



# BlackRock TCP Capital Corp. Investor Presentation

March 31, 2022

# Forward Looking Statements

Prospective investors considering an investment in BlackRock TCP Capital Corp. (“we”, “us”, “our”, “TCPC” or the “Company”) 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 [www.tccapital.com](http://www.tccapital.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, 2021, 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 [www.tccapital.com](http://www.tccapital.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.

# First Quarter 2022 Highlights

As of March 31, 2022

## Portfolio Performance

- Net investment income of 34 cents per share, exceeded the first quarter dividend of 30 cents per share paid on March 31
- The credit quality of TCPC's diversified portfolio remains strong, with non-accrual loans limited to just 0.3% of total investments at fair value and 0.9% at cost
- Net investment income ROE of 9.4%, and GAAP ROE (inclusive of gains and losses) of 14.1% for the twelve months ended March 31, 2022

## Capital & Liquidity

- Fitch reaffirmed TCPC's investment-grade rating with stable outlook. TCPC continues to be investment-grade rated by both Moody's and Fitch.

## Dividend

- Dividend coverage ratio in the first quarter was 113%; continuing TCPC's successful record of consistent dividend coverage every quarter since IPO in 2012
- Declared a second quarter dividend of \$0.30 per share payable on June 30, 2022 to shareholders of record as of June 16, 2022

# First Quarter 2022 Financial and Portfolio Overview

As of March 31, 2022

## Diversified Portfolio with an Emphasis on Less-Cyclical Businesses

- Total portfolio fair value of \$1.8 billion diversified across 119 portfolio companies
- 88% invested in senior secured debt; 74% of the total portfolio is 1<sup>st</sup> lien
- Weighted average yield of the portfolio is 9.1%<sup>(1)</sup>
- Acquisitions totaled \$112 million and dispositions totaled \$153 million, for net portfolio dispositions of \$41 million in the first quarter

## Flexible Capital With Available Liquidity

- Diverse leverage program totaling \$1.2 billion, with well laddered maturities
- 56% of outstanding leverage as of March 31 is unsecured
- \$201 million of available credit facility capacity
- Net regulatory leverage ratio of 1.02x, well within our 2:1 regulatory leverage limitation

## Well-Resourced Platform

- Advisor has more than 2 decades of private credit experience across multiple market cycles
- BlackRock platform provides access to technology capabilities, knowledge and global resources across asset classes and sectors

(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 8.7% as of 3/31/2022.

*Past performance does not guarantee future returns.*

# Middle Market Lending – A Large and Growing Opportunity

## Market Size

~200,000 U.S. Middle Market companies representing over \$10 trillion in annual revenue <sup>(1)</sup>

## Historical Growth

6.5% annual revenue growth since 2010, outpacing large companies by 300 bps<sup>(1)</sup>

## Strong Credit Performance

Middle Market loans have historically experienced lower loss rates than broadly syndicated loans <sup>(2)</sup>

**Both supply and demand factors are fueling middle market lending growth**

- Ability for borrowers to obtain customized solutions
- Ease, speed and certainty of execution
- Increase in dedicated capital to the sector
- Value in establishing long-term relationships between borrowers, lenders and private equity sponsors

<sup>(1)</sup> Source: National Center for Middle Market at Ohio State University

<sup>(2)</sup> Source: S&P, Fitch U.S. Leveraged Loan Default Insights

# Diversified Portfolio: Emphasis on Less-Cyclical Businesses

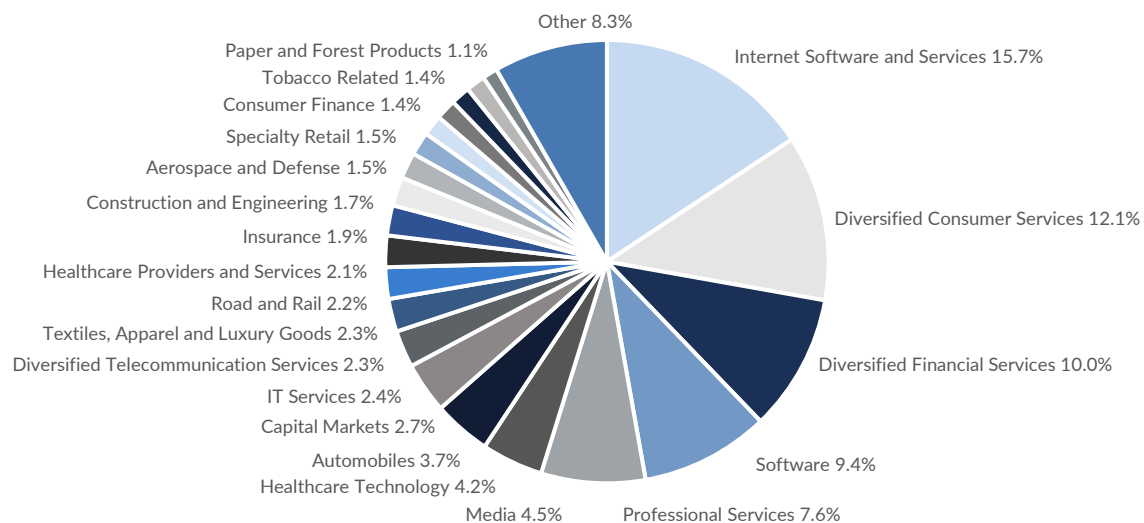
Substantially all investments subject to independent 3<sup>rd</sup> party valuation process every quarter

