Home Bancshares, Inc. (HOMB)

Updated January 26th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$28	**5 Year Annual Expected Total Return:**	11.2%	**Market Cap:**	$5.8 B
Fair Value Price:	$25	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	02/11/26
% Fair Value:	112%	**5 Year Valuation Multiple Estimate:**	-0.4%	**Dividend Payment Date:**	03/04/26
Dividend Yield:	3.0%	**5 Year Price Target**	$42	**Years Of Dividend Growth:**	16
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

A group of investors led by John W. Allison and Robert H. "Bunny" Adcock Jr. founded Home Bancshares, Inc. (HOMB), a bank holding company, in 1998. Customers in Arkansas, Florida, Alabama, and New York can access a variety of financial services via Centennial Bank, the company's main subsidiary. More than 300,000 consumers are served by the company's more than 222 branch sites. Home Bancshares holds a competitive position in the banking sector and prioritizes offering excellent client care and creative financial solutions. The business derives income from several markets, including commercial loans, residential loans, consumer loans, and deposit accounts, and has a market share of about 1% in the US banking industry.

On January 14th, 2026, the company announced results for its fourth quarter of 2025. The company reported Q4 non-GAAP EPS of $0.60, in-line with markets' estimates, and revenues of $282.1 million that were up 9.2% year-over-year.

While earnings moderated slightly from the third quarter's peak, full-year net income reached a record $475.4 million, underscoring the company's consistent momentum. Revenue growth reflected steady expansion across core banking operations. Profitability metrics remained impressive. Pre-tax, pre-provision net revenue (PPNR) rose to $167.7 million, highlighting strong underlying earnings power, and the company maintained a sub-40% efficiency ratio of 39.54%. Net interest margin improved to 4.61%, supported by lower funding costs and disciplined balance sheet management. Though the company recorded a $14.4 million provision tied largely to $400.2 million in quarterly loan growth, returns remained robust, with ROA at 2.06% and ROE at 11.04%.

Balance sheet trends were equally encouraging. Total loans reached a record $15.69 billion, while deposits increased to $17.48 billion. Credit quality metrics improved modestly, with non-performing assets declining to 0.55% of total assets and net charge-offs easing from the prior quarter. The allowance for credit losses strengthened to 1.90% of total loans, reflecting prudent risk management alongside growth.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.26	$0.89	$1.73	$1.73	$1.30	$1.94	$1.57	$2.00	$2.01	$2.41	***$2.50***	***$3.85***
DPS	$0.34	$0.40	$0.46	$0.51	$0.53	$0.56	$0.66	$0.72	$0.75	$0.81	***$0.84***	***$1.23***
Shares[1]	140.7	151.5	174.1	167.8	165.4	164.9	195.0	204.0	200.1	197.4	***205.5***	***251.1***

As of December 31st, 2025, Home Bancshares maintained a strong liquidity position, supported by a growing deposit base of $17.48 billion, up from $17.33 billion at the end of the prior quarter, alongside total loans of $15.69 billion and total assets of $22.88 billion. With continued momentum in deposit growth, a stable net interest margin, and disciplined balance sheet management, HOMB remains well-equipped to navigate shifting market conditions and capitalize on strategic growth opportunities ahead. Thus, we revised upwards our EPS forecast for 2026, matching the midpoint of analysts' estimates at $2.50. However, amidst a possible normalization and decline in interest rates in 2026, we expect a slower growth with a projected annual EPS growth of 9.0%. This implies an EPS estimate of $3.85 by 2030. Home Bancshares's DPS had a 10-year and five-year CAGR of 10,1% and 8.4%, respectively. However, the company's approach

[1] 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.

to managing its capital and liquidity supports the payment of competitive cash dividends. Thus, we have assumed a stable annual DPS growth of at least 8.0%.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.4	28.0	12.6	10.8	12.5	12.5	14.8	11.5	12.8	11.8	***11.2***	***11.0***
Avg. Yld.	1.6%	1.6%	2.1%	2.7%	3.3%	2.3%	2.8%	3.1%	2.9%	2.8%	***3.0%***	***2.9%***

Home Bancshares is trading at a forward P/E of 11.2, lower than its 10-year average P/E of 14.5 and its five-year average P/E of 12.7. Thus, considering the bank's resiliency and the uncertainty attached to the sector, we have assumed a stable P/E of 11.0 to value the company by 2031, slightly lower than its historical averages. This suggests a target price of $42.

