

FIRST QUARTER 2017 FINANCIAL RESULTS

April 24, 2017

HEIDRICK & STRUGGLES

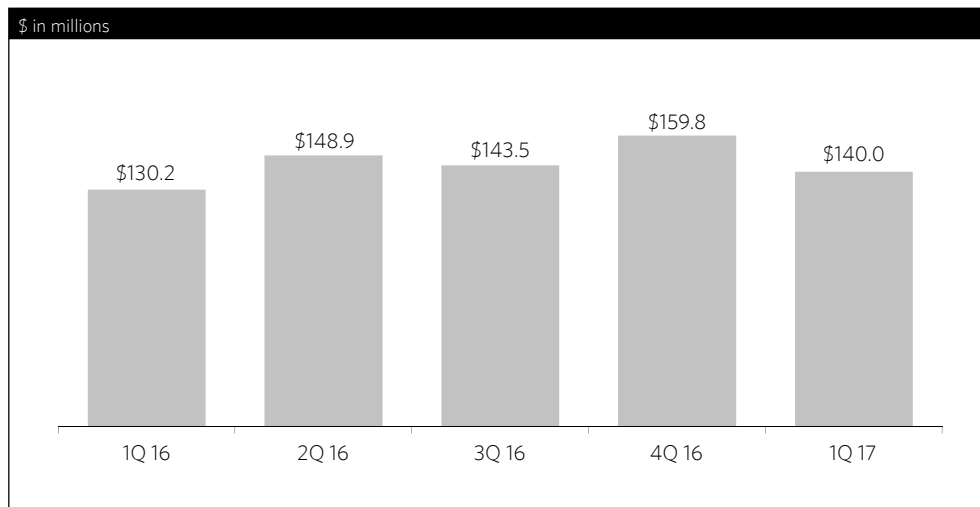
SAFE HARBOR STATEMENT

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

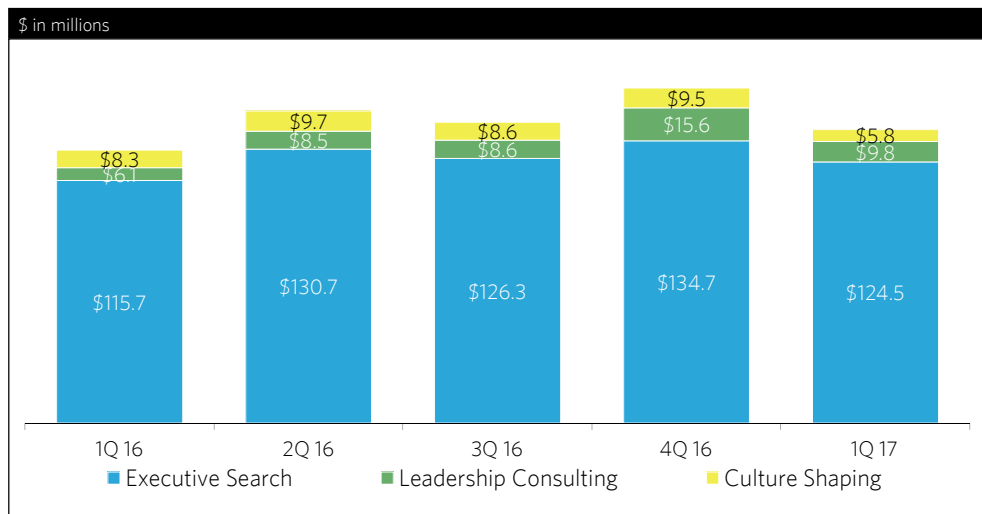


FIRST QUARTER 2017 CONSOLIDATED RESULTS

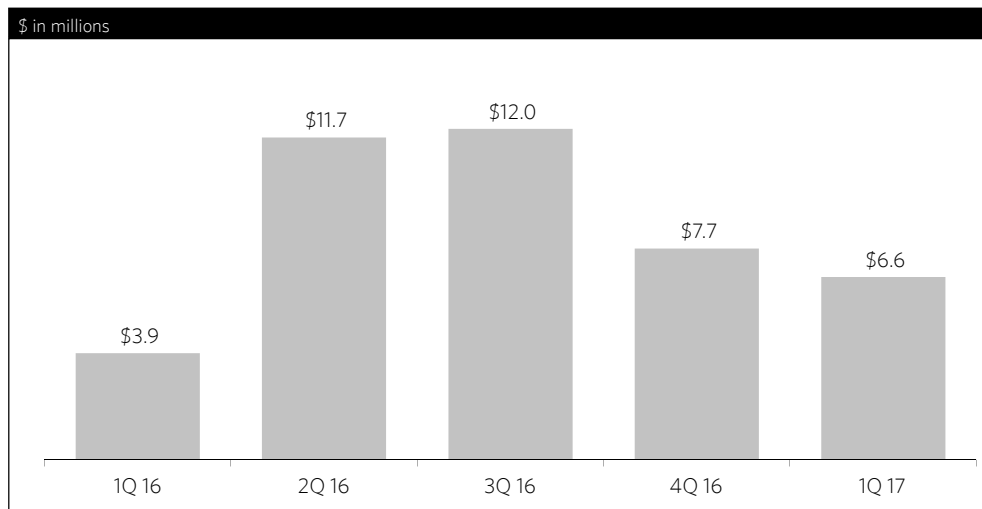
QUARTERLY CONSOLIDATED NET REVENUE



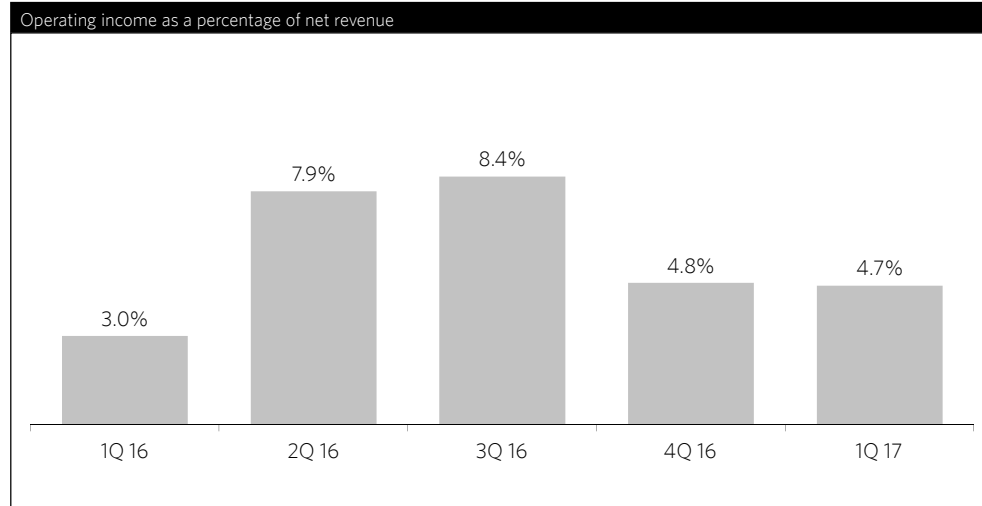
QUARTERLY NET REVENUE BY BUSINESS SERVICE



