

Medley Capital Corporation (NYSE: MCC)

Investor Presentation

Quarter Ended September 30, 2017

Important Notice

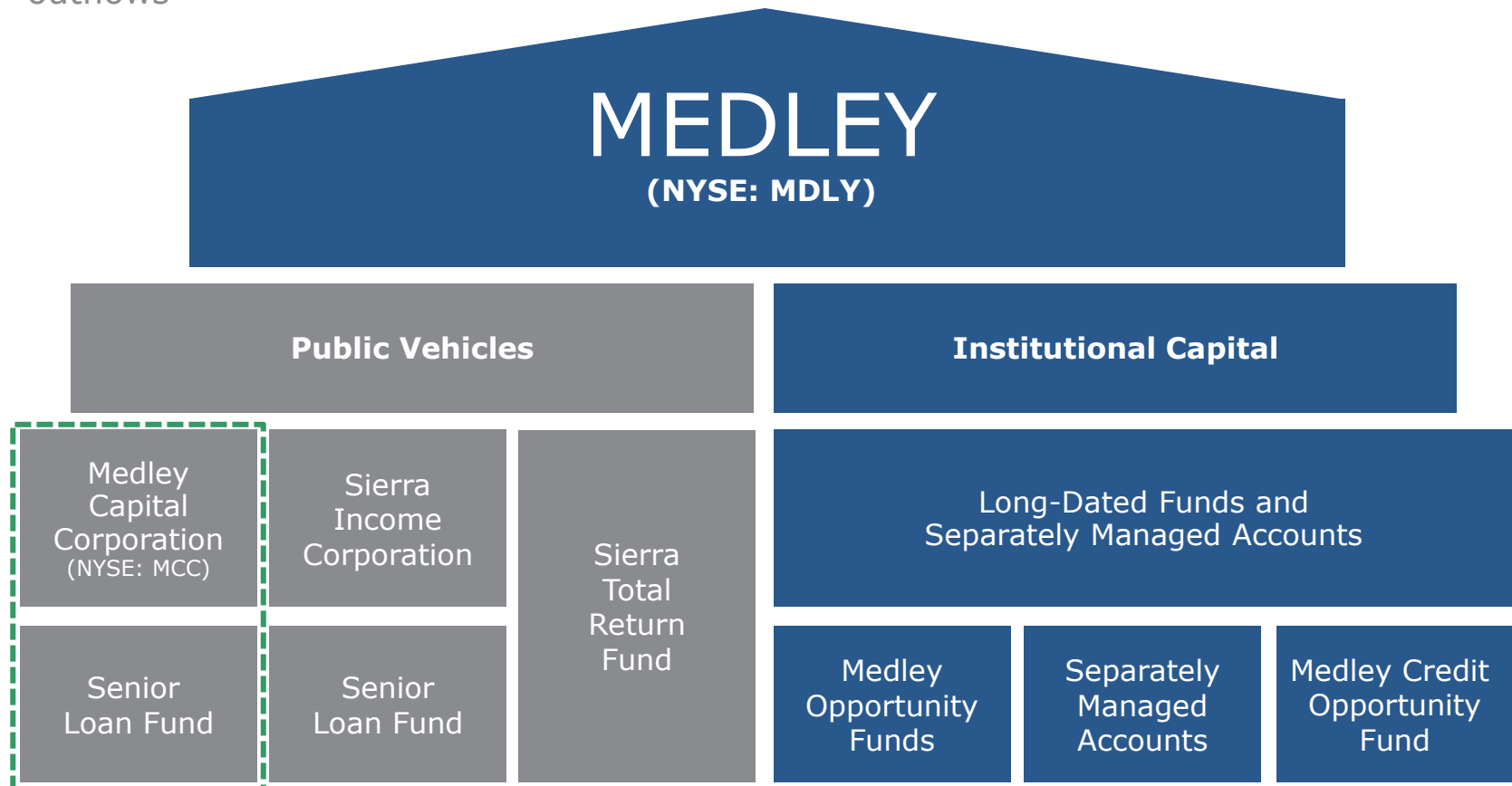
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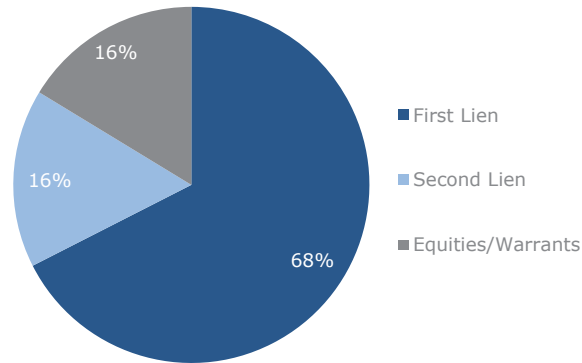
Diversified AUM Across Multiple Funds

- Broad distribution through public and private vehicles
- Permanent capital, long-dated funds and managed accounts not subject to traditional outflows

