Blue Owl Capital Inc. (OWL)

Updated June 20th, 2026, by Kody Kester

Key Metrics

Current Price:	$9.59	**5 Year CAGR Estimate:**	29.6%	**Market Cap:**	$15.0B
Fair Value Price:	$15.84	**5 Year Growth Estimate:**	13.0%	**Ex-Dividend Date:**	08/13/26[1]
% Fair Value:	61%	**5 Year Valuation Multiple Estimate:**	10.6%	**Dividend Payment Date:**	08/27/26[1]
Dividend Yield:	9.6%	**5 Year Price Target**	$29.16	**Years Of Dividend Growth:**	5
Dividend Risk Score:	D	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Blue Owl Capital Inc. (OWL) is one of the world's largest alternative asset managers that offers primarily permanent capital solutions to clients. Headquartered in New York City and public since 2021, the firm has scaled rapidly to $314.9 billion in assets under management as of Mar. 31, 2026. Its business is built on three core pillars: Credit, Real Assets, and GP Strategic Capital.

The firm is anchored by its permanent capital base, which comprises $224.8 billion of its total AUM. This ensures that a supermajority of its management fees are derived from permanent capital vehicles, which insulates it from the volatility typically associated with performance-based assets. With $29.9 billion in AUM not yet paying fees, this represents nearly $350 million in potential annualized management fees.

On Apr. 30, 2026, OWL shared its earnings report for the first quarter ended Mar. 31, 2026. The company's fee-related EPS surged 13.6% higher year-over-year to $0.25 during the quarter. This was driven by OWL's ability to scale its permanent capital base and execute on fundraising across its three core platforms. In Q1 2026 alone, the company raised $11 billion in new capital commitments, bringing the 12-month total to $57 billion. Consistent inflows ensure a steady expansion of the fee-paying AUM base. That's how OWL's permanent capital rose by 14.6% over the year-ago period to $224.8 billion for the quarter. During the quarter, Amazon announced a $12 billion data center campus with investment for OWL's digital infrastructure funds and development by STACK Infrastructure, its scaled designer, developer, and operator of sustainable digital infrastructure. This was the fourth data center project above $10 billion announced in less than 18 months in which it will play a role. On the same day as the earnings release, OWL upped its quarterly dividend per share by 2.2% to $0.23. That marks the fifth consecutive year of dividend growth.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FRE	-	-	-	-	-	$0.32	$0.53	$0.65	$0.77	$0.84	***$0.88***	***$1.62***
DPS	-	-	-	-	-	$0.13	$0.43	$0.55	$0.68	$0.85	***$0.92***	***$1.38***
Shares[2]	-	-	-	-	-	404.9	445.1	464.4	608.4	667.3	***675.8***	***750.0***

OWL's fee-related EPS has compounded at a double-digit percentage annually in recent years. This is also why we think that its fee-related EPS can grow by 13.0% annually through 2031, off an anticipated 2026 base of $0.88. For one, the company's high concentration of permanent capital provides recurring and predictable management fees. Alongside the $29.9 billion in AUM that isn't yet paying fees, this will provide a clear line of sight for FRE expansion independent of market performance. By increasing accessibility for individual investors through semi-liquid structures, OWL is also tapping into a massive and under-penetrated market that offers more stable fundraising cycles than traditional institutional-only models.

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[1] Estimated dates based on past dividend dates.

[2] Share count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/FRE	-	-	-	-	-	46.6	20.0	23.0	31.2	18.2	***10.9***	***18.0***
Avg. Yld.	-	-	-	-	-	0.9%	4.1%	3.7%	2.8%	5.6%	***9.6%***	***4.7%***

Over the last several years, OWL's P/FRE ratio has ranged from as low as the low double-digits to as much as the mid-40s. The average P/FRE ratio over that time was nearly 28. Moving forward, we think that a fair value P/E ratio of 18 is reasonable for a high-growth, permanent capital-heavy manager. Relative to the current-year multiple of 10.9, shares look to be significantly undervalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	-	-	-	-	-	41%	81%	85%	88%	101%	***105%***	***85%***

