

FORM 8-K

Date of Report (Date of earliest event reported): July 17, 2024

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 101(b) of the Securities Exchange Act. ☐

Item 8.01 Other Events.

Second Quarter 2024 Results

On July 15, 2024, BlackRock, Inc. (“BlackRock”) reported results of operations for the three and six months ended June 30, 2024.

FINANCIAL RESULTS

| (in millions, except per share data) | <u>Q2 2024</u> | <u>Q2 2023</u> |
|--------------------------------------|----------------------|---------------------|
| AUM | \$ 10,645,721 | \$ 9,425,212 |
| % change | 13 | % |
| Average AUM | \$ 10,457,851 | \$ 9,187,240 |
| % change | 14 | % |
| Total net flows | \$ 81,565 | \$ 80,162 |
| GAAP basis: | | |
| Revenue | \$ 4,805 | \$ 4,463 |
| % change | 8 | % |
| Operating income | \$ 1,800 | \$ 1,615 |
| % change | 11 | % |
| Operating margin | 37.5 | % 36.2 |
| Net income ⁽¹⁾ | \$ 1,495 | \$ 1,366 |
| % change | 9 | % |
| Diluted EPS | \$ 9.99 | \$ 9.06 |
| % change | 10 | % |
| Weighted average diluted shares | 149.7 | 150.7 |
| % change | (1 |)% |
| As Adjusted: | | |
| Operating income ⁽²⁾ | \$ 1,881 | \$ 1,675 |
| % change | 12 | % |
| Operating margin ⁽²⁾ | 44.1 | % 42.5 |
| Net income ^{(1) (2)} | \$ 1,550 | \$ 1,399 |
| % change | 11 | % |
| Diluted EPS ⁽²⁾ | \$ 10.36 | \$ 9.28 |
| % change | 12 | % |

(1) Net income represents net income attributable to BlackRock, Inc.

(2) See pages 14-17 for the reconciliation to GAAP and notes (1) through (3) to the condensed consolidated statements of income and supplemental information for more information on as adjusted items.

NET FLOW HIGHLIGHTS⁽¹⁾

| (in billions) | <u>Q2 2024</u> | <u>YTD 2024</u> |
|-----------------------------|----------------|-----------------|
| Long-term net flows: | \$ 51 | \$ 128 |
| By region: | | |
| Americas | \$ 31 | \$ 89 |
| EMEA | 36 | 56 |
| APAC | (16) | (17) |
| By client type: | | |
| Retail: | \$ 6 | \$ 13 |
| US | 2 | 9 |
| International | 4 | 4 |
| ETFs: | \$ 83 | \$ 150 |
| Core equity | 32 | 69 |

| | | |
|----------------------------------|-----------------|-----------------|
| Strategic | 37 | 51 |
| Precision | 14 | 30 |
| Institutional: | \$ (37) | \$ (35) |
| Active | (2) | 13 |
| Index | (35) | (48) |
| Cash management net flows | \$ 30 | \$ 11 |
| Total net flows | \$ 82 | \$ 139 |

(1) Totals may not add due to rounding.

BUSINESS RESULTS

| (in millions), (unaudited) | Q2 2024 Net flows | June 30, 2024 AUM | Q2 2024 Base fees ⁽¹⁾ and securities lending revenue | June 30, 2024 AUM % of Total | Q2 2024 Base fees ⁽¹⁾ and securities lending revenue % of Total |
|------------------------------------|----------------------|----------------------|--|------------------------------------|--|
| RESULTS BY CLIENT TYPE | | | | | |
| Retail | \$ 5,695 | \$ 992,152 | \$ 1,053 | 9 | % |
| ETFs | 83,141 | 3,855,774 | 1,635 | 37 | % |
| Institutional: | | | | | |
| Active | (2,059) | 1,968,232 | 710 | 18 | % |
| Index | (35,411) | 3,051,521 | 230 | 29 | % |
| Total institutional | (37,470) | 5,019,753 | 940 | 47 | % |
| Long-term | 51,366 | 9,867,679 | 3,628 | 93 | % |
| Cash management | 30,199 | 778,042 | 247 | 7 | % |
| Total | \$ 81,565 | \$ 10,645,721 | \$ 3,875 | 100 | % |
| RESULTS BY INVESTMENT STYLE | | | | | |
| Active | \$ (3,606) | \$ 2,703,506 | \$ 1,706 | 25 | % |
| Index and ETFs | 54,972 | 7,164,173 | 1,922 | 68 | % |
| Long-term | 51,366 | 9,867,679 | 3,628 | 93 | % |
| Cash management | 30,199 | 778,042 | 247 | 7 | % |
| Total | \$ 81,565 | \$ 10,645,721 | \$ 3,875 | 100 | % |
| RESULTS BY PRODUCT TYPE | | | | | |
| Equity | \$ 6,438 | \$ 5,827,135 | \$ 1,979 | 55 | % |
| Fixed income | 35,409 | 2,815,884 | 895 | 26 | % |
| Multi-asset | 4,460 | 921,412 | 313 | 9 | % |
| Alternatives: | | | | | |
| Illiquid alternatives | 1,987 | 137,868 | 241 | 1 | % |
| Liquid alternatives | (1,009) | 75,483 | 141 | 1 | % |
| Currency and commodities | 4,081 | 89,897 | 59 | 1 | % |
| Total alternatives | 5,059 | 303,248 | 441 | 3 | % |
| Long-term | 51,366 | 9,867,679 | 3,628 | 93 | % |
| Cash management | 30,199 | 778,042 | 247 | 7 | % |
| Total | \$ 81,565 | \$ 10,645,721 | \$ 3,875 | 100 | % |

(1) Base fees include investment advisory and administration fees.

INVESTMENT PERFORMANCE AT JUNE 30, 2024⁽¹⁾

| | <u>One-year period</u> | | <u>Three-year period</u> | | <u>Five-year period</u> |
|---|----------------------------|---|------------------------------|---|-----------------------------|
| Fixed income: | | | | | |
| Actively managed AUM above benchmark or peer median | | | | | |
| Taxable | 76 | % | 79 | % | 85 |
| Tax-exempt | 62 | % | 65 | % | 54 |
| Index AUM within or above applicable tolerance | 95 | % | 100 | % | 99 |
| Equity: | | | | | |
| Actively managed AUM above benchmark or peer median | | | | | |

| | | | | | |
|--|----|---|-----|---|-----|
| Fundamental | 56 | % | 44 | % | 78 |
| Systematic | 96 | % | 89 | % | 93 |
| Index AUM within or above applicable tolerance | 98 | % | 100 | % | 100 |

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- (1) Past performance is not indicative of future results. The performance information shown is based on available data. Please refer to page 18 for performance disclosure detail.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND SUPPLEMENTAL INFORMATION
(in millions, except per share data), (unaudited)

| | Three Months Ended June 30, | | | Three Months Ended March 31, 2024 |
|---|--|-----------------|---------------|--|
| | 2024 | 2023 | Change | |
| Revenue | | | | |
| Investment advisory, administration fees and securities lending revenue: | | | | |
| Investment advisory and administration fees | \$ 3,721 | \$ 3,427 | \$ 294 | \$ 3,627 |
| Securities lending revenue | 154 | 184 | (30) | 151 |
| Total investment advisory, administration fees and securities lending revenue | 3,875 | 3,611 | 264 | 3,778 |
| Investment advisory performance fees | 164 | 118 | 46 | 204 |
| Technology services revenue | 395 | 359 | 36 | 377 |
| Distribution fees | 318 | 319 | (1) | 310 |
| Advisory and other revenue | 53 | 56 | (3) | 59 |
| Total revenue | 4,805 | 4,463 | 342 | 4,728 |
| Expense | | | | |
| Employee compensation and benefits | 1,503 | 1,429 | 74 | 1,580 |
| Sales, asset and account expense: | | | | |
| Distribution and servicing costs | 539 | 518 | 21 | 518 |
| Direct fund expense | 358 | 344 | 14 | 338 |
| Sub-advisory and other | 32 | 27 | 5 | 32 |
| Total sales, asset and account expense | 929 | 889 | 40 | 888 |
| General and administration expense | 534 | 493 | 41 | 529 |
| Amortization of intangible assets | 39 | 37 | 2 | 38 |
| Total expense | 3,005 | 2,848 | 157 | 3,035 |
| Operating income | 1,800 | 1,615 | 185 | 1,693 |
| Nonoperating income (expense) | | | | |
| Net gain (loss) on investments | 162 | 231 | (69) | 171 |
| Interest and dividend income | 178 | 89 | 89 | 141 |
| Interest expense | (126) | (69) | (57) | (92) |
| Total nonoperating income (expense) | 214 | 251 | (37) | 220 |
| Income before income taxes | 2,014 | 1,866 | 148 | 1,913 |
| Income tax expense | 477 | 443 | 34 | 290 |
| Net income | 1,537 | 1,423 | 114 | 1,623 |
| Less: | | | | |
| Net income (loss) attributable to noncontrolling interests | 42 | 57 | (15) | 50 |
| Net income attributable to BlackRock, Inc. | \$ 1,495 | \$ 1,366 | \$ 129 | \$ 1,573 |
| Weighted-average common shares outstanding | | | | |

