

Golub Capital Middle Market Report

FEATURING THE GOLUB CAPITAL ALTMAN INDEX

Revenue in the U.S. Middle Market Grew by 11% in Q1 2018, According to the Golub Capital Middle Market Report

Overall, Index earnings grew by 6.22% during the first two months of the first quarter

The Golub Capital Altman Index can provide early insight into financial performance of public companies and GDP in advance of earnings season

Middle market private companies in the Golub Capital Altman Index experienced year-over-year revenue growth of 10.96% and earnings growth of 6.22% during the first two months of the first quarter of 2018. This compares to year-over-year revenue growth of 11.51% and earnings growth of 12.77% in the fourth quarter of 2017.

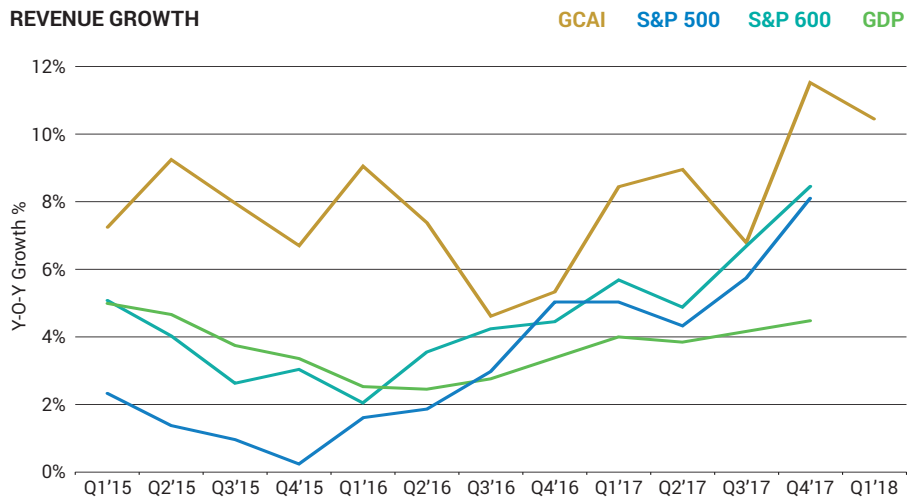
Lawrence E. Golub, CEO of Golub Capital, said, "Middle market companies had a strong start to 2018, with double-digit revenue growth in the Consumer, Industrials and Technology sectors. Overall, this was the strongest first quarter for year-over-year revenue growth since inception of the Golub Capital Altman Index. Aggregate earnings growth was solid, led once again by the Technology sector. With tax reform giving many households additional spending power and a weak dollar boosting export competitiveness, the U.S. economy appears well positioned for growth in 2018."

Dr. Edward I. Altman said, "The Consumer sector continued the turnaround we first identified in the second quarter of 2017. The Consumer companies in our sample have made real progress in controlling costs despite the tight labor market. On the other hand, the Healthcare companies in our sample have found it more difficult to maintain profit margins."

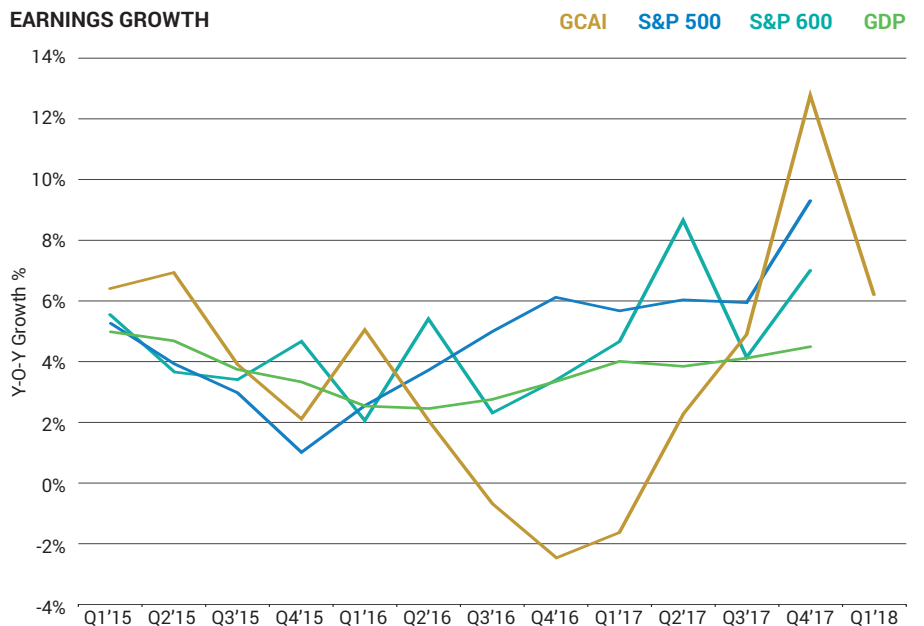
GOLUB CAPITAL ALTMAN INDEX HIGHLIGHTS

Year-Over-Year Growth	REVENUE	EARNINGS
Q1 2018	10.96%	6.22%
Q4 2017	11.51%	12.77%
Key Sectors Q1 2018	REVENUE	EARNINGS
Consumer	10.21%	6.26%
Healthcare	9.11%	(5.40%)
Industrials	15.48%	1.93%
Technology	12.34%	8.40%

