



Stifel Financial Corp. (SF)

Updated July 30th, 2025, by Kody Kester

Key Metrics

Current Price:	\$114	5 Year CAGR Estimate:	8.2%	Market Cap:	\$11.7B
Fair Value Price:	\$98	5 Year Growth Estimate:	10.0%	Ex-Dividend Date:	09/02/25 ¹
% Fair Value:	117%	5 Year Valuation Multiple Estimate:	-3.1%	Dividend Payment Date:	09/16/25 ¹
Dividend Yield:	1.6%	5 Year Price Target	\$157	Years Of Dividend Growth:	8
Dividend Risk Score:	A	Sector:	Financials	Rating:	Hold

Overview & Current Events

Tracing its roots back to a partnership founded in 1890, Stifel Financial Corp. is a global wealth management and investment banking company with a rich corporate history. As of June 30th, 2025, SF had \$516.5 billion in client assets under management. The company operates the following three segments:

1. **Global Wealth Management:** The Global Wealth Management segment's thousands of financial advisors provide clients with financial planning services and insurance and annuity products. The segment also offers asset management services to institutions, private clients, and investment advisers. The Stifel Bancorp business provides retail and commercial banking services to private and corporate clients, including personal loans, commercial real estate loans, and credit cards.
2. **Institutional Group:** The Institutional Group segment offers research services, investment banking activities like the execution of public offerings and debt placements, and public finance services for various bonds issued by states and cities.
3. **Other:** The Other segment is comprised of interest income from stock borrowing activities and interest income and gains and losses from held investments.

In April, the company announced that it had completed the hiring of 36 advisors from B. Riley, representing roughly \$4 billion in AUM. This is the latest example of a bolt-on acquisition that we believe can help SF continue to meet its clients' evolving needs.

On July 30th, SF shared its financial results for the second quarter ended June 30th, 2025. The company's net revenue grew by 5.4% over the year-ago period to \$1.28 billion during the quarter. As has been the case in recent quarters, capital appreciation and strength in capital markets played a key role in this quarter's topline growth. These factors pushed total client assets up 9% versus Q2 2024 (with choppiness in April). The company's non-GAAP diluted EPS rose by 6.9% year-over-year to \$1.71 for the quarter. This exceeded the analyst consensus by \$0.10 during the quarter.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$1.64	\$1.75	\$2.54	\$3.52	\$4.07	\$4.56	\$7.08	\$5.74	\$4.68	\$6.81	\$7.50	\$12.08
DPS	-	-	\$0.13	\$0.32	\$0.40	\$0.45	\$0.60	\$1.20	\$1.44	\$1.68	\$1.84	\$2.96
Shares²	100.5	100.0	106.3	106.2	102.5	103.2	104.5	105.4	101.1	102.2	102.2	102.2

Over the past decade, SF's non-GAAP diluted EPS has compounded by about 17% annually. Moving forward, we still believe that non-GAAP diluted EPS growth will grow 10% through 2030 off an anticipated 2025 base of \$7.50. This is backed up by the overall macro argument that economic growth helps markets move higher over time. The company also operates in an industry with opportunities for consolidation, so this gives it flexibility to execute acquisitions to generate more growth.

¹ Estimated dates 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	17.2	19.0	15.7	7.8	9.9	11.1	10.0	10.2	14.8	15.9	15.2	13.0
Avg. Yld.	-	-	0.3%	1.2%	1.0%	0.9%	0.9%	2.1%	2.1%	1.6%	1.6%	1.9%

Since 2015, SF's P/E ratio has ranged from as low as the high single-digits to as high as the upper teens. The average P/E ratio over that time has been around 13. Looking ahead, we continue to argue that this approximates SF's fair value. That's because the company's growth prospects look to be holding up. After an approximately 33% rally in recent months, SF's P/E ratio of 15.2 is elevated beyond our fair value estimate.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	-	-	5%	9%	10%	10%	8%	21%	31%	25%	25%	25%

Operating for 135 years, Stifel is a trusted player in its industry. Couple that with the results that it delivers, and this has translated into a loyal and expanding client base. That is how SF's non-GAAP diluted EPS has grown at a double-digit annual pace over the last decade.

