

**INVESTCORP**

# **Investcorp Credit Management BDC, Inc**

## **Investor Presentation**

September 30, 2020

NEW YORK | LONDON | BAHRAIN | ABU DHABI | RIYADH | DOHA | MUMBAI | SINGAPORE

# Forward-looking Statements and Disclosures

Statements included in this presentation may contain “forward-looking statements,” which relate to future performance or financial condition of Investcorp Credit Management BDC Inc (the “ICMB”). Forward-looking statements are based on estimates, projections, beliefs and assumptions of ICMB’s management at the time of such statements, which change over time, and are not guarantees of future performance or results. Actual results may differ materially from those anticipated in any forward-looking statements as a result of a number of factors, including those described from time to time in filings by ICMB with the Securities and Exchange Commission. Forward-looking statements are made as of the date of this presentation, or as of the prior date referenced in this presentation, and are subject to change without notice. ICMB undertakes no duty to update any forward-looking statement made herein except as required by law.

This presentation is neither an offer to sell nor a solicitation of an offer to buy ICMB’s securities. An offering is made only by an applicable prospectus. This presentation must be read in conjunction with a prospectus in order to fully understand all of the implications and risks of the offering of securities to which the prospectus relates. A copy of such a prospectus must be made available to you in connection with any offering.

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In March 2020, the World Health Organization declared COVID-19 as a pandemic. Shortly thereafter, the United States declared a national emergency with respect to COVID-19. The outbreak of COVID-19 has severely impacted global economic activity and caused significant volatility and negative pressure in financial markets. The COVID-19 outbreak has become increasingly widespread in the United States, including in the markets in which the Company operates. The Company has been and continues to assess the effects of COVID-19 on its portfolio companies and is taking steps to help mitigate the adverse consequences to each of its portfolio companies stemming from the COVID-19 pandemic. Although the magnitude of the impact remains to be seen, the Company’s portfolio companies and by extension its operating results will be adversely impacted by the COVID-19 pandemic. Any of the foregoing factors, or other cascading effects of the COVID-19 pandemic that are not currently foreseeable, could materially increase the Company’s costs, negatively impact its investment income and damage the Company’s results of operations and its liquidity position, possibly to a significant degree. The duration of any such impacts cannot be predicted.

# Investcorp Credit Management – Executive Summary

## Proven and Experienced Investment Team

- Co-CIOs Mike Mauer and Chris Jansen each have 20+ years of experience in structuring, underwriting, and managing loans across cycles
- Currently manage the public BDC, Investcorp Credit Management BDC, Inc. (Ticker: ICMB)
- Senior members of the ICM Private Credit Team have been together since the IPO of the public BDC in February 2014 executing the investment strategy of secured lending in the U.S. Middle Market

## Attractive Asset Class and Market

- Government regulation including Basel III and Dodd-Frank have limited bank participation in lending to the U.S. middle market
- With banks focused on larger transactions, the middle market continues to provide private lenders with a large opportunity to generate attractive risk-adjusted returns for their investors
- Underlying assets are floating rate with sustainable cash returns driven by minimal loss rates

## Premier Alternative Asset Management Platform

- On August 30, 2019, Investcorp Credit Management US LLC (“Investcorp”) acquired the interests in CM Investment Partners LLC (“Adviser”), the investment adviser to the ICMB, which were previously held by the Cyrus Funds and Stifel, resulting in Investcorp having a majority ownership interest in the Adviser.
- Founded in 1982, Investcorp is a multi-strategy global alternative asset manager
- As of June 30, 2020, the firm manages over \$32.2 billion in AUM across Private Equity, Real Estate, Absolute Return Investments and Credit Management
- The firm is committed to this opportunity as a principal investor

# Investcorp Credit Management BDC, Inc - Investment Team

## Jeremy Ghose

*Head of Investcorp Credit Management*

## Andrew Muns

*Director*

*Investment Committee Member*

- **Stifel Financial** – Head of Credit and Co-Founder, Credit Investments Group
- **Cantor Fitzgerald** – Managing Director, U.S. Loan and Special Situations Group
- **Sabretooth Capital** – Managing Director, Senior Research Analyst
- **Icahn Associates** – Senior Investment Analyst
- **Banc of America Securities** – Research Analyst, Distressed and Special Situations Group

## Michael Mauer

*Managing Director*

*Investment Committee Member*

- **Cyrus Capital Partners** – Senior MD, Head of Lev Loans
- **Icahn Capital** – Senior MD, Head of Marketing and Investor Relations, Investment Team Member
- **Citicorp** – Global Co-Head of Lev Finance, Global Co-Head of Fixed Income Currency & Commodity Distribution
- **J.P. Morgan** – Head of North America IG & Lev Loan Syndicate, Sales & Trading

## Christopher Jansen

*Managing Director*

*Investment Committee Member*

- **Cyrus Capital Partners** – Senior Managing Director
- **Sound Harbor Partners** – Senior Advisor
- **Stanfield Capital** – Co-Founder, Senior Portfolio Manager
- **Chancellor Senior Secured Mgmt** – Managing Director, Portfolio Manager
- **Manufacturers Hanover Trust** – VP of Acquisition Finance Group, LBO Management Group

