



# BlackRock TCP Capital Corp. Investor Presentation

## September 30, 2019

# Forward Looking Statements

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Prospective investors considering an investment in BlackRock TCP Capital Corp. 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.tccapital.com](http://www.tccapital.com). Prospective investors should read these materials carefully before investing.

This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on estimates, projections, beliefs and assumptions of management of the Company at the time of such statements and are not guarantees of future performance. Forward-looking statements involve risks and uncertainties in predicting future results and conditions. These forward-looking statements do not meet the safe harbor for forward-looking statements pursuant to Section 27A of the Securities Act or Section 21E of the Securities Exchange Act. Actual results could differ materially from those projected in these forward-looking statements due to a variety of factors, including, without limitation, changes in general economic conditions or changes in the conditions of the industries in which the Company makes investments, risks associated with the availability and terms of financing, changes in interest rates, availability of transactions, and regulatory changes. Certain factors that could cause actual results to differ materially from those contained in the forward-looking statements are included in the "Risks" section of the Company's prospectus dated August 16, 2019 and its prospectus supplement dated August 16, 2019, the "Risk Factors" section of the Company's Form 10-K for the year ended December 31, 2018, and the Company's subsequent periodic filings with the SEC. Copies are available on the SEC's website at [www.sec.gov](http://www.sec.gov) and the Company's website at [www.tccapital.com](http://www.tccapital.com). Forward-looking statements are made as of the date of this presentation, or as of the prior date referenced in this presentation, and are subject to change without notice. The Company has no duty and does not undertake any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information, or otherwise.

# BlackRock TCP Capital Corp – Key Highlights

As of September 30, 2019

## Who we are

Advised by **Tennenbaum Capital Partners (“TCP”)** with a **20-year history** of success

**Experienced team** that sources proprietary deal flow and applies a consistent and rigorous investment process

**BlackRock platform** provides a broad origination network, information advantage, and access to a demonstrated set of proprietary investment opportunities

## What we do

**Value-oriented** investing focused on middle-market **direct lending**

**Full dividend coverage** in all 30 quarters as a public company

Outperformed the Wells Fargo BDC Index by 24%<sup>(2)</sup> since IPO driven by **strong historical returns**

## How we do it

**\$1.7 billion diversified portfolio** primarily composed of directly originated **senior secured floating rate loans** with 10.6% weighted average effective yield on debt portfolio<sup>(1)</sup>

**Diversified low cost of financing** with \$1.3 billion leverage program at a 4.10% weighted average interest rate

**Strong governance and shareholder alignment** with an investor friendly advisory fee and share purchases by management and the board

(1) Weighted average annual effective yield includes amortization of deferred debt origination and end-of-term fees 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 10.0% as of 9/30/2019.

(2) As of 10/31/2019.

*Past performance does not guarantee future returns.*

# Third Quarter 2019 Financial and Portfolio Highlights

As of September 30, 2019

Dividend Coverage	<ul style="list-style-type: none"><li>▪ Net investment income of \$0.43; dividend of \$0.36 per share</li></ul>
Disciplined Deployment	<ul style="list-style-type: none"><li>▪ Gross deployment of \$176 million; net dispositions of \$5 million</li><li>▪ Total portfolio reached a record 105 companies</li></ul>
Well Positioned and Diverse Portfolio	<ul style="list-style-type: none"><li>▪ Effective yield on the debt portfolio of 10.6%<sup>(1)</sup></li><li>▪ 93% of the total portfolio consists of senior secured debt</li><li>▪ 92% of the debt portfolio is floating rate</li><li>▪ Largest position just 3.8% of our portfolio; 5 largest investments 15.8%</li></ul>
Low Cost & Diverse Funding Sources	<ul style="list-style-type: none"><li>▪ Issued \$150 million of 3.9% notes due 2024 on August 23, 2019</li><li>▪ Weighted average interest rate on debt outstanding of 4.1%</li></ul>

(1) Weighted average annual effective yield includes amortization of deferred debt origination and end-of-term fees 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 10.0% as of 9/30/2019.

