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EastGroup Properties, Inc. (NYSE: EGP)

REITs - Industrial

Small Boxes, Big Stability

January 28, 2026

EastGroup Properties (NYSE: EGP) is an equity industrial REIT focused on multi-tenant, shallow-bay industrial assets in high-growth Sunbelt markets. The company's portfolio is positioned in infill, last-mile locations and supported by a diversified tenant base, shorter lease durations, and a conservative balance sheet, allowing for stable cash flows and steady organic growth.

Industry Overview

The U.S. industrial real estate market is transitioning into a normalized phase following several years of rapid growth, with vacancy rates stabilizing and rent growth returning to sustainable levels. Despite this normalization, demand remains supported by long-term drivers such as e-commerce, nearshoring, and population growth, with Sunbelt markets continuing to outperform due to stronger fundamentals.

Thesis

EastGroup's multi-tenant, mid-sized industrial portfolio supports more stable cash flows and lower earnings volatility through tenant diversification, flexible leasing, and last-mile demand. In addition, the company's conservative balance sheet enables disciplined capital allocation across cycles, supporting steady growth and downside protection.

Valuation

We assign a **BUY** rating to EastGroup with a price target of $197.91. EGP is valued using a blended approach across comparable company analysis, NAV, and DCF. Applying a 75th percentile P/FFO multiple implies a target price of $204.92, while NAV of approximately $189 per share suggests the stock trades at a modest discount to intrinsic value. Although the DCF implies slight downside, we place greater emphasis on NAV and trading multiples, which we believe better capture the value of EastGroup's stabilized asset base and long-term earnings power.

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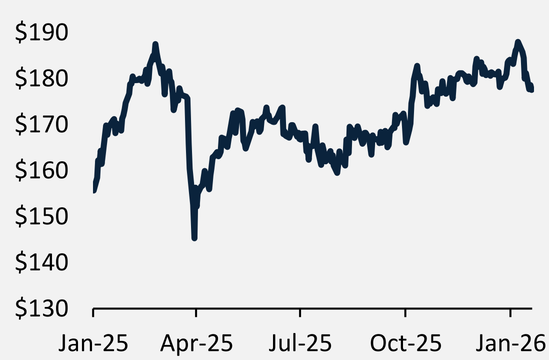
Equity Research	US
Price Target	**US$ 197.91**
Rating	BUY
Share Price (Jan. 28 Close)	$ 177.56
Total Return	11.46%

Key Statistics	
52 Week H/L	$187.43/$138.21
Market Capitalization	$9.2B
Average Daily Trading Volume	0.3M
Net Debt	$1.5B
Enterprise Value	$10.7B
Net Debt/EBITDA	3.3x
Diluted Shares Outstanding	53.3M
Free Float	99%
Dividend Yield	3.34%

Analyst Forecast

	2025E	2026E	2027E
Revenue	$708M	$759M	$813M
EBITDA	$539M	$578M	$621M
NOI	$515M	$551M	$589M
FFO/Share	$9.33	$9.81	$10.33
P/FFO	19.0x	18.1x	16.3x
EV/EBITDA	19.9x	18.6x	17.3x

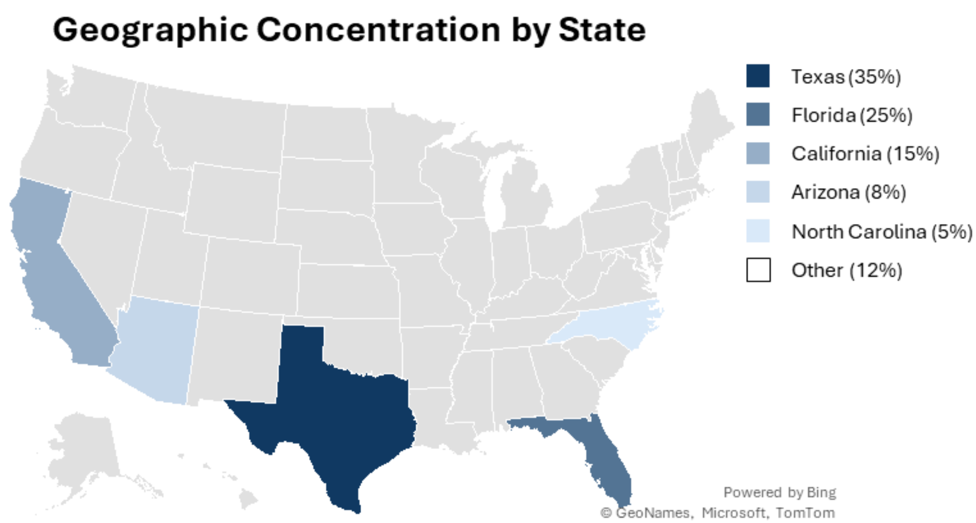
1-Year Price Performance



Company Overview

General Overview

EastGroup Properties, Inc. (NYSE: EGP) is an equity industrial REIT focused on multi-tenant, shallow-bay distribution and warehouse spaces in high-growth Sunbelt markets across 12 U.S. states. The company currently owns 64.4 million square feet of space across over 500 industrial assets, including development and value-add projects.



EastGroup's portfolio is concentrated in markets that have experienced significantly higher economic growth than the national average – the company's locations have seen roughly 58% higher GDP growth between 2020 and 2024. This outperformance has been driven by strong population inflows, business-friendly tax and regulatory environments, warmer climate, and better affordability creating migration toward lower-cost Sunbelt markets.

These properties are strategically located near major transportation corridors such as highways, interstates, and ports, in supply-constrained infill submarkets. The majority of buildings range from 20,000 to 140,000 square feet, catering to tenants that operate their entire business from the same facility. This mid-size format supports a diverse tenant base and allows for flexible leasing options, with ~89% of the portfolio consisting of business distribution spaces positioned close to end consumers. As e-commerce has grown, tenants are increasingly prioritizing last-mile facilities that allow for faster delivery, lower transportation costs, and more efficient inventory management, therefore driving a demand for infill, shallow-bay industrial assets.

