

Golub Capital BDC, Inc.  
Form 10-Q  
May 13, 2010

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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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, 2010

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 333-163279

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

Delaware  
(State or other jurisdiction of incorporation or  
organization)

27-2326940  
(I.R.S. Employer Identification No.)

150 South Wacker Drive, Suite 800  
Chicago, IL 60606  
(Address of principal executive offices)

(312) 205-5050  
(Registrant's telephone number, including area code)

(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 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

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the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  
o No o

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

Large accelerated filer	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input checked="" type="radio"/>	Smaller reporting company	<input type="radio"/>

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

As of May 13, 2010, the Registrant had 17,407,444 shares of common stock, \$0.001 par value, outstanding.

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## Golub Capital BDC LLC and Subsidiary

Consolidated Statements of Financial Condition  
(In thousands)

	March 31, 2010 (unaudited)	September 30, 2009
<b>Assets</b>		
Investments in securities, at fair value (cost of \$295,730 and \$387,293 respectively)	\$ 293,226	\$ 376,294
Cash and cash equivalents	24,802	-
Restricted cash and cash equivalents	33,679	30,614
Deferred offering costs	1,384	-
Interest receivable	1,708	2,198
Other assets	28	16
<b>Total Assets</b>	<b>\$ 354,827</b>	<b>\$ 409,122</b>
<b>Liabilities and Members' Equity</b>		
<b>Liabilities</b>		
Facility advances	\$ 210,444	\$ 315,306
Accrued deferred offering costs	1,384	-
Due to affiliates	1,135	934
Interest payable	148	130
<b>Total Liabilities</b>	<b>213,111</b>	<b>316,370</b>
<b>Members' Equity</b>	<b>141,716</b>	<b>92,752</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 354,827</b>	<b>\$ 409,122</b>

Note: For periods prior to November 2009, the financial statements only reflect the financial results of Golub Capital Master Funding LLC (GCMF).

See Notes to Unaudited Consolidated Financial Statements.

## Golub Capital BDC LLC and Subsidiary

Consolidated Condensed Schedule of  
Investments

March 31, 2010 (unaudited)

(In thousands)

	Principal Amount	Cost	Percentage of Members' Equity	Fair Value
<b>Investments in securities, at fair value<sup>1</sup></b>				
Canada			141,769,190	
<b>Debt securities</b>				
<b>Diversified Conglomerate Service</b>				
<b>Open Text Corporation</b>				
Senior loan (2.54%, due 10/2013)	\$ 1,317	\$ 1,124	0.9%	\$ 1,304
<b>Leisure, Amusement, Motion Pictures, Entertainment</b>				
<b>Extreme Fitness, Inc.</b>				
Senior loan (11.50%, due 3/2012)	4,649	4,649	3.3	4,649
<b>Total Canada (cost \$5,773)</b>			4.2%	\$ 5,953
<b>United States</b>				
<b>Debt securities</b>				
<b>Aerospace and Defense</b>				
<b>Thermal Solutions LLC</b>				
Senior loans (4.50%, due 3/2011-3/2012)	\$ 2,037	\$ 2,022	1.4%	\$ 1,940
<b>Automobile</b>				
<b>CLP Auto Interior Corporation</b>				
Senior loan (5.00%, due 6/2013)	3,382	3,382	2.2	3,179
<b>Driven Brands, Inc.</b>				
Senior loan (10.25%, due 10/2014)	6,089	6,089	4.3	6,089
			6.5	9,268
<b>Banking</b>				
<b>Bonddesk Group, LLC</b>				
Senior loan (3.23%, due 8/2012)	2,185	2,100	1.5	2,119
<b>Prommis Solutions, Inc.</b>				
Senior loan (3.25%, due 2/2013)	1,651	1,651	1.1	1,519
			2.6	3,638
<b>Beverage, Food and Tobacco</b>				
<b>ABP Corporation</b>				
Senior loan (8.50%, due 2/2013)	2,334	2,286	1.6	2,334
<b>Bertucci's Corporation</b>				
Senior loan (12.00%, due 7/2012)	1,974	1,911	1.4	1,974
<b>Lone Star Beef Processors, L.P.</b>				
Senior loan (4.44%, due 5/2013)	3,640	3,614	2.5	3,567

1 - The majority of the debt securities bear interest at a rate that may be determined by reference to LIBOR or prime and which reset daily, quarterly or semi-annually. For each debt security we have provided the weighted average current interest rate in effect at March 31, 2010.

