



FY'23 Q1 Earnings Call

September 7, 2022



Safe Harbor Statement

FORWARD-LOOKING STATEMENTS

Statements in this presentation that relate to goals, strategies, future plans and expectations 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. For a detailed description of many of those risks and uncertainties, please refer to Korn Ferry's earnings release and its periodic filings with the Securities and Exchange Commission. These statements are also aspirational and not guarantees or promises that goals or targets will be met. The company undertakes no obligation to update any statements, whether as a result of new information, future events or otherwise. In addition, these statements may be based on standards for measuring progress that are still developing and on assumptions that are subject to change in the future.

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 18 to 24 for a reconciliation of each of the non-GAAP financial measures included in this presentation to the closest GAAP measure.



Advancing our Strategy to Become the Preeminent Global Organizational Consultancy



Diversifying offerings into fully integrated, scalable and sustainable client engagements:

Intentional expansion to a comprehensive organizational consultancy is driving less cyclical and more predictable and recurring fee revenue streams with more scalable earnings.



Capitalizing on global leadership in solutions with great relevance today:

Monetizing investments in data, content, and IP. Driving greater Digital subscription engagements and integration with Consulting creates greater differentiation.

Established record of thought leadership and action on burning platform issues such as workforce transformation/digitization, DE & I, and other ESG initiatives provides a competitive edge to support companies as they look to solve their most pressing business issues.



Driving an integrated go-to-market strategy through our marquee and regional accounts:

Enduring client relationships of scale that deliver larger, more predictable and recurring Revenue through structured, programmatic account planning in combination with strategic investments in account management talent.



Advancing Korn Ferry as a premier career destination:

Attracting and retaining top talent by investing in initiatives that build a world-class organization aligned to strategy and staffed by a capable, motivated and agile workforce.



Pursuing transformational opportunities at the intersection of talent and strategy:

Proven track record of investing in growth and leveraging a core competency of identifying, acquiring and integrating M&A targets that have the potential to further our strategic objectives and enhance shareholder value.

A Compelling Investment Opportunity, At a Critical Moment, in a Critical Sector



Strong, Durable Foundation

- Recognized industry leader with ~11,000 experts strategically positioned in more than 50 countries
- Value-driven capital allocation priorities and strong M&A track record
- Proven management team driving a proven business model
- Proprietary IP and data driving an expanding suite of digital capabilities
- Continued investment in commercial colleagues including Marquee and Regional account leaders



Relevant Solutions Aligned With Macro Trends

- Rapid emergence of remote work necessitating organizational realignment
- Investor / Corporate emphasis on ESG, including global prioritization of Diversity, Equity & Inclusion
- Partnering with Salesforce.com and Microsoft as new sales channels for the delivery of KF IP, data, and content
- Investing in Professional Search & Interim Services in anticipation of shift from career employee to career nomad



Poised for Sustainable Growth

- Focus on durable, scalable Revenue through deeper key client penetration and large integrated solutions that emphasize consulting services and digital subscriptions
- Marquee and Regional account program outperforming the rest of the firm enabled by disciplined account management and planning
- Global reach and breadth of solutions a key competitive advantage
- Strong cash generation and balance sheet facilitates investments in growth opportunities in large markets that are currently highly fragmented and underpenetrated

Steady Global Demand & Strong Execution Driving Revenue & Earnings Scale

\$696M

+\$110M +19% YoY

(+24% at CC)

Fee Revenue

19.0%

Adj. EBITDA Margin %⁽¹⁾
(Non-GAAP)

\$132M

+\$11M +9% YoY

Adj. EBITDA⁽¹⁾
(Non-GAAP)

\$1.50

+\$0.13 +9% YoY

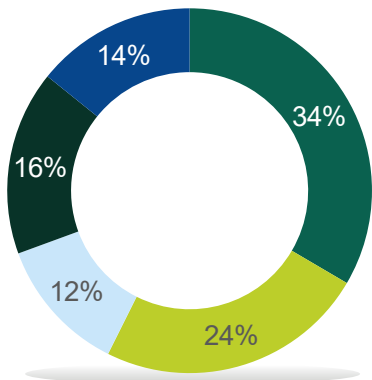
Adj. Diluted EPS⁽²⁾
(Non-GAAP)



Business Continues to be Highly Diversified Across Lines of Business, Geography and Industry

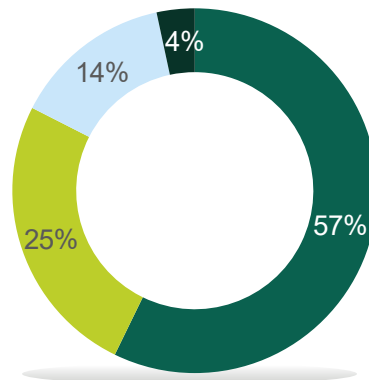
For the first quarter of FY'23

Fee Revenue by Lines of Business



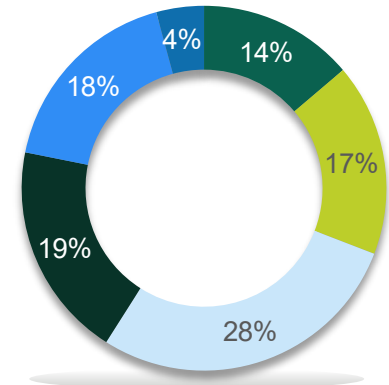
- Executive Search
- Digital
- Consulting
- RPO
- Professional Search & Interim

