BLUE OWL
Capital Corporation

BLUE OWL CAPITAL CORP.

INVEST/STAY CONNECTED
INITIAL REPORT DEC 28, 2022
LAST UPDATED JULY 26, 2025
$14.85 / Hold, target $15.00

FAST FACTS

- OBDC is the second largest business development corp. (BDC).
- Projected forward dividend of $ 1.50 or 10.1%
- Primarily focused on senior secured loan solutions for companies
- $17.7 bn portfolio size
- Portfolio is 82% senior secured with 97% floating rate
- 236 portfolio companies spread across 30 industries
- 90% of loans are sponsor backed (usually private equity)

We continue our coverage of publicly traded loan portfolios with a hold on the common shares of Blue Owl Capital Corp. (OBDC). Blue Owl is a BDC that specializes in lending to middle market companies. The loans are based on the fed funds rate, so the interest rate rises and falls with the fed funds rate. Notable borrowers include Zendesk, PerkinElmer and Conair.

Blue Owl and other BDCs continue to earn an attractive premium with their lending model. The current and 2025 projected yield for OBDC common shares is 100% higher than treasuries, investment grade and mortgage bond indexes and around 50% higher than high yield and preferred share indexes. Historically, BDC realized losses on loan defaults have also been low due to the senior secured aspect of the loans and the fact that the BDCs provide management assistance and interest deferrals when companies experience financial difficulties.

Recently OBDC management commented on the first quarter conference call that: They are confident that OBDC is well positioned in the current economic environment and "Performance across our portfolio companies remains healthy, which we believe is a result of our weighting towards defensive sectors… [with] experienced management teams that have successfully navigated previous tariff or supply chain disruptions… The majority of our portfolio companies are backed by private equity sponsors with skilled operators and significant equity investments in these businesses." Management also indicated that the portfolio companies had grown revenue and earnings during the quarter and that the current OBDC dividend coverage is 106%.

Overall, we remain positive on the long term success of the BDC model including OBDC. Our hold and price target are based on the 10% current yield and the long term success of OBDC management.

Company Stats & Estimates ***in $ or MM***	
Current Yield	**10.24%**
Dividend coverage	101%
Share Price	$14.85
Book Value / Share*	15.14
Discount to BV	1.9%
Shares Outstanding	511
Equity Market Cap	7,588
Total Assets	18,375
Total Liabilities	10,636
Share Equity	7,739
Div Growth Projected	3.30%
EBITDA (2025 Est.)	1,399
EV / EBITDA	12.3
2025 Dist. Earnings multiple	1.52
2026 Dist. Earnings multiple	1.62
2027 Dist. Earnings	1.73

OBDC INVESTOR RELATIONS

FIRST QUARTER MFA PRESENTATION

OBDC Weekly Chart Since 2023

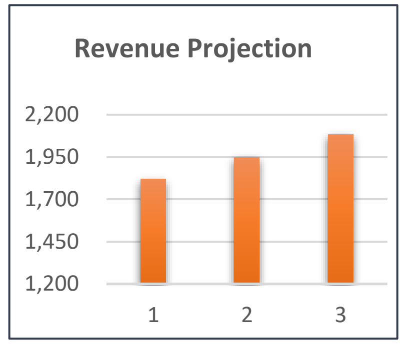
SMART YIELD

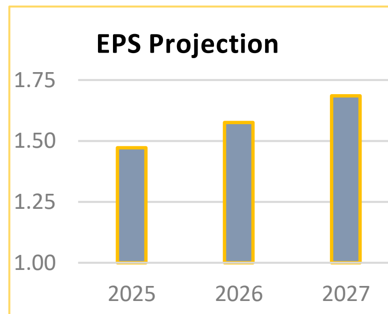
Income Fund

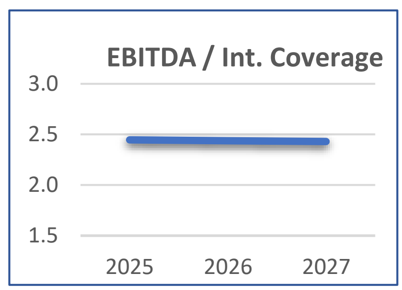
BROXTON CAPITAL ADVISORS **OBDC as of 3/31/2025**

Saturday, July 26, 2025

share price	$14.85		
PROJECTIONS IN MM fiscal yr	2025	2026	2027
Income Statement			
Total Investment Income	1,820	1,948	2,084
Revenue growth	14%	7%	7%
Interest expense	572	612	655
Management fee	250	267	655
Performance based incentive fees	170	187	205
Net Investment Income	752	805	861
Distributable NI	777	830	886
Net Investment Income / share	1.47	1.58	1.69
Projected Dividend	1.50	1.53	1.60
Dividend Yield	10.10%	10.30%	10.77%
Distributable NI / Share	1.52	1.62	1.73
Distributable NI Yield	10.24%	10.94%	11.68%
EBITDA	1,399	1,492	1,591
Valuations			
Total Assets	18,375		
Total Liabilities	10,636		
Ratio	173%		
Booke Value	7,739		
Book Value /Share	15.14		
EV/EBITDA	12.3	11.6	10.8
PE Price to Earnings	10.1	9.4	8.8
Enterprise Value	17,237		
Net Total Debt	9,649		
Equity Market Cap	7,588	7,588	7,588
Debt Ratios			
EBITDA/Int. Coverage ratio	2.4	2.4	2.4
Debt/EBITDA	**6.9**	6.8	6.4
Liquidity	45,717		
Cash	511		
Borrowing Availability *est.*	3 B +		
Debt			
Borrowings	10,161		







NOTES:

For the purpose of this analysis we only look at the Net Investment Income. Net Gains or Losses in the investment portfolio will cause GAAP EPS to be significantly different than net investment income

SMART YIELD

Income Fund

Disclosures 02022025

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