

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 1, 2021



**PJT Partners Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

001-36869  
(Commission File Number)

36-4797143  
(IRS Employer  
Identification No.)

280 Park Avenue  
New York, New York  
(Address of principal executive offices)

10017  
(Zip Code)

Registrant's telephone number, including area code: (212) 364-7800

Not Applicable  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 1.01. Entry into a Material Definitive Agreement.**

On February 1, 2021, PJT Partners Holdings LP, as borrower (in such capacity, the "Borrower"), entered into a Renewal and Modification Agreement (the "Renewal Agreement") and related documents with First Republic Bank, 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 "Loan Agreement"). The Renewal Agreement provides for: (i) an extension of the maturity of the revolving credit facility from October 1, 2021 to October 1, 2022; (ii) an increase in the principal amount of the commitment from \$40 million (with a provision for an increase to \$60 million on the terms and subject to the conditions set forth in the Loan Agreement) to \$60 million (with a provision for an increase to \$80 million on the terms and subject to the conditions set forth in the Loan Agreement); (iii) an interest rate payable on the line of credit loan with a floor of no less than two and 75/100 percent (2.75%) per annum; and (iv) an increase to the minimum tangible net worth covenant from \$250 million to \$300 million.

The description of the Loan Agreement and Renewal Agreement set forth herein is summary in nature, does not purport to be a complete description of the rights and obligations of the parties thereunder, and is qualified in its entirety by reference to the full text of those documents, which will be incorporated by reference or filed as an exhibit to the Company's Annual Report on Form 10-K for the year ending December 31, 2020.

**Item 2.02. Results of Operations.**

On February 2, 2021, PJT Partners Inc. (the "Company") issued a press release announcing the financial results for its full year and fourth quarter ended December 31, 2020.

A copy of the press release is attached hereto as Exhibit 99.1. The information contained under Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, is being furnished and, as a result, such information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information in Item 1.01 of this report is incorporated by reference into this Item 2.03.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

| <b>Exhibit Number</b> | <b>Description</b>   |
|-----------------------|--|
| 99.1                  | <a href="#"><u>Press release of PJT Partners Inc. dated February 2, 2021 announcing the Company's full year and fourth quarter 2020 results.</u></a> |
| 104                   | The cover page of this Current Report on Form 8-K, formatted in Inline XBRL.   |

**SIGNATURE**

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 hereunto duly authorized.

**PJT Partners Inc.**

By: /s/ Helen T. Meates \_\_\_\_\_  
Name: Helen T. Meates  
Title: Chief Financial Officer

Date: February 2, 2021



## PJT Partners Inc. Reports Full Year and Fourth Quarter 2020 Results

### Full Year Highlights

- > Total Revenues of \$1.05 billion, up 47% from a year ago
  - Advisory Revenues of \$872 million, up 53%
  - Placement Revenues of \$162 million, up 22%
- > GAAP Pretax Income of \$248 million and Adjusted Pretax Income of \$271 million
- > GAAP Diluted EPS of \$4.40 and Adjusted EPS of \$4.93

### Fourth Quarter Highlights

- > Total Revenues of \$322 million, up 29% from a year ago
  - Advisory Revenues of \$261 million, up 39%
  - Placement Revenues of \$56 million, up 1%
- > GAAP Pretax Income of \$95 million and Adjusted Pretax Income of \$100 million
- > GAAP Diluted EPS of \$1.67 and Adjusted EPS of \$1.81

### Capital Management and Balance Sheet

- > Repurchased 1.2 million share equivalents during the fourth quarter and 2.9 million share equivalents during 2020
  - Intend to repurchase an additional 680,368 Partnership Units for cash in February 2021
- > \$437 million of cash, cash equivalents and short-term investments
- > Board authorizes additional \$150 million of repurchases of shares of the Company's Class A common stock

Paul J. Taubman, Chairman and Chief Executive Officer, said, "We are extremely proud of all that we have accomplished these past five years. Against a backdrop of extraordinarily dislocated conditions, PJT Partners delivered record 2020 results. Our differentiated culture of collaboration coupled with our unique combination of capabilities has enabled us to deliver exceptional performance, and we remain confident in our future growth prospects."

