



# BlackRock TCP Capital Corp. Investor Presentation

## September 30, 2020

# Forward Looking Statements

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 September 29, 2020, and the "Risk Factors" section of the Company's Form 10-K for the year ended December 31, 2019, 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 - Response to COVID-19

As of September 30, 2020

## Our Team

Leveraging our team's more than **20 years' experience** investing across market cycles, as well as our **special situations expertise**

Additional resources, including technology and benefits, committed across BlackRock for **the safety and well-being** of employees

## Our Portfolio

**Thorough and ongoing analysis** of every company in our portfolio to proactively address COVID-19 impacts

**Working alongside management teams** and sponsors to identify issues quickly and help borrowers navigate the current environment

## Our Firm

**Business continuity procedures continue to be fully operational** – employees have access to BlackRock tools, technology and connectivity from home

Utilizing resources throughout the **BlackRock platform**, including expertise across asset classes, broad market access and corporate relationships

# Third Quarter 2020 Highlights

As of September 30, 2020, unless otherwise noted

## Strong Portfolio Performance

- 4.1% increase in NAV, 1.8% net market value gain on investments
- Strong credit quality; non-accruals limited to 0.6% of the portfolio at fair value

## Enhanced Capital & Liquidity

- On August 4, successfully replaced the Funding Facility I with a new facility on better terms, including a 2-year maturity extension, a \$50 million accordion feature, and no change to the L+2.00% rate
- On July 31, added a \$100 million accordion commitment to the Operating Facility
- On October 2, issued an additional \$50 million of 3.9% notes due 2024, bringing total issuance of the 2024 Notes to \$250 million

## Board of Directors

- Andrea Petro appointed to the Board, effective August 4; her appointment furthers our long-term commitment to diversity as half of our independent directors are now women

## Dividend

- Continuous coverage of the dividend with net investment income each quarter as a public company; dividend coverage ratio of 117% in the third quarter
- Board declared a fourth quarter dividend of \$0.30 per share payable on December 31 to shareholders of record as of December 17

*Past performance does not guarantee future returns.*

# Third Quarter 2020 Financial and Portfolio Overview

As of September 30, 2020

## Diversified Portfolio with an Emphasis on Non-Cyclical Businesses

- Total portfolio fair value of \$1.6 billion diversified across 101 portfolio companies
- Top five portfolio companies collectively represent less than 19% of the total portfolio
- 91% invested in senior secured debt, 82% of the debt portfolio is 1<sup>st</sup> lien
- Weighted average yield of the portfolio is 10.0%<sup>(1)</sup>

## Flexible Capital With Available Liquidity

- Diverse leverage program totaling \$1.2 billion, with no near-term maturities
- 54% of outstanding liabilities consist of unsecured debt as of September 30
- \$224 million of available credit facility capacity
- Net regulatory leverage ratio of 1.05x, well within our 2:1 regulatory leverage limitation

## Well-Resourced Platform

- Advisor has more than 2 decades of private credit experience across multiple market cycles
- BlackRock platform provides access to technology capabilities, knowledge and global resources across asset classes and sectors

(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 9.7% as of 9/30/2020.

