



# BlackRock TCP Capital Corp. Investor Presentation

March 31, 2023

# 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.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 “Risk Factors” section of the Company’s Form 10-K for the year ended December 31, 2022, 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.

# First Quarter 2023 Financial Highlights and Portfolio Overview

As of March 31, 2023

## Continued Strong Financial Performance

- Record net investment income of \$0.44 per share, exceeded the fourth quarter dividend of \$0.32 per share paid on March 31
- Loans on non-accrual limited to 2 portfolio companies; 0.3% of total investments at fair value and 0.5% at cost
- Declared a second quarter dividend of \$0.34 per share, payable on June 30, 2023 to stockholders of record as of the close of business on June 16, 2023

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

- Total portfolio fair value of \$1.7 billion diversified across 143 portfolio companies
- 88% invested in senior secured debt; 76% of the total portfolio is 1<sup>st</sup> lien
- Weighted average yield of the debt portfolio is 13.1%<sup>(1)</sup>
- Total acquisitions of \$76 million, dispositions of \$19 million

## Flexible Capital With Available Liquidity

- Diverse leverage program totaling \$1.2 billion, with well laddered maturities
- 56% of outstanding leverage as of March 31 is unsecured
- \$208 million of available credit facility capacity
- Net regulatory leverage ratio 1.04x, well within our 2:1 regulatory leverage limitation
- Fitch reaffirmed the Company's investment-grade rating with stable outlook during the first quarter

(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 12.3% as of 3/31/2023.

*Past performance does not guarantee future returns.*

# Middle Market Lending – A Large and Stable Opportunity

## Market Size

~200,000 U.S. Middle Market companies representing over \$10 trillion in annual revenue <sup>(1)</sup>

## Continued Growth

Middle Market companies on average posted 12.2% revenue growth in 2022 and expect about 10% growth in 2023.<sup>(1)</sup>

## Strong Credit Performance

Middle Market loans have historically experienced lower loss rates than broadly syndicated loans <sup>(2)</sup>

**Middle Market lending remains an attractive alternative to the broadly syndicated loan market for companies seeking capital for business expansion or acquisition**

- Ability for borrowers to obtain customized solutions
- Ease, speed and certainty of execution
- Increase in dedicated capital to the sector
- Value in establishing long-term relationships between borrowers, lenders and private equity sponsors

<sup>(1)</sup> Source: National Center for Middle Market at Ohio State University as of December 31, 2022

<sup>(2)</sup> Source: S&P, Fitch U.S. Leveraged Loan Default Insights

# Diversified Portfolio: Emphasis on Less-Cyclical Businesses

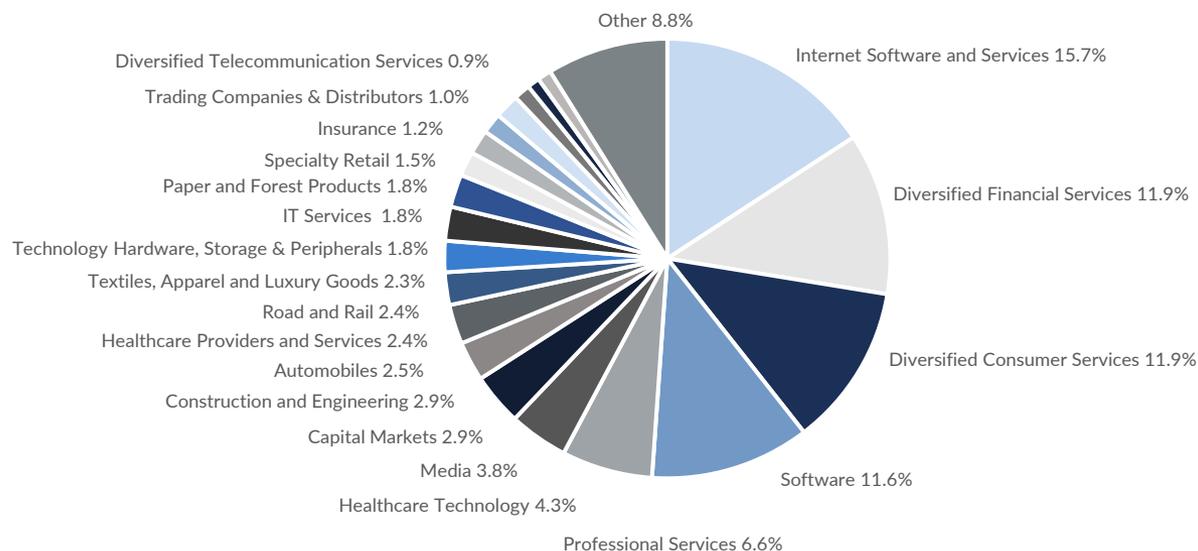
Substantially all investments subject to independent 3<sup>rd</sup> party valuation process every quarter

