

Korn / Ferry

FY'17 Qtr. 4

Earnings Conference Call

June 20, 2017



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 Metrics

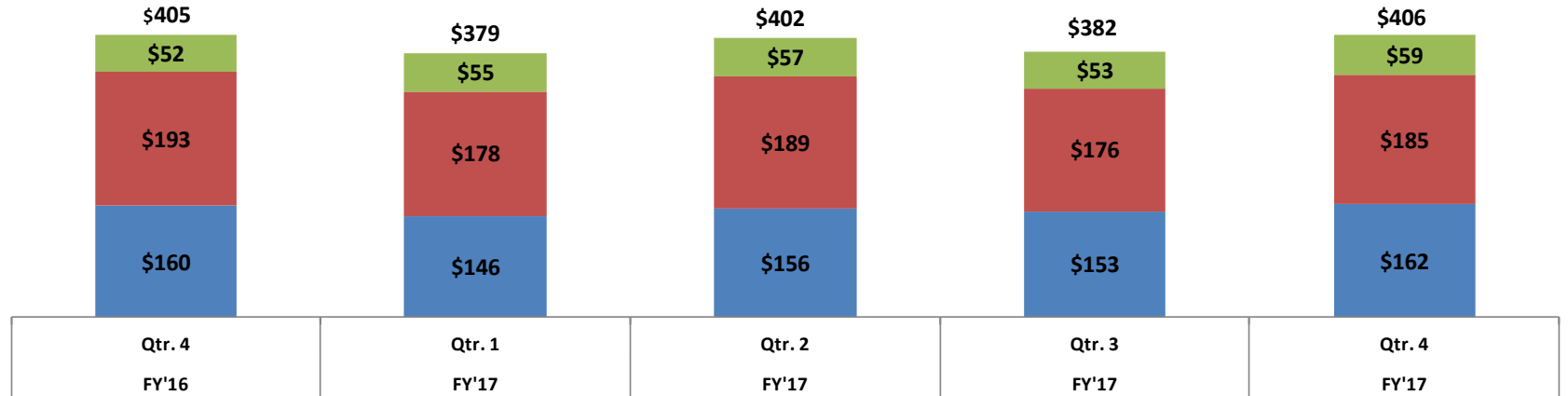
This presentation includes financial information calculated other than in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). This non-GAAP disclosure has limitations as an analytical tool, should not be viewed as a substitute for financial information determined in accordance with 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.



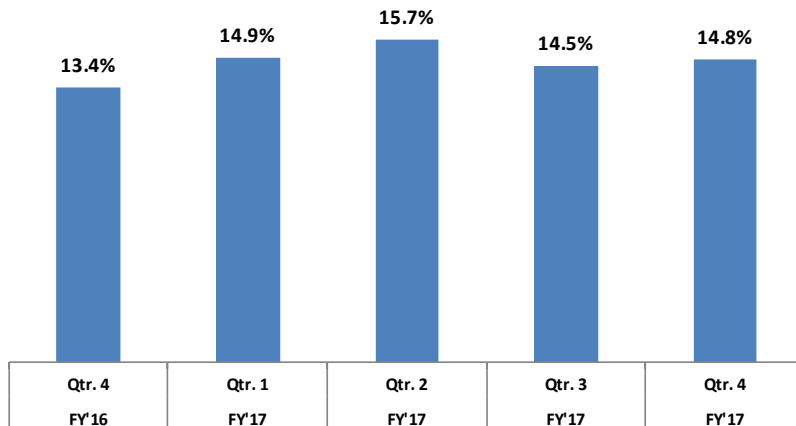
Korn / Ferry Quarterly Trends

Executive Search Hay Group Futurestep

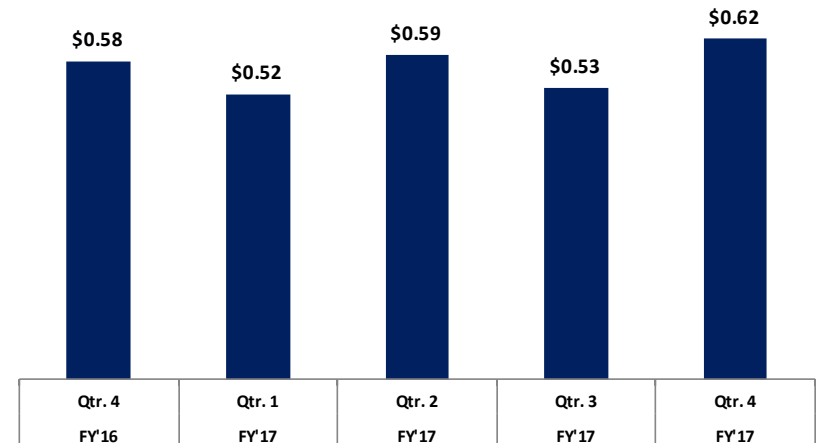
***Adjusted Fee Revenue (\$M)**



****Adjusted EBITDA Margin (Non-GAAP)**



*****Adjusted Diluted EPS (Non-GAAP)**



*FY'16 Qtr. 4 and FY'17 Qtr. 1 Excludes Hay Group Deferred Revenue Write-Off Related to the Acquisition

**Earnings Before Interest, Taxes, Depreciation and Amortization Adjusted to Exclude Hay Group Deferred Revenue Write-Off Related to the Acquisition, Restructuring and Management Separation Charges, Integration / Acquisition Costs and Venezuelan F/X Loss in FY'16 Qtr. 4

***Diluted Earnings per Share Adjusted to Exclude the Net Impact of Hay Group Deferred Revenue Write-Off Related to the Acquisition, Restructuring and Management Separation Charges, Integration / Acquisition Costs, Venezuelan F/X Loss, Write-off of Debt Issuance Costs as Well as the Tax Effects of All These Adjustments



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Consolidated P&L Trend – (\$M) (Non-GAAP)

	FY'16 Qtr. 4	FY'17		Increase / (Decrease)			
		Qtr. 3	Qtr. 4	Year-over-Year		Sequential	
				\$M	%	\$M	%
Adjusted Fee Revenue	\$405.0	\$381.9	\$406.1	\$1.1	0.3%	\$24.2	6.3%
HG Deferred Revenue*	(5.1)	-	-	5.1	-	-	-
Fee Revenue	\$399.9	\$381.9	\$406.1	\$6.2	1.6%	\$24.2	6.3%
Reimbursed Expenses	17.2	12.3	13.5	(3.7)	(21.5%)	1.2	9.8%
Total Revenue	\$417.1	\$394.2	\$419.6	\$2.5	0.6%	\$25.4	6.4%
Operating Expenses:							
Compensation & Benefits	\$281.1	\$258.2	\$271.3	(\$9.8)	(3.5%)	\$13.1	5.1%
G&A Expenses	53.9	56.2	59.8	5.9	10.9%	3.6	6.4%
Reimbursed Expenses	17.2	12.3	13.5	(3.7)	(21.5%)	1.2	9.8%
Cost of Services	20.9	16.5	19.2	(1.7)	(8.1%)	2.7	16.4%
Deprec. & Amortiz. Exps.	11.3	11.8	12.3	1.0	8.8%	0.5	4.2%
Restruc. & Integ. / Acq. Chgs.**	27.8	8.6	10.6	(17.2)	(61.9%)	2.0	23.3%
Total Operating Exps.	\$412.2	\$363.7	\$386.8	(\$25.4)	(6.2%)	\$23.1	6.4%
Operating Income	\$4.9	\$30.5	\$32.8	\$27.9	569.4%	\$2.3	7.5%
Margin(%)	1.2%	8.0%	8.1%	6.9%	-	0.1%	-
***Adjusted EBITDA	\$54.8	\$55.3	\$60.1	\$5.3	9.6%	\$4.8	8.7%
***Adjusted EBITDA Margin(%)	13.5%	14.5%	14.8%	1.3%	-	0.3%	-

