

KORN FERRY

FY'21 Q1 Earnings Call Presentation

September 3, 2020



KORN FERRY®



SAFE HARBOR STATEMENT

FORWARD-LOOKING STATEMENTS

Statements in this presentation that relate to future results and events are based on Korn Ferry's current expectations. You are cautioned not to place undue reliance on such statements. Actual results in future periods may differ materially from those currently expected because of a number of risks and uncertainties that are beyond the control of Korn Ferry. For a detailed description of such risks and uncertainties, please refer to Korn Ferry's earnings release and its periodic filings with the Securities and Exchange Commission.

NON-GAAP FINANCIAL MEASURES

This presentation includes financial information calculated other than in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). This non-GAAP disclosure has limitations as an analytical tool, should not be viewed as a substitute for financial information determined in accordance with GAAP, and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under GAAP, nor is it necessarily comparable to non-GAAP performance measures that may be presented by other companies. Please refer to slides 15 to 19 for a reconciliation of each of the non-GAAP financial measures included in this presentation to the closest GAAP measure.



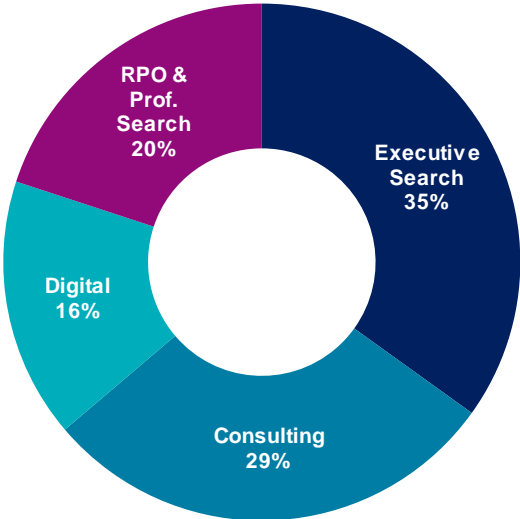
FY'21 Q1 FEE REVENUE DOWN 29% YoY (27.8% AT CC)

Fee Revenue	Adj. EBITDA Margin % ⁽¹⁾ (NON-GAAP)	Adj. Diluted EPS (\$) ⁽²⁾ (NON-GAAP)
\$344M (29%) (27.8%) at CC	3.1%	(\$0.19)

