

Percentage change in Sales from year ago quarter 10.2%

Percentage change in Earnings per Share from year ago quarter -32.5%

Is company meeting our target sales & earnings estimates? Yes

Pre-tax Profit on sales trend? (up, even, down) Even

Return on equity trends? (up, even, down) Up

Debt? (up, even, down) Even

Current P/E is 14.3.

Where does it fall in my estimated High/low range of PE's? midpoint

Signature P/E = 17.25

Club cost basis for this stock is 78.44 Current price is 114.65  
(from latest valuation)

Current fairvalue: Morningstar 114.00 S&P: 109.31

My SSG Total Return is 7.6% Projected Average Return is 4.7%

**What will drive future growth:**

*Assets Decline, Liquidity Position Strong.* As of Mar 31, 2020, total Assets Under Management (AUM) declined 16.4% year-over-year to \$1.01 trillion. During the March-end quarter, net market depreciation and losses were \$191.9 billion, while net cash outflow was \$6 billion after client transfers. TROW remains debt-free with substantial liquidity, including cash and sponsored portfolio investment holdings of about \$5 billion as of Mar 31, 2020, which enable the company to keep on investing.

*Capital-Deployment Activity.* During the reported quarter, TROW repurchased 8.3 million shares of its common stock for \$887 million at an average cost of \$106.43. For 2020, the company projects capital expenditure of \$230 million, comprising three-fourth for technology development.

*Zack's Viewpoint.* TROW witnessed an impressive quarter on stellar revenues. The company has potential to benefit from growth in domestic and global AUM. The company's debt-free position and higher return on earnings, as a whole, make Zacks confident of its robust fundamentals. Nonetheless, higher operating expenses have impacted TROW. Also, coronavirus-induced economic slowdown is a major near-term concern. [*Zack's T. Rowe Price 1<sup>st</sup> Quarter 2020 Analyst Report*]

Recommend: Buy More \_\_\_\_, Hold X, Challenge with a better investment \_\_\_\_, Sell \_\_\_\_