First Community Corporation (FCCO) — Neutral

FCCO Expanding to Rock Hill, SC

CONCLUSION

FCCO Expanding - This morning, FCCO announced that it has hired three veteran bankers from SSB that will mark the bank's expansion to Rock Hill, SC - a town just ~30 miles south of Charlotte, NC. This fits FCCO's strategy of focusing on tertiary markets that are benefiting from de-urbanization trends sparked by the pandemic as more people adopt WFH or hybrid work lifestyles. The team will initially operate an LPO, while there are plans to open a full service branch at some point in the future. We are impressed that FCCO was able to attract lenders from SSB, and this likely signals sizable books of business that can help accelerate loan growth and the bank's path to a more profitable balance sheet. Additionally, we believe this creates even more scarcity value for the FCCO franchise as it builds on its presence in some of SC's best markets.

COMPANY DESCRIPTION

First Community is a $1.5B-in-asset bank based in the Columbia, SC. MSA.

PRICE: US$20.44
TARGET: US$23.00
Our price target assumes the shares will trade at ~1.3x year-out TBVPS

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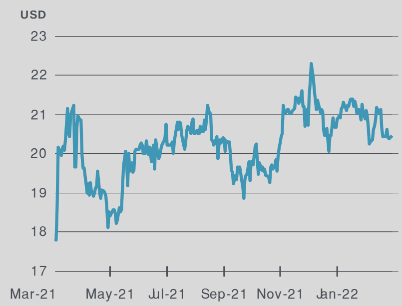
RISKS TO ACHIEVEMENT OF PT & RECOMMENDATION

Include higher-than-anticipated credit costs, a capital raise, and a longer recession.

Price Performance - 1 Year



Source: Bloomberg

IMPORTANT RESEARCH DISCLOSURES

Notes: The boxes on the Rating and Price Target History chart above indicate the date of the fundamental Equity Research Note, the rating and the price target. Each box represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first Note written during the past three years.

Legend:
I: Initiating Coverage
R: Resuming Coverage
T: Transferring Coverage
D: Discontinuing Coverage
S: Suspending Coverage
OW: Overweight
N: Neutral
UW: Underweight
NA: Not Available
UR: Under Review

Distribution of Ratings/IB Services
Piper Sandler

			IB Serv./Past 12 Mos.	
Rating	**Count**	**Percent**	**Count**	**Percent**
BUY [OW]	**699**	**68.20**	**298**	**42.63**
HOLD [N]	**321**	**31.32**	**61**	**19.00**
SELL [UW]	**5**	**0.49**	**0**	**0.00**

Note: Distribution of Ratings/IB Services shows the number of companies currently covered by fundamental equity research in each rating category from which Piper Sandler and its affiliates received compensation for investment banking services within the past 12 months. FINRA rules require disclosure of which ratings most closely correspond with "buy," "hold," and "sell" recommendations. Piper Sandler ratings are not the equivalent of buy, hold or sell, but instead represent recommended relative weightings. Nevertheless, Overweight corresponds most closely with buy, Neutral with hold and Underweight with sell. See Stock Rating definitions below.

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The views expressed in this report accurately reflect my personal views about the subject company and the subject security. In addition, no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.

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Neutral (N): Anticipated to perform in line relative to the median of the group of stocks covered by the analyst.

Underweight (UW): Anticipated to underperform relative to the median of the group of stocks covered by the analyst.

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