

ASX ANNOUNCEMENT - KPG

Tuesday, 24th October 2023

**Addendum to
ASX Announcement of 24 October 2023**

The Company would like to advise shareholders of a typographical error in the announcement made to the ASX on Tuesday, 24th October 2023. The percentage increase quoted in paragraph 4 of the first Section “Q1-2024 Highlights” should read “**+60%**”.

An amended version of the announcement is included hereafter.

The Board of Directors of Kelly Partners Group Holdings Limited has approved the release of this document to the market.

ASX ANNOUNCEMENT - KPG

Tuesday, 24th October 2023

KPG delivers 27.3% increase in Q1 Underlying¹ Attributed NPATA

Q1-2024 Highlights

- Group EBITDA of \$8.2m (+\$2.0m up 28.4% on pcp) driven by organic and inorganic growth;
- EBITDA margin of 29.4% of Revenue, reflecting a 1.7% increase on pcp, and 32.1% of Revenue excluding front ended additional investments in the parent for the quarter and reflecting margin expansion through delivery of operating leverage;
- Underlying Attributable NPATA of \$2.1m (+\$0.4m up 27.3% on pcp). The Company expects full year NPATA to be more than **\$9m** this year, representing a **+60% increase** on the prior year (FY23 Underlying NPATA: \$5.4m);
- Additional investments of \$0.7m due to traditionally heavier spends in the first quarter but is expected to reduce to \$0.5m for the full year;
- **KPG's Chairman and CEO, Mr. Brett Kelly said, "We are pleased to see the financial results of the Group reflecting the realisation of our first 5 year plan as an ASX listed company and our increased acquisition efforts in the last 24 months. These results are consistent with our long term, 17 years to date, systematic growth system."**

	Last Quarter	This Quarter		
\$000's	Q1-23	Q1-24	Variance	
Group P&L	Unaudited	Unaudited	\$ (+/-)	(%)
Revenue inc. WIP Movement	\$22,219	\$27,700	\$5,481	24.7%
COS & Overheads	(\$16,062)	(\$19,546)	\$3,484	21.7%
Underlying Group EBITDA (Pre AASB 16)	\$6,157	\$8,154	\$1,997	32.4%
<i>EBITDA Margin %</i>	27.7%	29.4%		
Underlying Group EBITDA (Pre AASB 16) exc parent additional investments	\$6,933	\$8,903	\$1,970	28.4%
<i>EBITDA Margin %</i>	31.2%	32.1%		
Group NPATA (Underlying)	\$5,363	\$6,083	\$720	13.4%
Attributable NPATA (Underlying)	\$1,637	\$2,083	\$446	27.3%
EPS (cps)	3.64	4.63	0.99	27.3%

¹ Excludes one off costs of strategic review

Acquisitions Update

- The Group completed two acquisitions previously announced since 1 July 2023, being Kelly Partners Griffith and Kelly Partners Bundall
- The Group expects to complete its first acquisition in Los Angeles, US (announced in May 2023) in the coming weeks.
- the Company continues to receive high levels of interests from accounting business owners both in Australia and in the United States, delivering a long runway and pipeline of M&A opportunities
- We continue to focus on integrating the businesses that were acquired in the last 12 months into the Kelly Partners System

Strategic Review

The Company continues to assess the options made available under the Strategic Review as per the market update on 5 October 2023.

No Earnings Guidance

Under listing rule 3.1, the Company has an obligation to make an appropriate announcement if it becomes aware that its earnings for the current reporting period are likely to differ so significantly from market expectations that information about that difference is market sensitive. This announcement is in respect of that obligation. KPG considers that the earnings for Q1-24 may materially differ from market expectations.

This release contains unaudited numbers and forward-looking statements.

The Board of Directors of Kelly Partners Group Holdings Limited has approved the release of this document to the market.

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KELLY PARTNERS GROUP HOLDINGS LIMITED

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.

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KELLY PARTNERS GROUP HOLDINGS LIMITED

5 Year Plan

1. Build

- **54%** Total Revenue Growth
- **15.4%** YOY Revenue Growth
- **Invest** in Corporate Team to scale