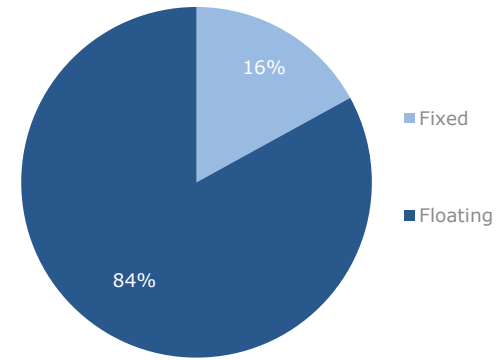


Diversified Senior Secured Floating Rate Portfolio

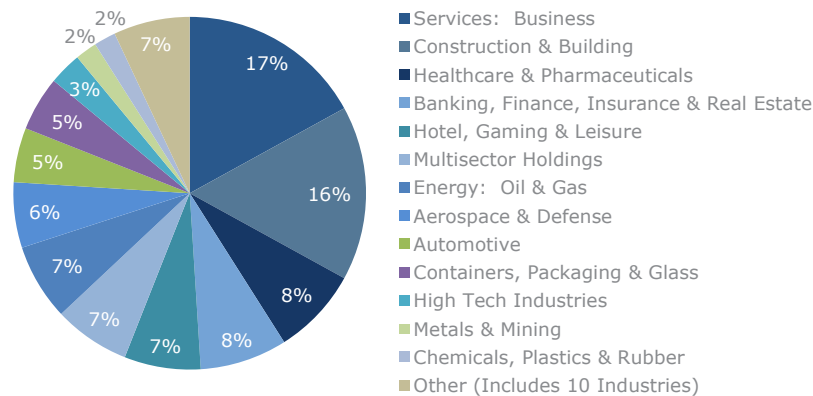
Investment Type



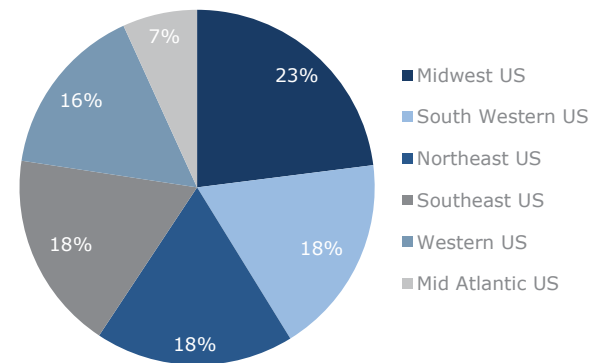
Floating vs Fixed Rate¹



Industry



Geography²

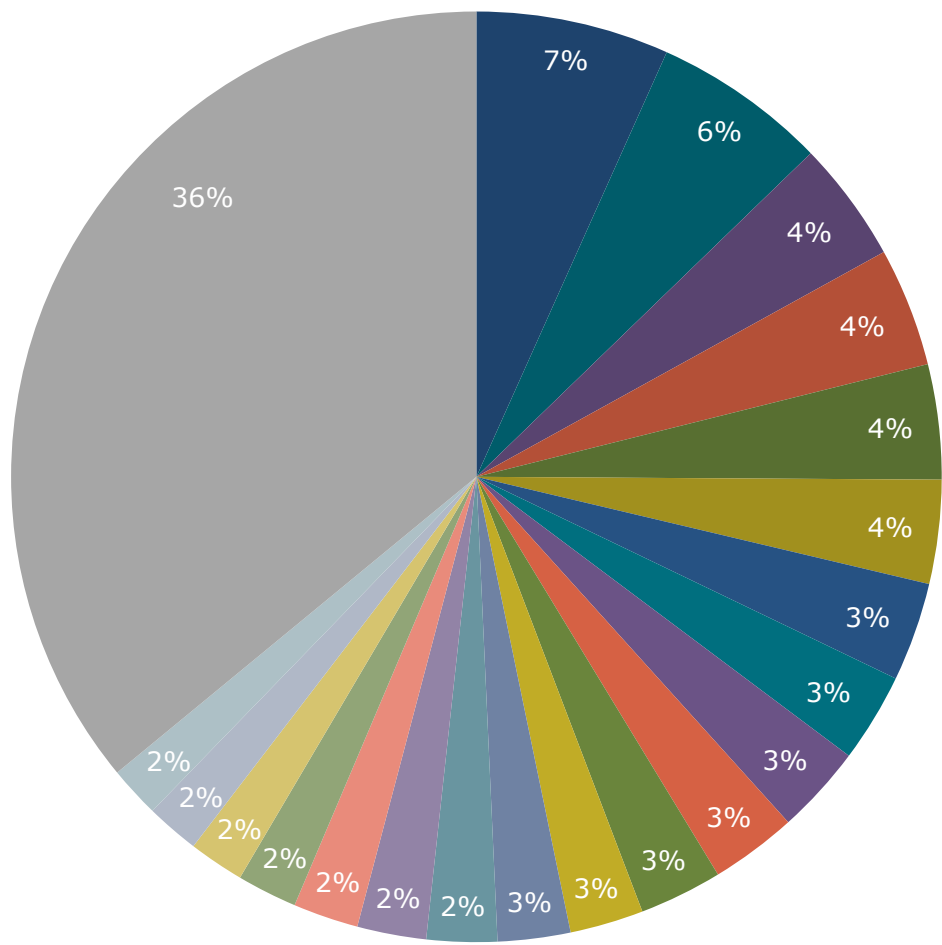


Note: Portfolio data as of 9/30/2017 based on fair market value. Numbers may not foot due to rounding. Past performance is not indicative of future results.

