

Initiating Coverage:

Blackstone (\$BX)

Rock Solid: Blackstone builds the Foundations of Tomorrow's Markets

Key Take-away: Blackstone's Q3 2025 report shows total AUM hitting a record \$1.24 trillion, up 12% year over year, driven by \$54.2 billion of inflows in the quarter. Their fee-earning AUM rose 10% to \$906.2 billion. Distributable Earnings in Q3 rose 25% YoY to \$1.9 billion, reflecting strong performance across Blackstone's fee and carry businesses. Inflows and performance in perpetual capital, credit, infrastructure, and real estate were consistent even in a volatile market environment. Blackstone's results reinforce the thesis that its diversified platform and scale allow it to thrive in ever-changing market conditions.

Strategic partnerships and moves on the horizon: This past April, Blackstone announced a partnership with Vanguard and Wellington to create hybrid investment products that combine public and private markets. This would open private equity and credit markets to investors, allowing them to channel trillions of dollars in retirement assets into alternatives. Recent reports have also shown that Blackstone is exploring a possible sale or IPO of Ancestry.com, which was acquired in 2020 for \$4.7 billion. The company is valued now well over \$10 billion. Blackstone also agreed to acquire Enverus, a large energy data and analytics firm, for a deal worth \$10 billion. These strategic moves expand Blackstone's investor base, enhance portfolio value, and strengthen its capabilities in energy and infrastructure.

Large investments in Energy and Infrastructure: Blackstone recently announced major investments in energy and infrastructure. This past September, they agreed to buy the Hill Top Energy center, a large natural gas plant in Pennsylvania, for around \$1 billion. The deal adds to their already large portfolio of energy assets, supporting the increasing demand for reliable power in the U.S. Blackstone has also committed billions of dollars toward financing Port Arthur LNG, a natural gas export project in Texas. These investments reflect Blackstone's strategy to support energy projects. Blackstone is combining energy and infrastructure, positioning itself to benefit from the rising global demand for power.

Valuation: We initiate coverage with a \$167 PT.



Consortium Research Group
FIG | Asset Management
October 31st, 2025

Stock Rating:	E
Price Target:	\$167
Price:	\$154.60
Potential Upside:	8.42%
Ticker:	\$BX

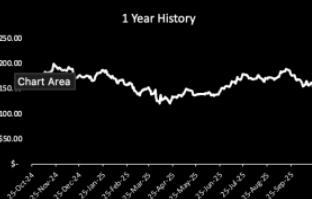


FIG Coverage Team
Analyst
Demiladeye Osinubi
University of Virginia
demiosinubi@virginia.edu

Company Overview

Company Description:

Blackstone is the world's largest alternative asset manager with over \$1.1 trillion in Total Assets Under Management (AUM). Blackstone has 4 major business segments, including Real Estate, Private Equity, Credit and Insurance, and Multi-Asset Investing. They are a global leader in real estate investing with \$315.4 billion of AUM. Their private equity arm is also massive, managing \$ 352.2 billion of AUM and has \$200 billion of investible capital. This is the most of any alternative asset manager in the industry, which allows them to take advantage of industry downturns and buy assets at discounted prices faster than competitors, who need to locate financing first.

Fundraising and Perpetual Capital Strength: Blackstone is a leader in raising perpetual capital, which is funds without fixed end dates. This provides them with a stable and recurring source of management fees. Perpetual capital has grown rapidly and now accounts for most of the firm's fee-related earnings. Blackstone's reputation and scale have also positioned it to be a leading fundraiser in the industry. In 2023 alone, they raised over \$100 billion in capital across their practices.

Global Scale and Diversification of Strategies: Blackstone has more than 50 offices across the world and invests in a diverse range of assets and locations, including real estate, infrastructure, private credit, secondaries, insurance, and hedge fund solutions. Their diversification makes them less reliant on any single market or cycle and offers services for any institutional investor. Their global footprint also gives them first-mover access to deal flow and local market data, strengthening their competitive advantage.

