

## ANNOUNCEMENT

Tuesday, 12<sup>th</sup> August 2025

### Quality Shareholders Letter #18 KPG's Next Steps to Scale Globally A Strategic Vision for International Expansion

Dear Shareholders,

***"Let your plans be dark and impenetrable as night, and when you move, fall like a thunderbolt." – Sun Tzu***

As we reflect on the progress and milestones achieved by KPG over the years, we are filled with anticipation for the future. This letter serves as an update on our strategic vision and the pivotal steps we are taking to scale KPG globally. Our goal remains unwavering: to build a company that delivers enduring value to shareholders while positively impacting communities worldwide.

#### To Grow or Retire

- there is a mission based and differentiated reason to grow globally and that is to help Australian private businesses and their owners be better off by building Australia's global accounting firm
- many Australian businesses are acquired by global rivals before realising their potential for their shareholders
- global demand for KPG's unique Partner-Owner-Driver® model

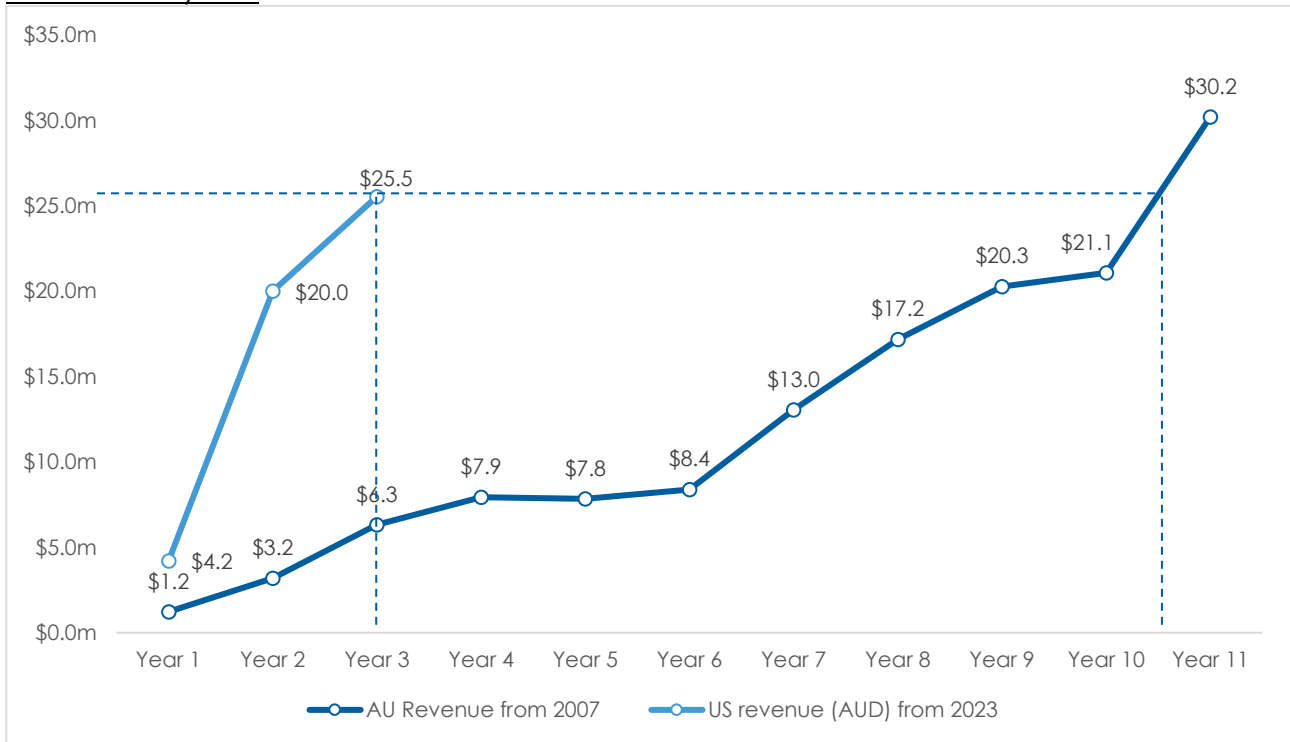
#### Long Term

*"Thinking long-term gives you an "arbitrage" advantage because almost no one else thinks long-term. If everything you do needs to work on a three-year time horizon, then you're competing against a lot of people." – Jeff Bezos*