Business Model and Growth Strategy

EGP's core revenue stream comes from base rent collection and expense recoveries under multi-year leases with annual step-ups. Additional value is created through same-store rent growth (bringing in-place rents to market upon rollover), development margins from ground-up projects, and value-add leasing of underperforming acquisitions.

Beyond rent growth, EGP's strategy centres on several key pillars:

- **Shallow-bay focus:** <150k sq. ft. assets which have historically seen lower vacancy and limited new supply compared to large-bay warehouses.
- **Last-mile positioning:** Targeting assets near dense population centres or key transport hubs to support quicker delivery and customer reach.
- **Cluster business park model**: Owning multiple buildings within the same submarket to support tenant expansion, build stronger relationships, and achieve operational efficiency.
- **Conservative balance sheet:** Maintaining low leverage (3.3x Net Debt/EBITDA) to remain flexible during periods of higher interest rates. This allows EGP to continue developing or acquiring assets without being constrained by debt markets, which is a distinct advantage when capital markets tighten.

Property Portfolio and Tenant Base

The portfolio features individual tenant units typically subdivided into 20,000 to 100,000 square foot blocks. Rent is distributed across hundreds of mid-sized tenants in sectors such as logistics, light manufacturing, building products, and business services. No single tenant accounts for more than 1.6% of annualized base rent, highlighting the company's highly diversified tenant base. A highly diversified tenant base lowers bad debt and vacancy risk, as the loss or default of any single tenant has a minimal impact on overall rental income.

With shorter lease terms compared to large-box peers, EGP can re-lease space at a higher frequency and capture increases in market rent as leases roll over. This structure provides steady organic growth and a natural hedge against inflationary pressure.

Industry Analysis

U.S. Industrial Real Estate Snapshot

The U.S. Industrial Real Estate sector has begun to stabilize after a period of rapid expansion from 2021 to 2023. This expansion was fueled by a sharp increase in e-commerce volumes, pandemic-driven supply-chain disruptions that accelerated nearshoring initiatives, and historically tight industrial supply entering the period, which then incentivized high levels of development activity. During this phase, significant new supply entered the market, lifting vacancy rates from below 4% in 2021–2022 to around 6% by 2024–2025, a level more consistent with historical averages. Rent growth has also moderated, cooling from double-digit increases to a more sustainable mid-single-digit range.

Despite this normalization, asking rents remain well above pre-COVID levels and continue to show positive year-over-year growth in key markets, reflecting resilient underlying demand for modern logistics and distribution space.

Structural Demand Drivers

Industrial real estate has become a critical component of modern supply chains. Demand continues to be supported by several long-term structural factors:

- **Rise in e-commerce:** The growth of online shopping has created sustained demand for warehouse and fulfillment space, as consumers continue to view e-commerce as a normal part of everyday life beyond the pandemic years.
- **Onshoring and supply-chain resilience:** Companies are reducing reliance on distant suppliers by bringing production and inventory closer to end users, shifting from a "just-in-time" to a "just-in-case" model.
- **Population growth:** Expanding populations, particularly in high-growth cities fuel greater economic activity and logistics needs to support local consumption. Southern U.S. states show the strongest regional population growth. The South, which includes many Sunbelt markets, grew by roughly 1.8% between 2023 and 2024, outpacing the Northeast (1.0%), West (0.9%), and Midwest (0.8%) in recent estimates.

Shallow-bay vs Big Box

Shallow-bay and big box industrial assets exhibit different supply dynamics and risk profiles, which have become more evident in recent years.

Shallow-Bay (under 150k sf)
These assets benefit from localized, last-mile demand and more limited new supply, contributing to greater operating stability.

- Maintain lower vacancy (~5%) compared to large-box facilities (~10%).
- Limited new supply, representing only about 20% of current U.S industrial development.

Big Box (150k+ sf)
Big box facilities have absorbed the majority of recent development and are more exposed to national supply cycles.

- Have felt the impact of the new supply hitting the market, leading to higher vacancies and slower rent growth.
- Larger, single-tenant buildings require fewer but bigger leasing decisions, making them more vulnerable to demand slowdowns and slower absorption when excess supply enters the market.

Overall, shallow-bay assets have shown greater resilience through the current cycle due to constrained supply and diversified demand, while big box assets are experiencing more normalization pressure.

Industry Outlook

The U.S. industrial market is entering a more stable phase after a few years of record growth. Vacancy rates have moved up to the mid-6% range as new supply continues to hit the market, and rent growth has slowed to mid-single digits. Even with this cooldown, core fundamentals remain solid, supported by steady e-commerce activity, nearshoring, and population growth in key regions, with Sunbelt markets continuing to outperform due to above-average population and employment growth.

As construction starts to taper off and new supply balances out through 2025, vacancy levels should stabilize, and rent growth is expected to return to historical long-term rates. In the Sunbelt, tighter long-term supply constraints and sustained immigration are expected to support relatively stronger occupancy and rent performance compared to national averages. Overall, the sector remains healthy with stable demand and disciplined new development.

Management Team

Marshall A. Loeb – Chief Executive Officer

Marshall A. Loeb has served as EastGroup's Chief Executive Officer since 2016 and brings over 30 years of experience across publicly traded REITs. His background spans finance, operations, and development, including prior senior roles at Glimcher Realty Trust and Parkway Properties, as well as earlier tenure at EastGroup. This depth of experience supports the company's disciplined portfolio strategy and conservative capital allocation approach.

