

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington D.C. 20549

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 0-25837

HEIDRICK & STRUGGLES INTERNATIONAL, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

36-2681268
(I.R.S. Employer
Identification Number)

233 South Wacker Drive-Suite 4900
Chicago, Illinois
60606-6303
(Address of Principal Executive Offices)

(312) 496-1200
(Registrant's Telephone Number, Including Area Code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class
Common Stock, \$0.01 par value

Trading Symbol
HSII

Name of Each Exchange on Which Registered
The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-Accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of May 3, 2024, there were 20,248,494 shares of the Company's common stock outstanding.

HEIDRICK & STRUGGLES INTERNATIONAL, INC. AND SUBSIDIARIES
INDEX

	<u>PAGE</u>
PART I.	<u>FINANCIAL INFORMATION</u>
Item 1.	<u>Condensed Consolidated Financial Statements</u>
	<u>Condensed Consolidated Balance Sheets as of March 31, 2024 (Unaudited) and December 31, 2023</u> 1
	<u>Unaudited Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2024 and 2023</u> 2
	<u>Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity for the three months ended March 31, 2024 and 2023</u> 3
	<u>Unaudited Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2024 and 2023</u> 4
	<u>Unaudited Notes to Condensed Consolidated Financial Statements</u> 5
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 19
Item 3.	<u>Quantitative and Qualitative Disclosures about Market Risk</u> 31
Item 4.	<u>Controls and Procedures</u> 31
PART II.	<u>OTHER INFORMATION</u>
Item 1.	<u>Legal Proceedings</u> 31
Item 1A.	<u>Risk Factors</u> 31
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u> 35
Item 6.	<u>Exhibits</u> 33
	<u>SIGNATURE</u> 34

PART I. FINANCIAL INFORMATION
ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

HEIDRICK & STRUGGLES INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	March 31, 2024 (Unaudited)	December 31, 2023
Current assets		
Cash and cash equivalents	\$ 252,831	\$ 412,618
Marketable securities	—	65,538
Accounts receivable, net of allowances of \$7,517 and \$6,954, respectively	172,953	133,128
Prepaid expenses	31,426	23,597
Other current assets	48,865	47,923
Income taxes recoverable	5,957	10,410
Total current assets	<u>512,032</u>	<u>693,214</u>
Non-current assets		
Property and equipment, net	40,452	35,752
Operating lease right-of-use assets	85,053	86,063
Assets designated for retirement and pension plans	10,854	11,105
Investments	54,835	47,287
Other non-current assets	16,680	17,071
Goodwill	200,089	202,252
Other intangible assets, net	18,305	20,842
Deferred income taxes	27,170	28,005
Total non-current assets	<u>453,438</u>	<u>448,377</u>
Total assets	<u>\$ 965,470</u>	<u>\$ 1,141,591</u>
Current liabilities		
Accounts payable	\$ 19,776	\$ 20,837
Accrued salaries and benefits	133,735	322,744
Deferred revenue	47,377	45,732
Operating lease liabilities	20,351	21,498
Other current liabilities	24,449	21,823
Income taxes payable	6,190	6,057
Total current liabilities	<u>251,878</u>	<u>438,691</u>
Non-current liabilities		
Accrued salaries and benefits	50,263	52,108
Retirement and pension plans	69,572	62,100
Operating lease liabilities	78,050	78,204
Other non-current liabilities	41,152	41,808
Deferred income taxes	5,770	6,402
Total non-current liabilities	<u>244,807</u>	<u>240,622</u>
Total liabilities	496,685	679,313
Commitments and contingencies (Note 18)		
Stockholders' equity		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued at March 31, 2024 and December 31, 2023	—	—
Common stock, \$0.01 par value, 100,000,000 shares authorized, 20,253,574 and 20,127,872 shares issued, 20,248,494 and 20,122,792 shares outstanding at March 31, 2024 and December 31, 2023, respectively	202	201
Treasury stock at cost, 5,080 shares at March 31, 2024 and December 31, 2023	(110)	(110)
Additional paid in capital	251,769	251,988
Retained earnings	220,886	210,070
Accumulated other comprehensive income (loss)	(3,962)	129
Total stockholders' equity	<u>468,785</u>	<u>462,278</u>
Total liabilities and stockholders' equity	<u>\$ 965,470</u>	<u>\$ 1,141,591</u>

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

HEIDRICK & STRUGGLES INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Revenue		
Revenue before reimbursements (net revenue)	\$ 265,197	\$ 239,317
Reimbursements	3,901	2,802
Total revenue	269,098	242,119
Operating expenses		
Salaries and benefits	174,413	158,859
General and administrative expenses	41,363	34,327
Cost of services	27,432	22,832
Research and development	5,715	5,528
Reimbursed expenses	3,901	2,802
Total operating expenses	252,824	224,348
Operating income	16,274	17,771
Non-operating income		
Interest, net	4,086	3,249
Other, net	2,571	1,809
Net non-operating income	6,657	5,058
Income before income taxes	22,931	22,829
Provision for income taxes	8,899	7,243
Net income	14,032	15,586
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustment	(4,058)	402
Net unrealized gain (loss) on available-for-sale investments	(33)	41
Other comprehensive income (loss), net of tax	(4,091)	443
Comprehensive income	\$ 9,941	\$ 16,029
Weighted-average common shares outstanding		
Basic	20,144	19,904
Diluted	21,040	20,569
Earnings per common share		
Basic	\$ 0.70	\$ 0.78
Diluted	\$ 0.67	\$ 0.76
Cash dividends paid per share	\$ 0.15	\$ 0.15

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

HEIDRICK & STRUGGLES INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands, except per share amounts)
(Unaudited)

	Common Stock		Treasury Stock		Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount	Shares	Amount				
Balance at December 31, 2023	20,127	\$ 201	5	\$ (110)	\$ 251,988	\$ 210,070	\$ 129	\$ 462,278
Net income	—	—	—	—	—	14,032	—	14,032
Other comprehensive loss, net of tax	—	—	—	—	—	—	(4,091)	(4,091)
Common and treasury stock transactions:								
Stock-based compensation			—	—	2,644	—	—	2,644
Vesting of equity awards, net of tax withholding	127	1	—	—	(2,863)	—	—	(2,862)
Cash dividends declared (\$0.15 per share)	—	—	—	—	—	(3,018)	—	(3,018)
Dividend equivalents on restricted stock units	—	—	—	—	—	(198)	—	(198)
Balance at March 31, 2024	20,254	\$ 202	5	\$ (110)	\$ 251,769	\$ 220,886	\$ (3,962)	\$ 468,785

	Common Stock		Treasury Stock		Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount	Shares	Amount				
Balance at December 31, 2022	19,866	\$ 199	5	\$ (191)	\$ 246,630	\$ 168,197	\$ (4,189)	\$ 410,646
Net income	—	—	—	—	—	15,586	—	15,586
Other comprehensive income, net of tax	—	—	—	—	—	—	443	443
Common and treasury stock transactions:								
Stock-based compensation	—	—	—	—	1,853	—	—	1,853
Vesting of equity awards, net of tax withholding	172	1	—	—	(4,142)	—	—	(4,141)
Clawback of equity awards	—	—	5	(163)	—	—	—	(163)
Cash dividends declared (\$0.15 per share)	—	—	—	—	—	(3,006)	—	(3,006)
Dividend equivalents on restricted stock units	—	—	—	—	—	(106)	—	(106)
Balance at March 31, 2023	20,038	\$ 200	10	\$ (354)	\$ 244,341	\$ 180,671	\$ (3,746)	\$ 421,112

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

HEIDRICK & STRUGGLES INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)
(Unaudited)

	Three Months ended March 31,	
	2024	2023
Cash flows - operating activities		
Net income	\$ 14,032	\$ 15,586
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	4,790	3,873
Deferred income taxes	(87)	6,669
Stock-based compensation expense	2,644	1,853
Accretion expense related to earnout payments	466	191
Gain on marketable securities	(539)	(1,645)
Loss on disposal of property and equipment	14	130
Changes in assets and liabilities:		
Accounts receivable	(41,125)	(24,332)
Accounts payable	(2,069)	(1,137)
Accrued expenses	(182,590)	(325,975)
Deferred revenue	1,951	147
Income taxes recoverable and payable, net	4,723	(3,083)
Retirement and pension plan assets and liabilities	5,453	6,070
Prepaid expenses	(7,991)	(7,135)
Other assets and liabilities, net	(3,096)	(8,243)
Net cash used in operating activities	(203,424)	(337,031)
Cash flows - investing activities		
Acquisition of businesses, net of cash acquired	—	(29,907)
Capital expenditures	(6,173)	(3,808)
Purchases of marketable securities and investments	(5,400)	(6,172)
Proceeds from sales of marketable securities and investments	66,285	267,965
Net cash provided by investing activities	54,712	228,078
Cash flows - financing activities		
Cash dividends paid	(3,216)	(3,112)
Payment of employee tax withholdings on equity transactions	(2,862)	(4,141)
Acquisition earnout payments	—	(35,946)
Net cash used in financing activities	(6,078)	(43,199)
Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash	(4,997)	1,396
Net decrease in cash, cash equivalents and restricted cash	(159,787)	(150,756)
Cash, cash equivalents and restricted cash at beginning of period	412,618	355,489
Cash, cash equivalents and restricted cash at end of period	<u>\$ 252,831</u>	<u>\$ 204,733</u>

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

HEIDRICK & STRUGGLES INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(All tables in thousands, except per share figures and percentages)
(Unaudited)

1. Basis of Presentation of Interim Financial Information

The accompanying unaudited Condensed Consolidated Financial Statements of Heidrick & Struggles International, Inc. and subsidiaries (the "Company") have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Significant items subject to estimates and assumptions include revenue recognition, income taxes, interim effective tax rate and the assessment of goodwill, other intangible assets and long-lived assets for impairment. Estimates are subject to a degree of uncertainty and actual results could differ from these estimates. In the opinion of management, all adjustments necessary to fairly present the financial position of the Company at March 31, 2024 and December 31, 2023, the results of operations for the three months ended March 31, 2024 and 2023 and its cash flows for the three months ended March 31, 2024 and 2023 have been included and are of a normal, recurring nature except as otherwise disclosed. These financial statements and notes are to be read in conjunction with the Company's Consolidated Financial Statements and Notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on March 4, 2024.

2. Summary of Significant Accounting Policies

A complete listing of the Company's significant accounting policies is discussed in Note 2, *Summary of Significant Accounting Policies*, in the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Revenue Recognition

See Note 3, *Revenue*.

Cost of Services

Cost of services consists of third-party contractor costs related to the delivery of various services in the Company's On-Demand Talent and Heidrick Consulting operating segments.

Research and Development

Research and development expense consists of payroll, employee benefits, stock-based compensation, other employee expenses and third-party professional fees associated with new product development.

Marketable Securities

The Company's marketable securities consist of available-for-sale debt securities with original maturities exceeding three months.

Restricted Cash

The following table provides a reconciliation of the cash and cash equivalents between the Condensed Consolidated Balance Sheets and the Condensed Consolidated Statements of Cash Flows as of March 31, 2024, and 2023, and December 31, 2023, and 2022:

	March 31,		December 31,	
	2024	2023	2023	2022
Cash and cash equivalents	\$ 252,831	\$ 204,691	\$ 412,618	\$ 355,447
Restricted cash included within other non-current assets	—	42	—	42
Total cash, cash equivalents and restricted cash	\$ 252,831	\$ 204,733	\$ 412,618	\$ 355,489

Earnings per Common Share

Basic earnings per common share are computed by dividing net income by weighted average common shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted. Common equivalent shares are excluded from the determination of diluted earnings per share in periods in which they have an anti-dilutive effect.

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended March 31,	
	2024	2023
Net income	\$ 14,032	\$ 15,586
Weighted average shares outstanding:		
Basic	20,144	19,904
Effect of dilutive securities:		
Restricted stock units	593	501
Performance stock units	303	164
Diluted	21,040	20,569
Basic earnings per share	\$ 0.70	\$ 0.78
Diluted earnings per share	\$ 0.67	\$ 0.76

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in *Operating lease right-of-use assets*, *Current liabilities - Operating lease liabilities* and *Non-current liabilities - Operating lease liabilities* in the Company's Condensed Consolidated Balance Sheets. The Company does not have any leases that meet the finance lease criteria.

Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized on the commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, an incremental borrowing rate based on the information available at the commencement date is used in determining the present value of lease payments. The operating lease right-of-use asset also includes any lease payments made in advance and any accrued rent expense balances. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Company has lease agreements with lease and non-lease components. For office leases, the Company accounts for the lease and non-lease components as a single lease component. For equipment leases, such as vehicles and office equipment, the Company accounts for the lease and non-lease components separately.

Goodwill

See Note 9, *Goodwill and Other Intangible Assets*

Recently Issued Financial Accounting Standards

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." The standard is intended to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. The guidance is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its financial statements.

In November 2023, the FASB issued ASU No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." The standard is intended to improve reportable segment disclosure requirements for public business entities primarily through enhanced disclosures about significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit (referred to as the "significant expense principle"). This guidance is effective for annual periods beginning after December 15, 2023, and for interim periods beginning after December 15, 2024. The Company is currently evaluating the impact of this guidance on its financial statements.

In March 2020, the Financial Accounting Standards Board issued Accounting Standards Update No. 2020-04, Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The guidance was intended to provide temporary optional expedients and exceptions to the guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. This guidance is effective March 12, 2020, and the Company may elect to apply the amendments prospectively through December 31, 2024. The new guidance is not expected to have a material effect on the Company's financial statements.

3. Revenue

Executive Search

Revenue is recognized as performance obligations are satisfied by transferring a good or service to a client. Generally, each executive search contract contains one performance obligation which is the process of identifying potentially qualified candidates for a specific client position. In most contracts, the transaction price includes both fixed and variable consideration. Fixed compensation is comprised of a retainer, equal to approximately one-third of the estimated first year compensation for the position to be filled, and indirect expenses, equal to a specified percentage of the retainer, as defined in the contract. The Company generally bills clients for the retainer and indirect expenses in one-third increments over a three-month period commencing in the month of a client's acceptance of the contract. If actual compensation of a placed candidate exceeds the original compensation estimate, the Company is often authorized to bill the client for one-third of the excess compensation. The Company refers to this additional billing as uptick revenue. In most contracts, variable consideration is comprised of uptick revenue and direct expenses. The Company bills its clients for uptick revenue upon completion of the executive search, and direct expenses are billed as incurred.

The Company estimates uptick revenue at contract inception, based on a portfolio approach, utilizing the expected value method based on a historical analysis of uptick revenue realized in the Company's geographic regions and industry practices, and initially records a contract's uptick revenue in an amount that is probable not to result in a significant reversal of cumulative revenue recognized when the actual amount of uptick revenue for the contract is known. Differences between the estimated and actual amounts of variable consideration are recorded when known. The Company does not estimate revenue for direct expenses as it is not materially different than recognizing revenue as direct expenses are incurred.

Revenue from executive search engagement performance obligations is recognized over time as clients simultaneously receive and consume the benefits provided by the Company's performance. Revenue from executive search engagements is recognized over the expected average period of performance, in proportion to the estimated personnel time incurred to fulfill the obligations under the executive search contract. Revenue is generally recognized over a period of approximately six months.

The Company's executive search contracts contain a replacement guarantee which provides for an additional search to be completed, free of charge except for expense reimbursements, should the candidate presented by the Company be hired by the client and subsequently terminated by the client for performance reasons within a specified period of time. The replacement guarantee is an assurance warranty, which is not a performance obligation under the terms of the executive search contract, as the Company does not provide any services under the terms of the guarantee that transfer benefits to the client in excess of assuring that the identified candidate complies with the agreed-upon specifications. The Company accounts for the replacement guarantee under the relevant warranty guidance in Accounting Standards Codification 460 - Guarantees.

On-Demand Talent

The Company enters into contracts with clients that outline the general terms and conditions of the assignment to provide on-demand consultants for various types of consulting projects, which consultants may be independent contractors or temporary employees. The consideration the Company expects to receive under each contract is dependent on the time-based fees specified in the contract. Revenue from on-demand engagement performance obligations is recognized over time as clients simultaneously receive and consume the benefits provided by the Company's performance. The Company has applied the practical expedient to recognize revenue for these services in the amount to which the Company has a right to invoice the client, as this amount corresponds directly with the value provided to the client for the performance completed to date. For transactions where a third-party contractor is involved in providing the services to the client, the Company reports the revenue and the related direct costs on a gross basis as it has determined that it is the principal in the transaction. The Company is primarily responsible for fulfilling the promise to provide consulting services to its clients and the Company has discretion in establishing the prices charged to clients for the consulting services and is able to contractually obligate the independent service provider to deliver services and deliverables that the Company has agreed to provide to its clients.

Heidrick Consulting

Revenue is recognized as performance obligations are satisfied by transferring a good or service to a client. Heidrick Consulting enters into contracts with clients that outline the general terms and conditions of the assignment to provide succession planning, executive assessment, top team and board effectiveness and culture shaping programs. The consideration the Company expects to receive under each contract is generally fixed. Most of the Company's consulting contracts contain one performance obligation, which is the overall process of providing the consulting service requested by the client. The majority of the Company's consulting revenue is recognized over time utilizing input methods. Revenue recognition over time for the majority of the Company's consulting engagements is measured by total cost or time incurred as a percentage of the total estimated cost or time on the consulting engagement.

Contract Balances

Contract assets and liabilities are reported in a net position on a contract-by-contract basis at the end of each reporting period. Contract assets and liabilities are classified as current due to the nature of the Company's contracts, which are completed within one year. Contract assets are included within *Other current assets* on the Condensed Consolidated Balance Sheets.

Unbilled receivables: Unbilled receivables represents contract assets from revenue recognized over time in excess of the amount billed to the client and the amount billed to the client is solely dependent upon the passage of time. This amount includes revenue recognized in excess of billed Executive Search retainers, Heidrick Consulting fees, and On-Demand Talent fees.

Contract assets: Contract assets represent revenue recognized over time in excess of the amount billed to the client, and the amount billed to the client is not solely subject to the passage of time. This amount primarily includes revenue recognized for upticks and contingent placement fees in executive search contracts.