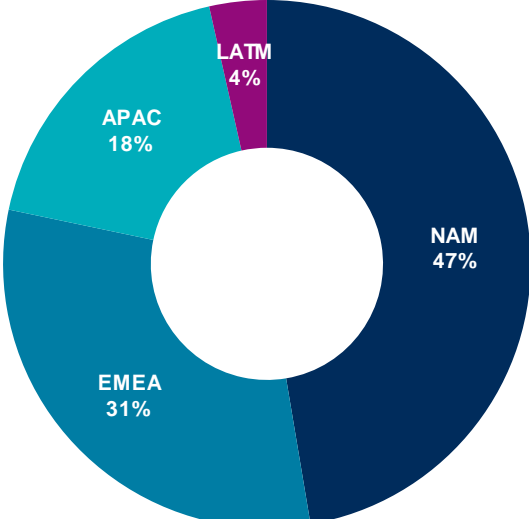


HIGHLY DIVERSIFIED BUSINESS ACROSS SEGMENT, GEOGRAPHY AND INDUSTRY

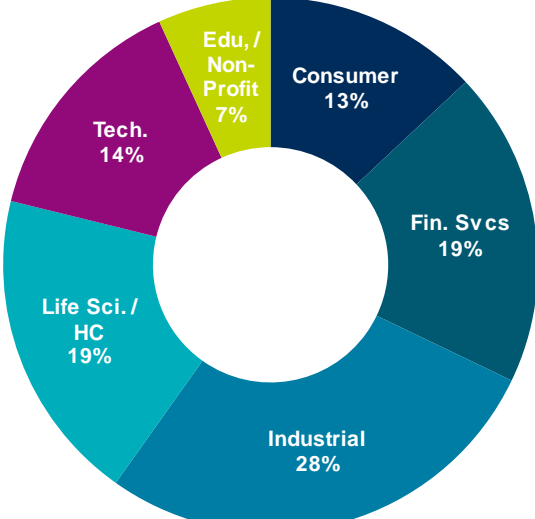
FEE REVENUE BY SEGMENT



FEE REVENUE BY GEOGRAPHY

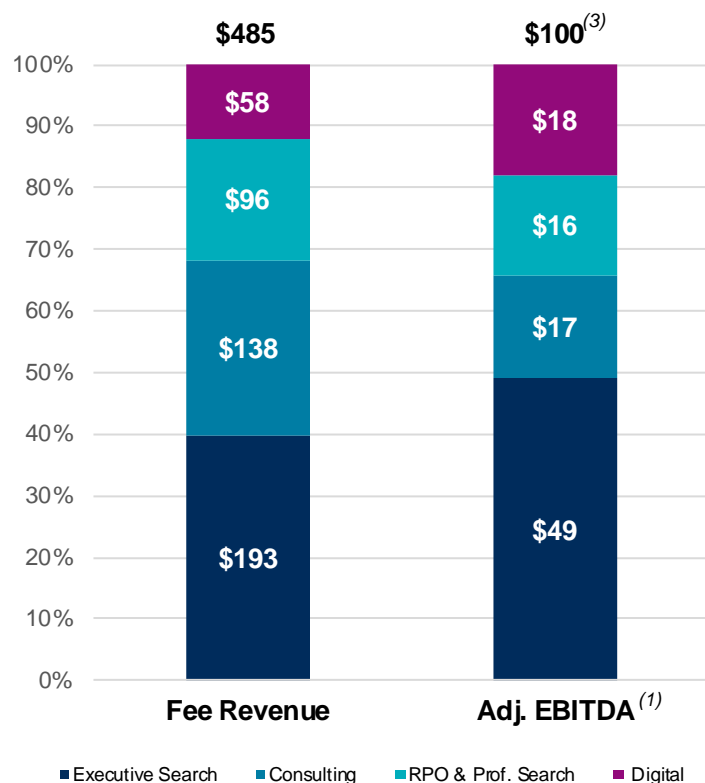


FEE REVENUE BY INDUSTRY

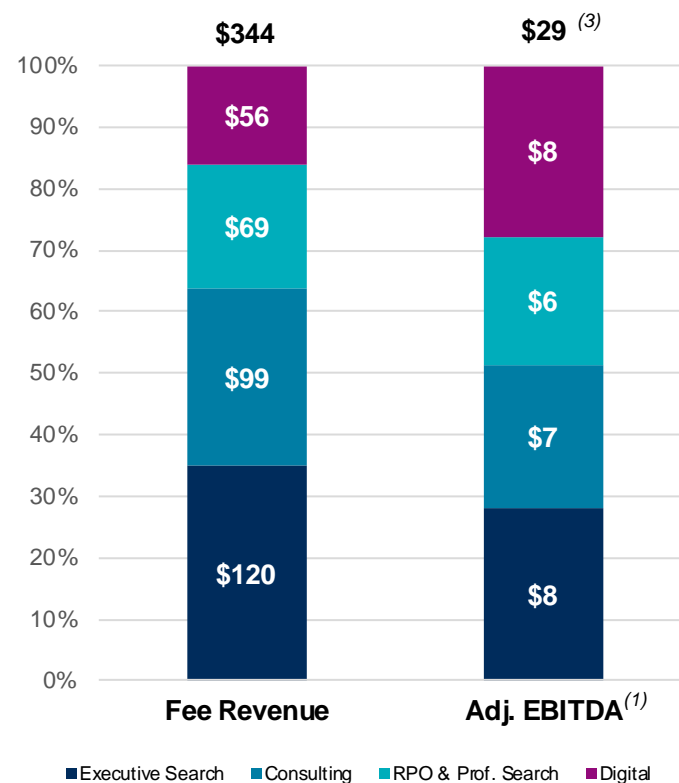


BALANCED MIX OF REVENUE AND EARNINGS (\$M)

