

# Investor Presentation

November 2017

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.
- ▶ 12+ year track record of delivering performance since our inception in 2005.
- ▶ Managed by BlackRock Advisors, LLC (“Advisor”), a wholly owned indirect subsidiary of BlackRock, Inc. (“BlackRock”) since March 6, 2015. BlackRock is the largest asset manager globally with approximately \$6.0 trillion under management, as of September 30, 2017.
- ▶ 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 181 portfolio companies since inception.
- ▶ Approximately \$4.5 billion in capital provided to middle-market companies since inception.

## Key Metrics as of September 30, 2017

**Investment Portfolio<sup>6</sup>:**  
\$833.9 million

**Dividend Yield<sup>9</sup>:**  
9.6%

**Net Assets:**  
\$581.5 million or \$7.96 per share<sup>4</sup>

**Share Price:**  
\$7.50

**Quarterly Distribution Coverage<sup>10</sup>:**  
92%

**Market Capitalization:**  
\$547.9 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	
	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/15	12/31/16
Net Investment Income / (Loss)	\$ (2,131)	\$ 17,082	\$ 14,565	\$ 13,869	\$ 12,140	\$ 75,191	\$ 54,037
Net Investment Income / (Loss) per share <sup>1</sup>	(0.03)	0.24	0.20	0.19	0.17	1.01	0.74
Net Investment Income / (Loss), pre-incentive fee <sup>3</sup>	(2,131)	17,082	14,565	\$ 13,869	\$ 12,140	72,002	54,037
Net Investment Income / (Loss) per share, pre-incentive fee <sup>1,3</sup>	(0.03)	0.24	0.20	0.19	0.17	0.97	0.74
Net Investment Income / (Loss), as adjusted <sup>3</sup>	(2,131)	17,082	14,565	\$ 13,869	\$ 12,140	71,991	54,037
Net Investment Income / (Loss) per share, as adjusted <sup>1,3</sup>	(0.03)	0.24	0.20	0.19	0.17	0.97	0.74
Net Realized / Unrealized Gains (Losses)	(36,942)	(14,572)	(235)	3,106	(19,321)	(36,566)	(138,328)
Net Realized / Unrealized Gains (Losses) per share <sup>1</sup>	(0.51)	(0.20)	(0.00)	0.04	(0.26)	(0.49)	(1.90)
Net Increase / (Decrease) in Net Assets from Operations	(39,073)	2,510	14,330	16,975	(13,751)	38,625	(84,292)
Net Increase / (Decrease) in Net Assets from Operations per share <sup>1</sup>	(0.54)	0.03	0.20	0.23	(0.19)	0.52	(1.16)
Net Increase / (Decrease) in Net Assets from Operations, as adjusted <sup>3</sup>	(39,073)	2,510	14,330	16,975	(13,751)	35,425	(84,292)
Net Increase / (Decrease) in Net Assets from Operations per share, as adjusted <sup>1,3</sup>	(0.54)	0.03	0.20	0.23	(0.19)	0.48	(1.16)
Net Assets	608,116	596,320	598,448	607,513	581,478	753,753	596,320
Net Asset Value per share <sup>4</sup>	\$ 8.38	\$ 8.21	\$ 8.22	\$ 8.33	\$ 7.96	\$ 10.17	\$ 8.21
Distributions Declared	15,236	15,262	13,105	13,128	13,149	62,606	61,007
Distributions Declared per share	0.21	0.21	0.18	0.18	0.18	0.84	0.84
Weighted Average Shares - Basic <sup>1</sup>	72,554,128	72,673,587	72,804,629	72,929,346	73,049,648	74,576,277	72,757,978
Shares Outstanding at End of Period	72,554,128	72,676,242	72,807,547	72,932,083	73,052,261	74,099,182	72,676,242
Distribution Coverage <sup>10</sup>	101%	105%	111%	114%	92%	115%	115%
Net Leverage <sup>5</sup>	0.55x	0.55x	0.56x	0.47x	0.42x	0.47x	0.55x

Items above may not foot due to rounding

Please see Notes to the Investor Presentation on page 13.

