

KORN FERRY

FY'21 Q2 Earnings Call Presentation

November 23, 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 20 for a reconciliation of each of the non-GAAP financial measures included in this presentation to the closest GAAP measure.



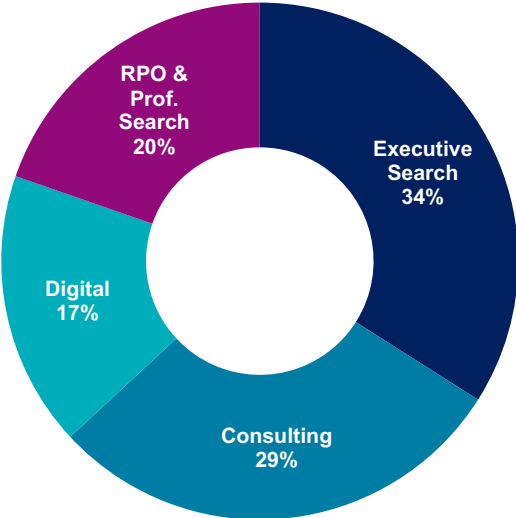
FY'21 Q2 FINANCIAL RESULTS SIGNIFICANTLY IMPROVED SEQUENTIALLY

Fee Revenue	Adj. EBITDA ⁽²⁾ (NON-GAAP)	Adj. EBITDA Margin % ⁽²⁾ (NON-GAAP)	Adj. Diluted EPS (\$) ⁽⁴⁾ (NON-GAAP)
\$435M +\$91M +27%	\$66M +\$56M	15.2%	\$0.54 +\$0.73

