The St. Joe Company (JOE)

Updated June 8th, 2025 by Samuel Smith

Key Metrics

Current Price:	$46	**5 Year CAGR Estimate:**	3.2%	**Market Cap:**	$2.7B
Fair Value Price:	$33	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	6/10/25
% Fair Value:	142%	**5 Year Valuation Multiple Estimate:**	-6.7%	**Dividend Payment Date:**	6/26/25
Dividend Yield:	1.2%	**5 Year Price Target**	$50	**Years Of Dividend Growth:**	5
Dividend Risk Score:	B	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

The St. Joe Company, established in 1936, is a Florida-based real estate development and asset management firm. Initially known as St. Joe Paper Company, it transitioned from industrial operations to focus on real estate and asset management. Today, the company is headquartered in Panama City Beach, Florida, and concentrates its efforts in Northwest Florida, particularly in Bay and Walton counties. Their diverse portfolio encompasses residential communities, commercial properties, and hospitality assets, including hotels and resorts. Notably, St. Joe played a pivotal role in the development of the Northwest Florida Beaches International Airport, donating 4,000 acres for its construction in 2010.

First-quarter results for the St. Joe Company (NYSE: JOE) showed a strong start to the year, with revenue climbing 7.3% year-over-year to $94.2 million, compared to $87.8 million in Q1 2024. Net income rose 26% to $17.5 million, or $0.30 per diluted share, up from $13.9 million, or $0.24 per share, in the prior period . Residential real estate revenue was particularly strong, increasing by 12% to $38.3 million, driven by a 15% rise in homesite closings—249 units compared to last year. Leasing revenue reached a quarterly record of $16.3 million, up 14%, supported by 94% occupancy in its commercial properties and ongoing expansion of retail spaces such as the Watersound Town Center and medical campus. The hospitality division contributed $39.6 million in revenue, a modest 1% increase, reflecting stable hotel and club operations that continued to benefit from strong membership in the Watersound Club.

Cash and cash equivalents grew to $94.5 million amid solid free cash flow, while interest expense declined to $7.8 million thanks to reduced debt balances and favorable rates . On the capital allocation front, the company invested $32.7 million in capital expenditures, returned $8.2 million in dividends, repurchased $5.7 million in common stock, and paid down $2.5 million in debt. The board also declared a quarterly dividend of $0.14 per share. St. Joe's diversified business model across residential, commercial leasing, and hospitality, balanced by disciplined financial management, drove both top-line growth and margin improvement in Q1.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	-$0.02	$0.21	$0.28	$0.09	$0.11	$0.90	$1.01	$1.15	$1.28	$1.27	***$1.30***	***$2.00***
DPS	$0.00	$0.00	$0.00	$0.00	$0.00	$0.07	$0.32	$0.40	$0.44	$0.52	***$0.56***	***$0.90***
Shares	74.3	74.3	65.3	60.2	59.4	58.9	58.9	58.3	58.4	58.3	***58.2***	***58.0***

The St. Joe Company is positioned for moderate growth over the next five years, with earnings per share expected to rise from $1.30 to $2.00, supported by continued real estate development, strong demand in Florida's coastal markets, and expanding commercial and hospitality ventures. Dividends per share are projected to grow from $0.56 to $0.90, signaling confidence in sustained cash flow generation. JOE's extensive land holdings, increasing rental income, and strategic infrastructure investments should drive long-term value. While economic conditions and real estate cycles pose risks, the company's diversified revenue streams and disciplined capital management strengthen its growth outlook.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	NA	88.9	69.1	227.2	194.0	22.4	22.2	20.3	19.1	20.0	***35.4***	***25.0***
Avg. Yld.	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	1.4%	1.7%	1.8%	2.1%	***1.2%***	***1.8%***

JOE is currently trading at a P/E ratio of 35.4, well above its historical average of 25 but lower than peak valuations from 2017-2019. The company's shift toward recurring revenue from hospitality, rentals, and commercial properties may justify a higher multiple, though its valuation remains sensitive to real estate cycles. The dividend yield of 1.2% reflects its focus on reinvestment. Over the next five years, if earnings growth continues, the P/E could normalize between 25-30, though weaker real estate demand or higher interest rates could push it toward 20-25.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	0%	0%	0%	0%	0%	8%	32%	35%	34%	41%	***43%***	***45%***

