

# ModernGraham Valuation

Simmons First  
National  
Corporation



Company Name:

Company Ticker SFNC

Date of Analysis

1/4/2017

## 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	\$1,978,011,273	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		
4. Earnings Growth		38.78%	Pass
5. Moderate PEmg Ratio	PEmg < 20	25.94	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.69	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		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	2.42
MG Growth Estimate	6.00%
<b>MG Value</b>	<b>\$49.56</b>
MG Value based on 3% Growth	\$35.07
MG Value based on 0% Growth	\$20.56
Market Implied Growth Rate	8.72%

### MG Opinion

Current Price	\$62.75
% of Intrinsic Value	126.61%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

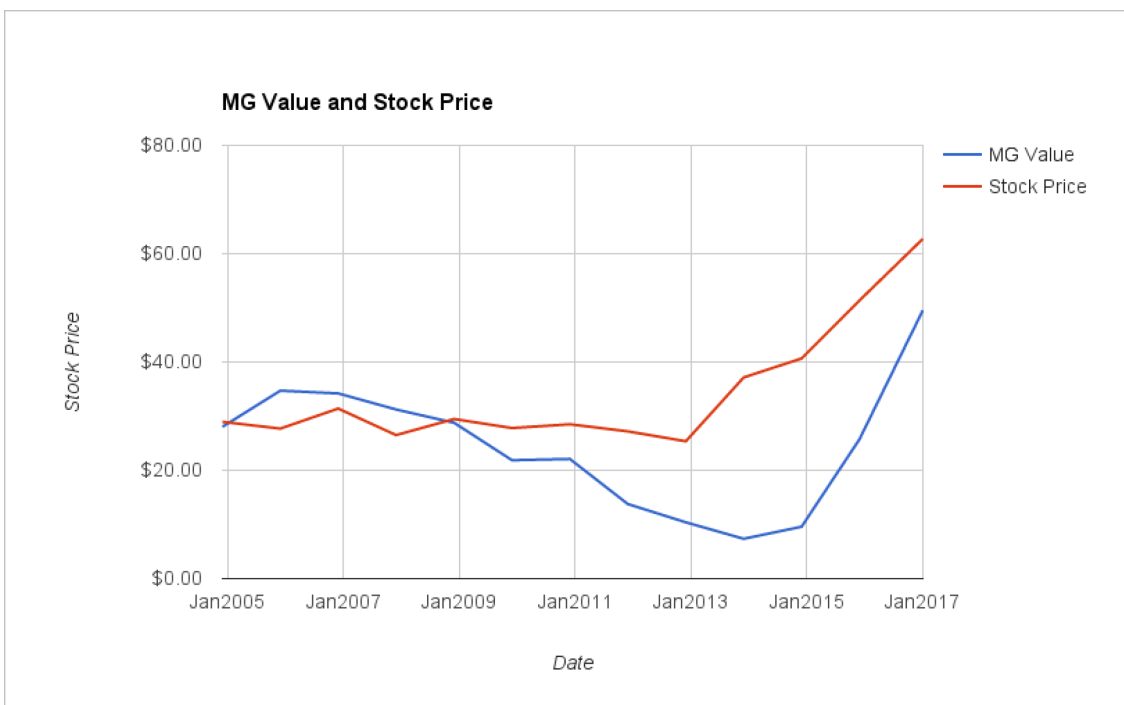
## Stage 3: Information for Further Research

Graham Number	\$49.68
PEmg	25.94
PB Ratio	1.69
Dividend Yield	1.51%
Number of Consecutive Years of Dividend Growth	5

### 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>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.99	Next Fiscal Year Estimate	\$2.42
Dec2015	\$2.63	Dec2015	\$2.04
Dec2014	\$2.11	Dec2014	\$1.75
Dec2013	\$1.42	Dec2013	\$1.61
Dec2012	\$1.64	Dec2012	\$1.73
Dec2011	\$1.47	Dec2011	\$1.79
Dec2010	\$2.15	Dec2010	\$1.95
Dec2009	\$1.74	Dec2009	\$1.85
Dec2008	\$1.91	Dec2008	\$1.88
Dec2007	\$1.92	Dec2007	\$1.84
Dec2006	\$1.90	Dec2006	\$1.78
Dec2005	\$1.84	Dec2005	\$1.67
Dec2004	\$1.65	Dec2004	\$1.54
Dec2003	\$1.65	Dec2003	\$1.44
Dec2002	\$1.54	Dec2002	\$1.31
Dec2001	\$1.16	Dec2001	\$1.18
Dec2000	\$1.29	Dec2000	\$1.16
Dec1999	\$1.17	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$1.12	Long-Term Debt & Capital Lease Obligation	\$275,566,000
Dec1997	\$1.03	Total Assets	\$8,226,992,000
Dec1996	\$0.89	Intangible Assets	\$403,037,000
		Total Liabilities	\$7,079,851,000
		Shares Outstanding (Diluted Average)	30,828,000





#### 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](#)