

**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): May 12, 2021

Crescent Capital BDC, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

814-01132
(Commission
File Number)

47-3162282
(I.R.S. Employer
Identification No.)

**11100 Santa Monica Blvd., Suite 2000,
Los Angeles, CA**
(Address of Principal Executive Offices)

90025
(Zip Code)

Registrant's Telephone Number, Including Area Code: (310) 235-5900

Not Applicable

(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 12(b) of the Act:

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.001 parvalue per share	CCAP	The Nasdaq Stock Market LLC
Common Stock, par value \$0.001 per share (Title of class)		

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 May 12, 2021, the Registrant issued a press release announcing its financial results for the quarter ended March 31, 2021 and a dividend of \$0.41 per share payable on July 15, 2021 to stockholders of record at the close of business on June 30, 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 May 12, 2021

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

CRESCENT CAPITAL, BDC, INC.

Date: May 12, 2021

By: _____ /s/ Gerhard Lombard
Name: Gerhard Lombard
Title: Chief Financial Officer

**Crescent Capital BDC, Inc. Reports First Quarter 2021 Financial Results;
Declares a Second Quarter 2021 Regular Dividend of \$0.41 per Share**

LOS ANGELES, May 12, 2021 — Crescent Capital BDC, Inc. (“Crescent BDC” or “Company”) (NASDAQ: CCAP) today reported net investment income of \$11.4 million, or \$0.41 per share, and adjusted net investment income of \$13.0 million, or \$0.46 per share,¹ for the quarter ended March 31, 2021. Reported net asset value per share was \$20.24 at March 31, 2021 as compared to \$19.88 at December 31, 2020.

The Company announced that its Board of Directors declared a regular cash dividend for the second quarter 2021 of \$0.41 per share, which will be paid on July 15, 2021 to stockholders of record as of the close of business on June 30, 2021.

On January 5, 2021, Sun Life Financial Inc. (together with its subsidiaries and joint ventures, “Sun Life”) acquired a majority interest in Crescent Capital Group LP (“Crescent”), parent of the Company’s investment adviser (the “Sun Life Transaction”). There are no changes to the Company’s investment objective, strategies and processes or to the Crescent team responsible for the investment operations of the Company as a result of the Sun Life Transaction.

On February 17, 2021, the Company completed a private offering of \$135.0 million in aggregate principal amount of 4.00% senior unsecured notes due February 17, 2026 (the “Notes”). The initial issuance of \$50.0 million of Notes closed on February 17, 2021, and the issuance of the remaining \$85.0 million of Notes closed on May 5, 2021. Additionally, the Company redeemed or paid down its remaining \$16.4 million of InterNotes® during the first quarter, which bore interest at fixed annual rates ranging between 6.25% and 6.75%.

Selected Financial Highlights

(\$ in millions, except per share amounts.)

	As of and for the Three Months Ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Investments, at fair value	\$ 1,057.6	\$ 1,034.0	\$ 883.2
Total assets	\$ 1,076.8	\$ 1,054.2	\$ 909.9
Total net assets	\$ 570.0	\$ 560.0	\$ 465.8
Net asset value per share	\$ 20.24	\$ 19.88	\$ 16.52
Investment income	\$ 20.6	\$ 20.3	\$ 18.8
Net investment income	\$ 11.4	\$ 13.2	\$ 11.6
Net realized gains (losses)	\$ 1.8	\$ (13.5)	\$ (0.1)
Realized loss on asset acquisition	—	—	\$ (3.8)
Net change in unrealized gains (losses), net of taxes	\$ 8.3	\$ 34.8	\$ (82.2)
Net increase (decrease) in net assets resulting from operations	\$ 21.5	\$ 34.5	\$ (74.5)
Net investment income per share	\$ 0.41	\$ 0.47	\$ 0.44
Net realized gains (losses) per share	\$ 0.06	\$ (0.49)	\$ (0.00)
Net change in unrealized gains (losses) per share	\$ 0.30	\$ 1.24	\$ (3.14)
Realized loss on asset acquisition per share	—	—	\$ (0.14)
Net increase (decrease) in net assets resulting from operations per share	\$ 0.76	\$ 1.22	\$ (2.84)
Distributions paid per share	\$ 0.41	\$ 0.41	\$ 0.41
Non-GAAP Financial Measures ¹ :			
Adjusted net investment income	\$ 13.0	\$ 13.2	\$ 11.6
Adjusted net investment income per share	\$ 0.46	\$ 0.47	\$ 0.44
Weighted average yield on income producing securities (at cost) ²	7.9%	8.0%	7.9%
Percentage of debt investments at floating rates	98.4%	98.4%	96.0%

