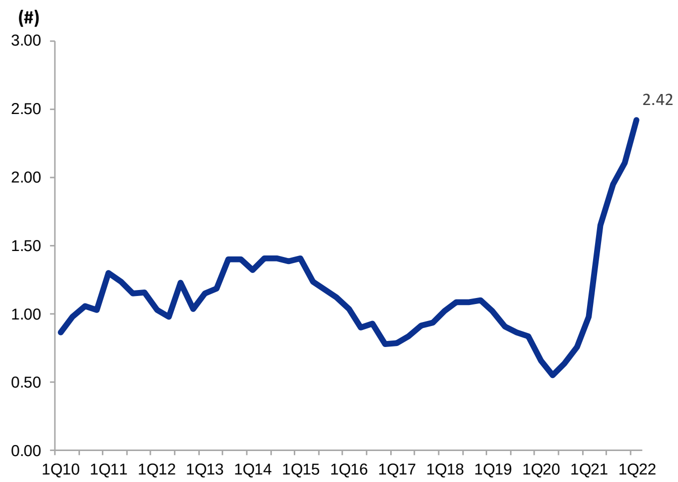
1) Net employment outlook in 3Q22 reached its highest recorded level since 4Q11. This metric is an indicator of employers' hiring intentions in Singapore.
2) Talent shortage is expected to reach a new high in 2022, with 84% of surveyed employers expecting difficulties in sourcing talents.
3) Employers from all sectors expect positive headcount growth in 3Q22, with employers from the finance and real estate sectors expressing the strongest hiring intentions.

Figure 1: Singapore's 1Q22 unemployment rate of 2.2% is close to the 10-year pre-pandemic (2010-2019) average of 2.1%



SOURCES: CGS-CIMB RESEARCH, SINGSTAT

Figure 2: Job vacancy to unemployed person ratio at a record high of 2.42 as at end-Mar 2022



SOURCES: CGS-CIMB RESEARCH, SINGSTAT

We also see upside to salary increments in 2H22F. From Aug 2022, the Public Service Division will be raising the salaries of civil servants by 5-14%; we believe this could trickle down to the private sector in due course. Coupled with ongoing talent shortages and inflationary pressures, we believe employers could increase salaries further to attract and retain their pool of talents.

We believe these data points reinforce our view that the hiring outlook remains robust, which should bode well for HRnet's permanent placement volumes and revenue per placement (which is dependent on salaries).

Most global peers have done well in 1QCY22

While HRnet does not provide quarterly business updates, we believe the group has done well in 1Q22 similar to its global peers. Based on eight leading global recruitment services peers that we have used for comparison, we note that 1QCY22 results came in exceptionally strong. Two key takeaways include:

1) In 1QCY22, peers generally recorded strong yoy revenue growth for their APAC businesses. Group level quarterly revenue/GP was a record-high for several peers.
2) Talent shortage and wage inflation are key factors driving salaries up. Most peers expect qoq revenue growth going forward except for Korn Ferry (expecting 2-6% qoq decline).

