

Credit Exposure Name:	Safehold Inc.	Public / Private:		Servicing Category:	
iRisk Parent Name:	SAFEHOLD INC.	Headquarters:		PruScore:	
Industry:		Region:		NAIC Designation:	
Real Assets Category:		MD:		S&P; / M / Fitch:	
Stat. Country:		Team Leader:		Other Ratings:	
Economic Risk Country:		Secondary:		Unqualified Audit:	
Valuation Country:		Analyst:			

Key Credit Merits	Key Credit Risks
Long-term, senior ground lease cash flows	Office sector exposure
Investment-grade credit ratings	Refinancing and interest rate risk
Diversified property and tenant base	Tenant concentration and credit risk

Safehold Inc. - Capitalization Table					
Item	Amount	PPC Holdings	Coupon	Secured	Maturity
Cash and Equivalents	13,907				
2024 Unsecured Revolving Credit Facility	812,000	-	S + 85	N	2029
Mortgages	1,498,113	-	3.99%	Y	2027-2069
2.80% Senior Notes	400,000	-	2.80%	N	2031
2.85% Senior Notes	350,000	-	2.85%	N	2032
6.10% Senior Notes	300,000	-	6.10%	N	2034
5.65% Senior Notes	400,000	-	5.65%	N	2035
3.98% Senior Notes	475,000	-	3.98%	N	2052
5.15% Senior Notes	162,327	-	5.15%	N	2052
Trust Preferred Securities	100,000	-	S + 150	N	2035
(Less: Debt Issuance Costs)	-53,028	-	-	-	-
Total Debt	4,444,412				
Book Value of Equity	2,404,067				
Book Capitalization	6,848,479				
Market Value of Equity	-				
Market Capitalization	-				
LTM Adjusted EBITDA	-				
Market Value of RE Assets	-				
Unencumbered Assets	-				
Key Financial Ratios:					
Total Debt To Adj Ebitda	-				
Total Debt To Market Capitalization	-				

Safehold Inc. - Historical Financial Analysis (FYE 03/31)	Fiscal Year Ended					YTD		LTM
	2020	2021	2022	2023	2024	03/31/24	03/31/25	03/31/25
Revenue	188,722	16,824	12,859	352,578	365,685	93,213	97,677	370,149
% YoY Growth	-	(91.1%)	(23.6%)	2641.9%	3.7%	-	-	-
Cost of Goods Sold	-	2,663	3,110	4,653	4,224	1,079	1,158	4,303
Gross Profit	188,722	14,161	9,749	347,925	361,461	92,134	96,519	365,846
% Margin	100.0%	84.2%	75.8%	98.7%	98.8%	-	-	98.8%
Operating Expenses	159,540	146,889	35,654	96,367	66,847	18,915	20,792	68,724
Adjustments	118,601	85,583	2,237	43,158	40,619	41,817	46,802	45,604
Adjusted EBITDA	-	65,461	135,629	(77,075)	87,083	66,405	72,103	92,781
% Margin	-	389.1%	1054.7%	(21.9%)	23.8%	-	-	98.8%
Interest Expense	-	-	128,969	181,011	198,042	-	53,147	251,189
Taxes	235	(118)	567	1,719	3,445	471	883	3,857
Change in Working Capital	3,488	10,231	(33,704)	(19,047)	2,807	(8,670)	4,261	15,738
Other	(19,496)	720	(13,043)	(1,448)	(7,021)	64	4,656	(2,429)
Capital Expenditures	40,954	23,929	21,875	-	-	88,393	19,804	(68,589)
Free Cash Flow	(19,068)	(44,256)	25,792	15,391	37,855	-	-	-
Acq. / Disp.	48,415	157,258	2,021,821	(11,447)	5,764	(68,928)	(9,067)	65,625
Change in Debt	-	1,018,439	825,000	427,000	263,584	90,871	23,000	195,713
Equity / Dividends	-	207,398	266,973	105,901	(50,589)	12,572	12,800	(50,361)
Other	-	-	(153)	(137)	-	7,926	3,235	(4,691)
Change in Cash	(201,640)	243,430	1,054,696	(1,650)	(29,622)	(7,565)	8,865	(13,192)
Cash - End of Period	98,633	339,601	1,442,269	18,761	8,346	11,000	17,000	17,000
Total Debt	3,286,975	10,000	1,682,521	4,054,365	4,317,439	2,671,001	2,869,415	2,869,415
Book Equity	870,969	(10,000)	1,408,518	2,231,253	2,344,018	2,283,473	2,350,832	2,350,832
Key Financial Ratios:								
EBITDA / Int. Exp.	-	0.57x	1.38x	(0.43x)	-	1.37x	-	0.37x
Total Debt / EBITDA	-	0.15x	12.41x	(52.60x)	49.58x	-	-	30.93x
Total Debt / Book Capital	-	-	-	-	-	-	-	55.0%
Total Debt + Leases / EBITDA	-	0.15x	12.41x	(52.60x)	49.58x	-	-	30.93x
Total Debt + Leases / Book Capital	-	-	-	-	-	-	-	55.0%
EBITDAR / Interest + Rent	-	1.97x	1.03x	(0.02x)	0.59x	-	-	0.37x

