
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report: August 4, 2004
(Date of earliest event reported)

HEIDRICK & STRUGGLES INTERNATIONAL, INC.

(Exact name of registrant as specified in the charter)

Delaware
(State or other jurisdiction
of incorporation)

000-25837
(Commission File No.)

36-2681268
(IRS Employer
Identification No.)

233 South Wacker Drive, Suite 4200
Chicago, Illinois 60606-6303
(Address of Principal Executive Offices)

312-496-1200
(Registrant's telephone number including area code)

n/a
(Former name or former address, if changed since last report)

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|---|
| 99.1 | Heidrick & Struggles International, Inc. August 4, 2004 Investor Relations Presentation |

Item 9. Regulation FD Disclosure

Additional information of the registrant is attached as Exhibit 99.1 to this report and is incorporated herein by reference. The registrant undertakes no obligation to update this information including any forward-looking statements, to reflect subsequently occurring events or circumstances.

NOTE: The information in this report (including the exhibit) is furnished pursuant to Item 9 and shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section. The inclusion of the information contained herein will not be deemed an admission as to the materiality of any of this information.

SIGNATURE

Pursuant to the requirements of the Securities and 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.

/s/ Fritz E. Freidinger

Fritz E. Freidinger, Secretary

Dated: August 4, 2004

HEIDRICK & STRUGGLES

Baird Small Cap Conference
August 4, 2004

Safe Harbor Statement

This presentation 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," 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 and retain qualified executive search consultants; the condition of the economies in the United States, Europe, or elsewhere; social or political instability in markets where we operate; price competition; an inability to achieve the planned cost savings from our cost-reduction initiatives; an inability to sublease or assign unused office space; our ability to realize our tax loss carry forwards; the mix of profit or loss by country; an impairment of our goodwill and other intangible assets; and delays in the development and/or implementation of new technology and systems. Our reports filed with the U.S. Securities and Exchange Commission also include information on factors that may affect the outcome of forward-looking statements. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Heidrick & Struggles

- World's premiere executive search and leadership consulting firm
- Global network of approximately 300 consultants working from 51 offices in principal cities of the world

Global Presence

North America

| | | |
|-----------|--------------|------------------|
| Atlanta | Greenwich | San Francisco |
| Boston | Houston | Toronto |
| Chicago | Los Angeles | Tyson's Corner |
| Cleveland | Menlo Park | Wall Street (NY) |
| Dallas | New York | |
| Denver | Philadelphia | |

Europe

| | | |
|------------|---------------|-----------|
| Amsterdam | Helsinki* | Paris |
| Barcelona | Istanbul* | Rome |
| Berlin | Johannesburg* | Stockholm |
| Brussels | Lisbon | Vienna |
| Copenhagen | London | Warsaw |
| Dusseldorf | Madrid | Zurich |
| Frankfurt | Milan | |
| Hamburg | Munich | |

Latin America

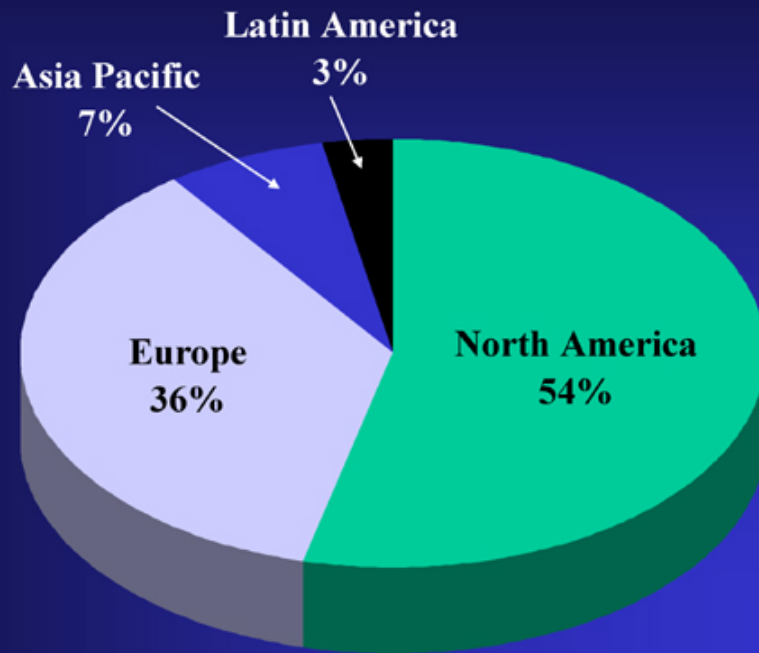
| | |
|--------------|-------------|
| Bogota* | Mexico City |
| Buenos Aires | Miami |
| Caracas* | Santiago |
| Lima* | Sao Paulo |

