

**Investor Presentation**

January 12, 2024

**BlackRock®**

# **Acquisition of Global Infrastructure Partners (GIP)**

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# A transformational opportunity

*BlackRock to acquire GIP for \$3B cash and approximately 12M BlackRock shares*

## Strategic expansion in fast-growing infrastructure market



### **Creates a world-leading infrastructure private markets manager<sup>1</sup>**

- Highly complementary platforms with over \$150 billion in pro-forma client assets<sup>2</sup>
- Industry leader in whole portfolio infrastructure equity, debt & third-party solutions
- Triples BlackRock's existing infra client assets, creating scale benefits & access to GIP's industry-leading business improvement process<sup>2</sup>
- Combined platform to create significant source of future base fee growth

## Talent, alignment and retention



### **Premier infrastructure investment team globally**

- GIP founders to lead overall combined infrastructure platform
- ~75% of total transaction consideration paid in BLK stock to optimize long-term shareholder alignment
- Significant retention from existing GIP carry, owned 100% by GIP employees
- Additional ~\$650 million retention pool for GIP employees funded directly from transaction proceeds
- Bayo Ogunlesi, GIP founder, Chairman & CEO, to join BlackRock Board of Directors following closing of transaction<sup>3</sup>

## Attractive financial transaction



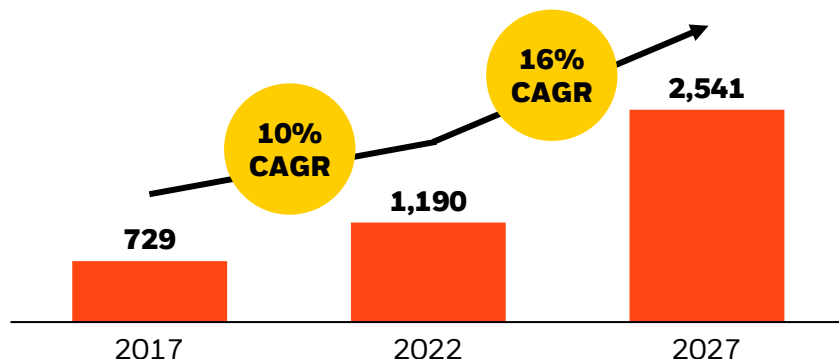
### **Accretive to BLK organic growth, adjusted EPS & operating margin in first full year<sup>4</sup>**

- Acquired business adds \$400+ million of post-tax annual FRE at margins greater than 50%<sup>5</sup>
- Nearly doubles pro-forma private markets management fees to over \$1.5 billion<sup>6</sup>
- Estimated 15% IRR, well in excess of cost of capital<sup>7</sup>
- Implied acquisition multiple of ~25-29x 2024E P/FRE excluding \$650 million retention pool & future carry – in-line with premium private markets franchises now valued at 25-35x P/FRE<sup>8</sup>

Note: For footnoted information, refer to slide 11.

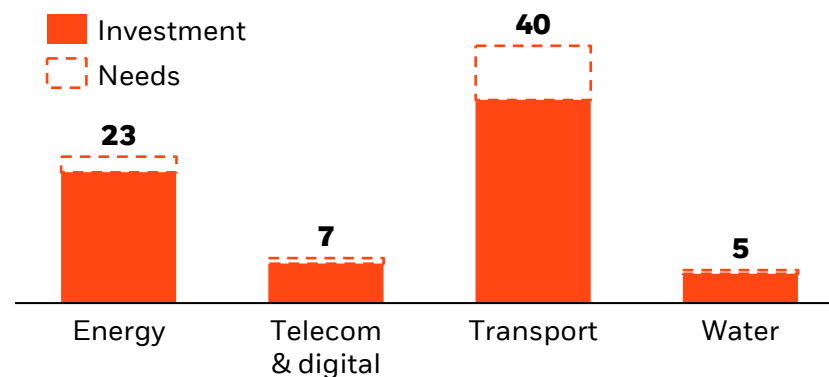
# Infrastructure is forecasted to be one of the fastest-growing segments of private markets

