

Strategic investment drives strong growth for Grant Thornton

LONDON – 9 January 2019:

Grant Thornton International Ltd said today a deliberate focus on key strategic growth markets has led to record combined global revenues of USD5.45 billion for the financial year ended 30 September 2018, driven by broad-based growth of 9.4% across the network. This is the network's highest rate of growth in six years.

In particular, the results were driven by:

- Transformational mergers in Japan and South Africa, combined with strong organic growth across Asia Pacific and Africa, delivering stand out growth in both regions (18.7% and 54.7% respectively);
- Above average growth in Europe (7.7%) with over half of European member firms growing revenues by over 10%;
- Particularly strong growth from tax (14.8%) and advisory (10.4%) service lines across the network.

Peter Bodin, CEO Grant Thornton International Ltd, says: "First and foremost, I would like to acknowledge the commitment, passion and determination of our people, which has helped the network to deliver such a fantastic result.

"Our success this year is the result of a deliberate strategic focus on our core mid-market client base, and our key strategic growth markets where we want to be successful. Being clear on where we need to develop our capabilities, and focusing on quality in those core markets, has underpinned this performance.

"Despite growing uncertainty in many markets this year from political upheaval and rising trade tensions, trading conditions have remained robust for clients around the world. Many have taken advantage of these favourable conditions to invest for the long-term and prepare for the uncertain conditions that may lay ahead.

“This is why we’ve been investing too. Investing in our network, in our technology, and in the development of our people and future leaders to ensure we are where clients need us to be and that we’re ready to deliver quality advice and support in a rapidly changing market.”

The largest merger of the year took place in Japan with the addition of Yusei Audit Co. and Yamada & Partners Certified Public Tax Accountants’ Co. to the network, adding 900 new staff and substantially boosting Grant Thornton’s tax and audit capabilities across the region.

The Japanese merger was complemented by strong organic growth across the region, most notably among the ASEAN countries of Indonesia (31.9%), Malaysia (27.2%), Singapore (16.3%) and Thailand (12.6%). Across the Asia Pacific region, 42% of member firms grew revenues by over 10%.

In Africa, seven member firms grew their revenue by over 20% and the network welcomed SizweNtsalubaGobodo, the largest black-owned firm in South Africa, to the network. It will help deliver the quality and capability our clients expect both globally, and in the South African market.

Europe saw above average growth of 7.7% with Ireland (24.4%), Greece (23.1%) and Spain (21.3%) performing particularly well. Meanwhile, the Americas achieved a growth rate of 5.7% driven by strong performances from many firms including Canada LLP (13.2%), Chile (17.4%) and the US (4.8%).

Peter continues: “It’s great to see our firms from markets across the globe flourishing as we continue to build a sustainable next-generation professional services organisation.”

Results for year ending 30 September 2018 in summary:

- The Grant Thornton network recorded growth of 9.4% on USD terms with total combined member firm revenues of USD5.45bn.
- The number of people in the Grant Thornton network globally grew by 6.3% to 52,686 people in 131 countries.
- Assurance services made up approximately 39% of total revenues (USD2.1bn, +4.3%); Advisory services 35% (USD1.92bn +10.4%); Tax services experienced the strongest growth, accounting for 22% of total revenue (USD1.19bn +14.8%) reflecting the changing tax landscape. Other services accounted for 3% at USD145m.
- Over 20% of the growth in 2018 has come from mergers and acquisitions - more in both volume and value than in the previous two years. In total, there were 24 deals from 10 firms with the Japanese merger being the largest and Canada LLP being the most active by number.
- The Americas remain the network’s largest market with revenues of USD2.5bn (+5.7%), followed by Europe at USD1.75bn (+7.7%). Particularly strong growth came from Africa (up 54.7%) and Asia Pacific (up 18.7%).
- The strength of Africa was underpinned by the successful addition of South Africa’s largest black-owned firm, SizweNtsalubaGobodo (completed in mid-2018). There were also numerous stand-out performances from member firms in many other countries with particularly strong performances from Tunisia (+45.8%), Ethiopia (+29.2%) and Nigeria (+30.7%). Overall, 24% of African firms grew revenues by over 10%.

- In Asia Pacific, Grant Thornton Japan completed a significant expansion in July when it welcomed the Yusei Audit Co. and Yamada & partners Certified Public Tax Accountants' Co. to the network. The transaction added 200 new audit staff and a 700-person tax company to the network. Indonesia (31.9%), Malaysia (27.2%), Singapore (16.3%) and Thailand (12.6%) were also strong performers in the region.
- The network brought in seven new member firms – Austria, Cameroon, Dutch Caribbean, Lebanon, Malawi, Mongolia and South Africa as well as the creation of an EU Services Joint Venture.

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Notes to editors:

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