2. Accelerate

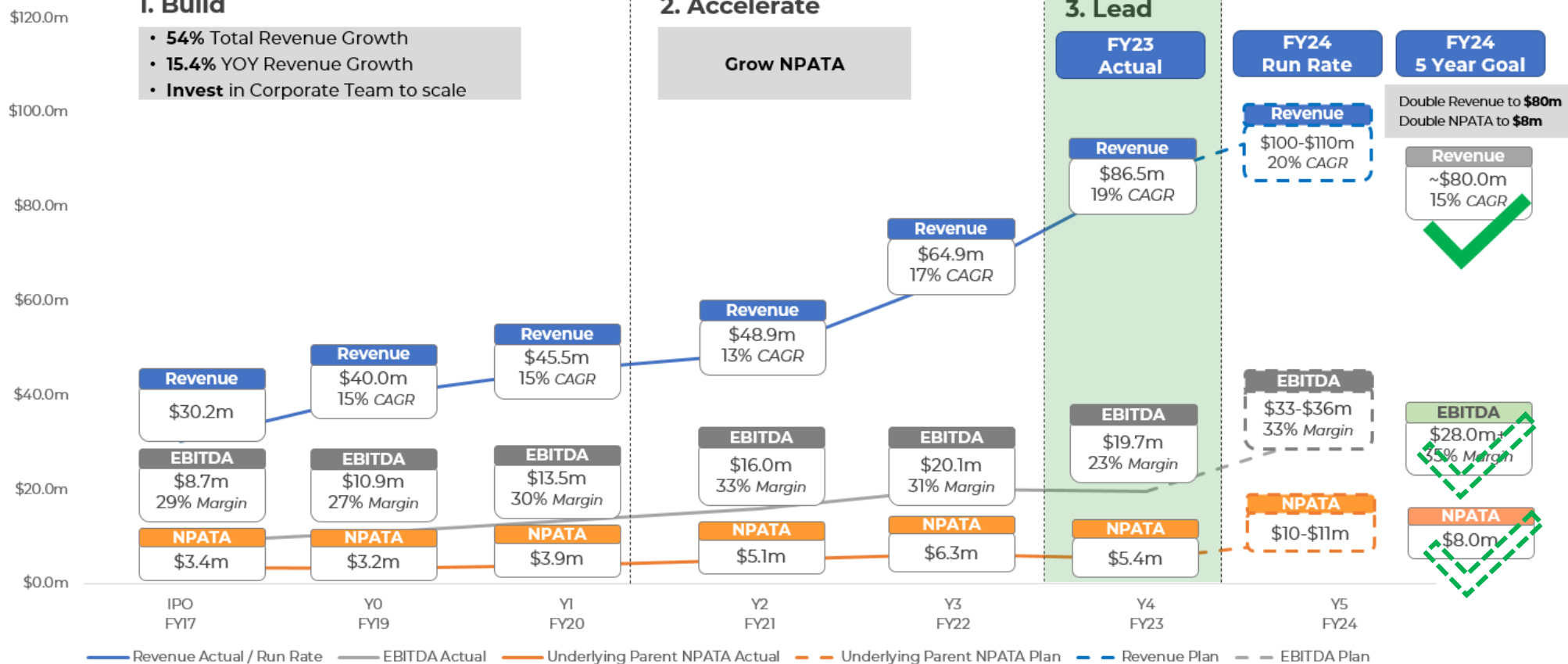
Grow NPATA

3. Lead

FY23 Actual

FY24 Run Rate

FY24 5 Year Goal



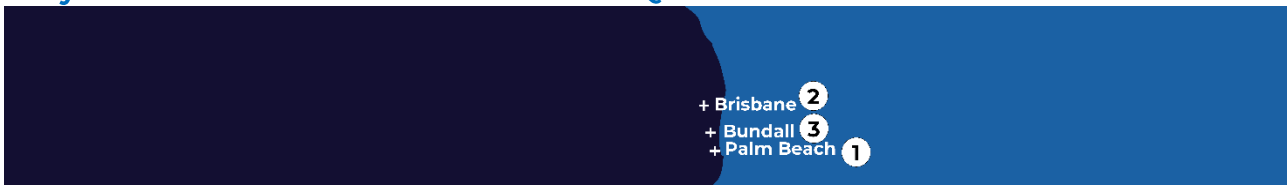
Kelly+Partners – Current Office Locations – NSW & ACT



Kelly+Partners – Current Office Locations – VIC



Kelly+Partners – Current Office Locations – QLD



Kelly+Partners – Current Office Locations – International



About Kelly+Partners Group Holdings Ltd (ASX:KPG)

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 38 operating businesses across 32 locations in Australia, Hong Kong and the United States.

In total, the team consists of more than 400 people, including 92 partners, who service over 20,000 SME clients.

The holding company, Kelly Partners Group Holdings Limited, was listed on ASX on 21 June 2017.

Over the past 17 years, Kelly+Partners has undertaken 70 individual transactions in order to build the current accounting network. This includes the transformation of 50+ external firms, and the launch of 20+ greenfield businesses.

KPG's ownership structure and unique operating model (**Partner-Owner-Driver™**) is transforming 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 KPG to help solve many of the issues currently facing both the accounting sector and the SME clients of our firms.

For more information, please contact:

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