



Simmons First National Corporation (SFNC)

Updated January 31st, 2026 by Quinn Mohammed

Key Metrics

Current Price:	\$20	5 Year CAGR Estimate:	14.0%	Market Cap:	\$2.9 B
Fair Value Price:	\$23	5 Year Growth Estimate:	8.0%	Ex-Dividend Date¹:	03/13/2026
% Fair Value:	87%	5 Year Valuation Multiple Estimate:	2.8%	Dividend Payment Date¹:	04/01/2026
Dividend Yield:	4.2%	5 Year Price Target	\$34	Years Of Dividend Growth:	14
Dividend Risk Score:	C	Sector:	Financials	Rating:	Hold

Overview & Current Events

Simmons First National Corporation (SFNC) is a financial holding company in the U.S. Its main subsidiary is Simmons Bank, which operates 222 branches across Arkansas, Kansas, Missouri, Oklahoma, Tennessee and Texas. The company was founded in 1903 and trades on the NASDAQ. It has a market capitalization of \$2.9 billion and is headquartered in Pine Bluff, Arkansas. The company has paid dividends for 116 consecutive years. It is one of only 26 U.S. publicly traded companies that have paid dividends for 100+ uninterrupted years.

On January 30th, 2025, Simmons announced a 1% increase to its quarterly dividend, now \$0.2125 per share, representing its 14th consecutive annual dividend increase.

Simmons First National reported fourth quarter 2025 results on January 20th, 2026. Adjusted earnings for the quarter was \$79 million, and adjusted EPS was \$0.54, up 38% compared to the prior year period. Total loans rose 2.9% year-over-year to \$17.5 billion, but deposits dipped 7.8% to \$20.2 billion. Its loan-to-deposit ratio stood at 87%.

Simmons recorded a \$15.1 million provision for credit losses, slightly higher than the previous year when it recorded \$13.3 million. Net charge-offs were 1.12% of average loans, a significant deterioration over 0.27% in fourth quarter 2024 due to two credit relationships and run-off portfolio. Net interest margin on an FTE basis equaled 3.81%, a 94-basis point increase from 2.87% in 4Q24. For the quarter, Simmons generated an adjusted return on average assets of 1.29% and adjusted return on average common equity of 9.19%. Book value per share amounted to \$23.62 at end of Q4, 16% lower than \$28.08 a year ago.

Simmons did not repurchase any shares during Q4 and has \$175 million remaining on its current authorization.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$1.64	\$1.70	\$2.37	\$2.73	\$2.40	\$2.68	\$2.40	\$1.64	\$1.41	\$1.70	\$2.01	\$2.95
DPS	\$0.48	\$0.50	\$0.60	\$0.64	\$0.68	\$0.72	\$0.76	\$0.80	\$0.84	\$0.85	\$0.85	\$1.08
Shares²	62	70	93	99	110	110	125	127	126	145	150	160

From 2021 onwards, Simmons First National began reporting adjusted EPS rather than core EPS, which excludes non-core income and expense items. As a result, its somewhat more difficult to extrapolate a meaningful past growth rate when its measure of profitability has changed. Regardless, Simmons has produced a 9-year and 5-year average EPS growth rate of 0.4% and -6.7%.

From this point on, Simmons First National can be reasonably expected to generate 8% annual EPS growth. It will achieve this primarily through loan growth, which is aided by the increase in its number of branches, and net interest margin expansion. However, Simmons reduced its branch count by 5% following its annual branch optimization review, and it now has 222 financial centers. It is also likely to pursue strategic acquisitions, such as it has in the past. For example, in 2022, it acquired Spirit of Texas Bancshares, Inc (with \$2.8B in assets), and in 2021 it bought Landmark Community Bank (\$968M in assets) and Triumph Bancshares, Inc. (\$848M in assets).

¹ Estimate

² In millions

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One thing to note is that the company's share count has inflated substantially from ten years ago and continues to grow at a quick rate. Its share count has risen by 9.9% annually from 2016 to 2025, and by 5.6% over the last five years. This limits earnings growth since profitability is divided across a greater number of shares.

On the other hand, expense management could add to the company's bottom line. For example, it completed its Better Bank Initiative cost savings program in 2023, which resulted in \$18 million in annualized cost saves, exceeding its original \$15 million target. And it has also reduced its headcount by 1% compared to a year ago.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	14.8	16.4	12.4	9.1	7.9	10.9	10.3	11.1	14.2	11.6	10.1	11.6
Avg. Yld.	2.0%	1.8%	1.9%	2.5%	3.6%	2.4%	3.0%	4.3%	4.1%	4.3%	4.2%	3.2%

Over the last ten and five years, Simmons has traded hands at an average PE ratio of 11.9 and 11.6, respectively. Its current PE ratio of 10.1 is below its average PE ratio, which is where we assess fair value.

We are forecasting dividend growth of 5% in the intermediate term, in line with its five-year average growth rate. SFNC has paid an average dividend yield of 3.0% and 3.6% over the last ten and five years. Given the stock now yields 4.2%, it could be considered undervalued by this measure.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	29%	29%	25%	23%	28%	27%	32%	49%	60%	50%	42%	37%

While the Great Recession caused many banks in the U.S. to cut their dividends, Simmons First National was not among them. During 2008 and until 2011, Simmons paid the same \$0.095 quarterly dividend, which was increased in 2012 and every year since for a total of 14 consecutive years.

