

AESC Insights

Q4 2015

State of the Executive Search Industry

Global Executive Search Revenue Breaks Record for Second Consecutive Year

2015 was the second consecutive record-breaking year for the executive search and leadership consulting profession, with global revenues reaching an estimated \$12 billion. This is a 2.4% increase on the profession's estimated 2014 revenues.

2015's strong revenue figures are bolstered by a high-performing Q4, during which revenues increased 7.3% compared to Q3 and 13.8% compared to Q4 2014. This uptick in revenues is driven by an increase in the number of consultants employed (6.6% year-on-year; 0.5% quarter-on-quarter) and the revenue per consultant (5.3% year-on-year; 4.4% quarter-on-quarter).

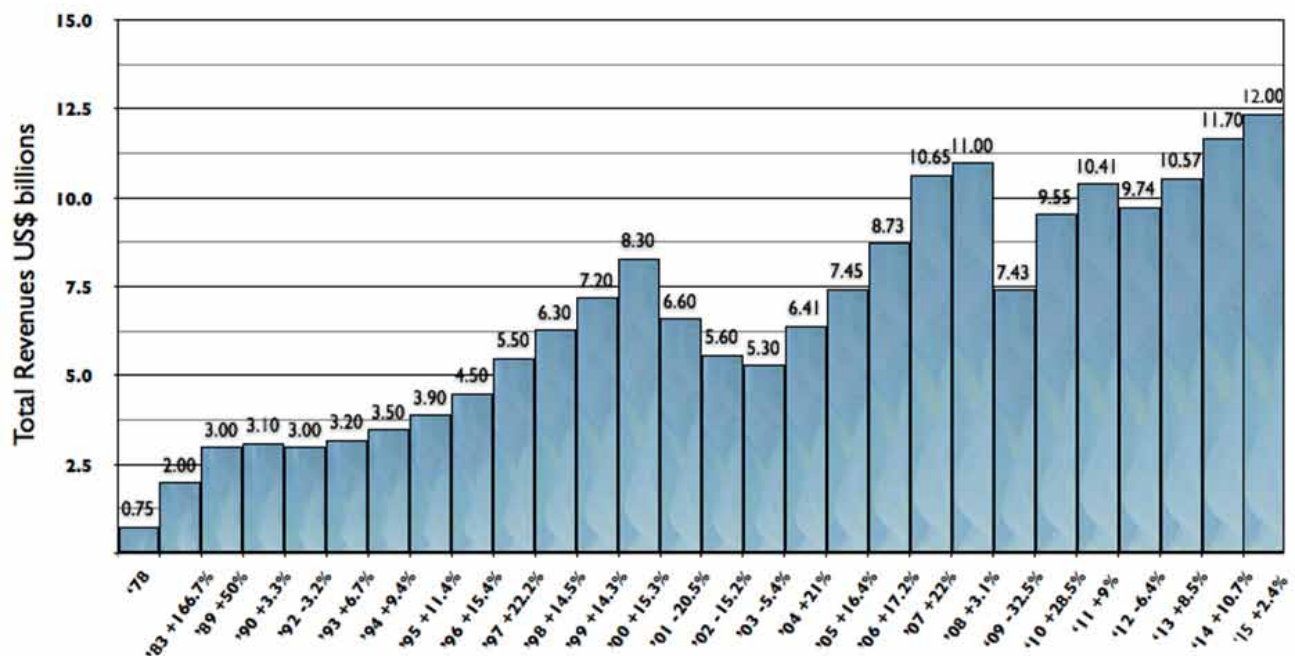
The Consumer and Technology sectors both recorded

modest growth during Q4 (2.6% and 2.4% respectively). Despite a 7.8% decrease in searches started between Q3 and Q4, the Industrial sector remains the largest market for executive search and leadership consulting, with 23.5%. The Financial and Consumer sectors follow, with 21% and 18% respectively.

Europe recorded a small increase (0.8) in the number of searches started between Q3 and Q4, while year-on-year, three regions registered an increase in average number of searches: North America (10.3), Europe (2) and Asia Pacific (1.2). Latin America continues to struggle, as it's down 12.8 quarter-on-quarter and 26 year-on-year.



