

HEIDRICK & STRUGGLES

SECOND QUARTER 2014 FINANCIAL RESULTS

July 29, 2014

HEIDRICK & STRUGGLES

SAFE HARBOR STATEMENT

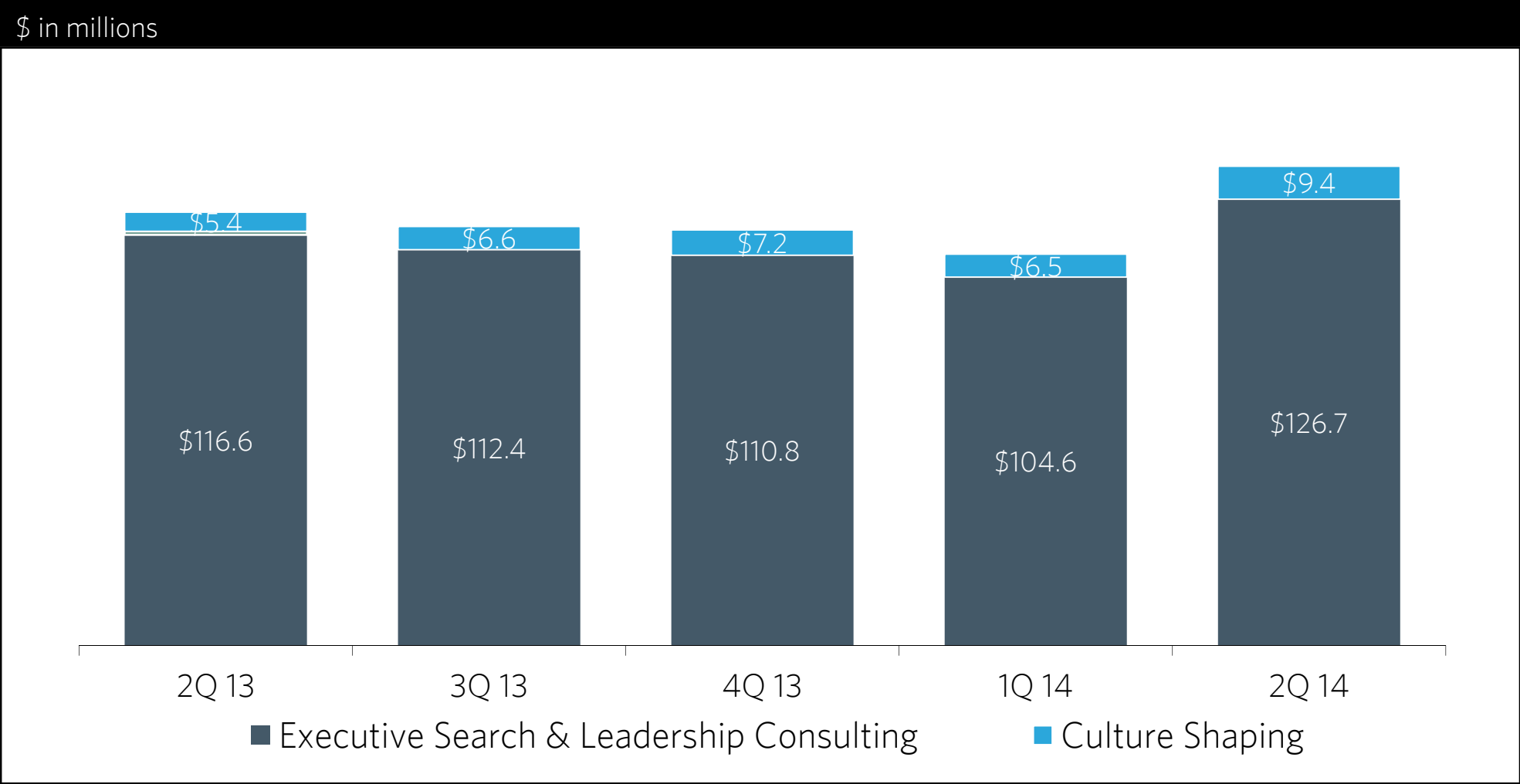
The 2014 second quarter news release, conference call webcast, and the following slides contain forward-looking statements. The forward-looking statements are based on current expectations, estimates, forecasts and projections about the industry in which we operate and management's beliefs and assumptions. 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, our ability to attract, integrate, manage and retain qualified executive search consultants; 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 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 realize our tax losses; the timing of the establishment or reversal of valuation allowance 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, 2013, 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.



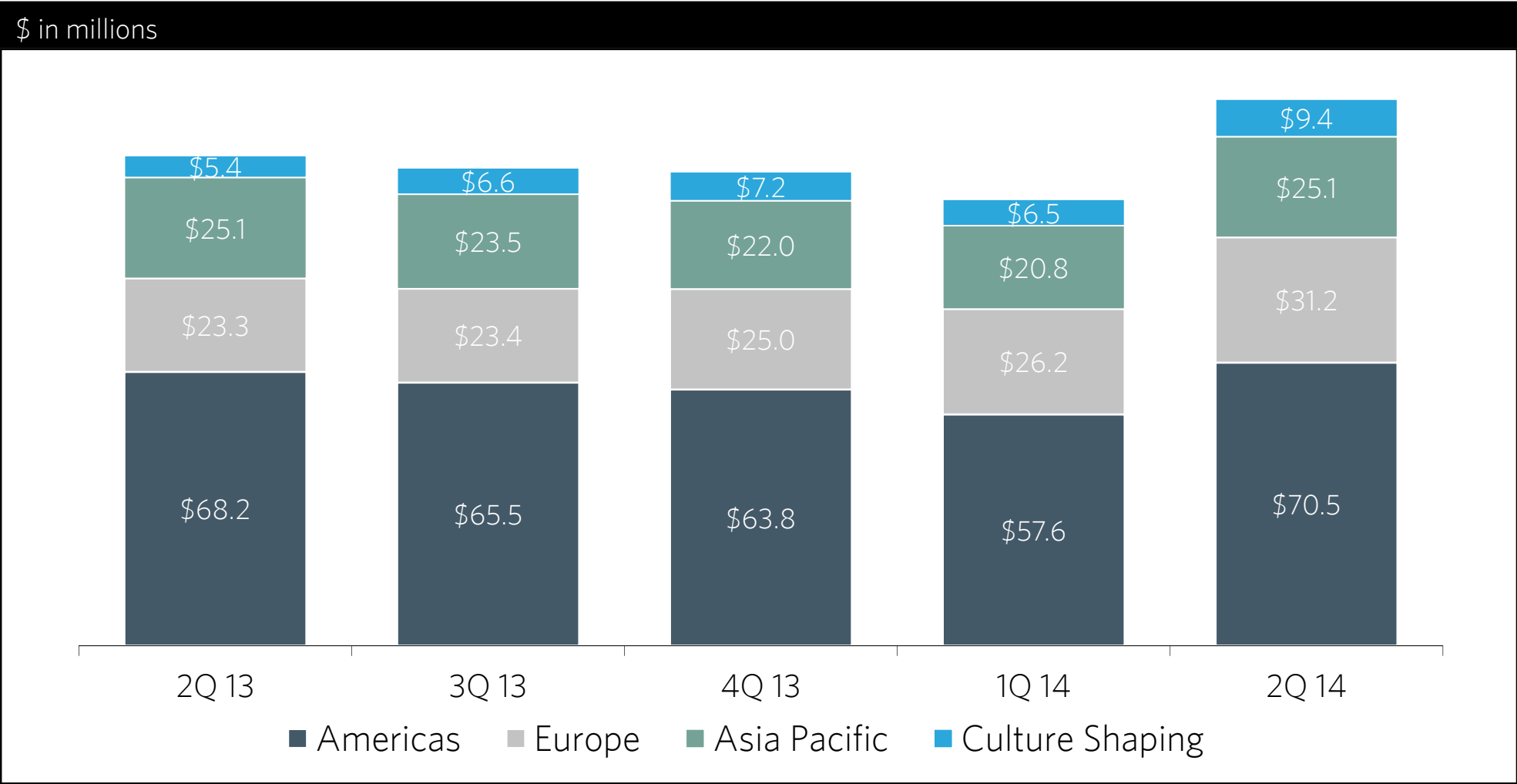
CONSOLIDATED NET REVENUE



CONSOLIDATED NET REVENUE



SEGMENTED NET REVENUE

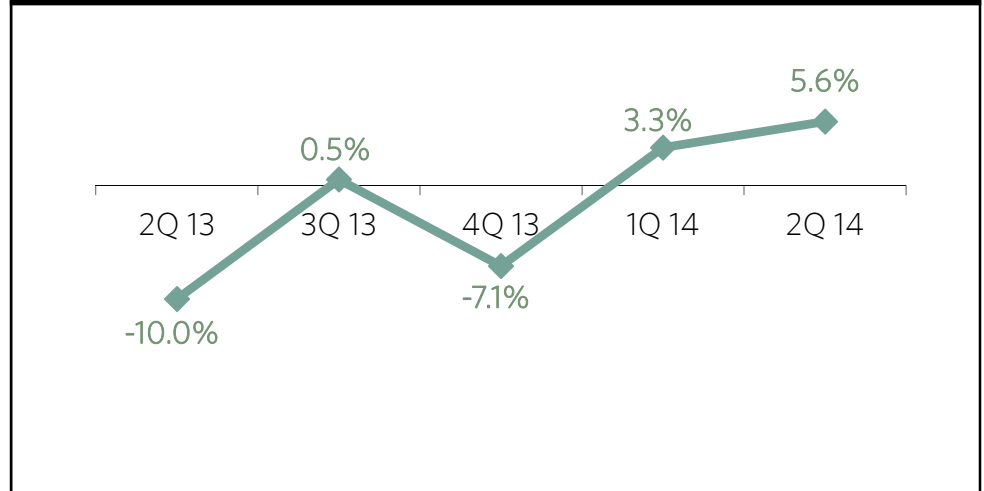


EUROPE

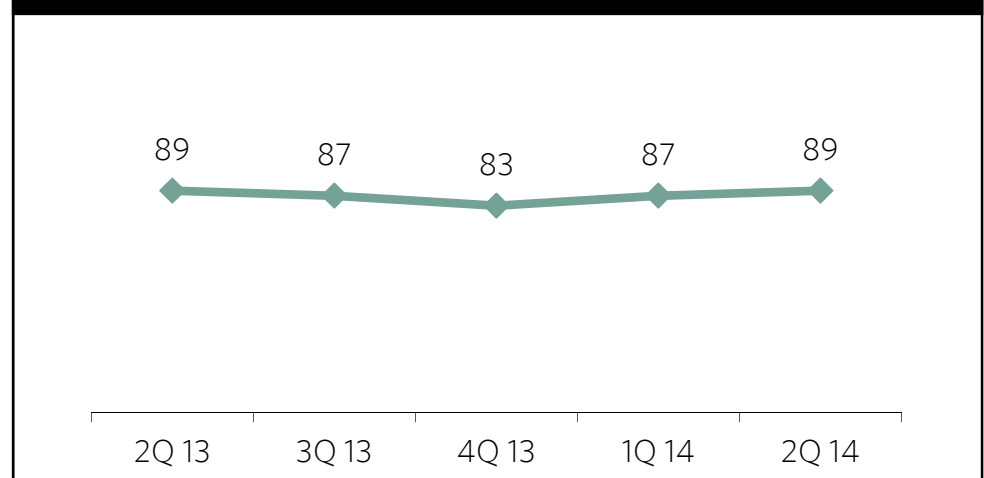
Quarterly Net Revenue (\$ in millions)



