



WesBanco Inc. (WSBC)

Updated August 6th, 2025 by Quinn Mohammed

Key Metrics

Current Price:	\$30	5 Year CAGR Estimate:	16.4%	Market Cap:	\$2.9 B
Fair Value Price:	\$39	5 Year Growth Estimate:	7.0%	Ex-Dividend Date¹:	09/05/2025
% Fair Value:	76%	5 Year Valuation Multiple Estimate:	5.7%	Dividend Payment Date¹:	10/01/2025
Dividend Yield:	5.0%	5 Year Price Target	\$55	Years Of Dividend Growth:	12
Dividend Risk Score:	C	Sector:	Financials	Rating:	Hold

Overview & Current Events

WesBanco is a diversified financial services company which offers retail banking, corporate banking, personal and corporate trust services, brokerage services, mortgage banking and insurance. It reports results through two segments, community banking and investment services. The bank, which was founded in 1870, operates primarily in the Rust Belt region of the United States. It is headquartered in Wheeling, West Virginia and currently trades with a market capitalization of \$2.9 billion. As of June 30th, 2025, the company had approximately \$27.6 billion total assets, and \$7.2 billion of assets under management.

On February 28th, 2025, WesBanco completed its acquisition of Premier Financial Corporation (PFC). Premier shareholders now own approximately 30% of WesBanco after the merger. And the combined company is now the 8th largest bank in Ohio, serve customers in nine states through over 250 financial centers, and has \$27 billion in assets.

WesBanco reported second quarter 2025 results on July 29th, 2025. Net income for the quarter, after adjustments for tax-restructuring and merger-related expenses, was \$87.3 million, a 197% increase compared to the same quarter of 2024. Earnings-per-share for the quarter increased by 86% to \$0.91.

Total portfolio loans increased 54% year-over-year to \$18.8 billion (\$5.9 billion of which was acquired through PFC). Meanwhile, total deposits rose 58% year-over-year to \$21.2 billion due primarily to the PFC acquisition.

The company achieved a net interest margin of 3.59% for the second quarter, which was up 64 basis point year-over-year due to higher loan and securities yields and lower funding costs. Net interest income increased 86% year-over-year to \$217 million due to the impact of the PFC acquisition, loan growth and higher loan and securities yields.

Adjusted results for the quarter produced an annualized return on average assets and average tangible common equity of 1.28% and 18.36%, respectively. Tangible book value per share decreased 4.5% compared to last year to \$20.48.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$2.15	\$2.37	\$2.45	\$3.21	\$3.06	\$1.88	\$3.62	\$3.04	\$2.56	\$2.34	\$3.41	\$4.78
DPS	\$0.92	\$0.96	\$1.04	\$1.16	\$1.24	\$1.28	\$1.32	\$1.37	\$1.41	\$1.45	\$1.48	\$1.89
Shares²	38	40	44	49	56	67	63	59	59	67	96	110

The bank has grown historically through both organic growth and acquisitions. The majority of net revenues come from net interest income. Although earnings have grown relatively steadily over the long-term, recent results of WSBC have made this image hazier. Earnings dipped significantly in 2020 as a result of the COVID-19 pandemic, rebounded greatly in 2021, and have fallen since then due largely to the interest rate escalation by the Fed. For 2025, we forecast earnings-per-share to come in at \$3.41, and for EPS to grow by 7% through 2030. The merger with Premier Financial Corp., which has increased the company's total assets, and expanded its scale and reach, has strengthened the company's growth prospects.

¹ Estimate

² In millions

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The company will continue to achieve earnings growth through loan growth, net interest margin expansion, and acquisitions. WesBanco is also aiming to diversify its revenue streams with new fee-based services to drive non-interest income growth.

The dividend has grown by 5.2% and 2.9% in the past average nine and five years, and we forecast that a 5% dividend growth rate going forward is fairly reasonable. Although the company has an authorized share repurchase program, the last decade shows that share count has trended upward steadily.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	13.4	13.6	16.5	18.2	11.9	10.9	12.8	11.2	9.4	11.9	8.7	11.5
Avg. Yld.	2.8%	2.9%	2.5%	2.5%	3.2%	5.2%	3.6%	3.7%	5.0%	4.8%	5.0%	3.4%

Over the last ten and five years, WSBC has traded at an average P/E ratio of 13.0 and 11.2, respectively. While shares of WesBanco trade at 8.7 times forecasted earnings today, we peg fair value at 11.5 times earnings, which implies a moderate valuation tailwind.

