

INITIATION OF COVERAGE
POSTAL REALTY TRUST INC. (NYSE: PSTL)
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Market Statistics in USD

Price	\$ 23.04
52 week Range	\$13.59 - \$24.49
Daily Vol (3-mo. average)	278,692
Market Cap (M)	\$ 637.1
Enterprise Value (M)	\$1,022.0
Shares Outstanding: (M)	27.7
Float (M)	26.2
Public Ownership	14.1%
Institutional Ownership	80.6%

Financial Summary in USD

Cash (M)	\$ 1.3
Cash/Share	\$ 0.05
Debt (M)	\$ 386.1
Equity (M)	\$ 370.5
Equity/Share	\$ 10.57

FYE: Dec **2025** **2026E** **2027E**
(all figures in M, expect per share information)

Rev	\$ 95.8	\$ 110.2	\$ 124.2
Chng%	28%	15%	25%
EBITDA	\$ 58.4	\$ 69.0	\$ 78.8
Net Income	\$ 14.1	\$ 18.7	\$ 23.0
AFFO	\$ 1.32	\$ 1.41	\$ 1.51
EV/Revenue	8.8x	9.3x	8.2x
EV/EBITDA	14.4x	14.8x	13.0x
P/AFFO	12.2x	16.4x	15.3x


Company Description

Postal Realty Trust, Inc. is an internally managed real estate investment trust focused on acquiring, owning, and managing properties leased primarily to the U.S. Postal Service. The Company's portfolio spans last-mile post offices, flex facilities, and industrial assets that support the broader postal delivery network. PSTL believes it is the largest owner and manager, measured by net leasable square footage, of properties leased to the USPS. The Company's assets are supported by a government-backed tenant, high retention, and a lease structure that provides relatively stable cash flows. PSTL is also actively consolidating a large and highly fragmented market while driving growth through acquisitions, lease renewals, and mark-to-market rent resets.

PSTL's 1Q26 update improved the setup by increasing forward revenue visibility and accelerating acquisition capacity at the same time. In our view, the thesis is becoming easier to underwrite, as the lease platform is producing clearer internal growth through mark-to-market resets and escalators, while improved capital access is adding a more active external growth leg. The next few quarters should be defined by acquisition conversion, continued lease-book modernization, and leverage-neutral funding.

Quarterly Results: 1Q26 was higher quality than the simple y/y AFFO bridge suggests. Rental income increased 21.6% y/y to \$26.1 million, net income attributable to common shareholders was \$3.8 million or \$0.11/share, and AFFO was \$11.6 million or \$0.33/share. Results were modestly ahead of consensus on both revenue and EPS, while occupancy remained 99.8%. More importantly, management noted that 1Q25 benefited from \$0.02/share of holdover payments and prior-year property tax reimbursements, whereas 1Q26 included only \$11,000 of holdover payments, indicating that the underlying earnings progression was better than the headline year-over-year comparison implies.

Operating Performance: A key takeaway was better lease visibility alongside a faster acquisition pace. The Company said all current-year rents have been agreed upon, 2027 expirations without renewal options are substantially agreed, all 2026/2027 leases will carry 3% escalators, the vast majority will have 10-year terms, 53% of the portfolio now has annual escalators, and 45% consists of 10-year leases based on executed and agreed-upon leases as of quarter-end; weighted average lease term is expected to exceed six years by year-end 2026 versus three years at IPO. PSTL also acquired 61 properties for \$34.6 million in 1Q26 at an approximately 7.4% cash cap rate, adding roughly 195,000 square feet, and had already acquired or placed under definitive contract another \$17 million in 2Q to date, indicating that improved cost of capital is translating into a more active external growth cadence without changing underwriting discipline.

Guidance & Liquidity: PSTL raised 2026 AFFO guidance by \$0.01 to \$1.40-\$1.42, increased 2026 acquisition guidance by \$15 million to \$130-\$140 million, and introduced a 2027 same-store cash revenue outlook of ~6.5%. On the call, management mentioned that roughly 25% of that 2027 growth should come from escalators, with the balance from mark-to-market, while also framing the medium-term growth algorithm around mark-to-market resets, annual escalators, retained cash flow, and day-1 accretive acquisitions. Liquidity also improved, with the revolver expanded to \$250 million, \$201 million undrawn at quarter-end, and \$52.8 million of unsettled forward equity, which is expected to fund the acquisition plan on a leverage-neutral basis.

Valuation: We use a Dividend Discount Model, EV/EBITDA comp analysis, and P/AFFO comp analysis to guide our valuation. Our Dividend Discount uses a conservative range of payout ratios on 2027E AFFO to arrive at a valuation range of \$24.15 to \$32.20 with a mid-point of \$28.17. Our P/AFFO analysis produces a valuation range of \$22.64 to \$24.15 with a mid-point of \$23.39. Our EV/EBITDA valuation results in a range of \$25.97 to \$27.39 with a mid-point of \$26.68. Taken together the average of our valuation ranges is \$24.25 to \$27.91 with a mid-point of \$26.08.

Valuation

To help frame our valuation we use a combination of a dividend discount model, EV/EBITDA comparative analysis, and P/AFFO comparative analysis.

