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): October 25, 2021

HEIDRICK & STRUGGLES INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

0-25837

(Commission File Number)

Delaware (State or Other Jurisdiction of Incorporation or Organization) 36-2681268

(I.R.S. Employer Identification Number)

	r Drive, Suite 4900, Chicago, Illi of principal executive offices)	nois	60606-6303 (Zip Code)
	Registrant's telephone nu	mber, including area code: (31	2) 496-1200
	(Former name or forme	N/A er address, if changed since las	st report.)
Check the appropriate box below following provisions:	if the Form 8-K filing is intended	ed to simultaneously satisfy the	e filing obligation of the registrant under any of the
Written communications pursua	ant to Rule 425 under the Securities	Act (17 CFR 230.425)	
	Rule 14a-12 under the Exchange Ac	et (17 CFR 240.14a-12)	
Pre-commencement communic	cations pursuant to Rule 14d-2(b) un	der the Exchange Act (17 CFR 24	40.14d-2(b))
□ Pre-commencement communic	cations pursuant to Rule 13e-4(c) und	der the Exchange Act (17 CFR 24	.0.13e-4(c))
	Securities registered	pursuant to Section 12(b) of th	ne Act:
Title of each cl		rading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01	par value	HSII	The NASDAQ Stock Market LLC
ndicate by check mark whether the Rule 12b-2 of the Securities Exchan			05 of the Securities Act of 1933 (17 CFR 230.405) or
Emerging growth company \Box			
f an emerging growth company, incorrevised financial accounting stand	ž –		xtended transition period for complying with any new

Item 2.02 Results of Operations and Financial Condition.

On October 25, 2021, Heidrick & Struggles International, Inc. ("Heidrick & Struggles" or the "Company") reported its earnings for the third quarter ended September 30, 2021. A copy of the Company's press release containing the information is being furnished as Exhibit 99.1 to this Report on Form 8-K and is incorporated herein by reference.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of Heidrick & Struggles under the Securities Act of 1933 or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are being furnished as part of this Report on Form 8-K:

Exhibit No.	Description
99.1	<u>Heidrick & Struggles International, Inc. Press Release dated October 25, 2021</u>
104	Inline XBRL for the cover page of this Current Report on Form 8-K (included as Exhibit 101)
	. •

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.

Heidrick & Struggles International, Inc. (Registrant)

Dated: October 25, 2021 /s/ Mark R. Harris

Name: Mark R. Harris

Title: Executive Vice President and Chief Financial Officer

HEIDRICK & STRUGGLES

FOR IMMEDIATE RELEASE

Heidrick & Struggles Delivers Third Consecutive Quarter of Record Results

Q3 Net Revenue of \$264 Million Climbs 84% Year over Year and Beats Record Q2 Levels
Nine-Month Net Revenue of \$717 Million Surpasses Annual Historic Record Net Revenue
Net Income Grows to \$24 Million and Diluted EPS Grows to \$1.21 in the Third Quarter
Company Provides Outlook that Guides to Record Q4 Levels

CHICAGO, October 25, 2021 -- Heidrick & Struggles International, Inc. (Nasdaq: HSII) ("Heidrick & Struggles" or the "Company"), today announced financial results for its third quarter ended September 30, 2021.

Third Quarter Highlights:

- Record net revenue (revenue before reimbursements) of \$263.8 million increased 83.8% from the 2020 third quarter.
- Record operating income was \$33.3 million, and operating income margin expanded to 12.6% in the quarter.
- Adjusted EBITDA of \$36.1 million more than doubled from \$15.9 million in the 2020 third quarter, and adjusted EBITDA margin increased 265 basis points to 13.7%.
- Net income and diluted earnings per share grew to \$24.5 million and \$1.21, respectively.

"Our strong third quarter and year-to-date results demonstrate the growing market demand for our powerful combination of Executive Search, On-Demand Talent, and Consulting businesses," stated Heidrick & Struggles' President and Chief Executive Officer, Krishnan Rajagopalan. "Our team's remarkable agility to adapt to market changes is evident as we continue to grow our accounts, deepen our client relationships, and differentiate ourselves in the marketplace."

Mr. Rajagopalan continued, "Strategically, we continue to make significant transformational progress as we invest in innovative, tech-driven offerings to address the future needs of our clients, while driving growth and shareholder value. To this end, we are very excited about our new partnership with Eightfold AI and are equally pleased to welcome Meg Bear, Chief Product Officer of SAP SuccessFactors, to our Board of Directors. Her experience and perspective will be invaluable as we continue to focus on leveraging technology to drive our digital journey."

2021 Third Quarter Results

Record consolidated net revenue of \$263.8 million grew by \$120.3 million, or 83.8%, compared to net revenue of \$143.5 million in the 2020 third quarter. Excluding the impact of exchange rate fluctuations, which positively impacted year over year results by \$2.3 million, or 1.6%, consolidated net revenue increased \$118.0 million, or 82.2%. Net revenue growth was driven by all regions in Executive Search, and by Heidrick Consulting, and On-Demand Talent.

Executive Search net revenue of \$221.6 million increased by \$92.4 million, or 71.5%, compared to net revenue of \$129.2 million in the 2020 third quarter. Excluding the impact of exchange rate fluctuations, which positively impacted year over year results by \$2.0 million, or 1.5%, net revenue increased \$90.4 million, or 70.0%. Net revenue increased 86.2% in the Americas (85.6% on a constant currency basis), 47.7% in Europe (43.4% on a constant currency basis), and 47.7% in Asia Pacific (46.1% on a constant currency basis). All industry practices exhibited growth over the prior year.

The Company had 368 Executive Search consultants at September 30, 2021, compared to 362 at September 30, 2020. Productivity, as measured by annualized Executive Search net revenue per consultant, was \$2.4 million compared to \$1.4 million in the 2020 third quarter. Average revenue per executive search was approximately

\$134,000 compared to \$111,000 a year earlier. The number of confirmed searches reached a near record, increasing 42.0% compared to the year-ago period.

Heidrick Consulting net revenue of \$17.9 million increased by \$3.6 million, or 25.1%, compared to net revenue of \$14.3 million in the 2020 third quarter. Excluding the impact of exchange rate fluctuations, which positively impacted year over year results by \$0.3 million, or 2.2%, Heidrick Consulting net revenue increased \$3.3 million, or 23.0%. The Company had 66 Heidrick Consulting consultants at September 30, 2021, compared to 63 at September 30, 2020.

On-Demand Talent, a new business segment, generated net revenue of \$24.3 million, which exceeded the Company's expectations.

Consolidated salaries and benefits were \$185.9 million compared to \$103.9 million in the 2020 third quarter. Year over year, fixed compensation expense increased \$5.0 million due to increases in base salaries and payroll taxes, and retirement and benefits, partially offset by decreases in the deferred compensation plan, and stock compensation. Variable compensation increased \$77.0 million year over year due to an increase in production. Salaries and benefits expense was 70.5% of net revenue for the quarter, compared to 72.4% in the 2020 third quarter.

General and administrative expenses were \$29.2 million compared to \$28.9 million in the 2020 third quarter due to costs associated with information technology, intangible amortization and earnout accretion associated with the On-Demand Talent acquisition, and business travel expense. As a percentage of net revenue, general and administrative expenses were 11.1% compared to 20.1% in the 2020 third quarter.

The Company's cost of services expense category was \$18.7 million, compared to \$0.9 million in the 2020 third quarter, primarily due to the acquisition of On-Demand Talent and an increase in the volume of consulting engagements.

The Company recorded a restructuring credit of \$3.3 million in the 2021 third quarter primarily related to the timing of settlements from office closures associated with the Company's real estate strategy. In the 2020 third quarter, the Company recorded a restructuring charge of \$48.1 million related to strategic actions to optimize future growth and profitability. Including the credit or charge in each period, operating income was \$33.3 million in the quarter, compared to an operating loss of \$38.2 million in the 2020 third quarter. Operating margin was 12.6% in the quarter, compared to (26.6)% in the 2020 third quarter. Excluding the restructuring credit or charge in each period, adjusted operating income in the quarter was \$30.1 million, compared to \$9.9 million in the 2020 third quarter. Adjusted operating margin was 11.4%, compared to 6.9% in the 2020 third quarter.

Adjusted EBITDA in the 2021 third quarter was \$36.1 million, compared to \$15.9 million in the 2020 third quarter. Adjusted EBITDA margin was 13.7%, compared to 11.0% in the prior year quarter.

Net income in the 2021 third quarter was \$24.5 million and diluted earnings per share was \$1.21, with an effective tax rate of 27.0%. This compares to net loss of \$26.2 million and diluted loss per share of \$1.35, with an effective tax rate of 28.5%, in last year's third quarter. Excluding the previously mentioned restructuring credits or charges in all periods, adjusted net income was \$22.4 million, compared to \$7.7 million in the 2020 third quarter. Adjusted diluted earnings per share was \$1.11, compared to \$0.39 for the year ago period.

Net cash provided by operating activities was \$117.1 million in the 2021 third quarter, compared to \$51.9 million in the 2020 third quarter. Cash, cash equivalents and marketable securities at September 30, 2021 was \$348.3 million, compared to \$336.5 million at December 31, 2020, and \$237.6 million at September 30, 2020. The Company's cash position typically builds throughout the year as employee bonuses are accrued, mostly to be paid out in the first quarter.

