Blackstone Group Inc. (BX)

Updated July 25th, 2025, by Nikolaos Sismanis

Key Metrics

Current Price:	$178	**5 Year CAGR Estimate:**	4.7%	**Market Cap:**	$219.2 B
Fair Value Price:	$110	**5 Year Growth Estimate:**	12.0%	**Ex-Dividend Date:**	08/04/25
% Fair Value:	161%	**5 Year Valuation Multiple Estimate:**	-9.1%	**Dividend Payment Date:**	08/11/25
Dividend Yield:	2.3%	**5 Year Price Target**	$195	**Years Of Dividend Growth:**	2
Dividend Risk Score:	C	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Blackstone, founded in 1985 by Peter Peterson and Stephen Schwarzman (still CEO), is one of the leading investment firms globally. As of June 30th, 2025, the company held $1.21 trillion in assets under management (AUM), operating in Private Equity (32% of AUM), Real Estate (27%), Credit & Insurance (34%), and Multi-Asset Investing (7%).Today the $219.2 billion market cap company employs about 4,735 people.

Note that the BX ticker previously represented an underlying unitholder interest in Blackstone, with the company acting as a general partner. However, on July 1st, 2019 Blackstone completed its transformation from a publicly traded partnership to a corporation. This move eliminated the Schedule K-1, replacing it with a Form 1099-DIV, and is intended to improve the market for the company's shares. This report marks the company's tenth quarter as a corporation.

On July 24th, 2025, Blackstone posted its Q2 results for the period ending June 30th, 2025. Management and advisory fees equaled $2.02 billion, up 13% year-over-year. Incentive fees grew by 4% to $195.4 million. Further, performance allocations were $1.14 billion, up from $653.9 million last year. Thus, despite slightly lower interest and dividend income at $100.4 million, total revenues landed at $3.71 billion, up 33% year-over-year.

Distributable earnings during the quarter equaled $1.57 billion or $1.21 per share, up 25% year-over-year. Total assets under management equaled $1.21 trillion, up 13% year-over-year, driven by $211.8 billion in inflows during the past 12 months. Blackstone also declared a quarterly dividend of $1.03, whose annualized rate we have used in this year's expected dividend rate (subject to change). We have set our FY-2025 distributable EPS projection at $5.02, which could also be adjusted over time based on net inflows and market conditions.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
DEPS	$1.82	$2.00	$2.81	$2.26	$2.31	$2.65	$4.77	$5.17	$3.95	$4.64	***$5.02***	***$8.85***
DPS	$2.90	$1.66	$2.32	$2.42	$1.92	$2.26	$4.06	$4.40	$3.35	$3.95	***$4.12***	***$7.26***
Shares[1]	624	643	659	663	680	684	732	743	758	769	***782***	***850***

Note that the table above shows earnings-per-unit, distributions-per-unit and units outstanding through 2018, reflecting the previous partnership format. In addition, Blackstone had previously reported economic net income, but is no longer doing so. With the transition to a corporation complete, we are using distributable earnings as our baseline.

Blackstone's performance fees tend to be lumpy, which in turn leads to irregular results. Over the past five years, DEPS grew by a compound average rate 15% per annum, however this varied widely from $2.65 all the way up to $5.17, and then down again $3.95. Regardless, we remain optimistic based on Blackstone's ongoing momentum and $168.6 billion in "dry powder capital" set to deploy – a new record for the company based on its latest results.

Based on Blackstone's recent performance and market dynamics, we expect a 12% distributable EPS CAGR in the medium-term from this year's base, as capital markets have entered an improving trajectory. We remain cautious, nonetheless, as the underlying market conditions can easily sway Blackstone's performance. Alongside a lumpy earnings

[1] In millions.

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pattern, the distribution/dividend has been up and down as well. Our estimate uses the next-twelve-month payout of $4.12 is sourced from the most recent $1.03 dividend declaration's run rate.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	20.2	13.2	11.3	14.9	14.4	18.6	23.7	19.3	23.4	28.0	***35.5***	***22.0***
Avg. Yld.	7.9%	6.3%	7.3%	7.2%	4.4%	3.9%	4.0%	4.4%	3.6%	3.0%	***2.3%***	***3.7%***

We are using a fair value multiple of 22 times earnings, taking into consideration that earnings can easily fluctuate based on the underlying conditions in the capital markets. With shares presently trading at 35.5 times our estimated earnings, we find Blackstone to be overvalued. The current valuation reflects investors' expectations for a strong rebound in DEPS this year. Still, we believe the stock has run a bit ahead of itself. Meanwhile, the 2.3% dividend yield will contribute to returns, but we do note that payouts are variable and can fluctuate notably from quarter-to-quarter along with DEPS.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	159%	83%	83%	107%	83%	85%	85%	85%	85%	85%	***82%***	***82%***

