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CAPITAL

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Industry Observations – December 31, 2018

Business Development Company  
Industry

## Select Business Development Company - Public Company Industry Data As of December 31, 2018

(USD in millions, except per share data)

Company Name	Ticker	Market Data				Debt / Total Capital	LTM Operating Data			
		Price at 12/31/18	% of 52 Week High	Equity Value	Enterprise Value		Total Assets	LTM Revenue	LTM Normalized EPS	CY 2018 Revenue Estimate
<b>Business Development Companies</b>										
Apollo Investment Corporation	AINV	\$12.40	68.9%	\$874.51	\$2,025.89	43.0%	\$2,383.67	\$255.16	\$0.93	\$271.76
Ares Capital Corporation	ARCC	\$15.58	88.4%	\$6,641.73	\$12,197.17	41.7%	\$12,895.00	\$1,337.00	\$1.09	\$1,421.94
BlackRock Capital Investment Corporation	BKCC	\$5.29	81.0%	\$368.90	\$660.15	30.0%	\$799.47	\$87.55	\$0.43	\$93.69
Capital Southwest Corporation	CSWC	\$19.22	79.5%	\$327.57	\$559.81	38.3%	\$523.78	\$47.45	\$0.84	\$60.68
Capitala Finance Corp.	CPTA	\$7.17	79.2%	\$114.93	\$374.50	58.5%	\$494.20	\$47.58	\$0.50	\$48.74
CM Finance Inc.	CMFN	\$6.25	63.1%	\$85.27	\$233.54	46.2%	\$301.98	\$43.17	\$0.89	\$35.62
Equus Total Return, Inc.	EQS	\$1.96	80.0%	\$26.50	\$34.61	26.7%	\$63.79	\$0.44	-\$0.14	\$0.00
Fidus Investment Corporation	FDUS	\$11.69	74.2%	\$285.97	\$611.17	42.4%	\$713.50	\$71.29	\$0.81	\$77.35
Oaktree Specialty Lending Corporation	OCSL	\$4.23	-	\$596.26	\$1,291.00	41.0%	\$1,541.52	\$143.12	\$0.29	\$151.73
Firsthand Technology Value Fund, Inc.	SVVC	\$11.20	63.1%	\$80.40	\$104.80	0.0%	\$246.91	\$2.88	-\$1.06	\$0.00
FS KKR Capital Corp.	FSK	\$5.18	62.9%	\$2,753.07	\$4,825.24	42.9%	\$3,698.67	\$401.97	\$0.55	\$684.61
Garrison Capital Inc.	GARS	\$6.43	71.8%	\$103.20	\$333.34	57.4%	\$442.78	\$38.91	\$0.67	\$44.03
Gladstone Capital Corporation	GLAD	\$7.30	74.0%	\$208.08	\$459.77	47.7%	\$438.42	\$46.63	\$0.54	\$48.91
Gladstone Investment Corporation	GAIN	\$9.32	76.0%	\$305.91	\$572.51	30.8%	\$619.61	\$58.98	\$0.07	\$56.97
Golub Capital BDC, Inc.	GBDC	\$16.49	82.9%	\$992.13	\$2,056.45	50.6%	\$1,979.81	\$155.13	\$0.81	\$239.78
GSV Capital Corp.	GSVC	\$5.22	55.6%	\$103.96	\$114.64	15.2%	\$357.36	\$1.06	-\$0.53	\$1.04
180 Degree Capital Corp.	TURN	\$1.75	70.0%	\$54.46	\$47.20	0.0%	\$93.34	\$1.16	-\$0.08	\$0.00
Hercules Capital, Inc.	HTGC	\$11.05	80.7%	\$1,063.42	\$2,002.39	44.3%	\$1,823.05	\$201.06	\$0.73	\$243.35
