

# BlackRock TCP Capital Corp.

BlackRock®

Fact Sheet

**\$1.9bn**

Total portfolio fair value

**91%**

Senior secured debt

**13.4%**

Weighted average yield<sup>1</sup>

**15.9%**

Dividend yield<sup>2</sup>

## TCPC profile

BlackRock TCP Capital Corp. (NASDAQ: TCPC) is a specialty finance company focused on senior secured lending primarily to established middle-market companies as well as small businesses. TCPC's portfolio is diversified across a wide range of industries with a focus on those where the investment team has deep knowledge and expertise. TCPC's investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. TCPC is a business development company, or BDC, regulated under the Investment Company Act of 1940, and is externally managed by its advisor, a wholly-owned, indirect subsidiary of BlackRock, Inc. (NYSE: BLK).

### Stock information

Market Cap\* \$731.8M

Price/Net Asset Value\*\* 0.85x

\* Based on total shares outstanding of 85.6 million as of September 30, 2024, and Closing Stock Price of \$8.55 as of November 6, 2024.

\*\* Based on Closing Stock Price of \$8.55 as of November 6, 2024, and NAV per Share of \$10.11 as of September 30, 2024.

### Key statistics

Adjusted<sup>3</sup> Net investment income (NII) \$30.8M

Adjusted<sup>3</sup> NII per share\* \$0.36

Net asset value per share\* \$10.11

Net debt/equity<sup>4</sup> 1.08x

Portfolio companies 156

Q4 2024 regular dividend \$0.34

Q4 2024 special dividend \$0.10

As of September 30, 2024.

\* Based on total shares outstanding of 85.6 million as of September 30, 2024.

## BlackRock's distinctive private credit experience

BlackRock's private credit platform has large, centralized teams focused on sourcing **attractive quality private credit opportunities** across all market cycles. As a leader in private credit investing with 24+ years of experience, we can identify value in unique and complex transactions where others cannot.

**24+**

years lending to middle market companies through multiple market cycles

**\$50bn<sup>7+</sup>**

deployed across more than 1,000 companies, leveraging the long-term relationships with sponsors and deal sources

**19**

Industry-focused verticals

**\$65bn<sup>7+</sup>**

Private debt platform, which enhances origination network, information advantage and increases access to investment opportunities

Source: BlackRock as of September 30, 2024 unless otherwise noted. All \$ are in U.S. Dollars. **The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.**

# BlackRock TCP Capital Corp.

Portfolio snapshot as of September 30, 2024

## Diversified investment portfolio

- Total portfolio fair value of \$1.9 billion across 156 portfolio companies with an emphasis on established middle market companies with resilient business models in less cyclical industries
- 13.4% weighted average effective yield on performing debt portfolio<sup>1</sup>
- 91% of the portfolio is invested in senior secured debt
- More than 70% of portfolio companies each contribute less than 1% to recurring income

## Strong balance sheet

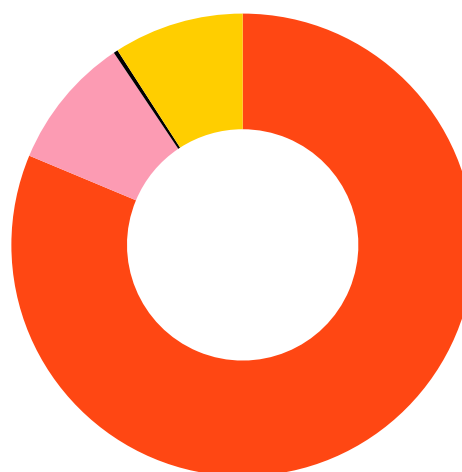
- Diverse leverage program totaling \$1.6 billion with well laddered maturities
- Flexible financing sources; 63% of outstanding leverage is unsecured
- Net regulatory leverage<sup>4</sup> of 1.08x; well within the 2:1 regulatory limit and internal target of 0.9-1.20x
- Investor friendly fee structure<sup>5</sup> and management that seeks to be aligned with shareholders

## Industry diversification<sup>6</sup>



- 14.0% Internet Software and Services
- 13.7% Software
- 12.7% Diversified Financial Services
- 8.0% Diversified Consumer Services
- 5.9% Professional Services
- 3.7% Health Care Technology
- 3.2% IT Services
- 3.0% Healthcare Providers and Services
- 35.8% Other

