

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 \$950 million. As of June 30 2020, CSWC had funded over \$1.3 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 2019, CSWC committed approximately **\$186 million** in new and add-on direct debt and equity financings across **17** 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

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

Capital Southwest Investment Team



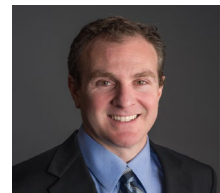
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 **EVERWATCH**
Software & IT Services

**\$12mm
Revolver &
First Lien**

July 2020

 **ETC**
Business Services

**\$15mm
Revolver, First Lien &
Equity**

July 2020

 **LGM PHARMA**
Healthcare Products

**\$17mm
Revolver, First Lien &
Equity**

July 2020 (add-on)
November 2017

 **PRECISION
SPINE CARE**
Healthcare Services

**\$19mm
Revolver, First Lien
& Equity**

July 2020 (add-on)
November 2018

 **YourAlaskaLink**
.COM
Media, Marketing &
Entertainment

**\$9mm
Revolver & First Lien**

June 2020

 **CENTRAL
Medical Supply
GROUP**
Healthcare Services

**\$11mm
Revolver, First Lien,
Capex Line, Equity**

May 2020

 **Gexpro**
Distribution

**\$8mm
First Lien**

March 2020

 **USADEBUSK**
Industrial Services

**\$8mm
First Lien**

February 2020

Confidential
Industrial Services

**\$16mm
First Lien
& Delayed Draw**

January 2020

 **clickbooth**
Media, Marketing &
Entertainment

**\$21mm
First Lien**

January 2020 (add-on)
December 2017

 **LANDPOINT**
Environmental Services

**\$19.5mm
First Lien**

December 2019

 **NINJATRADER**
Preferred Trading Platform
Software & IT Services

**\$22mm
Revolver, First Lien
& Equity**

December 2019

 **APOLLO**
Medlight
Healthcare Services

**\$19mm
Revolver, First Lien,
Delayed Draw & Equity**

December 2019 (add-on)
August 2019 (add-on)
February 2018

 **STAT
IN
MED**
Healthcare Services

**\$18mm
First Lien & Equity**

December 2019 (add-on)
September 2018

 **TRINITY3
TECHNOLOGY**
Distribution Services

**\$15mm
Term Loan & Equity**

November 2019

 **GRAMMATECH**
Software & IT Services

**\$15mm
Revolver, First Lien
& Equity**

November 2019

 **relevant.
rental solutions.**
Industrial Products

**\$18mm
Last Out Unitranche**

October 2019

 **vertex**
Business Services

**\$21mm
Last Out Unitranche
& Equity**

July 2019

 **DRIVEN**
Business Services

**\$12mm
First Lien**

June 2019

 **energizer**
Business Services

**\$15mm
First Lien**

April 2019

 **zenfolio**
Business Services

**\$21mm
Revolver, First Lien,
Delayed Draw & Equity**

April 2019 (add-on)
July 2017

 **VISTAR MEDIA**
Media, Marketing &
Entertainment

**\$18mm
First Lien**

April 2019 (add-on)
February 2017

 **SCRIP COMPANIES**
Distribution Services

**\$18mm
Last Out Unitranche
& Equity**

March 2019

 **ACE
GATHERING**
Energy Services
(Midstream)

**\$10mm
Split Lien Term Loan**

December 2018

 **Danforth
Advisors**
Business Services

**\$9mm
Revolver, First Lien
& Equity**

September 2018