

# Investor Presentation

August 2018

BLACKROCK CAPITAL  
INVESTMENT CORPORATION

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# BlackRock Capital Investment Corporation Overview

**BlackRock Capital Investment Corporation (NASDAQ: BKCC) is a publicly traded and externally-managed BDC (business development company).**

- ▶ Provides middle-market companies with flexible financing solutions, including senior and junior secured and unsecured debt securities, as well as equity securities.
- ▶ Seeks and invests in opportunities which offer an attractive risk-adjusted return, while creating long-term partnerships with growing middle-market companies.
- ▶ 13+ year track record of delivering performance since our inception in 2005.
- ▶ Managed by a wholly owned indirect subsidiary<sup>14</sup> of BlackRock, Inc. (“BlackRock”) since March 6, 2015. BlackRock is the largest asset manager globally with approximately \$6.3 trillion under management, as of June 30, 2018.
- ▶ Experienced investment team possesses strong sourcing capabilities and sponsor relationships, employs rigorous bottom-up investment analysis and possesses restructuring/M&A skill set.
- ▶ BlackRock’s scope and scale enhances sourcing channels and provides informational advantage via company, sector and macro level insights.
- ▶ Evaluated approximately 4,000 investment opportunities since inception.
- ▶ Completed investments in 188 portfolio companies since inception.
- ▶ Approximately \$4.6 billion in capital provided to middle-market companies since inception.

## Key Metrics as of June 30, 2018

**Investment Portfolio<sup>6</sup>:**  
\$776.3 million

**Dividend Yield<sup>9</sup>:**  
12.3%

**Net Assets:**  
\$536.6 million or \$7.56 per share<sup>4</sup>

**Share Price:**  
\$5.83

**Quarterly Distribution Coverage<sup>10</sup>:**  
90%

**Market Capitalization:**  
\$414.0 million

Please see Notes to the Investor Presentation on page 13.

## Select Historical Financial Information

(\$ in Thousands, Except per Share Data)	Quarter Ended					Full Year Ended	
	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	12/31/16	12/31/17
Net Investment Income / (Loss)	\$ 13,869	\$ 12,140	\$ 14,517	\$ 11,623	\$ 11,538	\$ 54,037	\$ 55,092
Net Investment Income / (Loss) per share <sup>1</sup>	0.19	0.17	0.20	0.16	0.16	0.74	0.75
Net Investment Income / (Loss), pre-incentive fee <sup>3</sup>	13,869	12,140	14,517	11,623	11,538	54,037	55,092
Net Investment Income / (Loss) per share, pre-incentive fee <sup>1,3</sup>	0.19	0.17	0.20	0.16	0.16	0.74	0.75
Net Investment Income / (Loss), as adjusted <sup>3</sup>	13,869	12,140	14,517	11,623	11,538	54,037	55,092
Net Investment Income / (Loss) per share, as adjusted <sup>1,3</sup>	0.19	0.17	0.20	0.16	0.16	0.74	0.75
Net Realized / Unrealized Gains (Losses) before taxes <sup>13</sup>	3,106	(19,321)	(16,416)	(12,539)	(5,556)	(138,328)	(32,866)
Net Realized / Unrealized Gains (Losses) before taxes per share <sup>1</sup>	0.04	(0.26)	(0.22)	(0.17)	(0.08)	(1.90)	(0.45)
Net Increase / (Decrease) in Net Assets from Operations	16,975	(13,751)	3,348	(916)	4,171	(84,292)	20,902
Net Increase / (Decrease) in Net Assets from Operations per share <sup>1</sup>	0.23	(0.19)	0.05	(0.01)	0.06	(1.16)	0.29
Net Increase / (Decrease) in Net Assets from Operations, as adjusted <sup>3</sup>	16,975	(13,751)	3,348	(916)	4,171	(84,292)	20,902
Net Increase / (Decrease) in Net Assets from Operations per share, as adjusted <sup>1,3</sup>	0.23	(0.19)	0.05	(0.01)	0.06	(1.16)	0.29
Net Assets	607,513	581,478	571,100	553,065	536,581	596,320	571,100
Net Asset Value per share <sup>4</sup>	\$ 8.33	\$ 7.96	\$ 7.83	\$ 7.65	\$ 7.56	\$ 8.21	\$ 7.83
Distributions Declared	13,128	13,149	13,153	13,151	12,783	61,007	52,535
Distributions Declared per share	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.84	\$ 0.72
Weighted Average Shares - Basic <sup>1</sup>	72,929,346	73,049,648	73,145,321	72,991,828	71,705,463	72,757,978	72,983,354
Shares Outstanding at End of Period	72,932,083	73,052,261	72,946,910	72,284,630	71,015,946	72,676,242	72,946,910
Distribution Coverage <sup>10</sup>	114%	92%	110%	88%	90%	115%	104%
Net Leverage <sup>5</sup>	0.47x	0.42x	0.32x	0.56x	0.43x	0.55x	0.32x