1. Based on income bearing investments.

2. MCC does not have exposure to international investments.

Portfolio by Issuer



Top 20 Investments: 64%

- MCC Senior Loan Strategy JV I LLC
- Harrison Gypsum LLC
- Nation Safe Drivers Holdings, Inc.
- NCM Group Holdings LLC
- United Road Towing Inc
- NVTN LLC
- AAR Intermediate Holdings LLC
- Omnivere LLC
- Capstone Nutrition
- DHISCO Electronic Distribution, Inc.
- Seotowncenter, Inc.
- L & S Plumbing Partnership, Ltd.
- Oxford Mining Company LLC
- Northstar Aerospace, Inc.
- JD Norman Industries, Inc.
- The Plastics Group Acquisition Corp
- 3SI Security Systems, Inc.
- Reddy Ice Corporation
- Dynamic Energy Services International LLC
- Taylor Freight Services LLC
- Other

1. Portfolio includes 64 total issuers; the 36% of Portfolio Issuer Concentration represents 44 MCC borrowers.

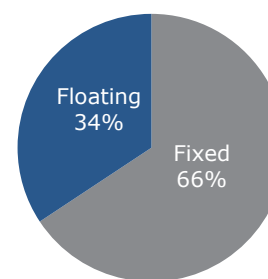
Well Positioned for a Rising Rate Environment

- MCC is well positioned for a rising interest rate environment
- 84% of the portfolio is floating rate
- 66% of liabilities are fixed rate
- Favorable asset & liability mix
 - The weighted average maturity of assets is 2.8 years
 - The weighted average maturity of liabilities is 5.1 years

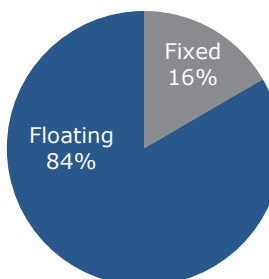
Basis Point Change	Interest Income Change	Interest Expense Change	NII Change
100	\$5,300	\$1,700	\$3,600
200	11,200	3,400	7,800
300	17,100	5,100	12,000
400	23,000	6,800	16,200
500	28,900	8,500	20,400

Assets

12/31/2011

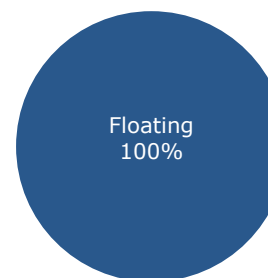


9/30/2017

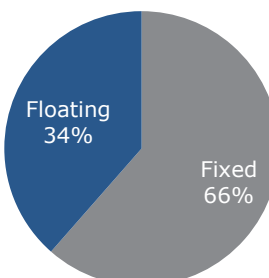


Liabilities

12/31/2011



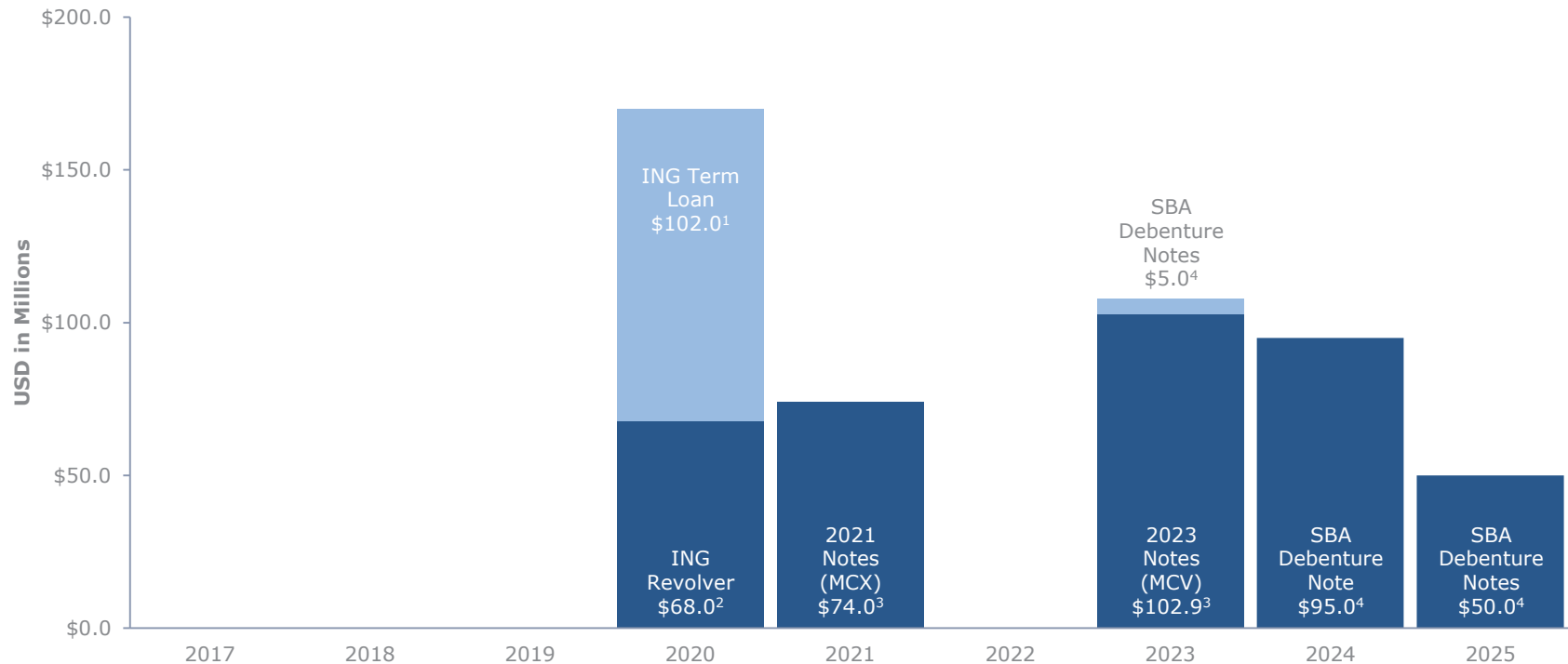
9/30/2017



Note: Past performance is not indicative of future results.

