



MVC Capital Announces First Quarter 2020 Results

March 9, 2020

PURCHASE, N.Y., March 09, 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 first quarter ended January 31, 2020.

Financial Results

For the first quarter of fiscal 2020, the Company earned interest income of \$7.5 million and dividend and fee income of \$0.3 million, compared to \$5.4 million and \$1.0 million, respectively, for the same quarter of fiscal 2019.

The Company reported total operating income of \$7.8 million for the first quarter of fiscal 2020, compared to \$6.4 million for the first quarter of fiscal 2019. The Company reported net operating income of \$3.3 million for the first quarter of fiscal 2020, compared to \$1.4 million for the same quarter in fiscal 2019.

As of January 31, 2020, the Company's net assets were \$229.4 million or \$12.94 per share, compared with \$228.0 million or \$12.86 per share at the end of the prior fiscal quarter and \$216.9 million or \$12.24 per share at the end of the first quarter of fiscal 2019.

As of January 31, 2020, MVC had investments in portfolio companies totaling \$285.7 million and cash and cash equivalents of \$55.3 million, including \$5.0 million in restricted cash equivalents.

Key Financial Metrics

| (Unaudited)(\$ in thousands, except per share data) | Quarter Ended | | | | | |
|---|---------------|---------|---------|---------|---------|---|
| | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | |
| Total operating income | 7,786 | 8,046 | 7,469 | 8,593 | 6,441 | |
| Management fee | 1,370 | 1,662 | 1,643 | 1,590 | 1,513 | |
| Portfolio fees - asset management | 169 | 82 | 89 | 76 | 96 | |
| Management fee - asset management | 64 | 69 | 79 | 69 | 71 | |
| Administrative | 1,221 | 1,404 | 998 | 990 | 1,434 | |
| Interest, fees and other borrowing costs | 2,206 | 2,378 | 2,510 | 2,283 | 2,484 | |
| Total waiver by adviser | (551 |) (660 |) (654 |) (635 |) (604 |) |
| Tax expense | 1 | - | 1 | 1 | - | |
| Net operating income before net realized and unrealized gains | 3,306 | 3,111 | 2,803 | 4,219 | 1,447 | |
| Net increase (decrease) in net assets resulting from operations | 4,416 | 3,057 | 348 | 15,964 | (3,053 |) |
| Net increase (decrease) in net assets resulting from operations per share | 0.25 | 0.17 | 0.02 | 0.90 | (0.17 |) |
| Net asset value per share | 12.94 | 12.86 | 12.86 | 12.99 | 12.24 | |

Operational Update

- NAV was \$12.94 per share as of January 31, 2020, compared to \$12.86 per share as of October 31, 2019 and \$12.24 as of January 31, 2019.
- Total operating income increased to \$7.8 million for the quarter ended January 31, 2020, a 21% increase over the same quarter of fiscal 2019.

Portfolio Activity

- During the first quarter of fiscal 2020, the Company made follow-on investments in five portfolio companies totaling \$8.4 million in RuMe (\$50,000), Security Holdings (\$2.1 million), Jedson (\$1.6 million), Apex (\$3.8 million) and Custom Alloy (\$900,000).

Dividends

On December 23, 2019, the Company's Board of Directors declared a quarterly dividend of \$0.17 per share, which was paid on January 10, 2020. The Company's net operating income for the quarter was \$0.19 per share.

Since implementing its dividend policy in July of 2005, the Company has paid fifty-nine consecutive quarterly dividends. Through January 31, 2020,

dividends paid total \$8.08 per share and total distributions and share repurchases (including tender offers) have surpassed \$284 million.

Subsequent Events

On February 3, 2020, the Company loaned approximately \$1.7 million to Jedson, increasing the first lien loan to approximately \$9.4 million.

On February 25, 2020, the Company notified U.S. Bank National Association, the trustee for the Senior Notes II, that it will redeem \$20.0 million principal amount of the \$115 million issued and outstanding Notes on March 26, 2020 (the "Redemption Date") in accordance with the optional redemption provisions provided in the indenture governing the Notes. The redemption price per Note will be \$25, plus accrued and unpaid interest through, but excluding, the Redemption Date. MVC intends to use cash on hand to fund the redemption.

MVC-G

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 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 \$0.17 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.

Investor Contact

Jackie Rothchild
MVC Capital
914.510.9400

Or

Jeffrey Goldberger / Allison Soss
KCSA Strategic Communications
212.896.1249 / 212.896.1267



Source: MVC Capital, Inc.