

# Investor Presentation

March 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.
- ▶ 10+ 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<sup>th</sup>, 2015. BlackRock is the largest asset manager globally with \$5.1 trillion under management, as of December 31, 2016.
- ▶ 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 more than 3,700 investment opportunities since inception.
- ▶ Completed investments in 180 portfolio companies since inception.
- ▶ Approximately \$4.5 billion in capital provided to middle-market companies since inception.

## Key Metrics as of December 31, 2016

**Investment Portfolio<sup>6</sup>:**  
\$931.1 million

**Dividend Yield<sup>9</sup>:**  
12.1%

**Net Assets:**  
\$596.3 million or \$8.21 per share<sup>4</sup>

**Share Price:**  
\$6.96

**Quarterly Distribution Coverage<sup>10</sup>:**  
105%

**Market Capitalization:**  
\$505.8 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	
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	12/31/15	12/31/16
Net Investment Income / (Loss)	\$ 18,534	\$ 17,478	\$ 21,607	\$ (2,131)	\$ 17,082	\$ 75,191	\$ 54,037
Net Investment Income / (Loss) per share <sup>1</sup>	0.25	0.24	0.30	(0.03)	0.24	1.01	0.74
Net Investment Income / (Loss), pre-incentive fee <sup>3</sup>	18,534	17,478	21,607	(2,131)	17,082	72,002	54,037
Net Investment Income / (Loss) per share, pre-incentive fee <sup>1,3</sup>	0.25	0.24	0.30	(0.03)	0.24	0.97	0.74
Net Investment Income / (Loss), as adjusted <sup>3</sup>	21,704	17,478	21,607	(2,131)	17,082	71,991	54,037
Net Investment Income / (Loss) per share, as adjusted <sup>1,3</sup>	0.29	0.24	0.30	(0.03)	0.24	0.97	0.74
Net Realized / Unrealized Gains (Losses)	(39,031)	(55,653)	(31,161)	(36,942)	(14,572)	(36,566)	(138,328)
Net Realized / Unrealized Gains (Losses) per share <sup>1</sup>	(0.53)	(0.76)	(0.43)	(0.51)	(0.20)	(0.49)	(1.90)
Net Increase / (Decrease) in Net Assets from Operations	(20,496)	(38,175)	(9,554)	(39,073)	2,510	38,625	(84,292)
Net Increase / (Decrease) in Net Assets from Operations per share <sup>1</sup>	(0.28)	(0.52)	(0.13)	(0.54)	0.03	0.52	(1.16)
Net Increase / (Decrease) in Net Assets from Operations, as adjusted <sup>3</sup>	(17,327)	(38,175)	(9,554)	(39,073)	2,510	35,425	(84,292)
Net Increase / (Decrease) in Net Assets from Operations per share, as adjusted <sup>1,3</sup>	(0.23)	(0.52)	(0.13)	(0.54)	0.03	0.48	(1.16)
Net Assets	753,753	689,322	661,442	608,116	596,320	753,753	596,320
Net Asset Value per share <sup>4</sup>	\$ 10.17	\$ 9.46	\$ 9.13	\$ 8.38	\$ 8.21	\$ 10.17	8.21
Distributions Declared	15,561	15,300	15,209	15,236	15,262	62,606	61,007
Distributions Declared per share	0.21	0.21	0.21	0.21	0.21	0.84	0.84
Weighted Average Shares Outstanding - Basic <sup>1</sup>	74,203,324	73,106,678	72,700,685	72,554,128	72,673,587	74,576,277	72,757,978
Shares Outstanding at End of Period	74,099,182	72,857,414	72,422,007	72,554,128	72,676,242	74,099,182	72,676,242
Distribution Coverage <sup>10</sup>	139%	114%	142%	101%	105%	115%	115%
Net Leverage <sup>5</sup>	0.47x	0.63x	0.52x	0.55x	0.55x	0.47x	0.55x

Please see Notes to the Investor Presentation on page 13.  
Items above may not foot due to rounding

