T. Rowe Price Group Inc. (TROW)

Updated November 9th, 2026, by Nathan Parsh

Key Metrics

Current Price:	$108	**5 Year Annual Expected Total Return:**	11.2%	**Market Cap:**	$23 B
Fair Value Price:	$134	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	12/16/26
% Fair Value:	81%	**5 Year Valuation Multiple Estimate:**	4.4%	**Dividend Payment Date**	12/29/26
Dividend Yield:	4.8%	**5 Year Price Target**	$155	**Years Of Dividend Growth:**	40
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

T. Rowe Price Group, founded in 1937 and headquartered in Baltimore, MD, is one of the largest publicly traded asset managers. The company provides a broad array of mutual funds, sub-advisory services, and separate account management for individual and institutional investors, retirement plans and financial intermediaries. T. Rowe Price has a market capitalization of about $24 billion and had assets under management (AUM) of nearly $1.9 trillion as of September 30th, 2026.

On February 9th, 2026, T. Rowe Price raised its quarterly dividend 2.4% to $1.30, marking the company's 40th year of increasing its payout.

On October 29th, 2026, T. Rowe Price reported third quarter results for the period ending September 30th, 2026. For the quarter, revenue grew 5.8% to $2.0 billion, which beat estimates by $30 million. Adjusted earnings-per-share of $2.86 compared favorably to $2.81 in the prior year and was $0.21 more than expected.

During the quarter, ending AUMs totaled $1.86 trillion, which represented growth of 5.4% year-over-year, but a 1.6% decrease quarter-over-quarter. The company had a decline in net market appreciation of $2.4 billion and net cash outflows of $28.3 billion during the period. Operating expenses fell 1.2% to $1.24 billion year-over-year and were down 9.6% on a sequential basis.

We expect T. Rowe Price to earn $10.29 per share in 2026, up from $10.12, $9.53, and $10.07 previously.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$4.84	$6.13	$7.01	$8.07	$9.58	$12.75	$8.02	$7.59	$9.33	$9.72	***$10.29***	***$11.93***
DPS	$2.16	$2.28	$2.80	$3.04	$3.60	$4.32	$4.80	$4.88	$4.96	$5.08	***$5.20***	***$6.03***
Shares[1]	245	245	238	235	231	229	225	224	223	218	***213***	***205***

T. Rowe Price's earnings, as well as its dividends, have grown substantially over the last decade. While earnings did drop during the last financial crisis, the overall record has been solid. Since 2016, the company has grown earnings-per-share by an average compound rate of 8.1% per year, though EPS has fallen 4.2% annually over the last five years. Moreover, the company performed well in 2020 despite the pandemic.

Asset managers like T. Rowe have low variable costs. As a result, higher revenues, driven primarily by increasing assets under management, allow for margin expansion and attractive earnings growth rates. Assets under management grow in two basic ways: increased contributions and higher underlying asset values. While asset values are finicky, the trend is upward over the long-term. On the contribution side, T. Rowe Price's strong past performance is a key selling point and could attract customers going forward. In addition, T. Rowe has another growth lever in the way of share repurchases.

With that being said there is a significant and ongoing challenge for traditional asset managers. Namely, the advance of low-cost ETFs, where other asset managers such as Blackrock or Vanguard are much better positioned. This could lead to lower growth rates for T. Rowe Price, as managers are forced to compete on price and reduce management fees.

[1] In millions.

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Taking the company's strong history and solid financial position paired against a challenging industry, we are forecasting 3% growth over the next five years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	14.7	13.1	15.6	12.4	12.8	14.5	13.6	14.2	12.1	10.5	***10.5***	***13.0***
Avg. Yld.	3.0%	2.8%	2.6%	2.8%	2.8%	2.3%	4.4%	4.5%	4.4%	5.0%	***4.8%***	***3.9%***

Shares of T. Rowe have declined $4, or 3.6%, since our August 2nd, 2026 update. The stock has traded hands with an average P/E ratio of about 13.4 times earnings in the last decade. We reaffirm our target P/E of 13 from 14 to match the long-term average as the company has moderate growth potential in our opinion. With shares trading at 10.5 times earnings estimates, we forecast a valuation tailwind. Multiple expansion could add 4.4% to annual returns through 2031.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	45%	37%	40%	38%	38%	34%	60%	64%	53%	52%	***51%***	***51%***

