



Invesco Ltd. (IVZ)

Updated April 26th, 2025 by Jonathan Weber

Key Metrics

Current Price:	\$14	5 Year CAGR Estimate:	10.7%	Market Cap:	\$6.2 B
Fair Value Price:	\$17	5 Year Growth Estimate:	2.0%	Ex-Dividend Date:	05/14/25
% Fair Value:	82%	5 Year Valuation Multiple Estimate:	4.0%	Dividend Payment Date:	06/03/25
Dividend Yield:	5.9%	5 Year Price Target	\$19	Years Of Dividend Growth:	4
Dividend Risk Score:	F	Sector:	Financials	Rating:	Hold

Overview & Current Events

Invesco Ltd. is an investment management firm with assets under management of approximately \$1.5 trillion. The company serves retail, institutional, and wealth management customers around the world. Invesco was founded in 1935, and the company is headquartered in Atlanta, GA.

Invesco Ltd. reported its first quarter earnings results on April 22. The company was able to generate revenues of \$1.11 billion during the quarter, which was up 6% compared to the prior year's period. Invesco's assets under management grew by 11% over the last year, ending at \$1.84 trillion, which was close to a record high. Global market performance played a role in that, but Invesco also benefitted from net inflows during the quarter, at \$17.6 billion, which was slightly weaker compared to the previous quarter, but still appealing in absolute terms. Invesco managed to generate an operating margin of 32% during the quarter, which was down sequentially.

Invesco generated earnings-per-share of \$0.44 during the first quarter, which was a nice 33% above the previous year's level, and which was also better than expected by the analyst community. Invesco recovered from the earnings decline in 2023, with 2024 being a better year again. Profits will consolidate during the current year, according to the analyst community, with earnings-per-share forecasted to decline marginally.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$2.26	\$2.06	\$2.75	\$2.43	\$2.55	\$1.94	\$3.09	\$1.68	\$1.51	\$1.71	\$1.70	\$1.88
DPS	\$1.06	\$1.12	\$1.15	\$1.19	\$1.23	\$0.79	\$0.67	\$0.75	\$0.79	\$0.81	\$0.84	\$0.93
Shares¹	418	404	414	410	459	463	461	455	457	457	450	430

Invesco had compounded its adjusted earnings-per-share at a strong rate for many years, but growth was negative over the last decade. This was largely the result of the rise of ETF investing, which pressured margins in the industry.

Through assets under management growth, Invesco was able to grow its revenues in the past, but assets under management growth can be very uneven. Market movements impact this metric heavily, which is why Invesco and its peers suffer during market downturns. During some years, Invesco battled with net outflows, with investor sentiment being responsible for outflows or inflows, depending on the individual period.

While Invesco's track record over the last decade was not compelling, we believe that the company should be able to deliver some earnings-per-share growth in the long run. Margins have recently stabilized, and Invesco is actively reducing its share count by buying back its common stock on the open market. Adjusted for the shares issued during the Oppenheimer Funds acquisition in 2019, Invesco has reduced its share count relatively reliably, although not at an overly strong pace. While ETF investing will likely remain a headwind for Invesco and its traditional asset management peers, recent margin stabilization and buybacks could allow the company to grow its earnings-per-share at a low single-digit pace over the coming years. Investors should account for the fact that profits tend to be cyclical at Invesco, as stock market ups and downs impact its assets under management and thus also its profitability.

¹ 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.



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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	16.2	14.4	12.2	7.0	7.1	8.7	7.6	10.7	11.9	10.2	8.2	10.0
Avg. Yld.	2.9%	3.8%	3.4%	7.0%	6.9%	4.6%	2.9%	4.2%	4.4%	4.6%	6.0%	4.9%

Invesco's shares trade at around 8 times our earnings-per-share estimate for 2025 right now, which is an inexpensive valuation in absolute terms. We believe that Invesco trades below fair value right now, as the weak growth track record and the ETF investing trend make us believe that a not overly high 10x earnings multiple is reasonable for Invesco. The dividend currently is at a high level of close to 6%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	47%	54%	42%	49%	44%	41%	22%	45%	52%	47%	49%	49%

