



Getty Realty Corp. (GTY)

Updated October 23rd, 2025 by Aristofanis Papadatos

Key Metrics

Current Price:	\$28	5 Year CAGR Estimate:	11.8%	Market Cap:	\$1.6 B
Fair Value Price:	\$35	5 Year Growth Estimate:	2.0%	Ex-Dividend Date:	12/26/2025
% Fair Value:	81%	5 Year Valuation Multiple Estimate:	4.4%	Dividend Payment Date:	1/8/2026
Dividend Yield:	6.9%	5 Year Price Target	\$38	Years Of Dividend Growth:	13
Dividend Risk Score:	F	Sector:	REITs	Rating:	Hold

Overview & Current Events

Getty Realty (GTY) is a real estate investment trust (REIT) that specializes in the acquisition and development of convenience, automotive and other single-tenant retail real estate. The REIT has 1,160 properties in 44 states across the U.S. and a market capitalization of \$1.6 billion. About 67% of the properties are convenience and gas stores.

Getty Realty has a defensive business model, as its tenants are established retailers that are resistant to recessions and the threat of e-commerce. It is remarkable that nearly 70% of the properties of the REIT are corner locations in high-density metropolitan areas. In addition, the REIT has an eye-opening occupancy rate of 99.7%.

In late October, Getty Realty reported (10/22/25) financial results for the third quarter of fiscal 2025. Rental income grew 11% over the prior year's quarter thanks to the acquisition of new properties and growth in rental rates. Adjusted funds from operations (AFFO) per share grew 5%, from \$0.59 to \$0.62, as higher rental income was partly offset by higher interest expense and increased depreciation due to the acquisition of many new properties.

In contrast to most REITs, which are suffering from high interest expense amid high interest rates, Getty Realty has low interest expense thanks to its healthy balance sheet. Management raised its guidance for AFFO per share in 2025, from \$2.40-\$2.41 to \$2.42-\$2.43. Accordingly, we have raised our forecast for FFO per share from \$2.40 to \$2.43.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
FFO	\$1.39	\$1.67	\$1.56	\$1.80	\$1.86	\$2.31	\$1.88	\$2.44	\$2.06	\$2.34	\$2.43	\$2.68
DPS	\$0.93	\$1.03	\$1.16	\$1.31	\$1.42	\$1.50	\$1.58	\$1.66	\$1.74	\$1.82	\$1.94	\$2.19
Shares¹	33.4	33.8	36.9	40.2	41.1	42.1	44.8	46.8	50.2	55.7	58.0	80.0

Getty Realty benefits from the sustained growth of sales of convenience stores, which have proved resilient to all kinds of downturns, such as recessions, the pandemic and the boom of e-commerce. Convenience stores have grown their sales by 6% per year on average over the last 40 years, with markedly low volatility. The resilience of convenience stores renders the business model of Getty Realty strong, as the REIT has been able to increase rental rates while it has always enjoyed sector-leading occupancy rates.

Getty Realty has grown its FFO per share by 6.0% per year on average over the last decade and by 4.7% per year on average over the last five years. It invested \$209 million in acquisitions and developments in 2024. As this amount is 13% of the market cap of the REIT, it certainly bodes well for future growth. Nevertheless, due to a somewhat volatile performance record in the last four years, we assume 2.0% average annual growth of FFO per share until 2030.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg P/FFO	12.2	12.8	17.1	15.1	17.2	12.1	16.3	11.9	15.6	12.5	11.5	14.3
Avg. Yld.	5.5%	4.8%	4.4%	4.8%	4.5%	5.4%	5.2%	5.7%	5.4%	6.2%	6.9%	5.7%

¹ In millions.

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Getty Realty has traded at an average P/FFO ratio of 14.3 over the last decade, with remarkably low variation in its valuation level throughout this period. The stock is currently trading at a P/FFO ratio of 11.5, which is lower than its historical average valuation level. We expect the stock to revert to its average valuation level in five years thanks to lower interest rates. If this occurs, the stock will enjoy a 4.4% annualized gain in its returns.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	67%	62%	74%	73%	76%	65%	84%	68%	84%	78%	80%	82%

