

# KP+GH

KELLY PARTNERS GROUP HOLDINGS LIMITED

## + Kelly Partners Group Holdings Limited (KPGH)

### Market Eye Investment Conference – May 2019

ASX: KPG

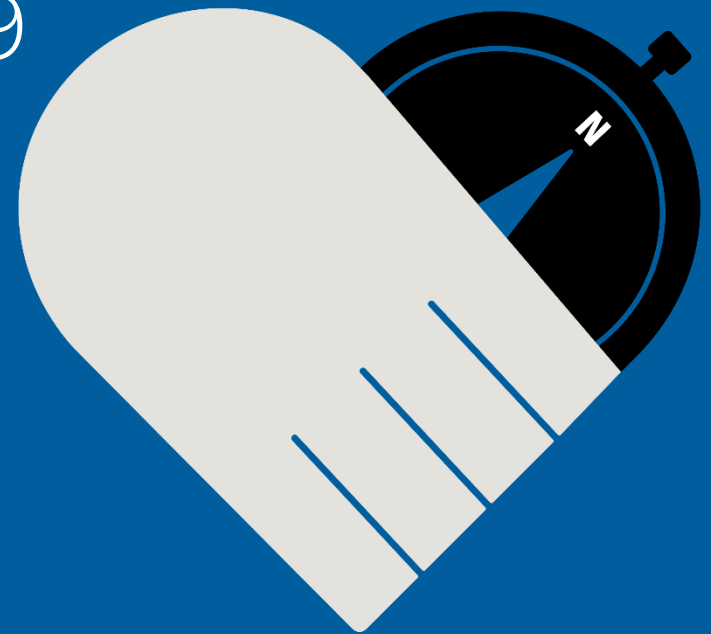
PRESENTED BY

Brett Kelly, CEO and Executive Chairman

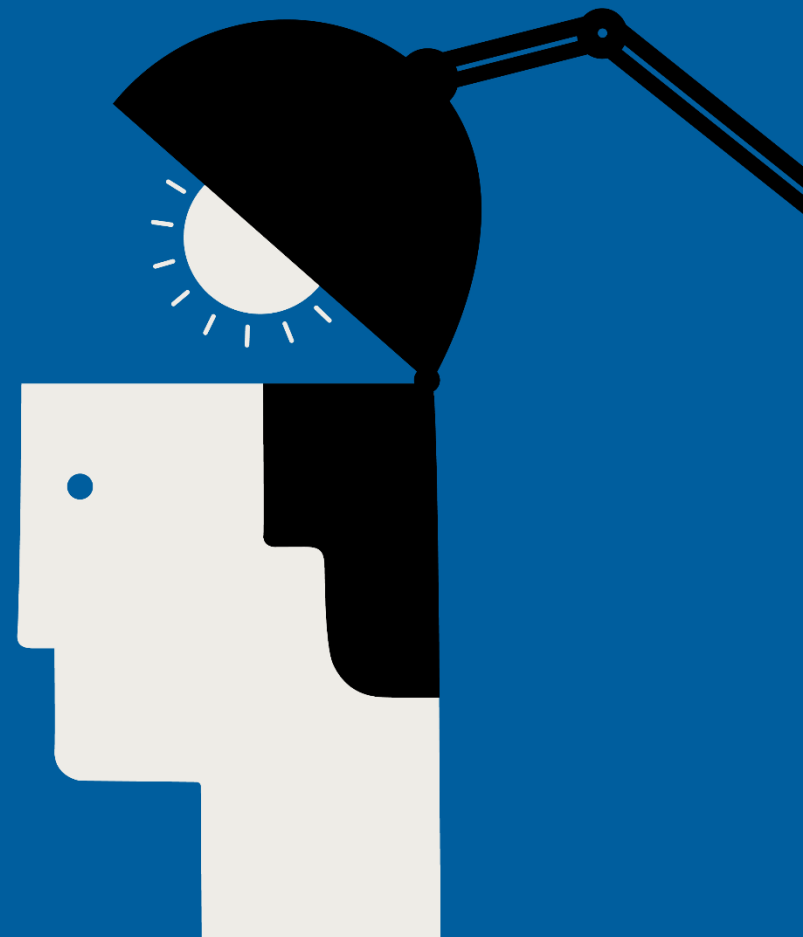
May 2019

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

