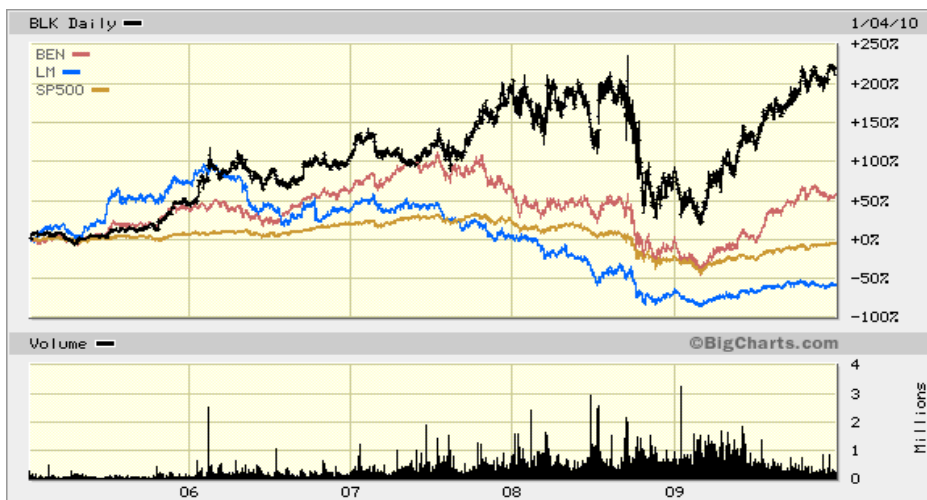


## BlackRock, Inc. (BLK) 1/4/10

BLK operates as a public owned investment management firm. BLK handles assets for large institutional clients and high-wealth individuals through products such as equities, bonds, cash management, and alternative investments. Recently the company has completed its merger with Barclays Global Investors, making it the world's largest money manager. BLK was founded in 1988 and is headquartered in New York, New York.

Current Price	\$238.58
52 Week High	\$241.66
52 Week Low	\$88.91
One Yr Target	\$250.00
Market Cap (in billions)	\$45.03
P/E (Trailing)	40.65
P/E(1 Yr Forward)	23.03
P/E/G	2.45
ROA	2.66%
ROE	5.32%
EPS	\$5.87
Beta	1.20
Annualized Dividend	\$3.12
Dividend Yield	1.31%
Analyst Consensus	2.30
Debt to Equity	0.64



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**Annual EPS**

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2005	\$3.65	
2006	\$2.77	-24.18%
2007	\$8.58	209.45%
2008	\$6.70	-21.85%
2009	\$5.87	-12.42%

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**Annual Revenue (in millions)**

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2005	\$1,191.39	
2006	\$2,097.98	76.10%
2007	\$4,844.65	130.92%
2008	\$5,064.00	4.53%

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**Annual Net Income (in millions)**

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2005	\$233.91	
2006	\$322.60	37.92%
2007	\$995.27	208.52%
2008	\$786.00	-21.03%

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**Free Cash Flows (in millions)**

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2005	\$199.79	
2006	\$636.89	218.78%
2007	\$476.13	-25.24%
2008	\$1,839.00	286.24%

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**Required Rate of Return**

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11.97%

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**Dividend Growth Model**

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Present Value of 2015 Price	\$24.44
Holding Period Return (5 years)	-18.16%

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**Expected Annualized Return Model**

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Present Value of 2015 Price	\$209.42
Holding Period Return (5 years)	-2.15%

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**Residual Income Model**

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Intrinsic Stock Price	\$273.67
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# Analysis

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## Positives

Stock is undervalued according to the RI valuation model

## Negatives

## Financial Statements

Income Statement is nice, great gross profit margins

Balance Sheet good, company can easily meet its Debt obligations

Cash Flows are good, growing Dividends but would like more stock repurchasing

## Industry Analysis

With merger BLK has taken a big step into being the industry leader

BLK has average or above average financial ratios compared to its industry

## Summary

BLK is certainly a good company and one that is a leader in its industry. Its financial ratios and financial statements are average to solid, not weak in any particular area. Around 70% of BLK's revenues come from the US so hopefully the Barclays merger will expand their customer base, but the extent to which the merger will help is still unclear. The outlook for the industry is somewhat flat as the baby-boomer generation already has its assets under management somewhere and younger investors have been somewhat scared off by prior market downturns. BLK is a solid company and one that someone would do well to have their money managed by, yet their stock outlook is to market perform and thus earns a **hold** rating.