Golub Capital BDC, Inc. (GBDC)

Updated March 3rd, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$12.19	**5 Year Annual Expected Total Return:**	9.7%	**Market Cap:**	$3.23 B
Fair Value Price:	$12.78	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	03/13/26
% Fair Value:	95%	**5 Year Valuation Multiple Estimate:**	0.9%	**Dividend Payment Date:**	03/30/26
Dividend Yield:	10.8%	**5 Year Price Target**	$12.78	**Years Of Dividend Growth:**	0
Dividend Risk Score:	F	**Sector:**	Financials	**Rating:**	Sell

Overview & Current Events

Golub Capital is an externally managed, closed-end investment company that has chosen to be regulated as a Business Development Company (BDC). Golub aims to generate interest income and capital appreciation by investing primarily in one-stop and other senior secured loans of U.S. middle-market companies. The company's investment criteria require its potential investments to generate annual EBITDA of less than $100 million, have a sustainable leading position in their respective markets, and scalable revenues and operating cash flows. Golub was formed in 2009, generated just over $600 million in total investment income (NII) per year, and is based in Chicago, Illinois.

On February 4th, 2026, Golub Capital slashed its dividend by 15% to a quarterly rate of $0.33.

On the same day, Glob Capital reported its fiscal Q1 results for the quarter ended December 31st, 2025. Note that the company's fiscal year ends September 30th, so this applies to the figures shown in our tables. For the quarter, net investment income per share was $0.37, compared to $0.38 in the prior quarter. On an adjusted basis (excluding $0.01 per share of purchase premium amortization), adjusted net investment income per share was $0.38.

GAAP earnings per share for the quarter were $0.25, down from $0.36 in the prior quarter. As of December 31st, 2025, Golub's portfolio consisted of 420 investments with a total fair value of $8.64 billion, compared to 417 investments and $8.77 billion at September 30th, 2025. The asset mix remained heavily weighted toward one-stop loans at 87.1% of fair value, followed by 7.3% in equity, 4.8% in senior secured debt and 0.8% in junior debt. New investment commitments during the quarter totaled $44.7 million, comprised of 90.7% one-stop loans, 6.7% senior secured debt and 2.6% equity.

Total distributions per share declared for fiscal 2025 amounted to $1.65. In our estimates, we continue to utilize the base dividend rate of $1.56 per annum. For fiscal 2026, we expect NII/share of $1.60.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
NII	$1.25	$1.23	$1.27	$1.36	$0.94	$0.99	$1.15	$1.70	$1.90	$1.49	***$1.42***	***$1.42***
DPS	$1.28	$1.53	$1.36	$1.40	$1.37	$1.16	$1.20	$1.40	$1.89	$1.65	***$1.32***	***$1.32***
Shares[1]	51.9	59.8	60.1	72.4	167.2	170.0	170.7	170.3	201.3	266.0	***266.0***	***300.0***

Golub's net investment income has remained quite stable over the years, only temporarily suffering as a result of higher expenses. The company currently pays an annualized base dividend of $1.32. However, over the years, its equity investments have delivered additional gains which are not recorded as net investment income.

The company has been using these additional proceeds to pay special dividends, resulting in higher annual DPS, as shown in the table. This is not always the case, however. Indeed the company slashed its dividend this year.

Regarding future profitability, it's hard to estimate accurately. On the one hand, the company's investment income yield was on a declining trend amid declining global rates. It was 8.1% in Q3-2020 and had fallen to 7.3% by Q2-2022. On the other hand, investment income yield now hovers to 9.5%.

[1] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Since it's impossible to speculate on how these private investments will perform under various changes in interest rates, and thus, we don't speculate on higher or lower earnings-per-share moving forward. Golub did not announce any special dividends in FY2021, FY2022, and FY2025. It announced $0.04 in supplemental dividends in FY2023 and $0.35 in FY2024.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	13.6	14.3	13.0	12.6	15.0	15.8	12.4	7.4	7.9	9.4	***8.6***	***9.0***
Avg. Yld.	7.5%	8.7%	8.2%	8.2%	9.7%	7.3%	8.4%	11.1%	12.7%	11.8%	***10.8%***	***10.3%***

Golub's well-diversified portfolio, higher tech-oriented exposure, and frequent additional gains resulting in special dividends have historically attracted a slight valuation premium compared to its industry peers. We believe the current valuation multiple of 8.6 is more or less fair. NAV/share stands at $14.84, above the current stock price. The yield has always been hefty, as per Golub's BDC nature. Excluding any special dividends, shares are yielding 10.8%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