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**New York, February 2, 2021** : PJT Partners Inc. (the "Company" or "PJT Partners") (NYSE: PJT) today reported Total Revenues of \$1.05 billion for the year ended December 31, 2020 compared with \$717.6 million for 2019. GAAP Net Income and Adjusted Net Income, If-Converted were \$212.4 million and \$203.9 million, respectively, for 2020 compared with \$63.8 million and \$98.5 million, respectively, for 2019. GAAP Diluted EPS and Adjusted EPS were \$4.40 and \$4.93, respectively, for 2020 compared with \$1.21 and \$2.41, respectively, for 2019.

Total Revenues for the three months ended December 31, 2020 were \$322.0 million compared with \$248.7 million for 2019. GAAP Net Income and Adjusted Net Income, If-Converted were \$81.4 million and \$77.0 million, respectively, for the current quarter compared with \$38.0 million and \$41.6 million, respectively, for the prior year quarter. GAAP Diluted EPS and Adjusted EPS were \$1.67 and \$1.81, respectively, for the current quarter compared with \$0.69 and \$1.02, respectively, for the prior year quarter.

## Revenues

The following table sets forth revenues for the three months and year ended December 31, 2020 and 2019:

|                         | Three Months Ended<br>December 31, |                 |            | % Change          | Year Ended<br>December 31, |            |          |
|-------------------------|------------------------------------|-----------------|------------|-------------------|----------------------------|------------|----------|
|                         | 2020                               | 2019            |            |                   | 2020                       | 2019       | % Change |
| (Dollars in Millions)   |                                    |                 |            |                   |                            |            |          |
| <b>Revenues</b>         |                                    |                 |            |                   |                            |            |          |
| Advisory                | \$ 260.8                           | \$ 188.2        | 39%        | \$ 872.3          | \$ 571.8                   | 53%        |          |
| Placement               | 56.2                               | 55.6            | 1%         | 162.2             | 133.2                      | 22%        |          |
| Interest Income & Other | 5.0                                | 4.9             | 3%         | 17.8              | 12.7                       | 40%        |          |
| <b>Total Revenues</b>   | <b>\$ 322.0</b>                    | <b>\$ 248.7</b> | <b>29%</b> | <b>\$ 1,052.3</b> | <b>\$ 717.6</b>            | <b>47%</b> |          |

### Year Ended

Total Revenues were \$1.05 billion for 2020 compared with \$718 million for 2019, an increase of 47%.

Advisory Revenues were \$872 million for 2020 compared with \$572 million for 2019, an increase of 53%. Advisory Revenues increased due to significant increases in both restructuring revenues and strategic advisory revenues.

Placement Revenues were \$162 million for 2020 compared with \$133 million for 2019, an increase of 22%. Placement Revenues increased principally due to increased corporate private placement activity and fund placement activity for private equity clients.

Interest Income & Other was \$18 million for 2020 compared with \$13 million for 2019. The increase in Interest Income & Other was primarily driven by increases in other income, partially offset by a decrease in reimbursable expenses.

### Three Months Ended

Total Revenues were \$322 million for fourth quarter 2020 compared with \$249 million for the prior year quarter, an increase of 29%.

Advisory Revenues were \$261 million for the current quarter compared with \$188 million for the prior year quarter, an increase of 39%. Growth in Advisory Revenues was driven by a significant increase in restructuring revenues as well as increased strategic advisory revenues.

Placement Revenues were \$56 million for the current quarter, roughly flat compared with the prior year quarter.

Interest Income & Other was \$5 million for the current quarter, roughly flat compared with the prior year quarter.

## Expenses

The following tables set forth information relating to the Company's expenses for the three months and year ended December 31, 2020 and 2019:

|                           | Year Ended December 31, |             |          |             |
|---------------------------|-------------------------|-------------|----------|-------------|
|                           | 2020                    |             | 2019     |             |
|                           | GAAP                    | As Adjusted | GAAP     | As Adjusted |
|                           | (Dollars in Millions)   |             |          |             |
| Expenses                  |                         |             |          |             |
| Compensation and Benefits | \$ 683.4                | \$ 668.7    | \$ 502.2 | \$ 460.3    |
| % of Revenues             | 64.9%                   | 63.5%       | 70.0%    | 64.1%       |
| Non-Compensation          | \$ 120.9                | \$ 112.6    | \$ 133.3 | \$ 125.1    |
| % of Revenues             | 11.5%                   | 10.7%       | 18.6%    | 17.4%       |
| Total Expenses            | \$ 804.3                | \$ 781.4    | \$ 635.4 | \$ 585.4    |
| % of Revenues             | 76.4%                   | 74.3%       | 88.5%    | 81.6%       |
| Pretax Income             | \$ 248.0                | \$ 270.9    | \$ 82.2  | \$ 132.3    |
| % of Revenues             | 23.6%                   | 25.7%       | 11.5%    | 18.4%       |

|                           | Three Months Ended December 31, |             |          |             |
|---------------------------|---------------------------------|-------------|----------|-------------|
|                           | 2020                            |             | 2019     |             |
|                           | GAAP                            | As Adjusted | GAAP     | As Adjusted |
|                           | (Dollars in Millions)           |             |          |             |
| Expenses                  |                                 |             |          |             |
| Compensation and Benefits | \$ 197.7                        | \$ 194.0    | \$ 164.8 | \$ 160.1    |
| % of Revenues             | 61.4%                           | 60.3%       | 66.3%    | 64.4%       |
| Non-Compensation          | \$ 29.6                         | \$ 27.6     | \$ 34.9  | \$ 33.0     |
| % of Revenues             | 9.2%                            | 8.6%        | 14.1%    | 13.3%       |
| Total Expenses            | \$ 227.4                        | \$ 221.6    | \$ 199.8 | \$ 193.1    |
| % of Revenues             | 70.6%                           | 68.8%       | 80.3%    | 77.7%       |
| Pretax Income             | \$ 94.6                         | \$ 100.4    | \$ 48.9  | \$ 55.5     |
| % of Revenues             | 29.4%                           | 31.2%       | 19.7%    | 22.3%       |

### Compensation and Benefits Expense

#### *Year Ended*

GAAP Compensation and Benefits Expense was \$683 million for 2020 compared with \$502 million for 2019. Adjusted Compensation and Benefits Expense was \$669 million for 2020 compared with \$460 million for 2019. The increase in Compensation and Benefits Expense was principally the result of significantly improved operating performance during 2020.

#### *Three Months Ended*

GAAP Compensation and Benefits Expense was \$198 million for fourth quarter 2020 compared with \$165 million for the prior year quarter. Adjusted Compensation and Benefits Expense was \$194 million for the current quarter compared with \$160 million for the prior year quarter. The increase in Compensation and Benefits Expense was principally the result of significantly improved operating performance during the quarter.

## Non-Compensation Expense

### *Year Ended*

GAAP Non-Compensation Expense was \$121 million for 2020 compared with \$133 million for 2019. Adjusted Non-Compensation Expense was \$113 million for 2020 compared with \$125 million for 2019.

GAAP and Adjusted Non-Compensation Expense decreased during 2020 compared with 2019, primarily driven by a decrease in Travel and Related and partially offset by an increase in Occupancy and Related. Travel and Related decreased due to reduced travel and entertainment activity. Occupancy and Related increased due to expansion in certain locations.

### *Three Months Ended*

GAAP Non-Compensation Expense was \$30 million for fourth quarter 2020 compared with \$35 million for the prior year quarter. Adjusted Non-Compensation Expense was \$28 million for the current quarter compared with \$33 million for the prior year quarter.

GAAP and Adjusted Non-Compensation Expense decreased during fourth quarter 2020 compared with the prior year quarter, primarily driven by decreases in Travel and Related and Other Expenses and partially offset by an increase in Professional Fees. Travel and Related decreased due to reduced travel and entertainment activity. Other Expenses decreased due to a variety of factors, including a reduction in bad debt expense. Professional Fees increased primarily due to higher consulting payments relating to the firm's business activities.

