Blue Owl Capital (OWL)

Updated November 5th, 2025 by Samuel Smith

Key Metrics

Current Price:	$15.0	**5 Year CAGR Estimate:**	24.8%	**Market Cap:**	$24.5 B
Fair Value Price:	$16.6	**5 Year Growth Estimate:**	18.6%	**Ex-Dividend Date:**	11/10/25
% Fair Value:	90%	**5 Year Valuation Multiple Estimate:**	2.0%	**Dividend Payment Date:**	11/24/25
Dividend Yield:	6.0%	**5 Year Price Target**	$39	**Years Of Dividend Growth:**	4
Dividend Risk Score:	D	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Blue Owl Capital is one of the world's largest alternative asset managers that offers primarily permanent capital solutions to clients. It is headquartered in New York City and went public in 2021. Its largest business segment is direct lending, but it also offers general partner private equity investment solutions and manages real estate and digital infrastructure investments.

On October 30, 2025, Blue Owl Capital Inc. (OWL) reported third-quarter 2025 results showing fee-related earnings of $0.24 per share and distributable earnings of $0.22 per share while declaring a quarterly dividend of $0.225 per Class A share payable November 24, 2025. The company reported assets under management of approximately $295 billion as of September 30, 2025, supported by meaningful fundraising across its Credit, Real Assets and GP Strategic Capital platforms. Management emphasized strong investor demand for private-market financing solutions, pointing to digital-infrastructure, net-lease real estate, and middle-market direct lending as key growth areas while noting non-accruals remain minimal and credit quality stable. Although net investment income per share declined sequentially to $0.37, down from $0.42 in the prior quarter, and net asset value per share slipped to $14.89, management reaffirmed that these fluctuations primarily reflect timing and accounting items rather than operational stress. The firm highlighted recent fund launches, including a $1 billion digital infrastructure vehicle and a larger net-lease program, as evidence of its scalable platform. Capital allocation included continuation of the dividend, opportunistic share repurchases and expansion of product offering in its three-pillar model. While the firm underscored favorable structural trends in alternatives and private capital, it acknowledged headwinds including spread compression and competitive pricing for new deals. Overall, Blue Owl's Q3 performance reflects both measured progress in execution and the evolving dynamics of the alternatives-asset-management business amid an uncertain rate and economic backdrop.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	---	---	---	---	---	---	$0.32	$0.53	$0.65	$0.77	***$0.83***	***$1.95***
DPS	---	---	---	---	---	---	$0.13	$0.48	$0.56	$0.72	***$0.90***	***$1.60***
Shares	---	---	---	---	---	---	404.9	445.6	465.7	608.3	***664.8***	***700.0***

OWL is currently growing rapidly as it strives to rapidly scale its three asset management platforms and achieve economies of scale. OWL's business model is uniquely structured in the alternative asset management space to avoid generating any carried interest while also consisting primarily of permanent capital. As a result, its earnings stream is expected to be much more stable than those of its peers. OWL's fundraising outlook appears to be strong for the foreseeable future despite the deceleration in the growth rate, and its permanent capital, carried interest-free earnings stream should be able to be quite resilient in the face of economic turmoil.

On top of that, its general partner solutions and triple net lease real estate businesses should be able to generate exceptionally stable earnings through economic cycles while its direct lending platform benefits from rising interest rates. As a result, we estimate that earnings per share will grow at a 18.6% CAGR over the next half decade and expect the dividend per share to grow rapidly over that same period as well.

Blue Owl Capital (OWL)

Updated November 5th, 2025 by Samuel Smith

Valuation Analysis

Year	2014	2015	2016	2017	2018	2019	2021	2022	2023	2024	Now	2030
Avg. P/E	---	---	---	---	---	---	43.4	21.9	21.3	30.3	***18.1***	***20.0***
Avg. Yld.	---	---	---	---	---	---	0.9%	4.1%	4.1%	3.1%	***6.0%***	***4.1%***

OWL has a very short operating history as a public company and therefore it is difficult to know exactly what valuation multiple is fair. Given that the company is still growing quickly in its early stages and recently expanded into the digital infrastructure space that should benefit from the rapid growth of artificial intelligence, we think a relatively high valuation multiple of 20 times is warranted.

