Phillips Edison & Company, Inc. (PECO)

Updated March 16th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$39	**5 Year Annual Expected Total Return:**	3.4%	**Market Cap:**	$5.4 B
Fair Value Price:	$33	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	04/15/2026
% Fair Value:	117%	**5 Year Valuation Multiple Estimate:**	-3.2%	**Dividend Payment Date:**	05/01/2026
Dividend Yield:	3.4%	**5 Year Price Target**	$38	**Years Of Dividend Growth:**	5
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Phillips Edison & Company is a real estate investment trust that is one of the nation's largest owners and operators of omni-channel grocery-anchored shopping centers. At the end of the third quarter, Phillips Edison & Company managed 328 shopping centers, including 303 wholly-owned centers and 25 shopping centers owned through three institutional joint ventures, totaling about 34.0 million square feet across 31 states. The company also provides management services for its joint ventures and a private fund. Phillips Edison & Company generates just over $660 million in annual revenues, pays dividends on a monthly basis, and is based in Cincinnati, Ohio.

On February 5th, 2026, Phillips Edison & Company reported its Q4 and full-year results for the period ending December 31st, 2025. For the quarter, total revenues were $187.9 million, an increase of 8.6% year-over-year. Same-center NOI grew by 3.2% to $115.9 million, while comparable new and renewal leasing spreads were 34.3% and 20.0%, Despite higher interest and operating expenses, Nareit FFO for the quarter rose 5.9% to $88.8 million. Nareit FFO per share was $0.64, up from $0.61 last year. During the quarter, the company acquired $93.8 million in assets across wholly-owned and joint-venture investments, including four shopping centers, an outparcel and land for future development.

Post-quarter end, PECO added another $77.0 million in assets, including two shopping centers and land for future development. For full-year 2025, PECO generated Nareit FFO per share of $2.54, representing 7.2% growth over 2024, and introduced 2026 Nareit core FFO/share guidance of $2.71 to $2.77. 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	$1.77	$1.28	$1.94	$1.99	$1.99	$1.81	$2.15	$2.25	$2.37	$2.54	***$2.74***	***$3.18***
DPS	$2.01	$2.01	$2.01	$2.01	$0.59	$1.04	$1.09	$1.14	$1.19	$1.25	***$1.30***	***$1.66***
Shares[1]	62.2	65.5	80.5	109.0	111.2	116.7	130.3	133.0	136.8	138.9	***138.9***	***150.0***

Phillips Edison's FFO/share generation has been rather robust over the years, despite the company operating in a rather unfavorable real estate sub-sector. By creating omni-channel grocery-anchored shopping experiences, the company's properties enjoy resilient traffic. Future growth is to be powered by accretive acquisitions, high retention rates, and a focus on increasing occupancy. Driving leasing spreads higher, executing redevelopment projects, and implementing rent hikes in new leases should also lead to NOI growth, which should, in turn, lead to increased FFOs.

Here is the updated narrative for $PECO, incorporating the data for 2023 through 2025 to show the post-pandemic stabilization. Updated Same-Store NOI Growth Analysis In 2020, same-store NOI declined by 4.1% in the midst of the pandemic, followed by a sharp rise of 8.2% in 2021 as operations normalized. Growth began to stabilize in 2022 at 4.5%, further converging toward the company's long-term historical average. This steady trajectory continued through the mid-2020s, with same-store NOI rising 4.2% in 2023, followed by consistent growth of 3.8% in both 2024 and 2025.

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[1] Share count is in millions.

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Overall, based on the company's historical leasing margins, same-store NOI growth, and portfolio composition, we forecast FFO/share growth of 3% through 2031.

In terms of its dividend, Phillips Edison slashed it during the pandemic, despite producing relatively robust results, as payouts were barely covered. Note that the company was not public at the time. The dividend has been increased five times since. Due to adequate room for growth following the slash, we forecast a DPS CAGR of 5% in the medium-term.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/FFO	---	---	---	---	---	16.5	14.4	14.2	14.9	13.9	***14.1***	***12.0***
Avg. Yld.	---	---	---	---	---	3.4%	3.5%	3.6%	3.4%	3.5%	***3.4%***	***4.4%***

While the stock's trading history in the public markets is short, shares have attracted a modest premium relative to its retail real estate peers. This is likely attributable to the company's properties being anchored to grocery stores, resulting in more resilient results, as well as dividends being paid monthly, which income-oriented investors generally appreciate. That said, we find Phillips Edison to be overvalued. We believe that a P/FFO closer to 12 better reflects the stock's prospects. A higher dividend yield following multiple compression would better match the stock's risk profile as well.