# Portfolio Activity

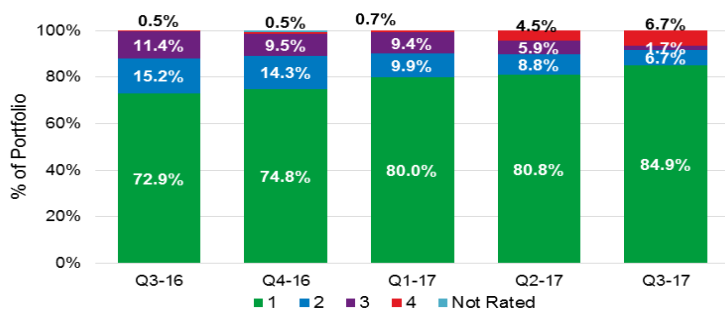
(\$ in Millions)	Quarter Ended				
	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17
New Investments at Cost <sup>2, 11</sup>	\$ 43.8	\$ 107.8	\$ 122.3	\$ 22.8	\$ 34.9
Proceeds from Sales, Repayments and Other Exits <sup>11</sup>	(73.6)	(109.2)	(114.4)	(72.0)	(75.7)
Net New Investments	\$ (29.8)	\$ (1.4)	\$ 7.9	\$ (49.2)	\$ (40.8)
Number of New Portfolio Company Investments	-	1	-	-	1
Number of Portfolio Company Exits	2	1	3	1	3
<u>New Investments by Asset Class at Cost (\$):</u>					
Senior Secured 1st Lien Debt	\$ 1.0	\$ 33.6	\$ 97.1	\$ 3.4	\$ 2.1
Senior Secured 2nd Lien Debt	7.4	35.1	-	-	14.9
Subordinated / Unsecured Debt	10.4	6.4	5.4	8.2	7.1
Preferred Equity	3.2	0.2	0.2	0.3	1.6
Common Equity & Other	21.8	32.5	19.6	10.9	9.3
<u>New Investments by Asset Class at Cost (%):</u>					
Senior Secured 1st Lien Debt	2.3%	31.1%	79.4%	14.9%	6.0%
Senior Secured 2nd Lien Debt	16.9%	32.5%	0.0%	0.0%	42.5%
Subordinated / Unsecured Debt	23.7%	6.0%	4.4%	35.9%	20.2%
Preferred Equity	7.3%	0.2%	0.2%	1.2%	4.6%
Common Equity & Other	49.8%	30.2%	16.0%	48.0%	26.7%

Please see Notes to the Investor Presentation on page 13.