Estimated Worldwide Executive Search and Leadership Consulting Revenues 1978 - 2015



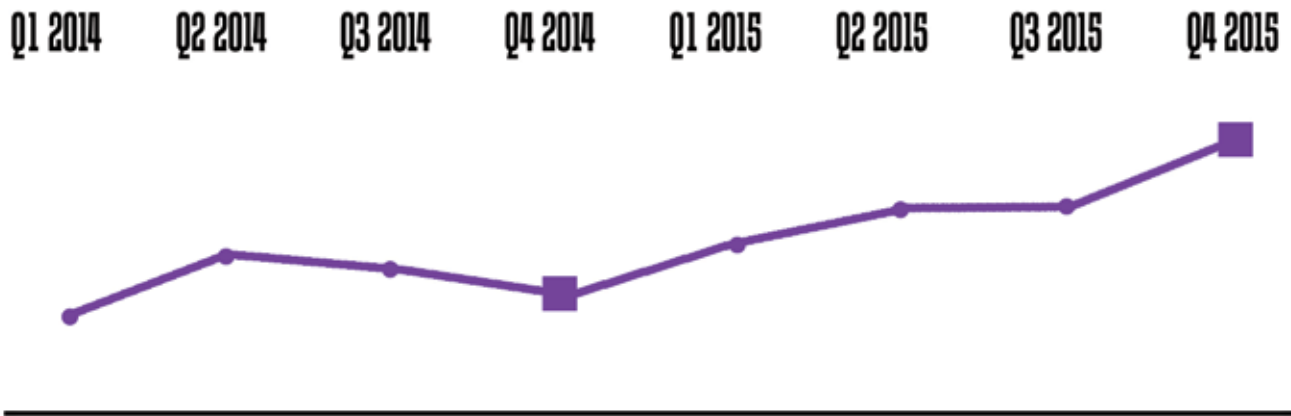
FINANCIAL TRENDS - Q4 2015

Average Net Revenues

Year-on-Year Trend: Q4 2014 to Q4 2015 13.8%

Quarter-on Quarter Trend: Q3 2015 to Q4 2015 7.3%

The strong fourth quarter increase in revenues makes up over half of the total increase during 2015. This is the fourth consecutive year for global estimated revenue growth and the second consecutive record-breaking year. Estimated revenues for the profession are now higher than they have ever been.

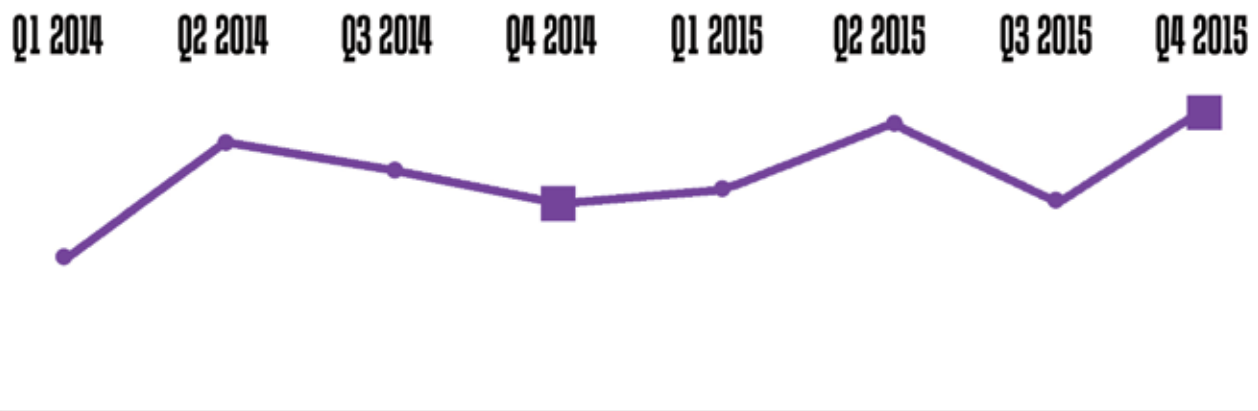


Average Revenue Per Consultant

Year-on-Year Trend: Q4 2014 to Q4 2015 5.3%

Quarter-on Quarter Trend: Q3 2015 to Q4 2015 4.4%

During 2015 we saw a 6.6% increase in the number of consultants employed by the participating firms. With the average fee per assignment also up quarterly and annually, this helps to explain a significant chunk of the overall revenue growth during 2015.



Average Fee Per Search Assignment

Year-on-Year Trend: Q4 2014 to Q4 2015

-0.7%

Quarter-on Quarter Trend: Q3 2015 to Q4 2015

-2.9%

After two quarters of growth, the average fee per assignment has decreased slightly, returning to the same level it was at the end of 2014.

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



Average Number of Searches Started

Year-on-Year Trend: Q4 2014 to Q4 2015

3.6%

Quarter-on Quarter Trend: Q3 2015 to Q4 2015

-3.4%

The number of searches started has increased from 2014 to 2015, primarily due to a marked increase in the first two quarters of 2015. It is normal for the number of searches started to trial off towards the end of the year, so we expect this number to increase again in Q1 2016.

