Brixmor Property (BRX)

Updated May 6th, 2025 by Kay Ng

Key Metrics

Current Price:	$25	**5 Year CAGR Estimate:**	9.1%	**Market Cap:**	$7.7B
Fair Value Price:	$27	**5 Year Growth Estimate:**	4.0%	**Ex-Dividend Date:**	07/02/25
% Fair Value:	95%	**5 Year Valuation Multiple Estimate:**	1.1%	**Dividend Payment Date:**	07/15/25
Dividend Yield:	4.6%	**5 Year Price Target**	$32	**Years Of Dividend Growth:**	5
Dividend Risk Score:	D	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Brixmor (BRX) was founded in 2003 and is an internally managed REIT that has about 361 retail centers. Its retail properties are positioned in the top 50 metropolitan areas in the United States. It is one of the largest open-air retail landlords domestically. About 80% of its annualized based rent ("ABR") come from grocery-anchored centers. Brixmor's largest tenants (by annualized base rent) are TJX Companies Inc. (TJX) and The Kroger Co. (KR). No individual tenant contributes more than 3.3% of ABR.

Brixmor reported its Q1 2025 results on 04/28/25. For the quarter, it generated revenues of $337.5 million (up 5.4% year over year), which was caused by an increase in rental income. It also reported funds from operations ("FFO") of $171.1 million, 4.7% higher than the prior year's quarter. On a per-share basis, FFO was $0.56, an improvement of 3.7% year over year. It also saw an increase in same property net operating income ("NOI") of 2.8%.

Brixmor has an investment pipeline that is focused on investing in communities where it sees future growth. It's also divesting properties in stagnant areas. For the quarter, it stabilized $27.5 million of reinvestment projects at an average incremental NOI yield of 11%. The REIT ended the quarter with an in-process reinvestment pipeline that totaled $390.9 million at an expected average incremental NOI yield of 10%. During the quarter, it completed $3.1 million of acquisitions and sold $22.8 million in assets.

Management affirmed its guidance for 2025: Same property NOI growth of 3.50%-4.50% and FFO-per-share of $2.19 to $2.24. Consequently, we maintain our 2025 FFOPS estimate at the midpoint of $2.21.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
FFOPS	$1.97	$2.06	$2.08	$1.89	$1.91	$1.47	$1.75	$1.95	$2.04	$2.13	***$2.21***	***$2.69***
DPS	$0.92	$1.00	$1.06	$1.11	$1.12	$0.57	$0.86	$0.96	$1.04	$1.11	***$1.15***	***$1.40***
Shares[1]	298	304	305	300	298	298	299	302	302	306	***307***	***315***

After pausing its dividend in 2020, Brixmor restarted its quarterly dividends in 2021 and has been raising its dividend steadily since. After several years of recovery, the dividend has finally surpassed to new heights. From 2015 to 2024, Brixmor increased its FFO per share by 0.9% per year. Its leases are signed at below-market rates, which means that when the leases are up, the REIT has the potential to raise prices. BRX's 2024 same-property NOI growth was 5.0%. It projects its 2025 same-property NOI growth to be 3.50%-4.50%. Brixmor's reinvestment projects can be a growth driver, but they take time to be put into service. Additionally, the REIT might take it slowly to maintain the company's liquidity and financial position. We maintain a five-year FFOPS growth rate of 4.0% for the stock. We also project that the dividend can increase at a similar rate. We would increase our FFO and dividend estimates if the REIT executes well over time.

[1] Shares in millions; Years of Dividend Growth: Restored a dividend in 2021 and began increasing dividend in Q1 2022.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Brixmor Property (BRX)

Updated May 6th, 2025 by Kay Ng

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
P/FFO	17.1	16.1	14.1	12.6	10.2	8.8	13.7	12.5	10.9	12.0	***11.4***	***12.0***
Avg. Yld.	2.9%	3.6%	5.0%	6.5%	5.7%	4.4%	2.9%	3.4%	4.9%	4.4%	***4.6%***	***4.3%***

Much of the growth that Brixmor experienced in 2022 was from a recovery after the pandemic disruptions in 2020. The retail industry, as a whole, is still experiencing headwinds from e-commerce and growth slowed to more normalized levels in 2023. The majority of Brixmor's tenants are anchored by businesses, including food and fitness, which should not be greatly impacted by e-commerce. We target a P/FFO of 12. Brixmor trades at a multiple of 11.4, which suggests a fairly-valued stock compared to our target valuation multiple.

