National Bank Holdings Corporation (NBHC)

Updated July 23rd, 2025, by Kody Kester

Key Metrics

Current Price:	$40	**5 Year CAGR Estimate:**	9.7%	**Market Cap:**	$1.5B
Fair Value Price:	$40	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	08/29/25[1]
% Fair Value:	100%	**5 Year Valuation Multiple Estimate:**	0.0%	**Dividend Payment Date:**	09/12/25[1]
Dividend Yield:	3.0%	**5 Year Price Target**	$57	**Years Of Dividend Growth:**	9
Dividend Risk Score:	C	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Founded in 2009, National Bank Holdings Corporation began about the same time that the Great Recession ended. NBHC is the holding company of NBH Bank. As of June 30th, 2025, the bank held $10 billion in assets. NBHC serves customers in Colorado, the Kansas City region, Utah, Wyoming, Texas, New Mexico, and Idaho across more than 85 banking centers. The Denver-based bank holding company operates the following four brand names as divisions of NBH Bank:

1. Community Banks of Colorado and Community Banks Mortgage: Unsurprisingly, these operations are based in Colorado.
2. Bank Midwest and Bank Midwest Mortgage: Operations for this division are based in Kansas and Missouri.
3. Bank of Jackson Hole and Bank of Jackson Hole Mortgage: This division serves customers in Wyoming.
4. Hillcrest Bank and Hillcrest Bank Mortgage: The division operates in Texas, Utah, New Mexico, and Idaho.

NBHC's savings products include savings accounts, money market accounts, checking accounts, and certificates of deposit. More noteworthy loan products offered are residential real estate loans, consumer loans, small business association loans, and commercial loans. Other services provided include treasury management solutions, cash vault, and fraud prevention services.

On July 23rd, NBHC released its earnings report for the second quarter ended June 30th, 2025. The company's net interest income grew by 4.6% year-over-year to $87.4 million in the quarter. This was due to a 19-basis-point expansion in the net interest margin to 3.95% during the quarter. NBHC's non-interest income jumped 21.6% over the year-ago period to $17.1 million for the quarter. That was fueled by an uptick in other non-interest income and bank card fees in the quarter. NBHC reported $0.88 in diluted EPS for the quarter, which was a blistering 29.4% year-over-year growth rate. This topped the analyst consensus in the quarter by $0.09. Going back to April 30th, NBHC announced a 3.4% increase in its quarterly dividend per share to $0.30.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$0.19	$0.73	$1.26	$2.16	$2.55	$2.91	$3.04	$3.05	$3.72	$3.08	***$3.10***	***$4.35***
DPS	$0.20	$0.22	$0.34	$0.54	$0.75	$0.80	$0.87	$0.94	$1.04	$1.12	***$1.20***	***$1.68***
Shares[2]	30.4	26.4	26.9	30.8	31.2	30.6	30.0	37.6	37.8	38.1	***38.0***	***47.4***

Over the last decade, NBHC has compounded diluted EPS by 30%-plus annually. Acquisitions like the Bank of Jackson Hole in 2022 were a big part of this growth. Organically, NBHC operates in favorable markets. States like Wyoming and Idaho continue to rank among the most business-friendly states in the nation. Looking ahead, we still believe the company can carry out more bolt-on acquisitions. That's why we think the share count will moderately rise in the coming years. As a result, we're reaffirming our forecast for annual diluted EPS growth in the high single-digits for NBHC over the medium term.

[1] Estimated based on past dividend dates.

[2] Share count is in millions.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	111.6	43.8	25.8	14.3	14.1	11.3	14.5	13.8	10.0	13.9	***13.0***	***13.0***
Avg. Yld.	0.9%	0.7%	1.0%	1.8%	2.1%	2.4%	2.0%	2.2%	2.8%	2.7%	***3.0%***	***3.0%***

NBHC's valuation multiple has varied significantly over the past decade. Shares were priced as low as a P/E ratio of 10 in 2023 and as high as 111.6 in 2015. Since 2018, the average P/E ratio has been around 13. Moving forward, we believe that a valuation multiple of 13 remains a reasonable fair value. This implies shares are fairly priced at the current valuation.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	105%	30%	27%	25%	29%	27%	29%	31%	28%	38%	***39%***	***39%***

