



**BainCapital**  
CREDIT

**Bain Capital Specialty Finance, Inc.**  
Second Quarter Ended June 30, 2023  
Earnings Presentation

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For purposes of the non-financial operating and statistical data included in this presentation, including the aggregation of our non-U.S. dollar denominated investment funds, foreign currencies have been converted to U.S. dollars at the spot rate as of the last trading day of the reporting period when presenting period end balances, and the average rate for the period has been utilized when presenting activity during such period. With respect to capital commitments raised in foreign currencies, the conversion to U.S. dollars is based on the exchange rate as of the date of closing of such capital commitment.

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## Quarterly Highlights

### SUMMARY OF FINANCIAL RESULTS

- Net investment income (NII) per share was \$0.60, equating to an annualized NII yield on book value of 13.9%<sup>(1)</sup>
- Net income per share was \$0.45, equating to an annualized return on book value of 10.4%<sup>(1)</sup>
- Net asset value per share as of June 30, 2023 was \$17.44, as compared to \$17.37 as of March 31, 2023
- Subsequent to quarter-end, the Company's Board of Directors increased its regular quarterly dividend by \$0.04 per share to \$0.42 per share for the third quarter of 2023 payable to stockholders of record as of September 29, 2023<sup>(2)</sup>

### PORTFOLIO HIGHLIGHTS

- Gross and net investment fundings were \$197.5 million and \$(30.3) million, respectively
- \$2,385.3 million total investment portfolio at fair value consisting predominately of senior secured, floating rate loans
- Highly diversified portfolio invested across 142 portfolio companies operating across 30 different industries
- 12.8% weighted average yield at amortized cost on the investment portfolio<sup>(3)</sup>

### LIQUIDITY AND FUNDING

- Ending net debt-to-equity was 1.13x, as compared to 1.16x as of March 31, 2023<sup>(4)</sup>
- Diverse financing structures across secured and unsecured debt; unsecured debt represents 40% of total debt outstanding at quarter-end
- Solid liquidity with \$104 million of undrawn capacity on revolving credit facility, \$129 million of cash and cash equivalents, including \$36 million of restricted cash, and \$96 million of unsettled trades, net of receivables and payables of investments

## Selected Quarterly Financial and Portfolio Information

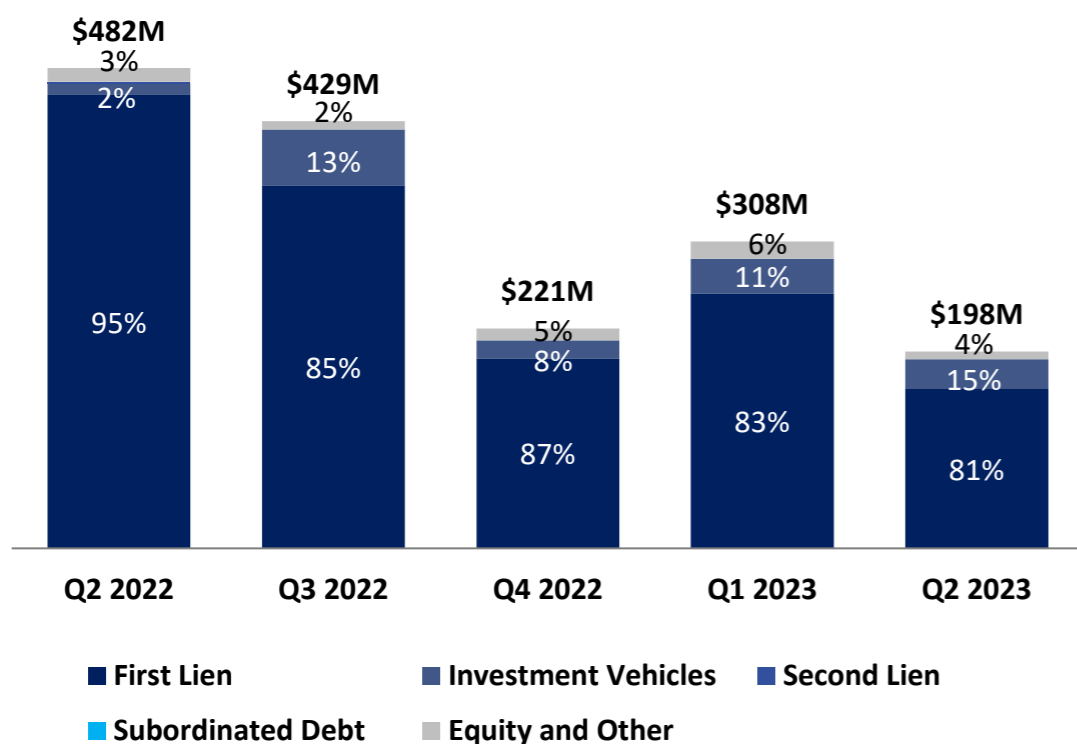
<i>(Dollar amounts in millions, except share data)</i>	Q2 2022	Q3 2022 <sup>(5)</sup>	Q4 2022	Q1 2023	Q2 2023
Net investment income per share	\$0.41	\$0.47	\$0.37	\$0.50	\$0.60
Net realized gain (loss) per share	\$0.04	\$0.28	\$(0.01)	\$(0.27)	\$(0.01)
Net unrealized gain (loss) per share	\$(0.18)	\$(0.58)	\$0.31	\$0.22	\$(0.14)
Net income per share	\$0.27	\$0.17	\$0.67	\$0.45	\$0.45
Distributions paid per share	\$0.34	\$0.34	\$0.36	\$0.38	\$0.38
Net asset value per share (ending shares)	\$17.15	\$16.98	\$17.29	\$17.37	\$17.44
Total Fair Value of Investments	\$2,287.0	\$2,293.5	\$2,387.0	\$2,415.4	\$2,385.3
Number of Portfolio Companies	122	130	132	138	142
Floating Rate Debt Investments as % of Total Debt <sup>(1)</sup>	94.8%	93.6%	94.5%	94.3%	94.1%
Weighted Average Yield at Amortized Cost <sup>(2)</sup>	8.5%	10.2%	11.4%	12.3%	12.8%
Weighted Average Yield at Fair Value <sup>(2)</sup>	8.8%	10.6%	11.6%	12.5%	13.0%
Net Assets	\$1,107.0	\$1,096.1	\$1,116.4	\$1,121.1	\$1,125.8
Debt <sup>(3)</sup>	\$1,256.7	\$1,370.5	\$1,395.5	\$1,417.5	\$1,498.5
Debt to Equity at Quarter-End <sup>(4)</sup>	1.14x	1.25x	1.25x	1.26x	1.33x
Net Debt to Equity at Quarter-End <sup>(4)</sup>	1.08x	1.11x	1.15x	1.16x	1.13x

