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KELLY PARTNERS GROUP HOLDINGS LIMITED

KELLY PARTNERS GROUP HOLDINGS

(ASX: KPG)

AGM 2023

PRESENTED BY

Brett Kelly Founder and CEO

Kenneth Ko CFO

November 2023

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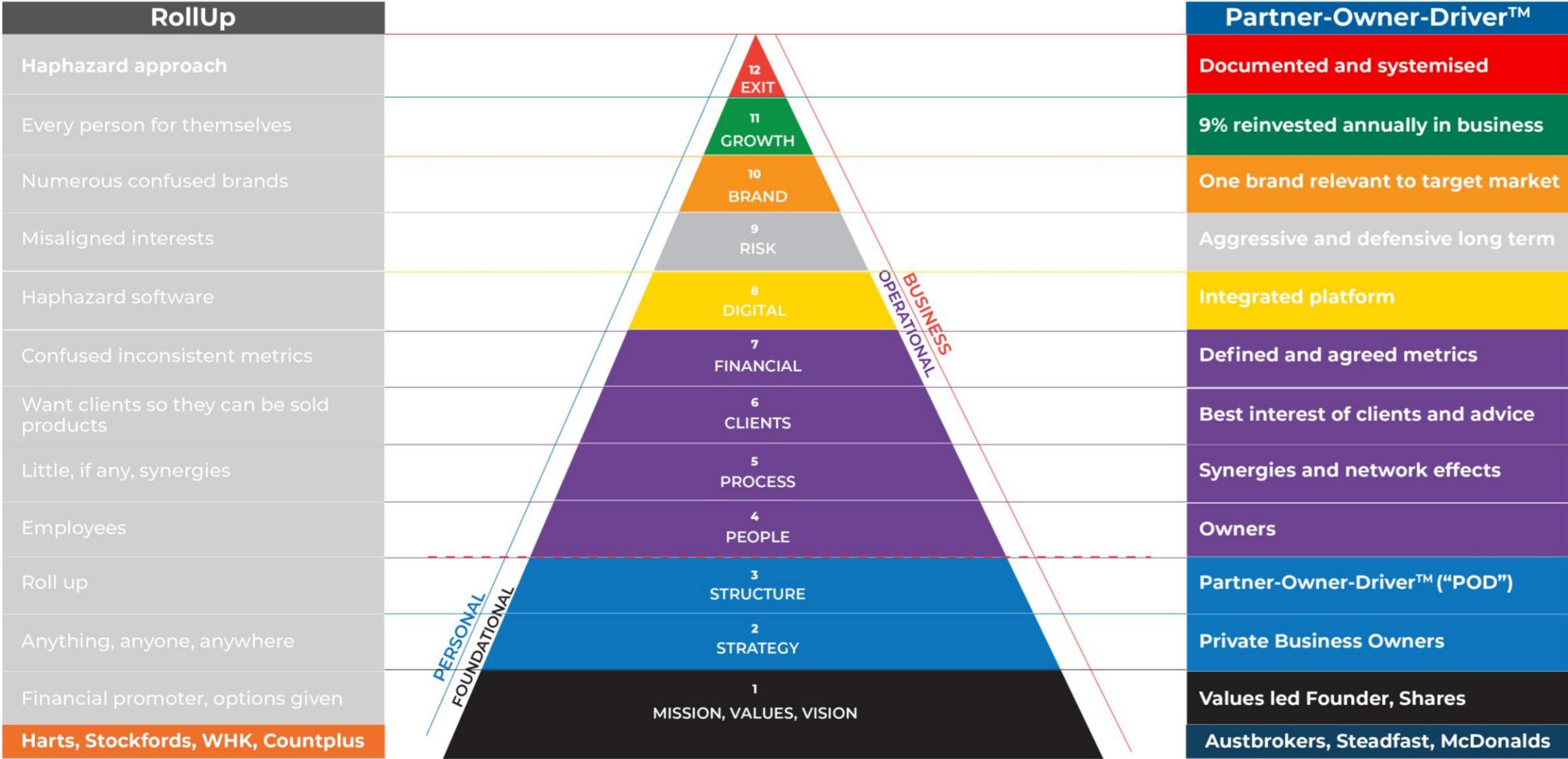
**Valued
Members**

ON AN
OF A

**Winning
Team**

**Inspiring
Mission**

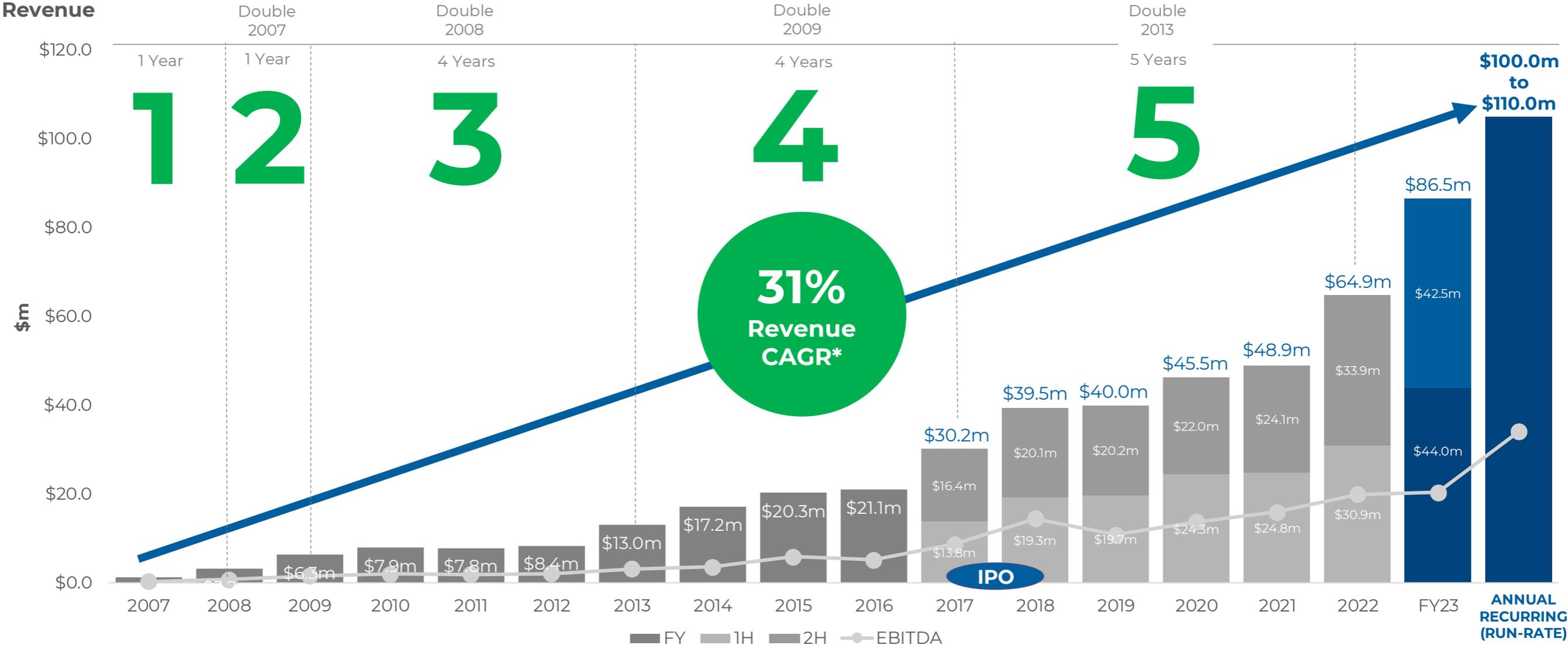
PARTNER-OWNER-DRIVER®



© Kelly Partners Group Holdings Limited

TM

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.

Q1 UPDATE

ASX ANNOUNCEMENT - KPG

Tuesday, 24th October 2023

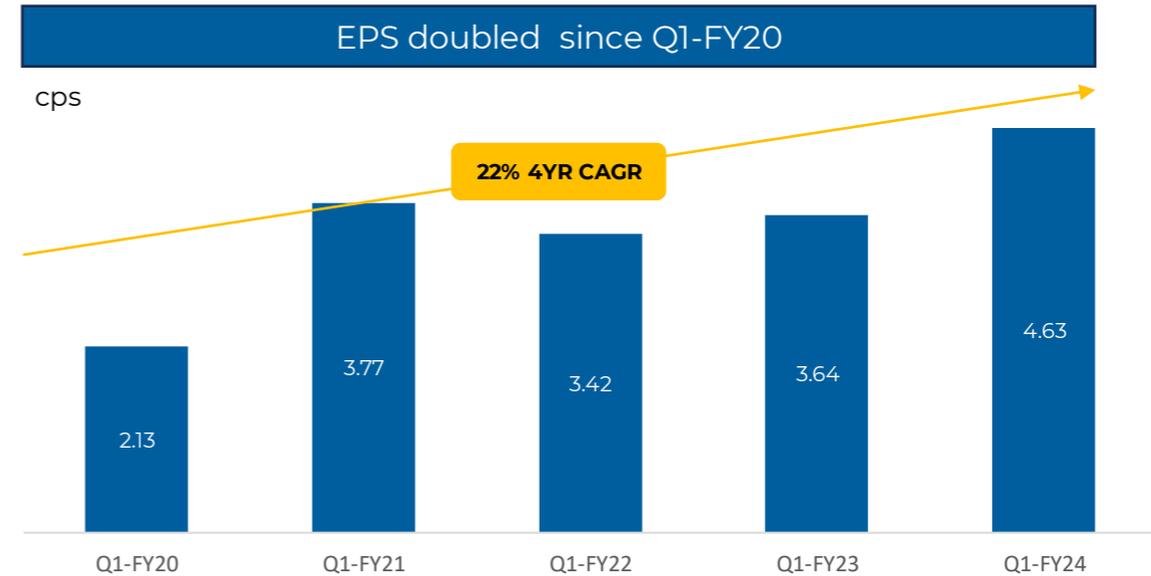
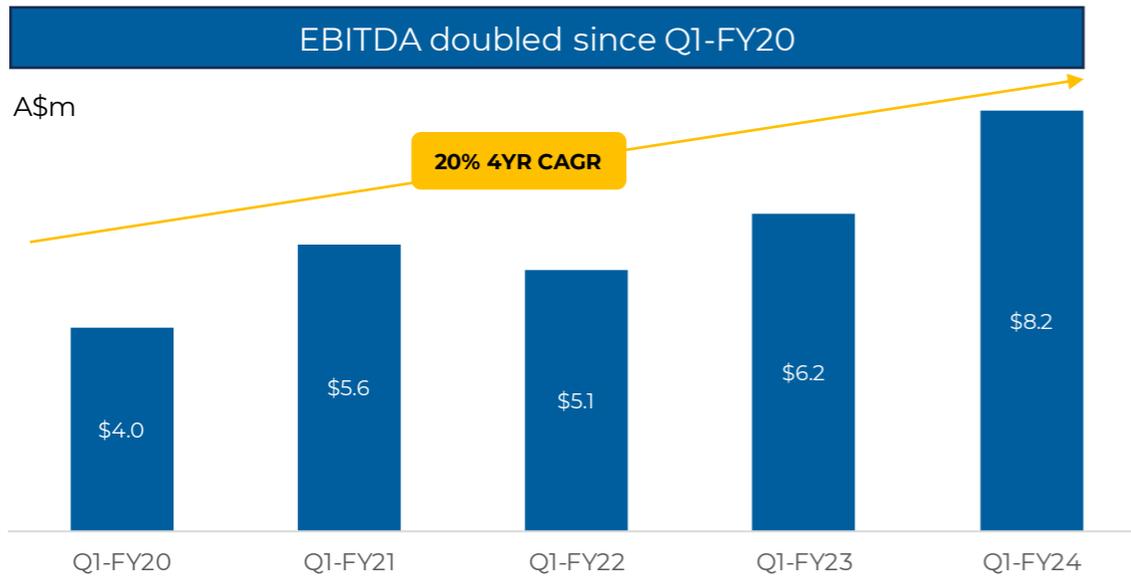
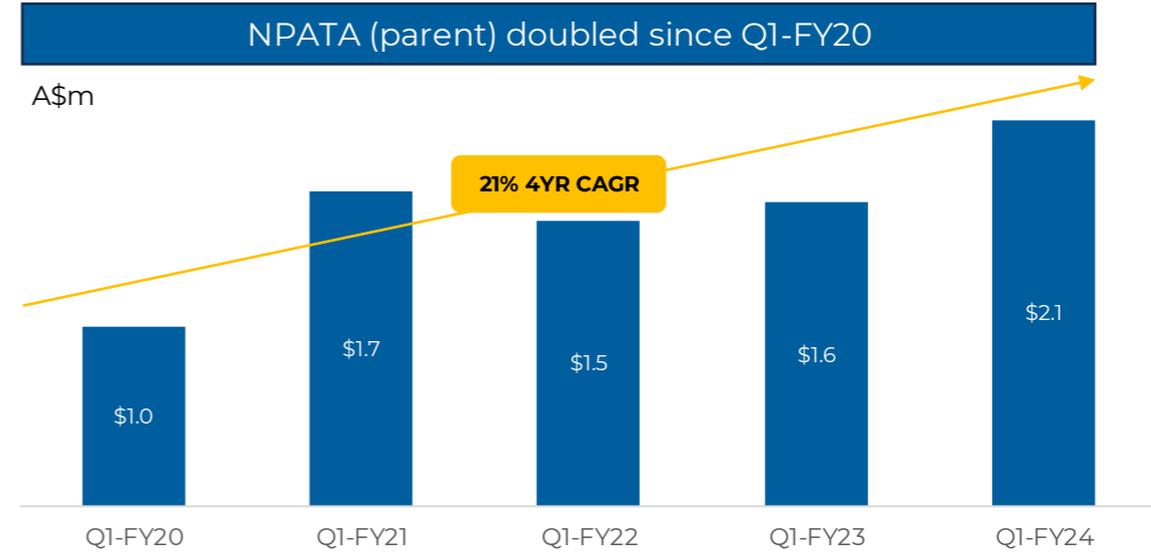
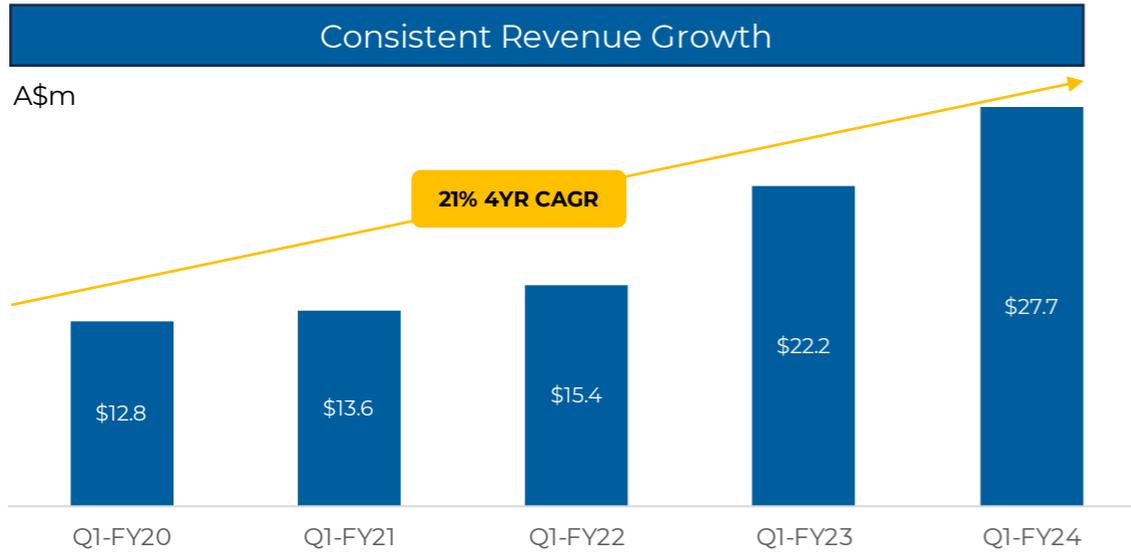
KPG delivers 27.3% increase in Q1 Underlying¹ Attributed NPATA