Deferred revenue: Contract liabilities consist of deferred revenue, which is equal to billings in excess of revenue recognized.

The following table outlines the changes in the contract asset and liability balances from December 31, 2023, to March 31, 2024:

	March 31, 2024	December 31, 2023	Change
Contract assets			
Unbilled receivables, net	\$ 17,335	\$ 15,318	\$ 2,017
Contract assets	16,540	16,774	(234)
Total contract assets	33,875	32,092	1,783
Contract liabilities			
Deferred revenue	\$ 47,377	\$ 45,732	\$ 1,645

During the three months ended March 31, 2024, the Company recognized revenue of \$31.2 million that was included in the contract liabilities balance at the beginning of the period. The amount of revenue recognized during the three months ended March 31, 2024, from performance obligations partially satisfied in previous periods as a result of changes in the estimates of variable consideration was \$10.1 million.

Each of the Company's contracts has an expected duration of one year or less. Accordingly, the Company has elected to utilize the available practical expedient related to the disclosure of the transaction price allocated to the remaining performance obligations under its contracts. The Company has also elected the available practical expedients related to adjusting for the effects of a significant financing component and the capitalization of contract acquisition costs. The Company charges and collects from its clients sales tax and value added taxes as required by certain jurisdictions. The Company has made an accounting policy election to exclude these items from the transaction price in its contracts.

4. Credit Losses

The Company is exposed to credit losses primarily through the provision of its executive search, consulting, and on-demand talent services. The Company's expected credit loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions and a review of the current status of clients' trade accounts receivables. Due to the short-term nature of such receivables, the estimate of the amount of accounts receivable that may not be collected is primarily based on historical loss-rate experience. When required, the Company adjusts the loss-rate methodology to account for current conditions and reasonable and supportable expectations of future economic and market conditions. The Company generally assesses future economic conditions for a period of sixty to ninety days, which corresponds with the contractual life of its accounts receivables. Additionally, specific allowance amounts are established to record the appropriate provision for clients that have a higher probability of default. The Company's monitoring activities include timely account reconciliation, dispute resolution, payment confirmation, consideration of clients' financial condition and macroeconomic conditions. Balances are written off when determined to be uncollectible.

The activity in the allowance for credit losses on the Company's trade receivables is as follows:

Balance at December 31, 2023	\$ 6,954
Provision for credit losses	1,864
Write-offs	(1,267)
Foreign currency translation	(34)
Balance at March 31, 2024	<u>\$ 7,517</u>

There were no investments with unrealized losses at March 31, 2024 and December 31, 2023.

5. Property and Equipment, net

The components of the Company's property and equipment are as follows:

	March 31, 2024	December 31, 2023
Leasehold improvements	\$ 48,230	\$ 45,050
Office furniture, fixtures and equipment	15,638	14,775
Computer equipment and software	41,140	38,798
Property and equipment, gross	105,008	98,623
Accumulated depreciation	(64,556)	(62,871)
Property and equipment, net	<u>\$ 40,452</u>	<u>\$ 35,752</u>

Depreciation expense for the three months ended March 31, 2024, and 2023, was \$2.5 million and \$2.0 million, respectively.

6. Leases

The Company's lease portfolio is comprised of operating leases for office space and equipment. The majority of the Company's leases include both lease and non-lease components, which the Company accounts for differently depending on the underlying class of asset. Certain of the Company's leases include one or more options to renew or terminate the lease at the Company's discretion. Generally, the renewal and termination options are not included in the right-of-use assets and lease liabilities as they are not reasonably certain of exercise. The Company regularly evaluates the renewal and termination options and, when they are reasonably certain of exercise, includes the renewal or termination option in the lease term.

As most of the Company's leases do not provide an implicit interest rate, the Company utilizes an incremental borrowing rate based on the information available at the commencement date of the lease in determining the present value of lease payments. The Company has a centrally managed treasury function and, therefore, a portfolio approach is applied in determining the incremental borrowing rate. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow on a fully collateralized basis over a similar term in an amount equal to the total lease payments in a similar economic environment.

As of March 31, 2024, office leases have remaining lease terms that range from less than one year to 11.6 years, some of which also include options to extend or terminate the lease. Most office leases contain both fixed and variable lease payments. Variable lease costs consist primarily of rent escalations based on an established index or rate and taxes, insurance, and common area or other maintenance costs, which are paid based on actual costs incurred by the lessor. The Company has elected to utilize the available practical expedient to not separate lease and non-lease components for office leases.

As of March 31, 2024, equipment leases, which are comprised of vehicle and office equipment leases, have remaining terms that range from less than one year to 4.9 years, some of which also include options to extend or terminate the lease. The Company's equipment leases do not contain variable lease payments. The Company separates the lease and non-lease components for its equipment leases. Equipment leases do not comprise a significant portion of the Company's lease portfolio.

Lease cost components included within *Operating expenses - General and administrative expenses* in the Condensed Consolidated Statements of Comprehensive Income were as follows:

	Three Months Ended March 31,	
	2024	2023
Operating lease cost	\$ 5,637	\$ 4,525
Variable lease cost	2,455	\$ 1,916
Total lease cost	<u>\$ 8,092</u>	<u>\$ 6,441</u>

Supplemental cash flow information related to the Company's operating leases is as follows for the three months ended March 31:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 5,539	\$ 4,811
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 3,993	\$ 2,570

The weighted average remaining lease term and weighted average discount rate for operating leases as of March 31, are as follows:

	2024	2023
Weighted Average Remaining Lease Term		
Operating leases	7.3 years	6.3 years
Weighted Average Discount Rate		
Operating leases	4.92 %	3.49 %

The future maturities of the Company's operating lease liabilities as of March 31, 2024, for the years ended December 31 are as follows:

	Operating Lease Maturity
2024	\$ 15,812
2025	16,952
2026	15,349
2027	15,082
2028	11,676
Thereafter	45,265
Total lease payments	<u>120,136</u>
Less: Interest	21,735
Present value of lease liabilities	<u>\$ 98,401</u>

7. Financial Instruments and Fair Value

Cash, Cash Equivalents and Marketable Securities

The Company's investments in marketable debt securities, which consist of U.S. Treasury bills, are classified and accounted for as available-for-sale. The Company classifies its marketable debt securities as either short-term or long-term based on each instrument's underlying contractual maturity date. Unrealized gains and losses on marketable debt securities classified as available-for-sale are recognized in *Accumulated other comprehensive income (loss)* in the Condensed Consolidated Balance Sheets until realized.

The Company's cash, cash equivalents, and marketable securities by significant investment category are as follows:

	Amortized Cost	Unrealized Gains	Fair Value	Cash and Cash Equivalents
Balance at March 31, 2024				
Cash				\$ 168,635
Level 1 ⁽¹⁾ :				
Money market funds				14,018
U.S. Treasury securities	\$ 70,169	\$ 9	\$ 70,178	70,178
Total Level 1	70,169	9	70,178	84,196
Total	<u>\$ 70,169</u>	<u>\$ 9</u>	<u>\$ 70,178</u>	<u>\$ 252,831</u>

	Amortized Cost	Unrealized Gains	Fair Value	Cash and Cash Equivalents	Marketable Securities
Balance at December 31, 2023					
Cash				\$ 221,980	\$ —
Level 1 ⁽¹⁾ :					
Money market funds				13,906	—
U.S. Treasury securities	\$ 242,228	\$ 42	\$ 242,270	176,732	65,538
Total Level 1	242,228	42	242,270	190,638	65,538
Total	<u>\$ 242,228</u>	<u>\$ 42</u>	<u>\$ 242,270</u>	<u>\$ 412,618</u>	<u>\$ 65,538</u>

(1) Level 1 – Quoted prices in active markets for identical assets and liabilities.

Investments, Assets Designated for Retirement and Pension Plans and Associated Liabilities

The Company has a U.S. non-qualified deferred compensation plan that consists primarily of U.S. marketable securities and mutual funds. The aggregate cost basis for these investments was \$42.5 million and \$37.2 million as of March 31, 2024, and December 31, 2023, respectively.

The Company also maintains a pension plan for certain current and former employees in Germany. The pensions are individually fixed Euro amounts that vary depending on the function and the eligible years of service of the employee. The Company's investment strategy is to support its pension obligations through reinsurance contracts. The BaFin—German Federal Financial Supervisory Authority—supervises the insurance companies and the reinsurance contracts. The BaFin requires each reinsurance contract to guarantee a fixed minimum return. The Company's pension benefits are fully reinsured by group insurance contracts with ERGO Lebensversicherung AG, and the group insurance contracts are measured in accordance with BaFin guidelines (including mortality tables and discount rates) which are considered Level 2 inputs.

The following tables provide a summary of the fair value measurements for each major category of investments, assets designated for retirement and pension plans and associated liabilities measured at fair value:

	Balance Sheet Classification					
	Current Assets	Non-Current Assets		Current Liabilities	Non-current Liabilities	
	Other Current Assets	Assets Designated for Retirement and Pension Plans	Investments	Other Current Liabilities	Retirement and Pension Plans	
	Fair Value					
Balance at March 31, 2024						
Measured on a recurring basis:						
Level 1 ⁽¹⁾ :						
U.S. non-qualified deferred compensation plan	\$ 54,835	\$ —	\$ —	\$ 54,835	\$ —	\$ —
Level 2 ⁽²⁾ :						
Retirement and pension plan assets	12,114	1,260	10,854	—	—	—
Pension benefit obligation	(14,090)	—	—	—	(1,260)	(12,830)
Total Level 2	(1,976)	1,260	10,854	—	(1,260)	(12,830)
Total	\$ 52,859	\$ 1,260	\$ 10,854	\$ 54,835	\$ (1,260)	\$ (12,830)

	Balance Sheet Classification					
	Current Assets	Non-Current Assets		Current Liabilities	Non-current Liabilities	
	Other Current Assets	Assets Designated for Retirement and Pension Plans	Investments	Other Current Liabilities	Retirement and Pension Plans	
	Fair Value					
Balance at December 31, 2023						
Measured on a recurring basis:						
Level 1 ⁽¹⁾ :						
U.S. non-qualified deferred compensation plan	\$ 47,287	\$ —	\$ —	\$ 47,287	\$ —	\$ —
Level 2 ⁽²⁾ :						
Retirement and pension plan assets	12,394	1,289	11,105	—	—	—
Pension benefit obligation	(14,416)	—	—	—	(1,289)	(13,127)
Total Level 2	(2,022)	1,289	11,105	—	(1,289)	(13,127)
Total	\$ 45,265	\$ 1,289	\$ 11,105	\$ 47,287	\$ (1,289)	\$ (13,127)

(1) Level 1 – Quoted prices in active markets for identical assets and liabilities.

(2) Level 2 – Quoted prices in active markets for similar assets and liabilities, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Contingent Consideration and Compensation

The former owners of certain of the Company's acquired businesses are eligible to receive additional cash consideration based on the attainment of certain operating metrics in the periods subsequent to acquisition. Contingent consideration and compensation are valued using significant inputs that are not observable in the market, which are defined as Level 3 inputs pursuant to fair value measurement accounting. The Company determines the fair value of contingent consideration and compensation using a variation of the income approach, known as the real options method. The significant unobservable inputs utilized in the real options method include (1) revenue forecasts; (2) operating expense forecasts; (3) the discount rate; and (4) volatility.

The following table provides a reconciliation of the beginning and ending balance of Level 3 liabilities for the three months ended March 31, 2024:

	Earnout	Contingent Compensation
Balance at December 31, 2023	\$ (38,601)	\$ (18,878)
Earnout accretion	(466)	—
Compensation expense	—	(1,988)
Payments	—	4,821
Foreign currency translation	812	491
Balance at March 31, 2024	<u>\$ (38,255)</u>	<u>\$ (15,554)</u>

Earnout accruals of \$38.3 million and \$38.6 million were recorded within *Non-current liabilities - Other non-current liabilities* as of March 31, 2024, and December 31, 2023, respectively. Contingent compensation accruals of \$4.1 million and \$6.0 million are recorded within *Current liabilities - Accrued salaries and benefits* as of March 31, 2024, and December 31, 2023, respectively, and contingent compensation accruals of \$11.4 million and \$12.9 million are recorded within *Non-current liabilities - Accrued salaries and benefits* as of March 31, 2024, and December 31, 2023, respectively.

8. Acquisitions

On February 1, 2023, the Company acquired Atreus Group GmbH ("Atreus"), a leading provider of executive interim management in Germany. The Company paid \$33.4 million in the first quarter of 2023, with a subsequent purchase price adjustment payment of \$12.1 million in the fourth quarter of 2023. The former owners of Atreus are eligible to receive additional cash consideration, which the Company estimated on the acquisition date to be between \$30.0 million and \$40.0 million, to be paid in 2026 based on the achievement of certain revenue and operating income milestones for the period from the acquisition date through 2025. When estimating the present value of future cash consideration, the Company accrued an estimated \$32.0 million as of the acquisition date for the earnout liability. The Company recorded \$11.3 million for customer relationships, \$5.4 million for software, \$2.5 million for a trade name and \$62.4 million of goodwill. Goodwill is primarily related to the acquired workforce and strategic fit and is not deductible for tax purposes.

On April 1, 2023, the Company acquired businessfourzero, a next generation consultancy specializing in developing and implementing purpose-driven change. In connection with the acquisition, the Company paid \$9.5 million in the second quarter of 2023 with a subsequent purchase price adjustment payment of \$2.2 million paid in the third quarter of 2023. The former owners of businessfourzero are eligible to receive additional cash consideration, which the Company estimated on the acquisition date to be between \$4.0 million and \$8.0 million, to be paid in 2026 based on the achievement of certain revenue and operating income metrics for the period from the acquisition date through 2025. When estimating the present value of future cash consideration, the Company accrued an estimated \$4.3 million as of the acquisition date for the earnout liability. The Company recorded \$3.5 million for customer relationships, \$0.5 million for a trade name, and \$7.1 million of goodwill. The goodwill is primarily related to the acquired workforce and strategic fit.

9. Goodwill and Other Intangible Assets

Goodwill

The Company's goodwill by segment (for the segments that had recorded goodwill) is as follows:

	March 31, 2024	December 31, 2023
Executive Search		
Americas	\$ 91,547	\$ 91,740
Europe	1,460	1,494
Total Executive Search	93,007	93,234
On-Demand Talent	107,082	109,018
Heidrick Consulting	7,246	7,246
Goodwill, gross	207,335	209,498
Accumulated impairment	(7,246)	(7,246)
Total goodwill	<u>\$ 200,089</u>	<u>\$ 202,252</u>

Changes in the carrying amount of goodwill by segment (for the segments that had recorded goodwill) for the three months ended March 31, 2024, are as follows:

	Executive Search		On-Demand Talent	Heidrick Consulting	Total
	Americas	Europe			
Goodwill	\$ 91,740	\$ 1,494	\$ 109,018	\$ 7,246	\$ 209,498
Accumulated impairment losses	—	—	—	(7,246)	(7,246)
Balance at December 31, 2023	<u>91,740</u>	<u>1,494</u>	<u>109,018</u>	<u>—</u>	<u>202,252</u>
Foreign currency translation	(193)	(34)	(1,936)	—	(2,163)
Goodwill	91,547	1,460	107,082	7,246	207,335
Accumulated impairment losses	—	—	—	(7,246)	(7,246)
Balance at March 31, 2024	<u>\$ 91,547</u>	<u>\$ 1,460</u>	<u>\$ 107,082</u>	<u>\$ —</u>	<u>\$ 200,089</u>

Other Intangible Assets, net

The Company's other intangible assets, net by segment, are as follows:

	March 31, 2024	December 31, 2023
Executive Search		
Americas	\$ 17	\$ 22
Europe	79	95
Total Executive Search	96	117
On-Demand Talent	15,541	17,689
Heidrick Consulting	2,668	3,036
Total other intangible assets, net	<u>\$ 18,305</u>	<u>\$ 20,842</u>

The carrying amount of amortizable intangible assets and the related accumulated amortization are as follows:

	Weighted Average Life (Years)	March 31, 2024			December 31, 2023		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Client relationships	10.1	\$ 25,819	\$ (12,489)	\$ 13,330	\$ 26,195	\$ (11,443)	\$ 14,752
Trade name	3.0	4,996	(3,317)	1,679	5,067	(3,069)	1,998
Software	3.0	8,504	(5,208)	3,296	8,629	(4,537)	4,092
Total intangible assets	<u>8.2</u>	<u>\$ 39,319</u>	<u>\$ (21,014)</u>	<u>\$ 18,305</u>	<u>\$ 39,891</u>	<u>\$ (19,049)</u>	<u>\$ 20,842</u>

Intangible asset amortization expense for the three months ended March 31, 2024, and 2023, was \$2.3 million and \$1.9 million, respectively.

The Company's estimated future amortization expense related to intangible assets as of March 31, 2024, for the following years ended December 31, is as follows:

2024	\$	5,458
2025		5,863
2026		2,486
2027		1,512
2028		885
Thereafter		2,101
Total	\$	18,305

10. Other Current and Non-current Assets and Liabilities

The components of other current assets are as follows:

	March 31, 2024	December 31, 2023
Contract assets	\$ 33,875	\$ 32,092
Other	14,990	15,831
Total other current assets	\$ 48,865	\$ 47,923

The components of other non-current liabilities are as follows:

	March 31, 2024	December 31, 2023
Earnout liability	\$ 38,255	\$ 38,601
Other	2,897	3,207
Total other non-current liabilities	\$ 41,152	\$ 41,808

11. Line of Credit

On February 24, 2023, the Company entered into the Second Amendment (the "Second Amendment") to the Credit Agreement, dated as of October 26, 2018 (the "Credit Agreement" and, as amended by the First Amendment to Credit Agreement, dated as of July 13, 2021, and the Second Amendment, the "Amended Credit Agreement") by and among the Company, Bank of America, N.A., as administrative agent, and the lenders party thereto. The Second Amendment changed the interest rate benchmark, from LIBOR to the Secured Overnight Financing Rate ("SOFR"). At the Company's option, borrowings under the Amended Credit Agreement will bear interest at one-, three- or six-month term SOFR, or an alternate base rate as set forth in the Amended Credit Agreement, in each case plus an applicable margin. Additionally, the Amended Credit Agreement provides the Company with a committed unsecured revolving credit facility in an aggregate amount of \$200 million, increased in the Second Amendment from \$175 million as set forth in the original version of the Credit Agreement, which includes a sublimit of \$25 million for letters of credit and a sublimit of \$10 million for swingline loans, with a \$75 million expansion feature. The Amended Credit Agreement matures on July 13, 2026.

