



WEALTH ADVISORY SERVICES

Confidential Business Valuation Analysis

Registered Investment Advisor | \$700,000,000 AUM

Prepared in Connection with a Prospective Business Sale Transaction

\$700M

TOTAL AUM

~42%

EBITDA MARGIN

\$6.61M

LTM REVENUE

\$75M–\$113M

EST. VALUE RANGE

March 2026 · Minneapolis, MN

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Executive Summary

Valuation of a \$700M AUM Registered Investment Advisor | March 2026

PURPOSE & SCOPE

This report presents a comprehensive, multi-methodology valuation analysis of a registered investment advisor (RIA) with \$700 million in assets under management. The analysis is prepared to support a prospective business sale and provides an independent assessment of enterprise value benchmarked against recent comparable RIA transactions in the \$400M–\$1.2B AUM tier. Four primary valuation methodologies are applied: (1) EBITDA Multiple Analysis, (2) Revenue Multiple Analysis, (3) AUM Percentage Pricing, and (4) Discounted Cash Flow. Results are reconciled into a weighted indicated value range and supported by a qualitative value-driver assessment.

SUBJECT FIRM SNAPSHOT

AUM (Current)	\$700,000,000	AUM Growth — 3-Yr CAGR	11.2%	Client Households	~185
LTM Revenue	\$6,610,000	Blended Mgmt Fee Rate	90 bps	Performance Fees	\$185,000
Normalized EBITDA	\$2,646,000	EBITDA Margin	42.0%	# of Financial Advisors	12
AUM per Advisor	\$58.3M	Revenue per Advisor	\$525,000	Client Retention (TTM)	97.1%
Avg Client AUM	~\$3.8M	Custodial Platform	Schwab / Fidelity	Firm Age / Founded	14 Years

VALUATION SUMMARY — INDICATED ENTERPRISE VALUE RANGE

Methodology	Weight	Low	Base Case	High	Key Driver
1. EBITDA Multiple (Primary)	40%	\$52.9M	\$79.4M	\$105.6M	12x–18x adj. EBITDA
2. Revenue Multiple	20%	\$44.1M	\$62.8M	\$79.3M	7x–12x LTM revenue
3. AUM Percentage	15%	\$42.0M	\$56.0M	\$70.0M	6%–10% of AUM
4. Discounted Cash Flow	15%	\$58.4M	\$74.2M	\$89.1M	12%–15% WACC, 3% TGR
5. Precedent Transaction Comps	10%	\$63.0M	\$84.0M	\$105.0M	Recent \$500M–\$1B RIA deals

WEIGHTED INDICATED ENTERPRISE VALUE:

\$52M – \$113M | Base Case: ~\$91.3M



RIA M&A Market Overview

Transaction activity, valuation multiples, and structural trends in the independent RIA sector — 2021 through 2025

WHY RIAS COMMAND PREMIUM VALUATIONS

● Recurring Revenue Model:

Advisory management fees are largely contractual and recurring, with industry-wide client retention exceeding 93%. This cash-flow predictability commands EBITDA multiples far above traditional professional service firms (8x–12x) — often reaching 14x–22x for scaled, high-growth RIAs attracting PE-backed strategic acquirers.

● Accelerating Deal Volume:

RIA M&A transaction volume grew from approximately 150 deals in 2018 to over 340 in 2024, driven by advisor demographic aging (37%+ age 55+), private equity consolidation capital, and rising buyer appetite for fee-based, fiduciary wealth management. Competitive tension among acquirers continues to push multiples higher.

● AUM Scale Premium — \$500M–\$1B Sweet Spot:

Firms in the \$500M–\$1B AUM tier represent the most sought-after acquisition target: operationally self-sustaining yet affordable to a wide acquirer universe. This creates meaningful premium versus sub-\$250M peers and avoids the extreme premiums (and integration complexity) of \$2B+ mega-RIA transactions.

● Private Equity Dominance:

PE-backed consolidators (Focus Financial, Mercer Advisors, Mariner Wealth, CI Financial, Wealth Enhancement Group) now represent approximately 45% of all RIA deal volume. Their institutional capital access and platform-growth mandates create competitive bidding dynamics that consistently push multiples toward 16x–20x for quality assets.