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."**

\$000's	Last Quarter	This Quarter	Variance	
	Q1-23	Q1-24		
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%

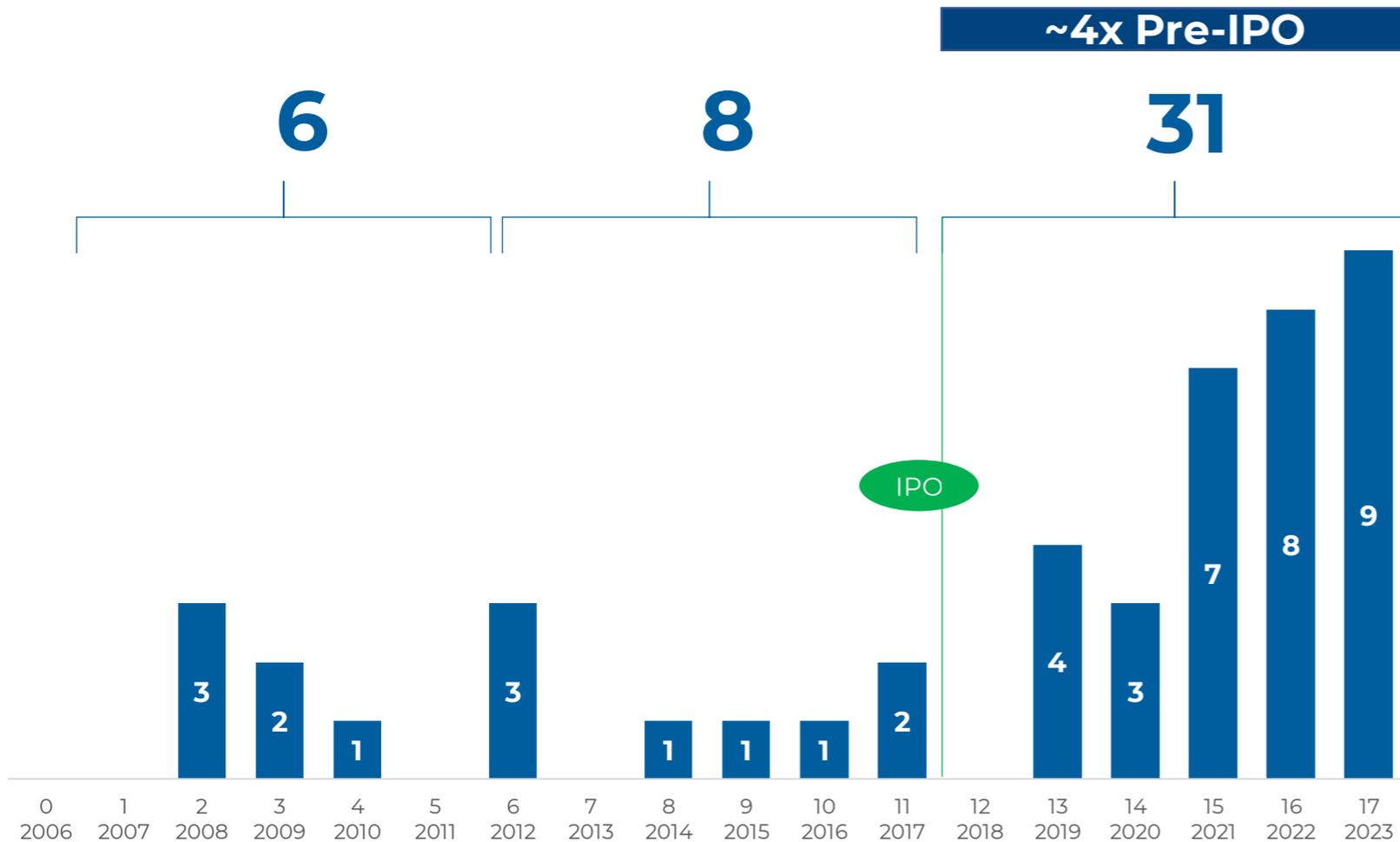
Q1 GROWTH OVER 5 YEARS



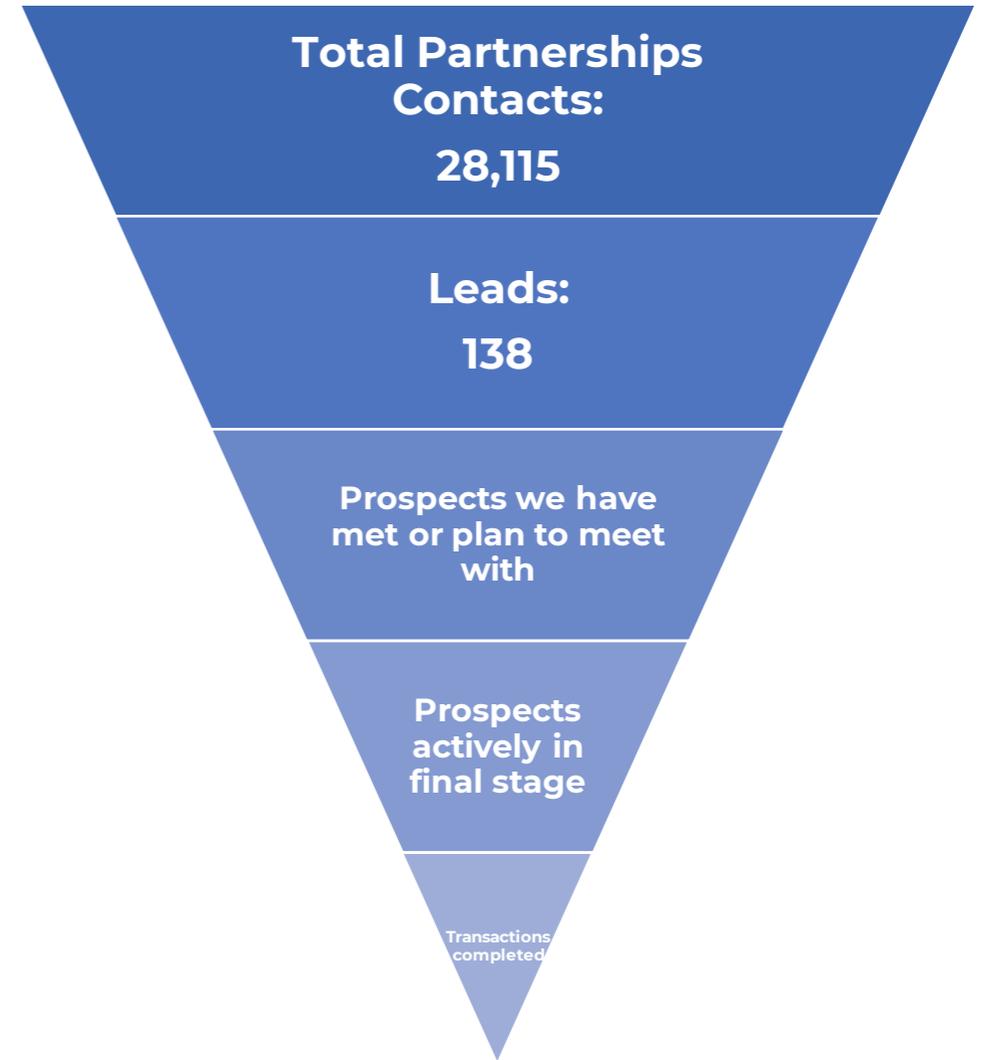
1 GROWTH

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PROGRAMMATIC PARTNERSHIPS



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



FY23 PARTNERSHIPS



1. Kelly Partners Hunter Region



2. Kelly Partners Leeton



3. Kelly Partners Maitland



4. Kelly Partners Melbourne (tuck-in)



5. Kelly Partners Palm Beach



6. Kelly Partners South West Brisbane



7. Kelly Partners East Sydney



8. Kelly Partners Brisbane