Borrowings under the Amended Credit Agreement may be used for working capital, capital expenditures, permitted acquisitions, restricted payments and for other general corporate purposes of the Company and its subsidiaries. The obligations under the Amended Credit Agreement are guaranteed by certain of the Company's subsidiaries.

As of March 31, 2024, and December 31, 2023, the Company had no outstanding borrowings. As of such dates, the Company was in compliance with the financial and other covenants under the Amended Credit Agreement and no event of default existed.

12. Stock-Based Compensation and Common Stock

On May 25, 2023, the stockholders of the Company approved an amendment to the Company's Third Amended and Restated 2012 Heidrick & Struggles GlobalShare Program (as so amended, the "Fourth A&R Program") to increase the number of shares of common stock reserved for issuance under the 2012 program by 1,060,000 shares. The Fourth A&R Program provides for grants of stock options, stock appreciation rights, restricted stock units, performance stock units, and other stock-based compensation awards that are valued based upon the grant date fair value of the awards. These awards may be granted to directors, selected employees and independent contractors.

As of March 31, 2024, 4,679,904 awards have been issued under the Fourth A&R Program, including 792,136 forfeited awards, and 522,232 shares remain available for future awards. The Fourth A&R Program provides that no awards can be granted after May 25, 2033.

The Company measures its stock-based compensation costs based on the grant date fair value of the awards and recognizes these costs over the requisite service period.

A summary of information with respect to stock-based compensation is as follows:

	Three Months Ended March 31,	
	2024	2023
Salaries and benefits (1)	\$ 3,441	\$ 2,597
Income tax benefit related to stock-based compensation included in net income	949	715

(1) Includes \$0.8 million of expense related to cash-settled restricted stock units for each of the three months ended March 31, 2024, and 2023.

Restricted Stock Units

Restricted stock units granted to employees are subject to ratable vesting over a three-year or four-year period dependent upon the terms of the individual grant. Compensation expense related to service-based restricted stock units is recognized on a straight-line basis over the vesting period.

Non-employee members of the Board of Directors may elect to receive restricted stock units or shares of common stock annually pursuant to the Fourth A&R Program as part of their annual compensation. Based on their respective elections, the Company issued no restricted stock units for services provided by the non-employee directors during the three months ended March 31, 2024, and 2023, respectively. Restricted stock units issued to non-employee directors remain unvested until the respective non-employee directors retire from the Board of Directors.

Restricted stock unit activity for the three months ended March 31, 2024, is as follows:

	Number of Restricted Stock Units	Weighted- Average Grant-Date Fair Value
Outstanding on December 31, 2023	686,741	\$ 30.33
Granted	240,255	33.13
Vested and converted to common stock	(110,546)	37.61
Forfeited	(7,091)	30.15
Outstanding on March 31, 2024	809,359	\$ 30.17

As of March 31, 2024, there was \$12.4 million of pre-tax unrecognized compensation expense related to unvested restricted stock units, which is expected to be recognized over a weighted average of 2.6 years.

Performance Stock Units

The Company grants performance stock units to certain of its senior executives. The majority of performance stock units are subject to cliff vesting at the end of a three-year period. The vesting will vary between 0% and 200% based on the attainment of certain performance and market conditions over the three-year vesting period. Half of the award is based on the achievement of adjusted operating margin or Adjusted EBITDA margin thresholds and half of the award is based on the Company's total shareholder return, relative to a peer group. The fair value of the awards subject to total shareholder return metrics is determined using the Monte Carlo simulation model. A Monte Carlo simulation model uses stock price volatility and other variables to estimate the probability of satisfying the performance conditions and the resulting fair value of the award. The performance stock units are expensed on a straight-line basis over the three-year vesting period.

Certain of the Company's senior executives are granted performance stock units that are subject to ratable vesting over a four-year period. The vesting will vary between 0% and 100% of the shares subject to the performance stock units based on the attainment of specified stock price hurdles over the vesting period. The fair value of the awards subject to such stock price hurdles is determined using the Monte Carlo simulation model. The performance stock units are expensed on a straight-line basis over the four-year vesting period.

Performance stock unit activity for the three months ended March 31, 2024, is as follows:

	Number of Performance Stock Units	Weighted- Average Grant-Date Fair Value
Outstanding on December 31, 2023	239,625	\$ 41.91
Granted	273,536	31.50
Vested and converted to common stock	(104,154)	44.18
Forfeited	(720)	27.82
Outstanding on March 31, 2024	408,287	\$ 34.38

As of March 31, 2024, there was \$11.1 million of pre-tax unrecognized compensation expense related to unvested performance stock units, which is expected to be recognized over a weighted average of 2.7 years.

Phantom Stock Units

Phantom stock units are grants of phantom stock with respect to shares of the Company's common stock that are settled in cash and are subject to various restrictions, including restrictions on transferability, vesting and forfeiture provisions. Shares of phantom stock that do not vest for any reason will be forfeited by the recipient and will revert to the Company.

Phantom stock units are subject to vesting over a period of four years, and such vesting is subject to certain other conditions, including continued service to the Company. As a result of the cash-settlement feature of the awards, the Company classifies the awards as liability awards, which are measured at fair value at each reporting date and the vested portion of the award is recognized as a liability to the extent that the service condition is deemed probable. The fair value of the phantom stock awards on the balance sheet date is determined using the closing share price of the Company's common stock on that date.

The Company recorded phantom stock-based compensation expense of \$0.8 million for both the three months ended March 31, 2024, and 2023.

Phantom stock unit activity for the three months ended March 31, 2024, is as follows:

	Number of Phantom Stock Units
Outstanding on December 31, 2023	187,301
Granted	—
Vested	—
Forfeited	—
Outstanding on March 31, 2024	<u>187,301</u>

As of March 31, 2024, there was \$1.0 million of pre-tax unrecognized compensation expense related to unvested phantom stock units, which is expected to be recognized over a weighted average of 2.1 years.

Common Stock

Non-employee members of the Board of Directors may elect to receive restricted stock units or shares of common stock annually pursuant to the Fourth A&R Program as part of their annual compensation, which is typically issued in the second quarter each year. The Company issued no shares of common stock for services provided by the non-employee directors during the three months ended March 31, 2024, and 2023, respectively.

On February 11, 2008, the Company's Board of Directors authorized management to repurchase shares of the Company's common stock with an aggregate purchase price of up to \$50 million (the "Repurchase Authorization"). From time to time and as business conditions warrant, the Company may purchase shares of its common stock on the open market or in negotiated or block trades. No time limit has been set for completion of this program. There were no purchases of common stock during the three months ended March 31, 2023, and 2024. As of March 31, 2024, the Company has purchased 1,074,670 shares of its common stock pursuant to the Repurchase Authorization for a total of \$29.2 million and \$20.8 million remains available for future purchases under the Repurchase Authorization.

13. Restructuring

During the year ended December 31, 2020, the Company implemented a restructuring plan (the "2020 Plan") to optimize future growth and profitability. The primary components of the 2020 Plan included a workforce reduction, a reduction of the Company's real estate expenses and professional fees, and the elimination of certain deferred compensation programs. The Company did not incur any charges during the three months ended March 31, 2024, and 2023, and does not anticipate incurring any future charges under the 2020 Plan.

Changes in the restructuring accrual for the three months ended March 31, 2023, were as follows:

	Employee Related
Accrual balance at December 31, 2022	3,422
Cash payments	(3,516)
Exchange rate fluctuations	94
Accrual balance at March 31, 2023	<u>\$ —</u>

14. Income Taxes

The Company reported income before taxes of \$22.9 million and an income tax provision of \$8.9 million for the three months ended March 31, 2024. The Company reported income before taxes of \$22.8 million and an income tax provision of \$7.2 million for the three months ended March 31, 2023. The effective tax rates for the three months ended March 31, 2024, and 2023, were 38.8% and 31.7%, respectively. The effective tax rate for the three months ended March 31, 2024, was impacted by non-deductible earnout expenses and the mix of income. The effective tax rate for the three months ended March 31, 2023, was impacted by one-time items and the mix of income.

15. Changes in Accumulated Other Comprehensive Income (Loss)

The changes in *Accumulated other comprehensive income (loss)* ("AOCI") by component for the three months ended March 31, 2024, are as follows:

	Available- for- Sale Securities	Foreign Currency Translation	Pension	AOCI
Balance at December 31, 2023	\$ 42	\$ 647	\$ (560)	\$ 129
Other comprehensive income before reclassification, net of tax	(33)	(4,058)	—	(4,091)
Balance at March 31, 2024	<u>\$ 9</u>	<u>\$ (3,411)</u>	<u>\$ (560)</u>	<u>\$ (3,962)</u>

16. Segment Information

The Company has five operating segments. The Executive Search business operates in the Americas, Europe (which includes Africa) and Asia Pacific (which includes the Middle East), and the Heidrick Consulting and On-Demand Talent businesses operate globally.

In 2023, the Company changed its measure of segment profitability from operating income to Adjusted EBITDA. The following tables include Adjusted EBITDA, which is the measure of segment profitability reported to the chief operating decision maker for purposes of allocating resources to the segments and assessing their performance. For segment purposes, reimbursements of out-of-pocket expenses classified as revenue and other operating income are reported separately and, therefore, are not included in the results of each segment. The Company believes that analyzing trends in revenue before

reimbursements (net revenue), analyzing operating expenses as a percentage of net revenue, and analyzing Adjusted EBITDA and Adjusted EBITDA margin more appropriately reflect its core operations.

The Company evaluates performance and allocates resources based on the chief operating decision maker's review of (1) net revenue and (2) net income before interest, taxes, depreciation and amortization, as adjusted, to the extent they occur, for earnout accretion, earnout fair value adjustments, contingent compensation, deferred compensation plan income or expense, certain reorganization costs, impairment charges and restructuring charges ("Adjusted EBITDA"). Adjusted EBITDA margin is defined as Adjusted EBITDA as a percentage of revenue in the same period.

	Three Months Ended March 31,	
	2024	2023
Revenue before reimbursements (net revenue)	\$ 265,197	\$ 239,317
Net income	14,032	15,586
Interest, net	(4,086)	(3,249)
Other, net	(2,571)	(1,809)
Provision for income taxes	8,899	7,243
Operating income	16,274	17,771
Adjustments		
Depreciation	2,493	2,004
Intangible amortization	2,297	1,869
Earnout accretion	466	191
Acquisition contingent consideration	1,988	1,659
Deferred compensation plan	2,350	2,133
Total adjustments	9,594	7,856
Adjusted EBITDA	\$ 25,868	\$ 25,627
Adjusted EBITDA margin	9.8 %	10.7 %

Revenue and Adjusted EBITDA by segment are as follows:

	Three Months Ended March 31,	
	2024	2023
Revenue		
Executive Search		
Americas	\$ 136,679	\$ 127,327
Europe	41,481	38,931
Asia Pacific	23,321	24,229
Total Executive Search	201,481	190,487
On-Demand Talent	37,857	31,117
Heidrick Consulting	25,859	17,713
Revenue before reimbursements (net revenue)	265,197	239,317
Reimbursements	3,901	2,802
Total revenue	\$ 269,098	\$ 242,119

	Three Months Ended March 31,	
	2024	2023
Adjusted EBITDA		
Executive Search		
Americas	\$ 41,871	\$ 42,124
Europe	3,353	2,081
Asia Pacific	3,195	3,567
Total Executive Search	48,419	47,772
On-Demand Talent	(921)	(1,347)
Heidrick Consulting	(2,027)	(2,795)
Total segment operating income	45,471	43,630
Research and Development	(4,925)	(5,251)
Global Operations Support	(14,678)	(12,752)
Total Adjusted EBITDA	<u>\$ 25,868</u>	<u>\$ 25,627</u>

17. Guarantees

The Company has utilized letters of credit to support certain obligations, primarily for its office lease agreements. The letters of credit were made to secure the respective agreements and are for the terms of the agreements, which extend through 2033. For each letter of credit issued, the Company would have to use cash to fulfill the obligation if there is a default on a payment. The maximum amount of undiscounted payments the Company would be required to make in the event of default on all outstanding letters of credit is approximately \$4.8 million as of March 31, 2024. The Company has not accrued for these arrangements as no event of default exists or is expected to exist.

18. Commitments and Contingencies

Litigation

The Company has contingent liabilities from various pending claims and litigation matters arising in the ordinary course of the Company's business, some of which involve claims for damages that are substantial in amount. Some of these matters are covered in part by insurance. Based upon information currently available, the Company believes the ultimate resolution of such claims and litigation will not have a material adverse effect on its financial condition, results of operations or liquidity.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations as well as other sections of this quarterly report on Form 10-Q contain forward-looking statements within the meaning of the federal securities laws, including statements regarding guidance for the second quarter of 2024 and expectations regarding the Company's One Heidrick strategy and associated investment initiatives. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. Forward-looking statements are not historical facts or guarantees of future performance, but instead represent only our beliefs, assumptions, expectations, estimates, forecasts and projections regarding future events, many of which, by their nature, are inherently uncertain and outside our control. Forward-looking statements may be identified by the use of words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "outlook," "projects," "forecasts," "aim," and similar expressions. These statements include statements other than historical information or statements of current condition and may relate to our future plans and objectives and results. By identifying these statements for you in this manner, we are alerting you to the possibility that our actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements.

Factors that may cause actual outcomes and results to differ materially from what is expressed, forecasted or implied in the forward-looking statements include, among other things, our ability to attract, integrate, develop, manage, retain and motivate 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; our clients' ability to restrict us from recruiting their employees; our heavy reliance on information management systems; risks arising from our implementation of new technology and intellectual property to deliver new products and services to our clients; our dependence on third parties for the execution of certain critical functions; 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; any challenges to the classification of our on-demand talent as independent contractors; the fact that increased cybersecurity requirements, vulnerabilities, threats and more sophisticated and targeted cyber-related attacks could pose a risk to our systems, networks, solutions, services and data; the fact that our net revenue may be affected by adverse macroeconomic or labor market conditions, including impacts of inflation and effects of geopolitical instability; the aggressive competition we face; the impact of foreign currency exchange rate fluctuations; our ability to access additional credit; social, political, regulatory, legal and economic risks in markets where we operate, including the impact of the ongoing war in Ukraine and the conflict in Israel and the Gaza strip, the risks of an expansion or escalation of those conflicts and our ability to quickly and completely recover from any disruption to our business; unfavorable tax law changes and tax authority rulings; our ability to realize the benefit of our net deferred tax assets; the fact that we may not be able to align our cost structure with net revenue; any impairment of our goodwill, other intangible assets and other long-lived assets; our ability to maintain an effective system of disclosure controls and internal control over our financial reporting and produce accurate and timely financial statements; our ability to execute and integrate future acquisitions; and the fact that we have anti-takeover provisions that make an acquisition of us difficult and expensive. We caution the reader that the list of factors may not be exhaustive. 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, 2023, under the heading "Risk Factors" in Item 1A, and any subsequent Company filings with the Securities and Exchange Commission ("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.

Executive Overview

Our Business. Heidrick & Struggles International, Inc. (the "Company," "we," "us," or "our") is a human capital leadership advisory firm providing executive search, consulting and on-demand talent services to businesses and business leaders worldwide to help them to improve the effectiveness of their leadership teams. We provide our services to a broad range of clients through the expertise of over 500 consultants located in major cities around the world. The Company and its predecessors have been leadership advisors for more than 70 years.

Our service offerings include the following:

Executive Search. We partner with our clients, respected organizations across the globe, to help them build and sustain the best leadership teams in the world, with a specialized focus on the placement of top-level senior executives. Through our unique relationship-based, data-driven approach, we help our clients find the right leaders, set them up for success, and accelerate their and their team's performance.

We believe focusing on top-level senior executives provides the opportunity for several competitive advantages including access to and influence with key decision makers, increased potential for recurring search and consulting engagements, higher

fees per search engagement, enhanced brand visibility, and a leveraged global footprint. Working at the top of client organizations also facilitates the attraction and retention of high-caliber consultants who desire to serve top industry executives and their leadership needs. Our executive search services derive revenue through the fees generated for each search engagement, which generally are based on the annual compensation for the placed executive. We provide our executive search services primarily on a retained basis.

We employ a global approach to executive search built on better insights, more data and faster decision making facilitated by the use of our Heidrick Leadership Framework and Heidrick Connect. Our Heidrick Leadership Framework allows clients to holistically evaluate a candidate's pivotal experience and expertise, leadership capabilities, agility and potential, and culture fit and impact, thereby allowing our clients to find the right person for the role. We supplement our Heidrick Leadership Framework through a series of additional online tools including our Leadership Accelerator, Leadership Signature and Culture Signature assessments. Heidrick Connect, a completely digital, always available client experience portal, allows our clients to access talent insights for each engagement, including the Heidrick Leadership Framework and other internally developed assessment tools. In response to working remotely, our Executive Search teams employed Heidrick Connect to operate effectively and efficiently while engaging virtually with our clients. Additionally, we have introduced upgrades to Heidrick Connect, resulting in greater flexibility, increased productivity and the ability to deliver more insights to our clients.

The executive search industry consists of several thousand executive search firms worldwide. Executive search firms are generally separated into two broad categories: retained search and contingency search. Retained executive search firms fulfill their clients' senior leadership needs by identifying potentially qualified candidates and assisting clients in evaluating and assessing these candidates. Retained executive search firms generally are compensated for their services regardless of whether the client employs a candidate identified by the search firm and are generally retained on an exclusive basis. Typically, retained executive search firms are paid a retainer for their services equal to approximately one-third of the estimated first year compensation for the position to be filled. In addition, if the actual compensation of a placed candidate exceeds the estimated compensation, executive search firms often are authorized to bill the client for one-third of the excess. In contrast, contingency search firms are compensated only upon successfully placing a recommended candidate.

