Blue Owl Capital Corporation (OBDC)

Updated March 3rd, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$11.57	**5 Year Annual Expected Total Return:**	12.3%	**Market Cap:**	$5.76 B
Fair Value Price:	$12.80	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	03/31/2026
% Fair Value:	90%	**5 Year Valuation Multiple Estimate:**	2.0%	**Dividend Payment Date:**	04/15/2026
Dividend Yield:	12.8%	**5 Year Price Target**	$12.80	**Years Of Dividend Growth:**	0
Dividend Risk Score:	F	**Sector:**	Financials	**Rating**	Sell

Overview & Current Events

Blue Owl Capital Corporation is a business development company ("BDC") that formed in October 2015. The company closed its IPO in July 2019. Blue Owl claims to invest and lend funds to U.S. middle-market companies that generate annual EBITDA between $10 million and $250 million and/or annual revenues of $50 million to $2.5 billion at the time of investment. The company generates around $1.85 billion in gross investment income annually and is based in New York, New York. With a market cap of $5.76 billion, it is currently the third-largest publicly traded BDC.

On July 6th, 2023, the company's name was changed from Owl Rock Capital Corporation to Blue Owl Capital Corporation, and its ticker from ORCC to OBDC.

On February 18, 2026, Blue Owl Capital Corporation announced that its Board declared a regular dividend of $0.37 per share for the first quarter of 2026, payable on April 15th, 2026, to stockholders of record as of March 31st, 2026. No supplemental dividend was declared for the period. We continue to use the annualized rate of Blue Owl's base dividend, though total dividends for the year could vary depending on any future supplemental declarations. Also, OBDC just lost its dividend growth streak as the base dividend didn't grow in 2025.

On the same day, Blue Owl Capital Corporation reported its Q4 and full-year results for the period ending December 31st, 2025. For the quarter, total investment income was $447.8 million, down from $453.1 million in the prior quarter, primarily driven by the impact of lower base rates on floating-rate assets. Net investment income (NII) was $192.3 million, up modestly from $190.1 million quarter-over-quarter, while GAAP NII per share increased to $0.38 from $0.37. Adjusted NII per share was $0.36, consistent with the prior quarter. The company generated $684.4 million of new investment commitments during the quarter across 12 new and 17 existing portfolio companies, compared with $1.3 billion in the prior quarter. Principal funded totaled $520.5 million, while sales and repayments were $1.4 billion. At quarter end, the portfolio had a fair value of $16.47 billion, consisting of investments in 234 companies across 30 industries. First-lien senior secured debt represented 73.1% of the portfolio, preferred equity 3.5%, and common equity 3.9%. Credit quality remained stable, with investments on non-accrual representing 1.1% of the portfolio at fair value, down from 1.3% in the prior quarter. For fiscal 2025, NII/share was $1.58. For FY2026, we expect NII/share of $1.60.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
NII/shr[1]	$0.42	$1.40	$1.68	$1.54	$1.33	$1.25	$1.41	$1.93	$1.90	$1.58	***$1.60***	***$1.60***
DPS	$0.06	$1.35	$1.42	$1.45	$1.56	$1.24	$1.29	$1.59	$1.72	$1.56	***$1.48***	***$1.63***
Shares[2]	45.8	97.9	216.2	392.1	389.9	393.7	392.5	389.7	390.1	506.1	***506.1***	***800.0***

The company's NII/share is heavily reliant on the investment yield spreads it can achieve between its own cost of funds and the yield its investments produce. High interest rates should benefit the company, but only if it can control its own cost of funding. We don't expect further NII/share growth from our already high FY2025 base, as dynamics could change in the coming years. In terms of its distributions, Blue Owl currently pays a quarterly base rate of $0.37, though special

[1] Due to ORCC's legal structure as a business development company ("BDC"), Net Investment Income is a more meaningful metric
[2] Share count is in millions.

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dividends have been frequent in the past amid excess gains. We expect the base dividend to grow at a slow pace of 2% in the medium-term, which we believe that the company can afford.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	---	---	---	11.4	9.0	11.6	9.0	6.2	7.8	8.9	***7.2***	***8.0***
Avg. Yld.	---	---	---	8.9%	12.5%	8.5%	10.0%	13.3%	11.6%	11.1%	***12.8%***	***12.8%***

Blue Owl Capital's valuation has hovered in the high-single to low-double digits, in-line with its industry peers. We have set the stock's fair multiple at 8.0 times the company's net investment income, which suggests shares are overvalued at their current levels. From a NAV/share point of view, the stock also appears to be undervalued at its current price. The stock's Net Asset Value (NAV) declined from $14.89 in Q3 2025 to $14.81 in Q4 2025. However, the BDC's NAV can easily fluctuate based on the underlying movements in rates. The 12.8% dividend yield is substantial, even when excluding any supplemental dividends.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	14%	96%	85%	94%	117%	99%	91%	82%	91%	99%	***93%***	***102%***