Safety, Quality, Competitive Advantage, & Recession Resiliency

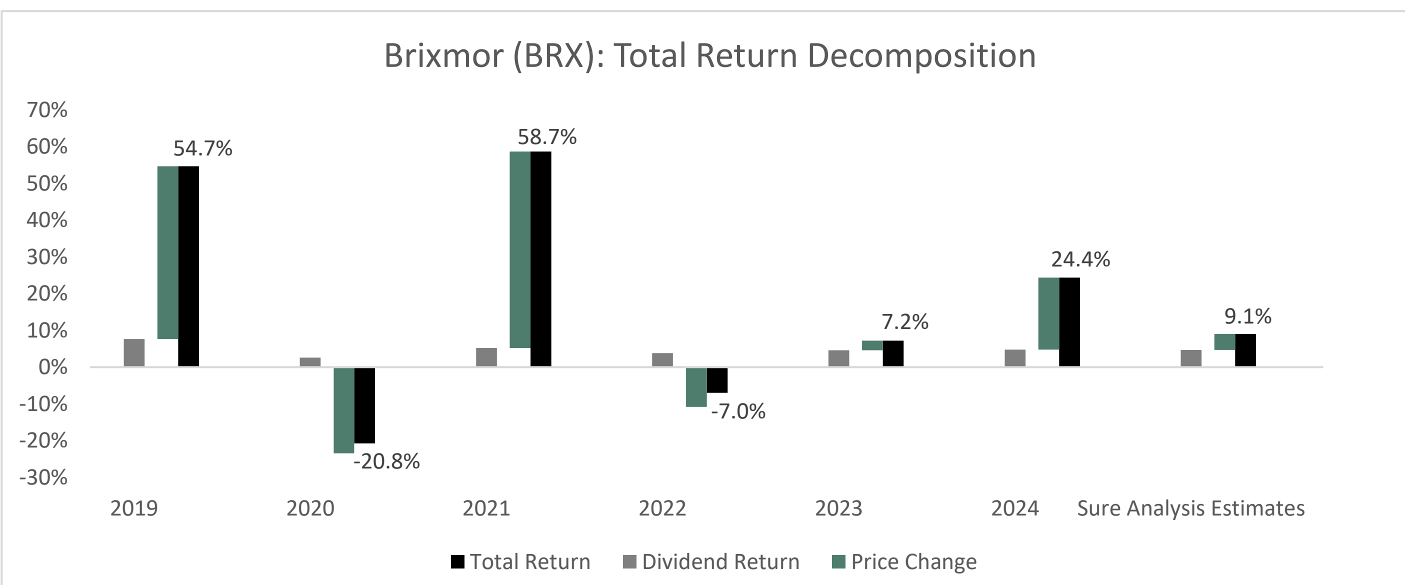
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	47%	49%	51%	59%	59%	39%	49%	49%	51%	52%	***52%***	***52%***

Brixmor has fostered strong relationships with national retailers, and, in return, it receives insights into their strategies and priority access to their expansion plans. Our previous concern that similar real estate companies such as Kimco Realty Corporation (KIM) with a similar portfolio performed poorly during the 2008 crisis came to fruition. In the 2020 economic downturn, Brixmor stock was down 60% from peak to trough and suspended its dividend for a portion of the year. The company has survived partly because it has ~80% of its ABR are grocery-anchored centers. At the end of Q1 2025, Brixmor had total available liquidity of $1.4 billion. Additionally, its debt-to-equity ratio was 1.9x, while its debt-to-asset ratio was 65.6%. Its investment-grade credit rating from S&P Global sits at BBB.

Final Thoughts & Recommendation

Over the next five years, we estimate total returns of 9.1% in the stock from a 4.6% dividend, FFO-per-share growth rate of 4.0%, and 1.1% from valuation expansion. We rate Brixmor as a "Hold" at current levels.

Total Return Breakdown by Year



[1] Shares in millions; Years of Dividend Growth: Restored a dividend in 2021 and began increasing dividend in Q1 2022.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Brixmor Property (BRX)

Updated May 6th, 2025 by Kay Ng

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,266	1,276	1,283	1,234	1,168	1,053	1,152	1,218	1,245	1,285
Gross Profit	956	968	968	921	872	773	854	906	925	968
Gross Margin	75.5%	75.9%	75.4%	74.6%	74.7%	73.4%	74.2%	74.4%	74.3%	75.3%
SG&A Exp.	98	92	92	94	102	98	105	117	117	116
D&A Exp.	418	387	375	352	332	336	327	333	362	381
Operating Profit	430	479	495	465	438	339	422	444	446	470
Operating Margin	33.9%	37.6%	38.6%	37.7%	37.5%	32.2%	36.6%	36.5%	35.8%	36.6%
Net Profit	194	276	300	366	275	121	270	354	306	339
Net Margin	15.3%	21.6%	23.4%	29.7%	23.5%	11.5%	23.4%	29.1%	24.6%	26.4%
Free Cash Flow	524	567	552	542	529	443	552	566	589	625
Income Tax	1,266	1,276	1,283	1,234	1,168	1,053	1,152			

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	9,498	9,320	9,154	8,242	8,142	8,342	8,377	8,436	8,333	8,909
Cash & Equivalents	70	51	57	42	19	369	297	16	1	378
Accounts Receivable	180	178	232	228	234	240	235	264	278	282
Total Liabilities	6,578	6,393	6,246	5,406	5,399	5,661	5,659	5,571	5,482	5,925
Long-Term Debt	5,974	5,839	5,676	4,886	4,861	5,167	5,165	5,036	4,934	4,844
Shareholder's Equity	2,870	2,923	2,908	2,836	2,744	2,681	2,718	2,865	2,850	2,984
LTD/E Ratio	2.08	2.00	1.95	1.72	1.77	1.93	1.90	1.76	1.73	1.62

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.0%	2.9%	3.3%	4.2%	3.4%	1.5%	3.2%	4.2%	3.6%	3.9%
Return on Equity	6.7%	9.5%	10.3%	12.8%	9.8%	4.5%	10.0%	12.7%	10.7%	11.6%
ROIC	2.2%	3.1%	3.5%	4.5%	3.6%	1.6%	3.4%	4.5%	3.9%	4.2%
Shares Out.	298	304	305	300	298	298	299	302	302	303
Revenue/Share	4.15	4.18	4.20	4.08	3.90	3.54	3.86	4.04	4.12	4.24
FCF/Share	1.72	1.86	1.81	1.79	1.77	1.49	1.85	1.88	1.95	2.06

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.