

Company Profile

Overview: Apollo Global Management, Inc. (“Apollo” or the “Company”) is a premier global alternative asset manager operating a differentiated hybrid model that combines traditional asset management with retirement services through its controlling stake in Athene Holding Ltd. As of year-end 2025, the Company reported \$938B in assets under management (AUM), representing approximately 25% YoY growth and reflecting organic inflows of \$228B for the full year. The Company’s AUM distribution profile is ~84% institutional investors and ~16% high net worth/retail investors. This scale positions Apollo as the fourth largest alternative asset manager globally.

The Company’s two core business lines—Asset Management (Credit, Equity, and Principal Investing) and Retirement Services (primarily Athene)—are tightly integrated. Apollo originates high-yielding credit and alternative assets that Athene can deploy as permanent capital, enabling superior risk-adjusted returns, stable fee income, and spread earnings insulated from traditional market volatility. The general strategy centers on three pillars: origination (a record \$309B deployed in FY 2025), wealth channel expansion, and capital solutions. This model targets \$1T in AUM over the medium term while delivering predictable, growing earnings through a combination of Fee-Related Earnings (FRE), Spread-Related Earnings (SRE), and Principal Investing Income (PII).

Most recent quarterly and annual results (Q4 and FY 2025) were exceptionally strong. In Q4 2025, FRE reached a record \$690M, SRE stood at \$865M, and PII was \$227M, and Adjusted Net Income (ANI) of \$1.54B—or \$2.47 per share. For the full year 2025, FRE totaled \$2.53B (+22% YoY), SRE was \$3.36B (+4% YoY), PII was \$338M (+25% YoY), and ANI of \$5.20B—or \$8.38 per share, with Credit management fees comprising the dominant share (~\$2.48B). Retirement Services net invested assets closed the year at approximately \$292B after non-controlling interests. Notably, the Company maintained an Average Annualized Default Rate (from 2009-2025) of 0.1% which is towards the lower end of its peers’ range; though a direct comparison is inappropriate due to idiosyncratic adjustments. These figures underscore Apollo’s ability to compound earnings through both variable fee growth and relatively stable insurance spread capture.

Investment Thesis: Apollo presents an opportunistic GARP play in the financial sector for clients seeking growing yet defensible earnings and a modest dividend yield at an attractive valuation. The Company’s performance in 2025 cemented its position as the #4 alternative asset manager globally and the clear leader in private credit. Despite its dominant market position, the Company’s stock price has been punished alongside many other alternative asset managers which have experienced pessimistic investor sentiment primarily due to the anticipated threat AI poses towards software portfolio companies, the natural opacity of private markets, and liquidity concerns in light of a recent spike in redemption requests. However, the Company’s exposure to software companies “rounds closer to zero than one”, according to CEO Marc Rowan on the Q4 2025 earnings call, or roughly 0.3% of total AUM. Furthermore, nearly all that exposure is in the form of first lien debt securities. Yet this dynamic has resulted in the Company trading at a forward P/E of 11.8x and forward EV/EBITDA of 8.92x—below its peer averages of 13.7x and 14.87x, respectively.

The Company’s fundamentals differentiate it from its peers. Its business model is an integrated platform—combining a scaled credit origination engine with Athene’s permanent-capital retirement-services business—that creates a structural moat few peers can replicate. CEO Marc Rowan on the Q4 2025 earnings call emphasized Apollo’s origination edge: “Our business is not ultimately constrained by capital. What it is constrained by is the ability to originate things that are worth buying.” An “earnings flywheel” converts Athene’s liability-side funding into higher-yielding private-credit assets, fueling both FRE and SRE, while positioning the Company to capture secular tailwinds in retirement-income demand and private-credit growth amid a winner-take-most industry. Strengths are evident in Apollo’s market share gains. Credit now represents ~80% of AUM, with origination volumes that outpace most competitors and support management’s 20% average annual FRE growth target through 2029. The hybrid model delivers superior earnings durability compared with pure-play peers, as Athene’s permanent capital reduces reliance on volatile third-party fundraising cycles.

Risk remains, however. Credit-cycle sensitivity could pressure SRE and alternative net investment income (NII) if

defaults rise meaningfully. Intense peer competition from Blackstone, KKR, and Ares, alongside regulatory scrutiny on private markets and insurance, introduces modest execution and valuation risks. Yet, management’s track record of prudent underwriting, conservative leverage levels, and proactive regulatory engagement helps mitigate these concerns.