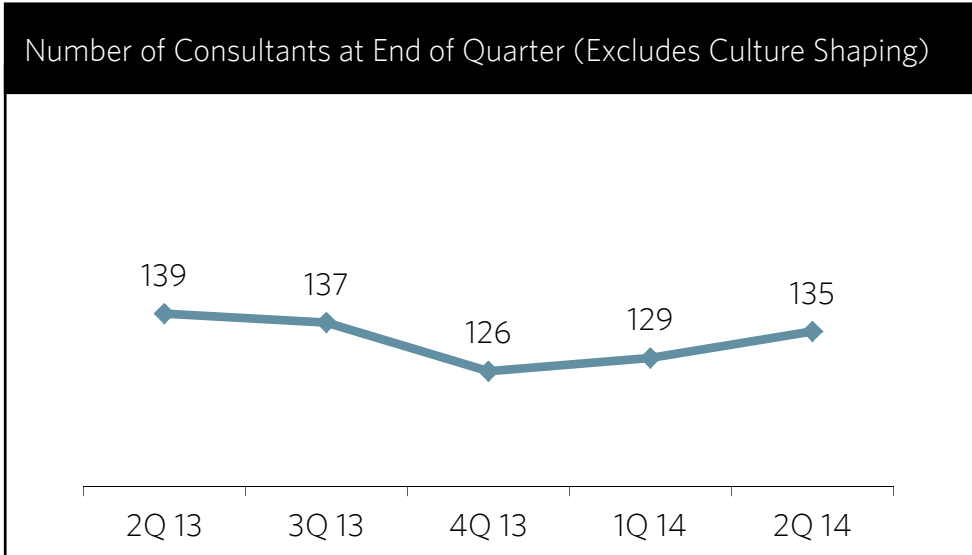
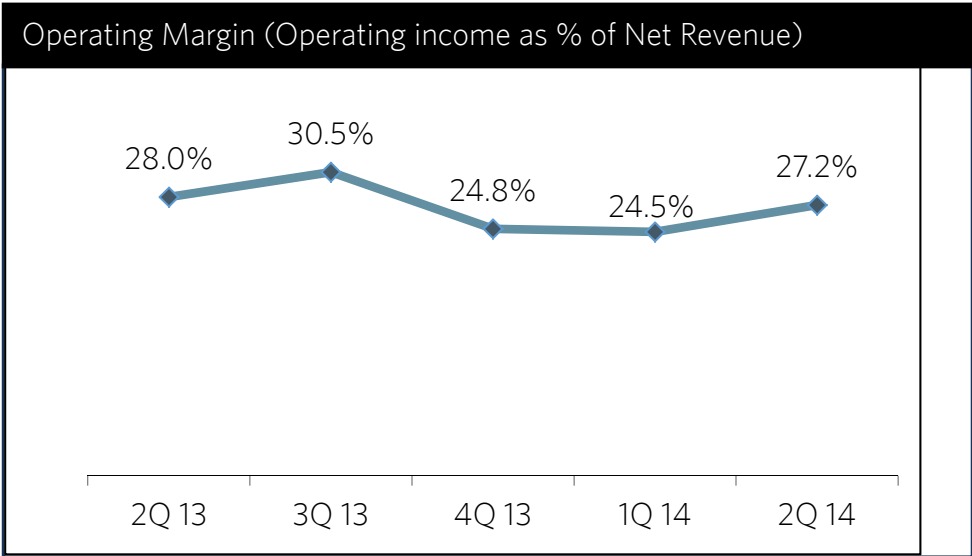
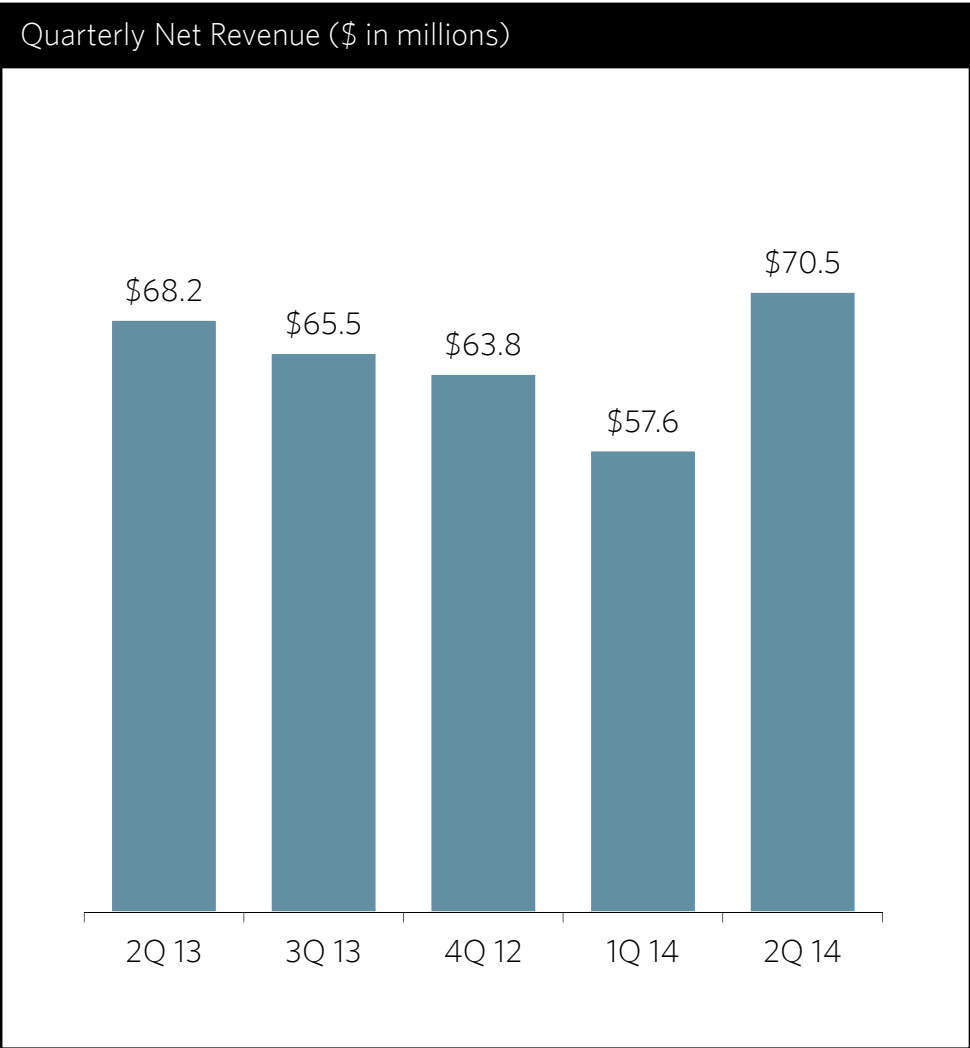
Operating Margin (Operating income as % of Net Revenue)



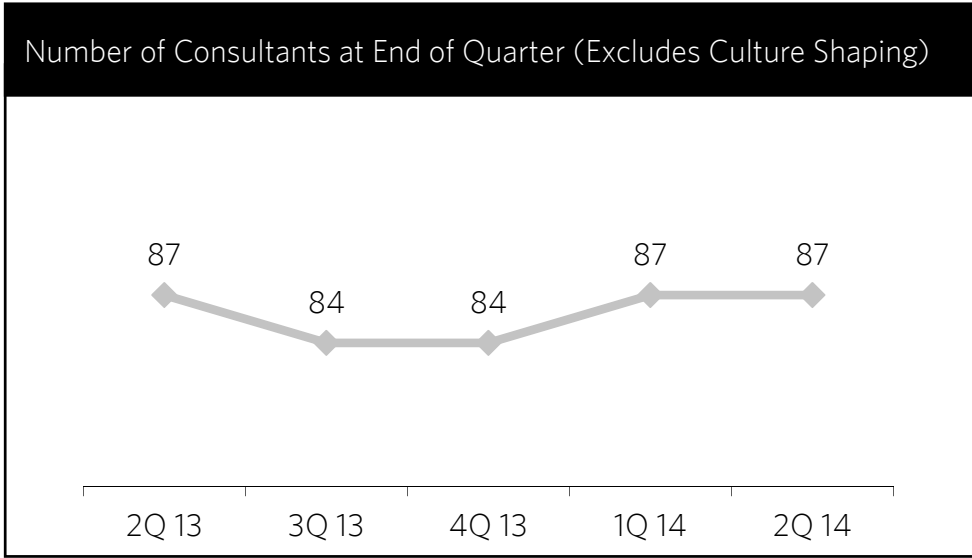
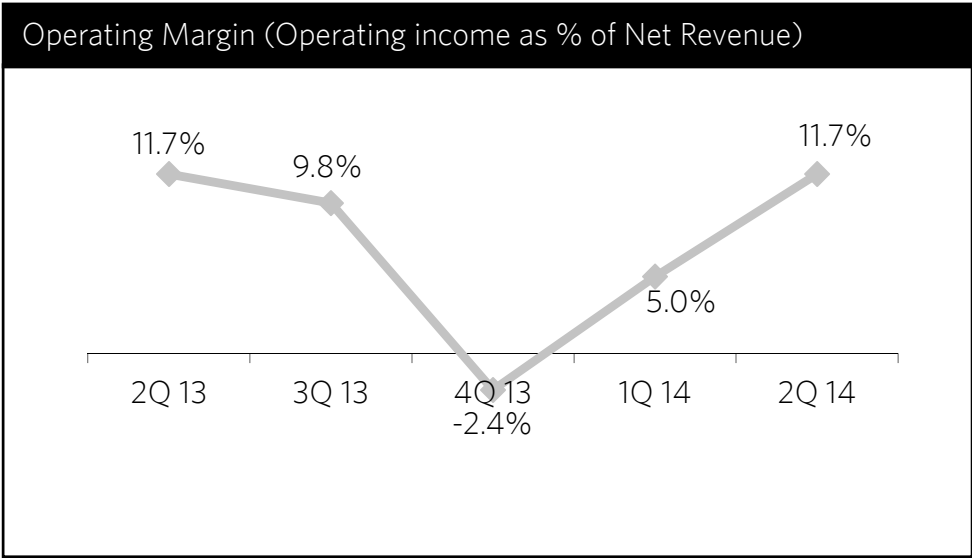
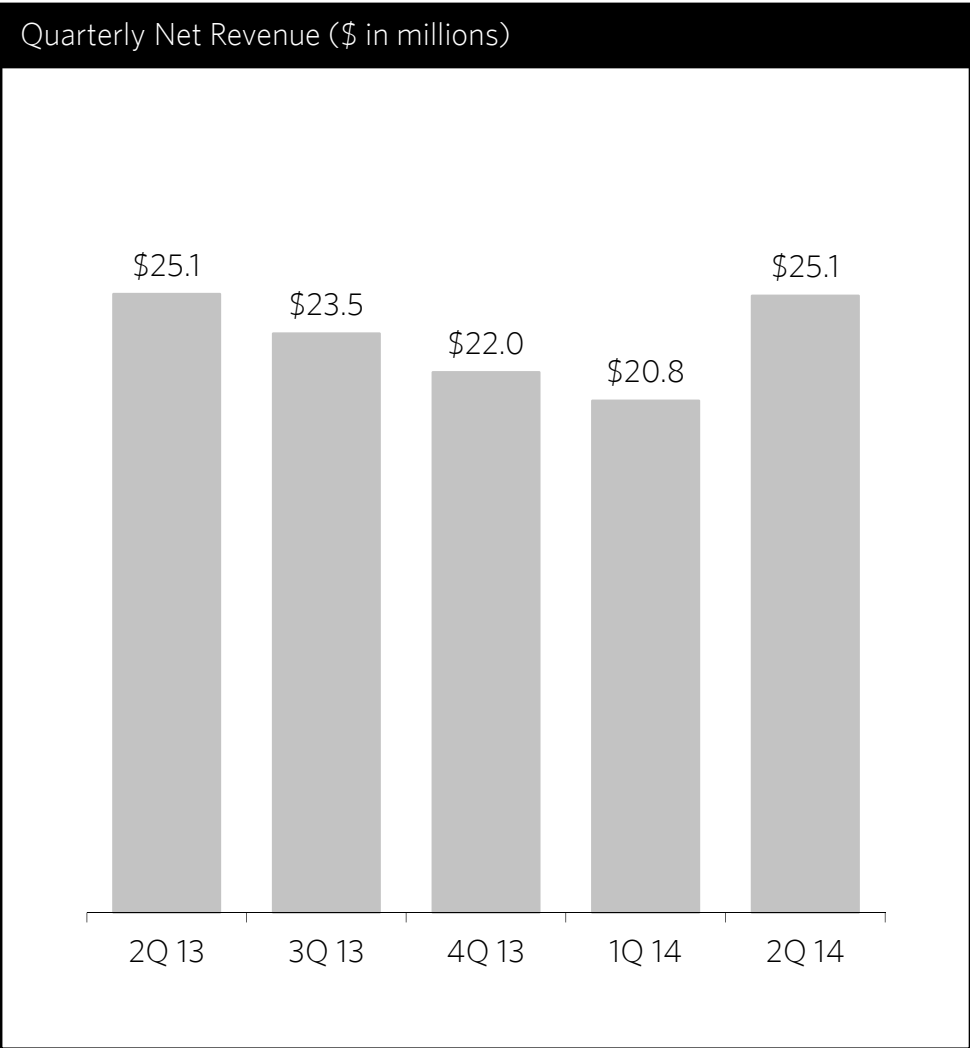
Number of Consultants at End of Quarter (Excludes Culture Shaping)



