The St. Joe Company (JOE)

Updated May 15th, 2026, by Kody Kester

Key Metrics

Current Price:	$64	**5 Year CAGR Estimate:**	12.5%	**Market Cap:**	$3.7B
Fair Value Price:	$60	**5 Year Growth Estimate:**	13.0%	**Ex-Dividend Date:**	06/09/26
% Fair Value:	106%	**5 Year Valuation Multiple Estimate:**	-1.2%	**Dividend Payment Date:**	06/25/26
Dividend Yield:	1.0%	**5 Year Price Target**	$111	**Years Of Dividend Growth:**	6
Dividend Risk Score:	A	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

The St. Joe Company (JOE) is a Florida-based real estate development firm headquartered in Panama City Beach, specializing in residential, commercial, and hospitality properties primarily in Northwest Florida. With roots dating to 1936, JOE engages in land development, residential homesite sales, town center and mixed-use projects, hotel and resort operations, and commercial leasing, leveraging its extensive land holdings to create communities and lifestyle-oriented real estate assets. The company's diversified platform spans residential land development, hospitality services, and recurring leasing revenue, and it seeks to balance growth through both operating income and strategic asset monetization.

On April 29th, 2026, JOE released its financial results for the first quarter ended March 31st, 2026. The company's revenue grew by 5.2% year-over-year to $99.1 million during the quarter. The biggest catalyst behind this topline growth was a 12.9% rise in hospitality revenue to $44.7 million in the quarter. That was made possible by hotels opened in recent years hitting a mature operational rhythm, which resulted in higher occupancy rates and strong average daily rates. Real estate revenue edged 3.7% higher over the year-ago period to $39.7 million for the quarter. A drop in residential homesites closed during the quarter was more than offset by closing six premium, higher-priced townhomes within the Watersound Villas on the Fairway community. Leasing revenue dropped 9.8% year-over-year to $14.7 million in the quarter, which was mostly due to the strategic sale of the Watercrest senior living property last September. JOE's diluted EPS fell by 20% over the year-ago period to $0.24 for the quarter. Rather than being a structural issue, this was caused by lower home closing volume (and reduced joint venture income) at the Latitude Margaritaville Watersound active-adult community. Since this is operated through an unconsolidated joint venture, it isn't booked on the topline (thus, how the topline grew as the bottom line declined). Fortunately, the demand remains strong with over 3,200 units under contract. It's simply a matter of completing these over the remainder of 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.21	$0.84	$0.52	$0.45	$0.77	$1.27	$1.21	$1.33	$1.27	$2.00	***$2.00***	***$3.68***
DPS	-	-	-	-	$0.07	$0.32	$0.40	$0.44	$0.52	$0.58	***$0.64***	***$1.23***
Shares[1]	74.3	65.9	60.7	59.4	58.9	58.9	58.3	58.4	58.3	57.6	***57.4***	***53.0***

Moving forward, we believe that JOE can deliver 13.0% annual diluted EPS growth through 2031, off an anticipated 2026 base of $2.00. This is backed up by continued real estate development, robust demand in Florida's coastal markets, and expanding commercial and hospitality ventures. JOE mitigates the risks of economic downturns and real estate cycles through its diversified revenue streams and savvy capital management. Since the company is also churning out free cash flow, we think that it can modestly reduce its share count over the next several years.

[1] Share count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	90.8	21.6	25.1	43.3	55.1	41.0	31.9	45.5	35.4	29.9	***31.9***	***30.0***
Avg. Yld.	-	-	-	-	0.2%	0.6%	1.0%	0.7%	1.2%	1.0%	***1.0%***	***1.1%***

Since 2016, JOE has been valued at an average P/E ratio of approximately 42. Over the past five years, this has come down a bit to around 37. Looking ahead, we think that the elevated interest rate environment will prevent the valuation multiple from returning to historical averages. Still, we believe that the company's solid growth profile can justify a fair value P/E ratio of around 30. Relative to the current-year P/E ratio of 31.9, shares are a bit overvalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	-	-	-	-	9%	25%	33%	33%	41%	29%	***32%***	***33%***