Staci H. Tyler – Chief Financial Officer

Staci H. Tyler, EastGroup's Chief Financial Officer, brings nearly two decades of experience at the company, having held a range of senior finance and accounting roles since joining in 2007. Her deep institutional knowledge and capital markets expertise have supported EastGroup's conservative leverage profile, strong liquidity position, and disciplined approach to funding development. This continuity and financial stewardship have positioned EGP with greater balance sheet flexibility and resilience relative to peers, particularly through periods of market volatility.

Donald F. Colleran – Chairman of the Board

Donald F. Colleran, Chairman of the Board, brings deep global logistics and supply-chain expertise from his tenure as President and CEO of FedEx Express. His experience overseeing large-scale distribution networks and last-mile delivery operations provides EastGroup with differentiated insight into tenant needs, network efficiency, and location strategy, directly aligning with the company's focus on infill, last-mile industrial assets. This perspective strengthens strategic oversight and supports long-term portfolio positioning.

Investment Theses

Thesis 1: Diversified Mid-Size Tenant Strategy Supports Superior Risk-Adjusted Returns

EastGroup's focus on multi-tenant, mid-sized industrial assets creates a structurally defensive earnings profile by reducing tenant concentration risk, supporting stable occupancy, and limiting cash flow volatility across economic cycles.

Tenant Diversification Limits Impact of Defaults

EastGroup's rental income is distributed across hundreds of local and regional tenants, with no single tenant accounting for more than 1.6% of annualized base rent. This diversification of tenants does not reduce the likelihood that any given tenant might default, but it significantly reduces the negative financial impact when one does. With no large reliance on an individual occupant, a vacancy or default is a manageable, routine occurrence rather than an unpredictable disruptive loss of revenue.

Mid-Sized Unit Configuration Allows for Quicker Re-Leasing

EGP's unit sizes allow space to be re-leased quicker and more efficiently than large-format warehouses. This flexibility reduces downtime and helps preserve occupancy during demand slowdowns, particularly relative to large-box assets that rely on fewer, larger tenants that can take months or even years to re-lease after a sudden unoccupancy.

Shorter Lease Structure Enhances Pricing Flexibility and Negotiating Power

Compared to large-box industrial assets that are often leased on long-term contracts to a small number of tenants, EastGroup's multi-tenant format provides greater leasing flexibility and pricing optionality. Shorter lease durations allow the portfolio to mark rents to market more frequently, enabling EGP to capture market rent growth and keep pace with inflation over time.

In addition, landlords of large-format warehouses are often more exposed to tenant negotiating leverage, as the cost and time required to backfill a vacant big box asset can be significant. By contrast, EastGroup's smaller unit sizes shift negotiating leverage toward the landlord, improving pricing power.

Last-Mile Tenant Demand Increases Stickiness

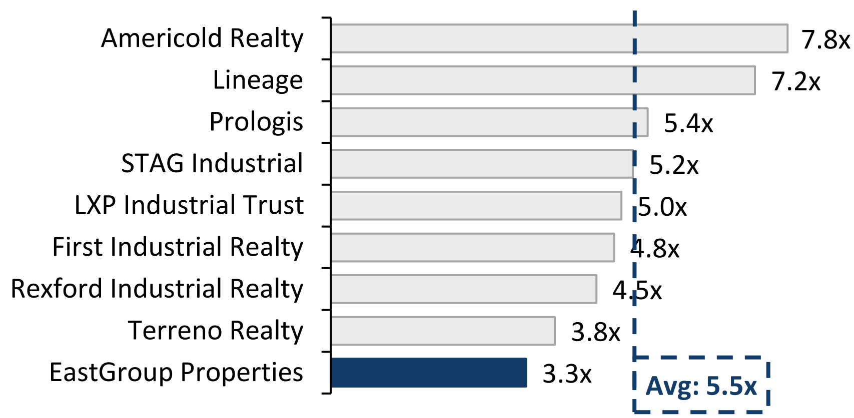
Many of the company's tenants operate their entire business from a single location close to end consumers. As a result, relocating can be costly and operationally disruptive, which supports longer-term tenancy and reduces leasing volatility. These tenants typically rely on proximity to customers, labor, and transportation infrastructure, making location a critical component of their business model rather than a flexible input.

This last-mile orientation increases switching costs and limits tenant churn, even during periods of economic slowdown. Over time, this contributes to more stable occupancy and cash flows, reinforcing EastGroup's defensive earnings profile relative to industrial assets with more mobile, large-format tenants.

Thesis 2: Low Leverage Allows EGP to Stay Disciplined Across Cycles

EastGroup maintains a conservative balance sheet with leverage meaningfully below the peer group. This positions the company to operate with greater flexibility and discipline no matter the market cycles. With net debt to EBITDA below that of industrial REIT peers, EGP can avoid forced capital decisions, remain selective with development, and pursue growth when conditions are truly favourable.

Net Debt / EBITDA



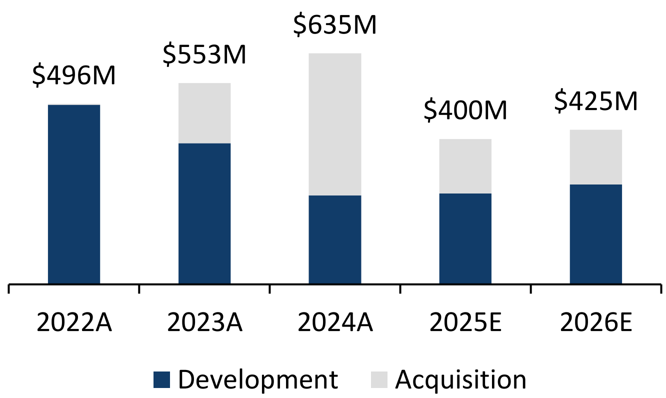
Low Leverage Reduces Forced Capital Decisions

EastGroup's conservative leverage profile reduces the likelihood of forced capital actions during periods of market stress. With lower reliance on debt relative to peers, the company is less exposed to refinancing pressure, covenant risk, or the need to raise equity at unfavorable valuations. This consideration is particularly important for REITs, which routinely rely on capital markets to finance growth initiatives while simultaneously distributing a substantial portion of cash flow to shareholders through dividends. This flexibility allows management to make thoughtful, long-term decisions instead of being forced to act due to short-term market conditions.

