S&T Bancorp (STBA)

Updated April 24th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$44	**5 Year CAGR Estimate:**	4.7%	**Market Cap:**	$1.6 B
Fair Value Price:	$43	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date[1]:**	5/14/26
% Fair Value:	102%	**5 Year Valuation Multiple Estimate:**	-0.5%	**Dividend Payment Date:**	5/28/26
Dividend Yield:	3.3%	**5 Year Price Target**	$47	**Years Of Dividend Growth:**	14
Dividend Risk Score:	D	**Sector:** Financials		**Rating:**	Hold

Overview & Current Events

S&T Bancorp is the holding company of S&T Bank. It was founded in 1902 and is headquartered in Indiana, Pennsylvania. The bank provides retail and commercial banking products and services to more than 225,000 customers in Pennsylvania and Ohio through its 72 locations. S&T Bancorp has a market capitalization of $1.6 billion.

S&T Bancorp has a diversified loan portfolio. Commercial real estate loans, consumer loans and industrial loans comprise 44%, 30% and 21%, respectively, of total loans. The bond portfolio of the company comprises just 10% of its total assets and hence the bank has not incurred material losses from the surge of interest rates in recent years. Net interest income comprises 87% of total income but the bank has proved resilient to the downturn caused by high interest rates, as it has maintained one of the widest net interest margins in the entire financial sector.

On April 23rd, 2026, S&T Bancorp reported results for Q1-2026. Loans and deposits decreased -4% each over the previous quarter. Net interest margin contracted from 3.99% to 3.92%. As a result, net interest income dipped -3%. However, provisions for loan losses and noninterest expense decreased. As a result, earnings-per-share grew 6%, from $0.89 to $0.94, and exceeded the analysts' consensus by $0.07. The net interest margin of S&T Bancorp, which is one of the highest in the financial sector, has stabilized in the last eight quarters, after having shrunk for five quarters in a row. Management provided guidance for low single-digit growth of loans in the second quarter. The $100 million share repurchase program for 2026 is sufficient to reduce the share count by 6% at the current stock price.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.05	$2.09	$3.02	$2.83	$0.54	$2.81	$3.46	$3.74	$3.41	$3.49	***$3.55***	***$3.92***
DPS	$0.77	$0.82	$0.99	$1.09	$1.12	$1.13	$1.20	$1.29	$1.33	$1.38	***$1.44***	***$1.65***
Shares[2]	34.8	35.0	35.0	34.7	39.1	39.1	39.0	38.4	38.6	37.4	***36.0***	***35.0***

S&T Bancorp has consistently grown its earnings-per-share over the last decade thanks to sustained growth of loans. The bank proved highly vulnerable to the pandemic but it recovered swiftly from that crisis. It has grown its earnings-per-share by 6.1% per year on average over the last decade but by only 2.1% per year on average over the last seven years. Just like the vast majority of regional banks, S&T Bancorp faced pressure on its net interest margin in recent years due to high interest rates. However, the Fed has begun to cut interest rates and expects to cut them further in the upcoming years. As a result, S&T Bancorp is likely to see its net interest margin expand. In order to be on the safe side, we have assumed 2.0% average annual growth of earnings-per-share over the next five years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	13.7	17.8	14.1	13.5	46.9	11.0	9.0	8.0	10.6	10.9	***12.4***	***12.1***
Avg. Yld.	2.8%	2.2%	2.3%	2.9%	4.4%	3.7%	3.8%	4.3%	3.7%	3.6%	***3.3%***	***3.5%***

[1] Estimated date.

[2] In millions.

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Excluding the abnormally high price-to-earnings ratio in 2020, S&T Bancorp has traded at an average price-to-earnings ratio of 12.1 over the last decade. We assume this valuation level as fair for this stock. S&T Bancorp is currently trading at a price-to-earnings ratio of 12.4. If it trades at its fair valuation level in five years, it will incur a -0.5% annualized valuation drag.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	38%	39%	33%	39%	207%	40%	35%	34%	39%	40%	***41%***	***42%***

