



# BlackRock TCP Capital Corp. Investor Presentation

June 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 <http://www.tpcapital.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, 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 <http://www.tpcapital.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 June 30, 2019

## Who we are

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

**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 29 quarters as a public company

Outperformed the Wells Fargo BDC Index by 33% 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 11.0% weighted average effective yield on debt portfolio<sup>(1)</sup>

**Diversified low cost of financing** with \$1.1 billion leverage program at a 4.32% 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 10.5% as of 6/30/2019.

*Past performance does not guarantee future returns.*

# Second Quarter 2019 Financial and Portfolio Highlights

As of June 30, 2019

Dividend Coverage	<ul style="list-style-type: none"><li>▪ Net investment income of \$0.41; dividend of \$0.36 per share</li></ul>
Disciplined Deployment	<ul style="list-style-type: none"><li>▪ Deployment of \$232 million gross, \$115 million net of dispositions</li><li>▪ Total portfolio companies reached a record of 104 companies</li></ul>
Well Positioned and Diverse Portfolio	<ul style="list-style-type: none"><li>▪ Effective yield on the debt portfolio of 11.0%<sup>(1)</sup></li><li>▪ 92% of the total portfolio consists of senior secured debt</li><li>▪ 91% of the debt portfolio is floating rate</li><li>▪ Largest position is just 3.2% of our portfolio</li></ul>
Low Cost & Diverse Funding Sources	<ul style="list-style-type: none"><li>▪ Increased credit facility capacity by \$150 million, including \$50 million post quarter-end</li><li>▪ Extended the maturity of both credit facilities to May 2023 and reduced the rate of the SVCP credit facility by 25 bps</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 10.5% as of 6/30/2019.

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# Well-Covered and Consistent Dividend

## Net investment income of \$0.41 per share in Q2 2019

Out-earned quarterly dividend of \$0.36 per share paid on June 28, 2019

## Declared Q3 2019 dividend of \$0.36 per share

Payable on September 30, 2019 to holders of record as of September 16, 2019

### Dividend covered in all 29 quarters since inception

	2012 <sup>(1,2)</sup>	2013	2014	2015	2016	2017	2018	2019	
								Q1	Q2
Per Share									
Regular dividend	\$1.04	\$1.43	\$1.44	\$1.44	\$1.44	\$1.44	1.44	\$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
<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>
Special dividend	\$0.05	\$0.10	\$0.10						

(1) Incentive compensation was waived prior 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

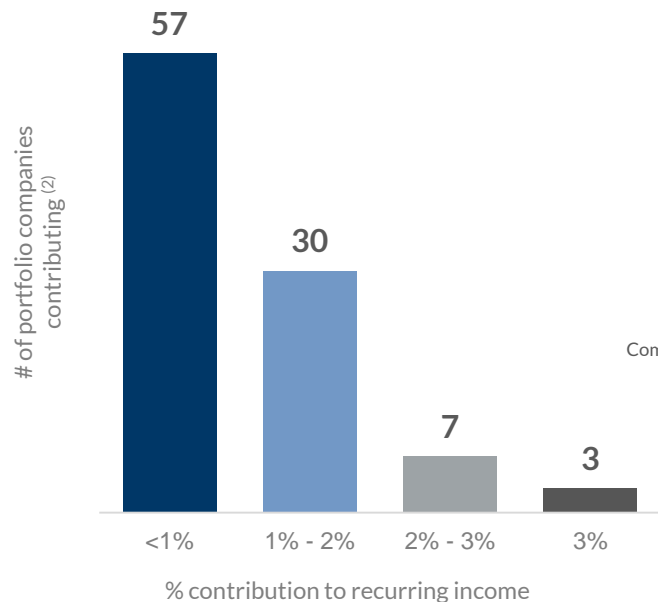
**\$1.7 billion  
portfolio fair value**

