

# KP+GH

KELLY PARTNERS GROUP HOLDINGS LIMITED

## + Kelly Partners Group Holdings Limited (KPGH)

### Market Eye Investment Conference – May 2019

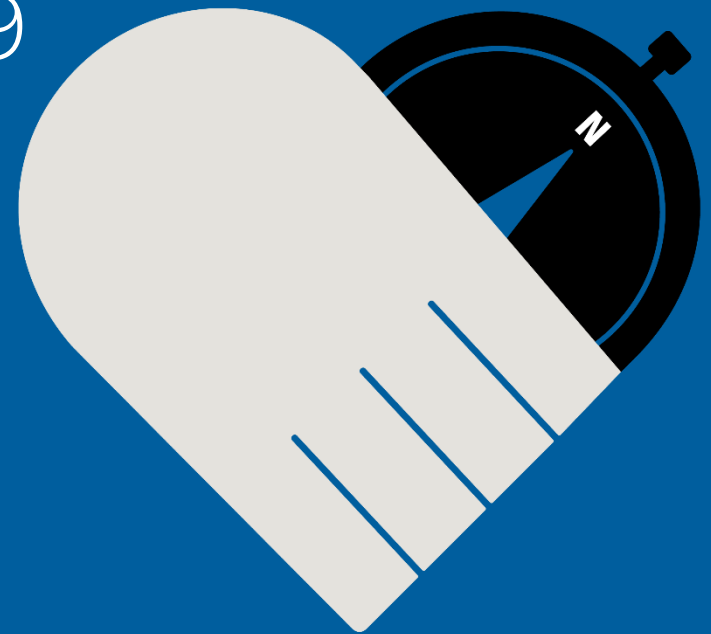
ASX: KPG

PRESENTED BY

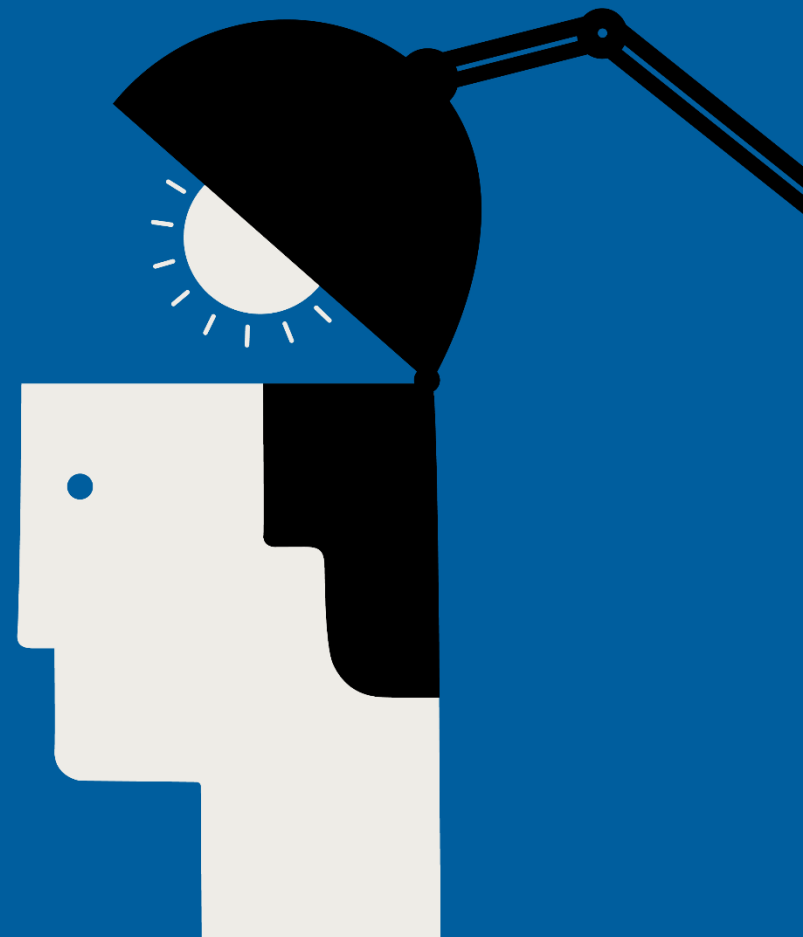
Brett Kelly, CEO and Executive Chairman

May 2019

Kelly Partners Group Holdings Limited  
[kellypartnersgroup.com.au](http://kellypartnersgroup.com.au)



