

FOR IMMEDIATE RELEASE:**Golub Capital BDC, Inc. Announces Fiscal Year 2022 Second Quarter Financial Results and Declares Fiscal Year 2022 Third Quarter Distribution of \$0.30 Per Share**

NEW YORK, NY, May 10, 2022 - Golub Capital BDC, Inc., a business development company (Nasdaq: GBDC), today announced its financial results for its second fiscal quarter ended March 31, 2022.

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)

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Investment portfolio, at fair value	\$ 5,426,159	5,146,766
Total assets	\$ 5,624,964	5,480,437
Net asset value per share	\$ 15.35	15.26
	<u>Quarter Ended</u>	
	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Net investment income per share	\$ 0.25	\$ 0.27
Amortization of purchase premium per share	0.02	0.04
Adjusted net investment income per share ¹	\$ 0.27	\$ 0.31
Accrual for capital gain incentive fee per share	0.03	0.00 *
Adjusted net investment income before accrual for capital gain incentive fee per share ¹	\$ 0.30	\$ 0.31
Net realized/unrealized gain/(loss) per share	\$ 0.14	\$ 0.10
Reversal of realized / unrealized loss resulting from the purchase premium per share	(0.02)	(0.04)
Adjusted net realized/unrealized gain/(loss) per share ¹	\$ 0.12	\$ 0.06
Earnings/(loss) per share	\$ 0.39	\$ 0.37
Adjusted earnings/(loss) per share ¹	\$ 0.39	\$ 0.37
Net asset value per share	\$ 15.35	\$ 15.26
Distributions paid per share	\$ 0.30	\$ 0.30

* Represents an amount less than \$0.01 per share

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.

Second Fiscal Quarter 2022 Highlights

- Net investment income per share for the quarter ended March 31, 2022 was \$0.25 as compared to \$0.27 for the quarter ended December 31, 2021. Excluding \$0.02 per share in purchase premium amortization from the GCIC acquisition and \$0.03 per share in the accrual for the capital gain incentive fee under GAAP, Adjusted Net Investment Income Before Accrual for Capital Gain Incentive Fee¹ for the quarter ended March 31, 2022 was \$0.30. This compares to Adjusted Net Investment Income Before Accrual for Capital Gain Incentive Fee¹ of \$0.31 for the quarter ended December 31, 2021 when excluding \$0.04 per share in purchase premium amortization from the GCIC acquisition and less than \$0.01 per share in the accrual for the capital gain incentive fee under GAAP.
- Net realized and unrealized gain per share for the quarter ended March 31, 2022 was \$0.14. Adjusted Net Realized and Unrealized Gain Per Share¹ was \$0.12 when excluding the \$0.02 per share reversal of net realized loss and unrealized depreciation resulting from the the amortization of the purchase premium. The Adjusted Net Realized and Unrealized Gain Per Share¹ for the quarter ended March 31, 2022 primarily resulted from unrealized gains on our portfolio of investments. For additional analysis, please refer to the Quarter Ended 3.31.2022 Investor Presentation available on the Investor Resources link on the homepage of the Company’s website (www.golubcapitalbdc.com) under Events/ Presentations. The Investor 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 gain per share of \$0.10 during the quarter ended December 31, 2021. Adjusted Net Realized and Unrealized Gain Per Share¹ for the quarter ended December 31, 2021 was \$0.06 when excluding the \$0.04 per share reversal of net realized loss and unrealized loss resulting from the amortization of the purchase premium.
- Earnings per share for the quarter ended March 31, 2022 was \$0.39 as compared to \$0.37 for the quarter ended December 31, 2021. Adjusted Earnings Per Share¹ for the quarter ended March 31, 2022 was \$0.39 as compared to \$0.37 for the quarter ended December 31, 2021.
- Net asset value per share increased to \$15.35 at March 31, 2022 from \$15.26 at December 31, 2021.
- On March 29, 2022, we paid a quarterly distribution of \$0.30 per share and on May 6, 2022, our board of directors declared a quarterly distribution of \$0.30 per share, which is payable on June 29, 2022 to stockholders of record as of June 3, 2022.

