Postal Realty Trust, Inc. (PSTL)

Updated February 27th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$21.09	**5 Year Annual Expected Total Return:**	3.3%	**Market Cap:**	$718 M
Fair Value Price:	$16.80	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	02/13/2026
% Fair Value:	126%	**5 Year Valuation Multiple Estimate:**	-4.4%	**Dividend Payment Date:**	02/27/2026
Dividend Yield:	4.6%	**5 Year Price Target**	$19.48	**Years Of Dividend Growth:**	6
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Postal Realty Trust focuses on acquiring and managing properties leased primarily to the United States Postal Service (USPS), ranging from last-mile post offices to larger industrial facilities. The company is the USPS' largest owner and manager of USPS-leased properties, with net investments in 1,917 real estate properties (including two accounted for as financing leases) across 49 states and one territory, totaling about 7.1 million net leasable interior square feet. These properties are currently 99.8% occupied. Postal Realty also manages an additional 333 postal properties and holds a right of first offer to purchase 189 of those managed assets. The company recorded total revenues of $95.8 million last year. The company is based in Cedarhurst, New York.

On January 30th, 2026, Postal Realty arise its dividend by 1.0% to a quarterly rate of $0.245.

On February 24th, 2026, Postal Realty reported its Q4 and full year results for the period ending December 31st, 2025. For the quarter, total revenues increased to $26.0 million, compared to $21.4 million in the prior year period, driven by continued acquisition activity and internal portfolio growth. During the fourth quarter, the company acquired 65 USPS-leased properties for about $29.1 million, and for the full year completed 216 acquisitions totaling $123.1 million at a weighted average cash capitalization rate of 7.7%.AFFO for the quarter was $11.1 million, or $0.33 per diluted share, consistent with the prior year quarterly run rate, while full year AFFO totaled $42.1 million, or $1.32 per diluted share.

Management highlighted strong portfolio fundamentals, with the portfolio 99.8% occupied across 1,917 properties as of year-end, and subsequently expanded its aggregate unsecured credit facilities by $115 million to $555 million while raising an additional $44.2 million through its ATM program. Looking ahead, the company introduced initial 2026 AFFO guidance of $1.39 to $1.41 per diluted share. 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	---	---	---	---	$0.85	$0.95	$0.96	$0.96	$1.16	$1.33	***$1.40***	***$1.62***
DPS	---	---	---	$0.20	$0.79	$0.89	$0.93	$0.95	$0.96	$0.97	***$0.98***	***$1.14***
Shares[1]	---	---	---	5.2	7.0	13.7	18.5	20.1	22.6	24.3	***24.3***	***35.0***

Postal Realty has been growing through acquiring and consolidating properties leased to the United States Postal Service – it has been on this journey over the past 30+ years. Growth from lease renewals at higher rates over time should also contribute to growth, as renewing a lease is a more attractive economic alternative than moving for USPS, even if it's at a higher rate. The fact that USPS is also responsible for the majority of property expenses should also allow for a decent expansion in margins over time.

Nevertheless, from what we've seen thus far during the company's short period in the public markets, continuous dilution has suppressed any potential growth in the per-share metrics. We expect FFO/share growth of about 3% over the medium-term, expecting that lease renewals and acquisitions will eventually be accretive to results while remaining relatively prudent. In terms of the dividend, it grew for 14 consecutive quarters up to the first quarter of 2023, by

[1] Share count is in millions.

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fractional amounts, which eventually added up. Sequential increases no longer take place. We estimate dividend-per-share growth of 3% through 2031, expecting the company to keep distributing the majority of its operating cash flows.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/FFO	---	---	---	---	17.6	19.3	16.8	14.5	12.1	10.8	***15.1***	***12.0***
Avg. Yld.	---	---	---	---	5.2%	4.9%	5.8%	6.8%	6.8%	6.8%	***4.6%***	***5.8%***

Shares of Postal Realty have seen their valuation contract in recent years as a result of a lack of meaningful growth in the company's per-share metrics, as well as rising interest rates that have further weighed down on the REIT's profitability prospects. Normally, we would assign a fair multiple in the high-single-digits to the stock, but given its strong qualities, we have set Postal Realty's P/FFO at 12. This means shares could still be a bit overvalued today. The 4.6% yield is decent, though not as attractive as it was in prior years following the stock's recent rally.