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



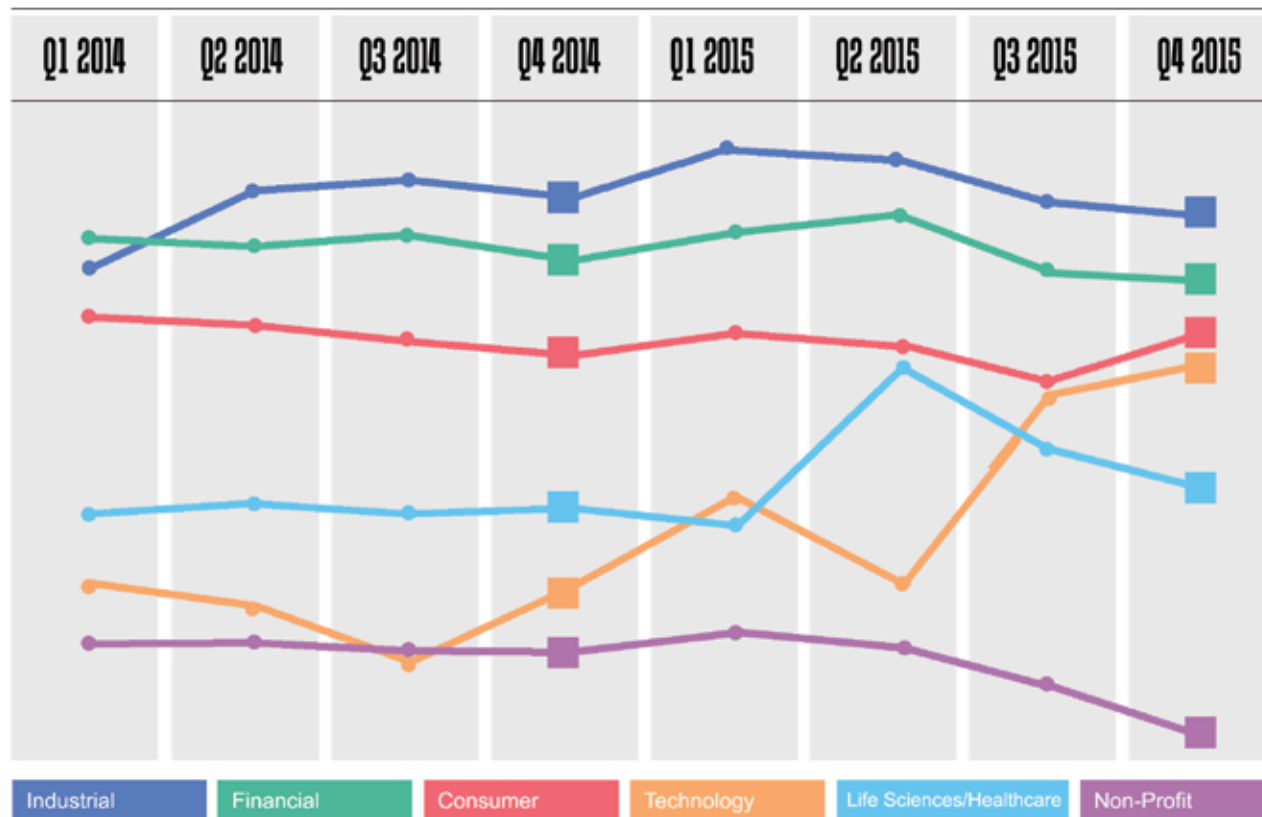
INDUSTRY TRENDS - Q4 2015

Avg Number of Searches Started by Industry

Quarter-on Quarter Trend: Q3 2015 to Q4 2015

Increasing: Consumer, 2.6, Technology, 2.4

Decreasing: Non-Profit, -12.8, Industrial, -7.8, Financial -3.8, Life Sciences / Healthcare, -2.6



Year-on-Year Trend: Q4 2014 to Q4 2015

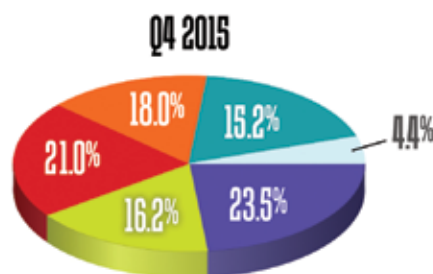
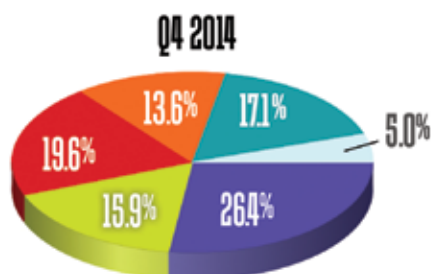
Increasing: Life Sciences / Healthcare, 15.7, Financial, 11.1, Consumer, 9.3, Technology, 5.5,