*Past performance does not guarantee future returns.*

# Diversified Portfolio: Emphasis on Non-Cyclical Businesses

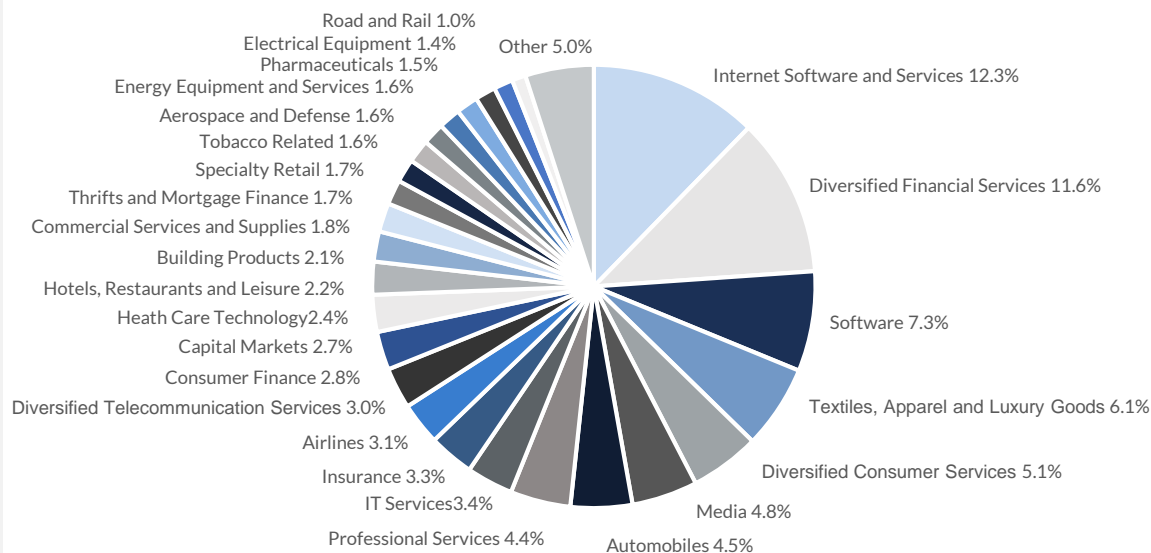
Substantially all investments subject to independent 3<sup>rd</sup> party valuation process every quarter

As of September 30, 2020

## Emphasis on Non-Cyclical Businesses

- Robust downside analysis performed at underwriting, with an emphasis on companies and industries that can withstand periods of economic stress
- Portfolio emphasis on non-cyclical companies with strong covenants; investments in cyclical companies typically structured with significant collateral protections
- Each portfolio company investment subject to additional rigorous review since the start of the COVID-19 pandemic to identify and address new risks, including future capital needs or potential covenant breaches

## Industry Diversification<sup>(1)</sup>

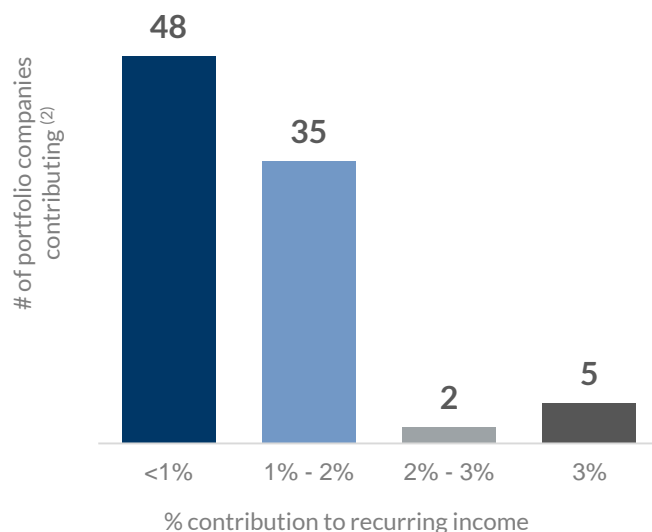


(1) Industry classification system generally categorizes portfolio companies based on the primary end market served, rather than the product or service directed to those end markets. Past performance does not guarantee future returns.

# Diversified Portfolio: Conservatively Positioned

As of September 30, 2020

## Diversified Income Contribution



**\$1.6 billion**  
portfolio fair value

**91% of portfolio**  
is senior secured debt

**10.0% weighted**  
average effective yield  
on debt portfolio<sup>(1)</sup>

**More than half of our portfolio**  
companies contribute  
<1% to recurring income

(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 9.7% as of 9/30/2020.

(2) Excludes non-income producing equity investments

*Past performance does not guarantee future returns.*

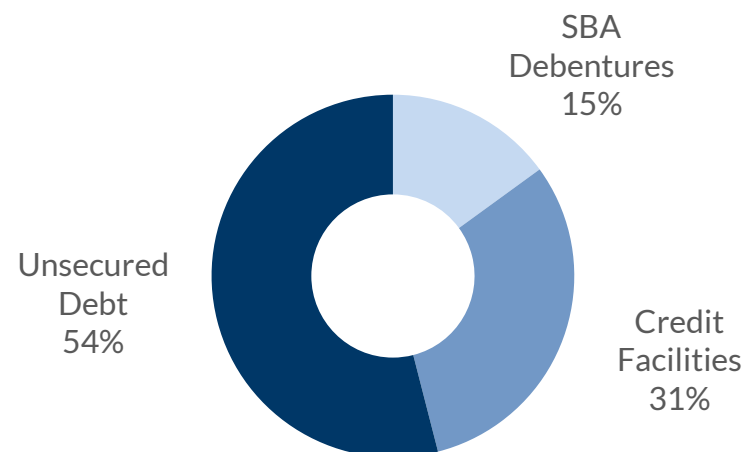
# Strategically Positioned Balance Sheet