Comparative Analysis
(all figures in M, except per share information)

Company Name	Symbol	Price ⁽¹⁾	Mrkt Cap	EV	Div Yield	BV/Share	EV/Revenue ^(2,3)			EV/EBITDA ^(2,3)			P/AFFO ^(2,3)		
							2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
Agree Realty Corporation	ADC	\$ 74.15	\$ 8,891.8	\$ 12,750.9	4.2%	\$ 50.57	16.45x	15.18x	13.48x	134.7x	18.3x	15.8x	16.6x	16.2x	15.4x
EastGroup Properties, Inc.	EGP	\$201.91	\$10,836.5	\$ 12,442.2	3.0%	\$ 66.64	15.28x	15.87x	14.62x	150.0x	22.5x	20.5x	19.8x	26.9x	25.2x
Essential Properties Realty Trust, Inc.	EPRT	\$ 30.58	\$ 6,612.8	\$ 9,248.7	4.0%	\$ 20.30	16.17x	13.88x	11.99x	86.5x	15.4x	13.1x	N/A	15.0x	14.0x
FrontView REIT, Inc.	FVR	\$ 17.74	\$ 401.8	\$ 800.9	4.8%	\$ 18.62	10.94x	10.82x	9.94x	8.5x	16.0x	14.2x	11.8x	13.5x	12.9x
Getty Realty Corp.	GTY	\$ 32.53	\$ 1,967.0	\$ 2,970.6	5.9%	\$ 18.02	11.50x	12.38x	11.57x	26.3x	14.4x	13.4x	11.3x	12.9x	12.4x
LXP Industrial Trust	LXP	\$ 51.64	\$ 3,044.3	\$ 4,376.7	5.3%	\$ 32.12	12.46x	12.71x	11.91x	52.9x	17.8x	16.6x	15.7x	16.6x	15.5x
NETSTREIT Corp.	NTST	\$ 20.26	\$ 1,970.5	\$ 3,204.0	4.3%	\$ 15.48	13.92x	13.06x	11.20x	28.2x	15.9x	13.1x	13.5x	14.6x	13.9x
Rexford Industrial Realty, Inc.	REXR	\$ 35.47	\$ 7,943.6	\$ 11,677.1	4.8%	\$ 36.07	12.77x	12.10x	11.80x	162.0x	17.2x	16.7x	17.4x	18.4x	17.9x
STAG Industrial, Inc.	STAG	\$ 37.87	\$ 7,240.9	\$ 10,525.0	4.1%	\$ 18.75	11.91x	11.58x	10.82x	126.0x	15.8x	14.7x	N/A	17.3x	16.3x
Terreno Realty Corporation	TRNO	\$ 65.69	\$ 6,980.0	\$ 7,837.2	3.1%	\$ 40.63	14.84x	15.26x	13.68x	93.2x	22.9x	20.4x	21.2x	30.9x	28.1x
W. P. Carey Inc.	WPC	\$ 74.42	\$ 16,576.2	\$ 25,099.8	5.0%	\$ 37.46	15.20x	13.59x	12.73x	241.8x	16.1x	14.9x	12.9x	14.3x	13.8x
				Average	4.4%	\$ 32.24	13.8x	13.3x	12.2x	100.9x	17.5x	15.8x	15.6x	17.9x	16.9x
				Median	4.3%	\$ 32.12	13.9x	13.1x	11.9x	93.2x	16.1x	14.9x	15.7x	16.2x	15.4x
Postal Realty Trust, Inc.	PSTL	\$ 23.04	\$ 637.1	\$ 1,022.0	4.2%	\$ 10.57	8.8x	9.3x	8.2x	14.4x	14.8x	13.0x	12.2x	16.4x	15.3x

(1) Previous day's closing price

(2) Estimates are from Capital IQ

(3) Forward estimates as of calendar year

Source: Company reports, CapitalIQ, Stonegate Capital Partners

We are using an EV/EBITDA framework to inform our PSTL valuation. Currently PSTL is trading at a 2027E EV/EBITDA of 13.0x compared to comps at a median of 14.9x. We are using our 2027E EBITDA, and an EV/EBITDA range of 14.0x to 14.5x with a midpoint of 14.3x which moves PSTL closer to comp companies. We believe this is reasonable given the continued growth in AFFO the Company is seeing, strong retention metrics, and forecasted acquisition volumes while still accounting for the size of PSTL compared to comp companies. This arrives at a valuation range of \$25.97 to \$27.39 with a mid-point of \$26.68.

EV/EBITDA			
2027E	14.00x	14.25x	14.50x
Adj EBITDA	78.8	78.8	78.8
TEV	1,102.9	1,122.6	1,142.3
Cash	1.3	1.3	1.3
Debt	386.1	386.1	386.1
Mrkt Cap	718.0	737.7	757.4
S/O	27.7	27.7	27.7
Price	\$ 25.97	\$ 26.68	\$ 27.39

We are also using a P/AFFO framework to inform a PSTL valuation. Currently PSTL is trading at a 2027E P/AFFO of 15.3x compared to comps at a median of 15.4x. We are using our 2027E AFFO, and an P/AFFO range of 15.5x to 16.5x with a midpoint of 16.0x for the same reasons as listed above. This arrives at a valuation range of \$23.39 to \$24.90 with a mid-point of \$24.15.

P/AFFO			
2027E AFFO	15.50x	16.00x	16.50x
2027E AFFO	1.5	1.5	1.5
Price	\$ 23.39	\$ 24.15	\$ 24.90

Lastly, we apply a Dividend Discount Model to guide our valuation. We believe that due to the strong payout ratio that PSTL has shown this valuation method is useful and provides a check against the comp analysis. We recognize that PSTL is the only pure play post office REIT we are aware of, so using a DDM allows us to sanity check our comp analysis. Our Dividend Discount Model uses a conservative by historical standards payout ratio range of 60% to 80% on 2027E AFFO, a discount rate in-line with to slightly above management stated WACC numbers, and a slightly more conservative growth assumption compared to forecasted growth. This arrives at a valuation range of \$24.15 to \$32.20 with a mid-point of \$28.17.

Dividend Discount Model									
2027E AFFO	1.51			1.51			1.51		
Payout Ratio	60%			70%			80%		
Annualized Payout Per Share	\$ 0.91			\$ 1.06			\$ 1.21		
Discount Rate	7.00%	6.75%	6.50%	7.00%	6.75%	6.50%	7.00%	6.75%	6.50%
Growth Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Price	\$ 22.64	\$ 24.15	\$ 25.87	\$ 26.41	\$ 28.17	\$ 30.18	\$ 30.18	\$ 32.20	\$ 34.50

Company Overview

Postal Realty Trust (NYSE: PSTL) was organized in November 2018 and commenced operations in May 2019 following its initial public offering and related formation transactions. While the public REIT itself is relatively young, the platform’s roots in postal real estate run much deeper, reflecting a business built over time around a highly specialized and historically overlooked property niche. PSTL is an internally managed REIT focused on acquiring, owning, and managing properties leased primarily to the U.S. Postal Service, ranging from last-mile post offices to larger flex and industrial facilities. The company believes it is the largest owner and manager, measured

by net leasable square footage, of properties leased to the USPS. It operates through an UPREIT structure and, in addition to its owned portfolio, manages additional postal properties through its taxable REIT subsidiary.

