



TPG REAL ESTATE FINANCE TRUST INC.

\$8.50 / Recommendation: Buy, target \$9.50

FAST FACTS

- Trailing dividend of \$.96 or 11.28%
- 100% of loans performing as of Feb 2025
- Management targeting portfolio growth in 2025
- Broxton projects a dividend increase of 25% to \$1.20 by 2027
- Common shares trading at a 25% discount to Book Value of \$11.27

We continue our coverage of publicly traded loan portfolios with a buy on the common shares of TPG Real Estate Finance Trust Inc. (TRTX). TRTX is a commercial real estate loan manager with 45 individual loans with an average value of \$76 million. The \$3.3 billion portfolio is comprised of 49% Multifamily (apartments), 18% Office, 10% Hotel and 23% Life Science, Industrial and Other. The portfolio is comprised primarily of first mortgage loans with 99% floating interest rate type. The company also owns \$256 million of properties.

On the fourth quarter conference call, management reported a strong foundation that will: “provide a springboard for increasing loan investment activity in 2025 and beyond.” Management stated: “We expect our increased 2024 loan investment volume to accelerate in 2025.” And “[Our current] distributable earnings [exceeds] our \$0.24 per quarter dividend, with upside potential due to deployable cash, untapped financing capacity, and the near-term prospect of capital recycled from our owned real estate portfolio” Management indicated that the owned real estate portfolio could be reduced by 50% by the end of 2025 adding \$125 million of unencumbered lending capacity to the portfolio.

Our buy recommendation and price target of \$9.50 are based upon the stable outlook, projected growth and our forecast for dividend increases over the next three years. TRTX pays an annual dividend of \$.96, and our projection is for an increase to \$1.20 per share by 2027. Our 2025 prediction for distributable earnings is \$1.28 and We believe that distributable earnings will increase to \$1.46 per share in 2027. TRTX also has a 6.25% preferred share trading around \$18 for a current yield of 8.64%. We also recommend the preferred for income investors due to the high yield and relative safety.

Company Stats & Estimates in \$ or MM

Current Yield	11.29%
Share Price	\$8.50
Shares Outstanding	81.0
Total Assets	\$3,731
CECL reserve	\$64
PFD Par Value	\$201
Total Liabilities + PFD	\$2,818
Common Share Equity	\$913
Equity Market Cap	\$689
Book Value / Share*	\$11.27
Share Discount to Book Value	25%
2025 Distributable Earnings	\$1.28
2025 Projected Dividend	\$0.96
Dividend coverage 2025	133%
2027 Distributable Earnings	1.46
2027 Projected dividend	1.20
EBITDA (2025 Est.)	306.43
EV / EBITDA	11.3
2025 Dist. Earnings multiple	6.6
2027 Dist. Earnings multiple	5.8

[TRTX INVESTOR RELATIONS](#)

[FIRST QUARTER TRTX PRESENTATION](#)



TRTX monthly chart since 2020

SMART YIELD

Income Fund

BROXTON CAPITAL ADVISORS TRTX as of 12/31/2024

Tuesday, March 25, 2025

share price \$8.50

PROJECTIONS IN MM \$ fiscal yr 2025 2026 2027

Income Statement

Interest Income	323	335	342
Interest Income Growth	5%	4%	2%
Interest Expense	203	207	210
Net Investment Income	120	129	132
Total Revenue	149	158	161
Credit Provisions for losses	30	28	28
Total Other Expenses	67	64	63
Net Income	81	93	98
PFD Share Div	15	15	15
Common Shares Net Income	67	78	83
Non Cash Operating Exp.	37	35	35
Cash Flow	104	113	118

Net Income / Share GAAP	0.82	0.97	1.03
Dist. Earnings / Comm Share	1.28	1.40	1.46
Projected Dividend	0.96	1.10	1.20
EBITDA	306	320	328

Valuations

PE ratio	10.3	8.8	8.3
Common Dividend Coverage %	133.2%	127.3%	121.4%
Price to Dist Earnings / Share	6.6	6.1	5.8
EV / EBITDA	11.3	10.8	10.5
Distributable Earnings Yield	15.0%	16.5%	17.1%
Projected Dividend Yield	11.29%	12.94%	14.12%

Capital Structure

Total Borrowings	2,571
Pfd. Par Value	201
Shares Outstanding mm	81
Equity Market Cap	689
Enterprise Value (incl. PFD)	3,461
Total Assets	3,731
Total Liabilities	2,617
Total Liabilities + PFD	2,818
Non-Controlling Interests	0

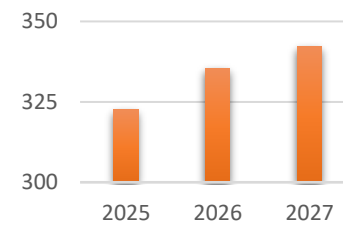
Common Share Equity	913
Book Value / Share	\$11.27
Share Discount to Book Value	24.57%

Liquidity

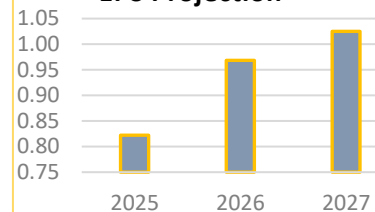
	DEC. 31 2024
Cash	190
Borrowing Availability est.	750+
Total Asset / T Liab Ratio	132%
TRTX Total Leverage Ratio	2.14 X
Debt to Equity Ratio	309%

NOTES: CLO Principal Repayments forecasted at 200-300 mm per year. Broxton distributable earnings are different from TRTX reported distributable earnings

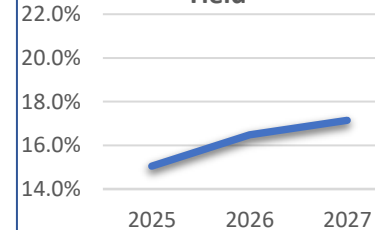
Revenue Projection



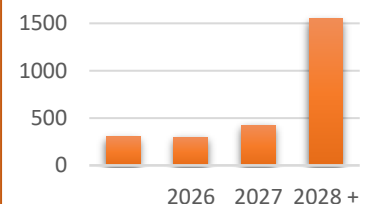
EPS Projection



Distributable Earnings Yield



Amortization Schedule



Disclosures 02022025

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