Home Bancshares, Inc. (HOMB)

Updated May 18th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$26	**5 Year Annual Expected Total Return:**	12.6%	**Market Cap:**	$5.2 B
Fair Value Price:	$25	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	05/13/26
% Fair Value:	104%	**5 Year Valuation Multiple Estimate:**	0.8%	**Dividend Payment Date:**	06/03/26
Dividend Yield:	3.2%	**5 Year Price Target**	$42	**Years Of Dividend Growth:**	16
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

A group of investors led by John W. Allison and Robert H. "Bunny" Adcock Jr. founded Home Bancshares, Inc. (HOMB), a bank holding company, in 1998. Customers in Arkansas, Florida, Alabama, and New York can access a variety of financial services via Centennial Bank, the company's main subsidiary. More than 300,000 consumers are served by the company's more than 222 branch sites. Home Bancshares holds a competitive position in the banking sector and prioritizes offering excellent client care and creative financial solutions. The business derives income from several markets, including commercial loans, residential loans, consumer loans, and deposit accounts, and has a market share of about 1% in the US banking industry.

On April 16th, 2026, the company announced results for its first quarter of 2026. The company reported Q1 non-GAAP EPS of $0.60, beating markets' estimates by $0.01, and revenues of $266.7 million that were up 2.5% year-over-year.

HOMB reported solid first-quarter 2026 results, highlighted by stable profitability and continued balance sheet strength despite a more uncertain macroeconomic backdrop. Net income totaled $118.2 million, flat sequentially and up from $115.2 million in the prior-year quarter. Pre-tax income came in at $152.2 million, representing a pre-tax margin of 57.1%, as the company continued to benefit from disciplined expense management and resilient core banking operations. Pre-tax, pre-provision net revenue (PPNR) increased 3.8% year over year to $152.7 million, reflecting healthy underlying earnings power and stable operating trends. Management also emphasized the company's strong capital position, with common equity tier 1 capital improving to 16.7% from 15.4% a year earlier.

Credit quality remained relatively stable, though non-performing assets increased to 0.97% of total assets from 0.55% in the prior quarter, suggesting some normalization in asset quality metrics. Net interest margin was 4.51%, compared with 4.61% in the fourth quarter, as funding pressures and rate dynamics modestly affected spreads. Meanwhile, non-interest income totaled $42.8 million, normalizing from elevated prior-quarter levels tied to non-recurring items. Tangible book value continued to improve, reaching $14.87, while the company maintained its quarterly dividend at $0.21. Chairman John Allison noted that the company's conservative operating philosophy and strong balance sheet continue to position HOMB favorably during periods of economic and geopolitical uncertainty.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.26	$0.89	$1.73	$1.73	$1.30	$1.94	$1.57	$2.00	$2.01	$2.41	***$2.47***	***$3.79***
DPS	$0.34	$0.40	$0.46	$0.51	$0.53	$0.56	$0.66	$0.72	$0.75	$0.81	***$0.84***	***$1.23***
Shares[1]	140.7	151.5	174.1	167.8	165.4	164.9	195.0	204.0	200.1	197.4	***205.5***	***251.1***

As of December 31st, 2025, Home Bancshares maintained a strong liquidity position, supported by a growing deposit base of $17.48 billion, up from $17.33 billion at the end of the prior quarter, alongside total loans of $15.69 billion and total assets of $22.88 billion. With continued momentum in deposit growth, a stable net interest margin, and disciplined balance sheet management, HOMB remains well-equipped to navigate shifting market conditions and capitalize on strategic growth opportunities ahead. Thus, we revised upwards our EPS forecast for 2026, matching the midpoint of

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[1] In millions.

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analysts' estimates at $2.47. However, amidst a possible normalization and decline in interest rates in 2026, we expect a slower growth with a projected annual EPS growth of 9.0%. This implies an EPS estimate of $3.79 by 2031. Home Bancshares's DPS had a 10-year and five-year CAGR of 10.1% and 8.4%, respectively. However, the company's approach to managing its capital and liquidity supports the payment of competitive cash dividends. Thus, we have assumed a stable annual DPS growth of at least 8.0%.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.4	28.0	12.6	10.8	12.5	12.5	14.8	11.5	12.8	11.8	***10.5***	***11.0***
Avg. Yld.	1.6%	1.6%	2.1%	2.7%	3.3%	2.3%	2.8%	3.1%	2.9%	2.8%	***3.2%***	***3.0%***

Home Bancshares is trading at a forward P/E of 10.5, lower than its 10-year average P/E of 14.5 and its five-year average P/E of 12.7. Thus, considering the bank's resiliency and the uncertainty attached to the sector, we have assumed a stable P/E of 11.0 to value the company by 2031, slightly lower than its historical averages. This suggests a target price of $42.