*Past performance does not guarantee future returns.*

# Well-Covered and Consistent Dividend

## Net investment income of \$0.43 per share in Q3 2019

Out-earned quarterly dividend of \$0.36 per share paid on September 30, 2019

## Declared Q4 2019 dividend of \$0.36 per share

Payable on December 31, 2019 to holders of record as of December 17, 2019

### Dividend covered in all 30 quarters since inception

	2012 <sup>(1,2)</sup>	2013	2014	2015	2016	2017	2018	2019		
								Q1	Q2	Q3
Per Share										
Regular dividend	\$1.04	\$1.43	\$1.44	\$1.44	\$1.44	\$1.44	1.44	\$0.36	\$0.36	\$0.36
Net investment income	\$1.42	\$1.65	\$1.55	\$1.64	\$1.51	\$1.59	1.59	\$0.40	\$0.41	\$0.43
<b>Regular dividend coverage</b>	<b>137%</b>	<b>115%</b>	<b>108%</b>	<b>114%</b>	<b>105%</b>	<b>110%</b>	<b>110%</b>	<b>111%</b>	<b>114%</b>	<b>119%</b>
Special dividend	\$0.05	\$0.10	\$0.10							

(1) Incentive compensation was waived from the date of the IPO to January 1, 2013.

(2) Dividends and net investment income in 2012 reflect the 3 quarters post-IPO (Q2, Q3 and Q4).

*There is no guarantee that quarterly distributions will continue to be made at historical levels.*

# Conservatively Positioned and Diversified Portfolio

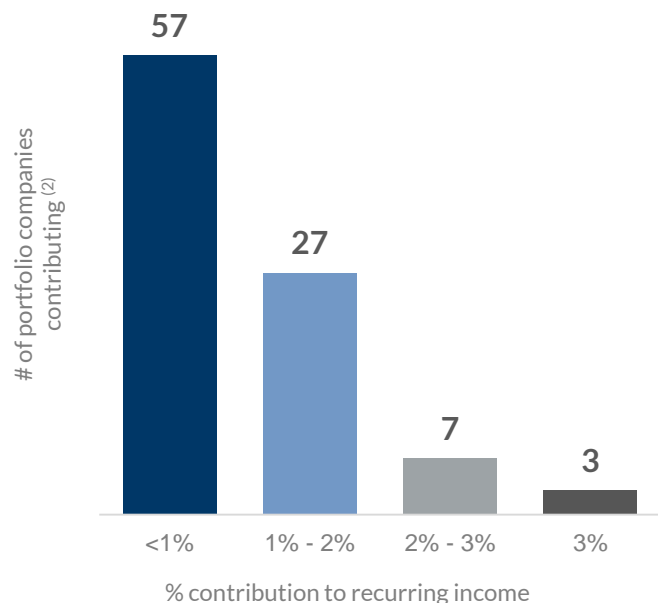
\$1.7 billion  
portfolio fair value

93% of portfolio  
is senior secured debt

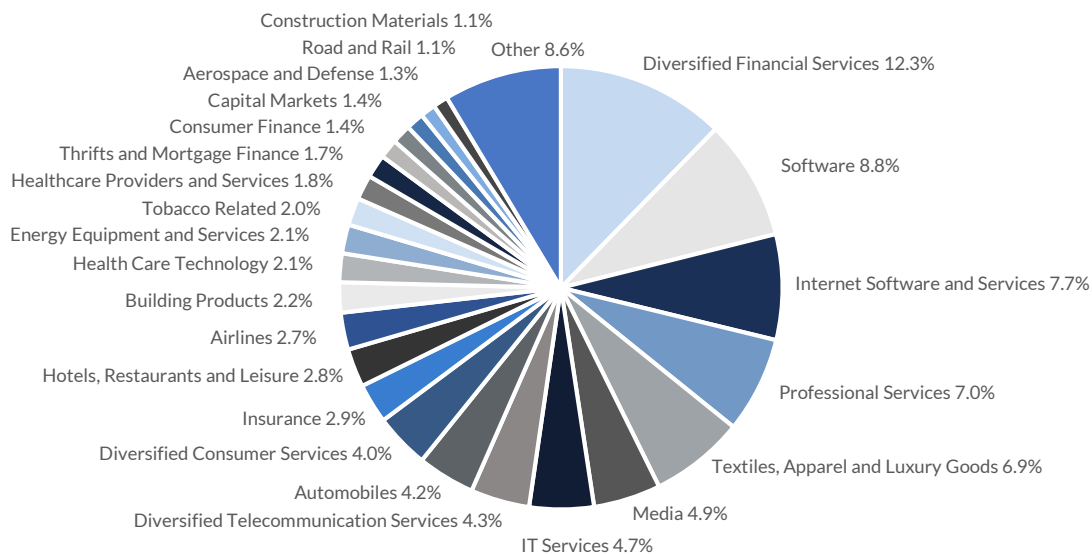
Majority of our portfolio  
companies contribute  
<1% to recurring income

10.6% weighted  
average effective yield  
on debt portfolio<sup>(1)</sup>

## Diversified Income Contribution



## Industry Diversification<sup>(3)</sup>



(1) Weighted average annual effective yield includes amortization of deferred debt origination and end-of-term fees 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 10.0% as of 9/30/2019.