As of March 31, 2023

## Emphasis on Less-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 less-cyclical companies with strong covenants; investments in cyclical companies typically structured with significant collateral protections
- Each portfolio company investment subject to rigorous quarterly review process to identify and address new risks if they arise, including future capital needs or potential covenant breaches

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

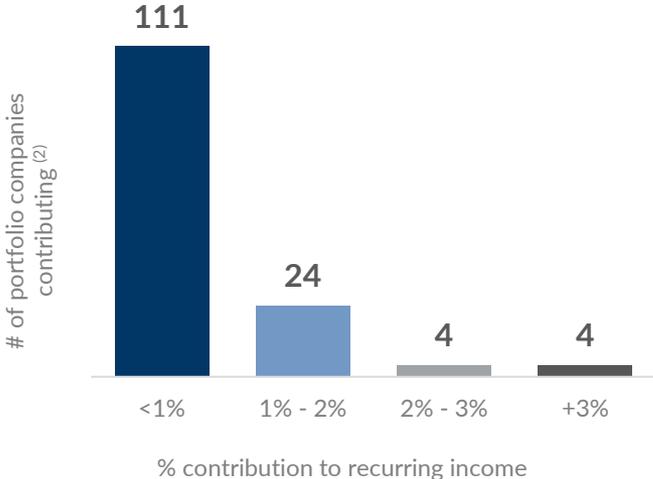


(1) Industry classification system generally categorizes portfolio companies based on the primary end market served, rather than the product or service directed to those end markets. *Past performance does not guarantee future returns.*

# Diversified Portfolio: Conservatively Positioned

As of March 31, 2023

## Diversified Income Contribution



**\$1.7 billion**  
portfolio fair value

**88% of portfolio**  
is senior secured debt

**13.1% 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 12.3% as of 3/31/2023.

(2) Excludes non-income producing equity investments

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# Strategically Positioned Balance Sheet