Safety, Quality, Competitive Advantage, & Recession Resiliency

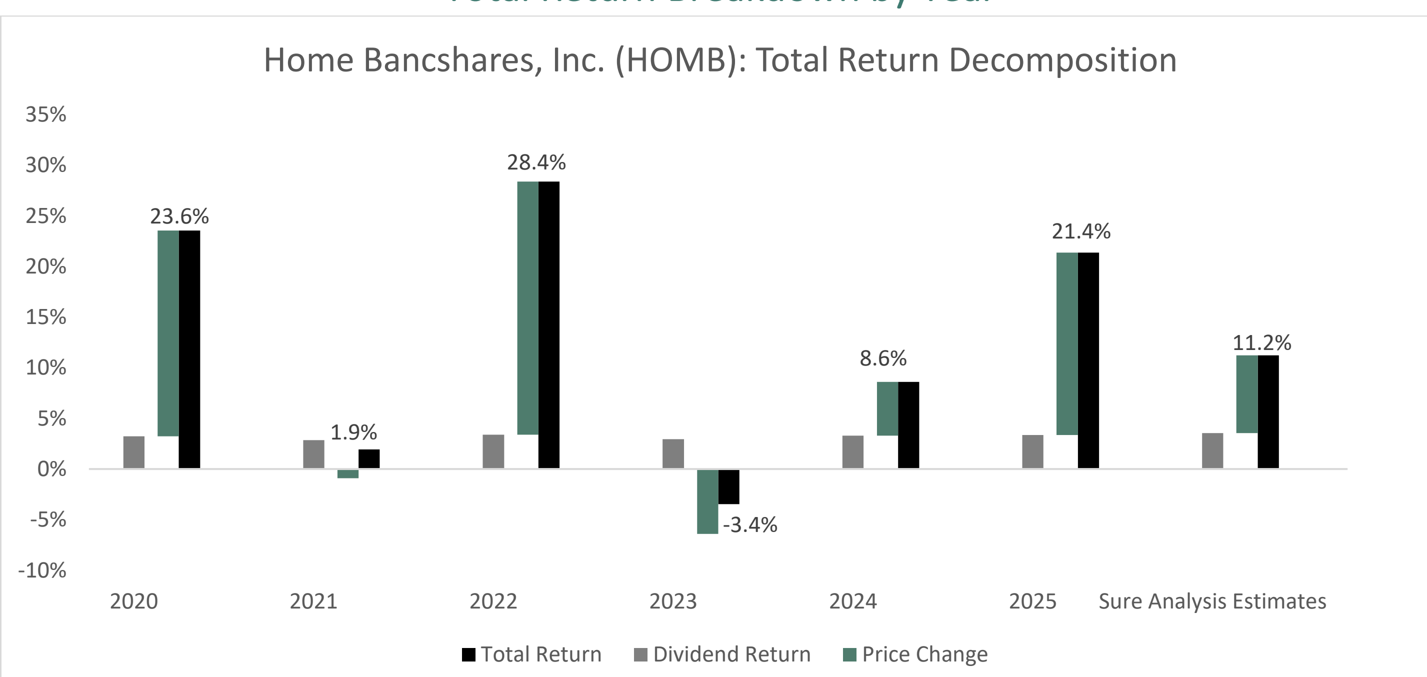
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	27%	45%	27%	29%	41%	29%	42%	36%	37%	34%	***34%***	***32%***

Home Bancshares continues to demonstrate its resilience. Despite facing economic headwinds, the bank's franchise delivered a strong performance throughout 2023, showcasing its operational strength. Capital levels remained a standout. Common equity tier 1 capital rose to 16.3%, and tangible book value per share increased to $14.60. During the quarter, HOMB repurchased 540,706 shares and raised its dividend to $0.21 per share, reinforcing its commitment to shareholder returns as it heads into 2026.

Final Thoughts & Recommendation

Home Bancshares' strong financial position and capitalization support the bank's position in the market, making it resilient during market cycles. Thus, we maintain our hold rating, premised upon the 11.2% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 9.0%, the 3.0% dividend yield, and the valuation headwind.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	423	486	544	655	654	685	700	919	978	1,001
SG&A Exp.	115	133	148	180	188	179	186	260	297	269
D&A Exp.	32	15	17	19	19	20	19	32	31	29
Net Profit	138	177	135	300	290	214	319	305	393	402
Net Margin	32.7%	36.5%	24.8%	45.8%	44.3%	31.3%	45.6%	33.2%	40.2%	40.2%
Free Cash Flow	195	173	135	296	233	280	379	404	371	422
Income Tax	80	106	136	95	96	63	98	89	119	120

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	9,289	9,808	14,450	15,302	15,032	16,399	18,052	22,884	22,660	22,490
Cash & Equivalents	256	217	636	658	491	1,264	3,650	725	1,000	910
Acc. Receivable	29	31	46	49	45	61	47	103	119	120
Goodwill & Int.	399	396	977	1,001	995	1,004	998	1,457	1,447	1,439
Total Liabilities	8,089	8,481	12,245	12,953	12,521	13,793	15,286	19,357	18,870	18,530
Accounts Payable	56	51	42	68	102	128	114	197	---	---
Long-Term Debt	1,467	1,366	1,667	1,841	991	770	771	1,090	1,741	1,040
Total Equity	1,200	1,327	2,204	2,350	2,512	2,606	2,766	3,526	3,791	3,961
LTD/E Ratio	1.22	1.03	0.76	0.78	0.39	0.30	0.28	0.31	0.46	0.26

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.7%	1.9%	1.1%	2.0%	1.9%	1.4%	1.9%	1.5%	1.7%	1.8%
Return on Equity	12.5%	14.0%	7.6%	13.2%	11.9%	8.4%	11.9%	9.7%	10.7%	10.4%
ROIC	6.2%	6.6%	4.1%	7.5%	7.5%	6.2%	9.2%	7.5%	7.7%	7.6%
Shares Out.	137.1	140.7	151.5	174.1	167.8	165.4	164.9	195.0	202.8	200.1
Revenue/Share	3.08	3.45	3.59	3.76	3.90	4.14	4.24	4.71	4.82	5.00
FCF/Share	1.42	1.23	0.89	1.70	1.39	1.69	2.30	2.07	1.83	2.11

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