Deals by Quarter (deal values of $25 million - $500 million)

Source: Practical Law, What's Market Analytics Tool for Private Acquisition Agreements

The Private Acquisition Agreements database includes all publicly filed acquisition agreements entered into after January 1, 2010, with a signing value of at least $25 million involving the acquisition of (i) all or substantially all of the assets of private US companies, (ii) at least a majority of the outstanding stock of private US companies or (iii) business units of US companies. This database excludes bankruptcy sales and certain outlier transactions.

*The Q1 2022 data used for the Practical Law charts in this presentation is substantially complete, but not final.*
Deals Values $25 million - $500 million by Quarter

Source: Practical Law, What’s Market Analytics Tool for Private Acquisition Agreements Database
Factors Contributing to Record M&A Levels in 2021

• High levels of dry power in PE markets/record PE fundraising
• Attractive multiples
• Post-pandemic surge
• Concerns over possible tax reform
• Low interest rates/favorable borrower market
• ESG acquisitions/divestitures
• Retiring baby boomers exiting businesses
• Friends/colleagues selling out
Potential Headwinds to M&A Activity in 2022

• Inflation
• Rising interest rates
• Lingering Covid-19 pandemic concerns
• Geo-political concerns (including the Russia/Ukraine conflict)
• Supply chain issues
• Labor shortages
• Increased regulatory scrutiny on deals (antitrust, CFIUS)
2021 Deals By Industry (Values $25 million - $500 million)

Source: Practical Law, What’s Market Analytics Tool for Private Acquisition Agreements
The Current M&A Market – Financial Advisory Services

• Statistics from Fidelity’s Fourth Quarter M&A Review on RIAs and Broker-Dealers:
  • 79 transactions representing $96.2B in client AUM
  • 42 transactions between $250M and $1.0B
  • 2021 – A record 215 RIA transactions representing $345.2B, which is up 64% and 88%, respectively, over the records set in 2020.
  • Large deal continue to be present – 85 $1.0B+ deals in 2021, more than doubling the 42 $1.0B deals in 2020.
  • IBD deals for 2021 – 7 deals consisting of $67.6B total
Partnership with Strategic Companies and Private Equity Firms

• 10 years ago – you rarely saw a PE firm invest in a RIA unless they were going to buy the entire Company:
  • Why?
    • Power and ROI
  • Why now?
    • Even as a minority investor, PE firms can control and drive certain parts of a RIA firm (i.e. their acquisition platform and strategy)
    • Significant ROI
• Why partner with a PE firm?
  • Capital
  • Capabilities
  • Taking the next step (acquisitions, growth)
Survival Periods of General Representations & Warranties (Deal Values $25 million - $500 million)

Source: Practical Law, What’s Market Analytics Tool for Private Acquisition Agreements
Thank you.

Any questions?