Four Corners Property Trust, Inc. (FCPT)

Updated September 4th, 2025 by Felix Martinez

Key Metrics

Current Price:	$26	**5 Year Annual Expected Total Return:**	10.4%	**Market Cap:**	$2.70B
Fair Value Price:	$29	**5 Year Growth Estimate:**	4.0%	**Ex-Dividend Date:**	06/30/25
% Fair Value:	91%	**5 Year Valuation Multiple Estimate:**	2.0%	**Dividend Payment Date:**	07/15/25
Dividend Yield:	5.5%	**5 Year Price Target**	$35	**Years Of Dividend Growth:**	10
Dividend Risk Score:	F	**Sector:** X		**Rating:**	Hold

Overview & Current Events

Four Corners Property Trust was formed after Darden Restaurants, Inc (DRI) spin-off, announced in November 2015. Four Corners Property Trust commenced trading on November 10, 2015, on the New York Stock Exchange under the symbol FCPT. FCPT has become an independent public trust that intends to elect and qualify to be treated as a real estate investment trust (REIT) effective January 1, 2016. FCPT, headquartered in Mill Valley, CA, is a real estate investment trust primarily acquiring and leasing restaurant properties. The Trust seeks to grow its portfolio by acquiring additional real estate to lease, on a net basis, for use in the restaurant and retail industries. The Trust has an ten-year dividend growth history and a market capitalization of $2.70 billion.

On July 29th, 2025, FCPT reported second-quarter financial and operating results for Fiscal Year (FY)2025. The company reported solid second-quarter 2025 results, with revenue increasing 9.6% year-over-year to $72.8 million, beating expectations by $2.1 million. Rental revenue rose 10.7% to $64.8 million, supported by acquisitions and steady rent collections, while restaurant revenue contributed $8.0 million. Net income attributable to common shareholders was $27.9 million, or $0.28 per diluted share, up from $24.7 million or $0.27 a year earlier. Funds from Operations (FFO) came in at $0.42 per share, a $0.01 increase, and Adjusted FFO (AFFO) grew to $0.44 per share.

The REIT remained active on the acquisition front, purchasing 24 properties for $84.4 million during the quarter, with an initial cash yield of 6.7% and a weighted average lease term of 13.4 years. Over the past 12 months, FCPT acquired $344 million of properties, one of its strongest four-quarter periods. The portfolio now consists of 1,245 properties across 48 states, 99.4% occupied, with a weighted average remaining lease term of 7.2 years. Rent collection remained robust at 99.8% for the quarter.

FCPT ended Q2 with $562 million in available liquidity, including $6 million in cash, $206 million in anticipated proceeds from forward sale agreements, and $350 million of revolver capacity. Debt stood at $1.2 billion, with net leverage at 5.4x EBITDAre, or 4.5x including unsettled equity from forward sales. The company continued to raise capital through its ATM program, selling over 6.1 million shares year-to-date for $172.7 million in gross proceeds. FCPT declared a quarterly dividend of $0.355 per share. Management highlighted that the company's low leverage, disciplined acquisitions, and national tenant base position it well for continued growth into the second half of 2025.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$1.51	$1.35	$1.36	$1.41	$1.44	$1.49	$1.56	$1.60	$1.62	$1.65	***$1.69***	***$2.06***
DPS	N/A	$1.17	$1.00	$1.11	$1.17	$1.23	$1.29	$1.34	$1.37	$1.39	***$1.42***	***$1.65***
Shares[1]	6.0	60.0	61.0	64.0	69.0	72.0	77.0	81.0	88.0	94.1	***95.0***	***99.0***

The most significant growth prospects from FCPT will be the continuation of profitable acquisitions in the future. The Trust does not have a long history of FFO growth, but FCPT has grown FFO at a Compound Annual Growth Rate (CAGR) of 2.6% over the past five years. During the COVID-19 pandemic, most REITs had to cut their dividend, or FFO decreased

[1] Share count is in millions.

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for the year. However, FCPT increased earnings by 4% from FY2019 to FY2020. We expect FCPT to continue to grow FFO at a 4% CAGR for the next five years. We expect the Trust to make $2.06 per share in 2030.

The dividend has been growing steadily, with a five-year average growth rate of 2.9%. We think that the Trust will continue to raise its dividend at a pace of 3% for the next five years.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	16	15.2	18.9	18.5	18.4	19.9	18.9	16.2	15.6	16.5	***15.4***	***17.00***
Avg. Yld.	N/A	5.7%	3.9%	4.3%	4.1%	4.1%	4.4%	5.2%	5.4%	5.1%	***5.5%***	***4.7%***

FCPT currently trades hands with a 15.4x FFO. Over the short history of FCPT, the Trust has five-year multiple averages of 17.4x FFO. However, we think a multiple of 17x FFO is fair for FCPT because it will be in line with the sector median. Thus, this will provide a 2.0% tailwind expansion over the next five years. The current dividend yield of 5.5% is attractive and higher than its five-year average.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	N/A	87%	74%	79%	81%	83%	83%	84%	85%	84%	***84%***	***80%***