As of March 31, 2022

## Emphasis on Less-Cyclical Businesses

- Robust downside analysis performed at underwriting, with an emphasis on companies and industries that can withstand periods of economic stress
- Portfolio emphasis on less-cyclical companies with strong covenants; investments in cyclical companies typically structured with significant collateral protections
- Each portfolio company investment subject to additional rigorous review since the start of the COVID-19 pandemic to identify and address new risks, including future capital needs or potential covenant breaches

## Industry Diversification<sup>(1)</sup>

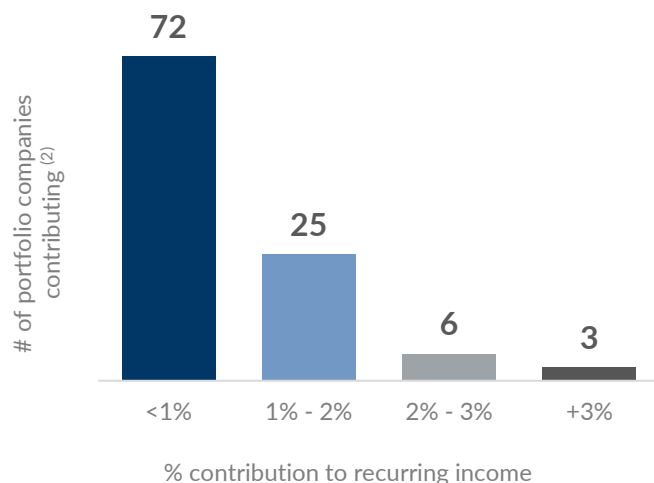


(1) Industry classification system generally categorizes portfolio companies based on the primary end market served, rather than the product or service directed to those end markets. *Past performance does not guarantee future returns.*

# Diversified Portfolio: Conservatively Positioned

As of March 31, 2022

## Diversified Income Contribution



**\$1.8 billion**  
portfolio fair value

**88% of portfolio**  
is senior secured debt

**9.1% weighted**  
average effective yield  
on debt portfolio<sup>(1)</sup>

**More than half of our portfolio**  
companies contribute  
<1% to recurring income

(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 8.7% as of 3/31/2022.

(2) Excludes non-income producing equity investments

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# Strategically Positioned Balance Sheet

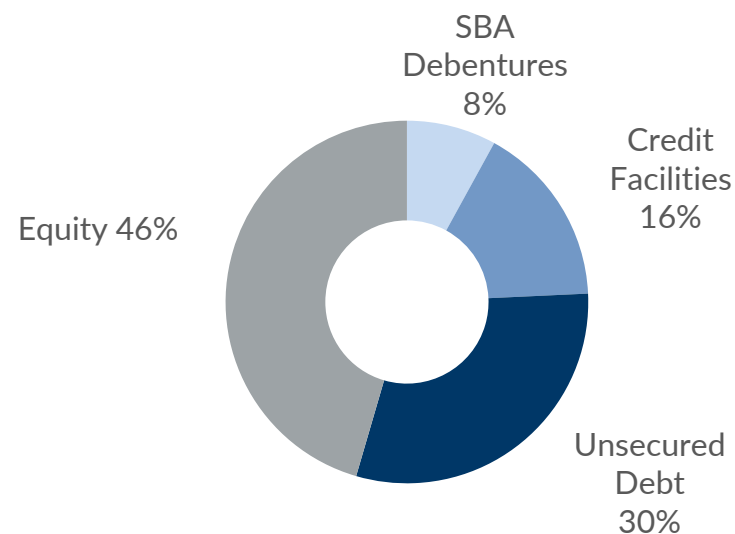
As of March 31, 2022

## Predominantly First Lien, Floating Rate Asset Portfolio

Seniority <sup>(1)</sup>	
First Lien	74%
Second Lien	14%
Junior	0%
Equity	12%

Fixed / Floating <sup>(2)</sup>	
Floating Rate	95%
Fixed Rate	5%

## Diverse Capital Structure<sup>(3)</sup>



(1) As a percent of total investments at fair value as of March 31, 2022.