# Portfolio Activity

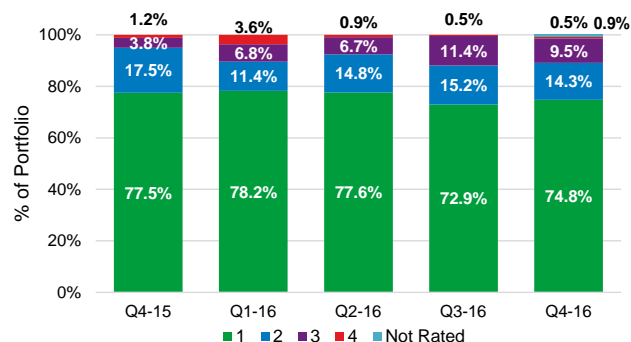
(\$ in Millions)	Quarter Ended				
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16
New Investments at Cost <sup>2, 11</sup>	\$ 98.3	\$ 97.5	\$ 76.3	\$ 43.8	\$ 107.8
Proceeds from Sales, Repayments and Other Exits <sup>11</sup>	(93.4)	(32.9)	(161.4)	(73.6)	(109.2)
Net New Investments	\$ 4.9	\$ 64.6	\$ (85.1)	\$ (29.8)	\$ (1.4)
Number of New Portfolio Company Investments	4	3	1	-	1
Number of Portfolio Company Exits	2	1	8	2	1
<u>New Investments by Asset Class at Cost (\$):</u>					
Senior Secured 1st Lien Debt	\$ 0.2	\$ 0.2	\$ 28.4	\$ 1.0	\$ 33.6
Senior Secured 2nd Lien Debt	73.9	76.1	-	7.4	35.1
Subordinated / Unsecured Debt	19.0	18.2	21.0	10.4	6.4
Preferred Equity	0.6	0.7	16.4	3.2	0.2
Common Equity & Other	4.6	2.3	10.6	21.8	32.5
<u>New Investments by Asset Class at Cost (%):</u>					
Senior Secured 1st Lien Debt	0.2%	0.2%	37.2%	2.3%	31.1%
Senior Secured 2nd Lien Debt	75.2%	78.0%	0.0%	16.9%	32.5%
Subordinated / Unsecured Debt	19.3%	18.7%	27.5%	23.7%	6.0%
Preferred Equity	0.6%	0.8%	21.5%	7.3%	0.2%
Common Equity & Other	4.7%	2.3%	13.8%	49.8%	30.2%

Please see Notes to the Investor Presentation on page 13.

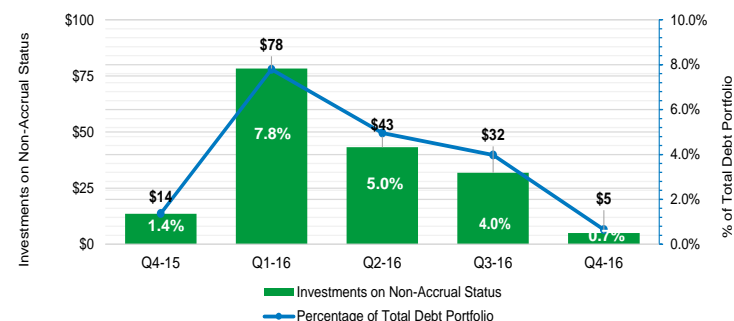
# Portfolio Status

(\$ in Millions)	Quarter Ended				
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16
Investment Portfolio at Cost <sup>6</sup>	\$ 1,153	\$ 1,219	\$ 1,105	\$ 1,050	\$ 1,022
Investment Portfolio at Fair Value <sup>6</sup>	1,117	1,126	1,012	947	931
Fair Value % Cost	96.9%	92.4%	91.6%	90.2%	91.1%
Number of Portfolio Companies	45	47	40	38	38
Average Investment Size at Cost	\$ 25.6	\$ 25.9	\$ 27.6	\$ 27.6	\$ 26.9
<i>Portfolio by Asset Class at Fair Value:</i>					
Senior Secured 1st Lien Debt	\$ 407	\$ 387	\$ 392	\$ 367	\$ 295
Senior Secured 2nd Lien Debt	419	460	339	283	317
Subordinated / Unsecured Debt	169	157	142	151	156
Preferred Equity	44	51	64	61	58
Common Equity & Other	78	71	74	84	105
Yield on Income Producing Securities at Cost	11.0%	9.8%	10.0%	10.0%	10.5%
Yield on Senior Secured Loans at Cost	11.0%	9.2%	9.6%	9.5%	10.5%
Yield on Other Debt Securities at Cost	11.2%	11.4%	11.0%	11.1%	10.8%
Yield on Income Producing Securities at Fair Value	11.6%	10.8%	11.1%	11.4%	11.7%
Yield on Senior Secured Loans at Fair Value	11.4%	10.1%	10.5%	10.7%	11.3%
Yield on Other Debt Securities at Fair Value	13.0%	13.4%	13.4%	12.6%	12.4%

