

BUY: BLK

Current Price:  
\$785.40

Target Price:  
\$872.92

Upside: 11.14%

## BlackRock, Inc. (NYSE: BLK)

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Financials Sector

Sector Head: Aidan Milroy

Lead Analyst: Mariel Uy

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## Company Description

Leading publicly traded global investment management firm headquartered in New York, New York

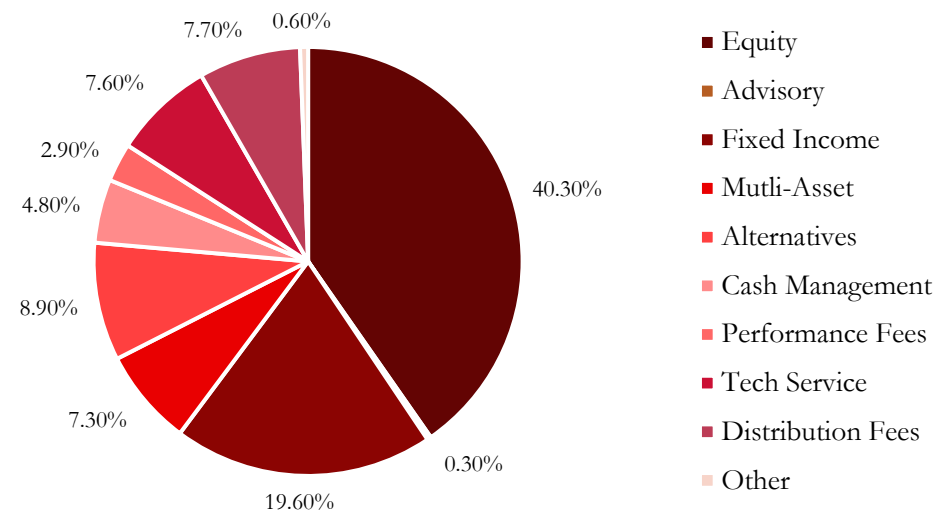
Offers services regarding investment management and technology to institutional and retail clients

Products offered directly to clients and through intermediaries in multiple vehicles including iShares

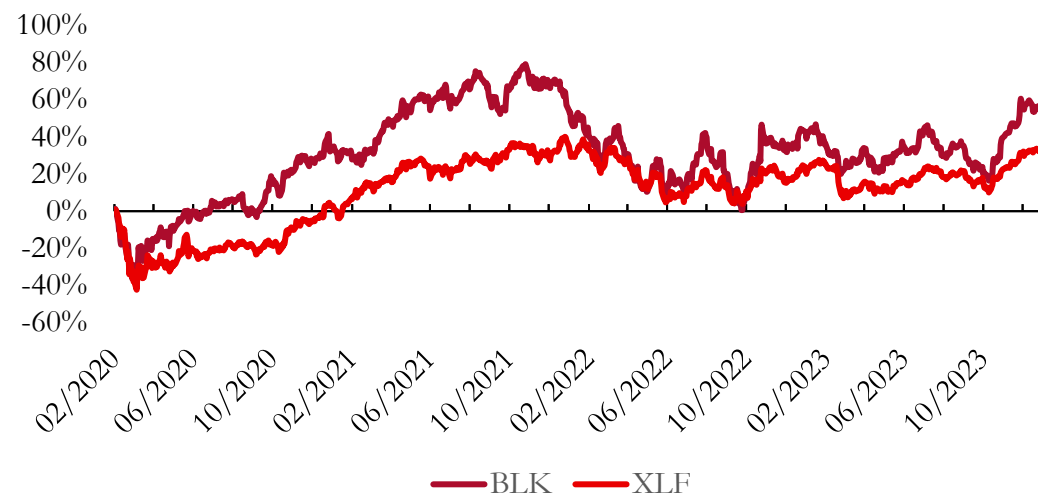
## Key Information

Current Share Price	\$785.40
52 Week Range	\$596.18-819.00
Market Capitalization	\$118.944 Million
LTM Revenue	\$17,859 Million
LTM EBITDA	\$7,184 Million

## Revenue Breakdown



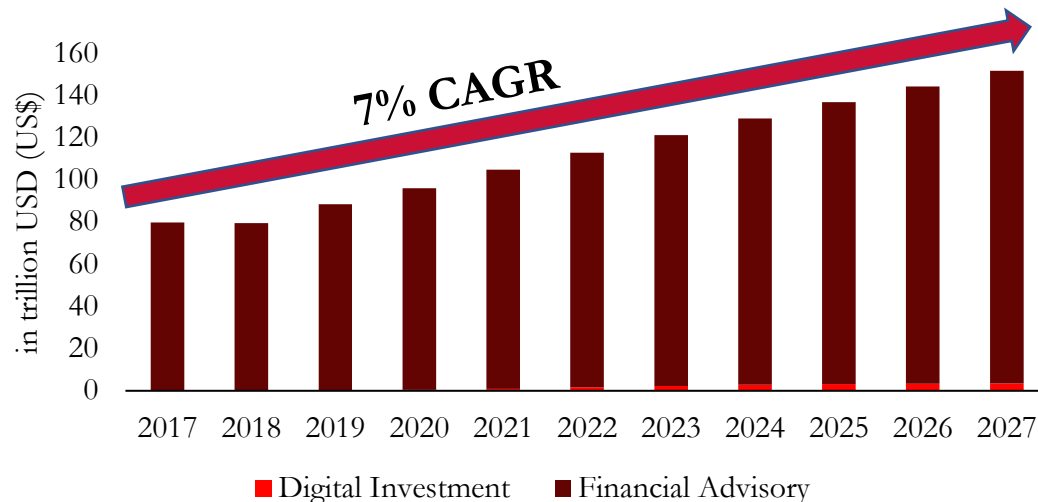
## Stock Performance



## Industry Description

- 1 Investment, advisory, and risk management provides investment guidance to individuals and organizations
- 2 Investment and asset management firms identify, analyze, and make decisions regarding uncertainty
- 3 Industry goal to is achieve the highest return for clients at a level of risk they are comfortable with

## Market Share



## Key Competitors



T. Rowe Price

Goldman Sachs

charles SCHWAB

Blackstone

Morgan Stanley

## Key Trends

**ESG Integration**  
aligning with investor expectations and comply with government regulation

**Technology Adoption**  
for financial planning, performance management, and risk assessment and management

**M&A Activity**  
elevated by inflation, cost of capital, and geopolitical concerns

**New Era For Portfolio  
Diversification**

**Generative Artificial  
Intelligence**

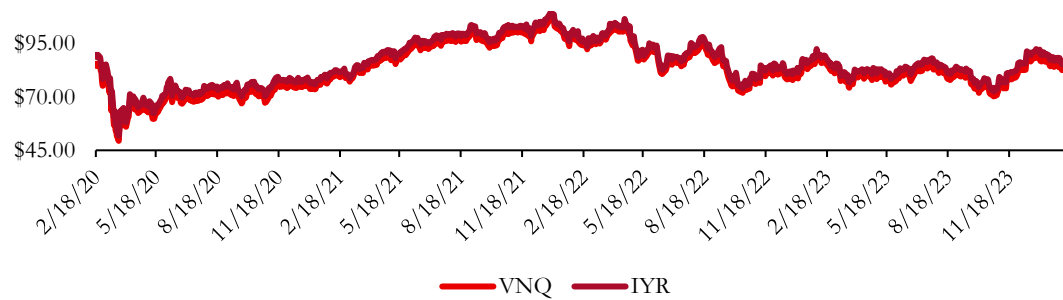
**Demographic Divergence**

## ETFs

BlackRock's various ETFs meet clients various risk preferences and make tactical allocation changes throughout the year, seeking outperformance and different outcomes through 3 main ETF groups