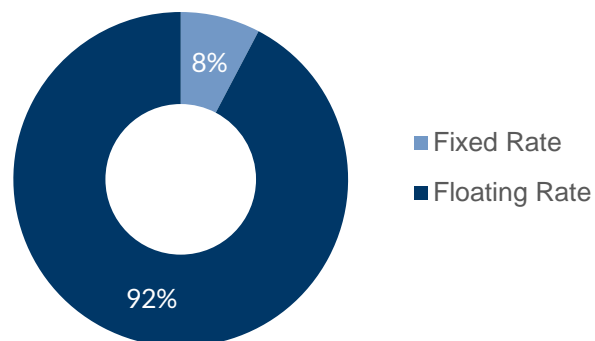
(2) Excludes non-income producing equity investments

(3) As of September 30, 2019, we transitioned our industry classification system for financial reporting purposes to more closely align with the system generally used by the Adviser for portfolio management purposes. As part of this transition, we are generally classifying the industries of our portfolio companies based on the primary end market served rather than the product or service directed to those end markets.

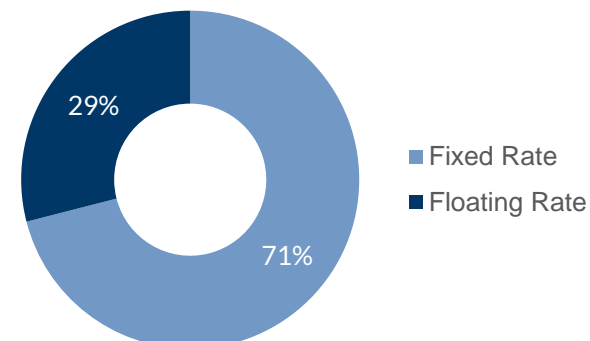
Past performance does not guarantee future returns.

# Strategically Positioned Balance Sheet

## Predominantly Floating Rate Asset Portfolio



## Liabilities Primarily Fixed Rate



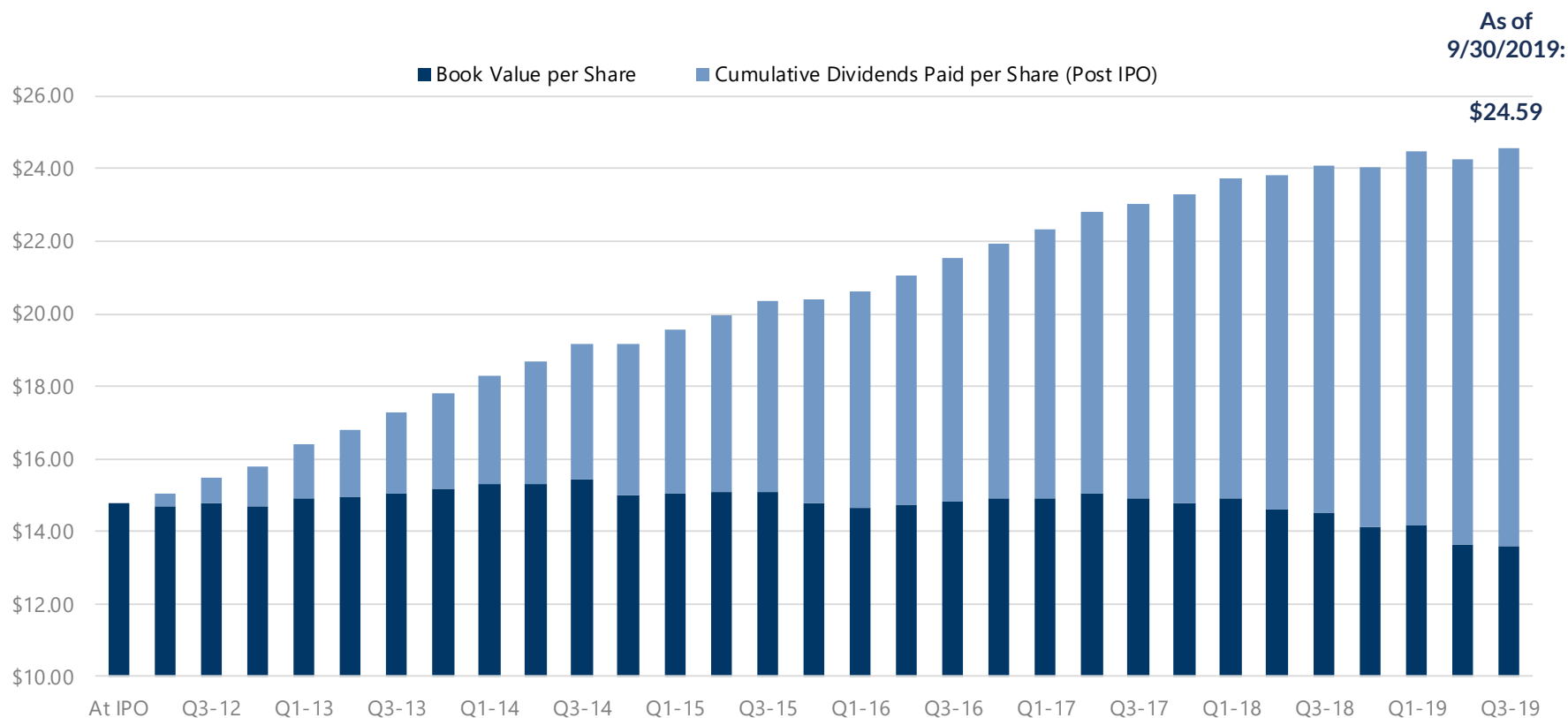
## Annual impact on net income of changes in interest rates<sup>(1)</sup>

