



TriCo Bancshares (TCBK)

Updated July 25th, 2025, by Kody Kester

Key Metrics

Current Price:	\$42	5 Year CAGR Estimate:	9.7%	Market Cap:	\$1.4B
Fair Value Price :	\$44	5 Year Growth Estimate:	6.0%	Ex-Dividend Date:	09/05/25 ¹
% Fair Value:	96%	5 Year Valuation Multiple Estimate:	0.9%	Dividend Payment Date:	09/19/25 ¹
Dividend Yield:	3.1%	5 Year Price Target	\$59	Years Of Dividend Growth:	12
Dividend Risk Score:	C	Sector:	Financials	Rating:	Hold

Overview & Current Events

Since its founding in 1975, TriCo Bancshares has blossomed into a major community bank in California. The company operates as the holding company for Tri Counties Bank. As of June 30th, 2025, TCBK's asset base was \$9.9 billion.

The Chico, California-based bank has nearly six dozen bank branch locations throughout the Golden State in 31 counties. These locations are as far north as Yreka (in Siskiyou County, bordering Oregon) and as far south as San Diego.

The company provides a wide variety of personal, small business, and commercial banking services to the communities that it serves. These include personal checking and savings accounts, residential and commercial mortgage loans, auto loans, personal loans, agricultural loans, and real estate construction loans. TCBK also offers safe deposit boxes, treasury management services, and brokerage services through an arrangement with Raymond James Financial Services, Inc. Advanced online/mobile banking, ~40,000 surcharge-free ATMs nationwide, and banker support by phone seven days a week make the bank an appealing option for new and existing customers alike.

It's also worth noting that the bank has a corporate history of being a measured and opportunistic acquirer. In July 2018, the company acquired FNB Bancorp. At the time, this further complemented TCBK's presence in Northern California and added \$1.2 billion to its asset base. In March 2022, the company also acquired Valley Republic Bancorp and its \$1.4 billion in assets. The rationale for this deal was that it expanded TCBK's lending capabilities and product offerings. On July 24th, TCBK shared its earnings report for the second quarter ended June 30th, 2025. The company's net interest income increased by 5.5% over the year-ago period to \$86.5 million in the quarter. TCBK's net interest income growth was driven by a 20-basis-point expansion in the net interest margin to 3.88% during the quarter. The bank's noninterest income grew by 7.7% year-over-year to \$17.1 million for the quarter. TCBK's diluted EPS decreased by 3.4% over the year-ago period to \$0.84 in the quarter. That beat the analyst consensus during the quarter by \$0.03.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$1.90	\$1.94	\$2.21	\$2.54	\$3.00	\$2.16	\$3.94	\$3.83	\$3.52	\$3.46	\$3.38	\$4.52
DPS	\$0.52	\$0.60	\$0.66	\$0.70	\$0.82	\$0.88	\$1.00	\$1.10	\$1.20	\$1.32	\$1.32	\$1.77
Shares²	22.8	22.9	23.0	30.4	30.5	29.7	29.7	33.3	33.3	33.0	32.6	36.2

Like most community banks, the macroeconomic environment has weighed on TCBK in recent years. However, we still think that diluted EPS will compound by 6% annually off a projected 2025 base of \$3.38 through 2030. This is based on our expectations that the company's net interest margin can incrementally expand. Along with bolt-on acquisitions, this is the path toward achieving our annual diluted EPS growth forecast 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	14.4	17.6	17.2	13.2	13.4	16.3	10.9	13.3	12.2	12.5	12.4	13.0
Avg. Yld.	1.9%	1.8%	1.7%	2.1%	2.0%	2.5%	2.3%	2.2%	2.8%	3.1%	3.1%	3.0%

Since 2015, TCBK’s P/E ratio has averaged just above 14. In the past five years, the average P/E ratio was 13. Moving forward, we are maintaining our fair value P/E ratio of 13. That’s due to a fundamental outlook that remains intact versus recent years. Compared to the current year P/E ratio of 12.4, there is a modest margin of safety for TCBK here.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	27%	31%	30%	28%	27%	41%	25%	29%	34%	38%	39%	39%

As alluded to earlier, TCBK’s sheer number of surcharge-free ATMs that are within its network and its top-notch mobile app are factors that boost it competitively. So, the bank not only stands out among community bank peers but can even give regional and national banks a run for their money.

