



KELLY PARTNERS GROUP HOLDINGS LIMITED

OWNERS' MANUAL

V 3.0

PUBLISHED: 18 April 2024

PREAMBLE

Dear Quality Shareholder

Kelly Partners Group Holdings Limited was founded in June 2006 and has been listed on the Australian Stock Exchange under the ticker KPG since June 2017.

This Owner's Manual serves as a simple handbook for any investors interested in KPG. We are unashamedly looking for 'quality shareholders' and seek to treat our shareholders as partners in our business.

These slides will help you understand our principles and business.

For more detail on the progress of our business, please look to our Annual Reports published on kellypartnersgroup.com.au.

We look forward to a long and fruitful partnership.

Brett Kelly
Founder & CEO

ABOUT

460+

Team

90+

Partners

550+

Total

34

Offices

38

Operating Businesses

KP+GH



COMPANY OVERVIEW

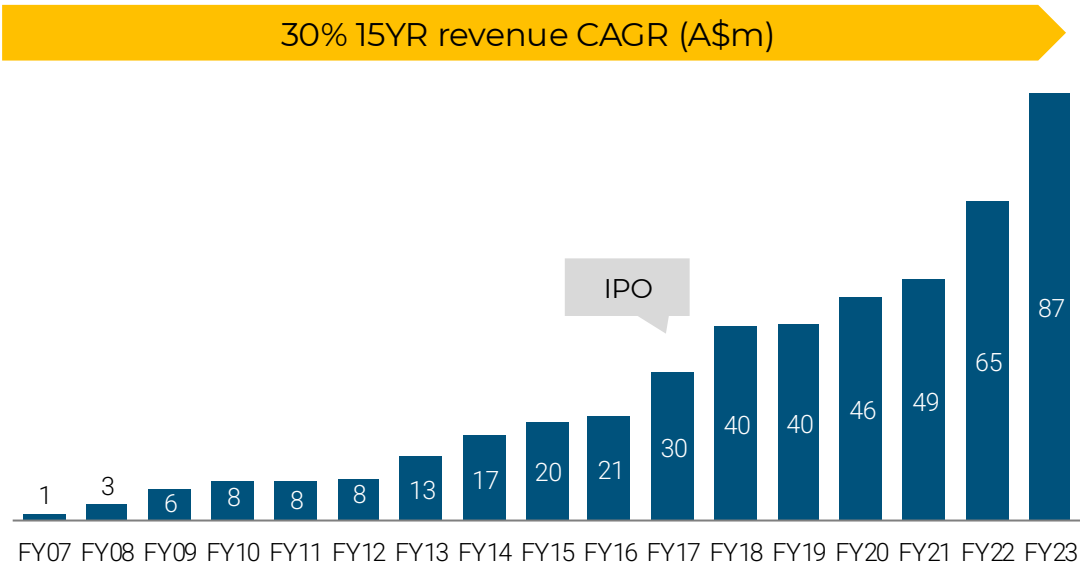
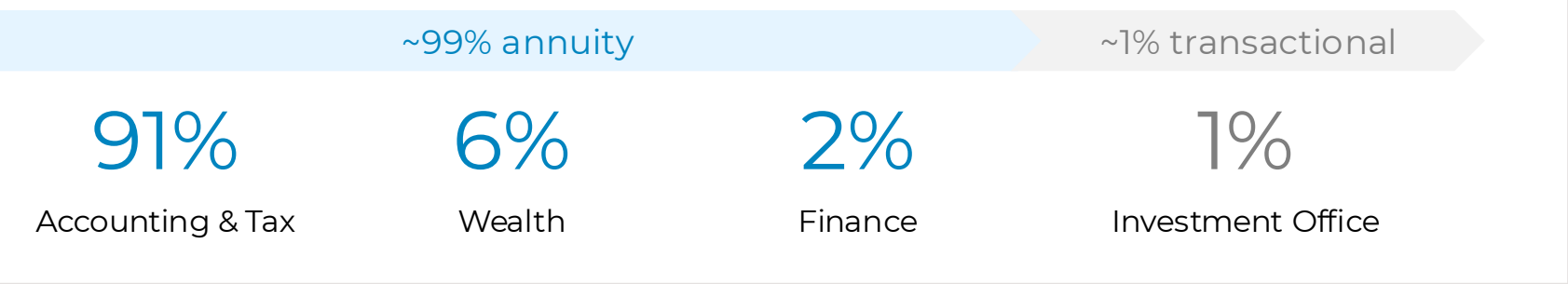
WHO WE ARE

- Kelly Partners Group Holdings Limited (KPG.ASX) has a ~51% interest in 29 operating businesses operating from 20 locations in NSW and VIC
- Our businesses provide accounting, taxation and other services to private businesses and their owners
- We operate under our unique Partner Owner Driver™ model, where partners are owners of the businesses

KEY BUSINESS ATTRIBUTES

- Annuity revenue stream
- >20,000 client groups across diverse industries
- Leading operating business margins of >30% vs industry average of 19.0%
- ROE > 40%
- ROIC > 25%
- Cash Conversion > 95%
- Moderate Gearing < 2.5x

Revenue mix



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‘THE MOST IMPORTANT THING IS
TO BE PEOPLE AND A COMPANY
THAT KEEP OUR PROMISES’

SECTION ONE: KPG VALUES

MISSION

VALUES

VISION✈️

**We exist to help our
People, Private
Business Owners
and the Communities
we work in
Be Better Off.**

- ✓ **We want the best for others**
- ✓ **We do what we say**
- ✓ **One team one best way**

PEOPLE

First Choice Employer

CLIENTS

**First Choice
Accountant
to Private Business
Owners
in Australia
and any market in
which we operate**

SECTION TWO:
SHAREHOLDER
PARTNERSHIP PRINCIPLES

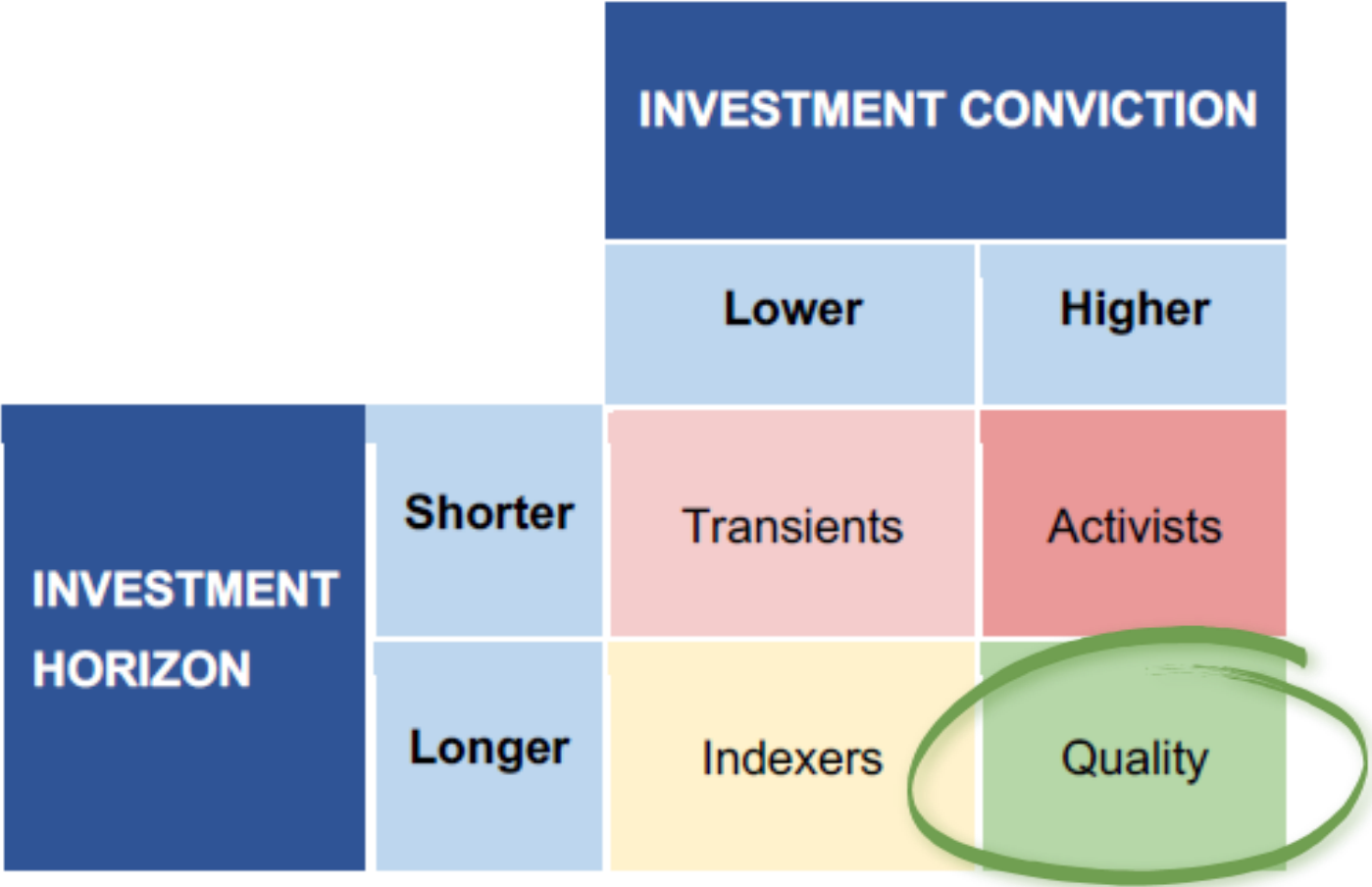
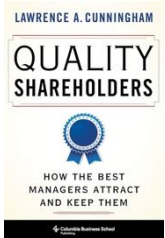
“Buffett has tried to attract only what he calls “high quality” shareholders. These are defined as shareholders who buy large stakes and hold for long periods.”

Lawrence Cunningham “Quality Shareholders: How the Best Managers Attract and Keep Them”

SHAREHOLDERS' PRINCIPLES

- | | |
|----|--|
| 1 | Our attitude is partnership in everything we do. |
| 2 | Our Founder and Partner-Owner-Drivers® have the majority of their net worth invested in the business. |
| 3 | Our long term goal is to maximise KPG's intrinsic value on a per share basis. |
| 4 | Our intention is to grow by continuing to acquire accounting firms (\$2m to \$10m revenue) using our proprietary Partner-Owner-Driver® model. We intend to acquire accounting firms in a programmatic manner that applies a robust M&A operating model for doing many small deals. |
| 5 | We will make decisions to maximise KPG's intrinsic value, even when such decisions may result in unfavourable treatments under current accounting standards. |
| 6 | We use debt prudently and structure our loans to be aggressively repaid by isolating risk to the immediate businesses. |
| 7 | We measure our performance using Earnings Per Share (EPS) growth and Owner Earnings. |
| 8 | We intend to seldom, if ever, issue shares to acquire a business. |
| 9 | It is not our intention to sell a business that we have acquired, i.e. we consider ourselves Perpetual Owners. |
| 10 | We will be completely transparent in our reporting to our shareholders, treating them as genuine partners in our business. We will call a spade a spade rather than under emphasise difficult situations. |

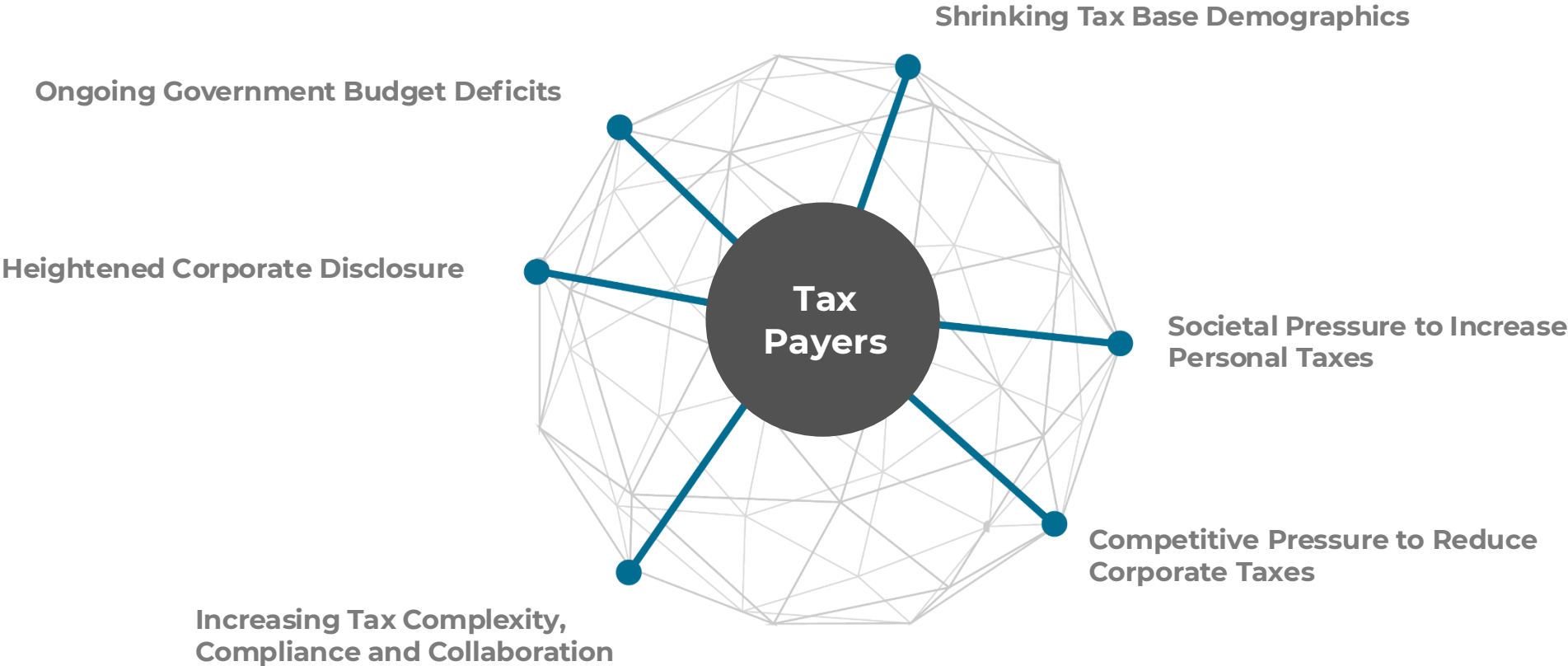
QUALITY SHAREHOLDERS



SECTION THREE: **THE BUSINESS CASE**

GLOBAL TAX MEGATRENDS

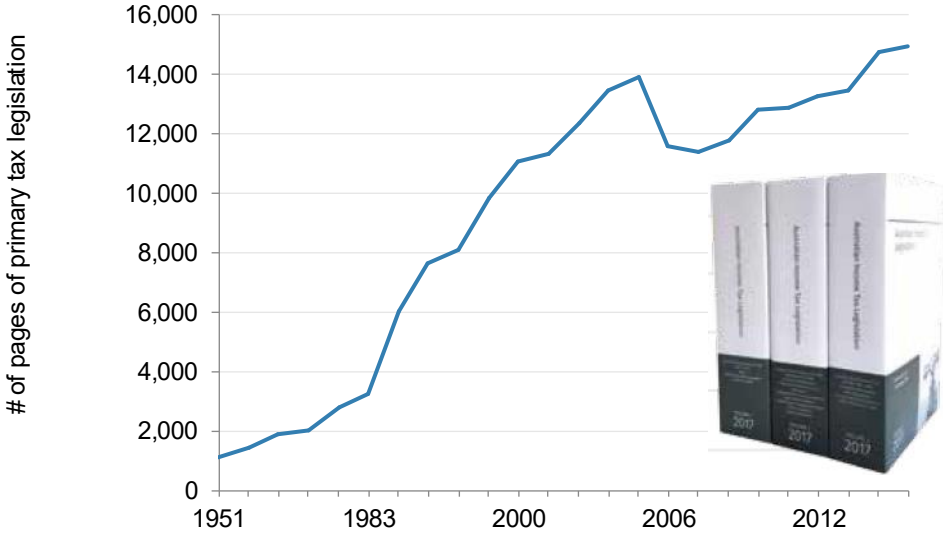
Increasing tax compliance and legislative complexity are key drivers for accounting and taxation services



INCREASING TAX COMPLIANCE

Increasing tax compliance and legislative complexity are key drivers for accounting and taxation services.