### Portfolio by Internal Investment Rating (by FMV)



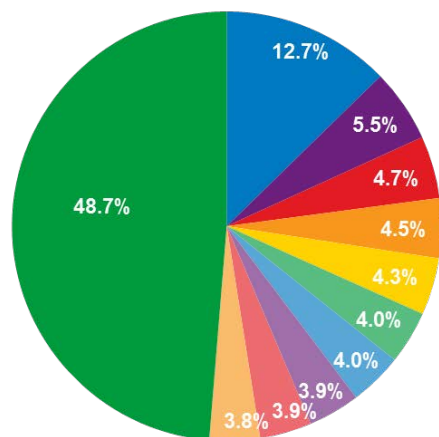
### Portfolio by Non-Accrual Status (by FMV)



Please see Notes to the Investor Presentation on page 13.

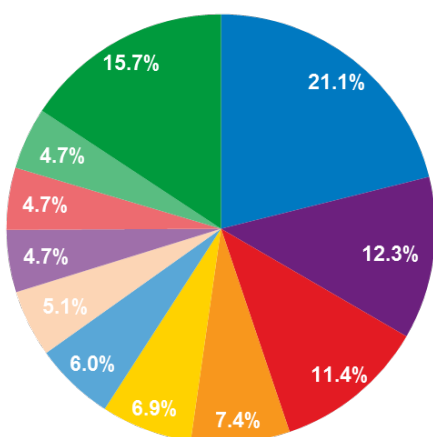
# Portfolio Composition at Fair Value at 12/31/16

Portfolio Composition by Issuer



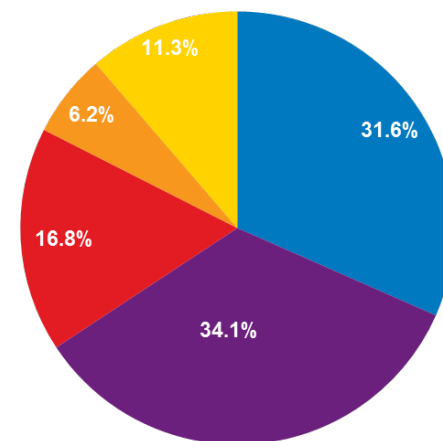
- Gordon Brothers Finance Company
- AGY Holding Corp.
- U.S. Well Services, LLC
- BCIC Senior Loan Partners JV
- MBS Group Holdings Inc.
- Vertellus Specialties Inc.
- Wink Holdco, Inc.
- GSE Environmental, Inc.
- First Boston Construction Holdings, LLC
- SVP Worldwide Ltd.
- Other

