

THIRD QUARTER 2017 FINANCIAL RESULTS

October 26, 2017

HEIDRICK & STRUGGLES

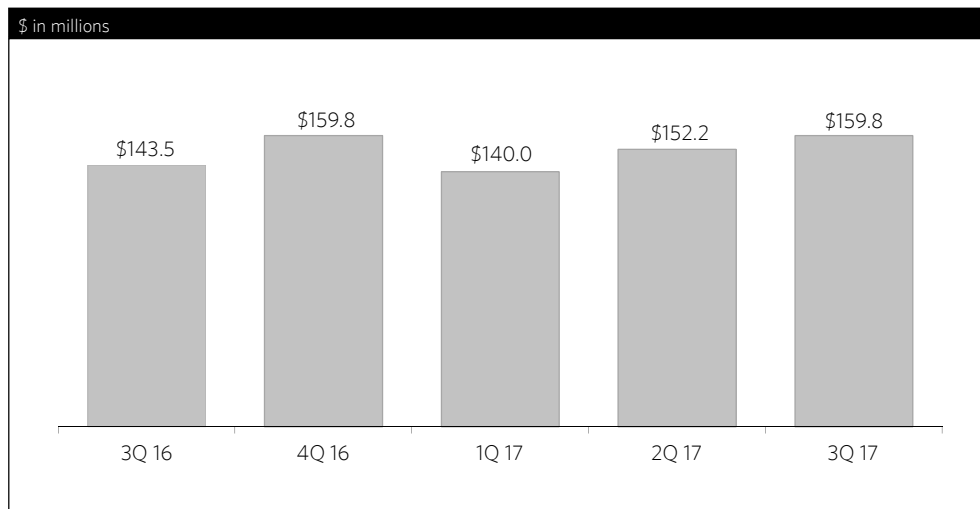
SAFE HARBOR STATEMENT

The 2017 third quarter news release, conference call webcast, and the following slides contain forward-looking statements. The forward-looking statements are based on current expectations, estimates, forecasts and projections about the industry in which we operate and management's beliefs and assumptions. Forward-looking statements may be identified by the use of words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects," "forecasts," and similar expressions. Forward-looking statements are not guarantees of future performance and involve certain known and unknown risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from what is expressed, forecasted or implied in the forward-looking statements. Factors that may affect the outcome of the forward-looking statements include, among other things, leadership changes, our ability to attract, integrate, manage and retain qualified consultants and senior leaders; our ability to develop and maintain strong, long-term relationships with our clients; declines in the global economy and our ability to execute successfully through business cycles; the timing, speed or robustness of any future economic recovery; social or political instability in markets where we operate; the impact of the U.K. referendum to leave the European Union (Brexit); the impact of foreign currency exchange rate fluctuations; unfavorable tax law changes and tax authority rulings; price competition; the ability to forecast, on a quarterly basis, variable compensation accruals that ultimately are determined based on the achievement of annual results; our ability to utilize our tax losses; the timing of the establishment or reversal of valuation allowances on deferred tax assets; the mix of profit and loss by country; our reliance on information management systems; any impairment of our goodwill and other intangible assets; and the ability to align our cost structure and headcount with net revenue. For more information on the factors that could affect the outcome of forward-looking statements, refer to our Annual Report on Form 10-K for the year ended December 31, 2016, under Risk Factors in Item 1A, and our quarterly filings with the SEC. We caution the reader that the list of factors may not be exhaustive. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

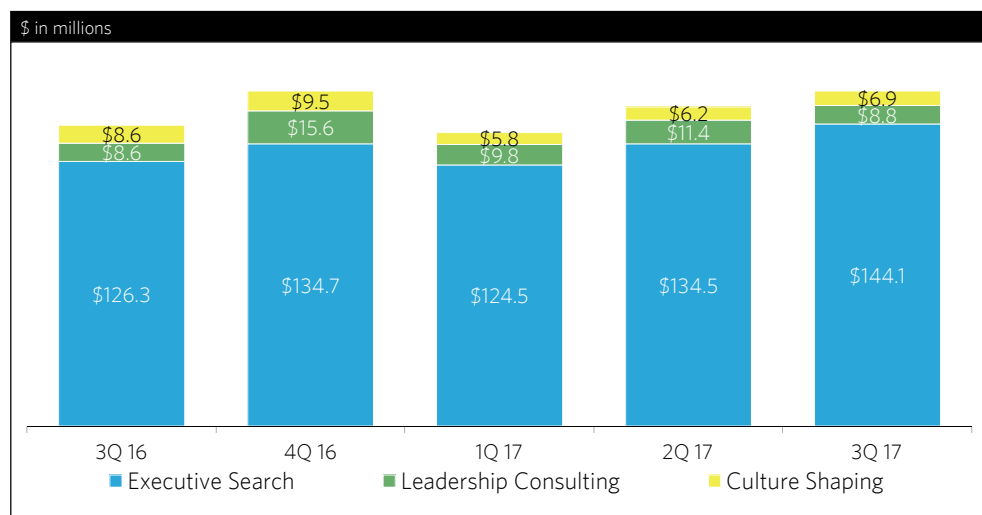


THIRD QUARTER 2017 CONSOLIDATED RESULTS

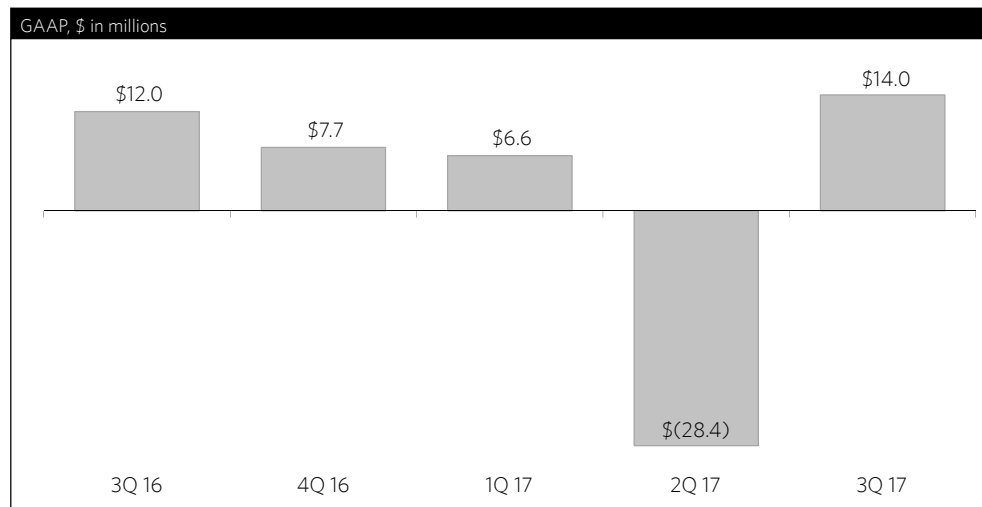
QUARTERLY CONSOLIDATED NET REVENUE



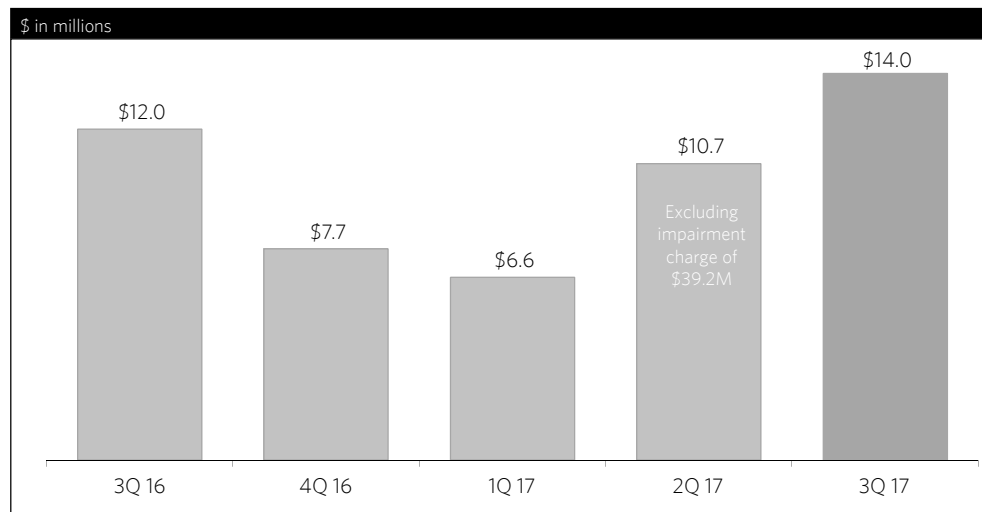
QUARTERLY NET REVENUE BY BUSINESS SERVICE



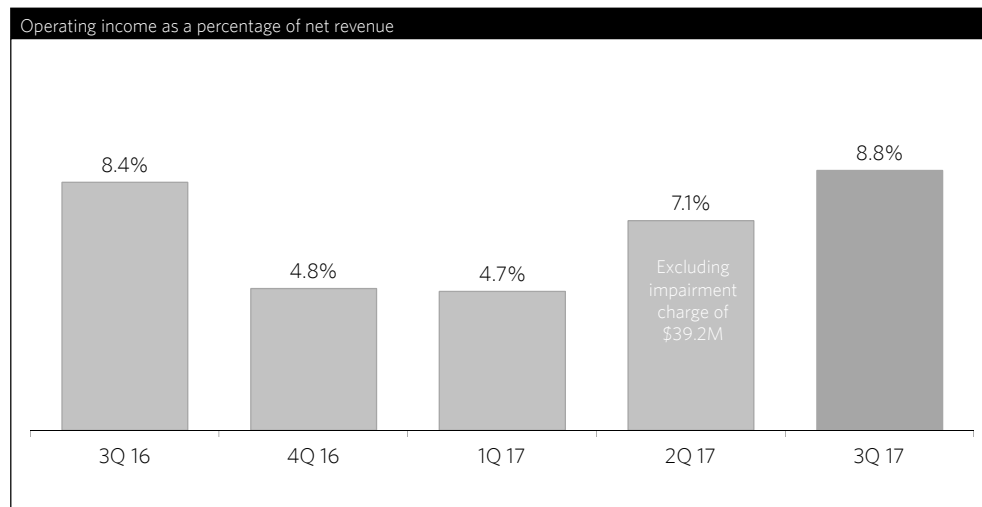
QUARTERLY OPERATING INCOME



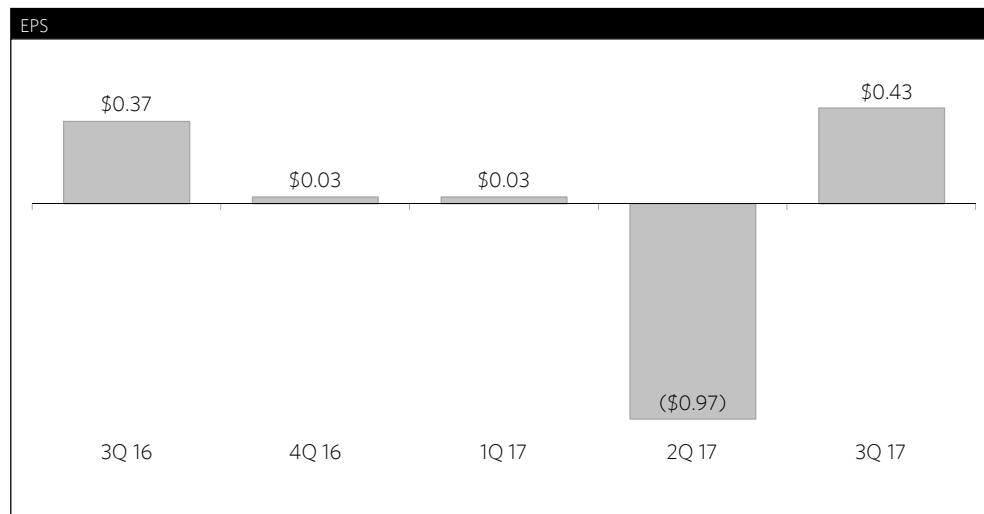
QUARTERLY OPERATING INCOME EXCLUDING IMPAIRMENT CHARGE



QUARTERLY OPERATING MARGIN EXCLUDING IMPAIRMENT CHARGE

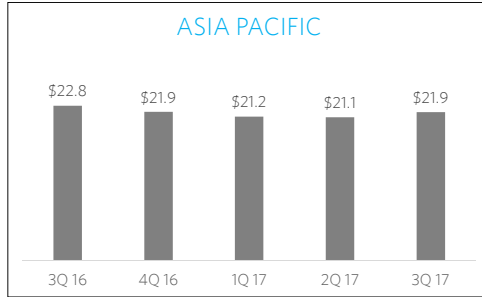
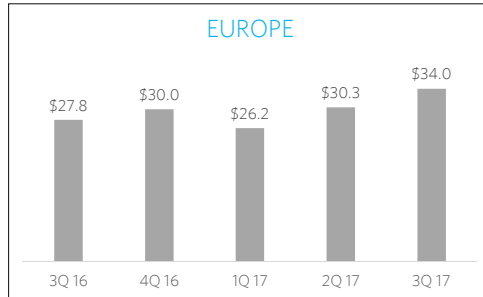
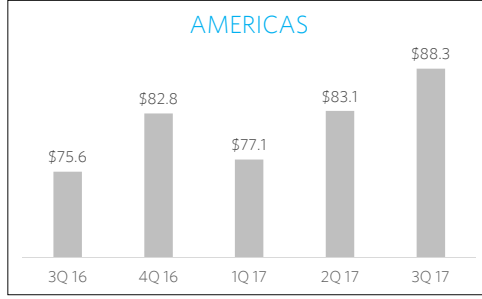
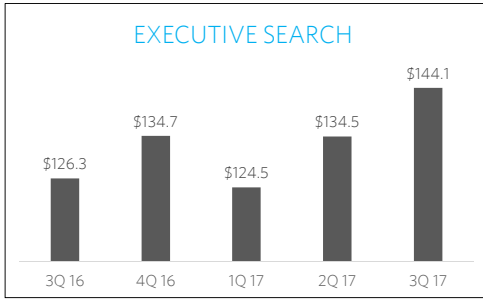


