

# Investor Presentation

November 2015

BLACKROCK CAPITAL  
INVESTMENT CORPORATION

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# Overview Q3 2015

## As of and for the Three Months Ended September 30, 2015

- ▶ Investment Portfolio: \$1,149.8mm
- ▶ Net Assets: \$790.7mm or \$10.66 per share
- ▶ Net Investment Income: \$23.8mm or \$0.32 per share<sup>1</sup>
- ▶ Purchases of Investments: \$76.9mm<sup>2</sup>
- ▶ Sales, Repayments and Other Exits: \$10.7mm
- ▶ Net Investment Income, as adjusted<sup>3</sup>: \$17.7mm or \$0.24 per share<sup>1</sup>
- ▶ Average Investment by Portfolio Company, at Amortized Cost<sup>4</sup>: \$33.5mm
- ▶ Indebtedness: \$376.4mm
- ▶ Credit Facility Availability: \$327.8mm
- ▶ Asset Coverage Ratio: 308%

Please see Notes to the Investor Presentation on page 16.

# Financial Highlights

As of and for the Three Months Ended	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15	9/30/15
Net Investment Income per share, as adjusted <sup>1,3</sup>	\$ 0.22	\$ 0.19	\$ 0.23	\$ 0.23	\$ 0.26	\$ 0.21	\$ 0.23	\$ 0.24
Net Realized / Unrealized Gains (Losses) per share <sup>1</sup>	0.36	0.16	0.19	0.13	0.68	0.11	(0.05)	(0.03)
Net Income per share, as adjusted <sup>1,3</sup>	0.58	0.35	0.42	0.36	0.95	0.32	0.18	0.21
Net Asset Value per share at End of Period <sup>5</sup>	9.54	9.59	9.79	9.97	10.49	10.58	10.56	10.66
Distributions Declared per share	\$ 0.26	\$ 0.26	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21
Average Shares Outstanding - Basic, in millions <sup>1</sup>	74.4	74.5	74.5	74.6	74.5	74.7	74.8	74.7
Total Shares Outstanding at End of Period, in millions	74.4	74.5	74.4	74.6	74.5	74.7	74.8	74.2

(\$mm)	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15	9/30/15
Investment Portfolio at Cost <sup>7</sup>	\$ 1,084.5	\$ 993.8	\$ 941.9	\$ 968.0	\$ 1,134.3	\$ 1,114.2	\$ 1,085.4	\$ 1,154.4
Investment Portfolio at Fair Value <sup>7</sup>	\$ 1,218.0	\$ 1,106.1	\$ 1,019.4	\$ 1,053.8	\$ 1,257.7	\$ 1,235.6	\$ 1,085.1	\$ 1,149.8
Fair Value % Cost <sup>7</sup>	112.3%	111.3%	108.2%	108.9%	110.9%	110.9%	100.0%	99.6%
Number of Portfolio Companies	51	46	44	42	47	45	42	43
Average Investment Size at Cost	\$ 21.3	\$ 21.6	\$ 21.4	\$ 23.0	\$ 24.1	\$ 24.8	\$ 25.8	\$ 26.8
Yield on Income Producing Capital at Cost	12.0%	12.0%	11.9%	11.8%	11.6%	11.5%	11.5%	11.5%
Yield on Senior Secured Loans at Cost	11.4%	11.4%	11.4%	11.4%	11.2%	11.1%	11.1%	11.1%
Yield on Other Debt Securities at Cost	13.0%	12.9%	12.9%	13.0%	12.5%	12.7%	12.6%	12.6%

Please see Notes to the Investor Presentation on page 16.