Fee Revenue by Geography



- NAM
- APAC
- EMEA
- LATM

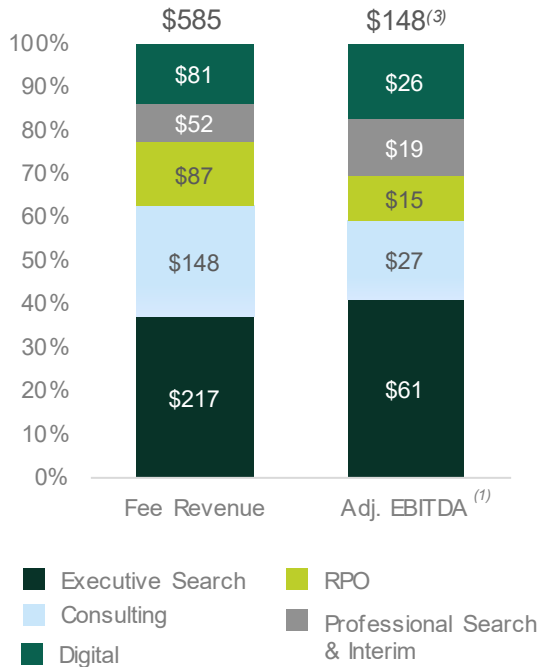
Fee Revenue by Industry



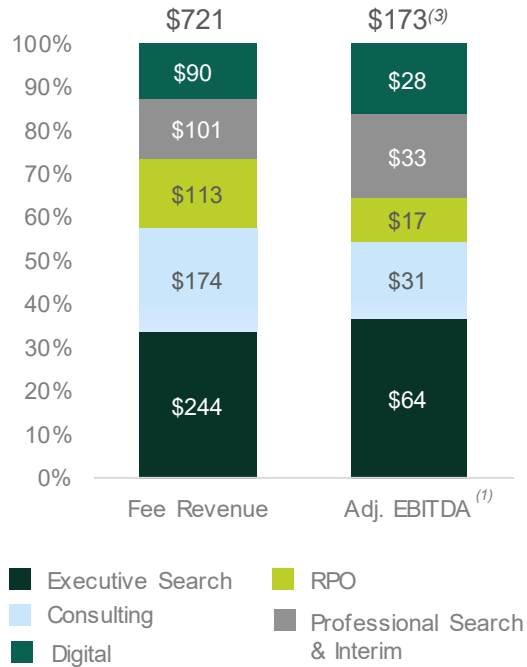
- Consumer
- Industrial
- Financial Services
- Life Sci. / HC
- Tech.
- Edu. / Non-Profit

Diversified Mix of Revenue & Operating Efficiencies Continue to Drive Earnings Scale (\$M)

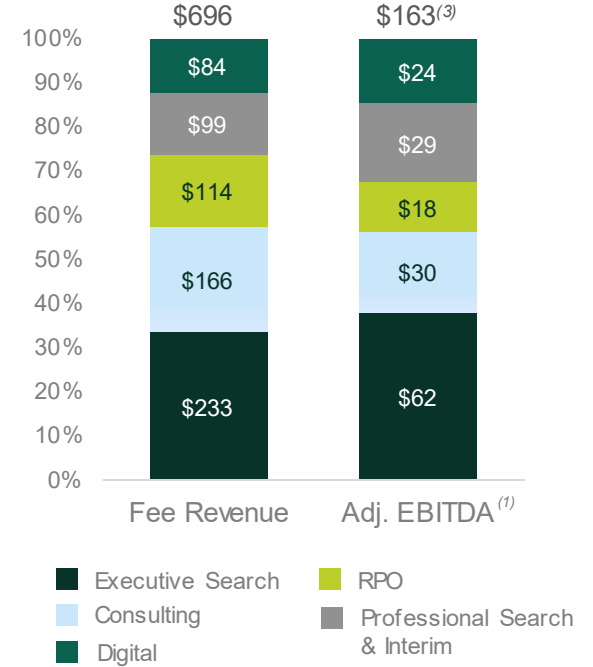
FY'22 QTR. 1



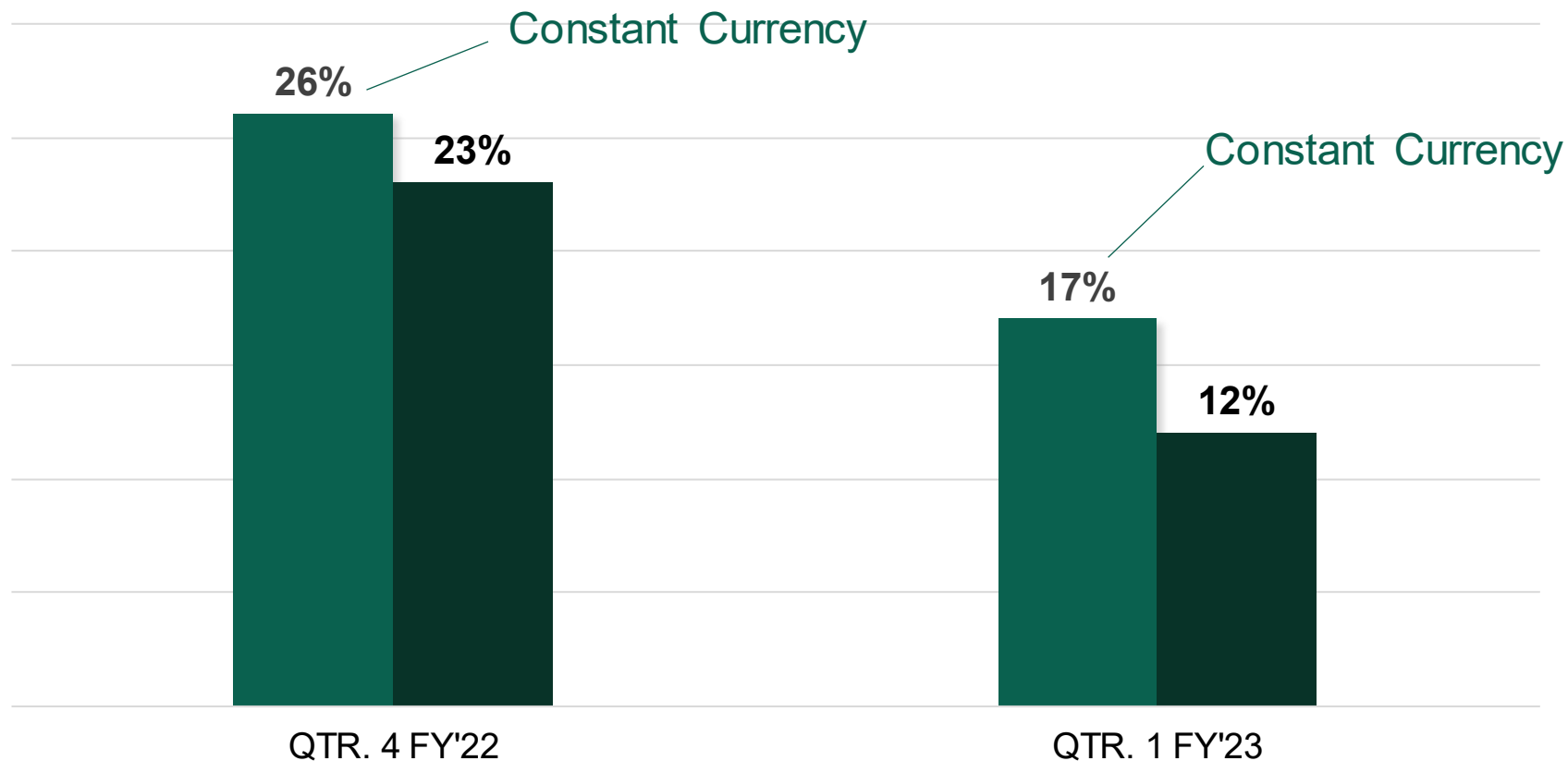
FY'22 QTR. 4



FY'23 QTR. 1



Quarterly⁽⁷⁾ New Business* - YoY Growth (Excluding RPO)

