



# Slate Grocery REIT (SRRTF)

Updated February 14<sup>th</sup>, 2026, by Nikolaos Sismanis

## Key Metrics

<b>Current Price:</b>	\$11.39	<b>5 Year Annual Expected Total Return:</b>	4.1%	<b>Market Cap:</b>	\$676 M
<b>Fair Value Price:</b>	\$9.00	<b>5 Year Growth Estimate:</b>	1.0%	<b>Ex-Dividend Date:</b>	01/30/2026
<b>% Fair Value:</b>	127%	<b>5 Year Valuation Multiple Estimate:</b>	-4.6%	<b>Dividend Payment Date:</b>	02/16/2026
<b>Dividend Yield:</b>	7.6%	<b>5 Year Price Target</b>	\$9.46	<b>Years Of Dividend Growth:</b>	0
<b>Dividend Risk Score:</b>	F	<b>Sector:</b>	Real Estate	<b>Rating:</b>	Sell

## Overview & Current Events

Slate Grocery REIT is a Toronto-based, yet U.S.-focused real estate investment trust focused on grocery-anchored retail centers. It owns 115 properties, totaling 15.2 million square feet and valued at \$2.4 billion on a proportionate basis. The portfolio remains firmly rooted in necessity-based retail, with roughly 69% of GLA leased to essential-service tenants, supported by durable long-term demand drivers. Its top tenants include Kroger, Walmart, and Ahold Delhaize, and the REIT continues to maintain a strong anchor occupancy rate of 99.7%. The REIT pays dividends on a monthly basis and reports its financials in USD despite its Canadian origin. The stock trades at the Toronto Stock Exchange and Over the Counter. Its market cap now stands at \$676 million.

On February 10<sup>th</sup>, 2026, Slate Grocery REIT posted its Q4 and year-end 2025 results for the period ending December 31<sup>st</sup>, 2025. Total revenue increased 2.9% year-over-year to \$54.6 million, compared to \$53.1 million in Q4 2024. The growth was driven by strong leasing volumes and double-digit rental spreads, alongside higher percentage rent and recoveries, underscoring the continued strength of grocery-anchored retail fundamentals. As in prior quarters, profitability was impacted by elevated interest and finance costs, reflecting the higher rate environment.

FFO was \$14.9 million, or \$0.25 per unit, compared to \$15.1 million, or \$0.25 per unit last year. Leasing momentum was robust, with 680,410 square feet completed during the quarter and portfolio occupancy improving slightly to 94.4%, driven by renewal spreads of 14.0% and strong new leasing spreads. For FY2025, FFO per share was \$1.04. For FY2025, we expect FFO per share to remain at similar levels to the year before.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>FFO</b>	\$1.24	\$1.26	\$1.27	\$1.20	\$1.07	\$1.03	\$1.09	\$1.07	\$1.10	\$1.04	<b>\$1.00</b>	<b>\$1.05</b>
<b>DPS</b>	\$0.79	\$0.82	\$0.84	\$0.86	\$0.86	\$0.86	\$0.86	\$0.86	\$0.86	\$0.86	<b>\$0.86</b>	<b>\$0.91</b>
<b>Shares<sup>1</sup></b>	32.9	43.9	45.6	43.9	42.6	51.8	61.1	60.8	60.3	60.4	<b>60.4</b>	<b>62.0</b>

Slate Grocery REIT's FFO per share has exhibited notable consistency over the past decade, ranging narrowly between \$1.03 and \$1.26 despite changes in market conditions and the broader economic cycle. This reflects the strength of its strategy, which basically revolves around owning and operating a portfolio of grocery-anchored retail properties, leased predominantly to essential-service tenants like national grocers and pharmacies.

From 2016 through 2019, modest year-over-year declines in FFO were influenced by rising interest expenses, selective property dispositions, and an uptick in administrative costs as the platform matured and rebranded from Slate Retail to Slate Grocery. The early COVID-19 period in 2020 and 2021 also brought temporary pressure as leasing volumes slowed, and the REIT supported tenants through deferrals and elevated property-level expenses. Still, the impact was limited due to the essential nature of the tenant base, which helped maintain occupancy and rental collections.

More recently, FFO per share has rebounded and stabilized in the \$1.04–\$1.10 range, backed by strong leasing spreads, steady occupancy near 95%, and embedded upside from below-market in-place rents. Moving forward we expect a tiny

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

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CAGR of 1% in both our FFO per share and dividend per share estimates to be driven by soft embedded rental growth from below-market leases, and a disciplined capital allocation approach that focuses on sustainable distributions over more aggressive expansion.

Note that Slate Grocery has never cut its dividend since its first payout in 2014. However, dividend hikes have been rare (none since 2019). Its DPS CAGR over the past decade is positive, but we don't believe Slate Grocery is in a position to announce dividend raises anywhere near this rate moving forward.

## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	---	---	---	---	8.4	9.0	10.3	9.3	8.1	10.0	<b>11.4</b>	<b>9.0</b>
Avg. Yld.	---	---	---	---	9.6%	9.2%	7.7%	8.6%	9.7%	8.3%	<b>7.6%</b>	<b>9.6%</b>

While U.S. over the counter data lacks for prior years, Slate Grocery has historically traded with a high-single to low teens P/E. These multiples reflect investors appreciation of its dividend, yet their expectations for underwhelming growth moving forward. Today, shares trade at 11.4x FFOs, which we believe overvalues the name. The dividend yield is now hovering at 7.6%. We expect it to be the main driver of investor returns in the coming years.

