

ModernGraham Valuation

Company Name:

Southside
Bancshares, Inc.

Company Ticker SBSI

Date of Analysis

12/8/2016



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass all 6 of the following tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$1,102,748,012	Fail
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	5.61%	Fail
4. Earnings Growth			
5. Moderate PEmg Ratio	PEmg < 20	22.96	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.15	Pass

Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.

1. Earnings Stability	Positive EPS for 5 years prior		Pass
2. Dividend Record	Currently Pays Dividend		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	1.68
MG Growth Estimate	-0.99%
MG Value	\$10.93
MG Value based on 3% Growth	\$24.32
MG Value based on 0% Growth	\$14.26
Market Implied Growth Rate	7.23%

MG Opinion

Current Price	\$38.51
% of Intrinsic Value	352.25%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

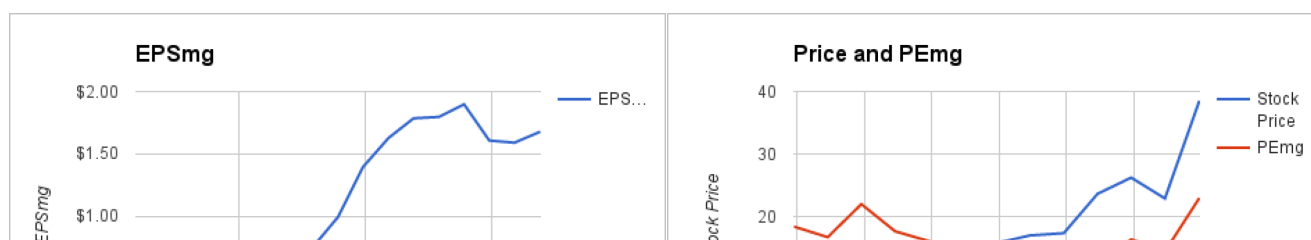
Graham Number	\$27.90
PEmg	22.96
PB Ratio	2.15
Dividend Yield	0.62%
Number of Consecutive Years of Dividend Growth	0

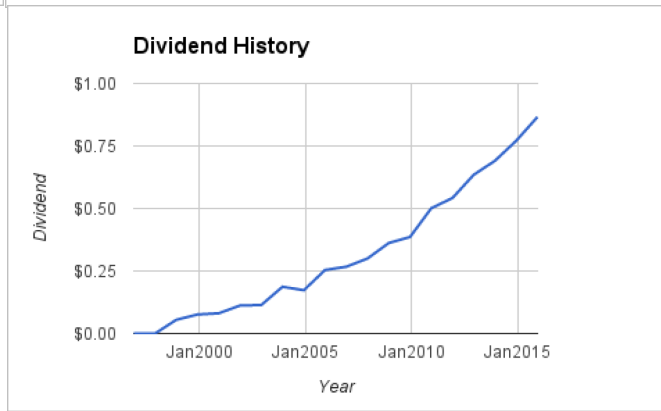
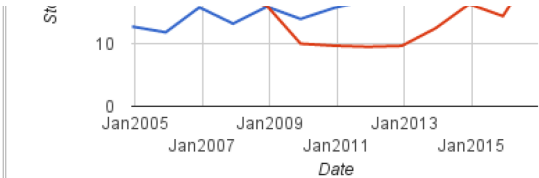
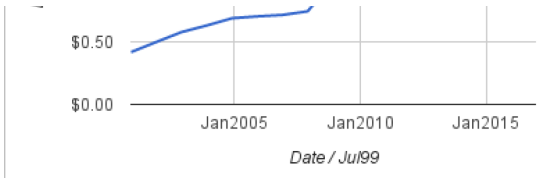
Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.92	Next Fiscal Year Estimate	\$1.68
Dec2015	\$1.65	Dec2015	\$1.59

Dec2014	\$1.04	Dec2014	\$1.61
Dec2013	\$2.09	Dec2013	\$1.90
Dec2012	\$1.65	Dec2012	\$1.80
Dec2011	\$1.87	Dec2011	\$1.78
Dec2010	\$1.85	Dec2010	\$1.63
Dec2009	\$2.10	Dec2009	\$1.39
Dec2008	\$1.46	Dec2008	\$0.99
Dec2007	\$0.80	Dec2007	\$0.75
Dec2006	\$0.72	Dec2006	\$0.72
Dec2005	\$0.71	Dec2005	\$0.71
Dec2004	\$0.77	Dec2004	\$0.69
Dec2003	\$0.68	Dec2003	\$0.63
Dec2002	\$0.68	Dec2002	\$0.58
Dec2001	\$0.61	Dec2001	\$0.50
Dec2000	\$0.57	Dec2000	\$0.42
Dec1999	\$0.46	Balance Sheet Information 9/1/2016	
Dec1998	\$0.29	Long-Term Debt & Capital Lease Obligation	\$621,640,000
Dec1997	\$0.27	Total Assets	\$5,464,903,000
Dec1996	\$0.23	Intangible Assets	\$96,580,000
		Total Liabilities	\$4,992,343,000
		Shares Outstanding (Diluted Average)	26,415,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.
The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other
ModernGraham
posts about the
company

#N/A

Other
ModernGraham
posts about related
companies

- [Cardinal Financial Corp Valuation – Initial Coverage \\$CFNL](#)
- [Citizens Financial Group Inc Valuation – Initial Coverage \\$CFG](#)
- [BB&T Corporation Valuation – November 2016 \\$BBT](#)
- [SunTrust Banks Inc Valuation – August 2016 \\$STI](#)
- [Comerica Inc Valuation – August 2016 \\$CMA](#)
- [US Bancorp Valuation – August 2016 \\$USB](#)
- [Bank of New York Mellon Corp Valuation – August 2016 \\$BK](#)
- [Best Stocks to Invest In: the Bank Industry – August 2016](#)
- [JPMorgan Chase & Co Valuation – July 2016 \\$JPM](#)
- [Dominion Resources Inc Valuation – July 2016 \\$D](#)