Decreasing: Non-Profit, -10.0, Industrial, -7.9

Market Breakdown by Industry

Year-on-Year Trend: Q4 2014 to Q4 2015

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



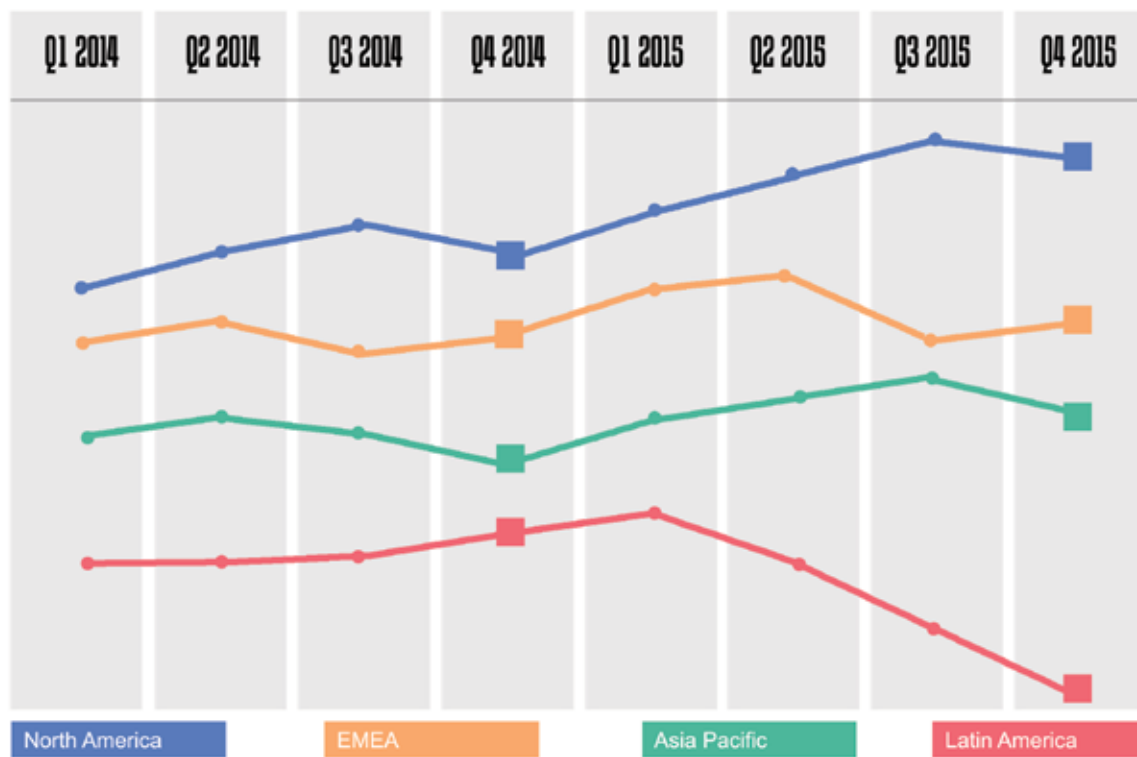
Increasing:
 Life Sciences / Healthcare 1.6
 Financial 1.4
 Consumer Products 0.9
 Technology 0.3

Decreasing:
 Industrial -2.9
 Non-Profit -0.6

Avg Number of Searches Started by Region Quarter-on Quarter Trend: Q3 2015 to Q4 2015

Increasing: EMEA, 0.6,

Decreasing: North America, -3.1, Asia Pacific, -8.8, Latin America, -12.6



Year-on-Year Trend: Q4 2014 to Q4 2015

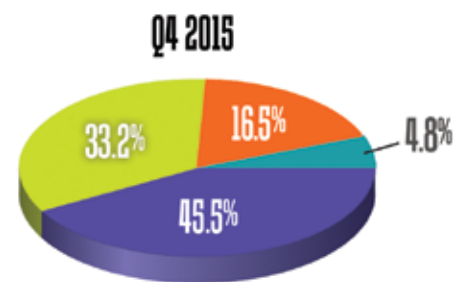
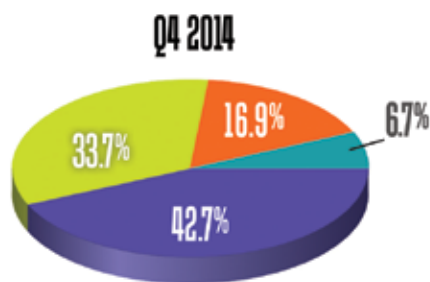
Increasing: North America, 10.3, EMEA, 2.0, Asia Pacific, 1.2

Decreasing: , Latin America, -25.0

Market Share by Region

Year-on-Year Trend: Q4 2014 to Q4 2015

- North America
- EMEA
- Asia Pacific
- Latin America



Increasing:
North America

2.8

Decreasing:

Latin America

-1.9

EMEA

-0.5

Asia Pacific

-0.4

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.