

## Overview

Capital Southwest (NASDAQ: CSWC) is an internally-managed, credit-focused BDC that is an active lender to middle market companies across the capital structure. CSWC provides flexible capital that fills financing needs that traditional first lien senior lenders are unwilling to meet. In particular, CSWC is well-positioned to finance lower middle market businesses with \$3 to \$15 million of EBITDA.

CSWC manages investable capital of approximately \$850 million. As of December 31 2018, CSWC had funded over \$1.0 billion in new credit investments, including the capital invested in its I-45 Senior Loan Fund.

The Company is managed by an investment team with decades of experience working with one another. The firm and all of its employees are located in Dallas, Texas.

## Recent Investment Activity

In 2018, CSWC committed approximately **\$216 million** in new and add-on direct debt and equity financings across **18** different middle market portfolio companies.

### Industry Preferences

CSWC is a **generalist** investment firm with certain preferred sectors:

- Business services
- Digital media and advertising
- Healthcare products and services
- Value-added distribution
- Industrial manufacturing and services
- Consumer products and retail
- Tech-enabled and digital media services

### Investment Parameters

<b>Investment Size</b>	<ul style="list-style-type: none"> <li>• \$5 to \$50 million financings</li> <li>• \$5 to ~\$25 million commitment size per deal</li> <li>• Active network of co-investors</li> </ul>
<b>Company Size</b>	<ul style="list-style-type: none"> <li>• Minimum of \$3 million of EBITDA</li> <li>• Typically \$3 to \$15 million of EBITDA</li> </ul>
<b>Situations</b>	<ul style="list-style-type: none"> <li>• New platform acquisitions</li> <li>• Dividend recapitalizations</li> <li>• Refinancings</li> <li>• Bolt-on acquisitions</li> <li>• Growth financings</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>• Financial sponsors</li> <li>• Investment banks and business brokers</li> <li>• Founder and independently-owned businesses</li> <li>• Independent sponsors</li> </ul>
<b>Investment Structures</b>	<ul style="list-style-type: none"> <li>• Unitranche debt (with network of first out senior lending relationships)</li> <li>• First lien debt</li> <li>• Second lien debt</li> <li>• Subordinated debt</li> <li>• Preferred and common equity</li> <li>• Flexibility to invest across multiple securities</li> </ul>
<b>Equity Investments</b>	<ul style="list-style-type: none"> <li>• Equity co-investments alongside debt investments</li> <li>• Non-control investor</li> </ul>
<b>Geography</b>	<ul style="list-style-type: none"> <li>• Anywhere in the United States</li> </ul>
<b>Partnership</b>	<ul style="list-style-type: none"> <li>• Relationship-centric firm focused on mutually beneficial partnerships over several deals</li> </ul>
<b>Committee Process</b>	<ul style="list-style-type: none"> <li>• Investment committee all co-located in Dallas</li> <li>• <b>CSWC deal leaders have day-to-day access to Senior Management and can “speak for the firm” and execute without surprises</b></li> </ul>

## Capital Southwest Investment Team



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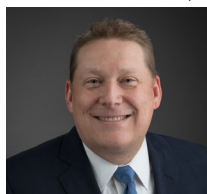
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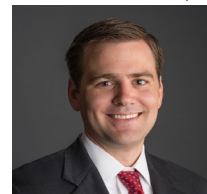
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Business Services  
**\$15mm**  
First Lien  
*April 2019*



Distribution Services  
**\$18mm**  
First Lien & Equity  
*March 2019*



Energy Services (Midstream)  
**\$10mm**  
Split Lien Term Loan  
*December 2018*



Healthcare Services  
**\$14mm**  
Revolver, First Lien & Equity  
*November 2018*



Business Services  
**\$9mm**  
Revolver, First Lien & Equity  
*September 2018*



Healthcare Services  
**\$17mm**  
First Lien & Equity  
*September 2018*



Healthcare Services  
**\$15mm**  
First Lien, Second Lien & Equity  
*August 2018*

Confidential  
Digital Media  
**\$21mm**  
Last Out Unitranch  
& Equity  
*August 2018 (add-on)*  
*April 2018 (add-on)*  
*October 2017 (add-on)*  
*February 2017*



Business Services  
**\$20mm**  
Revolver, First Lien & Equity  
*August 2018 (3x add-on)*  
*February 2018*



Natural Resources  
**\$9mm**  
Split Lien  
*July 2018*



Business Services  
**\$14mm**  
Revolver, First Lien & Equity  
*July 2018*



ADAMS PUBLISHING GROUP LLC  
Media, Marketing & Entertainment  
**\$17mm**  
First Lien & Delayed Draw  
*July 2018*



Consumer Services  
**\$23mm**  
First Lien & Delayed Draw  
*June 2018*



Consumer Products & Retail  
**\$8mm**  
Revolver & First Lien  
*May 2018*



Healthcare Services  
**\$13mm**  
First Lien  
*April 2018 (add-on)*  
*November 2017*



Distribution  
**\$26mm**  
Revolver, First Lien, Delayed Draw & Equity  
*April 2018*



Healthcare Services  
**\$15mm**  
Revolver, First Lien, Delayed Draw & Equity  
*February 2018*



Consumer Products & Retail  
**\$13mm**  
First Lien  
*December 2017*



Digital Media  
**\$18mm**  
First Lien  
*December 2017*



Healthcare Services  
**\$14mm**  
Revolver, First Lien & Equity  
*November 2017*



Logistics  
**\$14mm**  
First Lien  
*October 2017 add-on*



Consumer Products & Retail  
**\$13mm**  
Secured Sub Debt & Equity  
*August 2017*



Business Services  
**\$19mm**  
First Lien & Equity  
*July 2017*



Business Services  
**\$5mm**  
Secured Sub Debt & Equity  
*June 2017*



Business Services  
**\$16mm**  
First Lien & Equity  
*June 2017 add-on*