CRESCENT

Crescent Capital BDC, Inc.

Strategic Acquisition of First Eagle Alternative Capital BDC, Inc.
Supplemental Information

March 2023

Disclaimer and Note Regarding Forward-Looking Statements

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CCAP's Acquisition of FCRD

- Crescent Capital BDC, Inc. ("CCAP") announced on March 9 that it had completed its acquisition of First Eagle Alternative Credit BDC, Inc. ("FCRD")
- CCAP has worked closely with the FCRD team since the summer of 2022 to evaluate the benefits of the acquisition, perform a bottoms-up review of the FCRD portfolio and develop a rotation strategy post-closing
- CCAP continues to believe that the increased size and scale of the combined company will create numerous strategic and financial benefits to stockholders
- The expected benefits of the combination include:
  - **NII Accretion:** Expect immediate adjusted net investment income accretion from improved economies of scale and elimination of duplicative public company and administrative expenses;
  - **Greater Market Presence and Capacity:** Increased visibility to financial sponsors, management teams and intermediaries and ability to make larger commitments;
  - **Improved Portfolio Positioning:** Increase in portfolio diversification with 200 portfolio companies on a combined basis while maintaining first lien senior secured focus with a predominately financial sponsor-backed portfolio;
  - **Financial Flexibility:** Expect enhanced access to debt capital markets; and
  - **CCAP Share Liquidity:** Post-closing trading liquidity profile expected to meaningfully increase CCAP's average daily trading volume.

Pro Forma Combined Highlights

Pro Forma Combined Portfolio Metrics

Combination results in significantly enhanced scale and diversification, while maintaining CCAP's focus on constructing a primarily floating rate, sponsor-backed, senior secured first lien portfolio

$ in millions; % of fair value ("FV"), unless otherwise noted	CCAP	FCRD	Pro Forma Combined
Fair Value	$1,263	$338	$1,601
# of Unique Portfolio Companies	129	71	200
Median EBITDA[(1)]	$39	$21	$33
% First Lien[(2)]	24%	51%	30%
% Unitranche[(2)]	66%	35%	60%
% Sponsor-Backed	99%	93%	97%
% Floating Rate	99%	98%	99%
Top 10 Investments	18%	23%[(3)]	15%[(3)]
Weighted Avg. Net Leverage[(1)]	5.9x	4.3x	5.7x
Weighted Avg. Interest Coverage[(1)]	1.9x	2.6x	2.0x
% with Financial Covenants	68%	91%	72%
Weighted Avg. Closing Loan-to-Value %[(1)]	40%	42%	41%
Non-Cyclical Industries[(4)]	86%	73%	84%
Non-Accrual & Restructured Loans[(5)]	1.2%	2.9%	1.5%

Note: CCAP and FCRD information as of December 31, 2022. Metrics reflect latest available financial reporting through December 31, 2022, and are applicable to debt investments only, unless otherwise noted.

(1) Metrics not applicable to certain investments including Asset-Backed Loans ("ABL"), Annual Recurring Revenue ("ARR") loans, and lender-controlled, sold or liquidated assets.
(2) As % of Total FV.
(3) The Logan JV, which is not included in the Top 10 Investments, represents 12% of FCRD FV and 3% of Pro Forma Combined FV.
(4) Designation of "non-cyclical" based on CCAP management's general views on cyclicality. Management considers the following industries non-cyclical: business services; consumer services; sovereign & public finance; telecommunications; insurance; high tech industries; healthcare & pharmaceuticals; chemicals, plastics & rubber; media; and non-durable consumer goods. Management considers the following industries cyclical: automotive; banking; capital equipment; construction & building; containers, packaging & glass; durable consumer goods; environmental industries; finance; hotel, gaming & leisure; retail; and transportation.
(5) Restructured loans represent certain FCRD positions for which income was not being recognized as of December 31, 2022.

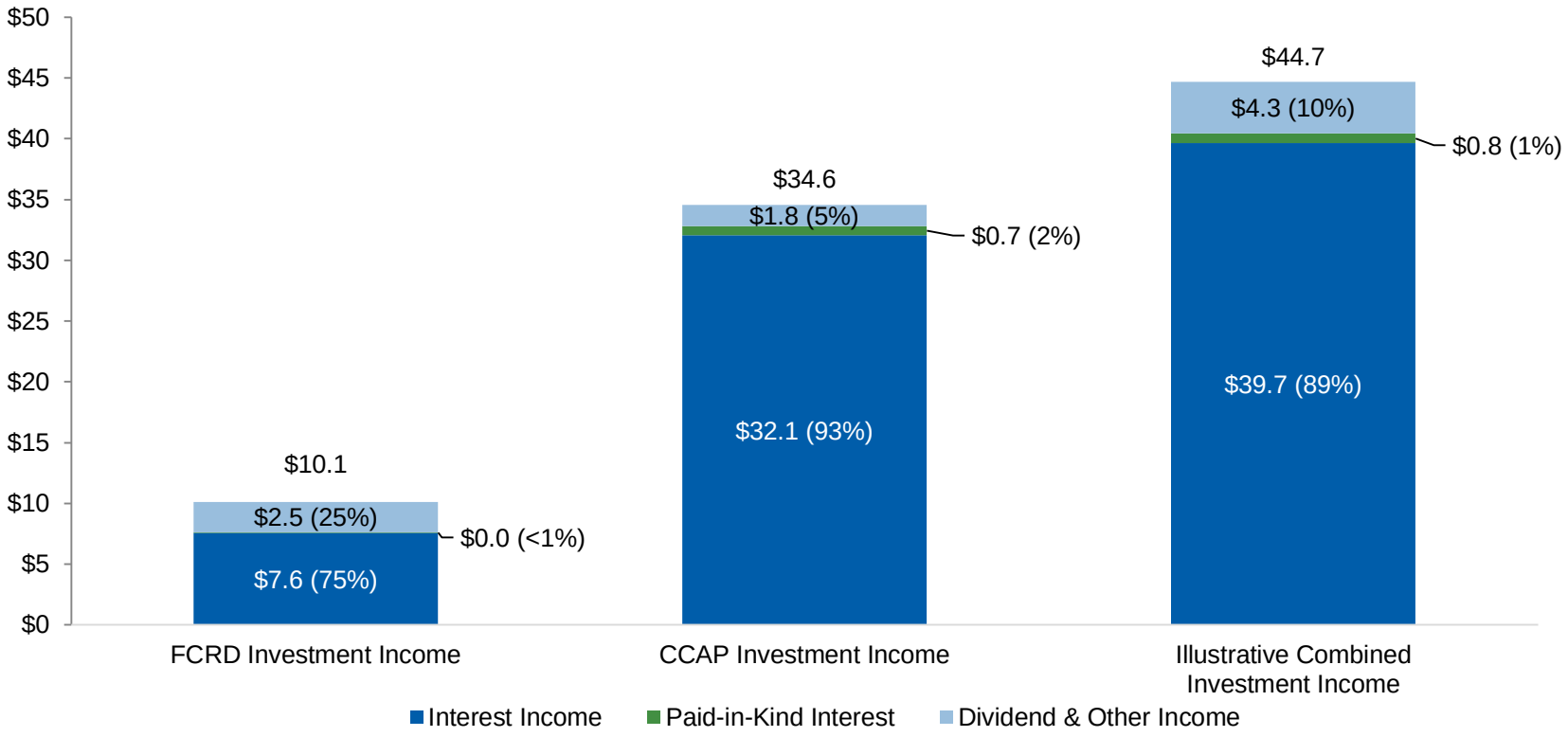
High Quality of Investment Income

Total investment income is largely driven by recurring interest income

- On a combined basis, interest income represented 89% of total investment income in Q4 2022, while PIK represented <2%. Interest income plus recurring dividends from the Logan JV represented 95% of total combined investment income in Q4 2022

Components of Total Investment Income (Q4 2022)[(1)]

$ in millions



(1) Based on as-reported total investment income for FCRD and CCAP for the three months ended December 31, 2022.