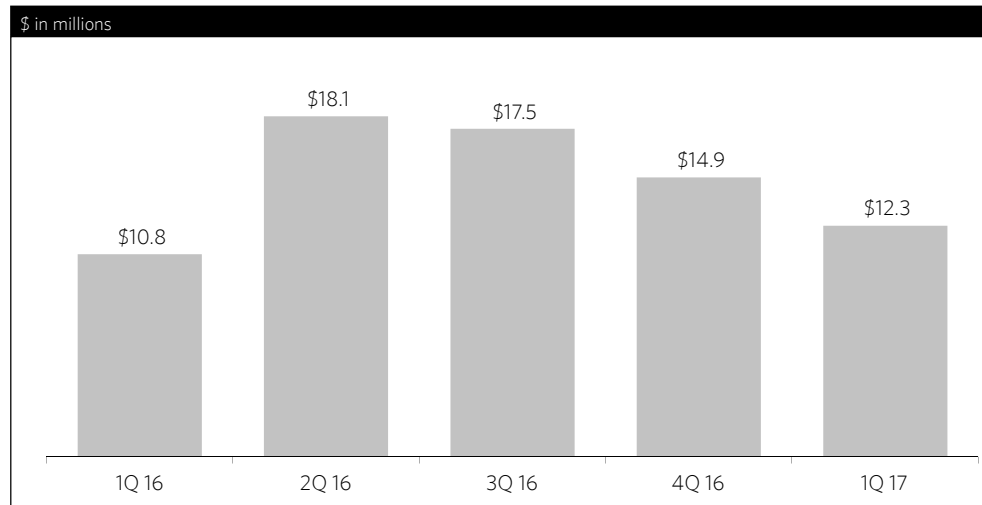
QUARTERLY OPERATING INCOME



QUARTERLY OPERATING MARGIN

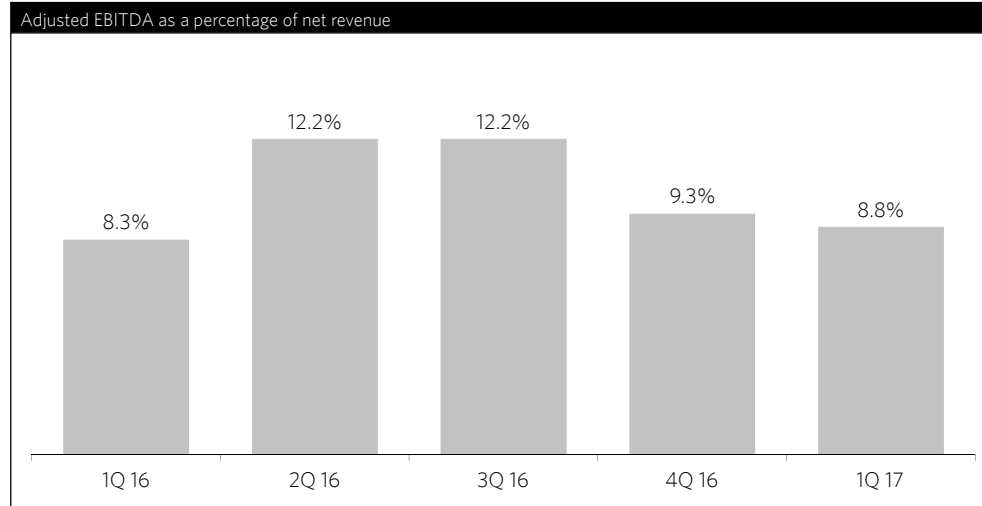


QUARTERLY ADJUSTED EBITDA⁽¹⁾



⁽¹⁾Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures which the company believes are useful to management and meaningful to investors because they provide insight into the ongoing operating results of the company's core business. A reconciliation to Operating Income is provided on Slide 12.

