

ASX Announcement – KPG

Monday 4 November 2019

Kelly+Partners Melbourne CBD firm Acquisition Completion Announcement

Kelly+Partners Group Holdings Limited (“Group”, ASX:KPG) is pleased to announce the completion of its acquisition of an accounting firm located in the Melbourne CBD previously announced to the ASX on 2 October 2019. Completion occurred on 1 November 2019.

The acquisition is expected to contribute \$2.0m - \$2.5m in annual recurring revenue to the consolidated Group and approximately \$500K of EBITDA to the parent entity post transaction improvement. The acquired firm has relocated to the Group’s existing Melbourne office, located at 333 Collins St, Melbourne. An exclusive agreement has also been signed to refer accounting and wealth management business to Kelly Partners post the acquisition. The acquisition is structured under the Group’s Partner-Owner-Driver model.

Chief Executive Officer of Kelly+Partners, Brett Kelly said “Melbourne is a tremendous city where we already do significant business. With our own team in the CBD we look forward to growing a significant market leading presence. The partnership confirms the attractiveness of the Kelly+Partners offer to owners of progressive accounting firms.

It is an exciting move forward in the Group’s mission to provide a growing network and service offering to our target private business owning clients.”

The acquired firm is more than 25 years old and holds a leading position in the Melbourne CBD for accounting and taxation services to SMEs, community groups and individuals. The acquisition will bring ~ 500 new client groups to Kelly Partners, with the total client groups serviced by the Kelly Partners group increasing to ~ 7,500 client groups.

This is the Group’s sixth acquisition since IPO in June 2017. Acquisition discussions continue with other firms. The Group continues to outline its growth strategy in the following terms:

1. Organic
2. Network Expansion (tuck in to existing site or new site)
3. New Services

The business continues to grow organically and continues to receive significant levels of interest from talented professionals and firms looking to join the business.

NSW

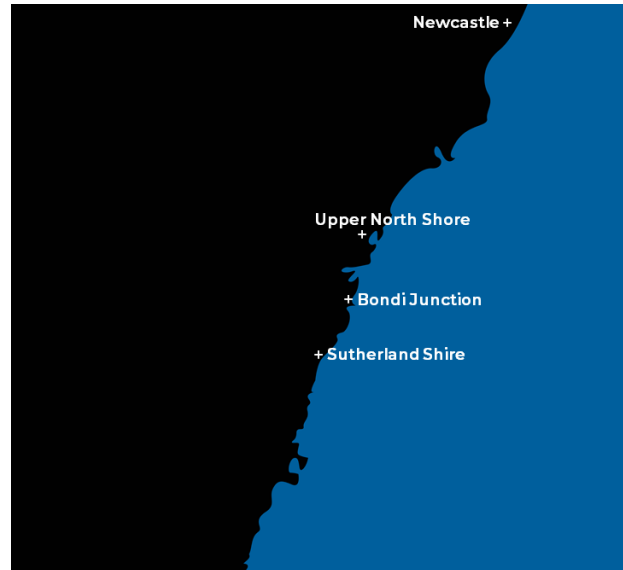
Acquisition Strategy: Tuck-in



TUCK-IN

4 existing sites targeted for FY20

Acquisition Strategy: Marquee Target Locations



MARQUEE

4 sites

VIC

Acquisition Strategy: Marquee Target Locations



MARQUEE

4 sites

Kelly+Partners – Current Office Locations



About Kelly+Partners

Kelly+Partners is a specialist chartered accounting network established in 2006 to provide a better service to private clients, private businesses & their owners, and families. Growing from two greenfield offices in North Sydney and the Central Coast, Kelly+Partners now consists of 21 operating businesses across 15 locations in Greater Sydney, Melbourne, Hong Kong and Auckland. In total, the team consists of more than 250 people, including 48 operating partners, who service over 7,500 SME clients. Our holding company, Kelly Partners Group Holdings, was successfully listed on ASX on 21 June 2017.

Over the past 13 years, Kelly+Partners has undertaken 28 individual transactions in order to build the current accounting network. This includes the transformation of 15 external firms, and the launch of 13 greenfield businesses. Our ownership structure and operating model is unique in the Australian accounting market, and provides a strong platform for long-term sustainable growth. The combination of a proven business model and specialist operational expertise enables Kelly+Partners to help solve many of the issues currently facing both the accounting sector and our SME clients.

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