

Company Profile

Overview: Blue Owl Capital, Inc. (“Blue Owl” or the “Company”) is a leading global alternative asset manager operating a differentiated Permanent Capital model across its Credit, Real Assets, and GP Strategic Capital platforms. As of year-end 2025, the Company reported \$307B in assets under management (AUM), representing approximately 22% YoY growth and reflecting strong organic inflows and record fundraising of \$56B for the full year. The Company’s AUM distribution profile is ~60% institutional investors and ~40% high net worth/retail investors. This scale positions Blue Owl as the eighth largest alternative asset manager globally. The Company was formed in May 2021 through the combination of Owl Rock, a leader in credit solutions, and Dyal Capital, a leading capital solutions provider to large private capital managers.

The Company operates three major product platforms—Credit (53% of revenues), Real Assets (14% of revenues), and GP Strategic Capital (21% of revenues)—delivering a diversified set of strategies anchored in private credit, real estate-related investments, and alternative manager partnerships. Blue Owl’s breadth of offerings and Permanent Capital base enable it to offer a differentiated, holistic framework of capital solutions. Permanent Capital vehicles generally have an indefinite term and do not have requirements to exit investments after a prescribed period to return invested capital to investors, except as required by applicable law or pursuant to redemption requests that can only be made after significant lock-up periods. As of year-end 2025, Permanent Capital vehicles represented approximately 85% of the Company’s management fees and 72% of its AUM.

Most recent quarterly and annual results (Q4 and FY 2025) were strong. In Q4 2025, Fee-Related Earnings (FRE) reached ~\$417M and net income of \$47.7M—or \$0.07 per share. For the full year 2025, FRE totaled ~\$1.5B (+19% YoY) and net income of \$78.8M (-28% YoY)—or \$0.10 per share. Notably, the Company has maintained an Annualized Net Realized Loss Ratio of 0.08% and an average Loan To Value (LTV) of 40% for its Direct Lending business which is at or slightly above average amongst its peers; though a direct comparison is inappropriate due to idiosyncratic adjustments. Furthermore, over the last two quarters, Blue Owl recorded \$11.2B and \$12.0B of Net Inflows in 3Q25 and 4Q25, respectively.

Investment Thesis: Blue Owl presents a contrarian GARP plus income opportunity in the financial sector for clients seeking growing earnings and a high dividend yield at a deep discount. The Company’s performance in 2025 demonstrated the durability of its Permanent Capital model, with record fundraising of \$56B and strong FRE growth despite a temporarily challenging environment for private credit. Despite its sustained ascension amongst top alternative asset managers, the Company’s stock price has declined precipitously 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. While the Company’s exposure to software loans represents 8% of AUM, that exposure on average has maintained its at-acquisition LTV of 30% and the Company is “a first lien lender in almost every instance”. Yet the Company is trading at a forward P/E of 10.2x and forward EV/EBITDA of 10.85x—below its peer averages of 16.0x and 17.21x, respectively.

The Company’s differentiated model—anchored in upper-middle-market direct lending, net-lease/digital infrastructure, and GP minority stakes—coupled with an 85% Permanent Capital base creates an economic moat few peers can replicate. Unlike competitors who rely heavily on third-party fundraising cycles, Blue Owl’s locked-up capital generates predictable, long-duration management fees with minimal redemption exposure across the core platform. This structural advantage creates a fee stream that is arguably more durable than most asset management models. Notably, GP Strategic Capital is particularly differentiated: by owning equity stakes in other private capital managers, Blue Owl participates in the growth of the broader alternatives industry without direct credit risk. Key strengths include the winner-take-most dynamics in private markets, explosive digital-infrastructure tailwinds from the AI build-out, and accelerating private-wealth inflows into evergreen vehicles. These drivers support management’s medium-term target of 18–22% AUM CAGR, with incremental FRE margin expansion of 100-200 basis points. The December 2025 cluster of open-market purchases by the Co-CEOs, Co-President, and CFO (totaling ~\$7.9M) further signals internal conviction.

Nevertheless, risks include concerns surrounding fund redemptions and liquidity that may slow wealth-channel flows in the short term, credit-cycle normalization which could pressure FRE, intense peer competition, and regulatory scrutiny of private markets. However, management's commitment to disciplined underwriting, a strong compliance culture, proactive balance sheet management, and elite pedigree support our view that the current dislocation is overdone and ought to be capitalized on.