2021 Nine Months Results

For the nine months ended September 30, 2021, record consolidated net revenue was \$717.5 million, compared to \$460.6 million in the first nine months of 2020. Excluding the impact of exchange rate fluctuations, which positively impacted results by 3.1%, or \$14.3 million, consolidated net revenue increased 52.7% or \$242.6 million.

Executive Search net revenue in the first nine months of 2021 increased 49.3%, or \$206.5 million, to \$625.4 million, from \$418.9 million in the first nine months of 2020. Excluding the impact of exchange rate fluctuations, which positively impacted results by 3.1%, or \$12.9 million, net revenue increased \$193.6 million, or 46.2%. Net revenue increased 55.7% in the Americas (55.4% on a constant currency basis), 36.0% in Europe (26.8% on a constant currency basis), and 41.8% in Asia Pacific (35.7% on a constant currency basis). All practice groups exhibited growth over the prior year period. Productivity was \$2.3 million for the first nine months of 2021, compared to \$1.4 million in the first nine months of 2020. The average revenue per executive search was \$127,000 in the first nine months of 2021, compared to \$122,000 the same period in 2020, while confirmations increased 44.3%.

Heidrick Consulting net revenue in the first nine months of 2021 increased 17.4%, or \$7.3 million, to \$49.1 million from \$41.8 million in the first nine months of 2020. Excluding the impact of exchange rate fluctuations, which positively impacted results by 3.3%, or \$1.4 million, Heidrick Consulting revenue increased 14.2%, or \$5.9 million.

On-Demand Talent, acquired on April 1, 2021, had year-to-date net revenue of \$43.0 million.

Including restructuring charges of \$3.8 million and \$48.1 million, respectively, in the 2021 and 2020 year-to-date periods, and the non-cash impairment charge of \$33.0 million recorded in the 2020 year-to-date period, operating income for the first nine months of 2021 was \$81.7 million compared to an operating loss of \$44.1 million in the same period of 2020. The operating margin was 11.4% in the first nine months of 2021 compared to (9.6)% in the first nine months of 2020. Excluding the restructuring charges and non-cash impairment charge, adjusted operating income for the first nine months of 2021 was \$85.4 million compared to \$37.0 million, and the adjusted operating margin was 11.9% compared to 8.0%.

Adjusted EBITDA for the first nine months of 2021 was \$102.6 million and adjusted EBITDA margin was 14.3%, compared to adjusted EBITDA of \$51.9 million and adjusted EBITDA margin of 11.3% for the same period in 2020.

Net income for the first nine months of 2021 was \$60.1 million and diluted earnings per share was \$2.97, with an effective tax rate of 31.8%. This compares to a net loss of \$43.2 million and diluted loss per share of \$2.24 in the first nine months of 2020, with an effective tax rate of 0.5%. Excluding the restructuring charges recorded in both the 2021 and 2020 nine-month periods and the non-cash impairment charge recorded in the 2020 second quarter, adjusted net income was \$62.7 million with adjusted diluted earnings per share of \$3.10, compared to \$23.6 million and \$1.19, respectively, in the prior year. The adjusted effective tax rate was 31.7% in 2021 compared to 37.3% in 2020.

Dividend

The Board of Directors declared a 2021 fourth quarter cash dividend of \$0.15 per share payable on November 19, 2021, to shareholders of record at the close of business on November 5, 2021.

2021 Fourth Quarter Outlook

The Company expects 2021 fourth quarter consolidated net revenue of between \$255 million and \$265 million, while acknowledging that the continued fluidity of the COVID-19 pandemic may impact quarterly results. In addition, this outlook is based on the average currency rates in September 2021 and reflects, among other factors, management's assumptions for the anticipated volume of new Executive Search confirmations, Heidrick Consulting assignments, On-Demand Talent projects and the current backlog, consultant productivity, consultant retention, and the seasonality of its business.

Quarterly Webcast and Conference Call

Heidrick & Struggles will host a conference call to review its 2021 third quarter and nine month results today, October 25, at 5:00 pm Eastern Time. Participants may access the Company's call and supporting slides through its website at www.heidrick.com or by dialing (866) 211-4120, conference ID# 2849047. For those unable to participate on the live call, a webcast and copy of the slides will be archived at www.heidrick.com and available for up to 30 days following the investor call.

About Heidrick & Struggles International, Inc.

Heidrick & Struggles (Nasdaq: HSII) is a premier provider of global leadership advisory and on-demand talent solutions, serving the senior-level talent and consulting needs of the world's top organizations. In our role as trusted leadership advisors, we partner with our clients to develop future-ready leaders and organizations, bringing together our services and offerings in executive search, diversity and inclusion, leadership assessment and development, organization and team acceleration, culture shaping and on-demand, independent talent solutions. Heidrick & Struggles pioneered the profession of executive search more than 65 years ago. Today, the firm provides integrated talent and human capital solutions to help our clients change the world, one leadership team at a time.® www.heidrick.com

Non-GAAP Financial Measures

To supplement the financial results presented in accordance with generally accepted accounting principles in the United States ("GAAP"), Heidrick & Struggles presents certain non-GAAP financial measures. A "non-GAAP financial measure" is defined as a numerical measure of a company's financial performance that excludes or includes amounts different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of comprehensive income, balance sheets or statements of cash flow of the Company. Pursuant to the requirements of Regulation G, this earnings release contains the most directly comparable GAAP financial measure to the non-GAAP financial measure.

The non-GAAP financial measures used within this earnings release are adjusted operating income, adjusted operating income margin, adjusted net income, adjusted basic and diluted earnings per share, adjusted effective tax rate, adjusted EBITDA, adjusted EBITDA margin and impacts of foreign currency on current period results using prior period translation rates. These measures are presented because management uses this information to monitor and evaluate financial results and trends. Management believes this information is also useful for investors. Reconciliations of these non-GAAP financial measures with the most directly comparable measures calculated and presented in accordance with GAAP are provided as schedules attached to this release.

Adjusted operating income reflects the exclusion of restructuring charges and goodwill impairment.

Adjusted operating income margin refers to adjusted operating income as a percentage of net revenue in the same period.

Adjusted net income and adjusted diluted earnings per share reflect the exclusion of restructuring charges and goodwill impairment, net of tax.

Adjusted effective tax rate reflects the exclusion of restructuring charges and goodwill impairment, net of tax.

Adjusted EBITDA refers to earnings before interest, taxes, depreciation, intangible amortization, equity-settled stock compensation expense, earnout accretion, contingent compensation related to acquisitions, restructuring charges, goodwill impairment and other non-operating income (expense).

Adjusted EBITDA margin refers to adjusted EBITDA as a percentage of net revenue in the same period.

The Company evaluates its results of operations on both an as reported and a constant currency basis. The constant currency presentation is a non-GAAP financial measure, which excludes the impact of fluctuations in foreign currency

exchange rates. The Company believes providing constant currency information provides valuable supplemental information regarding its results of operations, consistent with how it evaluates its performance. The Company calculates constant currency percentages by converting its financial results in a local currency for a period using the average exchange rate for the prior period to which it is comparing. This calculation may differ from similarly-titled measures used by other companies.

Safe Harbor Statement

This press release contains 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, the impacts, direct and indirect, of the COVID-19 pandemic (including the emergence of variant strains) on our business, our consultants and employees, and the overall economy; leadership changes, our ability to attract, integrate, develop, manage and retain qualified consultants and senior leaders; our ability to prevent our consultants from taking our clients with them to another firm; our ability to maintain our professional reputation and brand name; the fact that our net revenue may be affected by adverse economic conditions; our clients' ability to restrict us from recruiting their employees; the aggressive competition we face; our heavy reliance on information management systems; the fact that we face the risk of liability in the services we perform; the fact that data security, data privacy and data protection laws and other evolving regulations and cross-border data transfer restrictions may limit the use of our services and adversely affect our business; social, political, regulatory and legal risks in markets where we operate; any challenges to the classification of our on-demand talent as independent contractors; the impact of foreign currency exchange rate fluctuations; the fact that we may not be able to align our cost structure with net revenue; unfavorable tax law changes and tax authority rulings; our ability to realize our tax losses; the timing of the establishment or reversal of valuation allowance on deferred tax assets; any impairment of our goodwill, other intangible assets and other long-lived assets; our ability to execute and integrate future acquisitions; the fact that we have anti-takeover provisions that make an acquisition of us difficult and expensive; our ability to access additional credit; and the increased cybersecurity requirements, vulnerabilities, threats and more sophisticated and targeted cyber-related attacks that could pose a risk to our systems, networks, solutions, services and data. 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, 2020, under the heading "Risk Factors" in Item 1A, as updated in Part II of our subsequent quarterly reports on Form 10-Q and other filings with the Securities and Exchange Commission. 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.