Portfolio Composition by Industry



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

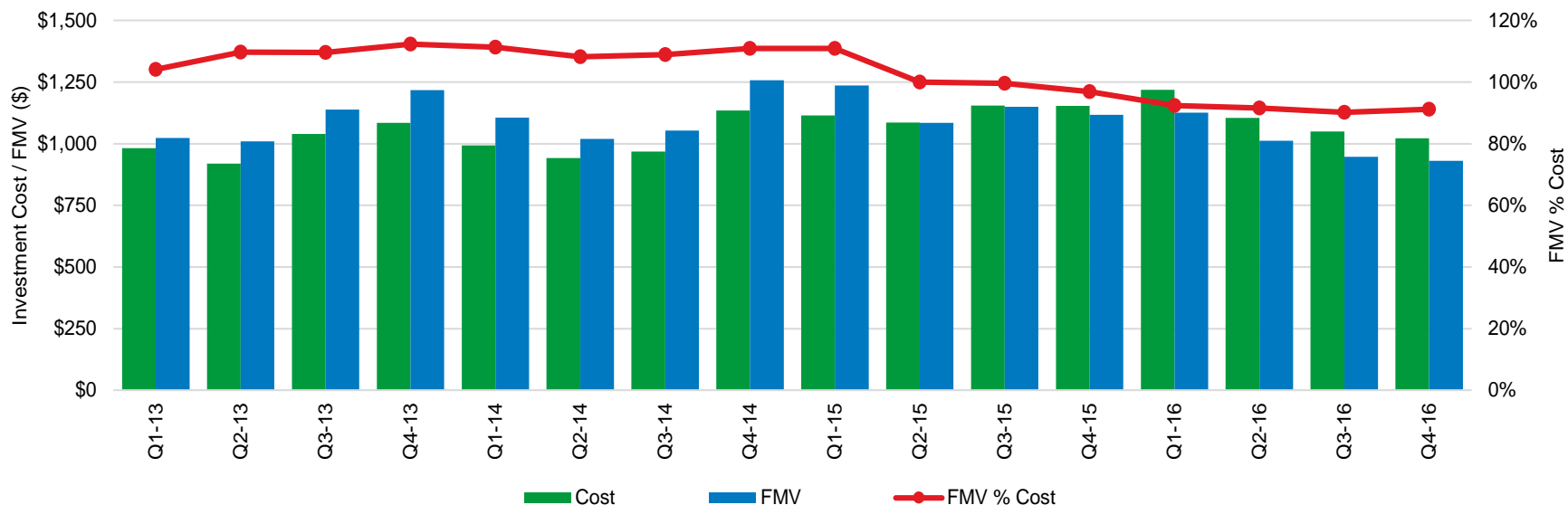
Portfolio Composition by Asset Class



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

# Portfolio Evolution

## Investment Cost / FMV



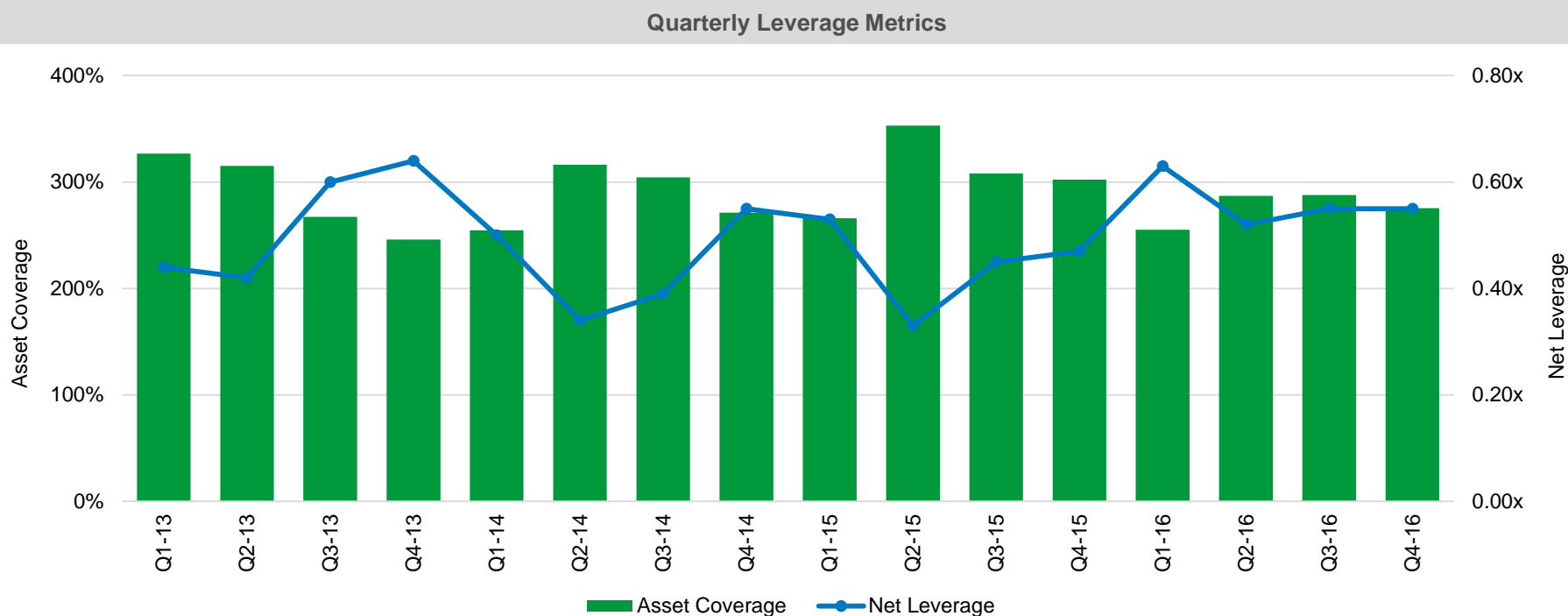
(\$ in Millions, Except per Share Data)

