



## MVC Capital Announces First Quarter 2019 Results

March 11, 2019

PURCHASE, N.Y., March 11, 2019 (GLOBE NEWSWIRE) -- MVC Capital, Inc. (NYSE:MVC) (the Company), a publicly traded business development company (BDC) that makes private debt and equity investments, announced its financial results for the fiscal first quarter ended January 31, 2019.

### Financial Results

For the first quarter of fiscal 2019, the Company earned interest income of \$5.4 million and dividend and fee income of \$1.1 million, compared to \$4.3 million and \$0.9 million, respectively, for the same quarter of fiscal 2018.

The Company reported total operating income of \$6.4 million for the first quarter of fiscal 2019, compared to \$5.1 million for the first quarter of fiscal 2018. The Company reported net operating income of \$1.4 million for the first quarter of fiscal 2019, compared to a net operating loss of \$2.5 million for the same quarter in fiscal 2018.

As of January 31, 2019, the Company's net assets were \$216.9 million or \$12.24 per share, compared to \$226.7 million or \$12.46 per share at the end of the prior fiscal quarter.

As of January 31, 2019, MVC had investments in portfolio companies totaling \$316.2 million and cash and cash equivalents of \$16.2 million, including \$12.0 million in restricted cash.

At January 31, 2019, there were \$25 million of outstanding borrowings under MVC's revolving credit facility with Branch Banking and Trust Company ("BB&T") and there were \$4.0 million of outstanding borrowings under its new credit facility with People's United Bank, National Association ("People's").

### Key Financial Metrics

(Unaudited)(\$ in thousands, except per share data)	Quarter Ended				
	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Total operating income	6,441	5,888	6,151	5,440	5,147
Management fee	1,513	1,496	1,487	1,496	1,411
Portfolio fees - asset management	96	122	112	148	147
Management fee - asset management	71	81	70	66	67
Administrative	1,434	843	1,010	796	1,235
Interest, fees and other borrowing costs	2,484	2,238	2,403	2,981	3,117
Loss on extinguishment of debt	-	-	-	-	1,783
Net Incentive compensation	-	-	(1,316)	(1,012)	267
Total waiver by adviser	(604)	(598)	(595)	(599)	(390)
Tax expense	-	1	-	1	-
Net operating income (loss) before net realized and unrealized gains	1,447	1,705	2,980	1,563	(2,490)
Net (decrease) increase in net assets resulting from operations	(3,053)	(2,220)	(5,870)	(3,393)	950
Net (decrease) increase in net assets resulting from operations per share	(0.17)	(0.10)	(0.32)	(0.18)	0.05
Net asset value per share	12.24	12.46	12.62	13.09	13.42

### Operational Update & Portfolio Activity

- NAV was \$12.24 per share as of January 31, 2019, compared to \$12.46 per share as of October 31, 2018.
- Total operating income increased to \$6.4 million for the quarter ending January 31, 2019, a 25% increase over the same quarter of fiscal 2018.
- The Company made one new investment totaling \$1.9 million and one follow-on investment totaling \$2.0 million during the first fiscal quarter. The new investment was made in GTM Intermediate Holdings, Inc. and the follow-on investment was made in Custom Alloy Corporation.
- Received proceeds from the MVC Private Equity Fund L.P. ("PE Fund") related to the sale of Plymouth Rock Energy, LLC, a portfolio company of the PE Fund.
- During the quarter, 467,686 shares of its common stock were repurchased at an average price per share of \$8.70, including commissions, completing the Company's \$10 million share repurchase program initiated during the fourth quarter of 2018.
- On January 29, 2019, the Company entered into a favorable three-year, \$35 million revolving credit facility with People's, which can be increased up to \$85 million under certain conditions. Borrowings under the facility bear interest of LIBOR

plus 2.85% or the prime rate plus 0.5%, at MVC's discretion.

## Dividends

On December 21, 2018, the Company's Board of Directors declared a dividend of \$0.15 per share, which was paid on January 9, 2019 to shareholders of record on January 2, 2019.

Since implementing its dividend policy in July of 2005, the Company has paid fifty-five consecutive quarterly dividends. Through January 31, 2019, dividends paid total approximately \$7.44 per share and total distributions and share repurchases (including tender offers) have surpassed \$272 million.

## Subsequent Events

On February 7, 2019, Vistra Energy and Crius announced a definitive agreement pursuant to which Vistra Energy will acquire Crius for cash consideration of CAN\$7.57 per trust unit (the "Crius Transaction"). On February 20, 2019, Vistra Energy agreed to increase its acquisition price for Crius to CAN\$8.80 per trust unit. Using the January 31, 2019 foreign exchange rate, the Company's equity units in Crius would be valued at approximately \$22.0 million USD if the transaction is consummated at CAN\$8.80 per trust unit. This is approximately an \$8.8 million USD increase in the value of the Company's Crius trust units at January 31, 2019.

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## About MVC Capital, Inc.

MVC Capital (MVC) is a business development company traded on the New York Stock Exchange that provides long-term debt and equity investment capital to fund growth, acquisitions and recapitalizations of companies in a variety of industries. For additional information about MVC, please visit MVC's website at [www.mvccapital.com](http://www.mvccapital.com).

## Safe Harbor Statement and Other Disclosures

*These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results and conditions to differ materially from those projected in these forward-looking statements, including, among other things: whether the Crius Transaction will be consummated and the amount of the actual price per share ultimately to be paid at closing; MVC Capital's ability to deliver value to shareholders and execute its yield investment strategy; the ability to pay and grow shareholder distributions; the ability to maintain expenses; the ability to improve net operating income; the performance of MVC Capital's investments, including, portfolio companies in which the Company invested this past quarter; and changes in economic or financial market conditions and other factors that are enumerated in the Company's periodic filings with the Securities and Exchange Commission. MVC Capital disclaims and does not undertake any obligation to update or revise any forward-looking statement in this press release.*

*The press release contains unaudited financial results. For ease of review, we have excluded the word "approximately" when rounding the results.*

*There can be no assurance that future dividend payments will match or exceed historic ones, or that they will be made at all. This press release is for informational purposes only and is not an offer to purchase or a solicitation of an offer to sell shares of MVC's common stock. There can be no assurance that MVC will achieve its investment objective.*

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Source: MVC Capital, Inc.