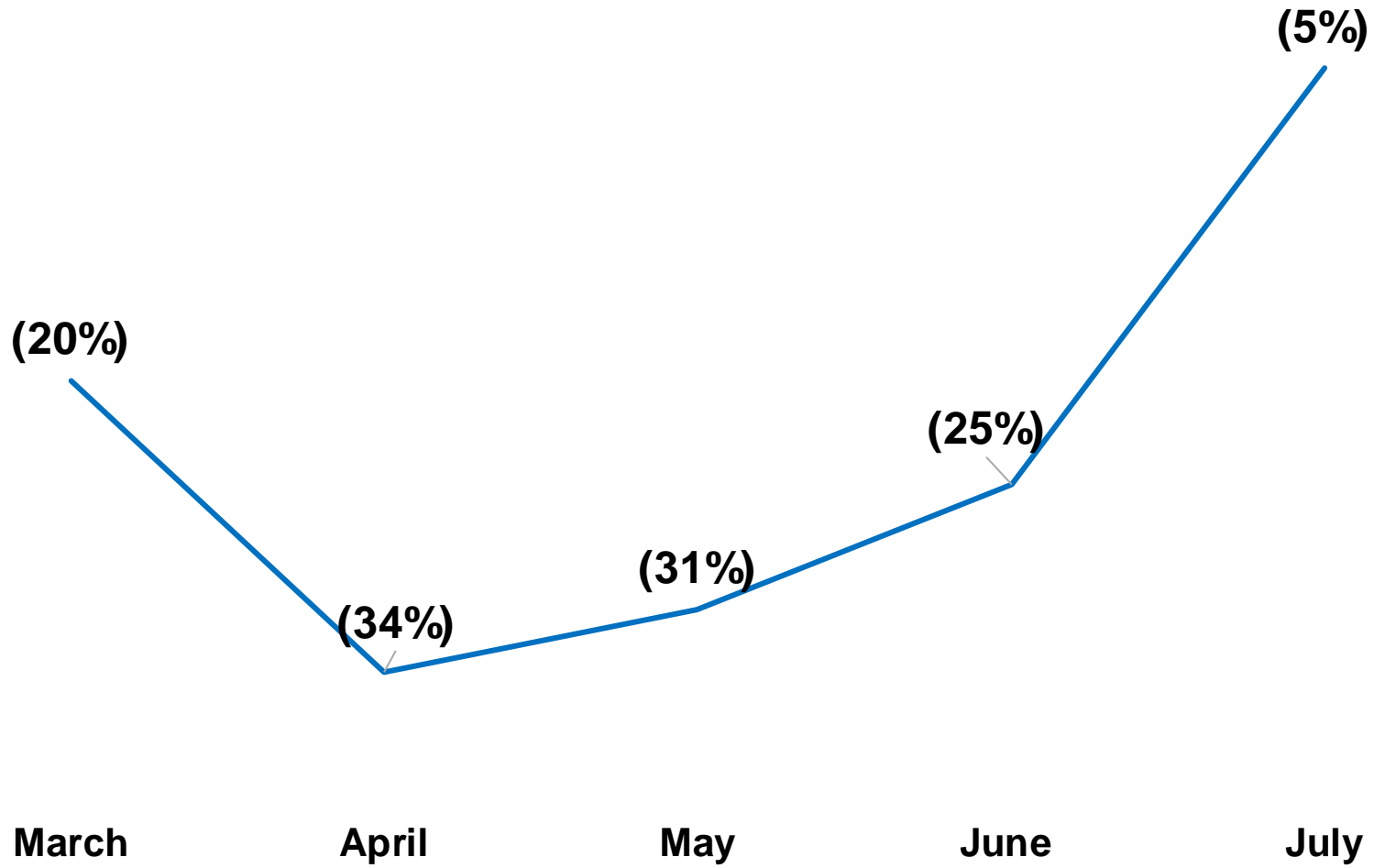
FY'20 QTR. 1 ⁽⁶⁾



FY'21 QTR. 1



KF MONTHLY NEW BUISNESS* YOY GROWTH (EXCLUDING RPO) MARCH 2020 TO JULY 2020

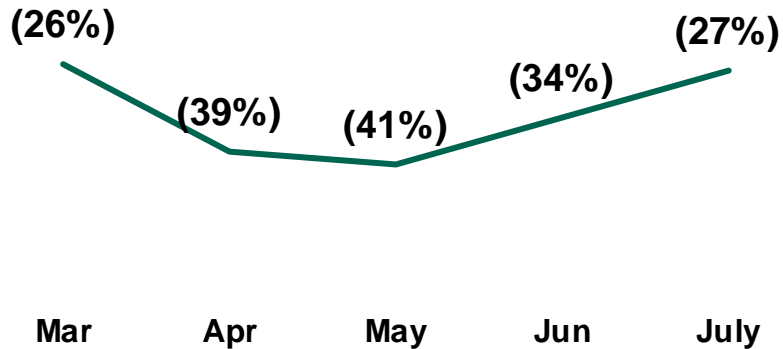


*Executive Search & Professional Search Includes Confirmations Plus Upticks & Additional Placements

