TriCo Bancshares (TCBK)

Updated October 27th, 2025, by Kody Kester

Key Metrics

Current Price:	$44	**5 Year CAGR Estimate:**	11.5%	**Market Cap:**	$1.4B
Fair Value Price:	$48	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	12/05/25[1]
% Fair Value:	92%	**5 Year Valuation Multiple Estimate:**	1.6%	**Dividend Payment Date:**	12/19/25[1]
Dividend Yield:	3.3%	**5 Year Price Target**	$67	**Years Of Dividend Growth:**	13
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

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 September 30th, 2025, TCBK's asset base was $9.9 billion. The Chico, California-based bank has over 75 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 October 23rd, TCBK released its financial results for the third quarter ended September 30th, 2025. The company's net interest income surged 8.4% year-over-year to $89.6 million during the quarter. This net interest income growth was fueled by a 21-basis-point expansion in the net interest margin to 3.92% over the year-ago period, as well as a slight uptick in its total earning assets. TCBK's noninterest income climbed 9.2% year-over-year to $18 million in the quarter. Higher service charges and fees and other income more than countered the loss on sale of investment securities for the quarter. TCBK's diluted EPS soared 18.2% over the year-ago period to $1.04 during the quarter. That topped the analyst consensus in the quarter by $0.13. Also of note, TCBK hiked its quarterly dividend per share by 9.1% to $0.36 in August. This represents its 13th consecutive year of dividend growth.

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	***$3.67***	***$5.15***
DPS	$0.52	$0.60	$0.66	$0.70	$0.82	$0.88	$1.00	$1.10	$1.20	$1.32	***$1.44***	***$2.02***
Shares[2]	22.8	22.9	23.0	30.4	30.5	29.7	29.7	33.3	33.3	33.0	***32.5***	***36.1***

We believe that TCBK's diluted EPS will compound by 7.0% annually off a projected 2025 base of $3.67 through 2030. This is based on our expectations that the company's net interest margin can incrementally expand (up four basis points sequentially in Q3 2025). Last month, TCBK also opened its newest San Francisco branch. This provides area businesses and residents with greater access to the company's personalized financial solutions. Along with bolt-on acquisitions, that 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.

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	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	***12.0***	***13.0***
Avg. Yld.	1.9%	1.8%	1.7%	2.1%	2.0%	2.5%	2.3%	2.2%	2.8%	3.1%	***3.3%***	***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. Looking ahead, we are maintaining our fair value P/E ratio of 13. That's due to a fundamental outlook that's holding up relative to recent years. Compared to the current year P/E ratio of 12.0, TCBK appears to be at a discount to fair value right now.

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.

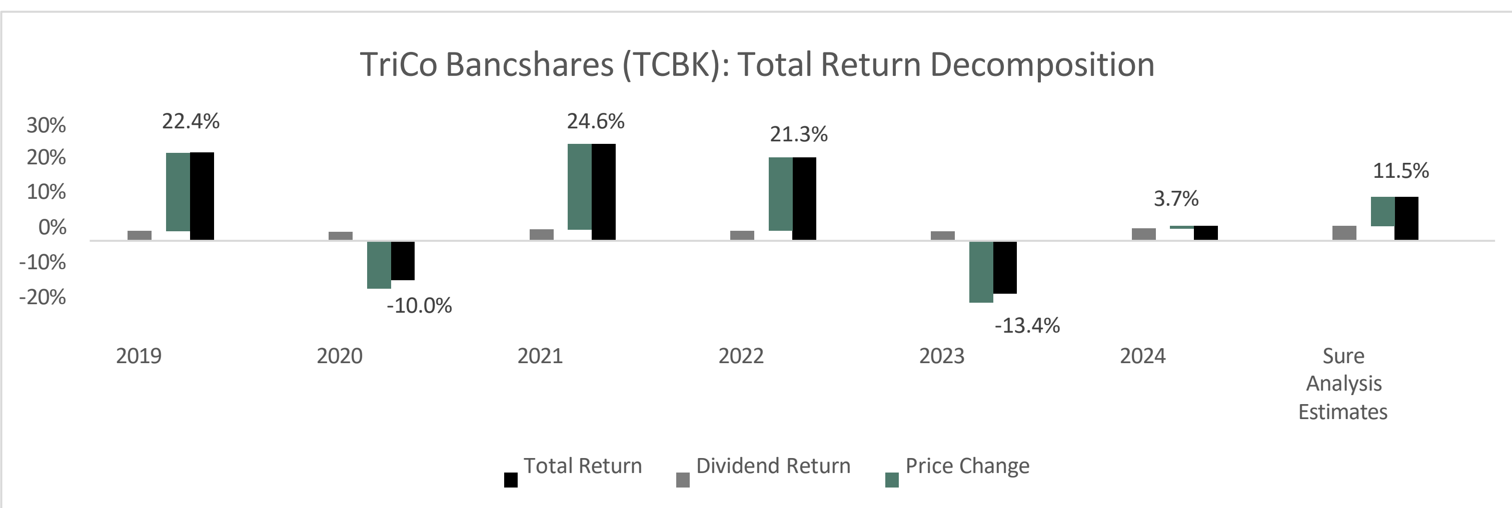
Like its peers, TCBK experienced difficulties during the Great Recession. The company's diluted EPS plunged from $1.64 in 2006 and bottomed out in 2010 at $0.37. It wasn't until 2013 that diluted EPS advanced beyond pre-Great Recession levels. That prompted the company to cut its dividend payment by 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 September 30th, 2025, the company also maintained $4.2 billion in liquidity. This comfortably covered estimated uninsured deposits, with a coverage ratio of 154%.

Final Thoughts & Recommendation

TCBK's 3.3% dividend yield, 7.0% annual diluted EPS growth potential, and 1.6% annual valuation multiple upside could lead to 11.5% annual total returns through 2030. The community bank's dividend is sustainable, with more room for future growth. The valuation is also reasonably appealing, which is why we're upgrading shares back to a Buy rating for the first time since last October.

Total Return Breakdown by Year



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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.