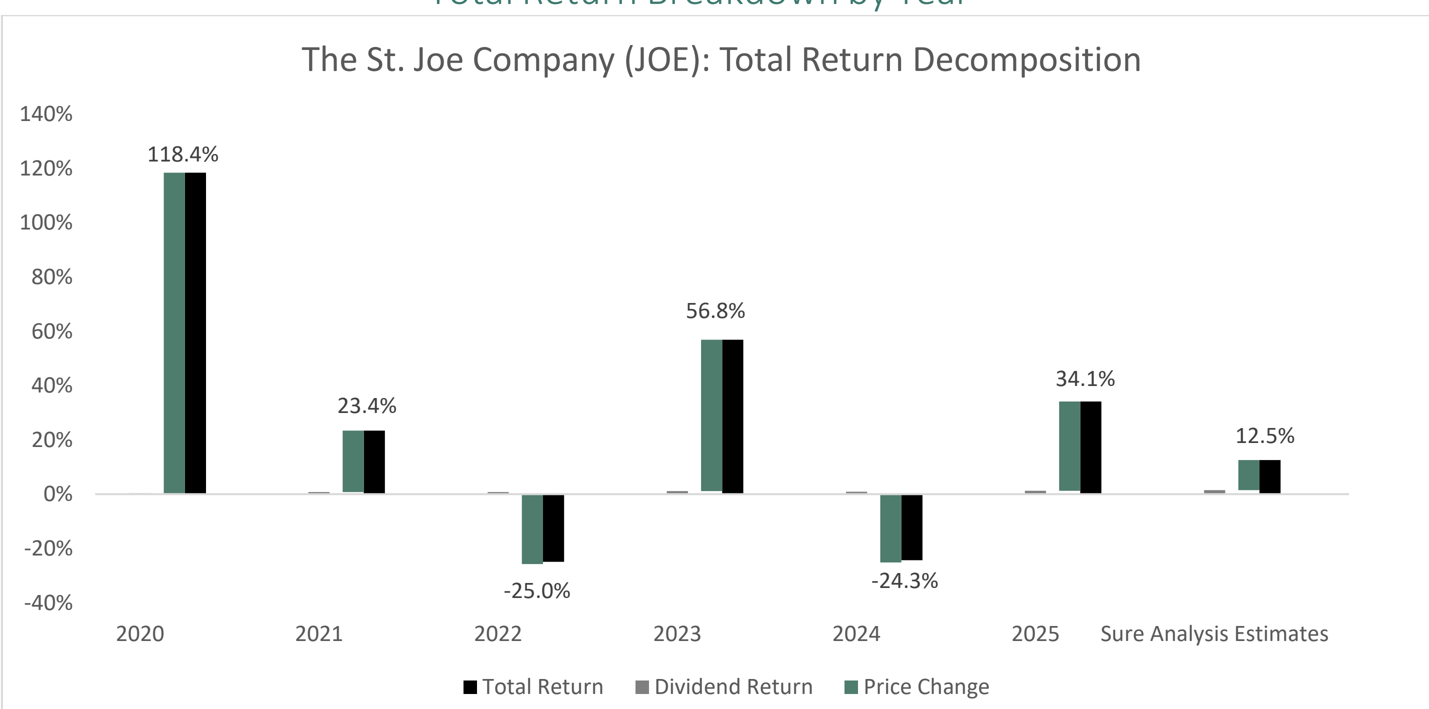
JOE's competitive advantage lies in its large Florida land holdings, allowing it to control supply and capitalize on migration trends. It has transitioned from land sales to stable cash flow businesses, making it more resilient to downturns. During the Great Recession, JOE suffered from falling real estate prices but remained financially strong. In 2020, it benefited from population shifts into Florida, supporting long-term growth.

In Q1 2026, the company's interest coverage ratio was 4.8x. That's a healthy figure, which suggests JOE is financially stable. The payout ratio is expected to be in the low-30% range for 2026, which should translate into a dividend that can grow as fast as earnings in the years ahead.

Final Thoughts & Recommendation

Between its 1.0% dividend yield, 13.0% annual diluted EPS growth, and 1.2% annual valuation multiple contraction potential, JOE could deliver 12.5% annual total returns through 2031. In closing, we're downgrading shares back to a Hold rating.

Total Return Breakdown by Year



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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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	96	100	110	127	161	267	252	389	403	513
Gross Profit	25	24	50	53	70	117	84	115	121	173
Gross Margin	26.1%	23.9%	45.3%	41.5%	43.6%	44.0%	33.1%	29.4%	30.0%	33.8%
Operating Profit	2	4	26	26	47	93	61	91	96	146
Operating Margin	2.0%	3.6%	23.9%	20.4%	29.3%	34.7%	24.4%	23.3%	23.7%	28.5%
Net Profit	15	59	32	27	45	74	70	74	72	116
Net Margin	16.2%	59.2%	28.7%	21.0%	28.3%	27.6%	27.8%	19.0%	18.0%	22.6%
Free Cash Flow	10	51	39	21	32	107	41	98	100	187
Income Tax	7	(18)	(1)	9	14	25	24	26	26	39

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,028	921	871	909	1,097	1,208	1,431	1,524	1,539	1,518
Cash & Equivalents	247	197	199	186	107	70	38	86	89	130
Accounts Receivable										
Inventories	-	-	-	-	-	-	-	-	-	-
Total Liabilities	341	328	338	380	469	582	780	825	802	743
Accounts Payable										
Long-Term Debt	55	56	69	93	160	224	387	454	440	392
Shareholder's Equity	669	578	518	520	551	607	631	683	724	766
LTD/E Ratio	0.08	0.10	0.13	0.18	0.61	0.37	0.61	0.67	0.61	0.51

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.4%	6.1%	3.5%	3.0%	4.5%	6.4%	5.3%	5.0%	4.7%	7.6%
Return on Equity	2.3%	9.3%	5.6%	5.0%	8.3%	12.4%	11.0%	11.0%	10.1%	15.3%
ROIC	1.9%	8.5%	5.1%	4.4%	6.0%	8.4%	7.4%	6.8%	6.2%	9.9%
Shares Out.	74.3	65.9	60.7	59.4	58.9	58.9	58.3	58.4	58.3	57.6
Revenue/Share	1.29	1.42	1.76	2.12	2.72	4.53	4.30	6.67	6.90	8.86
FCF/Share	0.13	0.72	0.62	0.35	0.54	1.83	0.70	1.67	1.72	3.22

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