

**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): November 4, 2021

FIRST EAGLE ALTERNATIVE CAPITAL BDC, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

814-00789
(Commission
File Number)

27-0344947
(IRS Employer
Identification Number)

**500 Boylston St., Suite 1200,
Boston, MA 02116**
(Address of principal executive offices)

Registrant's telephone number, including area code (800) 450-4424

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 12(b) of the Act:

Title of Each Class	Trading Symbols	Name of Each Exchange on Which Registered
Common Stock, par value \$0.001 per share	FCRD	NASDAQ Global Select Market
6.125% Senior Notes due 2023	FCRW	The New York Stock Exchange
5.0% Senior Notes due 2026	FCRX	The New York Stock Exchange

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

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 November 4, 2021, the Registrant issued a press release announcing its financial results for the quarter ended September 30, 2021 and declared a dividend of \$0.10 per share payable on December 31, 2021 to stockholders of record at the close of business on December 15, 2021. The text of the press release is included as Exhibit 99.1 to this Form 8-K.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated November 4, 2021



**First Eagle Alternative Capital BDC, Inc. Reports Third Quarter 2021
Financial Results and Declares a Dividend of \$0.10 Per Share**

BOSTON – November 4, 2021 – First Eagle Alternative Capital BDC, Inc. (NASDAQ: FCRD) (“First Eagle Alternative Capital BDC” or the “Company”), a direct lender to middle market companies, today announced financial results for its third fiscal quarter ended September 30, 2021. Additionally, the Company announced that its Board of Directors (the “Board”) has declared a fourth fiscal quarter 2021 dividend of \$0.10 per share payable on December 31, 2021, to stockholders of record as of December 15, 2021.

HIGHLIGHTS

(\$ in millions, except per share amounts)

	As of September 30, 2021	
<i>Portfolio results</i>		
Total assets	\$ 421.7	
Investment portfolio, at fair value	\$ 402.0	
Net assets	\$ 195.8	
Net asset value per share	\$ 6.50	
Weighted average yield on investments	6.9%	
	Quarter Ended September 30, 2021	Quarter ended September 30, 2020
<i>Portfolio activity</i>		
Total portfolio investments made, at par	\$ 42.5	\$ 11.9
Total portfolio investments made, at cost	\$ 41.7	\$ 11.7
Number of new portfolio investments	8	4
Number of portfolio investments at end of period	68	47
<i>Operating results</i>		
Total investment income	\$ 8.4	\$ 7.3
Net investment income	\$ 3.3	\$ 3.2
Net increase in net assets from operations	\$ 2.7	\$ 15.2
Net investment income per share	\$ 0.11	\$ 0.10
Dividends declared per share	\$ 0.10	\$ 0.10

PORTFOLIO AND INVESTMENT ACTIVITY

In the third fiscal quarter, the Company closed on eight new investments totaling \$34.0 million at par and an additional \$8.5 million at par in follow-on investments, including delayed draw and revolver fundings.

New investments during the third fiscal quarter at par were:

- \$7.0 million first lien senior secured term loan in Hudson's Bay Company ULC;
- \$5.3 million first lien senior secured term loan in Ingenio, LLC;
- \$5.2 million first lien senior secured term loan in CC Amulet Management, LLC;
- \$5.1 million first lien senior secured term loan in Newcleus, LLC;
- \$4.3 million first lien senior secured term loan in SuperHero Fire Protection, LLC;
- \$3.1 million first lien senior secured term loan in TMA Buyer, LLC;
- \$2.4 million first lien senior secured term loan in A&R Logistics Holdings, Inc.; and
- \$1.6 million first lien senior secured term loan in PDFTron Systems Inc.

Notable realizations for the quarter included:

- Repayment of a first lien senior secured term loan and revolving loan in Women's Health USA, Inc., which resulted in proceeds of \$8.6 million, including a prepayment premium;
- Repayment of first lien senior secured term loans, a revolving loan, and delayed draw loans in PDFTron Systems Inc., which resulted in proceeds of \$7.5 million, including a prepayment premium;
- Repayment of a first lien senior secured term loan in ABC Legal Services, LLC, which resulted in proceeds of \$6.7 million; and
- Repayment of a first lien senior secured term loan in Finxera Intermediate, LLC, which resulted in proceeds of \$6.5 million.