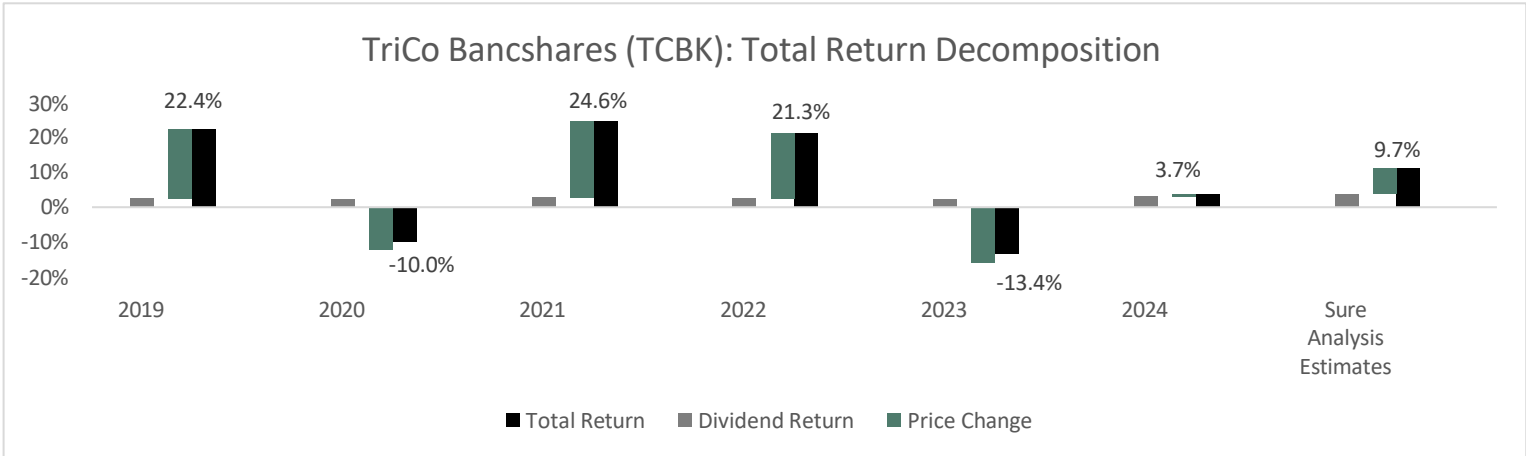
Like its peers, TCBK experienced difficulties during the Great Recession. The company’s diluted EPS plunged from \$1.64 in 2006 and bottomed out in 2010 at \$0.37. It wasn’t until 2013 that diluted EPS advanced beyond pre-Great Recession levels. That prompted the company to cut its dividend payment by 30.8% from \$0.52 in 2009 to \$0.36 in 2011.

Since that time, though, TCBK has consistently grown its payout. The company is far from immune to the risk of another dividend cut. However, it is in a better position to weather an economic downturn in the future. This is because the payout ratio will be around 39% for 2025. As of June 30th, 2025, the company also maintained \$4.3 billion in liquidity. This comfortably covered estimated uninsured deposits, with a coverage ratio of 153%.

Final Thoughts & Recommendation

TCBK’s 3.1% dividend yield, 6.0% annual diluted EPS growth potential, and 0.9% annual valuation multiple upside could lead to 9.7% annual total returns through 2030. The community bank’s dividend is moderately safe, and the return potential could be respectable from here. However, we maintain that there are peers with safer dividends and more attractive total return profiles. That’s why we’re reaffirming our 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	197	208	220	260	305	308	329	403	411	389
SG&A Exp.	78	85	87	99	112	115	109	134	139	136
D&A Exp.	7	8	8	11	17	18	17	18	19	16
Net Profit	44	45	41	68	92	65	118	125	117	115
Net Margin	22.2%	21.6%	18.4%	26.3%	30.1%	21.1%	35.7%	31.2%	28.6%	29.6%
Free Cash Flow	49	37	40	84	99	112	129	159	134	105
Income Tax	29	28	37	25	35	23	46	48	44	40

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	4,221	4,518	4,761	6,352	6,471	7,640	8,615	9,931	9,910	9,674
Cash & Equivalent	303	306	205	228	277	670	768	107	99	85
Accounts Receivable	11	12	14	19	19	20	19	32	37	35
Goodwill & Int.	78	80	76	250	244	239	233	321	315	311
Total Liabilities	3,769	4,041	4,256	5,525	5,565	6,714	7,615	8,885	8,750	8,453
Accounts Payable	1	1	1	2	2	1	1	1	8	
Long-Term Debt	69	74	179	73	76	85	108	366	734	216
Shareholder's Equity	452	477	506	827	907	925	1,000	1,046	1,160	1,221
LTD/E Ratio	0.15	0.16	0.35	0.09	0.08	0.09	0.11	0.35	0.63	0.18

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.1%	1.0%	0.9%	1.2%	1.4%	0.9%	1.4%	1.4%	1.2%	1.2%
Return on Equity	10.1%	9.6%	8.2%	10.2%	10.6%	7.1%	12.2%	12.3%	10.6%	9.7%
Shares Out.	22.8	22.9	23.0	30.4	30.5	29.7	29.7	33.3	33.3	33.2
Revenue/Share	8.57	8.99	9.46	9.66	9.97	10.25	11.02	12.30	12.33	11.72
FCF/Share	2.14	1.62	1.73	3.11	3.21	3.73	4.32	4.87	4.02	3.16

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

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