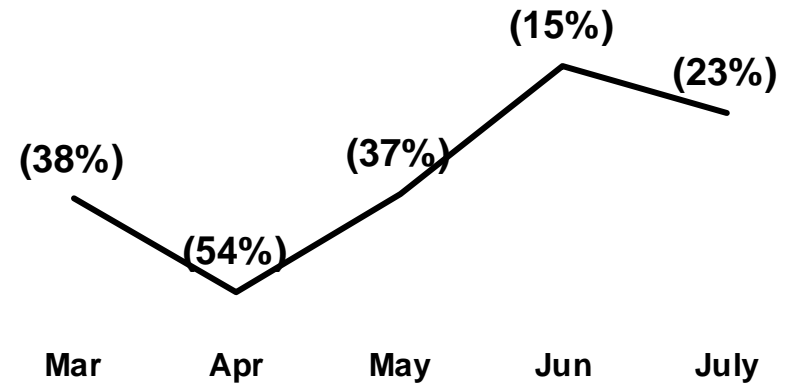


MONTHLY NEW BUSINESS* YOY GROWTH BY SEGMENT (EXCLUDING RPO) MARCH 2020 TO JULY 2020

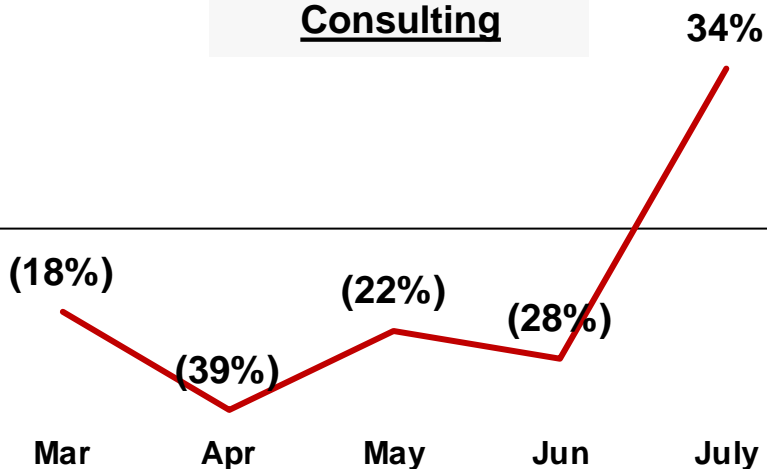
Executive Search*



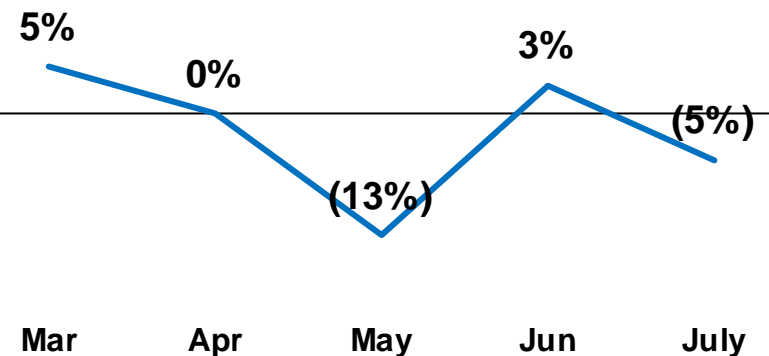
Professional Search*



Consulting



Digital



*Executive Search & Professional Search Includes Confirmations Plus Upticks & Additional Placements

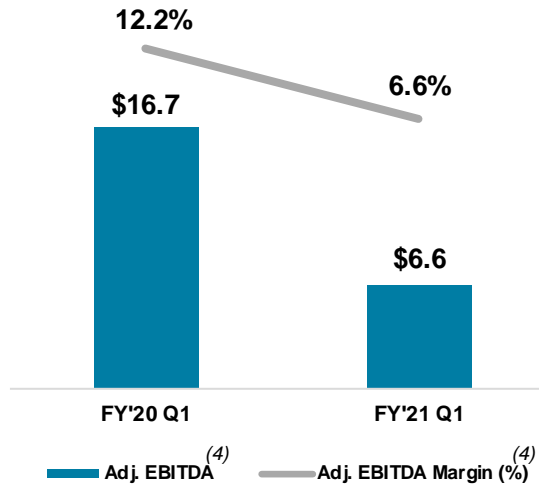
CONSULTING

29% OF FEE REVENUE AND 24% OF EARNINGS IN FY'21 QTR. 1
NEW BUSINESS DOWN (5%) YOY IN QTR. 1

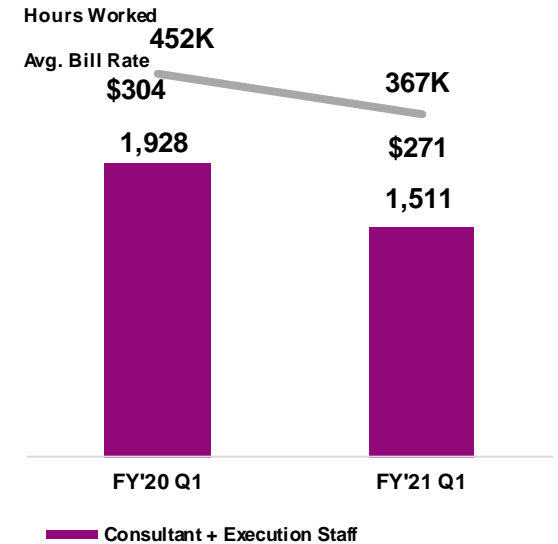
FEE REVENUE (\$M)



