



Modiv Industrial Inc. (MDV)

Updated May 22nd, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	\$18.25	5 Year Annual Expected Total Return:	2.5%	Market Cap:	\$218 M
Fair Value Price:	\$14.60	5 Year Growth Estimate:	0.0%	Ex-Dividend Date:	05/29/2026
% Fair Value:	125%	5 Year Valuation Multiple Estimate:	-4.4%	Dividend Payment Date:	06/15/2026
Dividend Yield:	6.6%	5 Year Price Target	\$14.60	Years Of Dividend Growth:	2
Dividend Risk Score:	F	Sector:	Real Estate	Rating:	Hold

Overview & Current Events

Modiv Industrial (formerly known as Modiv) is Real Estate Investment Trust, which, as its name suggests, aims to pay monthly dividends to its shareholders. The company acquires, owns, and actively manages single-tenant net-lease industrial, retail, and office properties in the United States, focusing on strategically essential and mission-critical properties with predominantly investment-grade tenants. As of March 31st, 2026, the company's portfolio comprised 41 properties with approximately 4.4 million square feet of aggregate leasable area. Prior to its public listing in 2022, the company Modiv was one of the largest non-listed REITs to raise funds entirely via crowdfunding and the first real estate crowdfunding platform to be entirely investor-owned. The company generated \$47.1 million in revenues last year and is based in Costa Mesa, California.

On May 4th, 2026, Modiv agreed to be acquired by Global Net Lease in an all-stock transaction valued at approximately \$535 million. Modiv common stockholders will receive 1.975 GNL shares per Modiv share, while preferred stockholders will receive \$25.00 per share in cash plus accrued and unpaid dividends. The transaction is expected to close in Q3 2026.

On May 8th, 2026, Modiv filed its Q1 results for the period ending March 31st, 2026. Rental income came in at \$11.7 million, essentially flat versus the prior-year period. Other property income was immaterial at \$0.01 million, compared to \$0.1 million last year. Thus, total revenue was \$11.7 million, compared to \$11.8 million in Q1 2025. AFFO attributable to common stockholders and OP unit holders was \$4.1 million, compared to \$3.9 million last year, while AFFO per share was \$0.32, versus \$0.33 in the prior-year quarter. During the quarter, Modiv acquired the remaining 27.3% TIC interest in its Santa Clara, California property and completed the \$4.1 million sale of its vacant St. Paul, Minnesota property. For FY2026, we expect AFFO per share of \$1.46.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
AFFO/shr	---	---	---	\$1.56	\$1.19	\$1.52	\$2.22	\$1.94	\$1.34	\$1.38	\$1.46	\$1.46
DPS	---	\$0.37	\$0.70	\$0.70	\$1.46	\$1.08	\$1.25	\$1.15	\$2.31	\$1.17	\$1.20	\$1.20
Shares¹	0.1	2.0	3.7	5.0	8.0	7.5	7.5	7.6	9.3	10.1	10.1	14.0

Modiv's financials have a very short history, so it's rather hard to assess whether the company's mass-acquisition growth strategy has been fruitful. Management has been primarily focused on acquiring industrial properties, but they have stated they may also target other types, including retail properties, data centers, and storage properties. For instance, in 2022, the company acquired four industrial properties and one retail property. Modiv's strategy is to keep on acquiring more properties, which it hopes will be accretive to AFFO per share over time.

That said, we believe this is going to be a tough journey, as financing has become very expensive for the company. Its hefty dividend, which is distributed on a monthly basis, deters the issuance of common stock due to its hefty yield, which would likely exceed the ROI from acquired assets. Issuing debt is also going to be very expensive for the company, as creditors should have elevated demands from such a small player in the industry in a rising-rates environment.

¹ Share count is in millions.

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The company's 8.0%-yielding preferred equity also sounds like an expensive route. Thus, we expect stable results in the medium-term until we get a clearer picture of Modiv's prospects. The rate of monthly dividends currently stands at \$0.0975. We don't believe the company can afford any dividend increases moving forward.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/AFFO	---	---	---	---	---	---	6.8	5.9	11.3	10.7	12.5	10.0
Avg. Yld.	---	---	---	---	---	---	8.3%	19.7%	15.2%	7.9%	6.6%	8.2%

Modiv is currently valued at about 12.5x our projected AFFO for FY2026. We have set our fair multiple 10x AFFO, given the underlying risks. Therefore, we would argue the stock is overvalued today. However, in light of the announced acquisition, our standalone valuation analysis is no longer applicable. The 6.6% yield remains significant.

