



KORN FERRY

FY'22 Q1 Earnings Call

September 8, 2021



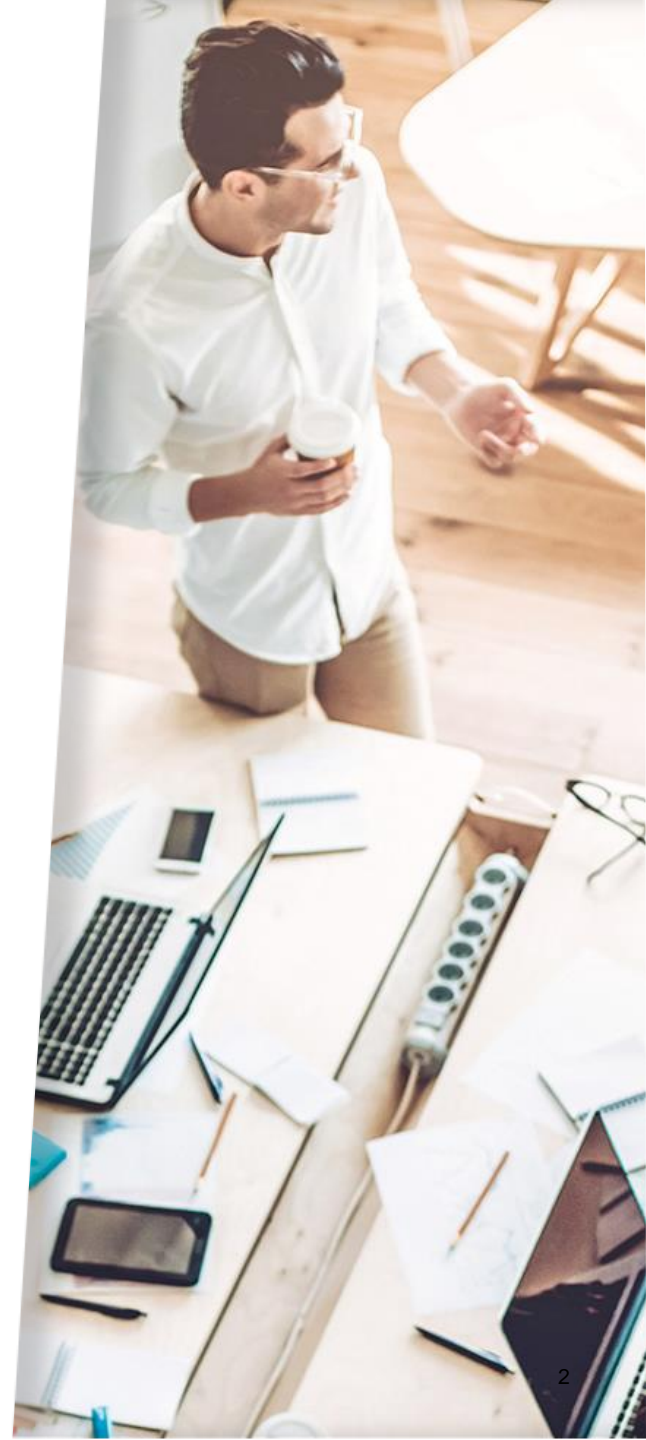
Safe Harbor Statement

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. 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 16 to 23 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 shift toward comprehensive organizational consulting is facilitating less cyclical and more predictable and recurring revenue streams with more scalable earnings.



Capitalizing on global leadership in solutions with great relevance today:

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

Established record of thought leadership and action on Diversity & Inclusion, as well as across ESG, provides a competitive edge to support companies in their implementation of best-practice policies.



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

Endearing client relationships of scale that deliver less cyclical, more resilient revenue and new business 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 through continued investment in building 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 in 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



Strengthened Foundation

- Recognized industry leader in with 7,900 experts strategically positioned in more than 50 countries
- Value-driven capital allocation priorities and strong M&A track record
- Proven management team
- Significant IP and data moat across expanding digital capabilities
- Continued investing in commercial colleagues including global and regional account leaders



Solutions Lining Up to Macro Trends

- Rapid emergence of remote work necessitating organizational realignment
- Global prioritization of Diversity, Equity & Inclusion
- Corporate emphasis on ESG issues
- Investing into Korn Ferry Advance in anticipation of shift from career employee to career nomad
- Focus is on large deals creating more visibility and durable revenue



Poised for Growth

- Deeper penetration with clients and recurring revenue streams through emergence of subscription, digital and consulting services
- Strong cash generation and flexible balance sheet capitalize on opportunities in large markets that are currently underserved
- Global reach and unparalleled expertise
- Marquee and regional account program outperforming the rest of the firm through disciplined account management and planning

FY'22 Q1 Financial Results Show Continued Improvement Both Sequentially & YoY With New Record Highs In Revenue & Earnings

\$585M

+\$241M +70% YoY

Fee Revenue

20.7%

+1,760 bps YoY
Adj. EBITDA Margin %
(Non-GAAP)

\$121M

+\$111M YoY

Adj. EBITDA
(Non-GAAP)