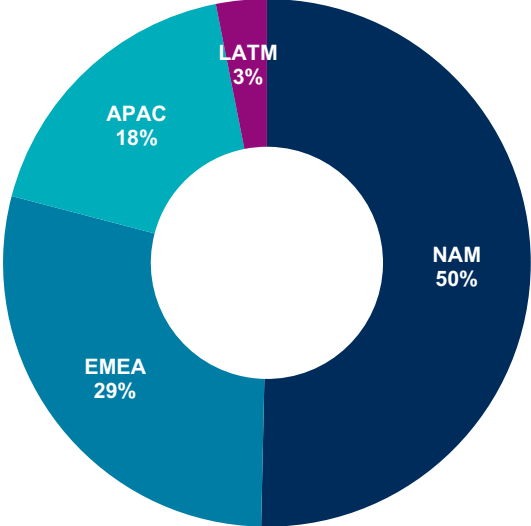


BUSINESS CONTINUES TO BE HIGHLY DIVERSIFIED ACROSS SEGMENT, GEOGRAPHY AND INDUSTRY

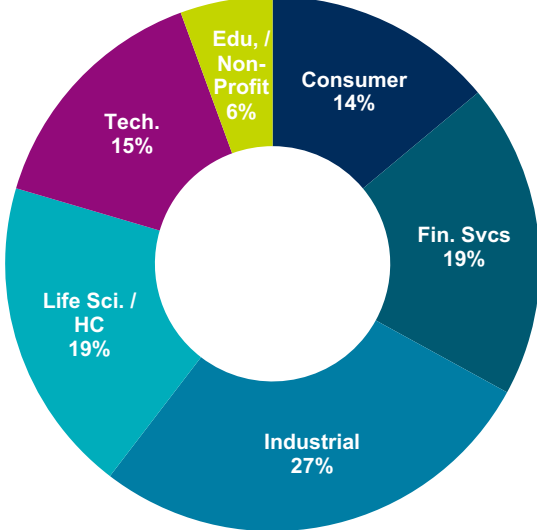
FEE REVENUE BY SEGMENT



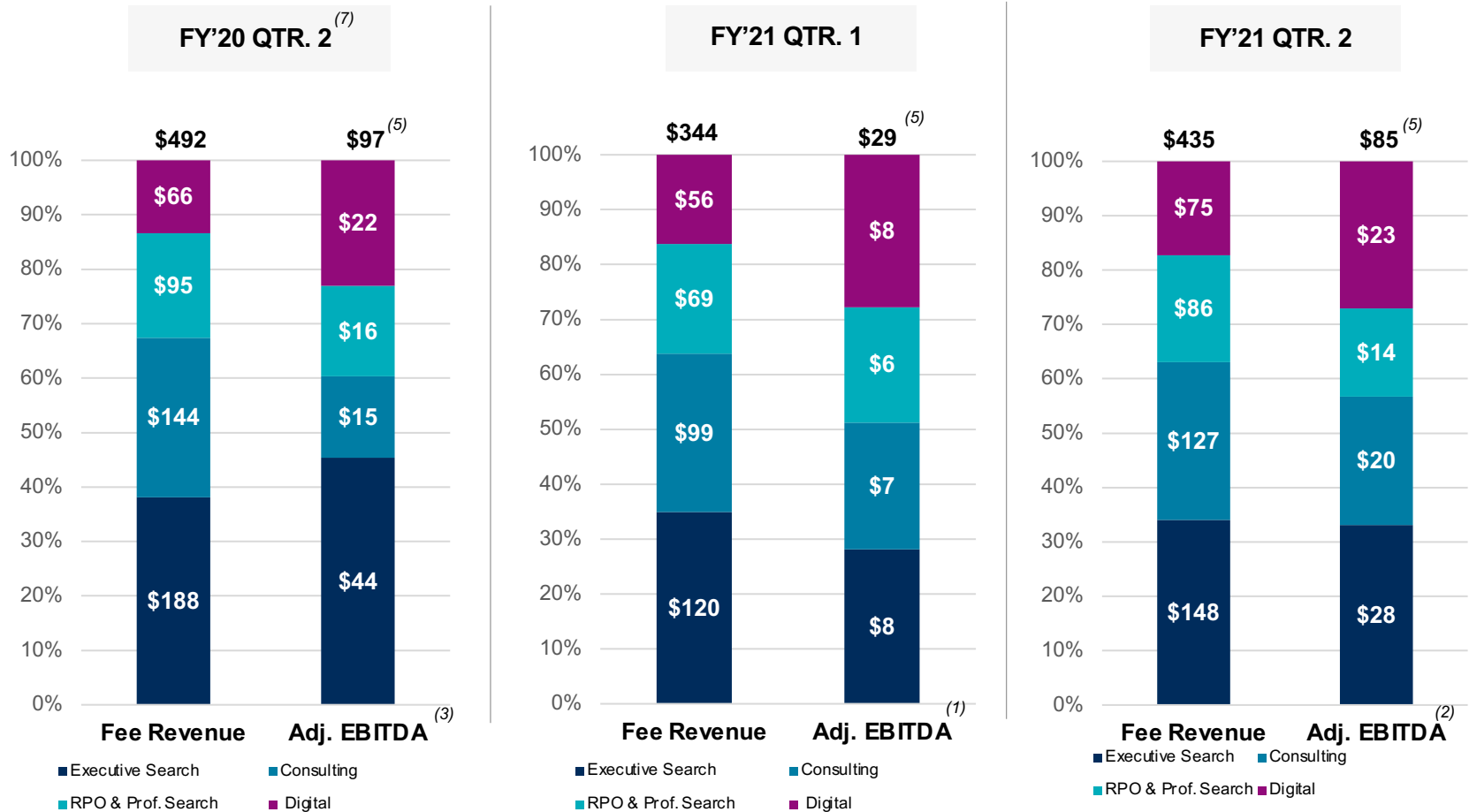
FEE REVENUE BY GEOGRAPHY



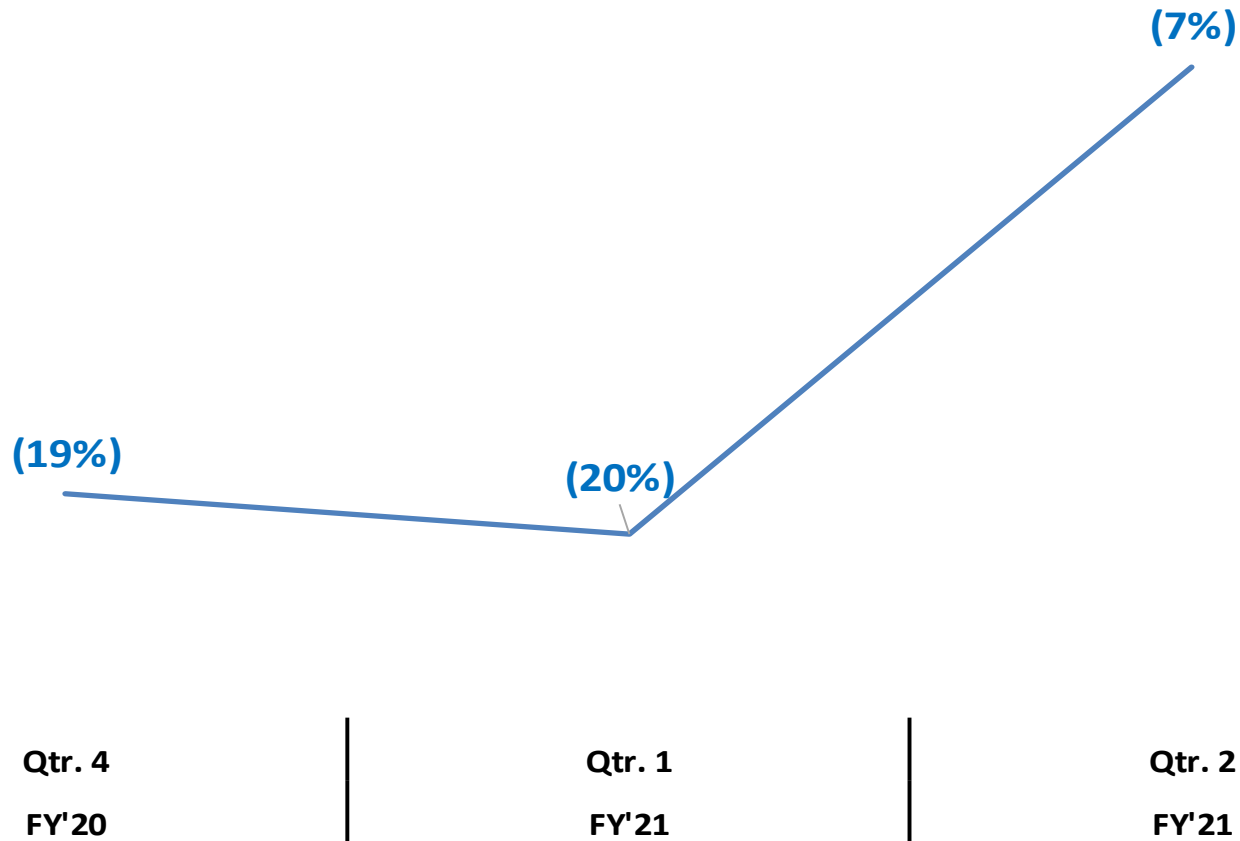
FEE REVENUE BY INDUSTRY



DIVERSIFIED MIX OF REVENUE & OPERATING EFFICIENCIES ARE DRIVING SIGNIFICANTLY IMPROVED & BALANCED EARNINGS (\$M)



QUARTERLY NEW BUSINESS* GROWTH YOY (EXCLUDING RPO) FY'20 QTR. 4 to FY'21 QTR. 2

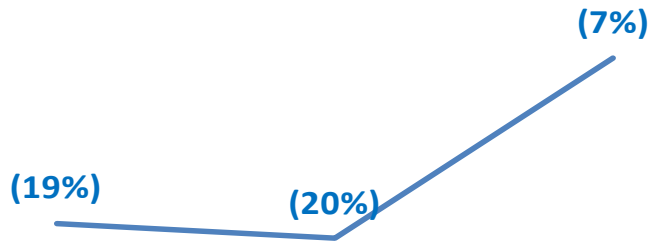


**Confirmations Plus Upticks and Additional Placements*



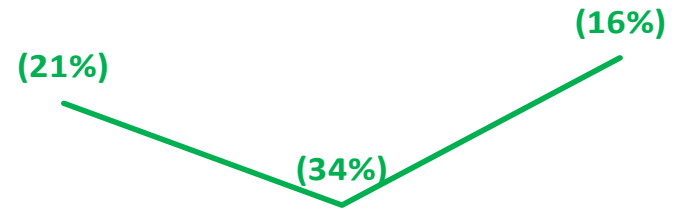