QUARTERLY ADJUSTED EBITDA MARGIN⁽¹⁾



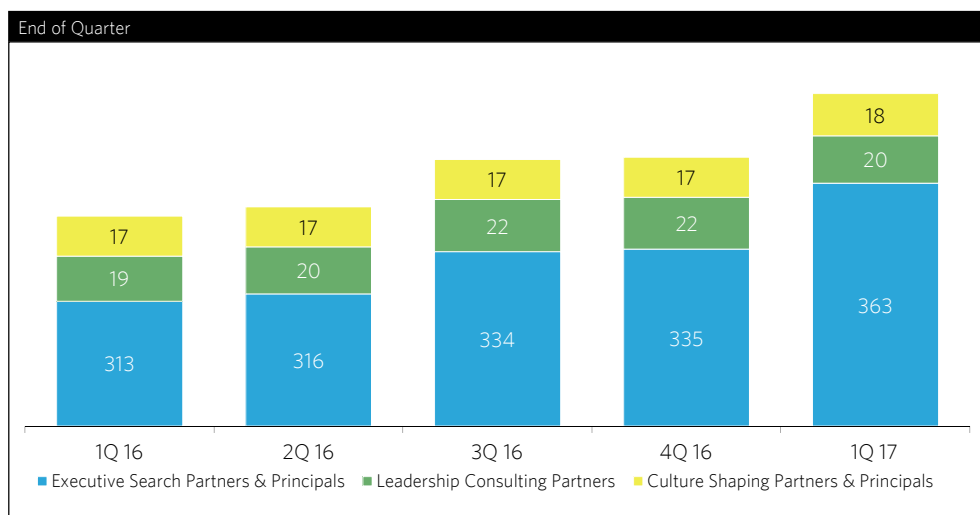
⁽¹⁾Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures which the company believes are useful to management and meaningful to investors because they provide insight into the ongoing operating results of the company's core business. A reconciliation to Operating Income is provided on Slide 12.

ADJUSTED EBITDA MARGIN

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

	3 months ended March 31,		
	2017	2016	change
\$ in millions-- numbers may not foot due to rounding			
Net Income	\$ 0.7	\$ 1.3	\$ (0.7)
Interest, net	\$ (0.2)	\$ (0.1)	
Other, net	\$ 2.7	\$ (0.0)	
Provision for income taxes	\$ 3.4	\$ 2.7	
Operating Income	\$ 6.6	\$ 3.9	\$ 2.8
Adjustments			
Salaries and employee benefits			
Stock-based compensation expense	1.6	1.8	(0.2)
Senn Delaney retention awards	0.0	1.1	(1.1)
General and administrative expenses			
Depreciation	1.8	2.3	(0.5)
Intangible amortization	1.8	1.4	0.4
Earnout accretion	0.4	0.3	0.1
Adjusted EBITDA	\$ 12.3	\$ 10.8	\$ 1.5
Adjusted EBITDA Margin (as % of net revenue)	8.8%	8.3%	

CONSULTANT HEADCOUNT



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1Q 2017 HMRC SETTLEMENT --ACCOUNTING TREATMENT OF EBT

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

	Three Months Ended			
	2017	2016		
Revenue:				
Revenue before reimbursements (net revenue)	\$ 140,006	\$ 130,189	\$ 9,817	7.5%
Reimbursements	4,171	4,098	73	1.8%
Total revenue	144,177	134,287	9,890	7.4%
Operating expenses:				
Salaries and employee benefits	97,235	91,118	6,117	6.7%
General and administrative expenses	36,133	35,203	930	2.6%
Reimbursed expenses	4,171	4,098	73	1.8%
Total operating expenses	137,539	130,419	7,120	5.4%
Operating income	6,638	3,868	2,770	71.9%
Non-operating income (expense):				
Interest, net	197	—	197	—
Other, net	(2,741)	49	(2,790)	(57.8%)
Net non-operating income (expense)	(2,544)	121	(2,665)	(219.4%)
Income before income taxes	4,094	3,989	105	2.6%
Provision for income taxes	3,444	—	3,444	—
Net income	650	1,325	(675)	(50.9%)
Other comprehensive income, net of tax	2,625	1,330	1,295	97.3%
Comprehensive income	\$ 3,275	\$ 2,655	\$ 620	23.4%
Basic weighted average common shares outstanding				
	18,628	18,448	180	1.0%
Dilutive common shares				
	591	531	60	11.3%
Diluted weighted average common shares outstanding				
	19,219	18,979	240	1.3%
Basic net income per common share				
	\$ 0.03	\$ 0.07	\$ (0.04)	(57.1%)
Diluted net income per common share				
	\$ 0.03	\$ 0.07	\$ (0.04)	(57.1%)

1Q 2017 Salaries & Employee Benefits expense includes \$1.5 million related to settlement with HMRC (Pay As You Earn Tax and Class 1 National Insurance Contributions)

1Q 2017 Other, net includes \$2.4 million related to settlement with HMRC (inheritance tax, interest, court fees)

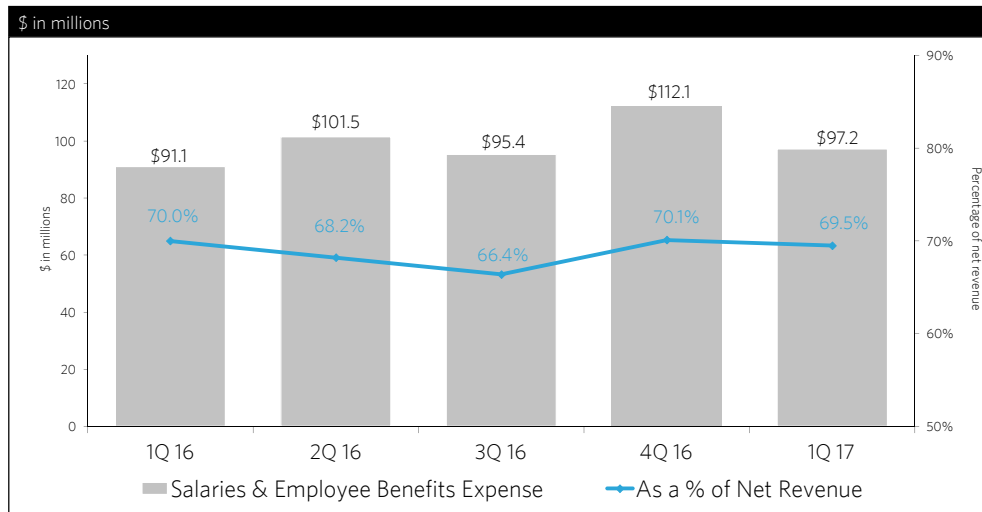
1Q 2017 Provision for income tax reflects credit of \$200,000 related to settlement with HMRC

