Citizens Financial Services, Inc. (CZFS)

Updated March 23rd, 2026, by Nathan Parsh

Key Metrics

Current Price:	$60	**5 Year Annual Expected Total Return:**	8.0%	**Market Cap:**	$289 M
Fair Value Price:	$70	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date:**	03/13/26
% Fair Value:	85%	**5 Year Valuation Multiple Estimate:**	3.2%	**Dividend Payment Date:**	03/27/26
Dividend Yield:	3.3%	**5 Year Price Target**	$78	**Years Of Dividend Growth:**	5
Dividend Risk Score:	D	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Citizens Financial Services, Inc. is the holding company for First Citizens Community Bank, which is a full-service bank that offers a variety of banking activities to individual, business, governmental, and institutional clients. The company is headquartered in Mansfield, PA. Citizens Financial Services operates more than 30 offices, with most in Pennsylvania, but the bank also has a presence in New York and Delaware. Banking services include checking, savings, deposits, and trust services. Loans are offered to residential, commercial, agricultural, and individual customers.

On January 29th, 2026, Citizens Financial Services reported fourth quarter and full year results for the period ending December 31st, 2025. For the quarter, revenue grew 9.8% to $29.1 million while earnings-per-share of $2.19 compared favorably to $1.66 in the prior year. For the year, revenue improved 2.2% to $173.2 million while earnings-per-share of $7.62 compared to $5.74 in 2024.

For the quarter, net income interest income increased 14.6% to $26.2 million. Net loans grew 1.6% to $2.33 billion. Provision for credit losses totaled $500,000 compared to no provision in Q4 2024. Non-interest expenses declined 3% to $16.2 million. Compared to the prior year, annualized return on average assets was 1.37% vs 1.06% and return on average equity was 12.53% vs 10.63%.

Citizens Financial Services is projected to earn $7.81 per share in 2026, which would represent growth of 2.5% from 2025.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.59	$3.49	$4.84	$5.26	$6.34	$7.16	$7.18	$4.02	$5.74	$7.62	***$7.81***	***$8.62***
DPS	$1.48	$1.56	$1.64	$1.70	$1.85	$1.81	$1.86	$1.92	$1.93	$1.98	***$2.00***	***$2.21***
Shares[1]	4	4	4	4	4	4	4	4	5	5	***5***	***5***

Citizens Financial Services has mostly seen periods of growth over the last decade as EPS has a compound annual growth rate of nearly 9% for the period. However, this slows to less than 2% over the last five years. While earnings-per-share growth was solid during the first part of the last decade, results tumbled in 2023, though the company did establish a new high for EPS in 2025. We have an annual target EPS growth rate of 2% through 2031.

Citizens Financial Services has raised its dividend for five consecutive years. The dividend was cut in 2020 during the worst of the Covid-19 pandemic. Growth returned the next year, but the annual amount has not yet reached pre-pandemic levels. Even with the cut, the dividend growth rate is 3.3% over the last decade, though this slows to 2.0% when looking at the last five years. We forecast that dividend growth will mirror earnings growth over the next five years.

[1] In millions of shares.

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.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	13.9	17.7	10.8	10.8	7.9	8.1	10.4	8.8	10.9	7.5	***7.3***	***9.0***
Avg. Yld.	3.2%	2.7%	3.9%	1.6%	2.9%	2.2%	2.3%	2.4%	3.0%	2.0%	***3.3%***	***2.8%***

Shares of Citizens Financial Services have gained 6.7% year-to-date. The stock has a 10- and five-year average price-to-earnings ratios of 10.7 and 9.1, respectively, as shares have mostly stayed around this range. We have a target price-to-earnings ratio of 9. With shares trading at 7.7x expected EPS for 2026, this implies a tailwind from multiple expansion. Reaching our target P/E by 2031 would add 3.2% to annual results.

Citizens Financial Services yields 3.3% current levels, which compares favorably to the long-term average yield of 2.6%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

