
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934**
Date of report (Date of earliest event reported) **May 8, 2018**

Monroe Capital Corporation

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

814-00866
(Commission
File Number)

27-4895840
(IRS Employer
Identification No.)

311 South Wacker Drive, Suite 6400, Chicago, IL
(Address of principal executive offices)

60606
(Zip Code)

(312) 258-8300
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 8.01. Other Events.

On May 8, 2018, Monroe Capital Corporation (the “Company”) issued a press release announcing the Company’s financial results for the first quarter ended March 31, 2018. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information disclosed under this Item 2.02, including Exhibit 99.1 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

ITEM 9.01. Financial Statements and Exhibits.

[99.1 Press Release, dated May 8, 2018.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MONROE CAPITAL CORPORATION

By: /s/ Aaron D. Peck

Name: Aaron D. Peck

Title: Chief Financial Officer

Dated: May 8, 2018



Monroe Capital Corporation BDC Announces Strong First Quarter Results

CHICAGO, IL, May 8, 2018 -- Monroe Capital Corporation (Nasdaq: MRCC) ("Monroe") today announced its financial results for the first quarter ended March 31, 2018.

Except where the context suggests otherwise, the terms "Monroe," "we," "us," "our," and "Company" refer to Monroe Capital Corporation.

First Quarter 2018 Financial Highlights

- Net investment income of \$8.5 million, or \$0.42 per share
- Adjusted Net Investment Income (a non-GAAP measure described below) of \$8.5 million, or \$0.42 per share
- Net increase in net assets resulting from operations of \$1.4 million, or \$0.07 per share
- Net asset value ("NAV") of \$273.0 million, or \$13.49 per share
- Paid quarterly dividend of \$0.35 per share on March 30, 2018

Chief Executive Officer Theodore L. Koenig commented, "We are pleased to report strong earnings for the first quarter of 2018, with Adjusted Net Investment Income of \$0.42 per share, representing the 16th straight quarter where per share Adjusted Net Investment Income met or exceeded our quarterly per share dividend. We have also made our 22nd consecutive quarterly dividend payment to our shareholders without any reduction in our distributions. As of quarter end, our portfolio totaled \$496.0 million in investments at fair value, which represented a slight increase in the portfolio since the end of the fourth quarter. Measured portfolio growth, as well as growth in our MRCC Senior Loan Fund joint venture, including the recent addition of a leverage facility for the joint venture, should continue to create long term value for our shareholders."

Monroe Capital Corporation is the business development company affiliate of the award winning private debt investment firm and lender, Monroe Capital LLC.

Selected Financial Highlights
(in thousands, except per share data)

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Consolidated Statements of Assets and Liabilities data:		
	(unaudited)	
Investments, at fair value	\$ 496,034	\$ 494,138
Total assets	\$ 512,704	\$ 507,432
Net asset value	\$ 273,005	\$ 278,699
Net asset value per share	\$ 13.49	\$ 13.77
	<u>For the quarter ended</u>	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
(unaudited)		
Consolidated Statements of Operations data:		
Net investment income	\$ 8,465	\$ 6,995
Adjusted net investment income (1)	\$ 8,476	\$ 6,995
Net gain (loss) on investments, secured borrowings and foreign currency borrowings	\$ (7,075)	\$ (4,754)
Net increase in net assets resulting from operations	\$ 1,390	\$ 2,241
Per share data:		
Net investment income	\$ 0.42	\$ 0.35
Adjusted net investment income (1)	\$ 0.42	\$ 0.35
Net gain (loss) on investments, secured borrowings, foreign currency transactions and foreign currency borrowings	\$ (0.35)	\$ (0.24)
Net increase in net assets resulting from operations	\$ 0.07	\$ 0.11

(1) See *Non-GAAP Financial Measure – Adjusted Net Investment Income* below for a detailed description of this non-GAAP measure and a reconciliation from net investment income to Adjusted Net Investment Income. The Company uses this non-GAAP financial measure internally in analyzing financial results and believes that this non-GAAP financial measure is useful to investors as an additional tool to evaluate ongoing results and trends for the Company.

