



AEESC Insights

Q2 2015

State of the Executive Search Industry



Financial Services and Life Sciences / Healthcare Sectors

Contribute to Strong Quarter for Executive Search
and Leadership Consulting Profession

Second quarter trends indicate that the executive search and leadership consulting profession continues its growth, with an uptick in revenue (2.1% quarter-on-quarter) and the number of new assignments (2.2% quarter-on-quarter).

The Q2 State of the Executive Search Industry report indicates a quarter-on-quarter and year-on-year rise in the number of new assignments in the life sciences / healthcare sector of 27.3% and 18.5% respectively. Similarly, the financial services sector recorded quarter-on-quarter growth of 15.3% and year-on-year growth of 10.9%.

According to our statistics, 2014 was the largest year for the executive search and leadership consulting profession. Following continued growth by the profession in the first two quarters of the year (Q1: 3.9%; Q2: 2.1%), we estimate that the profession is currently at its largest point in history.

Karen Greenbaum, AESC President and CEO, said: "There is no doubt about it. Executive search consulting services continue to be highly valued by clients around the world as our members work in partnership with their clients to ensure that the best talent is placed in key executive positions, aligned with business strategies for growth. Our profession has always focused on meeting their clients' most challenging talent needs. The evolution of both executive search consulting and newer services

around leadership consulting and the continued growth of our business is a reflection of this strong client-centric focus. As I travel around the world meeting AESC members, it is clear to me that AESC members represent the best-in-class in our profession and are committed to the highest professional standards."

"In terms of growth by industry/sector, Industrial remains the most significant area, Financial Services comes in second and Consumer comes in third. The Life Sciences/Healthcare sector has recorded a notably strong quarter, surpassing Technology for the first time as the fourth largest sector for our profession. However, one quarter does not make a trend, so we will watch eagerly over the coming months to see how these sectors perform."

"In terms of geographic growth, three of the four major regions saw an increase in the number of assignments started, both quarter-on-quarter and year-on-year – North America (4.1%, 6.3%), Asia Pacific (2.8%, 2.9%) and EMEA (2.2%, 2.25). All three of these regions have recorded steady growth over several consecutive quarters."

"The only region not to record growth is Latin America, which decreased 13.4% quarter-on-quarter and 7% year-on-year. Latin America had been tracking with the other three regions so we will watch closely. Again, one quarter does not a trend make and so we are hopeful that business in Latin America strengthens over the next few quarters."

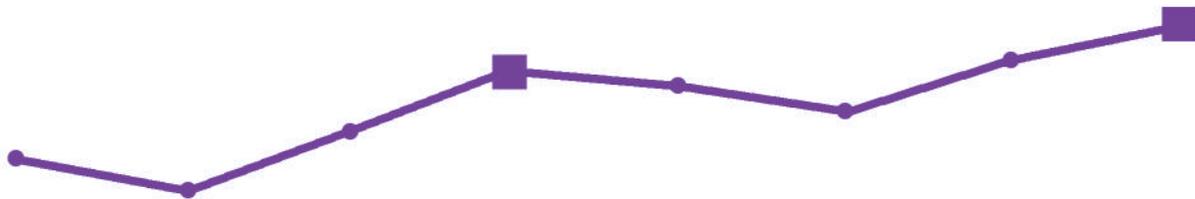
FINANCIAL TRENDS - Q2 2015

Average Net Revenues

Year-on-Year Trend: Q2 2014 to Q2 2015 0.60%
Quarter-on Quarter Trend: Q1 2015 to Q2 2015 2.10%

Executive search revenues have been rising steadily over the last two years, with 2014 being the biggest year for executive search revenues. It is encouraging to see that this momentum has continued into 2015.