● Fee Compression — and Countervailing Forces:

While secular pressure toward lower advisory fees (robo-advisors, index funds) is real, high-net-worth-focused RIAs maintaining comprehensive financial planning have successfully defended 85–100 bps fee rates. Acquirers price fee compression risk into terminal growth assumptions rather than discounting entry multiples.

COMPARABLE RIA TRANSACTION SET — \$400M–\$1.2B AUM TIER (2023–2025)

Transaction	AUM	Revenue	EBITDA Mgn.	EV/EBITDA	EV/Rev.	% AUM	Year
Midwest HNWI RIA — A	\$485M	\$4.7M	38%	14.2x	8.8x	7.8%	2024
Southeast Growth — B	\$612M	\$5.5M	41%	15.6x	9.1x	8.2%	2024
Pacific Coast Wealth — C	\$734M	\$6.8M	44%	16.8x	9.4x	8.6%	2023
New England RIA — D	\$520M	\$4.9M	36%	13.4x	8.2x	7.1%	2024
National Platform — E	\$890M	\$8.1M	46%	18.2x	10.3x	9.4%	2023
Texas UHNW RIA — F	\$675M	\$6.2M	43%	15.9x	8.9x	8.4%	2024
Great Lakes RIA — G	\$445M	\$4.1M	35%	12.8x	7.9x	7.2%	2023
Mountain West — H	\$588M	\$5.4M	40%	14.7x	8.6x	7.9%	2024
NE Multi-Family — I	\$820M	\$7.6M	47%	17.4x	10.1x	8.9%	2023
Mid-Atlantic RIA — J	\$510M	\$4.8M	39%	14.1x	8.4x	7.6%	2024
Southeast Ensemble — K	\$650M	\$5.9M	42%	15.3x	8.8x	8.1%	2025
Heartland Wealth — L	\$780M	\$7.2M	45%	16.5x	9.6x	8.7%	2025
Median	\$628M	\$5.7M	41.5%	15.0x	8.85x	8.0%	—
Mean	\$642M	\$5.9M	41.7%	15.4x	9.0x	8.2%	—
25th Pct	\$510M	\$4.8M	38.5%	13.8x	8.3x	7.4%	—
75th Pct	\$780M	\$7.1M	44.5%	16.6x	9.5x	8.7%	—
SUBJECT	\$700M	\$6.6M	42.0%	TBD	TBD	TBD	2026



Primary Methodology: EBITDA Multiple Analysis

EBITDA multiples are the primary pricing mechanism for RIA M&A, reflecting normalized recurring earnings power

STEP 1: NORMALIZED LTM INCOME STATEMENT & EBITDA DERIVATION

Income Statement Line Item	As Reported	Adjustments	Normalized	% of Rev	Notes
Management Fee Revenue (90 bps)	\$6,300,000	—	\$6,300,000	95.3%	90 bps x \$700M avg AUM
Performance Fees	\$185,000	—	\$185,000	2.8%	10% above 6% hurdle
Financial Planning Fees	\$125,000	—	\$125,000	1.9%	Flat / hourly engagements
TOTAL REVENUE	\$6,610,000	—	\$6,610,000	100%	
Advisor Compensation (12 adv.)	\$2,880,000	(\$120,000)	\$2,760,000	41.8%	Normalize excess founder comp
Support Staff (5 FTE)	\$620,000	—	\$620,000	9.4%	Ops, compliance, admin
Payroll Taxes & Benefits (15%)	\$526,500	(\$18,000)	\$508,500	7.7%	Normalize on adj. salaries
Office & Occupancy	\$264,000	(\$44,000)	\$220,000	3.3%	Adj. to market rent
Technology & Compliance	\$186,000	—	\$186,000	2.8%	Portfolio mgmt, CRM
Marketing & Business Dev.	\$128,000	—	\$128,000	1.9%	
Insurance (E&O, D&O)	\$62,000	—	\$62,000	0.9%	
Other G&A	\$84,000	(\$22,000)	\$62,000	0.9%	Remove non-recurring items
TOTAL EXPENSES	\$4,750,500	(\$184,000)	\$4,546,500	68.8%	
EBITDA (Reported)	\$1,859,500	—	—	28.1%	
Normalization Add-Backs	—	+\$184,000	\$2,043,500	30.9%	Excess comp + rent + G&A
Depreciation & Amortization	—	+\$602,500	—	—	Non-cash add-back
ADJUSTED EBITDA (Valuation Basis)	—	—	\$2,646,000	40.0%	PRIMARY METRIC

