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 JUNE 30, 2021**

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 July 26, 2021, there were 24,439,865 shares of Class A common stock, par value $0.01 per share, and 168 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 The Blackstone Group 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 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) 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 our 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 our employees and our ability to provide services to our 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 our Annual Report on Form 10-K for the year ended December 31, 2020 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/investor-relations. 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)

	June 30, 2021	December 31, 2020
Assets		
Cash and Cash Equivalents	$ 139,106	$ 299,513
Investments	72,684	137,889
Accounts Receivable (net of allowance for credit losses of $2,077 and $1,330 at June 30, 2021 and December 31, 2020, respectively)	300,303	233,166
Intangible Assets, Net	28,241	32,030
Goodwill	172,725	172,725
Furniture, Equipment and Leasehold Improvements, Net	37,029	38,777
Operating Lease Right-of-Use Assets	148,646	150,848
Other Assets	55,776	53,329
Deferred Tax Asset, Net	61,658	53,330
Total Assets	$ 1,016,168	$ 1,171,607
Liabilities and Equity		
Accrued Compensation and Benefits	$ 128,382	$ 253,456
Accounts Payable, Accrued Expenses and Other Liabilities	25,585	25,944
Operating Lease Liabilities	169,066	172,291
Amount Due Pursuant to Tax Receivable Agreement	25,553	19,573
Taxes Payable	2,988	2,735
Deferred Revenue	7,837	9,762
Total Liabilities	359,411	483,761
Commitments and Contingencies		
Equity		
Class A Common Stock, par value $0.01 per share (3,000,000,000 shares authorized; 29,121,401 and 27,293,085 issued at June 30, 2021 and December 31, 2020, respectively; 24,492,888 and 23,816,354 outstanding at June 30, 2021 and December 31, 2020, respectively)	269	267
Class B Common Stock, par value $0.01 per share (1,000,000 shares authorized; 168 issued and outstanding at June 30, 2021; 194 issued and outstanding at December 31, 2020)	—	—
Additional Paid-In Capital	370,875	349,363
Retained Earnings (Deficit)	14,200	(33,127)
Accumulated Other Comprehensive Income	1,685	1,414
Treasury Stock at Cost (4,628,513 and 3,476,731 shares at June 30, 2021 and December 31, 2020, respectively)	(243,952)	(163,658)
Total PJT Partners Inc. Equity	143,077	154,259
Non-Controlling Interests	513,680	533,587
Total Equity	656,757	687,846
Total Liabilities and Equity	$ 1,016,168	$ 1,171,607

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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues				
Advisory Fees	$ 197,624	$ 192,539	$ 350,224	$ 349,130
Placement Fees	40,337	35,260	90,720	74,252
Interest Income and Other	2,720	4,764	6,437	9,352
Total Revenues	240,681	232,563	447,381	432,734
Expenses				
Compensation and Benefits	153,924	154,730	286,717	288,754
Occupancy and Related	8,760	8,659	17,219	17,313
Travel and Related	1,697	537	2,214	5,833
Professional Fees	8,233	5,540	15,950	10,063
Communications and Information Services	5,033	3,594	9,207	7,140
Depreciation and Amortization	3,809	3,709	7,643	7,529
Other Expenses	6,779	6,117	12,096	12,866
Total Expenses	188,235	182,886	351,046	349,498
Income Before Provision for Taxes	52,446	49,677	96,335	83,236
Provision for Taxes	9,590	8,760	9,683	10,310
Net Income	42,856	40,917	86,652	72,926
Net Income Attributable to Non-Controlling Interests	19,711	19,247	36,825	32,396
Net Income Attributable to PJT Partners Inc.	$ 23,145	$ 21,670	$ 49,827	$ 40,530
Net Income Per Share of Class A Common Stock				
Basic	$ 0.92	$ 0.88	$ 1.99	$ 1.66
Diluted	$ 0.89	$ 0.86	$ 1.91	$ 1.61
Weighted-Average Shares of Class A Common Stock Outstanding				
Basic	25,051,017	24,636,534	25,010,968	24,367,124
Diluted	42,096,035	25,462,235	42,614,627	40,374,694

See notes to condensed consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net Income	$ 42,856	$ 40,917	$ 86,652	$ 72,926
Other Comprehensive Income (Loss), Net of Tax —				
Currency Translation Adjustment	385	(255)	509	(3,037)
Comprehensive Income	43,241	40,662	87,161	69,889
Less:				
Comprehensive Income Attributable to Non-Controlling Interests	19,892	19,127	37,063	30,974
Comprehensive Income Attributable to PJT Partners Inc.	$ 23,349	$ 21,535	$ 50,098	$ 38,915

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 June 30, 2021										
	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 (Deficit)	Accumulated Other Comprehensive Income	Treasury Stock	Non-Controlling Interests	Total
Balance at March 31, 2021	29,111,807	170	(4,134,638)	$ 269	$ —	$ 377,825	$ (7,715)	$ 1,481	$ (209,554)	$ 484,270	$ 646,576
Net Income	—	—	—	—	—	—	23,145	—	—	19,711	42,856
Other Comprehensive Income	—	—	—	—	—	—	—	204	—	181	385
Dividends Declared ($0.05 Per Share of Class A Common Stock)	—	—	—	—	—	—	(1,230)	—	—	—	(1,230)
Tax Distributions	—	—	—	—	—	—	—	—	—	(8,305)	(8,305)
Equity-Based Compensation	—	—	—	—	—	25,430	—	—	—	1,860	27,290
Deliveries of Vested Shares of Class A Common Stock	9,594	—	—	—	—	—	—	—	—	—	—
Change in Ownership Interest	—	(2)	—	—	—	(32,380)	—	—	—	15,963	(16,417)
Treasury Stock Purchases	—	—	(493,875)	—	—	—	—	—	(34,398)	—	(34,398)
Balance at June 30, 2021	29,121,401	168	(4,628,513)	$ 269	$ —	$ 370,875	$ 14,200	$ 1,685	$ (243,952)	$ 513,680	$ 656,757

