

Quick Analysis of Blackstone

Year to year basis

In the year 2021, Blackstone's income before provision of taxes skyrocketed to \$13,559,396,000. This seems strange because in the four years prior Blackstone's income before provision of taxes usually ranged between \$2,617,520,000 and \$4,118,089,000. This large difference of \$10,941,876,000 for income before provision of taxes between the year 2020 and 2021 is due to a large increase of \$14,790,093,000 in total investment income (performance allocations + principal investments) and an increase of \$5,761,368,000 in total compensation and benefits as an expense. Thus, on paper, it appears that Blackstone has made tremendous progress in net income before provision of taxes from the year 2020 to 2021 when compared to past years.

Quarter 2020-2021

However, when an analysis is conducted on a quarter basis from years 2020 to 2021, it painted a different picture. For the first quarter of year 2020, there was \$2,765,858,000 income loss before the provision of taxes. This loss mainly stemmed from a loss of \$4,196,221,000 for total investment income but a "revenue" of \$841,890,000 for total compensation and benefits as an expense. On the bright side, Blackstone bounced back in the second quarter for year 2020 and has continued to remain strong until the last quarter of year 2021. Thus, when income before provision of taxes is taken on a year basis, the year 2020 has to account for \$2,765,858,000 income loss before the provision of taxes in the first quarter which will decrease the overall income before provision of taxes for the year 2020. On the other hand, all quarters returned a positive income before provision of taxes for year 2021 which helps to explain the large increase for income before provision of taxes.

However, for the second quarter of 2022, there was an income loss before provision of taxes of \$255,746,000. This is quite concerning but this figure is not as concerning as the \$2,765,858,000 income loss before provision of taxes from the first quarter of year 2020.