Lamar Advertising Company (LAMR)

Updated March 30th, 2026, by Kody Kester

Key Metrics

Current Price:	$124	**5 Year CAGR Estimate:**	8.6%	**Market Cap:**	$12.5B
Fair Value Price:	$125	**5 Year Growth Estimate:**	4.0%	**Ex-Dividend Date:**	06/15/26[1]
% Fair Value:	99%	**5 Year Valuation Multiple Estimate:**	0.2%	**Dividend Payment Date:**	06/29/26[1]
Dividend Yield:	5.2%	**5 Year Price Target**	$152	**Years of Dividend Growth**	6
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Lamar Advertising Company (LAMR) is a publicly traded real estate investment trust that specializes in outdoor advertising across the United States and Canada. Founded in 1902 and headquartered in Baton Rouge, Louisiana, the company operates an extensive portfolio of advertising displays, including traditional billboards, digital billboards, transit displays, logo signs, and airport advertising, serving both local and national advertisers. As one of the largest outdoor advertising networks in North America, LAMR's inventory spans over 360,000 display locations that provide broad reach for brand messaging. The company also emphasizes digital and programmatic advertising formats within its out-of-home media offerings, positioning it in growing segments of the advertising market. LAMR's business model focuses on long-term leasing contracts and diversified advertising solutions that cater to a range of industries and marketing strategies.

On February 20th, 2026, the REIT shared its financial results for the fourth quarter ended December 31st, 2025. LAMR's net revenue edged 2.8% higher over the year-ago period to $595.9 million in the quarter. The company's topline growth was fueled by strong momentum in local sales and a meaningful rebound in the national/programmatic segment (double-digit percentage spending increases in the financial/building & construction, healthcare, and services categories played a large role). What makes this growth all the more impressive is that LAMR faced a difficult year-over-year comparison from 2024 political advertising (an $11 million headwind). Excluding the impact of political advertising, net revenue would have grown by over 4% on an acquisition-adjusted basis during the quarter. LAMR's AFFO per share grew by 1.4% over the year-ago period to $2.24 for the quarter. In the week following its earnings report, the REIT raised its quarterly dividend per share by 3.2% to $1.60. That marked its sixth consecutive year of dividend growth.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
AFFO/S	$5.00	$5.05	$5.50	$5.80	$5.10	$6.59	$7.38	$7.47	$7.99	$8.26	***$8.60***	***$10.46***
DPS	$3.02	$3.32	$3.65	$3.84	$2.50	$3.50	$4.70	$5.00	$5.40	$6.20	***$6.40***	***$7.42***
Shares[2]	97.4	98.3	99.6	100.5	100.9	101.3	101.8	102.1	102.4	101.3	***101.3***	***99.5***

Since 2016, LAMR has delivered nearly 6% annual AFFO per share growth. Moving forward, we think that it can compound AFFO per share by 4.0% annually through 2031, off an anticipated 2026 base of $8.60. For one, LAMR is converting 350 to 500 static faces to digital each year, with a long-term goal of reaching 7,000 digital units by 2028. This is important because digital displays can host several tenants, which increases the yield per site, generating 3x to 5x the revenue of static boards. Then, there's an ongoing shift from a manual sales model to a high-tech automated one. That should allow LAMR to capture smaller ad budgets that were previously too labor-intensive for a direct sales force to pursue. Finally, the company has the size and scale to remain a player in the M&A space over the next several years.

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[1] Estimated 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.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/AFFO	13.5	14.7	12.6	15.4	16.3	18.4	12.8	14.2	15.2	15.0	***14.4***	***14.5***
Avg. Yld.	4.5%	4.5%	5.3%	4.3%	3.0%	2.9%	5.0%	4.7%	4.4%	5.0%	***5.2%***	***4.9%***

Over the past decade, LAMR's P/AFFO ratio has ranged from the low double-digits to as much as the upper-teens. The average P/AFFO ratio over that time was right around 15. Looking ahead, we think that a P/AFFO ratio of 14.5 is representative of fair value. Relative to the current-year P/AFFO ratio of 14.4, this implies shares are trading just below our fair value estimate.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	60%	66%	66%	66%	49%	53%	64%	67%	68%	75%	***74%***	***71%***

The biggest barrier to entry in the billboard industry is regulation. Along with strict local zoning, the Highway Beautification Act of 1965 makes it very difficult to display new billboards in high-traffic areas. Simultaneously, LAMR's billboards are usually protected by grandfather clauses. If a competitor wants to enter a market, they can't simply build a new board. They must buy an existing permit, which creates an artificial supply cap that allows LAMR to raise rates as demand grows. A key distinction from its competitors that operate in higher-cost, more volatile Tier 1 cities is that LAMR generates much of its revenue from local advertisers (local hospitals, personal injury attorneys, etc.). These types of businesses tend to be less sensitive to economic downturns than larger brand campaigns that do business with urban competitors.