Asia Pacific

| | |
|-----------|-----------|
| Beijing | Shanghai |
| Hong Kong | Singapore |
| Melbourne | Sydney |
| Mumbai | Taipei |
| New Delhi | Tokyo |
| Seoul | |

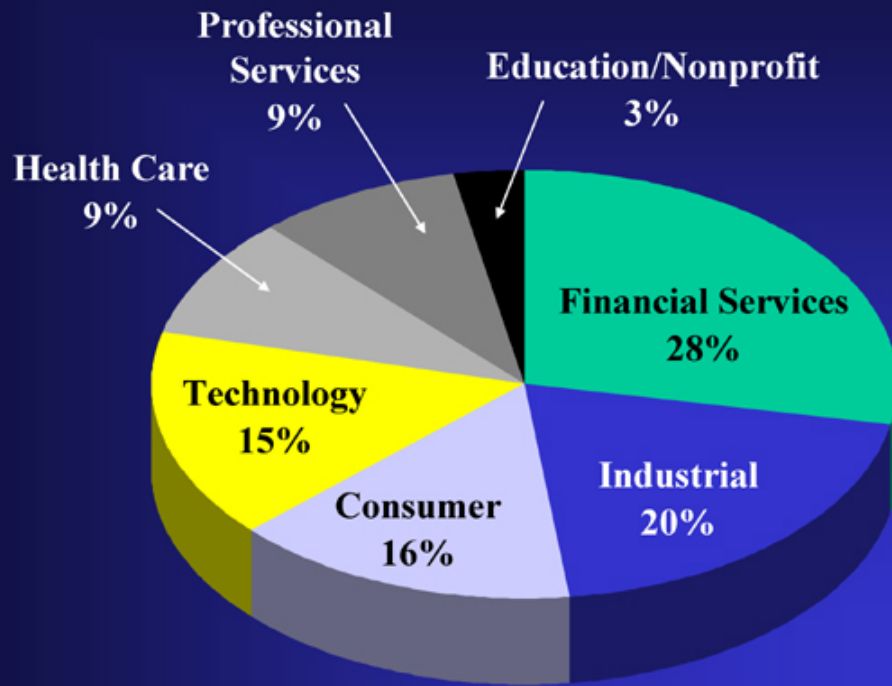
* Affiliate relationship

Diverse Geographic Mix*



* 2003 Net Revenue

2003 Industry Practice Mix



World's Largest Search Firms

| <u>Firm</u> | <u>2003 Revenue</u> |
|------------------------|---------------------|
| • Heidrick & Struggles | \$ 317.9 M |
| • Korn/Ferry | 316.9 M |
| • Spencer Stuart | 306.7 M |
| • Egon Zehnder | 271.9 M |
| • Russell Reynolds | 202.8 M |
| • Ray & Berndtson | 126.2 M |
| • Amrop Hever Group | 112.5 M |
| • Whitehead Mann | 101.9 M |
| • Highland Partners | 60.1 M |
| • I.I.C. Partners | 60.0 M |

Source: Kennedy Information

Focus on Top-Level Services

- Board, CEO and other senior-level searches generate the majority of our revenue
- Advantages of top-level services
 - Provides access and influence with decision makers
 - Increases probability of downstream work
 - Strengthens the Heidrick & Struggles brand
 - Generates higher fees per search
 - Establishes barriers to entry
 - Attracts and retains high-caliber consultants

Recent Representative CEO/Board Searches



Economics of the Firm

- Fees
 - For executive search, fees are one-third of placement's first year cash compensation
 - Includes salary and bonus
 - Billed in three monthly installments
 - Project-based for board services, leadership services
- Consultant compensation
 - Primarily cash
 - based on revenue generation (formula based) and on quality and other firm-building behaviors
 - Formula-based component structured on progressive tiers

