FB Financial Corporation (FBK)

Updated April 15th, 2025, by Kody Kester

Key Metrics

Current Price:	$40	**5 Year CAGR Estimate:**	11.3%	**Market Cap:**	$1.9B
Fair Value Price:	$48	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date[1]:**	05/13/25
% Fair Value:	85%	**5 Year Valuation Multiple Estimate:**	3.4%	**Dividend Payment Date:**	05/28/25
Dividend Yield:	1.9%	**5 Year Price Target**	$64	**Years Of Dividend Growth:**	7
Dividend Risk Score:	B	**Sector:** Financials		**Rating:**	Buy

Overview & Current Events

Founded in 1906, FB Financial Corporation is one of the longest continually operating banks in Tennessee. As of March 31st, 2025, the Nashville, Tennessee-headquartered financial holding company operated 77 full-service bank branches throughout Tennessee, Kentucky, Alabama, and North Georgia. The company also operates a mortgage business with office locations across the Southeast. These offices mostly originate loans to be sold to third-party private investors or government-sponsored agencies in the secondary market. As of March 31st, the company held roughly $13.1 billion in total assets.

Unsurprisingly, the bank provides customers with an array of products and services. These include savings accounts, money market accounts, checking accounts, and certificates of deposit. FBK's loan products include commercial loans, residential mortgages, construction loans, and vehicle loans. The company also provides customers with trust, insurance, and investment services.

Periodically, FBK leverages acquisitions as part of its growth strategy. The company's latest acquisition in progress is Southern States Bancshares, Inc. (SSBK), the parent company of Southern States Bank. SSBK's 15 branches across Alabama and Georgia and two loan production offices in the Atlanta MSA will help FBK expand its reach. As of December 31st, 2024, SSBK had total assets of $2.8 billion. Shareholders will receive 0.8 shares of FBK common stock for each share of SSBK that they own. Upon closing late in Q3 2025 or early in Q4 2025, this will add about 10.1 million shares to FBK's share count.

On April 15th, FBK released its financial results for the first quarter ended March 31st, 2025. The company's total revenue rose by 21.6% over the year-ago period to $130.7 million in the quarter. The company's net interest income grew by 8.2% over the year-ago period to $107.6 million during the quarter. A 13-basis point expansion in the company's net interest margin to 3.55% fueled net interest income growth for the quarter. FBK's non-interest income nearly tripled to $23 million in the quarter. The company's adjusted diluted EPS was flat at $0.85 during the quarter, which was $0.02 ahead of the analyst consensus. In January, FBK also upped its quarterly dividend per share by 11.8% to $0.19.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$1.92	$2.04	$2.14	$2.61	$2.83	$3.73	$3.78	$2.91	$3.01	$3.40	***$3.67***	***$4.91***
DPS	-	-	-	$0.20	$0.32	$0.36	$0.44	$0.52	$0.60	$0.68	***$0.76***	***$1.17***
Shares[2]	-	24.1	30.5	30.7	31.0	47.2	47.6	46.7	46.9	46.7	***47.0***	***62.0***

Over the years, FBK has grown its adjusted diluted EPS by right around 6% annually. We believe this pace of growth can continue. That's because the company's net interest margin is expanding again. FBK can also keep executing bolt-on acquisitions. In Tennessee, Alabama, Georgia, Kentucky, North Carolina, South Carolina, and Virginia, the company estimates that there are more than 500 commercial banks with assets of less than $5 billion that could be acquired.

[1] Estimated dates based on past dividend dates.
[2] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	-	11.8	19.6	13.3	13.9	9.3	11.6	12.4	13.2	15.2	***11.0***	***13.0***
Avg. Yld.	-	-	-	0.6%	0.8%	1.0%	1.0%	1.4%	1.5%	1.3%	***1.9%***	***1.8%***

Since its initial public offering in 2016, FBK's P/E ratio has varied from as little as the high single digits to as much as approximately 20. Overall, the average over that time was just above 13. Moving forward, we continue to believe that this represents fair value for FBK. This is because the company's growth prospects appear to be intact. Compared to the current P/E ratio of 11.0, this offers a margin of safety.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	-	-	-	8%	11%	10%	12%	18%	20%	20%	***21%***	***24%***