Since going public, PSTL has scaled through disciplined acquisitions, broader capital markets access, and the continued development of an increasingly institutional operating platform spanning acquisitions, asset management, lease administration, and re-leasing. Part of what makes the asset class attractive is that it can be managed efficiently across a nationally dispersed footprint without requiring the same level of on-site operating intensity that many other property types demand. The majority of the Company’s leases are structured as modified double-net leases, under which the USPS is generally responsible for utilities, certain maintenance obligations, and reimbursement of property taxes, while PSTL remains responsible for insurance, roof, and structure. Combined with highly consistent rent payment behavior and limited day-to-day receivables complexity, that structure contributes to a relatively low-friction operating model. That lease structure, combined with the Company’s specialized operating focus, supports a relatively predictable and defensive cash flow profile.

Another distinguishing feature of the story is insider alignment, which is relatively uncommon in the REIT space. At formation, Andrew Spodek contributed a large portfolio of postal assets into the REIT and took back equity in the form of common shares and partnership units, aligning his economic interests with long-term shareholder value creation. That alignment appears to extend through the broader management team as well, with compensation structures that lean heavily on equity and long-duration vesting. In our view, that ownership profile reinforces the idea that management is not simply operating the platform, but is deeply tied to its long-term performance, and considered to be unique for a REIT.

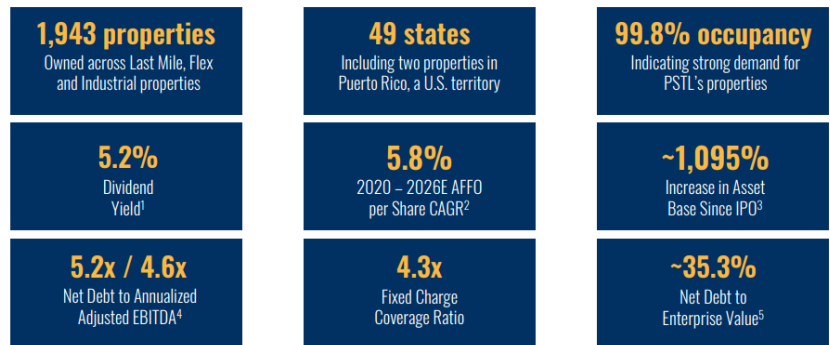
The stability of the portfolio is also reinforced by tenant behavior and the nature of the tenant itself. Postal properties have historically exhibited exceptionally high retention, many locations remain occupied for decades, and the USPS operates under a universal service obligation (USO) that supports the importance of maintaining a broad delivery network. Over time, the story has evolved from the creation of a niche public REIT into the scaling of a specialized consolidator focused on mission-critical postal real estate. PSTL today is not simply an owner of USPS-leased assets, but a platform built to consolidate, administer, and improve the economics of a fragmented real estate niche.

Exhibit 1: Company Overview

PSTL AT-A-GLANCE

Postal Realty (NYSE: PSTL) is a proven leader in acquiring and managing US Postal Service properties as the largest owner of USPS facilities nationally. We believe our assets, which consist of mission-critical logistics infrastructure that supports e-commerce and last mile delivery, provide both stable and growing cash flows, underpinned by a U.S. federal government-supported tenant, a high lease retention rate, and predictable annual rent growth.

PSTL is uniquely positioned and actively focused on continuing to consolidate and institutionalize a large, fragmented market.



Source: Company Reports

Investment Thesis

We believe the PSTL thesis is best framed around six core pillars:

- Mission-critical USPS nodes
- Mark-to-market rent recapture
- Embedded annual escalators
- Longer lease duration
- Fragmented private-owner market
- Durable cash flow stability

Taken together, the thesis is that PSTL owns real estate tied to local delivery nodes the USPS needs to maintain within a broad service mandate, while lease expense remains only a small part of the Postal Service’s broader cost structure. That gives the company a relatively defensive cash flow base. Against that backdrop, PSTL can create value by acquiring assets from a highly fragmented private-owner market, often with structural flexibility through OP units, then improving lease economics through mark-to-market resets, annual escalators, and longer lease terms. The result is a REIT story that combines resilience with a more visible and increasingly contractual AFFO stream than the label of USPS-leased real estate might initially suggest.

Assets, Scale, and Relationship with USPS

PSTL’s portfolio matters not simply because it is leased primarily to the USPS, but because the assets occupy a relevant role within a nationally distributed delivery network and are supported by a specialized operating platform built around a single-tenant ecosystem. The combination of asset breadth, niche scale, and an increasingly structured relationship with USPS helps explain why the Company presents as more than a traditional owner of government-supported real estate.

A diversified asset base tied to the broader postal network

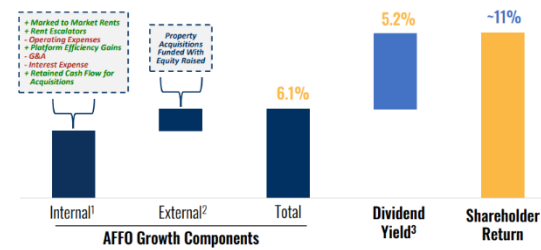
PSTL’s portfolio spans last-mile, flex, and industrial properties, giving it exposure to multiple parts of the USPS real estate footprint rather than only small-format post offices. It is also diversified across major U.S. regions and supported by a staggered lease maturity profile and historically high lease retention. Those characteristics frame the real estate base as broad, nationally distributed, and durable, with exposure to both customer-facing locations and facilities that support the wider movement of mail and packages through the network.

