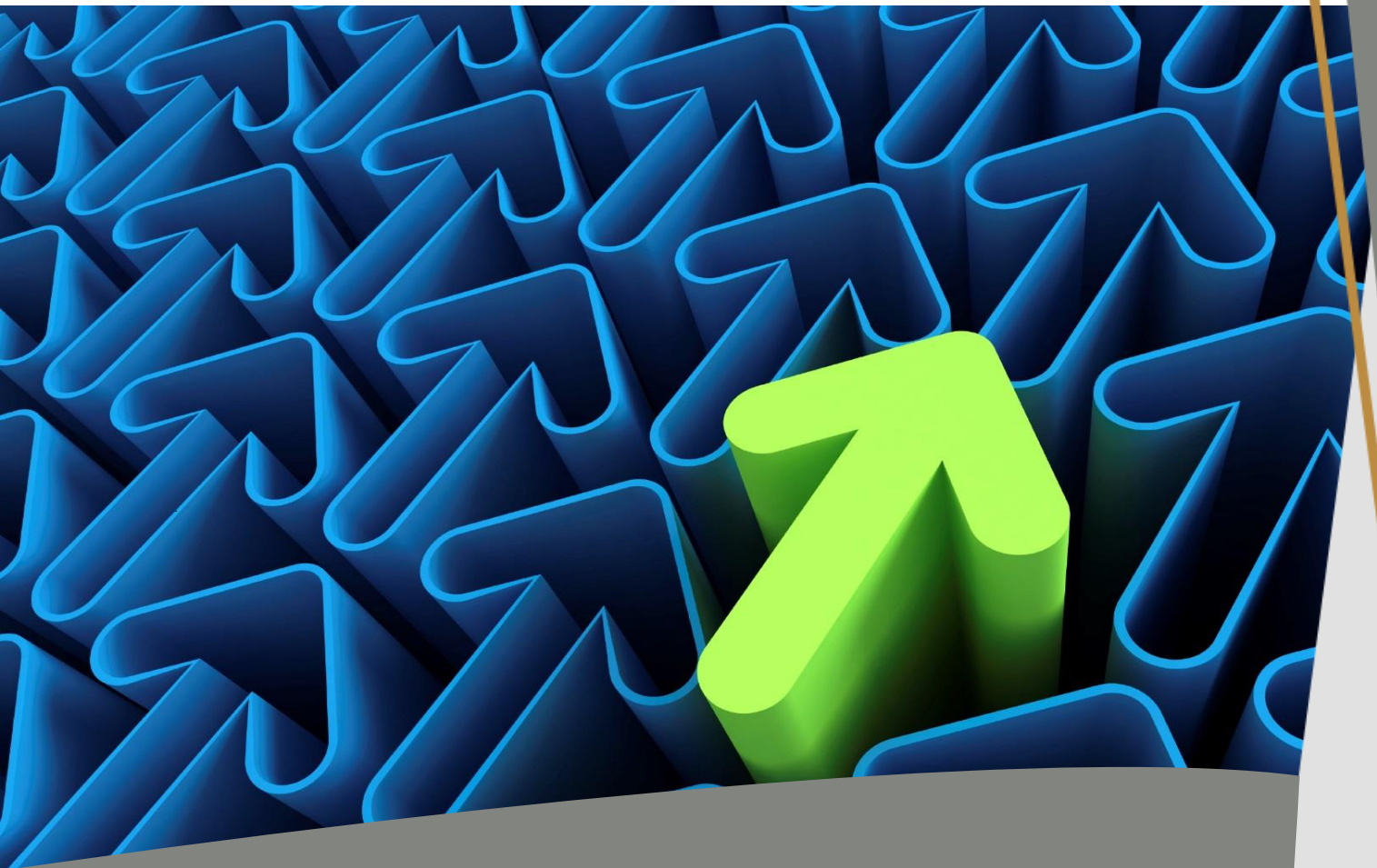




HOULIHAN  
CAPITAL

*Value. Added.*



Industry Observations – March 31, 2019

# Business Development Company Industry

## Select Business Development Company - Public Company Industry Data As of March 31, 2019

(USD in millions, except per share data)