## Industry infrastructure AUM<sup>1</sup>

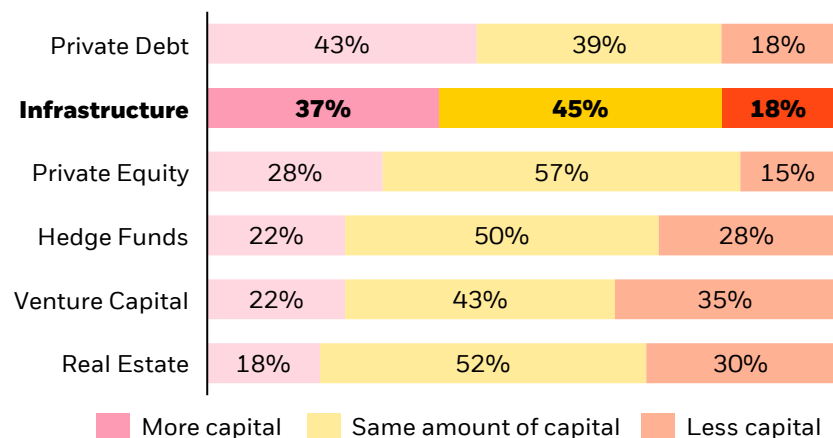


## \$75T global infrastructure funding need<sup>2</sup>

2022-2040 cumulative infrastructure investment & needs, \$T

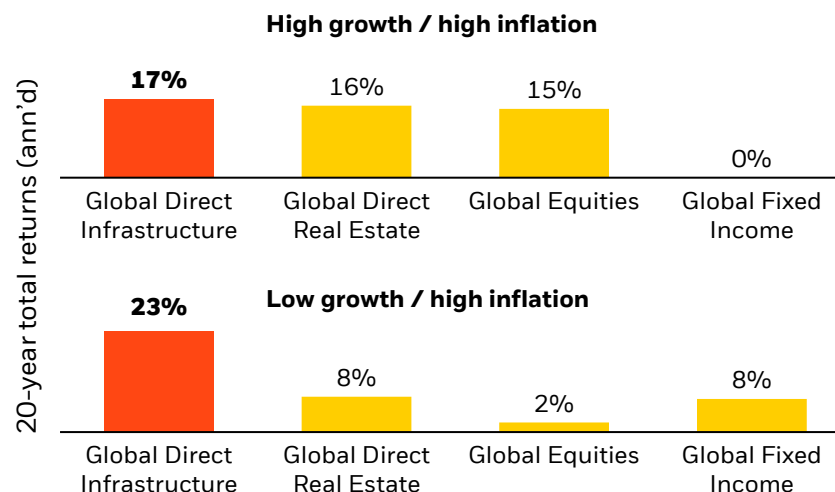


## Clients allocating more to infra in new market regime<sup>3</sup>



Note: For footnoted information, refer to slide 11.

## Infrastructure fares well in inflationary environments<sup>4</sup>



# Global Infrastructure Partners overview

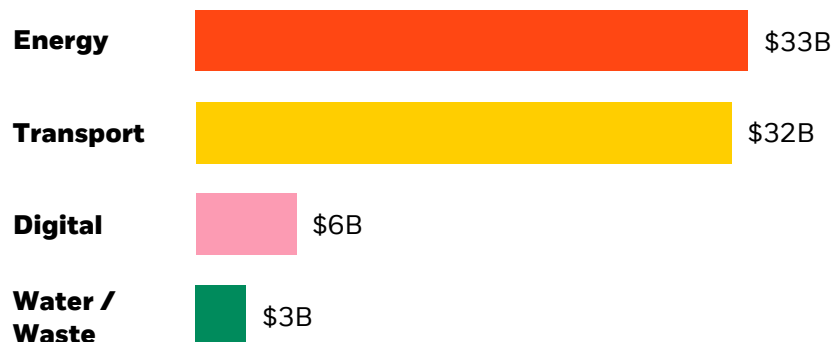


## Leading global infrastructure manager with strong track record and reputation for operational excellence; \$45 billion returned to investors through successful exits<sup>1</sup>

- ✓ **Largest independent infrastructure manager<sup>2</sup>**, with \$100+ billion in client assets across equity and debt supported by approximately 400 employees<sup>3</sup>
- ✓ **Highly-differentiated deal origination** through proprietary sourcing and distinct, high-volume deal flow
- ✓ **Leading investment, business improvement and business support teams** with established track record of delivering **deep operational enhancements and investment performance**
- ✓ **40+ portfolio companies** have generated over \$75 billion in annual revenue and employ approximately 115,000 people<sup>3</sup>
- ✓ **Consistently profitable** business with **\$400+ million in 2024E post-tax FRE** and **50%+ FRE margins<sup>4</sup>**