We are a retained executive search firm. Our search process typically consists of the following steps:

- Analyzing the client's business needs in order to understand its organizational structure, relationships and culture, advising the client as to the required set of skills and experiences for the position, and identifying with the client the other characteristics desired of the successful candidate;
- Selecting, contacting, interviewing and evaluating candidates on the basis of experience and potential cultural fit with the client organization;
- Presenting confidential written reports on the candidates who potentially fit the position specification;
- Scheduling a mutually convenient meeting between the client and each candidate;
- Completing reference checks on the final candidate selected by the client; and
- Assisting the client in structuring compensation packages and supporting the successful candidate's integration into the client team.

On-Demand Talent. Our on-demand talent services provide clients seamless on-demand access to top independent talent, including professionals with deep industry and functional expertise for interim leadership roles and critical, project-based initiatives. Our unique model delivers the right independent talent on demand by blending proprietary data and technology with a dedicated Talent Solutions team. In February 2023, we acquired Atreus Group GmbH ("Atreus"), a leading provider of executive interim management in Germany, allowing us to establish and grow our on-demand talent presence in continental Europe.

Heidrick Consulting. We partner with organizations through Heidrick Consulting to unlock the power of their people. Our tools and experts use data and technology designed to bring science to the art of human capital development and organizational design. Our services allow our clients to accelerate their strategies and the effectiveness of individual leaders, teams and organizations as a whole. In April 2023, we acquired businessfourzero, a next generation consultancy specializing in developing and implementing purpose-driven change, which complements our existing culture shaping services to offer a broader, more robust set of leadership advisory solutions.

Heidrick Consulting offers our clients impactful approaches to human capital development through a myriad of solutions, ranging from leadership assessment and development, team and organization acceleration, digital acceleration and innovation, diversity and inclusion advisory services, and culture shaping. Applying our deep understanding of the behaviors and attributes of leaders across many of the world's premier companies, we guide our clients as they build a thriving culture of future-ready leadership. These premium services and offerings, which complement our Executive Search expertise, significantly contribute to our ability to deliver a full-service human capital consulting solution to our clients.

Our consulting services generate revenue primarily through the professional fees generated for each engagement which are generally based on the size of the project and scope of services. Our Heidrick Consulting teams have pivoted to create new digital solutions for Leadership Assessments, Team Acceleration, and Organization and Culture Acceleration that can be delivered virtually.

We also remain focused on expanding our revenue streams beyond our executive search business through the investment in the diversification of our product offerings, namely our One Heidrick strategy, and soon to include Heidrick Digital. Through these diversified solutions, we intend to meet our clients' growing talent and human capital needs by providing a more comprehensive suite of offerings.

Key Performance Indicators

We manage and assess our performance through various means, with primary financial and operational measures including net revenue, Adjusted EBITDA (defined below; non-GAAP) and Adjusted EBITDA margin (defined below; non-GAAP). These non-GAAP financial measures should be considered in addition to, and not as a substitute for or superior to, any measure of performance prepared in accordance with GAAP (defined below). Executive Search and Heidrick Consulting performance is also measured using consultant headcount. Specific to Executive Search, confirmed search (confirmation) trends, consultant productivity and average revenue per search are used to measure performance. Productivity is as measured by annualized Executive Search net revenue per consultant.

Revenue is driven by market conditions and a combination of the number of executive search engagements, consulting projects, on-demand projects and the average revenue per search or project. With the exception of compensation expense and cost of sales, incremental increases in revenue do not necessarily result in proportionate increases in costs, particularly operating and administrative expenses, thus creating the potential to improve Adjusted EBITDA and Adjusted EBITDA margin.

The number of consultants, confirmation trends, number of searches or projects completed, productivity levels and the average revenue per search or project will vary from quarter to quarter, affecting net revenue, Adjusted EBITDA and Adjusted EBITDA margin.

The Company evaluates performance and allocates resources based on the chief operating decision maker's review of (1) net revenue and (2) net income before interest, taxes, depreciation and amortization, as adjusted, to the extent they occur, for earnout accretion, earnout fair value adjustments, contingent compensation, deferred compensation plan income or expense, certain reorganization costs, impairment charges and restructuring charges ("Adjusted EBITDA"). Adjusted EBITDA margin is defined as Adjusted EBITDA as a percentage of net revenue in the same period ("Adjusted EBITDA margin").

Consolidated and the subtotal of Executive Search Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures and have limitations as analytical tools. They should not be viewed as a substitute for financial information determined in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP") and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under GAAP. In addition, they may not necessarily be comparable to non-GAAP performance measures that may be presented by other companies.

We believe the presentation of these non-GAAP financial measures provides meaningful supplemental information and a more complete understanding of our ongoing operating results, including underlying trends. These non-GAAP financial measures are used by management in their financial and operating decision making because management believes they reflect our ongoing business in a manner that allows for meaningful period-to-period comparison and evaluation. We also believe that these non-GAAP financial measures, when considered together with our GAAP financial measures, provide management and investors with additional information for comparison of our operating results with the operating results of other companies.

Our Compensation Model

At the consultant level, there are fixed and variable components of compensation. Individuals are rewarded for their performance based on a system that directly ties a portion of their compensation to the amount of net revenue for which they are responsible. A portion of the reward may be based upon individual performance against a series of non-financial measures. Credit towards the variable portion of a consultant's compensation is earned by generating net revenue for winning and executing work. Each quarter, we review and update the expected annual performance of all consultants and accrue variable compensation accordingly. The amount of variable compensation that is accrued for each consultant is based on a tiered payout model. Overall Company performance determines the amount available for total variable compensation. The more net revenue that is generated by the consultant, the higher the percentage credited towards the consultant's variable compensation and thus accrued by our Company as expense.

The mix of individual consultants who generate revenue can significantly affect the total amount of compensation expense recorded, which directly impacts operating margin. As a result, the variable portion of the compensation expense may fluctuate significantly from quarter to quarter. The total variable compensation is discretionary and is based on Company-wide financial targets approved by the Human Resources and Compensation Committee of the Board of Directors. We pay annual bonuses in the first half of the year following the year in which they are earned.

Second Quarter 2024 Outlook

The Company expects 2024 second quarter consolidated net revenue of between \$255 million and \$275 million, while acknowledging that continued fluidity in external factors, such as foreign exchange and interest rate environments, foreign conflicts, inflation and macroeconomic constraints on pricing actions may impact quarterly results. In addition, this outlook is based on the average currency rates in March 2024 and reflects, among other factors, management's assumptions for the anticipated volume of new Executive Search confirmations, On-Demand Talent projects, and Heidrick Consulting assignments, consultant productivity, consultant retention, and the seasonality of the business, along with the current backlog.

The Company's 2024 second quarter guidance is subject to a number of risks and uncertainties, including those discussed under Item 1A - Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023, and in our other filings with the SEC. As such, actual results could vary from these projections.

Results of Operations

(In the following tables, totals and sub-totals may not equal the sum of individual line items due to rounding. All tables are in thousands, except percentages.)

The following table summarizes, for the periods indicated, our results of operations as a percentage of revenue before reimbursements (net revenue):

	Three Months Ended March 31,	
	2024	2023
Revenue		
Revenue before reimbursements (net revenue)	100.0 %	100.0 %
Reimbursements	1.5	1.2
Total revenue	101.5	101.2
Operating expenses		
Salaries and benefits	65.8	66.4
General and administrative expenses	15.6	14.3
Cost of services	10.3	9.5
Research and development	2.2	2.3
Reimbursed expenses	1.5	1.2
Total operating expenses	95.3	93.7
Operating income	6.1	7.4
Non-operating income		
Interest, net	1.5	1.4
Other, net	1.0	0.8
Net non-operating income	2.5	2.1
Income before income taxes	8.6	9.5
Provision for income taxes	3.4	3.0
Net income	5.3 %	6.5 %

The following table sets forth, for the periods indicated, a reconciliation of Adjusted EBITDA to net income:

	Three Months Ended March 31,	
	2024	2023
Revenue before reimbursements (net revenue)	\$ 265,197	\$ 239,317
Net income	14,032	15,586
Interest, net	(4,086)	(3,249)
Other, net	(2,571)	(1,809)
Provision for income taxes	8,899	7,243
Operating income	16,274	17,771
Adjustments		
Depreciation	2,493	2,004
Intangible amortization	2,297	1,869
Earnout accretion	466	191
Acquisition contingent consideration	1,988	1,659
Deferred compensation plan	2,350	2,133
Total adjustments	9,594	7,856
Adjusted EBITDA	\$ 25,868	\$ 25,627
Adjusted EBITDA margin	9.8 %	10.7 %

Revenue and Adjusted EBITDA by segment are as follows:

	Three Months Ended March 31,	
	2024	2023
Revenue		
Executive Search		
Americas	\$ 136,679	\$ 127,327
Europe	41,481	38,931
Asia Pacific	23,321	24,229
Total Executive Search	201,481	190,487
On-Demand Talent	37,857	31,117
Heidrick Consulting	25,859	17,713
Revenue before reimbursements (net revenue)	265,197	239,317
Reimbursements	3,901	2,802
Total revenue	\$ 269,098	\$ 242,119
Adjusted EBITDA		
Executive Search		
Americas	\$ 41,871	\$ 42,124
Europe	3,353	2,081
Asia Pacific	3,195	3,567
Total Executive Search	48,419	47,772
On-Demand Talent	(921)	(1,347)
Heidrick Consulting	(2,027)	(2,795)
Total segment operating income	45,471	43,630
Research and Development	(4,925)	(5,251)
Global Operations Support	(14,678)	(12,752)
Total Adjusted EBITDA	\$ 25,868	\$ 25,627

Three Months Ended March 31, 2024, Compared to the Three Months Ended March 31, 2023

Total revenue. Consolidated total revenue increased \$27.0 million, or 11.1%, to \$269.1 million for the three months ended March 31, 2024, from \$242.1 million for the three months ended March 31, 2023. The increase in total revenue was primarily due to the increase in revenue before reimbursements (net revenue) described below.

Revenue before reimbursements (net revenue). Consolidated net revenue increased \$25.9 million, or 10.8%, to \$265.2 million for the three months ended March 31, 2024, from \$239.3 million for the three months ended March 31, 2023. Foreign exchange rate fluctuations positively impacted results by \$1.1 million, or 0.5%. Executive Search net revenue was \$201.5 million for the three months ended March 31, 2024, an increase of \$11.0 million, or 5.8%, compared to the three months ended March 31, 2023. The increase in Executive Search net revenue was primarily due to an increase in the average revenue per search. On-Demand Talent net revenue was \$37.9 million for the three months ended March 31, 2024, an increase of \$6.7 million, or 21.7%, compared to the three months ended March 31, 2023. The increase in On-Demand Talent revenue was primarily due to an increase in the volume of On-Demand projects associated with the timing of the Atrius acquisition on February 1, 2023. Heidrick Consulting net revenue was \$25.9 million for the three months ended March 31, 2024, an increase of \$8.1 million, or 46.0%, compared to the three months ended March 31, 2023. The increase in Heidrick Consulting revenue was primarily due to the acquisition of businessfourzero on April 1, 2023, and an increase in leadership assessment and development consulting engagements compared to the prior year period.

The number of Executive Search and Heidrick Consulting consultants was 424 and 95, respectively, as of March 31, 2024, compared to 432 and 78, respectively, as of March 31, 2023. Executive Search productivity, as measured by annualized net Executive Search revenue per consultant, was \$1.9 million and \$1.8 million for the three months ended March 31, 2024, and 2023, respectively. The average revenue per executive search was \$136,000 and \$124,000 for the three months ended March 31, 2024, and 2023, respectively.

Salaries and benefits. Consolidated salaries and benefits expense increased \$15.6 million, or 9.8%, to \$174.4 million for the three months ended March 31, 2024, from \$158.9 million for the three months ended March 31, 2023. Fixed compensation increased \$5.4 million due to increases in base salaries and payroll taxes, talent acquisition and retention costs, stock compensation, separation costs, and expenses related to the deferred compensation plan, partially offset by a decrease in retirement and benefits costs. Variable compensation increased \$10.2 million due to higher bonus accruals related to increased consultant productivity. Foreign exchange rate fluctuations negatively impacted results by \$0.8 million, or 0.5%.

For the three months ended March 31, 2024, we had an average of 2,224 employees compared to an average of 2,154 employees for the three months ended March 31, 2023.

As a percentage of net revenue, salaries and benefits expense was 65.8% for the three months ended March 31, 2024, compared to 66.4% for the three months ended March 31, 2023.

General and administrative expenses. Consolidated general and administrative expenses increased \$7.0 million, or 20.5%, to \$41.4 million for the three months ended March 31, 2024, from \$34.3 million for the three months ended March 31, 2023. The increase in general and administrative expenses was due to increases in business development travel, office occupancy costs, information technology costs, intangible amortization, marketing expenses, hiring fees, bad debt, and taxes and licenses costs, partially offset by a decrease in insurance and bank fees. Foreign exchange rate fluctuations negatively impacted results by \$0.2 million, or 0.7%.

As a percentage of net revenue, general and administrative expenses were 15.6% for the three months ended March 31, 2024, compared to 14.3% for the three months ended March 31, 2023.

Cost of services. Consolidated cost of services increased \$4.6 million, or 20.1%, to \$27.4 million for the three months ended March 31, 2024, from \$22.8 million for the three months ended March 31, 2023. The increase in cost of services was primarily due to an increase in the volume of On-Demand Talent projects. Foreign exchange rate fluctuations negatively impacted results by \$0.2 million, or 1.0%.

As a percentage of net revenue, cost of services was 10.3% for the three months ended March 31, 2024, compared to 9.5% for the three months ended March 31, 2023.

Research and development. Due to the rapid pace of technological advances and digital disruption many of our clients are experiencing, we believe our ability to compete successfully depends increasingly upon our ability to provide clients with

timely and relevant technology-enabled products and services. As such, we are focused on developing new technologies to enhance existing products and services, and to expand the range of our offerings through research and development (“R&D”), licensing of intellectual property and acquisition of third-party businesses and technology. The results of our R&D efforts will be utilized to develop and enhance new and existing services and products across our current offerings in Executive Search, Heidrick Consulting and On-Demand Talent, and for products and services in new segments that we may embark upon in the future from time to time, such as our new digital product Heidrick Navigator. Consolidated R&D expense increased \$0.2 million, or 3.4%, to \$5.7 million for the three months ended March 31, 2024, from \$5.5 million for the three months ended March 31, 2023. R&D expenses consists of expenses related to payroll, employee benefits, stock-based compensation, other employee expenses and third-party professional fees associated with new product development.

Adjusted EBITDA. Consolidated Adjusted EBITDA was \$25.9 million for the three months ended March 31, 2024, an increase of \$0.3 million, or 0.9%, compared to \$25.6 million for the three months ended March 31, 2023. Adjusted EBITDA margin was 9.8% for the three months ended March 31, 2024, compared to 10.7% for the three months ended March 31, 2023.

Net non-operating income. Net non-operating income was \$6.7 million for the three months ended March 31, 2024, compared to \$5.1 million for the three months ended March 31, 2023.

Interest, net, was \$4.1 million of income for the three months ended March 31, 2024, compared to \$3.2 million for the three months ended March 31, 2023, primarily due to higher interest rates on a higher volume of short-term investments.

Other, net, was \$2.6 million of income for the three months ended March 31, 2024, compared to \$1.8 million for the three months ended March 31, 2023. The income in both periods is primarily due to foreign exchange gains and unrealized gains on the deferred compensation plan. The Company's investments, including those held in the Company's deferred compensation plan, are recorded at fair value.

Income taxes. See Note 14, *Income Taxes*.

Executive Search

Americas

The Americas segment reported net revenue of \$136.7 million for the three months ended March 31, 2024, an increase of 7.3% from \$127.3 million for the three months ended March 31, 2023. The increase in net revenue was primarily due to an 8.8% increase in the number of executive search engagements. All practice groups, with the exception of Healthcare & Life Sciences, exhibited growth over the prior period. Foreign exchange rate fluctuations positively impacted results by \$0.3 million, or 0.2%. There were 220 Executive Search consultants in the Americas segment at March 31, 2024, compared to 224 at March 31, 2023.

Salaries and benefits expense increased \$8.3 million, or 10.8%, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. Fixed compensation increased \$0.3 million due to increases in talent acquisition and retention costs, stock compensation, and expenses related to the deferred compensation plan, partially offset by decreases in base salaries and payroll taxes, and retirement and benefits costs. Variable compensation increased \$8.0 million due to higher bonus accruals related to increased consultant productivity.

General and administrative expenses increased \$0.2 million, or 2.0%, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, due to increases in office occupancy costs, business development travel, and professional fees, partially offset by a decrease in bad debt.

The Americas segment reported Adjusted EBITDA of \$41.9 million for the three months ended March 31, 2024, a decrease of \$0.2 million compared to \$42.1 million for the three months ended March 31, 2023. Adjusted EBITDA margin was 30.6% for the three months ended March 31, 2024, compared to 33.1% for the three months ended March 31, 2023.

Europe

The Europe segment reported net revenue of \$41.5 million for the three months ended March 31, 2024, an increase of 6.6% from \$38.9 million for the three months ended March 31, 2023. The increase in net revenue was primarily due to an increase in the average revenue per executive search. All practice groups, with the exception of Financial Services, exhibited growth over the prior year period. Foreign exchange rate fluctuations positively impacted results by \$0.9 million, or 2.3%. There were 125 Executive Search consultants in the Europe segment at March 31, 2024, compared to 130 at March 31, 2023.

Salaries and benefits expense decreased \$0.4 million, or 1.3%, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. Fixed compensation decreased \$1.3 million due to decreases in retirement and benefits costs, talent acquisition and retention costs, and base salaries and payroll taxes, partially offset by an increase in separation costs. Variable compensation increased \$0.9 million due to higher bonus accruals related to increased consultant productivity.

General and administrative expense increased \$1.6 million, or 24.2%, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, due to increases in bad debt, business development travel, office occupancy costs, professional fees, and hiring fees, partially offset by a decrease in costs related to taxes and licenses.

