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, 2022**

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 **(State or other jurisdiction of incorporation or organization)**	**36-4797143** **(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 25, 2022, there were 24,225,651 shares of Class A common stock, par value $0.01 per share, and 161 shares of Class B common stock, par value $0.01 per share, outstanding.

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PJT Partners Inc. was formed in connection with certain merger and spin-off transactions whereby the financial and strategic advisory services, restructuring and reorganization advisory services and Park Hill Group businesses of Blackstone Inc. ("Blackstone" or our "former Parent") were combined with PJT Capital LP, a financial advisory firm founded by Paul J. Taubman in 2013 (together with its then affiliates, "PJT Capital"), and the combined business was distributed to Blackstone's unitholders to create PJT Partners Inc., a stand-alone, independent publicly traded company. Throughout this Quarterly Report on Form 10-Q, we refer to this transaction as the "spin-off." PJT Partners Inc. is a holding company and its only material asset is its controlling equity interest in PJT Partners Holdings LP, a holding partnership that holds the Company's operating subsidiaries, and certain cash and cash equivalents it may hold from time to time. As the sole general partner of PJT Partners Holdings LP, PJT Partners Inc. operates and controls all of the business and affairs 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) cyberattacks, security vulnerabilities, and internet disruptions, including breaches of data security and privacy leaks, data loss, and business interruptions; (c) 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; (d) the impact of catastrophic events, such as COVID-19 or other pandemics, 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 or other pandemics, 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, 2021 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, 2022	December 31, 2021
Assets		
Cash and Cash Equivalents	$ 147,319	$ 200,481
Investments	34,167	—
Accounts Receivable (net of allowance for credit losses of $2,168 and $1,853 at June 30, 2022 and December 31, 2021, respectively)	303,112	289,267
Intangible Assets, Net	20,596	24,386
Goodwill	172,725	172,725
Furniture, Equipment and Leasehold Improvements, Net	33,406	37,147
Operating Lease Right-of-Use Assets	126,166	137,916
Other Assets	77,612	61,921
Deferred Tax Asset, Net	65,507	63,782
Total Assets	$ 980,610	$ 987,625
Liabilities and Equity		
Accrued Compensation and Benefits	$ 91,018	$ 121,717
Accounts Payable, Accrued Expenses and Other Liabilities	20,781	23,753
Operating Lease Liabilities	143,839	157,013
Amount Due Pursuant to Tax Receivable Agreement	31,316	31,131
Taxes Payable	2,408	3,492
Deferred Revenue	13,597	12,947
Total Liabilities	302,959	350,053
Commitments and Contingencies		
Equity		
Class A Common Stock, par value $0.01 per share (3,000,000,000 shares authorized; 30,597,580 and 29,248,457 issued at June 30, 2022 and December 31, 2021, respectively; 24,377,531 and 24,319,413 outstanding at June 30, 2022 and December 31, 2021, respectively)	305	292
Class B Common Stock, par value $0.01 per share (1,000,000 shares authorized; 161 issued and outstanding at June 30, 2022; 159 issued and outstanding at December 31, 2021)	—	—
Additional Paid-In Capital	445,961	391,242
Retained Earnings (Deficit)	27,573	(4,933)
Accumulated Other Comprehensive Income (Loss)	(2,167)	631
Treasury Stock at Cost (6,220,049 and 4,929,044 shares at June 30, 2022 and December 31, 2021, respectively)	(350,926)	(267,000)
Total PJT Partners Inc. Equity	120,746	120,232
Non-Controlling Interests	556,905	517,340
Total Equity	677,651	637,572
Total Liabilities and Equity	$ 980,610	$ 987,625

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, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Revenues				
Advisory Fees	$ 186,649	$ 197,624	$ 368,307	$ 350,224
Placement Fees	49,482	40,337	109,833	90,720
Interest Income and Other	(2,990)	2,720	1,320	6,437
Total Revenues	233,141	240,681	479,460	447,381
Expenses				
Compensation and Benefits	150,587	153,924	309,819	286,717
Occupancy and Related	8,658	8,760	17,600	17,219
Travel and Related	6,677	1,697	11,135	2,214
Professional Fees	7,226	8,233	14,277	15,950
Communications and Information Services	4,241	5,033	8,664	9,207
Depreciation and Amortization	4,094	3,809	8,401	7,643
Other Expenses	7,970	6,779	15,728	12,096
Total Expenses	189,453	188,235	385,624	351,046
Income Before Provision for Taxes	43,688	52,446	93,836	96,335
Provision for Taxes	8,495	9,590	14,175	9,683
Net Income	35,193	42,856	79,661	86,652
Net Income Attributable to Non-Controlling Interests	16,025	19,711	34,789	36,825
Net Income Attributable to PJT Partners Inc.	$ 19,168	$ 23,145	$ 44,872	$ 49,827
Net Income Per Share of Class A Common Stock				
Basic	$ 0.76	$ 0.92	$ 1.79	$ 1.99
Diluted	$ 0.74	$ 0.89	$ 1.74	$ 1.91
Weighted-Average Shares of Class A Common Stock Outstanding				
Basic	25,141,339	25,051,017	25,065,684	25,010,968
Diluted	26,421,087	42,096,035	26,486,899	42,614,627

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,	
	2022	2021	2022	2021
Net Income	$ 35,193	$ 42,856	$ 79,661	$ 86,652
Other Comprehensive Income (Loss), Net of Tax — Currency Translation Adjustment	(3,659)	385	(5,095)	509
Comprehensive Income	31,534	43,241	74,566	87,161
Less:				
Comprehensive Income Attributable to Non-Controlling Interests	14,377	19,892	32,492	37,063
Comprehensive Income Attributable to PJT Partners Inc.	$ 17,157	$ 23,349	$ 42,074	$ 50,098