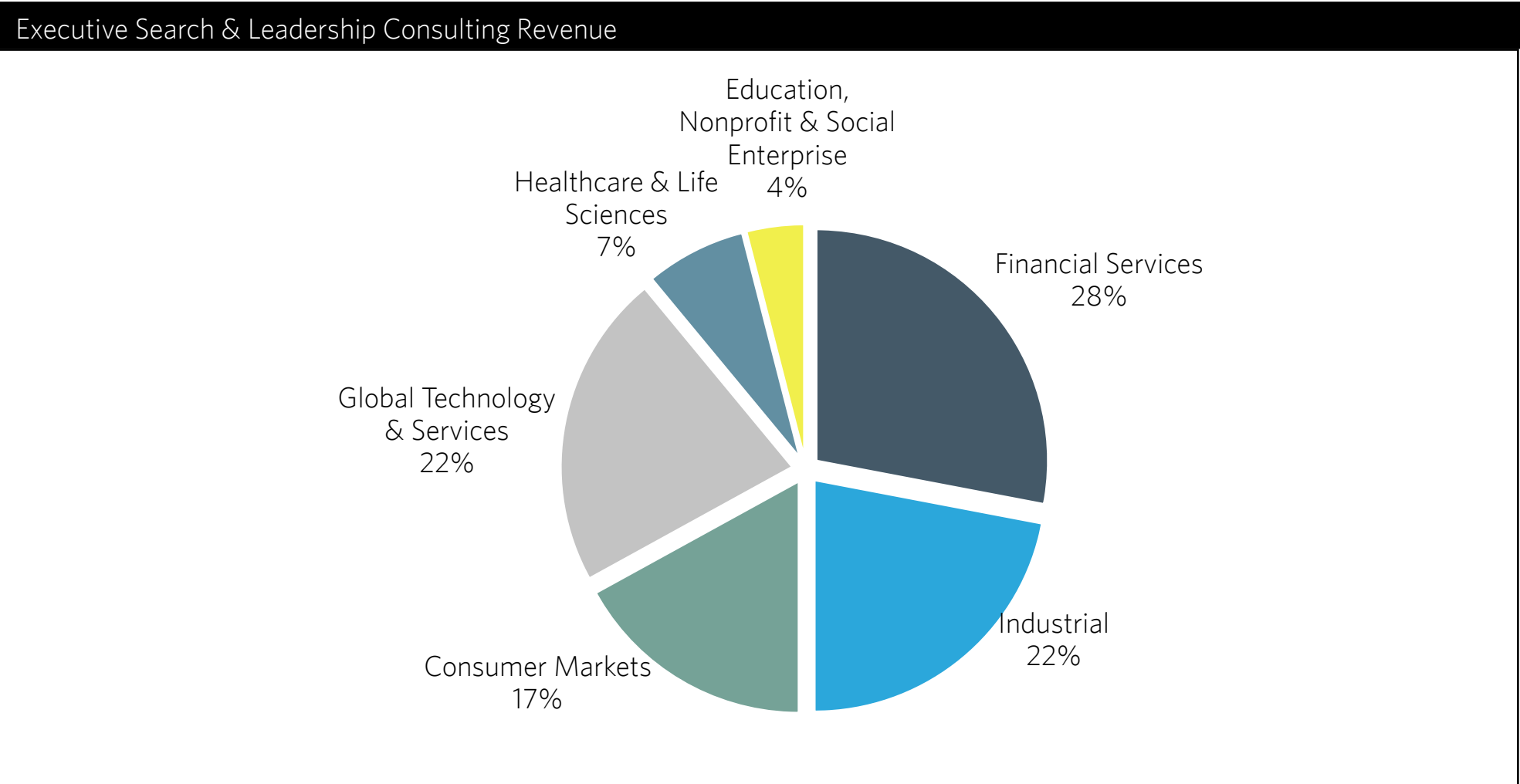
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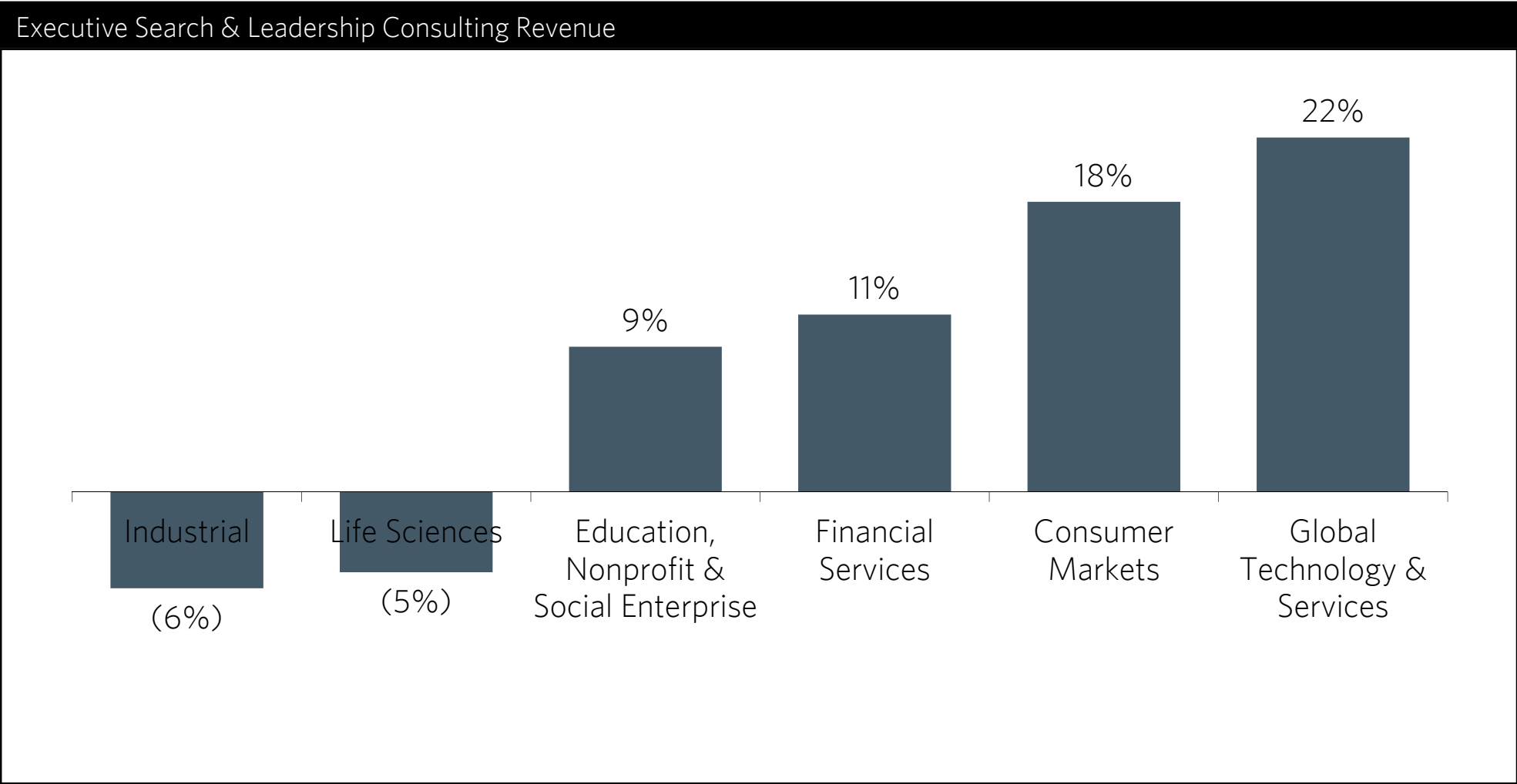


INDUSTRY PRACTICE GROUP MIX OF REVENUE⁽¹⁾

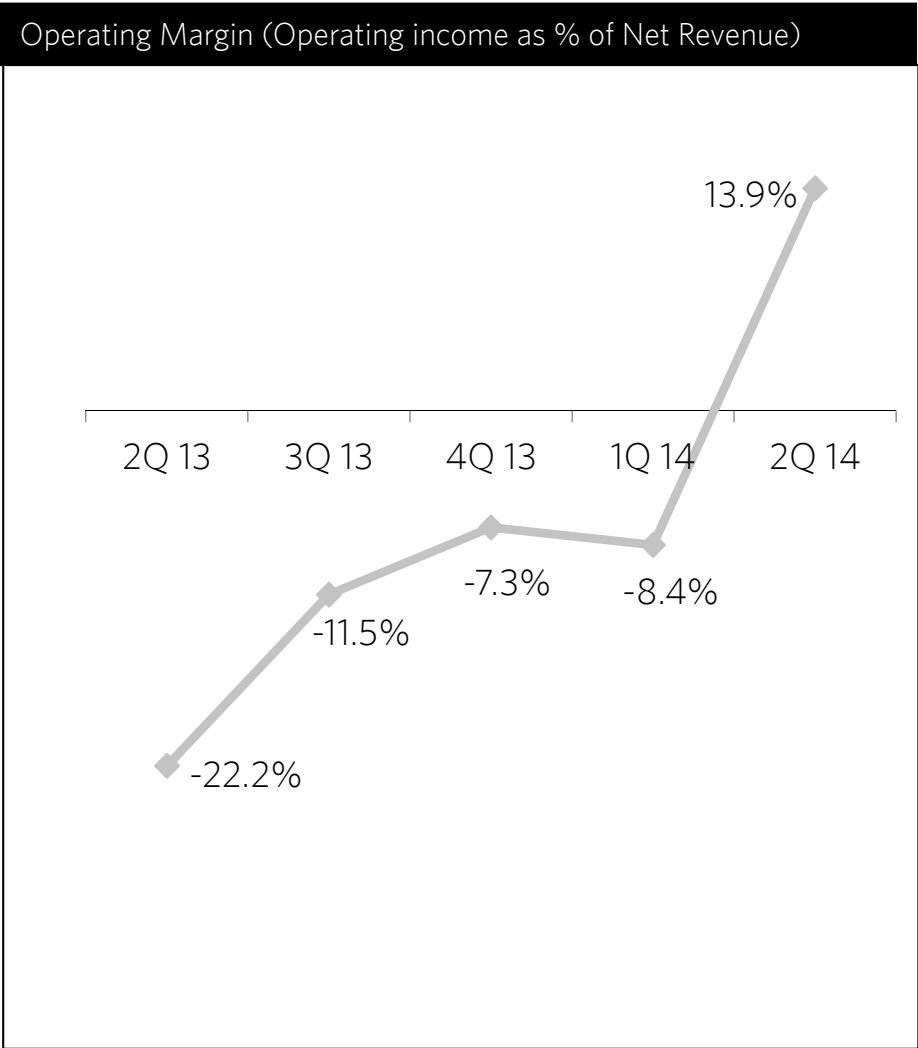


⁽¹⁾ Industry practice revenue as percentage of total Executive Search & Leadership Consulting revenue in 2Q 2014. Numbers may not add due to rounding.