		Market Data					LTM Operating Data			
Company Name	Ticker	Price at 03/31/19	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Total Assets	LTM Revenue	LTM Normalized EPS	CY 2018 Revenue Estimate
Business Development Companies										
Apollo Investment Corporation	AINV	\$15.14	84.1%	\$1,047.50	\$2,025.89	43.0%	\$2,383.67	\$255.16	\$0.93	\$270.89
Ares Capital Corporation	ARCC	\$17.14	97.2%	\$7,306.75	\$12,303.75	41.7%	\$12,895.00	\$1,337.00	\$1.09	\$1,419.84
BlackRock Capital Investment Corporation	BKCC	\$5.99	90.2%	\$412.33	\$594.18	27.7%	\$693.63	\$83.87	\$0.41	\$87.92
Capital Southwest Corporation	CSWC	\$21.04	87.0%	\$362.59	\$558.25	38.3%	\$523.78	\$47.45	\$0.84	\$60.79
Capitala Finance Corp.	CPTA	\$7.96	88.0%	\$127.94	\$398.69	60.9%	\$493.17	\$47.29	\$0.89	\$48.03
CM Finance Inc.	CMFN	\$7.38	74.5%	\$100.47	\$227.96	46.2%	\$301.98	\$43.17	\$0.89	\$35.33
Equus Total Return, Inc.	EQS	\$1.91	78.6%	\$25.83	\$43.62	38.3%	\$70.94	\$0.48	-\$0.16	\$0.00
Fidus Investment Corporation	FDUS	\$15.33	96.8%	\$375.02	\$607.69	40.3%	\$693.88	\$76.43	\$0.91	\$78.68
Oaktree Specialty Lending Corporation	OCSL	\$5.18	-	\$730.18	\$1,288.18	41.0%	\$1,541.52	\$143.12	\$0.29	\$151.63
Firsthand Technology Value Fund, Inc.	SVVC	\$13.27	74.8%	\$95.26	\$86.13	0.0%	\$212.18	\$3.47	-\$0.79	\$0.00
FS KKR Capital Corp.	FSK	\$6.05	73.4%	\$3,178.26	\$6,557.28	44.9%	\$7,705.00	\$394.00	\$0.54	\$771.16
Garrison Capital Inc.	GARS	\$7.18	80.2%	\$115.23	\$393.55	64.5%	\$503.97	\$38.78	\$0.63	\$45.30
Gladstone Capital Corporation	GLAD	\$9.01	91.3%	\$256.83	\$473.17	47.7%	\$438.42	\$46.63	\$0.54	\$49.73
Gladstone Investment Corporation	GAIN	\$11.60	94.6%	\$380.74	\$594.17	30.8%	\$619.61	\$58.98	\$0.07	\$56.97
Golub Capital BDC, Inc.	GBDC	\$17.88	89.9%	\$1,080.35	\$2,075.18	50.6%	\$1,979.81	\$155.13	\$0.81	\$239.78
GSV Capital Corp.	GSVC	\$7.58	90.3%	\$149.80	\$139.10	16.4%	\$330.22	\$1.62	-\$0.37	\$1.24
180 Degree Capital Corp.	TURN	\$1.86	74.4%	\$57.89	\$51.13	0.0%	\$84.05	\$0.69	-\$0.05	\$0.00
Hercules Capital, Inc.	HTGC	\$12.66	89.3%	\$1,221.00	\$2,149.61	50.2%	\$1,945.19	\$207.75	\$0.75	\$255.19
Horizon Technology Finance Corporation	HRZN	\$11.79	87.5%	\$159.62	\$274.02	48.6%	\$266.75	\$31.09	\$0.75	\$37.27