ADJ. EBITDA (\$M) & ADJ. EBITDA MARGIN (%) (NON-GAAP)⁽⁴⁾



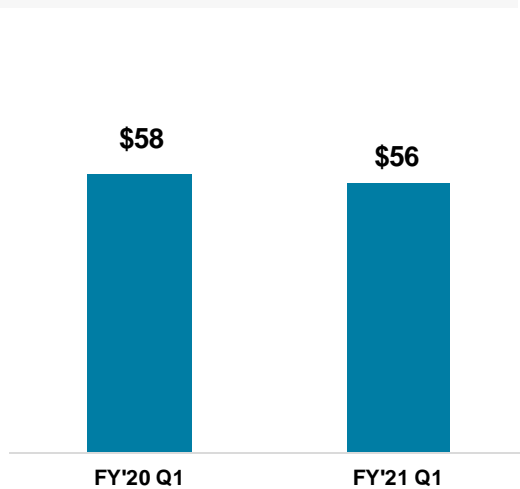
CONSULTANT + EXECUTION STAFF PRODUCTIVITY



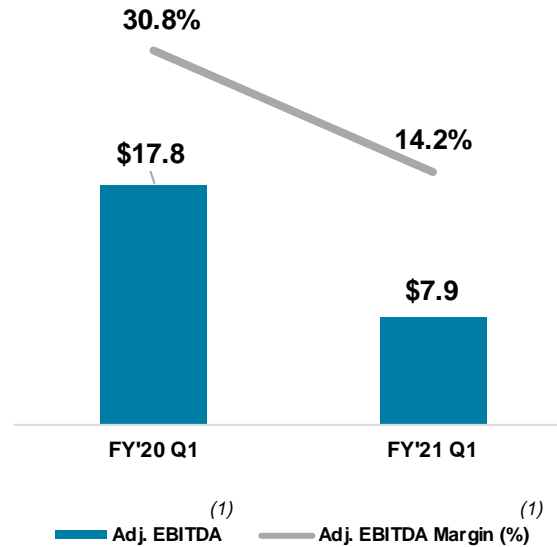
DIGITAL

16% OF FEE REVENUE AND 28% OF EARNINGS IN FY'21 QTR. 1

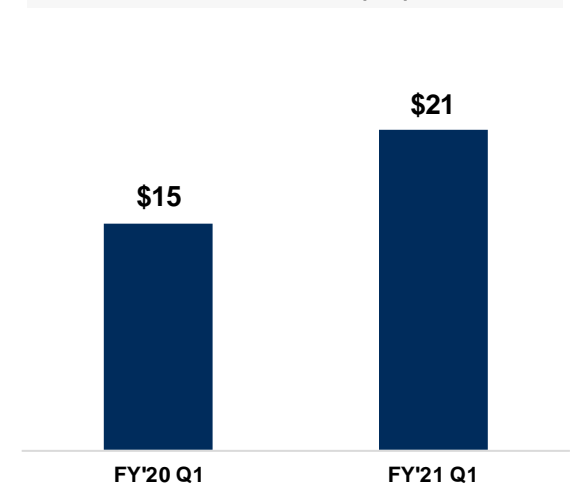
FEE REVENUE (\$M)



ADJ. EBITDA (\$M) & ADJ. EBITDA MARGIN (%) (NON-GAAP) ⁽¹⁾



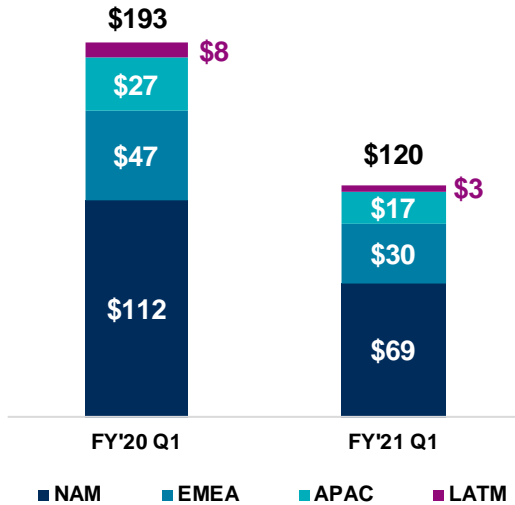
SUBSCRIPTION & LICENSE FEE REVENUE - (\$M) ⁽⁵⁾



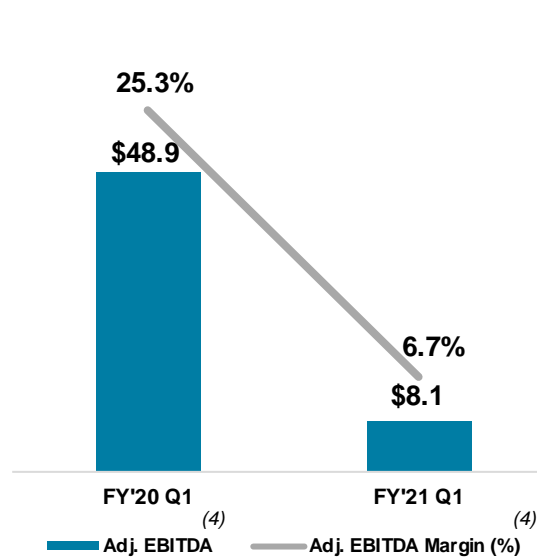
EXECUTIVE SEARCH

35% OF FEE REVENUE AND 28% OF EARNINGS IN FY'21 QTR. 1

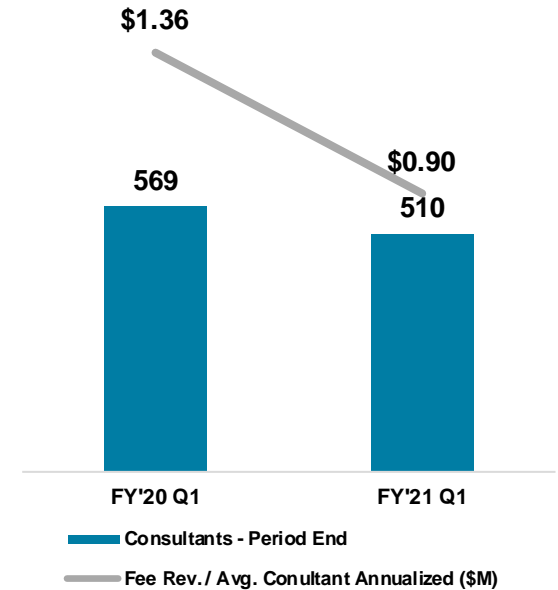
FEE REVENUE (\$M)