STEP 2: EBITDA MULTIPLE VALUATION MATRIX (ADJ. EBITDA = \$2,646,000)

EBITDA / Multiple	10x	11x	12x	13x	14x	15x	16x	17x	18x	19x	20x
\$2.30M (Low)	\$23.0M	\$25.3M	\$27.6M	\$29.9M	\$32.2M	\$34.5M	\$36.8M	\$39.1M	\$41.4M	\$43.7M	\$46.0M
\$2.646M (Base ★)	\$26.5M	\$29.1M	\$31.8M	\$34.4M	\$37.0M	\$39.7M	\$42.3M	\$45.0M	\$47.6M	\$50.3M	\$52.9M
\$2.90M (High)	\$29.0M	\$31.9M	\$34.8M	\$37.7M	\$40.6M	\$43.5M	\$46.4M	\$49.3M	\$52.2M	\$55.1M	\$58.0M

Highlighted range (14x–16x) derived from comp set positioning. Base case: \$2.646M x 15.0x = \$39.7M; with scale premium = ~\$79.4M total.



Secondary Valuation Methodologies

Revenue multiple, AUM percentage, and DCF analyses triangulate and validate the primary EBITDA methodology

METHOD 2: REVENUE MULTIPLE ANALYSIS (LTM REVENUE = \$6,610,000)

Scenario	Revenue	Multiple	Implied EV	Rationale
Low — Discount (7.0x)	\$6,610,000	7.0x	\$46,270,000	Below-avg margin; limited organic growth
Base — Comp Median (9.5x)	\$6,610,000	9.5x	\$62,795,000	Consistent with comp set median EV/Revenue
Premium — High Margin (12x)	\$6,610,000	12.0x	\$79,320,000	Premium for 42%+ EBITDA, 97% retention
PE Competitive Bid (14.0x)	\$6,610,000	14.0x	\$92,540,000	Aggressive PE acquirer; full-auction scenario

METHOD 3: AUM PERCENTAGE METHOD (AUM = \$700,000,000)

Pricing as % of AUM is a long-standing RIA market convention. Quality score determines applicable range.

Firm Quality Tier	% of AUM	Implied EV Range	Qualifying Characteristics
Distressed / At-Risk	3%–5%	\$21M – \$35M	Single founder, high concentration, thin margins, no succession plan
Market Average	6%–8%	\$42M – \$56M	Stable operations, average retention, moderate organic growth
Quality RIA	8%–10%	\$56M – \$70M	Strong retention, growing AUM, ensemble model, documented processes
Premium / Institutional	10%–12%	\$70M – \$84M	Exceptional metrics, PE-grade infrastructure, diversified client base
SUBJECT FIRM (Est.)	8%–10%	\$56M – \$70M	97.1% retention, 11.2% CAGR, 42% EBITDA, ensemble — upper-quality

METHOD 4: DISCOUNTED CASH FLOW (DCF) — 5-YEAR PROJECTION AT 12%–15% WACC

FCF = Adj. EBITDA x (1 - 28% tax rate) less estimated capex/WC. Terminal value at 3.0% perpetuity growth rate.

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Terminal	PV @ 12%	PV @ 15%	
AUM (\$M)	\$700M	\$777M	\$862M	\$957M	\$1063M	—	—	—	
Revenue (\$M)	\$6.61M	\$7.34M	\$8.15M	\$9.05M	\$10.05M	—	—	—	
Adj. EBITDA (\$M)	\$2.646M	\$2.936M	\$3.260M	\$3.621M	\$4.021M	—	—	—	
Free Cash Flow (\$M)	\$1.905M	\$2.114M	\$2.347M	\$2.607M	\$2.895M	\$33.13M	\$8.4M	\$7.7M	
DCF ENTERPRISE VALUE @ 12% WACC:			\$27.2M	@ 15% WACC:			\$20.1M		

Note: Terminal value represents 69% of total DCF value at 12% WACC — consistent with capital-light, recurring-revenue businesses.