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, 2022										
	Shares										
	Class A Common Stock	Class B Common Stock	Treasury Stock	Class A Common Stock	Class B Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Non-Controlling Interests	Total
Balance at March 31, 2022	30,593,822	164	(5,815,973)	$ 305	$ —	$ 438,634	$ 14,503	$ (156)	$ (323,569)	$ 525,319	$ 655,036
Net Income	—	—	—	—	—	—	19,168	—	—	16,025	35,193
Other Comprehensive Loss	—	—	—	—	—	—	—	(2,011)	—	(1,648)	(3,659)
Dividends Declared ($0.25 Per Share of Class A Common Stock)	—	—	—	—	—	—	(6,098)	—	—	—	(6,098)
Tax Distributions	—	—	—	—	—	—	—	—	—	(7,310)	(7,310)
Equity-Based Compensation	—	—	—	—	—	30,811	—	—	—	5,490	36,301
Net Share Settlement	—	—	—	—	—	(20)	—	—	—	—	(20)
Deliveries of Vested Shares of Class A Common Stock	3,758	—	—	—	—	—	—	—	—	—	—
Change in Ownership Interest	—	(3)	—	—	—	(23,464)	—	—	—	19,029	(4,435)
Treasury Stock Purchases	—	—	(404,076)	—	—	—	—	—	(27,357)	—	(27,357)
Balance at June 30, 2022	30,597,580	161	(6,220,049)	$ 305	$ —	$ 445,961	$ 27,573	$ (2,167)	$ (350,926)	$ 556,905	$ 677,651

	Six Months Ended June 30, 2022										
	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 (Loss)	Treasury Stock	Non-Controlling Interests	Total
Balance at December 31, 2021	29,248,457	159	(4,929,044)	$ 292	$ —	$ 391,242	$ (4,933)	$ 631	$ (267,000)	$ 517,340	$ 637,572
Net Income	—	—	—	—	—	—	44,872	—	—	34,789	79,661
Other Comprehensive Loss	—	—	—	—	—	—	—	(2,798)	—	(2,297)	(5,095)
Dividends Declared ($0.50 Per Share of Class A Common Stock)	—	—	—	—	—	—	(12,366)	—	—	—	(12,366)
Tax Distributions	—	—	—	—	—	—	—	—	—	(7,310)	(7,310)
Equity-Based Compensation	—	—	—	—	—	84,528	—	—	—	10,842	95,370
Net Share Settlement	—	—	—	—	—	(15,387)	—	—	—	—	(15,387)
Deliveries of Vested Shares of Class A Common Stock	1,349,123	—	—	13	—	(13)	—	—	—	—	—
Change in Ownership Interest	—	2	—	—	—	(14,409)	—	—	—	3,541	(10,868)
Treasury Stock Purchases	—	—	(1,291,005)	—	—	—	—	—	(83,926)	—	(83,926)
Balance at June 30, 2022	30,597,580	161	(6,220,049)	$ 305	$ —	$ 445,961	$ 27,573	$ (2,167)	$ (350,926)	$ 556,905	$ 677,651

(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, 2021

	Shares							Accumulated			
	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)	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							Accumulated			
	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)	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

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, 2022	Six Months Ended June 30, 2021
Operating Activities		
Net Income	$ 79,661	$ 86,652
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities		
Equity-Based Compensation Expense	95,370	57,238
Depreciation and Amortization Expense	8,401	7,643
Amortization of Operating Lease Right-of-Use Assets	10,327	9,565
Provision for Credit Losses	1,687	1,185
Other	4,512	(2,867)
Cash Flows Due to Changes in Operating Assets and Liabilities		
Accounts Receivable	(19,871)	(69,625)
Other Assets	(19,606)	1,012
Accrued Compensation and Benefits	(28,998)	(125,833)
Accounts Payable, Accrued Expenses and Other Liabilities	(2,529)	(347)
Operating Lease Liabilities	(11,268)	(10,578)
Taxes Payable	(870)	264
Deferred Revenue	660	(1,930)
Net Cash Provided by (Used in) Operating Activities	117,476	(47,621)
Investing Activities		
Purchases of Investments	(54,164)	(97,638)
Proceeds from Sales and Maturities of Investments	19,979	162,813
Purchases of Furniture, Equipment and Leasehold Improvements	(1,752)	(1,852)
Net Cash Provided by (Used in) Investing Activities	(35,937)	63,323
Financing Activities		
Dividends	(12,366)	(2,500)
Tax Distributions	(7,310)	(8,305)
Proceeds from Revolving Credit Facility	42,000	15,000
Payments on Revolving Credit Facility	(42,000)	(15,000)
Employee Taxes Paid for Shares Withheld	(15,387)	(20,415)
Cash-Settled Exchanges of Partnership Units	(10,995)	(65,208)
Treasury Stock Purchases	(83,926)	(80,294)
Payments Pursuant to Tax Receivable Agreement	(559)	(1,165)
Net Cash Used in Financing Activities	(130,543)	(177,887)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(4,158)	1,778
Net Decrease in Cash and Cash Equivalents	(53,162)	(160,407)
Cash and Cash Equivalents, Beginning of Period	200,481	299,513
Cash and Cash Equivalents, End of Period	$ 147,319	$ 139,106
Supplemental Disclosure of Cash Flows Information		
Payments for Income Taxes, Net of Refunds Received	$ 4,770	$ 5,215
Payments for Interest	$ 133	$ 10
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 private fund advisory and fundraising services for alternative investment strategies, including private equity, real estate, hedge funds and private credit.

