

# T. ROWE PRICE NDQ-TROW

RECENT PRICE **145.03** P/E RATIO **15.1** (Trailing: 17.2 Median: 17.0) RELATIVE P/E RATIO **0.71** DIV'D YLD **2.6%** **VALUE LINE**

**TIMELINESS** 2 Raised 11/6/20  
**SAFETY** 1 Raised 2/10/17  
**TECHNICAL** 3 Lowered 11/6/20  
**BETA** 1.05 (1.00 = Market)

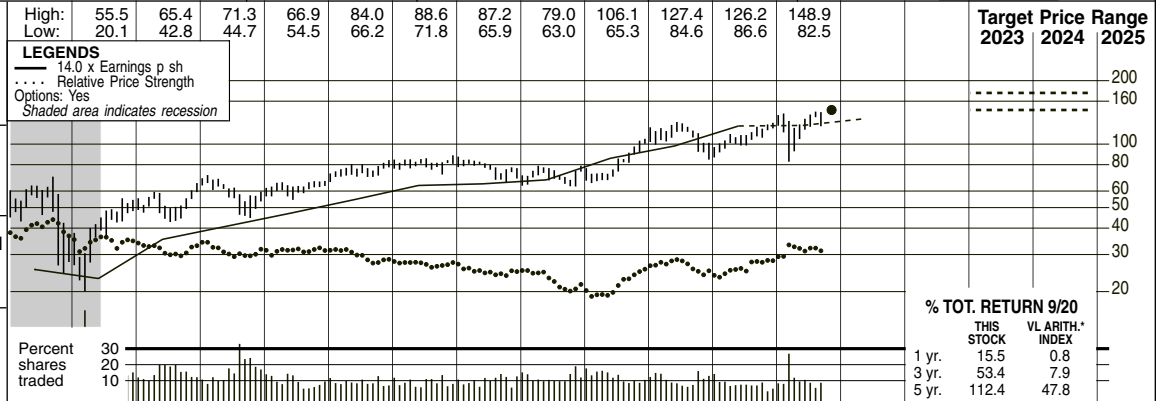
High: 55.5 65.4 71.3 66.9 84.0 88.6 87.2 79.0 106.1 127.4 126.2 148.9  
 Low: 20.1 42.8 44.7 54.5 66.2 71.8 65.9 63.0 65.3 84.6 86.6 82.5

**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)  
 \$98-\$196 \$147 (0%)

**2023-25 PROJECTIONS**  
 Price Gain Ann'l Total  
 High 175 (+20%) 7%  
 Low 145 (Nil) 3%

**Institutional Decisions**  
 4Q2019 1Q2020 2Q2020  
 to Buy 386 360 401  
 to Sell 383 469 412  
 Hld's(000) 166597 161598 154459



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>26.30</b>	<b>28.10</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>10.65</b>	<b>11.20</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>8.75</b>	<b>9.45</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	<b>3.60</b>	<b>3.80</b>	Div's Div'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	<i>Bold figures are Value Line estimates</i>		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			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%			Avg Ann'l Div'd Yield	<b>2.9%</b>

