



# Brookfield Asset Management Inc. (BAM)

Updated September 15<sup>th</sup>, 2025, by Josh Arnold

## Key Metrics

<b>Current Price:</b>	\$57	<b>5 Year CAGR Estimate:</b>	9.3%	<b>Market Cap:</b>	\$91 B
<b>Fair Value Price:</b>	\$41	<b>5 Year Growth Estimate:</b>	14.0%	<b>Ex-Dividend Date:</b>	11/29/25 <sup>1</sup>
<b>% Fair Value:</b>	141%	<b>5 Year Valuation Multiple Estimate:</b>	-6.6%	<b>Dividend Payment Date:</b>	12/29/25
<b>Dividend Yield:</b>	3.1%	<b>5 Year Price Target</b>	\$78	<b>Years Of Dividend Growth:</b>	13
<b>Dividend Risk Score:</b>	D	<b>Sector:</b>	Financials	<b>Rating:</b>	Hold

## Overview & Current Events

Brookfield Asset Management (BAM) is now a pure-play asset management company, having been effectively spun off from the former parent Brookfield company that has stakes in a variety of Brookfield companies. The new Brookfield Asset Management began trading as a standalone asset manager in December of 2022, as the new Brookfield parent company now trades under ticker 'BN'. Brookfield Asset Management trades with a market cap of \$91 billion, and should generate more than \$5 billion in revenue in 2025, and the company now has more than \$1 trillion in assets under management.

Brookfield posted second quarter earnings on August 6<sup>th</sup>, 2025, and results were weaker than expected on both the top and bottom lines. Adjusted earnings-per-share came to 38 cents, which was a penny light of estimates. Revenue was up 19% year-over-year to \$1.09 billion, missing estimates by \$190 million. Fee-bearing capital rose 10% year-over-year to \$563 billion. Inflows were \$85 billion, with \$60 billion from fundraising and \$25 billion from deployment of uncalled commitments. Fee-related earnings were \$676 million, and \$613 million in distributable earnings. Those were up 16% and 12%, respectively.

The company noted a \$10 billion public-private program with the Swedish government for digital infrastructure and renewable energy. The company has invested \$85 billion year-to-date, and have sold \$55 billion of assets at favorable returns.

We now see \$1.62 in adjusted earnings-per-share for this year, down from our prior estimate on weaker Q2 earnings.

## Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022 <sup>2</sup>	2023	2024	2025	2030
<b>EPS</b>	\$1.66	\$2.12	\$2.49	\$2.90	\$2.71	\$2.40	\$2.91	\$1.24	\$1.37	\$1.45	<b>\$1.62</b>	<b>\$3.12</b>
<b>DPS</b>	\$0.32	\$0.35	\$0.37	\$0.40	\$0.43	\$0.49	\$0.52	\$0.54	\$1.28	\$1.52	<b>\$1.75</b>	<b>\$2.57</b>
<b>Shares<sup>3</sup></b>	1,439	1,439	1,448	1,466	1,511	1,541	1,568	1,626	390	423	<b>435</b>	<b>460</b>

Brookfield's long-term growth has been nothing short of remarkable, based on the following compounded growth metrics from 1999 to 2020: book value, 11%; FFO per share, 16%; assets under management, 18%; balance sheet assets, 15%; shareholders' equity, 18%; fees and annualized carry, 24%. Importantly, this growth has been done with very little dilution. We note that Brookfield's business is now quite different than it was, but we see strong growth on the horizon. Given strong institutional demand for its services, combined with Brookfield's proven expertise in this space, we now estimate earnings-per-share growth of 14% annually in our forecast. Brookfield's growth is likely to be bumpy, so some years may see much higher growth than the target and others, much lower. Brookfield has struggled at times to grow, but conditions are right for the company to build upon the strength of 2023 in the years to come, particularly with a massive amount of dry powder available. We do note that Brookfield continues to build dry powder, rather than deploying it, which could become a headwind to earnings should that continue. Despite relatively high deployments, the

<sup>1</sup> Estimated date

<sup>2</sup> BAM was spun off from Brookfield's parent company in December 2022. Prior results are not comparable.