Pro Forma Debt Maturity Profile

- MCC's liabilities are well diversified with a staggered debt maturity profile



Note: As of 9/30/2017.

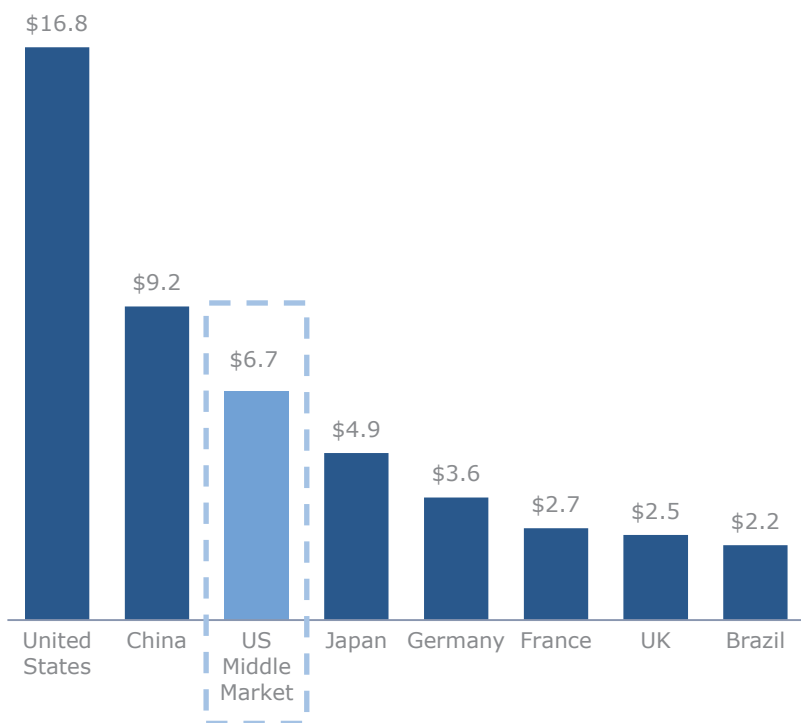
- \$1.1 million aggregate difference in total ING Term Loan from the balance sheet is a result of recently adopted debt issuance cost accounting standards.
- \$1.8 million aggregate difference in total Revolving Credit Facility from the balance sheet is a result of recently adopted debt issuance cost accounting standards.
- \$4.1 million aggregate difference in total Unsecured Notes from the balance sheet is a result of recently adopted debt issuance cost accounting standards.
- \$2.8 million aggregate difference in total SBA Debenture Notes from the balance sheet is a result of recently adopted debt issuance cost accounting standards.

Attractive Industry Dynamics

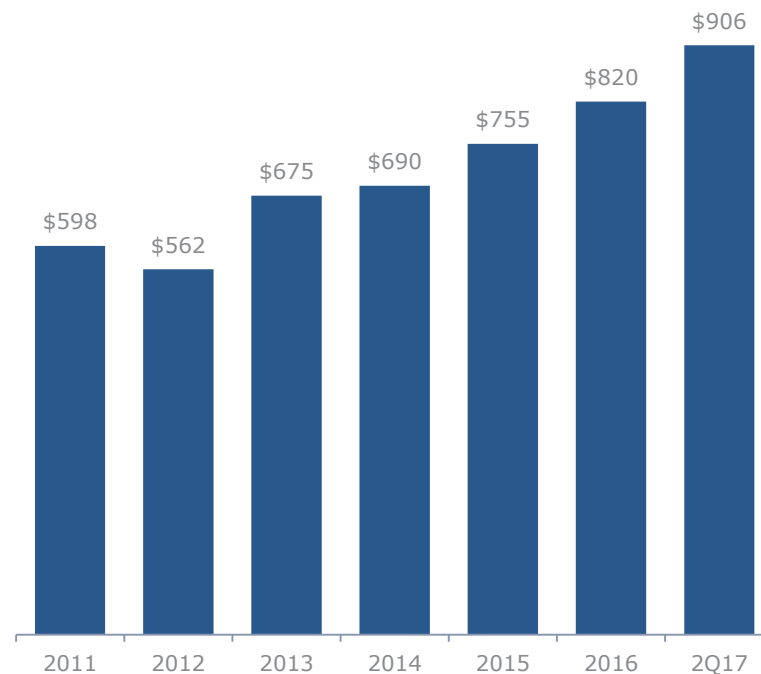
The Opportunity – Large Target Market

- Standalone US middle market would rank as the 3rd largest global economy
- Private equity dry powder continues to be elevated at all-time highs