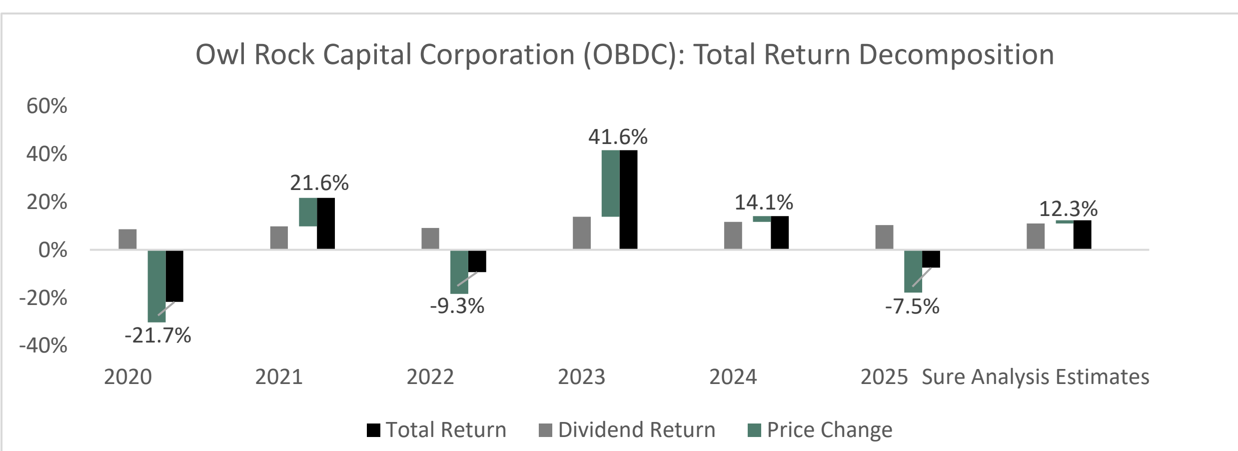
Considering that the company has historically paid multiple special distributions, we believe that its current base distribution rate of $0.37 should remain covered at the present yield margins. Being a BDC, the company does not display any groundbreaking competitive advantages, though we can name a few.

Firstly, its industry-leading market capitalization speaks for its reputation and could help retain high lending rates. Further, the stock is rated by all the major credit agencies, which is rare in the industry and should help secure a low cost of capital going forward. Finally, Blue Owl Capital utilizes CLOs (Collateralized Loan Obligations). These are different from MBS (Mortgage-Backed Securities), which brings to mind the Great Financial Crisis, and have ultra-low default rates that usually hover below 0.1%. Hence, Owl Rock is likely to generate more resilient results than your average BDC.

Final Thoughts & Recommendation

Blue Owl Capital is one of the largest BDCs, offering exposure to a diversified portfolio both in terms of the weight of its individual holdings and the industries in which its investments operate. While the company's publicly traded history is fairly short, Owl Rock certainly displays some solid qualities. We forecast annualized returns of 12.3% in the medium-term, mainly driven by Blue Owl's dividend. Still, we rate the stock as a sell due to the just-lost dividend growth streak.

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	--	25	117	222	458	303	689	536	864	666
SG&A Exp.	--	6	10	13	19	23	26	25	28	28
Net Profit	--	17	104	202	498	388	625	466	793	595
Net Margin	--	66.9%	88.8%	91.1%	108.8%	127.9%	90.7%	86.9%	91.8%	89.3%
Free Cash Flow	--	(945)	(1,335)	(3,172)	(2,527)	(1,560)	(1,227)	217	1,136	160
Income Tax	--	0	0	1	2	6	12.6	9.8	17	12

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	--	1,181	2,444	5,951	9,204	11,304	13,300	13,580	13,510	13,870
Cash & Equivalents	--	209	17	122	310	349	426	349	573	432
Total Liabilities	--	500	971	2,686	3,226	5,558	7,360	7,702	7,490	7,913
Accounts Payable	--	-	34	82	137	152	122	130	136	144
Long-Term Debt	--	492	919	2,568	3,038	5,293	7,079	7,282	7,077	7,458
Shareholder's Equity	--	681	1,473	3,265	5,977	5,746	5,938	5,882	6,021	5,953
LTD/E Ratio	--	0.72	0.62	0.79	0.51	0.92	1.19	1.24	1.18	1.25

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	--	--	5.7%	4.8%	6.6%	3.8%	5.1%	3.5%	5.9%	4.4%
Return on Equity	--	--	9.6%	8.5%	10.8%	6.6%	10.7%	7.9%	13.3%	9.9%
ROIC	--	--	5.8%	4.9%	6.7%	3.9%	5.2%	3.6%	6.0%	4.5%
Shares Out.	--	45.8	97.9	216.2	392.1	389.9	392	394	390	390
Revenue/Share	--	0.06	1.72	1.64	1.41	0.78	1.76	1.36	2.22	1.71
FCF/Share	--	(2.46)	(19.7)	(23.4)	(7.78)	(4.01)	(3.13)	0.55	2.91	0.41

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