

Golub Capital Middle Market Report

FEATURING THE GOLUB CAPITAL ALTMAN INDEX

Revenue in the U.S. Middle Market Grew by 6.79% in Q3 2017, According to the Golub Capital Middle Market Report

Overall earnings grew by 4.89% during the first two months of the quarter

Index provides 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 6.79% and earnings growth of 4.89% during the first two months of the third quarter of 2017. This compares to an increase of 8.94% in revenue and 2.29% in earnings year-over-year in the second quarter of 2017.

Lawrence E. Golub, CEO of Golub Capital, said, "Middle market companies showed strong revenue growth and accelerating profit growth in the third quarter of 2017. Earnings growth began to catch up with revenue growth, suggesting the middle market firms in our sample continued to improve cost control and productivity. The Technology and Industrials sectors showed substantial acceleration of earnings growth, benefiting from a weaker dollar and improved Eurozone economic performance in the form of strong export bookings. In aggregate, the Golub Capital Altman Index results for the third quarter of 2017 are consistent with a 2-3% rate of U.S. GDP growth."

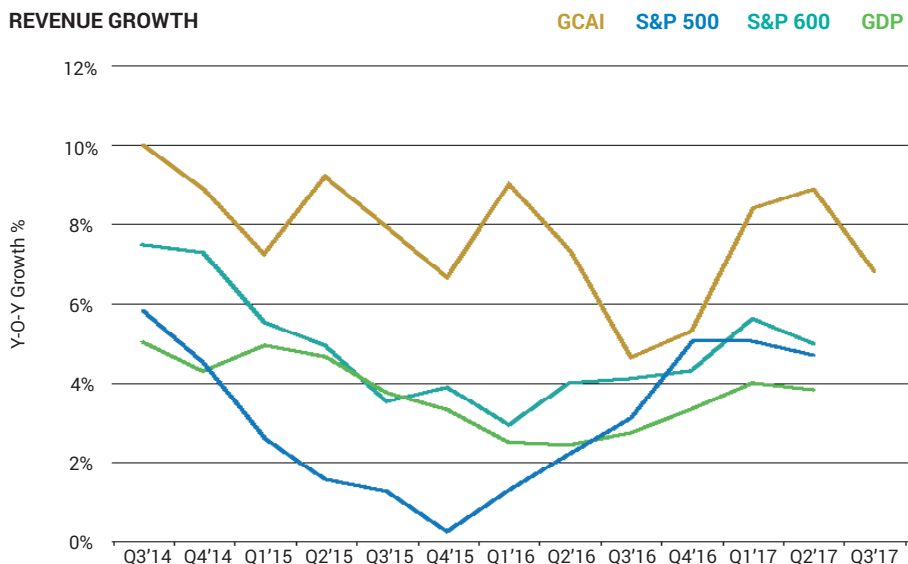
Dr. Edward I. Altman said, "The Consumer sector performed well in the third quarter of 2017, sustaining the earnings rebound we saw in the second quarter data. On the other hand, the Healthcare sector continued to struggle with profitability. There is notable dispersion within the Healthcare sector, as some companies have had more success than others in generating operating leverage amidst rising labor costs."

GOLUB CAPITAL ALTMAN INDEX HIGHLIGHTS

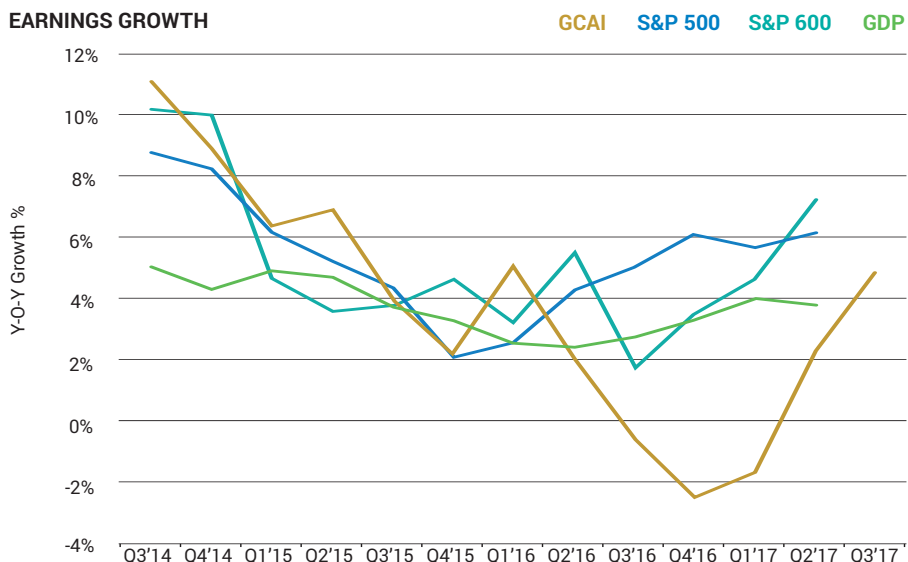
Year-Over-Year Growth	REVENUE	EARNINGS
Q3 2017	6.79%	4.89%
Q2 2017	8.94%	2.29%

