# Invesco Ltd. (IVZ)

*Updated August 3rd, 2025 by Jonathan Weber*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $21 | **5 Year CAGR Estimate:** | 3.1% | **Market Cap:** | $9.2B |
| **Fair Value Price:** | $18 | **5 Year Growth Estimate:** | 2.0% | **Ex-Dividend Date:** | 08/14/25 |
| **% Fair Value:** | 117% | **5 Year Valuation Multiple Estimate:** | -3.0% | **Dividend Payment Date:** | 09/02/25 |
| **Dividend Yield:** | 4.0% | **5 Year Price Target** | $20 | **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 second quarter earnings results on July 23. The company was able to generate revenues of $1.10 billion during the quarter, which was up 2% compared to the prior year's period. Invesco's assets under management grew by 9% over the last quarter, ending at $2.0 trillion, which was a new record high. Global market performance played a role in that, but Invesco also benefitted from net inflows during the quarter, at $15.6 billion, which was slightly weaker compared to the previous quarter, but still appealing in absolute terms. Invesco managed to generate an operating margin of 31% during the quarter, which was down sequentially.

Invesco generated earnings-per-share of $0.36 during the second quarter, which was 16% below the previous year's level, and which was also worse than expected by the analyst community. Invesco recovered from the earnings decline in 2023, with 2024 being a better year again. Profits will grow slightly during the current year, according to the analyst community, with earnings-per-share forecasted to rise to $1.80.

## 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 | ***$1.80*** | ***$1.99*** |
| **DPS** | $1.06 | $1.12 | $1.15 | $1.19 | $1.23 | $0.79 | $0.67 | $0.75 | $0.79 | $0.81 | ***$0.84*** | ***$0.97*** |
| **Shares[1]** | 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

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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 | ***11.7*** | ***10.0*** |
| **Avg. Yld.** | 2.9% | 3.8% | 3.4% | 7.0% | 6.9% | 4.6% | 2.9% | 4.2% | 4.4% | 4.6% | ***4.0%*** | ***4.9%*** |

Invesco's shares trade at around 12 times our earnings-per-share estimate for 2025 right now, which is not an especially expensive valuation in absolute terms. We believe that Invesco trades above fair value right now, however, as the weak growth track record and the ETF investing trend make us believe that a 10x earnings multiple is reasonable for Invesco. The dividend currently is at a very solid level of 4%.

## 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% | ***47%*** | ***49%*** |

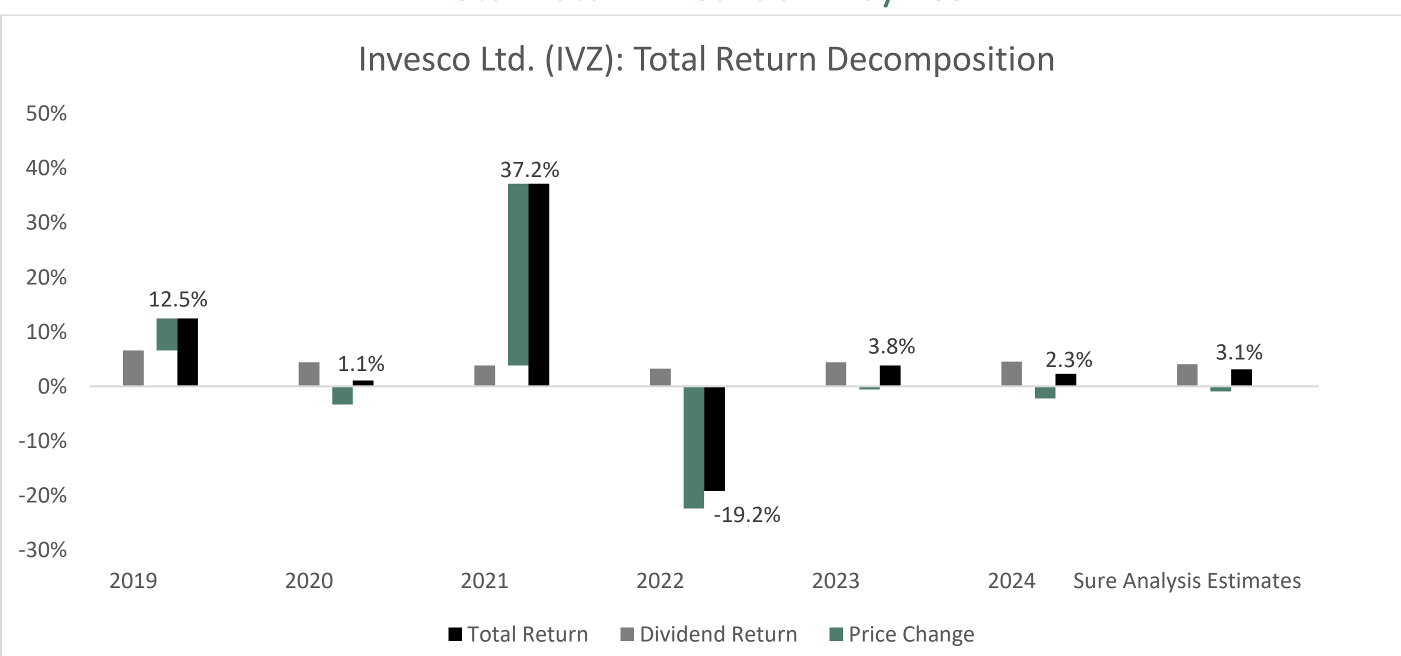
Invesco's dividend payout ratio peaked in the mid-50s in 2009, 2016, and 2023. Invesco cut its dividend by 50% during the first year of the pandemic. Due to the recent dividend cut, dividend safety isn't strong.

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 improve slightly this year as well, but this year's profits will most likely remain well below the peak level seen a couple of years ago. Invesco's shares trade above our fair value estimate and the total return outlook is not overly appealing, which is why we rate Invesco a hold right here.

## 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.*

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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.*