

Brookfield Asset Management Announces Record Third Quarter Results

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Nov 4, 2024

Fee-Related Earnings up 14% Year-Over-Year to \$644 Million

\$135 Billion of Capital Raised Over LTM, Growing Fee-Bearing Capital 23% to \$539 Billion

Brookfield Takes Initial Steps to Enhance Shareholder Ownership and Index Inclusion

NEW YORK, Nov. 04, 2024 (GLOBE NEWSWIRE) -- Brookfield Asset Management Ltd. (NYSE: BAM, TSX: BAM) today announced financial results for the quarter ended September 30, 2024.

Connor Teskey, President of Brookfield Asset Management, stated, "We delivered record results in the third quarter, driven by the substantial increase in fee-bearing capital due to strong fundraising, deployment and additional strategic partnerships over the past year. This resulted in 14% year-over-year growth in fee-related earnings, while fee-bearing capital increased by 23% to \$539 billion."

He continued, "This past quarter, we continued to extend our leadership position in our key strategic sectors of energy transition, AI infrastructure, and private credit. We are well positioned to continue delivering strong earnings, bolstered by market tailwinds that should accelerate both our capital raising and deployment activities for years to come."

Operating Results

Brookfield Asset Management Ltd.

Net income for Brookfield Asset Management Ltd. (BAM), the publicly traded entity, totaled \$129 million for the quarter (2023 - \$122 million). BAM owns an approximate 27% interest in our asset management business with the other approximate 73% owned by Brookfield Corporation. In order to provide meaningful comparative information, the discussion that follows relates to the financial results on a 100% basis for our asset management business (Brookfield Asset Management).

Brookfield Asset Management¹

For the periods ended September 30

(US\$ millions, except per share amounts)

	<i>Three Months Ended</i>		<i>Twelve Months Ended</i>	
	2024	2023	2024	2023
Fee-Related Earnings²	\$ 644	\$ 565	\$ 2,360	\$ 2,236
Add back: equity-based compensation costs and other ³	59	49	198	177
Less: cash taxes	(84)	(46)	(258)	(186)
Distributable Earnings²	\$ 619	\$ 568	\$ 2,300	\$ 2,227
<i>Fee-related earnings per share</i>	\$ 0.39	\$ 0.35	\$ 1.45	\$ 1.37
<i>Distributable earnings per share</i>	\$ 0.38	\$ 0.35	\$ 1.41	\$ 1.36
Net income attributable to Brookfield Asset Management	\$ 544	\$ 494	\$ 1,854	\$ 1,969

See endnotes

Operating Highlights

Financial Results

Fee-bearing capital (FBC) reached \$539 billion at the end of the third quarter, up nearly \$100 billion or 23% over the past year and up over \$25 billion or 5% from the prior quarter.

This growth has come from \$101 billion in fundraising and \$25 billion of capital deployment over the last twelve months. In the quarter, FBC has also benefitted from the increase in our listed affiliate share prices and execution of a number of strategic initiatives with leading partner managers, such as Castlelake and SVB Capital.

On the back of this growth in fee-bearing capital, fee-related earnings were a record \$644 million (\$0.39 / share) for the quarter and \$2.4 billion (\$1.45 / share) over the last twelve months, up 14% and 6% over the same periods in the prior year, respectively.

Distributable earnings were \$619 million (\$0.38 / share) for the quarter and \$2.3 billion (\$1.41 / share) over the last twelve months, up 9% and 3% over the same periods in the prior year, respectively.

Fundraising

We raised \$21 billion in the third quarter of 2024. Notable fundraising updates during the quarter include:

Within credit, we raised approximately \$14 billion of capital. This included \$6.4 billion raised across Oaktree credit funds and strategies, \$4.5 billion from Brookfield Wealth Solutions and \$1.0 billion in a separately managed account (SMA) from a U.S. life insurance company. We expect that third-party insurance capital will be a meaningful contributor to our growth going forward.

Within renewable power, we raised \$2.2 billion of capital, including \$1.4 billion for our Catalytic Transition Fund.

Within infrastructure, we raised a total of \$1.4 billion, including over \$500 million within our supercore infrastructure strategy, surpassing the capital raised for this strategy last quarter and making it our strongest quarter for fundraising in over two years. We also raised nearly \$800 million within our private wealth infrastructure fund.

