

ARES CAPITAL CORP
Form 10-Q
April 30, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 March 31, 2019

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 No. 814-00663
ARES CAPITAL CORPORATION
(Exact name of Registrant as specified in its charter)
Maryland 33-1089684
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)

245 Park Avenue, 44th Floor, New York, NY 10167
(Address of principal executive office) (Zip Code)
(212) 750-7300
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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. (Check one):
Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

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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 7(a)(2)(B) of the Securities Act.

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 24, 2019
Common stock, \$0.001 par value	426,298,200

ARES CAPITAL CORPORATION

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ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(in millions, except per share data)

	As of March 31, 2019 (unaudited)	December 31, 2018
ASSETS		
Investments at fair value		
Non-controlled/non-affiliate company investments	\$ 10,882	\$ 10,478
Non-controlled affiliate company investments	360	292
Controlled affiliate company investments	1,822	1,647
Total investments at fair value (amortized cost of \$13,440 and \$12,754, respectively)	13,064	12,417
Cash and cash equivalents	572	296
Interest receivable	114	91
Receivable for open trades	28	12
Operating lease right-of-use asset	105	—
Other assets	79	79
Total assets	\$ 13,962	\$ 12,895
LIABILITIES		
Debt	\$ 6,197	\$ 5,214
Base management fees payable	49	45
Income based fees payable	38	36
Capital gains incentive fees payable	64	112
Interest and facility fees payable	25	64
Payable for open trades	35	25
Operating lease liabilities	137	—
Accounts payable and other liabilities	78	99
Total liabilities	6,623	5,595
Commitments and contingencies (Note 7)		
STOCKHOLDERS' EQUITY		
Common stock, par value \$0.001 per share, 600 common shares authorized; 426 and 426 common shares issued and outstanding, respectively	—	—
Capital in excess of par value	7,177	7,173
Accumulated undistributed earnings	162	127
Total stockholders' equity	7,339	7,300
Total liabilities and stockholders' equity	\$ 13,962	\$ 12,895
NET ASSETS PER SHARE	\$ 17.21	\$ 17.12

See accompanying notes to consolidated financial statements.

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ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(in millions, except per share data)
(unaudited)

	For the Three Months Ended March 31,	
	2019	2018
INVESTMENT INCOME:		
From non-controlled/non-affiliate company investments:		
Interest income from investments (excluding payment-in-kind (“PIK”) interest income)	\$233	\$201
PIK interest income from investments	12	12
Capital structuring service fees	39	26
Dividend income	15	9
Other income	8	6
Total investment income from non-controlled/non-affiliate company investments	307	254
From non-controlled affiliate company investments:		
Interest income from investments (excluding PIK interest income)	5	4
PIK interest income from investments	1	1
Capital structuring service fees	2	—
Dividend income	1	—
Total investment income from non-controlled affiliate company investments	9	5
From controlled affiliate company investments:		
Interest income from investments (excluding PIK interest income)	33	30
PIK interest income from investments	5	6
Capital structuring service fees	4	3
Dividend income	15	13
Other income	—	6
Total investment income from controlled affiliate company investments	57	58
Total investment income	373	317
EXPENSES:		
Interest and credit facility fees	67	60
Base management fees	49	46
Income based fees	48	38
Capital gains incentive fees	2	20
Administrative fees	4	3
Other general and administrative	8	11
Total expenses	178	178
Waiver of income based fees	(10)	(10)
Total expenses, net of waiver of income based fees	168	168
NET INVESTMENT INCOME BEFORE INCOME TAXES	205	149
Income tax expense, including excise tax	4	5
NET INVESTMENT INCOME	201	144
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS, FOREIGN CURRENCY AND OTHER TRANSACTIONS:		
Net realized gains (losses):		
Non-controlled/non-affiliate company investments	7	—
Controlled affiliate company investments	—	—

