

Blackstone Inc. (BX)

Strong Franchise, but the Earnings Acceleration Has Not Arrived

FQ3 2026 Earnings Review
Period ended 2026-09-30
Reported 2026-10-22

1 KEY RESULTS VS. CONSENSUS			
Metric	Reported	Consensus	vs. Cons.
Total Segment Revenue	\$3.217B	\$3.2B	+0.5%
Fee-Related Earnings	\$1.572B	\$1.59B	-1.1%
Fee-Related EPS	\$1.26	\$1.28	-1.6%
Distributable EPS	\$1.32	\$1.26	+4.8%
Total AUM	\$1.37T	\$1.38T	-0.7%
Inflows	\$63.31B	\$58.83B	+7.6%
Deployment	\$30.1B	\$36.94B	-18.5%
Quarterly Dividend (vs. Year Ago)	\$1.12	\$1.29	-13.2%
SEGMENT ASSETS UNDER MANAGEMENT			
Real Estate AUM	\$309B	\$314.82B	-1.8%
Private Equity AUM	\$465.43B	\$467.23B	-0.4%
Credit and Insurance AUM	\$480.00B	\$481.18B	-0.2%
Multi-Asset Investing AUM	\$113.93B	\$112.93B	+0.9%

2 GUIDANCE AND OUTLOOK	
Management gave directional ranges rather than a formal full-year forecast for the firm. Base management fees in real estate were expected to remain broadly stable at least through year-end and into 2027, while fee-related performance revenues were expected to remain below 2025 for several quarters. Fee-related compensation was guided to a mid-30% ratio, and fee-related G&A to low-teens growth for the year. Base fees could resume double-digit growth before individual drivers normalize.	

3 EARNINGS ANALYSIS	
THE HEADLINE BEAT WAS NARROW. Distributable EPS of \$1.32 beat the \$1.26 estimate by 4.8%, and total segment revenue of \$3.217 billion beat the \$3.2 billion estimate by 0.5%. Fee-related earnings of \$1.572 billion missed the \$1.59 billion estimate by 1.1%. The mix mattered more than the headline: realized gains carried the EPS result.	
AUM AND FLOWS WERE MIXED. Total AUM lagged the \$1.38 trillion estimate by 0.7%, while inflows of \$63.31 billion beat the \$58.83 billion estimate by 7.6%. Deployment of \$30.1 billion missed the \$36.94 billion estimate by 18.5%, the grid's largest miss. Fee-earning AUM rose to \$989.7 billion, up 9.2% year over year.	
MANAGEMENT FEES SLOWED. Base management fees grew only 4.7% to \$1.992 billion, tied mainly to lower fee-earning AUM in insurance and credit growth funds after recent major realizations. Real estate was the acknowledged drag: its fee-related earnings fell 9.2% to \$499.2 million.	
THE QUARTER WAS NOT ONE OF DE-RISKING. Blackstone deployed about \$30 billion while dry powder stood at \$228.9 billion and perpetual capital reached \$562.3 billion; energy-transition and digital-infrastructure vehicles accounted for a significant portion of deployment. The declared dividend of \$1.12 per share declined from \$1.29 in both Q2 2026 and Q3 2025, so the payout did not offset the fee-related miss.	
REALIZATIONS SET UP THE Q4 TEST. Net realizations fell 34.3% to \$331.5 million and segment distributable earnings fell about 4.1% to \$1.904 billion, but contracted Q4 carry realizations alone are expected to surpass Q3's total. The comparison is demanding: Q4 2025 net realizations were \$956.9 million, so a large sequential rebound can still decline year over year. Net accrued performance revenues stood at \$7.263 billion, up 11.6%, with energy and infrastructure near 33% of the balance.	
RETAIL CREDIT REMAINS THE SOFT SPOT. Private wealth AUM rose 15% to \$330 billion, but BCRED posted \$1.4 billion of net outflows as repurchase requests reached 10% of NAV and only about 50% were fulfilled under the 5% quarterly limit; its NAV was \$41.1 billion. Management expected real estate base fees to stay broadly stable through year-end and into 2027.	

4 KEY READ-THROUGHS	
STRONG COMPUTE DEMAND DOES NOT PROTECT NEOCLOUD EQUITY FROM FINANCING PRESSURE <i>CoreWeave (CRWV) Negative Potentially high</i> CoreWeave must finance equipment and infrastructure before contracted services generate cash flows, so costlier or delayed financing cuts equity returns on attractive contracts. Compute prices rose 50% and older H100 chips held value, but secured lenders are protected by collateral and seniority while equity absorbs overruns and refinancing risk.	
OPERATING DATA CENTER CAPACITY IS WORTH MORE THAN UNDEVELOPED CAPACITY <i>Digital Realty Trust (DLR) Positive High</i> Scarcity raises the value of sites with secured power, permits, construction capability, and completion dates, supporting preleasing, development yields, and renewal economics. Blackstone expected 6 gigawatts of leasing in 2026, about 3 times the prior-year level. Existing contracted rents remain exposed to higher discount rates, and the figure cannot be assigned to Digital Realty.	
POWER EQUIPMENT AND COOLING ARE CRITICAL PATH ITEMS, NOT COMMODITIES <i>Vertiv (VRT), Eaton (ETN), nVent (NVT) Positive Moderate</i> Every energized megawatt requires electrical distribution, protection, backup power, thermal management, and controls. Delivery constraints can support backlog visibility, mix, and pricing, and customers may prioritize completion over the lowest equipment price when delays idle an entire cluster. No orders were disclosed, and capital entering the supply chain could increase competition.	
SEMI-LIQUID REDEMPTION PRESSURE IS A DISTRIBUTION PROBLEM BEFORE A CREDIT-LOSS PROBLEM <i>Blue Owl (OWL), Ares (ARES) Negative Moderate to potentially high</i> BCRED took repurchase requests equal to 10% of NAV, fulfilled about 50% under its 5% quarterly limit, and posted \$1.4 billion of net outflows despite \$750 million of gross sales. For semi-liquid managers, redemption queues can discourage subscriptions and slow fee growth even as loans keep paying. Listed BDCs do not face the same repurchase mechanism.	