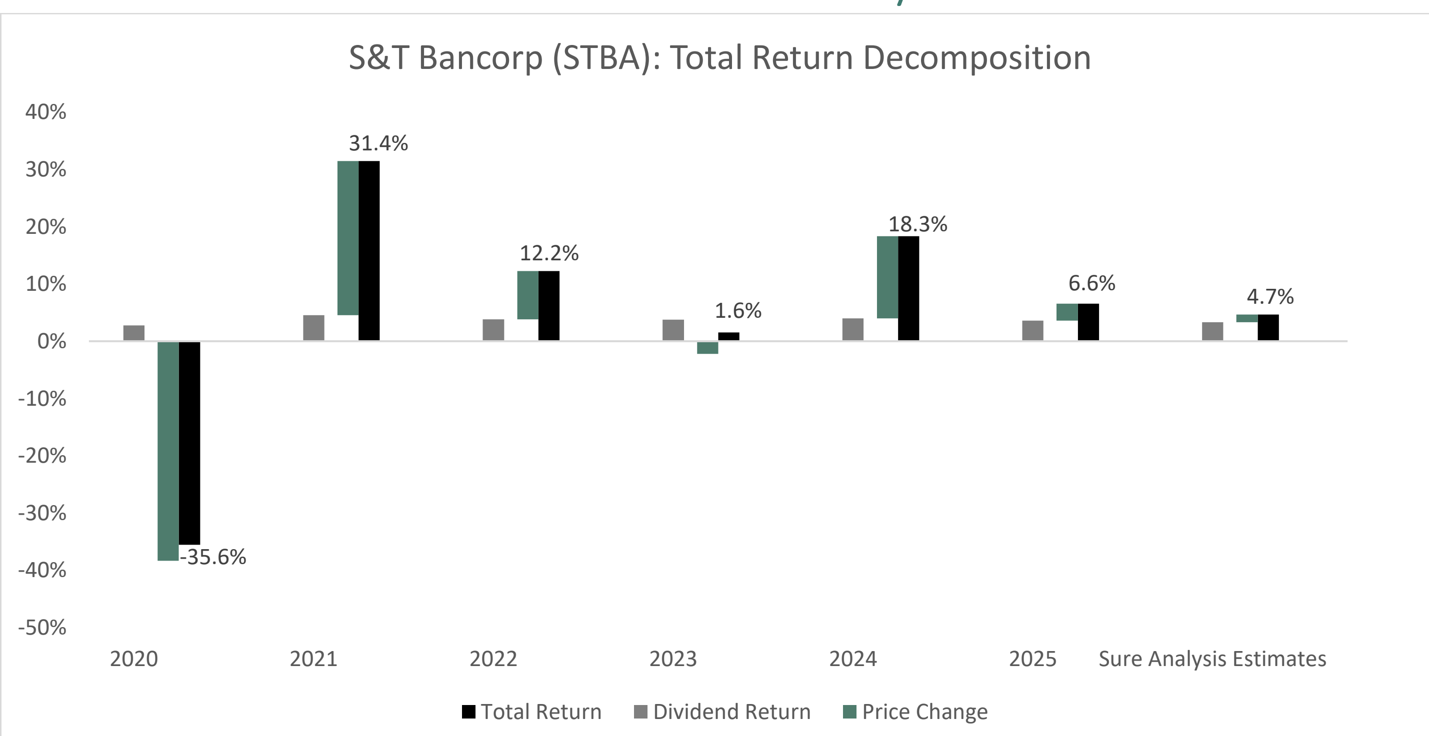
S&T Bancorp raised its dividend by 6% late last year and thus it has raised its dividend for 14 consecutive years. It is offering a 3.3% dividend yield, which is higher than the 2.9% median dividend yield of the financial sector, and has a healthy payout ratio of 41%. As a result, its dividend has a wide margin of safety in the absence of a severe downturn.

In addition, S&T Bancorp has a healthy tier 1 leverage ratio of 11.8%. However, we are concerned over the high ratio of non-performing assets, which has been hovering around 0.3%-0.7% in recent quarters and is among the worst in the sector. Moreover, the bank proved highly vulnerable to the pandemic, as it incurred an -81% plunge in earnings-per-share in 2020. We also note its pronounced underperformance vs. the S&P 500 over the last decade (+70% vs. +243%). Overall, S&T Bancorp is offering a dividend with a wide margin of safety but it is not a safe haven during unexpected downturns.

Final Thoughts & Recommendation

S&T Bancorp has proved one of the most resilient regional banks to the headwind from high interest rates but we note the vulnerability of this regional bank to recessions due to its exposure to commercial, industrial and consumer loans. We expect the stock to offer a 4.7% average annual return over the next five years thanks to 2.0% growth of earnings-per-share and its 3.3% dividend, partly offset by a -0.5% valuation headwind. The stock 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.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	258	281	282	299	339	341	374	407	384	569
SG&A Exp.	99	94	86	89	101	109	112	122	133	---
D&A Exp.	4	2	7	12	12	11	9	8	11	10
Net Profit	71	73	105	98	21	110	136	145	131	134
Net Margin	27.7%	25.9%	37.4%	32.8%	6.2%	32.4%	36.2%	35.6%	34.2%	23.6%
Free Cash Flow	93	110	124	133	46	211	237	166	170	130
Income Tax	25	46	18	19	(0)	25	33	34	34	34

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	6,943	7,060	7,252	8,765	8,968	9,489	9,111	9,552	9,658	9,871
Cash & Equivalents	139	117	155	198	230	922	210	234	245	163
Goodwill & Int. Ass.	297	295	290	383	382	380	379	377	376	376
Total Liabilities	6,101	6,176	6,316	7,573	7,813	8,282	7,926	8,268	8,278	8,407
Long-Term Debt	720	633	586	396	163	77	439	504	250	100
Shareholder's Equity	842	884	936	1,192	1,155	1,206	1,185	1,283	1,380	1,464
LTD/E Ratio	0.86	0.72	0.63	0.33	0.14	0.06	0.37	0.39	0.18	0.18

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.1%	1.0%	1.5%	1.2%	0.2%	1.2%	1.5%	1.6%	1.4%	1.4%
Return on Equity	8.7%	8.5%	11.6%	9.2%	1.8%	9.3%	11.3%	11.7%	9.9%	9.4%
ROIC	5.0%	4.7%	6.9%	6.3%	1.4%	8.5%	9.3%	8.5%	7.7%	7.9%
Shares Out.	34.8	35.0	35.0	34.7	39.1	39.1	39.0	38.4	38.5	38.49
Revenue/Share	7.41	8.07	8.06	8.63	8.68	8.73	9.58	10.53	9.97	14.77
FCF/Share	2.68	3.14	3.54	3.84	1.18	5.41	6.06	4.28	4.42	3.40

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