\$1.37

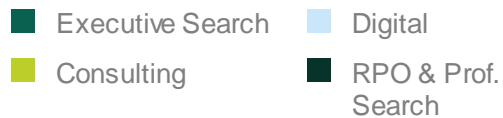
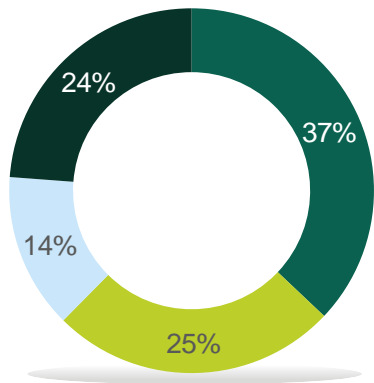
+\$1.56 YoY
Adj. Diluted EPS⁽³⁾
(Non-GAAP)



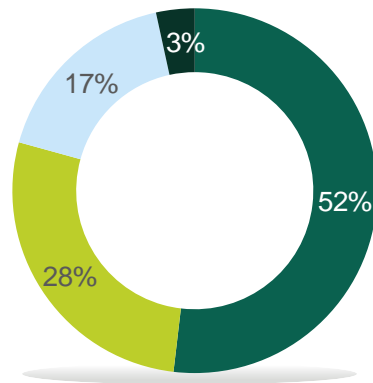
Business Continues to be Highly Diversified Across Lines of Business, Geography and Industry

For the first quarter of FY'22

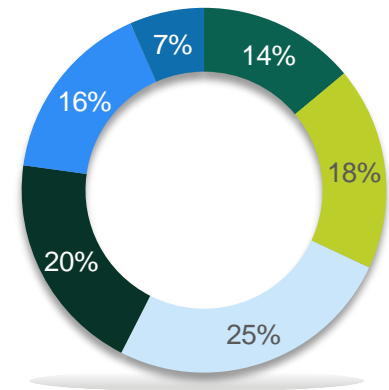
Fee Revenue by Lines of Business



Fee Revenue by Geography

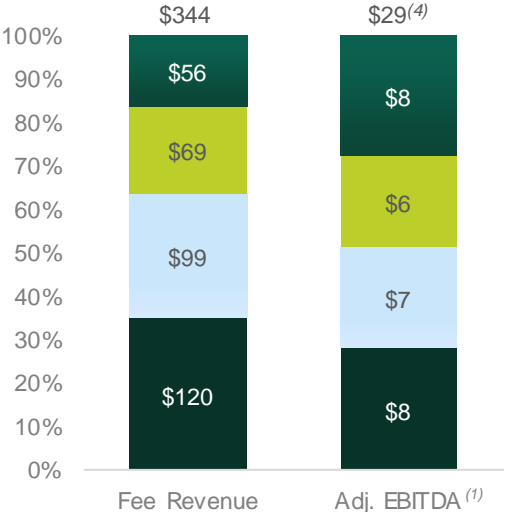


Fee Revenue by Industry



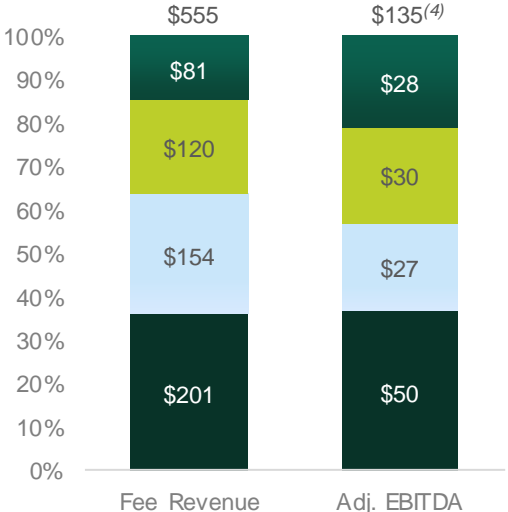
Diversified Mix of Revenue & Operating Efficiencies Continue to Drive Greater & More Balanced Earnings (\$M)

FY'21 QTR. 1



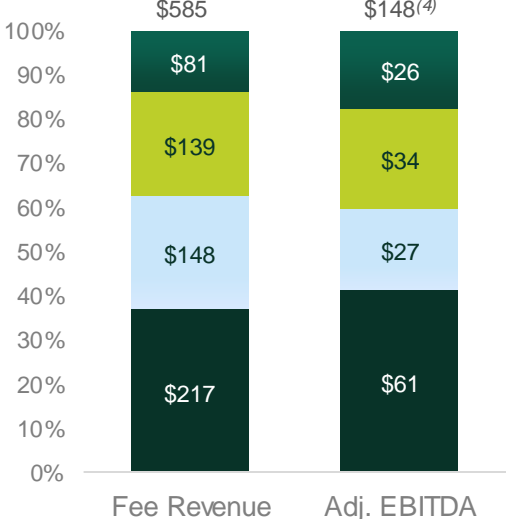
Executive Search Consulting RPO & Prof. Search Digital