## **Provision for Taxes**

As of December 31, 2020, PJT Partners Inc. owned 59.0% of PJT Partners Holdings LP. PJT Partners Inc. is subject to corporate U.S. federal and state income tax while PJT Partners Holdings LP is subject to New York City unincorporated business tax and other entity-level taxes imposed by certain state and foreign jurisdictions. Please refer to Note 12. "Stockholders' Equity (Deficit)" in the "Notes to Consolidated Financial Statements" in "Part II. Item 8. Financial Statements and Supplementary Data" of the Company's Annual Report on Form 10-K for the year ended December 31, 2019 for further information about the corporate ownership structure. The effective tax rate for GAAP Net Income for the year ended December 31, 2020 was 14.3%.

In calculating Adjusted Net Income, If-Converted, the Company has assumed that all outstanding Class A partnership units in PJT Partners Holdings LP ("Partnership Units") (excluding the unvested Partnership Units that have yet to satisfy certain market conditions) have been exchanged into shares of the Company's Class A common stock, subjecting all of the Company's income to corporate-level tax.

The effective tax rate for Adjusted Net Income, If-Converted for the year ended December 31, 2020 was 24.8% compared with 25.5% for the same period a year ago. This tax rate excludes the tax benefits of the adjustments for transaction-related compensation expense, amortization expense, tax benefit recorded pursuant to the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") as well as certain payments to The Blackstone Group Inc. ("Blackstone") resulting from the October 1, 2015 spin-off.



## Capital Management and Balance Sheet

As of December 31, 2020, the Company held cash, cash equivalents and short-term investments of \$437.4 million, and had no funded debt.

On February 1, 2021, the Company's Board of Directors authorized the repurchase of shares of the Company's Class A common stock in an amount up to \$150 million, which is in addition to the previous authorizations, of which \$36.4 million is remaining as of December 31, 2020. 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.

During fourth quarter 2020, the Company repurchased 1.1 million Partnership Units for cash pursuant to the quarterly exchange program, 103,522 shares of Class A common stock pursuant to the share repurchase program, and net share settled 6,165 shares to satisfy employee tax obligations. In aggregate during fourth quarter 2020, the Company repurchased an equivalent of 1.2 million shares at an average price of \$67.40 per share. During the year ended December 31, 2020, the total share equivalent repurchases were 2.9 million shares at an average price of \$56.94 per share.

The Company intends to repurchase 680,368 Partnership Units for cash on February 9, 2021 at a price to be determined by the per share volume-weighted average price of the Company's Class A common stock on February 4, 2021.

## Dividend

The Board of Directors of PJT Partners Inc. has declared a quarterly dividend of \$0.05 per share of Class A common stock. The dividend will be paid on March 17, 2021 to Class A common stockholders of record on March 3, 2021.

## COVID-19 Update

The vast majority of the Company's employees continue to work remotely, as they have since mid-March 2020. There have been no material changes to the Company's internal controls as a result of this working environment. The Company has undertaken steps to allow a limited number of employees to return to certain office locations on a voluntary basis, following safety protocols from health advisors and the respective governmental agencies. The Company is prepared to continue operating in a remote work environment for the foreseeable future, if necessary.

## Quarterly Investor Call Details

PJT Partners will host a conference call on February 2, 2021 at 8:30 a.m. ET to discuss its full year and fourth quarter 2020 results. The conference call can be accessed via the internet at [www.pjtpartners.com](http://www.pjtpartners.com) or by dialing +1 (800) 458-4121 (U.S. domestic) or +1 (720) 543-0206 (international), passcode 9176574. For those unable to listen to the live broadcast, a replay will be available following the call at [www.pjtpartners.com](http://www.pjtpartners.com) or by dialing +1 (888) 203-1112 (U.S. domestic) or +1 (719) 457-0820 (international), passcode 9176574.

## About PJT Partners

PJT Partners is a premier global advisory-focused investment bank. Our team of senior professionals delivers a wide array of strategic advisory, strategic capital markets, restructuring and special situations, shareholder advisory, and private fund advisory and fundraising services to corporations, financial sponsors, institutional investors and governments around the world. We offer a unique portfolio of advisory services designed to help our clients achieve their strategic objectives. We also provide, through PJT Park Hill, private fund advisory and fundraising services for alternative investment managers, including private equity funds, real estate funds and hedge funds. To learn more about PJT Partners, please visit our website at [www.pjtpartners.com](http://www.pjtpartners.com).