Horizon Technology Finance Corporation	HRZN	\$11.25	93.0%	\$129.74	\$249.38	45.5%	\$252.16	\$28.45	\$0.67	\$34.66
KCAP Financial, Inc.	KCAP	\$3.46	96.6%	\$129.29	\$233.21	37.4%	\$279.74	\$27.41	\$0.18	\$31.01
Main Street Capital Corporation	MAIN	\$33.81	82.9%	\$2,062.20	\$3,179.69	38.6%	\$2,524.46	\$229.87	\$1.60	\$252.37
PT Express Transindo Utama Tbk	TAXI	\$0.01	34.1%	\$13.39	\$122.90	130.0%	\$98.99	\$17.45	-\$0.01	\$0.00
Medley Capital Corporation	MCC	\$2.66	49.3%	\$144.90	\$504.87	56.5%	\$714.47	\$60.39	\$0.08	\$0.00
Mill City Ventures III, Ltd.	MCVT	\$0.57	73.1%	\$6.31	\$4.23	0.0%	\$10.93	\$0.15	-\$0.03	\$0.00
Monroe Capital Corporation	MIRCC	\$9.60	65.5%	\$196.27	\$478.15	46.4%	\$499.07	\$57.00	\$0.97	\$65.30
MVC Capital, Inc.	MVC	\$8.21	75.5%	\$154.52	\$260.98	33.1%	\$347.08	\$22.88	\$0.18	\$23.81
New Mountain Finance Corporation	NMFC	\$12.58	88.0%	\$957.42	\$2,302.07	56.7%	\$2,521.77	\$221.20	\$0.87	\$250.76
OHA Investment Corporation	OHAI	\$1.01	61.2%	\$20.37	\$69.26	53.8%	\$95.83	\$9.39	\$0.03	\$0.00
OFS Capital Corporation	OFS	\$10.60	83.1%	\$141.54	\$360.87	53.7%	\$408.54	\$38.56	\$0.79	\$49.19
PennantPark Floating Rate Capital Ltd.	PFLT	\$11.57	81.9%	\$448.59	\$955.50	47.5%	\$1,018.68	\$80.55	\$0.79	\$96.94
PennantPark Investment Corporation	PNNT	\$6.37	81.3%	\$439.87	\$1,017.25	47.7%	\$1,221.77	\$106.99	\$0.46	\$119.43
Prospect Capital Corporation	PSEC	\$6.31	83.0%	\$2,306.19	\$4,822.07	43.6%	\$5,969.87	\$705.17	\$0.54	\$678.51
Saratoga Investment Corp.	SAR	\$19.90	70.3%	\$148.85	\$443.19	60.9%	\$454.04	\$44.85	\$1.57	\$52.79
Solar Capital Ltd.	SLRC	\$19.19	87.2%	\$810.99	\$1,157.38	34.4%	\$1,665.29	\$154.20	\$1.09	\$164.08
Solar Senior Capital Ltd.	SUNS	\$15.12	83.7%	\$242.53	\$455.57	41.5%	\$483.84	\$38.87	\$0.89	\$43.90
Stellus Capital Investment Corporation	SCM	\$12.95	92.5%	\$206.60	\$478.26	54.7%	\$511.36	\$47.43	\$0.76	\$59.75
BlackRock TCP Capital Corp.	TCPC	\$13.04	83.9%	\$766.62	\$1,526.30	47.3%	\$1,685.21	\$189.22	\$0.96	\$196.71
THL Credit, Inc.	TCRD	\$6.08	65.0%	\$198.66	\$434.46	40.0%	\$558.37	\$69.70	\$0.71	\$66.98
Oxford Square Capital Corp.	OXSQ	\$6.47	86.0%	\$313.79	\$469.34	29.0%	\$522.72	\$54.53	\$0.40	\$61.71
TPG Specialty Lending, Inc.	TSLX	\$18.09	85.2%	\$1,182.78	\$2,197.41	45.0%	\$2,007.04	\$236.00	\$1.21	\$259.07
TP ICAP plc	TCAP	\$3.84	53.7%	\$2,161.13	\$0.00	27.3%	\$62,337.37	\$2,251.08	\$0.31	\$1,792.70
WhiteHorse Finance, Inc.	WHF	\$12.72	80.5%	\$261.35	\$471.46	38.1%	\$541.84	\$60.50	\$0.72	\$67.73