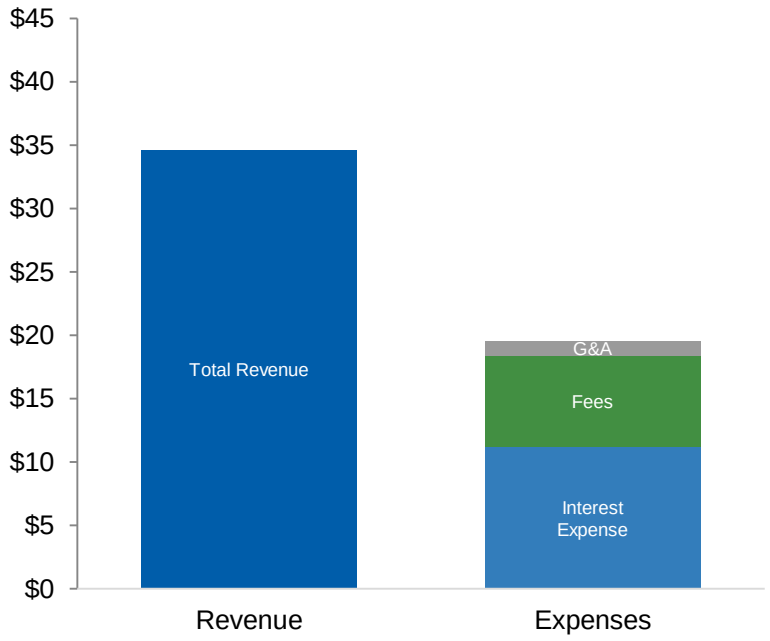
Accretive to CCAP's Earnings Profile

Combination is expected to provide immediate NII accretion as a result of greater scale and anticipated operational synergies and the elimination of duplicative expenses

$ in millions

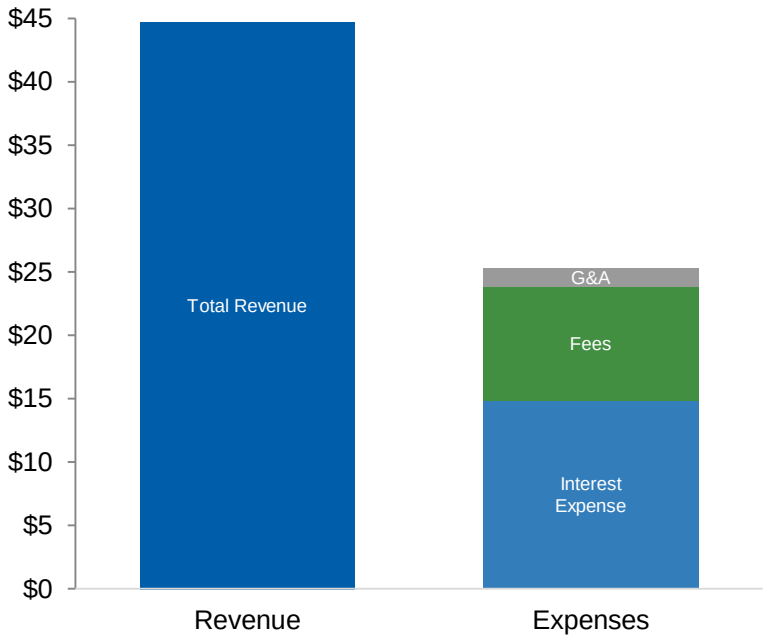
- Further incremental earnings upside potential as: (i) Crescent seeks to favorably resolve non-performing loans and reinvest proceeds into directly originated transactions; and (ii) the combined portfolio benefits from potential additional increases in rising base rates

CCAP (12/31/22)



Adjusted Net Investment Income Per Share = $0.49(2)

PRO FORMA COMBINED EARNINGS (ESTIMATE)(1)



Adjusted Net Investment Income Per Share = $0.52

(1) Based on CCAP's and FCRD's financial results for the quarter ended December 31, 2022, adjusted for the removal of estimated duplicative expenses. Future financial and operational results could differ as a result of a wide variety of factors as described in "Disclaimer and Note Regarding Forward-Looking Statements" on Page 2. Per share amount for pro forma combined adjusted net investment income based on 37.1 million CCAP shares outstanding.

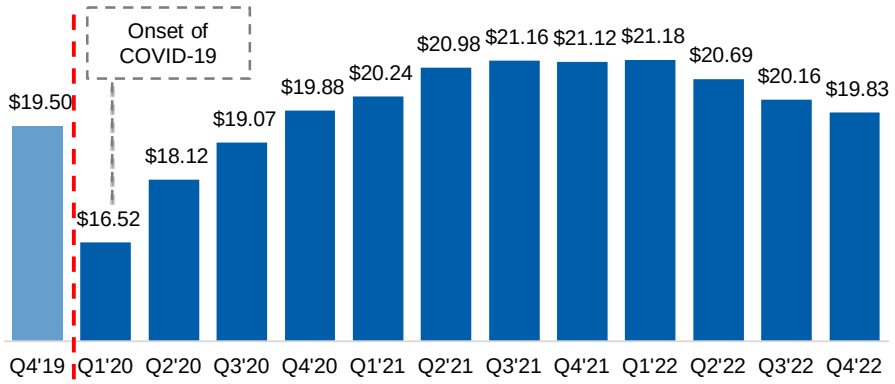
(2) See page 14 for a description of this non-GAAP measure and a reconciliation from net investment income per share to Adjusted net investment income per share. Capital gains based incentive fees were excluded from the pro forma combined earnings estimate analysis.

