

# KPMG global revenues grow to record US \$29 billion

## Growth driven by investments in quality, technology, innovative services, alliances, and record number of new recruits

**London, 13 December 2018** – KPMG International today announced record aggregated network revenues of US\$29 billion for the fiscal year ending 30 September 2018 (FY18), representing a 7.1% increase in local currency terms on FY17.

- Record high revenues for FY18 of US\$28.96 billion, up from \$26.40 billion in FY17
- Revenue growth for FY18 of 7.1% (in local currencies), up from 4.8% in FY17
- Advisory growing at 9.9%, the fastest growing of KPMG’s three functions. Audit and Tax services also increasing their growth compared to FY17
- Consistently strong growth across each of KPMG’s five industry sectors
- Accelerated investment in a multi-year program focused on driving quality, innovation, new technology, developing new client services and solutions, strengthening alliances with many of the world’s leading technology companies
- More than 55,000 new hires, including 39,000 new graduates and other entry level professionals, with almost 10,000 new jobs created, taking the global workforce to a record-high of 207,000 people
- KPMG network continues to focus on building an inclusive and diverse culture, increasing female diversity among our leadership ranks to 24% of Partners and Directors, while broadly maintaining gender parity across our total workforce
- KPMG people continue to make contributing to their communities a priority, with more than 500,000 hours of volunteering in the past twelve months, including approximately 100,000 hours of pro-bono professional services

“We are making record investments in our business to help clients capitalize on the unprecedented transformation they are going through,” said Bill Thomas, Chairman, KPMG International.

“We are committed to continuously improving the quality of every service we provide, recognizing the vital role we perform for clients and capital markets.”

KPMG firms grew across all three geographic regions:

- Americas revenues grew 6.2% in FY18, up from 4.4% in FY17
- Asia Pacific delivered strong growth with revenues increasing 8.7% in FY18, an increase on the 8.1% recorded in FY17
- Europe, Middle East and Africa (EMA, including India) revenues increased 7.3% in FY18, up from 4.0% in FY17

## Investing for future growth

“KPMG is continuing with a multi-year global investment program, investing more than US\$4 billion in innovative new services, technology, and acquisitions over the next four years. This investment program is focused on transformative technologies, such as artificial intelligence and intelligent automation, cyber security, and our intelligent audit and tax platforms.” said Bill Thomas. “Just as we are working with our clients around the world to transform their businesses, we’re also harnessing the power of digital transformation to drive our growth and raise the level of efficiency, innovation and quality.”

In 2018, KPMG was recognized in more than 25 rankings by industry analysts as a market leader, in areas including [Business Analytics Services](#), [Talent and Leadership consulting services](#) and as an [Insight Service Provider](#).

## Growth in business lines – Audit, Tax and Advisory

### Audit

Audit revenues for the year grew globally by 4.8% to US\$11.15 billion, up from US\$10.39 billion and 3.1% growth in the year prior. The 5.7% Audit growth in EMA was our strongest this decade.

KPMG firms continued to win a number of significant audit appointments, particularly in Europe, where the impact of the second full year of EU audit reforms continues to drive increased movement of audit engagements.

“Audit quality remains our absolute priority, and we continue to invest in our smart audit platform – KPMG Clara – as well as our methodology and, most importantly, our people. KPMG Clara helps drive quality and consistency while integrating powerful technologies, including artificial intelligence and predictive analytics, to deliver real-time insights with information arising from the audit process and communication with the audit team.” said Bill O’Mara, Global Head of Audit, KPMG International.

### Tax

Tax revenues grew 6.3% in FY18 to US\$6.34 billion up from 5.9% growth in FY17, driven by strong demand for Tax Compliance services and further enhanced by Domestic and International Tax Advisory Services. Also performing strongly were Transfer Pricing and VAT & Sales Tax Advisory.

“Tax has risen to the top of the Board agenda, and we are helping tax functions within our clients transform rapidly to meet this increased strategic focus for their business, harnessing the advancements in technology, particularly in data and analytics,” said Jane McCormick, Global Head of Tax, KPMG International.

### Advisory

Advisory, as the fastest growing function, grew its revenues by 9.9% in FY18 to US\$11.47 billion a strong increase from the 6.0% growth in FY17. This included the 4<sup>th</sup> year of double digit advisory growth in Asia Pacific. Exceptionally strong consulting growth supporting our clients’ highest priorities, including transformative business solutions and cyber-security; double-digit growth across Deal Advisory, driven by exceptional Transaction Services growth; and continued high demand for Accounting Advisory Services.

“Every client we work with is focused on transforming part or all of their business. We start with a conversation about a business challenge they are facing and quickly move to how we can help with their digital transformation journey. We are incredibly well placed to bring together deep business expertise with leading edge technology solutions that deliver real business value. The speed at which we develop solutions and get them to market has increased dramatically over the past couple of years,” said Mark A. Goodburn, Global Head of Advisory, KPMG International.