REVENUE GROWTH



EARNINGS GROWTH



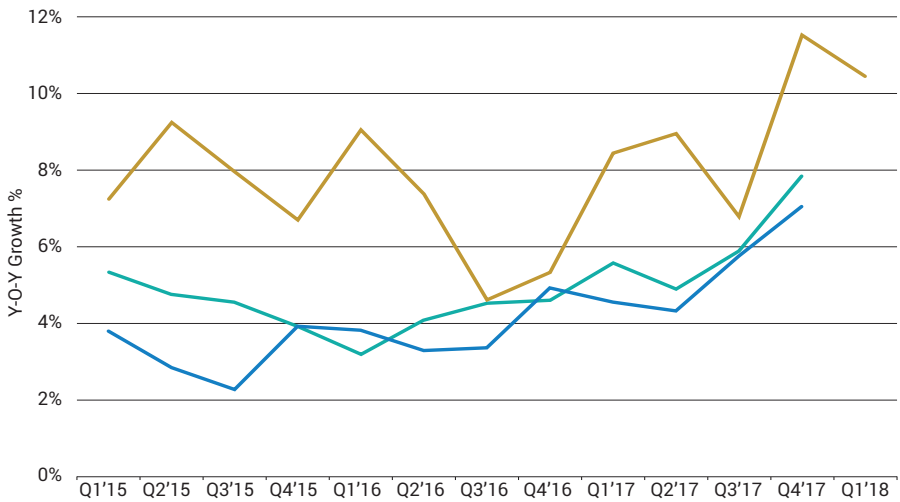
The Golub Capital Altman Index (“GCAI”), which is produced by Golub Capital in collaboration with renowned credit expert Dr. Edward I. Altman, is the first and only index based on actual revenue and earnings (defined as earnings before interest, taxes, depreciation and amortization, or “EBITDA”) for middle market companies. It measures the median revenue and earnings growth of more than 150 private U.S. companies in the loan portfolio of Golub Capital, a leading middle market lender. Reported shortly before public company quarterly earnings season, the GCAI has served as a reliable indicator of the overall growth rates in revenue and earnings of public companies in market indexes such as the S&P 500 and S&P SmallCap 600 (“S&P 600”), as well as quarterly Gross Domestic Product (“GDP”), according to statistical back-testing dating back to 2012, when data began to be tracked.

The size and diversity of the Golub Capital loan portfolio ensure that the confidentiality of all company-specific information used in the index is maintained in both the aggregate and industry segment data.

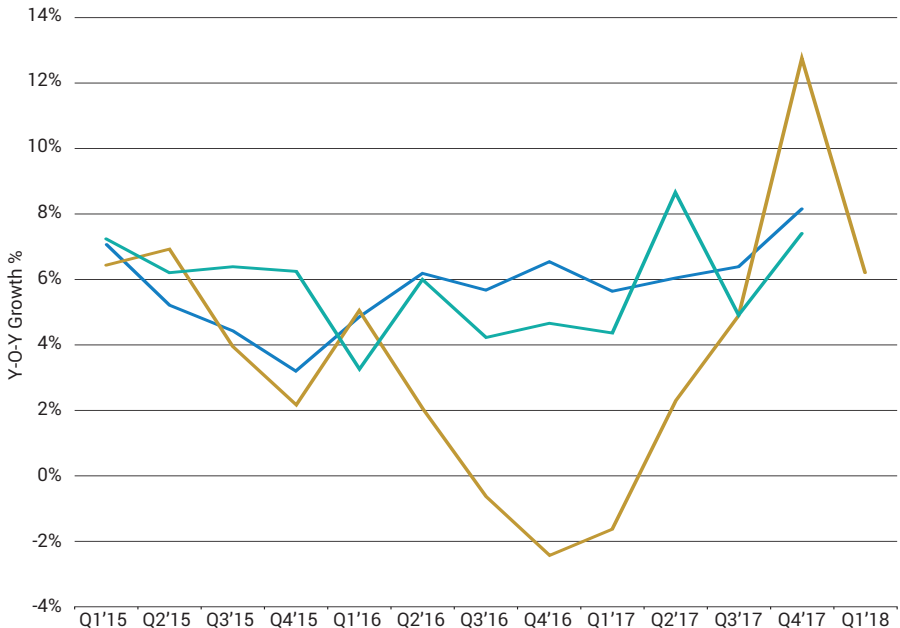
We believe the results (1) are representative of the general performance of middle market companies, which are a major contributor to U.S. private sector employment; (2) can be easily compared to the performance of the public companies that make up major stock indexes; (3) are relevant to the aggregate economic performance of the U.S. economy and (4) provide timely information for the investment community.