Scale and specialization underpin PSTL’s market position

Postal Realty states that it believes it is the largest owner and manager, measured by net leasable square footage, of properties leased to the USPS. That position is notable in a market the Company describes as highly fragmented and historically dominated by smaller private owners and local operators. Within that context, PSTL’s standing reflects more than ownership scale alone. The Company has built a specialized operating platform around acquisitions, asset management, lease administration, and

Exhibit 2: Creating Value Internally

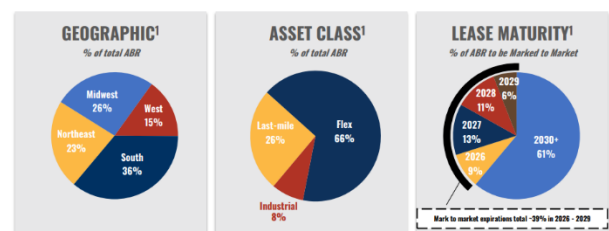
2026 SHAREHOLDER RETURN GUIDANCE



Source: Company Reports

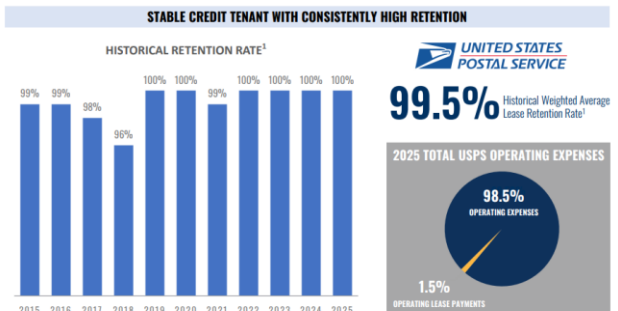
Exhibit 3: Diversified Base & Strong Tenant Track Record

...ACROSS GEOGRAPHIES, ASSET CLASSES, LEASE MATURITIES...



PSTL is actively focused on maintaining a well diversified portfolio of USPS leased properties

...AND A TENANT WITH A TRACK RECORD OF STABILITY...



Source: Company Reports

Source: Company Reports

property oversight within a single-tenant ecosystem, giving it a distinct position in a niche where relationships, speed, and execution appear to matter.

The relationship with USPS has become more structured and repeatable

Public commentary increasingly frames the USPS relationship in operating terms rather than purely contractual ones. PSTL has described a “highly efficient and repeatable framework” for negotiating, processing, and executing leases and has also characterized itself as a “single point of contact” for USPS real estate needs. That language suggests PSTL’s role extends beyond passive ownership into ongoing lease execution, portfolio administration, and operational responsiveness across a large and diverse property base.

Tenant behavior reinforces portfolio relevance

The facilities have repeatedly been described as the backbone of the USPS delivery network, while lease expense represents only a small share of the Postal Service’s broader operating cost base. Public disclosures also point to historically high lease retention and consistently strong rent collection. Read together, those facts support the view that the portfolio is operationally relevant to the tenant and durable from a rent collection and occupancy standpoint. Just as important, they reinforce the idea that these assets serve a function the USPS is obligated to maintain, rather than a discretionary cost line that can be easily removed. That operating relevance extends beyond traditional postal activity. Large shippers and online marketplaces can access the USPS network because it already reaches every address, making it especially valuable in lower-density and rural markets where building duplicate last-mile infrastructure or removing critical nodes is less economical. In practice, that means local delivery nodes and facilities supporting those nodes retain strategic importance even when evaluated outside the lens of standalone profitability.

Key Catalysts

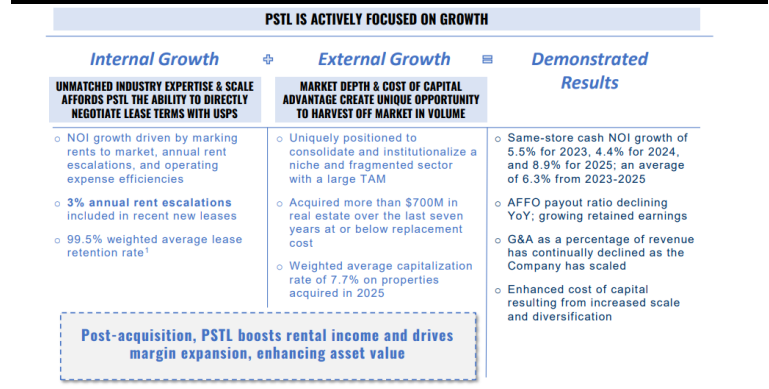
PSTL’s catalyst profile is driven by a mix of embedded internal growth and continued external consolidation. Lease rollovers, escalators, term extension, acquisitions, and operating discipline all work together within the same model, with AFFO growth as the clearest output.

Lease recapture and lease modernization are the core internal growth engine

Mark-to-market rent resets remain the central catalyst in the story. A meaningful portion of the portfolio is set to roll over in the next several years, creating recurring opportunities to reprice rents as leases are renewed. Just as important, PSTL is not only resetting rents, but also improving lease structure through longer terms and annual escalators. Recent disclosures indicate that lease renewals done in 2026 and 2027 will have 3% escalators and the vast majority will have 10-year terms. That combination turns lease expiration into an earnings opportunity rather than simply a renewal event. Historically, in 2022 the Company had 3.5% escalators and then 3% annual escalator from that point forward.