## Predominantly First Lien, Floating Rate Asset Portfolio

Seniority <sup>(1)</sup>	
First Lien	82%
Second Lien	16%
Junior	2%

Fixed / Floating <sup>(1)</sup>	
Floating Rate	92%
Fixed Rate	8%

## Diverse Liability Structure<sup>(2),(3)</sup>



(1) As a percent of total debt investments at fair value as of September 30, 2020.

(2) On October 2, 2020, the Company issued an additional \$50.0 million of its 2024 Notes for a total outstanding aggregate principal amount of \$250.0 million. Including this additional \$50.0 million issuance, and subsequent paydown of credit facilities, pro-forma total unsecured debt outstanding would have been 60% as of September 30, 2020.

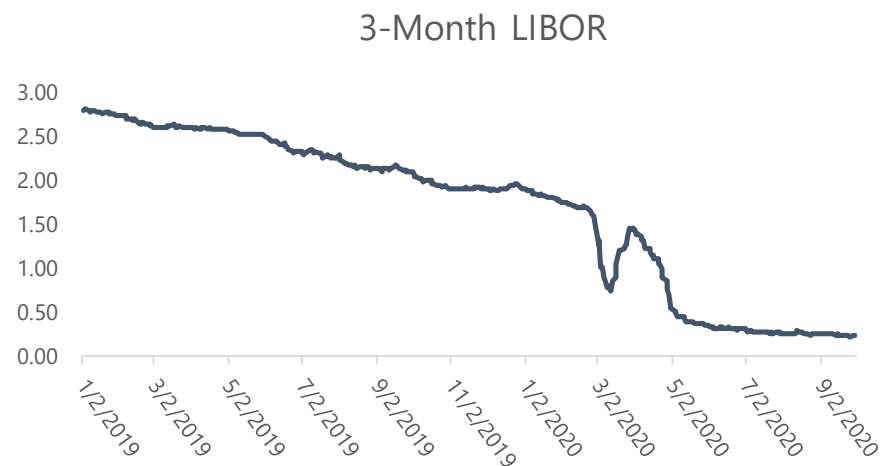
(3) SBA Debentures structured as long-term facilities and not subject to regulatory minimum asset coverage.



# Limited Exposure to Further Interest Rate Declines

## Decrease in LIBOR

- 3-month LIBOR declined 257 basis points since 12/31/2018 (from 2.80% to 0.23% as of 9/30/2020)
- The cumulative decline in LIBOR over this period has resulted in a total impact to net investment income of \$0.09 per share, per quarter before incentive fees
- 82% of our floating rate debt investments had interest rate floors as of 9/30/2020, limiting exposure to any further declines in interest rates



## 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	+\$23,118,473	+\$0.40
Up 200 basis points	+\$11,339,677	+\$0.20
Up 100 basis points	+\$1,718,199	+\$0.03
Down 100 basis points	+\$66,739	(\$0.00)

(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, 2020.

# Well-Covered and Consistent Dividend

## Net investment income of \$0.35 per share in Q3 2020

Out-earned quarterly dividend of \$0.30 per share paid on September 30, 2020

## Declared Q4 2020 dividend of \$0.30 per share

Payable on December 31, 2020 to holders of record as of December 17, 2020

### Consistent coverage of the dividend with net investment income

	2012 <sup>(1,2)</sup>	2013	2014	2015	2016	2017	2018	2019	2020		
									Q1	Q2	Q3
Per Share											
Regular dividend	\$1.04	\$1.43	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$0.36	\$0.36	\$0.30
Net investment income	\$1.42	\$1.65	\$1.55	\$1.64	\$1.51	\$1.59	\$1.59	\$1.61	\$0.38	\$0.36	\$0.35
<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>112%</b>	<b>106%</b>	<b>101%</b>	<b>117%</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.*

