

## ADVISOR M&A DEAL SIZE IS BALLOONING

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The size of M&A deals in ballooned in 2018 to an average of more than \$1.3 billion, as buyers opened their wallets to go after established platforms. That's according to a new report from Echelon Partners. For the year, a whopping \$369 billion of assets under management, or 7% of industry assets, experienced M&A activity in the RIA industry.

From the report:

- The fourth quarter of 2018 pushed annual average transaction size over \$1.3 BN, a 31% increase over 2017's average deal size.
- The 44 deals occurring in the fourth quarter cemented a sixth straight record year in the RIA M&A deal marketplace.
- Echelon's 2018 M&A Leaderboard was led by consolidators Focus Financial (21 deals), Mercer Advisors (8 deals), and CapTrust Financial Advisors (4 deals).
- Breakaway-broker activity (with 147 breakaways) was up 6% in the fourth quarter over the third quarter. "Precedent breakaway success, aggressive THINGS TO KNOW Photograph by Ron Case/Keystone/Hulton Archive/Getty Images 1/21/2019 Advisor M&A Deal Size Is Ballooning - Barron's <https://www.barrons.com/articles/advisor-m-a-deal-size-is-ballooning-51547574070> 2/2 MORE FROM NEWS CORP recruiting, and an aging advisor population preparing for liquidity events by transitioning to independent platforms have contributed to this trend," the report notes.
- The year's 32 M&A deals of at least \$1 million AUM surpassed the previous annual high of 29 transactions by approximately 10%. --Steve Garmhausen