QUATERLY NEW BUSINESS* GROWTH YOY BY SEGMENT (EXCLUDING RPO) FY'20 QTR. 4 to FYY'21 QTR. 2

KF Total *



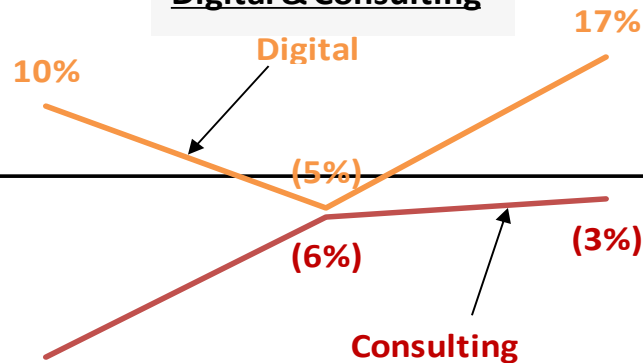
Qtr. 4 FY'20	Qtr. 1 FY'21	Qtr. 2 FY'21
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Executive Search*



Qtr. 4 FY'20	Qtr. 1 FY'21	Qtr. 2 FY'21
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Digital & Consulting



Qtr. 4 FY'20	Qtr. 1 FY'21	Qtr. 2 FY'21
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Professional Search*



Qtr. 4 FY'20	Qtr. 1 FY'21	Qtr. 2 FY'21
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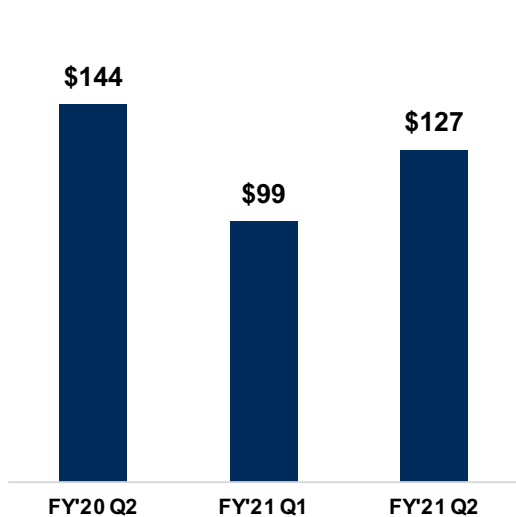
*Confirmations Plus Upticks & Additional Placements