Items above may not foot due to rounding.

Please see Notes to the Investor Presentation on page 13.

## Portfolio Activity

### PORTFOLIO ACTIVITY

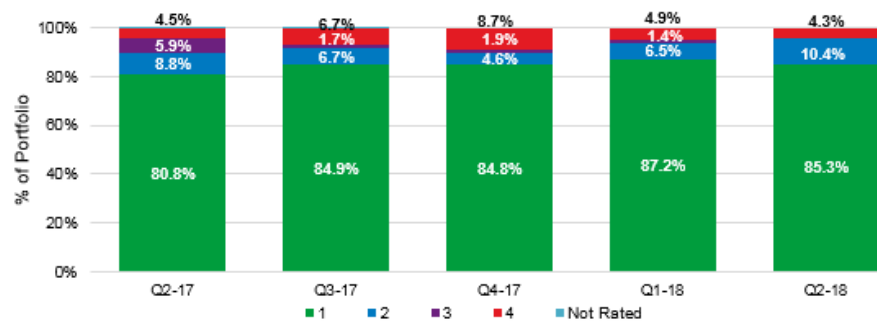
(\$ in Millions)	Quarter Ended				
	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18
New Investments at Cost <sup>2, 11</sup>	\$ 22.8	\$ 34.9	\$ 63.4	\$ 144.6	\$ 61.3
Proceeds from Sales, Repayments and Other Exits <sup>11</sup>	(72.0)	(75.7)	(124.3)	(17.2)	(152.1)
Net New Investments	\$ (49.2)	\$ (40.8)	\$ (60.9)	\$ 127.4	\$ (90.8)
Number of Portfolio Companies - Beginning of Period	35	34	32	30	31
Number of New Portfolio Company Investments	-	1	3	2	2
Number of Portfolio Company Exits	(1)	(3)	(5)	(1)	(4)
Number of Portfolio Companies - End of Period	34	32	30	31	29
<u>New Investments by Asset Class at Cost (\$):</u>					
Senior Secured 1st Lien Debt	\$ 3.4	\$ 2.1	\$ 29.1	\$ 77.6	\$ -
Senior Secured 2nd Lien Debt	-	14.9	20.9	26.5	27.1
Subordinated / Unsecured Debt	8.2	7.1	5.2	25.6	14.9
Preferred Equity	0.3	1.6	0.9	11.4	0.2
Common Equity & Other	10.9	9.3	7.2	3.5	19.1
<u>New Investments by Asset Class at Cost (%):</u>					
Senior Secured 1st Lien Debt	14.9%	6.0%	46.0%	53.7%	0.0%
Senior Secured 2nd Lien Debt	-	42.5%	33.0%	18.3%	44.2%
Subordinated / Unsecured Debt	35.9%	20.2%	8.2%	17.7%	24.3%
Preferred Equity	1.2%	4.6%	1.4%	7.9%	0.3%
Common Equity & Other	48.0%	26.7%	11.4%	2.4%	31.2%

Please see Notes to the Investor Presentation on page 13.