## Portfolio by asset type



- 81.3% 1st Lien
- 9.3% 2nd Lien
- 0.3% Junior
- 9.1% Equity

## Our advisor

BlackRock is the world’s largest investment management firm, with approximately \$11.5 trillion of assets under management as of September 30, 2024. BlackRock’s Private Debt platform manages approximately \$65 billion of assets, as of June 30, 2024, with deep industry experience and expertise across liquid and illiquid credit, including significant experience investing in middle-market companies and small businesses. TCPC’s Advisor, a wholly-owned, indirect subsidiary of BlackRock, Inc., has invested over \$50 billion across more than 900 companies since its inception in 1999, through June 30, 2024, through multiple business and credit cycles, across all segments of the capital structure and through both direct loan origination and secondary investment.

Past performance does not guarantee future returns.

# Management aligned with shareholders

## Management aligned with shareholders

- Efficient cost structure based on well-contained overhead and low cost of leverage
- Investor friendly advisory fee structure<sup>5</sup>
- Base management fee of 1.25% on gross assets, excluding cash and cash equivalents up to 1.0x leverage; 1.0% on assets in excess of 1.0x leverage
- High water mark and cumulative 7% hurdle rate before 17.5% incentive fee on ordinary income and capital gains

## Management team

**Phil Tseng**, Chairman, Chief Executive Officer & Co-Chief Investment Officer

**Dan Worrell**, Co-Chief Investment Officer

**Jason Mehring**, President

**Patrick Wolfe**, Chief Operating Officer

**Erik L. Cuellar**, Chief Financial Officer

**Laurence D. Paredes**, Secretary

**Diana Huffman**, General Counsel

**Ariel Hazzard**<sup>8</sup>, Chief Compliance Officer

**Charles C. S. Park**<sup>8</sup>, Interim Chief Compliance Officer

**Michaela Murray**, Investor Relations

## Media contacts

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<b>Analyst coverage</b>	Keefe, Bruyette & Woods
	Ladenburg Thalmann
	Oppenheimer
	Raymond James
	Wells Fargo

1. Weighted average annual effective yield includes amortization of deferred debt origination and accretion of original issue discount, but excludes market discount, any prepayment and make-whole fee income, and any debt investments that are distressed or on non-accrual status. Weighted average effective yield on the total portfolio (including debt investments that are distressed or on non-accrual status and equity investments) was 11.9% as of September 30, 2024. 2. Reflects last four quarters of regular dividends divided by TCPC Stock Price as of 11/6/2024. 3. Amount excludes the impact of amortization of purchase discount recorded in connection with closing of the Merger on March 18, 2024. See slide 5 for further description of non-GAAP financial measures. 4. Net of cash. Excludes SBIC debt, which is exempt from regulatory asset coverage requirements. 5. Compared with average management fee rate, incentive hurdle and incentive fee rate for publicly traded, externally managed BDCs with market capitalization of more than \$300 million. Based on SEC filings. 6. Industry classification system generally categorizes portfolio companies based on the primary end market served, rather than the product or service directed to those end markets. Data as of September 30, 2024. "Other" category includes industries less than 3% of total investments. 7. Data as of June 30, 2024. 8. On September 10, 2024, Ms. Hazzard began parental leave and Charles Park became Interim CCO. Ms. Hazzard will resume her role as CCO when she returns from parental leave.

# Forward-Looking Statements

Prospective investors considering an investment in BlackRock TCP Capital Corp. (“we”, “us”, “our”, “TCPC” or the “Company”) should consider the investment objectives, risks and expenses of the Company carefully before investing. This information and other information about the Company are available in the Company’s filings with the Securities and Exchange Commission (“SEC”). Copies are available on the SEC’s website at [www.sec.gov](http://www.sec.gov) and the Company’s website at [www.tcpcapital.com](http://www.tcpcapital.com). Prospective investors should read these materials carefully before investing.