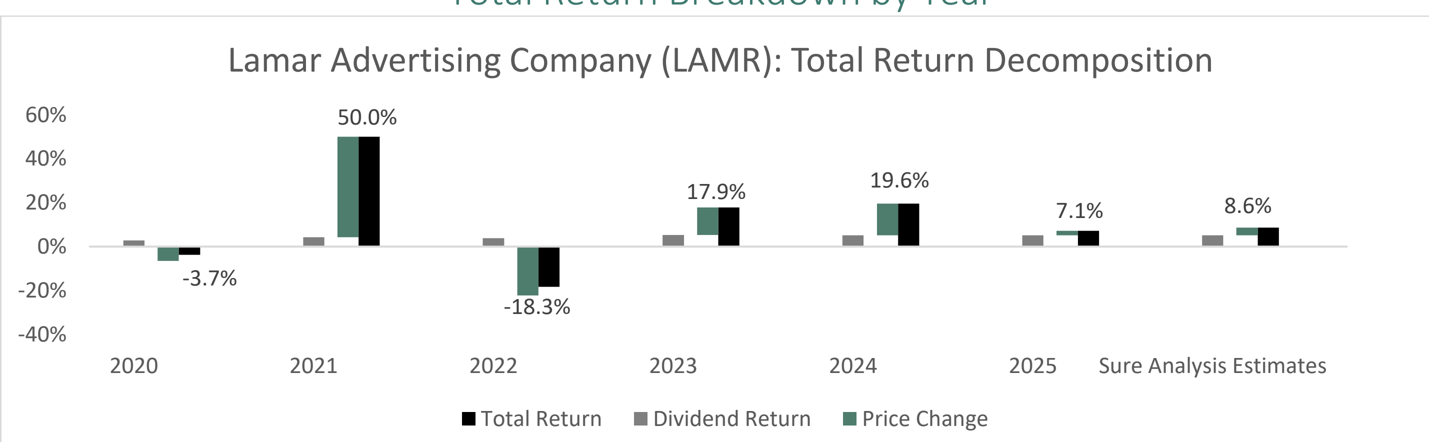
As of December 31st, LAMR's net debt to EBITDA ratio was 2.92x. That remains among the lowest levels ever for the company. The company also closed out 2025 with just over $800 million of total liquidity at its disposal. This gives it the dry powder to opportunistically execute bolt-on acquisitions.

While LAMR's dividend was cut during the COVID-19 pandemic, the REIT's payout looks more sustainable than one would expect. Its payout ratio is likely to be in the low- to mid-70% range in 2026. That should give it room to slowly grow the dividend for the foreseeable future.

Final Thoughts & Recommendation

LAMR's 5.2% dividend yield, 4.0% annual AFFO per share growth prospects, and 0.2% annual valuation multiple upside potential could generate 8.6% annual total returns through 2031. Overall, we're reiterating our Hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,526	1,541	1,627	1,754	1,569	1,787	2,032	2,111	2,207	2,266
Gross Profit	799	990	845	918	764	944	1,020	1,128	1,024	1,193
Gross Margin	52.4%	64.2%	51.9%	52.3%	48.7%	52.8%	50.2%	53.4%	46.4%	52.6%
D&A Exp.	205	211	225	250	251	271	349	293	463	326
Operating Profit	443	542	459	499	388	519	562	670	526	698
Operating Margin	29.0%	35.2%	28.2%	28.4%	24.8%	29.0%	27.7%	31.7%	23.8%	30.8%
Net Profit	299	318	305	372	243	388	439	497	363	593
Net Margin	19.6%	20.6%	18.8%	21.2%	15.5%	21.7%	21.6%	23.5%	16.4%	26.2%
Free Cash Flow	414	398	447	490	508	608	615	605	748	683
Income Tax	13	9	11	(4)	5	9	17	10	5	21

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	3,899	4,214	4,545	5,941	5,791	6,047	6,475	6,564	6,587	6,932
Cash & Equivalents	36	115	21	26	122	100	53	45	49	65
Goodwill & Int. Ass.	2,364	2,537	2,835	2,905	2,827	2,982	3,242	3,207	3,098	3,225
Total Liabilities	2,829	3,111	3,413	4,761	4,589	4,830	5,280	5,347	5,539	5,907
Long-Term Debt	2,349	2,557	2,889	4,048	3,900	4,028	4,366	4,432	4,340	4,686
Shareholder's Equity	1,070	1,103	1,132	1,180	1,203	1,217	1,195	1,216	1,047	1,012
LTD/E Ratio	2.20	2.32	2.55	3.60	3.42	3.47	3.82	3.82	4.35	4.86

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	8.2%	7.8%	7.0%	7.1%	4.1%	6.6%	7.0%	7.6%	5.5%	8.8%
Return on Equity	28.6%	29.2%	27.3%	32.2%	20.4%	32.1%	36.4%	41.2%	32.1%	57.2%
ROIC	9.4%	9.0%	7.9%	7.9%	4.5%	7.2%	7.8%	8.5%	6.3%	10.3%
Shares Out.	97.4	98.3	99.6	100.5	100.9	101.3	101.8	102.1	102.4	101.3
Revenue/Share	15.62	15.67	16.42	17.48	15.55	17.64	19.99	20.67	21.52	22.30
FCF/Share	4.24	4.04	4.51	4.88	5.03	6.00	6.05	5.93	7.30	6.72

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