Excluding the settlement with HMRC, Adjusted diluted earnings per share would have been \$0.19

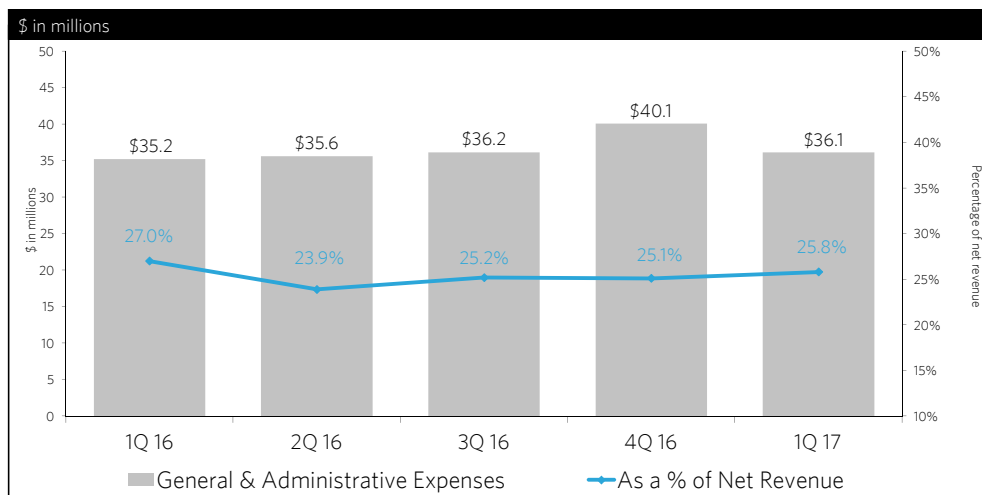
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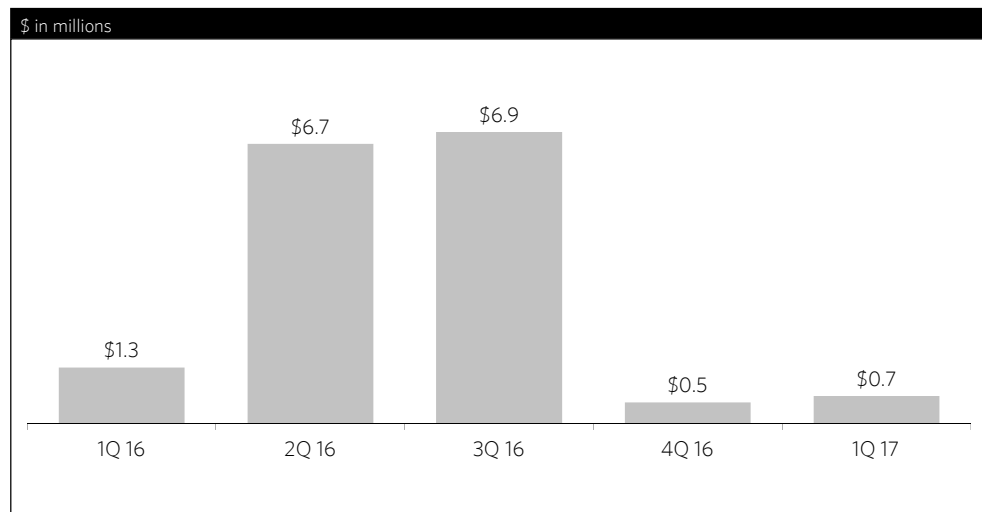
SALARIES & EMPLOYEE BENEFITS EXPENSE



