

# ModernGraham Valuation



## Company Name:

ServisFirst  
Bancshares, Inc.

Company Ticker SFBS

Date of Analysis

12/31/2016

## 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	\$1,943,280,971	Fail
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Fail
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	12216566.67%	Pass
5. Moderate PEmg Ratio	PEmg < 20	31.60	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.97	Fail

*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		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	1.18
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$45.61</b>
MG Value based on 3% Growth	\$17.18
MG Value based on 0% Growth	\$10.07
Market Implied Growth Rate	11.55%

### MG Opinion

Current Price	\$37.44
% of Intrinsic Value	82.09%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

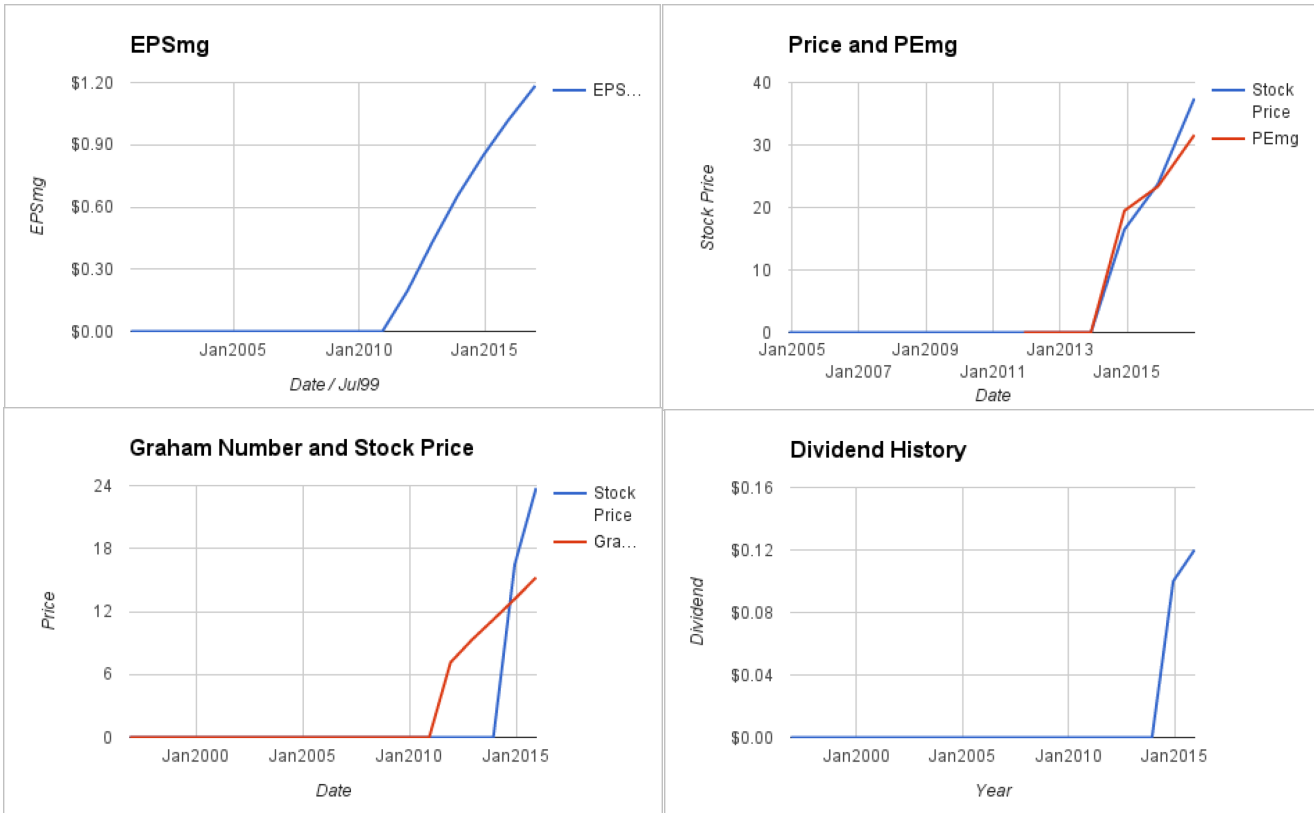
Graham Number	\$17.59
PEmg	31.60
PB Ratio	3.97
Dividend Yield	0.40%
Number of Consecutive Years of Dividend Growth	3

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

<b>EPS History</b>		<b>EPSmg History</b>	
Next Fiscal Year Estimate	\$1.43	Next Fiscal Year Estimate	\$1.18
Dec2015	\$1.20	Dec2015	\$1.02
Dec2014	\$1.05	Dec2014	\$0.85
Dec2013	\$0.95	Dec2013	\$0.66
Dec2012	\$0.83	Dec2012	\$0.43
Dec2011	\$0.59	Dec2011	\$0.20
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00		
		<b>Balance Sheet Information</b>	<b>9/1/2016</b>
Dec1998	\$0.00	Long-Term Debt & Capital Lease Obligation	\$55,356,000
Dec1997	\$0.00	Total Assets	\$6,002,621,000
Dec1996	\$0.00	Intangible Assets	\$15,073,000
		Total Liabilities	\$5,495,132,000
		Shares Outstanding (Diluted Average)	53,879,000





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

- [Ingredion Inc Valuation – Initial Coverage \\$INGR](#)
- [City Holding Company Valuation – Initial Coverage \\$CHCO](#)
- [Southside Bancshares Inc Valuation – Initial Coverage \\$SBSI](#)
- [Independent Bank Corp Valuation – Initial Coverage \\$INDB](#)
- [Cullen/Frost Bankers Inc Valuation – Initial Coverage \\$CFR](#)
- [Signature Bank Valuation – Initial Coverage \\$SBNY](#)
- [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](#)