HEIDRICK & STRUGGLES

Client Needs

- Searches and services for Boards (including CEO searches)
- Searches and services supporting CEOs and the entire C-level executive group
- A range of services for key client accounts to help them build effective leadership teams

2004 Investments

- After several years of contraction, we have resumed some investment spending
- Planning for operating margin expansion despite investments
- Investing in business-building activities
 - Strategic marketing
 - Target account development
 - Research / knowledge management
 - Training
 - Select “investment hires”

This Is Fundamentally A Growth Business

- Cyclicalities more pronounced than previous recessions, with hyper-growth followed by severe contraction
- 1993-1998 CAGR was 24%
- Growth for last three quarters (yr.over yr.)

| | |
|-------|-----|
| 12/03 | 5% |
| 03/04 | 13% |
| 06/04 | 20% |
- Fundamentals remain strong

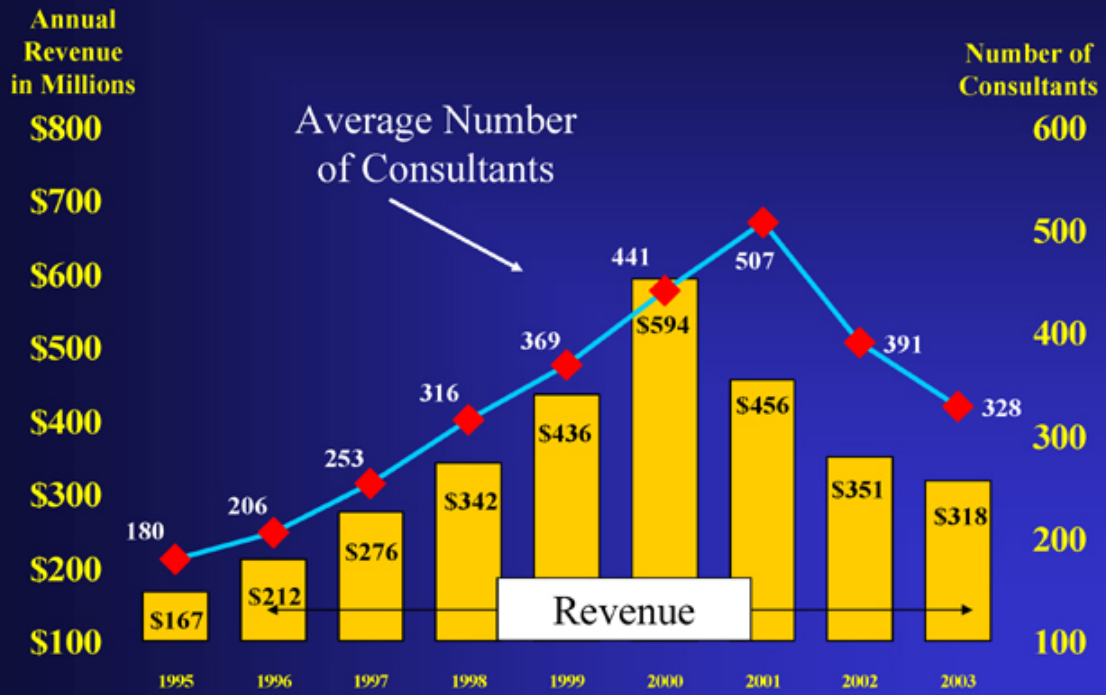
Fundamentals Strong

- Shortage of management talent
- Higher-caliber talent is aspirant and mobile
- Executive management tenures are getting shorter
- Focus on corporate governance creating opportunities
 - SOX 404, revamping of Boards, turnover of directors
- Cash compensation of placements will continue to rise