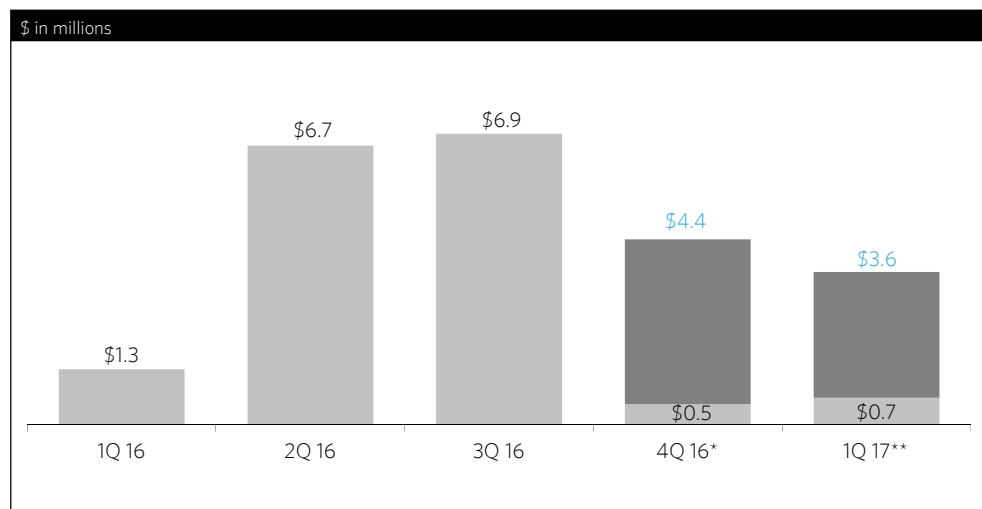
GENERAL & ADMINISTRATIVE EXPENSES



QUARTERLY NET INCOME



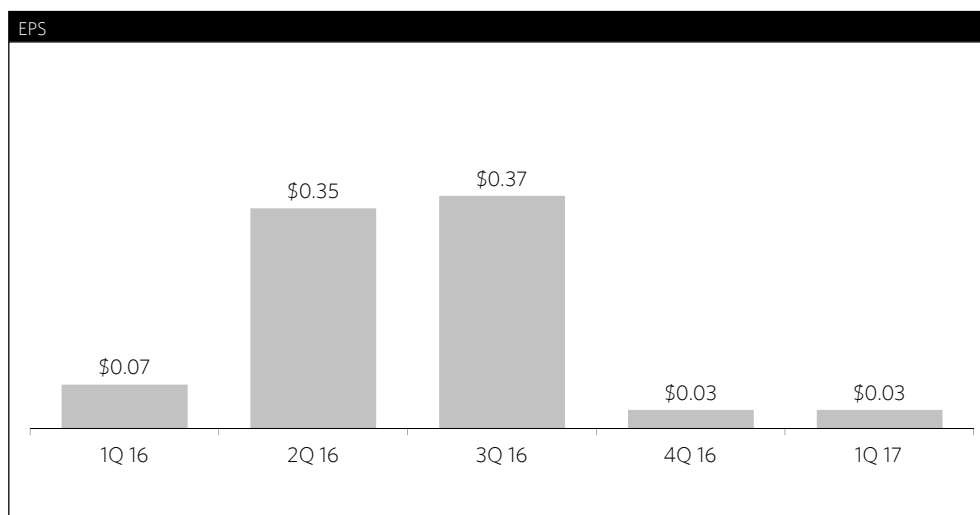
QUARTERLY NET INCOME-ADJUSTED



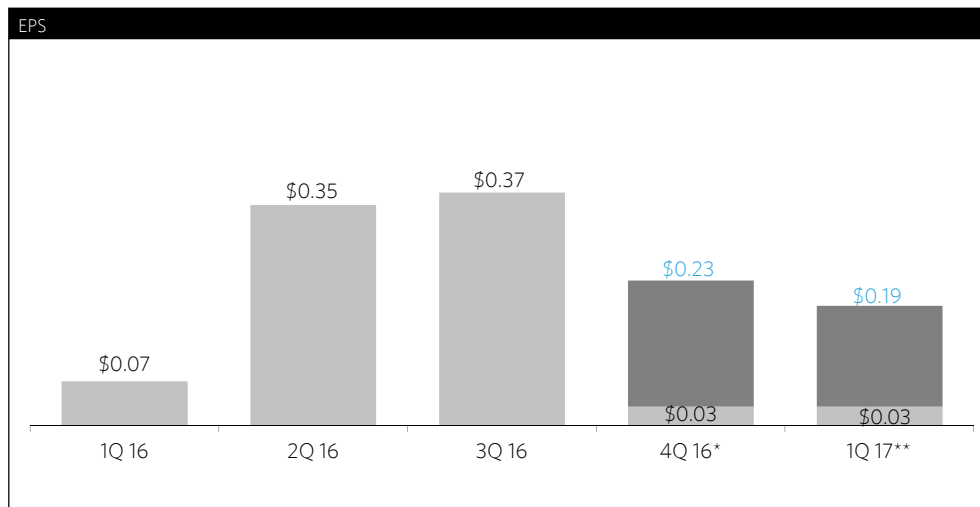
* In the 2016 fourth quarter, the company's EPS was impacted by an unusually high effective tax rate, 94.9%. The company repatriated dividends from foreign operations to the United States. This resulted in additional book tax expense which will be offset by utilizing foreign tax credits. The company also recorded several other non-recurring tax items which also contributed to the high effective tax rate. Adjusting for these one-time tax items, the company's tax rate would have been 54% in the 2016 fourth quarter and Adjusted Net Income would have been \$4.4 million.

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

QUARTERLY NET INCOME PER DILUTED SHARE



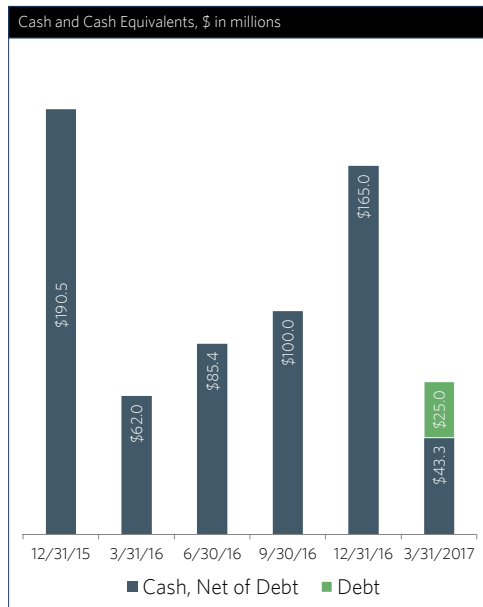
QUARTERLY NET INCOME PER DILUTED SHARE- ADJUSTED



* In the 2016 fourth quarter, the company's EPS was impacted by an unusually high effective tax rate, 94.9%. The company repatriated dividends from foreign operations to the United States. This resulted in additional book tax expense which will be offset by utilizing foreign tax credits. The company also recorded several other non-recurring tax items which also contributed to the high effective tax rate. Adjusting for these one-time tax items, the company's tax rate would have been 54% in the 2016 fourth quarter and Adjusted Net Income would have been \$4.4 million.