## Investment Activity and Asset Composition

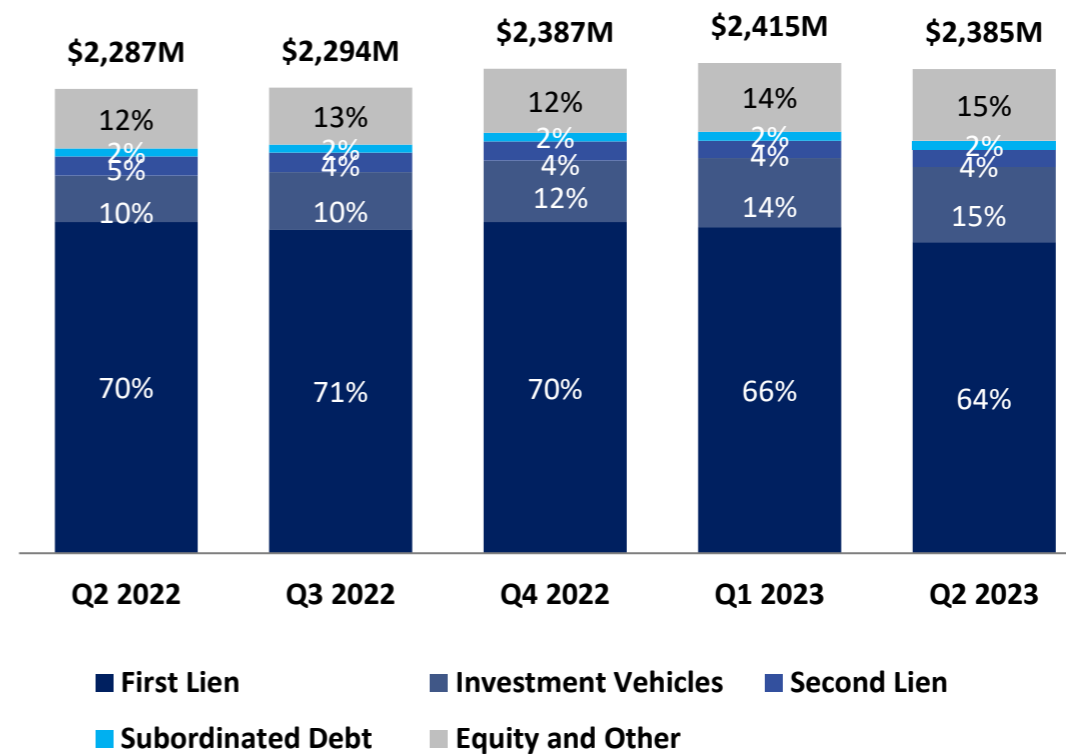
- During the quarter, new investment fundings totaled \$197.5 million in 46 portfolio companies, including \$119.8 million in 6 new companies, \$47.7 million in 39 existing companies and \$30.0 million in SLP.
- Sales and repayments totaled \$227.8 million, resulting in net investment fundings of \$(30.3) million.

<i>(Dollar amounts in millions)</i>	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Investment Fundings	\$481.9	\$428.7	\$220.7	\$308.0	\$197.5
Sales and Repayments	(332.4)	(396.5)	(162.0)	(285.4)	(227.8)
<b>Net Investment Activity</b>	<b>\$149.5</b>	<b>\$32.2</b>	<b>\$58.7</b>	<b>\$22.6</b>	<b>\$(30.3)</b>

NEW INVESTMENT FUNDINGS BY ASSET TYPE (AT COST)



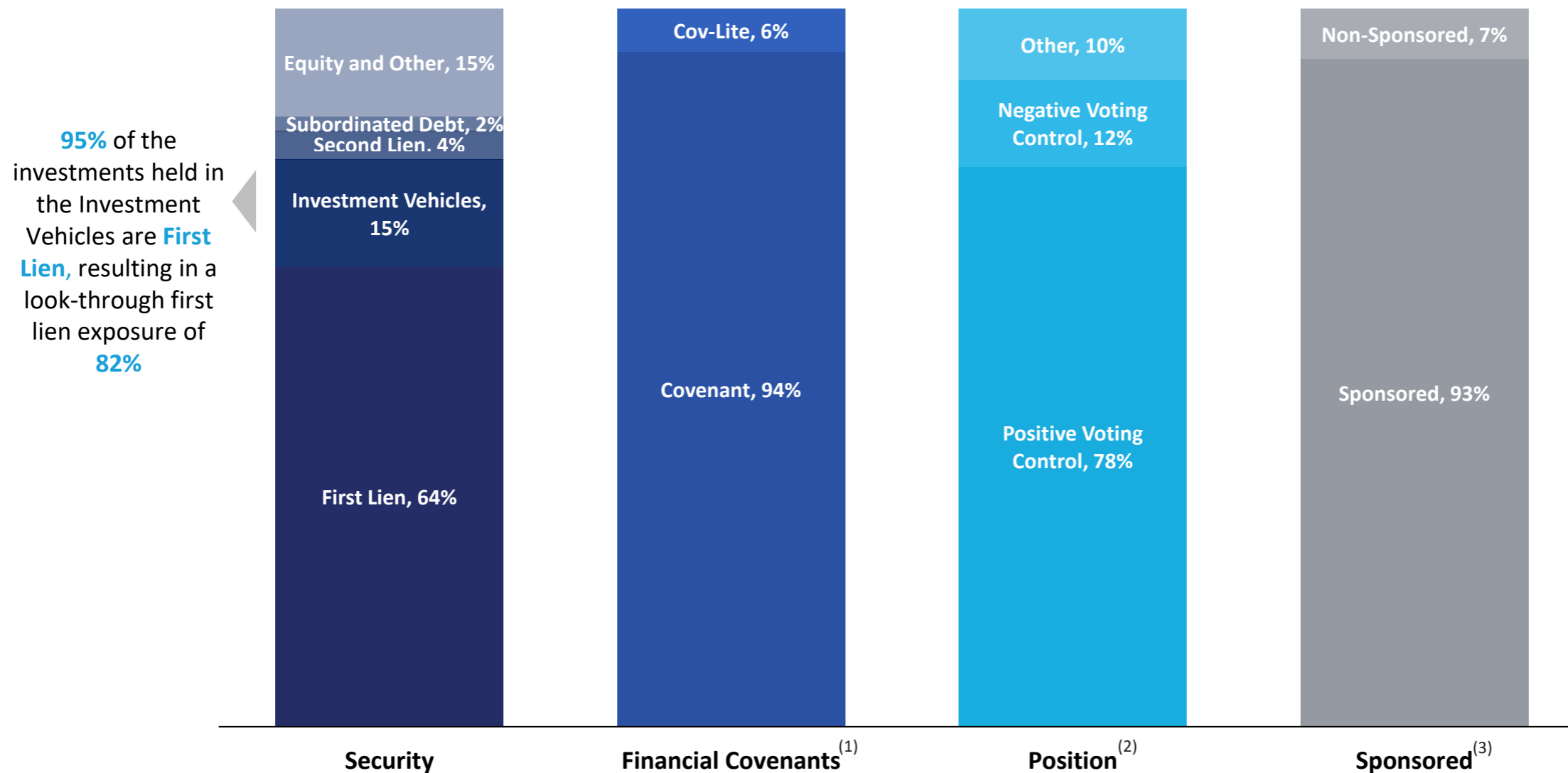
INVESTED PORTFOLIO BY ASSET TYPE (AT FAIR VALUE)



## Portfolio Highlights – Downside Management Focused

The portfolio primarily consists of loans that represent the first dollar of risk in a capital structure. We focus on investing in structures that provide strong lender controls.

