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KELLY PARTNERS GROUP HOLDINGS LIMITED

KELLY PARTNERS GROUP HOLDINGS

(ASX: KPG)

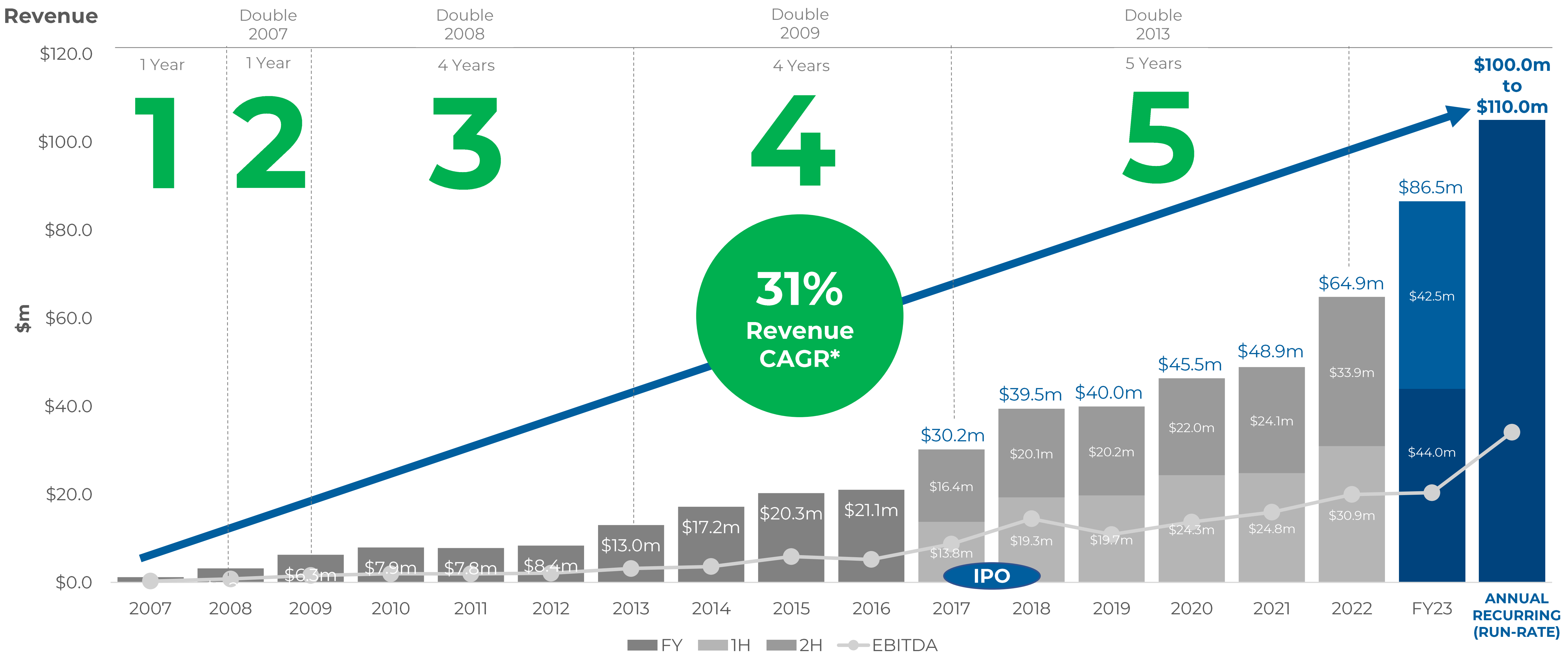
FY23 RESULTS PRESENTATION

PRESENTED BY

Brett Kelly Founder and CEO **Kenneth Ko** CFO

August 2023

DOUBLE 5 TIMES IN A ROW



**CAGR means Compound Annual Growth Rate and represents the constant rate of compound revenue growth over the period since inception (with the business founded in 2006, and the calculation based on 2007 representing the first full year of operations). Audited numbers from FY2013 onwards.*

KPG IN 10 SECONDS

PROFIT & LOSS

	REVENUE	MARGIN	PARENT NPATA
	↑33.4% REVENUE GROWTH	↓-8.1% EBITDA MARGIN	↓-14.2% UNDERLYING NPATA GROWTH
FY23	$86.5m	22.7%	$5.4m
FY22	$64.9m	30.8%	$6.3m
	Revenue from ordinary activities	Underlying EBITDA pre AASB 16 to Revenue	Underlying NPATA attributable to parent

BALANCE SHEET

	RETURN	GEARING
	↓3.3% RETURN ON EQUITY	↑0.29x NET DEBT TO UNDERLYING EBITDA
FY23	38.4%	1.65x
FY22	41.7%	1.36x
	Underlying Group NPATA on Group Equity	Net Debt on Underlying Group EBITDA

CASHFLOW

	CASHFLOW	EFFICIENCY
	↑ 8.2% OPERATING CASHFLOW	↑ 11.1% CASH CONVERSION
FY23	$15.4m	94.4%
FY22	$14.3m	83.3%
	Operating Cashflow pre AASB 16	Operating Cashflow (before finance costs and tax) on EBITDA

Supplementary Statistic

	Revenue / FTE	Firm EBITDA %	Underlying Group NPATA	Group ROIC	Lockup Days	Receipts from Customers	Operating Cashflow
FY23	$227K / FTE	**27.3%**	$13.6m	20.0%*	48.1	$94.7m	$24.7m
FY22	$240K / FTE	30.9%	$14.2m	22.3%	55.8	$66.1m	$20.6m

**Return of invested capital impacted by 1) additional investments in parent entity and 2) in year acquisitions that do not contribute full year earnings. Adjusting for both 1) and 2) results in a 22.2% ROIC*

CAPITAL ALLOCATION

KPG aims to build per-share intrinsic value by:			FY18	FY19	FY20	FY21	FY22	FY23
1	Improving the earning power of our operating businesses	✓	34.0%	27.7%	32.5%	33.4%	30.9%	27.3%*
			EBITDA margin of operating businesses					
2	Further increasing their earnings through acquisitions	✓	17.2%	6.4%	6.6%	4.8%	26.5%	28.7%
			Contribution to revenue growth					
3a	Growing our existing accounting subsidiaries	✓	10.3%	(6.4%)	6.6%	1.5%	4.7%	2.9%
			Contribution to revenue growth					
3b	Growing our existing complementary businesses	✓	2.7%	1.8%	1.4%	1.2%	1.5%	1.8%
			Contribution to revenue growth					
4a	Making programmatic acquisitions	✓	0	4	3	7	8	8
			Number of acquisitions					
4b	Making an occasional large acquisition (i.e. >$5m in revenue)	✓	0	0	0	0	0	1**
5	Repurchasing KPG shares	✓	0	2k	95k	400k	0	0
	Number of Shares On Issue	✓	45.5m	45.5m	45.4m	45.0m	45.0m	45.0m

*see slide 24 "profitability" for EBITDA margins by cohorts. **announced in FY23, completed in Jul-23

ROIC

"And when we think about Invested Capital, we think about the shareholder capital that has been invested in the businesses, plus any Adjusted Net Income less any distributions. Obviously, when you divide Adjusted Net Income by Invested Capital, you get a measure of the return on our shareholders' investment (i.e. ROIC). If you add Organic Net Revenue Growth to ROIC, you get what we believe is a proxy for the annual increase in Shareholders' value. In a capital intensive business you couldn't just add Organic Net Revenue Growth to ROIC, because growing revenues would require incremental Invested Capital. In our businesses we can nearly always grow revenues organically without incremental capital" – *Mark Leonard, 2009 President's Letter, page 2*

Year	Group Underlying NPATA + Cash Interest	Invested Capital (Debt + Equity)	ROIC	Organic Revenue Growth (YOY)	ROIC + Organic Revenue Growth
2017	$7,961,219	$34,791,080	22.9%		22.9%
2018	$12,132,817	$38,886,264	31.2%	13.0%	44.2%
2019	$9,650,748	$42,755,818	22.6%	-4.3%	18.3%
2020	$10,955,031	$41,935,241	26.1%	8.0%	34.1%
2021	$12,410,693	$44,924,311	27.6%	2.7%	30.3%
2022	$15,209,546	$68,289,664	22.3%	6.2%	28.4%
FY23*	$16,136,313	$80,725,640	20.0%	4.7%	24.7%
Average (2018 to 2023)			**25.0%**	**5.1%**	**30.0%**

**Return of invested capital impacted by 1) additional investments in parent entity and 2) in year acquisitions that do not contribute full year earnings. Adjusting for both 1) and 2) results in a 22.2% ROIC*

ADDITIONAL INVESTMENT

- Additional investment of $2.5m (2.9%) of revenue to ensure we can handle next stage of growth (revenue growing 60% from FY22 ($64.9m) to FY24 run rate of $100-$110m)
- We have always invested in advance to have the right team and platform to service newly acquired businesses joining the Group
- Significant additional investment only required and intentionally spent during times of extraordinary growth

Sources of Capital

Internal cashflow
Issue Debt
Issue Equity

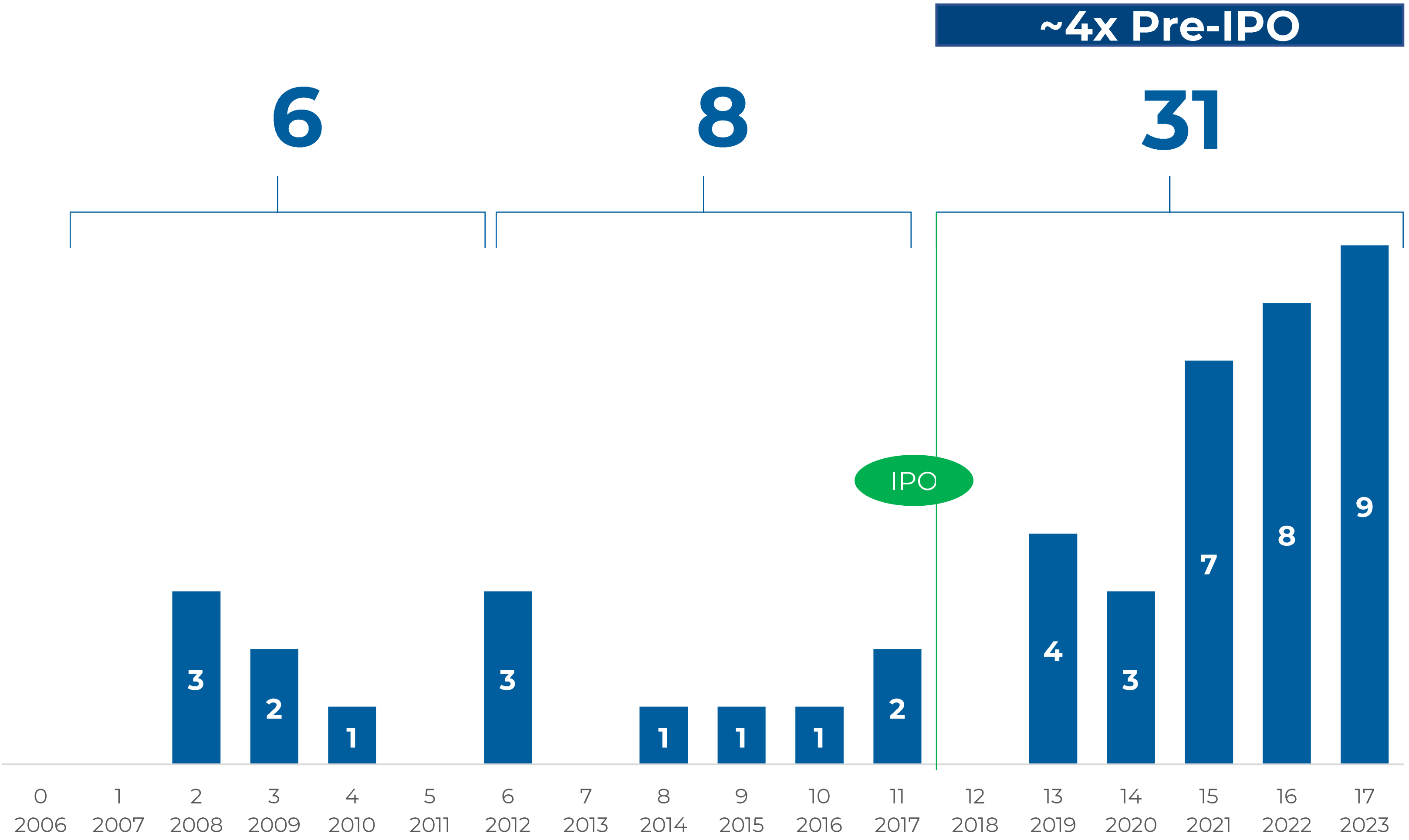
Use of Capital

Invest in existing operations
Buy other companies
Pay down debt
Pay dividends
Repurchase shares