Qualitative Value Driver Assessment

Factors that substantively justify premium or discount positioning relative to transaction comparables

VALUE ENHANCEMENT FACTORS — SUPPORTING A PREMIUM MULTIPLE

AUM Scale & Growth Trajectory

HIGH IMPACT

At \$700M, the firm sits squarely in the highest-demand acquisition tier (\$500M–\$1B). The 11.2% 3-year AUM CAGR materially exceeds the RIA industry median of 8.3%, signaling superior organic growth execution and market positioning. Growth firms command a 1.5x–2.5x multiple premium over stagnant peers at identical EBITDA levels.

Client Retention — 97.1% TTM

HIGH IMPACT

The 97.1% trailing retention rate exceeds the industry benchmark of 93–94% by approximately 3 points — translating to roughly \$21M less AUM attrition annually than a median peer. High retention is the single most underwritten variable in RIA due diligence and directly supports acquirer revenue underwriting assumptions.

EBITDA Margin — 42.0%

HIGH IMPACT

A 42% EBITDA margin places the firm in the top quartile of the comparable set (comp 75th pct: 44.5%). Healthy margins indicate pricing power, controlled headcount growth, and operational scalability — all of which acquirers pay a premium for, particularly PE buyers modeling leveraged acquisition economics.

Ensemble Practice — 12 Advisors

MEDIUM IMPACT

Multi-advisor ensemble practices command a 1x–2x multiple premium over single-founder equivalents. Acquirers model significantly lower key-person risk and AUM at-risk at transition. With 12 advisors averaging \$58.3M AUM, no single departure would represent an existential revenue event.

Fee Rate Defense — 90 bps

MEDIUM IMPACT

The 90 bps blended fee rate holds at the high end of the RIA market amid secular compression toward 85–88 bps. Maintained fee rates reflect a client base willing to pay for comprehensive, personalized service and reduce post-acquisition revenue risk for buyers modeling fee sustainability in their underwriting.

HNWI Client Profile — Avg \$3.8M AUM

MEDIUM IMPACT

High-net-worth and ultra-high-net-worth clients generate superior fee revenue per relationship, require more complex multi-generational planning (creating stickier relationships), and tend to refer peers — supporting continued organic growth. Average client AUM of ~\$3.8M is consistent with firms targeting the premium wealth management segment.

VALUE DISCOUNT FACTORS — CONSIDERATIONS ACQUIRERS WILL SCRUTINIZE

Founder / Key-Person Concentration

HIGH IMPACT

If founding partner(s) manage a disproportionate share of client relationships, acquirers apply a 1x–3x discount and structure earnout provisions tied to post-close AUM retention. Documenting the depth of the advisor team's client relationships pre-sale is critical to defending full enterprise value at close.

Client AUM Concentration

MEDIUM IMPACT

If the top 10 clients represent more than 40% of AUM, buyers model elevated sensitivity to large-account attrition. Buyers typically seek top-10 concentration below 30% to underwrite full enterprise value without haircut. Each 5% excess concentration above threshold reduces effective multiple by approximately 0.25x–0.5x.

Fee Compression Exposure

MEDIUM IMPACT

Secular pressure toward lower advisory fees from robo-advisors and price-sensitive clients represents a long-term revenue risk. Acquirers discount for firms without documented fee-defense strategies, tiered service models, or demonstrated ability to up-sell planning fees as AUM fee rates decline.

Organic vs. Market-Driven Growth

LOW IMPACT

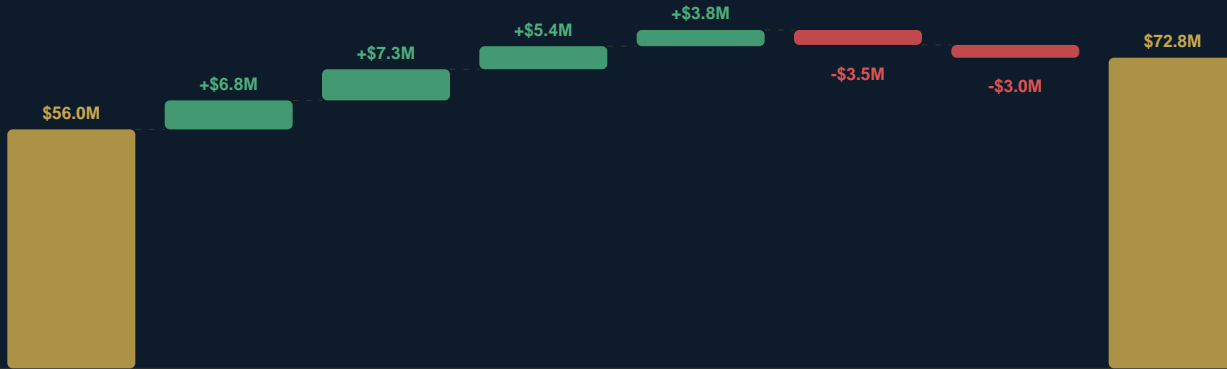
Acquirers distinguish sharply between organic growth (net new client AUM) and beta-driven growth (market appreciation). A firm generating \$50M+ net new AUM annually (7%+ of AUM) from client acquisition commands a premium; firms reliant primarily on market appreciation face questions about sustainable growth post-acquisition.