See Notes to Unaudited Consolidated Financial Statements.

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## Golub Capital BDC LLC and Subsidiary

## Consolidated Condensed Schedule of Investments

March 31, 2010 (unaudited)

(In thousands)

	Principal Amount	Cost	Percentage of Members' Equity	Fair Value
<b>Investments in securities, at fair value<sup>1</sup> (continued)</b>				
United States (continued)			141,769,190	
<b>Debt securities (continued)</b>				
<b>Building and Real Estate</b>				
<b>American Fire Protection Group, Inc.</b>				
Senior loan (9.00%, due 6/2011) Architectural Testing, Inc.	\$ 4,548	\$ 4,416	3.1%	\$ 4,411
Senior loan (9.50%, due 5/2013) Best Lighting Products, Inc.	6,776	6,776	4.8	6,776
Senior loan (10.00%, due 8/2012) Infiltrator Systems, Inc.	2,432	2,354	1.7	2,432
Senior loan (8.50%, due 9/2012) ITEL Laboratories, Inc.	3,821	3,569	2.6	3,668
Senior loan (9.75%, due 3/2014) KHKI Acquisition, Inc.	8,794	8,715	6.2	8,794
Senior loans (8.50%, due 3/2012-3/2013) Other <sup>2</sup>	3,049	3,043	1.7	2,363
	2,335	2,286	1.1	1,594
			21.2	30,038
<b>Cargo Transport</b>				
<b>Peco Pallet, Inc.</b>				
Senior loan (4.00%, due 6/2013) Tangent Rail Services, Inc.	4,235	4,054	3.0	4,193
Senior loans (6.75%, due 9/2014)	9,366	9,366	6.6	9,366
			9.6	13,559
<b>Chemicals, Plastics and Rubber</b>				
<b>Syrgis Holdings LLC</b>				
Senior loans (8.82%, due 8/2012-2/2014)	1,716	1,618	1.1	1,625
Other	987	836	0.7	970
			1.8	2,595

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2 - No individual investment (or single investment) is greater than 1% of members' equity.



See Notes to Unaudited Consolidated Financial Statements.

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## Golub Capital BDC LLC and Subsidiary

Consolidated Condensed Schedule of Investments  
March 31, 2010 (unaudited)

(In thousands)	Principal Amount	Cost	Percentage of Members' Equity	Fair Value
<b>Investments in securities, at fair value<sup>1</sup> (continued)</b>				
<b>United States (continued)</b>				
<b>Debt securities (continued)</b>				
<b>Containers, Packaging and Glass</b>				
<b>Industrial Container Services, LLC</b>				
Senior loan (4.30%, due 9/2011)	\$ 1,409	\$ 1,379	1.0%	\$ 1,395
<b>Pelican Products, Inc.</b>				
Senior loans (7.75%, due 1/2013-1/2014)	2,938	2,686	2.0	2,881
			3.0	4,276
<b>Diversified Conglomerate Manufacturing</b>				
<b>Heat Transfer Parent, Inc.</b>				
Senior loan (3.23%, due 6/2013)	1,833	1,755	1.1	1,595
<b>Neptco Inc.</b>				
Senior loan (7.25%, due 3/2013)	4,541	4,351	2.7	3,860
<b>Pasternack Enterprises, Inc.</b>				
Senior loan (4.27%, due 2/2014)	3,371	3,245	2.1	3,034
<b>Vintage Parts, Inc.</b>				
Senior loan (5.79%, due 12/2013)	8,173	8,071	5.6	7,927
			11.5	16,416
<b>Diversified Conglomerate Service</b>				
<b>Benetech, Inc.</b>				
Senior loan (5.25%, due 12/2013)	8,845	8,519	5.9	8,402
<b>Compass Group Diversified Holdings, LLC</b>				
Senior loan (4.25%, due 12/2013)	4,628	4,628	3.3	4,627
<b>Cortz, Inc.</b>				
Senior loan (8.50%, due 3/2014)	7,019	6,961	5.0	7,019
<b>The Service Companies, Inc.</b>				
Senior loan (8.50%, due 3/2014)	5,901	5,766	4.1	5,783
			18.3	25,831
<b>Diversified Natural Resources, Precious Metals and Minerals</b>				
<b>Metal Spinners, Inc.</b>				
Senior loans (10.54%, due 12/2014)	5,463	5,245	3.7	5,279
<b>Virginia Explosives &amp; Drilling Company, Inc.</b>				
Senior loans (10.50%, due 5/2011-10/2011)	3,467	3,319	2.0	2,885
			5.7	8,164

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See Notes to Unaudited Consolidated Financial Statements.