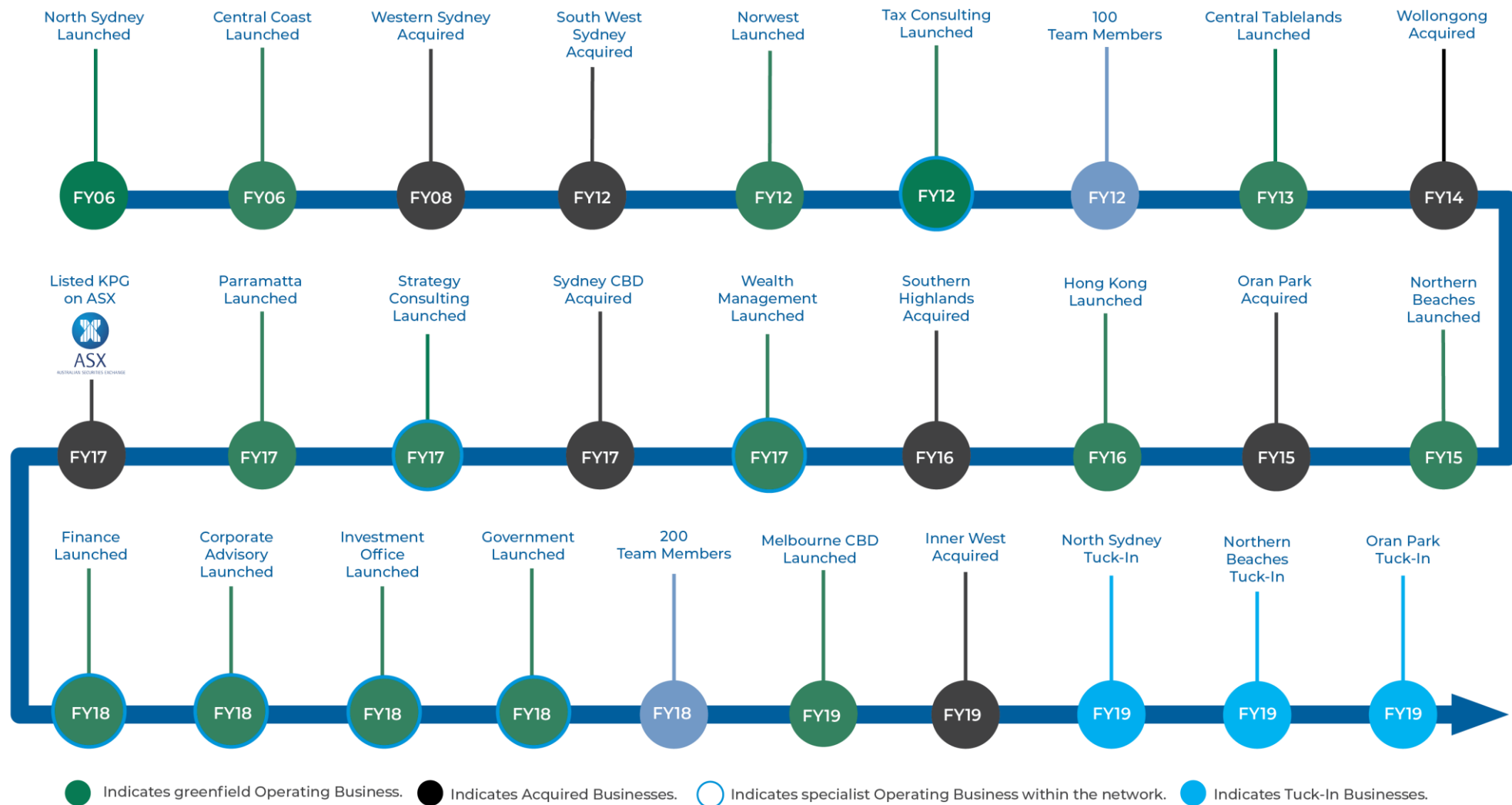
9%  
Top 25  
Revenue Growth

11%  
Big 4  
Revenue Growth

8%  
Top 25 excl Big 4  
Revenue Growth

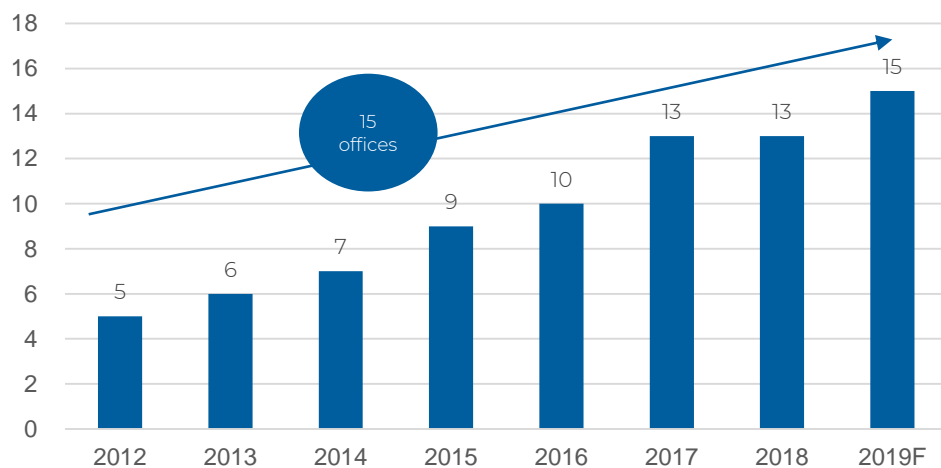
Source: Financial Review Top 100 Accounting Firms (2018) available at: <https://www.afr.com/business/accounting/who-are-australias-top-100-accounting-firms-for-2018-20180821-h148n1>