Contacts:

Investors & Analysts:

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Media:

Nina Chang – Vice President, Corporate Communications nchang@heidrick.com

Heidrick & Struggles International, Inc. Consolidated Statements of Comprehensive Income (Loss) (In thousands, except per share amounts) (Unaudited)

Three Months Ended September 30,

	 	mber		-				
	 2021		2020		\$ Change	% Change		
Revenue								
Revenue before reimbursements (net revenue)	\$ 263,825	\$	143,544	\$	120,281	83.8 %		
Reimbursements	 1,490		957		533	55.7 %		
Total revenue	265,315		144,501		120,814	83.6 %		
Operating expenses								
Salaries and benefits	185,904		103,893		82,011	78.9 %		
General and administrative expenses	29,155		28,899		256	0.9 %		
Cost of services	18,686		870		17,816	NM		
Restructuring charges	(3,262)		48,115		(51,377)	(106.8)%		
Reimbursed expenses	 1,490	_	957		533	55.7 %		
Total operating expenses	 231,973		182,734		49,239	26.9 %		
Operating income (loss)	33,342		(38,233)		71,575	(187.2)%		
Non-operating income (expense)								
Interest, net	90		(180)					
Other, net	145		1,819					
Net non-operating income	 235		1,639					
Income (loss) before income taxes	33,577		(36,594)					
Provision for (benefit from) income taxes	 9,079		(10,416)	_				
Net income (loss)	24,498		(26,178)					
Other comprehensive income (loss), net of tax	(661)		850					
Comprehensive income (loss)	\$ 23,837	\$	(25,328)	-				
Weighted average common charge outstanding				-				
Weighted-average common shares outstanding Basic	19,569		19,351					
Diluted	20,240		19,351					
Diluteu	20,240		19,551					
Earnings (loss) per common share								
Basic	\$ 1.25	\$	(1.35)					
Diluted	\$ 1.21	\$	(1.35)					
Salaries and benefits as a % of net revenue	70.5 %	ó	72.4 %					
General and administrative expenses as a % of net revenue	11.1 %	ó	20.1 %					
Cost of services as a % of net revenue	7.1 %	ó	0.6 %					
Operating margin	12.6 %	ó	(26.6)%					

Heidrick & Struggles International, Inc. Segment Information

(In thousands) (Unaudited)

Three Months Ended September 30,

						\$			
		2021		2020		Change	% Change	2021 Margin ¹	2020 Margin ¹
Revenue	<u> </u>						-		
Executive Search									
Americas	\$	148,844	\$	79,947	\$	68,897	86.2 %		
Europe		42,676		28,902		13,774	47.7 %		
Asia Pacific		30,126		20,394		9,732	47.7 %		
Total Executive Search		221,646		129,243		92,403	71.5 %		
On-Demand Talent		24,287		_		24,287	NM		
Heidrick Consulting		17,892		14,301		3,591	25.1 %		
Revenue before reimbursements (net revenue)		263,825		143,544		120,281	83.8 %		
Reimbursements		1,490		957		533	55.7 %		
Total revenue	\$	265,315	\$	144,501	\$	120,814	83.6 %		
Operating income (loss)									
Executive Search									
Americas ²	\$	38,972	ď	(7,934)	¢	46,906	(591.2)%	26.2 %	(9.9)%
Europe ³	Ф	4,795	Ф	(6,856)	Ф	11,651	169.9 %	11.2 %	(23.7)%
Asia Pacific ⁴		4,733		,			373.0 %	15.6 %	
				(1,726)	_	6,438			(8.5)%
Total Executive Search		48,479		(16,516)		64,995	(393.5)%	21.9 %	(12.8)%
On-Demand Talent		881		_		881	NM	3.6 %	— %
Heidrick Consulting ⁵		(2,556)		(9,286)		6,730	72.5 %	(14.3)%	(64.9)%
Total segments		46,804		(25,802)		72,606	281.4 %	17.7 %	(18.0)%
Global Operations Support ⁶		(13,462)		(12,431)		(1,031)	(8.3)%	(5.1)%	(8.7)%
Total operating income (loss)	\$	33,342	\$	(38,233)	\$	71,575	187.2 %	12.6 %	(26.6)%

¹ Margin based on revenue before reimbursements (net revenue).

² Includes a restructuring reversal of \$2.9 million for the three months ended September 30, 2021 and restructuring charges of \$27.6 million for the three months ended September 30, 2020.

³ Includes restructuring charges of less than \$0.1 million and \$9.6 million for the three months ended September 30, 2021 and 2020, respectively.

⁴Includes restructuring charges of \$4.6 million for the three months ended September 30, 2020.

⁵ Includes a restructuring reversal of \$0.3 million for the three months ended September 30, 2021 and restructuring charges of \$4.5 million for the three months ended September 30, 2020.

⁶ Includes a restructuring reversal of \$0.1 million for the three months ended September 30, 2021 and restructuring charges of \$1.9 million for the three months ended September 30, 2020.

Heidrick & Struggles International, Inc. Consolidated Statements of Comprehensive Income (Loss) (In thousands, except per share amounts) (Unaudited)

Nine Months Ended September 30,

	-	2024	шост				0/ 61
n		2021		2020		Change	% Change
Revenue	¢	717 460	ď	400.000	ď	250 024	55.8 %
Revenue before reimbursements (net revenue) Reimbursements	\$	717,462 3,819	\$	460,628 6,555	\$	256,834 (2,736)	55.8 % (41.7)%
Total revenue					· ——		
Total revenue		721,281		467,183		254,098	54.4 %
Operating expenses							
Salaries and benefits		513,321		329,640		183,681	55.7 %
General and administrative expenses		83,876		91,122		(7,246)	(8.0)%
Cost of services		34,817		2,848		31,969	NM
Impairment charges		_		32,970		(32,970)	(100.0)%
Restructuring charges		3,792		48,115		(44,323)	(92.1)%
Reimbursed expenses		3,819		6,555		(2,736)	(41.7)%
Total operating expenses		639,625		511,250		128,375	25.1 %
Operating income (loss)		81,656		(44,067)		125,723	NM
Non-operating income							
Interest, net		207		160			
Other, net		6,260		460			
Net non-operating income		6,467		620	-		
Income (loss) before income taxes		88,123		(43,447)			
Provision for (benefit from) income taxes		28,028		(202)	<u>-</u>		
Net income (loss)		60,095		(43,245)			
Other comprehensive loss, net of tax		(1,349)		(1,395)			
Comprehensive income (loss)	\$	58,746	\$	(44,640)	-		
	====		= ==		1		
Weighted-average common shares outstanding Basic		19,489		19,281			
Diluted		20,259		19,281			
Farrings (lea) and common about							
Earnings (loss) per common share	¢	2.00	ď	(2.24)			
Basic	\$	3.08	\$	(2.24)			
Diluted	\$	2.97	\$	(2.24)			
Salaries and benefits as a % of net revenue		71.5 %	, o	71.6 %			
General and administrative expenses as a % of net revenue		11.7 %		19.8 %			
Cost of services as a % of net revenue		4.9 %		0.6 %			
Operating margin		11.4 %		(9.6)%			
- L0 0		11.1 /	-	(3.0)70			

Heidrick & Struggles International, Inc. Segment Information

Nine	Months	Ended	September 30	•
141116	MIUHUIS	Liiucu	ocpicinoci ou	,

			\$			
	 2021	2020	 Change	% Change	2021 Margin ¹	2020 Margin ¹
Revenue						
Executive Search						
Americas	\$ 412,740	\$ 265,088	\$ 147,652	55.7 %		
Europe	125,228	92,108	33,120	36.0 %		
Asia Pacific	87,429	61,654	25,775	41.8 %		
Total Executive Search	625,397	418,850	206,547	49.3 %		
On-Demand Talent	43,006		43,006	NM		
Heidrick Consulting	49,059	 41,778	 7,281	17.4 %		
Revenue before reimbursements (net revenue)	717,462	460,628	256,834	55.8 %		
Reimbursements	3,819	 6,555	 (2,736)	(41.7)%		
Total revenue	\$ 721,281	\$ 467,183	\$ 254,098	54.4 %		
Operating income (loss)						
Executive Search						
Americas ²	\$ 99,822	\$ 40,900	\$ 58,922	144.1 %	24.2 %	15.4 %
Europe ³	13,314	(26,874)	40,188	149.5 %	10.6 %	(29.2)%
Asia Pacific ⁴	13,241	(6,553)	19,794	302.1 %	15.1 %	(10.6)%
Total Executive Search	 126,377	 7,473	 118,904	1591.1 %	20.2 %	1.8 %
On-Demand Talent	1,034		1,034	NM	2.4 %	— %
Heidrick Consulting ⁵	(10,897)	(21,699)	10,802	49.8 %	(22.2)%	(51.9)%
Total segments	116,514	(14,226)	 130,740	(919.0)%	16.2 %	(3.1)%
Global Operations Support ⁶	(34,858)	(29,841)	(5,017)	(16.8)%	(4.9)%	(6.5)%
Total operating income (loss)	\$ 81,656	\$ (44,067)	\$ 125,723	285.3 %	11.4 %	(9.6)%

¹ Margin based on revenue before reimbursements (net revenue).

² Includes restructuring charges of \$3.9 million and \$27.6 million for the nine months ended September 30, 2021 and 2020, respectively.

³ Includes a restructuring reversal of \$0.1 million for the nine months ended September 30, 2021 and restructuring charges of \$9.6 million for the nine months ended September 30, 2020. Includes goodwill impairment charges of \$24.5 million for the nine months ended September 30, 2020.