Notes: LTM (latest twelve months); Enterprise Value (market capitalization less total cash and short-term investments plus short-term borrowings and total long-term debt);

EBITDA (earnings before interest, taxes, depreciation and amortization)

Source: Capital IQ

The material contained in this publication is meant to provide general information regarding valuation topics. This publication does not constitute investment advice with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Professional advice should be obtained before taking any action based on the information contained herein.

Publicly available information utilized in this publication has been obtained from sources deemed to be reliable. Houlihan does not guarantee the accuracy or completeness of the information provided within this publication. The material presented reflects information known to the authors at the time this publication was written and this information is subject to change.

## Select Business Development Company – Valuation Metrics As of December 31, 2018

(USD in millions, except per share data)

Company Name	Ticker	LTM Operating Statistics				Trading Multiples			
		Return On Assets	Return On Equity	Return On Capital	Revenue Growth	Price / TBV	Price / BV	P/Normal EPS	TEV / LTM Revenue
<b>Business Development Companies</b>									
Apollo Investment Corporation	AINV	4.8%	4.4%	4.9%	-3.4%	0.64x	0.64x	16.6x	7.9x
Ares Capital Corporation	ARCC	4.7%	11.9%	4.9%	15.3%	0.91x	0.91x	15.6x	9.1x
BlackRock Capital Investment Corporation	BKCC	5.0%	4.7%	5.1%	-13.3%	0.69x	0.69x	14.3x	7.5x
Capital Southwest Corporation	CSWC	4.4%	12.2%	4.5%	43.9%	1.02x	1.02x	25.9x	11.8x
Capitala Finance Corp.	CPTA	4.1%	-3.5%	4.2%	-15.0%	0.56x	0.56x	17.4x	7.9x
CM Finance Inc.	CMFN	5.9%	-0.2%	6.1%	46.6%	0.50x	0.50x	8.7x	5.4x
Equus Total Return, Inc.	EQS	-3.1%	9.5%	-3.1%	-30.9%	0.57x	0.57x	NM	79.4x
Fidus Investment Corporation	FDUS	4.1%	12.6%	4.2%	3.6%	0.71x	0.71x	17.9x	8.6x
Oaktree Specialty Lending Corporation	OCSL	4.1%	12.4%	4.2%	-10.6%	0.69x	0.69x	18.3x	9.0x
Firsthand Technology Value Fund, Inc.	SVVC	-6.1%	42.4%	-6.7%	120.5%	0.38x	0.38x	NM	36.4x
FS KKR Capital Corp.	FSK	4.7%	-0.7%	4.8%	-3.7%	0.60x	0.60x	11.6x	12.0x
Garrison Capital Inc.	GARS	4.2%	5.5%	4.3%	6.4%	0.57x	0.57x	11.0x	8.6x