Key Personnel: Co-CEO: Doug Ostrover, Co-CEO: Marc Lipschultz, Co-Pres./Head of Credit: Craig Packer, Co-Pres./Head of GP Strategic Capital: Michael Rees, Co-Pres./Head of Real Assets: Marc Zahr, CFO: Alan Kirshenbaum

Notable Insider Transactions:

12/02/2026: Doug Ostrover purchased 158,000 shares of common stock at \$15.0605/share for ~\$2.38M
 12/02/2026: Marc Lipschultz purchased 158,000 shares of common stock at \$15.0605/share for ~\$2.38M
 12/02/2026: Craig Packer purchased 125,000 shares of common stock at \$15.0605/share for ~\$1.88M
 12/01/2026: Doug Ostrover purchased 18,673 shares of common stock at \$15.0557/share for ~\$281K
 12/01/2026: Marc Lipschultz purchased 18,674 shares of common stock at \$15.0557/share for ~\$281K
 12/01/2026: Craig Packer purchased 14,773 shares of common stock at \$15.0557/share for ~\$222K
 12/01/2026: Alan Kirshenbaum purchased 33,670 shares of common stock at \$14.874/share for ~\$501K
 *Notable insider transactions were researched on a TTM basis

Recent Events:

04/02/2026: The Company caps redemption requests at 5% after 40.7% of OTIC fund shares and 21.9% of OCIC fund shares requested to be withdrawn or \$5.4B total (\$270M at the cap)
 03/31/2026: The Company announces a \$2.9B final close for its ASO Fund IX, exceeding \$2.5B target
 03/28/2026: The Company raises \$20.7M for its OCIC fund
 02/19/2026: The Company announces a sale of ~\$1.4B in assets from credit funds; permanently halts OBDC II quarterly redemptions

Financial Performance

Annualized Performance Metrics: 1Y: -47.35%, 3Y: -3.79%, 5Y: 0.57%

Key Financials (TTM): Rev.: \$2.87B (25.1% YoY), Net Inc.: \$305.5M (-27.3% YoY), EPS: \$0.06 (-57.8% YoY)

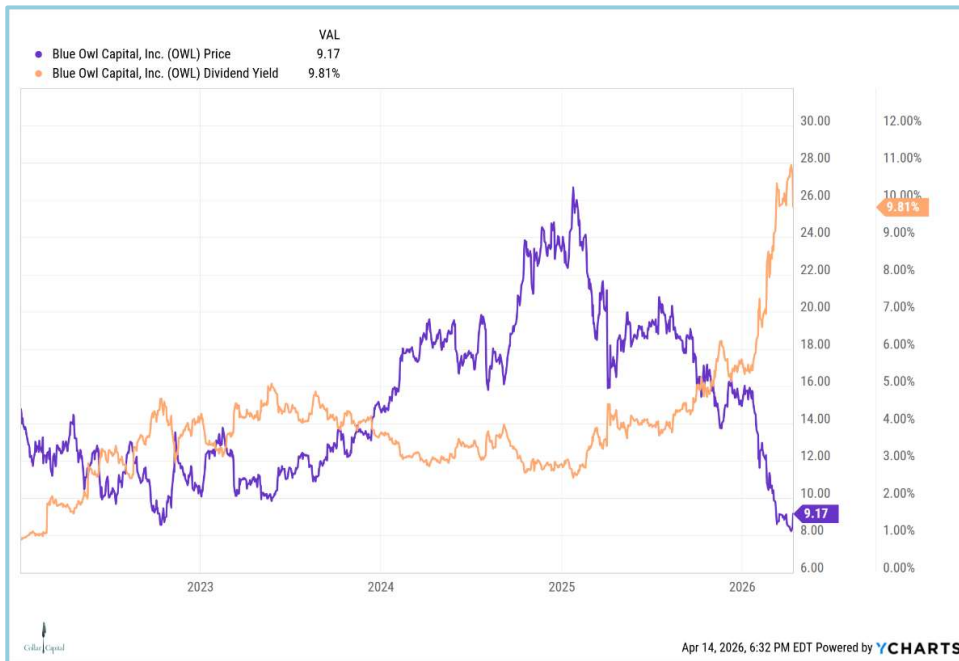
Valuation: P/E (Fwd): 10.2x vs. Peer Avg: 16.0x, EV/EBITDA (Fwd): 10.85x vs. Peer Avg: 17.21x, P/B: 2.8x

Companies	Blue Owl	Blackstone	KKR	Ares
P/E Ratio (1yr)	10.2x	20.6x	16.1x	18.2x
P/E Ratio (2yr)	8.9x	16.4x	13.0x	15.1x
PEG Ratio (5yr)	0.13x	1.81x	0.50x	0.81x
Dividend Yield (Fwd)	10.65%	4.89%	0.75%	5.06%

Short Sellers: Percent of Float Short: 18.8% (234.9% YoY), Short Interest: 118.55M shares (257.3% YoY), Days to Cover: 3.7 (13.1% YoY)

Note, the Percent of Float Short began a parabolic uptrend since September 2025.