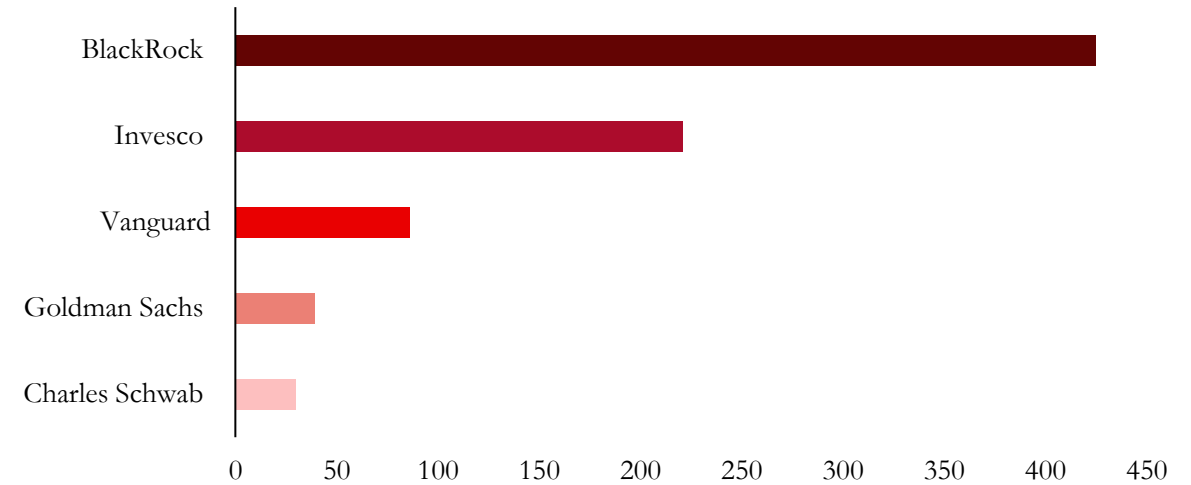


## Real Estate and Bitcoin ETFs

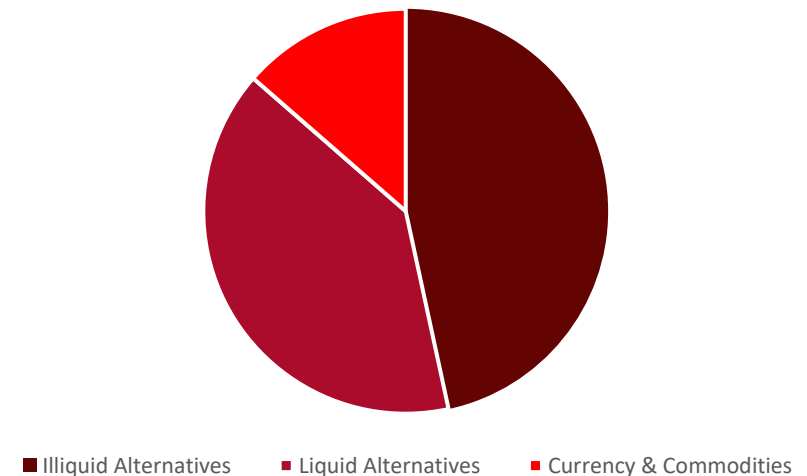


**Diversified** ETFs, such as iShares U.S. Real Estate ETF (IYR) and iShares Bitcoin Trust (IBIT) **provides** options

## ETF Competitors



## Alternatives as % of Total Revenue



## *Growth of Aladdin*

Helps organizations communicate, address problems, and make informed decisions

Risk analytics and comprehensive portfolio management, trading and operations tools on one platform

Simplifies risk, leading to increasing efficiency and reduction costs

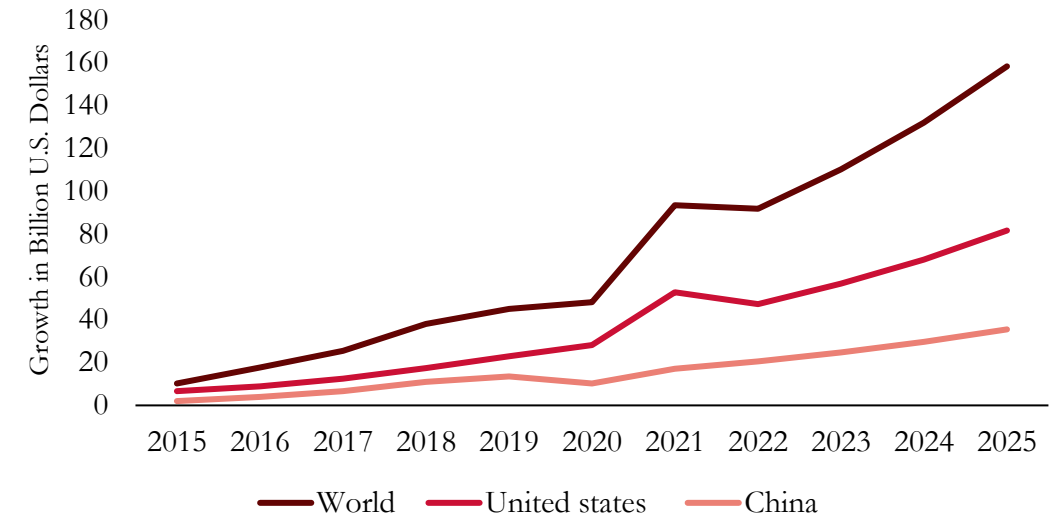
## *Investing with AI*

Natural language processing techniques were utilized for brokerage analyst reports, corporate earnings calls, regulatory filings, and online news articles



Transformer-based LLMs are used, providing more precise and accurate data, improving investment predictions

## *Technology Use Expansion*



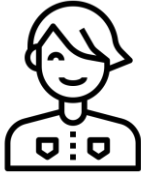
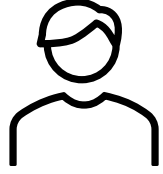

## *AI Labs*

Composed of researchers, data scientists, and engineers

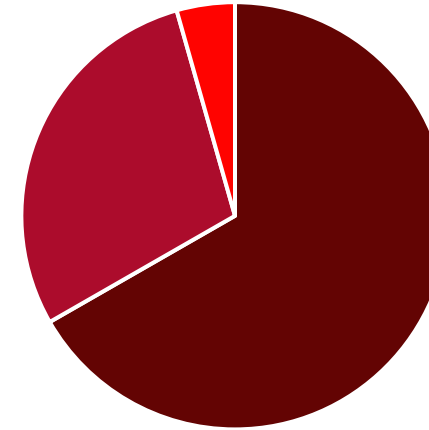
Conduct research at the crossroad of AI and finance

Apply approaches and techniques to various problems including retirement, trading, alternatives, & ETFs