Gladstone Capital Corporation	GLAD	5.0%	3.4%	5.1%	16.2%	0.88x	0.88x	16.4x	9.9x
Gladstone Investment Corporation	GAIN	2.3%	27.0%	2.4%	6.7%	0.76x	0.76x	160.1x	9.7x
Golub Capital BDC, Inc.	GBDC	3.7%	8.2%	3.8%	10.5%	1.02x	1.02x	22.1x	13.3x
GSV Capital Corp.	GSVC	-2.1%	6.5%	-2.9%	-28.9%	0.49x	0.49x	NM	108.5x
180 Degree Capital Corp.	TURN	-2.8%	17.3%	-2.9%	-32.2%	0.60x	0.60x	NM	40.5x
Hercules Capital, Inc.	HTGC	5.5%	12.2%	5.6%	6.9%	1.06x	1.06x	17.8x	10.0x
Horizon Technology Finance Corporation	HRZN	5.1%	9.1%	5.2%	6.9%	0.96x	0.96x	18.6x	8.8x
KCAP Financial, Inc.	KCAP	3.7%	2.1%	4.0%	-8.0%	0.74x	0.74x	19.9x	8.5x
Main Street Capital Corporation	MAIN	5.1%	15.5%	5.2%	16.8%	1.37x	1.37x	23.4x	13.8x
PT Express Transindo Utama Tbk	TAXI	-15.4%	-1133.8%	-17.7%	-22.9%	NM	NM	NM	6.7x
Medley Capital Corporation	MCC	2.6%	-24.6%	2.7%	-33.5%	0.45x	0.45x	38.8x	8.4x
Mill City Ventures III, Ltd.	MCVT	-3.2%	16.8%	-3.2%	-34.3%	0.58x	0.58x	NM	27.4x
Monroe Capital Corporation	MRCC	5.5%	2.5%	5.6%	16.6%	0.74x	0.74x	12.8x	8.4x
MVC Capital, Inc.	MVC	2.7%	-4.2%	2.8%	13.8%	0.65x	0.65x	49.6x	11.4x
New Mountain Finance Corporation	NMFC	4.3%	9.7%	4.6%	17.4%	0.93x	0.93x	18.0x	10.4x
OHA Investment Corporation	OHAI	2.5%	-4.7%	2.6%	-19.9%	0.47x	0.47x	32.4x	7.4x
OFS Capital Corporation	OFS	4.0%	9.6%	4.1%	15.6%	0.77x	0.77x	14.6x	9.4x
PennantPark Floating Rate Capital Ltd.	PFLT	4.3%	6.9%	4.4%	40.9%	0.84x	0.84x	16.7x	11.9x
PennantPark Investment Corporation	PNNI	3.9%	6.7%	4.0%	-11.8%	0.70x	0.70x	15.2x	9.5x
Prospect Capital Corporation	PSEC	4.9%	5.5%	5.0%	7.1%	0.67x	0.67x	12.0x	6.8x
Saratoga Investment Corp.	SAR	4.5%	10.4%	4.6%	21.7%	0.86x	0.86x	14.7x	9.9x
Solar Capital Ltd.	SLRC	3.7%	8.1%	4.4%	9.3%	0.87x	0.87x	19.1x	7.5x
Solar Senior Capital Ltd.	SUNS	3.7%	8.4%	4.4%	28.4%	0.90x	0.90x	18.9x	11.7x
Stellus Capital Investment Corporation	SCM	4.3%	12.8%	4.3%	17.3%	0.91x	0.91x	19.2x	10.1x
BlackRock TCP Capital Corp.	TCPC	5.2%	7.6%	5.5%	12.4%	0.90x	0.90x	15.1x	8.1x
THL Credit, Inc.	TCRD	5.5%	-1.7%	5.6%	-13.0%	0.60x	0.60x	9.4x	6.2x
Oxford Square Capital Corp.	OXSQ	4.5%	11.0%	4.6%	-18.4%	0.86x	0.86x	16.9x	8.6x
TPG Specialty Lending, Inc.	TSLX	5.9%	12.9%	6.1%	11.4%	1.10x	1.10x	16.7x	9.3x
TP ICAP plc	TCAP	0.1%	2.4%	0.0%	24.8%	12.13x	0.94x	13.5x	0.0x
	Mean	2.2%	-34.1%	2.1%	4.1%	0.73x	0.73x	26.4x	18.5x
	Median	4.1%	8.2%	4.2%	6.4%	0.69x	0.69x	17.9x	9.7x