<sup>3</sup> Share count in millions

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company is simply raising capital more quickly than it can spend it. Guidance from management suggests they are more willing to deploy excess capital than in prior years.

## Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/FFO	13.8	10.5	10.3	9.5	7.9	14.8	17.8	23.1	29.3	37.4	35.2	25.0
Avg. Yld.	1.4%	1.6%	1.4%	1.5%	2.0%	1.4%	1.0%	1.9%	3.2%	2.8%	3.1%	3.3%

BAM has traded at an average P/FFO of 17.4 over the last decade, but we note that it’s been volatile. Recent valuations since the spinoff are much higher, and we’ve boosted our fair value estimate to 25 times earnings. We forecast a sizable headwind to total returns from the valuation as Brookfield trades for 35.2 times estimated earnings, which is still quite elevated. This implies the stock could be significantly overvalued, and we see the yield remaining roughly where it is today over time.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	19%	16%	15%	14%	16%	20%	18%	44%	93%	105%	108%	82%

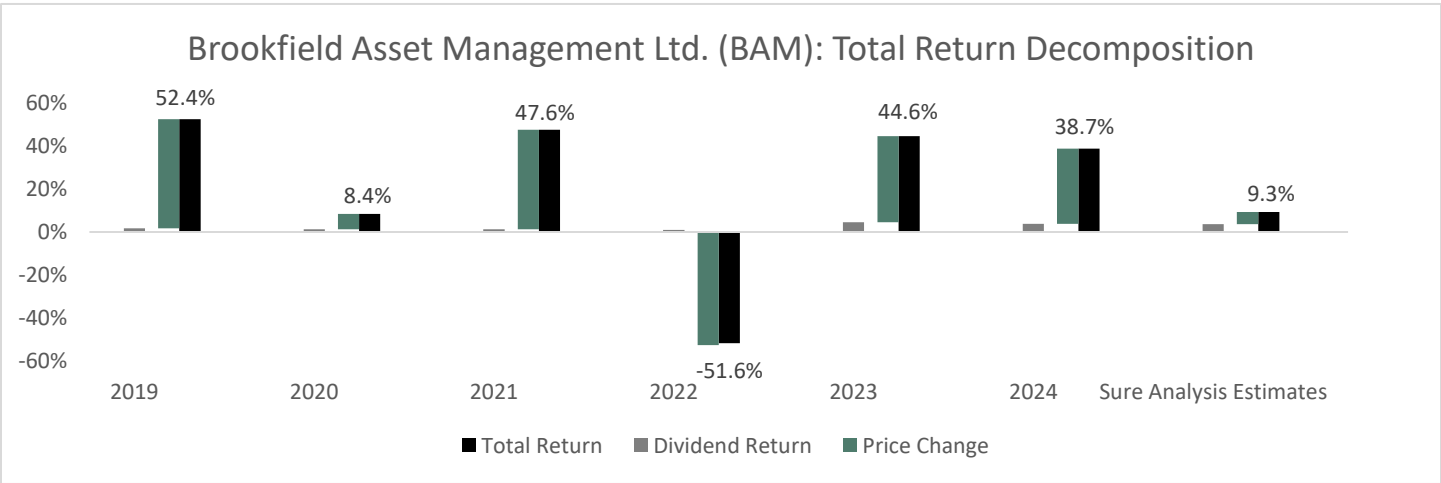
For 2025, we forecast a payout ratio of 108% of earnings. We see Brookfield as a much stronger income stock than it has been in its new form, and note that it appears management is willing to spend nearly all of its earnings on returning capital to shareholders.