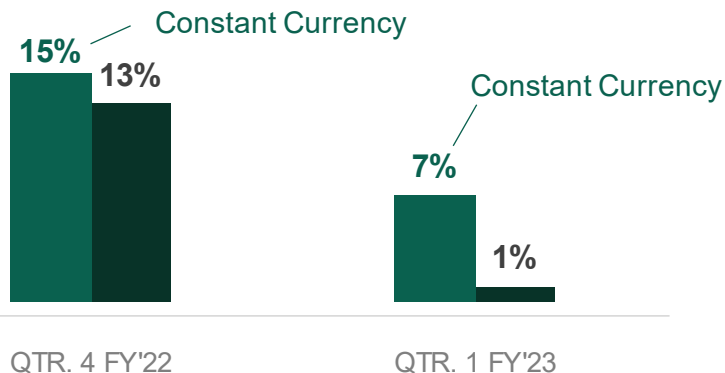


* Confirmations plus upticks and additional placements

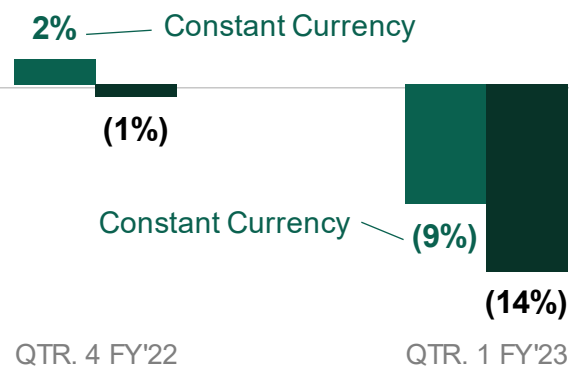
See detailed explanation of footnotes on page 16

Quarterly New Business* - YoY Growth By Line of Business (Excluding RPO)

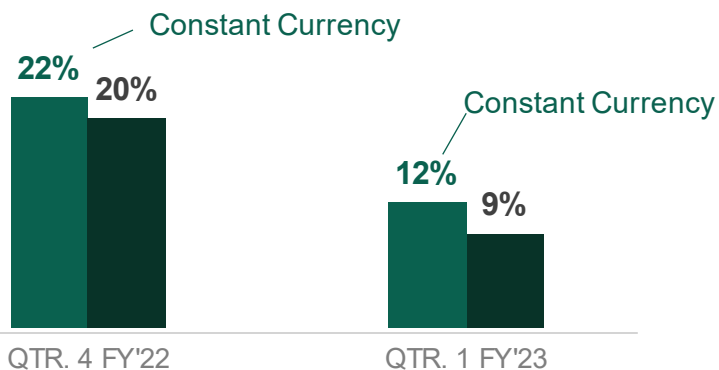
Consulting



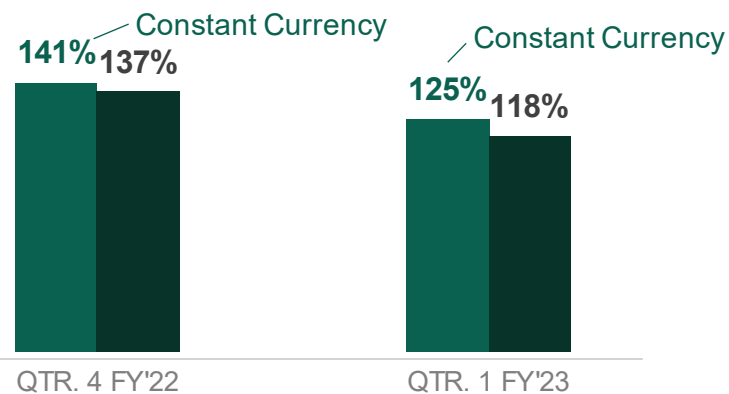
Digital



Executive Search*



Professional Search & Interim*



Consulting

24% of Fee Revenue and 18% of Adj. EBITDA⁽¹⁾ in FY'23 QTR. 1

Fee Revenue

↑ **12% YoY**
(+18% at CC)

Driven by Leadership Development (+13%), Assessment & Succession (+15%), Rewards & Benefits (+1%) and Organizational Strategy (+23%)

New Business growth +1% YoY and strongest in NAM (+6% YoY)

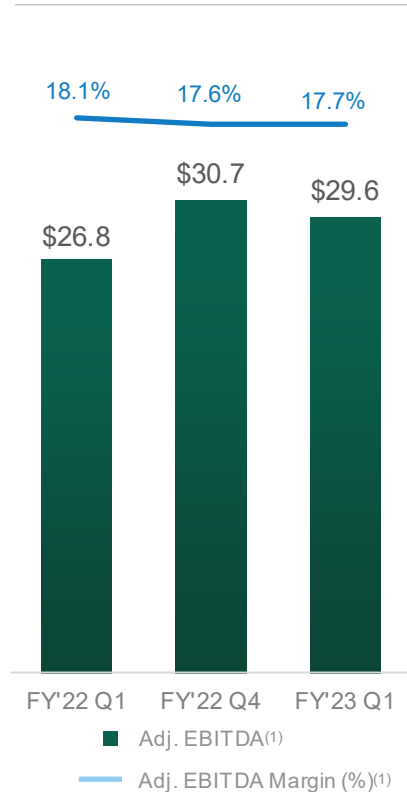
Engagements > \$500K +4% YoY

Engagement Backlog > \$500K +8% YoY

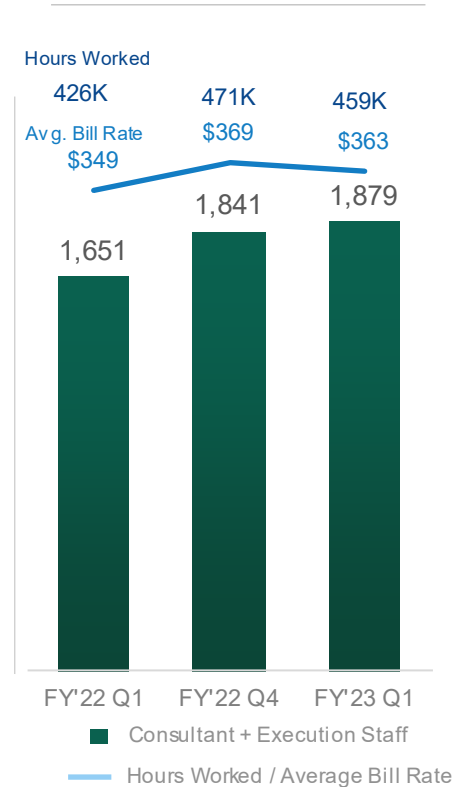
Fee Revenue (\$M)