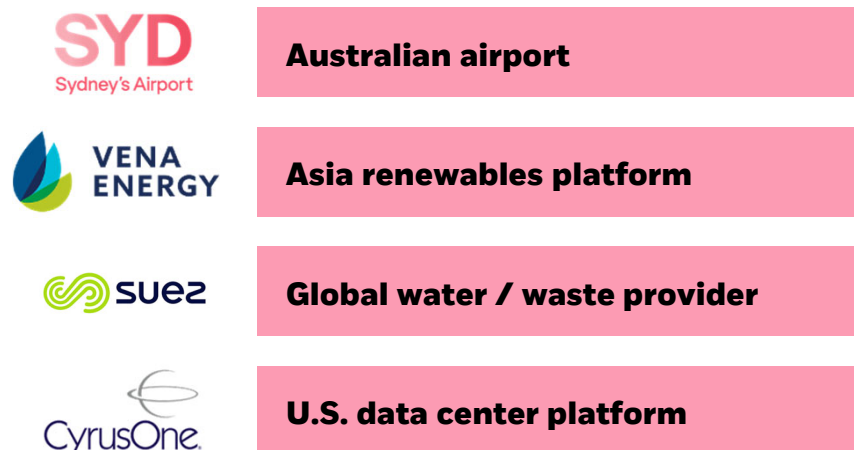
## Highly diversified infrastructure investment platform – complementary to BlackRock

Unrealized value of investments across sectors<sup>5</sup>

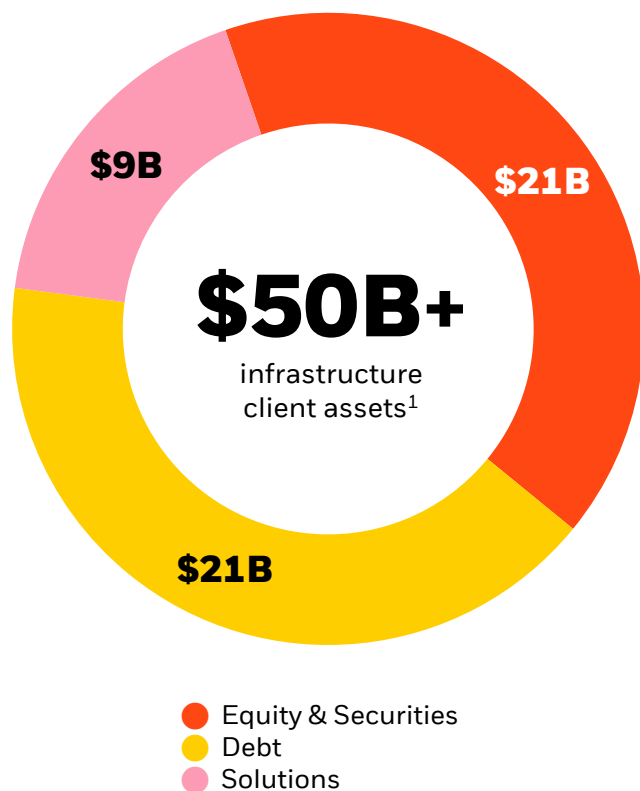


Note: For footnoted information, refer to slide 11.

## Proprietary sourcing of blue-chip deals<sup>6</sup>



# BlackRock's existing infrastructure platform



## Key highlights

### Platform overview<sup>2</sup>

- **200+** investment professionals
- **\$240M+** revenue in 2023
- **300+** clients globally
- **46%** of commitments over \$250 million

### Leading franchises

- Infrastructure Debt
- Diversified Infrastructure
- Climate Infrastructure
- Infrastructure Solutions
- Decarbonization Partners