**92% of portfolio  
is senior secured debt**

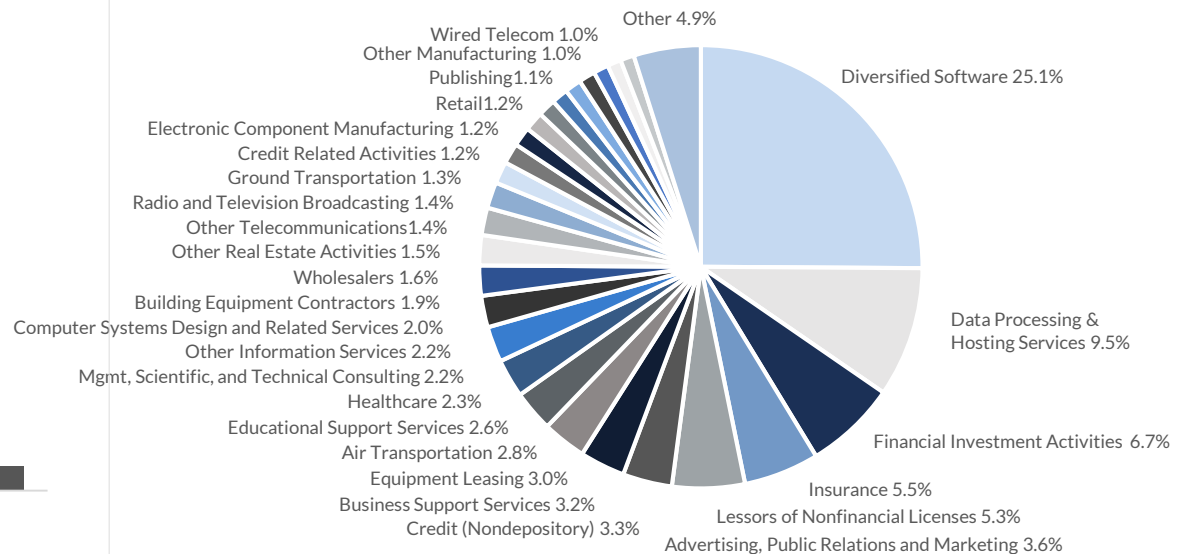
**Majority of our portfolio  
companies contribute  
< 1% to recurring income**

**11.0% weighted  
average effective yield  
on debt portfolio<sup>(1)</sup>**

## Diversified Income Contribution



## Industry Diversification



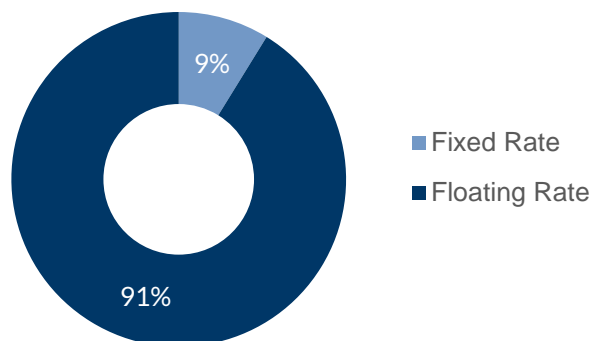
(1) Weighted average annual effective yield includes amortization of deferred debt origination and end-of-term fees and accretion of original issue discount, but excludes market discount, any prepayment and make-whole fee income, and any debt investments that are distressed or on non-accrual status. Weighted average effective yield on the total portfolio (including debt investments that are distressed or on non-accrual status and equity investments) was 10.5% as of 6/30/2019.

(2) Excludes non-income producing equity investments

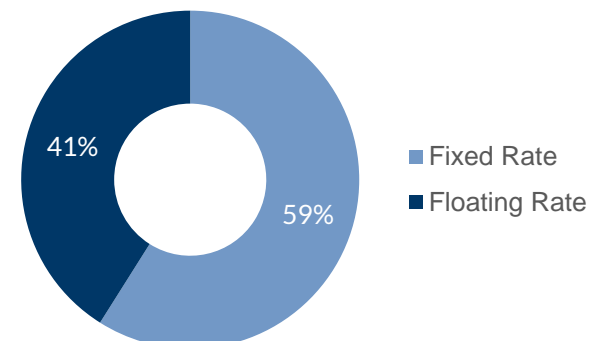
*Past performance does not guarantee future returns.*