M&A Track Record and Portfolio Rotation Strategy

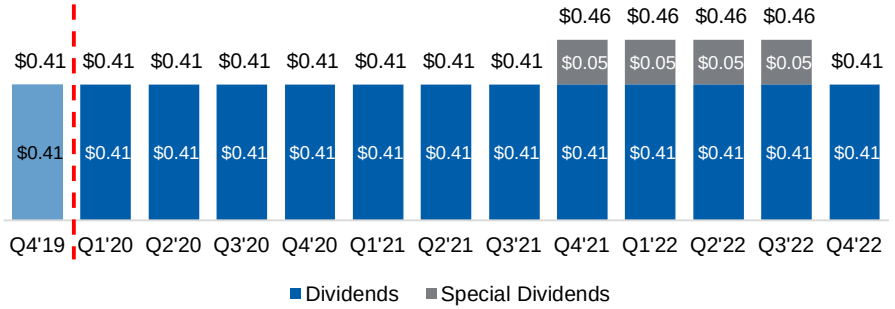
CCAP Value Creation for Stockholders Through M&A

- CCAP has created value for stockholders through M&A, as evidenced by its acquisition of Alcentra Capital Corp. (“Alcentra”) in Q1 2020
- Despite acquiring a portfolio with a higher concentration of second lien and equity investments, CCAP has accomplished the following:
  - Grown NAV per share beyond pre-merger levels
  - Generated consistent dividend coverage and returned excess earnings to stockholders via special dividends, resulting in a 28% total economic return to date(1)
  - Largely rotated out of legacy non-income earning and non-accrual positions
  - Through December 31, 2022, CCAP generated a 27% gross IRR on the Alcentra portfolio and realized 136% of its acquired cost basis, with $21.5 million of unrealized value remaining

NAV per Share



Dividend Paid per Share



Non-Accruals as % of Cost

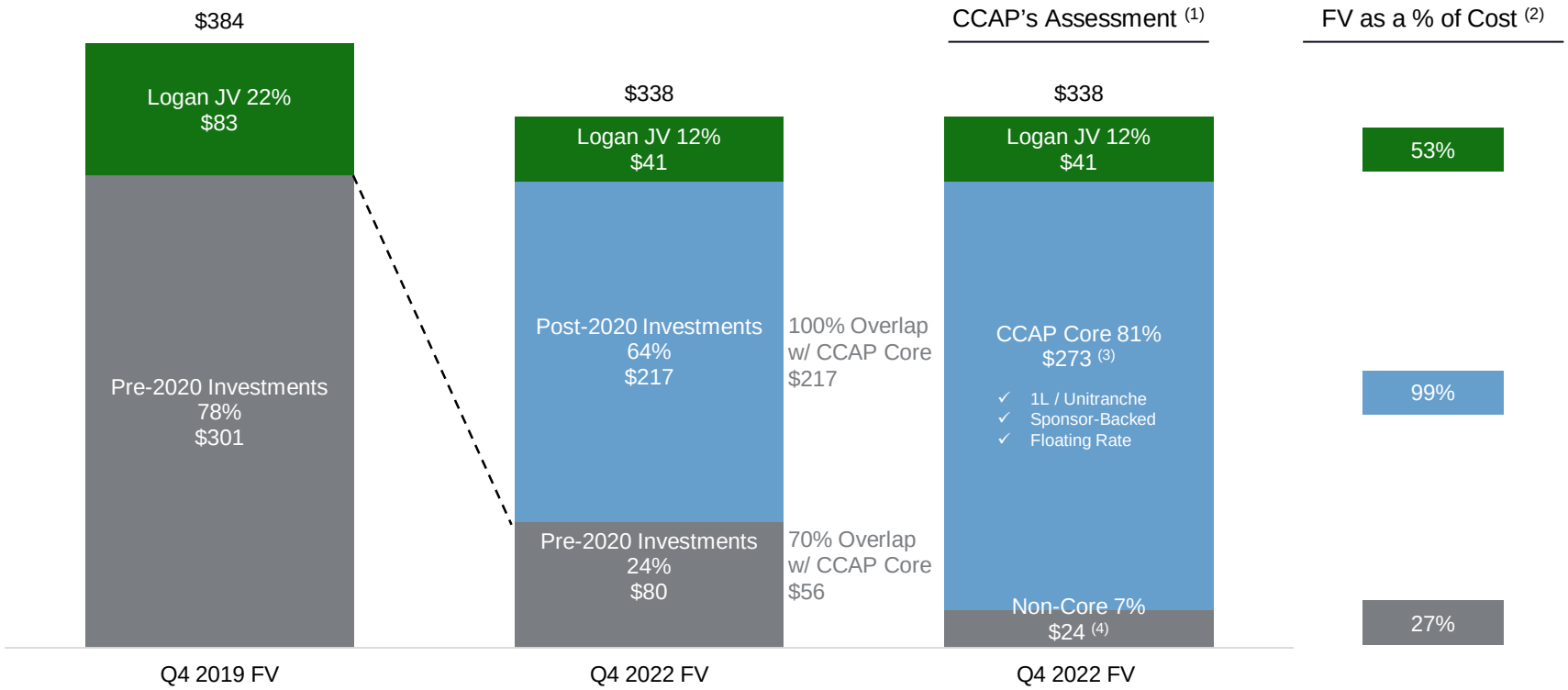
Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22
1.9%	3.4%	3.9%	3.8%	1.7%	1.7%	1.7%	1.5%	1.6%	1.4%	1.3%	2.0%	2.0%