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## Golub Capital BDC LLC and Subsidiary

Consolidated Condensed Schedule of Investments  
March 31, 2010 (unaudited)

(In thousands)	Principal Amount	Cost	Percentage of Members' Equity	Fair Value
<b>Investments in securities, at fair value<sup>1</sup> (continued)</b>				
<b>United States (continued)</b>				
<b>Debt securities (continued)</b>				
<b>Electronics</b>				
<b>Cape Electrical Supply LLC</b>				
Senior loan (6.00%, due 11/2013)	\$ 2,630	\$ 2,474	1.7%	\$ 2,380
<b>Inovis International, Inc.</b>				
Senior loan (8.53%, due 6/2010)	1,744	1,738	1.2	1,744
<b>The Sloan Company, Inc</b>				
Senior loan (7.25%, due 10/2012)	2,424	2,408	1.7	2,424
			4.6	6,548
<b>Finance</b>				
<b>Collect America, Ltd.</b>				
Senior loans (7.97%, due 12/2011-3/2012)	3,547	3,336	2.5	3,511
<b>eVestment Alliance Holdings, LLC</b>				
Senior loan (9.50%, due 5/2014)	7,729	7,587	5.5	7,729
<b>Pillar Processing LLC</b>				
Senior loans (8.67%, due 11/2013-5/2014)	9,513	9,489	6.7	9,449
<b>Wall Street Systems Holdings, Inc.</b>				
Senior loan (8.00%, due 5/2013)	8,101	8,101	5.7	8,101
<b>Fidelity National Information (Metavante Corporation)</b>				
Senior loans (3.56%, due 1/2012-11/2014)	1,399	1,182	1.0	1,410
			21.4	30,200
<b>Grocery</b>				
<b>JRD Holdings, Inc.</b>				
Senior loan (2.49%, due 7/2014)	1,241	1,078	0.9	1,217
<b>Healthcare, Education and Childcare</b>				
<b>Community Hospices of America, Inc.</b>				
Senior loan (8.00%, due 1/2011)	1,004	988	0.7	1,004
Second lien loan (12.50%, due 4/2011)	4,865	4,830	3.4	4,865

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See Notes to Unaudited Consolidated Financial Statements.



## Golub Capital BDC LLC and Subsidiary

## Consolidated Condensed Schedule of Investments

March 31, 2010 (unaudited)

(In thousands)

	Principal Amount	Cost	Percentage of Members' Equity	Fair Value
<b>Investments in securities, at fair value<sup>1</sup> (continued)</b>				
United States (continued)			141,769,190	
<b>Debt securities (continued)</b>				
<b>Healthcare, Education and Childcare (continued)</b>				
<b>DaVita, Inc.</b>				
Senior loan (1.75%, due 10/2012)	\$ 5,000	\$ 4,558	3.5%	\$ 4,937
<b>DDC Center Inc.</b>				
Senior loan (9.50%, due 10/2014)	12,543	12,543	8.0	11,289
<b>Delta Educational Systems, Inc.</b>				
Senior loan (6.00%, due 6/2012)	4,140	3,956	2.9	4,057
<b>Den-Mat Holdings, LLC</b>				
Senior loan (4.25%, due 12/2012)	3,113	3,113	1.9	2,708
<b>Excelligence Learning Corporation</b>				
Second lien (7.25%, due 11/2013)	1,600	1,529	1.1	1,504
<b>The Hygenic Corporation</b>				
Senior loan (2.75%, due 4/2013)	2,751	2,673	1.8	2,558
<b>Oncure Medical Corporation</b>				
Senior loan (3.76%, due 6/2012)	5,626	5,340	3.7	5,232
<b>ReachOut Healthcare America Ltd</b>				
Senior loan (8.04%, due 8/2013)	6,388	6,368	4.5	6,388
<b>United Surgical Partners International, Inc.</b>				
Senior loan (2.25%, due 4/2014)	1,537	1,537	1.1	1,489
<b>Other</b>				
	773	762	0.5	755
			33.1	46,786
<b>Home and Office Furnishings, Housewares, and Durable Consumer</b>				
<b>Top Knobs USA, Inc.</b>				
Senior loan (8.25%, due 2/2014)	2,890	2,790	2.0	2,832
<b>Zenith Products Corporation</b>				
Senior loan (5.46%, due 9/2013)	5,594	5,472	3.7	5,203
			5.7	8,035
<b>Leisure, Amusement, Motion Pictures and Entertainment</b>				
<b>Octane Fitness, LLC</b>				
Senior loan (4.85%, due 3/2013)	4,675	4,513	3.0	4,301
<b>Optronics Product Company, Inc.</b>				
Senior loans (8.03%, due 12/2012-12/2013)	2,725	2,585	1.9	2,725
<b>Premier Yachts, Inc.</b>				
Senior loans (5.37%, due 8/2012-8/2013)	2,052	1,953	1.4	1,990