## Select Historical Financial Information

\$ in thousands, except per share data	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15	9/30/15	Full Year		
								12/31/12	12/31/13	12/31/14
Net Investment Income	\$ 11,094	\$ 16,431	\$ 19,332	\$ 3,514	\$ 14,624	\$ 18,238	\$ 23,795	\$ 73,662	\$ 47,638	\$ 50,372
Net Investment Income per share <sup>1</sup>	0.15	0.22	0.26	0.05	0.20	0.24	0.32	1.00	0.64	0.68
Net Investment Income, pre-incentive fee <sup>3</sup>	14,554	19,400	19,926	23,997	16,001	17,895	19,570	96,153	78,787	77,878
Net Investment Income per share, pre-incentive fee <sup>1,3</sup>	0.20	0.26	0.27	0.32	0.21	0.24	0.26	1.31	1.06	1.04
Net Investment Income, as adjusted <sup>3</sup>	14,277	16,823	17,313	19,492	15,713	16,825	17,748	79,156	67,897	67,905
Net Investment Income per share, as adjusted <sup>1,3</sup>	0.19	0.23	0.23	0.26	0.21	0.23	0.24	1.08	0.92	0.91
Net Realized / Unrealized Gains (Losses)	11,822	14,436	9,637	50,973	8,032	(3,500)	(2,067)	(16,310)	45,351	86,868
Net Realized / Unrealized Gains (Losses) per share <sup>1</sup>	0.16	0.19	0.13	0.68	0.11	(0.05)	(0.03)	(0.22)	0.61	1.16
Net Income	22,917	30,867	28,970	54,487	22,656	14,738	21,728	57,351	92,989	137,240
Net Income per share <sup>1</sup>	0.31	0.41	0.39	0.73	0.30	0.20	0.29	0.78	1.25	1.84
Distributions Declared	19,375	15,634	15,657	15,655	15,681	15,703	15,661	76,572	77,143	66,321
Distributions Declared per share <sup>5</sup>	0.26	0.21	0.21	0.21	0.21	0.21	0.21	1.04	1.04	0.89
Total Net Assets	714,290	728,960	743,229	781,959	789,905	789,833	790,672	687,380	709,704	781,959
Net Asset Value per share <sup>5</sup>	\$ 9.59	\$ 9.79	\$ 9.97	\$ 10.49	\$ 10.58	\$ 10.56	\$ 10.66	\$ 9.31	\$ 9.54	\$ 10.49
Debt / Equity Ratio	0.64x	0.45x	0.48x	0.57x	0.60x	0.39x	0.48x	0.50x	0.67x	0.57x
Debt / Equity Ratio <sup>6</sup>	0.50x	0.34x	0.39x	0.55x	0.53x	0.33x	0.45x	0.49x	0.64x	0.55x

Please see Notes to the Investor Presentation on page 16.

# Portfolio Composition

## Portfolio Purchases by Investment Type

(\$mm)	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15	9/30/15
Senior Secured Loans - 1st Lien	\$ 25.9	\$ 2.0	\$ 46.5	\$ 86.0	\$ 79.7	\$ 5.9	\$ 59.3	\$ 13.3
Senior Secured Notes	9.2	-	20.8	-	-	-	7.5	-
Senior Secured Loans - 2nd Lien	54.8	46.5	5.9	45.0	51.8	26.0	7.0	47.4
Subordinated / Unsecured Debt	73.3	0.7	4.7	7.9	71.6	10.3	5.4	14.0
Preferred Equity	0.9	5.5	4.1	3.2	13.6	3.8	6.0	2.0
Common Equity	4.1	8.3	5.2	-	10.9	-	4.9	-
LP/LLC Interests	-	-	3.3	-	8.0	0.3	0.2	0.2
Equity Warrants	0.6	-	-	0.5	-	-	-	-
Total New Investments at Cost <sup>2</sup>	<b>\$ 168.8</b>	<b>\$ 63.0</b>	<b>\$ 90.5</b>	<b>\$ 142.6</b>	<b>\$ 235.6</b>	<b>\$ 46.3</b>	<b>\$ 90.3</b>	<b>\$ 76.9</b>

## Net Investments

(\$mm)	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15	9/30/15
New Investments at Cost <sup>2</sup>	\$ 168.8	\$ 63.0	\$ 90.5	\$ 142.6	\$ 235.6	\$ 46.3	\$ 90.3	\$ 76.9
Sales, Repayments, Other Exits at Cost	(123.3)	(188.0)	(192.5)	(117.3)	(83.7)	(74.9)	(238.3)	(10.7)
Net New Investments at Cost	<b>\$ 45.5</b>	<b>\$ (125.0)</b>	<b>\$ (102.0)</b>	<b>\$ 25.3</b>	<b>\$ 151.9</b>	<b>\$ (28.6)</b>	<b>\$ (148.0)</b>	<b>\$ 66.1</b>
Number of New Portfolio Company Investments	9	4	3	3	8	1	1	1
Number of Portfolio Company Exits	5	9	5	5	3	3	4	-

Please see Notes to the Investor Presentation on page 16.