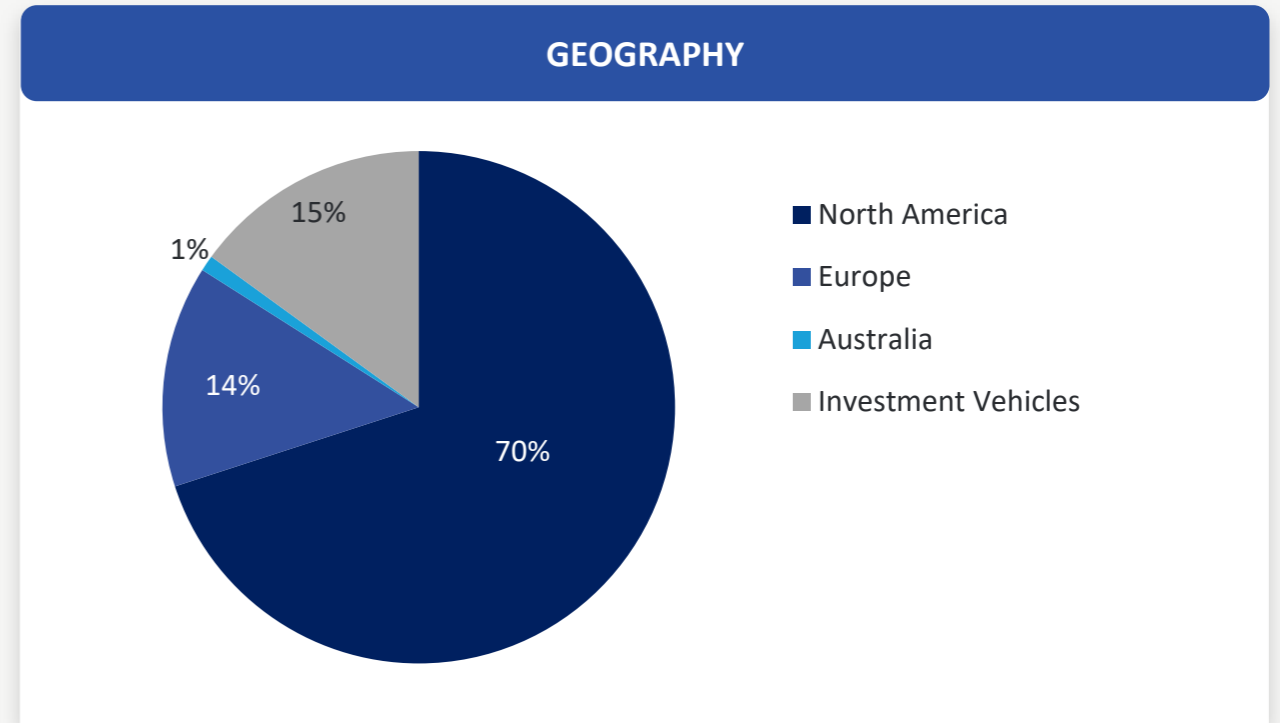
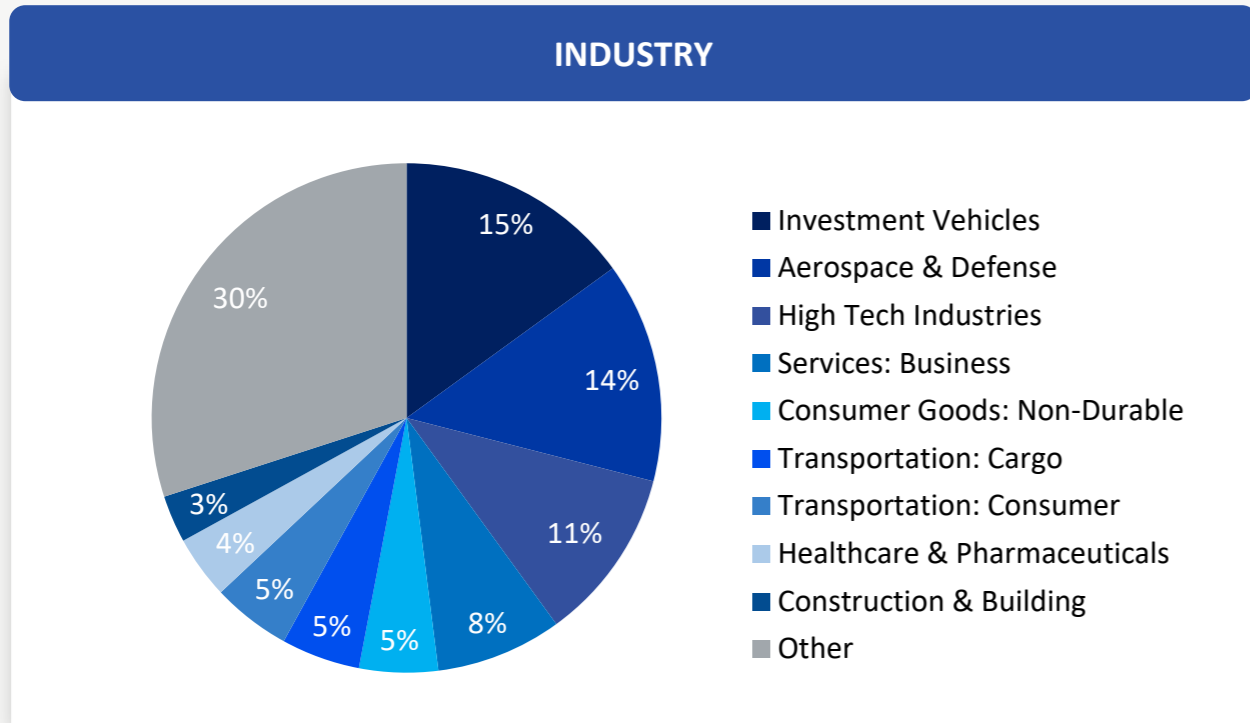
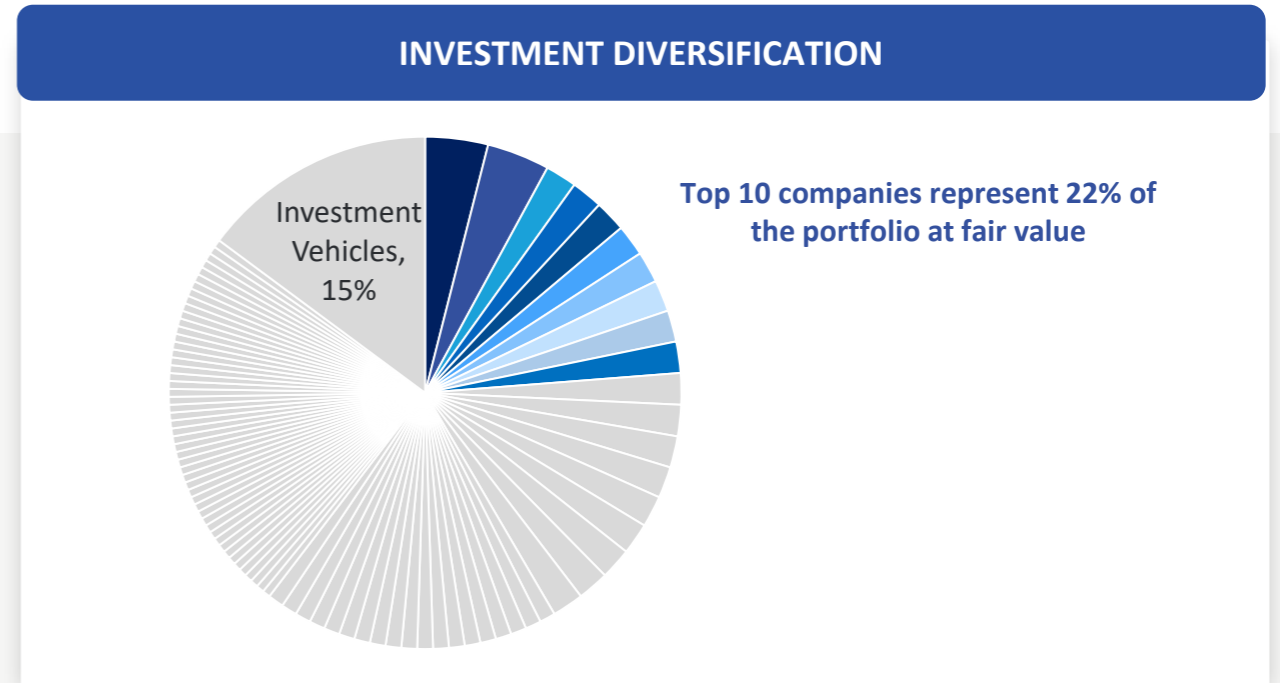
INVESTED PORTFOLIO BY ASSET TYPE (FAIR VALUE)