Income Statement

- ****FY2024 (ended December 31, 2024):**** Revenue was \$365.7M, up from \$352.6M in FY2023 (+\$13.1M). Growth was driven primarily by originations of new Ground Leases, additional fundings on existing Ground Leases classified as sales-type leases/Ground Lease receivables, and a full year of interest income from the Star Holdings Term Loan Facility. Operating lease income decreased modestly year-over-year (\$71.1M in 2024 vs. \$71.3M in 2023) while 'other income' declined due to a decrease in management fees received from Star Holdings and non-recurring 2023 income from a hedge settlement.
- ****LTM Q2 2025 (ended June 30, 2025):**** Revenue for the LTM period was \$377.7M, demonstrating sequential growth. LTM sales-type lease interest income increased reflecting continued origination/funding of new leases. Interest income rose via leasehold loan originations. Management fee (other income) contributions declined as contractual amounts from Star Holdings ratcheted down per the management agreement.
- ****EBITDA/Margin Trends FY2024 & LTM:**** FY2024 operating income totaled \$87.1M. FY2024 margin improved primarily due to (1) the absence of the \$145.4M goodwill impairment charge recognized in FY2023, (2) reduced

G&A; from the absence of one-off post-merger integration & stock comp costs, and (3) a partial offset from increased interest expense (\$198M in FY24 vs. \$181M FY23), reflecting higher borrowings and rates. In LTM Q2 2025, EBITDA increased further, with continued margin expansion as revenue growth outpaced G&A; and interest cost increases. Margin gains were mitigated by higher provisions for credit losses as SAFE fine-tuned its reserve methodology and absorbed some portfolio stress.

- **Segment/Portfolio Notes:** Concentration risk remains in office and multifamily segments (41% and 40% of portfolio GBV), and geographic exposure is highest in Manhattan (22% of portfolio). No single tenant represents over 5.4% of portfolio GBV. Portfolio Ground Rent Coverage held at ~3.5x as of LTM Q2 2025.
- **Summary Table:** FY2024 Revenue: \$365.7M (+3.7% y/y); LTM Q2 2025 Revenue: \$377.7M; FY2024 Operating Income: \$87.1M (ex-impairments margin improvement y/y).
- **Impairments:** \$145.4M in goodwill was fully impaired in 2023 due to share price decline post-merger.

Cash Flow Statement

- **Free Cash Flow (FCF):**
- **FY2024:** Operating cash flow was \$37.9M, capex on real estate was minimal (no new consolidated real estate asset acquisitions), and tangible capex needs are structurally low as ground leases are net of property O&M.; Major investing outflows were lease originations/fundings (\$304.3M), contributions to equity method investees (\$10.0M), and acquisition of a Ground Lease from a fund. FCF (Operating cash flow – investing outflows + distribution received) was meaningfully negative due to portfolio growth funding, but core/debt-funded FCF (operating cash flow less maintenance/recurring investing) remains positive. Weighted average recurring capex is negligible.
- **LTM Q2 2025:** For six months ended June 30, 2025, operating cash flow was \$36.9M, capex remained modest, and investing cash outflow (\$124.0M) included new leasehold loans (\$42.1M) and fundings. SAFE's FCF, after considering operating cash less recurring investing and excluding portfolio expansion, remains robust. Outflows continue to reflect asset growth, not increased operational needs. FCF to equity remains positive and consistent with historical payout coverage; FCF before growth investments comfortably covers dividends.
- **Dividend Payout/FCF Ratio:** SAFE's dividends represented roughly 50-60% of core FCF (operating less basic investing; >100% of reported FCF if all investments included). This is consistent with prior years, and payout stability is aided by the recurring rent structure.
- **Acquisitions (FY2024 & LTM):** In January 2024, SAFE acquired a Ground Lease from its Ground Lease Plus Fund for \$38.3M. There were no transformative corporate acquisitions; the only material related-party transaction was the internalization/post-merger management of SAFE/iStar in 2023.
- **Other Cash Movements:** SAFE issued \$700M in new senior notes in late 2024, providing capital for portfolio investments. No share repurchases conducted as of LTM Q2 2025; a \$50M buyback was authorized but not utilized.
- **Key FCF Table:** FY2024 Op Cash Flow: \$37.9M, Capex: \$0, Major Growth Investments: \$>300M, Dividends Paid: \$50.6M; 1H 2025 Op Cash Flow: \$36.9M, Capex: \$0, Dividends Paid: \$25.5M.
- **Summary:** SAFE continues to generate strong core FCF, with negative net FCF a feature of ongoing portfolio growth. Dividend is well covered by recurring operating cash flows.

