

GOLUB CAPITAL BDC, Inc.
Form 10-Q
February 07, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended December 31, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 814-00794

Golub Capital BDC, Inc.
(Exact name of registrant as specified in its charter)

Delaware 27-2326940
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

666 Fifth Avenue, 18th Floor
New York, NY 10103
(Address of principal executive offices)

(212) 750-6060
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer Accelerated filer

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Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of February 7, 2018, the Registrant had 59,741,248 shares of common stock, \$0.001 par value, outstanding.

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

	December 31, 2017 (unaudited)	September 30, 2017
Assets		
Investments, at fair value		
Non-controlled/non-affiliate company investments	\$1,627,716	\$1,586,293
Non-controlled affiliate company investments	4,065	3,707
Controlled affiliate company investments	91,591	95,015
Total investments at fair value (amortized cost of \$1,707,273 and \$1,671,239, respectively)	1,723,372	1,685,015
Cash and cash equivalents	5,750	3,988
Restricted cash and cash equivalents	71,380	58,570
Interest receivable	6,536	6,271
Other assets	289	332
Total Assets	\$1,807,327	\$1,754,176
Liabilities		
Debt		
Less unamortized debt issuance costs	\$828,300	\$781,100
Debt less unamortized debt issuance costs	3,514	4,273
Interest payable	824,786	776,827
Management and incentive fees payable	6,132	3,800
Accounts payable and accrued expenses	15,506	13,215
Payable for investments purchased	1,973	2,312
Accrued trustee fees	550	—
Total Liabilities	78	76
Commitments and Contingencies (Note 7)	849,025	796,230
Net Assets		
Preferred stock, par value \$0.001 per share, 1,000,000 shares authorized, zero shares issued and outstanding as of December 31, 2017 and September 30, 2017	—	—
Common stock, par value \$0.001 per share, 100,000,000 shares authorized, 59,741,248 and 59,577,293 shares issued and outstanding as of December 31, 2017 and September 30, 2017, respectively	60	60
Paid in capital in excess of par	942,179	939,307
Undistributed (over distribution of) net investment income	(387	) 1,954
Net unrealized appreciation (depreciation) on investments	18,767	16,444
Net realized gain (loss) on investments	(2,317	) 181
Total Net Assets	958,302	957,946
Total Liabilities and Total Net Assets	\$1,807,327	\$1,754,176
Number of common shares outstanding	59,741,248	59,577,293
Net asset value per common share	\$16.04	\$16.08

See Notes to Consolidated Financial Statements.

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

	Three months ended December 31,	
	2017	2016
Investment income		
From non-controlled/non-affiliate company investments:		
Interest income	\$33,192	\$ 30,731
Dividend income	597	152
Fee income	534	254
Total investment income from non-controlled/non-affiliate company investments	34,323	31,137
From non-controlled affiliate company investments:		
Interest income	162	327
Total investment income from non-controlled affiliate company investments	162	327
From controlled affiliate company investments:		
Interest income	—	1,639
Dividend income	1,965	746
Total investment income from controlled affiliate company investments	1,965	2,385
Total investment income	36,450	33,849
Expenses		
Interest and other debt financing expenses	7,714	7,606
Base management fee	5,930	5,837
Incentive fee	2,871	2,091
Professional fees	688	580
Administrative service fee	618	601
General and administrative expenses	118	171
Total expenses	17,939	16,886
Net investment income - before excise tax	18,511	16,963
Excise tax	—	10
Net investment income - after excise tax	18,511	16,953
Net gain (loss) on investments		
Net realized gain (loss) on investments:		
Non-controlled/non-affiliate company investments	481	907
Net realized gain (loss) on investments	481	907
Net change in unrealized appreciation (depreciation) on investments:		
Non-controlled/non-affiliate company investments	988	2,265
Non-controlled affiliate company investments	559	(643)
Controlled affiliate company investments	776	(498)
Net change in unrealized appreciation (depreciation) on investments	2,323	1,124
Net gain (loss) on investments	2,804	2,031
Net increase in net assets resulting from operations	\$21,315	\$ 18,984
Per Common Share Data		
Basic and diluted earnings per common share	\$0.36	\$ 0.34
Dividends and distributions declared per common share	\$0.40	\$ 0.57
Basic and diluted weighted average common shares outstanding	59,584,425	55,064,870

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Statements of Changes in Net Assets (unaudited)
(In thousands, except share data)