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

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	64%	65%	66%	72%	80%	83%	79%	80%	78%	83%	<b>86%</b>	<b>86%</b>

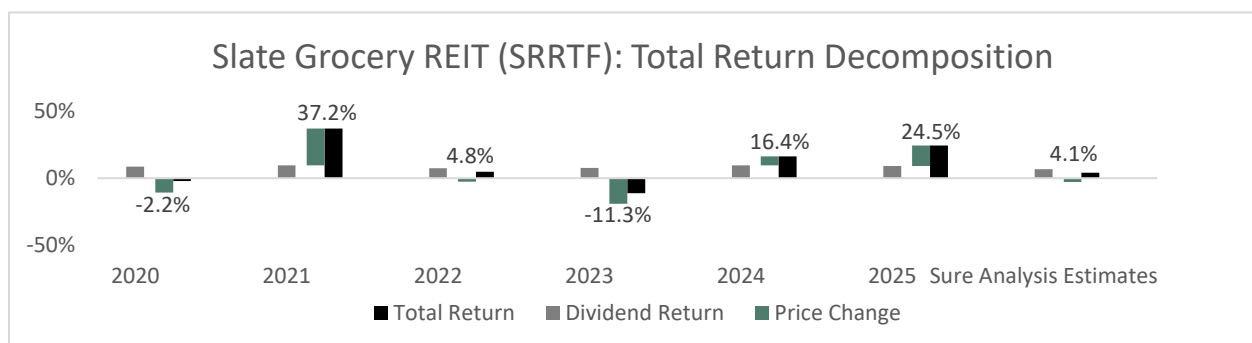
Slate Grocery REIT's portfolio is anchored by well-established, necessity-driven tenants such as Kroger, Wal-Mart, Publix, and Ahold Delhaize, retailers that consistently draw foot traffic through various economic cycles. These tenants provide long-term leases and enhance the stability of the rent roll. Moreover, the REIT's focus on U.S. markets with population growth and limited new retail construction adds a structural advantage, driving high occupancy and steady rent hikes.

While the balance sheet does carry a fair degree of leverage (roughly 55%), it remains manageable, with no near-term liquidity concerns and a staggered debt maturity profile. In the meantime, despite rising rates, the Slate has continued to cover its distributions with FFO, including through periods like the pandemic and post-pandemic monetary tightening. We believe the dividend remains safe moving forward.

## Final Thoughts & Recommendation

Slate Grocery REIT offers investors a predictable income backed by a portfolio of necessity-based retail anchored by leading national grocers. With strong tenant demand, below-market rents, and disciplined financial management, it delivers dependable distributions and defensive exposure to U.S. real estate. Today, we rate the stock a sell due to the lack of dividend increases lately. We forecast the REIT can produce annualized returns of 4.1% from its current price, primarily powered by the starting dividend yield and soft growth expectations, offset by a valuation headwind.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	80	97	119	144	141	126	138	177	203	209
Gross Profit	57	67	84	98	95	86	95	119	130	135
Gross Margin	71.8%	69.3%	70.7%	67.8%	67.1%	68.4%	68.6%	67.0%	64.2%	64.7%
SG&A Exp.	2	2	2	3	3	3	3	5	5	5
Operating Profit	54	65	81	95	90	83	91	113	125	130
Operating Margin	68.3%	66.5%	68.6%	65.5%	64.0%	65.7%	65.9%	63.9%	61.4%	62.0%
Net Profit	25	26	54	(7)	31	41	91	129	14	40
Net Margin	31.6%	26.9%	45.1%	-4.8%	21.8%	32.7%	65.7%	72.6%	6.7%	19.0%
Free Cash Flow	33	37	45	52	42	37	46	52	72	67
Income Tax	18	12	(16)	(4)	10	14	36	34	1	8

## Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,013	1,115	1,500	1,416	1,315	1,324	1,737	2,270	2,236	2,234
Cash & Equivalents	12	13	7	1	2	2	14	20	24	23
Accounts Receivable	2	2	3	3	3	4	6	6	6	9
Total Liabilities	992	1,118	1,452	979	912	871	1,113	1,339	1,369	1,380
Accounts Payable	5	8	11	15	11	14	13	16	17	18
Long-Term Debt	581	625	883	872	789	726	938	1,131	1,162	1,167
Shareholder's Equity	22	(3)	48	438	403	453	619	741	687	673
LTD/E Ratio	26.66	(213)	18.45	1.99	1.96	1.60	1.51	1.53	1.69	1.73

## Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	3.0%	2.5%	4.1%	-0.5%	2.3%	3.1%	5.9%	6.4%	0.6%	1.8%
Return on Equity	117%	277%	239%	-2.8%	7.3%	9.6%	16.9%	16.6%	1.5%	4.6%
ROIC	5.1%	4.3%	6.9%	-0.6%	2.5%	3.5%	6.6%	7.1%	0.7%	2.0%
Shares Out.	29.3	32.9	43.9	45.6	43.9	42.6	51.8	61.1	60.8	60.3
Revenue/Share	3.14	3.07	2.70	3.16	3.22	2.66	2.35	2.90	3.34	3.47
FCF/Share	1.31	1.16	1.03	1.15	0.96	0.77	0.78	0.85	1.18	1.11

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

## Disclaimer

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