Q3 2013 Q4 2013 Q1 2014 Q2 2014 Q3 2014 Q4 2014 Q1 2015 Q2 2015

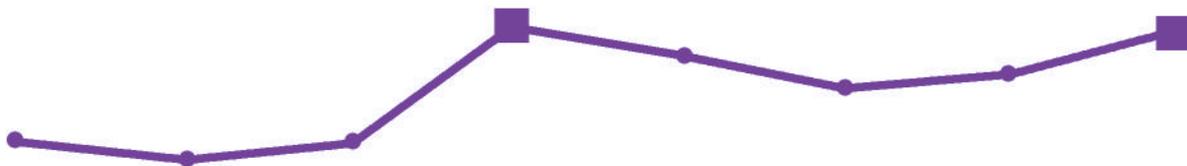


Average Revenue Per Consultant

Year-on-Year Trend: Q2 2014 to Q2 2015 -0.10%
Quarter-on Quarter Trend: Q1 2015 to Q2 2015 5.30%

Average revenue per consultant is effectively flat year-on-year, demonstrating that Q2 is typically a good quarter for this.

Q3 2013 Q4 2013 Q1 2014 Q2 2014 Q3 2014 Q4 2014 Q1 2015 Q2 2015



FINANCIAL TRENDS - Q2 2015 (continued)

Average Fee Per Search Assignment

Year-on-Year Trend: Q2 2014 to Q2 2015 -2.90%
Quarter-on Quarter Trend: Q1 2015 to Q2 2015 5.70%

Much like the revenue per consultant chart, this is unremarkable with only a modest decrease year-on-year. Based on last year's performance, we would expect this to remain relatively flat for the rest of the year.

Q3 2013 Q4 2013 Q1 2014 Q2 2014 Q3 2014 Q4 2014 Q1 2015 Q2 2015

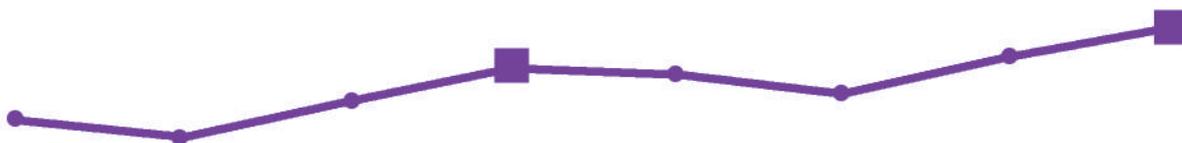


Average Number of Searches Started

Year-on-Year Trend: Q2 2014 to Q2 2015 3.60%
Quarter-on Quarter Trend: Q1 2015 to Q2 2015 2.20%

We continue to see positive and consistent growth in the average number of searches started. The trajectory of this growth is similar to the chart for average net revenues, showing that increased demand is driving the increase in revenue.