# Competitive Advantages of BlackRock

BlackRock's \$7.81 trillion<sup>(1)</sup> investment platform creates substantial scale and scope that provides insight, access, and expertise in sourcing, underwriting and managing differentiated investments

## Global Credit Expertise

- \$130 billion<sup>(1)</sup> in AUM across credit asset classes globally
- 213<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
- Strong market access and corporate relationships

## Strong Risk Management

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

<sup>(1)</sup> As of September 30, 2020

# Breadth and Depth of BlackRock's Global Credit Platform

Global Credit AUM: \$130 billion<sup>(1)</sup>

## Leveraged Finance

- High Yield
- Bank Loans
- CLOs

## Multi-Strategy Credit

- Pan-Credit Solutions
- Hedge Fund Strategies

## Private Credit

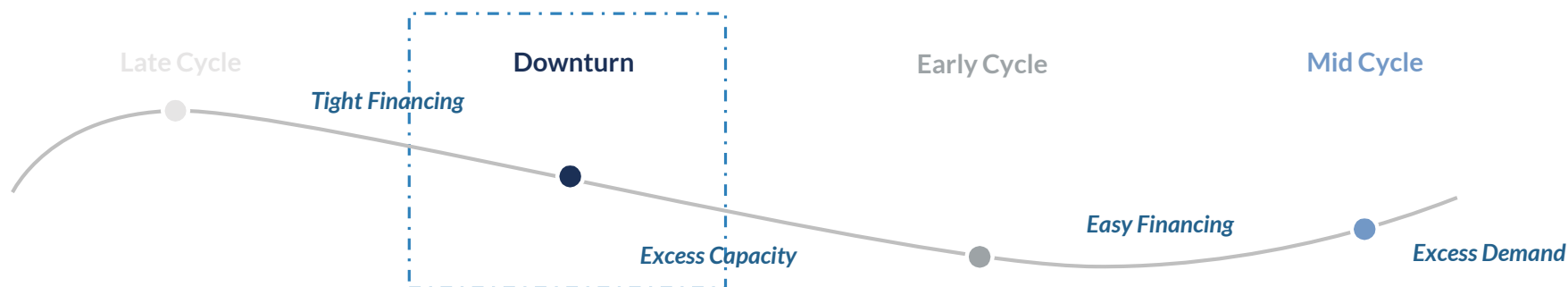
- Direct Lending
- Opportunistic Credit
- Specialty Finance