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16
Cost	\$982	\$920	\$1,039	\$1,085	\$994	\$942	\$968	\$1,134	\$1,114	\$1,085	\$1,154	\$1,153	\$1,219	\$1,105	\$1,050	\$1,022
FMV	1,023	1,009	1,139	1,218	1,106	1,019	1,054	1,258	1,236	1,085	1,150	1,117	1,126	1,012	947	931
FMV % Cost	104%	110%	110%	112%	111%	108%	109%	111%	111%	100%	100%	97%	92%	92%	90%	91%
NAV per share <sup>4</sup>	\$9.47	\$9.37	\$9.38	\$9.54	\$9.59	\$9.79	\$9.97	\$10.49	\$10.58	\$10.56	\$10.66	\$10.17	\$9.46	\$9.13	\$8.38	\$8.21

Please see Notes to the Investor Presentation on page 13.



# Leverage Profile



	As of															
(\$ in Millions)	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16
FMV	\$1,023	\$1,009	\$1,139	\$1,218	\$1,106	\$1,019	\$1,054	\$1,258	\$1,236	\$1,085	\$1,150	\$1,117	\$1,126	\$1,012	\$947	931
Borrowings	306	315	413	478	459	329	360	448	472	304	376	364	443	350	323	337
<b>Borrowings % FMV</b>	30%	31%	36%	39%	42%	32%	34%	36%	38%	28%	33%	33%	39%	35%	34%	36%
<b>Asset Coverage Ratio<sup>7</sup></b>	327%	315%	267%	246%	255%	316%	304%	271%	266%	353%	308%	302%	255%	287%	288%	275%
<b>Net Leverage<sup>5</sup></b>	0.44x	0.42x	0.60x	0.64x	0.50x	0.34x	0.39x	0.55x	0.53x	0.33x	0.45x	0.47x	0.63x	0.52x	0.55x	0.55x

▶ Asset coverage ratio<sup>7</sup> of 275% represents a \$256 million cushion to the minimum required ratio of 200% per BDC regulations.

▶ Credit facility availability of \$250 million as of 12/31/16.

Please see Notes to the Investor Presentation on page 13.

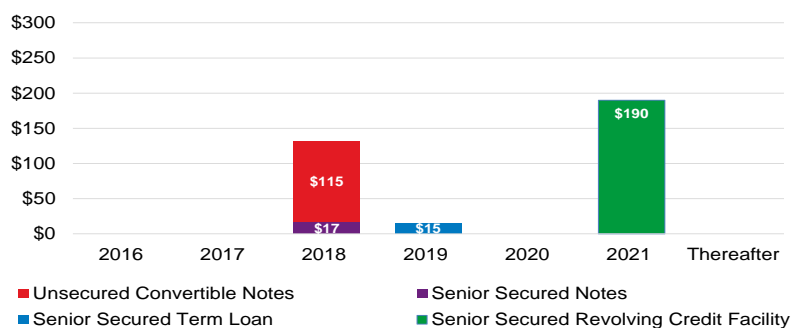
# Debt Summary

## Summary of Borrowings

(\$ in Millions)