Tax law volume growth of ~14x since 1950s



Source: Australian Treasury, Re:think Presentation, June 2015

Paying taxes in Australia is considered more difficult relative to some other developed economies

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

¹ Represents overall ranking including post filing index, ranked against 190 economies globally.
Source: World Bank, Doing Business Report, 2017

GLOBAL TAM

	Australia 	US 	UK 
% of firms planning to retire:			
• < 5 years	57%	54%	50%
• > 5 years	43%	46%	50%
Accounting businesses exc. Big 4 and Mid-Tiers			
• Number of businesses	~35,000	~87,000	~40,000
Number of businesses facing succession issues in the next 5 years	~20,000	~47,000	~20,000
Total no. of accounting businesses facing succession issues in next 5 years	~87,000		

Source:

- Australia - Good Bad Ugly Insight Report – Succession 2018 report; IBISWorld Accounting Services in Australia
- United States – AICPA CPA Firm Succession Planning Survey Report 2023; IBISWorld Accounting Services in the US
- United Kingdom – statistics on % of firms planning to retire has been estimated given no available information; <https://www.nimblefins.co.uk/business-insurance/accountant-insurance/number-accountants-uk>

KPG BUSINESS SYSTEM

- 1. The **Kelly+Partners Business System** powers our performance, builds our culture & drives our competitive advantage
- 2. Kelly+Partners continues to build **dominant firms** & seeding network effects
- 3. Kelly+Partners generates **superior cashflow** and is a superior **capital allocator**



K+P CA BUSINESS MODEL



STRATEGY - AUSTRALIA

Objective

To grow to be a top 10 accounting firm by size in Australia 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 in Australia.

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

KELLY+PARTNERS
CHARTERED ACCOUNTANTS

**First Choice Accountants to
Private Business Owners
in Australia**



Advantage



STRATEGY - GLOBAL

Objective To become Australia’s first global accounting firm.

Scope

Who

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

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What



Where

Regions with significant Australian Populations

#	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

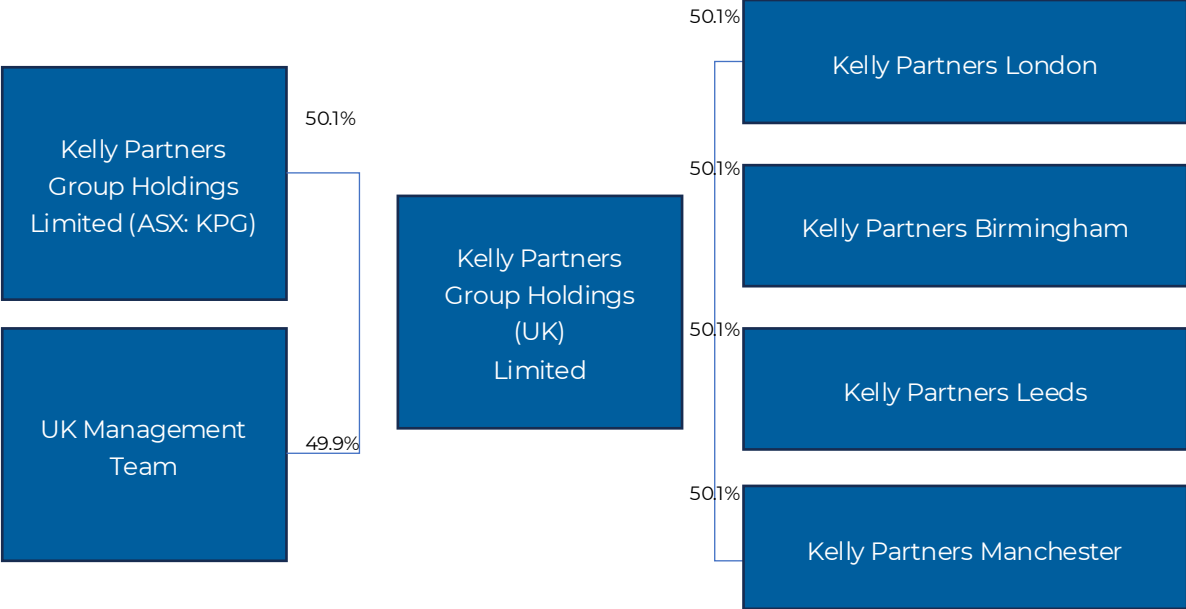
Advantage



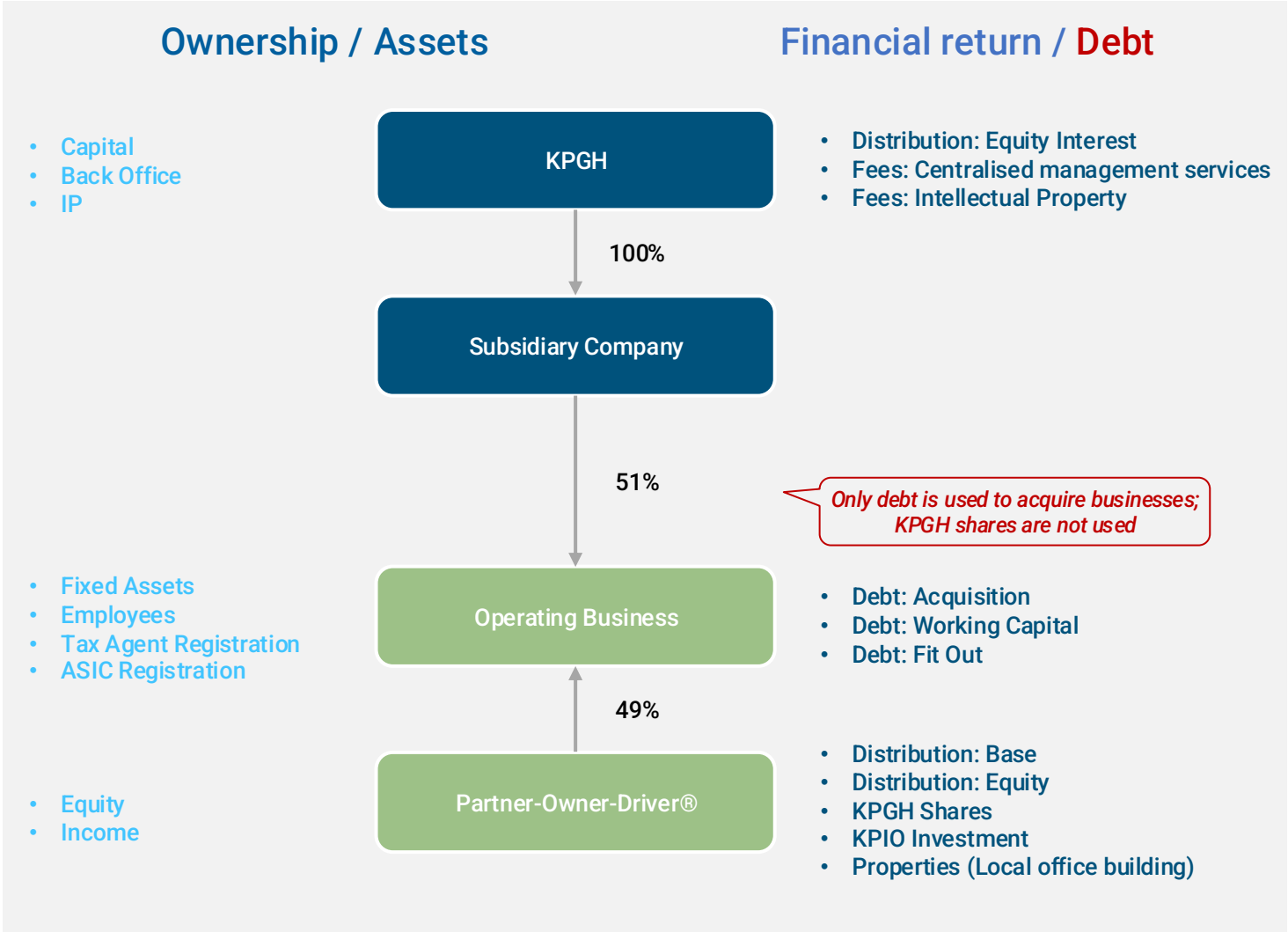
**“Although our form is corporate, our
attitude is partnership”
Warren Buffett**

STRUCTURE

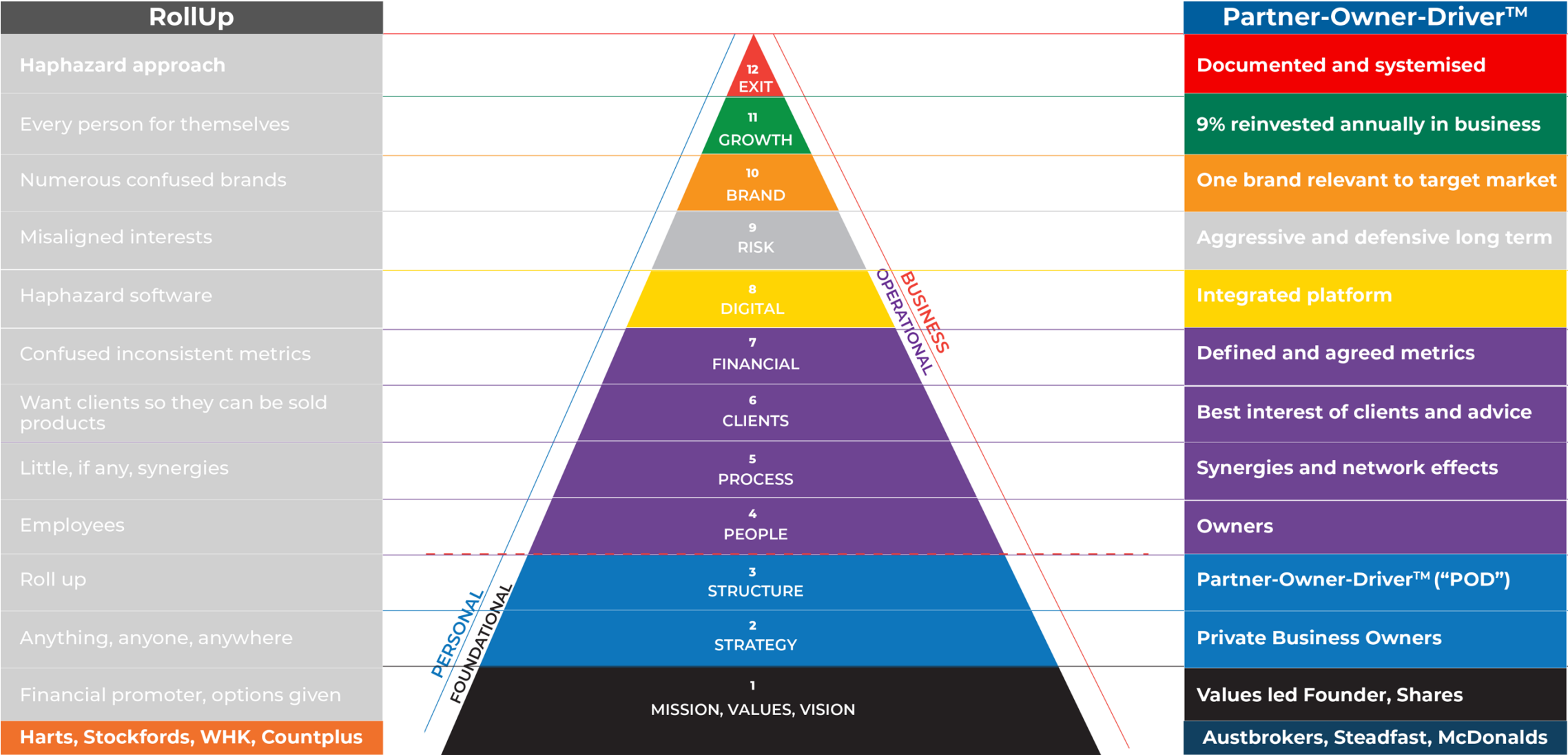
Global Partnership Platform (example)



