UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2024**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO**

Commission File Number: 001-36869

PJT Partners Inc.

(Exact name of registrant as specified in its charter)

Delaware	**36-4797143**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

280 Park Avenue
New York, New York 10017
(Address of principal executive offices)(Zip Code)
(212) 364-7800
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value $0.01 per share	PJT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 29, 2024, there were 23,985,363 shares of Class A common stock, par value $0.01 per share, and 136 shares of Class B common stock, par value $0.01 per share, outstanding.

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PJT Partners Inc. was formed in connection with certain merger and spin-off transactions whereby the financial and strategic advisory services, restructuring and reorganization advisory services and Park Hill Group businesses of Blackstone Inc. (“Blackstone” or our “former Parent”) were combined with PJT Capital LP, a financial advisory firm founded by Paul J. Taubman in 2013 (together with its then affiliates, “PJT Capital”), and the combined business was distributed to Blackstone’s unitholders to create PJT Partners Inc., a stand-alone, independent publicly traded company. Throughout this Quarterly Report on Form 10-Q, we refer to this transaction as the “spin-off.” PJT Partners Inc. is a holding company and its only material asset is its controlling equity interest in PJT Partners Holdings LP, a holding partnership that holds the Company’s operating subsidiaries, and certain cash and cash equivalents it may hold from time to time. As the sole general partner of PJT Partners Holdings LP, PJT Partners Inc. operates and controls all of the business and affairs and consolidates the financial results of PJT Partners Holdings LP and its operating subsidiaries.

In this Quarterly Report on Form 10-Q, unless the context requires otherwise, the words “PJT Partners Inc.” refers to PJT Partners Inc., and “PJT Partners,” the “Company,” “we,” “us” and “our” refer to PJT Partners Inc., together with its consolidated subsidiaries, including PJT Partners Holdings LP and its operating subsidiaries.

Forward-Looking Statements

Certain material presented herein contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements include certain information concerning future results of operations, business strategies, acquisitions, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, the effects of competition and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words “believe,” “expect,” “opportunity,” “plan,” “intend,” “anticipate,” “estimate,” “predict,” “potential,” “continue,” “may,” “might,” “should,” “could” or the negative of these terms or similar expressions.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict, many of which are outside our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not place undue reliance upon any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: (a) changes in governmental regulations and policies; (b) cyber attacks, security vulnerabilities and internet disruptions, including breaches of data security and privacy leaks, data loss and business interruptions; (c) failures of our computer systems or communication systems, including as a result of a catastrophic event and the use of remote work environments and virtual platforms; (d) the impact of catastrophic events, including business disruptions, pandemics, reductions in employment and an increase in business failures on (1) the U.S. and the global economy and (2) our employees and our ability to provide services to our clients and respond to their needs; (e) the failure of third-party service providers to perform their functions; and (f) volatility in the political and economic environment, including as a result of inflation, elevated interest rates and geopolitical and military conflicts.

Any of these factors, as well as such other factors discussed in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the United States Securities and Exchange Commission (“SEC”), as such factors may be updated from time to time in our periodic filings with the SEC, accessible on the SEC’s website at www.sec.gov, could cause our results to differ materially from those expressed in forward-looking statements. There may be other risks and uncertainties that we are unable to predict at this time or that are not currently expected to have a material adverse effect on our business. Any such risks could cause our results to differ materially from those expressed in forward-looking statements.

Website Disclosure

We use our website (www.pjtpartners.com) as a channel of distribution of Company information. The information we post may be deemed material. Accordingly, investors should monitor the website, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive e-mail alerts and other information about PJT Partners when you enroll your e-mail address by visiting the “Investor Relations” page of our website at ir.pjtpartners.com. Although we refer to our website in this report, the contents of our website are not included or incorporated by reference into this report. All references to our website in this report are intended to be inactive textual references only.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PJT Partners Inc.
Condensed Consolidated Statements of Financial Condition (Unaudited)
(Dollars in Thousands, Except Share and Per Share Data)

	March 31, 2024	December 31, 2023
Assets		
Cash and Cash Equivalents	$ 215,525	$ 355,543
Investments (at fair value)	20,071	81,382
Accounts Receivable (net of allowance for credit losses of $3,217 and $2,391 at March 31, 2024 and December 31, 2023, respectively)	324,959	263,529
Intangible Assets, Net	11,730	12,960
Goodwill	172,725	172,725
Furniture, Equipment and Leasehold Improvements, Net	24,006	25,901
Operating Lease Right-of-Use Assets	294,955	299,200
Other Assets	163,171	151,278
Deferred Tax Asset, Net	74,688	72,460
Total Assets	$ 1,301,830	$ 1,434,978
Liabilities and Equity		
Accrued Compensation and Benefits	$ 77,930	$ 174,402
Accounts Payable, Accrued Expenses and Other Liabilities	23,576	22,302
Operating Lease Liabilities	327,450	330,600
Amount Due Pursuant to Tax Receivable Agreement	31,222	29,672
Taxes Payable	5,147	6,573
Deferred Revenue	8,314	10,265
Total Liabilities	473,639	573,814
Commitments and Contingencies		
Equity		
Class A Common Stock, par value $0.01 per share (3,000,000,000 shares authorized; 33,641,330 and 32,356,489 issued at March 31, 2024 and December 31, 2023, respectively; 24,390,702 and 24,185,439 outstanding at March 31, 2024 and December 31, 2023, respectively)	336	324
Class B Common Stock, par value $0.01 per share (1,000,000 shares authorized; 136 issued and outstanding at March 31, 2024; 144 issued and outstanding at December 31, 2023)	—	—
Additional Paid-In Capital	630,335	619,702
Retained Earnings	144,728	118,332
Accumulated Other Comprehensive Loss	(991)	(467)
Treasury Stock at Cost (9,250,628 and 8,171,050 shares at March 31, 2024 and December 31, 2023, respectively)	(599,803)	(493,222)
Total PJT Partners Inc. Equity	174,605	244,669
Non-Controlling Interests	653,586	616,495
Total Equity	828,191	861,164
Total Liabilities and Equity	$ 1,301,830	$ 1,434,978

See notes to condensed consolidated financial statements.

PJT Partners Inc.
Condensed Consolidated Statements of Operations (Unaudited)
(Dollars in Thousands, Except Share and Per Share Data)

	Three Months Ended March 31,	
	2024	**2023**
Revenues		
Advisory Fees	$ 288,681	$ 168,090
Placement Fees	34,489	27,585
Interest Income and Other	6,223	4,313
Total Revenues	329,393	199,988
Expenses		
Compensation and Benefits	228,928	133,043
Occupancy and Related	12,161	10,011
Travel and Related	9,101	6,972
Professional Fees	8,349	6,927
Communications and Information Services	4,778	4,077
Depreciation and Amortization	3,498	3,443
Other Expenses	8,675	6,322
Total Expenses	275,490	170,795
Income Before Provision for Taxes	53,903	29,193
Provision for Taxes	531	1,207
Net Income	53,372	27,986
Net Income Attributable to Non-Controlling Interests	20,749	10,650
Net Income Attributable to PJT Partners Inc.	$ 32,623	$ 17,336
Net Income Per Share of Class A Common Stock		
Basic	$ 1.27	$ 0.69
Diluted	$ 1.22	$ 0.67
Weighted-Average Shares of Class A Common Stock Outstanding		
Basic	25,690,530	25,231,815
Diluted	28,168,504	26,918,511

See notes to condensed consolidated financial statements.

PJT Partners Inc.
Condensed Consolidated Statements of Comprehensive Income (Unaudited)
(Dollars in Thousands)

	Three Months Ended March 31,	
	2024	**2023**
Net Income	$ 53,372	$ 27,986
Other Comprehensive Income (Loss), Net of Tax — Currency Translation Adjustment	(966)	1,388
Comprehensive Income	52,406	29,374
Less:		
Comprehensive Income Attributable to Non-Controlling Interests	20,307	11,262
Comprehensive Income Attributable to PJT Partners Inc.	$ 32,099	$ 18,112

See notes to condensed consolidated financial statements.

