

2 May 2023

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

**Acquisitions of St James Law Limited and Baines Wilson LLP**

**Strengthens Knights' presence in the North, providing entry into Newcastle and Carlisle**

Knights today announces that it has agreed to acquire St James Law Limited (trading as St James' Square), a Newcastle-based commercial law firm, and Baines Wilson LLP (Baines Wilson) an independent law firm headquartered in Carlisle.

**St James' Square**

St James' Square is an independent full service commercial law firm located in Newcastle, the financial centre of the North East of England. The acquisition brings 23 fee earners to Knights and provides entry into Newcastle, an important strategic location which complements the Group's existing Teesside presence. The business also currently includes a debt recovery business (accounting for just under 20% of company revenues); strategic options for this business, which is considered non-core to Knights, will be reviewed following completion.

In its unaudited accounts for the year ended 31 December 2022, St James' Square reported revenue of £2.4m and a corporatised PBT margin, excluding the debt recovery business, of circa 5%. Accounting for a typical 20% revenue churn post-acquisition, the Board expects the acquisition to be immediately earnings enhancing, with St James' Square expected to contribute an adjusted PBT margin of circa 15% post synergy savings.

Under the terms of the acquisition, Knights will acquire St James' Square from its four existing owner-managers, two employees and an investor on a debt free, cash free basis, for a total consideration of £1.75m. This comprises an initial cash consideration of £0.5m, with deferred payments of £1.25m to be paid as £0.7m on the first and £0.55m on the second anniversary following completion in each case subject to the satisfaction of certain conditions. Completion is expected to take place on 16 June 2023.

**Baines Wilson**

Baines Wilson, which was founded in 1999, has grown into one of the leading commercial law firms in the North West of England. Operating primarily out of Carlisle, with an additional smaller office in Lancaster, Baines Wilson is a specialist business law firm, offering Corporate, Real Estate, Dispute Resolution and Employment services. The acquisition provides entry into Carlisle, the financial and business focal point of Cumbria, and brings 27 fee earners to Knights.

In its unaudited accounts for the year ended 31 March 2023, Baines Wilson reported revenue of £3.2m and a corporatised PBT margin of circa 20%. Accounting for a typical 20% revenue churn post-acquisition, the Board expects the acquisition to be immediately earnings enhancing, with Baines Wilson expected to contribute an adjusted PBT margin of circa 25% post synergy savings.

Under the terms of the acquisition, Knights will acquire Baines Wilson from its five existing equity partners on a debt free, cash free basis, for a total consideration of £3.37m. This comprises an initial cash consideration of £2.35m, with deferred cash consideration of £1.02m to be paid as £0.34m on the first, second and third anniversaries following completion in each case subject to the satisfaction of certain conditions. Completion is expected to take place on 2 June 2023.

The cash consideration for both acquisitions will be satisfied from Knights' existing bank facilities.

Both acquisitions align with Knights' strategy to bolster its future organic growth through selective, considered acquisitions. They provide access to new important regional markets and platforms for further growth through the recruitment of local talent and potential bolt-on acquisitions. Post completion, Knights will have five offices in the North West and two offices in the North East of England, which alongside Knights' three existing offices in Yorkshire, strengthen the Group's presence and brand reputation across the North.

**Commenting on the acquisitions, David Beech, CEO of Knights, said:**

"We are delighted to announce the acquisitions of St James' Square and Baines Wilson, which provide us with entry into two important strategic growth markets in the North of England and complements our existing presence in the region. Strong cultural fit with Knights is a key criteria in our M&A strategy, and both firms are well aligned with the St James' Square senior team already very well known to our Teesside team. In addition, both operate in key centres in their respective regions, providing significant organic growth opportunities through the recruitment of high-quality talent."

**Paul Monaghan, Managing Partner, St James' Square commented:**

"We are excited to be joining Knights, whose reputation and reach will allow us to enhance our client service offering and ability to recruit from Newcastle's deep pool of talent. We already have strong relationships with the well-respected Knights team in Teesside and look forward to working together more closely to capitalise on the significant market opportunity in the North East of England."

**Sean Logue, Partner/Head of Partnership, Baine Wilson commented:**

"Having grown to become one of the leading firms in the North of England, we are thrilled to be joining Knights, a firm which champions client service and shares our vision. As part of a larger group, offering a wider range of services and scale, we are confident that we will be able to accelerate our growth in Carlisle, Lancaster and the surrounding region."

- ENDS -

**Enquiries**

**Knights**

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## Notes to Editors

Knights is a fast-growing, legal and professional services business, ranked within the UK's top 50 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 23 offices located in Birmingham, Brighton, Bristol, Cheltenham, Chester, Crawley, Exeter, Leeds, Leicester, Lincoln, Maidstone, Manchester, Newbury, Nottingham, Oxford, Portsmouth, Sheffield, Southampton, Stoke, Teesside, Weybridge, Wilmslow and York.

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