Dividends: TTM Yield: 9.81%, Payout Ratio (TTM): 108%



Price Chart (Since 01/2022 Daily; D-SMA 50, D-SMA 100, D-SMA 200, Williams %R 90):



Investment Outlook

Key Growth Drivers:

Winner-Take-Most Industry

Blue Owl operates in a classic winner-take-most environment within alternatives, where scale, origination infrastructure, and Permanent Capital advantages compound rapidly. With \$307B in AUM at year-end 2025 the Company is the eighth largest alternative asset manager in its peer group by AUM (Blackstone is #1 with \$1.275T in AUM and ~\$400B in originations). FY 2025 originations reached a record \$56B, a figure that is at or above larger peers like Ares, KKR, and Carlyle as a percentage of AUM. Management highlighted in the Q4 2025 earnings call that Blue Owl's Permanent Capital base (BDCs, evergreen funds, and insurance mandates) and ~40% private-wealth channel exposure created a durable fundraising moat relative to traditional drawdown peers. In the middle-market direct-lending arena, several smaller and mid-tier competitors have experienced slower capital formation and elevated redemption pressures, allowing Blue Owl's Credit platform (~\$158B AUM) to capture incremental market share through proprietary origination pipelines and repeat sponsor relationships. The Company's GP Strategic Capital platform further reinforces this dynamic, commanding an estimated 87% share of

GP minority-stake transactions industry-wide. We expect this consolidation trend to persist into 2026–2027, with Blue Owl's structural advantages supporting 18–22% AUM CAGR over the medium term and incremental Fee-Related Earnings (FRE) margin expansion.

Private Credit Demand

Sustained private-credit demand remains a foundational tailwind for Blue Owl, anchored in its leading upper-middle-market direct-lending franchise. The Credit platform, which comprised approximately 51% of total AUM (~\$158B) for FY2025, benefits from structural shifts in corporate financing away from traditional banks toward non-bank lenders. FY2025 gross originations exceeded prior-year levels, with management noting robust pipeline visibility into 2026 driven by floating-rate structures that continue to deliver mid-teens gross yields in the current rate environment. The Company's Permanent Capital vehicles (BDCs and insurance mandates) provide a captive, stable source of deployment capital, insulating origination volumes from quarterly fundraising volatility. Private-wealth inflows into evergreen credit products were highlighted as a “meaningful and growing” contributor, with the channel expected to at least triple its allocation percentage over the next 10 years. Against a backdrop of elevated corporate leverage and refinancing needs estimated at \$1.5-2.0T over the next 24 months, Blue Owl's scale and relationship-driven model position it to maintain or modestly expand market share while delivering predictable, high-single-digit to low-double-digit distributable-earnings growth for shareholders.

Digital Infrastructure/Real Assets Expansion

Blue Owl's Real Assets platform represents one of the Company's most compelling secular growth levers, driven by explosive demand for digital infrastructure amid the AI build-out. Platform AUM reached ~\$81B at year-end 2025, making it the fastest-growing segment (55% CAGR since acquisition in 3Q21) and contributing disproportionately to Blue Owl's 22% overall AUM increase. Management has repeatedly cited hyperscaler and data-center tailwinds in earnings commentary, with recent vehicles such as Oak Street Digital Infrastructure Fund III (hard-capped at \$7B) and the \$1.7B ODIT evergreen close demonstrating strong institutional and wealth-channel appetite. Net-lease and digital-infrastructure strategies now account for the majority of Real Assets deployment, offering attractive risk-adjusted yields through investment-grade tenants and long-duration contracts. The platform's flexible capital-stack approach (equity, preferred, and debt) has enabled repeat sponsor partnerships with more than 860 tenants, supporting origination volumes that management guided to remain elevated through 2026. This expansion not only diversifies Blue Owl away from pure credit cyclicality but also aligns directly with private-wealth demand for inflation-hedged, yield-enhanced alternatives.

Elite Management Pedigree & Institutional Relationships

Blue Owl's founding team brings decades of top-tier experience: Doug Ostrover co-founded GSO Capital Partners (Blackstone's credit platform), Marc Lipschultz spent 20+ years at KKR serving on its Management Committee, and Craig Packer was Co-Head of Leveraged Finance Americas at Goldman Sachs. This pedigree translates directly into institutional relationships and fundraising access. The significant insider buying in December 2025—all three co-founders purchasing at \$15.06/share—demonstrates personal conviction at prices materially higher than today's ~\$9.17. Additionally, management's decision to set a fixed \$0.92 annual dividend for 2026, rather than a variable payout, signals confidence in underlying earnings power.