# Strategically Positioned Balance Sheet

## Predominantly Floating Rate Asset Portfolio



## Liabilities Primarily Fixed Rate



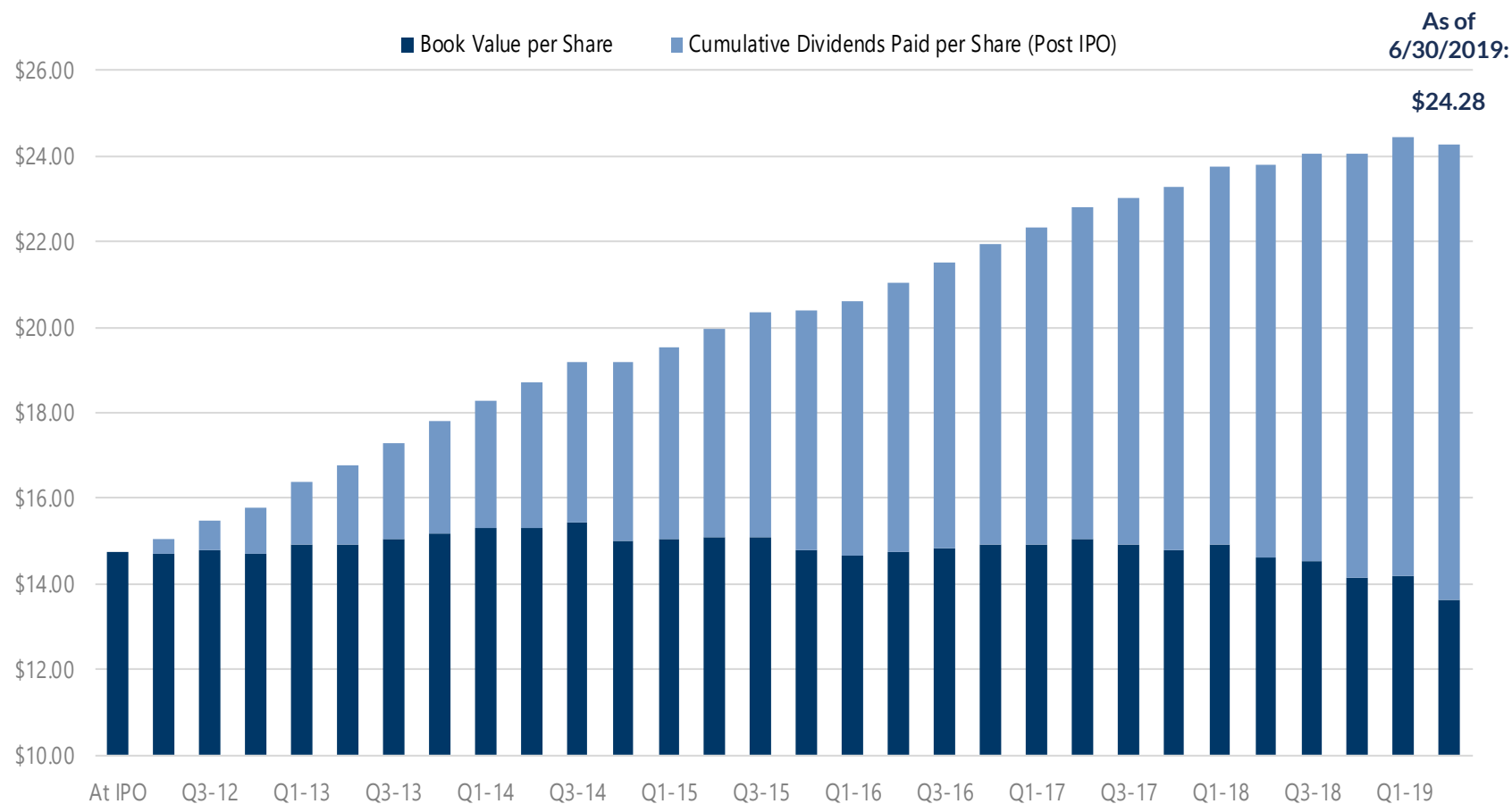
### Positive annual impact on net income of base rate increases in interest rates<sup>(1)</sup>

Basis Point Change	Net Investment Income	Net Investment Income Per Share
Up 300 basis points	+\$33,422,370	+\$0.57
Up 200 basis points	+\$22,281,580	+\$0.38
Up 100 basis points	+\$11,140,790	+\$0.19
Down 100 basis points	(\$10,861,625)	(\$0.18)
Down 200 basis points	(\$16,113,558)	(\$0.27)

(1) 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 June 30, 2019.