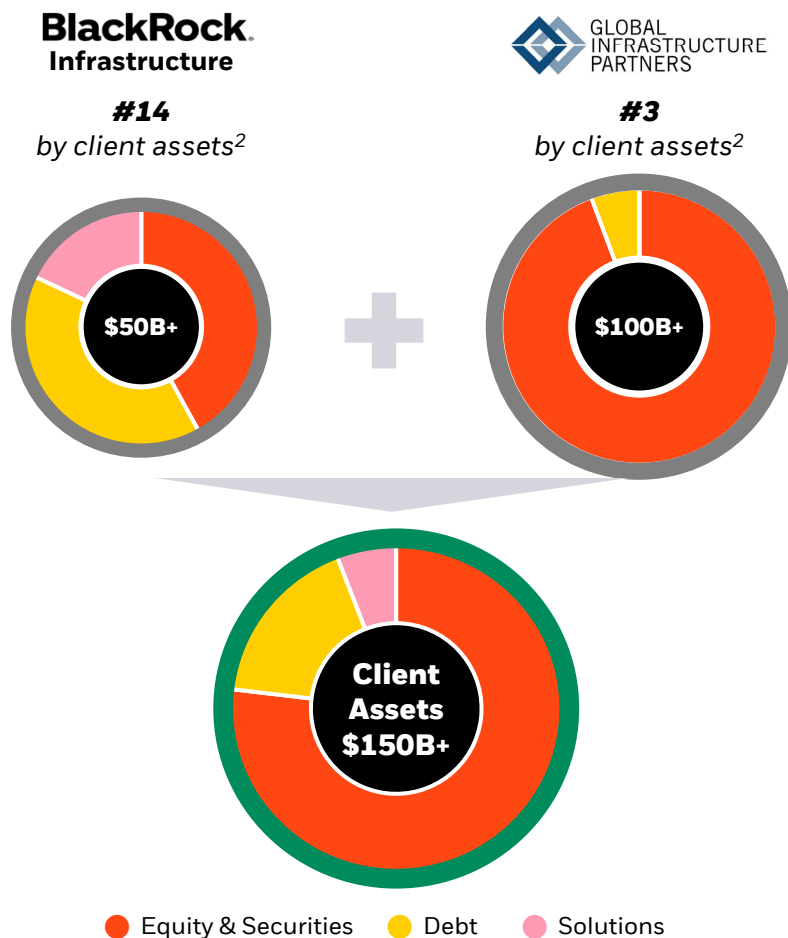
### Select deals<sup>3</sup>

- Gigapower partnership with AT&T
- Waratah Super Battery
- Jupiter Power
- Carbon capture JV with Occidental

Note: For footnoted information, refer to slide 11.

# Combination creates second-largest global infrastructure private markets business

## Significant scaled infrastructure platform<sup>1</sup>...



Note: For footnoted information, refer to slide 12.

## ...creates #2 private markets infra manager

Rank	Asset manager	Infrastructure client assets (\$B) <sup>3</sup>
#1	Competitor #1	243
#2	<b>Combined BLK &amp; GIP platform</b>	<b>150+</b>
#3	Competitor #3	136
#4	Competitor #4	75
#5	Competitor #5	66
#6	Competitor #6	65
#7	Competitor #7	64
#8	Competitor #8	64
#9	Competitor #9	61
#10	Competitor #10	56

# Opportunities for significant value creation via growth

<b>Proprietary origination</b>	<ul style="list-style-type: none"> <li>• Brings together deep network of relationships with global corporates and public sectors</li> <li>• Strong track records across both firms in originating differentiated, landmark transactions</li> </ul>
<b>Scaled capital base</b>	<ul style="list-style-type: none"> <li>• Significant platform across equity, debt &amp; solutions</li> </ul>
<b>Larger transactions</b>	<ul style="list-style-type: none"> <li>• Significant AUM scale supports larger average deal sizes</li> <li>• Market demands higher levels of private capital to build critical infrastructure and fund shortfalls arising out of public deficits</li> </ul>
<b>Capital formation</b>	<ul style="list-style-type: none"> <li>• Combined platform is pro-forma #1 in fundraising over last 15 years<sup>1</sup>; opportunity to deepen client relationships, grow future flagship programs &amp; innovate new investment solutions</li> <li>• Limited LP overlap (approximately 5% in infrastructure, based on number of LPs)<sup>2</sup></li> </ul>
<b>Strong business fit</b>	<ul style="list-style-type: none"> <li>• Creates leading multi-asset class, whole portfolio infra investments platform, with BlackRock infra debt &amp; third-party solutions complementing GIP infra equity and debt franchises</li> <li>• Complementary investment expertise in infra equity - GIP acumen in transport/digital and BlackRock innovation in decarbonization &amp; interconnected insights in energy/renewables</li> </ul>
<b>Fixed cost scale</b>	<ul style="list-style-type: none"> <li>• Not a primary rationale for transaction, but opportunities via eFront technology &amp; operating leverage of BlackRock to drive margin expansion over time</li> </ul>

Note: For footnoted information, refer to slide 12.