Figure 3: Recent performance and outlook of global recruitment peers

Company	Quarter	Group results (Asia-focused where relevant)	Outlook
Adecco	1QFY22 (Jan-Mar)	Strong revenue growth of 15% yoy, healthy demand particularly for outsourcing and permanent placements. Flexible staffings also came in strong, particularly in Australia and Japan	Expects healthy demand for talent services due to talent scarcity and wage inflation. Potential challenges from Ukraine War and supply chain issues
Hays	3QFY22 (Jan-Mar)	Asia net fees rose 27% yoy. Malaysia net fees rose 53% yoy, Singapore net fees rose 27% yoy, Japan net fees rose 42% yoy, China net fees rose 10% yoy (growth slowed due to strict pandemic restrictions)	Salaries and temp pricing to be driven by wage inflation and ongoing skill-short market
Heidrick & Struggles	1QFY22 (Jan-Mar)	Asia revenue rose 19% yoy, driven by executive placements. 1Q22 net revenue was a record high. All industries recorded yoy revenue growth except healthcare, life sciences, and industrials	Group expects 2Q22 revenue to record 2-6% qoq growth, while acknowledging risks from rising rates, pandemic disruptions, and global conflicts
Kelly Services	1QFY22 (Jan-Mar)	Asia revenue rose 30% yoy. Group GP at highest level in 25 years due to higher pemanent placement fees, acquisition of high-margin businesses, and favourable product mix	Economic recovery continues to accelerate high customer demand amid talent supply challenges
Korn Ferry	4QFY22 (Feb-Apr)	APAC revenue rose 28% yoy. 4QFY22 fee revenue came in at a record high	Shortage of skilled labour should persist for the next few years. Despite continuing strength in business trends, the group expects macroeconomic uncertainties to be a key concern; 1QFY23 revenue forecasted to decline 2-6% qoq
Page Group	1QFY22 (Jan-Mar)	Record quarter in 19 countries. APAC revenue rose 36% yoy, with greater China and SEA revenues up 23% and 56% yoy respectively	Expect FY22 operating profit to be higher than current Bloomberg consensus
Randstad	1QFY22 (Jan-Mar)	Group revenue rose 15.2% yoy, China revenue rose 15% yoy, Japan revenue rose 13% yoy, AU and NZ revenue rose 23% yoy.	Strong volumes in early April indicate a continuation of positive trends seen in 1Q22. Gross margins are expected to be steady qoq
Robert Walters	1QFY22 (Jan-Mar)	APAC net fee income rose 37% yoy, strongest growth came from Hong Kong (+82% yoy), Indonesia (+84% yoy), and Taiwan (+89% yoy)	None given

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

China business not significantly impacted despite challenging operating environment

Year-to-date, labour markets in China have been negatively impacted by strict Covid-19 restrictions. Throughout 1HCY22, lockdowns and travel restrictions were imposed across various parts of China as the nation remained steadfast in its zero-Covid-19 policy. Notably, key areas of concern to HRnet include:

1) Shanghai lockdown (since late-Mar 2022, restrictions lifted on 1 Jun 2022). Brands operated by HRnet in the city include HRnetOne, PeopleSearch, RecruitFirst, and REForce.
2) Tighter restrictions imposed in Beijing; these include ban on dine-in activities, lockdowns in various districts, and closure of entertainment venues. Brands operated by HRnet in the city include HRnetOne and REForce.
3) Tighter restrictions imposed across Guangzhou and Shenzhen; these include partial lockdowns of various districts, border closures, closure of schools. Brands operated by HRnet in both cities include HRnetOne and REForce.

Based on our recent chat with the management, we understand that the group has not seen much negative impact to their China operations as it has been able to tap onto high-growth sectors such as semiconductors and luxury retail. In addition, the group's China business mostly focuses on mid-senior level hires (which enjoy more resilient demand, in our view); comparatively, fresh graduate hiring is bearing the brunt of the pandemic.

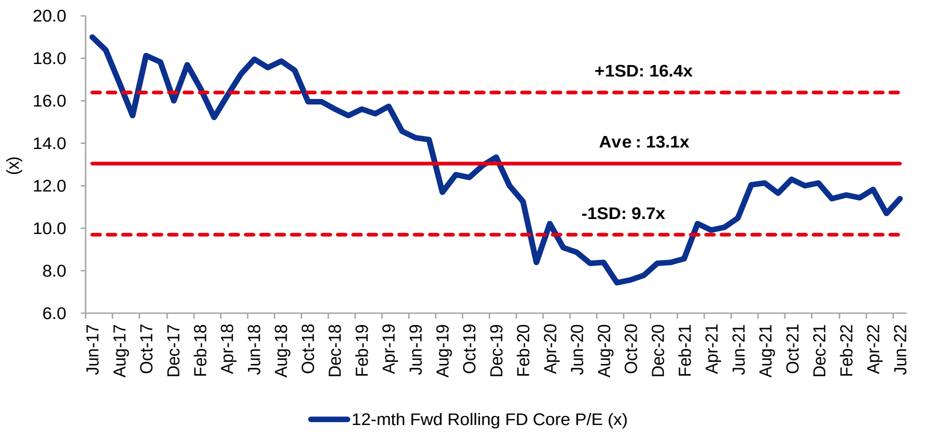
Figure 4: China's surveyed urban unemployment rate in May 2022 is close to a 5-year high