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## Select Business Development Company – M&A Transactions December 31, 2017 through December 31, 2018

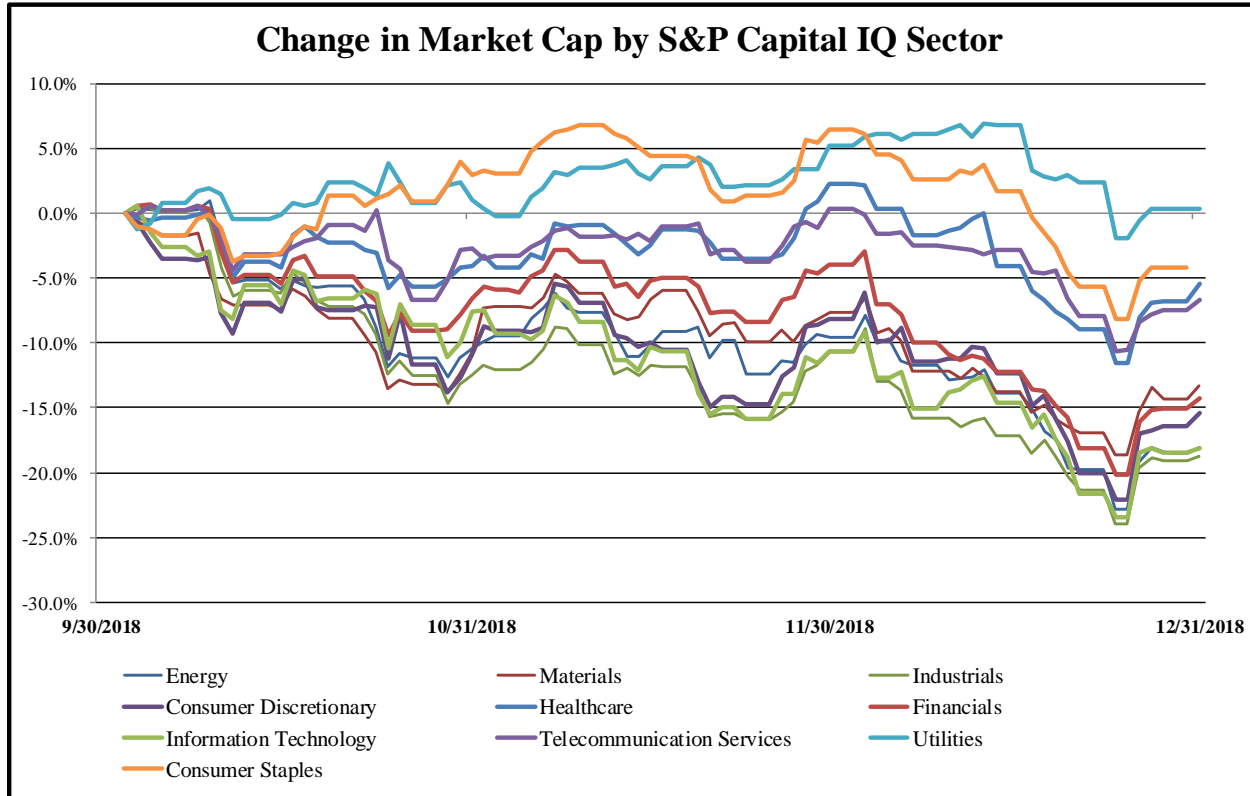
(USD in millions)