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Foreign currency and other transactions	49	(12)
Net realized gains (losses)	56	(12)
Net unrealized gains (losses):		
Non-controlled/non-affiliate company investments	(33)	16
Non-controlled affiliate company investments	(7)	2
Controlled affiliate company investments	1	78
Foreign currency and other transactions	(4)	14
Net unrealized gains (losses)	(43)	110
Net realized and unrealized gains on investments, foreign currency and other transactions	13	98
NET INCREASE IN STOCKHOLDERS' EQUITY RESULTING FROM OPERATIONS	\$214	\$242
BASIC AND DILUTED EARNINGS PER COMMON SHARE (see Note 10)	\$0.50	\$0.57
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING (see Note 10)	426	426

See accompanying notes to consolidated financial statements.

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ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS

As of March 31, 2019

(dollar amounts in millions)

(unaudited)

Company(1)	Business Description	Investment	Interest(5)(9)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Healthcare Services Absolute Dental Management LLC and ADM Equity, LLC	Dental services provider	First lien senior secured loan (\$0.8 par due 1/2022)	11.00% (Base Rate + 5.50%/Q)	1/15/2019	\$ 0.8	\$ 0.8 (2)(14)	
		First lien senior secured loan (\$24.3 par due 1/2022)		1/5/2016	24.2	7.1 (2)(13)	
		Class A preferred units (4,000,000 units)		1/5/2016	4.0	— (2)	
		Class A common units (4,000,000 units)		1/5/2016	—	— (2)	
					29.0	7.9	
Acessa Health Inc. (fka HALT Medical, Inc.)	Medical supply provider	Common stock (569,823 shares)		6/22/2017	0.1	—	
ADCS Billings Intermediate Holdings, LLC (18)	Dermatology practice	First lien senior secured revolving loan (\$1.3 par due 5/2022)	10.25% (Base Rate + 4.75%/Q)	5/18/2016	1.3	1.2 (2)(14)	
ADG, LLC and RC IV GEDC Investor LLC (18)	Dental services provider	First lien senior secured revolving loan (\$3.1 par due 9/2022)	7.25% (Libor + 4.75%/M)	9/28/2016	3.1	3.0 (2)(14)	
		First lien senior secured revolving loan (\$10.6 par due 9/2022)	9.25% (Base Rate + 3.75%/Q)	9/28/2016	10.6	10.1 (2)(14)	
		Second lien senior secured	11.88% (Libor + 9.00%/S)	9/28/2016	87.5	75.3 (2)(14)	

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		loan (\$87.5 par due 3/2024)						
		Membership units (3,000,000 units)		9/28/2016	3.0	0.8	(2)	
					104.2	89.2		
Air Medical Group Holdings, Inc. and Air Medical Buyer Corp.	Emergency air medical services provider	Senior subordinated loan (\$182.7 par due 3/2026)	10.36% (Libor + 7.88%/M)	3/14/2018	182.7	179.9	(2)(14)	
		Warrant to purchase up to 115,733 units of common stock (expires 3/2028)		3/14/2018	0.9	1.4	(2)	
					183.6	181.3		
Alcami Corporation and ACM Holdings I, LLC (18)	Outsourced drug development services provider	First lien senior secured revolving loan (\$1.7 par due 7/2023)	6.25% (Libor + 3.75%/M)	7/12/2018	1.7	1.7	(2)(14)	
		First lien senior secured revolving loan (\$1.7 par due 7/2023)	6.23% (Libor + 3.75%/M)	7/12/2018	1.7	1.7	(2)(14)	
		First lien senior secured loan (\$30.0 par due 7/2025)	6.73% (Libor + 4.25%/M)	7/12/2018	29.9	29.1	(3)(14)	
		Second lien senior secured loan (\$77.5 par due 7/2026)	10.48% (Libor + 8.00%/M)	7/12/2018	76.8	73.7	(2)(14)	
		Common units (3,269,900 units)		7/12/2018	32.7	21.1	(2)	
					142.8	127.3		
Alteon Health, LLC	Provider of physician management services	First lien senior secured loan (\$3.0 par due 9/2022)	9.00% (Libor + 6.50%/M)	5/15/2017	3.0	2.5	(2)(14)	
American Academy Holdings, LLC (18)	Provider of education, training, certification, networking, and consulting services to medical coders and other healthcare professionals	First lien senior secured revolving loan (\$0.9 par due 12/2022)	10.75% (Base Rate + 5.25%/M)	12/15/2017	0.9	0.9	(2)(14)	
				12/15/2017	84.1	85.8	(2)(14)	