*Hay Group Purchase Accounting Deferred Revenue Write-Off

**Restructuring Charges, and Integration / Acquisition Costs

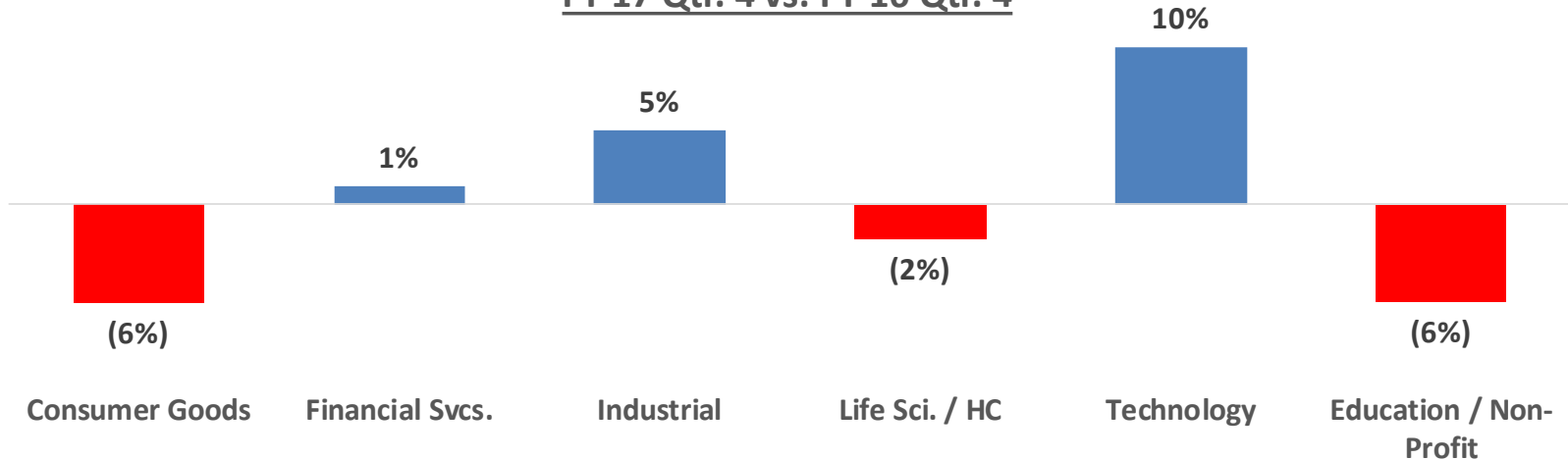
***Earnings Before Interest, Taxes, Depreciation and Amortization Adjusted to Exclude Hay Group Deferred Revenue Write-Off Related to the Acquisition, Restructuring Charges, Management Separation Costs, Integration / Acquisition Costs and Venezuelan F/X Loss in FY'16 Qtr. 4



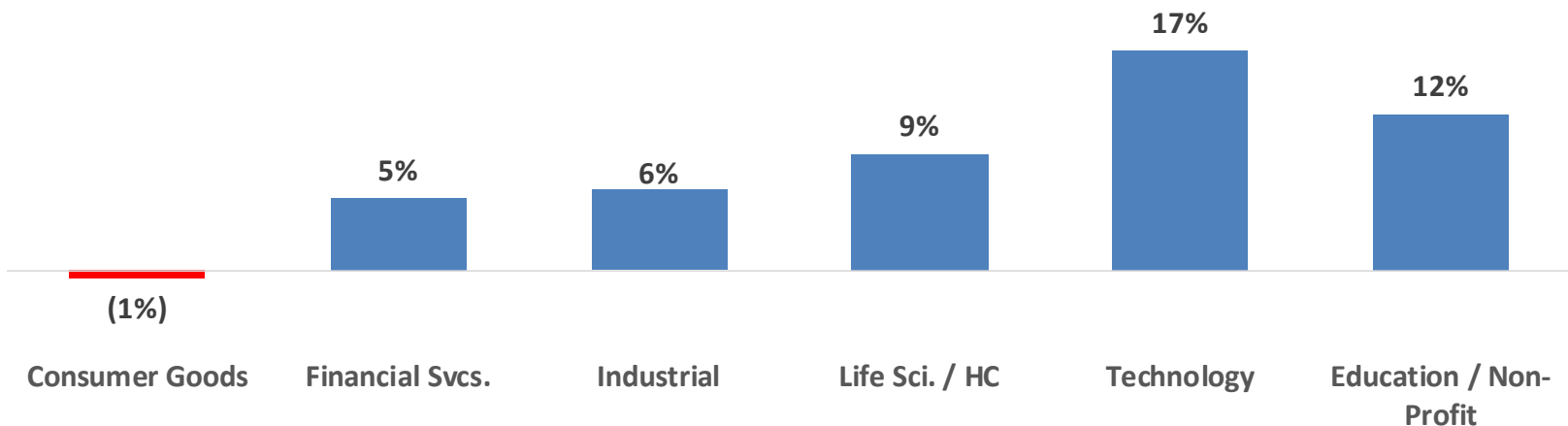
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Industry Practice Fee Revenue Growth Rate Comparisons