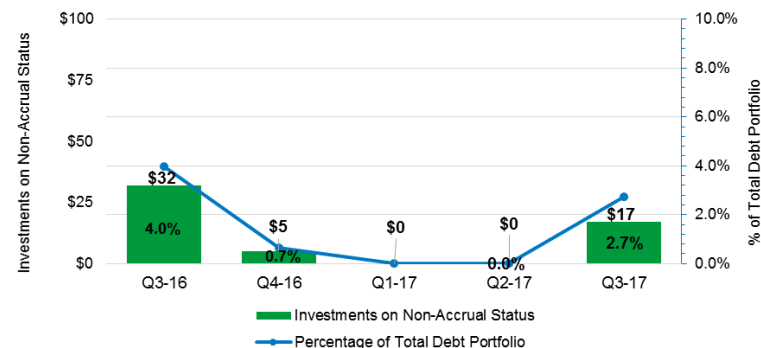
# Portfolio Status

(\$ in Millions)	Quarter Ended				
	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17
Investment Portfolio at Cost <sup>6</sup>	\$ 1,050	\$ 1,022	\$ 978	\$ 929	\$ 890
Investment Portfolio at Fair Value <sup>6</sup>	947	931	939	893	834
Fair Value % Cost	90.2%	91.1%	96.0%	96.1%	93.7%
Number of Portfolio Companies	38	38	35	34	32
Average Investment Size at Cost	\$ 27.6	\$ 26.9	\$ 27.9	\$ 27.3	\$ 27.8
<u>Portfolio by Asset Class at Fair Value:</u>					
Senior Secured 1st Lien Debt	\$ 367	\$ 295	\$ 312	\$ 276	\$ 253
Senior Secured 2nd Lien Debt	283	317	318	296	244
Subordinated / Unsecured Debt	151	156	157	150	136
Preferred Equity	61	58	52	56	60
Common Equity & Other	84	105	100	115	142
Yield on Income Producing Securities at Cost	10.0%	10.5%	10.7%	10.9%	9.9%
Yield on Senior Secured Loans at Cost	9.5%	10.5%	10.4%	10.8%	10.8%
Yield on Other Debt Securities at Cost	11.1%	10.8%	11.5%	11.4%	8.9%
Yield on Income Producing Securities at Fair Value	11.4%	11.7%	11.1%	11.3%	10.8%
Yield on Senior Secured Loans at Fair Value	10.7%	11.3%	10.5%	11.0%	11.4%
Yield on Other Debt Securities at Fair Value	12.6%	12.4%	12.5%	12.6%	11.0%

Portfolio by Internal Investment Rating (by FMV)



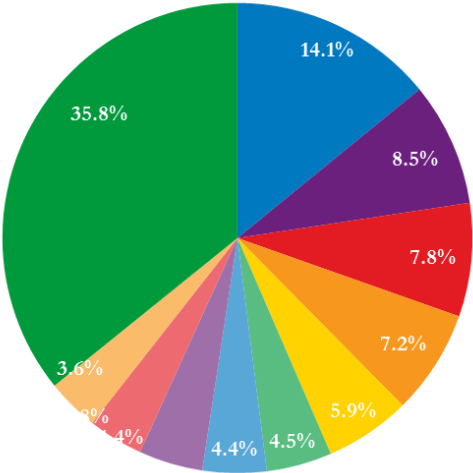
Portfolio by Non-Accrual Status (by FMV)



Please see Notes to the Investor Presentation on page 13.

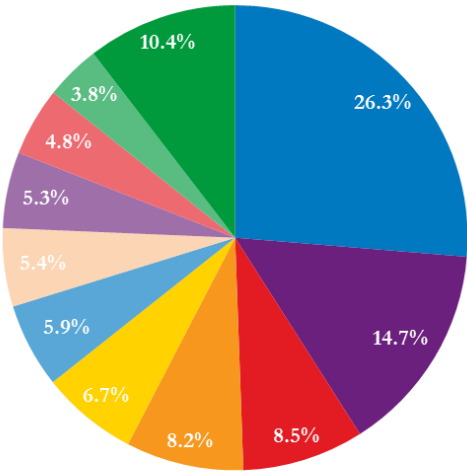
# Portfolio Composition at Fair Value at 9/30/17

Portfolio Composition by Issuer



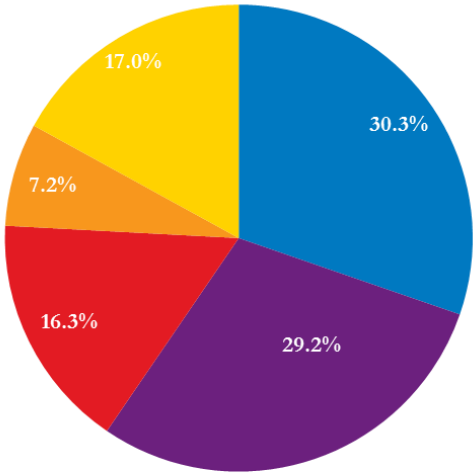
- Gordon Brothers Finance Company
- U.S. Well Services, LLC
- BCIC Senior Loan Partners JV
- AGY Holding Corp.
- Vertellus Specialties Inc.
- Wink Holdco, Inc.
- First Boston Construction Holdings, LLC
- GSE Environmental, Inc.
- Pre-Paid Legal Services, Inc.
- Sur La Table, Inc.
- Other

