Business First Bancshares, Inc. (BFST)

Updated May 1st, 2026, by Sure Dividend Analyst

Key Metrics

Current Price:	$28	**5 Year Annual Expected Total Return:**	13.8%	**Market Cap:**	$900 M
Fair Value Price:	$37	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	05/15/26
% Fair Value:	75%	**5 Year Valuation Multiple Estimate:**	5.8%	**Dividend Payment Date:**	05/29/26
Dividend Yield:	2.2%	**5 Year Price Target**	$49	**Years Of Dividend Growth:**	7
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

Business First Bancshares, Inc. (BFST) is a United States-based bank holding company headquartered in Baton Rouge, Louisiana. Through its subsidiary, b1BANK, the company offers a comprehensive range of financial services, including personal and commercial banking, treasury management, and wealth solutions. Catering primarily to small-to-midsized businesses and professionals, BFST generates the majority of its revenues from interest income on loans, customer service and loan fees, and interest income from securities. Business First Bancshares is a $900 million company that was founded in 2006 and has about 850 employees.

In October 2024, Business First Bancshares completed the acquisition of Oakwood Bancshares, Inc., adding approximately $863.6 million in total assets. Building on this, in January 2026 the company completed the acquisition of Progressive Bancorp, Inc., which contributed approximately $773.8 million in assets, further accelerating growth and expanding its presence across Louisiana and Texas. These strategic acquisitions are expected to drive future growth, enhance scale, and strengthen the company’s position in its core markets while supporting expansion into new regions, including Houston.

On April 27th, 2026, Business First Bancshares released its financial results for the first quarter, which ended March 31st, 2026. For the quarter, the company reported net income of $22.2 million, compared to $21.0 million in Q4 2025 and $19.2 million in Q1 2025. Earnings per diluted share (EPS) totaled $0.68 and was down from $0.71 in the prior quarter, but up from $0.65 in the year-ago period.

Net interest income was $75.2 million, compared to $70.9 million in Q4 2025 and $66.0 million in the year-ago period, supported by a net interest margin (NIM) of 3.71%, versus 4.00% in Q4 and 3.68% a year earlier. Total deposits increased to $7.46 billion, up $766.4 million (+11.44%) from Q4, and significantly higher year-over-year. Non-interest-bearing deposits were 21.1% of total deposits, compared to 21.6% in the prior quarter. Total loans held for investment rose to $6.68 billion, an increase of $494.8 million (+7.99%) from Q4. Non-interest income was $14.1 million, up from $12.2 million in Q4, as loan sales and swap fee income contributed to the increase.

Non-interest expenses rose to $57.5 million, compared to $52.4 million in Q4, primarily driven by higher salaries, occupancy, and data processing costs. Provisions for credit losses were $2.3 million, down from $3.1 million in Q4. The allowance for credit losses was 1.03% of total loans, compared to 0.94% in Q4.

Management highlighted a strong start to 2026 driven by acquisition activity, organic growth, and continued investment in technology, while noting margin pressure from higher funding costs and some normalization in credit quality metrics.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.70	$0.61	$1.22	$1.74	$1.64	$2.53	$2.32	$2.59	$2.26	$2.79	***$3.05***	***$4.08***
DPS	--	--	$0.24	$0.38	$0.40	$0.46	$0.48	$0.50	$0.56	$0.60	***$0.60***	***$0.80***
Shares[1]	7	8	12	14	18	21	23	25	25	30	***33***	***34***

[1] In millions.

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The company has grown earnings by 16.6% per year since 2016 and 3.8% over the past five years. The company has been able to increase its dividend for 7 consecutive years. Over the last five years, the average annual dividend growth rate is 5.5%. In October 2025, the company increased its quarterly dividend by 7.1% from $0.14 to $0.15 per share.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	--	--	4.8	13.4	16.8	10.6	8.3	11.0	15.6	9.1	***9.0***	***12.0***
Avg. Yld.	--	--	1.0%	1.5%	2.0%	1.6%	2.2%	2.0%	2.2%	2.4%	***2.2%***	***1.6%***

During the past decade shares of Business First Bancshares have traded with an average price-to-earnings ratio of about 11 and today, it stands at 9.0. We are using 12 times earnings as a fair value baseline, implying the potential for a valuation tailwind. The company's dividend yield is currently 2.2% which is above the average yield of 1.9% over the past decade.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	--	--	20%	22%	24%	18%	21%	19%	25%	22%	***20%***	***20%***