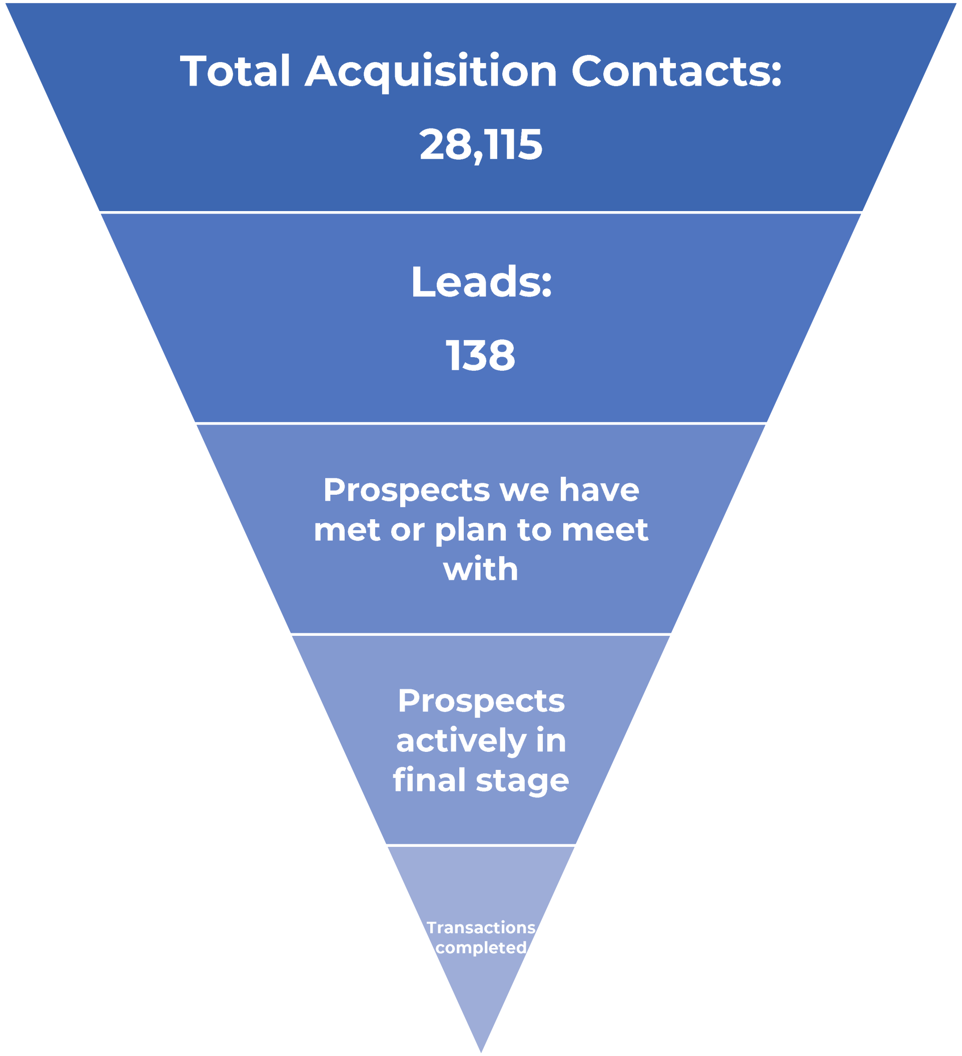
	FY18	FY19	FY20	FY21	FY22	FY23	Recurring
Group revenue	$39,468,666	$39,975,031	$45,495,584	$48,906,446	$64,862,110	$86,524,364	$100-$110m
Revenue growth	-	+1.3%	+13.8%	+7.5%	+32.6%	+33.4%	+21.4%
Additional investment	$371,913	$742,439	$1,630,905	$371,127	$77,836	$2,479,110	
% of Revenue	0.9%	1.9%	3.6%	0.8%	0.1%	2.9%	
Cumulative Additional Investment	$371,913	$1,114,352	$2,745,257	$3,116,384	$3,194,220	$5,673,330	
Underlying NPATA	$4.3m	$3.2m	$3.9m	$5.1m	$6.3m	$5.4m	$10.0-$11.0m

58.7% - 74.6%

PROGRAMMATIC ACQUISITIONS



Note: based on acquisitions that are announced in the stated financial year, e.g. acquisition that was announced in FY22 but completed in FY23 is shown in FY22.

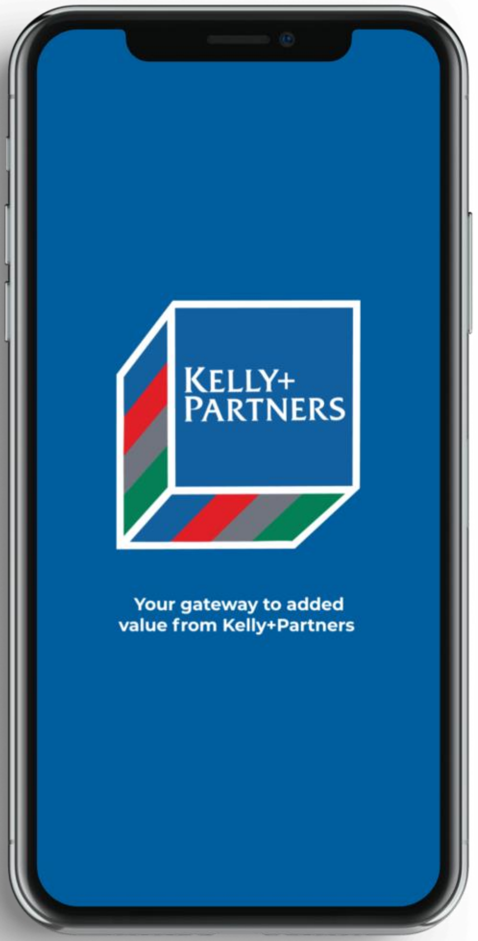


STRATEGIC REVIEW

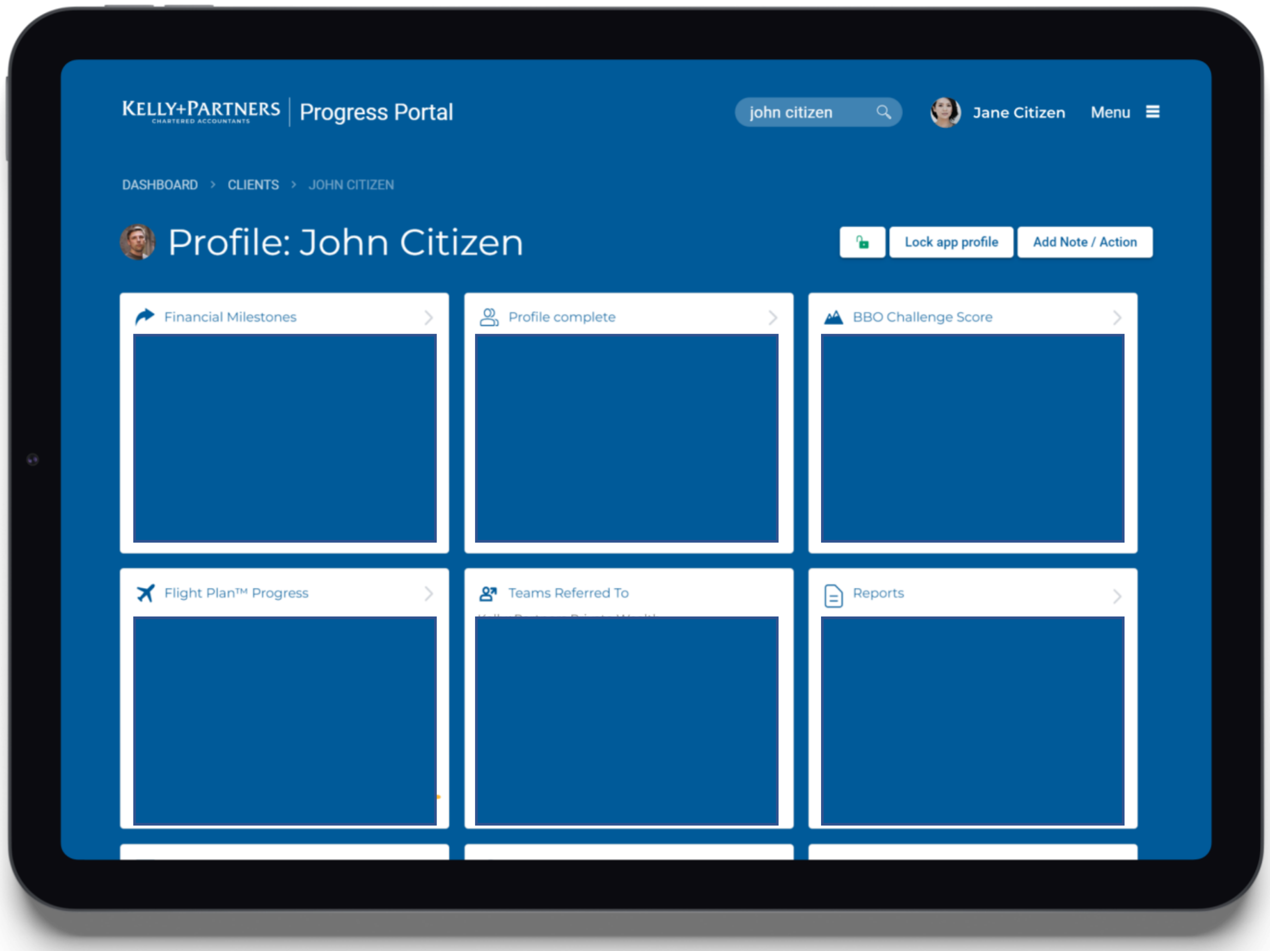
- To maximise value for all shareholders, we have appointed legal, tax and financial advisors to assist the board in undertaking a broader strategic review of ownership and capital structure options
- Strategic review is in a preliminary phase, and will consider a range of options, including:
    - Status quo with no dividend
    - Optimal listing venue for KPG’s long term strategy (e.g. potential redomiciling to a US listing venue)
    - Potential privatization of KPG
- We remain focused on our current plans and maximizing the business opportunity over the long term
- The Board has not set a timetable for completing the strategic review, and we will provide updates in due course

DIGITAL

PASSPORT



SPOT



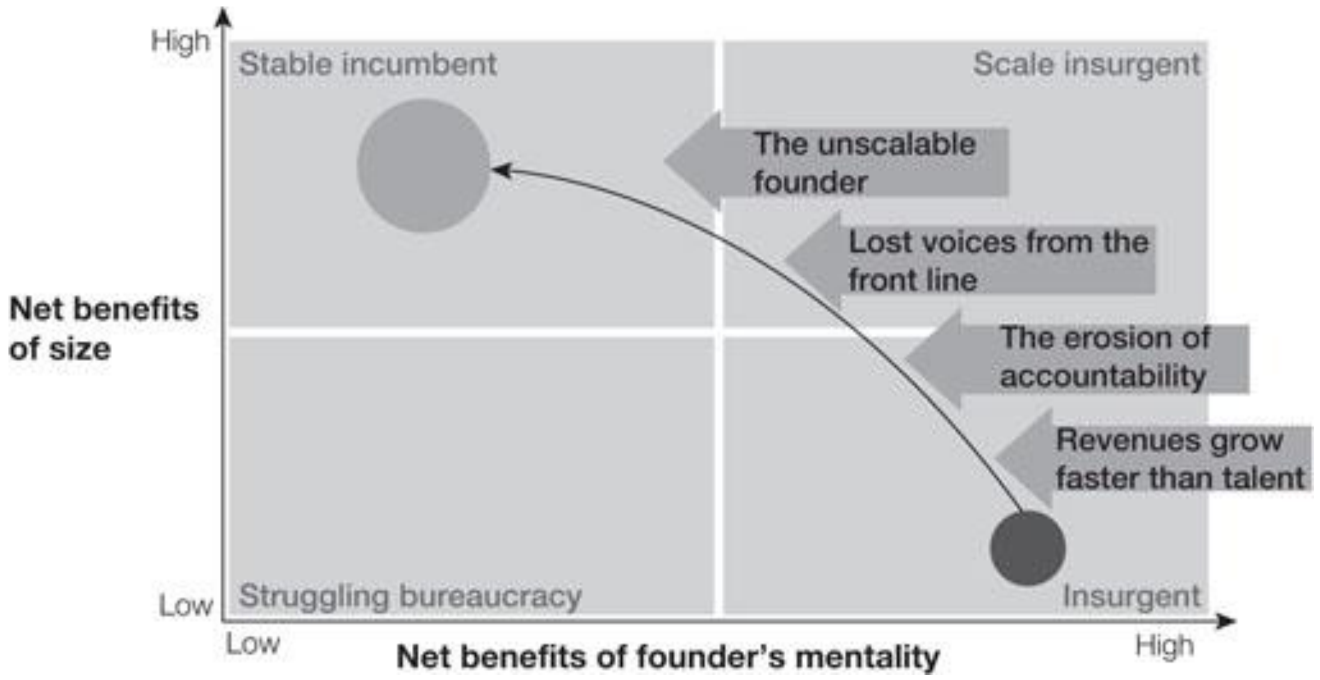
INCUMBENTS

PwC scandal: Australian Tax Office tried to get federal police to investigate in 2018

In their own words: What staff say about EY

'The partners protect bullies. Often they are bullies and aggressive themselves': EY personnel describe what it is like working at the big four consulting firm.

