City Holding Company (CHCO)

Updated November 19th, 2025, by Yiannis Zourmpanos

Key Metrics

Current Price:	$119	**5 Year Annual Expected Total Return:**	6.8%	**Market Cap:**	$1.7 B
Fair Value Price:	$90	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	01/15/26[1]
% Fair Value:	132%	**5 Year Valuation Multiple Estimate:**	-5.4%	**Dividend Payment Date:**	01/30/26[2]
Dividend Yield:	2.9%	**5 Year Price Target**	$145	**Years Of Dividend Growth:**	15
Dividend Risk Score:	C	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

City Holding Company (CHCO) serves as the holding entity for City National Bank of West Virginia, offering a comprehensive range of financial services throughout the United States. These services encompass banking, trust, and investment management, with a diverse suite of products, including checking, savings, money market accounts, certificates of deposit, and individual retirement accounts. The company's portfolio encompasses commercial and industrial loans, commercial real estate loans, residential real estate loans, home equity loans, and consumer loans. Additionally, they provide mortgage banking services and a variety of deposit and wealth management solutions for individual and commercial clients, along with modern banking technologies such as ATMs, interactive teller machines, mobile banking, and credit and debit card services.

On October 22nd, 2025, the company announced results for the third quarter of 2025. City Holding reported Q3 non-GAAP EPS of $2.41, which beat the market's estimates by $0.26, and revenue of $81.45 million, which was up 6.93% year-over-year.

City Holding Company closed the third quarter of 2025 on a high note, posting record net income of $35.2 million. The numbers were not a fluke as they were fueled by steady loan expansion and a lift in net interest income, which climbed to $61.1 million as improved loan yields and higher average balances kicked in. Net interest margin expansion to 4.04% helped as well, giving the company a little extra breathing room in a still-competitive deposit environment. Credit quality remained reliably steady, with nonperforming assets holding near prior-quarter levels and a modest recovery of credit losses offering a small but welcome boost. Non-interest income stayed mostly flat year over year, while expenses inched up slightly, largely tied to personnel and tax-related items.

The balance sheet showed the kind of quiet, steady progress banks like to see: gross loans ticked up to $4.41 billion, led by broad-based gains across commercial, residential, and home equity categories. Deposits were essentially unchanged, though mix shifts continued beneath the surface. Capital levels strengthened further, with the tangible equity ratio rising to 9.8%, supporting the board's decision to lift the quarterly dividend to $0.87 per share. All told, CHCO closed the quarter looking well-capitalized, liquid, and firmly in growth mode.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$3.53	$3.45	$3.48	$4.49	$5.42	$5.55	$5.66	$6.80	$7.61	$7.91	***$9.00***	***$14.49***
DPS	$1.66	$1.71	$1.75	$1.91	$2.16	$2.28	$2.32	$2.45	$2.67	$3.01	***$3.48***	***$4.44***
Shares[3]	15.2	14.9	15.4	15.4	16.3	16	15.4	14.9	14.9	14.7	***14.7***	***14.4***

City Holding's performance reflects its focus on stability and growth, which are underpinned by its core values. With consistent non-performing asset ratios and a robust risk management strategy, the company's proactive approach to maintaining credit quality is evident. The growth of loans, notably in commercial and industrial sectors, demonstrates

[1] The ex-dividend date is estimated based on historical data.
[2] The dividend payment date is estimated based on historical data.
[3] In millions

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their value in supporting local businesses and economic development. However, the dip in commercial real estate loans suggests cautious lending practices. An increase in average depository balances mitigates the decline in period-end deposit balances, thanks to acquisitions from Citizens. Nevertheless, a decline in savings and non-interest-bearing demand deposits, counterbalanced by growth in interest-bearing demand and time balances, shows a shift in customer deposit preferences. In line with the analysts' estimates and the favorable microenvironment, we expect the company to post an EPS of $9.00 in 2025. We estimate an EPS growth of 10.0% over the next five years, leading to our estimated EPS of $14.49 by 2030. Moreover, the company has a solid record of paying dividends despite operating in a macroeconomically sensitive sector, as City Holding has paid an increasing dividend for the past 15 years. We expect the company to maintain its dividend growth and have forecasted a dividend CAGR of 5.0%, leading to a dividend of $4.44 by 2030.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	13.3	14.7	19.3	16.4	14.2	11.8	13.7	12.7	12.4	14.1	***13.2***	***10.0***
Avg. Yld.	3.5%	3.4%	2.6%	1.9%	2.8%	3.5%	3.0%	2.8%	2.8%	2.7%	***2.9%***	***3.1%***

The regional bank trades at a forward P/E of 13.2, lower than the long-term average P/E of 14.3, but higher than the five-year average P/E of 12.9. Even though the higher interest rates and an uptick in the loan portfolio will benefit the company in the near term, we assign a P/E of 10.0 to the stock, which is a fair reflection of its value in our view, leading to our target price of $145 by 2030.

