Enterprise Financial Services Corp (EFSC)

Updated November 3rd, 2025 by Quinn Mohammed

Key Metrics

Current Price:	$52	**5 Year CAGR Estimate:**	9.7%	**Market Cap:**	$1.9 B
Fair Value Price:	$58	**5 Year Growth Estimate:**	5.5%	**Ex-Dividend Date[1]:**	12/15/2025
% Fair Value:	91%	**5 Year Valuation Multiple Estimate:**	2.0%	**Dividend Payment Date[1]:**	12/31/2025
Dividend Yield:	2.5%	**5 Year Price Target**	$75	**Years Of Dividend Growth:**	12
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

Enterprise Financial Services Corp (EFSC) is a financial services holding company in the U.S. Its primary subsidiary is Enterprise Bank & Trust, a full-service financial institution, which provides banking and wealth management services to corporations and individuals. Enterprise Financial was founded in 1988 and trades on the NASDAQ. It has a market capitalization of $1.9 billion and is headquartered in Clayton, Missouri. It operates primarily in Arizona, California, Florida, Kansas, Missouri, Nevada, and New Mexico.

On July 28th, 2025, Enterprise Financial declared a 3.3% increase to its quarterly dividend, now $0.31 per share. Enterprise has raised its dividend for twelve consecutive years.

Enterprise Financial reported third quarter 2025 results on October 28th, 2025. Total loans increased 4.5% year-over-year to $11.6 billion, and deposits rose 8.8% to $13.6 billion. Net income amounted to $45.2 million in the third quarter, an 11% decline from the prior year. EPS of $1.19 was a 10% decrease from $1.32 in Q3 2024.

Enterprise socked away $8.4 million of provision for credit losses in the quarter, double that of the prior year when it reported $4.1 million. Annualized net charge-offs were 0.14% of average loans, identical to the third quarter of 2024. Net interest margin was 4.23%, up six basis points from 4.17% in 3Q24. For the quarter, Enterprise's adjusted return on average assets was 1.12% while its return on average common equity was 9.40%. Book value per share rose 9.1% to $51.62 from $47.33 a year ago.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$1.89	$2.41	$2.07	$3.83	$3.55	$2.76	$3.86	$5.31	$5.07	$4.83	***$5.24***	***$6.85***
DPS	$0.26	$0.41	$0.44	$0.47	$0.62	$0.72	$0.75	$0.90	$1.00	$1.06	***$1.28***	***$1.71***
Shares[2]	20.3	20.3	23.2	23.3	26.2	27.0	34.5	37.5	37.5	37.0	***37.0***	***35.0***

Enterprise Financial's average annual EPS growth rates over the past decade and half-decade have been 11.0% and 6.4%, respectively. These results were supported by Enterprise's strong track record of expanding its loan and deposit portfolios, sporting 10-year CAGRs of 16.6% and 17.4% through 2023, respectively.

Continuing to grow its loan, deposit, and investment portfolios, as well as improving the quality of its assets, combined with acquisitions, should enable the company to achieve 5.5% annual EPS growth over the next five years.

Enterprise considers the Midwest to be its most stable market region where it has its greatest foothold, with the southwest and the west representing its growth markets, particularly California, Arizona, Nevada, and Texas.

Acquisitions have been a core component to Enterprise's growth model. It acquired Trinity Capital Corporation (with $1.2B in assets) in 2019, as well as Seacoast Commerce Banc Holdings ($1.3B in assets) and First Choice Bancorp ($91M in assets) in 2020 and 2021, respectively. Furthermore, in October 2025, it completed the acquisition of twelve banking offices from First Interstate BancSystem, ten of which were in Arizona and two in Kansas.

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[1] Estimate

[2] In millions

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The company's dividend has increased at a higher rate than its EPS, with a 9-year and 5-year CAGR of 16.9% and 10.0%, respectively. Dividend growth has been slowing, and we expect it to slow further as the payout ratio has risen, and EPS growth tapers off from its historically high rate.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	15.1	14.6	17.5	19.6	11.9	10.3	13.9	11.0	7.8	9.8	***10.0***	***11.0***
Avg. Yld.	1.0%	1.1%	1.0%	0.9%	1.3%	2.1%	1.6%	1.7%	2.3%	2.2%	***2.5%***	***2.3%***

Enterprise's average PE ratios over the previous ten and five years have been 13.2 and 10.6, respectively. Its current PE ratio of 10.0 is just below its average PE ratio, and our fair value estimate of 11.0. If the company's valuation were to rise to our estimate of fair value, the stock would benefit from a 2.0% annualized gain on its total return.