Basis Point Change	Net Investment Income	Net Investment Income Per Share
Up 300 basis points	+\$38,644,937	+\$0.66
Up 200 basis points	+\$25,763,292	+\$0.44
Up 100 basis points	+\$12,881,646	+\$0.22
Down 100 basis points	(\$12,144,097)	(\$0.21)
Down 200 basis points	(\$17,073,407)	(\$0.29)

(1) Considers interest rate floors for variable rate instruments and assumes concurrent contractual rate resets for assets and liabilities, and excludes the related incentive compensation impact. Actual results may differ. Please refer to page 74 of the Company's 10-Q as of September 30, 2019.

# Strong Track Record of Positive Performance

## Book Value per Share and Dividends Paid

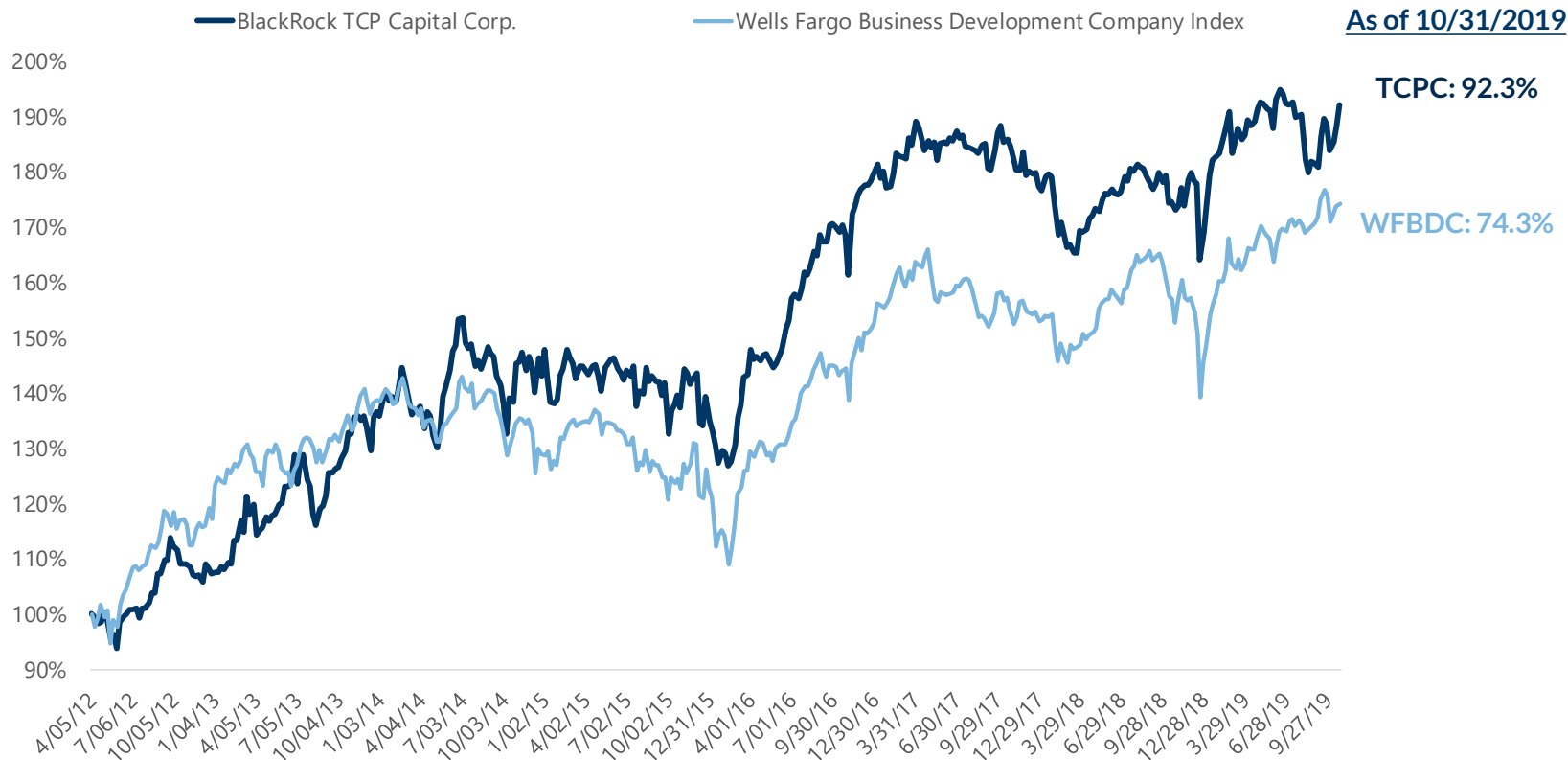


Past performance does not guarantee future returns.



# TCPC Outperformance

Outperformed the Wells Fargo BDC Index by 24% since our IPO<sup>(1)</sup>



(1) Assumes a fixed investment on April 6, 2012 in BlackRock TCP Capital Corp. and the Wells Fargo Business Development Company Index. Assumes all dividends are reinvested on the respective dividend payment dates without commissions. The WFBDC Index is a float adjusted, capitalization-weighted Index that is intended to measure the performance of all business development companies that are listed on the New York Stock Exchange or Nasdaq and satisfy specified capitalization and other eligibility requirements. It is not possible to invest directly in an unmanaged index. Source: FactSet

Past performance does not guarantee future returns.

# Competitive Advantages of BlackRock

BlackRock's \$6.96 trillion<sup>(1)</sup> investment platform creates substantial scale and scope that provides insight, access, and expertise in sourcing and underwriting differentiated investment opportunities