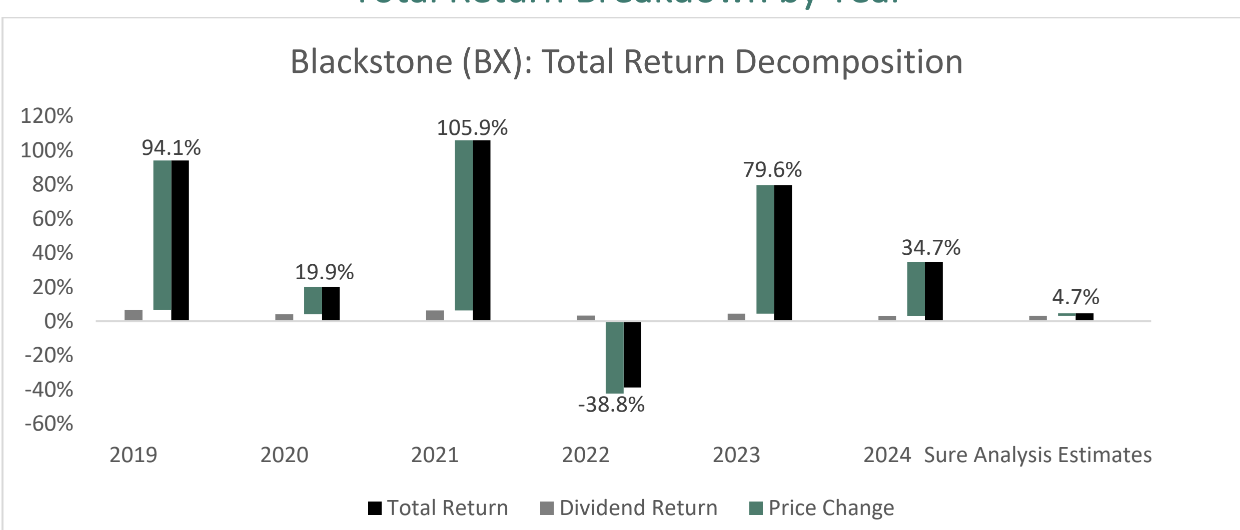
Blackstone did not fare particularly well during the last recession, posting a loss of -$1.03 per unit in 2008. Moreover, the distribution went from $1.20 in 2008 down to $0.90 in 2009 and $0.60 in 2010. However, the company recovered well, generating solid growth from 2009 through 2014. Performance during the COVID-19 pandemic was exceptional as the company was able to attract massive inflows against traditional asset management firms. In fact, this is Blackstone's competitive advantage, as it is the largest alternative investment firm in the world. If you're looking to invest outside of the conventional equity space, which is a trend that has been going on for some time, Blackstone has a leading seat at the table; especially for large institutional firms looking for stability.

As of June 30th, 2025, Blackstone held $10.6 billion in cash and equivalents and $20.5 billion in cash and net investments, or $16.64 per share. Blackstone has a $4.3 billion undrawn credit revolver and maintains A+ ratings from S&P and Fitch.

Final Thoughts & Recommendation

Blackstone is up only 2.5% year-to-date, but we remain optimistic about Blackstone's DEPS growth prospects overall. Still, we now expect annualized returns of just 4.7% over the next five years, as returns from our growth estimates and the starting yield could be offset by the possibility of a valuation headwind. Shares earn a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	4647	5051	7005	6661	6861	5966	16650	7133	7,007	10,930
SG&A Exp.	2946	594	621	673	673	725	928	1123	1,236	1,382
D&A Exp.	101	83	47	59	59	71	75	67	40	36
Net Profit	710	1039	1471	1542	1542	1045	5857	1748	1,391	2,777
Net Margin	15.3%	20.6%	21.0%	23.1%	22.5%	17.5%	35.2%	24.5%	19.9%	25.4%
Free Cash Flow	2338	-110	-1651	27	27	1824	3922	6101	3,833	2,420
Income Tax	190	132	743	249	249	356	1184	473	513	1,022

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	22526	26403	34416	28925	28925	26270	41200	42520	40290	43.470
Cash & Equivalents	1837	1837	1992	2208	2208	1999	2120	4252	2956	1,972
Accounts Receivable	613	773	875	636	---	---	---	---	---	---
Goodwill & Int. Ass.	2064	1981	2188	2338	2338	2249	2175	2107	2091	2,055
Total Liabilities	10296	13888	20904	15312	15312	11740	19490	24560	22210	23,970
Accounts Payable	649	1082	2044	876	876	717	937	1158	2277	---
Long-Term Debt	6117	8866	14815	9952	9952	6342	8714	13460	12290	12,290
Shareholder's Equity	9638	9901	6634	6379	6379	6652	9423	7656	6817	8,212

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.6%	4.2%	4.8%	4.9%	4.9%	3.6%	17.4%	4.2%	3.4%	6.6%
Return on Equity	6.7%	10.6%	17.8%	23.7%	23.7%	15.3%	72.9%	20.5%	7.4%	14.8%
Shares Out.	624	643	659	670	680	697	720	741	755	767
Revenue/Share	3.91	4.23	10.51	5.52	5.68	8.56	23.12	9.63	9.28	14.26
FCF/Share	1.97	-0.09	-2.48	0.02	0.02	2.62	5.45	8.23	5.07	4.46

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

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