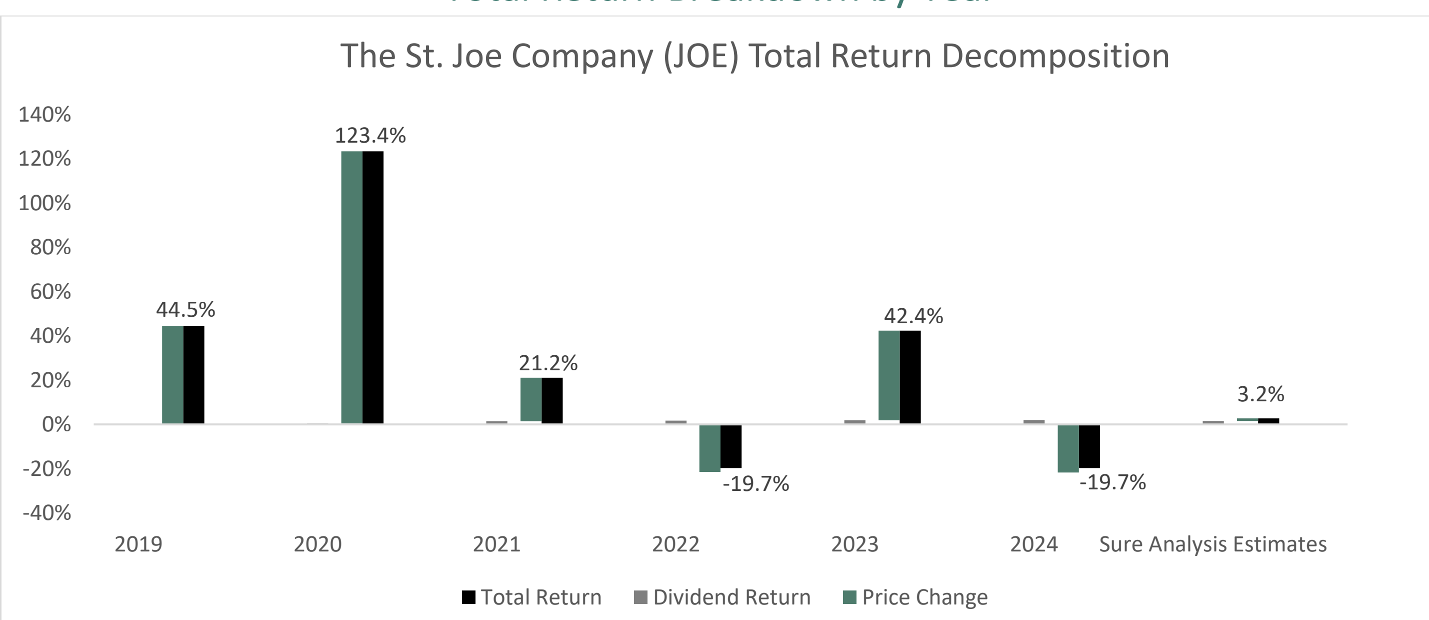
JOE's competitive advantage lies in its large Florida land holdings, allowing it to control supply and capitalize on migration trends. It has transitioned from land sales to stable cash flow businesses, making it more resilient to downturns. During the Great Recession, JOE suffered from falling real estate prices but remained financially strong. In 2020, it benefited from population shifts into Florida, supporting long-term growth.

With low debt and strong interest coverage, JOE maintains financial flexibility to expand without over-reliance on external financing. The payout ratio has risen from 8% in 2020 to 41% in 2024, reflecting confidence in dividend sustainability. If earnings continue growing, the payout may stabilize at 40-45%, though reinvestment remains a priority, keeping the dividend yield modest. Total returns will likely be driven by asset appreciation and operational expansion rather than high dividend payouts.

Final Thoughts & Recommendation

Between its 1.2% dividend yield, 9% expected five-year EPS CAGR, and -6.7% expected five-year valuation multiple CAGR, we project a 3.2% annualized total return for JOE over the next half-decade, making it a Hold at the moment.

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	104	97	100	110	127	161	267	252	389	403
Gross Profit	37	35	33	59	63	83	136	106	153	167
Gross Margin	35.4%	35.8%	32.8%	53.5%	49.6%	51.6%	50.8%	42.2%	39.4%	41.5%
Operating Profit	(6)	3	4	29	31	47	94	61	91	96
Operating Margin	-5.9%	3.2%	3.6%	26.7%	24.6%	29.3%	35.4%	24.4%	23.3%	23.7%
Net Profit	(2)	16	60	32	27	45	75	71	78	74
Net Margin	-1.7%	16.4%	59.6%	29.4%	21.1%	28.2%	27.9%	28.1%	20.0%	18.4%
Free Cash Flow	13	6	22	16	(44)	(84)	(42)	(211)	(36)	58
Income Tax	1	7	(18)	(1)	9	14	25	24	26	26

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	983	1,028	921	871	909	1,037	1,208	1,431	1,524	1,539
Cash & Equivalents	213	241	192	195	186	107	70	38	86	89
Accounts Receivable	4	5	8	17	12	16	21	19	50	40
Inventories					1	2	3	4	4	4
Total Liabilities	309	341	328	338	380	469	582	780	825	802
Accounts Payable	3	4	8	10	16	25	49	70	24	23
Long-Term Debt	231	231	232	246	270	336	401	564	632	616
Shareholder’s Equity	665	669	578	518	520	551	607	631	683	724
LTD/E Ratio	0.35	0.35	0.40	0.48	0.52	0.61	0.66	0.89	0.93	0.85

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	-0.2%	1.6%	6.1%	3.6%	3.0%	4.6%	6.6%	5.4%	5.3%	4.8%
Return on Equity	-0.2%	2.3%	9.3%	5.8%	5.0%	8.2%	12.5%	11.1%	11.5%	10.3%
ROIC	-0.2%	1.7%	6.8%	4.0%	3.4%	5.3%	7.7%	6.3%	6.1%	5.5%
Shares Out.	74.3	74.3	65.3	60.2	59.4	58.9	58.9	58.3	58.4	58.3
Revenue/Share	1.18	1.30	1.42	1.76	2.12	2.72	4.53	4.30	6.67	6.90
FCF/Share	0.15	0.08	0.32	0.26	(0.73)	(1.43)	(0.71)	(3.59)	(0.62)	1.00

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