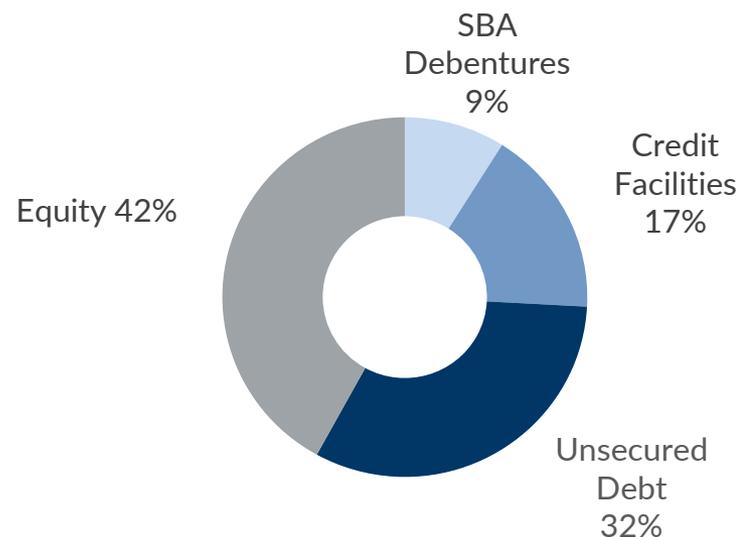
As of March 31, 2023

## Predominantly First Lien, Floating Rate Asset Portfolio

Seniority <sup>(1)</sup>	
First Lien	76%
Second Lien	12%
Junior	0%
Equity	12%

Fixed / Floating <sup>(2)</sup>	
Floating Rate	94%
Fixed Rate	6%

## Diverse Capital Structure<sup>(3)</sup>



(1) As a percent of total investments at fair value as of March 31, 2023.

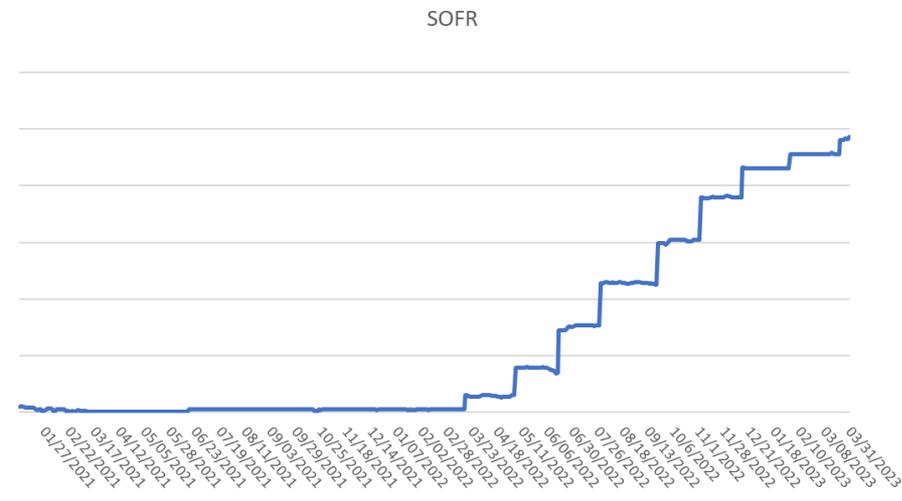
(2) As a percent of debt investments at fair value as of March 31, 2023.

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

# Well Positioned for a Rising Rate Environment

## Rates have risen significantly

- Interest rates have risen significantly over the last twelve months to the highest levels in several years, and 2022 saw the most significant increase in a single year in several decades
- Given the majority of our outstanding liabilities are fixed rate, we are well positioned to benefit from higher 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	+\$34,049,340	+\$ 0.59
Up 200 basis points	+\$22,699,560	+\$ 0.39
Up 100 basis points	+\$ 11,349,780	+\$ 0.20
Down 100 basis points	\$ (11,326,616)	\$(0.20)
Down 200 basis points	\$ (22,653,233)	\$(0.39)
Down 300 basis points	\$ (33,922,110)	\$(0.59)

(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 69 of the Company's 10-Q as of March 31, 2023.

# Well-Covered Dividend

## Net investment income of \$0.44 per share in Q1 2023

Out-earned quarterly dividend of \$0.32 per share paid on March 31, 2023

## Declared Q2 2023 dividend of \$0.34 per share

Payable on June 30, 2023 to holders of record as of June 16, 2023

Consistent coverage of the regular dividend every quarter since IPO in 2012

	2012 <sup>(1,2)</sup>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Q1
Per Share												
Regular dividend	\$1.04	\$1.43	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.32	\$1.20	\$1.22	\$0.32
Net investment income	\$1.42	\$1.65	\$1.55	\$1.64	\$1.51	\$1.59	\$1.59	\$1.61	\$1.44	\$1.26	\$1.53	\$0.44
<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>109%</b>	<b>105%</b>	<b>125%</b>	<b>137%</b>
Special dividend	\$0.05	\$0.10	\$0.10								\$0.05	

(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 investment platform creates substantial scale and scope that provides insight, access, and expertise in sourcing, underwriting and managing differentiated investments**

## Global Credit Expertise

- \$152 billion<sup>(1)</sup> in AUM across credit asset classes globally
- 257<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

(1) As of March 31, 2023. AUM includes managed assets and dry powder.