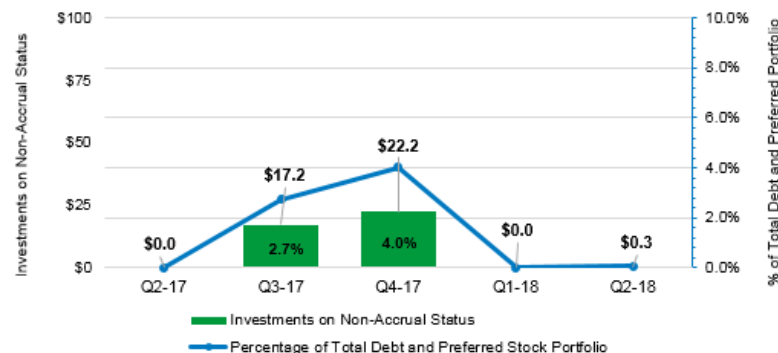
# Portfolio Status

(\$ in Millions)	Quarter Ended				
	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18
Investment Portfolio at Cost <sup>6</sup>	\$ 929	\$ 890	\$ 829	\$ 877	\$ 793
Investment Portfolio at Fair Value <sup>6</sup>	893	834	758	870	776
Fair Value % Cost	96.1%	93.7%	91.4%	99.2%	97.9%
Number of Portfolio Companies	34	32	30	31	29
Average Investment Size at Cost	\$ 27.3	\$ 27.8	\$ 27.6	\$ 28.3	\$ 27.3
<i>Portfolio by Asset Class at Fair Value:</i>					
Senior Secured 1st Lien Debt	\$ 270	\$ 253	\$ 215	\$ 274	\$ 213
Senior Secured 2nd Lien Debt	302	244	213	240	191
Subordinated / Unsecured Debt	150	136	125	141	138
Preferred Equity	56	60	60	68	56
Common Equity & Other	115	142	146	147	178
Yield on Income Producing Securities at Cost	10.9%	9.9%	9.7%	11.2%	11.3%
Yield on Senior Secured Loans at Cost	10.8%	10.8%	9.9%	10.9%	11.1%
Yield on Other Debt Securities at Cost	11.4%	8.9%	8.6%	12.3%	12.4%
Yield on Income Producing Securities at Fair Value	11.3%	10.8%	10.8%	11.3%	11.5%
Yield on Senior Secured Loans at Fair Value	11.0%	11.4%	10.7%	10.9%	11.1%
Yield on Other Debt Securities at Fair Value	12.6%	11.0%	11.6%	12.3%	12.4%

Portfolio by Internal Investment Rating (by FMV)



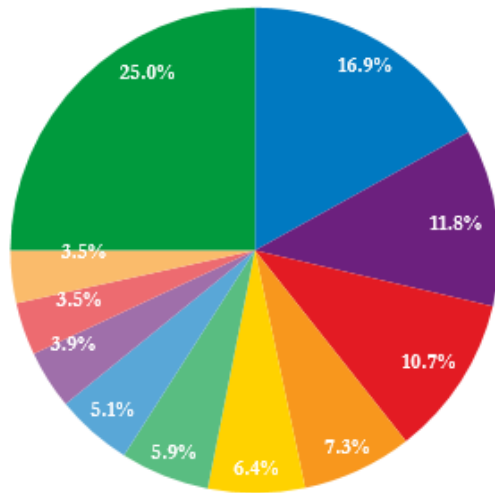
Portfolio by Non-Accrual Status (by FMV)



Please see Notes to the Investor Presentation on page 13.

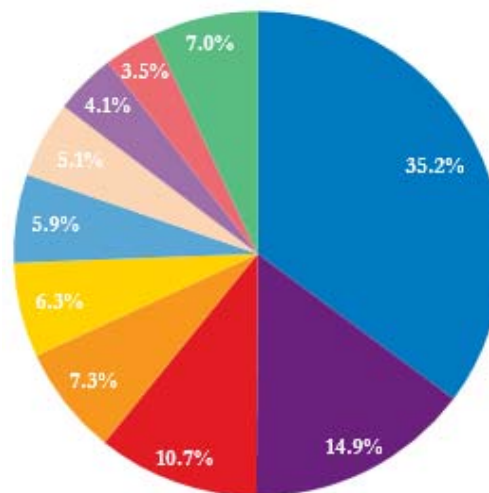
# Portfolio Composition at Fair Value at 6/30/18