FY24 PARTNERSHIPS



1. Kelly Partners Griffith
Jul-23



2. Kelly Partners Bundall
Aug-23



3. Kelly Partners Los Angeles
Dec-23

GRIFFITH OFFICE LAUNCH



2 OPERATIONAL UPDATES

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US UPDATE



1. Kelly Partners Malibu

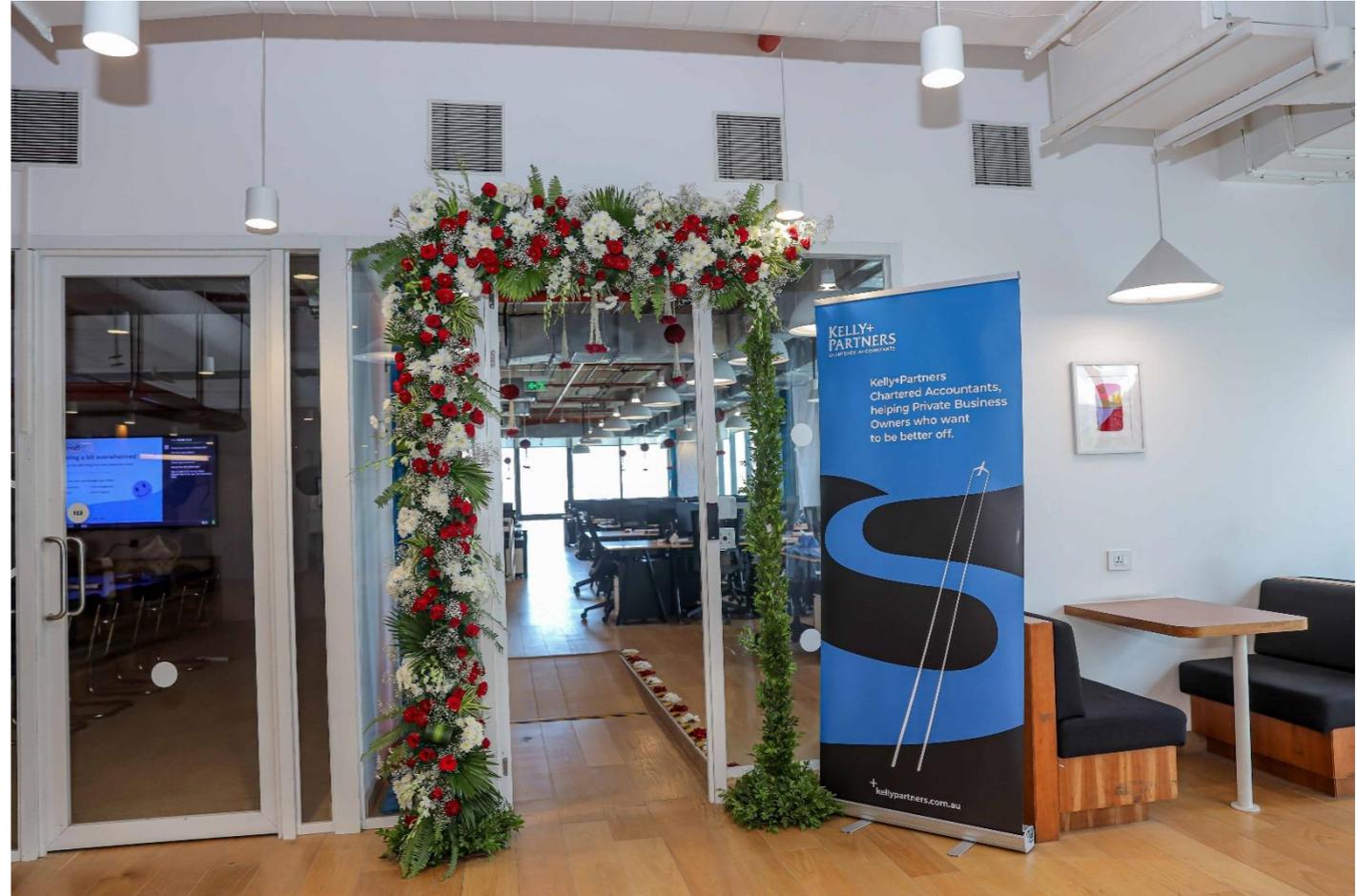


2. Kelly Partners Newport

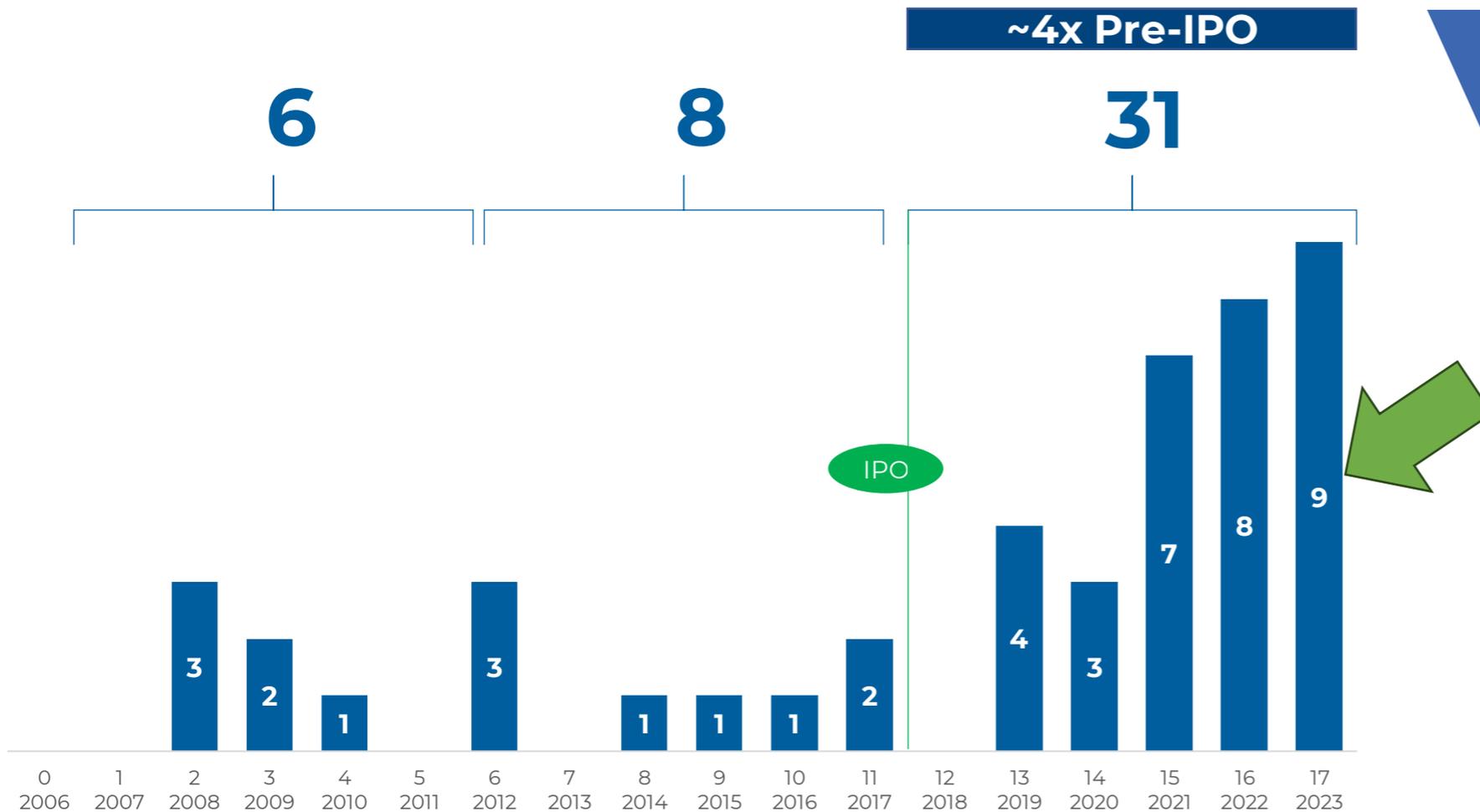


3. Kelly Partners Los Angeles
Dec-23

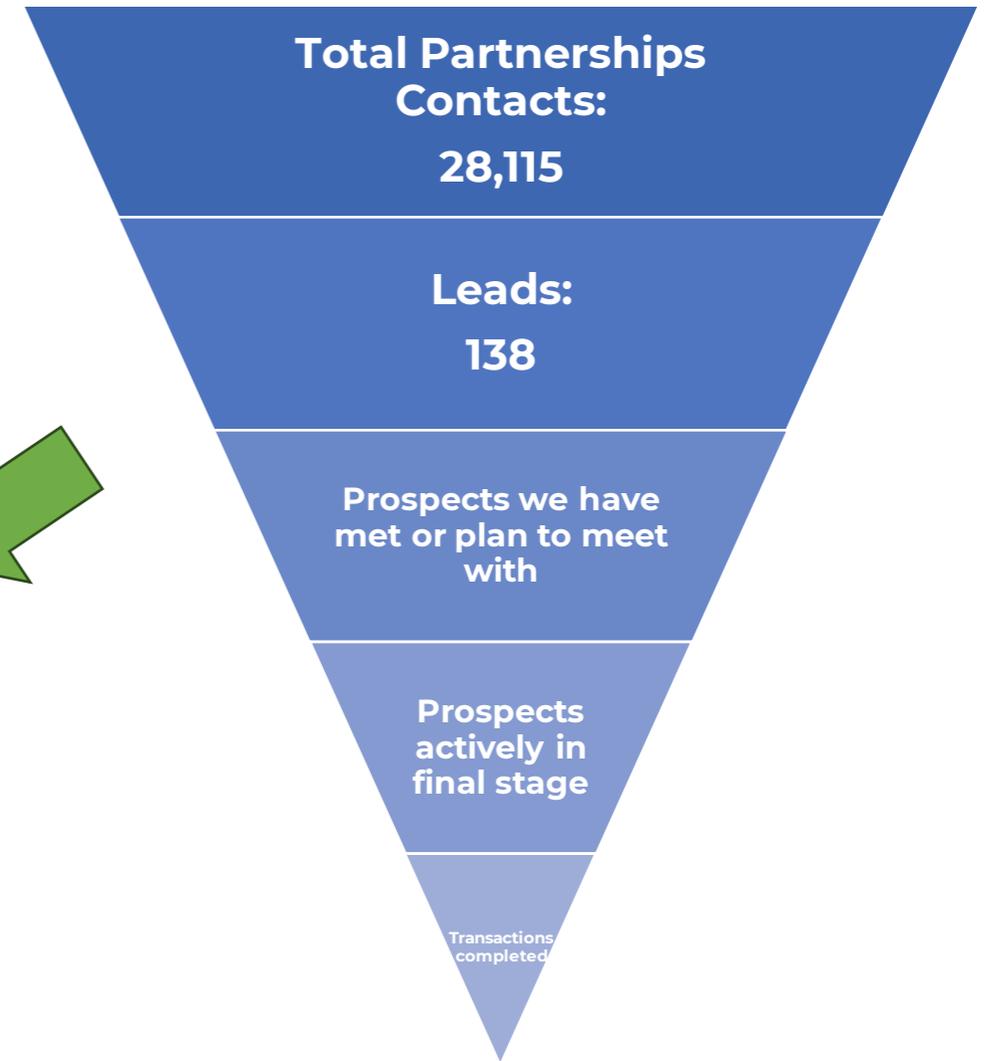
INDIA OFFICE



FOCUS ON 9 DEALS

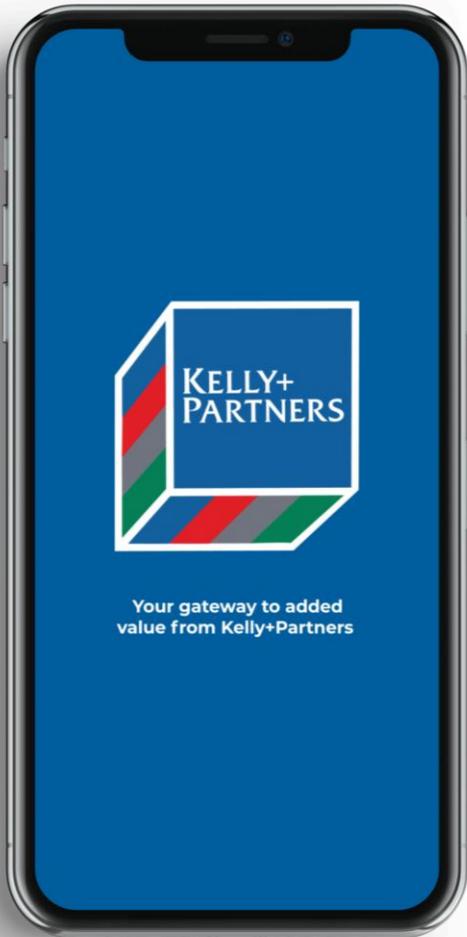


Note: based on partnerships that are announced in the stated financial year, e.g. acquisition that was announced in FY22 but completed in FY23 is shown in FY22.

