Southern Missouri Bancorp, Inc. (SMBC)

Updated October 24th, 2025, by Kody Kester

Key Metrics

Current Price:	$53	**5 Year CAGR Estimate:**	12.2%	**Market Cap:**	$599M
Fair Value Price:	$63	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	11/14/25
% Fair Value:	85%	**5 Year Valuation Multipl e Estimate:**	3.4%	**Dividend Payment Date:**	11/28/25
Dividend Yield:	1.9%	**5 Year Price Target**	$88	**Years Of Dividend Growth:**	2
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

Founded in 1887, Southern Missouri Bancorp, Inc. is a community bank with a rich corporate history. The bank holding company is the parent company of Southern Bank. Across more than 60 full-service branch offices and three limited-service branch offices, the Poplar Bluff, Missouri-based bank serves over 50 communities in Missouri, Arkansas, Illinois, and Kansas. As of September 30th, 2025, the company held $5 billion in total assets.

SMBC provides a variety of services to these individual and corporate customers. That includes money market deposit accounts, savings accounts, retirement savings plans, and certificates of deposit. Loan products include residential mortgages, commercial real estate loans, commercial business loans, construction loans, home equity loans, and automobile loans. Additionally, SMBC offers investing and insurance services, debit or credit cards, and online and mobile banking services.

In recent years, the company has leaned into acquisitions to enhance its economies of scale and to realize cost synergies. In the past five years, SMBC has closed several deals and acquired $1.5 billion in total assets. Its most recent acquisition, Citizens Bancshares, Co. (parent company of Citizens Bank & Trust Company) and its nearly $1 billion in total assets, was completed in January 2023.

On October 22nd, SMBC shared its financial results for the fiscal first quarter ended September 30th, 2025. The company's net interest income rose by 15.7% over the year-ago period to $42.4 million in the quarter. Higher loan balances and a 23-basis-point expansion in the net interest margin to 3.57% during the quarter led to these results. SMBC's non-interest income decreased by 8.4% year-over-year to $6.6 million for the quarter. Lower net realized gains on the sale of loans and other loan fees were partially offset by higher deposit account charges in the quarter. SMBC's diluted EPS jumped by 25.5% over the year-ago period to $1.38 during the quarter. This exceeded the analyst consensus by $0.07 for the quarter.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.98	$2.08	$2.39	$3.14	$2.99	$5.21	$5.22	$3.85	$4.41	$5.18	***$5.69***	***$7.98***
DPS	$0.36	$0.40	$0.44	$0.52	$0.60	$0.62	$0.80	$0.84	$0.84	$0.92	***$1.00***	***$1.47***
Shares[1]	7.4	8.6	9.0	9.3	9.1	8.9	9.2	11.3	11.3	11.3	***11.3***	***14.0***

Moving forward, SMBC has positive momentum on its side. The company's net interest margin was up 10 basis points sequentially in Q1 2026. As the Federal Reserve announces cuts to the federal funds rate later this year and into next year, we believe that SMBC's net interest margin can expand further. Bolt-on acquisitions are an additional tailwind for the company. As a result, we believe that diluted EPS can rise by 7% annually through FY 2031 from the $5.69 diluted EPS analyst consensus for FY 2026.

[1] Share count is in millions.

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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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	12.3	15.5	16.3	11.1	7.7	8.7	8.8	10.0	10.2	10.6	***9.3***	***11.0***
Avg. Yld.	1.5%	1.2%	1.1%	1.5%	2.6%	1.4%	1.7%	2.2%	1.9%	1.7%	***1.9%***	***1.7%***

Since FY 2016, SMBC's P/E ratio has ranged from as low as the high single digits to as high as the mid-teens. The stock's average P/E ratio over that time was just above 11. Looking ahead, we believe that a valuation multiple of 11 remains sensible for SMBC. After all, the company's forward growth prospects are comparable to the growth posted in the past decade. The current P/E ratio of 9.3 is moderately below our fair value P/E ratio.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	18%	19%	18%	17%	20%	12%	15%	22%	19%	18%	***18%***	***18%***

SMBC's 138-year operating history means that it has very established relationships with its existing customers. Its wide variety of banking products and resulting harmonious customer relationships are also helping to drive organic growth.