Safety, Quality, Competitive Advantage, & Recession Resiliency

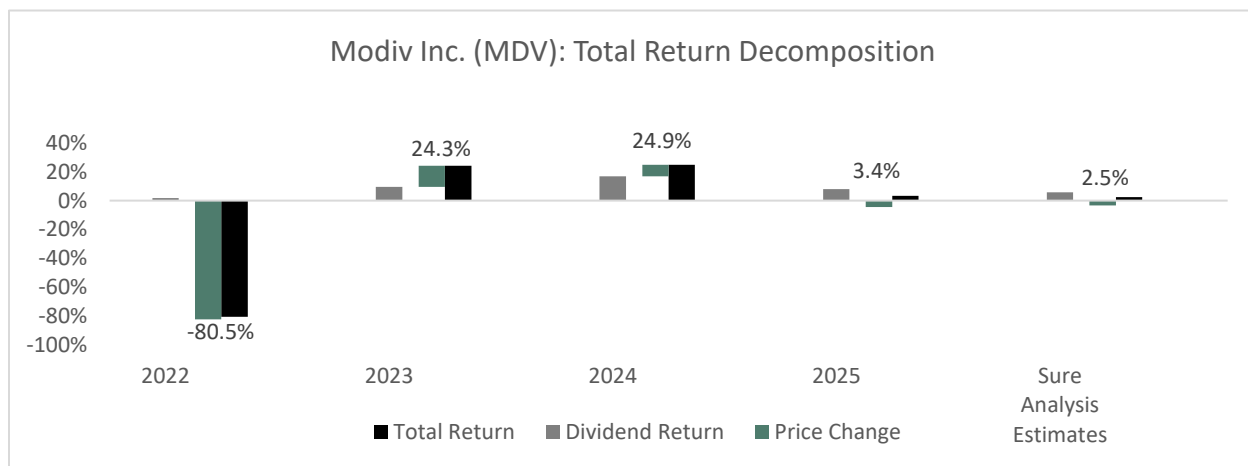
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	---	45%	123%	71%	56%	59%	172%	85%	82%	82%

While Modiv's monthly dividend appears covered, we wouldn't trust it just yet. The company has to put a lengthier track record of robust AFFO/share generation to do so, and the current market environment will certainly test this. Some notable qualities include a lengthy weighted average lease term of 15 years, which should provide predictable cash flow. Still, due to its length, it may be a curse if expenses rise faster than the company's negotiated leasing rates during this period, which could result in a decline in profits. Regardless, Modiv seems to have a quality tenant base as well, including Costco, 3M, and Northrop Grumman. We don't identify any particular competitive advantages. While the company's properties are mission-critical for many of its tenants, we don't exclude the possibility of a recession hurting Modiv's results. Finally, we highlight that shares have limited liquidity. On average, just 65,000 shares are traded daily.

Final Thoughts & Recommendation

Modiv is one of the newest monthly dividend stocks to enter the public markets and our coverage universe. Its track record is short, so we cannot make something meaningful out of it. However, we believe that the company will have a hard time pursuing its growth strategy in the current market environment without risking over-diluting shareholders. Based on our assumptions, which includes no growth on a per-share, and a valuation headwind, we would argue the stock could produce annualized returns of 2.5% through 2031. However, the merger announcement changes the picture. We rate Modiv as a hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	-	-	-	25	39	36	46	47	47	46
Gross Profit	-	-	-	20	32	30	37	42	43	28
Gross Margin	-	-	-	80.1%	81.9%	81.5%	80.7%	89.4%	91.5%	60.9%
SG&A Exp.	-	-	-	7	11	13	10	18	8	-
D&A Exp.	-	-	-	9	16	14	-	15	16	15
Operating Profit	-	-	-	3	3	2	12	8.4	19	16
Operating Margin	-	-	-	10.9%	8.9%	4.5%	26.3%	17.9%	40.4%	34.8%
Net Profit	-	-	-	(4)	(49)	(0)	(3)	(6.6)	6	0
Net Margin	-	-	-	-18.0%	-127%	-1.2%	-7.1%	-14.0%	12.8%	-
Free Cash Flow	-	-	-	5	5	10	-	17	18	14

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	-	-	-	491	407	428	456	531	508	476
Cash & Equivalents	-	-	-	7	8	56	9	3.1	12	14
Accounts Receivable	-	-	-	6	8	8	9	12.8	18	-
Inventories	-	-	-	-	26	32	5	11.7	22	-
Goodwill & Int. Ass.	-	-	-	60	23	18	2	1.3	1.2	1.1
Total Liabilities	-	-	-	237	217	206	215	306	294	274
Accounts Payable	-	-	-	1	1	2	9	0.6	0.4	-
Long-Term Debt	-	-	-	206	192	182	195	280	280	269
Shareholder's Equity	-	-	-	204	140	172	160	144	190	163
D/E Ratio	-	-	-	1.01	1.37	1.06	1.22	1.94	1.47	1.65

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	-	-	-	-	-10.9%	-0.1%	-0.7%	-1.3%	1.2%	-0.1%
Return on Equity	-	-	-	-	-28.6%	-0.3%	-2.0%	-2.8%	2.7%	-0.2%
ROIC	-	-	-	-	-11.7%	-0.1%	-0.8%	-1.4%	1.2%	-0.1%
Shares Out.	-	-	-	5.0	8.0	7.5	7.5	7.6	11.2	10.1
Revenue/Share	-	-	-	3.25	5.12	4.80	6.17	6.21	4.18	4.57
FCF/Share	-	-	-	0.63	0.66	1.26		2.19	1.63	1.43

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

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