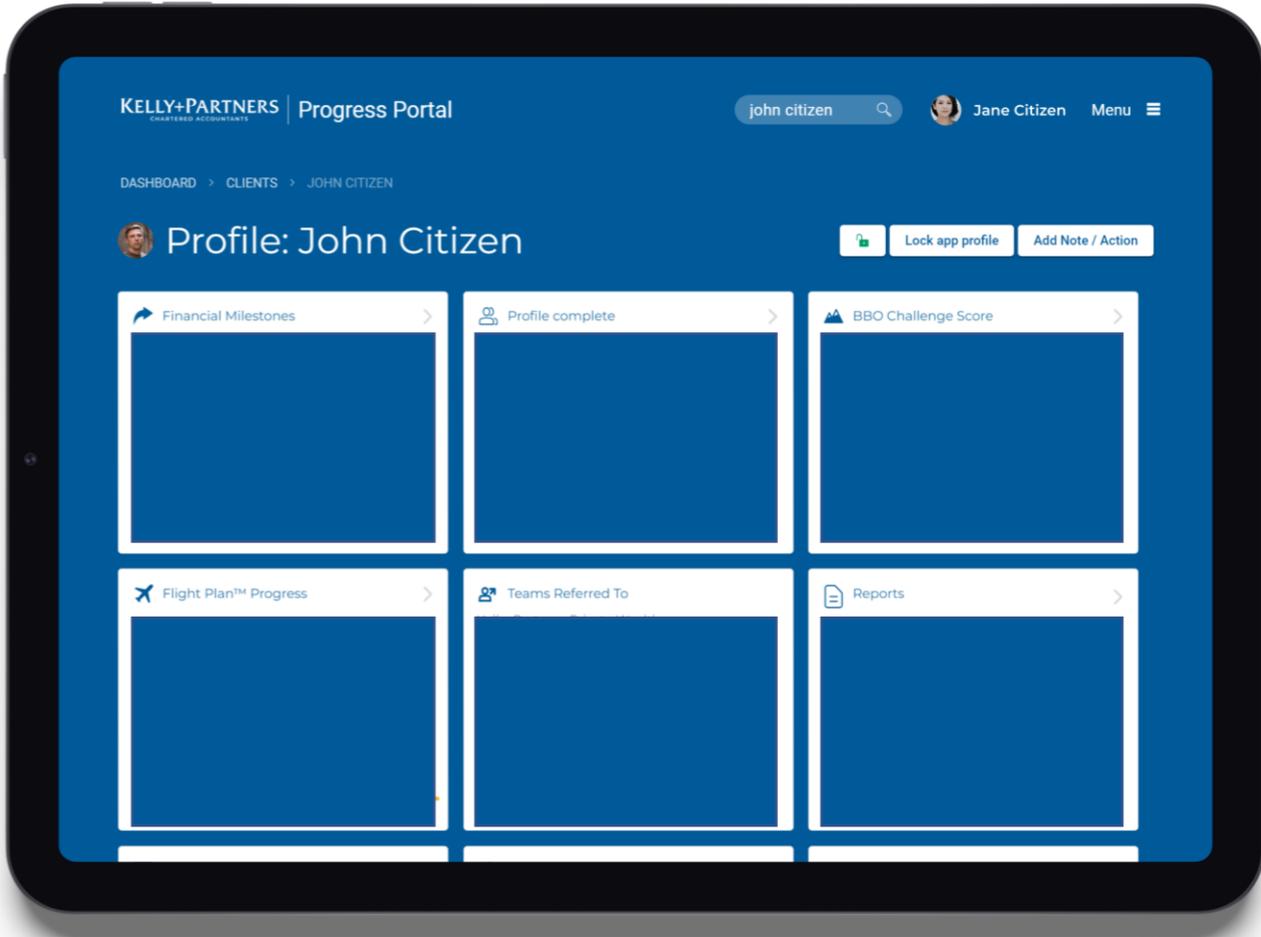


DIGITAL

PASSPORT



SPOT



3 FINANCIALS

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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%*
			<i>EBITDA margin of operating businesses</i>					
2	Further increasing their earnings through acquisitions	✓	17.2%	6.4%	6.6%	4.8%	26.5%	28.7%
			<i>Contribution to revenue growth</i>					
3a	Growing our existing accounting subsidiaries	✓	10.3%	(6.4%)	6.6%	1.5%	4.7%	2.9%
			<i>Contribution to revenue growth</i>					
3b	Growing our existing complementary businesses	✓	2.7%	1.8%	1.4%	1.2%	1.5%	1.8%
			<i>Contribution to revenue growth</i>					
4a	Making programmatic acquisitions	✓	0	4	3	7	8	8
			<i>Number of acquisitions</i>					
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

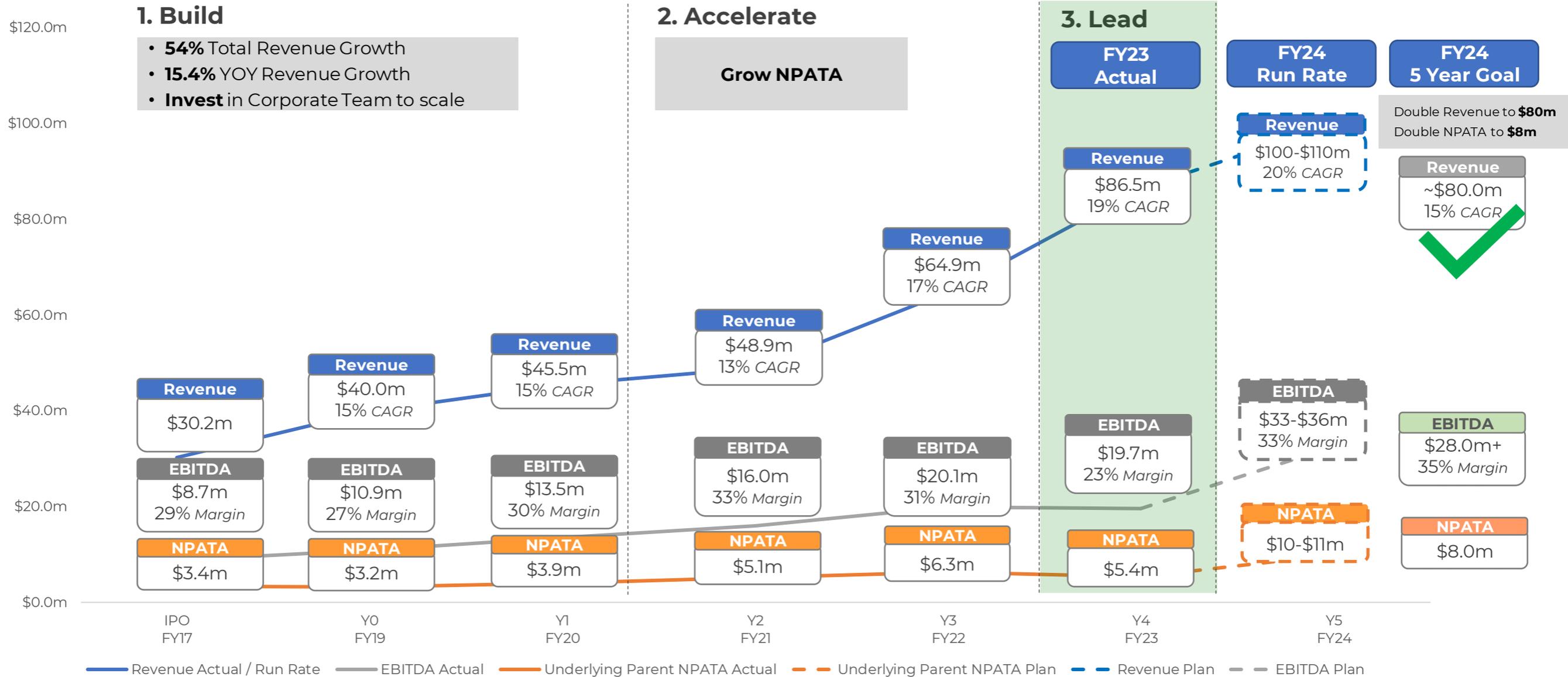
*see slide 24 "profitability" for EBITDA margins by cohorts. **announced in FY23, completed in Jul-23

PROFIT TRAJECTORY

Revenue vs "Smoothness" in Earnings



5 YEAR PLAN



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	
3	Wealth	?

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



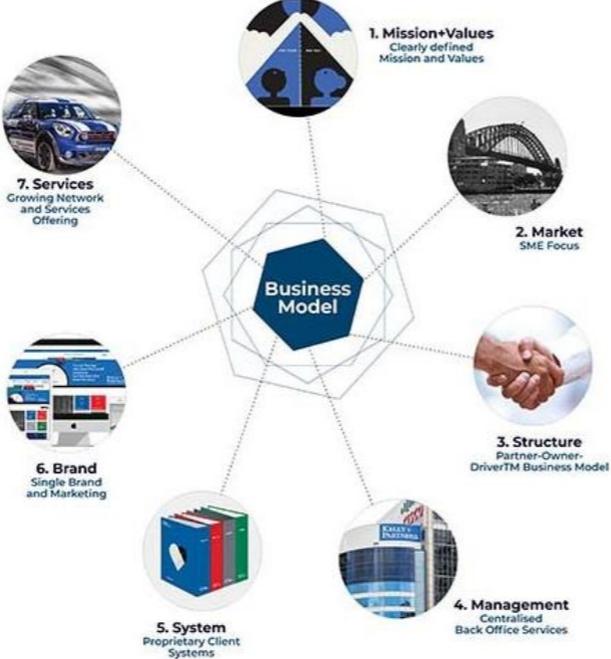
Country	TAM in AUD
US	\$190bn
UK	\$63bn
Canada	\$17bn
NZ	\$3bn
Total TAM	\$273bn (20x AUS)

ADVANTAGE

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

ADVANTAGE

GROUP	MODEL	BUSINESS	TEAM
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Partner-Owner-Driver™



4 STRATEGIC REVIEW

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KELLY PARTNERS GROUP HOLDINGS LIMITED

KELLY PARTNERS GROUP HOLDINGS

(ASX: KPG)

STRATEGIC REVIEW UPDATE

October 2023

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STRATEGIC REVIEW UPDATE

- As part of the Strategic Review announced on 11 August 2023, Kelly Partners Group Holdings Limited (“KPG”) continues to review its strategy, capital structure and governance in the context of its Australian and emerging US growth strategy
- As outlined in Section 1, The Strategic Review has identified the following general observations that support the Company’s strategy:
 1. Founder-led companies perform up to 3x stronger than non-founder-led companies⁽¹⁾
 2. Programmatic acquirers generate superior returns compared to other M&A approaches⁽¹⁾
 3. KPG outperforms select sector participants and compares favourably with best-in-class compounders
 4. There are many global accounting firms, with an opportunity for KPG to emerge as one of Australia’s first
 5. Illustrative analysis shows there is potential to generate meaningful incremental earnings from ceasing to pay dividends and reinvesting capital
- While no decision has been made, the Strategic Review has also identified the potential for a US listing to be supportive of KPG’s US growth opportunity and enhance shareholder value over the long-term (refer to Section 2)

Source: Company analysis, Bloomberg, Capital IQ, Mckinsey and Company, Bain & Company, Harvard Business Review.

Note: (1) Based on research, refer to subsequent slides for detailed analysis.

GENERAL OBSERVATIONS FROM STRATEGIC REVIEW

SECTION 1

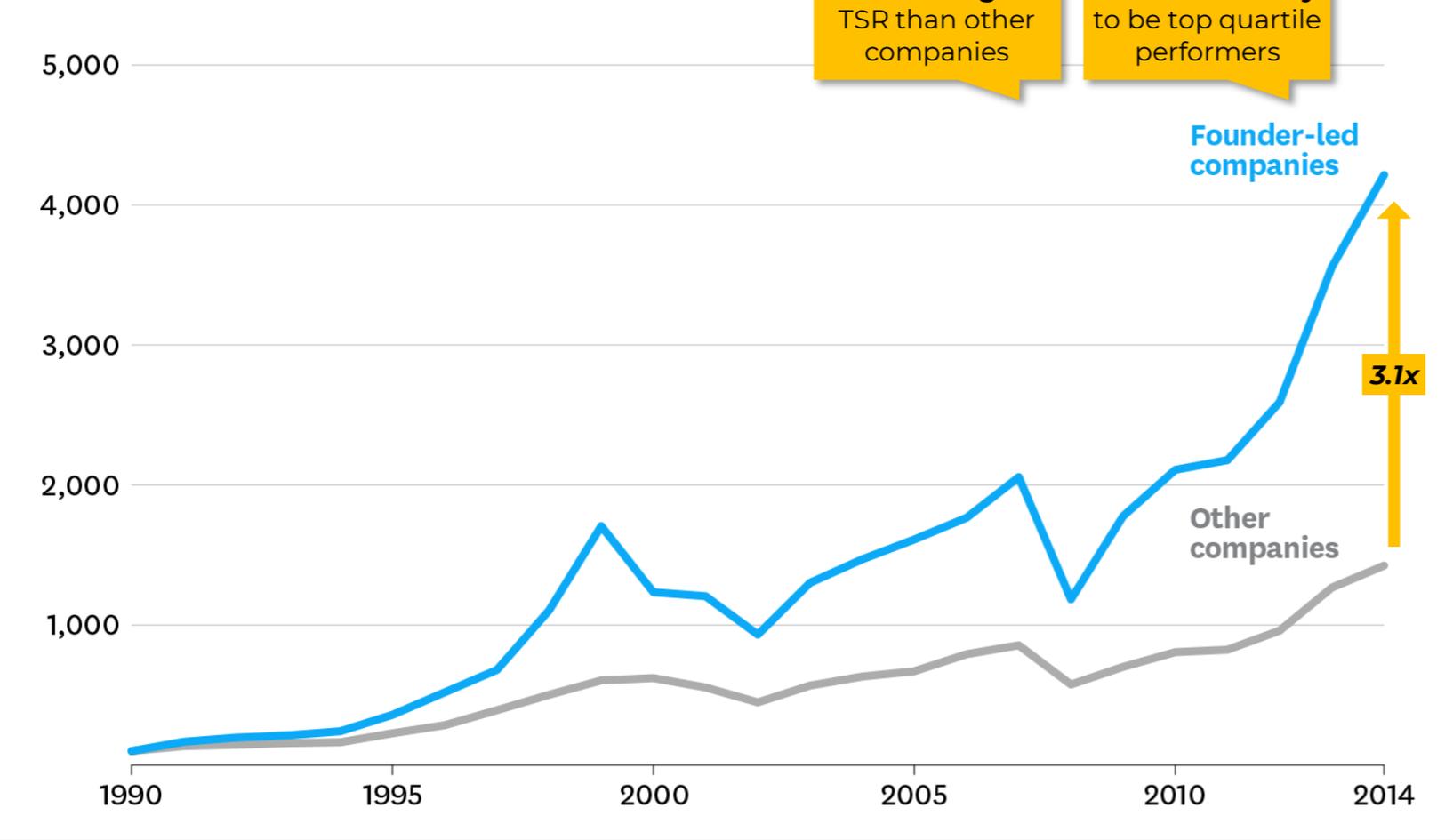
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1 FOUNDER-LED COMPANIES OUTPERFORM

Research shows companies in which the founder is still deeply involved perform more than three times better than non-founder led companies.