Adj. EBITDA (\$M) & Adj. EBITDA⁽¹⁾ Margin (%) (Non-GAAP)



Consultant + Execution Staff Productivity



Digital

12% of Fee Revenue and 15% of Adj. EBITDA⁽¹⁾ in FY'23 QTR. 1

Fee Revenue

↑4% YoY
(+10% at CC)

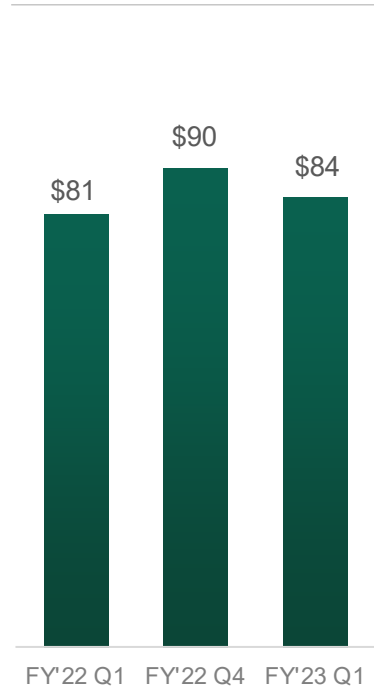
Q1 New Business was \$93M

Subscription & License New Business was \$31M (33% of Q1 total)

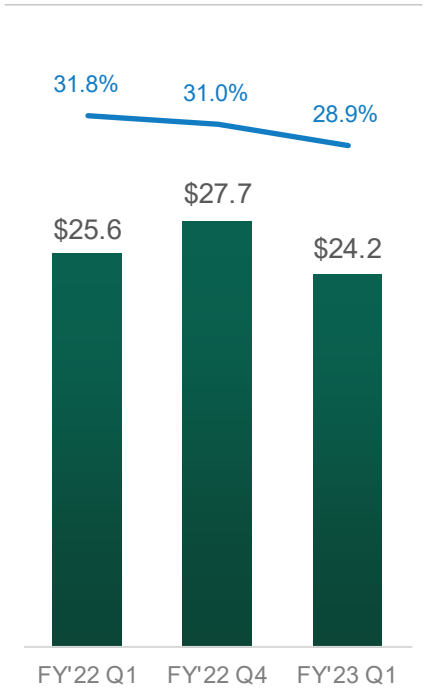
Subscription & License Fee Revenue +21% YoY and +2% sequentially

Adjusted EBITDA and Adjusted EBITDA Margin down due to the acceleration of investment spending for both sales and support staff and other product development initiatives

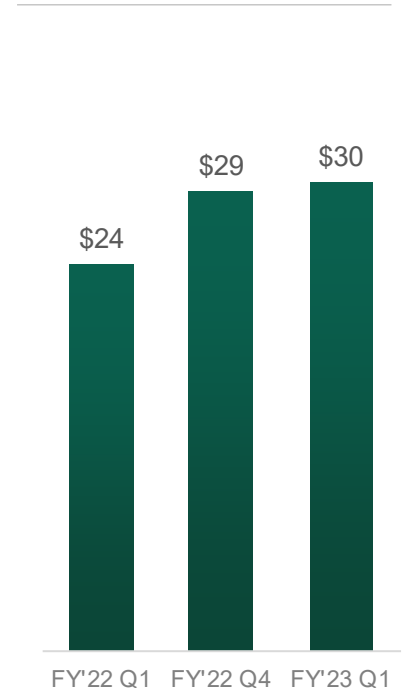
Fee Revenue (\$M)



Adj. EBITDA (\$M) & Adj. EBITDA⁽¹⁾ Margin (%) (Non-GAAP)



Subscription & License Fee Revenue⁽⁴⁾(\$m)



■ Adj. EBITDA⁽¹⁾
— Adj. EBITDA Margin (%)⁽¹⁾

Executive Search

34% of Fee Revenue and 38% of Adj. EBITDA⁽¹⁾ in FY'23 QTR. 1

Global Fee Revenue

↑ **7% YoY**

(+11% at CC)

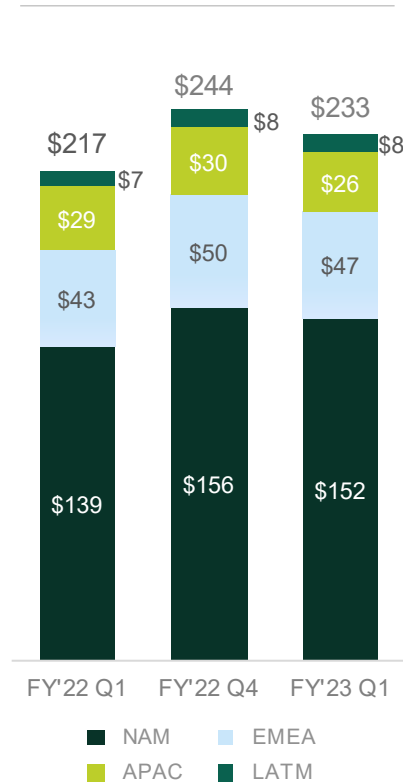
NAM +9%, EMEA +10%, APAC (8%) & LATM +15%

Global New Business +8% YoY

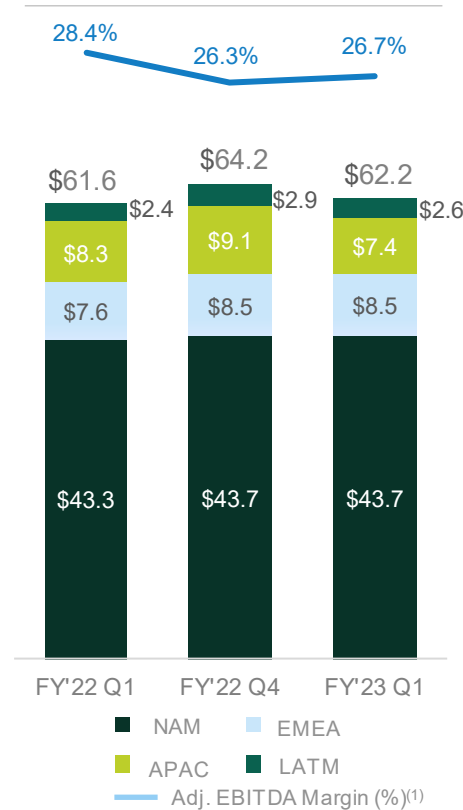
Consultant Productivity strong at **\$1.54M annualized with 32 Consultant additions** (new hires + promotions)