PJT Partners Inc.
Condensed Consolidated Statements of Changes in Equity (Unaudited)
(Dollars in Thousands, Except Share Data)

Three Months Ended March 31, 2024

	Shares										
	Class A Common Stock	Class B Common Stock	Treasury Stock	Class A Common Stock	Class B Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss)	Treasury Stock	Non-Controlling Interests	Total
Balance at December 31, 2023	32,356,489	144	(8,171,050)	$ 324	$ —	$ 619,702	$ 118,332	$ (467)	$ (493,222)	$ 616,495	$ 861,164
Net Income	—	—	—	—	—	—	32,623	—	—	20,749	53,372
Other Comprehensive Loss	—	—	—	—	—	—	—	(524)	—	(442)	(966)
Dividends Declared ($0.25 Per Share of Class A Common Stock)	—	—	—	—	—	—	(6,227)	—	—	—	(6,227)
Equity-Based Compensation	—	—	—	—	—	66,313	—	—	—	6,505	72,818
Net Share Settlement	—	—	—	—	—	(26,953)	—	—	—	—	(26,953)
Deliveries of Vested Shares of Class A Common Stock	1,284,841	—	—	12	—	(12)	—	—	—	—	—
Change in Ownership Interest	—	(8)	—	—	—	(28,715)	—	—	—	10,279	(18,436)
Treasury Stock Purchases	—	—	(1,079,578)	—	—	—	—	—	(106,581)	—	(106,581)
Balance at March 31, 2024	33,641,330	136	(9,250,628)	$ 336	$ —	$ 630,335	$ 144,728	$ (991)	$ (599,803)	$ 653,586	$ 828,191

Three Months Ended March 31, 2023

	Shares										
	Class A Common Stock	Class B Common Stock	Treasury Stock	Class A Common Stock	Class B Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss)	Treasury Stock	Non-Controlling Interests	Total
Balance at December 31, 2022	31,062,575	158	(6,583,289)	$ 310	$ —	$ 502,585	$ 60,969	$ (2,274)	$ (376,484)	$ 574,452	$ 759,558
Net Income	—	—	—	—	—	—	17,336	—	—	10,650	27,986
Other Comprehensive Income	—	—	—	—	—	—	—	776	—	612	1,388
Dividends Declared ($0.25 Per Share of Class A Common Stock)	—	—	—	—	—	—	(6,229)	—	—	—	(6,229)
Equity-Based Compensation	—	—	—	—	—	44,076	—	—	—	4,720	48,796
Net Share Settlement	—	—	—	—	—	(16,339)	—	—	—	—	(16,339)
Deliveries of Vested Shares of Class A Common Stock	1,176,026	—	—	12	—	(12)	—	—	—	—	—
Change in Ownership Interest	—	1		—	—	724	—	—	—	(11,555)	(10,831)
Treasury Stock Purchases	—	—	(855,118)	—	—	—	—	—	(66,180)	—	(66,180)
Balance at March 31, 2023	32,238,601	159	(7,438,407)	$ 322	$ —	$ 531,034	$ 72,076	$ (1,498)	$ (442,664)	$ 578,879	$ 738,149

See notes to condensed consolidated financial statements.

PJT Partners Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(Dollars in Thousands)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating Activities		
Net Income	$ 53,372	$ 27,986
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities		
Equity-Based Compensation Expense	72,818	48,796
Depreciation and Amortization Expense	3,498	3,443
Amortization of Operating Lease Right-of-Use Assets	3,941	5,667
Provision for Credit Losses	1,981	453
Other	857	231
Cash Flows Due to Changes in Operating Assets and Liabilities		
Accounts Receivable	(64,034)	(1,610)
Other Assets	(10,565)	(35,540)
Accrued Compensation and Benefits	(95,842)	(66,609)
Accounts Payable, Accrued Expenses and Other Liabilities	(1,509)	(5,956)
Taxes Payable	(1,359)	255
Deferred Revenue	(1,937)	(105)
Net Cash Used in Operating Activities	(38,779)	(22,989)
Investing Activities		
Purchases of Investments	(20,000)	(4,996)
Proceeds from Sales and Maturities of Investments	80,221	49,801
Purchases of Furniture, Equipment and Leasehold Improvements	(439)	(2,146)
Net Cash Provided by Investing Activities	59,782	42,659
Financing Activities		
Dividends	(6,227)	(6,229)
Proceeds from Revolving Credit Facility	—	15,000
Payments on Revolving Credit Facility	—	(15,000)
Employee Taxes Paid for Shares Withheld	(26,953)	(16,339)
Cash-Settled Exchanges of Partnership Units	(18,743)	(10,737)
Treasury Stock Purchases	(106,429)	(66,180)
Net Cash Used in Financing Activities	(158,352)	(99,485)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2,669)	121
Net Decrease in Cash and Cash Equivalents	(140,018)	(79,694)
Cash and Cash Equivalents, Beginning of Period	355,543	173,235
Cash and Cash Equivalents, End of Period	$ 215,525	$ 93,541
Supplemental Disclosure of Cash Flows Information		
Payments for Income Taxes, Net of Refunds Received	$ 2,217	$ 675

See notes to condensed consolidated financial statements.

1. ORGANIZATION

PJT Partners Inc. and its consolidated subsidiaries (the "Company" or "PJT Partners") offer a unique portfolio of advisory and placement services designed to help clients achieve their strategic objectives.

On October 1, 2015, Blackstone Inc. ("Blackstone" or the "former Parent") distributed on a pro rata basis to its common unitholders all of the issued and outstanding shares of Class A common stock of PJT Partners Inc. held by it. This pro rata distribution is referred to as the "Distribution." The separation of the PJT Partners business from Blackstone and related transactions, including the Distribution, the internal reorganization that preceded the Distribution and the acquisition by PJT Partners of PJT Capital LP (together with its general partner and their respective subsidiaries, "PJT Capital") that occurred substantially concurrently with the Distribution, is referred to as the "spin-off."

PJT Partners Inc. is the sole general partner of PJT Partners Holdings LP. PJT Partners Inc. owns less than 100% of the economic interest in PJT Partners Holdings LP, but has 100% of the voting power and controls the management of PJT Partners Holdings LP. As of March 31, 2024, the non-controlling interest of PJT Partners Holdings LP was 38.7%. As the sole general partner of PJT Partners Holdings LP, PJT Partners Inc. operates and controls all of the business and affairs and consolidates the financial results of PJT Partners Holdings LP and its operating subsidiaries. The Company operates through the following subsidiaries: PJT Partners LP, PJT Partners (UK) Limited, PJT Partners (HK) Limited, PJT Partners Park Hill (Spain) A.V., S.A.U., PJT Partners (Germany) GmbH, PJT Partners (France) SAS and PJT Partners Japan K.K.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company prepared the accompanying condensed consolidated financial statements in conformity with accounting principles generally accepted in the U.S. ("GAAP") for interim financial information and the instructions to Form 10-Q. The condensed consolidated financial statements, including these notes, are unaudited and exclude some of the disclosures required in annual financial statements. Management believes it has made all necessary adjustments (consisting of only normal recurring items) so that the condensed consolidated financial statements are presented fairly and that estimates made in preparing its condensed consolidated financial statements are reasonable and prudent. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Intercompany transactions have been eliminated for all periods presented.

For a comprehensive disclosure of the Company's significant accounting policies, see Note 2. "Summary of Significant Accounting Policies" in the "Notes to Consolidated Financial Statements" in "Part II. Item 8. Financial Statements and Supplementary Data" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Cash, Cash Equivalents and Investments

Cash and Cash Equivalents include short-term highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less from the date of purchase. Cash and Cash Equivalents are maintained in U.S. and non-U.S. bank accounts and are held at six financial institutions. Also included in Cash and Cash Equivalents are amounts held in bank accounts that are subject to advance notification to withdraw, which totaled $9.1 million and $9.2 million as of March 31, 2024 and December 31, 2023, respectively.

Treasury securities with original maturities greater than three months when purchased are classified as Investments in the Condensed Consolidated Statements of Financial Condition.

(All Dollars Are in Thousands, Except Share and Per Share Data, Except Where Noted)

Income Taxes

The Organization for Economic Co-operation and Development ("OECD") Pillar Two Model Rules ("Pillar Two") set forth for a global 15% minimum tax on the income arising in each jurisdiction in which the Company operates. Many such jurisdictions have implemented or are in the process of implementing Pillar Two and it is expected to be applicable for annual periods beginning on or after December 31, 2023. The Company is continuing to assess the impact of Pillar Two and does not expect it to have a material impact on the Company's 2024 condensed consolidated financial statements.

Recent Accounting Developments

In November 2023, the Financial Accounting Standards Board ("FASB") issued guidance on improvements to reportable segment disclosures. The guidance primarily requires enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years after December 15, 2024, with early adoption permitted. The Company is currently assessing the impact that adoption will have on its condensed consolidated financial statements.

In December 2023, the FASB issued guidance to improve its income tax disclosure requirements. The guidance enhances existing income tax disclosures related to the effective tax rate reconciliation and income taxes paid. The guidance is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently assessing the impact that adoption will have on its condensed consolidated financial statements.

In March 2024, the FASB issued guidance which clarifies appropriate accounting for profits interest and similar awards. The guidance is effective for annual and interim periods beginning after December 15, 2024, with early adoption permitted. The Company is currently assessing the impact that adoption will have on its condensed consolidated financial statements.

3. REVENUES FROM CONTRACTS WITH CUSTOMERS

The following table provides a disaggregation of revenues recognized from contracts with customers for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
Advisory Fees	$ 288,681	$ 168,090
Placement Fees	34,489	27,585
Interest Income from Placement Fees and Other	3,915	4,270
Revenues from Contracts with Customers	$ 327,085	$ 199,945

Remaining Performance Obligations and Revenue Recognized from Past Performance

As of March 31, 2024, the aggregate amount of the transaction price allocated to performance obligations yet to be satisfied was $46.4 million and the Company generally expects to recognize this revenue within the next twelve months. Such amounts relate to the Company's performance obligations of providing advisory and placement services.