(2) As a percent of debt investments at fair value as of March 31, 2022.

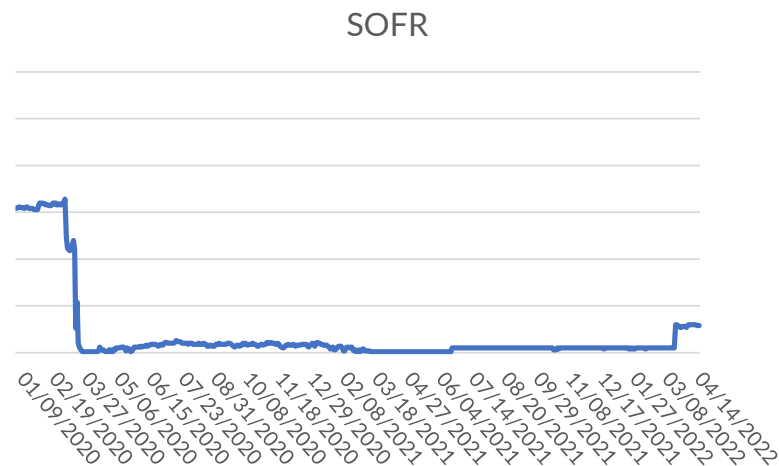
(3) SBA Debentures structured as long-term facilities and not subject to regulatory minimum asset coverage.



# Well Positioned for a Rising Rate Environment

## Rising Rate Environment

- Interest rates have recently started to rise after declining the last several years
- Given the majority of our outstanding liabilities are fixed rate, we are well positioned to benefit from an increase in interest rates



## Annual impact on net income of changes in interest rates<sup>(1)</sup>

Basis Point Change	Net Investment Income	Net Investment Income Per Share
Up 300 basis points	+\$26,887,663	+\$ 0.47
Up 200 basis points	+\$14,651,834	+\$ 0.25
Up 100 basis points	+\$ 3,026,672	+\$ 0.05
Down 100 basis points	+\$ 1,746,357	+\$ 0.03

(1) Considers interest rate floors for variable rate instruments and assumes concurrent contractual rate resets for assets and liabilities, and excludes the related incentive compensation impact. Actual results may differ. Please refer to page 67 of the Company's 10-Q as of March 31, 2022.

# Well-Covered Dividend

## Net investment income of \$0.34 per share in Q1 2022

Out-earned quarterly dividend of \$0.30 per share paid on March 31, 2022

## Declared Q2 2022 dividend of \$0.30 per share

Payable on June 30, 2022 to holders of record as of June 16, 2022

Consistent coverage of the regular dividend every quarter since IPO in 2012

	2012 <sup>(1,2)</sup>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 Q1
Per Share											
Regular dividend	\$1.04	\$1.43	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.32	\$1.20	\$0.30
Net investment income	\$1.42	\$1.65	\$1.55	\$1.64	\$1.51	\$1.59	\$1.59	\$1.61	\$1.44	\$1.26	\$0.34
<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>112%</b>	<b>109%</b>	<b>105%</b>	<b>113%</b>
Special dividend	\$0.05	\$0.10	\$0.10								

(1) Incentive compensation was waived from the date of the IPO 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.*

# Competitive Advantages of BlackRock

**BlackRock's investment platform creates substantial scale and scope that provides insight, access, and expertise in sourcing, underwriting and managing differentiated investments**

## Global Credit Expertise

- \$164 billion<sup>(1)</sup> in AUM across credit asset classes globally
- 220<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
- Strong market access and corporate relationships

## Strong Risk Management

- Firm-wide culture of risk management
- Dedicated risk professionals with independent reporting lines

(1) As of March 31, 2022. AUM includes managed assets and dry powder.

# Breadth and Depth of BlackRock's Global Credit Platform

Global Credit AUM: \$164 billion<sup>(1)</sup>

## Leveraged Finance

- High Yield
- Bank Loans
- CLOs

## Multi-Strategy Credit

- Pan-Credit Solutions
- Hedge Fund Strategies

## Private Credit

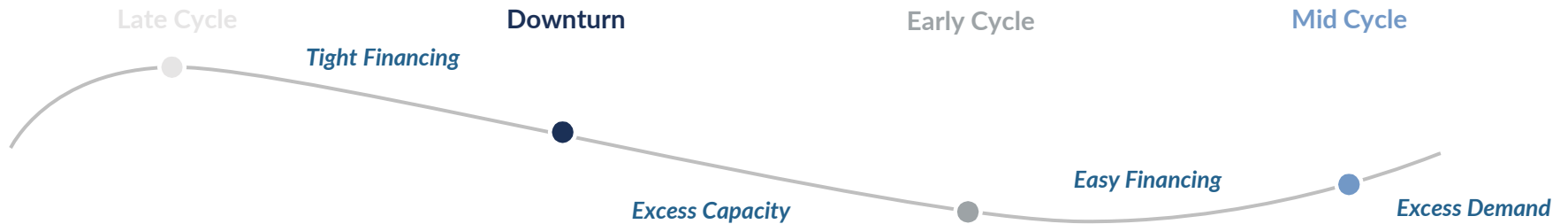
- Direct Lending
- Opportunistic Credit
- Specialty Finance

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*

<sup>(1)</sup> As of March 31, 2022. Includes managed assets and dry powder.

