

Bain Capital Specialty Finance, Inc.

First Quarter 2019
Earnings Presentation

Bain Capital Specialty Finance, Inc.

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Please note that certain metrics contained in this presentation include Antares Bain Capital Complete Financing Solution LLC, a joint venture with Antares Midco Inc. (“Antares”).

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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Bain Capital Specialty Finance (“BCSF”) Highlights

Investment Focus

- Primary focus is directly originating loans to middle market, sponsor backed companies with \$10-150M of EBITDA. Portfolio median EBITDA: \$68.5 million. Median leverage through investment: 4.9x
- Highly diversified portfolio of investments of 133 companies across 32 industries
- Portfolio comprised of 82% first lien senior secured, 96% floating rate, and 82% with financial covenants

Benefits from Broader Bain Capital Platform

- Bain Capital is one of the world’s leading private alternative asset management firms
- Approximately \$105 billion in AUM
- 29-person Private Credit Group provides comprehensive coverage and broad geographical reach across 1,500+ middle market private equity sponsors, banks and financial intermediaries
- Bottom-up approach is grounded in business and industry due diligence, prudent investment structuring, and thorough documentation providing lender protections

Strategic Partnership

- Bain Capital Specialty Finance has access to a range of differentiated strategic partnerships given the scope of Bain Capital and the breadth of our network
- In November 2017, we invested in ABCS, a joint venture with Antares Capital, which we recently restructured to bring assets on balance sheet

Quarterly Highlights

- Q1 2019 investment fundings of \$275.5 million; 91.7% increase compared to Q1 2018
- Total investment income: \$39.9 million; 128% increase compared to Q1 2018
- NII: \$21.2 million or \$0.41 per share; 142% increase compared to Q1 2018
- Q4 ROE: 8.4%⁽¹⁾

Portfolio Highlights

We have invested approximately \$2.5 billion in aggregate principal since inception, driven by a robust origination pipeline and global sourcing capabilities.

\$1,830M
Current Portfolio Size

133
Portfolio Companies

32
Industries

8.8%
Weighted Avg. Gross Yield⁽¹⁾

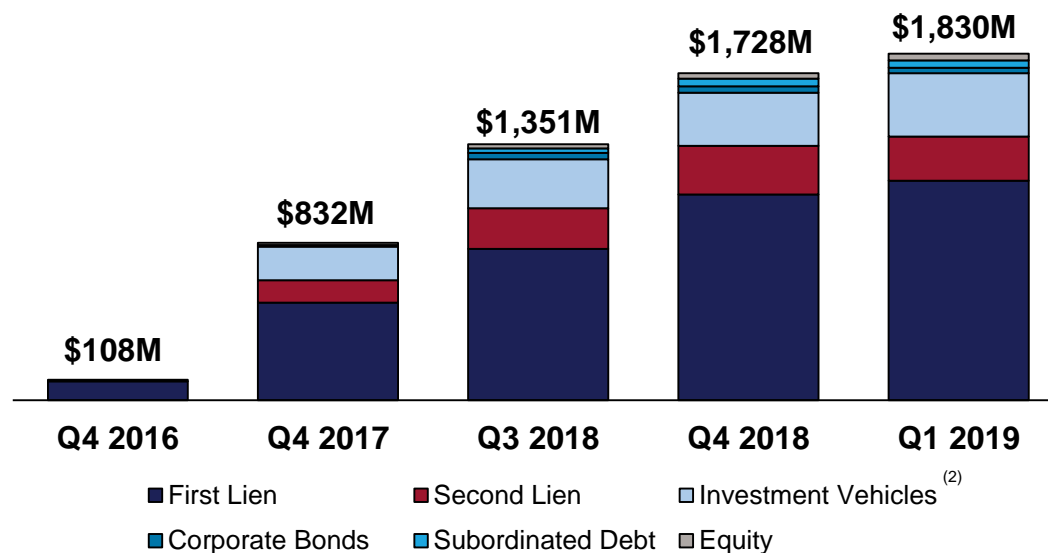
Portfolio of Predominantly Senior Secured, Floating Rate Loans

Portfolio growth in market value quarter over quarter of 6%

No Non-Accruals to Date

<i>Portfolio Companies</i>	12	85	113	132	133
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Dec 2016 Closed on \$1.2B of capital commitments	Nov 2017 Launched ABCS joint venture	Sep 2018 Issued 2018-1 Notes	Nov 2018 Initial Public Offering	Feb 2019 Entered into revolving credit agreement with Citibank
Dec 2016 Entered into revolving credit agreement with SMBC	Oct 2017 Entered into revolving credit agreement with Goldman Sachs			Feb 2019 Shareholder approval of reduced asset coverage of at least 150%



