



Press release

Date	13 December 2019	For immediate release
Subject	BDO announces financial results 2019: global revenues reach US\$9.6 billion	

BDO's strategy accelerates the organisation's financial growth year on year, with global revenues topping US\$ 9.6 billion for YE 30 September 2019

- 10.1%* increase in global revenues - up from + 8.3% in 2018 - cements BDO's position as fastest-growing global organisation in the profession over the last 10 years
- Focus on leadership ambition is delivering: a combination of significant organic growth and strong M&A activity
- BDO's 88,000+ professionals worldwide are readily embracing future-oriented technology, transforming BDO's client service approach by applying skills and insights with a digital mindset
- An innovation-first approach is driving business efficiency and value for clients
- Focused market efforts and strategic M&A activity are helping to establish BDO as leaders in their chosen markets

*at constant exchange rates

BDO announces a total combined fee income¹ of US\$ 9.6 billion / € 8.5 billion, for the year ended 30 September 2019, representing a year on year growth of 10.1% at constant exchange rates (+12.8% in euro; +6.9% in US\$).

At year-end 2018, global CEO Keith Farlinger stated that his dream for BDO - focused on the concept *It's time for BDO to lead* - is one of a people organisation that delivers innovation and value every day. As Keith himself puts it: "My ambition for BDO is to be a global organisation of leaders. We are one organisation, united under a common cause".

In 2019 all BDO firms are actively embracing the global dream and bringing it to life in their day-to-day business. The organisation's fundamental reason for being is outlined in its WHY, or purpose: *People helping people achieve their dreams*. This shapes how BDO people work with their clients, support their colleagues and interact with their communities.

¹ Including BDO's exclusive alliances

One of the benefits of having a clearly stated WHY is reflected in the organisation's consistent expansion in headcount, which is up 10% this year to 88,120 people: inspired by the WHY, people want to work for BDO. Working out of 1,809 offices worldwide, they are available to support clients as they grow and wherever they conduct their business.

Now represented in 167 countries and territories, the Americas remains the organisation's largest region @ 52.7%, with EMEA @ 34.9% and Asia Pacific @ 12.4%. BDO's impressive growth is evident across all regions, with the strongest revenue increase in the Americas (+15.7%). The EMEA region also performed well (+12.9%), while in the Asia Pacific region, a number of firms have evidenced spectacular growth, including Pakistan (+38%), India (30%) and Indonesia (+21%).

Audit & assurance remains BDO's largest service line, bringing in 42.4% of revenues. This figure is less than in 2018, as advisory and business services & outsourcing have increased their contribution, @ 21.2% and 15.4% respectively. Tax services income remains similar to last year, @ 21.1%.

Strategic approach delivers financial strength:

Choosing to be LEADERS IN OUR MARKETS

BDO firms aim to be leaders in their markets and as these markets are subject to continual technological transformation, the organisation continues to diversify in order to provide new digital solutions. This allows BDO to bring its clients insight and opportunities.

This approach is empowered by strategic merger activity and relevant business-critical acquisitions - in cybersecurity and digital solutions, for example. Firms such as BDO in Austria and in Belgium have made bold moves in acquiring other future-fit services. In 2019, key mergers included BDO in Australia merging with boutique cloud accounting and business advisory firm Consolid8, and one of BDO's biggest-ever mergers with Moore Stephens in the UK. The firm in the USA continues to be BDO's merger leader, having acquired customs and international trade practice Global Trade Strategies Inc in Atlanta and crisis management and business continuity consulting and technology firm Lootok in New York, among others. A plethora of smaller, equally important acquisitions have been seen worldwide, such as that with Grant Thornton in South Africa, to name just one.

Individual firms' strong organic growth has also helped to strengthen several important local market leadership positions across all regions. In Australia, Chile, Lithuania, Mexico, the Netherlands, Peru, Romania, Saudi Arabia and Singapore, for example, BDO firms have all seen double-digit growth.

Choosing to lead in INNOVATION

BDO sees innovation driving value for clients and improving business efficiency and profitability. BDO's culture of innovation is spear-headed by the increasingly influential BDO Innovation Hub, which promotes innovative projects and encourages collaboration. It has accelerated the co-creation of new ideas and the development of products, services and tools which benefit both clients and BDO firms.

Some of the innovation highlights that are available for the benefit of BDO firms include the Danish firm's *BDO Business Inspection* tool, which helps companies to understand whether they are spending too great a proportion of their revenue on salaries and administration costs - as well as how their spend compares to the competition. *Tycoon* has been developed by BDO in New Zealand, which has recognised the power of using gamification for employer branding and recruitment purposes and is currently rolling out their cloud-based, app-enabled business simulation game across all 370 secondary schools in the country. BDO in the Netherlands' *Security Sensor* is for use by clients: a powerful deterrent to cyber threats, it can be employed both virtually and physically at various levels in a client's organisation.

The shining example in BDO's drive for innovation is their bespoke software, APT Next Gen. Working in collaboration with Microsoft, BDO has invested heavily in designing a globally scalable and secure platform. APT NG includes all the digitally enabled processes, methodologies and connected platforms to meet BDO partners' and their clients' specific business needs. This enables them to create new ways to interact and work together. At the time of writing, +/- 22,500 unique users have been onboarded to the tool, with 14,500 using it in the last 30 days alone. Also in the last 30 days, APT has handled in excess of 1.291 billion backend requests. The total number of client engagements so far created within it, meanwhile, has topped 55,000 and its storage capacity now stands at 603 Terabytes for documents and 52 TB for databases.

Microsoft themselves have stated that APT Next Gen is a modern, digitally founded platform that allows BDO to amplify the relationship between technology and data in the audit context: "BDO's APT Next Gen is pure digital transformation in action. This global, connected platform is highly adaptive and flexible, with cloud, data and intelligence at its core". Kristin Johnsen, Corporate Vice President, Microsoft Services.

Powered by leading technology, APT and other BDO platforms such as the Global Portal and Digital Suite are driving efficiency, streamlining the exchange of information and ensuring an improved digital experience and enhanced data analytics capabilities.

Choosing to lead as ADVISERS OF THE FUTURE

BDO's people make the difference - and they are embracing AI and technology to improve the service and value they can create for their clients. There has been a strong focus on enhancing the digital quotient (DQ) mindset of all of our 88,000-plus professionals: but the importance of human interaction has not been neglected. The BDO difference lies in remaining a people business, one that combines digital skills with relationships built on trust and a deep understanding of clients. BDO people share a common objective: the proactive creation and implementation of business solutions and creating value for our clients.

Global CEO Keith Farlinger comments: "This year, all BDO firms have evidenced the power of sharing the same global dream as leaders, proactively advising our clients with future-oriented solutions. In creating new ways to interact with our clients and with each other, we are shaping ourselves for the BDO of tomorrow.

-End-

Note to editors**About BDO**

BDO's global organisation extends across 167 countries and territories, with more than 88,000 professionals working out of over 1,800 offices - and they're all working towards one goal: to provide our clients with exceptional service. BDO was established in Hong Kong in 1981 and is committed to facilitating the growth of businesses by advising the people behind them. BDO in Hong Kong provides an extensive range of professional services including assurance services, business services & outsourcing, risk advisory services, specialist advisory services and tax services. For more details, visit www.bdo.com.hk.

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