QUARTERLY NET INCOME PER DILUTED SHARE

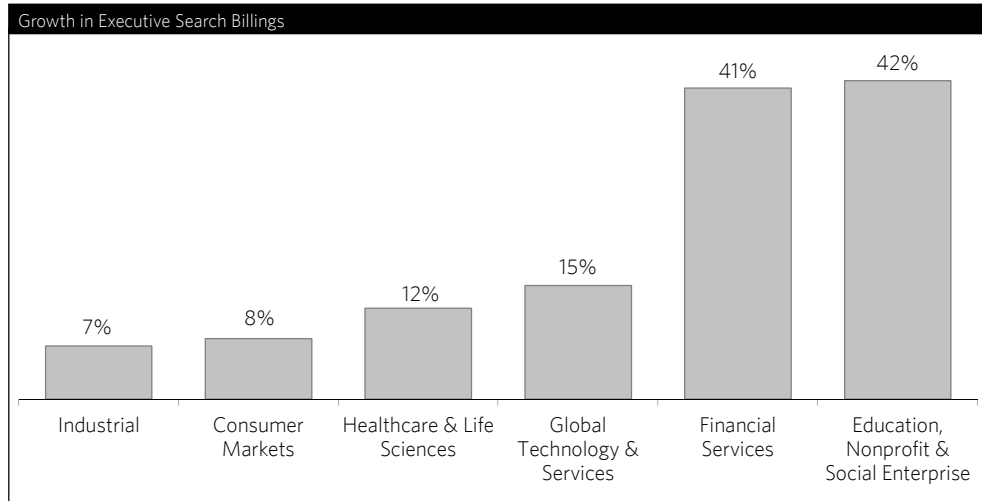


THIRD QUARTER 2017 EXECUTIVE SEARCH RESULTS

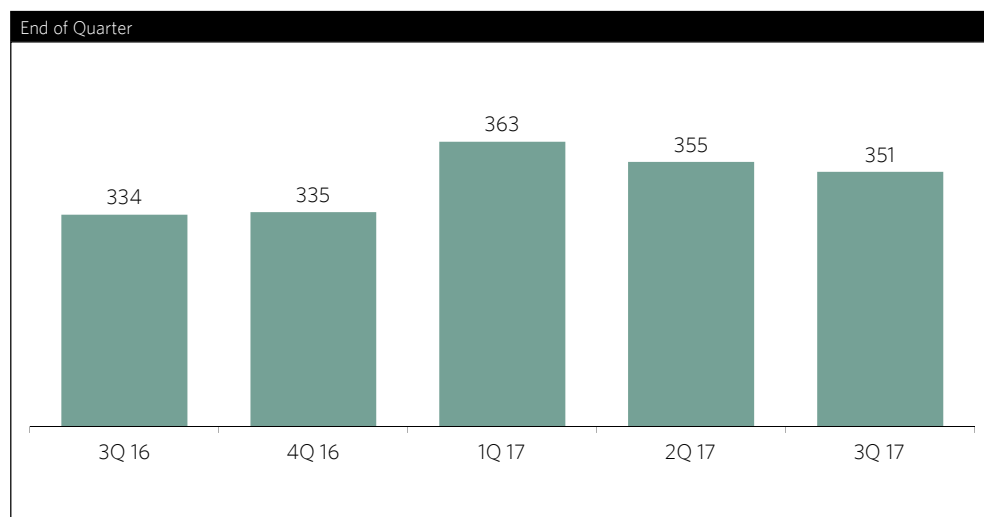
QUARTERLY NET SEARCH REVENUE



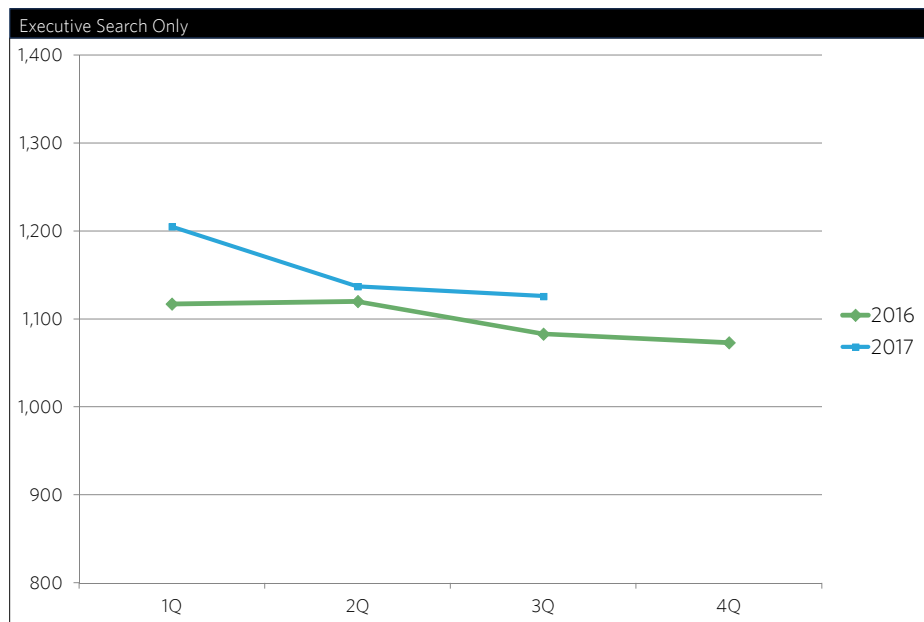
INDUSTRY PRACTICE BILLINGS 3Q 2017 COMPARED TO 3Q 2016



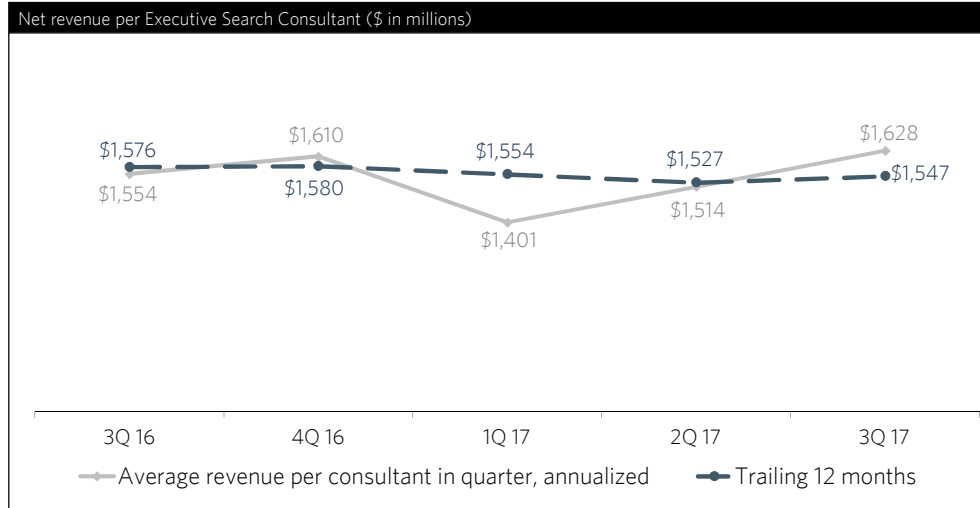
EXECUTIVE SEARCH CONSULTANT HEADCOUNT



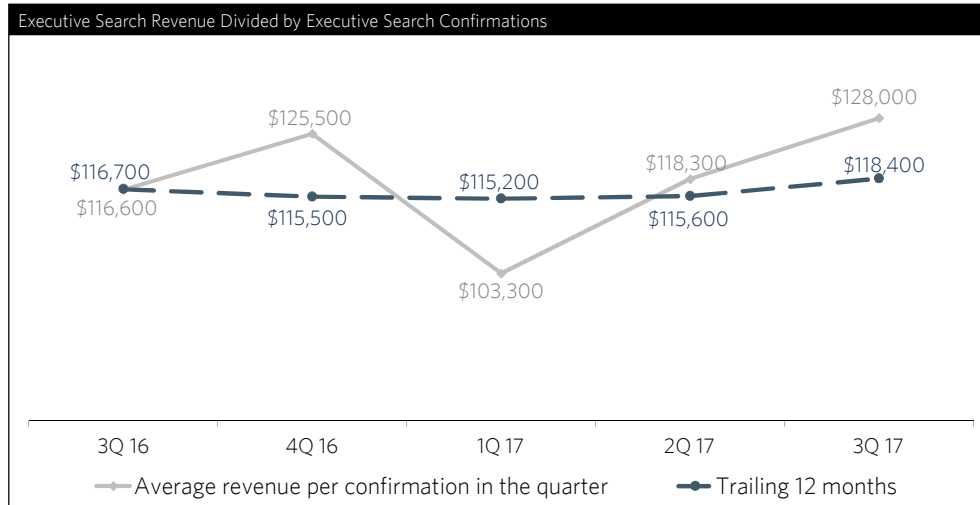
EXECUTIVE SEARCH CONFIRMATIONS



PRODUCTIVITY

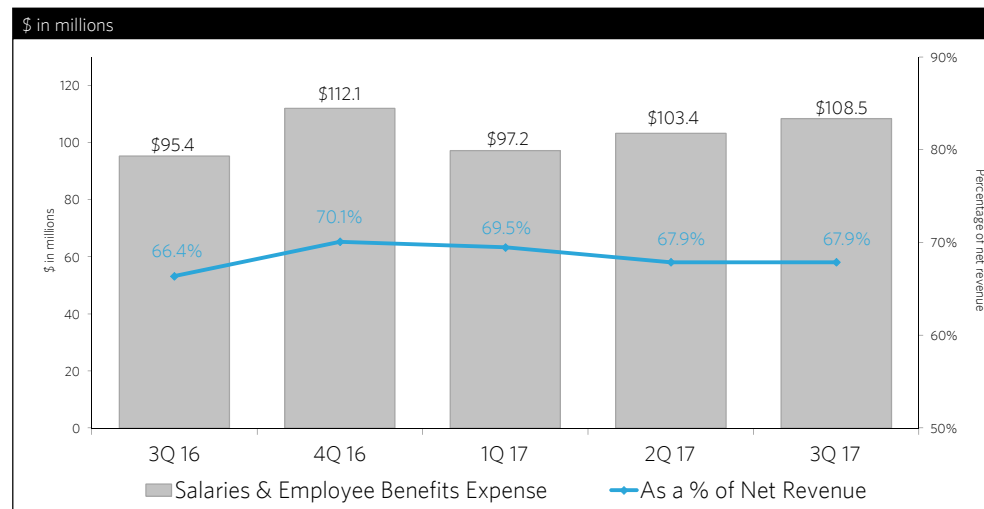


REVENUE PER EXECUTIVE SEARCH

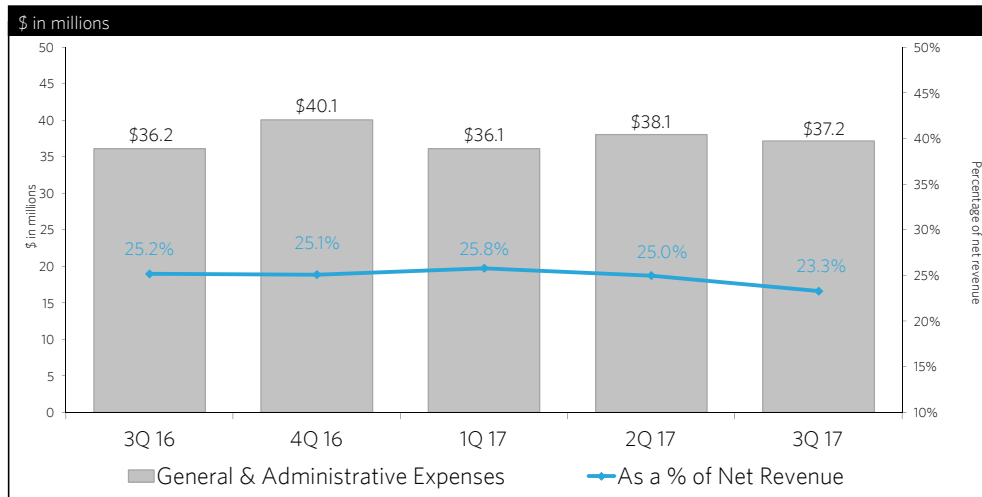


THIRD QUARTER 2017 CONSOLIDATED RESULTS- CONT.