This presentation (this “Presentation”) may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which relate to future events or the future performance or financial condition of the Company. The forward-looking statements contained in this Presentation involve a number of risks and uncertainties, including statements concerning: (i) our, or our portfolio companies’, future business, operations, operating results or prospects; (ii) the return or impact of current and future investments; (iii) the impact of a protracted decline in the liquidity of credit markets on our business; (iv) the impact of fluctuations in interest rates on our business; (v) the impact of changes in laws or regulations governing our operations or the operations of our portfolio companies; (vi) our contractual arrangements and relationships with third parties; (vii) the general economy and its impact on the industries in which we invest; (viii) the financial condition of and ability of our current and prospective portfolio companies to achieve their objectives; (ix) our expected financings and investments; (x) the adequacy of our financing resources and working capital; (xi) the ability of our investment advisor to locate suitable investments for us and to monitor and administer our investments; (xii) the timing of cash flows, if any, from the operations of our portfolio companies; (xiii) the timing, form and amount of any dividend distributions; (xiv) our ability to maintain our qualification as a regulated investment company and as a business development company; (xv) the ability to realize the anticipated benefits of the Company’s acquisition of BlackRock Capital Investment Corporation (“the Merger”); and (xvi) the impact of information technology system failures, data security breaches, data privacy compliance, network disruptions, and cybersecurity attacks.

We use words such as “anticipate,” “believe,” “expect,” “intend,” “will,” “should,” “could,” “may,” “plan” and similar words to identify forward-looking statements. The forward looking statements contained in this Presentation involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth as “Risk Factors” in the Company’s Form 10-K for the year ended December 31, 2023, and the Company’s subsequent periodic filings with the SEC.

We have based the forward-looking statements included in this Presentation on information available to us on the date of this Presentation, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the SEC, including Annual Reports on Form 10-K, Registration Statements on Form N-2, Quarterly reports on Form 10-Q and Current Reports on Form 8-K.

## No offer or solicitation

This Presentation is not, and under no circumstances is it to be construed as, a prospectus or an advertisement and this Presentation is not, and under no circumstances is it to be construed as, an offer to sell or a solicitation of an offer to purchase any securities in TCPC or in any fund or other investment vehicle managed by BlackRock or any of its affiliates.

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# Endnotes – Non-GAAP Financial Measures

On March 18, 2024, BlackRock TCP Capital Corp. (“the Company”) completed its previously announced Merger with BlackRock Capital Investment Corporation (“BCIC”). The Merger has been accounted for as an asset acquisition of BCIC by the Company in accordance with the asset acquisition method of accounting as detailed in ASC 805-50 (“ASC 805”), *Business Combinations-Related Issues*. The Company determined the fair value of the shares of the Company’s common stock that were issued to former BCIC shareholders pursuant to the Merger Agreement plus transaction costs to be the consideration paid in connection with the Merger under ASC 805. The consideration paid to BCIC shareholders was less than the aggregate fair values of the BCIC assets acquired and liabilities assumed, which resulted in a purchase discount (the “purchase discount”). The consideration paid was allocated to the individual BCIC assets acquired and liabilities assumed based on the relative fair values of net identifiable assets acquired other than “non-qualifying” assets and liabilities (for example, cash) and did not give rise to goodwill. As a result, the purchase discount was allocated to the cost basis of the BCIC investments acquired by the Company on a pro-rata basis based on their relative fair values as of the effective time of the Merger. Immediately following the Merger, the investments were marked to their respective fair values in accordance with ASC 820 which resulted in immediate recognition of net unrealized appreciation in the Consolidated Statement of Operations as a result of the Merger. The purchase discount allocated to the BCIC debt investments acquired will amortize over the remaining life of each respective debt investment through interest income, with a corresponding adjustment recorded to unrealized appreciation or depreciation on such investment acquired through its ultimate disposition. The purchase discount allocated to BCIC equity investments acquired will not amortize over the life of such investments through interest income and, assuming no subsequent change to the fair value of the equity investments acquired and disposition of such equity investments at fair value, the Company may recognize a realized gain or loss with a corresponding reversal of the unrealized appreciation on disposition of such equity investments acquired.

As a supplement to the Company’s reported GAAP financial measures, we have provided the following non-GAAP financial measures that we believe are useful:

- **“Adjusted net investment income”** – excludes the amortization of purchase accounting discount from net investment income calculated in accordance with GAAP;
- **“Adjusted net realized and unrealized gain (loss)”** – excludes the unrealized appreciation resulting from the purchase discount and the corresponding reversal of the unrealized appreciation from the amortization of the purchase discount from the determination of net realized and unrealized gain (loss) determined in accordance with GAAP; and
- **“Adjusted net increase (decrease) in net assets resulting from operations”** – calculates net increase (decrease) in net assets resulting from operations based on Adjusted net investment income and Adjusted net realized and unrealized gain (loss).