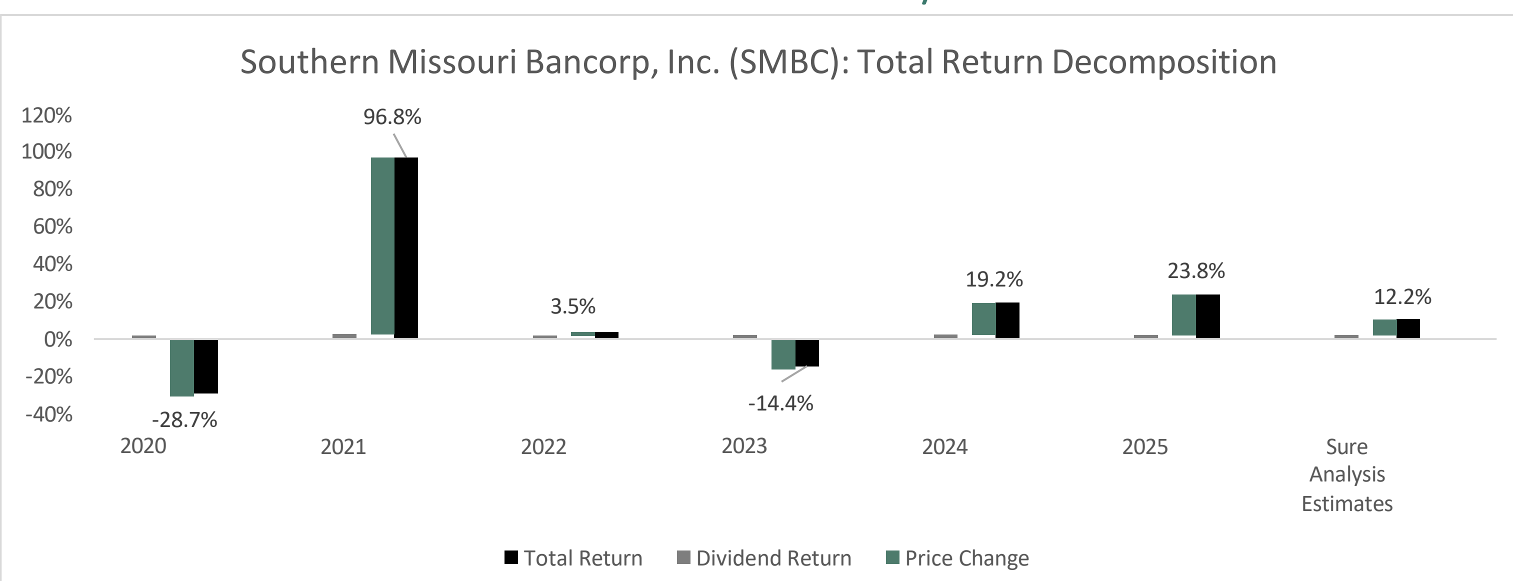
SMBC's diluted EPS has risen in eight out of the last ten fiscal years. Even in its worst year of the decade (FY 2023), diluted EPS was only reduced by a quarter. Coupled with a dividend payout ratio that has historically been in the teens to 20% range, that makes the dividend relatively secure for a community bank. These elements make up for the fact that a plurality of SMBC's loans (40.6% as of September 30th, 2025) are in the commercial real estate class.

Lastly, SMBC's asset quality is sound. As of September 30th, the company's nonperforming assets to total assets ratio was 0.54% (up seven basis points sequentially). That puts SMBC in a good position to navigate mild to moderate recessionary scenarios without a dividend cut.

Final Thoughts & Recommendation

SMBC's 1.9% dividend yield, 7.0% annual diluted EPS growth prospects, and 3.4% annual valuation multiple expansion could deliver 12.2% annual total returns over the next five years. Thus, we're reiterating our Buy 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	54	56	61	75	86	95	113	125	153	164
SG&A Exp.	20	20	22	30	34	38	33	38	50	58
D&A Exp.	3	4	4	5	5	6	5	6	8	
Net Profit	14	15	16	21	29	28	47	47	39	50
Net Margin	25.2%	26.6%	25.5%	28.0%	33.7%	29.0%	41.9%	37.8%	25.7%	30.5%
Free Cash Flow	12	8	23	29	31	36	49	63	56	
Income Tax	6	7	6	8	7	7	13	13	10	13

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,300	1,404	1,708	1,886	2,214	2,542	2,701	3,215	4,360	4,604
Cash & Equivalents	19	23	32	28	36	55	125	92	55	61
Accounts Receivable	5	6	7	8	10	12	10	11	19	
Goodwill & Int.	9	8	15	20	23	22	21	35	81	77
Total Liabilities	1,167	1,278	1,535	1,685	1,976	2,284	2,417	2,894	3,914	4,116
Accounts Payabl	1	1	1	1	2	2	1	1	5	
Long-Term Debt	79	125	61	95	63	85	73	61	157	125
Shareholder's Equity	113	126	173	201	238	258	283	321	446	489
LTD/E Ratio	0.60	0.99	0.36	0.47	0.26	0.33	0.26	0.19	0.35	0.26

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.2%	1.1%	1.0%	1.2%	1.4%	1.2%	1.8%	1.6%	1.0%	1.1%
Return on Equity	11.2%	11.5%	10.4%	11.2%	13.2%	11.1%	17.4%	15.6%	10.2%	10.7%
ROIC	6.5%	6.4%	6.4%	7.9%	9.7%	8.5%	13.5%	12.8%	8.0%	8.2%
Shares Out.	7.4	7.4	8.6	9.0	9.3	9.1	8.9	9.2	11.3	11.3
Revenue/Share	7.22	7.47	8.13	8.55	9.33	10.31	12.51	13.85	15.08	14.54
FCF/Share	1.66	1.05	3.01	3.26	3.36	3.91	5.43	6.96	5.52	

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