FY'17 Qtr. 4 vs. FY'16 Qtr. 4



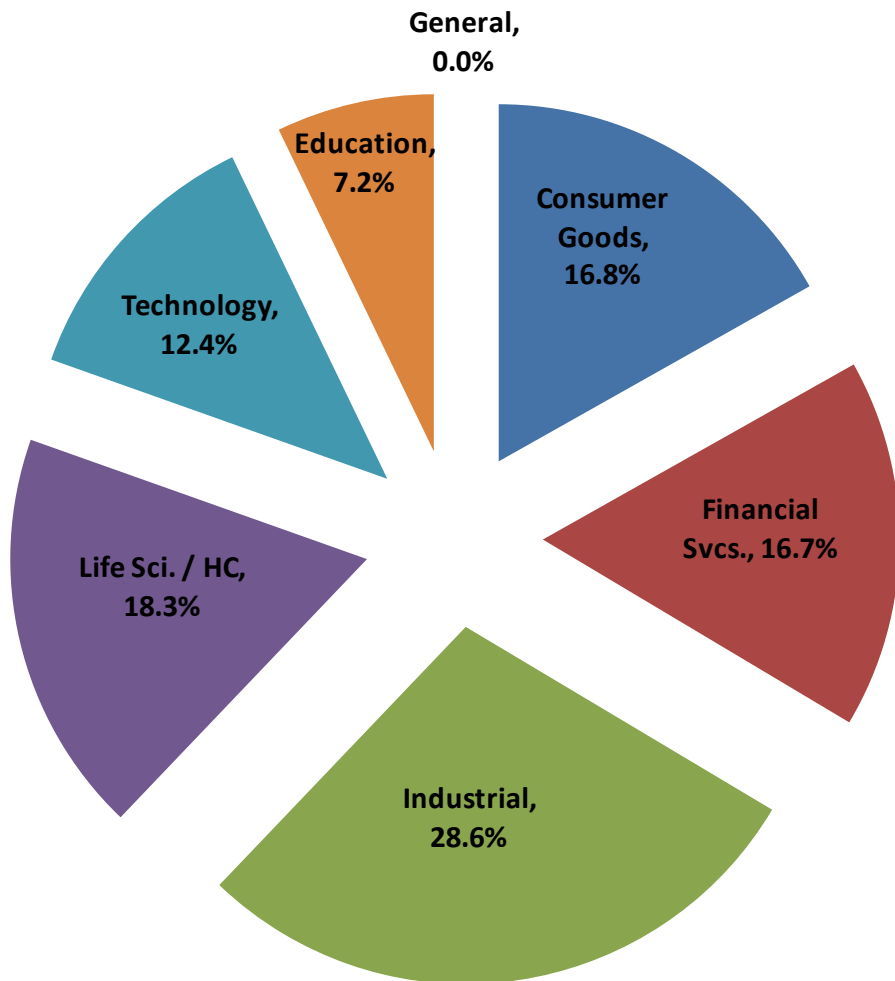
FY'17 Qtr. 4 vs. FY'17 Qtr. 3



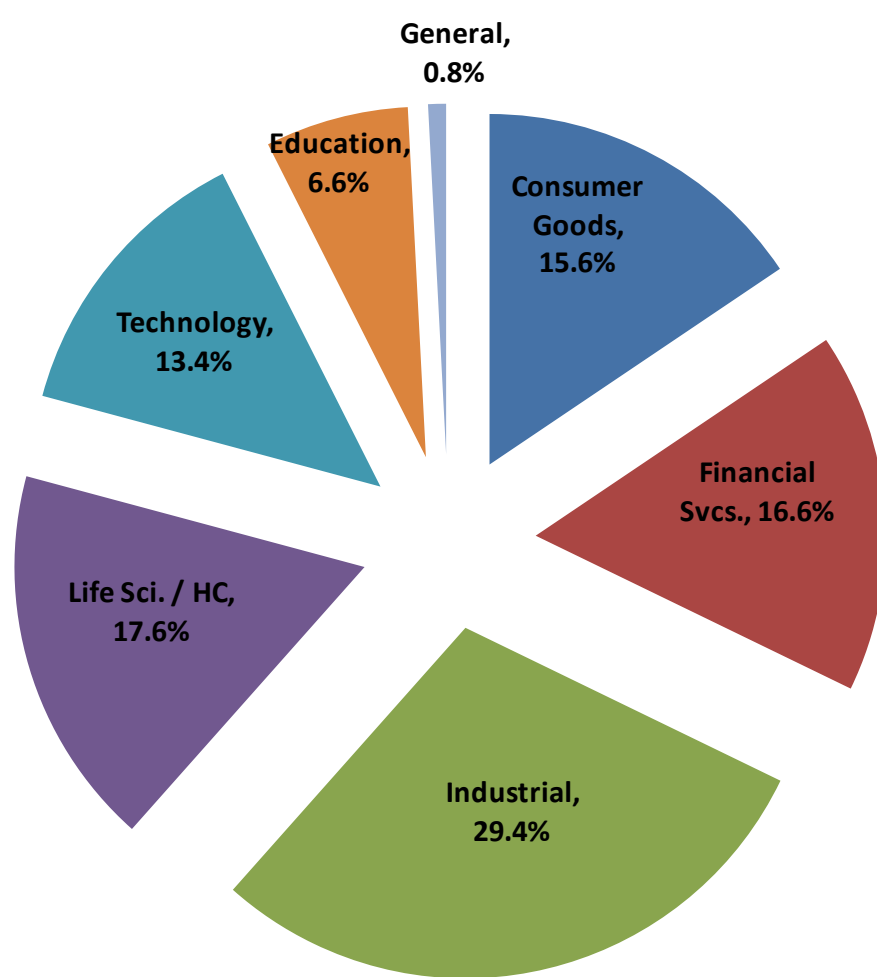
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Fee Revenue By Specialty Practice

FY'16 Qtr. 4

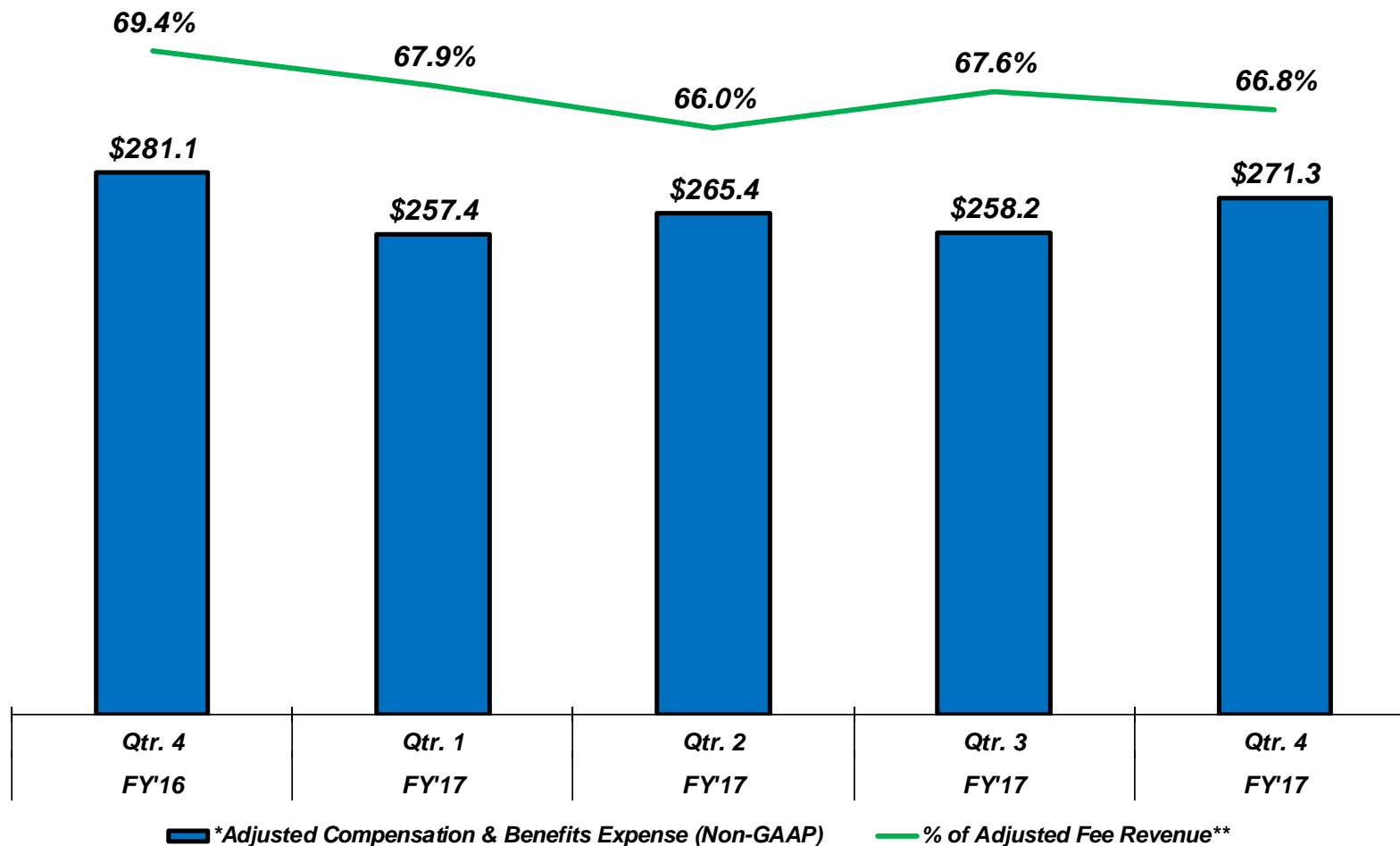


FY'17 Qtr. 4



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Quarterly Trend – *Adjusted Compensation & Benefits Expense (\$M) (Non-GAAP)



* Excludes Restructuring and Management Separation Charges and Integration / Acquisition Costs

