

Golub Capital BDC, Inc. Announces Fiscal Year 2024 First Quarter Financial Results with Second Consecutive Quarter of Highest-Ever Adjusted Net Investment Income Declares a Fiscal Year 2024 First Quarter Supplemental Distribution of \$0.07 Per Share in Addition to Previously Declared \$0.39 Per Share Quarterly Distribution

NEW YORK, NY, February 5, 2024 - Golub Capital BDC, Inc., a business development company (Nasdaq: GBDC), today announced its financial results for its first fiscal quarter ended December 31, 2023.

Except where the context suggests otherwise, the terms “we,” “us,” “our,” and “Company” refer to Golub Capital BDC, Inc. and its consolidated subsidiaries. “GC Advisors” refers to GC Advisors LLC, our investment adviser.

SELECTED FINANCIAL HIGHLIGHTS

(in thousands, expect per share data)

	December 31, 2023		September 30, 2023	
Investment portfolio, at fair value	\$	5,443,427	\$	5,516,613
Total assets	\$	5,699,880	\$	5,733,472
Net asset value per share	\$	15.03	\$	15.02
		Quarter Ended		
		December 31, 2023	September 30, 2023	
Net investment income per share	\$	0.49	\$	0.49
Amortization of purchase premium per share		0.01		0.01
Adjusted net investment income per share ¹	\$	0.50	\$	0.50
Accrual (reversal) for capital gain incentive fee per share		—		—
Adjusted net investment income before accrual for capital gain incentive fee per share ¹	\$	0.50	\$	0.50
Net realized/unrealized gain/(loss) per share	\$	(0.04)	\$	0.11
Reversal of realized/unrealized loss resulting from the purchase premium per share		(0.01)		(0.01)
Adjusted net realized/unrealized gain/(loss) per share ¹	\$	(0.05)	\$	0.10
Earnings/(loss) per share	\$	0.45	\$	0.60
Adjusted earnings/(loss) per share ¹	\$	0.45	\$	0.60
Net asset value per share	\$	15.03	\$	15.02
Distributions paid per share	\$	0.44	\$	0.41

¹ On September 16, 2019, the Company completed its acquisition of Golub Capital Investment Corporation (“GCIC”). The merger was accounted for under the asset acquisition method of accounting in accordance with Accounting Standards Codification 805-50, Business Combinations — Related Issues. Under asset acquisition accounting, where the consideration paid to GCIC’s stockholders exceeded the relative fair values of the assets acquired, the premium paid by the Company was allocated to the cost of the GCIC assets acquired by the Company pro-rata based on their relative fair value. Immediately following the acquisition of GCIC, the Company recorded its assets at their respective fair values and, as a result, the purchase premium allocated to the cost basis of the GCIC assets acquired was immediately recognized as unrealized depreciation on the Company’s Consolidated Statement of Operations. The purchase premium allocated to investments in loan securities acquired from GCIC will amortize over the life of the loans through interest income with a corresponding reversal of the unrealized depreciation on such loans acquired through their ultimate disposition. The purchase premium allocated to investments in equity securities will not amortize over the life of the equity securities through interest income and, assuming no subsequent change to the fair value of the GCIC equity securities acquired and disposition of such equity securities at fair value, the Company will recognize a realized loss with a corresponding reversal of the unrealized depreciation upon disposition of the GCIC equity securities acquired.

As a supplement to U.S. generally accepted accounting principles (“GAAP”) financial measures, the Company is providing the following non-GAAP financial measures that it believes are useful for the reasons described below:

- **“Adjusted Net Investment Income”** and **“Adjusted Net Investment Income Per Share”** – excludes the amortization of the purchase premium from net investment income calculated in accordance with GAAP.
- **“Adjusted Net Investment Income Before Accrual for Capital Gain Incentive Fee”** - Adjusted Net Investment Income excluding the accrual or reversal for the capital gain incentive fee required under GAAP;
- **“Adjusted Net Realized and Unrealized Gain/(Loss)”** and **“Adjusted Net Realized and Unrealized Gain/(Loss) Per Share”** – excludes the unrealized loss resulting from the purchase premium write-down and the corresponding reversal of the unrealized loss from the amortization of the premium from the determination of realized and unrealized gain/(loss) in accordance with GAAP.