Information through March 31, 2019. Portfolio company information is as of quarter-end. (1) Computed for debt investments based upon the annual interest rate as of March 31, 2019, divided by the total par amount of investments. For investments with floating interest rates, the yield calculation is computed using the contract rate data as of March 31, 2019. Weighted average yield for Equity Interest in ABCS (Antares Bain Capital Complete Financing Solution LLC) represents the weighted average levered yield of the Company's proportionate investment in ABCS at March 31, 2019. Weighted average yield for the Company's Equity Interest in ABCS is computed based upon the sum of (i) the weighted average of the interest rate of investments held by ABCS less (ii) the weighted average interest rate of the ABCS Facility, divided by the Company's par amount in ABCS. Total weighted average gross yield is the weighted average of the yields of the debt investments and its Equity Interest in ABCS. The weighted average gross yield does not represent the total return to our stockholders. Gross yield does not reflect fees and expenses of the Company and does not represent the return a stockholder would receive. If fees and expenses were included in the calculation, the yield would be lower. (2) Represents equity investment in ABCS.

Selected Quarterly Financial Information

(Dollar amounts in millions, except share data; per share data is based on weighted average shares outstanding during period, except as otherwise noted)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Net investment income per share	\$0.30	\$0.38	\$0.33	\$0.41	\$0.41
Net realized gain (loss) per share	(0.10)	(0.06)	(0.07)	0.03	0.05
Net unrealized gain (loss) per share	0.18	(0.14)	0.20	(0.65)	0.30
Net income per share	0.39	0.17	0.46	(0.21)	0.76
Distributions paid per share	0.34	0.36	0.41	0.41	0.41
Net asset value per share (ending shares)	20.33	20.14	20.17	19.46	19.81
<hr/>					
Total Fair Value of Investments	\$915.4	\$1,069.1	\$1,351.4	\$1,727.8	\$1,829.9
Number of Portfolio Companies	92	99	113	132	133
Floating rate investments as % of total	98.1%	96.1%	95.6%	95.5%	96.1%
Weighted Average Gross Yield	8.6%	8.5%	8.7%	8.7%	8.8%
<hr/>					
Net Assets	\$634.5	\$754.6	\$884.0	\$1,001.6	\$1,019.8
Debt ⁽¹⁾	389.4	446.5	599.3	637.0	916.9
Debt to Equity at Quarter-End ⁽²⁾	0.64x	0.61x	0.74x	0.75x	0.92x

Selected Quarterly Financial Information

(Dollar amounts in millions, except share data)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Originations and Net Investment Activity:					
Investment Fundings	\$143.7	\$229.7	\$343.4	\$451.8	\$275.5
Sales and Repayments	65.0	62.5	65.1	42.7	192.2
Net Investment Activity	78.8	167.3	278.3	409.1	83.3
Total Investment Portfolio at Cost					
First Lien Debt	58.7%	58.4%	57.0%	61.3%	62.0%
First Lien, Last-out Unitranche Debt	3.3	2.8	2.2	1.5	1.5
Second Lien Debt	15.4	15.8	16.0	15.0	12.8
Subordinated Debt	0.0	0.0	1.8	2.3	2.2
Corporate Bonds	1.4	3.0	2.5	2.4	1.7
Investment Vehicles ⁽¹⁾	20.0	18.6	19.1	16.0	18.1
Equity Interest	1.0	1.2	1.3	1.4	1.3
Preferred Equity	0.2	0.2	0.1	0.1	0.4
Warrants	-	-	-	-	-

Quarterly Balance Sheets (Quarter Ended March 31, 2019)