# Compelling value for BlackRock shareholders

## Consideration<sup>1</sup>

- \$3 billion of cash delivered at closing, funded by incremental debt
  - BlackRock is currently rated AA- with S&P<sup>2</sup> and Aa3 with Moody's<sup>2</sup>
  - This transaction is not expected to meaningfully change its leverage profile
- Approximately 12 million shares of BlackRock common stock
  - ~7 million shares delivered at closing with 2-year lockup<sup>3</sup>
  - ~5 million shares paid in ~5 years based on achievement of certain performance milestones

## Indicative valuation

- Nominal value of ~\$12.55 billion (including deferred shares and \$650 million of retention)
- Acquired business adds \$400 million+ of 2024E post-tax, margin-accretive FRE<sup>4</sup>
- Implied acquisition multiple of ~25-29x 2024E P/FRE excluding \$650 million retention pool and future carry – in-line with premium private markets franchises now trading at 25-35x P/FRE<sup>5</sup>

## Retention

- GIP owners/employees will retain carry in existing funds, a significant source of long-term value
- ~\$650 million of retention, to be funded out of transaction consideration
- ~60% of carried interest on future funds to be shared with combined infrastructure team

Note: For footnoted information, refer to slide 12.

# Compelling value for BlackRock shareholders (cont'd)

## Governance

- Bayo Ogunlesi, GIP founder, Chairman & CEO, to join BlackRock Board of Directors following closing of transaction<sup>1</sup>
- Each GIP owner-seller will execute a shareholders' agreement requiring that shares be voted in line with recommendation of BlackRock's Board of Directors

## Financial impact

- Modestly accretive to as-adjusted EPS in first full year post-close<sup>2</sup>
- Modestly accretive to as-adjusted operating margin in first full year post-close<sup>2</sup>
- Accretive to long-term organic asset and base fee growth<sup>2</sup>
- Estimated 15% IRR, well in excess of cost of capital<sup>3</sup>

## Timing

- Expected to close in the third quarter of 2024, subject to customary regulatory approvals and other closing conditions

Note: For footnoted information, refer to slide 12.

# End notes

These notes refer to the financial metrics and/or defined term presented on:

## Slide 3 – A transformational opportunity: BlackRock to acquire GIP for \$3B cash and approximately 12M BlackRock shares

1. Source: Preqin. Ranking based on aggregate capital raised via closed-end commingled funds over the past 15 years, including interim and final closes, as of January 9, 2024.
2. BlackRock client assets as of December 31, 2023 and GIP client assets as of September 30, 2023. Client assets include assets across AUM and non-fee-paying committed capital for each strategy. GIP AUM includes \$17 billion of non-fee-paying capital.
3. Subject to completion of customary onboarding procedures, BlackRock has agreed to appoint Bayo Ogunlesi to the Board of Directors at the next regularly scheduled board meeting following the closing of the transaction.
4. Source: BlackRock and GIP forecasts. Metrics shown on an as-adjusted basis and exclude certain transaction-related costs.
5. Source: BlackRock and GIP forecasts. Post-tax FRE and pre-tax FRE margin forecast for 2024E.
6. Pro-forma management fees as of 2025E, first full year post-closing.
7. Source: BlackRock and GIP forecasts. IRR shown for illustrative purposes only. Actual results could differ materially from those anticipated in forward-looking statements.
8. Based on analyst price targets and 2024E FRE for selected publicly traded alternative peers as of January 9, 2024.

## Slide 4 – Infrastructure is forecasted to be one of the fastest-growing segments of private markets

1. Source: McKinsey. Figures as of June 30, 2022 and include natural resources AUM.
2. Source: Global Infrastructure Hub (gihub.org), Deloitte. Infrastructure needs defined as new investment, replacement investment and spending on maintenance where the investment will substantially extend the lifetime of an asset, but excluding land purchases. Needs determined on the basis that countries match the performance of their best performing peers in terms of the resources they dedicate to infrastructure investment.
3. Source: Preqin investor survey as of November 2022.
4. Source: Bloomberg, Barclays (Global Fixed Income), MSCI (Global Equities), GREFI (Global Direct Real Estate), EDHEC (Infrastructure: all equity); as of June 30, 2022 (data since 2000). High growth periods defined as when U.S. GDP > 2.5% and high inflation periods defined as when U.S. CPI > 2.5%.

