

5 March 2020

**Knights Group Holdings plc**  
("Knights", the "Company" and the "Group")

*Knights enters Leeds with acquisition of Shulmans*

Knights Group Holdings plc, one of the UK's fastest growing legal and professional services businesses, today announces the exchange of contracts to acquire Shulmans LLP ("Shulmans"), a leading<sup>1</sup> independent law firm in Leeds for a total consideration of up to £20.1m.

The Group also announces a placing to raise gross proceeds of £20m (the "Placing") to fund the Acquisition, and associated costs, and to provide the Group with additional financial resources as it continues to build the leading legal and professional services business outside London, both organically and by acquisition.

**Acquisition rationale and background**

This acquisition significantly increases Knights' footprint by providing entry into Leeds, in line with the Group's strategy to accelerate its organic growth through carefully targeted acquisitions which are a strong cultural fit and strengthen existing offices, add new geographies or bring complementary business services.

Founded in 1981, Shulmans is one of the longest established independent commercial law firms in Leeds, comprising 130 fee earners operating from a single office, offering a full spectrum of commercial legal services including corporate, litigation, employment and real estate.

The acquisition provides Knights with a platform for growth in one of the largest regional markets for legal services in the UK; the Yorkshire market is estimated at £437m<sup>2</sup>. It brings access to city relationships for the Group's recently established York office and is well matched to Knights' existing specialisms. It also brings the opportunity for material organic growth through recruitment as it has capacity to expand to up to 225 fee earners.

In its audited accounts for the year ending 31 March 2019, Shulmans achieved revenue of circa £17.6m, with a corporatised PBT margin of circa 12.3%. Following full integration, including the delivery of synergies, the Board expects Shulmans to deliver a PBT margin in excess of 20.0% by the financial year ending 30 April 2021, particularly through the opportunity to modernise a business which has operated under a more traditional model to date.

The acquisition of Shulmans, together with the acquisitions of ASB Law LLP and ASB Aspire LLP and the Placing which were also announced today, is expected to be earnings enhancing by a high single digit percentage in the financial year ending 30 April 2021.

Following completion of these acquisitions, the Group will have 900 fee earners across 15 office locations<sup>3</sup>.

**Terms of the acquisition**

Under the terms of the acquisition, Knights will acquire Shulmans from its existing equity partners ("the Shulmans Sellers") on a debt free, cash free basis for a total consideration of up to £20.1m. This comprises of £7.6m in cash which is payable on completion (of which £6.1m is payable to the Shulmans Sellers and £1.5m will be used to repay third party debt) and the issue of 1,437,016 new ordinary shares in Knights (the "Shulmans Consideration Shares") to the Shulmans Sellers. Deferred consideration of up to £6.4m will be paid in instalments on the first and second anniversary of completion, including £0.3m in restricted stock awards to fixed share members, subject to certain conditions being met. Completion is expected to take place on 24 April 2020.

**David Beech, CEO of Knights, commented:**

*"We are delighted to announce the acquisition of Shulmans today, marking our entry into a new and important market with the addition of this quality full service commercial law firm which is recognised as a Top 200 UK Law Firm by revenue<sup>1</sup>.*

*"With their ambitious team and progressive approach to law, the firm has a strong cultural fit with Knights and provides an exciting platform for growth in Leeds, in line with our strategy to build the leading legal and professional services business outside London."*

**Tim Halstead, Managing Partner of Shulmans, commented:**

*"We have achieved significant growth in recent years to become a leading independent law firm in the North. Having worked alongside Knights previously, we believe its collegiate approach, range of services and broad client base will provide an excellent match for us to continue to grow as part of the wider group."*

<sup>1</sup> The Lawyer UK Top 200, 2019

<sup>2</sup> Bureau van Dyke, Mintel UK Legal Services Report 2019

<sup>3</sup> Including Shulmans LLP, ASB Law LLP, ASB Aspire LLP and Fraser Brown Solicitors

**For further information, contact:**

**Knights**

David Beech, CEO

*Via MHP Communications*

**Numis (Bookrunner, Nomad and Broker)**

Stuart Skinner, Kevin Cruickshank

020 7260 1000

**MHP Communications (Media enquiries)**

Andrew Jaques, Katie Hunt, Rachel Mann

+44 20 3128 8100  
knights@mhpc.com

**Notes to Editors**

Knights is a fast-growing, legal and professional services business, ranked within the UK's 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 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. It is focussed on key UK markets outside London and currently operates from 15 offices located in Birmingham, Cheltenham, Chester, Crawley, Derby, Leeds, Leicester, Lincoln, Maidstone, Manchester, Nottingham, Oxford, Stoke, Wilmslow and York.