KPMG accused of inflating Defence invoices, billing for hours never worked



APPENDIX

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CONTENTS

Note all totals and other calculations presented in this presentation may be impacted by rounding

1
GROWTH

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OFFICES

32

19

+13 / +68%

Note: Bundall completion on 15 August 2023

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REVENUE & EPS

	YOY	Contrib.
INTERNAL **Accounting**	3.2%	2.9%
INTERNAL **Complementary**	19.9%	1.8%
EXTERNAL **Acquired**	∞	28.7%

Excluding organic growth from acquisitions made in the last 12-24 months (where we typically do not implement significant price or volume changes), our accounting businesses grew at **4.8%** on prior year

+33.4%

Revenue compounded annual growth rate since 2006

30.5%

Earnings per share annual growth rate since IPO (up to FY23)

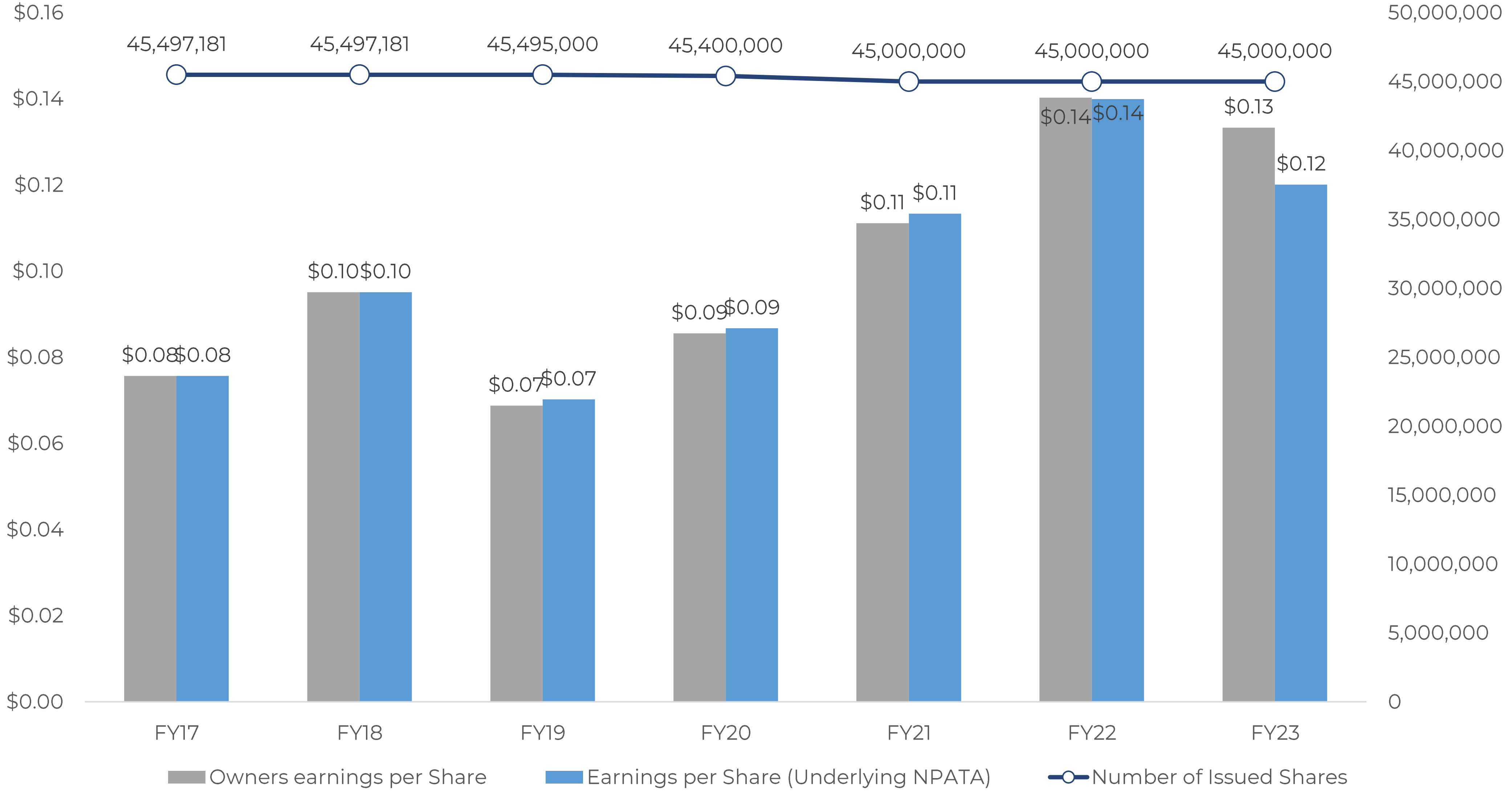
8.0%

GROWTH: OWNER EARNINGS

	FY19	FY20	FY21	FY22	FY23	CAGR since IPO
Owner earnings	$3,128,904	$3,885,041	$5,014,894	$6,312,568	$5,998,621	
Owner earnings per share (cents)	6.88	8.55	11.11	14.03	13.33	9.9%
% Growth		24.4%	29.9%	26.3%	(5.0%)	
Underlying NPATA	$3,193,208	$3,937,677	$5,114,832	$6,296,954	$5,403,346	
Cashflow Conversion - Parent	**98%**	**99%**	**98%**	**100%**	**111%**	

- **Owner earnings** represent the cashflow available to the parent entity. Owner earnings is used to measure cashflow to the Group (after taxes and finance costs) after taking in to account:
  - additions or reductions in working capital investment (debtors, creditors and other accrual movements);
  - deductions required for the maintenance capital expenditure of the business to maintain ongoing operations in the long term
- For the parent entity, Owner earnings equates to Cashflow from Operating Activities as there is minimal capital expenditure required to maintain the activities of the parent entity
- Cashflow conversion particularly strong this year as Jul-23 monthly services fees were received in advance (direct debited on 1st but due to 1st July being on the weekend, we received the Jul-23 services fee on the last business day of Jun-23)

EPS & OWNERS' EARNINGS



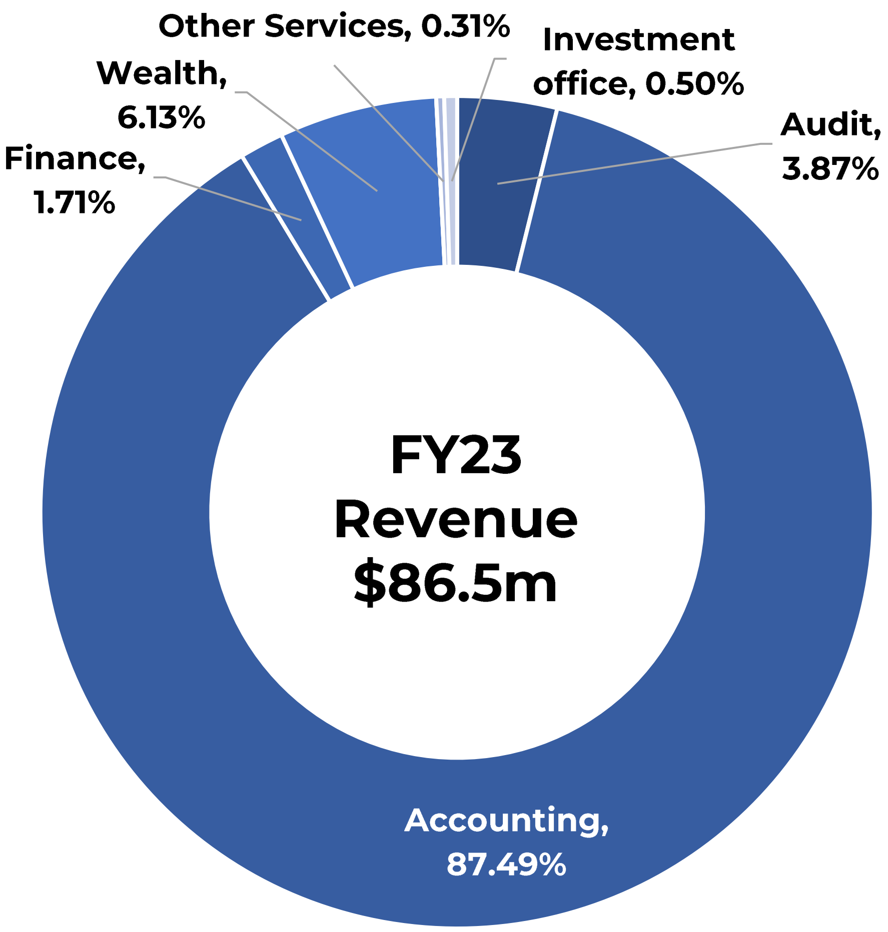
+19.4%
p.a.
Recurring Revenue per share to FY23

+9.9%
p.a.
Owner Earnings (Parent) per share to FY23

PEOPLE

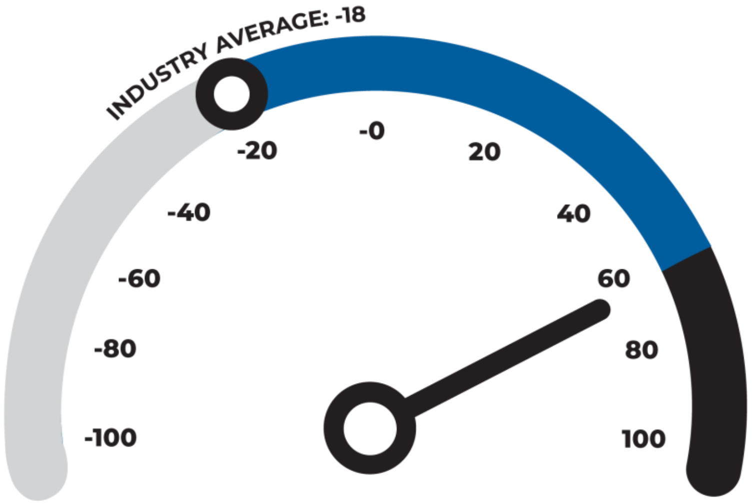
456 Team Members

SERVICES



$86.5m Revenue (+33%)

CLIENTS



+70 NPS

19,000+ Groups (+41%)

2
FINANCIALS

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HIGHLIGHTS

FY23 Financial Highlights (m)	KPGHL & Controlled Entities			KPGHL Attributed (parent only)		
P&L and Cashflow	FY22	FY23	% Change	FY22	FY23	% Change
Revenue	**$64.9**	**$86.5**	**33.4%**	–	–	–
Underlying EBITDA (pre AASB 16)	**$20.0**	**$19.7**	**-1.6%**	–	–	–
Margin %	**30.8%**	**22.7%**	**-26.3%**	–	–	–
EBITDA (pre AASB 16)	$21.7	$21.6	-0.3%	–	–	–
Underlying NPATA	**$14.2**	**$13.6**	**-3.9%**	**$6.3**	**$5.4**	**-14.2%**
Margin%	21.8%	15.7%	-28.0%	–	–	–
NPATA	$15.5	$15.0	-3.3%	$6.7	$6.3	-6.5%
Dividends & Distributions Paid	$9.9	$12.7	27.2%	$2.6	$2.9	10.0%
Cash from Operating Activities (pre AASB 16)	**$14.3**	**$15.4**	**8.2%**	–	–	–
Owners' Earnings[1]	**$9.1**	**$14.9**	**64.1%**	**$6.3**	**$6.0**	**-5.0%**
Gearing (Net Debt / Underlying EBITDA)	1.36x	1.65x	–	–	–	–
Cash Conversion (Operating Cash Flow / EBITDA)	83.3%	94.4%	–	-	-	–
Earnings per share (Underlying NPATA) (cents)	–	–	–	**13.99c**	**12.01c**	**-14.2%**
Earnings per share (Stat NPAT) (cents)	–	–	–	12.37c	8.73c	-29.4%
Ordinary dividend Per Share (cents)[8]	–	–	–	5.85c	6.44c	10.0%
Equity Partners	62	78	25.8%	-	-	–
Revenue per Equity Partner (Trailing 12 months)	$1.0	$1.1	6.0%	-	-	–
Balance sheet	30-Jun-22	30-Jun-23	% Change	30-Jun-22	30-Jun-23	% Change
Lockup (Debtors + WIP)[2]	$11.6	$14.1	21.2%	-	-	-
Net Debt[7]	$31.4	$39.9	27.3%	$1.0	$4.5	364.2%
Total Equity	$34.0	$35.5	4.5%	$20.7	$20.5	-0.7%
Return on Equity[3]	41.7%	38.4%	-8.0%	30.4%	26.3%	-13.6%
Return on Invested Capital[4]	22.3%	20.0%	-10.3%	30.5%	24.4%	-20.1%
Days Lockup[5]	55.8	48.1	-13.9%	-	–	–
Equity Ratio (Equity / Total Assets)[6]	31.8%	26.8%	-16.0%	–	–	–

1 *Owner earnings – calculated as Cash from Operating Activities less Payments for Lease Liabilities less Maintenance Capex.*
2 *Lockup – calculated as the total of trade and other receivables, accrued income less contract liabilities*
3 *Return on Equity – calculated as the Underlying NPATA / Total Equity*
4 *Return on Invested Capital – calculated as (Underlying NPATA + Interest) / (Total Equity + Debt)*
5 *Days Lockup – calculated as lockup divided by revenue multiplied by 365*
6 *Equity Ratio– calculated as Equity / Total Assets.*
7 *Net Debt for parent excludes attributable debt in subsidiary businesses.*
8 *Ordinary dividends paid represent the dividends paid relating to the stated financial year including estimated final dividends. For example, dividends paid in FY22 relating to FY21 are shown in the FY21 column.*

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REVENUE GROWTH

Revenue growth contributions by year

	FY18	FY19	FY20	FY21	FY22	FY23	AVG
Organic – Accounting	10.3%	-6.4%	6.6%	1.5%	4.7%	2.9%	3.3%
Organic – Complementary	2.7%	1.8%	1.4%	1.2%	1.5%	1.8%	1.7%
Organic – Total	13.0%	-4.6%	8.0%	2.7%	6.2%	4.7%	5.0%
Acquired	17.2%	6.4%	6.6%	4.8%	26.5%	28.7%	15.0%
Total	**30.2%**	**1.8%**	**14.6%**	**7.5%**	**32.6%**	**33.4%**	**20.1%**

Organic growth v Inflation by year

	FY18	FY19	FY20	FY21	FY22	FY23	AVG
Organic – Total	13.0%	-4.6%	8.0%	2.7%	6.2%	4.7%	5.0%
Inflation - Australia	2.1%	1.6%	-0.3%	3.8%	6.1%	6.0%	3.2%
Total	**+10.9%**	**-6.2%**	**+7.7%**	**-1.1%**	**+0.1%**	**-1.3%**	**2.8%**

