# EastGroup Properties, Inc. (EGP)

*Updated July 26th, 2026, by Nikolaos Sismanis*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $213 | **5 Year Annual Expected Total Return:** | 6.6% | **Market Cap:** | $11.4 B |
| **Fair Value Price:** | $173 | **5 Year Growth Estimate:** | 8.0% | **Ex-Dividend Date:** | 09/30/2026[1] |
| **% Fair Value:** | 123% | **5 Year Valuation Multiple Estimate:** | -4.1% | **Dividend Payment Date:** | 10/15/2026 |
| **Dividend Yield:** | 2.9% | **5 Year Price Target** | $254 | **Years Of Dividend Growth:** | 15 |
| **Dividend Risk Score:** | C | **Sector:** | Real Estate | **Rating:** | Hold |

## Overview & Current Events

EastGroup Properties is an internally-managed equity real estate investment trust founded in 1969. The trust is a leading provider of multi-tenant distribution and logistics facilities primarily in Sunbelt markets such as in the states of Florida, Texas, Arizona, California, and North Carolina. As of June 30th, 2026, EastGroup owned 557 industrial properties across 12 states. Its operating portfolio was 96.8% leased and 95.6% occupied. EastGroup generated $721 million in annual rental revenues last year. It is headquartered in Ridgeland, Mississippi.

On July 22nd, 2026, EastGroup reported its Q2 results for the period ending June 30th, 2026. For the quarter, income from real estate operations totaled $193.3 million, up from $177.3 million in the prior-year period, reflecting continued same-property growth and contributions from acquisitions and recently completed development projects. FFO increased 9.0% year-over-year to $126.8 million, while FFO per share rose 6.8% to $2.36 from $2.21. Unlike Q1, EastGroup recorded no gains from involuntary conversions or business interruption claims, so adjusted FFO per share was also $2.36. As in prior periods, the increase in weighted average shares outstanding partially offset the underlying growth in FFO.

Portfolio fundamentals remained healthy, with the operating portfolio 96.8% leased and 95.6% occupied at quarter-end. Rental rates on new and renewal leases signed during the quarter increased 34.1% on a straight-line basis and 18.7% on a cash basis. Same-property NOI, excluding lease termination income, grew 6.2% on a straight-line basis and 8.3% on a cash basis, supported by strong rent growth and higher same-property occupancy.

EastGroup also transferred four development and redevelopment projects totaling 669,000 square feet in its operating portfolio during Q2. These properties were fully leased as of July 21st and are expected to generate a combined stabilized yield of 9.4%. Following the quarter's performance, management raised the lower end of its 2026 FFO-per-share guidance, with the revised range now standing at $9.52 to $9.66, compared with $9.46 to $9.66 previously. We have applied the midpoint of the updated range in our estimates.

## Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **FFO/shr** | $4.02 | $4.25 | $4.66 | $4.98 | $5.38 | $6.09 | $7.00 | $7.79 | $8.35 | $8.98 | ***$9.59*** | ***$14.09*** |
| **DPS** | $2.44 | $2.52 | $2.72 | $2.94 | $3.08 | $3.58 | $4.70 | $5.04 | $5.34 | $5.90 | ***$6.20*** | ***$9.11*** |
| **Shares[2]** | 32.6 | 34.0 | 35.4 | 37.4 | 39.1 | 40.3 | 42.6 | 45.2 | 48.9 | 52.8 | ***53.8*** | ***60.0*** |

As mentioned earlier, EastGroup's FFO/share growth track record is truly one of the most impressive amongst all REITs. Besides achieving operational excellence, including maximizing its occupancy and benefiting from an ever-growing demand for distribution centers amid e-commerce's growth, the company enjoys excellent demographic tailwinds. Specifically, the company's properties are located in 13 of 15 fastest-growing markets in the United States, while its two largest by income states, Texas (~34% of annualized base rent) and Florida (~25% of ABR), are likely to see strong rental growth ahead amid their overall net adds in populations and income-tax-free statuses. While rising interest rates could

[1] Estimated dates based on past dividend dates.
[2] Share count is 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.*

slow down the company's growth, we forecast FFO/share growth of 8% in the medium-term based on the company's ongoing momentum.