Note: Past performance does not guarantee or indicate future results.
(1) Calculated as total dividends paid per share from Q1’20 to Q4’22, plus change in net asset value per share from Q4’19 to Q4’22, divided by Q4’19 net asset value per share.

FCRD Portfolio Evolution

Based on CCAP's review of FCRD's portfolio, there has been a significant rotation out of pre-2020 investments, resulting in a more diversified current portfolio that is largely aligned with CCAP's core strategy

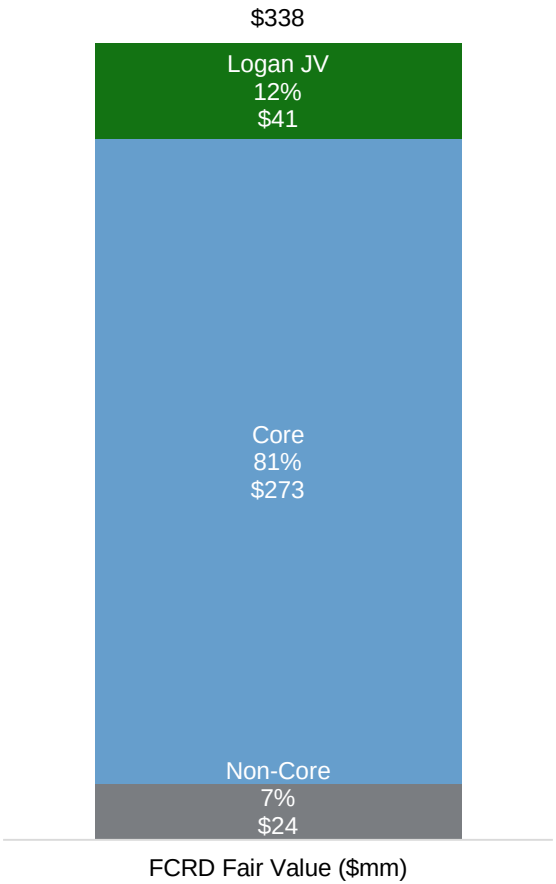
FCRD FV of Investments ($mm)



(1) Based on CCAP investment team's assessment of the FCRD investment portfolio as of December 31, 2022.
(2) As of December 31, 2022. CCAP acquired FCRD's investment portfolio at fair value as determined at the time of closing, subject to the terms set forth in the definitive merger agreement in connection with the Transaction.
(3) "CCAP Core" consists of portfolio companies that have been deemed to have similar attributes to the majority of CCAP's pre-close investment portfolio (first lien or unitranche, sponsor-backed and floating rate) and are expected to be held to sale or refinancing.
(4) Non-Core fair value of $24 million equates to approximately 1.5% of pro forma combined portfolio fair value as of December 31, 2022.