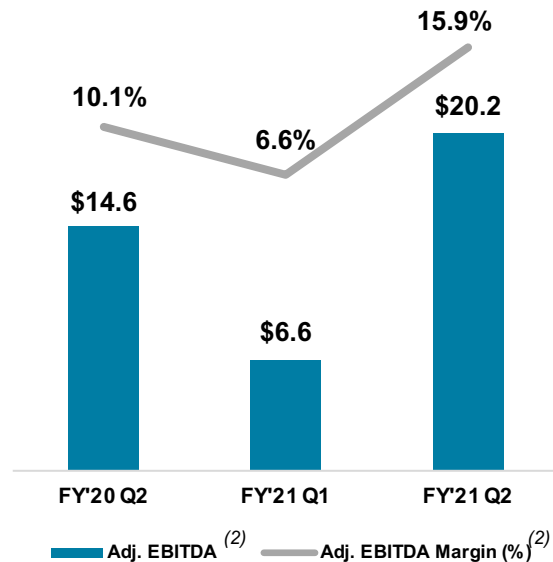
CONSULTING

29% OF FEE REVENUE AND 24% OF EARNINGS IN FY'21 QTR. 2
NEW BUSINESS UP 17% SEQUENTIALLY IN QTR. 2

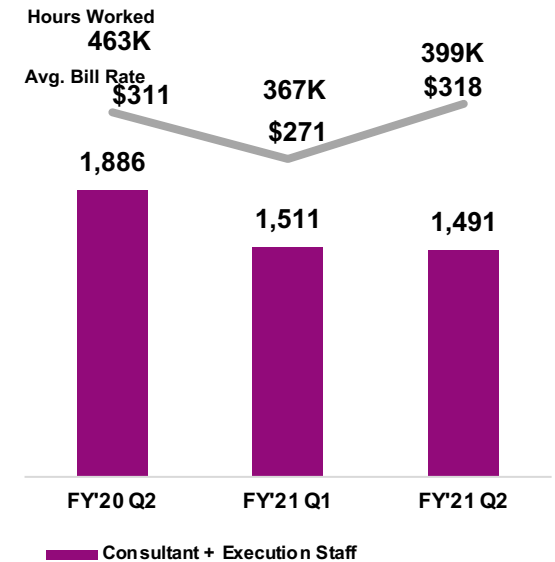
FEE REVENUE (\$M)



ADJ. EBITDA (\$M) & ADJ. EBITDA MARGIN (%) (NON-GAAP)⁽²⁾



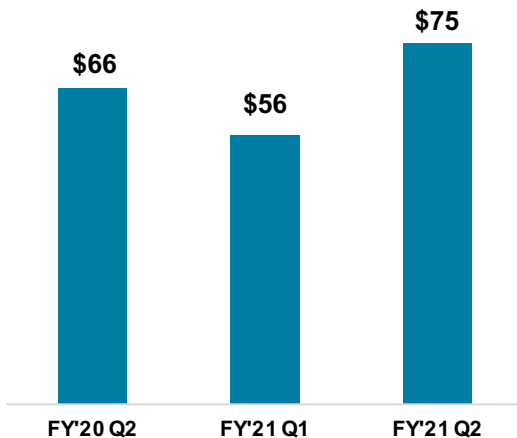
CONSULTANT + EXECUTION STAFF PRODUCTIVITY



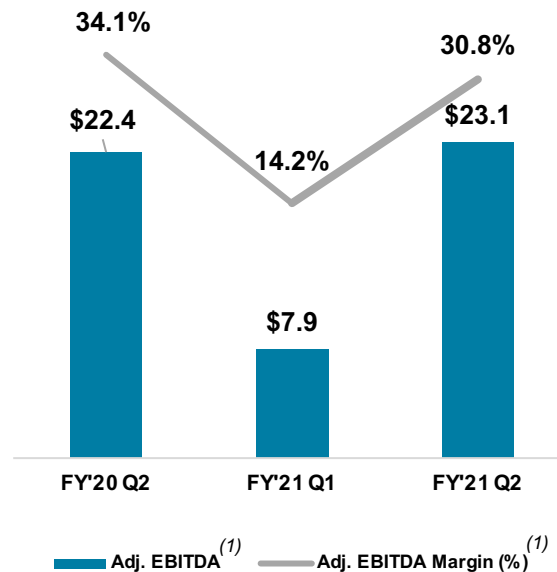
DIGITAL

17% OF FEE REVENUE AND 27% OF EARNINGS IN FY'21 QTR. 2
NEW BUSINESS UP 31% SEQUENTIALLY IN QTR. 2

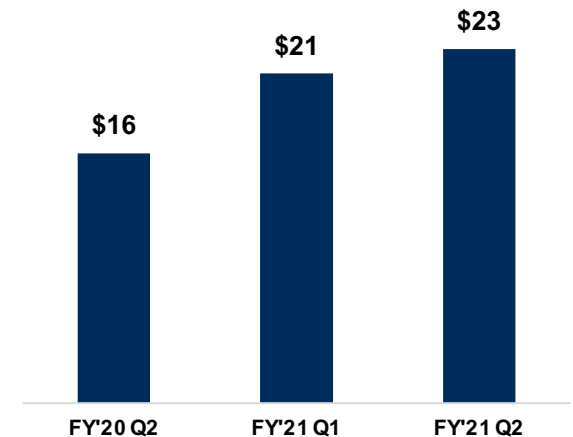
FEE REVENUE (\$M)



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



SUBSCRIPTION & LICENSE FEE REVENUE ⁽⁶⁾ - (\$M)