Industry Overview

Evolving Real Estate Strategy Toward Digital Infrastructure: After COVID, the demand for office real estate and investment has significantly decreased, with people increasingly working from home or having hybrid office models. Demand is now shifting toward warehouses, rental housing, and digital infrastructure such as data centers. Blackstone has continued to shift its real estate portfolio to reflect these new demand trends, with warehouses, digital infrastructure, and rental properties making up 75% of their Real Estate portfolio. They've established an early and leading position in data center investments, pursuing and completing acquisitions of data center companies and providers. Blackstone has positioned itself uniquely by not only investing in data centers but also investing in the infrastructure to power these data centers, investing across the entire power ecosystem – generation, transmission, distribution, critical equipment, and services – through a combination of debt and equity strategies to meet the rising demand from electrification and industrial reshoring.

Navigating Consumer Shifts in the Digital Era: The digital economy has transformed retail, with e-commerce still outpacing overall retail sales growth. Blackstone has made significant investments in infrastructure and online platforms such as Adevinta, which is the world's largest online classifieds company. Consumer spending has also shifted from goods to experiences. Blackstone has companies like Great Wolf Lodge that align with the consumers' priorities. They've also invested in Cvent, leveraging their expertise to meet the growing demand for event services. Blackstone has made sure to highlight and prioritize customer loyalty to strong, high-quality brands. They acquired Jersey Mike's last year and have seen remarkable growth across the U.S.

Peer Comparisons

Comparable Companies

\$mm

Ticker	Mkt Cap	EV	P/E LTM	Revenue LTM	EBITDA LTM
KKR	\$108,000	\$142,000	58.8x	\$21,420	\$6,397
BLK	\$176,291	\$181,804	28.1x	\$22,885	\$12,150
TROW	\$22,571	\$21,466	11.4x	\$7,097	\$2,938
ARES	\$32,768	\$50,645	85.6x	\$4,827	\$2,500
BlackStone	\$121,009	\$209,040	45.0x	\$12,791	\$8,289

Ticker	LTM EV/EBITDA	Gross Margin	EBITDA Margin	EBIT Margin	1 Yr Rev Growth	Rate LF
KKR	22.2x	59.6%	42.4	36.6%		16.5%
BLK	15.0x	47.7%	38.1%	34.3%		17.4%
TROW	7.3x	51.3%	32.0%	28.7%		4.0%
ARES	20.3x	24.5%	24.5%	20.4%		25.3%
BlackStone	25.2x	100.0%	51.0%	51.1%		9.5%

High	25.22x	100.0%	4240.0%	51.1%	25.3%
75th Percentile	22.20x	59.6%	51.0%	36.6%	17.4%
Average	17.99x	56.6%	877.1%	34.2%	14.5%
Median	20.26x	51.3%	38.1%	34.3%	16.5%
25th Percentile	14.96x	47.7%	32.0%	28.7%	9.5%
Low	7.31x	24.5%	24.5%	20.4%	4.0%

BlackStone Relative Valuation

Implied Enterprise Value (25th Percentile)	\$	124,031
Implied Enterprise Value (Median)	\$	167,919
Implied Enterprise Value (75th Percentile)	\$	183,998
Implied Share Price (25th Percentile)	\$	93.79
Implied Share Price (Median)	\$	130.51
Implied Share Price (75th Percentile)	\$	143.96

Source: *capitaliq*

Investment Theses

Thesis 1: Blackstone is Building their Real Assets Platform for the Future.