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First lien senior secured loan (\$84.1 par due 12/2022)	10.75% (Base Rate + 5.25%/M)			
First lien senior secured loan (\$90.5 par due 12/2022)	10.75% (Base Rate + 5.25%/M)	12/15/2017	90.5	92.3 (3)(14)
Senior subordinated loan (\$81.1 par due 6/2023)	18.50% (Libor + 7.00% Cash, 6.00% PIK/Q)	12/15/2017	81.1	85.2 (2)(14)

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ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS

As of March 31, 2019

(dollar amounts in millions)

(unaudited)

Company(1)	Business Description	Investment	Interest(5)(9)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
					256.6	264.2	
athenahealth, Inc., VVC Holding Corp., Virence Intermediate Holding Corp., and Virence Holdings LLC (18)	Revenue cycle management provider to the physician practices and acute care hospitals	First lien senior secured loan (\$32.3 par due 2/2026)	7.20% (Libor + 4.50%/Q)	2/11/2019	31.6	31.6	(14)
		Second lien senior secured loan (\$210.3 par due 2/2027)	11.20% (Libor + 8.50%/Q)	2/11/2019	210.3	206.2	(14)
		Senior preferred stock (121,810 shares) Class A interests (0.39% interest)	13.62% PIK (Libor + 11.13%)	2/11/2019	121.8	121.8	(14)
				2/11/2019	9.0	9.0	(2)
					372.7	368.5	
Bambino CI Inc. (18)	Manufacturer and provider of single-use obstetrics products	First lien senior secured revolving loan (\$0.1 par due 10/2022)	7.99% (Libor + 5.50%/M)	10/17/2017	0.1	0.1	(2)(14)
		First lien senior secured revolving loan (\$1.1 par due 10/2022)	7.98% (Libor + 5.50%/Q)	10/17/2017	1.1	1.1	(2)(14)
		First lien senior secured revolving loan (\$1.1 par due 10/2022)	10.00% (Base Rate + 4.50%/Q)	10/17/2017	1.1	1.1	(2)(14)
		First lien senior secured loan (\$30.8 par due	7.99% (Libor + 5.50%/M)	10/17/2017	30.8	30.8	(3)(14)

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		10/2023)			33.1	33.1
Care Hospice, Inc (18)	Provider of hospice services	First lien senior secured revolving loan (\$0.6 par due 4/2022)	7.38% (Libor + 4.75%/Q)	2/8/2018	0.6	0.6(2)(14)(17)
		First lien senior secured revolving loan (\$0.3 par due 4/2022)	7.23% (Libor + 4.75%/M)	2/8/2018	0.3	0.3(2)(14)(17)
		First lien senior secured revolving loan (\$0.3 par due 4/2022)	7.23% (Libor + 4.75%/M)	2/8/2018	0.3	0.3(2)(14)(17)
					1.2	1.2
CCS-CMGC Holdings, Inc. (18)	Correctional facility healthcare operator	First lien senior secured revolving loan (\$1.9 par due 10/2023)	8.00% (Libor + 5.50%/M)	10/1/2018	1.9	1.8(2)(14)(17)
		First lien senior secured loan (\$34.9 par due 10/2025)	8.00% (Libor + 5.50%/M)	9/25/2018	34.6	34.6(3)(14)
					36.5	36.4
Center for Autism and Related Disorders, LLC (18)	Autism treatment and services provider specializing in applied behavior analysis therapy	First lien senior secured revolving loan	—	11/21/2018	—	— (16)
Comprehensive EyeCare Partners, LLC (18)	Vision care practice management company	First lien senior secured revolving loan (\$0.1 par due 2/2024)	7.31% (Libor + 4.50%/Q)	2/14/2018	0.1	0.1(2)(14)
		First lien senior secured revolving loan (\$0.3 par due 2/2024)	7.31% (Libor + 4.50%/Q)	2/14/2018	0.3	0.3(2)(14)
		First lien senior secured loan (\$2.4 par due 2/2024)	7.12% (Libor + 4.50%/Q)	2/14/2018	2.4	2.4(2)(14)
		First lien senior secured loan (\$5.4 par due 2/2024)	7.12% (Libor + 4.50%/Q)	2/14/2018	5.4	5.4(2)(14)