The Europe segment reported Adjusted EBITDA of \$3.4 million for the three months ended March 31, 2024, an increase of \$1.3 million compared to \$2.1 million for the three months ended March 31, 2023. Adjusted EBITDA margin was 8.1% for the three months ended March 31, 2024, compared to 5.3% for the three months ended March 31, 2023.

Asia Pacific

The Asia Pacific segment reported net revenue of \$23.3 million for the three months ended March 31, 2024, a decrease of 3.7% compared to \$24.2 million for the three months ended March 31, 2023. The decrease in net revenue was primarily due to a 21.3% decrease in the number of executive search confirmations. Only the Healthcare & Life Sciences and Global Technology & Services practice groups exhibited growth over the prior year period. Foreign exchange rate fluctuations negatively impacted results by \$0.7 million, or 2.8%. There were 79 Executive Search consultants in the Asia Pacific segment at March 31, 2024, compared to 78 at March 31, 2023.

Salaries and benefits expense decreased \$0.8 million, or 4.7%, for the three months ended March 31, 2024, compared to the three months March 31, 2023. Fixed compensation increased \$0.1 million due to increases in talent acquisition and retention costs, partially offset by decreases in base salaries and payroll taxes, separation costs, retirement and benefits costs, and stock compensation. Variable compensation decreased \$0.8 million due to lower bonus accruals related to decreased consultant productivity.

General and administrative expenses increased \$0.2 million, or 4.5%, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, due to increases in business development travel, costs related to taxes and licenses, bad debt, and marketing expenses, partially offset by decreases in office occupancy costs, hiring fees, and professional fees.

The Asia Pacific segment reported Adjusted EBITDA of \$3.2 million for the three months ended March 31, 2024, a decrease of \$0.4 million compared to \$3.6 million for the three months ended March 31, 2023. Adjusted EBITDA margin was 13.7% for the three months ended March 31, 2024, compared to 14.7% for the three months ended March 31, 2023.

On-Demand Talent

The On-Demand Talent segment reported net revenue of \$37.9 million for the three months ended March 31, 2024, an increase of 21.7% compared to \$31.1 million for the three months ended March 31, 2023. The increase in On-Demand Talent revenue was primarily due to an increase in the volume of On-Demand projects associated with the timing of the Atreus acquisition on February 1, 2023. Foreign exchange rate fluctuations positively impacted results by \$0.3 million, or 0.8%.

Salaries and benefits expense increased \$3.0 million, or 29.3%, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. Fixed compensation increased \$1.7 million due to increases in base salaries and payroll taxes, partially offset by a decrease in retirement and benefits costs. Variable compensation increased \$1.3 million due to higher bonus accruals related to increased productivity.

General and administrative expense increased \$1.3 million, or 30.6%, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, due to increases in business development travel, hiring fees, intangible amortization, and office occupancy costs, partially offset by decreases in professional fees and marketing expenses.

Cost of services increased \$3.0 million, or 14.1%, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, primarily due to an increase in the volume of On-Demand Talent projects.

The On-Demand Talent segment reported an Adjusted EBITDA loss of \$0.9 million for the three months ended March 31, 2024, an improvement of \$0.4 million compared to an Adjusted EBITDA loss of \$1.3 million for the three months ended March 31, 2023. Adjusted EBITDA margin was (2.4)% for the three months ended March 31, 2024, compared to (4.3)% for the three months ended March 31, 2023.

Heidrick Consulting

The Heidrick Consulting segment reported net revenue of \$25.9 million for the three months ended March 31, 2024, an increase of 46.0% compared to \$17.7 million for the three months ended March 31, 2023. The increase in net revenue was primarily due to the acquisition of businessfourzero on April 1, 2023, and increases in leadership assessment and development consulting engagements compared to the prior year period. Foreign exchange rate fluctuations positively impacted results by \$0.4 million, or 2.2%. There were 95 Heidrick Consulting consultants at March 31, 2024 compared to 78 at March 31, 2023.

Salaries and benefits expense increased \$4.6 million, or 29.7%, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. Fixed compensation increased \$3.5 million due to increases in base salaries and payroll taxes, retirement and benefits costs, and separation costs. Variable compensation increased \$1.1 million due to higher bonus accruals related to increased consultant productivity.

General and administrative expenses increased \$2.7 million, or 71.9%, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, due to increases in business development travel, office occupancy costs, and intangible amortization, partially offset by a decrease in professional fees.

Cost of services increased \$1.6 million, or 95.4%, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, due to an increase in the volume of consulting projects requiring third-party consultants.

The Heidrick Consulting segment reported an Adjusted EBITDA loss of \$2.0 million for the three months ended March 31, 2024, an improvement of \$0.8 million compared to an Adjusted EBITDA loss of \$2.8 million for the three months ended March 31, 2023. Adjusted EBITDA margin was (7.8)% for the three months ended March 31, 2024, compared to (15.8)% for the three months ended March 31, 2023.

Global Operations Support

Salaries and benefits expense increased \$0.8 million, or 10.0%, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, due to increases in base salaries and payroll taxes, and stock compensation, partially offset by a decrease in variable compensation.

General and administrative expenses increased \$1.1 million, or 24.1%, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, due to increases in expenses related to information technology, marketing, professional fees, and office occupancy, partially offset by decreases in insurance and bank fees, and communication services costs.

Global Operations Support reported an Adjusted EBITDA loss of \$14.7 million for the three months ended March 31, 2024, a decrease of \$1.9 million compared to an Adjusted EBITDA loss of \$12.8 million for the three months ended March 31, 2023. Adjusted EBITDA margin was (5.5)% for the three months ended March 31, 2024, compared to (5.3)% for the three months ended March 31, 2023.

Liquidity and Capital Resources

General. We continually evaluate our liquidity requirements, capital needs and availability of capital resources based on our operating needs. We believe that our available cash balances, funds expected to be generated from operations and funds available under our committed revolving credit facility will be sufficient to finance our operations for at least the next 12 months and the foreseeable future, as well as to finance the cash payments associated with our cash dividends and stock repurchase program.

We pay annual bonuses in the first half of the year following the year in which they are earned. Employee bonuses are accrued throughout the year and are based on our performance and the performance of the individual employee.

Lines of credit. On February 24, 2023, the Company entered into the Second Amendment (the "Second Amendment") to the Credit Agreement, dated as of October 26, 2018 (the "Credit Agreement" and, as amended by the First Amendment to Credit Agreement, dated as of July 13, 2021, and the Second Amendment, the "Amended Credit Agreement") by and among the Company, Bank of America, N.A., as administrative agent, and the lenders party thereto. The Second Amendment changed the interest rate benchmark, from LIBOR to the Secured Overnight Financing Rate ("SOFR"). At the Company's option, borrowings under the Amended Credit Agreement will bear interest at one-, three- or six-month term SOFR, or an alternate base rate as set forth in the Amended Credit Agreement, in each case plus an applicable margin. Additionally, the Amended Credit Agreement provides the Company with a committed unsecured revolving credit facility in an aggregate amount of \$200 million, increased in the Second Amendment from \$175 million as set forth in the original version of the Credit Agreement, which includes a sublimit of \$25 million for letters of credit and a sublimit of \$10 million for swingline loans, with a \$75 million expansion feature. The Amended Credit Agreement matures on July 13, 2026.

Borrowings under the Amended Credit Agreement may be used for working capital, capital expenditures, permitted acquisitions, restricted payments and for other general corporate purposes of the Company and its subsidiaries. The obligations under the Amended Credit Agreement are guaranteed by certain of the Company's subsidiaries.

As of March 31, 2024, and December 31, 2023, the Company had no outstanding borrowings. As of such dates, the Company was in compliance with the financial and other covenants under the Amended Credit Agreement and no event of default existed.

Cash, cash equivalents and marketable securities. Cash, cash equivalents and marketable securities at March 31, 2024, December 31, 2023, and March 31, 2022, were \$252.8 million, \$478.2 million and \$204.7 million, respectively. The \$252.8 million of cash, cash equivalents and marketable securities at March 31, 2024, includes \$158.0 million held by our foreign subsidiaries. A portion of the \$158.0 million is considered permanently reinvested in these foreign subsidiaries. If these funds were required to satisfy obligations in the U.S., the repatriation of these funds could cause us to incur additional U.S. income taxes or foreign withholding taxes.

Cash flows used in operating activities. Cash used in operating activities was \$203.4 million for the three months ended March 31, 2024, primarily reflecting a decrease in accrued expenses of \$182.6 million and an increase in accounts receivable of \$41.1 million, partially offset by net income net of non-cash charges of \$21.3 million. The decrease in accrued expenses is primarily due to cash bonus payments related to 2023 of \$289.8 million, partially offset by 2024 bonus accruals.

Cash used in operating activities was \$337.0 million for the three months ended March 31, 2023, primarily reflecting a decrease in accrued expenses of \$326.0 million and an increase in accounts receivable of \$24.3 million, partially offset by net income net of non-cash charges of \$26.7 million. The decrease in accrued expenses is primarily due to cash bonus payments related to 2022 and prior year cash bonus deferrals of \$422.0 million, partially offset by 2023 bonus accruals.

Cash flows provided by investing activities. Cash provided by investing activities was \$54.7 million for the three months ended March 31, 2024, consisting of proceeds from the sale of marketable securities and investments of \$66.3 million, partially offset by purchases of marketable securities and investments of \$5.4 million, and capital expenditures of \$6.2 million.

Cash provided by investing activities was \$228.1 million for the three months ended March 31, 2023, consisting of proceeds from sales of marketable securities and investments of \$268.0 million, partially offset by costs related to the acquisition of Atreus of \$29.9 million, purchases of marketable securities and investments of \$6.2 million, and capital expenditures of \$3.8 million.

Cash flows used in financing activities. Cash used in financing activities was \$6.1 million for the three months ended March 31, 2024, consisting of dividend payments of \$3.2 million and employee tax withholding payments on equity transactions of \$2.9 million.

Cash used in financing activities was \$43.2 million for the three months ended March 31, 2023, consisting of earnout payment of \$35.9, related to our 2021 acquisition of Business Talent Group, LLC., employee tax withholding payments on equity transactions of \$4.1 million, and dividend payments of \$3.1 million.

Off-Balance Sheet Arrangements. We do not have material off-balance sheet arrangements, special purpose entities, trading activities of non-exchange traded contracts or transactions with related parties.

Contractual obligations. Our lease portfolio is comprised of operating leases for office space and equipment. As of March 31, 2024, we had aggregate future lease payment obligations of \$98.4 million, with \$20.4 million payable within 12 months. Associated with our lease portfolio, we have asset retirement obligations for the retirement of tangible long-lived assets related to our obligation at the end of the lease term to return office space to the landlord in its original condition. As of March 31, 2024, we had asset retirement obligations of \$3.2 million, with \$1.0 million payable within 12 months.

In addition to lease-related contractual obligations, we also have liabilities related to certain employee benefit plans. These liabilities are recorded in our Consolidated Balance Sheet at March 31, 2024. The obligations related to these employee benefit plans are described in Note 12, *Employee Benefit Plans*, and Note 13, *Pension Plan and Life Insurance Contract*, in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on March 4, 2024. As of March 31, 2024, we did not have a liability for uncertain tax positions.

Application of Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon our Condensed Consolidated Financial Statements, which have been prepared using accounting principles generally accepted in the United States of America. Our significant accounting policies are discussed in Note 2, *Summary of Significant Accounting Policies*, in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2023 as filed with the SEC on March 4, 2024, and in Note 2, *Summary of Significant Accounting Policies*, in the Notes to Condensed Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. If actual amounts are ultimately different from previous estimates, the revisions are included in our results of operations for the period in which the actual amounts become known.

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or if changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the financial statements. Management believes its critical accounting policies that reflect its more significant estimates and assumptions relate to revenue recognition, income taxes, interim effective tax rate and assessment of goodwill and other intangible assets for impairment. See *Application of Critical Accounting Policies and Estimates* in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on March 4, 2024.

Recently Issued and Adopted Financial Accounting Standards

The information presented in Note 2, *Summary of Significant Accounting Policies*, to our Condensed Consolidated Financial Statements within this Quarterly Report on Form 10-Q is incorporated herein by reference.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Currency market risk. With our operations in the Americas, Europe, and Asia Pacific, we conduct business using various currencies. Revenue earned in each country is generally matched with the associated expenses incurred, thereby reducing currency risk to earnings. However, because certain assets and liabilities are denominated in currencies other than the U.S. dollar, changes in currency rates may cause fluctuations in the valuation of such assets and liabilities. As the local currency of our subsidiaries has generally been designated as the functional currency, we are affected by the translation of foreign currency financial statements into U.S. dollars. A 10% change in the average exchange rate for currencies of all foreign countries in which we operate would have increased or decreased our net income by approximately \$0.4 million for the three months ended March 31, 2024. For financial information by segment, see Note 16, *Segment Information*, in the Notes to Condensed Consolidated Financial Statements within this Quarterly Report on Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures as defined in the Securities Exchange Act of 1934, as amended (the “Exchange Act”), Rules 13a-15(e) and 15d-15(e), that are designed to ensure that information required to be disclosed in the Company’s reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to the Company’s management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Any system of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Management of the Company, with the participation of the principal executive officer and the principal financial officer, evaluated the effectiveness of the design and operation of the Company’s disclosure controls and procedures as of March 31, 2024. Based on the evaluation, the Company’s principal executive officer and principal financial officer concluded that the Company’s disclosure controls and procedures were effective as of March 31, 2024.

(b) Changes in Internal Control Over Financial Reporting

There were no changes to our internal control over financial reporting as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f) that occurred during the three months ended March 31, 2024, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The information presented in Note 18, *Commitments and Contingencies*, to our Condensed Consolidated Financial Statements is incorporated herein by reference.

Item 1A. Risk Factors

The business, financial condition and operating results of the Company can be affected by a number of factors, whether currently known or unknown, including but not limited to those described in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2023, under the heading “Risk Factors,” any one or more of which could, directly or indirectly, cause the Company’s actual financial condition and operating results to vary materially from past, or from anticipated future, financial condition and operating results. Any of these factors, in whole or in part, could materially and adversely affect the Company’s business, financial condition, operating results and stock price. There have been no material changes to the Company’s risk factors from those set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on March 4, 2024.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

None.

Item 6. Exhibits

Exhibit No.	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date/Period End Date
*10.1	Form of Performance Stock Unit Participation Agreement pursuant to the Fourth Amended and Restated Heidrick & Struggles 2012 GlobalShare Program**			
*10.2	Form of Performance Stock Unit Participation Agreement pursuant to the Fourth Amended and Restated Heidrick & Struggles 2012 GlobalShare Program**			
*10.3	Form of Restricted Stock Unit Participation Agreement pursuant to the Fourth Amended and Restated Heidrick & Struggles 2012 GlobalShare Program**			
*31.1	Certification of the Company's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
*31.2	Certification of the Company's Executive Vice President and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
†32.1	Certification of the Company's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
†32.2	Certification of the Company's Executive Vice President and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
*101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data Files because its XBRL tags are embedded within the Inline XBRL document			
*101.SCH	Inline XBRL Taxonomy Extension Schema Document			
*101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document			
*101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document			
*101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document			
*101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document			
*104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)			

* Filed herewith.

** Denotes a management contract or compensatory plan or arrangement.

† Furnished herewith.

SIGNATURE

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 thereunto duly authorized.

Date: May 6, 2024

Heidrick & Struggles International, Inc.
(Registrant)

/s/ Stephen A. Bondi

Stephen A. Bondi

Vice President, Controller

(Duly authorized on behalf of the registrant and in his capacity as Chief Accounting Officer)

Performance Stock Unit Participation Agreement

This Performance Stock Unit Participation Agreement (the “Agreement”) is dated as of March 8, 2024 and sets forth the terms and conditions of the Award described below made by Heidrick & Struggles International, Inc. (the “Company”) to [Name] (the “Participant”), pursuant to the Fourth Amended and Restated 2012 Heidrick & Struggles GlobalShare Program, as amended from time to time (the “Program”).

As of March 8, 2024 (the “Grant Date”), the Company has granted an award of _____ Performance Stock Units (“PSUs”) to the Participant as set forth herein. The PSUs are granted pursuant to the Program and are governed by the terms and conditions of the Program. All defined terms used herein, unless specifically defined in this Agreement, have the meanings assigned to them in the Program. The Participant agrees to be bound by all terms and conditions of the Agreement and the Program, and has received and reviewed a copy of the Program and the Prospectus for the Program dated June 14, 2023.

The PSUs granted under this Agreement shall not become valid or enforceable unless and until the Participant executes the Agreement and it is accepted by the Company. The Participant agrees and acknowledges that he or she is permitted to take at least fourteen (14) calendar days in which to consider and review this Agreement before signing; provided that to the extent the Participant reviews and signs this Agreement in less than fourteen (14) days, Participant acknowledges and agrees that he or she has voluntarily and knowingly waived such additional time. By the Participant’s signature and the Company’s signature below, the Participant and the Company agree that this constitutes the signature page of the Agreement. Participant further agrees that the PSUs are granted under and governed by the terms and conditions of the Agreement and the Program. Agreements that are not signed and returned shall be invalid and unenforceable.

As a material condition and inducement to the Company’s grant of PSUs to the Participant, the Participant agrees that he or she has received and reviewed the Program and the Prospectus, and the Participant further agrees to be bound by all of the terms and conditions of the Agreement and the Program, as may be amended by the Company from time to time. Participant further agrees that he or she has been advised to consult with an attorney if Participant so chooses (at Participant’s cost) before executing this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed the Agreement as of the date first set forth above.

Name: [Name]

Heidrick & Struggles International, Inc.