Liquidity Supports Disciplined Development

EastGroup's strong liquidity allows management to pursue a disciplined, growth strategy. The company has a focus on development rather than relying on acquisitions to deploy capital. This flexibility enables EGP to be selective about when, where, and what it builds, ensuring new projects align with its target markets, unit sizes, and prospective tenant mix.

Capital Deployment



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This reduces the need to pursue acquisitions simply to deploy capital, which can expose REITs to unfavorable asset pricing or inferior asset quality during competitive markets. Instead, EGP's focus on development reflects a preference for controlling asset design and prioritizing long-term portfolio objectives.

Valuation

Comparable Company Analysis

For the comparable company analysis, a peer group of industrial REITs was selected based on similarities in asset type, operating strategy, tenant profile, and geographic exposure. The selected comparables were chosen due to their focus on industrial real estate, including distribution and logistics assets, which have comparable tenant demand drivers: e-commerce, supply-chain reconfiguration, and last-mile distribution.

While there are differences in scale, geographic concentration, and asset mix, the peer group provides a relevant benchmark for evaluating EastGroup's valuation relative to the broader industrial REIT universe. A 75th percentile P/FFO multiple was applied to reflect EastGroup's higher-quality asset base and more defensive operating profile relative to peers. Using this multiple, the analysis implies an implied share price of $204.92, suggesting 15.4% upside relative to the current share price.

Prologis (NYSE: PLD)

Prologis is the largest global industrial REIT, owning and operating large-scale logistics and distribution facilities in major consumption and transportation hubs worldwide, with significant exposure to e-commerce and global supply chains.

First Industrial Realty (NYSE: FR)

First Industrial Realty is a U.S.-focused industrial REIT specializing in bulk and light industrial properties located in major coastal and Sunbelt markets, serving regional and national distribution tenants.

Terreno Realty (NYSE: TRNO)

Terreno Realty owns and operates industrial properties in high-barrier coastal markets, with a focus on infill locations and shorter lease terms that support frequent rent mark-to-market.

STAG Industrial (NYSE: STAG)

STAG Industrial is an industrial REIT primarily focused on single-tenant warehouse and distribution facilities across U.S. secondary markets, offering exposure to longer lease durations and diversified geographic markets.

Plymouth Industrial (NYSE: PLYM)

Plymouth Industrial REIT owns and operates value-add industrial properties in secondary and Midwest markets, with a strategy centered on leasing improvements and asset repositioning.

Rexford Industrial (NYSE: REXR)

Rexford Industrial is a pure-play Southern California industrial REIT focused on infill properties in supply-constrained markets, benefiting from strong demand and limited new development.

Lineage (NASDAQ: LINE)

Lineage is a temperature-controlled industrial REIT focused on cold-storage warehouses supporting food distribution. While differentiated by asset type, it is included as a comparable due to similar industrial operating characteristics and logistics-driven demand.

LXP Industrial Trust (NYSE: LXP)

LXP Industrial Trust is an industrial-focused REIT that transitioned from office assets to a portfolio of single-tenant warehouse and distribution properties across the U.S.

Discounted Cash Flow

Our DCF valuation uses an exit multiple approach and implies a share price of $168.83 under the base case. This represents a 4.9% downside relative to the current share price. The terminal value is derived using an exit multiple of 22.7x, applied to projected terminal-year cash flow The exit multiple is based on the 75th percentile trading multiple of the comparable peer group, reflecting EastGroup's higher-quality asset base and more defensive operating profile relative to peers.

We view the DCF using the perpetuity growth method as less indicative of EastGroup's long-term value, as elevated development spending during the forecast period temporarily suppresses near-term cash flows. While this reduces the implied valuation, the investment is expected to drive higher stabilized cash flows over time once development projects are completed and leased. As a result, we place greater emphasis on NAV and comparable company analysis in our overall valuation framework.

Net Asset Value

Our NAV analysis estimates the intrinsic value of EastGroup's real estate portfolio by capitalizing forward stabilized net operating income and adjusting for net debt and other balance sheet items.

Under our base case, the portfolio is valued using a 5.0% capitalization rate applied to stabilized NOI of $551M. We then add the value of properties under development, cash and equivalents, and other assets, resulting in total gross assets of $11,617M. From this, we deduct total debt and liabilities of $1,785M, arriving at an implied net asset value of $9,832M.

Based on this analysis, we estimate EastGroup's NAV at approximately $189 per share, implying the stock trades at a modest 6.1% discount to net asset value. This valuation supports our investment thesis that EastGroup's shares offer attractive downside protection with limited valuation risk.

Catalysts

Interest Rate Stability with Potential Easing Supports REIT Valuations

Interest rates remain elevated relative to pre-pandemic levels, which has weighed on REIT valuations by increasing financing costs and reducing visibility around cash flows and asset values. As interest rates stabilize, improved predictability around the cost of capital and discount rates should support investor confidence in high-quality REITs with durable earnings profiles.

While lower interest rates would broadly benefit the REIT sector, increased rate stability and potential easing would support valuation confidence and reduce perceived risk for high-quality operators such as EastGroup.

Lease Rollover Unlocks Embedded Rent Growth

As leases roll over, EastGroup has the opportunity to consistently reset in-place rents to market, driven by its mid-sized, multi-tenant portfolio and shorter lease structure. Demonstrated same-store NOI growth would provide tangible evidence of the company's ability to keep rents growing in line with market conditions, even as headline industrial growth moderates.

Over time, consistent execution on lease rollovers and internal growth could shift investor perception toward the durability of EGP's earnings profile, highlighting the embedded rent growth that may be less visible in a normalizing industrial market.