Partner-Owner-Driver®



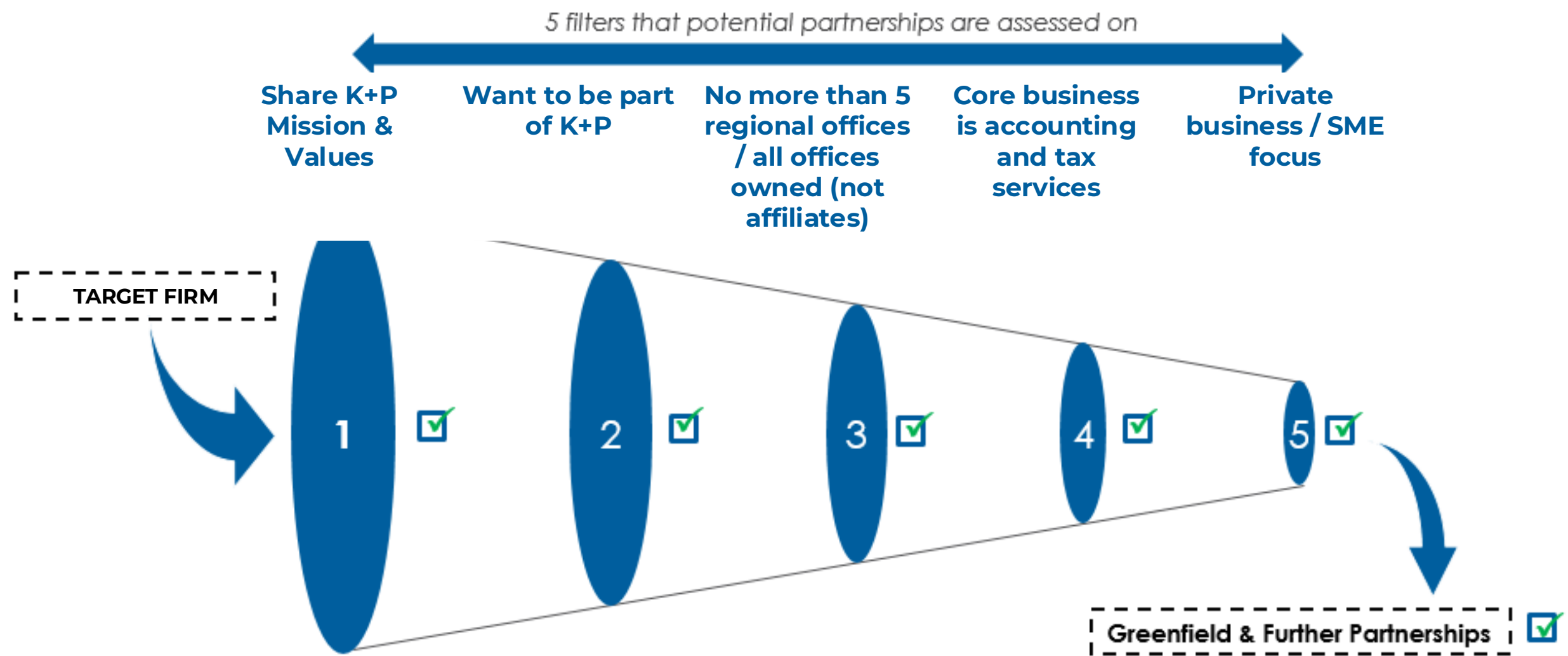
PARTNER-OWNER-DRIVER®



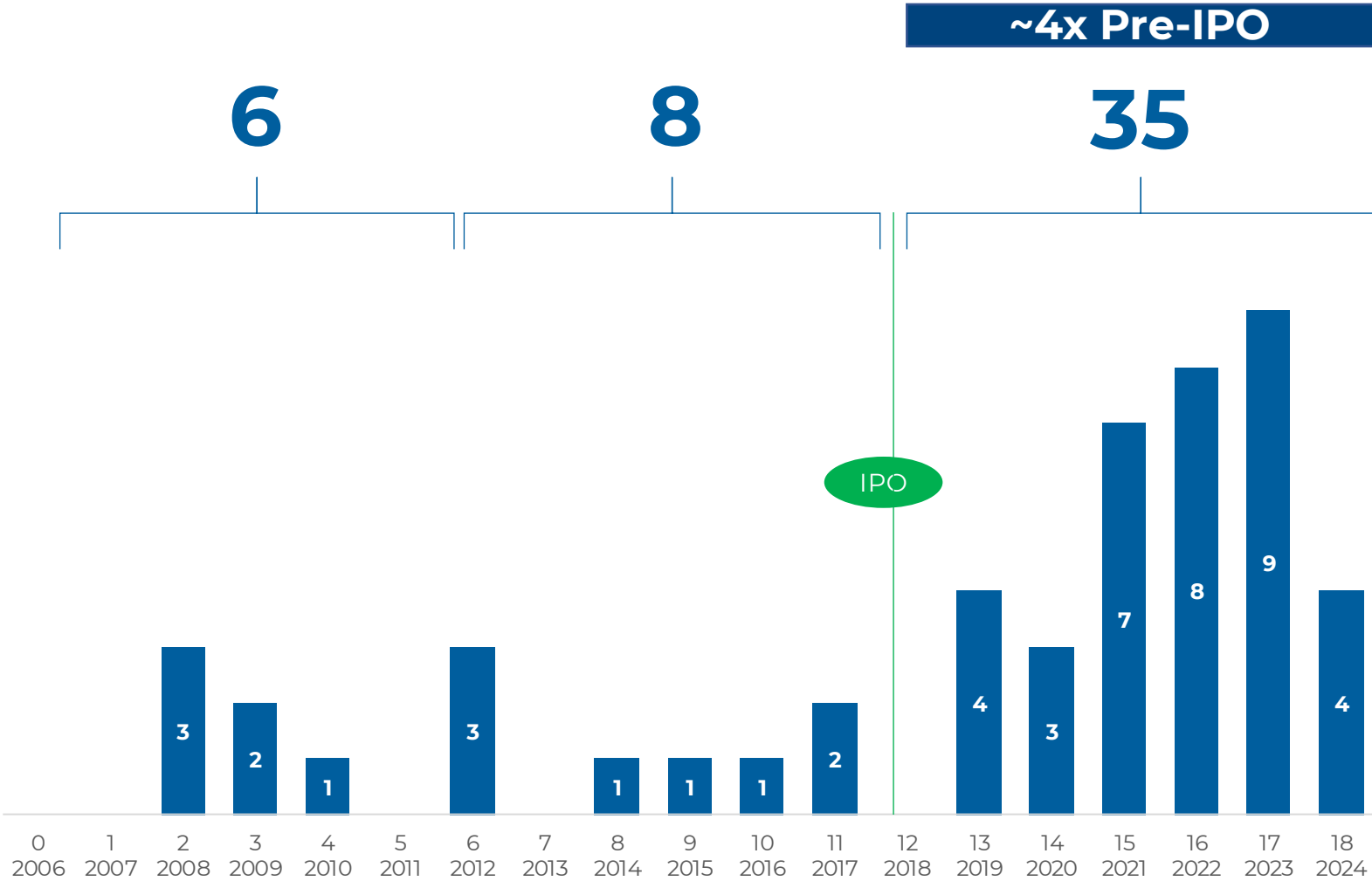
© Kelly Partners Group Holdings Limited

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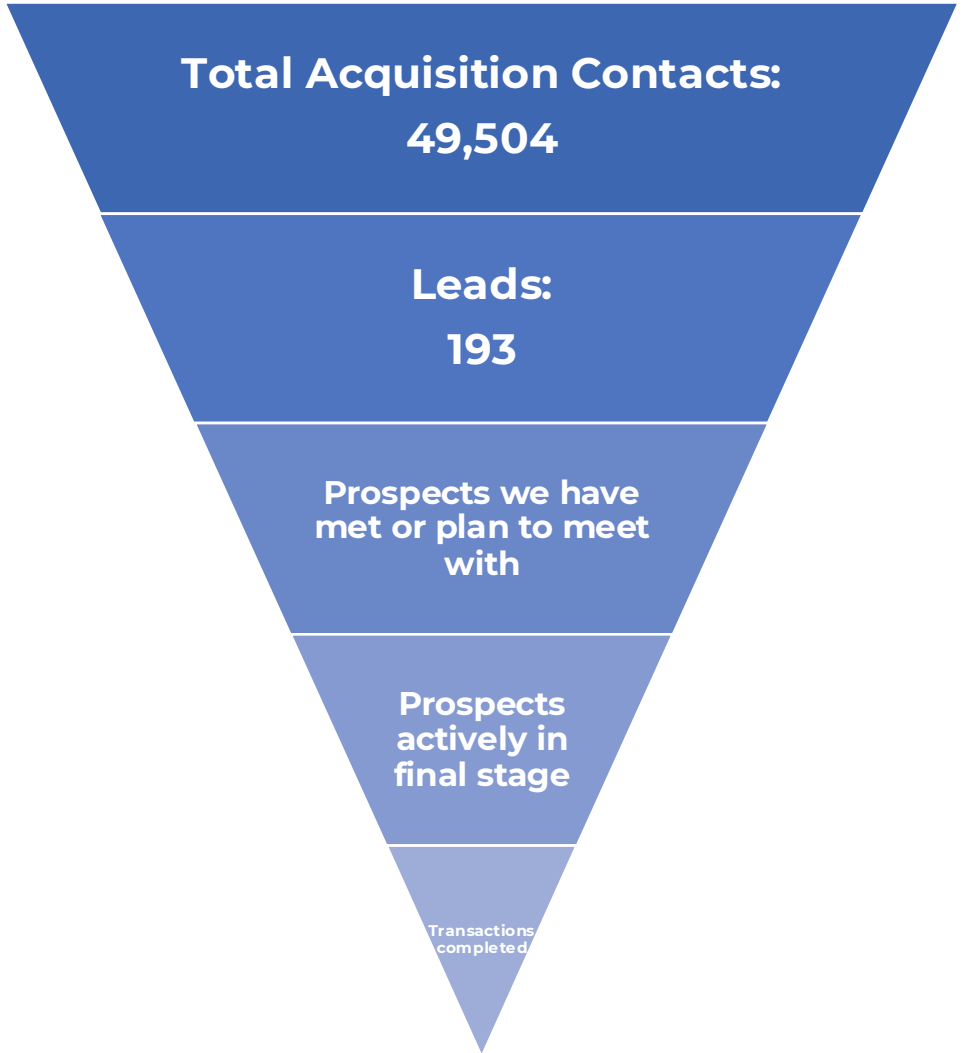
ACQUISITION CRITERIA



PROGRAMMATIC ACQUISITIONS



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

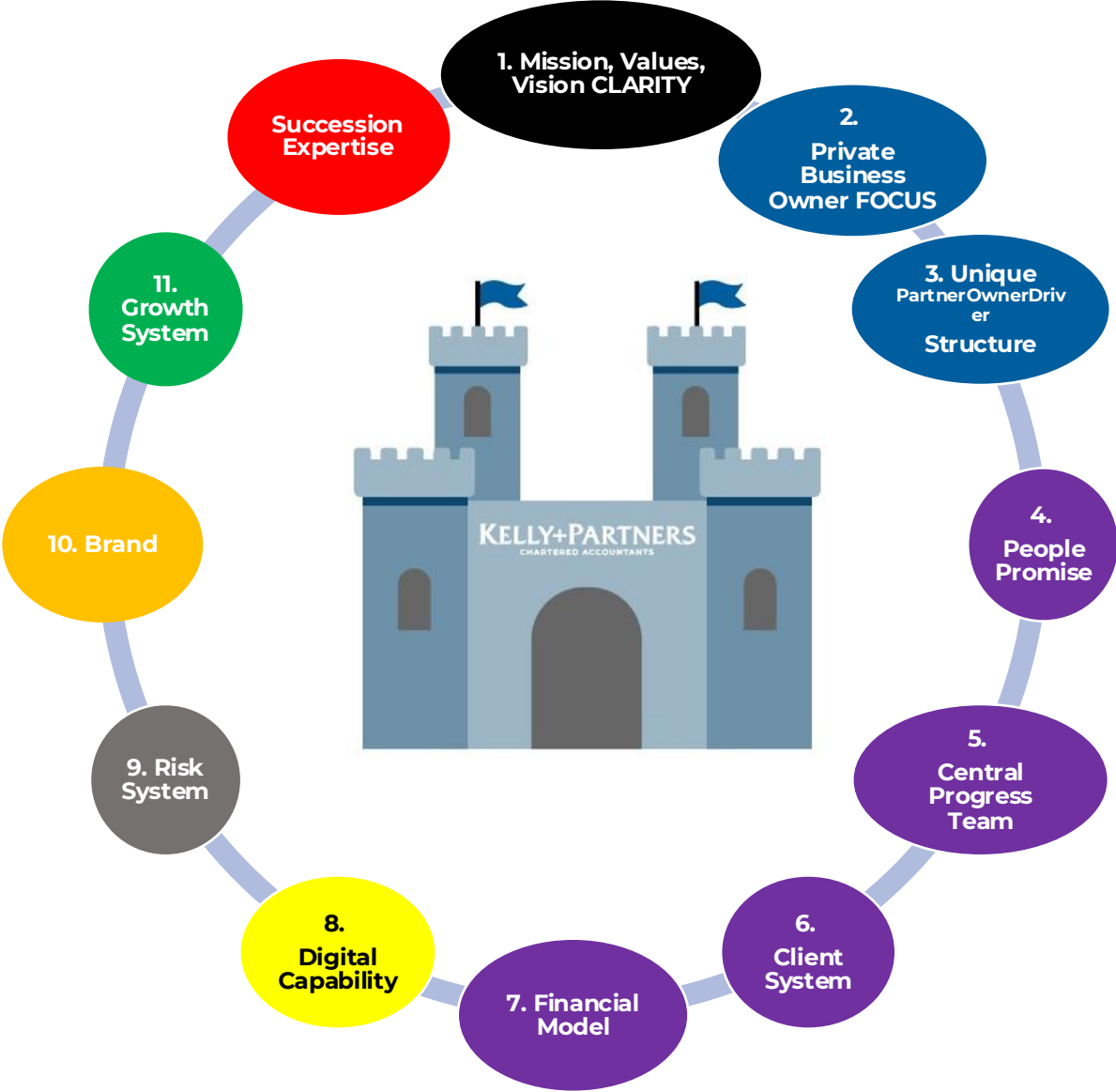


SECTION FOUR: MOAT BUILDING

“Unless a company has some kind of economic moat, predicting how much shareholder value it will create in the future is pretty much a crapshoot... Thinking carefully about the strength of the company's competitive advantage, and how it will (or won't) be able to keep the competition at bay, is a critical next step.”