** Adjusted diluted earnings per share of \$0.19 reflects results that exclude the impact of a cash settlement with the HRMC related to the taxation of a legacy U.K. benefit trust obligation.

CASH POSITION

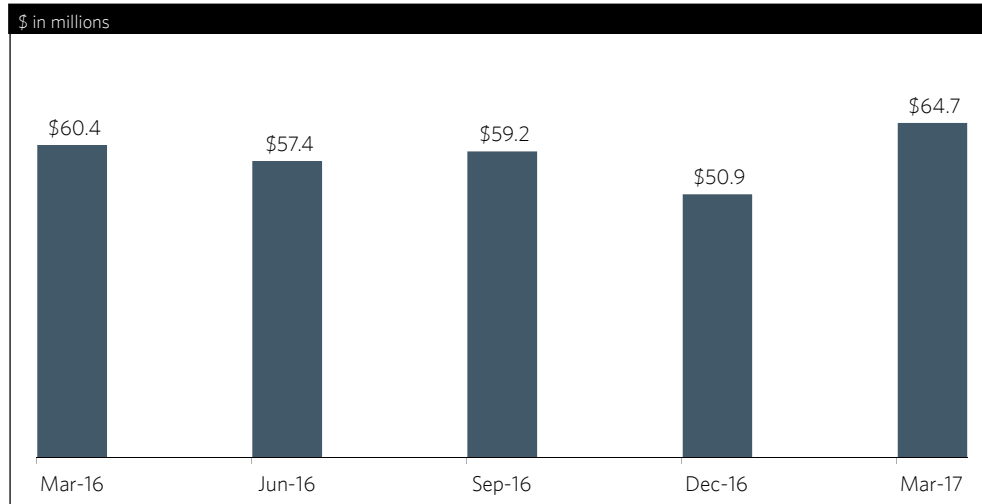


\$ in millions

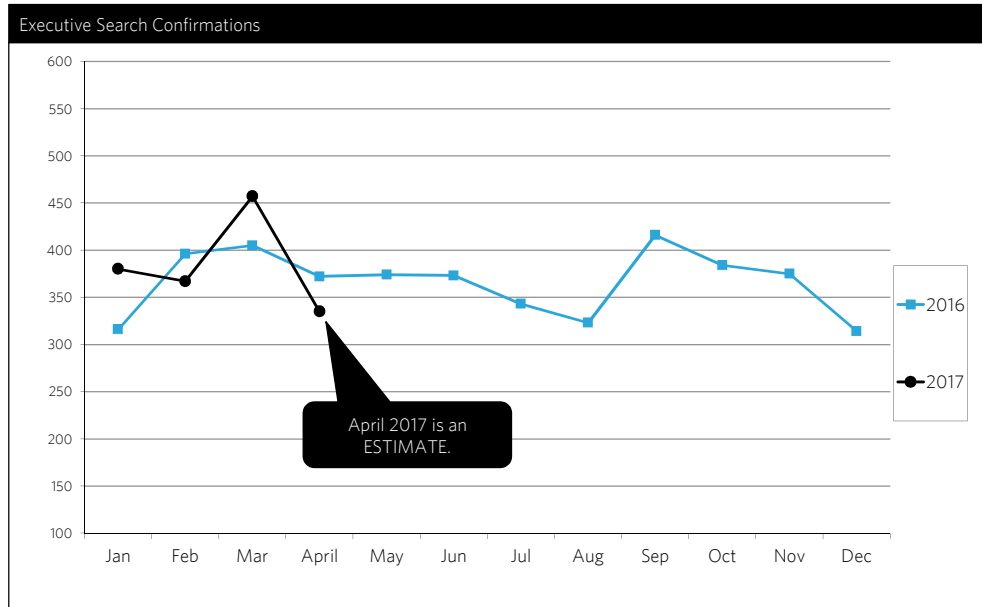
	March 31, 2017	March 31, 2016
For the Quarter Ended:		
Net cash used in operating activities	\$110.5	\$119.2

BACKLOG

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



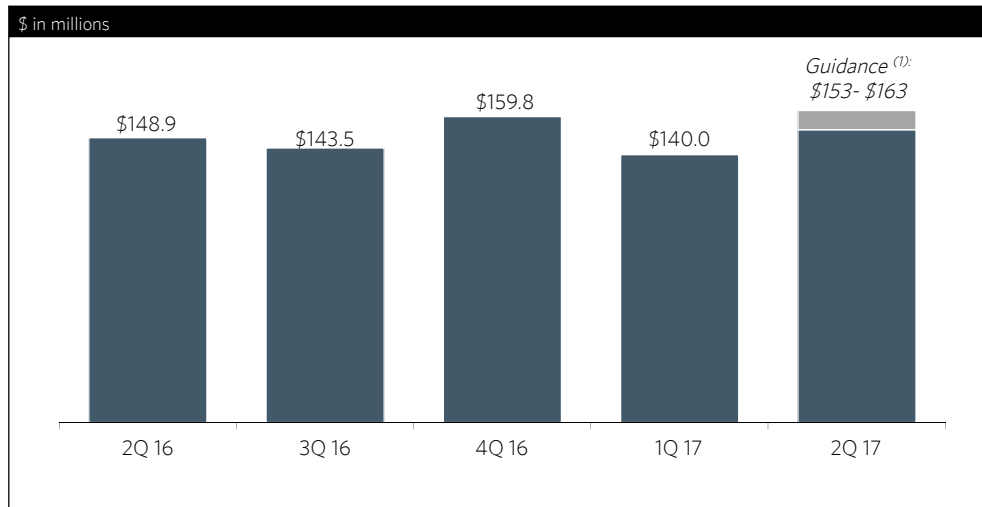
WORLDWIDE MONTHLY CONFIRMATION TRENDS



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GUIDANCE: 2Q 2017 NET REVENUE (excludes reimbursements)