Top GDPs⁽¹⁾



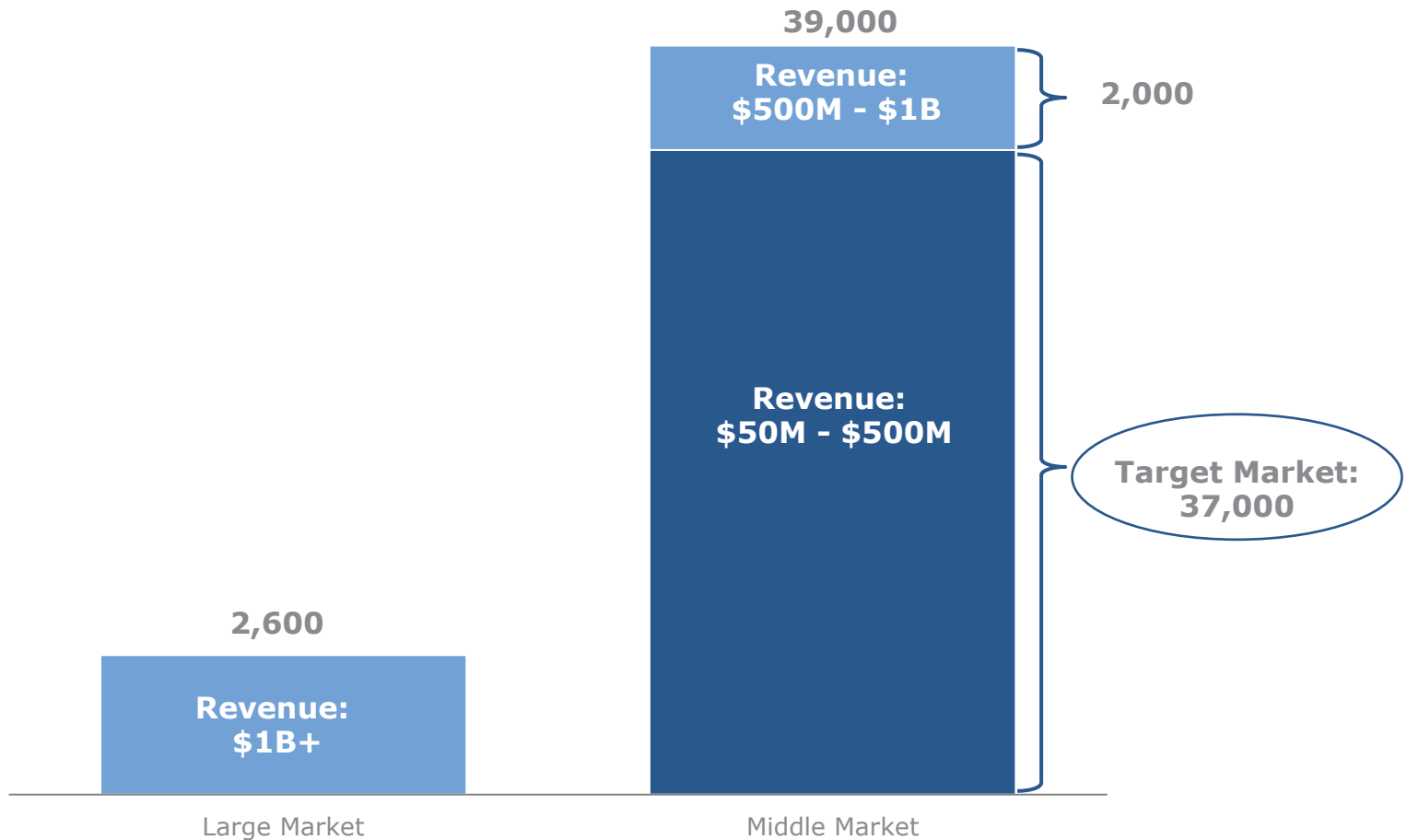
Private Equity Dry Powder⁽²⁾



1. International Monetary Fund, World Economic Outlook Database, June 2014. Metrics in trillions of USD.
 2. Preqin Private Equity Q2 2017 Quarterly Update. Metrics in billions of USD.