⁴ Includes a restructuring reversal of \$0.1 million for the nine months ended September 30, 2021 and restructuring charges of \$4.6 million for the nine months ended September 30, 2020. Includes goodwill impairment charges of \$8.5 million for the nine months ended September 30, 2020.

⁵ Includes restructuring charges of \$0.4 million and \$4.5 million for the nine months ended September 30, 2021 and 2020, respectively.

⁶ Includes a restructuring reversal of \$0.2 million for the nine months ended September 30, 2021 and restructuring charges of \$1.9 million for the nine months ended September 30, 2020.

Heidrick & Struggles International, Inc. Reconciliation of Operating Income (Loss) and Adjusted Operating Income (Non-GAAP)

	Three Mo Septer	nths E nber 3		Nine Months Ended September 30,				
	2021		2020		2021		2020	
Revenue before reimbursements (net revenue)	\$ 263,825	\$	143,544	\$	717,462	\$	460,628	
Operating income (loss)	33,342		(38,233)		81,656		(44,067)	
Adjustments								
Impairment charges ¹	_		_		_		32,970	
Restructuring charges ²	(3,262)		48,115		3,792		48,115	
Total adjustments	 (3,262)		48,115		3,792		81,085	
Adjusted operating income	\$ 30,080	\$	9,882	\$	85,448	\$	37,018	
Operating margin	12.6 %)	(26.6)%	1	11.4 %		(9.6)%	
Adjusted operating margin	11.4 %)	6.9 %	,	11.9 %)	8.0 %	

¹ The Company incurred goodwill impairment charges of approximately \$33.0 million in the Europe and Asia Pacific operating segments for the nine months ended

September 30, 2020.

The Company incurred restructuring reversals of \$3.3 million for the three months ended September 30, 2021 and restructuring charges of \$48.1 million for the three months ended September 30, 2021 and \$48.1 million for the nine months ended September 30, 2021 and 2021 an months ended September 30, 2020. The Company incurred restructuring charges of \$3.8 million and \$48.1 million for the nine months ended September 30, 2021 and 2020, respectively.

Heidrick & Struggles International, Inc. Reconciliation of Net Income (Loss) and Adjusted Net Income (Non-GAAP)

		Nine Months Ended September 30,					
		2021		2020	 2021		2021
Net income (loss)	\$	24,498	\$	(26,178)	\$ 60,095	\$	(43,245)
Adjustments							
Impairment charges, net of tax ¹		_		_	_		32,970
Restructuring charges, net of tax ²		(2,075)		33,863	2,642		33,863
Total adjustments		(2,075)	-	33,863	2,642		66,833
Adjusted net income	\$	22,423	\$	7,685	\$ 62,737	\$	23,588
Weighted-average common shares outstanding							
Basic		19,569		19,351	19,489		19,281
Diluted		20,240		19,730	20,259		19,833
Earnings (loss) per common share							
Basic	\$	1.25	\$	(1.35)	\$ 3.08	\$	(2.24)
Diluted	\$	1.21	\$	(1.35)	2.97	\$	(2.24)
Adjusted earnings per common share							
Basic	\$	1.15	\$	0.40	\$ 3.22	\$	1.22
Diluted	\$	1.11	\$	0.39	\$ 3.10	\$	1.19

¹ The Company incurred goodwill impairment charges of approximately \$33.0 million in the Europe and Asia Pacific operating segments for the nine months ended September 30, 2020.

² The Company incurred restructuring reversals of \$3.3 million for the three months ended September 30, 2021 and restructuring charges of \$48.1 million for the three

² The Company incurred restructuring reversals of \$3.3 million for the three months ended September 30, 2021 and restructuring charges of \$48.1 million for the three months ended September 30, 2020. The Company incurred restructuring charges of \$3.8 million and \$48.1 million for the nine months ended September 30, 2021 and 2020, respectively.

Heidrick & Struggles International, Inc. Consolidated Balance Sheets (In thousands) (Unaudited)

