



Fulton Financial Corporation (FULT)

Updated July 26th, 2025, by Sure Dividend Analyst

Key Metrics

Current Price:	\$18.60	5 Year CAGR Estimate:	11.7%	Market Cap:	\$3.35 B
Fair Value Price:	\$20.00	5 Year Growth Estimate:	7.0%	Ex-Dividend Date¹:	10/01/25
% Fair Value:	93.0%	5 Year Valuation Multiple Estimate:	1.5%	Dividend Payment Date¹:	10/15/25
Dividend Yield:	3.9%	5 Year Price Target	\$28	Years Of Dividend Growth:	15
Dividend Risk Score:	B	Sector:	Financials	Rating:	Buy

Overview & Current Events

Fulton Financial Corporation (FULT) is a U.S.-based diversified financial services company with over \$30 billion in assets and more than 200 branches across Pennsylvania, Maryland, Delaware, New Jersey, and Virginia. It offers a range of consumer and commercial banking products and services, such as checking and savings deposit products and loan products. Its services cover five distinct divisions: consumer banking, commercial banking, mortgage banking, wealth management, and others. Fulton Financial Corporation founded in 1882, is a \$3.35 billion company and has about 3,300 employees.

On July 15th, 2025, Fulton Financial Corporation released its second quarter 2025 results for the period ending June 30th, 2025. For the quarter, the company reported net income available to common shareholders of \$96.6 million, or \$0.53 per diluted share, which was an increase of \$6.2 million, or \$0.04 per share, in comparison to the first quarter of 2025. The improvement in earnings per share was primarily due to higher net interest income and increased non-interest income, partially offset by higher operating expenses. In addition to the GAAP results, operating net income available to common shareholders for Q2 2025 increased to \$100.6 million, or \$0.55 per diluted share, marking a rise of \$5.2 million, or \$0.03 per share, compared to the first quarter.

Net interest income for the quarter was \$254.9 million, up \$3.7 million from the previous quarter, reflecting increased interest income from investment securities and net loans, and a modest decline in deposit costs. Net interest margin increased to 3.47%, a rise of 4 basis points from the prior quarter. Fulton recorded a provision for credit losses of \$8.6 million, down \$5.3 million, as the allowance for credit losses declined slightly to 1.57% of total loans. Non-interest income increased to \$69.1 million, up \$1.9 million from Q1, driven by broad-based gains across consumer and commercial banking, mortgage, and wealth management income. Non-interest expense rose to \$192.8 million, an increase of \$3.4 million, primarily due to higher salaries and incentive compensation tied to merit increases and one additional calendar day, as well as increased professional fees.

Management updated its expectations for low-single-digit growth in loans for 2025, with operating expenses now projected to range from \$750M–\$765M, slightly lower than prior estimates, supported by ongoing efficiencies from the Republic integration and the FultonFirst initiative. The FultonFirst initiative is projected to deliver \$50M+ in annual cost savings by 2026, with \$10M in related expenses now anticipated for 2025, down from the previously projected \$14M.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$0.85	\$0.93	\$0.98	\$1.18	\$1.35	\$1.08	\$1.62	\$1.67	\$1.64	\$1.57	\$2.00	\$2.81
DPS	\$0.38	\$0.41	\$0.47	\$0.48	\$0.52	\$0.52	\$0.56	\$0.60	\$0.64	\$0.68	\$0.72	\$0.96
Shares²	174	174	175	170	164	162	161	165	167	167	180	182

¹ Estimated date.

² In millions.

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The bank has grown earnings by 7.1% per year over the past 10 years and 13.1% over the past five years. We expect earnings to increase by 7% per year for the next five years. The company has been able to increase its yearly dividend payout for 15 consecutive years. Over the last five years, the average annual dividend growth rate is 6.7%. In December 2024, the quarterly dividend increased by 5.9% from \$0.17 to \$0.18 per share. The company paid special dividends of \$0.04 per share in 2019, \$0.04 in 2020, \$0.08 in 2021, and \$0.06 in 2022.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	14.9	15.4	18.7	14.7	12.2	11.1	9.9	9.6	7.5	10.7	9.3	10.0
Avg. Yld.	1.9%	2.9%	2.6%	2.8%	3.1%	4.7%	3.5%	3.6%	5.2%	3.8%	3.9%	3.4%

During the past decade shares of Fulton Financial Corporation have traded with an average price-to-earnings ratio of about 12.5 times earnings and today, it stands at 9.3. We are using 10 times earnings as a fair value baseline, implying the potential for a very small valuation tailwind. The company's dividend yield is currently 3.9% which is above the average yield over the past decade of 3.5%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	45%	44%	48%	41%	39%	48%	35%	36%	39%	43%	36%	34%

