

March 13, 2017

MVC Capital Announces Fiscal First Quarter 2017 Results

PURCHASE, N.Y., March 13, 2017 (GLOBE NEWSWIRE) -- MVC Capital, Inc. (NYSE:MVC) (the Company), a publicly traded business development company that makes private debt and equity investments, announced its financial results for the fiscal first quarter ended January 31, 2017.

Recent Highlights

- ┆ Increase in NAV per share over the prior quarter of \$0.06 per share
- ┆ Increase in net assets from operations of \$4.4 million or \$0.19 per share for the first quarter of fiscal 2017
- ┆ Received \$12.2 million from the MVC Private Equity Fund's sale of AccuMed Corp. on December 23, 2016, realizing a gain of \$9.8 million.
- ┆ Paid 47th consecutive quarterly dividend of \$0.135 per share on January 6, 2017

Financial Results

(Unaudited) (\$ in thousands except for per share data)	Quarter Ended				
	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Total operating income	3,380	5,417	8,005	15,855	8,090
Management fee	1,814	1,721	1,932	1,958	1,979
Portfolio fees - asset management	177	183	185	186	187
Management fee - asset management	62	72	60	86	101
Administrative	1,474	802	1,319	1,174	958
Interest, fees and other borrowing costs	2,538	2,598	2,488	2,497	2,629
Net incentive compensation	760	577	(1,512)	1,135	(2,230)
Total waiver by adviser	(491)	(467)	(521)	(1,527)	(532)
Tax expense	1	1	-	1	-
Net operating (loss) income before net realized and unrealized gains	(2,955)	(70)	4,054	10,345	4,998
Net increase (decrease) in net assets resulting from operations	4,377	5,279	(3,536)	6,046	(4,991)
Net increase (decrease) in net assets resulting from operations per share	0.19	0.23	(0.16)	0.26	(0.21)
Net asset value per share	12.45	12.39	12.27	12.56	12.43

For the first quarter of fiscal year 2017, the Company earned \$2.8 million in interest and dividend income and \$609,000 in fee income, compared to \$5.1 million and \$3.0 million, respectively, for the same quarter in fiscal 2016.

The Company reported a net operating loss of \$3.0 million for the first quarter of fiscal year 2017, compared to net operating income of \$5.0 million for the same quarter of fiscal 2016.

Portfolio Adjustments

As of January 31, 2017, the Company's net assets were \$280.9 million, or \$12.45 per share, compared with net assets of \$279.6 million, or \$12.39 per share at the end of the prior fiscal quarter and \$282.2 million, or \$12.43 per share at January 31, 2016.

During the first quarter of fiscal 2017, the fair values of 24 portfolio company securities and escrow receivables were adjusted by MVC's Valuation Committee, resulting in a net increase of \$2.5 million or \$0.11 per share¹.

Investment Activity

During the first quarter of fiscal 2017, MVC made no new investments and three follow-on investments in existing portfolio companies totaling \$1.0 million.

Liquidity

As of January 31, 2017, MVC had investments in portfolio companies totaling \$355.4 million and cash and cash equivalents of \$33.8 million, including \$801,000 in restricted cash.

There were \$25.0 million of borrowings under MVC's \$50 million revolving credit facility with BB&T at January 31, 2017. There were no outstanding borrowings under its credit facility with Santander Bank N.A. at January 31, 2017.

Although no shares were repurchased during the first quarter of 2017, the Company continues to believe that opportunistic share repurchases and/or other potential capital activity remain appropriate given the discount in which the Company's shares trade relative to its NAV. The timing and amount of any purchases will be determined by management based upon market conditions and other factors including regulatory constraints.

Dividends

During the first quarter of fiscal 2017, the Board of Directors declared a dividend of \$3.0 million or \$0.135 per share, paid on January 6, 2017 to shareholders of record on December 30, 2016.

Since implementing its dividend policy in July of 2005, MVC has paid forty-seven consecutive quarterly dividends. To date, dividends paid through January 31, 2017 total approximately \$142 million or \$6.27 per share.

¹ Based on shares outstanding as of January 31, 2017.

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About MVC Capital, Inc.

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 the MVC's website at www.mvccapital.com.

Safe Harbor Statement and Other Disclosures

The information contained in this press release contains forward-looking statements. 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: MVC Capital's ability to deliver value to all shareholders and execute its yield investment strategy; the ability to pay and grow MVC distributions; the performance of MVC Capital's investments; 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 is no assurance that the market price of MVC's shares, either absolutely or relative to net asset value, will increase as a result of any share repurchases, or that the program will enhance shareholder value over the long-term. There can be no assurance that MVC will achieve its investment objective.

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