

# **Investcorp Credit Management BDC, Inc**

## **Investor Presentation**

June 30, 2019

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# 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
- The firm manages over \$28 billion 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  
 Investment Committee Member*

**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** – Snr 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*

## 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 – June 30, 2019

<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>	\$103.7 million
<b>Investment Portfolio<sup>1</sup></b>	\$ 306.4 million
<b>Leverage</b>	Debt-Equity of 1.16x
<b>Distribution Yield<sup>2</sup></b>	13.14% annualized distribution yield (based on quarterly distribution of \$0.25 per share and price of \$7.61 per share as of June 28, 2019)

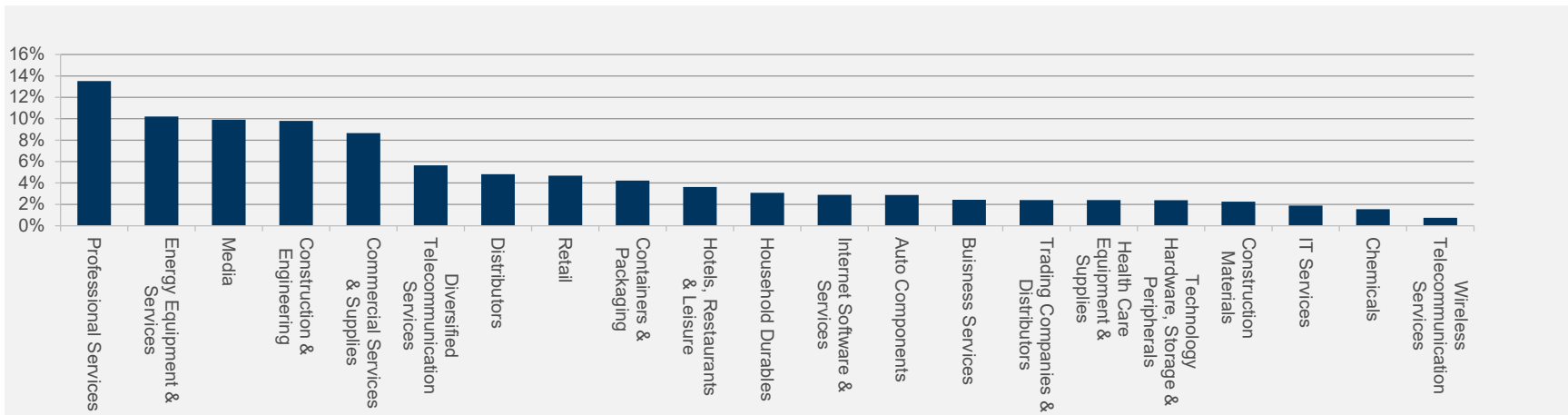
<sup>1</sup>At Fair Value. Please see form 10-Q filed with the SEC for details.

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

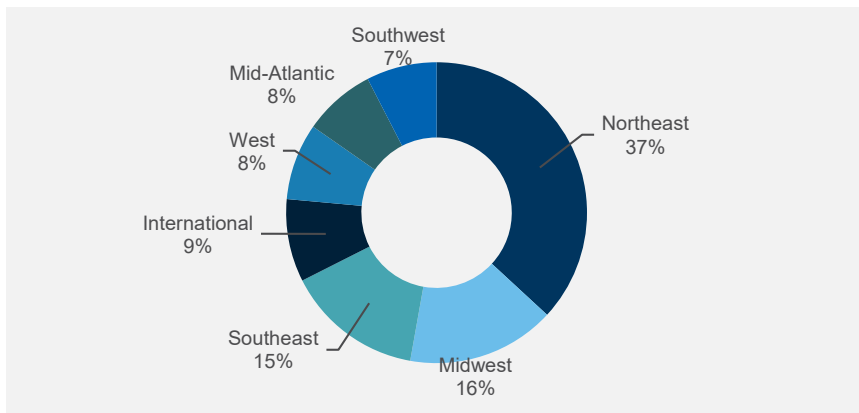
# Investcorp Credit Management BDC, Inc – June 30, 2019

## Portfolio Profile

By S&P Sector



By Geography



Other KPI's

Senior Secured First Lien Debt	77.7%
Senior Secured Second Lien / Unitranche Debt	22.3%
Equity / Warrants / Other	0.0%
Unsecured / Subordinated / Mezzanine Debt	0.0%

**Investcorp Credit Management BDC, Inc – Portfolio as of June 30, 2019**
**Quarterly Highlights**

- ❑ The weighted average yield on debt investments, at cost, increased six basis points to 10.50%, compared to 10.44% as of March 31, 2019
- ❑ ICMB made eleven investments in six portfolio companies. The Company invested \$32.2mm in the quarter inclusive of funding of revolving and delayed draw commitments. The weighted average yield of debt investments made in the quarter was 11.47%
- ❑ Two investments were fully realized during the quarter. These were the Company’s debt investment in Nexeo Plastics, and its equity investment in Zinc Acquisition Holdings, LP
- ❑ Net asset value (“NAV”) per share decreased by 5.66% to \$10.51, compared to \$11.14 as of March 31, 2019

**Portfolio Results (as of 9/30/2019)**

❑ Total assets	\$336.9mm
❑ Investment portfolio, at fair value	\$306.4mm
❑ Net assets	\$143.1mm

**Portfolio Activity (7/1/2019-9/30/19)**

❑ Number new investments	11
❑ Total capital invested	\$32.2mm
❑ Proceeds from repayments, sales, and amortization	\$17.5mm
❑ Number of portfolio companies, end of period	33



# Investcorp Credit Management BDC, Inc

## Selected Financial Highlights

	Quarter Ended September 30, 2018	Quarter Ended December 31, 2018	Quarter Ended March 31, 2019	Quarter Ended June 30, 2019
Investment Portfolio at Fair Value	\$ 330,694,472	\$ 283,335,302	\$ 299,086,467	\$ 306,390,993
Debt at Cost	\$ 148,343,470	\$ 136,500,000	\$ 140,500,000	\$ 167,526,670
Net Assets	\$ 169,442,399	\$ 156,436,308	\$ 151,686,264	\$ 143,083,890
Ending Debt to Equity Ratio	0.86x	0.86x	0.91x	1.16x

Per Share Data				
Net Asset Value per Share	\$ 12.41	\$ 11.49	\$ 10.51	\$ 10.19
Net Investment Income per Share	\$ 0.25	\$ 0.27	\$ 0.22	\$ 0.26
Net Increase in Net Assets Resulting from Operations per Share	\$ 0.10	\$ (0.69)	\$ (0.60)	\$ (0.07)
Dividends Declared per Share	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25



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