Within private equity, we raised \$2.0 billion of capital in the quarter. We also announced strategic commitments from two of our Saudi Arabian clients for our Middle East Partners fund in October.

Within real estate, we raised \$1.6 billion of capital during the quarter.

Notable Transactions

Investment activity has continued to increase. In the third quarter, we deployed or committed to approximately \$20 billion of capital into investments across a number of high-quality businesses and assets. We also monetized or agreed to sell over \$17 billion of investments in recent months.

Recent notable deployments and commitments include:

We completed the acquisition of Network International for \$2.0 billion of equity capital, a deal announced previously last year. Post-acquisition, we intend to combine Network with Magnati, our UAE payment processing business, to create a leading payments platform in the Middle East that will benefit from secular tailwinds and significantly expand our presence in the region.

We acquired a portfolio of 76,000 telecom sites in India from American Tower Corp for \$800 million of equity capital (\$2.2 billion of enterprise value).

Subsequent to the end of the quarter, we announced a new partnership agreement with Ørsted to acquire a \$2.3 billion stake in a premium portfolio of 3.5 GW of contracted operating offshore wind assets in the United Kingdom with strong operating history.

Subsequent to the end of the quarter, we made an offer to acquire Tritax EuroBox, a publicly-traded European logistics REIT, for approximately \$730 million.

Recent notable monetizations and sales agreements include:

Within real estate, we sold a total of \$5.4 billion of assets in the past few months, including the sale of our UK Retail Parks Portfolio, a US Manufactured Home portfolio and the sale of the Conrad hotel in Seoul, Korea.

Within renewable power, we announced a total of \$3.2 billion of asset sales in recent months. The largest of these transactions include Saeta Yield, a leading independent developer, owner and operator of renewable power assets in Spain and Portugal; our stake in First Hydro, a critical electricity generation and storage facility in the United Kingdom; and a 50% stake in our Shepherds Flat onshore wind portfolio in Oregon.

Within infrastructure, we announced a total of \$2.6 billion of asset sales in recent months. This includes separate agreements to sell two Mexican regulated natural gas transmission pipelines.

Uncalled Fund Commitments and Liquidity

As of September 30, 2024, we had a total of \$106 billion of uncalled fund commitments.

Uncalled fund commitments include \$50 billion which is not currently earning fees, but will earn approximately \$500 million of fees annually once deployed.

We had corporate liquidity of \$2.1 billion on our balance sheet as of September 30, 2024, comprised of cash, short term financial assets, and the undrawn capacity on our revolving credit facility.

This includes a five-year, unsecured, \$750 million revolving facility, raised in August, further enhancing our liquidity.

Recent Strategic Transactions

We announced or completed several strategic transactions during the quarter:

We closed on a 51% interest in and strategic partnership with Castlelake, a global alternative investment manager specializing in asset-based private credit including aviation and specialty finance.

We completed the acquisition of SVB Capital through Pinegrove Venture Partners, our venture investment platform formed with Sequoia Heritage.

Regular Dividend Declaration

The board of directors of Brookfield Asset Management Ltd. declared a quarterly dividend of \$0.38 per share, payable on December 31, 2024, to shareholders of record as of the close of business on November 29, 2024.

End Notes

1. Reflects full period results unless otherwise noted on a 100% basis for Brookfield Asset Management, being Brookfield Asset Management ULC and its subsidiaries, including its share of the asset management activities of partly owned subsidiaries.
2. See Reconciliation of Net Income to Fee-Related Earnings and Distributable Earnings on page 6 and Non-GAAP and Performance Measures section on page 8.
3. Equity-based compensation costs and other income includes Brookfield Asset Management's portion of partly owned subsidiaries investment income, realized carried interest, and other items.

Brookfield Asset Management Ltd. Statement of Financial Position

Unaudited

As at (US\$ millions)	September 30, 2024	<i>December 31, 2023</i>
Assets		
Cash and cash equivalents	\$ 16	\$ 9
Investment in Brookfield Asset Management	3,309	2,270
Due from affiliates	923	886
Other assets	76	40
Total Assets	\$ 4,324	\$ 3,205
Liabilities		
Accounts payable and other	\$ 858	\$ 859
Due to affiliates	218	261
Total Liabilities	1,076	1,120
Equity		
Total Equity	3,248	2,085
Total Liabilities and Equity	\$ 4,324	\$ 3,205