Portfolio Review

The Company had debt and equity investments in 72 portfolio companies, with a total fair value of \$496.0 million, as of March 31, 2018 as compared to debt and equity investments in 72 portfolio companies, with a total fair value of \$494.1 million, as of December 31, 2017. The Company's portfolio consists primarily of first lien loans, representing 85.9% of the portfolio as of March 31, 2018 and 86.7% of the portfolio as of December 31, 2017. As of March 31, 2018, the weighted average contractual and effective yield on the Company's debt and preferred equity investments was 10.0% and 10.6%, respectively, as compared to the weighted average contractual and effective yield of 9.8% and 10.0%, respectively, as of December 31, 2017. Portfolio yield is calculated only on the portion of the portfolio that has a contractual coupon and therefore does not account for dividends on equity investments (other than preferred equity).

Financial Review

Net investment income for the quarter ended March 31, 2018 totaled \$8.5 million, or \$0.42 per share, compared to \$7.0 million, or \$0.35 per share, for the quarter ended December 31, 2017. Adjusted Net Investment Income was \$8.5 million, or \$0.42 per share, for the quarter ended March 31, 2018, compared to \$7.0 million, or \$0.35 per share, for the quarter ended December 31, 2017. The Company believes that Adjusted Net Investment Income is a consistent measure of the Company's earnings – see *Non-GAAP Financial Measure – Adjusted Net Investment Income* discussion below. Investment income for the quarter ended March 31, 2018 totaled \$15.0 million, compared to \$13.4 million for the quarter ended December 31, 2017. The \$1.6 million increase during the quarter was primarily the result of increases in the average size and effective yield of the portfolio, increases in fee income and an increase in net accretion of discounts on the portfolio assets during the quarter. Total expenses for the quarter ended March 31, 2018 totaled \$6.5 million, compared to \$6.4 million (net of the incentive fee waiver of \$58,000) for the quarter ended December 31, 2017. The \$0.1 million increase during the quarter was primarily driven by a \$0.5 million increase in interest expense as a result of higher average borrowings to support the growth of the portfolio and a \$0.1 million increase in base management fees due to higher average portfolio size during the quarter, partially offset by a \$0.5 million decrease in incentive fees. Incentive fees were limited due to the total return requirement during both periods presented. Please refer to the Company's Form 10-Q for additional information of the incentive fee calculation and associated limitation.

Net gain (loss) on investments, secured borrowings, foreign currency transactions and foreign currency borrowings was (\$7.1) million for the quarter ended March 31, 2018, compared to (\$4.8) million for the quarter ended December 31, 2017. The net loss on investments, secured borrowings and foreign currency borrowings during the quarter ended March 31, 2018 was primarily the result of net unrealized mark-to-market losses on investments in the portfolio during the quarter. The largest contributors to the net unrealized mark-to-market losses during the quarter were the Company's equity investment in Rockdale Blackhawk, LLC and the Company's debt investments in TPP Operating, Inc. As a reminder, the Company received its common equity ownership in Rockdale Blackhawk, LLC as part of a senior secured debt financing for free, and therefore, did not make any cash investment in the equity.

Net increase in net assets resulting from operations was \$1.4 million, or \$0.07 per share, for the quarter ended March 31, 2018, compared to \$2.2 million, or \$0.11 per share, for the quarter ended December 31, 2017. This increase is primarily the result of an increase in net investment income and a decrease in net unrealized mark-to-market losses on investments during the quarter. The Company's NAV per share decreased to \$13.49 per share at March 31, 2018 from \$13.77 per share at December 31, 2017.