# + Business Overview



KP+GH

KELLY PARTNERS GROUP HOLDINGS LIMITED

# + Kelly+Partners Key Statistics

15 LOCATIONS	22 BUSINESSES
41 OPERATING PARTNERS	250 TOTAL TEAM
42 AVERAGE AGE OF OPERATING BUSINESS OWNERS	20 ACQUISITIONS COMPLETED SINCE INCEPTION



# + AFR Top 25 Accounting Firms 2018

Rank	Firm	Revenue (\$m)	Growth %	Partners	Offices
1	PwC	2,350	11	679	9
2	Deloitte	2,010	15	786	12
3	EY	1,790	10	561	7
4	KPMG	1,640	9	553	14
5	Crowe Horwath	364	-2	261	79
6	BDO	268	9	173	10
7	Grant Thornton	255	8	162	6
8	Pitcher Partners	252	7	122	6
9	RSM	189	4	96	30
10	PKF	117	9	84	13
11	KordaMentha	115	-4	44	6
12	William Buck	110	5	90	7
13	Bentleys Australia	105	5	67	15
14	HLB Mann Judd	102	6	79	9
15	Nexia Australia	92	--	74	10
16	Walker Wayland Australasia	78	10	66	35
17	Countplus	74	-10	56	28
18	Moore Stephens Australia	74	47	75	14
19	McGrathNicol	70	8	32	5
20	Hall Chadwick Australia	68	11	53	11
21	DKF Australia New Zealand	56	-4	56	17
22	ShineWing Australia	56	4	33	3
23	Synergy Group Australia	42	39	12	1
<b>24</b>	<b>Kelly+Partners</b>	<b>41</b>	<b>35</b>	<b>48</b>	<b>13</b>
25	UHY Haines Norton	38	4	38	11