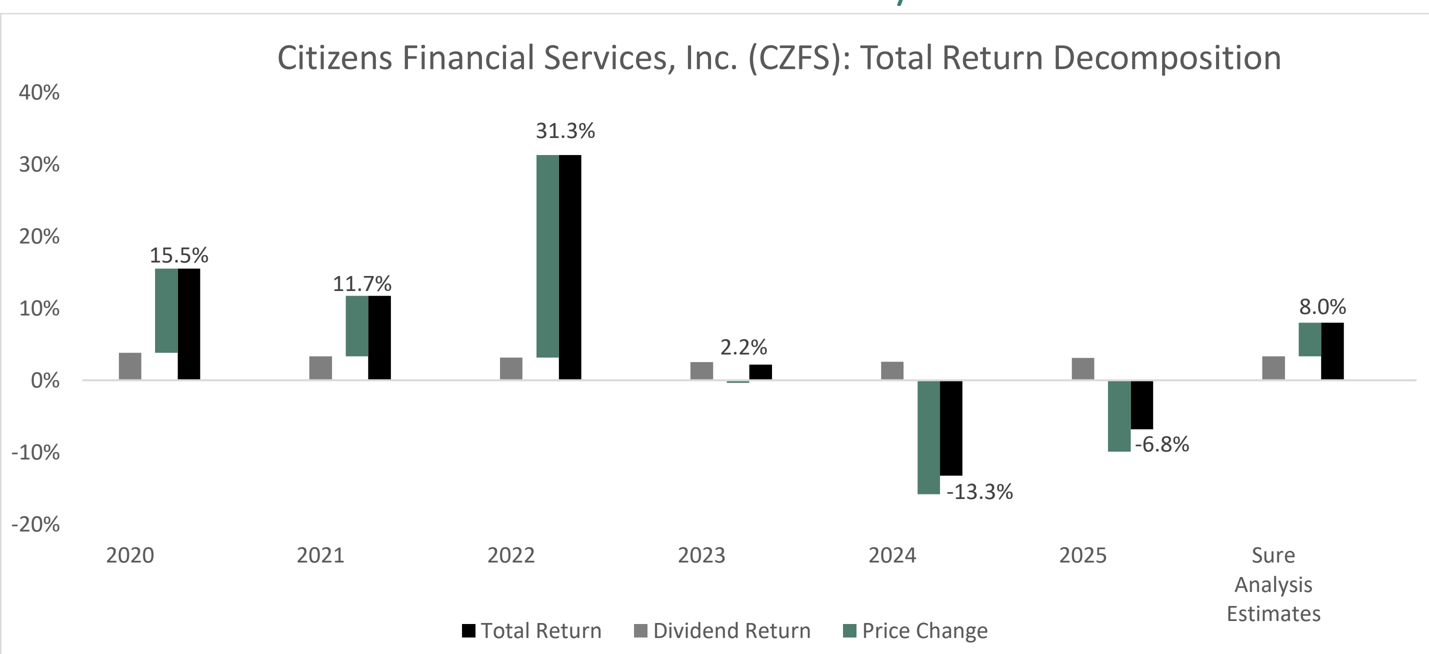
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	41%	45%	34%	32%	29%	25%	26%	48%	34%	26%	***26%***	***26%***

As a small community bank, we don't believe that Citizens Financial Services enjoys significant competitive advantages relative to its peer group. While the company did cut its dividend during 2020, Citizens Financial Services was able to grow its dividend each year during the 2007 to 2009 financial crisis. In addition, several special dividends were paid out during this period, though no other such distributions have been made since 2015. With an expected dividend payout ratio of 26% for 2026, it is likely that the dividend will continue to grow.

Final Thoughts & Recommendation

After fourth quarter results, Citizens Financial Services is expected to return 8.0% annually through 2031. This projected return stems from our expectations for 2.0% earnings growth, the starting yield of 3.3%, and a low single-digit tailwind from multiple expansion. Citizens Financial Services is a small community bank that has proven resilient over a long period of time. We initiate coverage of Citizens Financial Services with a hold rating due to projected returns and a weak dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	51	56	64	70	81	85	93	139	170	173
Depr. & Amort.	0	0	0	0	(3)	1	1	2	2	2
Operating Profit	16	18	21	24	33	35	35	31	34	45
Operating Margin	31.0%	31.5%	33.3%	34.0%	40.0%	41.5%	38.1%	22.2%	20.0%	26.1%
Net Profit	13	13	18	19	25	29	29	18	28	37
Net Margin	25.0%	23.2%	28.0%	27.8%	30.9%	34.2%	31.2%	12.9%	16.4%	21.1%
Free Cash Flow	16	15	20	21	23	19	28	20	30	33
Income Tax	3	5	3	4	5	6	6	4	6	9

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,223	1,362	1,431	1,470	1,898	2,144	2,340	2,985	3,035	3,073
Cash & Equivalents	20	21	20	22	69	173	26	53	42	34
Goodwill & Int. Ass.	23	25	24	24	32	32	32	88	88	87
Total Liabilities	1,099	1,232	1,291	1,316	1,703	1,931	2,140	2,705	2,735	2,735
Long-Term Debt	24	23	22	50	76	60	75	178	51	39
Shareholder's Equity	123	129	139	155	194	212	200	280	300	338
LTD/E Ratio	0.65	0.89	0.66	0.56	0.47	0.36	1.31	1.19	1.03	0.95

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.1%	1.0%	1.3%	1.3%	1.5%	1.4%	1.3%	0.7%	0.9%	1.2%
Return on Equity	10.4%	10.3%	13.4%	13.3%	14.4%	14.3%	14.1%	7.4%	9.6%	11.5%
ROIC	6.9%	5.8%	7.6%	8.3%	9.5%	10.1%	7.7%	3.3%	4.6%	5.8%
Shares Out.	4	4	4	4	4	4	4	4	5	5
Revenue/Share	13.42	15.02	17.28	18.90	20.51	20.93	22.99	31.30	34.95	36.09
FCF/Share	4.35	3.95	5.49	5.58	5.83	4.63	6.82	4.62	6.16	6.84

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