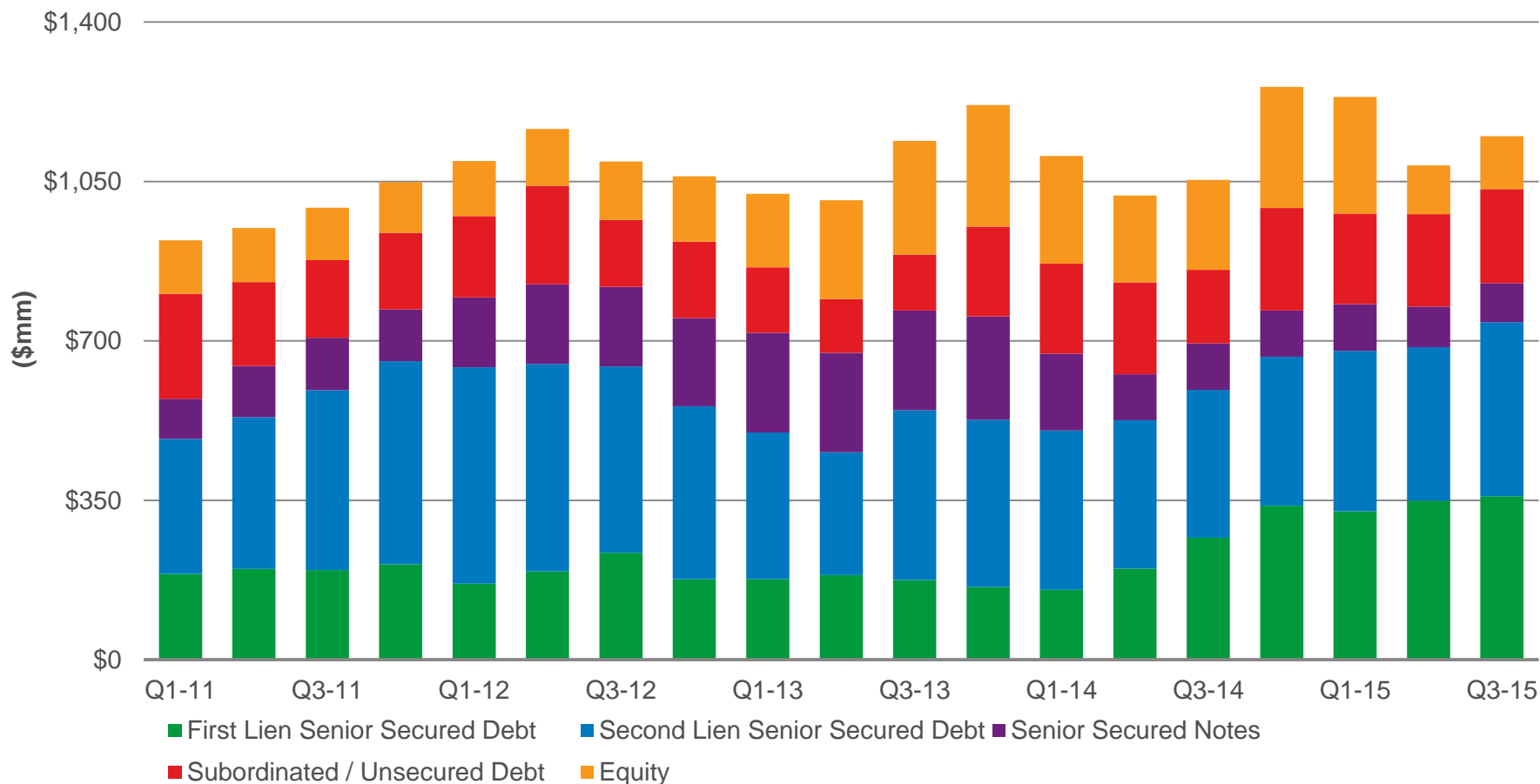
## Portfolio Composition (Cont'd)