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Equity Value
5/31/2018	Samsung Electronics Co., Ltd.	1/0/1900	Technology Hardware, Storage and	\$306,899.75
9/19/2018	Energy Project Finance Debt Business of GE Energy Financial	Starwood Property Trust, Inc.	Specialized Finance	\$2,160.00
8/29/2018	NXT Capital, LLC	ORIX Corporation USA	Specialized Finance	\$900.00
10/17/2018	Rail Portfolio of Element Rail Leasing I LLC	Trinity Industries Leasing Company, Inc.	Specialized Finance	\$654.55
6/29/2018	Shore Premier Finance Division of Union Bank & Trust	Centennial Bank (Conway, AR)	Specialized Finance	\$402.70
5/18/2018	First Bank Lubbock Bancshares, Inc.	Heartland Financial USA, Inc.	Regional Banks	\$185.56
1/31/2018	US Premium Finance Holding Company	Ameris Bancorp	Specialized Finance	\$76.14
1/3/2018	US Premium Finance Holding Company	Ameris Bancorp	Specialized Finance	\$74.14
7/26/2018	AmericaTowne, Inc.	ATI Modular Technology Corp.	Interactive Media and Services	\$27.03
10/1/2018	AmOne Corp.	QuinStreet, Inc.	Specialized Finance	\$20.33
1/1/2018	BBN Financial Corporation	Atlantic Community Bancshares, Inc.	Specialized Finance	\$17.00
10/1/2018	JetFleet Management Corporation	AeroCentury Corp.	Trading Companies and Distributors	\$4.45
4/12/2018	ASAP Expo Inc. (nka:GreenBox Pos LLC)	GreenBox POS, LLC	Real Estate Services	\$0.28
8/28/2018	Ciena Capital LLC	Capital Crossing Servicing Company LLC	Specialized Finance	NA
12/18/2018	Old Dominion University Credit Union, Inc.	Langley Federal Credit Union	Specialized Finance	NA
12/17/2018	Big Sky Federal Credit Union	Billings Federal Credit Union	Specialized Finance	NA
12/9/2018	Generations Credit Union (nka:Community 1st Credit Union)	Community 1st Credit Union	Specialized Finance	NA
12/3/2018	DealStruck, Inc.	1/0/1900	Specialized Finance	NA
12/3/2018	Delmar OCF Federal Credit Union	Sunmark Federal Credit Union Inc.	Specialized Finance	NA
12/3/2018	Hampton Roads Catholic Federal Credit Union	ABNB Federal Credit Union	Specialized Finance	NA
11/19/2018	Spruce Finance Inc.	HPS Investment Partners, LLC	Consumer Finance	NA
9/30/2018	Kankakee County Federal Employees Federal Credit Union	CommonWealth Credit Union	Specialized Finance	NA
9/30/2018	Dairypak Employees Credit Union, Inc.	PSE Credit Union, Inc.	Specialized Finance	NA
2/1/2018	Arkansas Employees Federal Credit Union	Orion Federal Credit Union	Specialized Finance	NA
11/1/2018	MyBankoh Rewards Credit Card portfolio of Bank of Hawaii	Barclays Bank Delaware	Specialized Finance	NA
11/1/2018	Albany City Lodge K Of P 540 Federal Credit Union	CAP COM Federal Credit Union	Specialized Finance	NA
10/1/2018	Metropolitan Federal Credit Union	Community America Credit Union	Specialized Finance	NA
9/30/2018	Win-Hood Co-Op Credit Union	First Financial Credit Union	Specialized Finance	NA
11/1/2018	Stephens-Franklin Teachers Federal Credit Union	Peach State Federal Credit Union	Specialized Finance	NA
12/5/2018	ENGS Holdings Inc.	Mitsubishi UFJ Lease & Finance Company Limited	Specialized Finance	NA
11/19/2018	Sears Spokane Employees Federal Credit Union	PrimeSource Credit Union	Specialized Finance	NA
9/29/2018	Brooks Community Federal Credit Union	North Star Credit Union	Specialized Finance	NA
10/1/2018	Fremont First Central Federal Credit Union	Pentagon Federal Credit Union	Specialized Finance	NA
10/1/2018	Queen Of Peace Arlington Federal Credit Union	Arlington Community Federal Credit Union	Specialized Finance	NA
10/1/2018	Carmel Brotherhood Federal Credit Union	Kemba Credit Union, Inc.	Specialized Finance	NA
10/1/2018	Wood County Community Federal Credit Union	WV Central Credit Union	Specialized Finance	NA
10/15/2018	Fallon County Federal Credit Union	McCone County Federal Credit Union	Specialized Finance	NA
10/1/2018	Lawliffe Credit Union	Pelican State Credit Union	Specialized Finance	NA
10/12/2018	Radio, Television And Communications Federal Credit Union	Palisades Federal Credit Union	Specialized Finance	NA
10/10/2018	PFMG Solar, LLC	Constellation NewEnergy, Inc.	Renewable Electricity	NA
12/31/2018	Port Alliance Federal Credit Union	Chartway Federal Credit Union	Specialized Finance	NA
10/1/2018	Rabun-Tallulah Federal Credit Union	North Georgia Credit Union	Specialized Finance	NA
10/2/2018	Quick Bridge Funding, LLC	National Funding, Inc.	Specialized Finance	NA
10/16/2018	GA Telesis, LLC	Tokyo Century Corporation; All Nippon Airways	Aerospace and Defense	NA
10/19/2018	19th Capital Group, LLC	Element Fleet Management Corp.	Specialized Finance	NA
10/1/2018	Lomto Federal Credit Union	Teachers Federal Credit Union	Specialized Finance	NA
9/30/2018	Toledo Postal Employees Credit Union, Inc.	Champion Credit Union, Inc.	Specialized Finance	NA
10/1/2018	Savannah Federal Credit Union	Core Credit Union	Specialized Finance	NA
10/1/2018	Caano Employees Federal Credit Union	Riverland Federal Credit Union	Specialized Finance	NA
10/1/2018	CommunityWorks Federal Credit Union	Self-Help Credit Union	Specialized Finance	NA
9/1/2018	Palmetto Trust Federal Credit Union	Self-Help Credit Union	Specialized Finance	NA
9/1/2018	Simply Service Federal Credit Union	Highmark Federal Credit Union	Specialized Finance	NA
10/1/2018	Bay Ridge Federal Credit Union	Island Federal Credit Union	Specialized Finance	NA
11/27/2018	Charlotte Regional Partnership Foundation, Inc.	The Charlotte Chamber of Commerce	Specialized Finance	NA
9/1/2018	Dallas Credit Union	Neighborhood Credit Union	Specialized Finance	NA
8/31/2018	Times Federal Credit Union	Hawaiian Financial Federal Credit Union	Specialized Finance	NA