## Global Credit Expertise

- \$105 billion<sup>(1)</sup> in AUM across credit asset classes globally
- 218<sup>(1)</sup> Global Credit investment professionals

## Information Edge

- Broad access to management teams
- Expertise across asset classes, investment styles, products and industries

## One Stop Shop

- Full range of strategies and risk profiles
- Global presence: North America, Europe and Asia

## Dedicated Team with Experience

- Cycle-tested team organized along 19 industry verticals with an emphasis on less competitive situations
- Over two decades managing global credit strategies

## Differentiated Sourcing

- One of the largest credit counterparties globally
- Unmatched market access and corporate relationships

## Strong Risk Management

- Firm-wide culture of risk management
- Dedicated risk professionals with independent reporting lines

(1) As of September 30, 2019

# Breadth and Depth of the BlackRock's Global Credit Platform

Global Credit AUM: \$105 billion<sup>(1)</sup>

## Leveraged Finance

- High Yield
- Bank Loans
- CLOs

## Multi-Strategy Credit

- Pan-Credit Solutions
- Hedge Fund Strategies

## Private Credit

- Direct Lending
- Opportunistic Credit
- Specialty Finance

BlackRock Investment Institute, Risk and Quantitative Analysis, Aladdin Investment Platform

*BlackRock leverages expertise across liquid and illiquid credit and seeks to deliver optimal solutions for its clients*

(1) As of September 30, 2019

# Today's Middle Market Environment

## Opportunities

~200,000<sup>(1)</sup> U.S. middle-market businesses, representing one-third of private sector GDP, many with limited access to capital

Middle market businesses continue to perform well; **annualized revenue growth rate of 5.8% vs 2.1% for the S&P<sup>(1)</sup>**