The Opportunity – Large Number of Borrowers

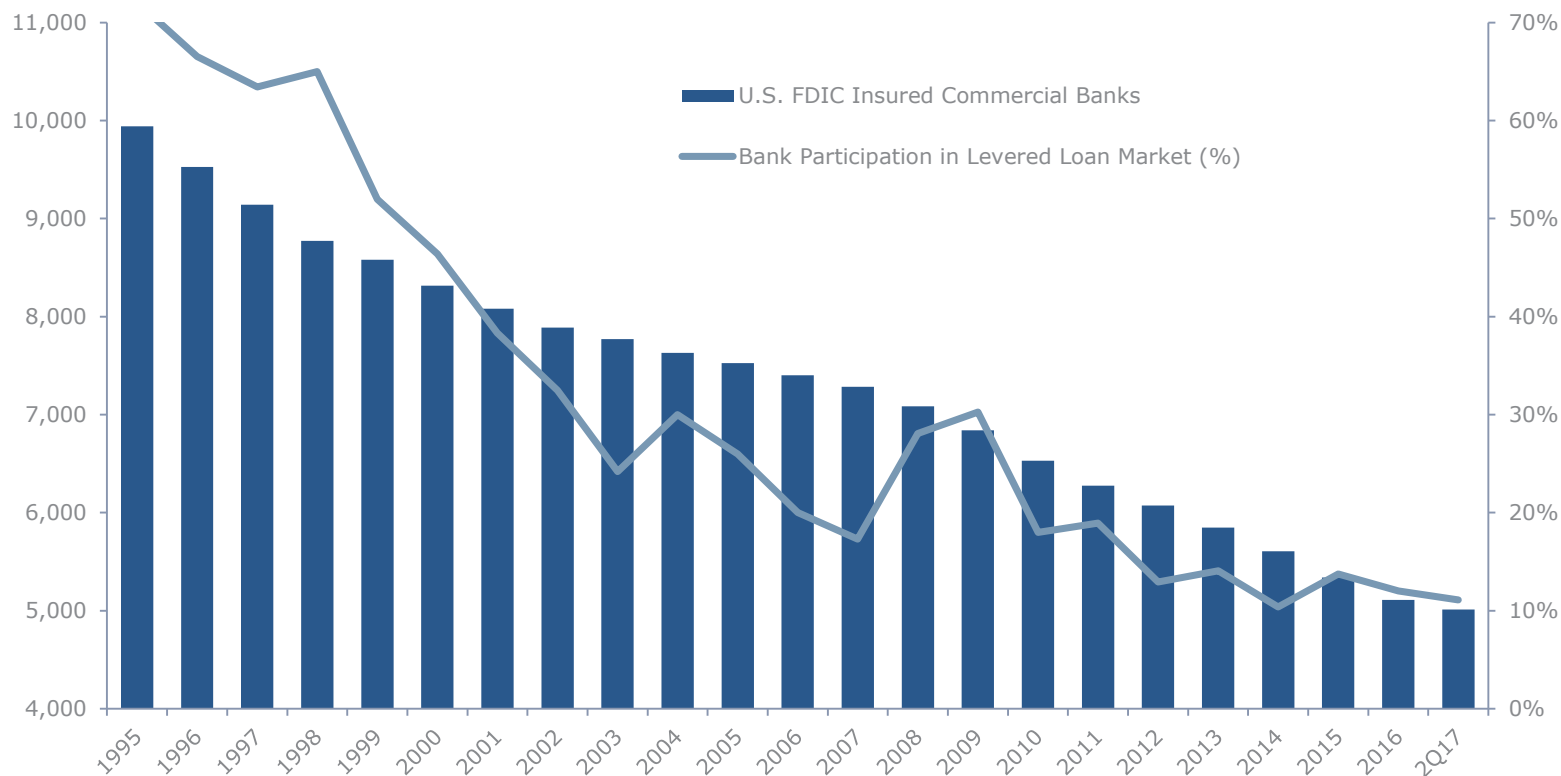
Number of Businesses by Market¹



1. U.S. Census Bureau, 2007 Economic Census.

The Opportunity – Bank Consolidation

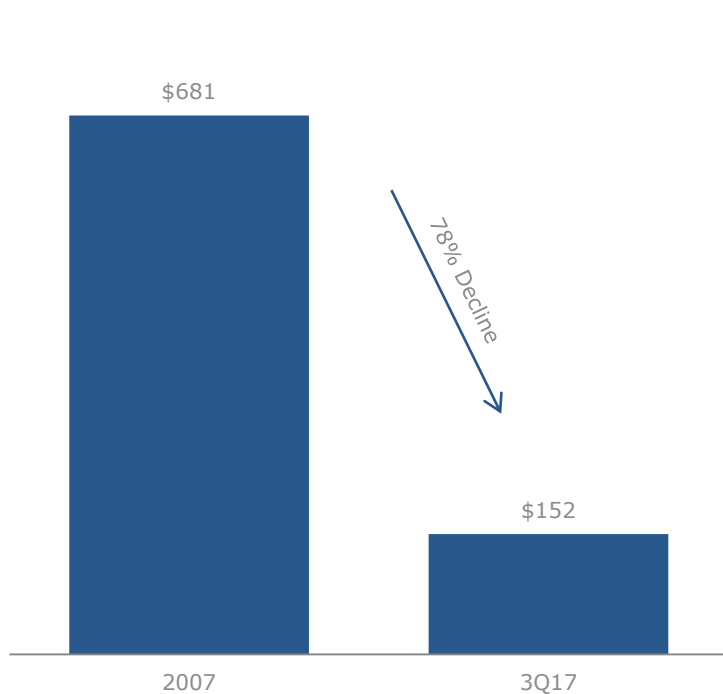
- Banks continue to shift toward large borrowers
- Regulatory environment is a headwind for banks in the middle-market



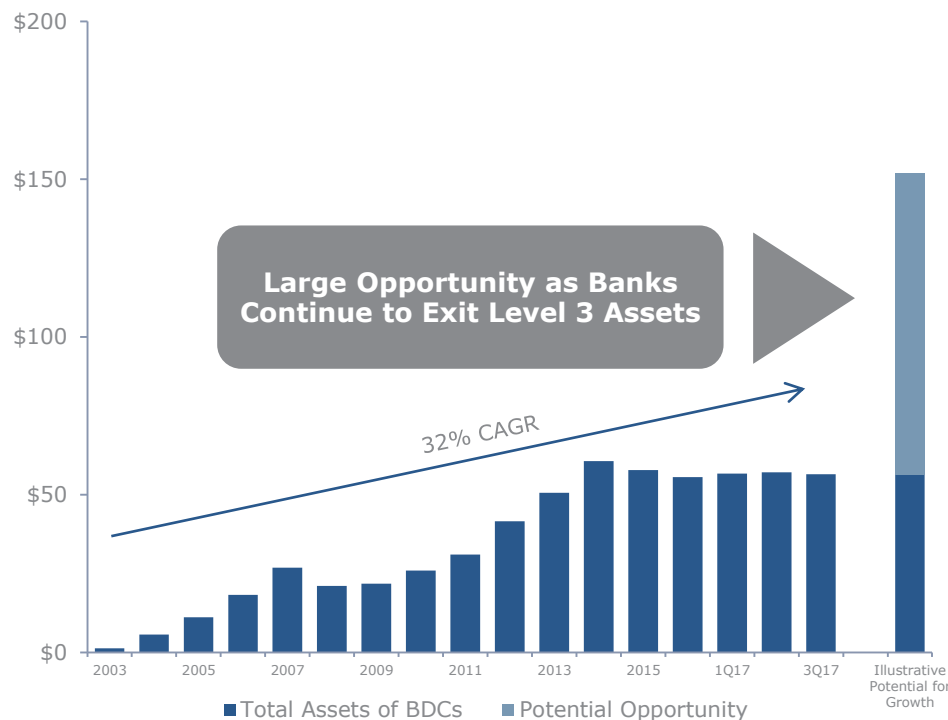
1. Federal Deposit Insurance Corporation, represents number of commercial banking institutions insured by the FDIC as of 6/30/2017.
 2. S&P LCD's Leveraged Lending Review – 2Q17.