Portfolio Composition by Industry



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

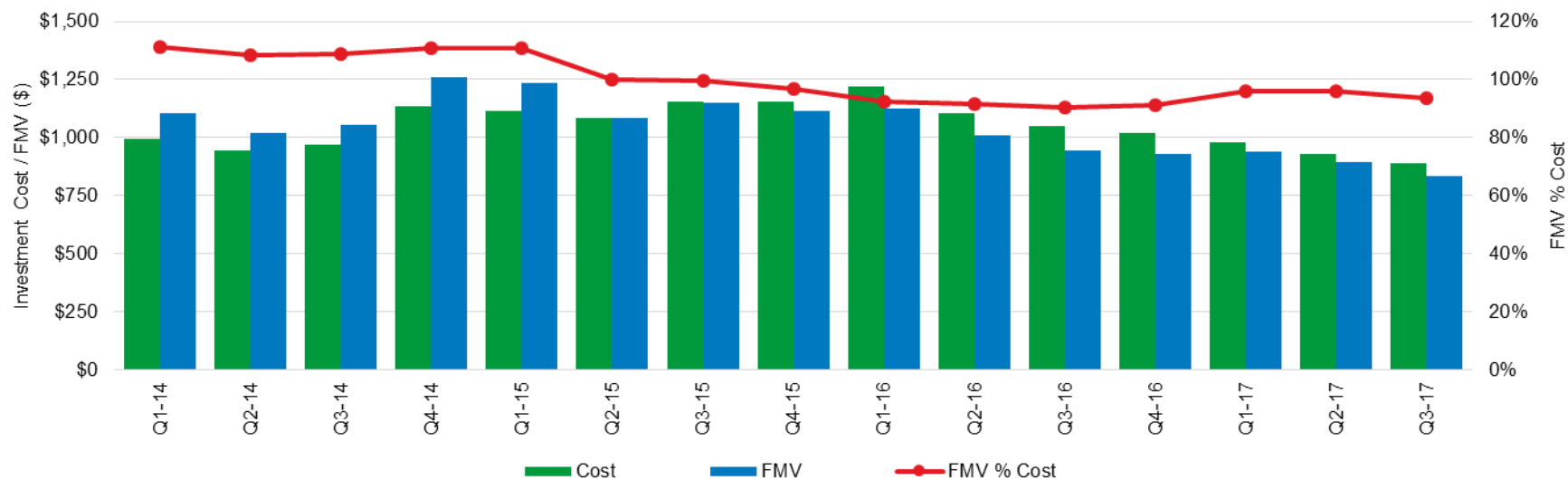
Portfolio Composition by Asset Class



- 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)

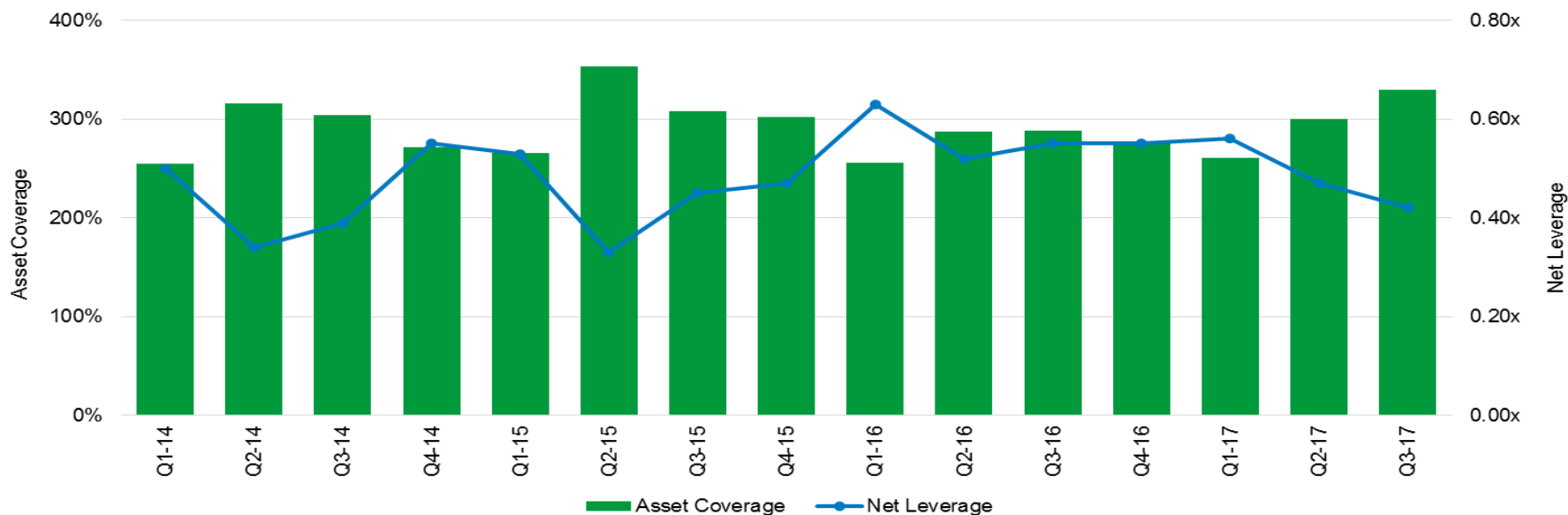
	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Cost	\$994	\$942	\$968	\$1,134	\$1,114	\$1,085	\$1,154	\$1,153	\$1,219	\$1,105	\$1,050	\$1,022	\$978	\$929	\$890
FMV	1,106	1,019	1,054	1,258	1,236	1,085	1,150	1,117	1,126	1,012	947	931	939	893	834
FMV % Cost	111%	108%	109%	111%	111%	100%	100%	97%	92%	92%	90%	91%	96%	96%	94%
NAV per share <sup>4</sup>	\$9.59	\$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