EastGroup also features one of the most impressive dividend growth track records amongst its industry peers, having hiked its dividend in 27 of the last 31 years. The REIT paused dividend growth during the Great Recession, but the dividend has never been cut. We have set our dividend growth estimate at 8% through 2031.

## Valuation Analysis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Avg. P/FFO | 16.7 | 20.5 | 20.4 | 24.1 | 24.5 | 32.8 | 25.0 | 20.7 | 20.9 | 21.3 | ***22.2*** | ***18.0*** |
| Avg. Yld. | 3.6% | 2.9% | 2.9% | 2.5% | 2.3% | 1.8% | 2.7% | 3.1% | 3.1% | 3.1% | ***2.9%*** | ***3.6%*** |

EastGroup is currently trading at a forward price-to-FFO ratio of 22.2. This is below its historical average of about 23. We believe a modest discount is fair given that interest rates remain somewhat high despite the REIT's operating excellence. We have therefore maintained the stock's fair multiple at 18 times, anticipating a further headwind from the current valuation moving forward. The dividend yield, however, is above its historical average at 3.1% today.

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

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Payout | 61% | 59% | 58% | 59% | 57% | 59% | 67% | 65% | 64% | 66% | ***65%*** | ***65%*** |

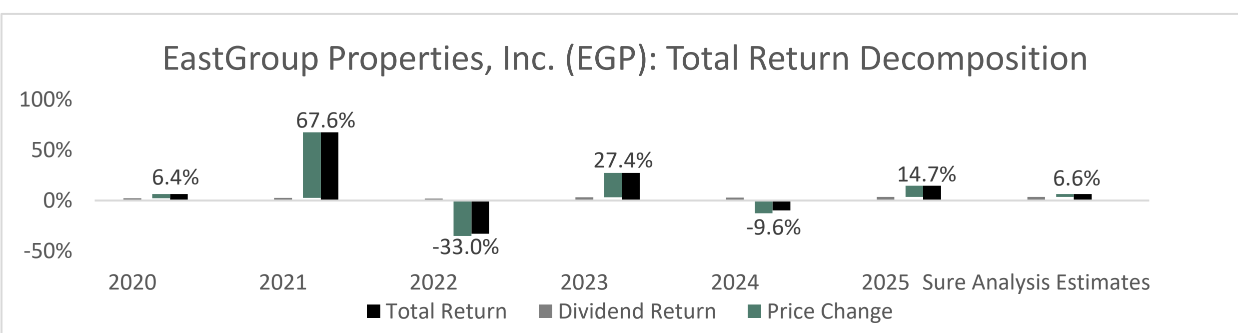
We consider EastGroup's dividend very safe. Payouts are widely covered, and EastGroup's latest bold DPS hike should further increase investors' confidence in that regard. The company showcases some of the highest quality characteristics amongst its peers. These include record occupancy rates, excellent rental growth prospects due to ideal demographics, and relatively cheap financing, including average cost of debt of around 3.43%.

Finally, cash flows are greatly diversified, with EastGroup's top 10 tenants accounting for 6.6% of the total annualized base rent. The company's advantageous industry of operations is also a great benefit in terms of driving its future growth. We believe the company displays a great completive advantage by specializing in the Sunbelt markets. Further, due to the critical nature of its distribution properties, cash flows should remain relatively resilient even under a recession. This was the case both during the Great Financial Crisis and the COVID-19 pandemic.