Repeatable leasing process

Exhibit 4: Catalysts are Easily Identifiable



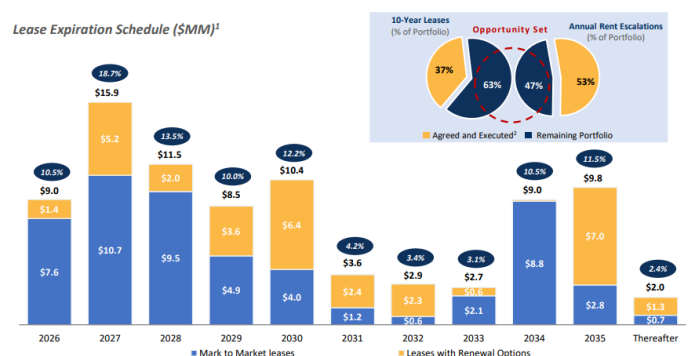
COMPELLING INTERNAL GROWTH OPPORTUNITY

OPPORTUNITY TO DISRUPT: NEW LEASES INCLUDE CONTRACTUAL RENT ESCALATIONS & 10-YEAR TENORS

✓ Upon expiration, PSTL converts leases with flat rents to new leases with annual rent escalations

✓ 10-year terms lock in long-term internal growth with annual rent escalations

Lease Expiration Schedule (\$MM)¹



Source: Company Reports

A second catalyst is the increasing structure around lease execution itself. The Company has described a more efficient and repeatable framework for negotiating, processing, and executing leases with USPS, while also emphasizing the effort to get further ahead of upcoming expirations. Better lease administration does more than reduce friction at renewal, it improves visibility into rent commencement timing, revenue recognition, and the cadence of earnings. The leasing process is therefore not just an operational detail, it is part of what supports a more visible and increasingly contractual AFFO stream.

The acquisition opportunity extends, rather than replaces, the internal growth story

PSTL continues to operate in a large, highly fragmented market, and acquisitions expand the portfolio in a way that creates additional opportunities for future mark-to-market resets, escalators, and term extension. Many postal assets remain in the hands of smaller private owners and long-time holders, which makes PSTL’s REIT structure a potential advantage in sourcing transactions. In certain cases, the company can use OP units as consideration, offering sellers a more tax-efficient alternative than an outright cash sale. At the same time, acquisitions are attractive not only because of initial cap rates, but because assets can become more accretive over time once they are brought into PSTL’s leasing framework. Recent commentary also reiterated that acquisition strategy remains focused on deals that are day 1 accretive and furnish meaningful growth over time.

E-commerce, Shipping & Packages, and last-mile monetization reinforce network relevance

Another supportive catalyst is the continued shift of the USPS network toward parcel and last-mile activity. As Shipping & Packages becomes a larger part of the business mix and access to the last mile broadens, the value of local delivery nodes increases. That is important for PSTL because many of its assets function as, or support, those nodes within the broader network. In other words, as route density, local access, and final-mile execution become more important, so does the underlying real estate tied to those functions. That dynamic reinforces the strategic relevance of PSTL’s portfolio, particularly as the network becomes more commercially useful to logistics providers and online retailers.

Scale efficiencies and expense discipline

The growth model is not driven by one lever alone. The Company has also pointed to declining cash G&A as a percentage of revenue, strong same-store cash NOI performance, and a disciplined approach to expenses as contributors to earnings momentum. AFFO growth is therefore being supported by a combination of accretive acquisitions, near-term lease mark-to-market, growing annual escalators, and continued operating discipline.

Exhibit 6: Shipping & Parcel Wins



Market Outlook

PSTL's market backdrop is increasingly tied to the broader logistics, parcel, and last-mile real estate ecosystem rather than to the narrower label of government-supported property. CBRE's 2026 industrial outlook points to a healthier operating environment as leasing activity improves, renewals are signed earlier, and new supply remains more restrained. For PSTL, the more relevant question is not whether generic warehouse demand is strong in any given quarter, but whether real estate tied to collection, routing, and local delivery remains valuable inside a more disciplined logistics market. On that score, the broader setup appears favorable.

Demand is also being shaped by the continued expansion of e-commerce and the ongoing growth of parcel traffic. The U.S. Census Bureau shows online sales still growing faster than broader retail sales, while parcel activity continues to rise even as pricing grows more competitive. The tailwind today is less about an extraordinary volume spike and more about the growing value of efficient, low-cost delivery networks as online commerce keeps taking share. In practical terms, that favors infrastructure tied to route density, local access, and final-mile execution - which is exactly the part of the real estate stack where PSTL is concentrated. That same dynamic also helps explain why carriers and marketplaces continue to access the USPS network. For heavily populated areas, building local delivery density is economically rational. In lower-density and rural markets, however, the economics are different; handing parcels into an already-built USPS last-mile network is often the more efficient solution. That is one reason packages ordered through large e-commerce platforms are sometimes delivered by the Postal Service even when the initial logistics chain began elsewhere.

Against that backdrop, the USPS network appears to be becoming more, not less, relevant. Public commentary has emphasized the value of the first and last mile and efforts to broaden access to the delivery-unit network. The key implication for PSTL is that network nodes remain important regardless of whether every individual site maximizes profit on a standalone basis. The Postal Service operates under a broader service mandate, and rent remains a very small share of total operating costs. As a result, preserving important nodes is economically rational, which reinforces the value of the real estate owned by PSTL. That point is especially important in rural and less densely populated markets, where duplicating local delivery infrastructure is often uneconomic. In those areas, the existing USPS footprint functions as the practical end point of the network, reinforcing why the value of the system is tied to reach and node coverage rather than to the profitability of each individual facility.

The other side of the outlook - and the piece most specific to PSTL - is market structure. Postal real estate remains a niche with low institutional penetration and a highly fragmented private ownership base. This highly fragmented market gives PSTL an attractive moat as a leading sophisticated operator. That makes the opportunity more compelling than a typical stabilized net lease market. PSTL does not need a dramatic change in end-demand assumptions to grow; it can continue to expand simply by taking share in a segment where ownership remains dispersed and consolidation is still in the early innings. The acquisition environment remains conducive with a lack of larger bidders allowing for a very accommodating negotiating table. The market therefore offers two layers of support at once: a network whose relevance is being reinforced by parcel and last-mile trends, and an ownership base that still leaves meaningful room for a scaled public consolidator to grow.