Brookfield Asset Management Ltd.
Statement of Operating Results

Unaudited

For the periods ended September 30

(US\$ millions, except per share amounts)

	<i>Three Months Ended</i>	
	2024	2023
Equity accounted income	\$ 138	\$ 123
Compensation and other expenses	(9)	(1)
Net Income	\$ 129	\$ 122
Net income per share of common stock		
Diluted	\$ 0.30	\$ 0.31
Basic	\$ 0.31	\$ 0.31

Brookfield Asset Management
Statement of Financial Position

Unaudited

As at

(US\$ millions)

	<i>September 30,</i>	<i>December 31,</i>
	2024	2023
Assets		
Cash and cash equivalents	\$ 903	\$ 2,667
Accounts receivable and other	614	588
Investments	9,354	7,522
Due from affiliates	2,378	2,504
Deferred income tax assets and other assets	1,005	1,009
Total Assets	\$ 14,254	\$ 14,290
Liabilities		
Accounts payable and other	\$ 1,667	\$ 1,799
Due to affiliates	1,386	986
Deferred income tax liabilities and other	2,200	2,206
	5,253	4,991
Equity	9,001	9,299
Total Liabilities and Equity	\$ 14,254	\$ 14,290

Brookfield Asset Management
Statement of Operating Results

Unaudited

For the periods ended September 30

(US\$ millions, except per share amounts)

	<i>Three Months Ended</i>	
	2024	2023
Revenues		
Management fee and incentive distribution revenues	\$ 873	\$ 778
Carried interest income, net of amounts attributable to Corporation	104	25
Other revenues, net	140	90
Total Revenues	1,117	893

Expenses

Compensation, operating, and general and administrative expenses	(430)	(307)
Interest expense	(8)	(3)
Total Expenses	(438)	(310)
Other expenses	(107)	(43)
Share of income from equity accounted investments	61	22
Income Before Taxes	633	562
Income tax expense	(96)	(52)
Net Income	537	510
Net (loss) income attributable to Brookfield Corporation	(7)	16
Net income attributable to Brookfield Asset Management	\$ 544	\$ 494
Net income per share		
Diluted	\$ 0.33	\$ 0.30
Basic	\$ 0.33	\$ 0.30

SELECT FINANCIAL INFORMATION

RECONCILIATION OF NET INCOME TO FEE-RELATED EARNINGS AND DISTRIBUTABLE EARNINGS

Brookfield Asset Management

Unaudited

For the periods ended September 30

(US\$ millions)	Three Months Ended	
	2024	2023
Net income	\$ 537	\$ 510
Add or subtract the following:		
Provision for taxes ¹	96	52
Depreciation and amortization ²	4	3
Carried interest allocations ³	(55)	(89)
Carried interest allocation compensation ³	38	3
Other expenses ⁴	69	40
Interest expense paid to related parties ⁵	8	3
Interest and dividend revenue ⁵	(34)	(44)
Other revenues ⁶	(141)	(10)
Share of income from equity method investments ⁷	(61)	(22)
Fee-related earnings of partly owned subsidiaries at our share ⁷	87	71
Compensation costs recovered from affiliates ⁸	95	15
Fee Revenues from BSREP III & other ⁹	1	33
Fee-Related Earnings	644	565
Cash taxes ¹⁰	(84)	(46)
Add back: equity-based compensation costs and other ¹¹	59	49
Distributable Earnings	\$ 619	\$ 568

This adjustment removes the impact of income tax provisions on the basis that we do not believe this item reflects the present value of the actual tax obligations that we expect to incur over the long-term due to the substantial deferred tax assets of Brookfield Asset Management.

This adjustment removes the depreciation and amortization on property, plant and equipment and intangible assets, which are non-cash in nature and therefore excluded from Fee-Related Earnings.

These adjustments remove the impact of both unrealized and realized carried interest allocations and the associated compensation expense. Unrealized carried interest allocations and associated compensation expense are non-cash in nature. Carried interest allocations and associated compensation costs are included in Distributable Earnings once realized.

This adjustment removes other income and expenses associated with non-cash fair value changes.

This adjustment removes interest and charges paid or received from related party loans.

This adjustment adds back other revenues earned that are non-cash in nature.

These adjustments remove our share of partly owned subsidiaries' earnings, including items 1) to 6) above and include its share of partly owned subsidiaries' Fee-Related Earnings.