CAPITAL STRUCTURE as of 6/30/20		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Net Revenues (\$mill)	23-25
Total Debt	None	2367.2	2747.1	3022.5	3484.2	3982.1	4200.6	4222.9	4793.0	5372.6	5617.9	<b>5790</b>	<b>6040</b>	Net Revenues (\$mill)	<b>7375</b>						
Operating Margin		46.4%	47.3%	47.8%	49.6%	50.3%	48.2%	45.8%	46.0%	46.6%	45.9%	<b>46.0%</b>	<b>46.5%</b>	Operating Margin	<b>51.0%</b>						
Depreciation (\$mill)		62.6	72.0	80.9	90.6	111.7	126.3	133.4	143.6	159.5	190.8	<b>200</b>	<b>210</b>	Depreciation (\$mill)	<b>300</b>						
Net Profit (\$mill)		672.2	773.2	883.6	1047.7	1229.6	1223.0	1231.0	1537.7	1776.3	2131.3	<b>2145</b>	<b>2200</b>	Net Profit (\$mill)	<b>2450</b>						
Income Tax Rate		37.2%	38.2%	38.4%	38.4%	38.6%	38.9%	36.0%	36.9%	25.8%	23.2%	<b>24.5%</b>	<b>25.0%</b>	Income Tax Rate	<b>27.0%</b>						
Net Profit Margin		28.4%	28.1%	29.2%	30.1%	30.9%	29.1%	29.2%	32.1%	33.1%	37.9%	<b>37.0%</b>	<b>36.4%</b>	Net Profit Margin	<b>33.2%</b>						
Working Cap'l (\$mill)		1683.8	1790.8	2171.1	3193.7	3583.7	2885.7	2388.3	3219.2	3603.5	4260.9	<b>3850</b>	<b>3725</b>	Working Cap'l (\$mill)	<b>3550</b>						
Long-Term Debt (\$mill)		--	--	--	--	--	--	--	--	--	--	<b>Nil</b>	<b>Nil</b>	Long-Term Debt (\$mill)	<b>Nil</b>						
Shr. Equity (\$mill)		3296.5	3420.7	3846.1	4818.1	5395.2	4762.0	5008.6	5824.4	6124.3	7102.1	<b>7000</b>	<b>7300</b>	Shr. Equity (\$mill)	<b>9000</b>						
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%	<b>30.5%</b>	<b>30.0%</b>	Return on Total Cap'l	<b>27.0%</b>						
Return on Shr. Equity		20.4%	22.6%	23.0%	21.7%	22.8%	25.7%	24.6%	26.4%	29.0%	30.0%	<b>30.5%</b>	<b>30.0%</b>	Return on Shr. Equity	<b>27.0%</b>						
Retained to Com Eq		11.9%	13.3%	14.0%	13.5%	14.2%	14.5%	13.8%	16.7%	17.7%	19.7%	<b>19.5%</b>	<b>19.0%</b>	Retained to Com Eq	<b>16.5%</b>						
All Div's to Net Prof		41%	41%	39%	38%	38%	44%	44%	37%	39%	34%	<b>37%</b>	<b>37%</b>	All Div's to Net Prof	<b>39%</b>						

CURRENT POSITION	2018	2019	6/30/20
Cash Assets	3878.6	4721.6	4958.1
Receivables	549.6	646.6	655.7
Current Assets	4428.2	5368.2	5613.8
Accts Payable	228.5	214.5	194.3
Other	596.2	892.8	1442.2
Current Liab.	824.7	1107.3	1636.5

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

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	<b>1435</b>	<b>1477</b>	<b>5790</b>
2021	<b>1490</b>	<b>1500</b>	<b>1515</b>	<b>1535</b>	<b>6040</b>

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	<b>2.39</b>	<b>2.40</b>	<b>8.75</b>
2021	<b>2.25</b>	<b>2.36</b>	<b>2.41</b>	<b>2.43</b>	<b>9.45</b>

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>C</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	.54	.54	.54	.54	2.16
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	

**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.

**T. Rowe Price is about to close the book on a turbulent year.** (Please be aware that third-quarter figures were not released when this report went to press.) In the early stages of 2020, the financial markets were hit hard by worries about the effects of the coronavirus, which inflicted substantial damage to economies worldwide, due to efforts by the authorities to contain it. But as the months passed by, investors became quite enthusiastic when restrictions began to ease. Nevertheless, right now, there are concerns about a resurgence of COVID-19, as the number of infected people in the United States, Europe, and elsewhere is increasing. There's also a cloud of uncertainty concerning when a vaccine will be found. All told, it seems that full-year earnings will be about flat, at \$8.75 a share, relative to the 2019 tally of \$8.70. But assuming that the financial markets hold up fairly well during 2021 (depending partly on whether the coronavirus is in check by then), we expect profits to advance 8%, to \$9.45 a share.

A number of the money manager's mutual funds have consistently outshined their respective benchmarks over various time periods. One key category should continue to be the target-date retirement portfolios (currently accounting for roughly 25% of total assets under management), which automatically adjust asset allocations as investors grow older. Another positive is new products. It's worth mentioning that, in early August, T. Rowe launched four active exchange-traded funds, listed on NYSE Arca, Inc. The company should also benefit nicely from technology-based initiatives, aimed partly at enhancing the client's digital experience. Consider, too, the healthy finances, including a substantial amount of cash on hand plus no debt obligations.

**The high-quality stock has surged to record levels since our last full-page review in August.** We believe better-performing markets are driving that price move. Moreover, the Timeliness rank is 2 (Above Average) and the dividend yield looks solid. However, capital gains potential out to 2023-2025 does not impress.

**Value Line is optimistic about corporate performance out to mid-decade.**

Frederick L. Harris, III November 6, 2020

(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 Jan. (B) Pro	form 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.	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. (D) In mill.	Company's Financial Strength	A+
			Stock's Price Stability	85
			Price Growth Persistence	45
			Earnings Predictability	95