(\$mm)	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15	9/30/15
Senior Secured Loans	\$ 527.2	\$ 503.4	\$ 526.2	\$ 592.4	\$ 665.3	\$ 678.2	\$ 686.0	\$ 741.3
Senior Secured Notes	226.7	168.9	100.5	102.1	101.5	102.5	89.8	85.7
Subordinated / Unsecured Debt	196.9	197.2	202.1	161.5	225.1	198.8	202.6	206.7
Preferred Equity	24.9	30.0	34.1	29.3	40.5	44.5	38.8	40.4
Common Equity	143.4	129.1	72.5	78.8	107.0	97.4	41.2	49.2
LP/LLC Interests	68.4	69.6	75.4	79.4	98.6	92.9	24.0	23.7
Equity Warrants	30.6	7.9	8.6	10.2	19.8	21.4	2.8	2.8
<b>Total Investment Portfolio at FV<sup>7</sup></b>	<b>\$ 1,218.0</b>	<b>\$ 1,106.1</b>	<b>\$ 1,019.4</b>	<b>\$ 1,053.8</b>	<b>\$ 1,257.7</b>	<b>\$ 1,235.6</b>	<b>\$ 1,085.1</b>	<b>\$ 1,149.8</b>

Total Investment Portfolio at FV <sup>7</sup>	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15	9/30/15
Senior Secured Loans	43.4%	45.5%	51.7%	56.2%	52.9%	54.9%	63.1%	64.5%
Senior Secured Notes	18.6%	15.3%	9.9%	9.7%	8.1%	8.3%	8.3%	7.5%
Subordinated / Unsecured Debt	16.1%	17.8%	19.8%	15.3%	17.9%	16.1%	18.7%	18.0%
Preferred Equity	2.0%	2.7%	3.3%	2.8%	3.2%	3.6%	3.6%	3.5%
Common Equity	11.8%	11.7%	7.1%	7.5%	8.5%	7.9%	3.8%	4.3%
LP/LLC Interests	5.6%	6.3%	7.4%	7.5%	7.8%	7.5%	2.2%	2.1%
Equity Warrants	2.5%	0.7%	0.8%	1.0%	1.6%	1.7%	0.3%	0.2%

Please see Notes to the Investor Presentation on page 16.

## Portfolio Composition (Cont'd)



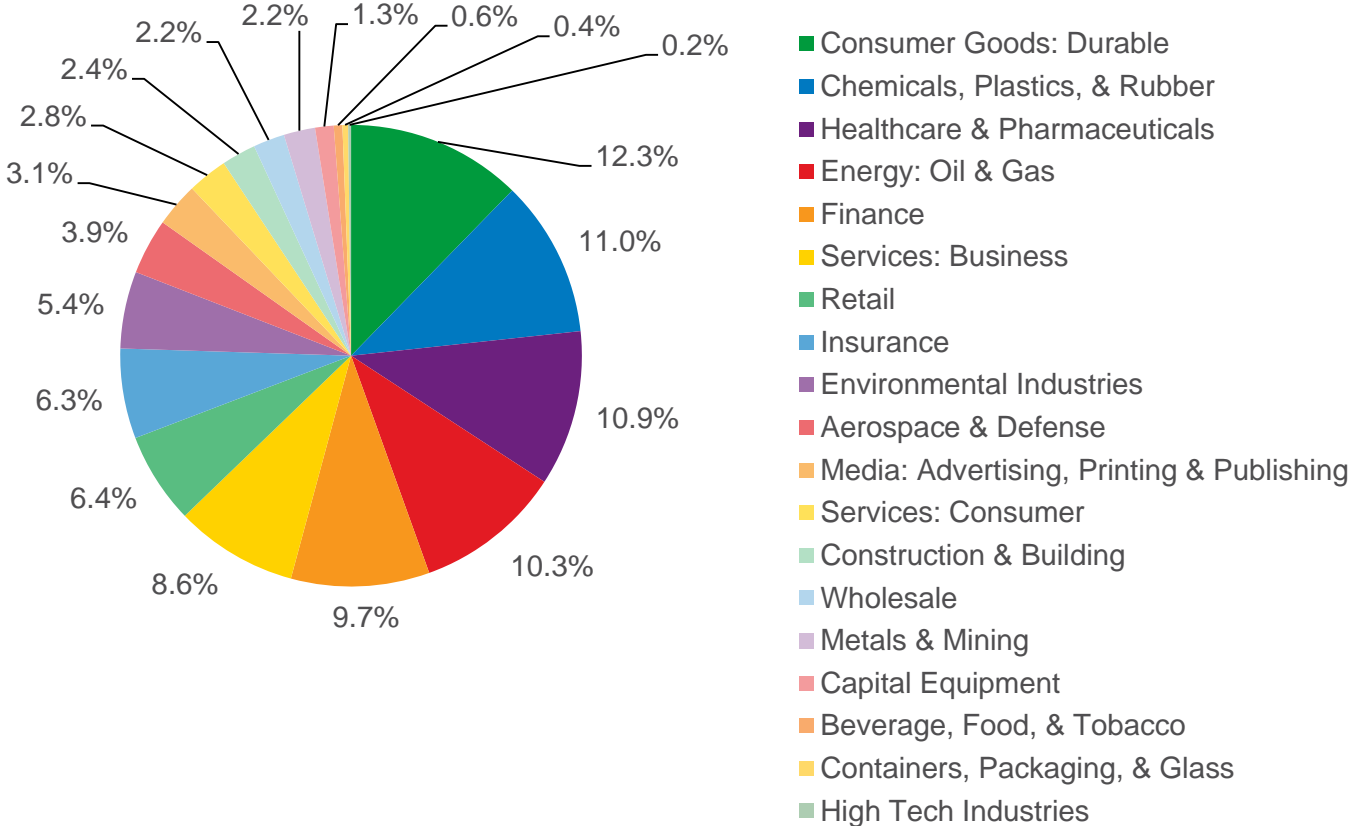
▶ As of September 30, 2015, senior debt comprised 71.9% of the total investment portfolio<sup>7</sup> at fair market value.

