

# T. ROWE PRICE NQ-TROW

RECENT PRICE **155.38** P/E RATIO **15.3** (Trailing: 17.4 Median: 17.0) RELATIVE P/E RATIO **0.71** DIV'D YLD **2.4%** VALUE LINE

**TIMELINESS 3** Lowered 11/27/20  
**SAFETY 1** Raised 2/10/17  
**TECHNICAL 2** Raised 1/1/21  
**BETA** 1.05 (1.00 = Market)

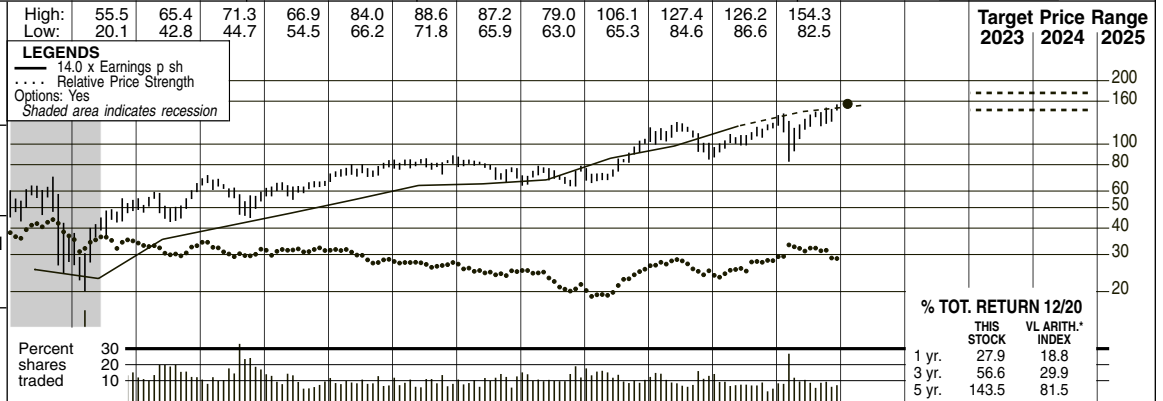
High: 55.5 65.4 71.3 66.9 84.0 88.6 87.2 79.0 106.1 127.4 126.2 154.3  
 Low: 20.1 42.8 44.7 54.5 66.2 71.8 65.9 63.0 65.3 84.6 86.6 82.5

LEGENDS  
 — 14.0 x Earnings p sh  
 ... Relative Price Strength  
 Options: Yes  
 Shaded area indicates recession

**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$111-\$225 \$168 (10%)

**2023-25 PROJECTIONS**  
 High Price Gain Ann'l Total Return  
 Low 175 (+15%) 6%  
 145 (-5%) 1%

**Institutional Decisions**  
 102020 202020 302020  
 to Buy 360 401 399  
 to Sell 469 412 406  
 Hld's(000) 161598 154459 157685



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
4.93	5.74	6.85	8.42	8.24	7.22	9.15	10.85	11.76	13.29	15.25	16.77	17.25	19.55	22.57	23.88	<b>27.80</b>	<b>30.25</b>	Net Revenues per sh	<b>35.10</b>
1.46	1.80	2.17	2.74	2.15	1.93	2.84	3.34	3.75	4.34	5.14	5.39	5.57	6.86	8.13	9.87	<b>10.20</b>	<b>10.95</b>	"Cash Flow" per sh	<b>13.10</b>
1.26	1.58	1.90	2.40	1.82	1.65	2.53	2.92	3.36	3.90	4.55	4.63	4.84	6.13	7.01	8.70	<b>9.30</b>	<b>10.00</b>	Earnings per sh <sup>AB</sup>	<b>11.50</b>
.40	.49	.56	.68	1.20	1.00	1.08	1.24	1.36	1.52	1.76	2.08	2.16	2.28	2.80	3.04	3.60	<b>3.80</b>	Div's Decl'd per sh <sup>C</sup>	<b>4.60</b>
.17	.20	.36	.55	.56	.52	.46	.33	.30	.40	.48	.60	.61	.76	.71	.87	<b>.95</b>	<b>.95</b>	Cap'l Spending per sh	<b>1.15</b>
6.55	7.73	9.16	10.50	9.69	11.15	12.74	13.51	14.96	18.38	20.66	19.01	20.46	23.76	25.72	30.19	<b>31.80</b>	<b>33.95</b>	Book Value per sh	<b>42.85</b>
259.22	263.36	264.96	264.61	256.86	258.53	258.76	253.27	257.02	262.07	261.11	250.47	244.78	245.11	238.07	235.21	<b>220.00</b>	<b>215.00</b>	Common Shs Outst'g <sup>D</sup>	<b>210.00</b>
20.8	20.0	21.8	22.0	27.6	24.2	20.8	20.2	18.5	19.3	17.9	16.7	14.7	13.1	15.6	12.4	<b>13.7</b>		Avg Ann'l P/E Ratio	<b>14.0</b>
1.10	1.06	1.18	1.17	1.66	1.61	1.32	1.27	1.18	1.08	.94	.84	.77	.66	.84	.67	<b>.65</b>		Relative P/E Ratio	<b>.80</b>
1.5%	1.5%	1.4%	1.3%	2.4%	2.5%	2.1%	2.1%	2.2%	2.0%	2.2%	2.7%	3.0%	2.8%	2.6%	2.8%	<b>2.8%</b>		Avg Ann'l Div'd Yield	<b>2.9%</b>