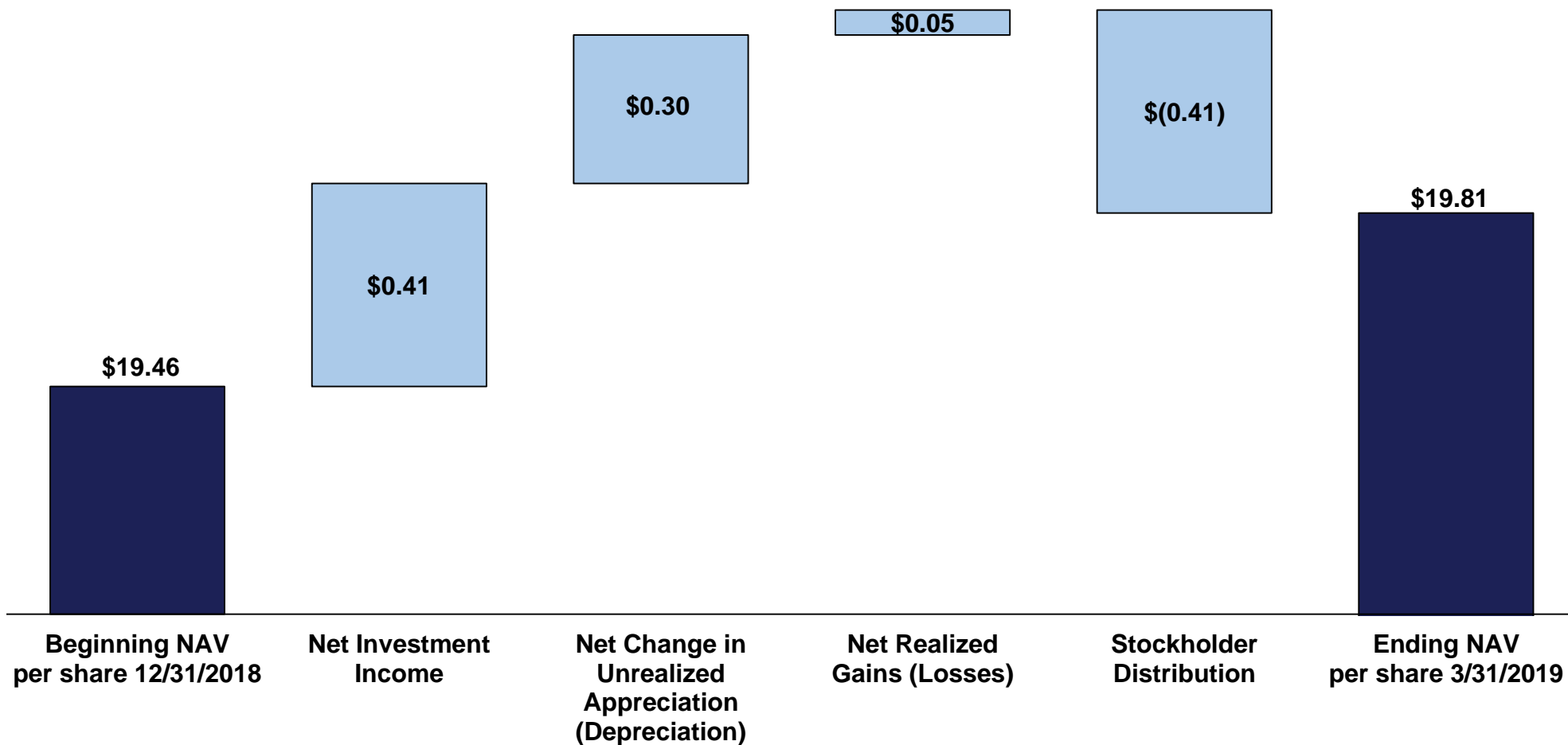
<i>\$ in '000s</i>	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Assets					
Investments at fair value	\$ 915,368	\$ 1,069,136	\$ 1,351,443	\$ 1,727,806	\$ 1,829,940
Cash and cash equivalents	120,425	125,786	151,070	14,693	79,140
Foreign cash	2,316	15,204	1,666	591	1,479
Restricted cash	-	-	37,736	17,987	14,009
Collateral on forward currency exchange contracts	7,874	820	824	4	404
Deferred offering costs	-	-	1,085	-	-
Deferred financing costs	5,455	5,098	4,736	4,018	3,873
Receivable for sales and paydowns	-	-	-	-	40,236
Interest receivable on investments	3,052	3,936	4,482	6,251	7,974
Unrealized appreciation on forward currency contracts	-	4,089	5,618	9,322	6,038
Dividend receivable	4,639	5,391	6,084	8,709	9,150
Other assets	1,995	3,726	101	1,635	3,701
Total Assets	\$ 1,061,124	\$ 1,233,186	\$ 1,564,846	\$ 1,791,014	\$ 1,995,944
Liabilities					
Revolving credit facilities	\$ 389,399	\$ 446,519	\$ 233,639	\$ 271,265	\$ 551,194
2018-1 Notes (net of issuance costs)	-	-	363,616	363,660	363,702
Deferred offering costs payable	-	-	1,085	1,820	1,731
Interest payable	661	991	599	4,835	5,096
Payable for investments purchased	17,653	13,279	56,274	119,166	24,370
Unrealized depreciation on forward currency contracts	2,563	-	-	-	-
Base management fee payable	1,624	1,878	2,320	2,950	4,501
Incentive fee payable	3,022	1,313	2,931	3,300	2,103
Distributions payable	10,610	13,484	17,967	21,108	21,108
Other liabilities	1,123	1,166	2,455	1,281	2,305
Total Liabilities	\$ 426,655	\$ 478,630	\$ 680,885	\$ 789,385	\$ 976,110
Total Net Assets	\$ 634,470	\$ 754,556	\$ 883,961	\$ 1,001,629	\$ 1,019,834
Total Liabilities and Net Assets	\$ 1,061,124	\$ 1,233,186	\$ 1,564,846	\$ 1,791,014	\$ 1,995,944
Net Assets per share	\$ 20.33	\$ 20.14	\$ 20.17	\$ 19.46	\$ 19.81
Shares outstanding at end of period (thousands)	31,205	37,456	43,822	51,482	51,482