This item adds back compensation costs that will be borne by affiliates and are non-cash in nature.

This adjustment adds base management fees earned from funds that are eliminated upon consolidation and other items.

Represents the impact of cash taxes paid by the business.

This adjustment adds back equity-based compensation and other income associated with Brookfield Asset Management's portion of partly owned subsidiaries' investment income, realized carried interest, interest income received and charges paid on related party loans, and other income.

Additional Information

The Letter to Shareholders and the Supplemental Information for the three months and twelve months ended September 30, 2024 contain further information on the company's strategy, operations and financial results. Shareholders are encouraged to read these documents, which are available on BAM's website.

The statements contained herein are based primarily on information that has been extracted from our financial statements for the quarter ended September 30, 2024, which have been prepared using U.S. GAAP. The amounts have not been audited by BAM's external auditor.

BAM's board of directors has reviewed and approved this document, including the summarized unaudited consolidated financial statements, prior to its release.

Information on our dividends can be found on our website under Stock & Distributions - Distribution History section at bam.brookfield.com.

Quarterly Earnings Call Details

Investors, analysts and other interested parties can access BAM's Third Quarter 2024 Results, as well as the Letter to Shareholders and Supplemental Information, on its website under the Reports & Filings section at bam.brookfield.com.

To participate in the Conference Call today at 10:00 a.m. ET, please preregister at <https://register.vevent.com/register/BI40fc91cc173d4008997926152f847ba6>. Upon registering, you will be emailed a dial-in number, and unique PIN.

The Conference Call will also be webcast live at <https://edge.media-server.com/mmc/p/2q5sxe62>. For those unable to participate in the Conference Call, the telephone replay will be archived and available for 90 days, or on our website at bam.brookfield.com.

About Brookfield Asset Management

Brookfield Asset Management Ltd. (NYSE: BAM, TSX: BAM) is a leading global alternative asset manager with over \$1 trillion of assets under management across renewable power and transition, infrastructure, private equity, real estate, and credit. We invest client capital for the long-term with a focus on real assets and essential service businesses that form the backbone of the global economy. We offer a range of alternative investment products to investors around the world — including public and private pension plans, endowments and foundations, sovereign wealth funds, financial institutions, insurance companies and private wealth investors. We draw on Brookfield's heritage as an owner and operator to invest for value and generate strong returns for our clients, across economic cycles.

Please note that Brookfield Asset Management Ltd.'s previous audited annual and unaudited quarterly reports have been filed on EDGAR and SEDAR+ and can also be found in the investor section of its website at bam.brookfield.com. Hard copies of the annual and quarterly reports can be obtained free of charge upon request. For more information, please visit our website at bam.brookfield.com or contact:

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Non-GAAP and Performance Measures

This news release and accompanying financial information are based on generally accepted accounting principles in the United States of America ("U.S. GAAP").

We make reference to Distributable Earnings ("DE"), which is referring to the sum of its fee-related earnings, realized carried interest, realized principal investments, interest expense, and general and administrative expenses; excluding equity-based

compensation costs and depreciation and amortization. The most directly comparable measure disclosed in the primary financial statements of Brookfield Asset Management for DE is net income. This provides insight into earnings received by the company that are available for distribution to common shareholders or to be reinvested into the business.

We use Fee-Related Earnings ("FRE") and DE to assess our operating results and the value of Brookfield's business and believe that many shareholders and analysts also find these measures of value to them.

We disclose a number of financial measures in this news release that are calculated and presented using methodologies other than in accordance with U.S. GAAP. These financial measures, which include FRE and DE, should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, similar financial measures calculated in accordance with U.S. GAAP. We caution readers that these non-GAAP financial measures or other financial metrics are not standardized under U.S. GAAP and may differ from the financial measures or other financial metrics disclosed by other businesses and, as a result, may not be comparable to similar measures presented by other issuers and entities.

We provide additional information on key terms and non-GAAP measures in our filings available at bam.brookfield.com.

Notice to Readers

BAM is not making any offer or invitation of any kind by communication of this news release and under no circumstance is it to be construed as a prospectus or an advertisement.