- “Adjusted Net Income/(Loss)” and “Adjusted Earnings/(Loss) Per Share” – calculates net income and earnings per share based on Adjusted Net Investment Income and Adjusted Net Realized and Unrealized Gain/(Loss).

The Company believes that excluding the financial impact of the purchase premium write down in the above non-GAAP financial measures is useful for investors as it is a non-cash expense/loss resulting from the acquisition of GCIC and is one method the Company uses to measure its financial condition and results of operations. In addition, the Company believes excluding the accrual of the capital gain incentive fee under GAAP is useful as a portion of such accrual is not contractually payable under the terms of the Company’s investment advisory agreement with GC Advisors.

First Fiscal Quarter 2024 Highlights

- Net investment income per share for the quarter ended December 31, 2023 was \$0.49 as compared to \$0.49 for the quarter ended September 30, 2023. Excluding \$0.01 per share in purchase premium amortization from the GCIC acquisition and no accrual or reversal for the capital gain incentive fee under GAAP, Adjusted Net Investment Income Before Accrual for Capital Gain Incentive Fee¹ for the quarter ended December 31, 2023 was \$0.50. This compares to Adjusted Net Investment Income Before Accrual for Capital Gain Incentive Fee¹ of \$0.50 for the quarter ended September 30, 2023 when excluding \$0.01 per share in purchase premium amortization from the GCIC acquisition and no accrual or reversal for the capital gain incentive fee under GAAP.
- Net realized and unrealized gain/(loss) per share for the quarter ended December 31, 2023 was \$(0.04). Adjusted Net Realized and Unrealized Gain/(Loss) Per Share¹ was \$(0.05) when excluding the \$0.01 per share net reversal of unrealized depreciation and realized loss resulting from the amortization of the purchase premium. The Adjusted Net Realized and Unrealized Gain/(Loss) Per Share¹ for the quarter ended December 31, 2023 was primarily due to unrealized depreciation resulting from modest credit migration in our portfolio that was partially offset by net realized gains recognized driven by the sale of an equity investment. For additional analysis, please refer to the Quarter Ended 12.31.2023 Earnings Presentation available on the Investor Resources link on the homepage of the Company’s website (www.golubcapitalbdc.com) under Events/Presentations. The Earnings Presentation was also filed with the Securities and Exchange Commission as an Exhibit to a Form 8-K. These results compare to net realized and unrealized loss per share of \$0.11 during the quarter ended September 30, 2023. Adjusted Net Realized and Unrealized Loss Per Share¹ for the quarter ended September 30, 2023 was \$0.10 when excluding the \$0.01 per share net reversal of unrealized depreciation and realized loss resulting from the amortization of the purchase premium.
- Earnings per share for the quarter ended December 31, 2023 was \$0.45 as compared to \$0.60 for the quarter ended September 30, 2023. Adjusted Earnings Per Share¹ for the quarter ended December 31, 2023 was \$0.45 as compared to \$0.60 for the quarter ended September 30, 2023.
- Net asset value per share increased to \$15.03 at December 31, 2023 from \$15.02 at September 30, 2023.
- On December 15, 2023 we paid a supplemental distribution of \$0.07 per share and on December 29, 2023 we paid a quarterly distribution of \$0.37 per share.
- Based on the earnings power of the Company and the previously announced waiver by GC Advisors that resulted in new incentive fee rates, on January 16, 2024, GBDC’s board of directors increased GBDC’s quarterly base distribution by over 5% and declared a quarterly distribution of \$0.39 per share, which is payable on March 29, 2024, to stockholders of record as of March 1, 2024.
- On February 2, 2024, our board of directors declared a supplemental distribution of \$0.07 per share, which is payable on March 15, 2024 to stockholders of record as of February 15, 2024. For additional details on the framework we intend to use for determining the amount of supplemental distributions going forward, please refer to the Quarter Ended 12.31.2023 Earnings Presentation available on the Investor Resources link on the homepage of the Company’s website (www.golubcapitalbdc.com) under Events/Presentations.
- During the three months ended December 31, 2023, the Golub Capital Employee Grant Program Rabbi Trust (the “Trust”) purchased approximately \$2.8 million, or 191,547 shares, of our common stock for the purpose of awarding incentive compensation to employees of Golub Capital. During calendar year 2023, the Trust purchased \$18 million, or 1,306,855 shares, of our common stock.