Number of new Executive Search Assignments = 1,682 ((4%) YoY)

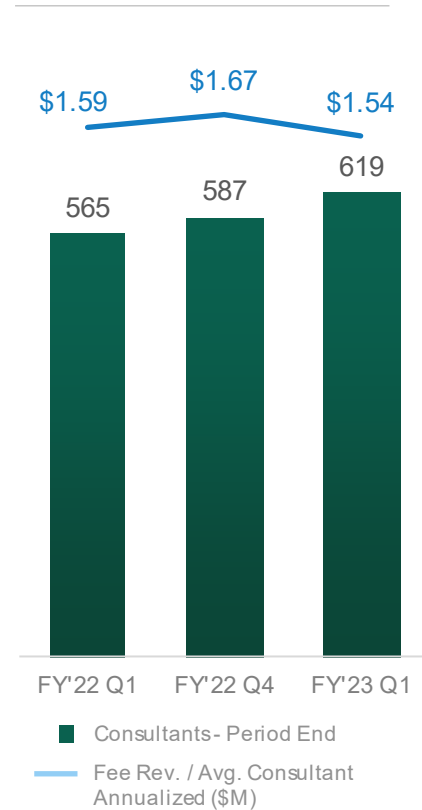
Fee Revenue (\$M)



Adj. EBITDA (\$M) & Adj. EBITDA⁽¹⁾ Margin (%) (Non-GAAP)



Consultant Productivity



Professional Search & Interim

14% of Fee Revenue and 18% of Adj. EBITDA in FY'23 QTR. 1

Professional Search & Interim New Business = \$113M (new high)

Sequential New Business growth strongest in NAM & EMEA

Fee Revenue +91% YoY & down (\$2M) sequentially

Interim Avg. Bill Rate up sequentially to \$122 / hour driven by shift to higher rate executive / professional work (Patina)

Adj. EBITDA⁽¹⁾ +\$9.8M or +50% YoY

Adj. EBITDA Margin = 29.5% (trend impacted by shift in Revenue mix)

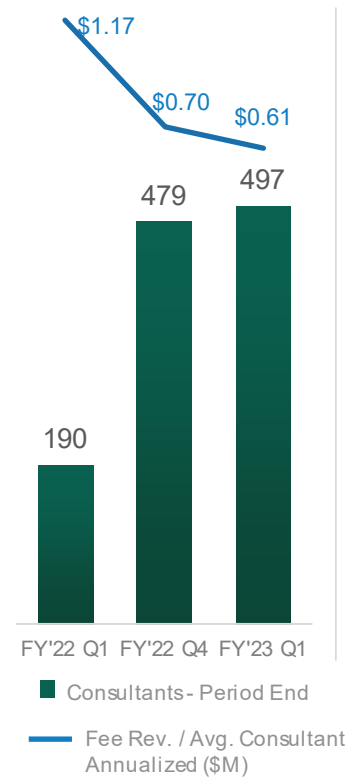
Fee Revenue (\$M)



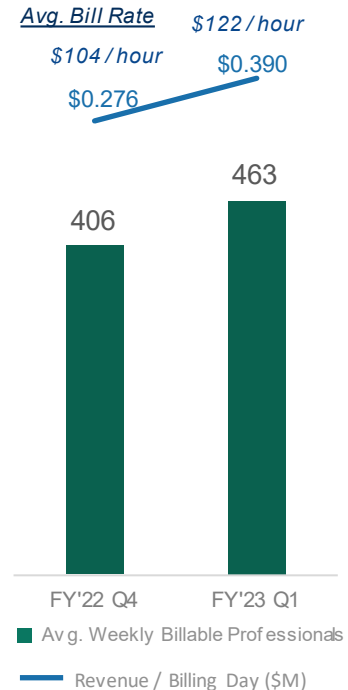
Adj. EBITDA (\$M) & Adj. EBITDA⁽¹⁾ Margin (%) (Non-GAAP)



Consultant Productivity (Professional Search)



Interim Productivity



Recruitment Process Outsourcing (RPO)

16% of Fee Revenue and 11% of Adj. EBITDA in FY'23 QTR. 1

RPO New Business = \$148M

(\$34M of renewals/extensions and \$114M of new logo clients) - the 6th consecutive quarter above \$100M