Please see Notes to the Investor Presentation on page 13.



# Leverage Profile

Quarterly Leverage Metrics



(\$ in Millions)	Q1-14	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
FMV	\$1,106	\$1,019	\$1,054	\$1,258	\$1,236	\$1,085	\$1,150	\$1,117	\$1,126	\$1,012	\$947	\$931	\$939	893	834
Borrowings	459	329	360	448	472	304	376	364	443	350	323	337	372	300	251
<i>Borrowings % FMV</i>	42%	32%	34%	36%	38%	28%	33%	33%	39%	35%	34%	36%	40%	34%	30%
<i>Asset Coverage Ratio<sup>7</sup></i>	255%	316%	304%	271%	266%	353%	308%	302%	255%	287%	288%	275%	260%	300%	327%
<i>Net Leverage<sup>5</sup></i>	0.50x	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

▶ Asset coverage ratio<sup>7</sup> of 327% represents a \$323 million cushion to the minimum required ratio of 200% per BDC regulations.

▶ Credit facility availability of \$384 million as of 9/30/17.

Please see Notes to the Investor Presentation on page 13.

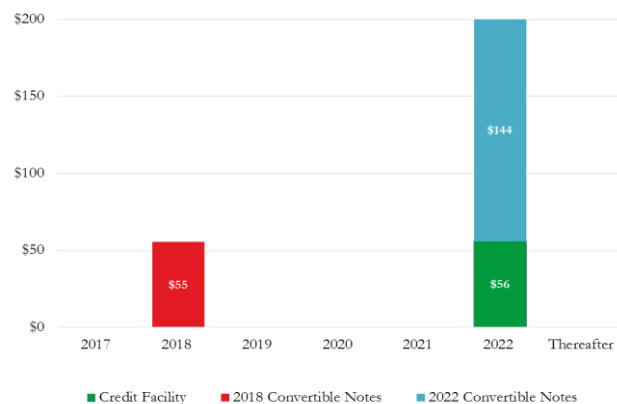
# Debt Summary

## Summary of Borrowings

(\$ in Millions)

Security	Amount as of 6/30/17		Amount as of 9/30/17		Rate	Maturity
	Available	Outstanding	Available	Outstanding		
Credit Facility <sup>8</sup>	\$440	\$46	\$440	\$56	L + 1.75% - 2.00%	2022
2018 Convertible Notes	115	115	55	55	5.50%	2018
2022 Convertible Notes <sup>12</sup>	144	144	144	144	5.00%	2022
<b>Total</b>	<b>\$699</b>	<b>\$305</b>	<b>\$639</b>	<b>\$255</b>		

## Debt Maturity Profile



## Comparison of Debt Investments and Borrowings

	Amount as of 9/30/17	
	Debt Investments, at FMV	Borrowings
<i>Percentage of Total Amount Outstanding:</i>		
Fixed Rate Securities	26.2%	78.1%
Floating Rate Securities	73.8%	21.9%
Weighted Average Yield on Debt Investments	10.8%	4.7%
Weighted Average Years to Maturity	3.5	3.8

Please see Notes to the Investor Presentation on page 13.