## 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. 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 the Company’s current beliefs, expectations, and assumptions regarding the future of its 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 the Company’s control. The Company’s 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 the Company’s 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) the possibility of cyberattacks, security vulnerabilities, and internet disruptions, including breaches of data security and privacy leaks, data loss, and business interruptions; (c) the possibility of failure of the Company’s computer systems or communication systems during a catastrophic event, including as a result of the increased use of remote work environments and virtual platforms during the outbreak of COVID-19 (coronavirus); (d) the impact of catastrophic events, such as COVID-19, on the U.S. and the global economy, including business disruptions, reductions in employment and an increase in business failures; (e) the impact of catastrophic events, such as COVID-19, on the Company’s employees and the Company’s ability to provide services to its clients and respond to their needs; (f) the failure of third-party service providers to perform their functions; and (g) volatility in the political and economic environment.

Any of these factors, as well as such other factors discussed in the “Risk Factors” section of the Company’s Annual Report on Form 10-K for the year ended December 31, 2019 and Quarterly Report on Form 10-Q for the three months ended June 30, 2020, in each case filed with the United States Securities and Exchange Commission (“SEC”), as such factors may be updated from time to time in the Company’s periodic filings with the SEC, accessible on the SEC’s website at [www.sec.gov](http://www.sec.gov), could cause the Company’s results to differ materially from those expressed in forward-looking statements. There may be

other risks and uncertainties that the Company is unable to predict at this time or that are not currently expected to have a material adverse effect on its business. Any such risks could cause the Company's results to differ materially from those expressed in forward-looking statements .

### Non-GAAP Financial Measures

The following represent key performance measures that management uses in making resource allocation and/or compensation decisions. These measures should not be considered substitutes for, or superior to, financial measures prepared in accordance with GAAP.

Management believes the following non-GAAP measures, when presented together with comparable GAAP measures, are useful to investors in understanding the Company's operating results: Adjusted Pretax Income; Adjusted Net Income; Adjusted Net Income, If-Converted, in total and on a per-share basis (referred to as "Adjusted EPS"); Adjusted Compensation and Benefits Expense and Adjusted Non-Compensation Expense. These non-GAAP measures, presented and discussed in this earnings release, remove the significant accounting impact of: (a) transaction-related compensation expense, including expense related to Partnership Units with both time-based vesting and market conditions as well as equity-based and cash awards granted in connection with the spin-off from Blackstone and acquisition of CamberView Partners Holdings, LLC ("CamberView"); (b) intangible asset amortization associated with Blackstone's initial public offering ("IPO"), the acquisition of PJT Capital LP, and the acquisition of CamberView; and (c) the amount the Company has agreed to pay Blackstone related to the net realized cash benefit from certain compensation-related tax deductions. Reconciliations of the non-GAAP measures to their most directly comparable GAAP measures and further detail regarding the adjustments are provided in the Appendix.

To help investors understand the effect of the Company's ownership structure on its Adjusted Net Income, the Company has presented Adjusted Net Income, If-Converted. This measure illustrates the impact of taxes on Adjusted Pretax Income, assuming all Partnership Units (excluding the unvested Partnership Units that have yet to satisfy certain market conditions) were exchanged for shares of the Company's Class A common stock, resulting in all of the Company's income becoming subject to corporate-level tax, considering both current and deferred income tax effects as well as return to provision adjustments. This tax rate excludes the tax benefits of the adjustments for transaction-related compensation expense, amortization expense, tax benefit recorded pursuant to the CARES Act as well as certain payments to Blackstone resulting from the October 1, 2015 spin-off.

## Appendix

GAAP Condensed Consolidated Statements of Operations (unaudited)

Reconciliations of GAAP to Non-GAAP Financial Data (unaudited)

Summary of Shares Outstanding (unaudited)