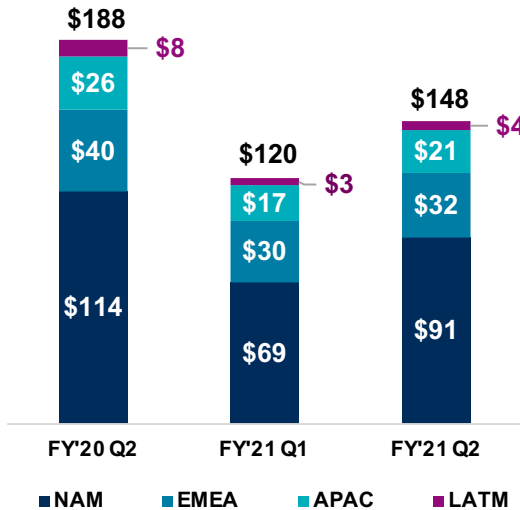


EXECUTIVE SEARCH

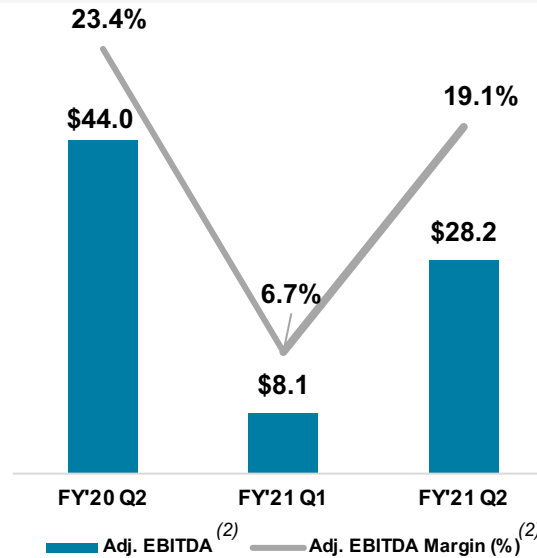
34% OF FEE REVENUE AND 33% OF EARNINGS IN FY'21 QTR. 2

NEW BUSINESS UP 25% SEQUENTIALLY IN QTR. 2

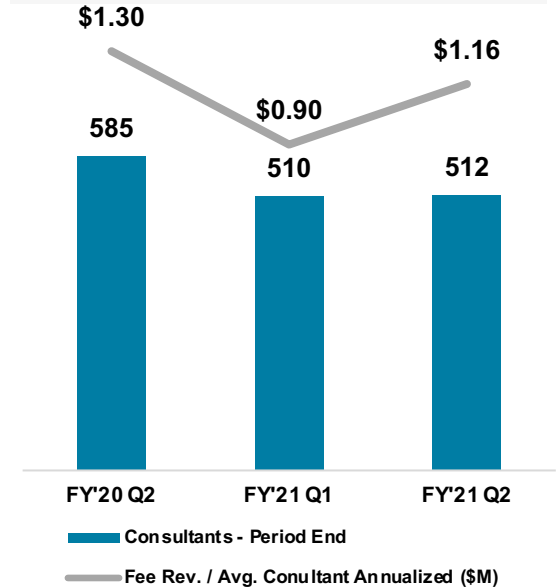
FEE REVENUE (\$M)



