# Iron Mountain (IRM)

*Updated May 28th, 2026 by Jonathan Weber*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $127 | **5 Year CAGR Estimate:** | 2.7% | **Market Cap:** | $38B |
| **Fair Value Price:** | $93 | **5 Year Growth Estimate:** | 6.0% | **Ex-Dividend Date:** | 06/15/26 |
| **% Fair Value:** | 136% | **5 Year Valuation Multiple Estimate:** | -6.0% | **Dividend Payment Date:** | 07/03/26 |
| **Dividend Yield:** | 2.7% | **5 Year Price Target** | $125 | **Years Of Dividend Growth:** | 4 |
| **Dividend Risk Score:** | D | **Sector:** | Real Estate | **Rating:** | Hold |

## Overview & Current Events

Iron Mountain is a storage and information management REIT. Its services include record management, destruction, fulfillment services, data protection and recovery, data center services, and safeguarding of electronic and physical media. Iron Mountain operates in North America, Latin America, Europe, and the Asia Pacific region. The trust was founded in 1951 and is headquartered in Boston, MA.

When Iron Mountain reported its first quarter earnings results, the trust announced that it generated revenues of $1.94 billion during the quarter, which was up 21% from the revenues that Iron Mountain generated during the previous year's quarter. Iron Mountain generated revenue growth that was even better than during the previous quarter, when revenues were up by 17%. The growth rate also compares favorably to the longer-term average.

Iron Mountain's adjusted funds-from-operations came in at $1.43 per share during the first quarter, which was up 22% compared to the previous year's quarter. The company saw its margins expand compared to one year earlier, but a rising share count was a bit of an AFFO-per-share headwind. Management updated its guidance for this year, forecasting adjusted FFO-per-share to come in between $5.79 and $5.86, which represents nice growth of around 13%, while Iron Mountain also guides for revenue growth of around 14% for the current year.

## Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **AFFOPS[1]** | $2.72 | $2.92 | $3.05 | $3.01 | $3.07 | $3.48 | $3.80 | $4.12 | $4.54 | $5.17 | ***$5.83*** | ***$7.80*** |
| **DPS** | $2.04 | $2.24 | $2.37 | $2.44 | $2.47 | $2.47 | $2.47 | $2.54 | $2.73 | $3.22 | ***$3.46*** | ***$4.42*** |
| **Shares[2]** | 264 | 283 | 283 | 287 | 289 | 290 | 293 | 295 | 296 | 298 | ***300*** | ***310*** |

Iron Mountain is not an overly high-growth investment, but it still managed to increase its adjusted funds from operations-per-share by roughly 5% annually since 2015. Growth has been driven by several factors, with organic revenue growth through pricing increases being an important one.

Iron Mountain guides for substantial organic revenue growth through price increases in the future, too, thus investors can expect that this will remain an important source for growing cash flows in the future, too. Iron Mountain repeatedly made takeovers and asset purchases in the past, which drove revenue growth further. These acquisitions were partially funded via debt, which is why the trust employs considerable leverage. Acquisitions were also partly funded via equity, which is why Iron Mountain's share count has been rising steadily. As long as Iron Mountain's takeovers provide higher returns than its cost of capital, those acquisitions are accretive and beneficial for Iron Mountain's shareholders. Still, the rising share count could prevent Iron Mountain from delivering a per-share growth rate that is on par with its company-wide growth rate. Going forward, based on management's comments and the REIT's historic growth performance, we believe that adjusted funds from operations could climb by around 6% per year, which would be a solid result for a REIT. While dividend growth has been somewhat uneven in the past, we believe that the payout will trend upwards over time, although not at an overly fast rate.

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[1] Adjusted funds from operations per share

[2] 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| P/FFO | 12.6 | 12.5 | 10.5 | 10.7 | 9.4 | 15.2 | 13.2 | 16.7 | 23.1 | 16.1 | ***21.8*** | ***16.0*** |
| Avg. Yld. | 6.0% | 6.1% | 7.6% | 7.6% | 8.5% | 4.7% | 4.9% | 3.7% | 2.6% | 3.9% | ***2.7%*** | ***3.5%*** |

Iron Mountain has not traded at a very high valuation throughout much of the last decade, but shares got more expensive over the last couple of years. Today, Iron Mountain trades at close to 22 times its funds from operations, which is rather expensive, we believe. Its dividend yield of 2.7% is also far below its historical average. We see some downside potential for Iron Mountain shares.

