



Fidus Investment Corporation Provides Business and COVID-19 Update

March 23, 2020

EVANSTON, Ill., March 23, 2020 (GLOBE NEWSWIRE) -- [Fidus Investment Corporation](#) (NASDAQ: FDUS) ("Fidus" or the "Company") today provides a business and COVID-19 update addressing actions taken in response to significant challenges arising from the COVID-19 pandemic.

Portfolio Companies

Since inception, Fidus has taken a partnership approach and a long-term perspective in providing customized, flexible debt and equity solutions for lower middle market companies. Consistent with this active management approach, over the past few weeks we have been in close contact with senior management and sponsors of our portfolio companies to review and evaluate current and potential negative impacts to their business operations arising from the COVID-19 pandemic. However, the ultimate impact of COVID-19 on any individual business remains unknown. Notwithstanding these uncertainties, based on the discussions noted above, to date we believe our portfolio companies are taking the necessary actions to manage the business disruptions and execute contingency plans to respond to adverse economic consequences.

We will continue to diligently monitor evolving conditions and stay in close contact with the senior management teams and sponsors of our portfolio companies as they navigate uncharted waters with a view toward providing support as warranted. Above all, we will remain focused on capital preservation and the long-term prospects of our portfolio companies.

Portfolio Composition

FIDUS' investment strategy focuses on high-quality lower middle-market companies with defensive characteristics, strong free cash flow and resilient, positive long-term outlooks. For the past several years we have put greater emphasis on investing in less-cyclical companies with business models that can weather a severe economic downturn. Nevertheless, the combination of compliance with state and federal government mandates, measures taken to protect employee health and safety and anticipated slow-down in economic activity is likely to impact some of our portfolio companies.

Each of our 61 portfolio companies is a domestic business with customers located in the United States and minimal exposure to global supply chains. In terms of end markets served, we focus on industries where our investment team has prior experience. Our portfolio is well diversified, consisting of a variety of industries including information technology services, business services, healthcare products and services, industrial manufacturing and specialty distribution, aerospace and defense manufacturing and distribution, energy services, and retail.

Capital and Liquidity

We have diverse sources of funding providing us with liquidity to support our portfolio companies, including access to a \$100 million revolving credit facility and up to \$167.5 million of SBA-guaranteed debentures, subject to SBA regulations and approvals.

By design, we maintain a conservative capital structure with leverage well below the regulatory level. Our outstanding borrowings as of December 31, 2019 consisted of \$182.3 million of bonds maturing in 2023 and 2024, \$157.5 million of SBA debentures and \$25 million drawn under our credit facility for a regulatory leverage ratio of 0.5x.

While we remain active in evaluating deals, given the potential for unprecedented economic stresses we plan to be cautious in our approach to originations, balancing our principle of capital preservation with our goal of growing NAV over time.

FIDUS Operations

We continue to monitor ever changing impacts from COVID-19, including recommendations and protocols established by public health organizations and state and local public health departments. For this reason, we are taking appropriate actions to maintain normal business operations and safeguard the health and safety of our staff, including ensuring our staff is fully capable of working remotely. We have not experienced any operational limitations; remain actively engaged with the management teams and sponsors of our portfolio companies and committed to maintaining our long-standing relationships in our origination network.

ABOUT FIDUS INVESTMENT CORPORATION

Fidus Investment Corporation provides customized debt and equity financing solutions to lower middle-market companies, which management generally defines as U.S. based companies with revenues between \$10 million and \$150 million. The Company's investment objective is to provide attractive risk-adjusted returns by generating both current income from debt investments and capital appreciation from equity related investments. Fidus seeks to partner with business owners, management teams and financial sponsors by providing customized financing for change of ownership transactions, recapitalizations, strategic acquisitions, business expansion and other growth initiatives.

Fidus is an externally managed, closed-end, non-diversified management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940, as amended. In addition, for tax purposes, Fidus has elected to be treated as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended. Fidus was formed in February 2011 to continue and expand the business of Fidus Mezzanine Capital, L.P., which commenced operations in May 2007 and is licensed by the U.S. Small Business Administration as a small business investment company.

FORWARD-LOOKING STATEMENTS

This press release may contain certain forward-looking statements which are based upon current expectations and are inherently uncertain. 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 the Company's control, and that the Company may or may not have considered; accordingly, such statements cannot be guarantees or assurances of any aspect of future performance. Actual developments and results are highly likely to 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 the Company'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 the Company as of the date hereof and are qualified in their entirety by this cautionary statement. The Company undertakes no obligation to update any such statement now or in the future, except as required by applicable law.

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