Quarterly Operating Results (Quarter Ended March 31, 2019)

For Three Months Ended

<i>\$ in '000s</i>	Q1 2018		Q2 2018		Q3 2018		Q4 2018		Q1 2019	
Interest income	\$	12,637	\$	15,898	\$	20,367	\$	24,461	\$	30,495
Dividend income		4,708		5,433		6,204		9,041		9,373
Other income		114		94		91		246		22
Total Investment Income	\$	17,459	\$	21,426	\$	26,662	\$	33,748	\$	39,890
Interest and debt financing financing expenses	\$	4,289	\$	5,325	\$	6,524	\$	7,873	\$	10,546
Base management fee		3,248		3,756		4,639		5,901		6,751
Incentive fee		2,005		911		3,242		2,512		4,086
Other operating expenses		767		833		1,297		921		1,497
Total expenses	\$	10,308	\$	10,825	\$	15,702	\$	17,207	\$	22,880
Management and incentive fees waived		(1,624)		(2,882)		(2,939)		(3,235)		(4,233)
Total expenses, net of fee waivers	\$	8,684	\$	7,943	\$	12,763	\$	13,973	\$	18,647
Net investment income before income taxes	\$	8,775	\$	13,482	\$	13,899	\$	19,774	\$	21,243
Excise tax expense		-		-		-		-		-
Net investment income	\$	8,774	\$	13,482	\$	13,899	\$	19,774	\$	21,243
Net realized and unrealized gains (losses)		2,585		(7,315)		5,092		(29,646)		18,069
Net increase (decrease) in net assets	\$	11,359	\$	6,167	\$	18,991	\$	(9,872)	\$	39,313
Net investment income per share	\$	0.30	\$	0.38	\$	0.33	\$	0.41	\$	0.41
Weighted average shares outstanding (thousands)		29,134		35,379		41,733		47,782		51,482