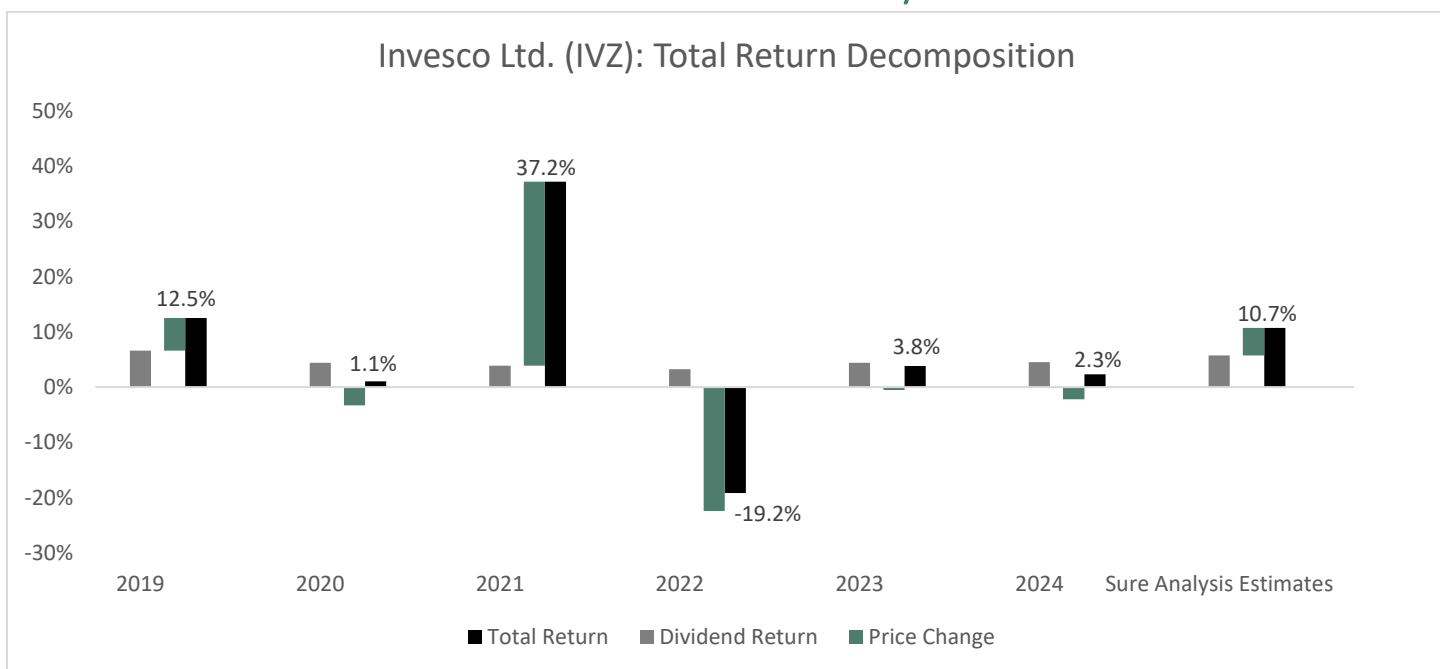
Invesco's dividend payout ratio peaked in the mid-50s in 2009, 2016, and 2023. Invesco cut its dividend by 50% during the first year of the pandemic. Due to the recent dividend cut, dividend safety isn't strong.

Invesco's strong credit rating, coupled with a compelling performance of Invesco's assets (around two-thirds of AuM performed better than the respective peer group in the past), allow the asset management firm to uphold a positive reputation, which is a competitive advantage. The trend of ETF investing has been negatively impacting Invesco, however, as companies such as Blackrock are better positioned in that area. Invesco is not resilient versus recessions and bear markets, as those can impact its profitability substantially.

Final Thoughts & Recommendation

Following excellent results in 2021, Invesco suffered from declining profitability for two years. Things improved in 2024 and should remain relatively stable this year, but this year's profits will most likely remain well below the peak level seen a couple of years ago. Invesco's shares trade below our fair value estimate and the total return outlook is appealing, but the track record isn't great, which is why we rate Invesco a hold right here.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	5,123	4,734	5,160	5,314	6,117	6,146	6,895	6,049	5,716	6,067
Gross Profit	2,148	1,958	2,174	2,212	2,515	2,390	2,834	2,438	2,005	2,027
Gross Margin	41.9%	41.4%	42.1%	41.6%	41.1%	38.9%	41.1%	40.3%	35.1%	33.4%
SG&A Exp.	477	409	429	459	540	564	523	588	650	676
D&A Exp.	94	101	117	142	178	204	205	195	183	180
Operating Profit	1,358	1,221	1,381	1,342	1,429	1,251	1,722	1,339	(393)	832
Op. Margin	26.5%	25.8%	26.8%	25.2%	23.4%	20.4%	25.0%	22.1%	-6.9%	13.7%
Net Profit	968	854	1,127	883	688	762	1,630	921	(97)	775
Net Margin	18.9%	18.0%	21.8%	16.6%	11.3%	12.4%	23.6%	15.2%	-1.7%	12.8%
Free Cash Flow	1,004	506	1,046	726	992	1,115	969	510	1,137	1,121
Income Tax	398	338	268	255	235	262	531	322	(70)	253

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	25,073	25,734	31,669	30,978	39,420	36,504	32,686	29,757	28,934	27,009
Cash & Equivalents	2,215	2,070	2,518	1,805	1,701	1,710	2,147	1,434	1,932	1,496
Acc. Receivable	702	650	754	715	1,029	917	1,318	1,006	952	1,113
Goodwill & Int.	7,530	7,529	8,149	9,333	15,868	16,222	16,111	15,699	14,540	14,067
Total Liabilities	16,210	17,839	22,470	21,646	24,719	21,483	16,007	12,915	13,018	11,340
Accounts Payable	303	274	320	284	415	349	39	60	32	31
Long-Term Debt	7,510	6,506	6,876	7,635	8,315	8,797	9,421	8,078	8,611	7,092
Total Equity	7,885	7,504	8,696	8,579	9,852	10,351	11,485	11,203	10,587	10,549
LTD/E Ratio	0.95	0.87	0.79	0.89	0.60	0.61	0.61	0.53	0.59	0.49

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.3%	3.4%	3.9%	2.8%	2.0%	2.0%	4.7%	2.9%	-0.3%	2.8%
Return on Equity	10.7%	10.2%	13.2%	9.5%	5.7%	5.1%	10.3%	5.5%	-0.6%	4.9%
ROIC	6.0%	5.6%	7.4%	5.3%	3.4%	3.3%	6.5%	3.6%	-0.4%	3.3%
Shares Out.	418	404	414	410	459	463	461	455	457	457
Revenue/Share	12.24	11.75	12.59	12.88	13.89	13.29	14.81	13.16	12.53	13.26
FCF/Share	2.40	1.26	2.55	1.76	2.25	2.41	2.08	1.11	2.49	2.45

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

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