Footnotes

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

|   | Three Months Ended<br>December 31, |            | Year Ended<br>December 31, |            |
|---|------------------------------------|------------|----------------------------|------------|
|   | 2020                               | 2019       | 2020                       | 2019       |
| <b>Revenues</b>   |                                    |            |                            |            |
| Advisory  | \$ 260,756                         | \$ 188,194 | \$ 872,286                 | \$ 571,771 |
| Placement   | 56,211                             | 55,577     | 162,237                    | 133,180    |
| Interest Income and Other                                   | 5,036                              | 4,881      | 17,777                     | 12,688     |
| Total Revenues  | 322,003                            | 248,652    | 1,052,300                  | 717,639    |
| <b>Expenses</b>   |                                    |            |                            |            |
| Compensation and Benefits                                   | 197,743                            | 164,809    | 683,393                    | 502,165    |
| Occupancy and Related                                       | 8,405                              | 8,726      | 34,282                     | 31,547     |
| Travel and Related  | 966                                | 6,453      | 7,345                      | 25,700     |
| Professional Fees   | 6,937                              | 4,190      | 23,014                     | 21,779     |
| Communications and Information Services                     | 4,094                              | 3,309      | 14,669                     | 13,380     |
| Depreciation and Amortization                               | 3,826                              | 3,787      | 15,055                     | 14,496     |
| Other Expenses  | 5,403                              | 8,476      | 26,581                     | 26,382     |
| Total Expenses  | 227,374                            | 199,750    | 804,339                    | 635,449    |
| Income Before Provision for Taxes                           | 94,629                             | 48,902     | 247,961                    | 82,190     |
| Provision for Taxes   | 13,236                             | 10,859     | 35,535                     | 18,403     |
| Net Income  | 81,393                             | 38,043     | 212,426                    | 63,787     |
| Net Income Attributable to Non-Controlling Interests        | 35,281                             | 21,233     | 94,877                     | 34,225     |
| Net Income Attributable to PJT Partners Inc.                | \$ 46,112                          | \$ 16,810  | \$ 117,549                 | \$ 29,562  |
| Net Income Per Share of Class A Common Stock                |                                    |            |                            |            |
| Basic   | \$ 1.87                            | \$ 0.71    | \$ 4.80                    | \$ 1.23    |
| Diluted   | \$ 1.67                            | \$ 0.69    | \$ 4.40                    | \$ 1.21    |
| Weighted-Average Shares of Class A Common Stock Outstanding |                                    |            |                            |            |
| Basic   | 24,601,311                         | 23,710,261 | 24,496,285                 | 24,007,138 |
| Diluted   | 43,547,220                         | 24,991,277 | 43,127,166                 | 25,014,569 |

**PJT Partners Inc.**  
**Reconciliations of GAAP to Non-GAAP Financial Data (unaudited)**  
(Dollars in Thousands, Except Share and Per Share Data)

|   | Three Months Ended<br>December 31, |            | Year Ended<br>December 31, |            |
|---|------------------------------------|------------|----------------------------|------------|
|   | 2020                               | 2019       | 2020                       | 2019       |
| GAAP Net Income   | \$ 81,393                          | \$ 38,043  | \$ 212,426                 | \$ 63,787  |
| Less: GAAP Provision for Taxes  | 13,236                             | 10,859     | 35,535                     | 18,403     |
| GAAP Pretax Income  | 94,629                             | 48,902     | 247,961                    | 82,190     |
| <b>Adjustments to GAAP Pretax Income</b>                                    |                                    |            |                            |            |
| Transaction-Related Compensation Expense <sup>(1)</sup>                     | 3,705                              | 4,681      | 14,662                     | 41,886     |
| Amortization of Intangible Assets <sup>(2)</sup>                            | 1,993                              | 1,928      | 7,776                      | 7,654      |
| Spin-Off-Related Payable Due to Blackstone <sup>(3)</sup>                   | 33                                 | 24         | 550                        | 539        |
| Adjusted Pretax Income  | 100,360                            | 55,535     | 270,949                    | 132,269    |
| Adjusted Taxes <sup>(4)</sup>   | 15,136                             | 9,573      | 38,788                     | 22,030     |
| Adjusted Net Income   | 85,224                             | 45,962     | 232,161                    | 110,239    |
| <b>If-Converted Adjustments</b>   |                                    |            |                            |            |
| Less: Adjusted Taxes <sup>(4)</sup>   | (15,136)                           | (9,573)    | (38,788)                   | (22,030)   |
| Add: If-Converted Taxes <sup>(5)</sup>                                      | 23,373                             | 13,937     | 67,090                     | 33,723     |
| Adjusted Net Income, If-Converted   | \$ 76,987                          | \$ 41,598  | \$ 203,859                 | \$ 98,546  |
| <b>GAAP Net Income Per Share of Class A Common Stock</b>                    |                                    |            |                            |            |
| Basic   | \$ 1.87                            | \$ 0.71    | \$ 4.80                    | \$ 1.23    |
| Diluted   | \$ 1.67                            | \$ 0.69    | \$ 4.40                    | \$ 1.21    |
| <b>GAAP Weighted-Average Shares of Class A<br/>Common Stock Outstanding</b> |                                    |            |                            |            |
| Basic   | 24,601,311                         | 23,710,261 | 24,496,285                 | 24,007,138 |
| Diluted   | 43,547,220                         | 24,991,277 | 43,127,166                 | 25,014,569 |
| Adjusted Net Income, If-Converted Per Share                                 | \$ 1.81                            | \$ 1.02    | \$ 4.93                    | \$ 2.41    |
| Weighted-Average Shares Outstanding, If-Converted                           | 42,490,854                         | 40,808,615 | 41,365,572                 | 40,967,316 |