# Breadth and Depth of BlackRock's Global Credit Platform

Global Credit AUM: \$152 billion<sup>(1)</sup>

## Leveraged Finance

- High Yield
- Bank Loans
- CLOs

## Multi-Strategy Credit

- Pan-Credit Solutions
- Hedge Fund Strategies

## Private Credit

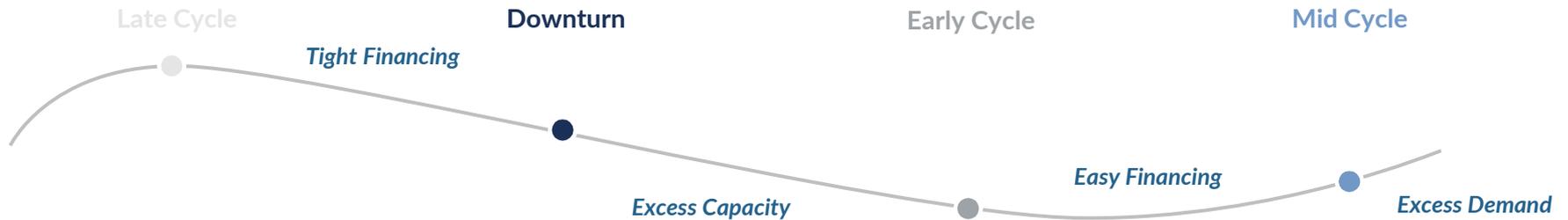
- Direct Lending
- Opportunistic Credit
- Specialty Finance

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 March 31, 2023. Includes managed assets and dry powder.

# Well Positioned to Manage Through the Cycle



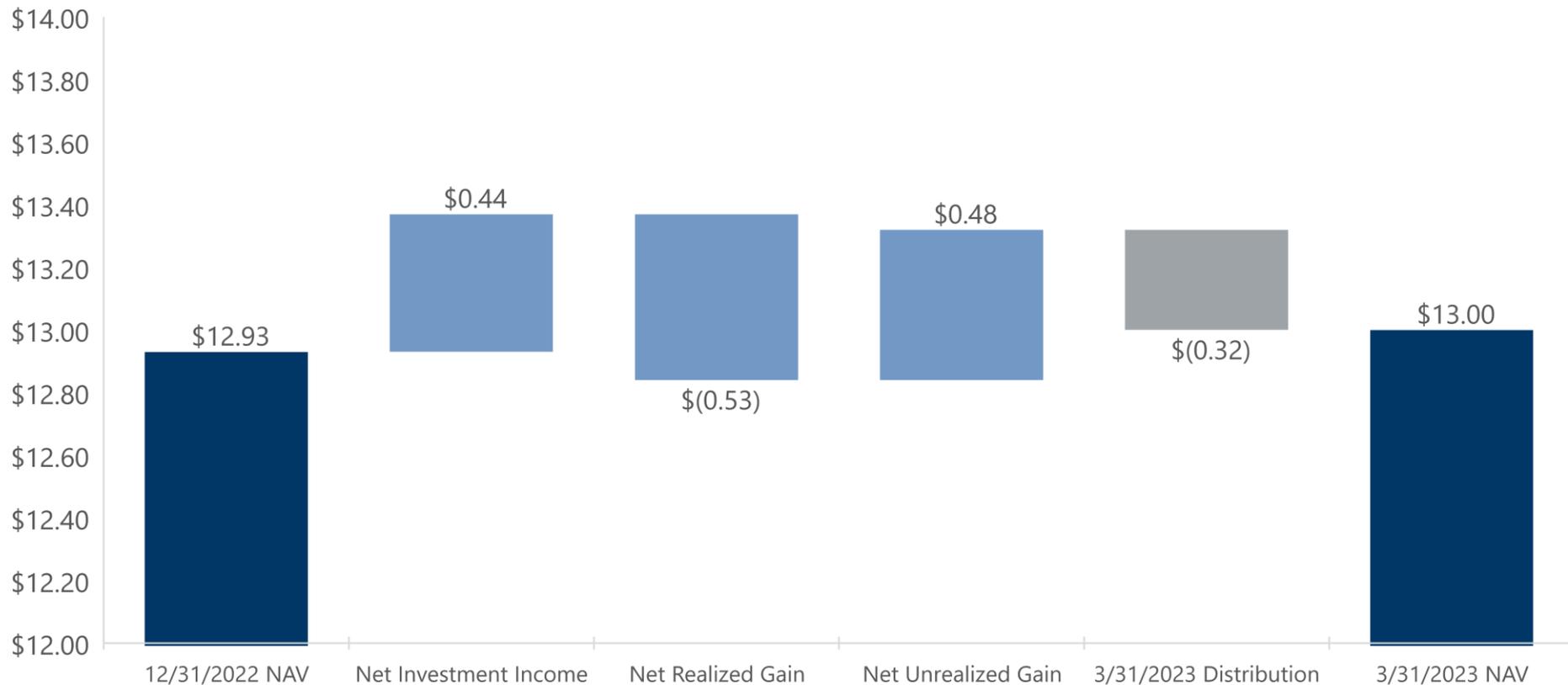
## Strategy attributes are well-positioned to withstand a downturn

