NNN REIT, Inc. (NNN)

Updated June 5th, 2026, by Kody Kester

Key Metrics

Current Price:	$45	**5 Year CAGR Estimate:**	10.2%	**Market Cap:**	$8.5B
Fair Value Price:	$51	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	07/30/26[1]
% Fair Value:	87%	**5 Year Valuation Multiple Estimate:**	2.8%	**Dividend Payment Date:**	08/14/26[1]
Dividend Yield:	5.4%	**5 Year Price Target**	$59	**Years of Dividend Growth:**	36
Dividend Risk Score:	C	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

NNN REIT, Inc. (NNN) is a triple-net lease REIT that owns single-tenant retail properties across the United States, with a market capitalization of approximately $8.5 billion. The company is focused on retail customers with long-term leases of 10 years or longer (the weighted average remaining lease term across the portfolio is 10.1 years), and these contracts come with embedded contractual rent escalations of 1% to 2% annually. Since single-tenant retail businesses depend on their physical location for foot traffic, these tenants are incentivized to renew their long-term leases and absorb all property operating costs (e.g., taxes, insurance, maintenance, and utilities). Thanks to this disciplined strategy and more than 3,700 properties, NNN has offered consistent growth with markedly low volatility. It is also characterized by very high occupancy rates, which reached 98.6% at the end of Q1 2026. Its 15-year low occupancy rate is 96%, and it typically ranges between 98%-99%. NNN is a Dividend Champion with 36 consecutive years of dividend increases.

On April 30, 2026, NNN shared its earnings report for the first quarter ended March 31, 2026. The net lease REIT's revenue grew by 4.1% over the year-ago period to $240.4 million during the quarter. That was fueled by a few factors. For one, NNN deployed $145.4 million to acquire 41 properties at an accretive initial cap rate of 7.5% in the quarter (with a weighted average lease term of 19 years). The company's occupancy rate also improved by roughly 90 basis points year-over-year to 98.6% in Q1 2026 (placing new tenants into seven previously vacant locations at rent rates averaging 10% above previous levels). Contractual rent escalations were yet another tailwind. NNN's core FFO per share was unchanged at $0.86 for the quarter. This was also in line with the analyst consensus during the quarter. These results led the net lease REIT to up its core FFO per share guidance to a new midpoint of $3.51 ($3.48 to $3.54).

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO/S	$2.35	$2.52	$2.65	$2.76	$2.59	$2.86	$3.14	$3.26	$3.32	$3.41	***$3.52***	***$4.08***
DPS	$1.78	$1.86	$1.95	$2.03	$2.07	$2.10	$2.16	$2.23	$2.29	$2.36	***$2.40***	***$2.78***
Shares[2]	147.2	153.6	161.5	171.7	175.2	175.6	181.4	182.5	187.5	189.9	***190.2***	***205.0***

Since 2016, NNN's core FFO per share has compounded by roughly 4% annually. Accounting for the company's greater size and scale, we're assuming a deceleration in the core FFO per share growth rate to 3% annually through 2031, off an anticipated 2026 base of $3.52. This takes into consideration a 1% to 2% annual contribution to growth through rent escalators. It also accounts for modest growth through accretive acquisitions and steadily high occupancy.

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[1] Estimated dates based on past dividend dates.

[2] Share count is in millions.

Disclosure: This analyst has a position in the security discussed in this research report.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/FFO	18.8	17.1	18.3	19.3	15.8	16.8	14.6	13.2	12.2	11.6	***12.7***	***14.5***
Avg. Yld.	4.0%	4.3%	4.0%	3.8%	5.1%	4.4%	4.7%	5.2%	5.7%	6.0%	***5.4%***	***4.7%***

Over the last decade, NNN's P/FFO ratio has ranged from as low as the low double digits to as much as the upper teens. The average P/FFO ratio over that time was nearly 16. Considering that the 10-year U.S. Treasury yield is markedly higher now than it has been over much of the past decade, we believe that a fair value P/FFO ratio of 14.5 is reasonable. This would be a standard deviation lower than the average since 2016, which should properly consider the valuation headwind posed by the higher interest rate environment. Compared to the current-year P/FFO ratio of 12.7, this implies shares are moderately discounted.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	76%	74%	74%	74%	80%	73%	69%	68%	69%	69%	***68%***	***68%***