The Company recognized revenue of $6.9 million and $3.6 million for the three months ended March 31, 2024 and 2023, respectively, related to performance obligations that were fully satisfied in prior periods, primarily due to constraints on variable consideration in prior periods being resolved. Such amounts related primarily to the provision of corporate and fund placement services. The majority of revenues recognized by the Company during the three months ended March 31, 2024 and 2023 were predominantly related to performance obligations that were partially satisfied in prior periods.

(All Dollars Are in Thousands, Except Share and Per Share Data, Except Where Noted)

Contract Balances

There were no significant impairments related to contract balances during the three months ended March 31, 2024 and 2023.

For the three months ended March 31, 2024 and 2023, $5.7 million and $7.4 million, respectively, of revenue was recognized that was included in the beginning balance of Deferred Revenue, primarily related to the Company's performance obligation of standing ready to perform. In certain contracts, the Company receives customer expense advances, which are also considered to be contract liabilities. The Company recorded $2.1 million and $2.0 million as of March 31, 2024 and December 31, 2023, respectively, in Accounts Payable, Accrued Expenses and Other Liabilities in the Condensed Consolidated Statements of Financial Condition primarily related to expense advances.

4. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

Changes in the allowance for credit losses consist of the following:

	Three Months Ended March 31,	
	2024	2023
Beginning Balance	$ 2,391	$ 1,945
Provision for Credit Losses	1,981	453
Write-offs	(1,155)	(145)
Ending Balance	$ 3,217	$ 2,253

Included in Accounts Receivable, Net is accrued interest of $3.9 million and $3.4 million as of March 31, 2024 and December 31, 2023, respectively, related to placement fees.

Included in Accounts Receivable, Net are long-term receivables of $84.0 million and $84.4 million as of March 31, 2024 and December 31, 2023, respectively, related to placement fees that are generally paid in installments over a period of three to four years.

The Company does not have any long-term receivables on non-accrual status. Of receivables that originated as long-term, there were $4.5 million and $1.3 million as of March 31, 2024 and December 31, 2023, respectively, that were outstanding more than 90 days. The Company's allowance for credit losses with respect to long-term receivables was $1.0 million and $0.6 million as of March 31, 2024 and December 31, 2023, respectively.

5. INTANGIBLE ASSETS

Intangible Assets, Net consists of the following:

	March 31, 2024	December 31, 2023
Finite-Lived Intangible Assets		
Customer Relationships	$ 61,276	$ 61,276
Trade Name	9,800	9,800
Total Intangible Assets	71,076	71,076
Accumulated Amortization		
Customer Relationships	(50,401)	(49,314)
Trade Name	(8,945)	(8,802)
Total Accumulated Amortization	(59,346)	(58,116)
Intangible Assets, Net	$ 11,730	$ 12,960

Amortization expense was $1.2 million for each of the three months ended March 31, 2024 and 2023.

(All Dollars Are in Thousands, Except Share and Per Share Data, Except Where Noted)

Amortization of Intangible Assets held at March 31, 2024 is expected to be $3.7 million for the remainder of the year ending December 31, 2024; $4.8 million the year ending December 31, 2025; and $3.3 million for the year ending December 31, 2026.

6. FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Furniture, Equipment and Leasehold Improvements, Net consists of the following:

	March 31, 2024	December 31, 2023
Leasehold Improvements	$ 56,517	$ 56,456
Furniture and Fixtures	17,224	17,027
Office Equipment	6,510	6,467
Total Furniture, Equipment and Leasehold Improvements	80,251	79,950
Accumulated Depreciation	(56,245)	(54,049)
Furniture, Equipment and Leasehold Improvements, Net	$ 24,006	$ 25,901

Depreciation expense was $2.3 million and $2.2 million for the three months ended March 31, 2024 and 2023, respectively.

7. FAIR VALUE MEASUREMENTS

The following tables summarize the valuation of the Company's investments by the fair value hierarchy:

	March 31, 2024			
	Level I	Level II	Level III	Total
Treasury Securities	$ —	$ 20,071	$ —	$ 20,071

	December 31, 2023			
	Level I	Level II	Level III	Total
Treasury Securities	$ —	$ 183,514	$ —	$ 183,514

Investments in Treasury securities were included in Investments at March 31, 2024 and in both Cash and Cash Equivalents and Investments at December 31, 2023 in the Condensed Consolidated Statements of Financial Condition.

8. INCOME TAXES

The following table summarizes the Company's tax position:

	Three Months Ended March 31,	
	2024	2023
Income Before Provision for Taxes	$ 53,903	$ 29,193
Provision for Taxes	$ 531	$ 1,207
Effective Income Tax Rate	1.0%	4.1%

The Company's effective tax rate differed from the U.S. federal statutory tax rate for the three months ended March 31, 2024 primarily due to partnership income not being subject to U.S. corporate income taxes and permanent differences related to compensation.

The Company had no unrecognized tax benefits as of March 31, 2024.

During the quarter ended March 31, 2023, the Company's holding partnership, PJT Partners Holdings LP, received a notice from the Internal Revenue Service that its Form 1065, U.S. Return of Partnership Income, was selected for examination for the tax year ended December 31, 2020. The Company currently does not expect the results of the audit to have any material impact on its condensed consolidated financial statements.

(All Dollars Are in Thousands, Except Share and Per Share Data, Except Where Noted)

9. NET INCOME PER SHARE OF CLASS A COMMON STOCK

Basic and diluted net income per share of Class A common stock for the three months ended March 31, 2024 and 2023 is presented below:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Numerator:		
Net Income Attributable to Shares of Class A Common Stock — Basic	$ 32,623	$ 17,336
Incremental Net Income from Dilutive Securities	1,765	574
Net Income Attributable to Shares of Class A Common Stock — Diluted	$ 34,388	$ 17,910
Denominator:		
Weighted-Average Shares of Class A Common Stock Outstanding — Basic	25,690,530	25,231,815
Weighted-Average Number of Incremental Shares from Unvested RSUs	2,477,974	1,686,696
Weighted-Average Shares of Class A Common Stock Outstanding — Diluted	28,168,504	26,918,511
Net Income Per Share of Class A Common Stock		
Basic	$ 1.27	$ 0.69
Diluted	$ 1.22	$ 0.67

The ownership interests of holders (other than PJT Partners Inc.) of the common units of partnership interest in PJT Partners Holdings LP (“Partnership Units”) may be exchanged for PJT Partners Inc. Class A common stock on a one-for-one basis, subject to applicable vesting and transfer restrictions. If all Partnership Units were exchanged for Class A common stock, weighted-average Class A common stock outstanding would be 41,259,144 for the three months ended March 31, 2024, excluding unvested restricted stock units (“RSUs”). In computing the dilutive effect, if any, which the aforementioned exchange would have on net income per share, net income attributable to holders of Class A common stock would be adjusted due to the elimination of the non-controlling interests associated with the Partnership Units (including any tax impact). For the three months ended March 31, 2024 and 2023, there were 15,568,614 and 14,765,765 weighted-average Partnership Units, respectively, that were anti-dilutive.

Share Repurchase Program

On February 6, 2024, the Company announced that the Board authorized a $500 million Class A common stock repurchase program, which replaced the then-existing $200 million repurchase program authorized on April 25, 2022. Under the new repurchase program, which has no expiration date, shares of the Company’s Class A common stock may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual number of shares repurchased depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be suspended or discontinued at any time and does not have a specified expiration date.

During the three months ended March 31, 2024, the Company repurchased 1.1 million shares of the Company’s Class A common stock at an average price per share of $98.55, or $106.4 million in aggregate, pursuant to the share repurchase program. As of March 31, 2024, the Company’s remaining repurchase authorization was $406.3 million.

(All Dollars Are in Thousands, Except Share and Per Share Data, Except Where Noted)

10. EQUITY-BASED AND OTHER DEFERRED COMPENSATION

Overview

Further information regarding the Company's equity-based compensation awards is described in Note 10. "Equity-Based and Other Deferred Compensation" in the "Notes to Consolidated Financial Statements" in "Part II. Item 8. Financial Statements and Supplementary Data" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

The following table represents equity-based compensation expense and the related income tax benefit for the three months ended March 31, 2024 and 2023, respectively:

	Three Months Ended March 31,	
	2024	2023
Equity-Based Compensation Expense	$ 72,818	$ 48,796
Income Tax Benefit	$ 9,877	$ 6,703

Restricted Stock Units

The following table summarizes activity related to unvested RSUs for the three months ended March 31, 2024:

	Restricted Stock Units	
	Number of Units	Weighted-Average Grant Date Fair Value (in dollars)
Balance, December 31, 2023	5,362,277	$ 73.23
Granted	1,998,268	98.96
Dividends Reinvested on RSUs	(34,411)	73.75
Forfeited	(68,763)	76.77
Vested	(1,210,854)	68.90
Balance, March 31, 2024	6,046,517	$ 82.56

As of March 31, 2024, there was $299.0 million of estimated unrecognized compensation expense related to unvested RSU awards. This cost is expected to be recognized over a weighted-average period of 2.0 years. The Company assumes a forfeiture rate of 4.0% to 7.0% annually based on expected turnover and periodically reassesses this rate. The weighted-average grant date fair value with respect to RSUs granted for the three months ended March 31, 2023 was $79.50.