Regulatory Pressure Continues for Banks

Level 3 Assets for Financial Firms⁽¹⁾



Total Assets of Publicly Traded BDCs⁽²⁾



1. Financial firms include: BAC, C, CS, DB, GS, JPM, MS and WFC. Metrics in billions of USD. Financial information as of 9/30/2017.

2. BDCs include: ACAS, ACSF, AINV, ARCC, BKCC, CMFN, CPTA, FDUS, FSC, FSIC, FSFR, GAIN, GARS, GBDC, GLAD, GSVC, HCAP, HRZN, HTCG, KCAP, KIPO, MAIN, MCC, MCGC, MRCC, MVC, NGPC, NMFC, OFS, PFLT, PNNT, PSEC, SAR, SCM, SLRC, SUNS, TCAP, TCPC, TCRD, TICC, TINY, TPVG, TSLX and WHF. Metrics in billions of USD. Total assets as of 9/30/2017, with the exception of FSFR, GBDC, GLAD, PFLT, PNNT, ACAS, GSVC, KIPO, MCGC, NGPC, TINY, and MVC.

MCC Financial Results

Performance Overview

- Net investment income of \$0.16 per share for the quarter ending 9/30/2017
- Net asset value of \$8.45 per share for the quarter ending 9/30/2017
- Quarterly dividend of \$0.16 per share for the quarter ending 9/30/2017
- 10.8% portfolio yield as of 9/30/2017¹
- Funded \$56.1M in the MCC SLS JV since inception through the quarter ending 9/30/2017

1. Represents annualized portfolio yield to maturity of income bearing investments, excluding fees, while utilizing industry standard forward LIBOR curve assumptions.

Financial & Portfolio Highlights

Financial Highlights

	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16
Net investment income per share	\$ 0.16	\$ 0.18	\$ 0.15	\$ 0.19	\$ 0.23	\$ 0.20
Net realized gains (losses) per share	(0.22)	(1.01)	-	(0.12)	(0.29)	(0.53)
Loss on extinguishment of Debt	(0.01)	-	(0.01)	-	-	-
Net unrealized gains (losses)	(0.16)	0.88	(0.36)	0.05	(0.01)	0.59
Provision for taxes on unrealized per share	0.01	0.01	-	-	0.01	-
Net income per share ¹	(0.22)	0.06	(0.22)	0.12	(0.06)	0.26
Net asset value per share	8.45	8.84	8.94	9.39	9.49	9.76

Portfolio Highlights

- \$837.0 million total fair value of investments as of September 30, 2017
- \$24.0 million net repayments during quarter ended September 30, 2017

Asset Mix by Investment Type

Asset Class	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16
Senior Secured 1st Lien	67.5%	63.6%	64.4%	64.3%	64.8%	60.7%
Senior Secured 2nd Lien	16.2%	21.1%	24.1%	23.4%	23.4%	28.4%
Unsecured Debt	-	-	3.1%	4.3%	5.8%	5.3%
Equity/Warrants	16.3%	15.3%	8.4%	8.0%	6.0%	5.6%

Asset Mix by Rating

Rating	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16
1	5.1%	10.2%	12.0%	12.3%	12.3%	14.4%
2	63.0%	58.8%	58.4%	60.3%	60.6%	63.8%
3	16.7%	20.0%	15.8%	19.1%	18.7%	17.2%
4	8.3%	3.9%	6.4%	6.9%	7.2%	3.7%
5	6.9%	7.1%	7.4%	1.4%	1.2%	0.9%

1. May not foot due to rounding.

Select Financial & Portfolio Information

As of and for the Three Months Ended
(dollars in millions, except per share data)

	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16
Net investment income per share - basic & diluted	\$ 0.16	\$ 0.18	\$ 0.15	\$ 0.19	\$ 0.23
Net realized and unrealized gains per share - basic & diluted ^{1 2}	(0.39)	(0.12)	(0.37)	(0.07)	(0.29)
GAAP EPS - basic & diluted ³	(0.22)	0.06	(0.22)	0.12	(0.06)
Dividend declared per share	0.16	0.16	0.16	0.22	0.22
Stockholders' equity	\$ 460.4	\$ 481.3	\$ 487.0	\$ 511.3	\$ 516.9
Net asset value per share	8.45	8.84	8.94	9.39	9.49
Market Capitalization ⁴	\$ 325.2	\$ 348.1	\$ 418.9	\$ 409.1	\$ 415.6
Common stock data:					
High Price ⁵	\$ 6.57	\$ 7.84	\$ 8.00	\$ 7.87	\$ 7.77
Low Price ⁵	5.79	5.96	7.40	6.96	7.05
Closing Price	5.97	6.39	7.69	7.51	7.63
Investments at fair value	\$ 837.0	\$ 880.6	\$ 926.1	\$ 917.6	\$ 914.2
% Floating Rate ⁶	83.5%	83.4%	83.4%	84.3%	78.7%
% Fixed Rate ⁶	16.5%	16.6%	16.6%	15.7%	21.3%
Number of Portfolio Companies	64	60	64	60	58
Gross originations for the quarter	\$ 58.0	\$ 75.4	\$ 58.0	\$ 41.3	\$ 10.1
Realizations/amortizations for the quarter	82.0	119.0	35.0	40.1	126.1
Net originations/(realizations) for the quarter	(24.0)	(43.6)	23.0	1.2	(116.0)

Note: Basic and diluted per share data reflects weighted average common shares outstanding of 54,474,211 as of 9/30/17, 54,474,211 as of 6/30/17, 54,474,211 as of 3/31/17, 54,474,211 as of 12/31/16, and 54,747,189 as of 9/30/16.

