



Blackstone Mortgage Trust (BXMT)

Updated July 31st, 2025 by Samuel Smith

Key Metrics

Current Price:	\$18.5	5 Year CAGR Estimate:	9.6%	Market Cap:	\$3.3 B
Fair Value Price:	\$8.7	5 Year Growth Estimate:	17.1%	Ex-Dividend Date:	9/30/25 ¹
% Fair Value:	212%	5 Year Valuation Multiple Estimate:	-14.0%	Dividend Payment Date:	10/15/25 ²
Dividend Yield:	10.2%	5 Year Price Target	\$19	Years of Dividend Growth:	0
Dividend Risk Score:	F	Sector:	Real Estate	Rating:	Sell

Overview & Current Events

Blackstone Mortgage Trust is a real estate finance company primarily involved in the origination and purchase of senior loans collateralized by commercial properties in North America and Europe. The vast majority of the company's asset portfolio is comprised of floating rate loans secured by first priority mortgages primarily derived from office, hotel, and manufactured housing properties. A significant percentage of the collateralized real estate properties are located in New York, California, and the United Kingdom. Blackstone Mortgage Trust is managed by a subsidiary of The Blackstone Group and benefits from the market data provided by its parent company. The company trades at a market capitalization of \$3.3 billion.

On July 30, 2025, Blackstone Mortgage Trust, Inc. reported its financial results for the second quarter of 2025. The company posted net income of \$7.0 million, or \$0.04 per share, a return to profitability from a \$0.00 EPS in Q1 2025 and a \$61.1 million loss in Q2 2024. Distributable EPS was \$0.19, up from \$0.17 in Q1, while Distributable EPS prior to charge-offs reached \$0.45, compared to \$0.42 previously. Dividends remained at \$0.47 per share, yielding 9.7% annualized based on the July 29 share price of \$19.36.

Total revenues were \$133.9 million, with net income from loans and investments at \$94.8 million after \$264.7 million in interest expenses. The balance sheet showed total assets of \$20.6 billion, including \$19.0 billion in net loans receivable after CECL reserves. Equity stood at \$3.6 billion, with book value per share declining to \$21.04 from \$21.42 in Q1, reflecting \$4.39 per share in reserves. Liquidity was strong at \$1.1 billion, with a 3.8x debt-to-equity ratio.

The portfolio grew to \$18.4 billion across 144 loans, up \$1.4 billion over two quarters, with 82% of Q2 originations in multifamily and industrial sectors, and 68% international. Office exposure dropped to 28% from 36% year-over-year. Impaired loans fell 55% from peak to \$1.0 billion, with \$0.2 billion resolved above carrying value. CECL reserves held steady at \$755 million (3.8% of principal), and portfolio performance was 94%.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$2.41	\$2.53	\$2.27	\$2.50	\$2.70	\$2.48	\$2.62	\$2.87	\$3.05	(\$0.03)	\$1.09	\$2.40
DPS	\$2.28	\$2.48	\$2.48	\$2.48	\$2.48	\$2.48	\$2.48	\$2.48	\$2.48	\$2.18	\$1.88	\$2.08
Shares³	82.0	94.0	96.0	114.0	130.1	141.8	168.6	172.3	175.9	173.7	171.6	180

Given that the vast majority of its loan portfolio is floating rate, Blackstone Mortgage Trust's earnings growth will be directly tied to interest rates. The company's network and name-brand advantage through its massive parent and large size gives it access to a large and lucrative deal flow, which should enable it to continue gradually growing over time. The company has a history of issuing shares at a premium to book value, demonstrating its ability to access cheap capital that will enable it to grow earnings-per-share and book value per share over time. That said, the company has been unable to grow the dividend for several years now, and we do not expect this to change anytime soon. In fact, it recently

¹ Estimate

² Estimate

³ In millions

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cut its dividend meaningfully. That said, the industry will likely recover and we expect BXMT's skilled management to drive a partial recovery in earnings per share and dividends per share over time.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	13.18	11.18	14.37	12.8	13.3	10.1	13.5	9.4	6.5	8.0	17.0	8.0
Avg. Yld.	7.2%	8.8%	7.6%	7.8%	6.9%	9.9%	7.0%	9.2%	12.5%	10.0%	10.2%	10.8%

Blackstone Mortgage Trust's valuation was significantly disrupted in the midst and wake of the last recession due to the turmoil in the mortgage and real estate industries. As a result, while recent multiples would indicate a fair value multiple in the mid-teens, we need to account for recession risk as well as the fact that dividend growth has stalled and appears unlikely to resume anytime soon. We therefore assign a fair value multiple of 8 times earnings. We think that shares are currently trading at a premium to fair value.