RSU Awards with Both Service and Market Conditions

The Company has granted RSU awards containing both service and market conditions. The service condition requirement for these awards is generally three to five years. The market condition will generally be satisfied upon the publicly traded shares of Class A common stock achieving certain volume-weighted average share price targets over various trading periods during the life of the award.

Effective February 10, 2022, the Company granted RSU awards containing both service and market conditions. The effect of the service and market conditions is reflected in the grant date fair value of the award. Compensation cost is recognized over the requisite service period, provided that the service period is completed, irrespective of whether the market condition is satisfied. The service condition requirement with respect to such RSU awards is five years with 20% vesting per annum. The market condition requirement will be 50% satisfied upon the dividend-adjusted publicly traded shares of Class A common stock achieving a volume-weighted average share price over any consecutive 20-day trading period ("20-day VWAP") of $100 and the other 50% will be satisfied ratably upon the dividend-adjusted publicly traded shares of Class A common stock achieving a 20-day

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VWAP above $100 with the market condition fully satisfied upon achieving a 20-day VWAP of $130 prior to February 26, 2027. No portion of these awards will become vested until both the service and market conditions have been satisfied. As of March 31, 2024, the Company achieved a 20-day VWAP in excess of $103, resulting in 55% of the awards satisfying the market conditions, of which 40% have also satisfied the service conditions.

The following table summarizes activity related to unvested RSU awards with both a service and market condition for the three months ended March 31, 2024:

	RSU Awards with Both Service and Market Conditions	
	Number of Units	Weighted-Average Grant Date Fair Value (in dollars)
Balance, December 31, 2023	1,419,798	$ 42.74
Forfeited	(62,521)	41.97
Vested	(180,955)	42.77
Balance, March 31, 2024	1,176,322	$ 42.78

As of March 31, 2024, there was $16.4 million of estimated unrecognized compensation expense related to RSU awards with both a service and market condition. This cost is expected to be recognized over a weighted-average period of 1.5 years. The Company assumes a forfeiture rate of 4.0% to 7.0% annually based on expected turnover and periodically reassesses this rate.

Partnership Units

The following table summarizes activity related to unvested Partnership Units for the three months ended March 31, 2024:

	Partnership Units	
	Number of Partnership Units	Weighted-Average Grant Date Fair Value (in dollars)
Balance, December 31, 2023	673,241	$ 75.43
Granted	12,567	93.76
Vested	(55,366)	67.29
Balance, March 31, 2024	630,442	$ 76.51

As of March 31, 2024, there was $38.2 million of estimated unrecognized compensation expense related to unvested Partnership Units. This cost is expected to be recognized over a weighted-average period of 2.4 years. The Company assumes a forfeiture rate of 1.0% annually based on expected turnover and periodically reassesses this rate. The weighted-average grant date fair value with respect to Partnership Units granted for the three months ended March 31, 2023 was $74.57.

Partnership Unit Awards with Both Service and Market Conditions

Effective February 10, 2022, the Company granted Partnership Unit awards containing both service and market conditions. The effect of the service and market conditions is reflected in the grant date fair value of the award. Compensation cost is recognized over the requisite service period, provided that the service period is completed, irrespective of whether the market condition is satisfied. The service condition requirement with respect to such Partnership Unit awards is five years with 20% vesting per annum. The market condition requirement will be 50% satisfied upon the dividend-adjusted publicly traded shares of Class A common stock achieving a 20-day

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VWAP of $100 and the other 50% will be satisfied ratably upon the dividend-adjusted publicly traded shares of Class A common stock achieving a 20-day VWAP above $100 with the market condition fully satisfied upon achieving a 20-day VWAP of $130 prior to February 26, 2027. No portion of these awards will become vested until both the service and market conditions have been satisfied. As of March 31, 2024, the Company achieved a 20-day VWAP in excess of $103, resulting in 55% of the awards satisfying the market conditions, of which 40% have also satisfied the service conditions.

The following table summarizes activity related to unvested Partnership Unit awards with both a service and market condition for the three months ended March 31, 2024:

	Partnership Unit Awards with Both Service and Market Conditions	
	Number of Partnership Units	Weighted-Average Grant Date Fair Value (in dollars)
Balance, December 31, 2023	996,991	$ 39.10
Vested	(132,932)	39.10
Balance, March 31, 2024	864,059	$ 39.10

As of March 31, 2024, there was $11.1 million of estimated unrecognized compensation expense related to Partnership Unit awards with both a service and market condition. This cost is expected to be recognized over a weighted-average period of 1.5 years. The Company assumes a forfeiture rate of 1.0% annually based on expected turnover and periodically reassesses this rate.

Units Expected to Vest

The following unvested units, after expected forfeitures, as of March 31, 2024, are expected to vest:

	Units	Weighted-Average Service Period in Years
Restricted Stock Units	6,800,155	1.9
Partnership Units	1,422,291	1.9
Total Equity-Based Awards	8,222,446	1.9

Deferred Cash Compensation

The Company has periodically issued deferred cash compensation in connection with annual incentive compensation as well as other hiring or retention related awards. These awards typically vest over a period of one to four years. Compensation expense related to deferred cash awards was $14.2 and $10.2 million for the three months ended March 31, 2024 and 2023, respectively. As of March 31, 2024, there was $91.9 million of unrecognized compensation expense related to these awards. The weighted-average period over which this compensation cost is expected to be recognized is 2.1 years.

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11. LEASES

The components of lease expense were as follows:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating Lease Cost	$ 9,331	$ 7,354
Variable Lease Cost	1,116	1,149
Sublease Income	(204)	(195)
Total Lease Cost	$ 10,243	$ 8,308

Supplemental information related to the Company's operating leases was as follows:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Cash Paid for Amounts Included in Measurement of Lease Liabilities		
Operating Cash Flows from Operating Leases	$ 2,825	$ 6,280
Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	$ —	$ 508

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Weighted-Average Remaining Lease Term (in years)	15.3	6.7
Weighted-Average Discount Rate	6.8%	4.7%

The following is a maturity analysis of the annual undiscounted cash flows of the Company's operating lease liabilities as of March 31, 2024:

Year Ending December 31,	
2024 (April 1 through December 31)	$ 20,868
2025	25,815
2026	29,928
2027	30,854
2028	38,862
Thereafter	415,285
Total Lease Payments	561,612
Less: Tenant Improvement Allowances	17,161
Less: Imputed Interest	217,001
Total	$ 327,450

In December 2023, the Company entered into a lease amendment to its New York office lease. The amendment provides for the leasing of additional floor space. Such lease has not been included in Operating Lease Right-of-Use Assets and Operating Lease Liabilities as of March 31, 2024 on the Condensed Consolidated Statement of Financial Condition as the Company does not yet have the right to use the premises. Commencement is currently anticipated to occur in the first quarter of 2025 with a term that expires in 2041.

12. TRANSACTIONS WITH RELATED PARTIES

Exchange Agreement

The Company has entered into an exchange agreement, as amended, with the limited partners of PJT Partners Holdings LP pursuant to which they (or certain permitted transferees) have the right, subject to the terms and conditions set forth in the Second Amended and Restated Limited Partnership Agreement of PJT Partners Holdings LP, as amended, on a quarterly basis, to exchange all or part of their Partnership Units for cash or, at the Company's election, for shares of PJT Partners Inc. Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for splits, unit distributions and reclassifications. Further, pursuant to the terms in the partnership agreement of PJT Partners Holdings LP, the Company may also require holders of Partnership Units who are not Service Providers (as defined in the partnership agreement of PJT Partners Holdings LP) to exchange such Partnership Units.

Further information regarding the exchange agreement is described in Note 13. "Transactions with Related Parties—Exchange Agreement" in the "Notes to Consolidated Financial Statements" in "Part II. Item 8. Financial Statements and Supplementary Data" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Certain holders of Partnership Units exchanged 0.2 million and 0.1 million Partnership Units, respectively, for cash in the amounts of $18.7 million and $10.7 million, respectively, for the three months ended March 31, 2024 and 2023, respectively. Such amounts are recorded as a reduction of Non-Controlling Interests in the Condensed Consolidated Statements of Financial Condition.

The Company intends to exchange 0.1 million Partnership Units for cash on May 9, 2024 at a price to be determined by the volume-weighted average price per share of the Company's Class A common stock on May 6, 2024.

Registration Rights Agreement

The Company has entered into a registration rights agreement with the limited partners of PJT Partners Holdings LP pursuant to which the Company granted them, their affiliates and certain of their transferees the right, under certain circumstances and subject to certain restrictions, to require the Company to register under the Securities Act of 1933 shares of Class A common stock delivered in exchange for Partnership Units. The registration rights agreement does not contain any penalties associated with failure to file or to maintain the effectiveness of a registration statement covering the shares owned by individuals covered by such agreement.