Safety, Quality, Competitive Advantage, & Recession Resiliency

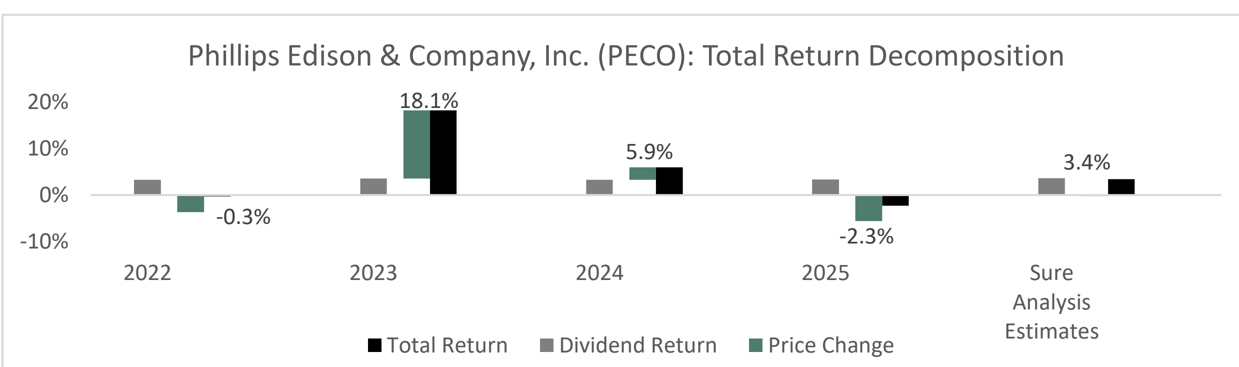
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	114%	157%	104%	101%	30%	57%	51%	51%	50%	49%	***47%***	***52%***

Phillips Edison's dividend should be relatively safe at its current levels, due to a healthy payout ratio following the latest cut. The company features several qualities as well, including the ability to retain excellent occupancy rates due to a necessity-based property portfolio, modest rent growth prospects, and noteworthy cash flow diversification. Further, the company's outstanding debt has a weighted average interest rate of 4.5% and a weighted average maturity of 5.3 years when including all extension options. That said, we believe that overall growth in the retail real estate space should be rather limited. Additionally, while the company's metrics should remain relatively robust compared to its average peer amid its tenants focusing on necessity-based goods and services, it's still vulnerable to a recession.

Final Thoughts & Recommendation

Phillips Edison & Company is a rather noteworthy retail real estate REIT with a number of qualities. It performed well in the past couple of years, while management projects further growth this year. Still, we believe that returns from the growth in FFO/share and the dividend could be largely offset by valuation headwinds, with our total return prospects coming in at just 3.4%. The frequency of payouts is attractive, but we would require a higher projected return to recommend buying the stock. As a result, PECO earns 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	242	258	312	430	537	498	533	575	610	661
Gross Profit	168	179	214	298	376	344	375	412	435	471
Gross Margin	69.6%	69.5%	68.8%	69.2%	70.0%	69.0%	70.3%	71.7%	71.3%	71.3%
SG&A Exp.	16	38	37	50	49	41	49	45	44	46
D&A Exp.	98	103	130	191	237	225	221	232	231	246
Operating Profit	51	36	47	56	90	77	104	131	154	171
Operating Margin	21.1%	13.8%	15.0%	13.0%	16.8%	15.6%	19.6%	22.8%	25.2%	25.9%
Net Profit	13	9	(38)	39	(64)	5	15	48	57	63
Net Margin	5.5%	3.5%	-12.3%	9.1%	-11.8%	1.0%	2.8%	8.3%	9.3%	9.5%
Free Cash Flow	(7)	77	67	104	151	147	188	186	196	240
Income Tax	-	-	-	-	-	-	-	-	-	-

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	2,226	2,380	3,526	5,163	4,828	4,679	4,669	4,735	4,866	5,046
Cash & Equivalents	41	8	6	17	18	104	93	5.5	4.9	4.9
Accounts Receivable	-	31	47	61	47	47	37	38	45	47
Inventories	-	-	-	17	6	-	2	0	-	-
Goodwill & Int. Ass.	-	-	84	43	34	36	36	36	-	36
Total Liabilities	934	1,155	2,047	2,751	2,659	2,663	2,192	2,138	2,212	2,412
Accounts Payable	44	56	103	123	124	177	97	113	116	163
Long-Term Debt	846	1,056	1,807	2,438	2,354	2,292	1,891	1,896	1,969	2,110
Shareholder's Equity	1,267	1,201	1,046	1,998	1,814	1,690	2,150	2,236	2,310	2,320
LTD/E Ratio	0.67	0.88	1.73	1.22	1.30	1.36	0.88	0.85	0.85	0.91

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.6%	0.4%	-1.3%	0.9%	-1.3%	0.1%	0.3%	1.0%	1.2%	1.3%
Return on Equity	1.0%	0.7%	-3.4%	2.6%	-3.3%	0.3%	0.8%	2.2%	2.2%	2.4%
ROIC	0.6%	0.4%	-1.4%	1.0%	-1.4%	0.1%	0.3%	1.1%	1.3%	1.3%
Shares Out.	62.1	62.2	65.5	80.5	109.0	111.2	116.7	130.3	133	136.8
Revenue/Share	3.99	4.14	4.76	5.35	4.92	4.48	4.57	4.42	4.59	4.83
FCF/Share	(0.11)	1.24	1.02	1.30	1.39	1.32	1.61	1.43	1.47	1.75

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