Key Personnel: Chair/CEO: Marc Rowan, CFO: Martin Kelly, President: Jim Zelter, Co-Presidents: Scott Kleinman/John Zito, CEO (Athene): Grant Kvalheim, Lead Director: Gary Cohn

Notable Insider Transactions: None

*Notable insider transactions were researched on a TTM basis

Recent Events:

03/29/2026: The Company began its search for a second headquarters location in either FL, TX, or TN

03/23/2026: Apollo Debt Solutions BDC had redemption requests equal to 11.2% of shares outstanding in 1Q26

02/09/2026: 4Q25 and FY25 earnings both beat expectations, with FY25 setting records for FRE and originations

Financial Performance

Annualized Performance Metrics: 1Y: -19.07%, 3Y: 22.44%, 5Y: 20.63%

Key Financials (TTM): Rev.: \$32.0B (22.7% YoY), Net Inc.: \$3.4B (-24.2% YoY), EPS: \$5.54 (-24.0% YoY)

Valuation: P/E (Fwd): 11.8x vs. Peer Avg: 13.7x, EV/EBITDA (Fwd): 8.92x vs. Peer Avg: 14.87x, P/B: 2.8x

Companies	Apollo	Blackstone	KKR	Ares
P/E Ratio (1yr)	11.8x	18.2x	14.2x	16.3x
P/E Ratio (2yr)	10.0x	14.6x	11.7x	13.7x
PEG Ratio (5yr)	1.19x	1.70x	0.47x	0.81x
Dividend Yield (Fwd)	1.83%	5.18%	0.80%	4.95%

Dividends: TTM Yield: 1.90%, Payout Ratio (TTM): 36.43%



Price Chart (Since 01/2020 Daily; W-SMA 50, W-SMA 100, W-SMA 200, Williams %R 90):



Investment Outlook

Key Growth Drivers:

Winner-Take-Most Industry

Apollo operates in a classic winner-take-most environment within alternatives, where scale, origination infrastructure, and permanent-capital advantages compound rapidly. With \$938B in AUM at year-end 2025 and a dominant ~\$749B credit platform representing roughly 80% of total AUM, the Company is the fourth largest alternative asset manager in its peer group by AUM and originations (Blackstone is #1 with \$1.275T in AUM and ~\$400B in originations). FY 2025 originations reached a record \$309B, a figure that dwarfs most competitors and reflects the structural edge provided by Athene's liability-side funding. While several managers have faced redemption pressure and elevated funding costs in the higher-rate environment, Apollo's integrated model has enabled consistent market-share gains; private-credit origination volumes for the Company now represent a low-double-digit percentage of the ~\$2T global addressable market, up materially from prior years. Management's 2029 target of \$275B+ annual origination implies sustained 15-20% growth, well above consensus industry forecasts of mid-teens expansion. We expect this dynamic to accelerate in 2026 as supply from AI-driven M&A and infrastructure financing increases; Apollo's ability to deploy at scale without relying on third-party fund-raising cycles positions it to capture disproportionate share. In our view, this structural moat supports the Company's targeted 20% average annual FRE growth through 2029, driving FRE toward ~\$5B and reinforcing premium valuation multiples relative to subscale peers.

Retirement Income Demand

Secular demand for retirement-income products remains one of the most durable tailwinds for Apollo's hybrid platform. Athene, now the clear #1 writer of fixed annuities in the United States, captured approximately \$33B in sales during 2025 against an industry total of roughly \$465B—translating to a market share exceeding 7% and growing. With the U.S. retirement market exceeding \$45T and an estimated \$4T retirement-income gap persisting, demographic trends (aging baby boomers and rising life expectancies) are expected to drive annuity sales at a 10-12% CAGR through the end of the decade. Apollo's differentiated model—originating higher-yielding private credit and structured assets internally to back Athene's liabilities—delivers superior net investment spreads relative to traditional insurers. This synergy not only supports stable SRE of ~\$3.4B in FY 2025 but also converts retail and institutional annuity inflows into permanent, fee-generating AUM for the asset-management side. Management has consistently highlighted the potential for Athene to contribute meaningfully to the Company's \$5B FRE and SRE targets by 2029. We see limited near-term saturation risk; industry penetration of annuities

remains below 5% of the addressable retirement pool, leaving ample runway for Apollo to expand its leadership position and compound earnings at a mid-teens pace.