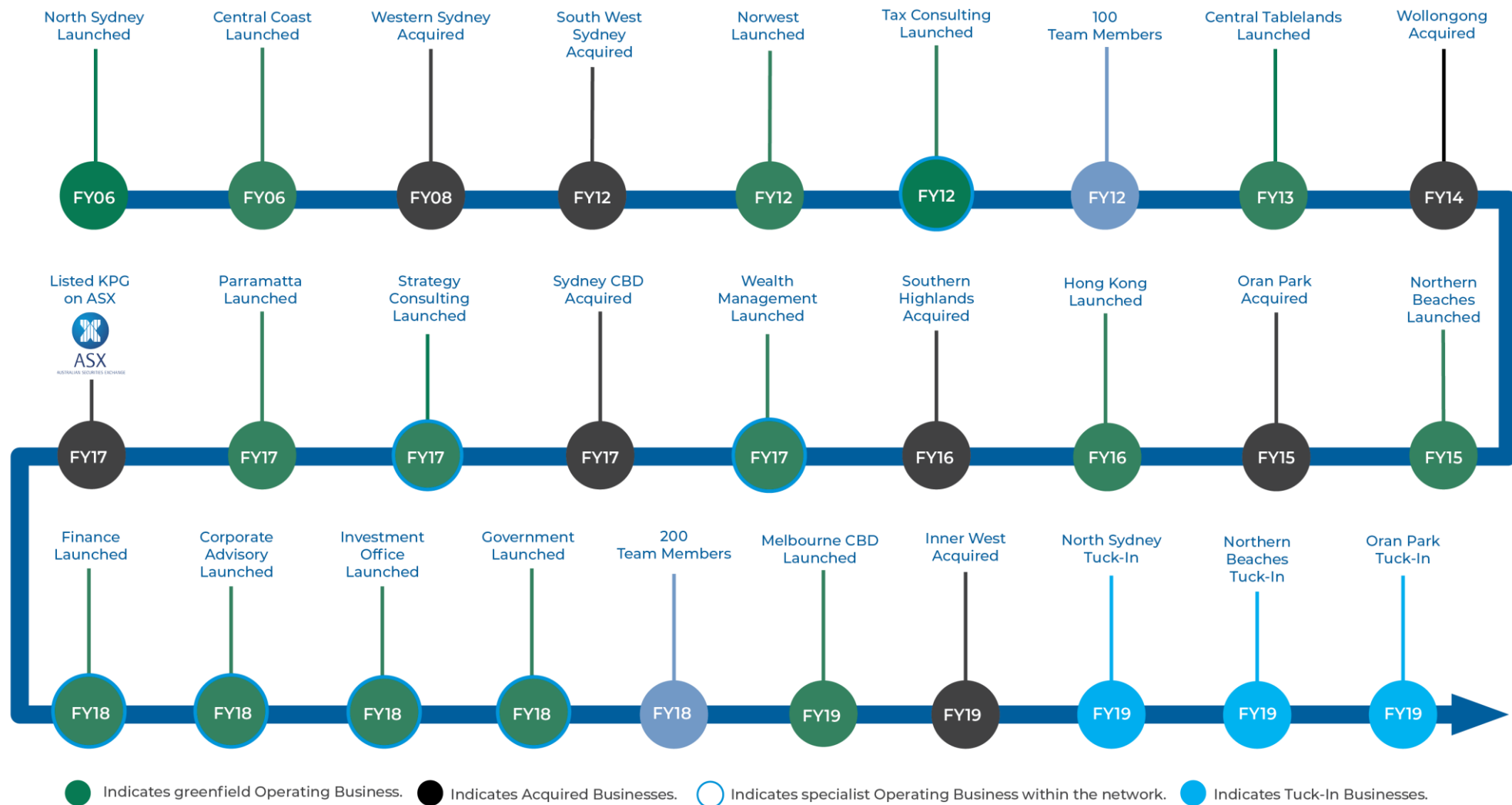
9%  
Top 25  
Revenue Growth

11%  
Big 4  
Revenue Growth

8%  
Top 25 excl Big 4  
Revenue Growth

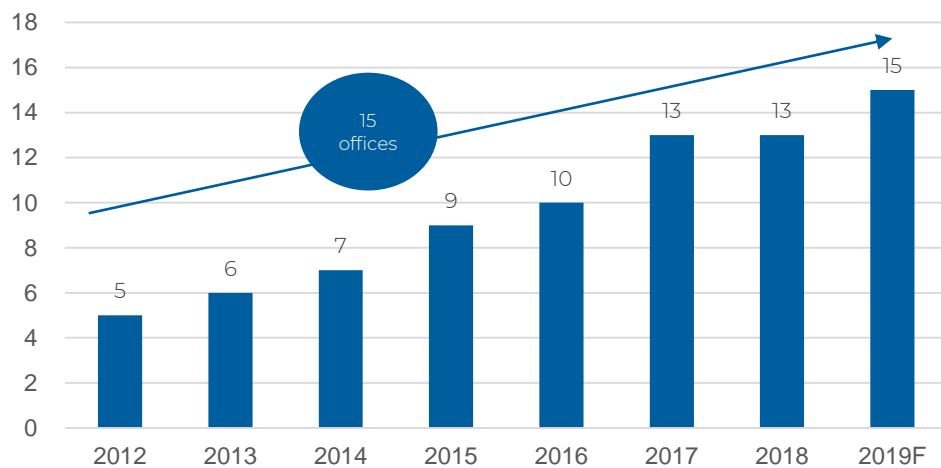
Source: Financial Review Top 100 Accounting Firms (2018) available at: <https://www.afr.com/business/accounting/who-are-australias-top-100-accounting-firms-for-2018-20180821-h148n1>