The companies in the GCAI operate in a wide range of industries. Results are provided for the total universe of GCAI constituents and by industry segment. Given the index’s limited exposure to Financials, Utilities, Energy and Materials, comparisons are made to the S&P 500 and S&P 600 as well as to “adjusted” versions of those indexes that exclude the aforementioned sectors.

REVENUE GROWTH VERSUS ADJUSTED INDEXES GCAI S&P 500 Adj. S&P 600 Adj.



EARNINGS GROWTH VERSUS ADJUSTED INDEXES GCAI S&P 500 Adj. S&P 600 Adj.



About the Golub Capital Middle Market Report

The Golub Capital Middle Market Report analyzes the results of the Golub Capital Altman Index, which measures the median revenue and earnings growth of more than 150 privately owned companies in the Golub Capital loan portfolio for the first two months of each calendar quarter. It compares these results to the financial performance of public companies in well-known market indexes, including the S&P 500 and S&P SmallCap 600, as well as the quarterly Gross Domestic Product. The index is produced by Golub Capital in collaboration with renowned credit expert Dr. Edward I. Altman. For more information, including a description of the methodology used to create the report, please visit golubcapital.com/middle-market-report.

About Golub Capital Middle Market Lending

Golub Capital's Middle Market Lending group provides financing for middle market, private equity-backed transactions with hold positions of up to \$400 million and is an arranger of credit facilities up to \$1 billion. Golub Capital's award-winning team strives to establish long-term, win-win partnerships by providing dependable, fast and creative solutions that meet private equity sponsors' and portfolio companies' needs.

Golub Capital is a nationally recognized credit asset manager with over \$25 billion of capital under management. For over 20 years, Golub Capital has provided credit to help medium-sized U.S. businesses grow. The firm's award-winning Middle Market Lending business provides financing for middle market companies and their private equity sponsors. Golub Capital's credit expertise also forms the foundation of its Late Stage Lending and Broadly Syndicated Loan businesses. Golub Capital has worked hard to build a reputation as a fast, reliable provider of compelling financing solutions, and we believe this has inspired repeat clients and investors. Today, the firm has over 300 employees with lending offices in Chicago, New York and San Francisco. For more information, please visit golubcapital.com.

About Dr. Edward I. Altman

A leading expert on credit markets, Dr. Edward I. Altman is the Max L. Heine Professor of Finance, Emeritus at the NYU Stern School of Business, and Director of Research in Credit and Debt Markets at the NYU Salomon Center for the Study of Financial Institutions. He is currently an advisor to several foreign central banks.

Professor Altman has published or edited two-dozen books and over 150 articles in scholarly finance, accounting and economic journals. He has been inducted into the Fixed Income Analysts Society Hall of Fame, served as President of the Financial Management Association, was an FMA Fellow, and was amongst the inaugural inductees into the Turnaround Management Association Hall of Fame. He received his MBA and Ph.D. in Finance from the University of California, Los Angeles.

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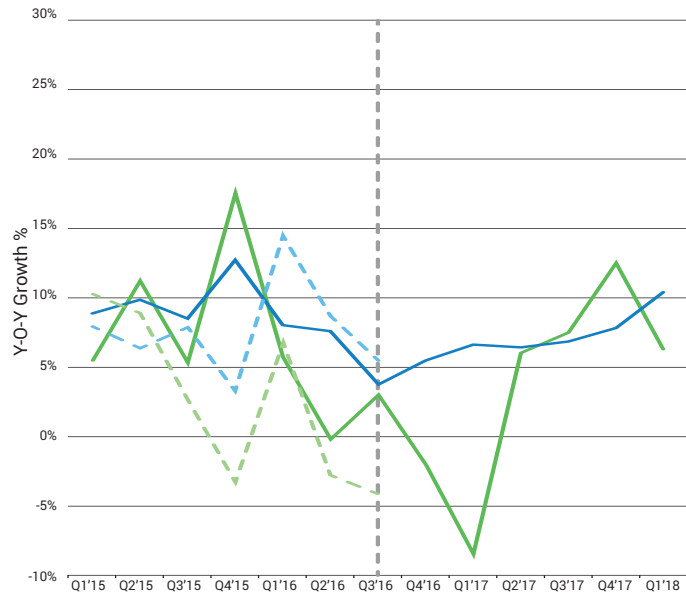
Important Disclosure