We expect WSBC to continue increasing the annual dividend while keeping it within a safe payout ratio around the halfway mark on a normalized basis. The current 5.0% yield is above the company's 5-year average yield of 4.5%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	43%	41%	42%	36%	41%	68%	36%	45%	55%	62%	43%	39%

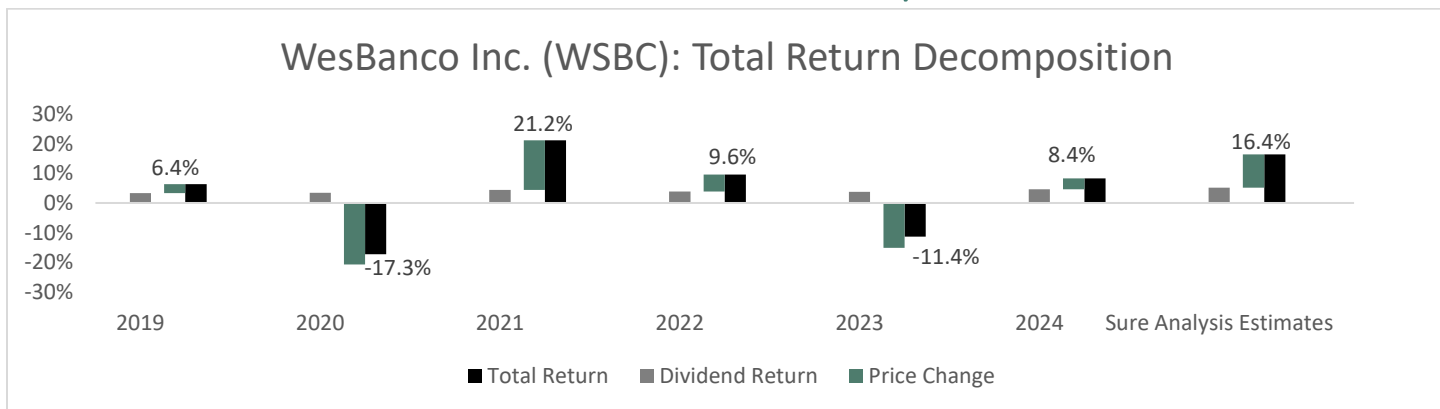
The payout ratio has historically been fairly safe, and 2020 was an outlier due to the pandemic with a heightened payout ratio, but still, the dividend was well covered during the year. However, amidst the great financial crisis, the corporation cut its dividend in half in 2009. The bank is not recession resistant, and this could be a cause for concern that the dividend may be cut again in the future. Still, it has increased its dividend for the past twelve years. Sadly, it took until 2017 to regain and surpass the dividend which was slashed in 2009.

The bank does not have a particularly strong competitive advantage over its peers as it operates and competes in the same way other small banks do. The corporation has a diversified earnings stream, which is led by its century-old trust and wealth management business and has a strong presence in economically diverse and major markets which are supported by positive demographic trends.

Final Thoughts & Recommendation

The share price of WSBC has decreased by 2% in the last one year, well below the S&P 500 Index's 21% gain. WSBC can offer 16.4% annual total returns stemming from 7.0% EPS growth, the 5.0% yield, and 5.7% P/E multiple expansion. However, due to its limited dividend increase streak, it earns just a hold 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	307	331	375	442	510	599	582	586	602	606
SG&A Exp.	122	130	146	163	193	222	221	222	247	248
D&A Exp.	8	9	10	10	12	14	13	13		
Net Profit	81	87	94	143	159	122	242	192	159	152
Net Margin	26.3%	26.2%	25.2%	32.4%	31.2%	20.4%	41.6%	32.5%	26.4%	25.0%
Free Cash Flow	79	121	136	187	151	52	328	196		
Income Tax	28	31	54	31	34	23	60	44	35	34

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	8,470	9,791	9,816	12,459	15,720	16,426	16,927	16,932	17,710	18680
Cash & Equivalents	87	128	118	169	235	905	1,251	408	595	568
Accounts Receivable	26	28	30	39	44	67	61	69	77	78
Goodwill & Int. Ass.	491	593	589	919	1,149	1,163	1,152	1,141	1,132	1124
Total Liabilities	7,348	8,449	8,421	10,480	13,126	13,669	14,234	14,505	15,180	15890
Accounts Payable	2	2	3	5	8	4	2	5	11	14
Long-Term Debt	1,148	1,133	1,113	1,535	1,898	983	459	1,121	1,735	1471
Shareholder's Equity	1,122	1,341	1,395	1,979	2,594	2,612	2,549	2,282	2,389	2646
LTD/E Ratio	1.02	0.84	0.80	0.78	0.73	0.36	0.17	0.46	0.68	0.53

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.1%	0.9%	1.0%	1.3%	1.1%	0.8%	1.5%	1.1%	0.9%	0.8%
Return on Equity	8.5%	7.0%	6.9%	8.5%	6.9%	4.7%	9.4%	8.0%	6.8%	5.7%
ROIC	4.8%	3.7%	3.8%	4.8%	4.0%	3.0%	7.0%	5.7%	4.1%	3.6%
Shares Out.	38	40	44	49	56.1	67.3	65.7	60.2	59.4	62.7
Revenue/Share	8.18	8.24	8.50	9.01	9.07	8.90	8.87	9.73	10.13	9.68
FCF/Share	2.10	3.02	3.09	3.82	2.69	0.77	4.99	3.26		

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

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