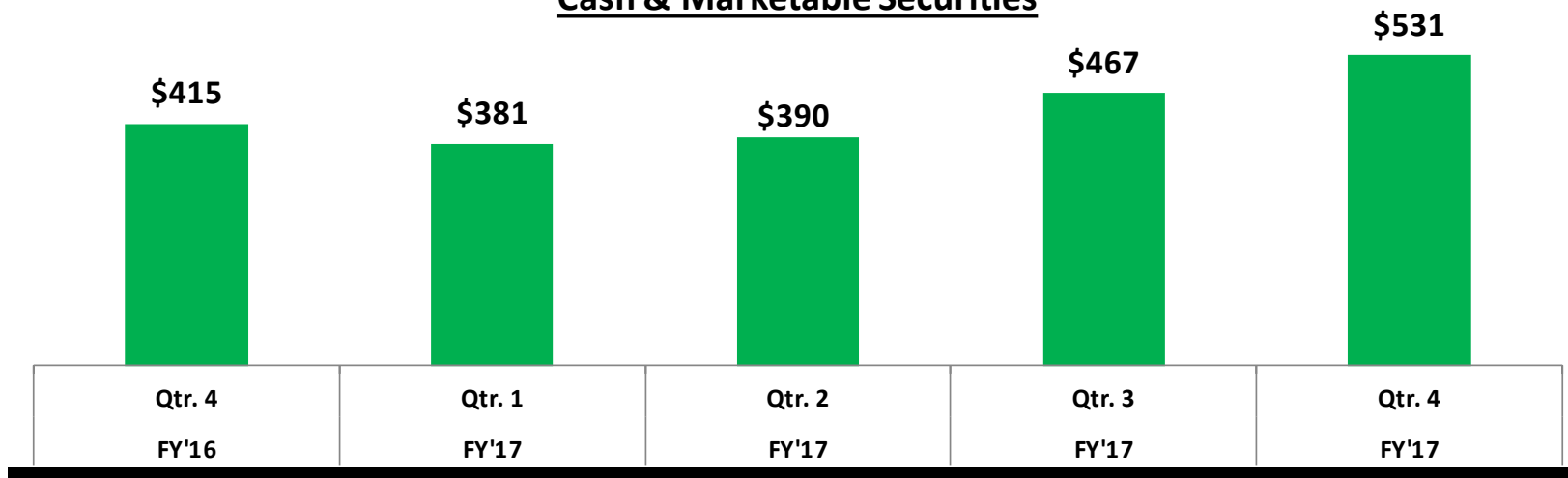
** FY'16 Qtr. 4 & FY'17 Qtr. 1 Fee Revenue Excludes Hay Group Deferred Revenue Write-Off Related to the Acquisition



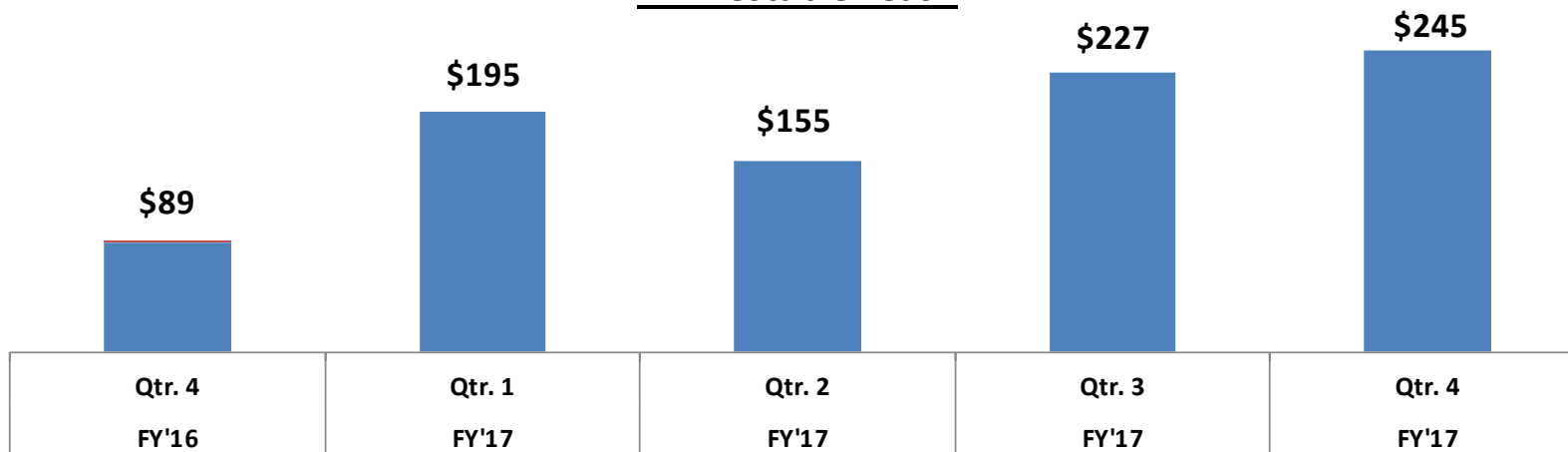
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Quarterly Trend – Cash & Marketable Securities (\$M)

Cash & Marketable Securities



*"Investable" Cash

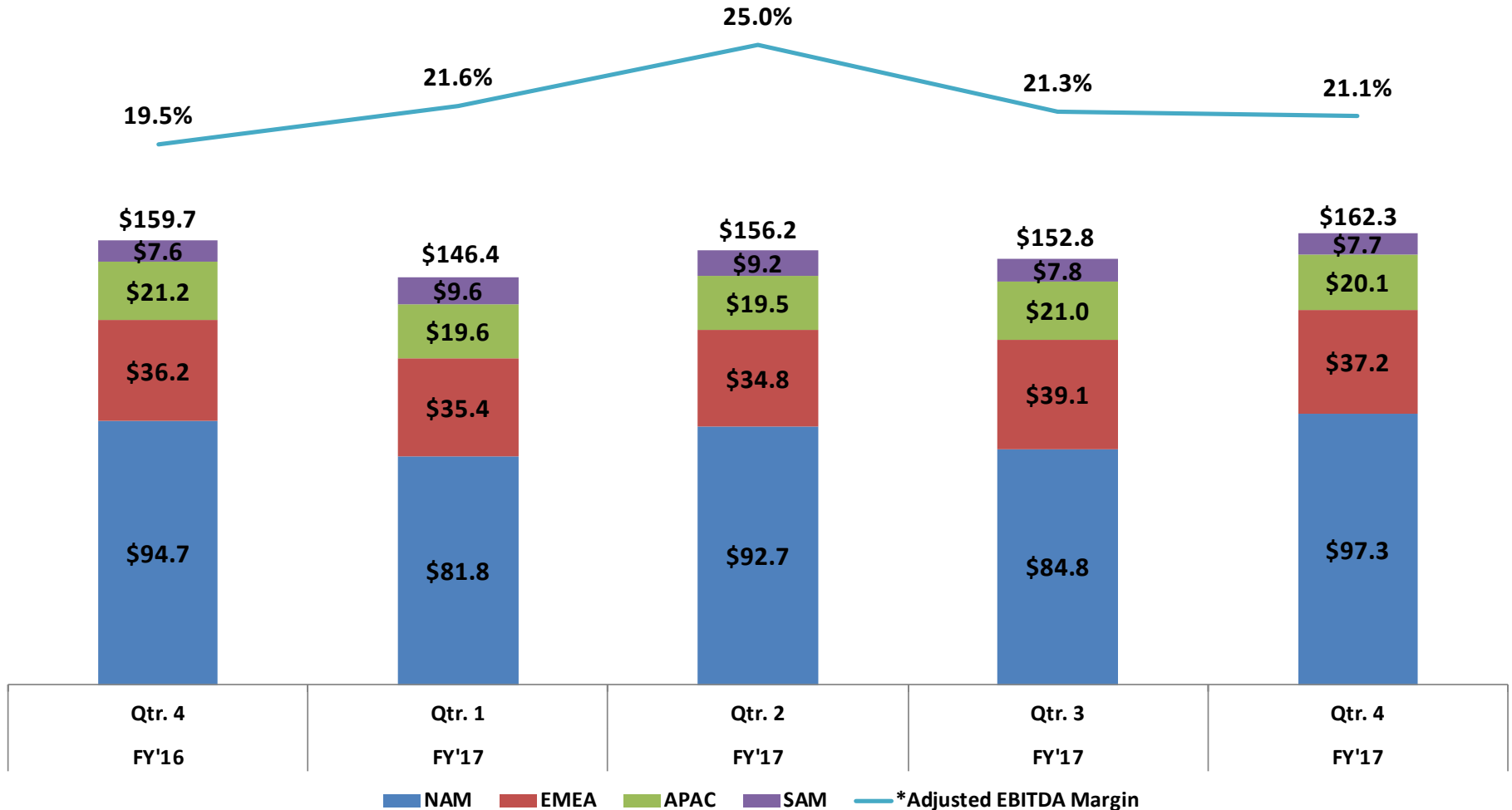


*Cash & Marketable Securities Net of Cash & Marketable Securities Reserved for Deferred Compensation Arrangements and for Accrued Bonuses