Portman Ridge Finance Corporation	KCAP	\$0.00	#DIV/0!	\$0.00	\$206.10	38.9%	\$285.46	\$27.09	\$0.17	\$28.90
Main Street Capital Corporation	MAIN	\$37.20	91.2%	\$2,302.24	\$3,312.90	40.3%	\$2,553.43	\$233.36	\$1.63	\$251.10
Medley Capital Corporation	MCC	\$3.11	71.0%	\$169.41	\$520.13	56.5%	\$714.47	\$60.39	\$0.08	\$0.00
Mill City Ventures III, Ltd.	MCVT	\$0.70	35.0%	\$7.75	\$6.77	0.0%	\$10.93	\$0.15	-\$0.03	\$0.00
Monroe Capital Corporation	MRCC	\$12.14	82.9%	\$248.20	\$558.83	54.8%	\$579.83	\$58.38	\$1.01	\$69.60
MVC Capital, Inc.	MVC	\$9.07	89.3%	\$160.77	\$299.68	39.4%	\$364.35	\$24.18	\$0.26	\$26.07
New Mountain Finance Corporation	NMFC	\$13.57	94.9%	\$1,091.28	\$2,438.59	57.9%	\$2,448.67	\$231.47	\$0.87	\$258.47
OHA Investment Corporation	OHAI	\$1.20	72.7%	\$24.21	\$64.84	54.8%	\$84.78	\$8.47	\$0.02	\$0.00
OFS Capital Corporation	OFS	\$11.75	92.2%	\$156.95	\$379.75	59.3%	\$441.42	\$42.83	\$0.86	\$49.88
PennantPark Floating Rate Capital Ltd.	PFLT	\$12.81	90.7%	\$496.67	\$948.14	47.5%	\$1,018.68	\$80.55	\$0.79	\$94.22
PennantPark Investment Corporation	PNNT	\$6.91	88.1%	\$470.07	\$1,021.33	47.7%	\$1,221.77	\$106.99	\$0.46	\$119.58
Prospect Capital Corporation	PSEC	\$6.52	85.8%	\$2,390.95	\$4,895.42	43.6%	\$5,969.87	\$705.17	\$0.54	\$678.51
Saratoga Investment Corp.	SAR	\$22.28	78.7%	\$168.00	\$458.24	60.9%	\$454.04	\$44.85	\$1.57	\$53.10
Solar Capital Ltd.	SLRC	\$20.84	94.7%	\$880.72	\$1,171.13	34.0%	\$1,683.43	\$153.53	\$1.11	\$161.89
Solar Senior Capital Ltd.	SUNS	\$17.16	98.5%	\$275.25	\$442.50	39.3%	\$459.30	\$39.81	\$0.88	\$41.92
Stellus Capital Investment Corporation	SCM	\$14.15	92.5%	\$264.66	\$543.57	56.5%	\$526.29	\$53.27	\$0.90	\$58.47
BlackRock TCP Capital Corp.	TCPC	\$14.18	94.7%	\$833.30	\$1,622.33	49.2%	\$1,659.54	\$190.50	\$0.99	\$194.95
THL Credit, Inc.	TCRD	\$6.56	75.0%	\$212.00	\$425.66	42.2%	\$518.45	\$66.94	\$0.70	\$60.37
Oxford Square Capital Corp.	OXSQ	\$6.50	86.4%	\$309.73	\$439.25	32.0%	\$467.15	\$56.28	\$0.42	\$59.88
TPG Specialty Lending, Inc.	TSLX	\$20.00	94.2%	\$1,312.51	\$1,925.12	36.4%	\$1,730.32	\$261.91	\$1.48	\$235.55
TP ICAP plc	TCAP	\$3.83	60.9%	\$2,148.08	\$0.00	45.9%	\$32,516.79	\$2,201.09	\$0.30	\$1,767.68
WhiteHorse Finance, Inc.	WHF	\$14.20	89.9%	\$291.75	\$446.23	35.8%	\$514.10	\$63.25	\$0.79	\$65.31