CAPITAL STRUCTURE as of 9/30/20		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Debt	None	2367.2	2747.1	3022.5	3484.2	3982.1	4200.6	4222.9	4793.0	5372.6	5617.9	6115	6500	Net Revenues (\$mill)	7375				
Operating Margin		46.4%	47.3%	47.8%	49.6%	50.3%	48.2%	45.8%	46.0%	46.6%	45.9%	46.0%	46.5%	Operating Margin	51.0%				
Depreciation (\$mill)		62.6	72.0	80.9	90.6	111.7	126.3	133.4	143.6	159.5	190.8	200	210	Depreciation (\$mill)	300				
Net Profit (\$mill)		672.2	773.2	883.6	1047.7	1229.6	1233.0	1231.0	1537.7	1776.3	2131.3	2050	2150	Net Profit (\$mill)	2450				
Income Tax Rate		37.2%	38.2%	38.4%	38.4%	38.6%	38.9%	36.0%	36.9%	25.8%	23.2%	24.5%	25.0%	Income Tax Rate	27.0%				
Net Profit Margin		28.4%	28.1%	29.2%	30.1%	30.9%	29.1%	29.2%	32.1%	33.1%	37.9%	33.5%	33.0%	Net Profit Margin	33.2%				
Working Cap'l (\$mill)		1683.8	1790.8	2171.1	3193.7	3583.7	2885.7	2388.3	3219.2	3603.5	4260.9	3850	3725	Working Cap'l (\$mill)	3550				
Long-Term Debt (\$mill)		--	--	--	--	--	--	--	--	--	--	Nil	Nil	Long-Term Debt (\$mill)	Nil				
Shr. Equity (\$mill)		3296.5	3420.7	3846.1	4818.1	5395.2	4762.0	5008.6	5824.4	6124.3	7102.1	7000	7300	Shr. Equity (\$mill)	9000				
Return on Total Cap'l		20.4%	22.6%	23.0%	21.7%	22.8%	25.7%	24.6%	26.4%	29.0%	30.0%	30.5%	30.0%	Return on Total Cap'l	27.0%				
Return on Shr. Equity		20.4%	22.6%	23.0%	21.7%	22.8%	25.7%	24.6%	26.4%	29.0%	30.0%	30.5%	30.0%	Return on Shr. Equity	27.0%				
Retained to Com Eq		11.9%	13.3%	14.0%	13.5%	14.2%	14.5%	13.8%	16.7%	17.7%	19.7%	19.5%	19.0%	Retained to Com Eq	16.5%				
All Div'ds to Net Prof		41%	41%	39%	38%	38%	44%	44%	37%	39%	34%	37%	37%	All Div'ds to Net Prof	39%				

CURRENT POSITION	2018	2019	9/30/20
Cash Assets	3878.6	4721.6	5259.0
Receivables	549.6	646.6	714.8
Current Assets	4428.2	5368.2	5973.8
Accts Payable	228.5	214.5	186.9
Other	596.2	892.8	1479.0
Current Liab.	824.7	1107.3	1665.9

**BUSINESS:** T. Rowe Price Group, Inc. provides investment advisory and administrative services to the Price family of no-load mutual funds, sponsored investment products, and private accounts. Assets under management (AUM) totaled \$1,206.8 trillion at 12/31/19, compared to \$962.3 billion at 12/31/18. Of the total funds under investment at 12/31/19, equity portfolios accounted for