Executive Search

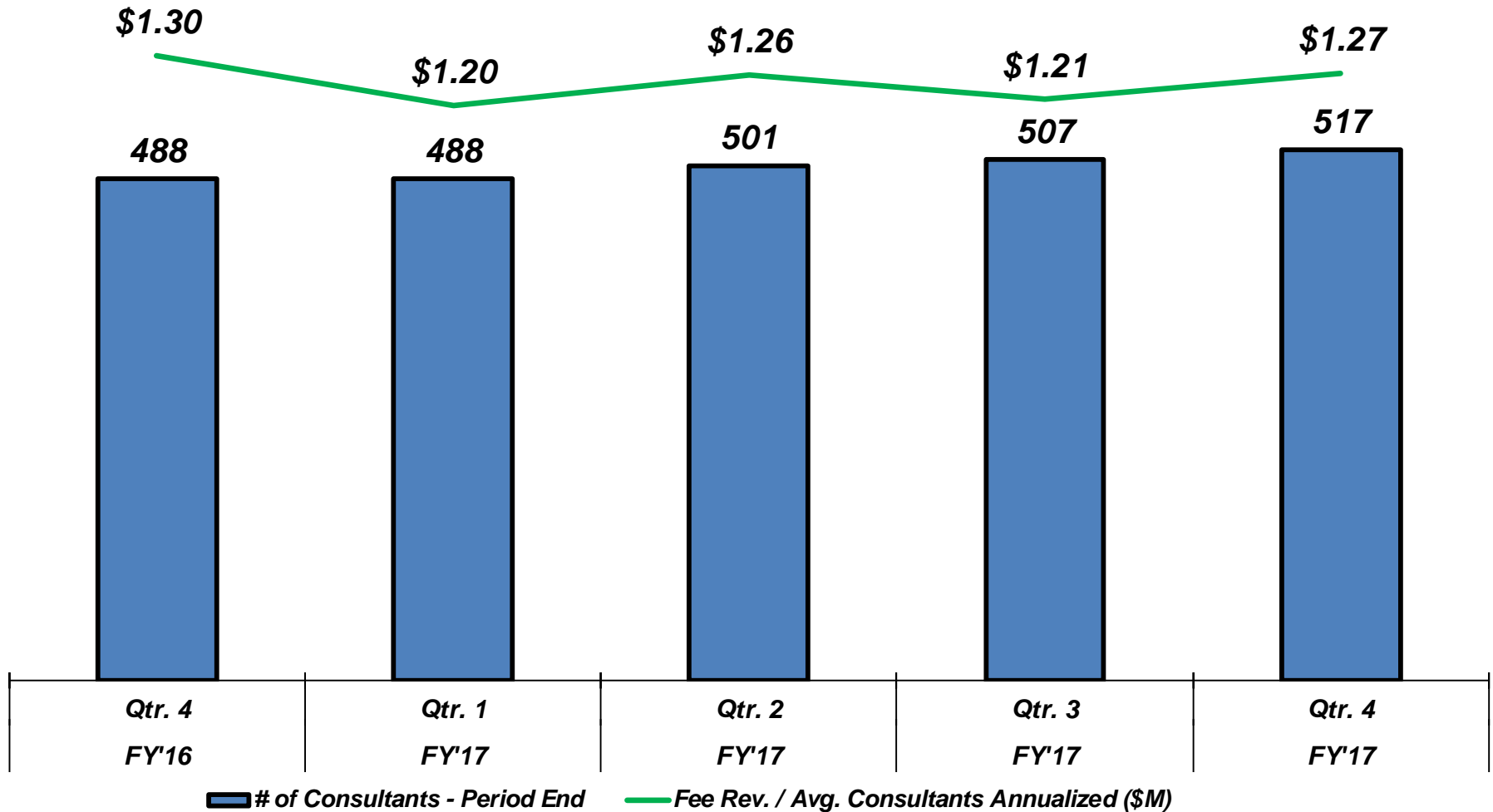
Quarterly Trends – Fee Revenue (\$M) & *Adjusted EBITDA Margin (Non-GAAP)



*Earnings Before Interest, Taxes, Depreciation and Amortization Adjusted to Exclude Restructuring Charges and Foreign Currency Loss Associated with the Devaluation of the Venezuelan Currency

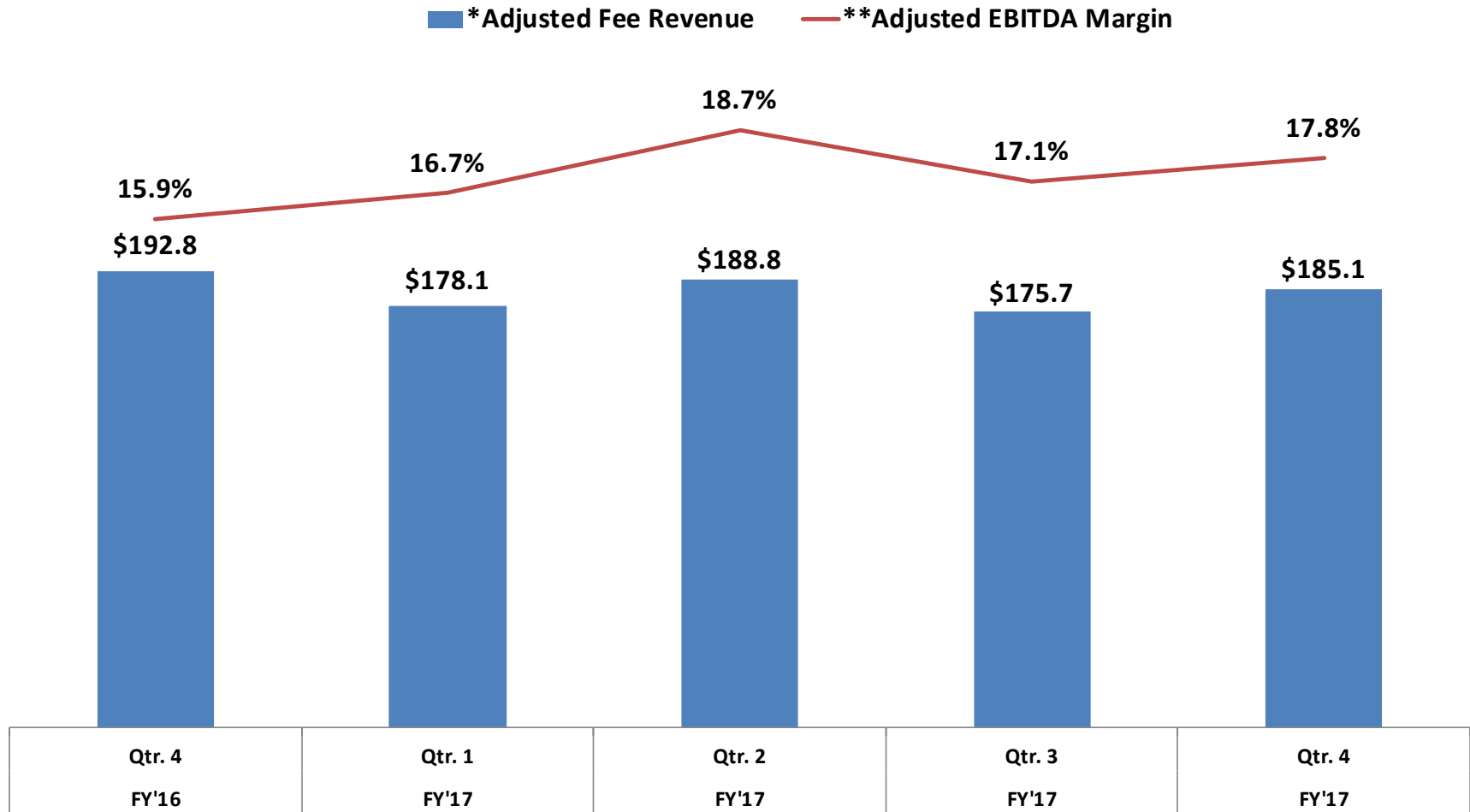


Executive Search Consultants & Consultant Productivity



Hay Group

Quarterly Trends – *Adjusted Fee Revenue (\$M) & **Adjusted EBITDA Margin (Non-GAAP)