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 March 31, 2019

(USD in millions, except per share data)

Company Name	Ticker	LTM Operating Statistics				Trading Multiples			TEV / LTM Revenue
		Return On Assets	Return On Equity	Return On Capital	Revenue Growth	Price / TBV	Price / BV	P/Normal EPS	
Business Development Companies									
Apollo Investment Corporation	AINV	4.8%	4.4%	4.9%	-3.4%	0.80x	0.80x	16.6x	7.9x
Ares Capital Corporation	ARCC	4.7%	11.9%	4.9%	15.3%	1.00x	1.00x	15.9x	9.2x
BlackRock Capital Investment Corporation	BKCC	5.2%	-1.7%	5.4%	-13.8%	0.85x	0.85x	14.9x	7.1x
Capital Southwest Corporation	CSWC	4.4%	12.2%	4.5%	43.9%	1.14x	1.14x	25.8x	11.8x
Capitala Finance Corp.	CPTA	4.1%	-7.8%	4.1%	-7.4%	0.67x	0.67x	9.8x	8.4x
CM Finance Inc.	CMFN	5.9%	-0.2%	6.1%	46.6%	0.64x	0.64x	8.3x	5.3x
Equus Total Return, Inc.	EQS	-3.4%	0.1%	-3.4%	-14.3%	0.59x	0.59x	NM	90.9x
Fidus Investment Corporation	FDUS	4.5%	12.4%	4.6%	11.4%	0.93x	0.93x	17.1x	8.0x
Oaktree Specialty Lending Corporation	OCSL	4.1%	12.4%	4.2%	-10.6%	0.84x	0.84x	18.3x	9.0x
Firsthand Technology Value Fund, Inc.	SVVC	-3.0%	10.9%	-3.2%	121.5%	0.50x	0.50x	NM	24.8x
FS KKR Capital Corp.	FSK	3.1%	17.6%	3.2%	-6.0%	0.77x	0.77x	11.5x	16.6x
Garrison Capital Inc.	GARS	3.8%	-0.9%	3.9%	5.9%	0.68x	0.68x	11.5x	10.1x
Gladstone Capital Corporation	GLAD	5.0%	3.4%	5.1%	16.2%	1.13x	1.13x	17.3x	10.1x
Gladstone Investment Corporation	GAIN	2.3%	27.0%	2.4%	6.7%	0.93x	0.93x	168.9x	10.1x
Golub Capital BDC, Inc.	GBDC	3.7%	8.2%	3.8%	10.5%	1.12x	1.12x	22.5x	13.4x
GSV Capital Corp.	GSVC	-1.3%	0.4%	-1.9%	89.7%	0.77x	0.77x	NM	86.0x
180 Degree Capital Corp.	TURN	-1.7%	1.2%	-1.8%	-44.2%	0.71x	0.71x	NM	74.6x
Hercules Capital, Inc.	HTGC	5.4%	8.5%	5.5%	8.8%	1.27x	1.27x	17.0x	10.3x
Horizon Technology Finance Corporation	HRZN	5.1%	9.7%	5.2%	20.6%	1.01x	1.01x	15.7x	8.8x
Portman Ridge Finance Corporation	KCAP	3.6%	-5.6%	4.0%	-4.2%	0.00x	0.00x	0.0x	7.6x
Main Street Capital Corporation	MAIN	5.2%	11.8%	5.4%	13.4%	1.54x	1.54x	23.5x	14.2x
Medley Capital Corporation	MCC	2.6%	-24.6%	2.7%	-33.5%	0.55x	0.55x	42.3x	8.6x
Mill City Ventures III, Ltd.	MCVT	-3.2%	16.8%	-3.2%	-34.3%	0.71x	0.71x	NM	43.9x
Monroe Capital Corporation	MRCC	5.1%	2.2%	5.1%	14.2%	0.96x	0.96x	12.0x	9.6x
MVC Capital, Inc.	MVC	3.0%	-6.2%	3.1%	10.6%	0.74x	0.74x	35.5x	12.4x
New Mountain Finance Corporation	NMFC	4.7%	7.1%	4.8%	17.0%	1.03x	1.03x	18.3x	10.5x
OHA Investment Corporation	OHAI	2.5%	-24.5%	2.6%	-17.6%	0.67x	0.67x	49.9x	7.7x
OFS Capital Corporation	OFS	4.3%	5.3%	4.4%	28.1%	0.91x	0.90x	14.2x	8.9x
PennantPark Floating Rate Capital Ltd.	PFLT	4.3%	6.9%	4.4%	40.9%	0.94x	0.94x	16.5x	11.8x
PennantPark Investment Corporation	PNNT	3.9%	6.7%	4.0%	-11.8%	0.76x	0.76x	15.3x	9.5x
Prospect Capital Corporation	PSEC	4.9%	5.5%	5.0%	7.1%	0.72x	0.72x	12.3x	6.9x
Saratoga Investment Corp.	SAR	4.5%	10.4%	4.6%	21.7%	0.96x	0.96x	15.6x	10.2x
Solar Capital Ltd.	SLRC	3.7%	7.3%	4.4%	7.1%	0.96x	0.96x	19.3x	7.6x
Solar Senior Capital Ltd.	SUNS	3.9%	5.2%	4.6%	23.8%	1.05x	1.05x	19.7x	11.1x
Stellus Capital Investment Corporation	SCM	4.8%	11.8%	4.8%	34.3%	1.00x	1.00x	16.0x	10.2x
BlackRock TCP Capital Corp.	TCPC	5.1%	5.3%	5.2%	8.3%	1.00x	1.00x	14.5x	8.5x
THL Credit, Inc.	TCRD	5.7%	-3.3%	5.7%	-15.0%	0.72x	0.72x	9.6x	6.4x
Oxford Square Capital Corp.	OXSQ	5.5%	-2.6%	5.6%	-8.4%	0.98x	0.98x	15.2x	7.8x
TPG Specialty Lending, Inc.	TS LX	6.9%	11.7%	7.1%	24.2%	1.23x	1.23x	13.6x	7.4x
TP ICAP plc	TCAP	0.1%	1.9%	0.0%	0.3%	10.92x	0.91x	12.3x	0.0x
WhiteHorse Finance, Inc.	WHF	4.7%	19.0%	4.9%	15.4%	0.93x	0.93x	18.2x	7.1x
	Mean	3.0%	5.1%	3.1%	10.8%	0.84x	0.84x	24.9x	20.4x
	Median	4.1%	5.7%	4.2%	9.7%	0.82x	0.82x	17.0x	10.1x