Accounts receivable, net 181.65 88.12 Prepaid expenses 26.624 18.93 Other current assets 34.447 23.23 Income taxes recoverable 4.336 5.54 Total current assets 594,916 472.66 Non-current assets Property and equipment, net 20.939 23.46 Operating lease right-of-use assets 74,744 29.66 Assets designated for retirement and pension plans 13.672 14.42 Investments 34,738 31.33 Other non-current assets 25.652 24.42 Goodwill 13.047 91.66 Other intangible assets, net 10.223 1.11 Deferred income taxes 36.501 35.91 Total assets \$ 948.63 \$ 787.81 Total assets \$ 18.119 \$ 8.75 Accounts payable \$ 18.119 \$ 8.75 Accounts payable \$ 18.919 2.2723 28.93 Operating lease liabilities 22.723 23.31 1.00		September 30 2021	,	December 31, 2020		
Marketable securities — 19.95 Accounts receivable, net 181.15 88.12 Other current assets 36.624 18.93 Other current assets 34.447 23.23 Income taxes recoverable 4.386 5.58 Total current assets 594,916 47.266 Non-current assets 20.939 23.45 Property and equipment, net 20.939 23.45 Operating lease right-of-use assets 74,744 29.65 Assets designated for retirement and pension plans 31.672 14.42 Investments 34,738 31.36 Other non-current assets 25.6852 24.42 Goodwill 313,047 91.66 Other intangible assets, net 10.223 1.11 Deferred income taxes 36.501 35.91 Total assets \$9.48,632 \$78.781 Total assets \$18,119 \$8.75 Accounts payable \$18,119 \$8.75 Accured salaries and benefits 30.50 21.72	Current assets					
Accounts receivable, ner 181,167 88,12 Prepaid expenses 25,624 18,95 Other current assets 34,447 23,27 Income taxes recoverable 4,366 5,86 Total current assets 89,916 47,66 Non-current assets Property and equipment, net 20,939 23,48 Operating lease right-of-use assets 74,744 20,65 Assets designated for retirement and pension plans 13,672 14,42 Investmens 34,733 31,33 Other non-current assets 25,852 24,43 Goodwill 137,04 9,66 Other intangible assets, net 10,223 1,12 Deferred income taxes 35,571 315,12 Total assets \$948,632 \$78,781 Accounts payable \$18,119 \$8,78 Accounts payable \$18,119 \$8,78 Accounts payable \$18,92 28,96 Operating lease liabilities 22,723 23,31 Income taxes payable \$2,26 <td>Cash and cash equivalents</td> <td>\$ 348,2</td> <td>92 \$</td> <td>316,473</td>	Cash and cash equivalents	\$ 348,2	92 \$	316,473		
Prepaid expenses 26,624 18.95 Other current assets 34,47 23.27 Income taxes recoverable 4,366 5,88 Total current assets 594,916 47.66 Non-current assets Property and equipment, net 20,939 23,45 Operating lease right-of-use assets 74,744 92,67 Assets designated for retirement and pension plans 13,672 14,42 Investments 34,733 31,33 Other non-current assets 25,852 24,43 Goodwill 137,047 91,64 Other intangible assets, net 10,223 15,12 Other intangible assets 36,501 35,91 Total non-current assets 353,716 315,12 Total assets \$ 348,632 \$ 78,78 Accounts payable \$ 18,119 \$ 8,78 Accounts payable \$ 18,22 32,31 Deferred revenue 45,284 30,00 Operating lease liabilities 22,723 23,31 Income taxes payable <td< td=""><td>Marketable securities</td><td></td><td>_</td><td>19,999</td></td<>	Marketable securities		_	19,999		
Description of taxes recoverable 34,447 32,325 32,525 32	Accounts receivable, net	181,1	67	88,123		
Concert assert secondates 4,366 5,88 Total current assets 594,916 47,66 Non-current assets 20,933 23,45 Property and equipment, net 20,933 23,45 Operating lease right-of-use assets 74,744 92,67 Assets designated for reirrement and pension plans 113,672 14,42 Investments 313,047 91,66 Other non-current assets 25,852 24,43 Goodwill 137,047 91,66 Other intangible assets, net 10,223 11,12 Deferred income taxes 36,501 35,95 Total ann-current assets 365,91 35,95 Total connect axes 36,501 35,71 Total private file income taxes 36,501 35,71 Total assets \$ 18,119 8,77 Accured salaries and benefits 305,186 217,92 Accured salaries and benefits 22,23 31,22 Operating lease liabilities 22,23 33,22 Your current liabilities 5,804 33,23<	Prepaid expenses	26,6	24	18,956		
Total current assets 594,916 472,66 Non-current assets 20,939 23,48 Property and equipment, net 20,939 23,48 Operating lease right-of-use assets 74,744 92,67 Assets designated for retirement and pension plans 13,672 14,42 Investments 34,738 31,367 14,42 Other non-current assets 25,852 24,44 Goodwill 137,047 91,64 Other intangible assets, net 10,223 1,12 Deferred income taxes 365,911 35,91 Total non-current assets \$ 948,632 \$ 787,81 Total assets \$ 948,632 \$ 787,81 Current liabilities \$ 18,119 \$ 8,75 Accounts payable \$ 18,119 \$ 8,75 Accounts payable \$ 18,119 \$ 8,75 Accoured salaries and benefits 305,186 217,90 Operating lease liabilities 18,992 28,96 Other current liabilities 22,723 23,31 Income taxes payable 425,046	Other current assets	34,4	47	23,279		
Non-current assets Coperation dequipment, net 20,939 23,48 Operating lease right-of-use assets 74,744 92,67 Assets designated for retirement and pension plans 13,672 14,42 Investments 34,373 31,33 Other non-current assets 52,852 24,43 Goodwill 137,047 91,64 Other intangible assets, net 10,223 1,12 Deferred income taxes 36,501 355,95 Total non-current assets \$948,632 \$787,81 Current liabilities Accounts payable \$11,119 \$8,77 Accounts payable asset inabilities \$18,992 28,96 Operating lease liabilities \$22,723 33,31 Operating lease liabilities \$22,723 23,31 Total current liabilities \$25,042 \$18,992 Concurrent liabilities \$2,023 \$6,92 Concurrent liabilities \$2,023 \$6,92 Concurrent liabilities \$2,623 \$6,92 Concurren	Income taxes recoverable	4,3	86	5,856		
Property and equipment, net 20,939 23,45 Operating lease right-of-use assets 74,744 92,67 Assets designated for retirement and pension plans 31,672 14,42 Investments 34,738 31,33 Other non-current assets 25,852 24,42 Goodwill 137,047 91,66 Other intangible assets, net 10,223 1,12 Deferred income taxes 36,501 35,95 Total non-current assets \$948,632 \$787,81 Current liabilities Accounts payable \$18,119 \$8,77,81 Accounts payable \$18,119 \$8,77 Accrued salaries and benefits 305,186 217,90 Operating lease liabilities 18,992 28,96 Other current liabilities 22,723 23,31 Income taxes payable 14,742 1,11 Total current liabilities 55,604 318,23 Non-current liabilities 52,623 56,92 Retirement and pension plans 53,45 53,45	Total current assets	594,9	16	472,686		
Operating lease right-of-use assets 74,744 92,67 Assets designated for retirement and pension plans 13,672 14,42 Investments 34,738 31,33 Other non-current assets 25,852 24,43 Goodwill 137,047 91,66 Other intangible assets, net 10,223 1,12 Deferred income taxes 36,501 35,95 Total non-current assets \$ 948,632 \$ 787,81 Current liabilities \$ 948,632 \$ 787,81 Accounts payable \$ 18,119 \$ 8,75 Accounts payable \$ 18,119 \$ 8,75 Accounts payable \$ 18,119 \$ 8,75 Account payable \$ 18,119 \$ 8,75 Operating lease liabilities 18,92 28,96 Operating lease liabilities 18,92 28,96 Other current liabilities 22,723 23,31 Income taxes payable 14,742 1,18 Total current liabilities 55,804 53,48 Operating lease liabilities 63,336 86,81	Non-current assets					
Assets designated for retirement and pension plans 13,672 14,42 Investments 34,733 31,33 Other non-current assets 25,852 24,42 Goodwill 137,047 91,64 Other intangible assets, net 10,223 1,12 Deferred income taxes 36,501 35,93 Total non-current assets \$ 948,632 \$ 787,81 Current liabilities Accrued salaries and benefits \$ 18,119 \$ 8,79 Accrued salaries and benefits 305,186 217,90 Operating lease liabilities 18,992 28,99 Other current liabilities 22,723 23,31 Income taxes payable 147,72 1,16 Total current liabilities 22,723 23,31 Non-current liabilities 55,804 56,92 Retirement and pension plans 55,804 53,48 Operating lease liabilities 63,336 86,81 Operating lease liabilities 28,95 4,73 Total non-current liabilities 22,523 56,92 Accrued salaries and benefits 28,567 4,73 <	Property and equipment, net	20,9	39	23,492		
Investments 34,738 31,36 Other non-current assets 25,852 24,42 Goodwill 137,047 91,64 Other intangible assets, net 10,223 1,12 Deferred income taxes 36,501 35,95 Total non-current assets \$ 948,632 \$ 787,81 Total assets \$ 948,632 \$ 787,81 Current liabilities Accounts payable \$ 18,119 \$ 8,75 Accrued salaries and benefits 305,186 217,90 Operating lease liabilities 305,186 217,90 Other current liabilities 18,992 28,98 Other current liabilities 22,723 23,31 Income taxes payable 14,742 1,18 Total current liabilities 55,804 318,22 Non-current liabilities 55,804 56,92 Operating lease liabilities 63,336 86,81 Other non-current liabilities 20,331 201,97 Total non-current liabilities 625,376 20,21 Total liabilities </td <td>Operating lease right-of-use assets</td> <td>74,7</td> <td>44</td> <td>92,671</td>	Operating lease right-of-use assets	74,7	44	92,671		
Other non-current assets 25,852 24,452 Goodwill 137,047 91,64 Other intangible assets, net 10,223 1,122 Deferred income taxes 36,501 35,95 Total non-current assets \$ 948,632 \$ 787,81 Current liabilities Accounts payable \$ 18,119 \$ 8,75 Accounts payable \$ 305,186 217,90 Accrued salaries and benefits 305,186 217,90 Operating lease liabilities 305,186 217,90 Other current liabilities 18,992 29,80 Other current liabilities 22,723 23,31 Total current liabilities 22,723 318,22 Non-current liabilities 55,604 318,22 Non-current liabilities 55,804 53,45 Operating lease liabilities 63,336 86,81 Operating lease liabilities 200,330 201,97 Total non-current liabilities 200,330 201,97 Total non-current liabilities 625,376 50,21	Assets designated for retirement and pension plans	13,6	72	14,425		
Goodwill 137,047 91,64 Other intangible assets, net 10,223 1,12 Deferred income taxes 36,501 35,952 Total non-current assets \$ 333,716 315,12 Total assets \$ 948,632 \$ 787,81 Current liabilities Accounts payable \$ 18,119 \$ 8,75 Accued salaries and benefits 305,186 217,90 Deferred revenue 45,284 38,05 Operating lease liabilities 18,992 28,96 Other current liabilities 22,723 23,31 Total current liabilities 22,723 23,31 Accrued salaries and benefits 52,623 56,92 Retirement and pension plans 55,804 53,48 Operating lease liabilities 63,336 86,81 Other non-current liabilities 28,567 4,73 Total non-current liabilities 65,376 52,021 Total liabilities 625,376 520,21 Total liabilities 625,376 520,21 Total	Investments	34,7	38	31,369		
Other intangible assets, net Deferred income taxes 10,223 36,501 35,900 35,900 35,900 35,900 35,900 35,716 315,120 35,900 35,716 315,120 35,716	Other non-current assets	25,8	52	24,439		
Deferred income taxes 36,501 35,905 Total non-current assets 353,716 315,12 Total assets \$ 948,632 787,81 Current liabilities Accrued salaries and benefits \$ 18,119 8.77 Accrued salaries and benefits 305,186 217,90 Operating lease liabilities 18,992 28,90 Other current liabilities 22,723 23,31 Income taxes payable 14,742 1,18 Total current liabilities \$ 2,623 56,92 Accrued salaries and benefits \$ 5,804 53,46 Retirement and pension plans \$ 5,804 53,46 Operating lease liabilities \$ 26,23 56,92 Operating lease liabilities \$ 2,033 201,97 Total non-current liabilities \$ 20,333 201,97 Total policy \$ 20,333 201,97 Total liabilities \$ 25,376 52,021 Stockholders' equity \$ 233,256 267,60	Goodwill	137,0	47	91,643		
Total non-current assets 353,716 315,12 Total assets \$ 948,632 \$ 787,81 Current liabilities \$ 18,119 \$ 8,79 Accounts payable \$ 18,119 \$ 8,79 Accrued salaries and benefits 305,186 217,90 Deferred revenue 45,284 38,05 Operating lease liabilities 18,992 28,98 Other current liabilities 22,723 23,33 Income taxes payable 14,742 1,18 Total current liabilities 45,046 318,23 Non-current liabilities 55,804 53,45 Accrued salaries and benefits 55,804 53,45 Retirement and pension plans 55,804 53,45 Operating lease liabilities 28,567 4,73 Other non-current liabilities 28,567 4,73 Total non-current liabilities 625,376 520,21 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60	Other intangible assets, net	10,2	23	1,129		
Total assets \$ 948,632 \$ 787,81 Current liabilities \$ 18,119 \$ 8,79 Accounts payable \$ 18,119 \$ 8,79 Accrued salaries and benefits 305,186 217,90 Deferred revenue 45,284 38,05 Operating lease liabilities 18,992 28,98 Other current liabilities 22,723 23,31 Income taxes payable 14,742 1,18 Total current liabilities 425,046 318,23 Non-current liabilities 52,623 56,92 Retirement and pension plans 55,804 53,49 Operating lease liabilities 63,336 86,81 Other non-current liabilities 28,567 4,73 Total non-current liabilities 200,330 201,97 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60	Deferred income taxes	36,5	01	35,958		
Current liabilities Accounts payable \$ 18,119 \$ 8,79 Accrued salaries and benefits 305,186 217,90 Deferred revenue 45,284 38,05 Operating lease liabilities 18,992 28,98 Other current liabilities 22,723 23,31 Income taxes payable 14,742 1,18 Total current liabilities 425,046 318,23 Non-current liabilities 52,623 56,92 Retirement and pension plans 55,804 53,48 Operating lease liabilities 63,336 86,81 Other non-current liabilities 28,567 4,73 Total non-current liabilities 200,330 201,97 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60	Total non-current assets	353,7	16	315,126		
Accounts payable \$ 18,119 \$ 8,79 Accrued salaries and benefits 305,186 217,90 Deferred revenue 45,284 38,05 Operating lease liabilities 18,992 28,96 Other current liabilities 22,723 23,31 Income taxes payable 14,742 1,18 Total current liabilities 25,046 318,23 Non-current liabilities Accrued salaries and benefits 52,623 56,92 Retirement and pension plans 55,804 53,49 Operating lease liabilities 63,336 86,81 Other non-current liabilities 28,567 4,73 Total non-current liabilities 200,330 201,97 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60	Total assets	\$ 948,6	32 \$	787,812		
Accrued salaries and benefits 305,186 217,90 Deferred revenue 45,284 38,05 Operating lease liabilities 18,992 28,98 Other current liabilities 22,723 23,31 Income taxes payable 14,742 1,18 Total current liabilities 425,046 318,23 Non-current liabilities 52,623 56,92 Retirement and pension plans 55,804 53,49 Operating lease liabilities 63,336 86,81 Other non-current liabilities 28,567 4,73 Total non-current liabilities 200,330 201,97 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60	Current liabilities					
Deferred revenue 45,284 38,000 Operating lease liabilities 18,992 28,980 Other current liabilities 22,723 23,31 Income taxes payable 14,742 1,18 Total current liabilities 425,046 318,23 Non-current liabilities Accrued salaries and benefits 52,623 56,92 Retirement and pension plans 55,804 53,49 Operating lease liabilities 63,336 86,81 Other non-current liabilities 28,567 4,73 Total non-current liabilities 200,330 201,97 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60	Accounts payable	\$ 18,1	19 \$	8,799		
Operating lease liabilities 18,992 28,982 Other current liabilities 22,723 23,31 Income taxes payable 14,742 1,182 Total current liabilities 425,046 318,23 Non-current liabilities Accrued salaries and benefits 52,623 56,92 Retirement and pension plans 55,804 53,49 Operating lease liabilities 63,336 86,81 Other non-current liabilities 28,567 4,73 Total non-current liabilities 200,330 201,97 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60	Accrued salaries and benefits	305,1	86	217,908		
Other current liabilities 22,723 23,33 Income taxes payable 14,742 1,18 Total current liabilities 425,046 318,23 Non-current liabilities Accrued salaries and benefits 52,623 56,92 Retirement and pension plans 55,804 53,49 Operating lease liabilities 63,336 86,81 Other non-current liabilities 28,567 4,73 Total non-current liabilities 200,330 201,97 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60	Deferred revenue	45,2	84	38,050		
Income taxes payable 14,742 1,16 Total current liabilities 425,046 318,23 Non-current liabilities Accrued salaries and benefits 52,623 56,92 Retirement and pension plans 55,804 53,49 Operating lease liabilities 63,336 86,81 Other non-current liabilities 28,567 4,73 Total non-current liabilities 200,330 201,97 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60	Operating lease liabilities	18,9	92	28,984		
Total current liabilities 425,046 318,23 Non-current liabilities 5 5 Accrued salaries and benefits 52,623 56,92 Retirement and pension plans 55,804 53,49 Operating lease liabilities 63,336 86,81 Other non-current liabilities 28,567 4,73 Total non-current liabilities 200,330 201,97 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60	Other current liabilities	22,7	23	23,311		
Non-current liabilities 425,046 318,23 Non-current liabilities 5 5 6,92 56,92 56,92 56,92 86,92 86,92 86,92 86,81 92,92 93,24 93,24 93,24 93,24 93,24 93,24 93,24 93,24 93,25	Income taxes payable	14,7	42	1,186		
Accrued salaries and benefits 52,623 56,92 Retirement and pension plans 55,804 53,49 Operating lease liabilities 63,336 86,81 Other non-current liabilities 28,567 4,73 Total non-current liabilities 200,330 201,97 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60		425,0	46	318,238		
Retirement and pension plans 55,804 53,49 Operating lease liabilities 63,336 86,81 Other non-current liabilities 28,567 4,73 Total non-current liabilities 200,330 201,97 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60	Non-current liabilities					
Retirement and pension plans 55,804 53,49 Operating lease liabilities 63,336 86,81 Other non-current liabilities 28,567 4,73 Total non-current liabilities 200,330 201,97 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60	Accrued salaries and benefits	52,6	23	56,925		
Operating lease liabilities 63,336 86,81 Other non-current liabilities 28,567 4,73 Total non-current liabilities 200,330 201,97 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60	Retirement and pension plans			53,496		
Other non-current liabilities 28,567 4,73 Total non-current liabilities 200,330 201,97 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60				86,816		
Total non-current liabilities 200,330 201,97 Total liabilities 625,376 520,21 Stockholders' equity 323,256 267,60		28,5	67	4,735		
Stockholders' equity 323,256 267,60	Total non-current liabilities			201,972		
	Total liabilities	625,3	76	520,210		
Total liabilities and stockholders' equity \$ 948,632 \$ 787,81	Stockholders' equity	323,2	56	267,602		
	Total liabilities and stockholders' equity	\$ 948,6	32 \$	787,812		