- ✓ 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 nearly 45% of assets invested over the last twelve months

Source: BlackRock. As of March 31, 2023

# Net Asset Value (“NAV”) Bridge – First Quarter 2023

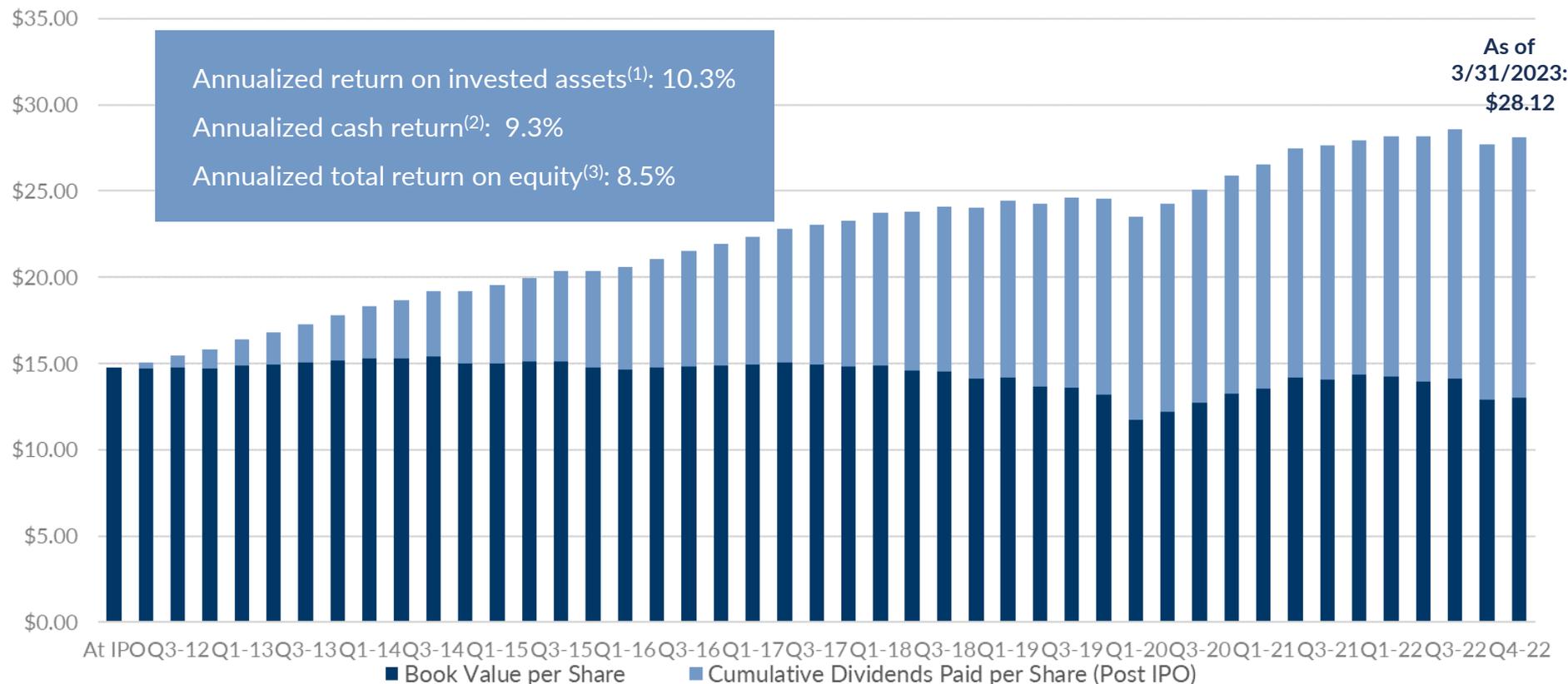
Quarter over quarter NAV increased 0.5%, primarily driven by NII in excess of the dividend



