



Tanger Inc. (SKT)

Updated May 1st, 2026 by Quinn Mohammed

Key Metrics

Current Price:	\$36	5 Year CAGR Estimate:	6.3%	Market Cap:	\$4.4 B
Fair Value Price:	\$33	5 Year Growth Estimate:	5.0%	Ex-Dividend Date¹:	04/30/2026
% Fair Value:	109%	5 Year Valuation Multiple Estimate:	-1.8%	Dividend Payment Date¹:	05/15/2026
Dividend Yield:	3.4%	5 Year Price Target:	\$42	Years of Dividend Growth:	6
Dividend Risk Score:	D	Sector:	Real Estate	Rating:	Hold

Overview & Current Events

Tanger Inc. (SKT) is one of the largest owners and operators of outlet centers in the United States and Canada. Tanger operates and owns, or has a stake in, a portfolio of 38 outlet shopping centers, and 3 open-air lifestyle centers. SKT owns properties across 22 states and in Canada, totaling over 16 million square feet. SKT leases space to more than 3,000 stores operated by over 800 different brand name companies. The company is headquartered in Greensboro, North Carolina. Its market capitalization is \$4.4 billion. Tanger's outlet centers are known for their tenant mix comprised of leading designer and brand-name manufacturers.

In April 2026, Tanger announced a 6.8% dividend increase to \$1.25 per share annually.

In September 2025, Tanger acquired Legends Outlets, a 690K square foot open-air center in Kansas, for \$130 million. The property was rebranded as Tanger Kansas City at Legends, and is the only outlet center in Kansas.

Tanger reported first quarter 2026 results on April 30th, 2026. It announced funds from operations (FFO) rose 11% to \$0.59 per share from \$0.53 per share in the prior year quarter. Core FFO of \$0.59 per share was also higher by 11% compared to Q1 2025. Funds available for distribution (FAD) payout ratio for the quarter was 53%.

As of April 30, 2026, Tanger executed renewals or was in the process of renewing leases for 67% of the total portfolio space scheduled to expire during 2026. The consolidated portfolio occupancy rate was 96.9% at quarter-end, a slight improvement from 95.7% a year ago. Average tenant sales per square foot improved by twenty-seven dollars to \$482 in the trailing twelve months, compared to \$455 per square feet in the twelve months ended March 31, 2025.

Management increased its 2026 guidance, now expecting FFO of \$2.42 to \$2.50, which would represent 4% to 7% year-over-year growth.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
AFFO	\$2.37	\$2.46	\$2.48	\$2.31	\$1.57	\$1.76	\$1.83	\$1.96	\$2.13	\$2.33	\$2.46	\$3.14
DPS	\$1.26	\$1.35	\$1.39	\$1.42	\$0.71	\$0.72	\$0.80	\$0.97	\$1.09	\$1.15	\$1.25	\$1.45
Shares²	100	100	98	98	97	106.8	110.4	111.3	115.8	119.4	120.0	153.2

Tanger has seen funds from operations per share shrink in the trailing nine years, in large part due to the significant impact the pandemic had on its growth trajectory. AFFO per share had grown steadily prior to the COVID pandemic, however the multiple government-mandated store closures, stay-at-home orders, and expiring leases severely damaged its AFFO. The pandemic's impact was so great that the company slashed its dividend by half, putting an end to its 27-year dividend growth streak. On the bright side, since 2020, AFFO per share has increased by 8.2% CAGR.

With the pandemic now in the rearview, Tanger has returned to growth, but off a lower comparison base. Tanger opened its 37th center in Nashville on October 27th, 2023. It contained 291K square feet of commercial space and was 96.5% leased. Additionally, Tanger is beginning to shake up its portfolio, with the addition of its first non-outlet center, Bridge Street Town Centre, an 825K square foot open-air lifestyle center in Huntsville, AL, that consists of more than 80

¹ Estimate

² In millions

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retail stores, restaurants, and entertainment venues, which the company acquired on November 30, 2023 for \$193.5 million. It also acquired The Promenade at Chenal in Little Rock, Arkansas (December 2024), and Pinecrest in Cleveland, Ohio (February 2025) for \$73 million and \$167 million, respectively.

We forecast that AFFO per share could grow by 5% per annum over the next five years.

We are impressed by the history of SKT’s share count as it has remained fairly stable over the last decade, which is uncommon for a REIT. Given Tanger’s renewed focus on acquiring growth, we think the share count will increase at a more rapid rate in the coming years to fund these purchases.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/AFFO	9.5	9.7	11.1	11.8	12.7	9.8	9.2	11.1	14.0	14.0	14.8	13.5
Avg. Yld.	8.2%	8.0%	7.4%	5.0%	6.2%	3.6%	4.3%	4.2%	3.3%	3.5%	3.4%	3.4%

The current P/AFFO of 14.8 based on 2026’s forecasted AFFO per share represents a premium to the 5-year average of 11.6. As a result, Tanger is trading above our estimate of fair value, which is 13.5 times AFFO. This implies the potential for a valuation headwind that could negatively impact total returns by -1.8% annually.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	53%	55%	56%	61%	45%	41%	44%	49%	51%	49%	51%	46%

