



# Landmark Bancorp, Inc. (LARK)

Updated November 9<sup>th</sup>, 2025, by Sure Dividend Analyst

## Key Metrics

|                             |         |   |            |                                  |          |
|-----------------------------|---------|---|------------|----------------------------------|----------|
| <b>Current Price:</b>       | \$25.87 | <b>5 Year Annual Expected Total Return:</b> | 11.8%      | <b>Market Cap:</b>               | \$150 M  |
| <b>Fair Value Price:</b>    | \$30.00 | <b>5 Year Growth Estimate:</b>              | 6.0%       | <b>Ex-Dividend Date:</b>         | 11/12/25 |
| <b>% Fair Value:</b>        | 86%     | <b>5 Year Valuation Multiple Estimate:</b>  | 3.0%       | <b>Dividend Payment Date:</b>    | 11/26/25 |
| <b>Dividend Yield:</b>      | 3.2%    | <b>5 Year Price Target</b>                  | \$40       | <b>Years Of Dividend Growth:</b> | 21       |
| <b>Dividend Risk Score:</b> | B       | <b>Sector:</b>                              | Financials | <b>Rating:</b>                   | Buy      |

## Overview & Current Events

Landmark Bancorp, Inc. (LARK) is a financial holding company. The company's business consists of the ownership of Landmark National Bank and Landmark Risk Management, Inc. The bank is predominantly engaged in the business of attracting deposits from the community and using such deposits, together with borrowings and other funds, to originate one-to-four family residential real estate, construction and land, commercial real estate, commercial, agriculture, municipal, and consumer loans. In addition, the company invests in certain investment and mortgage-related securities. As of the third quarter of 2025, the company's total assets were \$1.62 billion, total gross loans were \$1.12 billion, and total deposits were \$1.33 billion. Landmark Bancorp has 29 branch offices in 23 communities across the state of Kansas. The company was founded in 1885 and has 275 employees.

On October 29<sup>th</sup>, 2025, Landmark Bancorp announced its financial results for the third quarter for the period ending September 30<sup>th</sup>, 2025. For the quarter, the company reported net earnings of \$4.9 million, an increase from \$4.4 million in the second quarter of 2025, and up from \$3.9 million in the same quarter last year. Reported diluted earnings per share for the quarter was \$0.85, compared to \$0.75 in the second quarter of 2025 and \$0.68 in the third quarter of 2024.

The improvement in earnings for the third quarter was primarily driven by growth in both net interest income and non-interest income. Average loan balances increased by \$26.7 million compared to the prior quarter, although end-of-period loans were flat. Deposits increased by \$51.6 million, supported by growth in certificates of deposit, checking and money market accounts, and non-interest-bearing demand deposits. Net interest income rose to \$14.1 million, a \$411,000 or 3.0% increase from the prior quarter, and a 21.5% increase year-over-year, driven by higher interest income on loans.

The company's net interest margin held steady at 3.83%, unchanged from the prior quarter and up from 3.30% in the third quarter of 2024. For the reporting period, the return on average assets was 1.21%, the return on average equity was 13.00%, and the efficiency ratio improved to 60.7%, from 62.8% in the prior quarter and 66.5% a year ago. Credit quality also improved: non-performing loans declined to \$10.0 million, or 0.89% of gross loans, compared to 1.52% in the second quarter, while net loan charge-offs totaled \$2.3 million, largely tied to a single previously disclosed commercial loan.

The company expects continued loan growth, a stable deposit base, and strong core deposit funding, while maintaining cost discipline and credit risk mitigation to support long-term profitability.

## Growth on a Per-Share Basis

| Year                      | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   | 2025          | 2030          |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| <b>EPS</b>                | \$1.88 | \$1.57 | \$0.75 | \$1.79 | \$1.18 | \$3.37 | \$3.11 | \$1.71 | \$2.13 | \$2.26 | <b>\$3.00</b> | <b>\$4.01</b> |
| <b>DPS</b>                | \$0.47 | \$0.52 | \$0.54 | \$0.57 | \$0.60 | \$0.63 | \$0.66 | \$0.73 | \$0.76 | \$0.79 | <b>\$0.84</b> | <b>\$1.12</b> |
| <b>Shares<sup>1</sup></b> | 5      | 5      | 5      | 5      | 5      | 5      | 5      | 5      | 5      | 5      | <b>6</b>      | <b>6</b>      |

<sup>1</sup> In millions.