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

PJT Partners Inc. is the sole general partner of PJT Partners Holdings LP. PJT Partners Inc. owns less than 100% of the economic interest in PJT Partners Holdings LP, but has 100% of the voting power and controls the management of PJT Partners Holdings LP. As of June 30, 2022, the non-controlling interest was 38.2%. As the sole general partner of PJT Partners Holdings LP, PJT Partners Inc. operates and controls all of the business and affairs and consolidates the financial results of PJT Partners Holdings LP and its operating subsidiaries. The Company operates through the following subsidiaries: PJT Partners LP, PJT Partners (UK) Limited, PJT Partners (HK) Limited, PJT Partners Park Hill (Spain) A.V., S.A.U., PJT Partners (Germany) GmbH and PJT Partners (France) SAS.

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, 2021.

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, 2021.

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 $0.6 million and $41.2 million as of June 30, 2022 and December 31, 2021, respectively.

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

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 June 2022, the FASB issued updated guidance on the fair value measurement of equity securities subject to contractual sale restrictions. The guidance is effective for annual and interim periods beginning after December 15, 2023, with early adoption permitted. The Company is currently assessing the impact that adoption will have on its condensed consolidated financial statements.

3. REVENUES FROM CONTRACTS WITH CUSTOMERS

The following table provides a disaggregation of revenues recognized from contracts with customers for the three and six months ended June 30, 2022 and 2021:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Advisory Fees	$ 186,649	$ 197,624	$ 368,307	$ 350,224
Placement Fees	49,482	40,337	109,833	90,720
Interest Income from Placement Fees and Other	2,035	1,822	4,157	3,602
Revenues from Contracts with Customers	$ 238,166	$ 239,783	$ 482,297	$ 444,546

Remaining Performance Obligations and Revenue Recognized from Past Performance

As of June 30, 2022, the aggregate amount of the transaction price allocated to performance obligations yet to be satisfied was $42.3 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 $21.0 million and $45.6 million for the three and six months ended June 30, 2022, respectively, and $3.6 million and $10.8 million for the three and six months ended June 30, 2021, 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 Fee Revenue recognized by the Company during the three and six months ended June 30, 2022 and 2021 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, 2022 and 2021.

For the six months ended June 30, 2022 and 2021, $9.9 million and $7.9 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, 2022 and December 31, 2021, the Company recorded $1.0 million and $1.2 million, respectively, of customer deposits in Accounts Payable, Accrued Expenses and Other Liabilities in the Condensed Consolidated Statements of Financial Condition.

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

4. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

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

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Beginning Balance	$ 1,853	$ 1,330
Provision for Credit Losses	1,687	1,185
Write-offs	(1,372)	(501)
Recoveries	—	63
Ending Balance	$ 2,168	$ 2,077

Included in Accounts Receivable, Net is accrued interest of $2.6 million and $1.9 million as of June 30, 2022 and December 31, 2021, respectively, related to placement fees.

Included in Accounts Receivable, Net are long-term receivables of $125.5 million and $104.6 million as of June 30, 2022 and December 31, 2021, 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 $5.2 million and $3.4 million as of June 30, 2022 and December 31, 2021, respectively, which were outstanding more than 90 days. The Company's allowance for credit losses with respect to long-term receivables was $0.8 million as of June 30, 2022 and December 31, 2021.

5. INTANGIBLE ASSETS

Intangible Assets, Net consists of the following:

	June 30, 2022	December 31, 2021
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	(42,789)	(39,797)
Trade Name	(7,691)	(6,893)
Total Accumulated Amortization	(50,480)	(46,690)
Intangible Assets, Net	$ 20,596	$ 24,386

Amortization expense was $1.9 million and $3.8 million for the three and six months ended June 30, 2022 and $1.9 million and $3.9 million for the three and six months ended June 30, 2021.

Amortization of Intangible Assets held at June 30, 2022 is expected to be $2.7 million for the remainder of the year ending December 31, 2022; $4.9 million for each of the years ending December 31, 2023 and 2024; $4.8 million for the year ending December 31, 2025; and $3.3 million for the year ending December 31, 2026.

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

6. FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

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

	June 30, 2022	December 31, 2021
Leasehold Improvements	$ 54,060	$ 56,230
Furniture and Fixtures	18,277	18,044
Office Equipment	4,900	4,423
Total Furniture, Equipment and Leasehold Improvements	77,237	78,697
Accumulated Depreciation	(43,831)	(41,550)
Furniture, Equipment and Leasehold Improvements, Net	$ 33,406	$ 37,147

Depreciation expense was $2.2 million and $4.6 million for the three and six months ended June 30, 2022, respectively, and $1.9 million and $3.7 million for the three and six months ended June 30, 2021, respectively.

7. FAIR VALUE MEASUREMENTS

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

	June 30, 2022			
	Level I	Level II	Level III	Total
Treasury Securities	$ —	$ 40,225	$ —	$ 40,225

	December 31, 2021			
	Level I	Level II	Level III	Total
Treasury Securities	$ —	$ 40,000	$ —	$ 40,000

Investments in Treasury securities were included in both Cash and Cash Equivalents and Investments as of June 30, 2022 and in Cash and Cash Equivalents as of December 31, 2021 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,	
	2022	2021	2022	2021
Income Before Provision for Taxes	$ 43,688	$ 52,446	$ 93,836	$ 96,335
Provision for Taxes	$ 8,495	$ 9,590	$ 14,175	$ 9,683
Effective Income Tax Rate	19.4 %	18.3 %	15.1 %	10.1 %

The Company's effective tax rate differed from the U.S. federal statutory tax rate for the three and six months ended June 30, 2022 primarily due to partnership income not being subject to U.S. corporate income taxes and permanent differences related to compensation.