**Steady credit demand**

## Challenges

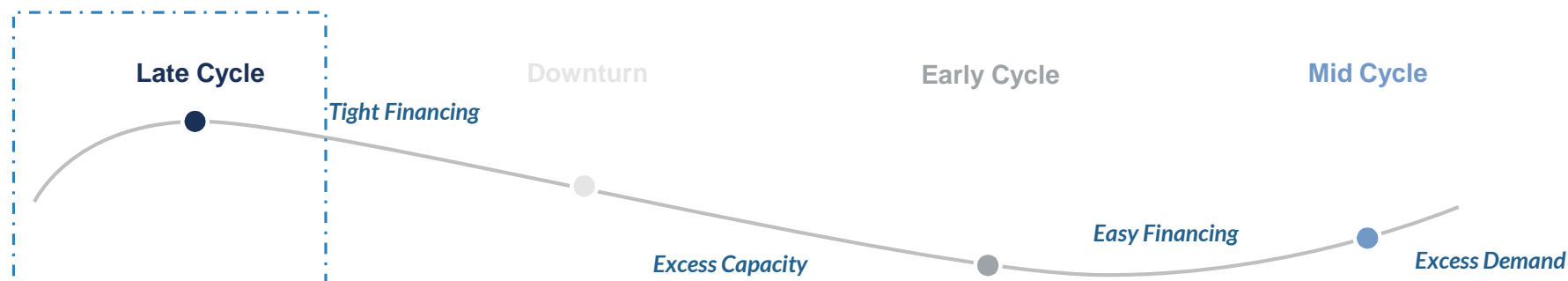
**Uptick in new market participants** is intensifying competition and pressuring yields

Terms, covenants and loan documents increasingly **borrower friendly**

**Elevated debt to EBITDA multiples** vs historical trends

(1) Source: National Center for the Middle Market, "3Q 2019 Middle Market Indicator"

# Capturing Opportunities Throughout the Cycle



## Strategy attributes are well positioned for a late stage cycle

- ✓ Senior secured, top of the capital structure
- ✓ Significant cushion below investment (generally, 40-60%)
- ✓ Financial and maintenance covenants
- ✓ Diverse portfolio by issuer, industry, and sector
- ✓ Investment segment governed by consistent and predictable bankruptcy laws
- ✓ Cycle-tested team with proven track record
- ✓ Depth of workout and restructuring expertise not commonly found in a direct lender
- ✓ Repeat borrowers are an important source of originations; accounting for nearly half of new investments in 2019<sup>(1)</sup>

Source: BlackRock. As of September 30, 2019

# Investor Friendly Advisory Fee Structure

	BlackRock TCP Capital Corp. (Thru 2/8/2019)	BlackRock TCP Capital Corp. (Post 2/8/2019)	Average Externally Managed BDC <sup>(1)</sup>
Base Management Fee	<ul style="list-style-type: none"> <li>1.5% on gross assets (less cash and cash equivalents)</li> </ul>	<ul style="list-style-type: none"> <li>1.5% up to 1.0x debt to equity; 1.0% above 1.0x debt to equity. Based on gross assets (less cash and cash equivalents)</li> </ul>	<ul style="list-style-type: none"> <li>1.50% - 1.75% on gross assets (up to 1.0x debt to equity; 1.0% above 1.0x debt to equity for those BDCs that have adopted a reduced minimum asset coverage ratio)</li> </ul>
Incentive Fee Hurdle	<ul style="list-style-type: none"> <li>8% annualized total return on NAV, cumulative (infinite) lookback</li> </ul>	<ul style="list-style-type: none"> <li>7% annualized total return on NAV, cumulative (infinite) lookback</li> </ul>	<ul style="list-style-type: none"> <li>7% annualized NII return on NAV, no lookback</li> </ul>
Incentive Compensation	<ul style="list-style-type: none"> <li>Capital Gains: 20% of cumulative net realized gains less net unrealized depreciation, subject to a <u>cumulative (infinite), annualized 8% total return hurdle</u></li> <li>Ordinary Income: 20% subject to a <u>cumulative (infinite), annualized 8% total return hurdle</u></li> </ul>	<ul style="list-style-type: none"> <li>Capital Gains: 17.5% of cumulative net realized gains less net unrealized depreciation, subject to a <u>cumulative (infinite), annualized 7% total return hurdle</u></li> <li>Ordinary Income: 17.5% subject to a <u>cumulative (infinite), annualized 7% total return hurdle</u></li> </ul>	<ul style="list-style-type: none"> <li>Capital Gains: 20% of cumulative net realized gains less net unrealized depreciation</li> <li>Ordinary Income: 20% subject to quarterly hurdle rate calculated quarterly</li> </ul>

(1) Source: SEC filings. Represents average fee structure for publicly traded, externally managed BDCs with a market capitalization of more than \$200 million. As of September 30, 2019.