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The company has grown earnings by 2.1% per year since 2015 and -2.3% over the past five years. We expect earnings to increase by 6% per year for the next five years. The company has been able to increase its dividend for an impressive 21 consecutive years. Over the last five years, the average annual dividend growth rate is 5.9%. In February 2024, the company increased its quarterly dividend by 5.0% from \$0.20 to \$0.21 per share. The company also declared a 5% stock dividend that was payable in December 2024. This is the 24<sup>th</sup> consecutive year that the company has declared a 5% stock dividend.

## Valuation Analysis

| Year      | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Now  | 2030 |
|-----------|------|------|------|------|------|------|------|------|------|------|------|------|
| Avg. P/E  | 9.5  | 11.7 | 29.8 | 9.7  | 11.7 | 6.4  | 7.0  | 9.6  | 10.0 | 11.2 | 8.6  | 10.0 |
| Avg. Yld. | 1.9% | 2.7% | 2.6% | 3.3% | 3.0% | 3.3% | 2.7% | 3.7% | 4.0% | 4.0% | 3.2% | 2.8% |

During the past decade shares of Landmark Bancorp have traded with an average price-to-earnings ratio of about 11.7 and today, it stands at 8.6. We are using 10 times earnings as a fair value baseline, implying the potential for a valuation tailwind. The stock’s dividend yield is currently 3.2% which is inline with the average yield of 3.2% for the past decade.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

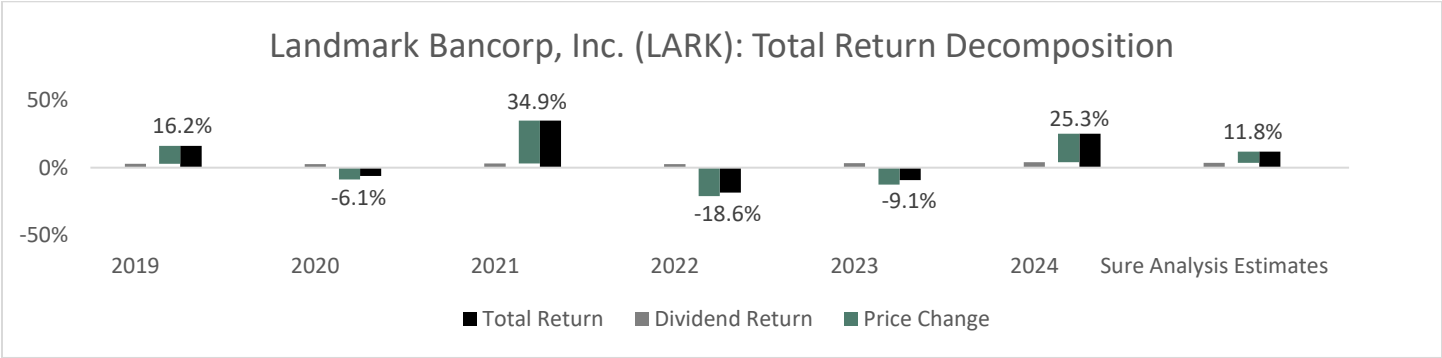
| Year   | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|--------|------|------|------|------|------|------|------|------|------|------|------|------|
| Payout | 25%  | 33%  | 72%  | 32%  | 51%  | 19%  | 21%  | 43%  | 36%  | 35%  | 28%  | 28%  |

During the past five years, the company’s dividend payout ratio has averaged around 31%. Landmark Bancorp’s dividend is at the moment 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. Landmark Bancorp has demonstrated a solid financial performance combined with a sound asset quality track record and has a business model focused on community banking. As a result, the company has an impressive track record of 21 consecutive years of dividend increases. Landmark Bancorp has increased its dividends by ≥5% each year since 2001. Landmark Bancorp’s business model is primarily built upon lending money to local businesses and residents within the local communities the bank serves. The funding of those loans is done by gathering local deposits through their 29 branch offices. The bank has a diversified loan portfolio and a low-cost core deposit base. The non-interest income is also stable and diversified based on fees and services charges, gains on sales of loans and bank owned life insurance. The company has shown a decent track record of organic and acquisitive growth since 2000 including the recent acquisition of Freedom Bancshares, Inc.

