

# Knights Group Holdings plc

("Knights", the "Company" or the "Group")

## Acquisition of Cummins Solicitors Limited ("Cummins")

### *Knights reinforces leading position in Leicester*

Knights, one of the UK's fastest growing regional legal and professional services businesses, today announces that it has acquired the entire issued share capital of Cummins Solicitors Limited, the employment specialist law firm based in Leicester, from founder Michael Cummins.

#### **Acquisition rationale and background**

As outlined at the time of Knights' IPO, the Group's strategy is to accelerate its organic growth through carefully targeted acquisitions. Knights has a proven method of selecting, executing and integrating acquisitions, to enhance earnings and generate synergies. Since listing, the Group has acquired Turner Parkinson in Manchester and Spearing Waite in Leicester, which have both been integrated successfully.

Founded in 2010, Cummins is a niche law firm based in Leicester, which specialises in employment law, servicing a number of high quality commercial clients. Its five fee earners will join Knights' existing Leicester office, bolstering the strength of the Group's employment offering. Following the acquisition of Spearing Waite in October, the acquisition of Cummins further strengthens Knights' position as the leading legal services business in Leicester and the East Midlands.

For the year ending 31 December 2018, Cummins delivered revenue of £784k and adjusted EBITDA of £175k, a margin of 22.3% after adjusting for a normalised salary for Michael Cummins. Following completion on 14 January 2019, Cummins will keep its branding for a short transitional period before being formally rebranded as Knights, effective from 1 February 2019.

Following the acquisition, Knights' total number of fee earners will be 485 across its eight offices.

#### **Terms of the acquisition**

Under the terms of the acquisition, Knights will acquire the entire issued share capital of Cummins for a total consideration of £1,573k, comprising of cash consideration of £1,100k, a £223k cash payment in respect of the repayment of debt and 125,318 new shares in Knights (equating to £250,000). The cash consideration is subject to clawback dependent on the continued employment of Michael Cummins up to 14 January 2021. The cash consideration will be satisfied from Knights' existing facilities.

Application will be made to the London Stock Exchange for the admission of 125,318 new ordinary shares to trading on AIM. Admission of the new shares is expected to take place at 8.00am on 17 January 2019. The Company's total issued share capital following admission will consist of 72,259,569 ordinary shares 0.002 pence each with one voting right per share. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

**Commenting on the acquisitions, David Beech, CEO at Knights, said:** “We are delighted to welcome Cummins to the Group today. The firm has a strong reputation which supports our growth strategy and demonstrates the momentum we are now achieving. Michael Cummins is a respected leader in his field and the acquisition will enable us to take even more share in key geographical markets.

**Michael Cummins, founder of Cummins, added:** “We have followed Knights’ impressive growth story and are delighted to be joining such an ambitious Group. We believe our niche focus on employment law will be a strong addition to the Group’s offering and we look forward to further growth as part of a larger Group.”

**Ends**

#### **Enquiries**

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#### **Notes to Editors**

Knights is a fast-growing, legal and professional services business, ranked within the UK top 100 largest law firms by revenue. Knights was one of the first law firms in the UK to move from the traditional partnership model to a corporate structure in 2012 and has since grown rapidly. Knights has specialists in all of the key areas of corporate and commercial law so that it can offer end-to-end support to businesses of all sizes and in all sectors. The Company’s focus is on the UK’s markets outside of London, offering ‘big city’ quality expertise from a regional cost base. Currently, Knights operates from eight offices located in Cheltenham, Chester, Derby, Newcastle-Under-Lyme, Manchester, Wilmslow, Oxford and Leicester.