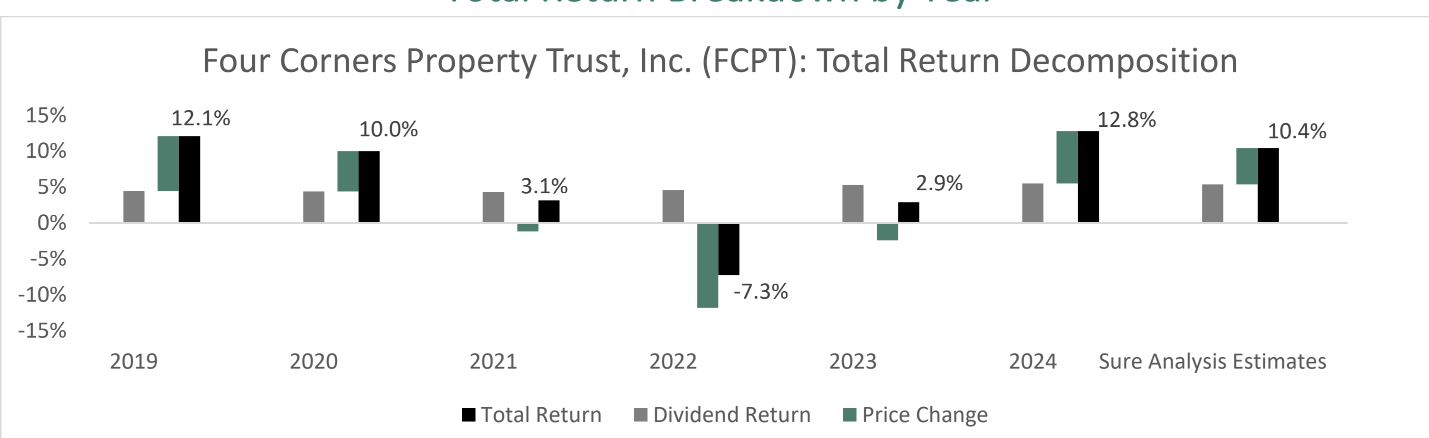
FCPT's competitive advantage is that it has a good management team. Also, the Trust is structured as a triple-net lease, which means property maintenance, taxes, and insurance are the tenant's responsibility. This results in strong operating margins in the 80-90% range for this sector, compared to most shopping center REITs' ~65% operating margins. FCPT does not have a long history, but the Trust held steadfast during the COVID-19 pandemic. From 2019 to 2020, revenue grew 6.9%, and FFO increased 4%. This speaks volumes as most retail REITs struggle mightily during the pandemic. Also, FCPT did not have to cut its dividend.

FCPT had a good balance sheet. The Trust has an interest coverage ratio of 3.1 and a debt-to-equity ratio of 0.8. The dividend payment is in line with other REITs paying out 84% of its FFO.

Final Thoughts & Recommendation

FCPT is a well-run retail REIT with a good balance sheet. The Trust went through the COVID-19 pandemic like it was not even there. The Trust looks undervalued valued, with an expected total return for the next five years to be 10.4%. However, we rate it as a hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	33	124	133	144	160	171	199	223	251	268
Gross Profit	16	106	114	124	139	151	170	187	210	227
Gross Margin	49.2%	85.6%	85.8%	86.5%	86.8%	88.5%	85.2%	84.0%	83.7%	84.7%
SG&A Exp.	2	11	12	13	14	15	18	20	23	24
D&A Exp.	4	21	22	24	26	29	35	41	51	55
Operating Profit	11	75	80	87	99	107	117	126	137	149
Operating Margin	32.4%	60.2%	60.4%	60.6%	61.6%	62.5%	58.8%	56.4%	54.6%	55.6%
Net Profit	6	157	71	82	73	77	86	98	95	100
Net Margin	17.0%	126%	53.6%	57.4%	45.3%	45.2%	42.9%	43.8%	37.8%	37.3%
Free Cash Flow	22	71	79	81	105	91	122	142	165	144
Income Tax	3	-80	0.0	0.3	0.3	0.2	-1	0	0	0

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	929	937	1069	1343	1446	1668	1903	2199	2452	2653
Cash & Equivalents	98	27	64	92	5	11	6	26	16	4
Accounts Receivable	0.1	0.2	0.4	1	0.4	1	1	3	3	3
Inventories	0.2	0.2	0.2	0.2	0.2	3	0	8	0	0
Goodwill & Int. Ass.		2	4	19	58	96	104	106	118	124
Total Liabilities	488	467	546	644	719	824	939	1060	1192	1202
Accounts Payable	1	1	1	1	1	0	1	1	1	1
Long-Term Debt	392	439	516	616	670	754	878	995	1113	1138
Shareholder's Equity	442	465	514	691	721	841	962	1136	1258	1449
D/E Ratio	0.89	0.94	1.00	0.89	0.93	0.90	0.91	0.88	0.88	0.79

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.2%	16.8%	7.1%	6.8%	5.2%	5.0%	4.8%	4.8%	4.1%	3.9%
Return on Equity	2.5%	34.6%	14.6%	13.7%	10.3%	9.9%	9.5%	9.3%	8.0%	7.4%
ROIC	1.4%	18.0%	7.3%	7.0%	5.4%	5.2%	5.0%	4.9%	4.2%	4.1%
Shares Out.	6.0	60.0	61.0	64.0	69.0	72.0	77.0	81.8	88.8	94.1
Revenue/Share	5.34	2.08	2.19	2.23	2.33	2.39	2.59	2.73	2.82	2.85
FCF/Share	3.46	1.19	1.30	1.26	1.53	1.28	1.59	1.74	1.86	1.53

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