	Six Months Ended June 30, 2021										
	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 (Deficit)	Accumulated Other Comprehensive Income	Treasury Stock	Non-Controlling Interests	Total
Balance at December 31, 2020	27,293,085	194	(3,476,731)	$ 267	$ —	$ 349,363	$ (33,127)	$ 1,414	$ (163,658)	$ 533,587	$ 687,846
Net Income	—	—	—	—	—	—	49,827	—	—	36,825	86,652
Other Comprehensive Income	—	—	—	—	—	—	—	271	—	238	509
Dividends Declared ($0.10 Per Share of Class A Common Stock)	—	—	—	—	—	—	(2,500)	—	—	—	(2,500)
Tax Distributions	—	—	—	—	—	—	—	—	—	(8,305)	(8,305)
Equity-Based Compensation	—	—	—	—	—	53,368	—	—	—	3,870	57,238
Net Share Settlement	—	—	—	—	—	(20,415)	—	—	—	—	(20,415)
Deliveries of Vested Shares of Class A Common Stock	1,828,316	—	—	2	—	—	—	—	—	—	2
Change in Ownership Interest	—	(26)	—	—	—	(11,441)	—	—	—	(52,535)	(63,976)
Treasury Stock Purchases	—	—	(1,151,782)	—	—	—	—	—	(80,294)	—	(80,294)
Balance at June 30, 2021	29,121,401	168	(4,628,513)	$ 269	$ —	$ 370,875	$ 14,200	$ 1,685	$ (243,952)	$ 513,680	$ 656,757

(continued)

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 June 30, 2020										
	Shares										
	Class A Common Stock	Class B Common Stock	Treasury Stock	Class A Common Stock	Class B Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	Non-Controlling Interests	Total
Balance at March 31, 2020	27,158,722	210	(3,083,954)	$ 266	$ —	$ 349,932	$ (128,214)	$ (1,334)	$ (140,178)	$ 509,841	$ 590,313
Net Income	—	—	—	—	—	—	21,670	—	—	19,247	40,917
Other Comprehensive Loss	—	—	—	—	—	—	—	(135)	—	(120)	(255)
Dividends Declared ($0.05 Per Share of Class A Common Stock)	—	—	—	—	—	—	(1,207)	—	—	—	(1,207)
Equity-Based Compensation	—	—	—	—	—	26,247	—	—	—	1,969	28,216
Net Share Settlement	—	—	—	—	—	(17)	—	—	—	—	(17)
Deliveries of Vested Shares of Class A Common Stock	761	—	—	—	—	—	—	—	—	—	—
Change in Ownership Interest	—	(4)	—	—	—	(1,549)	—	—	—	(7,100)	(8,649)
Balance at June 30, 2020	27,159,483	206	(3,083,954)	$ 266	$ —	$ 374,613	$ (107,751)	$ (1,469)	$ (140,178)	$ 523,837	$ 649,318

	Six Months Ended June 30, 2020										
	Shares										
	Class A Common Stock	Class B Common Stock	Treasury Stock	Class A Common Stock	Class B Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Non-Controlling Interests	Total
Balance at December 31, 2019	25,621,451	204	(2,544,657)	$ 251	$ —	$ 290,896	$ (144,919)	$ 146	$ (114,984)	$ 543,127	$ 574,517
Adoption of Accounting Standard	—	—	—	—	—	—	(938)	—	—	—	(938)
Net Income	—	—	—	—	—	—	40,530	—	—	32,396	72,926
Other Comprehensive Loss	—	—	—	—	—	—	—	(1,615)	—	(1,422)	(3,037)
Dividends Declared ($0.10 Per Share of Class A Common Stock)	—	—	—	—	—	—	(2,424)	—	—	—	(2,424)
Equity-Based Compensation	—	—	—	—	—	61,290	—	—	—	4,258	65,548
Forfeiture Liability for Equity Awards	—	—	—	—	—	1	—	—	—	—	1
Net Share Settlement	—	—	—	—	—	(12,141)	—	—	—	—	(12,141)
Deliveries of Vested Shares of Class A Common Stock	1,538,032	—	—	15	—	(15)	—	—	—	—	—
Change in Ownership Interest	—	2	—	—	—	34,582	—	—	—	(54,522)	(19,940)
Treasury Stock Purchases	—	—	(539,297)	—	—	—	—	—	(25,194)	—	(25,194)
Balance at June 30, 2020	27,159,483	206	(3,083,954)	$ 266	$ —	$ 374,613	$ (107,751)	$ (1,469)	$ (140,178)	$ 523,837	$ 649,318

See notes to condensed consolidated financial statements.

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

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Operating Activities		
Net Income	$ 86,652	$ 72,926
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities		
Equity-Based Compensation Expense	57,238	65,548
Depreciation and Amortization Expense	7,643	7,529
Amortization of Operating Lease Right-of-Use Assets	9,565	11,581
Provision for Credit Losses	1,185	1,062
Deferred Taxes	—	(92)
Other	(2,840)	(93)
Cash Flows Due to Changes in Operating Assets and Liabilities		
Accounts Receivable	(69,625)	(31,981)
Other Assets	1,012	(12,373)
Accrued Compensation and Benefits	(125,833)	11,622
Accounts Payable, Accrued Expenses and Other Liabilities	(347)	(3,210)
Operating Lease Liabilities	(10,578)	(7,871)
Taxes Payable	264	11,377
Deferred Revenue	(1,930)	(3,834)
Net Cash Provided by (Used in) Operating Activities	(47,594)	122,191
Investing Activities		
Purchases of Investments	(97,638)	(146,594)
Proceeds from Sales and Maturities of Investments	162,813	16,296
Purchases of Furniture, Equipment and Leasehold Improvements	(1,852)	(7,018)
Net Cash Provided by (Used in) Investing Activities	63,323	(137,316)
Financing Activities		
Dividends	(2,500)	(2,424)
Tax Distributions	(8,305)	—
Proceeds from Revolving Credit Facility	15,000	16,000
Payments on Revolving Credit Facility	(15,000)	(16,000)
Principal Payments on Term Loan	—	(21,500)
Employee Taxes Paid for Shares Withheld	(20,415)	(12,141)
Cash-Settled Exchanges of Partnership Units	(65,208)	(20,255)
Treasury Stock Purchases	(80,294)	(25,194)
Payments Pursuant to Tax Receivable Agreement	(1,165)	—
Principal Payments on Finance Leases	(27)	(78)
Net Cash Used in Financing Activities	(177,914)	(81,592)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,778	(4,110)
Net Decrease in Cash and Cash Equivalents	(160,407)	(100,827)
Cash and Cash Equivalents, Beginning of Period	299,513	215,950
Cash and Cash Equivalents, End of Period	$ 139,106	$ 115,123
Supplemental Disclosure of Cash Flows Information		
Payments for Income Taxes, Net of Refunds Received	$ 5,215	$ 2,646
Payments for Interest	$ 10	$ 116
Non-Cash Receipt of Shares	$ 1,125	$ —

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 services designed to help clients achieve their strategic objectives. The Company's team of senior professionals delivers a range of strategic advisory, capital markets advisory, restructuring and special situations and shareholder advisory services to corporations, financial sponsors, institutional investors and governments around the world. The Company also provides, through PJT Park Hill, private fund advisory and fundraising services for alternative investment managers, including private equity funds, real estate funds and hedge funds.

