LCNB Corp. (LCNB)

Updated October 26th, 2025, by Sure Dividend Analyst

Key Metrics

Current Price:	$15.60	**5 Year Annual Expected Total Return:**	11.9%	**Market Cap:**	$220 M
Fair Value Price:	$17.60	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date[1]:**	12/03/25
% Fair Value:	87%	**5 Year Valuation Multiple Estimate:**	2.4%	**Dividend Payment Date[1]:**	12/17/25
Dividend Yield:	5.6%	**5 Year Price Target**	$22	**Years Of Dividend Growth:**	7
Dividend Risk Score:	D	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

LCNB Corp. (LCNB) is a Ohio-based financial holding company providing banking and insurance services through its subsidiaries, LCNB National Bank and Dakin Insurance Agency, Inc. The company reported $2.24 billion in total assets as of September 30th, 2025. LCNB National Bank offers consumer and commercial banking services, including checking and savings accounts, certificates of deposit, and loans for residential mortgages, commercial real estate, and personal needs. Dakin Insurance Agency provides personal and commercial insurance products and annuity services.

LCNB also offers trust administration, estate settlement, and investment management services, as well as financial products like mutual funds, annuities, and life insurance. LCNB Corp. expanded its market presence through two strategic acquisitions: the merger with Cincinnati Bancorp, Inc. (2023), and the acquisition of Eagle Financial Bancorp, Inc. (2024). LCNB Corp. is a $220 million company, was founded in 1877 and has about 380 employees.

On October 22nd, 2025, LCNB Corp. released its third-quarter results for the period ending September 30th, 2025. For the quarter, the company reported net income of $6.9 million, or $0.49 per diluted share, compared to net income of $4.5 million, or $0.31 per diluted share, in the same quarter last year.

Net interest income increased to $18.1 million from $15.0 million year-over-year. Non-interest income declined to $5.7 million, compared to $6.4 million in Q3 2024, primarily due to lower loan sales and bank-owned life insurance income, partially offset by higher fiduciary revenue and deposit service fees. Total assets were $2.24 billion, down 4.4% from $2.35 billion at the end of Q3 2024. LCNB Wealth Management assets rose, with record trust and investment services assets of $1.54 billion, contributing to a 23.4% year-over-year increase in fiduciary income, though total assets under management declined slightly year-over-year to $4.20 billion due to lower bank assets and mortgage servicing. Asset quality improved, with nonperforming assets representing just 0.09% of total assets, down from 0.14% a year ago. Net loans totaled $1.67 billion, down 2.4% from the prior year, reflecting balance sheet optimization and loan payoffs. Net interest margin expanded to 3.57% from 2.84%, driven by improved loan yields and reduced funding costs. Non-performing loans declined to $2.0 million, or 0.12% of total loans, down from 0.19%, reflecting the resolution of one commercial real estate loan. Non-interest expenses decreased to $15.1 million, compared to $15.4 million a year ago, due to lower merger-related costs and stable operating expenses. LCNB continues to execute on strategic initiatives aimed at enhancing balance sheet efficiency, supporting loan growth in early 2026, and sustaining profitability while maintaining strong asset quality. No specific guidance was provided for earnings, but management expressed optimism regarding loan growth resuming in the first half of 2026 and ongoing long-term shareholder value creation.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$1.17	$1.25	$1.29	$1.24	$1.44	$1.55	$1.66	$1.93	$1.10	$0.97	***$1.60***	***$2.04***
DPS	$0.64	$0.64	$0.64	$0.65	$0.69	$0.73	$0.77	$0.81	$0.85	$0.88	***$0.88***	***$1.07***
Shares[2]	10	10	10	12	13	13	13	11	11	11	***14***	***14***

[1] Estimated date

[2] In millions.

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The company's EPS declined 2.1% per year over the past decade and posted a small growth of 0.6% over the past five years. We expect earnings to increase by 5% per year for the next five years. This is based on the assumption of net interest income growth, supported by loan and deposit growth and controlled expenses. The company has been able to increase its yearly dividend payout for 7 consecutive years. Over the last five years, the average annual dividend growth rate is 3.8%. In February 2024, the company increased its quarterly dividend by 4.8% from $0.21 to $0.22 per share.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	9.5	13.2	11.6	10.0	10.5	7.8	10.1	8.4	13.2	17.5	***9.8***	***11.0***
Avg. Yld.	3.9%	2.8%	3.1%	4.3%	3.6%	5.0%	3.9%	4.5%	5.4%	5.8%	***5.6%***	***4.8%***

During the past decade shares of LCNB Corp. have traded with an average price-to-earnings ratio of 11.2 times earnings and today, it stands at 9.8. We are using 11.0 times earnings as a fair value baseline, implying the potential for a valuation tailwind. The company's dividend yield is currently 5.6%, which is above the average yield over the past decade of 4.2%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	55%	51%	50%	52%	48%	47%	46%	42%	77%	91%	***55%***	***52%***