FY'21 QTR. 4



Executive Search Consulting RPO & Prof. Search Digital

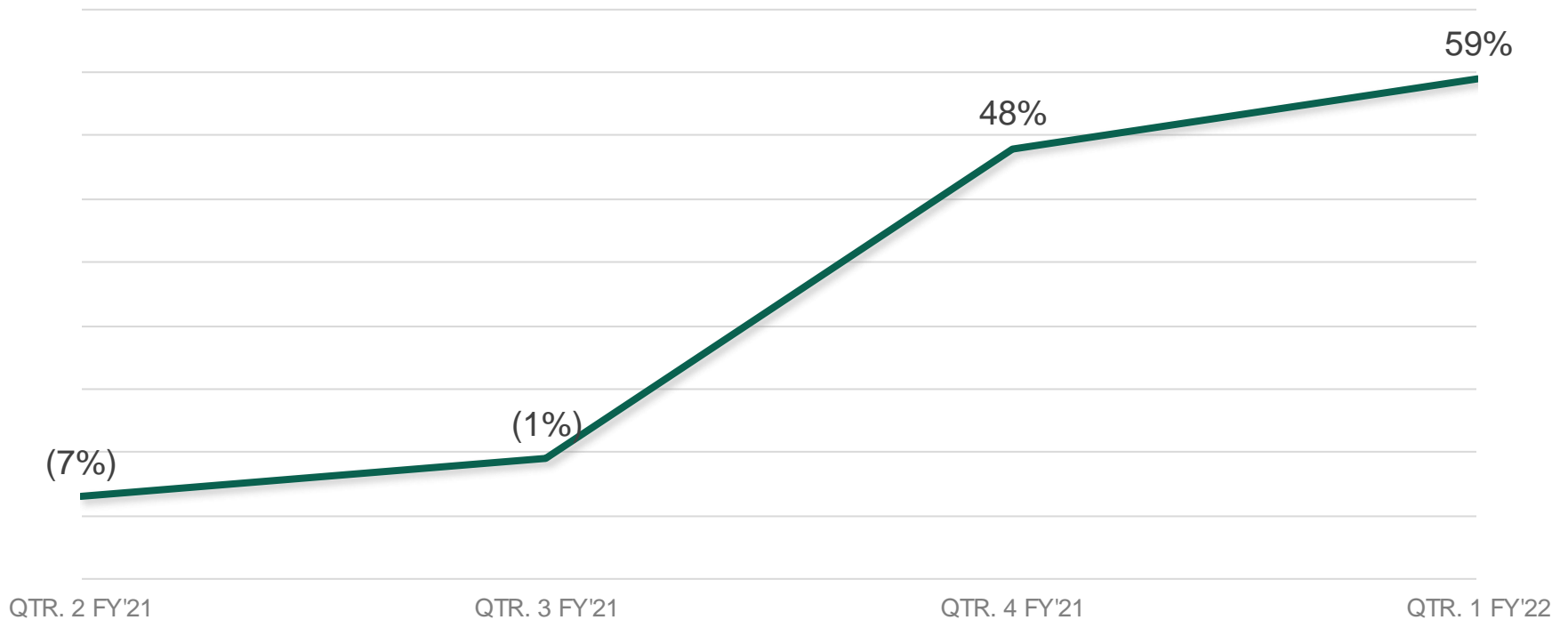
FY'22 QTR. 1



Executive Search Consulting RPO & Prof. Search Digital

Quarterly New Business* - Improving YoY Growth Trend (Excluding RPO)

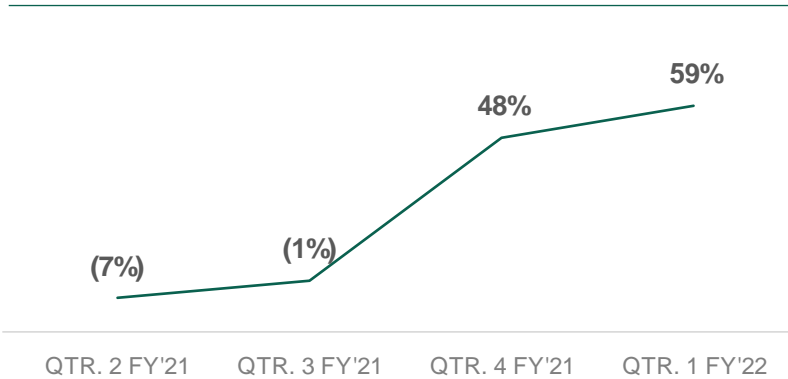
FY'21 QTR. 2 to FY'22 QTR. 1



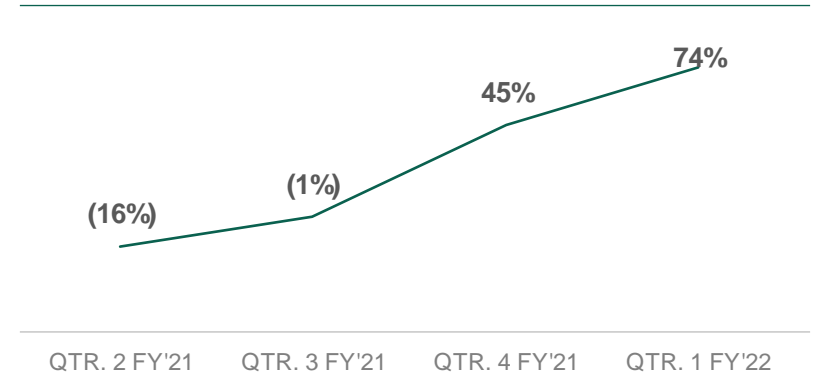
Quarterly New Business* - YoY Growth By Lines of Business (Excluding RPO)