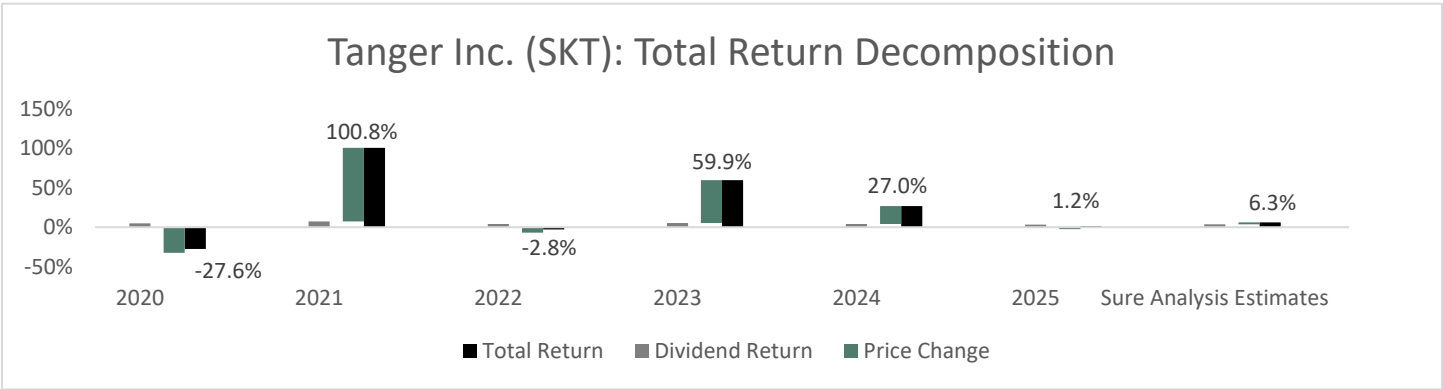
Tanger’s dividend payout ratio is well covered by FFO. At 51% forecast for 2026, this leaves plenty of room for the company to increase the dividend into 2031 and beyond.

SKT’s management has a track record of success spanning over four decades. These 45 years of outlet industry experience, extensive development expertise, and strong retail relationships give them their competitive advantage in the outlet business. SKT went through the Great Recession virtually unscathed as AFFO fell only 2.2% from 2008 to 2010. Outlet centers provide good value for the cost and so this industry should see similar or growing foot traffic and earnings when the population tightens their purse string, however, store closures due to COVID-19 have not made this possible and suffocated its revenue stream in 2020.

Final Thoughts & Recommendation

Tanger was gravely affected by the pandemic, and the trust lost its 27-year dividend growth streak. However, it has recently been expanding its property portfolio and returned to growth. We are forecasting total annualized returns of 6.3% from here, stemming from 5.0% AFFO per share growth and the 3.4% dividend yield, partly offset by -1.8% annual headwind due to multiple contraction. SKT maintains its 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	466	488	495	478	390	427	443	464	526	582
Gross Profit	314	333	334	321	253	286	299	319	367	405
Gross Margin	67.4%	68.2%	67.6%	67.0%	64.8%	67.0%	67.5%	68.8%	69.9%	69.7%
SG&A Exp.	47	44	44	54	48	66	72	76	78	79
D&A Exp.	115	128	132	123	117	110	112	109	139	151
Operating Profit	152	161	158	144	88	110	115	134	151	175
Op. Margin	32.6%	33.0%	32.0%	30.0%	22.6%	25.8%	26.0%	28.9%	28.7%	30.2%
Net Profit	194	68	44	88	-36	9	82	99	99	115
Net Margin	41.6%	13.9%	8.8%	18.4%	-9.3%	2.1%	18.5%	21.3%	18.8%	19.7%
Free Cash Flow	239	253	258	220	165	218	214	230	261	295

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	2526	2540	2385	2285	2190	2157	2218	2324	2,381	2,656
Cash & Equivalents	12	6	9	17	85	161	212	13	47	18
Inventories										
Goodwill & Int.	75	50	29	11	-4	-17	-31	-8	-16	15
Total Liabilities	1821	1928	1879	1829	1831	1658	1704	1733	1,702	1,921
Long-Term Debt	1688	1764	1713	1570	1568	1397	1428	1439	1,424	1,644
Total Equity	670	582	480	433	341	478	492	567	652	735
LTD/E Ratio	2.52	3.03	3.57	3.62	4.59	2.92	2.91	2.54	2.18	2.24

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	8.0%	2.7%	1.8%	3.8%	-1.6%	0.4%	3.8%	4.4%	4.2%	4.6%
Return on Equity	31.1%	10.9%	8.2%	19.2%	-9.4%	2.2%	16.9%	17.9%	15.5%	16.9%
ROIC	8.5%	2.9%	1.9%	4.1%	-1.8%	0.5%	4.3%	5.0%	4.8%	7.0%
Shares Out.	95.3	94.5	93.3	92.8	92.6	102.0	105.6	106.5	111.1	114.7
Revenue/Share	4.89	5.17	5.30	5.15	4.21	4.18	4.19	4.36	4.74	5.07
FCF/Share	2.51	2.68	2.77	2.38	1.78	2.13	2.03	2.16	2.35	2.58

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

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