Portfolio & Investment Activity

As of March 31, 2021 and December 31, 2020, the Company had investments in 131 and 132 portfolio companies with an aggregate fair value of \$1,057.6 million and \$1,034.0 million, respectively. The portfolio at fair value was comprised of the following asset types:

Portfolio Asset Types:

<i>\$ in millions</i> Investment Type	As of			
	March 31, 2021		December 31, 2020	
	Fair Value	Percentage	Fair Value	Percentage
Senior secured first lien	\$ 365.0	34.5%	\$ 373.6	36.1%
Unitranche first lien ³	468.1	44.3	413.5	40.0
Unitranche first lien - last out ³	13.9	1.3	14.9	1.5
Senior secured second lien	81.6	7.7	104.7	10.1
Unsecured debt	5.1	0.5	3.0	0.3
Equity & other	70.3	6.6	69.3	6.7
LLC/LP equity interests	53.6	5.1	54.9	5.3
Total investments	\$ 1,057.6	100.0%	\$ 1,034.0	100.0%

For the quarter ended March 31, 2021, the Company invested \$88.2 million across 6 new portfolio companies, 11 existing portfolio companies and several follow-on revolver and delayed draw fundings. For this period, the Company had \$77.2 million in aggregate exits, sales and repayments.

For the quarter ended December 31, 2020, the Company invested \$124.1 million across 9 new portfolio companies, 5 existing portfolio companies and several follow-on revolver and delayed draw fundings. For this period, the Company had \$76.7 million in aggregate exits, sales and repayments.

Results of Operations

For the quarter ended March 31, 2021 and December 31, 2020, investment income totaled \$20.6 million and \$20.3 million, respectively. The increase was primarily driven by an increase in the size of the Company's income-producing portfolio resulting from organic net deployment.

For the quarter ended March 31, 2021 and December 31, 2020, total expenses, including income and excise taxes, totaled \$9.1 million and \$7.1 million, respectively. The increase was primarily driven by a \$1.6 million accrual for capital gains based incentive fees, attributable to appreciation in the fair value of the portfolio.

Liquidity and Capital Resources

As of March 31, 2021, the Company had \$12.6 million in cash and cash equivalents and restricted cash and \$247.1 million of undrawn capacity on its credit facilities, subject to borrowing base and other limitations. The weighted average interest rate on the Company's debt outstanding as of March 31, 2021 was 3.25%.

The Company's debt to equity ratio was 0.86x as of March 31, 2021.

Non-GAAP Financial Measures

On a supplemental basis, the Company is disclosing adjusted net investment income and adjusted net investment income per share, each of which is a financial measure that is calculated and presented on a basis of methodology other than in accordance with U.S. GAAP ("non-GAAP"). Adjusted net investment income represents net investment income, excluding capital gains based incentive fees. We use this non-GAAP financial measure internally to analyze and evaluate financial results and performance and believe that this non-GAAP financial measure is useful to investors as an additional tool to evaluate ongoing results and trends without giving effect to capital gains based incentive fees. The Company's investment advisory agreement provides that a capital gains based incentive fee is determined and paid annually with respect to realized capital gains (but not unrealized capital appreciation) to the extent such realized capital gains exceed realized capital losses and unrealized capital depreciation on a cumulative basis. We believe that adjusted net investment income is a useful performance measure because it reflects the net investment income produced on the Company's investments during a period without giving effect to any changes in the value of such investments and any related capital gains based incentive fees between periods. The presentation of adjusted net investment income is not intended to be a substitute for financial results prepared in accordance with GAAP and should not be considered in isolation.

