Citizens Financial Services, Inc. (CZFS)

Updated August 16th, 2026, by Nathan Parsh

Key Metrics

Current Price:	$83	**5 Year Annual Expected Total Return:**	3.3%	**Market Cap:**	$397 M
Fair Value Price:	$78	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date:**	06/11/26[1]
% Fair Value:	106%	**5 Year Valuation Multiple Estimate:**	-1.1%	**Dividend Payment Date:**	06/25/26[2]
Dividend Yield:	2.5%	**5 Year Price Target**	$87	**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 June 2nd, 2026, Citizens Financial Services announced that it was increasing its quarterly dividend 2% to $0.51 per share.

On July 30th, 2026, Citizens Financial Services reported second quarter results for the period ending June 30th, 2026. For the quarter, revenue totaled $43.5 million while earnings-per-share of $2.12 compared favorably to $1.76 in the prior year.

For the quarter, net income interest income grew 8.6% to $25.7 million. Net loans totaled $2.37 billion while deposits were $2.39 billion. Non-interest expenses increased 4.8% to $16.9 million. The annualized return on average assets was 1.32% and return on average equity was 11.64%.

Citizens Financial Services is projected to earn $8.72 per share in 2026, up from $8.23 and $7.81 previously. This would represent growth of 14.4% 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	***$8.72***	***$9.63***
DPS	$1.48	$1.56	$1.64	$1.70	$1.85	$1.81	$1.86	$1.92	$1.93	$1.98	***$2.04***	***$2.25***
Shares[3]	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 4%% 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 2.4% when looking at the last five years. We forecast that dividend growth will mirror earnings growth over the next five years.

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[1] Estimated ex-dividend date.

[2] Estimated dividend payment date.

[3] In millions of shares.

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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	***9.5***	***9.0***
Avg. Yld.	3.2%	2.7%	3.9%	1.6%	2.9%	2.2%	2.3%	2.4%	3.0%	2.0%	***2.5%***	***2.6%***

Shares of Citizens Financial Services have gained $18, or 27.7%, since our May 7th, 2026 update. 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 9.5x expected EPS for 2026, this implies a headwind from multiple contraction. Reverting our target P/E by 2031 would reduce annual returns by 1.1% over this period.

Citizens Financial Services yields 2.5% at current levels, which is below the long-term average yield of 2.6%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

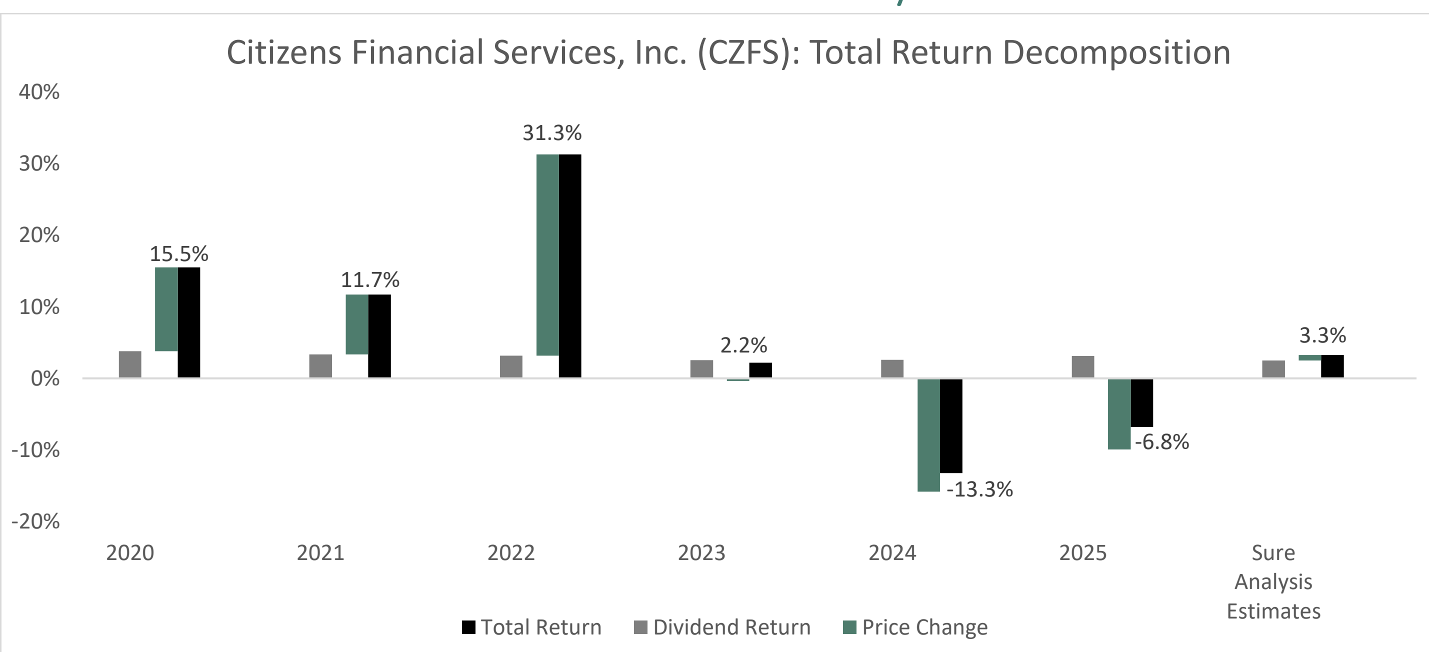
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	41%	45%	34%	32%	29%	25%	26%	48%	34%	26%	***23%***	***23%***

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 just 23% for 2026, it is likely that the dividend will continue to grow.

Final Thoughts & Recommendation

After second quarter results, Citizens Financial Services is expected to return 3.3% annually through 2031, down from 7.3% previously. This projected return stems from our expectations for 2.0% earnings growth and the starting yield of 2.5%, offset by a small headwind from multiple contraction. Citizens Financial Services is a small community bank that has proven resilient over a long period of time. We maintain our hold rating on shares Citizens Financial Services due to projected returns and a weak dividend risk score.

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	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.