# +Timeline

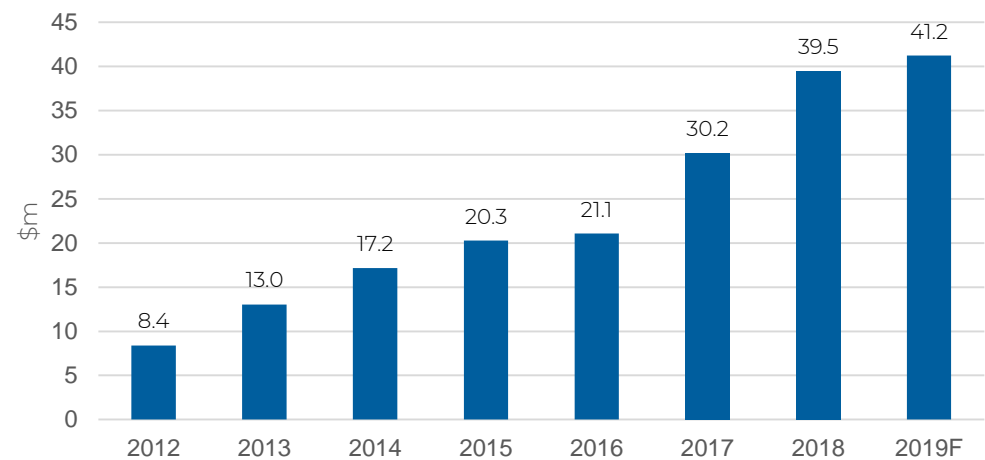


# + Track Record of Growth

Offices



Revenue



# + Operating Business Model

## Mission + Values



Clearly Defined Mission and Values

## Strategy + Market



SME focus in Greater Sydney Area

## Brand



Single Brand and Marketing

## Intellectual Property



Proprietary Systems and Procedures

## Structure



51/49 Owner-Driver Partnership Model

## Management



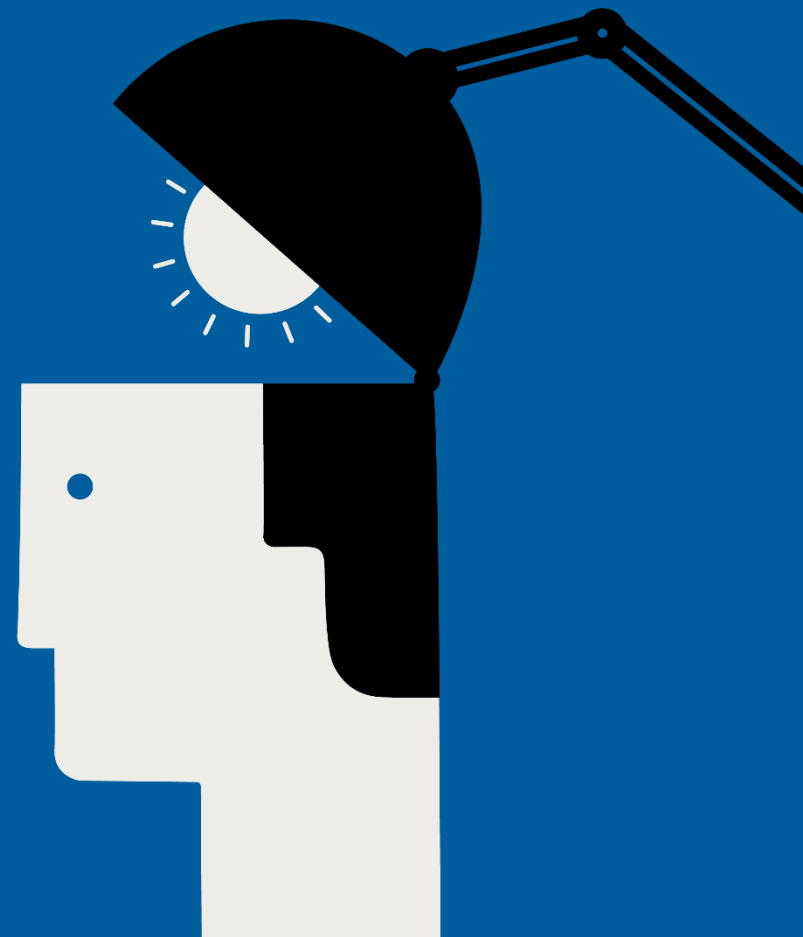
Centralised Back Office

## Growth



Growing Network and Service Offering