## Aging Population

 <p>Emerging economies benefit more from younger populations</p>	 <p>Middle aged individuals invest for their expenses, personal wealth, and retirement</p>	 <p>Opportunities in healthcare, real estate, leisure, and companies and products</p>
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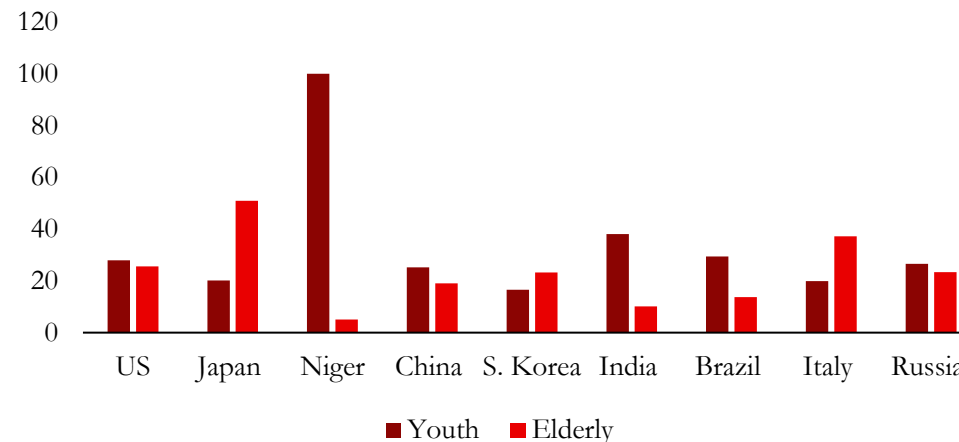
## Region Demographics



■ Americas ■ Europe ■ Asia-Pacific

## Target Audience

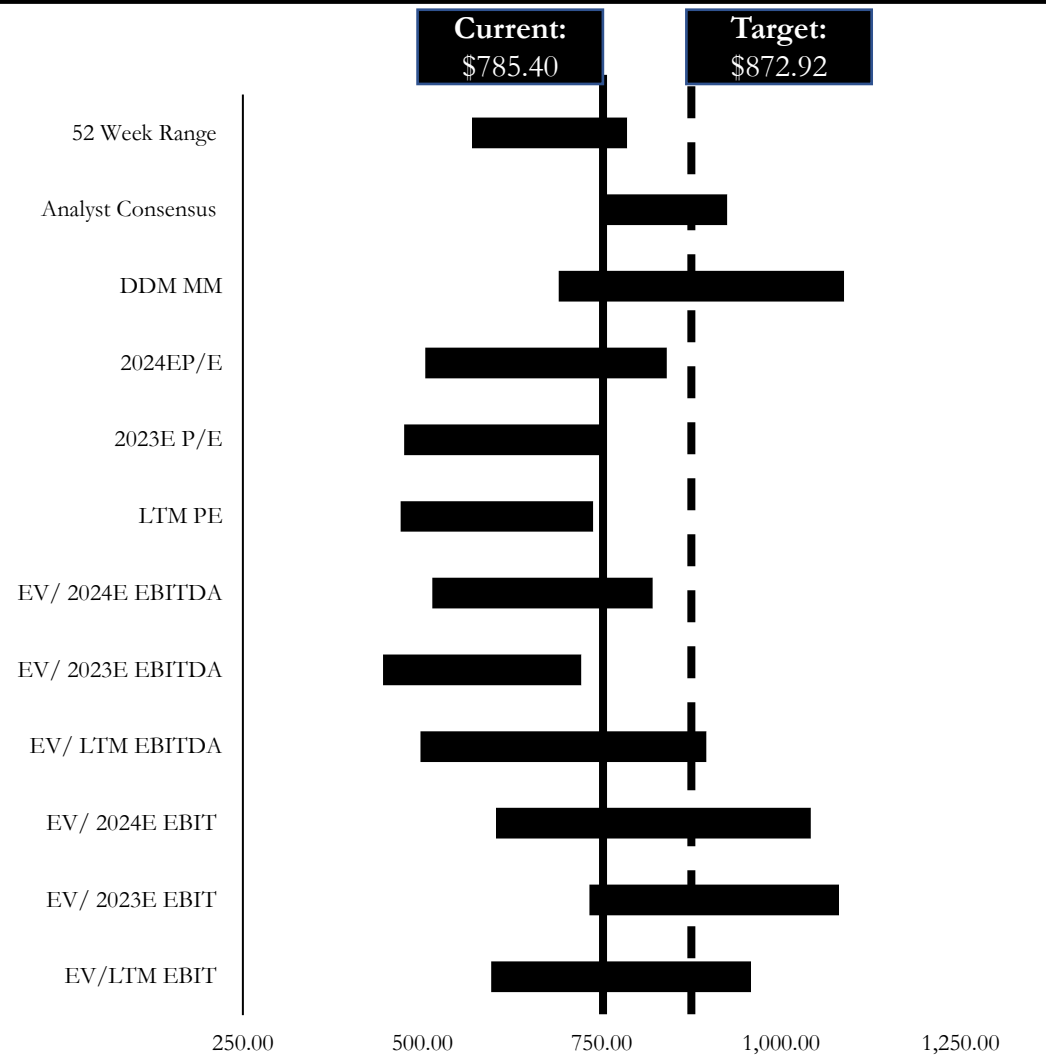
Investment tools such as Aladdin help younger generations kickstart their investment portfolios and prepare their financial future



Investments opportunities to aid older generations with establishing a nest egg and growing their retirement and real estate portfolios



## Football Field



## Analyst Ratings

Evercore ISI	\$880
DBS Bank	\$900
Morgan Stanley	\$1000
Jefferies	\$925
Goldman Sachs	\$900
Deutsche Bank	\$875

## Assumptions

<b>P/BV:</b> 2.92x	<b>Terminal Growth Rate:</b> 2.50%	<b>Cost of Equity:</b> 8.90%
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## Risks

**Inflation has been on the rise impacting ETF revenue**

**Information from AI may lead to inaccurate information**

**Younger populations may not need require investment and asset management**

## Mitigations

**Multiple ETF options for a stable portfolio**

**Vast amount of research in creating AI and verifying information**

**Inform younger age demographics on the potential with investment growth**

Thank You  
Questions?

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Appendix A: Cash Flow Statement