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 – M&A Transactions

### March 31, 2018 through March 31, 2019

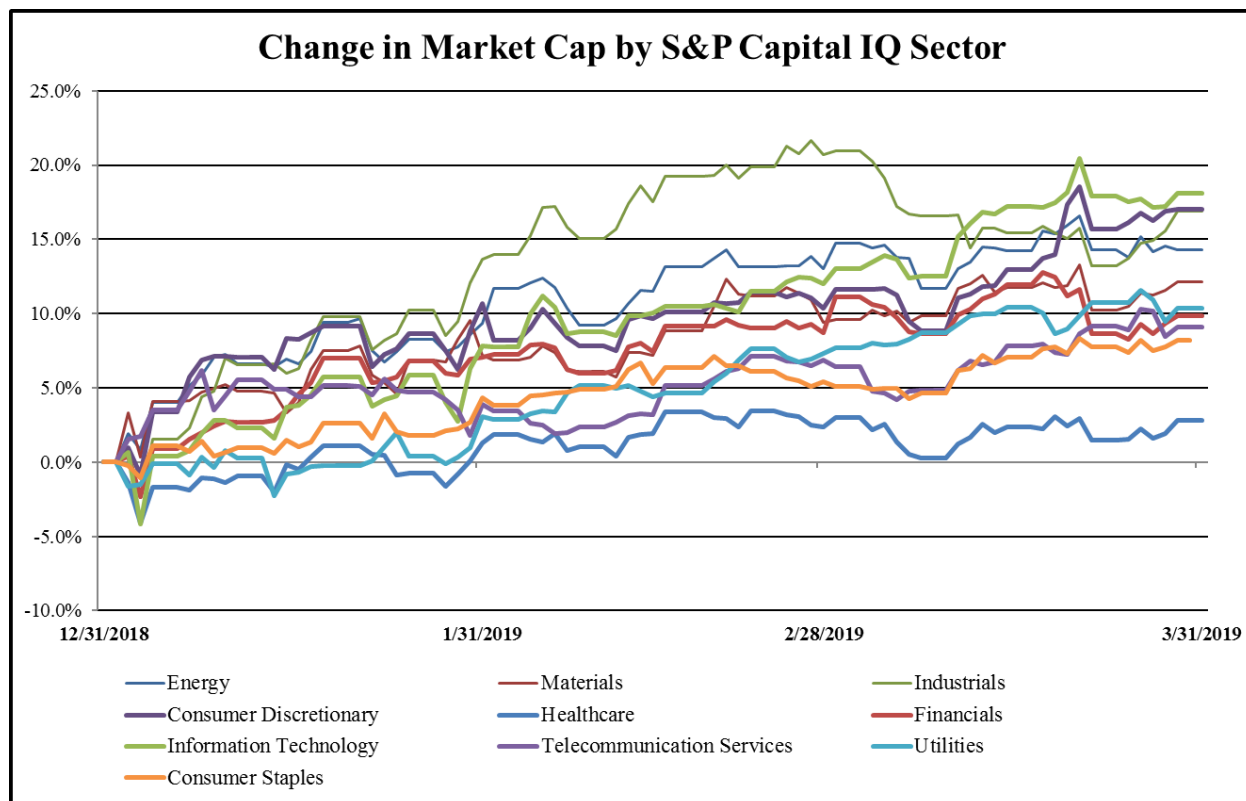
(USD in millions)