Pat Dorsey, author of “The Little Book that Builts Wealth”

MOATS

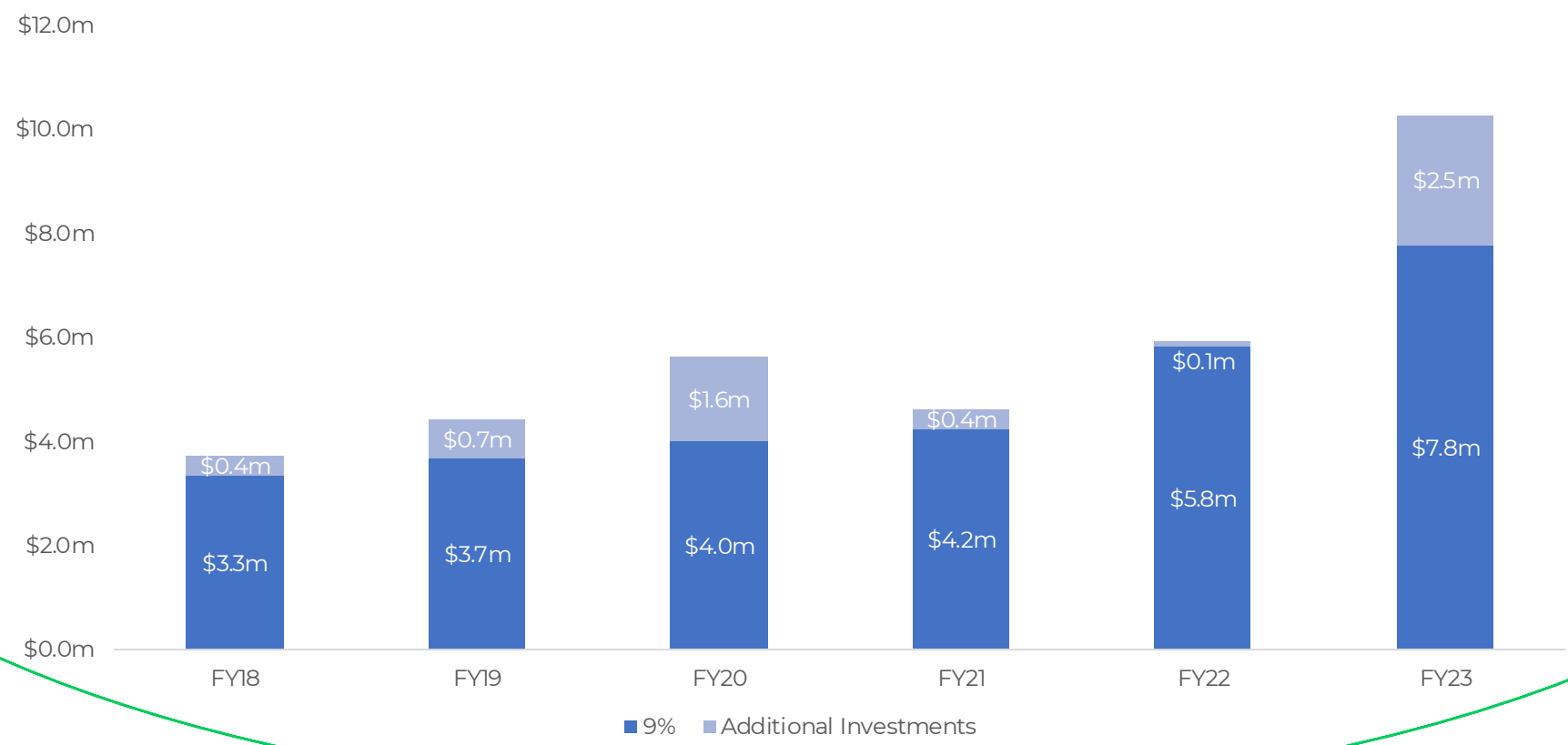


9% REINVESTED IN FLYWHEEL

\$34.6m reinvested in to Operating Businesses since IPO, average \$5.8m per annum

Fuel

Mission



REGIONAL OLIGOPOLY

21%

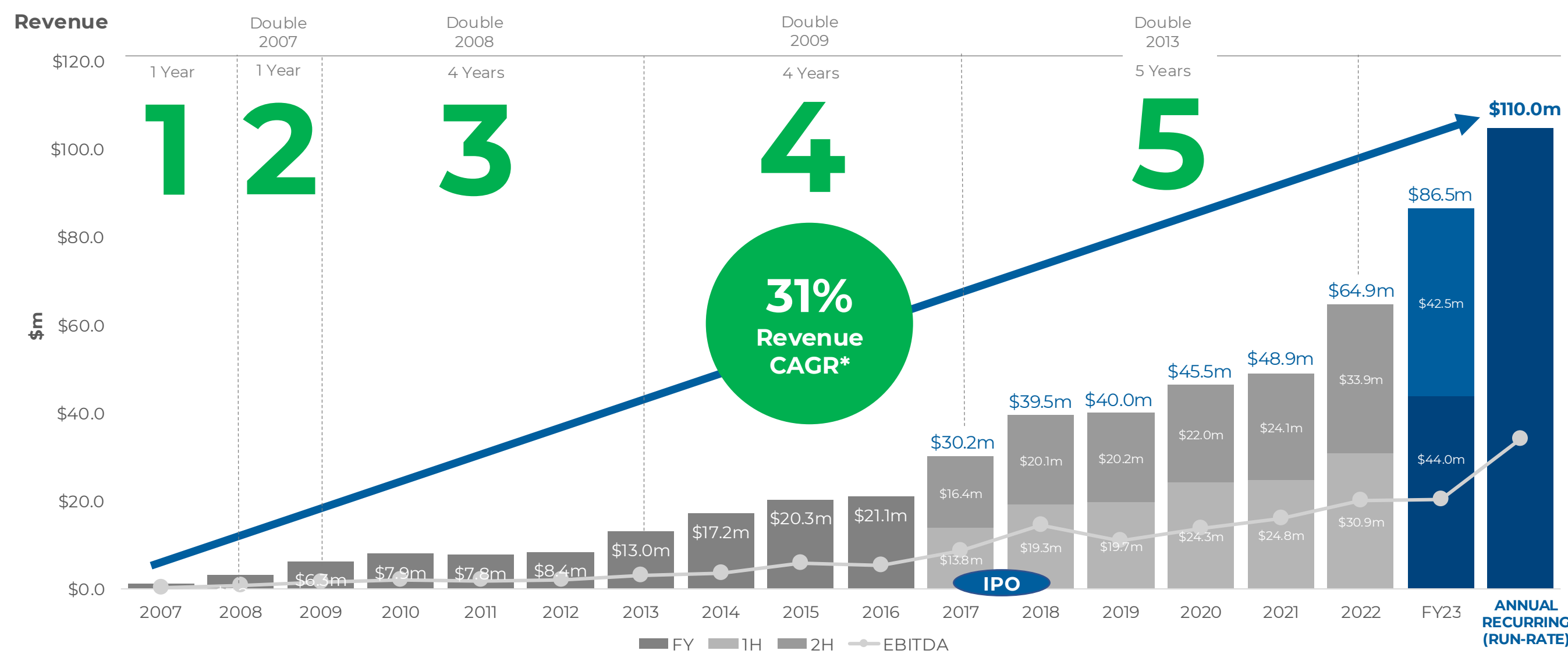
of KPG Accounting Firms would qualify in their own right as AFR Top 100 Accounting Firms by size (6 of 27)

CLIENT VALUE PROPOSITION



SECTION FIVE:
A GROWTH BUSINESS
IN A DEFENSIVE SECTOR

REVENUE GROWTH HISTORY



**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.

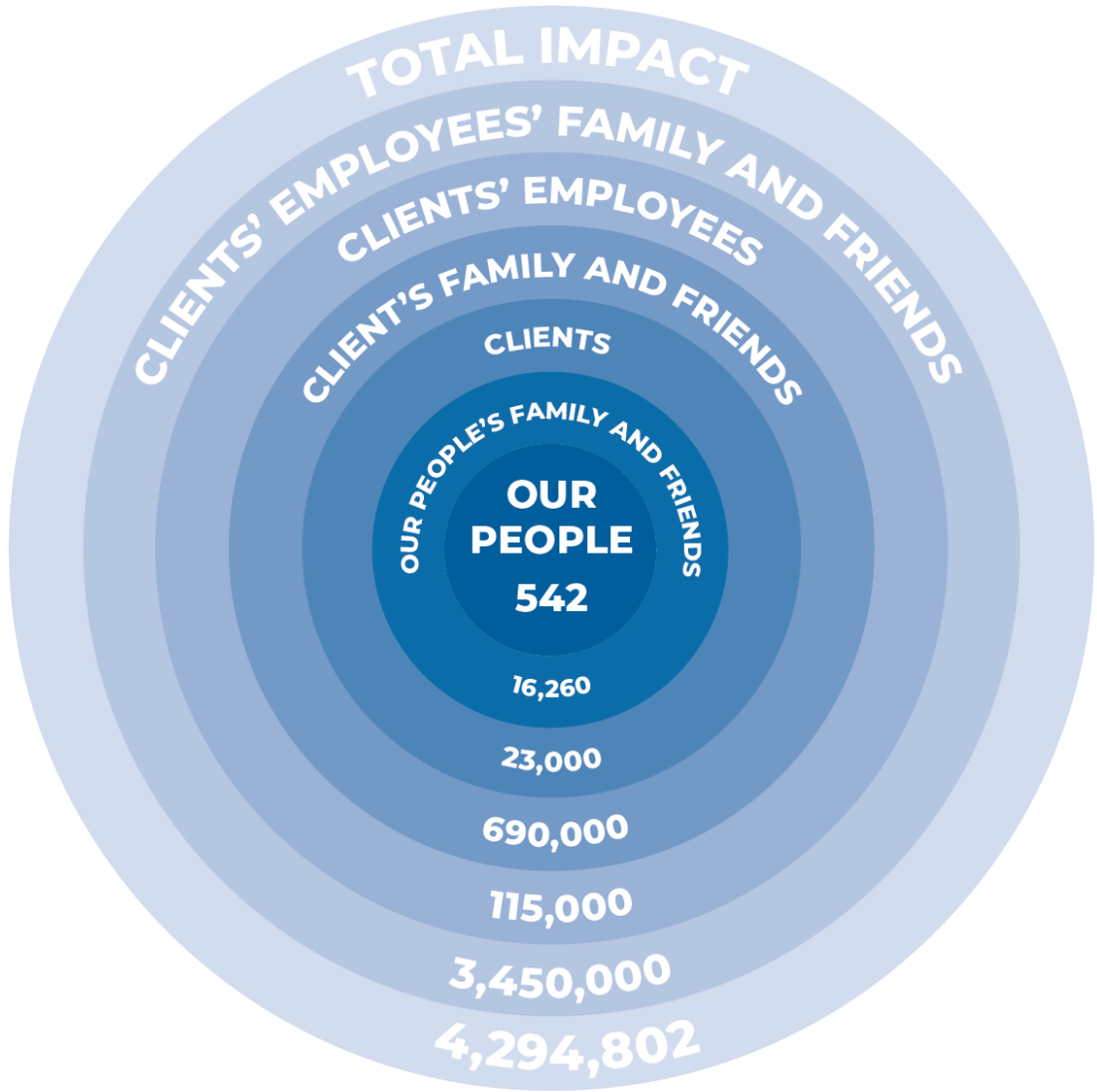
TAX

	FY18	FY19	FY20	FY21	FY22	FY23	Total
Revenue	\$39,468,666	\$39,975,031	\$45,495,584	\$48,906,446	\$64,862,110	\$86,524,364	\$325,232,201
Income tax expense	\$1,941,144	\$899,616	\$1,430,335	\$1,963,663	\$3,092,565	\$1,212,721	\$10,540,044
Payroll tax	\$779,935	\$860,621	\$907,115	\$839,290	\$1,130,675	\$1,729,692	\$6,247,328
GST (Net)	\$2,997,383	\$2,935,398	\$3,390,690	\$3,704,037	\$5,135,449	\$6,397,742	\$24,560,699
Total Taxes	\$5,718,462	\$4,695,634	\$5,728,140	\$6,506,990	\$9,358,689	\$9,340,154	\$41,348,070
% of Revenue	14.5%	11.7%	12.6%	13.3%	14.4%	10.8%	12.7%

SECTION SIX: FINANCIALS

“\$ are an Output, we focus on Inputs”

IMPACT



SHARE COUNT



DOUBLE BUSINESS BY FY24 PER 1ST 5 YEAR PLAN



CASH BASED PERFORMANCE



NO EXECUTIVE OPTIONS

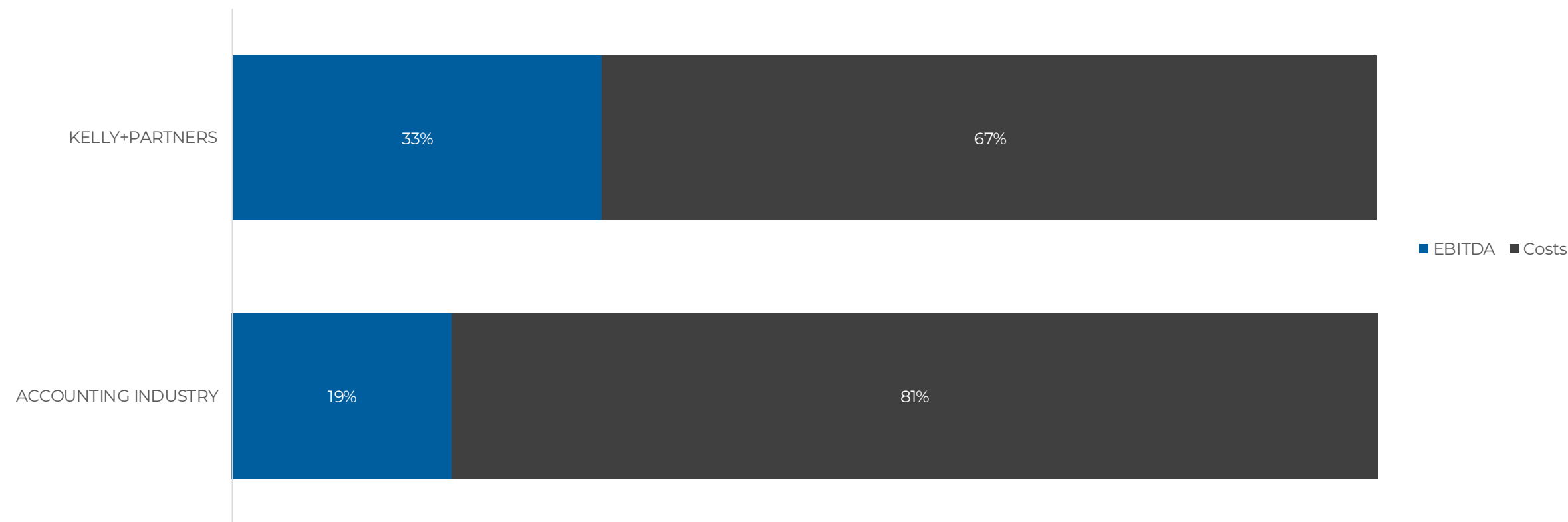


SHARE COUNT: 45M, NO SHARE ISSUANCE SINCE IPO

PROFIT & LOSS

PROFITABILITY

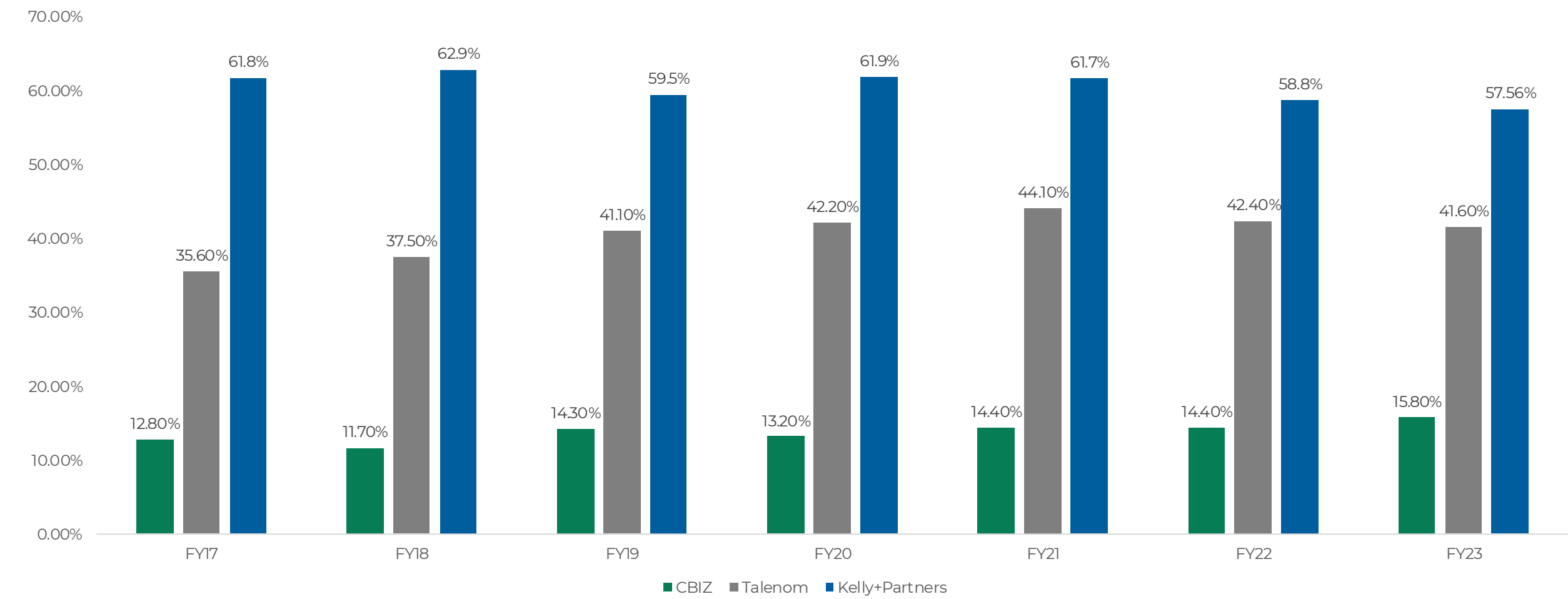
Comparison of EBITDA margins against industry.