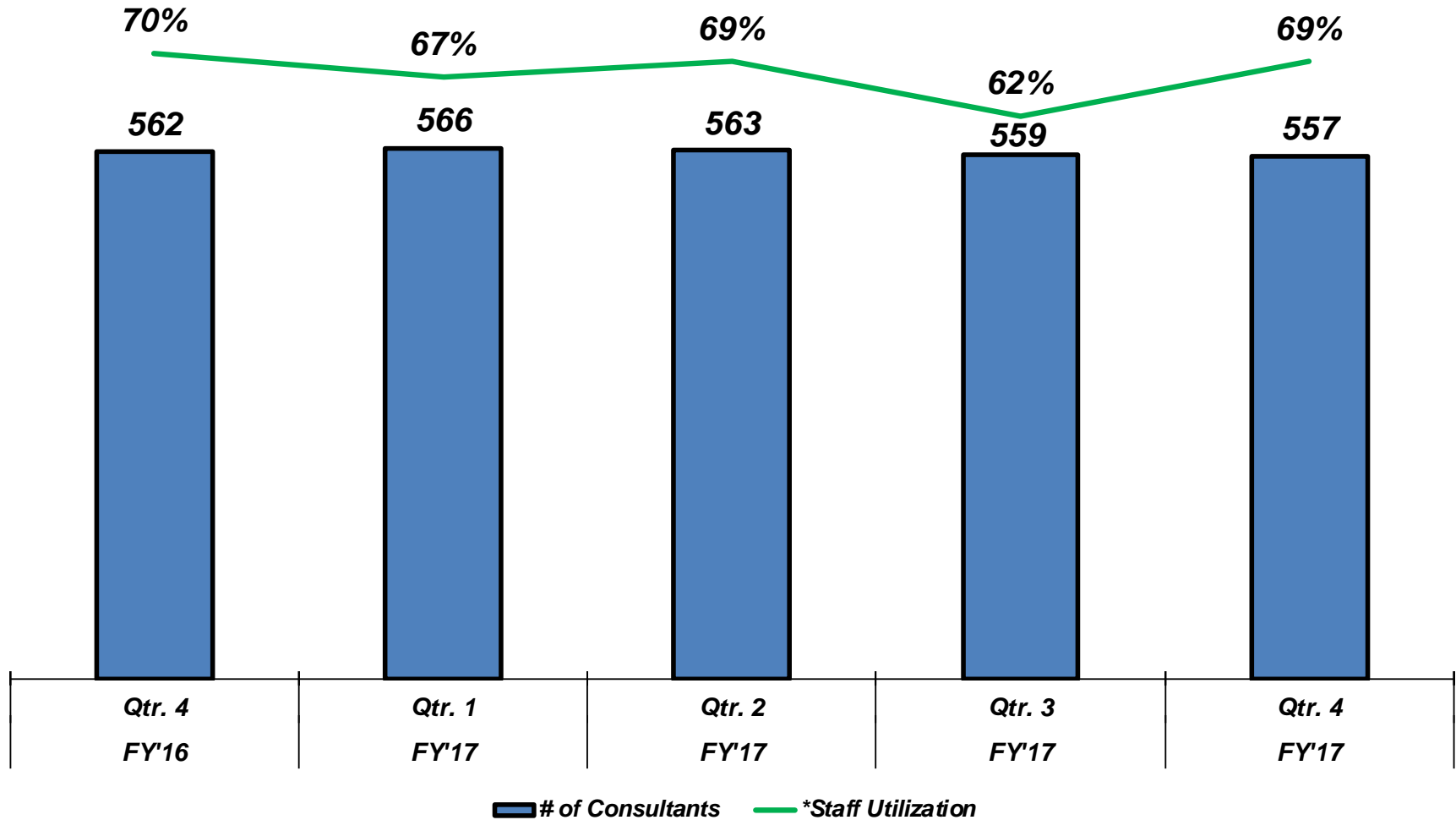
*Fee Revenue Excluding Hay Group Deferred Revenue Write-Off Related to the Acquisition

**Earnings Before Interest, Taxes, Depreciation and Amortization Adjusted to Exclude Hay Group Deferred Revenue Write-Off Related to the Acquisition, Restructuring Charges, Management Separation Costs, Integration / Acquisition Costs and Foreign Currency Loss Associated with the Devaluation of the Venezuelan Currency