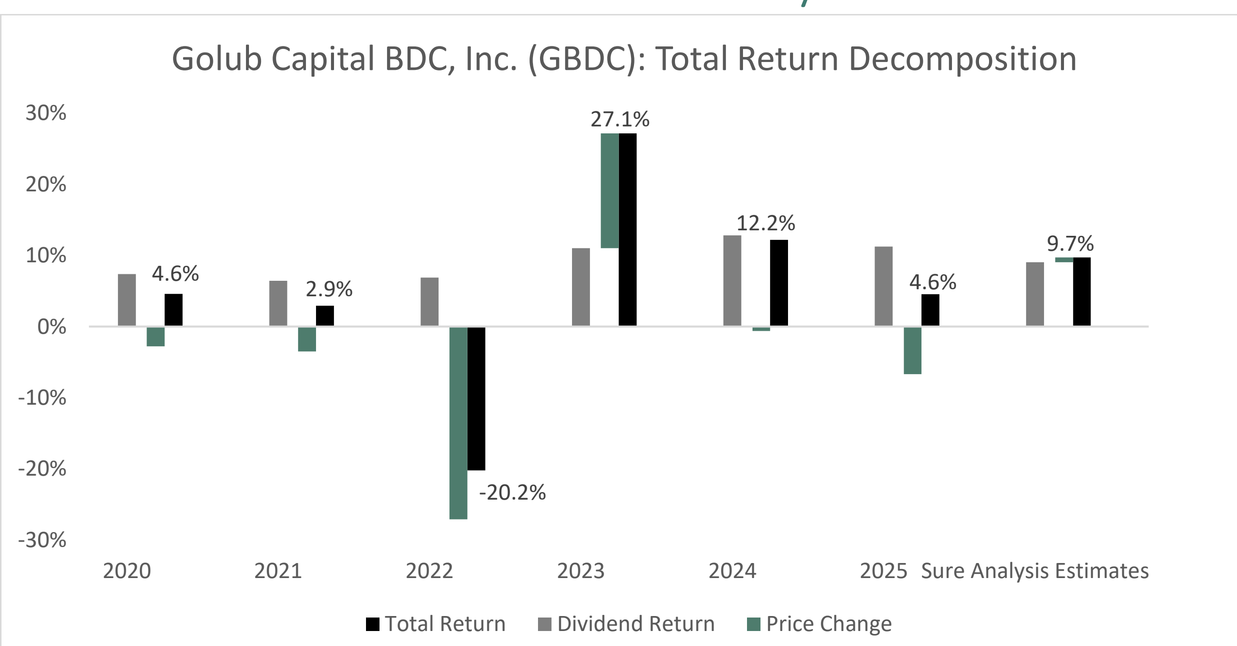
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	102%	124%	107%	103%	146%	117%	104%	82%	99%	111%	***93%***	***93%***

With improved earnings following rising interest rates, we believe that at the minimum, Golub's $1.32 base dividend remains relatively well-covered, although the recent cut did come as a surprise. Since most of Golub's investments are in one-stop debt and secured notes, its assets should prove resilient during a potential recession, though due to its formation post the 2007 to 2009 period, we lack better historical indication. Golub performed somewhat alright during the pandemic, nonetheless. Being an investment company, Golub does not possess any material competitive advantage other than its management's expertise, which seems to be delivering results in line with the industry.

Final Thoughts & Recommendation

Golub is a well-diversified investment company. We see annualized returns of 9.7%, mainly powered by the dividend. It's quite possible that Golub delivers higher returns based on how its private equity investments perform. However, shares earn a sell rating following the recent dividend cut.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	75.1	87.6	87.6	-12.7	66.8	349.5	172.6	284.4	273	803
SG&A Exp.	5.5	5.3	5.7	5.9	12.0	12.6	12.5	14.8	16.3	-
Net Profit	69.2	82.3	82.0	-18.6	54.9	340.3	153.4	258.6	274	377
Net Margin	92.2%	93.9%	93.5%	N/A	82.1%	97.4%	88.9%	90.9%	100.4%	46.9%
Free Cash Flow	-56.1	62.2	-8.5	-118.5	187.7	-306.1	-416.5	195.4	344	326

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1756.5	1754.2	1835.6	4394.9	4444.3	5165	5681	5733	8706	9000
Cash & Equivalents	10.9	4.0	5.9	6.5	24.6	175.6	124.1	69.8	131	112
Total Liabilities	877.7	796.2	866.7	2172.0	2048.1	2582	3137	3186	4691	5000
Accounts Payable	5.3	6.1	6.2	39.4	11.9	18.6	26.7	32.3	56	-
Long-Term Debt	859.5	776.8	842.7	2119.5	2017.8	2551	3076	3118	4599	4901
Shareholder's Equity	878.8	957.9	968.9	2222.9	2396.2	2583	2544	2548	4015	3983
LTD/E Ratio	1.0	0.8	0.9	1.0	0.8	0.99	1.21	1224	1.15	1.23

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.1%	4.7%	4.6%	-0.6%	1.2%	7.1%	2.8%	4.5%	3.8%	4.3%
Return on Equity	8.2%	9.0%	8.5%	-1.2%	2.4%	13.7%	6.0%	10.2%	8.3%	9.4%
ROIC	4.1%	4.7%	4.6%	-0.6%	1.3%	7.1%	2.9%	4.6%	3.8%	4.3%
Shares Out.	54.8	60.0	61.7	65.5	148.9	168	170.7	170.3	201.3	266
Revenue/Share	1.37	1.46	1.42	-0.19	0.45	2.08	1.01	1.67	1.35	3.02
FCF/Share	-1.02	1.04	-0.14	-1.81	1.26	-1.82	-2.44	1.15	1.71	1.23

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.