Tax Receivable Agreement

The Company has entered into a tax receivable agreement with the holders of Partnership Units (other than PJT Partners Inc.) that provides for the payment by PJT Partners Inc. to exchanging holders of Partnership Units of 85% of the benefits, if any, that PJT Partners Inc. is deemed to realize as a result of the increases in tax basis related to such exchanges of Partnership Units and of certain other tax benefits related to entering into the tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement. As of March 31, 2024 and December 31, 2023, the Company had amounts due of $31.2 million and $29.7 million, respectively, pursuant to the tax receivable agreement, which represent management's best estimate of the amounts currently expected to be owed in connection with the tax receivable agreement. Actual payments may differ significantly from estimated amounts due.

Sublease

The Company has entered into a Sublease Agreement (the "Sublease") with Dynasty Equity Partners Management, LLC ("Dynasty") to sublease a portion of its office space to Dynasty. K. Don Cornwell, a member of the Board, is the CEO and co-founder of Dynasty. The sublease commenced on October 1, 2022 with an initial term of two years. The rent, terms and conditions of the Sublease were consistent with those similar to subleases in the market as of the time the Sublease was entered, and the Company recognized $0.2 million of sublease income for each of the three months ended March 31, 2024 and 2023. Such amounts are recorded in Interest Income and Other in the Condensed Consolidated Statements of Operations.

Aircraft Lease

The Company makes available to its CEO and on occasion by exception, to other partners, including Company's Named Executive Officers, personal use of a company leased aircraft when it is not being used for business purposes, for which the Company is reimbursed the full incremental costs associated with such use. Such amount is not material to the condensed consolidated financial statements.

13. COMMITMENTS AND CONTINGENCIES

Commitments

Line of Credit

On February 1, 2021, PJT Partners Holdings LP, as borrower (the "Borrower"), entered into a Renewal and Modification Agreement (the "Renewal Agreement") and related documents with First Republic Bank (now part of JPMorgan Chase), as lender (the "Lender"), amending the terms of the Borrower's revolving credit facility with the Lender under the Amended and Restated Loan Agreement dated October 1, 2018 (the "Amended and Restated Loan Agreement"). The Renewal Agreement provides for a revolving credit facility with aggregate commitments in an amount equal to $60.0 million, which aggregate commitments may be increased, pursuant to the terms and conditions set forth in the Renewal Agreement, to up to $80.0 million during the period beginning December 1 each year through March 1 of the following year. The revolving credit facility will mature and the commitments thereunder will terminate on the maturity date, subject to extension by agreement of the Borrower and Lender. On February 7, 2023, the Renewal Agreement was further amended with the same terms to extend the maturity date to October 1, 2024.

As of March 31, 2024 and December 31, 2023, there were no borrowings outstanding under the revolving credit facility.

As of March 31, 2024 and December 31, 2023, the Company was in compliance with the debt covenants under the Renewal Agreement and the Amended and Restated Loan Agreement.

Contingencies

Litigation

From time to time, the Company may be named as a defendant in legal actions relating to transactions conducted in the ordinary course of business. Some of these matters may involve claims of substantial amounts. Although there can be no assurance of the outcome of such legal actions, in the opinion of management, after consultation with external counsel, the Company believes it is not probable and/or reasonably possible that any current legal proceedings or claims would individually or in the aggregate have a material adverse effect on the condensed consolidated financial statements of the Company. The Company is not currently able to estimate the possible loss or range of loss until developments in such matters have provided sufficient information to support such an assessment, including quantification of a damage demand from plaintiffs, discovery from other parties and investigation of factual allegations, rulings by courts on motions or appeals, analysis by experts or the status of any settlement negotiations.

In connection with these matters, the Company has incurred and may continue to incur legal expenses, which are expensed as incurred.

There were no material developments to the legal proceedings previously disclosed in Note 14. "Commitments and Contingencies—Contingencies, Litigation" in the "Notes to Consolidated Financial Statements" in "Part II. Item 8. Financial Statements and Supplementary Data" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Guarantee

The Company provides a guarantee to a lending institution for certain loans held by employees for investment in funds of its former Parent, which are secured by the underlying investments in those funds. The amount guaranteed was $2.3 million as of each of March 31, 2024 and December 31, 2023. In connection with this guarantee, the Company currently expects any associated risk of loss to be insignificant.

Indemnifications

The Company has entered and may continue to enter into contracts that contain a variety of indemnification obligations. The Company's maximum exposure under these arrangements is not known; however, the Company currently expects any associated risk of loss to be insignificant. In connection with these matters, the Company has incurred and may continue to incur legal expenses, which are expensed as incurred.

Transactions and Agreements with Blackstone

Employee Matters Agreement

The Company is required to reimburse Blackstone for the value of forfeited unvested equity awards granted to former Blackstone employees that transitioned to PJT Partners in connection with the spin-off. Such reimbursement is recorded in Accounts Payable, Accrued Expenses and Other Liabilities with an offset to Equity in the Condensed Consolidated Statements of Financial Condition. The accrual for these forfeitures was $0.9 million as of each of March 31, 2024 and December 31, 2023.

Pursuant to the Employee Matters Agreement, the Company has agreed to pay Blackstone the net realized cash benefit resulting from certain compensation-related tax deductions. Amounts are payable annually (for periods in which a cash benefit is realized) within nine months of the end of the relevant tax period. As of March 31, 2024 and December 31, 2023, the Company had accrued $0.2 million and $0.1 million, respectively, which the Company anticipates will be payable to Blackstone after the Company files its respective tax returns. The tax deduction and corresponding payable to Blackstone related to such deliveries will fluctuate primarily based on the price of Blackstone common stock at the time of delivery.

14. REGULATED ENTITIES

Certain subsidiaries of the Company are subject to various regulatory requirements in the U.S., United Kingdom, Hong Kong and Spain, which specify, among other requirements, minimum net capital requirements for registered broker-dealers.

PJT Partners LP is a registered broker-dealer through which advisory and placement services are conducted in the U.S. and is subject to the net capital requirements of Rule 15c3-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). PJT Partners LP had net capital of $108.3 million and $288.1 million as of March 31, 2024 and December 31, 2023, respectively, which exceeded the minimum net capital requirement by $106.9 million and $287.2 million, respectively. PJT Partners LP does not carry customer accounts and does not otherwise hold funds or securities for, or owe money or securities to, customers and, accordingly, has no obligations under the SEC Customer Protection Rule (Rule 15c3-3).

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As of March 31, 2024 and December 31, 2023, PJT Partners (UK) Limited, PJT Partners (HK) Limited and PJT Partners Park Hill (Spain) A.V., S.A.U. were in compliance with local capital adequacy requirements.

15. BUSINESS INFORMATION

The Company's activities providing advisory and placement services constitute a single reportable segment. An operating segment is a component of an entity that conducts business and incurs revenues and expenses for which discrete financial information is available that is reviewed by the chief operating decision maker in assessing performance and making resource allocation decisions. The Company has a single operating segment and therefore a single reportable segment.

The Company is organized as one operating segment in order to maximize the value of advice to clients by drawing upon the diversified expertise and broad relationships of senior professionals across the Company. The chief operating decision maker assesses performance and allocates resources based on broad considerations, including the market opportunity, available expertise across the Company and the strength and efficacy of professionals' collaboration, and not based upon profit or loss measures for the Company's separate product lines.

Since the financial markets are global in nature, the Company generally manages its business based on the operating results of the Company taken as a whole, not by geographic region. The following tables set forth the geographical distribution of revenues and assets based on the location of the office that generates the revenues or holds the assets and therefore may not be reflective of the geography in which the Company's clients are located.

	Three Months Ended March 31,	
	2024	2023
Revenues		
Domestic	$ 280,617	$ 166,815
International	48,776	33,173
Total	$ 329,393	$ 199,988

	March 31, 2024	December 31, 2023
Assets		
Domestic	$ 1,127,283	$ 1,215,470
International	174,547	219,508
Total	$ 1,301,830	$ 1,434,978

16. SUBSEQUENT EVENTS

The Board has declared a quarterly dividend of $0.25 per share of Class A common stock, which will be paid on June 20, 2024 to Class A common stockholders of record as of June 5, 2024.

The Company has evaluated the impact of subsequent events through the date these financial statements were issued and determined there were no subsequent events requiring adjustment or further disclosure to the financial statements besides those described in Note 12. "Transactions with Related Parties—Exchange Agreement."

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with PJT Partners Inc.'s Condensed Consolidated Financial Statements and the related notes included in this Quarterly Report on Form 10-Q.

Our Business

PJT Partners is a premier, global, advisory-focused investment bank that was built from the ground up to be different. Our highly experienced, collaborative teams provide independent advice coupled with old-world, high-touch client service. This ethos has allowed us to attract some of the very best talent in the markets in which we operate. We deliver leading advice to many of the world's most consequential companies, effect some of the most transformative transactions and restructurings and raise billions of dollars of capital around the globe to support startups and more established companies.

For further information regarding our business, refer to "Part I. Item 1. Business" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Business Environment

Economic and global financial conditions can materially affect our operational and financial performance. See "Part I. Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 for a discussion of some of the factors that can affect our performance.