SOURCES: CGS-CIMB RESEARCH, CEIC DATA

Strong net cash position

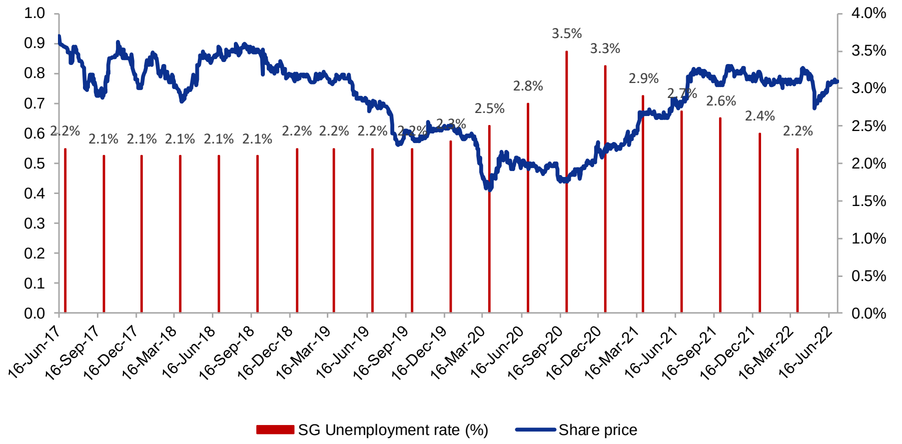
HRnet's net cash stood at S$352m as at end-FY21, forming c.45% of the group's current market cap. We believe this accords the group ample dry powder to consider 1) M&A opportunities, and 2) continued share buybacks.

Figure 5: Historical 12-mth forward rolling P/E (x)



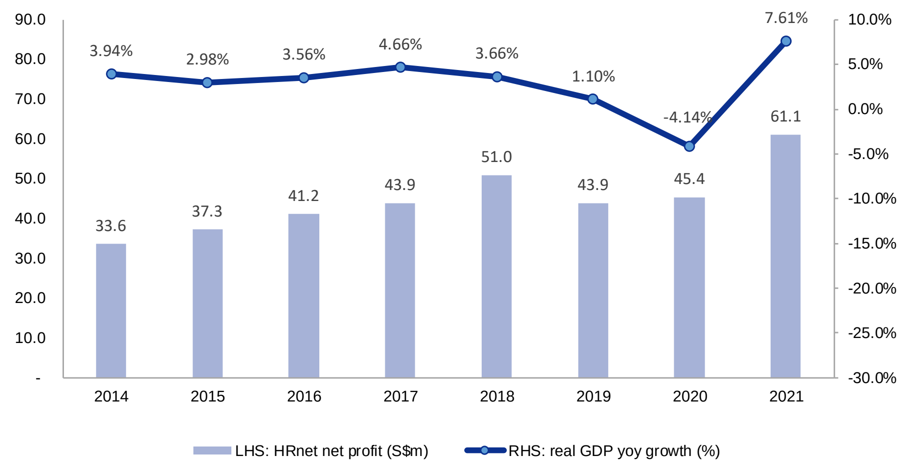
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 6: Singapore unemployment rate vs HRnet share price