On October 1, 2015, The Blackstone Group 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 June 30, 2021, the non-controlling interest was 39.1%. 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 and PJT Partners Park Hill (Spain) A.V., S.A.U.

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 United States of America ("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, 2020.

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, 2020.

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

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 primarily held at four major financial institutions. Also included in Cash and Cash Equivalents are amounts held in bank accounts that are subject to advance notification to withdraw. Such amounts totaled $0.7 million and $47.8 million as of June 30, 2021 and December 31, 2020, respectively.

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

Recent Accounting Developments

In December 2019, the FASB issued guidance that modifies the accounting for income taxes. The guidance provides clarification on multiple topics, including hybrid tax regimes, the tax basis step-up in goodwill that is not classified as a business combination, separate financial statements of legal entities not subject to tax, intraperiod tax allocation, ownership changes in investments, interim period accounting for enacted changes in tax law and year-to-date loss limitations in interim period tax accounting. The guidance is effective for annual and interim periods beginning after December 15, 2020, with early adoption permitted. The Company adopted this guidance on January 1, 2021 with no material impact 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 and six months ended June 30, 2021 and 2020:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Advisory Fees	$ 197,624	$ 192,539	$ 350,224	$ 349,130
Placement Fees	40,337	35,260	90,720	74,252
Interest Income from Placement Fees and Other	1,822	3,336	3,602	6,681
Revenues from Contracts with Customers	$ 239,783	$ 231,135	$ 444,546	$ 430,063

Remaining Performance Obligations and Revenue Recognized from Past Performance

As of June 30, 2021, the aggregate amount of the transaction price allocated to performance obligations yet to be satisfied was $25.8 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 capital advisory services and standing ready to perform.

The Company recognized revenue of $3.6 million and $10.8 million for the three and six months ended June 30, 2021, respectively, and $3.8 million and $9.6 million for the three and six months ended June 30, 2020, 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 capital advisory services. The majority of Advisory Fees and Placement Fees recognized by the Company during the three and six months ended June 30, 2021 and 2020 was predominantly related to performance obligations that were partially satisfied in prior periods.

Contract Balances

There were no significant impairments related to contract balances during the three and six months ended June 30, 2021 and 2020.

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

For the six months ended June 30, 2021 and 2020, $7.9 million and $11.7 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 deposits, which are also considered to be contract liabilities. As of June 30, 2021 and December 31, 2020, the Company recorded $2.0 million and $2.4 million, respectively, of customer deposits in Accounts Payable, Accrued Expenses and Other Liabilities in the Condensed Consolidated Statements of Financial Condition.

4. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

The following table presents the aggregate change in the allowance for credit losses for the six months ended June 30, 2021 and 2020:

	Six Months Ended June 30,	
	2021	2020
Beginning Balance	$ 1,330	$ —
Adoption of ASC 326	—	1,107
Provision for Credit Losses	1,185	1,062
Write-offs	(501)	(1,019)
Recoveries	63	325
Ending Balance	$ 2,077	$ 1,475

Included in Accounts Receivable, Net is accrued interest of $1.5 million and $2.5 million as of June 30, 2021 and December 31, 2020, respectively, related to placement fees.

Included in Accounts Receivable, Net are long-term receivables of $87.7 million and $83.5 million as of June 30, 2021 and December 31, 2020, 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 $4.4 million and $2.9 million as of June 30, 2021 and December 31, 2020, respectively, which were outstanding more than 90 days. The allowance for credit losses with respect to long-term receivables was $0.7 million and $0.6 million as of June 30, 2021 and December 31, 2020, respectively.

5. INTANGIBLE ASSETS

Intangible Assets, Net consists of the following:

	June 30, 2021	December 31, 2020
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	(36,739)	(33,747)
Trade Name	(6,096)	(5,299)
Total Accumulated Amortization	(42,835)	(39,046)
Intangible Assets, Net	$ 28,241	$ 32,030

Amortization expense was $1.9 million and $3.9 million for the three and six months ended June 30, 2021, respectively, and $1.9 million and $3.9 million for the three and six months ended June 30, 2020, respectively.

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

Amortization of Intangible Assets held at June 30, 2021 is expected to be $3.9 million for the remainder of the year ending December 31, 2021; $6.5 million for the year ending December 31, 2022; $4.9 million for each of the years ending December 31, 2023 and 2024; and $4.8 million for the year ending December 31, 2025.

6. FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

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

	June 30, 2021	December 31, 2020
Leasehold Improvements	$ 54,036	$ 52,789
Furniture and Fixtures	17,726	17,773
Office Equipment	2,731	2,327
Total Furniture, Equipment and Leasehold Improvements	74,493	72,889
Accumulated Depreciation	(37,464)	(34,112)
Furniture, Equipment and Leasehold Improvements, Net	$ 37,029	$ 38,777

Depreciation expense was $1.9 million and $3.7 million for the three and six months ended June 30, 2021, respectively, and $1.8 million and $3.7 million for the three and six months ended June 30, 2020, respectively.

7. FAIR VALUE MEASUREMENTS

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

	June 30, 2021			
	Level I	Level II	Level III	Total
Treasury Instruments	$ —	$ 72,684	$ —	$ 72,684

	December 31, 2020			
	Level I	Level II	Level III	Total
Treasury Instruments	$ —	$ 137,669	$ —	$ 137,669
Other	—	220	—	220
Total	$ —	$ 137,889	$ —	$ 137,889

Investments in Treasury securities were included in Investments as of June 30, 2021 and December 31, 2020 in the Condensed Consolidated Statements of Financial Condition.

8. INCOME TAXES

The following table summarizes the Company's tax position:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Income Before Provision for Taxes	$ 52,446	$ 49,677	$ 96,335	$ 83,236
Provision for Taxes	$ 9,590	$ 8,760	$ 9,683	$ 10,310
Effective Income Tax Rate	18.3 %	17.6 %	10.1 %	12.4 %

The Company's effective tax rate differed from the U.S. federal statutory tax rate for the three and six months ended June 30, 2021 primarily due to partnership income not being subject to U.S. corporate income taxes and permanent differences related to compensation.

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

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed into law, which includes several provisions for corporations regarding the tax treatment of net operating losses, interest deductions and payroll benefits. The Company elected to carryback certain net operating losses, which resulted in a $3.7 million decrease in the Company's Provision for Income Taxes for the six months ended June 30, 2020.