Safety, Quality, Competitive Advantage, & Recession Resiliency

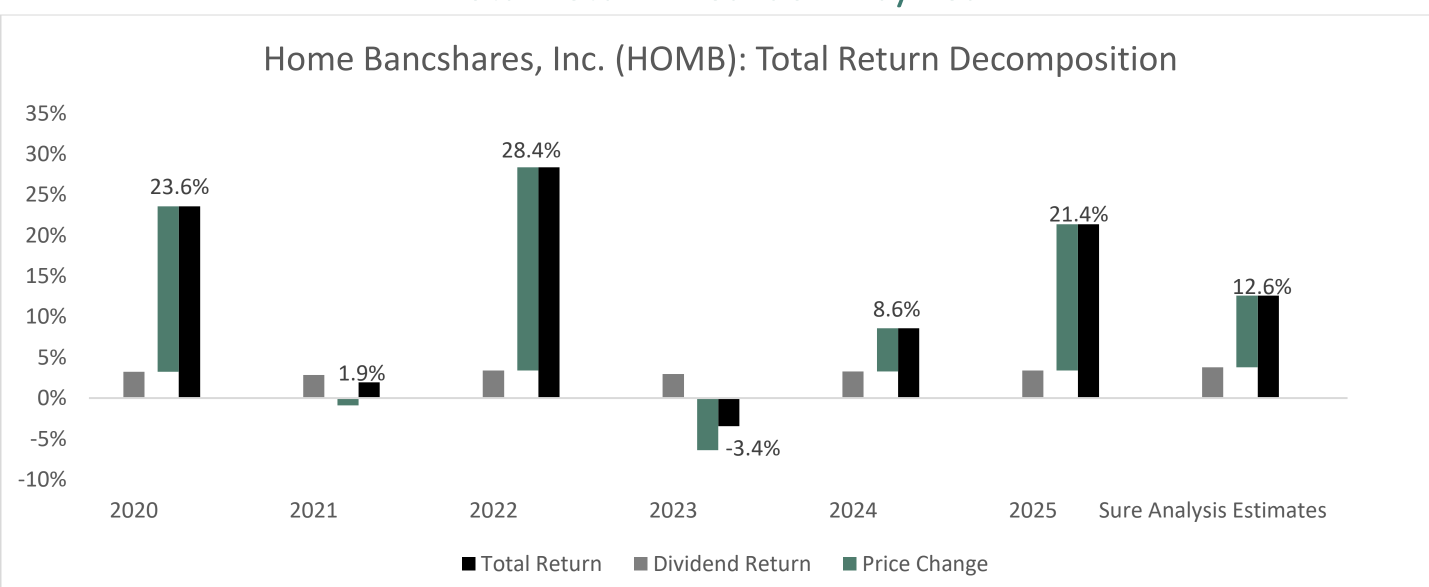
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	27%	45%	27%	29%	41%	29%	42%	36%	37%	34%	***34%***	***33%***

Home Bancshares continues to demonstrate its resilience. Despite facing economic headwinds, the bank's franchise delivered a strong performance throughout 2023, showcasing its operational strength. Capital levels remained a standout. Common equity tier 1 capital rose to 16.3%, and tangible book value per share increased to $14.60. During Q1, HOMB repurchased 507,622 shares during the first quarter for a total of $13.9 million, representing a shareholder buyback yield of 0.25% as the company continued to return capital to shareholders.

Final Thoughts & Recommendation

Home Bancshares' strong financial position and capitalization support the bank's position in the market, making it resilient during market cycles. Thus, we maintain our hold rating, premised upon the 12.6% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 9.0%, the 3.2% dividend yield, and the valuation tailwind.

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	486	544	655	654	685	700	919	978	1,001	1,474
SG&A Exp.	133	148	180	188	179	186	260	297	269	---
D&A Exp.	15	17	19	19	20	19	32	31	29	---
Net Profit	177	135	300	290	214	319	305	393	402	475
Net Margin	36.5%	24.8%	45.8%	44.3%	31.3%	45.6%	33.2%	40.2%	40.2%	32.2%
Free Cash Flow	173	135	296	233	280	379	404	371	422	482
Income Tax	106	136	95	96	63	98	89	119	120	136

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	9,808	14,450	15,302	15,032	16,399	18,052	22,884	22,660	22,490	22,920
Cash & Equivalents	217	636	658	491	1,264	3,650	725	1,000	910	237
Acc. Receivable	31	46	49	45	61	47	103	119	120	---
Goodwill & Int.	396	977	1,001	995	1,004	998	1,457	1,447	1,439	1,431
Total Liabilities	8,481	12,245	12,953	12,521	13,793	15,286	19,357	18,870	18,530	18,620
Accounts Payable	51	42	68	102	128	114	197	---	---	---
Long-Term Debt	1,366	1,667	1,841	991	770	771	1,090	1,741	1,040	805
Total Equity	1,327	2,204	2,350	2,512	2,606	2,766	3,526	3,791	3,961	4,297
LTD/E Ratio	1.03	0.76	0.78	0.39	0.30	0.28	0.31	0.46	0.26	0.23

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.9%	1.1%	2.0%	1.9%	1.4%	1.9%	1.5%	1.7%	1.8%	2.1%
Return on Equity	14.0%	7.6%	13.2%	11.9%	8.4%	11.9%	9.7%	10.7%	10.4%	11.5%
ROIC	6.6%	4.1%	7.5%	7.5%	6.2%	9.2%	7.5%	7.7%	7.6%	9.1%
Shares Out.	140.7	151.5	174.1	167.8	165.4	164.9	195.0	202.8	200.1	197.7
Revenue/Share	3.45	3.59	3.76	3.90	4.14	4.24	4.71	4.82	5.00	7.46
FCF/Share	1.23	0.89	1.70	1.39	1.69	2.30	2.07	1.83	2.11	2.44

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