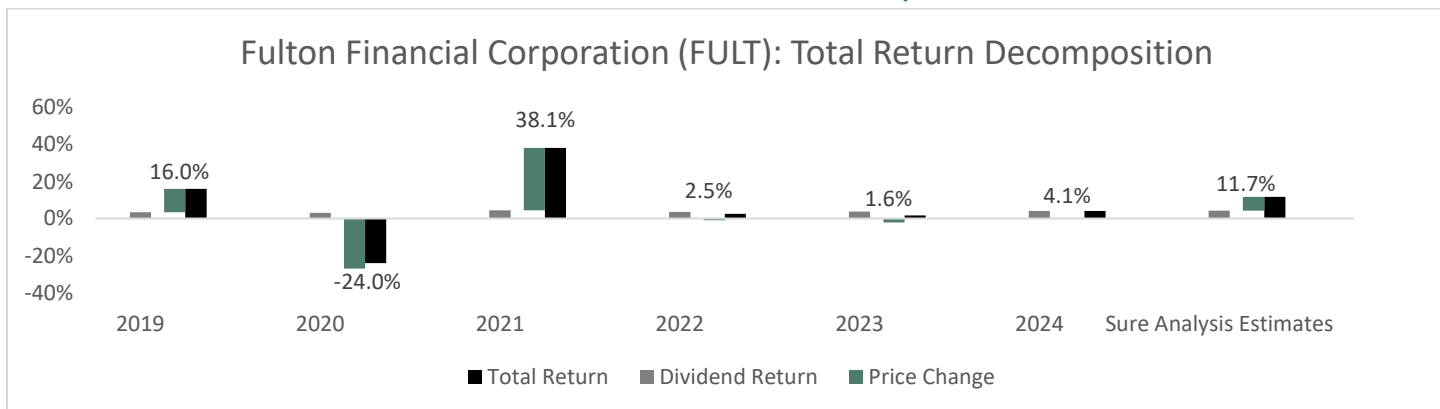
During the past five years, the company's dividend payout ratio has averaged around 41%. The bank's dividend is comfortably covered by earnings. Given the expected earnings growth, there is room for the dividend to continue to grow at the same pace and keep the payout ratio around the same levels which is safe.

Fulton Financial Corporation is a well-established financial services company that has a strong presence in the Mid-Atlantic region of the United States. The bank's income and revenue model is primarily based on the interest income from loans and investment securities, as well as fees and commissions from various financial services. The company's diversified business model, coupled with its focus on providing exceptional customer service, has helped it achieve consistent growth and financial performance over the years. With a strong balance sheet, a solid track record of profitability, and a commitment to innovation, Fulton Financial Corporation is well-positioned to continue delivering value to its shareholders and customers in the years to come.

Final Thoughts & Recommendation

Fulton Financial Corporation is a U.S.-based diversified financial services company with an above-average dividend yield, combined with a sound dividend payout ratio. The bank's diversified business model and focus on efficiency, innovation, and customer service, mixed with its strong regional presence, should support its future earnings growth. We estimate total return potential of 11.7% per year for the next five years based on an 7% earnings-per-share growth, a 3.9% yield, and a valuation tailwind. Shares earn 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	682	711	778	826	865	859	937	1,009	1,082	1,179
SG&A Exp.	280	300	309	323	328	338	345	376	405	465
D&A Exp.	28	27	28	28	30	29	29	32	33	57
Net Profit	150	162	172	208	226	178	275	287	284	289
Net Margin	21.9%	22.7%	22.1%	25.2%	26.2%	20.7%	29.4%	28.4%	26.2%	24.5%
Free Cash Flow	150	206	255	257	94	137	325	577	330	374
Income Tax	50	47	63	25	38	24	59	60	64	56

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	17,915	18,944	20,037	20,682	21,886	25,907	25,796	26,932	27,570	32,070
Cash & Equivalents	240	239	264	244	518	1,848	1,639	682	532	1,060
Inventories	43	46	53	59	61	73	57	92	---	117
Goodwill & Int.	573	569	569	570	575	565	573	595	561	635
Total Liabilities	15,873	16,823	17,807	18,435	19,544	23,290	23,084	24,352	24,810	28,870
Accounts Payable	11	10	9	11	9	10	7	10	35	32
Long-Term Debt	1,138	996	1,264	1,704	1,765	1,926	621	1,791	1,636	1,218
Total Equity	2,042	2,121	2,230	2,248	2,342	2,424	2,520	2,387	2,567	3,004
LTD/E Ratio	0.56	0.47	0.57	0.76	0.75	0.74	0.23	0.69	0.59	0.38

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.9%	0.9%	0.9%	1.0%	1.1%	0.7%	1.1%	1.1%	1.0%	1.0%
Return on Equity	7.4%	7.8%	7.9%	9.3%	9.9%	7.5%	11.1%	11.7%	10.7%	9.7%
ROIC	4.6%	5.1%	5.2%	5.6%	5.6%	4.1%	7.0%	7.4%	6.5%	6.6%
Shares Out.	174	174	175	170	164	162	161	165	167	177.2
Revenue/Share	3.86	4.08	4.42	4.68	5.15	5.26	5.74	6.10	6.49	6.65
FCF/Share	0.85	1.18	1.45	1.46	0.56	0.84	1.99	3.49	1.98	2.11

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

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