Source: IBIS World Accounting Services in Australia Industry Report (April 2020)
Kelly+Partners data based on FY21 accounts before head office costs and is after Base Distributions to Operating Business Owners

GROSS MARGIN

“High gross margins are the most important single factor of long run performance. The resilience of gross margins pegs companies to a level of performance.” – Matthew Berry, “Mean Reversion in Corporate Returns”¹



¹“100 Baggers Stocks that Return 100-to-1 and How to find them”, Christopher Mayer, Page 127-128

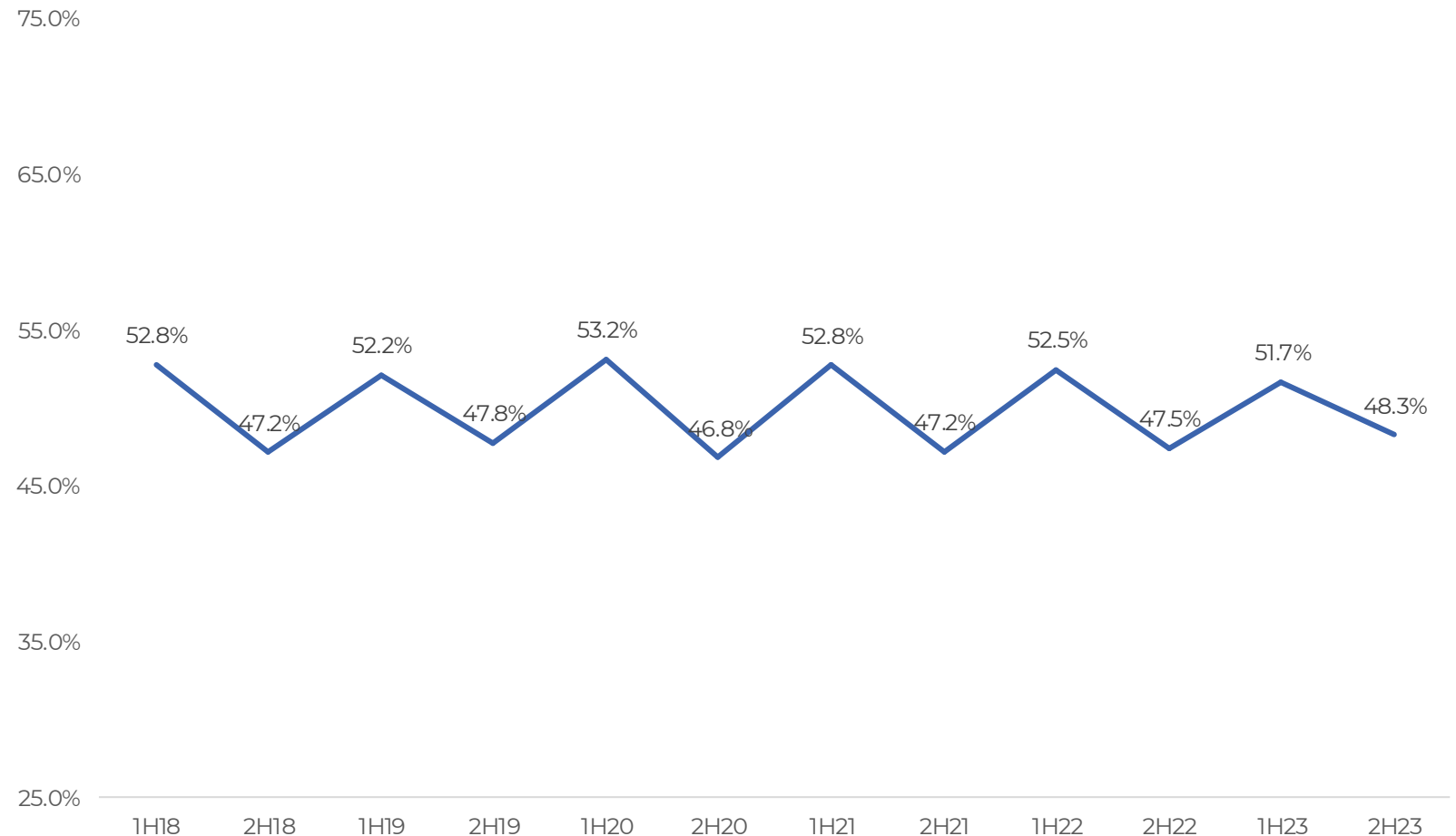
FY23 and FY22 Gross margins impacted by recent acquisitions. Talenom and CBIZ Last 12 months Gross Profit has been used in the “FY23” column

SEASONALITY IN 1H/2H

Seasonality driven by tax calendar work aligned to the 30 June financial year end.

- Revenue seasonality in the accounting businesses is approximately **1H: 52% / 2H: 48%**, equating to a 5% (or c. \$2.4m swing) down swing in 2H22.
- Seasonality is predominantly due to **timing of tax work related to 30 June year end**, with most work typically completed in the first 9 months of the year.
- The Group also engages in a small amount of **audit work which is mostly completed by the 31 October lodgement deadline**. Audit work represents less than 4.0% of group revenues.
- Earnings split between 1H / 2H may also be impacted by level of additional investments by the parent entity and timing of in year acquisitions

Revenue seasonality in accounting business
(excludes acquisitions)



PARENT & NCI

Example: 1H24 Reconciliation of the Parent & NCI Split

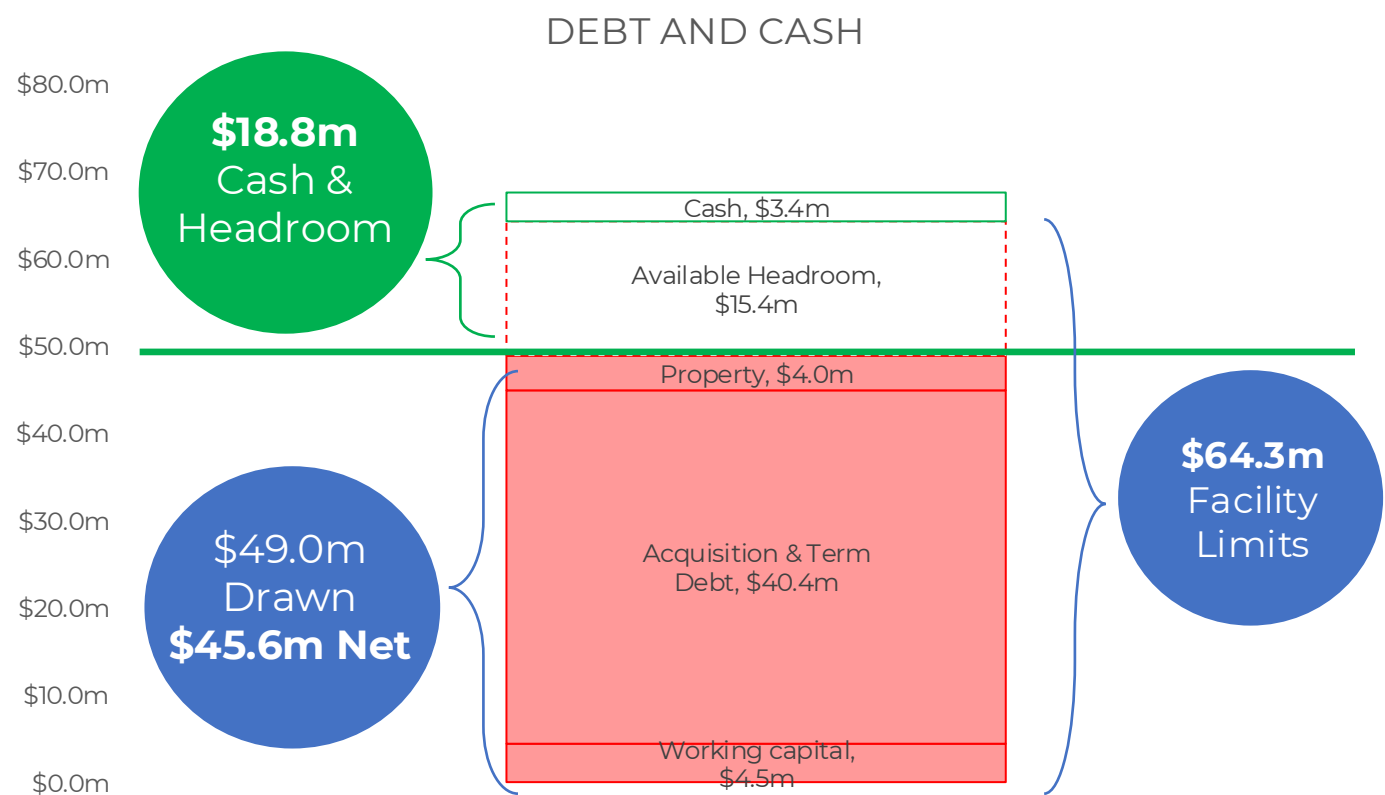
- Profit after income tax expense was \$7.3m, with:
 - Profit attributable to shareholders of Kelly Partners Group Holdings Limited of \$1.8m
 - Profit attributable to non controlling interests (NCI) of \$5.5m
- The profit attributable to the parent vs. NCI represent a 25%/75% split and differs from the ownership interests of ~51%/49%. This is due to the following items:
 - Income tax expense of \$0.8m of the parent entity. As the majority of operating businesses are structured as partnerships, the income tax expense attributable to non controlling interests in these partnerships is not included in the consolidated accounts
 - Parent entity additional investments (including applicable interest and depreciation, as well as non recurring one off expenses) above the Services Fee and IP License Fee income that it receives of \$3.4m which is borne 100% by the parent entity
- Adding back the above items, the resulting split is 52%/48%. This differs from ~51%/49% as the parent owns slightly more than 51% in some operating businesses

(m)	NCI	Parent	Total
Group NPAT - Statutory	\$5.5	\$1.8	\$7.3
	75%	25%	
Add Back: Income Tax Expense	\$0.2	\$0.8	\$1.0
Group NPBT	\$5.7	\$2.7	\$8.3
	68%	32%	
Add Back: Parent Entity Additional Investment inc. finance costs and depreciation		\$3.4	\$3.4
Group NPBT before parent entity additional investments	\$5.7	\$6.0	\$11.7
	48%	52%	

Totals subject to rounding

BALANCE SHEET

DEBT & LIQUIDITY



Loan type (m)*	Parent	Op. Bus	Total Debt
Working Capital Debt	\$0.1	\$4.4	\$4.5
Property Debt	\$0.0	\$4.0	\$4.0
Acquisition & other term debt	\$6.5	\$34.0	\$40.4
Gross Debt – 1H24	\$6.5	\$42.4	\$49.0
Cash – 1H24	-\$2.2	-\$1.2	-\$3.4
Net Debt – 1H24	\$4.3	\$41.2	\$45.6

FY23			
Gross Debt - FY23	\$5.0	\$40.3	\$45.2
Cash - FY23	-\$0.5	-\$4.8	-\$5.3
Net Debt - FY23	\$4.5	\$35.5	\$39.9

Movement			
Gross Debt	\$1.6	\$2.1	\$3.7
Cash	\$1.7	-\$3.6	-\$2.0
Net Debt	-\$0.1	\$5.8	\$5.7

* Rounded to nearest \$100,000.