# Portfolio Highlights - Diversification

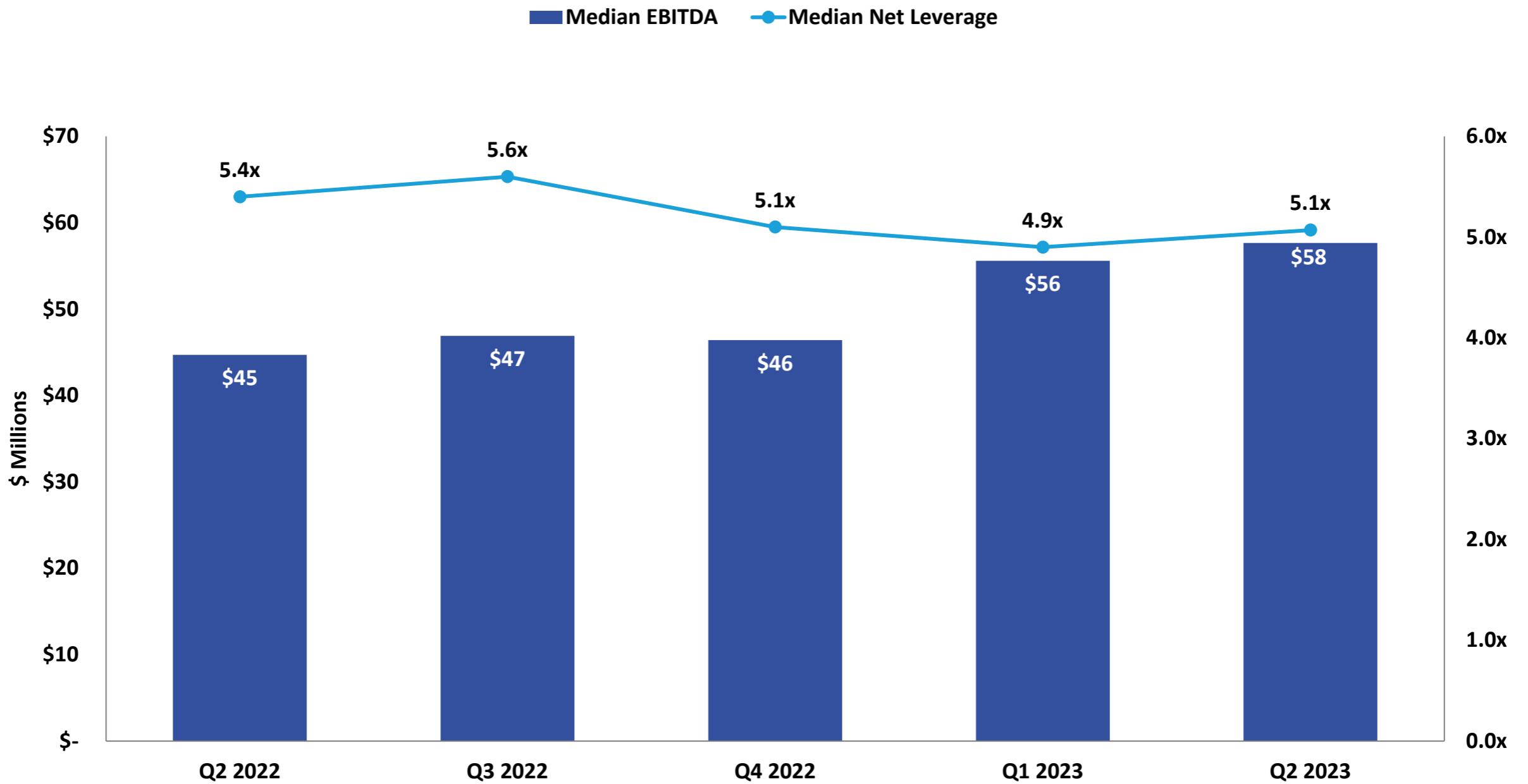
Well-diversified portfolio by company, industry and geography

PORTFOLIO CHARACTERISTICS	
Investments at fair value (\$M)	\$2,385.3
Unfunded commitments (\$M)	\$276.0
Weighted average portfolio yield at amortized cost <sup>(1)</sup>	12.8%
Weighted average portfolio yield at fair value <sup>(1)</sup>	13.0%
Number of portfolio companies	142
Floating / fixed rate (% of debt investments) <sup>(2)</sup>	94.1% / 5.9%



# Portfolio Company Fundamentals

EBITDA AND NET LEVERAGE METRICS OF PORTFOLIO COMPANIES





# Overview of Investment Vehicles

Our investment vehicles consist of joint venture investments that focus on first lien, floating rate loans.