# +Timeline

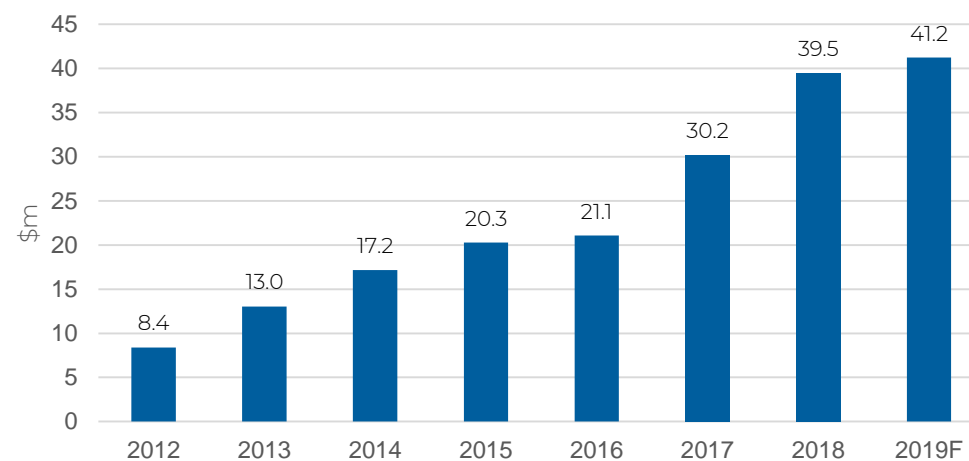


# + Track Record of Growth

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



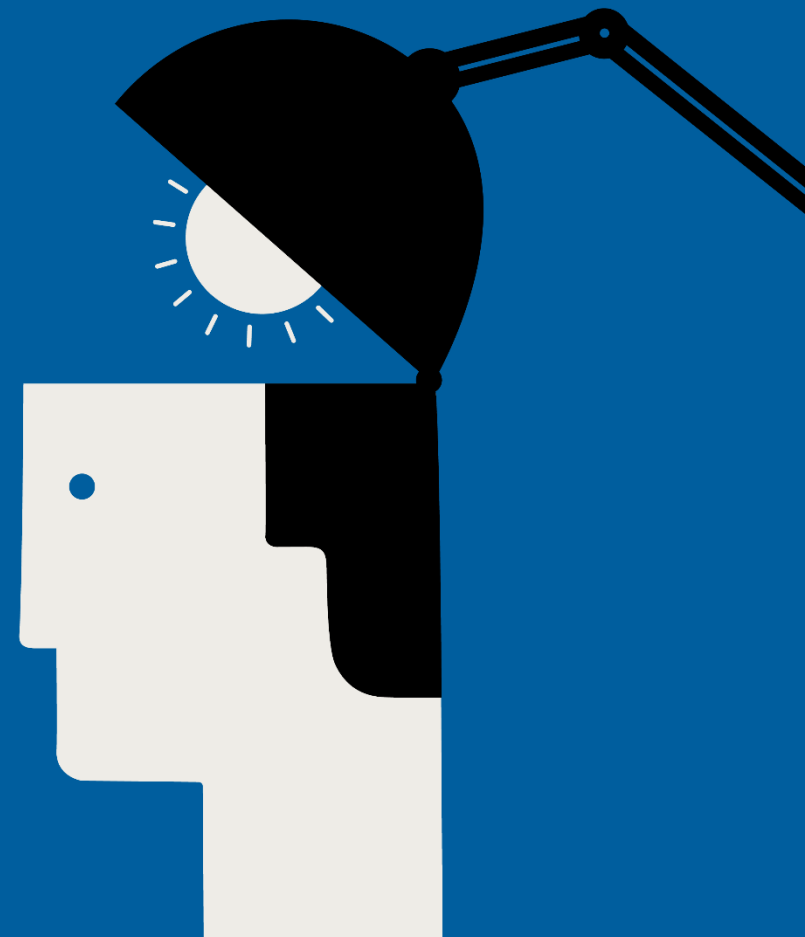
Centralised Back Office

## Growth



Growing Network and Service Offering

# + Financial Performance





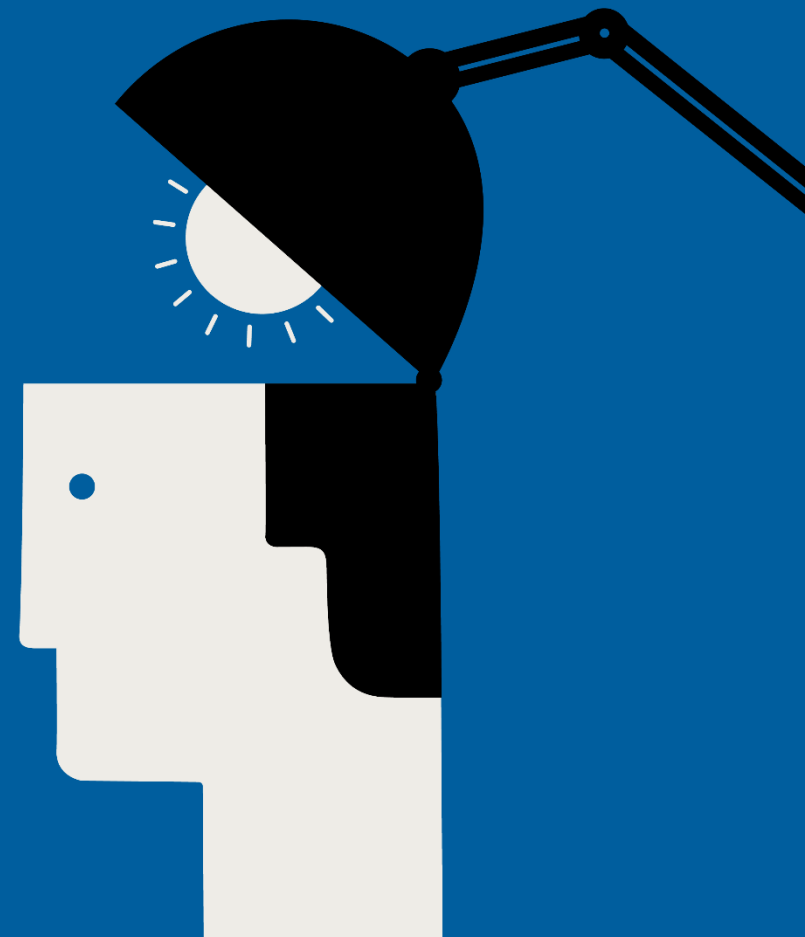