## INVESTMENT PROFESSIONALS

**John Dibble**  
*Director*

**Zach Alpern**  
*Director*

**Emily Mason**  
*Analyst*

**Blake Snyder**  
*Analyst*

**Fazl Shaikh**  
*Analyst*

## FINANCE PROFESSIONALS

## Rocco DelGuercio

*Chief Financial Officer, Chief Compliance Officer*

## Matt Bannon

*Treasurer*



# Investcorp Credit Management BDC, Inc – Investment Criteria

## Use of Proceeds

- ☐ Organic Growth
- ☐ Acquisitions
- ☐ Market / Product Expansion
- ☐ Refinancings and Recapitalizations

## Borrower Focus

- ☐ Established companies with a history of positive operating cash flow
- ☐ Defensible and sustainable business
- ☐ Seasoned management team with meaningful equity ownership
- ☐ Significant Invested Capital
- ☐ Investment Partnerships
- ☐ Ability to exert meaningful influence
- ☐ Exit strategy

## General Investment Parameters

- ☐ Revenues: \$50MM+<sup>1</sup>
- ☐ EBITDA: \$15MM+<sup>1</sup>
- ☐ Investment Size: \$5MM -- \$25MM

## Investment Structures

- ☐ First and Second Lien Loans
- ☐ Unitranche Loans
- ☐ Mezzanine Loans/Structured Equity
- ☐ Unsecured Loans
- ☐ Equity Components

<sup>1</sup> ICMB may invest in smaller or larger companies if there is an attractive opportunity, especially when there are dislocations in the capital markets, including the high yield and large syndicated loan markets.

## Investcorp Credit Management BDC, Inc – Overview as of September 30, 2020

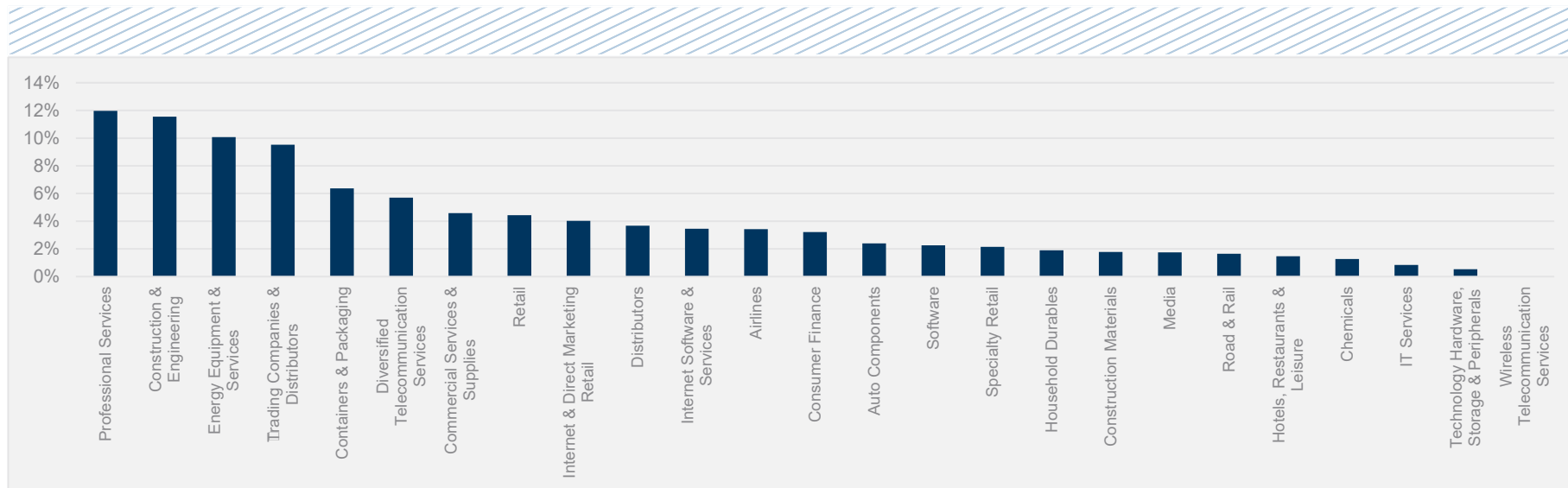
<b>Issuer</b>	Investcorp Credit Management BDC, Inc (NASDAQ: ICMB)
<b>Investment Manager</b>	CM Investment Partners LLC (“CMIP”)
<b>Formation</b>	Formed as CM Finance LLC in 2012; IPO in February 2014
<b>Market Capitalization</b>	\$50.4 million
<b>Investment Portfolio<sup>1</sup></b>	\$ 261.3 million
<b>Leverage</b>	Debt-Equity of 1.53x
<b>Distribution Yield<sup>2</sup></b>	<input type="checkbox"/> 19.83% annualized distribution yield (based on quarterly distribution of \$0.15 per share, supplemental dividend of \$0.03 and price of \$3.63 per share as of September 30, 2020)

<sup>1</sup>At Fair Value. Please see form 10-Q filed with the SEC for details.