INDUSTRY PRACTICE REVENUE-2Q 2014 COMPARED TO 2Q 2013

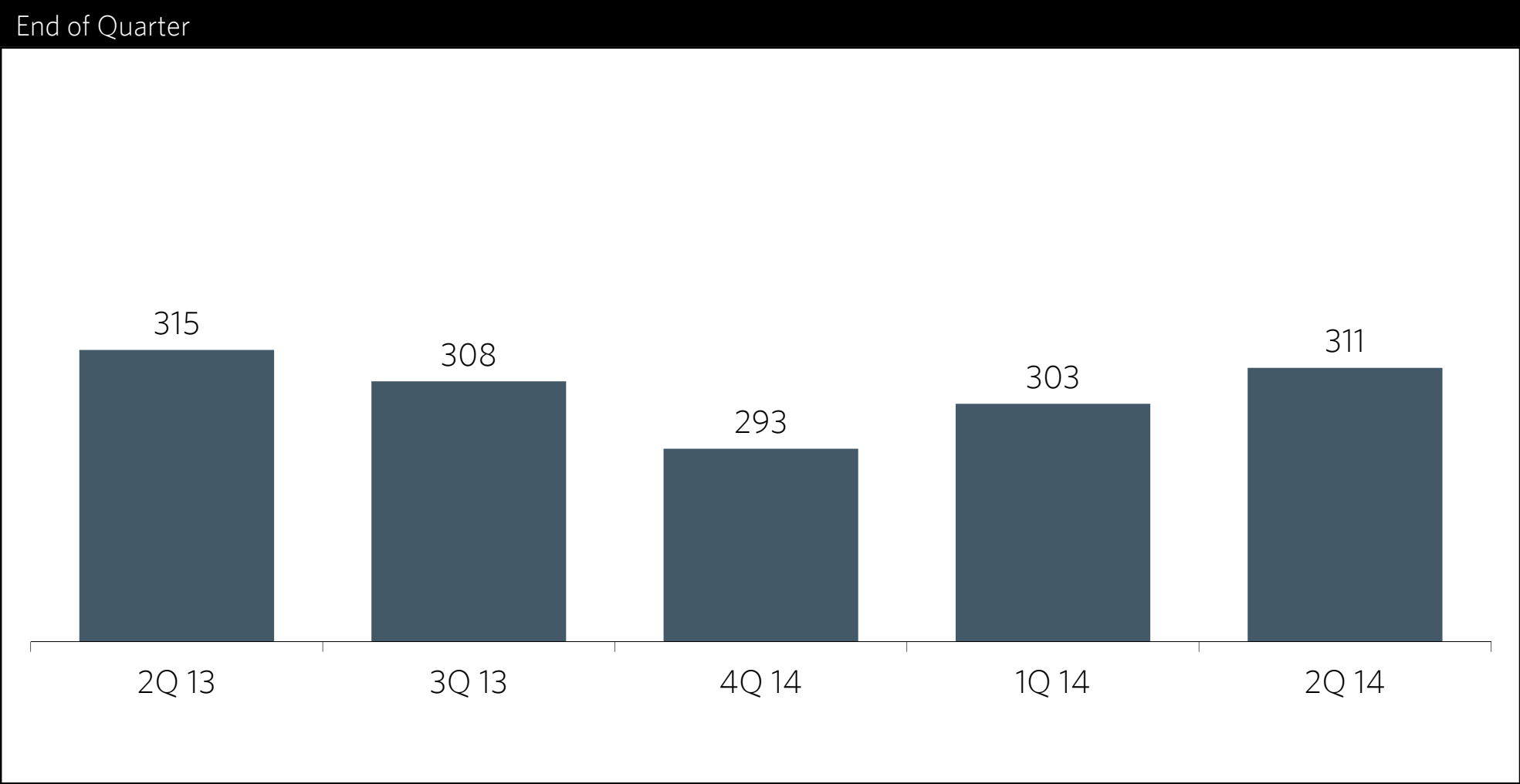


CULTURE SHAPING



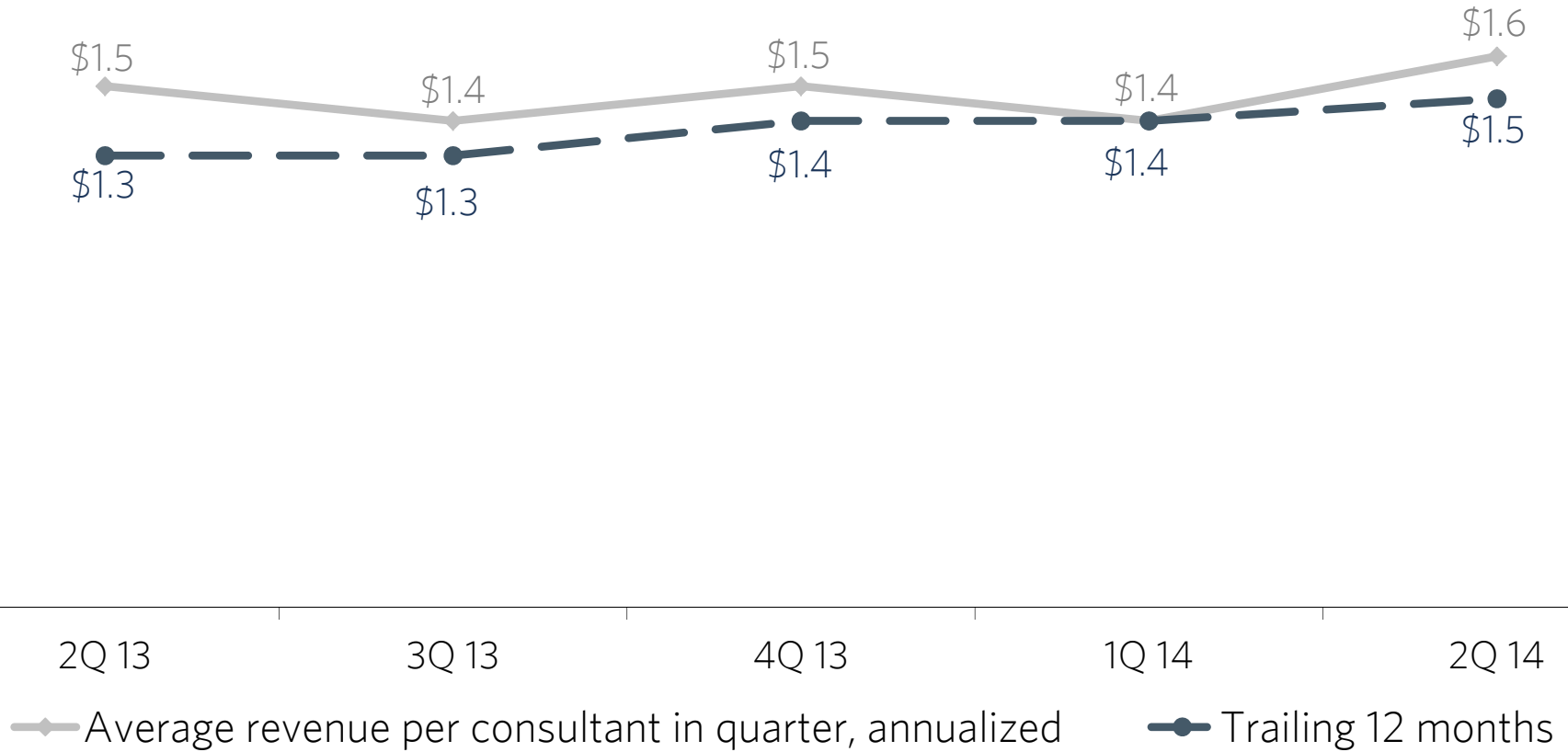
*In conjunction with purchase accounting, certain amounts of deferred revenue were not able to be recognized by Heidrick & Struggles.