Portfolio and Investment Activities

As of March 31, 2022, the Company had investments in 310 portfolio companies with a total fair value of \$5,426.2 million. This compares to the Company’s portfolio as of December 31, 2021, as of which date the Company had investments in 301 portfolio companies with a total fair value of \$5,146.8 million. Investments in portfolio companies as of March 31, 2022 and December 31, 2021 consisted of the following:

Investment Type	As of March 31, 2022		As of December 31, 2021	
	Investments at Fair Value	Percentage of Total	Investments at Fair Value	Percentage of Total
	(In thousands)	Investments	(In thousands)	Investments
Senior secured	\$ 605,007	11.1 %	\$ 620,168	12.0 %
One stop	4,508,470	83.1	4,235,533	82.3
Junior debt*	46,356	0.9	44,312	0.9
Equity	266,326	4.9	246,753	4.8
Total	\$ 5,426,159	100.0 %	\$ 5,146,766	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 March 31, 2022:

	For the three months ended March 31, 2022	
	New Investment Commitments (In thousands)	Percentage of Commitments
Senior secured	\$ 5,940	1.8 %
One stop	304,844	94.4
Junior debt*	—	—
Equity	12,399	3.8
Total new investment commitments	\$ 323,183	100.0 %

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

Total investments in portfolio companies at fair value were \$5,426.2 million at March 31, 2022. As of March 31, 2022, total assets were \$5,625.0 million, net assets were \$2,623.5 million and net asset value per share was \$15.35.

Consolidated Results of Operations

For the second fiscal quarter of 2022, the Company reported GAAP net income and Adjusted Net Income¹ of \$66.9 million or \$0.39 per share. GAAP net investment income was \$43.4 million or \$0.25 per share and Adjusted Net Investment Income Before Accrual for Capital Gain Incentive Fee¹ was \$50.7 million or \$0.30 per share. GAAP net realized and unrealized gain was \$23.5 million or \$0.14 per share and Adjusted Realized and Unrealized Gain/(Loss)¹ was \$20.6 million or \$0.12 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 March 31, 2022, we had cash, cash equivalents and foreign currencies of \$136.2 million, restricted cash, cash equivalents and foreign currencies of \$38.2 million and \$2,981.0 million of debt outstanding. As of March 31, 2022, subject to leverage and borrowing base restrictions, we had approximately \$681.7 million of remaining commitments and availability, in the aggregate, on our revolving credit facilities with various banks. In addition, as of March 31, 2022, we had \$100.0 million of remaining commitments and availability on our unsecured line of credit with GC Advisors.

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 March 31, 2022, please refer to the Quarter Ended 3.31.2022 Investor 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 March 31, 2022 and December 31, 2021:

Internal Performance Rating	March 31, 2022		December 31, 2021	
	Investments at Fair Value (In thousands)	Percentage of Total Investments	Investments at Fair Value (In thousands)	Percentage of Total Investments
5	\$ 337,368	6.2 %	\$ 349,616	6.8 %
4	4,670,103	86.1	4,406,567	85.6
3	367,590	6.8	341,026	6.6
2	50,810	0.9	49,317	1.0
1	288	0.0 *	240	0.0 *
Total	\$ 5,426,159	100.0 %	\$ 5,146,766	100.0 %

* Represents an amount less than 0.1%.