| | | | | |
|--|---------------|--------------|--------------|-----------------|
| Basic | 148.4 | 149.6 | (1.2) | 148.7 |
| Diluted | 149.7 | 150.7 | (1.1) | 150.1 |
| Earnings per share attributable to BlackRock, Inc. common stockholders | | | | |
| Basic | \$ 10.07 | \$ 9.13 | \$ 0.94 | \$ 10.58 |
| Diluted | \$ 9.99 | \$ 9.06 | \$ 0.93 | \$ 10.48 |
| Cash dividends declared and paid per share | | | | |
| | \$ 5.10 | \$ 5.00 | \$ 0.10 | \$ 5.10 |
| Supplemental information: | | | | |
| AUM (end of period) | \$ 10,645,721 | \$ 9,425,212 | \$ 1,220,509 | \$ 10,472,500 |
| Shares outstanding (end of period) | 148.2 | 149.4 | (1.2) | 148.8 |
| GAAP: | | | | |
| Operating margin | 37.5 | % | 36.2 | % 130 bps 35.8 |
| Effective tax rate | 24.2 | % | 24.5 | % (30) bps 15.6 |
| As adjusted: | | | | |
| Operating income (1) | \$ 1,881 | \$ 1,675 | \$ 206 | \$ 1,775 |
| Operating margin (1) | 44.1 | % | 42.5 | % 160 bps 42.2 |
| Nonoperating income (expense), less net income (loss) attributable to noncontrolling interests (2) | \$ 165 | \$ 178 | \$ (13) | \$ 139 |
| Net income attributable to BlackRock, Inc. (3) | \$ 1,550 | \$ 1,399 | \$ 151 | \$ 1,473 |
| Diluted earnings attributable to BlackRock, Inc. common stockholders per share (3) | \$ 10.36 | \$ 9.28 | \$ 1.08 | \$ 9.81 |
| Effective tax rate | 24.2 | % | 24.5 | % (30) bps 23.0 |

See pages 14-17 for the reconciliation to accounting principles generally accepted in the United States (notes (1) through (3) to the condensed consolidated statements of income and supplemental information on as adjusted items. Beginning in the first quarter of 2024, BlackRock, Inc. updated the presentation of the Company's expense line items within the condensed consolidated statements of income by including "asset and account expense" income statement caption. Such expense line items have been recast for 2023 to this new presentation. For a recast of 2023 expense line items, see page 12 of Exhibit 99.1 to the Current Form 8-K furnished on April 12, 2024.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND SUPPLEMENTAL INFORMATION
(in millions, except per share data), (unaudited)

| | Six Months Ended June 30, | | |
|---|--------------------------------------|-----------------|---------------|
| | 2024 | 2023 | Change |
| Revenue | | | |
| Investment advisory, administration fees and securities lending revenue: | | | |
| Investment advisory and administration fees | \$ 7,348 | \$ 6,762 | \$ 586 |
| Securities lending revenue | 305 | 351 | (46) |
| Total investment advisory, administration fees and securities lending revenue | 7,653 | 7,113 | 540 |
| Investment advisory performance fees | 368 | 173 | 195 |
| Technology services revenue | 772 | 699 | 73 |
| Distribution fees | 628 | 638 | (10) |
| Advisory and other revenue | 112 | 83 | 29 |
| Total revenue | 9,533 | 8,706 | 827 |
| Expense | | | |
| Employee compensation and benefits | 3,083 | 2,856 | 227 |
| Sales, asset and account expense | | | |
| Distribution and servicing costs | 1,057 | 1,023 | 34 |
| Direct fund expense | 696 | 659 | 37 |
| Sub-advisory and other | 64 | 53 | 11 |
| Total sales, asset and account expense | 1,817 | 1,735 | 82 |
| General and administration expense | 1,063 | 988 | 75 |
| Amortization of intangible assets | 77 | 74 | 3 |
| Total expense | 6,040 | 5,653 | 387 |
| Operating income | 3,493 | 3,053 | 440 |
| Nonoperating income (expense) | | | |
| Net gain (loss) on investments | 333 | 320 | 13 |
| Interest and dividend income | 319 | 175 | 144 |
| Interest expense | (218) | (128) | (90) |
| Total nonoperating income (expense) | 434 | 367 | 67 |
| Income before income taxes | 3,927 | 3,420 | 507 |
| Income tax expense | 767 | 828 | (61) |
| Net income | 3,160 | 2,592 | 568 |
| Less: | | | |
| Net income (loss) attributable to noncontrolling interests | 92 | 69 | 23 |
| Net income attributable to BlackRock, Inc. | \$ 3,068 | \$ 2,523 | \$ 545 |
| Weighted-average common shares outstanding | | | |
| Basic | 148.6 | 149.8 | (1.2) |
| Diluted | 149.9 | 151.0 | (1.2) |
| Earnings per share attributable to BlackRock, Inc. common stockholders | | | |
| Basic | \$ 20.65 | \$ 16.85 | \$ 3.80 |
| Diluted | \$ 20.47 | \$ 16.70 | \$ 3.77 |

| | | | | | |
|--|-----------------|---|-----------------|---|----------------|
| Cash dividends declared and paid per share | \$ 10.20 | | \$ 10.00 | | \$ 0.20 |
| Supplemental information: | | | | | |
| AUM (end of period) | \$ 10,645,721 | | \$ 9,425,212 | | \$ 1,220,000 |
| Shares outstanding (end of period) | 148.2 | | 149.4 | | (1.2) |
| GAAP: | | | | | |
| Operating margin | 36.6 | % | 35.1 | % | 150 bp |
| Effective tax rate | 20.0 | % | 24.7 | % | (470) bp |
| As adjusted: | | | | | |
| Operating income (1) | \$ 3,656 | | \$ 3,186 | | \$ 470 |
| Operating margin (1) | 43.1 | % | 41.5 | % | 160 bp |
| Nonoperating income (expense), less net income (loss) attributable to noncontrolling interests (2) | \$ 304 | | \$ 265 | | \$ 39 |
| Net income attributable to BlackRock, Inc. (3) | \$ 3,023 | | \$ 2,599 | | \$ 424 |
| Diluted earnings attributable to BlackRock, Inc. common stockholders per share (3) | \$ 20.17 | | \$ 17.21 | | \$ 2.96 |
| Effective tax rate | 23.7 | % | 24.7 | % | (100) bp |

See pages 14-17 for the reconciliation to GAAP and notes (1) through (3) to the condensed consolidated statements of income and supplemental information for more information on as adjusted items. Beginning in the first quarter of 2023, BlackRock, Inc. updated the presentation of the Company's expense line items within the condensed consolidated statements of income by including a new "sales, asset and account expense" income statement caption. Sales and asset and account expense line items have been recast for 2023 to conform to this new presentation. For a recast of 2023 expense line items, see page 12 of Exhibit 99.1 to the Current Report on Form 8-K furnished on April 12, 2024.

