



CIION Investment Corporation (CIION)

Updated March 21st, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	\$6.68	5 Year Annual Expected Total Return:	18.7%	Market Cap:	\$337 M
Fair Value Price:	\$12.23	5 Year Growth Estimate:	-5.0%	Ex-Dividend Date:	04/10/2026
% Fair Value:	54%	5 Year Valuation Multiple Estimate:	13.1%	Dividend Payment Date:	04/24/2026
Dividend Yield:	21.6%	5 Year Price Target	\$9.58	Years Of Dividend Growth:	5
Dividend Risk Score:	F	Sector:	Financials	Rating:	Hold

Overview & Current Events

CIION Investment Corporation is an externally managed U.S. business development company focused on originating and holding senior secured loans to U.S. middle-market companies, with an emphasis on capital preservation and current income. Gemini said As of the end of 2025, CIION had investments in 89 portfolio companies, with a diversified credit portfolio concentrated at the top of the capital structure. By industry exposure, the largest allocations were to Business Services (14.7%), Healthcare & Pharmaceuticals (11.3%), Retail (11.0%), Oil & Gas (8.6%), and Diversified & Production (7.2%), with the remaining 47.2% spread across industries each representing less than 6.2% of the portfolio. The investment mix remains conservative, with 80.8% in senior secured first-lien debt. CIION generated \$240.8 million in total investment income last year. It now trades with a market cap of \$337 million.

On March 12th, 2026, CIION Investment Corporation reported its Q4 results for the period ending December 31st, 2025. Total investment income decreased 31.6% quarter over quarter to \$53.8 million, driven by lower interest income from investment restructurings and reduced transaction and origination fee activity. Net investment income fell to \$0.35 per share, representing a 52.7% decrease from \$0.74 per share in the prior quarter, reflecting a normalization of portfolio earnings and fee generation. Net asset value decreased 7.4% quarter over quarter to \$13.76 per share, down from \$14.86, as the company narrowly trailed its distribution by \$0.01 per share amid significant unrealized mark-to-market losses in its equity portfolio. For FY 2026, we expect NII/share of \$1.76.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
NII/Share	---	\$1.42	\$1.61	\$1.54	\$1.39	\$1.31	\$1.56	\$1.92	\$1.79	\$1.78	\$1.76	\$1.59
DPS	\$1.46	\$1.46	\$1.46	\$1.49	\$0.81	\$1.06	\$1.18	\$1.36	\$1.42	\$1.44	\$1.44	\$1.30
NAV/Share	---	\$18.28	\$17.38	\$16.80	\$15.50	\$16.34	\$15.98	\$16.23	\$15.43	\$13.76	\$13.76	\$12.44
Shares	53.0	56.1	57.1	56.9	56.8	56.8	56.6	54.7	53.6	51.4	51.4	70.0

Prior to going public in 2021, CIION operated as a private BDC, and the 2017–2020 NII/share figures reflect a stable credit environment and consistent income generation from a predominantly middle-market lending portfolio. These years benefited from benign credit conditions and steady leverage, though transparency and comparability were more limited given the private structure. In 2021, CIION's first year as a public company, NII per share declined modestly to \$1.39, reflecting a combination of IPO-related expenses, portfolio repositioning, and conservative leverage as management adjusted to public-market constraints and regulatory capital requirements.

In 2022, NII/share softened as higher financing costs and cautious deployment weighed on earnings during a volatile macro backdrop. However, results improved meaningfully in 2023 and 2024, with NII per share rising to \$1.56 and \$1.92, respectively, driven by higher base interest rates on a largely floating-rate loan portfolio, improved capital deployment, and more efficient leverage utilization. In 2025, NII per share moderated to \$1.81 as unusually strong one-time gains were offset by normalization in investment activity and higher mark-to-market volatility.

We have embedded a negative 5% growth rate in NII/share, the dividend, and NAV/share. This is because of the rather consistent decline in NAV itself which is likely to drag the other two variables down over the medium-term. Specifically,

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NAV has declined over the years mainly due to unrealized valuation pressure from higher interest rates and wider credit spreads, which reduced the fair value of portfolio loans even when credit performance remained stable. That would be just a periodic fluke. However, NAV erosion has been compounded by high dividend payouts and periodic share issuance near or below NAV, limiting retained earnings and causing continued erosion over time. The company transitioned to monthly base distributions beginning in 2026

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/NAV	---	---	---	---	---	0.7	0.7	0.7	0.8	0.7	0.5	0.9
Avg. Yld.	---	---	---	---	---	7.9%	11.8%	14.5%	14.1%	14.2%	21.6%	11.6%

Because of CION's persistent NAV pressure and limited long-term NAV growth, the stock has historically traded at a discount to NAV, reflecting that investors already price in ongoing valuation volatility, share dilution, and the likelihood that future earnings may not translate into sustained NAV preservation or growth. Of course, this translates to a huge dividend yield, which is going to be the main driver of future returns moving forward, albeit we don't trust it.

Safety, Quality, Competitive Advantage, & Recession Resiliency

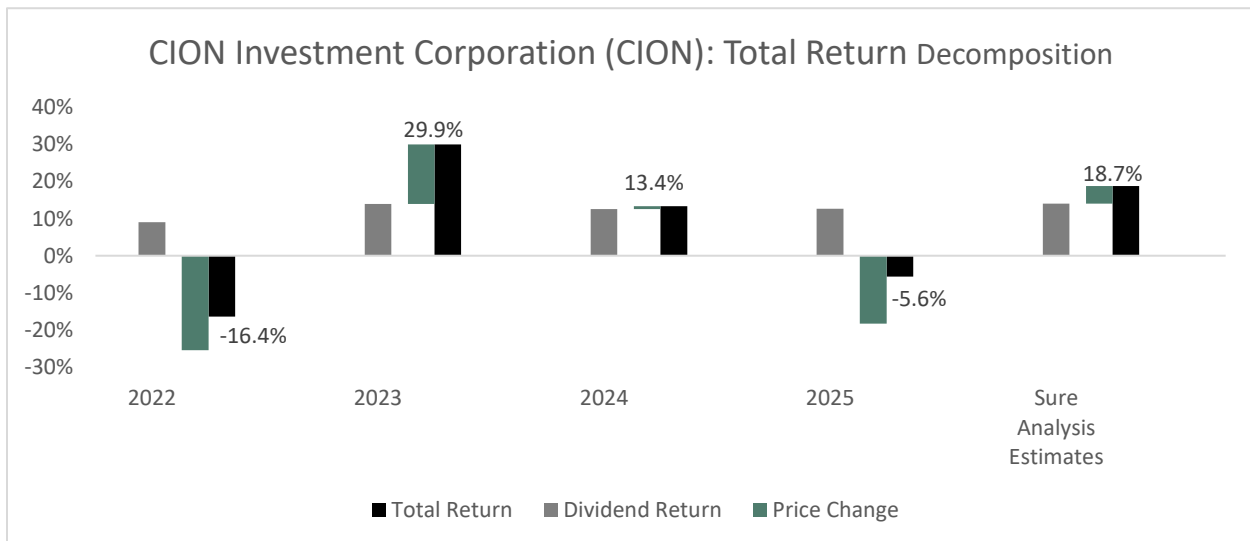
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	103%	91%	97%	58%	81%	76%	71%	79%	81%	82%	82%

CION has a typical middle-market BDC quality profile, with senior secured lending backing income but limited protection against valuation pressure, as evidenced by persistent NAV erosion. The externally managed structure further constrains long-term value creation through ongoing fee drag. Moreover, CION lacks a durable competitive advantage in a crowded direct-lending market, and in a recession its leveraged, economically sensitive borrowers and use of leverage could lead to higher credit losses and additional NAV pressure, reducing overall resiliency.

Final Thoughts & Recommendation

CION offers attractive income, but investors should view the yield as compensation for ongoing NAV pressure, limited competitive advantages, and heightened sensitivity to economic downturns. We forecast annualized returns of 18.7% through 2031, to be powered by the dividend yield, offset by NAV erosion and potential dividend cuts. We rate the stock a speculative hold only due to its recent track record of 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	85	111	126	183	176	94	158	162	219	224
Gross Profit	70	90	91	137	117	52	117	113	165	171
Gross Margin	82.5%	80.3%	72.3%	74.9%	66.4%	55.4%	74.0%	69.5%	75.3%	76.4%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	-	-	-	-	-	-	-	-	-	-
Operating Profit	(1)	123	109	77	102	26	151	100	181	131
Operating Margin	-1.7%	110.6%	86.4%	42.1%	57.6%	27.5%	95.4%	61.8%	82.5%	58.4%
Net Profit	(1)	120	86	31	52	(11)	119	50	95	34
Net Margin	-1.7%	107.4%	68.2%	17.2%	29.4%	-11.7%	75.1%	30.9%	43.5%	15.1%
Free Cash Flow	(40)	83	195	76	38	59	57	39	55	21
Income Tax	-	-	-	-	-	-	0	0	(0)	0

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	956	1,261	1,816	1,906	1,810	1,615	1,783	1,872	2,002	1,946
Cash & Equivalents	61	231	263	30	36	94	92	94	122	76
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Goodwill & Int. Ass.	-	-	-	-	-	-	-	-	-	-
Total Liabilities	51	261	757	927	858	737	852	989	1,122	1,125
Accounts Payable	-	-	-	-	-	-	-	-	-	-
Long-Term Debt	-	221	705	893	837	720	822	951	1,082	1,099
Shareholder's Equity	904	1,000	1,059	979	953	878	931	884	880	821
LTD/E Ratio	-	0.22	0.67	0.91	0.88	0.82	0.88	1.08	1.23	1.34

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	-0.2%	10.8%	5.6%	1.7%	2.8%	-0.6%	7.0%	2.7%	4.9%	1.7%
Return on Equity	-0.2%	12.6%	8.3%	3.1%	5.4%	-1.2%	13.1%	5.5%	10.8%	4.0%
ROIC	-0.2%	11.3%	5.8%	1.7%	2.8%	-0.7%	7.1%	2.8%	5.0%	1.7%
Shares Out.	39.3	53.0	56.1	57.1	56.9	56.8	56.8	56.6	54.7	53.6
Revenue/Share	2.16	2.10	2.25	3.20	3.10	1.65	2.78	2.87	4.01	4.18
FCF/Share	(1.01)	1.56	3.47	1.33	0.67	1.04	1.01	0.69	1.01	0.39

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

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