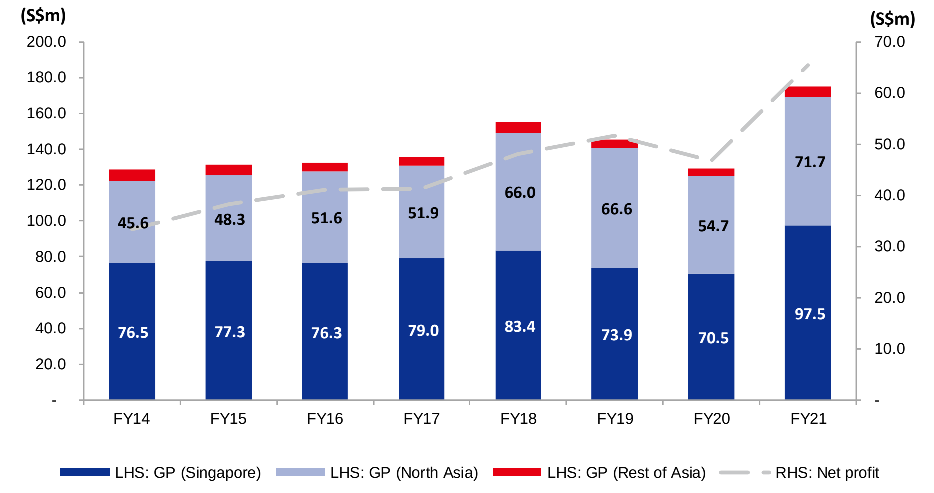
SOURCES: CGS-CIMB RESEARCH, MOM, BLOOMBERG

Figure 7: Singapore real GDP growth (yoy) vs. HRnet core net profit (excluding gains/losses from financial assets)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, SINGSTAT

Figure 8: HRnet's historical gross profit by geography



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 9: Peer Comparison (as of 6 July 2022)

Company	Bloomberg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US$ m)	Core P/E (x) CY22F	Core P/E (x) CY23F	3-year EPS CAGR (%)	P/BV (x) CY22F	Recurring ROE (%) CY22F	Dividend Yield (%) CY22F
HRnetGroup Limited	HRNET SP	ADD	0.78	1.15	557	11.8	11.2	1.3%	1.97	17.4%	4.3%
Asian peers:											
Beijing Career International C	300662 CH	NR	49.64	NA	1,457	29.9	19.6	26.6%	4.15	14.1%	0.4%
Humanica PCL	HUMAN TB	ADD	11.00	16.50	268	39.1	29.8	17.3%	2.77	9.7%	1.4%
JAC Recruitment Co Ltd	2124 JP	NR	1,808	NA	553	16.2	13.2	20.5%	4.81	32.3%	4.4%
Pasona Group Inc	2168 JP	NR	1,895	NA	583	7.7	7.4	-19.8%	na	na	1.6%
Persol Holdings Co Ltd	2181 JP	NR	2,564	NA	4,481	18.7	16.4	16.8%	2.96	17.0%	1.6%
Recruit Holdings Co Ltd	6098 JP	NR	4,010	NA	50,213	22.1	27.7	15.6%	4.13	20.7%	0.6%
SEEK Ltd	SEK AU	HOLD	22.33	32.33	5,393	28.9	26.1	14.7%	8.76	24.6%	2.3%
TechnoPro Holdings Inc	6028 JP	NR	2,881	NA	2,306	22.2	19.7	-14.1%	4.53	21.4%	2.1%
Asian peers average						**23.1**	**20.0**	**9.7%**	**4.59**	**20.0%**	**1.8%**
Non-Asian peers:											
Adecco Group AG	ADEN SW	NR	31.51	NA	5,485	7.6	7.2	8.1%	1.24	17.3%	7.7%
Hays PLC	HAS LN	NR	109.00	NA	2,147	12.0	10.3	-3.4%	2.30	18.5%	6.0%
Heidrick & Struggles Internati	HSII US	NR	31.62	NA	623	8.8	9.0	na	na	na	na
Kelly Services Inc	KELYA US	NR	19.27	NA	730	13.4	7.2	na	na	na	na
Kforce Inc	KFRC US	NR	61.20	NA	1,309	14.1	12.9	13.1%	na	44.5%	1.9%
Korn Ferry	KFY US	NR	57.88	NA	3,069	9.4	10.4	11.1%	na	na	0.8%
ManpowerGroup Inc	MAN US	NR	77.77	NA	4,102	8.8	8.0	14.6%	1.57	18.3%	3.6%
Pagegroup PLC	PAGE LN	NR	393.80	NA	1,548	8.7	8.3	9.2%	3.38	41.7%	7.6%
Randstad NV	RAND NA	NR	45.48	NA	8,595	9.4	9.2	8.1%	1.79	19.1%	8.0%
Robert Half International Inc	RHI US	NR	77.24	NA	8,536	12.3	11.7	8.2%	4.87	45.2%	2.2%
Robert Walters PLC	RWA LN	NR	509.00	NA	468	9.7	8.7	13.5%	2.01	21.0%	4.4%
Non-Asian Peers Average						**10.3**	**9.2**	**16.3%**	**2.45**	**28.2%**	**4.7%**
Average of all-co excl. HRnetgroup						**15.4**	**13.5**	**13.4%**	**3.52**	**24.4%**	**3.3%**

