

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 June 30, 2023, CSWC had funded over \$2.9 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 the last twelve months, CSWC committed approximately **\$429 million** in new and add-on direct debt and equity financings across **45** different lower 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 \$70 million financings • \$5 to ~\$35 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 \$25 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 • CSWC deal leaders have day-to-day access to Senior Management and can “speak for the firm” and execute without surprises

Capital Southwest Investment Team



Bowen Diehl

President and CEO
bdiehl@capitalsouthwest.com
(214) 884-3780



Michael Sarner

Chief Financial Officer
msarner@capitalsouthwest.com
(214) 884-3829



Josh Weinstein

Senior Managing Director
jweinstein@capitalsouthwest.com
(214) 884-3835



Ryan Kelly

Managing Director
rkelly@capitalsouthwest.com
(214) 884-3830



Grant Eason

Principal
geason@capitalsouthwest.com
(214) 884-3800



Spencer Klein

Principal
sklein@capitalsouthwest.com
(214) 884-3812

DAMOTECH

Industrial Products

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

July 2023

HeatTrak.

Snow & Ice Melting Mats

Consumer Products & Retail

\$11.5mm
First Lien with Warrants

June 2023

LKC

TECHNOLOGIES

VISION REFINED™

Healthcare Products

\$9.5mm
Revolver, First Lien &
Equity

June 2023

bond.

Media, Marketing &
Entertainment

\$21mm
Revolver, First Lien &
Equity

May 2023

FS VECTOR

Financial Services

\$21mm
Revolver, First Lien &
Equity

April 2023

EDGE

AUTONOMY

Aerospace & Def.

\$26.5mm
Revolver & First Lien

April 2023

INSPIRE

AESTHETICS

Healthcare Services

\$7.7mm
Revolver, First Lien &
Equity

April 2023

ISLAND

Pump & Tank

Industrial Services

\$11.3mm
Revolver, First Lien
& Equity

March 2023



JAMES RIVER

CARDIOLOGY

Health Services

\$9.1mm
Revolver, First Lien
& Equity

February 2023

OuterBox

Media, Marketing
& Entertainment

\$17mm
Revolver, First Lien
& Equity

add-on February 2023
June 2022



Healthcare Services

\$23mm
First Lien & Equity

add-on February 2023
add-on October 2022
September 2022



Transportation & Logistics

\$6mm
First Lien & Equity

February 2023

GPT

Industries

Industrial Services

\$10.2mm
Revolver, First Out
Unitranche & Equity

January 2023



INNOVEYANCE

CEM CONVEYOR + OHIO BLOW PIPE

Manufacturing

\$13mm
Split Lien Term Loan

January 2023

Jordan's SKINNY MIXES™

Food & Beverage
Services

\$20mm
Revolver, First Lien
& Delayed Draw

December 2022



Consumer Services

\$34.5mm
First Lien, Delayed Draw
& Revolver

December 2022



Media, Marketing &
Entertainment

\$24.9mm
First Lien, Delayed Draw,
Revolver & Equity

December 2022

ISOS

technology

IT Software & Services

\$18mm
First Lien, Delayed
Draw, Revolver & Equity

November 2022



Industrial Services

\$25mm
Revolver &
First Lien

November 2022



Food & Beverage
Services

\$6.5mm
Revolver, First Lien
& Delayed Draw

September 2022

PRODUCTO

Manufacturing

\$25mm
First Lien & Equity

add-on September 2022
December 2021



Industrial Services

\$13mm
Revolver
& First Lien

August 2022



Healthcare Services

\$13mm
Revolver, First Lien
& Second Lien

August 2022



Healthcare Services

\$21mm
Revolver, First Lien
& Delayed Draw

August 2022



Media, Marketing
& Entertainment

\$39mm
Revolver, First Lien,
Delayed Draw & Equity

June 2022