EastGroup Properties, Inc. (EGP)

Updated February 9th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$191	**5 Year Annual Expected Total Return:**	8.8%	**Market Cap:**	$10.2 B
Fair Value Price:	$171	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	03/31/2026[1]
% Fair Value:	112%	**5 Year Valuation Multiple Estimate:**	-2.2%	**Dividend Payment Date:**	04/15/2026
Dividend Yield:	3.2%	**5 Year Price Target**	$251	**Years Of Dividend Growth:**	15
Dividend Risk Score:	C	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

EastGroup Properties is an internally-managed equity real estate investment trust founded in 1969. The trust is a leading provider of multi-tenant distribution and logistics facilities primarily in Sunbelt markets such as in the states of Florida, Texas, Arizona, California, and North Carolina. As of December 31st, 2025, EastGroup owned 551 industrial properties in 12 states. Its portfolio was 97.0% leased and 96.5% occupied and its top 10 tenants comprised 6.8% of annualized base rent. EastGroup generated $721 million in annual rental revenues last year. It is headquartered in Ridgeland, Mississippi.

On February 4th, 2026, EastGroup reported its Q4 and full year 2025 results for the period ending December 31st, 2025. For the quarter, revenues from real estate operations totaled $187.4 million, up from $163.8 million in the prior year period, reflecting continued contribution from same-property growth, acquisitions, and recently delivered development projects.

FFO of $124.8 million increased 15.4% year-over-year, or 8.8% higher on a per-share basis to $2.34. Excluding gains on involuntary conversion and business interruption claims, FFO per share was also $2.34, compared to $2.15 in Q4 2024. As in prior periods, per-share growth reflected solid operating performance, partially offset by higher weighted average shares outstanding following equity issuance.

Portfolio fundamentals remained strong, with the operating portfolio 97.0% leased and 96.5% occupied at quarter-end, and average occupancy of 96.2% for the quarter. Rental rates on new and renewal leases signed during the quarter grew 34.6% on a straight-line basis. Same-property NOI, excluding lease termination income, rose 8.5% on a straight-line basis and 8.4% on a cash basis, supported by 8.0% same-property revenue growth and disciplined expense management.

Management expressed confidence in the company's positioning heading into 2026, citing limited new supply, strong development leasing activity, and a well-capitalized balance sheet. The company provided initial 2026 FFO/share guidance in the range of $9.40 to $9.60. We have applied the midpoint of this range in our estimates.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO/shr	$4.02	$4.25	$4.66	$4.98	$5.38	$6.09	$7.00	$7.79	$8.35	$8.98	***$9.50***	***$13.96***
DPS	$2.44	$2.52	$2.72	$2.94	$3.08	$3.58	$4.70	$5.04	$5.34	$5.90	***$6.20***	***$9.11***
Shares[2]	32.6	34.0	35.4	37.4	39.1	40.3	42.6	45.2	48.9	52.8	***52.8***	***60.0***

As mentioned earlier, EastGroup's FFO/share growth track record is truly one of the most impressive amongst all REITs. Besides achieving operational excellence, including maximizing its occupancy and benefiting from an ever-growing demand for distribution centers amid e-commerce's growth, the company enjoys excellent demographic tailwinds. Specifically, the company's properties are located in 13 of 15 fastest-growing markets in the United States, while its two largest by income states, Texas (~34% of annualized base rent) and Florida (~25% of ABR), are likely to see strong rental growth ahead amid their overall net adds in populations and income-tax-free statuses. While rising interest rates could

[1] Estimated dates based on past dividend dates.
[2] Share count is 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.

slow down the company's growth, we forecast FFO/share growth of 8% in the medium-term based on the company's ongoing momentum.

EastGroup also features one of the most impressive dividend growth track records amongst its industry peers, having hiked its dividend in 27 of the last 31 years. The REIT paused dividend growth during the Great Recession, but the dividend has never been cut. We have set our dividend growth estimate at 8% through 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/FFO	16.7	20.5	20.4	24.1	24.5	32.8	25.0	20.7	20.9	21.3	***20.1***	***18.0***
Avg. Yld.	3.6%	2.9%	2.9%	2.5%	2.3%	1.8%	2.7%	3.1%	3.1%	3.1%	***3.2%***	***3.6%***

EastGroup is currently trading at a forward price-to-FFO ratio of 20.1. That's below its historical average of about 23. We believe a modest discount is fair given that interest rates remain somewhat high despite the REIT's operating excellence. We have therefore maintained the stock's fair multiple at 18 times, anticipating a further headwind from the current valuation moving forward. The dividend yield, however, is above its historical average at 3.2% today.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	61%	59%	58%	59%	57%	59%	67%	65%	64%	66%	***65%***	***65%***