# + Financial Performance





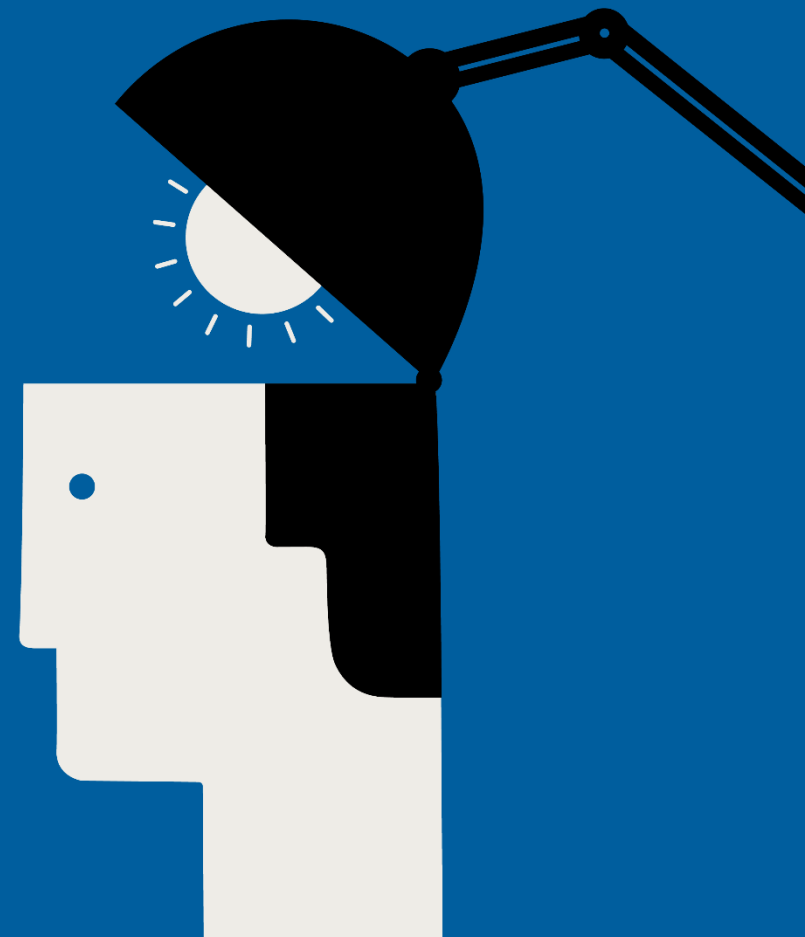
# + 1H19 Statutory Income Statement

Consolidated	1H19 <sup>1</sup> (\$m)	1H18 <sup>1</sup> (\$m)	% Change
Revenue	19.7	19.2	2.6%
Expenses	15.0	14.4	4.1%
EBITDA	4.7	4.8	(2.1%)
Depreciation	0.2	0.2	7.1%
EBIT	4.5	4.6	(2.4%)
Interest	0.4	0.3	26.5%
NPBT	4.1	4.3	(4.5%)
Tax	0.5	0.6	(15.7%)
NPATA	3.6	3.7	(2.8%)

Attributed	1H19 <sup>1</sup> (\$m)	1H18 <sup>1</sup> (\$m)	% Change
EBITDA	2.0	2.1	(1.4%)
Depreciation	0.1	0.1	24.0%
EBIT	1.9	2.0	(2.7%)
Interest	0.3	0.3	18.5%
NPBT	1.6	1.7	(5.8%)
Tax	0.3	0.5	(27.4%)
NPATA	1.3	1.2	6.1%