#### Australia & US Growth

As part of our global expansion strategy, we have targeted the US for expansion and have made great progress in the 2.5 years since establishing ourselves there in January 2023. Our run rate revenue in the US, including the recent partnership with James Howard CPA (now Kelly Partners James Howard), is USD\$16.5m or AUD\$25.5m. This is encouraging to us as it took us 10.5 years to grow to the same levels of revenue in Australia since inception – Kelly Partners only crossed \$25m in revenue in FY17, just before its IPO and 11 years after it was founded in 2006! This proves the Partner-Owner-Driver® model can be implemented in other markets and that the global expansion strategy can be made a reality over time.

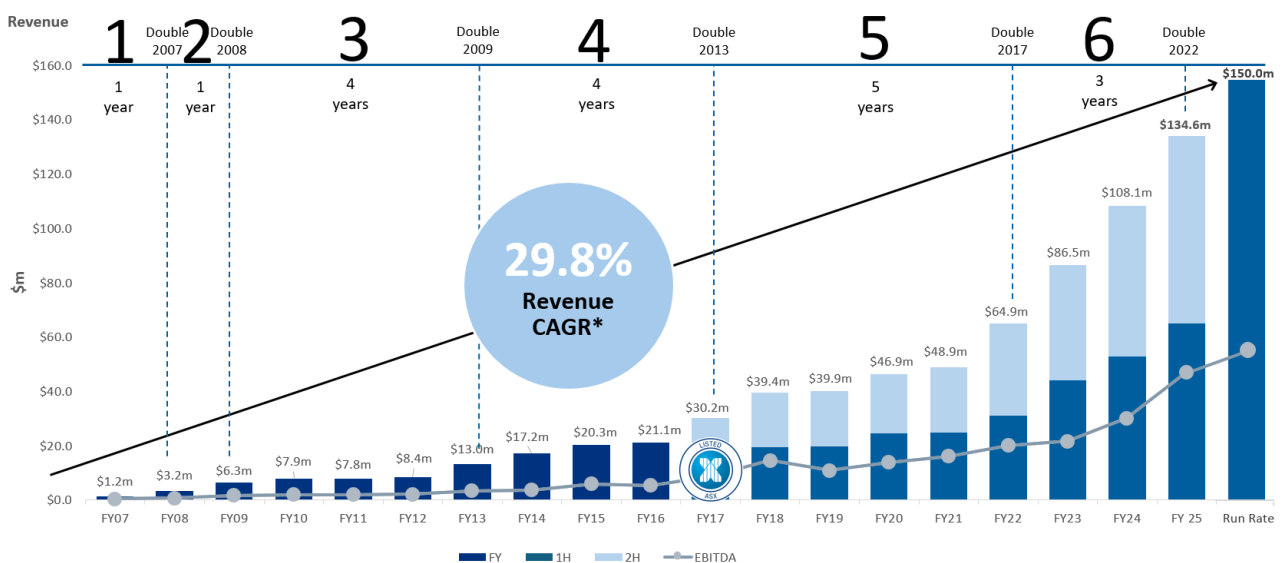
Graph 1: It took us 10.5 years in Australia to grow the same amount of revenues we grew in the US in 2.5 years



## Revenue Growth

With the recent partnerships announced, the run rate revenue for the Group is \$150.0m. The Group has grown its revenues 30% per annum for 19 years and have doubled every 3 years for 6 times in a row.