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*

<sup>(1)</sup> As of September 30, 2020

# Well Positioned to Manage Through the Cycle



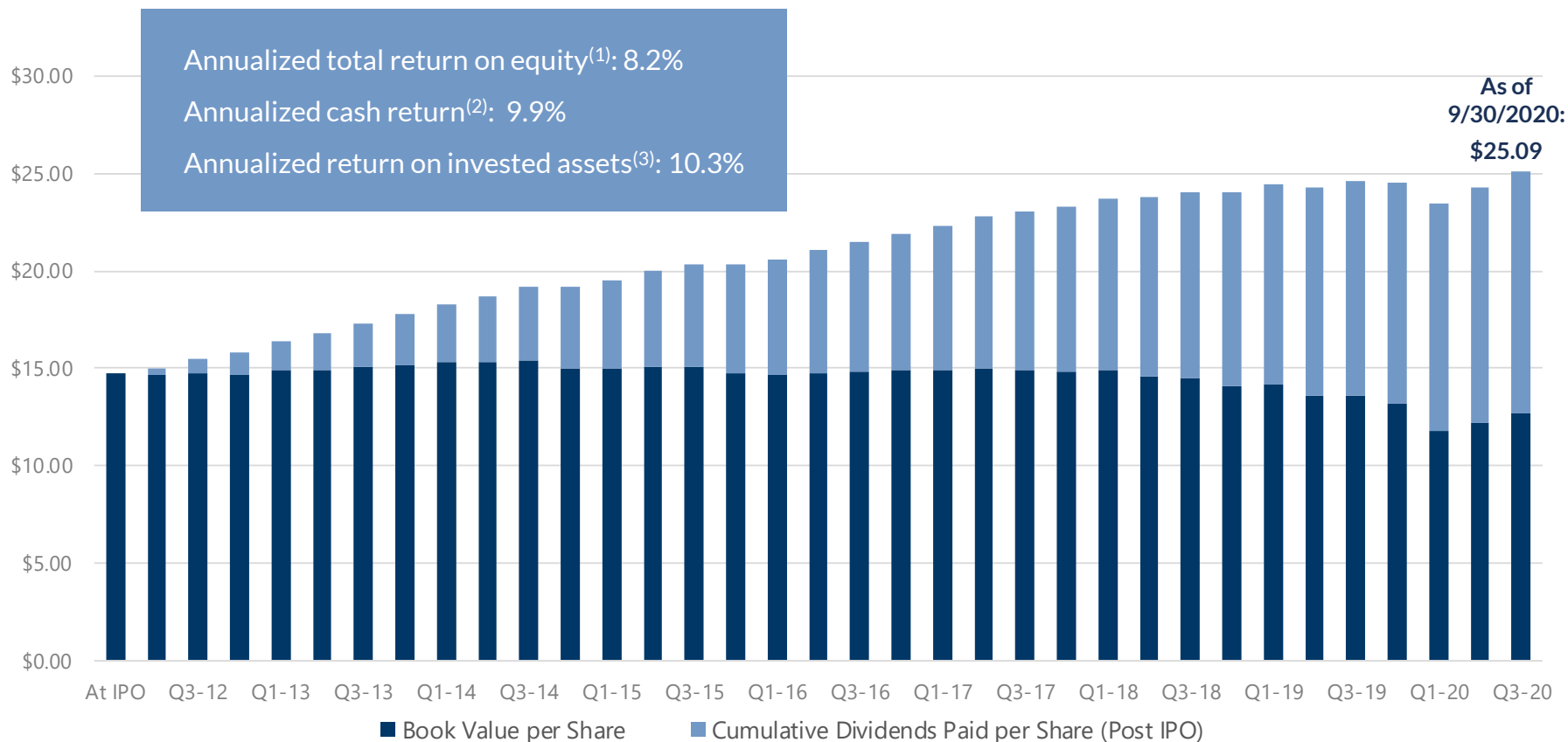
## Strategy attributes are well-positioned to withstand a downturn

- ✓ 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
- ✓ Repeat borrowers are an important source of originations, accounting for half of new investments in the last twelve months

Source: BlackRock. As of September 30, 2020

# Strong Track Record

## Book Value per Share and Dividends Paid



(1) Total return calculated as the change in net asset value plus dividends distributed between April 6, 2012 and September 30, 2020.

(2) Cash return calculated as total distributions from April 6, 2012 through September 30, 2020, divided by opening NAV of \$14.76 on April 6, 2012.

(3) Annualized return on assets calculated as total investment income (gross of expenses) plus realized and unrealized gains and losses divided by average total investments between April 6, 2012 and September 30, 2020.

*Past performance does not guarantee future returns.*

# Diversified Sources of Funding

## TCP is investment grade rated by Fitch and Moody's

As of September 30, 2020, \$ in millions

Source	Capacity	Drawn Amount	Available	Pricing	Maturity
Operating Facility	\$ 300.0 <sup>(1)</sup>	\$ 163.1	\$ 136.9	L + 2.00% <sup>(2)</sup>	May-24
Funding Facility II	200.0 <sup>(3)</sup>	125.0	75.0	L + 2.00% <sup>(4)</sup>	Aug-25
SBA Debentures	150.0	138.0	12.0	2.63% <sup>(5)</sup>	2024-2029
2022 Convertible Notes	139.1 <sup>(6)</sup>	139.1	-	4.625%	Mar-22
2022 Notes	174.7 <sup>(7)</sup>	174.7	-	4.125%	Aug-22
2024 Notes <sup>(8)</sup>	198.1 <sup>(9)</sup>	198.1	-	3.900%	Aug-24
<b>Total leverage</b>	<b>\$ 1,161.9</b>	<b>\$ 938.0</b>	<b>\$ 223.9</b>	<b>3.33% <sup>(10)</sup></b>	
Cash			35.4		
Net settlements			(6.4)		
Unamortized debt issuance costs		(6.2)			
<b>Net</b>		<b>\$ 931.8</b>	<b>\$ 252.9</b>		

(1) Facility has a \$100 million accordion which allows for expansion of the facility to up to \$400.0 million subject to consent from the lender and other customary conditions.