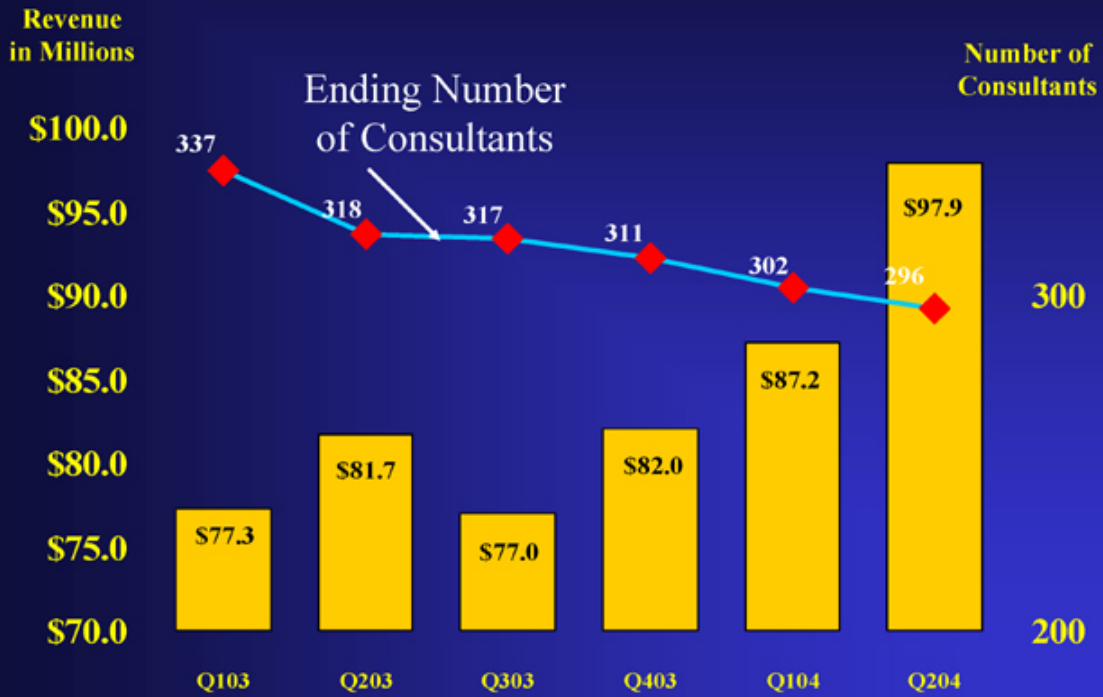
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Financial Performance

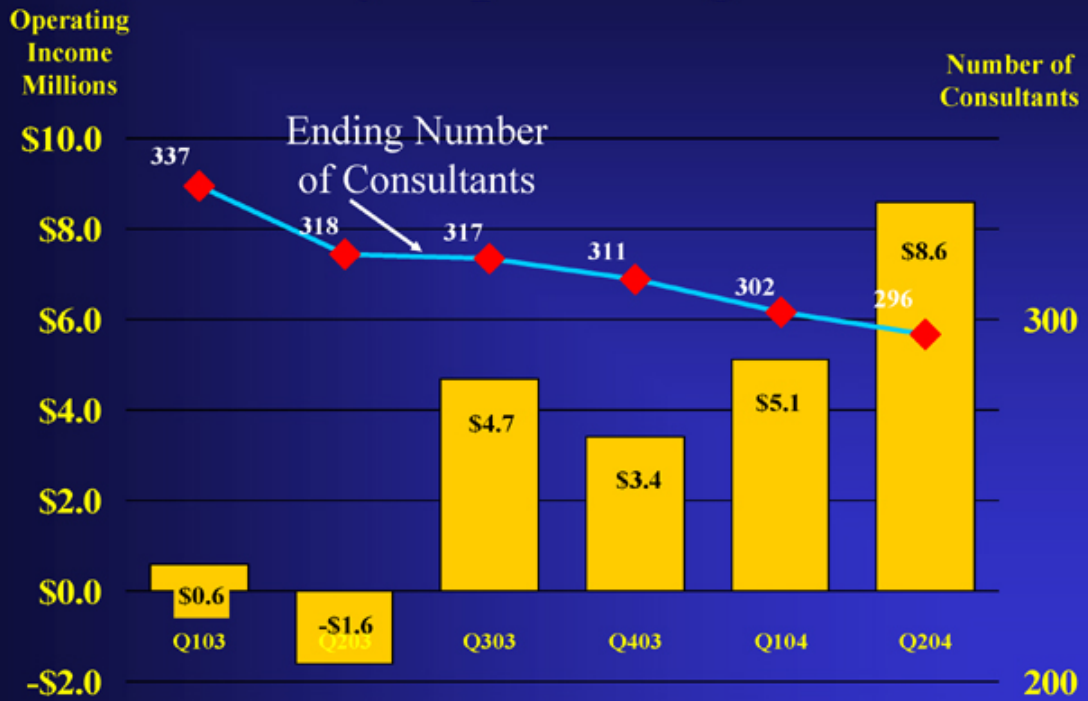
Revenue Performance & Consultant Headcount