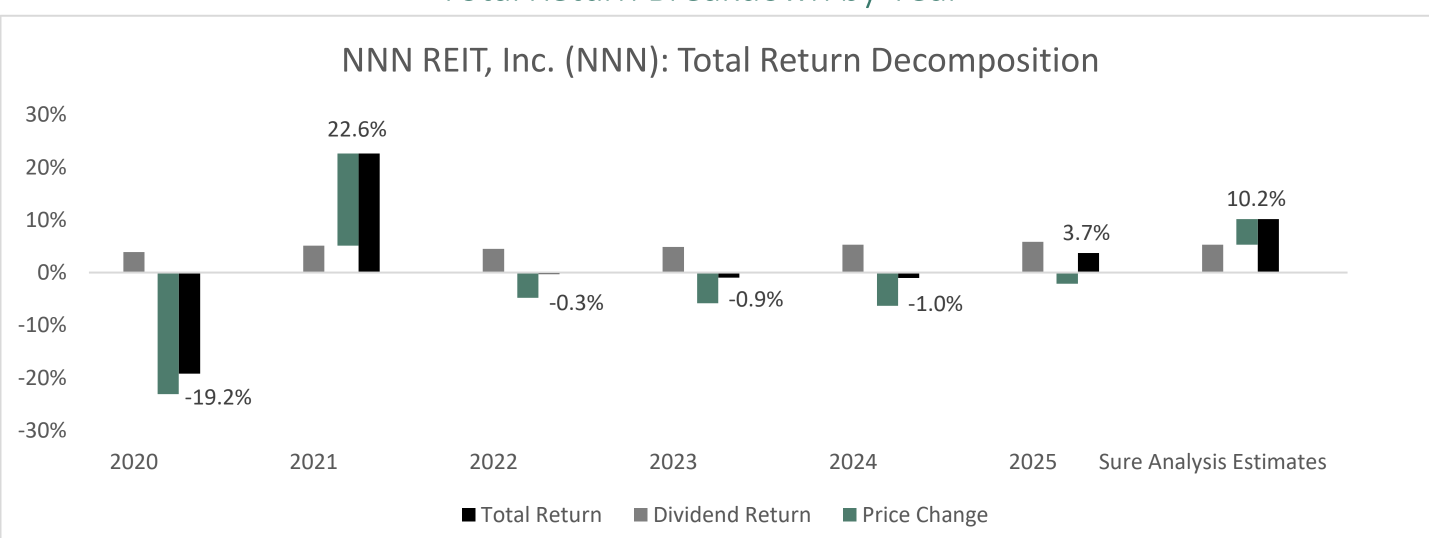
We believe that NNN does possess a narrow economic moat. This is because, while real estate is fragmented and competitive, the net lease REIT's advantage comes from a cost of capital advantage, high tenant switching costs, and a unique relationship-driven sourcing strategy. The cost of capital advantage arises from NNN's BBB+ S&P credit rating with a stable outlook and its self-funding flywheel (the core FFO payout ratio is set to be in the high-60% range in 2026, which leaves ample retained core FFO for acquisitions). The physical location of NNN's properties is also crucial to the business equity and brand awareness of tenants, which disincentivizes them from walking away when a lease expires. Finally, the majority of the net lease REIT's deals come from long-term relationships with multi-unit retail operators. Rather than having to compete on the open market against institutional funds, this helps them to capture higher cap rates.

NNN is also positioned to grow the dividend in line with core FFO per share growth for the foreseeable future. This is why we're confident that it can extend its 36-year dividend growth streak.

Final Thoughts & Recommendation

NNN's 5.4% dividend yield, 3.0% annual core FFO per share growth prospects, and 2.8% annual valuation multiple expansion potential could deliver 10.2% annual total returns through 2031. As a result, we're maintaining our 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	534	585	623	670	661	726	773	828	869	926
Gross Profit	364	388	423	454	436	493	523	561	587	620
Gross Margin	68.2%	66.4%	68.0%	67.7%	65.9%	67.8%	67.6%	67.8%	67.6%	67.0%
D&A Exp.	320	346	388	416	396	448	473	514	542	570
Operating Profit	60.0%	59.2%	62.3%	62.1%	59.9%	61.7%	61.2%	62.0%	62.4%	61.5%
Operating Margin	240	265	292	300	229	290	335	392	397	390
Net Profit	44.9%	45.4%	47.0%	44.7%	34.6%	39.9%	43.3%	47.4%	45.7%	42.1%
Net Margin	415	422	472	502	450	568	578	612	636	667
Free Cash Flow	534	585	623	670	661	726	773	828	869	926

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	6,334	6,561	7,103	7,435	7,638	7,751	8,146	8,662	8,873	9,379
Cash & Equivalents	295	1	114	1	267	171	7	5	9	6
Goodwill & Int. Ass.	65	51	50	61	55	53	48	41	33	37
Total Liabilities	2,417	2,720	2,949	3,103	3,319	3,849	4,023	4,505	4,510	4,971
Long-Term Debt	2,334	2,599	2,868	3,014	3,244	3,761	3,929	4,373	4,385	4,831
Shareholder's Equity	2,997	3,208	3,522	3,987	3,974	3,902	4,124	4,157	4,362	4,408
LTD/E Ratio	0.60	0.68	0.69	0.70	0.75	0.96	0.95	1.05	1.01	1.10

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.1%	4.1%	4.3%	4.1%	3.0%	3.8%	4.2%	4.7%	4.5%	4.3%
Return on Equity	6.6%	6.8%	7.3%	7.1%	5.3%	7.1%	8.3%	9.5%	9.3%	8.9%
ROIC	4.1%	4.2%	4.3%	4.2%	3.1%	3.8%	4.3%	4.7%	4.6%	4.3%
Shares Out.	147.2	153.6	161.6	171.7	175.3	175.6	181.5	182.5	187.6	189.9
Revenue/Share	3.69	3.91	3.98	4.06	3.84	4.16	4.37	4.56	4.72	4.93
FCF/Share	2.87	2.82	3.02	3.04	2.61	3.25	3.27	3.37	3.45	3.55

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