The Company had no unrecognized tax benefits as of June 30, 2022.

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

9. NET INCOME PER SHARE OF CLASS A COMMON STOCK

Basic and diluted net income per share of Class A common stock for the three and six months ended June 30, 2022 and 2021 is presented below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Numerator:				
Net Income Attributable to Shares of Class A Common Stock — Basic	$ 19,168	$ 23,145	$ 44,872	$ 49,827
Incremental Net Income from Dilutive Securities	476	14,295	1,261	31,434
Net Income Attributable to Shares of Class A Common Stock — Diluted	$ 19,644	$ 37,440	$ 46,133	$ 81,261
Denominator:				
Weighted-Average Shares of Class A Common Stock Outstanding — Basic	25,141,339	25,051,017	25,065,684	25,010,968
Weighted-Average Number of Incremental Shares from Unvested RSUs and Partnership Units	1,279,748	17,045,018	1,421,215	17,603,659
Weighted-Average Shares of Class A Common Stock Outstanding — Diluted	26,421,087	42,096,035	26,486,899	42,614,627
Net Income Per Share of Class A Common Stock				
Basic	$ 0.76	$ 0.92	$ 1.79	$ 1.99
Diluted	$ 0.74	$ 0.89	$ 1.74	$ 1.91

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 40,272,650 and 40,229,485 for the three and six months ended June 30, 2022, 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, 2022, there were 15,131,311 and 15,163,801 weighted-average Partnership Units, respectively, that were anti-dilutive. For the three and six months ended June 30, 2021, there were no anti-dilutive securities.

Share Repurchase Program

On April 25, 2022, the Company’s Board of Directors authorized a $200 million repurchase program of the Company’s Class A common stock, which is in addition to the previous Board authorizations. As of June 30, 2022, the Company’s remaining repurchase authorization was $199.2 million. Under the repurchase program, shares of the Company’s Class A common stock may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual number of shares repurchased depend on a variety of factors, including legal requirements, price, and economic and market conditions. The repurchase program may be suspended or discontinued at any time and does not have a specified expiration date.

During the six months ended June 30, 2022, the Company repurchased1.3 million shares of the Company’s Class A common stock at an average price per share of $64.98, or $83.9 million in aggregate, pursuant to this share repurchase program.

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

10. EQUITY-BASED AND OTHER DEFERRED COMPENSATION

Overview

Further information regarding the Company's equity-based compensation awards is described in Note 10. "Equity-Based and Other Deferred Compensation" in the "Notes to Consolidated Financial Statements" in "Part II. Item 8. Financial Statements and Supplementary Data" in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

The following table represents equity-based compensation expense and related income tax benefit for the three and six months ended June 30, 2022 and 2021, respectively:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Equity-Based Compensation Expense	$ 36,301	$ 27,290	$ 95,370	$ 57,238
Income Tax Benefit	$ 4,595	$ 3,674	$ 12,617	$ 7,701

Restricted Stock Units

The following table summarizes activity related to unvested RSUs for the six months ended June 30, 2022:

	Restricted Stock Units	
	Number of Units	Weighted-Average Grant Date Fair Value (in dollars)
Balance, December 31, 2021	4,098,671	$ 60.14
Granted	1,879,575	63.73
Dividends Reinvested on RSUs	(35,219)	38.76
Forfeited	(62,239)	64.38
Vested	(1,505,172)	50.55
Balance, June 30, 2022	4,375,616	$ 65.09

As of June 30, 2022, there was $161.6 million of estimated unrecognized compensation expense related to unvested RSU awards. This cost is expected to be recognized over a weighted-average period of 1.7 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, 2021 was $73.08.

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

RSU Awards with Both Service and Market Conditions

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

Effective February 10, 2022, the Company granted RSU awards containing both service and market conditions. The effect of the service and market conditions is reflected in the grant date fair value of the award. Compensation cost is recognized over the requisite service period, provided that the service period is completed, irrespective of whether the market condition is satisfied. The service condition requirement with respect to such RSU awards is five years with 20% vesting per annum. The market condition requirement will be 50% satisfied upon the dividend-adjusted publicly traded shares of Class A common stock achieving a volume-weighted average share price over any consecutive 20-day trading period ("20-day VWAP") of $100 and the other 50% will be satisfied ratably upon the dividend-adjusted publicly traded shares of Class A common stock achieving a 20-day VWAP above $100 with the market condition fully satisfied upon achieving a 20-day VWAP of $130 prior to February 26, 2027. No portion of these awards will become vested until both the service and market conditions have been satisfied.

The following table summarizes activity related to unvested RSU awards with both a service and market condition for the six months ended June 30, 2022:

	RSU Awards with Both Service and Market Conditions	
	Number of Units	Weighted-Average Grant Date Fair Value (in dollars)
Balance, December 31, 2021	50,280	$ 36.53
Granted	1,514,748	41.97
Dividends Reinvested on RSUs	158	34.22
Vested	(4,167)	13.52
Balance, June 30, 2022	1,561,019	$ 41.87

As of June 30, 2022, there was $45.7 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 2.8 years. The Company assumes a forfeiture rate of4.0% to 6.0% annually based on expected turnover and periodically reassesses this rate.

The Company estimated the fair value of RSU awards with both a service and market condition at grant using a Monte Carlo simulation. The following table presents the assumptions used for the six months ended June 30, 2022:

Risk-Free Interest Rate	2.0 %
Volatility Factor	37.0 %
Expected Life (in years)	5.0

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, 2022,no restricted share awards were granted. As of June 30, 2022, there were 2,592 restricted shares outstanding and $24 thousand of estimated unrecognized compensation expense related to such restricted share awards. This cost is expected to be recognized over a weighted-average period of 0.3 years.