Mergers and acquisitions ("M&A") is a cyclical business that is impacted by macroeconomic conditions. There are several factors influencing global M&A activity in the intermediate term, including monetary policy, greater economic and geopolitical uncertainty and global growth. Worldwide M&A announced volumes during first quarter of 2024 were up 38% compared with first quarter of 2023. On an annualized basis, volume was up 10% compared with 2023[1]. How these macroeconomic factors will impact the strength of strategic activity in the intermediate term is still uncertain. While we expect the markets to recover to historical relationships between M&A activity and broader market benchmarks, the pace of such recovery remains unclear.

Global restructuring activity remained strong throughout the first quarter of 2024 due to continued elevated levels of balance sheet restructurings and liability management transactions. A number of factors continue to drive restructuring activity, including higher interest rates, companies proactively managing debt maturities and structural issues facing many industries. Strong levels of restructuring activity continue to be driven by a mix of liability management as well as in-court restructuring assignments as companies, creditors and financial sponsors focus on comprehensive capital structure solutions. Activity in the first quarter of 2024 remained dispersed across a broad cross section of industries and geographies, further demonstrating a multi-year cycle of elevated restructuring activity.

Fund placement activity remained challenged given the global macroeconomic environment and supply of alternative investment opportunities in the market seeking capital. Additionally, limited partners have become more discerning in their deployment of capital for both existing and new fund manager relationships. Investors continue to focus on existing relationships and, as a result, the bar for fund managers to attract new investors remains high as a flight to quality persists. As it relates to private capital solutions, market volatility has increased resulting from sustained inflation, higher interest rates and geopolitical events. As a result, market sentiment has shifted away from highly concentrated portfolio structures in favor of diversification.

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[1]Source: LSEG Global Mergers & Acquisitions Review for First Quarter of 2024 as of March 31, 2024.

Key Financial Measures

Revenues

Substantially all of our revenues are derived from contracts with clients to provide advisory and placement services. This revenue is primarily a function of the number of active engagements we have, the size of each of those engagements and the fees we charge for our services.

We provide a range of strategic advisory, shareholder advisory, capital markets advisory and restructuring and special situations services to corporations, financial sponsors, institutional investors and governments around the world. In conjunction with providing restructuring advice, we may also assist with raising various forms of financing, including debt and equity. Our private capital solutions services include providing General Partner solutions and investing solutions to clients seeking portfolio liquidity, unfunded commitment relief and investments in secondary markets. Our fund placement services primarily serve a diverse range of investment strategies, including private equity, alternative credit/hedge funds and real estate. We advise on all aspects of the fundraising process including competitive positioning and market assessment, marketing materials and related documentation including partnership terms and conditions most prevalent in the current environment. We also provide public and private placement fundraising services to our corporate clients and recognize placement and underwriting fees based on the successful completion of the transaction.

The amount and timing of the fees paid vary by the type of engagement and are typically based on retainers, completion of a transaction or a capital raise. Fees earned for services provided to alternative asset managers are typically recognized upon acceptance by a fund of capital or capital commitments (referred to as a “closing”), in accordance with terms set forth in individual agreements. For commitment based fees, revenue is recognized over time as commitments are accepted. Fees for such closed-end fund arrangements are generally paid in installments over three or four years and interest is charged to the outstanding balance at an agreed upon rate, such as the Secured Overnight Financing Rate or an alternate reference rate, plus a market-based margin. For funds with multiple closings, the constraint on variable consideration is lifted upon each closing. For open-end fund structures, placement fees are typically calculated as a percentage of a placed investor’s month-end net asset value. Typically, we earn fees for such open-end fund structures over a four year period. For these arrangements, revenue is recognized over time as the constraint over variable consideration is lifted. We may receive non-refundable up-front fees in our contracts with customers, which are recorded as revenues in the period over which services are estimated to be provided.

A transaction can fail to be completed for many reasons, including global and/or regional economic conditions, failure of parties to agree upon final terms, to secure necessary board or shareholder approvals, to secure necessary financing or to achieve necessary regulatory approvals. In the case of bankruptcy engagements, fees are subject to approval of the court.

Interest Income and Other – Interest Income and Other represents interest typically earned on Cash and Cash Equivalents, investments in Treasury securities and outstanding placement fees receivable; foreign exchange gains and losses arising from transactions denominated in currencies other than U.S. dollars; sublease income; and the amount of expense reimbursement invoiced to clients related to out-of-pocket expenses. Interest on placement fees receivable is earned from the time revenue is recognized and is calculated as mutually agreed upon with the receivable counterparty. Interest receivable is included in Accounts Receivable, Net in the Condensed Consolidated Statements of Financial Condition.

Expenses

Compensation and Benefits – Compensation and Benefits expense includes salaries, restricted and unrestricted cash awards, benefits, employer taxes and equity-based compensation associated with the grants of equity-based awards to partners and employees. Changes in this expense are driven by fluctuations in the number of employees, the composition of our workforce, business performance, compensation adjustments in relation to market movements, changes in rates for employer taxes and other cost increases affecting benefit plans. The expense associated with our restricted and unrestricted cash award and equity plans can also have a significant impact on this expense category and may vary from year to year. Certain awards are expensed over the requisite service period for partners and employees who are or will become retirement eligible prior to the stated vesting date. Over time, a greater number of partners and employees may become retirement eligible and the related requisite service period over which the expense is recognized will be shorter than the stated vesting period.

We maintain compensation programs, including salaries, annual incentive compensation (that may include components of unrestricted cash, restricted cash and/or equity-based awards) and benefits programs. We manage compensation to estimates of competitive levels based on market conditions and performance. Our level of compensation reflects our plan to maintain competitive compensation levels to retain key personnel and it reflects the impact of newly-hired senior professionals, including related grants of equity awards that are generally valued at their grant date fair value.

Increasing the number of high-caliber, experienced senior level employees is critical to our growth efforts and our continued investment in senior talent may also increase compensation and benefits expense. These hires generally do not generate significant revenue in the year they are hired.

Non-Compensation Expense – Non-Compensation expenses are the other costs typical to operating our business, which generally consist of Occupancy and Related, Travel and Related, Professional Fees, Communications and Information Services, Depreciation and Amortization and Other Expenses. Further information regarding these expenses can be found in “Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2023.

Income Taxes – PJT Partners Inc. is a corporation subject to U.S. federal, state and local income taxes in jurisdictions where it does business. Our businesses generally operate as partnerships for U.S. federal and state purposes and as corporate entities in non-U.S. jurisdictions. In the U.S. federal and state jurisdictions, taxes related to income earned by these entities generally represent obligations of the individual members and partners.

The operating entities have generally been subject to New York City Unincorporated Business Tax and to entity-level income taxes imposed by state and local as well as non-U.S. jurisdictions, as applicable. These taxes have been reflected in our condensed consolidated financial statements.

PJT Partners Inc. is subject to U.S. corporate federal, state and local income tax on its allocable share of results of operations from the holding partnership (PJT Partners Holdings LP).

The Organization for Economic Co-operation and Development ("OECD") Pillar Two Model Rules ("Pillar Two") set forth for a global 15% minimum tax on the income arising in each jurisdiction in which we operate. Many such jurisdictions have implemented or are in the process of implementing Pillar Two and it is expected to be applicable for annual periods beginning on or after December 31, 2023. We are continuing to assess the impact of Pillar Two and do not expect it to have a material impact on the Company’s 2024 condensed consolidated financial statements.

Non-Controlling Interests

PJT Partners Inc. is a holding company and its only material asset is its controlling equity interest in PJT Partners Holdings LP, a holding partnership that holds the Company's operating subsidiaries, and certain cash and cash equivalents it may hold from time to time. As the sole general partner of PJT Partners Holdings LP, PJT Partners Inc. operates and controls all of the business and affairs and consolidates the financial results of PJT Partners Holdings LP and its operating subsidiaries. The portion of net income attributable to the non-controlling interests is presented separately in the Condensed Consolidated Statements of Operations.

Condensed Consolidated Results of Operations

The following table sets forth our condensed consolidated results of operations for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Change
	(Dollars in Thousands)		
Revenues			
Advisory Fees	$ 288,681	$ 168,090	72%
Placement Fees	34,489	27,585	25%
Interest Income and Other	6,223	4,313	44%
Total Revenues	329,393	199,988	65%
Expenses			
Compensation and Benefits	228,928	133,043	72%
Occupancy and Related	12,161	10,011	21%
Travel and Related	9,101	6,972	31%
Professional Fees	8,349	6,927	21%
Communications and Information Services	4,778	4,077	17%
Depreciation and Amortization	3,498	3,443	2%
Other Expenses	8,675	6,322	37%
Total Expenses	275,490	170,795	61%
Income Before Provision for Taxes	53,903	29,193	85%
Provision for Taxes	531	1,207	(56)%
Net Income	53,372	27,986	91%
Net Income Attributable to Non-Controlling Interests	20,749	10,650	95%
Net Income Attributable to PJT Partners Inc.	$ 32,623	$ 17,336	88%

Revenues

The following table provides revenue statistics for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Total Number of Clients	220	237
Total Number of Fees of at least $1 Million from Client Transactions	58	37

Total Revenues were $329.4 million for the three months ended March 31, 2024, an increase of $129.4 million compared with $200.0 million for the three months ended March 31, 2023. Advisory Fees were $288.7 million for the three months ended March 31, 2024, an increase of $120.6 million compared with $168.1 million for the three months ended March 31, 2023. The increase in Advisory Fees was due to significant increases in restructuring, strategic advisory and private capital solutions revenues. Placement Fees were $34.5 million for the three months ended March 31, 2024, an increase of $6.9 million compared with $27.6 million for the three months ended March 31, 2023. The increase in Placement Fees was due to an increase in fund placement revenues. Interest Income and Other revenues were $6.2 million for the three months ended March 31, 2024, an increase of $1.9 million compared with $4.3 million for the three months ended March 31, 2023. The increase in Interest Income and Other was principally due to higher interest income.