Exhibit 7: E-commerce Growth

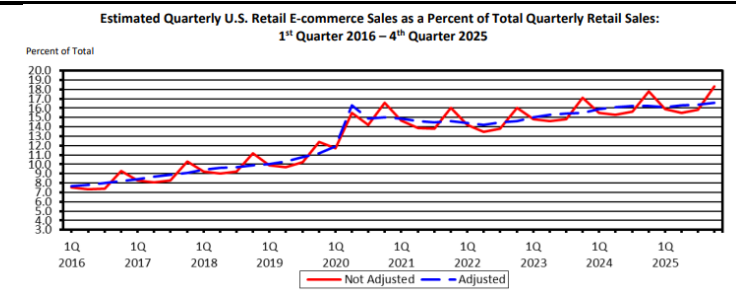


Exhibit 8: Fragmented Market



Stepping back, PSTL sits in a property category where the underlying network is becoming more commercially valuable while the ownership base remains unusually fragmented. That is a favorable combination. It leaves the Company exposed both to secular logistics trends that support the importance of its assets and to a market structure that still allows it to increase share within its niche. That is what gives the market outlook real substance for PSTL — not just participation in a stable corner of real estate, but participation in one where the network is evolving and the ownership landscape remains open to consolidation.

Risks

As with any investment, there are certain risks associated with PSTL's operations, tenant concentration, acquisition strategy, and the broader real estate and capital markets environment in which it operates. While we view the Company's portfolio as durable and its operating model as differentiated, investors should recognize that the business remains tied to a concentrated tenant base, continued access to capital, and the ongoing health and relevance of the USPS network.

Tenant Concentration / USPS Dependence - PSTL derives substantially all of its revenue from properties leased primarily to the USPS. As a result, any material change in USPS's financial condition, operating structure, leasing needs, or facility footprint could have an outsized effect on occupancy, renewal rates, and cash flow. Because the portfolio is so closely tied to a single tenant ecosystem, changes in USPS behavior would be more impactful here than in a more diversified net lease model.

Operational Changes at USPS - The USPS continues to evaluate and implement network changes through its broader operating initiatives, including facility consolidation, route relocation, and changes in how mail and packages move through the system. If those efforts result in reduced demand for certain leased properties, weaker renewal economics, or fewer acquisition opportunities over time, PSTL's portfolio growth and earnings visibility could be pressured.

Lease Renewal Risk - A meaningful part of PSTL's growth profile is tied to lease renewals, mark-to-market rent resets, and the continued migration toward longer lease terms with annual escalators. If lease negotiations were delayed, if economics came in below expectations, or if certain assets were not renewed, the Company's internal growth profile could weaken.

Acquisition and Capital Markets Risk - PSTL's external growth strategy depends on a continued pipeline of accretive acquisitions and reliable access to debt and equity capital. If competition for USPS-leased assets intensifies, if acquisition opportunities become less attractive, or if the Company cannot raise capital on favorable terms, acquisition-driven growth could slow. Because the model relies in part on continued consolidation of a fragmented market, a weaker transaction environment or higher capital costs could reduce future AFFO growth.

Interest Rate and Property-Level Expense Risk - As a REIT with an active acquisition strategy, PSTL remains exposed to interest rate volatility, refinancing risk, and broader capital market conditions. Higher rates can pressure borrowing costs, narrow investment spreads, and reduce acquisition accretion. At the property level, PSTL also remains responsible for certain building costs under its modified double-net lease structure, including insurance, roof, and structure, which can create ongoing exposure to maintenance, repair, and capital expenditure needs.

BALANCE SHEET

Postal Realty Trust, Inc. Consolidated Balance Sheets (\$M) Fiscal Year End: December										
ASSETS	FY 2021	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26
Land	64.5	90.0	106.1	128.5	132.3	140.8	157.7	163.5	163.5	171.9
Building and improvements	278.4	378.6	443.5	512.2	524.5	554.6	581.0	603.4	603.4	630.9
Tenant improvements	5.4	6.4	7.0	7.5	7.6	7.9	8.5	8.6	8.6	8.9
Total real estate properties, at cost	348.4	475.0	556.5	648.2	664.4	703.3	747.2	775.5	775.5	811.7
Less: accumulated depreciation	(20.9)	(31.3)	(43.8)	(58.2)	(62.0)	(66.0)	(70.3)	(74.8)	(74.8)	(79.4)
Total real estate properties, at costs	327.5	443.7	512.7	590.0	602.4	637.3	676.9	700.8	700.8	732.3
Investment in financing leases, net	16.2	16.1	16.0	16.0	15.9	15.9	15.9	15.9	15.9	15.8
Total real estate properties, net	343.7	459.9	528.8	606.0	618.4	653.2	692.8	716.6	716.6	748.2
Cash & cash equivalents	5.9	1.5	2.2	1.8	0.6	1.1	1.9	1.5	1.5	1.3
Escrow and reserves	1.2	0.5	0.6	0.7	0.9	1.0	0.4	0.6	0.6	1.5
Rent and other receivables	4.2	4.6	4.8	6.7	5.0	5.2	6.9	5.2	5.2	4.5
Prepaid expenses and other assets, net	7.5	16.0	13.4	14.5	12.0	9.8	11.6	11.8	11.8	11.8
Goodwill	0.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Deferred rent receivable	14.4	1.2	1.5	2.6	3.2	3.9	4.6	5.4	5.4	6.4
Lease intangible assets, net	-	15.7	14.2	12.6	12.1	13.1	14.5	16.4	16.4	17.3
Above market leases, net	0.2	0.4	0.4	0.3	0.3	0.3	0.3	-	-	-
Assets held for sale, net	-	-	-	-	-	0.6	0.6	-	-	-
Total Assets	377.7	501.3	567.3	646.8	654.0	689.8	735.2	759.1	759.1	792.5
LIABILITIES AND SHAREHOLDERS' EQUITY										
Term loans, net	49.4	163.8	198.8	248.8	248.9	249.0	288.2	288.3	288.3	303.4
Revolving credit facility	13.0	-	9.0	14.0	24.0	46.0	25.0	39.0	39.0	49.0
Secured borrowings, net	33.0	32.9	32.8	33.9	33.8	33.8	33.8	33.8	33.8	33.7
Accounts payable, accrued expenses, and oth	8.2	9.1	12.0	16.4	15.6	17.4	19.8	18.6	18.6	15.1
Below market leases, net	8.7	11.8	13.1	16.2	16.8	19.1	19.9	19.8	19.8	20.8
Total Liabilities	112.2	217.6	265.7	329.3	339.1	365.3	386.7	399.5	399.5	422.1
Class A common stock	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Class B common stock	-	-	-	-	-	-	-	-	-	-
Additional paid-in capital	238.0	254.1	287.3	310.0	310.1	318.9	344.6	358.0	358.0	367.2
Accumulated other comprehensive income	(18.9)	7.5	4.6	5.2	3.0	1.7	1.3	1.0	1.0	1.9
Accumulated deficit	0.8	(32.6)	(48.5)	(64.2)	(67.9)	(70.1)	(72.3)	(74.0)	(74.0)	(77.2)
Total Parent Net Equity	220.0	229.2	243.6	251.3	245.5	250.8	273.9	285.2	285.2	292.2
Operating partnership unitholders' NCI	45.4	54.5	58.1	66.2	69.4	73.8	74.5	74.4	74.4	78.3
Total Consolidated Equity	265.5	283.7	301.6	317.5	314.9	324.6	348.5	359.6	359.6	370.5
Total Liabilities and Shareholders' Equity	377.7	501.3	567.3	646.8	654.0	689.8	735.2	759.1	759.1	792.5