## Final Thoughts & Recommendation

EastGroup has delivered excellent growth in its financials and capital returns over the past few years. The company's results remained very strong even in the face of elevated interest rates, while its unique qualities are likely to lead to strong FFO/share and dividend growth moving forward. We project annualized returns of 6.6% in the medium-term, powered by our growth estimates and the starting dividend, offset by the possibility of a modest valuation contraction. Shares continue to earn a 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 | 253 | 274 | 300 | 331 | 363 | 409 | 487 | 571 | 640 | 720 |
| Gross Profit | 179 | 194 | 214 | 238 | 260 | 294 | 353 | 417 | 466 | 311 |
| Gross Margin | 70.6% | 70.8% | 71.2% | 71.9% | 71.5% | 71.9% | 72.5% | 73.0% | 72.8% | 43.2% |
| SG&A Exp. | 13 | 15 | 14 | 17 | 15 | 16 | 17 | 17 | 21 | 0 |
| D&A Exp. | 78 | 84 | 92 | 105 | 116 | 127 | 154 | 171 | 189 | 217 |
| Operating Profit | 88 | 95 | 109 | 117 | 128 | 151 | 183 | 228 | 255 | 286 |
| Operating Margin | 34.6% | 34.7% | 36.1% | 35.2% | 35.3% | 36.9% | 37.6% | 39.9% | 39.8% | 39.7% |
| Net Profit | 96 | 83 | 89 | 122 | 108 | 158 | 186 | 200 | 228 | 257 |
| Net Margin | 37.7% | 30.3% | 29.5% | 36.7% | 29.9% | 38.6% | 38.2% | 35.0% | 35.6% | 35.7% |
| Free Cash Flow | 139 | 155 | 165 | 196 | 196 | 256 | 317 | 338 | 417 | 405 |

## Balance Sheet Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Assets | 1,826 | 1,953 | 2,132 | 2,546 | 2,721 | 3,215 | 4,036 | 4,519 | 5,077 | 5,432 |
| Cash & Equivalents | 1 | 0 | 0 | 0 | 0 | 4 | 0 | 40 | 18 | 1 |
| Accounts Receivable | 34 | 37 | 41 | 46 | 49 | 59 | 71 | 82 | 94 | 0 |
| Goodwill & Int. Ass. | 14 | 13 | 13 | 19 | 16 | 20 | 22 | 21 | 40 | 38 |
| Total Liabilities | 1,184 | 1,202 | 1,227 | 1,344 | 1,450 | 1,644 | 2,082 | 1,911 | 1,785 | 1,935 |
| Long-Term Debt | 1,116 | 1,129 | 1,121 | 1,208 | 1,316 | 1,457 | 1,862 | 1,675 | 1,504 | 1,689 |
| Shareholder's Equity | 638 | 749 | 903 | 1,201 | 1,270 | 1,570 | 1,953 | 2,608 | 3,292 | 3,496 |
| LTD/E Ratio | 1.75 | 1.51 | 1.24 | 1.01 | 1.04 | 0.93 | 0.95 | 0.64 | 0.46 | 0.48 |

## Profitability & Per Share Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Return on Assets | 5.5% | 4.4% | 4.3% | 5.2% | 4.1% | 5.3% | 5.1% | 4.7% | 4.8% | 4.9% |
| Return on Equity | 16.0% | 12.0% | 10.7% | 11.6% | 8.8% | 11.1% | 10.6% | 8.8% | 7.7% | 7.6% |
| ROIC | 5.7% | 4.6% | 4.5% | 5.5% | 4.3% | 5.6% | 5.5% | 5.0% | 5.0% | 5.1% |
| Shares Out. | 32.6 | 34.0 | 35.4 | 37.4 | 39.2 | 40.4 | 42.7 | 45.3 | 48.9 | 52.8 |
| Revenue/Share | 7.76 | 8.05 | 8.46 | 8.83 | 9.24 | 10.14 | 11.40 | 12.59 | 13.09 | 13.62 |
| FCF/Share | 4.26 | 4.55 | 4.64 | 5.22 | 5.00 | 6.35 | 7.41 | 7.46 | 8.52 | 7.67 |

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