(2) As of September 30, 2020, \$8.7 million of the outstanding amount bore interest at a rate of EURIBOR + 2.00% and \$3 million of the outstanding amount bore interest at a rate of Prime + 1.00%.

(3) Facility has a \$50 million accordion which allows for expansion of the facility to up to \$250.0 million subject to consent from the lender and other customary conditions.

(4) Subject to certain funding requirements.

(5) Weighted average interest rate, excluding fees of 0.36% or 0.35%.

(6) \$140 million par. Carrying value shown.

(7) \$175 million par. Carrying value shown.

(8) On October 2, 2020, the Company issued an additional \$50.0 million of its 2024 Notes for a total outstanding aggregate principal amount of \$250.0 million.

(9) \$200 million par. Carrying value shown.

(10) Combined weighted-average interest rate on amounts outstanding as of September 30, 2020.

# Investor Friendly Advisory Fee Structure

	BlackRock TCP Capital Corp.	Average Externally Managed BDC <sup>(1)</sup>
Base Management Fee	<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>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: 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>

<sup>(1)</sup> 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, 2020.



# Quarterly Operating Results

Unaudited (\$ in thousands, except per share amounts)	2020			2019	
	Q3	Q2	Q1	Q4	Q3
<b>Investment income</b>					
Interest income	\$ 39,823	\$ 40,331	\$ 40,632	\$ 47,123	\$ 49,854
Lease income	-	-	38	74	74
Dividend income	1,271	302	428	605	914
Other income	1,754	4,481	153	8	798
Total investment income	42,848	45,114	41,251	47,810	51,640
<b>Expenses</b>					
Interest and other debt expenses	9,729	10,645	10,956	12,147	12,419
Management and advisory fees	5,884	5,804	6,117	6,350	6,357
Incentive fee	5,048	5,245	-	4,754	5,370
Administrative expenses	540	540	540	540	600
Legal fees, professional fees and due diligence expenses	437	503	498	396	493
Other expenses	1,087	1,325	1,087	1,213	1,087
Total expenses	22,725	24,062	19,198	25,400	26,326
<b>Net investment income before taxes</b>	<b>20,123</b>	<b>21,052</b>	<b>22,053</b>	<b>22,410</b>	<b>25,314</b>
Excise taxes	-	-	-	-	-
<b>Net investment income</b>	<b>20,123</b>	<b>21,052</b>	<b>22,053</b>	<b>22,410</b>	<b>25,314</b>
Net realized and unrealized gain (loss)	28,830	25,299	(91,534)	(23,565)	(6,876)
Loss on extinguishment of debt	(2,437)	-	-	-	-
<b>Net increase (decrease) in net assets to common equity</b>	<b>\$46,516</b>	<b>\$ 46,351</b>	<b>\$ (69,481)</b>	<b>\$ (1,155)</b>	<b>\$ 18,438</b>
Earnings (loss) per share	\$ 0.81	\$ 0.80	\$ (1.18)	\$(0.02)	\$ 0.31
Net investment income per share <sup>(1)</sup>	\$ 0.35	\$ 0.36	\$ 0.38	\$ 0.38	\$ 0.43
Dividend per share	\$ 0.30	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36
Weighted average common shares outstanding	57,767,264	57,766,916	58,668,432	58,766,217	58,766,002
Ending common shares outstanding	57,767,264	57,767,264	57,766,912	58,766,426	58,766,002

(1) After incentive compensation and taxes

# Financial Highlights

	2020			2019	
	Unaudited			Unaudited	
(\$ per share)	Q3	Q2	Q1	Q4	Q3
Net investment income	0.35	0.36	0.38	0.38	0.43
Net realized & unrealized gains (losses)	0.50	0.44	(1.56)	(0.40)	(0.12)
Loss on extinguishment of debt	(0.04)	-	-	-	-
Net increase (decrease) in net assets from operations	0.81	0.80	(1.18)	(0.02)	0.31
Dividend paid	(0.30)	(0.36)	(0.36)	(0.36)	(0.36)
Share repurchases	-	-	0.09	-	-
Net asset value	12.71	12.21	11.76	13.21	13.59

