



# AGNC Investment Corporation (AGNC)

Updated March 2<sup>nd</sup>, 2026 by Samuel Smith

## Key Metrics

<b>Current Price:</b>	\$11.4	<b>5 Year CAGR Estimate:</b>	5.3%	<b>Market Cap:</b>	\$12.4 B
<b>Fair Value Price:</b>	\$7.6	<b>5 Year Growth Estimate:</b>	-0.1%	<b>Ex-Dividend Date:</b>	3/27/26 <sup>1</sup>
<b>% Fair Value:</b>	151%	<b>5 Year Valuation Multiple Estimate:</b>	-7.9%	<b>Dividend Payment Date:</b>	4/10/26 <sup>2</sup>
<b>Dividend Yield:</b>	12.7%	<b>5 Year Price Target</b>	\$7.5	<b>Years Of Dividend Growth:</b>	0
<b>Dividend Risk Score:</b>	F	<b>Sector:</b>	Real Estate	<b>Rating:</b>	Sell

## Overview & Current Events

AGNC Investment Corp. (AGNC) is a leading mortgage real estate investment trust (REIT) incorporated in 2008 and headquartered in Bethesda, Maryland. The company invests primarily in residential mortgage pass-through securities and collateralized mortgage obligations (CMOs) guaranteed by U.S. government-sponsored enterprises, including Fannie Mae, Freddie Mac, and Ginnie Mae. AGNC funds its portfolio primarily through collateralized borrowings structured as repurchase agreements, operating with leveraged exposure to agency mortgage-backed securities. The company's asset portfolio totals approximately \$94.8 billion and generates revenue primarily through net interest income. AGNC pays a monthly dividend and is managed by AGNC Management, LLC.

On January 26, 2026, AGNC Investment Corp. reported its fourth quarter 2025 financial results. The company delivered robust profitability, with comprehensive income of \$0.89 per share and net income of \$0.83 per share, supported by \$0.35 per share of net spread and dollar roll income and a tangible book value of \$8.88 per share that reflected effective capital management and favorable market marks. A quarterly economic return on tangible common equity of 11.6 percent capped an exceptional full-year economic return of 22.7 percent and total stock return of 34.8 percent, handily outperforming the broader market and underscoring the success of AGNC's positioning in 2025. The asset portfolio expanded to \$94.8 billion and remained supported by strong liquidity, which provides flexibility to navigate funding markets and opportunistically add assets. On the risk side, the company's strategy remains highly exposed to interest rate volatility and Agency MBS spread movements, and sustaining low to mid-teens risk-adjusted return opportunities will depend on continued supportive spread and funding conditions that can shift quickly if macro or Fed policy expectations change. Even so, management's constructive view of the current environment, combined with the scale of the portfolio and recent performance, suggests confidence in the ability to continue generating attractive returns while actively managing balance sheet and market risks.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	\$1.79	\$2.04	\$0.21	\$2.26	\$2.70	\$3.02	\$3.11	\$2.61	\$1.88	\$1.50	<b>\$1.51</b>	<b>\$1.50</b>
<b>DPS</b>	\$2.30	\$2.16	\$2.16	\$2.16	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	<b>\$1.44</b>	<b>\$1.44</b>
<b>Shares<sup>3</sup></b>	331	358	441	546	538	522	575	695.0	900.4	1,073	<b>1,073</b>	<b>1,200</b>

Due to AGNC's heavily leveraged business model and its high sensitivity to interest rates, its results have been very choppy over the years. In addition, interest rates have risen considerably. Over the long term, we think the hefty dividend payout and the volatile nature of the business model will restrict earnings per share growth to a low number. We also believe that dividend growth will be nonexistent for the foreseeable future.

<sup>1</sup> Estimate

<sup>2</sup> Estimate

<sup>3</sup> Share count 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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## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
<b>Avg. P/E</b>	10.1	9.9	83.6	7.5	5.5	5.4	3.1	3.6	4.4	6.7	<b>7.5</b>	<b>5.0</b>
<b>Avg. Yld.</b>	12.7%	10.7%	12.3%	12.7%	9.7%	8.8%	14.9%	15.3%	17.4%	14.3%	<b>12.7%</b>	<b>19.2%</b>

AGNC is currently trading at 7.5 times its projected 2026 earnings, and we see this as meaningfully overvalued based on its longer-term P/E averages. As a result, we expect valuation multiple contraction over the next half-decade. The dividend yield is uncertain moving forward as the company has a history of cutting its dividend during times of uncertainty. However, our current estimate implies a yield that is near historical averages.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