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

Partnership Units

The following table summarizes activity related to unvested Partnership Units for the six months ended June 30, 2022:

	Partnership Units		
	Number of Partnership Units		Weighted-Average Grant Date Fair Value (in dollars)
Balance, December 31, 2021	248,595	$	53.42
Granted	47,588		59.84
Vested	(79,268)		49.26
Balance, June 30, 2022	216,915	$	56.35

As of June 30, 2022, there was $7.9 million of estimated unrecognized compensation expense related to unvested Partnership Units. This cost is expected to be recognized over a weighted-average period of 1.0 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, 2021 was $68.10.

Partnership Unit Awards with Both Service and Market Conditions

Effective February 10, 2022, the Company granted Partnership Unit awards containing both service and market conditions. The effect of the service and market conditions is reflected in the grant date fair value of the award. Compensation cost is recognized over the requisite service period, provided that the service period is completed, irrespective of whether the market condition is satisfied. The service condition requirement with respect to such Partnership Unit awards is five years with 20% vesting per annum. The market condition requirement will be 50% satisfied upon the dividend-adjusted publicly traded shares of Class A common stock achieving a 20-day VWAP of $100 and the other 50% will be satisfied ratably upon the dividend-adjusted publicly traded shares of Class A common stock achieving a 20-day VWAP above $100 with the market condition fully satisfied upon achieving a 20-day VWAP of $130 prior to February 26, 2027. No portion of these awards will become vested until both the service and market conditions have been satisfied.

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, 2022:

	Partnership Unit Awards with Both Service and Market Conditions		
	Number of Partnership Units		Weighted-Average Grant Date Fair Value (in dollars)
Balance, December 31, 2021	—	$	—
Granted	1,107,768		39.10
Balance, June 30, 2022	1,107,768	$	39.10

As of June 30, 2022, there was $32.1 million of estimated unrecognized compensation expense related to Partnership Unit awards with both a service and market condition. This cost is expected to be recognized over a weighted-average period of 2.9 years. The Company assumes a forfeiture rate of 4.0% annually based on expected turnover and periodically reassesses this rate.

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

The Company estimated the fair value of Partnership Unit awards with both a service and market condition at grant using a Monte Carlo simulation. The following table presents the assumptions used for the six months ended June 30, 2022:

Risk-Free Interest Rate	2.0 %
Volatility Factor	37.0 %
Expected Life (in years)	5.0

Units Expected to Vest

The following unvested units, after expected forfeitures, as of June 30, 2022, are expected to vest:

	Units	Weighted-Average Service Period in Years
Restricted Stock Units	5,469,003	2.0
Partnership Units	1,219,646	2.5
Restricted Share Awards	2,591	0.3
Total Equity-Based Awards	6,691,240	2.1

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 $7.6 million and $14.6 million for the three and six months ended June 30, 2022 respectively, and $8.1 million and $15.6 million for the three and six months ended June 30, 2021, respectively. As of June 30, 2022, there was $28.5 million of unrecognized compensation expense related to these awards. The weighted-average period over which this compensation cost is expected to be recognized is 2.2 years.

11. LEASES

The components of lease expense were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Operating Lease Cost	$ 6,868	$ 6,980	$ 13,592	$ 13,826
Short-Term Lease Cost	—	37	—	37
Variable Lease Cost	1,083	733	2,087	1,585
Sublease Income	(196)	(219)	(406)	(489)
Total Lease Cost	$ 7,755	$ 7,531	$ 15,273	$ 14,959

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

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

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Cash Paid for Amounts Included in Measurement of Lease Liabilities		
Operating Cash Flows from Operating Leases	$ 11,268	$ 10,578
Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	$ 2,804	$ 6,765

	June 30, 2022	December 31, 2021
Weighted-Average Remaining Lease Term (in years)	7.3	7.6
Weighted-Average Discount Rate	4.6 %	4.7 %

The following is a maturity analysis of the annual undiscounted cash flows of the Company's operating lease liabilities as of June 30, 2022:

Year Ending December 31,	Operating
2022 (July 1 through December 31)	$ 14,548
2023	29,674
2024	28,170
2025	24,755
2026	19,187
Thereafter	53,671
Total Lease Payments	170,005
Less: Imputed Interest	26,166
Total	$ 143,839

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 13. "Transactions with Related Parties—Exchange Agreement" in the "Notes to Consolidated Financial Statements" in "Part II. Item 8. Financial Statements and Supplementary Data" in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

Certain Partnership Unitholders exchanged 0.2 million and 0.9 million Partnership Units, respectively, for cash in the amounts of $11.0 million and $65.2 million, respectively, for the six months ended June 30, 2022 and 2021, respectively. Such amounts are recorded as a reduction of Non-Controlling Interests in the Condensed Consolidated Statements of Financial Condition.

The Company intends to exchange 20 thousand Partnership Units for cash on August 2, 2022 for cash for an aggregate payment of $1.4 million. The price per Partnership Unit to be paid by the Company is $70.59, which is equal to the volume-weighted average price per share of the Company's Class A common stock on July 28, 2022.

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, 2022 and December 31, 2021, the Company had amounts due of $31.3 million and $31.1 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 was scheduled to mature and the commitments thereunder were scheduled to terminate on October 1, 2022, subject to extension by agreement of the Borrower and Lender. On April 25, 2022, the Renewal Agreement was further amended to extend the maturity date to October 1, 2023.