ADJ. EBITDA (\$M) & ADJ. EBITDA MARGIN (%) (NON-GAAP)⁽²⁾



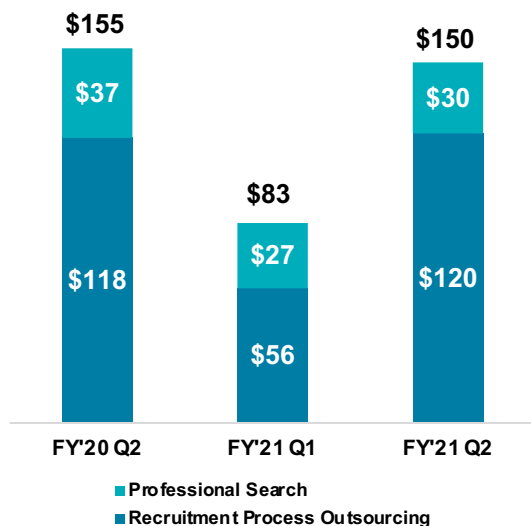
CONSULTANT PRODUCTIVITY



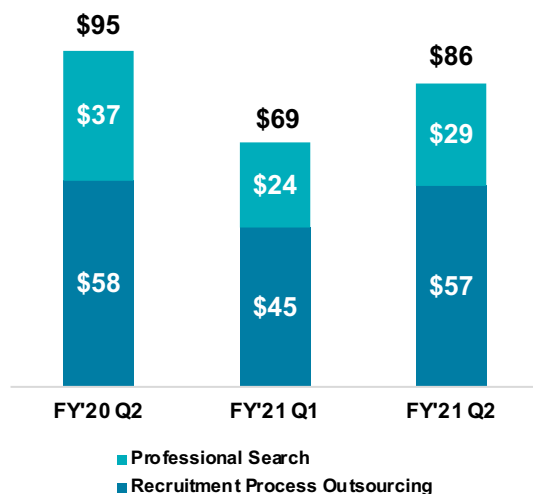
RPO & PROFESSIONAL SEARCH

20% OF FEE REVENUE AND 16% OF EARNINGS IN FY'21 QTR. 2

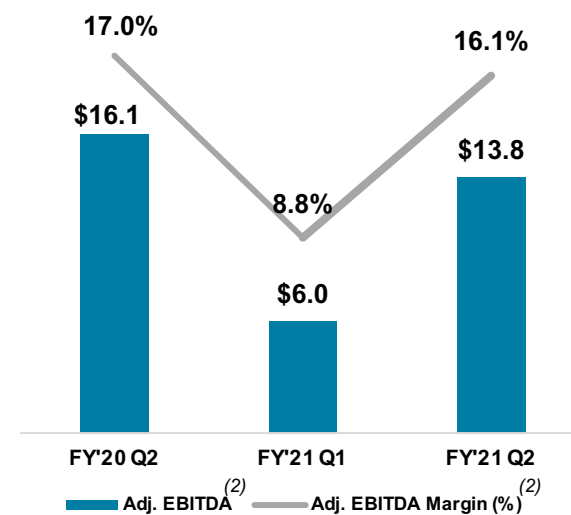
NEW BUSINESS (\$M)



FEE REVENUE (\$M)



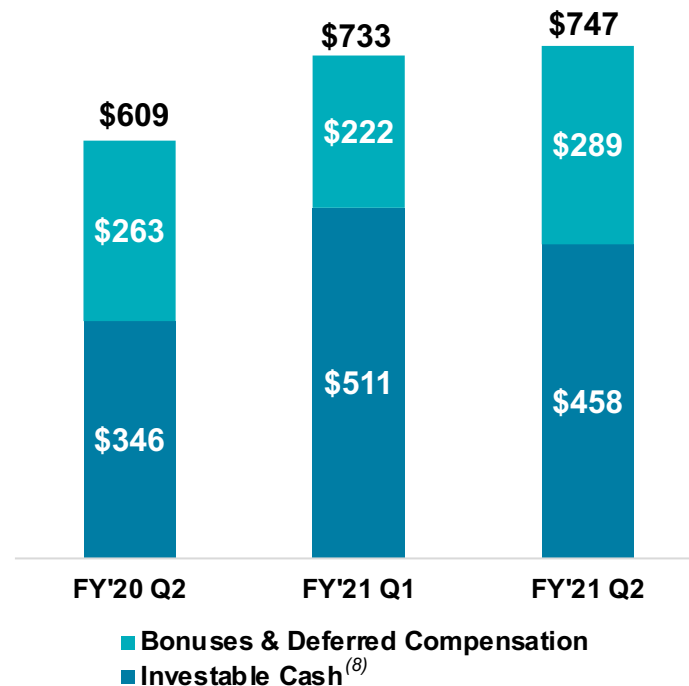
ADJ. EBITDA (\$M) & ADJ. EBITDA MARGIN (%) (NON-GAAP) ⁽²⁾



CASH & MARKETABLE SECURITIES

STRONG LIQUIDITY WITH \$458M OF INVESTABLE CASH⁽⁸⁾

Cash & Marketable Securities (\$M)



- Investable Cash⁽⁸⁾ – up \$112M or 32% YoY
 - FY'20 Q2 Investable Cash includes a \$50M Revolver Draw used to partially finance the Aspen acquisitions on November 1, 2019



FOOTNOTES

- (1) Earnings Before Interest, Taxes, Depreciation & Amortization Adjusted to Exclude Acquisition/Integration Costs and Restructuring Charges.
- (2) Earnings Before Interest, Taxes, Depreciation & Amortization Adjusted to Exclude Restructuring Charges.
- (3) Earnings Before Interest, Taxes, Depreciation & Amortization Adjusted
- (4) Diluted Earnings per Share Adjusted to Exclude Restructuring Charges Net of Tax.
- (5) Excludes Corporate Adj. EBITDA which was (\$18.8M) in FY'20 Q2, (\$18.0M) in FY'21 Q1 and (\$19.1M) in FY'21 Q2.
- (6) Represents Fee Revenue Derived from Annual Subscriptions and Licenses to KF's Intellectual Property and Data Solutions.
- (7) Data Has Been Recast to Reflect New Segments.
- (8) 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. Surrounding the pool is a lush green lawn. Several palm trees are scattered around the lawn. A person in a red shirt and dark shorts is walking on the grey stone-paved path that surrounds the courtyard. 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
November 23, 2020