# + 1H19 Statutory Income Statement

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

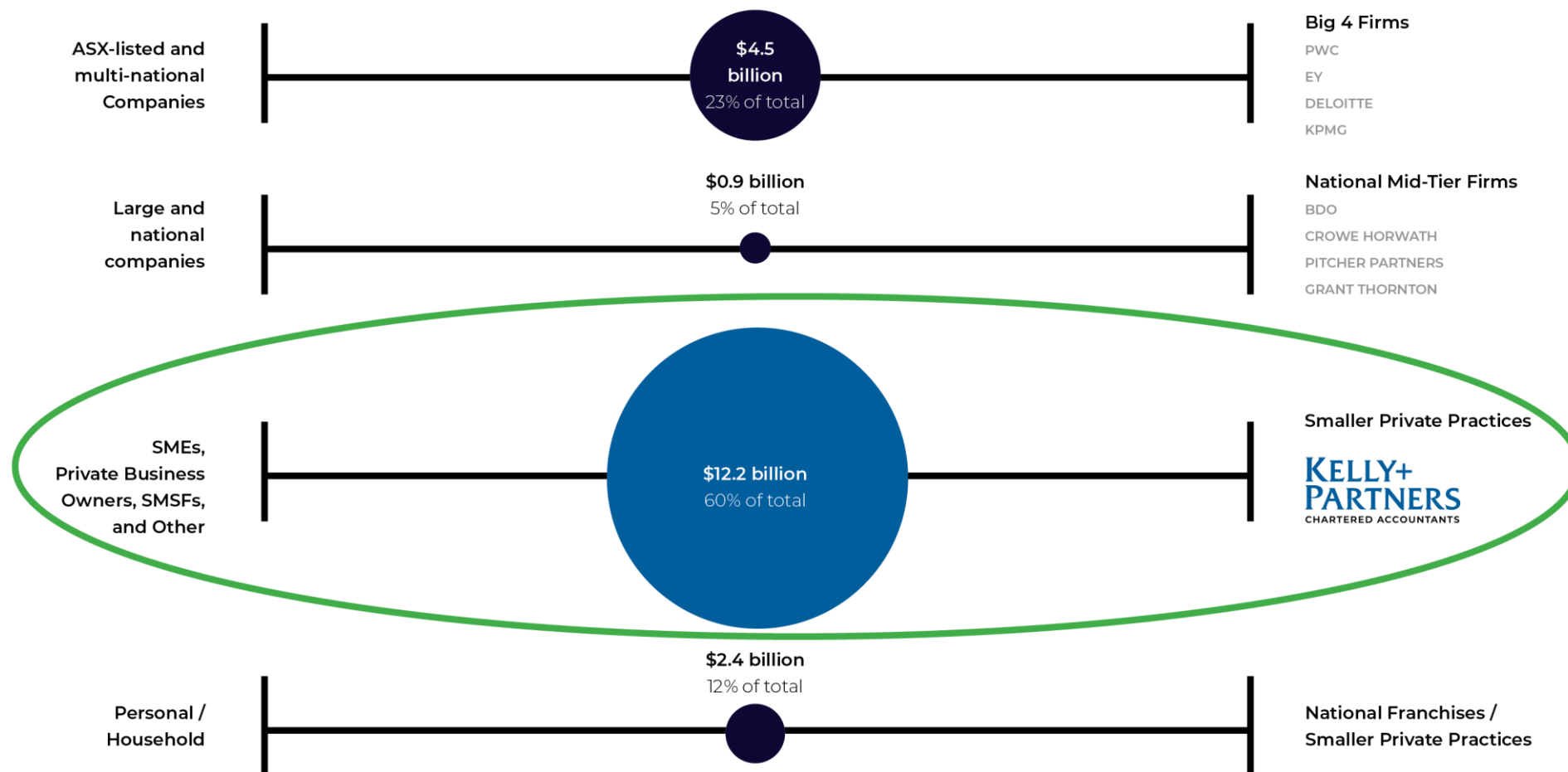


# +Market Opportunity

Total Market \$20 Billion Annual Revenue

## Typical Client Base

## Typical Accounting Provider



# + 