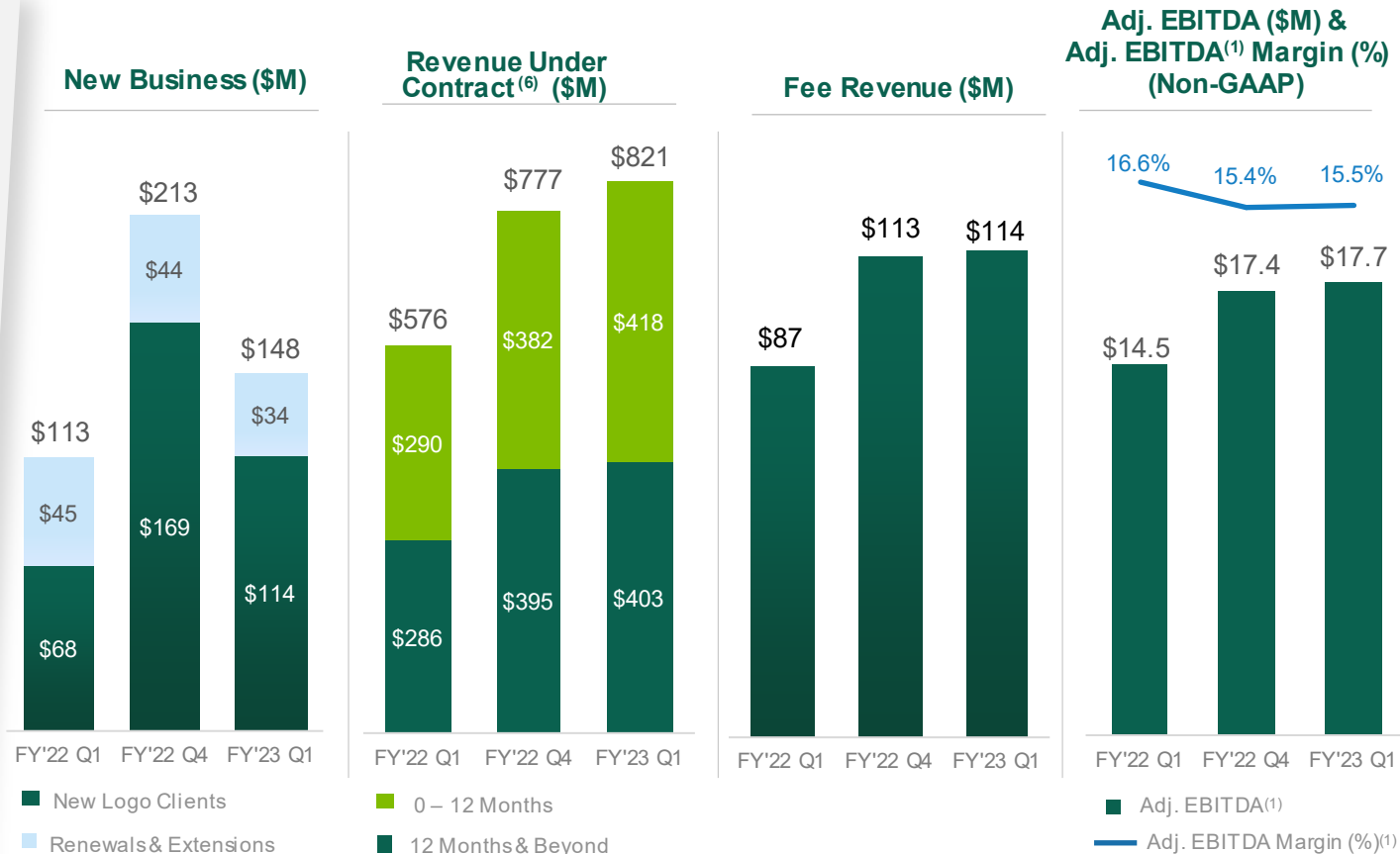
Revenue Under Contract at a

record **\$821M** (+\$245M or +43% YoY with an estimated \$418M (51%) to be recognized in the next 4 quarters)

Fee Revenue +30% YoY (+37% at CC) & +1% sequentially

Adj. EBITDA⁽¹⁾ +\$3.2M or +22%

YoY (sequential Adj. EBITDA & Adj. EBITDA Margin essentially flat due primarily to execution staff hiring to support new contract wins)

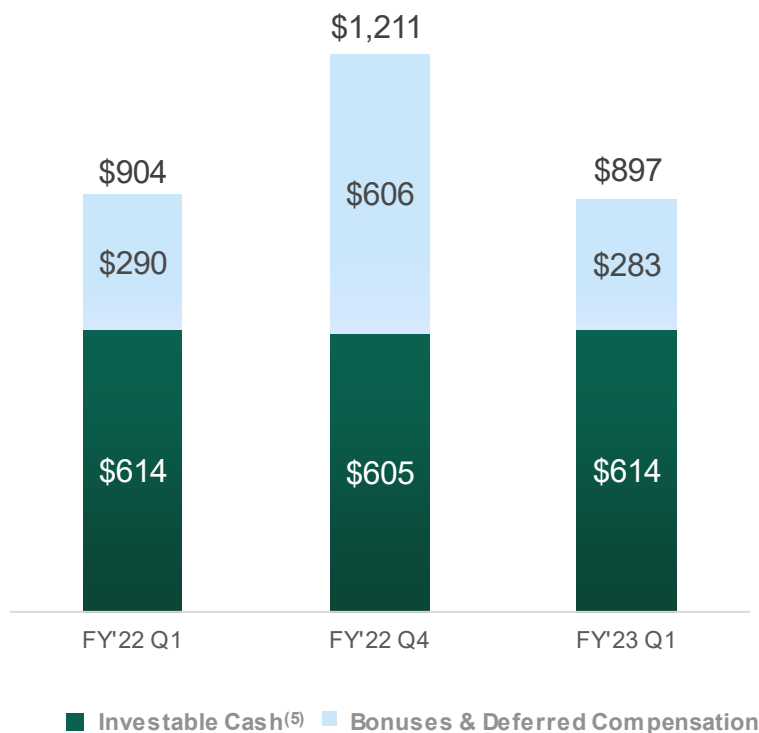


Maintaining a Balanced Approach to Capital Allocation

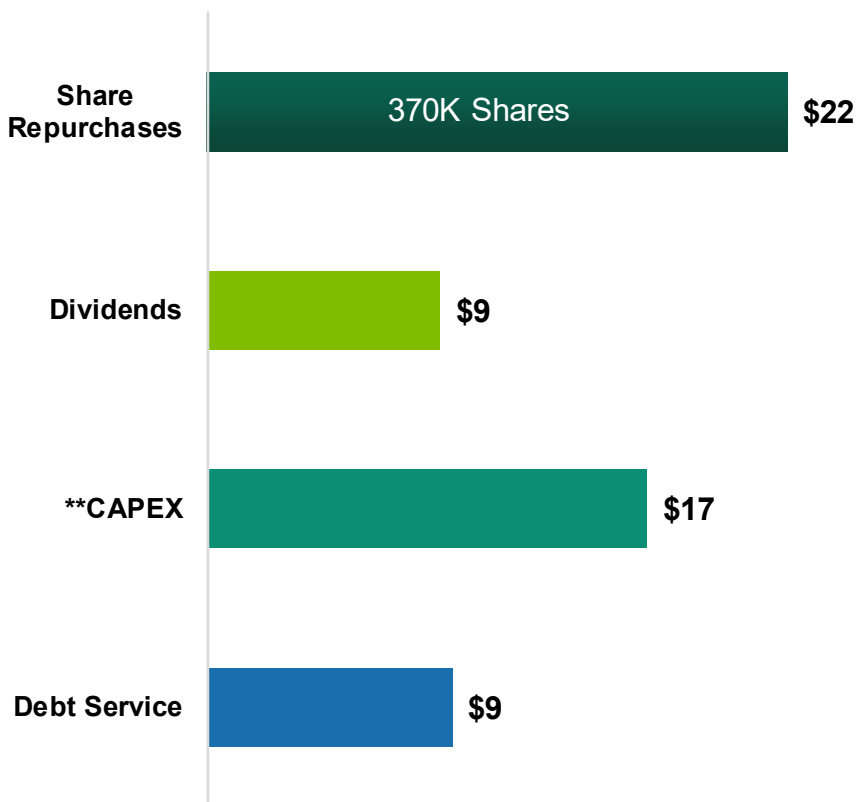
Deployed \$57M of Cash in FY'23 Q1 Investing \$17M in **CAPEX, \$9M in Debt Service and Returned \$31M to Shareholders in Combined Dividends and Share Repurchases