# Diversified Sources of Funding

**TCPC is investment grade rated by Standard & Poor's and Moody's**

As of September 30, 2019, \$ in millions

Source	Capacity	Drawn Amount	Available	Pricing	Maturity
SVCP Facility	\$ 270.0	\$ 108.0	\$ 162.0	L + 2.00%	May-23
TCPC Funding Facility	350.0	177.5	172.5	L + 2.00% <sup>(5)</sup>	May-23
SBA Debentures	150.0	138.0	12.0	2.63% <sup>(6)</sup>	2024-2029
2019 Convertible Notes	107.9 <sup>(1)</sup>	107.9	-	5.25%	Dec-19
2022 Convertible Notes	138.4 <sup>(2)</sup>	138.4	-	4.625%	Mar-22
2022 Notes	174.6 <sup>(3)</sup>	174.6	-	4.125%	Aug-22
2024 Notes	148.2 <sup>(4)</sup>	148.2	-	3.900%	Aug-24
<b>Total leverage</b>	<b>\$ 1,339.1</b>	<b>\$ 992.6</b>	<b>\$ 346.5</b>	<b>4.10% <sup>(7)</sup></b>	
Cash			80.1		
Net settlements			5.6		
Unamortized debt issuance costs		(7.6)			
<b>Net leverage</b>		<b>\$ 985.0</b>	<b>\$ 432.2</b>		

(1) \$108 million par. Carrying value shown.

(2) \$140 million par. Carrying value shown.

(3) \$175 million par. Carrying value shown.

(4) \$150 million par. Carrying value shown.

(5) Subject to certain funding requirements.

(6) Weighted average interest rate on pooled loans, excluding fees of 0.36% or 0.35%.

(7) Combined weighted-average interest rate on amounts outstanding as of September 30, 2019.

# Quarterly Operating Results

Unaudited (\$ in thousands, except per share amounts)	2019			2018	
	Q3	Q2	Q1	Q4	Q3
<b>Investment income</b>					
Interest income	\$ 49,854	\$ 47,631	\$ 46,977	\$ 47,657	\$ 49,348
Lease income	74	74	74	74	74
Dividend income	914	392	480	646	59
Other income	798	78	9	6	-
Total investment income	<u>51,640</u>	<u>48,175</u>	<u>47,540</u>	<u>48,383</u>	<u>49,481</u>
<b>Expenses</b>					
Interest and other debt expenses	12,419	11,145	10,688	10,651	10,072
Management and advisory fees	6,357	6,119	6,035	6,030	6,265
Incentive fee	5,370	4,831	5,353	5,840	6,128
Administrative expenses	600	600	599	600	600
Legal fees, professional fees and due diligence expenses	493	431	437	668	625
Other expenses	1,087	1,235	1,108	1,140	1,279
Total expenses	<u>26,326</u>	<u>24,361</u>	<u>24,220</u>	<u>24,929</u>	<u>24,969</u>
<b>Net investment income before taxes</b>	<u>25,314</u>	<u>23,814</u>	<u>23,320</u>	<u>23,454</u>	<u>24,512</u>
Excise taxes	-	-	-	93	-
<b>Net investment income</b>	<u>25,314</u>	<u>23,814</u>	<u>23,320</u>	<u>23,361</u>	<u>24,512</u>
Net realized and unrealized gain (loss)	(6,876)	(34,638)	802	(24,383)	(9,320)
<b>Net increase in net assets to common equity</b>	<u>\$ 18,438</u>	<u>\$ (10,824)</u>	<u>\$ 24,122</u>	<u>\$ (1,022)</u>	<u>\$ 15,192</u>
Earnings per share	\$ 0.31	\$(0.18)	\$ 0.41	\$(0.02)	\$ 0.26
Net investment income per share <sup>(1)</sup>	\$ 0.43	\$ 0.41	\$ 0.40	\$ 0.40	\$ 0.42
Dividend per share	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36
Weighted average common shares outstanding	58,766,215	58,765,802	58,767,442	58,787,623	58,806,049
Ending common shares outstanding	<u>58,766,215</u>	<u>58,766,000</u>	<u>58,765,800</u>	<u>58,774,607</u>	<u>58,800,001</u>