## Final Thoughts & Recommendation

Landmark Bancorp is an old and well-established regional bank active in 23 communities across the state of Kansas. The company has a solid dividend track record and offers an above average yield. We estimate total return potential of 11.8% per year for the next five years based on a 6% earnings-per-share growth, the dividend, and a valuation tailwind. Shares earn 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        | 43    | 41    | 33    | 43    | 46    | 64    | 61    | 53    | 57    | 60    |
| SG&A Exp.      | 18    | 18    | 17    | 18    | 19    | 22    | 22    | 20    | 23    | 23    |
| Net Profit     | 11    | 9     | 4     | 10    | 11    | 19    | 18    | 10    | 12    | 13    |
| Net Margin     | 24.5% | 21.9% | 13.1% | 24.0% | 23.1% | 30.5% | 29.7% | 18.9% | 21.6% | 21.7% |
| Free Cash Flow | 6     | 18    | 2     | 20    | 8     | 14    | 30    | 24    | 12    | 12    |
| Income Tax     | 4     | 2     | (1)   | 1     | 1     | 5     | 5     | 1.4   | 2.0   | 1     |

## Balance Sheet Metrics

| Year               | 2015 | 2016 | 2017 | 2018 | 2019 | 2020  | 2021  | 2022  | 2023  | 2024  |
|--------------------|------|------|------|------|------|-------|-------|-------|-------|-------|
| Total Assets       | 878  | 911  | 929  | 986  | 998  | 1,188 | 1,329 | 1,503 | 1,562 | 1,574 |
| Cash & Equivalents | 14   | 20   | 17   | 19   | 14   | 90    | 197   | 32    | 32    | 24    |
| Acc. Receivable    | 11   | 13   | 13   | 13   | 11   | 14    | 13    | 26    | 29    |       |
| Goodwill & Int.    | 22   | 22   | 21   | 21   | 20   | 21    | 22    | 40    | 39    | 38    |
| Total Liabilities  | 798  | 826  | 842  | 894  | 890  | 1,061 | 1,193 | 1,391 | 1,435 | 1,438 |
| Accounts Payable   | 12   | 12   | 10   | 13   | 13   | 17    | 16    | 23    | ---   |       |
| Long-Term Debt     | 71   | 73   | 53   | 42   | 25   | 22    | 22    | 68    | 86    | 75    |
| Total Equity       | 81   | 85   | 88   | 92   | 109  | 127   | 136   | 111   | 127   | 136   |
| LTD/E Ratio        | 0.88 | 0.86 | 0.61 | 0.45 | 0.23 | 0.17  | 0.16  | 0.61  | 0.68  | 0.55  |

## Profitability & Per Share Metrics

| Year             | 2015  | 2016  | 2017 | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  |
|------------------|-------|-------|------|-------|-------|-------|-------|-------|-------|-------|
| Return on Assets | 1.2%  | 1.0%  | 0.5% | 1.1%  | 1.1%  | 1.8%  | 1.4%  | 0.7%  | 0.8%  | 0.8%  |
| Return on Equity | 13.8% | 10.8% | 5.1% | 11.6% | 10.6% | 16.6% | 13.7% | 8.0%  | 10.3% | 9.9%  |
| ROIC             | 7.0%  | 5.8%  | 2.9% | 7.6%  | 8.0%  | 13.8% | 11.8% | 5.7%  | 6.2%  | 6.1%  |
| Shares Out.      | 5.34  | 5.45  | 5.54 | 5.57  | 5.60  | 5.50  | 5.52  | 5.51  | 5.48  | 5.76  |
| Revenue/Share    | 8.45  | 7.88  | 6.31 | 8.17  | 8.66  | 12.18 | 11.52 | 10.02 | 10.31 | 10.49 |
| FCF/Share        | 1.14  | 3.55  | 0.30 | 3.76  | 1.51  | 2.76  | 5.68  | 4.56  | 2.12  | 2.07  |

Notes: All figures in millions of U.S. Dollars unless per share or indicated otherwise. Accounts Payable data was not yet available from our data provider.

## Disclaimer

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