Appendix B: Income Statement

Appendix C: DDM

Appendix D: Balance Sheet

Appendix E: Revenue Build

Appendix F: WACC

Appendix G: CapEx + D&A

Appendix H: Comps

Appendix I: DSO

Appendix J: DCF

Appendix K: Football Field

Appendix L: Net Working Capital

Appendix M: Sensitivity Tables

# Appendix A: Cash Flow Statement

BLK								
Consolidated Statements of Cash Flows - USD (\$) \$ in Millions								
Fiscal Year	2020	2021	2022	2023	2024	2025	2026	2027
<b>Operating activities</b>								
Net income	\$ 5,286	\$ 6,205	\$ 4,994					
<b>Adjustments to reconcile net income to net cash provided by/(used in) operating activities:</b>								
Depreciation and amortization	358	415	418	259	340	380	372	421
% of Capex	185%	122%	78%	80%	84%	86%	90%	97%
Noncash lease expense	118	144	165					
Stock-based compensation	622	734	708					
Deferred income tax expense (benefit)	(157)	(865)	602					
Charitable Contribution	589	0	0					
Gain related to the Charitable Contribution	(122)	0	0					
Contingent consideration fair value adjustments	23	34	3					
Other investment gains	(244)	(165)	(268)					
Net (gains) losses within CIPs	(501)	(302)	400					
Net (purchases) proceeds within CIPs	(2,282)	(1,683)	(1,190)					
(Earnings) losses from equity method investees	(148)	(315)	(29)					
Distributions of earnings from equity method investees	32	84	50					
<b>Changes in operating assets and liabilities:</b>								
Accounts receivable	(313)	(322)	416					
Investments, trading	160	323	196					
Other assets	(60)	(172)	(166)					
Accrued compensation and benefits	487	412	(711)					
Accounts payable and accrued liabilities	(115)	342	(151)					
Other liabilities	10	75	(481)					
<b>Net cash provided by/(used in) operating activities</b>	<b>\$ 3,745</b>	<b>\$ 4,945</b>	<b>\$ 4,957</b>					
<b>Investing activities</b>								
Purchases of investments	(359)	(910)	(824)					
Proceeds from sales and maturities of investments	187	429	242					
Distributions of capital from equity method investees	183	95	70					
Net consolidations (deconsolidations) of sponsored investment funds	(71)	(104)	(85)					
Acquisitions, net of cash acquired	0	(1,106)	0					
Purchases of property and equipment	(194)	(341)	(533)	(324)	(404)	(442)	(414)	(434)
% of sales	1%	2%	3%	2%	2%	2%	2%	2%
<b>Net cash provided by/(used in) investing activities</b>	<b>(254)</b>	<b>(1,937)</b>	<b>(1,130)</b>					
<b>Financing activities</b>								
Proceeds from long-term borrowings	2,245	991	0					
Repayments of long-term borrowings	0	(750)	(750)					
Cash dividends paid	(2,260)	(2,547)	(2,990)					
Proceeds from stock options exercised	0	0	11					
Repurchases of common stock	(1,809)	(1,485)	(2,332)					
Net proceeds from (repayments of) borrowings by CIPs	51	32	(26)					
Net (redemptions/distributions paid)/subscriptions received from noncontrolling interest holders	2,051	1,475	618					
Other financing activities	(34)	(3)	27					
<b>Net cash provided by/(used in) financing activities</b>	<b>244</b>	<b>(2,287)</b>	<b>(5,442)</b>					
Effect of exchange rate changes on cash, cash equivalents and restricted cash	102	(61)	(291)					
Cash, cash equivalents and restricted cash, beginning of year	4,846	8,681	9,340					
<b>Cash, cash equivalents and restricted cash, end of year</b>	<b>8,681</b>	<b>9,340</b>	<b>7,433</b>					
<b>Net increase/(decrease) in cash, cash equivalents and restricted cash</b>	<b>3,835</b>	<b>659</b>	<b>(1,907)</b>					
<b>Supplemental disclosure of cash flow information:</b>								
Interest	183	189	177					
Income taxes (net of refunds)	1,308	2,720	1,067					
<b>Supplemental schedule of noncash investing and financing transactions:</b>								
Issuance of common stock	515	387	576					
Charitable Contribution of an investment	(589)	0	0					
Increase/(decrease) in noncontrolling interests due to net consolidation (deconsolidation) of sponsored investment funds	\$ (1,414)	\$ (2,952)	\$ (593)					

# Appendix B: Income Statement

BLK								
Consolidated Statements of Income - USD (\$) in Millions								
Fiscal Year	2020	2021	2022	2023	2024	2025	2026	2027
Total Assets Under Management AUM	16,205	19,374	17,873	16,359	18,045	18,425	18,752	19,023
Expenses	10,510	11,924	11,488	11,451	12,631	12,898	13,126	13,316
Gross Margin	5,695	7,450	6,385	4,908	5,413	5,528	5,626	5,707
<b>Revenue</b>								
Total revenue	\$ 16,205	\$ 19,374	\$ 17,873	16,359	18,045	18,425	18,752	19,023
<b>Expense</b>								
Employee compensation and benefits	5,041	6,043	5,681	4,908	5,413	5,528	5,626	5,707
Distribution and servicing costs	1,835	2,200	2,179	1,636	1,804	1,843	1,875	1,902
Direct fund expense	1,063	1,313	1,226	900	992	1,013	1,031	1,046
General and administration expense	2,465	2,221	2,160	1,472	1,624	1,658	1,688	1,712
Restructuring Charges	0	0	91	82	90	92	94	95
Amortization of intangible assets	106	147	151	164	90	92	94	95
Total expense	10,510	11,924	11,488	9,161	10,015	10,226	10,407	10,558
EBIT	5,695	7,450	6,385	7,198	8,030	8,199	8,345	8,465
<b>Nonoperating income (expense)</b>								
Net gain (loss) on investments	972	841	(35)	982	1,083	1,106	1,125	1,141
Interest and dividend income	62	87	152	82	180	184	188	190
Interest expense	(205)	(205)	(212)	327	361	369	375	380
Total nonoperating income (expense)	829	723	(95)	1,390	1,624	1,658	1,688	1,712
Income before income taxes	6,524	8,173	6,290	8,588	9,654	9,857	10,032	10,177
Income tax expense	1,238	1,968	1,296	1,309	1,444	1,290	1,125	856
Tax Rate	23%	32%	26%	27%	27%	27%	27%	27%
Net income	5,286	6,205	4,994	7,280	8,210	8,568	8,907	9,321
Net income (loss) attributable to noncontrolling interests	354	304	(184)	327	361	369	375	380
Net income attributable to BlackRock, Inc.	\$ 4,932	\$ 5,901	\$ 5,178	\$ 6,952	\$ 7,850	\$ 8,199	\$ 8,532	\$ 8,941
<b>Earnings per share attributable to BlackRock, Inc. common stockholders:</b>								
Basic	\$ 32.13	\$ 38.76	\$ 34.31					
Diluted	\$ 31.85	\$ 38.22	\$ 33.97					
<b>Weighted-average common shares outstanding:</b>								
Basic	153,489,422	152,236,047	150,921,161					
Diluted	154,840,582	154,404,357	152,440,471					
Investment Advisory, Administration Fees and Securities Lending Revenue [Member]								
<b>Revenue</b>								
Total revenue	\$ 12,639	\$ 15,260	\$ 14,451					
Investment Advisory, Administration Fees and Securities Lending Revenue [Member]   Related Parties [Member]								
<b>Revenue</b>								
Total revenue	9,079	11,474	10,848					
Investment Advisory, Administration Fees and Securities Lending Revenue [Member]   Other Third Parties [Member]								
<b>Revenue</b>								
Total revenue	3,560	3,786	3,603					
Investment Advisory Performance Fees [Member]								
<b>Revenue</b>								
Total revenue	1,104	1,143	514					
Technology Services Revenue [Member]								
<b>Revenue</b>								
Total revenue	1,139	1,281	1,364					
Distribution Fees [Member]								
<b>Revenue</b>								
Total revenue	1,131	1,521	1,381					
Advisory and Other Revenue [Member]								
<b>Revenue</b>								
Total revenue	\$ 192	\$ 169	\$ 163					

Assumptions	20%	-8%	-8%	10%	2%	2%	1%
<b>Sales Growth</b>							
<b>Percentage of Sales</b>							
COGS Margin	65%	62%	64%	70%	70%	70%	70%
Gross Margin	35%	38%	36%	40%	40%	40%	40%
Employee Compensation and Benefits	31%	31%	32%	30%	30%	30%	30%
Distribution and servicing costs	11%	11%	12%	10%	10%	10%	10%
Direct fund expense	7%	7%	7%	6%	6%	6%	6%
Selling, general and administrative	15%	11%	12%	9%	9%	9%	9%
Restructuring Charges	0%	0%	1%	1%	1%	1%	1%
Net Gain or (loss) on investment	6%	4%	0%	6%	6%	6%	6%
Interest and Dividend Income	0%	0%	1%	1%	1%	1%	1%
Interest Expense	1%	1%	1%	2%	2%	2%	2%
Income Tax Expense	8%	10%	7%	8%	8%	7%	5%
Amortization of intangible assets	1%	1%	1%	1%	1%	1%	1%
Net income (loss) attributable to noncontrolling interests	2%	2%	-1%	2%	2%	2%	2%

