



# EPR Properties (EPR)

Updated November 23<sup>rd</sup>, 2025, by Josh Arnold

## Key Metrics

Current Price:	\$52	5 Year CAGR Estimate:	11.4%	Market Cap:	\$4 B
Fair Value Price:	\$61	5 Year Growth Estimate:	3.0%	Ex-Dividend Date:	11/28/25
% Fair Value:	85%	5 Year Valuation Multiple Estimate:	3.3%	Dividend Payment Date:	12/15/25
Dividend Yield:	6.8%	5 Year Price Target	\$71	Years Of Dividend Growth:	4
Dividend Risk Score:	F	Sector:	Real Estate	Rating:	Hold

## Overview & Current Events

EPR Properties is a specialty real estate investment trust, or REIT, that invests in properties in specific market segments that require industry knowledge to operate effectively. It selects properties it believes have strong return potential in Entertainment, Recreation, and Education. The REIT structures its investments as triple net, a structure that places the operating costs of the property on the tenants, not the REIT. The portfolio includes about \$7 billion in investments across 300+ locations in 44 states, including over 250 tenants. Total revenue should be in excess of \$700 million this year, and the stock is valued at \$4 billion.

EPR posted third quarter earnings on October 29<sup>th</sup>, 2025, and results were largely in line with expectations. Adjusted FFO-per-share came to \$1.37, which was three cents ahead of estimates. FFO was up from \$1.26 in Q2, and \$1.29 in the year-ago period. Revenue was up 1% year-over-year to \$182 million, in line with expectations.

Property operating expenses were \$14.5 million, down from \$14.7 million in Q2 and \$14.6 million a year ago. Adjusted EBITDAre was \$147 million, up from \$138 million in Q2 and \$143 million a year ago.

Investment spending was \$54.5 million, while realized disposition proceeds were \$19.3 million. The trust also committed \$100 million in experiential development and redevelopment projects over the next 15 months.

We now see \$5.10 in adjusted FFO-per-share for this year with one quarter to go.

## Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
AFFO	\$4.44	\$4.82	\$5.02	\$6.10	\$5.44	\$1.43	\$3.09	\$4.69	\$5.18	\$4.87	\$5.10	\$5.91
DPS	\$3.63	\$3.84	\$4.08	\$4.32	\$4.50	\$1.51	\$1.50	\$3.25	\$3.30	\$3.40	\$3.54	\$3.72
Shares <sup>1</sup>	58	64	71	74	78	75	75	75	76	76	76	78

EPR managed to grow nicely in the years since the financial crisis, which saw its AFFO fall to just \$1.30 in 2009. From 2010 to 2019, EPR compounded AFFO at almost 8% annually. Of course, 2020 proved to be a significantly down year, with a recovery in 2021 that continues today. However, earnings have plateaued and 2025 looks to be another year below that of 2023.

Previously, EPR enjoyed exceedingly high occupancy rates, which afforded it pricing power and higher margins over time. We used to like EPR's exposure to experiential parts of the economy, but with uncertainty surrounding these businesses, we're cautious on EPR's future. That said, current results seem to indicate that the worst is behind EPR, and the Regal restructuring is a big step forward. We're bumping our growth estimate to 3% as we think EPR's current level of earnings is sustainable, but tough to grow meaningfully from for the time being.

The dividend is at a rate of \$3.54 per share annually, which we believe will grow slowly in the years to come. The stock yields 6.8% now, which is impressive given the trust went several months with no dividend payment. EPR has now raised its dividend for four consecutive years with its March 2025 boost. In addition, the dividend is paid monthly, rather than quarterly, so its yield is extremely attractive.

<sup>1</sup> Share count in millions

*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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## Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
<b>Avg. P/AFFO</b>	12.9	14.7	14.2	10.4	13.8	25.7	15.6	7.9	9.4	9.1	<b>10.2</b>	<b>12.0</b>
<b>Avg. Yld.</b>	6.3%	5.4%	5.7%	6.8%	6.0%	4.1%	3.1%	8.6%	6.8%	7.7%	<b>6.8%</b>	<b>5.2%</b>

EPR's normalized price-to-AFFO-per-share ratio has averaged 13.3 since 2010. We see fair value at 12 times AFFO, as we see conditions as having normalized for the most part. At the current valuation of 10.2 times AFFO, we view EPR as somewhat undervalued.

The yield is at a very impressive 6.8% presently following the most recent dividend increase, and weak action in the share price. We expect the combination of a potentially higher valuation and higher dividend payments to keep the yield in the area of at least 5%.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
<b>Payout</b>	82%	80%	81%	71%	83%	106%	49%	69%	64%	70%	<b>69%</b>	<b>63%</b>