	2020			2019	
	Q3	Q2	Q1	Q4	Q3
Total fair value of investments (000s)	\$ 1,628,765	\$ 1,607,581	\$ 1,625,919	\$ 1,649,507	\$ 1,681,275
Number of portfolio companies	101	101	108	105	105
Average investment size (000s)	\$ 16,126	\$ 15,917	\$ 15,055	\$ 15,710	\$ 16,012
Debt/equity ratio <sup>(1)</sup>	1.09x	1.13x	1.23x	1.00x	1.07x
Debt/equity ratio, net of cash <sup>(1)(2)</sup>	1.05x	1.10x	1.22x	.96x	.96x

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

(2) Net of trades pending settlement

# Portfolio Highlights

	2020			2019	
Asset Mix of the Investment Portfolio (in thousands)	Q3	Q2	Q1	Q4	Q3
Senior secured debt	\$ 1,476,021	\$ 1,473,504	\$ 1,503,280	\$ 1,513,909	\$ 1,555,934
Junior debt	26,610	24,906	18,755	21,285	20,768
Equity	126,134	109,171	103,884	114,313	104,573
<b>Total investments</b>	<b>\$ 1,628,765</b>	<b>\$ 1,607,581</b>	<b>\$ 1,625,919</b>	<b>\$ 1,649,507</b>	<b>\$ 1,681,275</b>

	2020			2019	
Portfolio Activity (in thousands)	Q3	Q2	Q1	Q4	Q3
Gross acquisitions	\$ 78,634	\$ 56,048	\$ 142,969	\$ 141,634	\$ 176,016
Exits (includes repayments)	89,099	101,814	76,881	152,305	180,605
<b>Net acquisitions (exits)</b>	<b>\$ (10,465)</b>	<b>\$ (45,766)</b>	<b>\$ 66,088</b>	<b>\$ (10,671)</b>	<b>\$ (4,589)</b>

# Quarterly Balance Sheets

	2020			2019	
<i>(in thousands, except per share data)</i>	Unaudited	Unaudited	Unaudited	Audited	Unaudited
ASSETS	Q3	Q2	Q1	Q4	Q3
Investments at fair value	\$ 1,628,765	\$ 1,607,581	\$ 1,625,919	\$ 1,649,507	\$ 1,681,275
Cash and cash equivalents	35,449	20,648	8,575	44,849	80,069
Accrued interest income	16,101	17,771	18,409	17,908	19,917
Receivable for investments sold	167	-	511	1,317	7,434
Other assets	8,287	10,112	9,991	8,488	12,023
Total assets	1,688,769	1,656,112	1,663,405	1,722,069	1,800,718
LIABILITIES					
Debt, net of unamortized issuance costs	\$ 931,751	\$ 926,613	\$ 965,458	\$ 907,802	\$ 985,042
Payable for investments purchased	6,586	594	4,825	13,057	1,860
Interest payable	2,927	10,719	4,425	10,837	6,621
Incentive compensation payable	5,048	5,245	-	4,754	5,370
Other liabilities	8,129	7,799	9,113	9,301	3,199
Total liabilities	954,441	950,970	983,821	945,751	1,002,092
NET ASSETS	\$ 734,328	\$ 705,142	\$ 679,584	\$ 776,318	\$ 798,626
NET ASSETS PER SHARE	\$ 12.71	\$ 12.21	\$ 11.76	\$ 13.21	\$ 13.59

## 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

Computershare Inc.  
(866) 333-6433 (from U.S.)  
(201) 680-6578 (from outside U.S.)  
[www.computershare.com/investor](http://www.computershare.com/investor)

## Corporate Headquarters

2951 28<sup>th</sup> Street  
Suite 1000  
Santa Monica, CA 90405

## Investor Relations

Katie McGlynn  
(310) 566-1094  
[investor.relations@tcpcapital.com](mailto:investor.relations@tcpcapital.com)  
[www.tcpcapital.com](http://www.tcpcapital.com)