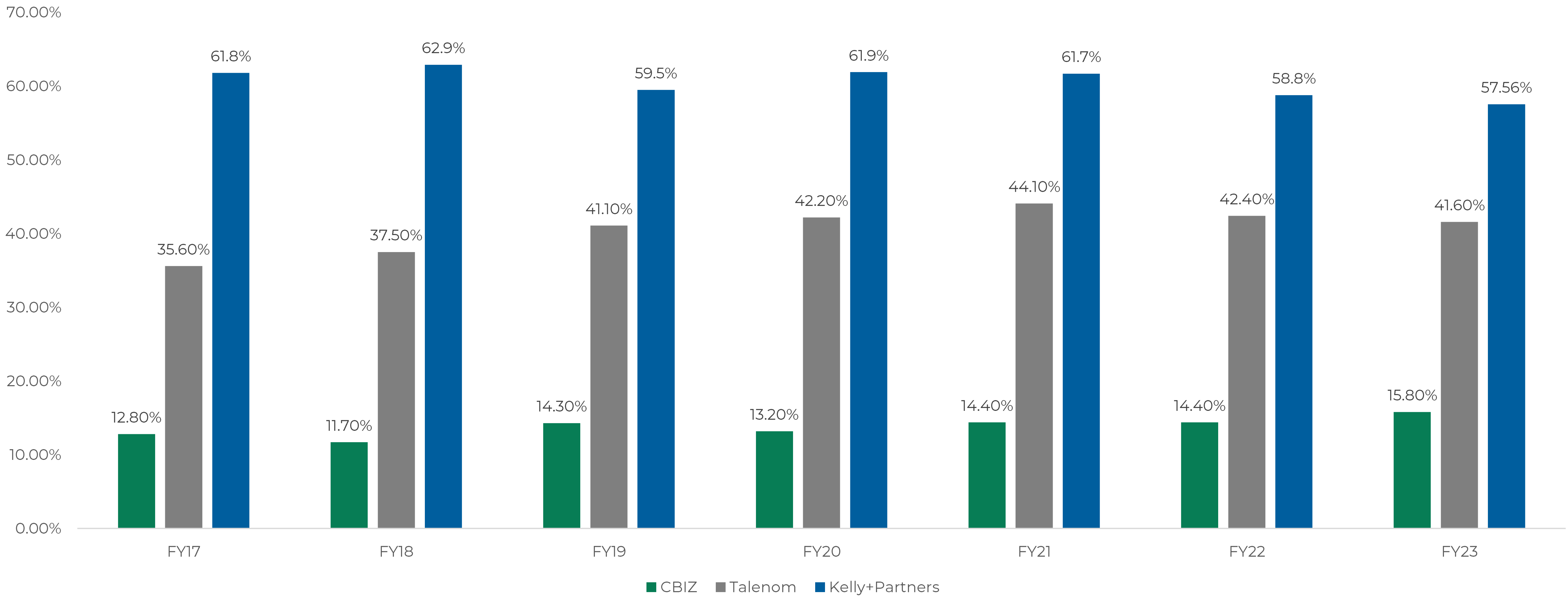
INCOME STATEMENT

- ***Revenue of $86.5m (+$21.7m, up 33.4%)***, driven both by organic revenue growth (4.7%) and by contributions from acquisitions completed in FY22 (28.7%).
- ***EBITDA margin at 22.7%* (FY22: 30.8%)** has been depressed due to significant additional investments from the parent entity, as well as margin compressions from a large number of acquisitions completed in the past 18 months. Excluding the parent additional investments, the EBITDA margin of the operating businesses is at 27.3%. We target increasing this to 35.0% over time
- ***Underlying NPATA attributable to shareholders declined -14.2%* to $5.4m (FY22: $6.3m)** due to reasons stated above. The parent entity has continued to invest heavily this year to:
  1. support the Group's accelerated expansion through acquisitions that has occurred in the past 2 years and to enable such growth to continue in the future; and
  2. expand the Group globally, particularly in to the US and UK, where significant opportunities exist
- Increased amortisation expense due to higher customer relationship intangibles resulting from increased acquisition activity
- Income tax increase disproportionate to profit due to tax expense for NCI not recorded, and additional investments creating a large tax deduction in the parent.

Income Statement Summary ($m)*	FY22	FY23	Δ%
Professional services revenue	$64.9	$86.5	33.4%
Other income exc Non Recurring Income	$0.1	$0.2	67.9%
Total Revenue	**$65.0**	**$86.7**	**33.5%**
Operating Expenses	-$45.0	-$67.1	49.0%
Underlying EBITDA pre AASB 16	**$20.0**	**$19.7**	**-1.6%**
Underlying EBITDA margin (pre AASB 16)	*30.8%*	*22.7%*	
Non Recurring Income/Expenses	$1.7	$1.9	-
Statutory EBITDA pre AASB 16	**$21.7**	**$21.6**	**-0.3%**
AASB 16 implementation	$3.1	$4.6	-
Statutory EBITDA	**$24.8**	**$26.2**	**5.7%**
D&A	-$6.3	-$9.6	50.9%
Finance Costs	-$2.0	-$4.4	114.2%
Income Tax	-$3.1	-$1.2	-60.8%
Statutory NPAT - Group Total	**$13.3**	**$11.1**	**-17.0%**
Non controlling interest	$7.8	$7.1	-8.1%
Statutory NPAT - Parent entity	**$5.6**	**$3.9**	**-29.4%**
Amortisation	$1.2	$2.4	100.9%
Non Recurring Income/Expenses	-$0.5	-$0.9	100.8%
Underlying NPATA to Shareholders	**$6.3**	**$5.4**	**-14.2%**

GROSS MARGIN

"high gross margins are the most important single factor of long run performance. The resilience of gross margins pegs companies to a level of performance." – Matthew Berry, "Mean Reversion in Corporate Returns" [1]

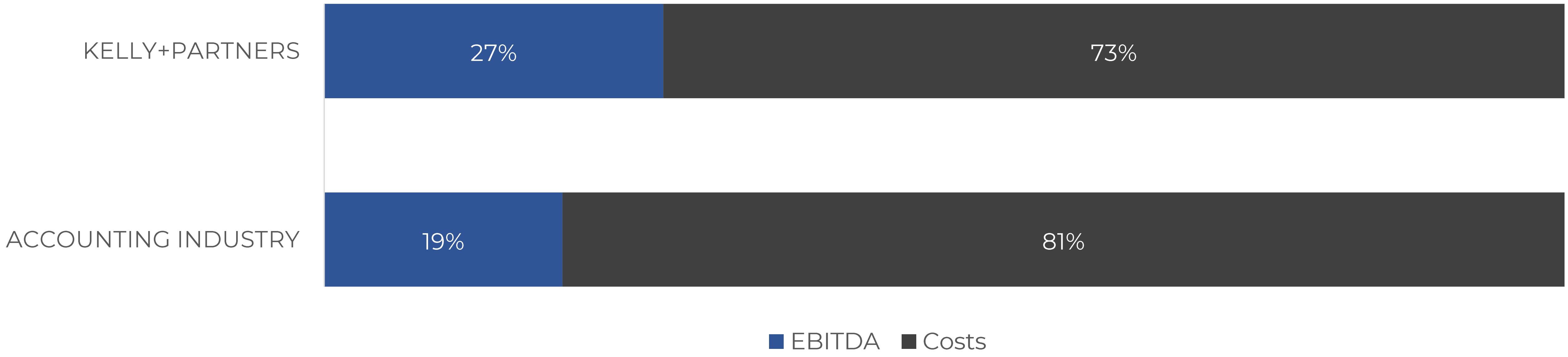


[1] "100 Baggers Stocks that Return 100-to-1 and How to find them", Christopher Mayer, Page 127-128

FY23 and FY22 Gross margins impacted by recent acquisitions. Talenom and CBIZ Last 12 months Gross Profit has been used in the "FY23" column

PROFITABILITY

Operating Businesses	Established	Growth	Other Services	Total	Subscale	Total inc. Subscale	Acquired*	Total inc. Acquired
Revenue	$57.6	$4.7	$6.6	$68.9	$2.4	**$71.3**	$15.2	**$86.5**
EBITDA^	$17.5	$0.8	$2.4	$20.7	$0.4	**$21.1**	$2.5	**$23.6**
EBITDA Margin %	*30.4%*	*17.7%*	*36.5%*	*30.1%*	*15.8%*	***29.6%***	*16.5%*	***27.3%***



Source: *IBIS World Accounting Services in Australia Industry Report (April 2020)*

Kelly+Partners data based on FY23 accounts before parent entity costs and is after Base Distributions to Operating Business Owners

^EBITDA before parent entity costs and pre AASB 16

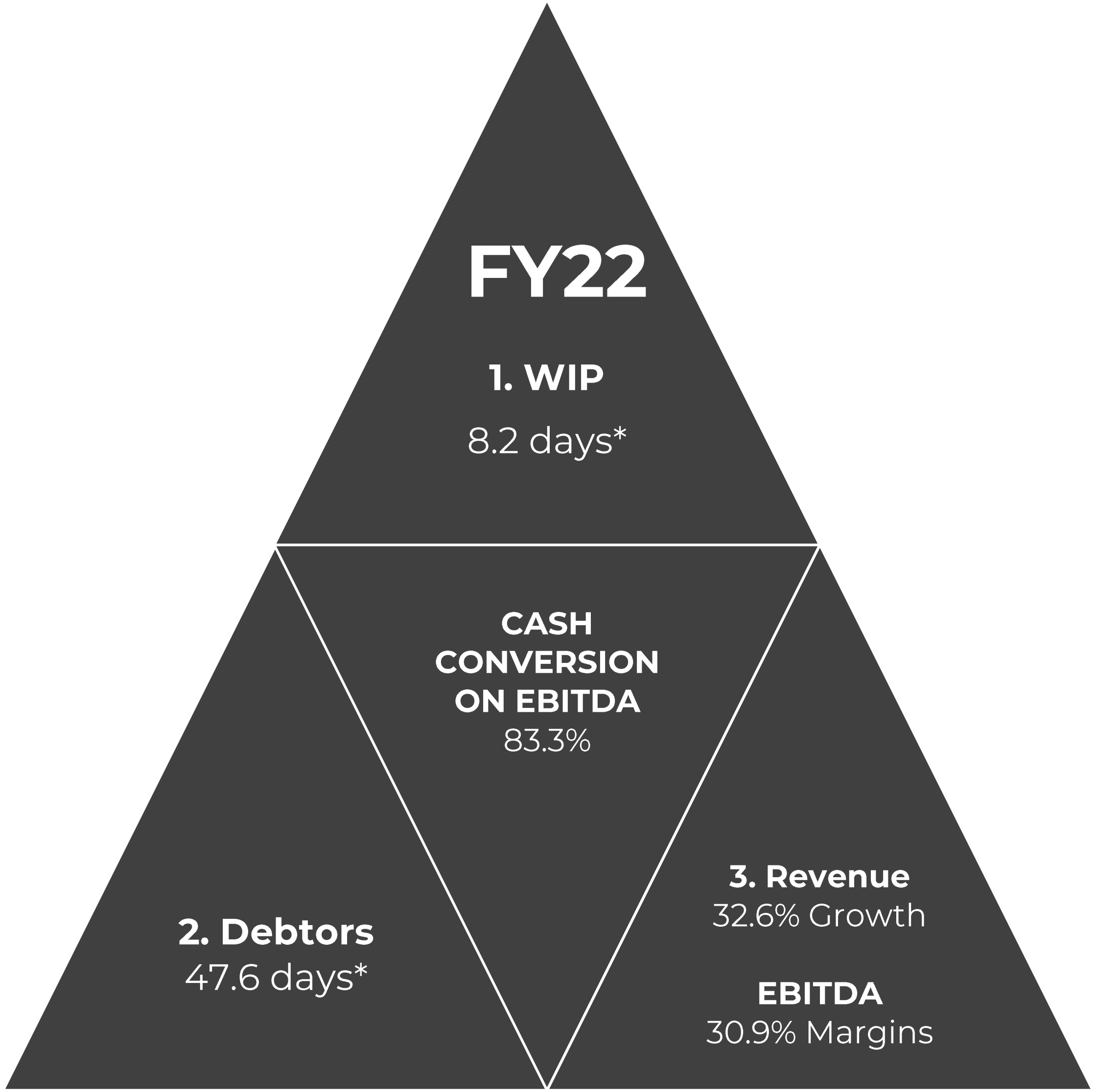
** Includes acquisitions in the past 18 months and excludes any tuck in acquisitions*

