

# About Oaktree Specialty Lending Corporation

Fact Sheet | NASDAQ: OCSL | As of September 30, 2019



# OAKTREE

OCSL | Specialty Lending Corporation



## OCSL Profile

Oaktree Specialty Lending Corporation (NASDAQ: OCSL) is a specialty finance company dedicated to providing customized one-stop credit solutions to companies with limited access to public or syndicated capital markets. The firm seeks to generate current income and capital appreciation by providing companies with flexible and innovative financing solutions including first and second lien loans, unsecured and mezzanine loans, and preferred equity. The Company is regulated as a business development company under the Investment Company Act of 1940, as amended. OCSL is managed by Oaktree Capital Management, L.P., a premier credit manager and leader among alternative investment managers for more than 20 years.

## Investment Strategy

- Provide complete and flexible capital solutions including first lien and second lien loans, unsecured and mezzanine loans, and preferred equity
  - Companies across a variety of industries that possess resilient business models with strong underlying fundamentals
  - Medium to larger middle market companies, including those with unique needs or specific business challenges
  - Businesses with significant asset or enterprise value and seasoned management teams
- Structure a diverse portfolio positioned to generate attractive risk-adjusted returns across market cycles
- Leverage the extensive firm-wide resources and expertise of Oaktree for originations, due diligence and credit selection

## Portfolio Highlights

- \$1.4 billion in total investments at fair value
- 104 companies
- 91% debt investments
- 8.9% weighted average yield on debt investments
- 90% of debt portfolio consists of floating rate investments
- \$15 million average portfolio company debt size<sup>1</sup>
- \$155 million median debt portfolio company EBITDA<sup>2</sup>

## Key Facts

### Stock Information

(As of 11/29/2019)

Ticker Symbol:	OCSL
Share Price:	\$5.30
Market Cap:	\$747 million
Dividend Yield:	7.2%
Shares Outstanding:	141 million

### Financial Statistics

(For the quarter ended 9/30/2019)

Net Investment Income ("NII"):	\$16.3 million
NII per Share:	\$0.12
Net Assets ("NAV"):	\$931 million
NAV per Share:	\$6.60
Total Leverage (Debt/Equity):	0.51x

### Analyst Coverage

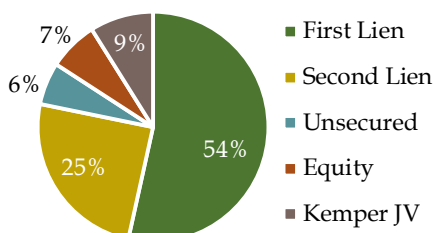
- Barclays Capital
- Deutsche Bank
- Janney Montgomery Scott
- Jefferies
- JMP Securities
- J.P. Morgan
- Keefe, Bruyette & Woods
- Wells Fargo

### Investor & Media Contact

Michael Mosticchio – [ocsl-ir@oaktreecapital.com](mailto:ocsl-ir@oaktreecapital.com)

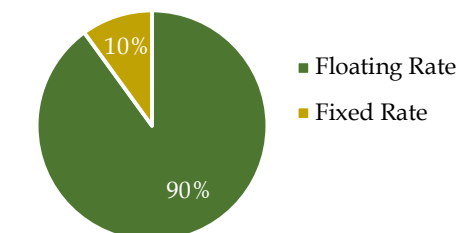
## Portfolio Composition

(As % of total portfolio, at fair value)



## Debt Investments

(As % of debt portfolio, at fair value)



## Top 10 Industries<sup>3</sup>

(As % of total portfolio, at fair value)

Application Software	9.0%
Data Processing & Outsourced Services	6.8%
Biotechnology	6.0%
Property & Casualty Insurance	5.2%
Pharmaceuticals	4.2%
Health Care Services	4.1%
Specialized Finance	3.6%
Health Care Technology	3.6%
Auto Parts & Equipment	2.8%
Real Estate Services	2.7%

# The Oaktree Advantage

## Scale

- \$122 billion in assets under management<sup>4</sup>; \$61 billion in credit strategies
- A deep and broad credit platform drawing from more than 250 highly experienced investment professionals with significant origination, structuring and underwriting expertise

## Track Record

- An “all weather” portfolio management approach demonstrated across market cycles
- Long history of private credit investing
- Over \$14 billion invested in more than 250 directly originated loans since 2005

