Slate Grocery REIT (SRRTF)

Updated August 27th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$11.57	**5 Year Annual Expected Total Return:**	3.8%	**Market Cap:**	$684 M
Fair Value Price:	$9.00	**5 Year Growth Estimate:**	1.0%	**Ex-Dividend Date:**	08/31/2026
% Fair Value:	129%	**5 Year Valuation Multiple Estimate:**	-4.9%	**Dividend Payment Date:**	09/15/2026
Dividend Yield:	7.5%	**5 Year Price Target**	$9.46	**Years Of Dividend Growth:**	0
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Sell

Overview & Current Events

Slate Grocery REIT is a Toronto-based, yet U.S.-focused real estate investment trust focused on grocery-anchored retail centers. It owns 115 properties totaling 15.2 million square feet and valued at $2.4 billion on a proportionate basis. The portfolio remains firmly rooted in necessity-based retail, with roughly 68% of GLA leased to essential-service tenants. Its top tenants include Kroger, Walmart, and Ahold Delhaize, while anchor occupancy stands at 100%. The REIT pays monthly dividends. and reports its financials in USD despite its Canadian origin. The stock trades at the Toronto Stock Exchange and Over the Counter.

On August 6th, 2026, Slate Grocery REIT posted its Q2 results for the period ending June 30th, 2026. Rental revenue grew 10.6% year-over-year to $57.9 million, compared with $52.4 million in Q2 2025, primarily due to the Tom Thumb minority interest acquisition and strong leasing activity. NOI increased 2.0% to $42.5 million, while higher interest and finance costs continued to weigh on underlying profitability.

FFO was $14.8 million, or $0.24 per unit, compared with $15.9 million, or $0.26 per unit last year. Leasing momentum remained strong, with 569,458 square feet completed during the quarter at a 16.0% average rental spread. Renewal spreads reached 16.7%, while new leases were signed 41.0% above comparable in-place rents. Portfolio occupancy declined slightly to 93.6%. For FY2026, we continue to expect FFO per share of $1.00.

The strategic review announced in May remained ongoing, with the special committee continuing to evaluate alternatives, including a potential sale. No definitive transaction or timetable had been announced as of the Q2 release.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO	$1.24	$1.26	$1.27	$1.20	$1.07	$1.03	$1.09	$1.07	$1.10	$1.04	***$1.00***	***$1.05***
DPS	$0.79	$0.82	$0.84	$0.86	$0.86	$0.86	$0.86	$0.86	$0.86	$0.86	***$0.86***	***$0.91***
Shares[1]	32.9	43.9	45.6	43.9	42.6	51.8	61.1	60.8	60.3	60.4	***60.5***	***62.0***

Slate Grocery REIT's FFO per share has exhibited notable consistency over the past decade, ranging narrowly between $1.03 and $1.26 despite changes in market conditions and the broader economic cycle. This reflects the strength of its strategy, which basically revolves around owning and operating a portfolio of grocery-anchored retail properties, leased predominantly to essential-service tenants like national grocers and pharmacies.

From 2016 through 2019, modest year-over-year declines in FFO were influenced by rising interest expenses, selective property dispositions, and an uptick in administrative costs as the platform matured and rebranded from Slate Retail to Slate Grocery. The early COVID-19 period in 2020 and 2021 also brought temporary pressure as leasing volumes slowed, and the REIT supported tenants through deferrals and elevated property-level expenses. Still, the impact was limited due to the essential nature of the tenant base, which helped maintain occupancy and rental collections.

More recently, FFO per share has rebounded and stabilized in the $1.04–$1.10 range, backed by strong leasing spreads, steady occupancy near 95%, and embedded upside from below-market in-place rents. Moving forward we expect a tiny

[1] Share count is in millions.

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CAGR of 1% in both our FFO per share and dividend per share estimates to be driven by soft embedded rental growth from below-market leases, and a disciplined capital allocation approach that focuses on sustainable distributions over more aggressive expansion.

Note that Slate Grocery has never cut its dividend since its first payout in 2014. However, dividend hikes have been rare (none since 2019). Its DPS CAGR over the past decade is positive, but we don't believe Slate Grocery is in a position to announce dividend raises anywhere near this rate moving forward.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	---	---	---	---	8.4	9.0	10.3	9.3	8.1	10.0	***11.6***	***9.0***
Avg. Yld.	---	---	---	---	9.6%	9.2%	7.7%	8.6%	9.7%	8.3%	***7.5%***	***9.6%***

While U.S. over the counter data lacks for prior years, Slate Grocery has historically traded with a high-single to low teens P/E. These multiples reflect investors appreciation of its dividend, yet their expectations for underwhelming growth moving forward. Today, shares trade at 11.6 FFOs, which we believe overvalues the name. The dividend yield is now hovering at 7.5%. We expect it to be the main driver of investor returns in the coming years.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	64%	65%	66%	72%	80%	83%	79%	80%	78%	83%	***86%***	***86%***

