



Press release

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Subject	BDO financial results 2015	

13% increase in revenues strengthens BDO's position as the leading mid-tier global accounting and consulting network

- Revenues up 12.95%
- 19 strategic mergers
- Growth of US firm continues: a 29% rise in revenues takes BDO USA over US\$ 1 billion
- Focus on emerging markets reaps rewards

BDO is pleased to announce today a total combined fee income for the year ended 30 September 2015 of US\$ 7.30bn. This represents a year on year growth of 12.95%, at constant exchange rates.

The IAB 2015 Network of the Year Award winner now has representation in 154 territories, the result of expanding the network's global footprint to offer clients a full service offering in the countries that are key for them. The number of offices has risen over 6% to 1,408 and BDO's global headcount numbers 64,303, an increase of 8.2%.

The network's growth can be attributed to:

- The consolidating accountancy profession
- An effective expansion strategy in all regions, resulting in a large number of mergers, many significant, and tangible growth in the revenues of each region: EMEA +3%, Americas +22%, Asia Pacific +10%*
- Sustained organic growth in the developed, as well as emerging economies
- A number of new firms, together with the strengthening of firms in existing territories

**at constant exchange rates*

These factors bring new people, talent and expertise to the BDO network. Taken together with an impressive partner to professional staff ratio of 1 to 9, they further enable us to deliver the exceptional client service for which we are known.

NB. *all the above statistics include BDO's exclusive alliances*

Martin van Roekel, global CEO of BDO said: “The mid-tier accountancy market has become increasingly consolidated in recent years, driven by the requirements of an ever-growing number of global clients requiring international expertise. The concurrent challenges of increasing costs, a shrinking talent pool, the need to invest and to manage regulation demands mean that most of the firms and networks outside the six largest have very small market shares and are starting to assess the sustainability of their margins. Having to consider a merger or acquisition in order to survive is a very real eventuality.

“As well as winning a number of significant global clients in the past year, BDO has been the recipient of a range of awards, recognising our exceptional standards and service delivery. Alongside awards won by member firms at local level, we were proud to receive the IAB Network of the Year and the International Payroll awards this year. It is this sort of consistent success, together with our growth achievements and ongoing merger activity, that gives me the confidence that BDO is well placed to continue building on our success, as both public and private entities are attracted to the breadth and quality of our service offerings and our industry expertise. We have an efficient infrastructure, proven global capabilities and the momentum and power to continue at the forefront of the ongoing consolidation of the mid-tier.”

Competitor merger activity

- BDO Austria added €8 million to their revenues in September 2015 when they took on 10 partners and 55 professionals from Grant Thornton, making the firm the undisputed mid-tier leader in the Austrian market
- BDO Canada achieved two mergers with PKF in 2015: one a CAN \$8 million assurance, tax and wealth management practice located in London Ontario; the other a Montreal-based firm, significantly strengthening the firm’s French speaking practice and adding CAN \$13 million in revenue
- In Italy, BDO joined forces with Mazars Italy in July, under the BDO brand. The resulting innovative and forward-looking firm has combined revenues of some €65 million, making them the mid-tier leader in Italy, and they are actively pursuing additional growth prospects within audit, tax and advisory
- Elsewhere in Europe, BDO France was successful in enacting 4 local mergers, strengthening the Paris office and establishing a presence in southern France. Together, approximately €10 million in revenue and a headcount of 100 people have been added to the firm, putting it well on target to achieving total revenues of €100 million. BDO Germany’s newly-created BDO Restructuring GmbH in Dusseldorf, meanwhile, announced a merger in the advisory and legal area in July, bringing the firm significant additional insolvency management capabilities
- A small but significant merger in Australia saw Foremans Business Advisers in Cairns merge with BDO in North Queensland, and the same was realised by BDO South Africa in January 2015, when RW Irish-Alliott Inc merged with the Johannesburg office
- The BDO firm realising the most mergers this year, however, was once again BDO USA, which posted a 29% rise in annual revenues for the fiscal year ended 30 September 2015, growing to US\$1.12 billion from US\$866 million last year. This increase was fuelled in equal measures by organic growth and the firm’s ongoing expansion strategy, which saw 4 significant mergers, including UHY in Texas, SS&G in Ohio and Chicago, Stone Carlisle in St

Louis and Cross, Fernandez & Riley, a former alliance firm practicing in central Florida. In all, an impressive number of thirteen expansions in the past three years has seen the US firm add nearly 2,000 staff members.

BDO has admitted new firms and strengthened existing firms in the following key markets:

EMEA

- In Europe, an already-existing BDO presence in both Greece and Kazakhstan was considerably strengthened by the appointment of new firms. The new BDO firm in Greece, formerly part of Baker Tilly, has resulted in a firm of 9 partners and over 70 staff. Despite difficult market and economic circumstances, BDO Greece is experiencing solid growth. The new BDO Kazakhstan that joined BDO in February was also previously a Baker Tilly firm, which during the year went on to merge with BDO's existing firm there. With 7 partners and 125 staff based in 4 offices, the firm is another European undisputed mid-tier leader
- Other EMEA gains include a new firm in the West Bank, with an office in Ramallah and ambitions to open in Gaza, and a further addition to BDO East Africa with a new presence in Rwanda. Both territories are complex markets with difficult recent histories, but both benefit from strong local leadership and promising growth prospects

Asia Pacific

- In the Asia Pacific region, BDO French Polynesia entered into an agreement to purchase a firm in New Caledonia as a base for further growth in this Pacific Island group. This brings the French Republic South Pacific communities where BDO has a presence to three. BDO India also deserves special mention for significant organic growth as, since joining BDO just over two years ago with 12 partners and 275 staff, the firm is now recognised as effectively the seventh largest of the top-tier networks present in the country, with 32 partners and 650 staff

Americas

- BDO Panama has been very successful in expanding the practice in Central America and has been instrumental in appointing new firms in Honduras and Nicaragua. These firms join the region's existing BDO presence in operating together as one to offer a full range of services and industry expertise across all of Central America
- Another performer in this region is BDO Dominican Republic, which has been active in adding to their practice, acquiring an advisory team specialising in Microsoft Dynamics, working with a local accounting firm to offer enhanced services and entering into an agreement with a law firm in Spain specialising in sports management consulting.

Across the network, our service line fee shares remain similar to previous years, although an increase in the advisory stream's revenues to 20.6% is testament to a continued strategic focus on this area beginning to show results. Revenues in audit & accounting have declined very slightly to 59%, while tax' share of the business is more or less unchanged, at 20.4%

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Notes to editors**About BDO**

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BDO is the brand name for the BDO network and for each of the BDO member firms.

The fee income of the member firms in the BDO network, including the members of their exclusive alliances, was \$7.30 billion in 2015. These public accounting, tax and advisory firms provide advisory services in 154 countries, with almost 65,000 people working out of 1,408 offices worldwide.

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