

# Global revenues rise to US\$7.6 billion, cementing BDO's leadership position in the mid-tier of the profession

- FY16 global revenues up by 8%
- High number of strategic mergers - over 30 network-wide
- Commitment to digital transformation delivering leading-edge services to clients
- Growth spearheaded by BDO firms in US (+12%) and China (+13%)
- Long-term investment in consolidation is the foundation for success

**BRUSSELS, 14 December 2016** - BDO announces today a total combined fee income for the year ended 30 September 2016 of US\$ 7.6 billion / € 6.8 billion\*. This represents a year on year growth of 8%, at constant exchange rates.

The BDO network's global representation has expanded from 154 to 158 countries and territories. Global headcount has increased by 5.33%, with 67,731 people now working out of 1,401 offices worldwide.

This tangible growth in revenues can be attributed to:

- The network's successful mergers and acquisitions strategy, aided by the continuing consolidation of the accountancy profession
- New firms both expanding the network's global footprint and bolstering performance in existing key territories
- Sustained organic growth across all regions
- The drive to adapt and transform the delivery of exceptional client service through the application of powerful new technologies

“Not only is our expansion strategy reaping greater rewards, we are also rapidly gaining a reputation as one of the most innovative networks in our profession”, comments Martin van Roekel, Global CEO of BDO. “The concurrent challenges of increasing costs, a shrinking talent pool and the need to invest and to manage regulatory demands mean that many firms and networks outside the largest six are having to consider mergers and/or acquisitions in order to survive.

“At BDO, we recognise that further mid-tier consolidation is inevitable - and we have planned for it. We have a long-term investment strategy in global infrastructure, technology and talent that not only ensures that we can provide exceptional service to our clients, but gives us the momentum and power to continue at the forefront of the ongoing consolidation in the mid-tier of our profession.”

He continues: “At the same time, we acknowledge that our profession is undergoing a digital transformation and, in order to define the future digital landscape, we need to be able to lead, adapt and transform - for our benefit, and for that of our clients.

“That is why we signed a global [strategic alliance](#) with Microsoft earlier this year. Working with Microsoft, our firms and their professionals can expand upon the in-depth knowledge they have of their clients and deliver additional value-added services by providing them with powerful financial and operational insights. This in turn improves internal efficiency and the quality of audit and advisory engagements.”

## **Merger activity and new firms**

### *EMEA*

- BDO continues to invest in IT advisory. BDO Czech Republic entered this field when they merged with Servodata, a fast growing IT firm. More recently, BDO Jersey merged with management advisory and technology firm Greenlight, adding 88 partners and staff. In Georgia, BDO created a new business unit, BDO Solutions, which they merged with an IT firm. BDO Germany also entered the IT advisory arena when they brought on board a full team of 30 staff, creating at the same time a strong basis for the German cyber initiative
- Our cybersecurity services offering is growing network-wide: in Israel, BDO acquired the leading cybersecurity advisory firm SECOZ, adding 30 cybersecurity experts and, in July, BDO Netherlands merged with the cybersecurity advisory firm Complions, adding additional revenues and markedly strengthening the firm’s position in the Dutch cybersecurity market
- BDO Norway continued its impressive merger record with 9 acquisitions in 2016, strengthening its strong position in the Norwegian market. Meanwhile in Austria, BDO merged with the advisory firm Strametz & Partners, strengthening their HR advisory offering. Further mergers & acquisitions took place in Liechtenstein, Morocco, Poland, Switzerland and Sweden
- In West Africa, we expanded into 3 new territories: previously part of the PKF network, BDO Francophone West Africa has offices in Ivory Coast, Niger and Togo, and has subsequently merged with three other practices, creating a firm with 58 partners and staff.

### *Americas*

- BDO USA is the network's M&A leader, seeing a number of significant mergers in 2016. These include CEA, Feeley and Driscoll, Mantyla McReynolds and Goldstein Schechter Koch. The firm's many other smaller acquisitions and direct admissions are numerous
- In Brazil, BDO took on the largest full practice firm outside the top 5 when they merged with Baker Tilly. This added 250 partners and staff
- Further mergers & acquisitions took place in Canada and Mexico.

### *Asia Pacific*

BDO's existing presence in South Korea was considerably strengthened by the appointment of the well-respected E-Hyun Accounting Corporation and E-Hyun Tax Corporation, a leading tax firm currently building its audit practice.

### **Digital leadership**

BDO's collaboration with Microsoft will create new and exciting opportunities for our firms and enable them to provide clients with powerful financial and operational insights. It covers the following key areas:

- Enhanced digital relationships: delivering an online collaboration space to further enhance our clients' digital experience and service workflow, as well as supporting and extending client relationships
- Improved efficiency and quality: enabling BDO professionals to better understand and respond to risks, and so leverage this understanding to provide additional insights and automation efficiencies to clients
- Firm foundations for the future: giving all BDO firms access to global resources, enabling agility and flexibility in their service delivery.



*\*including BDO's exclusive Alliances*



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