
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 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): February 11, 2025

Gladstone Capital Corporation

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

814-00237
(Commission
File Number)

54-2040781
(I.R.S. Employer
Identification Number)

1521 Westbranch Drive, Suite 100
McLean, Virginia
(Address of Principal Executive Offices)

22102
(Zip Code)

(703) 287-5800
(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:

- 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))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading symbol | Name of each exchange on which registered |
|---|----------------|---|
| Common Stock, \$0.001 par value per share | GLAD | The Nasdaq Stock Market LLC |
| 7.75% notes due 2028 | GLADZ | The Nasdaq Stock Market LLC |

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 2.02 Results of Operations and Financial Condition.

On February 11, 2025, Gladstone Capital Corporation issued a press release announcing its financial results for the fiscal quarter ended December 31, 2024. The text of the press release is included as an exhibit to this Current Report on Form 8-K. The information in this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | Press Release of Gladstone Capital Corporation, dated February 11, 2025. |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

SIGNATURE

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.

Gladstone Capital Corporation

Date: February 11, 2025

By: /s/ Nicole Schaltenbrand
Nicole Schaltenbrand
Chief Financial Officer & Treasurer



**Gladstone Capital Corporation Reports Financial Results for its
First Quarter Ended December 31, 2024**

McLean, VA, February 11, 2025: Gladstone Capital Corporation (Nasdaq: GLAD) (the “Company”) today announced earnings for its first quarter ended December 31, 2024. Please read the Company’s Quarterly Report on Form 10-Q filed today with the U.S. Securities and Exchange Commission (the “SEC”), which is available on the SEC’s website at www.sec.gov and the Investors section of the Company’s website at www.GladstoneCapital.com.

Summary Information (dollars in thousands, except per share data) (unaudited):

| For the Quarter Ended: | December 31, 2024 | September 30, 2024 | Change | % Change |
|---|------------------------------|-------------------------------|---------------|---------------------|
| Total investment income | \$ 21,960 | \$ 23,714 | \$ (1,754) | (7.4)% |
| Total expenses, net of credits | (10,736) | (12,759) | 2,023 | (15.9) |
| Net investment income | 11,224 | 10,955 | 269 | 2.5 |
| Net investment income per common share | 0.50 | 0.50 | 0.00 | 0.0 |
| Cash distribution per common share | 0.90 | 0.50 | 0.40 | 80.0 |
| Net realized gain (loss) | 57,814 | 214 | 57,600 | NM |
| Net unrealized appreciation (depreciation) | (41,892) | 20,767 | (62,659) | (301.7) |
| Net increase (decrease) in net assets resulting from operations | 26,975 | 31,817 | (4,842) | (15.2) |
| Weighted average yield on interest-bearing investments | 13.1% | 14.0% | (0.9)% | (6.4) |
| Total invested | \$ 151,616 | \$ 28,527 | \$ 123,089 | 431.5 |
| Total repayments and net proceeds | 165,343 | 12,638 | 152,705 | NM |
| As of: | December 31, 2024 | September 30, 2024 | Change | % Change |
| Total investments, at fair value | \$ 799,497 | \$ 796,260 | \$ 3,237 | 0.4% |
| Fair value, as a percent of cost | 98.0% | 103.3% | (5.3)% | (5.1) |
| Net asset value per common share | \$ 21.51 | \$ 21.18 | \$ 0.33 | 1.6 |

NM – not meaningful

First Fiscal Quarter 2025 Highlights:

- **Portfolio Activity:** Invested \$107.2 million in six new portfolio companies and \$44.5 million in existing portfolio companies.
- **Realized Gains/Distributions:** Delivered net realized gains of \$57.8 million for the quarter which supported a supplemental cash distribution of \$0.40 per common share.
- **Net Asset Value per Share:** Increased \$0.33 per share on \$15.9 million net investment appreciation.
- **Portfolio Mix:** Reinvestment of equity gains increased debt investments by \$45.2 million over the prior quarter including raising secured first lien assets to 73.4% of debt investments at fair value.

First Fiscal Quarter 2025 Results:

Total investment income decreased by \$1.8 million, or 7.4%, for the quarter ended December 31, 2024, compared to the prior quarter ended September 30, 2024, driven by a \$2.1 million decrease in interest income. The decrease in interest income was driven primarily by a decrease in the weighted average yield on our interest-bearing investments and a decrease in the weighted average principal balance of our interest-bearing

investments. The weighted average yield decreased to 13.1% during the quarter ended December 31, 2024 as compared to 14.0% during the quarter ended September 30, 2024. The weighted average principal balance of our interest-bearing investment portfolio decreased to \$642.4 million during the quarter ended December 31, 2024 as compared to \$659.5 million during the quarter ended September 30, 2024.