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, 2022 and December 31, 2021, there wereno borrowings outstanding 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, 2022 and December 31, 2021, 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 $3.8 million and $4.1 million as of June 30, 2022 and December 31, 2021, 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, 2022 and December 31, 2021.

Pursuant to the Employee Matters Agreement, the Company has agreed to pay Blackstone the net realized cash benefit resulting from certain compensation-related tax deductions. Amounts are payable annually (for periods in which a cash benefit is realized) within nine months of the end of the relevant tax period. As of June 30, 2022 and December 31, 2021, the Company had accrued $2.5 million and $2.6 million, respectively, which the Company anticipates will be payable to Blackstone after the Company files its respective tax returns. The tax deduction and corresponding payable to Blackstone related to such deliveries will fluctuate primarily based on the price of Blackstone common stock at the time of delivery.

14. REGULATED ENTITIES

Certain subsidiaries of the Company are subject to various regulatory requirements in the 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 advisory and placement 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 $73.7 million and $79.4 million as of June 30, 2022 and December 31, 2021, respectively, which exceeded the minimum net capital requirement by $71.7 million and $77.6 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 minimum capital of the greater of the permanent minimum requirement of £75 thousand or a fixed overhead requirement, defined as 25% of fixed overheads of the preceding year. One third of the fixed overhead requirement must be held in liquid assets. 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 authorized and regulated by Spain's National Securities Market Commission and is required to maintain minimum capital of the greater of the permanent minimum requirement of €75 thousand or 25% of the fixed overheads of the preceding year. One third of the fixed overhead requirement must be held in liquid assets. As of June 30, 2022 and December 31, 2021, these entities were in compliance with local capital adequacy requirements.

15. BUSINESS INFORMATION

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

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

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

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, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Revenues				
Domestic	$ 203,450	$ 197,062	$ 420,429	$ 361,342
International	29,691	43,619	59,031	86,039
Total	$ 233,141	$ 240,681	$ 479,460	$ 447,381

	June 30, 2022	December 31, 2021
Assets		
Domestic	$ 835,209	$ 824,963
International	145,401	162,662
Total	$ 980,610	$ 987,625

16. SUBSEQUENT EVENTS

The Board of Directors of PJT Partners Inc. has declared a quarterly dividendof $0.25 per share of Class A common stock, which will be paid onSeptember 21, 2022 to Class A common stockholders of record on September 7, 2022.

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

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

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

Our Business

PJT Partners is a premier global advisory-focused investment bank. 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 private fund advisory and fundraising services for alternative investment strategies, including private equity, real estate, hedge funds and private credit.

For further information regarding our business, refer to "Part I. Item 1. Business" in our Annual Report on Form 10-K for the year ended December 31, 2021.

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, 2021 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. There are several factors that could weigh on global M&A activity in the intermediate-term, including geopolitical factors, mounting inflationary pressures, and monetary policy. Though worldwide M&A announced volumes during the first half of 2022 were down 21% compared with the first half of 2021, they remain at historically high levels[1]. While the pace of activity has changed, we expect corporate boards and management teams to continue to use M&A as a strategic tool.

Global economic uncertainty and a rising interest rate environment drove an increase in global restructuring activity during the second quarter of 2022. Recent deal flow is primarily driven by liability management transactions and is most visible in the financial sponsor sector where leverage levels were higher coming into the current market sell-off or in the middle market, where access to capital was previously more limited. While the default outlook is inching higher, there remains no expectation of a material increase in defaults prior to 2023. However, industries with increasing risk of distress include healthcare, consumer-driven businesses and industrials, including building products and auto.

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

Key Financial Measures

Revenues

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

[1] Source: Refinitiv Global Mergers & Acquisitions Review for First Half of 2022 as of June 30, 2022.

We provide 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 include providing solutions to investing clients seeking portfolio liquidity, unfunded commitment relief and investments in secondary markets. Our fund placement services primarily serve alternative investment strategies, including private equity, real estate, hedge funds and private credit. We advise 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 recognize placement and underwriting fees based on the successful completion of the transaction.

The amount and timing of the fees paid vary by the type of engagement and are typically based on retainers, completion of a transaction or a capital raise. Fees earned for services provided to alternative asset managers are typically recognized upon acceptance by a fund of capital or capital commitments (referred to as a "closing"), in accordance with terms set forth in individual agreements. For commitment based fees, revenue is recognized over time as commitments are accepted. Fees for such closed-end fund arrangements are generally paid in installments over three or four years and interest is charged to the outstanding balance at an agreed upon rate, such as the 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.

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

Interest Income and Other – Interest Income and Other represents interest typically earned on Cash and Cash Equivalents, investments in Treasury securities and outstanding placement fees receivable; 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 and other general operating expenses.

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, 2022 and 2021:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	Change	2022	2021	Change
			(Dollars in Thousands)			
Revenues						
Advisory Fees	$ 186,649	$ 197,624	(6)%	$ 368,307	$ 350,224	5%
Placement Fees	49,482	40,337	23%	109,833	90,720	21%
Interest Income and Other	(2,990)	2,720	N/M	1,320	6,437	(79)%
Total Revenues	233,141	240,681	(3)%	479,460	447,381	7%
Expenses						
Compensation and Benefits	150,587	153,924	(2)%	309,819	286,717	8%
Occupancy and Related	8,658	8,760	(1)%	17,600	17,219	2%
Travel and Related	6,677	1,697	293%	11,135	2,214	403%
Professional Fees	7,226	8,233	(12)%	14,277	15,950	(10)%
Communications and Information Services	4,241	5,033	(16)%	8,664	9,207	(6)%
Depreciation and Amortization	4,094	3,809	7%	8,401	7,643	10%
Other Expenses	7,970	6,779	18%	15,728	12,096	30%
Total Expenses	189,453	188,235	1%	385,624	351,046	10%
Income Before Provision for Taxes	43,688	52,446	(17)%	93,836	96,335	(3)%
Provision for Taxes	8,495	9,590	(11)%	14,175	9,683	46%
Net Income	35,193	42,856	(18)%	79,661	86,652	(8)%
Net Income Attributable to Non-Controlling Interests	16,025	19,711	(19)%	34,789	36,825	(6)%
Net Income Attributable to PJT Partners Inc.	$ 19,168	$ 23,145	(17)%	$ 44,872	$ 49,827	(10)%

N/M Not meaningful.