Regal Cinemas Corporation				
Senior loan (3.79%, due 10/2013)	1,515	1,319	1.1	1,524
			7.4	10,540

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See Notes to Unaudited Consolidated Financial Statements.

## Golub Capital BDC LLC and Subsidiary

## Consolidated Condensed Schedule of Investments

March 31, 2010 (unaudited)

(In thousands)

	Principal Amount	Cost	Percentage of Members' Equity	Fair Value
<b>Investments in securities, at fair value<sup>1</sup> (continued)</b>				
United States (continued)			141,769,190	
<b>Debt securities (continued)</b>				
<b>Machinery (Non-Agriculture, Construction, or Electric)</b>				
<b>Tritex Corporation</b>				
Senior loan (5.03%, due 5/2014)	\$ 2,885	\$ 2,797	1.9%	\$ 2,626
<b>Oil and Gas</b>				
<b>Tri-County Petroleum, Inc.</b>				
Senior loan (4.54%, due 8/2013)	3,675	3,570	2.5	3,491
<b>Personal and Non-Durable Consumer Products</b>				
<b>Dr. Miracles, Inc.</b>				
Senior loan (8.00%, due 3/2014)	3,978	3,929	2.8	3,977
<b>Personal, Food and Miscellaneous Services</b>				
<b>Aramark Corporation</b>				
Senior loans (2.88%, due 1/2014-7/2016)	2,904	2,432	2.0	2,888
<b>Focus Brands, Inc.</b>				
Senior loan (5.28%, due 3/2011)	5,503	5,399	3.8	5,338
			5.8	8,226
<b>Printing and Publishing</b>				
<b>Monotype Imaging, Inc.</b>				
Senior loan (3.98%, due 7/2012)	1,478	1,402	1.0	1,418
<b>Trade Service Company, LLC</b>				
Senior loan (14.00%, due 1/2013)	2,085	2,012	1.5	2,085
			2.5	3,503
<b>Retail Stores</b>				
<b>Container Store, Inc.</b>				
Senior loan (3.26%, due 8/2014)	6,847	6,317	4.3	6,026
<b>Fasteners for Retail, Inc.</b>				
Senior loan (4.75%, due 12/2012)	2,430	2,251	1.7	2,370
<b>IL Fornaio (America) Corporation</b>				
Senior loan (3.25%, due 3/2013)	4,818	4,482	3.1	4,385
<b>The Marshall Retail Group, LLC</b>				
Senior loans (8.02%, due 4/2013)	5,366	5,147	3.7	5,217



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See Notes to Unaudited Consolidated Financial Statements.

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## Golub Capital BDC LLC and Subsidiary

## Consolidated Condensed Schedule of Investments

March 31, 2010 (unaudited)

(In thousands)

	Principal Amount	Cost	Percentage of Members' Equity	Fair Value
<b>Investments in securities, at fair value<sup>1</sup> (continued)</b>				
United States (continued)			141,769,190	
<b>Debt securities (continued)</b>				
<b>Telecommunications</b>				
<b>Cellular South, Inc.</b>				
Senior loan (2.00%, due 5/2014)	\$ 1,241	\$ 1,241	0.9%	\$ 1,205
<b>MetroPCS Wireless, Inc.</b>				
Senior loan (2.50%, due 11/2013)	2,954	2,455	2.0	2,895
<b>West Corporation<sup>3</sup></b>				
Senior loan (0.50%, due 10/2012)	-	(298)	(0.5)	(700)
			2.4	3,400
<b>Textiles and Leather</b>				
<b>Gammill, Inc.</b>				
Senior loans (9.94%, due 9/2011-9/2012)	5,050	4,919	3.4	4,819
<b>Utilities</b>				
<b>Covanta Energy Corporation</b>				
Senior loans (1.23%, due 2/2014)	2,970	2,522	2.0	2,883
<b>Itron, Inc.</b>				
Senior loan (3.75%, due 4/2014)	1,007			