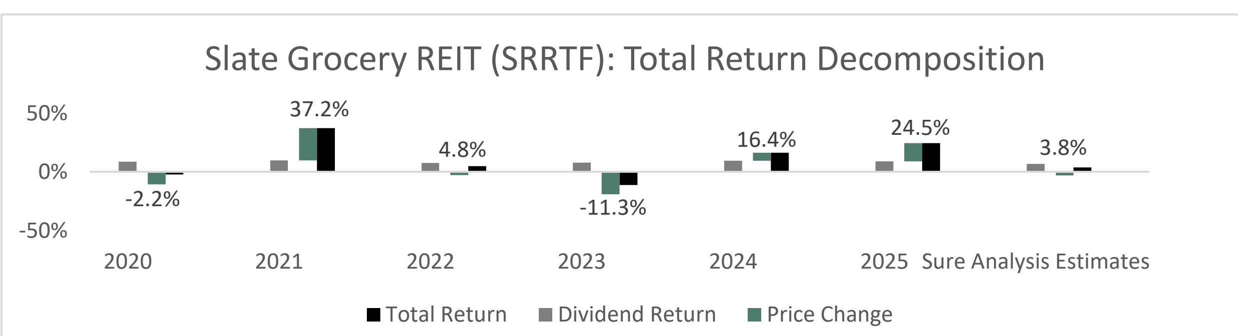
Slate Grocery REIT's portfolio is anchored by well-established, necessity-driven tenants such as Kroger, Wal-Mart, Publix, and Ahold Delhaize, retailers that consistently draw foot traffic through various economic cycles. These tenants provide long-term leases and enhance the stability of the rent roll. Moreover, the REIT's focus on U.S. markets with population growth and limited new retail construction adds a structural advantage, driving high occupancy and steady rent hikes.

While the balance sheet does carry a fair degree of leverage (roughly 55%), it remains manageable, with no near-term liquidity concerns and a staggered debt maturity profile. In the meantime, despite rising rates, the Slate has continued to cover its distributions with FFO, including through periods like the pandemic and post-pandemic monetary tightening. We believe the dividend remains safe moving forward.

Final Thoughts & Recommendation

Slate Grocery REIT offers investors a predictable income backed by a portfolio of necessity-based retail anchored by leading national grocers. With strong tenant demand, below-market rents, and disciplined financial management, it delivers dependable distributions and defensive exposure to U.S. real estate. Today, we rate the stock a sell due to the lack of dividend increases lately. We forecast the REIT can produce annualized returns of 3.8% from its current price, primarily powered by the starting dividend yield and soft growth expectations, offset by a valuation headwind.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	97	119	144	141	126	138	177	203	209	219
Gross Profit	67	84	98	95	86	95	119	130	135	144
Gross Margin	69.3%	70.7%	67.8%	67.1%	68.4%	68.6%	67.0%	64.2%	64.7%	65.8%
SG&A Exp.	2	2	3	3	3	3	5	5	5	-
Operating Profit	65	81	95	90	83	91	113	125	130	133
Operating Margin	66.5%	68.6%	65.5%	64.0%	65.7%	65.9%	63.9%	61.4%	62.0%	60.7%
Net Profit	26	54	(7)	31	41	91	129	14	40	53
Net Margin	26.9%	45.1%	-4.8%	21.8%	32.7%	65.7%	72.6%	6.7%	19.0%	24.2%
Free Cash Flow	37	45	52	42	37	46	52	72	67	60
Income Tax	12	(16)	(4)	10	14	36	34	1	8	7

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,115	1,500	1,416	1,315	1,324	1,737	2,270	2,236	2,234	2,357
Cash & Equivalents	13	7	1	2	2	14	20	24	23	22
Accounts Receivable	2	3	3	3	4	6	6	6	9	-
Total Liabilities	1,118	1,452	979	912	871	1,113	1,339	1,369	1,380	1,512
Accounts Payable	8	11	15	11	14	13	16	17	18	-
Long-Term Debt	625	883	872	789	726	938	1,131	1,162	1,167	1,303
Shareholder's Equity	(3)	48	438	403	453	619	741	687	673	659
LTD/E Ratio	(213)	18.45	1.99	1.96	1.60	1.51	1.53	1.69	1.73	1.98

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	2.5%	4.1%	-0.5%	2.3%	3.1%	5.9%	6.4%	0.6%	1.8%	2.3%
Return on Equity	277%	239%	-2.8%	7.3%	9.6%	16.9%	16.6%	1.5%	4.6%	6.3%
ROIC	4.3%	6.9%	-0.6%	2.5%	3.5%	6.6%	7.1%	0.7%	2.0%	2.6%
Shares Out.	32.9	43.9	45.6	43.9	42.6	51.8	61.1	60.8	60.3	60.4
Revenue/Share	3.07	2.70	3.16	3.22	2.66	2.35	2.90	3.34	3.47	3.62
FCF/Share	1.16	1.03	1.15	0.96	0.77	0.78	0.85	1.18	1.11	0.99

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