Revenues

The following table provides revenue statistics for the three and six months ended June 30, 2022 and 2021:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Total Number of Clients	234	225	293	282
Total Number of Fees of at least $1 Million from Client Transactions	41	50	89	98

Total Revenues were $233.1 million for the three months ended June 30, 2022, a decrease of $7.5 million compared with $240.7 million for the three months ended June 30, 2021. Advisory Fees were $186.6 million for the three months ended June 30, 2022, a decrease of $11.0 million compared with $197.6 million for the three months ended June 30, 2021. The decrease in Advisory Fees was driven principally by a decrease in strategic advisory revenues. Placement Fees were $49.5 million for the three months ended June 30, 2022, an increase of $9.1 million compared with $40.3 million for the three months ended June 30, 2021. The increase in Placement Fees was driven by increases in both fund placement and strategic advisory placement revenues. Interest Income and Other decreased $5.7 million for the current quarter compared with the prior year quarter. The decrease in Interest Income and Other was driven by a reduction in fair market value on certain equity securities received as part of transaction compensation.

Total Revenues were $479.5 million for the six months ended June 30, 2022, an increase of $32.1 million compared with $447.4 million for the six months ended June 30, 2021. Advisory Fees were $368.3 million for the six months ended June 30, 2022, an increase of $18.1 million compared with $350.2 million for the six months ended June 30, 2021. Advisory Fees increased principally due to higher restructuring revenues. Placement Fees were $109.8 million for the six months ended June 30, 2022, an increase of $19.1 million compared with $90.7 million for the six months ended June 30, 2021. The increase in Placement Fees was driven by a significant increase in fund placement revenues, which was partially offset by a decline in strategic advisory placement revenues. Interest Income and Other decreased $5.1 million for the six months compared with the same period a year ago. The decrease in Interest Income and Other was driven by a reduction in fair market value on certain equity securities received as part of transaction compensation.

Expenses

Expenses were $189.5 million for the three months ended June 30, 2022, an increase of $1.2 million compared with $188.2 million for the three months ended June 30, 2021. The increase in expenses was primarily attributable to increases in Travel and Related and Other Expenses of $5.0 million and $1.2 million, respectively, which was offset by decreases in Compensation and Benefits, Professional Fees and Communications and Information Services of $3.3 million, $1.0 million and $0.8 million, respectively. Travel and Related increased due to increased levels of business travel.

Expenses were $385.6 million for the six months ended June 30, 2022, an increase of $34.6 million compared with $351.0 million for the six months ended June 30, 2021. The increase in expenses was primarily attributable to increases in Compensation and Benefits, Travel and Related and Other Expenses of $23.1 million, $8.9 million and $3.6 million, respectively, which was partially offset by a decrease in Professional Fees of $1.7 million. The increase in Compensation and Benefits Expense was principally due to higher revenues during the current six month period compared with the same period a year ago. Travel and Related increased due to increased levels of business travel.

Provision for Taxes

The Company’s Provision for Taxes for the three months ended June 30, 2022 was $8.5 million, which represents an effective tax rate of 19.4% on pretax income of $43.7 million. 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 six months ended June 30, 2022 was $14.2 million, which represents an effective tax rate of 15.1% on pretax income of $93.8 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 change in tax rate between the three and six months ended June 30, 2022 and three and six months ended June 30, 2021 was primarily due to a lesser tax benefit received from the delivery of vested shares at values in excess of the original grant prices.

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 been historically comprised of cash and cash equivalents, investments, receivables arising from advisory and placement engagements and operating lease right-of-use assets. Our liabilities generally include accrued compensation and benefits, accounts payable and accrued expenses, taxes payable and operating lease liabilities. We expect to pay a significant amount of incentive compensation toward the end of each year 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 the end of the year 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"). On April 25, 2022, the Renewal Agreement was further amended to extend the maturity date to October 1, 2023. Further information regarding the Renewal Agreement and Amended and Restated Loan Agreement can be found in Note 13. "Commitments and Contingencies—Commitments, Line of Credit" in the "Notes to Condensed Consolidated Financial Statements" in "—Item 1. Financial Statements" of this filing. As of June 30, 2022 and December 31, 2021, we were in compliance with the debt covenants under the Renewal Agreement and Amended and Restated Loan Agreement, respectively. As of June 30, 2022 and December 31, 2021, there were no borrowings outstanding under the revolving credit facility.

We evaluate our cash needs on a regular basis in light of current market conditions. As of June 30, 2022 and December 31, 2021, we had cash, cash equivalents and short-term investments of $181.5 million and $200.5 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, 2022 and December 31, 2021, total accounts receivable, net of allowance for credit losses, were $303.1 million and $289.3 million, respectively. As of June 30, 2022 and December 31, 2021, the allowance for credit losses was $2.2 million and $1.9 million, respectively. Included in Accounts Receivable, Net are long-term receivables of $125.5 million and $104.6 million as of June 30, 2022 and December 31, 2021, 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.