ASSETS UNDER MANAGEMENT

(in millions), (unaudited)

Current Quarter Component Changes by Client Type and Product Type

| | March 31, 2024 | Net inflows (outflows) | Acquisition ⁽¹⁾ | Market change | FX impact ⁽²⁾ | June 30, 2024 |
|------------------------|----------------------|------------------------------|----------------------------|-------------------|-----------------------------|----------------------|
| Retail: | | | | | | |
| Equity | \$ 471,438 | \$ 6,089 | \$ 4,074 | \$ 9,206 | \$ (380) | \$ 490,427 |
| Fixed income | 315,004 | 1,932 | — | (669) | (2,635) | 313,632 |
| Multi-asset | 146,182 | (1,443) | — | 3,123 | (143) | 147,719 |
| Alternatives | 41,361 | (883) | — | (68) | (36) | 40,374 |
| Retail subtotal | 973,985 | 5,695 | 4,074 | 11,592 | (3,194) | 992,152 |
| ETFs: | | | | | | |
| Equity | 2,752,776 | 44,453 | — | 37,009 | (3,970) | 2,830,268 |
| Fixed income | 904,755 | 34,488 | — | (7,060) | (966) | 931,217 |
| Multi-asset | 9,043 | 86 | — | 107 | (32) | 9,204 |
| Alternatives | 79,068 | 4,114 | — | 1,913 | (10) | 85,085 |
| ETFs subtotal | 3,745,642 | 83,141 | — | 31,969 | (4,978) | 3,855,774 |
| Institutional: | | | | | | |
| Active: | | | | | | |
| Equity | 203,042 | 382 | — | 5,349 | (596) | 208,177 |
| Fixed income | 836,798 | (10,133) | — | (437) | (2,512) | 823,716 |
| Multi-asset | 748,017 | 5,889 | — | 8,389 | (1,101) | 761,194 |
| Alternatives | 173,519 | 1,803 | — | (13) | (164) | 175,145 |
| Active subtotal | 1,961,376 | (2,059) | — | 13,288 | (4,373) | 1,968,232 |
| Index: | | | | | | |
| Equity | 2,290,596 | (44,486) | — | 63,173 | (11,020) | 2,298,263 |
| Fixed income | 749,188 | 9,122 | — | 395 | (11,386) | 747,319 |
| Multi-asset | 3,355 | (72) | — | 32 | (20) | 3,295 |
| Alternatives | 2,576 | 25 | — | 65 | (22) | 2,644 |
| Index subtotal | 3,045,715 | (35,411) | — | 63,665 | (22,448) | 3,051,521 |
| Institutional subtotal | 5,007,091 | (37,470) | — | 76,953 | (26,821) | 5,019,753 |
| Long-term | 9,726,718 | 51,366 | 4,074 | 120,514 | (34,993) | 9,867,679 |
| Cash management | 745,782 | 30,199 | — | 2,513 | (452) | 778,042 |
| Total | \$ 10,472,500 | \$ 81,565 | \$ 4,074 | \$ 123,027 | \$ (35,445) | \$ 10,645,722 |

Current Quarter Component Changes by Investment Style and Product Type (Long-Term)

| | March 31, 2024 | Net inflows (outflows) | Acquisition ⁽¹⁾ | Market change | FX impact ⁽²⁾ | June 30, 2024 |
|-------------------------|---------------------|------------------------------|----------------------------|-------------------|-----------------------------|---------------------|
| Active: | | | | | | |
| Equity | \$ 455,665 | \$ (421) | \$ 4,074 | \$ 8,160 | \$ (960) | \$ 466,518 |
| Fixed income | 1,127,206 | (8,543) | — | (948) | (5,137) | 1,112,578 |
| Multi-asset | 894,186 | 4,440 | — | 11,515 | (1,244) | 908,897 |
| Alternatives | 214,876 | 918 | — | (81) | (200) | 215,513 |
| Active subtotal | 2,691,933 | (3,606) | 4,074 | 18,646 | (7,541) | 2,703,506 |
| Index and ETFs: | | | | | | |
| ETFs: | | | | | | |
| Equity | 2,752,776 | 44,453 | — | 37,009 | (3,970) | 2,830,268 |
| Fixed income | 904,755 | 34,488 | — | (7,060) | (966) | 931,217 |
| Multi-asset | 9,043 | 86 | — | 107 | (32) | 9,204 |
| Alternatives | 79,068 | 4,114 | — | 1,913 | (10) | 85,085 |
| ETFs subtotal | 3,745,642 | 83,141 | — | 31,969 | (4,978) | 3,855,774 |
| Non-ETF index: | | | | | | |
| Equity | 2,509,411 | (37,594) | — | 69,568 | (11,036) | 2,530,349 |
| Fixed income | 773,784 | 9,464 | — | 237 | (11,396) | 772,089 |
| Multi-asset | 3,368 | (66) | — | 29 | (20) | 3,311 |
| Alternatives | 2,580 | 27 | — | 65 | (22) | 2,650 |
| Non-ETF index subtotal | 3,289,143 | (28,169) | — | 69,899 | (22,474) | 3,308,399 |
| Index and ETFs subtotal | 7,034,785 | 54,972 | — | 101,868 | (27,452) | 7,164,173 |
| Long-term | \$ 9,726,718 | \$ 51,366 | \$ 4,074 | \$ 120,514 | \$ (34,993) | \$ 9,867,679 |

Current Quarter Component Changes by Product Type (Long-Term)

| | March 31, 2024 | Net inflows (outflows) | Acquisition ⁽¹⁾ | Market change | FX impact ⁽²⁾ | June 30, 2024 |
|---|---------------------|---------------------------|----------------------------|-------------------|-----------------------------|---------------------|
| Equity | \$ 5,717,852 | \$ 6,438 | \$ 4,074 | \$ 114,737 | \$ (15,966) | \$ 5,827,135 |
| Fixed income | 2,805,745 | 35,409 | — | (7,771) | (17,499) | 2,815,884 |
| Multi-asset | 906,597 | 4,460 | — | 11,651 | (1,296) | 921,412 |
| Alternatives: | | | | | | |
| Illiquid alternatives | 137,254 | 1,987 | — | (1,151) | (222) | 137,868 |
| Liquid alternatives | 75,365 | (1,009) | — | 1,046 | 81 | 75,483 |
| Currency and commodities ⁽⁴⁾ | 83,905 | 4,081 | — | 2,002 | (91) | 89,897 |
| Alternatives subtotal | 296,524 | 5,059 | — | 1,897 | (232) | 303,248 |
| Long-term | \$ 9,726,718 | \$ 51,366 | \$ 4,074 | \$ 120,514 | \$ (34,993) | \$ 9,867,679 |

(1) Amounts include AUM attributable to the acquisition of SpiderRock Advisors, LLC in May 2024 (the "Transaction").

(2) Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollar purposes.

- (3) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing four
- (4) Amounts include commodity ETFs.

ASSETS UNDER MANAGEMENT

(in millions), (unaudited)

Year-to-Date Component Changes by Client Type and Product Type

| | December 31, 2023 | Net inflows (outflows) | Acquisition ⁽¹⁾ | Market change | FX impact ⁽²⁾ | June 30, 2024 |
|------------------------|----------------------|---------------------------|----------------------------|-------------------|-----------------------------|----------------------|
| Retail: | | | | | | |
| Equity | \$ 435,734 | \$ 10,177 | \$ 4,074 | \$ 42,461 | \$ (2,019) | \$ 490,427 |
| Fixed income | 312,799 | 4,799 | — | (821) | (3,145) | 313,632 |
| Multi-asset | 139,537 | (599) | — | 9,119 | (338) | 147,719 |
| Alternatives | 41,627 | (1,522) | — | 440 | (171) | 40,374 |
| Retail subtotal | 929,697 | 12,855 | 4,074 | 51,199 | (5,673) | 992,152 |
| ETFs: | | | | | | |
| Equity | 2,532,631 | 81,208 | — | 228,188 | (11,759) | 2,830,260 |
| Fixed income | 898,403 | 52,696 | — | (15,775) | (4,107) | 931,217 |
| Multi-asset | 9,140 | (359) | — | 522 | (99) | 9,204 |
| Alternatives | 59,125 | 16,837 | — | 9,194 | (71) | 85,085 |
| ETFs subtotal | 3,499,299 | 150,382 | — | 222,129 | (16,036) | 3,855,775 |
| Institutional: | | | | | | |
| Active: | | | | | | |
| Equity | 186,688 | 3,688 | — | 20,270 | (2,469) | 208,177 |
| Fixed income | 836,823 | (4,839) | — | (1,515) | (6,753) | 823,716 |
| Multi-asset | 717,182 | 12,177 | — | 38,069 | (6,234) | 761,194 |
| Alternatives | 171,980 | 1,600 | — | 2,739 | (1,174) | 175,145 |
| Active subtotal | 1,912,673 | 12,626 | — | 59,563 | (16,630) | 1,968,232 |
| Index: | | | | | | |
| Equity | 2,138,291 | (70,214) | — | 264,784 | (34,598) | 2,298,263 |
| Fixed income | 756,001 | 24,488 | — | (3,457) | (29,713) | 747,319 |
| Multi-asset | 4,945 | (1,662) | — | 76 | (64) | 3,295 |
| Alternatives | 3,252 | (696) | — | 136 | (48) | 2,644 |
| Index subtotal | 2,902,489 | (48,084) | — | 261,539 | (64,423) | 3,051,521 |
| Institutional subtotal | 4,815,162 | (35,458) | — | 321,102 | (81,053) | 5,019,751 |
| Long-term | 9,244,158 | 127,779 | 4,074 | 594,430 | (102,762) | 9,867,669 |
| Cash management | 764,837 | 10,975 | — | 4,992 | (2,762) | 778,042 |
| Total | \$ 10,008,995 | \$ 138,754 | \$ 4,074 | \$ 599,422 | \$ (105,524) | \$ 10,645,746 |