Expenses

Expenses were $275.5 million for the three months ended March 31, 2024, an increase of $104.7 million compared with $170.8 million for the three months ended March 31, 2023. The increase in expenses was principally attributable to increases in Compensation and Benefits, Other Expenses, Occupancy and Related and Travel and Related of $95.9 million, $2.4 million, $2.2 million and $2.1 million, respectively. The increase in Compensation and Benefits was driven by the combination of higher revenues and a higher accrual rate compared with the prior year. Other Expenses increased principally due to higher bad debt expense. Occupancy and Related increased principally due to the further expansion and lease term extension of our New York headquarters. Travel and Related increased due to increased levels of business travel.

Provision for Taxes

The Company's Provision for Taxes for the three months ended March 31, 2024 was $0.5 million, which represents an effective tax rate of 1.0% on pretax income of $53.9 million. The Company's Provision for Taxes for the three months ended March 31, 2023 was $1.2 million, which represents an effective tax rate of 4.1% on pretax income of $29.2 million.

Non-Controlling Interests

Net Income Attributable to Non-Controlling Interests is calculated by multiplying the Income Before Provision for Taxes by the percentage allocation of the income between the holders of common units of partnership interest in PJT Partners Holdings LP ("Partnership Units") and holders of Class A common stock of PJT Partners Inc. after considering any contractual arrangements that govern the allocation of income.

Liquidity and Capital Resources

General

We regularly monitor our liquidity position, including cash and cash equivalents, investments, working capital assets and liabilities, any commitments and other liquidity requirements.

Our assets have been historically comprised of cash and cash equivalents, investments, receivables arising from advisory and placement engagements and operating lease right-of-use assets. Our liabilities generally include accrued compensation and benefits, accounts payable and accrued expenses, taxes payable and operating lease liabilities. We expect to pay a significant amount of incentive compensation toward the end of each year and during the beginning of the next calendar year with respect to the prior year's results. A portion of annual compensation may be awarded with equity-based compensation and thus requires less cash. We expect levels of cash to decline at the end of the year and during the first quarter of each year after incentive compensation is paid to our employees. We then expect cash to build throughout the remainder of the year.

On February 1, 2021, PJT Partners Holdings LP, as borrower (the "Borrower"), entered into a Renewal and Modification Agreement (the "Renewal Agreement") and related documents with First Republic Bank (now part of JPMorgan Chase), as lender (the "Lender"), amending the terms of the Borrower's revolving credit facility with the Lender under the Amended and Restated Loan Agreement dated October 1, 2018 (the "Amended and Restated Loan Agreement"). On February 7, 2023, the Renewal Agreement was further amended to extend the maturity date to October 1, 2024. Further information regarding the Renewal Agreement and Amended and Restated Loan Agreement can be found in Note 13. "Commitments and Contingencies—Commitments, Line of Credit" in the "Notes to Condensed Consolidated Financial Statements" in "—Item 1. Financial Statements" of this filing. As of March 31, 2024 and December 31, 2023, we were in compliance with the debt covenants under the Renewal Agreement and Amended and Restated Loan Agreement, respectively. Additionally, as of March 31, 2024 and December 31, 2023, there were no borrowings outstanding under the revolving credit facility.

We evaluate our cash needs on a regular basis. As of March 31, 2024 and December 31, 2023, we had cash, cash equivalents and short-term investments of $235.6 million and $436.9 million, respectively. The vast majority of these balances are either held in institutions labeled by the Financial Stability Board as global systemically important banks or Treasury securities. Although we maintain multiple banking relationships with both global and regional banks and actively monitor the financial stability of such institutions, a failure at any institution where we maintain a banking relationship could impact our liquidity.

Our liquidity is highly dependent upon cash receipts from clients, which are generally dependent upon the successful completion of transactions as well as the timing of receivable collections. As of March 31, 2024 and December 31, 2023, total accounts receivable, net of allowance for credit losses, were $325.0 million and $263.5 million, respectively. As of March 31, 2024 and December 31, 2023, the allowance for credit losses was $3.2 million and $2.4 million, respectively. Included in Accounts Receivable, Net are long-term receivables of $84.0 million and $84.4 million as of March 31, 2024 and December 31, 2023, respectively, related to placement fees that are generally paid in installments over a period of three to four years.

Sources and Uses of Liquidity

Our primary cash needs are for working capital, paying operating expenses including cash compensation to our employees, exchanging of Partnership Units for cash, repurchasing shares of the Company's Class A common stock, paying income taxes, dividend payments, partnership tax distributions, capital expenditures, making payments pursuant to the tax receivable agreement, commitments and strategic investments. We expect to fund these liquidity requirements through cash flows from operations and borrowings under our revolving credit facility. Our ability to fund these needs will depend, in part, on our ability to generate or raise cash in the future which depends on our future financial results, which are subject to general economic, financial, competitive, legislative and regulatory factors.

Additionally, our ability to generate positive cash flow from operations will be impacted by global economic conditions. If our cash flows from operations are significantly reduced, we may need to borrow from our revolving credit facility, incur debt, or issue additional equity. Although we believe that our revolving credit facility, and our ability to renew it, will permit us to finance our operations on acceptable terms and conditions for the foreseeable future, our access to, and the availability of, financing on acceptable terms and conditions in the future will be impacted by many factors, including: business performance; our credit ratings or absence of a credit rating; the liquidity of the overall capital markets; the current state of the economy; and stability of our lending institution. We cannot provide any assurance that such financing will be available to us on acceptable terms or that such financing will be available at all. We believe that our future cash from operations and availability under our revolving credit facility, together with our access to funds on hand, will provide adequate resources to fund our liquidity and capital needs.

Regulatory Capital

We actively monitor our regulatory capital base. We are subject to regulatory requirements in the U.S. and certain international jurisdictions to ensure general financial soundness and liquidity. This requires, among other things, that we comply with certain minimum capital requirements, recordkeeping, reporting procedures, experience and training requirements for employees and certain other requirements and procedures. These regulatory requirements may restrict the flow of funds to and from affiliates. See Note 14. "Regulated Entities" in the "Notes to Condensed Consolidated Financial Statements" in "—Item 1. Financial Statements" of this filing for further information. The licenses under which we operate are meant to be appropriate to conduct our business. We believe that we provide each of these entities with sufficient capital and liquidity, consistent with their business and regulatory requirements.

Our activities may also be subject to regulation, including regulatory capital requirements, by various other foreign jurisdictions and self-regulatory organizations.

We do not anticipate that compliance with any and all such requirements will materially adversely impact the availability of funds for domestic and parent-level purposes.

Exchange Agreement

Subject to the terms and conditions of the exchange agreement, as amended, between us and certain of the holders of Partnership Units (other than PJT Partners Inc.), Partnership Units are exchangeable at the option of the holder for cash or, at our election, for shares of our Class A common stock on a one-for-one basis. Depending on our liquidity and capital resources, market conditions, the timing and concentration of exchange requests and other considerations, we may choose to fund exchanges of Partnership Units with available cash, borrowings or new issuances of Class A common stock or to settle exchanges by issuing Class A common stock to the exchanging holder of Partnership Units.

Certain holders of Partnership Units exchanged 0.2 million and 0.1 million Partnership Units, respectively, for cash in the amounts of $18.7 million and $10.7 million, respectively, for the three months ended March 31, 2024 and 2023, respectively.

Share Repurchase Program

On February 6, 2024, the Company announced that the Board authorized a $500 million Class A common stock repurchase program, which replaced the then-existing $200 million repurchase program authorized on April 25, 2022. Under the new repurchase program, which has no expiration date, shares of the Company's Class A common stock may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual number of shares repurchased depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be suspended or discontinued at any time and does not have a specified expiration date.

During the three months ended March 31, 2024, the Company repurchased 1.1 million shares of the Company's Class A common stock at an average price per share of $98.55, or $106.4 million in aggregate, pursuant to the share repurchase program. As of March 31, 2024, the Company's remaining repurchase authorization was $406.3 million.

Contractual Obligations

For a discussion of our contractual obligations, refer to "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations" in our Annual Report on Form 10-K for the year ended December 31, 2023. There have not been any material changes to our contractual obligations since December 31, 2023.

