SB Financial Group, Inc. (SBFG)

Updated February 19th, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$21	**5 Year CAGR Estimate:**	10.8%	**Market Cap:**	$133 M
Fair Value Price:	$25	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date[1]:**	02/13/2026
% Fair Value:	86%	**5 Year Valuation Multiple Estimate:**	3.1%	**Dividend Payment Date[1]:**	02/27/2026
Dividend Yield:	2.9%	**5 Year Price Target**	$32	**Years Of Dividend Growth:**	12
Dividend Risk Score:	C	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

SB Financial Group, Inc. (SBFG) is a financial services holding company in the U.S. Its primary subsidiaries are State Bank & Trust Company (State Bank) and SBFG Title, LLC dba Peak Title (Peak Title). The company was founded in 1902 and now trades on the NASDAQ. It has a market capitalization of $133 million and is headquartered in Defiance, Ohio. It has 25 bank offices in Ohio, and two in Indiana. It also has 27 ATMs and four loan production offices in Ohio and Indiana.

On October 15th, 2025, SB Financial announced a 7% year-over-year increase to its quarterly dividend, now $0.155 per share, representing its 12th consecutive annual dividend raise.

In January 2025, SB Financial Group closed on its acquisition of Marblehead Bancorp, merging Marblehead Bank into State Bank. The combined entity had total assets of $1.4 billion, total loans of $1.0 billion and deposits of $1.2 billion.

SB Financial Group reported fourth quarter 2025 results on January 29th, 2026. Adjusted earnings for the quarter were $4 million, with adjusted EPS of $0.65, up 25% from the prior year period. Total loans increased 12.8% year-over-year to $1.18 billion, and deposits rose 13.4% to $1.31 billion.

SB Financial had a $198K provision for credit losses in the quarter, considerably higher than the prior year when it reported a $76K recovery. Net loan charge-offs were 0.04% of average loans, a slight improvement from 0.07% in the fourth quarter of 2024. Net interest margin was 3.5%, up 16 basis points from 4Q24. For the quarter, SB Financial's adjusted return on average assets was 1.02% while its return on average equity was 11.08%. Book value per share rose 15% to $22.65 from $19.64 a year ago.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.31	$1.66	$1.43	$1.43	$1.87	$2.44	$1.77	$1.75	$1.71	$2.31	***$2.47***	***$3.15***
DPS	$0.23	$0.27	$0.30	$0.34	$0.38	$0.42	$0.48	$0.52	$0.56	$0.59	***$0.62***	***$0.91***
Shares[2]	6.7	6.7	8.1	8.3	8.0	7.5	7.1	6.9	6.5	6.2	***6.1***	***5.8***

SB Financial Group's average EPS growth rates over the past nine and five years have been 6.5% and 4.3%, respectively. We believe the company can generate 5% annual EPS growth from this point on, reaching $3.15 in 2031.
The company can achieve this level of growth through loan and deposit growth, net interest margin expansion, as well as strategic acquisitions and mergers, such as the recent acquisition of Marblehead Bancorp.
Marblehead added to the company's assets but did not considerably expand its geographic scope, as has been the case with the majority of the company's past acquisitions. It is evident that the company prefers to remain within its area of competence and is conservatively run. It acquired Edon Bancorp, Inc. (with $62M in assets) In 2020, as well as NBM Bancorp, Inc. ($109M in assets) and Exchange Bancshares, Inc. ($91M in assets) in 2008 and 2005, respectively.
To fuel growth, we would like to see additional acquisitions which can spread the bank's presence to more U.S. states.

---

[1] Estimate
[2] In millions

SB Financial Group, Inc. (SBFG)

Updated February 19th, 2026 by Quinn Mohammed

The company's dividend has increased much more quickly than its EPS, with a 9-year and 5-year CAGR of 11% and 9.2%, respectively. We expect slower dividend growth moving forward, but the bank can likely still grow it at a higher rate than its EPS for the time being.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	9.4	12.0	10.7	12.1	10.7	7.2	9.2	8.2	9.3	8.8	***8.6***	***10.0***
Avg. Yld.	1.9%	1.5%	1.6%	2.0%	2.5%	2.3%	2.5%	3.6%	3.4%	2.9%	***2.9%***	***2.9%***

SBFG's average PE ratios over the previous ten and five years have been 9.8 and 8.5, respectively. Its current PE ratio of 8.6 is lower than both its average PE ratio and our fair value estimate of 10.0. If the company's valuation were to meet our estimate of fair value, the stock would benefit from a 3.1% valuation tailwind.

We are forecasting dividend growth of 8% in the intermediate term, lower than it's grown in recent years, as the payout ratio is becoming elevated. SBFG has paid an average dividend yield between 2.4% and 2.9%. Given the stock now yields 2.9%, it could be considered undervalued on this basis.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	18%	16%	21%	24%	20%	17%	27%	30%	33%	26%	***25%***	***29%***

SB Financial was among the many banks in the U.S. to cut their dividends during the Great Recession. From 2010 through 2012, SB Financial paid no dividends. Furthermore, when it reinstated its dividend in 2013, it did so at less than one-third of its previous payout ($0.0238 quarterly vs $0.0857 prior). Since the dividend was reinstated in 2013, SBFG has increased its dividend every year for an eleven-year consecutive dividend increase streak. During the pandemic, the company fared remarkably well, reporting record net income in 2020.