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Postal Realty Trust, Inc.

Consolidated Statements of Income (in USD\$ M, except per share amounts)

Fiscal Year End: December

	FY 2021	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E	Q1 Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Rental income	\$ 38.3	\$ 50.9	\$ 61.0	\$ 73.1	\$ 21.5	\$ 22.7	\$ 23.7	\$ 25.4	\$ 93.3	\$ 26.1	\$ 26.9	\$ 27.4	\$ 27.8	\$ 108.2	\$ 29.4	\$ 30.1	\$ 30.5	\$ 31.3	\$ 121.2
Fee and other	1.7	2.5	2.7	3.2	0.7	0.6	0.6	0.6	2.5	0.5	0.5	0.5	0.5	2.0	0.8	0.8	0.8	0.8	3.0
Total Revenues	39.9	53.3	63.7	76.4	22.2	23.4	24.3	26.0	95.8	26.6	27.4	27.9	28.3	110.2	30.1	30.9	31.2	32.0	124.2
Operating Expenses:																			
Real estate taxes	5.4	7.2	8.5	9.9	2.6	2.8	2.9	3.0	11.3	3.1	3.1	3.3	3.4	13.0	3.3	3.5	3.6	3.8	14.1
Property operating expenses	4.0	5.6	6.8	9.1	2.5	2.0	2.4	2.9	9.7	2.8	2.2	2.6	2.8	10.5	2.9	2.5	2.9	3.1	11.4
Gross Profit	30.6	40.5	48.3	57.4	17.0	18.6	19.1	20.1	74.8	20.8	22.0	21.9	22.0	86.7	24.0	24.9	24.6	25.1	98.7
General and administrative	10.6	13.1	14.7	16.0	4.9	4.3	3.8	4.2	17.2	5.4	4.5	3.8	4.3	18.0	5.6	5.1	4.4	4.9	19.9
Casualty and impairment (gains) losses, net	-	-	-	0.4	0.2	(0.3)	0.1	(0.7)	(0.8)	(0.3)	-	-	-	(0.3)	-	-	-	-	-
Depreciation and amortization	14.0	17.7	19.7	22.2	5.6	5.9	6.1	6.3	24.0	6.4	6.9	7.0	7.1	27.3	7.6	7.9	8.0	8.1	31.5
Total Operating Expenses	24.6	30.8	34.3	38.6	10.7	9.9	10.0	9.9	40.4	11.5	11.4	10.8	11.4	45.0	13.1	13.0	12.4	12.9	51.4
Operating Income	5.9	9.7	14.0	21.2	6.3	8.7	9.1	10.2	34.3	9.2	10.6	11.2	10.6	41.7	10.8	11.9	12.3	12.2	47.3
Other income	0.4	1.0	0.7	0.0	0.0	-	-	-	0.0	-	-	-	-	-	-	-	-	-	-
Contractual interest expense	(2.7)	(5.4)	(9.3)	(12.0)	(3.4)	(3.8)	(3.9)	(4.1)	(15.2)	(4.1)	(4.2)	(4.2)	(4.2)	(16.9)	(4.2)	(4.2)	(4.2)	(4.2)	(17.0)
Write-off and amortization of deferred financing fees and amortization	(0.7)	(0.6)	(0.7)	(0.7)	(0.2)	(0.2)	(0.2)	(0.2)	(0.9)	(0.3)	(0.2)	(0.2)	(0.2)	(0.9)	(0.2)	(0.2)	(0.2)	(0.2)	(0.9)
Loss on early extinguishment of debt	(0.2)	-	-	-	-	-	(0.1)	-	(0.1)	-	-	-	-	-	-	-	-	-	-
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	-	-	0.0	-	-	-	-	-	-	-	-	-	-
Profit Before Taxes	2.7	4.8	4.7	8.4	2.7	4.7	4.9	5.9	18.1	4.9	6.2	6.7	6.2	23.9	6.4	7.5	7.8	7.7	29.4
Income tax expense	(0.1)	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)
Net Income	2.58	4.74	4.584	8.322	2.655	4.672	4.883	5.887	18.097	4.838	6.102	6.627	6.104	23.670	6.300	7.398	7.747	7.628	29.074
Non-Controlling Interest	(0.501)	(0.890)	(0.874)	(1.723)	(0.573)	(1.058)	(1.073)	(1.245)	(3.949)	(1.012)	(1.281)	(1.392)	(1.282)	(4.967)	(1.323)	(1.554)	(1.627)	(1.602)	(6.105)
Net Income To Common Stockholders	2.057	3.854	3.710	6.599	2.082	3.614	3.810	4.642	14.148	3.826	4.820	5.235	4.822	18.703	4.977	5.844	6.120	6.026	22.968
Basic EPS	\$ 0.10	\$ 0.15	\$ 0.12	\$ 0.21	\$ 0.06	\$ 0.12	\$ 0.13	\$ 0.15	\$ 0.47	\$ 0.11	\$ 0.13	\$ 0.14	\$ 0.13	\$ 0.67	\$ 0.13	\$ 0.15	\$ 0.16	\$ 0.15	\$ 0.77
Diluted EPS	\$ 0.10	\$ 0.15	\$ 0.12	\$ 0.21	\$ 0.06	\$ 0.12	\$ 0.13	\$ 0.15	\$ 0.47	\$ 0.11	\$ 0.13	\$ 0.14	\$ 0.13	\$ 0.66	\$ 0.13	\$ 0.15	\$ 0.16	\$ 0.15	\$ 0.76
WTD Shares Out - Basic	13.7	18.5	20.1	22.6	23.2	23.5	24.6	26.0	24.3	27.1	27.9	28.3	28.7	28.0	29.2	29.6	30.0	30.5	29.8
WTD Shares Out - Diluted	13.7	18.5	20.1	22.6	23.2	23.5	24.6	26.0	24.3	27.3	28.1	28.6	29.0	28.2	29.4	29.9	30.3	30.8	30.1
FFO per common share and common unit outstanding	\$ 0.95	\$ 0.96	\$ 0.95	\$ 0.97	\$ 0.28	\$ 0.35	\$ 0.34	\$ 0.37	\$ 1.33	\$ 0.32	\$ 0.36	\$ 0.37	\$ 0.35	\$ 1.40	\$ 0.33	\$ 0.39	\$ 0.40	\$ 0.39	\$ 1.52
FFO Dividend Payout Ratio	94.0%	97.4%	100.7%	100.5%	87.8%	70.1%	71.2%	66.7%	72.9%	76.0%	68.4%	66.6%	70.2%	70.0%	75.5%	63.4%	62.7%	63.8%	65.9%
AFFO per common share and common unit outstanding	\$ 1.05	\$ 1.01	\$ 1.07	\$ 1.16	\$ 0.32	\$ 0.33	\$ 0.33	\$ 0.33	\$ 1.32	\$ 0.33	\$ 0.36	\$ 0.36	\$ 0.35	\$ 1.41	\$ 0.36	\$ 0.39	\$ 0.38	\$ 0.38	\$ 1.51
AFFO Dividend Payout Ratio	85.4%	92.8%	89.1%	83.7%	74.9%	72.6%	72.5%	73.9%	73.4%	73.9%	67.7%	67.4%	70.3%	69.6%	69.2%	64.6%	65.1%	65.6%	66.3%
EBITDA	20.3	28.5	34.4	43.4	11.9	14.6	15.3	16.5	58.4	15.6	17.5	18.2	17.7	69.0	18.4	19.9	20.3	20.2	78.8
Adjusted EBITDA	24.3	33.6	40.8	48.2	14.6	16.0	16.6	17.4	64.6	18.0	18.9	19.2	18.9	75.0	20.6	20.8	20.9	21.0	83.4