Portfolio Composition by Issuer



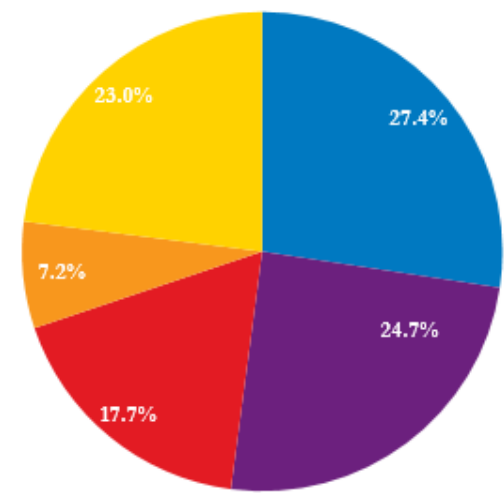
- Gordon Brothers Finance Company
- BCIC Senior Loan Partners
- U.S. Well Services, LLC
- Vertellus Specialties Inc.
- First Boston Construction Holdings, LLC
- AGY Holding Corp.
- St. George Warehousing & Trucking Co.
- Sur La Table, Inc.
- Pomeroy Group, LLC
- Hunter Defense Technologies, Inc.
- Other

Portfolio Composition by Industry



- Finance
- Chemicals, Plastics, & Rubber
- Energy: Oil & Gas
- Services: Business
- Retail
- Healthcare & Pharmaceuticals
- Transportation: Cargo
- Services: Consumer
- Aerospace & Defense
- Other

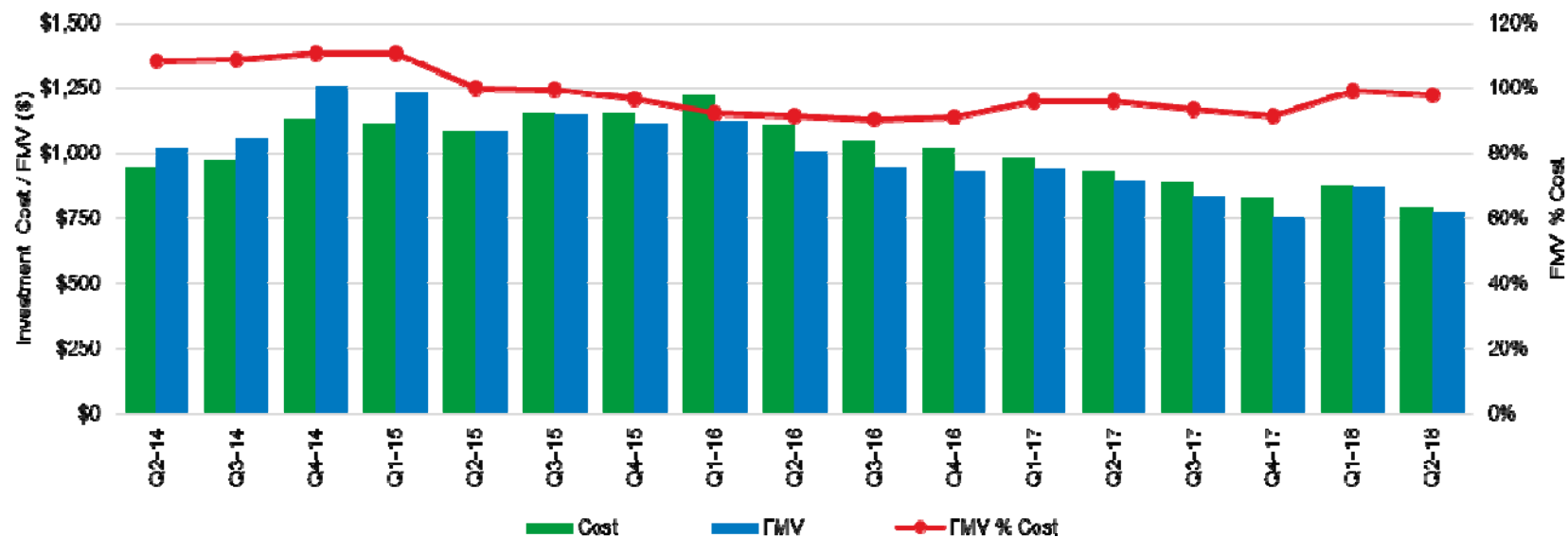
Portfolio Composition by Asset Class



- Senior Secured 1st Lien Debt
- Senior Secured 2nd Lien Debt
- Subordinated / Unsecured Debt
- Preferred Equity
- Common Equity & Other