## Relationships

- Trusted partner to financial sponsors and management teams based on long-term commitment and focus on lending across economic cycles
- Established relationships with many sources: private equity sponsors, capital raising advisers and borrowers

## Flexibility

- Expertise to structure comprehensive, flexible and creative credit solutions for companies of all sizes across numerous industry sectors
- Capacity to invest in large deals and to sole underwrite transactions

## Management Team

- **Armen Panossian**, Chief Executive Officer & Chief Investment Officer
- **Matt Pendo**, President & Chief Operating Officer
- **Mel Carlisle**, Chief Financial Officer
- **Kim Larin**, Chief Compliance Officer

## Our Adviser

**Oaktree Capital Management, L.P.** is a leader among global investment managers specializing in alternative investments, with \$122 billion in assets under management<sup>4</sup> as of September 30, 2019. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in credit, private equity, real assets and listed equities. The firm has over 950 employees and offices in 18 cities worldwide.

<sup>1</sup> Excludes investments in Senior Loan Fund JV I, LLC (“Kemper JV”), a joint venture that invests primarily in middle market and other corporate debt securities.

<sup>2</sup> Excludes negative EBITDA borrowers, investments in aviation subsidiaries and recurring revenue software investments.

<sup>3</sup> Excludes multi-sector holdings, which is primarily comprised of investments in the Kemper JV.

<sup>4</sup> Includes Oaktree's proportionate amount of DoubleLine Capital AUM resulting from its 20% minority interest therein. See Forward Looking Statements & Legal Disclosures section for important information regarding Oaktree's calculation methodology for assets under management.

### Forward Looking Statements & Legal Disclosures

Some of the statements in this fact sheet constitute forward-looking statements because they relate to future events or our future performance or financial condition. The forward-looking statements contained in this presentation may include statements as to: our future operating results and distribution projections; the ability of Oaktree Capital Management, L.P. (“Oaktree”) to reposition our portfolio and to implement Oaktree's future plans with respect to our business; the ability of Oaktree to attract and retain highly talented professionals; our business prospects and the prospects of our portfolio companies; the impact of the investments that we expect to make; the ability of our portfolio companies to achieve their objectives; our expected financings and investments and additional leverage we may seek to incur in the future; the adequacy of our cash resources and working capital; the timing of cash flows, if any, from the operations of our portfolio companies; and the cost or potential outcome of any litigation to which we may be a party. In addition, words such as “anticipate,” “believe,” “expect,” “seek,” “plan,” “should,” “estimate,” “project” and “intend” indicate forward-looking statements, although not all forward-looking statements include these words. The forward-looking statements contained in this presentation involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in “Risk Factors” and elsewhere in our annual report on Form 10-K for the fiscal year ended September 30, 2019. Other factors that could cause actual results to differ materially include: changes or potential disruptions in our operations, the economy, financial markets and political environment; future changes in laws or regulations (including the interpretation of these laws and regulations by regulatory authorities) and conditions in our operating areas, particularly with respect to business development companies or regulated investment companies; and other considerations that may be disclosed from time to time in our publicly disseminated documents and filings.

We have based the forward-looking statements included in this fact sheet on information available to us on the date of this presentation, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

Unless otherwise indicated, data provided herein are as of September 30, 2019.

References to total “assets under management” or “AUM” represent assets managed by Oaktree and a proportionate amount of the AUM reported by DoubleLine Capital LP (“DoubleLine Capital”), in which Oaktree owns a 20% minority interest. Oaktree's methodology for calculating AUM includes (i) the net asset value (NAV) of assets managed directly by Oaktree, (ii) the leverage on which management fees are charged, (iii) undrawn capital that Oaktree is entitled to call from investors in Oaktree funds pursuant to their capital commitments, (iv) for collateralized loan obligation vehicles (“CLOs”), the aggregate par value of collateral assets and principal cash, (v) for publicly-traded business development companies, gross assets (including assets acquired with leverage), net of cash, and (vi) Oaktree's pro rata portion (20%) of the AUM reported by DoubleLine Capital. This calculation of AUM is not based on the definitions of AUM that may be set forth in agreements governing the investment funds, vehicles or accounts managed and is not calculated pursuant to regulatory definitions.