We believe that the adjustment to exclude the full effect of purchase discount accounting under ASC 805 from these financial measures is meaningful because of the potential impact on the comparability of these financial measures that we and investors use to assess the Company’s financial condition and results of operations period over period. Although these non-GAAP financial measures are intended to enhance investors’ understanding of our business and performance, these non-GAAP financial measures should not be considered an alternative to GAAP. The aforementioned non-GAAP financial measures may not be comparable to similar non-GAAP financial measures used by other companies.

For reconciliation of these non-GAAP measures to their most comparable GAAP measures, see slide 6.

# Quarterly Operating Results

Unaudited (\$ in thousands, except per share amounts)	2023		2024		
	Q3	Q4	Q1	Q2	Q3
<b>Investment income</b>					
Interest and PIK interest income	\$ 53,254	\$ 49,843	\$ 54,702	\$ 69,032	\$ 69,225
Dividend income	936	1,005	1,026	2,491	1,580
Other income	21	1	1	3	127
Total investment income	54,211	50,849	55,729	71,526	70,932
<b>Expenses</b>					
Interest and other debt expenses	12,134	11,840	13,230	19,727	21,161
Management fees	6,093	5,954	5,820	6,563	6,185
Incentive fee	6,010	5,348	5,880	6,816	6,540
Other expenses	1,641	2,249	2,538	2,595	3,169
Total expenses	25,878	25,391	27,468	35,701	37,055
Excise tax expense	13	199	-	-	-
<b>Net investment income</b>	<b>28,320</b>	<b>25,259</b>	<b>28,261</b>	<b>35,826</b>	<b>33,878</b>
Less: Purchase accounting discount amortization <sup>2</sup>	-	-	539	3,695	3,045
<b>Adjusted net investment income<sup>2</sup></b>	<b>28,320</b>	<b>25,259</b>	<b>27,722</b>	<b>32,131</b>	<b>30,833</b>
Net realized and unrealized gain (loss)	(15,497)	(38,572)	(23,204)	(87,102)	(12,245)
Less: Net unrealized gains due to the allocation of purchase discount <sup>2</sup>	-	-	21,347	5,188	2,727
Less: Net change in unrealized appreciation (depreciation) due to the allocation of purchase discount <sup>2</sup>	-	-	-	(8,882)	(5,772)
<b>Adjusted net realized and unrealized gain (loss)<sup>2</sup></b>	<b>28,320</b>	<b>25,259</b>	<b>(44,551)</b>	<b>(83,408)</b>	<b>(9,200)</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ 12,823</b>	<b>\$ (13,313)</b>	<b>\$ 5,057</b>	<b>\$ (51,277)</b>	<b>21,633</b>
<b>Adjusted net increase (decrease) in net assets resulting from operations<sup>2</sup></b>	<b>12,823</b>	<b>(13,313)</b>	<b>(16,830)</b>	<b>(51,277)</b>	<b>21,633</b>
<b>Net investment income per share<sup>1</sup></b>	<b>\$ 0.49</b>	<b>\$ 0.44</b>	<b>\$ 0.46</b>	<b>\$ 0.42</b>	<b>\$ 0.40</b>
<b>Adjusted net investment income per share<sup>2</sup></b>	<b>\$ 0.49</b>	<b>\$ 0.44</b>	<b>\$ 0.45</b>	<b>\$ 0.38</b>	<b>\$ 0.36</b>
<b>Earnings (loss) per share</b>	<b>\$ 0.22</b>	<b>\$ (0.23)</b>	<b>\$ 0.08</b>	<b>\$ (0.60)</b>	<b>\$ 0.25</b>
<b>Adjusted earnings (loss) per share<sup>2</sup></b>	<b>\$ 0.22</b>	<b>\$ (0.23)</b>	<b>\$ (0.27)</b>	<b>\$ (0.60)</b>	<b>\$ 0.25</b>
<b>Regular dividend per share</b>	<b>\$ 0.34</b>	<b>\$ 0.34</b>	<b>\$ 0.34</b>	<b>\$ 0.34</b>	<b>\$ 0.34</b>
<b>Special dividend per share</b>	<b>\$ 0.10</b>	<b>\$ 0.25</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Weighted average common shares outstanding <sup>3</sup>	57,767,264	57,767,264	62,047,859	85,591,134	85,591,134
Ending common shares outstanding <sup>3</sup>	57,767,264	57,767,264	85,591,134	85,591,134	85,591,134

1. After incentive compensation.

2 See slide 5 for further description of non-GAAP financial measures.

3. Reflects impact of shares issued in connection with the Merger during the quarter ended March 31, 2024.