Year-to-Date Component Changes by Investment Style and Product Type (Long-Term)

| | December 31, 2023 | Net inflows (outflows) | Acquisition ⁽¹⁾ | Market change | FX impact ⁽²⁾ | June 30, 2024 |
|-------------------------|----------------------|---------------------------|----------------------------|-------------------|-----------------------------|---------------------|
| Active: | | | | | | |
| Equity | \$ 427,448 | \$ (1,009) | \$ 4,074 | \$ 39,760 | \$ (3,755) | \$ 466,518 |
| Fixed income | 1,123,422 | 649 | — | (1,914) | (9,579) | 1,112,578 |
| Multi-asset | 856,705 | 11,572 | — | 47,192 | (6,572) | 908,897 |
| Alternatives | 213,603 | 76 | — | 3,179 | (1,345) | 215,513 |
| Active subtotal | 2,621,178 | 11,288 | 4,074 | 88,217 | (21,251) | 2,703,506 |
| Index and ETFs: | | | | | | |
| ETFs: | | | | | | |
| Equity | 2,532,631 | 81,208 | — | 228,188 | (11,759) | 2,830,268 |
| Fixed income | 898,403 | 52,696 | — | (15,775) | (4,107) | 931,217 |
| Multi-asset | 9,140 | (359) | — | 522 | (99) | 9,204 |
| Alternatives | 59,125 | 16,837 | — | 9,194 | (71) | 85,085 |
| ETFs subtotal | 3,499,299 | 150,382 | — | 222,129 | (16,036) | 3,855,774 |
| Non-ETF index: | | | | | | |
| Equity | 2,333,265 | (55,340) | — | 287,755 | (35,331) | 2,530,349 |
| Fixed income | 782,201 | 23,799 | — | (3,879) | (30,032) | 772,089 |
| Multi-asset | 4,959 | (1,656) | — | 72 | (64) | 3,311 |
| Alternatives | 3,256 | (694) | — | 136 | (48) | 2,650 |
| Non-ETF index subtotal | 3,123,681 | (33,891) | — | 284,084 | (65,475) | 3,308,399 |
| Index and ETFs subtotal | 6,622,980 | 116,491 | — | 506,213 | (81,511) | 7,164,173 |
| Long-term | \$ 9,244,158 | \$ 127,779 | \$ 4,074 | \$ 594,430 | \$ (102,762) | \$ 9,867,677 |

Year-to-Date Component Changes by Product Type (Long-Term)

| | December 31, 2023 | Net inflows (outflows) | Acquisition ⁽¹⁾ | Market change | FX impact ⁽²⁾ | June 30, 2024 |
|---|----------------------|---------------------------|----------------------------|-------------------|-----------------------------|---------------------|
| Equity | \$ 5,293,344 | \$ 24,859 | \$ 4,074 | \$ 555,703 | \$ (50,845) | \$ 5,827,133 |
| Fixed income | 2,804,026 | 77,144 | — | (21,568) | (43,718) | 2,815,889 |
| Multi-asset | 870,804 | 9,557 | — | 47,786 | (6,735) | 921,412 |
| Alternatives: | | | | | | |
| Illiquid alternatives | 136,909 | 3,200 | — | (1,281) | (960) | 137,868 |
| Liquid alternatives | 74,233 | (2,923) | — | 4,420 | (247) | 75,483 |
| Currency and commodities ⁽⁴⁾ | 64,842 | 15,942 | — | 9,370 | (257) | 89,897 |
| Alternatives subtotal | 275,984 | 16,219 | — | 12,509 | (1,464) | 303,248 |
| Long-term | \$ 9,244,158 | \$ 127,779 | \$ 4,074 | \$ 594,430 | \$ (102,762) | \$ 9,867,677 |

(1) Amounts include AUM attributable to the SpiderRock Transaction.

(2) Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollar for reporting purposes.

(3) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing seven months.

(4) Amounts include commodity ETFs.

ASSETS UNDER MANAGEMENT

(in millions), (unaudited)

Year-over-Year Component Changes by Client Type and Product Type

| | June 30, 2023 | Net inflows (outflows) | Acquisition ⁽¹⁾ | Market change | FX impact ⁽²⁾ | June 30, 2024 |
|------------------------|---------------------|---------------------------|----------------------------|---------------------|-----------------------------|----------------------|
| Retail: | | | | | | |
| Equity | \$ 415,475 | \$ 8,992 | \$ 4,074 | \$ 63,294 | \$ (1,408) | \$ 490,427 |
| Fixed income | 309,449 | (2,454) | — | 8,947 | (2,310) | 313,632 |
| Multi-asset | 133,546 | (237) | — | 14,671 | (261) | 147,719 |
| Alternatives | 45,160 | (5,990) | — | 1,311 | (107) | 40,374 |
| Retail subtotal | 903,630 | 311 | 4,074 | 88,223 | (4,086) | 992,152 |
| ETFs: | | | | | | |
| Equity | 2,309,054 | 158,646 | — | 371,082 | (8,514) | 2,830,266 |
| Fixed income | 837,759 | 96,399 | — | (378) | (2,563) | 931,217 |
| Multi-asset | 7,892 | 546 | — | 851 | (85) | 9,204 |
| Alternatives | 61,227 | 11,033 | — | 12,856 | (31) | 85,085 |
| ETFs subtotal | 3,215,932 | 266,624 | — | 384,411 | (11,193) | 3,855,779 |
| Institutional: | | | | | | |
| Active: | | | | | | |
| Equity | 178,057 | 509 | — | 31,362 | (1,751) | 208,177 |
| Fixed income | 807,167 | (11,177) | — | 32,711 | (4,985) | 823,716 |
| Multi-asset | 664,069 | 24,325 | — | 77,035 | (4,235) | 761,194 |
| Alternatives | 163,426 | 5,149 | 2,177 | 4,967 | (574) | 175,145 |
| Active subtotal | 1,812,719 | 18,806 | 2,177 | 146,075 | (11,545) | 1,968,232 |
| Index: | | | | | | |
| Equity | 2,058,758 | (143,670) | — | 407,810 | (24,635) | 2,298,266 |
| Fixed income | 714,476 | 39,767 | — | 16,379 | (23,303) | 747,319 |
| Multi-asset | 6,420 | (3,331) | — | 272 | (66) | 3,295 |
| Alternatives | 3,136 | (668) | — | 214 | (38) | 2,644 |
| Index subtotal | 2,782,790 | (107,902) | — | 424,675 | (48,042) | 3,051,521 |
| Institutional subtotal | 4,595,509 | (89,096) | 2,177 | 570,750 | (59,587) | 5,019,753 |
| Long-term | 8,715,071 | 177,839 | 6,251 | 1,043,384 | (74,866) | 9,867,679 |
| Cash management | 710,141 | 59,130 | — | 10,020 | (1,249) | 778,042 |
| Total | \$ 9,425,212 | \$ 236,969 | \$ 6,251 | \$ 1,053,404 | \$ (76,115) | \$ 10,645,747 |

Year-over-Year Component Changes by Investment Style and Product Type (Long-Term)

| | June 30, 2023 | Net inflows (outflows) | Acquisition ⁽¹⁾ | Market change | FX impact ⁽²⁾ | June 30, 2024 |
|-------------------------|---------------------|---------------------------|----------------------------|---------------------|-----------------------------|---------------------|
| Active: | | | | | | |
| Equity | \$ 418,663 | \$ (12,958) | \$ 4,074 | \$ 59,442 | \$ (2,703) | \$ 466,518 |
| Fixed income | 1,091,544 | (12,492) | — | 40,658 | (7,132) | 1,112,577 |
| Multi-asset | 797,605 | 24,079 | — | 91,709 | (4,496) | 908,897 |
| Alternatives | 208,584 | (843) | 2,177 | 6,276 | (681) | 215,513 |
| Active subtotal | 2,516,396 | (2,214) | 6,251 | 198,085 | (15,012) | 2,703,500 |
| Index and ETFs: | | | | | | |
| ETFs: | | | | | | |
| Equity | 2,309,054 | 158,646 | — | 371,082 | (8,514) | 2,830,266 |
| Fixed income | 837,759 | 96,399 | — | (378) | (2,563) | 931,217 |
| Multi-asset | 7,892 | 546 | — | 851 | (85) | 9,204 |
| Alternatives | 61,227 | 11,033 | — | 12,856 | (31) | 85,085 |
| ETFs subtotal | 3,215,932 | 266,624 | — | 384,411 | (11,193) | 3,855,779 |
| Non-ETF index: | | | | | | |
| Equity | 2,233,627 | (121,211) | — | 443,024 | (25,091) | 2,530,340 |
| Fixed income | 739,548 | 38,628 | — | 17,379 | (23,466) | 772,089 |
| Multi-asset | 6,430 | (3,322) | — | 269 | (66) | 3,311 |
| Alternatives | 3,138 | (666) | — | 216 | (38) | 2,650 |
| Non-ETF index subtotal | 2,982,743 | (86,571) | — | 460,888 | (48,661) | 3,308,399 |
| Index and ETFs subtotal | 6,198,675 | 180,053 | — | 845,299 | (59,854) | 7,164,173 |
| Long-term | \$ 8,715,071 | \$ 177,839 | \$ 6,251 | \$ 1,043,384 | \$ (74,866) | \$ 9,867,697 |

