First Financial Corporation Indiana (THFF)

Updated February 17th, 2026, by Josh Arnold

Key Metrics

Current Price:	$67	**5 Year CAGR Estimate:**	8.0%	**Market Cap:**	$795 M
Fair Value Price:	$71	**5 Year Growth Estimate:**	4.0%	**Ex-Dividend Date:**	04/02/26[1]
% Fair Value:	94%	**5 Year Valuation Multiple Estimate:**	1.2%	**Dividend Payment Date:**	04/15/26
Dividend Yield:	3.3%	**5 Year Price Target**	$86	**Years Of Dividend Growth:**	3
Dividend Risk Score:	D	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

First Financial Corporation Indiana is the holding company for First Financial Bank N.A. The company has locations in Indiana and Illinois and can trace its roots back to 1834. First Financial offers clients savings accounts, certificates of deposit and life insurance products, as well as home, automobile, agricultural and commercial loans. The company has a market capitalization of $795 million and produces about $200 million in annual revenue.

First Financial posted fourth quarter and full-year earnings on February 3rd, 2026, and results capped a very strong rebound from 2024 and a record year for the small bank. Earnings came to $1.81 per-share for the quarter, while revenue topped $102 million.

Average loans for the quarter were $3.97 billion, up from $3.79 billion a year ago. Loans were higher from $3.93 billion in the third quarter. Average total deposits were $4.64 billion, down from $4.76 billion a year earlier, but slightly higher from $4.59 billion in Q3.

Net interest income was $60.6 million for the fourth quarter, a record for First Financial. That was up sharply from $49.6 million a year ago. Net interest margin was 4.66% in Q4, which is one of the highest values in all of the banking sector. It was also higher from 3.94% in the year-ago period.

Book value ended the year at $54.78 per share, up 18.2% year-over-year. Tangible book value per share was $45.15, up 25% year-over-year.

We start 2026 with an estimate of $7.10 per share in adjusted earnings. First Financial had a tremendously successful 2025 and we see its very high margins as fueling strong profitability once again in 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.12	$2.38	$3.80	$3.80	$3.93	$4.02	$5.82	$5.08	$4.00	$6.68	***$7.10***	***$8.64***
DPS	$1.00	$1.00	$1.02	$1.03	$1.05	$1.06	$1.07	$0.99	$1.80	$2.04	***$2.24***	***$2.47***
Shares[2]	12.2	12.3	12.3	13.7	13.6	12.6	12.1	11.8	11.8	11.9	***11.9***	***12.0***

First Financial saw its earnings decrease just 8.5% from 2008 to 2009 – an excellent performance compared to many financial companies. In recent years, First Financial has seen earnings-per-share fluctuate rather wildly. For example, earnings-per-share declined in 2012, 2013, 2015, 2017, 2023, and 2024. The company has an earnings-per-share growth rate of 9% per year over the past decade, but most of that accrued in 2025 only. We see tailwinds and headwinds somewhat offsetting each other, mostly from higher loan balances and higher rates, but the potential for higher credit losses. First Financial could also see a margin tailwind from lower expenses relative to revenue. We forecast earnings-per-share growth of 4% for the foreseeable future given these factors, and the record base for 2026.

First Financial now pays its dividend each quarter, rather than semi-annually. The company has raised its dividend an average of 1.5% per year over the past ten years. First Financial issued a special dividend of $1.50 per share on 10/20/2017, though this is not a common occurrence and should not be expected to recur in the future. We are

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[1] Estimated date

[2] Share count in millions

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targeting a sub-40% payout ratio going forward for First Financial, translating to a $2.47 dividend potentially for 2031. We note three annual raises after the payout was cut a couple of years ago.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	12.2	18.4	14.2	11.1	9.2	10.6	7.9	8.5	11.6	9.0	***9.4***	***10.0***
Avg. Yld.	2.6%	2.3%	2.2%	2.4%	2.9%	2.5%	2.3%	2.3%	3.9%	3.4%	***3.3%***	***2.9%***

Based off estimates for 2026, shares have a forward price-to-earnings ratio of 9.4. First Financial's stock has traded with an average multiple of less than 12 over the past ten years. We peg fair value at 10 due to low sector valuations and the company's own uninspiring growth outlook. We see a small positive impact on total returns from the valuation as the stock is slightly undervalued.

First Financial had increased its dividend for the past 34 years, but made a surprising cut at the end of 2023. We have assumed a modest dividend growth rate given the spotty recent history.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	32%	42%	27%	27%	27%	26%	18%	19%	45%	31%	***32%***	***29%***

