

# ModernGraham Valuation

Company Name:

Southside  
Bancshares, Inc.

Company Ticker SBSI

Date of Analysis

7/23/2018



## 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	\$1,241,781,007	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		4.24%	Fail
5. Moderate PEmg Ratio	PEmg < 20	18.86	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.68	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

Defensive	No
Enterprising	Yes

## Stage 2: Determination of Intrinsic Value

EPSmg	1.89
MG Growth Estimate	3.59%
<b>MG Value</b>	<b>\$29.65</b>
MG Value based on 3% Growth	\$27.41
MG Value based on 0% Growth	\$16.07
Market Implied Growth Rate	5.18%

### MG Opinion

Current Price	\$35.66
% of Intrinsic Value	120.27%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C+</b>

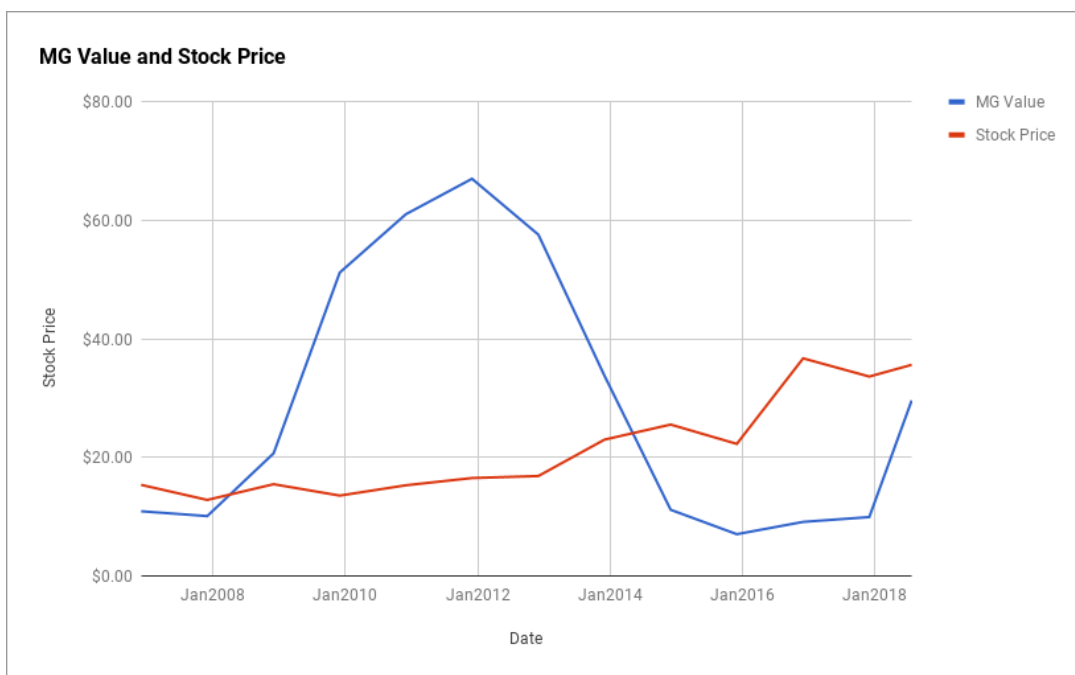
## Stage 3: Information for Further Research

Graham Number	\$33.39
PEmg	18.86
PB Ratio	1.68
Dividend Yield	3.02%
Number of Consecutive Years of Dividend Growth	13

### 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	\$2.30	Next Fiscal Year Estimate	\$1.89
Dec2017	\$1.81	Dec2017	\$1.67
Dec2016	\$1.81	Dec2016	\$1.59
Dec2015	\$1.61	Dec2015	\$1.52
Dec2014	\$0.97	Dec2014	\$1.53
Dec2013	\$1.94	Dec2013	\$1.82
Dec2012	\$1.61	Dec2012	\$1.75
Dec2011	\$1.82	Dec2011	\$1.74
Dec2010	\$1.81	Dec2010	\$1.59
Dec2009	\$2.05	Dec2009	\$1.36
Dec2008	\$1.43	Dec2008	\$0.97
Dec2007	\$0.78	Dec2007	\$0.73
Dec2006	\$0.70	Dec2006	\$0.70
Dec2005	\$0.69	Dec2005	\$0.69
Dec2004	\$0.75	Dec2004	\$0.68
Dec2003	\$0.66	Dec2003	\$0.62
Dec2002	\$0.66	Dec2002	\$0.57
Dec2001	\$0.59	<b>Balance Sheet Information 3/1/2018</b>	
Dec2000	\$0.55	Long-Term Debt & Capital Lease Obligation	\$870,451,000
Dec1999	\$0.45	Total Assets	\$6,373,197,000
Dec1998	\$0.28	Intangible Assets	\$222,861,000
		Total Liabilities	\$5,626,801,000
		Shares Outstanding (Diluted Average)	35,200,000





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 [Southside Bancshares Inc Valuation – Initial Coverage \\$SBSI](#)

Other  
ModernGraham  
posts about related  
companies [Wells Fargo & Co Valuation – June 2018 \\$WFC](#)  
[SunTrust Banks Inc Valuation – June 2018 \\$STI](#)  
[Comerica Inc Valuation – June 2018 \\$CMA](#)  
[SVB Financial Group Valuation – June 2018 \\$SIVB](#)  
[US Bancorp Valuation – May 2018 \\$USB](#)  
[Bank of New York Mellon Corp Valuation – May 2018 \\$BK](#)  
[Citizens Financial Group Inc Valuation – April 2018 \\$CFG](#)  
[BB&T Corporation Valuation – April 2018 \\$BBT](#)  
[M&T Bank Corp Valuation – April 2018 \\$MTB](#)  
[Bank of America Corp Valuation – March 2018 \\$BAC](#)