Business First Bancshares, Inc. (BFST)

Updated January 27th, 2026, by Sure Dividend Analyst

Key Metrics

Current Price:	$27	**5 Year Annual Expected Total Return:**	13.9%	**Market Cap:**	$851 M
Fair Value Price:	$37	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	02/13/26
% Fair Value:	75%	**5 Year Valuation Multiple Estimate:**	5.9%	**Dividend Payment Date:**	02/27/26
Dividend Yield:	2.2%	**5 Year Price Target**	$49	**Years Of Dividend Growth:**	7
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

Business First Bancshares, Inc. (BFST) is a United States-based bank holding company headquartered in Baton Rouge, Louisiana. Through its subsidiary, b1BANK, the company offers a comprehensive range of financial services, including personal and commercial banking, treasury management, and wealth solutions. Catering primarily to small-to-midsized businesses and professionals, BFST generates the majority of its revenues from interest income on loans, customer service and loan fees, and interest income from securities. Business First Bancshares is an $851 million company that was founded in 2006 and has about 850 employees.

In October 2024, Business First Bancshares completed the acquisition of Oakwood Bancshares, Inc., adding approximately $863.6 million in total assets. This strategic acquisition is expected to drive future growth and enhance the company's footprint in Louisiana and Texas, strengthening its position in core markets.

On January 22nd, 2026, Business First Bancshares released its financial results for fourth quarter and full year 2025 ending December 31st, 2025. For the quarter, the company reported net income of $21.0 million, compared to $21.5 million in Q3 2025 and $15.1 million in Q4 2024. Earnings per diluted share (EPS) totaled $0.71, down from $0.73 in the prior quarter, but up from $0.51 in the year-ago period.

Net interest income was $70.9 million, compared to $69.3 million in Q3 2025 and $65.7 million in the year-ago period, supported by a net interest margin (NIM) of 3.71%, versus 3.68% in Q3 and 3.61% a year earlier. Total deposits increased to $6.70 billion, up $191.7 million (+2.95%) from Q3, and $187.3 million (+2.88%) year-over-year. Non-interest-bearing deposits were 19.7% of total deposits, compared to 21.0% in the prior quarter. Total loans held for investment rose to $6.19 billion, an increase of $168.4 million (+2.80%) from Q3. Non-interest income was $12.2 million, up from $11.7 million in Q3, as swap fee income and brokerage commissions contributed to the increase.

Non-interest expenses rose to $52.4 million, compared to $48.9 million in Q3, primarily driven by higher salaries and benefits. Provisions for credit losses were $3.1 million, slightly down from $3.2 million in Q3. The allowance for credit losses decreased to 0.94% of total loans, compared to 1.03% in Q3.

Management highlighted continued core profitability improvements and book value growth, attributing performance to prior investments and successful execution. The company expressed confidence in sustaining this momentum into 2026, emphasizing a focus on organic growth and efficient execution.

For the full year 2025, diluted EPS was $2.79, compared to $2.26 in 2024, reflecting a 23.5% year-over-year increase in earnings per share.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.70	$0.61	$1.22	$1.74	$1.64	$2.53	$2.32	$2.59	$2.26	$2.79	***$3.05***	***$4.08***
DPS	--	--	$0.24	$0.38	$0.40	$0.46	$0.48	$0.50	$0.56	$0.60	***$0.60***	***$0.80***
Shares[1]	7	8	12	14	18	21	23	25	25	30	***31***	***31***

[1] In millions.

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The company has grown earnings by 16.6% per year since 2016 and 3.8% over the past five years. The company has been able to increase its dividend for 7 consecutive years. Over the last five years, the average annual dividend growth rate is 5.5%. In October 2025, the company increased its quarterly dividend by 7.1% from $0.14 to $0.15 per share.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	--	--	4.8	13.4	16.8	10.6	8.3	11.0	15.6	9.1	***9.0***	***12.0***
Avg. Yld.	--	--	1.0%	1.5%	2.0%	1.6%	2.2%	2.0%	2.2%	2.4%	***2.2%***	***1.6%***

During the past decade shares of Business First Bancshares have traded with an average price-to-earnings ratio of about 11 and today, it stands at 9.0. We are using 12 times earnings as a fair value baseline, implying the potential for a valuation tailwind. The company's dividend yield is currently 2.2% which is above the average yield of 1.8% over the past decade.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	--	--	20%	22%	24%	18%	21%	19%	25%	22%	***20%***	***20%***