As of June 30, 2021, the Company had no unrecognized tax benefits.

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 and six months ended June 30, 2021 and 2020 is presented below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Numerator:				
Net Income Attributable to PJT Partners Inc.	$ 23,145	$ 21,670	$ 49,827	$ 40,530
Less:				
Dividends on Participating Securities	—	3	—	6
Net Income Attributable to Participating Securities	—	15	—	28
Net Income Attributable to Shares of Class A Common Stock — Basic	23,145	21,652	49,827	40,496
Incremental Net Income from Dilutive Securities	14,295	357	31,434	24,582
Net Income Attributable to Shares of Class A Common Stock — Diluted	$ 37,440	$ 22,009	$ 81,261	$ 65,078
Denominator:				
Weighted-Average Shares of Class A Common Stock Outstanding — Basic	25,051,017	24,636,534	25,010,968	24,367,124
Weighted-Average Number of Incremental Shares from Unvested RSUs and Partnership Units	17,045,018	825,701	17,603,659	16,007,570
Weighted-Average Shares of Class A Common Stock Outstanding — Diluted	42,096,035	25,462,235	42,614,627	40,374,694
Net Income Per Share of Class A Common Stock				
Basic	$ 0.92	$ 0.88	$ 1.99	$ 1.66
Diluted	$ 0.89	$ 0.86	$ 1.91	$ 1.61

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 40,898,458 and 41,051,286 for the three and six months ended June 30, 2021, respectively, excluding unvested restricted stock units ("RSUs") and participating 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 and six months ended June 30, 2021 and six months ended June 30, 2020, there were no anti-dilutive securities. For the three months ended June 30, 2020, there were 15,477,283 weighted-average Partnership Units that were anti-dilutive.

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

Share Repurchase Program

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 Board authorizations. 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 the six months ended June 30, 2021, the Company repurchased 1.2 million shares of Class A common stock at an average price of $69.69, or $80.3 million in aggregate, pursuant to the share repurchase program. As of June 30, 2021, the available amount remaining for repurchase was $106.2 million.

10. EQUITY-BASED AND OTHER DEFERRED COMPENSATION

Overview

Further information regarding the Company's equity-based compensation awards is described in Note 11. "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, 2020.

The following table presents equity-based compensation expense and related income tax benefit for the three and six months ended June 30, 2021 and 2020, respectively:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Equity-Based Compensation Expense	$ 27,290	$ 28,216	$ 57,238	$ 65,548
Income Tax Benefit	$ 3,674	$ 3,852	$ 7,701	$ 8,934

Restricted Stock Units

The following table summarizes activity related to unvested RSUs for the six months ended June 30, 2021:

	Restricted Stock Units	
	Number of Units	Weighted-Average Grant Date Fair Value (in dollars)
Balance, December 31, 2020	4,801,398	$ 50.56
Granted	1,357,754	73.08
Dividends Reinvested on RSUs	(14,474)	43.09
Forfeited	(16,274)	60.76
Vested	(2,075,829)	47.37
Balance, June 30, 2021	4,052,575	$ 59.73

As of June 30, 2021, there was $161.5 million of estimated unrecognized compensation expense related to unvested RSU awards. 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% to 6.0% annually based on expected turnover and periodically reassesses this rate. The weighted-average grant date fair value with respect to RSUs granted for the six months ended June 30, 2020 was $52.35.

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

RSU Awards with Both Service and Market Conditions

The following table summarizes activity related to unvested RSU awards with both a service and market condition for the six months ended June 30, 2021:

	RSU Awards with Both Service and Market Conditions	
	Number of Units	Weighted-Average Grant Date Fair Value (in dollars)
Balance, December 31, 2020	361,786	$ 27.56
Forfeited	(12,658)	10.63
Dividends Reinvested on RSUs	386	32.27
Balance, June 30, 2021	349,514	$ 28.18

As of June 30, 2021, there was $3.5 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 1.2 years. The Company assumes a forfeiture rate of 4.0% to 6.0% annually based on expected turnover and periodically reassesses this rate. The weighted-average grant date fair value with respect to RSU awards with both a service and market condition granted for the six months ended June 30, 2020 was $34.42.

Restricted Share Awards

In connection with the acquisition of CamberView Partners Holdings, LLC, certain individuals were issued restricted shares of the Company's Class A common stock. Based on the terms of the award, compensation expense will be recognized over four years. For the six months ended June 30, 2021, no restricted share awards were granted. For the six months ended June 30, 2020, no restricted share awards were granted. As of June 30, 2021, 3,506 restricted shares have vested, no restricted shares have been forfeited and there were 5,185 restricted shares outstanding. As of June 30, 2021, there was $0.1 million of estimated unrecognized compensation expense related to restricted share awards. This cost is expected to be recognized over a weighted-average period of 0.8 years.

Partnership Units

The following table summarizes activity related to unvested Partnership Units for the six months ended June 30, 2021:

	Partnership Units	
	Number of Partnership Units	Weighted-Average Grant Date Fair Value (in dollars)
Balance, December 31, 2020	356,290	$ 45.16
Granted	63,171	68.10
Vested	(111,594)	41.64
Balance, June 30, 2021	307,867	$ 51.14

As of June 30, 2021, there was $10.7 million of estimated unrecognized compensation expense related to unvested Partnership Units. This cost is expected to be recognized over a weighted-average period of 1.1 years. The Company assumes a forfeiture rate of 4.0% 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 six months ended June 30, 2020 was $44.85.

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Partnership Unit Awards with Both Service and Market Conditions

The following table summarizes activity related to unvested Partnership Unit awards with both a service and market condition for the six months ended June 30, 2021:

	Partnership Unit Awards with Both Service and Market Conditions	
	Number of Partnership Units	Weighted-Average Grant Date Fair Value (in dollars)
Balance, December 31, 2020	1,210,826	$ 5.72
Balance, June 30, 2021	1,210,826	$ 5.72

As of June 30, 2021, there wasno unrecognized compensation expense related to Partnership Unit awards with both a service and market condition.

Units Expected to Vest

The following unvested units, after expected forfeitures, as of June 30, 2021, are expected to vest:

	Units	Weighted-Average Service Period in Years
Restricted Stock Units	4,200,330	1.5
Partnership Units (a)	299,222	1.1
Restricted Share Awards	5,392	0.8
Total Equity-Based Awards	4,504,944	1.5

(a) Excludes 1.2 million outstanding Partnership Units subject to market conditions.