Safety, Quality, Competitive Advantage, & Recession Resiliency

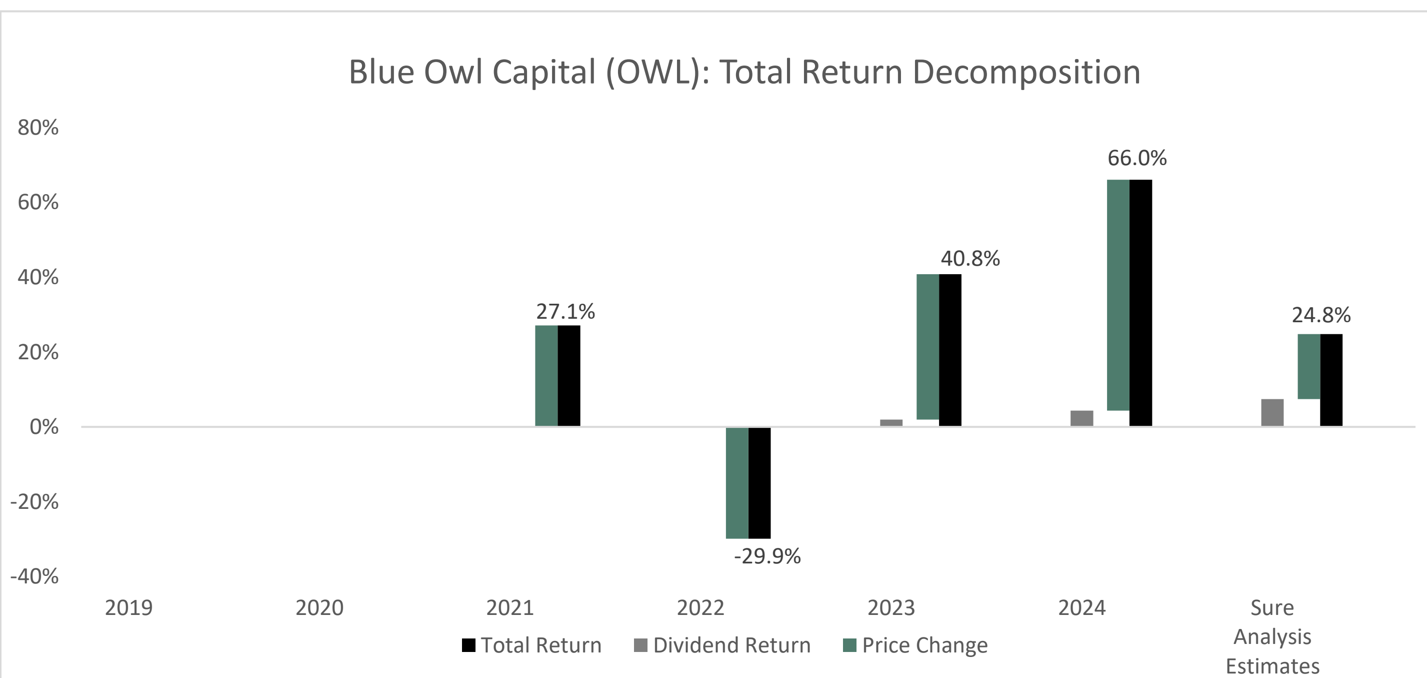
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	---	---	---	---	---	---	41%	91%	86%	94%	***108%***	***82%***

OWL's competitive advantage stems from its large and dominant market positioning in both direct lending and general partner private equity solutions. As a result, it should be able to continue raising funds at a strong pace in the coming years to further scale those businesses. While OWL has not operated through a recession before, we think it is better positioned than many asset managers to weather an economic storm given that almost all its assets under management is permanent capital and it does not accrue carried interest on its balance sheet either, resulting in a very stable earnings stream. Its balance sheet is also quite strong given its investment grade credit rating.

Final Thoughts & Recommendation

OWL offers investors pretty attractive risk-reward at the moment thanks to its very strong expected earnings per share and dividend per share growth over the next half-decade, backed by a solid investment-grade balance sheet and a fairly defensively positioned and well-diversified business model. While the growth runway and the forward dividend yield make for a very attractive total return profile, the current elevated payout ratio keeps us from rating it a Buy today, and we therefore rate it a Hold.

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.

Blue Owl Capital (OWL)

Updated November 5th, 2025 by Samuel Smith

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue					191	250	824	1,370	1,732	2,295
Gross Profit					79	9	(673)	475	861	1,278
Gross Margin					41.4%	3.6%	-81.7%	34.7%	49.7%	55.7%
SG&A Exp.					52	68	140	221	243	413
D&A Exp.					1	1	115	259	311	275
Operating Profit					27	(59)	(927)	(2)	318	607
Operating Margin					14.3%	-23.5%	-113%	-0.2%	18.4%	26.4%
Net Profit					23	(78)	(376)	(9)	54	110
Net Margin					12.0%	-31.2%	-45.7%	-0.7%	3.1%	4.8%
Free Cash Flow					43	5	276	663	881	935
Income Tax					0	(0)	(65)	(9)	26	49

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets						122	8,266	8,893	8,818	10,992
Cash & Equivalents						12	43	68	104	152
Accounts Receivable							5	12	16	27
Goodwill & Int. Ass.						-	6,744	6,611	6,334	7,602
Total Liabilities						623	2,419	3,344	3,540	5,186
Long-Term Debt						356	1,174	1,625	1,681	2,588
Shareholder's Equity						(508)	1,664	1,605	1,528	2,128
LTD/E Ratio						(0.70)	0.71	1.01	1.10	1.22

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets							-9.0%	-0.1%	0.6%	1.1%
Return on Equity							-14.1%	-0.2%	1.0%	2.0%
ROIC							-10.9%	-0.1%	0.8%	1.4%
Shares Out.							404.9	445.6	465.7	608.3
Revenue/Share					0.60	0.78	0.63	3.16	3.62	4.11
FCF/Share					0.13	0.01	0.21	1.53	1.84	1.68

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