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
3/11/2019	Santander Consumer USA Holdings Inc.	Santander Holdings USA, Inc.	Consumer Finance	\$7,017.54
3/22/2019	MB Financial, Inc.	Fifth Third Financial Corporation	Regional Banks	\$4,613.46
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
1/9/2019	CSI Enterprises, Inc.	Edenred SA	Specialized Finance	\$600.00
6/29/2018	Shore Premier Finance Division of Union Bank & Trust	Centennial Bank (Conway, AR)	Specialized Finance	\$402.70
1/2/2019	Bossier Casino Venture (HoldCo), Inc.	VICI Properties Inc.	Specialized Finance	\$261.13
5/18/2018	First Bank Lubbock Bancshares, Inc.	Heartland Financial USA, Inc.	Regional Banks	\$185.56
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
3/1/2019	Mainland Bank	Investar Bank	Regional Banks	\$19.71
2/8/2019	Prestige Capital Corporation	Great Elm Capital Corporation; Great Elm Capital	Specialized Finance	\$9.25
10/19/2018	19th Capital Group, LLC	Element Fleet Management Corp.	Specialized Finance	\$8.15
2/1/2019	Great Bay Renewables	Altius Renewable Royalties Corp.	Specialized Finance	\$5.00
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
3/23/2019	West Springfield Federal Credit Union	Freedom Credit Union	Specialized Finance	NA
3/22/2019	Affiliated Funding Corporation	Capital Financial Global, Inc.	Specialized Finance	NA
3/6/2019	Ark Capital Holdings, LLC	Turner Valley Oil & Gas, Inc.	Specialized Finance	NA
3/4/2019	Vendor Finance Business of Numerica Capital	Blue Street Capital LLC	Specialized Finance	NA
3/1/2019	Wiregrass Federal Credit Union	Army Aviation Center Federal Credit Union	Specialized Finance	NA
2/28/2019	Commercial Credit, Inc.	BDT Capital Partners, LLC	Specialized Finance	NA
2/28/2019	Asset-Based and Equipment Finance Lending Businesses of	Sterling National Bank	Specialized Finance	NA
2/26/2019	Demeter Power Group, Inc.	Petros Pace Finance, LLC	Specialized Finance	NA
2/21/2019	Cooperativa De Ahorro Y Credito De Guaynabo	Cooperativa De Credito La Sagrada Familia	Specialized Finance	NA
2/19/2019	Portfolio of Participations in Seasoned Rural Utilities loans	Federal Agricultural Mortgage Corporation	Specialized Finance	NA
2/15/2019	Siena Capital Finance LLC.	Business Development Corporation of America;	Specialized Finance	NA
2/11/2019	BlueRock Energy Capital II, LLC	Legacy Trust Company, National Association,	Specialized Finance	NA
2/1/2019	Coast-Tel Federal Credit Union	Bay Federal Credit Union	Specialized Finance	NA
2/1/2019	Augusta Vah Federal Credit Union	SRP Federal Credit Union	Specialized Finance	NA
2/1/2019	Bridgewater Credit Union	Merrimack Valley Federal Credit Union Inc.	Specialized Finance	NA
2/1/2019	Kilowatt Community Credit Union	Missouri Credit Union	Specialized Finance	NA
1/17/2019	VAR Resources, LLC	LEAF Commercial Capital, Inc.	Computer and Electronics Retail	NA
1/11/2019	Comfrey Branch Of Choice Financial Group Inc.	Triumph State Bank	Specialized Finance	NA
1/4/2019	Eastern Funding, LLC	Brookline Bank	Specialized Finance	NA
1/2/2019	Progressive Credit Union	Pentagon Federal Credit Union	Specialized Finance	NA
1/1/2019	Central Alliance Credit Union	Covantage Credit Union	Specialized Finance	NA
1/1/2019	Mill City Credit Union	City & County Credit Union	Specialized Finance	NA
1/1/2019	Vibe Credit Union	Oakland County Credit Union (nka:Vibe Credit	Specialized Finance	NA
12/31/2018	Port Alliance Federal Credit Union	Chartway Federal Credit Union	Specialized Finance	NA
12/28/2018	GWG Holdings, Inc.	GWG Holdings, Inc.	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
12/11/2018	JSTC Employees Federal Credit Union	USSCO Federal Credit Union	Specialized Finance	NA
12/9/2018	Generations Credit Union (nka:Community 1st Credit Union)	Community 1st Credit Union	Specialized Finance	NA
12/5/2018	ENGs Holdings Inc.	Mitsubishi UFJ Lease & Finance Company Limited	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
11/27/2018	Charlotte Regional Partnership Foundation, Inc.	The Charlotte Chamber of Commerce	Specialized Finance	NA
11/19/2018	Spruce Finance Inc.	HPS Investment Partners, LLC	Consumer Finance	NA
11/19/2018	Sears Spokane Employees Federal Credit Union	PrimeSource 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