Safety, Quality, Competitive Advantage, & Recession Resiliency

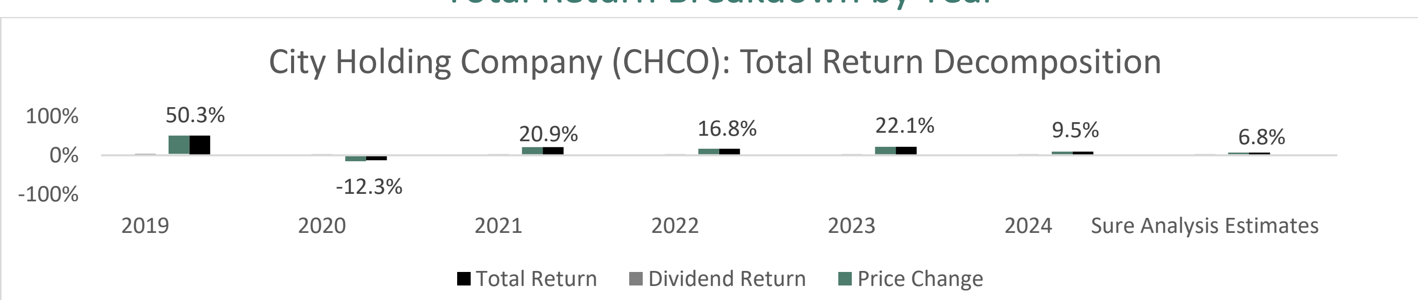
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	47%	50%	50%	43%	40%	41%	41%	36%	35%	38%	***39%***	***31%***

The company has paid a consistent dividend to its shareholders with a 10-year payout ratio averaging 41%, and we expect the company to maintain and increase its payout in the future. The demand for loans has recovered in recent quarters, and we expect the company to be in a much better position in the future than it is today. In addition, the margins continue to improve in the high-interest rate environment, and the net interest margin ought to be high, driven by the Fed's 'higher for longer' stance. During Q2, City Holding Company repurchased 175,000 shares at a weighted average price of $111.09, leaving 566,000 shares available under its existing buyback authorization.

Final Thoughts & Recommendation

While City Holding runs an interest rate-sensitive regional banking business, increased loans and net interest margins will be a positive catalyst for EPS growth. Additionally, City Holding's dividend growth prospects could remain strong throughout the medium-term. However, we maintain our hold rating for CHCO premised upon the 6.8% annualized total returns through 2025, derived from the forecasted earnings-per-share growth of 10.0%, the 2.9% dividend yield, and a valuation headwind.

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	167	173	186	194	224	231	219	246	282	285
SG&A Exp.	52	55	55	59	66	66	67	72	79	83
D&A Exp.	1	7	7	6	6	11	15	16	11	13
Net Profit	54	52	54	70	89	90	88	102	114	117
Net Margin	32.3%	30.1%	29.2%	36.0%	39.8%	38.7%	40.3%	41.5%	40.4%	41.1%
Free Cash Flow	45	60	70	67	100	84	99	114	135	129
Income Tax	28	25	36	18	24	22	23	25	29	27

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	3,714	3,984	4,132	4,899	5,019	5,759	6,004	5,878	6,168	6,459
Cash & Equivalents	70	88	83	123	140	529	635	200	156	225
Acc. Receivable	7	8	9	12	12	16	16	18	20	21
Goodwill & Int.	80	79	79	123	120	119	117	116	163	160
Total Liabilities	3,295	3,542	3,630	4,298	4,361	5,058	5,323	5,300	5,491	5,729
Long-Term Debt	29	81	70	44	4	-	-	-	125	150
Total Equity	419	442	503	601	658	701	681	578	677	731
LTD/E Ratio	0.07	0.18	0.14	0.07	0.01	-	-	-	0.18	0.21

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.5%	1.4%	1.3%	1.6%	1.8%	1.7%	1.5%	1.7%	1.9%	1.9%
Return on Equity	13.4%	12.1%	11.5%	12.7%	14.2%	13.2%	12.7%	16.2%	18.2%	16.6%
ROIC	12.6%	10.7%	9.9%	11.5%	13.7%	13.1%	12.7%	16.2%	16.6%	13.9%
Shares Out.	15.2	14.9	15.4	15.4	16.3	16.0	15.4	14.9	14.9	14.7
Revenue/Share	11.02	11.62	12.04	12.58	13.73	14.47	14.20	16.55	18.97	19.40
FCF/Share	2.96	4.01	4.51	4.36	6.14	5.27	6.42	7.64	9.04	8.79

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