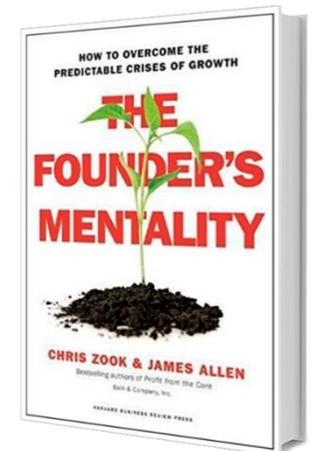
Relative TSR of Founder-led vs other companies

(Indexed Total Shareholder Return for S&P 500)



The most sustainable profitable companies nurture and maintain three traits:

1. **Business insurgency** – a willingness to defy industry norms to create new opportunities / markets for customers' evolving needs
2. **Frontline obsession** – a vested interest in the finer details and performance of day-to-day operations
3. **Owner's mindset** – a willingness to accelerate speed of action by taking personal responsibility for risk and costs

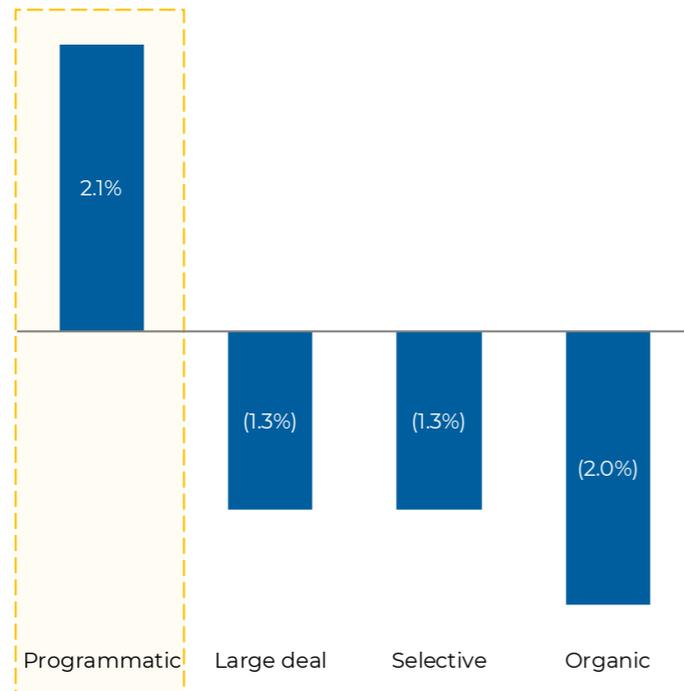


Recent research also shows that family-owned companies outperformed non-family owned companies by an annual average of ~3% between 2006 and 2022.

2 PROGRAMMATIC ACQUIRERS GENERATE SUPERIOR RETURNS

Programmatic growth strategies are the best performing of all M&A approaches⁽¹⁾

Excess annual TSR by M&A approaches⁽²⁾



Programmatic M&A consistently outperforms other approaches across sectors⁽¹⁾

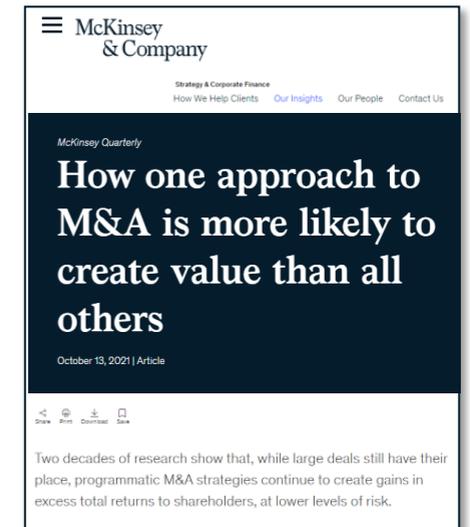
Excess annual TSR by industry & M&A approaches⁽²⁾

	Programmatic	Selective	Large deal	Organic
Advanced industries	5.9%	(0.5%)	(0.4%)	(0.8%)
Transport, logistics & infrastructure	2.0%	0.0%	(1.9%)	0.0%
Consumer packaged goods & retail	1.1%	(0.7%)	(0.7%)	0.3%
Financial services	1.2%	0%	0.6%	(0.1%)
Energy & materials	2.2%	0.3%	(0.1%)	(1.7%)
Pharmaceuticals & medical products	1.2%	(0.3%)	(0.6%)	0.9%
Healthcare systems & services	1.0%	(1.8%)	(1.3%)	(1.8%)
Technology, media & telecommunications	1.3%	(2.2%)	1.7%	(2.4%)

Programmatic acquirers are able to build lasting, distinctive capabilities in M&A precisely because they do deals frequently and systematically

Decades of research on M&A strategies and underlying capabilities point to three critical areas for success:

- 1. Competitive advantage** – relatively more agile towards economic shocks that require strategic shifts
- 2. Conviction** – Central M&A themes allow companies to build conviction quickly when opportunities emerge
- 3. Capacity** – Established M&A processes provide capacity to respond to M&A opportunities



Source: McKinsey and Company – How one approach to M&A is more likely to create value than all others (October 2021).

Note: (1) Based on McKinsey's Global 2,000, representing companies among the top 2,000 companies by market cap (>\$2 billion) on 31 December 2009 and were still trading as of 31 December 2019. Excludes companies headquartered in Africa and Latin America.

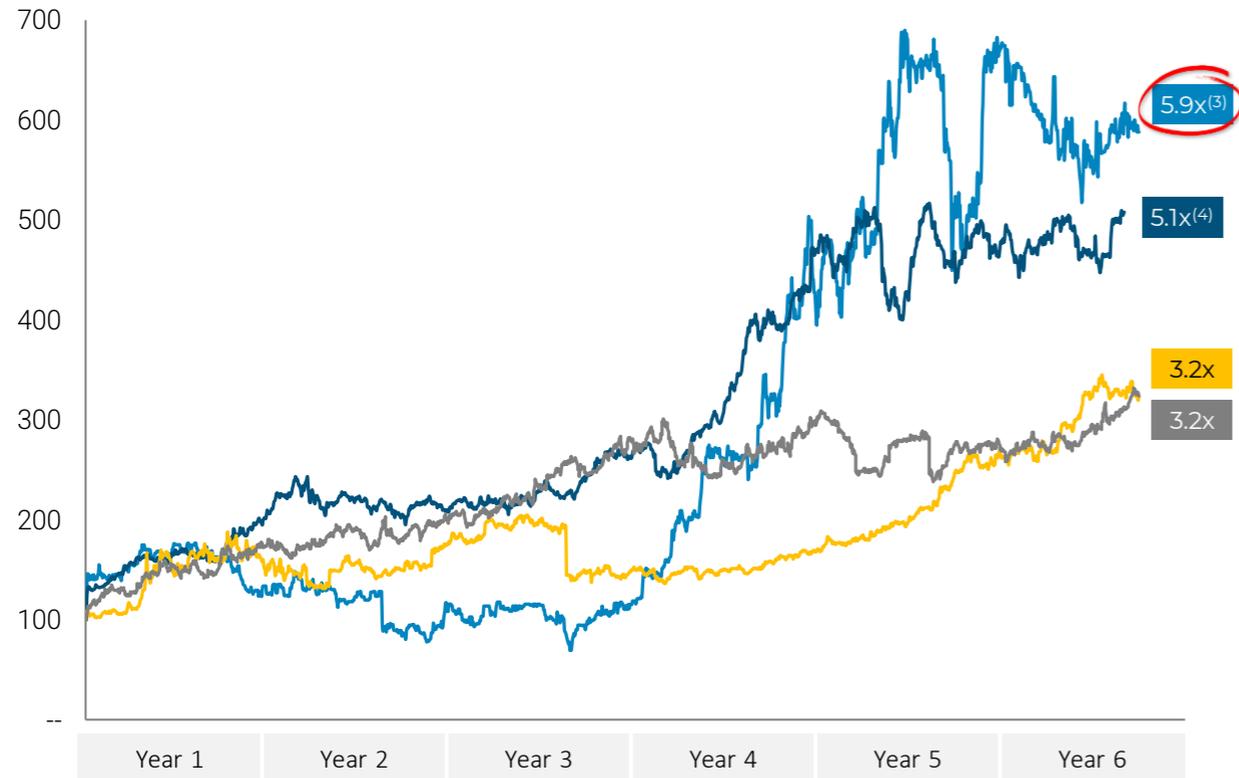
(2) Represents average annual TSR outperformance (or underperformance) compared to peers within McKinsey's Global 2,000, between January 2010 – December 2019.

3

KPG HAS OUTPERFORMED SELECT SECTOR PARTICIPANTS AND BEST-IN-CLASS COMPOUNDERS SINCE LISTING IN 2017

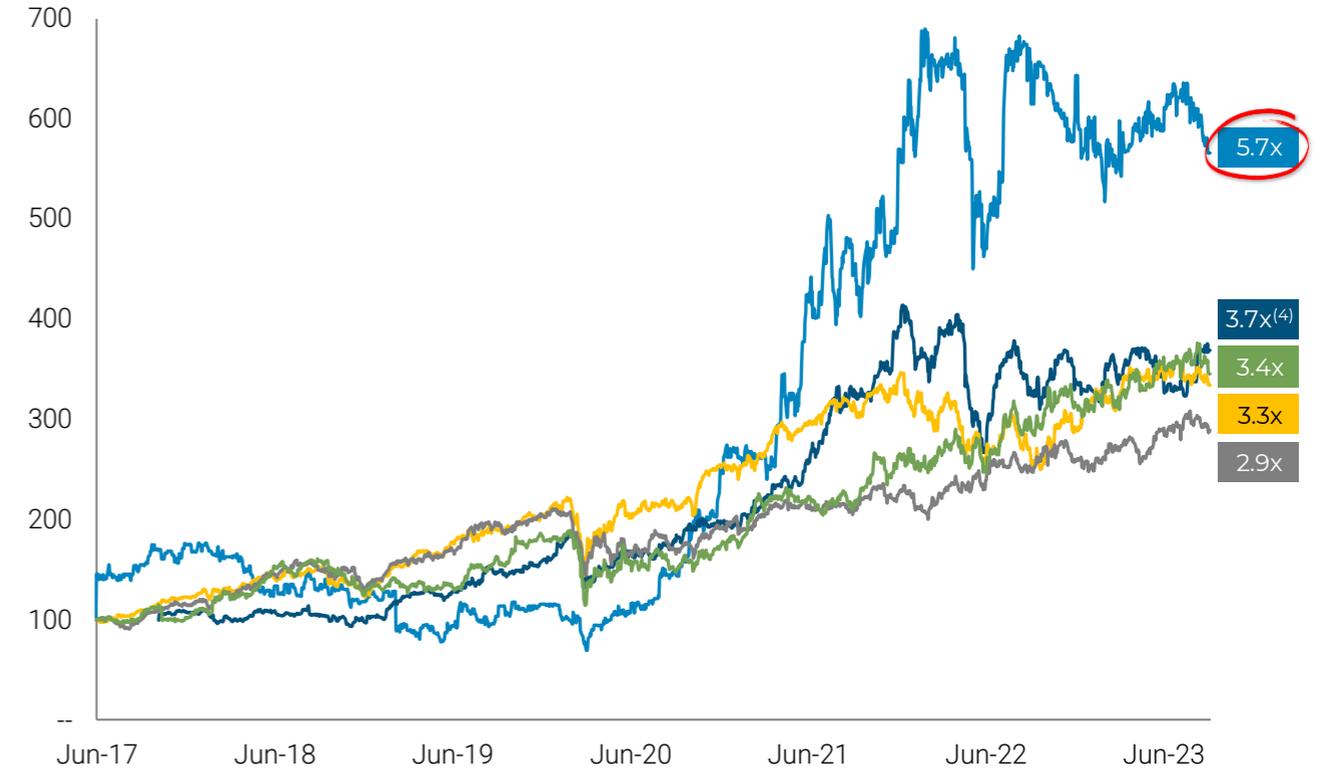
KPG TSR during the first six years of listing vs. select sector participants

(Daily, rebased to 100)^(1,2)



KPG TSR during the period it has been listed vs. select sector participants

(Jun-17 – Sep-23, rebased to 100)⁽¹⁾



US business consulting services

US tax and accounting services

Kelly + Partners

ASX growth professional services

Global best-in-class compounders

Source: Bloomberg as at 25 September 2023. TSR calculated as daily share price appreciation, adjusted to include the reinvestment of dividends.