Risks

Geographic Concentration in Sunbelt Markets Increases Regional Exposure

While EastGroup's focus on high-growth Sunbelt markets has historically supported demand and rent growth, the portfolio's geographic concentration increases exposure to regional economic slowdowns, localized oversupply, or changes in migration trends. A reversal in population inflows or a sharper-than-expected increase in regional supply could pressure occupancy and rent growth relative to more geographically diversified peers.

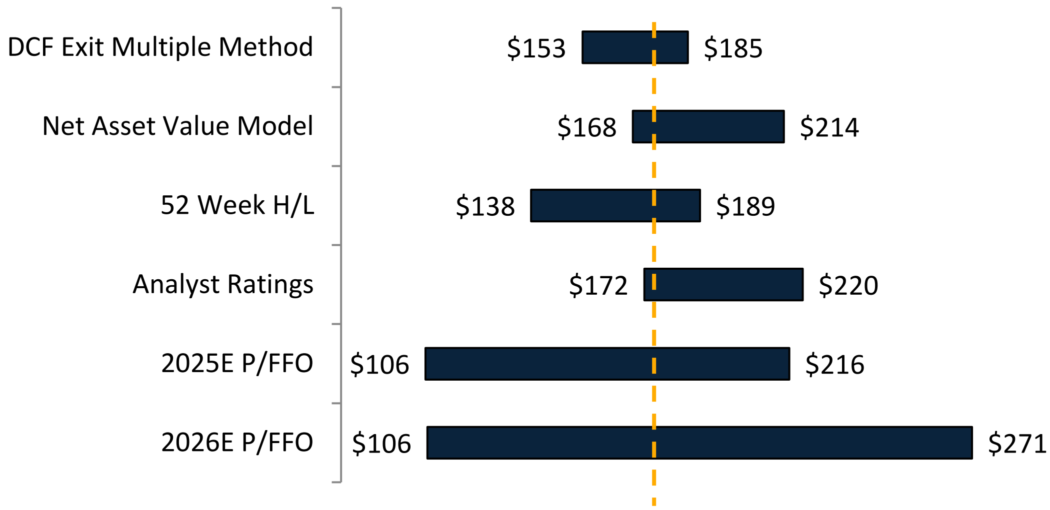
Development Timing and Execution Risk

EastGroup's disciplined approach to development is a core strength of the business, allowing the company to control asset quality, unit mix, and long-term portfolio positioning. However, this strategy also introduces timing and execution risk, particularly in periods of sudden demand shifts or broader economic uncertainty. If leasing activity slows or market conditions weaken unexpectedly, development projects may take longer to stabilize or generate lower-than-expected returns, reducing incremental NOI contribution and pressuring near-term growth.

Recommendation – BUY

We recommend a **BUY** for EastGroup Properties at $177.56 with a target price of $197.91, implying an 11% upside from the current share price. EastGroup offers a high-quality industrial platform characterized by a diversified, mid-sized tenant base, defensively positioned shallow-bay assets, and a conservative balance sheet. These attributes support stable cash flows, reduced downside risk, and consistent internal growth through lease rollovers, even in a normalizing industrial market. As a result, EastGroup is best viewed as a high-quality, long-term holding, offering steady growth and downside protection rather than near-term, price-driven upside.

The implied share price is derived using a weighted valuation approach, consisting of 10% Discounted Cash Flow (DCF) analysis, 35% Net Asset Value (NAV), 35% 2025E P/FFO, and 20% 2026E P/FFO. A higher weighting is assigned to NAV, as it best captures the intrinsic value of EastGroup's high-quality real estate portfolio, while forward P/FFO multiples provide a relevant market-based benchmark for valuation. Together, this supports a BUY recommendation driven by EastGroup's durable earnings profile, disciplined capital allocation, and steady long-term growth.