SOURCES: CGS-CIMB, COMPANY REPORTS, BLOOMBERG

ESG in a nutshell

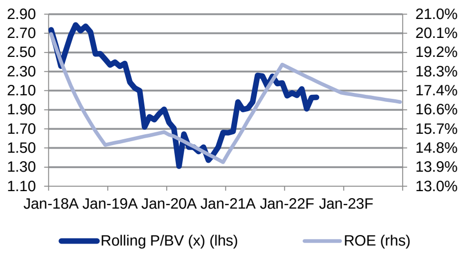
HRnetGroup Limited (HRNET) is one of the leading recruitment and staffing companies in Asia Pacific (excluding Japan) and has committed to the UN's Sustainable Development Goals for its ESG causes. HRNET has done well in its ESG commitments and has demonstrated a good track record of zero incidents of non-compliance with laws and/or regulations over the past three years from FY18 to FY21. HRNET maintained a high retention rate of 75% co-owners in FY21 through its 123GROW Co-ownership scheme, something that is unique among listed companies in Singapore and represents a strong alignment of interests within the company. This leads to greater productivity, which is a driver for gross profits, better cost controls and more sustainable earnings, in our view.

Keep your eye on	Implications
HRNET's co-ownership scheme, unique among listed companies in Singapore, is a programme to cultivate and retain talent, reward performance and create a sense of ownership among employees. The number of co-owners as of FY21 was 179 (vs. FY20: 218), due to natural attrition, but retention rates remained high at 75%, according to HRNET's 2021 annual report.	In our view, the high number of employees under the co-ownership scheme reflects an alignment of interests within HRNET as employees are invested in the company. This drives greater productivity, leading to higher gross profits, better cost controls and more sustainable earnings.
ESG highlights	**Implications**
HRNET has committed to the UN's Sustainable Development Goals with regards to the promotion of sustainable economic growth, decent work for all, and reducing inequality, according to the company's 2021 annual report. Comparing its performance for FY18-21, HRNET mostly met all its ESG targets set in prior years over FY18-21, which highlights its commitment to ESG causes. HRNET also engages in annual CSR activities across its operating markets.	It is important that HRNET promotes non-discriminatory hiring and advises its clients on good HR practices. HRNET also enhances the employability of its candidates by advising them on how to develop and improve their profiles and CVs, as well as refine their interview skills. This is important for the development of a fair labour market and to reduce inequality. Engagement in discriminatory hiring will result in penalties from authorities, which may negatively impact its reputation and financial performance.
Trends	**Implications**
HRNET has not reported any incidents of non-compliance with laws and/or regulations that resulted in significant fines in FY18-21, demonstrating its good track record.	The recruitment industry is a heavily regulated industry, whereby non-compliance will lead to fines, reputational damage or loss of operating licence, which will negatively impact revenue and earnings.

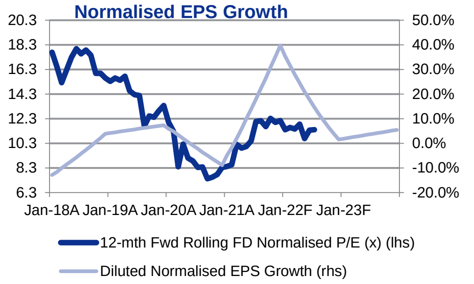
SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS

P/BV vs ROE



12-mth Fwd FD Normalised P/E vs FD Normalised EPS Growth



Profit & Loss

(S$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues	**433.0**	**590.5**	**603.2**	**629.2**	**622.9**
Gross Profit	**129.3**	**174.9**	**193.8**	**210.1**	**205.6**
Operating EBITDA	**51.4**	**79.7**	**86.2**	**93.1**	**89.4**
Depreciation And Amortisation	(9.8)	(10.4)	(10.7)	(11.1)	(9.3)
Operating EBIT	**41.6**	**69.3**	**75.6**	**82.1**	**80.1**
Financial Income/(Expense)	1.8	0.8	0.8	1.6	1.6
Pretax Income/(Loss) from Assoc.	0.0	0.0	0.0	0.0	0.0
Non-Operating Income/(Expense)	15.6	14.6	9.0	6.9	6.9
Profit Before Tax (pre-EI)	**59.0**	**84.8**	**85.4**	**90.6**	**88.6**
Exceptional Items					
Pre-tax Profit	**59.0**	**84.8**	**85.4**	**90.6**	**88.6**
Taxation	(9.2)	(14.5)	(14.6)	(15.8)	(15.5)
Exceptional Income - post-tax					
Profit After Tax	**49.8**	**70.3**	**70.8**	**74.7**	**73.1**
Minority Interests	(2.9)	(4.8)	(4.2)	(4.6)	(4.5)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Preference Dividends (Australia)					
Net Profit	**46.9**	**65.5**	**66.5**	**70.2**	**68.6**
Normalised Net Profit	49.8	70.3	70.8	74.7	73.1
Fully Diluted Normalised Profit	**46.9**	**65.5**	**66.5**	**70.2**	**68.6**

Cash Flow

(S$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	51.4	79.7	86.2	93.1	89.4
Cash Flow from Invt. & Assoc.					
Change In Working Capital	44.0	(23.5)	6.3	(0.2)	1.0
(Incr)/Decr in Total Provisions	0.8	0.1	0.0	0.0	0.0
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	15.1	8.3	9.0	6.9	8.5
Net Interest (Paid)/Received	2.7	0.9	0.8	1.6	1.6
Tax Paid	(9.5)	(12.8)	(14.6)	(15.8)	(15.5)
Cashflow From Operations	**104.5**	**52.7**	**87.7**	**85.5**	**85.1**
Capex	(1.2)	(1.4)	(1.4)	(1.5)	(1.5)
Disposals Of FAs/subsidiaries	0.0	0.0	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	(0.1)	(4.3)	0.0	0.0	0.0
Other Investing Cashflow	3.1	(18.8)	0.0	0.0	0.0
Cash Flow From Investing	**1.8**	**(24.6)**	**(1.4)**	**(1.5)**	**(1.5)**
Debt Raised/(repaid)					
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0	0.0
Shares Repurchased	(3.1)	0.0	0.0	0.0	0.0
Dividends Paid	(28.0)	(25.1)	(40.5)	(33.5)	(35.4)
Preferred Dividends					
Other Financing Cashflow	(11.2)	(9.8)	(10.7)	(11.1)	(11.0)
Cash Flow From Financing	**(42.4)**	**(34.9)**	**(51.2)**	**(44.6)**	**(46.4)**
Total Cash Generated	63.9	(6.7)	35.1	39.4	37.2
Free Cashflow To Equity	**106.3**	**28.1**	**86.3**	**84.0**	**83.6**
Free Cashflow To Firm	**106.7**	**28.6**	**86.7**	**84.4**	**84.0**

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS… cont'd

Balance Sheet

(S$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	332.2	327.1	362.2	401.6	438.8
Total Debtors	72.9	119.6	112.9	113.1	112.1
Inventories					
Total Other Current Assets	6.9	25.0	25.0	25.0	25.0
Total Current Assets	**412.0**	**471.7**	**500.0**	**539.7**	**575.8**
Fixed Assets	1.5	1.5	1.5	1.5	1.6
Total Investments	21.8	35.1	35.1	35.1	35.1
Intangible Assets	6.5	6.5	6.3	6.1	5.9
Total Other Non-Current Assets	10.5	15.6	15.6	15.6	15.6
Total Non-current Assets	**40.4**	**58.6**	**58.5**	**58.3**	**58.2**
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	82.1	116.6	116.1	116.1	116.1
Other Current Liabilities	20.2	19.1	19.1	19.1	19.1
Total Current Liabilities	**102.3**	**135.7**	**135.2**	**135.2**	**135.2**
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	3.0	6.8	6.8	6.8	6.8
Total Non-current Liabilities	**3.0**	**6.8**	**6.8**	**6.8**	**6.8**
Total Provisions	0.0	0.0	0.0	0.0	0.0
Total Liabilities	**105.2**	**142.5**	**142.0**	**142.0**	**141.9**
Shareholders' Equity	331.7	370.2	396.3	432.9	466.2
Minority Interests	15.5	17.6	20.2	23.1	25.9
Total Equity	**347.1**	**387.9**	**416.5**	**456.0**	**492.0**