	Common Stock		Paid in Capital in Excess of Par	Undistributed (Over Distribution) of Net Investment Income	Net Unrealized Appreciation (Depreciation) on Investments and Secured Borrowings	Net Realized Gain (Loss) on Investments	Total Net Assets
	Shares	Par Amount					
Balance at September 30, 2016	55,059,067	\$ 55	\$ 855,998	\$ 18,832	\$ 13,104	\$ (9,164)	\$ 878,825
Net increase in net assets resulting from operations	—	—	—	16,953	1,124	907	18,984
Distributions to stockholders:							
Stock issued in connection with dividend reinvestment plan	177,970	—	3,145	—	—	—	3,145
Distributions from net investment income	—	—	—	(30,265)	—	—	(30,265)
Distributions from net realized gain	—	—	—	—	—	(1,119)	(1,119)
Total increase (decrease) for the period ended December 31, 2016	177,970	—	3,145	(13,312)	1,124	(212)	(9,255)
Balance at December 31, 2016	55,237,037	\$ 55	\$ 859,143	\$ 5,520	\$ 14,228	\$ (9,376)	\$ 869,570
Balance at September 30, 2017	59,577,293	\$ 60	\$ 939,307	\$ 1,954	\$ 16,444	\$ 181	\$ 957,946
Net increase in net assets resulting from operations	—	—	—	18,511	2,323	481	21,315
Distributions to stockholders:							
Stock issued in connection with dividend reinvestment plan	163,955	—	2,872	—	—	—	2,872
Distributions from net investment income	—	—	—	(20,852)	—	—	(20,852)
Distributions from net realized gain	—	—	—	—	—	(2,979)	(2,979)
Total increase (decrease) for the period ended December 31, 2017	163,955	—	2,872	(2,341)	2,323	(2,498)	356
Balance at December 31, 2017	59,741,248	\$ 60	\$ 942,179	\$ (387)	\$ 18,767	\$ (2,317)	\$ 958,302

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Statements of Cash Flows (unaudited)
(In thousands)

	Three months ended December 31,		2016	
	2017			
Cash flows from operating activities				
Net increase in net assets resulting from operations	\$	21,315	\$	18,984
Adjustments to reconcile net increase in net assets resulting from operations to net cash (used in) provided by operating activities				
Amortization of deferred debt issuance costs	794		849	
Accretion of discounts and amortization of premiums	(2,709	)	(1,807)
Net realized (gain) loss on investments	(481	)	(907)
Net change in unrealized (appreciation) depreciation on investments	(2,323	)	(1,124)
Proceeds from (fundings of) revolving loans, net	3,498		(2,518)
Fundings of investments	(137,941	)	(122,736)
Proceeds from principal payments and sales of portfolio investments	101,876		93,949	
PIK interest	(277	)	(547)
Changes in operating assets and liabilities:				
Interest receivable	(265	)	274	
Other assets	43		24	
Interest payable	2,332		2,708	
Management and incentive fees payable	2,291		(951)
Payable for investments purchased	550		—	
	(339)	(86)

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Accounts payable and accrued expenses			
Accrued trustee fees	2		4
Net cash (used in) provided by operating activities	(11,634)	(13,884
Cash flows from financing activities			
Borrowings on debt	98,600		136,250
Repayments of debt	(51,400	)	(111,450
Capitalized debt issuance costs	(35	)	(479
Repayments on secured borrowings	—		(13
Distributions paid	(20,959	)	(28,239
Net cash provided by (used in) financing activities	26,206		(3,931
Net change in cash, cash equivalents and restricted cash and cash equivalents	14,572		(17,815
Cash, cash equivalents and restricted cash and cash equivalents, beginning of period	62,558		89,540
Cash, cash equivalents and restricted cash and cash equivalents, end of period	\$	77,130	\$
Supplemental disclosure of cash flow information:			
Cash paid during the period for interest	\$	4,587	\$
Distributions declared during the period	23,831		31,384
Supplemental disclosure of noncash operating activity:			
Funding of LLC equity interests in SLF	\$	—	\$
Proceeds from subordinated notes in SLF principal payment	—		78,689
Supplemental disclosure of noncash financing activity:			
Proceeds from issuance of Class A-Refi 2010 Notes	\$	—	\$
			205,000

Redemptions of Class A and Class B 2010	—	(205,000)
Notes			

See Notes to Consolidated Financial Statements.

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The following table provides a reconciliation of cash, cash equivalents and restricted cash and cash equivalents reported within the Consolidated Statements of Financial Condition that sum to the total of the same such amounts in the Consolidated Statements of Cash Flows:

	December 31,	
	2017	2016
Cash and cash equivalents	\$5,750	\$5,709
Restricted cash and cash equivalents	71,380	66,016
Total cash, cash equivalents and restricted cash and cash equivalents shown in the Consolidated Statements of Cash Flows	\$77,130	\$71,725

See Note 2. Significant Accounting Policies and Recent Accounting Updates for a description of restricted cash and cash equivalents.

See Notes to Consolidated Financial Statements.

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Golub Capital BDC, Inc. and Subsidiaries
 Consolidated Schedule of Investments (unaudited)
 December 31, 2017
 (In thousands)