Source: Capital IQ

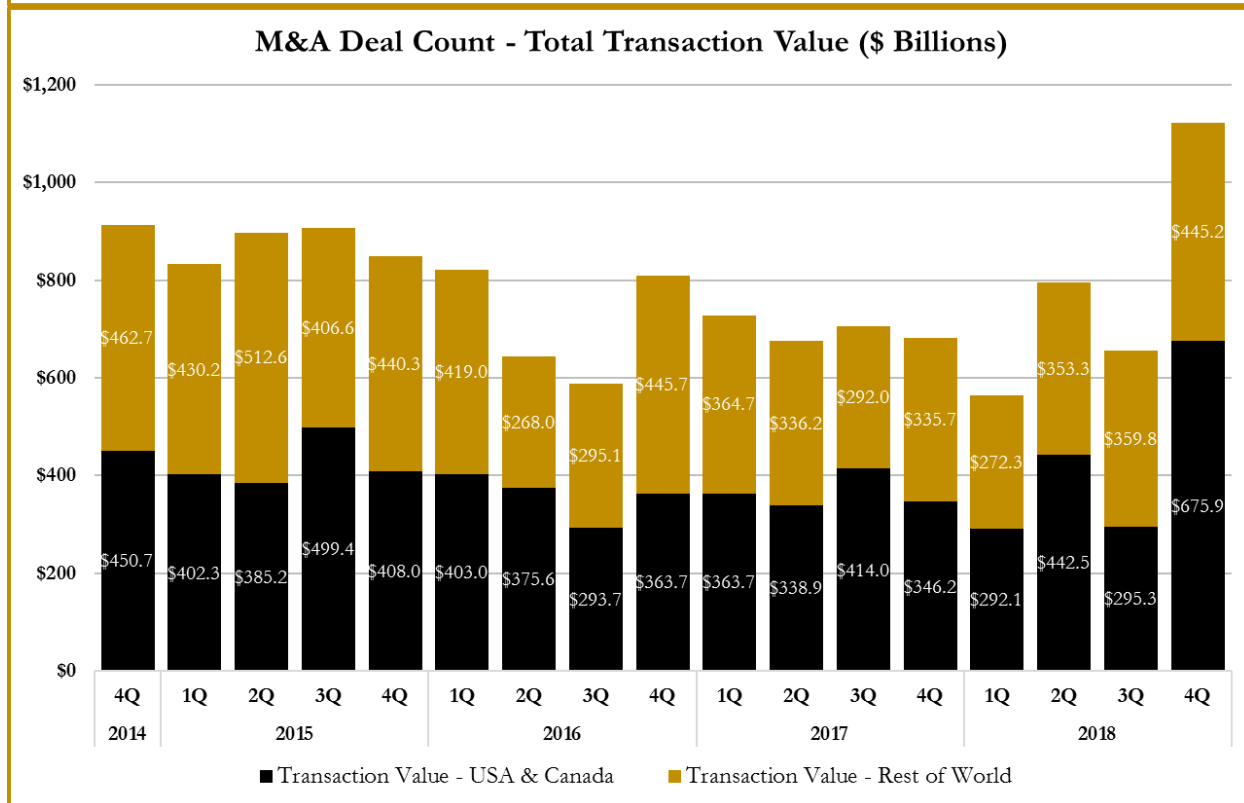
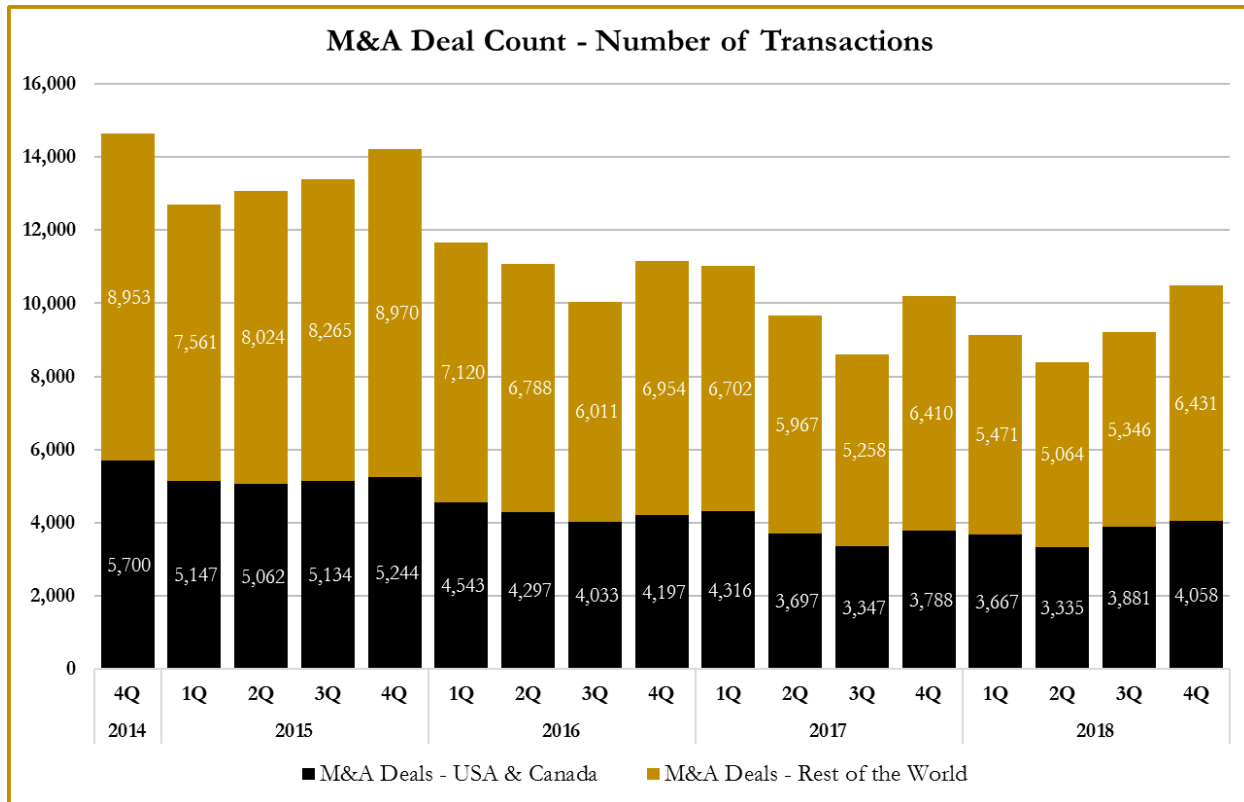