Quarterly Revenue Trends



Quarterly Operating Income



Financial Results

| <u>Second Quarter Ended</u> | <u>June 30,</u> | <u>June 30,</u> | <u>Change</u> | |
|-----------------------------|-----------------|-----------------|---------------|----------|
| | <u>2004</u> | <u>2003</u> | <u>\$</u> | <u>%</u> |
| Net Revenue | \$ 97.9 | \$ 81.7 | \$ 16.2 | 20% |
| Operating Income (Loss) | \$ 8.6 | \$ (1.6) | \$ 10.2 | |
| Per Share | \$ 0.34 | \$ (0.14) | \$ 0.48 | |
| Cash Position | \$ 118.7 | \$ 95.9 | \$ 22.8 | 24% |

(Dollars in millions, except per share data)

Results By Geography

Three Months Ended June 30,

(Dollars in millions)

| | <u>2004</u> | <u>2003</u> | <u>\$ Change</u> | <u>2004 Margin</u> | <u>2003 Margin</u> |
|-------------------------|----------------|-----------------|------------------|------------------------|------------------------|
| Net Revenue | | | | | |
| North America | \$ 53.7 | \$ 44.7 | \$ 9.0 | | |
| Latin America | 3.1 | 2.7 | 0.6 | | |
| Europe | 32.5 | 28.2 | 4.3 | | |
| Asia Pacific | 8.6 | 6.2 | 2.5 | | |
| Total Company | <u>\$ 97.9</u> | <u>\$ 81.7</u> | <u>\$ 16.2</u> | | |
| Operating Income (Loss) | | | | | |
| North America | \$ 11.1 | \$ 10.2 | \$ 0.9 | 20.6% | 22.7% |
| Latin America | 0.1 | 0.1 | 0.0 | 4.3% | 3.9% |
| Europe | 0.6 | (1.9) | 2.5 | 1.8% | -- |
| Asia Pacific | 2.3 | 1.1 | 1.2 | 27.3% | 17.8% |
| Total regions | 14.1 | 9.4 | 4.7 | 14.4% | 11.5% |
| Corporate | <u>(5.5)</u> | <u>(11.0)</u> | <u>5.5</u> | | |
| Total Company | <u>\$ 8.6</u> | <u>\$ (1.6)</u> | <u>\$ 10.2</u> | | |

Columns may not foot due to rounding.

Strong Balance Sheet

- June 30 2004 \$118.7 million cash and no debt
- Cash flow from operations Q204 \$20.5 million
- Expect \$125-135 million of cash at September 30, 2004

Outlook

(last updated 7/30/04)

2004

- Expect net revenue growth in the low-mid teens
 - Assumes the economy continues to improve
- Estimate operating margin in the 6-8% range

2004 Third Quarter

- Anticipate net revenue in the \$87-92 million range
- Expect diluted earnings per share of \$0.20 to \$0.25, using 21% tax rate

Summary

Strengths

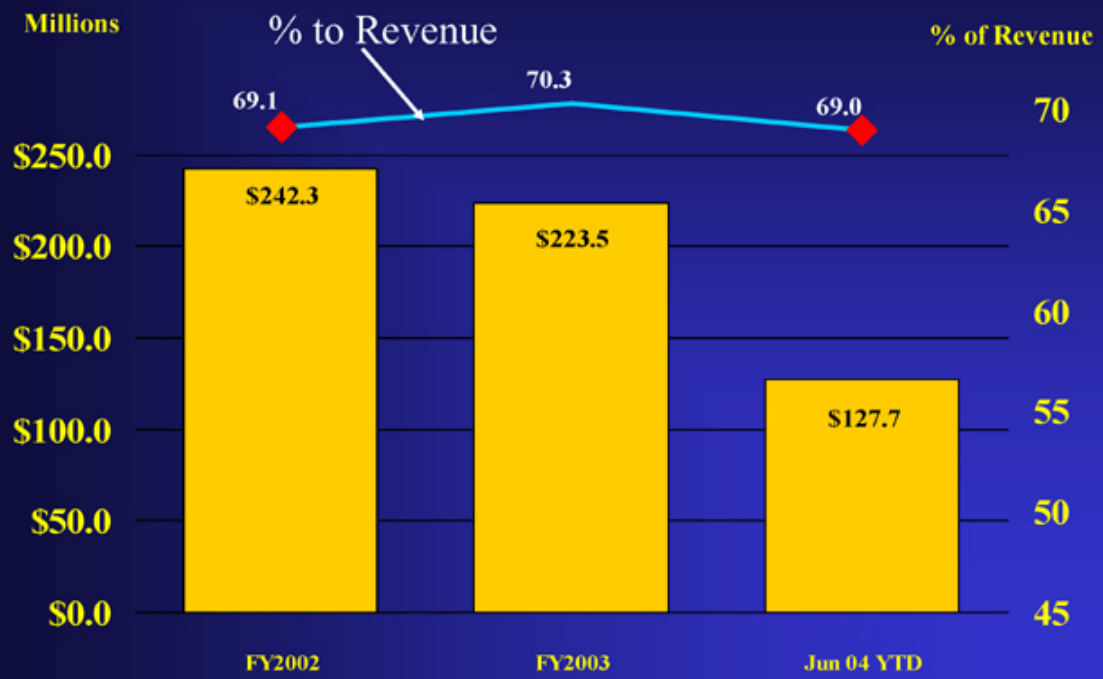
- Premier brand name in executive search
- Unparalleled group of consultants
- Outstanding client base

Goals

- Capitalize on our strengths
- Improve margins and cash flow
- Continue to invest in people and initiatives

HEIDRICK & STRUGGLES

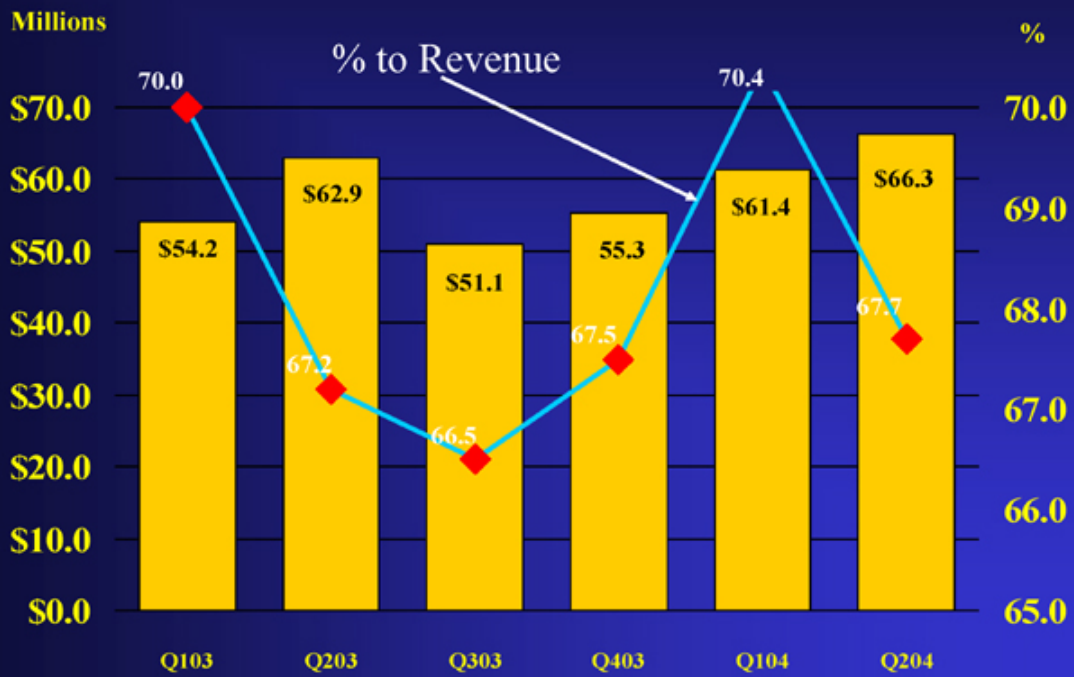
Salaries & Employee Benefits



Salaries & Employee Benefits

Quarterly % Reflects YTD adjustments

(excludes severance)



Salaries & Employee Benefits

Quarterly % Reflects YTD adjustments

DRAFT

Millions