FY'21 QTR. 2 to FY'22 QTR. 1

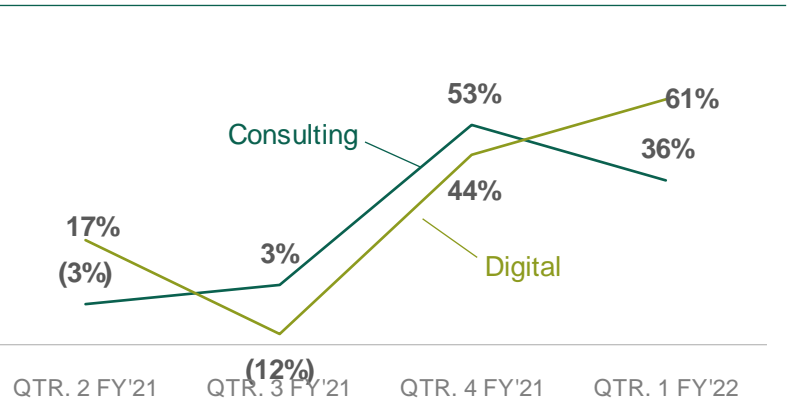
KF Total*



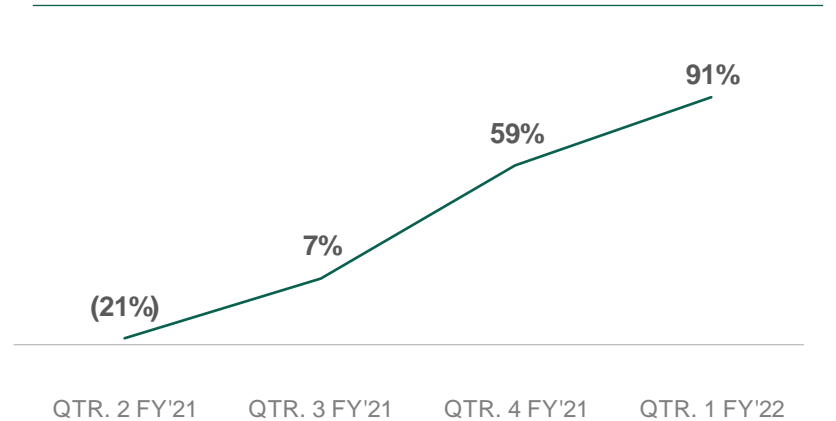
Executive Search*



Digital and Consulting



Professional Search*



Consulting

25% of Fee Revenue and 18% of Adjusted EBITDA in FY'22 QTR. 1

Fee Revenue

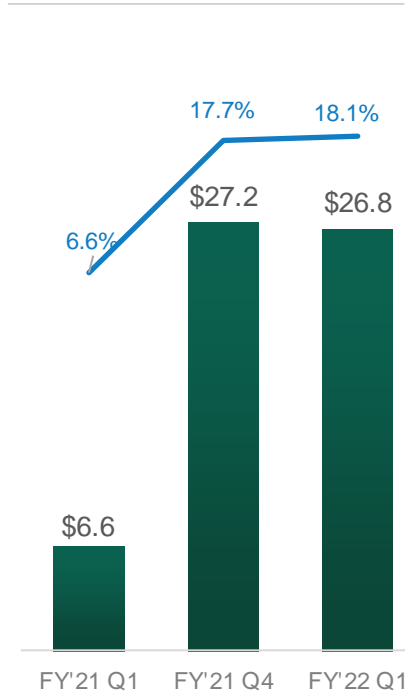
↑ 50% YoY

- New Business +36% YoY (+2% Sequentially)
- Engagement Backlog > \$500K up 26% YoY and 1% sequentially

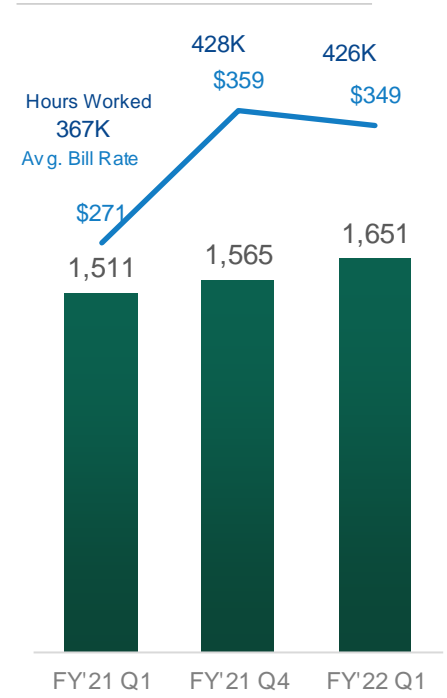
Fee Revenue (\$M)



Adj. EBITDA (\$M) & Adj. EBITDA⁽²⁾ Margin (%) (Non-GAAP)



Consultant + Execution Staff Productivity



■ Adj. EBITDA⁽²⁾

— Adj. EBITDA Margin (%)⁽²⁾

■ Consultant + Execution Staff

— Hours Worked / Average Bill Rate

Digital

14% of Fee Revenue and 18% of Adjusted EBITDA in FY'22 QTR. 1

Fee Revenue

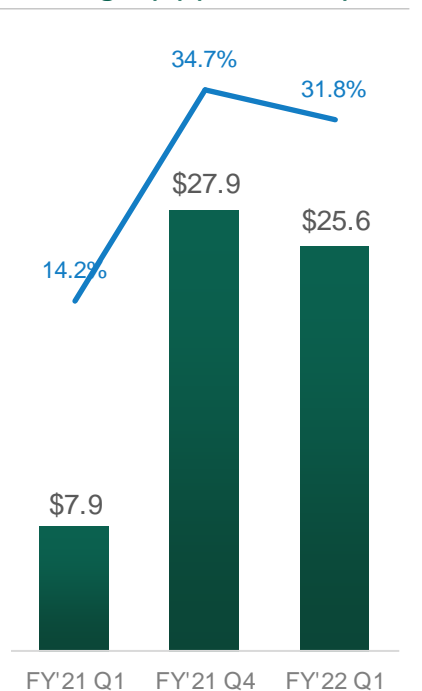
↑ **44% YoY**
(Flat Sequentially)