KORN FERRY

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

FY'20 Q2; FY'21 Q1; FY'21 Q2

	FY'20 Qtr. 2	FY'21 Qtr. 1	FY'21 Qtr. 2	YoY		Sequential	
				Incr. / (Decr.) \$/ %	%	Incr. / (Decr.) \$/ %	%
Net (Loss) Income Attributable to Korn / Ferry	\$42.8	(\$30.8)	\$27.8	(\$15.0)	(35.1%)	\$58.6	190.1%
Net (Loss) Incm. Attrib. to Non-Controlling Int.	0.2	-	0.3	0.1	31.6%	0.3	-
Net Income	\$43.0	(\$30.8)	\$28.1	(\$15.0)	(34.7%)	\$58.9	191.3%
Income Tax Provision	15.8	(8.7)	12.9	(2.9)	(18.3%)	21.5	248.5%
Income (Loss) Before Provision for Income Taxes (Benefit)	\$58.8	(\$39.5)	\$41.0	(\$17.8)	(18.3%)	\$80.5	203.6%
Other (Income) Loss - Net	(1.1)	(11.2)	(0.3)	0.9	75.6%	10.9	97.5%
Interest Expense - Net	4.3	6.9	7.5	3.2	72.8%	0.6	8.7%
Operating Income	\$61.9	(\$43.8)	\$48.2	(\$13.8)	(22.3%)	\$91.9	209.9%
Depreciation & Amortization	12.7	15.0	15.3	2.6	20.3%	0.3	1.7%
Other Income / (Loss) , Net	1.1	11.2	0.3	(0.9)	(75.6%)	(10.9)	(97.5%)
EBITDA	\$75.7	(\$17.6)	\$63.7	(\$12.1)	(16.0%)	\$81.3	462.1%
(1) Restructuring Chgs. / (Recoveries) - Net	-	27.5	2.4	2.4	-	(25.1)	(91.2%)
(2) Integration / Acquisition Costs	2.6	0.7	-	(2.6)	(99.4%)	(0.7)	(100.0%)
Adjusted EBITDA	\$78.3	\$10.6	\$66.2	(\$12.3)	(15.7%)	\$55.5	522.4%
Operating Margin	12.6%	(12.7%)	11.1%	(1.5%)	-	23.8%	-
Depreciation & Amortization	2.6%	4.4%	3.4%	0.8%	-	(1.0%)	-
Other Income / (Loss) , Net	0.2%	3.2%	0.1%	(0.1%)	-	(3.1%)	-
EBITDA Margin	15.4%	(5.1%)	14.6%	(0.8%)	-	19.7%	-
(1) Restructuring Charges - Net	-	8.0%	0.6%	0.6%	-	(7.4%)	-
(2) Integration / Acquisition Costs	0.5%	0.2%	-	(0.5%)	-	(0.2%)	-
Adjusted EBITDA Margin	15.9%	3.1%	15.2%	(0.7%)	-	12.1%	-

(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 Q2; FY'21 Q1; FY'21 Q2

	FY'20	FY'21	FY'21	YoY		Sequential	
	Qtr. 2	Qtr. 1	Qtr. 2	Incr. / (Decr.)	Incr. / (Decr.)	Incr. / (Decr.)	Incr. / (Decr.)
				\$	%	\$	%
Net (Loss) Income Attributable to Korn / Ferry	\$42.8	(\$30.8)	\$27.8	(\$15.0)	(35.1%)	\$58.6	190.1%
(1) Restructuring Chgs. / (Recoveries) - Net	-	27.5	2.4	2.4	-	(25.1)	(91.2%)
(2) Integration / Acquisition Costs	2.6	0.7	-	(2.6)	-	(0.7)	(100.0%)
(3) Tax Effect of Adjustment Items	(0.7)	(7.6)	(0.7)	(0.0)	-	6.9	90.6%
Adjusted Net Income Attributable to K/F	\$44.8	(\$10.2)	\$29.5	(\$15.3)	(34.1%)	\$39.7	388.5%
Diluted Earnings per Common Sh.	\$0.77	(\$0.58)	\$0.51	(\$0.26)	(33.8%)	\$1.09	187.9%
(1) Restructuring Charges - Net	-	0.52	0.04	0.04	-	(0.48)	(92.3%)
(2) Integration / Acquisition Costs	0.05	0.01	-	(0.05)	-	(0.01)	(100.0%)
(3) Tax Effect of Adjustment Items	(0.01)	(0.14)	(0.01)	0.00	-	0.13	92.9%
Adjusted Diluted Earnings per Sh.	\$0.81	(\$0.19)	\$0.54	(\$0.27)	(33.3%)	\$0.73	384.2%

(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



KORN FERRY

Reconciliation of Net Income & Operating Income (GAAP) to EBITDA & Adjusted EBITDA (Non-GAAP) (\$M)
FY'20 Q2; FY'21 Q1