	INTERNATIONAL SENIOR LOAN PROGRAM (ISLP)	SENIOR LOAN PROGRAM (SLP)
<b>TOTAL INVESTMENTS AT FAIR VALUE</b>	\$686.6 million	\$830.1 million
<b>NUMBER OF PORTFOLIO COMPANIES</b>	39	60
<b>WEIGHTED AVERAGE PORTFOLIO YIELD AT AMORTIZED COST<sup>(1)</sup></b>	10.9%	11.5%
<b>FIRST LIEN %</b>	94%	97%
<b>FLOATING RATE %<sup>(2)</sup></b>	100%	99%
<b>GEOGRAPHY</b>	76% Europe, 16% North America and 8% Australia	94% North America
<b>PORTFOLIO DIVERSIFICATION BY INDUSTRY</b>	<ul style="list-style-type: none"> <li>Services: Business</li> <li>High Tech Industries</li> <li>FIRE: Finance</li> <li>Healthcare &amp; Pharmaceuticals</li> <li>Media: Diversified &amp; Production</li> <li>Other (14 industries &lt; 5% each)</li> </ul>	<ul style="list-style-type: none"> <li>High Tech Industries</li> <li>Services: Business</li> <li>Aerospace &amp; Defense</li> <li>Transportation: Cargo</li> <li>Fire: Insurance</li> <li>Other (20 industries &lt; 5% each)</li> </ul>
<b>% OF BCSF'S INVESTMENT PORTFOLIO<sup>(3)</sup></b>	10%	5%
<b>TRAILING 12-MONTH RETURN TO BCSF<sup>(4)</sup></b>	11%	21%

## Credit Quality of Investments

### Non-Accrual Investments

- As of June 30, 2023, two portfolio companies were on non-accrual, representing 2.1% and 0.0% of the total investment portfolio at amortized cost and fair value, respectively.

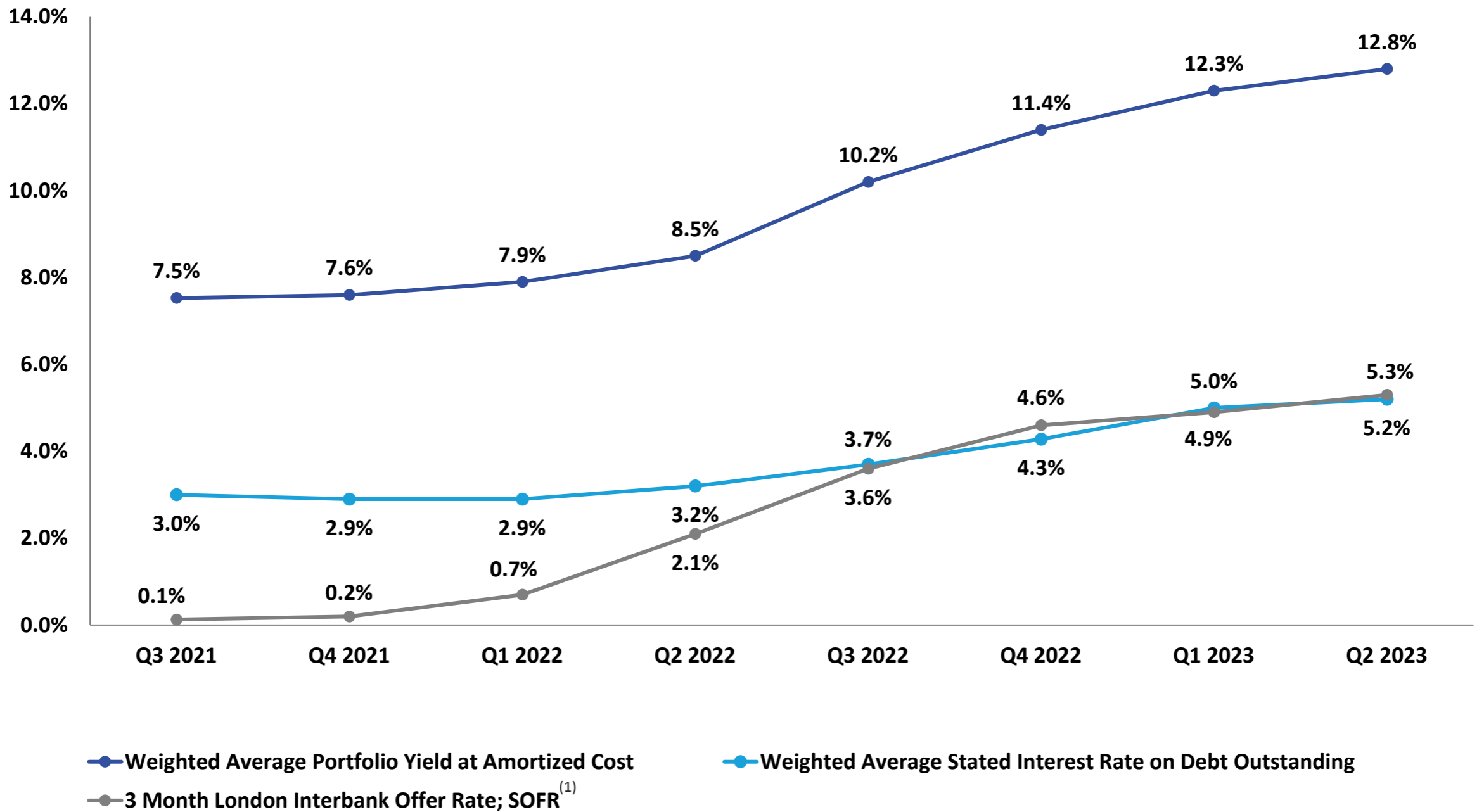
### Investment Performance Rating

Rating	Q3 2022		Q4 2022		Q1 2023		Q2 2023	
	% of Total Portfolio (FV)	# of Companies	% of Total Portfolio (FV)	# of Companies	% of Total Portfolio (FV)	# of Companies	% of Total Portfolio (FV)	# of Companies
1	0.1%	3	0.1%	3	0.1%	3	0.1%	2
2	90.2	116	90.7	117	91.4	122	91.4	126
3	8.0	9	7.6	9	7.9	11	8.5	12
4	1.7	2	1.6	3	0.6	2	0.0	2
<b>Total</b>	<b>100.0%</b>	<b>130</b>	<b>100.0%</b>	<b>132</b>	<b>100.0%</b>	<b>138</b>	<b>100.0%</b>	<b>142</b>