Past performance does not guarantee future returns.

# Strong Track Record

## Book Value per Share and Dividends Paid



(1) 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 March 31, 2023.

(2) Cash return calculated as total distributions from April 6, 2012 through March 31, 2023, divided by opening NAV of \$14.76 on April 6, 2012.

(3) Total return calculated as the change in net asset value plus dividends distributed between April 6, 2012 and March 31, 2023.

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# Diversified Sources of Funding

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

As of March 31, 2023, \$ in millions

Source	Capacity	Drawn Amount	Available	Pricing	Maturity
Operating Facility	\$ 300.0 <sup>(1)</sup>	\$ 202.0	\$ 98.0	L + 1.75% <sup>(2)</sup>	May-26
Funding Facility II	200.0 <sup>(3)</sup>	100.0	100.0	S + 2.00% <sup>(4)</sup>	Aug-25
SBA Debentures	160.0	150.0	10.0	2.52% <sup>(5)</sup>	2024-2031
2024 Notes	249.1 <sup>(6)</sup>	249.1	-	3.900%	Aug-24
2026 Notes	326.1 <sup>(7)</sup>	326.1	-	2.850%	Feb-26
<b>Total leverage</b>	<b>\$ 1,235.2</b>	<b>\$ 1,027.2</b>	<b>\$ 208.0</b>	<b>4.19% <sup>(8)</sup></b>	
Cash			98.8		
Net settlements			-		
Unamortized debt issuance costs		(4.6)			
<b>Net</b>		<b>\$ 1,022.6</b>	<b>\$ 306.8</b>		

- (1) Operating Facility has a \$100.0 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 March 31, 2023, \$8.0 million of the outstanding amount bore interest at a rate of EURIBOR + 2.00% and \$2.0 million of the outstanding amount bore interest at a rate of Prime + 1.00%.
- (3) Funding Facility II has a \$50.0 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 and a SOFR credit adjustment of 0.15%.
- (5) Weighted average interest rate, excluding fees of 0.35% or 0.36%.
- (6) \$250 million par. Carrying value shown.
- (7) \$325 million par. Carrying value shown.
- (8) Combined weighted-average interest rate on amounts outstanding as of March 31, 2023.