# Well Positioned to Manage Through the Cycle



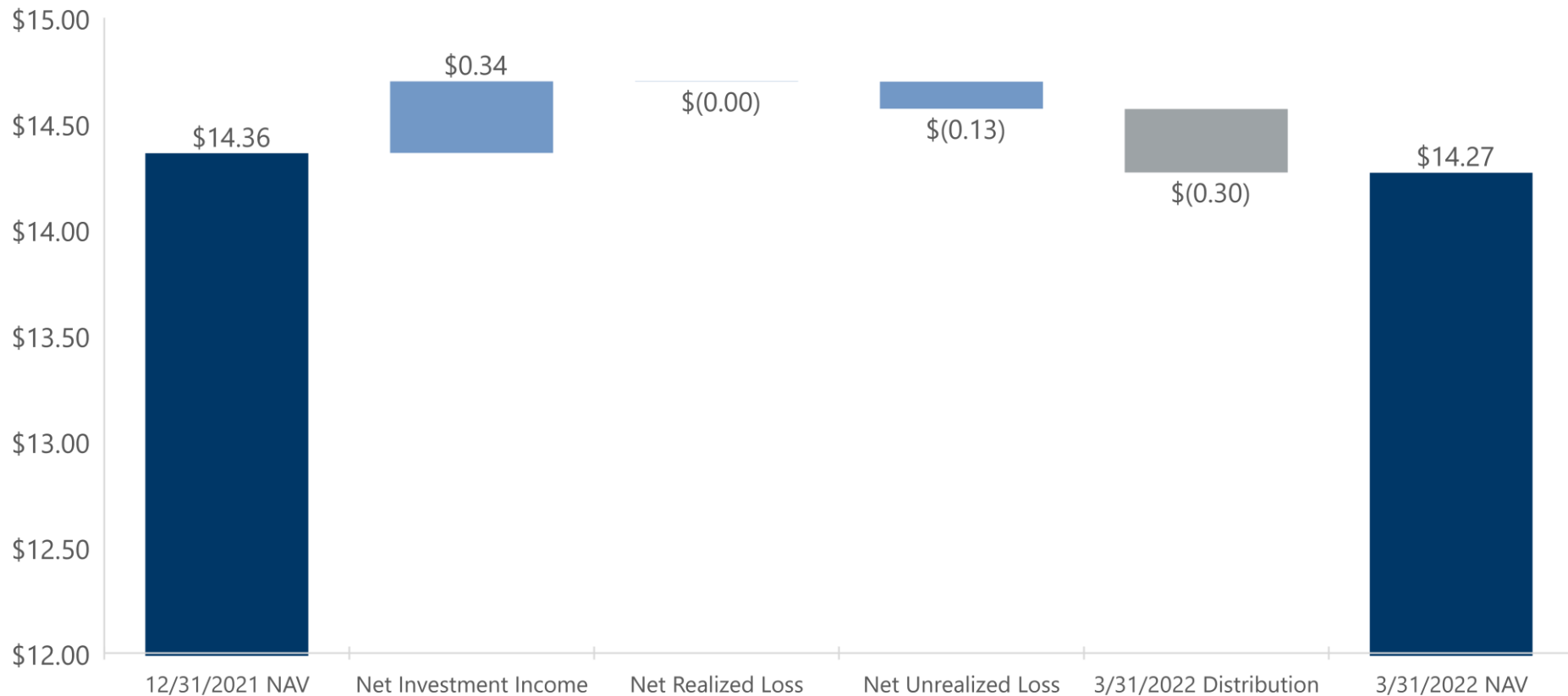
## Strategy attributes are well-positioned to withstand a downturn

- ✓ Senior secured, top of the capital structure
- ✓ Significant cushion below investment (generally, 40-60%)
- ✓ Financial and maintenance covenants
- ✓ Diverse portfolio by issuer, industry, and sector
- ✓ Investment segment governed by consistent and predictable bankruptcy laws
- ✓ Cycle-tested team with proven track record
- ✓ Depth of workout and restructuring expertise
- ✓ Repeat borrowers are an important source of originations, accounting for nearly 40 percent of new investments over the last twelve months