CCAP Rotation Strategy

CCAP's rotation thesis for the FCRD portfolio is centered on a natural realization of core assets and the Logan JV while seeking to selectively rotate out of non-core assets in a more expedited fashion



Investment Characteristics	Realization Strategy

▪ Recently converted majority of assets into a CLO structure in Apr-22
▪ Diversified CLO with 122 underlying issuers
  ▪ 99% first lien investments
  ▪ 100% floating rate
  ▪ $126mm median portfolio company EBITDA
  ▪ 4.9x weighted average net leverage
	Hold through Reinvestment Period with Option to Extend

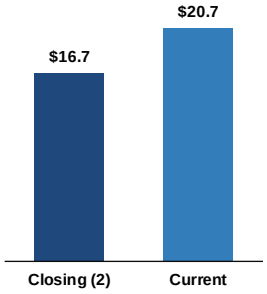
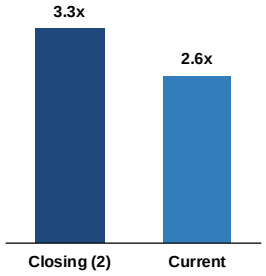
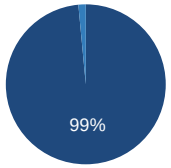
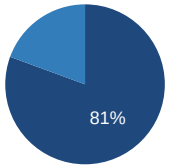
▪ 99% first lien investments (1) ▪ 100% floating rate ▪ 98% sponsor-backed ▪ $21mm median portfolio company EBITDA (2) ▪ 4.3x weighted average net leverage (2) ▪ 96% with financial covenants	Hold to Maturity / Refinancing / Sale

▪ FV represents a 73% discount to cost (2)
▪ 100% pre-2020 investments
  ▪ 38% completed asset sale with deferred royalty payments
  ▪ 33% energy sector
  ▪ 20% consumer sector
  ▪ 9% fund investments
	Selective Rotation

Note: FCRD information as of December 31, 2022. Metrics reflect latest available financial reporting through December 31, 2022, and are applicable to debt investments only, unless otherwise noted.
(1) As % of Total FV.
(2) Metrics not applicable to certain investments including Asset-Backed Loans ("ABL"), Annual Recurring Revenue ("ARR") loans.
(3) As of December 31, 2022. CCAP will acquire FCRD's investment portfolio at fair value as determined at the time of closing, subject to the terms set forth in the definitive merger agreement in connection with the Transaction.

Core Portfolio Statistics

CCAP performed a bottom-up analysis of each portfolio company's fundamental operating performance, capitalization and cyclical attributes

	FV $mm (% of Core Assets)	Median EBITDA ($mm)	W.A. Net Leverage	W.A. Interest Coverage	% with Covenants	% Non-Cyclical Industries (1)
Core Cash Flow Investments	$257 (94%)					
Other Core	$16 (6%)	Comprised of three ABL loans (5.0% of Core Assets FV) and one ARR loan (0.7% of Core Assets FV)				
Total Core	$273 (100%)					

Note: FCRD information as of December 31, 2022. Metrics reflect latest available financial reporting through December 31, 2022, and are applicable to debt investments only, unless otherwise noted.

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(2) Reflects underwriting figures at the time of FCRD's investment.

Appendix

Reconciliation of Adjusted Net Investment Income

$ in millions, except per share data	As of 12/31/2022
Net investment income	$16.1
Capital gains based incentive fees	(1.1)
Adjusted net investment income	$15.0
Per share:	
Net investment income	$0.52
Capital gains based incentive fees	(0.03)
Adjusted net investment income	$0.49

Note: On a supplemental basis, the Company is disclosing Adjusted net investment income and per share adjusted net investment income, each of which is a financial measure that is calculated and presented on a basis of methodology other than in accordance with U.S. GAAP ("non-GAAP"). Adjusted net investment income represents net investment income, excluding capital gains based incentive fees. The Company's management uses this non-GAAP financial measure internally to analyze and evaluate financial results and performance and believes that this non-GAAP financial measure is useful to investors as an additional tool to evaluate ongoing results and trends for the Company without giving effect to capital gains incentive fees. The Company's investment advisory agreement provides that a capital gains based incentive fee is determined and paid annually with respect to realized capital gains (but not unrealized capital appreciation) to the extent such realized capital gains exceed realized capital losses and unrealized capital depreciation on a cumulative basis. The Company believes that Adjusted net investment income is a useful performance measure because it reflects the net investment income produced on the Company's investments during a period without giving effect to any changes in the value of such investments and any related capital gains incentive fees between periods. The presentation of Adjusted net investment income is not intended to be a substitute for financial results prepared in accordance with GAAP and should not be considered in isolation.