By: ____
Name: Tracey Heaton
Title: Chief Legal Officer & Corporate Secretary

NOW, THEREFORE, in consideration of the agreements of the Participant herein provided and pursuant to the Program, the parties agree as follows:

1. **Definitions.** All capitalized terms used herein, unless specifically defined herein, shall have the same meanings as established in the Program, except that Cause and Good Reason shall have the meanings set forth in Participant's employment agreement, offer letter, or similar agreement, as in effect on the Grant Date.
2. **Participation.** Pursuant to the Program and contingent upon the execution of the Agreement, the Company hereby grants to the Participant an award of _____ PSUs subject to the terms and conditions herein.
3. **Awarding and Vesting of PSUs.**
 - (a) Except as otherwise provided in this Agreement in the event of a Change in Control or the Grantee's death or termination by the Company due to Disability, the percentages, if any, of the PSUs that will be treated as awarded (the "Awarded PSUs"), and therefore eligible to become vested and nonforfeitable, will be based on the level of achievement of the Stock Price Hurdle(s) (as defined below) set forth below during the applicable "Performance Period."

For purposes of this Agreement, a "Stock Price Hurdle" shall be attained upon the closing price of the Company's common stock equaling or exceeding the indicated percentage of the Base Price (as defined below) for at least thirty consecutive trading days during the applicable Performance Period. For purposes of this Agreement, "Base Price" is \$30.88, which is the average trading price of the Company's common stock over the thirty trading days including and immediately preceding the Grant Date.

The percentage, if any, of the PSUs that become Awarded PSUs and subsequently eligible to vest on the corresponding Vesting Date will be determined in accordance with the following schedule:

<i>Stock Price Hurdle</i>	<i>Performance Period</i>	<i>Awarded Percentage of PSUs</i>	<i>Vesting Date</i>
125%	March 9, 2024 – March 8, 2025	25%	One-year anniversary of the Grant Date
150%	March 9, 2025 – March 8, 2026	25%	Two-year anniversary of the Grant Date

175%	March 9, 2026 – March 8, 2027	25%	Three-year anniversary of the Grant Date
200%	March 9, 2027 – March 8, 2028	25%	Four-year anniversary of the Grant Date

There shall be no interpolation for performance between performance levels.

If a Stock Price Hurdle set forth above has not been achieved in the applicable Performance Period, the shares subject to such Stock Price Hurdle shall remain outstanding and eligible to become Awarded PSUs in the next Performance Period(s) subject to the achievement of such Stock Price Hurdle. Such Awarded PSUs will be eligible to vest on the next scheduled Vesting Date, subject to the Participant remaining in Continuous Service through the applicable Vesting Date. For avoidance of doubt, a Stock Price Hurdle cannot be achieved prior to the start of the Performance Period related to such Stock Price Hurdle.

Except as otherwise set forth in this Agreement, any shares subject to a portion of the award that is subject to a Stock Price Hurdle that is not achieved by the four-year anniversary of the Grant Date shall be forfeited to the Company.

In order to receive the shares subject to a vested portion of the PSUs, the Participant must remain in Continuous Service through the applicable Vesting Date. For purposes of the Agreement, “Continuous Service” shall mean the Participant’s service with the Company or any Subsidiary or Affiliate as an employee, or the Participant’s service as a member of the Board of Directors of the Company, has not been interrupted or terminated, and shall include any period during which the Participant is on an approved leave of absence from the Company or its Subsidiaries or Affiliates; provided, however, a change in the status in which the Participant renders service to the Company or its Subsidiaries or Affiliates or a change in the entity for which the Participant renders such service shall not constitute an interruption or termination of the Participant’s employment or service for purposes of this Agreement, so long as there is no interruption or termination of the Participant’s services to the Company or its Subsidiaries or Affiliates; provided, further, that if the entity employing or engaging the Participant ceases to be an Affiliate of the Company, the Participant’s employment or service shall be considered to have terminated on the date such entity ceased to be an Affiliate.

- (b) Notwithstanding the terms of Section 3(a) above, if the Participant's Continuous Service is terminated as a result of the Participant's death or termination by the Company due to Disability, the PSUs granted to the Participant under the Agreement will immediately vest, with the number of PSUs to vest determined based on the highest Stock Price Hurdle achieved on or prior to such termination of Continuous Service, and the portion of the PSUs for which the Stock Price Hurdle was not achieved as of such termination of Continuous Service will be forfeited as of such termination of Continuous Service.
- (c) In the case of a Participant who is both an employee of the Company or any Subsidiary or Affiliate and a member of the Board of Directors of the Company, Continuous Service shall not end until the Participant's service as both an employee and a director terminates.

4. Characteristics of PSUs.

- (a) PSUs are not Shares and the grant of a number of PSUs shall provide only those rights expressly set forth in the Agreement and the Program. The Participant is not deemed to be a stockholder in the Company or have any of the rights of a stockholder in the Company by virtue of the grant of PSUs.
- (b) The Participant does not have voting rights or any other rights inherent to the ownership of Shares, including the rights to dividends (other than as provided in Section 8), or other liquidating or non-liquidating distributions, by virtue of being granted PSUs.
- (c) Neither the PSUs nor any right hereunder or under the Program shall be transferable or be subject to attachment, execution or other similar process. In the event of any attempt by the Participant to alienate, assign, pledge, hypothecate or otherwise dispose of the PSUs or of any right hereunder or under the Program, except as provided for in the Program, or in the event of any levy or any attachment, execution or similar process upon the rights or interest conferred by the PSUs, the Company may terminate the PSUs by notice to the Participant and the PSUs and any related rights, including the right to dividend equivalents as described in Section 8, shall thereupon be cancelled.

5. Effect of Vesting.

- (a) If, and at the time, the Participant's PSUs vest under the terms of Section 3 or Section 10, such Participant shall receive as full consideration for the PSUs a number of Shares equal to the number of PSUs which vested on such date.
- (b) The PSUs granted to the Participant shall be maintained in a bookkeeping account with the custodian appointed by the Committee from time to time

(the "Custodian") for such Participant if and until the PSUs are converted into Shares pursuant to this Section 5, at which time the Shares shall be issued to the Participant in accordance with Section 6 below.

6. Delivery of Shares to the Participant. As soon as practicable after the PSUs vest and are converted into Shares, and subject to the terms of this Agreement, the Custodian shall, without transfer or issue tax or other incidental expense to the Participant, deliver to the Participant by first-class insured mail addressed to the Participant at the address shown on page 1 or the last address of record on file with the Custodian, (a) a statement from the Custodian referencing the number of Shares held in the Participant's name in a book entry account, or (b) at the Participant's request, certificate(s) for the number of Shares as to which the PSUs vested. In any event, Shares due the Participant shall be delivered as described above no later than March 15 of the year following the calendar year in which such PSUs vest.
7. Compensation Recovery. The Participant's PSUs are subject to any clawback or recoupment policies in effect as of the Grant Date or which the Company may amend or adopt from time to time to comply with applicable law or listing standard.
8. Dividend Equivalents. The Company shall credit the Participant's PSU account with an amount equal to the dividends, if any, that would be paid with respect to the unvested PSUs as if the PSUs were actual Shares to a shareholder as of the record date. Such amount shall be credited to the Participant's PSU account at the same time dividends are paid with respect to the Shares, shall be subject to the vesting and forfeiture provisions set forth in Sections 3, 10 and 11 of the Agreement, and shall be paid to the Participant in cash, on the first payroll date following the date the Participant's related PSUs vest and are issued as Shares to the Participant (but in any event no later than March 15 of the year following the calendar year in which such PSUs vest).
9. Tax Withholdings and Payments.
 - (a) The Company or any Subsidiary or Affiliate is authorized to withhold from any payment to be made to the Participant, amounts of income tax withholding and other taxes due in connection with compensation or any other transaction under the Program, including the receipt of Shares under Section 6. The Participant shall hold the Company harmless for any damages caused by his or her failure to so comply and for any other damages caused by his or her actions or inactions.
 - (b) The Participant will pay withholding taxes attributable to the receipt of Shares in cash, by having Shares withheld by the Company from any Shares that would otherwise be received by the Participant under the Agreement (in which case, the number of Shares so withheld shall have an aggregate Fair Market Value at the time of such withholding sufficient to satisfy the applicable withholding taxes), or by any other method approved

by the Committee. If the Participant does not satisfy the withholding obligation by cash payment within a reasonable time established by the Committee, the Participant's withholding obligation shall be satisfied by the Company's withholding of Shares from the vested PSUs.

- (c) The Company shall deduct from the dividend equivalents paid to the Participant pursuant to Section 8 the Participant's withholding obligation arising from such payment.

10. Change in Control. The PSUs are subject to the Change in Control provisions as set forth in detail in the Program, provided that, and notwithstanding anything in the Program to the contrary, performance for purposes of determining the vesting of the PSUs shall be determined based on the highest Stock Price Hurdle achieved on or prior to the Change in Control, with the per share Change in Control consideration to be used to determine whether the Stock Price Hurdle was achieved as of the date of the Change in Control and the PSUs to continue to vest in installments on the Vesting Dates set forth above commensurate with the attained Stock Price Hurdle(s), subject to any accelerated vesting for a termination by the Company without Cause or the Participant's voluntary termination due to the existence of Good Reason, in either case during the two-year period beginning on the date of a Change in Control, as provided in the Program.

11. Forfeiture of PSUs.

- (a) Subject to Section 11(b), the Participant's PSUs shall be forfeited to the Company upon the Participant's termination of Continuous Service with the Company and its Subsidiaries and Affiliates for any reason other than (a) the Participant's death or termination by the Company due to Disability that occurs prior to the date the PSUs vest as provided in Section 3 above or (b) the Participant's termination by the Company without Cause or the Participant's voluntary termination due to the existence of Good Reason, in either case during the two-year period beginning on the date of a Change in Control, as provided in Section 10 above. For the avoidance of doubt, the Company's Bonus, Restricted Stock Unit, and Performance Stock Unit Retirement Policy shall not apply to the PSUs.
- (b) This Section 11 shall be subject to any Company plan or written employment, severance or similar agreement in effect as of the Grant Date between the Participant and the Company, and the provisions in such agreement concerning the vesting of the PSUs in connection with the Participant's termination of Continuous Service shall supersede any inconsistent or contrary provision of this Section 11.

12. Miscellaneous.

- (a) The granting of an Award under the Program and the Agreement shall impose no obligation on the Company or any Subsidiary or Affiliate to

continue the employment relationship or any other relationship between it and the Participant and shall not lessen or affect the Company's, Subsidiary's or Affiliate's right to terminate its relationship with the Participant. The Participant shall have no claim to be granted any further or other Award under the Program, and there is no obligation for uniformity of treatment of the Participants. The Participant acknowledges and agrees that: (i) the Program is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time; (ii) the grant of PSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of PSUs, or benefits in lieu of PSUs, even if PSUs have been granted repeatedly in the past; (iii) all decisions with respect to future PSU grants, if any, will be at the sole discretion of the Company; (iv) participation in the Program is voluntary; (v) the PSUs are not a part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; (vi) the future value of the underlying shares is unknown and cannot be predicted with certainty; and (vii) in consideration of the grant of PSUs, no claim or entitlement to compensation or damages shall arise from termination of the PSUs or diminution in value of the PSUs or Shares received upon vesting including (without limitation) any claim or entitlement resulting from termination of the Participant's active employment by the Company or a Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and the Participant hereby releases the Company and its Subsidiaries and Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim.

- (b) The Agreement shall, subject to the terms hereof, terminate upon the forfeiture and/or vesting of all PSUs and dividend equivalents granted to the Participant hereunder, unless otherwise agreed upon by the parties hereto.
- (c) The Agreement may be amended by the written agreement of the Company and the Participant. Notwithstanding the foregoing, (i) the Company may amend or alter the Agreement, without the consent of the Participant so long as such amendment or alteration would not materially impair any of the rights or obligations under any Award theretofore granted to the Participant under the Program; and (ii) the Committee may amend the Agreement in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws.

- (d) The parties agree that the Agreement shall be governed by and interpreted and construed in accordance with the laws of the United States and, in particular, those of the State of Delaware without regard to its conflict of law principles. Furthermore, to the extent not prohibited under applicable law, and unless the Company affirmatively elects in writing to allow the proceeding to be brought (or itself brings such a proceeding) in a different venue, the parties agree that any suit, action or proceeding with respect to the Program, the PSUs or the Agreement shall be brought in the state courts in Chicago, Illinois or in the U.S. District Court for the Northern District of Illinois. The parties hereby accept the exclusive jurisdiction of those courts for the purpose of any such suit, action or proceeding. Venue for any such action, in addition to any other venue required or otherwise mandated by statute, will be in Chicago, Illinois. Each party further agrees to waive any applicable right to a jury trial, and expressly elects to have the matter heard as a bench trial.
- (e) Unless waived by the Company, any notice to the Company required under or relating to the Agreement shall be in writing and addressed to:

Chief Legal Officer & Corporate Secretary
Heidrick & Struggles International, Inc.
233 South Wacker Drive
Suite 4900
Chicago, IL 60606-6303

13. Program Governs. All terms and conditions of the Program, including, without limitation, Section 21 of the Program, are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Program and the Agreement, the terms and conditions of the Program, as interpreted by the Committee, shall govern.
14. Data Privacy. By signing below, the Participant voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this Section 14. The Participant is not obliged to consent to such collection, use, processing and transfer of personal data. However, the Participant's failure to provide the consent may affect the Participant's ability to participate in the Program. The Company and its Subsidiaries and Affiliates hold certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, employee identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all options or any other rights or entitlements to shares of stock in the Participant's favor, for the purpose of managing and administering the Program ("Data"). The Company, its Subsidiaries and its Affiliates will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Program, and the Company and any of its Subsidiaries or Affiliates may each further transfer Data to any third parties assisting in the implementation, administration and management of the Program. These recipients may be located in the European

Economic Area, or elsewhere throughout the world, such as the United States. The Participant authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Program, including any requisite transfer of such Data as may be required for the administration of the Program and/or the subsequent holding of Shares on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any Shares acquired pursuant to the Program. The Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, by withdrawing consent, the Participant will affect his or her ability to participate in the Program.

15. Rights as a Shareholder. Except as set forth in Section 8, the Participant shall not be entitled to any privileges of ownership with respect to the Shares subject to the PSUs unless and until, and only to the extent, such shares become vested and are delivered to the Participant pursuant to Section 6 hereof and the Participant becomes a shareholder of record with respect to such shares.
16. Investment Representation. The Participant hereby covenants that (a) any sale of any Shares acquired upon the vesting of the PSUs shall be made either pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws and (b) the Participant shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance of the shares and, in connection therewith, shall execute any documents which the Committee shall in its sole discretion deem necessary or advisable.
17. Compliance with Applicable Law. The PSUs is subject to the condition that if the listing, registration or qualification of the Shares subject to the PSUs upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the Shares subject to the PSUs shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.
18. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of the Participant, acquire any rights hereunder in accordance with this Agreement or the Program.
19. Entire Agreement. This Agreement and the Program constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, and may not be modified

adversely to the Participant's interest except by means of a writing signed by the Company and the Participant; provided, however, that for the avoidance of doubt, nothing herein supersedes the terms of the employment agreement between the Participant and the Company dated January 23, 2024.

20. Partial Invalidity. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.
21. Compliance with Section 409A of the Code. The PSUs are intended to be exempt from or comply with Section 409A of the Code, and shall be interpreted and construed accordingly, and each settlement hereunder shall be considered a separate payment for purposes of Section 409A of the Code. To the extent this Agreement provides for the PSUs to become vested and be settled upon the Participant's termination of employment, the applicable Shares shall be transferred to the Participant or his or her beneficiary upon the Participant's "separation from service," within the meaning of Section 409A of the Code; provided that if the Participant is a "specified employee," within the meaning of Section 409A of the Code, then to the extent the Award constitutes nonqualified deferred compensation, within the meaning of Section 409A of the Code, such Shares shall be transferred to the Participant or his or her beneficiary upon the earlier to occur of (i) the six-month anniversary of such separation from service and (ii) the date of the Participant's death.
17. Execution of the Agreement.
 - (a) The parties agree that this Agreement shall be considered executed by both parties executing the Agreement as the first page hereof, which is a part hereof.
 - (b) This Agreement, or any amendments thereto, may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

Performance Stock Unit Participation Agreement

This Performance Stock Unit Participation Agreement (the “Agreement”) is dated as of March 8, 2024 and sets forth the terms and conditions of the Award described below made by Heidrick & Struggles International, Inc. (the “Company”) to [Name] (the “Participant”), pursuant to the Fourth Amended and Restated 2012 Heidrick & Struggles GlobalShare Program, as amended from time to time (the “Program”).

As of March 8, 2024 (the “Grant Date”), the Company has granted a target award of [_____] Performance Stock Units (“PSUs”) to the Participant as set forth herein. The PSUs are granted pursuant to the Program and are governed by the terms and conditions of the Program. All defined terms used herein, unless specifically defined in this Agreement, have the meanings assigned to them in the Program. Certain provisions related to vesting of the PSUs are subject to the Company’s Bonus, Restricted Stock Unit, and Performance Stock Unit Retirement Policy (the “Retirement Policy”). The Participant agrees to be bound by all terms and conditions of the Agreement, the Program and the Retirement Policy, and has received and reviewed a copy of the Retirement Policy, the Program and the Prospectus for the Program dated June 14, 2023.

The PSUs granted under this Agreement shall not become valid or enforceable unless and until the Participant executes the Agreement and it is accepted by the Company. The Participant agrees and acknowledges that he or she is permitted to take at least fourteen (14) calendar days in which to consider and review this Agreement before signing; provided that to the extent the Participant reviews and signs this Agreement in less than fourteen (14) days, Participant acknowledges and agrees that he or she has voluntarily and knowingly waived such additional time. By the Participant’s signature and the Company’s signature below, the Participant and the Company agree that this constitutes the signature page of the Agreement. Participant further agrees that the PSUs are granted under and governed by the terms and conditions of the Agreement and the Program. Agreements that are not signed and returned shall be invalid and unenforceable.

As a material condition and inducement to the Company’s grant of PSUs to the Participant, the Participant agrees that he or she has received and reviewed the Program, the Retirement Policy, as amended from time to time, and the Prospectus, and the Participant further agrees to be bound by all of the terms and conditions of the Agreement, the Retirement Policy, and the Program, as may be amended by the Company from time to time. The Participant also acknowledges and agrees that in addition to the PSUs granted under this Agreement, all other unvested outstanding PSUs to which the Participant is eligible under any other agreement, plan, or policy as of the Grant Date are subject to the Retirement Policy. Participant further agrees that he or she has been advised to consult with an attorney if Participant so chooses (at Participant’s cost) before executing this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed the Agreement as of the date first set forth above.