Please see Notes to the Investor Presentation on page 16.



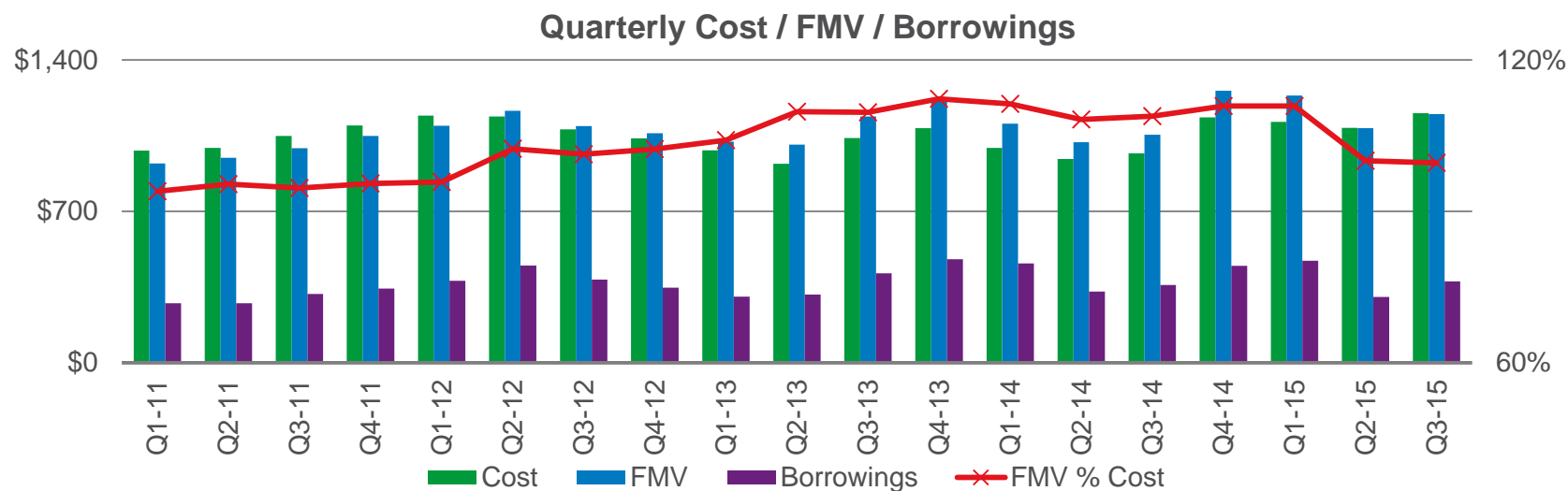
# Portfolio Composition (Cont'd)