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

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Payout | 75% | 77% | 78% | 81% | 80% | 71% | 65% | 62% | 60% | 62% | ***59%*** | ***57%*** |

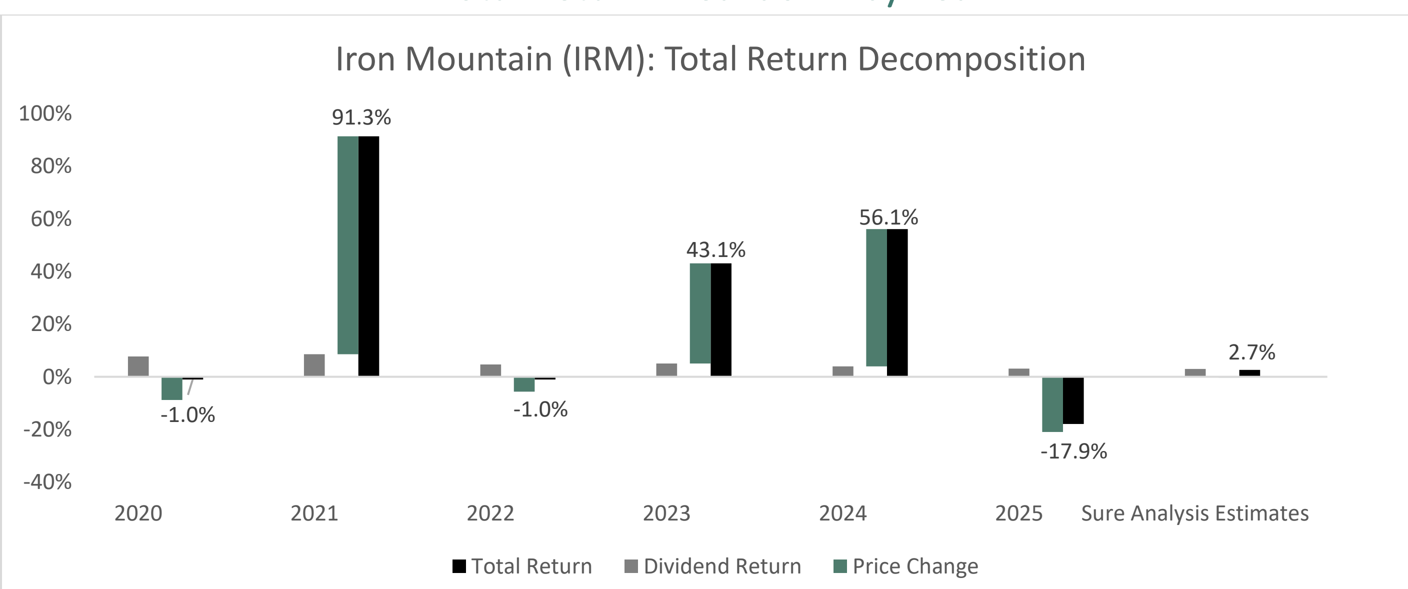
Iron Mountain pays out a significant portion of its cash flows to its owners in the form of dividends. Iron Mountain has not been raising its dividend very regularly in the past, instead opting to keep the dividend at an unchanged level for a while at times. In the future, dividend growth could be a bit uneven as well. Iron Mountain's dividend payout ratio isn't low at all in absolute terms, although it could be sustainable.

Iron Mountain's focus on secure data storage sets the trust aside from competitors in the storage industry by providing a unique focus. The trust is active in a range of geographic markets across the U.S. and internationally, and plans to expand its international operations further. This geographic diversification, coupled with the fact that demand for its services is not very cyclical, means that Iron Mountain is relatively resilient to recessions. Cash flows continued to grow during the Great Recession, resulting in a strong recession performance.

## Final Thoughts & Recommendation

Iron Mountain is active in a recession-resistant industry. Its unique focus on secure data storage, and its customer base that includes many of the largest U.S. corporations, provide for a relatively resilient business model. The outlook for this year's business growth is compelling, but due to a valuation that is elevated, the total return outlook from here is not overly strong, which is why we rate the stock a hold at current prices.