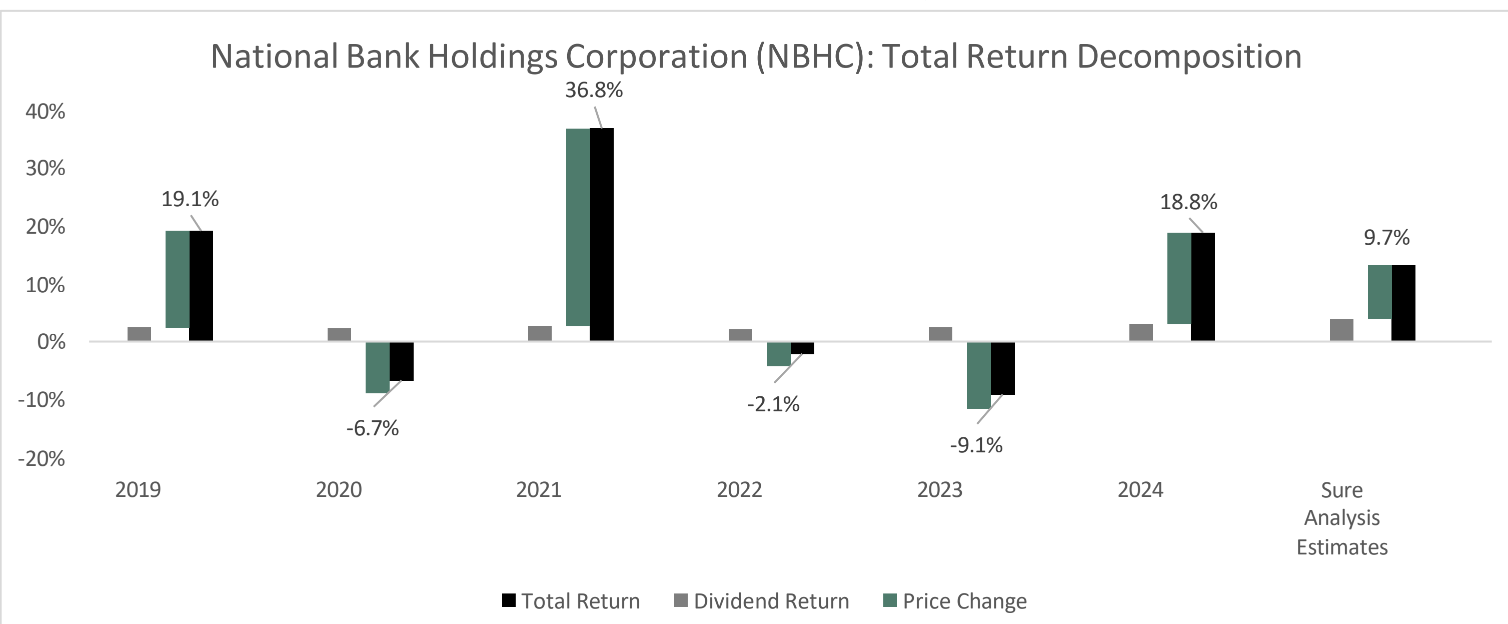
NBHC's business strategy to provide customers with a high level of personalized service is key to retaining existing clients and drawing in new business. This has led to consistent diluted EPS growth over time for the company.

NBHC's asset quality remains respectable. As of June 30th, the company's total non-performing assets to total loans ratio was 0.45% (a one basis point improvement sequentially). NBHC's dividend payout ratio is set to be in the high 30% range for 2025. That is within the 30% to 40% payout ratio targeted by the bank. This could set the dividend up for growth in line with diluted EPS growth for the foreseeable future.

Final Thoughts & Recommendation

NBHC's 3.0% dividend yield, 7.0% annual diluted EPS growth potential, and static valuation multiple could deliver a 9.7% annual total return over the medium term. After rallying nearly 20% over the past three months, shares are fully valued right now. Thus, we're downgrading shares back to a hold rating.

Total Return Breakdown by Year



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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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	192	186	186	268	291	329	292	329	420	400
SG&A Exp.	118	92			136	145	132	131	149	138
D&A Exp.	16	14	13	12	15	14	14	16	24	8
Net Profit	5	23	15	61	80	89	94	71	142	118
Net Margin	2.5%	12.4%	7.9%	22.9%	27.6%	26.9%	32.0%	21.7%	33.8%	29.5%
Free Cash Flow	(43)	(4)	53	67	33	(11)	180	202	130	121
Income Tax	3	3	21	12	16	21	21	15	34	26

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	4,684	4,573	4,843	5,677	5,896	6,660	7,214	9,573	9,951	9,808
Cash & Equivalents	166	153	257	110	110	606	846	196	191	128
Accounts Receivable	9	13	14							
Goodwill & Int.	72	67	61	128	126	133	127	339	372	306
Total Liabilities	4,066	4,037	4,311	4,982	5,129	5,839	6,374	8,481	8,738	8,503
Accounts Payable	4	5	6							
Long-Term Debt	40	39	129	302	208	-	39	439	394	105
Shareholder's Equity	618	536	532	695	767	821	840	1,092	1,213	1,305
LTD/E Ratio	0.06	0.07	0.24	0.43	0.27	-	0.05	0.40	0.33	0.08

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.1%	0.5%	0.3%	1.2%	1.4%	1.4%	1.3%	0.8%	1.5%	1.2%
Return on Equity	0.7%	4.0%	2.7%	10.0%	11.0%	11.2%	11.3%	7.4%	12.3%	9.4%
ROIC	0.7%	3.7%	2.4%	7.4%	8.2%	9.9%	11.0%	5.9%	9.1%	-
Shares Out.	30.4	26.4	26.9	30.8	31.2	30.6	30.0	37.6	37.8	38.2
Revenue/Share	5.58	6.38	6.69	8.53	9.23	10.58	9.41	10.06	11.02	10.47
FCF/Share	(1.24)	(0.14)	1.90	2.14	1.05	(0.34)	5.78	6.19	3.41	3.16

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