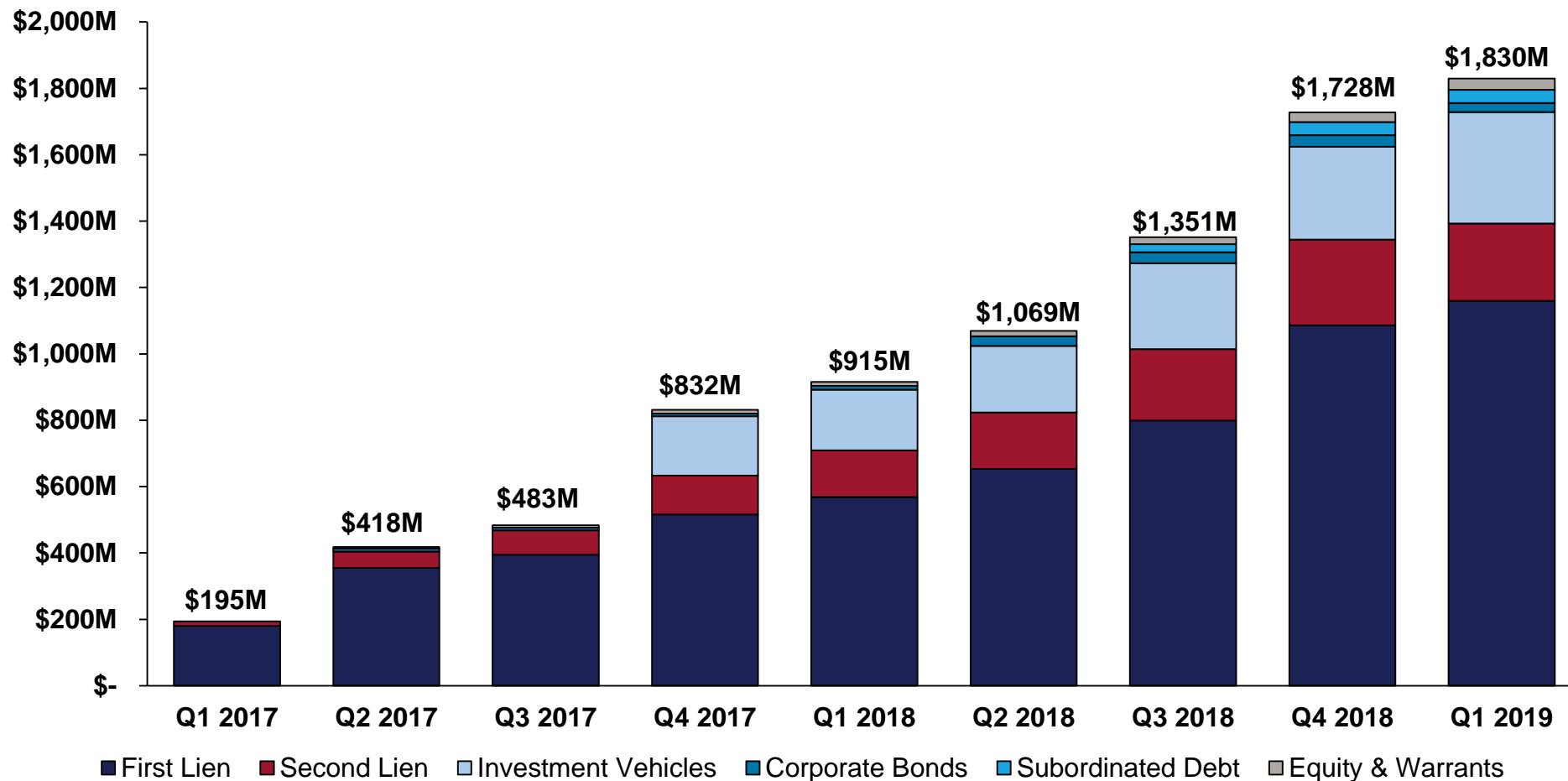
Net Asset Value Bridge – Q1 2019



Portfolio Overview

The Fair Value of Investments for BCSF as of March 31, 2019 is \$1,829.9 million.

Fair Value of Investments (in millions)



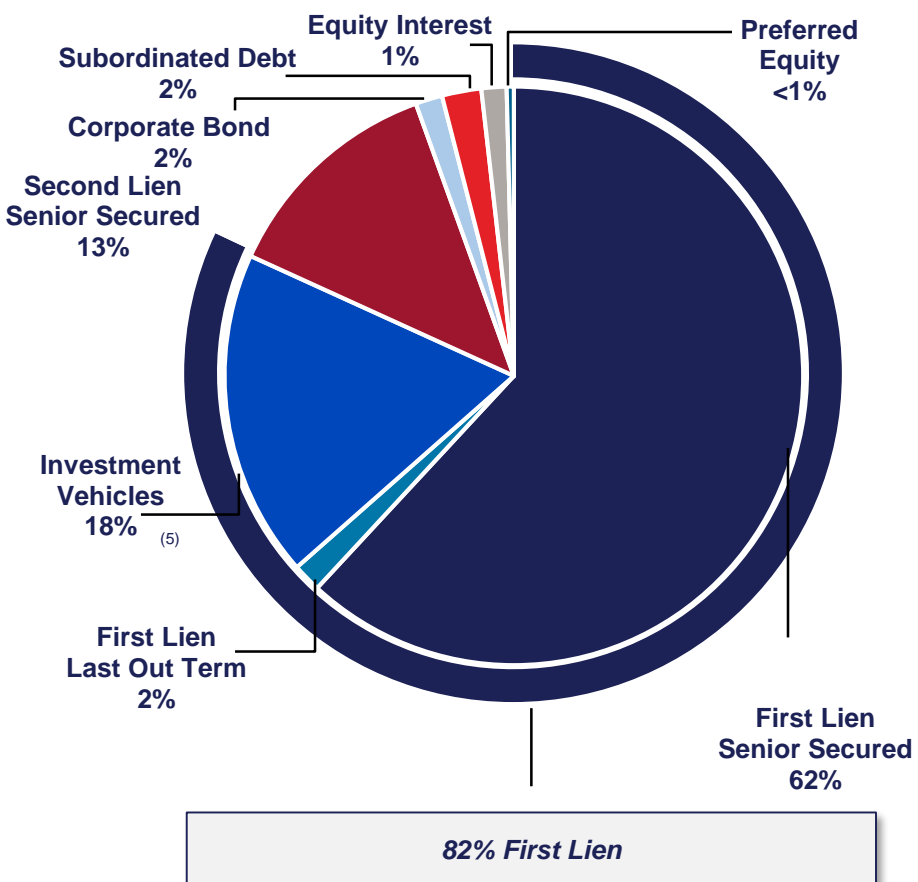
Portfolio Overview

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.