# Portfolio Evolution

## Investment Cost / FMV



(\$ in Millions, Except per Share Data)

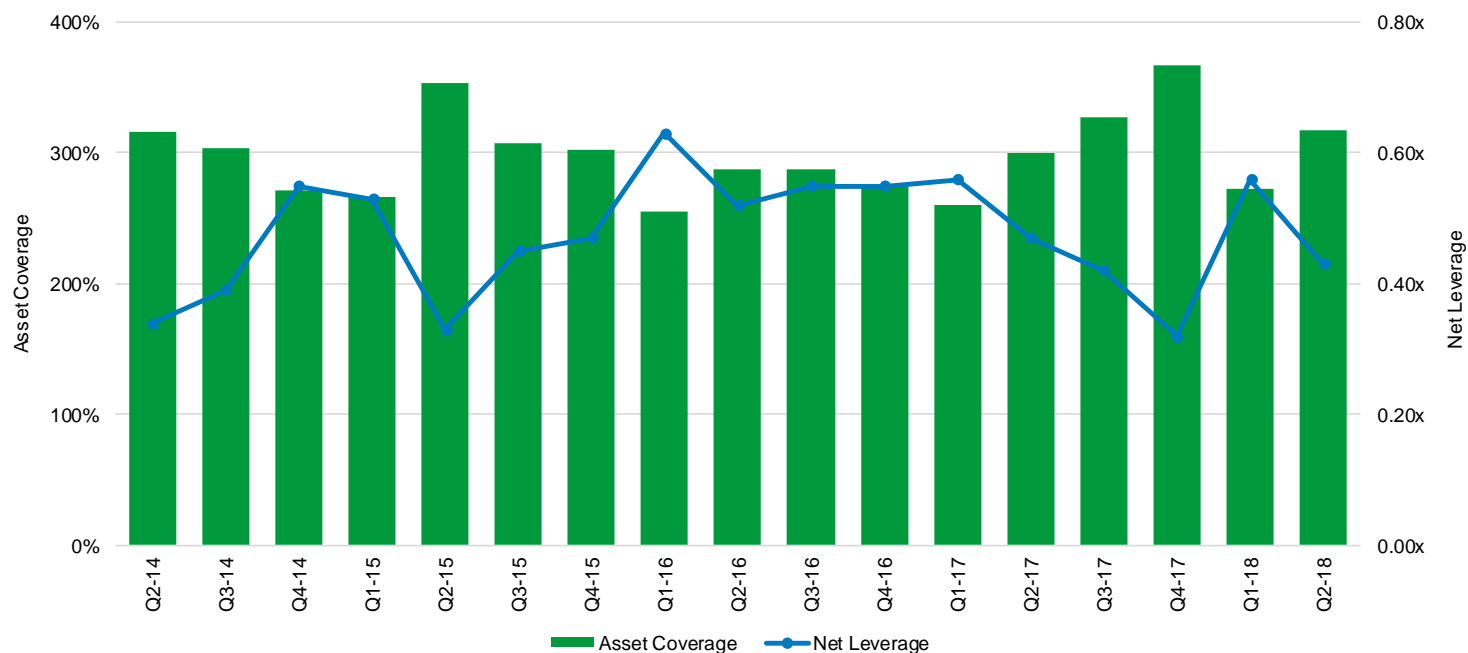
	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18
Cost	\$942	\$968	\$1,134	\$1,114	\$1,085	\$1,154	\$1,153	\$1,219	\$1,105	\$1,050	\$1,022	\$978	\$929	\$890	\$829	\$877	\$793
FMV	1,019	1,054	1,258	1,236	1,085	1,150	1,117	1,126	1,012	947	931	939	893	834	758	870	776
FMV % Cost	108%	109%	111%	111%	100%	100%	97%	92%	92%	90%	91%	96%	96%	94%	91%	99%	98%
NAV per share <sup>4</sup>	\$9.79	\$9.97	\$10.49	\$10.58	\$10.56	\$10.66	\$10.17	\$9.46	\$9.13	\$8.38	\$8.21	\$8.22	\$8.33	\$7.96	\$7.83	\$7.65	\$7.56

Please see Notes to the Investor Presentation on page 13.