- New Business - \$108M with 36% Subscription & License
- Subscription & License New Business up 69% YoY

Fee Revenue (\$M)



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



Subscription & License Fee Revenue⁽⁵⁾ (\$M)



■ Adj. EBITDA⁽¹⁾

— Adj. EBITDA Margin (%)⁽¹⁾

Executive Search

37% of Fee Revenue and 41% of Adjusted EBITDA in FY'22 QTR. 1

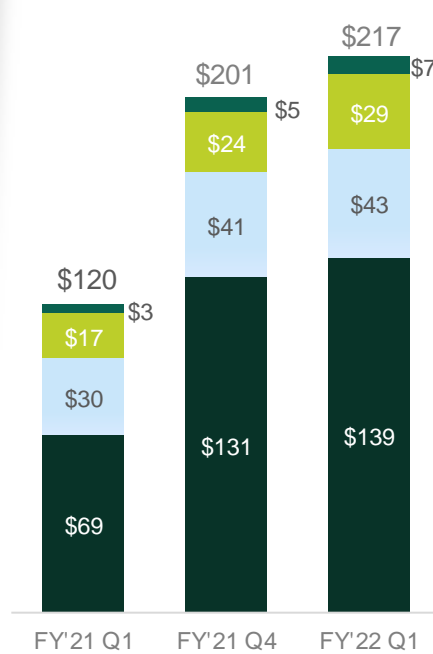
Global Fee Revenue

81% YoY

(+8% Sequentially)

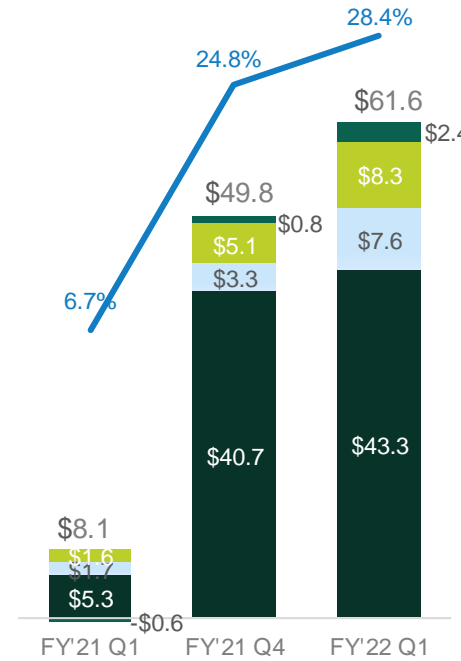
- Global Fee Revenue of \$217M – a new all time high
- New Business +74% YoY (Flat Sequentially)
- Global Consultant Productivity at all-time high of \$1.59M

Fee Revenue (\$M)



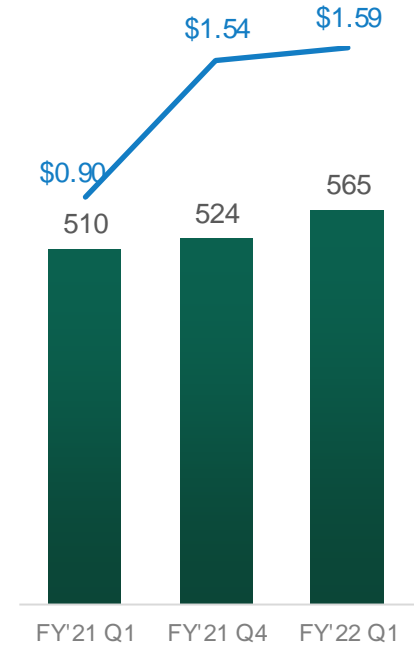
■ NAM ■ EMEA
■ APAC ■ LATM

Adj. EBITDA (\$M) & Adj. EBITDA⁽²⁾ Margin (%) (Non-GAAP)



■ NAM ■ EMEA
■ APAC ■ LATM
— Adj. EBITDA Margin (%)⁽²⁾

Consultant Productivity



■ Consultants - Period End
— Fee Rev. / Avg. Consultant Annualized (\$M)

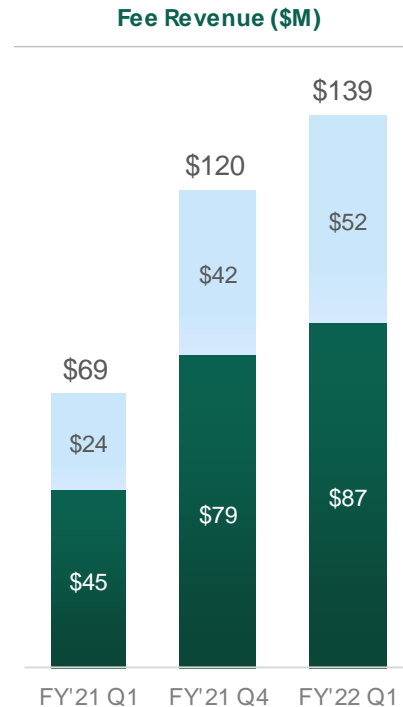
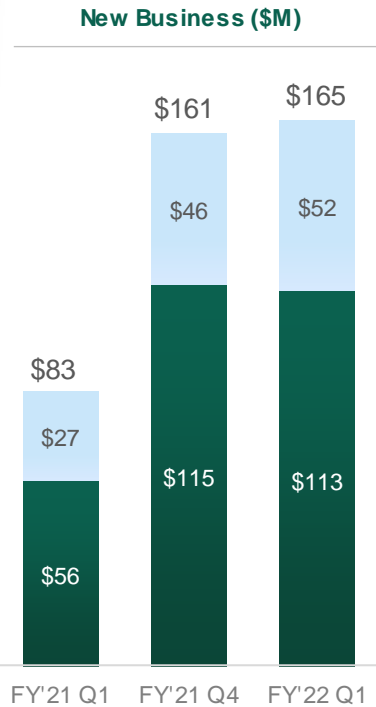
RPO & Professional Search

