

ASX Announcement – KPG

Monday 4 November 2019

Kelly+Partners Blue Mountains Acquisition Completion Announcement

Kelly+Partners Group Holdings Limited (“Group”, ASX:KPG) is pleased to announce the completion of its acquisition of an accounting firm located in the Blue Mountains region of Greater Sydney, as previously announced to the ASX on 25 September 2019. Completion occurred on 1 November 2019.

The acquisition is expected to contribute \$1.2-\$1.4m in annual recurring revenue to the consolidated group and approximately \$300K of EBITDA to the parent entity post transaction improvement. The acquisition expands the Group’s network footprint to 15 locations. Furthermore the acquisition will bring ~300 new client groups to Kelly Partners, with the total client groups serviced by the Kelly Partners group increasing to ~7,500 client groups.

Chief Executive Officer of Kelly+Partners, Brett Kelly said “The acquisition confirms the attractiveness of the Kelly+Partners offer to owners of progressive accounting firms.

It is an exciting move forward in the Group’s mission to provide a growing network and service offering to our target private business owning clients. Together with our office in Penrith, we will have a very significant presence in the outer west of Sydney, one of Sydney’s fastest growing markets.”

The firm is more than 15 years old and occupies a leading position in the Blue Mountains region for accounting and taxation services to SMEs, community groups and individuals.

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

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

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

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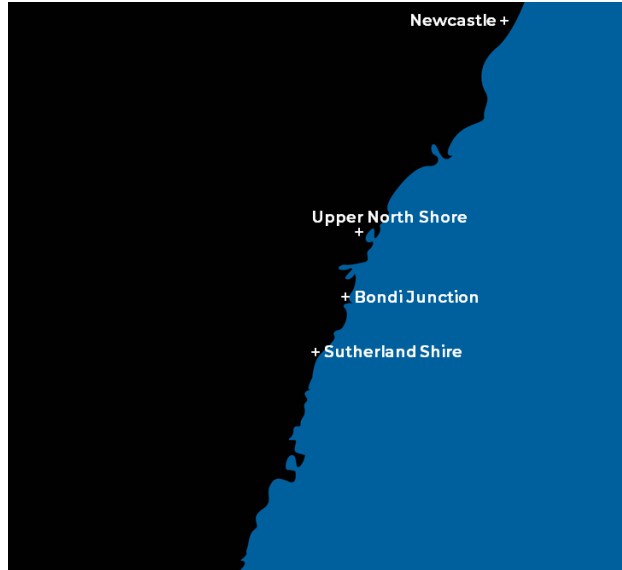
NSW

Acquisition Strategy: Tuck-in



TUCK-IN 4 existing sites targeted for FY20

Acquisition Strategy: Marquee Target Locations



MARQUEE 4 sites

VIC

Acquisition Strategy: Marquee Target Locations



MARQUEE 4 sites

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Kelly+Partners – Current Office Locations



About Kelly+Partners

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

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

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