<sup>1</sup> Rounded to the nearest \$100,000

# + Outlook and Future Growth

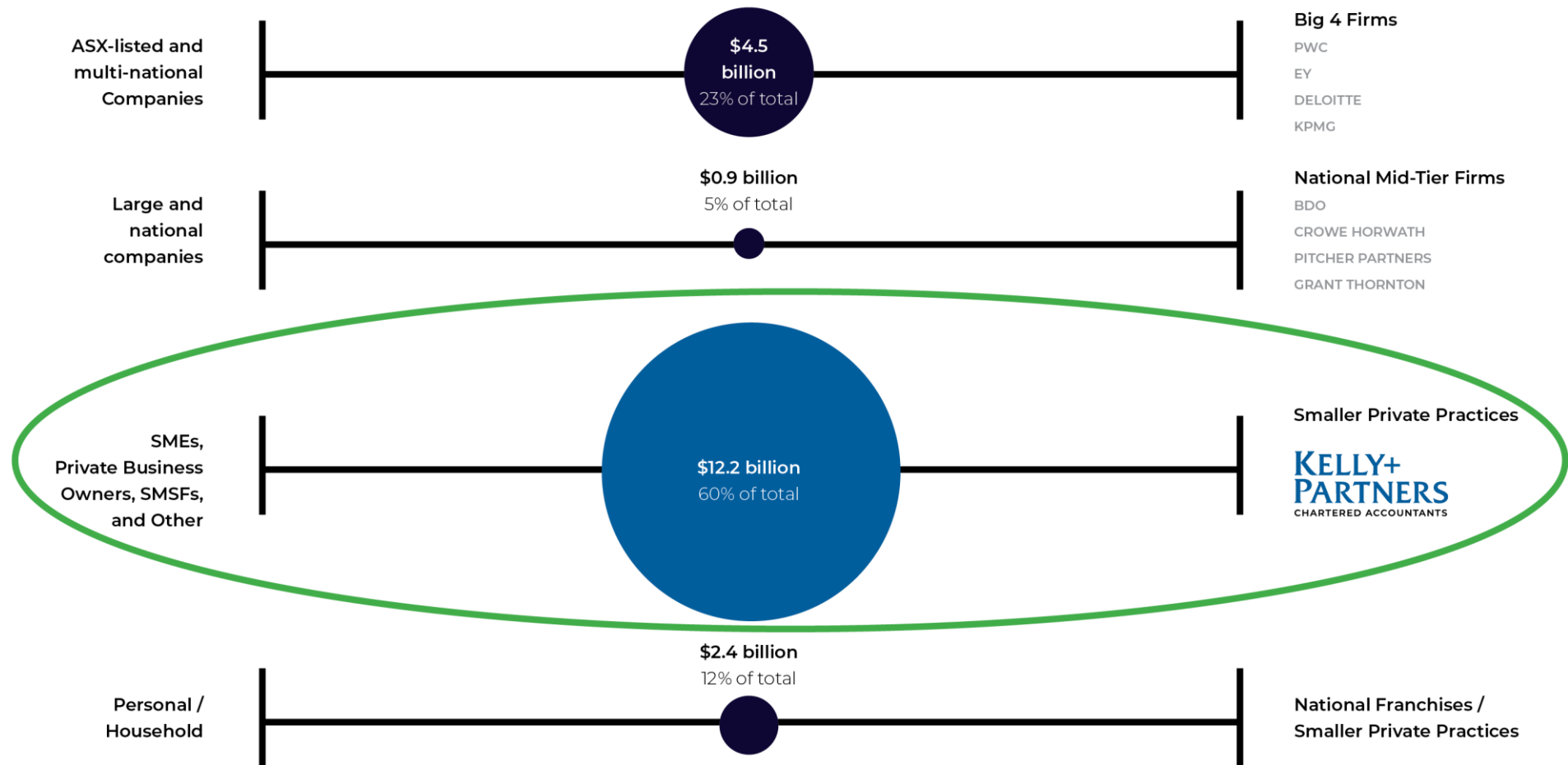


# +Market Opportunity

Total Market \$20 Billion Annual Revenue

## Typical Client Base

## Typical Accounting Provider



# + 5 Year Growth Strategy

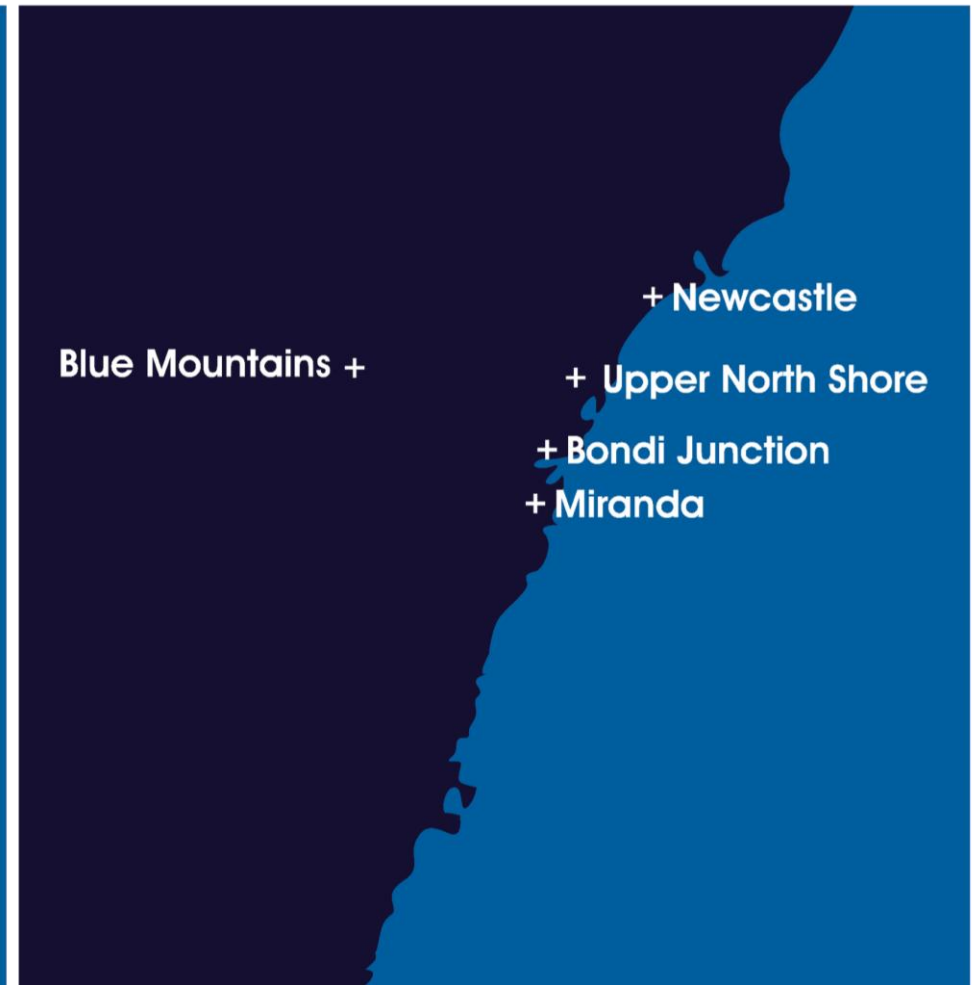
EXISTING GROUP	ORGANIC	NETWORK EXPANSION			NEW SERVICES	TARGET GROUP
	ORGANIC GROWTH	ACQUISITION – TUCK-IN	ACQUISITION – MARQUEE OR	GREENFIELD		
	5% p.a	2+ tuck-ins per year 8 existing sites \$1.0m+ revenue each 112 spare seats Integration cost 10% of price 60 days integration Target ROI – 30%+	5 new sites \$2.0m+ revenue each 2+ partners Integration cost 20% of price 2 year integration Target ROI – 30%+	5 new sites \$2.0m revenue target 2 partners target Start-up cost \$50-\$250k 3 years to target metrics Target ROI - 30%+ after 3 years	Wealth Finance Corporate Advisory Investment Office	
	Self Funded / Overdraft	Self Funded / Overdraft	Self Funded / KPG / Overdraft	Self Funded / Overdraft	Self Funded / Overdraft	Self Funded / Overdraft
~\$41m Revenue	\$12m+ Revenue Opportunity	\$12m+ Revenue Opportunity	\$10m+ Revenue Opportunity		\$5m+ Revenue Opportunity	\$80m+ Revenue Opportunity
~\$10m EBITDA	\$4.2m+ EBITDA Opportunity	\$4.2m+ EBITDA Opportunity	\$3.5m+ EBITDA Opportunity		\$1.8m+ EBITDA Opportunity	\$28m+ EBITDA Opportunity