Appendix 1: Value Drivers – Base Case

All Figures in mm USD	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	CAGR
x **Consolidated Revenue and Expenses**									
Property-Level Revenue									
(+) Same-Property				654	670	687	704	722	
(+) Revenue from Acquisitions				28	39	50	60	71	
(+) Revenue from Development and Redevelopment				24	48	74	103	134	
(-) Lost Revenue from Dispositions				(1)	(3)	(5)	(7)	(9)	
Total Property-Level Revenue	**487**	**566**	**638**	**705**	**754**	**806**	**860**	**918**	
Property-Level Expenses									
(-) Same-Property				(177)	(182)	(186)	(191)	(196)	
(-) Expenses from Acquisitions				(8)	(11)	(13)	(16)	(19)	
(-) Expenses from Development and Redevelopment				(6)	(13)	(20)	(28)	(36)	
(+) Expenses from Dispositions				0	1	2	3	3	
Total Property-Level Expenses	**(134)**	**(154)**	**(174)**	**(191)**	**(204)**	**(218)**	**(232)**	**(248)**	
(-) Noncontrolling interest in PNOI of consolidated jv	(0)	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**	**(0)**	
(+) PNOI from 50% owned unconsolidated investment	1	1	1	1	1	1	1	1	
Net Operating Income	**354**	**413**	**465**	**515**	**551**	**589**	**629**	**671**	**7.6%**
NOI Margin	*72.7%*	*73.0%*	*72.9%*	*73.1%*	*73.1%*	*73.1%*	*73.1%*	*73.1%*	
Gross Real Estate Assets	**4,934**	**5,493**	**6,178**	**6,627**	**7,105**	**7,612**	**8,149**	**8,715**	
Yield on Total Gross Real Estate Assets	*8.4%*	*8.5%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.2%*		
Gross Real Estate - Established	**4,396**	**4,854**	**5,503**	**5,818**	**6,162**	**6,535**	**6,937**	**7,368**	
Maintenance CapEx	41	51	59	65	69	73	77	82	
% Prior Year Established Real Estate Assets	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	
% Net Operating Income									
Expenses % Rent Revenues	27.5%	27.2%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	
x **Same-Property**									
Same-Property Revenue	487	566	638	654	670	687	704	722	
Same-Property Revenue Growth Rates				2.5%	2.5%	2.5%	2.5%	2.5%	
Bull				3.0%	3.0%	3.0%	3.0%	3.0%	
Base				2.5%	2.5%	2.5%	2.5%	2.5%	
Bear				2.0%	2.0%	2.0%	2.0%	2.0%	
NOI Margin			72.9%	72.9%	72.9%	72.9%	72.9%	72.9%	
Same-Property NOI				477	489	501	513	526	
x **Acquisitions**									
Acquisitions of Real Estate Assets	2	165	390	150	150	150	150	150	
Bull				50	50	50	50	50	
Base				150	150	150	150	150	
Bear				250	250	250	250	250	
Acquisition Estimated Cap Rate			5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	
Bull				5.0%	5.0%	5.0%	5.0%	5.0%	
Base				5.3%	5.3%	5.3%	5.3%	5.3%	
Bear				5.5%	5.5%	5.5%	5.5%	5.5%	
Incremental Annual NOI				20	8	8	8	8	
NOI Margin			72.9%	72.9%	72.9%	72.9%	72.9%	72.9%	
Incremental Annual Revenue				28	11	11	11	11	
x **Dispositions**									
Proceeds from Sales of Real Estate Investments, Net	51	42	18	37	37	37	37	37	
Bull				42	42	42	42	42	
Base				37	37	37	37	37	
Bear				32	32	32	32	32	
Gain / (Loss) on Sale of Real Estate Owned	41	18	9	21	21	21	21	21	
Gain / (Loss) % Asset Proceeds	80.4%	43.2%	49.6%	57.7%	57.7%	57.7%	57.7%	57.7%	
Book Value of Dispositions	10	24	9	16	16	16	16	16	
Cap Rate on Disposed Assets			5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	
Bull				5.3%	5.3%	5.3%	5.3%	5.3%	
Base				5.5%	5.5%	5.5%	5.5%	5.5%	
Bear				5.8%	5.8%	5.8%	5.8%	5.8%	
Incremental Annual NOI Reduction				1	2	2	2	2	
NOI Margin			72.9%	72.9%	72.9%	72.9%	72.9%	72.9%	
Incremental Annual Revenue Reduction				1	3	3	3	3	
x **Development and Redevelopment**									
Development and Value-Add Properties Spending	494	388	245	250	275	300	325	350	
Bull				280	305	330	355	380	
Base				250	275	300	325	350	
Bear				220	235	250	265	280	
Average Stabilized Yield on Cost			7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
Bull				7.5%	7.5%	7.5%	7.5%	7.5%	
Base				7.0%	7.0%	7.0%	7.0%	7.0%	
Bear				6.5%	6.5%	6.5%	6.5%	6.5%	
Incremental Annual NOI from Development				17	18	19	21	23	
NOI Margin			72.9%	72.9%	72.9%	72.9%	72.9%	72.9%	
Incremental Annual Revenue from Development				24	24	26	29	31	

Appendix 2: Income Statement

All Figures in mm USD	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	CAGR
x Income Statement									
Revenue									
(+) Rental Income	487	566	638	705	754	806	860	918	
(+) JV Management and Other Fees	0	4	2	3	5	7	11	17	
Total Revenue	**487**	**571**	**640**	**708**	**759**	**813**	**872**	**935**	
Expenses									
(-) Property-Level Expenses	(134)	(154)	(174)	(191)	(204)	(218)	(232)	(248)	
(-) Indirect Leasing Costs	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
(-) Interest Expense	(38)	(48)	(39)	(48)	(53)	(58)	(63)	(69)	
(-) Real Estate Depreciation & Amortization	(154)	(171)	(189)	(212)	(228)	(244)	(262)	(280)	
(-) General & Administrative	(16)	(17)	(21)	23	24	26	28	30	
Total Expenses	**(343)**	**(390)**	**(424)**	**(429)**	**(461)**	**(495)**	**(530)**	**(568)**	
(+) Other Income	1	2	3	3	3	3	3	3	
(+) Gain / (-) Loss on Sale of Real Estate Owned	41	18	9	21	21	21	21	21	
Pre-Tax Income	**186**	**201**	**228**	**302**	**321**	**342**	**366**	**391**	
(-) Income Taxes	-	-	-	-	-	-	-	-	
Net Income	**186**	**201**	**228**	**302**	**321**	**342**	**366**	**391**	
(-) Net Income Attributable to NCI	(0)	(0)	(0)						
Net Income Attributable to EastGroup Properties	**186**	**200**	**228**	**302**	**321**	**342**	**366**	**391**	
(-) Distributions to Preferred Stockholders (Series E)	-	-	-						
Net Income Attributable to Common Stockholders	**186**	**200**	**228**	**302**	**321**	**342**	**366**	**391**	
x Income Statement Drivers									
JV Management and Other Fees Growth	N/A	2121.2%	49.8%	49.0%	50.0%	51.0%	51.0%	51.0%	
Real Estate Depreciation & Amortization % Revenue	31.5%	30.0%	29.6%	30.0%	30.0%	30.0%	30.0%	30.0%	
General & Administrative % Revenue	3.4%	2.9%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	
Weighted Average Interest Rate on Debt		2.6%	2.3%	2.5%	2.5%	2.5%	2.5%	2.5%	

