

Blackstone Inc. Summary Investment Note

Blackstone is the **largest alternative asset manager globally**, with over **\$1.3 trillion in AUM**, spanning private equity, real estate, credit, and multi-asset strategies. Its scale and brand position it at the centre of global capital flows into alternatives, benefiting from long-term structural shifts as institutional investors, insurers, and increasingly private wealth clients allocate more capital away from traditional public markets.

The Blackstone logo, featuring the word "Blackstone" in a white serif font on a black rectangular background.

The firm operates a **highly diversified and scalable platform**, balancing cyclical, high-return businesses such as private equity and real estate with more stable, fee-generating segments like credit and insurance. This diversification underpins a resilient earnings profile, while the continued growth of **perpetual capital vehicles** is steadily increasing the share of predictable, recurring revenues. At the same time, performance income remains a meaningful driver of upside during favourable market conditions.

Financially, Blackstone exhibits **strong margins and operating leverage**, with significant profitability driven by its fee-based model. However, earnings can be volatile in the short term, largely due to the timing of asset realisations and broader market conditions. The current environment, characterised by slower deal activity and higher interest rates, has weighed on sentiment, which is reflected in the stock trading closer to its 52-week lows.

From a valuation standpoint, the company trades at a **premium relative to traditional asset managers**, reflecting its superior growth profile, scale, and access to long-duration capital. Notably, the gap between historical and forward valuation multiples suggests that the market is pricing in a **recovery in earnings**, particularly as exit activity normalises. The stock also offers an attractive **dividend yield of approximately 4%**, supported by distributable earnings, although payouts may fluctuate with performance income.

Looking ahead, Blackstone is well positioned to benefit from several key tailwinds: continued expansion of the **private wealth channel**, increasing demand for **private credit solutions**, and ongoing growth in **insurance-linked capital**. These drivers, combined with its global platform and proven investment track record, support a compelling long-term outlook.

In summary, Blackstone represents a **high-quality compounder with both growth and income characteristics**. While near-term performance is tied to the cycle, particularly transaction activity and capital markets conditions, the firm's structural advantages and evolving revenue mix provide a strong foundation for sustained value creation over time.