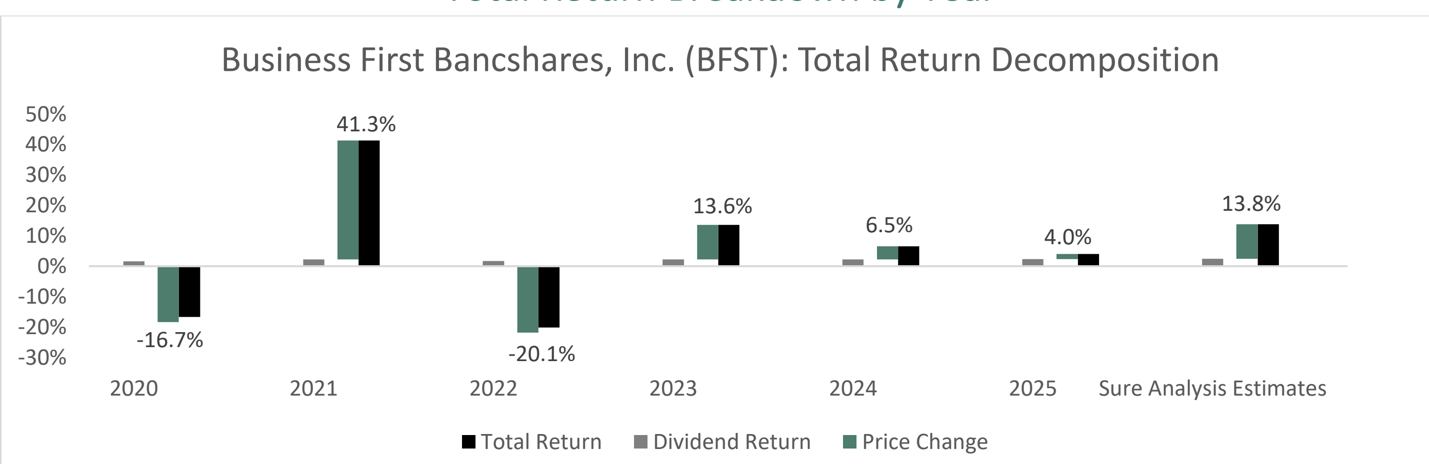
During the past five years, the company's dividend payout ratio has averaged around 21%. Business First's dividend is comfortably covered by earnings. Given the expected earnings growth, there is room for the dividend to continue to grow at least at the same pace and keep the payout ratio around the same levels which is safe.

Business First demonstrates strengths in its business model through revenue diversification, robust core profitability, continued loan and deposit growth, and tangible book value expansion, supported by the strategic Oakwood Bancshares acquisition. The company's expanding footprint and increased revenue streams position it well for future growth. However, rising operating expenses, particularly salaries and benefits, and elevated nonperforming assets due to a single large commercial real estate loan, introduce some risk. Additionally, while the integration of Oakwood has enhanced scale, it still carries execution risks in achieving targeted synergies and controlling credit exposure. Despite these hurdles, BFST's year-over-year EPS growth was 23.5% in 2025 and focus on organic growth and efficient execution provide a solid foundation for long-term resilience.

Final Thoughts & Recommendation

Business First Bancshares, Inc. is a well-established regional bank, with a strong presence in commercial banking, a growing presence across Louisiana and Texas, a sound earnings profile, and a dividend yield of 2.2%. We estimate total return potential of 13.8% per year for the stock over the next five years based on a 6% earnings-per-share growth, the dividend yield, and a valuation tailwind. Shares earn a buy 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	43	50	70	89	147	187	228	247	270	513
SG&A Exp.	23	25	31	40	66	70	92	98	113	-
D&A Exp.	1	1	1	2	3	4	5	5	-	6
Net Profit	5	5	14	24	30	52	54	71	65	88
Net Margin	11.9%	9.7%	20.1%	26.6%	20.4%	27.9%	23.8%	28.7%	24.1%	17.2%
Free Cash Flow	7	7	18	20	26	52	62	81		92
Income Tax	2	4	3	6	7	12	14	20	18	22

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,106	1,321	2,095	2,274	4,160	4,726	5,990	6,585	7,857	8,228
Cash & Equivalents	42	108	96	89	149	68	153	226	319	411
Goodwill & Int.	9	9	57	55	64	72	103	100	139	136
Total Liabilities	992	1,141	1,835	1,989	3,750	4,293	5,410	5,940	7,058	7,331
Long-Term Debt	51	79	80	118	84	168	526	616	461	550
Total Equity	114	180	260	285	410	433	509	572	728	825
LTD/E Ratio	0.45	0.44	0.31	0.41	0.21	0.39	0.91	0.96	0.58	0.65

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets		0.4%	0.8%	1.1%	0.9%	1.2%	1.0%	1.1%	0.9%	1.1%
Return on Equity		3.3%	6.4%	8.7%	8.6%	12.4%	10.7%	11.6%	9.0%	10.4%
ROIC		2.3%	4.7%	6.4%	6.7%	9.5%	6.4%	6.0%	5.2%	6.4%
Shares Out.	7	8	12	14	18	21	23	25	25	29.6
Revenue/Share	6.22	4.33	6.06	6.54	8.04	9.04	9.97	9.78	10.22	17.35
FCF/Share	0.98	0.65	1.59	1.50	1.45	2.54	2.71	3.19	-	3.11

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