Appendix 3: Balance Sheet

x Balance Sheet								
Assets								
Gross Real Estate Assets	**4,934**	**5,493**	**6,178**	**6,670**	**7,195**	**7,751**	**8,340**	**8,962**
(-) Accumulated Depreciation	(1,151)	(1,274)	(1,416)	(1,628)	(1,856)	(2,099)	(2,361)	(2,641)
Net Real Estate Assets	**3,784**	**4,219**	**4,762**	**5,042**	**5,339**	**5,651**	**5,979**	**6,321**
Cash & Cash-Equivalents	0	40	18	34	36	38	41	44
Unconsolidated Investments	7	8	7	7	7	7	7	7
Other Assets	245	252	290	304	326	350	375	402
Total Assets	**4,036**	**4,519**	**5,077**	**5,388**	**5,709**	**6,047**	**6,402**	**6,774**
Liabilities								
Debt & Lease Liabilities	1,862	1,675	1,504	1,664	1,816	1,979	2,150	2,330
Accounts Payable and Accrued Expenses	137	146	147	161	172	185	198	212
Other Liabilities	84	89	134	113	121	130	139	149
Total Liabilities	**2,082**	**1,911**	**1,785**	**1,937**	**2,110**	**2,294**	**2,488**	**2,692**
Shareholders Equity								
Total Equity	**1,953**	**2,609**	**3,293**	**3,451**	**3,598**	**3,753**	**3,914**	**4,082**
Total Liabilities and Equity	**4,036**	**4,519**	**5,077**	**5,388**	**5,709**	**6,047**	**6,402**	**6,774**
Balance Check	-	-	-	-	-	-	-	-

x Balance Sheet Drivers								
Other Assets % Revenue	50.3%	44.2%	45.3%	43.0%	43.0%	43.0%	43.0%	43.0%
Accounts Payable and Accrued Expenses % Total Expenses	39.9%	37.5%	34.8%	37.4%	37.4%	37.4%	37.4%	37.4%
Other Liabilities % Total Expenses	24.4%	22.9%	31.6%	26.3%	26.3%	26.3%	26.3%	26.3%

Appendix 4: Cash Flow Statement

x	**Cash Flow Statement**								
	Cash Flow from Operations								
	(+) Net Income	186	201	228	302	321	342	366	391
	(+) Real Estate Depreciation & Amortization	154	171	189	212	228	244	262	280
	(-) Gain / (+) Loss on Sale of Non-operating Real Estate	-	(0)	(0)	-	-	-	-	-
	(-) Gain / (+) Loss on Real Estate Investments	(41)	(18)	(9)	(21)	(21)	(21)	(21)	(21)
	(+) Stock Based Compensation expense	8	9	10	9	9	9	9	9
	(-) Gain / (+) Loss on Involuntary Conversion	-	(4)	(2)	-	-	-	-	-
	(+/-) Other Items	1	2	2	-	-	-	-	-
	Changes in Operating Assets and Liabilities								
	(+/-) Accrued Income and Other Assets	(9)	(15)	(13)	(14)	(22)	(23)	(25)	(27)
	(+/-) Other Liabilities	-	-	-	(21)	8	9	9	10
	(+/-) Accounts Payable, Accrued Expenses, Prepaid Rent	17	(6)	11	13	12	12	13	14
	Cash Flow from Operations	**317**	**338**	**417**	**481**	**535**	**572**	**612**	**656**
	Cash Flow from Investing								
	(-) Recurring Maintenance CapEx	(41)	(51)	(59)	(65)	(69)	(73)	(77)	(82)
	(-) Acquisition of Real Estate Assets	(2)	(165)	(390)	(150)	(150)	(150)	(150)	(150)
	(-) Development of Real Estate Assets	(494)	(388)	(245)	(250)	(275)	(300)	(325)	(350)
	(+) Proceeds from Sale of Real Estate Investments	51	42	18	37	37	37	37	37
	(-) Leasing Commissions	(37)	(32)	(32)	(43)	(46)	(49)	(53)	(56)
	(+/-) Other Items, Net	2	25	(16)	-	-	-	-	-
	Cash Flow from Investing	**(521)**	**(570)**	**(724)**	**(471)**	**(503)**	**(535)**	**(568)**	**(601)**
	Cash Flow from Financing								
	(+/-) Net Change in Debt	351	(187)	(170)	160	153	162	172	180
	(+) Common Stock Issuances / (-) Repurchases	76	692	718	160	153	162	172	180
	(-) Distributions to Common Stockholders	(194)	(226)	(253)	(314)	(335)	(359)	(385)	(413)
	(+/-) Other Financing Activities, Net	(32)	(8)	(10)	-	-	-	-	-
	Cash Flow from Financing	**200**	**272**	**285**	**7**	**(30)**	**(35)**	**(42)**	**(53)**
	(+) Net Change in Cash & Cash-Equivalents	(4)	40	(23)	16	2	2	3	3
	(+) Beginning Cash	4	0	40	18	34	36	38	41
	Ending Cash	**0**	**40**	**18**	**34**	**36**	**38**	**41**	**44**

x	**Cash Flow Statement Drivers**									
	Leasing Commissions % Rental Income	7.7%	5.7%	5.0%	6.1%	6.1%	6.1%	6.1%	6.1%	
	FFO									
	(+) Net Income Attributable to Common Stockholders	186	200	228	302	321	342	366	391	
	(+) Real Estate Depreciation and Amortization	154	171	189	212	228	244	262	280	
	(-) Gain / (+) Loss on Sale of Communities	(41)	(18)	(9)	(21)	(21)	(21)	(21)	(21)	
	(+/-) Other Adjustments	0	(0)	(0)	-	-	-	-	-	
	FFO	**299**	**353**	**408**	**494**	**528**	**565**	**606**	**650**	**9.8%**
	Dividends % FFO	64.9%	63.9%	61.9%	63.6%	63.6%	63.6%	63.6%	63.6%	
	Planned Dividends	194	226	253	314	335	359	385	413	**10.3%**
	Minimum Cash Balance				33.6	35.9	38.4	40.9	43.6	
	Cash Balance Before Debt/Equity Financing				(286.6)	(269.3)	(286.2)	(302.1)	(317.2)	
	Debt/Equity Funding Required				320.3	305.2	324.6	343.0	360.8	
	Debt Issued				160.1	152.6	162.3	171.5	180.4	
	Equity Issued				160.1	152.6	162.3	171.5	180.4	
	Diluted Share Count	43.554	47.957	52.024	52.926	53.785	54.699	55.665	56.681	

