Silvercrest Asset Management Group Inc. (SAMG)

Updated March 11th, 2025 by Samuel Smith

Key Metrics

Current Price:	$17.2	**5 Year CAGR Estimate:**	12.3%	**Market Cap:**	$234 M
Fair Value Price:	$18.4	**5 Year Growth Estimate:**	7.5%	**Ex-Dividend Date:**	03/14/25
% Fair Value:	94%	**5 Year Valuation Multiple Estimate:**	1.3%	**Dividend Payment Date:**	03/21/25
Dividend Yield:	4.7%	**5 Year Price Target**	$26	**Years Of Dividend Growth:**	7
Dividend Risk Score:	F	**Retirement Suitability Score:**	C	**Rating:**	Buy

Overview & Current Events

Silvercrest Asset Management Group is a prominent investment management firm specializing in providing personalized wealth management services to high-net-worth individuals, families, and select institutional investors. Founded in 2002, the firm is headquartered in New York City and is known for its client-centric approach, combining sophisticated investment strategies with comprehensive financial planning. Silvercrest offers a wide range of services, including portfolio management, estate and tax planning, family office services, and philanthropic advisory.

On March 6, 2025, Silvercrest reported its financial results for the fourth quarter and full year ending December 31, 2024. The firm's discretionary assets under management (AUM) increased by $1.4 billion, or 6.4%, to $23.3 billion as of December 31, 2024, up from $21.9 billion at the end of the previous year. This growth was primarily driven by market appreciation of $2.1 billion, partially offset by net client outflows of $0.7 billion. Total AUM rose by $3.2 billion, or 9.6%, reaching $36.5 billion at year-end.

For the full year 2024, Silvercrest reported consolidated net income of $15.7 million, representing 12.7% of revenue, compared to $15.2 million, or 12.9% of revenue, in the prior year. Net income attributable to Silvercrest was $9.5 million, equating to $1.00 per basic and diluted share. Adjusted Net Income was $15.8 million, or $1.15 per adjusted basic share and $1.10 per adjusted diluted share. Adjusted EBITDA stood at $26.1 million, accounting for 21.1% of revenue, slightly down from $26.9 million, or 22.9% of revenue, in the previous year.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$0.78	$0.86	$0.95	$1.30	$1.17	$1.89	$1.35	$1.12	$1.44	$1.10	***$1.53***	***$2.20***
DPS	$0.48	$0.48	$0.48	$0.56	$0.60	$0.64	$0.66	$0.70	$0.74	$0.78	***$0.80***	***$0.90***
Shares[1]	8.0	8.1	8.1	8.5	9.5	9.7	9.9	9.6	9.5	9.5	***9.5***	***21.5***

As the chart above illustrates, while SAMG's earnings per share have experienced some volatility from year to year, the overall trend has been strongly higher over time. This strong earnings growth has enabled management to consistently grow its dividend each year for several years now. Moreover, with the expected payout ratio for 2024 being just slightly over 50%, it appears that SAMG is poised to continue growing its dividend per share for years to come, though it will likely be at a pace that is slower than our expected 10.9% earnings-per-share CAGR for the company through 2030. This is because the company tends to like to have its payout ratio around 50% and it is currently just above that level.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	18.7	17.7	17.7	14.0	16.6	9.5	15.4	19.2	15.8	21.3	***11.2***	***12.0***
Avg. Yld.	3.2%	3.7%	4.4%	3.4%	3.1%	3.0%	4.3%	3.9%	5.8%	4.9%	***4.7%***	***3.4%***

Silvercrest Asset Management Group is currently trading at a P/E ratio of 11.2, well below its 10-year historical average of approximately 15-17. This suggests the stock is undervalued, potentially reflecting investor concerns over market

[1] Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

volatility or earnings growth sustainability. The dividend yield of 4.7% remains attractive and higher than historical levels, indicating that the stock may be priced conservatively relative to its income potential. If earnings remain stable and market sentiment improves, the P/E multiple could revert to 12-14 over the next five years. If growth accelerates, valuation could expand further, but sustained market weakness may limit upside potential.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	62%	56%	51%	43%	51%	34%	49%	63%	51%	71%	***52%***	***41%***

Silvercrest benefits from a competitive advantage in the wealth management industry, serving high-net-worth clients with a strong reputation for personalized service. The company's recurring revenue model, based on assets under management, provides stability, though market downturns can impact earnings. During economic recessions and financial crises, SAMG's performance is tied to market fluctuations, as declining asset values reduce fee income. However, its focus on ultra-high-net-worth clients provides some insulation against volatility. The company has demonstrated resilience through past downturns, managing expenses effectively and maintaining strong client retention. Its niche positioning in a competitive industry ensures long-term revenue durability.