# 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>1.00% - 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 <b>total return</b> on NAV, cumulative lookback</li> </ul>	<ul style="list-style-type: none"> <li>6-8% annualized <b>NII return</b> on NAV, no lookback</li> </ul>
Incentive Compensation	<ul style="list-style-type: none"> <li>Capital Gains: <b>17.5%</b> of cumulative net realized gains less net unrealized depreciation, subject to a <u>cumulative</u>, annualized 7% total return hurdle calculated quarterly</li> <li>Ordinary Income: <b>17.5%</b> subject to a <u>cumulative</u>, annualized 7% total return hurdle calculated quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Capital Gains: <b>20%</b> of cumulative net realized gains less net unrealized depreciation, subject to a rolling 3-year annualized 7% return hurdle</li> <li>Ordinary Income: <b>20%</b> (based on <u>NII only</u>, excluding realized and unrealized losses) subject to quarterly hurdle rate <u>calculated quarterly</u></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 3/31/2023.

# Quarterly Operating Results

	2023			2022	
Unaudited (\$ in thousands, except per share amounts)	Q1	Q4	Q3	Q2	Q1
<b>Investment income</b>					
Interest income	\$ 48,992	\$ 45,139	\$ 46,098	\$ 41,080	\$ 40,454
Dividend income	937	1,243	1,731	2,656	1,538
Other income	379	307	377	219	159
Total investment income	<b>50,308</b>	<b>46,689</b>	<b>48,206</b>	<b>43,955</b>	<b>42,151</b>
<b>Expenses</b>					
Interest and other debt expenses	11,549	10,475	10,168	9,369	9,345
Management fees	5,878	6,357	6,629	6,606	6,668
Incentive fee	5,390	4,883	5,174	4,512	4,190
Administrative expenses	376	437	403	444	477
Legal fees, professional fees and due diligence expenses	454	401	387	410	570
Other expenses	1,288	1,113	1,054	1,344	1,147
Total expenses	<b>24,935</b>	<b>23,666</b>	<b>23,815</b>	<b>22,685</b>	<b>22,397</b>
<b>Net investment income</b>	<b>25,373</b>	<b>23,023</b>	<b>24,391</b>	<b>21,270</b>	<b>19,754</b>
Net realized and unrealized gain (loss)	(2,659)	(70,809)	1,848	(21,398)	(7,305)
Loss on extinguishment of debt	-	-	-	-	-
<b>Net increase (decrease) in net assets</b>	<b>\$ 22,714</b>	<b>\$ (47,785)</b>	<b>\$ 26,239</b>	<b>\$ (128)</b>	<b>\$ 12,449</b>
Earnings (loss) per share	\$0.39	(\$0.83)	\$0.45	\$(0.00)	\$ 0.22
<b>Net investment income per share<sup>(1)</sup></b>	<b>\$0.44</b>	<b>\$0.40</b>	<b>\$0.42</b>	<b>\$ 0.37</b>	<b>\$ 0.34</b>
<b>Dividend per share</b>	<b>\$0.32</b>	<b>\$0.32</b>	<b>\$0.30</b>	<b>\$ 0.30</b>	<b>\$ 0.30</b>
Weighted average common shares outstanding	57,767,264	57,767,264	57,767,264	57,767,264	57,767,264
Ending common shares outstanding	57,767,264	57,767,264	57,767,264	57,767,264	57,767,264

(1) After incentive compensation

# Financial Highlights

	2023	2022			
	Unaudited	Unaudited			
(\$ per share)	Q1	Q4	Q3	Q2	Q1
Net investment income	0.44	0.40	0.42	0.37	0.34
Net realized & unrealized gains (losses)	(0.05)	(1.22)	0.03	(0.37)	(0.12)
Net increase (decrease) in net assets from operations	0.39	(0.83)	0.45	(0.00)	0.22
Dividend paid	(0.32)	(0.37)	(0.30)	(0.30)	(0.30)
Net asset value	13.00	12.93	14.12	13.97	14.27