CONSULTANT HEADCOUNT EXECUTIVE SEARCH & LEADERSHIP CONSULTING

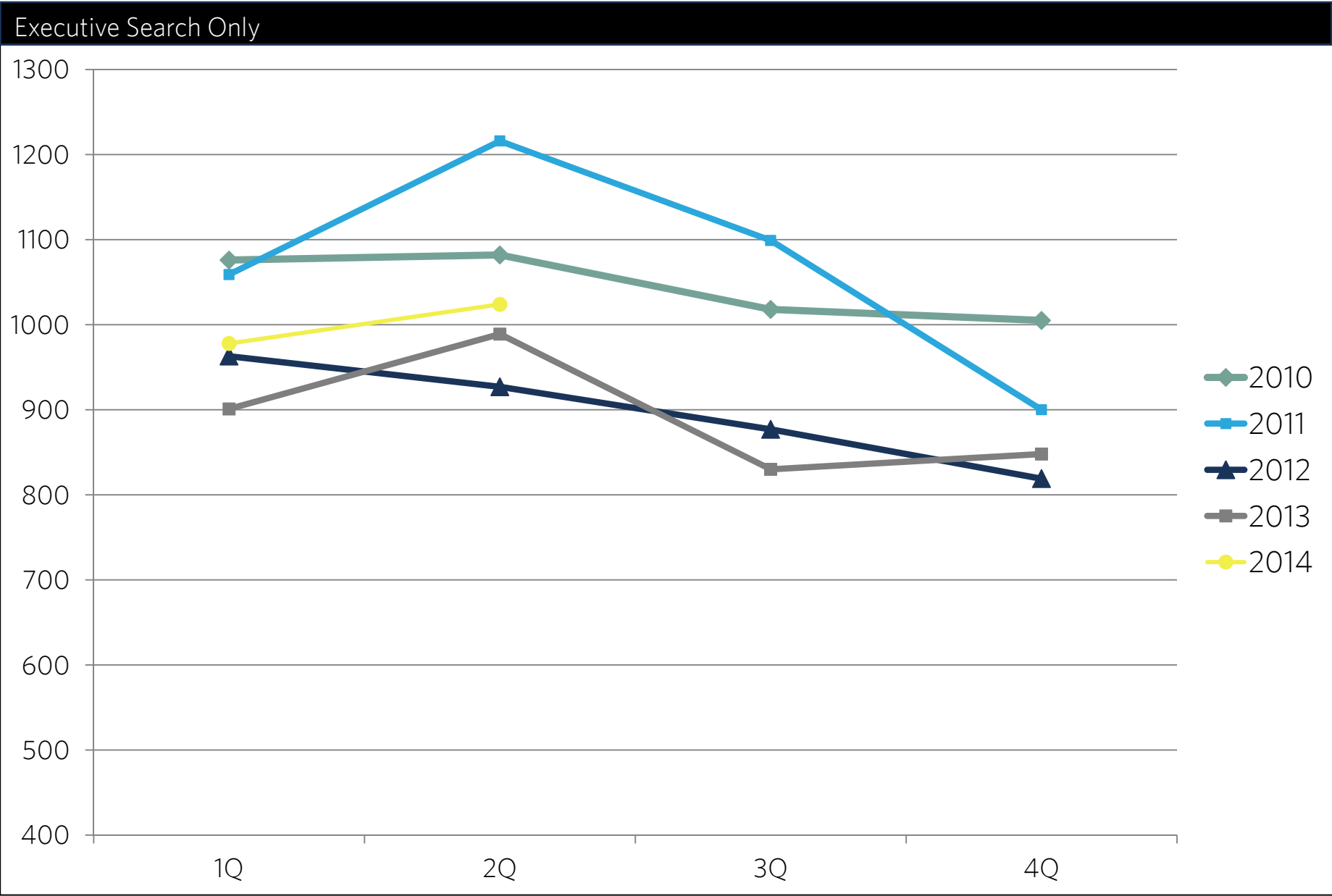


PRODUCTIVITY

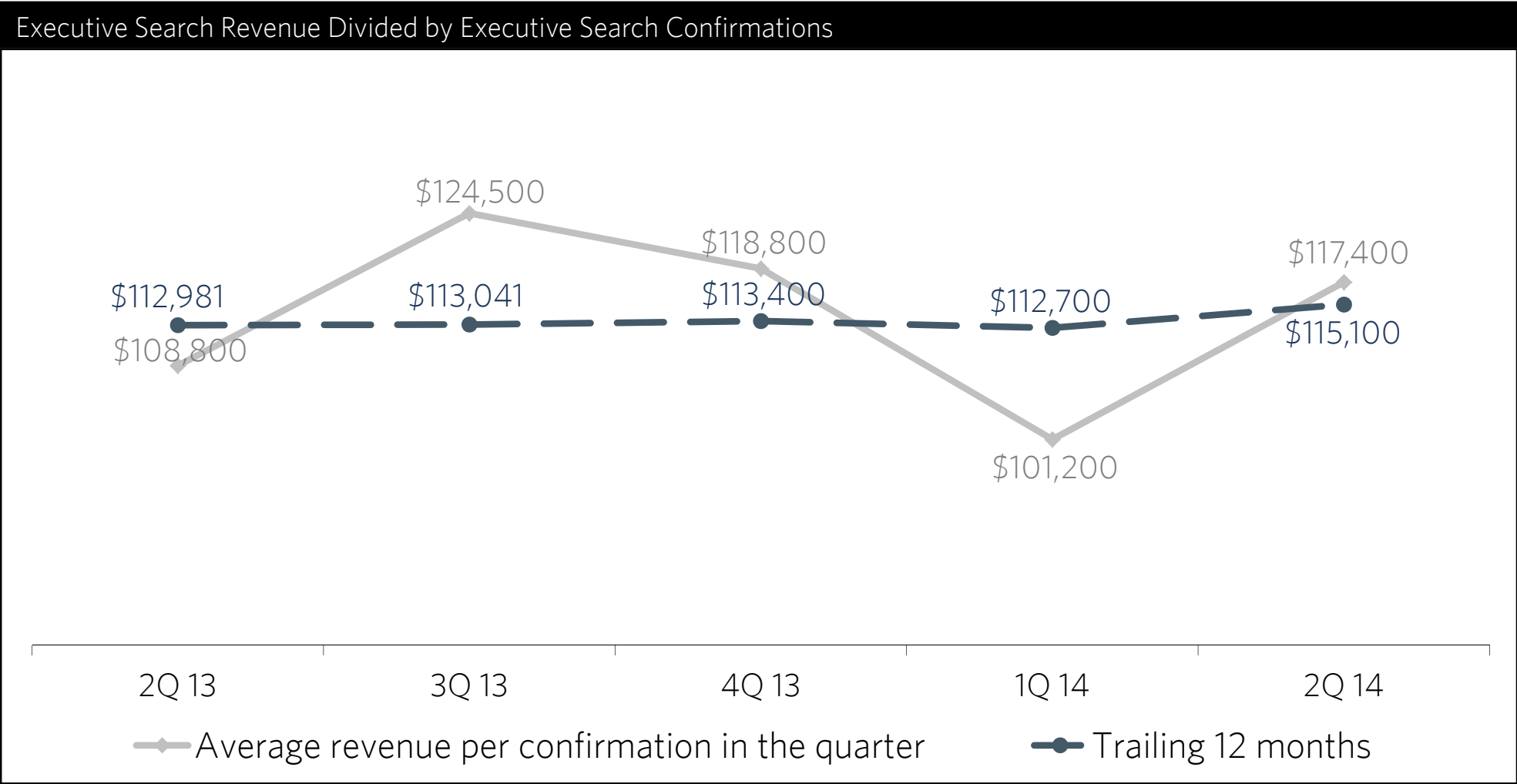
Net revenue per Executive Search and Leadership Consulting Consultant (\$ in millions)