Name: [Name]

Heidrick & Struggles International, Inc.

By: ____
Name: Tracey Heaton
Title: Chief Legal Officer & Corporate Secretary

NOW, THEREFORE, in consideration of the agreements of the Participant herein provided and pursuant to the Program, the parties agree as follows:

1. **Definitions.** All capitalized terms used herein, unless specifically defined herein, shall have the same meanings as established in the Program.
2. **Participation.** Pursuant to the Program and contingent upon the execution of the Agreement, the Company hereby grants to the Participant a target award of 4,150 PSUs subject to the terms and conditions herein.
3. **Vesting of PSUs.**
 - (a) The number of [] PSUs granted under the Agreement that shall vest on March 8, 2027 is subject to the following performance and employment conditions:
 - (i) 50% of the target PSU Award will be based upon the attainment of Adjusted EBITDA Margin goals for the 3-year period from January 1, 2024 through December 31, 2026 (the "Performance Period"). The attainment will be in accordance with the schedule set forth below.

<i>3-year Adjusted EBITDA Margin</i>	<i>Percentage of Target PSUs Vesting</i>
Intentionally omitted due to competitive nature of information	200% (Maximum)
	100% (Target)
	50% (Threshold)
	0 %

For performance greater than 100% and less than 200% of target, or performance less than 100% and greater than 50% of target, the vesting percentage will be interpolated.

Except as set forth in Section 10 below, the portion of the target PSU Award that does not vest in accordance with the schedule set forth above shall be forfeited to the Company.

- (ii) 50% of the target PSU Award will be based upon the attainment of Total Shareholder Return ("R-TSR") performance relative to the HR & Employment Services Industry. The attainment will be in accordance with the schedule set forth below.

<i>3-year R-TSR</i>	<i>Percentage of Target PSUs Vesting</i>
75 th Percentile or greater	200% (Maximum)
50 th Percentile	100% (Target)
25 th Percentile	50% (Threshold)
Less than 25 th Percentile	0 %

For performance greater than the 50th percentile and less than the 75th percentile or performance less than the 50th percentile and greater than the 25th percentile, the vesting percentage will be interpolated.

Except as set forth in Section 10 below, the portion of the target PSU Award that does not vest in accordance with the schedule set forth above shall be forfeited to the Company.

- (iii) The Participant must remain in Continuous Service through the vesting date. For purposes of the Agreement, “Continuous Service” shall mean the Participant’s service with the Company or any Subsidiary or Affiliate as an employee, or the Participant’s service as a member of the Board of Directors of the Company, has not been interrupted or terminated, and shall include any period during which the Participant is on an approved leave of absence from the Company or its Subsidiaries or Affiliates; provided, however, a change in the status in which the Participant renders service to the Company or its Subsidiaries or Affiliates or a change in the entity for which the Participant renders such service shall not constitute an interruption or termination of the Participant’s employment or service for purposes of this Agreement, so long as there is no interruption or termination of the Participant’s services to the Company or its Subsidiaries or Affiliates; provided, further, that if the entity employing or engaging the Participant ceases to be an Affiliate of the Company, the Participant’s employment or service shall be considered to have terminated on the date such entity ceased to be an Affiliate. Except as set forth in Section 3(b), upon the Participant’s termination of Continuous Service prior to the vesting date, the terms of Section 11 shall apply.
- (b) Notwithstanding the terms of Section 3(a) above, if the Participant’s Continuous Service is terminated as a result of the Participant’s death or termination by the Company due to Disability, the target number of PSUs granted to the Participant under the Agreement will immediately vest.
- (c) In the case of a Participant who is both an employee of the Company or any Subsidiary or Affiliate and a member of the Board of Directors of the

Company, Continuous Service shall not end until the Participant's service as both an employee and a director terminates.

4. Characteristics of PSUs.

- (a) PSUs are not Shares and the grant of a target number of PSUs shall provide only those rights expressly set forth in the Agreement and the Program. The Participant is not deemed to be a stockholder in the Company or have any of the rights of a stockholder in the Company by virtue of the grant of PSUs.
- (b) The Participant does not have voting rights or any other rights inherent to the ownership of Shares, including the rights to dividends (other than as provided in Section 8), or other liquidating or non-liquidating distributions, by virtue of being granted PSUs.
- (c) Neither the PSUs nor any right hereunder or under the Program shall be transferable or be subject to attachment, execution or other similar process. In the event of any attempt by the Participant to alienate, assign, pledge, hypothecate or otherwise dispose of the PSUs or of any right hereunder or under the Program, except as provided for in the Program, or in the event of any levy or any attachment, execution or similar process upon the rights or interest conferred by the PSUs, the Company may terminate the PSUs by notice to the Participant and the PSUs and any related rights, including the right to dividend equivalents as described in Section 8, shall thereupon be cancelled.

5. Effect of Vesting.

- (a) If, and at the time, the Participant's PSUs vest under the terms of Section 3 or Section 10, such Participant shall receive as full consideration for the PSUs a number of Shares equal to the number of PSUs which vested on such date.
- (b) The PSUs granted to the Participant shall be maintained in a bookkeeping account with the custodian appointed by the Committee from time to time (the "Custodian") for such Participant if and until the PSUs are converted into Shares pursuant to this Section 5, at which time the Shares shall be issued to the Participant in accordance with Section 6 below.

6. Delivery of Shares to the Participant. As soon as practicable after the PSUs vest and are converted into Shares, and subject to the terms of this Agreement, the Custodian shall, without transfer or issue tax or other incidental expense to the Participant, deliver to the Participant by first-class insured mail addressed to the Participant at the address shown on page 1 or the last address of record on file with the Custodian, (a) a statement from the Custodian referencing the number of Shares held in the Participant's name in a book entry account, or (b) at the Participant's request, certificate(s) for the number of Shares as to which the PSUs

vested. In any event, Shares due the Participant shall be delivered as described above no later than March 15 of the year following the calendar year in which such PSUs vest.

7. Compensation Recovery. The Participant's PSUs are subject to any clawback or recoupment policies in effect as of the Grant Date or which the Company may amend or adopt from time to time to comply with applicable law or listing standard.
8. Dividend Equivalents. The Company shall credit the Participant's PSU account with an amount equal to the dividends, if any, that would be paid with respect to the unvested target PSUs as if the PSUs were actual Shares to a shareholder as of the record date. Such amount shall be credited to the Participant's PSU account at the same time dividends are paid with respect to the Shares, shall be subject to the vesting and forfeiture provisions set forth in Sections 3, 10 and 11 of the Agreement, and shall be paid to the Participant in cash, on the first payroll date following the date the Participant's related PSUs vest and are issued as Shares to the Participant (but in any event no later than March 15 of the year following the calendar year in which such PSUs vest).
9. Tax Withholdings and Payments.
 - (a) The Company or any Subsidiary or Affiliate is authorized to withhold from any payment to be made to the Participant, amounts of income tax withholding and other taxes due in connection with compensation or any other transaction under the Program, including the receipt of Shares under Section 6. The Participant shall hold the Company harmless for any damages caused by his or her failure to so comply and for any other damages caused by his or her actions or inactions.
 - (b) The Participant will pay withholding taxes attributable to the receipt of Shares in cash, by having Shares withheld by the Company from any Shares that would otherwise be received by the Participant under the Agreement (in which case, the number of Shares so withheld shall have an aggregate Fair Market Value at the time of such withholding sufficient to satisfy the applicable withholding taxes), or by any other method approved by the Committee. If the Participant does not satisfy the withholding obligation by cash payment within a reasonable time established by the Committee, the Participant's withholding obligation shall be satisfied by the Company's withholding of Shares from the vested PSUs.
 - (c) The Company shall deduct from the dividend equivalents paid to the Participant pursuant to Section 8 the Participant's withholding obligation arising from such payment.

10. Change in Control. The PSUs are subject to the Change of Control provisions as set forth in detail in the Program.
11. Forfeiture of PSUs.
 - a. Subject to Section 11(b), the Participant's PSUs shall be forfeited to the Company upon the Participant's termination of Continuous Service with the Company and its Subsidiaries and Affiliates for any reason other than (a) the Participant's death or termination by the Company due to Disability that occurs prior to the date the PSUs vest as provided in Section 3 above or (b) the Participant's termination by the Company or any Subsidiary or Affiliate without Cause or the Participant's voluntary termination due to the existence of Good Reason, in either case during the two-year period beginning on the date of a Change in Control, as provided in Section 10 above.
 - b. This Section 11 shall be subject to the provisions of the Retirement Policy in effect as of Grant Date and any subsequent amendments thereto applicable to this Agreement, and any other Company plan or written employment, severance or similar agreement in effect as of the Grant Date between the Participant and the Company, and the provisions in such Retirement Policy or agreement concerning the vesting of the PSUs in connection with the Participant's termination of Continuous Service shall supersede any inconsistent or contrary provision of this Section 11.
 - c. Subject to applicable law and the Retirement Policy and to the extent the Participant is eligible for time-based vesting under the terms of the Retirement Policy, Participant shall forfeit all outstanding PSUs awarded hereunder if Participant engages in any of the non-competition, non-solicitation, and/or non-disparagement obligations set forth in Section IV of the Retirement Policy.
 - d. This Section 11 does not constitute the Company's exclusive remedy for the Participant's violation of any post-employment obligations owed to the Company, including but not limited to any obligations of confidentiality, or restrictive covenants that may exist in the Participant's employment agreement, where applicable.
 - e. The Participant acknowledges that the Participant's obligations under this Section 11 are reasonable in the context of the nature of the Company's business, its strategic and cumulative investments in longstanding client relationships, and the competitive injuries likely to be sustained by the Company if the Participant were to violate such obligations. The Participant further acknowledges that this Agreement is made in consideration of, and is adequately supported by, the agreement of the Company to perform its obligations under this Agreement and by other consideration, which the Participant acknowledges constitutes good, valuable and sufficient consideration.

12. Miscellaneous.

- (a) The granting of an Award under the Program and the Agreement shall impose no obligation on the Company or any Subsidiary or Affiliate to continue the employment relationship or any other relationship between it and the Participant and shall not lessen or affect the Company's, Subsidiary's or Affiliate's right to terminate its relationship with the Participant. The Participant shall have no claim to be granted any further or other Award under the Program, and there is no obligation for uniformity of treatment of the Participants. The Participant acknowledges and agrees that: (i) the Program is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time; (ii) the grant of PSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of PSUs, or benefits in lieu of PSUs, even if PSUs have been granted repeatedly in the past; (iii) all decisions with respect to future PSU grants, if any, will be at the sole discretion of the Company; (iv) participation in the Program is voluntary; (v) the PSUs are not a part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; (vi) the future value of the underlying shares is unknown and cannot be predicted with certainty; and (vii) in consideration of the grant of PSUs, no claim or entitlement to compensation or damages shall arise from termination of the PSUs or diminution in value of the PSUs or Shares received upon vesting including (without limitation) any claim or entitlement resulting from termination of the Participant's active employment by the Company or a Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and the Participant hereby releases the Company and its Subsidiaries and Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim.
- (b) The Agreement shall, subject to the terms hereof, terminate upon the forfeiture and/or vesting of all PSUs and dividend equivalents granted to the Participant hereunder, unless otherwise agreed upon by the parties hereto.
- (c) The Agreement may be amended by the written agreement of the Company and the Participant. Notwithstanding the foregoing, (i) the Company may amend or alter the Agreement, without the consent of the Participant so long as such amendment or alteration would not materially impair any of the rights or obligations under any Award theretofore granted to the Participant under the Program; and (ii) the Committee may amend the Agreement in such manner as it deems necessary to permit the

granting of Awards meeting the requirements of the Code or other applicable laws.

- (d) The parties agree that the Agreement shall be governed by and interpreted and construed in accordance with the laws of the United States and, in particular, those of the State of Delaware without regard to its conflict of law principles. Furthermore, to the extent not prohibited under applicable law, and unless the Company affirmatively elects in writing to allow the proceeding to be brought (or itself brings such a proceeding) in a different venue, the parties agree that any suit, action or proceeding with respect to the Program, the PSUs or the Agreement shall be brought in the state courts in Chicago, Illinois or in the U.S. District Court for the Northern District of Illinois. The parties hereby accept the exclusive jurisdiction of those courts for the purpose of any such suit, action or proceeding. Venue for any such action, in addition to any other venue required or otherwise mandated by statute, will be in Chicago, Illinois. Each party further agrees to waive any applicable right to a jury trial, and expressly elects to have the matter heard as a bench trial.
- (e) Unless waived by the Company, any notice to the Company required under or relating to the Agreement shall be in writing and addressed to:

Chief Legal Officer & Corporate Secretary
Heidrick & Struggles International, Inc.
233 South Wacker Drive
Suite 4900
Chicago, IL 60606-6303

13. Program Governs. All terms and conditions of the Program are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Program and the Agreement, the terms and conditions of the Program, as interpreted by the Committee, shall govern.
14. Data Privacy. By signing below, the Participant voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this Section 14. The Participant is not obliged to consent to such collection, use, processing and transfer of personal data. However, the Participant's failure to provide the consent may affect the Participant's ability to participate in the Program. The Company and its Subsidiaries and Affiliates hold certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, employee identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all options or any other rights or entitlements to shares of stock in the Participant's favor, for the purpose of managing and administering the Program ("Data"). The Company, its Subsidiaries and its Affiliates will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Program, and the Company and any of its Subsidiaries or Affiliates may each further

transfer Data to any third parties assisting in the implementation, administration and management of the Program. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Program, including any requisite transfer of such Data as may be required for the administration of the Program and/or the subsequent holding of Shares on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any Shares acquired pursuant to the Program. The Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, by withdrawing consent, the Participant will affect his or her ability to participate in the Program.

15. Rights as a Shareholder. Except as set forth in Section 8, the Participant shall not be entitled to any privileges of ownership with respect to the Shares subject to the PSUs unless and until, and only to the extent, such shares become vested and are delivered to the Participant pursuant to Section 6 hereof and the Participant becomes a shareholder of record with respect to such shares
16. Investment Representation. The Participant hereby covenants that (a) any sale of any Shares acquired upon the vesting of the PSUs shall be made either pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws and (b) the Participant shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance of the shares and, in connection therewith, shall execute any documents which the Committee shall in its sole discretion deem necessary or advisable.
17. Compliance with Applicable Law. The PSUs is subject to the condition that if the listing, registration or qualification of the Shares subject to the PSUs upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the Shares subject to the PSUs shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.
18. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of the Participant, acquire any rights hereunder in accordance with this Agreement or the Program.

19. Entire Agreement. This Agreement and the Program constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and the Participant.
20. Partial Invalidity. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.
21. Compliance With Section 409A of the Code.
 - a. The PSUs are intended to be exempt from or comply with Section 409A of the Code, and shall be interpreted and construed accordingly, and each settlement hereunder shall be considered a separate payment for purposes of Section 409A of the Code. To the extent this Agreement provides for the PSUs to become vested and be settled upon the Participant's termination of employment, the applicable Shares shall be transferred to the Participant or his or her beneficiary upon the Participant's "separation from service," within the meaning of Section 409A of the Code; provided that if the Participant is a "specified employee," within the meaning of Section 409A of the Code, then to the extent the Award constitutes nonqualified deferred compensation, within the meaning of Section 409A of the Code, such Shares shall be transferred to the Participant or his or her beneficiary upon the earlier to occur of (i) the six-month anniversary of such separation from service and (ii) the date of the Participant's death.
 - b. Notwithstanding any other provision in this Agreement, the Retirement Policy, the Program or any other agreement governing the vesting and settlement of the PSUs, to the extent required to comply with Section 409A of the Code with respect to any payments hereunder that constitute nonqualified deferred compensation, within the meaning of Section 409A of the Code, then (A) if the PSUs vest upon the Participant's termination due to Disability under Section 3(b) and the Participant would satisfy the age and service requirements to receive vesting under the Retirement Policy at any time prior to the vesting of the PSUs, then the PSUs will vest in accordance with Section 3(b) but will be settled in accordance with the continued vesting and settlement provisions set forth in the Retirement Policy, (B) if the Participant's employment is terminated by the Company without Cause or by the Holder for Good Reason under Section 10(b) of the Program and the Participant would satisfy the age and service requirements to receive vesting under the Retirement Policy and the Change in Control is not a "change in control event" within the meaning of Section 409A of the Code, then the Award will vest in accordance with Section 10 of the Program but will be settled in accordance with the continued vesting and settlement provisions set forth in the Retirement Policy, and (C) if at the time of the Change in Control the PSUs are not Assumed (as defined in the Program) and the Change in Control is

not a “change in control event” within the meaning of Section 409A of the Code or the settlement of the PSUs at the time of the Change in Control would otherwise be prohibited under Section 409A of the Code, the PSUs will vest at the time of the Change in Control and will be settled in accordance with the terms of this Agreement and the Retirement Policy, as applicable.

22. Execution of the Agreement.

- (a) The parties agree that this Agreement shall be considered executed by both parties executing the Agreement as the first page hereof, which is a part hereof.
- (b) This Agreement, or any amendments thereto, may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

Restricted Stock Unit Participation Agreement

This Restricted Stock Unit Participation Agreement (the “Agreement”) is dated as of March 8, 2024 and sets forth the terms and conditions of the Award described below made by Heidrick & Struggles International, Inc. (the “Company”) to [Name] (the “Participant”), pursuant to the Fourth Amended and Restated 2012 Heidrick & Struggles GlobalShare Program, as amended from time to time (the “Program”).

As of March 8, 2024 (the “Grant Date”), the Company has granted [_____] Restricted Stock Units (“RSUs”) to the Participant as set forth herein. The RSUs are granted pursuant to the Program and are governed by the terms and conditions of the Program. All defined terms used herein, unless specifically defined in this Agreement, have the meanings assigned to them in the Program. Certain provisions related to vesting of the RSUs are subject to the Company’s Bonus, Restricted Stock Unit, and Performance Stock Unit Retirement Policy (the “Retirement Policy”). The Participant agrees to be bound by all terms and conditions of the Agreement, the Program and the Retirement Policy, and has received and reviewed a copy of the Retirement Policy, the Program and the Prospectus for the Program dated June 14, 2023.