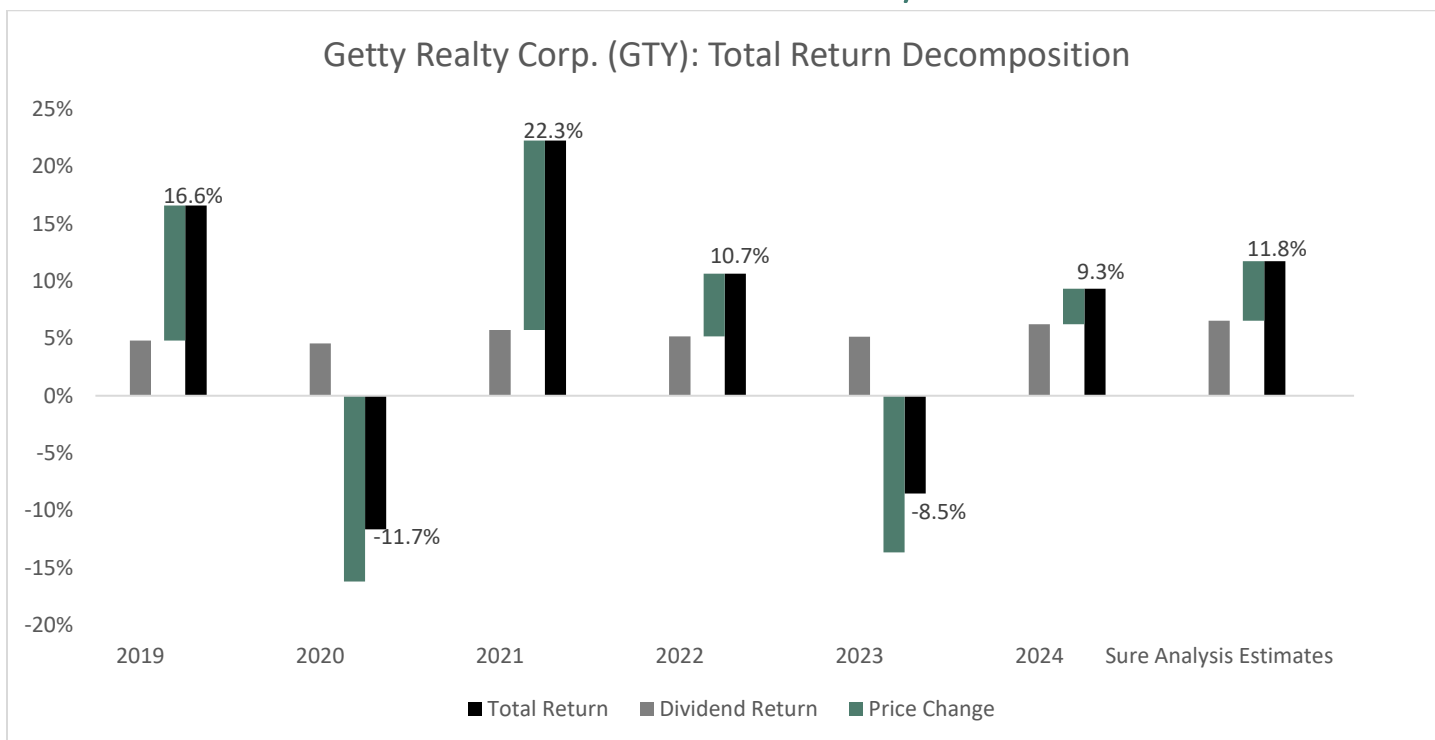
Getty Realty just raised its dividend by 3% and it is now offering a nearly 10-year high dividend yield of 6.9%. Its payout ratio is high, at 80%, but the REIT has a defensive business model and a manageable amount of debt. It has an interest coverage ratio of 2.5 and net debt of \$916 million, which is only 57% of the market capitalization. Moreover, its next debt maturity is in June 2028. As a result, Getty Realty is not likely to have any problem servicing its debt and hence it is not likely to cut its dividend over the next two years in the absence of a downturn.

It is also worth noting that Getty Realty proved resilient to the recession caused by the pandemic in 2020, as it kept growing its FFO per share and its dividend during that crisis.

Final Thoughts & Recommendation

Getty Realty currently experiences positive but modest business momentum. Nevertheless, it remains attractive from a long-term perspective. It can offer an 11.8% average annual return over the next five years thanks to 2.0% annual growth of FFO per share, its 6.9% dividend and a 4.4% valuation tailwind. The stock maintains its hold rating. It is likely to remain under pressure as long as the risk of high tariffs and high inflation remains in place. On the other hand, we reiterate that the stock is suitable for investors who can wait patiently for interest rates to moderate in the upcoming years.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	111	115	120	136	141	147	155	166	186	203
Gross Profit	86	92	98	112	116	124	133	144	162	189
Gross Margin	77.8%	79.9%	81.4%	82.6%	82.2%	84.0%	85.8%	87.0%	87.2%	92.7%
SG&A Exp.	17	14	14	15	15	17	20	21	24	25
D&A Exp.	15	19	21	26	28	34	40	45	51	60
Operating Profit	45	57	65	70	70	75	74	104	92	108
Op. Margin	40.6%	49.0%	53.9%	51.1%	49.6%	51.1%	47.7%	63.1%	49.4%	53.0%
Net Profit	37	38	47	48	50	69	63	90	60	71
Net Margin	33.8%	33.3%	39.3%	35.1%	35.4%	47.1%	40.4%	54.4%	32.4%	34.9%
Free Cash Flow	49	37	59	63	77	83	87	93	105	130

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	897	877	1,073	1,162	1,212	1,350	1,467	1,562	1,822	1,974
Cash & Equivalents	4	13	20	47	22	55	25	9	3	9
Total Liabilities	490	446	519	581	622	690	722	802	867	1012
Long-Term Debt	317	299	379	444	469	549	584	693	756	905
Shareholder's Equity	407	431	554	581	589	660	745	760	956	962
LTD/E Ratio	0.78	0.69	0.68	0.76	0.80	0.83	0.78	0.91	0.79	0.94

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.7%	4.3%	4.8%	4.3%	4.2%	5.4%	4.5%	5.9%	3.6%	3.7%
Return on Equity	9.2%	9.2%	9.6%	8.4%	8.5%	11.1%	8.9%	12.0%	7.0%	7.4%
ROIC	6.0%	5.3%	5.7%	4.9%	4.8%	6.1%	5.0%	6.5%	3.8%	4.0%
Shares Out.	33.4	33.8	36.9	40.2	41.1	42.1	44.8	46.8	50.2	54.6
Revenue/Share	3.31	3.41	3.26	3.39	3.42	3.50	3.47	3.54	3.70	3.73
FCF/Share	1.48	1.08	1.59	1.56	1.87	1.96	1.93	1.99	2.09	2.38

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

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