24% of Fee Revenue and 23% of Adjusted EBITDA in FY'22 QTR. 1

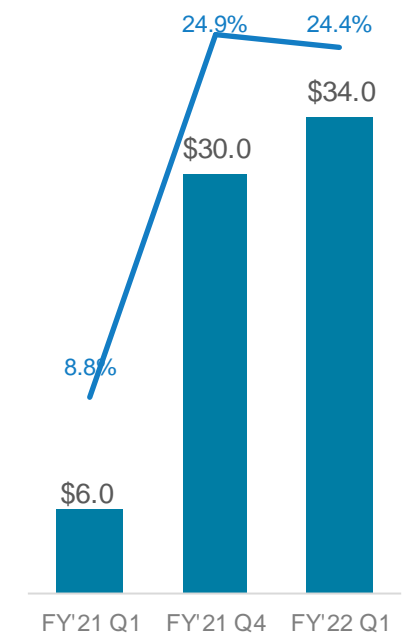
Fee Revenue

↑ **103% YoY**
(+16% Sequentially)

- RPO New Business - \$68M new logo clients & \$45M renewals / extensions
- Professional Search New Business +91% YoY (+14% Sequentially)



Adj. EBITDA (\$M) & Adj. EBITDA⁽²⁾ Margin (%) (Non-GAAP)



■ Recruitment Process Outsourcing
■ Professional Search

■ Recruitment Process Outsourcing
■ Professional Search

■ Adj. EBITDA⁽²⁾
— Adj. EBITDA Margin (%)⁽²⁾

Cash & Marketable Securities

Strong Liquidity with \$614M of Investable Cash⁽⁶⁾

Investable Cash⁽⁶⁾

↑ **\$103M**
20% YoY

Repurchased

41.1K shares (\$2.7M)

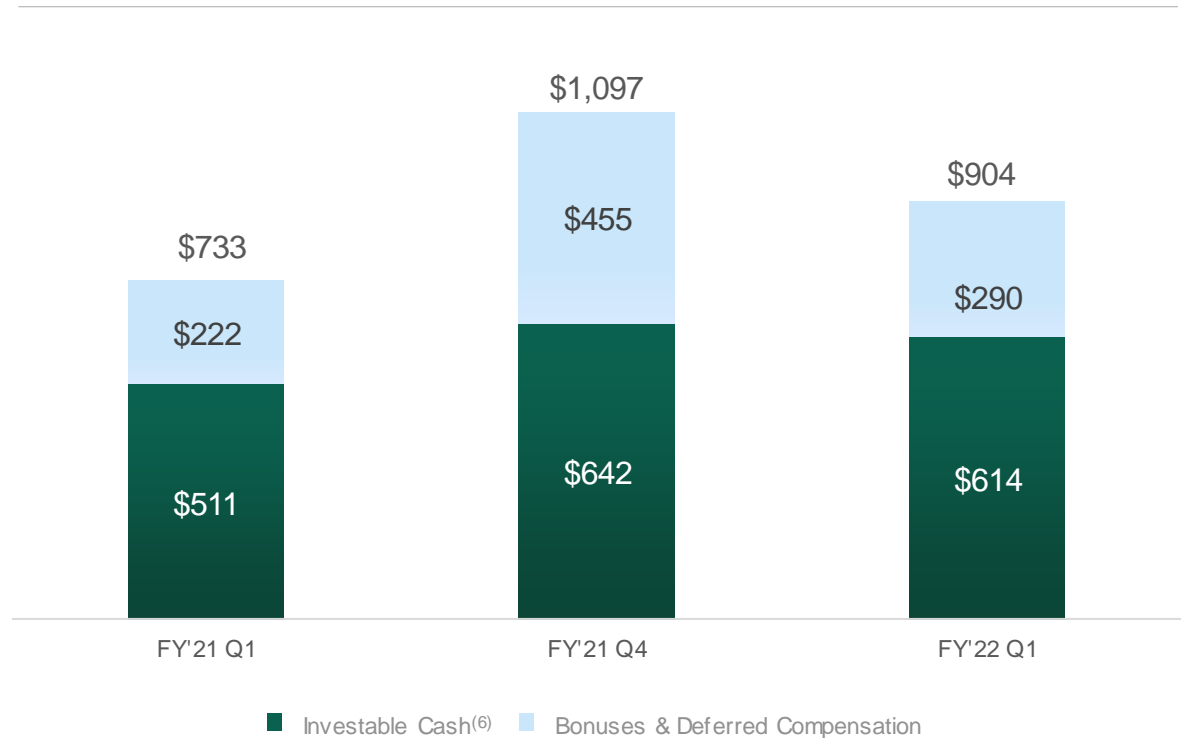
FY'22 YTD

Dividend Payments

\$6.9M

FY'22 Q1

Cash & Marketable Securities (\$M)