Notes: (1) Index TSRs calculated as a simple average for constituents in each group rebased to 100, starting from the date all constituents were publicly trading.

(2) CBIZ excluded due to volatile trading in years following IPO as a result of a corporate activity during this period.

(3) KPG TSR multiple chart reflects six years of trading through to 20 June 2023 since listing (note adjacent chart on right side of page presents time series data up to 25 September 2023).

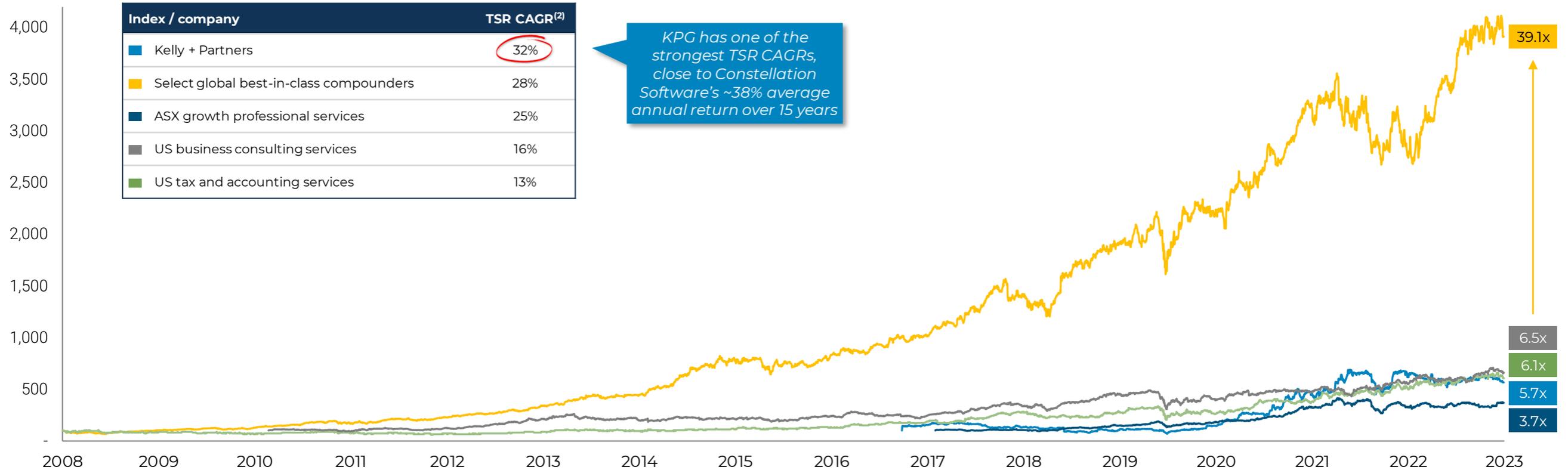
(4) ASX growth professional services index begins 26 October 2017 when all constituents were publicly trading.

3

KPG GENERATES ONE OF THE STRONGEST TSRs AMONG SELECT SECTOR PARTICIPANTS AND BEST-IN-CLASS COMPOUNDERS

KPG has generated average annual TSR of 32% which is among the strongest of select sector participants.

Total Shareholder Return (TSR) over the last 15 years (rebased to 100)⁽¹⁾



US business consulting services

US tax and accounting services

Kelly + Partners

ASX growth professional services

Global best-in-class compounders

Source: Bloomberg as at 25 September 2023. TSR calculated as daily share price appreciation, adjusted to include the reinvestment of dividends.

Notes: (1) Index TSRs calculated as a simple average for constituents in each group rebased to 100, starting from the date all constituents were publicly trading. (2) TSR CAGR reflects average of index constituents, starting from the date all constituents were publicly trading up until 25 September 2023.

3

KPG OUTPERFORMS SELECT SECTOR PARTICIPANTS AND COMPARES FAVOURABLY WITH BEST-IN-CLASS COMPOUNDERS

Median estimates	US business consulting services	US tax and accounting services	ASX growth professional services	Kelly+Partners Group Holdings Limited ⁽¹⁾	Select global best-in-class compounders
Constituents					
Market cap (A\$)	\$3.1bn	\$3.9bn	\$2.5bn	\$192m	\$183.3bn
FY24E revenue growth	9%	8%	15%	21%	8%
FY24E EBITDA margin	11%	15%	31%	33%	25%
FY24E EV / EBITDA	12.9x	13.2x	12.1x	12.3x	15.1x
FY24E P / E	19.2x	20.1x	21.9x	18.3x	23.0x
TSR CAGR⁽²⁾	16%	13%	25%	32%	28%
ROE⁽³⁾	14%	15%	14%	26%	27%
ROIC⁽³⁾	11%	12%	10%	24%	18%

Generally lower growth, margin and return

Generally higher growth, margin and return

Source: Company filings, Capital IQ, broker consensus. Market data as at 25-September-23. Presented on a pre-AASB 16 / IFRS 16 basis and calendarised to June year-end.

Note: (1) KPG revenue growth, EBITDA margin and valuation multiples based on published FY24 run-rate guidance of \$100-110m revenue and ~32.5% EBITDA margin (taking 51% for parent proportionate share) and ~10% NPATA margin (for parent).

(2) TSR CAGR reflects average of index constituents, starting from the date all constituents were publicly trading up until 25 September 2023.

(3) ROE and ROIC calculated as NPAT / Equity and (NPAT plus interest) / (Equity + Debt), respectively. Calculated on a last reported basis and represents parent metrics for KPG.

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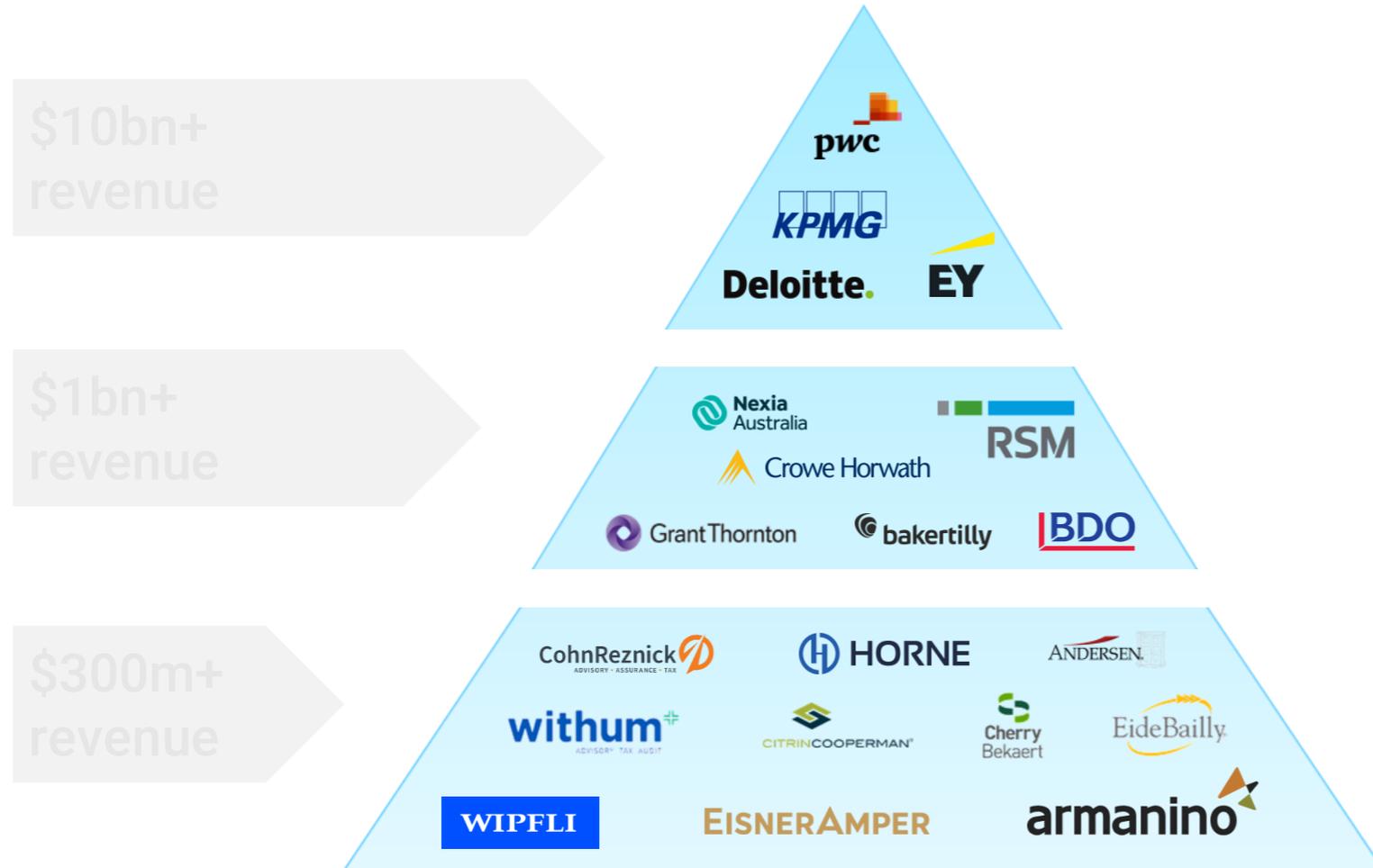
4

THERE ARE MANY GLOBAL ACCOUNTING FIRMS, WITH AN OPPORTUNITY FOR KPG TO EMERGE AS ONE OF AUSTRALIA'S FIRST

KPGH's differentiated model positions the company to continue growing to become one of Australia's first global accounting firms.

Example US-based global accounting firms

(Example operators that meet USD revenue threshold shown)



Many global operators face challenges of a lack of transparency and increased scrutiny following recent scandals



KPG well positioned to become one of Australia's first global accounting firms

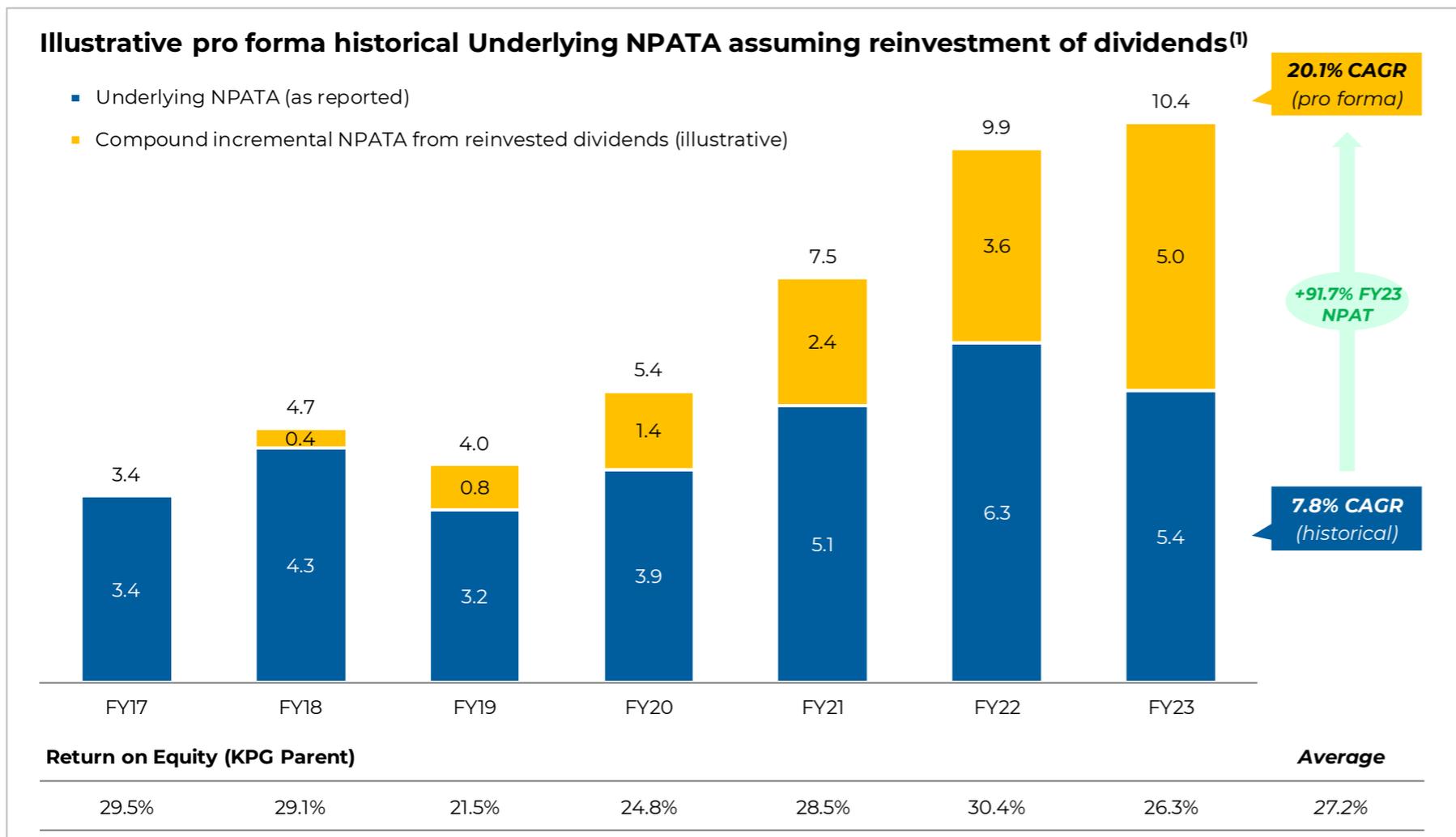
- ✓ Partner-Owner-Driver model strongly aligns interests
- ✓ Proven programmatic acquisition strategy ensures operational excellence and culture is never compromised
- ✓ Personalised approach to servicing SME clients
- ✓ Founder-led with track record of growth
- ✓ Target geographies display similar market dynamics to Australia

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Source: Inside Public Accounting – Top 500 Firms 2023.