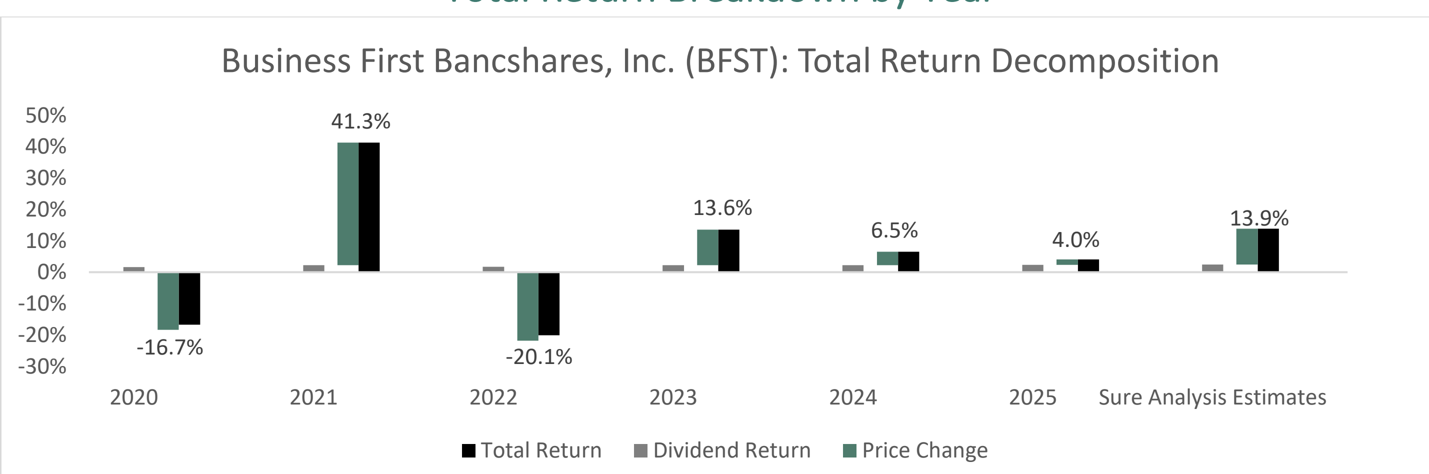
During the past five years, the company's dividend payout ratio has averaged around 21%. Business First's dividend is comfortably covered by earnings. Given the expected earnings growth, there is room for the dividend to continue to grow at least at the same pace and keep the payout ratio around the same levels which is safe.

Business First demonstrates strengths in its business model through revenue diversification, robust core profitability, continued loan and deposit growth, and tangible book value expansion, supported by the strategic Oakwood Bancshares acquisition. The company's expanding footprint and increased revenue streams position it well for future growth. However, rising operating expenses, particularly salaries and benefits, and elevated nonperforming assets due to a single large commercial real estate loan, introduce some risk. Additionally, while the integration of Oakwood has enhanced scale, it still carries execution risks in achieving targeted synergies and controlling credit exposure. Despite these hurdles, BFST's year-over-year EPS growth was 23.5% in 2025 and focus on organic growth and efficient execution provide a solid foundation for long-term resilience.

Final Thoughts & Recommendation

Business First Bancshares, Inc. is a well-established regional bank, with a strong presence in commercial banking, a growing presence across Louisiana and Texas, a sound earnings profile, and a dividend yield of 2.2%. We estimate total return potential of 13.9% per year for the stock over the next five years based on a 6% earnings-per-share growth, the dividend yield, 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	37	43	50	70	89	147	187	228	247	270
SG&A Exp.	19	23	25	31	40	66	70	92	98	113
D&A Exp.	1	1	1	1	2	3	4	5	5	
Net Profit	4	5	5	14	24	30	52	54	71	65
Net Margin	11.0%	11.9%	9.7%	20.1%	26.6%	20.4%	27.9%	23.8%	28.7%	24.1%
Free Cash Flow	2	7	7	18	20	26	52	62	81	
Income Tax	2	2	4	3	6	7	12	14	20	18

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets		1,106	1,321	2,095	2,274	4,160	4,726	5,990	6,585	7,857
Cash & Equivalents		42	108	96	89	149	68	153	226	319
Goodwill & Int.		9	9	57	55	64	72	103	100	139
Total Liabilities		992	1,141	1,835	1,989	3,750	4,293	5,410	5,940	7,058
Long-Term Debt	-	51	79	80	118	84	168	526	616	461
Total Equity		114	180	260	285	410	433	509	572	728
LTD/E Ratio		0.45	0.44	0.31	0.41	0.21	0.39	0.91	0.96	0.58

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets			0.4%	0.8%	1.1%	0.9%	1.2%	1.0%	1.1%	0.9%
Return on Equity			3.3%	6.4%	8.7%	8.6%	12.4%	10.7%	11.6%	9.0%
ROIC			2.3%	4.7%	6.4%	6.7%	9.5%	6.4%	6.0%	5.2%
Shares Out.	7	7	8	12	14	18	21	23	25	25
Revenue/Share	5.30	6.22	4.33	6.06	6.54	8.04	9.04	9.97	9.78	10.22
FCF/Share	0.35	0.98	0.65	1.59	1.50	1.45	2.54	2.71	3.19	

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