Year-over-Year Component Changes by Product Type (Long-Term)

| | June 30, 2023 | Net inflows (outflows) | Acquisition ⁽¹⁾ | Market change | FX impact ⁽²⁾ | June 30, 2024 |
|---|---------------------|---------------------------|----------------------------|---------------------|-----------------------------|---------------------|
| Equity | \$ 4,961,344 | \$ 24,477 | \$ 4,074 | \$ 873,548 | \$ (36,308) | \$ 5,827,135 |
| Fixed income | 2,668,851 | 122,535 | — | 57,659 | (33,161) | 2,815,884 |
| Multi-asset | 811,927 | 21,303 | — | 92,829 | (4,647) | 921,412 |
| Alternatives: | | | | | | |
| Illiquid alternatives | 127,678 | 9,384 | 2,177 | (881) | (490) | 137,868 |
| Liquid alternatives | 78,056 | (9,684) | — | 7,191 | (80) | 75,483 |
| Currency and commodities ⁽⁴⁾ | 67,215 | 9,824 | — | 13,038 | (180) | 89,897 |
| Alternatives subtotal | 272,949 | 9,524 | 2,177 | 19,348 | (750) | 303,248 |
| Long-term | \$ 8,715,071 | \$ 177,839 | \$ 6,251 | \$ 1,043,384 | \$ (74,866) | \$ 9,867,697 |

- (1) Amounts include AUM attributable to the SpiderRock Transaction and the acquisition of Kreos Capital in 2023.
- (2) Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollars for reporting purposes.
- (3) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing thirty months.

(4) Amounts include commodity ETFs.

SUMMARY OF REVENUE

| | Three Months Ended June 30, | | | | | Six Months Ended June 30, | |
|---|-----------------------------------|----------|--------|---|--------|---------------------------------|----------|
| (in millions), (unaudited) | 2024 | 2023 | Change | Three Months Ended March 31, 2024 | Change | 2024 | 2023 |
| Revenue | | | | | | | |
| Investment advisory, administration fees and securities lending revenue: | | | | | | | |
| Equity: | | | | | | | |
| Active | \$ 539 | \$ 506 | \$ 33 | \$ 516 | \$ 23 | \$ 1,055 | \$ 1,012 |
| ETFs | 1,250 | 1,102 | 148 | 1,190 | 60 | 2,440 | 2,204 |
| Non-ETF index | 190 | 197 | (7) | 187 | 3 | 377 | 377 |
| Equity subtotal | 1,979 | 1,805 | 174 | 1,893 | 86 | 3,872 | 3,593 |
| Fixed income: | | | | | | | |
| Active | 481 | 482 | (1) | 484 | (3) | 965 | 954 |
| ETFs | 326 | 309 | 17 | 327 | (1) | 653 | 600 |
| Non-ETF index | 88 | 88 | — | 92 | (4) | 180 | 177 |
| Fixed income subtotal | 895 | 879 | 16 | 903 | (8) | 1,798 | 1,731 |
| Multi-asset | 313 | 300 | 13 | 314 | (1) | 627 | 599 |
| Alternatives: | | | | | | | |
| Illiquid alternatives | 241 | 206 | 35 | 240 | 1 | 481 | 402 |
| Liquid alternatives | 141 | 146 | (5) | 138 | 3 | 279 | 292 |
| Currency and commodities | 59 | 49 | 10 | 45 | 14 | 104 | 95 |
| Alternatives subtotal | 441 | 401 | 40 | 423 | 18 | 864 | 799 |
| Long-term | 3,628 | 3,385 | 243 | 3,533 | 95 | 7,161 | 6,722 |
| Cash management | 247 | 226 | 21 | 245 | 2 | 492 | 433 |
| Total investment advisory, administration fees and securities lending revenue | 3,875 | 3,611 | 264 | 3,778 | 97 | 7,653 | 7,155 |
| Investment advisory performance fees: | | | | | | | |
| Equity | 28 | 15 | 13 | 8 | 20 | 36 | 21 |
| Fixed income | 5 | — | 5 | 4 | 1 | 9 | 1 |
| Multi-asset | 11 | 3 | 8 | 2 | 9 | 13 | 18 |
| Alternatives: | | | | | | | |
| Illiquid alternatives | 68 | 79 | (11) | 125 | (57) | 193 | 100 |
| Liquid alternatives | 52 | 21 | 31 | 65 | (13) | 117 | 33 |
| Alternatives subtotal | 120 | 100 | 20 | 190 | (70) | 310 | 133 |
| Total investment advisory performance fees | 164 | 118 | 46 | 204 | (40) | 368 | 172 |
| Technology services revenue | 395 | 359 | 36 | 377 | 18 | 772 | 691 |
| Distribution fees | 318 | 319 | (1) | 310 | 8 | 628 | 630 |
| Advisory and other revenue: | | | | | | | |
| Advisory | 11 | 31 | (20) | 13 | (2) | 24 | 45 |
| Other | 42 | 25 | 17 | 46 | (4) | 88 | 38 |
| Total advisory and other revenue | 53 | 56 | (3) | 59 | (6) | 112 | 83 |
| Total revenue | \$ 4,805 | \$ 4,463 | \$ 342 | \$ 4,728 | \$ 77 | \$ 9,533 | \$ 8,741 |

Highlights

- Investment advisory, administration fees and securities lending revenue increased \$264 million from the second quarter of 2023 and \$97 million from the first quarter of 2024, primarily driven by positive market conditions, base fee growth and the impact of market beta on average AUM.

Securities lending revenue of \$154 million decreased from \$184 million in the second quarter of 2023, primarily reflecting lower spreads.

- Performance fees increased \$46 million from the second quarter of 2023, primarily reflecting revenue from liquid alternatives and long-only products, partially offset by lower revenue from private equity alternatives.

Performance fees decreased \$40 million from the first quarter of 2024, reflecting lower revenue from private equity and liquid alternative products, partially offset by higher revenue from long-only products.

- Technology services revenue increased \$36 million from the second quarter of 2023 and \$18 million from the first quarter of 2024, reflecting sustained demand for Aladdin technology offerings. Technology services annual contract value ("ACV")⁽¹⁾ increased 10% from the second quarter of 2023.

(1) See note (4) to the condensed consolidated statements of income and supplemental information on page 10 for more information on ACV.

SUMMARY OF OPERATING EXPENSE

| | Three Months Ended June 30, | | | Three Months Ended March 31, 2024 | | Six Months Ended June 30, | |
|---|-----------------------------|-----------------|---------------|-----------------------------------|-----------------|---------------------------|-----------------|
| (in millions), (unaudited) | 2024 | 2023 | Change | 2024 | Change | 2024 | 2023 |
| Operating expense | | | | | | | |
| Employee compensation and benefits | \$ 1,503 | \$ 1,429 | \$ 74 | \$ 1,580 | \$ (77) | \$ 3,083 | \$ 2,858 |
| Sales, asset and account expense ⁽¹⁾ : | | | | | | | |
| Distribution and servicing costs | 539 | 518 | 21 | 518 | 21 | 1,057 | 1,036 |
| Direct fund expense | 358 | 344 | 14 | 338 | 20 | 696 | 652 |
| Sub-advisory and other | 32 | 27 | 5 | 32 | — | 64 | 53 |
| Total sales, asset and account expense | 929 | 889 | 40 | 888 | 41 | 1,817 | 1,741 |
| General and administration expense: | | | | | | | |
| Marketing and promotional | 76 | 74 | 2 | 82 | (6) | 158 | 148 |
| Occupancy and office related | 102 | 100 | 2 | 101 | 1 | 203 | 211 |
| Portfolio services | 63 | 69 | (6) | 66 | (3) | 129 | 138 |
| Technology | 157 | 141 | 16 | 160 | (3) | 317 | 277 |
| Professional services | 64 | 35 | 29 | 58 | 6 | 122 | 77 |
| Communications | 9 | 12 | (3) | 10 | (1) | 19 | 24 |
| Foreign exchange remeasurement | 2 | 2 | — | 2 | — | 4 | 1 |
| Contingent consideration fair value adjustments | 1 | 1 | — | (7) | 8 | (6) | 1 |
| Other general and administration | 60 | 59 | 1 | 57 | 3 | 117 | 111 |
| Total general and administration expense | 534 | 493 | 41 | 529 | 5 | 1,063 | 988 |
| Amortization of intangible assets | 39 | 37 | 2 | 38 | 1 | 77 | 74 |
| Total operating expense | \$ 3,005 | \$ 2,848 | \$ 157 | \$ 3,035 | \$ (30) | \$ 6,040 | \$ 5,652 |