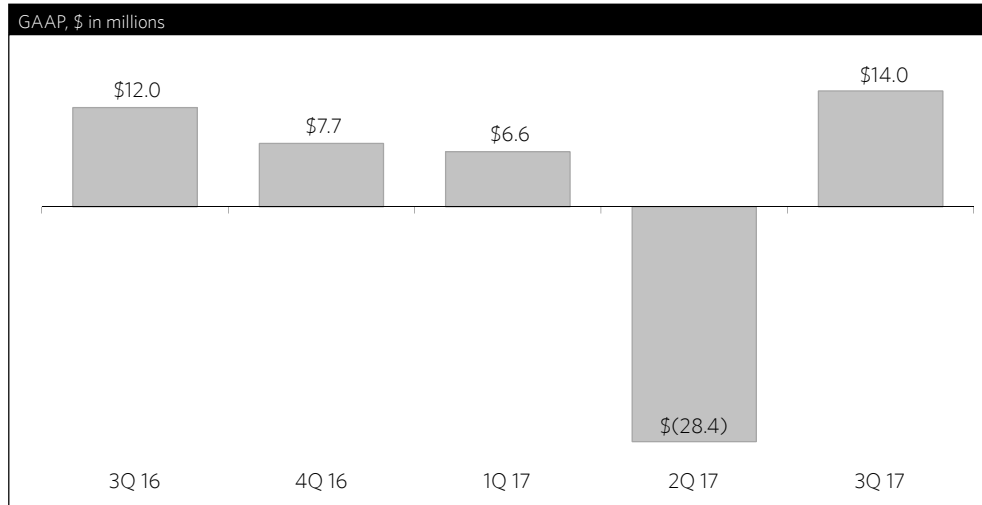
SALARIES & EMPLOYEE BENEFITS EXPENSE



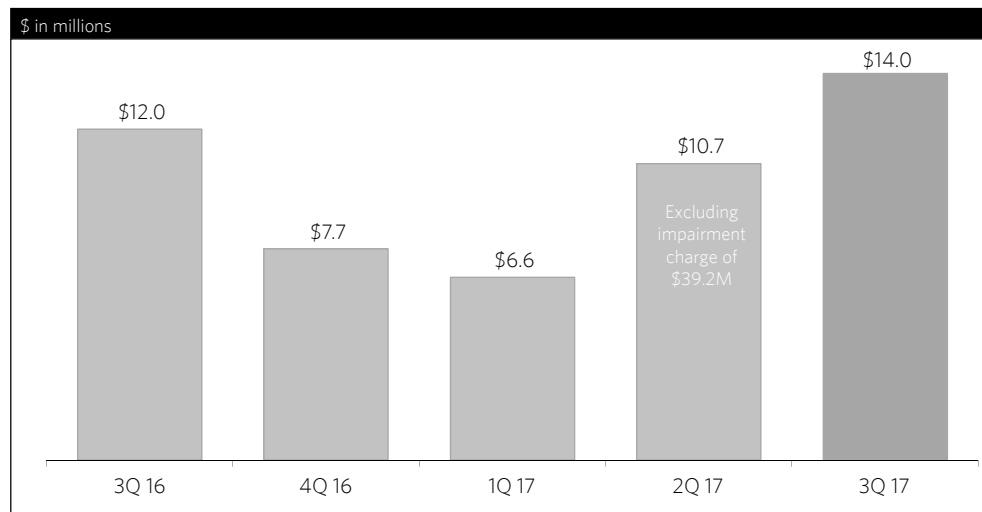
GENERAL & ADMINISTRATIVE EXPENSES



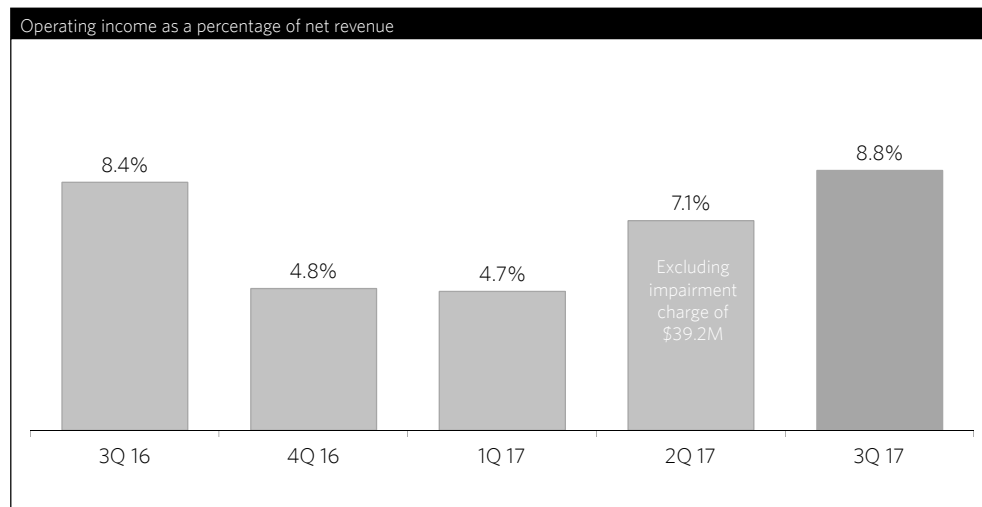
QUARTERLY OPERATING INCOME



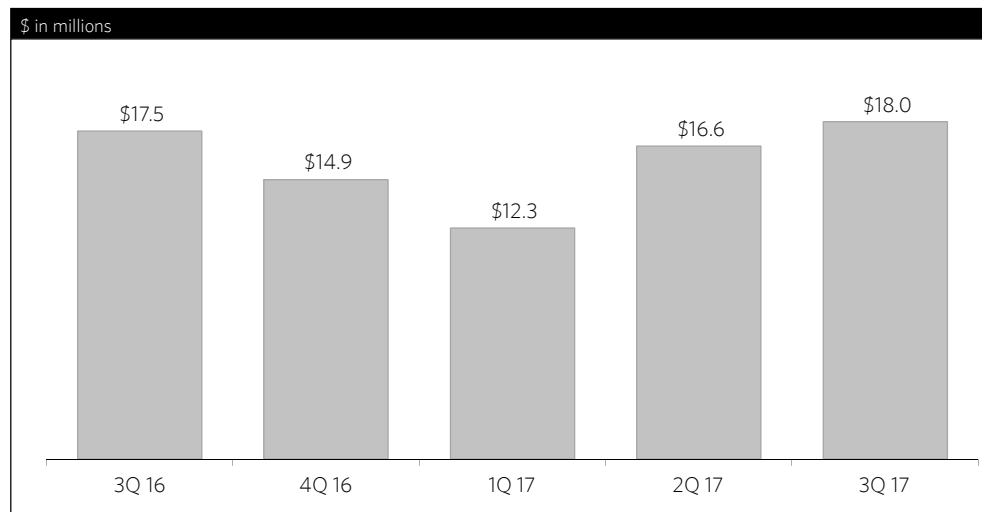
QUARTERLY OPERATING INCOME EXCLUDING IMPAIRMENT CHARGE



QUARTERLY OPERATING MARGIN EXCLUDING IMPAIRMENT CHARGE

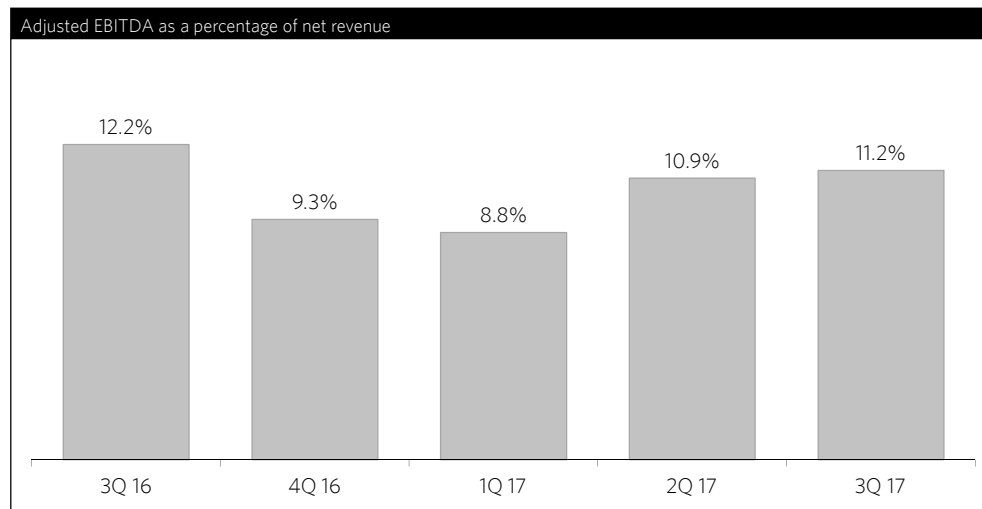


QUARTERLY ADJUSTED EBITDA⁽¹⁾



⁽¹⁾Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures which the company believes are useful to management and meaningful to investors because they provide insight into the ongoing operating results of the company's core business. A reconciliation to Operating Income is provided on Slide 24.

QUARTERLY ADJUSTED EBITDA MARGIN⁽¹⁾



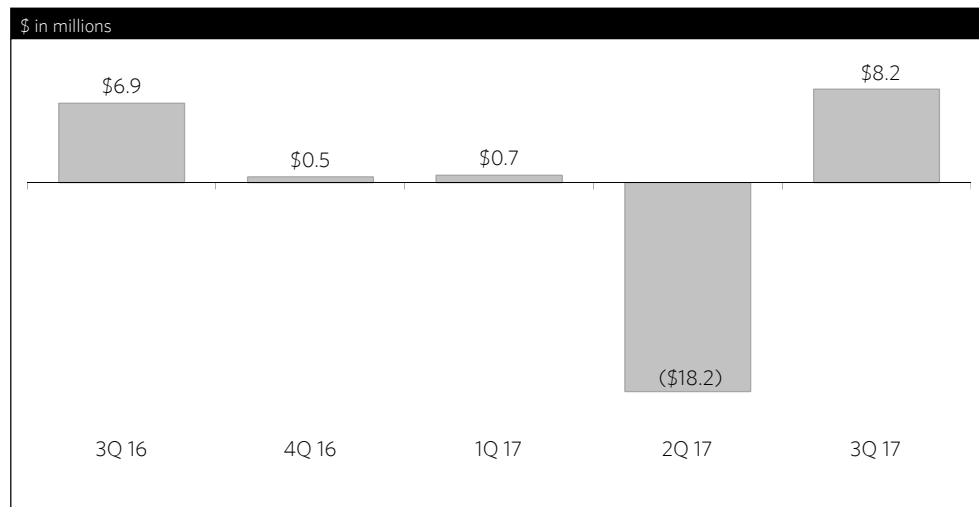
⁽¹⁾Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures which the company believes are useful to management and meaningful to investors because they provide insight into the ongoing operating results of the company's core business. A reconciliation to Operating Income is provided on Slide 24.

ADJUSTED EBITDA MARGIN

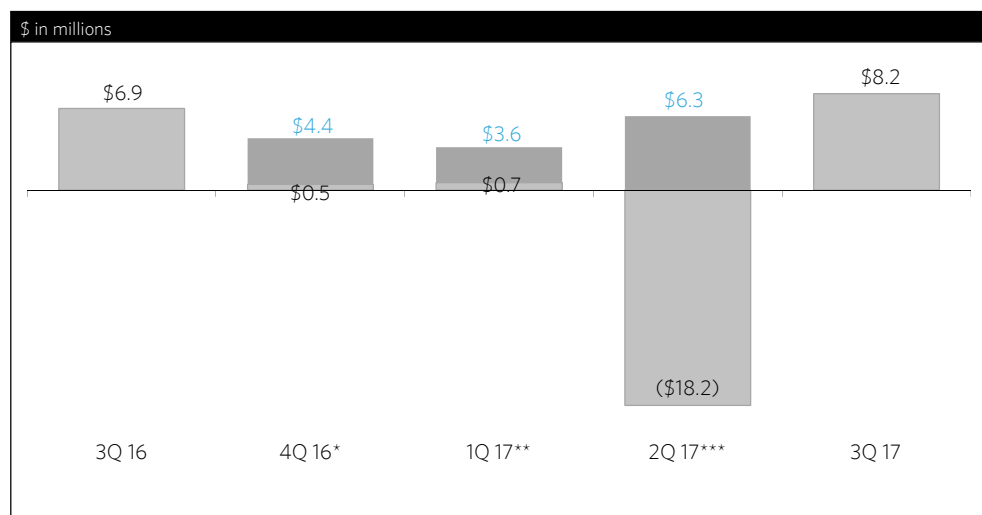