# Leverage Profile

Quarterly Leverage Metrics



(\$ in Millions)	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18
FMV	\$1,019	\$1,054	\$1,258	\$1,236	\$1,085	\$1,150	\$1,117	\$1,126	\$1,012	\$947	\$931	\$939	\$ 893	\$ 834	\$ 758	\$ 870	\$ 776
Borrowings	329	360	448	472	304	376	364	443	350	323	337	372	300	251	211	314	245
Borrowings % FMV	32%	34%	36%	38%	28%	33%	33%	39%	35%	34%	36%	40%	34%	30%	28%	36%	32%
Asset Coverage Ratio <sup>7</sup>	316%	304%	271%	266%	353%	308%	302%	255%	287%	288%	275%	260%	300%	327%	367%	273%	317%
Net Leverage <sup>5</sup>	0.34x	0.39x	0.55x	0.53x	0.33x	0.45x	0.47x	0.63x	0.52x	0.55x	0.55x	0.56x	0.47x	0.42x	0.32x	0.56x	0.43x

- ▶ Asset coverage ratio<sup>7</sup> of 317% represents a \$287.1 million cushion to the minimum required ratio of 200% (or 150% under certain circumstances) per BDC regulations.
- ▶ Undrawn credit facility amount of \$295 million as of 6/30/18.

Please see Notes to the Investor Presentation on page 13.

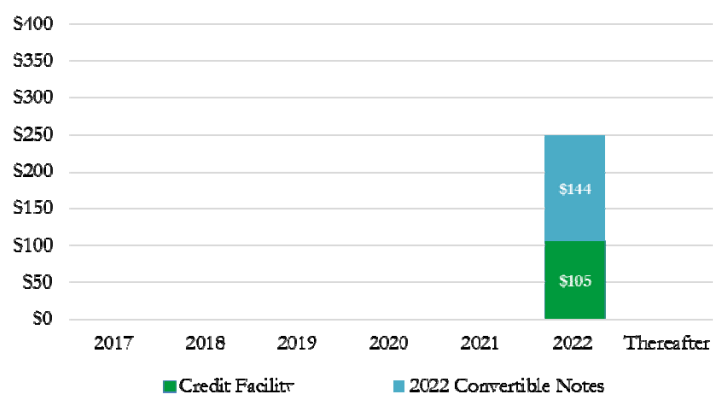
# Debt Summary

## Summary of Borrowings

(\$ in Millions)

Security	Amount as of 3/31/18		Amount as of 6/30/18		Rate	Maturity
	Available	Outstanding	Available	Outstanding		
Senior Secured Revolving Credit Facility <sup>8</sup>	\$400	\$174	\$400	\$105	L + 1.75% - 2.00%	2022
Unsecured Convertible Notes 2022 <sup>12</sup>	144	144	144	144	5.00%	2022
<b>Total</b>	<b>\$544</b>	<b>\$318</b>	<b>\$544</b>	<b>\$249</b>		

## Debt Maturity Profile



## Comparison of Debt Investments and Borrowings

	Amount as of 6/30/18	
	Debt Investments, at FMV	Borrowings
<i>Percentage of Total Amount Outstanding:</i>		
Fixed Rate Securities	26.2%	57.8%
Floating Rate Securities	73.8%	42.2%
Weighted Average Yield <sup>15</sup>	11.5%	4.6%
Weighted Average Years to Maturity	3.8	4.0

Please see Notes to the Investor Presentation on page 13.