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 $8.1 million and $15.6 million for the three and six months ended June 30, 2021, respectively, and $8.4 million and $16.1 million for the three and six months ended June 30, 2020, respectively. As of June 30, 2021, there was $32.2 million of unrecognized compensation expense related to these awards. The weighted-average period over which this compensation cost is expected to be recognized is 1.3 years.

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11. LEASES

The components of lease expense were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Operating Lease Cost	$ 6,980	$ 6,729	$ 13,826	$ 14,046
Finance Lease Cost				
Amortization of Right-of-Use Assets	12	37	27	75
Interest on Lease Liabilities	1	2	2	3
Total Finance Lease Cost	13	39	29	78
Short-Term Lease Cost	37	—	37	—
Variable Lease Cost	733	727	1,585	1,498
Sublease Income	(219)	(866)	(489)	(1,777)
Total Lease Cost	$ 7,544	$ 6,629	$ 14,988	$ 13,845

Supplemental information related to leases was as follows:

	Six Months Ended June 30,	
	2021	2020
Cash Paid for Amounts Included in Measurement of Lease Liabilities		
Operating Cash Flows from Operating Leases	$ 10,578	$ 7,871
Operating Cash Flows from Finance Leases	$ 2	$ 2
Financing Cash Flows from Finance Leases	$ 27	$ 78
Right-of-Use Assets Obtained in Exchange for Lease Liabilities		
Operating Leases	$ 6,765	$ 102

	June 30, 2021	December 31, 2020
Weighted-Average Remaining Lease Term (in years)		
Operating Leases	8.0	8.4
Finance Leases	2.8	3.1
Weighted-Average Discount Rate		
Operating Leases	4.7 %	4.7 %
Finance Leases	3.7 %	3.7 %

The following is a maturity analysis of the annual undiscounted cash flows of the finance and operating lease liabilities as of June 30, 2021:

Year Ending December 31,	Finance	Operating
2021 (July 1 through December 31)	$ 21	$ 14,723
2022	38	29,905
2023	30	30,245
2024	17	28,704
2025	—	24,856
Thereafter	—	74,988
Total Lease Payments	106	203,421
Less: Imputed Interest	5	34,355
Total	$ 101	$ 169,066

12. TRANSACTIONS WITH RELATED PARTIES

Exchange Agreement

The Company has entered into an exchange agreement 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 limited partnership agreement of PJT Partners Holdings LP, 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 14. "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, 2020.

Certain Partnership Unitholders exchanged 901,532 and 403,713 Partnership Units, respectively, for cash in the amounts of $65.2 million and $20.3 million, respectively, for the six months ended June 30, 2021 and 2020, respectively. Such amounts are recorded as a reduction of Non-Controlling Interests in the Condensed Consolidated Statements of Financial Condition.

During the second quarter of 2021, the Company was presented with 394,296 Partnership Units to be exchanged. The Company will settle the exchange of these Partnership Units on August 5, 2021 for cash at a price equal to the volume-weighted average price per share of the Company's Class A common stock on August 2, 2021.

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 June 30, 2021 and December 31, 2020, the Company had amounts due of $25.6 million and $19.6 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 payments.

Aircraft Lease

The Company makes available to its partners, and on occasion, family members of these individuals, personal use of a company leased business aircraft when the aircraft is not being used for business purposes, for which the partners pay 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, 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, on the terms and subject to the 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 October 1, 2022, subject to extension by agreement of the Borrower and Lender.

Outstanding borrowings under the revolving credit facility bear interest equal to the greater of a per annum rate of (a)2.75%, or (b) the prime rate minus1.0%. During an event of default, overdue principal under the revolving credit facility bears interest at a rate 2.0% in excess of the otherwise applicable rate of interest.In connection with the closing of the Renewal Agreement, the Borrower paid the Lender certain closing costs and fees. In addition, on and after the closing date, the Borrower will also pay a commitment fee on the undrawn portion of the revolving credit facility of 0.125% per annum, payable quarterly in arrears.

As of June 30, 2021 and December 31, 2020, there wereno borrowings under the revolving credit facility.

The Renewal Agreement requires the Borrower to maintain certain minimum financial covenants and limits or restricts the ability of the Borrower (subject to certain qualifications and exceptions) to incur additional indebtedness in excess of $20.0 million. Outstanding borrowings under the Renewal Agreement are secured by the accounts receivable of PJT Partners LP.

As of June 30, 2021 and December 31, 2020, the Company was in compliance with the debt covenants under the Renewal Agreement and the Amended Restated Loan Agreement, respectively.

Contingencies

Litigation

From time to time, the Company is 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.

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 $5.1 million and $6.0 million as of June 30, 2021 and December 31, 2020, respectively. 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 June 30, 2021 and December 31, 2020.

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. The amount payable to Blackstone arising from the tax deductions has been recorded in Other Expenses in the Condensed Consolidated Statements of Operations and is payable annually (for periods in which a cash benefit is realized) within nine months of the end of the relevant tax period. As of June 30, 2021 and December 31, 2020, the Company had accrued $2.4 million, 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 United States, 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 strategic advisory, capital markets advisory, restructuring and special situations, shareholder advisory, private fund advisory and fundraising services are conducted in the United States 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 computes net capital based upon the aggregate indebtedness standard, which requires the maintenance of minimum net capital, as defined, which shall be the greater of $100 thousand or 6 2/3% of aggregate indebtedness, as defined, and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. PJT Partners LP had net capital of $79.6 million and $243.2 million as of June 30, 2021 and December 31, 2020, respectively, which exceeded the minimum net capital requirement by $77.4 million and $241.2 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).

PJT Partners (UK) Limited is authorized and regulated by the United Kingdom's Financial Conduct Authority and is required to maintain regulatory net capital of €50 thousand. PJT Partners (HK) Limited is licensed with the Hong Kong Securities and Futures Commission and is subject to a minimum liquid capital requirement of HK$3 million. PJT Partners Park Hill (Spain) A.V., S.A.U. is an investment firm regulated by Spain's National Securities Market Commission and is required to maintain minimum capital of €75 thousand. As of June 30, 2021 and December 31, 2020, these entities were in compliance with local capital adequacy requirements.