(1) Beginning in the first quarter of 2024, BlackRock, Inc. updated the presentation of the Company's expense line items within the consolidated statements of income by including a new "sales, asset and account expense" line item in the statement caption. Such expense line items have been recast for 2023 to conform to this new presentation. For a recast of 2023 expense line items, see page 12 of Exhibit 99.1 to the Current Report on Form 8-K filed on April 12, 2024.

Highlights

- Employee compensation and benefits expense increased \$74 million from the second quarter of 2023 to the first quarter of 2024, reflecting higher incentive compensation, primarily as a result of higher operating income and performance fees. Employee compensation and benefits expense decreased \$77 million from the first quarter of 2024 to the second quarter of 2024, reflecting lower incentive compensation driven by lower performance fees and higher seasonal bonus payments in the prior quarter, partially offset by the impact of higher operating income.
- Sales, asset and account expense increased \$40 million from the second quarter of 2023 and \$41 million from the first quarter of 2024, driven by higher distribution and servicing costs and direct fund expenses, primarily reflecting higher average AUM.

- General and administration expense increased \$41 million from the second quarter of 2023, primarily due to higher professional services expense, including higher acquisition-related transaction costs, and higher technology expense in the current quarter.

SUMMARY OF NONOPERATING INCOME (EXPENSE), LESS NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS

| | Three Months Ended June 30, | | | Three Months Ended March 31, 2024 | | | Six Months Ended June 30, |
|--|-----------------------------|---------------|-----------------|-----------------------------------|--------------|---------------|---------------------------|
| (in millions), (unaudited) | 2024 | 2023 | Change | 2024 | Change | 2024 | 2023 |
| Nonoperating income (expense), GAAP basis | \$ 214 | \$ 251 | \$ (37) | \$ 220 | \$ (6) | \$ 434 | \$ 434 |
| Less: Net income (loss) attributable to noncontrolling interests ("NCI") | 42 | 57 | (15) | 50 | (8) | 92 | 92 |
| Nonoperating income (expense), net of NCI | 172 | 194 | (22) | 170 | 2 | 342 | 342 |
| Less: Hedge gain (loss) on deferred cash compensation plans ⁽¹⁾ | 7 | 16 | (9) | 31 | (24) | 38 | 38 |
| Nonoperating income (expense), net of NCI, as adjusted ⁽²⁾ | <u>\$ 165</u> | <u>\$ 178</u> | <u>\$ (13)</u> | <u>\$ 139</u> | <u>\$ 26</u> | <u>\$ 304</u> | <u>\$ 304</u> |

| | Three Months Ended June 30, | | | Three Months Ended March 31, 2024 | | | Six Months Ended June 30, |
|--|-----------------------------|---------------|-----------------|-----------------------------------|--------------|---------------|---------------------------|
| (in millions), (unaudited) | 2024 | 2023 | Change | 2024 | Change | 2024 | 2023 |
| Net gain (loss) on investments, net of NCI | | | | | | | |
| Private equity | \$ 15 | \$ 151 | \$ (136) | \$ 8 | \$ 7 | \$ 23 | \$ 151 |
| Real assets | 9 | 2 | 7 | (3) | 12 | 6 | 8 |
| Other alternatives ⁽³⁾ | 10 | 4 | 6 | 14 | (4) | 24 | 1 |
| Other investments ⁽⁴⁾ | 34 | (7) | 41 | 31 | 3 | 65 | 5 |
| Hedge gain (loss) on deferred cash compensation plans ⁽¹⁾ | 7 | 16 | (9) | 31 | (24) | 38 | 3 |
| Subtotal | 75 | 166 | (91) | 81 | (6) | 156 | 2 |
| Other income/gain (expense/loss) ⁽⁵⁾ | 45 | 8 | 37 | 40 | 5 | 85 | 5 |
| Total net gain (loss) on investments, net of NCI | 120 | 174 | (54) | 121 | (1) | 241 | 2 |
| Interest and dividend income | 178 | 89 | 89 | 141 | 37 | 319 | 1 |
| Interest expense | (126) | (69) | (57) | (92) | (34) | (218) | (|
| Net interest income (expense) | 52 | 20 | 32 | 49 | 3 | 101 | 4 |
| Nonoperating income (expense), net of NCI | 172 | 194 | (22) | 170 | 2 | 342 | 2 |
| Less: Hedge gain (loss) on deferred cash compensation plans ⁽¹⁾ | 7 | 16 | (9) | 31 | (24) | 38 | 3 |
| Nonoperating income (expense), net of NCI, as adjusted ⁽²⁾ | <u>\$ 165</u> | <u>\$ 178</u> | <u>\$ (13)</u> | <u>\$ 139</u> | <u>\$ 26</u> | <u>\$ 304</u> | <u>\$ 2</u> |

- (1) Amounts relate to the gains (losses) from economically hedging certain BlackRock deferred cash compensation plans.
- (2) Management believes nonoperating income (expense), net of NCI, as adjusted, is an effective measure of reviewing BlackRock's nonoperating results, which ultimately impacts BlackRock's book value. For more information on as adjusted items and the reconciliation to GAAP, see notes to the condensed consolidated statements of income and supplemental information on pages 14-17.
- (3) Amounts primarily include net gains (losses) related to credit funds, direct hedge fund strategies and other alternative solutions.
- (4) Amounts primarily include net gains (losses) related to BlackRock's seed investment portfolio, net of certain hedges.

- (5) Amounts for the three and six months ended June 30, 2024, include earnings (losses) from certain minority investments, which the Company recorded within nonoperating income (expense) beginning in the first quarter of 2024 and noncash pre-tax gains (losses) related to the revaluation of certain minority investments. In addition, amount for the three and six months ended June 30, 2024 includes a noncash pre-tax gain of approximately \$19 million with the SpiderRock Transaction of approximately \$19 million.

SUMMARY OF INCOME TAX EXPENSE

| (in millions), (unaudited) | Three Months Ended June 30 | | Change | Three Months Ended March 31, | | Change | Six Months Ended June 30 | |
|----------------------------|-------------------------------|--------|----------|------------------------------------|--|---------|--------------------------------|--------|
| | 2024 | 2023 | | 2024 | | | 2024 | 2023 |
| Income tax expense | \$ 477 | \$ 443 | \$ 34 | \$ 290 | | \$ 187 | \$ 767 | \$ 828 |
| Effective tax rate | 24.2 % | 24.5 % | (30) bps | 15.6 % | | 860 bps | 20.0 % | 24.7 % |

Highlights

- First quarter 2024 income tax expense included a discrete tax benefit of \$137 million recognized in connection with the reorganization and establishment of a more efficient global intellectual property technology platform and corporate structure. This discrete tax benefit has been excluded from first quarter results due to the nonrecurring nature of the intellectual property reorganization. In addition, first quarter 2024 income tax expense included \$28 million of discrete tax benefits, including a benefit related to equity-based compensation awards that vested in the first quarter.