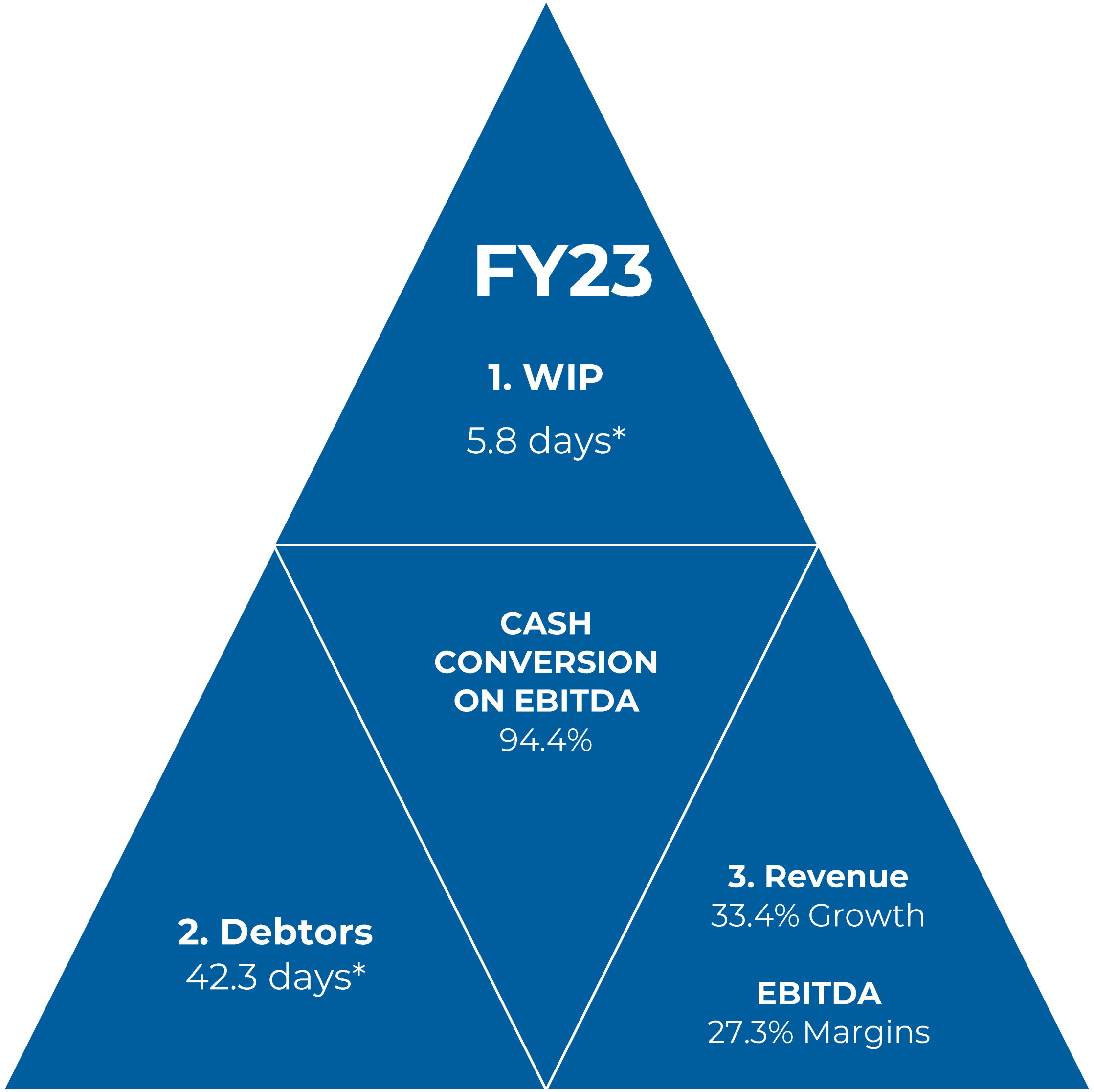
NPATA RECONCILIATION

Reconciliation of attributed NPAT/NPATA ($m)	FY22	FY23
Statutory NPAT attributable owners of Kelly Partners Group Holdings Limited	**5.6**	**3.9**
Amortisation of customer relationship intangibles	1.2	2.4
NPATA attributable to owners of Kelly Partners Group Holdings Limited	**6.7**	**6.3**
Add: non-recurring expense items		
Acquisition costs	0.6	1.0
Other non recurring expenses	0.0	0.1
Less: Non-recurring revenue items		
One-off government grants in relation to COVID-19	-0.7	0.0
Subsidies in relation to apprenticeship incentive scheme	0.0	-0.5
Change in fair value of contingent consideration	-0.3	-1.4
Other non recurring income	-0.2	0.0
Less: Tax effect of non recurring items	0.2	-0.1
Net non recurring items	**-0.5**	**-0.9**
Underlying NPATA attributable to Shareholders	**6.3**	**5.4**

** totals impacted by rounding*

TRINITY – OP CO





** Calculated on estimated annualised run rate revenue*

TRINITY – PARENT

FY22

1. ROIC
22.3%

EARNINGS PER SHARE
13.99 cps
+23.5%

2. Net Debt to EBITDA
1.36x

3. Cashflow Conversion
83.3%

FY23

1. ROIC
20.0%

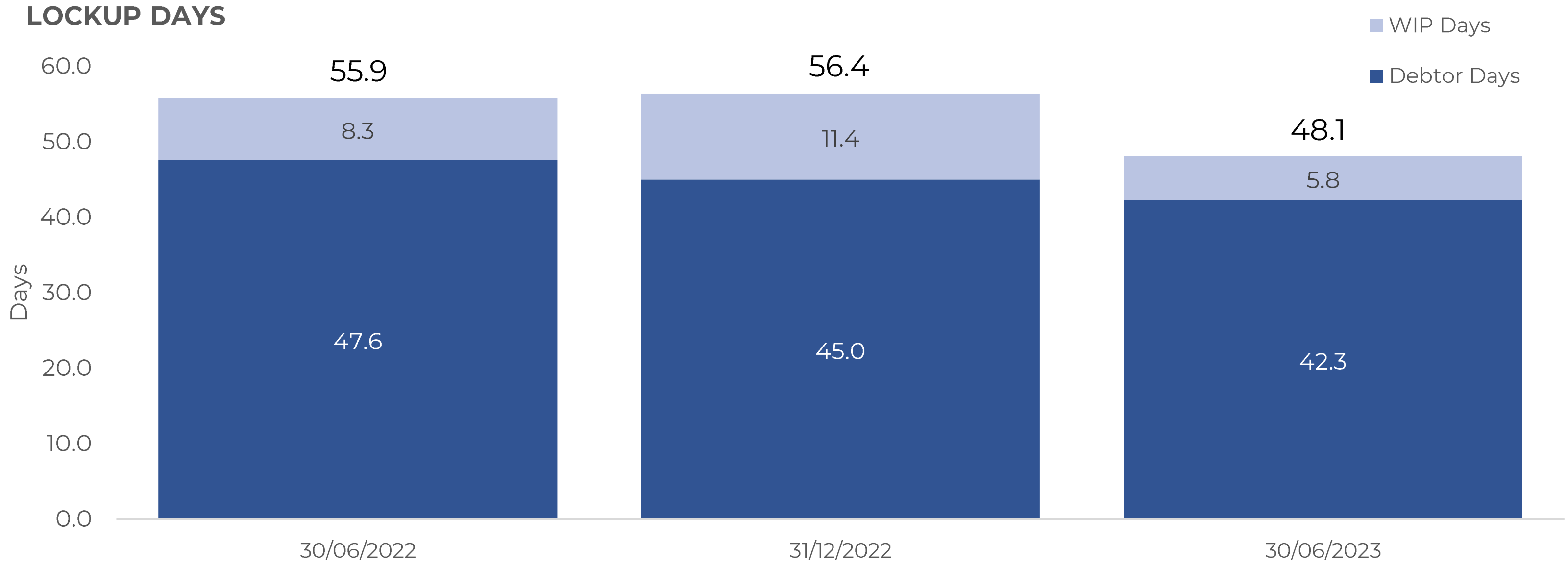
EARNINGS PER SHARE
12.01 cps
(-14.2%)

2. Net Debt to EBITDA
1.65x

3. Cashflow Conversion
94.4%

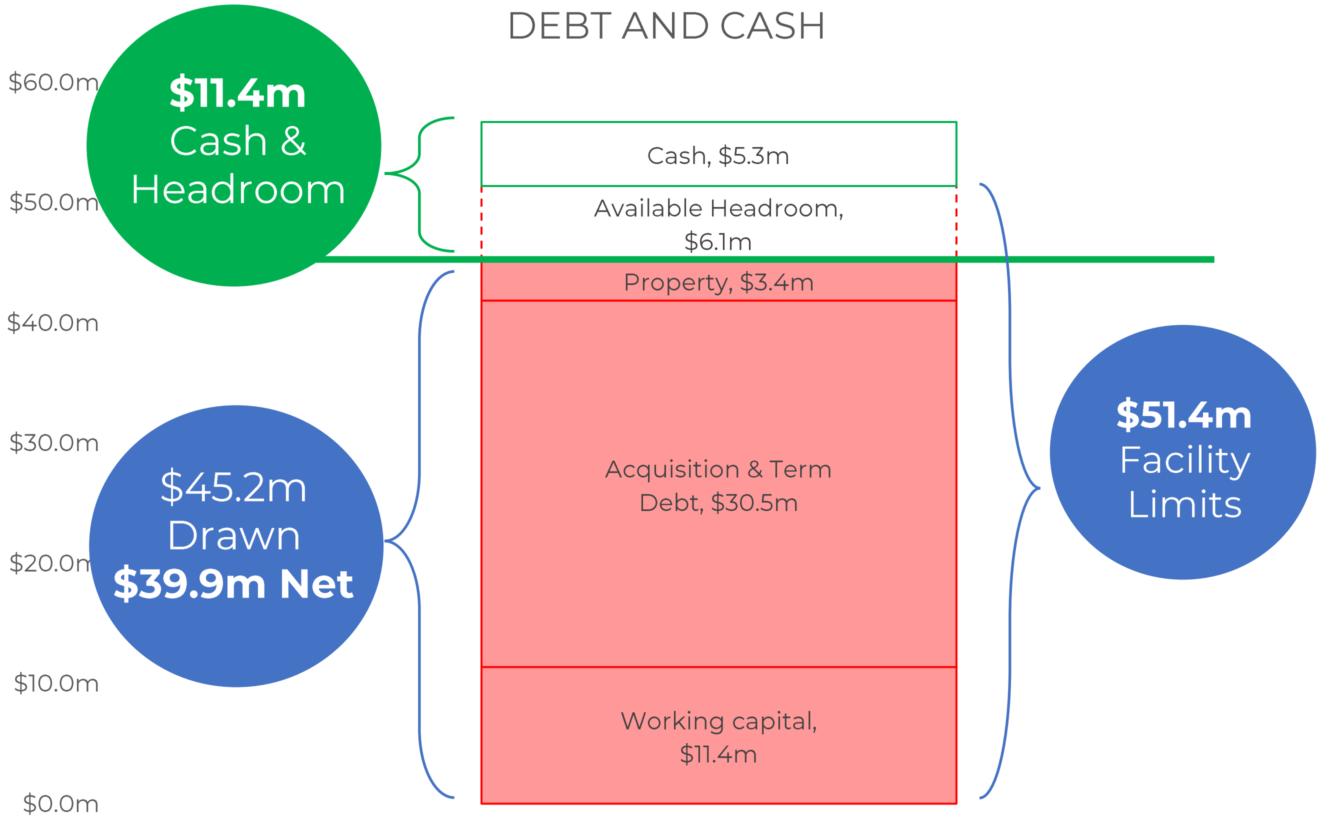
BALANCE SHEET

- Net Debt / Underlying EBITDA of 1.65x (FY22: 1.36x) as a result of increased term debt taken out to fund acquisitions. Debt is repaid from profits generated in acquired businesses over 4-5 years
- Group ROE of 38.4% (Group Underlying NPATA $13.6m / Group Equity of $35.5m) (FY22: 41.7%), impacted by additional investments in the parent. Excluding additional investments, Group ROE is at 43.3%
- Parent ROE of 26.3% (FY22: 30.4%)
- Lock up days at 48.1 days and is calculated based on annualised run rate revenue
- Total Asset $132.6m (+24.3%) driven mainly due to increases in intangible assets and right of use assets (i.e. leases) from acquisitions
- Intangible assets increased to $65.9m (FY22: $55.9m) with accelerated acquisitions



$m (consolidated)*	Balance Sheet (selected line items displayed)		
	30 Jun 2022	31 Dec 2022	30 June 2023
Cash	3.0	6.3	5.3
Lock up (Debtors + WIP)	11.6	13.4	14.1
Right of use assets	15.9	21.4	20.6
Intangibles	55.9	65.4	65.9
Total Assets	**106.6**	**131.5**	**132.6**
Borrowings	34.3	43.2	45.2
Lease liabilities	18.3	24.5	23.9
Total Liabilities	**72.7**	**95.7**	**97.1**
Net Assets	**34.0**	**35.8**	**35.5**
Non-Controlling Interest	13.3	15.7	14.9
Equity attributable to KPGH shareholders	**20.7**	**20.1**	**20.5**

DEBT & LIQUIDITY



Loan type (m)	Parent	Op. Bus	Total Debt
Working Capital Debt	$3.2	$7.9	$11.1
Property Debt	$0.0	$3.4	$3.4
Acquisition & other term debt	$1.7	$28.7	$30.5
Gross Debt - FY23	**$5.0**	**$40.1**	**$45.0**
Cash - FY23	-$0.5	-$4.8	-$5.3
Net Debt - FY23	**$4.5**	**$35.2**	**$39.7**

FY22			
Gross Debt - FY22	$1.0	$33.3	$34.3
Cash - FY22	$0.0	-$2.9	-$3.0
Net Debt - FY22	$1.0	$30.4	$31.4

Movement			
Gross Debt	**$4.0**	**$6.7**	**$10.7**
Cash	$0.5	$1.9	$2.4
Net Debt	**$3.5**	**$4.8**	**$8.3**