### Investment Performance Rating Definitions

- An investment is rated 1 if, in the opinion of the Advisor, it is performing above underwriting expectations, and the business trends and risk factors are generally favorable, which may include the performance of the portfolio company or the likelihood of a potential exit.
- An investment is rated 2 if, in the opinion of our Advisor, it is performing as expected at the time of our underwriting and there are generally no concerns about the portfolio company's performance or ability to meet covenant requirements, interest payments or principal amortization, if applicable. All new investments or acquired investments in new portfolio companies are initially given a rating of 2.
- An investment is rated 3 if, in the opinion of our Advisor, the investment is performing below underwriting expectations and there may be concerns about the portfolio company's performance or trends in the industry, including as a result of factors such as declining performance, non-compliance with debt covenants or delinquency in loan payments (but generally not more than 180 days past due).
- An investment is rated 4 if, in the opinion of our Advisor, the investment is performing materially below underwriting expectations. For debt investments, most of or all of the debt covenants are out of compliance and payments are substantially delinquent. Investments rated 4 are not anticipated to be repaid in full, if applicable, and there is significant risk that we may realize a substantial loss on our investment.

## Yield Comparison on Assets and Debt Outstanding



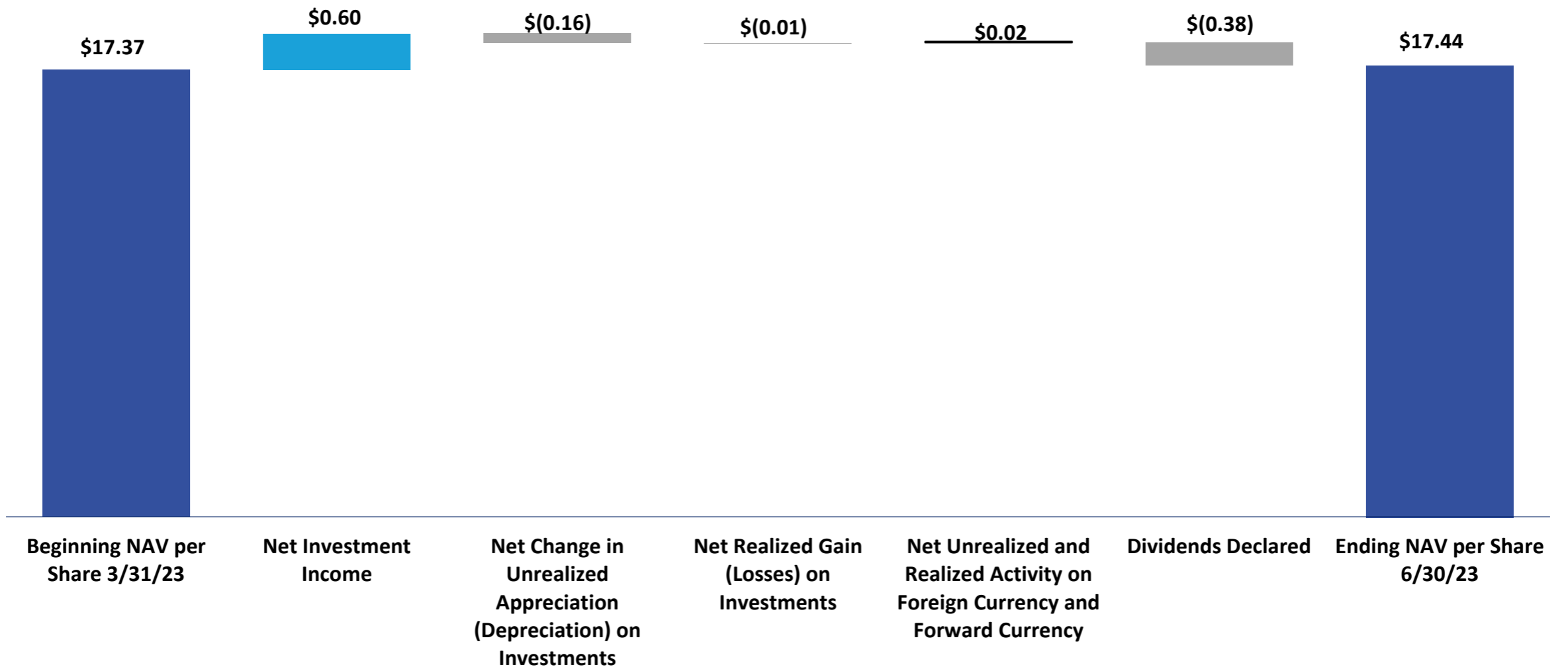
# Quarterly Operating Results

<i>(Dollar amounts in thousands, except share data)</i>	Q2 2022	Q3 2022 <sup>(2)</sup>	Q4 2022	Q1 2023	Q2 2023
<b>Investment Income</b>					
Interest income <sup>(1)</sup>	\$38,304	\$48,141	\$52,920	\$61,096	\$65,065
Dividend income	6,370	6,345	6,834	8,393	8,728
Other income	7,690	4,329	2,607	5,248	1,922
<b>Total investment income</b>	<b>\$52,364</b>	<b>\$58,815</b>	<b>\$62,361</b>	<b>\$74,737</b>	<b>\$75,715</b>
<b>Expenses</b>					
Interest and debt financing expenses	\$11,027	\$14,381	\$16,267	\$19,550	\$20,459
Base management fee	8,451	8,853	8,996	8,910	9,116
Incentive fee	4,069	2,976	9,216	11,110	4,008
Other operating expenses	2,102	2,502	2,854	2,414	2,123
<b>Total expenses before taxes</b>	<b>\$25,649</b>	<b>\$28,712</b>	<b>\$37,333</b>	<b>\$41,984</b>	<b>\$35,706</b>
Excise tax expense	-	-	837	595	1,097
<b>Net investment income</b>	<b>\$26,715</b>	<b>\$30,103</b>	<b>\$24,191</b>	<b>\$32,158</b>	<b>\$38,912</b>
<b>Net Realized and Unrealized Gains (Losses)</b>					
Net realized gain (loss) on Investments	\$(182)	\$3,681	\$1,251	\$(10,992)	\$(783)
Net change in unrealized appreciation (depreciation) on Investments	(10,436)	(23,950)	18,247	8,284	(10,094)
Net unrealized and realized activity on foreign currency and forward currency	1,132	1,217	(170)	(165)	1,136
<b>Net realized and unrealized gains (losses)</b>	<b>\$(9,486)</b>	<b>\$(19,052)</b>	<b>\$19,328</b>	<b>\$(2,873)</b>	<b>\$(9,741)</b>
<b>Net increase (decrease) in net assets</b>	<b>\$17,229</b>	<b>\$11,051</b>	<b>\$43,519</b>	<b>\$29,285</b>	<b>\$29,171</b>
<b>Per Share Data</b>					
Net investment income	\$0.41	\$0.47	\$0.37	\$0.50	\$0.60
Earnings (loss) per share	\$0.27	\$0.17	\$0.67	\$0.45	\$0.45
Distribution per share	\$0.34	\$0.34	\$0.36	\$0.38	\$0.38
Weighted average shares outstanding	64,562,265	64,562,265	64,562,265	64,562,265	64,562,265
Shares outstanding, end of period	64,562,265	64,562,265	64,562,265	64,562,265	64,562,265

