

5 March 2020

## **Knights Group Holdings plc**

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

### ***Knights enters South East market with acquisition of ASB***

Knights Group Holdings plc, one of the UK's fastest growing legal and professional services businesses, today announces the exchange of contracts to acquire ASB Law LLP, including ASB Aspire LLP ("ASB"), a leading<sup>1</sup> full service commercial law firm based in Crawley and Maidstone, for a total consideration of up to £8.5m.

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 the important South East market, 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.

ASB is a leading<sup>1</sup> full service law firm offering commercial, corporate finance, dispute resolution and employment advice from offices in Crawley and Maidstone, with 89 fee earners. It has an ambitious and innovative team, as evidenced by its strong client list and recent accolades, including recognition at the FT Innovative Lawyers Awards Europe 2018, where it won the award for 'New business and service delivery models'.

ASB represents Knights' entry into the strategically attractive South East market, which is estimated to be valued at £246m<sup>2</sup> excluding London, and is well located to recruit high calibre talent. Bringing Knights' expertise, scale and breadth of services to ASB's large corporate relationships is expected to drive revenue growth in the business. In turn, Knights expects to leverage the niche specialisms that ASB brings, for instance in aviation, across its wider geographical footprint.

In its unaudited accounts for the year ending 30 April 2019, ASB achieved revenue of circa £12.2m, with a corporatised PBT margin of circa 4.0%. Following full integration, including the delivery of synergies, the Board expect ASB to deliver a PBT margin in excess of 15.0% by the financial year ending 30 April 2021.

The acquisition of ASB, together with the acquisition of Shulmans LLP and 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 ASB from its existing equity partners ("the ASB Sellers") on a debt free, cash free basis for a total consideration of up to £8.5m. This comprises of £7.3m in cash which is payable on completion (which will predominantly be used to repay debt and debt-like items) and the issue of 181,675 new ordinary shares in Knights (the "ASB Consideration Shares") to the ASB Sellers, along with deferred cash consideration of up to £0.4m, to be paid in instalments on the first and second anniversary of completion, subject to certain conditions being met. Completion is expected to take place on 17 April 2020.

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

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

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

**Andrew Clinton, Managing Partner of ASB commented:**

*“We are delighted to join Knights, which we chose for its close cultural fit including its strong values and innovative and ambitious approach to challenging established norms within the legal sector. I’m very proud of how much we’ve achieved to date and believe that Knights’ scale and ability to invest in our team will enable us to realise our full potential and bring a broader range of services to our large corporate clients.”*

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

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

<sup>3</sup> Following completion of the acquisitions of 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.