

March 18, 2020



## **Main Street Business and Coronavirus Update**

HOUSTON, March 18, 2020 /PRNewswire/ -- As we at Main Street Capital Corporation (NYSE: MAIN) ("Main Street") work collectively with our employees and our portfolio companies to navigate the significant challenges that have been created by COVID-19 (Coronavirus), we have placed considerable focus on and attention to the health and well-being of our employees, the employees of our portfolio companies and our broader community. As we continue to work through these challenges, our thoughts are with everyone who has been negatively impacted in any way by these events.

We have been and are continuing to execute our contingency plans in an effort to respond appropriately to these unprecedented events. In an effort to address the anxiety and concerns of our key partners and stakeholders, this press release is intended to provide an update regarding our business, recent actions taken and ongoing plans in response to the impacts of Coronavirus.

### ***Our Business Continuity and Contingency Plans***

Over the last few weeks since Coronavirus began to spread in the U.S., we have implemented our business continuity and contingency plans, specifically including the ability for all of our employees to work remotely. Beginning last Friday, March 13, 2020, as recommended by many health organizations and government entities, we implemented remote working arrangements for our employees. These actions were intended to address concerns and risks related to the spread of Coronavirus, while maintaining a safe work environment for our employees. Our employees are currently maintaining the normal functions necessary to meet our ongoing operational requirements and to fulfill the responsibilities and obligations to our stakeholders. Since implementing these plans, we have not experienced any significant issues or concerns with our ability to maintain our full operations. In addition, our complete executive and senior management team continues to operate at full capacity. We have been and will continue to be diligent in monitoring this evolving situation and taking any necessary and appropriate actions to keep our employees safe and healthy, while also ensuring our business operations remain fully functional.

### ***Portfolio Company Activities***

We place significant value on the relationships we maintain with our portfolio companies and their management teams and employees. Over the last few weeks, we have focused our portfolio investment team's efforts on proactively engaging with our portfolio companies. Most specifically, our efforts are focused on collaborating with the management teams of our lower middle market portfolio companies to assess and evaluate the steps that each portfolio company can take in response to the impacts of Coronavirus, while also offering our insights and assistance to these companies as they navigate this difficult environment. To date, we are pleased with the diligence of and proactive actions taken by our portfolio company management teams and we remain confident in the ability of these teams and their employees to respond to the challenges associated with these circumstances.

### ***Investment Portfolio Composition***

One of the core philosophies and beliefs that we have always employed and practiced at Main Street is the view that a diversified portfolio can provide significant benefits to our stakeholders. When evaluating portfolio diversity, we do so in terms of diversity by industry, geography, transaction type and investment tenure. We continue to believe that the benefits of the highly diversified and mature investment portfolio will serve our stakeholders well in any environment, and particularly on a relative basis compared to other investment firms in the current environment.

Each quarter we endeavor to provide significant details on the composition of our investment portfolio as part of our quarterly financial reporting. The details of our investment portfolio as of December 31, 2019 can be accessed in our Investor Presentation for the year-ended December 31, 2019 on the investor relations section of our website at <http://ir.mainstcapital.com>.

### ***Liquidity and Capital Structure***

We believe that our permanent equity capital as a publicly-traded company provides us significant flexibility and benefits that we believe typically do not exist with other traditional private equity and private debt funds. Our flexibility allows us to provide our lower middle market companies with highly customized solutions that are designed to meet the needs and transaction goals of the management teams and other owners of these companies. We believe that our approach generally results in capital structures in these portfolio companies that are more conservative than the capital structures typically seen in the broader market, and we believe these resulting conservative capital structures will provide significant benefits during times of general economic declines.

In addition to the benefits of our permanent equity capital, we have also intentionally maintained what we believe is a conservative approach to leverage at Main Street, maintaining leverage levels that are well below the regulatory leverage allowed in our industry. Our approach to deploying conservative amounts of leverage also provides the benefit of maintaining significant liquidity for future needs and requirements. We have always viewed our decision to maintain lower levels of leverage as an investment in the future, and we believe that our philosophy and practice regarding our conservative use of leverage will prove to be valuable in the current environment.