**PJT Partners Inc.**  
**Reconciliations of GAAP to Non-GAAP Financial Data – continued (unaudited)**  
(Dollars in Thousands)

|   | Three Months Ended<br>December 31, |            | Year Ended<br>December 31, |            |
|---|------------------------------------|------------|----------------------------|------------|
|   | 2020                               | 2019       | 2020                       | 2019       |
| GAAP Compensation and Benefits Expense                    | \$ 197,743                         | \$ 164,809 | \$ 683,393                 | \$ 502,165 |
| Transaction-Related Compensation Expense <sup>(1)</sup>   | (3,705)                            | (4,681)    | (14,662)                   | (41,886)   |
| Adjusted Compensation and Benefits Expense                | \$ 194,038                         | \$ 160,128 | \$ 668,731                 | \$ 460,279 |
| <b>Non-Compensation Expenses</b>                          |                                    |            |                            |            |
| Occupancy and Related                                     | \$ 8,405                           | \$ 8,726   | \$ 34,282                  | \$ 31,547  |
| Travel and Related  | 966                                | 6,453      | 7,345                      | 25,700     |
| Professional Fees   | 6,937                              | 4,190      | 23,014                     | 21,779     |
| Communications and Information Services                   | 4,094                              | 3,309      | 14,669                     | 13,380     |
| Depreciation and Amortization                             | 3,826                              | 3,787      | 15,055                     | 14,496     |
| Other Expenses  | 5,403                              | 8,476      | 26,581                     | 26,382     |
| <b>GAAP Non-Compensation Expense</b>                      | 29,631                             | 34,941     | 120,946                    | 133,284    |
| Amortization of Intangible Assets <sup>(2)</sup>          | (1,993)                            | (1,928)    | (7,776)                    | (7,654)    |
| Spin-Off-Related Payable Due to Blackstone <sup>(3)</sup> | (33)                               | (24)       | (550)                      | (539)      |
| Adjusted Non-Compensation Expense                         | \$ 27,605                          | \$ 32,989  | \$ 112,620                 | \$ 125,091 |

**PJT Partners Inc.**  
**Summary of Shares Outstanding (unaudited)**

The following table provides a summary of weighted-average shares outstanding for the three months and year ended December 31, 2020 and 2019 for both basic and diluted shares. The table also provides a reconciliation to If-Converted Shares Outstanding assuming that all Partnership Units and unvested PJT Partners Inc. restricted stock units ("RSUs") were converted to shares of the Company's Class A common stock:

|   | Three Months Ended<br>December 31, |            | Year Ended<br>December 31, |            |
|---|------------------------------------|------------|----------------------------|------------|
|   | 2020                               | 2019       | 2020                       | 2019       |
| <i>Weighted-Average Shares Outstanding - GAAP</i>         |                                    |            |                            |            |
| Shares of Class A Common Stock Outstanding                | 23,832,155                         | 23,088,660 | 23,827,264                 | 23,117,559 |
| Vested, Undelivered RSUs                                  | 769,156                            | 621,601    | 669,021                    | 889,579    |
| Basic Shares Outstanding, GAAP                            | 24,601,311                         | 23,710,261 | 24,496,285                 | 24,007,138 |
| Dilutive Impact of Unvested Common RSUs <sup>(6)</sup>    | 2,295,401                          | 1,281,016  | 1,344,152                  | 1,007,431  |
| Dilutive Impact of Partnership Units <sup>(7)</sup>       | 16,650,508                         | —          | 17,286,729                 | —          |
| Diluted Shares Outstanding, GAAP                          | 43,547,220                         | 24,991,277 | 43,127,166                 | 25,014,569 |
| <i>Weighted-Average Shares Outstanding - If-Converted</i> |                                    |            |                            |            |
| Shares of Class A Common Stock Outstanding                | 23,832,155                         | 23,088,660 | 23,827,264                 | 23,117,559 |
| Vested, Undelivered RSUs                                  | 769,156                            | 621,601    | 669,021                    | 889,579    |
| Conversion of Unvested Common RSUs <sup>(6)</sup>         | 2,295,401                          | 1,281,016  | 1,344,152                  | 1,007,431  |
| Conversion of Participating RSUs                          | 5,185                              | 27,208     | 16,483                     | 40,544     |
| Conversion of Partnership Units                           | 15,588,957                         | 15,790,130 | 15,508,652                 | 15,912,203 |
| If-Converted Shares Outstanding                           | 42,490,854                         | 40,808,615 | 41,365,572                 | 40,967,316 |
| <i>As of December 31,</i>                                 |                                    |            |                            |            |
|   | 2020                               | 2019       |                            |            |
| Fully-Diluted Shares Outstanding <sup>(8)(9)</sup>        | 45,420,101                         | 43,066,139 |                            |            |

During the three months ended December 31, 2020, 2.4 million Partnership Units and 0.1 million RSUs were included in the Company's share count due to the satisfaction of certain market conditions. As of December 31, 2020, 1.2 million Partnership Units and 0.3 million RSUs were excluded from any share count calculations, as these Partnership Units and RSUs are included only if the Company achieves a volume-weighted average share price of \$79 over any consecutive 30-day trading period prior to October 1, 2021.



## Footnotes

- (1) This adjustment adds back to GAAP Pretax Income transaction-related compensation expense for Partnership Units with both time-based vesting and market conditions as well as equity-based and cash awards granted in connection with the spin-off from Blackstone and the acquisition of CamberView.
  - (2) This adjustment adds back to GAAP Pretax Income amounts for the amortization of intangible assets that are associated with Blackstone's IPO, the acquisition of PJT Capital LP on October 1, 2015 and the acquisition of CamberView on October 1, 2018.
  - (3) This adjustment adds back to GAAP Pretax Income the amount the Company has agreed to pay Blackstone related to the net realized cash benefit from certain compensation-related tax deductions. Such expense is reflected in Other Expenses in the Condensed Consolidated Statements of Operations.
  - (4) Represents taxes on Adjusted Pretax Income, considering both current and deferred income tax effects for the current ownership structure.
  - (5) Represents taxes on Adjusted Pretax Income, assuming all Partnership Units (excluding the unvested Partnership Units that have yet to satisfy market conditions) were exchanged for shares of the Company's Class A common stock, resulting in all of the Company's income becoming subject to corporate-level tax, considering both current and deferred income tax effects as well as return to provision adjustments. This tax rate excludes the tax benefits of the adjustments for transaction-related compensation expense, amortization expense, tax benefit recorded pursuant to the CARES Act as well as certain payments to Blackstone resulting from the October 1, 2015 spin-off.
  - (6) Represents the dilutive impact under the treasury method of unvested, non-participating RSUs that have a remaining service requirement.
  - (7) Represents the number of shares assuming the conversion of vested Partnership Units, the dilutive impact of unvested Partnership Units with a remaining service requirement, and Partnership Units that achieved certain market conditions.
  - (8) Excludes 1.2 million Partnership Units and 0.3 million RSUs as of December 31, 2020 that are included only if the Company achieves a volume-weighted average share price of \$79 over any consecutive 30-day trading period prior to October 1, 2021.
  - (9) Assumes all Partnership Units and unvested participating RSUs have been converted to shares of the Company's Class A common stock.
- Note: Amounts presented in tables above may not add or recalculate due to rounding.