RECONCILIATION OF GAAP OPERATING INCOME AND OPERATING MARGIN TO OPERATING MARGIN, AS ADJUSTED

| (in millions), (unaudited) | Three Months Ended | | | Six Months Ended |
|---|--------------------|-----------------|-----------------|------------------|
| | June 30, | | March 31, | June 30, |
| | 2024 | 2023 | 2024 | 2024 |
| Operating income, GAAP basis | \$ 1,800 | \$ 1,615 | \$ 1,693 | \$ 3,493 |
| Non-GAAP expense adjustments: | | | | |
| Compensation expense related to appreciation (depreciation) on deferred cash compensation plans (a) | 9 | 12 | 27 | 36 |
| Amortization of intangible assets (b) | 39 | 37 | 38 | 77 |
| Acquisition-related compensation costs (b) | 19 | 4 | 2 | 21 |
| Acquisition-related transaction costs (b) ⁽¹⁾ | 13 | 3 | 22 | 35 |
| Contingent consideration fair value adjustments (b) | 1 | 1 | (7) | (6) |
| Lease costs - New York (c) | — | 3 | — | — |
| Operating income, as adjusted (1) | \$ 1,881 | \$ 1,675 | \$ 1,775 | \$ 3,656 |
| Revenue, GAAP basis | \$ 4,805 | \$ 4,463 | \$ 4,728 | \$ 9,533 |
| Non-GAAP adjustments: | | | | |
| Distribution fees | (318) | (319) | (310) | (628) |
| Investment advisory fees | (221) | (199) | (208) | (429) |
| Revenue used for operating margin measurement | \$ 4,266 | \$ 3,945 | \$ 4,210 | \$ 8,476 |
| Operating margin, GAAP basis | 37.5 % | 36.2 % | 35.8 % | 36.6 % |
| Operating margin, as adjusted (1) | 44.1 % | 42.5 % | 42.2 % | 43.1 % |

(1) Amounts included within general and administration expense.

See note (1) to the condensed consolidated statements of income and supplemental information on page 17 for more information on as adjusted items.

RECONCILIATION OF GAAP NONOPERATING INCOME (EXPENSE) TO NONOPERATING INCOME (EXPENSE), LESS NET INCOME (LOSS) ATTRIBUTABLE TO NCI, AS ADJUSTED

| (in millions), (unaudited) | Three Months Ended | | | Six Months Ended |
|---|--------------------|---------------|---------------|------------------|
| | June 30, | | March 31, | June 30, |
| | 2024 | 2023 | 2024 | 2024 |
| Nonoperating income (expense), GAAP basis | \$ 214 | \$ 251 | \$ 220 | \$ 485 |
| Less: Net income (loss) attributable to NCI | 42 | 57 | 50 | 99 |
| Nonoperating income (expense), net of NCI | 172 | 194 | 170 | 386 |
| Less: Hedge gain (loss) on deferred cash compensation plans (a) | 7 | 16 | 31 | 54 |
| Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted (2) | \$ 165 | \$ 178 | \$ 139 | \$ 332 |

See notes (1) and (2) to the condensed consolidated statements of income and supplemental information on page 17 for more information on as adjusted items.

RECONCILIATION OF GAAP NET INCOME ATTRIBUTABLE TO BLACKROCK TO NET INCOME ATTRIBUTABLE TO BLACKROCK, AS ADJUSTED

| (in millions, except per share data), (unaudited) | Three Months Ended | | | Six Months Ended |
|---|--------------------|------|-----------|------------------|
| | June 30, | | March 31, | June 30, |
| | 2024 | 2023 | 2024 | 2024 |

| | | | | |
|--|-----------------|-----------------|-----------------|---------------|
| Net income attributable to BlackRock, Inc., GAAP basis | \$ 1,495 | \$ 1,366 | \$ 1,573 | \$ 3,0 |
| Non-GAAP adjustments ⁽¹⁾ : | | | | |
| Net impact of hedged deferred cash compensation plans (a) | 2 | (3) | (3) | (1 |
| Amortization of intangible assets (b) | 29 | 28 | 28 | 57 |
| Acquisition-related compensation costs (b) | 13 | 3 | 2 | 15 |
| Acquisition-related transaction costs (b) | 10 | 2 | 15 | 25 |
| Contingent consideration fair value adjustments (b) | 1 | 1 | (5) | (4 |
| Lease costs - New York (c) | — | 2 | — | — |
| Income tax matters | — | — | (137) | (13 |
| Net income attributable to BlackRock, Inc., as adjusted (3) | \$ 1,550 | \$ 1,399 | \$ 1,473 | \$ 3,0 |
| Diluted weighted-average common shares outstanding | 149.7 | 150.7 | 150.1 | 149 |
| Diluted earnings per common share, GAAP basis | \$ 9.99 | \$ 9.06 | \$ 10.48 | \$ 20. |
| Diluted earnings per common share, as adjusted (3) | \$ 10.36 | \$ 9.28 | \$ 9.81 | \$ 20. |

(1) Non-GAAP adjustments, excluding income tax matters, are net of tax.

See note (3) to the condensed consolidated statements of income and supplemental information on page information on as adjusted items.

NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND SUPPLEMENTAL INFORMATION (UNAUDITED)

BlackRock reports its financial results in accordance with GAAP; however, management believes evaluating the Company's ongoing operating results may be enhanced if investors have additional non-GAAP financial measures. Adjustments to GAAP financial measures ("non-GAAP adjustments") include certain items management deems nonrecurring or that occur infrequently, transactions that ultimately will not impact BlackRock's book value, and tax items that do not impact cash flow. Management reviews non-GAAP financial measures, in addition to GAAP financial measures, to assess ongoing operations and considers them to be helpful, for both management and investors, in evaluating BlackRock's financial performance over time. Management also uses non-GAAP financial measures as a benchmark to compare its performance with other companies and to enhance comparability for the reports presented. Non-GAAP financial measures may pose limitations because they do not include all of BlackRock's revenue and expense. BlackRock's management does not advocate that investors consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Non-GAAP financial measures may not be comparable to other similarly titled measures of other companies.

Computations and reconciliations for all periods are derived from the condensed consolidated statements and follow:

(1) Operating income, as adjusted, and operating margin, as adjusted: Management believes operating income, as adjusted, and operating margin, as adjusted, are effective indicators of BlackRock's financial performance and, therefore, provide useful disclosure to investors. Management believes that operating margin, as adjusted, reflects the Company's long-term ability to manage ongoing costs in relation to its revenues. The Company uses operating margin, as adjusted, to assess the Company's financial performance, to determine the long-term and annual compensation of the Company's senior-level employees and to evaluate the Company's relative performance against industry peers. Furthermore, this metric eliminates margin variability arising from the accounting of revenues and expenses related to distributing different product structures in multiple distribution channels utilized by the Company's managers.

- Operating income, as adjusted, includes the following non-GAAP expense adjustments:
 - (a) Compensation expense related to appreciation (depreciation) on deferred cash compensation. The Company excludes compensation expense related to the market valuation changes on certain deferred cash compensation plans, which the Company hedges economically. For these deferred cash compensation plans, the final value of the deferred amount to be distributed to employees in cash upon vesting is determined based on the returns on specified investment funds. The Company recognizes compensation expense for the appreciation (depreciation) of the deferred cash compensation liability in proportion to the vesting of the award during a respective period, while the net gain (loss) to economically hedge these plans is immediately recognized in nonoperating income (expense), which creates a timing difference between operating income. This timing difference will reverse and offset to zero over the life of the award at the end of the multi-year vesting period. Management believes excluding market valuation changes related to deferred cash compensation plans in the calculation of operating income, as adjusted, provides useful information for both management and investors of the Company's financial performance over time as these awards are economically hedged, while also increasing comparability with other companies.
 - (b) Acquisition related costs. Acquisition related costs include adjustments related to amortization of intangible assets, other acquisition-related costs, including professional services expense and compensation for nonrecurring retention-related deferred compensation, and contingent consideration fair value adjustments incurred in connection with certain acquisitions. Management believes excluding the impact of these expenses when calculating operating income, as adjusted, provides a helpful indication of the Company's financial performance over time, thereby providing helpful information for both management and investors while also increasing comparability with other companies.
 - (c) Lease costs - New York. In 2023, the Company continued to recognize lease expense within general and administrative expense for both its current headquarters located at 50 Hudson Yards in New York City and its prior headquarters until the Company's lease on its prior headquarters expired in April 2023. The Company began recording lease payments related to its current headquarters in May 2023, but began recording lease expense in August 2021 when it obtained access to the building to begin its tenant improvements. Prior to the Company's move to its current headquarters in February 2023, the impact of lease costs related to 50 Hudson Yards was excluded from operating income, as adjusted. In February 2023, the Company began recording the majority of its move to 50 Hudson Yards and no longer excluded the impact of these lease costs. Subsequently, from February 2023 through April 2023, the Company excluded the impact of lease costs related to the Company's prior headquarters. Management believes excluding the impact of the New York lease costs ("Lease costs - New York") when calculating operating income, as adjusted, provides useful information to assess the Company's financial performance and ongoing operations, and enhances comparability with other companies for the periods presented.