Q3 2013 Q4 2013 Q1 2014 Q2 2014 Q3 2014 Q4 2014 Q1 2015 Q2 2015



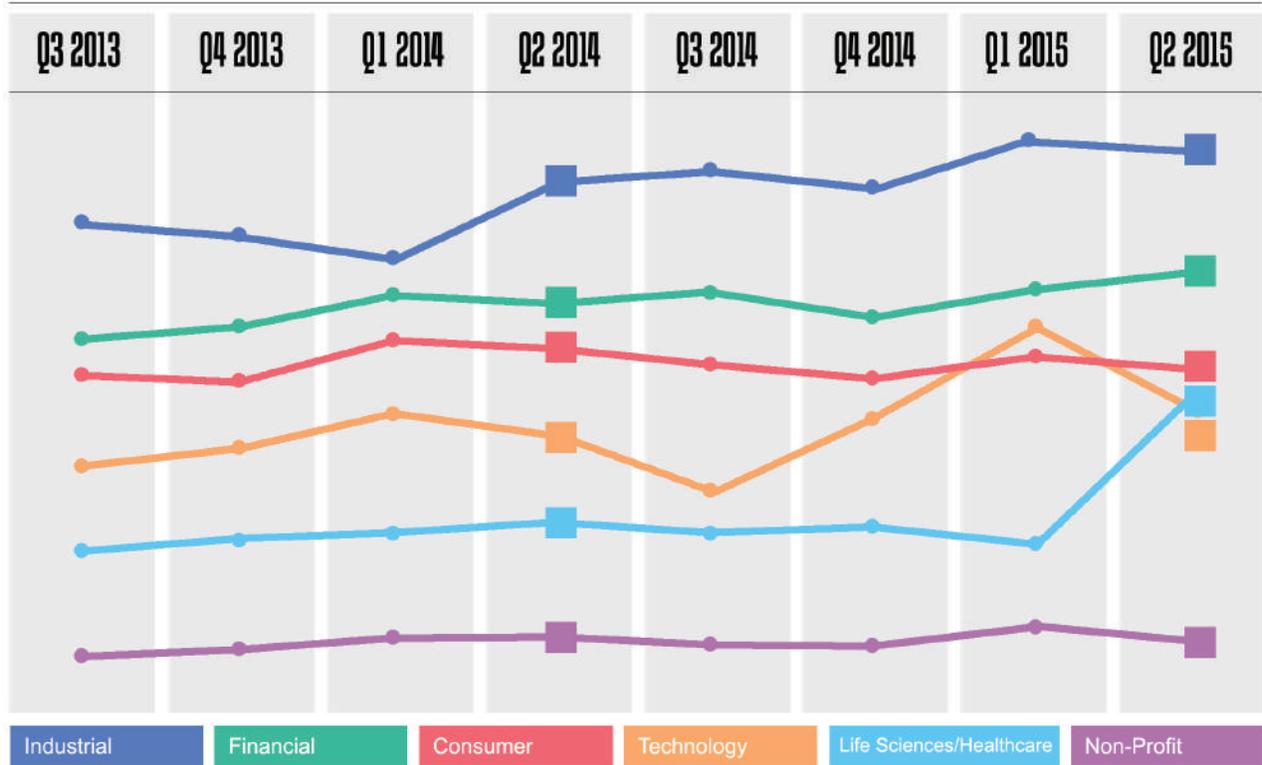
INDUSTRY TRENDS - Q2 2015

Avg Number of Searches Started by Industry

Quarter-on Quarter Trend: Q1 2015 to Q2 2015

Increasing: Life Sciences / Healthcare, 27.30%, Financial 15.30%

Decreasing: Non-profit, -19.20%, Technology, -17.70%, Consumer, -2.60%, Industrial, -1.40%



Year-on-Year Trend: Q2 2014 to Q2 2015

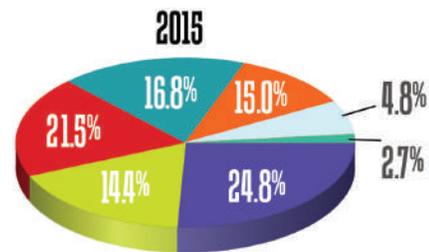
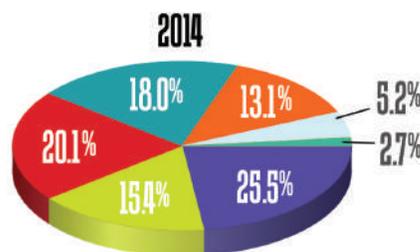
Increasing: Life Sciences / Healthcare: 18.50%, Financial: 10.90%, Industrial: 1.10%

Decreasing: Non-profit: -3.70%, Technology: -3.40%, Consumer: -3.30%,

Market Breakdown by Industry

Year-on-Year Trend: Q2 2014 to Q2 2015

- Industrial
- Technology
- Financial
- Consumer Products
- Life Sciences / Healthcare
- Non-Profit
- Other



Increasing:

Life Sciences Healthcare 1.9
Financial 1.4

Decreasing:

