



Phillips Edison & Company, Inc. (PECO)

Updated April 27th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	\$39	5 Year Annual Expected Total Return:	3.0%	Market Cap:	\$5.5 B
Fair Value Price:	\$33	5 Year Growth Estimate:	3.0%	Ex-Dividend Date:	05/15/2026
% Fair Value:	120%	5 Year Valuation Multiple Estimate:	-3.5%	Dividend Payment Date:	06/02/2026
Dividend Yield:	3.3%	5 Year Price Target	\$38	Years Of Dividend Growth:	5
Dividend Risk Score:	D	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 last quarter, Phillips Edison & Company managed 326 shopping centers, including 299 wholly-owned centers and 27 shopping centers owned through three institutional joint ventures, totaling about 33.7 million square feet across 31 states. The company also provides management services for its joint ventures and one 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 April 23rd, 2026, Phillips Edison & Company reported its Q1 results for the period ending March 31st, 2026. For the quarter, total revenues were \$190.7 million, an increase of 7.0% year-over-year. Same-center NOI grew by 3.5% to \$122.3 million, while comparable new and renewal leasing spreads were 36.2% and 21.2%, respectively. Despite higher interest and operating expenses, Nareit FFO for the quarter rose 4.4% to \$92.9 million. Nareit FFO per share was \$0.67, up from \$0.64 last year. During the quarter, the company acquired \$125.5 million in assets, including five shopping centers and land for future development.

Post-quarter end, PECO added another \$59.1 million in assets at its total prorated share, including three shopping centers and one outparcel. For full-year 2026, PECO increased Nareit FFO per share guidance to \$2.66 to \$2.71 and Core FFO per share guidance to \$2.72 to \$2.78, representing 5.9% and 5.8% growth at the respective midpoints. We have applied the updated midpoint (one cent higher than before) of the Core FFO 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	\$2.75	\$3.19
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
Shares¹	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.

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	14.3	12.0
Avg. Yld.	---	---	---	---	---	3.4%	3.5%	3.6%	3.4%	3.5%	3.3%	4.3%

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

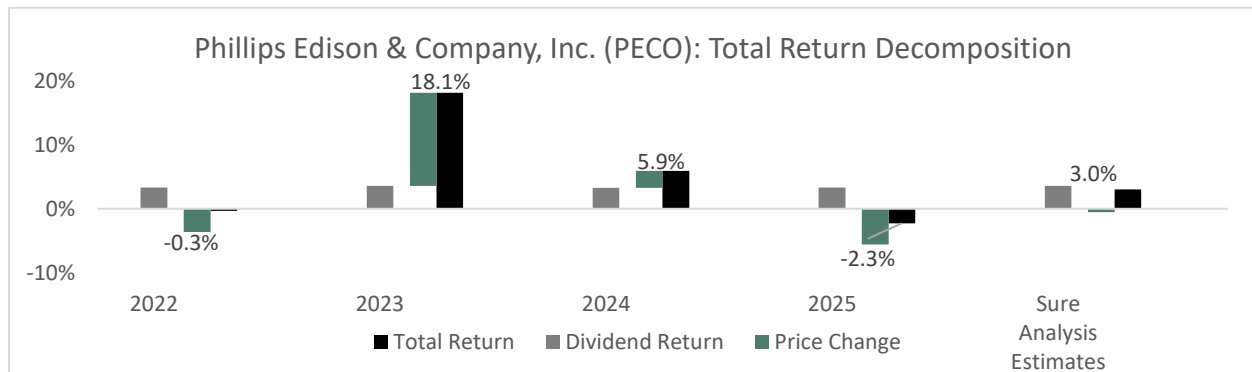
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	114%	157%	104%	101%	30%	57%	51%	51%	50%	49%	47%	52%

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 had a weighted-average interest rate of 4.4% and a weighted-average maturity of 5.8 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 3.0%. 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	258	312	430	537	498	533	575	610	661	732
Gross Profit	179	214	298	376	344	375	412	435	471	256
Gross Margin	69.5%	68.8%	69.2%	70.0%	69.0%	70.3%	71.7%	71.3%	71.3%	35.0%
SG&A Exp.	38	37	50	49	41	49	45	44	46	-
D&A Exp.	103	130	191	237	225	221	232	231	246	266
Operating Profit	36	47	56	90	77	104	131	154	171	199
Operating Margin	13.8%	15.0%	13.0%	16.8%	15.6%	19.6%	22.8%	25.2%	25.9%	27.2%
Net Profit	9	(38)	39	(64)	5	15	48	57	63	123
Net Margin	3.5%	-12.3%	9.1%	-11.8%	1.0%	2.8%	8.3%	9.3%	9.5%	16.8%
Free Cash Flow	77	67	104	151	147	188	186	196	240	214
Income Tax	-	-	-	-	-	-	-	-	-	1.3

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	2,380	3,526	5,163	4,828	4,679	4,669	4,735	4,866	5,046	5,286
Cash & Equivalents	8	6	17	18	104	93	5.5	4.9	4.9	43
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	29
Total Liabilities	1,155	2,047	2,751	2,659	2,663	2,192	2,138	2,212	2,412	2,697
Accounts Payable	56	103	123	124	177	97	113	116	163	-
Long-Term Debt	1,056	1,807	2,438	2,354	2,292	1,891	1,896	1,969	2,110	2,501
Shareholder's Equity	1,201	1,046	1,998	1,814	1,690	2,150	2,236	2,310	2,320	2,287
LTD/E Ratio	0.88	1.73	1.22	1.30	1.36	0.88	0.85	0.85	0.91	1.09

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.4%	-1.3%	0.9%	-1.3%	0.1%	0.3%	1.0%	1.2%	1.3%	2.4%
Return on Equity	0.7%	-3.4%	2.6%	-3.3%	0.3%	0.8%	2.2%	2.2%	2.4%	4.7%
ROIC	0.4%	-1.4%	1.0%	-1.4%	0.1%	0.3%	1.1%	1.3%	1.3%	2.5%
Shares Out.	62.2	65.5	80.5	109.0	111.2	116.7	130.3	133	136.8	138.9
Revenue/Share	4.14	4.76	5.35	4.92	4.48	4.57	4.42	4.59	4.83	5.27
FCF/Share	1.24	1.02	1.30	1.39	1.32	1.61	1.43	1.47	1.75	1.54

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

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