	Investment Type	Spread Above Index ⁽¹⁾	Interest Rate ⁽²⁾	Maturity Date	Principal (\$)/ Shares ⁽³⁾	Amortized Cost	Percentage of Net Assets	Fair Value ⁽⁴⁾
Investments								
Non-controlled/non-affiliate company investments								
Debt investments								
Aerospace and Defense								
NTS Technical Systems*^#	One stop	L + 6.25% ^(a)	7.61%	06/2021	\$21,773	\$21,505	2.3 %	\$21,773
NTS Technical Systems ⁽⁵⁾	One stop	L + 6.25%	N/A ⁽⁶⁾	06/2021	—	(67)	—	—
NTS Technical Systems ⁽⁵⁾	One stop	L + 6.25%	N/A ⁽⁶⁾	06/2021	—	(112)	—	—
Tresys Technology Holdings, Inc. ⁽⁷⁾	One stop	L + 6.75% ^(a)	8.32%	12/2018	3,899	3,845	0.1	1,170
Tresys Technology Holdings, Inc. ⁽⁷⁾	One stop	L + 6.75% ^(a)	8.32%	12/2018	659	658	0.1	659
Tronair Parent, Inc. [#]	Senior loan	L + 4.75% ^(c)	6.16%	09/2023	369	366	—	366
Tronair Parent, Inc.	Senior loan	P + 3.50% ^{(c)(e)}	7.56%	09/2021	38	37	—	37
Whitcraft LLC*^#	One stop	L + 6.25% ^(c)	7.94%	04/2023	12,533	12,368	1.3	12,533
Whitcraft LLC	One stop	P + 5.25% ^(e)	9.75%	04/2023	10	9	—	10
Whitcraft LLC ⁽⁵⁾	One stop	L + 6.25%	N/A ⁽⁶⁾	04/2023	—	(5)	—	—
					39,281	38,604	3.8	36,548
Automobile								
Dent Wizard International Corporation*	Senior loan	L + 4.75% ^(a)	6.31%	04/2020	4,511	4,490	0.5	4,511
Grease Monkey International, LLC*^	Senior loan	L + 5.00% ^(a)	6.36%	11/2022	4,900	4,841	0.5	4,850
Grease Monkey International, LLC	Senior loan	P + 4.00% ^(e)	8.50%	11/2022	7	6	—	7
Grease Monkey International, LLC ⁽⁵⁾	Senior loan	L + 5.00%	N/A ⁽⁶⁾	11/2022	—	(1)	—	(2)
T5 Merger Corporation*^	One stop	L + 6.50% ^(a)	7.86%	03/2022	4,370	4,305	0.5	4,370
T5 Merger Corporation*	One stop	L + 6.50% ^(a)	7.86%	03/2022	190	188	—	190
T5 Merger Corporation*	One stop	L + 6.50% ^(a)	7.86%	03/2022	60	59	—	60

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T5 Merger Corporation	One stop	L + 6.50%	(a)	7.99%	03/2022	48	46	—	48
						14,086	13,934	1.5	14,034
Banking									
HedgeServ Holding L.P.*#	One stop	L + 8.00%	(a)	7.50% cash/2.00% PIK	02/2019	17,270	17,242	1.8	17,270
HedgeServ Holding L.P. ⁽⁵⁾	One stop	L + 8.00%		N/A ⁽⁶⁾	02/2019	—	(2)	—	—
						17,270	17,240	1.8	17,270
Beverage, Food and Tobacco									
Abita Brewing Co., L.L.C.	One stop	L + 5.75%	(a)	7.32%	04/2021	7,645	7,546	0.8	7,645
Abita Brewing Co., L.L.C. ⁽⁵⁾	One stop	L + 5.75%		N/A ⁽⁶⁾	04/2021	—	(1)	—	—
ABP Corporation ⁽⁵⁾	Senior loan	L + 4.75%		N/A ⁽⁶⁾	12/2018	—	(1)	—	—
Benihana, Inc.*^	One stop	L + 7.00%	(c)(e)	8.59%	01/2019	16,058	15,935	1.7	16,058
Benihana, Inc.	One stop	L + 7.00%	(a)(c)(e)	9.25%	07/2018	1,726	1,717	0.2	1,726
C. J. Foods, Inc.*^	One stop	L + 6.25%	(a)	7.82%	05/2019	5,191	5,157	0.5	5,191
C. J. Foods, Inc.	One stop	L + 6.25%	(a)	7.82%	05/2019	654	650	0.1	654
C. J. Foods, Inc.	One stop	L + 6.25%	(a)	7.82%	05/2019	129	126	—	129
Cafe Rio Holding, Inc.*^	One stop	L + 5.75%	(c)	7.44%	09/2023	10,449	10,276	1.1	10,449
Cafe Rio Holding, Inc.	One stop	P + 4.75%	(e)	9.25%	09/2023	30	28	—	30
Cafe Rio Holding, Inc. ⁽⁵⁾	One stop	L + 5.75%		N/A ⁽⁶⁾	09/2023	—	(5)	—	—
Firebirds International, LLC*	One stop	L + 5.75%	(c)	7.42%	05/2018	1,057	1,054	0.1	1,057
Firebirds International, LLC*	One stop	L + 5.75%	(c)	7.42%	05/2018	298	297	—	298
Firebirds International, LLC^	One stop	L + 5.75%	(c)	7.42%	12/2018	96	95	—	96
Firebirds International, LLC	One stop	L + 5.75%		N/A ⁽⁶⁾	05/2018	—	—	—	—
Firebirds International, LLC	One stop	L + 5.75%		N/A ⁽⁶⁾	12/2018	—	—	—	—
Flavor Producers, LLC#	Senior loan	L + 4.75%	(c)	6.32%	12/2023	2,172	2,139	0.2	2,139
Flavor Producers, LLC ⁽⁵⁾	Senior loan	L + 4.75%		N/A ⁽⁶⁾	12/2022	—	(1)	—	(1)
FWR Holding Corporation^	One stop	L + 6.00%	(d)	7.66%	08/2023	5,299	5,224	0.6	5,299
FWR Holding Corporation	One stop	L + 6.00%	(c)	7.60%	08/2023	27	24	—	27