As of September 30, 2021, these transactions, coupled with changes in net unrealized appreciation in the portfolio during the quarter, bring the total fair value of First Eagle Alternative BDC's investment portfolio to \$402.0 million across 68 portfolio investments. The Company's investment portfolio by investment type at fair value is presented below (\$ in millions):

Description	Fair Value	Percentage of Total
First lien senior secured debt	\$ 295.9	73.6%
Investment in Logan JV	73.0	18.2%
Second lien debt	16.6	4.1%
Equity investments	7.2	1.8%
Subordinated debt	6.0	1.5%
Investments in funds	3.3	0.8%
Total investments	\$ 402.0	100.0%

As of September 30, 2021, the weighted average yield of the debt and income-producing securities, including the Logan JV, LLC (the “Logan JV”), in the investment portfolio at their current cost basis was 6.9 percent. As of September 30, 2021, First Eagle Alternative Capital BDC had loans on non-accrual status with an aggregate amortized cost of \$15.8 million and fair value of \$8.2 million, or 3.5 percent and 2.0 percent of the portfolio’s amortized cost and fair value, respectively. As of September 30, 2021, 93 percent of the Company’s income-producing debt investments bore interest based on floating rates, such as the London Interbank Offered Rate, or LIBOR, some of which may be subject to interest rate floors.

This compares to the portfolio as of December 31, 2020, which had a fair value of \$337.7 million across 51 portfolio investments. First Eagle Alternative Capital BDC’s investment portfolio by investment type at fair value as of December 31, 2020 is presented below (\$ in millions):

<u>Description</u>	<u>Fair Value</u>	<u>Percentage of Total</u>
First lien senior secured debt	\$ 233.7	69.2%
Investment in Logan JV	68.1	20.2%
Second lien debt	22.1	6.5%
Subordinated debt	5.8	1.7%
Equity investments	5.1	1.5%
Investments in funds	2.9	0.9%
Total investments	\$ 337.7	100.0%

As of December 31, 2020, the weighted average yield of the debt and income-producing securities, including Logan JV, in the investment portfolio at their cost basis was 7.1 percent. As of December 31, 2020, First Eagle Alternative Capital BDC had loans on non-accrual status with an aggregate amortized cost of \$15.5 million and fair value of \$7.4 million, or 3.9 percent and 2.2 percent of the portfolio’s amortized cost and fair value, respectively. As of December 31, 2020, 97 percent of the Company’s income-producing debt investments bore interest based at floating rates, such as LIBOR, some of which may be subject to interest rate floors.

RESULTS OF OPERATIONS

Investment income

A breakdown of investment income for the three months ended September 30, 2021 and 2020 is presented below (\$ in millions):

	Three months ended September 30,	
	2021	2020
Interest income on debt securities		
Cash interest	\$ 5.6	\$ 4.1
PIK interest	0.1	0.3
Prepayment premiums	0.2	—
Net accretion of discounts and other fees	0.4	0.2
Total interest on debt securities	6.3	4.6
Dividend income	1.7	2.6
Other income	0.4	0.1
Total investment income	<u>\$ 8.4</u>	<u>\$ 7.3</u>

The increase in investment income between the three month periods was primarily due to an increase in interest income due to the expansion of the Company's investment portfolio, as well as higher prepayment premiums received and higher other income related to one-time fees. The increase in investment income was partially offset by a reduction in dividend income due to the Company's sale of C&K Markets in December 2020.

Expenses

A breakdown of expenses for the three months ended September 30, 2021 and 2020 is presented below (\$ in millions):

	For the three months ended September 30,	
	2021	2020
Expenses		
Interest and fees on borrowings	\$ 2.9	\$ 2.8
Base management fees	1.0	0.9
Other expenses	0.9	1.1
Administrator expenses	0.2	0.3
Total expenses	5.0	5.1
Management fee waiver	—	(0.9)
Total expenses, net of fee waivers	5.0	4.2
Income tax provision, excise and other taxes	—	—
Total expenses after taxes	<u>\$ 5.0</u>	<u>\$ 4.2</u>

The increase in total expenses (net of fee waivers) between the three month periods was primarily due to our waiver of base management fees during the three months ended September 30, 2020. This increase was partially offset by lower administrator and other expenses. Interest and fees on borrowings increased slightly as a result of higher overall outstanding borrowing balances during the three months ended September 30, 2021, offset by a decrease in weighted average interest rate from 5.3% as of September 30, 2020 to 4.6% as of September 30, 2021.