## Total Return Breakdown by Year

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## Income Statement Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | 3,511 | 3,846 | 4,226 | 4,263 | 4,147 | 4,492 | 5,104 | 5,480 | 6,150 | 6,902 |
| Gross Profit | 1,944 | 2,181 | 2,432 | 2,429 | 2,390 | 2,604 | 2,914 | 3,122 | 3,453 | 3,822 |
| Gross Margin | 55.4% | 56.7% | 57.5% | 57.0% | 57.6% | 58.0% | 57.1% | 57.0% | 56.2% | 55.4% |
| SG&A Exp. | 860 | 922 | 988 | 992 | 949 | 1,023 | 1,141 | 1,236 | 1,340 | 1,394 |
| D&A Exp. | 452 | 522 | 655 | 675 | 669 | 697 | 746 | 793 | 926 | 1,057 |
| Operating Profit | 632 | 736 | 804 | 779 | 789 | 901 | 1,046 | 1,110 | 1,213 | 1,404 |
| Operating Margin | 18.0% | 19.1% | 19.0% | 18.3% | 19.0% | 20.1% | 20.5% | 20.3% | 19.7% | 20.3% |
| Net Profit | 105 | 170 | 354 | 267 | 343 | 450 | 557 | 184 | 180 | 145 |
| Net Margin | 3.0% | 4.4% | 8.4% | 6.3% | 8.3% | 10.0% | 10.9% | 3.4% | 2.9% | 2.1% |
| Free Cash Flow | 165 | 303 | 403 | 218 | 534 | 135 | 44 | (232) | (657) | (1007) |
| Income Tax | 45 | 23 | 43 | 60 | 30 | 176 | 69 | 40 | 61 | 59 |

## Balance Sheet Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Assets | 9,487 | 10,972 | 11,857 | 13,817 | 14,149 | 14,450 | 16,141 | 17,474 | 18,717 | 21,125 |
| Cash & Equivalents | 236 | 926 | 165 | 194 | 205 | 256 | 142 | 223 | 156 | 159 |
| Accounts Receivable | 691 | 836 | 847 | 851 | 859 | 961 | 1,175 | 1,260 | 1,291 | 1,444 |
| Goodwill & Int. | 5,174 | 5,471 | 5,953 | 5,878 | 5,885 | 5,645 | 6,306 | 6,298 | 6,359 | 6,555 |
| Total Liabilities | 7,550 | 8,674 | 9,995 | 12,353 | 13,013 | 13,521 | 15,409 | 17,084 | 18,944 | 21,770 |
| Accounts Payable | 222 | 289 | 319 | 325 | 360 | 369 | 469 | 540 | 679 | 711 |
| Long-Term Debt | 6,251 | 7,043 | 8,143 | 8,665 | 8,703 | 9,272 | 10,569 | 11,933 | 13,719 | 16,216 |
| Shareholder's Equity | 1,937 | 2,297 | 1,861 | 1,464 | 1,137 | 856 | 637 | 212 | (503) | (981) |
| LTD/E Ratio | 3.23 | 3.07 | 4.38 | 5.92 | 7.66 | 10.83 | 16.60 | 56.38 | (27.27) | (19.42) |

## Profitability & Per Share Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Return on Assets | 1.3% | 1.7% | 3.1% | 2.1% | 2.5% | 3.1% | 3.6% | 1.1% | 1.0% | 0.7% |
| Return on Equity | 8.5% | 8.0% | 17.0% | 16.1% | 26.4% | 43.6% | 67.0% | 32.8% | 221% | - |
| ROIC | 1.5% | 1.9% | 3.7% | 2.7% | 3.4% | 4.5% | 5.2% | 5.7% | 5.1% | 5.2% |
| Shares Out. | 264 | 283 | 283 | 287 | 289 | 290 | 293 | 295 | 296 | 298 |
| Revenue/Share | 14.20 | 14.41 | 14.74 | 14.82 | 14.37 | 15.44 | 17.45 | 18.64 | 20.76 | 23.18 |
| FCF/Share | 0.67 | 1.13 | 1.41 | 0.76 | 1.85 | 0.46 | 0.15 | (0.79) | (2.22) | (3.38) |

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