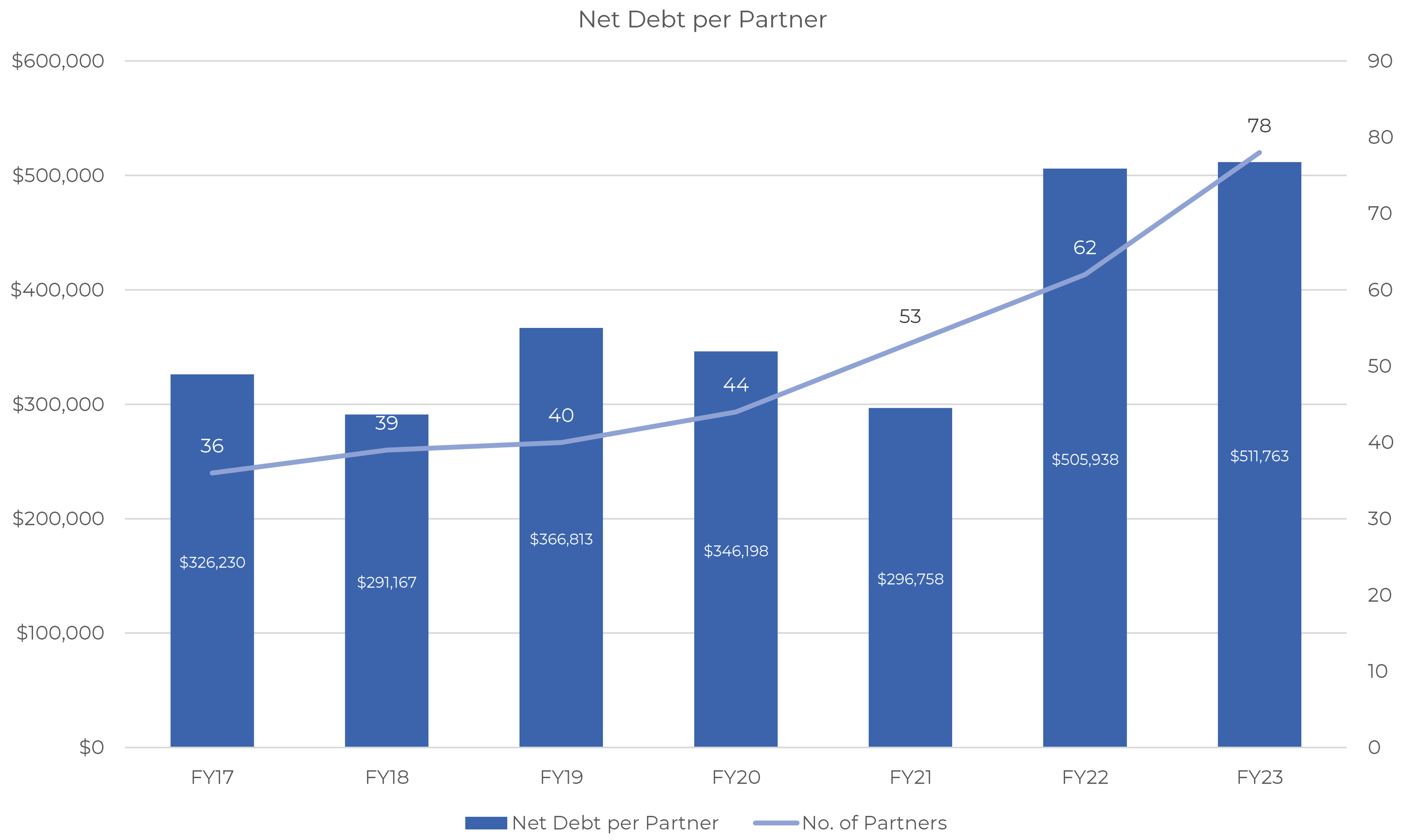
* *Rounded to nearest $100,000.*

- Working Capital debt of $11.4m is covered 1.2x by WIP and Debtors
- Acquisition & Term Debt of $30.5m is supported by annuity style cashflows and repaid over 4-5 years

- Net debt increased $8.3m from 30 June 2022 from in year acquisitions
- Group gearing increased to 1.65x (FY22: 1.36x) mainly from funding in year acquisitions and partner buy in loans

NET DEBT PER PARTNER

- Total number of equity partners increased to 78:
  - 6 new partners promoted internally
  - 2 new partner recruited externally
  - 12 new partners from completed acquisitions
- In July 2023, 12 new partners joined from the Griffith and Bundall acquisitions, with 2 more promoted internally, bringing the total number of equity partners to 92
- Net debt per partner increased marginally to $512K per partner due to increased debt with the completion of a record number of acquisitions, offset by the growing number of equity partners in the Group
- The group continues to focus on developing and recruiting new partners as part of its strategy to retain and motivate key talent and to drive top line growth



CASHFLOW

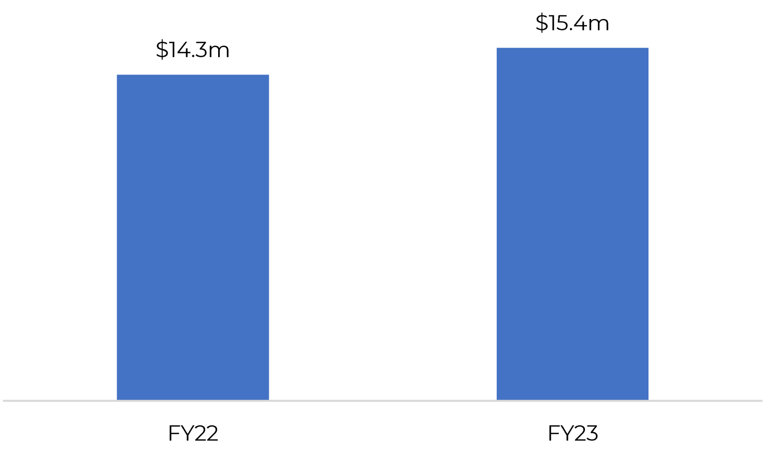
- Cash from Operations pre AASB 16 of $15.4m increased 8.2% (FY22: $14.3m)
- Free Cashflow to Firm has reduced due to increased scheduled debt repayments from debt used to fund acquisitions
- Cash Conversion[1] of 94.4% (FY22: 83.3%) and is within our expected 85%-100% conversion ratio
- Maintenance capex increased to ~$500k per annum given growth in Group
- Drawn debt used primarily to fund acquisitions, fitout costs and new partner buy-in loans

1 *Cash Conversion is calculated as Operating Cashflow divided by Reported EBITDA. Operating Cashflow means cash from operations but before finance and cash taxes*

2 *Distribution to non controlling interests higher than Dividends to Shareholders as tax is paid in the parent entity prior to payment of dividends*

* *Rounded to nearest $100,000. Refer to slide "Cash Reconciliation" for a reconciliation from Statutory NPAT to Cash from Operations*

CASH FROM OPERATIONS (CFO)

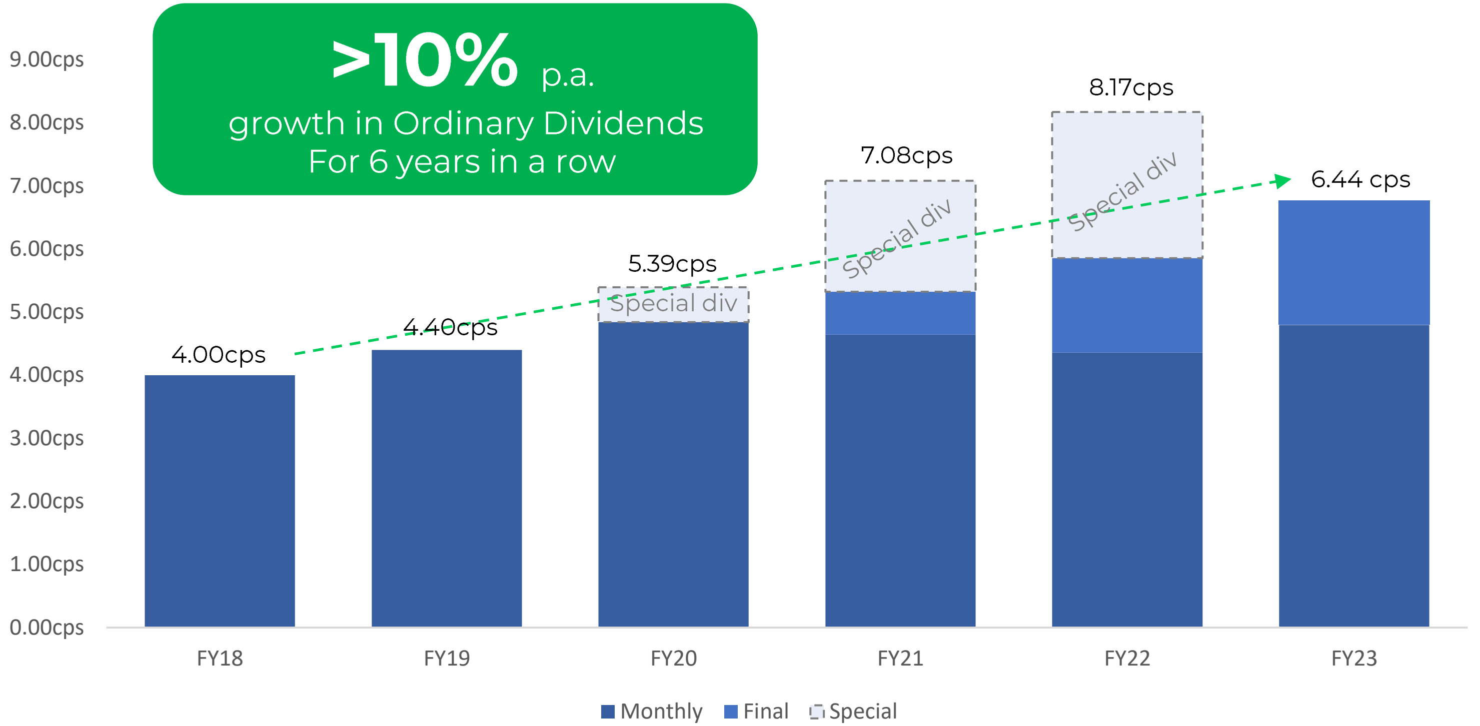


FREE CASHFLOW TO FIRM (FCFF)

Cash flow ($m)*	FY22	FY23	Diff $	Diff%
Cash from Operations (CFO) pre AASB 16	**$14.3**	**$15.4**	**$1.2**	**8.2%**
- Maintenance Capex	-$0.3	-$0.5		
- Schedule Debt Reductions	-$4.8	-$7.0		
Free Cash Flow to Firm (FCFF)	**$9.2**	**$7.9**	**-$1.2**	**-13.6%**
- Net Debt Drawn	$23.4	$11.6		
- Acquisitions	-$12.5	-$5.0		
- Growth Capex	-$6.1	-$1.9		
- Distributions to minorities	-$5.9	-$8.8		
- Additional debt repayments	-$2.8	-$2.8		
- Dividends to Shareholders	-$3.1	-$3.9		
- Net Partner Loans Advanced	-$1.3	-$2.8		
- Payments in to Employee Share Scheme Trust	-$0.8	-$0.8		
- Proceeds from sale of Equity Interests	$0.2	-$0.2		
- Deposits	-$0.1	-$0.1		
- Share buy backs	$0.0	$0.0		
Change in Net Cash*	**$0.2**	**-$6.8**		

DIVIDENDS

- Since IPO in June 2017, the Company has consistently paid out dividends growing at >10% per annum
- The Company has paid out monthly dividends from Jan-21, reflecting the resilience and strength of its earnings and cashflow
- The Group intends to maintain a through-the-cycle payout ratio of **50-70% of Underlying NPATA**, whilst growing dividends at >10% p.a.
- The Group has paid monthly dividends of 0.399 cps for FY23 (representing a 10% increase on FY22 monthly dividends)
- In Jul-23 the Company announced a further 10% increase in its monthly dividends for FY24 with the current dividend policy subject to review in the next 6-12 months as the Company considers moving to a no dividend policy as part of a process of determining the optimal capital allocation.



The above graph represents the dividends paid relating to the respective financial year. For example, dividends paid in FY22 relating to FY21 is shown in FY21 and not FY22.