We are forecasting dividend growth of 6% in the intermediate term, lower than it's grown in recent years, as the payout ratio now consumes one fourth of earnings. Enterprise has paid an average dividend yield of 1.5% and 2.0% over the last ten and five years. Given the stock now yields 2.5%, it could be considered slightly undervalued on this basis.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	14%	17%	21%	12%	17%	26%	19%	17%	20%	22%	***24%***	***25%***

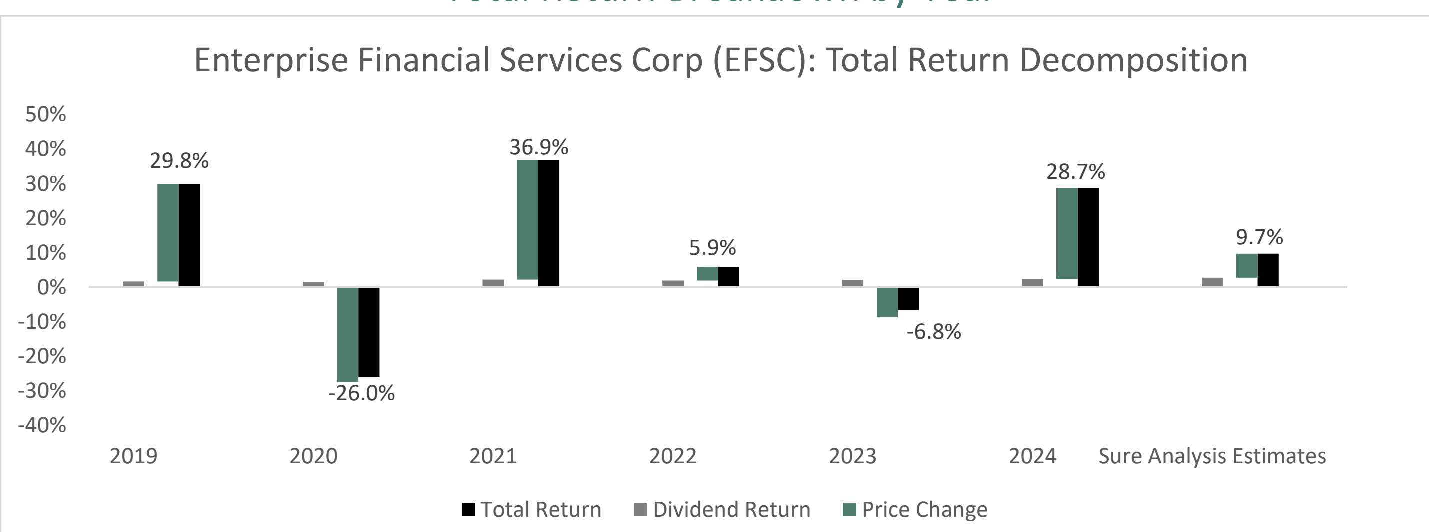
Enterprise Financial was not among the many banks in the U.S. to cut their dividends during the Great Recession. From 2007 through 2014, Enterprise Financial continued to pay a $0.525 quarterly dividend. However, since 2015, Enterprise has increased its dividend every year. During the pandemic, Enterprise's EPS declined 22%, but the bank remained highly profitable, and its dividend was under no threat, as its payout ratio remained manageable at only one fourth of earnings.

We don't see Enterprise Financial boasting any strong competitive advantage over its peers in the regional banking industry, as banking services are essentially commoditized. Still, the company is backed by strong management, with the team averaging 15 years of tenure and 23 years of industry experience.

Final Thoughts & Recommendation

The share price of EFSC has remained flat in the last one-year period, underperforming the 20% increase of the S&P 500 Index. Enterprise Financial could offer a 9.7% average annual return over the next five years, stemming from 5.5% annual EPS growth, its 2.5% dividend, and 2.0% multiple expansion. Enterprise Financial earns a 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	141	165	212	230	284	319	407	495	550	540
SG&A Exp.	56	58	68	72	96	96	131	154	178	182
D&A Exp.	3	3	6	6	11	12	14	14	11	
Net Profit	38	49	48	89	93	74	133	203	194	185
Net Margin	27.3%	29.7%	22.8%	38.7%	32.6%	23.3%	32.7%	41.0%	35.3%	34.3%
Free Cash Flow	45	80	43	106	86	133	158	215	262	
Income Tax	20	26	38	15	23	18	36	56	52	46

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	3,608	4,081	5,289	5,646	7,334	9,752	13,537	13,054	14,519	15600
Cash & Equivalents	95	199	155	198	168	544	2,027	298	434	766
Goodwill & Int.	33	32	128	126	236	284	387	382	377	374
Total Liab.	3,258	3,694	4,741	5,042	6,467	8,673	12,008	11,532	12,803	13770
Long-Term Debt	167	383	291	190	398	284	228	309	204	437
Total Equity	351	387	549	604	867	1,079	1,457	1,450	1,644	1752
LTD/E Ratio	0.48	0.99	0.53	0.31	0.46	0.26	0.15	0.20	0.12	0.24

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.1%	1.3%	1.0%	1.6%	1.4%	0.9%	1.1%	1.5%	1.4%	1.2%
Return on Equity	11.5%	13.2%	10.3%	15.5%	12.6%	7.6%	10.2%	13.3%	12.0%	10.5%
ROIC	7.4%	7.6%	6.0%	10.9%	9.0%	5.7%	8.5%	11.3%	10.3%	8.9%
Shares Out.	20.3	20.3	23.2	23.3	26.2	27.0	34.5	37.5	37.5	37.6
Revenue/Share	6.94	8.11	9.11	9.89	10.87	11.82	11.79	13.20	14.67	14.37
FCF/Share	2.22	3.94	1.86	4.54	3.29	4.94	4.58	5.73	6.98	

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