Portfolio and Investment Activities

As of December 31, 2023, the Company had investments in 357 portfolio companies with a total fair value of \$5,443.4 million. This compares to the Company’s portfolio as of September 30, 2023, as of which date the Company had investments in 342 portfolio companies with a total fair value of \$5,516.6 million. Investments in portfolio companies as of December 31, 2023 and September 30, 2023 consisted of the following:

Investment Type	As of December 31, 2023		As of September 30, 2023	
	Investments at Fair Value	Percentage of Total	Investments at Fair Value	Percentage of Total
	(In thousands)	Investments	(In thousands)	Investments
Senior secured	\$ 438,837	8.1 %	\$ 503,985	9.1 %
One stop	4,662,636	85.7	4,678,099	84.8
Junior debt*	40,893	0.8	37,099	0.7
Equity	301,061	5.4	297,430	5.4
Total	\$ 5,443,427	100.0 %	\$ 5,516,613	100.0 %

* Junior debt is comprised of second lien and subordinated debt.

The following table shows the asset mix of our new investment commitments for the three months ended December 31, 2023:

	For the three months ended December 31, 2023	
	New Investment Commitments (In thousands)	Percentage of Commitments
Senior secured	\$ 7,500	12.8 %
One stop	49,317	84.1
Junior debt*	50	0.1
Equity	1,777	3.0
Total new investment commitments	\$ 58,644	100.0 %

* Junior debt is comprised of second lien and subordinated debt.

Total investments in portfolio companies at fair value were \$5,443.4 million at December 31, 2023. As of December 31, 2023, total assets were \$5,699.9 million, net assets were \$2,563.9 million and net asset value per share was \$15.03.

Consolidated Results of Operations

For the first fiscal quarter of 2024, the Company reported GAAP net income and Adjusted Net Income¹ of \$75.8 million or \$0.45 per share. GAAP net investment income was \$83.5 million or \$0.49 per share and Adjusted Net Investment Income Before Accrual for Capital Gain Incentive Fee¹ was \$85.2 million or \$0.50 per share. GAAP net realized and unrealized gain/(loss) was (\$7.7) million or (\$0.04) per share and Adjusted Realized and Unrealized Gain/(Loss)¹ was (\$9.4) million or (\$0.05) per share.

Net income can vary substantially from period to period due to various factors, including the level of new investment commitments, the recognition of realized gains and losses and unrealized appreciation and depreciation. As a result, quarterly comparisons of net income may not be meaningful.

¹ See footnote 1 to 'Selected Financial Highlights' above.

Liquidity and Capital Resources

The Company's liquidity and capital resources are derived from the Company's debt securitizations (also known as collateralized loan obligations, or CLOs), unsecured notes, revolving credit facilities and cash flow from operations. The Company's primary uses of funds from operations include investments in portfolio companies and payment of fees and other expenses that the Company incurs. The Company has used, and expects to continue to use, its debt securitizations, unsecured notes, revolving credit facilities, proceeds from its investment portfolio and proceeds from offerings of its securities and its dividend reinvestment plan to finance its investment objectives.

As of December 31, 2023, we had cash, cash equivalents and foreign currencies of \$76.7 million, restricted cash and cash equivalents of \$96.8 million and \$3,084.1 million of debt outstanding. As of December 31, 2023, subject to leverage and borrowing base restrictions, we had approximately \$1,167.8 million of remaining availability, in the aggregate, on our revolving credit facility with JPMorgan. In addition, as of December 31, 2023, we had \$100.0 million of remaining commitments and availability on our unsecured line of credit with GC Advisors.

On December 5, 2023, we issued \$450.0 million of unsecured notes, which bear a fixed interest rate of 7.050% (yield to maturity of 7.310%) and mature on December 5, 2028 (the “2028 Notes”).

On February 1, 2024, we issued \$600.0 million of unsecured notes, which bear a fixed interest rate of 6.000% (yield to maturity of 6.248%) and mature on July 15, 2029 (the “2029 Notes”).