	FY17 (IPO)	FY18	FY19	FY20	FY21	FY22	FY23
Underlying attributed NPATA	$2,262,219	$4,325,976	$3,193,208	$3,937,677	$5,114,832	$6,296,954	$5,403,346
Weighted average no. of shares	45,495,518	45,495,923	45,496,894	45,418,414	45,142,289	45,000,000	45,000,000
EPS (cents per share)	4.97	9.51	7.02	8.67	11.33	13.99	12.01
Ordinary Dividends (cents per share)	N/A	4.00	4.40	4.84	5.32	5.86	6.44*
Total Dividends (cents per share)	N/A	4.00	4.40	5.39	7.02	8.17	7.32*
Dividend payout ratio	N/A	42.1%	62.7%	62.2%	62.0%	58.4%	60.9%

**Dividends for FY23 includes estimated final dividend and special dividend that may be paid prior to November 2023*

PARENT & NCI

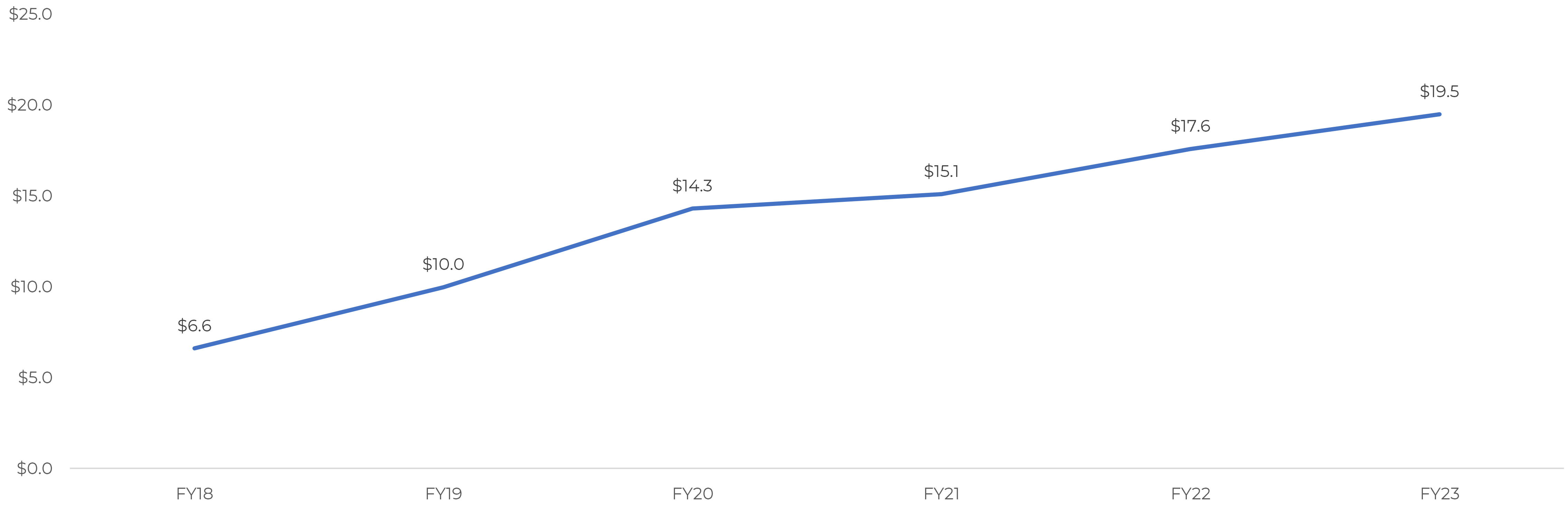
- Profit after income tax expense was $11.1m, with:
  - Profit attributable to shareholders of Kelly Partners Group Holdings Limited of $3.9m
  - Profit attributable to non controlling interests (NCI) of $7.1m
- The profit attributable to the parent vs. NCI represent a 36%/64% split and differs from the ownership interests of ~51%/49%. This is due to the following items:
  - Income tax expense of $0.8m of the parent entity. As the majority of operating businesses are structured as partnerships, the income tax expense attributable to non controlling interests in these partnerships is not included in the consolidated accounts
  - Parent entity additional investments (including applicable interest and depreciation) above the Services Fee and IP License Fee income that it receives of $3.6m which is borne 100% by the parent entity
- Adding back the above items, the resulting split is 53%/47%. This differs from ~51%/49% as the parent owns slightly more than 51% in some operating businesses

(m)	NCI	Parent	Total
Group NPAT - Statutory	$7.1	$3.9	$11.1
	64%	36%	
Add Back: Income Tax Expense	$0.4	$0.8	$1.2
Group NPBT	$7.5	$4.8	$12.3
	61%	39%	
Add Back: Parent Entity Additional Investment inc. finance costs and depreciation		$3.6	$3.6
Group NPBT before parent entity overspend	$7.5	$8.4	$15.9
	47%	**53%**	

Totals subject to rounding

CASHFLOW

	FY18	FY19	FY20	FY21	FY22	FY23	CAGR
Cash From Operations (CfO) - Group	**$6.6**	**$10.0**	**$14.3**	**$15.1**	**$17.6**	**$19.5**	**24.2%**
Owners' Earnings (CfO - Maint. Capex) - Group	**$6.3**	**$9.7**	**$12.2**	**$12.8**	**$14.0**	**$14.9**	**18.8%**
Cash Conversion (Operating Cash Flow / EBITDA)	63.5%	116.8%	97.3%	93.5%	83.3%	94.4%	
Days Lockup	93.3	69.6	55.2	51.1	55.8	48.1	



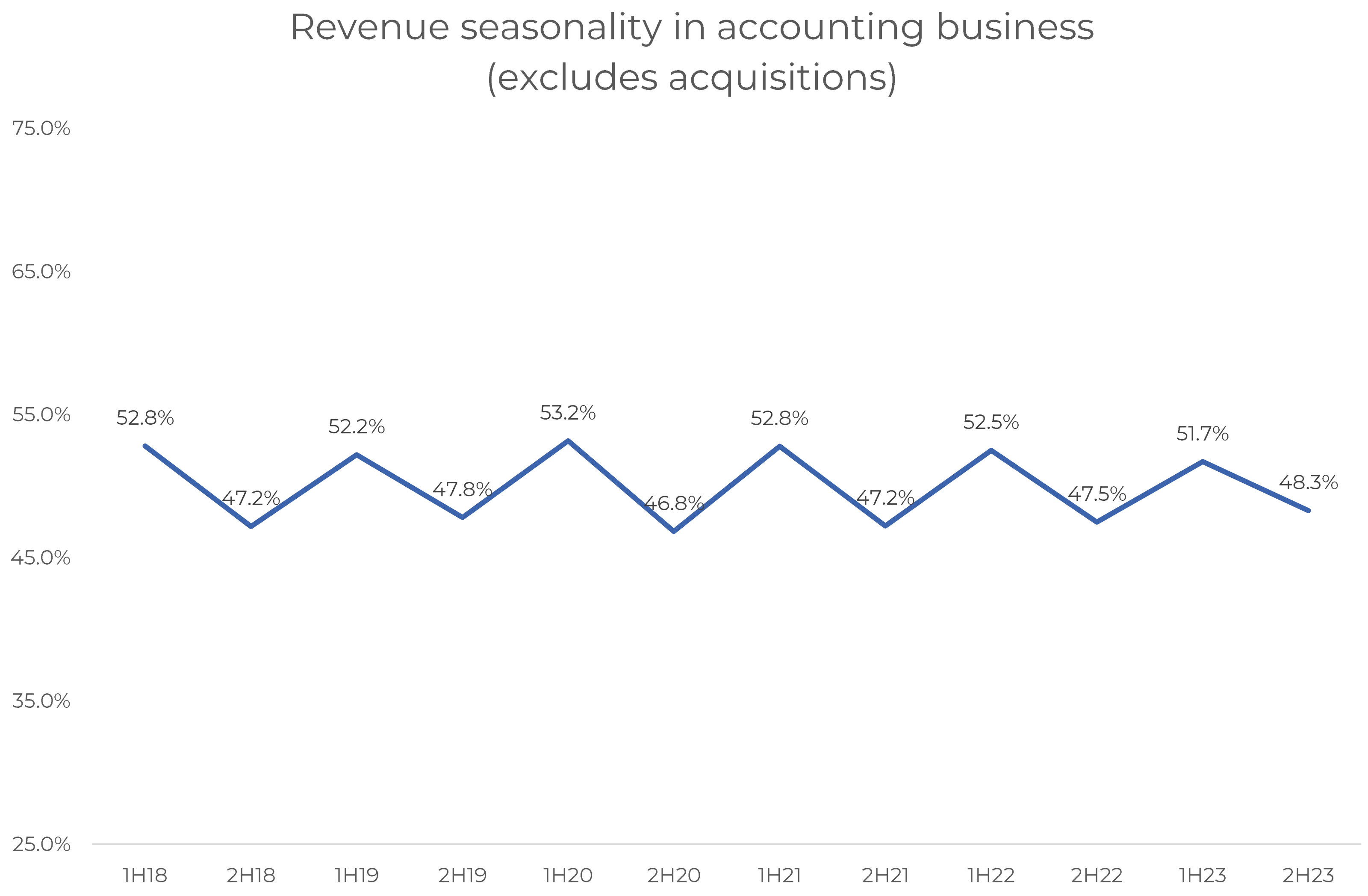
CASH RECONCILIATION

Reconciliation of NPAT to Operating Cashflow ($m)	FY22	FY23
Reported NPAT	13.3	11.1
Adjustments for:		
Depreciation and amortisation	6.3	9.6
Unwinding of interest on contingent consideration	0.3	0.6
Other non-cash movements	-3.1	-1.5
Change in operating assets and liabilities:		
Decrease / (increase) in trade and other receivables	-5.0	-3.0
Decrease / (increase) in deferred tax assets	1.9	0.4
Increase / (decrease) in trade and other payables	2.8	2.7
Increase in provision for income tax	0.9	-0.3
Net cash from operating activities	**17.6**	**19.5**

**Other non cash movements include balance sheet items recognised as part of completed acquisitions*

1H/2H SKEWS

- Revenue seasonality in the accounting businesses is approximately **1H: 52% / 2H: 48%**, equating to a 5% (or c. $2.4m swing) down swing in 2H22.
- Seasonality is predominantly due to **timing of tax work related to 30 June year end**, with most work typically completed in the first 9 months of the year.
- The Group also engages in a small amount of **audit work which is mostly completed by the 31 October lodgement deadline**. Audit work represents less than 4.0% of group revenues.
- Earnings split between 1H / 2H may also be impacted by level of additional investments by the parent entity and timing of in year acquisitions