Portfolio Composition

Focus on First Dollar Risk ⁽¹⁾

Focus on Control



Primarily Sponsored ⁽²⁾

Sponsored

Majority of Loans Benefit From a Financial Covenant ⁽³⁾

Covenant

Effective Loan Voting Control ⁽⁴⁾

Positive Voting Control

Negative Voting Control

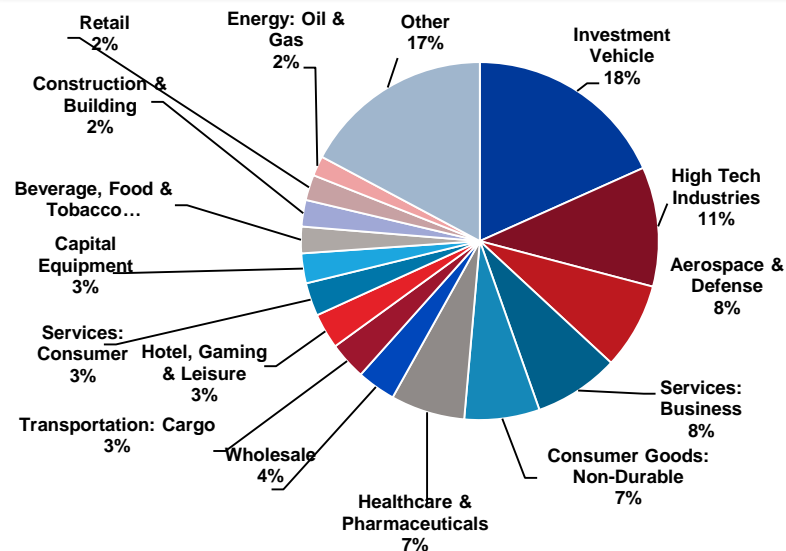
Other

BCSF Portfolio Overview

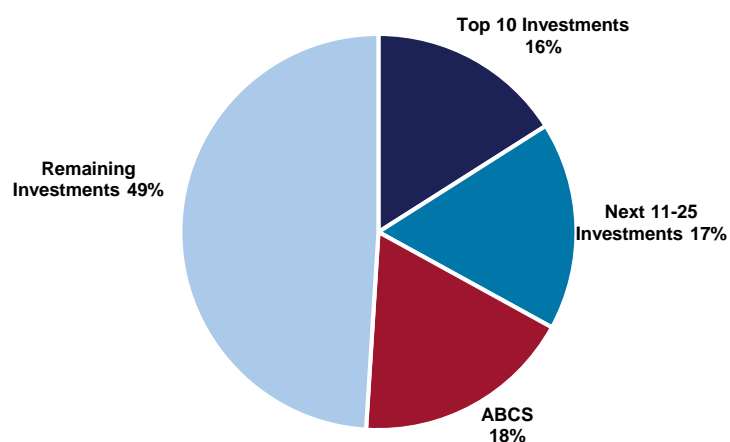
Portfolio Characteristics

Investments at Fair Value	\$1,829.9M
Unfunded Commitments	\$122.5M
Gross Yield at Fair Value of Investments ⁽¹⁾	8.8%
Number of Companies	133
Floating / Fixed Rate	96.1% / 3.9%

