



2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
3.98	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	23.90	25.45	Net Revenues per sh	34.30
1.09	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	9.80	10.35	"Cash Flow" per sh	13.50
.89	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	8.95	Earnings per sh AB	10.50
.35	.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	3.20	Div's Decl'd per sh C	4.00
.13	.17	.20	.36	.55	.56	.52	.46	.33	.30	.40	.48	.60	.61	.76	.71	.75	.75	Cap'l Spending per sh	1.00
5.32	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	30.20	32.15	Book Value per sh	42.85
249.87	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	235.00	230.00	Common Shs Outst'g D	210.00
20.4	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		Avg Ann'l P/E Ratio	17.5
1.16	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	.68		Relative P/E Ratio	.95
1.9%	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	2.2%

CAPITAL STRUCTURE as of 9/30/19

Total Debt None	1867.4	2367.2	2747.1	3022.5	3484.2	3982.1	4200.6	4222.9	4793.0	5372.6	5617.9	5850	5850	Net Revenues (\$mill)	7200
Leases, Uncapitalized Annual rentals \$31.5 mill.	41.1%	46.4%	47.3%	47.8%	49.6%	50.3%	48.2%	45.8%	46.0%	46.6%	45.0%	45.5%	45.5%	Operating Margin	51.0%
No Defined Benefit Pension Plan	65.2	62.6	72.0	80.9	90.6	111.7	126.3	133.4	143.6	159.5	175	185	185	Depreciation (\$mill)	240
Pfd Stock None	433.6	672.2	773.2	883.6	1047.7	1229.6	1223.0	1231.0	1537.7	1776.3	2131.3	2200	2200	Net Profit (\$mill)	2600
Common Stock 233,677,334 shs. as of 10/22/19	37.1%	37.2%	38.2%	38.4%	38.4%	38.6%	38.9%	36.0%	36.9%	25.8%	23.2%	24.5%	24.5%	Income Tax Rate	26.0%
MARKET CAP: \$30.7 billion (Large Cap)	23.2%	28.4%	28.1%	29.2%	30.1%	30.9%	29.1%	29.2%	32.1%	33.1%	37.9%	37.6%	37.6%	Net Profit Margin	36.1%
CURRENT POSITION 2017 2018 9/30/19 (\$MILL.)	1500.2	1683.8	1790.8	2171.1	3193.7	3583.7	2885.7	2388.3	3219.2	3603.5	3700	3550	3550	Working Cap'l (\$mill)	3400
Cash Assets	3380.0	3878.6	4819.1											Long-Term Debt (\$mill)	Nil
Receivables	556.7	549.6	620.6											Shr. Equity (\$mill)	9000
Current Assets	3936.7	4428.2	5439.7											Return on Total Cap'l	29.0%
Accts Payable	215.5	228.5	203.3											Return on Shr. Equity	29.0%
Other	502.0	596.2	1251.8											Retained to Com Eq	19.5%
Current Liab.	717.5	824.7	1455.1											All Div's to Net Prof	32%

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 totaled \$962.3 billion at 12/31/18, compared to \$991.1 billion at 12/31/17. Of the total funds under investment at 12/31/18, equity portfolios accounted for 56%, multi-asset (30%), and fixed-income (14%). Investment advisory fees provided 90% of revenues. Has around 5,100 employees. Officers and Directors own 3.1% of common stock (3/19 Proxy). Chairman and CEO: William J. Stromberg. Incorporated: Maryland. Address: 100 East Pratt Street, Baltimore, Maryland 21202. Telephone: 410-345-2000. Internet: www.troweprice.com.

We are optimistic about T. Rowe Price Group's prospects this year. Net cash inflows ought to be decent, in general, made possible by the good relative performance of the company's mutual funds. One important category should continue to be the target-date retirement portfolios, which automatically adjust asset allocations as investors grow older. (These products presently account for almost 25% of assets under management.) Another plus is new mutual funds, a recent one being the T. Rowe Price China Evolution Equity Fund. What's more, the company is seeking regulatory approval to offer semi-transparent, actively managed exchange-traded funds. A relatively low income tax rate and repurchases of common stock should also provide assistance.

Nevertheless, the financial markets may encounter some turbulence over the course of 2020. That partially reflects uncertainty about the effects of the United Kingdom's departure from the European Union. There are also tensions in the Middle East, the latest episode involving the United States and Iran. Consider, too, that there might be some unexpected developments leading up to November's U.S. Presidential election. Lastly, although this country and China are now taking steps to end their long-standing trade dispute, a reversal would probably bode ill for the performance of the financial markets.

All told, full-year earnings per share may increase nearly 3%, to \$8.95. (That's relative to 2019's imposing prior-year amount of \$8.70.) Turning to 2021, the Baltimore-based money manager's bottom line stands to advance an additional 6% or so, to \$9.50 a share, assuming further expansion of operating margins.

The equity, which is ranked 2 (Above Average) for Timeliness, has reached record price levels since our last full-page review in November. We think better-performing markets are a driving force. Too, capital appreciation potential out to 2022-2024 remains worthwhile. The dividend yield and prospects for more steady hikes in the well-covered payout add to the appeal. However, stock-price possibilities over the 18-month period are not impressive.

Frederick L. Harris, III February 7, 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 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. 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 40
	Earnings Predictability 95