ADJ. EBITDA (\$M) & ADJ. EBITDA MARGIN (%) (NON-GAAP)⁽⁴⁾



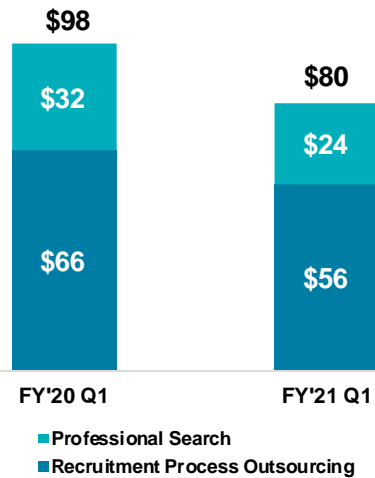
CONSULTANT PRODUCTIVITY



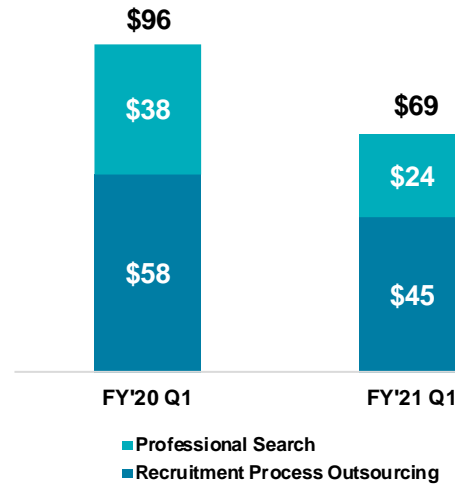
RPO & PROFESSIONAL SEARCH

20% OF FEE REVENUE AND 21% OF EARNINGS IN FY'21 QTR. 1

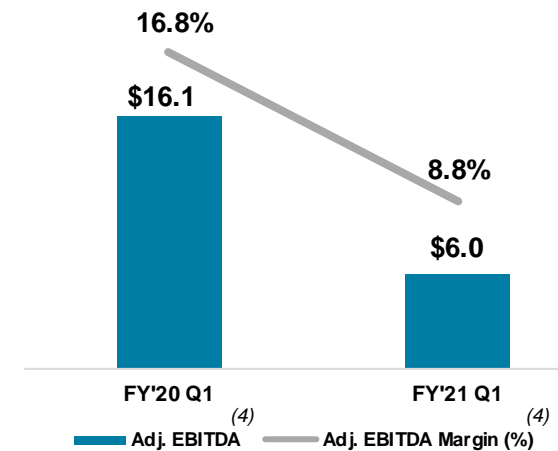
NEW BUSINESS (\$M)



FEE REVENUE (\$M)



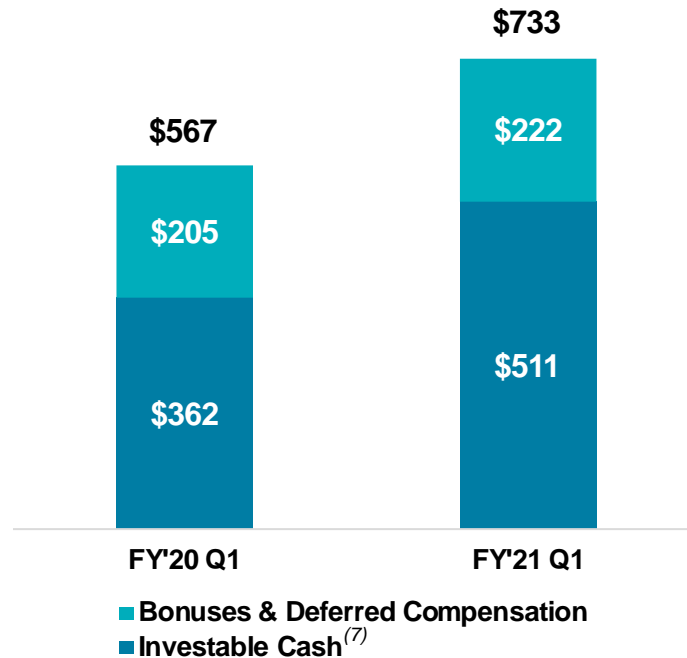
ADJ. EBITDA (\$M) & ADJ. EBITDA MARGIN (%) (NON-GAAP)⁽⁴⁾



CASH & MARKETABLE SECURITIES

STRONG LIQUIDITY WITH \$511M OF INVESTABLE CASH⁽⁷⁾

Cash & Marketable Securities (\$M)



FOOTNOTES

- (1) Earnings Before Interest, Taxes, Depreciation & Amortization Adjusted to Exclude Acquisition/Integration Costs and Restructuring Charges.
- (2) Diluted Earnings per Share Adjusted to Exclude Acquisition/Integration Costs and Restructuring Charges Net of Tax.
- (3) Excludes Corporate Adj. EBITDA which was (\$24.6M) in FY'20 Q1 and (\$18.0M) in FY'21 Q1.
- (4) Earnings Before Interest, Taxes, Depreciation & Amortization Adjusted to Exclude Restructuring Charges.
- (5) Represents Fee Revenue Derived from Annual Subscriptions and Licenses to KF's Intellectual Property and Data Solutions.
- (6) Data Has Been Recast to Reflect New Segments.
- (7) Investable Cash = Total Cash & Marketable Securities Less Cash & Marketable Securities Reserved for Bonuses & Deferred Compensation.