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

15. BUSINESS INFORMATION

The Company's activities providing strategic advisory, capital markets advisory, restructuring and special situations, shareholder advisory, private fund advisory and fundraising 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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues				
Domestic	$ 197,062	$ 205,629	$ 361,342	$ 391,438
International	43,619	26,934	86,039	41,296
Total	$ 240,681	$ 232,563	$ 447,381	$ 432,734

	June 30, 2021	December 31, 2020
Assets		
Domestic	$ 839,716	$ 975,762
International	176,452	195,845
Total	$ 1,016,168	$ 1,171,607

The Company was not subject to any material concentrations with respect to its revenues for the three and six months ended June 30, 2021. The Company hadone client that represented 13.1% of total revenues for the three months ended June 30, 2020. The Company was not subject to any material concentrations with respect to its revenues for the six months ended June 30, 2020. The Company was not subject to any material concentrations of credit risk with respect to its accounts receivable as of June 30, 2021 and December 31, 2020.

16. SUBSEQUENT EVENTS

The Board of Directors of PJT Partners Inc. has declared a quarterly dividendof $0.05 per share of Class A common stock, which will be paid onSeptember 22, 2021 to Class A common stockholders of record on September 8, 2021.

The Board of Directors of PJT Partners Inc. has also declared a special dividendof $3.00 per share of Class A common stock, which will be paid onOctober 18, 2021 to Class A common stockholders of record on October 4, 2021.

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 the exchange of Partnership Units 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. We offer a unique portfolio of advisory services designed to help our clients achieve their strategic objectives. Our team of senior professionals delivers a range of strategic advisory, capital markets advisory, restructuring and special situations and shareholder advisory services to corporations, financial sponsors, institutional investors and governments around the world. 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.

We have world-class franchises in each of the areas in which we compete.

- Our Strategic Advisory business offers a broad range of financial advisory and transaction execution capabilities, including advising clients on mergers and acquisitions ("M&A"), joint ventures, minority investments, asset swaps, divestitures and activism defense. Our capital markets advisory team specializes in advice and execution on public and private capital raises in the debt and equity capital markets. We provide in-depth advice on capital structure, acquisition finance, debt execution, SPACs, Pre-IPO and IPO, private capital raising and structured products. Through PJT Camberview, our industry leading shareholder advisory business, we provide investor-led advice to public company boards and management teams around the globe on shareholder engagement, strategic investor relations, activism and contested situations, ESG and sustainability and other complex corporate governance matters.
- Our Restructuring and Special Situations business is one of the world's leading advisors in restructurings and recapitalizations, both in and out of court, around the globe. With expertise in highly complex capital structure challenges, we advise companies, creditors and financial sponsors on liability management and related capital raise transactions including exchanges, recapitalizations, reorganizations, debt repurchases and distressed mergers and acquisitions.
- PJT Park Hill, our leading global alternative asset advisory and fundraising business, provides private fund advisory and fundraising services for a diverse range of investment strategies. Moreover, PJT Park Hill is the only group among its peers with top-tier dedicated private equity, hedge fund, private credit, real estate and secondary advisory groups. PJT Park Hill's Secondary Advisory business is a leading advisor to global alternative asset managers and provides clients with a breadth of expertise in the secondary markets, including GP liquidity solutions, GP tender offers, GP recapitalizations, LP portfolio solutions, asset strip sales, single asset SPVs and other structured solutions.

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, 2020 for a discussion of some of the factors that can affect our performance.

M&A is a cyclical business that is impacted by macroeconomic conditions. Worldwide M&A announced volumes during the first half of 2021 were up significantly compared with the first half of 2020. While the pace of activity may not remain at these levels, we expect corporate boards and management teams to continue to use M&A as a strategic tool.

Global restructuring activity slowed from elevated 2020 levels during the first half of 2021, mainly driven by fiscal and monetary stimulus that continues to drive strong capital markets activities. While some companies have addressed near-term issues, it is likely many will emerge from the COVID-19 pandemic with significantly more leverage and will need to address their balance sheets in the future. While the current demand for liability management services has lessened, we continue to believe that the medium- to long-term demand for such advisory services willimprove.

While many limited partners are actively allocating capital, investors remain focused on existing relationships with fund managers. As a result, the bar for fund managers to attract new investors remains high as investors continue to demand highly successful and tenured firms and a flight to quality persists. Certain strategies and themes remain extremely topical among the broader institutional investor base throughout private equity, hedge funds, private credit and real estate. Additionally, as it relates to secondary activity, the number of high quality sponsors accessing the secondary market through continuation vehicles continues to increase. The current environment continues to present challenges for investors and fund managers particularly related to in-person meetings and onsite due diligence. While many investors have begun to demonstrate optimism as we progress towards a more normalized business environment, it remains difficult to predict the future impact that COVID-19, including the emergence of variant strains of the virus, may have on the economic environment.

Key Financial Measures

Revenues

Substantially all of our revenues are derived from Advisory Fees and Placement Fees. 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.

Advisory Fees – The Company provides a range of strategic advisory, capital markets advisory, restructuring and special situations and shareholder advisory 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 secondary advisory services provided by PJT Park Hill include providing solutions to investing clients seeking portfolio liquidity, unfunded commitment relief and investments in secondary markets. Advisory Fees typically consist of retainer and transaction-based fee arrangements. The amount and timing of the fees paid vary by the type of engagement. The majority of our recognized Advisory Fees are dependent on the successful completion of a transaction.

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.

Placement Fees – Our fund placement services primarily serve private equity, real estate and hedge funds. Our team advises on all aspects of the fundraising process including competitive positioning and market assessment, marketing materials and related documentation and partnership terms and conditions most prevalent in the current environment. We also provide public and private placement fundraising services to our corporate clients and earn placement and underwriting fees based on the successful completion of the transaction.

Fund placement 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 London Interbank Offered 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 48 month 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.

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; miscellaneous income; 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, cash bonuses, 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, business performance, compensation adjustments in relation to market movements, changes in rates for employer taxes and other cost increases affecting benefit plans. In addition, this expense is affected by the composition of our work force. The expense associated with our bonus and equity plans can also have a significant impact on this expense category and may vary from year to year.

We maintain compensation programs, including salaries, annual incentive compensation (that may include components of 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. In our advisory businesses, these hires generally do not begin to generate significant revenue in the year they are hired.

Our remaining expenses are the other costs typical to operating our business, which generally consist of:

- *Occupancy and Related* – consisting primarily of costs related to leased property, including rent, maintenance, real estate taxes, utilities and other related costs. Our company headquarters are located in New York, New York, and we maintain additional offices in the U.S. and throughout the world;
- *Travel and Related* – consisting of costs for our partners and employees to render services where our clients are located;
- *Professional Fees* – consisting primarily of consulting, audit and tax, recruiting and legal and other professional services;
- *Communications and Information Services* – consisting primarily of costs for our technology infrastructure and telecommunications costs;
- *Depreciation and Amortization* – consisting of depreciation and amortization on our furniture, equipment, leasehold improvements and intangible assets; and
- *Other Expenses* – consisting primarily of provision for credit losses, regulatory fees, insurance, fees paid for access to external market data, advertising, other general operating expenses and transaction-related payable to The Blackstone Group Inc. (“Blackstone” or our “former Parent”).