## Reconciliation of Net Investment Income / (Loss)

(\$ in Thousands, Except per Share Data)	Q2 2017		Q3 2017		Q4 2017		Q1 2018		Q2 2018		2016		2017	
	(\$)	Per Share	(\$)	Per Share	(\$)	Per Share	(\$)	Per Share	(\$)	Per Share	(\$)	Per Share	(\$)	Per Share
<b>GAAP Basis:</b>														
Net Investment Income / (Loss)	\$ 13,869	\$ 0.19	\$ 12,140	\$ 0.17	\$ 14,517	\$ 0.20	\$ 11,623	\$ 0.16	\$ 11,538	\$ 0.16	\$ 54,037	\$ 0.74	\$ 55,092	\$ 0.75
Net Increase / (Decrease) in Net Assets from Operations	16,975	0.23	(13,751)	(0.19)	3,348	0.05	(916)	(0.01)	4,171	0.06	(84,292)	(1.16)	20,902	0.29
Addback: GAAP incentive management fee expense based on Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Addback: GAAP incentive management fee expense based on Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Pre-Incentive Fee <sup>3</sup></b>														
Net Investment Income / (Loss)	13,869	0.19	\$ 12,140	0.17	\$ 14,517	0.20	\$ 11,623	\$ 0.16	\$ 11,538	\$ 0.16	54,037	0.74	55,092	0.75
Net Increase / (Decrease) in Net Assets from Operations	16,975	0.23	(13,751)	(0.19)	3,348	0.05	(916)	(0.01)	4,171	0.06	(84,292)	(1.16)	20,902	0.29
Less: Incremental incentive management fee expense based on Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As Adjusted <sup>3</sup></b>														
Net Investment Income / (Loss)	13,869	0.19	\$ 12,140	\$ 0.17	\$ 14,517	\$ 0.20	\$ 11,623	\$ 0.16	\$ 11,538	\$ 0.16	54,037	0.74	55,092	0.75
Net Increase / (Decrease) in Net Assets from Operations	\$ 16,975	\$ 0.23	(13,751)	(0.19)	3,348	0.05	(916)	(0.01)	4,171	0.06	\$ (84,292)	\$ (1.16)	20,902	\$ 0.29

Note: The Net Investment Income amount for the three months ended June 30, 2018 is net of incentive management fees based on income and a corresponding incentive management fee waiver in the amount of \$1,921,506.

Please see Notes to the Investor Presentation on page 13.

## Internal Investment Rating System Overview

BlackRock Capital Investment Advisors, LLC (the “Advisor”)<sup>14</sup> employs a grading system for its entire portfolio in which all loans are rated on a scale of 1 to 4. This system is intended to reflect the performance of the borrower’s business, the collateral coverage of the loans and other factors considered relevant. The following is a description of the conditions associated with each investment rating:

- ▶ **Grade 1:** Investments in portfolio companies whose performance is substantially within Advisor’s expectations and whose risk factors are neutral to favorable to those at the time of the original investment.
- ▶ **Grade 2:** Investments in portfolio companies whose performance is below Advisor’s expectations and which require closer monitoring. However, no loss of investment return (interest and/or dividends) or principal is expected.
- ▶ **Grade 3:** Investments in portfolio companies whose performance is below Advisor’s expectations and for which risk has increased materially since origination. Some loss of investment return is expected, but no loss of principal is expected. Companies graded 3 will generally be out of compliance with debt covenants and will be unlikely to make debt repayments on their original schedule.
- ▶ **Grade 4:** Investments in portfolio companies whose performance is materially below Advisor’s expectations where business trends have deteriorated and risk factors have increased substantially since the original investment. Investments graded 4 are those for which some loss of principal is expected.

# Notes to the Investor Presentation

1. Income statement data per share excludes the impact of diluted weighted average shares outstanding.
2. Includes PIK interest and dividends earned during the period presented.
3. As adjusted: Amounts are adjusted to remove the incentive management fee expense based on gains, as required by GAAP, and to include only the incremental incentive management fee expense based on Income. Until March 6, 2017, the incremental incentive management fee is calculated based on the current quarter's incremental earnings, and without any reduction for incentive management fees paid during the prior calendar quarters. After March 6, 2017, incentive management fee expense based on income is calculated for each calendar quarter and may be paid on a quarterly basis if certain thresholds are met. Amounts reflect the Company's ongoing operating results and reflect the Company's financial performance over time. The Company's investment advisor has agreed to waive the incentive fee based on income through December 31, 2018 (See Note 3 to the consolidated financial statements).  
  
