Kimco Realty (KIM)

Updated May 7th, 2025 by Samuel Smith

Key Metrics

Current Price:	$20.7	**5 Year CAGR Estimate:**	7.5%	**Market Cap:**	$14.1 B
Fair Value Price:	$20.5	**5 Year Growth Estimate:**	3.2%	**Ex-Dividend Date:**	6/6/25
% Fair Value:	101%	**5 Year Valuation Multiple Estimate:**	-0.2%	**Dividend Payment Date:**	6/20/25
Dividend Yield:	4.8%	**5 Year Price Target**	$24	**Years of Dividend Growth:**	5
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Kimco Realty is a real estate investment trust that owns, develops, manages and operates shopping centers. Kimco, in particular, specializes in open-air shopping centers. The trust was founded in 1973, is headquartered in New Hyde Park, NY, and currently trades with a market capitalization of about $14.1 billion.

On May 1, 2025, Kimco Realty reported its financial results for the first quarter ended March 31, 2025. The company achieved net income available to common shareholders of $125.1 million, or $0.18 per diluted share, a significant turnaround from a net loss of $18.9 million, or ($0.03) per share, in the same period of the previous year. Funds From Operations (FFO) per diluted share increased by 12.8% year-over-year to $0.44, driven by a 3.9% rise in same-property Net Operating Income (NOI), which was fueled by a 3.4% increase in minimum rents. Kimco's leasing activity was robust, with 583 leases executed totaling 4.4 million square feet, and new lease spreads reaching 48.7%, the highest in over seven years. The company achieved a strategic milestone, with 85% of its annual base rent now derived from grocery-anchored centers, following the completion of nine new grocery leases, including a five-site agreement with Sprouts Farmers Market. Kimco also expanded its pipeline of near-term rent commencements to $60 million of annual base rent from signed leases yet to commence. The company's pro-rata leased occupancy stood at 95.8%, with small-shop occupancy improving to 91.7% and anchor occupancy remaining strong at 97.4%. During the quarter, Kimco acquired The Markets at Town Center, a 254,000-square-foot grocery-anchored property in Jacksonville, Florida, for $108 million. The company maintained a solid liquidity position with $2.0 billion in immediate liquidity, including $1.9 billion available on its unsecured revolving credit facility and $132.5 million in cash. Moody's affirmed Kimco's Baa1 senior unsecured debt rating and raised its outlook to positive. Subsequent to quarter-end, Kimco repurchased 3.0 million shares of common stock for $58.8 million at an average price of $19.61 per share. Based on its strong performance, the company raised its full-year 2025 guidance for FFO per diluted share to a range of $1.71 to $1.74, up from the previous range of $1.70 to $1.72. The board of directors declared a quarterly cash dividend of $0.25 per common share, payable on June 20, 2025, to shareholders of record on June 6, 2025.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
FFOPS	$1.46	$1.50	$1.52	$1.45	$1.47	$1.17	$1.38	$1.58	$1.57	$1.65	***$1.71***	***$2.00***
DPS	$0.98	$1.02	$1.08	$1.12	$1.12	$0.54	$0.61	$0.92	$0.93	$0.97	***$1.00***	***$1.25***
Shares[1]	413.7	425.6	425.5	421.4	431.8	432.4	616.7	618.6	672.9	674.1	***680.6***	***700.0***

As REITs have high non-cash expenses, primarily due to depreciation, their net earnings are usually relatively low and are therefore not reflective of the underlying earnings power and ability to generate cash flows. It thus makes sense to look at funds from operations, or FFO. Kimco Realty's FFOPS is substantially lower than before the financial crisis, but the trust has performed relatively well over the last couple of years. Kimco Realty should be able to grow its FFO through rent increases and rising operating income in the coming years as it has largely completed its portfolio repositioning program. The underlying operating performance of Kimco Realty is strong, which is reflected in positive same-property

[1] In millions

NOI growth, and it owns high quality assets in strong markets. The trust is not facing many problems due to e-commerce hurting sales at its properties so far as many of its tenants are relatively immune to e-commerce.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
P/FFO	17.3	18.8	13.5	9.9	13.7	9.0	18.6	13.9	11.0	15.6	***12.1***	***12.0***
Avg. Yld.	3.9%	3.6%	5.3%	7.8%	5.6%	5.1%	2.4%	4.2%	5.4%	4.0%	***4.8%***	***5.2%***

Kimco Realty trades for 12.1 times this year's expected funds from operations, which represents a fractional premium to our fair value estimate of 12 times funds from operations. During the majority of the last decade, Kimco traded at a higher valuation, but we believe it no longer warrants a mid-teens multiple due to the decline in growth opportunities in bricks-and-mortar retail as well as elevated interest rates at the moment.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	67%	68%	71%	77%	76%	46%	44%	58%	59%	59%	***58%***	***63%***