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					8.2	8.2
D4C Dental Brands HoldCo, Inc. and Bambino Group Holdings, LLC (18)	Dental services provider	Class A preferred units (1,000,000 units)	8.00% PIK	12/21/2016	1.0	1.0(2)
Datix Bidco Limited (8)	Global healthcare software company that provides software solutions for patient safety and risk management	First lien senior secured loan (\$2.9 par due 4/2025)	7.28% (Libor + 4.50%/S)	4/27/2018	2.9	2.9(2)(14)
		First lien senior secured loan (\$2.9 par due 4/2025)	7.28% (Libor + 4.50%/S)	4/27/2018	2.9	2.9(2)(14)
					5.8	5.8

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS

As of March 31, 2019

(dollar amounts in millions)

(unaudited)

Company(1)	Business Description	Investment	Interest(5)(9)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
DCA Investment Holding, LLC (18)	Multi-branded dental practice management	First lien senior secured revolving loan (\$0.1 par due 7/2021)	9.75% (Base Rate + 4.25%/Q)	7/2/2015	0.1	0.1(2)	(14)(17)
		First lien senior secured loan (\$18.5 par due 7/2021)	7.85% (Libor + 5.25%/Q)	7/2/2015	18.4	18.5(4)	(14)
					18.5	18.6	
Emerus Holdings, Inc. (18)	Freestanding 24-hour emergency care micro-hospitals operator	First lien senior secured loan (\$16.5 par due 2/2022)	14.00%	2/21/2019	16.5	16.5(2)	
GHX Ultimate Parent Corporation, Commerce Parent, Inc. and Commerce Topco, LLC	On-demand supply chain automation solutions provider to the healthcare industry	Second lien senior secured loan (\$34.5 par due 6/2025)	10.60% (Libor + 8.00%/Q)	6/30/2017	34.1	34.5(2)	(14)
		Series A preferred stock (110,425 shares)	13.55% PIK (Libor + 10.95%)	6/30/2017	138.1	138.2(2)	(14)
		Class A units (14,013,303 units)		6/30/2017	14.0	16.5(2)	
					186.2	189.4	
Greenphire, Inc. and RMCF III CIV XXIX, L.P	Software provider for clinical trial management	Limited partnership interest (99.90% interest)		12/19/2014	1.0	3.3(2)	
Hygiena Borrower LLC (18)	Adenosine triphosphate testing technology provider	First lien senior secured revolving loan	—	8/26/2016	—	—	(16)
		First lien senior secured loan (\$9.5 par due 8/2022)	6.60% (Libor + 4.00%/Q)	6/29/2018	9.5	9.5(2)	(14)
				6/29/2018	11.1	11.0(2)	(14)