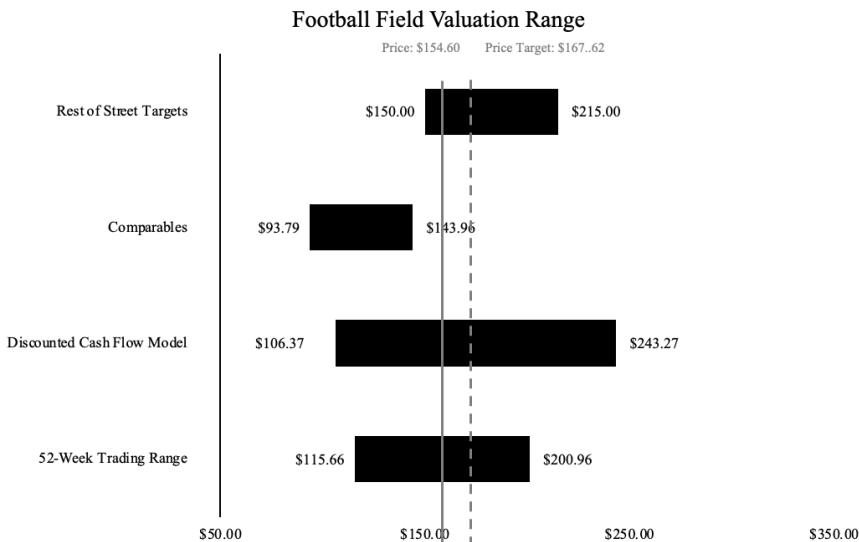
Blackstone's new real estate strategy, prioritizing investments in warehouses, rental housing, and digital infrastructure, creates a great investment opportunity. Blackstone currently has over \$55 billion of data centers, including facilities under construction, as well as over \$70 billion in pipeline development. With the adoption of AI at the forefront of many companies' minds, the demand for data centers to support AI infrastructure has continued to rise. In North America, data center supply in primary markets rose 34% year-over-year in the second half of 2024. Meanwhile, vacancy rates fell to a record low of just 2.6%. Blackstone aims to generate consistent cash flows while capturing secular growth trends in AI, life sciences, and e-commerce logistics. They have accounted for the unprecedented demand for data centers, but also invested in power infrastructure to support these data centers and cloud computing. Inventory expanded 24% year-over-year in the first quarter of 2024, adding 807.5 megawatts, while capacity under construction reached 3,077 megawatts, up 46% from the prior year. These metrics highlight an extreme supply-demand imbalance, which gives owners of these properties pricing power. This is a great investment given the structural headwinds facing office assets and Blackstone's early investment leadership in data centers and power assets, offering an advantage against competitors.

Thesis 2: Blackstone is Scaling Market-Leading Platforms in Secondaries and Private Credit:

Blackstone's Strategic Partners unit has grown from \$10 billion in AUM in 2013 to around \$67 billion in 2025, positioning it as a global leader in the growing secondaries market. In 2024, transaction volumes hit a record \$162 billion across deals, representing a 45% year-over-year growth. This is projected to rise as investors seek liquidity from long-term private funds. Blackstone's private credit platform has also realized remarkable growth, from \$150 billion in 2019 to \$484 billion in 2025. The global private credit market now exceeds \$2 trillion and is expected to exceed \$2.5 trillion by 2028 due to tighter bank lending trends. These create predictable fee-related earnings, diversify Blackstone's revenue base, and give the firm scale advantages few companies can compete with. Together, Strategic Partners and private credit solidify Blackstone's position as a dominant, fee-resilient alternative asset manager.

Price Target & Valuation

Our analysis gives (\$BX) a price target of \$167 and an equal weight rating.



Potential Downsides/Upsides to Our Rating

Downside – Slower Private Market Activity and Regulatory Pressure:

A continued environment with high interest rates could reduce valuations and delay realizations on investments across Blackstone's portfolios. Weakness in commercial real estate markets, as well as investor caution in alternative assets, could also slow fundraising momentum. SEC scrutiny and new private fund disclosure rules could raise compliance costs, limiting Blackstone's ability to expand profitability in the near term.

Upside – Accelerating Growth in Real Assets and Private Credit:

Blackstone is well-positioned to benefit from the structural expansion of the private credit and infrastructure markets. Rapid demand growth for AI-linked data centers, renewable energy projects, and logistics facilities could drive higher returns and fund inflows. Strong institutional and sovereign capital flows from Asia and the Middle East, along with rising adoption of hybrid investment vehicles, could further enhance AUM growth and fee-based income, supporting multiple expansion above our base case.

Our Price Target:

\$167.00

Our PT is based on a $22\times$ 2030 EV/EBIT multiple and mid-single-digit revenue growth, with margins expected to remain roughly flat over the forecast period. We also apply a premium to peers given Blackstone's early positioning in the AI-driven data center and power markets. They also see scale advantages in secondaries and private credit.