Security	Amount as of 9/30/16		Amount as of 12/31/16		Rate	Maturity
	Available	Outstanding	Available	Outstanding		
Senior Secured Revolving Credit Facility <sup>8</sup>	\$440	\$176	\$440	\$190	L + 1.75% - 2.00%	2021
Senior Secured Term Loan	15	15	15	15	L + 3.25%	2019
Senior Secured Notes	17	17	17	17	6.60%	2018
Unsecured Convertible Notes	115	115	115	115	5.50%	2018
<b>Total</b>	<b>\$587</b>	<b>\$323</b>	<b>\$587</b>	<b>\$337</b>		

## Debt Maturity Profile



## Comparison of Debt Investments and Borrowings

	Amount as of 12/31/16	
	Debt Investments	Borrowings
<i>Percentage of Total Amount Outstanding:</i>		
Fixed Rate Securities	28.9%	39.2%
Floating Rate Securities	71.1%	60.8%
Weighted Average Interest Rate	10.4%	4.0%
Weighted Average Years to Maturity	3.7	2.9

Please see Notes to the Investor Presentation on page 13.

# Reconciliation of Net Investment Income / (Loss)

(\$ in Thousands, Except per Share Data)	Q4 2015		Q1 2016		Q2 2016		Q3 2016		Q4 2016		2015		2016	
	(\$)	Per Share	(\$)	Per Share	(\$)	Per Share	(\$)	Per Share	(\$)	Per Share	(\$)	Per Share	(\$)	Per Share
<b>GAAP Basis:</b>														
Net Investment Income / (Loss)	\$ 18,534	\$ 0.25	\$ 17,478	\$ 0.24	\$ 21,607	\$ 0.30	\$ (2,131)	\$ (0.03)	\$ 17,082	\$ 0.24	\$ 75,191	\$ 1.01	\$ 54,037	\$ 0.74
Net Increase / (Decrease) in Net Assets from Operations	(20,496)	(0.28)	(38,175)	(0.52)	(9,554)	(0.13)	(39,073)	(0.54)	2,510	0.03	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)	18,534	0.25	17,478	0.24	21,607	0.30	(2,131)	(0.03)	17,082	0.24	72,002	0.97	54,037	0.74
Net Increase / (Decrease) in Net Assets from Operations	(20,496)	(0.28)	(38,175)	(0.52)	(9,554)	(0.13)	(39,073)	(0.54)	2,510	0.03	35,436	0.48	(84,292)	(1.16)
Less: Incremental incentive management fee expense based on Income	(3,169)	(0.04)	-	-	-	-	-	-	-	-	11	0.00	-	-
<b>As Adjusted <sup>3</sup></b>														
Net Investment Income / (Loss)	21,704	0.29	17,478	0.24	21,607	0.30	(2,131)	(0.03)	17,082	0.24	71,991	0.97	54,037	0.74
Net Increase / (Decrease) in Net Assets from Operations	\$ (17,327)	\$ (0.23)	\$ (38,175)	\$ (0.52)	\$ (9,554)	\$ (0.13)	\$ (39,073)	\$ (0.54)	\$ 2,510	\$ 0.03	\$ 35,425	\$ 0.48	\$ (84,292)	\$ (1.16)

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. 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. 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 expressing the dividends paid in the twelve month period 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 \$1.1 million insurance reimbursement related to this legal settlement, and year ended 12/31/2016 excludes both.
11. Includes amounts due to restructurings, if applicable.

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.

### François de Saint Phalle

Former Chief Operating Officer and Vice Chairman of Dillon, Read & Co. Inc.

### Steven F. Sterling

Former Chairman of the Board and Chief Executive Officer of BKCC

### Maureen K. Usifer

Former Chief Financial Officer of Seventh Generation Inc.

## Corporate Officers

### Michael J. Zugay

Chief Executive Officer

### Donna M. Milia

Chief Financial Officer and Treasurer

### Laurence D. Paredes

General Counsel and Corporate Secretary

## 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](http://www.blackrockbkcc.com)

\* Full bios are available on the website.