S&P Capital IQ - Sector Last 3 Month Equity Performance  
As of December 31, 2018

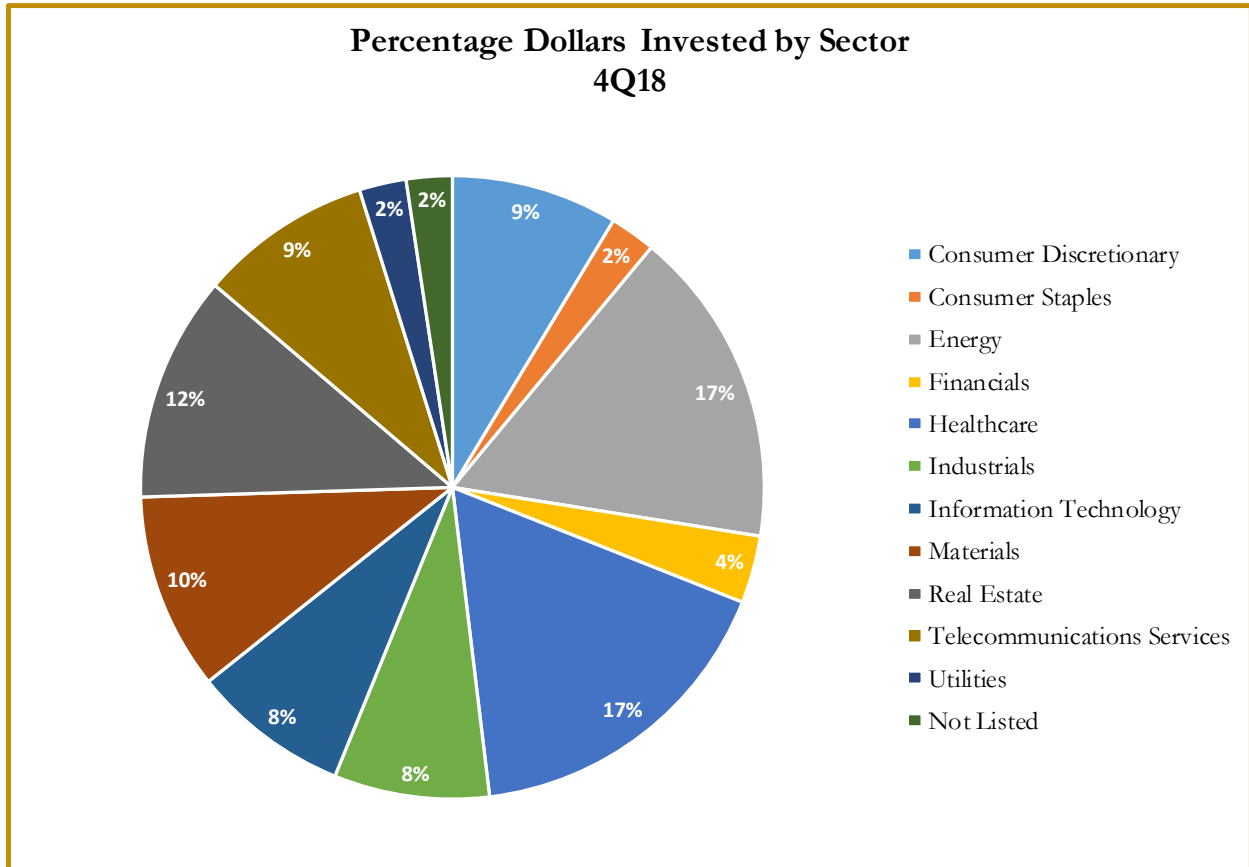


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

### M&A Deal Flow Statistics by S&P Capital IQ Sector As of December 31, 2018



M&A Deal Flow Statistics by S&P Capital IQ Sector  
As of December 31, 2018





## About Us

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and boutique investment banking firm. We pride ourselves on being thought leaders in an ever-changing landscape.

Houlihan Capital is SOC-compliant, a FINRA and SIPC member and committed to the highest levels of professional ethics and standards.

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We provide an array of services that include enterprise valuations, portfolio valuation, valuation of carried interest, transaction opinions, tax and financial reporting compliance, purchase price allocations, and a wide variety of consulting services through our Financial Advisory Group.

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