# Reconciliation of Net Investment Income / (Loss)

(\$ in Thousands, Except per Share Data)	Q3 2016		Q4 2016		Q1 2017		Q2 2017		Q3 2017		2015		2016	
	(\$)	Per Share	(\$)	Per Share	(\$)	Per Share	(\$)	Per Share	(\$)	Per Share	(\$)	Per Share	(\$)	Per Share
<b>GAAP Basis:</b>														
Net Investment Income / (Loss)	\$ (2,131)	\$ (0.03)	\$ 17,082	\$ 0.24	\$ 14,565	\$ 0.20	\$ 13,869	\$ 0.19	\$ 12,140	\$ 0.17	\$ 75,191	\$ 1.01	\$ 54,037	\$ 0.74
Net Increase / (Decrease) in Net Assets from Operations	(39,073)	(0.54)	2,510	0.03	14,330	0.20	16,975	0.23	(13,751)	(0.19)	38,625	0.52	(84,292)	(1.16)
Addback: GAAP incentive management fee expense based on Gains	-	-	-	-	-	-	-	-	-	-	(3,201)	(0.04)	-	-
Addback: GAAP incentive management fee expense based on Income	-	-	-	-	-	-	-	-	-	-	11	0.00	-	-
<b>Pre-Incentive Fee <sup>3</sup></b>														
Net Investment Income / (Loss)	(2,131)	(0.03)	17,082	0.24	14,565	0.20	13,869	0.19	\$ 12,140	0.17	72,002	0.97	54,037	0.74
Net Increase / (Decrease) in Net Assets from Operations	(39,073)	(0.54)	2,510	0.03	14,330	0.20	16,975	0.23	(13,751)	(0.19)	35,436	0.48	(84,292)	(1.16)
Less: Incremental incentive management fee expense based on Income	-	-	-	-	-	-	-	-	-	-	11	0.00	-	-
<b>As Adjusted <sup>3</sup></b>														
Net Investment Income / (Loss)	\$ (2,131)	\$ (0.03)	17,082	0.24	14,565	0.20	13,869	0.19	\$ 12,140	\$ 0.17	71,991	0.97	54,037	0.74
Net Increase / (Decrease) in Net Assets from Operations	\$ (39,073)	\$ (0.54)	\$ 2,510	\$ 0.03	\$ 14,330	\$ 0.20	\$ 16,975	\$ 0.23	(13,751)	(0.19)	\$ 35,425	\$ 0.48	\$ (84,292)	\$ (1.16)

Note: The Net Investment Income amounts for the three and nine months ended September 30, 2017 are net of incentive management fees based on income and a corresponding incentive management fee waiver in the amounts of \$1,493,619 and \$5,076,662, respectively.

Please see Notes to the Investor Presentation on page 13.

# Internal Investment Rating System Overview

Advisor 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. Debt less available cash and receivable for investments sold, plus payable for investments purchased, unamortized debt issuance costs and legal settlement payable, if applicable.
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. The Senior Secured Revolving Credit Facility commitment may increase in size, under certain circumstances, up to a total of \$750,000,000. 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 preceding such date as a percentage of the closing stock price on such 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. Quarter ended 9/30/2016 ratio excludes a one-time \$17.5 million legal settlement expense, quarter ended 12/31/2016 excludes a one-time \$1.1 million insurance reimbursement and full year 2016 excludes both.
11. Inclusive of amounts due to restructurings, if applicable.
12. 2022 Convertible Notes have a par outstanding amount of \$144 million. For accounting purposes, \$139 million is recognized as debt.

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

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

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

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

Former Chief Financial Officer of Seventh Generation Inc.

## Corporate Officers

### Michael J. Zugay

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

\*Full bios are available on the website

\*\*Governance Committee Chair

\*\*\*Lead Independent Director

\*\*\*\*Audit Committee Chair