## Slide 5 – Global Infrastructure Partners overview

1. Source: GIP. Data reflects all realized proceeds to equity and debt strategies as of September 30, 2023. Excludes SMAs and co-investments. There can be no guarantee that other GIP strategies will be able to exit consistent with this amount, or that any announced exits will close. Past performance is not indicative of future results.
2. Ranking via IPE Real Assets and Preqin. Ranking includes fee-paying AUM as of year-end 2022 and dry powder metrics as of most recent disclosure on January 9, 2024. Excludes public markets assets. BlackRock client assets as of December 31, 2023 and GIP client assets as of September 30, 2023. Client assets include assets across AUM and non-fee-paying committed capital for each strategy. GIP AUM includes \$17 billion of non-fee-paying capital.
3. Source: GIP. Data as of September 30, 2023. Past performance is not indicative of future results.
4. Source: BlackRock and GIP forecasts. Post-tax FRE and pre-tax FRE margin forecast for 2024E.
5. Reflects unrealized value of investments as of September 30, 2023, across all GIP funds, SMAs and co-investments based on GIP's valuation policies.
6. Deal examples reflect recent, publicly disclosed investments. Deal examples are not indicative of all sourced or funded deals. There is no guarantee BlackRock, GIP or any portfolio investment will be able to generate any additional material deal flow.

## Slide 6 – BlackRock's existing infrastructure platform

1. Source: BlackRock. AUM data as of December 31, 2023. Client assets include assets across AUM and non-fee-paying committed capital for each strategy.
2. Source: BlackRock. Headcount data as of December 15, 2023. Client and commitment data as of March 31, 2023. Revenue as of full year 2023 and includes performance fees where applicable.
3. Deal examples reflect recent, publicly disclosed investments. Deal examples are not indicative of all sourced or funded deals. There is no guarantee BlackRock, GIP or any portfolio investment will be able to generate any additional material deal flow.

# End notes (cont'd)

These notes refer to the financial metrics and/or defined term presented on:

## Slide 7 – Combination creates second-largest global infrastructure private markets business

1. Source: BlackRock and GIP. BlackRock client assets as of December 31, 2023 and GIP client assets as of September 30, 2023. Client assets include assets across AUM and non-fee-paying committed capital for each strategy. GIP AUM includes \$17 billion of non-fee-paying capital.
2. Ranking via IPE Real Assets and Preqin. All AUM figures converted to USD as of December 31, 2022. Ranking includes fee-paying AUM as of year-end 2022 and dry powder metrics as of most recent disclosure on January 9, 2024. Excludes public markets assets. Client assets include assets across AUM and non-fee-paying committed capital for each strategy.
3. Ranking via IPE Real Assets and Preqin. All AUM figures converted to USD as of December 31, 2022. Ranking includes fee-paying AUM as of year-end 2022 and dry powder metrics as of most recent disclosure on January 9, 2024. Excludes public markets assets. BlackRock client assets as of December 31, 2023 and GIP client assets as of September 30, 2023. Client assets include assets across AUM and non-fee-paying committed capital for each strategy. GIP AUM includes \$17 billion of non-fee-paying capital.

## Slide 8 – Opportunities for significant value creation via growth

1. Source: Preqin as of October 31, 2023. Fundraising based on aggregate capital raised via closed-end commingled funds over the past 15 years, including interim and final closes, per Preqin. BlackRock fundraise excludes AUM from past acquisitions.
2. Includes total committed capital for major fund vintages from 2018 until 2023 as of September 30, 2023. Overlap based on LPs with comparable infrastructure investments, with both BlackRock and GIP, evaluated on a strategy-by-strategy basis.

## Slide 9 – Compelling value for BlackRock shareholders

1. Shown for illustrative purposes only.
2. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.
3. 2-year lock-up applies only to founder shares received as consideration at closing of transaction.
4. Source: BlackRock and GIP forecasts. Post-tax FRE and pre-tax FRE margin forecast for 2024E.
5. Based on analyst price targets and 2024E FRE for selected publicly traded alternative peers as of January 9, 2024.

## Slide 10 – Compelling value for BlackRock shareholders (cont'd)

1. Subject to completion of customary onboarding procedures, BlackRock has agreed to appoint Bayo Ogunlesi to the Board of Directors at the next regularly scheduled board meeting following the closing of the transaction.
2. Source: BlackRock and GIP forecasts. Metrics shown on an as-adjusted basis and exclude certain transaction-related costs. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.
3. Source: BlackRock and GIP forecasts. IRR shown for illustrative purposes only. Actual results could differ materially from those anticipated in forward-looking statements.

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