5 Year Growth Strategy

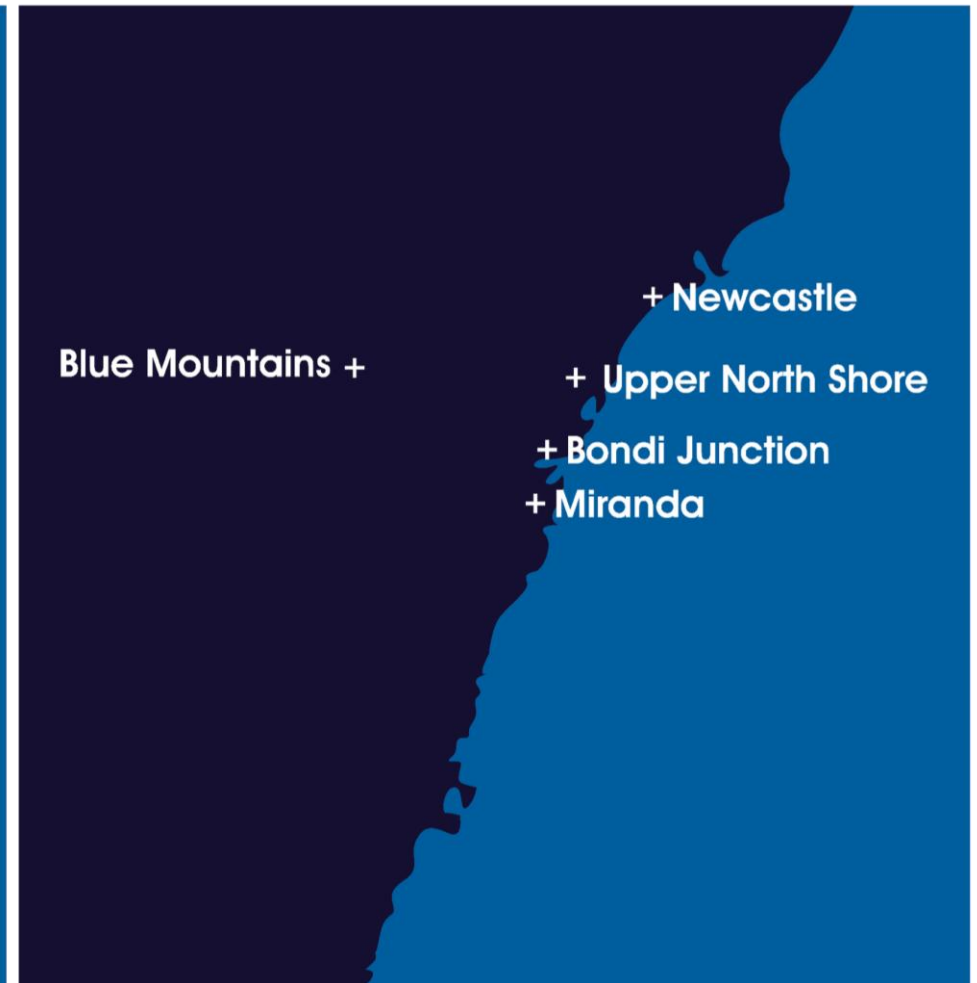
EXISTING GROUP	ORGANIC	NETWORK EXPANSION			NEW SERVICES	TARGET GROUP
	ORGANIC GROWTH	ACQUISITION – TUCK-IN	ACQUISITION – MARQUEE	OR GREENFIELD		
	5% p.a	2+ tuck-ins per year 8 existing sites \$1.0m+ revenue each 112 spare seats Integration cost 10% of price 60 days integration Target ROI – 30%+	5 new 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

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KELLY PARTNERS GROUP HOLDINGS LIMITED

# +Thank you

May 2019

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