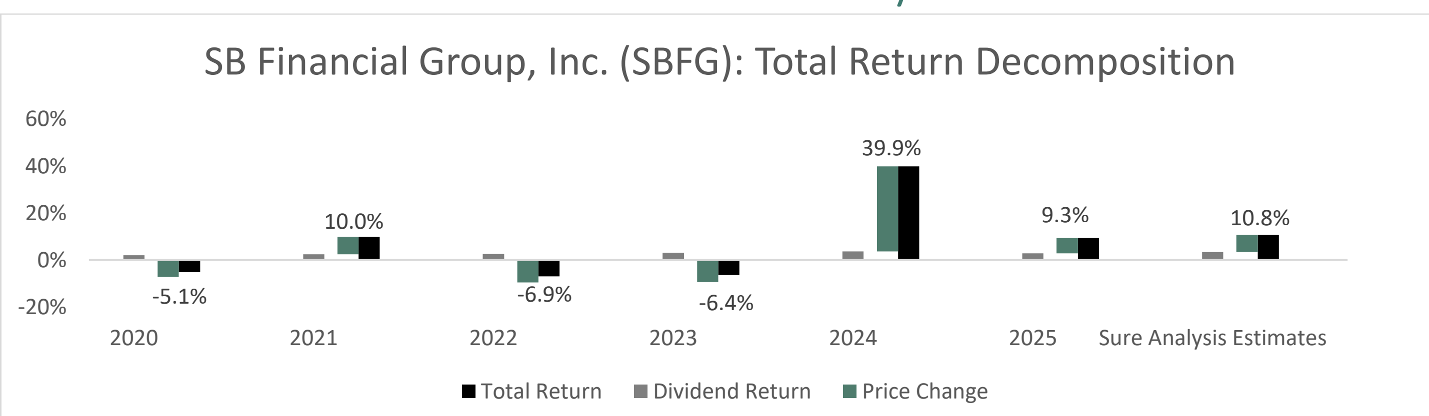
The forecasted payout ratio for 2026 of 25% is somewhat elevated against its historical payout ratios, and we expect it will climb further into 2031 as dividend growth may continue to outpace EPS growth.

We don't see SB Financial boasting any strong competitive advantage over its peers in the regional banking industry, as banking services are essentially commoditized. Given SBFG's concentration in Ohio, any headwinds in the local economy would have a severe negative impact on the bank.

Final Thoughts & Recommendation

The share price of SBFG has dropped by 8% in the last one year, underperforming the 11% increase of the S&P 500 Index. SB Financial could offer a 10.8% average annual return over the next five years, stemming from 5% annual EPS growth, its 2.9% dividend, and 3.1% multiple expansion. SBFG maintains its hold rating.

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.

SB Financial Group, Inc. (SBFG)

Updated February 19th, 2026 by Quinn Mohammed

Income Statement Metrics

Year	2015	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	39	46	50	53	66	69	58	57	57	91
SG&A Exp.	16	20	22	24	27	28	26	24	25	0
D&A Exp.	2	3	3	4	7	6	4	4	4	
Net Profit	8	11	12	12	15	18	13	12	12	14
Net Margin	19.5%	24.3%	23.3%	22.7%	22.6%	26.7%	21.7%	21.2%	20.1%	15.3%
Free Cash Flow	1	6	12	17	22	15	24	13	8	
Income Tax	3	3	3	3	3	4	3	3	2	3

Balance Sheet Metrics

Year	2015	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	733	877	987	1,039	1,258	1,331	1,336	1,343	1380	1,545
Cash & Equivalents	20	27	48	27	147	152	30	25	28	72
Goodwill & Int.	24	26	28	29	30	35	37	37	38	27
Total Liab.	652	783	856	902	1,115	1,186	1,217	1,219	1252	1,404
Accounts Payable	0	1	1	1	1	0	1	2	2	
Long-Term Debt	35	19	16	16	8	25	80	103	55	65
Total Equity	67	80	116	136	143	145	118	124	128	141
LTD/E Ratio	0.43	0.20	0.12	0.12	0.06	0.17	0.67	0.83	0.43	0.53

Profitability & Per Share Metrics

Year	2015	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.1%	1.3%	1.2%	1.2%	1.3%	1.4%	0.9%	0.9%	0.8%	1.0%
Return on Equity	9.7%	12.3%	10.4%	9.0%	10.7%	12.7%	9.5%	10.0%	9.1%	10.4%
ROIC	6.9%	9.8%	9.0%	8.0%	9.9%	11.4%	6.8%	5.7%	5.6%	6.7%
Shares Out.	6.7	6.7	8.1	8.3	8.0	7.5	7.1	6.9	6.7	6.4
Revenue/Share	5.79	6.84	6.16	6.34	8.24	9.62	8.14	8.24	8.5	14.25
FCF/Share	0.21	0.91	1.46	2.01	2.74	2.08	3.34	1.88	1.2	

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