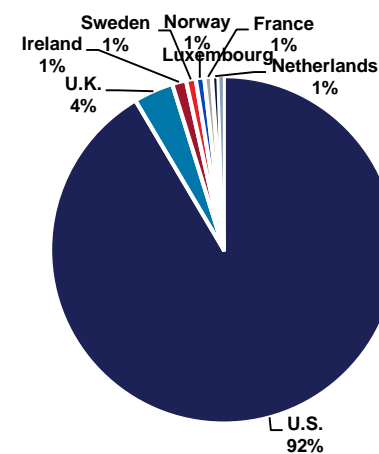
Industry



Diversification of Investments

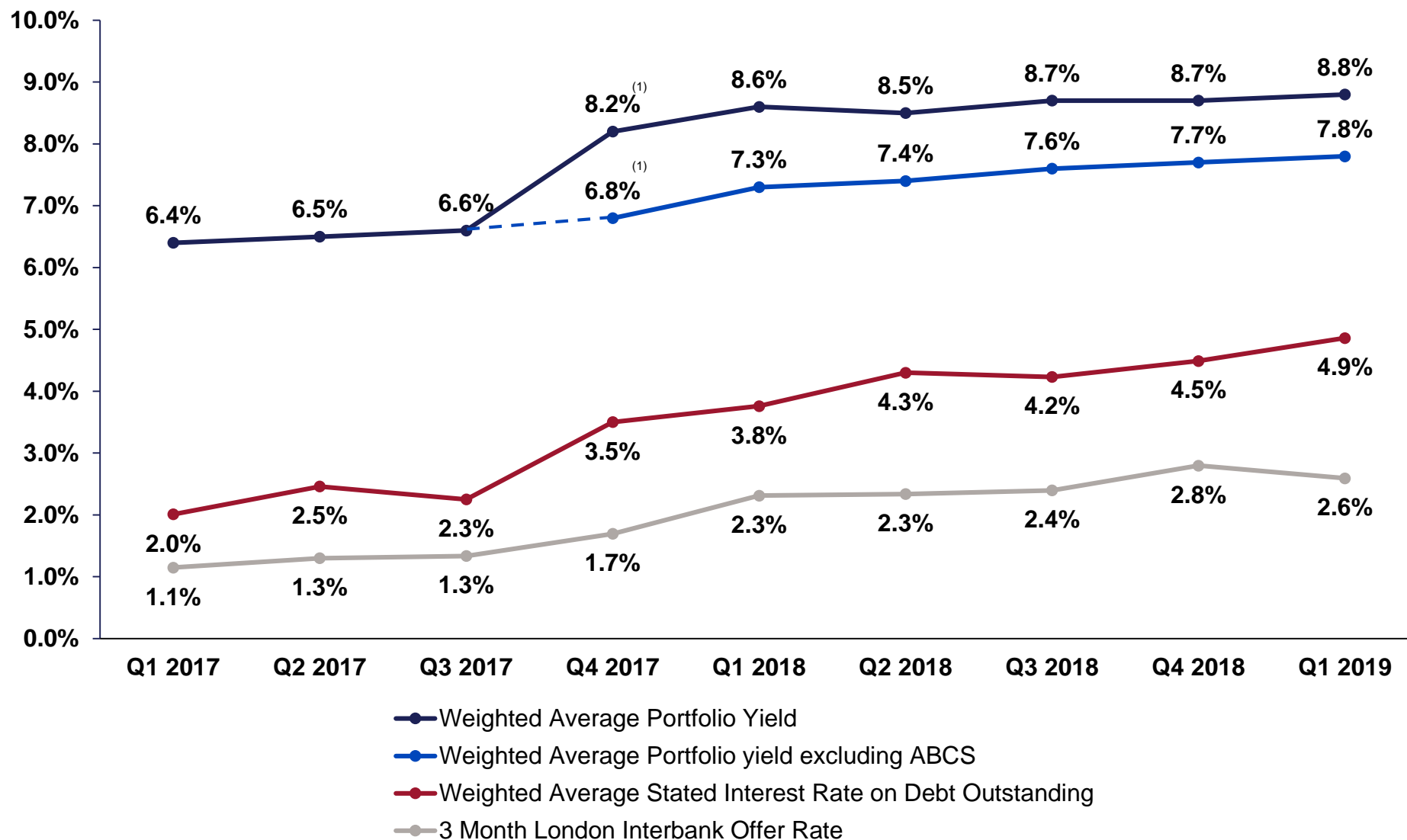


Geography



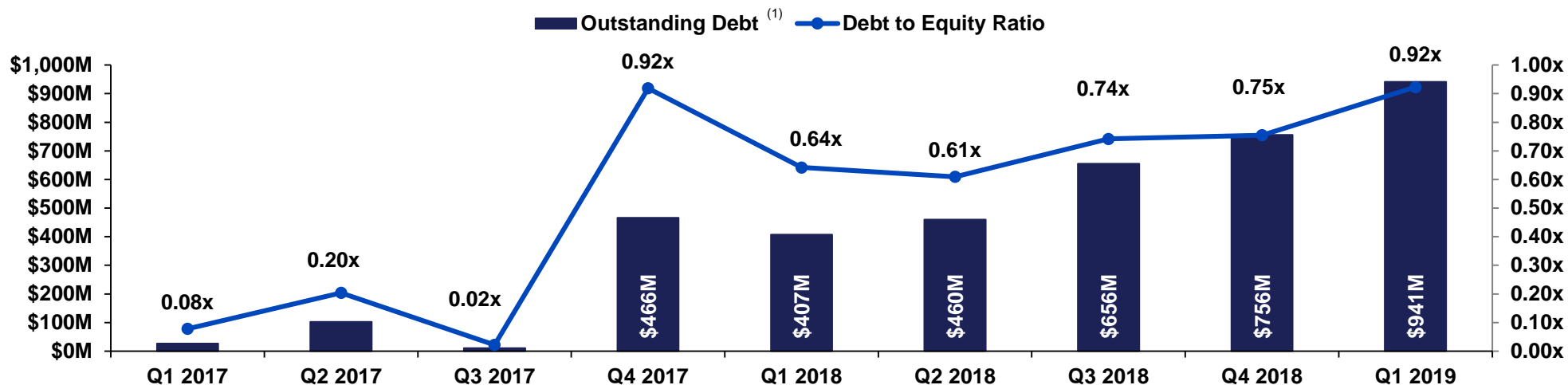
Portfolio Yield

Yield Analysis

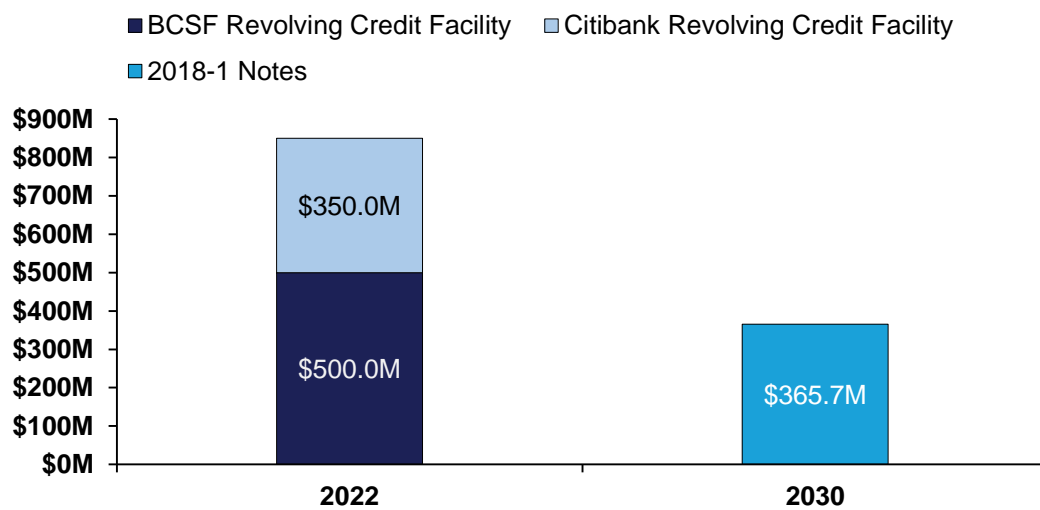


Debt Summary

Outstanding Debt and Debt to Equity Ratio



Debt Maturity Schedule



Liability Profile

	BCSF Revolving Credit Facility ("Goldman Sachs")	2018-1 Notes	Citi Credit Facility
Principal Amount:	\$500.0M	\$365.7M	\$350.0M
Interest Rate:	L + 2.50%	L + 1.96%	L + 1.60%
Outstanding Amount:	\$358.3	\$365.7M	\$192.9M

Credit Quality of Investments

As of March 31, 2019 there were no investments on non-accrual status.

Investment Performance Rating

Investment Performance Rating	As of March 31, 2019				As of December 31, 2018			
	Fair Value (millions)	Percentage of Total	Number of Companies	Percentage of Total	Fair Value (millions)	Percentage of Total	Number of Companies	Percentage of Total
1	\$17.1	0.9%	1	0.8%	\$17.3	1.0%	1	0.7%
2	1,793.6	98.0	130	97.7	1,684.5	97.5	128	97.0
3	19.2	1.1	2	1.5	26.0	1.5	3	2.3
4	—	—	—	—	—	—	—	—
Total	\$1,829.9	100.0%	133	100.0%	\$1,727.8	100.0%	132	100.0%

Investment Performance Rating	Definition
1	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.
2	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.
3	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).
4	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.

Quarterly Distribution Information

Date Declared	Record Date	Payment Date	Amount Per Share	Total Distributions
December 22, 2016	December 22, 2016	January 17, 2017	\$0.015	\$82,363
May 9, 2017	May 12, 2017	May 19, 2017	\$0.07	\$1,174,052
June 21, 2017	June 29, 2017	August 11, 2017	\$0.11	\$2,739,972
September 27, 2017	September 28, 2017	November 14, 2017	\$0.21	\$5,235,687
December 26, 2017	December 28, 2017	January 24, 2018	\$0.31	\$7,742,502
March 28, 2018	March 28, 2018	May 17, 2018	\$0.34	\$10,609,643
June 28, 2018	June 28, 2018	August 10, 2018	\$0.36	\$13,484,328
September 26, 2018	September 26, 2018	October 19, 2018	\$0.41	\$17,966,855
December 19, 2018	December 31, 2018	January 14, 2019	\$0.41	\$21,107,677
February 21, 2019	March 29, 2019	April 12, 2019	\$0.41	\$21,107,677