Our Upside Case:

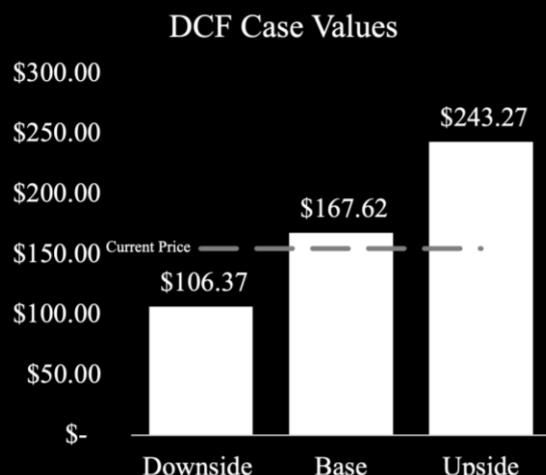
\$243.27

Our upside case is based on a $25.2\times$ 2030 EV/EBIT multiple and high single-digit revenue growth, due to stronger-than-expected fundraising momentum, accelerated carry realization, and multiple expansion driven by a favorable rate environment. We assume Blackstone continues to benefit from robust demand for AI-linked data centers and power infrastructure, while its private credit and secondaries platforms capitalize on tightening traditional bank lending.

Our Downside Case:

\$106.37

Our downside case assumes low single-digit revenue growth driven by slower fundraising and muted realizations across private markets. We expect weaker AUM growth due to sustained inflation and geopolitical uncertainty.



Projections

Income Statement (\$mm)	2024A	2025E	2026E	2027E	2028E	CAGR%
Revenue	12,663	13,505	14,519	16,009	18,083	12.6%
EBITDA	6,558	6,836	6,911	7,736	8,870	10.6%
EBIT	6,459	6,739	6,824	7,644	8,770	10.7%
NOPAT	2,262	5,728	3,094	2,501	5,438	34.0%
Margin & Growth Data	2024A	2025E	2026E	2027E	2028E	AVG%
EBITDA Margin	51.8%	50.6%	47.6%	48.3%	49.1%	49.5%
EBIT Margin	51.0%	49.9%	47.0%	47.8%	48.5%	48.8%
Revenue Growth	64.8%	6.7%	7.5%	10.3%	13.0%	20.4%
EBIT Growth	114.3%	4.3%	1.3%	12.0%	14.7%	29.3%
Valuation Metrics	2024A	2025E	2026E	2027E	2028E	AVG%
P/FCF	32.0x	30.6x	32.4x	29.1x	25.4x	29.9x
EV/Sales	14.7x	13.9x	12.9x	11.7x	10.4x	12.7x
EV/EBITDA	28.5x	27.4x	27.1x	24.2x	21.1x	25.7x
FCF Yield	3.1%	3.3%	3.1%	3.4%	3.9%	3.4%

About \$BX

Blackstone (NYSE: BX), founded in 1985, operates as the world's largest alternative asset manager. The firm manages investments across private equity, real estate, credit & insurance, and infrastructure, with over \$1.2 trillion in assets under management and offices around the globe. What makes Blackstone unique is its scale in real estate, its rapid growth in private credit, and its large pool of perpetual capital that provides stability and flexibility. The company's key goal is to deliver attractive long-term returns for its investors by building businesses, financing growth, and backing transformative projects worldwide.

Disclosures & Ratings

Consortium Research Group is a not-for-profit and is not a registered investment advisory corporation. Analysts and leadership are current college students pursuing careers in finance and are not registered investment advisors. This is not investment advice. The group does not hold any professional relationships with any reported equities unless otherwise stated. All information contained in reports is public information.

Overweight means the analyst team believes the stock price will materially outperform the coverage industry benchmark (TMT, Healthcare, Industrial, Consumer, FIG, Energy & Sustainability) in the next 6-12 months.

Equal Weight means the team expects performance in line with the industry benchmark. **Underweight** means the team expects underperformance relative to the industry benchmark.