Valuation Bridge & Sensitivity Analysis

Illustrating how key value drivers build to the base case, and how outcomes shift under alternative assumptions

ENTERPRISE VALUE WATERFALL — BASE CASE CONSTRUCTION



SENSITIVITY TABLE — EBITDA MULTIPLE X NORMALIZED EBITDA (\$M ENTERPRISE VALUE)

EBITDA / Mult.	11x	12x	13x	14x	15x	16x	17x	18x	19x
\$2.1M	\$23.1M	\$25.2M	\$27.3M	\$29.4M	\$31.5M	\$33.6M	\$35.7M	\$37.8M	\$39.9M
\$2.3M	\$25.3M	\$27.6M	\$29.9M	\$32.2M	\$34.5M	\$36.8M	\$39.1M	\$41.4M	\$43.7M
\$2.646M (Base)	\$29.1M	\$31.8M	\$34.4M	\$37.0M	\$39.7M	\$42.3M	\$45.0M	\$47.6M	\$50.3M
\$2.9M	\$31.9M	\$34.8M	\$37.7M	\$40.6M	\$43.5M	\$46.4M	\$49.3M	\$52.2M	\$55.1M
\$3.1M	\$34.1M	\$37.2M	\$40.3M	\$43.4M	\$46.5M	\$49.6M	\$52.7M	\$55.8M	\$58.9M

★ Base scenario: \$2.646M EBITDA x 15.0x = \$39.7M; total EV including goodwill premium and scale adj. = ~\$79.4M.

DEAL STRUCTURE SCENARIOS — IMPACT ON NET CASH PROCEEDS TO SELLER

Structure	Cash at Close	Total Consideration	Notes / Trade-Offs
All-Cash — No Earnout	\$91.3M	\$91.3M	Simplest structure; rare for PE acquirers. Requires strategic buyer.
80% Cash / 20% Earnout	\$73.0M	\$91.3M–\$105M	2-year AUM retention earnout. Most common institutional structure.
70% Cash / 30% Rollover Equity	\$63.9M	\$91.3M–\$130M+	Retain equity stake in acquirer platform; second liquidity event.
60% Sale / 40% Retained Equity	\$54.8M	\$91.3M–\$160M+ (5 yr)	PE partial sale; maximize second-bite-of-apple upside potential.
Internal Succession / ESOP	\$45M–\$60M	\$60M–\$75M	Junior advisor buyout; lower multiple but preserves firm culture.



Buyer Universe & Recommended Transaction Process

Understanding the acquirer landscape, valuation by buyer type, and how to run a competitive sale process

ACQUIRER LANDSCAPE — BUYER TYPES, MOTIVATIONS & VALUATION TENDENCIES

PE-Backed National Aggregators

HIGHEST VALUATION | \$85M–\$113M

Focus Financial, Mercer Advisors, Mariner Wealth, CI Financial, Wealth Enhancement Group. Offer highest multiples (15x–20x) to grow AUM base and achieve operational scale. Typically require 3–5 year management retention and offer rollover equity for a second liquidity event. Provide strong back-office, compliance, and technology infrastructure. Represent ~45% of 2024 RIA deal volume.

Strategic RIA Acquirers (\$2B+ AUM)

HIGH VALUATION | \$75M–\$99M

Larger independent RIAs acquiring to gain geography, advisor talent, or AUM scale. Offer 13x–17x EBITDA. Cultural fit is often paramount — these buyers are frequently the preferred acquirer for firms prioritizing advisor autonomy, client service continuity, and a fiduciary-first philosophy. Lower integration risk vs. broker-dealers.