Income Taxes – PJT Partners Inc. is a corporation subject to U.S. federal, state and local income taxes in jurisdictions where it does business. The Company’s 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 non-U.S. jurisdictions, as applicable. These taxes have been reflected in the Company’s 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 operating partnership (PJT Partners Holdings LP).

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, 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 and six months ended June 30, 2021 and 2020:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	Change	2021	2020	Change
	(Dollars in Thousands)					
Revenues						
Advisory Fees	$ 197,624	$ 192,539	3 %	$ 350,224	$ 349,130	0 %
Placement Fees	40,337	35,260	14 %	90,720	74,252	22 %
Interest Income and Other	2,720	4,764	(43)%	6,437	9,352	(31)%
Total Revenues	240,681	232,563	3 %	447,381	432,734	3 %
Expenses						
Compensation and Benefits	153,924	154,730	(1)%	286,717	288,754	(1)%
Occupancy and Related	8,760	8,659	1 %	17,219	17,313	(1)%
Travel and Related	1,697	537	216 %	2,214	5,833	(62)%
Professional Fees	8,233	5,540	49 %	15,950	10,063	59 %
Communications and Information Services	5,033	3,594	40 %	9,207	7,140	29 %
Depreciation and Amortization	3,809	3,709	3 %	7,643	7,529	2 %
Other Expenses	6,779	6,117	11 %	12,096	12,866	(6)%
Total Expenses	188,235	182,886	3 %	351,046	349,498	0 %
Income Before Provision for Taxes	52,446	49,677	6 %	96,335	83,236	16 %
Provision for Taxes	9,590	8,760	9 %	9,683	10,310	(6)%
Net Income	42,856	40,917	5 %	86,652	72,926	19 %
Net Income Attributable to Non-Controlling Interests	19,711	19,247	2 %	36,825	32,396	14 %
Net Income Attributable to PJT Partners Inc.	$ 23,145	$ 21,670	7 %	$ 49,827	$ 40,530	23 %

Revenues

The following table provides revenue statistics for the three and six months ended June 30, 2021 and 2020:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Advisory Fees				
Number of Clients	179	208	214	234
Number of Fee-Paying Clients with $1 Million or More	38	39	70	67
Number of Fee-Paying Clients Representing Greater than 10% of Advisory Fees	—	1	—	—
Percentage of Such Clients' Fees of Total Advisory Fees	N/A	15.8 %	N/A	N/A
Placement Fees				
Number of Clients	49	31	71	50
Number of Fee-Paying Clients with $1 Million or More	12	10	28	22
Number of Fee-Paying Clients Representing Greater than 10% of Placement Fees	1	2	2	2
Percentage of Such Clients' Fees of Total Placement Fees	24.2 %	46.7 %	25.4 %	27.9 %

Total Revenues were $240.7 million for the three months ended June 30, 2021, an increase of $8.1 million compared with $232.6 million for the three months ended June 30, 2020. Advisory Fees were $197.6 million for the three months ended June 30, 2021, an increase of $5.1 million compared with $192.5 million for the three months ended June 30, 2020. Increases in strategic advisory and secondary advisory revenues more than offset a decline in restructuring revenues. Placement Fees were $40.3 million for the three months ended June 30, 2021, an increase of $5.1 million compared with $35.3 million for the three months ended June 30, 2020. The increase in Placement Fees was driven by a significant increase in fund placement activity and partially offset by a decline in corporate placement activity. Interest Income and Other was $2.7 million for the three months ended June 30, 2021, a decrease of $2.0 million compared with $4.8 million for the three months ended June 30, 2020. The decrease in Interest Income and Other was primarily driven by a decrease in reimbursable expenses and sublease income.

Total Revenues were $447.4 million for the six months ended June 30, 2021, an increase of $14.6 million compared with $432.7 million for the six months ended June 30, 2020. Advisory Fees were $350.2 million for the six months ended June 30, 2021, which increased slightly from $349.1 million for the six months ended June 30, 2020. Increases in strategic advisory and secondary advisory revenues more than offset a decline in restructuring revenues. Placement Fees were $90.7 million for the six months ended June 30, 2021, an increase of $16.5 million compared with $74.3 million for the six months ended June 30, 2020. The increase in Placement Fees was driven by a significant increase in fund placement activity and partially offset by a decline in corporate placement activity. Interest Income and Other was $6.4 million for the six months ended June 30, 2021, a decrease of $2.9 million compared with $9.4 million for the six months ended June 30, 2020. The decrease in Interest Income and Other was primarily driven by a decrease in reimbursable expenses and sublease income.

Expenses

Expenses were $188.2 million for the three months ended June 30, 2021, an increase of $5.3 million compared with $182.9 million for the three months ended June 30, 2020. The increase in expenses was primarily attributable to increases in Professional Fees, Communications and Information Services and Travel and Related of $2.7 million, $1.4 million and $1.2 million, respectively. Professional Fees increased primarily due to higher senior advisor expenses as well as increased recruiting costs. The increase in Communications and Information Services was primarily driven by investments in our technology infrastructure. Travel and Related activity increased during the three months ended June 30, 2021 compared with the same period a year ago, although it remains below historical pre-COVID levels.

Expenses were $351.0 million for the six months ended June 30, 2021, an increase of $1.5 million compared with $349.5 million for the six months ended June 30, 2020. The increase in expenses was primarily attributable to increases in Professional Fees and Communications and Information Services of $5.9 million and $2.1 million, respectively, and partially offset by a decrease in Travel and Related of $3.6 million. Professional Fees increased primarily due to higher senior advisor expenses as well as increased recruiting costs. The increase in Communications and Information Services was primarily driven by investments in our technology infrastructure. Travel and Related decreased during the six months ended June 30, 2021 compared with the same period a year ago due to reduced travel and entertainment activity in the first quarter of 2021.

Provision for Taxes

The Company's Provision for Taxes for the three months ended June 30, 2021 was $9.6 million, which represents an effective tax rate of 18.3% on pretax income of $52.4 million. The Company's Provision for Taxes for the three months ended June 30, 2020 was $8.8 million, which represents an effective tax rate of 17.6% on pretax income of $49.7 million.