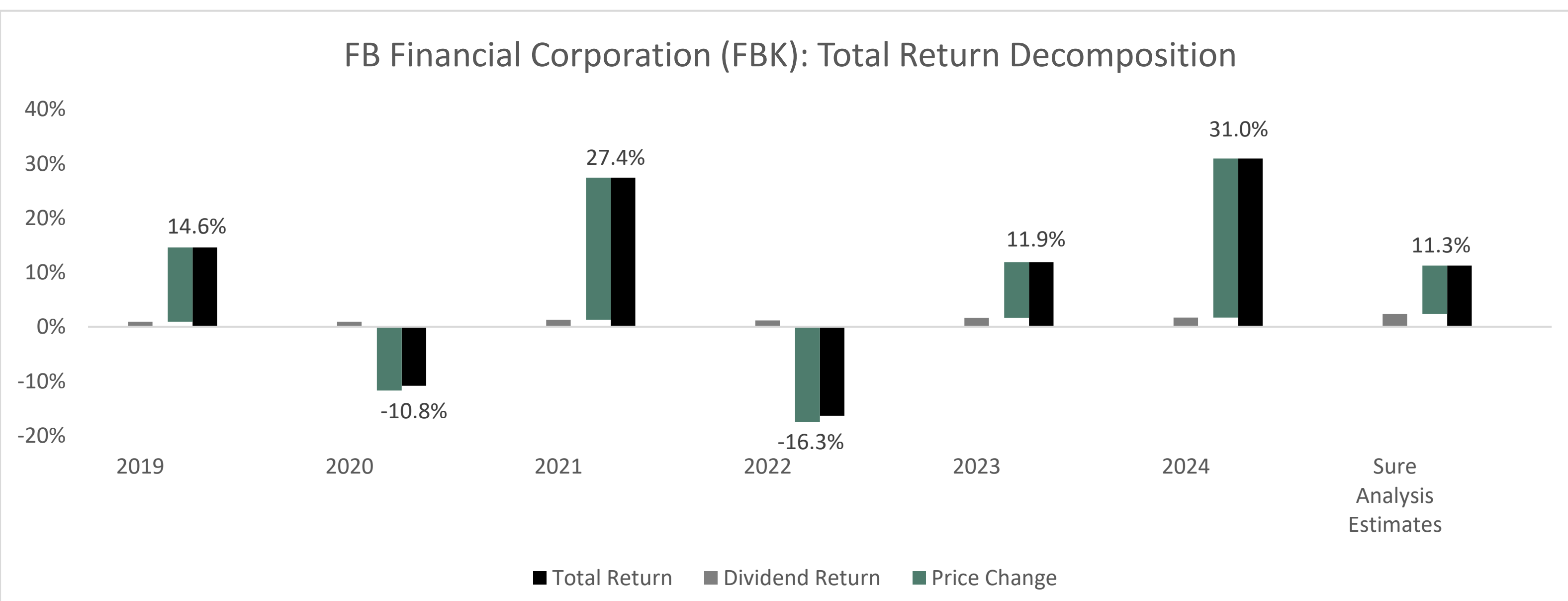
FBK has the advantage of being well-known and trusted in the communities that it serves. The company believes that its personalized, relationship-based client service has contributed significantly to its success. Combined with its extensive product offerings, this has helped FBK to reliably make a profit over the years.

As of March 31st, 2025, the company had $1.5 billion of on-balance sheet liquidity. Off-balance sheet liquidity was $7.0 billion at the end of the period. That would suggest FBK has the financial strength to endure most economic environments. The company's dividend also looks reasonably well-covered, with the payout ratio poised to be around 21% in 2025. This should give FBK the flexibility to hike its dividend at a rate greater than adjusted diluted EPS growth for the foreseeable future.

Final Thoughts & Recommendation

FBK's 1.9% dividend yield, 6.0% annual adjusted diluted EPS growth prospects, and 3.4% annual valuation multiple expansion potential could produce 11.3% annual total returns over the next five years. Due to the recent selloff in shares, the valuation has swung from excessive to arguably discounted. Thus, we're upgrading shares to a buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	183	256	295	335	361	568	576	527	478	444
SG&A Exp.	94	127	143	150	161	244	262	223	212	210
D&A Exp.	8	14	6	8	10	13	14	13	15	15
Net Profit	48	41	52	80	84	64	190	125	120	116
Net Margin	26.1%	15.9%	17.8%	24.0%	23.2%	11.2%	33.1%	23.6%	25.2%	26.1%
Free Cash Flow	(52)	(250)	33	202	57	(276)	49	779	191	133
Income Tax	3	22	21	26	26	19	53	35	30	31

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	2,899	3,277	4,728	5,137	6,125	11,207	12,598	12,848	12,604	13,157
Cash & Equivalents	76	123	54	94	102	1,197	1,670	817	728	917
Accounts Receivable	7	7	13	15	17	44	39	46	53	50
Goodwill & Intangibles	83	86	230	239	264	346	376	423	416	412
Total Liabilities	2,663	2,946	4,131	4,465	5,363	9,916	11,165	11,522	11,150	11,590
Accounts Payable	1	1	2	5	6	7	3	9	19	27
Long-Term Debt	75	195	348	230	310	245	180	425	401	233
Shareholder’s Equity	237	330	597	672	762	1,291	1,433	1,325	1,455	1,568
LTD/E Ratio	0.32	0.59	0.58	0.34	0.41	0.19	0.13	0.32	0.28	0.18

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.8%	1.3%	1.3%	1.6%	1.5%	0.7%	1.6%	1.0%	0.9%	0.9%
Return on Equity	21.2%	14.3%	11.3%	12.6%	11.7%	6.2%	14.0%	9.0%	8.6%	7.7%
Shares Out.	-	24.1	30.5	30.7	31.0	47.2	47.6	46.7	46.9	46.7
Revenue/Share	7.65	13.24	10.45	10.69	11.51	14.90	12.00	11.15	10.20	9.51
FCF/Share	(2.16)	(12.94)	1.17	6.45	1.82	(7.24)	1.02	16.49	4.08	2.85

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