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		Second lien senior secured loan (\$11.1 par due 8/2023)	10.35% (Libor + 7.75%/Q)					
		Second lien senior secured loan (\$0.6 par due 8/2023)	10.35% (Libor + 7.75%/Q)	6/29/2018	0.6	0.6(2)(14)		
		Second lien senior secured loan (\$2.5 par due 8/2023)	10.35% (Libor + 7.75%/Q)	8/26/2016	2.5	2.5(2)(14)		
		Second lien senior secured loan (\$10.7 par due 8/2023)	10.35% (Libor + 7.75%/Q)	2/27/2017	10.7	10.7(2)(14)		
					34.4	34.4		
JDC Healthcare Management, LLC (18)	Dental services provider	First lien senior secured revolving loan (\$0.8 par due 4/2022)	10.24% (Libor + 7.75%/M)	4/10/2017	0.8	0.8(2)(14)		
		First lien senior secured revolving loan (\$0.8 par due 4/2022)	10.25% (Libor + 7.75%/M)	4/10/2017	0.8	0.8(2)(14)		
		First lien senior secured loan (\$4.2 par due 4/2023)	10.24% (Libor + 6.75% Cash, 1.00% PIK/Q)	4/10/2017	4.2	3.9(2)(14)		
		First lien senior secured loan (\$9.9 par due 4/2023)	10.25% (Libor + 6.75% Cash, 1.00% PIK/Q)	4/10/2017	9.9	9.2(2)(14)		
		First lien senior secured loan (\$19.7 par due 4/2023)	10.25% (Libor + 6.75% Cash, 1.00% PIK/Q)	4/10/2017	19.7	18.4(2)(14)		
					35.4	33.1		
KBHS Acquisition, LLC (d/b/a Alita Care, LLC) (18)	Provider of behavioral health services	First lien senior secured revolving loan (\$0.9 par due 3/2022)	7.48% (Libor + 5.00%/M)	3/17/2017	0.9	0.9(2)(14)		
		First lien senior secured revolving loan (\$0.9 par due 3/2022)	7.49% (Libor + 5.00%/M)	3/17/2017	0.9	0.9(2)(14)		
				3/17/2017	0.2	0.2(2)(14)		

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First lien senior 7.48% (Libor +
secured 5.00%/M)
revolving loan
(\$0.2 par due
3/2022)
First lien senior
secured
revolving loan 7.49% (Libor + 3/17/2017 0.6 0.5(2)(14)
5.00%/M)
(\$0.6 par due
3/2022)

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ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS

As of March 31, 2019

(dollar amounts in millions)

(unaudited)

Company(1)	Business Description	Investment	Interest(5)(9)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
		First lien senior secured revolving loan (\$2.1 par due 3/2022)	7.50% (Libor + 5.00%/M)	3/17/2017	2.1	2.0	(2)(14)
		First lien senior secured revolving loan (\$0.2 par due 3/2022)	9.50% (Base Rate + 4.00%/Q)	3/17/2017	0.2	0.2	(2)(14)
					4.9	4.7	
Key Surgical LLC (18)	Provider of sterile processing, operating room and instrument care supplies for hospitals	First lien senior secured loan (\$16.6 par due 6/2023)	5.75% (EURIBOR + 4.75%/Q)	6/1/2017	16.6	16.6	(2)(14)
MB2 Dental Solutions, LLC (18)	Dental services provider	First lien senior secured revolving loan (\$1.9 par due 9/2023)	9.25% (Base Rate + 3.75%/Q)	9/29/2017	1.9	1.9	(2)(14)
		First lien senior secured loan (\$7.0 par due 9/2023)	7.35% (Libor + 4.75%/Q)	9/29/2017	7.0	7.0	(2)(14)
					8.9	8.9	
MCH Holdings, Inc. and MC Acquisition Holdings I, LLC	Healthcare professional provider	First lien senior secured loan (\$19.5 par due 1/2020)	7.98% (Libor + 5.50%/M)	7/26/2017	19.5	19.5	(2)(14)
		First lien senior secured loan (\$19.4 par due 1/2020)	8.00% (Libor + 5.50%/M)	7/26/2017	19.4	19.4	(2)(14)
		First lien senior secured loan (\$39.6 par due 1/2020)	7.98% (Libor + 5.50%/M)	7/26/2017	39.6	39.6	(2)(14)
		First lien senior secured loan (\$39.4 par due 1/2020)	8.00% (Libor + 5.50%/M)	7/26/2017	39.4	39.4	(2)(14)
		First lien senior secured loan (\$15.2 par due 1/2020)	7.98% (Libor + 5.50%/M)	7/26/2017	15.2	15.2	(2)(14)
				7/26/2017	15.1	15.1	(2)(14)

