



MVC Capital Announces Fourth Quarter and Full Year 2019 Results

January 14, 2020

PURCHASE, N.Y., Jan. 14, 2020 (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 fourth quarter and full year ended October 31, 2019.

Financial Results

Fourth Quarter

For the fourth quarter of fiscal 2019, the Company earned interest income of \$7.8 million and dividend and fee income of \$0.2 million, compared to \$5.1 million and \$0.8 million, respectively, for the same quarter of fiscal 2018.

The Company reported total operating income of \$8.0 million for the fourth quarter of fiscal 2019, compared to \$5.9 million for the fourth quarter of fiscal 2018. The Company reported net operating income of \$3.1 million for the fourth quarter of fiscal 2019, compared to \$1.7 million for the same quarter in fiscal 2018.

Fiscal Year

For the fiscal year 2019, the Company earned interest income of \$26.8 million, and dividend and fee income of \$3.8 million, compared to \$19.4 million and \$3.2 million, respectively, for the fiscal year 2018.

The Company reported total operating income of \$30.5 million for the fiscal year 2019, compared to \$22.6 million for the fiscal year 2018. The Company reported net operating income of \$11.6 million for the fiscal year 2019, compared with \$3.8 million for the fiscal year 2018.

As of October 31, 2019, the Company's net assets were \$228.0 million or \$12.86 per share, compared with \$227.9 million or \$12.86 per share at the end of the prior fiscal quarter and \$226.7 million or \$12.46 per share at the end of the fourth quarter of fiscal 2018.

As of October 31, 2019, MVC had investments in portfolio companies totaling \$340.2 million and cash and cash equivalents of \$11.7 million, including \$5.0 million in restricted cash equivalents.

At October 31, 2019, MVC had \$15.1 million of debt outstanding under MVC's revolving credit facility with People's United Bank.

Key Financial Metrics

(Unaudited)(\$ in thousands, except per share data)	Quarter Ended				
	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Total operating income	8,046	7,469	8,593	6,441	5,888
Management fee	1,662	1,643	1,590	1,513	1,496
Portfolio fees - asset management	82	89	76	96	122
Management fee - asset management	69	79	69	71	81
Administrative	1,404	998	990	1,434	843
Interest, fees and other borrowing costs	2,378	2,510	2,283	2,484	2,238
Net Incentive compensation	-	-	-	-	-
Total waiver by adviser	(660)	(654)	(635)	(604)	(598)
Tax expense	-	1	1	-	1
Net operating income before net realized and unrealized gains	3,111	2,803	4,219	1,447	1,705
Net increase (decrease) in net assets resulting from operations	3,057	348	15,964	(3,053)	(2,220)
Net increase (decrease) in net assets resulting from operations per share	0.17	0.02	0.90	(0.17)	(0.10)
Net asset value per share	12.86	12.86	12.99	12.24	12.46

Operational Update

- NAV was \$12.86 per share as of October 31, 2019, compared to \$12.86 per share as of July 31, 2019 and \$12.46 as of October 31, 2018.
- Total operating income increased to \$30.5 million for the year ended October 31, 2019, a 35% increase over fiscal year 2018.

Portfolio Activity

- During the fiscal year 2019, the Company made six new yielding investments totaling \$32.4 million in GTM (\$1.9 million

co-investment), Powers (\$6.5 million), IPCC (\$8.0 million), Jedson (\$6.0 million), SMA (\$7.0 million) and Global Prairie (\$3.0 million).

- During the fiscal year 2019, the Company made follow-on investments in six portfolio companies totaling \$12.5 million in Custom Alloy (\$4.6 million), MVC Automotive (\$1.0 million), RuMe (\$1.4 million), GTM (\$3.9 million), HTI (\$1.0 million) and Security Holdings (\$0.6 million)

Dividends

On October 15, 2019, the Company's Board of Directors declared a dividend of \$0.17 per share, a 13% increase over the prior quarter, which was paid on October 31, 2019.

Since implementing its dividend policy in July of 2005, the Company has paid fifty-eight consecutive quarterly dividends. Through October 31, 2019, dividends paid total \$7.91 per share and total distributions and share repurchases (including tender offers) have surpassed \$281 million.

Net operating income of \$0.175 per share in the fourth quarter of fiscal 2019 exceeded the Company's dividend of \$0.17 for the quarter.

Subsequent Events

On November 1, 2019, U.S. Gas made a principal payment of approximately \$32.8 million on its second lien loan.

On November 8, 2019, the Company received proceeds of approximately \$2.7 million from the PE Fund related to the sale of Focus Pointe, a portfolio company of the PE Fund, resulting in a realized gain of \$800,000 and carried interest of \$48,000. Also, on November 8, 2019, the Company received proceeds of \$291K from the PE Fund for tax refunds related to Plymouth Energy and received \$11K in carried interest.

On November 25, 2019 and December 13, 2019, the Company loaned approximately \$1.1 million and \$1.0 million respectively, to Security Holdings, increasing its senior subordinated loan outstanding amount to approximately \$8.1 million.

On December 13, 2019, the Company loaned approximately \$1.6 million to Jedson Engineering, increasing the first lien loan to approximately \$7.6 million.

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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.

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 make additional debt or other yield-generating investments; 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; 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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Source: MVC Capital, Inc.