Liquidity and Capital Resources

At March 31, 2018, the Company had \$3.1 million in cash, \$7.1 million in restricted cash at Monroe Capital Corporation SBIC LP ("MRCC SBIC," the Company's wholly-owned SBIC subsidiary), \$125.6 million of total debt outstanding on its revolving credit facility and \$112.8 million in outstanding Small Business Administration ("SBA") debentures. As of March 31, 2018, the Company had \$74.4 million available for additional borrowings on its revolving credit facility and \$2.2 million in available SBA-guaranteed debentures.

SBIC Subsidiary

As of March 31, 2018, MRCC SBIC had \$57.6 million in leverageable capital, \$7.1 million in cash and \$167.7 million in investments at fair value. Additionally, MRCC SBIC had \$112.8 million in SBA-guaranteed debentures outstanding.

As of March 31, 2018, the Company has made all required leverageable capital contributions to MRCC SBIC in order to access the remaining \$2.2 million in available SBA-guaranteed debentures. The SBA-guaranteed debentures are long-term, fixed rate financing with the advantage of being excluded from the Company's 200% asset coverage test under the Investment Company Act of 1940.

MRCC Senior Loan Fund

On November 1, 2017, the Company announced the formation of a joint venture with NLV Financial Corporation ("NLV"), the parent of National Life Insurance Company ("National Life"), to create MRCC Senior Loan Fund I, LLC (the "SLF"). SLF is expected to invest primarily in senior secured loans to middle market companies in the United States. The Company and NLV have each initially committed \$50.0 million of capital to the joint venture. During the quarter ended March 31, 2018, SLF entered into a \$100.0 million secured revolving credit facility with Capital One, N.A. (the "SLF Credit Facility"). As of March 31, 2018, the Company had made net capital contributions of \$15.8 million in SLF with a fair value of \$16.3 million. During the quarter ended March 31, 2018, the Company received an income distribution from SLF of \$0.2 million.

As of March 31, 2018, SLF had total assets of \$60.5 million (including investments at fair value of \$58.2 million), total liabilities of \$27.8 million (including borrowings under the SLF Credit Facility of \$20.3 million) and total members' capital of \$32.7 million.

Non-GAAP Financial Measure – Adjusted Net Investment Income

On a supplemental basis, the Company discloses Adjusted Net Investment Income (including on a per share basis) which is a financial measure that is calculated and presented on a basis of methodology other than in accordance with generally accepted accounting principles of the United States of America ("non-GAAP"). Adjusted Net Investment Income represents net investment income, excluding the net capital gains incentive fee and excise taxes. The Company uses this non-GAAP financial measure internally in analyzing financial results and believes that this non-GAAP financial measure is useful to investors as an additional tool to evaluate ongoing results and trends for the Company. The management agreement with the Company's advisor provides that a capital gains incentive fee is determined and paid annually with respect to realized capital gains (but not unrealized capital gains) to the extent such realized capital gains exceed realized and unrealized capital losses for such year. Management believes that Adjusted Net Investment Income is a useful indicator of operations exclusive of any net capital gains incentive fee as net investment income does not include gains associated with the capital gains incentive fee.

The following table provides a reconciliation from net investment income (the most comparable GAAP measure) to Adjusted Net Investment Income for the periods presented:

	For the quarter ended			
	March 31, 2018		December 31, 2017	
	Amount	Per Share Amount	Amount	Per Share Amount
	(in thousands, except per share data)			
Net investment income	\$ 8,465	\$ 0.42	\$ 6,995	\$ 0.35
Net capital gains incentive fee	-	-	-	-
Excise taxes	11	-	-	-
Adjusted Net Investment Income	<u>\$ 8,476</u>	<u>\$ 0.42</u>	<u>\$ 6,995</u>	<u>\$ 0.35</u>

Adjusted Net Investment Income may not be comparable to similar measures presented by other companies, as it is a non-GAAP financial measure that is not based on a comprehensive set of accounting rules or principles and therefore may be defined differently by other companies. In addition, Adjusted Net Investment Income should be considered in addition to, not as a substitute for, or superior to, financial measures determined in accordance with GAAP.