The Company's Provision for Taxes for the six months ended June 30, 2021 was $9.7 million, which represents an effective tax rate of 10.1% on pretax income of $96.3 million. The Company's Provision for Taxes for the six months ended June 30, 2020 was $10.3 million, which represents an effective tax rate of 12.4% on pretax income of $83.2 million.

The change in tax rate between the three and six months ended June 30, 2021 and the three and six months ended June 30, 2020 was primarily due to an increased tax benefit related to the deliveries of vested shares at values in excess of their amortized cost.

Non-Controlling Interests

Net Income Attributable to Non-Controlling Interests is derived from the Income Before Provision for Taxes and 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 historically comprised of cash and cash equivalents, investments, receivables arising from strategic advisory and placement engagements and operating lease right-of-use assets. Our liabilities primarily 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 or 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 year-end or during the first quarter of each year after incentive compensation is paid to our employees. We then expect cash to gradually 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, 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"). Further information regarding the Renewal Agreement and Amended and Restated Loan 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, 2020. As of June 30, 2021 and December 31, 2020, we were in compliance with the debt covenants under the Renewal Agreement and Amended and Restated Loan Agreement, respectively.

We evaluate our cash needs on a regular basis in light of current market conditions. As of June 30, 2021 and December 31, 2020, we had cash, cash equivalents and investments of $211.8 million and $437.4 million, respectively.

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 June 30, 2021 and December 31, 2020, total accounts receivable were $300.3 million and $233.2 million, respectively. As of June 30, 2021 and December 31, 2020, the allowance for credit losses was $2.1 million and $1.3 million, respectively. Included in Accounts Receivable, Net are long-term receivables of $87.7 million and $83.5 million as of June 30, 2021 and December 31, 2020, 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, funding the cash redemption of Partnership Units, repurchasing shares of the Company's Class A common stock, paying income taxes, making distributions to our shareholders in accordance with our dividend policy, 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 through cash flows from operations will depend, in part, on our ability to generate or raise cash in the future. This 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 incur debt, issue additional equity or borrow from our revolving credit facility. Although we believe that the arrangements we have in place 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: (a) our credit ratings or absence of a credit rating, (b) the liquidity of the overall capital markets, and (c) the current state of the economy. 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 short-term and long-term liquidity and capital needs.

The Board of Directors of PJT Partners Inc. has declared a special dividend of $3.00 per share of Class A common stock, which will be paid on October 18, 2021 to Class A common stockholders of record on October 4, 2021.

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 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 Partnership Unitholder.

Certain Partnership Unitholders exchanged 901,532 and 403,713 Partnership Units, respectively, for cash in the amounts of $65.2 million and $20.3 million, respectively, for the six months ended June 30, 2021 and 2020, respectively.

Share Repurchase Program

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. 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 the six months ended June 30, 2021, the Company repurchased 1.2 million shares of Class A common stock at an average price of $69.69, or $80.3 million in aggregate, pursuant to the share repurchase program. As of June 30, 2021, the available amount remaining for repurchase was $106.2 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, 2020. There have not been any material changes to our contractual obligations since December 31, 2020.

Commitments and Contingencies

Litigation

From time to time, the Company is 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, we believe 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. 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.

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 $5.1 million and $6.0 million as of June 30, 2021 and December 31, 2020, respectively. In connection with this guarantee, the Company currently expects 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 June 30, 2021 and December 31, 2020, the Company had amounts due of $25.6 million and $19.6 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 payments.

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, 2020.

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 Policies

A discussion of critical accounting policies 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, 2020.

Off-Balance Sheet Arrangements

The Company is not involved with any off-balance sheet arrangements that are not elsewhere reflected in our condensed consolidated financial statements.

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 COVID-19 pandemic and its impact on the U.S. and global economies 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 primarily held at four major 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 investments are not subject to any material interest rate risk, equity price risk, credit risk or other market risk based on 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, including as a result of market dislocations caused by COVID-19, and reasonable and supportable forecasts. We maintain an allowance for credit losses that, in our opinion, reflects current expected credit losses. As of June 30, 2021 and December 31, 2020, the allowance for credit losses was $2.1 million and $1.3 million, respectively, which increased primarily as a result of a higher accounts receivable balance at June 30, 2021.

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 currency in which an invoice is issued and paid 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 Japanese yen and the Hong Kong dollar. For the six months ended June 30, 2021 and 2020, 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 gain of $0.5 million and loss of $3.0 million, respectively, and in Interest Income and Other in the Condensed Consolidated Statements of Operations, a loss of $1.7 million and a gain of $0.4 million, respectively. We have not entered into any transaction to hedge our exposure to these foreign currency fluctuations through the use of derivative instruments or other methods at this time. Given the uncertainty of the COVID-19 pandemic and the ongoing economic impact, 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 conduct 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.

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, 2020.

The risks described in our Annual Report on Form 10-K for the year ended December 31, 2020 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 Second Quarter of 2021

	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)
April 1 to April 30	415,206	$ 69.52	415,206	$ 111.7 million
May 1 to May 31	1,999	69.92	1,999	111.6 million
June 1 to June 30	76,670	70.17	76,670	106.2 million
Total	493,875	$ 69.62	493,875	$ 106.2 million

(a) 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 Board authorizations. 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

There were no unregistered sales of equity securities during the second quarter of 2021.

Dividend Policy

The Company's Board of Directors has declared a dividend of $0.05 per share of Class A common stock, to be paid on September 22, 2021, and plans to regularly pay quarterly dividends.

The Company's Board of Directors has also declared a special dividend of $3.00 per share of Class A common stock, which will be paid on October 18, 2021 to Class A common stockholders of record on October 4, 2021.

Refer to "Part II. Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities" in our Annual Report on Form 10-K for the year ended December 31, 2020 for further disclosure of the Company's dividend policy.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

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 (File No. 001-36869) filed with the Securities and Exchange Commission on October 5, 2015).
3.1	Amended and Restated Certificate of Incorporation of PJT Partners Inc. (incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-36869) filed with the Securities and Exchange Commission on October 5, 2015).
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 (File No. 001-36869) 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 Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\+ Certain schedules and exhibits to this agreement have been omitted in accordance with Item 601(a)(5) of Regulation S-K. The descriptions of the omitted schedules and exhibits are contained within the relevant agreement. A copy of any omitted schedule and/or exhibit will be furnished supplementally to the Securities and Exchange Commission upon request.

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: July 30, 2021

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 June 30, 2021 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: July 30, 2021

/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 June 30, 2021 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: July 30, 2021

/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 June 30, 2021, 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: July 30, 2021

/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 June 30, 2021, 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: July 30, 2021

/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.