Total expenses decreased by \$2.0 million, or 15.9%, quarter over quarter primarily due to a \$1.6 million decrease in the net base management fee, driven by increased investment banking fee credits to the base management fee from increased deal originations.

Net investment income for the quarter ended December 31, 2024 was \$11.2 million, or \$0.50 per share.

The net increase in net assets resulting from operations was \$27.0 million, or \$1.21 per share, for the quarter ended December 31, 2024, compared to \$31.8 million, or \$1.46 per share, for the quarter ended September 30, 2024. The current quarter increase in net assets resulting from operations was primarily driven by \$57.8 million of net realized gain recognized during the quarter.

Subsequent Events: Subsequent to December 31, 2024, the following significant events occurred:

• **Portfolio Activity:**

- In January 2025, our \$20.6 million debt investment in Fix-It Group, LLC paid off at par. We also received a \$0.1 million prepayment penalty.
- In January 2025, our \$5.4 million debt investment in Sokol and Company, LLC (“Sokol”) paid off at par. Additionally, in February 2025, we received \$5.8 million related to the partial sale of our common equity investment in Sokol.
- In February 2025, we invested \$18.9 million in a food processor and distribution business through secured second lien debt and common equity.
- In February 2025, we invested \$19.4 million in Viron International, LLC through secured first lien debt and common equity.

• **Distributions and Dividends Declared:**

- In January 2025, our Board of Directors declared the following distributions to common and preferred stockholders:

| Record Date | Payment Date | Distribution per Common Share |
|------------------------------|-------------------|-------------------------------|
| January 24, 2025 | January 31, 2025 | \$ 0.165 |
| February 19, 2025 | February 28, 2025 | 0.165 |
| March 19, 2025 | March 31, 2025 | 0.165 |
| Total for the Quarter | | \$ 0.495 |

| Record Date | Payment Date | Distribution per Series A Preferred Stock |
|------------------------------|------------------|---|
| January 27, 2025 | February 5, 2025 | \$ 0.130208 |
| February 25, 2025 | March 5, 2025 | 0.130208 |
| March 26, 2025 | April 4, 2025 | 0.130208 |
| Total for the Quarter | | \$ 0.390624 |

Comments from Gladstone Capital’s President, Bob Marcotte: “The exit of our largest investment position generated a material realized gain, which supported the supplemental cash distribution paid, increased our NAV per share and lifted our ROE to the top of our peer group. Additionally, the surge in investment originations for the quarter, while maintaining our underwriting and pricing discipline, bolstered our NII via closing fees and will enhance our net interest margin and earnings available for cash distributions in the coming quarters.”

Conference Call for Stockholders: The Company will hold its earnings release conference call on Wednesday, February 12, 2025, at 8:30 a.m. Eastern Time. Please call (866) 424-3437 to enter the conference

call. An operator will monitor the call and set a queue for any questions. A replay of the conference call will be available through February 19, 2025. To hear the replay, please dial (877) 660-6853 and use playback conference number 13750254. The replay of the conference call will be available beginning approximately one hour after the call concludes. The live audio broadcast of the Company's quarterly conference call will also be available online at www.GladstoneCapital.com. The event will be archived and available for replay on the investors section of the Company's website.

About Gladstone Capital Corporation: [Gladstone Capital Corporation](http://www.GladstoneCapital.com) is a publicly-traded business development company that invests in debt and equity securities, consisting primarily of secured first and second lien term loans to lower middle market businesses in the United States. Information on the business activities of Gladstone Capital and the other publicly-traded Gladstone funds can be found at www.GladstoneCompanies.com.

To obtain a paper copy of the Company's most recent Form 10-Q, please contact the Company at 1521 Westbranch Drive, Suite 100, McLean, VA 22102, ATTN: Investor Relations. The financial information above is not comprehensive and is without notes, so readers should obtain and carefully review the Company's Form 10-Q for the quarter ended December 31, 2024, including the notes to the consolidated financial statements contained therein.

Investor Relations Inquiries: Please visit www.gladstonecompanies.com or (703) 287-5893.

Forward-looking Statements:

The statements in this press release about future growth and shareholder returns are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements inherently involve certain risks and uncertainties in predicting future results and conditions. Although these statements are based on our current plans that are believed to be reasonable as of the date of this press release, a number of factors could cause actual results and conditions to differ materially from these forward-looking statements, including those factors described from time to time in our filings with the U.S. Securities and Exchange Commission. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements that may be made to reflect any future events or otherwise, except as required by law.