58% of AUM, multi-asset (30%), and fixed-income (12%). Investment advisory fees provided 91% of revenues. Officers and Directors own 1.0% of common stock; The Vanguard Group, 8.9%; BlackRock, 8.0% (3/20 Proxy). Chairman and CEO: William J. Stromberg, Inc.: MD. Address: 100 East Pratt Street, Baltimore, MD 21202. Tel.: 410-345-2000. Internet: www.troweprice.com.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19
of change (per sh)	10.5%	10.5%	8.0%
Net Revenues	14.0%	13.5%	8.0%
"Cash Flow"	14.0%	13.0%	8.0%
Earnings	11.0%	12.0%	9.5%
Dividends	10.0%	8.0%	8.5%

**We are optimistic about T. Rowe Price Group's prospects in 2021.** (Note that fourth-quarter 2020 figures were not available when this report went to press.) As an economic recovery appears to be more promising, an earnings rebound looks to be in the cards. Leading the charge is a strong vaccine-led recovery, paired with the Federal Reserve holding its stance on monetary policy of keeping short-term interest rates low through 2021, giving us a lot to look forward to. For starters, the asset management company added four active exchange-traded funds (ETFs), listed on the NYSE Arca, Inc. Additionally, the company launched its sixth Japanese Investment Trust in December, which leadership intends to develop its product pipeline, including a new Short Duration Income Fund. What's more, the company should see synergies from its technology-based initiatives, aimed partly at enhancing the client's digital experience. It is also worth noting T. Rowe's healthy finances, including a substantial amount of cash on hand, plus no debt obligations. All told, assuming the financial markets hold up fairly well during

2021, we anticipate the top line to be pegged at \$6.5 billion. As for the bottom line, we expect profits to advance roughly 8%, to \$10.00 a share, respectively (that's relative to our 2020's estimate of \$9.30). **The company's balance sheet remains strong.** Recently, TROW made a smart play buying back shares throughout these uncertain times. In fact, the company recently repurchased 1.1 million shares, bringing the calendar 2020 repurchase count to 10.8 million shares, assisting in the preservation of the stock price. Furthermore, it would not be a shock if TROW remains cautiously active on the acquisition front.

**At the current quotation, the equity is ranked to mirror the broader market averages (Timeliness: 3).** In addition, capital gains potential out to 2023-2025 is nothing to write home about. Though, it is worth noting that the dividend yield looks solid and the payout will likely increase over the several years. Plus, TROW holds a Safety rank of 1 (Highest). With that in mind, conservative investors may want to take a look here. *Gabriel Muenzer*

Cal-endar	QUARTERLY NET REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	1113.6	1171.6	1221.7	1286.1	4793.0
2018	1328.0	1345.0	1394.6	1305.0	5372.6
2019	1327.3	1395.2	1426.7	1468.7	5617.9
2020	1462.6	1415.4	1595.8	1641.2	6115
2021	1605	1615	1630	1650	6500

Cal-endar	EARNINGS PER SHARE <sup>AB</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	1.42	1.50	1.56	1.65	6.13
2018	1.77	1.85	2.03	1.36	7.01
2019	2.09	2.15	2.23	2.24	8.70
2020	1.41	2.55	2.73	2.61	9.30
2021	2.25	2.55	2.65	2.55	10.00

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>C</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.57	.57	.57	.57	2.28
2018	.70	.70	.70	.70	2.80
2019	.76	.76	.76	.76	3.04
2020	.90	.90	.90	.90	3.60
2021					

(A) Diluted EPS. Excludes nonrec. gain (losses): '16, (\$0.06); '17, (\$0.16); '18, \$0.25. Quarters may not sum due to change in shares out. Next earnings report due late April. (B) Pro forma stock option expense under SFAS No. 123 (fair value) would have reduced net income by \$0.15 a share in '05, to \$1.43 a share. (C) Div'd paid March, June, Sept., and Dec. (D) In mill. Two \$0.24 a share div'd in 1Q '08 due to change in payout schedule. Special div'd of \$1.00/shr paid Q4 '12; \$2.00/shr paid Q2 '15. Company's Financial Strength A+ Stock's Price Stability 90 Price Growth Persistence 45 Earnings Predictability 95