Net investment income

Net investment income totaled \$3.3 million and \$3.2 million for the three months ended September 30, 2021 and 2020, respectively, or \$0.11 and \$0.10 per share, respectively, based upon 30,109,384 and 31,237,433 weighted average common shares outstanding, respectively.

The increase in net investment income between the three month periods is primarily attributable to an increase in interest income earned on the debt securities in the portfolio and higher other income related to one-time fees. The increase was partially offset by reduced dividend income due to the Company's sale of C&K Markets in December 2020, as well as a reduction in management fee waiver during the three month period ended September 30, 2021.

Net realized gains and losses, net of income tax provision

For the three months ended September 30, 2021, the Company recognized a net realized gain on portfolio investments of \$0.1 million, in connection with a distribution and reduction in the expected proceeds from certain escrows.

For the three months ended September 30, 2020, the Company recognized a net realized loss on portfolio investments of \$17.5 million, primarily related to the \$17.5 million loss from the restructuring of OEM Group, LLC.

Net change in unrealized appreciation on investments

For the three months ended September 30, 2021 and 2020, the Company's investment portfolio had a net change in unrealized (depreciation) appreciation of \$(1.2) million and \$29.4 million, respectively.

The net change in unrealized depreciation on investments during the three months ended September 30, 2021 was primarily due to the decreases in the fair values of the Aurotech, LLC and Wheels Up Partners, LLC, along with other portfolio assets, as a result of market conditions and portfolio company performance.

The net change in unrealized appreciation on investments during the three months ended September 30, 2020 was primarily due to an increase in the fair value of the Logan JV, coupled with the reversal of prior period unrealized depreciation into realized losses in connection with the restructuring of OEM Group, LLC.

Change in net assets resulting from operations

The net increase in net assets resulting from operations totaled \$2.7 million and \$15.2 million, or \$0.09 and \$0.49 per share, based upon 30,109,384 and 31,237,433 weighted average common shares outstanding, for the three months ended September 30, 2021 and 2020, respectively.

The decrease in net assets resulting from operations for the respective periods is due primarily to significant unrealized gains (partially offset by realized losses) recognized in the three month period ended September 30, 2020.

FINANCIAL CONDITION, INCLUDING LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2021, the Company had cash of \$9.6 million.

As of September 30, 2021, the Company had \$221.1 million in outstanding borrowings, which was comprised of \$100.5 million outstanding on the credit facility and \$120.6 million of notes payable outstanding. As of September 30, 2021, borrowings outstanding had a weighted average interest rate of 4.6 percent. For the nine months ended September 30, 2021, the Company borrowed \$171.0 million and repaid \$128.2 million under the credit facility.

For the nine months ended September 30, 2021, the Company's operating activities used cash of \$38.5 million, primarily in connection with the purchases and sales of portfolio investments. Financing activities provided \$42.8 million from borrowing on the credit facility and used \$9.0 million for distributions to stockholders and \$2.3 million for the payment of financing costs. Additionally, the Company borrowed \$69.0 million as part of our issuance of our 2026 notes, and used the proceeds from the 2026 notes issuance to redeem our outstanding 2022 notes for \$60.0 million, with the remainder of the proceeds partially repaying the credit facility.

For the nine months ended September 30, 2020, the Company's operating activities provided cash of \$11.2 million primarily in connection with investment activity. Financing activities used \$1.5 million to pay down borrowings on its credit facility, \$12.8 million for distributions to stockholders, \$2.2 million to repurchase common stock under its stock repurchase program, and \$19.7 million to repurchase common stock under its tender offer that closed in July 2020. Additionally, the Company's financing activities provided \$30.0 million from the issuance of common stock.

RECENT DEVELOPMENTS

From October 1, 2021 through November 4, 2021, First Eagle Alternative Credit BDC made new investments totaling \$11.9 million at par and follow-on investments, including revolver and delayed draw fundings, totaling \$1.1 million at par with a combined weighted average yield of 6.5%.

On October 26, 2021, the Company received total proceeds of \$21.6 million from the repayment of its first lien senior secured term loan investment at par and sale of its common equity investment in Igloo Products Corp.

On November 2, 2021, the Board declared a dividend of \$0.10 per share payable on December 31, 2021 to stockholders of record at the close of business on December 15, 2021.

CONFERENCE CALL

First Eagle Alternative Capital BDC will host a conference call to discuss these results and its business outlook on November 5, 2021, at 9:30 a.m. Eastern Time.