	FY'20 Q2						FY'21 Q1					
	Consulting	Digital	Exec. Search	RPO & Prof. Search	Corp.	KF	Consulting	Digital	Exec. Search	RPO & Prof. Search	Corp.	KF
Fee Revenue	\$144.0	\$65.7	\$187.9	\$94.8	-	\$492.4	\$99.3	\$56.0	\$120.1	\$68.7	-	\$344.1
Total Revenue	148.2	65.7	192.0	98.3	-	504.2	99.6	55.0	120.9	70.4	-	346.9
Net Income Attributable to Korn / Ferry	-	-	-	-	-	42.8	-	-	-	-	-	(30.8)
Net Income Attributable to Noncontrolling Interest	-	-	-	-	-	0.2	-	-	-	-	-	-
Oth. (Inc.) / Loss- Net	-	-	-	-	-	(1.1)	-	-	-	-	-	(11.2)
Interest Exps. - Net	-	-	-	-	-	4.2	-	-	-	-	-	6.9
Income Tax (Benefit) / Exps.	-	-	-	-	-	15.8	-	-	-	-	-	(8.7)
Oper. Incm. / (Loss)	\$9.8	\$18.6	\$41.2	\$15.1	(\$22.8)	\$61.9	(\$10.9)	(\$2.6)	(\$12.3)	\$2.2	(\$20.1)	(\$43.8)
Margin (%)	6.8%	28.2%	21.9%	15.9%	-	12.6%	(11.0%)	(4.7%)	(10.2%)	3.2%	-	(12.7%)
Deprec. & Amortiz.	4.4	3.7	2.0	1.0	1.7	12.7	4.0	6.7	1.6	0.9	1.8	15.0
Oth. Incm. / (Loss) - Net	0.4	0.1	0.8	0.1	(0.3)	1.1	0.8	0.4	9.6	0.2	0.1	11.2
EBITDA	\$14.6	\$22.4	\$44.0	\$16.1	(\$21.4)	\$75.7	(\$6.1)	\$4.5	(\$1.1)	\$3.3	(\$18.2)	(\$17.6)
Margin (%)	10.1%	34.1%	23.4%	17.0%	-	15.4%	(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	-	-	-	-	2.6	2.6	-	0.6	-	-	0.2	0.7
Adjusted EBITDA	\$14.5	\$22.4	\$44.0	\$16.1	(\$18.8)	\$78.3	\$6.6	\$7.9	\$47.5	\$6.0	(\$18.0)	\$10.6
Margin (%)	10.1%	34.1%	23.4%	17.0%	-	15.9%	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 Net Income & Operating Income (GAAP) to EBITDA & Adjusted EBITDA (Non-GAAP) (\$M)
FY'21 Q2

	FY'21 Q2					
	Consulting	Digital	Exec. Search	RPO & Prof. Search	Corp.	KF
Fee Revenue	\$126.7	\$75.0	\$148.1	\$85.7	-	\$435.4
Total Revenue	127.1	75.0	148.6	87.1	-	437.8
Net Income Attributable to Korn / Ferry	-	-	-	-	-	27.8
Net Income Attributable to Noncontrolling Interest	-	-	-	-	-	0.3
Oth. (Incm.) / Loss- Net	-	-	-	-	-	(0.3)
Interest Exps. - Net	-	-	-	-	-	7.5
Income Tax (Benefit) / Exps.	-	-	-	-	-	12.9
Oper. Incm. / (Loss)	\$14.6	\$15.8	\$25.6	\$12.5	(\$20.4)	\$48.2
Margin (%)	11.5%	21.1%	17.3%	14.6%	-	11.1%
Deprec. & Amortiz.	4.1	7.0	1.5	0.9	1.8	15.3
Oth. Incm. / (Loss) - Net	0.3	0.2	0.2	0.0	(0.5)	0.3
EBITDA	\$19.0	\$23.0	\$27.3	\$13.5	(\$19.1)	\$63.7
Margin (%)	15.0%	30.7%	18.5%	15.7%	-	14.6%
(1) Restructuring Chgs.	1.1	0.1	0.9	0.3	-	2.4
Adjusted EBITDA	\$20.2	\$23.1	\$28.2	\$13.8	(\$19.1)	\$66.2
Margin (%)	15.9%	30.8%	19.1%	16.1%	-	15.2%

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



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

FY'20 Q2; FY'21 Q1; FY'21 Q2

	FY'20 Qtr. 1	FY'21 Qtr. 1	FY'21 Qtr. 2
Cash	\$424.6	\$542.8	\$553.1
Marketable Securities	142.7	190.2	194.3
Cash & Marketable Securities	\$567.3	\$733.0	\$747.5
ECAP & Bonus Liability	(204.7)	(222.2)	(288.9)
Investable Cash	\$362.5	\$510.8	\$458.5



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

	FY'21 Q2 vs. FY'20 Q2		
	Reported		Const. Curr.
	\$M	% Grth.	% Grth.
<u>Executive Search</u>			
North America	\$91.2	(19.9%)	(18.2%)
Europe	31.6	(20.6%)	(31.7%)
Asia / Pacific	20.8	(19.8%)	(22.1%)
Latin America	4.5	(46.1%)	(26.9%)
Total Exec. Search	\$148.1	(21.2%)	(22.3%)
<u>Consulting</u>			
North America	\$56.1	(6.2%)	(6.2%)
Europe	44.3	(10.9%)	(14.3%)
Asia / Pacific	23.0	(19.0%)	(20.1%)
Latin America	3.3	(36.5%)	(21.4%)
Total Consulting	\$126.7	(12.0%)	(12.3%)
<u>Digital</u>			
North America	\$32.0	32.0%	32.0%
Europe	28.1	2.2%	(1.1%)
Asia / Pacific	12.5	10.6%	7.8%
Latin America	2.5	(31.9%)	(21.0%)
Total Digital	\$75.0	14.1%	12.5%
<u>RPO & Prof. Search</u>			
North America	\$40.0	(15.2%)	(15.2%)
Europe	21.1	(9.7%)	(15.1%)
Asia / Pacific	21.2	7.6%	4.4%
Latin America	3.4	(27.7%)	(15.0%)
Total RPO & Prof. Sch	\$85.6	(9.6%)	(10.9%)
Total KF	\$435.4	(11.6%)	(12.4%)



Thank you