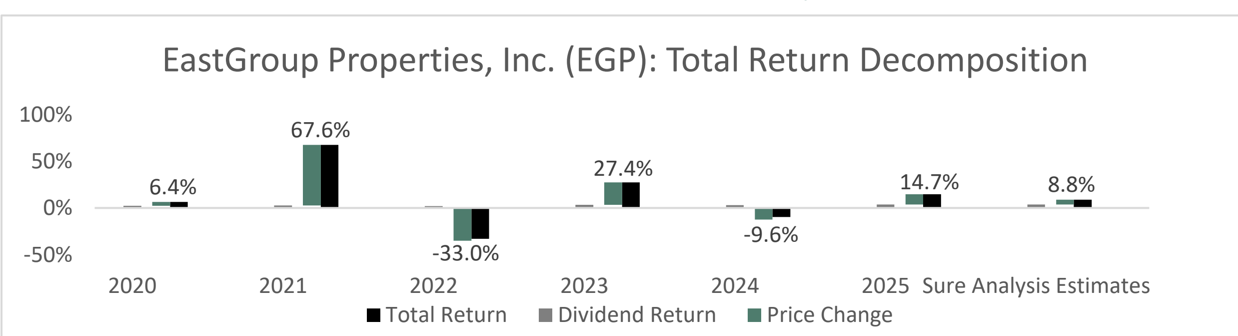
We consider EastGroup's dividend very safe. Payouts are widely covered, and EastGroup's latest bold DPS hike should further increase investors' confidence in that regard. The company showcases some of the highest quality characteristics amongst its peers. These include record occupancy rates, excellent rental growth prospects due to ideal demographics, and relatively cheap financing, including average cost of debt of around 3.43%.

Finally, cash flows are greatly diversified, with EastGroup's top 10 tenants accounting for 6.8% of the total annualized base rent. The company's advantageous industry of operations is also a great benefit in terms of driving its future growth. We believe the company displays a great completive advantage by specializing in the Sunbelt markets. Further, due to the critical nature of its distribution properties, cash flows should remain relatively resilient even under a recession. This was the case both during the Great Financial Crisis and the COVID-19 pandemic.

Final Thoughts & Recommendation

EastGroup has delivered excellent growth in its financials and capital returns over the past few years. The company's results remained very strong even in the face of elevated interest rates, while its unique qualities are likely to lead to strong FFO/share and dividend growth moving forward. We project annualized returns of 8.8% in the medium-term, powered by our growth estimates and the starting dividend, offset by the possibility of a modest valuation contraction. Shares continue to earn 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
Revenue	235	253	274	300	331	363	409	487	571	640
Gross Profit	168	179	194	214	238	260	294	353	417	466
Gross Margin	71.3%	70.6%	70.8%	71.2%	71.9%	71.5%	71.9%	72.5%	73.0%	72.8%
SG&A Exp.	15	13	15	14	17	15	16	17	17	21
D&A Exp.	73	78	84	92	105	116	127	154	171	189
Operating Profit	79	88	95	109	117	128	151	183	228	255
Operating Margin	33.7%	34.6%	34.7%	36.1%	35.2%	35.3%	36.9%	37.6%	39.9%	39.8%
Net Profit	48	96	83	89	122	108	158	186	200	228
Net Margin	20.4%	37.7%	30.3%	29.5%	36.7%	29.9%	38.6%	38.2%	35.0%	35.6%
Free Cash Flow	130	139	155	165	196	196	256	317	338	417

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,662	1,826	1,953	2,132	2,546	2,721	3,215	4,036	4,519	5,077
Cash & Equivalents	0	1	0	0	0	0	4	0	40	18
Accounts Receivable	32	34	37	41	46	49	59	71	82	94
Goodwill & Int. Ass.	12	14	13	13	19	16	20	22	21	40
Total Liabilities	1,103	1,184	1,202	1,227	1,344	1,450	1,644	2,082	1,911	1,785
Long-Term Debt	1,035	1,116	1,129	1,121	1,208	1,316	1,457	1,862	1,675	1,504
Shareholder's Equity	555	638	749	903	1,201	1,270	1,570	1,953	2,608	3,292
LTD/E Ratio	1.87	1.75	1.51	1.24	1.01	1.04	0.93	0.95	0.64	0.46

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	3.0%	5.5%	4.4%	4.3%	5.2%	4.1%	5.3%	5.1%	4.7%	4.8%
Return on Equity	8.5%	16.0%	12.0%	10.7%	11.6%	8.8%	11.1%	10.6%	8.8%	7.7%
ROIC	3.1%	5.7%	4.6%	4.5%	5.5%	4.3%	5.6%	5.5%	5.0%	5.0%
Shares Out.	32.1	32.6	34.0	35.4	37.4	39.2	40.4	42.7	45.3	48.9
Revenue/Share	7.30	7.76	8.05	8.46	8.83	9.24	10.14	11.40	12.59	13.09
FCF/Share	4.04	4.26	4.55	4.64	5.22	5.00	6.35	7.41	7.46	8.52

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