Margin Analysis

Gross Margin	76.5%	76.0%	75.9%	75.2%	76.9%	79.6%	78.5%	77.1%	78.1%	77.9%	80.4%	78.6%	77.8%	78.7%	79.6%	80.8%	79.0%	78.4%	79.4%
Operating Margin	14.8%	18.2%	22.0%	27.7%	28.4%	37.3%	37.6%	39.2%	35.8%	34.7%	38.8%	40.0%	37.6%	37.8%	36.0%	38.7%	39.4%	38.1%	38.0%
EBITDA Margin	2.6%	1.9%	1.7%	1.5%	1.5%	1.4%	1.4%	1.3%	1.4%	1.2%	1.3%	1.3%	1.2%	1.3%	1.2%	1.3%	1.2%	1.2%	1.2%
Pre-Tax Margin	6.7%	8.9%	7.3%	11.0%	12.0%	20.1%	20.1%	22.6%	18.9%	18.2%	22.5%	24.0%	21.8%	21.7%	21.1%	24.2%	25.1%	24.1%	23.6%
Net Income Margin	5.2%	7.2%	5.8%	8.6%	9.4%	15.5%	15.7%	17.9%	14.8%	14.4%	17.6%	18.8%	17.1%	17.0%	16.5%	18.9%	19.6%	18.8%	18.5%

Growth Rate Y/Y

Total Revenue	33.5%	19.5%	19.9%	28.1%	29.4%	23.7%	21.7%	25.5%	20.3%	17.3%	14.6%	8.8%	15.0%	13.0%	12.8%	12.0%	13.2%	12.7%
Operating Income	63.9%	44.3%	51.3%	106.7%	111.9%	91.1%	10.4%	62.1%	47.1%	22.1%	22.1%	4.3%	21.4%	17.3%	12.3%	10.1%	14.5%	13.4%
Pre-Tax Income	78.2%	-2.1%	81.2%	881.3%	341.7%	254.8%	2.8%	114.8%	82.1%	31.6%	36.9%	4.8%	31.8%	30.9%	21.2%	16.9%	25.0%	23.0%
Net Income	87.4%	-3.7%	77.9%	910.7%	342.4%	255.7%	3.0%	114.4%	83.8%	33.4%	37.4%	3.9%	32.2%	30.1%	21.2%	16.9%	25.0%	22.8%
EBITDA	40.1%	20.8%	26.4%	42.3%	51.6%	44.5%	11.6%	34.4%	31.0%	19.9%	19.0%	7.0%	18.3%	17.6%	13.4%	11.7%	14.3%	14.1%
FFO	0.9%	-1.5%	2.3%	40.2%	53.2%	41.1%	22.4%	37.9%	16.7%	3.6%	8.0%	-5.0%	4.8%	2.7%	10.0%	8.3%	12.2%	8.4%
AFFO	-3.9%	6.1%	8.7%	31.9%	29.0%	12.0%	-6.5%	14.0%	2.3%	8.3%	8.6%	5.1%	6.3%	9.0%	7.0%	5.7%	9.3%	7.2%

Source: Company Reports, Stonegate Capital Partners estimates

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