## Portfolio Composition by Industry at Fair Market Value



# Portfolio Evolution

## Quarterly Cost / FMV / Borrowings<sup>8</sup>

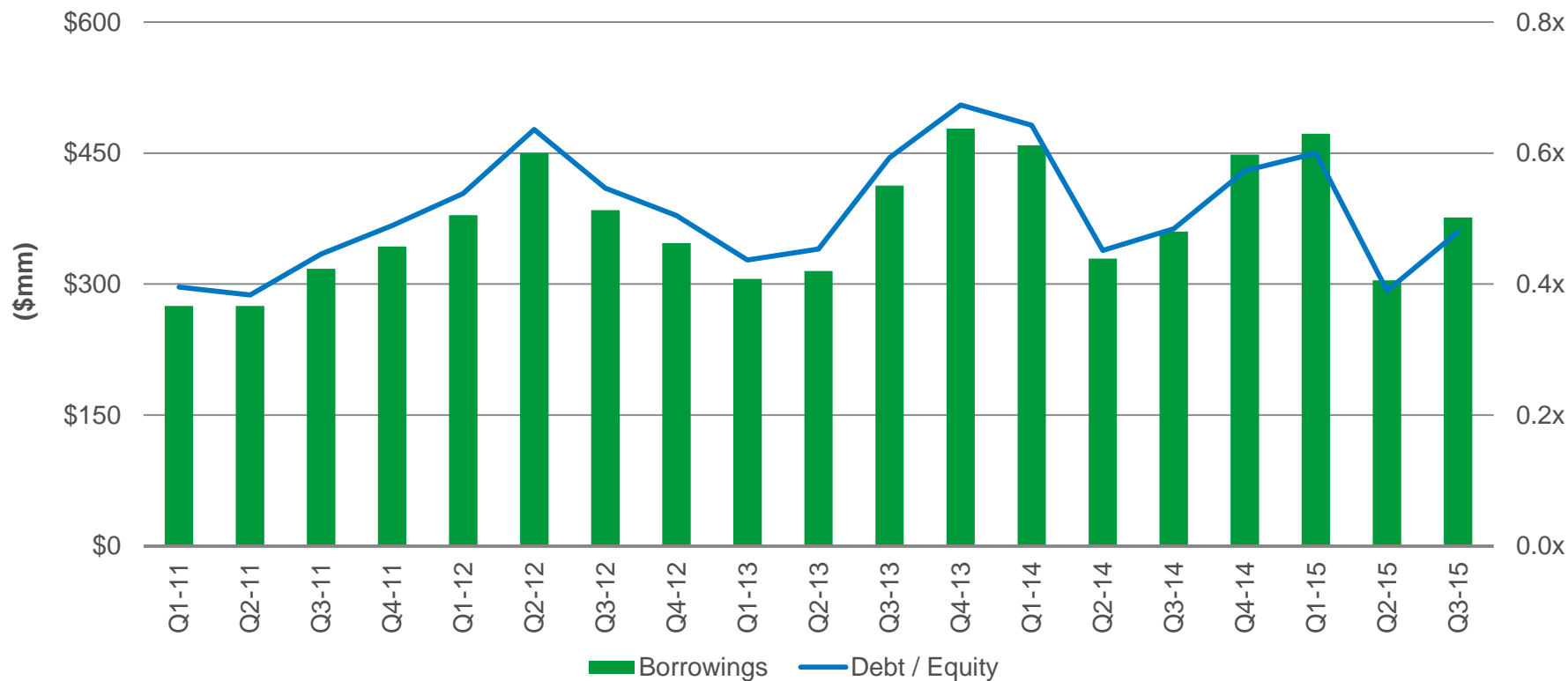


	2011	2012	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15
Cost	\$1,097.9	\$1,037.3	\$982.3	\$919.6	\$1,039.2	\$1,084.5	\$993.8	\$941.9	\$968.0	\$1,134.3	\$1,114.2	\$1,085.4	\$1,154.4
FMV	1,049.0	1,061.6	1,022.8	1,009.2	1,139.1	1,218.0	1,106.1	1,019.4	1,053.8	1,257.7	1,235.6	1,085.1	1,149.8
Borrowings	343.0	346.9	305.8	314.9	412.9	478.0	459.0	329.1	360.2	448.2	472.3	304.3	376.4
FMV % Cost	95.5%	102.3%	104.1%	109.7%	109.6%	112.3%	111.3%	108.2%	108.9%	110.9%	110.9%	100.0%	99.6%
Borrowings % FMV	32.7%	32.7%	29.9%	31.2%	36.2%	39.2%	41.5%	32.3%	34.2%	35.6%	38.2%	28.0%	32.7%
NAV per share	\$ 9.58	\$ 9.31	\$ 9.47	\$ 9.37	\$ 9.38	\$ 9.54	\$ 9.59	\$ 9.79	\$ 9.97	\$ 10.49	\$ 10.58	\$ 10.56	\$ 10.66
Share Price	\$ 8.16	\$ 10.06	\$ 10.00	\$ 9.36	\$ 9.48	\$ 9.33	\$ 9.17	\$ 9.11	\$ 8.54	\$ 8.20	\$ 9.06	\$ 9.14	\$ 8.86
Share Price / NAV per share	85.2%	108.1%	105.6%	99.9%	101.1%	97.8%	95.6%	93.0%	85.7%	78.2%	85.6%	86.6%	83.1%