Source: BlackRock. As of March 31, 2022

# Net Asset Value (“NAV”) Bridge – First Quarter 2022

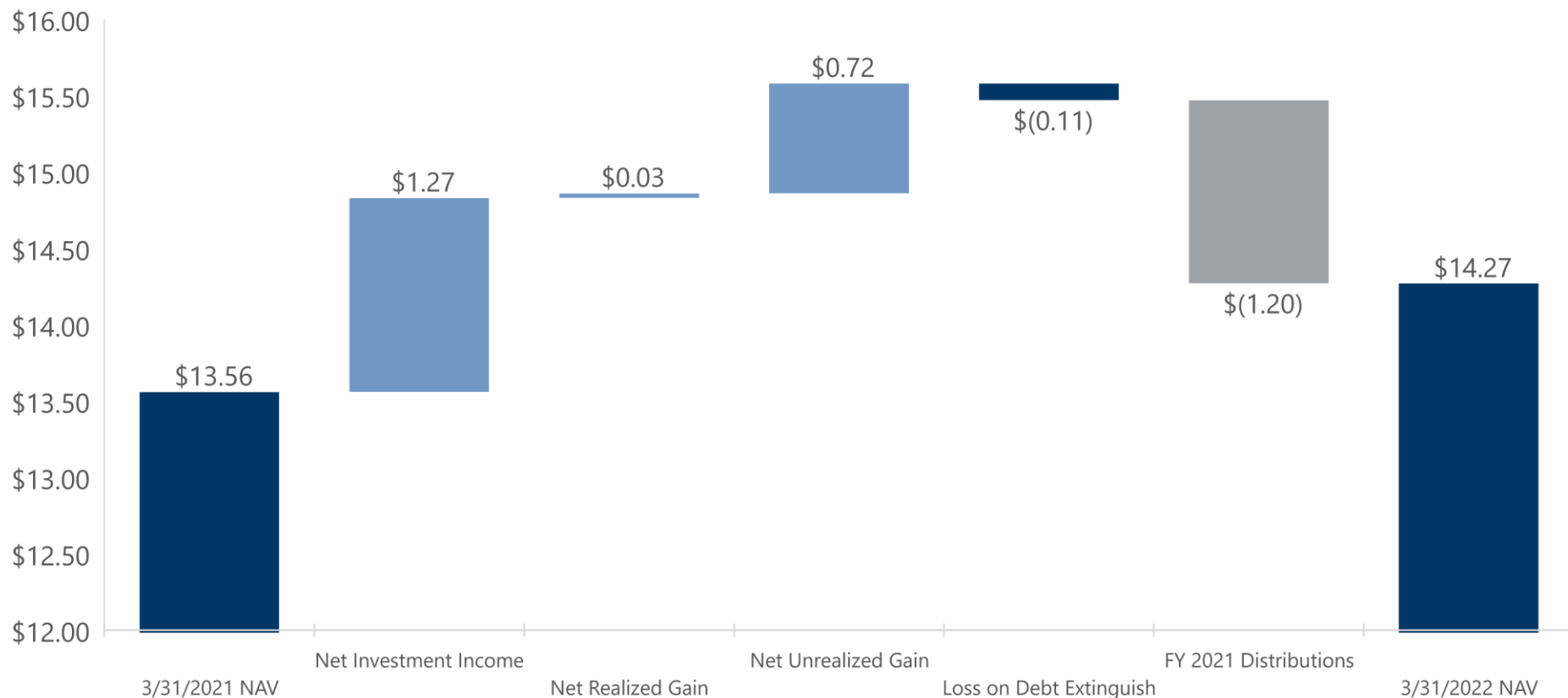
Quarter over quarter NAV decreased 0.6%, primarily driven by wider market spreads



Past performance does not guarantee future returns.