Heidrick & Struggles International, Inc. Consolidated Statements of Cash Flows

(In thousands) (Unaudited)

		Three Moi Septen	
		2021	2020
Cash flows - operating activities			
Net income (loss)	\$	24,498	\$ (26,178)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization		4,534	16,171
Deferred income taxes		(347)	320
Stock-based compensation expense		2,820	3,212
Accretion expense related to earnout payments		182	_
Gain on marketable securities		_	(22)
Loss on disposal of property and equipment		12	14
Changes in assets and liabilities, net of effects of acquisition:			
Accounts receivable		(13,897)	7,397
Accounts payable		434	664
Accrued expenses		113,697	52,066
Restructuring accrual		(361)	7,769
Deferred revenue		3,575	(1,219)
Income taxes recoverable and payable, net		2,422	(18,215)
Retirement and pension plan assets and liabilities		7	29
Prepaid expenses		(1,742)	3,312
Other assets and liabilities, net		(18,715)	 6,540
Net cash provided by operating activities		117,119	51,860
Cash flows - investing activities			
Capital expenditures		(1,196)	(2,565)
Purchases of marketable securities and investments		(326)	(47,249)
Proceeds from sales of marketable securities and investments		338	49,166
Net cash used in investing activities		(1,184)	 (648)
Cash flows - financing activities			
Payments on line of credit		_	(100,000)
Cash dividends paid		(2,862)	(3,022)
Net cash used in financing activities		(2,862)	 (103,022)
Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash		(2,595)	 3,627
Net increase (decrease) in cash, cash equivalents and restricted cash		110,478	(48,183)
Cash, cash equivalents and restricted cash at beginning of period	_	237,848	218,760
Cash, cash equivalents and restricted cash at end of period	\$	348,326	\$ 170,577