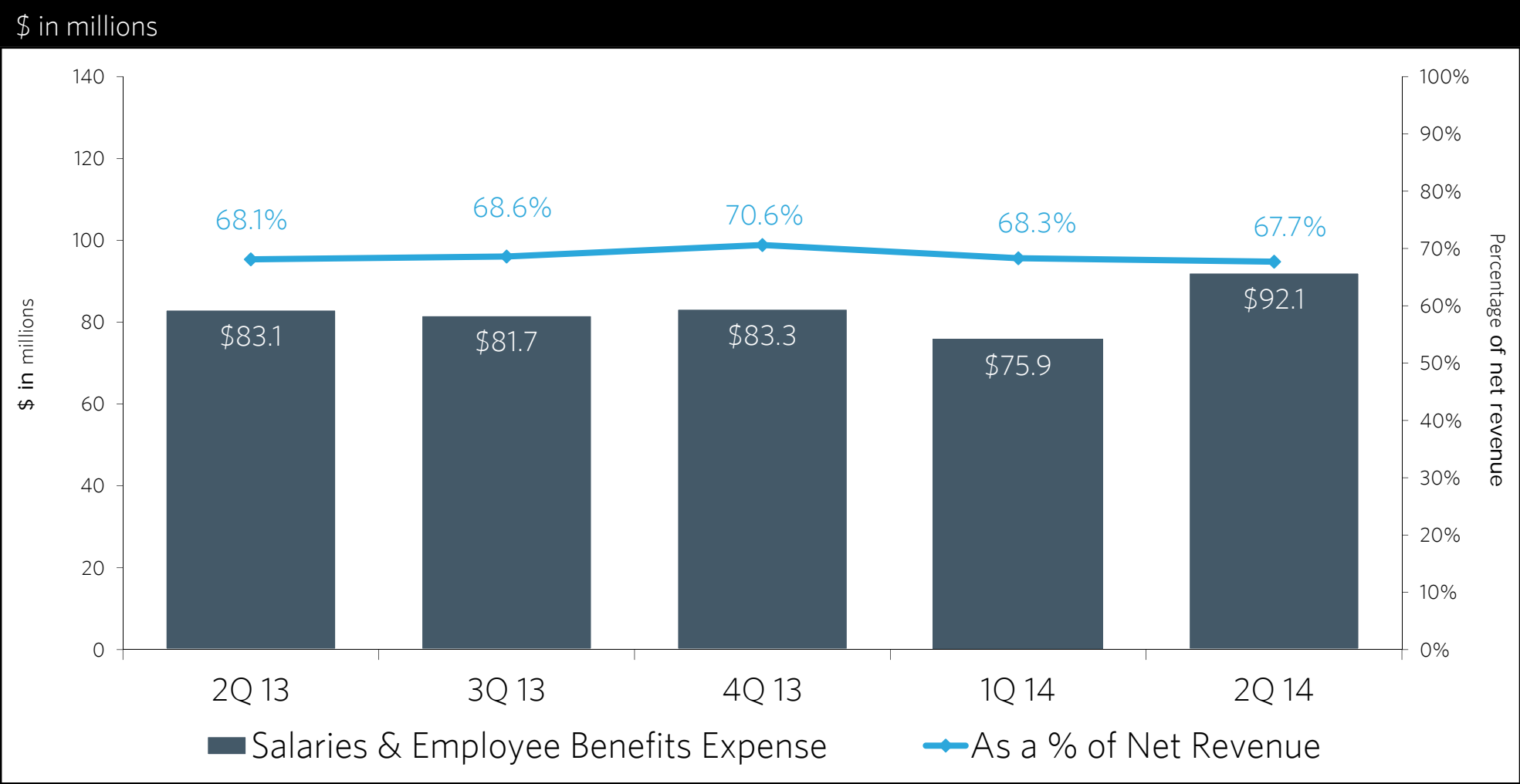
EXECUTIVE SEARCH CONFIRMATIONS



AVERAGE REVENUE PER EXECUTIVE SEARCH



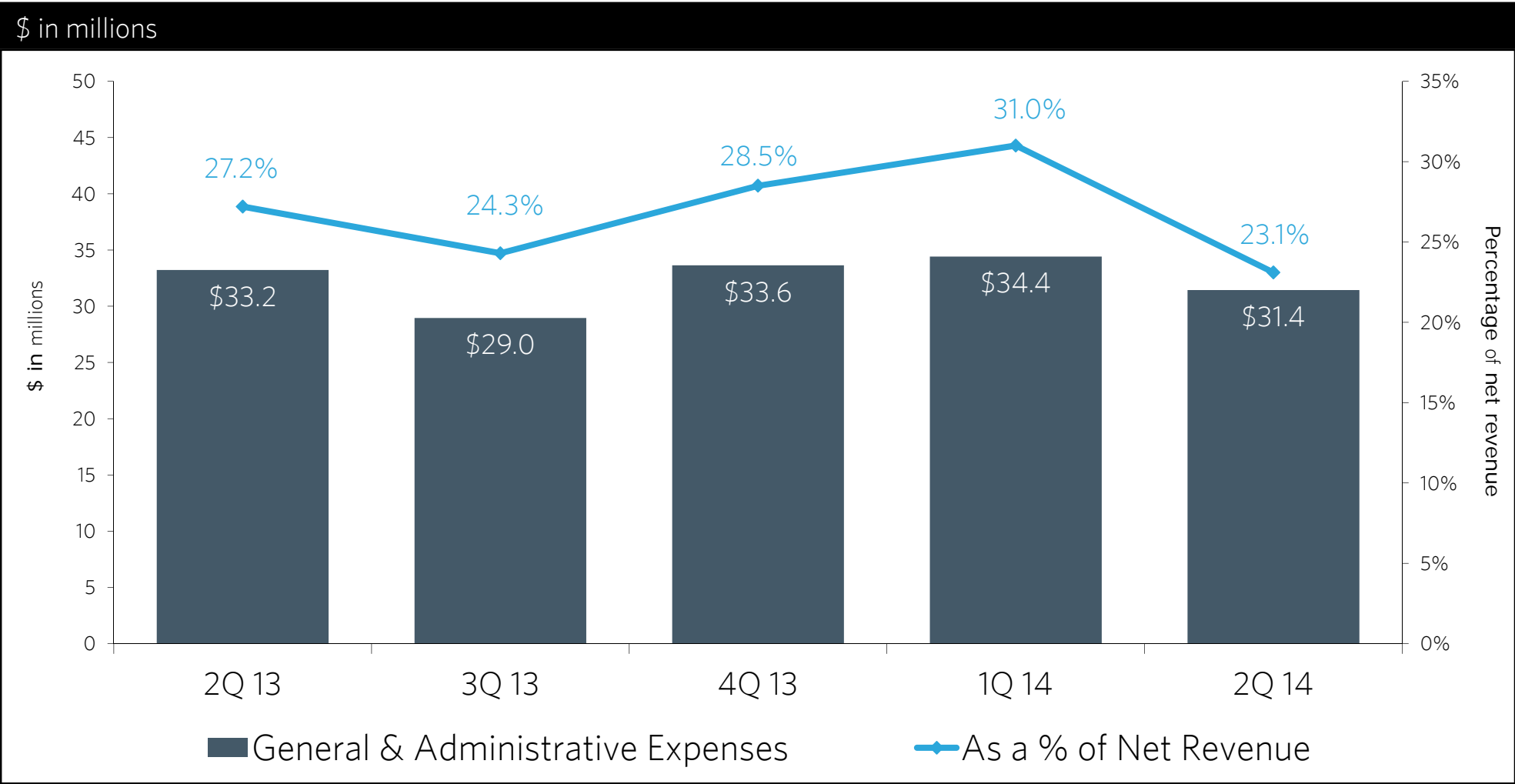
SALARIES & EMPLOYEE BENEFITS EXPENSE



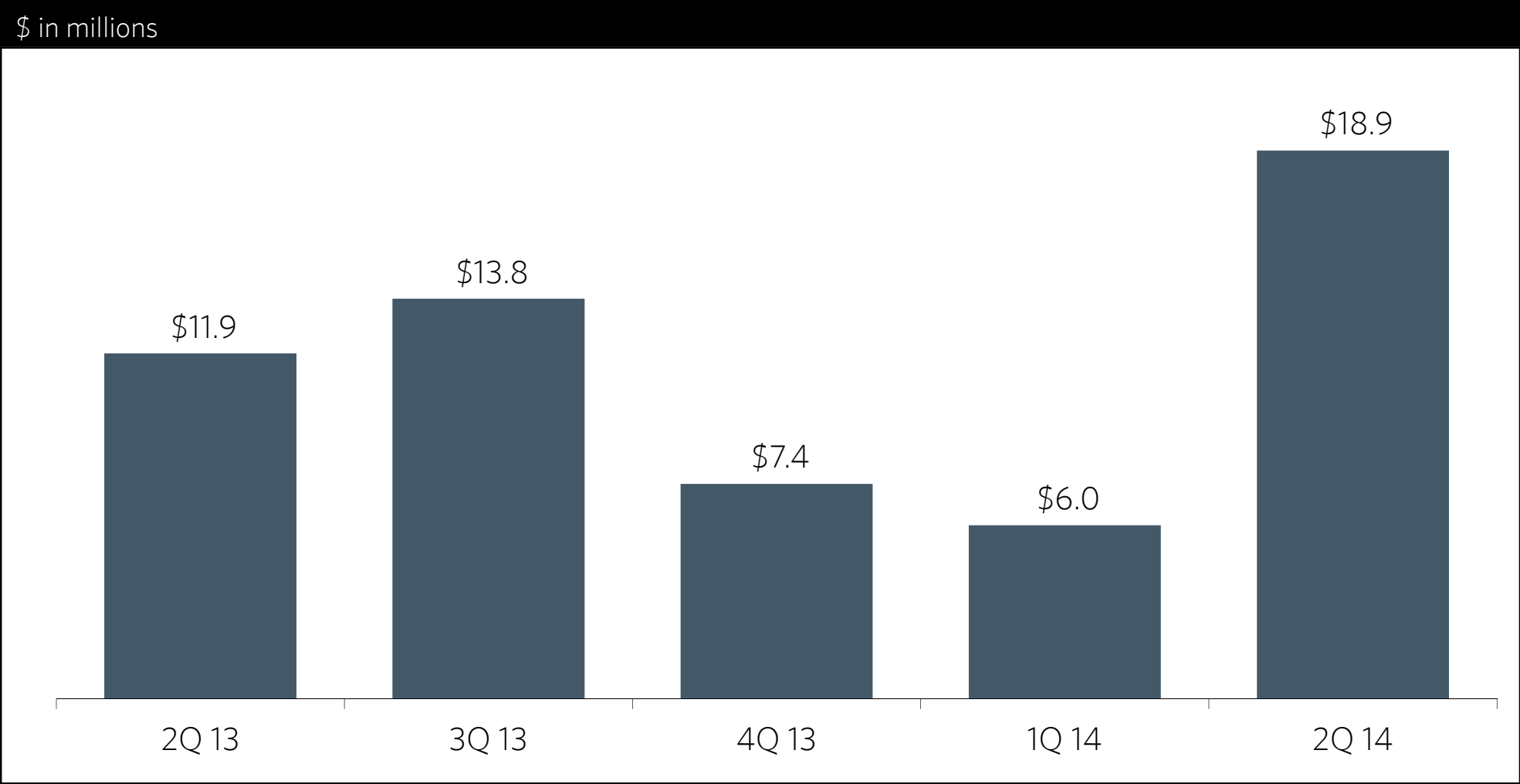
SALARIES & EMPLOYEE BENEFITS EXPENSE ANALYSIS

\$ in millions-- numbers may not foot due to rounding	3 mos ended June 30,		
	2014	2013	change
Fixed Compensation Expense			
Fixed salaries & employee benefits	56.6	57.5	(0.8)
Stock-based compensation expense	1.5	1.2	7.4
Total Fixed Compensation Expense	\$ 58.1	\$ 58.6	\$ (0.5)
Variable Compensation Expense			
Variable/bonus related compensation	34.0	24.4	9.5
Total Variable Compensation Expense	\$ 34.0	\$ 24.4	\$ 9.5
Total Salaries & Employee Benefits Expense	\$ 92.1	\$ 83.1	\$ 9.1
As a percent of salaries & employee benefits expense:			
Fixed compensation	63%	71%	
Variable compensation	37%	29%	