# Net Asset Value (“NAV”) Bridge – Last Twelve Months

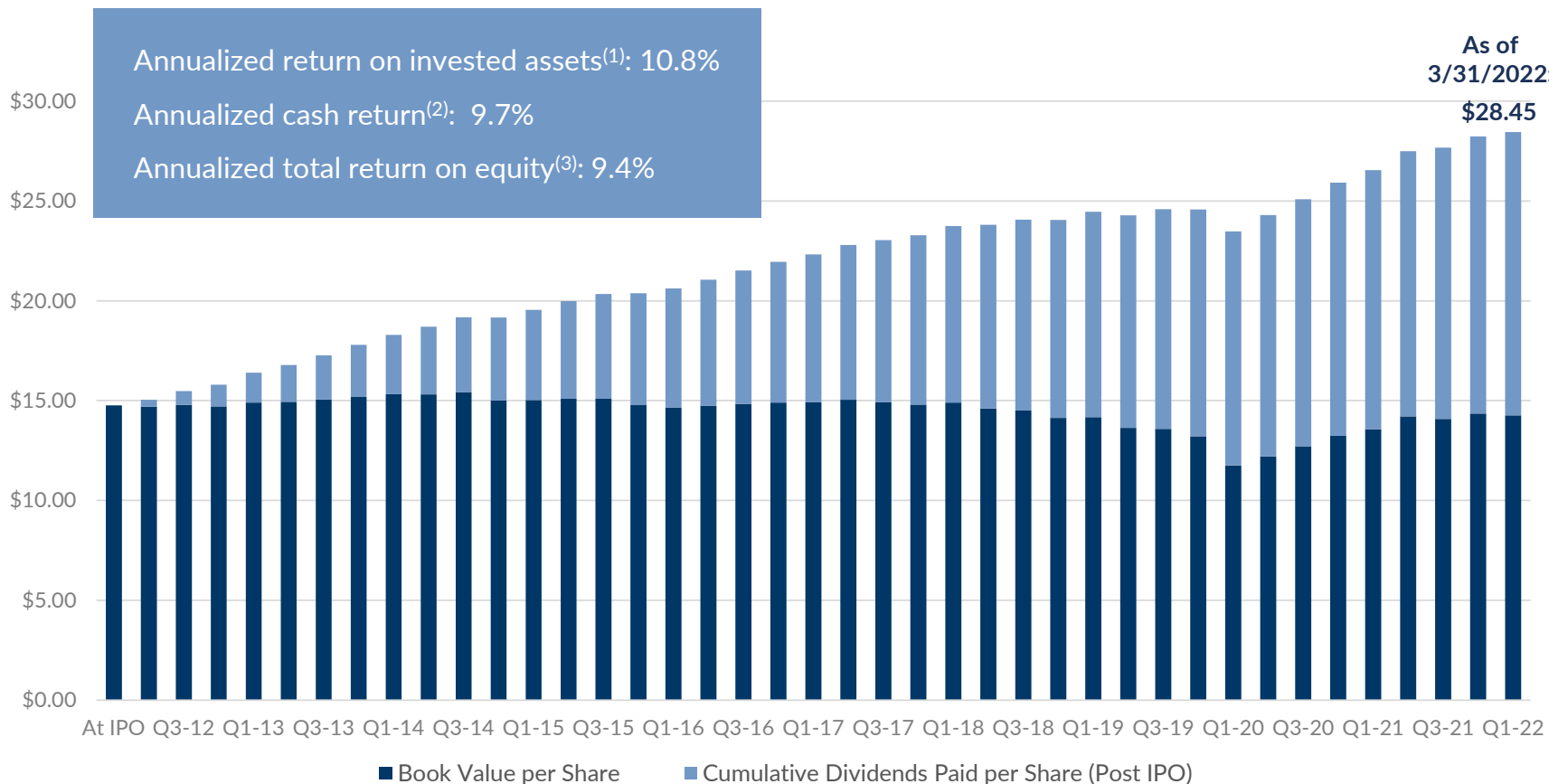
NAV increased 5.2% over the LTM, driven by strong credit performance across the portfolio



Past performance does not guarantee future returns.

# Strong Track Record

## Book Value per Share and Dividends Paid



(1) Annualized return on assets calculated as total investment income (gross of expenses) plus realized and unrealized gains and losses divided by average total investments between April 6, 2012 and March 31, 2022.

(2) Cash return calculated as total distributions from April 6, 2012 through March 31, 2022, divided by opening NAV of \$14.76 on April 6, 2012.

(3) Total return calculated as the change in net asset value plus dividends distributed between April 6, 2012 and March 31, 2022.

*Past performance does not guarantee future returns.*



# Diversified Sources of Funding

## TCPC is investment grade rated by Fitch and Moody's

As of March 31, 2022, \$ in millions

Source	Capacity	Drawn Amount	Available	Pricing	Maturity
Operating Facility	\$ 300.0 <sup>(1)</sup>	\$ 206.2	\$ 93.8	L + 1.75% <sup>(2)</sup>	May-26
Funding Facility II	200.0 <sup>(3)</sup>	103.0	97.0	L + 2.00% <sup>(4)</sup>	Aug-25
SBA Debentures	160.0	150.0	10.0	2.52% <sup>(5)</sup>	2024-2031
2024 Notes	248.5 <sup>(6)</sup>	248.5	-	3.900%	Aug-24
2026 Notes	326.5 <sup>(7)</sup>	326.5	-	2.850%	Feb-26
<b>Total leverage</b>	<b>\$ 1,235.0</b>	<b>\$ 1,034.2</b>	<b>\$ 200.8</b>	<b>2.91% <sup>(8)</sup></b>	
Cash			43.7		
Net settlements			0.2		
Unamortized debt issuance costs		(6.3)			
<b>Net</b>		<b>\$ 1,027.9</b>	<b>\$ 244.7</b>		