Key Sectors Q3 2017	REVENUE	EARNINGS
Consumer	6.83%	7.54%
Healthcare	6.09%	(2.19%)
Industrials	6.53%	9.09%
Information Technology	10.80%	9.63%

REVENUE GROWTH



EARNINGS GROWTH



The Golub Capital Altman Index, 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 median revenue and earnings performance from the data 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 Index 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, as well as quarterly Gross Domestic Product (“GDP”), according to statistical back-testing dating back to 2012, when data began to be tracked.

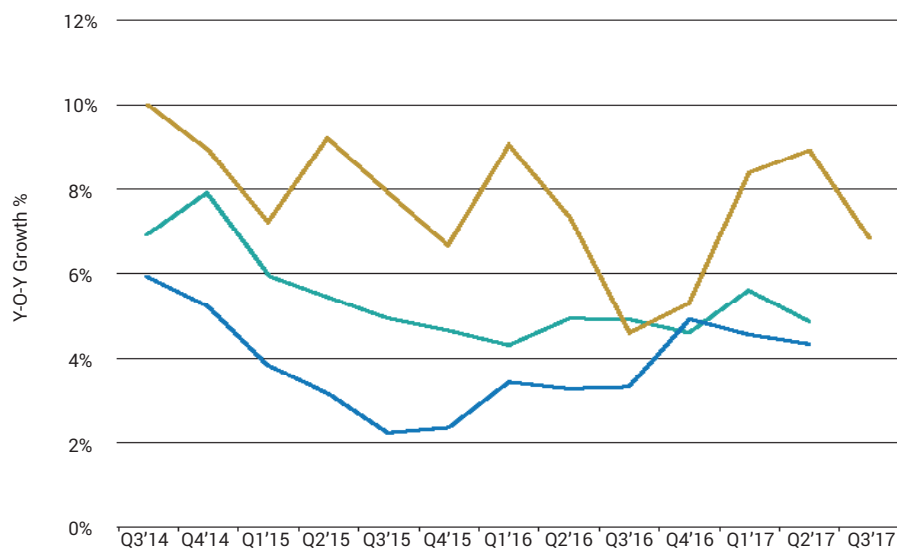
We believe the results (1) are representative of the general performance of middle market companies, which are a major contributor to U.S. private sector employment; (2) can be easily compared to the performance of the public companies that make up major stock indexes; (3) are relevant to the aggregate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

Importantly, the size and diversity of the Golub Capital loan portfolio ensures that the confidentiality of all company-specific information used in the Index is maintained in both the aggregate and industry segment data.

The companies in the Golub Capital Altman Index operate in a wide range of industries, and aggregate results are provided for the total universe and by industry segment. Given the Index’s limited exposure to Financials, Utilities, Energy and Materials, calculations are made for the public indexes both including and excluding these sectors (for the latter, see charts marked “S&P 500 Adj.” and “S&P 600 Adj.”).