5 VALUE CREATION FROM CEASING DIVIDENDS

Illustrative pro forma analysis demonstrates the incremental earnings potential from ceasing dividends and reinvesting capital.



Commentary

- Illustrative analysis shows pro forma historical Underlying NPATA assuming KPG ceased to pay dividends and instead reinvested capital
- Assumes retained capital generates a ~20% compound return, which is lower than KPG's average since IPO of ~27%
- Results in Underlying NPATA of ~\$10.4m by FY23, almost double that generated while paying dividends, implying a valuation almost double that of today (based on KPG's current trading P/E multiple)
- Equates to Underlying NPATA CAGR of ~20% between FY17-23, compared to actual reported Underlying NPATA CAGR of ~8% during this time

Sensitivity analysis

- Sensitising the ROE assumption shows the impact on pro forma NPATA, CAGR and uplift to actual reported results in FY23

ROE assumption	10.0%	15.0%	20.0%	25.0%	30.0%
FY23PF NPAT	7.4	8.7	10.4	12.3	14.6
FY17-23PF CAGR	13.6%	16.8%	20.1%	23.6%	27.2%
FY23 NPAT uplift	37.0%	61.8%	91.7%	127.8%	170.9%

Source: Company filings and analysis. 'PF' indicates pro forma.

Note: (1) Incremental NPATA from reinvesting dividends illustrative only and calculated as ~20% of cumulative capital retained, compounding at a rate of 20% p.a., consistent with KPG's definition of Return on Equity (Underlying NPATA / Total Equity).

OBSERVATIONS ON KPG'S US STRATEGY

SECTION 2

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OBSERVATIONS ON KPG'S US STRATEGY

- KPG's Strategic Review has confirmed the following with respect to its US growth strategy:
 1. The US presents an opportunity for KPG expansion, with the accounting services industry over 10x the size of Australia
 2. Many demand drivers in Australia are identical in the US
 3. California is the perfect beachhead to begin expansion in the US, with a target list of areas and firms already identified
 4. US accounting services firms have attracted interest from private equity, demonstrating the consolidation opportunity
 5. A comparison against a select US-listed operator demonstrates KPG's relative performance and provides a valuation reference point for the US listed market

1 THE US MARKET PRESENTS AN OPPORTUNITY FOR KPG EXPANSION

US GDP is ~15x the size of Australia's and shares many of the characteristics that drove KPG's growth over the past five years.

US economy vs Australia

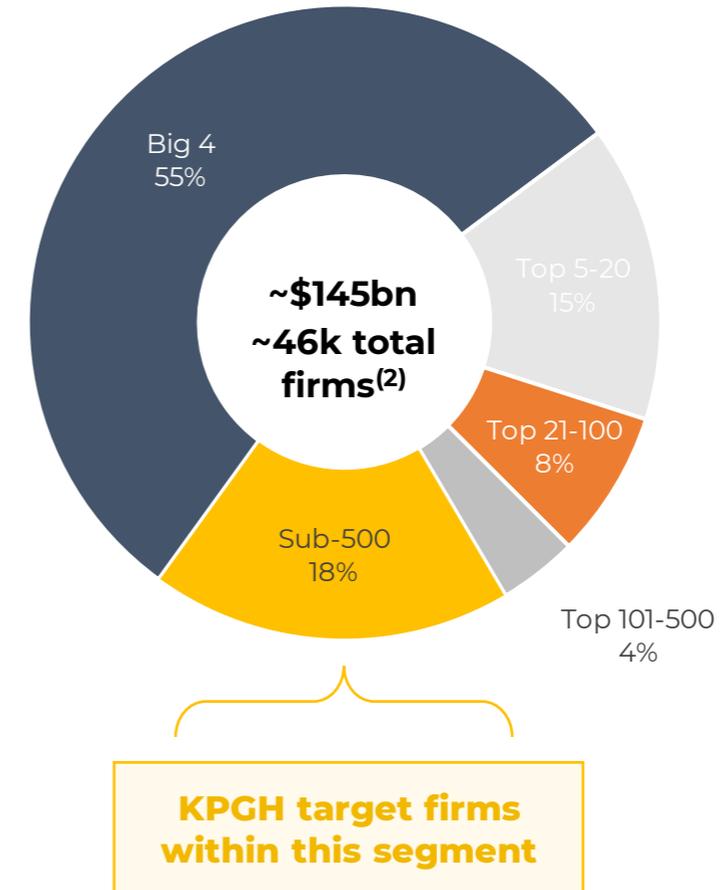
(\$ USD)

Rank	Country	GDP (\$T)
1	United States 	25.5
2	China	18.0
3	Japan	4.2
4	Germany	4.1
5	India	3.4
6	United Kingdom	3.1
7	France ⁽¹⁾	2.8
8	Russia ⁽¹⁾	2.2
9	Canada	2.1
10	Italy	2.0
11	Brazil	1.9
12	Australia 	1.7

15.0x

US accounting services revenue by firm cohorts (2023)

(\$ USD)



Source: American Institute of Certified Public Accountants, Statista.

Note: (1) Estimate only.

(2) Represents American Institute of Certified Public Accountants' estimate of public accounting firms in the US.

2

MANY DEMAND DRIVERS IN AUSTRALIA ARE IDENTICAL IN THE US MARKET

Strong tailwinds in the US market bodes well for KPG's growth outlook as it looks to enter the US market.

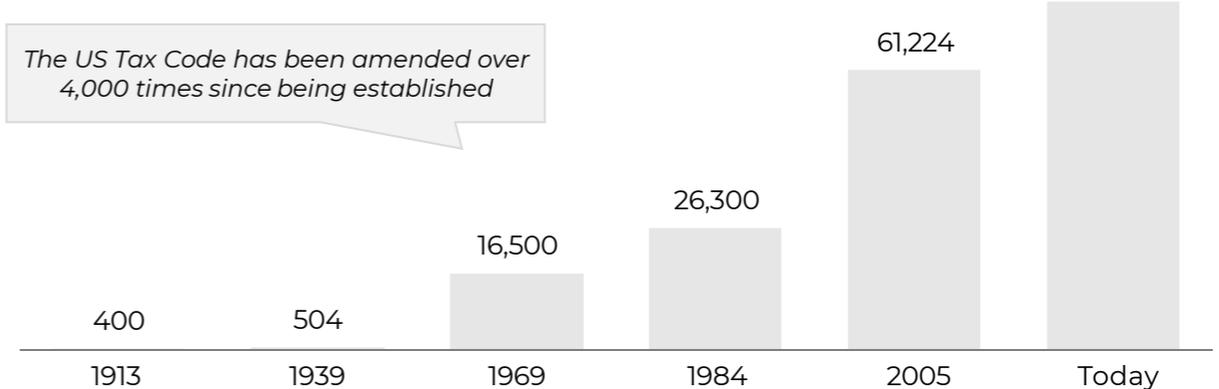
Paying taxes in the US is even more difficult than in Australia

Ease of paying taxes (ranked easiest to hardest)⁽¹⁾

United Arab Emirates	1	Switzerland	18
Hong Kong / China	3	Netherlands	20
Ireland	5	AUSTRALIA	25
Denmark	7	Norway	26
Singapore	8	Sweden	28
United Kingdom	10	UNITED STATES	36
New Zealand	11	Germany	48
Finland	13	France	63
Canada	17	Japan	70

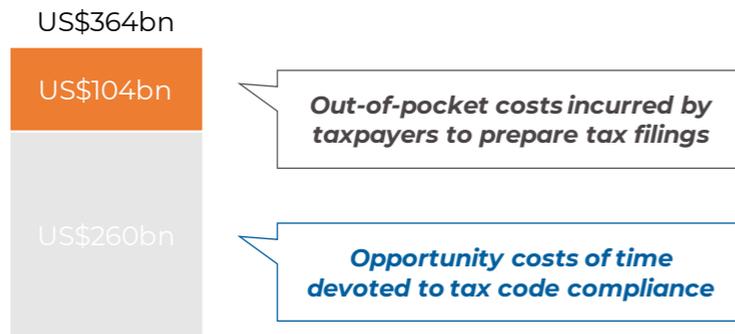
The US tax code is incredibly complex and growing each year

Total pages in US Tax Code (including tax regulation and guidance) ~75,000



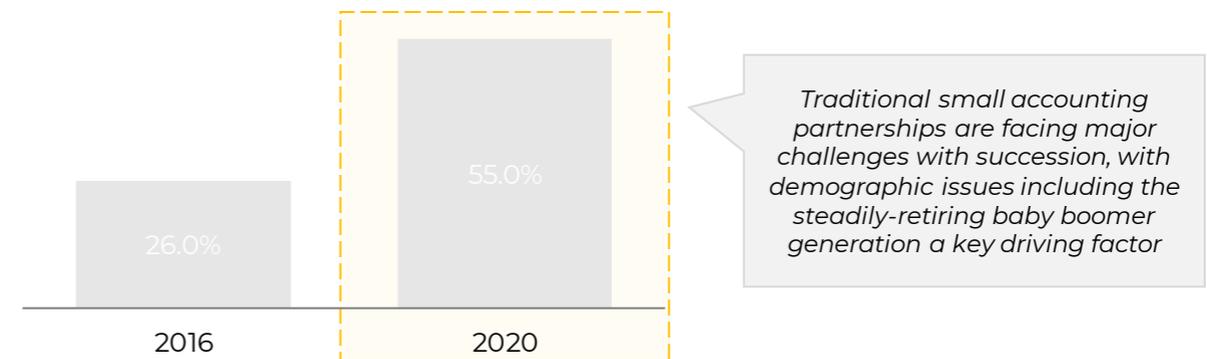
Taxpayers pay massive costs to comply with income tax codes

Estimated tax compliance burden (2022)



US accounting firms are facing a succession crisis

% of multi-owner accounting firms facing succession challenges



Sources: World Bank, Doing Business Report, 2017; Commerce Clearing House; National Taxpayers Union Foundation analysis of Office of Information and Regulatory Affairs and Bureau of Labor Statistic data; AICPA Private Companies Practice Section and Succession Institute LLC
 Notes: (1) Represents overall ranking including post filing index, ranked against 190 economies globally.