- (1) Operating Facility has a \$100.0 million accordion which allows for expansion of the facility to up to \$400.0 million subject to consent from the lender and other customary conditions.
- (2) As of March 31, 2022, \$8.2 million of the outstanding amount bore interest at a rate of EURIBOR + 2.00% and \$3.0 million of the outstanding amount bore interest at a rate of Prime + 1.00%.
- (3) Funding Facility II has a \$50.0 million accordion which allows for expansion of the facility to up to \$250.0 million subject to consent from the lender and other customary conditions.
- (4) Subject to certain funding requirements.
- (5) Weighted average interest rate, excluding fees of 0.35% or 0.36%.
- (6) \$250 million par. Carrying value shown.
- (7) \$325 million par. Carrying value shown.
- (8) Combined weighted-average interest rate on amounts outstanding as of March 31, 2022.

# Investor Friendly Advisory Fee Structure

	BlackRock TCP Capital Corp.	Average Externally Managed BDC <sup>(1)</sup>
Base Management Fee	<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>7% annualized <b>total return</b> on NAV, cumulative lookback</li> </ul>	<ul style="list-style-type: none"> <li>7% annualized <b>NII return</b> on NAV, no lookback</li> </ul>
Incentive Compensation	<ul style="list-style-type: none"> <li>Capital Gains: <b>17.5%</b> of cumulative net realized gains less net unrealized depreciation, subject to a <u>cumulative</u>, annualized 7% total return hurdle calculated quarterly</li> <li>Ordinary Income: <b>17.5%</b> subject to a <u>cumulative</u>, annualized 7% total return hurdle calculated quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Capital Gains: <b>20%</b> of cumulative net realized gains less net unrealized depreciation, subject to a rolling 3-year annualized 7% return hurdle</li> <li>Ordinary Income: <b>20%</b> 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 3/31/2022.

# BlackRock TCP Capital Corp - Response to COVID-19

As of March 31, 2022

## Our Team

Leveraging our team's more than **20 years' experience** investing across market cycles, as well as our **special situations expertise**

Additional resources, including technology and benefits, committed across BlackRock for **the safety and well-being** of employees

## Our Portfolio

**Thorough and ongoing analysis** of every company in our portfolio to seek to proactively address COVID-19 impacts

**Working alongside management teams** and sponsors to identify issues quickly and help borrowers navigate the current environment

## Our Firm

**Business continuity procedures continue to be fully operational** – employees have access to BlackRock tools, technology and connectivity from home

Utilizing resources throughout the **BlackRock platform**, including expertise across asset classes, broad market access and corporate relationships

# Quarterly Operating Results

	2022	2021			
Unaudited (\$ in thousands, except per share amounts)	Q1	Q4	Q3	Q2	Q1
<b>Investment income</b>					
Interest income	\$ 40,454	\$ 38,506	\$ 40,542	\$ 39,769	\$ 36,834
Dividend income	1,538	959	1,915	1,560	3,408
Other income	159	116	259	316	922
Total investment income	42,151	39,581	42,716	41,645	41,164
<b>Expenses</b>					
Interest and other debt expenses	9,345	9,652	10,518	10,712	10,106
Management fees	6,668	6,581	6,769	6,426	5,943
Incentive fee	4,190	3,742	4,744	4,548	4,691
Administrative expenses	477	475	408	429	540
Legal fees, professional fees and due diligence expenses	570	339	506	580	290
Other expenses	1,147	1,149	1,079	1,182	1,153
Total expenses	22,397	21,938	24,024	23,877	22,723
<b>Net investment income</b>	19,754	17,643	18,692	17,768	18,441
Net realized and unrealized gain (loss)	(7,305)	14,940	(1,589)	37,059	17,043
Loss on extinguishment of debt		-	(6,206)	-	-
<b>Net increase (decrease) in net assets</b>	\$ 12,449	\$32,583	\$ 10,897	\$ 54,827	\$ 35,484
Earnings (loss) per share	\$ 0.22	\$ 0.56	\$ 0.19	\$ 0.95	\$ 0.61
Net investment income per share <sup>(1)</sup>	\$ 0.34	\$ 0.31	\$ 0.32	\$ 0.31	\$ 0.32
Dividend per share	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30
Weighted average common shares outstanding	57,767,264	57,767,264	57,767,264	57,767,264	57,767,264
Ending common shares outstanding	57,767,264	57,767,264	57,767,264	57,767,264	57,767,264