# Strong Track Record of Positive Performance

## Book Value per Share and Dividends Paid

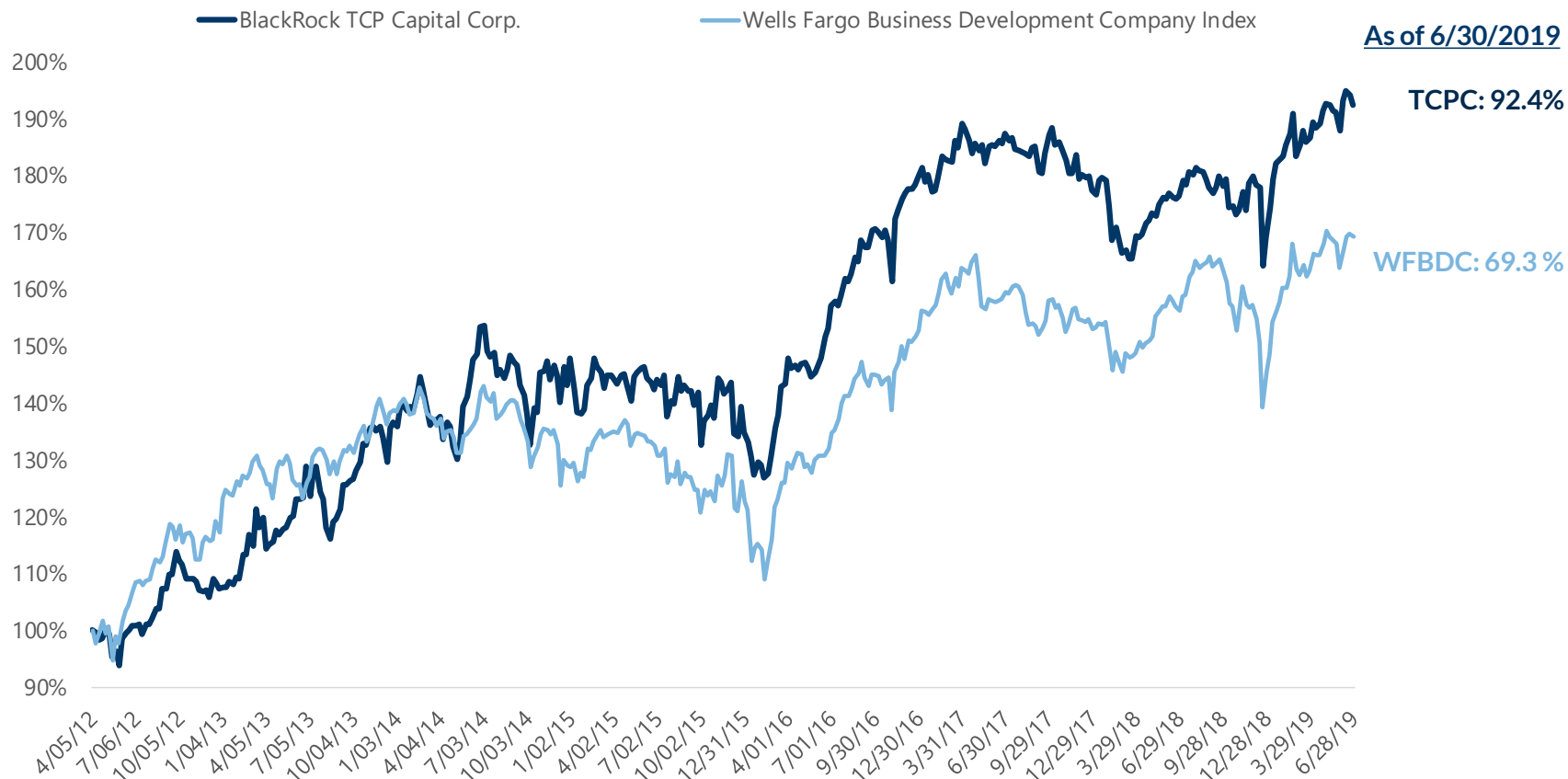


Past performance does not guarantee future returns.