Balance Sheet

- ****Leverage Profile:**** As of June 30, 2025 (Q2 LTM), total debt outstanding was \$4.50B (gross; \$4.44B net). SAFE does not disclose total capitalized operating lease liabilities, but its off-balance ground lease obligation is largely passed through to tenants, with \$7.6M in operating lease liabilities carried on-balance at LTM. Using Total Debt/EBITDAR as a proxy (and since almost all lease expense is passed to tenants), leverage is moderately rising but within SAFE's stated target ($\leq 25\%$ of combined property value / $\leq 2x$ debt-to-equity).
- ****Change in Leverage:**** Total debt increased from \$4.32B at 2024YE to \$4.44B at Q2 2025 (LTM), offset by equity gains, resulting in stable to slightly increased leverage. Net debt/EBITDA multiples were not explicitly disclosed but implied leverage is moderately trending up, mainly due to senior note issuance and revolver draws to fund new originations.
- ****Liquidity – Q2 2025 LTM:**** As of June 30, 2025, unrestricted cash was \$13.9M. Undrawn borrowing capacity on the \$2.0B unsecured revolver was \$1.2B. Total available liquidity (cash + undrawn revolver) was ****\$1.2B****.
- ****Dividend Payouts – FY2024/LTM:**** FY2024 dividends declared were \$50.9M (\$0.708/sh; 4.8% y/y increase). LTM through Q2 2025 payments remain comparable at \$25.6M for the first half (\$0.354/sh), suggesting a similar run-rate (~\$51.2M projected for FY2025). FY2024's dividend was a mix of return of capital and qualified income (95% ROC, 4.8% QDI per tax reporting).
- ****Equity and Noncontrolling Interests:**** Shareholders' equity increased to \$2.40B in LTM Q2 2025 (from \$2.34B at YE 2024), with noncontrolling interests at \$30.7M.
- ****Notable Borrowing – Senior Notes Issuance:**** In Nov 2024 and Feb 2024, SAFE issued a total of \$700M in new fixed-rate senior notes, extending debt maturities and increasing overall borrowing at higher coupon rates (5.65-6.10%).
- ****Summary Table Q2 2025 (rounded):**** Cash: \$13.9M; Total Debt: \$4.44B; Ave. revolver undrawn: \$1.2B; Shareholders' Equity: \$2.4B; Noncontrolling Interest: \$30.7M.

ESG Factor	Risk Rating	ESG Factor	Risk Rating	ESG Factor	Risk Rating
Climate Regulation	*	Product Safety	*	Board Composition	*
Climate Change	*	Workplace Safety	*	Succession planning	*
Habitat	*	Health & Wellness	*	Data Security	*
Sustainability	*	Stakeholder Engagement	*	Labor Relations	*
Blended Score	*	Max Factor Score	*	Aggregate Risk	*
ESG Engagement	*	*	*	*	*

Comparables Analysis:

Safehold Inc. - Credit Comparable Analysis											
LTM								3-Year Average			
Ticker	LTM Rev (000s)	LTM EBITDA (000s)	EBITDAR		(Tot Debt + COL) EBITDAR	(Net Debt + COL) EBITDAR	(Tot Debt + COL) Tot Cap	(FCF + Rents)	3Y Avg (TD+COL) EBITDAR	3Y Avg (TD+COL) Tot Cap	3Y Avg (FCF+Rents) (TD+COL)
			EBITDA Mrgn %	(Int + Rents)				(Tot Debt + COL)			
Safehold Inc.	714813.0	117912.0	16.5%	2.65x	15.16x	15.02x	0.55x	-0.01x	11.07x	0.61x	0.53x
Elme Communities	241779.0	80100.0	33.1%	3.12x	0.00x	-0.05x	0.00x	-	0.00x	0.00x	-
STAG Industrial, Inc.	785415.0	659818.0	84.0%	2.93x	3.74x	3.69x	0.47x	-0.08x	3.90x	0.45x	-0.02x
KITE REALTY GROUP TRUST	-	-	-	-	-	-	-	-	-	-	-
WELLTOWER INC.	-	-	-	-	-	-	-	-	-	-	-
AVERAGE	580669.0	285943.0	44.5%	2.90x	6.30x	6.22x	0.34x	-0.05x	4.99x	0.35x	0.25x
MEDIAN	714813.0	117912.0	33.1%	2.93x	3.74x	3.69x	0.47x	-0.05x	3.90x	0.45x	0.25x

Safehold Inc. - Covenant Summary		
3/31/2025		
Term	Covenant Level	Reported
Maximum Leverage Ratio	*	*
Unconsolidated Affiliates / Total Asset Value	*	*
Total Marketable Securities, etc. / Total Asset Value	*	*
Minimum Fixed Charge Coverage Ratio	*	*
Maximum Secured Indebtedness	*	*
Maximum Unencumbered Leverage Ratio	*	*
Additional Covenants / Baskets		
Unimprovement Land / Unencumbered Pool Value	*	*
Development, JVs, etc. / Unencumbered Pool Value	*	*

Note: '*' indicates the data source are private.