The following table provides a reconciliation of net investment income (the most comparable U.S. GAAP measure) to adjusted net investment income for the periods presented:

<i>\$ in millions, except per share data</i>	For the three months ended					
	March 31, 2021 (unaudited)		December 31, 2020 (unaudited)		March 31, 2020 (unaudited)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net investment income	\$ 11.4	\$ 0.41	\$ 13.2	\$ 0.47	\$ 11.6	\$ 0.44
Capital gains based incentive fee	1.6	0.05	—	—	—	—
Adjusted net investment income	\$ 13.0	\$ 0.46	\$ 13.2	\$ 0.47	\$ 11.6	\$ 0.44

Conference Call

The Company will host a webcast/conference call on Thursday, May 13, 2021 at 12:00 p.m. (Eastern Time) to discuss its financial results for the quarter ended March 31, 2021. Please visit Crescent BDC's webcast link located on the Events & Presentations page of the Investor Relations section of Crescent BDC's website for a slide presentation that complements the earnings conference call.

All interested parties are invited to participate via telephone or the live webcast, which will be hosted on a webcast link located on the Events & Presentations page of the Investor Resources section of Crescent BDC's website at www.crescentbdc.com. Please visit the website to test your connection before the webcast. Participants are also invited to access the conference call by dialing one of the following numbers:

Domestic: (855) 982-6679
International: (614) 999-9468
Conference ID: 1870847

All callers will need to enter the Conference ID followed by the # sign and reference "Crescent BDC" once connected with the operator. An archived replay will be available via a webcast link located on the Investor Relations section of Crescent BDC's website.

Endnotes

- 1) See "Non-GAAP Financial Measures" above for a description of this non-GAAP measure and a reconciliation from net investment income to adjusted net investment income. The Company's management uses this non-GAAP financial measure internally to analyze and evaluate financial results and performance 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 without giving effect to capital gains based incentive fees. The presentation of adjusted net investment income is not intended to be a substitute for financial results prepared in accordance with GAAP and should not be considered in isolation.
- 2) Yield excludes investments on non-accrual status.
- 3) Unitranche loans are first lien loans that may extend deeper in a company's capital structure than traditional first lien debt and may provide for a waterfall of cash flow priority among different lenders in the unitranche loan. In certain instances, the Company may find another lender to provide the "first out" portion of such loan and retain the "last out" portion of such loan, in which case, the "first out" portion of the loan would generally receive priority with respect to payment of principal, interest and any other amounts due thereunder over the "last out" portion that the Company would continue to hold. In exchange for the greater risk of loss, the "last out" portion earns a higher interest rate.

Crescent Capital BDC, Inc.
Consolidated Statements of Assets and Liabilities
(in thousands except share and per share data)