# TCPC Outperformance

Outperformed the Wells Fargo BDC Index by 33% 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 \$6.8 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

- \$104 billion<sup>(1)</sup> in AUM across credit asset classes globally
- 199<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 June 30, 2019

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

Global Credit AUM: \$104 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 June 30, 2019

# TCPC's Risk-Mitigated Platform Well-Positioned in Today's Environment

## 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; year-over-year revenue growth rate of 8.5%<sup>(1)</sup>

### 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

## TCP's Competitive Advantages

- ✓ **Long history and track record** of success. 20+ years of experience lending across market cycles is a key competitive advantage in building relationships and reputation with borrowers/deal sources, and managing risk.
- ✓ TCP has always had a **robust direct origination platform**. BlackRock platform expands this access to deal flow, allowing for continued selectivity in underwriting.
- ✓ TCP often **leads or co-leads transactions**, playing an active role in due diligence, deal structuring, setting terms and monitoring investments. Direct relationships with borrowers can benefit and protect shareholders.
- ✓ The TCP team has **deep experience in both performing and distressed credit**, seeks to structure deals that are downside protected and has a proven history of successfully working out troubled credits.
- ✓ Deal team members are responsible for originating, structuring and monitoring investments – **aligning interests** over the life of an investment.

(1) As of June 30, 2019. Source: National Center for the Middle Market, "2Q 2019 Middle Market Indicator"

# Quarterly Operating Results

Unaudited (\$ in thousands, except per share amounts)	2019		2018		
	Q2	Q1	Q4	Q3	Q2
<b>Investment income</b>					
Interest income	\$ 47,631	\$ 46,977	\$ 47,657	\$ 49,348	\$ 48,318
Lease income	74	74	74	74	74
Dividend income	392	480	646	59	29
Other income	78	9	6	-	-
Total investment income	48,175	47,540	48,383	49,481	48,421
<b>Expenses</b>					
Interest and other debt expenses	11,145	10,688	10,651	10,072	10,104
Management and advisory fees	6,119	6,035	6,030	6,265	6,178
Incentive fee	4,831	5,353	5,840	6,128	5,987
Administrative expenses	600	599	600	600	597
Legal fees, professional fees and due diligence expenses	431	437	668	625	580
Other expenses	1,235	1,108	1,140	1,279	1,029
Total expenses	24,361	24,220	24,929	24,969	24,475
<b>Net investment income before taxes</b>	<b>23,814</b>	<b>23,320</b>	<b>23,454</b>	<b>24,512</b>	<b>23,946</b>
Excise taxes	-	-	93	-	-
<b>Net investment income</b>	<b>23,814</b>	<b>23,320</b>	<b>23,361</b>	<b>24,512</b>	<b>23,946</b>
Net realized and unrealized gain (loss)	(34,638)	802	(24,383)	(9,320)	(19,828)
<b>Net increase in net assets to common equity</b>	<b>\$ (10,824)</b>	<b>\$ 24,122</b>	<b>\$ (1,022)</b>	<b>\$ 15,192</b>	<b>\$ 4,118</b>
Earnings per share	\$ (0.18)	\$ 0.41	\$ (0.02)	\$ 0.26	\$ 0.07
Net investment income per share <sup>(1)</sup>	\$ 0.41	\$ 0.40	\$ 0.40	\$ 0.42	\$ 0.41
Dividend per share	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36
Weighted average common shares outstanding	58,765,802	58,767,442	58,787,623	58,806,049	58,823,534
Ending common shares outstanding	58,766,000	58,765,800	58,774,607	58,800,001	58,813,014

(1) After incentive compensation and taxes

# Financial Highlights

	2019		2018		
	Unaudited		Unaudited		
	Q2	Q1	Q4	Q3	Q2
(\$ per share)					
Net investment income	0.41	0.40	0.40	0.42	0.41
Net realized & unrealized gains (losses)	(0.59)	0.01	(0.42)	(0.16)	(0.34)
Net increase in net assets from operations	(0.18)	0.41	(0.02)	0.26	0.07
Dividend paid	(0.36)	(0.36)	(0.36)	(0.36)	(0.36)
Net asset value	13.64	14.18	14.13	14.51	14.61

	2019		2018		
	Q2	Q1	Q4	Q3	Q2
	Total fair value of investments (000s)	\$1,689,182	\$1,604,828	\$ 1,597,286	\$ 1,560,113
Number of portfolio companies	104	95	95	95	97
Average investment size (000s)	\$16,242	\$16,893	\$ 16,814	\$ 16,422	\$ 16,637
Debt/equity ratio <sup>(1)</sup>	.99x	.86x	.86x	.79x	.83x
Debt/equity ratio, net of cash <sup>(1)(2)</sup>	.98x	.84x	.83x	.75x	.80x