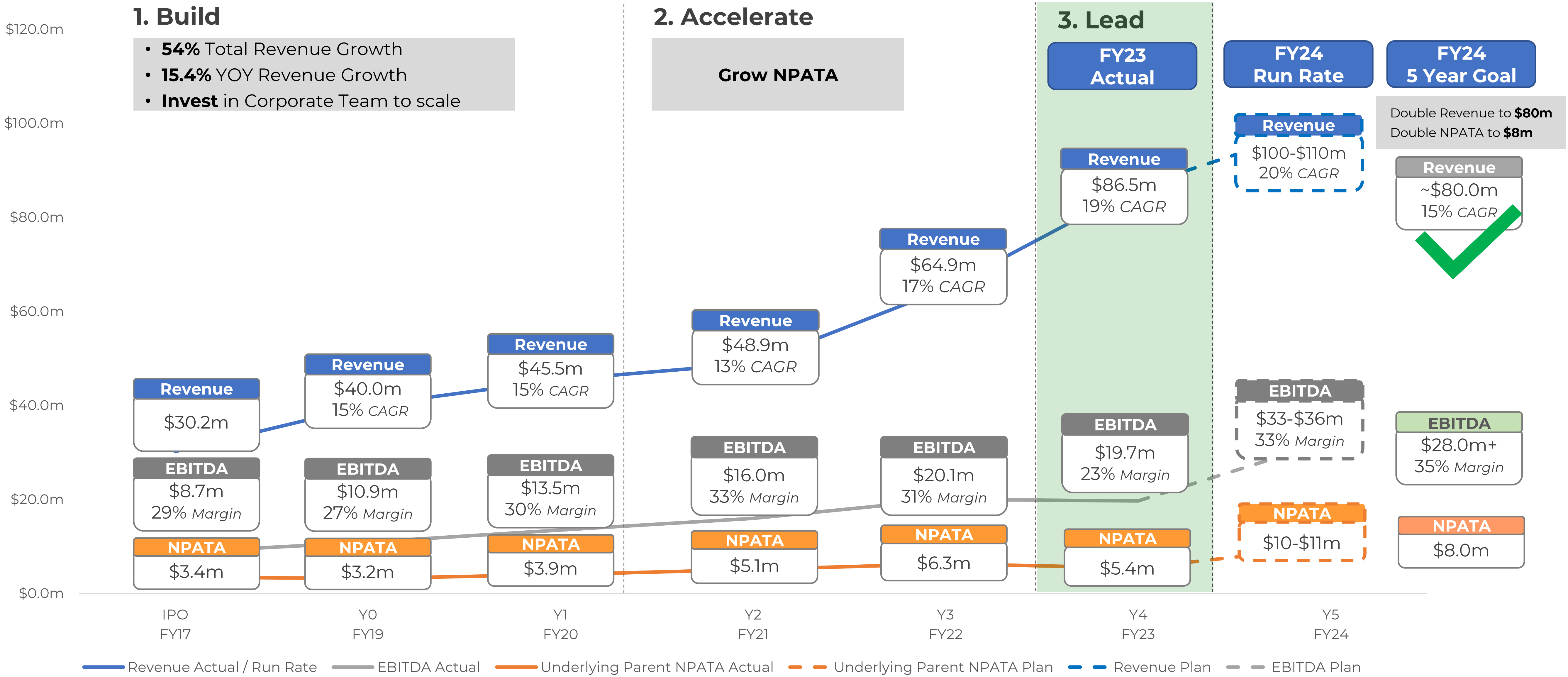


METRICS SINCE IPO

KPGHL & Controlled Entities ("Group")		1	2	3	4	5	6	
P&L and Cashflow	FY17	FY18	FY19	FY20	FY21	FY22	FY23	CAGR
Revenue	**$30.2**	**$39.5**	**$40.0**	**$45.5**	**$48.9**	**$64.9**	**$86.5**	**19.2%**
Underlying EBITDA (pre AASB 16)	**$8.7**	**$14.5**	**$10.9**	**$13.5**	**$16.0**	**$20.0**	**$19.7**	**14.5%**
Margin %	**28.9%**	**36.6%**	**27.2%**	**29.6%**	**32.6%**	**30.8%**	**22.7%**	
Underlying NPATA	**$7.3**	**$11.5**	**$8.8**	**$10.1**	**$11.6**	**$14.2**	**$13.6**	**10.9%**
Margin%	24.2%	29.2%	22.1%	22.3%	23.7%	21.8%	15.7%	
NPATA	$1.5	$10.6	$7.9	$11.0	$11.8	$15.5	$15.0	
Dividends & Distributions Paid	-$7.1	-$5.2	-$6.7	-$10.5	-$8.4	-$9.9	-$12.7	
Cash From Operations (CfO)	**$6.9**	**$6.6**	**$10.0**	**$14.3**	**$15.1**	**$17.6**	**$19.5**	**18.8%**
Owners' Earnings (CfO - Maint. Capex)	**$6.6**	**$6.3**	**$9.7**	**$12.2**	**$12.8**	**$14.0**	**$14.9**	**14.5%**
Gearing (Net Debt / Underlying EBITDA)	1.3x	0.8x	1.3x	1.0x	0.8x	1.4x	1.6x	**3.4%**
Cash Conversion (Operating Cash Flow / EBITDA)	269.6%	63.5%	116.8%	97.3%	93.5%	83.3%	94.4%	
Equity Partners	36	39	40	44	53	62	78	13.8%
Revenue per Equity Partner (Trailing 12 months)	$0.8	$1.0	$1.0	$1.0	$0.9	$1.0	$1.1	
Balance sheet	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23	
Lockup (Debtors + WIP)[1]	$7.8	$10.1	$7.6	$6.9	$6.8	$11.6	$14.1	
Net Debt	$11.7	$11.4	$14.7	$15.2	$15.7	$31.4	$39.9	
Total Equity	$19.8	$24.1	$24.1	$22.9	$25.2	$34.0	$35.5	
Return on Equity[2]	36.9%	47.8%	36.6%	44.2%	46.0%	41.7%	38.4%	
Return on Invested Capital[3]	22.9%	31.2%	22.7%	26.1%	27.6%	22.3%	20.0%	
Days Lockup[4]	94.2	93.3	69.6	55.2	51.1	55.8	48.1	
Equity Ratio (Equity / Total Assets)[5]	46.7%	54.2%	48.7%	39.7%	37.2%	34.6%	26.8%	
KPGHL ("Parent")								
P&L and Cashflow	FY17	FY18	FY19	FY20	FY21	FY22	FY23	CAGR
Underlying NPATA	**$3.4**	**$4.3**	**$3.2**	**$3.9**	**$5.1**	**$6.3**	**$5.4**	**7.8%**
Owners' Earnings (CfO)	**$3.4**	**$4.3**	**$3.1**	**$3.9**	**$5.0**	**$6.3**	**$6.0**	**9.7%**
Earnings per share (Underlying NPATA) (cents)	7.57	9.51	7.02	8.67	11.33	13.99	12.01	8.0%
Dividends Per Share	0.00	4.00	4.40	4.84	7.08	7.98	6.44	10.0%
Balance sheet	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23	
Return on Equity[2]	29.5%	29.1%	21.5%	24.8%	28.5%	30.4%	26.3%	
Return on Invested Capital[3]	21.3%	21.6%	16.2%	21.9%	27.4%	30.5%	24.4%	

1 *Lockup – calculated as the total of trade and other receivables, accrued income less contract liabilities*
2 *Return on Equity – calculated as the Underlying NPATA / Total Equity*
3 *Return on Invested Capital – calculated as (Underlying NPATA + Interest) / (Total Equity + Debt)*
4 *Days Lockup – calculated as lockup divided by revenue multiplied by 365*
5 *Equity Ratio– calculated as Equity / Total Assets.*

5 YEAR PLAN 1 : FY19-FY24



NEXT 5 YEARS (FY25-FY29)

OBJECTIVE

TOP 10 IN AUSTRALIA

Grow to become a top 10 accounting firm in Australia

SCALE COMPLEMENTARY

Build vs. Buy vs. Partner

GO GLOBAL

Growing Kelly+Partners System, Business Model and Partner-Owner-Driver® model in markets globally

SCOPE

	Financial Review Top 100 Accounting Firms ($m)	Revenue
1	PwC	2,840.0
2	Deloitte	2,500.0
3	EY	2,390.0
4	KPMG	2,179.0
5	BDO	403.0
6	Findex (financial planning)	389.0
7	Grant Thornton	285.0
8	RSM Australia	281.0
9	Pitcher Partners	279.0
10	PKF	141.0
11	William Buck	135.0
12	Bentleys Network	127.0
13	Nexia Australia	121.0
14	Synergy Group	120.0
15	HLB Mann Judd	112.0
16	Walker Wayland Australasia	99.0
17	McGrathNicol (insolvency)	99.0
18	**Kelly Partners (FY23)**	**86.5**
19	Hall Chadwick	83.0
20	Countplus	83.0
21	Moore Australia	82.0
22	SW Accountants & Advisors	63.0
23	Mazars	59.0
24	DFK ANZ	54.0
25	Accru	45.0

FY24

1	Finance	?
2	Insurance	austbrokers
3	Wealth	?

We intend to discover the natural conversion rate of finance (10%), insurance (10%) and wealth (30%) services required by our accounting clients.

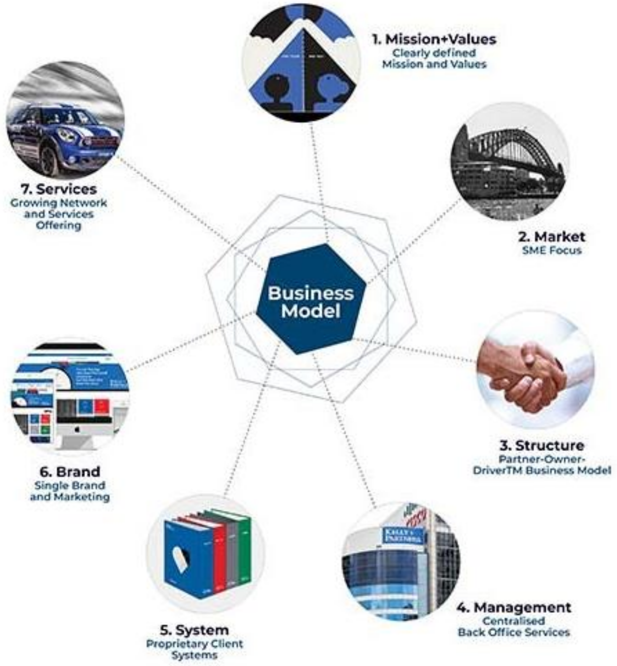
Country	TAM in AUD
US	$190bn
UK	$63bn
Canada	$17bn
NZ	$3bn
Total TAM	**$273bn (20x AUS)**

ADVANTAGE

Kelly+Partners System, Kelly+Partners Business Model, Partner-Owner-Driver® , Central Progress Team

ADVANTAGE

GROUP	MODEL	BUSINESS	TEAM



POD

Partner-Owner-Driver™

CENTRAL PROGRESS TEAM

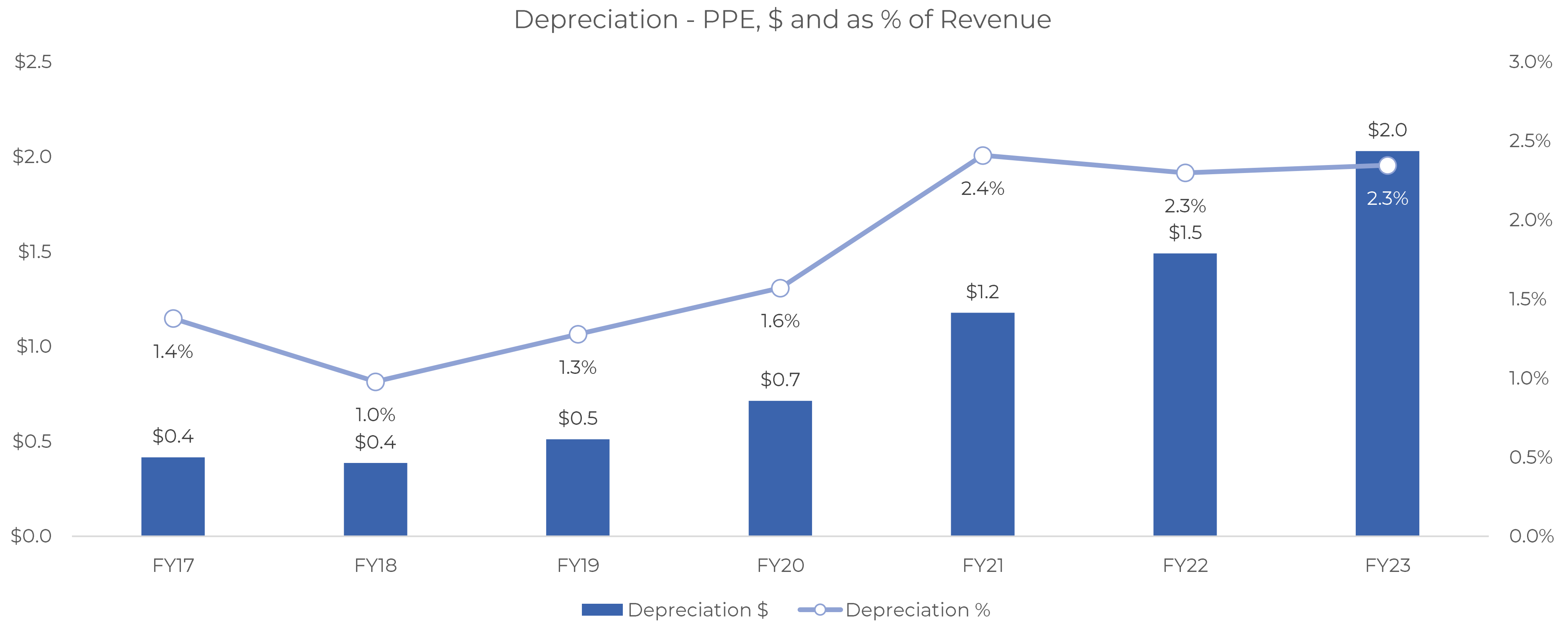
EMPLOYEE SHARE SCHEME

- **250,000 shares vested over 10 years** – to recognise Senior Team Members in the Central Services Team, we have allocated 250,000 of KPG shares currently in the Employee Share Scheme Trust to our team members, vested annually over 10 years.
- **Founder & CEO** – did not participate in the plan
- **No dilution** – all shares in the Employee Share Scheme Trust were previously purchased using operating cashflows, so no shareholders are diluted
- **No additional cash commitments** – as per above, all shares have already been purchased
- **Impact on bottom line** –
  - Shares were purchased at an average price of $4.36, mostly in FY22.
  - Over 10 years, the annual impact on the bottom line is ~$70K post tax.
  - Significant value created through share price accretion
- **Long term** – the 10 year vesting period ensures our team members are aligned and focussed on the long term

ON EBITDA

"We should issue an important warning: Investors are often led astray by CEOs and Wall Street analysts who equate depreciation charges with the amortization charges we have just discussed. In no way are the two the same: With rare exceptions, depreciation is an economic cost every bit as real as wages, materials or taxes. Certainly that is true at Berkshire and at virtually all the other businesses we have studied. ***Furthermore, we do not think so-called EBITDA (earnings before interest, taxes, depreciation and amortisation) is a meaningful measure of performance****. Managements that dismiss the importance of depreciation – and emphasize "cash flow" or EBITDA – are apt to make faulty decisions…" Warren Buffett, The Essays of Warren Buffett page 254*

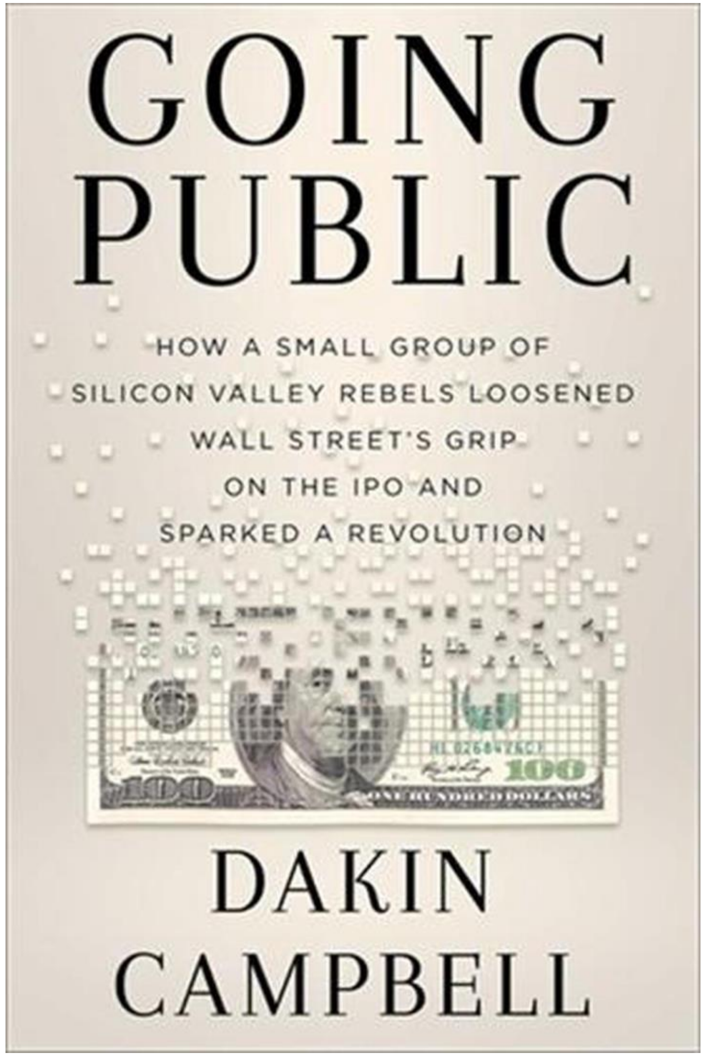
Kelly Partners historically used EBITDA as a measure of performance because typically depreciation has been extremely low or negligible – i.e. EBITDA equates roughly to EBITA. However as depreciation charges have increased in recent years due to fitouts of our offices (now ~2.3% of revenues), we will use EBITA as a measure of performance going forward. Note this will mean our equivalent EBITA target to be 32.5% (35.0% EBITDA target less depreciation)



3
BOOK OF THE YEAR

KP+GH

BOOK OF THE YEAR



Thank you

KP+GH