First Quarter 2018 Financial Results Conference Call

The Company will host a webcast and conference call to discuss these operating and financial results on Wednesday, May 9, 2018 at 9:00 am ET. The webcast will be hosted on a webcast link located in the Investor Relations section of the Company's website at <http://ir.monroebdc.com/events.cfm>. To participate in the conference call, please dial (877) 312-8807 approximately 10 minutes prior to the call. Please reference conference ID #6889257.

For those unable to listen to the live broadcast, the webcast will be available for replay on the Company's website approximately two hours after the event.

For a more detailed discussion of the financial and other information included in this press release, please also refer to the Company's Form 10-Q for the quarter ended March 31, 2018 to be filed with the Securities and Exchange Commission (www.sec.gov) on May 8, 2018.

MONROE CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(in thousands, except per share data)

	<u>March 31, 2018</u> (unaudited)	<u>December 31, 2017</u>
ASSETS		
Investments, at fair value:		
Non-controlled/non-affiliate company investments	\$ 426,058	\$ 425,747
Non-controlled affiliate company investments	53,643	58,751
Controlled affiliate company investments	16,333	9,640
Total investments, at fair value (amortized cost of: \$516,121 and \$507,580, respectively)	496,034	494,138
Cash	3,070	4,332
Restricted cash	7,117	2,867
Interest receivable	5,756	5,335
Other assets	727	760
Total assets	<u>512,704</u>	<u>507,432</u>
LIABILITIES		
Debt:		
Revolving credit facility	125,584	117,092
SBA debentures payable	112,800	109,520
Total debt	238,384	226,612
Less: Unamortized deferred financing costs	(4,468)	(4,670)
Total debt, less unamortized deferred financing costs	233,916	221,942
Interest payable	795	1,535
Management fees payable	2,163	2,064
Incentive fees payable	761	1,157
Accounts payable and accrued expenses	2,027	2,035
Directors' fees payable	37	-
Total liabilities	<u>239,699</u>	<u>228,733</u>
Net assets	<u>\$ 273,005</u>	<u>\$ 278,699</u>
ANALYSIS OF NET ASSETS		
Common stock, \$0.001 par value, 100,000 shares authorized, 20,240 and 20,240 shares issued and outstanding, respectively	\$ 20	\$ 20
Capital in excess of par value	286,141	286,141
Undistributed net investment income (accumulated distributions in excess of net investment income)	8,088	6,707
Accumulated net realized gain (loss) on investments and secured borrowings and foreign currency transactions	(360)	(372)
Accumulated net unrealized gain (loss) on investments, secured borrowings and foreign currency borrowings	(20,884)	(13,797)
Total net assets	<u>\$ 273,005</u>	<u>\$ 278,699</u>
Net asset value per share	<u>\$ 13.49</u>	<u>\$ 13.77</u>

MONROE CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	For the quarter ended	
	March 31, 2018	December 31, 2017
	(unaudited)	
Investment income:		
Interest income:		
Non-controlled/non-affiliate company investments	\$ 11,963	\$ 11,060
Non-controlled affiliate company investments	1,828	1,789
Total interest income	<u>13,791</u>	<u>12,849</u>
Dividend income:		
Non-controlled/non-affiliate company investments	260	251
Controlled affiliate company investments	175	-
Total dividend income	<u>435</u>	<u>251</u>
Fee income:		
Non-controlled/non-affiliate company investments	724	264
Total fee income	<u>724</u>	<u>264</u>
Total investment income	<u>14,950</u>	<u>13,364</u>
Operating expenses:		
Interest and other debt financing expenses	2,706	2,211
Base management fees	2,163	2,065
Incentive fees	761	1,215
Professional fees	307	389
Administrative service fees	324	322
General and administrative expenses	176	188
Excise taxes	11	-
Directors' fees	37	37
Total expenses before incentive fee waiver	<u>6,485</u>	<u>6,427</u>
Incentive fee waiver	-	(58)
Total expenses, net of incentive fee waiver	<u>6,485</u>	<u>6,369</u>
Net investment income	<u>8,465</u>	<u>6,995</u>
Net gain (loss) on investments, secured borrowings and foreign currency borrowings:		
Net realized gain (loss):		
Non-controlled/non-affiliate company investments	-	133
Foreign currency transactions	12	1
Net realized gain (loss)	<u>12</u>	<u>134</u>
Net change in unrealized gain (loss):		
Non-controlled/non-affiliate company investments	(165)	976
Non-controlled affiliate company investments	(6,923)	(5,733)
Controlled affiliate company investments	443	140
Foreign currency borrowings	(442)	(271)
Net change in unrealized gain (loss)	<u>(7,087)</u>	<u>(4,888)</u>
Net gain (loss) on investments, secured borrowings, foreign currency transactions and foreign currency borrowings	<u>(7,075)</u>	<u>(4,754)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 1,390</u>	<u>\$ 2,241</u>
Per common share data:		
Net investment income per share - basic and diluted	<u>\$ 0.42</u>	<u>\$ 0.35</u>
Net increase in net assets resulting from operations per share - basic and diluted	<u>\$ 0.07</u>	<u>\$ 0.11</u>
Weighted average common shares outstanding - basic and diluted	<u>20,240</u>	<u>20,240</u>

