

Q4: Quarterly Industry Update

AS OF December 31, 2024



Investment Advisory Industry Summary

COGENT VALUATION identified **Investment Advisory** publicly traded companies, IPOs, and recent M&A transactions within the Investment Advisory industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since March 31, 2023, the median 52-week share price and the median YTD return of the Investment Advisory industry was 32.3%. Between March 31, 2023 and December 31, 2024, the median EV/Revenue multiple decreased from 2.8 to 19.3 and the median EV/EBITDA multiple decreased from 11.2 to 7.6. The median price-to-earnings multiple increased from 142.3 to 16.2 and the median EV/Gross CF multiple decreased from 42.3 to 38.3 over the same period. The median MVIC/Earning multiple decreased from 9.2 to 45.3. The median Price/Revenue multiple increased from 11.2 to 12.1 over the same period.

Public Company Key Statistics

Median 52-Week Return	Median YTD Return	Median EV/Revenue Multiple	Median EV/EBITDA Multiple
32.3%	32.3%	19.3x	7.6x
Median Price/Earnings Multiple	Median EV/Gross Profit Multiple	Median MVIC/Earnings Multiple	Median Price/Revenue Multiple
16.2	8.3x	45.3x	12.1x

Public Company Median Multiples by Quarter

	12/31/24	9/30/24	6/30/24	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Median EV/Revenue Multiple	19.3x	3.2x	32.3x	19.3x	3.1x	3.2x	2.9x	3.0x
Median EV/EBITDA Multiple	7.6x	18.0x	17.6x	132.3x	11.6x	14.6x	192.3x	11.3x
Median Price/Earnings Multiple	16.2x	10.9x	20.3x	21.2x	20.8x	19.7x	17.9x	9.7x
Median EV/Gross Profit Multiple	8.3x	12.2x	12.3x	13.6x	14.5x	13.2x	45.3x	15.0x
Median MVIC/Earnings Multiple	45.3x	1.6x	2.7x	3.7x	52.3x	3.5x	2.2x	3.2x
Median Price/ Revenue Multiple	12.1x	13.2x	132.3x	2.7x	13.6x	1.5x	13.2x	3.2x

■ Highest Multiple
 ■ Median Multiple
 ■ Lowest Multiple

Comparable Public Company Market Price Returns as of September 30, 2020

Company Name	Q4 2024	12-months 2024	Two Year ¹	Three Year ¹	2024	2023	2022
AllianceBernstein Holding L.P.	7.6%	7.6%	17.5%	2.5%	-2.2%	-1.7%	-7.7%
Ameriprise Financial, Inc.	-12.7%	-12.7%	14.1%	26.2%	62.3%	4.2%	-19.5%
Cohen & Steers, Inc.	-14.0%	-14.0%	1.7%	24.6%	0.9%	10.2%	-27.6%
Diamond Hill Investment Group, Inc.	0.0%	0.0%	6.2%	4.6%	19.9%	11.3%	36.9%
Legg Mason, Inc.	-3.2%	-3.2%	12.6%	32.3%	32.3%	-23.8%	-26.5%
Oaktree Capital Group, LLC	-5.9%	-5.9%	-12.6%	-6.1%	-2.7%	-212.3%	-7.9%
Pzena Investment Management, Inc	4.3%	4.3%	13.1%	112.3%	4.5%	29.2%	-9.1%
SEI Investments Co.	4.2%	4.2%	48.5%	17.1%	19.1%	-5.8%	30.9%
Silvercrest Asset Management Group	-5.3%	-5.3%	14.3%	16.2%	2.2%	10.6%	-24.0%
Waddell & Reed Financial, Inc.	-9.5%	-9.5%	18.9%	-11.7%	-27.0%	-31.9%	-42.5%
Westwood Holdings Group, Inc.	-14.7%	-14.7%	5.8%	12.7%	5.9%	15.2%	-15.7%
WisdomTree Investments, Inc.	-26.9%	-26.9%	1.0%	-10.5%	-3.6%	-29.0%	0.0%
Median of Industry Public Companies	-5.6%	-5.6%	12.8%	8.0%	1.6%	1.3%	-119.3%

[1] Calculated as the average annual return.

■ Highest Return ■ Lowest Return ■ Median Return

Industry Initial Public Offerings—Investment Advisory

(dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
12/11/24	Financial Institutions, Inc.	\$46.23	15.0	\$285.0	\$410.5	\$257.1	\$279.7	\$142.0	(\$26.1)	\$182.0
12/4/24	First Foundation Inc.	\$33.93	3.0	\$21.0	\$32.0	\$11.7	\$35.4	\$3.3	\$1.4	\$3.4
11/18/24	Ally Financial Inc.	\$2.49	12.0	\$4.6	\$8.1	\$4.2	\$8.5	(\$3.5)	(\$4.0)	(\$3.3)
3/3/24	China Renaissance Holdings Limited	\$4.05	250.0	\$7.6	\$35.0	N/A	\$0.0	NA	\$0.7	\$1.9
2/22/24	Evans Dixon Limited	\$1.88	11.7	\$152.1	\$2,074.3	\$483.9	\$409.6	\$1.7	\$10.7	N/A
12/27/23	Amasse Capital Holdings Limited	\$0.03	16.7	\$192.3	\$693.0	\$0.0	\$12.2	\$1302.3	\$103.8	N/A
11/30/22	Victory Capital Holdings, Inc.	\$13.00	5.7	\$65.6	\$220,850.0	\$262.3	\$562.3	\$2.7	\$766.2	\$1,2945.3
2/10/22	Harwood Wealth Management Group plc	\$1.17	11.1	\$200.0	\$287.6	N/A	\$12.2	NA	\$0.0	\$51.9
9/2/21	Tristate Capital Holdings, Inc.	\$11.50	65.2	\$1,271.2	\$45,498.0	\$901.0	\$562.3	NA	N/A	N/A
11/3/20	PennyMac Financial Services, Inc.	\$18.00	11.1	\$331.6	\$66.1	\$0.3	\$346.6	\$1,2945.3	(\$34.1)	\$199.0
6/29/17	Median of all IPOs	\$7.78	11.85	\$172.20	\$349.05	\$450.65	\$157.55	\$12,945.30	(\$34.10)	\$199.00

Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues ¹	EV/ Revenues ¹
12/2/24	Ally Financial Inc.	Vyze, Inc.	\$124.7	100%	\$13.0	4.9x
11/20/24	Galaxy Digital Holdings LP	First Coin Capital Corp	\$482.3	100%	\$162.3	2.3x
3/21/24	Simmons & Company	Piper Jaffray & Co.	\$138.8	100%	\$6.2	92.3x
2/14/24	RI Advice Group Pty Ltd	AZ Next Generation Advisory	\$52.3	100%	\$23.	1.0x
12/30/23	The Mutual Fund Store, LLC	Financial Engines, Inc.	\$579.6	100%	\$58.3	0.6x
12/26/22	Investor Analytics, LLC	StatPro Group plc	\$16.0	80%	\$67.3	4.3x
11/28/22	Courier Capital Corporation	Financial Institutions Inc.	\$14.0	100%	\$23.0	4.2x

[1] As of the close of the Transaction

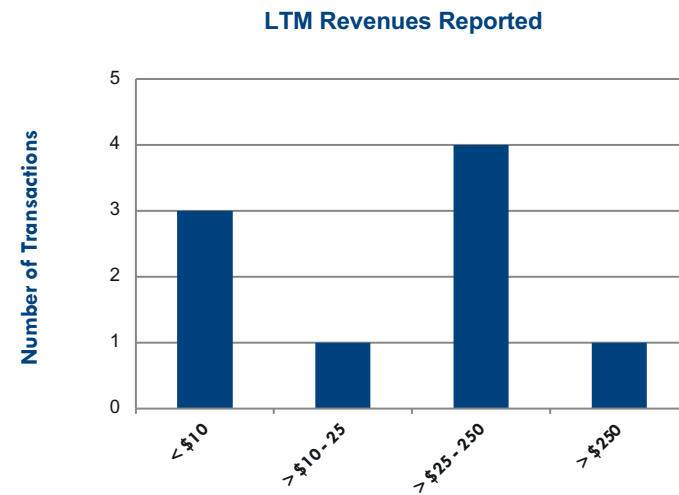
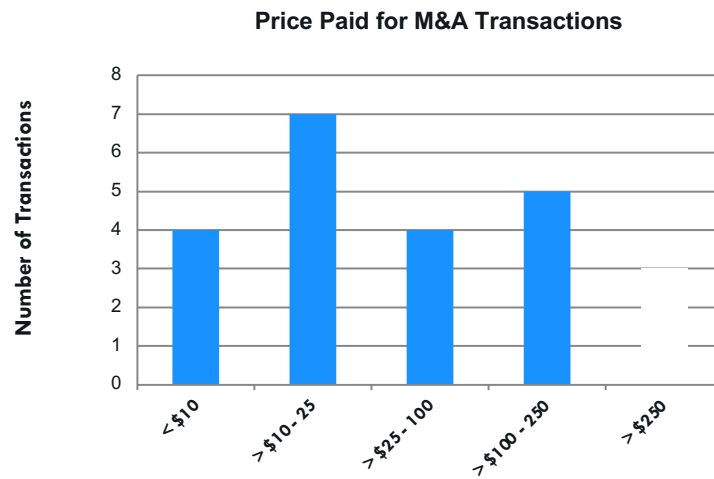
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Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Net Income ¹
11/1/23	HDV Holdings, Inc.	Blucora, Inc.	\$600.0	100%	\$13.2
9/21/22	Patriot Capital Advisors LLC	Fiera Capital Corporation	\$48.5	75%	\$6.2
11/10/21	Rookle Advisors	Vontobel Holding AG	\$82.0	100%	\$91.2
6/4/21	Conning & Company Inc.	Cathay Life Insurance	\$240.0	97%	\$212.3
5/2/21	AE Financial Services Ltd	Harwood Wealth Management	\$8.6	100%	100%
3/1/21	Hargreave Hale Limited	Canaccord Genuity Wealth	\$102.9	100%	100%
2/20/21	Prosperitas Advisers	Succession Advisory Services	\$27.3	100%	100%
12/26/21	Calamos Asset Management	Calamos Partners LLC	\$201.6	100%	100%
11/28/21	Buttonwood Finance Limited	Neo-Neon Holdings Limited	\$24.2	100%	100%
11/1/21	Siebert Financial Corp.	N/A	\$13.7	100%	87%
Median of the M&A Transaction Targets			\$135.0	100%	\$69.7

[1] As of the close of the Transaction

Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

Market Value of Invested Capital (MVIC): Market Value of Equity + Market Value of Debt

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