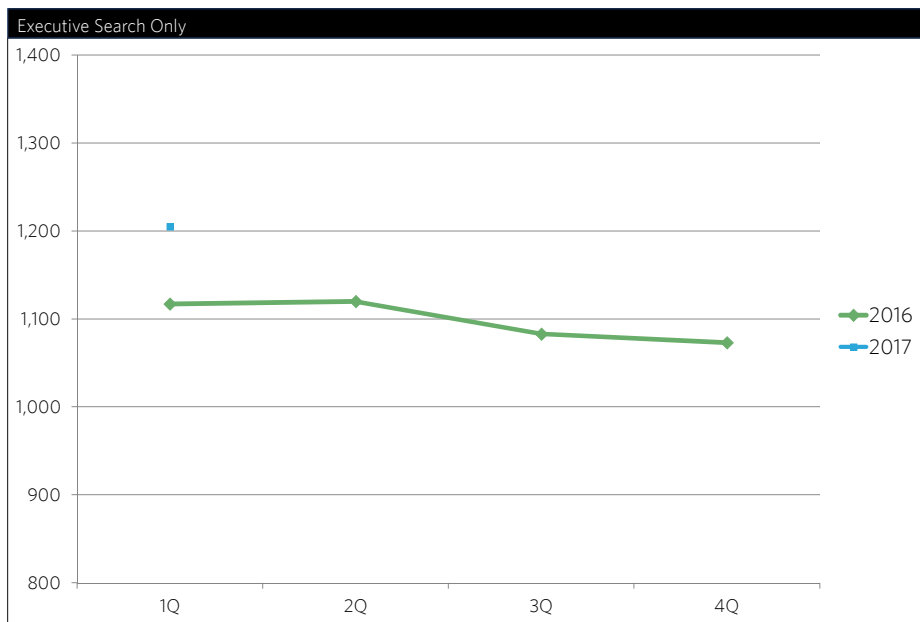
⁽¹⁾This forecast is based on the average currency rates in March 2017 reflects, among other factors, management's assumptions for the anticipated volume of new Executive Search confirmations, Leadership Consulting assignments and Culture Shaping services, the current backlog, consultant productivity,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

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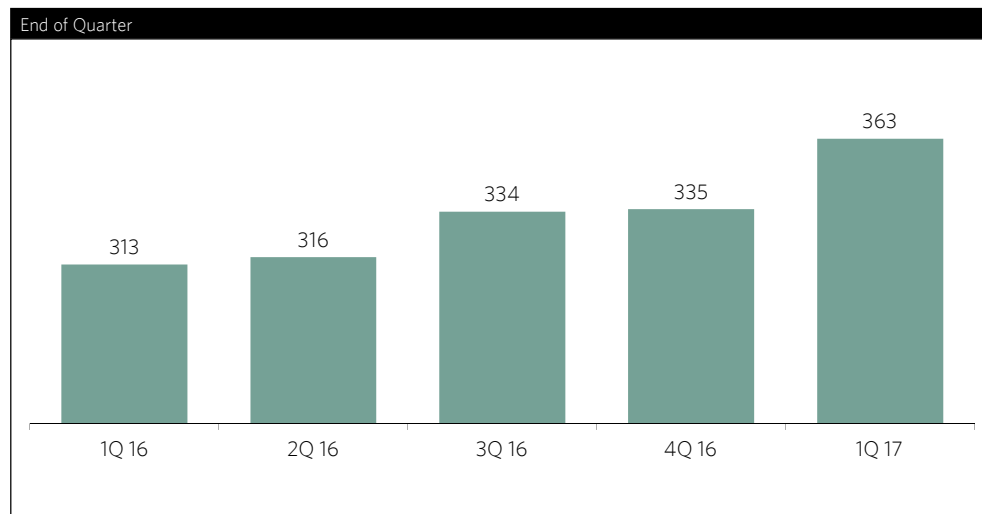
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EXECUTIVE SEARCH QUARTERLY RESULTS