Portfolio and Asset Quality

GC Advisors regularly assesses the risk profile of each of the Company’s investments and rates each of them based on an internal system developed by Golub Capital and its affiliates. This system is not generally accepted in our industry or used by our competitors. It is based on the following categories, which we refer to as GC Advisors’ internal performance ratings:

Internal Performance Ratings

Rating	Definition
5	Involves the least amount of risk in our portfolio. The borrower is performing above expectations, and the trends and risk factors are generally favorable.
4	Involves an acceptable level of risk that is similar to the risk at the time of origination. The borrower is generally performing as expected, and the risk factors are neutral to favorable.
3	Involves a borrower performing below expectations and indicates that the loan’s risk has increased somewhat since origination. The borrower could be out of compliance with debt covenants; however, loan payments are generally not past due.
2	Involves a borrower performing materially below expectations and indicates that the loan’s risk has increased materially since origination. In addition to the borrower being generally out of compliance with debt covenants, loan payments could be past due (but generally not more than 180 days past due).
1	Involves a borrower performing substantially below expectations and indicates that the loan’s risk has substantially increased since origination. Most or all of the debt covenants are out of compliance and payments are substantially delinquent. Loans rated 1 are not anticipated to be repaid in full and we will reduce the fair market value of the loan to the amount we anticipate will be recovered.

Our internal performance ratings do not constitute any rating of investments by a nationally recognized statistical rating organization or represent or reflect any third-party assessment of any of our investments. For additional analysis on the Company’s internal performance ratings as of December 31, 2023, please refer to the Quarter Ended 12.31.2023 Earnings Presentation available on Investors Resources link on the homepage of the Company’s website (www.golubcapitalbdc.com) under Events/Presentations.

The following table shows the distribution of the Company’s investments on the 1 to 5 internal performance rating scale at fair value as of December 31, 2023 and September 30, 2023:

Internal Performance Rating	December 31, 2023		September 30, 2023	
	Investments at Fair Value (In thousands)	Percentage of Total Investments	Investments at Fair Value (In thousands)	Percentage of Total Investments
5	\$ 139,758	2.6 %	\$ 50,279	0.9 %
4	4,537,009	83.3	4,647,644	84.2
3	744,508	13.7	803,724	14.6
2	22,152	0.4	14,966	0.3
1	—	—	—	—
Total	\$ 5,443,427	100.0 %	\$ 5,516,613	100.0 %

Conference Call

The Company will host an earnings conference call at 1:00 pm (Eastern Time) on Tuesday, February 6, 2024 to discuss the quarterly financial results. All interested parties may participate in the conference call by dialing (888) 330-3529 approximately 10-15 minutes prior to the call; international callers should dial +1 (646) 960-0656. Participants should reference Golub Capital BDC, Inc. when prompted. For a slide presentation that we intend to refer to on the earnings conference call, please visit the Investor Resources link on the homepage of our website (www.golubcapitalbdc.com) and click on the Quarter Ended 12.31.2023 Earnings Presentation under Events/Presentations. An archived replay of the call will be available shortly after the call until 11:59 p.m. (Eastern Time) on February 20, 2024. To hear the replay, please dial (800) 770-2030. International dialers, please dial +1 (647) 362-9199. For all replays, please reference program ID number 5111111.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Statements of Financial Condition
(In thousands, except share and per share data)

	December 31, 2023	September 30, 2023
	(unaudited)	(audited)
Assets		
Investments, at fair value (cost of \$5,510,452 and \$5,593,836, respectively)	\$ 5,443,427	\$ 5,516,613
Cash and cash equivalents	70,691	65,617
Unrestricted foreign currencies (cost of \$5,873 and \$4,540, respectively)	5,967	4,208
Restricted cash and cash equivalents	96,761	70,381
Interest receivable	54,494	58,054
Other assets	28,540	18,599
Total Assets	\$ 5,699,880	\$ 5,733,472
Liabilities		
Debt	\$ 3,084,102	\$ 3,133,332
Less unamortized debt issuance costs	(18,818)	(15,613)
Debt less unamortized debt issuance costs	3,065,284	3,117,719
Interest payable	26,583	24,749
Management and incentive fees payable	35,241	35,277
Accounts payable and accrued expenses	8,854	7,849
Total Liabilities	3,135,962	3,185,594
Net Assets		
Preferred stock, par value \$0.001 per share, 1,000,000 shares authorized, zero shares issued and outstanding as of December 31, 2023 and September 30, 2023, respectively.	—	—
Common stock, par value \$0.001 per share, 350,000,000 shares authorized, 170,585,795 issued and outstanding as of December 31, 2023 and 169,594,742 issued and outstanding as of September 30, 2023.	171	170
Paid in capital in excess of par	2,661,797	2,646,912
Distributable earnings	(98,050)	(99,204)
Total Net Assets	2,563,918	2,547,878
Total Liabilities and Total Net Assets	\$ 5,699,880	\$ 5,733,472
Number of common shares outstanding	170,585,795	169,594,742
Net asset value per common share	\$ 15.03	\$ 15.02