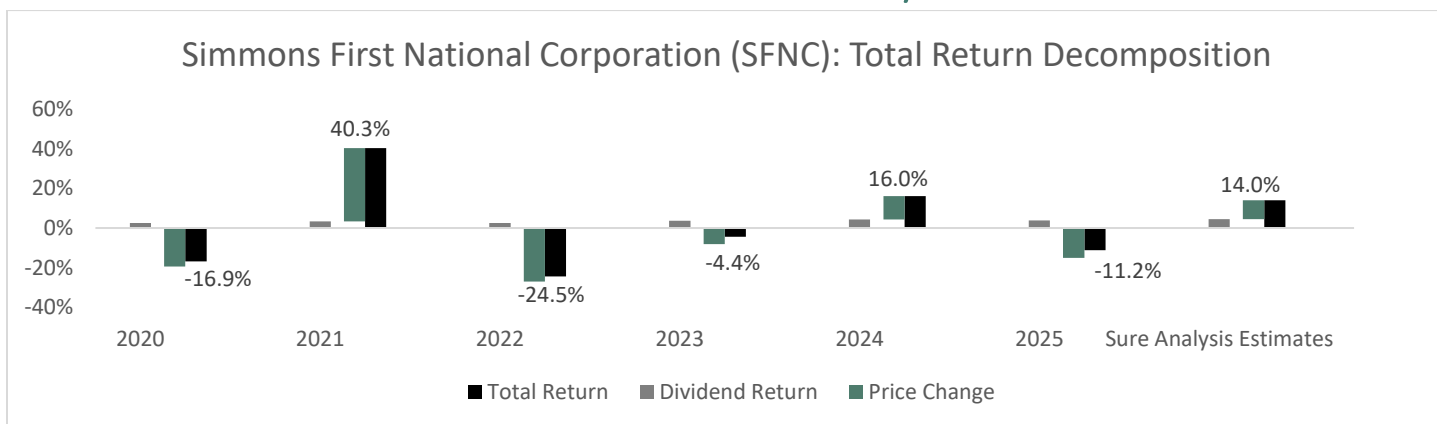
The forecasted payout ratio for 2026 of 42% is in line with its five-year average, but elevated against its ten-year average. Slowing dividend growth and improved earnings over the next five years should improve the payout ratio.

Since banking services are practically commoditized, Simmons does not appear to have a strong competitive advantage over its peers in the regional banking industry. The company weathered the pandemic exceptionally well, with earnings only declining by 12% year over year, and recovering by 2021.

Final Thoughts & Recommendation

The share price of SFNC has increased by 8% year-to-date, seven points greater than the 1% increase of the S&P 500 Index. Simmons First National could offer a 14.0% average annual return over the next five years, stemming from 8% annual EPS growth, its 4.2% dividend, and 2.8% P/E multiple expansion. SFNC maintains its hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	407	482	682	791	861	768	875	782	208.5	626.8
SG&A Exp.	144	169	234	249	271	276	327	340	77.14	0
D&A Exp.	17	21	28	36	49	47	49	48	NA	0
Net Profit	97	93	216	238	255	271	256	175	48.32	-397.55
Net Margin	23.8%	19.3%	31.6%	30.1%	29.6%	35.3%	29.3%	22.4%	23.2%	-63.4%
Free Cash Flow	72	80	197	188	189	230	287	508	NA	0
Income Tax	47	62	50	64	65	61	50	26	6	-130.1

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	8,400	15,056	16,543	21,259	22,360	24,725	27,461	27,346	26880	24,540
Cash & Equivalents	290	601	838	1,001	3,474	1,653	683	614	687	380.44
Goodwill & Int.	28	44	50	63	73	73	103	122		0
Total Liab.	401	949	937	1,183	1,186	1,252	1,449	1,433	1418	1,405
Accounts Payable	7,249	12,971	14,297	18,270	19,383	21,476	24,192	23,919	23350	21,120
Long-Term Debt	334	1,521	1,699	1,686	1,725	1,722	1,225	1,339	1112	619.97
Total Equity	1,151	2,085	2,246	2,988	2,976	3,249	3,269	3,426	3529	3,419
LTD/E Ratio	0.29	0.73	0.76	0.56	0.58	0.53	0.37	0.39	0.32	0.1876

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.2%	0.8%	1.4%	1.3%	1.2%	1.2%	1.0%	0.6%	0.2%	-1.5%
Return on Equity	8.7%	5.7%	10.0%	9.1%	8.5%	8.7%	7.9%	5.2%	1.4%	-11.4%
ROIC	7.0%	3.7%	5.7%	5.5%	5.4%	5.6%	5.4%	3.8%	1.0%	-9.0%
Shares Out.	61.9	69.9	92.8	98.8	110.2	110.2	124.5	126.8	127.2	134.73
Revenue/Share	6.58	6.89	7.35	8.00	7.81	6.97	7.03	6.16	1.64	4.652
FCF/Share	1.17	1.15	2.12	1.91	1.72	2.09	2.31	4.01	NA	0

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

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