Commitments and Contingencies

Litigation

With respect to our litigation matters, including any litigation discussed under the caption "Legal Proceedings" elsewhere in this report, we are not currently able to estimate the possible loss or range of loss until developments in such matters have provided sufficient information to support such an assessment, including quantification of a damage demand from plaintiffs, discovery from other parties and investigation of factual allegations, rulings by courts on motions or appeals, analysis by experts or the status of any settlement negotiations. While the ultimate outcome and the costs associated with litigation are inherently uncertain and difficult to predict, we believe, based on current knowledge and after consultation with counsel, that we are not currently party to any material pending proceedings, individually or in the aggregate, the resolution of which would have a material effect on the Company.

Guarantee

The Company provides a guarantee to a lending institution for certain loans held by employees for investment in funds of its former Parent, which are secured by the underlying investments in those funds. The amount guaranteed was $2.3 million as of each of March 31, 2024 and December 31, 2023. In connection with this guarantee, we currently expect any associated risk of loss to be insignificant.

Indemnifications

We have entered and may continue to enter into contracts that contain a variety of indemnification obligations. Our maximum exposure under these arrangements is not known; however, we currently expect any associated risk of loss to be insignificant.

In connection with these matters, we have incurred and may continue to incur legal expenses, which are expensed as incurred.

Tax Receivable Agreement

We have entered into a tax receivable agreement with the holders of Partnership Units (other than PJT Partners Inc.) that provides for the payment by PJT Partners Inc. to exchanging holders of Partnership Units of 85% of the benefits, if any, that PJT Partners Inc. is deemed to realize as a result of the increases in tax basis related to such exchanges of Partnership Units and of certain other tax benefits related to entering into the tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement. As of March 31, 2024 and December 31, 2023, the Company had amounts due of $31.2 million and $29.7 million, respectively, pursuant to the tax receivable agreement, which represent management's best estimate of the amounts currently expected to be owed in connection with the tax receivable agreement. Actual payments may differ significantly from estimated amounts due.

Further information regarding the tax receivable agreement can be found in "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Other

See Notes 8, 10, 11 and 13 in the "Notes to Condensed Consolidated Financial Statements" in "—Item 1. Financial Statements" of this filing for further information in connection with income taxes, equity-based and other deferred compensation plans, leasing arrangements and commitments, respectively.

Critical Accounting Estimates

A discussion of critical accounting estimates is included in "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Recent Accounting Developments

Information regarding recent accounting developments and their impact on our financial statements can be found in Note 2. "Summary of Significant Accounting Policies" in the "Notes to Condensed Consolidated Financial Statements" in "—Item 1. Financial Statements" of this filing.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk and Credit Risk

Our business is not capital-intensive and we do not invest in derivative instruments or, generally, borrow. As a result, we are not subject to significant market risk (including interest rate risk, foreign currency exchange rate risk and commodity price risk) or credit risk. Notwithstanding the foregoing, current economic and geopolitical uncertainty and slowing global growth could have a material adverse effect on the Company's condensed consolidated financial statements.

Risks Related to Cash, Cash Equivalents and Investments

Our cash and cash equivalents include short-term highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less from the date of purchase. Cash and cash equivalents are maintained in U.S. and non-U.S. bank accounts and are held at six financial institutions. In addition to cash and cash equivalents, we hold investments in Treasury securities, certain of which are classified as Investments in our Condensed Consolidated Statements of Financial Condition. We believe our cash, cash equivalents and short-term investments are not subject to any material interest rate risk, equity price risk, credit risk or other market risk based on our diversified use of global and regional financial institutions and the short-term nature of the securities.

Credit Risk

We estimate our allowance for credit losses using relevant available information from internal and external sources relating to past events, current conditions and reasonable and supportable forecasts. We maintain an allowance for credit losses that, in our opinion, reflects current expected credit losses. As of March 31, 2024 and December 31, 2023, the allowance for credit losses was $3.2 million and $2.4 million, respectively.

Exchange Rate Risk

We are exposed to the risk that the exchange rate of the U.S. dollar relative to other currencies may have an adverse effect on the reported value of our non-U.S. dollar denominated or based assets and liabilities. In addition, the reported amounts of our revenues may be affected by movements in the rate of exchange between the transaction currency and the U.S. dollar, the currency in which our financial statements are denominated. The principal non-U.S. dollar currencies include the pound sterling, the euro, the Hong Kong dollar and the Japanese yen. For the three months ended March 31, 2024 and 2023, the impact of the fluctuation of foreign currencies in Other Comprehensive Income (Loss), Net of Tax – Currency Translation Adjustment in the Condensed Consolidated Statements of Comprehensive Income was a loss of $1.0 million and a gain of $1.4 million, respectively, and in Interest Income and Other in the Condensed Consolidated Statements of Operations, a loss of $0.8 million for each of the periods. We have not entered into any transactions to hedge our exposure to these foreign currency fluctuations through the use of derivative instruments or other methods. Given the geopolitical uncertainty and the ongoing economic impact, elevated interest rates and heightened inflation, exchange rate fluctuations between the U.S. dollar and other currencies could unfavorably affect our condensed consolidated financial statements.

ITEM 4. CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) occurred during our most recent quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company and its affiliates may be subject to legal proceedings and claims in the ordinary course of business. In addition, government agencies and self-regulatory organizations in countries in which we conduct business undertake periodic examinations and may initiate administrative proceedings regarding the Company's and its affiliates' business, including, among other matters, accounting and operational matters, that can result in censure, fine, the issuance of cease-and-desist orders or the suspension or expulsion of a broker-dealer, or its directors, officers or employees. It is our policy to cooperate fully with such governmental requests, examinations and administrative proceedings. In view of the inherent difficulty of determining whether any loss in connection with any such matters is probable and whether the amount of such loss can be reasonably estimated, particularly in cases where claimants seek substantial or indeterminate damages or where investigations and proceedings are in the early stages, we cannot estimate the amount of such loss or range of loss, if any, related to such matters, how or if such matters will be resolved, when they will ultimately be resolved, or what the eventual settlement, fine, penalty or other relief, if any, might be. Subject to the foregoing, we believe, based on current knowledge and after consultation with counsel, that we are not currently party to any material pending proceedings, individually or in the aggregate, the resolution of which would have a material effect on the Company.

Further disclosure regarding legal proceedings is provided in Note 13. "Commitments and Contingencies—Contingencies, Litigation" in the "Notes to Condensed Consolidated Financial Statements" in "—Item 1. Financial Statements" of this filing.

ITEM 1A. RISK FACTORS

There were no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

The risks described in our Annual Report on Form 10-K for the year ended December 31, 2023 and in our subsequently filed Quarterly Reports on Form 10-Q are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities in the First Quarter of 2024

	Total Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (a)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (a)
January 1 to January 31	105,000	$ 97.42	105,000	$ 46.8 million
February 1 to February 29	449,931	99.56	449,931	457.7 million
March 1 to March 31	524,647	97.92	524,647	406.3 million
Total	1,079,578	$ 98.55	1,079,578	$ 406.3 million

(a) On February 6, 2024, the Company announced that the Board of Directors (the "Board") authorized a $500 million Class A common stock repurchase program, which replaced the then-existing $200 million repurchase program authorized on April 25, 2022. As of March 31, 2024, the Company's remaining repurchase authorization was $406.3 million. Under the repurchase program, shares of the Company's Class A common stock may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual number of shares repurchased depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be suspended or discontinued at any time and does not have a specified expiration date.

Unregistered Sales/Issuances of Equity Securities and Use of Proceeds

In connection with the issuance during the first quarter of 2024 of LTIP Units in PJT Partners Holdings LP to certain personnel and the transfer of Partnership Units in PJT Partners Holdings LP, PJT Partners Inc. issued three corresponding shares of its Class B common stock, par value $0.01 per share, to these limited partners. The issuance of shares of Class B common stock was not registered under the Securities Act of 1933 because such shares were not issued in a transaction involving the offer or sale of securities.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the three months ended March 31, 2024, none of the Company’s directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) adopted, terminated, or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933, as amended).

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
2.1	Separation and Distribution Agreement by and among The Blackstone Group L.P., Blackstone Holdings I L.P., New Advisory GP L.L.C., PJT Partners Inc. and PJT Partners Holdings LP, dated as of October 1, 2015 (incorporated herein by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 5, 2015).
3.1	Restated Certificate of Incorporation of PJT Partners Inc. (incorporated herein by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on July 28, 2023).
3.2	Amended and Restated By-Laws of PJT Partners Inc. (incorporated herein by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 5, 2015).
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a).
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a).
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because iXBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 3, 2024

PJT Partners Inc.

By: /s/ Paul J. Taubman
Name: Paul J. Taubman
Title: Chief Executive Officer

By: /s/ Helen T. Meates
Name: Helen T. Meates
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Paul J. Taubman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 of PJT Partners Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 3, 2024

/s/ Paul J. Taubman
Paul J. Taubman
Chief Executive Officer

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Helen T. Meates, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 of PJT Partners Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 3, 2024

/s/ Helen T. Meates
Helen T. Meates
Chief Financial Officer

Exhibit 32.1

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of PJT Partners Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Paul J. Taubman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 3, 2024

/s/ Paul J. Taubman
Paul J. Taubman
Chief Executive Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of PJT Partners Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Helen T. Meates, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 3, 2024

/s/ Helen T. Meates
Helen T. Meates
Chief Financial Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.