Source: Capital IQ



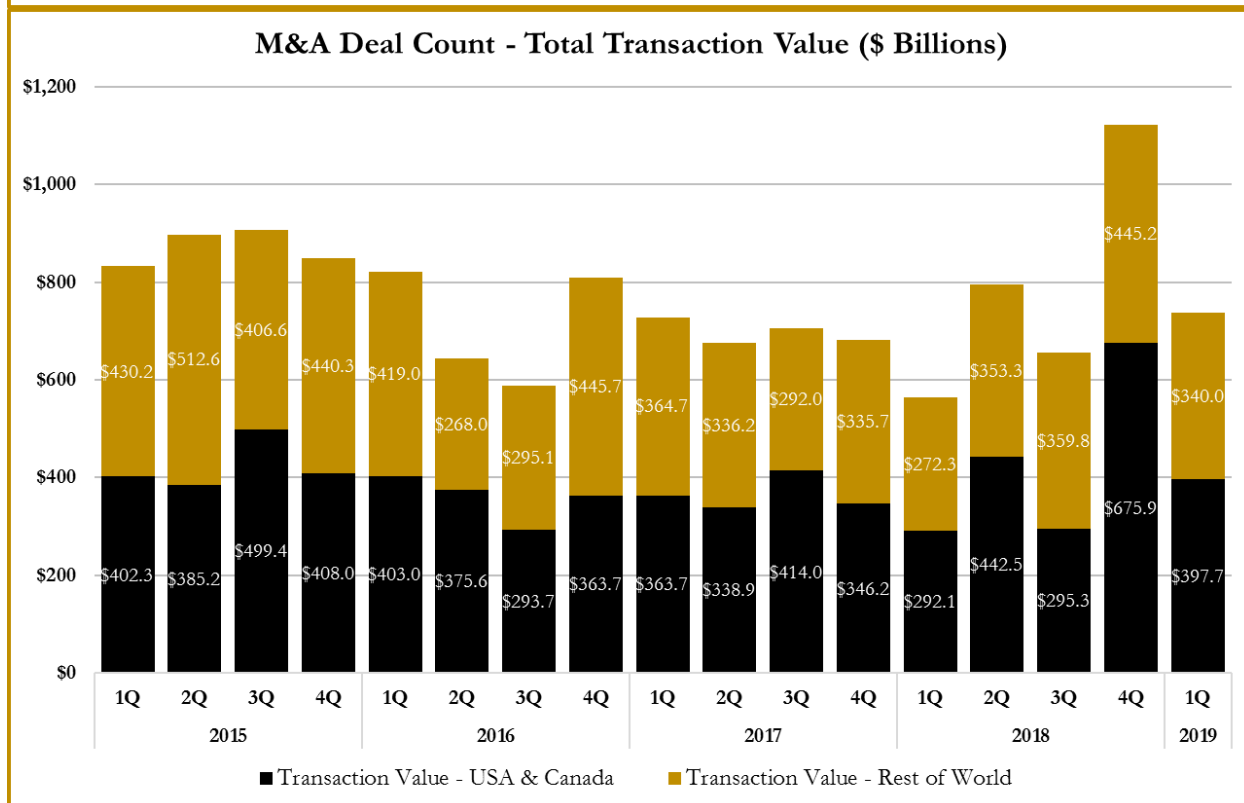
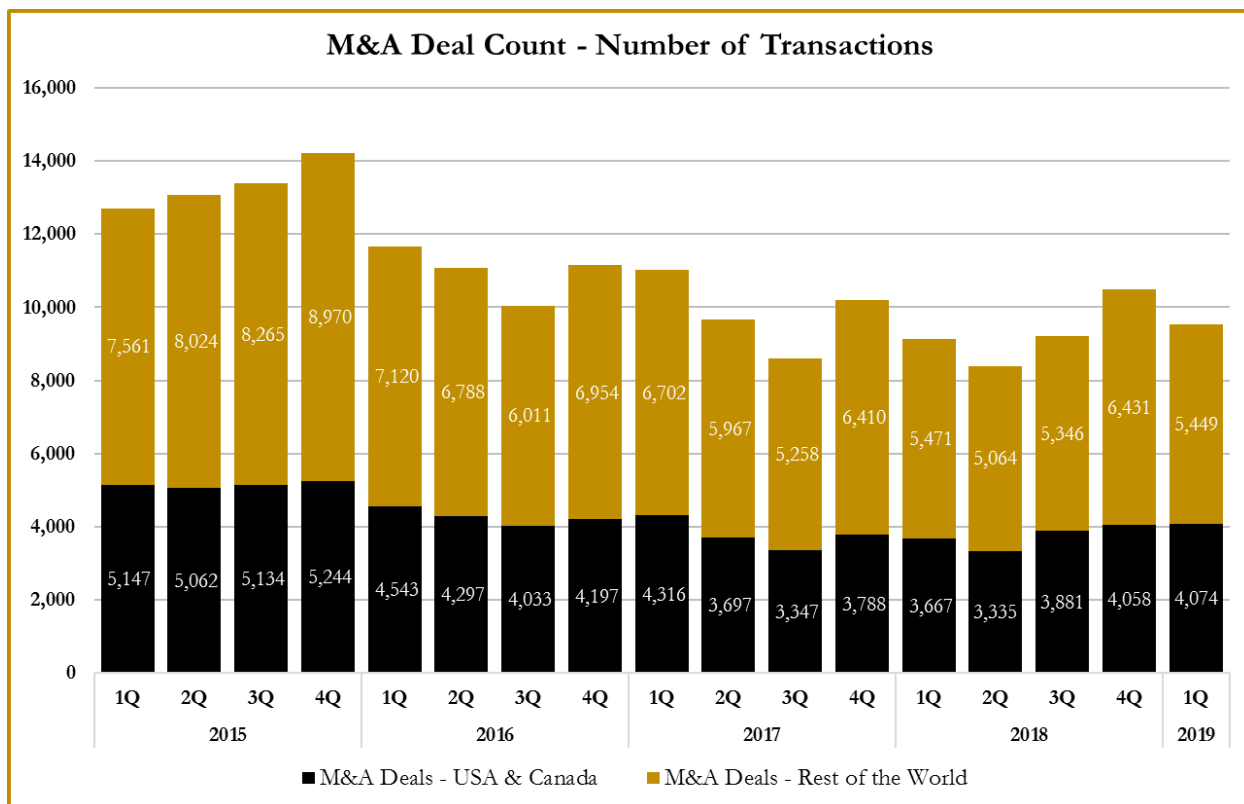
## S&P Capital IQ - Sector Last 3 Month Equity Performance As of March 31, 2019