- Revenue used for calculating operating margin, as adjusted, is reduced to exclude all of the C distribution fees, which are recorded as a separate line item on the condensed consolidated statement of income, as well as a portion of investment advisory fees received that is used to pay distribution and servicing costs. For certain products, based on distinct arrangements, distribution fees are collected by the Company and then passed-through to third-party client intermediaries. For other products, investment advisory fees are collected by the Company and a portion is passed-through to third-party client intermediaries. However, in both structures, the third-party client intermediary similarly owns the relationship with the retail client and is responsible for distributing the product and servicing the client. The amount of distribution and investment advisory fees fluctuates each period primarily based on a predetermined percentage of the value of AUM during the period. These fees also vary based on the investment product sold and the geographic location where it is sold. In addition, the Company has certain fees on certain products that could result in the reduction of payments to the third-party intermediaries.

(2) Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted: Management believes nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, is an effective metric for reviewing BlackRock's nonoperating contribution to its results and provides comparability of this information among reporting periods. Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, excludes the gain (loss) on the economic hedge of certain deferred cash compensation plans. As the gain (loss) on investments and derivatives used to hedge these compensation plans over time substantially offsets the expense related to the market valuation changes on these deferred cash compensation plans, which is included in nonoperating income, GAAP basis, management believes excluding the gain (loss) on the economic hedge of certain deferred cash compensation plans when calculating nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, provides a useful measure for both management and investors of BlackRock's nonoperating contribution to its impact book value.

(3) Net income attributable to BlackRock, Inc., as adjusted: Management believes net income attributable to BlackRock, Inc., as adjusted, and diluted earnings per common share, as adjusted, are useful measures of profitability and financial performance. Net income attributable to BlackRock, Inc., as adjusted, equals net income attributable to BlackRock, Inc., GAAP basis, adjusted for certain items management deems nonrecurring or infrequently recurring, transactions that ultimately will not impact BlackRock's book value or certain tax items that do not affect cash flow.

For each period presented, the non-GAAP adjustments were tax effected at the respective blended rates in effect for the adjustments. Amount for income tax matters in the first quarter of 2024 includes a discrete tax benefit of approximately \$137 million recognized in connection with the reorganization and establishment of a more efficient global operating property and technology platform and corporate structure. This discrete tax benefit has been excluded from results due to the nonrecurring nature of the intellectual property reorganization.

Per share amounts reflect net income attributable to BlackRock, Inc., as adjusted, divided by diluted weighted average common shares outstanding.

(4) ACV: Management believes ACV is an effective metric for reviewing BlackRock's technology services contribution to its operating results and provides comparability of this information among reporting periods, providing a useful supplemental metric for both management and investors of BlackRock's growth in technology services revenue over time, as it is linked to the net new business in technology services. ACV represents the trailing twelve month, annualized estimated value of the recurring subscription fees under client contracts, assuming all contracts that come up for renewal are renewed, unless we have received a notice of termination, even though such notice may not be effective until a later date. ACV also includes the annualized estimated value of new sales from existing and new clients, when we execute client contracts, even though the recurring fees may not be earned until a later date and excludes nonrecurring fees such as implementation and consulting fees.

FORWARD-LOOKING STATEMENTS

This filing, and other statements that BlackRock may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to BlackRock's future financial or operating performance, strategies or expectations, including the anticipated timing, consummation and expected benefits of the proposed acquisitions of Preqin and Global Infrastructure Management, LLC ("GIP" or the "GIP Transaction") together with the Preqin Transaction, the "Transactions"). Forward-looking statements are typically identified by words or phrases such as "trend," "potential," "opportunity," "pipeline," "believe," "comfortable," "expect," "anticipate," "current," "intention," "estimate," "position," "assume," "outlook," "continue," "remain," "maintain," "sustain," "achieve," and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," or similar expressions.

BlackRock cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time and may contain information that is not purely historical in nature. Forward-looking statements speak only as of the date they are made, and BlackRock assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements. Future results could differ materially from historical performance. Such information may include, among other things, projections and forecasts. There is no guarantee that any forecasts made will come to pass.

BlackRock has previously disclosed risk factors in its Securities and Exchange Commission (“SEC”) reports and those identified elsewhere in this filing, among others, could cause actual results to differ materially from forward-looking statements or historical performance and include: (1) the introduction, withdrawal, success or failure of business initiatives and strategies; (2) changes and volatility in political, economic or industry conditions; (3) changes in interest rate environment, foreign exchange rates or financial and capital markets, which could result in a decrease in demand for products or services or in the value of AUM; (4) the relative and absolute investment performance of BlackRock’s investment products; (5) BlackRock’s ability to develop new products and services that address investor preferences; (6) the impact of increased competition; (7) the impact of future acquisitions or divestitures; (8) the Transactions; (9) BlackRock’s ability to integrate acquired businesses successfully, including the Transactions; (10) the impact of the Transactions, including the expected closing dates of the Transactions, the possibility that the Transactions do not close, including, but not limited to, due to the failure to satisfy their respective conditions, the possibility that expected synergies and value creation from either of the Transactions will not be realized, or will not be realized within the expected time period, and impacts to business and operational performance related to disruptions, from the Transactions; (11) the unfavorable resolution of legal proceedings; (12) the timing of any share repurchases; (13) the impact, extent and timing of technological changes and the adequacy of intellectual property, data, information and cybersecurity protection; (14) the failure to effectively manage the development and use of artificial intelligence; (15) attempts to circumvent BlackRock’s operational controls or the potential for human error in connection with BlackRock’s operational systems; (16) the impact of legislative, regulatory actions and reforms, regulatory, supervisory or enforcement actions of government agencies and increased governmental scrutiny relating to BlackRock; (17) changes in law and policy and uncertainty pending any such changes; (18) any failure to effectively manage conflicts of interest; (19) damage to BlackRock’s reputation; (20) increasing focus from stakeholders regarding environmental, social and governance matters; (21) global economic unrest, terrorist activities, civil or international hostilities, and other events outside BlackRock’s control, including wars, natural disasters and health crises, which may adversely affect the general economy, domestic and international capital markets, specific industries or BlackRock; (22) climate-related risks to BlackRock’s business, operations and clients; (23) the ability to attract, train and retain highly qualified and diverse professional staff; (24) fluctuations in the carrying value of BlackRock’s economic investments; (25) the impact of changes in tax legislation, including income, payroll and transaction taxes, and taxation on products, which could affect the attractiveness of a proposition to clients and, generally, the tax position of the Company; (26) BlackRock’s success in negotiating distribution arrangements and maintaining distribution channels for its products; (27) the failure by key third-party providers of BlackRock to fulfill their obligations to the Company; (28) operational, technological and regulatory risks associated with BlackRock’s major technology partnerships; (29) any disruption to the operations of third-party service providers that are integral to BlackRock’s ETF platform; (30) the impact of BlackRock electing to provide support for third-party products from time to time and any potential liabilities related to securities lending or other indemnification obligations; and (31) the impact of problems, instability or failure of other financial institutions or the failure of other financial institutions to perform as expected, which could result in negative performance of products offered by other financial institutions.

BlackRock’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and BlackRock’s subsequent reports filed with the SEC, accessible on the SEC’s website at www.sec.gov and on BlackRock’s website at www.blackrock.com, contain more detail on the risk factors in more detail and identify additional factors that can affect forward-looking statements. The information contained on the Company’s website is not a part of this filing.

PERFORMANCE NOTES

Past performance is not indicative of future results. Except as specified, the performance information shown is for the period ending June 30, 2024 and is based on preliminary data available at that time. The performance data shown reflects the performance for all actively and passively managed equity and fixed income accounts, including US registered investment companies, European-domiciled retail funds and separate accounts for which performance data is available. Performance data for high net worth accounts available as of May 31, 2024. The performance data does not include accounts terminated prior to June 30, 2024 and accounts for which data has not yet been verified. If such accounts had been included, the performance data provided may have substantially differed from that shown.

Performance comparisons shown are gross-of-fees for institutional and high net worth separate accounts and net-of-fees for retail funds. The performance tracking shown for index accounts is based on gross-of-fees performance and includes all institutional accounts and all iShares® funds globally using an index strategy. AUM information is based on AUM available as of June 30, 2024 for each account or fund in the asset class shown without accounting for overlapping management of the same account or fund. Fund performance reflects the reinvestment of dividends and distributions.

Performance shown is derived from applicable benchmarks or peer median information, as selected by B
Peer medians are based in part on data either from Lipper, Inc. or Morningstar, Inc. for each included pr

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this signed on its behalf by the undersigned hereunto duly authorized.

BlackRock, Inc.
(Registrant)

By: /s/ Martin S. Small
Martin S. Small
Senior Managing Director and Chief F

Date: July 17, 2024