	2023	2022			
	Q1	Q4	Q3	Q2	Q1
Total fair value of investments (000s)	1,665,730	1,609,587	\$ 1,678,875	\$ 1,796,878	\$ 1,795,751
Number of portfolio companies	143	136	132	122	119
Average investment size (000s)	11,648	\$11,835	\$ 12,719	\$ 14,728	\$ 15,090
Debt/equity ratio <sup>(1)</sup>	1.17x	1.07x	1.03x	1.11x	1.07x
Debt/equity ratio, net of cash <sup>(1)(2)</sup>	1.04x	0.96x	0.90x	1.05x	1.02x

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

(2) Net of trades pending settlement

# Portfolio Highlights

	2023	2022			
Asset Mix of the Investment Portfolio (in thousands)	Q1	Q4	Q3	Q2	Q1
Senior secured debt	\$ 1,470,731	\$ 1,420,428	\$ 1,458,080	\$ 1,591,445	\$ 1,584,366
Junior debt	-	-	3,508	3,483	3,162
Equity <sup>(1)</sup>	194,999	189,160	217,287	201,950	208,223
<b>Total investments</b>	<b>\$ 1,665,730</b>	<b>\$ 1,609,588</b>	<b>\$ 1,678,875</b>	<b>\$ 1,796,878</b>	<b>\$ 1,795,751</b>

	2023	2022			
Portfolio Activity (in thousands)	Q1	Q4	Q3	Q2	Q1
Gross acquisitions	\$ 76,022	\$ 74,932	\$ 48,301	\$ 102,721	\$ 112,354
Exits (includes repayments)	19,323	75,422	170,415	82,180	153,442
<b>Net acquisitions (exits)</b>	<b>\$ 56,698</b>	<b>\$ (490)</b>	<b>\$ 122,114</b>	<b>\$ 20,541</b>	<b>\$ (41,088)</b>

(1) Includes equity interests in diversified portfolios of debt and lease assets

# Quarterly Balance Sheets

	2023	2022				2021
<i>(in thousands, except per share data)</i>		Unaudited				Audited
ASSETS	Q1	Q4	Q3	Q2	Q1	Q4
Investments at fair value	\$ 1,665,730	\$ 1,609,588	\$ 1,678,875	\$ 1,796,878	\$ 1,795,751	\$ 1,841,138
Cash and cash equivalents	98,789	82,435	105,795	49,427	43,651	19,552
Accrued interest income	22,389	20,904	19,309	19,337	21,459	20,061
Receivable for investments sold	-	-	234	234	234	6,025
Other assets	5,891	6,423	7,510	6,638	7,820	7,453
<b>Total assets</b>	<b>\$ 1,792,799</b>	<b>\$ 1,719,350</b>	<b>\$ 1,811,723</b>	<b>\$ 1,872,514</b>	<b>\$ 1,868,915</b>	<b>\$ 1,894,229</b>
LIABILITIES						
Debt, net of unamortized issuance costs	\$ 1,022,620	\$ 944,006	\$ 983,873	\$ 1,041,901	\$ 1,027,911	\$ 1,012,461
Payable for investments purchased	-	1,937	458	17	-	28,994
Interest payable	4,042	9,261	3,462	9,607	3,209	10,864
Incentive compensation payable	5,390	4,884	5,174	4,512	4,190	3,742
Other liabilities	9,765	12,508	2,843	9,473	9,143	8,711
<b>Total liabilities</b>	<b>1,041,817</b>	<b>972,596</b>	<b>995,810</b>	<b>1,065,510</b>	<b>1,044,453</b>	<b>1,064,772</b>
<b>NET ASSETS</b>	<b>\$ 750,982</b>	<b>\$ 746,754</b>	<b>\$ 815,913</b>	<b>\$ 807,004</b>	<b>\$ 824,462</b>	<b>\$ 829,457</b>
<b>NET ASSETS PER SHARE</b>	<b>\$13.00</b>	<b>\$12.93</b>	<b>\$14.12</b>	<b>\$13.97</b>	<b>\$ 14.27</b>	<b>\$ 14.36</b>

## Securities Listing

NASDAQ: TCPC

## Research Coverage

- Bank of America Merrill Lynch
- 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)

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## Investor Relations

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