Safety, Quality, Competitive Advantage, & Recession Resiliency

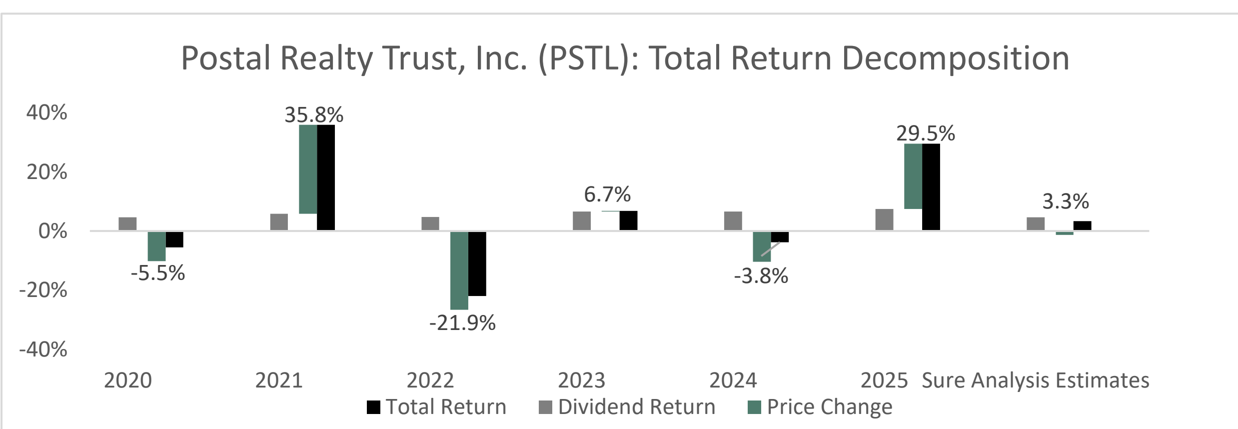
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	---	---	93%	93%	97%	99%	83%	73%	***70%***	***70%***

Despite the high payout ratio, we believe that Postal Realty's dividend is safe and backed by the company's multi-year leases and predictable cash flow generation. The most recent dividend increase strengthens this argument. Postal Realty's numerous qualities should also bolster its investment case. These include the fact that –despite the lack of tenant diversification– USPS is an incredibly trustworthy tenant that will never miss on its rental payments. Due to its Federal government-supported credit, the rental collection has consistently been 100%, while the USPS's operating lease payments were only 1.5% of total operating expenses last year. Also, due to USPS's mission-critical logistics network being irreplaceable, Postal Realty's historical weighted average lease retention rate stands at 99% — hence the 99.8% occupancy rate. The benefits of having USPS as your sole tenant make for some great competitive traits. For these reasons, we believe the company should keep producing rather robust results during a recession. Balance sheet-wise, Postal Realty's net debt/adjusted EBITDA stands at 5.2X. Hence, we remain wary of interest costs.

Final Thoughts & Recommendation

Postal Realty is a truly unique REIT, with its exclusive focus on USPS properties forming a fantastic set of operating qualities. That said, we remain cautious regarding the company's ability to meaningfully grow its per-share metrics, while shares could be overvalued here. Our total return estimate comes in at 3.3% per annum, mainly stemming from 3% growth and the 4.6% dividend yield, offset by potential valuation headwinds. Shares 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	---	---	7	8	11	24	40	53	64	76
Gross Profit	---	---	5	6	9	19	31	41	48	57
Gross Margin	---	---	76.9%	75.7%	77.2%	79.5%	76.5%	77.4%	43.8%	75%
SG&A Exp.	---	---	1	1	5	8	11	13	14.7	16
D&A Exp.	---	---	1	2	3	8	12	16	17	19
Operating Profit	---	---	2	3	0	2	6	9.7	14	19
Operating Margin	---	---	30.6%	33.5%	0.6%	8.3%	14.8%	18.3%	21.9%	25.0%
Net Profit	---	---	1	1	(1)	(0)	2	3.9	3.7	6.6
Net Margin	---	---	16.4%	14.8%	-9.2%	-1.4%	5.1%	7.4%	5.8%	8.7%
Free Cash Flow	---	---	2	3	3	9	17	21	25.6	31
Income Tax	---	---	(1)	(0)	0	0	0	0	0.07	0.1

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	---	---	34	36	137	259	378	501	567	647
Cash & Equivalents	---	---	0	0	12	2	6	1.5	2.2	1.8
Accounts Receivable	---	---	1	1	2	4	4	4.6	4.8	6.7
Goodwill & Int. Ass.	---	---	3	3	7	13	15	18	16	14.5
Total Liabilities	---	---	44	41	67	139	112	218	266	329
Accounts Payable	---	---	2	---	---	---	---	---	---	---
Long-Term Debt	---	---	38	35	57	125	95	197	241	1.18
Shareholder's Equity	---	---	(10)	(6)	49	92	220	229	244	251
LTD/E Ratio	---	---	(3.75)	(6.15)	1.17	1.35	0.43	0.86	0.99	1.18

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	---	---	---	3.3%	-1.2%	-0.2%	0.6%	0.9%	0.7%	1.1%
Return on Equity	---	---	---	---	-4.8%	-0.5%	1.3%	1.7%	1.3%	2.1%
ROIC	---	---	---	4.0%	-1.3%	-0.2%	0.7%	0.9%	0.7%	1.1%
Shares Out.	---	---	---	---	5.2	7.0	13.7	18.6	20.2	22.6
Revenue/Share	---	---	1.27	1.45	2.19	3.49	2.92	2.88	3.16	3.38
FCF/Share	---	---	0.43	0.51	0.55	1.34	1.25	1.13	1.27	1.36

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