An aerial, top-down view of a circular courtyard. In the center is a circular swimming pool with light blue water. The pool is surrounded by a lush green lawn. Several palm trees are scattered around the lawn. A person wearing a red shirt and dark shorts is walking on the paved path that surrounds the courtyard. The pavement is made of light-colored, rectangular tiles arranged in a circular pattern. A dark green semi-transparent rectangular box is overlaid on the right side of the image, containing white text.

APPENDIX:

Reconciliations of
Non-GAAP Financial
Measures to U.S. GAAP
Financial Measures

Earnings Conference Call
September 3, 2020

KORN FERRY

Reconciliation of Net Income (GAAP) to Adjusted EBITDA (Non-GAAP) (\$M)

FY20 Q1; FY21 Q1

	FY'20	FY'21	Incr. / (Decr.)	
	Qtr. 1	Qtr. 1	\$ / %	%
Net (Loss) Income Attributable to Korn / Ferry	\$43.0	(\$30.8)	(\$73.8)	(171.8%)
Net (Loss) Incm. Attrib. to Non-Controlling Int.	0.7	-	(0.7)	(100.0%)
Net Income	\$43.7	(\$30.8)	(\$74.5)	(170.6%)
Income Tax Provision	14.5	(8.7)	(23.1)	(160.0%)
Income (Loss) Before Provision for Income Taxes (Benefit)	\$58.1	(\$39.5)	(\$97.6)	(168.0%)
Other (Income) Loss - Net	(1.8)	(11.2)	(9.3)	511.3%
Interest Expense - Net	4.1	6.9	2.8	69.9%
Operating Income	\$60.3	(\$43.8)	(\$104.1)	(172.6%)
Depreciation & Amortization	12.8	15.0	2.3	17.7%
Other Income / (Loss) , Net	1.8	11.2	9.3	511.3%
EBITDA	\$74.9	(\$17.6)	(\$92.5)	(123.5%)
(1) Restructuring Chgs. / (Recoveries) - Net	-	27.5	27.5	-
(2) Integration / Acquisition Costs	-	0.7	0.7	-
Adjusted EBITDA	\$74.9	\$10.6	(\$64.3)	(85.8%)
Operating Margin	12.5%	(12.7%)	(25.2%)	-
Depreciation & Amortization	2.6%	4.4%	1.8%	-
Other Income / (Loss) , Net	0.4%	3.2%	2.8%	-
EBITDA Margin	15.5%	(5.1%)	(20.6%)	-
(1) Restructuring Charges - Net	-	8.0%	8.0%	-
(2) Integration / Acquisition Costs	-	0.2%	0.2%	-
Adjusted EBITDA Margin	15.5%	3.1%	(12.4%)	-

(1) Restructuring incurred to rationalize our cost structure by eliminating redundant positions as a result of COVID-19

(2) Costs associated with current and previous acquisition, such as legal & professional fees, retention awards and other on-going integration costs to combine the companies.



KORN FERRY

Reconciliation of Net Income & EPS (GAAP) to Adjusted Net Income & Adjusted EPS (Non-GAAP) (\$M)
FY'20 Q1; FY'21 Q1

	FY'20	FY'21	Incr. / (Decr.)	
	Qtr. 1	Qtr. 1	\$	%
Net (Loss) Income Attributable to Korn / Ferry	\$43.0	(\$30.8)	(\$73.8)	(171.8%)
(1) Restructuring Chgs. / (Recoveries) - Net	-	27.5	27.5	-
(2) Integration / Acquisition Costs	-	0.7	0.7	-
(3) Tax Effect of Adjustment Items	-	(7.6)	(7.6)	-
Adjusted Net Income Attributable to K/F	\$43.0	(\$10.2)	(\$53.2)	(123.8%)
Diluted Earnings per Common Sh.	\$0.76	(\$0.58)	(\$1.34)	(176.3%)
(1) Restructuring Charges - Net	-	0.52	0.52	-
(2) Integration / Acquisition Costs	-	0.01	0.01	-
(3) Tax Effect of Adjustment Items	-	(0.14)	(0.14)	-
Adjusted Diluted Earnings per Sh.	\$0.76	(\$0.19)	(\$0.95)	(125.0%)

(1) Restructuring incurred to rationalize our cost structure by eliminating redundant positions as a result of COVID-19

(2) Costs associated with current and previous acquisition, such as legal & professional fees, retention awards and other on-going integration costs to combine the companies.