We define Adjusted EBITDA as earnings before interest, taxes, depreciation, intangible amortization, stock-based compensation expense, compensation expense associated with Senn Delaney retention awards, acquisition-related earnout accretion, restructuring and impairment charges, and other non-operating income or expense.

3 months ended September 30,			
	2017	2016	change
<small>\$ in millions-- numbers may not foot due to rounding</small>			
Net Income	\$ 8.2	\$ 6.9	\$ 1.2
Interest, net	\$ (0.1)	\$ (0.0)	
Other, net	\$ (0.1)	\$ (0.3)	
Provision for income taxes	\$ 6.1	\$ 5.4	
Operating Income	\$ 14.0	\$ 12.0	\$ 2.0
Adjustments			
Salaries and employee benefits			
Stock-based compensation expense	0.2	1.2	(1.0)
Senn Delaney retention awards	0.0	0.6	(0.6)
General and administrative expenses			
Depreciation	2.8	2.4	0.4
Intangible amortization	0.9	1.6	(0.7)
Earnout accretion	0.0	-0.4	0.4
Impairment charges	0.0	0.0	0.0
Adjusted EBITDA	\$ 18.0	\$ 17.5	\$ 0.5
Adjusted EBITDA Margin (as % of net revenue)	11.2%	12.2%	

QUARTERLY NET INCOME



QUARTERLY NET INCOME-ADJUSTED

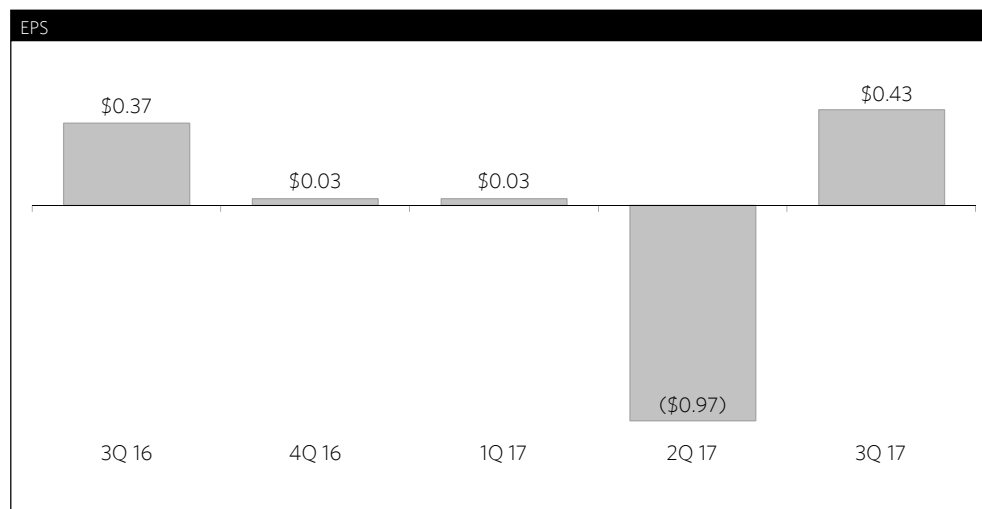


* Q4 2016 Adjusted net income of \$4.4 million reflect results had the company not repatriated dividends from foreign operations to the United States which resulted in additional book tax expense, as well as several other non-recurring tax items that were recorded which also contributed to the high effective tax rate.