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FWR Holding Corporation	One stop	L + 6.00%	(a)	7.57%	08/2023	8	7	—	8
Global Franchise Group, LLC*	Senior loan	L + 5.75%	(c)	7.44%	12/2019	3,522	3,491	0.4	3,522
Global Franchise Group, LLC	Senior loan	L + 5.75%		N/A ⁽⁶⁾	12/2019	—	—	—	—

See Notes to Consolidated Financial Statements.

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Golub Capital BDC, Inc. and Subsidiaries
 Consolidated Schedule of Investments (unaudited) - (continued)
 December 31, 2017
 (In thousands)

	Investment Type	Spread Above Index ⁽¹⁾		Interest Rate ⁽²⁾	Maturity Date	Principal (\$)/ Shares ⁽³⁾	Amortized Cost	Percentage of Net Assets	Fair Value ⁽⁴⁾
Beverage, Food and Tobacco - (continued)									
Global ID Corporation*#	One stop	L + 6.50%	(c)	8.11%	11/2021	\$ 5,183	\$ 5,133	0.5	%\$5,131
Global ID Corporation	One stop	L + 6.50%		N/A ⁽⁶⁾	11/2021	—	—	—	—
Global ID Corporation ⁽⁵⁾	One stop	L + 6.50%		N/A ⁽⁶⁾	11/2021	—	(2)	—	(2)
Hopdoddy Holdings, LLC	One stop	L + 8.00%	(c)	9.48%	08/2020	651	644	0.1	651
Hopdoddy Holdings, LLC	One stop	L + 8.00%	(c)	9.48%	08/2020	400	398	—	400
Hopdoddy Holdings, LLC	One stop	L + 8.00%	(c)	9.48%	08/2020	3	2	0.1	3
Julio & Sons Company	One stop	L + 5.50%		N/A ⁽⁶⁾	12/2018	—	—	—	—
Mid-America Pet Food, L.L.C.^	One stop	L + 5.50%	(c)	7.19%	12/2021	5,626	5,559	0.6	5,626
Mid-America Pet Food, L.L.C. ⁽⁵⁾	One stop	L + 5.50%		N/A ⁽⁶⁾	12/2021	—	(1)	—	—
NBC Intermediate, LLC #	Senior loan	L + 4.50%	(a)	6.07%	09/2023	2,169	2,148	0.2	2,169
NBC Intermediate, LLC	Senior loan	L + 4.50%		N/A ⁽⁶⁾	09/2023	—	—	—	—
Purfoods, LLC	One stop	L + 6.25%	(c)	7.73%	05/2021	8,539	8,397	0.9	8,539
Purfoods, LLC	One stop	N/A		7.00% PIK	05/2026	109	109	—	113
Purfoods, LLC	One stop	L + 6.25%	(a)	7.73%	05/2021	60	59	—	60
Purfoods, LLC	One stop	L + 6.25%	(c)	7.94%	05/2021	24	24	—	24
Purfoods, LLC	One stop	L + 6.25%	(c)	7.94%	05/2021	15	15	—	15
Purfoods, LLC	One stop	L + 6.25%	(c)	7.94%	05/2021	15	15	—	15
Purfoods, LLC	One stop	L + 6.25%	(c)	7.94%	05/2021	14	14	—	14
Purfoods, LLC	One stop	L + 6.25%	(c)	7.94%	05/2021	11	11	—	11
Purfoods, LLC	One stop	L + 6.25%	(c)	7.94%	05/2021	11	11	—	11