Private Credit Demand

Private-credit demand continues to outstrip supply, with Apollo uniquely positioned to monetize this imbalance. The Company originated \$309B in FY 2025, a record that underscores its origination franchise's capacity to meet institutional, retail, and Athene-driven demand in an environment where banks have retrenched. Industry projections point to the global private-credit market expanding toward \$4T by 2030 (from current ~\$2T levels), driven by persistent demand for floating-rate, covenant-light financing across corporate, asset-backed, and infrastructure verticals. Many managers face constrained dry powder and higher cost-of-capital hurdles, whereas Apollo's Athene-sourced permanent capital provides a structural funding advantage. This has translated into Apollo's credit AUM growing faster than the peer group, with management fees rising 23% year-over-year in FY 2025. The Company's forward guidance of sustained 20%+ FRE growth through 2029 implies continued capture of market share even as overall industry fundraising normalizes. We view 2026 as a particularly favorable setup: increased supply from AI/M&A activity should allow Apollo to maintain or widen its origination lead while peers struggle to scale. The result is higher fee-related earnings durability and visibility than pure-play competitors.

Key Risks:

Credit Cycle Sensitivity

While Apollo's credit platform has demonstrated resilience—historical defaults remain exceptionally low at ~0.1%—the Company is not immune to a material deterioration in the credit cycle. Spread-related earnings (SRE) of ~\$3.4B in FY 2025 already incorporate a modest \$130M negative delta to management's long-term 11% alternative net investment income expectation; any sustained rise in realized losses or widening credit spreads could pressure this line item by several hundred million dollars annually. With credit representing roughly 80% of AUM and Athene's \$286B net invested assets heavily allocated to Apollo-originated paper, a recession-driven default wave (Fitch has flagged certain recent cohorts approaching 5.8% in stress scenarios) would simultaneously weigh on SRE, realized performance fees, and principal-investing income. Although management maintains conservative underwriting, modest leverage levels, and diversified exposures, we estimate that a 200–300 basis-point increase in industry default rates could shave 5–8% off consensus 2026 ANI. The Company's leverage (second lowest amongst its peers) and interest-rate sensitivity add a secondary layer of risk should the Fed pause or reverse easing. In our base case we expect continued benign conditions, but we will monitor alternative NII trends and Athene's net investment spread as leading indicators of cycle impact.

Peer Competition

Apollo faces intensifying competition from larger or well-capitalized peers (Blackstone, KKR, Ares) that are also scaling private-credit platforms and expanding into wealth channels. While Apollo's Athene-driven permanent-capital advantage remains a differentiator, several competitors have narrowed the gap through acquisitions and balance-sheet commitments; Blackstone's AUM now exceeds \$1T, and industry-wide fundraising competition has compressed fees in certain credit sleeves. Apollo's FY 2025 FRE growth of 22.5% outpaced most peers, yet any meaningful erosion in origination market share—currently estimated in the low double digits globally—could slow FRE momentum toward the 20% CAGR targeted through 2029. Wealth-channel competition is particularly acute, as multiple managers chase the same high-net-worth and RIA distribution networks. Notably, peers have also begun emphasizing insurance partnerships, potentially replicating the Company's model on a smaller scale. While we continue to view Apollo's integrated origination engine as superior, a scenario in which two to three large peers match its fundraising velocity could cap Apollo's market-share gains and pressure fee margins by 50–100 basis points over the medium term. Management's track record of execution provides comfort, but we will track relative origination volumes and wealth AUM inflows as key competitive metrics.

Regulatory Scrutiny

Both the asset-management and retirement-services business segments face elevated regulatory oversight. On the alternatives side, the SEC continues to examine private-market valuations, conflicts, and marketing practices; any adverse rulemaking on performance-fee disclosure or fiduciary standards could incrementally raise compliance costs and slow product launches. More materially, Athene's insurance operations are subject to multi-state and Bermuda regulatory scrutiny around reserve adequacy, investment guidelines, and affiliated-transaction approvals. With Athene now representing the majority of Apollo's earnings contribution, any tightening of capital requirements or restrictions on private-credit allocations could constrain spread earnings growth. Management

has historically navigated these issues effectively, but the scale of the combined platform—\$938B AUM and \$286B net invested assets—naturally attracts heightened attention. While we do not anticipate existential regulatory risk, the combination of ongoing private-credit hearings and insurance-industry focus introduces a layer of uncertainty that could weigh on valuation multiples. The Company’s strong compliance infrastructure and proactive engagement with regulators mitigate this risk, yet we will monitor regulatory commentary and Athene’s risk-based capital ratios closely.

Analyst Consensus (as of 04/02/26): Price Target: \$157.71 (43.05% upside), Ratings: 15 Buy, 4 Hold, 0 Sell

Collar Capital Valuation:

Ticker	APO
Date	3/12/2026
Current Price	\$101.67
Target Price	\$186.25
Implied Return	83.19%
Target Price Range	\$167.62 - \$204.87
Implied Return Range	65% - 102%
Probability Score	81%