# Appendix C: DDM

<b>BLK</b>								
<b>DDM</b>								
<i>Fiscal Year</i>	2020	2021	2022	2023	2024	2025	2026	2027
Net Income	5,286	6,205	4,994	7,280	8,210	8,568	8,907	9,321
Dividends	(2,260)	(2,547)	(2,990)	(4,004)	(4,516)	(4,712)	(4,899)	(5,127)
Payout Ratio	42.75%	41.05%	59.87%	55.00%	55.00%	55.00%	55.00%	55.00%
Beginning Shareholder's Equity	35,283	37,693	37,744	39,748	43,024	46,719	50,574	54,583
Plus: Net Income	5,286	6,205	4,994	7,280	8,210	8,568	8,907	9,321
<i>Net Income Growth</i>		17.39%	-19.52%	45.77%	12.79%	4.35%	3.96%	4.65%
Less: Dividend	(2,260) <sup>F</sup>	(2,547) <sup>F</sup>	(2,990) <sup>F</sup>	(4,004) <sup>F</sup>	(4,516) <sup>F</sup>	(4,712) <sup>F</sup>	(4,899) <sup>F</sup>	(5,127)
<i>Dividend Growth</i>		12.70%	17.39%	33.91%	12.79%	4.35%	3.96%	4.65%
Ending Shareholder's Equity	38,309	41,351	39,748	43,024	46,719	50,574	54,583	58,777
Total Assets	176,982	152,648	117,628	109,598	111,056	111,432	111,743	111,980
Investment Growth Assets	104,663	86,226	54,066	54,066	54,066	54,066	54,066	54,066
<i>IGA Ratio</i>	59.14%	56.49%	45.96%	49.33%	48.68%	48.52%	48.38%	48.28%
ROE	14.98%	16.46%	13.23%	18.31%	19.08%	18.34%	17.61%	17.08%
Discount Period				1	2	3	4	5
PV of Dividends				\$3,677	\$3,808	\$3,649	\$3,484	\$3,348
DSO				148.9	148.9	148.9	148.9	148.9
Dividends Per Share				\$24.69	\$25.57	\$24.51	\$23.40	\$22.48
Dividend Yield				3%	3%	3%	3%	3%
<b>Model Assumptions</b>								
Terminal Growth Rate	2.5%							
Cost of Equity	8.90%							
Share Outstanding	148.90							
Assumed Share Price	\$	785.40						
Payout Ratio	55.00%							
<b>DDM</b>								
P/BV	2.92x							
Terminal Value	171,886							
PV of TV	112,239							
PV of Dividends	\$17,964.71							
PV	130,204							
DSO	148.90							
Price Target	\$	874.44						
<b>Upside/Downside</b>	<b>11.34%</b>							

# Appendix D: Balance Sheet

BLK								
Consolidated Statements of Financial Condition - USD (\$) \$ in Millions								
Fiscal Year	2020	2021	2022	2023	2024	2025	2026	2027
<b>Assets</b>								
Cash and cash equivalents	\$ 8,664	\$ 9,323	\$ 7,416					
Accounts receivable	3,535	3,789	3,264	3,317	3,658	3,735	3,802	3,857
<b>Investments</b>								
Separate account assets	6,919	7,262	7,466	7,373	8,133	8,304	8,451	8,573
Separate account collateral held under securities lending agreements	104,663	86,226	54,066	54,066	54,066	54,066	54,066	54,066
Property and equipment (net of accumulated depreciation and amortization of \$1,390 and \$1,256 at December 31, 2022 and 2021, respectively)	16,507	7,081	5,765	5,765	5,765	5,765	5,765	5,765
Intangible assets (net of accumulated amortization of \$483 and \$399 at December 31, 2022 and 2021, respectively)	681	762	1,031	1,096	1,160	1,222	1,264	1,277
Goodwill	18,263	18,453	18,302	18,302	18,302	18,302	18,302	18,302
Operating lease right-of-use assets	14,551	15,351	15,341	15,341	15,341	15,341	15,341	15,341
Other assets	649	1,621	1,516	1,516	1,516	1,516	1,516	1,516
Total assets	2,550	2,780	3,461	2,824	3,115	3,180	3,237	3,283
<b>Liabilities</b>								
Accrued compensation and benefits	176,982	152,648	117,628	109,598	111,056	111,432	111,743	111,980
Accounts payable and accrued liabilities	2,499	2,951	2,272	2,272	2,272	2,272	2,272	2,272
Borrowings	1,028	1,397	1,294	753	831	848	863	876
Separate account liabilities	7,264	7,446	6,654	6,654	6,654	6,654	6,654	6,654
Separate account collateral liabilities under securities lending agreements	104,663	86,226	54,066	54,066	54,066	54,066	54,066	54,066
Deferred income tax liabilities	16,507	7,081	5,765	5,765	5,765	5,765	5,765	5,765
Operating lease liabilities	3,673	2,758	3,381	3,092	3,410	3,482	3,544	3,595
Other liabilities	755	1,872	1,835	1,835	1,835	1,835	1,835	1,835
Total liabilities	2,937	4,024	3,576	3,664	4,042	4,127	4,200	4,261
Commitments and contingencies (Note 16)								
<b>Temporary equity</b>								
Redeemable noncontrolling interests	139,326	113,755	78,843	78,101	78,875	79,050	79,200	79,324
<b>Permanent equity</b>								
Common stock, \$0.01 par value; Shares authorized: 500,000,000 at December 31, 2022 and 2021; Shares issued: 172,075,373 at December 31, 2022 and 2021; Shares outstanding: 149,756,492 and 151,684,491 at December 31, 2022 and 2021, respectively	2	2	2					
Additional paid-in capital	19,293	19,640	19,772					
Retained earnings	24,334	27,688	29,876					
Accumulated other comprehensive loss	(337)	(550)	(1,101)					
Treasury stock, common, at cost (22,318,881 and 20,390,882 shares held at December 31, 2022 and 2021, respectively)	(8,009)	(9,087)	(10,805)					
Total BlackRock, Inc. stockholders' equity	35,283	37,693	37,744					
Nonredeemable noncontrolling interests	51	113	132					
Total permanent equity	35,334	37,806	37,876					
Total liabilities, temporary equity and permanent equity	\$ 176,982	\$ 152,648	\$ 117,628					

<b>Drivers</b>								
Days Sales Outstanding	80	71	67	74	74	74	74	74
Investments	240	222	237	235	235	235	235	235
Other assets	89	85	110	90	90	90	90	90
Days Payable	23	26	26	24	24	24	24	24
Other Current Liabilities as a % of Expenses	28%	34%	31%	32%	32%	32%	32%	32%
Deferred income tax liabilities as a % of Expenses	35%	23%	29%	27%	27%	27%	27%	27%