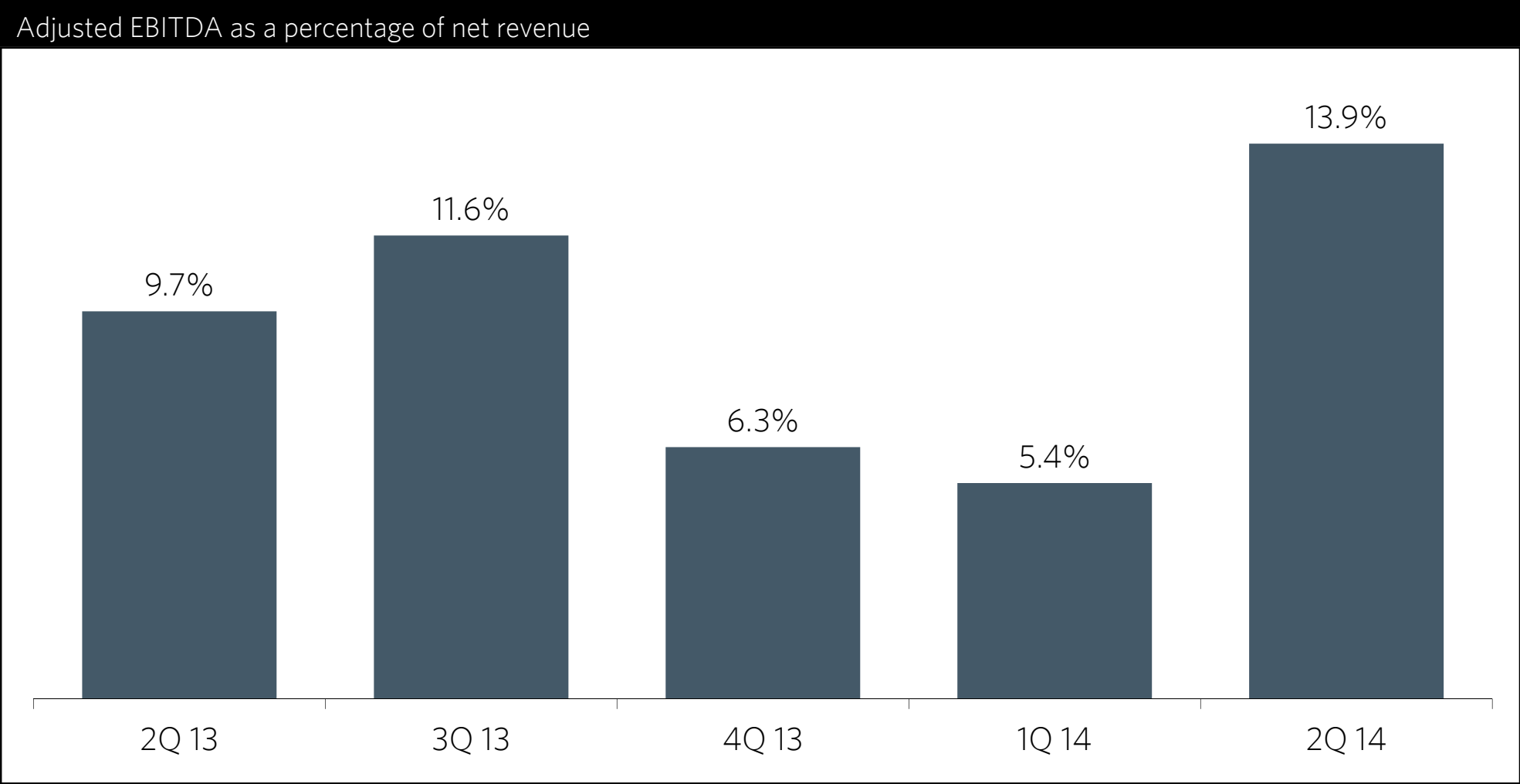
GENERAL & ADMINISTRATIVE EXPENSES



QUARTERLY ADJUSTED EBITDA



QUARTERLY ADJUSTED EBITDA MARGIN

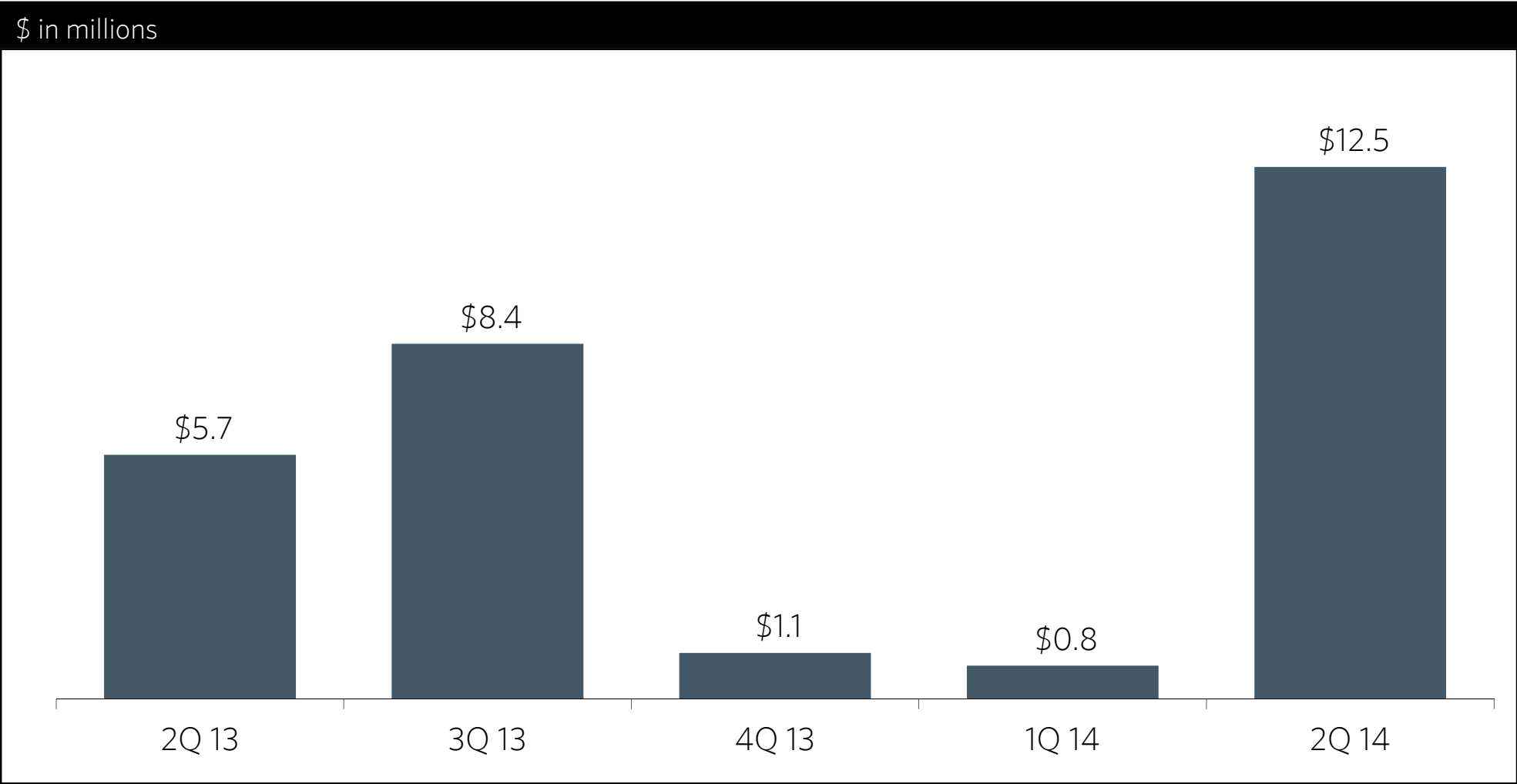


ADJUSTED EBITDA MARGIN

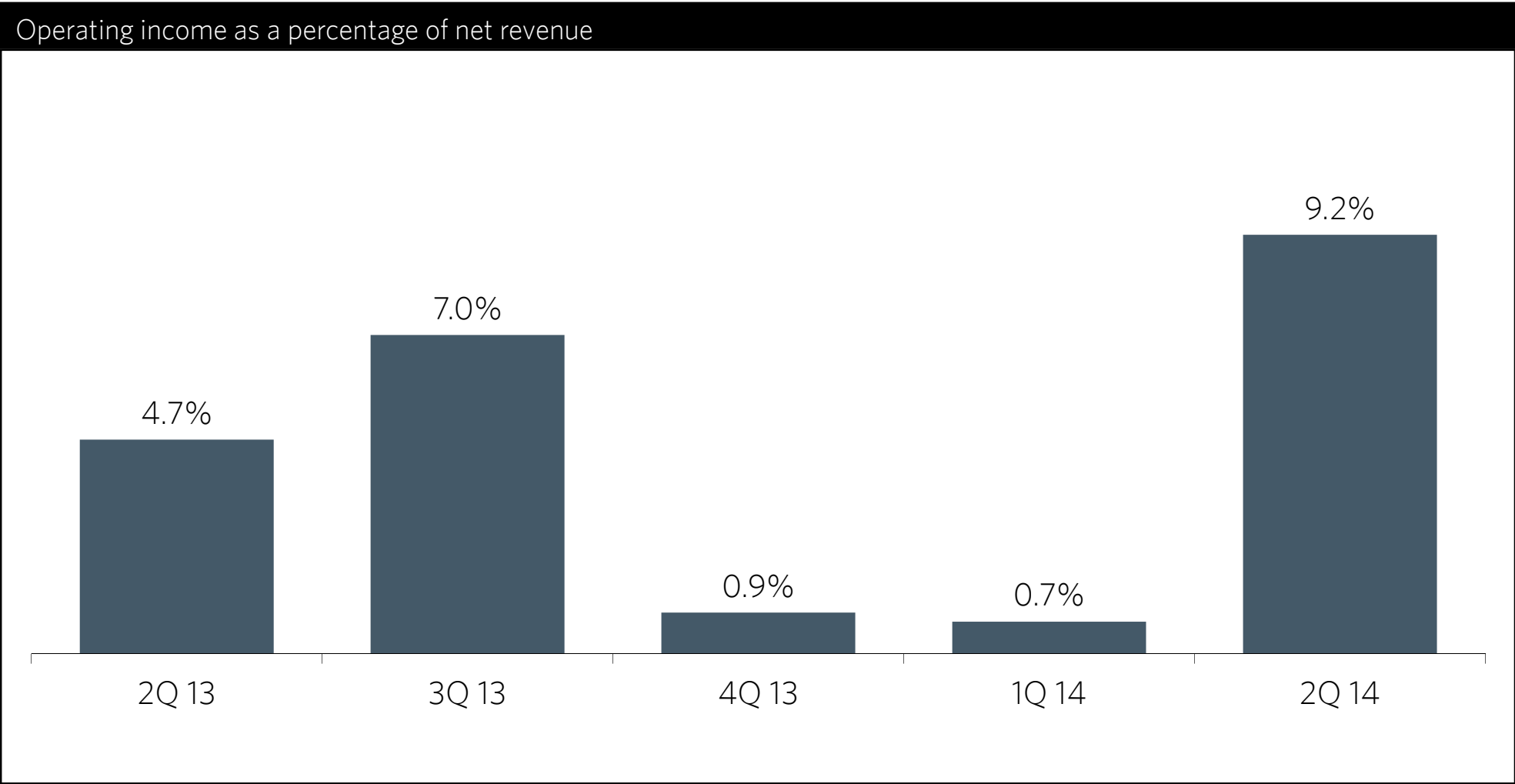
We define Adjusted EBITDA as earnings before interest, taxes, depreciation, intangible amortization, stock-based compensation expense, compensation expense associated with Senn Delaney retention awards, Senn Delaney earnout accretion, restructuring charges, and other non-operating income or expense.

	3 months ended June 30,		
	2014	2013	change
\$ in millions-- numbers may not foot due to rounding			
Operating Income	\$ 12.5	\$ 5.7	\$ 6.8
Adjustments			
Salaries and employee benefits			
Stock-based compensation expense	1.5	1.2	0.3
Senn Delaney retention awards	0.6	0.6	(0.0)
General and administrative expenses			
Depreciation	2.4	2.4	(0.0)
Intangible amortization	1.4	1.5	(0.1)
Senn Delaney earnout accretion	0.5	0.5	(0.0)
Restructuring	-	-	-
Adjusted EBITDA	\$ 18.9	\$ 11.9	\$ 7.0
Adjusted EBITDA Margin (as % of net revenue)	13.9%	9.7%	