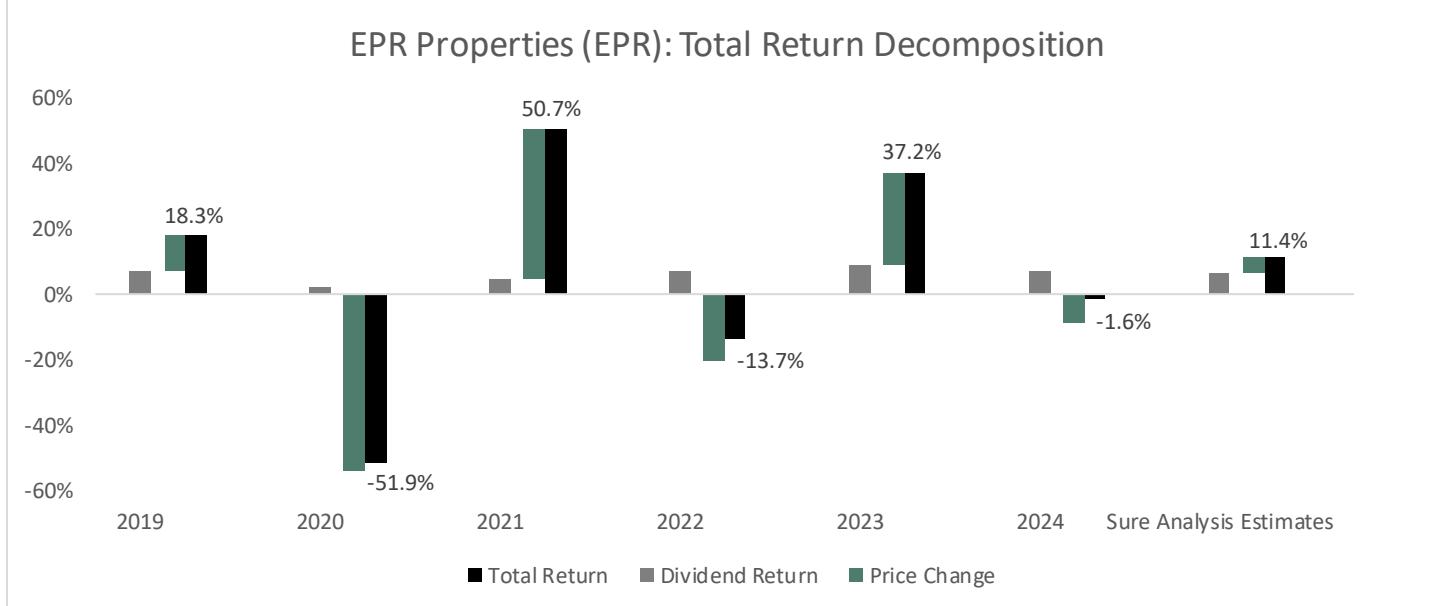
We are forecasting the payout ratio to decline to 63% of AFFO by 2030, which is in line with most years in the past decade as we believe EPR will want to reduce the risk of another dividend suspension and/or cut.

EPR's competitive advantage is its portfolio of specialized properties. EPR has methodically identified the most profitable properties through years of experience and focuses its investments in these areas. It certainly isn't immune to recessions, but it remained profitable during the worst of the financial crisis and continued to pay its dividend. We see EPR as one of the better-run REITs in our coverage universe for these reasons, but we also note that the damage done to EPR's experiential tenants during the pandemic was enormous.

## Final Thoughts & Recommendation

EPR is undervalued in our view, driving a potential 3.3% tailwind. We like the strong operating history and track record of capital returns, and the high dividend yield of 6.8% is making the stock attractive, even with little growth. With total projected returns at 11.4%, we are reiterating the stock at a hold rating.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenue</b>	421	493	518	640	652	415	532	611	660	641
<b>Gross Profit</b>	398	471	487	610	591	356	475	555	602	582
<b>Gross Margin</b>	94.4%	95.4%	94.0%	95.4%	90.7%	85.9%	89.3%	91.5%	91.2%	90.8%
<b>SG&amp;A Exp.</b>	50	38	43	49	46	43	44	52	56	50
<b>D&amp;A Exp.</b>	90	108	133	153	172	170	164	163	167	165
<b>Operating Profit</b>	258	326	322	423	386	112	289	342	378	354
<b>Operating Margin</b>	61.4%	66.0%	62.2%	66.1%	59.2%	27.1%	54.3%	52.0%	57.3%	55.2%
<b>Net Profit</b>	195	225	263	267	202	(132)	99	176	173	146
<b>Net Margin</b>	46.2%	45.6%	50.7%	41.7%	31.0%	-32%	18.5%	26.7%	26.2%	22.8%
<b>Free Cash Flow</b>	278	305	398	484	440	65	307	442	447	393
<b>Income Tax</b>	0	1	2	2	(3)	17	2	1	2	1

## Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total Assets</b>	4,217	4,865	6,191	6,131	6,578	6,704	5,801	5,759	5,701	5,617
<b>Cash &amp; Equivalents</b>	4	19	42	6	529	1,026	289	108	78	22
<b>Accounts Receivable</b>	62	75	83	85	85	116	76	54	64	85
<b>Goodwill &amp; Int. Ass.</b>	9	15	29	42	45	42	38	37	35	32
<b>Total Liabilities</b>	2,143	2,679	3,264	3,266	3,572	4,074	3,183	3,223	3,247	3,293
<b>Accounts Payable</b>	92	120	137	168	123	105	73	80	95	108
<b>Long-Term Debt</b>	1,982	2,486	3,029	2,986	3,103	3,694	2,804	2,810	2,816	2,860
<b>Shareholder's Equity</b>	2,074	2,186	2,927	2,865	3,006	2,630	2,618	2,536	2,454	2,323
<b>LTD/E Ratio</b>	0.96	1.14	1.03	1.04	1.03	1.40	1.07	1.11	1.15	1.23

## Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Return on Assets</b>	4.9%	5.0%	4.8%	4.3%	3.2%	-2.0%	1.6%	3.0%	3.0%	2.6%
<b>Return on Equity</b>	9.7%	10.6%	10.3%	9.2%	6.9%	-4.7%	3.8%	6.8%	6.9%	6.1%
<b>ROIC</b>	5.1%	5.2%	4.9%	4.5%	3.4%	-2.1%	1.7%	3.3%	3.3%	2.8%
<b>Shares Out.</b>	58	64	71	74	78	75	75	75	76	76
<b>Revenue/Share</b>	7.22	7.77	7.27	8.61	8.49	5.46	7.11	8.14	8.71	8.43
<b>FCF/Share</b>	4.77	4.81	5.59	6.52	5.72	0.86	4.11	5.89	5.91	5.17

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

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