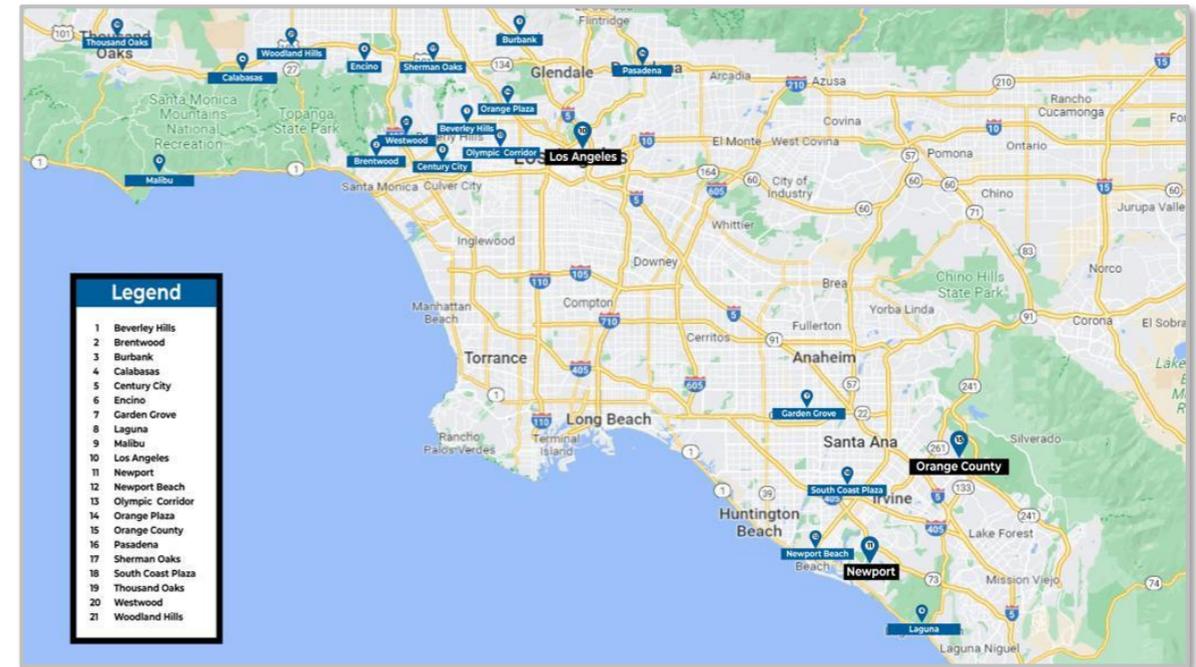
3

CALIFORNIA IS THE PERFECT BEACHHEAD TO BEGIN EXPANSION IN THE US MARKET

California is a gateway to the APAC region and a logical beachhead for KPG’s expansion, as it’s the US’ most populous state and the world’s 5th largest economy despite a much smaller footprint than Australia.

	 CALIFORNIA	 AUSTRALIA
Population	39.0m	26.4m
GDP <i>(USD \$trillion)</i>	\$3.6tn	\$1.7tn
Land <i>(thousands sq miles)</i>	164	2,968
Population density <i>(Per sq mile)</i>	251	9
Median household income <i>(USD\$)</i>	\$84,097	\$63,393
% with bachelor degree or higher	~35%	~21%
GDP per capita	\$91,190	\$64,276

Among the estimated **13k accounting services businesses in California**⁽¹⁾ KPG has developed a “target list” of areas and firms just outside the wealthy enclaves of LA / Beverly Hills, Newport Beach and Orange County



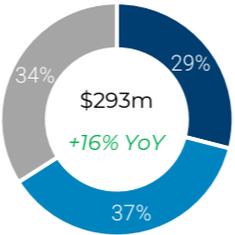
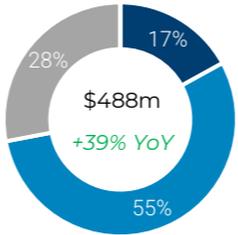
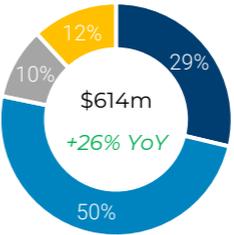
<i>Key population centres</i>	LOS ANGELES	SAN DIEGO	ORANGE COUNTY	VENTURA COUNTY	SANTA BARBARA
Population	9.7m	3.3m	3.2m	0.8m	0.4m
Median income	\$76k	\$88k	\$100k	\$94k	\$84k

Sources: U.S. Census Bureau; Statista; World Population Review; IBIS World; Worldometer; GlobalData; and Australian Bureau of Statistics.

Note: (1) Estimate of accounting services businesses per IBIS World (Accounting Services in the US) in 2023.

4

US ACCOUNTING SERVICES HAVE ATTRACTED INTEREST FROM PRIVATE EQUITY, DEMONSTRATING THE CONSOLIDATION OPPORTUNITY

Target					
Acquirer	LIGHTYEAR CAPITAL			TOWERBROOK	CVC
Date	September 2021	June 2022	April 2022	August 2021	September 2021
Acq'n mult EBITDA EV	<i>Not disclosed</i>	<i>Not disclosed</i>	13.0x	12.0x \$100m \$1.2bn	15.5x \$120m \$1.9bn
Head office	Florida	North Carolina	New York	New York	Boston
Operating stats	3 offices 19 partners 483 staff	15 offices 132 partners 1,284 staff	20 offices 348 partners 1,877 staff	20 offices 268 partners 2,876 staff	17 offices 84 partners 650 staff
Accounting Today ranking	#49	#29	#21	#17	<i>Not included</i>
2022 revenue mix (US\$) <ul style="list-style-type: none"> ■ Accounting & audit ■ Tax ■ Management advisory ■ Other 					<i>Not disclosed</i>
Equity story	<ul style="list-style-type: none"> ✓ Global leader of technology enabled cybersecurity audit and assessment services ✓ Rapidly growing US\$3bn industry ✓ Opportunity to accelerate growth through organic and M&A opportunities 	<ul style="list-style-type: none"> ✓ One of the largest assurance, tax and advisory firms in the US ✓ Opportunity to expand offering and accelerate growth via targeted investment in technology and existing services 	<ul style="list-style-type: none"> ✓ One of the largest professional services firms in the US ✓ Track record of growth from integrating acquired accounting and consulting firms ✓ Well placed as a market leader to execute on consolidation opportunity 	<ul style="list-style-type: none"> ✓ One of the largest business consulting firms in the world ✓ Opportunity to accelerate evolution of service offerings ✓ Growth opportunities supported by investment in talent and technology and strategic M&A 	<ul style="list-style-type: none"> ✓ Leading global non-audit accounting and finance advisory firm to the Office of the CFO ✓ High quality Fortune 1000 clients ✓ Well positioned to capitalise on underlying market trends that will continue to drive demand

Source: Public filings, Merger Market, Accounting Today Top 100 Firms 2023.

5 COMPARISON OF KPG AGAINST SELECT US OPERATOR

A comparison to CBIZ demonstrates KPG's relative performance and provides a reference point for valuation in the US listed market.

	KP+GH	CBIZ																																				
Overview	Top 20 and founder-led Australian tax and accounting services platform with market cap of ~A\$200m	Top 15 US provider of tax, accounting, insurance and advisory services with market cap of US\$2.7bn																																				
Network size	32 offices 456 employees 19,000 clients	120 offices 6,500 employees 100,000 clients																																				
Business mix	99% recurring services (tax and accounting represents > 90% of total revenue)	75% recurring services (tax and accounting represents < 50% of total revenue)																																				
Growth strategy	Programmatic acquisition strategy with 45 acquisitions to date generating exceptional returns	Programmatic acquisition strategy having successfully acquired over 200 companies in last 25 years																																				
Valuation and returns benchmarking	<p>Trading valuations⁽¹⁾ (Grey bars) Return metrics⁽²⁾ (Blue/Green bars)</p> <table border="1"> <thead> <tr> <th>Metric</th> <th>KP+GH</th> <th>CBIZ</th> </tr> </thead> <tbody> <tr> <td>FY24E EV / EBITDA</td> <td>12x</td> <td>13x</td> </tr> <tr> <td>FY24E P / E</td> <td>18x</td> <td>20x</td> </tr> <tr> <td>ROIC</td> <td>24%</td> <td>12%</td> </tr> <tr> <td>ROE</td> <td>26%</td> <td>15%</td> </tr> <tr> <td>TSR</td> <td>32%</td> <td>13%</td> </tr> </tbody> </table>	Metric	KP+GH	CBIZ	FY24E EV / EBITDA	12x	13x	FY24E P / E	18x	20x	ROIC	24%	12%	ROE	26%	15%	TSR	32%	13%	<p>Trading valuations⁽¹⁾ (Green bars) Return metrics⁽²⁾ (Light Green bars)</p> <table border="1"> <thead> <tr> <th>Metric</th> <th>CBIZ</th> <th>KP+GH</th> </tr> </thead> <tbody> <tr> <td>FY24E EV / EBITDA</td> <td>13x</td> <td>12x</td> </tr> <tr> <td>FY24E P / E</td> <td>20x</td> <td>18x</td> </tr> <tr> <td>ROIC</td> <td>12%</td> <td>24%</td> </tr> <tr> <td>ROE</td> <td>15%</td> <td>26%</td> </tr> <tr> <td>TSR</td> <td>13%</td> <td>32%</td> </tr> </tbody> </table>	Metric	CBIZ	KP+GH	FY24E EV / EBITDA	13x	12x	FY24E P / E	20x	18x	ROIC	12%	24%	ROE	15%	26%	TSR	13%	32%
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Source: Company filings, Capital IQ, Bloomberg. Market data as at 25 September 2023. Calendarised to June year-end.

Note: (1) KPG valuation multiples based on published FY24 run-rate guidance of \$100-110m revenue and ~32.5% EBITDA margin (taking 51% for parent proportionate share) and ~10% NPATA margin (for parent). CBIZ based on consensus estimates.

(2) ROE and ROIC calculated as NPAT / Equity and (NPAT + interest) / (Equity + Debt), respectively. Calculated on a last reported full-year basis. TSR represents 2008 to 2023 for CBIZ and since IPO in 2017 for KPG.

(3) Revenue CAGR represents FY18-23 for KPG and CY18-23F for CBIZ. KPG EBITDA margin represents last three-year average, with FY23 adjusted for additional parent entity investment (given the outsized investment made 'ahead of the curve' to support growth). CBIZ EBITDA margin based on consensus CY23F. Net debt / EBITDA shown pre-AASB 16 for KPG and as at 31 August 2023 and based on annualized EBITDA including recent acquisitions.

KEY TAKEAWAYS

- Through consultation with financial and legal advisors and exploration of alternatives with third parties, it has been determined to explore in further detail the US listing alternative, including the potential for a shareholding structure to attract and retain high-quality long-term shareholders. The ability to also retain an ASX listing through CHESS Depository Interests (CDIs) will also be investigated
- Other key benefits of a US listing would include:
 - Build KPG's profile and visibility to vendors of acquisition targets in the US and globally;
 - Provide transparency to attract talent and credibility for clients;
 - Access capital as KPG continues to grow;
 - Benefit from a listing venue that enables more international investors that understand and are aligned with KPG's strategy;
 - Benefit from a comparison to relevant US-listed sector participants and global best-in-class listed compounders; and
 - Realise KPG's intrinsic value over time.
- While no decision has been made and there is no certainty a US listing will be achieved, the Company is pleased with the progress made to date and will provide further update(s) to the market as required.

5
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RESOLUTIONS

KP+GH

Resolution 1

Adoption of the Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a Non-Binding Ordinary Resolution:

“That for the purposes of Section 250R(2) of the Corporations Act 2001 and for all other purposes, approval is given to adopt the KPG Remuneration Report as contained in the Company’s Financial Report for the year ended 30 June 2023.”

Proxies received in relation to resolution 1

Votes For	Votes Against	Votes Abstaining	Votes Excluded/ Invalid	Undirected Votes Valid	Total
5,314,358	119,494	875	487,435	86,742	6,008,904
96.27%	2.16%	N/A	N/A	1.57%	100%

Resolution 2

Re-election of Directors – Mr Stephen Rouvray

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an Ordinary Resolution:

“That for the purposes of clause 13.3 of the Constitution and for all other purposes, Mr Stephen Rouvray be re-elected as a Director of the Company.”

Proxies received in relation to resolution 2

Votes For	Votes Against	Votes Abstaining	Votes Excluded/ Invalid	Undirected Votes Valid	Total
4,935,889	836,273	150,000	0	86,742	6,008,904
84.25%	14.27%	N/A	N/A	1.48%	100%

Resolution 3

Re-election of Directors – Mr Paul Kuchta

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an Ordinary Resolution:

“That for the purposes of clause 13.3 of the Constitution and for all other purposes, Mr Paul Kuchta be re-elected as a Director of the Company.”

Proxies received in relation to resolution 3

Votes For	Votes Against	Votes Abstaining	Votes Excluded/ Invalid	Undirected Votes Valid	Total
4,908,243	836,385	177,534	0	86,742	6,008,904
84.17%	14.34%	N/A	N/A	1.49%	100%

Resolution 4

Remuneration of Non-Executive Directors

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an Ordinary Resolution:

“That, for the purposes of clause 13.4 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, the maximum aggregate remuneration that may be paid to non-executive directors be set at \$200,000 per annum, to be payable in accordance with the terms and conditions set out in the explanatory memorandum.”

Proxies received in relation to resolution 4

Votes For	Votes Against	Votes Abstaining	Votes Excluded/ Invalid	Undirected Votes Valid	Total
5,314,045	119,494	311,089	177,534	86,742	6,008,904
96.27%	2.16%	N/A	N/A	1.57%	100%

DISCLAIMER

SUMMARY INFORMATION

This document has been prepared by Kelly Partners Group Holdings Limited ACN 124 908 363 (Company) of Level 8, 32 Walker Street, North Sydney NSW 2060. 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). 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.

AUTHORISATION STATEMENT

The Board has approved the release of this document to the market.

Thank you

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