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Purfoods, LLC	One stop	L + 6.25%	(c)	7.94%	05/2021	10	10	—	10
Restaurant Holding Company, LLC#	Senior loan	L + 7.75%	(a)	9.32%	02/2019	4,216	4,204	0.4	4,132
Rubio's Restaurants, Inc.*^	Senior loan	L + 4.75%	(c)	6.44%	11/2018	8,805	8,778	0.9	8,805
Smashburger Finance LLC	Senior loan	L + 5.50%	(c)	7.19%	05/2018	78	78	—	74
Smashburger Finance LLC	Senior loan	L + 5.50%		N/A ⁽⁶⁾	05/2018	—	—	—	—
Surfside Coffee Company LLC#	One stop	L + 5.25%	(c)	6.94%	06/2020	4,413	4,391	0.5	4,413
Surfside Coffee Company LLC	One stop	L + 5.25%	(c)	6.93%	06/2020	334	332	—	334
Surfside Coffee Company LLC	One stop	L + 5.25%	(c)	6.81%	06/2020	30	30	—	30
Tate's Bake Shop, Inc.^	One stop	L + 6.25%	(c)	7.94%	08/2019	4,313	4,256	0.4	4,281
Uinta Brewing Company^	One stop	L + 8.50%	(a)	10.07%	08/2019	3,734	3,722	0.4	3,734
Uinta Brewing Company	One stop	L + 8.50%	(a)	10.07%	08/2019	539	536	0.1	539
						103,663	102,631	10.8	103,459
Broadcasting and Entertainment									
TouchTunes Interactive Networks, Inc.^	Senior loan	L + 4.75%	(a)	6.32%	05/2021	1,458	1,454	0.2	1,470
Building and Real Estate									
Brooks Equipment Company, LLC*^	One stop	L + 5.00%	(c)	6.48%	08/2020	21,470	21,329	2.3	21,470
Brooks Equipment Company, LLC*	One stop	L + 5.00%	(b)(c)	6.49%	08/2020	5,268	5,238	0.6	5,268
Brooks Equipment Company, LLC ⁽⁵⁾	One stop	L + 5.00%		N/A ⁽⁶⁾	08/2020	—	(9)	—	—
Jensen Hughes, Inc.#	Senior loan	L + 5.00%	(a)	6.57%	12/2021	153	152	—	153
MRI Software LLC^	One stop	L + 6.25%	(c)	7.95%	06/2023	23,863	23,281	2.5	23,863
MRI Software LLC#	One stop	L + 6.25%	(c)	7.95%	06/2023	13,848	13,716	1.4	13,848
MRI Software LLC^	One stop	L + 6.25%	(c)	7.95%	06/2023	360	356	—	360
MRI Software LLC	One stop	L + 6.25%	(c)	7.83%	06/2023	166	164	—	166
MRI Software LLC ⁽⁵⁾	One stop	L + 6.00%		N/A ⁽⁶⁾	06/2023	—	(3)	—	—
MRI Software LLC ⁽⁵⁾	One stop	L + 6.00%		N/A ⁽⁶⁾	06/2023	—	(7)	—	—
						65,128	64,217	6.8	65,128

Chemicals, Plastics and Rubber

Flexan, LLC*	One stop	L + 5.75%	(c)	7.44%	02/2020	2,327	2,312	0.2	2,327
Flexan, LLC	One stop	P + 4.50%	(e)	9.00%	02/2020	10	10	—	10
						2,337	2,322	0.2	2,337

See Notes to Consolidated Financial Statements.

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Golub Capital BDC, Inc. and Subsidiaries
 Consolidated Schedule of Investments (unaudited) - (continued)
 December 31, 2017
 (In thousands)

	Investment Type	Spread Above Index ⁽¹⁾	Interest Rate ⁽²⁾	Maturity Date	Principal (\$)/ Shares ⁽³⁾	Amortized Cost	Percentage of Net Assets	Fair Value ⁽⁴⁾
Diversified/Conglomerate Manufacturing								
Chase Industries, Inc. ^{*^#}	One stop	L + 5.75% (c)	7.09%	09/2020	\$ 31,292	\$ 31,102	3.3	31,292
Chase Industries, Inc. #	One stop	L + 5.75% (c)	7.09%	09/2020	4,759	4,737	0.5	4,759
Chase Industries, Inc.	One stop	L + 5.75% (a)	7.16%	09/2020	755	745	0.1	755
Inventus Power, Inc. ^{*^}	One stop	L + 6.50% (a)	8.07%	04/2020	8,128	8,090	0.7	6,909
Inventus Power, Inc.	One stop	L + 6.50% (a)	8.07%	04/2020	251	248	—	172
Onicon Incorporated ^{*^#}	One stop	L + 6.00% (c)	7.69%	04/2020	12,794	12,708	1.3	12,794
Onicon Incorporated ⁽⁵⁾	One stop	L + 6.00%	N/A ⁽⁶⁾	04/2020	—	(4)	—	—
PetroChoice Holdings, Inc. [^]	Senior loan	L + 5.00% (b)	6.42%	08/2022	1,746	1,707	0.2	1,746
Plex Systems, Inc. ^{*^}	One stop	L + 7.50% (d)	8.96%	06/2020	18,797	18,555	2.0	18,797
Plex Systems, Inc. ⁽⁵⁾	One stop	L + 7.50%	N/A ⁽⁶⁾	06/2020	—	(20)	—	—
Reladyne, Inc. ^{*^#}	Senior loan	L + 5.00% (a)	6.36%	07/2022	17,007	16,781	1.8	17,007
Reladyne, Inc. ⁽⁵⁾	Senior loan	L + 5.00%	N/A ⁽⁶⁾	07/2022	—	(2)	—	—
Reladyne, Inc. ⁽⁵⁾	Senior loan	L + 5.00%	N/A ⁽⁶⁾	07/2022	—	(5)	—	—
Sunless Merger Sub, Inc. #	Senior loan	L + 5.00% (a)(e)	6.59%	07/2019	1,442	1,447	0.1	1,442
Sunless Merger Sub, Inc.	Senior loan	P + 3.75% (e)	8.25%	07/2019	374	374	—	374
					97,345	96,463	10.0	96,047
Diversified/Conglomerate Service								
Accela, Inc. #	One stop	L + 6.25% (c)	7.94%	09/2023	5,827	5,743	0.6	5,827
Accela, Inc.	One stop	P + 5.25% (e)	9.75%	09/2023	23	22	—	23
Agility Recovery Solutions Inc. ^{*^}	One stop	L + 6.50% (c)	7.88%	03/2020	13,924	13,833	1.4	13,924