Golub Capital BDC, Inc. and Subsidiaries

Consolidated Statements of Operations

(In thousands, except share and per share data)

	Three months ended	
	December 31, 2023	September 30, 2023
	(unaudited)	(unaudited)
Investment income		
Interest income	\$ 161,606	\$ 161,757
GCIC acquisition purchase price premium amortization	(1,628)	(1,716)
Dividend income	4,375	4,144
Fee income	417	355
Total investment income	164,770	164,540
Expenses		
Interest and other debt financing expenses	41,560	40,622
Base management fee	13,956	14,055
Incentive fee	21,285	21,222
Professional fees	1,308	1,288
Administrative service fee	2,245	2,118
General and administrative expenses	381	544
Total expenses	80,735	79,849
Net investment income before tax	84,035	84,691
Excise tax	500	1,250
Net investment income after tax	83,535	83,441
Net gain (loss) on investment transactions		
Net realized gain (loss) from:		
Investments	909	59
Foreign currency transactions	187	(300)
Forward currency contracts	—	(481)
Net realized gain (loss) in investment transactions	1,096	(722)
Net change in unrealized appreciation (depreciation) from:		
Investments	(9,304)	19,356
Translation of assets and liabilities in foreign currencies	6,187	(5,177)
Forward currency contracts	(5,715)	4,934
Net change in unrealized appreciation (depreciation) on investment transactions	(8,832)	19,113
Net gain (loss) on investments	(7,736)	18,391
Provision for taxes on unrealized appreciation on investments	(23)	(268)
Net increase (decrease) in net assets resulting from operations	\$ 75,776	\$ 101,564
Per Common Share Data		
Basic and diluted earnings (loss) per common share	\$ 0.45	\$ 0.60
Dividends and distributions declared per common share	\$ 0.44	\$ 0.41
Basic and diluted weighted average common shares outstanding	169,650,233	169,595,256

ABOUT GOLUB CAPITAL BDC, INC.

Golub Capital BDC, Inc. (“GBDC”) is an externally-managed, non-diversified closed-end management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940. GBDC invests primarily in one stop and other senior secured loans to middle market companies that are often sponsored by private equity investors. GBDC’s investment activities are managed by its investment adviser, GC Advisors LLC, an affiliate of the Golub Capital LLC group of companies (“Golub Capital”).

ABOUT GOLUB CAPITAL

Golub Capital is a market-leading, award-winning direct lender and experienced credit asset manager. The firm specializes in delivering reliable, creative and compelling financing solutions to companies backed by private equity sponsors. Golub Capital’s sponsor finance expertise also forms the foundation of its Broadly Syndicated Loan and Credit Opportunities investment programs. Golub Capital nurtures long-term, win-win partnerships that inspire repeat business from private equity sponsors and investors.

As of January 1, 2024, Golub Capital had over 875 employees and over \$65 billion of capital under management, a gross measure of invested capital including leverage. For more information, please visit golubcapital.com.

FORWARD-LOOKING STATEMENTS

This press release may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements other than statements of historical facts included in this press release may constitute forward-looking statements and are not guarantees of future performance or results and involve a number of risks and uncertainties. Actual results may differ materially from those expressed or implied in the forward-looking statements as a result of a number of factors, including those described from time to time in filings with the Securities and Exchange Commission. Golub Capital BDC, Inc. undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this press release.

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