Appendix 5: Net Asset Value – Base Case

All Figures in mm USD

Selected Case	Base		
x Assets			
Effective Cap Rate	5.0%		
Bull	4.5%		
Base	5.0%		
Bear	5.5%		
Operating Real Estate Asset Value	**Forward NOI**	**Effective Cap Rate**	**Implied Value**
Forward NOI	551	5.0%	11,019
JV Management and Other Fees	3	10.0%	33
Property under Development			250
Other Assets			
Cash & Cash-Equivalents			18
Unconsolidated Investments			7
Other Assets			290
Total Assets			**11,617**
x Liabilities and Equity			
Debt & Lease Liabilities			(1,504)
Accounts Payable and Accrued Expenses			(147)
Other Liabilities			(134)
Net Asset Value			9,832
Shares Outstanding			52.0
NAV/Share			**189.00**
Last Share Price			177.56
NAV per Share Premium / (Discount) to Current			(6.1%)
Implied P/NAV			0.94x

Case		
Bear	Base	Bull
168.48	189.00	214.30

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Appendix 6: Discounted Cash Flow Analysis – Base Case

Exit Multiple Method	
Exit Multiple	22.7 x
Bull	25.0 x
Base	22.7 x
Bear	20.0 x
Terminal Value	16,259
Implied Perpetuity Growth Rate	6.1%
PV of Terminal Value	11,894
Sum of PV of UFCF	544
Implied Enterprise Value	**12,438**
(+) Cash & Cash-Equivalents	18
(-) Total Debt and Lease Liabilities	(1,504)
Implied Equity Value	**10,952**
Shares Outstanding	64.872
Implied Share Price	**168.83**
Current Share Price	177.56
Total Return	**(4.9%)**

		WACC				
		6.2%	6.7%	7.2%	7.7%	8.2%
Exit Multiple	21.7x	168.33	164.40	160.58	156.85	153.21
	22.2x	172.54	168.52	164.61	160.80	157.08
	22.7x	176.75	172.64	168.65	164.75	160.95
	23.2x	180.95	176.76	172.68	168.70	164.82
	23.7x	185.16	180.88	176.71	172.65	168.69

Appendix 7: Comparable Companies Analysis

Pull Reference
All Figures in mm USD

		Balance Sheet Data		EV / EBITDA			P/FFO			Projected Growth	
Company	**Ticker**	**Equity Value**	**Enterprise Value**	**2024A EV/EBITDA**	**2025E EV/EBITDA**	**2026E EV/EBITDA**	**2024A P/FFO**	**2025E P/FFO**	**2026E P/FFO**	**EBITDA 2-yr CAGR**	**FFO 2-yr CAGR**
Prologis	PLD	118,110	156,562	27.6x	25.0x	23.6x	22.9x	21.9x	20.7x	8.0%	5.0%
Rexford Industrial Realty	REXR	9,276	12,806	19.9x	18.5x	18.1x	17.1x	16.6x	16.3x	4.8%	2.3%
Lineage	LINE	8,333	17,491	13.2x	13.5x	13.6x	23.5x	22.0x	27.7x	(1.6%)	(7.7%)
First Industrial Realty	FR	7,602	10,074	22.4x	20.3x	18.9x	21.7x	19.4x	18.2x	8.9%	9.0%
STAG Industrial	STAG	6,842	10,020	17.5x	16.3x	15.2x	15.3x	14.5x	13.8x	7.4%	5.1%
Terreno Realty	TRNO	6,464	7,464	30.8x	24.4x	22.0x	25.8x	23.2x	22.4x	18.3%	7.4%
LXP Industrial Trust	LXP	2,916	4,297	16.7x	16.9x	16.2x	15.4x	15.5x	14.3x	1.5%	3.8%
Plymouth Industrial	PLYM	980	1,889	15.4x	15.3x	13.3x	12.0x	11.3x	10.8x	7.5%	5.3%
EastGroup Properties	**EGP**	**9,237**	**10,745**	**24.2x**	**19.9x**	**18.6x**	**22.6x**	**19.0x**	**18.1x**	**14.0%**	**11.8%**
High		118,110	156,562	30.8x	25.0x	23.6x	25.8x	23.2x	27.7x	18.3%	9.0%
75th Percentile		9,040	16,320	26.3x	23.4x	21.3x	23.4x	22.0x	22.0x	8.7%	6.9%
Median		**7,222**	**10,047**	**18.7x**	**17.7x**	**17.2x**	**19.4x**	**18.0x**	**17.3x**	**7.4%**	**5.0%**
Mean		**20,065**	**27,575**	**20.4x**	**18.8x**	**17.6x**	**19.2x**	**18.0x**	**18.0x**	**6.8%**	**3.8%**
25th Percentile		3,803	5,089	15.7x	15.5x	14.0x	15.3x	14.7x	13.9x	2.3%	2.7%
Low		980	1,889	13.2x	13.5x	13.3x	12.0x	11.3x	10.8x	(1.6%)	(7.7%)

	EV/EBITDA Implied Price		P/FFO Implied Price	
High	$230.22	$233.84	$215.92	$271.33
75th Percentile	$213.21	$207.32	$204.92	$215.77
Median	**$154.06**	**$161.69**	**$168.04**	**$169.40**
Mean	**$165.41**	**$166.88**	**$168.33**	**$176.93**
25th Percentile	$131.61	$126.58	$137.39	$136.75
Low	$111.34	$118.63	$105.62	$106.20

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