

Overview

Capital Southwest (NASDAQ: CSWC) is an internally-managed, credit-focused BDC that is an active lender to lower 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 \$25 million of EBITDA.

CSWC manages investable capital of approximately \$1.6 billion. As of December 31, 2023, CSWC has funded nearly \$2.5 billion in new direct credit investments across 145 businesses since 2015.

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 the last twelve months, CSWC committed approximately **\$408 million** in direct debt and equity financings across **44** different lower middle market portfolio companies, including **20** new investments and **24** add-on financings.

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 services
- Tech-enabled services

Investment Parameters

Investment Size	<ul style="list-style-type: none"> • \$5 to \$70 million financings • \$5 to \$45 million target hold per deal, but willing to backstop up to \$55 million
Company Size	<ul style="list-style-type: none"> • Typically \$3 to \$25 million of EBITDA
Situations	<ul style="list-style-type: none"> • New platform acquisitions • Dividend recapitalizations • Refinancings • Bolt-on acquisitions • Growth financings
Deal Sources	<ul style="list-style-type: none"> • Financial sponsors and independent sponsors • Investment banks and business brokers • Founder and independently-owned businesses
Investment Structures	<ul style="list-style-type: none"> • Unitranche debt (with network of first out senior lending relationships) • First lien debt • Second lien 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"> • Companies generating a majority of revenue in the United States & Canada
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>

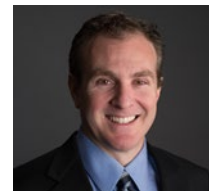
Capital Southwest Investment Team



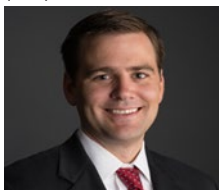
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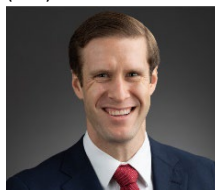
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Industrial Services

\$38.5mm
Revolver, First Lien
& Equity

*add-on February 2024
September 2023, August 2023
March 2023*

Confidential

Food & Beverage
Services

\$10.5mm
First Lien & Delayed Draw

February 2024



Consumer Products &
Retail

\$40.5mm
Revolver, First Lien

February 2024



Healthcare Products

\$7.3mm
First Lien & Equity

February 2024



Industrial Services

\$12mm
Revolver, First Lien
& Delayed Draw

February 2024

Confidential

Residential Pool Services

\$12.5mm
First Lien, Delayed Draw,
Revolver & Equity

December 2023



Media, Marketing, &
Entertainment

\$14.9mm
First Lien, Delayed Draw,
Revolver & Equity

December 2023



Food & Beverage
Services

\$29mm
First Lien, Delayed Draw,
Revolver & Equity

November 2023



Consumer Services

\$30.5mm
Revolver, First Lien
& Equity

*add-on October 2023, August 2023,
March 2023, December 2022
June 2022, February 2022
November 2021*



Healthcare Services

\$14mm
Revolver, First Lien
& Equity

October 2023



Healthcare Services

\$38.0mm
Revolver & First Lien

*add-on October 2023,
July 2023, March 2023
May 2021*



Environmental

\$16mm
Revolver, First Lien
& Equity

*add-on October 2023
November 2021*



Healthcare Services

\$23.5mm
First Lien & Equity

*add-on October 2023,
June 2023, February 2023,
January 2023, October 2022
September 2022*



Healthcare Services

\$17mm
Revolver, First Lien
& Equity

September 2023

Confidential

Food & Beverage
Services

\$17.5mm
Revolver & First Lien

September 2023



Healthcare Services

\$9mm
Revolver, First Lien &
Equity

*add-on September 2023, June 2023
April 2023*



Financial Services

\$10mm
First Lien

September 2023



Health Services

\$9.1mm
Revolver, First Lien
& Equity

*add-on September 2023, July 2023
February 2023*



Healthcare Services

\$20mm
First Lien & Delayed Draw

September 2023



Healthcare Services

\$29.5mm
Revolver, First Lien
& Delayed Draw

*add-on July 2023
August 2022*



Industrial Products

\$17.2mm
Revolver, First Lien,
Delayed Draw & Equity

July 2023



Industrial Products

\$15mm
Revolver, First Lien
& Delayed Draw

*add-on June 2023
August 2021*



Consumer Products &
Retail

\$14mm
Revolver, First Lien
& Delayed Draw

*add-on June 2023
December 2021*



Consumer Products & Retail

\$11.5mm
First Lien with Warrants

June 2023



Software & IT Services

\$8mm
Revolver, First Lien
& Equity

*add-on June 2023
October 2021*