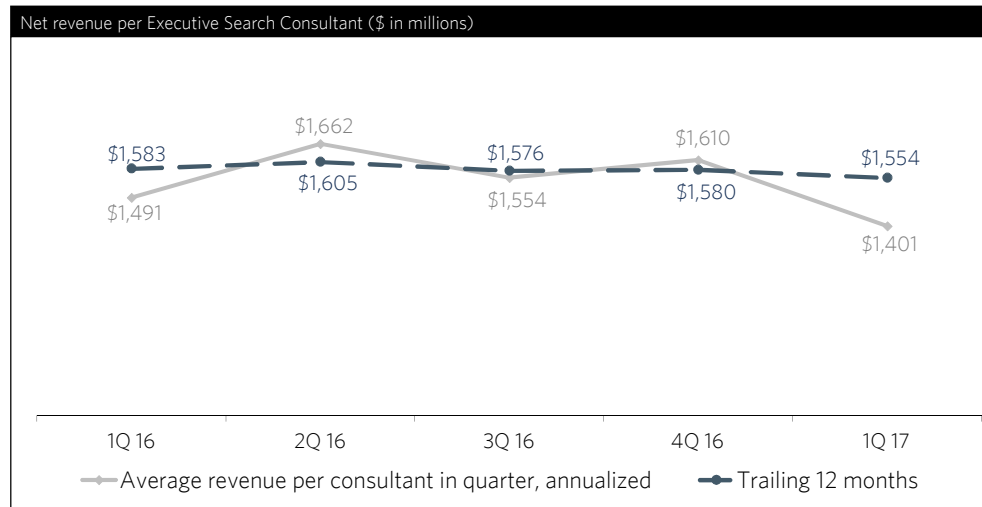
EXECUTIVE SEARCH CONFIRMATIONS



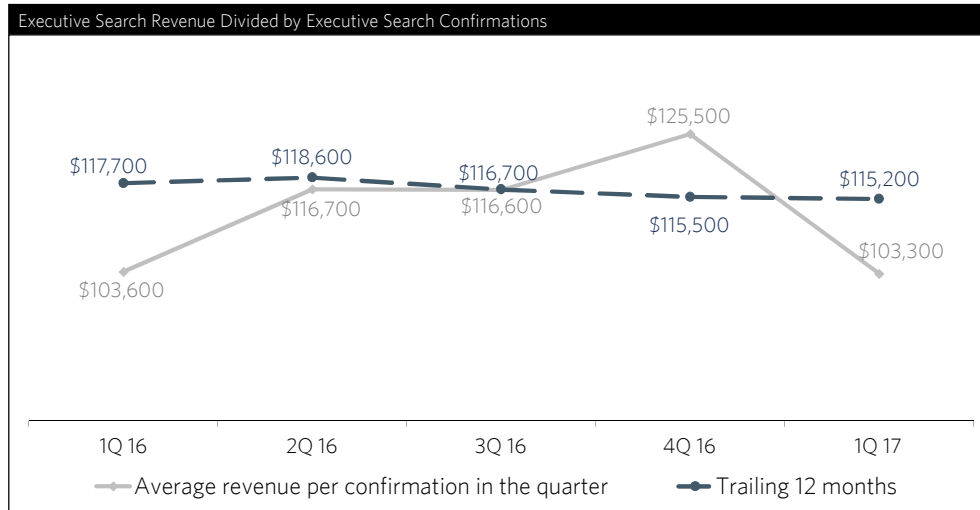
EXECUTIVE SEARCH CONSULTANT HEADCOUNT



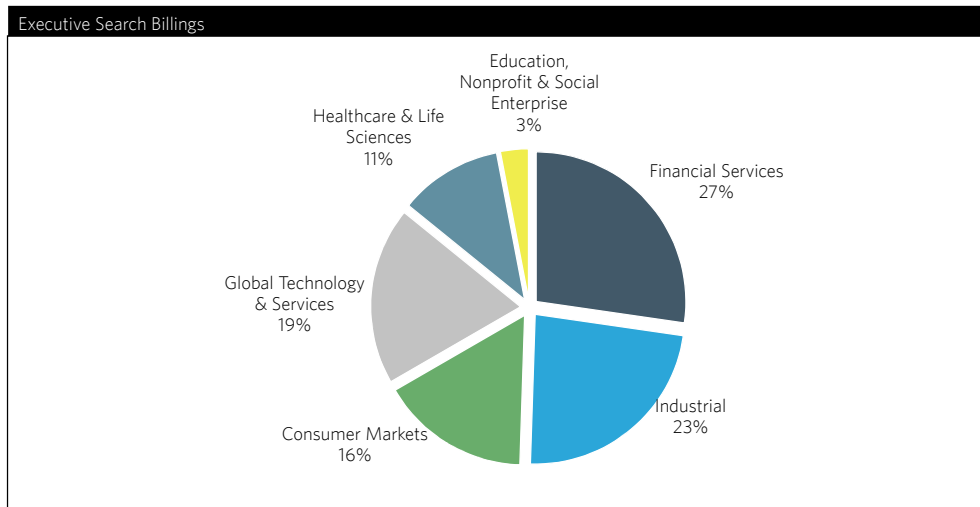
PRODUCTIVITY



REVENUE PER EXECUTIVE SEARCH

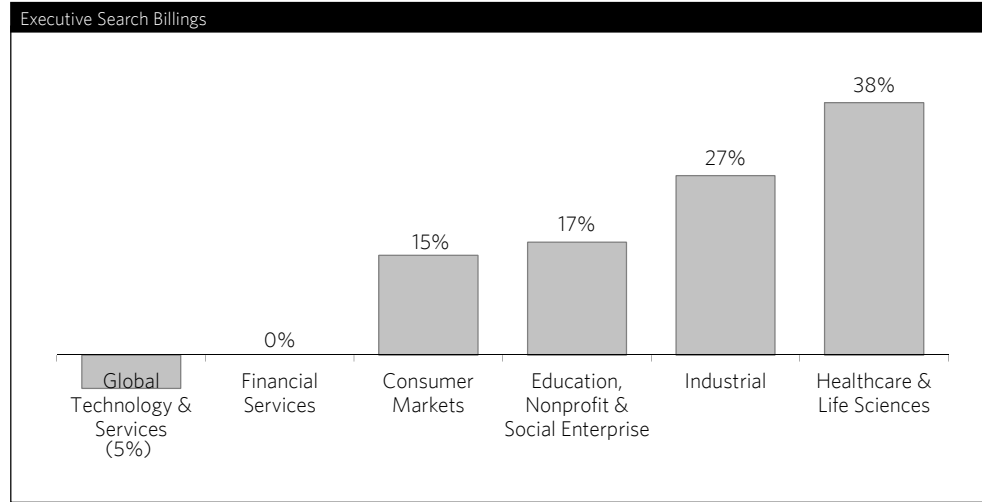


INDUSTRY PRACTICE GROUP MIX OF BILLINGS⁽¹⁾



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

INDUSTRY PRACTICE BILLINGS 1Q 2017 COMPARED TO 1Q 2016



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