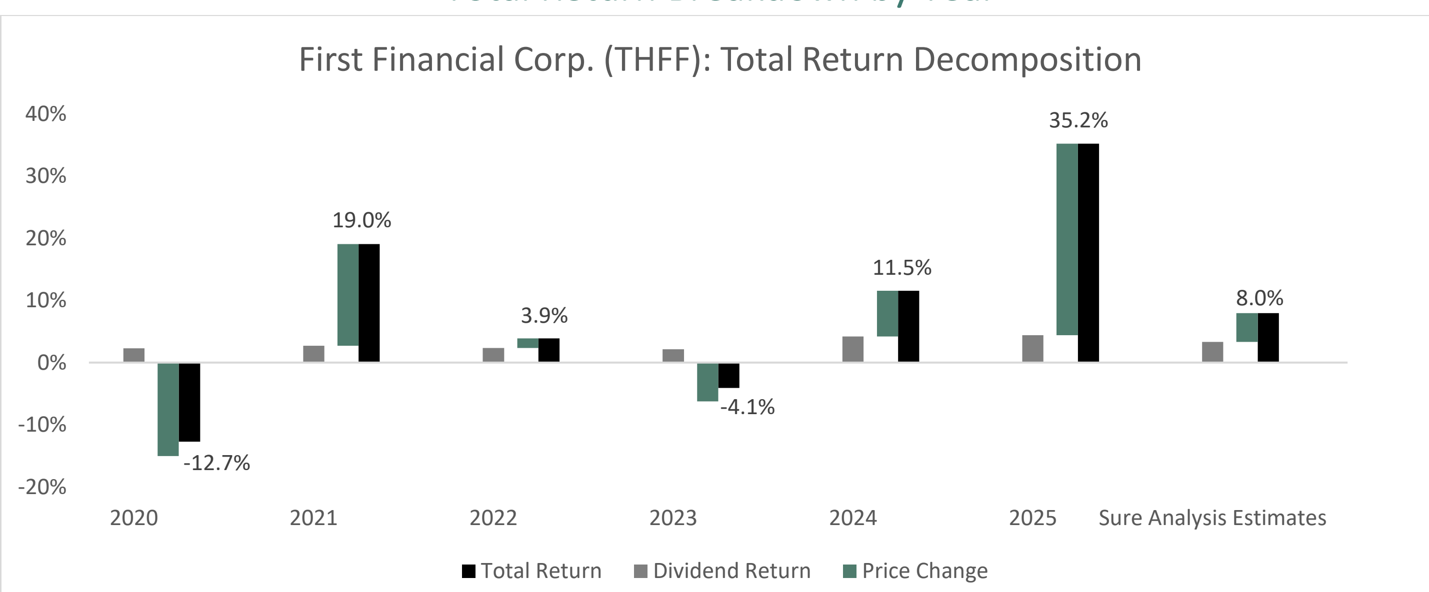
While earnings did decline in 2009, First Financial managed to weather the last recession well. Earnings recovered above 2008's earnings-per-share total in 2010. Since then, the company has experienced varied earnings growth. Investors looking for consistent earnings growth will likely be disappointed by First Financial.

If First Financial has a competitive advantage, it is the bank's presence in its small home markets. In addition, its net interest margin is very high compared to other banks. However, First Financial doesn't have any sort of competitive moat from its business model as it competes in the same ways every other small bank does.

Final Thoughts & Recommendation

After 2025 results, we anticipate that First Financial Corporation Indiana could offer 8% returns through 2031, flat from our last update. Total returns would be based on 4% earnings growth, the 3.3% yield, and a 1.2% tailwind from the valuation. We are reiterating our 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	151.9	143.8	154.8	170	189	185	212	210	218	348
SG&A Exp.	54.0	52.2	51.6	56	62	66	68	71	77	---
D&A Exp.	5.0	4.4	4	5	6	6	6	7	10	---
Net Profit	38.4	29.1	46.6	49	54	53	71	61	47	79
Net Margin	25.3%	20.3%	30.1%	28.7%	28.5%	28.6%	33.5%	29.0%	21.7%	22.7%
Free Cash Flow	38.1	47.2	55	49	74	51	77	80	54	---
Income Tax	19.9	20.6	11.1	12	12	13	17	12	10	20

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	2989	3001	3009	4023	4558	5171	4989	4851	5,560	5,756
Cash & Equivalents	75.0	74.1	74.4	127	657	683	220	77	94	130
Acc. Receivable	12.3	12.9	14.0	19	17	17	21	25	27	---
Goodwill & Int.	36.5	36.0	35.6	89	88	94	94	93	122	114
Total Liabilities	2574.1	2587.1	2566.0	3466	3961	4588	4514	4323	5,011	5,105
Long-Term Debt	81.1	57.7	69.7	31	6	109	80	176	215	188
Total Equity	414.4	413.6	442.7	558	597	583	475	528	549	651
LTD/E Ratio	0.20	---	---	0.06	0.01	0.03	0.17	0.33	0.39	0.74

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.3%	1.0%	1.6%	1.4%	1.3%	1.1%	1.4%	1.2%	0.9%	1.4%
Return on Equity	9.3%	7.0%	10.9%	9.8%	9.3%	9.0%	13.4%	12.1%	8.8%	13.2%
ROIC	8.1%	6.0%	9.5%	9.0%	8.3%	8.8%	12.3%	10.2%	6.7%	8.3%
Shares Out.	12.22	12.25	12.25	13.7	13.6	12.6	12.2	11.9	11.8	---
Revenue/Share	12.33	11.76	12.63	13.22	13.77	14.06	17.34	17.59	18.44	---
FCF/Share	3.10	3.86	4.52	3.79	5.36	3.88	6.34	6.66	4.59	---

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