First Mid Bancshares, Inc. (FMBH)

Updated July 12th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$48	**5 Year Annual Expected Total Return:**	7.7%	**Market Cap:**	$1.28 B
Fair Value Price:	$50	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	08/14/26[1]
% Fair Value:	96%	**5 Year Valuation Multiple Estimate:**	0.9%	**Dividend Payment Date:**	08/28/26[2]
Dividend Yield:	2.1%	**5 Year Price Target**	$64	**Years Of Dividend Growth:**	15
Dividend Risk Score:	C	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

First Mid Bancshares, Inc. (FMBH) is a 1982-founded financial holding company that offers a comprehensive range of banking and financial services through its American subsidiaries. Customers of the business include commercial, retail, and agricultural clients. The company provides deposit products, loans, wealth management, brokerage, Ag services, and insurance through a sizable network of locations across Texas, Illinois, and Missouri, as well as a loan production office in the greater Indianapolis area. First Mid is a company that prioritizes the community and has built a strong reputation in the communities it serves, and its total asset size is $6.7 billion.

On April 29th, 2026, the company announced results for the first quarter of 2026. First Mid Bancshares reported Q1 non-GAAP EPS of $1.14, beating market's estimates by $0.08.

First Mid Bancshares delivered a strong finish to 2025, reporting record quarterly net income of $23.7 million as continued loan growth, stable credit performance, and disciplined execution supported profitability. Total loans increased 3.2% from the prior quarter to $6.01 billion, driven by broad-based growth across construction, commercial real estate, commercial and industrial, farm real estate, and multifamily lending. Total deposits rose 1.7% to $6.40 billion, reflecting solid customer funding despite seasonal declines in non-interest-bearing balances. Net interest margin narrowed modestly to 3.73%, primarily due to lower accretion income and higher funding costs following subordinated debt repricing. Management also highlighted the successful completion of major technology upgrades and continued progress toward the acquisition of Two Rivers Financial Group, which received all required regulatory approvals during the quarter.

Credit quality remained healthy despite signs of normalization. The allowance for credit losses stood at $74.9 million, representing 1.25% of total loans, while net charge-offs declined to just $0.4 million, the lowest level in six quarters. Although non-performing loans and classified assets increased modestly due to two borrower relationships, management expects minimal future losses from the larger exposure. Capital ratios remained comfortably above regulatory well-capitalized thresholds, while tangible book value increased 4.3% during the quarter. The board also declared a quarterly dividend, underscoring confidence in the company's capital position and long-term growth strategy as it prepares to expand into Iowa through the pending Two Rivers acquisition.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.05	$2.13	$2.52	$2.87	$2.70	$2.87	$3.60	$3.40	$3.30	$3.83	***$4.56***	***$5.82***
DPS	$0.62	$0.66	$0.70	$0.76	$0.81	$0.85	$0.90	$0.92	$0.94	$0.98	***$1.00***	***$1.22***
Shares[3]	12.5	12.7	16.7	16.7	16.7	18.1	20.2	21.1	23.9	24.0	***22.1***	***20.3***

Considering FMBH's high asset quality, we do not expect the higher interest rate environment to impact its performance materially. However, the bank is small and vulnerable to the macro environment. Thus, our EPS forecast stands at $4.56

[1] Estimated ex-dividend date.
[2] Estimated dividend payment date.
[3] In millions.

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.

for 2026, matching the midpoint of analysts' estimates. Also, we have maintained the annual EPS growth rate of 5.0% for the next five years, reaching $5.82 by 2031. First Mid Bancshares's DPS had a 10-year and 5-year CAGR of 5.2% and 3.3%, respectively. Moreover, the bank has consistently increased dividend distributions to shareholders for the past 15 years, and we expect it to continue this track.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	12.9	16.6	14.9	11.9	10.2	14.3	10.1	8.3	10.7	9.7	***10.5***	***11.0***
Avg. Yld.	2.3%	1.9%	1.9%	2.2%	2.9%	2.1%	2.5%	3.2%	2.7%	2.6%	***2.1%***	***1.9%***

First Mid Bancshares is trading at a forward P/E of 10.5, below its long-term average P/E of 12.0. Considering the resiliency of the bank and the strength of net interest income amidst the high-interest rate environment, we believe a P/E of 11.0 is a fair starting point given the bank's risk/reward profile, suggesting a five-year target price of $64.