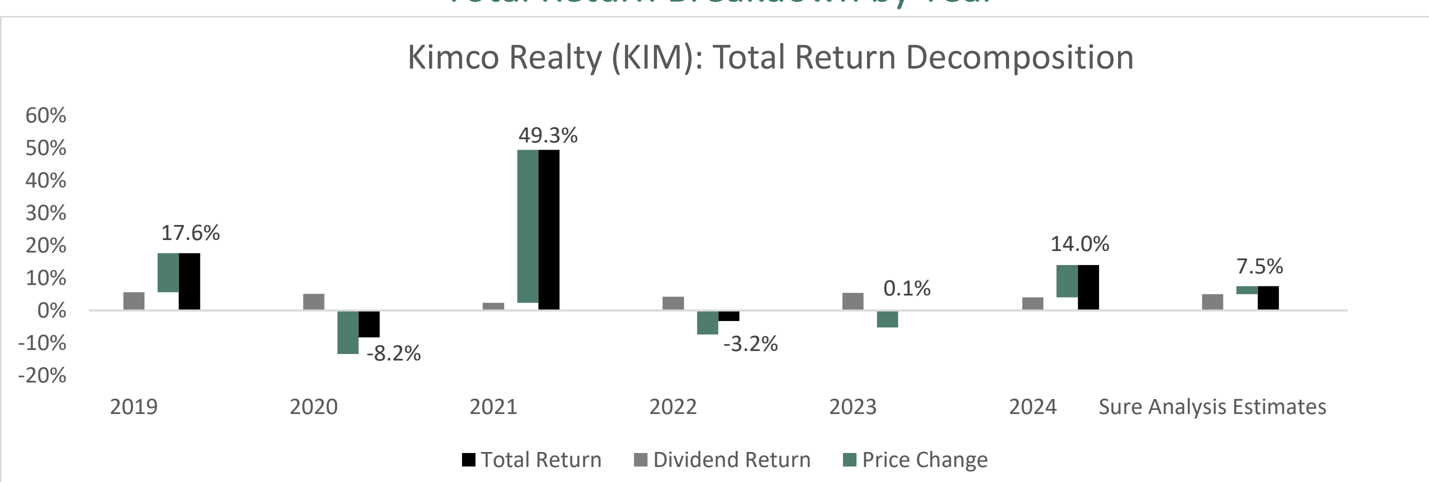
Kimco was forced to temporarily suspend its dividend due to weak economic conditions but has since resumed raising its dividend. However, it remains below pre-pandemic levels.

Some mall REITs are under a lot of pressure due to declining traffic at the malls they own, which leads to lower occupancy rates and to lower rents at the same time. Kimco Realty's focus on outdoor shopping-centers has shielded the trust from such developments so far. Traffic at its properties is solid, and its tenant base is strong as well. Top tenants include Home Depot, TJX, Walmart, as well as many grocers. During the last financial crisis Kimco Realty did not remain profitable (using FFO), but during less severe recessions the trust would likely not be impacted significantly.

Final Thoughts & Recommendation

Kimco Realty is a retail REIT, but its shopping center focus provides some protection against the rise of e-commerce companies, and the underlying performance of Kimco's assets has been very solid in the recent past. Given that most e-commerce-sensitive tenants have largely been pruned from the portfolio, per-share FFO should begin to grow again. Overall Kimco Realty earns a Hold rating from Sure Dividend as shares offer decent but not great 7.5% expected annualized total returns over the next half-decade due to expected multiple compression offsetting its mediocre per-share growth and fairly attractive dividend.

Total Return Breakdown by Year



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.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,167	1,171	1,201	1,165	1,159	1,058	1,365	1,728	1,783	2,037
Gross Profit	862	842	863	836	822	715	947	1,197	1,227	1,399
Gross Margin	73.9%	71.9%	71.9%	71.8%	70.9%	67.6%	69.4%	69.3%	68.8%	68.7%
SG&A Exp.	123	87	92	88	97	93	104	120	137	138
D&A Exp.	345	355	361	310	278	266	395	505	507	
Operating Profit	389	394	405	432	447	333	447	572	583	658
Operating Margin	33.3%	33.7%	33.7%	37.1%	38.6%	31.5%	32.8%	33.1%	32.7%	32.3%
Net Profit	894	379	426	498	411	1,001	844	126	654	411
Net Margin	76.6%	32.4%	35.5%	42.7%	35.4%	94.6%	61.9%	7.3%	36.7%	20.2%
Free Cash Flow	494	592	614	638	584	590	619	861	1,072	
Income Tax	60	79	(1)	2	(3)	1	3	57	61	25

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	11,344	11,231	11,764	10,999	10,998	11,614	18,459	17,826	18,274	20,310
Cash & Equivalents	190	142	239	144	124	293	326	147	781	690
Acc. Receivable	175	182	190	185	219	178	184	225	243	340
Total Liabilities	6,076	5,741	6,225	5,564	6,051	5,928	8,336	8,086	8,548	9,464
Accounts Payable	150	146	186	175	170	146	220	208	216	282
Long-Term Debt	5,376	5,066	5,479	4,874	5,316	5,355	7,476	7,158	7,617	8,461
Total Equity	5,046	5,256	5,394	5,334	4,865	5,608	9,899	9,515	9,525	10,653
LTD/E Ratio	1.07	0.96	1.02	0.91	1.09	0.96	0.76	0.75	0.80	0.79

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	8.3%	3.4%	3.7%	4.4%	3.7%	8.9%	5.6%	0.7%	3.6%	2.1%
Return on Equity	17.4%	7.0%	7.7%	9.1%	7.9%	18.8%	10.7%	1.3%	6.7%	4.0%
ROIC	8.8%	3.6%	4.0%	4.7%	4.0%	9.4%	5.9%	0.7%	3.8%	2.2%
Shares Out.	413.7	425.6	425.5	421.4	431.8	432.4	616.7	618.6	672.9	674.1
Revenue/Share	2.83	2.79	2.83	2.76	2.75	2.45	2.67	2.80	2.88	3.03
FCF/Share	1.20	1.41	1.45	1.51	1.38	1.37	1.21	1.39	1.73	

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