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	2.4%	36.4%	2.1%	4.3%	(1.0%)
Operating EBITDA Growth	(10.9%)	55.1%	8.2%	8.0%	(4.0%)
Operating EBITDA Margin	11.9%	13.5%	14.3%	14.8%	14.4%
Net Cash Per Share (S$)	0.33	0.33	0.36	0.40	0.44
BVPS (S$)	0.33	0.37	0.40	0.43	0.46
Gross Interest Cover	100.8	146.8	188.9	205.2	200.1
Effective Tax Rate	15.7%	17.1%	17.1%	17.5%	17.5%
Net Dividend Payout Ratio	54.0%	61.8%	50.4%	50.4%	50.4%
Accounts Receivables Days	59.57	55.77	67.05	62.39	62.97
Inventory Days	-	-	-	-	-
Accounts Payables Days	7.54	7.00	8.22	7.83	7.88
ROIC (%)	72%	(1451%)	193%	260%	253%
ROCE (%)	12.6%	19.2%	19.1%	19.3%	17.3%
Return On Average Assets	11.1%	14.2%	12.9%	12.7%	11.6%

Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Permanent placements - yoy chg (%)	-17.7%	9.1%	20.0%	10.0%	-2.5%
Contract employees - yoy chg (%)	13.7%	25.5%	5.0%	-1.0%	-1.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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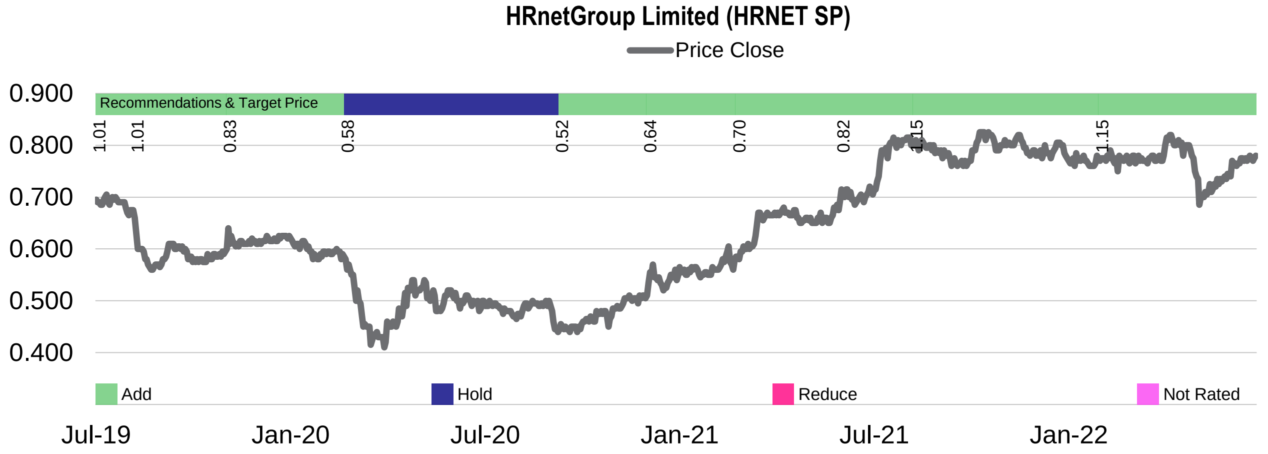
Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022 632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%
Reduce	7.8%	0.2%

Spitzer Chart for stock being researched (2 year data)



Recommendation Framework

Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.