Key Risks:

Fund Redemptions Narrative

Over the last three quarters, redemption pressures have introduced a material narrative risk that could weigh on investor sentiment and future wealth-channel flows. This narrative was originally catalyzed by the ongoing debate surrounding the disintermediation of the software industry by AI disruptors and how that may negatively impact alternative asset managers' portfolios. We think it is more likely that there are better days ahead for software companies. Nevertheless, investors remain apprehensive. Their concern has been made apparent amidst the controversies surrounding the Company's OBDC II fund as well as the announced sale of \$1.4B in loans to four large pension funds and an insurance company (with distant ties to Blue Owl). More recently in Q1 2026, two flagship retail-oriented private-credit funds faced elevated tender requests totaling approximately \$5.4B (21.9% and 40.7% of respective NAVs), prompting Blue Owl to enforce 5% quarterly redemption caps. While the Permanent Capital structure limited overall AUM attrition, the episode has reignited sector-wide concerns around liquidity in semi-liquid credit vehicles. Management has guided that underlying portfolio liquidity remains strong; however, the optics could slow private-wealth inflows, which accounts for roughly 40% of the investor mix and a disproportionate share of 2025's \$42B equity raise. Industry data suggest that similar redemption episodes at

peers have historically reduced quarterly wealth-channel commitments by 20-40% for 2-3 subsequent quarters.

Credit Cycle Sensitivity

While Blue Owl's floating-rate, senior-secured book offers relative resilience, the Company remains exposed to credit-cycle normalization that has pressured asset quality and origination economics. As of year-end 2025, the Credit platform's non-accrual rate remained low; however, management has acknowledged in recent filings and transcripts that a prolonged economic slowdown or recessionary scenario could elevate defaults from the current sub-1% levels toward the Company's long-term historical average of approximately 1.5-2.0%. A 100-200 basis-point widening in credit spreads or 50-75 basis-point increase in default rates would likely translate to a 5–10% headwind to Credit platform FRE, given the platform's 51% weighting in total AUM. The Company's BDC structures, which carry meaningful Part I incentive fees, would face additional leverage on downside performance. Although Blue Owl's Permanent Capital base mitigates forced selling, any material uptick in realized losses could constrain new origination capacity and slow AUM growth from the guided 18–22% medium-term trajectory. We view the risk as manageable given disciplined underwriting, moderate leverage at 4.3x TTM EBITDA, and diversified exposure, but we will monitor macro indicators closely, as a deeper-than-expected credit cycle could compress Blue Owl's valuation.

Peer Competition

Intensifying competition across private credit, real assets, and GP stakes poses a structural risk to Blue Owl's market-share gains and fee pricing power. Larger incumbents such as Blackstone, Apollo, Ares, and KKR have accelerated their own wealth-channel and Permanent Capital initiatives, while specialized middle-market lenders continue to crowd the direct-lending space. Although Blue Owl maintains leadership in GP minority stakes and a differentiated origination edge, management noted in the 2025 10-K that competitive pressures could result in modestly lower fee rates or higher concessionary terms on new mandates. We estimate that a 25-50 basis-point compression in average management fees across the Credit and Real Assets platforms would shave approximately \$40-80M from annual FRE—roughly 3-6% of the current run-rate. The Company's ability to sustain 20%+ AUM growth will depend on continued differentiation through scale, Permanent Capital, and proprietary sourcing; any erosion in these advantages could cap medium-term growth. While Blue Owl's track record of outpacing peers on fundraising provides comfort, sustained competitive intensity warrants ongoing monitoring.

Regulatory Scrutiny

Heightened regulatory scrutiny of the alternatives industry and insurance-linked capital represents a longer-term risk that could constrain Blue Owl's growth runway and elevate compliance costs. Both the SEC and Congress have intensified focus on private-credit valuations, leverage, liquidity disclosures, and marketing practices, while insurance regulators continue to examine affiliated-asset-manager relationships. Blue Owl's material insurance mandates and BDC ecosystem place it squarely within this crosshair. The Company disclosed in its FY2025 10-K that ongoing inquiries could result in enhanced reporting requirements, restrictions on certain fee structures, or limits on retail distribution of semi-liquid products. Quantitatively, a 10-20% increase in compliance and legal spend (currently embedded in G&A) or a 25-50 basis-point rise in effective regulatory-driven costs would equate to a \$15-30M annual FRE headwind. More severe outcomes—such as tighter leverage caps on BDCs or restrictions on insurance capital deployment—could slow Credit platform AUM growth by 4-7 percentage points annually. While Blue Owl maintains constructive dialogue with regulators and benefits from a strong compliance culture, the evolving landscape introduces uncertainty around medium-term margins and product innovation.

Analyst Consensus (as of 04/14/26): Price Target: \$14.82 (75.38% upside), Ratings: 12 Buy, 4 Hold, 0 Sell

Collar Capital Valuation:

Ticker	OWL
Date	4/14/2026
Current Price	\$9.17
Target Price	\$18.15
Implied Return	97.90%
Target Price Range	\$16.33 - \$19.96
Implied Return Range	78% - 118%
Probability Score	84%