(1) After incentive compensation and taxes



# Financial Highlights

	2019			2018	
	Unaudited			Unaudited	
(\$ per share)	Q3	Q2	Q1	Q4	Q3
Net investment income	0.43	0.41	0.40	0.40	0.42
Net realized & unrealized gains (losses)	(0.12)	(0.59)	0.01	(0.42)	(0.16)
Net increase in net assets from operations	0.31	(0.18)	0.41	(0.02)	0.26
Dividend paid	0.36	(0.36)	(0.36)	(0.36)	(0.36)
Net asset value	13.59	13.64	14.18	14.13	14.51

	2019			2018	
	Q3	Q2	Q1	Q4	Q3
Total fair value of investments (000s)	\$ 1,681,275	\$ 1,689,182	\$ 1,604,828	\$ 1,597,286	\$ 1,560,113
Number of portfolio companies	105	104	95	95	95
Average investment size (000s)	\$ 16,012	\$ 16,242	\$ 16,893	\$ 16,814	\$ 16,422
Debt/equity ratio <sup>(1)</sup>	1.07x	.99x	.86x	.86x	.79x
Debt/equity ratio, net of cash <sup>(1)(2)</sup>	.96x	.98x	.84x	.83x	.75x

(1) Excludes SBIC debt, which is exempt from regulatory asset coverage requirements

(2) Net of trades pending settlement

# Portfolio Highlights

	2019			2018	
Asset Mix of the Investment Portfolio (in thousands)	Q3	Q2	Q1	Q4	Q3
Senior secured debt	\$ 1,555,934	\$ 1,558,763	\$ 1,476,326	\$ 1,471,583	\$ 1,433,044
Junior debt	20,768	50,331	43,722	43,526	43,277
Equity	104,573	80,088	84,780	82,177	83,792
<b>Total investments</b>	<b>\$ 1,681,275</b>	<b>\$ 1,689,182</b>	<b>\$ 1,604,828</b>	<b>\$ 1,597,286</b>	<b>\$ 1,560,113</b>

	2019			2018	
Portfolio Activity (in thousands)	Q3	Q2	Q1	Q4	Q3
Gross acquisitions	\$ 176,016	\$ 232,232	\$ 150,142	\$ 176,379	\$ 163,734
Exits (includes repayments)	180,605	117,112	146,352	117,078	211,468
<b>Net acquisitions (exits)</b>	<b>\$ (4,589)</b>	<b>\$ 115,120</b>	<b>\$ 3,790</b>	<b>\$ 59,301</b>	<b>\$ (47,734)</b>

# Quarterly Balance Sheets

	2019			2018	
<i>(in thousands, except per share data)</i>	Unaudited	Unaudited	Unaudited	Audited	Unaudited
ASSETS	Q3	Q2	Q1	Q4	Q3
Investments at fair value	\$ 1,681,275	\$ 1,689,182	\$ 1,604,828	\$ 1,597,286	\$ 1,560,113
Cash and cash equivalents	80,069	21,858	26,752	27,920	90,283
Accrued interest income	19,917	20,340	21,861	21,701	22,517
Receivable for investments sold	7,434	434	434	-	59
Other assets	12,023	10,663	9,224	12,629	12,237
Total assets	1,800,718	1,742,477	1,663,099	1,659,536	1,685,209
LIABILITIES					
Debt, net of unamortized issuance costs	\$ 985,042	\$ 907,390	\$ 805,548	\$ 805,202	\$ 764,349
Payable for investments purchased	1,860	12,002	10,720	909	53,041
Interest payable	6,621	8,731	5,792	8,748	5,445
Incentive compensation payable	5,370	4,831	5,353	5,840	6,128
Other liabilities	3,199	8,182	2,368	8,362	3,233
Total liabilities	1,002,092	941,136	829,781	829,061	832,196
NET ASSETS	\$ 798,626	\$ 801,341	\$ 833,318	\$ 830,475	\$ 853,013
NET ASSETS PER SHARE	\$ 13.59	\$ 13.64	\$ 14.18	\$ 14.13	\$ 14.51

## Securities Listing

NASDAQ: TCPC

## Research Coverage

- Bank of America Merrill Lynch
- D.A. Davidson
- Deutsche Bank
- JMP Securities
- Keefe, Bruyette & Woods
- Ladenburg Thalmann
- Oppenheimer
- Raymond James
- Wells Fargo

## Transfer Agent

Equiniti Shareholder Services  
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(651) 450-4064 (from outside U.S.)  
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