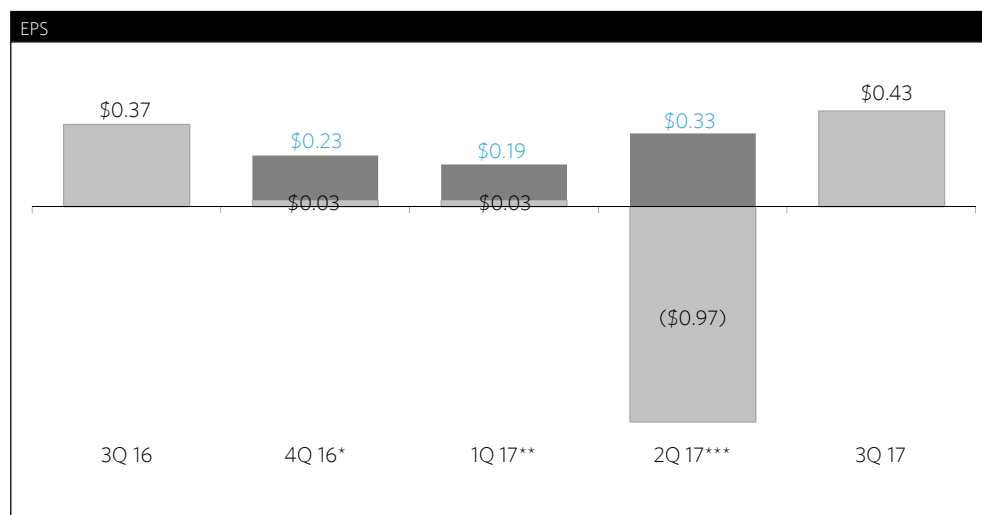
** Q1 2017 Adjusted net income of \$3.6 million reflects results that exclude the impact of a cash settlement with the HRMC related to the taxation of a legacy U.K. benefit trust obligation.

*** Q2 2017 Adjusted net income of \$6.3 million reflects results that exclude the \$39.2 million impairment charge.

QUARTERLY NET INCOME PER DILUTED SHARE



QUARTERLY NET INCOME PER DILUTED SHARE- ADJUSTED

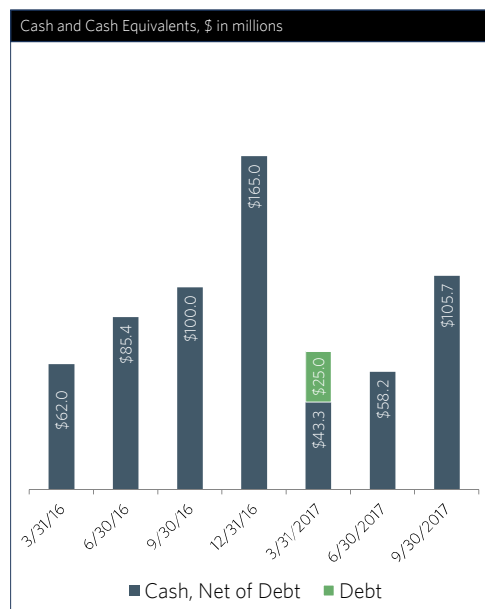


* Q4 2016 Adjusted net income of \$4.4 million reflect results had the company not repatriated dividends from foreign operations to the United States which resulted in additional book tax expense, as well as several other non-recurring tax items that were recorded which also contributed to the high effective tax rate.

** Q1 2017 Adjusted net income of \$3.6 million reflects results that exclude the impact of a cash settlement with the HRMC related to the taxation of a legacy U.K. benefit trust obligation.

*** Q2 2017 Adjusted net income of \$6.3 million reflects results that exclude the \$39.2 million impairment charge.

CASH POSITION



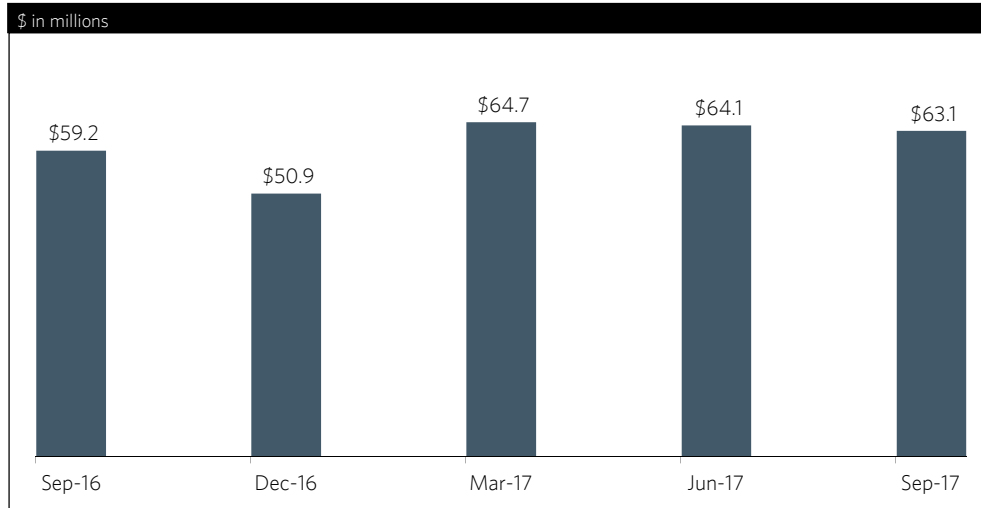
\$ in millions

	September 30, 2017	September 30, 2016
For the Quarter Ended:		
Net cash provided by operating activities	\$50.2	\$35.9

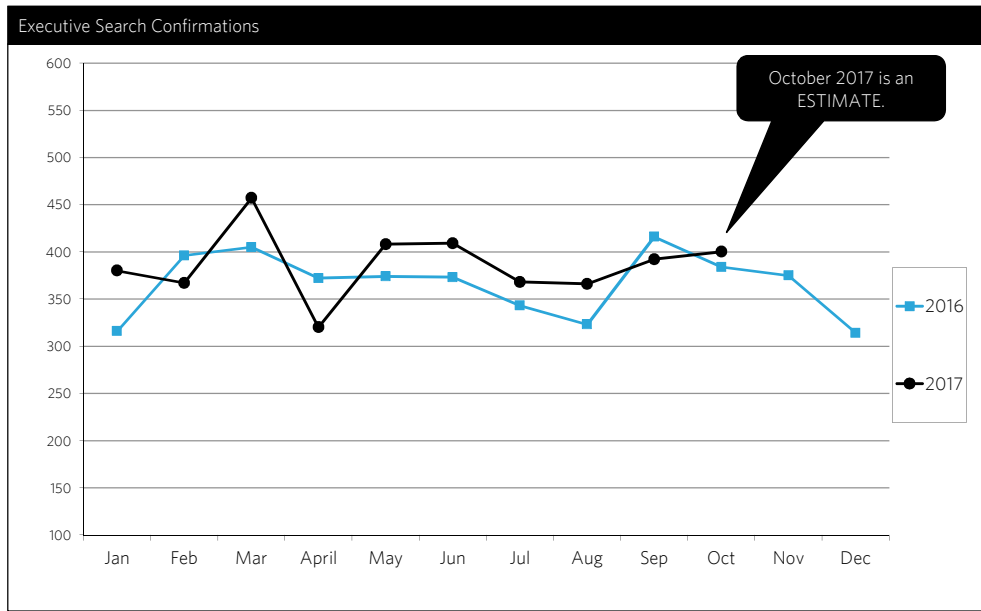
	September 30, 2017	September 30, 2016
For the Nine Months Ended:		
Net cash used in operating activities	\$36.0	\$49.0