For those wishing to participate by telephone, please dial (877) 375-9141 (domestic) or (253) 237-1151 (international). Use passcode 1280458. The Company will also broadcast the conference call live via the Investor Relations section of its website at www.FEACBDC.com. Starting approximately two hours after the conclusion of the call, a replay will be available through November 15, 2021, by dialing (855) 859-2056 (domestic) or (404) 537-3406 (international) and entering passcode 1280458. The replay will also be available on the Company's website.

AVAILABLE INFORMATION

First Eagle Alternative Capital BDC's filings with the Securities and Exchange Commission, press releases, earnings releases, investor presentations and other financial information are available on its website at www.FEACBDC.com.

FIRST EAGLE ALTERNATIVE CAPITAL BDC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(in thousands, except per share data)

	September 30, 2021 (unaudited)	December 31, 2020
Assets:		
Investments at fair value:		
Non-controlled, non-affiliated investments (cost of \$299,645 and \$250,928, respectively)	\$ 300,810	\$ 243,855
Controlled investments (cost of \$149,355 and \$148,373, respectively)	101,202	93,826
Non-controlled, affiliated investments (cost of \$1 and \$1, respectively)	1	1
Cash	9,612	7,615
Escrows and other receivables	1,605	3,508
Interest, dividends, and fees receivable	3,850	2,659
Deferred tax assets	2,211	2,222
Deferred financing costs	1,631	1,757
Prepaid expenses and other assets	575	725
Deferred offering costs	67	180
Due from affiliate	87	85
Total assets	<u>\$ 421,651</u>	<u>\$ 356,433</u>
Liabilities:		
Loans payable	\$ 100,500	\$ 57,661
Notes payable (\$120,607 and \$111,607 face amounts, respectively, reported net of deferred financing costs of \$2,897 and \$1,932, respectively)	117,710	109,675
Accrued expenses and other liabilities	2,049	1,696
Deferred tax liability	1,807	1,673
Base management fees payable	1,048	—
Accrued incentive fees	—	156
Due to affiliate	2,023	228
Accrued interest and fees	201	149
Accrued administrator expenses	483	—
Total liabilities	<u>225,821</u>	<u>171,238</u>
Net Assets:		
Common stock, par value \$.001 per share, 100,000 common shares authorized, 30,109 and 30,109 shares issued and outstanding at September 30, 2021 and December 31, 2020, respectively	30	30
Paid-in capital in excess of par	418,379	418,379
Accumulated deficit	(222,579)	(233,214)
Total net assets	<u>\$ 195,830</u>	<u>\$ 185,195</u>
Total liabilities and net assets	<u>\$ 421,651</u>	<u>\$ 356,433</u>
Net asset value per share	<u>\$ 6.50</u>	<u>\$ 6.15</u>

FIRST EAGLE ALTERNATIVE CAPITAL BDC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Investment Income:				
From non-controlled, non-affiliated investments:				
Cash interest income	\$ 5,939	\$ 4,217	\$ 16,555	\$ 13,298
PIK interest income	128	338	376	806
Other income	397	102	818	224
From non-controlled, affiliated investments:				
Other income	41	48	123	189
From controlled investments:				
Cash interest income	204	2	592	(247)
Dividend income	1,652	2,579	4,869	7,873
Other income	—	43	—	113
Total investment income	8,361	7,329	23,333	22,256
Expenses:				
Interest and fees on borrowings	2,538	2,439	7,571	7,687
Base management fees	1,048	895	2,890	2,795
Incentive fees	—	—	—	(411)
Administrator expenses	218	268	663	882
Other general and administrative expenses	391	598	1,100	1,323
Amortization of deferred financing costs	350	319	1,029	1,516
Professional fees	328	347	1,157	1,171
Directors' fees	175	191	512	543
Total expenses	5,048	5,057	14,922	15,506
Management fee waiver	—	(895)	(879)	(895)
Total expenses, net of fee waivers	5,048	4,162	14,043	14,611
Income tax provision, excise and other taxes	26	(15)	78	71
Net investment income	3,287	3,182	9,212	7,574
Realized (Loss) Gain and Change in Unrealized (Depreciation) Appreciation				
Net realized (loss) gain:				
Non-controlled, non-affiliated investments	135	(84)	(3,456)	(25,589)
Non-controlled, affiliated investments	(83)	(19)	(83)	(2,493)
Controlled investments	51	(17,387)	51	(17,650)
Extinguishment of debt	—	—	(543)	—
Net realized loss	103	(17,490)	(4,031)	(45,732)
Net change in unrealized (depreciation) appreciation on investments:				
Non-controlled, non-affiliated investments	(1,231)	6,375	8,238	8,119
Non-controlled, affiliated investments	—	—	—	(2)
Controlled investments	(13)	23,017	6,394	(6,914)
Net change in unrealized appreciation (depreciation) on investments	(1,244)	29,392	14,632	1,203
Net realized and unrealized gain (loss)	(1,141)	11,902	10,601	(44,529)
(Provision) benefit for taxes on unrealized gain/loss on investments	505	165	(145)	192
Net increase (decrease) in net assets resulting from operations	<u>\$ 2,651</u>	<u>\$ 15,249</u>	<u>\$ 19,668</u>	<u>\$ (36,763)</u>
Net investment income per common share:				
Basic and diluted	\$ 0.11	\$ 0.10	\$ 0.31	\$ 0.24
Net increase (decrease) in net assets resulting from operations per common share:				
Basic and diluted	\$ 0.09	\$ 0.49	\$ 0.65	\$ (1.16)
Weighted average shares of common stock outstanding:				
Basic and diluted	30,109	31,237	30,109	31,785