# Appendix E: Revenue Build

BLK Revenue Build (\$ Millions)																								
Fiscal Year	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023	2024	2025	2026	2027
Equity	\$ 1,440	\$ 1,351	\$ 1,501	\$ 1,608	\$ 5,900	\$ 1,820	\$ 1,995	\$ 2,093	\$ 2,092	\$ 8,000	\$ 1,961	\$ 1,839	\$ 1,745	\$ 1,658	\$ 7,203	\$ 1,755	\$ 1,805	\$ 1,832	\$ 1,797	\$ 7,189	\$ 7,513	\$ 7,783	\$ 8,007	\$ 8,192
Equity Growth per Year						26.4%	47.7%	39.4%	30.1%	35.6%	7.7%	-7.8%	-16.6%	-20.7%	-10.0%	-10.5%	-1.8%	5.0%	8.4%	-0.2%	4.5%	3.6%	2.9%	2.3%
Equity % of Rev	38.8%	37.0%	34.4%	35.9%	36.4%	41.4%	41.4%	41.4%	41.0%	41.3%	41.7%	40.6%	40.5%	38.2%	40.3%	41.4%	40.4%	40.5%	40.8%	43.9%	42%	42%	43%	43%
Fixed Income	852	854	908	925	3,539	933	955	986	989	3,863	941	879	845	830	3,495	850	879	887	872	3,488	3,593	3,676	3,741	3,792
Fixed Income Growth per Year						9.5%	11.8%	8.6%	6.9%	9.2%	0.9%	-8.0%	-14.3%	-16.1%	-9.5%	-9.7%	0.0%	5.0%	5.1%	-0.2%	3%	2%	2%	1%
Fixed Income % of Rev	23.0%	23.4%	20.8%	20.7%	21.8%	21.2%	19.8%	19.5%	19.4%	19.9%	20.0%	19.4%	19.6%	19.1%	19.6%	20.0%	19.7%	19.6%	19.8%	21.3%	20%	20%	20%	20%
Multi-Asset	293	270	289	311	1,163	328	344	369	373	1,414	359	331	316	293	1,299	296	300	308	301	1,205	1,165	1,148	1,140	1,136
Multi-Asset Growth per Year						11.9%	27.4%	27.7%	19.9%	21.6%	9.5%	-3.8%	-14.4%	-21.4%	-8.1%	-17.5%	-9.4%	-2.5%	2.8%	-7.2%	-3%	-2%	-1%	0%
Multi-Asset % of Rev	7.9%	7.4%	6.6%	6.9%	7.2%	7.5%	7.1%	7.3%	7.3%	7.3%	7.6%	7.3%	7.3%	6.8%	7.3%	7.0%	6.7%	6.8%	6.8%	7.4%	6%	6%	6%	6%
Alternatives	292	280	323	352	1,247	368	372	384	389	1,513	402	407	390	391	1,590	392	401	420	404	1,617	1,621	1,621	1,621	1,621
Alternatives Growth per Year						26.0%	32.9%	18.9%	10.5%	21.3%	9.2%	9.4%	1.6%	0.5%	5.1%	-2.5%	-1.5%	7.7%	3.4%	1.7%	0%	0.025%	0.003%	0.000%
Alternatives % of Rev	7.9%	7.7%	7.4%	7.9%	7.7%	8.4%	7.7%	7.6%	7.6%	7.8%	8.6%	9.0%	9.0%	9.0%	8.9%	9.2%	9.0%	9.3%	9.2%	9.9%	9%	9%	9%	9%
Long Term	\$ 2,877	\$ 2,755	\$ 3,021	\$ 3,196	\$ 11,849	\$ 3,449	\$ 3,666	\$ 3,832	\$ 3,843	\$ 14,790	\$ 3,663	\$ 3,456	\$ 3,296	\$ 3,172	\$ 13,587	\$ 3,293	\$ 3,385	\$ 3,447	\$ 3,375	\$ 13,500	\$ 13,892	\$ 14,228	\$ 14,509	\$ 14,741
Cash Management	178	211	204	197	790	143	91	111	125	470	170	232	235	227	864	209	226	234	223	892	914	930	943	953
Cash Management Growth per Year						-19.7%	-56.9%	-45.6%	-36.5%	-40.5%	18.9%	154.9%	111.7%	81.6%	83.8%	22.9%	-2.6%	-0.4%	-1.8%	3.2%	2%	2%	1%	1%
Cash Management % of Rev	4.8%	5.8%	4.7%	4.4%	4.9%	3.3%	1.9%	2.2%	2.4%	2.4%	3.6%	5.1%	5.5%	5.2%	4.8%	4.9%	5.1%	5.2%	5.1%	5.5%	5%	5%	5%	5%
Total Investment Advisory, Administration Fees and Securities Lending Revenue	\$ 3,055	\$ 2,966	\$ 3,225	\$ 3,393	\$ 12,639	\$ 3,592	\$ 3,757	\$ 3,943	\$ 3,968	\$ 15,260	\$ 3,833	\$ 3,688	\$ 3,531	\$ 3,399	\$ 14,451	\$ 3,502	\$ 3,611	\$ 3,681	\$ 3,598	\$ 14,392	\$ 14,805	\$ 15,158	\$ 15,452	\$ 15,694
Investment advisory performance fees																								
Total performance fees	41	112	532	419	1,104	129	340	345	329	1,143	98	106	82	228	514	55	118	70	81	324	276	260	254	251
Total performance fees Growth per Year						214.6%	203.6%	-35.2%	-21.5%	3.5%	-24.0%	-68.8%	-76.2%	-30.7%	-55.0%	-43.9%	11.3%	-14.6%	-64.5%	-37.0%	-15%	-5.91%	-2.37%	-0.95%
Total performance fees % of Rev	1.1%	3.1%	12.2%	9.4%	6.8%	2.9%	7.1%	6.8%	6.4%	5.9%	2.1%	2.3%	1.9%	5.3%	2.9%	1.3%	2.6%	1.5%	1.8%	2.0%	2%	1%	1%	1%
Tech Service Revenue	274	278	282	305	1,139	306	316	320	339	1,281	341	332	338	353	1,364	340	359	407	369	1,475	1,570	1,652	1,721	1,778
Tech Service Revenue Growth per Year						11.7%	13.7%	13.5%	11.1%	12.5%	11.4%	5.1%	5.6%	4.1%	6.5%	-0.3%	8.1%	20.4%	4.4%	8.1%	6%	5%	4%	3%
Tech Service % of Rev	7.4%	7.6%	6.5%	6.8%	7.0%	7.0%	6.6%	6.3%	6.6%	6.6%	7.3%	7.3%	7.8%	8.1%	7.6%	8.0%	8.0%	9.0%	8.4%	9.0%	9%	9%	9%	9%
Total distribution fees	276	253	288	314	1,131	340	369	401	411	1,521	381	361	325	314	1,381	319	319	321	320	1,279	1,193	1,122	1,061	1,010
Total distribution fees Growth per year						23.2%	45.8%	39.2%	30.9%	34.5%	12.1%	-2.2%	-19.0%	-23.6%	-9.2%	-16.3%	-11.6%	-1.2%	1.8%	-7.4%	-7%	-6%	-5%	-5%
Total distribution fees % of Rev	7.4%	6.9%	6.6%	7.0%	7.0%	7.7%	7.7%	7.9%	8.0%	7.9%	8.1%	8.0%	7.5%	7.2%	7.7%	7.5%	7.1%	7.1%	7.2%	7.8%	7%	6%	6%	5%
Advisory and Other Revenue																								
Advisory	17	17	14	20	68	15	9	13	31	68	16	15	8	17	56	14	31	21	22	88	123	158	189	214
Advisory Growth per Year						-11.8%	-47.1%	-7.1%	55.0%	0.0%	6.7%	66.7%	-38.5%	-45.2%	-17.6%	-12.5%	106.7%	162.5%	29.4%	57.1%	40%	28%	20%	14%
Advisory Growth % of Rev	0.5%	0.5%	0.3%	0.4%	0.4%	0.3%	0.2%	0.3%	0.6%	0.4%	0.3%	0.3%	0.2%	0.4%	0.3%	0.3%	0.7%	0.5%	0.5%	0.5%	0.7%	0.9%	1.0%	1.1%
Other	47	22	28	27	124	16	29	28	28	101	30	24	27	26	107	13	25	22	20	80	77	76	76	76
Other Growth per Year						-66.0%	31.8%	0.0%	3.7%	-18.5%	87.5%	-17.2%	-3.6%	-7.1%	5.9%	-56.7%	4.2%	-18.5%	-23.1%	-25.2%	-4.29%	-0.73%	-0.12%	-0.02%
Other Growth % of Year	1.3%	0.6%	0.6%	0.6%	0.8%	0.4%	0.6%	0.6%	0.5%	0.5%	0.6%	0.5%	0.6%	0.6%	0.6%	0.3%	0.6%	0.5%	0.5%	0.5%	0%	0.4%	0.4%	0.4%
Total Revenue	\$ 3,710	\$ 3,648	\$ 4,369	\$ 4,478	\$ 16,205	\$ 4,398	\$ 4,820	\$ 5,050	\$ 5,106	\$ 19,374	\$ 4,699	\$ 4,526	\$ 4,311	\$ 4,337	\$ 17,873	\$ 4,243	\$ 4,463	\$ 4,522	\$ 4,409	\$ 16,359	\$ 18,045	\$ 18,425	\$ 18,752	\$ 19,023

