

21 November 2023

**Knights Group Holdings plc**  
("Knights", the "Company" or the "Group")  
**Trading Update for the Six Months Ended 31 October 2023**

*Performance in line with expectations for the full year*

Knights, a UK legal and professional services business, today provides a trading update for the half year ended 31 October 2023.

The Group's first half performance is in line with the Board's expectations. The Group anticipates half year revenue of c. £75.3m, an increase of 6% compared to the prior year (H1 23: £71.2m), with underlying PBT<sup>1</sup> anticipated to be c.£11.5m, an increase of 28% on the prior year (H1 23: £9.0m) with underlying PBT margin increasing from 12.6% to 15.3%.

This performance is supported by a return to low single-digit organic growth in the period, notwithstanding a challenging backdrop in the housing and M&A markets.

The Group's continued discipline on cash collection has delivered debtor days of 31 as at 31 October 2023, in line with the 32 days achieved as at 31 October 2022 and 30 days at 30 April 2023, with total lock-up<sup>2</sup> improving to 93 days compared to 103 days at October 2022.

This focus on cash has resulted in net debt<sup>3</sup> of c.£38.3m at 31 October 2023 (H1 23, £35.6m, FY 23: £29.2m), after c.£7.5m of acquisition consideration, debt and related costs in the first half, providing significant headroom against the Group's recently increased £70m revolving credit facility.

The Group has recruited 20 senior hires in the half year, compared to nine in the same period last year, many of whom have been attracted by Knights' differentiated ownership and business model, which offers no financial risk, compared to traditional equity partnership. Churn for the period was six percent, compared with 11% for the same period last year.

The integration of prior year acquisitions, Coffin Mew (Portsmouth) and Meade King (Bristol), has been successful and both are performing well, despite challenging market conditions for the residential property sector in the period.

During the first half, the Group completed the acquisition of St James Law (Newcastle) and Baines Wilson (Carlisle), further strengthening the Group's presence in the North. Both acquisitions are integrating well and performing in line with the Board's expectations.

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

"We continue to execute our strategy successfully, delivering profitable, cash generative growth, while focusing on delivering a premium service.

"Entering the second half, we are encouraged by the Group's strong performance, as we continue to attract high quality, talented professionals, and monitor an attractive and growing pipeline of potential acquisitions for the Group."

Knights will provide a further update on trading with its half year results announcement in mid-January 2024.

Ends

**Notes**

<sup>1</sup> Underlying PBT is before amortisation of acquired intangibles, non-underlying costs relating to acquisitions, non-recurring finance costs, restructuring costs in the reporting period, and non-underlying share based payments. The Board believes that these underlying figures provide a more meaningful measure of the Group's underlying performance.

<sup>2</sup> Lock up is calculated as the combined debtor and WIP days as at a point in time. Debtor days are calculated on a count back basis using the gross debtors at the period end and compared with total fees raised over prior months. WIP days are calculated based on the gross work in progress (excluding that relating to clinical negligence claims, insolvency, and ground rents, as these matters operate mainly on a conditional fee arrangement and a different profile to the rest of the business) and calculating how many days billing this relates to, based on average fees (again excluding clinical negligence claims, insolvency, and ground rents fees) per month for the last 3 months.

Lock up days excludes the impact of acquisitions in the last quarter of the reporting period.

<sup>3</sup> Net debt excludes lease liabilities

**Enquiries**

**Knights**

David Beech, CEO

Via MHP

**Numis (Nomad and Broker)**

Stuart Skinner, Kevin Cruickshank

020 7260 1000

**MHP (Media enquiries)**

Katie Hunt, Eleni Menikou, Rob Collett-Creedy

020 3128 8100  
+44 (0)7736 464749  
knights@mhpgroup.com

**Notes to Editors**

Knights is a 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, Carlisle, Cheltenham, Chester, Exeter, Kings Hill, Leeds, Leicester, Lincoln, Manchester, Newbury, Newcastle-upon-Tyne, Nottingham, Oxford, Portsmouth, Sheffield, Stoke, Teesside, Weybridge, Wilmslow and York.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTFEAFASEDSEFF