Fidus Investment Corporation (FDUS)

Updated March 10th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$18.28	**5 Year Annual Expected Total Return:**	7.8%	**Market Cap:**	$678 M
Fair Value Price:	$18.00	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	03/20/2026
% Fair Value:	102%	**5 Year Valuation Multiple Estimate:**	-0.3%	**Dividend Payment Date:**	03/30/2026
Dividend Yield:	9.4%	**5 Year Price Target**	$18.00	**Years Of Dividend Growth:**	0
Dividend Risk Score:	F	**Sector:**	Financials	**Rating:**	Sell

Overview & Current Events

Fidus Investment Corporation is an externally managed business development company (BDC), aiming to provide customized debt and equity financing solutions to lower middle-market companies. Its investment criteria comprise cash-flow-positive businesses generating predictable revenues in the range of $10-$150 million annually and at defensible and/or leading positions in their respective markets. Fidus Investments generates around $95 million annually in total investment income and is based in Evanston, Illinois.

On February 26th, 2026, Fidus Investment Corp. posted its Q4 and full-year results for the period ending December 31st, 2025. For the quarter, the company achieved a total investment income of $42.2 million, up 12.5% year-over-year. The $4.7 million increase in total investment income was mainly attributable to: (i) a $2.3 million increase in total interest income (including a $0.9 million increase in PIK interest) due to higher average debt investment balances, despite a decrease in weighted average yield. (ii) a $0.1 million increase in dividend income from increased equity investment distributions. (iii) a $1.8 million increase in fee income primarily from higher origination fees. (iv) a $0.5 million increase in interest on idle funds due to higher average cash balances.

For the quarter, adjusted NII per share, which excludes the capital gains incentive fee accrual, was $0.52, compared to $0.54 in Q4 2024. The portfolio now consists of 97 active companies with a weighted average debt yield of 12.6% as of December 31st, 2025.

Based on Fidus' current portfolio composition and recent performance trajectory, we maintain our forecast that Fidus will achieve a NII/share of close to $2.00 this year. The company declared a base dividend of $0.43 per share (in-line with its prior base dividend) and also declared a supplemental dividend of $0.09. However, due to completing a year without raising its base dividend, we have reset Fidus' dividend growth track record back to 0.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
NII	$1.45	$1.44	$1.43	$1.31	$1.62	$1.03	$1.90	$2.47	$2.29	$2.08	***$2.00***	***$2.00***
DPS	$1.60	$1.60	$1.60	$1.60	$1.33	$1.60	$1.83	$2.88	$2.42	$2.15	***$1.72***	***$1.72***
Shares[1]	18.3	23.5	24.5	24.5	24.4	24.4	24.5	26.4	32.6	35.5	***35.5***	***40.0***

Fidus consistently maintains stable net investment income by sustaining a yield spread between its investment yield and debt costs. Despite occasional instances of dividends exceeding gains, resulting in reduced NAV/share year-over-year, overall NAV/share has grown from $14.46 at IPO (2011) to $19.55. In 2020, Fidus temporarily reduced its quarterly dividend from $0.39 to $0.30 before gradually restoring it to $0.43 today, implying an annualized rate of $1.72. Additionally, it pays supplemental and special dividends, totaling $0.27 in 2021, $0.56 in 2022, $1.20 in 2023, $0.70 in 2024, and $0.43 in 2025. While higher interest rates benefit the company, we anticipate no growth in NII/share due to potential mid-term headwinds from a high-income base.

[1] 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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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	8.9	11.4	11.2	10.0	11.7	5.6	17.0	7.0	8.6	9.9	***9.1***	***9.0***
Avg. Yld.	10.9%	9.7%	9.9%	11.2%	10.5%	14.8%	9.0%	16.8%	12.3%	10.5%	***9.4%***	***9.6%***

Fidus' valuation has been in line with its industry peers, hovering in the high single to low double-digits. We believe the stock is more or less fairly valued today. The dividend yield has surged in recent due to high special dividends. It will certainly be much higher this year as well given the continued special dividends, which are excluded from our estimates.

Safety, Quality, Competitive Advantage, & Recession Resiliency

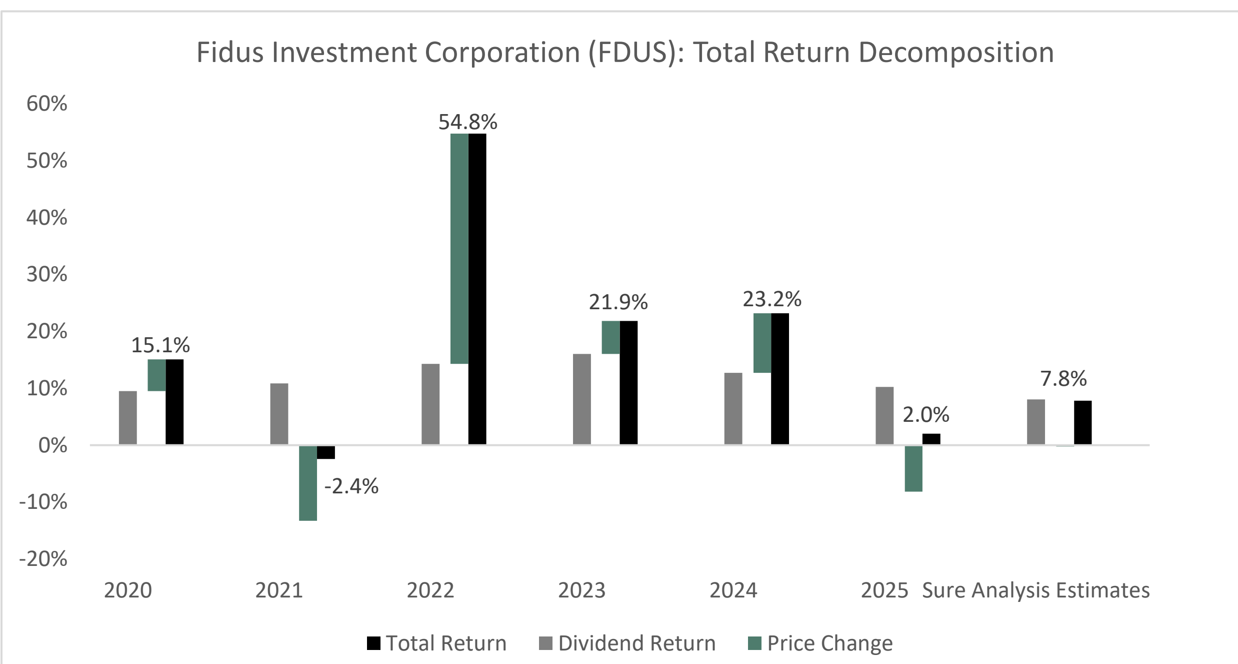
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	110%	111%	112%	122%	82%	155%	96%	117%	106%	103%	***86%***	***86%***

Fidus' dividend could be considered rather reliable, with the company generally maintaining high levels of payouts. While management temporarily slashed it during 2020 to be prudent, it has gradually grown it higher than its pre-COVID-19 levels. That being said, a prolonged recession could result in weaker results, in which case if Fidus over distributes again, it could easily lead to NAV/share losses. The company's portfolio is well-diversified, with exposure in defensive industries as well as technology, which is likely to generate above-average investment yields. Its first and second Lien debt structures should prioritize repayments in a potential bankruptcy in one of its investments. Still, the company has not been tested under a prolonged recession. Fidus does not hold any significant competitive advantage other than its ability to retain low financing costs, a major quality in its industry.

Final Thoughts & Recommendation

Overall, Fidus has performed relatively well since its IPO, having paid out hefty dividends while growing its NAV/share at the same time. We expect annualized returns of 7.8% through 2031 to be primarily driven by the dividend, offset by the possibility of a soft valuation headwind. This figure excludes special dividends, which Fidus has paid consistently. Thus, our total return estimate could be higher. Still, we rate FDUS as a sell due to the lack of dividend growth lately.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	30.3	46.2	51.6	56.6	55.4	39.7	129.5	55	88	91
SG&A Exp.	3.9	4.0	4.1	4.3	4.4	5.2	4.5	5.4	6.3	6.8
Net Profit	26.0	41.6	44.0	49.5	48.5	31.2	116.1	35.8	77	78
Net Margin	85.8%	90.0%	85.2%	87.4%	87.5%	78.7%	89.7%	65.1%	87.5%	85.7%
Free Cash Flow	-19.5	-33.6	-28.2	8.1	-68.7	56.0	167.9	(106)	(29)	(55)
Income Tax	0.4	0.6	2.4	1.5	0.6	1.4	2.6	12	2.7	3.9

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	480.7	586.7	646.3	693.9	789.4	875.7	897.2	936	1091	1164
Cash & Equivalents	31.7	57.1	41.6	42.0	15.0	124.3	169.4	62	119	57
Total Liabilities	233.3	233.0	253.0	290.9	377.1	465.0	409.4	456	501	508
Accounts Payable	3.0	3.6	2.9	3.0	3.9	4.0	5.3	5.5	6.7	5.8
Long-Term Debt	224.1	219.4	237.8	271.5	354.6	443.3	366.0	410	467	475
Shareholder's Equity	247.4	353.8	393.3	403.0	412.3	410.8	487.8	480	589	656
LTD/E Ratio	0.9	0.6	0.6	0.7	0.9	1.1	0.8	0.85	0.79	0.72

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	5.7%	7.8%	7.1%	7.4%	6.5%	3.8%	13.1%	3.9%	7.6%	6.9%
Return on Equity	10.6%	13.8%	11.8%	12.4%	11.9%	7.6%	25.8%	7.4%	14.4%	12.6%
ROIC	5.8%	8.0%	7.3%	7.6%	6.7%	3.9%	13.6%	4.1%	7.9%	7.2%
Shares Out.	16.2	18.3	23.5	24.5	24.5	24.4	24.4	24.5	26.4	32.6
Revenue/Share	1.87	2.53	2.19	2.31	2.26	1.62	5.3	2.25	3.34	2.81
FCF/Share	-1.20	-1.84	-1.20	0.33	-2.81	2.29	6.87	(4.31)	(1.12)	(1.70)

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

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