	As of March 31, 2021 (Unaudited)	As of December 31, 2020
Assets		
Investments, at fair value		
Non-controlled non-affiliated (cost of \$952,256 and \$936,921, respectively)	\$ 962,915	\$ 940,066
Non-controlled affiliated (cost of \$34,692 and \$34,203, respectively)	55,368	55,200
Controlled (cost of \$40,000 and \$40,000, respectively)	39,344	38,735
Cash and cash equivalents	2,262	1,896
Restricted cash and cash equivalents	10,292	12,953
Interest receivable	4,526	3,859
Unrealized appreciation on foreign currency forward contracts	996	264
Deferred tax assets	611	630
Other assets	438	543
Receivable for investments sold	63	6
Total assets	\$1,076,815	\$1,054,152
Liabilities		
Debt (net of deferred financing costs of \$4,964 and \$4,600, respectively)	\$ 482,950	\$ 471,932
Distributions payable	11,549	11,549
Interest and other debt financing costs payable	3,382	3,923
Accrued expenses and other liabilities	2,940	2,563
Management fees payable	1,924	1,867
Incentive fees payable	1,577	—
Deferred tax liabilities	1,454	1,324
Unrealized depreciation on foreign currency forward contracts	933	896
Directors' fees payable	119	98
Total liabilities	\$ 506,828	\$ 494,152
Net Assets		
Preferred stock, par value \$0.001 per share (10,000 shares authorized, zero outstanding, respectively)	\$ —	\$ —
Common stock, par value \$0.001 per share (200,000,000 shares authorized, 28,167,360 shares issued and outstanding, respectively)	28	28
Paid-in capital in excess of par value	594,658	594,658
Accumulated loss	(24,699)	(34,686)
Total Net Assets	\$ 569,987	\$ 560,000
Total Liabilities and Net Assets	\$1,076,815	\$1,054,152
Net asset value per share	\$ 20.24	\$ 19.88

Crescent Capital BDC, Inc.
Consolidated Statements of Operations
(in thousands except share and per share data)
(Unaudited)

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Investment Income:		
From non-controlled non-affiliated investments:		
Interest income	\$ 18,087	\$ 16,603
Paid-in-kind interest	368	549
Dividend income	516	892
Other income	92	440
From non-controlled affiliated investments:		
Interest income	308	343
Paid-in-kind interest	500	4
From controlled investments:		
Dividend income	700	—
Total investment income	<u>20,571</u>	<u>18,831</u>
Expenses:		
Interest and other debt financing costs	4,194	4,349
Management fees	3,207	2,651
Income based incentive fees	2,277	1,932
Capital gains based incentive fees	1,577	—
Professional fees	497	342
Directors' fees	119	129
Other general and administrative expenses	692	726
Total expenses	<u>12,563</u>	<u>10,129</u>
Management fee waiver	(1,283)	(1,157)
Income based incentive fees waiver	(2,277)	(1,932)
Net expenses	<u>9,003</u>	<u>7,040</u>
Net investment income before taxes	11,568	11,791
Income and excise taxes	130	238
Net investment income	<u>11,438</u>	<u>11,553</u>
Net realized and unrealized gains (losses) on investments:		
Net realized gain/(loss) on:		
Non-controlled non-affiliated investments	1,746	113
Foreign currency transactions	9	(237)
Net change in unrealized appreciation (depreciation) on:		
Non-controlled non-affiliated investments and foreign currency translation	7,509	(64,440)
Non-controlled affiliated investments	(321)	(3,511)
Controlled investments	609	(16,843)
Foreign currency forward contracts	695	2,190
Net realized and unrealized gains (losses) on investments	<u>10,247</u>	<u>(82,728)</u>
Realized loss on asset acquisition	—	(3,825)
Net realized and unrealized gains (losses) on investments and asset acquisition	10,247	(86,553)
Benefit (provision) for taxes on unrealized appreciation (depreciation) on investments	(149)	455
Net increase (decrease) in net assets resulting from operations	<u>\$ 21,536</u>	<u>\$ (74,545)</u>
Per Common Share Data:		
Net increase (decrease) in net assets resulting from operations per share (basic and diluted):	\$ 0.76	\$ (2.84)
Net investment income per share (basic and diluted):	\$ 0.41	\$ 0.44
Weighted average shares outstanding (basic and diluted):	28,167,360	26,212,991

About Crescent BDC

Crescent BDC is a business development company that seeks to maximize the total return of its stockholders in the form of current income and capital appreciation by providing capital solutions to middle market companies with sound business fundamentals and strong growth prospects. Crescent BDC utilizes the extensive experience, origination capabilities and disciplined investment process of Crescent Capital Group LP (“Crescent”). Crescent BDC is externally managed by Crescent Cap Advisors, LLC, a subsidiary of Crescent. Crescent BDC has elected to be regulated as a business development company under the Investment Company Act of 1940. For more information about Crescent BDC, visit www.crescentbdc.com. However, the contents of such website are not and should not be deemed to be incorporated by reference herein.