Pre-Incentive Fee: Amounts are adjusted to remove all incentive management fees. Such fees are calculated but not necessarily due and payable at this time.
4. Balance sheet per share data utilizes total shares outstanding at end of period.
5. Net leverage is calculated as the ratio between (A) and (B) at the end of respective periods: (A) debt, excluding unamortized debt issuance costs, less available cash and receivable for investments sold, and plus legal settlement payable, if applicable, (B) net asset value.
6. Total investment portfolio excludes cash and cash equivalents.
7. Asset coverage ratio represents the ratio of total assets less non-debt liabilities to total indebtedness.
8. On March 15, 2018, the Company entered into a Third Amendment to the Second Amended and Restated Senior Secured Revolving Credit Facility, which permanently reduces the aggregate amount of multicurrency commitments under the Credit Facility from \$440,000,000 to \$400,000,000. The interest rate applicable to Eurocurrency borrowings is generally LIBOR plus an applicable margin of either 1.75% or 2.00% based on a pricing grid using the borrowing base as a multiple of the combined debt amount.
9. Dividend yield as of a date is calculated by annualizing the most recent quarterly dividend announced on this release date as a percentage of the closing stock price on dividend yield date.
10. Distribution Coverage for any period represents the ratio of net investment income, as adjusted, for that period to distributions declared during the same period. Year ended 12/31/2016 ratio excludes a one-time \$17.5 million legal settlement expense and a one-time \$1.1 million insurance reimbursement. Similarly, year ended 12/31/2017 ratio excludes insurance reimbursement of \$0.6 million.
11. Inclusive of amounts due to restructurings, if applicable.
12. The Unsecured Convertible Notes 2022 have a par outstanding amount of \$144 million. For accounting purposes, \$140 million is recognized as debt balance (net of unamortized debt issuance cost of approximately \$4 million).
13. Net Realized / Unrealized Gains (Losses) does not include the change in deferred tax liability for the quarters ended 9/30/2017 and 6/30/2018 and for the quarter and year ended 12/31/2017. Net Realized / Unrealized Gains (Losses) do not include the Loss on Extinguishment of Debt resulting from our tender offer of the Unsecured Convertible Notes 2018, for quarter and year ended 12/31/2017.
14. On January 16, 2018, we announced that BlackRock Advisors, LLC assigned the Management Agreement, dated March 6, 2015, to a wholly-owned subsidiary, BlackRock Capital Investment Advisors, LLC ("BCIA") pursuant to Rule 2a-6 of the 1940 Act. There was no change to fees, nor to the personnel overseeing the provision of investment management services to us.
15. The weighted average yield for borrowings is calculated based on the contractual rate.

Note: Schedules may differ from public filings due to rounding.

# Corporate Information

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# Corporate Information

## Board of Directors\*

### James E. Keenan

Chairman of the Board  
Global Head of Fundamental Credit, BlackRock

### John R. Baron\*\*

Managing Partner of Crystal Ridge Partners, LP

### Jerrold B. Harris

Former President and Chief Executive Officer of VWR Scientific Products Corporation

### Mark S. Lies

Former Global Head of Loan Products and Co-Head of Leveraged Finance for Lehman Brothers Holdings

### Meridee A. Moore

Senior Managing Member of Watershed Asset Management, LLC

### William E. Mayer\*\*\*

Co-founder & Partner at Park Avenue Equity Partners, L.P.

### Maureen K. Usifer \*\*\*\*

Former Chief Financial Officer of Seventh Generation Inc.

\*Full bios are available on the website

\*\*Governance Committee Chair

\*\*\*Lead Independent Director

\*\*\*\*Audit Committee Chair

## Corporate Officers

### James E. Keenan

Interim Chief Executive Officer

### Michael Pungello

Interim Chief Financial Officer and Interim Treasurer

### Laurence D. Paredes

General Counsel and Corporate Secretary

### Charles Park

Chief Compliance Officer

## Senior BlackRock US Private Capital Professionals

### Nik Singhal

Investor Relations & Business Strategy  
nik.singhal@blackrock.com  
212.810.5427

## Other Information

### Independent Registered Public Accounting Firm

Deloitte & Touche LLP  
New York, NY

### Exchange

NASDAQ Global Select Market

### Listed Security

BKCC Common Stock

### Transfer Agent

BNY Mellon c/o  
Computershare  
P.O. BOX 30170  
College Station, TX 77842-3170

### Corporate Headquarters

40 East 52nd Street  
New York, NY 10022

### Website

www.blackrockbkcc.com