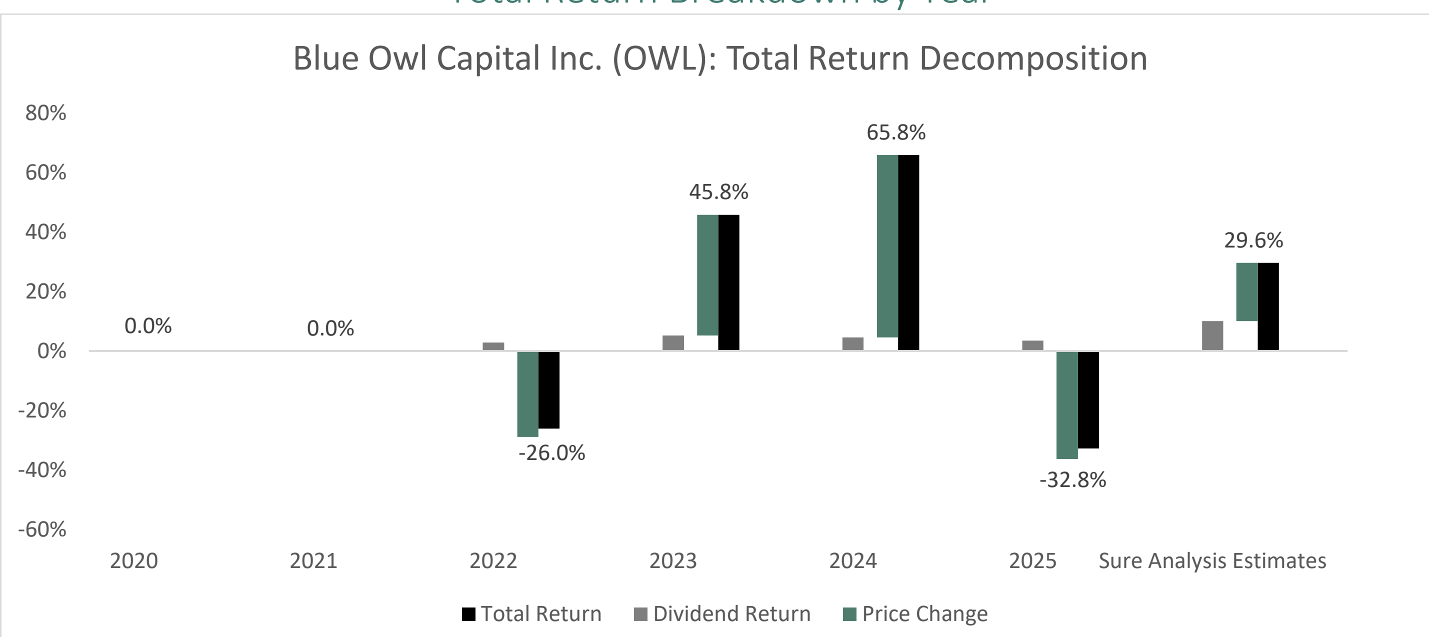
OWL's permanent capital base is a key competitive advantage. Unlike traditional private equity firms that must constantly re-fundraise for every new vintage, the company's permanent capital vehicles provide predictable management fees that are mostly decoupled from short-term market sentiment. As one of the world's largest direct lending platforms, OWL benefits from the network effect within the private equity ecosystem. By acting as a partner of choice for private equity sponsors, the company secures a steady stream of proprietary investment opportunities.

OWL is also financially stable. The company possesses a BBB S&P credit rating with a stable outlook. The payout ratio is currently elevated above 100%. However, OWL is committed to reducing this to a more sustainable payout ratio of around 85% over the next several years. That should better position it to build on its five-year dividend growth streak.

Final Thoughts & Recommendation

OWL's 9.6% dividend yield, 13.0% annual FRE growth prospects, and 10.6% annual valuation multiple expansion could deliver 29.6% annualized total returns through 2031. Due to the lower Dividend Risk Score, however, we're maintaining our Hold rating.

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue					250	824	1,370	1,732	2,295	2,870
Gross Profit					249	707	1,098	1,421	2,021	2,488
Gross Margin					99.7%	85.9%	80.1%	82.1%	88.0%	86.7%
SG&A Exp.					68	140	221	243	413	748
D&A Exp.					1	117	272	311	275	382
Operating Profit					(59)	(825)	10	331	681	493
Operating Margin					-23.5%	-100.1%	0.8%	19.1%	29.7%	17.2%
Net Profit					(82)	(1,802)	(40)	221	420	305
Net Margin					-33.0%	-218.8%	-2.9%	12.7%	18.3%	10.6%
Free Cash Flow					5	276	663	881	935	1,198
Income Tax					(0)	(65)	(9)	26	49	42

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets					122	8,266	8,893	8,818	10,992	12,468
Cash & Equivalents					12	43	68	104	152	195
Goodwill & Int. Ass.					-	6,744	6,611	6,334	7,602	8,513
Total Liabilities					623	2,419	3,344	3,540	5,186	6,413
Long-Term Debt					356	1,263	1,865	2,001	2,979	3,863
Shareholder's Equity					(508)	1,664	1,605	1,528	2,128	2,205
LTD/E Ratio					(0.70)	0.76	1.16	1.31	1.40	1.75

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets						-43.0%	-0.5%	2.5%	4.2%	2.6%
Return on Equity						-67.4%	-0.7%	4.1%	7.6%	5.2%
ROIC						-51.7%	-0.6%	3.0%	5.2%	3.3%
Shares Out.						404.9	445.6	465.7	608.3	664.8
Revenue/Share					7.27	2.03	3.16	3.62	4.11	4.34
FCF/Share					0.13	0.68	1.53	1.84	1.68	1.81

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