Cash & Marketable Securities (\$M)

Strong Liquidity with \$614M* of Investable Cash⁽⁵⁾



FY'23 Q1 Capital Allocation (\$M)



*Includes Investable Cash Used for the Acquisition of ICS Which was Purchased on August 1, 2022

**Excludes Leasehold Improvements & Furniture & Fixtures

Footnotes

- (1) Earnings Before Interest, Taxes, Depreciation & Amortization Adjusted to Exclude, Acquisition / Integration Costs, when applicable.
- (2) Adj. Diluted Earnings per Share Adjusted to Exclude, Acquisition / Integration Costs, when applicable, Net of Tax.
- (3) Excludes Corporate Adj. EBITDA which was (\$26.7M) in FY'22 Q1, (\$29.0M) in FY'22 Q4 and (\$30.6M) in FY'23 Q1.
- (4) Represents Fee Revenue Derived from Annual Subscriptions and Licenses to KF's Intellectual Property and Data Solutions.
- (5) Investable Cash = Total Cash & Marketable Securities Less Cash & Marketable Securities Reserved for Bonuses & Deferred Compensation.
- (6) Represents the Estimated Quarter Ending \$ Amount of Assignments Under Contract to be Recognized as Revenue in Future Periods. There is No Guarantee that All Estimated Amounts Will be Recognized as Revenue.
- (7) New Business is Defined as Engagement Awarded in the Month Evidenced by a Signed Contract. Increases or Decreases in Scope on Existing Contracts are Recognized in New Business in the Month Confirmed by the Client.

Appendix

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

Earnings Conference Call
September 7, 2022

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

FY'22 Q1; FY'22 Q4; FY'23 Q1

	FY'22 Qtr. 1	FY'22 Qtr. 4	FY'23 Qtr. 1	YoY Incr. / (Decr.)		Sequential Incr. / (Decr.)	
				\$ / %	%	\$ / %	%
Net Income Attributable to Korn Ferry	\$74.8	\$91.7	\$77.2	\$2.4	3%	(\$14.4)	(16%)
Net Income Attributable to Non-Controlling Int.	1.6	1.4	1.3	(0.3)	(18%)	(0.1)	(8%)
Net Income	\$76.4	\$93.1	\$78.5	\$2.1	3%	(\$14.5)	(16%)
Income Tax Provision	23.9	25.1	26.2	2.3	10%	1.1	4%
Income Before Provision for Income Taxes	\$100.3	\$118.2	\$104.8	\$4.5	4%	(\$13.4)	(11%)
Other (Income) Loss - Net	(4.4)	14.1	(0.8)	3.7	(83%)	(14.9)	(105%)
Interest Expense - Net	5.4	6.5	7.6	2.2	40%	1.1	18%
Operating Income	\$101.3	\$138.8	\$111.6	\$10.3	10%	(\$27.2)	(20%)
Depreciation & Amortization	15.6	16.1	16.2	0.6	4%	0.1	1%
Other Income (Loss) - Net	4.4	(14.1)	0.8	(3.7)	(83%)	14.9	(105%)
(1) Integration / Acquisition Costs	-	3.6	3.6	3.6	-	(0.0)	(0%)
Adjusted EBITDA	\$121.3	\$144.4	\$132.2	\$10.9	9%	(\$12.2)	(8%)
Operating Margin	17.3%	19.2%	16.0%	(1.3%)	-	(3.2%)	-
Depreciation & Amortization	2.7%	2.2%	2.3%	(0.4%)	-	0.1%	-
Other Income (Loss) - Net	0.7%	(1.9%)	0.1%	(0.6%)	-	2.0%	-
(1) Integration / Acquisition Costs	-	0.5%	0.6%	0.6%	-	0.1%	-
Adjusted EBITDA Margin	20.7%	20.0%	19.0%	(1.7%)	-	(1.0%)	-

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

Reconciliation of Net Income & Diluted EPS (GAAP) to Adjusted Net Income & Adjusted Diluted EPS (Non-GAAP) (\$M)

FY'22 Q1; FY'22 Q4; FY'23 Q1

	FY'22 Qtr. 1	FY'22 Qtr. 4	FY'23 Qtr. 1	YoY Incr. / (Decr.)		Sequential Incr. / (Decr.)	
				\$	%	\$	%
Net Income Attributable to Korn Ferry	\$74.8	\$91.7	\$77.2	\$2.4	3%	(\$14.4)	(16%)
(1) Integration / Acquisition Costs	-	3.6	3.6	3.6	-	0.0	0%
(2) Tax Effect of Adjustment Items	-	(0.8)	(0.9)	(0.9)	-	(0.1)	12%
Adjusted Net Income Attributable to KF	\$74.8	\$94.4	\$80.0	\$5.1	7%	(\$14.5)	(15%)
Diluted Earnings per Common Sh.	\$1.37	\$1.70	\$1.45	\$0.08	6%	(\$0.25)	(15%)
(1) Integration / Acquisition Costs	-	0.07	0.07	0.07	-	0.00	0%
(2) Tax Effect of Adjustment Items	-	(0.02)	(0.02)	(0.02)	-	0.00	0%
Adjusted Diluted Earnings per Sh.	\$1.37	\$1.75	\$1.50	\$0.13	9%	(\$0.25)	(14%)

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

(2) Tax effect on the adjustment items

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

FY'22 Q1

	FY'22 Q1										
	Executive Search										
	Consulting	Digital	North America	EMEA	Asia Pacific	Latin America	Total Exec. Search	RPO	Prof. Search	Corp.	KF
Fee Revenue	\$148.5	\$80.7	\$138.7	\$42.7	\$28.7	\$6.8	\$216.9	\$87.5	\$51.8		\$585.4
Total Revenue	\$149.0	\$80.7	\$139.3	\$42.8	\$28.7	\$6.8	\$217.7	\$88.8	\$51.9		\$588.1
Net Income Attributable to Korn Ferry											\$74.8
Net Income Attributable to Noncontrolling Interest											1.6
Other Income - Net											(4.4)
Interest Exps. - Net											5.4
Income Tax Expense											23.9
Oper. Income											\$101.3
Margin (%)											17.3%
Deprec. & Amortiz.											15.6
Other Income - Net											4.4
Adjusted EBITDA	\$26.8	\$25.6	\$43.3	\$7.6	\$8.3	\$2.4	\$61.6	\$14.5	\$19.4	(\$26.7)	\$121.3
Margin (%)	18.1%	31.8%	31.2%	17.7%	29.0%	34.7%	28.4%	16.6%	37.5%		20.7%