BAM’s competitive advantages include its world-class management team with a long history of successful investing, as well as its inherent flexibility to go after what it sees as valuable assets on a global basis. This includes buying interests in its own managed partnerships on the public market, as well as the wide variety of assets it owns and operates. As we saw in 2020 results, Brookfield isn’t recession resilient, so expect weakness whenever there is a downturn, particularly in equity markets.

## Final Thoughts & Recommendation

BAM has a unique combination of historical returns, growth prospects, and a proven management team. We estimate it could deliver annual total returns of 9.3% over the next five years, consisting of 14% earnings-per-share growth and the 3.1% yield, which could be offset by a declining valuation of 6.6% annually. The company’s long-term fundamentals remain strong, but the valuation is still well in excess of our estimate of fair value. We reiterate the stock at a hold rating after Q2 results.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	19,913	24,411	40,786	56,771	67,826	62,752	75,731	3,378	4,062	3,980
Gross Profit	5,480	6,693	8,398	11,252	15,098	15,366	11,731	2,678	2,616	2,415
Gross Margin	27.5%	27.4%	20.6%	19.8%	22.3%	24.5%	15.5%	79.3%	64.4%	60.7%
SG&A Exp.	---	---	---	---	98	101	116	81	---	---
D&A Exp.	1,695	2,020	2,345	3,102	4,876	5,791	6,437	13	---	---
Operating Profit	3,785	4,673	6,053	8,150	10,222	9,575	11,615	2,610	2,616	2,415
Op. Margin	19.0%	19.1%	14.8%	14.4%	15.1%	15.3%	15.3%	77.3%	64.4%	60.7%
Net Profit	2,341	1,651	1,462	3,584	2,807	(134)	3,966	1,915	1,839	2,168
Net Margin	11.8%	6.8%	3.6%	6.3%	4.1%	-0.2%	5.2%	56.7%	45.3%	54.5%
Free Cash Flow	1,674	1,611	2,315	3,197	3,275	4,329	993	-387	508	627
Income Tax	196	(345)	613	(248)	495	837	2,324	627	417	438

## Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets (\$B)	139.5	159.8	192.7	256.3	324.0	343.7	391.0	14.1	14.3	14.2
Cash & Equivalents	2,774	4,299	5,139	8,390	6,778	9,933	12,694	3,545	2,667	404
Acc. Receivable	3,384	4,294	7,209	9,167	11,129	24,845	16,098	245	588	713
Inventories	5,281	5,349	6,311	6,989	10,272	10,360	8,557	---	---	---
Goodwill & Int.	7,713	9,856	19,559	27,577	42,260	39,372	50,836	308	---	---
Total Liabilities (\$B)	82.3	90.1	112.8	159.1	207.1	221.1	256.3	2.67	4.99	5.07
Accounts Payable	5,050	6,028	5,158	6,873	9,583	53,041	29,136	376	1,845	1,829
LT Debt (\$B)	58.3	64.9	78.4	118.2	143.4	148.4	175.9	0.0	0.3	0
Total Equity	21,568	22,499	24,052	25,647	30,868	31,693	42,210	9,508	9,299	9,088
LTD/E Ratio	2.30	2.45	2.78	3.97	4.09	4.14	3.80	0.0	0.1	0

## Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.7%	1.1%	0.8%	1.6%	1.0%	0.0%	1.1%	9.6%	---	25.0%
Return on Equity	11.2%	7.5%	6.3%	14.4%	9.9%	-0.4%	10.7%	19.8%	31.5%	38.8%
ROIC	2.1%	1.3%	1.0%	1.9%	1.2%	-0.1%	1.4%	14.6%	---	37.9%
Shares Out.	1,439	1,439	1,448	1,466	1,511	1,541	1,587	401	390	420
Revenue/Share	13.61	16.66	27.75	25.94	30.53	41.52	47.72	8.43	10.41	9.48
FCF/Share	1.14	1.10	1.57	1.46	1.47	2.86	0.63	(0.97)	1.28	---

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

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