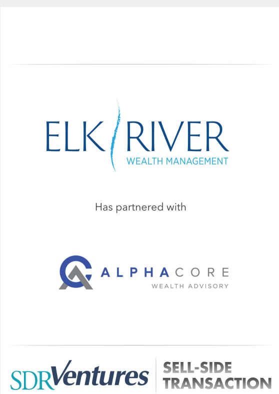
SDR VENTURES – PROFESSIONAL SERVICES

WEALTH MANAGEMENT & RIA - M&A OVERVIEW

DRIVING SUCCESSFUL OUTCOMES THROUGH ORGANIC & INORGANIC GROWTH

ELK RIVER WEALTH MANAGEMENT



- SDR served as the exclusive sell-side advisor to Elk River
- Founded in 2020, Elk River is an independent investment management and financial planning firm headquartered in Denver, CO
- Combines advisory expertise with personalized services of investment management, financial planning, and multi-generational wealth strategies
- Serves a select group of high-net-worth and ultra-high-net-worth households in Colorado and Arizona
- Partnered with AlphaCore Wealth Advisory, a La Jolla, CA based wealth advisory firm helping clients, build, protect, and preserve wealth nationwide
- AlphaCore is an independent firm focused on investments in the greater Colorado market, shown through previous partnerships with Johnston & Associates and All Season Financial

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KEY TRENDS SHAPING WEALTH MANAGEMENT & RIA M&A ACTIVITY

- **Seller Consolidation:** Small RIAs ($100–$500M) dropped from 50% of deals in 2022–23 to just 32% in Q1 2026. Mid-sized, large, and mega firms are accelerating.
- **Integrator Dominance:** Integrators now represent 79% of consolidator transactions, up from 50% in the early 2010s. Sellers are increasingly open to centralized infrastructure.
- **Increasing Succession Difficulty** : Only 22% of RIA leaders say the next generation can afford to buy out founders. This is down from 38% four years ago. Rising valuations are pricing out internal successors.
- **Minority Deals Moving Down-Market:** Capital that once concentrated on large firms is flowing into sub-$2B RIAs. Q1 2026's 7 sub-$2B minority deals already exceed the full-year 2024 total.

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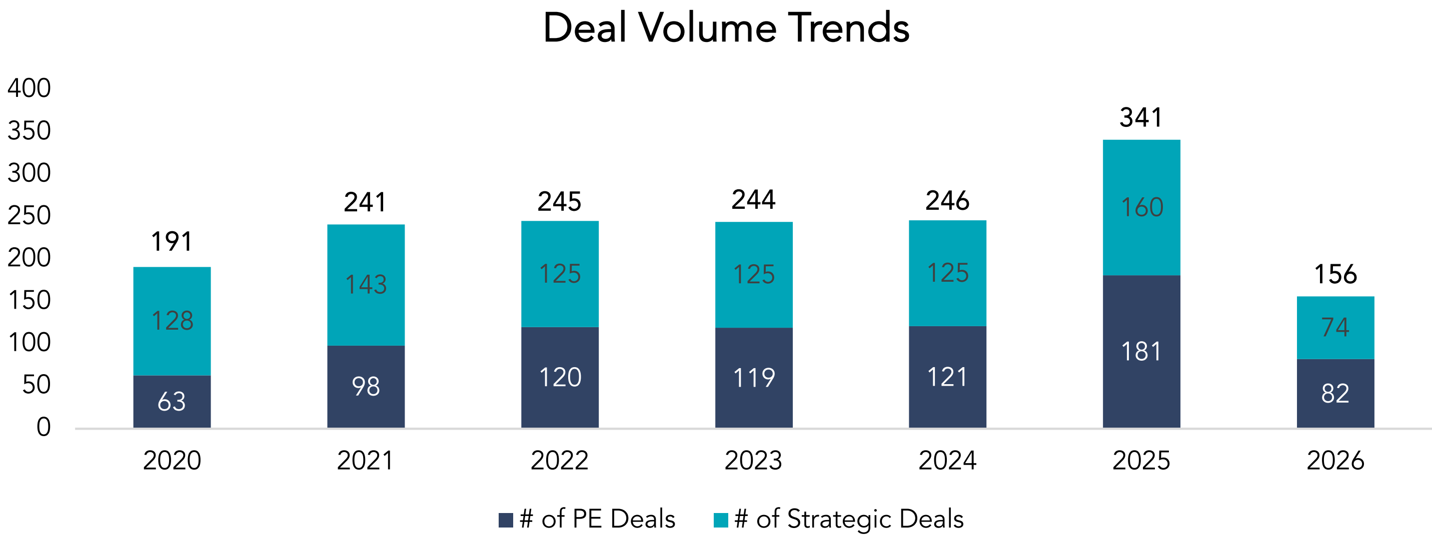
WEALTH MANAGEMENT AND RIA M&A



Sources: Pitchbook

MARKET INSIGHTS: WEALTH MANAGEMENT AND RIA M&A

AUM Tier	EBITDA Multiple
< $100M	4x – 7x
$100 – $300M	6x – 9x
$300 – $500M	8x – 12x
$500M – $1B	11x – 16x
$1B+	12x – 18x+

KEY VALUE DRIVERS:

1. Organic Growth Rate
2. Younger Client Composition
3. Low Concentration (low dependency on one large family or book)

IMPORTANT CONTEXT:

- Multiples above are inclusive of some structure; transactions typically include rolled equity and a retention-based earnout paid after 12–18 months.
- Some RIAs are valued on an EBOC multiple (earnings before owner compensation) rather than EBITDA.
- Best-in-class EBITDA margins are 35–40%. Margins above 45% could signal underinvestment in team or infrastructure.

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