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

FY'22 Q4

	FY'22 Q4										
	Executive Search										
	Consulting	Digital	North America	EMEA	Asia Pacific	Latin America	Total Exec. Search	RPO	Prof. Search	Corp.	KF
Fee Revenue	\$173.9	\$89.5	\$156.2	\$49.5	\$30.2	\$8.3	\$244.2	\$112.8	\$100.7		\$721.1
Total Revenue	\$175.6	\$89.5	\$157.4	\$49.8	\$30.3	\$8.3	\$245.7	\$115.0	\$101.1		\$727.0
Net Income Attributable to Korn Ferry											\$91.7
Net Income Attributable to Noncontrolling Interest											1.4
Other Loss - Net											14.1
Interest Exps. - Net											6.5
Income Tax Expense											25.1
Oper. Income											\$138.8
Margin (%)											19.2%
Deprec. & Amortiz.											16.1
Other Loss - Net											(14.1)
(1) Integ. / Acq. Costs											3.6
Adjusted EBITDA	\$30.7	\$27.7	\$43.7	\$8.5	\$9.1	\$2.9	\$64.2	\$17.4	\$33.4	(\$29.0)	\$144.4
Margin (%)	17.6%	31.0%	28.0%	17.1%	30.2%	35.0%	26.3%	15.4%	33.2%		20.0%

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

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

FY'23 Q1

	FY'23 Q1										
			Executive Search								
	Consulting	Digital	North America	EMEA	Asia Pacific	Latin America	Total Exec. Search	RPO	Prof. Search	Corp.	KF
Fee Revenue	\$166.5	\$83.8	\$151.5	\$47.1	\$26.4	\$7.8	\$232.8	\$113.9	\$98.9		\$695.9
Total Revenue	\$168.7	\$83.8	\$152.9	\$47.3	\$26.5	\$7.8	\$234.5	\$116.1	\$100.1		\$703.1
Net Income Attributable to Korn Ferry											\$77.2
Net Income Attributable to Noncontrolling Interest											1.3
Other Income - Net											(0.8)
Interest Exps. - Net											7.6
Income Tax Expense											26.2
Oper. Income											\$111.6
<i>Margin (%)</i>											<i>16.0%</i>
Deprec. & Amortiz.											16.2
Other Income - Net											0.8
(1) Integ. / Acq. Costs											3.6
Adjusted EBITDA	\$29.6	\$24.2	\$43.7	\$8.5	\$7.4	\$2.6	\$62.2	\$17.7	\$29.2	(\$30.6)	\$132.2
<i>Margin (%)</i>	<i>17.7%</i>	<i>28.9%</i>	<i>28.9%</i>	<i>18.1%</i>	<i>27.9%</i>	<i>33.5%</i>	<i>26.7%</i>	<i>15.5%</i>	<i>29.5%</i>		<i>19.0%</i>
Adjusted EBITDA - FY'22 Q4	\$30.7	\$27.7	\$43.7	\$8.5	\$9.1	\$2.9	\$64.2	\$17.4	\$33.4	(\$29.0)	\$144.4
Sequential Incr. / (Decr.) - \$	(\$1.1)	(\$3.5)	\$0.0	\$0.0	(\$1.7)	(\$0.3)	(\$2.0)	\$0.3	(\$4.2)	(\$1.6)	(\$12.2)
Sequential Incr. / (Decr.) - %	(3.6%)	(12.6%)	0.0%	0.0%	(18.7%)	(10.3%)	(3.1%)	1.7%	(12.6%)	5.5%	(8.4%)

(1) Costs associated with acquisitions, such as legal & professional fees, retention awards and other on-going integration costs to combine the companies

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

FY'22 Q1; FY'22 Q4; FY'23 Q1

	FY'22 Qtr. 1	FY'22 Qtr. 4	FY'23 Qtr. 1	YoY Incr. / (Decr.)		Sequential Incr. / (Decr.)	
				\$	%	\$	%
Cash	\$649.3	\$978.1	\$639.8	(\$9.5)	(1%)	(\$338.3)	(35%)
Marketable Securities	255.0	233.0	256.7	1.7	1%	23.6	10%
Cash & Marketable Securities	\$904.3	\$1,211.1	\$896.4	(\$7.8)	(1%)	(\$314.7)	(26%)
Less:							
ECAP & Bonus Liability	290.1	605.7	282.6	(7.5)	(3%)	(323.1)	(53%)
Investable Cash	\$614.2	\$605.4	\$613.9	(\$0.3)	(0%)	\$8.4	1%

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

	FY'23 Q1 vs. FY'22 Q1		
	Reported		Const. Curr.
	\$M	% Grth.	% Grth.
<u>Executive Search</u>			
North America	\$151.5	9.2%	9.5%
Europe	47.1	10.3%	22.3%
Asia / Pacific	26.4	(8.0%)	(2.6%)
Latin America	7.8	14.7%	16.4%
Total Exec. Search	\$232.8	7.3%	10.5%
<u>Consulting</u>			
North America	\$82.5	19.2%	19.6%
Europe	52.8	9.1%	17.8%
Asia / Pacific	26.2	(3.3%)	4.3%
Latin America	5.0	31.6%	35.1%
Total Consulting	\$166.5	12.1%	17.8%
<u>Digital</u>			
North America	\$36.0	6.8%	7.1%
Europe	31.4	1.0%	13.4%
Asia / Pacific	12.3	(2.4%)	6.0%
Latin America	4.1	32.3%	36.7%
Total Digital	\$83.8	3.8%	10.4%
<u>RPO</u>			
North America	\$53.0	65.6%	65.6%
Europe	30.9	22.6%	37.3%
Asia / Pacific	25.5	(1.5%)	4.9%
Latin America	4.5	(1.0%)	2.2%
Total RPO	\$113.9	30.2%	36.9%
<u>Prof. Search & Interim</u>			
North America	\$75.0	149.2%	150.8%
Europe	13.7	5.4%	18.1%
Asia / Pacific	8.1	17.4%	22.7%
Latin America	2.1	16.7%	16.7%
Total Prof. Search & Interim	\$98.9	90.9%	98.2%
Total KF	\$695.9	18.9%	24.1%

Thank You