Heidrick & Struggles International, Inc. Consolidated Statements of Cash Flows

Cash flows - operating activities 78 (0,00%) \$ (0,00%)			nded 0,		
Nem (oros) \$ 60,095 \$ (43,245) Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: 16,576 20,638 Depreciation and amortization 16,576 20,638 Deferred income taxes (1,486) 70 Stock-based compensation expense 8,672 7,146 Carcerion expense related to eamout payments 363 — Gain on marketable securities 101 (144 Loss on disposal of property and equipment 127 289 Impairment charges 6,487 9,501 Changes in assets and liabilities, net of effects of acquisition: 2931 2,209 Accounts receivable 4,877 9,516 2,209 Accounts payable 2,931 2,209 2,209 Accounts payable 6,533 3,839 2,777,776 Restructuring accrual 6,433 3,839 1,449 Deferred revenue 6,433 1,349 1,1460 Retirement and pension plan assets and liabilities 1,449 1,140 Preparation expenses (7,724)			2021		2020
Depreciation and amortization 16,576 20,638 Deferred income taxes 16,476 700 Stock-based compensation expense 8,672 7,146 Accretion sepnse related to earnout payments 363 — 6 Can on marketable securities 11 16,276 289 Impairment charges 12 12 289 Impairment charges 2,970 289 Impairment charges 2,931 2,809 Accrued expenses 8,945 7,7776 Accounts receivable 2,931 2,809 Accrued expenses 8,945 7,7776 Restructuring accrual 6,623 3,892 Deferred revenue 14,937 11,460 Retirement and pension plan assets and liabilities 1,437 1,1460 Retirement and pension plan assets and liabilities 1,431 1,204 Prepaid expenses 7,740 1,229 Other assets and liabilities, net of effects of acquisitions 1,433 1,204 Retirement and pension plan assets and liabilities 1,443 1,204 Retirement and pension plan assets and liabilities 1,443 1,204 Retirement and pension plan assets and liabilities 1,443 1,204 Retirement and pension plan assets and liabilities 1,443 1,204 Retirement and pension plan assets and liabilities 1,437 1,1460 Retirement and pension plan assets and liabilities 1,437 1,1460 Retirement and pension plan assets and liabilities 1,437 1,1460 Retirement and pension plan assets and liabilities 1,437 1,1460 Retirement and pension plan assets and liabilities 1,437 1,1460 Retirement and pension plan assets and liabilities 1,437 1,232 Ret cash under the distribution of the same transport of the same tra					
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Gain on marketable securities (1) (144) Loss on disposal of property and equipment 127 289 Impairment charges — 32,970 Changes in assets and liabilities, net of effects of acquisition: **** **** Accounts receivable (84,877) (9,616) Accounts payable 2,931 2,809 Accured expenses 89,405 (77,76) Restructuring accrual (6,524) 6,288 Deferred revenue 6,453 (3,892) Income taxes recoverable and payable, net 14,937 (11,469) Retirement and pension plan assets and liabilities 1,434 1,304 Prepaid expenses (7,724) (1,229) Other assets and liabilities, net (37,114) 2,312 Net cash provided by (used in) operating activities 4(7,24) (7,290) Other assets and liabilities, net (31,969) — Acquisition of business, net of cash acquired (31,969) — Acquistion of business, net of cash acquired (1,997) (118,668) Proceeds from arketable securities an			8,672		7,146
Loss on disposal of property and equipment Impairment charges 289 Impairment charges 32,970 Changes in assets and liabilities, net of effects of acquisition: (84,877) (9,616) Accounts receivable 89,405 (77,776) Accrued expenses 89,405 (77,776) Restructuring accrual (5,024) 6,289 Deferred revenue 6,453 (3,892) Income taxes recoverable and payable, net 14,937 (11,460) Retirement and pension plan assets and liabilities 1,443 1,304 Prepaid expenses (7,724) (1,229) Other assets and liabilities, net (37,114) 2,312 Net cash provided by (used in) operating activities 4,476 (72,905) Cash flows - investing activities Acquisition of business, net of cash acquired (31,969) — Capital expenditures (3,902) (7,121) Purchases of marketable securities and investments (1,997) (118,668) Proceeds from sales of marketable securities and investments 20,653 111,633 Net cash lused in investing activit			363		_
Impairment charges 32,970 Changes in assets and liabilities, net of effects of acquisition: (84,877) (9,616) Accounts payable 2,931 2,809 Accruded expenses 89,405 (7,776) Restructuring accrual (5,024) 6,289 Deferred revenue 6,453 (3,892) Income taxes recoverable and payable, net 14,937 (11,460) Retirement and pension plan assets and liabilities 1,443 1,304 Prepaid expenses (7,724) (1,229) Other assets and liabilities, net (37,114) 2,312 Net cash provided by (used in) operating activities (37,114) 2,312 Yes (3,166) (7,224) (1,229) Other assets and liabilities, net (37,114) 2,312 Net cash provided by (used in) operating activities (37,114) 2,312 Net cash flows - investing activities (31,969) 7 Purchases of marketable securities and investments (1,979) (118,689) Proceeds from sales of marketable securities and investments (1,900) (14,156) <t< td=""><td></td><td></td><td>(1)</td><td></td><td>(144)</td></t<>			(1)		(144)
Changes in assets and liabilities, net of effects of acquisition: (84,877) (9,616) Accounts receivable 2,931 2,809 Accrued expenses 89,405 (77,76) Restructuring accrual (5,024) 6,289 Deferred revenue 6,453 3,892 Income taxes recoverable and payable, net 14,937 (11,460) Retirement and pension plan assets and liabilities 1,443 1,304 Prepaid expenses (7,724) (1,229) Other assets and liabilities, net (37,114) 2,312 Net cash provided by (used in) operating activities (31,905) 7(7,205) Cash flows - investing activities Acquisition of business, net of cash acquired (31,909) (7,121) Purchases of marketable securities and investments (1,997) (118,668) Proceeds from sales of marketable securities and investments (1,907) (14,150) Net cash used in investing activities (1,721) (1,415) Cash flows - financing activities (3,000) (1,500) Proceeds from line of credit (3,000) <	Loss on disposal of property and equipment		127		289
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Accrued expenses 89,405 (77,776) Restructuring accrual (5,024) 6,289 Deferred revenue 6,453 (3,892) Income taxes recoverable and payable, net 14,937 (11,460) Retirement and pension plan assets and liabilities 1,443 1,304 Prepaid expenses (7,724) (1,229) Other assets and liabilities, net (37,114) 2,312 Net cash provided by (used in) operating activities 64,776 (72,905) Cash flows - investing activities Acquisition of business, net of cash acquired (3,969) — Capital expenditures (3,902) (7,121) Purchases of marketable securities and investments (1,997) (118,668) Proceeds from sales of marketable securities and investments (17,215) (14,156) Cash flows - financing activities Proceeds from sales of marketable securities and investments (17,215) (14,156) Cash flows - financing activities (3,000) (10,000) Payments on line of credit — (100,000) Payment of emplo	Accounts receivable		(84,877)		(9,616)
Restructuring accrual (5,024) 6,289 Deferred revenue 6,453 (3,892) Income taxes recoverable and payable, net 14,937 (11,460) Retirement and pension plan assets and liabilities 1,443 1,304 Prepaid expenses (7,724) (1,229) Other assets and liabilities, net 37,114 2,312 Net cash provided by (used in) operating activities 6,77 (72,905) Cash flows - investing activities Acquisition of business, net of cash acquired (31,969) — Capital expenditures (3,902) (7,121) Purchases of marketable securities and investments (1,997) (118,668) Proceeds from sles of marketable securities and investments 20,653 111,633 Net cash used in investing activities (17,215) (14,156) Cash flows - financing activities Proceeds from line of credit — 0 0 Cash flows - financing activities (8,927) (9,019) Payment of employee tax withholdings on equity transactions (3,909) (1,550) Acq	Accounts payable		2,931		2,809
Deferred revenue 6,453 (3,892) Income taxes recoverable and payable, net 11,4937 (11,460) Retirement and pension plan assets and liabilities 1,443 1,304 Prepaid expenses (7,724) (1,229) Other assets and liabilities, net 37,114 2,312 Net cash provided by (used in) operating activities 37,114 2,312 Acquisition of business, net of cash acquired (31,969) — Capital expenditures (3,902) (7,121) Purchases of marketable securities and investments (1,997) (118,668) Proceeds from sales of marketable securities and investments 20,653 111,633 Net cash used in investing activities — 100,000 Porceeds from sales of marketable securities and investments — 100,000 Porceeds from sales of marketable securities and investments (1,297) (14,156) Cash flows - financing activities — 100,000 Payments on line of credit — (100,000) Payments on line of credit — (3,090) (1,550) Acquisition earnout paym	Accrued expenses		89,405		(77,776)
Income taxes recoverable and payable, net 14,937 (11,460) Retirement and pension plan assets and liabilities 1,443 1,304 Prepaid expenses (7,724) (1,229) Other assets and liabilities, net (37,114) 2,312 Net cash provided by (used in) operating activities 64,776 (72,905) Cash flows - investing activities Acquisition of business, net of cash acquired (31,969) — Capital expenditures (3,902) (7,121) Purchases of marketable securities and investments (1,997) (118,668) Proceeds from sales of marketable securities and investments 20,653 111,632 Net cash used in investing activities — 100,000 Payment of embly one credit — 100,000 Payments on line of credit — (100,000) Payment of employee tax withholdings on equity transactions (8,927) (9,019) Payment of employee tax withholdings on equity transactions (3,090) (1,550) Acquisition earmout payments — (2,789) Net cash used in financing activities (3,707) <td>Restructuring accrual</td> <td></td> <td>(5,024)</td> <td></td> <td>6,289</td>	Restructuring accrual		(5,024)		6,289
Retirement and pension plan assets and liabilities 1,443 1,304 Prepaid expenses (7,724) (1,229) Other assets and liabilities, net (37,114) 2,312 Net cash provided by (used in) operating activities 64,776 72,905 Cash flows - investing activities Acquisition of business, net of cash acquired (31,969) — Capital expenditures (3,902) (7,121) Purchases of marketable securities and investments (1,997) (118,668) Proceeds from sales of marketable securities and investments 20,653 111,633 Net cash used in investing activities — 100,000 Proceeds from line of credit — 100,000 Payments on line of credit — (100,000) Cash dividends paid (8,927) (9,019) Payment of employee tax withholdings on equity transactions (3,090) (1,550) Acquisition earnout payments — (2,789) Net cash used in financing activities (3,707) (723) Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash 31,837	Deferred revenue		6,453		(3,892)
Retirement and pension plan assets and liabilities 1,443 1,304 Prepaid expenses (7,724) (1,229) Other assets and liabilities, net (37,114) 2,312 Net cash provided by (used in) operating activities 64,776 72,905 Cash flows - investing activities Acquisition of business, net of cash acquired (31,969) — Capital expenditures (3,902) (7,121) Purchases of marketable securities and investments (1,997) (118,668) Proceeds from sales of marketable securities and investments 20,653 111,633 Net cash used in investing activities — 100,000 Proceeds from line of credit — 100,000 Payments on line of credit — (100,000) Cash dividends paid (8,927) (9,019) Payment of employee tax withholdings on equity transactions (3,090) (1,550) Acquisition earnout payments — (2,789) Net cash used in financing activities (3,707) (723) Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash 31,837	Income taxes recoverable and payable, net		14,937		(11,460)
Prepaid expenses (7,724) (1,229) Other assets and liabilities, net 37,114 2,312 Net cash provided by (used in) operating activities 64,76 (72,905) Cash flows - investing activities Acquisition of business, net of cash acquired (31,969) — Capital expenditures (3,902) (7,121) Purchases of marketable securities and investments (1,997) (118,638) Proceeds from sales of marketable securities and investments 20,653 111,633 Net cash used in investing activities — 100,000 Payments on line of credit — (100,000) Payments on line of credit — (100,000) Cash dividends paid (8,927) (9,019) Payment of employee tax withholdings on equity transactions (3,090) (1,550) Acquisition earnout payments — (2,789) Net cash used in financing activities (3,303) (723) Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash 31,837 (101,142) Cash, cash equivalents and restricted cash at beginning of period			1,443		
Other assets and liabilities, net 37,114 2,312 Net cash provided by (used in) operating activities 64,776 (72,905) Cash flows - investing activities Acquisition of business, net of cash acquired (31,969) — Capital expenditures (3,902) (7,121) Purchases of marketable securities and investments (1,997) (118,668) Proceeds from sales of marketable securities and investments 20,653 111,633 Net cash used in investing activities — (100,000) Proceeds from line of credit — (100,000) Payments on line of credit — (100,000) Payment of employee tax withholdings on equity transactions (3,907) (1,550) Acquisition earmout payments — (2,789) Net cash used in financing activities — (2,789) Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash 31,377 (723) Net increase (decrease) in cash, cash equivalents and restricted cash 31,6489 271,719			(7,724)		
Cash flows - investing activities 64,776 (72,905) Acquisition of business, net of cash acquired (31,969) — Capital expenditures (3,902) (7,121) Purchases of marketable securities and investments (1,997) (118,668) Proceeds from sales of marketable securities and investments 20,653 111,633 Net cash used in investing activities — 100,000 Payments on line of credit — (100,000) Payments on line of credit — (100,000) Cash dividends paid (8,927) (9019) Payment of employee tax withholdings on equity transactions (3,909) (1,550) Acquisition earnout payments — (2,789) Net cash used in financing activities (12,017) (13,338) Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash (3,707) (723) Net increase (decrease) in cash, cash equivalents and restricted cash 31,837 (101,142) Cash, cash equivalents and restricted cash at beginning of period 316,489 271,719					
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Purchases of marketable securities and investments(1,997)(118,668)Proceeds from sales of marketable securities and investments20,653111,633Net cash used in investing activities(17,215)(14,156)Cash flows - financing activitiesProceeds from line of credit—100,000Payments on line of credit—(100,000)Cash dividends paid(8,927)(9,019)Payment of employee tax withholdings on equity transactions(3,090)(1,550)Acquisition earnout payments—(2,789)Net cash used in financing activities(12,017)(13,358)Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash31,837(101,142)Net increase (decrease) in cash, cash equivalents and restricted cash31,849271,719	Acquisition of business, net of cash acquired		(31,969)		_
Proceeds from sales of marketable securities and investments20,653111,633Net cash used in investing activities(17,215)(14,156)Cash flows - financing activitiesProceeds from line of credit—100,000Payments on line of credit—(100,000)Cash dividends paid(8,927)(9,019)Payment of employee tax withholdings on equity transactions(3,090)(1,550)Acquisition earnout payments—(2,789)Net cash used in financing activities(12,017)(13,358)Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash31,837(101,142)Net increase (decrease) in cash, cash equivalents and restricted cash316,489271,719	Capital expenditures		(3,902)		(7,121)
Net cash used in investing activities (17,215) (14,156) Cash flows - financing activities Proceeds from line of credit — 100,000 Payments on line of credit — (100,000) Cash dividends paid (8,927) (9,019) Payment of employee tax withholdings on equity transactions (3,090) (1,550) Acquisition earnout payments — (2,789) Net cash used in financing activities (12,017) (13,358) Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash Net increase (decrease) in cash, cash equivalents and restricted cash cash equivalents and restricted cash at beginning of period 316,489 271,719	Purchases of marketable securities and investments		(1,997)		(118,668)
Cash flows - financing activitiesProceeds from line of credit—100,000Payments on line of credit—(100,000)Cash dividends paid(8,927)(9,019)Payment of employee tax withholdings on equity transactions(3,090)(1,550)Acquisition earnout payments—(2,789)Net cash used in financing activities(12,017)(13,358)Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash31,837(101,142)Cash, cash equivalents and restricted cash at beginning of period316,489271,719	Proceeds from sales of marketable securities and investments		20,653		111,633
Proceeds from line of credit—100,000Payments on line of credit—(100,000)Cash dividends paid(8,927)(9,019)Payment of employee tax withholdings on equity transactions(3,090)(1,550)Acquisition earnout payments—(2,789)Net cash used in financing activities(12,017)(13,358)Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash(3,707)(723)Net increase (decrease) in cash, cash equivalents and restricted cash31,837(101,142)Cash, cash equivalents and restricted cash at beginning of period316,489271,719	Net cash used in investing activities		(17,215)		(14,156)
Payments on line of credit—(100,000)Cash dividends paid(8,927)(9,019)Payment of employee tax withholdings on equity transactions(3,090)(1,550)Acquisition earnout payments—(2,789)Net cash used in financing activities(12,017)(13,358)Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash(3,707)(723)Net increase (decrease) in cash, cash equivalents and restricted cash31,837(101,142)Cash, cash equivalents and restricted cash at beginning of period316,489271,719	Cash flows - financing activities				
Cash dividends paid(8,927)(9,019)Payment of employee tax withholdings on equity transactions(3,090)(1,550)Acquisition earnout payments—(2,789)Net cash used in financing activities(12,017)(13,358)Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash(3,707)(723)Net increase (decrease) in cash, cash equivalents and restricted cash31,837(101,142)Cash, cash equivalents and restricted cash at beginning of period316,489271,719	Proceeds from line of credit				100,000
Payment of employee tax withholdings on equity transactions(3,090)(1,550)Acquisition earnout payments—(2,789)Net cash used in financing activities(12,017)(13,358)Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash(3,707)(723)Net increase (decrease) in cash, cash equivalents and restricted cash31,837(101,142)Cash, cash equivalents and restricted cash at beginning of period316,489271,719	Payments on line of credit		_		(100,000)
Acquisition earnout payments—(2,789)Net cash used in financing activities(12,017)(13,358)Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash(3,707)(723)Net increase (decrease) in cash, cash equivalents and restricted cash31,837(101,142)Cash, cash equivalents and restricted cash at beginning of period316,489271,719	Cash dividends paid		(8,927)		(9,019)
Acquisition earnout payments—(2,789)Net cash used in financing activities(12,017)(13,358)Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash(3,707)(723)Net increase (decrease) in cash, cash equivalents and restricted cash31,837(101,142)Cash, cash equivalents and restricted cash at beginning of period316,489271,719	Payment of employee tax withholdings on equity transactions		(3,090)		(1,550)
Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash Net increase (decrease) in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash at beginning of period (3,707) (723) (101,142) 271,719			_		(2,789)
Net increase (decrease) in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash at beginning of period 31,837 (101,142) 271,719	Net cash used in financing activities		(12,017)		
Cash, cash equivalents and restricted cash at beginning of period 316,489 271,719	Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash		(3,707)		(723)
Cash, cash equivalents and restricted cash at beginning of period 316,489 271,719	Net increase (decrease) in cash, cash equivalents and restricted cash		31,837		(101,142)
<u> </u>					
		\$	-	\$	