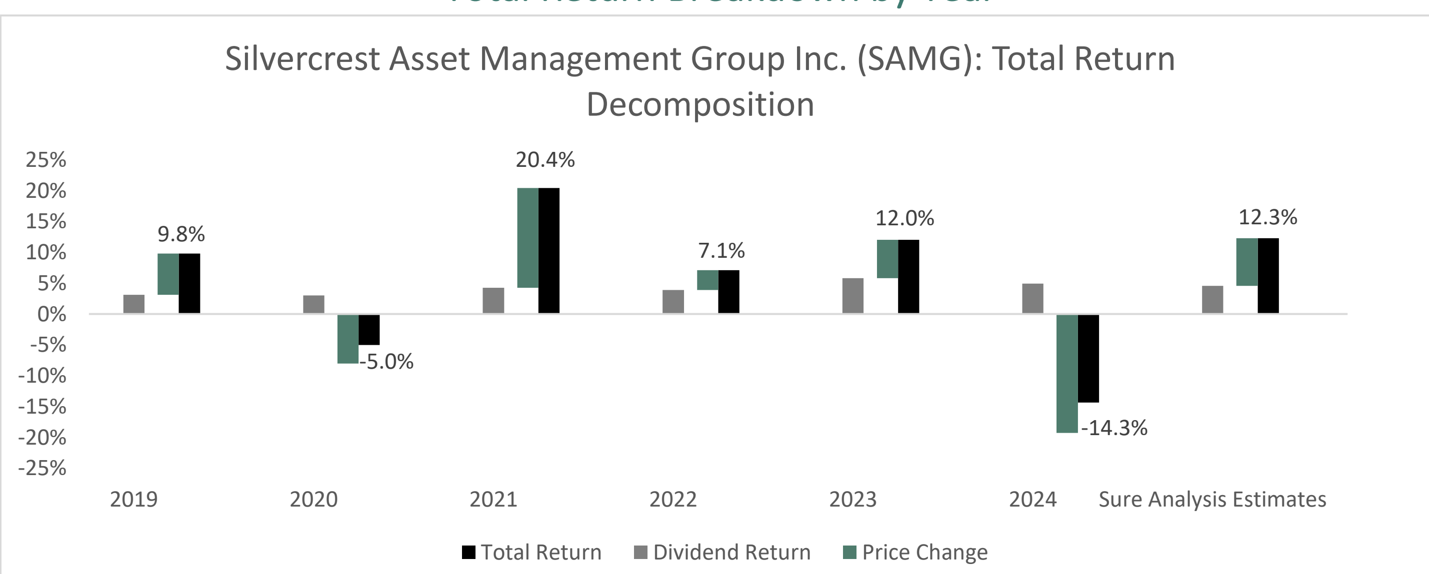
SAMG maintains a strong balance sheet with minimal debt, ensuring financial stability and reducing interest rate risk. The company's capital-light business model allows it to operate with low financial leverage while generating consistent cash flows. Strong interest coverage ensures that SAMG can continue funding dividends and potential growth initiatives without excessive reliance on external financing. Its financial strength positions it well to withstand market downturns and sustain long-term profitability. If earnings remain stable and assets under management grow, SAMG could see further improvements in its financial flexibility, supporting potential expansion opportunities while maintaining a disciplined capital allocation strategy.

SAMG's dividend payout ratio is moderate, supporting sustainability while leaving room for reinvestment. Given its strong cash flow generation, the company should maintain dividend stability.

Final Thoughts & Recommendation

Between SAMG's 4.7% dividend yield, expected 7.5% CAGR over the next 5 years, and expected 1.3% valuation multiple CAGR over that same period, we expect a 12.3% total return CAGR over the next half decade, making it a Buy.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Silvercrest Asset Management Group Inc. (SAMG)

Updated March 11th, 2025 by Samuel Smith

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	75	80	91	99	102	108	132	123	117	124
Gross Profit	32	31	37	41	42	46	59	52	45	47
Gross Margin	43.0%	38.9%	40.7%	41.3%	41.2%	42.2%	44.9%	41.9%	38.1%	38.0%
SG&A Exp.	15	17	17	20	23	23	29	13	26	29
D&A Exp.	2	3	3	2	3	4	4	4	4	4
Operating Profit	17	15	20	21	19	22	31	39	19	18
Operating Margin	22.6%	18.2%	22.3%	21.4%	18.5%	20.6%	23.2%	31.3%	16.0%	14.3%
Net Profit	5	5	5	10	9	10	15	19	9	10
Net Margin	7.1%	6.2%	5.8%	9.8%	8.5%	9.2%	11.2%	15.3%	7.7%	7.7%
Free Cash Flow	16	17	29	27	15	26	43	22	17	20
Income Tax	7	5	14	5	5	5	7	8	4	5

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	108	112	117	133	214	214	229	213	200	194
Cash & Equivalents	32	38	54	69	53	62	86	77	70	69
Accounts Receivable	2	4	5	3	5	4	3	4	3	5
Goodwill	40	39	37	35	93	90	88	85	83	80
Total Liabilities	47	46	45	51	116	110	113	87	78	75
Accounts Payable	4	4	4	3						
Long-Term Debt	5	2	1	-	16	13	9	6	3	-
Shareholder’s Equity	46	47	49	56	65	71	80	85	83	81
LTD/E Ratio	0.10	0.05	0.02	-	0.25	0.18	0.11	0.07	0.03	-

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	5.1%	4.5%	4.6%	7.7%	5.0%	4.7%	6.6%	8.5%	4.4%	4.8%
Return on Equity	9.3%	7.9%	7.7%	12.5%	9.6%	9.9%	13.3%	15.5%	7.3%	7.9%
ROIC	8.6%	7.4%	7.5%	12.4%	8.8%	8.7%	12.2%	14.6%	7.1%	7.8%
Shares Out.	8.0	8.1	8.1	8.5	9.5	9.7	9.9	9.6	9.5	9.5
Revenue/Share	9.57	9.99	11.25	11.88	11.61	11.35	13.58	12.55	12.41	12.97
FCF/Share	2.02	2.15	3.55	3.26	1.70	2.76	4.48	2.28	1.81	2.09

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.