- Working Capital debt of \$4.5m is covered 3.6x by WIP and Debtors
- Acquisition & Term Debt of \$40.4m is supported by annuity style cashflows and repaid over 4-5 years
- Cash & facility headroom of \$18.8m, representing ~40% of debt drawn

- Net debt increased \$5.7m from 30 June 2023 mainly to complete in year acquisitions i.e. Griffith, Bundall and Woodland Hills
- Group gearing increased to 1.94x (FY23: 1.65x) mainly from funding in year acquisitions, fitouts and partner buy in loans. The gearing ratio is impacted by acquisitions that only contributed part year EBITDA. Adjusting for this, the gearing ratio is at ~1.75x

CAPITAL ALLOCATION

DEPLOYING CAPITAL

Example below as at 31 December 2023

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

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FINANCIAL PROGRESS

MEASURING PROGRESS

Example below as at 31 December 2023

PROFIT & LOSS



REVENUE



MARGIN



PARENT NPATA

	Revenue	Margin	PARENT NPATA
1H24	\$52.9m	29.3%	\$4.4m
1H23	\$42.9m	26.9%	\$3.5m
	Revenue from ordinary activities	Underlying EBITDA pre AASB 16 to Revenue	Underlying NPATA attributable to parent
Supplementary Statistics			
	Revenue / FTE	Firm EBITDA %	Underlying Group NPATA
1H24	\$239K / FTE	30.6%	\$11.1m
1H23	\$209K / FTE	30.3%	\$8.6m

BALANCE SHEET



RETURN



GEARING

RETURN	GEARING
35.3%^	1.94x
42.7%	1.93x
Underlying Group NPATA on Group Equity	Net Debt on Underlying Group EBITDA
Group ROIC*	Lockup Days
19.9%	55.2
21.5%	56.4

CASHFLOW



CASHFLOW



EFFICIENCY

CASHFLOW	EFFICIENCY
\$17.0m	101.4%
\$14.0m	106.4%
Operating Cashflow pre AASB 16	Operating Cashflow (before finance costs and tax) on EBITDA
Receipts from Customers	Operating Cashflow
\$59.0m	\$17.0m
\$48.4m	\$14.0m

^ Return on equity impacted by in year acquisitions that do not contribute full year earnings. Adjusting for this results in a 40.6% ROE

*Return on invested capital impacted by in year acquisitions that do not contribute full year earnings. Adjusting for this results in a 21.9% ROIC

MEASURING PROGRESS

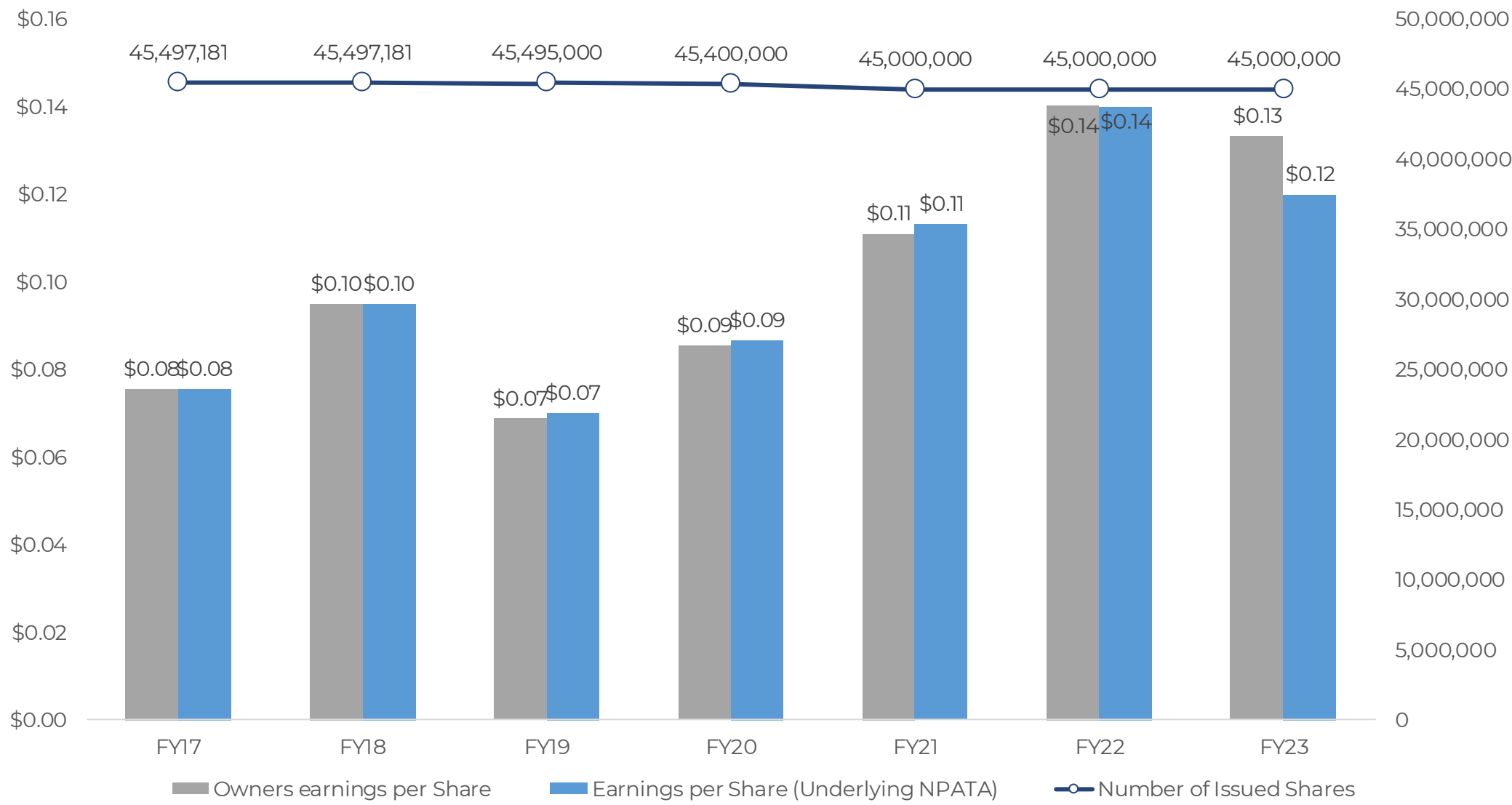
MARK LEONARD’S GROWTH METRIC
Example below as at 31 December 2021.

“And when we think about Invested Capital, we think about the shareholder capital that has been invested in the businesses, plus any Adjusted Net Income less any distributions. Obviously, when you divide Adjusted Net Income by Invested Capital, you get a measure of the return on our shareholders’ investment (i.e. ROIC). If you add Organic Net Revenue Growth to ROIC, you get what we believe is a proxy for the annual increase in Shareholders’ value. In a capital intensive business you couldn’t just add Organic Net Revenue Growth to ROIC, because growing revenues would require incremental Invested Capital. In our businesses we can nearly always grow revenues organically without incremental capital” – Mark Leonard, 2009 President’s Letter, page 2

Year	Group Underlying NPATA + Cash Interest	Invested Capital (Debt + Equity)	ROIC	Organic Revenue Growth (YOY)	ROIC + Organic Revenue Growth
2017	\$7,961,219	\$34,791,080	22.9%		22.9%
2018	\$12,132,817	\$38,886,264	31.2%	13.0%	44.2%
2019	\$9,650,748	\$42,755,818	22.6%	-4.3%	18.3%
2020	\$10,955,031	\$41,935,241	26.1%	8.0%	34.1%
2021	\$12,410,693	\$44,924,311	27.6%	2.7%	30.3%
2022	\$15,209,546	\$68,289,664	22.3%	6.2%	28.4%
FY23*	\$16,136,313	\$80,725,640	20.0%	4.7%	24.7%
Average (2018 to 2023)			25.0%	5.1%	30.0%

* ROIC is impacted where the trailing twelve months Underlying NPATA does not include a full year contribution from in year acquisitions. Whereas a part year Underlying NPATA is included, the full debt capital used to complete the acquisition is included.

MEASURING PROGRESS

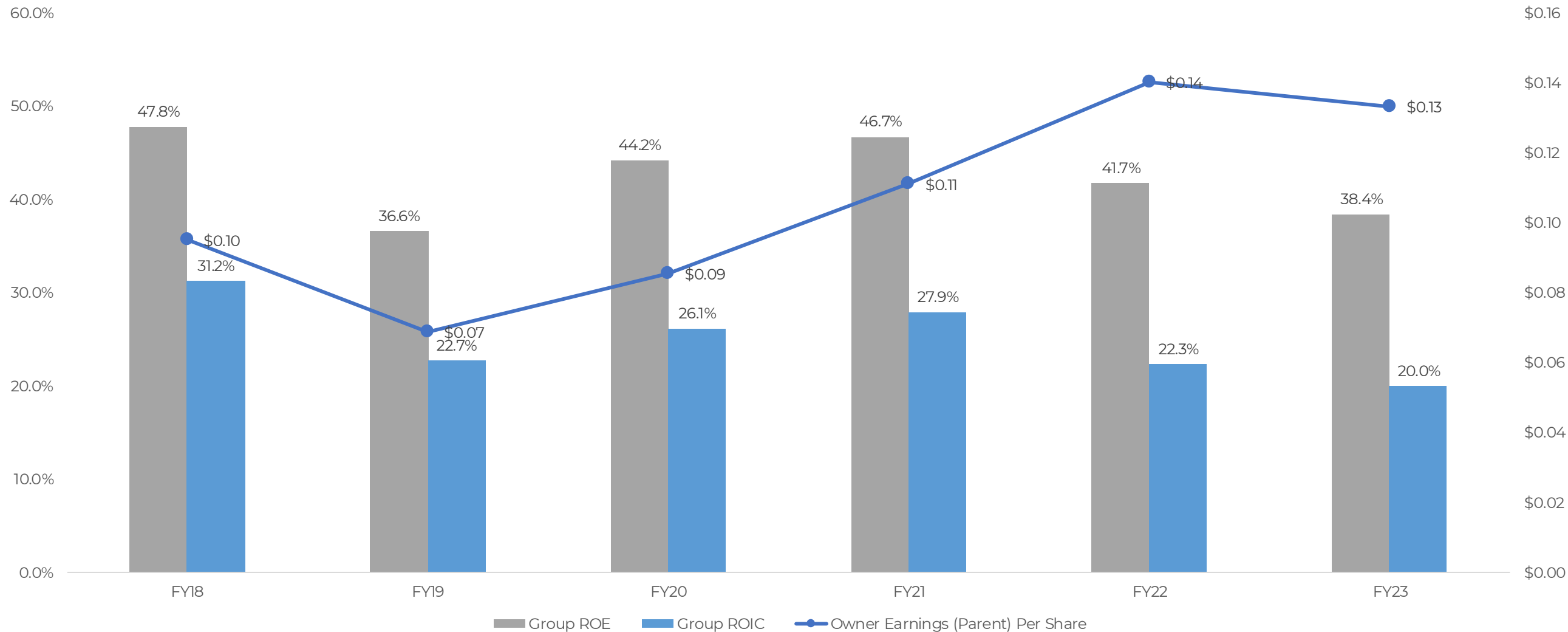


+19.4%
p.a.
Recurring Revenue per share to FY23

+9.9%
p.a.
Owner Earnings (Parent) per share to FY23

MEASURING PROGRESS

Group ROE, ROIC and Parent Owner Earnings per Share



SHARE BUYBACKS

497,181 shares repurchased since IPO, with no new shares issued.

- In line with KPG’s strategy KPG intends to build per-share intrinsic value by repurchasing KPG Shares when they are available at a meaningful discount from intrinsic value.
- Since IPO, KPG has repurchased 497,181 shares at a c. 64.7% discount to the current price ~\$7.00, improving returns to our shareholders

Date	Closing Shares	Shares Repurchased
Open at IPO**	45,497,181	
30 Jun 18	45,497,181	-
30 Jun 19	45,495,000	(2,181)
30 Jun 20	45,400,000	(95,000)
Current	45,000,000	(400,000)
Total Outstanding	45,000,000	(497,181)
Share Purchase VWAP vs Current Price		
Total purchase costs		\$701,517
VWAP of share repurchases Since IPO:		\$1.41
Closing price today		\$7.00
Discount to closing price		79.9%

**Inclusive of shares issued to employees as part of the IPO transaction.

OWNER EARNINGS

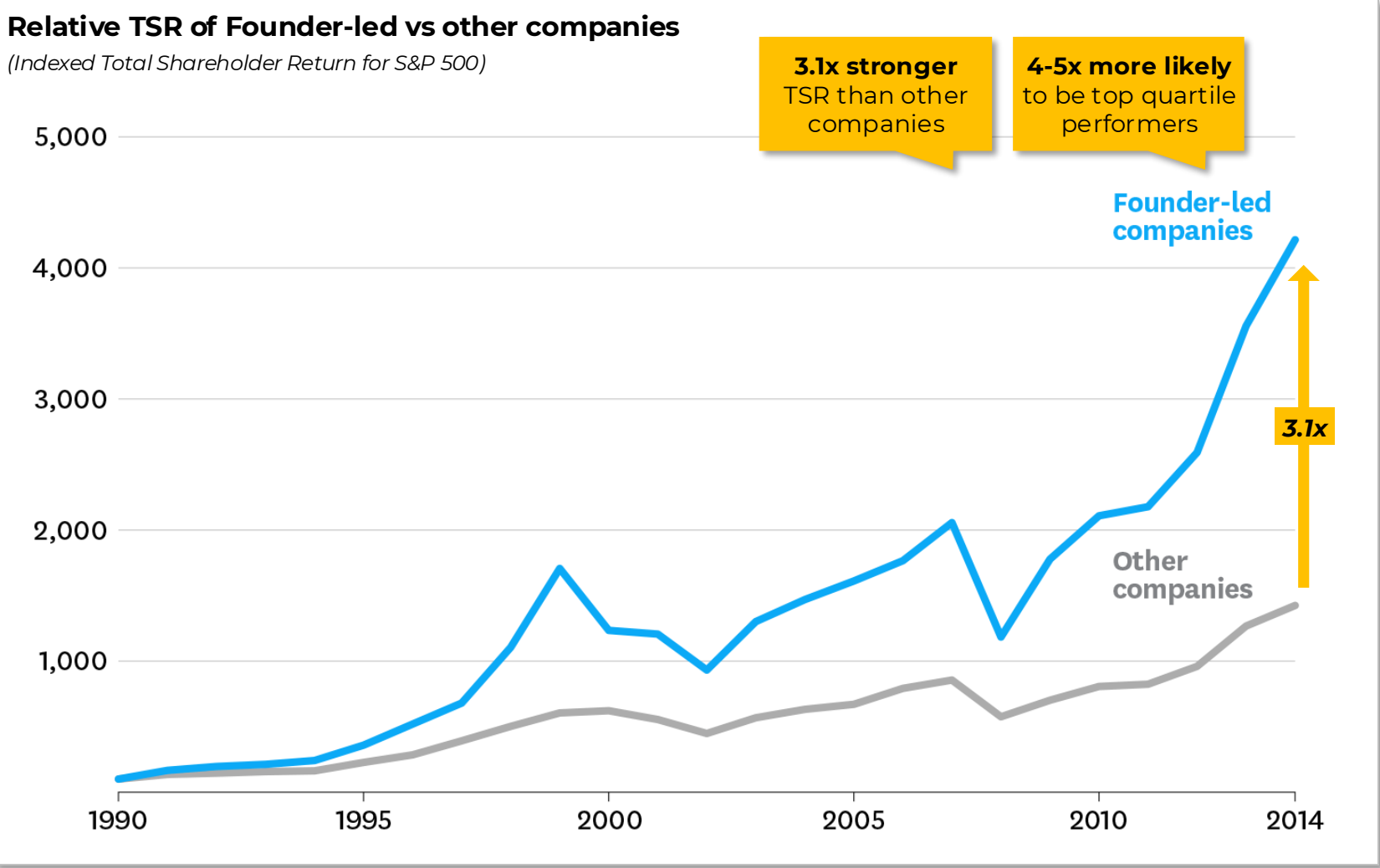
	FY19	FY20	FY21	FY22	FY23	CAGR since IPO
Owner earnings	\$3,128,904	\$3,885,041	\$5,014,894	\$6,312,568	\$5,998,621	
Owner earnings per share (cents)	6.88	8.55	11.11	14.03	13.33	9.9%
% Growth		24.4%	29.9%	26.3%	(5.0%)	
Underlying NPATA	\$3,193,208	\$3,937,677	\$5,114,832	\$6,296,954	\$5,403,346	
Cashflow Conversion - Parent	98%	99%	98%	100%	111%	

- **Owner earnings** represent the cashflow available to the parent entity. Owner earnings is used to measure cashflow to the Group (after taxes and finance costs) after taking in to account:
 - additions or reductions in working capital investment (debtors, creditors and other accrual movements);
 - deductions required for the maintenance capital expenditure of the business to maintain ongoing operations in the long term
- For the parent entity, Owner earnings equates to Cashflow from Operating Activities as there is minimal capital expenditure required to maintain the activities of the parent entity
- Cashflow conversion particularly strong this year as Jul-23 monthly services fees were received in advance (direct debited on 1st but due to 1st July being on the weekend, we received the Jul-23 services fee on the last business day of Jun-23)

SECTION SEVEN: FOUNDER

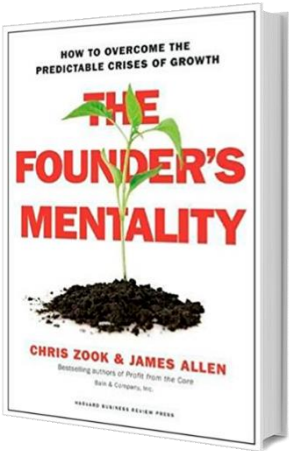
FOUNDER LED COMPANIES

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



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.