Safety, Quality, Competitive Advantage, & Recession Resiliency

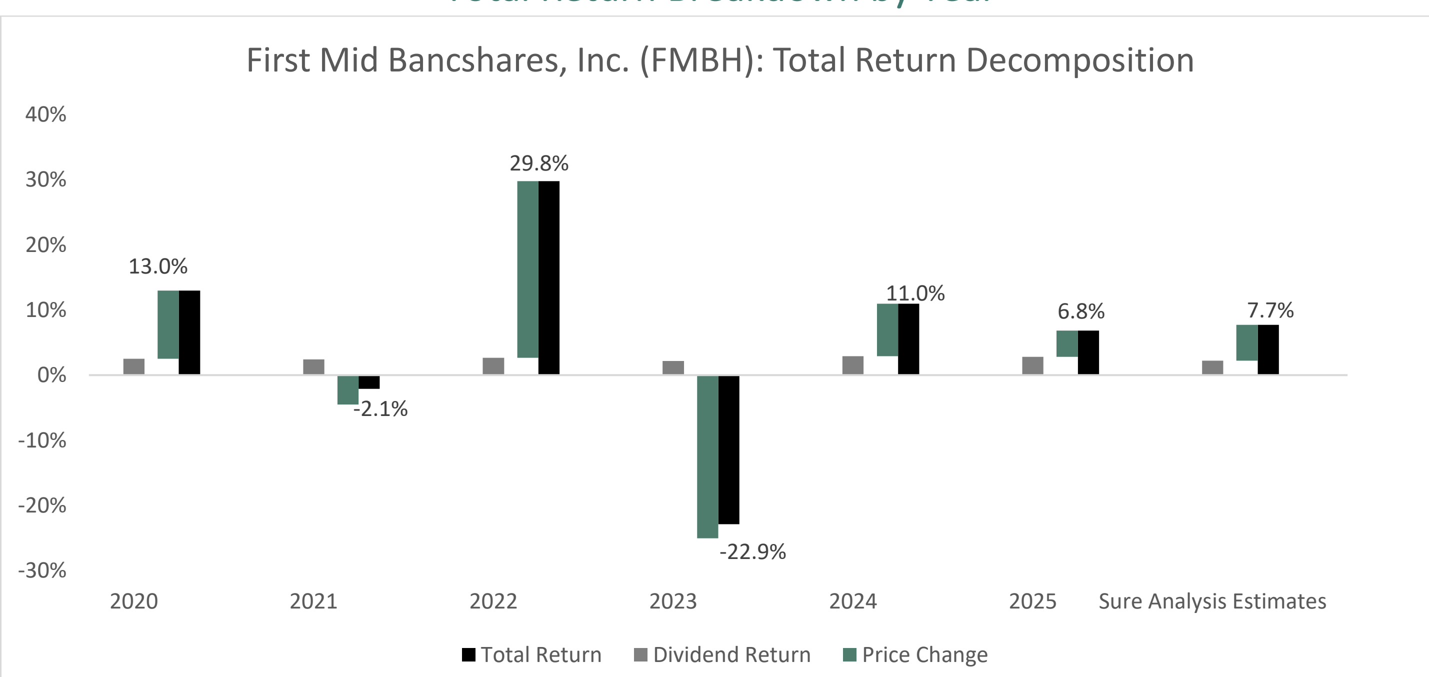
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	30%	31%	28%	26%	30%	30%	25%	27%	28%	26%	***22%***	***21%***

The bank maintained solid capital levels comfortably above the "well-capitalized" threshold, ending the quarter with a total capital to risk-weighted assets ratio of 15.48%. Therefore, the bank remains strong and well-positioned if an economic downturn occurs. Lastly, the competition from community banks and brokerage houses has intensified for the company, but by offering wealth management options, the bank effectively kept the customer's cash inside the business but off the balance sheet.

Final Thoughts & Recommendation

The bank capitalizes on elevated interest rate environments, which could offer reasonable downside risk from current share price levels. Thus, we maintain our hold rating premised upon the 7.7% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 5.0%, the 2.1% dividend yield, and a valuation tailwind.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	96	121	144	178	185	234	255	275	319	466
SG&A Exp.	35	42	50	65	69	95	103	111	131	---
D&A Exp.	8	8	8	11	12	14	15	15	21	20
Net Profit	22	27	37	48	45	51	73	69	79	92
Net Margin	22.7%	22.0%	25.4%	26.9%	24.5%	22.0%	28.6%	25.1%	24.8%	19.7%
Free Cash Flow	27	45	39	59	61	66	61	69	119	124
Income Tax	12	15	12	15	14	15	18	19	26	25

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	2,885	2,842	3,840	3,839	4,726	5,987	6,744	7,587	7,520	7,989
Cash & Equivalents	152	90	148	89	419	170	146	136	125	57
Acc. Receivable	11	11	17	16	19	20	28	35	39	---
Goodwill & Int.	71	71	139	133	128	141	170	264	262	248
Total Liabilities	2,604	2,534	3,364	3,313	4,158	5,353	6,111	6,794	6,673	7,030
Accounts Payable	1	1	2	2	2	1	3	5	5	---
Long-Term Debt	82	94	156	138	207	200	579	395	354	364
Total Equity	281	308	476	527	568	634	633	793	846	959
LTD/E Ratio	0.29	0.31	0.33	0.26	0.36	0.32	0.91	0.50	0.42	0.59

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.9%	0.9%	1.1%	1.2%	1.1%	1.0%	1.1%	1.0%	1.0%	1.2%
Return on Equity	9.5%	9.1%	9.3%	9.6%	8.3%	8.6%	11.5%	9.7%	9.6%	10.2%
ROIC	7.2%	7.0%	7.1%	7.4%	6.3%	6.4%	7.1%	5.7%	6.6%	6.2%
Shares Out.	12.5	12.7	16.7	16.7	16.7	18.1	20.2	21.9	23.9	24
Revenue/Share	9.01	9.65	9.94	10.66	11.01	13.07	12.58	12.57	13.33	19.41
FCF/Share	2.51	3.58	2.69	3.51	3.64	3.67	3.00	3.15	5.00	5.17

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