



## MVC Capital Announces Third Quarter 2019 Results

September 9, 2019

PURCHASE, N.Y., Sept. 09, 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 third quarter ended July 31, 2019.

### Financial Results

For the third quarter of fiscal 2019, the Company earned interest income of \$7.2 million and dividend and fee income of \$0.3 million, compared to \$5.3 million and \$0.8 million, respectively, for the same quarter of fiscal 2018.

The Company reported total operating income of \$7.5 million for the third quarter of fiscal 2019, compared to \$6.2 million for the third quarter of fiscal 2018. The Company reported net operating income of \$2.8 million for the third quarter of fiscal 2019, compared to \$3.0 million for the same quarter of fiscal 2018.

As of July 31, 2019, the Company's net assets were \$227.9 million or \$12.86 per share, compared to \$230.2 million or \$12.99 per share at the end of the prior fiscal quarter.

As of July 31, 2019, MVC had investments in portfolio companies totaling \$339.4 million and cash and cash equivalents of \$21.9 million, including \$5.0 million in restricted cash or cash equivalents.

At July 31, 2019, MVC had \$22.1 million of debt under MVC's revolving credit facility with People's United Bank.

### Key Financial Metrics

(Unaudited)(\$ in thousands, except per share data)	Quarter Ended				
	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Total operating income	7,469	8,593	6,441	5,888	6,151
Management fee	1,643	1,590	1,513	1,496	1,487
Portfolio fees - asset management	89	76	96	122	112
Management fee - asset management	79	69	71	81	70
Administrative	998	990	1,434	843	1,010
Interest, fees and other borrowing costs	2,510	2,283	2,484	2,238	2,403
Net Incentive compensation	-	-	-	-	(1,316)
Total waiver by adviser	(654)	(635)	(604)	(598)	(595)
Tax expense	1	1	-	1	-
Net operating income (loss) before net realized and unrealized gains	2,803	4,219	1,447	1,705	2,980
Net increase (decrease) in net assets resulting from operations	348	15,964	(3,053)	(2,220)	(5,870)
Net increase (decrease) in net assets resulting from operations per share	0.02	0.90	(0.17)	(0.10)	(0.32)
Net asset value per share	12.86	12.99	12.24	12.46	12.62

### Operational Update

- NAV was \$12.86 per share as of July 31, 2019, compared to \$12.99 per share as of April 30, 2019.
- Net increase in net assets resulting from operations (bottom line performance) was \$0.02 per share for the third quarter of fiscal 2019.
- Total operating income increased to \$7.5 million for the quarter ending July 31, 2019, a 21% increase over the same quarter of fiscal 2018.

### Portfolio Activity

- As of July 31, 2019, the Company's portfolio was comprised of approximately 71% yielding securities, up from 70% at the end of the previous fiscal quarter.
- During the quarter, the Company made four new investments totaling \$27.5 million in Powers (\$6.5 million), IPCC (\$8.0 million), Jedson (\$6.0 million) and SMA (\$7.0 million).
- During the quarter, the Company made four follow-on investments into three portfolio companies, totaling \$5.7 million in GTM (\$3.9 million), Custom Alloy (\$0.8 million) and HTI (\$1.0 million).

## Dividends

On July 15, 2019, the Company's Board of Directors declared a dividend of \$0.15 per share, which was paid on July 31, 2019, to shareholders of record on July 25, 2019.

Since implementing its dividend policy in July of 2005, the Company has paid fifty-seven consecutive quarterly dividends. Through July 31, 2019, dividends paid total \$7.74 per share and total distributions and share repurchases (including tender offers) have surpassed \$278 million.

Net operating income of \$0.158 per share in Q319 exceeded the Company's dividend of \$0.15 for the quarter. To the extent the Company's net operating income exceeds the current annual dividend level of \$0.60 per share, it expects to be in a position to increase its dividend.<sup>1</sup>

## Subsequent Events

On August 12, 2019, the Company sold 608,310 common shares of Equus for approximately \$985,000, which resulted in a loss of approximately \$268,000.

On August 30, 2019, Credit Facility II with Branch Banking and Trust Company (whose term would have expired on August 30, 2019) was extended to August 31, 2020.

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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: MVC Capital's ability to deliver value to shareholders and execute its yield investment strategy; MVC Capital's ability to generate and grow net operating and net investment income, including beyond the current dividend level; the ability to pay and grow shareholder distributions (including beyond the \$0.15 dividend level recently paid); MVC Capital's ability to support and cover its dividend on an on-going basis; the ability to maintain expenses; 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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<sup>1</sup> The ability of the Company to generate net operating income above the current annual dividend level will depend on a variety of factors, including, among others, that there are no major repayments in the portfolio and no impairments or unforeseen events.



Source: MVC Capital, Inc.