FOUNDER'S SHAREHOLDING

- 1. Brett Kelly is the founder/CEO of KPG.
- 2. Brett's equity was earned through his effort in building and growing the KPG business from its infancy and assumed the risks as an owner and entrepreneur.
- 3. Brett was never gifted any equity interest and has not participated in any incentive schemes.
- 4. As announced in the Owners Manual (released November 2020) Brett intends to maintain a 35.00%+ shareholding in KPG overtime.

Event	Movement	Shares Held ⁽¹⁾	% Interest
IPO		23,253,378	51.28%
FY 2018	-	23,253,378	51.11%
FY 2019	23,000	23,276,378	51.16%
FY 2020	123,622	23,400,000	51.54%
FY 2021	(698,039)	22,701,961	50.45%
FY 2022	(55,369)	22,646,592	50.33%
FY 2023	(234,326)	22,412,266	49.81%
FY2024 YTD	(808,720)	21,603,546	48.01%
Current		21,603,546	48.01% ⁽²⁾
Target	(5,853,546)	15,750,000	35.00%

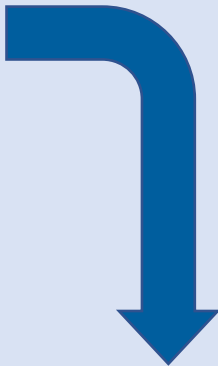
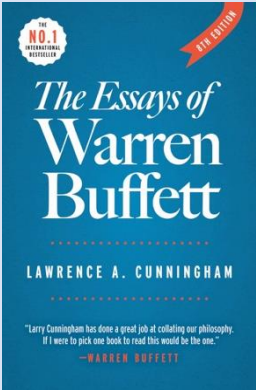
⁽¹⁾ Includes holdings in Brett Kelly's indirect holdings in related entities

⁽²⁾ Current as at 2 April 2024

SECTION EIGHT: OUTLOOK

BIG LEARNINGS

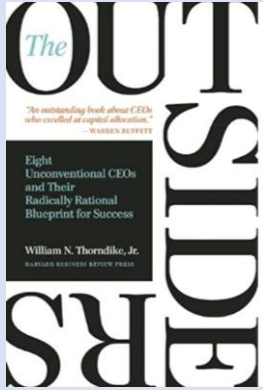
PROGRAMMATIC



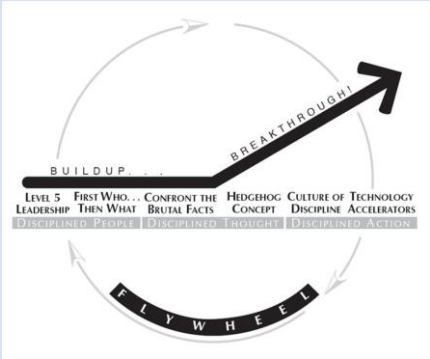
Keep making
many small deals!
Win in Australia
and look globally!



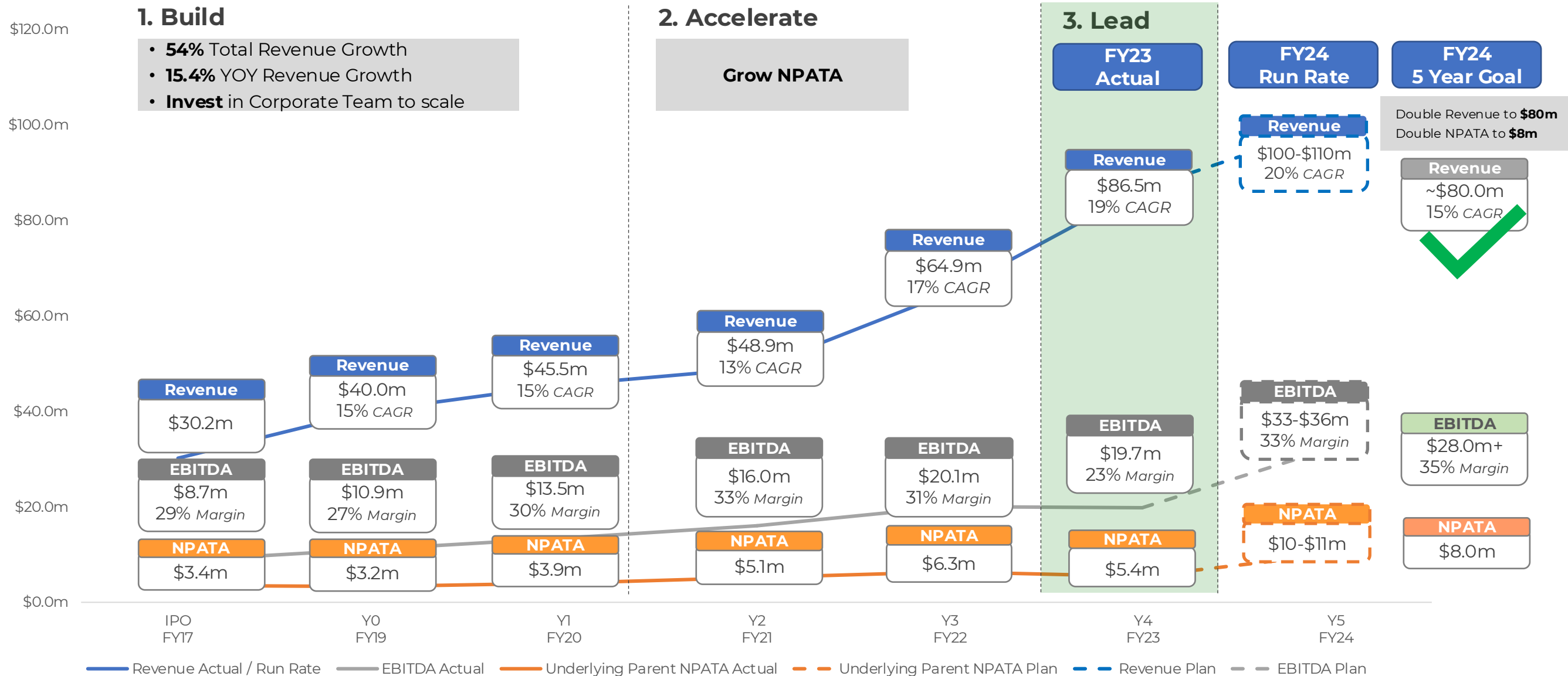
FLYWHEEL



Keep turning
your flywheel!



5 YEAR PLAN 1 : FY19-FY24



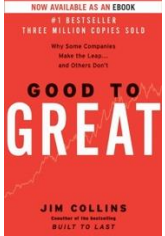
SECTION NINE: CHECKLISTS



KPG OWNERS' PRINCIPLES

1	Our attitude is partnership in everything we do.
2	Our founder and Partner Owner Drivers™ have their majority net worth invested in the business.
3	Our long term goal is to maximise KPG's intrinsic value on a per share basis.
4	Our intention is to grow by continuing to acquire accounting firms using our proprietary Partner Owner Driver™ model
5	We will make decisions to maximise KPG's intrinsic value, even when such decisions may result in unfavourable treatments under current accounting standards.
6	We use debt prudently and structure our loans to be aggressively repaid.
7	We measure our performance using Earnings Per Share (EPS) growth and owner earnings.
8	We intend to seldom, if ever, issue shares to acquire a business.
9	It is not our intention to sell a business that we have acquired.
10	We will be completely transparent in our reporting to our shareholders, treating them as genuine partners in our business. We would call a spade a spade rather than under emphasise difficult situations.

JIM COLLINS THE MAP



What Makes Great Companies Tick

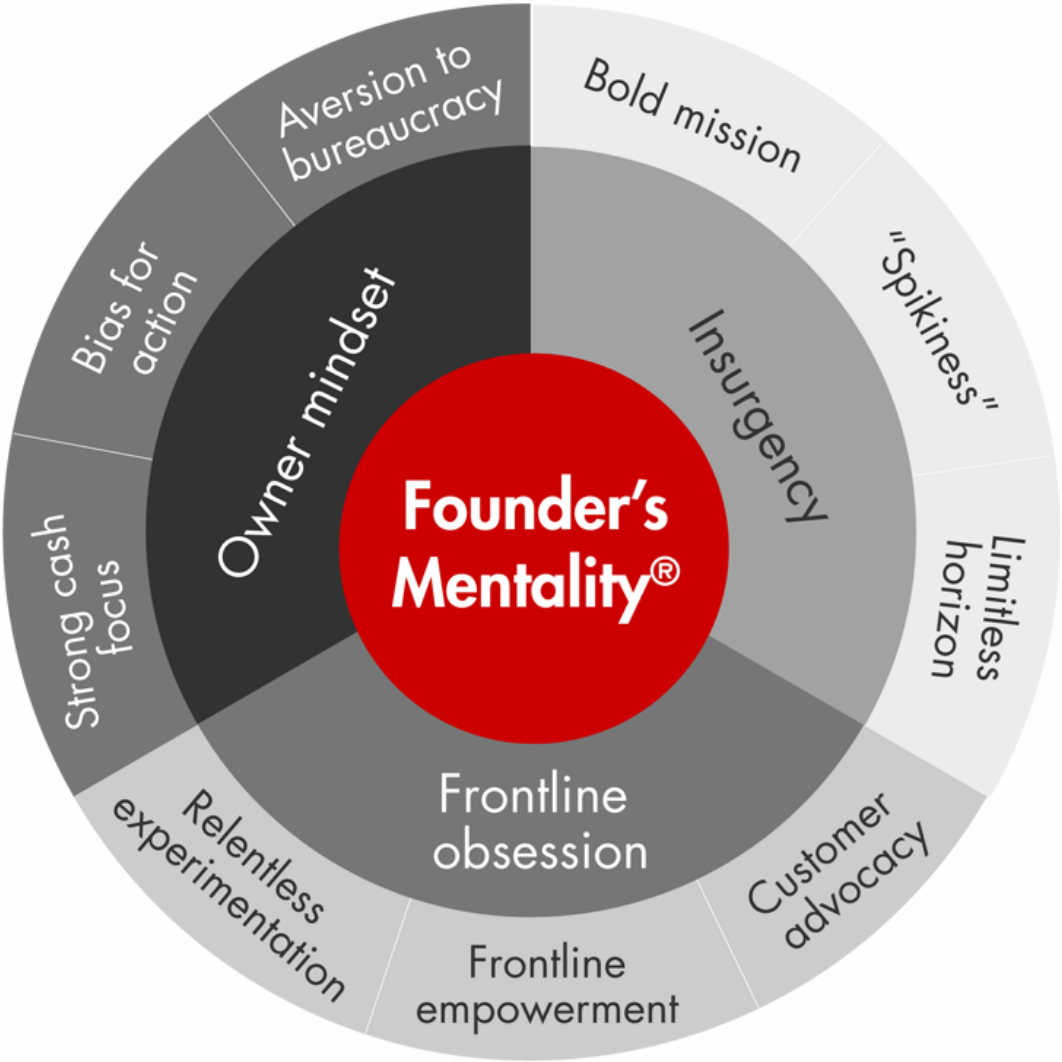
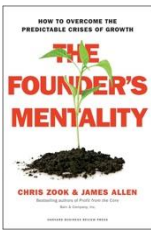
THE MAP

A Good to Great® Strategic Tool

Developed by Jim Collins

INPUTS				OUTPUTS
STAGE 1 DISCIPLINED PEOPLE Cultivate Level 5 Leadership First Who, Then What (Get the Right People on the Bus)	STAGE 2 DISCIPLINED THOUGHT Embrace the Genius of the AND Confront the Brutal Facts (Live the Stockdale Paradox) Clarify a Hedgehog Concept	STAGE 3 DISCIPLINED ACTION Build momentum by turning The Flywheel Achieve breakthrough with 20 Mile March discipline Renew and extend via Fire Bullets then Cannonballs	STAGE 4 BUILDING TO LAST Practice Productive Paranoia (Avoid the 5 Stages of Decline) Do more Clock Building, less time telling Preserve the Core / Stimulate Progress (Achieve the next BHAG)	SUPERIOR RESULTS DISTINCTIVE IMPACT LASTING ENDURANCE
AMPLIFIED BY THE 10X MULTIPLIER Get a high Return on Luck				

FOUNDERS MENTALITY



Source: Bain & Company

THE OUTSIDERS

Checklist 1



	CEO	First-time CEO	Dividends	Buyback 30%+	Acquisitions 25%+ of market cap	Decentralized organisational structure	Wall Street guidance	Idiosyncratic metric	Tax focus
1	Henry Singleton	✓	No	✓	✓	✓	No	Teledyne return	High
2	Warren Buffett	✓	No	-	✓	✓	No	Float	Medium / high
3	Tom Murphy	✓	Low	✓	✓	✓	No	Cashflow margins	Medium / high
4	John Malone	✓	No	✓	✓	✓	No	EBITDA	High
5	Dick Smith	✓	Low	✓	✓	✓	No	Cash earnings	High
6	Bill Anders	✓	Low/special	✓	✓	✓	No	Cash ROI	High
7	Bill Stiritz	✓	Low	✓	✓	✓	No	IRR	High
8	Katharine Graham	✓	Low	✓	✓	✓	No	Cash IRR	Medium / high
	Brett Kelly	✓	Low/special		✓	✓	No	Owner earnings	