Additional Supplemental Information:

The composition of the Company's investment income was as follows (dollars in thousands):

	For the quarter ended	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Interest income	\$ 12,626	\$ 11,965
Dividend income	435	251
Fee income	724	264
Prepayment gain (loss)	133	302
Accretion of discounts and amortization of premiums	1,032	582
Total investment income	<u>\$ 14,950</u>	<u>\$ 13,364</u>

The composition of the Company's interest expense and other debt financing expenses was as follows (dollars in thousands):

	For the quarter ended	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Interest expense - revolving credit facility	\$ 1,557	\$ 1,097
Interest expense - SBA debentures	868	827
Amortization of deferred financing costs	281	282
Other	-	5
Total interest and other debt financing expenses	<u>\$ 2,706</u>	<u>\$ 2,211</u>

ABOUT MONROE CAPITAL CORPORATION

Monroe Capital Corporation is a publicly-traded specialty finance company that principally invests in senior, unitranche and junior secured debt and, to a lesser extent, unsecured debt and equity investments in middle-market companies. The Company's investment objective is to maximize the total return to its stockholders in the form of current income and capital appreciation. The Company's investment activities are managed by its investment adviser, Monroe Capital BDC Advisors, LLC, which is an investment adviser registered under the Investment Advisers Act of 1940, as amended, and an affiliate of Monroe Capital LLC. To learn more about Monroe Capital Corporation, visit www.monroebsd.com.

ABOUT MONROE CAPITAL LLC

Monroe Capital LLC ("Monroe") is a private credit asset management firm specializing in direct lending and opportunistic private credit investing. Since 2004, the firm has provided private credit solutions to borrowers in the U.S. and Canada. Monroe's middle market lending platform provides senior and junior debt financing to businesses, special situation borrowers, and private equity sponsors. Investment types include unitranche financings; cash flow, asset based and enterprise value based loans; and equity co-investments. Monroe is committed to being a value-added and user-friendly partner to business owners, senior management, and private equity and independent sponsors. The firm is headquartered in Chicago and maintains offices in Atlanta, Boston, Dallas, Los Angeles, New York, and San Francisco. Monroe has been recognized by Private Debt Investor as the 2017 Lower Mid-Market Lender of the Year; Global M&A Network as the 2017 Small Middle Markets Lender of the Year; M&A Advisor as the 2016 Lender Firm of the Year; and the U.S. Small Business Administration as the 2015 Small Business Investment Company (SBIC) of the Year. For more information, please visit www.monroecap.com.

FORWARD-LOOKING STATEMENTS

This press release may contain certain forward-looking statements. 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. Such statements speak only as of the time when made, and the Company undertakes no obligation to update any such statement now or in the future.

SOURCE: Monroe Capital Corporation

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