# Quarterly Balance Sheets

<i>(Dollar amounts in thousands, except share data)</i>	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
<b>Assets</b>					
Investments at fair value	\$2,287,038	\$2,293,522	\$2,386,977	\$2,415,377	\$2,385,272
Cash and cash equivalents (including foreign cash)	43,016	44,173	59,780	29,643	92,339
Restricted cash	25,910	14,656	65,950	51,441	36,243
Collateral on forward currency exchange contracts	-	4,577	9,612	4,852	7,545
Deferred financing costs	1,961	3,702	3,742	3,510	3,276
Receivable for sales and paydowns	13,863	109,171	18,166	50,675	95,893
Interest receivable on investments	27,776	27,875	34,270	32,017	40,342
Prepaid insurance	559	376	194	15	605
Unrealized appreciation on forward currency contracts	15,095	12,886	62	1,107	55
Dividend receivable	10,826	10,445	13,681	17,716	13,818
<b>Total Assets</b>	<b>\$2,426,044</b>	<b>\$2,521,383</b>	<b>\$2,592,434</b>	<b>\$2,606,353</b>	<b>\$2,675,388</b>
<b>Liabilities &amp; Net Assets</b>					
Debt (net of issuance costs) <sup>(1)</sup>	\$1,244,283	\$1,359,639	\$1,385,303	\$1,407,951	\$1,489,607
Interest payable	7,164	9,965	12,130	14,044	15,897
Payable for investments purchased	27,052	17,664	34,292	15,034	233
Base management fee payable	8,451	8,763	8,906	8,820	9,116
Incentive fee payable	4,069	2,976	9,216	11,110	4,008
Distributions payable	21,951	21,951	23,242	24,534	24,534
Other liabilities	6,060	4,311	2,954	3,718	6,214
<b>Total Liabilities</b>	<b>\$1,319,030</b>	<b>\$1,425,269</b>	<b>\$1,476,043</b>	<b>\$1,485,211</b>	<b>\$1,549,609</b>
<b>Total Net Assets</b>	<b>\$1,107,014</b>	<b>\$1,096,114</b>	<b>\$1,116,391</b>	<b>\$1,121,142</b>	<b>\$1,125,779</b>
<b>Total Liabilities and Net Assets</b>	<b>\$2,426,044</b>	<b>\$2,521,383</b>	<b>\$2,592,434</b>	<b>\$2,606,353</b>	<b>\$2,675,388</b>
<b>Net Asset Value per Share</b>	<b>\$17.15</b>	<b>\$16.98</b>	<b>\$17.29</b>	<b>\$17.37</b>	<b>\$17.44</b>
Shares outstanding at end of period (thousands)	64,562	64,562	64,562	64,562	64,562

## Net Asset Value Per Share Bridge

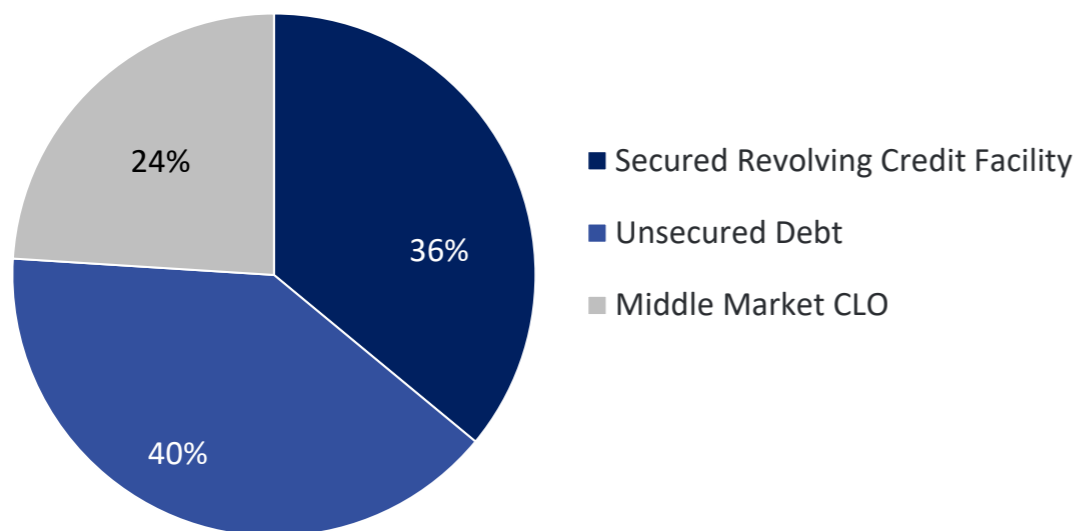


# Debt Summary

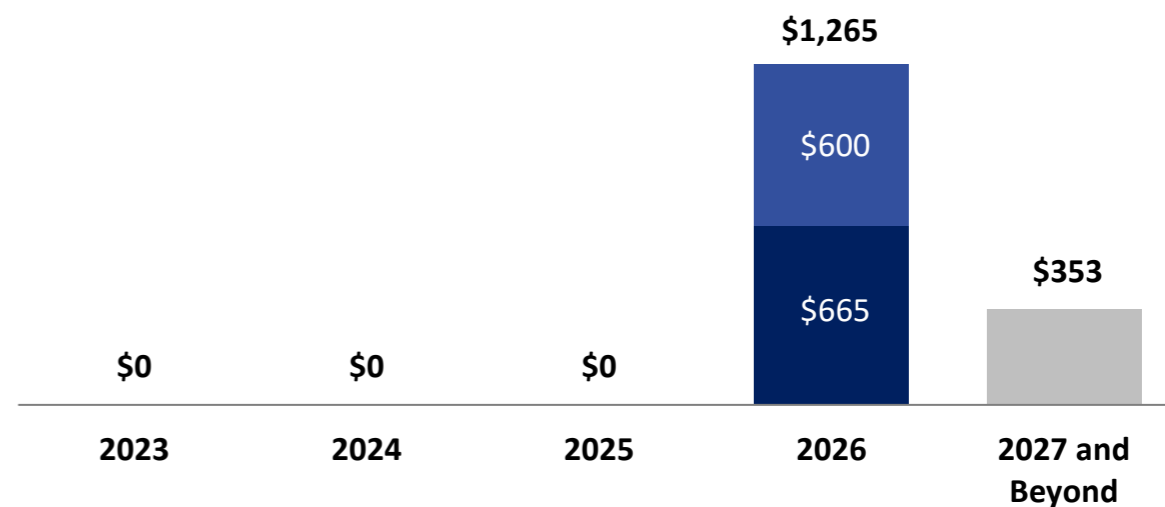
Diverse financing structures and no debt maturities until 2026