# + Acquisition: Tuck-in & Marquee

## Tuck-In (8 existing sites)



## Marquee (5 new sites)



# + Disclaimer

## SUMMARY INFORMATION

This document has been prepared by Kelly Partners Group Holdings Limited ACN 124 908 363 (Company). This document contains information in a summary form and general background information about the Company's activities current as at the date of the document. It is to be read in conjunction with the Company's other disclosure announcement filed with the Australian Securities Exchange (available at [www.asx.com.au](http://www.asx.com.au)). This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

## TERMINOLOGY

Certain non-IFRS financial information has been included with this document to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. The Company uses these measures to assess the performance of the business and believes that the information is useful to investors. Non-IFRS information including Underlying, Attributed and Pro forma NPAT, NPATA, EBITDA, and EPS have not been subject to review by the auditors.

## NO RELIANCE

To the maximum extent permitted by law, the Company, its subsidiaries and associates and their respective directors, employees and agents disclaim all liability for any direct or indirect loss which may be suffered by any recipient through use of or reliance on anything contained in or omitted from this document. No recommendation is made as to how investors should make an investment decision. Investors must rely on their own examination of The Company, including the merits and risks involved. Investors should consult with their own professional advisors in connection with any acquisition of securities.

The information in this document remains subject to change without notice. The Company assumes no obligation to provide any recipient of this document with any access to any additional information or to notify any recipient or any other person of any other matter arising or coming to its notice after the date of this document.

## FORWARD LOOKING STATEMENTS

This document contains certain "forward-looking" statements. Forward-looking statements are generally identifiable by the words "anticipate", "believe", "expect", "projections", "guidance", "forecast", "estimate", "likely", "intend", "should", "could", "may", "will", "target", "plan" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. While due care and attention has been used in the preparation of forecast information, forward looking statements, opinion and estimates are based on assumptions and contingencies which involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company. Neither the Company, its directors, officers or agent gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur and actual results may differ materially from those expressed or implied in such statements. To the fullest extent permitted by law, the Company disclaims any obligation or undertaking to release any public update or revisions to the information to reflect any changes in expectations or assumptions. These statements are general guides only and should not be relied upon as an indication or guarantee of future performance. Past performance are not indicators of future performance.

## NOT AN OFFER

This document does not constitute an offer, invitation, solicitation, recommendation, advice or recommendation with respect to issue, purchase, or sale of any shares or other financial products in the Company in any jurisdiction.

## CONFIDENTIALITY

By accepting this document, you agree to maintain absolute confidentiality regarding the information contained herein. The information is given to you solely for your own use and this document cannot be copied, reproduced, redistributed or passed on, directly or indirectly, in whole or in part, for any purpose without the prior written permission of the Company. The distribution of this document may be restricted by law and persons in possession of this document should inform themselves and observe any such restrictions.

# KP+GH

KELLY PARTNERS GROUP HOLDINGS LIMITED

# +Thank you

May 2019

Kelly+Partners Group Holdings Limited  
[kellypartnersgroup.com.au](http://kellypartnersgroup.com.au)