BACKLOG

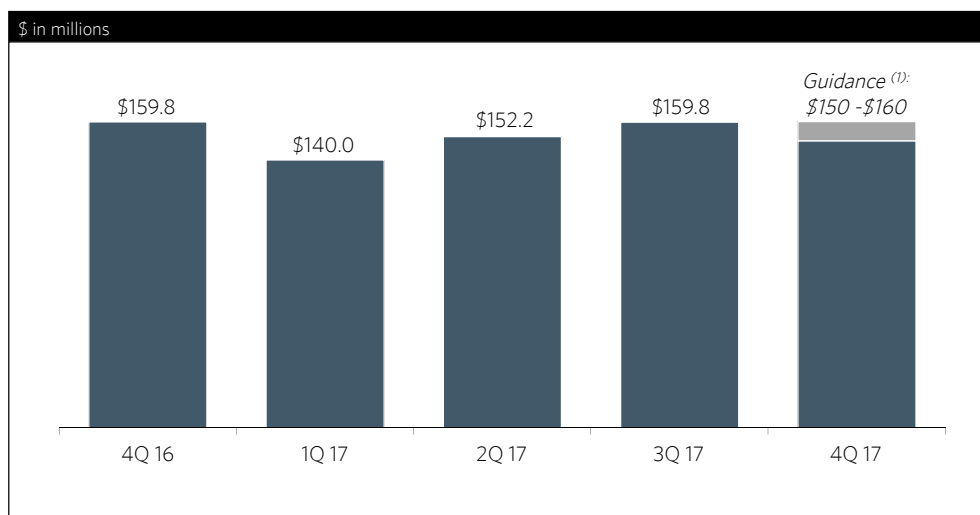
Backlog is comprised of contractual billings for Executive Searches that will be recognized as revenue in the future. It does not include Leadership Consulting or Culture Shaping.



WORLDWIDE MONTHLY SEARCH CONFIRMATION TRENDS



GUIDANCE: 3Q 2017 NET REVENUE (excludes reimbursements)

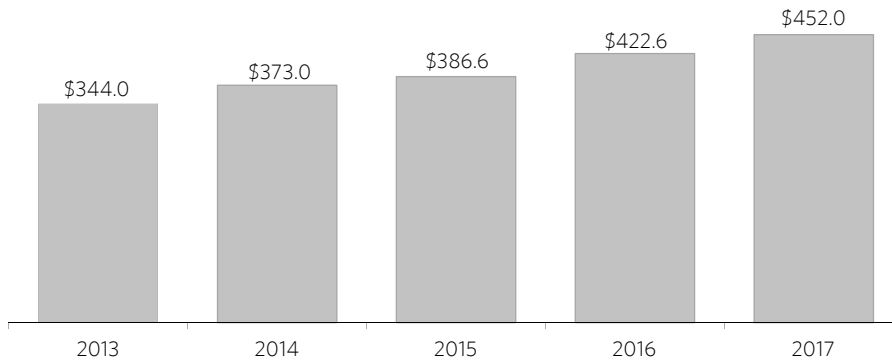


⁽¹⁾This forecast is based on the average currency rates in Sept 2017 reflects, among other factors, management's assumptions for the anticipated volume of new Executive Search confirmations, Consulting assignments, the current backlog, consultant productivity, consultant retention, and the seasonality of the business.

APPENDIX OTHER SLIDES

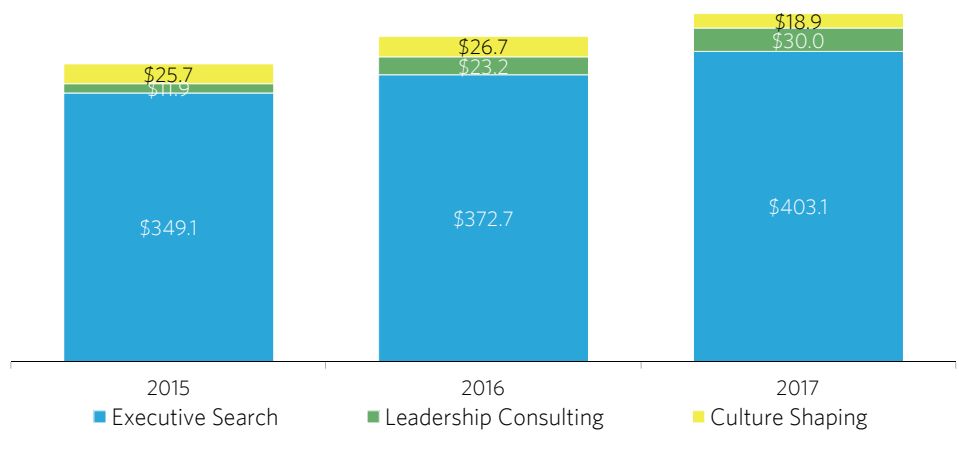
CONSOLIDATED NET REVENUE FOR THE FIRST NINE MONTHS

For the Nine Month period ending September 30; \$ in millions



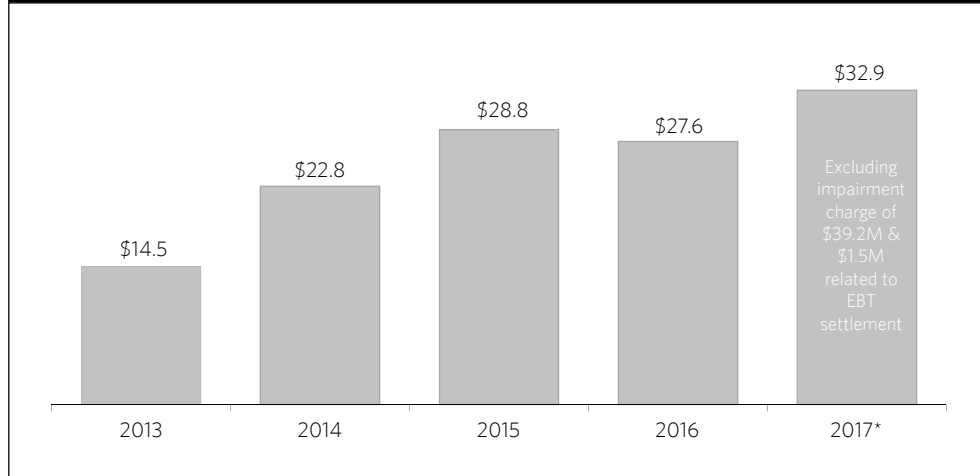
NET REVENUE BY BUSINESS SERVICE- FIRST NINE MONTHS

Revenue for the nine month period ended September 30; \$ in millions



OPERATING INCOME FOR THE FIRST NINE MONTHS

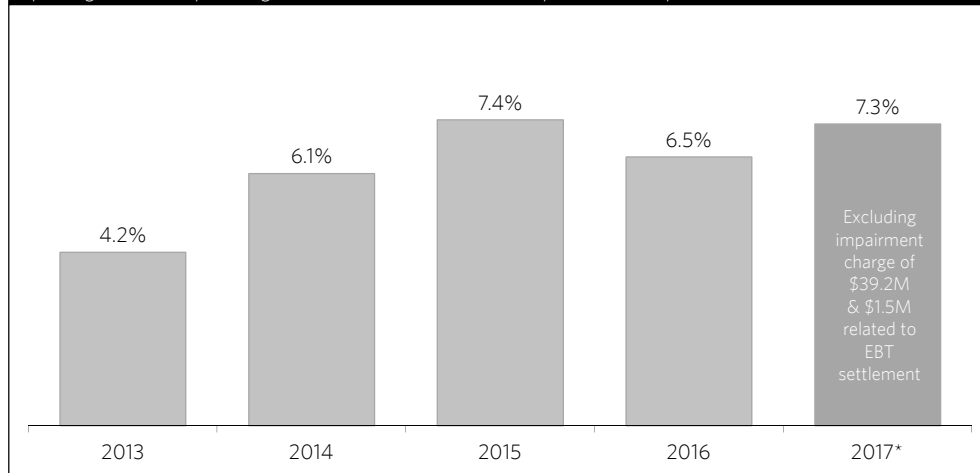
For the Nine Month period ending September 30; \$ in millions



*Adjusted operating income for the first nine months of 2017 excludes \$1.5 million related to EBT settlement in 1Q 17 and \$39.2 million impairment charge in 2Q 17. Reported Operating Loss for first nine months of 2017 was \$7.8 million. Add back \$1.5 million + \$39.2 million.