<b>BLK</b>	
<b>WACC Calculation</b>	
<i>in millions</i>	
Market Cap	117,907
Outstanding Shares	152,440,471
Stock Price	778.07
Debt	54,066
D/E Ratio	45.855%
Damodaran Spread	0.69%
Risk Free Rate	4.31%
Tax Rate	27%
<b>Cost of Debt</b>	<b>5.00%</b>
Annual Market Return	8%
Market Risk Premium	3.69%
Beta	1.24
<b>Cost of Equity</b>	<b>8.90%</b>
After Tax Cost of Debt	3.65%
Weight Equity	68.56%
Weight Debt	31.44%
<b>WACC</b>	<b>7.25%</b>

# Appendix G: CapEx + D&A

<b>BLK</b>								
<b>Capital Expenditures + Depreciation &amp; Amortization (\$ Millions)</b>								
<i>Fiscal Year</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>
<b>Revenue</b>	16,205	19,374	17,873	16,359	18,045	18,425	18,752	19,023
Growth %	-	19.6%	-7.7%	-8.5%	10.3%	2.1%	1.8%	1.4%
<b>Capital Expenditures</b>	194	341	533	324	271	276	281	285
% of Revenue	1.2%	1.8%	3.0%	2.0%	1.5%	1.5%	1.5%	1.5%
<b>Depreciation &amp; Amortization</b>	358	415	418	648	474	415	352	285
% of Capital Expenditures	184.5%	121.7%	78.4%	200.0%	175.0%	150.0%	125.0%	100.0%

# Appendix H: Comps

Comparable Companies Analysis																											
Name	Ticker	Price	Shares Outstanding	Market Cap	Net Debt	Preferred Equity	EV	LTM EBIT	2025 EBIT	2026 EBIT	LTM EBITDA	2025 EBITDA	2026 EBITDA	LTM EPS	2025 EPS	2026 EPS	Dividend Yield (%)	EV/LTM EBIT	EV/2025 EBIT	EV/2026 EBIT	EV/LTM EBITDA	EV/2025 EBITDA	EV/2026 EBITDA	LTM P/E	2025 P/E	2026 P/E	2025 P/E
BlackRock	BLK	786.16	149	117,039	1,035	0	123,936	6,300	6,994	7,641	6,708	7,388	8,128	35.91	38.27	39.82	2.30%	19.20	17.48	16.02	18.04	16.97	14.95	25.12	22.88	19.09	
Goldman Sachs	GS	377.68	326	127,920	177,000	11,206	107,801	13,486	13,739	13,800	14,888	14,888	16,035	25.08	25.15	25.88	2.78%	15.95	17.49	15.55	12.67	12.67	11.71	16.35	16.35	11.15	
Morgan Stanley	MS	88.46	1,627	128,865	71,225	8,730	28,134	14,089	14,825	12,089	25,888	-	14,400	5.78	5.75	6.42	3.98%	19.95	25.80	25.30	11.77	-	14.71	14.69	15.16		
Charles Schwab	CSWF	62.47	1,825	113,505	15,800	9,800	123,385	9,388	6,338	8,717	12,425	-	14,400	10.65	2.95	2.91	3.47	1.03%	13.78	20.29	14.88	10.41	8.98	12.17	21.32	21.47	18.00
Blackstone	BX	126.82	1,217	154,182	9,338	-	143,788	6,585	6,585	7,280	6,585	-	7,804	9.15	9.15	5.00	2.08%	25.95	25.95	25.48	25.95	-	21.52	15.85	15.85	25.35	
T. Rowe Price	TROW	105.08	238	25,619	-	-	22,127	2,358	1,985	2,100	2,332	-	2,408	7.68	7.68	7.75	4.62%	9.32	11.14	10.20	9.64	8.97	9.41	15.85	15.85	15.68	
																		EV/LTM EBIT	EV/2025 EBIT	EV/2026 EBIT	EV/LTM EBITDA	EV/2025 EBITDA	EV/2026 EBITDA	LTM P/E	2025 P/E	2026 P/E	
Minimum																		9.32	11.14	10.20	9.64	8.97	9.41	15.85	15.85	15.68	
Quartile 1																		12.67	15.89	12.71	10.23	8.97	10.35	15.85	15.85	12.05	
Median																		16.35	18.89	15.45	12.22	10.85	12.17	15.58	15.51	15.82	
Quartile 3																		21.45	28.34	25.41	20.00	15.90	18.25	21.77	21.82	21.11	
Maximum																		25.95	25.95	25.48	25.95	16.97	21.52	25.12	22.88	25.35	
Average																		17.02	19.75	16.95	13.22	12.88	12.98	18.88	18.88	15.50	
																		EV/LTM EBIT	EV/2025 EBIT	EV/2026 EBIT	EV/LTM EBITDA	EV/2025 EBITDA	EV/2026 EBITDA	LTM P/E	2025 P/E	2026 P/E	
Minimum																		425.52	335.22	405.35	481.99	444.01	435.42	430.05	478.08	445.85	
Quartile 1																		505.95	732.04	612.39	492.22	445.34	543.92	430.75	478.75	516.85	
Median																		1,035.22	1,172.05	1,025.38	880.18	820.92	885.85	525.90	521.45	620.95	
Quartile 3																		998.27	1,000.91	1,081.68	865.27	721.85	821.31	738.28	782.80	880.62	
Maximum																		1,117.75	1,188.18	1,025.75	1,119.05	732.35	990.90	788.15	788.15	1,039.90	
Average																		853.75	990.35	893.72	634.95	677.42	800.31	680.28	685.00	677.92	

