



Trinity Capital Inc. (TRIN)

Updated January 2nd, 2026 by Nikolaos Sismanis

Key Metrics

Current Price:	\$14.95	5 Year Annual Expected Total Return:	11.0%	Market Cap:	\$1.13 B
Fair Value Price:	\$14.95	5 Year Growth Estimate:	0.0%	Ex-Dividend Date:	01/15/2026
% Fair Value:	100%	5 Year Valuation Multiple Estimate:	0.0%	Dividend Payment Date:	01/30/2026
Dividend Yield:	13.6%	5 Year Price Target	\$14.95	Years Of Dividend Growth:	0
Dividend Risk Score:	F	Sector:	Financials	Rating:	Sell

Overview & Current Events

Trinity Capital is an internally managed BDC specializing on providing secured debt financing to venture-backed growth companies, mainly in the technology and life sciences ecosystems. As of its latest quarterly filings, it has investments in 97 portfolio companies, with the portfolio weighted toward Finance & Insurance (~15.8%), SaaS (~10.3%), Healthcare Services (~10.1%), Medical Devices (~9.9%), and Space Technology (~8.6%), among other industries. Investment-type-wise, the portfolio consisted of 76.6% loans, 14.5% equipment financings, and 8.9% equity and warrants. Last year, the BDC generated \$226.8 million in total interest and dividend income. Trinity Capital trades at a market cap of \$1.13 billion. Beginning 2026, the BDC pays dividends on a monthly basis.

On November 5th, 2025, Trinity Capital reported its Q3 results for the period ending September 30th, 2025. Investment income increased 22.3% year over year to \$75.6 million, driven by strong origination activity and continued demand across the company's direct lending and equipment financing platforms. The net increase in net assets resulting from operations was \$27.6 million, or \$0.39 per share, reflecting solid portfolio performance despite realized losses tied to select investment exits and conversions. NAV per share rose to \$13.31, up 31.9% year-over-year and modestly higher than \$13.27 at the end of the prior quarter. This was due to portfolio growth and accretive equity issuance. We believe the company has the potential to increase its assets per share by \$2.08 per annum under "normal conditions".

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
I/A/Share¹	---	---	---	---	---	(\$0.34)	\$4.64	(\$0.96)	\$1.89	\$2.10	\$2.08	\$2.08
DPS	---	---	---	---	---	---	\$1.26	\$1.73	\$1.94	\$2.04	\$2.04	\$2.04
NAV/share	---	---	---	---	---	\$13.03	\$16.40	\$13.15	\$13.19	\$13.35	\$13.31	\$13.31
Shares²	---	---	---	---	---	18.1	29.3	31.7	42.7	56.7	65.9	80.0

Trinity Capital has a very short history. The BDC measures its performance in increase or (decline) in assets, which on a per-share basis, has seen a rather volatile performance. The negative result in 2020 mainly reflected Trinity's first year as a public business development company and the harsh effects of COVID-19 on credit markets and portfolio valuations.

In contrast, 2021 produced an unusually strong increase in net assets per share, driven by a robust recovery in growth-stage company valuations, a large unrealized appreciation on equity and warrant positions, and higher net investment income following the company's IPO and balance-sheet expansion. Management recorded favorable exit activity and rising fair values across technology and life-science holdings as key contributors during this period.

Results were weaker in 2022, when net assets turned negative again due to rising interest rates, public-market multiple compression, and broad valuation markdowns across venture and growth equity. These pressures reduced the fair value of Trinity's equity and warrant investments despite stable credit performance. Nevertheless, conditions were better in 2023 and 2024, as higher base rates materially increased interest income on Trinity's predominantly floating-rate loan portfolio, while credit quality remained resilient, boosting results.

¹ Increase (or Decline) In Assets per Share

² Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Considering the volatile nature of Trinity's reporting, the fact that the company is very young, and the natural headwind to NAV resulting from its high-yield dividend (outflow), we don't forecast any growth in IIA/share from our power estimate over the medium-term. Regarding the dividend, Trinity raised it between 2021 and 2024. However, hikes were paused in 2025. Beginning 2026, dividend payments occur monthly.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/NAV	---	---	---	---	---	---	1.0	---	1.0	1.1	1.1	1.1
Avg. Yld.	---	---	---	---	---	---	7.9%	11.8%	14.5%	14.1%	13.6%	13.6%

Because of how volatile Trinity's IIA/share can be, it's better to value the company based on its underlying multiple on NAV. Throughout its short history, Trinity has traded close to its NAV. Today, it trades at about 1.1x NAV. We believe the BDC can sustain a modest premium to its NAV as investors are potentially attracted to its sizable yield.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	---	---	---	---	---	---	27%	---	103%	97%	98%	98%