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) Diluted Earnings per Share Adjusted to Exclude Acquisition/Integration Costs and Restructuring Charges Net of Tax.
- (4) Excludes Corporate Adj. EBITDA which was (\$18.0M) in FY'21 Q1, (\$22.1M) in FY'21 Q4 and (\$26.7M) in FY'22 Q1.
- (5) Represents Fee Revenue Derived from Annual Subscriptions and Licenses to KF's Intellectual Property and Data Solutions.
- (6) Investable Cash = Total Cash & Marketable Securities Less Cash & Marketable Securities Reserved for Bonuses & Deferred Compensation.

Appendix

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

Earnings Conference Call
September 8, 2021

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

FY'21 Q1; FY'21 Q4; FY'22 Q1

	FY'21 Qtr. 1	FY'21 Qtr. 4	FY'22 Qtr. 1	YoY Incr. / (Decr.)		Sequential Incr. / (Decr.)	
				\$ / %	%	\$ / %	%
Net Income (Loss) Attributable to Korn / Ferry	(\$30.8)	\$66.2	\$74.8	\$105.7	-	\$8.6	13%
Net Income Attributable to Non-Controlling Int.	-	0.6	1.6	1.6	-	1.0	181%
Net Income (Loss)	(\$30.8)	\$66.8	\$76.4	\$107.2	-	\$9.6	14%
Income Tax Provision	(8.7)	22.7	23.9	32.6	-	1.2	5%
Income (Loss) Before Provision for Income Taxes (Benefit)	(\$39.5)	\$89.5	\$100.3	\$139.8	-	\$10.8	12%
Other Income - Net	(11.2)	(10.8)	(4.4)	6.7	(60%)	6.4	(59%)
Interest Expense - Net	6.9	7.6	5.4	(1.5)	(21%)	(2.2)	(29%)
Operating (Loss) Income	(\$43.8)	\$86.2	\$101.3	\$145.0	-	\$15.1	18%
Depreciation & Amortization	15.0	15.8	15.6	0.6	4%	(0.1)	(1%)
Other Income - Net	11.2	10.8	4.4	(6.7)	(60%)	(6.4)	(59%)
(1) Restructuring Charges	27.5	-	-	(27.5)	-	-	-
(2) Integration / Acquisition Costs	0.7	-	-	(0.7)	-	-	-
Adjusted EBITDA	\$10.6	\$112.8	\$121.3	\$110.7	1042%	\$8.5	8%
Operating Margin	(12.7%)	15.5%	17.3%	30.0%	-	1.8%	-
Depreciation & Amortization	4.4%	2.8%	2.7%	(1.7%)	-	(0.1%)	-
Other Income - Net	3.2%	2.0%	0.7%	(2.5%)	-	(1.3%)	-
(1) Restructuring Charges - Net	8.0%	-	-	(8.0%)	-	-	-
(2) Integration / Acquisition Costs	0.2%	-	-	(0.2%)	-	-	-
Adjusted EBITDA Margin	3.1%	20.3%	20.7%	17.6%	-	0.4%	-

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

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

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

FY'21 Q1; FY'21 Q4; FY'22 Q1

	FY'21 Qtr. 1	FY'21 Qtr. 4	FY'22 Qtr. 1	YoY Incr. / (Decr.)		Sequential Incr. / (Decr.)	
				\$	%	\$	%
Net Income (Loss) Attributable to Korn / Ferry	(\$30.8)	\$66.2	\$74.8	\$105.7	-	\$8.6	13%
(1) Restructuring Charges	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 (Loss) Attributable to K/F	(\$10.2)	\$66.2	\$74.8	\$85.0	-	\$8.6	13%
Diluted Earnings (Loss) per Common Sh.	(\$0.58)	\$1.21	\$1.37	\$1.95	-	\$0.16	13%
(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 (Loss) per Sh.	(\$0.19)	\$1.21	\$1.37	\$1.56	-	\$0.16	13%

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

(2) Costs associated with 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

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	\$139.3		\$585.4
Total Revenue	\$149.0	\$80.7	\$139.3	\$42.8	\$28.7	\$6.8	\$217.7	\$140.8		\$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 (Benefit) / Exps.										23.9
Oper. Income										\$101.3
<i>Margin (%)</i>										<i>17.3%</i>
Deprec. & Amortiz.										15.6
Other Income - Net										4.4
Restructuring Chgs.										-
Integ. / Acq. Costs	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	\$26.8	\$25.6	\$43.3	\$7.6	\$8.3	\$2.4	\$61.6	\$34.0	(\$26.7)	\$121.3
<i>Margin (%)</i>	<i>18.1%</i>	<i>31.8%</i>	<i>31.2%</i>	<i>17.7%</i>	<i>29.0%</i>	<i>34.7%</i>	<i>28.4%</i>	<i>24.4%</i>		<i>20.7%</i>
Adjusted EBITDA - FY'21 Q4	\$27.2	\$27.9	\$40.7	\$3.3	\$5.1	\$0.8	\$49.8	\$30.0	(\$22.1)	\$112.8
Sequential Incr. / (Decr.) - \$	(\$0.4)	(\$2.3)	\$2.7	\$4.3	\$3.3	\$1.5	\$11.8	\$4.0	(\$4.6)	\$8.5
Sequential Incr. / (Decr.) - %	(1.5%)	(8.2%)	6.6%	130.1%	64.2%	191.0%	23.6%	13.4%	(20.7%)	7.5%