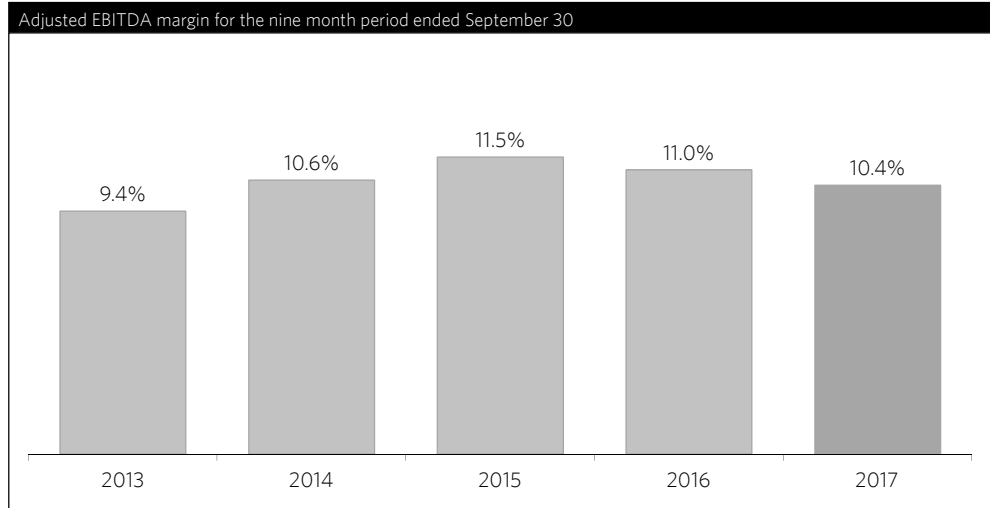
OPERATING MARGIN FOR THE FIRST NINE MONTHS

Operating income as a percentage of net revenue for the nine month period ended September 30

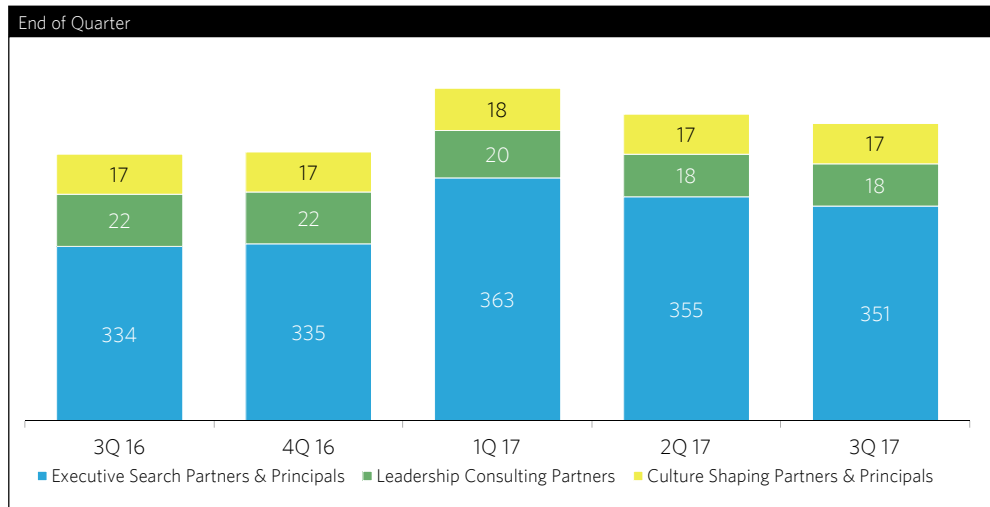


*Operating margin for the first nine months of 2017 excludes \$1.5 million related to EBT settlement in 1Q 17 and \$39.2 million impairment charge in 2Q 17. Reported Operating Loss for first nine months of 2017 was \$7.8 million. Add back \$1.5 million + \$39.2 million = \$32.9 million operating income.

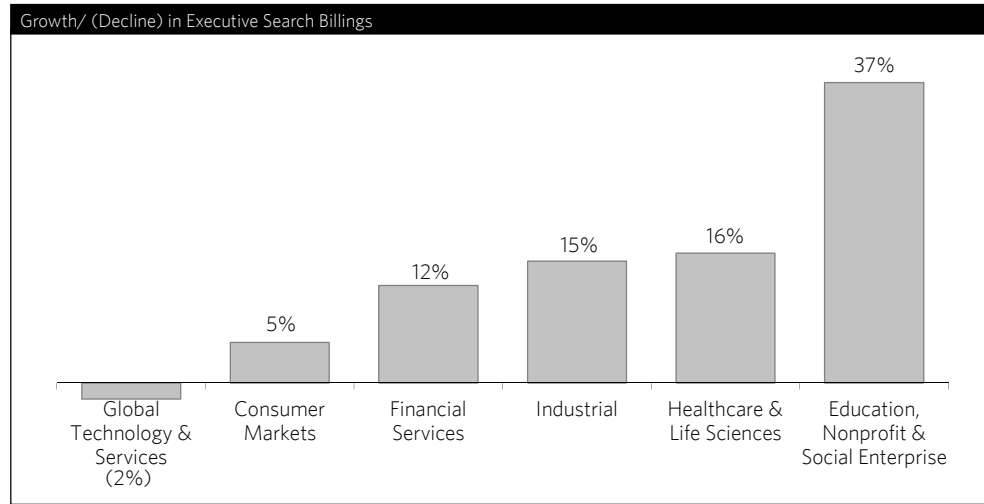
ADJUSTED EBITDA MARGIN FOR THE FIRST NINE MONTHS



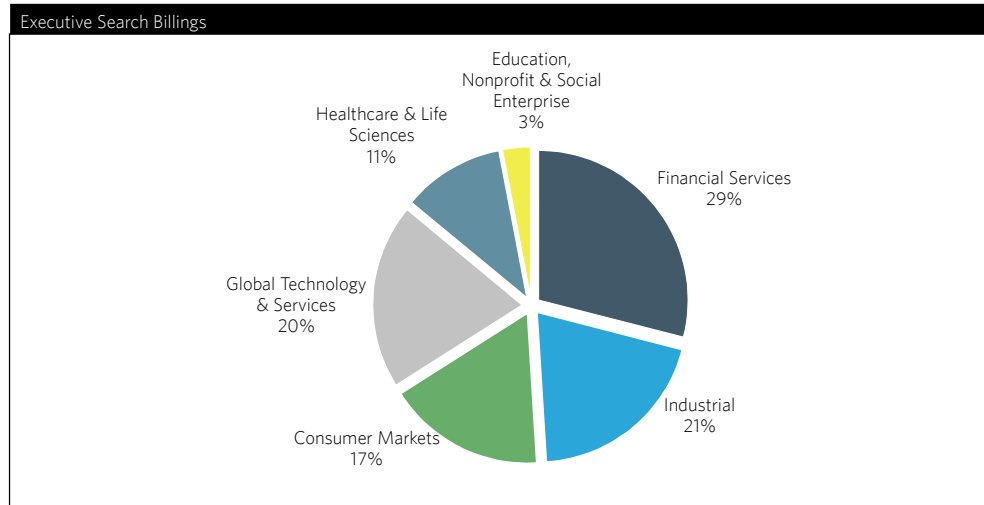
CONSULTANT HEADCOUNT



EXECUTIVE SEARCH INDUSTRY PRACTICE BILLINGS FIRST 9 MONTHS OF 2017 COMPARED TO FIRST 9 MONTHS 2016



INDUSTRY PRACTICE GROUP MIX OF BILLINGS⁽¹⁾



(1) Industry practice billings as percentage of total Executive Search billings in 3Q 2017. Numbers may not add due to rounding.

HEIDRICK & STRUGGLES

Julie Creed, VP Investor Relations & Real Estate
jcreed@heidrick.com
312-496-1774

HEIDRICK & STRUGGLES