Conference Call

The Company will host an earnings conference call at 3:00 pm (Eastern Time) on Wednesday, May 11, 2022 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 3.31.2022 Investor 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 May 25, 2022. 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)

	March 31, 2022	December 31, 2021
	(unaudited)	(unaudited)
Assets		
Investments, at fair value (cost of \$5,405,019 and \$5,143,591, respectively)	\$ 5,426,159	\$ 5,146,766
Cash and cash equivalents	130,453	180,203
Unrestricted foreign currencies (cost of \$5,587 and \$2,445, respectively)	5,716	2,480
Restricted cash and cash equivalents	35,749	117,144
Restricted foreign currencies (cost of \$2,412 and \$1,641, respectively)	2,414	1,650
Interest receivable	21,251	21,268
Other assets	3,222	10,926
Total Assets	\$ 5,624,964	\$ 5,480,437
Liabilities		
Debt	\$ 2,980,962	\$ 2,852,832
Less unamortized debt issuance costs	20,786	22,404
Debt less unamortized debt issuance costs	2,960,176	2,830,428
Interest payable	15,643	16,184
Management and incentive fees payable	20,929	20,799
Accounts payable and accrued expenses	4,667	5,547
Total Liabilities	3,001,415	2,872,958
Net Assets		
Preferred stock, par value \$0.001 per share, 1,000,000 shares authorized, zero shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively.	—	—
Common stock, par value \$0.001 per share, 350,000,000 shares authorized, 170,895,670 issued and outstanding as of March 31, 2022; 200,000,000 shares authorized, 170,865,742 issued and outstanding as of December 31, 2021	171	171
Paid in capital in excess of par	2,677,424	2,676,967
Distributable earnings	(54,046)	(69,659)
Total Net Assets	2,623,549	2,607,479
Total Liabilities and Total Net Assets	\$ 5,624,964	\$ 5,480,437
Number of common shares outstanding	170,895,670	170,865,742
Net asset value per common share	\$ 15.35	\$ 15.26

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

	Three months ended	
	March 31, 2022	December 31, 2021
	(unaudited)	(unaudited)
Investment income		
Interest income	\$ 88,679	\$ 92,336
GCIC acquisition purchase price premium amortization	(2,940)	(7,095)
Dividend income	3	317
Fee income	219	1,009
Total investment income	85,961	86,567
Expenses		
Interest and other debt financing expenses	19,275	17,836
Base management fee, net of waiver	16,115	17,501
Incentive fee	4,362	3,381
Professional fees	729	899
Administrative service fee	1,640	1,818
General and administrative expenses	400	342
Total net expenses	42,521	41,777
Net investment income	43,440	44,790
Net gain (loss) on investment transactions		
Net realized gain (loss) from:		
Investments	321	14,573
Foreign currency transactions	51	(25)
Net realized gain (loss) in investment transactions	372	14,548
Net change in unrealized appreciation (depreciation) from:		
Investments	17,965	3,686
Translation of assets and liabilities in foreign currencies	3,337	268
Forward currency contracts	1,856	281
Net change in unrealized appreciation (depreciation) on investment transactions	23,158	4,235
Net gain (loss) on investments	23,530	18,783
Provision for taxes on unrealized appreciation on investments	(97)	(495)
Net increase (decrease) in net assets resulting from operations	\$ 66,873	\$ 63,078
Per Common Share Data		
Basic and diluted earnings (loss) per common share	\$ 0.39	\$ 0.37
Dividends and distributions declared per common share	\$ 0.30	\$ 0.30
Basic and diluted weighted average common shares outstanding	170,866,740	170,046,783

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, with over \$45 billion of capital under management. Golub Capital specializes in delivering reliable, creative and compelling financing solutions to companies backed by private equity sponsors. The firm’s sponsor finance expertise also forms the foundation of its Late Stage Lending, Broadly Syndicated Loan and Credit Opportunities investment programs. Across its activities, Golub Capital nurtures long-term, win-win partnerships that inspire repeat business from private equity sponsors and investors. Founded over 25 years ago, Golub Capital today has over 600 employees and lending offices in Chicago, New York, San Francisco and London. 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.

Contact:

Christopher Ericson
312-212-4036
cericson@golubcapital.com

Source: Golub Capital BDC, Inc.