<b>BLK</b>	
<b>Diluted Shares Outstanding (Millions)</b>	
Basic Share Count	148.9
Options	0
Warrants	0
Restricted Stock	0
Convertible Preferred	0
Convertible Bonds	0
<b>Diluted Share Count</b>	<b>148.90</b>

<b>BLK</b>								
<b>Discounted Cash Flow - USD in Millions</b>								
<i>Fiscal Year</i>	2020	2021	2022	2023	2024	2025	2026	2027
EBIT	5,695	7,450	6,385	7,198	8,030	8,199	8,345	8,465
1-T	77%	68%	74%	73%	73%	73%	73%	73%
NOPAT	4,361	5,087	4,728	5,252	5,860	5,983	6,089	6,177
Add: D&A	358	415	418	648	474	415	352	285
Less: Capex	194	341	533	324	404	442	414	434
Less: Change in NWC		2,329	291	128	684	201	161	112
FCFF	4,525	2,832	4,322	5,448	5,245	5,754	5,865	5,916
Discount Factor				0.5	1.5	2.5	3.5	4.5
PV of FCFF				5,260	4,723	4,830	4,591	4,318

WACC	7.25%
EV/EBIT Multiple	17.44x

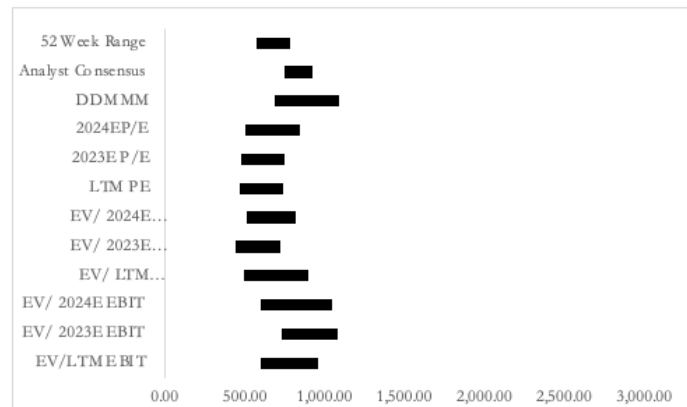
<b>Multiples Method</b>	
Terminal Value	147,632
PV of Terminal Value	107,755
Enterprise Value	131,478
Less: Debt	7,348
Add: Cash	7,416
Equity Value	131,546
Diluted Shares Outstanding	152
<b>Price/Share</b>	<b>\$ 865.43</b>

# Appendix K: Football Field

<b>Comps</b>	Price	Weight	
EV/LTM EBIT	1073.72	0.11	119.30
EV/ 2023E EBIT	1172.63	0.11	130.29
EV/ 2024E EBIT	1025.58	0.11	113.95
EV/ LTM EBITDA	889.18	0.11	98.80
EV/ 2023E EBITD/	829.92	0.11	92.21
EV/ 2024E EBITD/	886.83	0.11	98.54
LTM PE	526.90	0.11	58.54
2023E P/E	531.45	0.11	59.05
2024EP/E	629.93	0.11	69.99
			840.68

<b>DCF</b>	Price	Weight	
MM	\$ 865.43	1	\$ 865.43
			\$ 865.43
<b>DDM</b>			
DDM	874.437969	1	\$ 874.44
DCF	\$ 865.43	0.075	\$ 64.91
DDM	\$ 874.44	0.9	\$ 786.99
Comps	840.68	0.025	\$ 21.02
<b>Target Price</b>	<b>\$ 872.92</b>		
<b>Upside</b>	<b>11.14%</b>		

	Q1	Spread	Q3
EV/LTM EBIT	595.93	362.34	958.27
EV/ 2023E EBIT	732.61	348.31	1,080.91
EV/ 2024E EBIT	602.39	439.29	1,041.68
EV/ LTM EBITDA	497.22	399.05	896.27
EV/ 2023E EBITD/	445.34	276.51	721.85
EV/ 2024E EBITD/	513.92	307.39	821.31
LTM PE	469.76	268.52	738.28
2023E P/E	474.75	273.06	747.80
2024EP/E	503.86	336.76	840.62
DDM MM	690.12	397.59	1,087.71
Analyst Consensus	750.00	175.00	925.00
52 Week Range	569.28	216.37	785.65



# Appendix L: Net Working Capital

<b>BLK</b>								
<b>Net Working Capital</b>								
<i>Fiscal Year</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>
<b>Current assets:</b>								
Accounts receivable	3,535	3,789	3,264	3,317	3,658	3,735	3,802	3,857
Investments	6,919	7,262	7,466	7,373	8,133	8,304	8,451	8,573
Property and equipment (net of accumulated depreciation and amortization of \$1,390 and \$1256 at December 31, 2022 and 2021, respectively)	681	762	1,031	1,096	1,160	1,222	1,264	1,277
Intangible assets (net of accumulated amortization of \$483 and \$399 at December 31, 2022 and 2021,	18,263	18,453	18,302	18,302	18,302	18,302	18,302	18,302
Goodwill	14,551	15,351	15,341	15,341	15,341	15,341	15,341	15,341
Operating lease right-of-use assets	649	1,621	1,516	1,516	1,516	1,516	1,516	1,516
Other assets	2,550	2,780	3,461	2,824	3,115	3,180	3,237	3,283
<b>Total current assets</b>	<b>47,148</b>	<b>50,018</b>	<b>50,381</b>	<b>49,767</b>	<b>51,225</b>	<b>51,601</b>	<b>51,912</b>	<b>52,149</b>
<b>Current liabilities:</b>								
Accounts payable and accrued liabilities	1,028	1,397	1,294	753	831	848	863	876
Deferred income tax liabilities	3,673	2,758	3,381	3,092	3,410	3,482	3,544	3,595
Other liabilities	2,937	4,024	3,576	3,664	4,042	4,127	4,200	4,261
<b>Total current liabilities</b>	<b>7,638</b>	<b>8,179</b>	<b>8,251</b>	<b>7,509</b>	<b>8,283</b>	<b>8,458</b>	<b>8,608</b>	<b>8,732</b>
<b>NWC</b>	<b>39,510</b>	<b>41,839</b>	<b>42,130</b>	<b>42,258</b>	<b>42,942</b>	<b>43,143</b>	<b>43,305</b>	<b>43,417</b>
<b>Change in NWC</b>		<b>2,329</b>	<b>291</b>	<b>128</b>	<b>684</b>	<b>201</b>	<b>161</b>	<b>112</b>



# Appendix M: Sensitivity Tables

		EV/EBIT Multiple					
		\$865.43	15.00x	17.00x	19.00x	21.00x	23.00x
WACC	9.65%	700.36	773.95	847.53	921.12	994.71	
	10.65%	675.13	745.77	816.41	887.05	957.69	
	11.65%	651.08	718.92	786.76	854.60	922.44	
	12.65%	628.16	693.33	758.50	823.67	888.84	
	13.65%	606.30	668.93	731.56	794.18	856.81	

		Price / Book Value					
		\$ 874.44	2.42x	2.67x	2.92x	3.17x	3.42x
Cost of Equity	6.90%	804.94	875.63	946.32	1017.02	1087.71	
	7.90%	773.81	841.29	908.77	976.24	1043.72	
	8.90%	744.37	808.80	873.24	937.67	1002.11	
	9.90%	716.51	778.06	839.62	901.17	962.73	
	10.90%	690.12	748.95	807.78	866.61	925.44	