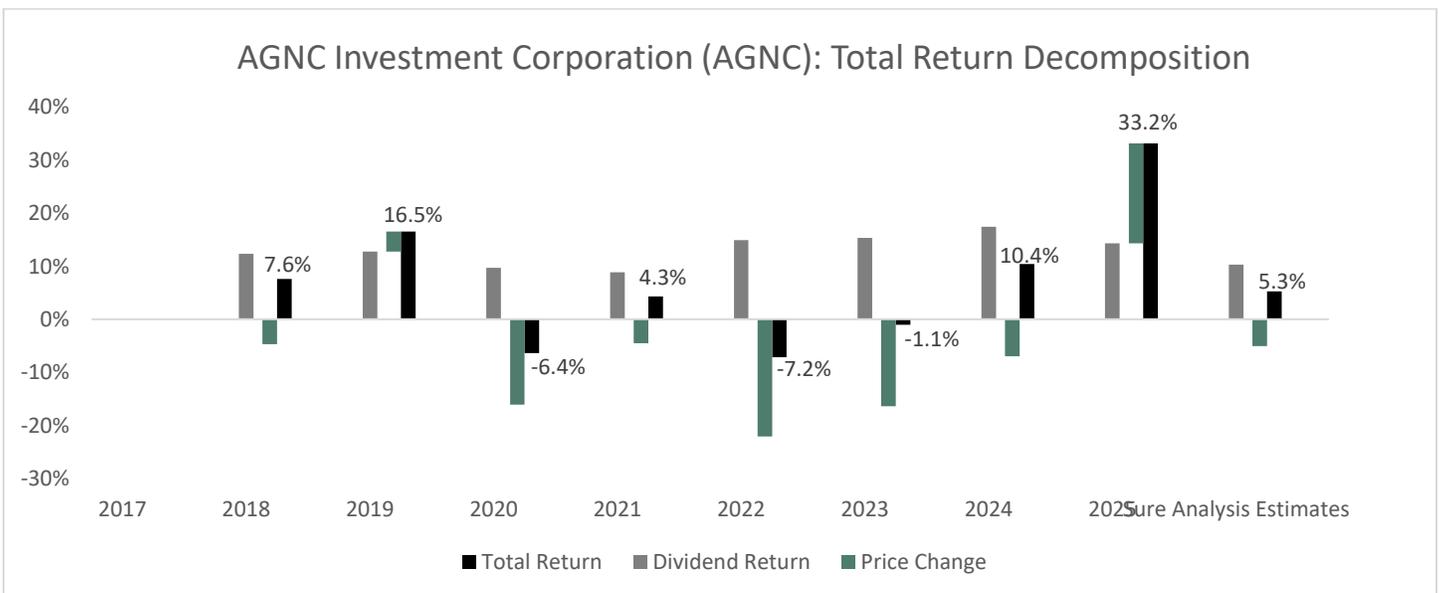
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>Payout</b>	128%	106%	1029%	96%	53%	48%	46%	55%	77%	96%	<b>95%</b>	<b>96%</b>

Given that it had its IPO in 2008 – in the midst of the financial crisis – it is hard to get an accurate picture of exactly how it can be expected to perform during this recession. However, the mortgage-backed security industry – given its leverage and interest rate sensitivity – is very prone to underperform when the housing market experiences a downturn and mortgage foreclosures rise. As a result, it should not be viewed as a safe, defensive stock. That being said, its record thus far has been fairly strong, with industry-leading total economic return (NAV-based) and total stock return (share price-based).

This outperformance has been driven by its highly efficient operating cost structure and the competitive advantage that it enjoys through economies of scale as one of the largest residential mortgage REITs. The trust also strives to guard against downside and enhance shareholder total returns by utilizing a comprehensive risk management framework that is predicated on careful asset selection, disciplined hedging, and diversified funding.

## Final Thoughts & Recommendation

AGNC offers investors an attractive current dividend yield of 12.7%, though it is expected to see weak earnings per share growth and a compressing valuation multiple. On top of that, it has little to no potential for growing its dividend moving forward and has no dividend growth streak at present either. As a result, while we expect attractive 5.3% annualized total returns over the next half-decade, we still rate it a Sell.



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## Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	(11)	1,591	1,920	1,082	341	2,414	3,304	1,006	4,876	1,910
D&A Exp.	2	3	25	-	-					
Net Profit	623	771	129	688	(266)	749	(1,190)	155	863	1,670
Net Margin	---	48.5%	6.7%	63.6%	-78.0%	31.0%	-36.0%	15.4%	17.7%	87.4%
Net Margin	1,352	1,260	1,113	1,180	1,747	1,540	1,013	(118)	86	653

## Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	56,880	70,376	109,241	113,082	81,817	68,149	51,748	71,596	88,015	115,077
Cash & Equiv.	1,282	1,363	1,520	1,282	2,324	1,525	2,334	1,771	1,771	1,742
Goodwill & Int.	554	551	526	526	526	526	526	526	526	526
Total Liabilities	49,524	61,622	99,335	102,041	70,738	57,858	43,878	63,339	78,253	102,684
Long-Term Debt	8,825	4,882	3,100	2,650	177	126	95	80	64	56
Total Equity	7,020	8,270	9,422	10,109	9,590	8,802	6,236	6,623	8,128	10,425
LTD/E Ratio	6.66	6.98	9.83	8.96	5.80	5.56	5.45	7.44	7.94	8.21

## Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.1%	1.2%	0.1%	0.6%	-0.3%	1.0%	-2.0%	0.3%	1.1%	1.6%
Return on Equity	8.1%	9.6%	1.4%	6.6%	-2.4%	7.0%	-13.1%	1.9%	9.6%	15.1%
ROIC	1.1%	1.2%	0.1%	0.6%	-0.3%	1.0%	-2.0%	0.3%	1.1%	1.7%
Shares Out.	331	358	441	546	538	522	575	695.0	900.4	1,073
Revenue/Share	(0.03)	4.44	4.35	2.00	0.62	4.55	6.15	1.62	6.20	1.87
FCF/Share	4.07	3.51	2.52	2.18	3.17	2.91	1.89	(0.19)	0.11	0.64

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

### Disclaimer

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