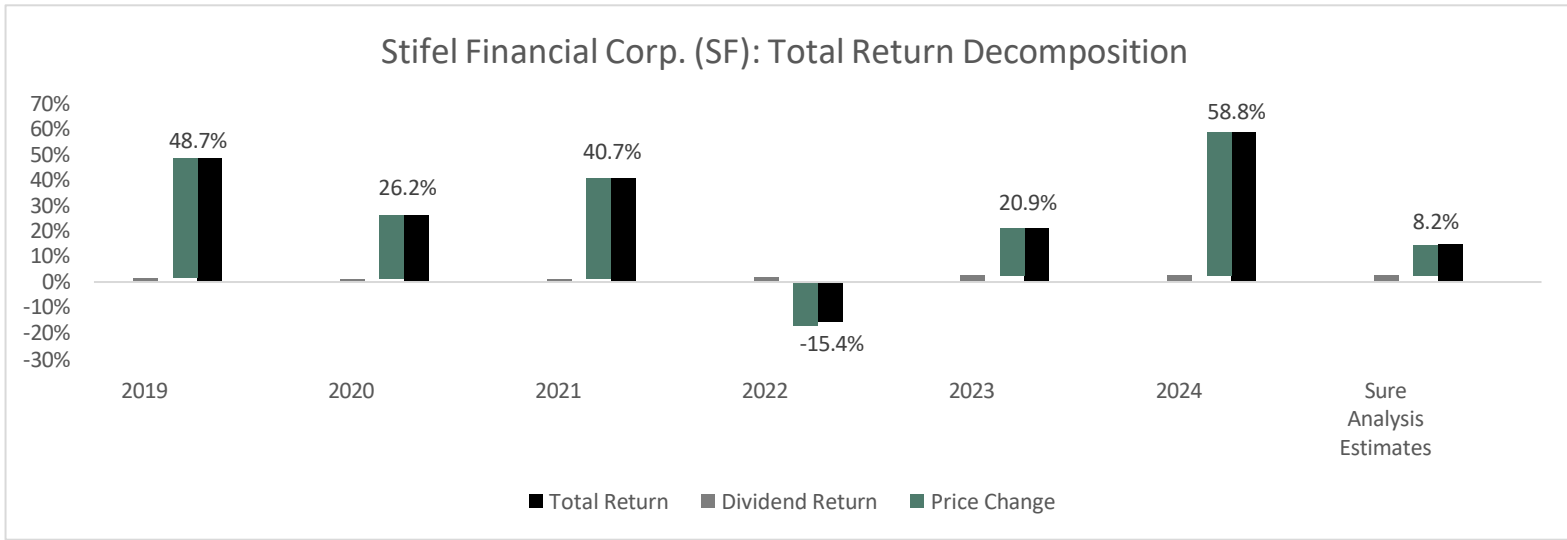
The company is also financially sound. SF's Tier 1 risk-based capital ratio of 17.5% only 10 basis points lower sequentially. This earns SF respective credit ratings of BBB and BBB+ from S&P and Fitch, and both agencies assign stable rating outlooks.

The company's dividend payout ratio remains poised to be in the mid-20% range in 2025. That is also low enough to withstand the temporary downturns in non-GAAP diluted EPS that happen occasionally. This has SF positioned to build on its eight-year dividend growth streak in the coming years.

Final Thoughts & Recommendation

SF's 1.6% dividend yield, 10.0% annual non-GAAP diluted EPS prospects, and a 3.1% annual valuation multiple downside potential could generate 8.2% annual total returns over the medium term. As a result of the substantial rally, shares have swung from a double-digit discount to a double-digit premium compared to our fair value estimate. That's why we're downgrading the stock 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	2,172	2,289	2,531	2,882	2,983	3,293	3,696	4,677	4,334	4,291
SG&A Exp.	1,404	1,569	1,726	1,959	1,771	1,978	2,279	2,820	2,586	2,555
D&A Exp.	42	47	58	45	40	54	60	64	70	81
Net Profit	176	92	82	183	394	448	503	825	662	523
Net Margin	8.1%	4.0%	3.2%	6.3%	13.2%	13.6%	13.6%	17.6%	15.3%	12.2%
Free Cash Flow	224	(332)	(470)	652	421	469	1,588	684	1,075	447
Income Tax	112	49	61	87	140	149	148	242	223	184

Balance Sheet Metrics

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Assets	9,518	13,326	19,129	21,384	24,520	24,610	26,604	34,050	37,196	37,727
Cash & Equivalent	690	811	913	696	1,937	1,143	2,279	1,963	2,200	3,362
Accounts Receivable	484	1,599	1,416	1,384	1,201	1,352	937	1,153	924	842
Goodwill & Int.	850	979	1,079	1,078	1,154	1,356	1,323	1,455	1,457	1,522
Total Liabilities	7,196	10,834	16,391	18,522	21,322	20,940	22,365	29,015	31,868	32,433
Accounts Payable	638	1,787	1,766	1,413	1,614	2,600	2,412	2,364	2,130	2,304
Long-Term Debt	708	1,060	1,740	2,083	1,797	1,327	1,172	1,173	1,175	1,176
Shareholder's Equity	2,322	2,492	2,588	2,712	3,018	3,305	3,704	4,350	4,643	4,609
LTD/E Ratio	0.30	0.43	0.64	0.73	0.57	0.37	0.28	0.23	0.22	0.22

Profitability & Per Share Metrics

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Return on Assets	1.9%	0.8%	0.5%	0.9%	1.7%	1.8%	2.0%	2.7%	1.9%	1.4%
Return on Equity	8.0%	3.8%	3.1%	6.5%	13.0%	13.1%	12.7%	17.8%	12.8%	9.8%
ROIC	6.3%	2.8%	2.0%	3.9%	7.9%	9.0%	9.7%	14.2%	10.4%	8.1%
Shares Out.	99.5	100.5	100.0	106.3	106.2	102.5	103.2	104.5	105.4	101.1
Revenue/Share	18.96	19.43	21.76	23.71	24.45	27.94	32.26	39.46	36.87	37.82
FCF/Share	1.95	(2.81)	(4.04)	5.36	3.45	3.98	13.86	5.77	9.15	3.94

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

Disclaimer

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