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		First lien senior secured loan (\$15.1 par due 1/2020)	8.00% (Libor + 5.50%/M)				
		Class A units (1,438,643 shares)		1/17/2014	1.5	1.1(2)	
					149.7	149.3	
MW Dental Holding Corp. (18)	Dental services provider	First lien senior secured revolving loan (\$6.0 par due 4/2021)	9.35% (Libor + 6.75%/Q)	4/12/2011	6.0	6.0(2)(14)	
		First lien senior secured loan (\$18.7 par due 4/2021)	9.35% (Libor + 6.75%/Q)	3/19/2018	18.7	18.7(2)(14)	
		First lien senior secured loan (\$104.3 par due 4/2021)	9.35% (Libor + 6.75%/Q)	4/12/2011	104.3	104.3(2)(14)	
		First lien senior secured loan (\$19.1 par due 4/2021)	9.35% (Libor + 6.75%/Q)	4/12/2011	19.1	19.1(2)(14)	
					148.1	148.1	
My Health Direct, Inc.	Healthcare scheduling exchange software solution provider	Warrant to purchase up to 4,548 shares of Series D preferred stock (expires 9/2024)		9/18/2014	—	— (2)	
New Trident Holdcorp, Inc. and Trident Holding Company, LLC	Outsourced mobile diagnostic healthcare service provider	Second lien senior secured loan (\$25.0 par due 7/2022)		8/1/2013	19.4	— (2)(13)	
		Second lien senior secured loan (\$78.4 par due 7/2020)		8/1/2013	67.8	— (2)(13)	
		Senior subordinated loan (\$9.1 par due 7/2020)		11/29/2017	8.8	— (2)(13)	
					96.0	—	
NMC Skincare Intermediate Holdings II, LLC (18)	Developer, manufacturer and marketer of skincare products	First lien senior secured revolving loan (\$1.6 par due 10/2024)	7.25% (Libor + 4.75%/M)	10/31/2018	1.6	1.6(2)(14)	
		First lien senior secured loan (\$1.7 par due 10/2024)	7.25% (Libor + 4.75%/M)	10/31/2018	1.7	1.7(2)(14)	

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	First lien senior secured loan (\$24.8 par due 10/2024)	7.25% (Libor + 4.75%/M)	10/31/2018	24.8	24.6(14)
				28.1	27.9
NMN Holdings III Corp. and NMN Holdings LP (18)	Provider of complex rehab technology solutions for patients with mobility loss	Partnership units (30,000 units)	11/13/2018	3.0	3.1(2)

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ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS

As of March 31, 2019

(dollar amounts in millions)

(unaudited)

Company(1)	Business Description	Investment	Interest(5)(9)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
NMSC Holdings, Inc. and ASP NAPA Holdings, LLC	Anesthesia management services provider	Second lien senior secured loan (\$72.8 par due 10/2023)	12.50% (Libor + 10.00%/M)	4/19/2016	72.8	72.8	(14)
		Class A units (25,790 units)		4/19/2016	2.6	1.3	(2)
					75.4	74.1	
Nodality, Inc.	Biotechnology company	First lien senior secured loan (\$2.3 par due 8/2016)		11/12/2015	1.5	—	(2)(13)