About Crescent Capital Group

Crescent is a global credit investment manager with approximately \$32 billion of assets under management. For over 25 years, the firm has focused on below investment grade credit through strategies that invest in marketable and privately-originated debt securities including senior bank loans, high yield bonds, as well as private senior, unitranche and junior debt securities. Crescent is headquartered in Los Angeles with offices in New York, Boston, and London and more than 180 employees globally. For more information about Crescent, visit www.crescentcap.com. However, the contents of such website are not and should not be deemed to be incorporated by reference herein.

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Forward-Looking Statements

This press release, and other statements that Crescent BDC may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to Crescent BDC’s future financial or business performance, strategies or expectations. Forward-looking statements are typically identified by words or phrases such as “trend,” “potential,” “opportunity,” “pipeline,” “believe,” “comfortable,” “expect,” “anticipate,” “current,” “intention,” “estimate,” “position,” “assume,” “outlook,” “continue,” “remain,” “maintain,” “sustain,” “seek,” “achieve,” and similar expressions, or future or conditional verbs such as “will,” “would,” “should,” “could,” “may” or similar expressions.

Crescent BDC cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which may change over time. Forward-looking statements speak only as of the date they are made, and Crescent BDC assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

In addition to factors previously disclosed in Crescent BDC’s SEC reports and those identified elsewhere in this press release, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: (1) our future operating results; (2) our business prospects and the prospects of our portfolio companies; (3) the impact of investments that we expect to make; (4) our contractual arrangements and relationships with third parties; (5) the dependence of our future success on the general economy and its impact on the industries in which we invest; (6) the financial condition of and ability of our current and prospective portfolio companies to achieve their objectives; (7) our expected financings and investments; (8) the adequacy of our cash resources and working capital, including our ability to obtain continued financing on favorable terms; (9) the timing of cash flows, if any, from the operations of our portfolio companies; (10) the impact of increased competition; (11) the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments; (12) potential conflicts of interest in the allocation of opportunities between us and other investment funds managed by our investment adviser or its affiliates; (13) the ability of our investment adviser to attract and retain highly talented professionals; (14) changes in law and policy accompanying the new administration and uncertainty pending any such changes; (15) increased geopolitical unrest, terrorist attacks or acts of war, which may adversely affect the general economy, domestic and local financial and capital markets, or the specific industries of our portfolio companies; (16) changes and volatility in political, economic or industry conditions, the interest rate environment, foreign exchange rates or financial and capital markets; (17) the unfavorable resolution of legal proceedings; and (18) the impact of changes to tax legislation and, generally, our tax position.

Crescent BDC’s Annual Report on Form 10-K for the year ended December 31, 2020 and quarterly report on Form 10-Q for the quarter ended March 31, 2021, each filed with the SEC, identify additional factors that can affect forward-looking statements.

Other Information

The information in this press release is summary information only and should be read in conjunction with Crescent BDC’s annual report on Form 10-K for the year ended December 31, 2020, which Crescent BDC filed with the U.S. Securities and Exchange Commission (the SEC) on February 24, 2021, Crescent BDC’s quarterly report on Form 10-Q for the quarter ended March 31, 2021, which Crescent BDC filed with the SEC on May 12, 2021, as well as Crescent BDC’s other reports filed with the SEC. A copy of Crescent BDC’s annual report on Form 10-K for the year ended December 31, 2020, Crescent BDC’s quarterly reports on Form 10-Q and Crescent BDC’s other reports filed with the SEC can be found on Crescent BDC’s website at www.crescentbdc.com and the SEC’s website at www.sec.gov.