Appendix

DCF Analysis (\$mm)											
	FY2020 12/31/20	FY2021 12/31/21	FY2022 12/31/22	FY2023 12/31/23	FY2024 12/31/24	FY2025 12/31/2025	FY2026 12/31/26	FY2027 12/31/27	FY2028 12/30/28	FY2029 12/30/29	FY2030 12/31/30
Stub						0.82	1.82	2.82	3.82	4.82	5.82
Discount Period						0.09	0.68	1.68	2.68	3.68	4.68
Revenue	6,189	22,176	8,016	7,684	12,663	13,505	14,519	16,009	18,083	20,939	24,906
<i>Revenue Growth</i>	<i>0%</i>	<i>258%</i>	<i>-64%</i>	<i>-4%</i>	<i>65%</i>	<i>7%</i>	<i>8%</i>	<i>10%</i>	<i>13%</i>	<i>16%</i>	<i>19%</i>
Asset Management Fees	4,231	5,425	6,828	7,366	8,153	7,614	8,452	9,487	10,768	12,356	14,333
Investment Realizations (1,722	14,329	1,947	532	3,829	4,045	4,167	4,573	5,327	6,566	8,536
Trading Transactions	277	2,460	(714)	(299)	713	1,846	1,901	1,949	1,988	2,018	2,038
EBIT	2,618	13,559	3,567	3,015	6,459	6,739	6,824	7,644	8,770	10,313	12,453
<i>EBIT Margin</i>	<i>42%</i>	<i>61%</i>	<i>44%</i>	<i>39%</i>	<i>51%</i>	<i>50%</i>	<i>47%</i>	<i>48%</i>	<i>49%</i>	<i>49%</i>	<i>50%</i>
Tax Expense	356	1,184	473	513	1,022	1,011	1,433	1,605	1,842	2,166	2,615
<i>Effective Tax Rate</i>	<i>14%</i>	<i>9%</i>	<i>13%</i>	<i>17%</i>	<i>16%</i>	<i>15%</i>	<i>21%</i>	<i>21%</i>	<i>21%</i>	<i>21%</i>	<i>21%</i>
NOPAT	2,261.51	12,375.00	3,094.05	2,501.05	5,437.81	5,728.30	5,391.08	6,038.83	6,928.42	8,147.00	9,837.98
D&A	35	52	69	94	99	96	87	92	99	110	125
Capex	112	64	236	224	61	101	73	100	136	183	249
Changes in NWC	0	0	0	0	0	0	0	0	0	0	0
UFCF	2,185	12,363	2,928	2,371	5,475	5,724	5,406	6,031	6,892	8,074	9,713
PV of FCF						5,676	5,079	5,174	5,398	5,773	6,341

Weighted Average Cost of Capital (\$mm)	
Market Risk Premium	4.33%
Beta	1.77
Risk Free Rate	4.39%
Cost of Equity	8.30%
Weighted Average Cost of Debt	5.00%
Tax Rate	21.00%
Cost of Debt	1.23%
Total Equity	\$193,318
Total Debt	\$11,914
Equity/Total Capitalization	68.80%
Debt/Total Capitalization	31.20%
WACC	9.53%

Terminal Value	
Perpetuity Growth Method	
2034 FCF	\$9,713
Growth	1.00%
Terminal Value	\$113,817
PV of Terminal Value	\$74,298
PV of Projection Period	\$33,441
PV of Terminal Value	\$74,298
Implied TEV	\$107,738
(-) Debt	\$14,149
(+) Cash	\$2,235
Implied Equity Value	\$95,825
Basic Shares Outstanding	1195
Implied Share Price	\$80.16
Upside/Downside	-48.15%

Terminal Value	
Exit Multiple Method	
2034 EBIT	\$12,453
EV/EBIT Exit Multiple	22.0x
Terminal Value	\$273,969
PV of Terminal Value	\$178,841
PV of Projection Period	\$33,441
PV of Terminal Value	\$178,841
Implied TEV	\$212,282
(-) Debt	\$14,149
(+) Cash	\$2,235
Implied Equity Value	\$200,368
Diluted Shares Outstanding	1,195
Implied Share Price	\$167.62
Upside/Downside	8.4%

Implied Exit BF EV/EBIT	8.7x
Implied PGR	



Blended Share Price	
Perpetuity Growth Method	0%
Exit Multiple Method	100%
Blended Share Price	\$167.62
Upside/Downside	8.42%