



BDC Monroe Capital Corp prices IPO

By Leela Parker

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Oct 25 (Reuters) - [Business](#) development company Monroe Capital Corp priced its initial public offering at \$15 per share, raising approximately \$75 million in gross proceeds, the company told Thomson Reuters LPC.

Monroe Capital Corp's IPO makes it the first BDC to price in a year and a half, said Ted Koenig, president and CEO of middle market lender Monroe Capital.

A [business](#) development company, or BDC, is an investment structure that operates much like a public company. A BDC is designed to raise capital in the public equity markets by issuing shares to investors. In turn the BDC deploys that capital in the form of debt financing or equity investments in private U.S. middle market companies.

On Tuesday, Monroe announced it would increase the size of its IPO in response to a tremendous amount of investor demand, Koenig said in a phone interview today.

The company issued 5 million shares of its common stock, raising approximately \$75 million or roughly \$10 million more than previously expected, noted Koenig. Monroe Capital Corp is listed on the NASDAQ Global Market under the ticker MRCC.

Monroe Capital Corp is an affiliate of Chicago-based Monroe Capital LLC, a private investment firm providing senior and junior debt and equity co-investments to middle market companies in the U.S. and Canada.

Monroe lends to lower middle market companies with under \$25 million in Ebitda. It provides a range of investments, including unitranche financings, cash flow and enterprise value based loans, acquisition facilities, mezzanine debt, second lien or last-out loans and equity co-investments.

In addition to the public BDC, Monroe's investment platform also includes private institutional funds as well as an existing collateralized loan obligation (CLO).

Proceeds from the BDC will be used to provide senior, unitranche, junior secured debt, unsecured subordinated financing and equity financing to middle market companies in the U.S. and Canada, the company said.

A portion of the net proceeds will be used to pay the outstanding balance on a term loan facility it incurred in order to acquire its initial portfolio.

As part of the offering, Monroe Capital Corp sold 470,000 shares of its common stock at the public offering price of \$15.00 per share directly to Monroe Capital BDC Advisors LLC, the company's investment adviser, their respective affiliates and employees.