Please see Notes to the Investor Presentation on page 16.

# Asset Coverage

## Quarterly Borrowings<sup>8</sup>



▶ \$410.6mm in excess asset coverage (1:1 test)<sup>9</sup>

▶ Credit facility availability of \$327.8mm

Please see Notes to the Investor Presentation on page 16.

# Reconciliation of Net Investment Income

	Q1 2014		Q2 2014		Q3 2014		Q4 2014		2014		Q1 2015		Q2 2015		Q3 2015	
	\$'s	per share	\$'s	per share	\$'s	per share	\$'s	per share	\$'s	per share	\$'s	per share	\$'s	per share	\$'s	per share
<b>GAAP Basis<sup>1</sup></b>																
Net Investment Income	\$ 11,094,195	\$ 0.15	\$ 16,431,325	\$ 0.22	\$ 19,332,458	\$ 0.26	\$ 3,513,728	\$ 0.05	\$ 50,371,706	\$ 0.68	\$ 14,623,577	\$ 0.20	\$ 18,237,907	\$ 0.24	\$ 23,795,150	\$ 0.32
Net Increase in Net Assets from Operations	22,916,519	0.31	30,867,050	0.41	28,969,522	0.39	54,486,945	0.73	137,240,036	1.84	22,655,619	0.30	14,738,001	0.20	21,727,828	0.29
Addback: GAAP incentive management fee expense based on Gains	3,459,865	0.05	2,968,924	0.04	593,837	0.01	10,510,583	0.14	17,533,209	0.24	1,366,846	0.02	(342,635)	(0.00)	(4,224,731)	(0.06)
Addback: GAAP incentive management fee expense based on Income	-	-	-	-	-	-	9,972,822	0.13	9,972,822	0.13	11,061	0.00	-	-	-	-
<b>Pre-Incentive Fee<sup>1, 3</sup></b>																
Net Investment Income	14,554,060	0.20	19,400,249	0.26	19,926,295	0.27	23,997,133	0.32	77,877,737	1.04	16,001,484	0.21	17,895,272	0.24	19,570,419	0.26
Net Increase in Net Assets from Operations	26,376,384	0.35	33,835,974	0.45	29,563,359	0.40	74,970,350	1.01	164,746,067	2.21	24,033,526	0.32	14,395,366	0.19	17,503,097	0.23
Less: Incremental incentive management fee expense based on Income	(277,207)	(0.00)	(2,576,791)	(0.03)	(2,613,638)	(0.04)	(4,505,186)	(0.06)	(9,972,822)	(0.13)	(288,268)	(0.00)	(1,070,228)	(0.01)	(1,821,960)	(0.02)
<b>As Adjusted<sup>1, 3</sup></b>																
Net Investment Income	14,276,853	0.19	16,823,458	0.23	17,312,657	0.23	19,491,947	0.26	67,904,915	0.91	15,713,216	0.21	16,825,044	0.23	17,748,459	0.24
Net Increase in Net Assets from Operations	\$ 26,099,177	\$ 0.35	\$ 31,259,183	\$ 0.42	\$ 26,949,721	\$ 0.36	\$ 70,465,164	\$ 0.95	\$ 154,773,245	\$ 2.08	\$ 23,745,258	\$ 0.32	\$ 13,325,138	\$ 0.18	\$ 15,681,137	\$ 0.21

Please see Notes to the Investor Presentation on page 16.