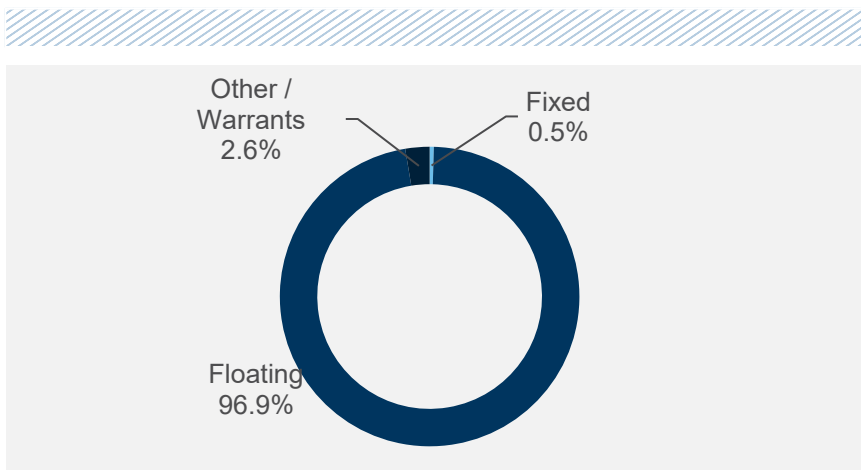
<sup>2</sup> Not a guarantee of future distribution amounts or yield.

## Investcorp Credit Management BDC, Inc – 9/30/2020 Portfolio Profile

### By S&P Sector



### By Coupon Type



### Other KPI's

Senior Secured First Lien Debt	87.8%
Senior Secured Second Lien / Unitranche Debt	9.6%
Equity / Warrants / Other	2.6%
Unsecured / Subordinated / Mezzanine Debt	0.0%

## Investcorp Credit Management BDC, Inc – Portfolio as of September 30, 2020

### Quarterly Highlights

- ❑ ICMB made four investments, and funded under one revolving commitment, across one existing portfolio company and two new portfolio companies. These investments totaled \$13.3mm. The weighted average yield of debt investments made in the quarter was 14.60%, inclusive of funding the revolving commitment.
- ❑ ICMB fully realized four investments during the quarter, totaling \$17.5 million, and received additional partial repayments totaling \$6.9 million.
- ❑ The weighted average yield on debt investments, at cost, decreased 33 basis points to 9.25%, compared to 9.58% as of June 30, 2020.
- ❑ Net asset value (“NAV”) increased \$0.02 per share (or 0.26%) to \$7.81, compared to \$7.79 as of June 30, 2020.

### Portfolio Results (as of 9/30/2020)

❑ Total assets	\$282.2mm
❑ Investment portfolio, at fair value	\$261.3mm
❑ Net assets	\$108.5mm

### Portfolio Activity (7/1/2020-9/30/20)

❑ Number of new investments	4
❑ Total capital invested	\$13.3mm
❑ Proceeds from repayments, sales, and amortization	\$24.4mm
❑ Number of portfolio companies, end of period	38



# Investcorp Credit Management BDC, Inc

## Selected Financial Highlights

	Quarter Ended December 31, 2019	Quarter Ended March 31, 2020	Quarter Ended June 30, 2020	Quarter Ended September 30, 2020
Investment Portfolio at Fair Value	\$ 304,953,607	\$ 274,912,817	\$ 270,621,709	\$ 261,333,374
Debt at Cost	\$ 173,375,000	\$ 184,401,670	\$ 182,332,503	\$ 166,417,729
Net Assets	\$ 139,557,334	\$ 113,054,358	\$ 108,124,995	\$ 108,459,233
Ending Debt to Equity Ratio	1.23x	1.64x	1.69x	1.53x
Per Share Data				
Net Asset Value per Share	\$ 10.15	\$ 8.15	\$ 7.79	\$ 7.81
Net Investment Income per Share	\$ 0.27	\$ 0.25	\$ 0.25	\$ 0.20
Net Increase in Net Assets Resulting from Operations per Share	\$ 0.22	\$ (1.76)	\$ (0.18)	\$ 0.20
Dividends Declared per Share	\$ 0.25	\$ 0.25	\$ 0.18 <sup>(1)</sup>	\$ 0.18 <sup>(1)</sup>

<sup>1</sup>Includes a quarterly distribution of \$0.15 per share and a supplemental distribution of \$0.03 per share



A low-angle, upward-looking perspective of several modern skyscrapers with glass facades. The buildings are framed by a grid of dark window frames, creating a strong geometric pattern. The sky is bright and slightly hazy, with some light clouds visible. The overall color palette is dominated by blues and greys, with a warm, golden light at the top of the frame.

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