(1) After incentive compensation

# Financial Highlights

	2022	2021			
	Unaudited	Unaudited			
(\$ per share)	Q1	Q4	Q3	Q2	Q1
Net investment income	0.34	0.31	0.32	0.31	0.32
Net realized & unrealized gains (losses)	(0.12)	0.26	(0.02)	0.64	0.30
Loss on extinguishment of debt	-	-	(0.11)	-	-
Net increase (decrease) in net assets from operations	0.22	0.56	0.19	0.95	0.62
Dividend paid	(0.30)	(0.30)	(0.30)	(0.30)	(0.30)
Net asset value	14.27	14.36	14.09	14.21	13.56

	2022	2021			
	Q1	Q4	Q3	Q2	Q1
Total fair value of investments (000s)	\$ 1,795,751	\$ 1,841,138	\$ 1,757,378	\$ 1,826,057	\$ 1,735,391
Number of portfolio companies	119	115	106	108	98
Average investment size (000s)	\$ 15,090	\$ 16,010	\$ 16,579	\$ 16,908	\$ 17,708
Debt/equity ratio <sup>(1)</sup>	1.07x	1.05x	1.03x	1.02x	1.07x
Debt/equity ratio, net of cash <sup>(1)(2)</sup>	1.02x	1.05x	1.01x	1.04x	1.04x

(1) Excludes SBIC debt, which is exempt from regulatory asset coverage requirements

(2) Net of trades pending settlement

# Portfolio Highlights

	2022	2021			
Asset Mix of the Investment Portfolio (in thousands)	Q1	Q4	Q3	Q2	Q1
Senior secured debt	\$ 1,584,366	\$ 1,631,602	\$ 1,576,117	\$ 1,601,722	\$ 1,548,844
Junior debt	3,162	3,156	6,350	6,228	6,157
Equity <sup>(1)</sup>	208,223	206,380	174,912	218,107	180,390
<b>Total investments</b>	<b>\$ 1,795,751</b>	<b>\$ 1,841,138</b>	<b>\$ 1,757,378</b>	<b>\$ 1,826,057</b>	<b>\$ 1,735,391</b>

	2022	2021			
Portfolio Activity (in thousands)	Q1	Q4	Q3	Q2	Q1
Gross acquisitions	\$ 112,354	\$ 182,027	\$ 156,860	\$ 235,667	\$ 182,585
Exits (includes repayments)	153,442	115,017	227,185	184,588	95,732
<b>Net acquisitions (exits)</b>	<b>\$ (41,088)</b>	<b>\$ 67,010</b>	<b>\$ (70,325)</b>	<b>\$ 51,079</b>	<b>\$ 86,853</b>

(1) Includes equity interests in diversified portfolios of debt and lease assets

# Quarterly Balance Sheets

	2022	2021			
<i>(in thousands, except per share data)</i>	Unaudited	Audited	Unaudited		
ASSETS	Q1	Q4	Q3	Q2	Q1
Investments at fair value	\$ 1,795,751	\$ 1,841,138	\$ 1,757,378	\$ 1,826,057	\$ 1,735,391
Cash and cash equivalents	43,651	19,552	36,588	17,881	14,255
Accrued interest income	21,459	20,061	21,609	20,471	17,501
Receivable for investments sold	234	6,025	10,961	12,419	28,014
Other assets	7,820	7,453	6,971	6,158	6,711
Total assets	\$ 1,868,915	1,894,229	1,833,507	1,882,986	1,801,872
LIABILITIES					
Debt, net of unamortized issuance costs	\$ 1,027,911	\$ 1,012,461	\$ 977,842	\$ 991,086	\$ 982,982
Payable for investments purchased	-	28,994	30,965	45,895	18,486
Interest payable	3,209	10,864	3,371	11,886	3,685
Incentive compensation payable	4,190	3,742	4,745	4,548	4,691
Other liabilities	9,143	8,711	2,380	8,933	8,887
Total liabilities	1,044,453	1,064,772	1,019,303	1,062,348	1,018,731
NET ASSETS	\$ 824,462	\$ 829,457	\$ 814,204	\$ 820,638	\$ 783,141
NET ASSETS PER SHARE	\$ 14.27	\$ 14.36	\$ 14.09	\$ 14.21	\$ 13.56

## Securities Listing

NASDAQ: TCPC

## Research Coverage

- Bank of America Merrill Lynch
- JMP Securities
- Keefe, Bruyette & Woods
- Ladenburg Thalmann
- Oppenheimer
- Raymond James
- Wells Fargo

## Transfer Agent

Computershare Inc.

(866) 333-6433 (from U.S.)

(201) 680-6578 (from outside U.S.)

[www.computershare.com/investor](http://www.computershare.com/investor)

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