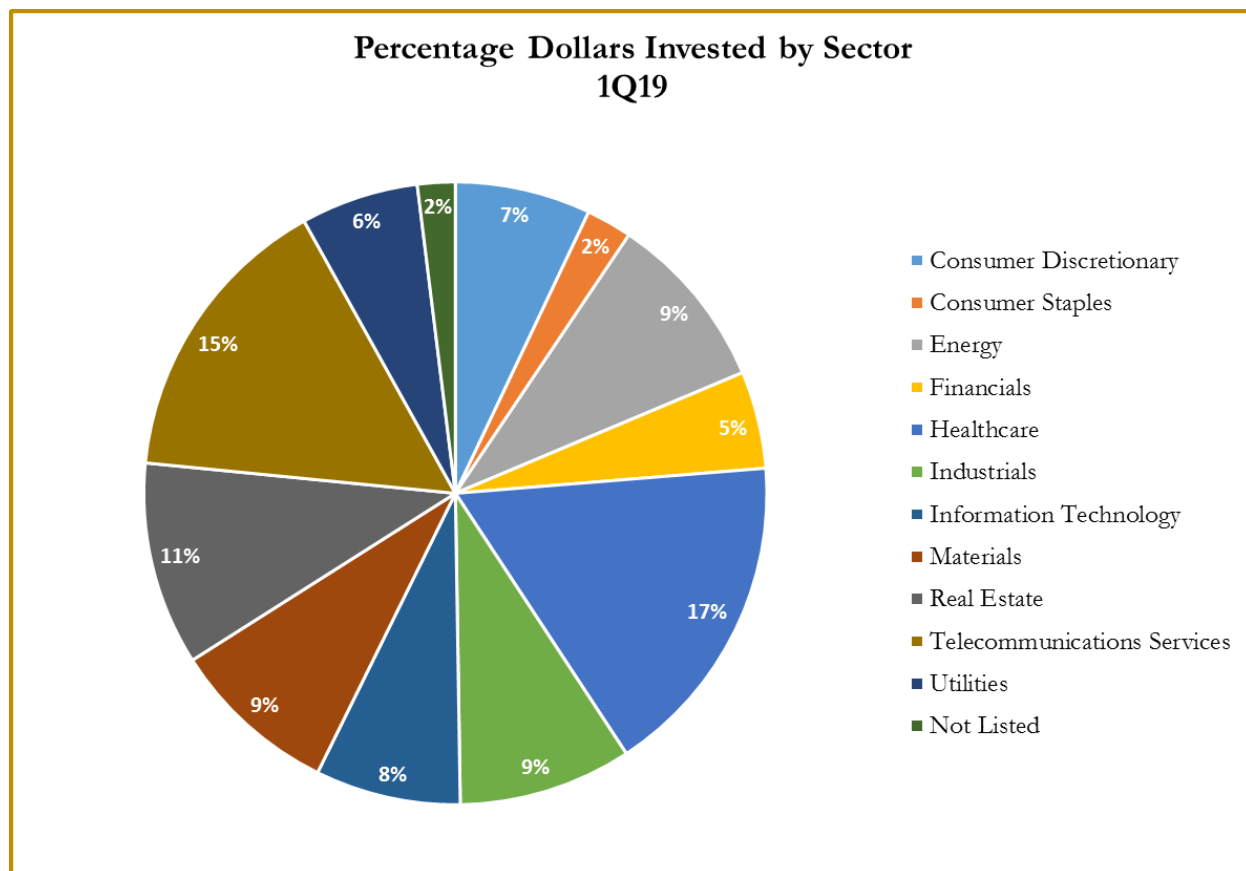
Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

## M&A Deal Flow Statistics by S&P Capital IQ Sector

### As of March 31, 2019



## M&A Deal Flow Statistics by S&P Capital IQ Sector As of March 31, 2019





## 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.

## Valuation & Financial Advisory

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.

## Investment Banking

Through our Investment Banking Group, we offer sell side/buy side advisory and capital raises. Through our Special Situations desk, we provide services that fit outside the archetypal verticals, including liquidity solutions, transactional advisory, and secondary market advisory and trading.

## Litigation Support

Our team provides support for a wide variety of situations including commercial and shareholder disputes, derivatives and structured finance litigation, and fraudulent conveyance.

**For additional information about our  
industry expertise and services, visit:**

**[www.houlihancapital.com](http://www.houlihancapital.com)**

---

<b>Andrew Smith</b> asmith@houlihancapital.com 312.450.8610	<b>Paul Clark</b> pclark@houlihancapital.com 312.450.8656	<b>Michael Norton</b> mnorton@houlihancapital.com 312.450.8628	<b>Monica Blocker</b> mblocker@houlihancapital.com 312.450.8699
-------------------------------------------------------------------	-----------------------------------------------------------------	----------------------------------------------------------------------	-----------------------------------------------------------------------

---