Graph 2: 30% revenue CAGR since inception, doubling every 3 years for 6 times in a row



## Strategy Statement

### Strategy - Global

#### Objective

To grow to become Australia's first global accounting firm by offering trusted and convenient accounting, tax, finance, wealth and estate services to **driven, successful Private Business Owners who value proactive advice via the Kelly+Partners Financial Progress System™**, through a network of **Partner-Owner-Driver®** led offices globally

#### Scope

##### Who

**Driven** = our clients get up early, stay up late, have their business as their main focus and want to go somewhere

**Successful** = we do not advise clients who don't have a growth mindset and are not achieving their goals

**Private Business Owners** = we do not advise public companies but rather specialise in those families and individuals that operate private businesses

**Financial Progress System** = our clients value proactive advice focused on helping them achieve their goals using the Kelly+Partners Financial Progress System™

##### What



##### Where

#	Region	Population
1	United Kingdom	165,000
2	United States	98,969
3	New Zealand	75,696
4	Canada	21,115
5	Singapore	20,000
6	Thailand	20,000
7	United Arab Emirates	16,000
8	South Korea	15,222
9	Hong Kong	14,669
10	Germany	13,600
11	China	13,286
12	Japan	12,024
13	Malaysia	4,000
Total		489,581

Regions with significant Australian Populations

#### Advantage

##### Group



##### Model



##### Business



##### Team



Kelly Partners' Programmatic Acquisition System

20 | KPGH Owners' Manual V 4.0

KP+GH

## Stock Exchange & Capital Structure Required

To move KPG from a 'boot strapped start up to a scaled insurgent it will take a shift to having capital doing more heavy lifting than the relatively small senior team that has grown the business to date. To harness the opportunity set available the team will need to scale, and more opportunities will need to be executed simultaneously. We have considered the returns on invested capital (ROIC) to be as outlined in the next calculations:

Table 1: 23.5% ROIC assuming deploying \$1 of equity capital raise with \$2 of debt

Raise		\$100.0	
Uses			
	Growth Equity	\$100.0	
	Debt: Equity	2.0x	
	Debt Capacity	\$200.0	
	Total Capital	\$300.0	
New Businesses Purchased	100.0%	\$598.8	
KPG Share of Revenue	50.1%	\$300.0	
<b>Incremental earnings</b>			
EBITDA	100.0%	33.5%	\$200.6
KPG Share of EBITDA	50.1%		\$100.5
Tax		30.0%	(\$30)
KPG Share of NPAT			\$70.4
ROIC			23.5%

*Table 2: Review Capital Structure - To raise or not to raise? Valuation is the Question.*

	#1	#2	
'm	Raise and Deploy Capital Now	Do Not Raise Capital (Year 5)	Difference
Base Year Earnings	\$13.0	\$13.0	
Incremental earnings	\$65.9	\$13.1	\$52.7
<b>Base Year + Incremental earnings</b>	<b>\$78.9</b>	<b>\$26.1</b>	<b>\$52.7</b>
<b>P/E Multiple Say</b>	<b>50.0</b>	<b>50.0</b>	
<b>Market Capitalisation</b>	<b>\$3,943.4</b>	<b>\$1,307.4</b>	<b>\$2,636.0</b>

- Incremental earnings for #1 assumes deployment of all equity and debt capital raised assuming a 20% equity raise
- Incremental earnings for #2 assumes 15% growth rate per annum for 5 years

### **Dot Com Boom vs AI / KPG as an AI company**

I believe the AI revolution is different from the Dot Com Boom and the quote that opens the letter represents our current view on AI.

### **Conclusion**

KPG is at an inflection point, poised to transform into a global powerhouse. Our next steps in scaling globally are fuelled by a rigorous strategy, dedicated teams, and an unwavering commitment to excellence. We are confident that this journey will yield benefits for our shareholders and make a lasting impact on the global community.

Thank you for your continued support as we embark on this exciting chapter of our growth story.

Sincerely,



**Brett Kelly**  
**Founder and CEO**

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

## 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 35 locations in Australia, Hong Kong and the United States. In total, the team consists of more than 600 people, including 100 partners, who service over 25,000 SME clients.

The holding company, Kelly Partners Group Holdings Limited, was listed on ASX on 21 June 2017. Over the past 19 years, Kelly+Partners has undertaken 80 individual transactions in order to build the current accounting network. This includes the transformation of 50+ external firms, and the launch of 30+ greenfield businesses.

KPG's Hold Co 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.

### Kelly+Partners – Current Locations



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