(3) Tax effect on integration / acquisition costs and restructuring charges, net, separation costs, tradename write-offs and the write-off of debt issuance costs



KORN FERRY

Reconciliation of Net Income & Operating Income (GAAP) to EBITDA & Adjusted EBITDA (Non-GAAP) (\$M)
FY'20 Q1; FY'21 Q1

	FY'20 Q1						FY'21 Q1					
	Consulting	Digital	Exec. Search	RPO & Prof. Search	Corp.	KF	Consulting	Digital	Exec. Search	RPO & Prof. Search	Corp.	KF
Fee Revenue	\$137.5	\$58.0	\$193.2	\$68.7	-	\$484.5	\$99.3	\$56.0	\$120.1	\$68.7	-	\$344.1
Total Revenue	141.3	58.0	198.0	70.4	-	\$496.2	99.6	55.0	120.9	70.4	-	346.9
Net Income Attributable to Korn / Ferry	-	-	-	-	-	43.0	-	-	-	-	-	(30.8)
Net Income Attributable to Noncontrolling Interest	-	-	-	-	-	0.7	-	-	-	-	-	-
Oth. (Inc.) / Loss- Net	-	-	-	-	-	(1.8)	-	-	-	-	-	(11.2)
Interest Exps. - Net	-	-	-	-	-	4.1	-	-	-	-	-	6.9
Income Tax (Benefit) / Exps.	-	-	-	-	-	14.5	-	-	-	-	-	(8.7)
Oper. Incm. / (Loss)	\$11.8	\$14.0	\$45.6	\$15.0	(\$26.1)	\$60.3	(\$10.9)	(\$2.6)	(\$12.3)	\$2.2	(\$20.1)	(\$43.8)
Margin (%)	8.6%	24.2%	23.6%	21.9%	-	12.5%	(11.0%)	(4.7%)	(10.2%)	3.2%	-	(12.7%)
Deprec. & Amortiz.	4.4	3.6	2.0	1.0	1.7	12.8	4.0	6.7	1.6	0.9	1.8	15.0
Oth. Incm. / (Loss) - Net	0.5	0.2	1.2	0.1	(0.2)	1.8	0.8	0.4	9.6	0.2	0.1	11.2
EBITDA	\$16.7	\$17.8	\$48.9	\$16.1	(\$24.4)	\$74.9	(\$6.1)	\$4.5	(\$1.1)	\$3.3	(\$18.2)	(\$17.6)
Margin (%)	12.2%	30.8%	25.3%	23.5%	-	15.5%	(6.2%)	8.1%	(0.9%)	4.8%	-	(5.1%)
(1) Restructuring Chgs.	-	-	-	-	-	-	12.7	2.9	\$9.2	\$2.7	-	27.5
(2) Integ. / Acq. Costs	-	-	-	-	-	-	-	0.6	-	-	0.2	0.7
Adjusted EBITDA	\$16.7	\$17.8	\$48.9	\$16.1	(\$24.4)	\$74.9	\$6.6	\$7.9	\$47.5	\$6.0	(\$18.0)	\$10.6
Margin (%)	12.2%	30.8%	25.3%	23.5%	-	15.5%	6.6%	14.2%	39.5%	8.8%	-	3.1%

(1) Restructuring charges incurred to rationalize our cost structure by eliminating redundant positions as a result of COVID-19

(2) Costs associated with current and previous acquisition, such as legal & professional fees, retention awards and other on-going integration expenses to combine the companies



KORN FERRY

Reconciliation of Cash & Marketable Securities to Investable Cash (\$M)

FY'20 Q1; FY'21 Q1

	FY'20 Qtr. 1	FY'21 Qtr. 1
Cash	\$424.6	\$542.8
Marketable Securities	142.7	190.2
Cash & Marketable Securities	\$567.3	\$733.0
ECAP & Bonus Liability	(204.7)	(222.2)
Investable Cash	\$362.5	\$510.8



KORN FERRY

Fee Revenue Growth by Segment and Region – Actual Reported vs. Constant Currency

	FY'21 Q1 vs. FY'20 Q1		
	Reported		Const. Curr.
	\$M	% Grth.	% Grth.
<u>Executive Search</u>			
North America	\$69.3	(38.0%)	(37.8%)
Europe	30.1	(35.4%)	(35.0%)
Asia / Pacific	17.3	(36.9%)	(35.4%)
Latin America	3.5	(53.9%)	(42.7%)
Total Exec. Search	\$120.1	(37.8%)	(37.0%)
<u>Consulting</u>			
North America	\$40.3	(26.3%)	(26.1%)
Europe	36.2	(25.8%)	(24.7%)
Asia / Pacific	19.5	(32.0%)	(30.8%)
Latin America	3.3	(31.7%)	(13.7%)
Total Consulting	\$99.3	(27.8%)	(26.2%)
<u>Digital</u>			
North America	\$23.2	10.9%	10.9%
Europe	21.2	(10.1%)	(8.1%)
Asia / Pacific	9.3	(8.4%)	(6.5%)
Latin America	2.2	(39.6%)	(25.5%)
Total Digital	\$56.0	(3.5%)	(1.8%)
<u>RPO & Prof. Search</u>			
North America	\$30.3	(35.0%)	(34.9%)
Europe	19.0	(23.2%)	(23.2%)
Asia / Pacific	16.4	(16.9%)	(14.3%)
Latin America	3.0	(36.5%)	(19.4%)
Total RPO & Prof. Sch.	\$68.7	(28.3%)	(27.0%)
Total KF	\$344.1	(29.0%)	(27.8%)



Thank you