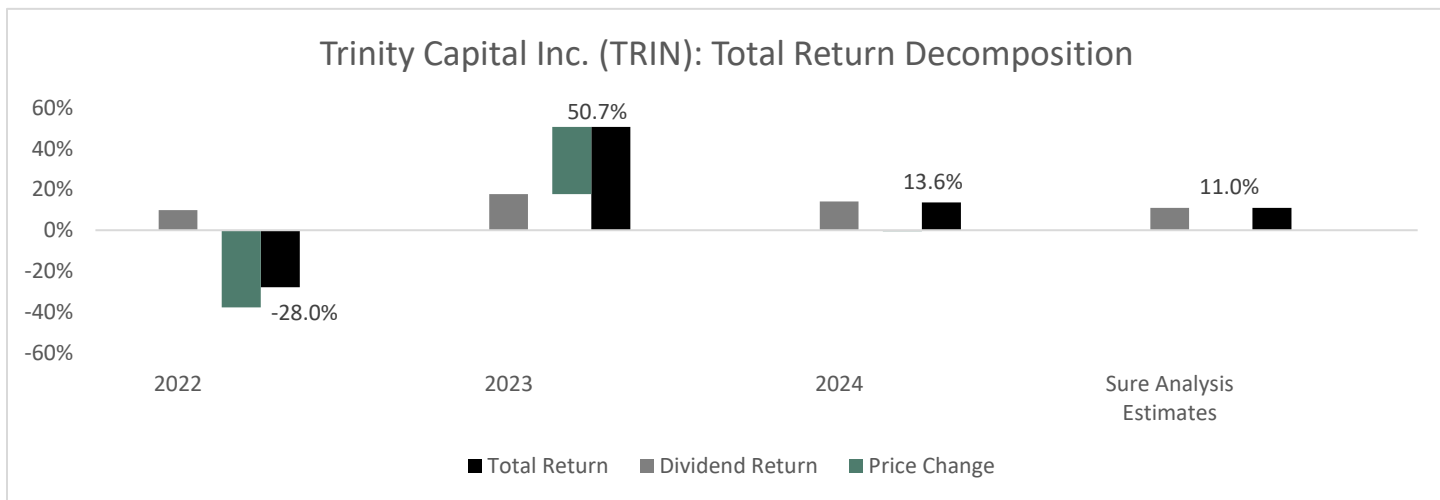
Trinity Capital benefits from an internally managed structure and a portfolio centered on senior secured loans, which supports earnings efficiency and contractual income. That said, the company's public history is short and has not been tested through a full credit cycle. Its focus on venture-backed, growth-stage borrowers introduces inherent volatility, as asset values and performance are closely tied to capital market conditions and investor risk appetite.

Moreover, Trinity does not appear to have a durable competitive advantage. While sourcing relationships and the use of warrants and exit fees offer modest differentiation, these features are a commodity in venture lending and offer limited insulation from competition. In a recession, reduced venture funding, lower portfolio valuations, and higher credit stress could materially pressure both NAV and earnings, making results meaningfully sensitive to economic downturns.

Final Thoughts & Recommendation

Trinity Capital Inc. offers a high-yield, monthly dividend, but that income comes with elevated risk due to its short history, venture-backed borrower exposure, and sensitivity to economic downturns. We forecast annualized returns of 11% over the medium term, to be powered exclusively by the starting dividend yield. However, we rate the stock a sell due to the pause in consistent dividend increases.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue						46	95	178	154	228
Gross Profit						46	95	178	154	228
Gross Margin						99.9%	100%	100%	100%	100%
SG&A Exp.						-	-	-	-	-
D&A Exp.						0				
Operating Profit						26	153	4	121	178
Operating Margin						56.6%	161%	2.1%	78.8%	77.7%
Net Profit						(6)	132	(30)	77	116
Net Margin						-13.4%	139%	-17.0%	50.0%	50.6%
Free Cash Flow						20	23	55	62	94
Income Tax						-	-	-	-	-

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets						560	937	1,126	1,311	1,774
Cash & Equivalents						61	47	11	5	10
Accounts Receivable										
Inventories						-	-	-	-	-
Goodwill & Int. Ass.						-	-	-	-	-
Total Liabilities						321	491	667	700	951
Accounts Payable										
Long-Term Debt						300	458	613	646	883
Shareholder's Equity						239	447	460	611	823
D/E Ratio						1.26	1.03	1.33	1.06	1.08

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets						-2.2%	17.7%	-2.9%	6.3%	7.5%
Return on Equity						-5.1%	38.6%	-6.7%	14.4%	16.1%
ROIC						-2.3%	18.3%	-3.1%	6.6%	7.8%
Shares Out.						18.1	29.3	31.7	42.7	56.7
Revenue/Share						1.72	3.49	5.63	3.60	4.03
FCF/Share						0.77	0.83	1.73	1.45	1.65

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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