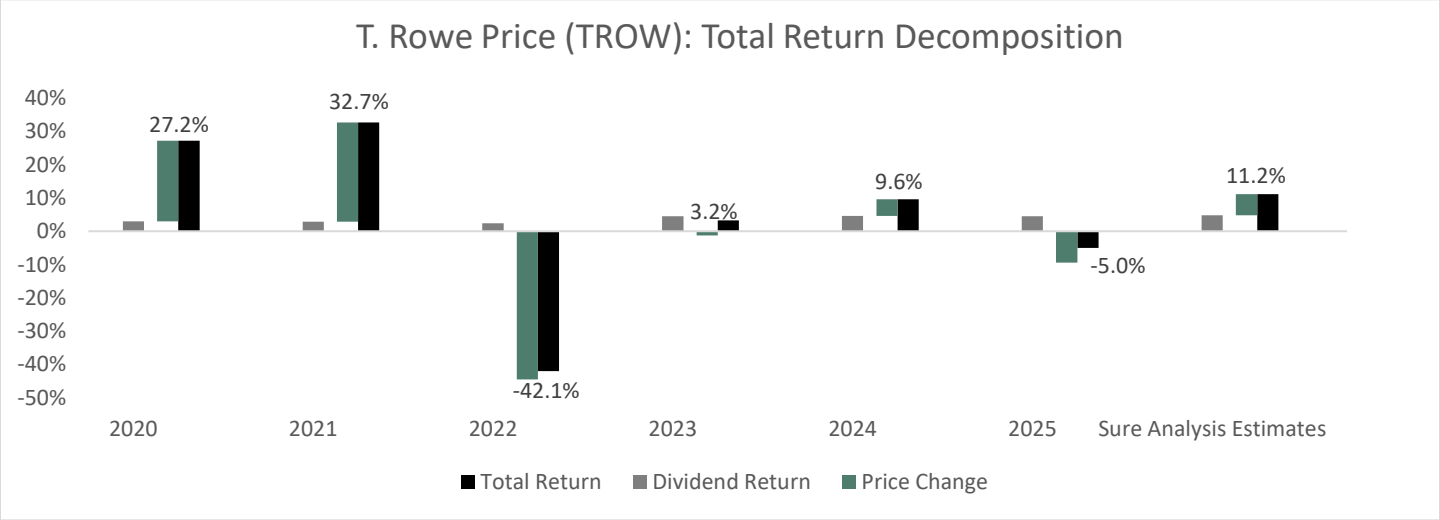
While T. Rowe has put together a solid record, asset managers do not tend to have a large competitive advantage. Fund performance and general customer stickiness help – once you invest with a company you tend to stay invested, and the benefits of switching are unknown. However, the "race to the bottom" as it relates to fees has been and will continue to be an important and ongoing challenge in the industry.

During the Great Recession T. Rowe posted earnings-per-share of $2.40, $1.82, $1.65, and $2.53 in the 2007 through 2010 stretch. This is instructive, as it shows both the cyclical nature in lesser times along with the ability to bounce back. The company's balance sheet is in excellent shape with zero long-term debt.

Final Thoughts & Recommendation

T. Rowe Price is projected to return 11.2% annually through 2031, down from our prior estimate of 10.1%. This forecast stems from a 3% earnings growth rate, a starting yield of 4.8%, and a single-digit contribution from multiple expansion. The company's most recent quarter beat estimates and AUMs grew from the previous year. T. Rowe Price has been a great business, with strong operating metrics for many years. In addition, the company has a long history of dividend growth and offers a generous yield. T. Rowe Price continues to earn a buy rating due to total return potential and a solid dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	4,297	4,962	5,373	5,618	6,207	7,672	6,488	6,461	7,094	7,315
Gross Profit	3,620	4,130	4,479	4,690	5,267	6,473	5,141	5,069	5,754	6,177
Gross Margin	84.3%	83.2%	83.4%	83.5%	84.9%	84.4%	79.2%	78.5%	81.1%	84.4%
D&A Exp.	133	144	160	191	190	205	509	389	254	406
Operating Profit	1,873	2,210	2,302	2,556	2,937	3,829	2,200	2,157	2,483	2,477
Operating Margin	43.6%	44.5%	42.8%	45.5%	47.3%	49.9%	33.9%	33.4%	35.0%	33.9%
Net Profit	1,229	1,547	1,725	2,194	2,458	3,018	1,414	1,791	2,080	2,158
Net Margin	28.6%	31.2%	32.1%	39.0%	39.6%	39.3%	21.8%	27.7%	29.3%	29.5%
Free Cash Flow	1,320	1,755	2,018	2,375	2,646	3,284	2,053	1,925	2,116	1,753
Income Tax	707	924	616	678	719	896	499	655	684	667

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	6,368	7,647	7,786	9,529	10,902	12,509	11,643	12,460	13,657	14,342
Cash & Equivalents	1,205	1,903	1,425	1,782	2,152	1,523	1,756	2,067	2,650	3,378
Goodwill & Int. Ass.	666	666	666	666	666	3,607	3,273	3,150	3,011	2,917
Total Liabilities	673	829	922	1,306	1,633	2,255	1,956	2,169	2,206	2,289
Long-Term Debt	---	---	---	120	104	249	392	340	306	413
Shareholder's Equity	5,009	5,824	6,124	7,102	7,707	9,023	8,840	9,505	10,345	10,860
LTD/E Ratio	---	---	---	0.02	0.02	0.03	0.05	0.04	0.03	0.04

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	21.2%	22.1%	22.4%	25.3%	24.1%	25.8%	11.7%	14.9%	15.9%	15.4%
Return on Equity	23.5%	24.7%	25.2%	29.1%	28.1%	30.9%	14.2%	17.9%	19.1%	18.4%
ROIC	23.5%	24.7%	25.2%	28.8%	27.6%	30.3%	13.7%	17.2%	18.5%	18.1%
Shares Out.	245	245	238	235	231	229	225	224	223	218
Revenue/Share	17.17	20.24	21.76	23.55	26.85	33.53	28.57	28.74	31.77	33.20
FCF/Share	5.27	7.16	8.17	9.95	11.44	14.35	9.04	8.56	9.48	7.96

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

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