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

FY'21 Q4

	FY'21 Q4									
			Executive Search							KF
	Consulting	Digital	North America	EMEA	Asia Pacific	Latin America	Total Exec. Search	RPO & Prof. Search	Corp.	
Fee Revenue	\$153.6	\$80.5	\$130.8	\$41.2	\$23.6	\$5.1	\$200.7	\$120.4		\$555.2
Total Revenue	\$153.8	\$80.8	\$131.3	\$41.3	\$23.6	\$5.1	\$201.3	\$121.5		\$557.4
Net Income Attributable to Korn Ferry										\$66.2
Net Income Attributable to Noncontrolling Interest										0.6
Other Income - Net										(10.8)
Interest Exps. - Net										7.6
Income Tax (Benefit) / Exps.										22.7
Oper. Income										\$86.3
<i>Margin (%)</i>										15.5%
Deprec. & Amortiz.										15.8
Other Income - Net										10.8
Restructuring Chgs.										-
Integ. / Acq. Costs	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	\$27.2	\$27.9	\$40.7	\$3.3	\$5.1	\$0.8	\$49.8	\$30.0	(\$22.1)	\$112.8
<i>Margin (%)</i>	17.7%	34.7%	31.1%	8.0%	21.5%	15.9%	24.8%	24.9%		20.3%

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

FY'21 Q1

	FY'21 Q1									KF	
	Executive Search							RPO & Prof. Search	Corp.		
	Consulting	Digital	North America	EMEA	Asia Pacific	Latin America	Total Exec. Search				
Fee Revenue	\$99.3	\$56.0	\$69.3	\$30.1	\$17.3	\$3.5	\$120.1	\$68.7		\$344.1	
Total Revenue	\$99.6	\$56.0	\$69.9	\$30.2	\$17.3	\$3.5	\$120.9	\$70.4		\$346.9	
Net Income (Loss) Attributable to Korn Ferry										(\$30.8)	
Net Income Attributable to Noncontrolling Interest										0.0	
Other Income - Net										(11.2)	
Interest Exps. - Net										6.9	
Income Tax (Benefit) / Exps.										(8.7)	
Oper. Incm. / (Loss) Margin (%)										(\$43.8) (12.7%)	
Deprec. & Amortiz.										15.0	
Other Income - Net										11.2	
(1) Restructuring Chgs.										27.5	
(2) Integ. / Acq. Costs										0.7	
Adjusted EBITDA Margin (%)	\$6.6	\$7.9	\$5.3	\$1.7	\$1.6	(\$0.6)	\$8.1	\$6.0	(\$18.0)	\$10.6	
	6.6%	14.2%	7.7%	5.7%	9.2%	(16.1%)	6.7%	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 acquisitions, such as legal & professional fees, retention awards and other on-going integration expenses to combine the companies

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

FY'21 Q1; FY'21 Q4; FY'22 Q1

	FY'21 Qtr. 1	FY'21 Qtr. 4	FY'22 Qtr. 1	YoY Incr. / (Decr.)		Sequential Incr. / (Decr.)	
				\$	%	\$	%
Cash	\$542.8	\$850.8	\$649.3	\$106.5	20%	(\$201.5)	(24%)
Marketable Securities	190.2	246.4	255.0	64.8	34%	8.6	3%
Cash & Marketable Securities	\$733.0	\$1,097.1	\$904.3	\$171.3	23%	(\$192.9)	(18%)
Less:							
ECAP & Bonus Liability	222.2	455.1	290.1	68.0	31%	(164.9)	(36%)
Investable Cash	\$510.8	\$642.1	\$614.2	\$103.3	20%	(\$27.9)	(4%)

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

	FY'22 Q1 vs. FY'21 Q1		
	Reported		Const. Curr.
	\$M	% Grth.	% Grth.
<u>Executive Search</u>			
North America	\$138.7	100.1%	97.9%
Europe	42.7	42.1%	31.0%
Asia / Pacific	28.7	66.4%	55.9%
Latin America	6.8	93.9%	81.3%
Total Exec. Search	\$216.9	80.5%	73.8%
<u>Consulting</u>			
North America	\$69.2	71.7%	70.2%
Europe	48.4	33.7%	25.4%
Asia / Pacific	27.1	39.0%	33.0%
Latin America	3.8	15.2%	11.3%
Total Consulting	\$148.5	49.5%	44.1%
<u>Digital</u>			
North America	\$33.7	45.3%	44.5%
Europe	31.1	46.7%	36.9%
Asia / Pacific	12.6	35.5%	28.2%
Latin America	3.1	40.9%	39.9%
Total Digital	\$80.7	44.1%	38.6%
<u>RPO & Prof. Search</u>			
North America	\$62.1	105.0%	103.7%
Europe	38.2	101.1%	84.6%
Asia / Pacific	32.8	100.0%	84.3%
Latin America	6.3	110.0%	106.7%
Total RPO & Prof. Sch.	\$139.3	102.8%	93.5%
Total KF	\$585.4	70.1%	63.5%

Thank You