## A workforce of extraordinary talent

“KPMG is a leading choice for talent across the world, with more than 39,000 new graduates and other entry level professionals joining KPMG over the past year. We added 10,000 new jobs over the past year and KPMG’s total workforce grew by 5.0% to 207,000 people, the highest number ever employed across the network,” said Susan Ferrier, Global Head of People, KPMG International. “I believe our focus on creating a dynamic, inclusive work environment is reflected in our rise to be a top 5 rated organization on Universum’s 2018 World’s Most Attractive Employer ranking for leading business students.”

Diverse people are our most important asset. Gender diversity has risen across our leadership ranks with women now comprising 24% of Partners and Directors, strengthened by the percentage of diversity across our new Partner promotions (28% in our top 10 largest firms). We strive for overall gender parity throughout our organization, and of KPMG’s total workforce, 47% are women. We have also launched our inaugural Global Inclusion & Diversity Report to further emphasize our focus on creating a truly inclusive and diverse culture as a strategic priority for KPMG.

KPMG is also investing significant time and resource to equip its people with digital transformation skills. In the US work is underway on a new US\$400 million learning, development and innovation facility in Orlando, Florida, which is scheduled to open in 2019.

## Our priority of citizenship

Corporate citizenship is central to our strategy and identity and through our actions and partnerships we are achieving meaningful impact in our communities. Over the past 12 months the KPMG network and KPMG people have invested more than US\$110 million in local communities, and KPMG people have contributed more than 500,000 hours supporting communities, which includes approximately 100,000 hours of pro-bono professional services. We have expanded our focus on the Sustainable Development Goals (SDGs), and in particular, SDG 4 – Quality Education and Lifelong Learning.

The KPMG Family for Literacy program continued to expand, with more than 4 million books distributed worldwide, and now partnering with Worldreader to expand digital reading opportunities. The KPMG Cyber Day initiative reached more than 80,000 students in 45 countries with lessons on cyber-security.

We continue to strengthen our Citizenship collaborations with organizations including Junior Achievement, Enactus, One Young World and WE Charity, among others.

## Other FY18 highlights

KPMG has been recognized as a leader in work environment and the drive toward inclusion in the workplace, including:

- FORTUNE 100 Best Companies to Work For (2018), KPMG recognized for the 11<sup>th</sup> year (ranked #29), also recognized by FORTUNE and Great Place to Work as one of 2018 Best Workplaces for Women
- 2018 DiversityInc , ranked 8<sup>th</sup> of the Top 50 Companies for Diversity (US)
- Working Mother magazine 2018, named to 100 Best Companies for Working Mothers for 22<sup>nd</sup> year, also ranked one of Top 5 Best Companies for Multicultural Women (US)
- Named one of Canada’s best diversity employers for the 11<sup>th</sup> consecutive year (Canada)
- Business in the Community (BITC) and the Times announced KPMG in the UK in the Top 50 Employers for Women for the 8<sup>th</sup> consecutive year (UK)

- Recognized as the UK's leading social mobility employer, by the Social Mobility Foundation, which measures organizations for being open to diverse talent. (UK)
- Named to the Stonewall Workplace Equality Index Top 100 for the third year running, recognizing achievements on lesbian, gay, bisexual and trans (LGBT) equality in the workplace (UK)
- Named one of Best Companies to Work For in Asia 2018 by HR Asia (China)
- Hong Kong government awarded KPMG China the Friendly Employment Award and Outstanding Inclusive Team Award, which recognize organizations that hire people with disabilities (China)

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## Notes to editors:

### KPMG FY18 member firm revenues (US\$ billion)

Regions	Current	Prior	Local Growth (%)	US\$ Growth (%)
Americas	11.10	10.48	6.2%	5.9%
Asia Pacific	4.88	4.42	8.7%	10.4%
EMA	<u>12.98</u>	<u>11.50</u>	<u>7.3%</u>	<u>12.9%</u>
Total	<u>28.96</u>	<u>26.40</u>	<u>7.1%</u>	<u>9.7%</u>
<b>Functions</b>				
Audit	11.15	10.39	4.8%	7.3%
Tax	6.34	5.83	6.3%	8.7%
Advisory	<u>11.47</u>	<u>10.18</u>	<u>9.9%</u>	<u>12.7%</u>
Total	<u>28.96</u>	<u>26.40</u>	<u>7.1%</u>	<u>9.7%</u>

### The following global reports have also been issued by KPMG International today:

[KPMG Global Review](#) reflects on our record of achievement over the past year, demonstrating the insights and expertise of KPMG professionals and the unrelenting focus on acting with integrity and quality in everything we do.

[KPMG International Transparency Report](#) provides insights and details on how we continually strive to enhance audit quality, which is a direct reflection of the KPMG network's unwavering commitment to audit quality, an integral element of our business and culture.

[KPMG Global Inclusion and Diversity Report](#) demonstrates our focus on inclusion and diversity as a business imperative, discussing our approach to building an inclusive culture and diverse workforce with examples of how the strategy is brought to life across the KPMG network.

## About KPMG International

KPMG is a global network of professional services firms providing Audit, Tax and Advisory services. We operate in 153 countries and have 207,000 people working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. Each KPMG firm is a legally distinct and separate entity and describes itself as such.

The financial information set forth represents combined information of the separate KPMG member firms that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any client revenue.

Headcount figures are expressed as FTE (full-time equivalent) and are based on average headcount for the financial year.