The RSUs granted under this Agreement shall not become valid or enforceable unless and until the Participant executes the Agreement and it is accepted by the Company. The Participant agrees and acknowledges that he or she is permitted to take at least fourteen (14) calendar days in which to consider and review this Agreement before signing; provided that to the extent the Participant reviews and signs this Agreement in less than fourteen (14) days, Participant acknowledges and agrees that he or she has voluntarily and knowingly waived such additional time. By the Participant’s signature and the Company’s signature below, the Participant and the Company agree that this constitutes the signature page of the Agreement. Participant further agrees that the RSUs are granted under and governed by the terms and conditions of the Agreement and the Program. Agreements that are not signed and returned shall be invalid and unenforceable.

As a material condition and inducement to the Company’s grant of RSUs to the Participant, the Participant agrees that he or she has received and reviewed the Program, the Retirement Policy, as amended from time to time, and the Prospectus, and the Participant further agrees to be bound by all of the terms and conditions of the Agreement, the Retirement Policy, and the Program, as may be amended by the Company from time to time. The Participant also acknowledges and agrees that in addition to the RSUs granted under this Agreement, all other unvested outstanding RSUs to which the Participant is eligible under any other agreement, plan, or policy as of the Grant Date are subject to the Retirement Policy. Participant further agrees that he or she has been advised to consult with an attorney if Participant so chooses (at Participant’s cost) before executing this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed the Agreement as of the date first set forth above.

Name: [Name]

Heidrick & Struggles International, Inc.

By: ____
Name: Tracey Heaton
Title: Chief Legal Officer & Corporate Secretary

NOW, THEREFORE, in consideration of the agreements of the Participant herein provided and pursuant to the Program, the parties agree as follows:

1. Definitions. All capitalized terms used herein, unless specifically defined herein, shall have the same meanings as established in the Program.
2. Participation. Contingent upon the execution of the Agreement, the Company hereby grants to the Participant [] RSUs subject to the terms and conditions herein.
3. Vesting of RSUs.
 - a. Subject to Section 3(b) and Section 9 below, all RSUs granted under the Agreement shall vest in accordance with the schedule set forth below; provided the Participant has been in Continuous Service through each vesting date. Except as set forth in Section 3(b), upon the Participant's termination of Continuous Service prior to the vesting date, the terms of Section 10 shall apply. For purposes of the Agreement, "Continuous Service" shall mean the Participant's service with the Company or any Subsidiary or Affiliate as an employee, or the Participant's service as a member of the Board of Directors of the Company, has not been interrupted or terminated, and shall include any period during which the Participant is on an approved leave of absence from the Company or its Subsidiaries or Affiliates; provided, however, a change in the status in which the Participant renders service to the Company or its Subsidiaries or Affiliates or a change in the entity for which the Participant renders such service shall not constitute an interruption or termination of the Participant's employment or service for purposes of this Agreement, so long as there is no interruption or termination of the Participant's services to the Company or its Subsidiaries or Affiliates; provided, further, that if the entity employing or engaging the Participant ceases to be an Affiliate of the Company, the Participant's employment or service shall be considered to have terminated on the date such entity ceased to be an Affiliate.

<i>Vesting Date</i>	<i>Number of Shares Vesting</i>
March 8, 2025	[]
March 8, 2026	[]
March 8, 2027	[]

- b. If the Participant's Continuous Service is terminated as a result of the Participant's death or termination by the Company due to Disability, all RSUs granted to the Participant under the Agreement will immediately vest.
- c. In the case of a Participant who is both an employee of the Company or any Subsidiary or Affiliate and a member of the Board of Directors of the Company,

Continuous Service shall not end until the Participant's service as both an employee and a director terminates.

4. Effect of Vesting.

- a. If, and at the time, the Participant's RSUs vest under the terms of Section 3 or Section 9, and subject to the terms of this Agreement, such Participant shall receive as full consideration for the RSUs a number of Shares equal to the number of RSUs which vested on such date.
- b. The RSUs granted to the Participant shall be maintained in a bookkeeping account with the custodian appointed by the Human Resources & Compensation Committee of the Board (the "Committee") from time to time (the "Custodian") for such Participant if and until the RSUs are converted into Shares pursuant to this Section 4, at which time the Shares shall be issued to the Participant in accordance with Section 5 below.

5. Delivery of Shares to the Participant. As soon as practicable after the RSUs vest and are converted into Shares, and subject to the terms of this Agreement, the Custodian shall, without transfer or issue tax or other incidental expense to the Participant, deliver to the Participant by first-class insured mail addressed to the Participant at the address shown on page 1 or the last address of record on file with the Custodian, (i) a statement from the Custodian referencing the number of Shares held in the Participant's name in a book entry account, or (ii) at the Participant's request, certificate(s) for the number of Shares as to which the Shares vested. In any event, Shares due to the Participant shall be delivered as described above no later than March 15 of the year following the calendar year in which such RSUs vest.

6. Compensation Recovery. The Participant's RSUs are subject to any clawback or recoupment policies in effect as of the Grant Date or which the Company may amend or adopt from time to time to comply with applicable law or listing standard.

7. Dividend Equivalents. The Company shall credit the Participant's RSU account with an amount equal to the dividends, if any, that would be paid with respect to the unvested RSUs as if the RSUs were actual Shares to a shareholder as of the record date. Such amount shall be credited to the Participant's RSU account at the same time dividends are paid with respect to the Shares, shall be subject to the vesting and forfeiture provisions set forth in Sections 3, 9 and 10 of the Agreement, and shall be paid to the Participant in cash, on the first payroll date following when the Participant's related RSUs vest and are issued as Shares to the Participant or settled in cash, or as soon as practical thereafter (but in any event no later than March 15 of the year following the calendar year in which such RSUs vest).

8. Tax Withholdings and Payments.

- a. The Company or any Subsidiary or Affiliate is authorized to withhold from any payment to be made to the Participant under this Agreement with respect to the RSUs, amounts of income tax withholding and other taxes due in connection with compensation or any other transaction under the Program, including the receipt of Shares under Section 5. The Participant shall hold the Company and its Subsidiaries and Affiliates harmless for any damages caused by his or her failure to so comply and for any other damages caused by his or her actions or inactions.
- b. The Participant will pay withholding taxes attributable to the receipt of Shares in cash, by having Shares withheld by the Company from any Shares that would otherwise be received by the Participant under the Agreement (in which case, the number of Shares so withheld shall have an aggregate Fair Market Value at the time of such withholding sufficient to satisfy the applicable withholding taxes), or by any other method approved by the Committee. If the Participant does not satisfy the withholding obligation by cash payment within a reasonable time established by the Committee, the Participant's withholding obligation shall be satisfied by the Company's withholding of Shares from the vested RSUs.
- c. The Company shall deduct from the dividend equivalents paid to the Participant pursuant to Section 7 the Participant's withholding obligation arising from such payment.

9. Change in Control. The RSUs are subject to the Change of Control provisions as set forth in detail in the Program.

10. Forfeiture of RSUs.

- a. Subject to Section 10(b), the Participant's unvested RSUs shall be forfeited to the Company upon the Participant's termination of Continuous Service with the Company and its Subsidiary and Affiliates for any reason other than (a) the Participant's death or termination by the Company due to Disability that occurs prior to the date the RSUs vest as provided in Section 3 above; (b) the Participant's termination of Continuous Service by the Company or any Subsidiary or Affiliate without Cause or the Participant's voluntary termination due to the existence of Good Reason, in either case during the two-year period beginning on the date of a Change in Control, as provided in Section 9 above; or (c) in the case of the Chief Executive Officer and/or Tier I Participants, in the event of the Participant's termination of Continuous Service by the Company without Cause as outlined in the Company's Management Severance Pay Plan (the "Severance Pay Plan").
- b. This Section 10 shall be subject to the provisions of the Retirement Policy in effect as of the Grant Date and any subsequent amendments thereto applicable to

this Agreement, and any other Company plan or written employment, severance or similar agreement in effect as of the Grant Date between the Participant and the Company, and the provisions in such Retirement Policy or agreement concerning the vesting of RSUs in connection with the Participant's termination of Continuous Service shall supersede any inconsistent or contrary provision of this Section 10.

- c. Subject to applicable law and the Retirement Policy, and to the extent the Participant is eligible for time-based vesting under the terms of the Retirement Policy, Participant shall forfeit all outstanding RSUs awarded hereunder if Participant engages in any of the non-competition, non-solicitation, and/or non-disparagement obligations set forth in Section IV of the Retirement Policy.
- d. This Section 10 does not constitute the Company's exclusive remedy for the Participant's violation of any post-employment obligations owed to the Company, including but not limited to any obligations of confidentiality, or restrictive covenants that may exist in the Participant's employment agreement, where applicable.
- e. The Participant acknowledges that the Participant's obligations under this Section 10 are reasonable in the context of the nature of the Company's business, its strategic and cumulative investments in longstanding client relationships, and the competitive injuries likely to be sustained by the Company if the Participant were to violate such obligations. The Participant further acknowledges that this Agreement is made in consideration of, and is adequately supported by, the agreement of the Company to perform its obligations under this Agreement and by other consideration, which the Participant acknowledges constitutes good, valuable and sufficient consideration.

11. Miscellaneous.

- a. The Company or any Subsidiary or Affiliate shall have no obligation to continue the employment relationship or any other relationship as a result of an Award under the Program and/or the Agreement. The Participant acknowledges and agrees that: (i) the Program is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time; (ii) the grant of RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted repeatedly in the past; (iii) all decisions with respect to future RSU grants, if any, will be at the sole discretion of the Company; (iv) participation in the Program is voluntary; (v) the RSUs are not a part of normal or expected compensation or salary for any purposes; (vi) the future value of the underlying shares is unknown and cannot be predicted with certainty; and (vii) in consideration of the grant of RSUs, no claim or entitlement to compensation or damages shall arise from termination of the

RSUs or diminution in value of the RSUs or Shares received upon vesting including (without limitation) any claim or entitlement resulting from termination of the Participant's active employment by the Company or a Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and the Participant hereby releases the Company and its Subsidiaries and Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim.

- b. The Agreement shall, subject to the terms hereof, terminate upon the forfeiture and/or vesting of all RSUs and dividend equivalents granted to the Participant hereunder, unless otherwise agreed upon by the parties hereto.
- c. The Agreement may be amended by the written agreement of the Company and the Participant. Notwithstanding the foregoing, (i) the Company may amend or alter the Agreement, without the consent of the Participant so long as such amendment or alteration would not materially impair any of the rights or obligations under any Award theretofore granted to the Participant under the Program; and (ii) the Committee may amend the Agreement in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws.
- d. The parties agree that the Agreement shall be governed by and interpreted and construed in accordance with the laws of the United States and, in particular, those of the State of Delaware without regard to its conflict of law principles. Furthermore, to the extent not prohibited under applicable law, and unless the Company affirmatively elects in writing to allow the proceeding to be brought (or itself brings such a proceeding) in a different venue, the parties agree that any suit, action or proceeding with respect to the Program, the RSUs or the Agreement shall be brought in the state courts in Chicago, Illinois or in the U.S. District Court for the Northern District of Illinois. The parties hereby accept the exclusive jurisdiction of those courts for the purpose of any such suit, action or proceeding. Venue for any such action, in addition to any other venue required or otherwise mandated by statute, will be in Chicago, Illinois. Each party further agrees to waive any applicable right to a jury trial, and expressly elects to have the matter heard as a bench trial.
- e. Unless waived by the Company, any notice to the Company required under or relating to the Agreement shall be in writing and addressed to:

Chief Legal Officer & Corporate Secretary
Heidrick & Struggles International, Inc.
233 South Wacker Drive
Suite 4900

Chicago, IL 60606-6303

12. Program Governs. All terms and conditions of the Program are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Program and the Agreement, the terms and conditions of the Program, as interpreted by the Committee, shall govern.
13. Data Privacy. By signing above, the Participant voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this Section 13. The Participant is not obliged to consent to such collection, use, processing and transfer of personal data. However, the Participant's failure to provide the consent may affect the Participant's ability to participate in the Program. The Company and its Subsidiaries and Affiliates hold certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, employee identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all options or any other rights or entitlements to shares of stock in the Participant's favor, for the purpose of managing and administering the Program ("Data"). The Company, its Subsidiaries and its Affiliates will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Program, and the Company and any of its Subsidiaries or Affiliates may each further transfer Data to any third parties assisting in the implementation, administration and management of the Program. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Program, including any requisite transfer of such Data as may be required for the administration of the Program and/or the subsequent holding of Shares on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any Shares acquired pursuant to the Program. The Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, by withdrawing consent, the Participant will affect his or her ability to participate in the Program.
14. Rights as a Shareholder. Except as set forth in Section 7, the Participant shall not be entitled to any privileges of ownership with respect to the Shares subject to the RSUs unless and until, and only to the extent, such shares become vested and are delivered to the Participant pursuant to Section 5 hereof and the Participant becomes a shareholder of record with respect to such shares.
15. Transfer Restrictions and Investment Representation.
 - a. Nontransferability of Award. Neither the RSUs nor any right hereunder or under the Program shall be transferable or be subject to attachment, execution or other similar process. In the event of any attempt by the Participant to alienate, assign,

pledge, hypothecate or otherwise dispose of the RSUs or of any right hereunder or under the Program, except as provided for in the Program, or in the event of any levy or any attachment, execution or similar process upon the rights or interest conferred by the RSUs, the Company may terminate the RSUs by notice to the Participant and the RSUs and any related rights, including the right to dividend equivalents as described in Section 7, shall thereupon be cancelled.

- b. Investment Representation. The Participant hereby covenants that (a) any sale of any Shares acquired upon the vesting of the RSUs shall be made either pursuant to an effective registration statement under the Securities Act of 1933, as amended (the “Securities Act”), and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws and (b) the Participant shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance of the shares and, in connection therewith, shall execute any documents which the Committee shall in its sole discretion deem necessary or advisable.
16. Compliance with Applicable Law. The RSUs is subject to the condition that if the listing, registration or qualification of the Shares subject to the RSUs upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the Shares subject to the RSUs shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.
17. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of the Participant, acquire any rights hereunder in accordance with this Agreement or the Program.
18. Entire Agreement. This Agreement, the Program, and the Policy constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant’s interest except by means of a writing signed by the Company and the Participant.
19. Partial Invalidity. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.
20. Compliance With Section 409A of the Code.

- a. The RSUs are intended to be exempt from or comply with Section 409A of the Code, and shall be interpreted and construed accordingly, and each settlement hereunder shall be considered a separate payment for purposes of Section 409A of the Code. To the extent this Agreement provides for the RSUs to become vested and be settled upon the Participant's termination of employment, the applicable Shares shall be transferred to the Participant or his or her beneficiary upon the Participant's "separation from service," within the meaning of Section 409A of the Code; provided that if the Participant is a "specified employee," within the meaning of Section 409A of the Code, then to the extent the Award constitutes nonqualified deferred compensation, within the meaning of Section 409A of the Code, such Shares shall be transferred to the Participant or his or her beneficiary upon the earlier to occur of (i) the six-month anniversary of such separation from service and (ii) the date of the Participant's death.
- b. Notwithstanding any other provision in this Agreement, the Retirement Policy, the Program or any other agreement or policy governing the vesting and settlement of the RSUs, to the extent required to comply with Section 409A of the Code with respect to any payments hereunder that constitute nonqualified deferred compensation, within the meaning of Section 409A of the Code, then (A) if the RSUs vest upon the Participant's termination due to Disability under Section 3(b) or, in the case of the Chief Executive Officer and/or Tier I Participants, upon the Participant's termination without Cause as outlined in the Severance Pay Plan and, in each case, the Participant would satisfy the age and service requirements to receive vesting under the Retirement Policy at any time prior to the vesting of the RSUs, then the RSUs will vest in accordance with Section 3(b) or the Severance Pay Plan, as applicable, but will be settled in accordance with the continued vesting and settlement provisions set forth in the Retirement Policy, (B) if the Participant's employment is terminated by the Company without Cause or by the Holder for Good Reason under Section 10(b) of the Program and the Participant would satisfy the age and service requirements to receive vesting under the Retirement Policy and the Change in Control is not a "change in control event" within the meaning of Section 409A of the Code, then the Award will vest in accordance with Section 10 of the Program but will be settled in accordance with the continued vesting and settlement provisions set forth in the Retirement Policy, and (C) if at the time of the Change in Control the RSUs are not Assumed (as defined in the Program) and the Change in Control is not a "change in control event" within the meaning of Section 409A of the Code or the settlement of the RSUs at the time of the Change in Control would otherwise be prohibited under Section 409A of the Code, the RSUs will vest at the time of the Change in Control and will be settled in accordance with the terms of this Agreement and the Retirement Policy, as applicable.

21. Execution of the Agreement.

- a. The parties agree that this Agreement shall be considered executed by both parties executing the Agreement on the first page hereof, which is a part hereof.
- b. This Agreement, or any amendments thereto, may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

CERTIFICATION

I, Thomas L. Monahan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Heidrick & Struggles International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 6, 2024

/s/ Thomas L. Monahan
Thomas L. Monahan
Chief Executive Officer

CERTIFICATION

I, Mark R. Harris, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Heidrick & Struggles International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 6, 2024

/s/ Mark R. Harris

Mark R. Harris

Executive Vice President and Chief Financial Officer

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Heidrick & Struggles International, Inc., a Delaware corporation (the “Company”), does hereby certify that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 (the “Form 10-Q”) of the Company fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 6, 2024

/s/ Thomas L. Monahan

Thomas L. Monahan
Chief Executive Officer

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Heidrick & Struggles International, Inc., a Delaware corporation (the "Company"), does hereby certify that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 (the "Form 10-Q") of the Company fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 6, 2024

/s/ Mark R. Harris

Mark R. Harris

Executive Vice President and Chief Financial Officer