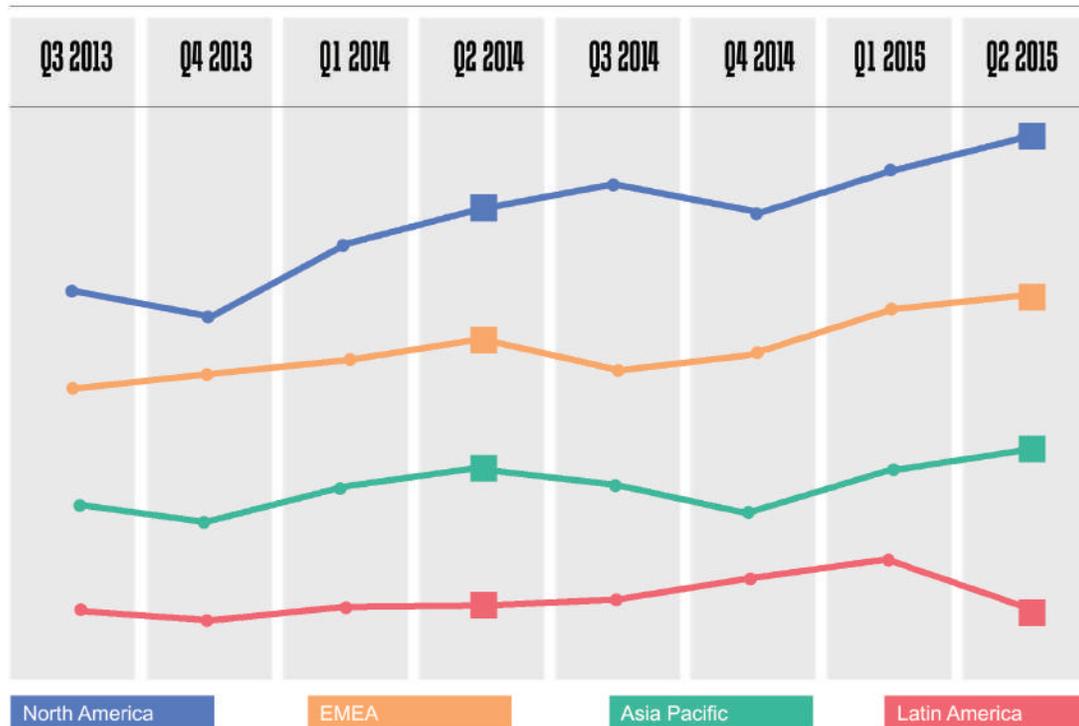
Consumer Products -1.2
Industrial -1
Technology -0.7
Non-Profit -0.4

INDUSTRY TRENDS - Q2 2015 (continued)

Avg Number of Searches Started by Region Quarter-on Quarter Trend: Q1 2015 to Q2 2015

Increasing: North America: 4.10%, Asia Pacific: 2.80%, EMEA: 2.20%

Decreasing: Latin America: -13.40%



Year-on-Year Trend: Q2 2014 to Q2 2015

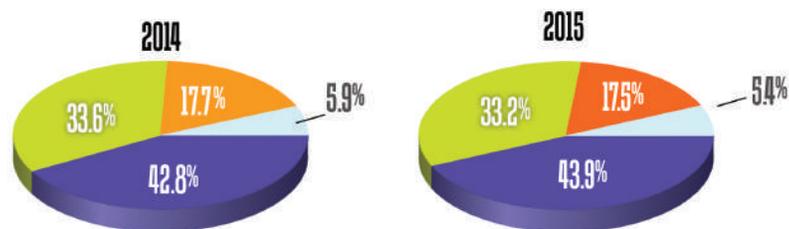
Increasing: North America: 6.30%, Asia Pacific: 2.90%, EMEA: 2.40%

Decreasing: Latin America: -7.0%

Market Share by Region

Year-on-Year Trend: Q2 2014 to Q2 2015

- North America
- EMEA
- Asia Pacific
- Latin America



Increasing:
North America

1.1

Decreasing:

Latin America

-0.5

EMEA

-0.4

Asia Pacific

-0.2

About the Association of Executive Search and Leadership Consultants

Since 1959, the AESC has set the standard for quality and ethics in executive search and leadership consulting worldwide. Because AESC members must commit and adhere to the AESC's industry and government recognized Code of Ethics and Professional Practice Guidelines, clients can be assured that AESC members are able to serve as trusted advisors for their most important engagements. As the voice for executive search and leadership consulting worldwide, today the AESC is comprised of more than 350 member firms, representing 8,000 executive search professionals in 75 countries. To learn more about the AESC and its membership, visit www.aesc.org. For information about the AESC's career service for executive-level professionals, visit www.bluesteps.com.