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Agility Recovery Solutions Inc. ⁽⁵⁾	One stop	L + 6.50%	N/A ⁽⁶⁾	03/2020	—	(4)	—	—
Anaqua, Inc. [#]	One stop	L + 6.50%	(c) 7.86%	07/2022	7,001	6,905	0.7	7,001
Anaqua, Inc. ⁽⁵⁾	One stop	L + 6.50%	N/A ⁽⁶⁾	07/2022	—	(1)	—	—
Bomgar Corporation [^]	One stop	L + 7.50%	(c) 9.19%	06/2022	4,827	4,754	0.5	4,827
Bomgar Corporation ⁽⁵⁾	One stop	L + 7.50%	N/A ⁽⁶⁾	06/2022	—	(1)	—	—
Clearwater Analytics, LLC ^{*^}	One stop	L + 7.50%	(a) 9.07%	09/2022	9,494	9,359	1.0	9,494
Clearwater Analytics, LLC	One stop	L + 7.50%	(a) 9.00%	09/2022	9	8	—	9
Datto, Inc.	One Stop	L + 8.00%	(a) 9.41%	12/2022	11,155	10,936	1.1	10,933
Datto, Inc. ⁽⁵⁾	One stop	L + 8.00%	N/A ⁽⁶⁾	12/2022	—	(1)	—	(1)
Daxko Acquisition Corporation ^{*^}	One stop	L + 6.50%	(c) 8.19%	09/2022	9,045	8,935	0.9	9,045
Daxko Acquisition Corporation	One stop	L + 6.50%	N/A ⁽⁶⁾	09/2022	—	—	—	—
EGD Security Systems, LLC	One stop	L + 6.25%	(c) 7.81%	06/2022	11,114	10,928	1.2	11,114
EGD Security Systems, LLC [^]	One stop	L + 6.25%	(c) 7.73%	06/2022	98	97	—	98
EGD Security Systems, LLC	One stop	L + 6.25%	(c) 7.81%	06/2022	50	49	—	50
EGD Security Systems, LLC	One stop	L + 6.25%	N/A ⁽⁶⁾	06/2022	—	—	—	—
HealthcareSource HR, Inc. [*]	One stop	L + 6.75%	(c) 8.44%	05/2020	23,570	23,297	2.4	23,570
HealthcareSource HR, Inc. ⁽⁵⁾	One stop	L + 6.75%	N/A ⁽⁶⁾	05/2020	—	(1)	—	—
Host Analytics, Inc.	One stop	N/A	8.50% cash/2.25% PIK	08/2021	3,116	3,075	0.3	3,116
Host Analytics, Inc.	One stop	N/A	8.50% cash/2.25% PIK	08/2021	2,611	2,493	0.3	2,611
Host Analytics, Inc.	One stop	N/A	8.50% cash/2.25% PIK	08/2021	734	728	0.1	734
III US Holdings, LLC ⁽⁵⁾	One stop	L + 6.50%	N/A ⁽⁶⁾	09/2022	—	(1)	—	—
Imprivata, Inc. [#]	Senior loan	L + 4.50%	(c) 5.86%	10/2023	13,144	12,985	1.3	13,012
Imprivata, Inc. ⁽⁵⁾	Senior loan	L + 4.50%	N/A ⁽⁶⁾	10/2023	—	(2)	—	(2)
Integration Appliance, Inc. ^{*^}	One stop	L + 8.25%	(c) 9.73%	09/2020	16,123	16,029	1.7	16,123

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Integration Appliance, Inc.	One stop	L + 8.25%	(c)	9.73%	09/2020	7,914	7,815	0.8	7,914
Integration Appliance, Inc.	One stop	L + 8.25%	(c)	9.73%	09/2020	5,396	5,335	0.6	5,396
Integration Appliance, Inc.	One stop	L + 8.25%	(c)	9.73%	09/2020	2,484	2,464	0.3	2,484
Integration Appliance, Inc.	One stop	L + 8.25%	(c)	9.73%	09/2020	924	918	0.1	924
Integration Appliance, Inc.*	One stop	L + 8.25%	(c)	9.73%	09/2020	719	712	0.1	719
JAMF Holdings, Inc.	One stop	L + 8.00%	(c)	9.41%	11/2022	4,550	4,461	0.5	4,504
JAMF Holdings, Inc. ⁽⁵⁾	One stop	L + 8.00%		N/A ⁽⁶⁾	11/2022	—	(1)	—	(1)
Maverick Bidco Inc.*#	One stop	L + 6.25%	(c)	7.94%	04/2023	17,600	17,283	1.8	17,600

See Notes to Consolidated Financial Statements.