In addition to our conservative capital structure, we also maintain funding from several different debt capital sources, including our revolving credit facility, which includes a diversified group of 17 different banks, our unique relationship with the U.S. Small Business Administration through our three active Small Business Investment Company (SBIC) licenses and our existing long-term bonds. Our capital structure includes minimal amounts of near-term maturities, with only \$77 million, or approximately 5%, of our total debt capacity of over \$1.5 billion maturing before the end of 2021.

The details of our capital structure and liquidity position as of December 31, 2019 can be accessed in our Investor Presentation and our Debt Capital Markets Presentation for the year-ended December 31, 2019, both of which are available on the investor relations section of our website at <http://ir.mainstcapital.com/presentations>.

Since the U.S. economy began to experience the impacts of Coronavirus several weeks ago, we completed a detailed evaluation of our current capital structure and overall liquidity position, and we presently believe we have ample liquidity to support our near-term capital requirements. As the impact of Coronavirus continues to evolve, we will continue to evaluate our overall liquidity position and the associated expected needs over the next couple of quarters and will take proactive steps to maintain the appropriate liquidity position as determined based upon the then current circumstances.

### ***Future Action Plans and Continued Focus on Shareholder Alignment***

While we are all experiencing unexpected difficulties and challenges as we deal with the impacts of Coronavirus, we remain fully committed to supporting our stakeholders. As a management team, we continue to own a significant amount of Main Street equity and have continued to be regular purchasers of Main Street stock through our monthly dividend reinvestment program in a manner consistent with our historical practices, with the most recent purchase activity occurring on March 13, 2020. We hope our stakeholders appreciate the strong alignment of interests that exists between our management team and our shareholders and understand that we will continue to work hard for our stakeholders as we proactively work through the ongoing impacts of Coronavirus.

### **ABOUT MAIN STREET CAPITAL CORPORATION**

Main Street ([www.mainstcapital.com](http://www.mainstcapital.com)) is a principal investment firm that primarily provides long-term debt and equity capital to lower middle market companies and debt capital to middle market companies. Main Street's portfolio investments are typically made to support management buyouts, recapitalizations, growth financings, refinancings and acquisitions of companies that operate in diverse industry sectors. Main Street seeks to partner with entrepreneurs, business owners and management teams and generally provides "one stop" financing alternatives within its lower middle market portfolio. Main Street's lower middle market companies generally have annual revenues between \$10 million and \$150 million. Main Street's middle market debt investments are made in businesses that are generally larger in size than its lower middle market portfolio companies.

### **FORWARD-LOOKING STATEMENTS**

This press release may contain certain forward-looking statements, including but not limited to the potential impacts of Coronavirus on us, our portfolio companies, our communities and the U.S. and global economies, including, with respect to us, impacts on our portfolio investments, liquidity and access to capital. Any such statements other than statements of historical fact are likely to be affected by other unknowable future events and conditions, including elements of the future that are or are not under Main Street's control, and that Main Street may or may not have considered; accordingly, such statements cannot be guarantees or assurances of any aspect of future performance. Actual performance and results could vary materially from these estimates and projections of the

future as a result of a number of factors, including those described from time to time in Main Street's filings with the Securities and Exchange Commission. Such statements speak only as of the time when made and are based on information available to Main Street as of the date hereof and are qualified in their entirety by this cautionary statement. Main Street assumes no obligation to revise or update any such statement now or in the future.

Contacts:

Main Street Capital Corporation  
Dwayne L. Hyzak, CEO, [dhyzak@mainstcapital.com](mailto:dhyzak@mainstcapital.com)  
Brent D. Smith, CFO, [bsmith@mainstcapital.com](mailto:bsmith@mainstcapital.com)  
713-350-6000

Dennard Lascar Investor Relations  
Ken Dennard / [ken@dennardlascar.com](mailto:ken@dennardlascar.com)  
Zach Vaughan / [zvaughan@dennardlascar.com](mailto:zvaughan@dennardlascar.com)  
713-529-6600

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