The Golub Capital Altman Index is provided as an indicator only, and does not constitute investment advice or the offer to sell or a solicitation to buy any security. Some of these statements constitute forward-looking statements, which may be predictions about future events, future performance, or future financial conditions. Some of these statements reflect opinions based upon the data presented in the Index, and these opinions may be incorrect. Actual results could vary materially from those implied or expressed in such forward-looking statements for any reason. The Golub Capital Altman Index has been created on the basis of information provided by third-party sources that are believed to be reliable, but the information has not been verified independently by Golub Capital. Golub Capital makes no warranty or representation as to the accuracy or completeness of such third-party information.

Appendix: GCAI Results by Sector

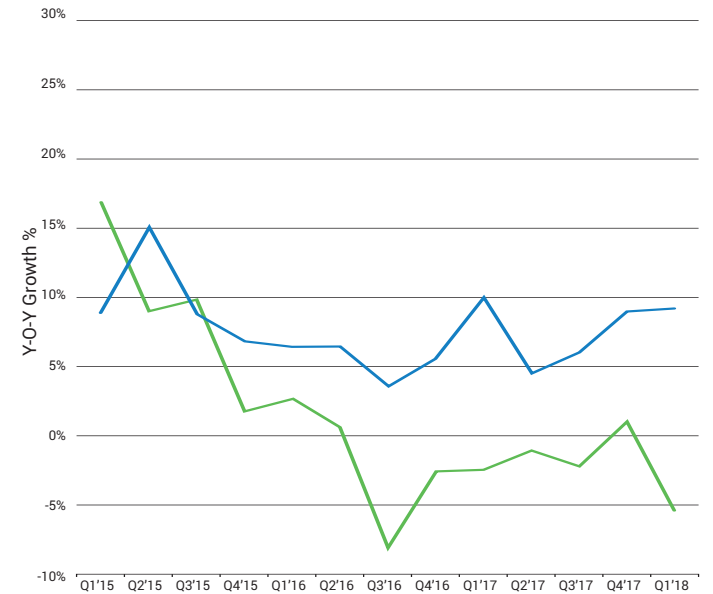
Additional information can be found below regarding sector trends in the Golub Capital Altman Index.

**CONSUMER DISCRETIONARY/CONSUMER*
CONSUMER STAPLES** **REVENUE** **EARNINGS**
REVENUE EARNINGS

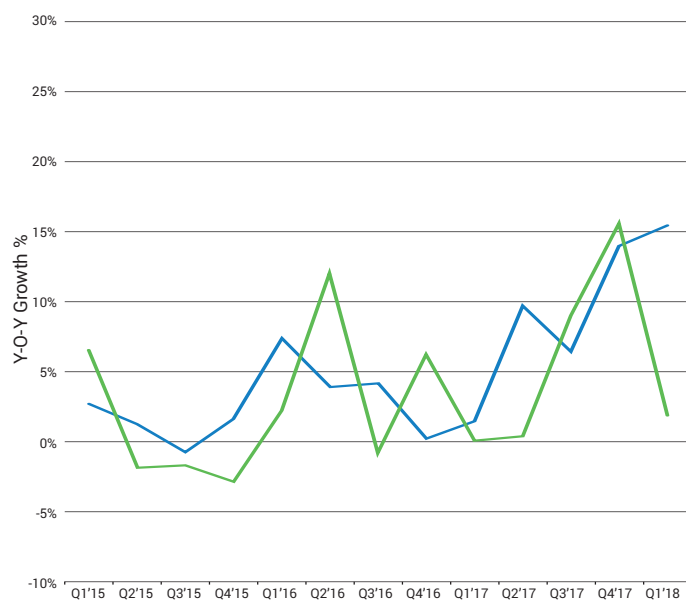


* On October 1, 2016, the Consumer Discretionary and Consumer Staples sectors were reclassified into one sector called Consumer. The year-over-year growth percentages for the reclassified Consumer sector are reflected in the chart above beginning the fourth quarter of 2016.

HEALTHCARE **REVENUE** **EARNINGS**
REVENUE EARNINGS



INDUSTRIALS **REVENUE** **EARNINGS**
REVENUE EARNINGS



TECHNOLOGY **REVENUE** **EARNINGS**
REVENUE EARNINGS