- Inclusive of change in provision for taxes of \$309,180 for the quarter ended 09/30/17, \$782,608 for the quarter ended 06/30/17, \$0 for the quarter ended 03/31/17, \$0 for the quarter ended 12/31/16 and \$485,817 for the quarter ended 9/30/16.
- Inclusive of loss on extinguishment of debt.
- May not foot due to rounding.
- Reflects common shares outstanding of 54,474,211 and a closing price of \$5.97 as of 9/30/17, 54,474,211 and a closing price of \$6.39 as of 6/30/17, 54,474,211 and a closing price of \$7.69 as of 03/31/17, 54,474,211 and a closing price of \$7.51 as of 12/31/16, 54,474,211 and a closing price of \$7.77 as of 9/30/2016.
- Reflects the high and low closing share price during the periods ended 09/30/2017, 06/30/17, 03/31/17, 12/31/16 and 9/30/16.
- Based on income bearing investments.

Balance Sheet

As of
(dollars in thousands, except per share data)

	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
ASSETS					
Investments at fair value					
Non-controlled/non-affiliated investments	\$ 575,496	\$ 608,166	\$ 717,295	\$ 730,316	\$ 767,302
Affiliated investments	90,071	33,317	32,824	10,000	10,000
Controlled investments	171,424	239,084	176,022	177,297	136,882
Total investments at fair value	\$ 836,991	\$ 880,567	\$ 926,141	\$ 917,613	\$ 914,184
Cash and cash equivalents	108,572	118,186	83,523	102,135	104,485
Interest receivable	9,371	6,629	10,050	11,007	8,982
Receivable for dispositions and investments sold	232	4,205	680	556	689
Other assets	4,394	2,054	2,107	1,632	2,540
TOTAL ASSETS	\$ 959,560	\$ 1,011,641	\$ 1,022,501	\$ 1,032,943	\$ 1,030,880
LIABILITIES					
Revolving credit facility payable	\$ 66,223	\$ 24,417	\$ 32,292	\$ 14,789	\$ 10,410
Term loan payable	100,954	172,333	172,158	171,983	171,803
Notes payable	172,752	172,508	172,163	173,245	172,883
SBA debentures payable	147,154	146,983	146,814	146,646	146,475
Management and incentive fees payable	4,312	4,439	4,479	5,347	4,559
Interest and fees payable	3,760	3,195	1,843	4,032	1,714
Accounts payable, accrued expenses and other liabilities	3,976	6,468	5,737	5,641	6,117
TOTAL LIABILITIES	\$ 499,131	\$ 530,343	\$ 535,486	\$ 521,683	\$ 513,961
NET ASSETS					
Common stock, par value \$.001 per share, 100,000,000 common shares authorized, 54,474,211 common shares issued and outstanding as of September 30, 2017	\$ 54	\$ 54	\$ 54	\$ 54	\$ 54
Capital in excess of par value	705,046	705,313	705,313	705,326	705,326
Accumulated undistributed net investment income	9,528	5,873	5,020	8,962	10,812
Accumulated undistributed net realized gain/(loss) from investments	(176,663)	(160,827)	(105,745)	(105,299)	(99,000)
Net unrealized appreciation/(depreciation) on investments, net of deferred taxes	(77,536)	(69,115)	(117,627)	(97,783)	(100,273)
Total net assets	460,429	481,298	487,015	511,260	516,919
TOTAL LIABILITIES AND NET ASSETS	\$ 959,560	\$ 1,011,641	\$ 1,022,501	\$ 1,032,943	\$ 1,030,880
NET ASSET VALUE PER SHARE	\$ 8.45	\$ 8.84	\$ 8.94	\$ 9.39	\$ 9.49

Corporate Information

Board of Directors

BROOK TAUBE
Chairman & Chief Executive Officer

SETH TAUBE
Director

JEFF TONKEL
Director

ARTHUR AINSBERG
Independent Director

JOHN E. MACK
Independent Director

KARIN HIRTLER-GARVEY
Independent Director

MARK LERDAL
Independent Director

Corporate Officers

BROOK TAUBE
Chairman & Chief Executive Officer

RICHARD T. ALLORTO, JR.
Chief Financial Officer & Secretary

JOHN FREDERICKS
Chief Compliance Officer

Research Coverage

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JANNEY CAPITAL MARKETS
Mitchel Penn, CFA – (410)-583-5976

JEFFERIES GROUP
Kyle Joseph – (415)-229-1525

JMP SECURITIES
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Ryan Lynch – (314)-342-2918

LADENBURG THALMANN & CO.
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Jonathan Bock – (704)-410-1874

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Washington, DC

Independent Registered Public Accounting Firm

ERNST & YOUNG, LLP
New York, NY

Securities Listing

NYSE: MCC (Common Stock)
MCX (Senior Notes Due 2021)
MCV (Senior Notes Due 2023)

Transfer Agent

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COMPANY, LLC
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