Safety, Quality, Competitive Advantage, & Recession Resiliency

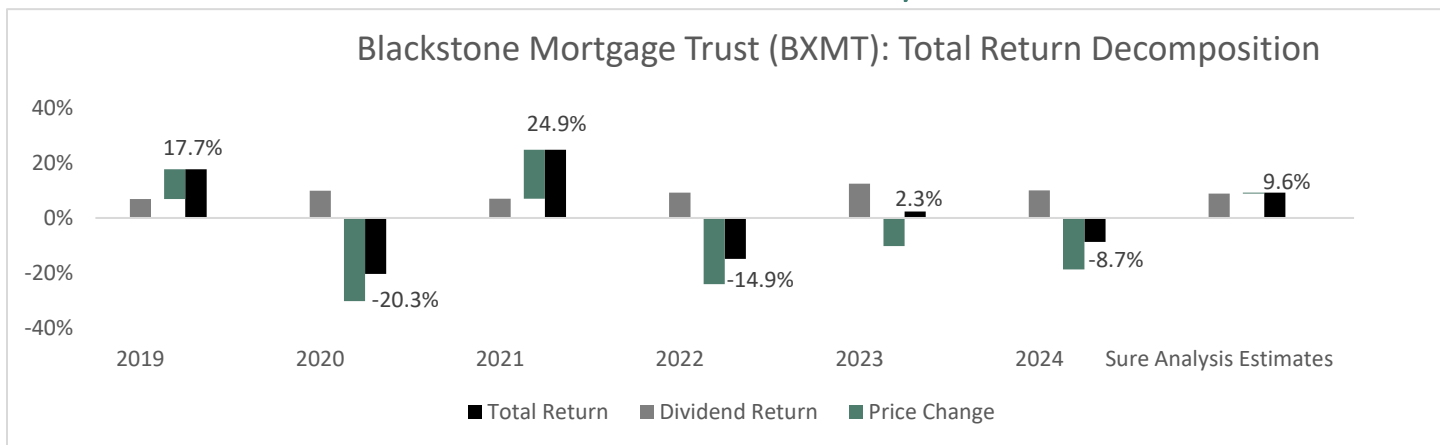
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	95%	98%	109%	99%	92%	100%	95%	86%	81%	NA	172%	87%

Blackstone Mortgage Trust's competitive advantages clearly stem from its scale as one of the largest commercial mortgage REITs, as well as its age (founded in 1966), which have enabled it to build up a long track record. Additionally, the network it shares with its parent Blackstone – a global asset management giant – and the name brand and relationships that come with it, give it access to deal flows that many of its peers do not have, not to mention the cross-industry expertise, global macro insight, and scale of capital that can lead to attractive risk-adjusted returns over time. As the last recession illustrated, Blackstone Mortgage Trust's business is not recession-resistant. The company saw its share price crater from a peak of over \$500 per share until it reached a bottom in the low teens. Earnings per share turned into steep losses per share. Therefore – though the company and the mortgage industry have taken steps to improve their underwriting practices to make such an occurrence unlikely to occur again – this is not the best stock to hold when a downturn hits the commercial real estate markets in which it operates. At the same time, however, we do believe that Blackstone's conservatively financed portfolio will prevent it from experiencing deep losses in the event of a slowdown, and the long-term trend will remain upward.

Final Thoughts & Recommendation

Blackstone Mortgage Trust's 10.2% dividend yield will drive its 9.6% expected annualized total returns over the next half-decade. However, given its recent dividend cut, we rate it a Sell.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	280	327	303	396	424	432	514	628	671	493
SG&A Exp.	76	80	81	106	112	39	35	41	38	39
Net Profit	197	238	218	285	306	138	419	249	247	(204)
Net Margin	70.2%	72.8%	71.8%	71.9%	72.0%	31.9%	81.5%	39.6%	36.8%	-41.4%
Free Cash Flow	171	237	227	290	304	337	382	397	459	366
Income Tax	1	0	0	0	(1)	0	0	3	5	2

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	9377	8813	10259	14467	16552	16959	22703	25354	24036	19802
Cash & Equivalents	96	76	70	106	150	290	551	291	350	323
Accounts Receivable	37	33	39	57	67	67	86	190	215	160
Total Liabilities	6,871	6,319	7,341	11,093	12,767	13,055	18,085	20,810	19,649	16,008
Accounts Payable		9	14	26	25	21	30	80	98	78
Long-Term Debt	6,777	6,237	7,239	10,965	12,591	12,852	17,901	20,443	19,300	15,729
Shareholder's Equity	2,493	2,494	2,911	3,364	3,763	3,886	4,588	4,519	4,368	3,787
LTD/E Ratio	2.72	2.50	2.49	3.26	3.35	3.31	3.90	4.52	4.42	4.15

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.8%	2.6%	2.3%	2.3%	2.0%	0.8%	2.1%	1.0%	1.0%	-0.9%
Return on Equity	9.8%	9.5%	8.0%	9.1%	8.5%	3.6%	9.8%	5.4%	5.5%	-5.0%
ROIC	2.9%	2.6%	2.3%	2.3%	2.0%	0.8%	2.1%	1.0%	1.0%	-0.9%
Shares Out.	82.0	94.0	96.0	114.0	130.1	141.8	168.6	172.3	175.9	173.7
Revenue/Share	3.43	3.47	3.16	3.48	3.26	3.05	3.40	3.68	3.88	2.84
FCF/Share	2.10	2.51	2.37	2.55	2.34	2.37	2.52	2.33	2.66	2.11

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

Disclaimer

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