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 0.2 million and 0.9 million Partnership Units, respectively, for cash in the amounts of $11.0 million and $65.2 million, respectively, for the six months ended June 30, 2022 and 2021, respectively.

Share Repurchase Program

On April 25, 2022, the Company's Board of Directors authorized a $200 million repurchase program of the Company's Class A common stock, which is in addition to the previous Board authorizations. As of June 30, 2022, the Company's remaining repurchase authorization was $199.2 million. Under the repurchase program, shares of the Company's Class A common stock may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual number of shares repurchased depend on a variety of factors, including legal requirements, price, and economic and market conditions. The repurchase program may be suspended or discontinued at any time and does not have a specified expiration date.

During the six months ended June 30, 2022, the Company repurchased 1.3 million shares of Class A common stock at an average price per share of $64.98, or $83.9 million in aggregate, pursuant to the share repurchase program.

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, 2021. There have not been any material changes to our contractual obligations since December 31, 2021.

Commitments and Contingencies

Litigation

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

Guarantee

The Company provides a guarantee to a lending institution for certain loans held by employees for investment in funds of its former Parent, which are secured by the underlying investments in those funds. The amount guaranteed was $3.8 million and $4.1 million as of June 30, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, the Company had amounts due of $31.3 million and $31.1 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, 2021.

Other

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

Critical Accounting Estimates

A discussion of critical accounting estimates is included in “Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2021.

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.

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 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, 2022 and December 31, 2021, the allowance for credit losses was $2.2 million and $1.9 million, respectively.

Exchange Rate Risk

We are exposed to the risk that the exchange rate of the U.S. dollar relative to other currencies may have an adverse effect on the reported value of our non-U.S. dollar denominated or based assets and liabilities. In addition, the reported amounts of our revenues may be affected by movements in the rate of exchange between the 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, 2022 and 2021, the impact of the fluctuation of foreign currencies in Other Comprehensive Income (Loss), Net of Tax – Currency Translation Adjustment in the Condensed Consolidated Statements of Comprehensive Income was a loss of $5.1 million and a gain of $0.5 million, respectively, and in Interest Income and Other in the Condensed Consolidated Statements of Operations, a loss of $0.1 million and $1.7 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 geopolitical situation and the ongoing economic impact, rising interest rates and heightened inflation, exchange rate fluctuations between the U.S. dollar and other currencies could unfavorably affect our condensed consolidated financial statements.

ITEM 4. CONTROLS AND PROCEDURES

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

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

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

On June 16, 2009, Plaintiffs Frank Foy and Suzanne Foy, purportedly as *qui tam* plaintiffs on behalf of the State of New Mexico, filed a case in New Mexico state court against Park Hill Group LLC and one of its officers, as well as The Blackstone Group L.P. (together, "Park Hill Defendants"), in addition to dozens of other named and unnamed defendants, alleging violations of New Mexico's Fraud Against Taxpayers Act ("FATA") in an action styled *Foy v. Austin Capital Management, Ltd., et al*, Case No. D-101-CV-2009-01189 (N.M. Dist. Ct.). The complaint alleged, among other things, that the New Mexico Educational Retirement Board and the New Mexico State Investment Council made investments that were influenced by kickbacks and other inducements. In the complaint, the Park Hill Defendants were grouped together with other defendants who were all alleged, generically, to have conspired to defraud the State of New Mexico. On November 30, 2015, after several years of motion practice, including an earlier decision by the New Mexico Supreme Court to consolidate this case with another case by the same plaintiffs (in which the Park Hill Defendants were not parties), the New Mexico Attorney General filed a motion on behalf of the State of New Mexico seeking wholesale dismissal of these proceedings. On June 6, 2017, the court granted the motion to dismiss brought on behalf of the State of New Mexico, the effect of which dismissed the action in its entirety, including as against the Park Hill Defendants. On June 9, 2020, Plaintiffs' appeal of this decision was denied by the New Mexico Court of Appeals. On October 9, 2020, Plaintiffs' petition for a writ of certiorari was denied by the New Mexico Supreme Court. On October 26, 2020, Plaintiffs filed a motion for rehearing with the New Mexico Supreme Court, which was denied on April 15, 2022. Accordingly, Plaintiffs' claims have been fully dismissed.

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, 2021.

The risks described in our Annual Report on Form 10-K for the year ended December 31, 2021 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 2022

	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	168,852	$ 63.78	168,852	$ 215.8 million
May 1 to May 31	139,994	69.10	139,994	206.2 million
June 1 to June 30	95,230	72.48	95,230	199.2 million
Total	404,076	$ 67.67	404,076	$ 199.2 million

(a) On April 25, 2022, the Company's Board of Directors authorized a $200 million repurchase program of the Company's Class A common stock, which is in addition to the previous Board authorizations. As of June 30, 2022, the Company's remaining repurchase authorization was $199.2 million. Under the repurchase program, shares of the Company's Class A common stock may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual number of shares repurchased depend on a variety of factors, including legal requirements, price, and economic and market conditions. The repurchase program may be suspended or discontinued at any time and does not have a specified expiration date.

Unregistered Sales/Issuances

There were no unregistered sales of equity securities during the second quarter of 2022.

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 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 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 filed with the Securities and Exchange Commission on October 5, 2015).
10.1	Renewal Agreement, by and between PJT Partners Holdings LP and First Republic Bank, dated as of April 25, 2022 (incorporated herein by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-36869) filed with the Securities and Exchange Commission on April 28, 2022).
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).

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 29, 2022

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, 2022 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 29, 2022

/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, 2022 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 29, 2022

/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, 2022, 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 29, 2022

/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, 2022, 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 29, 2022

/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.