	Commitment Amount (\$M)	Principal Outstanding (\$M)	Interest Rate	Maturity Date
Sumitomo Credit Facility <sup>(1)</sup>	\$665.0	\$546.0	RR+1.875%	12/24/26
March 2026 Notes	300.0	300.0	2.95%	03/10/26
October 2026 Notes	300.0	300.0	2.55%	10/13/26
2019 Middle Market CLO (2019-1 Notes)	352.5	352.5	L+1.50% AAA; L+1.62% <sup>(2)</sup>	10/15/33
<b>Total Debt as of Quarter-End Date</b>	<b>\$1,617.5</b>	<b>\$1,498.5</b>		

LIABILITY PROFILE BY DEBT OUTSTANDING<sup>(3)</sup>



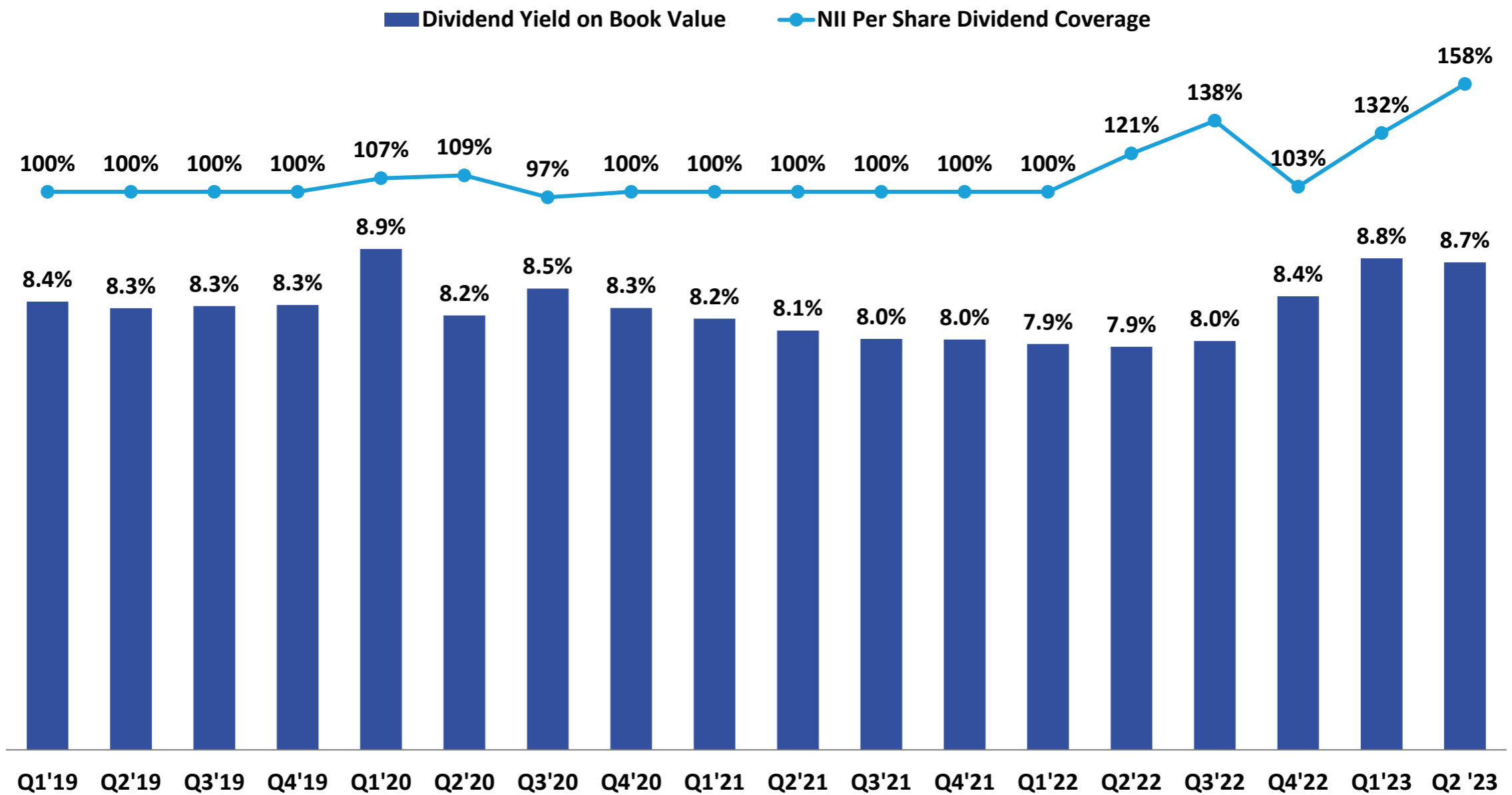
DEBT MATURITY SCHEDULE BY TOTAL COMMITMENTS (\$M)<sup>(3)</sup>



■ Secured Revolving Credit Facility ■ Unsecured Debt ■ Middle Market CLO

**BCSF has three investment grade ratings: Baa3/Stable (Moody's), BBB-/Stable (Fitch) and BBB/Stable (KBRA)**

## Net Investment Income (NII) and Dividend Information





## Quarterly Distribution Information

Date Declared	Record Date	Payment Date	Distribution Amount Per Share
August 8, 2023	September 29, 2023	October 31, 2023	\$0.42
May 9, 2023	June 30, 2023	July 31, 2023	\$0.38
February 28, 2023	March 31, 2023	April 28, 2023	\$0.38
November 9, 2022	December 31, 2022	January 27, 2023	\$0.36
August 3, 2022	September 30, 2022	October 28, 2022	\$0.34
May 5, 2022	June 30, 2022	July 29, 2022	\$0.34
February 23, 2022	March 31, 2022	April 29, 2022	\$0.34
November 3, 2021	December 31, 2021	January 28, 2022	\$0.34
August 4, 2021	September 30, 2021	October 29, 2021	\$0.34
May 5, 2021	June 30, 2021	July 30, 2021	\$0.34
February 24, 2021	March 31, 2021	April 30, 2021	\$0.34
November 5, 2020	December 31, 2020	January 29, 2021	\$0.34
August 5, 2020	September 30, 2020	October 30, 2020	\$0.34
May 4, 2020	June 30, 2020	July 30, 2020	\$0.34 <sup>(1)</sup>
February 26, 2020	March 31, 2020	April 30, 2020	\$0.41
November 6, 2019	December 31, 2019	January 30, 2020	\$0.41
August 7, 2019	September 30, 2019	October 30, 2019	\$0.41
May 8, 2019	June 28, 2019	July 29, 2019	\$0.41
February 28, 2019	March 29, 2019	April 12, 2019	\$0.41
October 17, 2018	December 31, 2018	January 14, 2019	\$0.41
August 10, 2018	September 26, 2018	October 19, 2018	\$0.41