This news release contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of the U.S. Securities Act of 1933, the U.S. Securities Exchange Act of 1934, "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations (collectively, "forward-looking statements"). Forward-looking statements include statements that are predictive in nature, depend upon or refer to future results, events or conditions, and include, but are not limited to, statements which reflect management's current estimates, beliefs and assumptions regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies, capital management and outlook of BAM, Brookfield Asset Management and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and which are in turn based on our experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. The estimates, beliefs and assumptions of BAM are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. Forward-looking statements are typically identified by words such as "target", "project", "forecast", "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may" and "should" and similar expressions. In particular, the forward-looking statements contained in this news release include statements referring to future results, performance, achievements, prospects or opportunities of BAM, Brookfield Asset Management or the Canadian, U.S. or international markets.

Although BAM believes that such forward-looking statements are based upon reasonable estimates, beliefs and assumptions, actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: (i) our lack of independent means of generating revenue; (ii) our material assets consisting solely of our interest in Brookfield Asset Management; (iii) challenges relating to maintaining our relationship with Brookfield Corporation and potential conflicts of interest; (iv) BAM being a newly formed company; (v) our liability for our asset management business; (vi) inflationary pressures; (vii) the impact on growth in fee-bearing capital of poor product development or marketing efforts; (viii) our ability to maintain our global reputation; (ix) volatility in the trading price of our class A limited voting shares; (x) being subjected to numerous laws, rules and regulatory requirements, and the potential ineffectiveness of our policies to prevent violations thereof; (xi) meeting our financial obligations due to our cash flow from our asset management business; (xii) foreign currency risk and exchange rate fluctuations; (xiii) requirement of temporary investments and backstop commitments to support our asset management business; (xiv) rising interest rates; (xv) revenues impacted by a decline in the size or pace of investments made by our managed assets; (xvi) the variability of our earnings growth, which may affect our dividend and the trading price of our class A limited voting shares; (xvii) exposed risk due to increased amount and type of investment products in our managed assets; (xviii) difficulty in maintaining our culture or managing our human capital; (xix) political instability or changes in government; (xx) unfavorable economic conditions or changes in the industries in which we operate; (xxi) catastrophic events, such as earthquakes, hurricanes, or pandemics/epidemics; (xxii) deficiencies in public company financial reporting and disclosures; (xxiii) ineffective management of sustainability considerations, and inadequate or ineffective health and safety programs; (xxiv) the failure of our information and technology systems; (xxv) us and our managed assets becoming involved in legal disputes; (xxvi) losses not covered by insurance; (xxvii) inability to collect on amounts owing to us; (xxviii) information barriers that may give rise to conflicts and risks; (xxix) risks related to our renewable power and transition, infrastructure, private equity, real estate, and other alternatives, including credit strategies; (xxx) risks relating to Canadian and United States

taxation laws; and (xxxi) other factors described from time to time in our documents filed with the securities regulators in Canada and the United States.

We caution that the foregoing list of important factors that may affect future results is not exhaustive and other factors could also adversely affect future results. Readers are urged to consider these risks, as well as other uncertainties, factors and assumptions carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements, which are based only on information available to us as of the date of this news release. Except as required by law, BAM undertakes no obligation to publicly update or revise any forward-looking statements, whether written or oral, that may be as a result of new information, future events or otherwise.

Past performance is not indicative nor a guarantee of future results. There can be no assurance that comparable results will be achieved in the future, that future investments will be similar to historic investments discussed herein, that targeted returns, growth objectives, diversification or asset allocations will be met or that an investment strategy or investment objectives will be achieved (because of economic conditions, the availability of appropriate opportunities or otherwise).

Target returns and growth objectives set forth in this news release are for illustrative and informational purposes only and have been presented based on various assumptions made by BAM in relation to the investment strategies being pursued, any of which may prove to be incorrect. There can be no assurance that targeted returns or growth objectives will be achieved. Due to various risks, uncertainties and changes (including changes in economic, operational, political or other circumstances) beyond BAM's control, the actual performance of the business could differ materially from the target returns and growth objectives set forth herein. In addition, industry experts may disagree with the assumptions used in presenting the target returns and growth objectives. No assurance, representation or warranty is made by any person that the target returns or growth objectives will be achieved, and undue reliance should not be put on them.

Certain of the information contained herein is based on or derived from information provided by independent third-party sources. While BAM believes that such information is accurate as of the date it was produced and that the sources from which such information has been obtained are reliable, BAM makes no representation or warranty, express or implied, with respect to the accuracy, reasonableness or completeness of any of the information or the assumptions on which such information is based, contained herein, including but not limited to, information obtained from third parties.

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