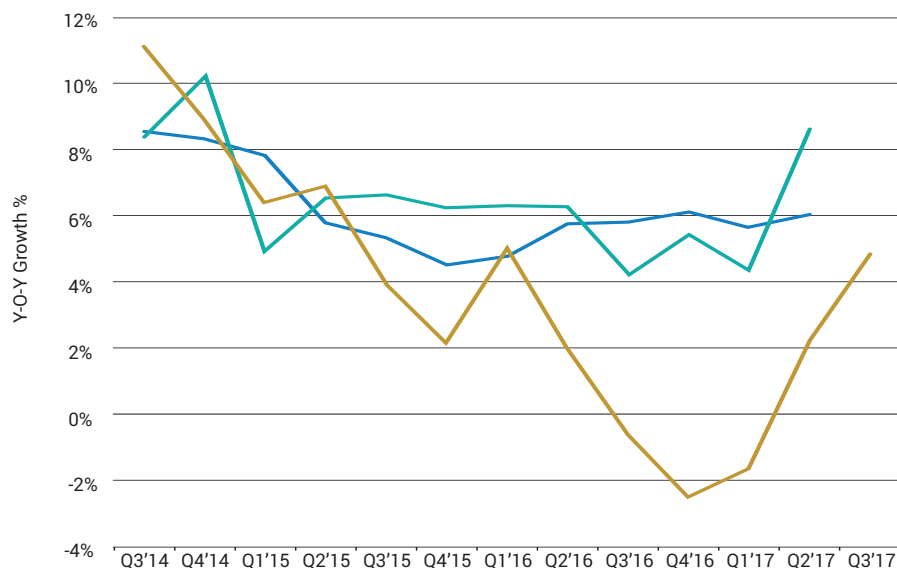
REVENUE GROWTH VERSUS ADJUSTED INDEXES

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 \$750 million. 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 \$20 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

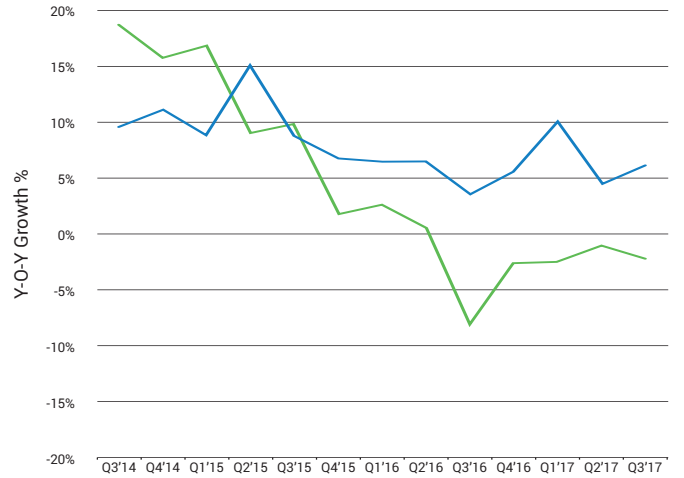
Additional information can be found below regarding sector trends in the Golub Capital Altman Index.

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

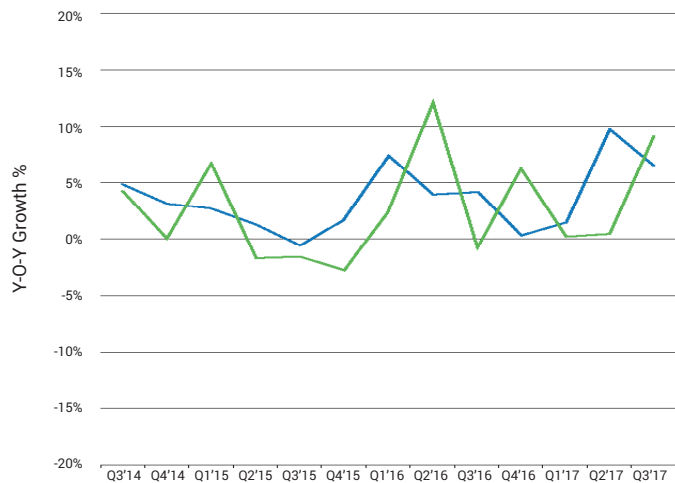


* On October 1, 2016, the Consumer Discretionary and Consumer Staples sectors were reclassified into one sector called Consumer. The year-over-year growth percentages for the reclassified Consumer sector are reflected in the chart above beginning in the fourth quarter of 2016.

HEALTHCARE **REVENUE** **EARNINGS**



INDUSTRIALS **REVENUE** **EARNINGS**



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