About First Eagle Alternative Capital BDC, Inc.

First Eagle Alternative Capital BDC, Inc. (NASDAQ: FCRD) is a closed-end management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940. The Company's investment objective is to generate both current income and capital appreciation, primarily through investments in privately negotiated debt and equity securities of middle market companies. The Company is a direct lender to middle market companies and invests primarily in directly originated first lien senior secured loans, including unitranche investments. In certain instances, the Company also makes second lien secured loans and subordinated or mezzanine debt investments, which may include an associated equity component such as warrants, preferred stock, or other similar securities and direct equity co-investments. The Company targets investments primarily in middle market companies with annual EBITDA generally between \$5 million and \$25 million. The Company is headquartered in Boston, with additional origination teams in Chicago, Dallas, Los Angeles and New York City. The Company's investment activities are managed by First Eagle Alternative Credit, LLC, an investment adviser registered under the Investment Advisers Act of 1940. For more information, please visit www.FEACBDC.com.

Forward-Looking Statements

Statements made in this press release may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements reflect various assumptions by the Company concerning anticipated results and are not guarantees of future performance. These statements can be identified by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. These statements include, but are not limited to, projected financial performance, expected development of the business, anticipated share repurchases or lack thereof, plans and expectations about future investments, plans and expectations concerning future offerings by the Company, including any tender offers, anticipated dividends, and the future liquidity of the company. The accuracy of such statements involves known and unknown risks, uncertainties and other factors that, in some ways, are beyond management's control, including the risk factors described from time to time in filings by the Company with the Securities and Exchange Commission (the "SEC"). Such factors include: the introduction, withdrawal, success and timing of business initiatives and strategies; changes in political, economic or industry conditions, the impact of COVID-19 and the availability of effective vaccines, the interest rate environment or financial and capital markets, which could result in changes in the value of our assets; the relative and absolute investment performance and operations of our investment adviser; the impact of increased competition; the impact of future acquisitions and divestitures; the unfavorable resolution of legal proceedings; our business prospects and the prospects of our portfolio companies; the impact, extent and timing of technological changes and the adequacy of intellectual property protection; the impact of legislative and regulatory actions and reforms and regulatory, supervisory or enforcement actions of government agencies relating to us or our investment adviser; the ability of our investment adviser to identify suitable investments for us and to monitor and administer our investments; our contractual

arrangements and relationships with third parties; any future financings by us; the ability of our investment adviser to attract and retain highly talented professionals; fluctuations in foreign currency exchange rates; the impact of changes to tax legislation and, generally, our tax position; our ability to exit a control investment in a timely manner; and the ability to fund Logan JV's unfunded commitments to the extent approved by each member of the Logan JV investment committee.

The Company undertakes no duty to update any forward-looking statements made herein. All forward-looking statements speak only as of the date of this press release.

Additional Information and Where to Find It

This press release is for informational purposes only, is not a recommendation to buy or sell any securities of First Eagle Alternative Capital BDC, Inc., and does not constitute an offer to buy or the solicitation to sell any securities of First Eagle Alternative Capital BDC, Inc.

Investor Contact:

First Eagle Alternative Credit, LLC
Leigh Crosby
(212) 829-3105
Leigh.Crosby@feim.com

Media Contact:

Stanton Public Relations and Marketing, LLC
Charlyn Lusk
(646) 502-3549
clusk@stantonprm.com