Heidrick & Struggles International, Inc. Reconciliation of Net Income (Loss) and Operating Income (Loss) to Adjusted EBITDA (Non-GAAP) (In thousands)

(Unaudited)

	Three Months Ended September 30,				Nine Months Ended September 30,			
		2021		2020		2021		2020
Revenue before reimbursements (net revenue)	\$	263,825	\$	143,544	\$	717,462	\$	460,628
Net income (loss)		24,498		(26,178)		60,095		(43,245)
Interest, net		(90)		180		(207)		(160)
Other, net		(145)		(1,819)		(6,260)		(460)
Provision for (benefit from) income taxes		9,079		(10,416)		28,028		(202)
Operating income (loss)		33,342		(38,233)		81,656		(44,067)
Adjustments								
Stock-based compensation expense		2,846		3,195		8,311		6,641
Depreciation		1,774		2,129		5,311		6,194
Intangible amortization		751		183		1,752		585
Earnout accretion		182		_		363		_
Acquisition contingent consideration		475		462		1,398		1,482
Restructuring charges		(3,262)		48,115		3,792		48,115
Impairment charges		_		_	_	_		32,970
Total adjustments		2,766		54,084		20,927		95,987
Adjusted EBITDA	\$	36,108	\$	15,851	\$	102,583	\$	51,920
Adjusted EBITDA margin		13.7 %		11.0 %		14.3 %		11.3 %