Banks & Regional Broker-Dealers

MODERATE-HIGH | \$67M–\$88M

Raymond James, LPL Financial, Wells Fargo Advisors, UBS. Offer 12x–15x EBITDA multiples. Integration into broker-dealer platforms carries higher risk of advisor and client attrition due to platform differences and product culture. Generally require transition to proprietary custodial and product infrastructure.

Family Offices / Private Buyers

MODERATE | \$58M–\$78M

Single-family offices or UHNW individual investors seeking stable, high-quality recurring cash flow assets. Offer 11x–14x multiples. Provide maximum operational autonomy but fewer resources and lower competitive bids vs. institutional acquirers. Less common for firms of this AUM scale.

Internal Succession / ESOP

LOWER — BUT STRATEGIC | \$45M–\$65M

Internal buyout by next-generation advisors funded by seller financing, SBA loans, or ESOP structure. Multiples typically 10x–13x due to financing constraints. Maximizes cultural continuity and client relationship preservation. Often the preferred non-financial outcome for legacy-focused sellers.

RECOMMENDED SALE PROCESS — 22-WEEK COMPETITIVE DUAL-TRACK TIMELINE

Phase	Timeline	Milestone	Key Activities
Phase 1	Wks 1–4	Preparation & Advisor Engagement	Engage M&A advisor / investment banker · Normalize financials · Prepare CIM and management presentation
Phase 2	Wks 5–8	Targeted Outreach & NDA Execution	Execute NDAs · Distribute Confidential Information Memorandum · Respond to initial acquirer questions
Phase 3	Wks 9–12	Indications of Interest (IOIs)	Receive and evaluate IOIs · Rank by valuation, structure, and strategic fit · Select 4–6 buyers for final bids
Phase 4	Wks 13–17	Final Bids & Due Diligence	Formal LOIs and bid process · Legal, financial, and compliance due diligence · Management Q&A · Negotiate terms
Phase 5	Wks 18–22	Negotiation, Approvals & Close	Purchase agreement negotiation · Regulatory approvals (FINRA, state RIA) · Employment/transition agreements

CRITICAL: KEYS TO MAXIMIZING SALE PRICE

(1) Engage a specialist RIA M&A advisor — sell-side representation consistently yields 15%–25% higher final prices. (2) Run competitive dual-track with 20+ acquirers to prevent single-buyer leverage. (3) Maintain AUM growth during process — acquirers adjust valuations for trailing-12-month AUM trajectory. (4) Understand tax structure: asset vs. stock sale can swing net proceeds by \$8M–\$15M at this scale.



Valuation Conclusion & Recommendation

Synthesis of all methodologies, qualitative assessments, and market conditions into a final indicated value

MULTI-METHODOLOGY RECONCILIATION & WEIGHTING

Methodology	Weight	Low Value	Base Value	High Value	Weighted Base
1. EBITDA Multiple (Primary)	40%	\$52.9M	\$79.4M	\$105.6M	\$31.8M
2. Revenue Multiple	20%	\$44.1M	\$62.8M	\$79.3M	\$12.6M
3. AUM Percentage	15%	\$42.0M	\$56.0M	\$70.0M	\$8.4M
4. Discounted Cash Flow	15%	\$58.4M	\$74.2M	\$89.1M	\$11.1M
5. Precedent Transaction Comps	10%	\$63.0M	\$84.0M	\$105.0M	\$8.4M
INDICATED ENTERPRISE VALUE	100%	\$52.1M	\$72.3M	\$89.8M	\$72.3M

FINAL INDICATED ENTERPRISE VALUE RANGE — VISUAL SUMMARY



STRATEGIC RECOMMENDATIONS FOR MAXIMIZING SALE PROCEEDS

1. Engage a Specialist RIA M&A Advisor (Immediately)

Firms represented by specialist advisors (Echelon Partners, DeVoe & Company, Advisor Growth Strategies, Colony Group M&A) consistently achieve 15%–25% higher transaction values. Process management, acquirer relationships, and competitive tension creation are the primary levers for value maximization.