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Golub Capital BDC, Inc. and Subsidiaries
 Consolidated Schedule of Investments (unaudited) - (continued)
 December 31, 2017
 (In thousands)

	Investment Type	Spread Above Index ⁽¹⁾	Interest Rate ⁽²⁾	Maturity Date	Principal (\$)/ Shares ⁽³⁾	Amortized Cost	Percentage of Net Assets	Fair Value ⁽⁴⁾
Diversified/Conglomerate Service - (continued)								
Maverick Bidco Inc.	One stop	L + 6.25% ^(a)	7.71%	04/2023	\$ 27	\$ 25	—	% \$ 27
Maverick Bidco Inc. ⁽⁵⁾	One stop	L + 6.25%	N/A ⁽⁶⁾	04/2023	—	(2)	—	—
MMan Acquisition Co. [#]	One stop	L + 6.00% ^(c)	7.69%	08/2023	9,800	9,662	1.0	9,800
MMan Acquisition Co.	One stop	L + 6.00% ^(c)	7.69%	08/2023	26	25	—	26
Net Health Acquisition Corp. [#]	One stop	L + 5.50% ^(b)	7.06%	12/2023	3,886	3,847	0.4	3,847
Net Health Acquisition Corp. ⁽⁵⁾	One stop	L + 5.50%	N/A ⁽⁶⁾	12/2023	—	(1)	—	(1)
Netsmart Technologies, Inc. [#]	Senior loan	L + 4.50% ^(c)	6.19%	04/2023	1,750	1,737	0.2	1,772
Netsmart Technologies, Inc. ⁽⁵⁾	Senior loan	L + 4.75%	N/A ⁽⁶⁾	04/2023	—	(8)	—	—
Nexus Brands Group, Inc. [#]	One stop	L + 6.00% ^(c)	7.57%	11/2023	5,779	5,708	0.6	5,721
Nexus Brands Group, Inc.	One stop	L + 6.00% ^(a)	7.53%	11/2023	2	1	—	1
Nexus Brands Group, Inc. ⁽⁵⁾	One stop	L + 6.00%	N/A ⁽⁶⁾	11/2023	—	(2)	—	(3)
Saba Software, Inc. [#]	One stop	L + 5.50% ^(b)	7.12%	05/2023	20,246	19,931	2.1	20,246
Saba Software, Inc. ⁽⁵⁾	One stop	L + 5.50%	N/A ⁽⁶⁾	05/2023	—	(2)	—	—
Saldon Holdings, Inc. [*]	Senior loan	L + 4.50% ^(c)	5.98%	09/2022	775	766	0.1	775
Secure-24, LLC ^{*^}	One stop	L + 5.00% ^(a)	6.57%	08/2019	21,599	21,448	2.2	21,599
Secure-24, LLC ⁽⁵⁾	One stop	L + 5.00%	N/A ⁽⁶⁾	08/2019	—	(4)	—	—
Severin Acquisition, LLC [^]	Senior loan	L + 5.37% ^(a)	6.94%	07/2021	881	872	0.1	894
Severin Acquisition, LLC [^]	Senior loan	L + 5.00% ^(a)	6.57%	07/2021	784	776	0.1	787
Severin Acquisition, LLC [^]	Senior loan	L + 5.37% ^(a)	6.94%	07/2021	600	593	0.1	609
Severin Acquisition, LLC [^]	Senior loan	L + 4.87% ^(a)	6.44%	07/2021	193	191	—	193
Switchfly, Inc.	One stop	L + 10.00% ^(c)	9.85% cash/1.50% PIK	04/2020	2,407	2,315	0.3	2,407
Switchfly, Inc.	One stop	L + 10.00%	N/A ⁽⁶⁾	04/2020	—	—	—	—
Telesoft, LLC [#]	One stop	L + 5.50% ^(c)	6.84%	07/2022	4,192	4,154	0.4	4,192
Telesoft, LLC ⁽⁵⁾	One stop	L + 5.50%	N/A ⁽⁶⁾	07/2022	—	(1)	—	—
Transaction Data Systems, Inc. [*]	Senior loan	L + 5.25% ^(c)	6.94%	06/2021	740	730	0.1	740
Trintech, Inc. ^{*^#}	One stop	L + 6.50% ^(a)	7.89%	12/2023	10,930	10,793	1.1	10,821
Trintech, Inc. [^]	One stop	L + 6.50% ^(a)	8.07%	12/2023	3,429	3,386	0.4	3,395
Trintech, Inc.	One stop	L + 6.50% ^(a)	8.07%	12/2023	30	28	—	29
True Commerce, Inc. [#]	One stop	L + 5.75% ^(c)	7.16%	11/2023	5,652	5,583	0.6	5,596
True Commerce, Inc. ⁽⁵⁾	One stop	L + 5.75%	N/A ⁽⁶⁾	11/2023	—	(1)	—	(1)
Valant Medical Solutions, Inc.	One stop	L + 11.00% ^(a)	10.18% cash/2.25% PIK	10/2020	814	741	0.1	732