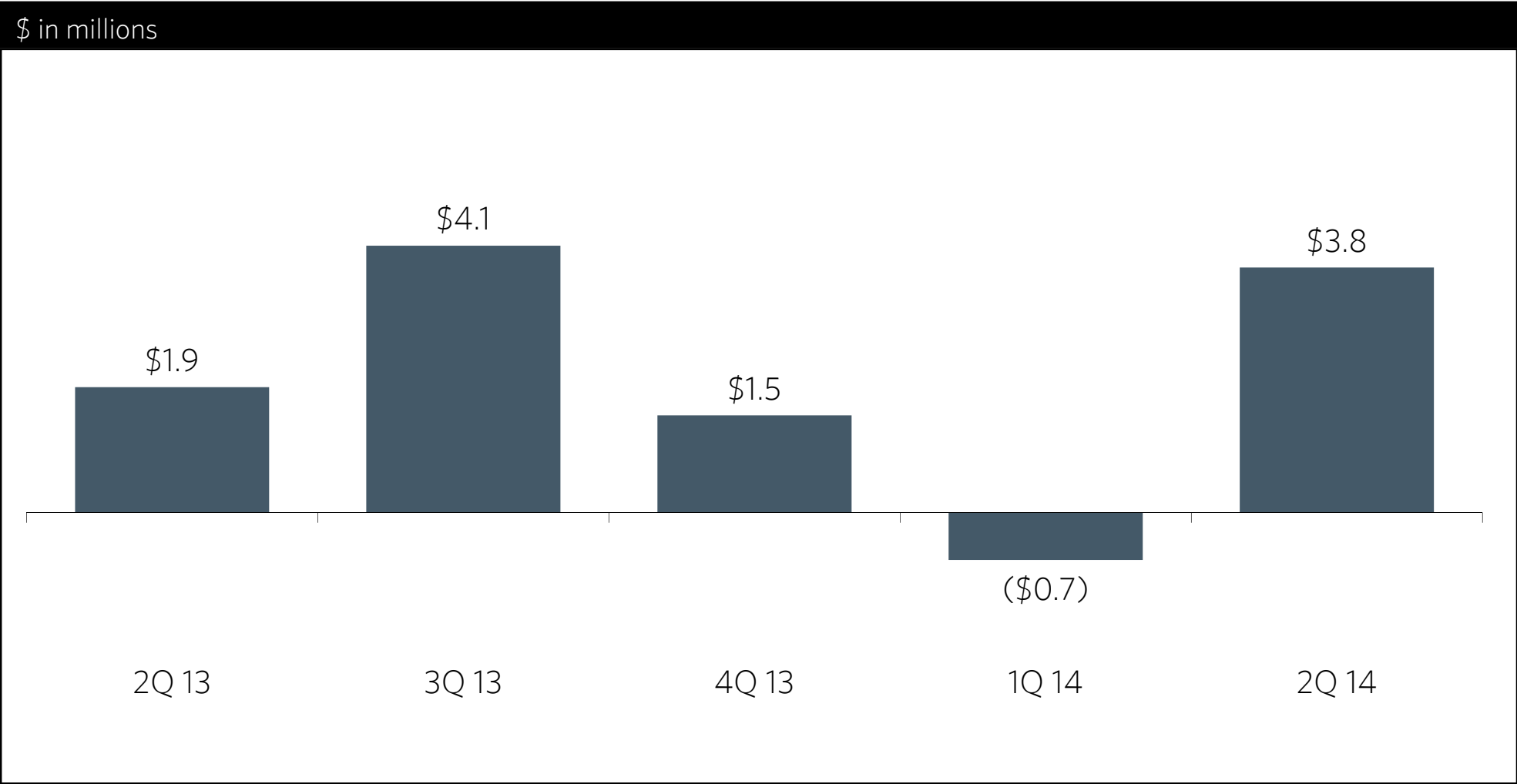
QUARTERLY OPERATING INCOME



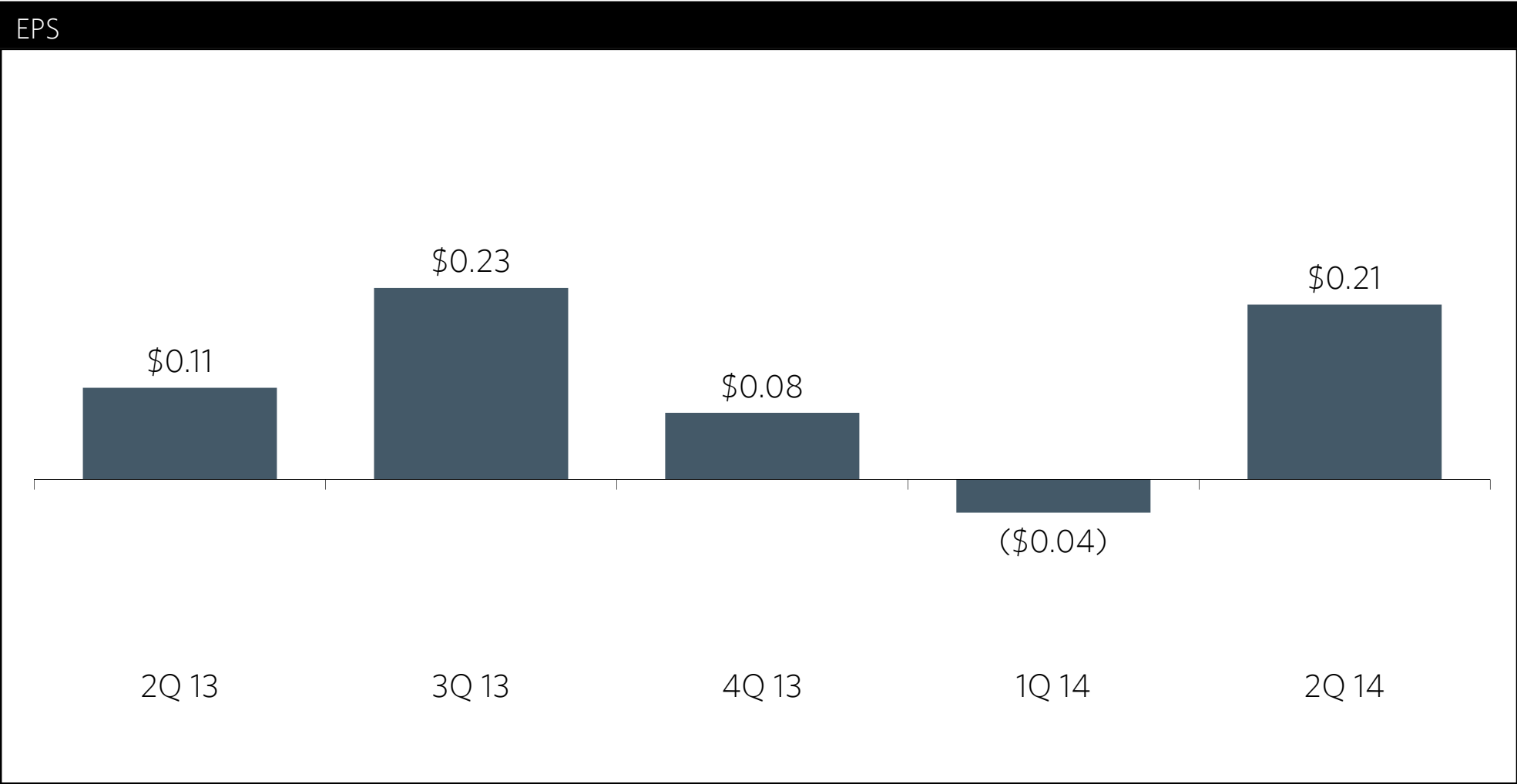
QUARTERLY OPERATING MARGIN



QUARTERLY NET INCOME/(LOSS)



QUARTERLY NET INCOME/(LOSS) PER DILUTED SHARE



CASH POSITION



\$ in millions

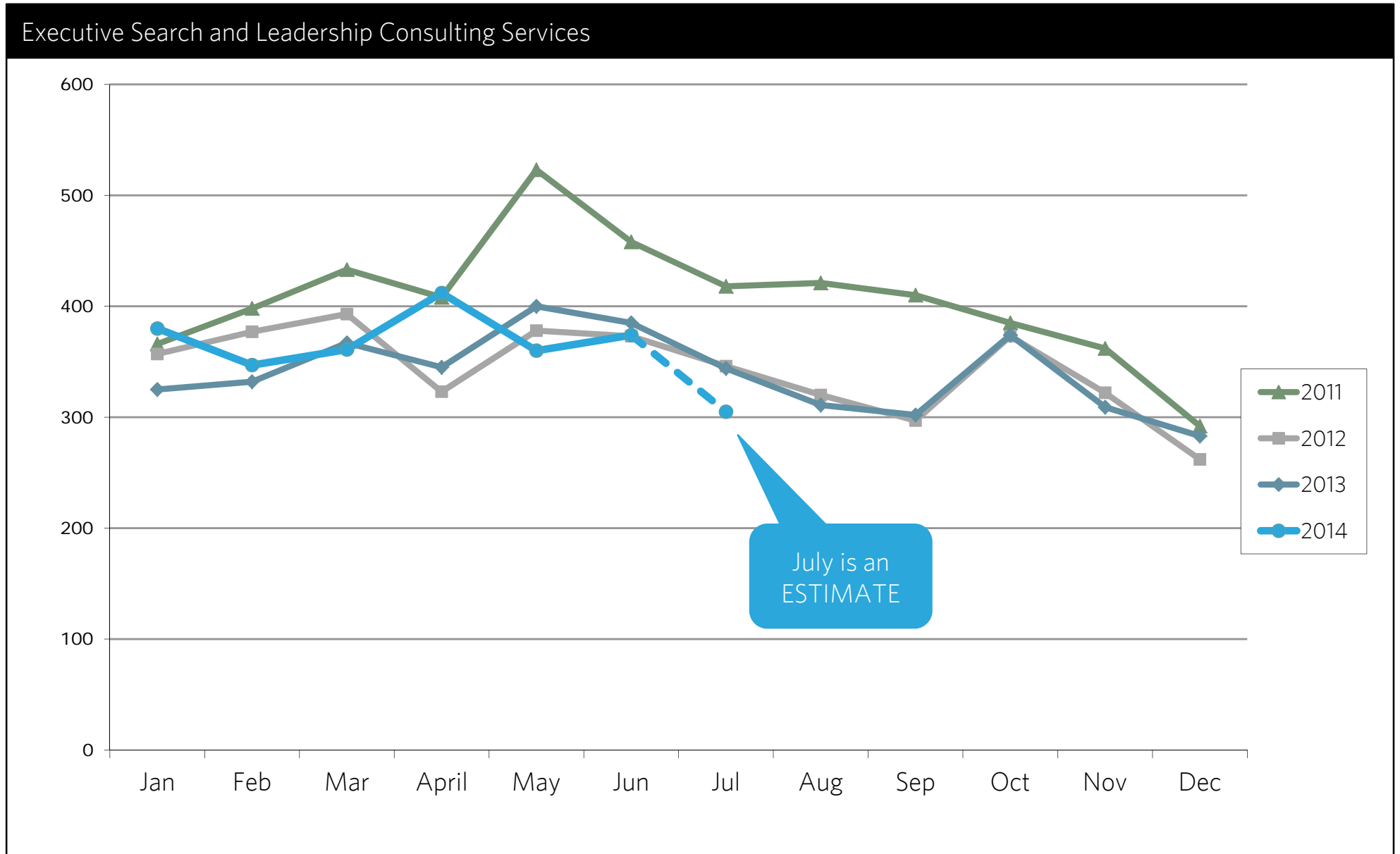
	June 30, 2014	June 30, 2013
For the Quarter Ended:		
Net cash provided by operating activities	\$29.6	\$20.6
For the 6 Months Ended:		
Net cash used by operating activities	(\$45.3)	(\$48.5)

BACKLOG

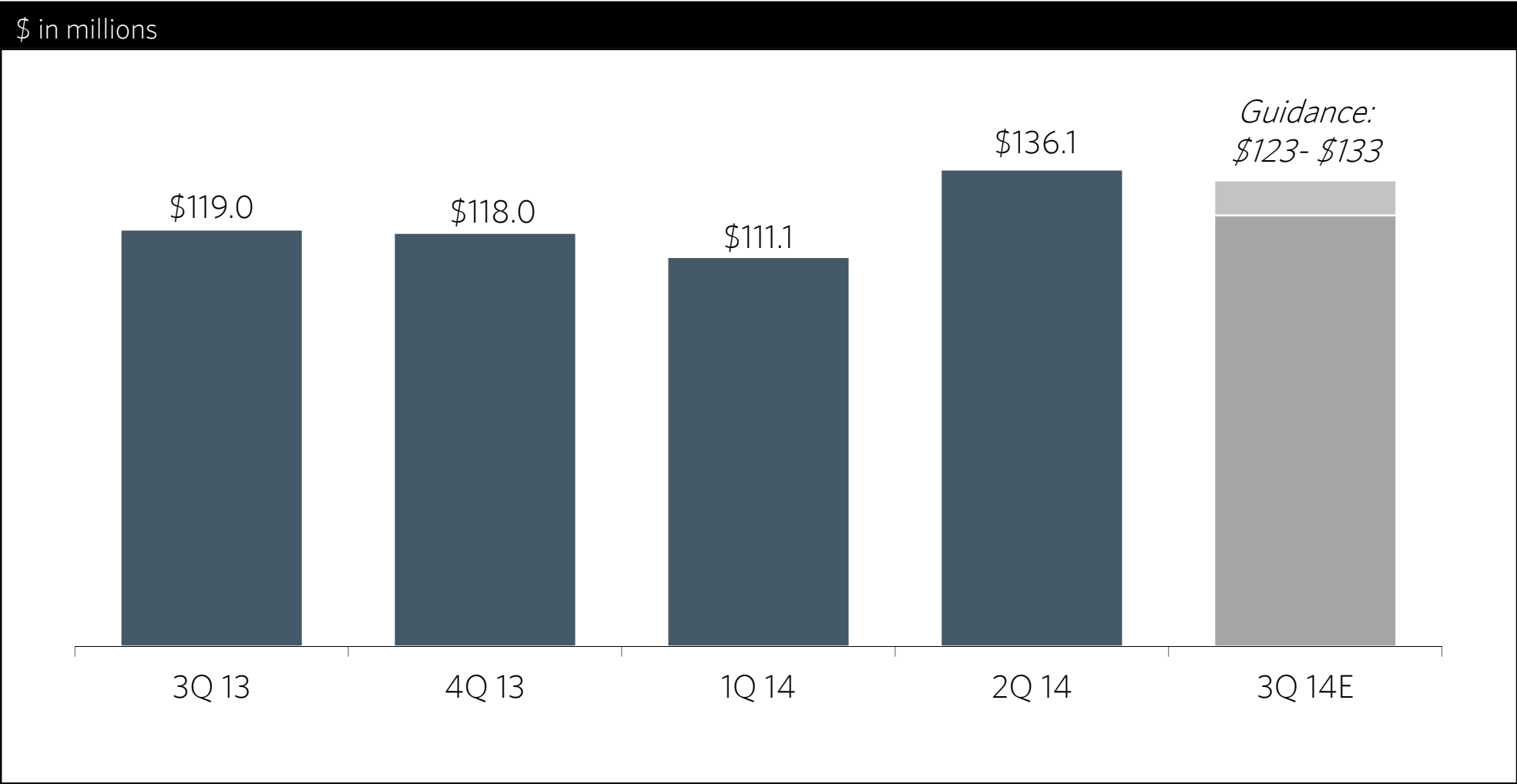
Backlog is comprised of contractual billings for Executive Searches that will be recognized as revenue in the future. It does not include Leadership Consulting or Culture Shaping.



WORLDWIDE MONTHLY CONFIRMATION TRENDS



GUIDANCE: 3Q 2014 NET REVENUE (excludes reimbursements)



HEIDRICK & STRUGGLES

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