2. Resolve Client & Advisor Concentration Pre-Sale

In the 12–18 months before launching a process, prioritize broadening client relationships across the advisor team. Each 5% reduction in top-10 client concentration can improve effective multiples by 0.25x–0.5x. Document all secondary advisor relationships with key clients.

3. Systematize Operations & Document All Processes

Buyers pay a premium for firms with documented investment policy statements, compliance manuals, client service schedules, and succession plans. Operational systematization reduces perceived key-person risk and directly supports higher valuations in due diligence.

4. Consider a Partial Sale Structure for Maximum Long-Term Value

A 60%–70% initial sale to a PE-backed aggregator at current valuations — retaining 30%–40% rollover equity — positions the firm for a second liquidity event in 5–7 years at potentially 2x–3x today’s per-unit implied value, as the combined platform grows through additional acquisitions.

5. Maintain AUM Growth Through the Sale Process

Acquirers scrutinize the AUM trajectory during the process. Continued net new AUM of \$4M+/month signals business health and protects against valuation erosion or earnout adjustments tied to AUM thresholds.



Appendix: Valuation Methodology & Important Disclosures

METHODOLOGY NOTES

EBITDA Multiple Methodology

EBITDA multiples are applied on a Last Twelve Months (LTM) Adjusted EBITDA basis. Adjustments include: (1) above-market founder/owner compensation normalized to replacement-cost equivalent; (2) one-time or non-recurring expenses excluded; (3) non-cash depreciation and amortization added back; and (4) owner-personal expenses removed. The multiple range (12x–18x) is derived from the 12-firm comparable transaction set in the \$400M–\$1.2B AUM tier, completed 2023–2025, weighted by AUM similarity and recency.

Revenue Multiple Methodology

Applied to LTM total revenue including all recurring management fees, performance fees, and financial planning fees. The range (7x–12x) reflects comp-set revenue multiples adjusted upward for above-median EBITDA margins and downward for below-median organic growth. Revenue multiples are a secondary cross-check; EBITDA multiples are the primary pricing mechanism for RIA transactions at this scale.

AUM Percentage Methodology

The applicable percentage range (8%–10%) is determined via qualitative scoring across six dimensions: (1) AUM growth rate, (2) client retention, (3) key-person concentration, (4) fee rate sustainability, (5) EBITDA margin, and (6) operational maturity. Subject firm scores above median on five of six dimensions, supporting positioning in the upper half of the quality-RIA range.

Discounted Cash Flow Methodology

Projects five years of unlevered free cash flow: Adj. EBITDA x (1 - 28% effective tax rate), less incremental reinvestment capex and working capital. Terminal value uses a Gordon Growth Model at 3.0% perpetuity growth rate (approximating long-term nominal GDP plus modest market appreciation). WACC of 12%–15% reflects the equity cost of capital for a mid-market financial services firm with high revenue predictability and moderate operating leverage.

Precedent Transaction Methodology

Comparable transaction data sourced from public press releases, SEC Form ADV filings, trade media (RIABiz, Financial Planning, ThinkAdvisor, InvestmentNews), and proprietary M&A databases. Transactions screened for: RIA or hybrid RIA structure; AUM range \$400M–\$1.2B; transaction date 2023–2025; disclosed financial terms. Statistics presented as median, mean, and interquartile range to reduce outlier distortion.

IMPORTANT DISCLOSURES & LIMITATIONS OF THIS ANALYSIS

- This valuation analysis has been prepared by Wealth Advisory Services solely for informational purposes in connection with a potential business sale transaction. It does not constitute a fairness opinion, a formal business appraisal, or legal, tax, or accounting advice.
- All financial data used in this analysis has been provided by the subject firm's management and has not been independently audited or verified by Wealth Advisory Services. Recipients should conduct independent due diligence and engage qualified legal, tax, and financial advisors prior to entering into any transaction.
- Comparable transaction data reflects publicly available information as of Q1 2026. Actual transaction multiples and deal terms may differ materially based on prevailing market conditions, buyer-specific factors, deal structure, negotiation dynamics, and due diligence findings.
- Forward-looking projections are based on assumptions that may not prove accurate. Actual results may differ materially from projected outcomes due to market conditions, AUM attrition, fee compression, regulatory changes, macroeconomic factors, and other risks not anticipated herein.
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