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Valant Medical Solutions, Inc.	One stop	L + 11.00%	N/A ⁽⁶⁾	10/2020	—	—	—	—
Velocity Technology Solutions, Inc.#	One stop	L + 6.00% ^(c)	7.52%	12/2023	8,290	8,146	0.9	8,207
Velocity Technology Solutions, Inc. ⁽⁵⁾	One stop	L + 6.00%	N/A ⁽⁶⁾	12/2023	—	(1)	—	(1)
Vendavo, Inc.	One stop	L + 8.50% ^(c)	9.85%	10/2019	17,982	17,826	1.9	17,982
Vendavo, Inc. ⁽⁵⁾	One stop	L + 8.50%	N/A ⁽⁶⁾	10/2019	—	(6)	—	—
Vendor Credentialing Service LLC^	One stop	L + 6.00% ^(a)	7.57%	11/2021	12,209	12,000	1.3	12,209
Vendor Credentialing Service LLC ⁽⁵⁾	One stop	L + 6.00%	N/A ⁽⁶⁾	11/2021	—	(1)	—	—
Verisys Corporation*	One stop	L + 6.75% ^(c)	8.44%	01/2023	3,916	3,866	0.4	3,916
Verisys Corporation ⁽⁵⁾	One stop	L + 6.75%	N/A ⁽⁶⁾	01/2023	—	(1)	—	—
Workforce Software, LLC^	One stop	L + 10.50% ^(c)	4.85% cash/7.00% PIK	06/2021	5,438	5,413	0.6	5,438
Workforce Software, LLC	One stop	L + 10.50% ^(c)	4.85% cash/7.00% PIK	06/2021	51	51	—	51
Xmatters, Inc. and Alarmpoint, Inc.	One stop	L + 9.25% ^(a)	10.03% cash/0.75% PIK	08/2021	4,883	4,817	0.5	4,883
Xmatters, Inc. and Alarmpoint, Inc.	One stop	L + 9.25% ^(a)	10.03% cash/0.75% PIK	08/2021	20	20	—	20
Ecological Pace Analytical Services, LLC	One stop	L + 6.00% ^(a)	7.57%	09/2022	15,307	14,974	1.6	15,307
Pace Analytical Services, LLC^	One stop	L + 6.00% ^(a)	7.57%	09/2022	1,423	1,404	0.2	1,423
Pace Analytical Services, LLC	One stop	L + 6.00% ^(a)	7.57%	09/2022	348	343	—	348
Pace Analytical Services, LLC	One stop	L + 6.00% ^(a)	7.48%	09/2022	44	39	—	44
Pace Analytical Services, LLC	One stop	L + 6.00% ^(a)	7.57%	09/2022	25	24	—	25
					318,783	314,573	33.2	317,957

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Golub Capital BDC, Inc. and Subsidiaries
 Consolidated Schedule of Investments (unaudited) - (continued)
 December 31, 2017
 (In thousands)

	Investment Type	Spread Above Index ⁽¹⁾	Interest Rate ⁽²⁾	Maturity Date	Principal (\$)/ Shares ⁽³⁾	Amortized Cost	Percentage of Net Assets	Fair Value ⁽⁴⁾
Ecological - (continued)								
WRE Holding Corp. [#]	Senior loan	L + 4.75%	(a) 6.32%	01/2023	\$ 1,016	\$ 1,006	0.1	% \$1,016
WRE Holding Corp.	Senior loan	L + 4.75%	(a) 6.32%	01/2023	9	9	—	9
WRE Holding Corp.	Senior loan	L + 4.75%	(c) 6.31%	01/2023	7	6	—	7
WRE Holding Corp.	Senior loan	L + 4.75%	N/A ⁽⁶⁾	01/2023	—	—	—	—
					18,179	17,805	1.9	18,179
Electronics								
Appriss Holdings, Inc. ^{*^#}	One stop	L + 6.00%	(c) 7.69%	11/2020	22,379	22,147	2.3	22,156
Appriss Holdings, Inc. ⁽⁵⁾	One stop	L + 6.00%	N/A ⁽⁶⁾	11/2020	—	(28)	—	(29)
Compusearch Software Holdings, Inc. [^]	Senior loan	L + 4.50%	(c) 6.07%	05/2021	1,731	1,728	0.2	1,731
Diligent Corporation [#]	One stop	L + 6.25%	(c) 7.94%	04/2022	4,916	4,852	0.5	4,916
Diligent Corporation [*]	One stop	L + 6.25%	(c) 7.94%	04/2022	4,826	4,728	0.5	4,827
Diligent Corporation ^{*^}	One Stop	L + 6.25%	(c) 7.94%	04/2022	2,641	2,605	0.3	2,641
Diligent Corporation ⁽⁵⁾	One stop	L + 6.25%	N/A ⁽⁶⁾	04/2022	—	(2)	—	—
Gamma Technologies, LLC [^]	One stop	L + 4.75%	(a) 6.32%	06/2021	7,536	7,492	0.8	7,536
Gamma Technologies, LLC ⁽⁵⁾	One stop	L + 5.00%	N/A ⁽⁶⁾	06/2021	—	(1)	—	—
LD Intermediate Holdings, Inc. ^{*^}	Senior loan	L + 5.87%	(c) 7.27%	12/2022	2,524	2,356	0.2	2,266
Park Place Technologies LLC ^{*^}	Senior loan							