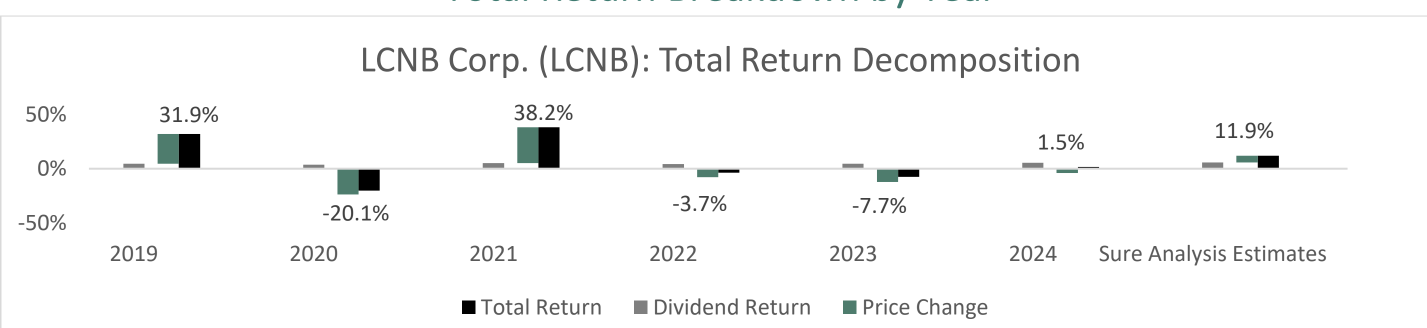
During the past five years, the company's dividend payout ratio has averaged around 61%. LCNB Corp's dividend is comfortably covered by earnings. Given the expected earnings growth, there is room for the dividend to continue to grow at least at the same pace and keep the payout ratio around the same levels which is safe.

LCNB Corp. demonstrates a competitive advantage through its strong community banking model, longstanding customer relationships, and diversified revenue streams, which include both traditional banking services and wealth management. Its recent acquisitions, including Eagle Financial Bancorp and Cincinnati Bancorp, further enhance its market presence and broaden its customer base, driving both organic and inorganic growth. LCNB's performance in economic downturns has historically been resilient due to its conservative credit policies and focus on maintaining a high-quality loan portfolio. Asset quality remained a strong point, with nonperforming assets accounting for 0.09% of total assets as of September 30th, 2025, down from 0.14% a year ago. From a safety standpoint, the bank's ability to maintain a solid capital position, with an equity-to-assets ratio of 12.02% — its highest level in at least twelve quarters — signals financial stability and resilience. Net loans totaled $1.67 billion, down 2.4% from the year-ago quarter, reflecting loan payoffs and balance sheet optimization. While the decline in expenses is positive, profitability pressures from rate dynamics and deposit competition remain a factor in the current interest rate environment.

Final Thoughts & Recommendation

LCNB Corp. is a community bank stock with an above average dividend yield of 5.6% and a sound dividend payout ratio. We estimate total return potential of 11.9% per year for the next five years, based on 5% earnings-per-share growth, the dividend, and a valuation tailwind. Shares earn a hold rating due to the weak dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	49	50	51	59	66	71	72	74	71	81
SG&A Exp.	20	20	21	23	28	29	29	30	31	38
D&A Exp.	3	3	3	4	3	2	3	3	3	0.6
Net Profit	11	12	13	15	19	20	21	22	13	13.5
Net Margin	23.5%	24.8%	25.6%	25.3%	28.6%	28.3%	29.2%	29.9%	17.9%	16.7%
Free Cash Flow	13	6	12	19	18	11	16	24	18	89
Income Tax	4	4	4	3	4	4	5	5	3	2.5

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,281	1,307	1,296	1,637	1,639	1,746	1,904	1,919	2,292	2,307
Cash & Equivalents	15	19	25	21	21	32	18	23	40	36
Acc. Receivable					4	8	8	7	8	8.7
Goodwill & Int.	36	35	34	64	63	63	62	61	89	101
Total Liabilities	1,140	1,164	1,145	1,418	1,411	1,505	1,665	1,719	2,056	2,054
Long-Term Debt	29	26	47	103	41	22	10	91	211	155
Total Equity	140	143	150	219	228	241	239	201	235	253
LTD/E Ratio	0.21	0.18	0.31	0.47	0.18	0.09	0.04	0.45	0.89	0.61

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.0%	1.0%	1.0%	1.0%	1.2%	1.2%	1.1%	1.2%	0.6%	0.6%
Return on Equity	8.6%	8.8%	8.8%	8.0%	8.5%	8.6%	8.7%	10.1%	5.8%	5.5%
ROIC	7.4%	7.4%	7.1%	5.7%	6.4%	7.5%	8.2%	8.2%	3.4%	3.2%
Shares Out.	10	10	10	12	13	13	13	11	11	13.8
Revenue/Share	4.97	5.05	5.07	4.91	5.06	5.49	5.71	6.48	6.19	5.90
FCF/Share	1.30	0.60	1.15	1.60	1.38	0.84	1.26	2.13	1.58	6.50

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