Hay Group

of Consultants & Professional Staff Productivity

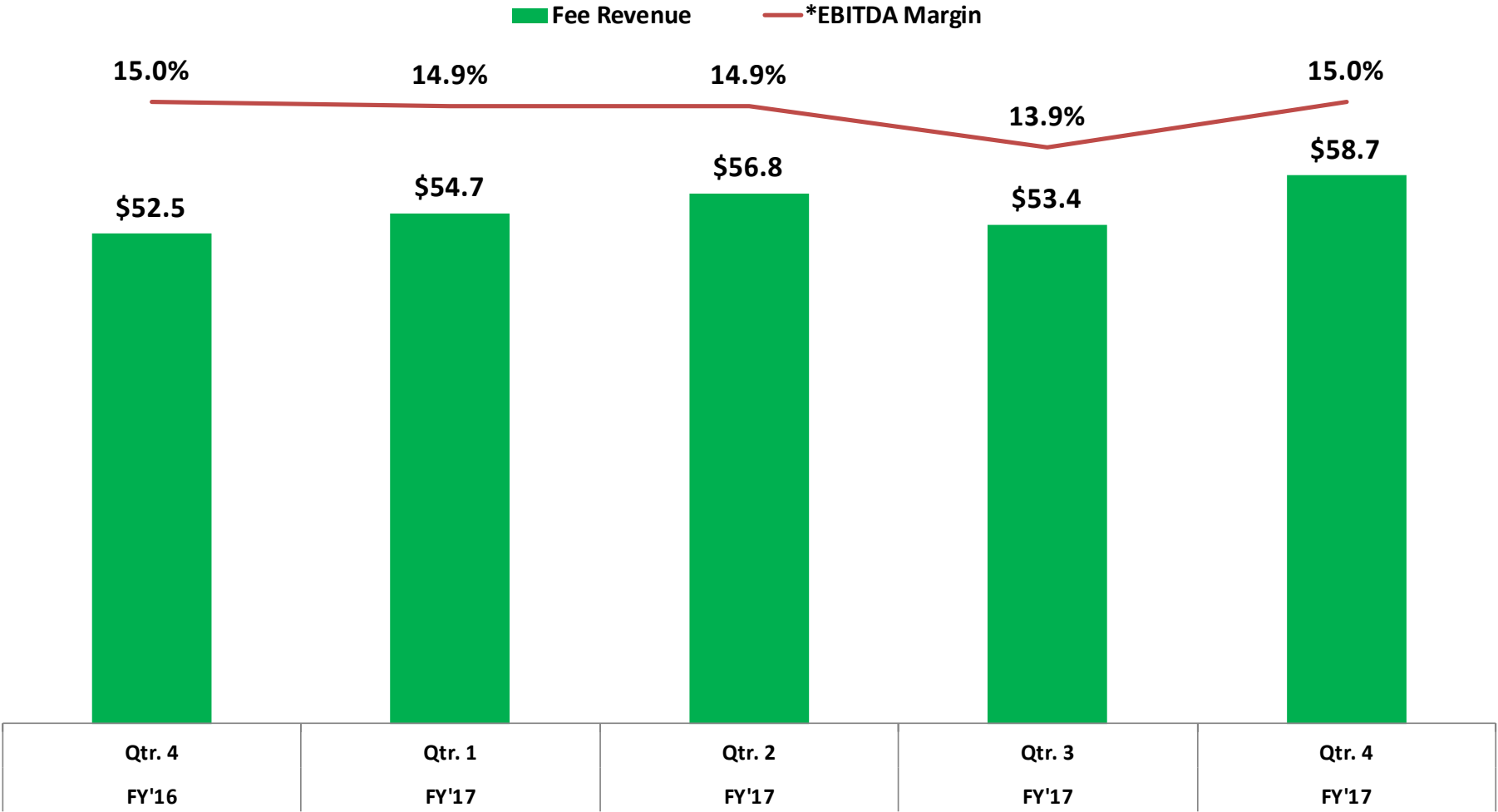


**Calculated By Dividing the Number of Hours of Full-Time Professional Staff, Who Recorded Time to an Engagement During the Period, By the Total Available Working Hours for the Professional Staff During the Same Period*



Futurestep

Quarterly Trends – Fee Revenue (\$M) & *EBITDA Margin (Non-GAAP)



*Earnings Before Interest, Taxes, Depreciation and Amortization



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

**Earnings Conference Call
June 20, 2017**

Korn / Ferry

Reconciliation of Operating Income (GAAP) to Adjusted EBITDA (Non-GAAP) (\$M) FY'16 Q4 to FY'17 Q4

	FY'16 Qtr. 4	FY'17 Qtr. 1	FY'17 Qtr. 2	FY'17 Qtr. 3	FY'17 Qtr. 4
Fee Revenue	\$399.9	\$375.6	\$401.9	\$381.9	\$406.1
Def. Revenue Adj. Due to HG Acq.	5.1	3.5	-	-	-
Adjusted Fee Revenue	\$405.0	\$379.2	\$401.9	\$381.9	\$406.1
Operating Income	\$4.9	\$4.5	\$46.5	\$30.5	\$32.8
Depreciation & Amortization	11.3	11.4	11.8	11.8	12.3
Other Income / (Loss) , Net	5.6	4.3	(0.9)	4.2	4.2
Equity in Earnings of Uncold. Subs., Net	0.1	0.1	-	0.1	0.1
Net Income Attrib. to NonControlling Int.	(0.5)	-	-	-	-
EBITDA	\$21.4	\$20.3	\$57.5	\$46.6	\$49.5
Def. Revenue Adj. Due to Acq.	5.1	3.5	-	-	-
Restructuring Charges - Net	2.4	24.5	-	3.8	6.3
Integration / Acquisition Costs	11.7	8.0	5.8	4.8	3.7
Venezuelan F/X Loss	13.7	-	-	-	-
Separation Costs	-	-	-	-	0.6
Adjusted EBITDA	\$54.3	\$56.4	\$63.3	\$55.3	\$60.1
Operating Margin	1.2%	1.2%	11.6%	8.0%	8.1%
Depreciation & Amortization	2.8%	3.0%	2.9%	3.1%	3.0%
Other Income / (Loss) , Net	1.4%	1.1%	(0.2%)	1.1%	1.1%
Equity in Earnings of Uncold. Subs., Net	0.1%	-	-	-	-
Net Income Attrib. to Non Controlling Int.	(0.1%)	-	-	-	-
EBITDA Margin	5.4%	5.4%	14.3%	12.2%	12.2%
Def. Revenue Adj. Due to Acq.	1.2%	0.9%	-	-	-
Restructuring Charges - Net	0.6%	6.5%	-	1.0%	1.5%
Integration / Acquisition Costs	2.8%	2.1%	1.4%	1.3%	0.9%
Venezuelan F/X Loss	3.4%	-	-	-	-
Separation Costs	-	-	-	-	0.2%
Adjusted EBITDA Margin	13.4%	14.9%	15.7%	14.5%	14.8%



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Reconciliation of Net Income & EPS (GAAP) to Adjusted Net Income & Adjusted EPS (Non-GAAP) (\$M) FY'16 Q4 to FY'17 Q4

	<u>FY'16 Qtr. 4</u>	<u>FY'17 Qtr. 1</u>	<u>FY'17 Qtr. 2</u>	<u>FY'17 Qtr. 3</u>	<u>FY'17 Qtr. 4</u>
Net Income Attributable to Korn / Ferry	\$5.9	\$3.2	\$30.2	\$23.9	\$26.9
Def. Revenue Adj. Due to HG Acq.	5.1	3.5	-	-	-
Restructuring Charges - Net	2.4	24.5	-	3.8	6.3
Integration / Acquisition Costs	11.6	8.0	5.8	4.8	3.7
Venezuelan F/X Loss	13.7	-	-	-	-
Separation Costs	-	-	-	-	0.6
Write-Off of Debt Issuance Costs	-	1.0	-	-	-
Tax effect of the Above Items	(5.8)	(10.7)	1.9	(2.4)	(2.4)
Adjusted Net Income Attributable to K/F	<u>\$32.9</u>	<u>\$29.5</u>	<u>\$34.1</u>	<u>\$30.1</u>	<u>\$35.2</u>
Diluted Earnings per Common Sh.	\$0.10	\$0.06	\$0.52	\$0.42	\$0.47
Def. Revenue Adj. Due to Acq.	0.09	0.06	-	-	-
Restructuring Charges - Net	0.04	0.43	-	0.07	0.10
Integration / Acquisition Costs	0.21	0.14	0.10	0.08	0.07
Venezuelan F/X Loss	0.24	-	-	-	-
Separation Costs	-	-	-	-	0.01
Write-Off of Debt Issuance Costs	-	0.02	-	-	-
(1) Tax Effect on the Above Items	(0.10)	(0.19)	(0.03)	(0.04)	(0.03)
Adjusted Diluted Earnings per Sh.	<u>\$0.58</u>	<u>\$0.52</u>	<u>\$0.59</u>	<u>\$0.53</u>	<u>\$0.62</u>

(1) Tax Effect on Deferred Revenue Adjustment Associated with the Acquisition of Hay Group, Restructuring Charges, Net, Integration / Acquisition Costs, Foreign Currency Loss Associated with the Devaluation of the Venezuelan Currency, Separation Costs and Write-off of Debt Issuance Costs



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Reconciliation of Net Income and Operating Income (GAAP) to EBITDA and Adjusted EBITDA (Non-GAAP) (\$M) FY'16 Q4 to FY'17 Q3

