

ModernGraham Valuation

Company Name:

ServisFirst
Bancshares, Inc.

Company Ticker

SFBS

Date of Analysis

7/28/2018



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	\$2,190,725,210	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end		
4. Earnings Growth		872.79%	Pass
5. Moderate PEmg Ratio	PEmg < 20	23.09	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.48	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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	1.82
MG Growth Estimate	15.00%
MG Value	\$70.04
MG Value based on 3% Growth	\$26.38
MG Value based on 0% Growth	\$15.46
Market Implied Growth Rate	7.30%

MG Opinion

Current Price	\$42.01
% of Intrinsic Value	59.98%
Opinion	Undervalued
MG Grade	C+

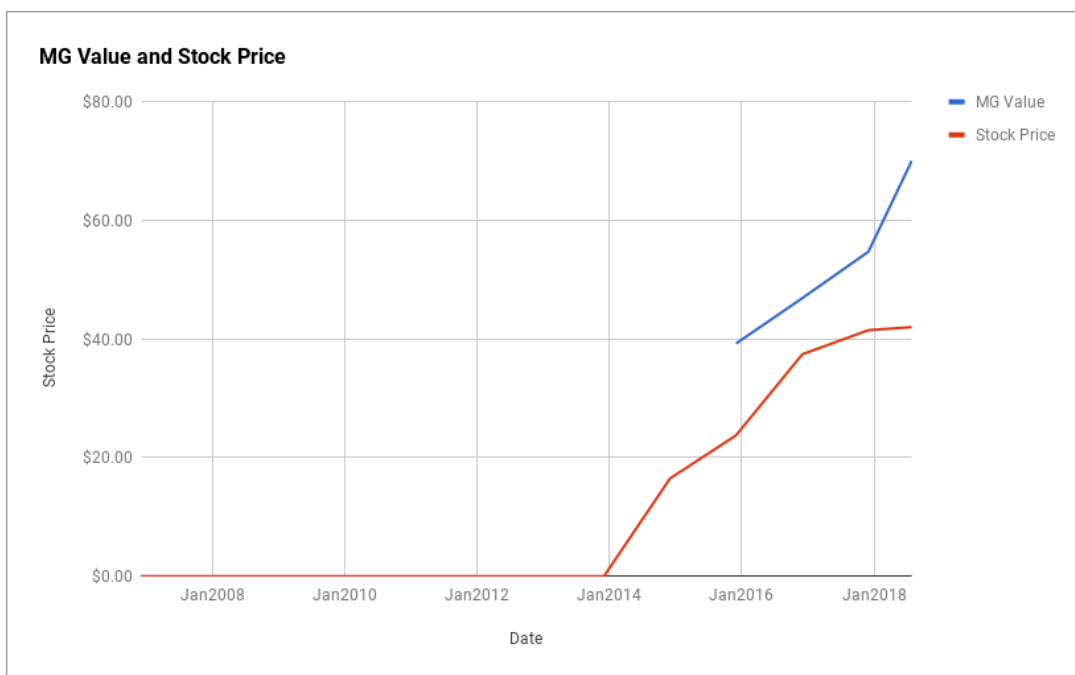
Stage 3: Information for Further Research

Graham Number	\$25.28
PEmg	23.09
PB Ratio	3.48
Dividend Yield	0.48%
Number of Consecutive Years of Dividend Growth	4

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	\$2.48	Next Fiscal Year Estimate	\$1.82
Dec2017	\$1.72	Dec2017	\$1.42
Dec2016	\$1.52	Dec2016	\$1.22
Dec2015	\$1.20	Dec2015	\$1.02
Dec2014	\$1.05	Dec2014	\$0.85
Dec2013	\$0.95	Dec2013	\$0.65
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	Balance Sheet Information 6/1/2018	
Dec2000	\$0.00	Long-Term Debt & Capital Lease Obligation	\$64,648,000
Dec1999	\$0.00	Total Assets	\$7,084,562,000
Dec1998	\$0.00	Intangible Assets	\$14,584,000
		Total Liabilities	\$6,429,448,000
		Shares Outstanding (Diluted Average)	54,196,000





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

[ServisFirst Bancshares Inc Valuation – Initial Coverage \\$SFBS](#)

Other
ModernGraham
posts about related
companies

[Cullen/Frost Bankers Inc Valuation – July 2018 \\$CFR](#)
[Signature Bank Valuation – July 2018 \\$SBNY](#)
[City Holding Co Valuation – July 2018 \\$CHCO](#)
[Southside Bancshares Inc Valuation – July 2018 \\$SBSI](#)
[Independent Bank Corp Valuation – July 2018 \\$INDB](#)
[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](#)