(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)	Q2	Q1	Q4	Q3	Q2
Senior secured debt	\$1,558,763	\$1,476,326	\$1,471,583	\$1,433,044	\$1,490,181
Junior debt	50,331	43,722	43,526	43,277	43,009
Equity	80,088	84,780	82,177	83,792	80,641
<b>Total investments</b>	<b>\$1,689,182</b>	<b>\$1,604,828</b>	<b>\$1,597,286</b>	<b>\$1,560,113</b>	<b>\$1,613,831</b>

	2019		2018		
Portfolio Activity (in thousands)	Q2	Q1	Q4	Q3	Q2
Gross acquisitions	\$232,232	\$150,142	\$176,379	\$163,734	\$124,821
Exits (includes repayments)	\$117,112	\$146,352	\$117,078	\$211,468	\$113,281
<b>Net acquisitions (exits)</b>	<b>\$115,120</b>	<b>\$3,790</b>	<b>\$59,301</b>	<b>\$(47,734)</b>	<b>\$11,540</b>

# Quarterly Balance Sheets

	2019		2018		
<i>(in thousands, except per share data)</i>	Unaudited	Unaudited	Audited	Unaudited	Unaudited
ASSETS	Q2	Q1	Q4	Q3	Q2
Investments at fair value	\$ 1,689,182	\$ 1,604,828	\$ 1,597,286	\$ 1,560,113	\$ 1,613,831
Cash and cash equivalents	21,858	26,752	27,920	90,283	27,592
Accrued interest income	20,340	21,861	21,701	22,517	23,388
Receivable for investments sold	434	434	-	59	7,938
Other assets	10,663	9,224	12,629	12,237	12,004
Total assets	1,742,477	1,663,099	1,659,536	1,685,209	1,684,753
LIABILITIES					
Debt, net of unamortized issuance costs	\$ 907,390	\$ 805,548	\$ 805,202	\$ 764,349	\$ 802,094
Payable for investments purchased	12,002	10,720	909	53,041	7,457
Interest payable	8,731	5,792	8,748	5,445	8,253
Incentive compensation payable	4,831	5,353	5,840	6,128	5,987
Other liabilities	8,182	2,368	8,362	3,233	1,780
Total liabilities	941,136	829,781	829,061	832,196	825,571
NET ASSETS	\$ 801,341	\$ 833,318	\$ 830,475	\$ 853,013	\$ 859,182
NET ASSETS PER SHARE	\$ 13.64	\$ 14.18	\$ 14.13	\$ 14.51	\$ 14.61



# 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 June 30, 2019.

# Diversified Sources of Funding

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

As of June 30, 2019, \$ in millions

Source	Capacity	Drawn Amount	Available	Pricing	Maturity
SVCP Facility	\$ 220.0 <sup>(1)</sup>	\$ 136.0	\$ 84.0	L + 2.00%	May-23
2019 Convertible Notes	107.7 <sup>(2)</sup>	107.7	-	5.25%	Dec-19
2022 Convertible Notes	138.3 <sup>(3)</sup>	138.3	-	4.625%	Mar-22
2022 Notes	174.6 <sup>(4)</sup>	174.6	-	4.125%	Aug-22
TCPC Funding Facility	350.0	239.0	111.0	L + 2.00% <sup>(5)</sup>	May-23
SBA Debentures	150.0	118.0	32.0	2.77% <sup>(6)</sup>	2024-2028
<b>Total leverage</b>	<b>\$ 1,140.6</b>	<b>\$ 913.6</b>	<b>\$ 227.0</b>	<b>4.32% <sup>(7)</sup></b>	
Cash			21.9		
Net settlements			(11.6)		
Unamortized debt issuance costs		(6.2)			
<b>Net leverage</b>		<b>\$ 907.4</b>	<b>\$ 237.3</b>		

(1) Capacity increased to \$270 million effective August 6, 2019.

(2) \$108 million par. Carrying value shown.

(3) \$140 million par. Carrying value shown.

(4) \$175 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%. As of June 30, 2019, \$15.0 million and \$5.0 million of the outstanding amount was not yet pooled, and bore interest at a temporary rate of 2.72% and 2.69%, respectively, plus fees of 0.35% through September 25, 2019, the date of the next SBA pooling.

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

## 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  
(800) 468-9716 (from U.S.)  
(651) 450-4064 (from outside U.S.)  
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