	FY'16 Q4					FY'17 Q1					FY'17 Q2					FY'17 Q3				
	Exec. Recruitment	Hay Group	F/S	Corp.	KFI	Exec. Recruitment	Hay Group	F/S	Corp.	KFI	Exec. Recruitment	Hay Group	F/S	Corp.	KFI	Exec. Recruitment	Hay Group	F/S	Corp.	KFI
Fee Revenue	\$159.7	\$187.7	\$52.5	-	\$399.9	\$146.4	\$174.6	\$54.7	-	\$375.6	\$156.2	\$188.8	\$56.8	-	\$401.9	\$152.8	\$175.7	\$53.4	-	\$381.9
Net Income	-	-	-	-	6.3	-	-	-	-	4.1	-	-	-	-	31.1	-	-	-	-	24.4
Oth. (Incm.) / Loss- Net	-	-	-	-	(5.6)	-	-	-	-	(4.3)	-	-	-	-	0.9	-	-	-	-	(4.2)
Interest Exps. - Net	-	-	-	-	(1.5)	-	-	-	-	3.1	-	-	-	-	2.7	-	-	-	-	2.4
Equity in Earnings of Uncold. Sub.	-	-	-	-	(0.1)	-	-	-	-	(0.1)	-	-	-	-	0.0	-	-	-	-	(0.1)
Income Tax Exps.	-	-	-	-	5.8	-	-	-	-	1.7	-	-	-	-	11.9	-	-	-	-	8.1
Oper. Incm. / (Loss)	\$23.0	\$2.9	\$7.0	(\$28.0)	\$4.9	\$26.9	(\$7.7)	\$7.5	(\$22.2)	\$4.5	\$37.4	\$22.9	\$7.8	(\$21.6)	\$46.5	\$29.3	\$16.0	\$6.5	(\$21.3)	\$30.5
Margin (%)	14.4%	1.5%	13.3%	-	1.2%	18.4%	(4.4%)	13.7%	-	1.2%	24.0%	12.1%	13.7%	-	11.6%	19.2%	9.1%	12.3%	-	8.0%
Deprec. & Amortiz.	1.4	7.8	0.6	1.5	11.3	1.4	8.0	0.6	1.4	11.4	1.7	8.0	0.7	1.4	11.8	1.5	8.1	0.8	1.5	11.8
Oth. Incm. / (Loss) - Net	0.6	(0.2)	0.3	4.9	5.6	0.5	0.2	-	3.6	4.3	(0.1)	-	-	(0.8)	(0.9)	0.5	0.1	-	3.6	4.2
Equity in Earnings of Uncons. Sub.	0.1	-	-	-	0.1	0.1	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-
Net Incm. Attributable to Noncontrolling Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	\$25.1	\$10.5	\$7.9	(\$21.6)	\$21.9	\$28.9	\$0.5	\$8.1	(\$17.2)	\$20.3	\$39.0	\$31.0	\$8.5	(\$21.0)	\$57.5	\$31.4	\$24.2	\$7.3	(\$16.2)	\$46.6
Margin (%)	15.7%	5.6%	15.0%	-	5.5%	19.7%	0.3%	14.9%	-	5.4%	25.0%	16.4%	14.9%	-	14.3%	20.5%	13.8%	13.7%	-	12.2%
Restructuring Chgs.	-	2.4	-	-	2.4	2.8	21.5	-	0.2	24.5	-	-	-	-	-	\$1.2	\$2.5	\$0.1	-	\$3.8
Separation Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Integ. / Acq. Costs	-	5.6	-	6.1	11.7	-	4.3	-	3.8	8.0	-	4.3	-	1.5	5.8	-	3.4	-	1.4	4.8
Venezuelan F/X Loss	6.6	7.1	-	-	13.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Def. Revenue Adj. Due to Acq.	-	5.1	-	-	5.1	-	3.5	-	-	3.5	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	\$31.7	\$30.7	\$7.9	(\$15.5)	\$54.8	\$31.7	\$29.8	\$8.1	(\$13.2)	\$56.4	\$39.0	\$35.3	\$8.5	(\$19.5)	\$63.3	\$32.6	\$30.1	\$7.4	(\$14.8)	\$55.3
Margin (%)	19.9%	15.9%	15.0%	-	13.5%	21.6%	16.7%	14.9%	-	14.9%	25.0%	18.7%	14.9%	-	15.7%	21.3%	17.1%	13.9%	-	14.5%



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Reconciliation of Net Income and Operating Income (GAAP) to EBITDA and Adjusted EBITDA (Non-GAAP) (\$M) FY'17 Q4

	FY'17 Q4				KFI
	Exec. Recruitment	Hay Group	F/S	Corp.	
Fee Revenue	\$162.3	\$185.1	\$58.7	-	\$406.1
Net Income	-	-	-	-	27.7
Oth. (Incm.) / Loss- Net	-	-	-	-	(4.2)
Interest Exps. - Net	-	-	-	-	2.1
Equity in Earnings of Uncold. Sub.	-	-	-	-	(0.1)
Income Tax Exps.	-	-	-	-	7.4
Oper. Incm. / (Loss)	\$30.6	\$16.1	\$8.1	(\$22.0)	\$32.8
Margin (%)	18.8%	8.7%	13.9%	-	8.1%
Deprec. & Amortiz.	1.9	8.2	0.7	1.5	12.3
Oth. Incm. / (Loss) - Net	1.0	-	(0.1)	3.3	4.2
Equity in Earnings of Uncons. Sub.	0.1	-	-	-	0.1
Net Incm. Attributable to Noncontrolling Interest	-	-	-	-	-
EBITDA	\$33.6	\$24.3	\$8.8	(\$17.1)	\$49.5
Margin (%)	20.7%	13.1%	15.0%	-	12.2%
Restructuring Chgs.	\$0.6	\$5.7	-	-	\$6.3
Separation Costs	-	0.6	-	-	0.6
Integ. / Acq. Costs	-	2.4	-	1.3	3.7
Venezuelan F/X Loss	-	-	-	-	-
Def. Revenue Adj. Due to Acq.	-	-	-	-	-
Adjusted EBITDA	\$34.2	\$33.0	\$8.8	(\$15.9)	\$60.1
Margin (%)	21.1%	17.8%	15.0%	-	14.8%



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Reconciliation of Compensation & Benefits Expense (GAAP) to Adjusted Compensation & Benefits Expense (Non-GAAP) (\$M)

FY'16 Q4 to FY'17 Q4

	<u>FY'16 Qtr. 4</u>	<u>FY'17 Qtr. 1</u>	<u>FY'17 Qtr. 2</u>	<u>FY'17 Qtr. 3</u>	<u>FY'17 Qtr. 4</u>
Fee Revenue	\$399.9	\$375.6	\$401.9	\$381.9	\$406.1
Def. Revenue Adj. Due to Acq.	5.1	3.5	-	-	-
Adjusted Fee Revenue	<u>\$405.0</u>	<u>\$379.2</u>	<u>\$401.9</u>	<u>\$381.9</u>	<u>\$406.1</u>

	<u>FY'16 Qtr. 4</u>	<u>FY'17 Qtr. 1</u>	<u>FY'17 Qtr. 2</u>	<u>FY'17 Qtr. 3</u>	<u>FY'17 Qtr. 4</u>
Compensations & Benefits	\$286.9	\$263.0	\$270.6	\$262.4	\$275.5
Integration / Acquisition Costs	(5.8)	(5.6)	(5.2)	(4.3)	(3.5)
Separation Costs	-	-	-	-	(0.6)
Adjusted Comp. & Benfts. Exps.	<u>\$281.1</u>	<u>\$257.4</u>	<u>\$265.4</u>	<u>\$258.2</u>	<u>\$271.3</u>
Comp. & Benfts. (as % of Fee Rev.)	71.7%	70.0%	67.3%	68.7%	67.8%
Integration / Acquisition Costs	(2.3%)	(2.1%)	(1.3%)	(1.1%)	(1.0%)
Separation Costs	-	-	-	-	-
Adjusted Comp. & Benfts. Exps. (as a % of Adj. Fee Rev.)	<u>69.4%</u>	<u>67.9%</u>	<u>66.0%</u>	<u>67.6%</u>	<u>66.8%</u>



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Reconciliation of Cash & Marketable Securities Balance to “Investable Cash” Balance (\$M) FY'16 Q4 to FY'17 Q4

	<u>FY'16 Qtr. 4</u>	<u>FY'17 Qtr. 1</u>	<u>FY'17 Qtr. 2</u>	<u>FY'17 Qtr. 3</u>	<u>FY'17 Qtr. 4</u>
Cash	\$273.3	\$244.1	\$250.0	\$351.3	\$410.9
Marketable Securities	141.4	137.0	140.0	115.4	119.9
Cash & Marketable Securities	<u>\$414.7</u>	<u>\$381.1</u>	<u>\$390.0</u>	<u>\$466.7</u>	<u>\$530.8</u>
ECAP & Bonus Liability	(325.8)	(186.1)	(234.6)	(240.2)	(285.8)
Investable Cash	<u>\$88.9</u>	<u>\$195.0</u>	<u>\$155.4</u>	<u>\$226.5</u>	<u>\$245.0</u>





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