THE OUTSIDERS

Checklist 2

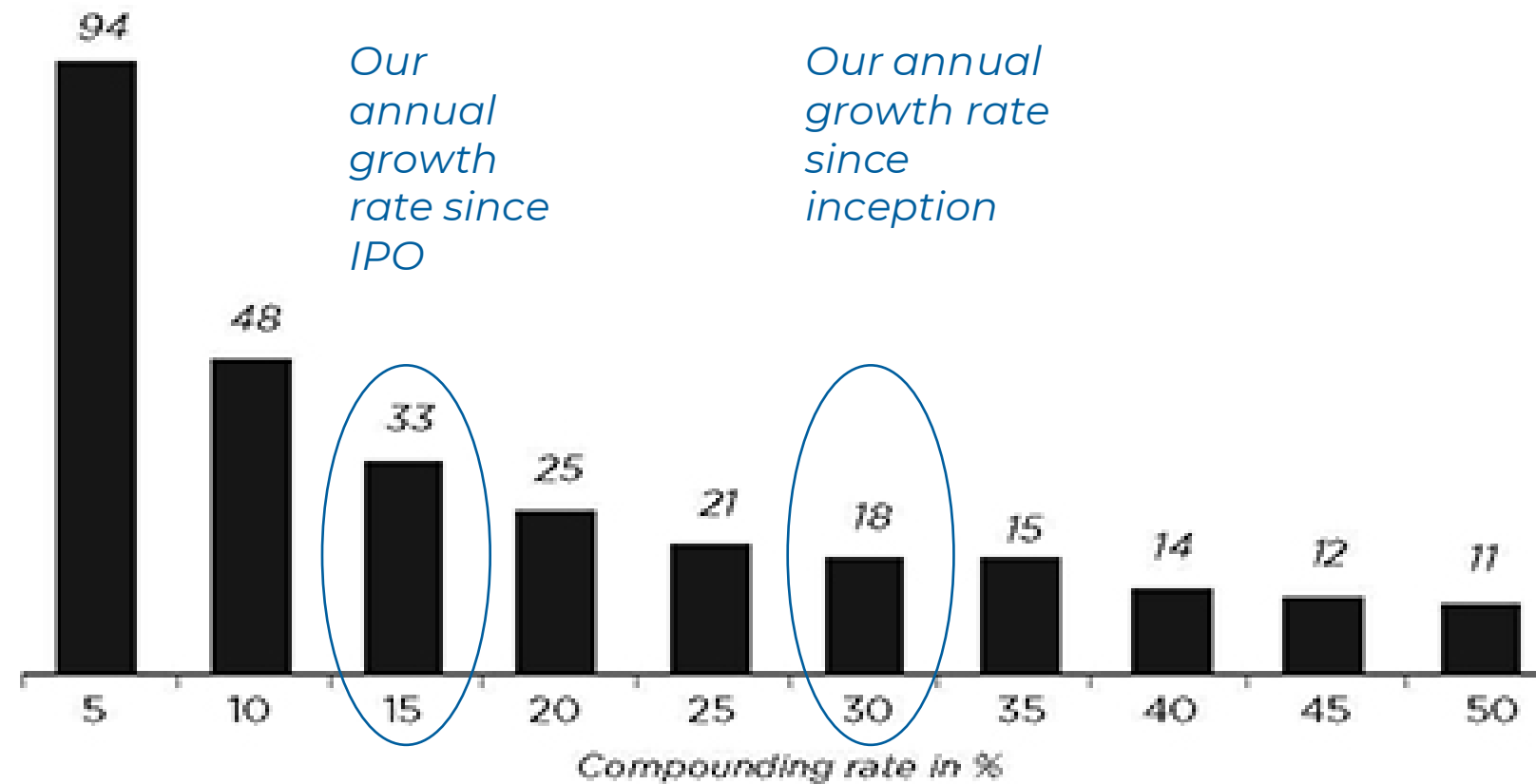


#	The Outsiders Criteria		KPG
1	The allocation process should be CEO led, not delegated to finance or business development personnel	✓	Founder & CEO directs and makes all capital allocation decisions
2	Start by determining the hurdle rate – the minimum acceptable return for investment	✓	Our hurdle rate is based on a 4-5 year payback on invested capital, i.e. a minimum 20% return on invested capital (after tax)
3	Calculate returns for all internal and external investment alternatives, and rank them by return and risk. Use conservative assumptions.	✓	We continue to review investment alternatives but our experience over the last 15 years is accounting business generate great returns and are exceptional investments
4	Calculate the return stock repurchases. Require the acquisition returns meaningfully exceed this benchmark	✓	~1.0% shares bought back since IPO at significant discount ~65%
5	Focus on after tax returns and run all transactions by tax counsel	✓	We report and focus on after tax returns. We see opportunities in tax .
6	Determine acceptable, conservative cash and debt levels, and run the company to stay within them	✓	We see Gearing ratio <2x EBITDA to be acceptable (bank allowed 2.5x)
7	Consider a decentralised organizational model	✓	15 central services team compared to 300 total team members in group (5%)
8	Retain capital in the business only if you have confidence you can generate returns over time that are above your hurdle rate	✓	ROIC >20% p.a. since IPO, excess cash returned to shareholders via dividends.
9	If you do not have potential high return investment projects, consider paying a dividend.	✓	Monthly dividends returning cash to shareholders. Australian dividends come with franking credits making them tax effective.
10	When prices are extremely high, its OK to consider selling businesses or stock. Its also OK to close underperforming business units if they are no longer capable of generating acceptable returns.	✓	We continue to review our investments but our philosophy is to permanently own our businesses.

100 BAGGERS



Years it takes for 100x at different rates



100 BAGGERS Checklist



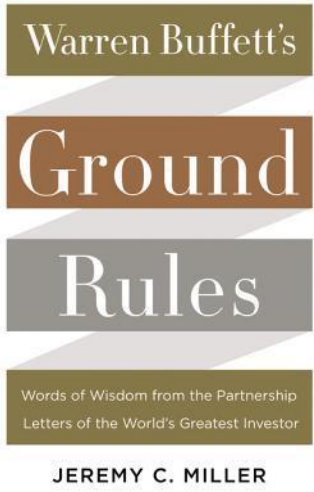
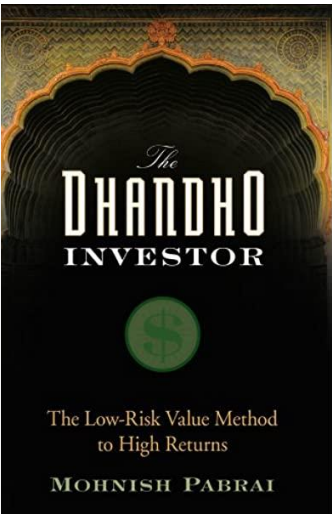
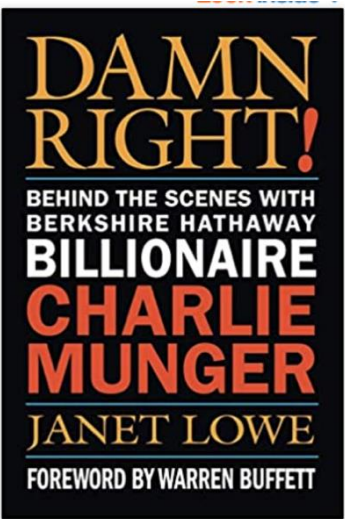
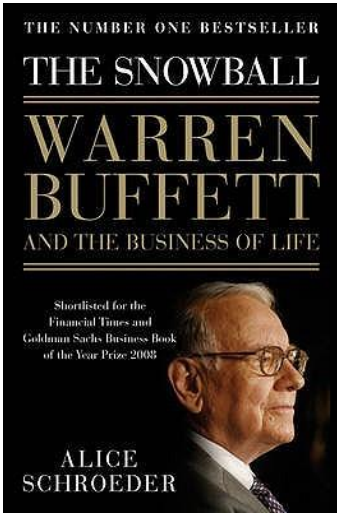
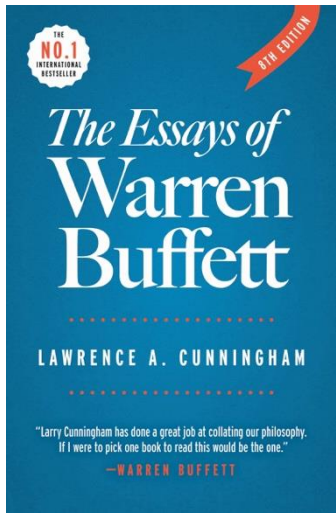
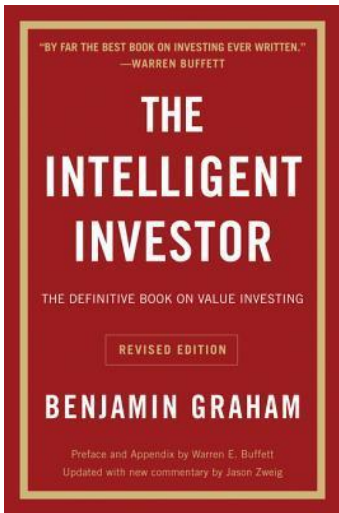
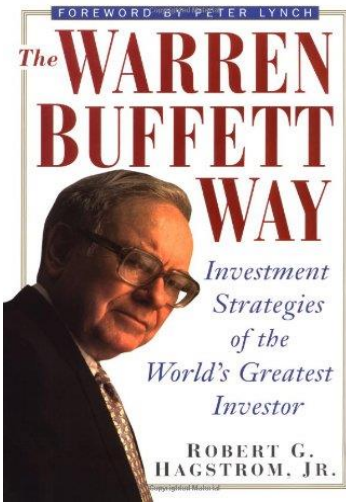
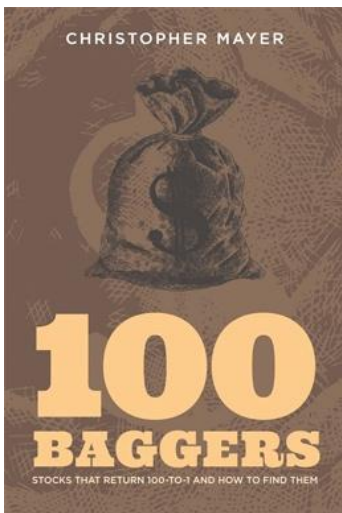
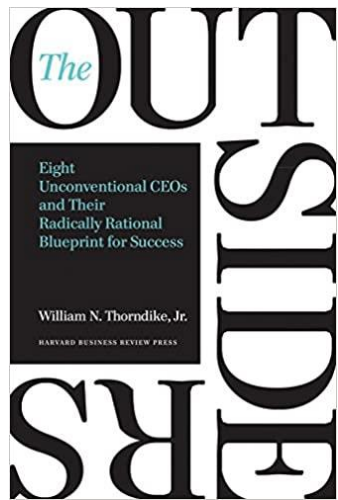
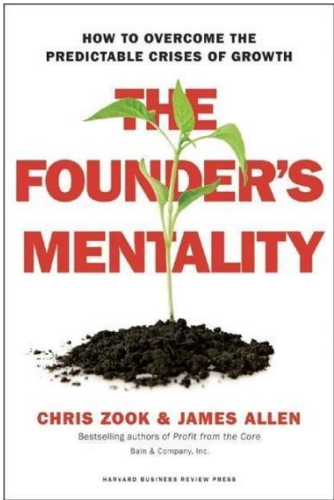
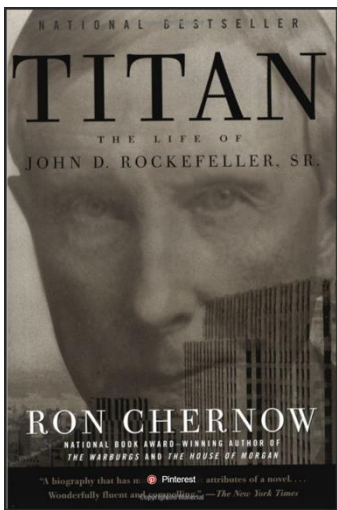
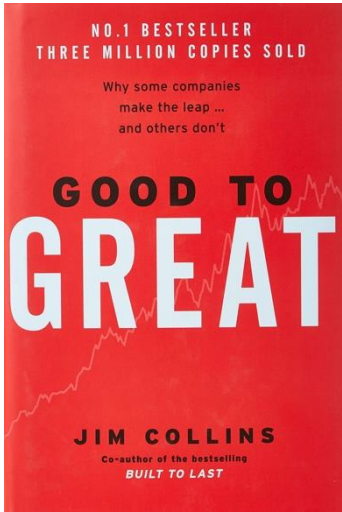
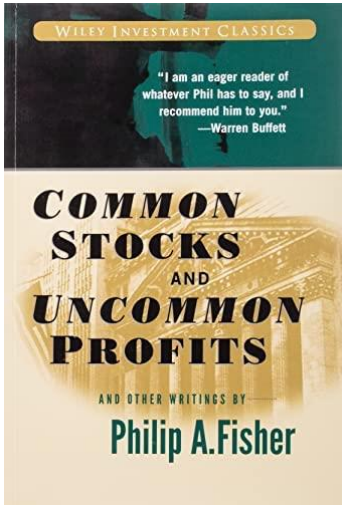
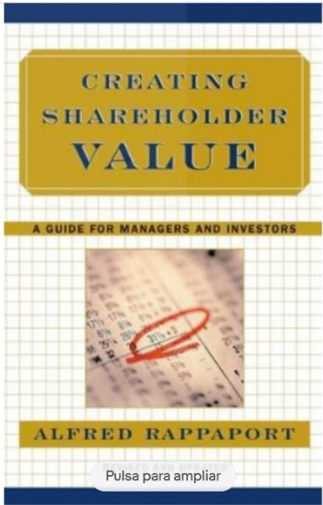
#	100 Baggers Criteria		KPG
1	Extended high growth is essential	✓	30% CAGR since inception, 15% CAGR since IPO
2	P/E ratio expansion is key	✓	P/E 10.8x at IPO
3	There is always room for more growth	✓	24.5% revenue growth and 18.3% NPATA growth in 1H22
4	Look beyond earnings	✓	0.4% share of \$12.5b SME accounting market
5	Buy right and hold on	✓	IPO shareholders would have 4x their investment over 5 years
6	High consistent returns on equity is key	✓	~40% ROE consistently achieved
7	Owner-operator companies	✓	Founder CEO owns 50%+ , Partners and management owns 9%
8	Gross Profit Margin	✓	GP margin at 60% , leading in industry
9	100 baggers don't favour a particular industry	✓	KPG operates in an unpopular and fragmented industry
10	Share buybacks accelerate returns	✓	~1.0% shares bought back since IPO at significant discount ~65%

ETHICAL INVESTMENT Checklist

Australian Ethical “Ethical Charter”	KPG	What KPG has done
(a) the development of workers' participation in the ownership and control of their work organisations and places		Upstreet program awards each team member KPG shares with the view of common ownership in the business
(b) the production of high quality and properly presented products and services		Kelly+Partners Financial Progress System™
(c) the development of locally-based ventures		Locally owned businesses serving local communities
(d) the development of appropriate technological systems		Digitisation processes aiming to reduce impact on environment
(e) the amelioration of wasteful or polluting practices		Undergoing net zero certification process; Certified B Corp
(f) activities which contribute to human happiness, dignity and education		We seek to make our people, our clients and communities be better off Kelly+Partners Scholars
(g) the alleviation of poverty in all its forms		Our mission is to make our people, our clients and communities be better off financially

Criteria not applicable to KPG such as "the dignity and wellbeing of non-human animals" has not been included

SHAREHOLDER READING LIST



THANK YOU

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.

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AUTHORISATION STATEMENT

Brett Kelly, Executive Chairman of Kelly Partner Group Holdings Limited, has approved the release of this document to the market.