## Middle Market Opportunity

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# The Middle Market Offers More Attractive Opportunities for Investors

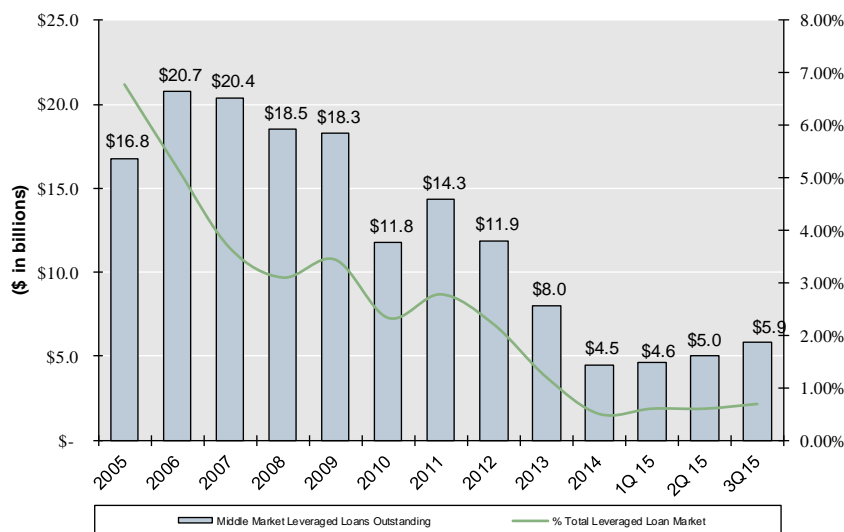
## General Characteristics

- ▶ Typically \$50mm–\$1bn in revenues
- ▶ Fundamental credit analysis comparatively more important
- ▶ If rated, rating agencies likely assign lower rating
- ▶ Middle-market investments typically include inherent structural and credit protections
- ▶ High level of acquisition activity (realization opportunities)

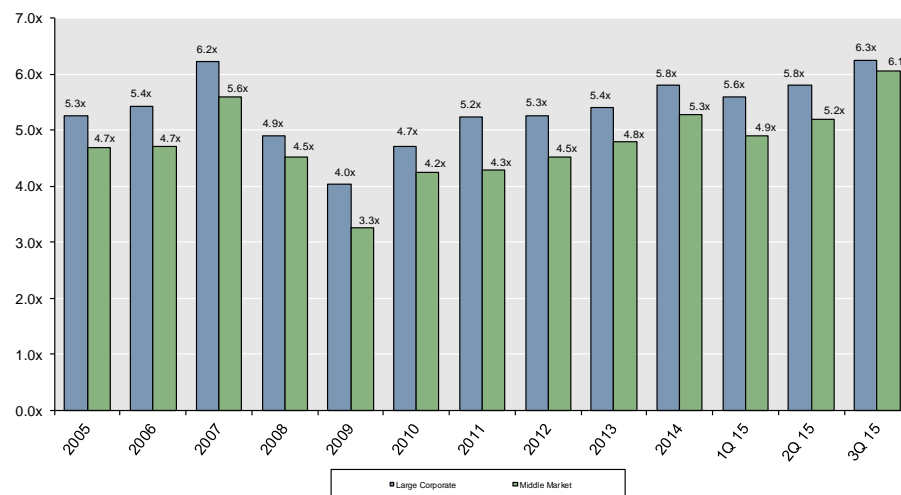
## Benefits

- ▶ Attractive yields
- ▶ Conservative capital structures
- ▶ Strong recovery rates
- ▶ Smaller investor groups and active lender involvement
- ▶ Involvement of equity sponsors
- ▶ Issuer diversification

### Middle Market Leveraged Loans Outstanding



### Average Debt Multiples of LBO Loans



Source: Standard & Poor's LCD High End Middle Market Lending Review Q3 2015.

## Notes to the Investor Presentation

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## 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. **Net Investment Income, 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. 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. Amounts reflect the Company's ongoing operating results and reflect the Company's financial performance over time.  
**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. Excludes portfolio company investments below \$5.0mm.
5. Balance sheet per share data utilizes total shares outstanding at end of period.
6. Debt adjusted for available cash, receivables for investments sold and payables for investments purchased.
7. Total investment portfolio excludes cash and cash equivalents.
8. Borrowings consist of debt, as listed in public filings.
9. Asset coverage ratio was 308% as of September 30, 2015.

Note: Schedules may diverge from public financials due to rounding.