



# Medley Capital Corporation (NYSE: MCC)

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*Investor Presentation*

*Quarter Ended June 30, 2020*

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## Executive Summary

- Net asset value of \$54.83 per share for the quarter ended 6/30/20
- Net investment loss of \$0.26 per share for the quarter ended 6/30/20
- Net income of \$2.79 per share for the quarter ended 6/30/20
- The board of directors did not declare a dividend this quarter
- Israeli Notes were fully repaid on 4/14/20
- Cash and cash equivalents represent 17% of total assets as of the quarter ended 6/30/20
- At 6/30/20, certain investments in nine portfolio companies were on non-accrual, representing 6.6% of fair market value and certain investments in one portfolio company was on partial non-accrual, representing 0.3% of fair market value.
  - At 3/31/20, certain investments in ten portfolio companies were on non-accrual, representing 11.0% of fair market value and certain investments in two portfolio companies were on partial non-accrual, representing 5.2% of fair market value

# Financial & Portfolio Highlights

## Financial Highlights

	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19
Net investment income (loss) per share <sup>1</sup>	\$ (0.26)	\$ (0.08)	\$ 0.06	\$ (0.15)	\$ (0.07)
Net realized gains (losses) per share <sup>1</sup>	\$ (13.92)	\$ -	\$ (0.03)	\$ (0.66)	\$ (0.16)
Loss on extinguishment of Debt <sup>1</sup>	\$ (0.26)	\$ (0.02)	\$ (0.02)	\$ (0.00)	\$ (0.03)
Net unrealized gains (losses) <sup>1</sup>	\$ 17.22	\$ (1.35)	\$ 0.07	\$ 0.23	\$ (0.29)
Net income (loss) per share <sup>1,2</sup>	\$ 2.79	\$ (1.45)	\$ 0.08	\$ (0.58)	\$ (0.56)
Net asset value per share <sup>1</sup>	\$ 54.83	\$ 52.04	\$ 80.99	\$ 79.46	\$ 91.08

## Portfolio Highlights

- Net Asset Value of \$149.3 million as of June 30, 2020, up 5% from \$141.7 million at March 31, 2020
- \$14.4 million net repayments during quarter ended June 30, 2020
- Assets rated 4 & 5 represented 6.6% of the portfolio for quarter ended June 30, 2020, down from 10.2% for quarter ended March 31, 2020

## Asset Mix by Investment Type

Asset Class	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Senior Secured 1st Lien	42.8%	41.4%	40.7%	48.6%	52.2%
Senior Secured 2nd Lien	5.3%	9.9%	10.4%	9.2%	7.4%
Unsecured Debt	1.3%	0.6%	0.7%	0.7%	0.6%
MCC Senior Loan Strategy JV I LLC	18.8%	16.4%	19.3%	17.6%	15.3%
Equity/Warrants	31.8%	31.7%	28.9%	23.9%	24.5%

## Asset Mix by Rating

Rating	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019
1	20.4%	25.5%	23.9%	26.5%	26.6%
2	46.8%	42.1%	42.7%	36.8%	34.1%
3	26.2%	22.2%	28.7%	31.1%	31.8%
4	1.8%	1.8%	-	1.2%	-
5	4.8%	8.4%	4.7%	4.4%	7.5%

1. Per share data has been adjusted for the periods shown to reflect the one-for-twenty reverse stock split effected on July 24, 2020 on a retroactive basis.

2. 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)**

	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19
Net investment income (loss) per share - basic & diluted	\$ (0.26)	\$ (0.08)	\$ 0.06	\$ (0.15)	\$ (0.07)
Net realized and unrealized gains (losses) per share - basic & diluted <sup>1,2</sup>	3.05	(1.37)	0.02	(0.43)	(0.48)
GAAP EPS - basic & diluted <sup>3</sup>	2.79	(1.45)	0.08	(0.58)	(0.56)
Dividend declared per share	-	-	-	-	-
Stockholders' equity	149.3	141.7	220.6	216.4	248.1
Net asset value per share	54.83	52.04	80.99	79.46	91.08
Market Capitalization <sup>4</sup>	\$ 41.9	\$ 31.6	\$ 118.8	\$ 141.1	\$ 127.5
Common stock data:					
High Price <sup>5</sup>	18.60	45.00	52.60	56.20	69.00
Low Price <sup>5</sup>	9.00	7.00	38.60	44.80	44.00
Closing Price	15.40	11.60	43.60	51.80	46.80
Investments at fair value	\$ 250.6	\$ 255.9	\$ 342.0	\$ 396.9	\$ 475.8
% Floating Rate <sup>6</sup>	88.7%	82.7%	83.5%	85.2%	76.6%
% Fixed Rate <sup>6</sup>	11.3%	17.3%	16.5%	14.8%	23.4%
Number of Portfolio Companies	43	44	46	51	54
Gross originations for the quarter	\$ 2.9	\$ 6.6	\$ 6.7	\$ 7.3	\$ 6.7
Realizations/amortizations for the quarter	17.3	20.4	65.0	65.0	120.1
Net originations/(realizations) for the quarter	(14.4)	(13.8)	(58.3)	(57.7)	(113.4)

Note: Basic and diluted per share data reflects weighted average common shares outstanding of 2,723,711 as of 06/30/20, 03/31/20, 12/31/19, 9/30/19 and 6/30/19.

1. Per share data has been adjusted for the periods shown to reflect the one-for-twenty reverse stock split effected on July 24, 2020 on a retroactive basis.

2. Inclusive of change in provision for deferred taxes on unrealized (appreciation)/depreciation on investments and loss on extinguishment of debt.

3. May not foot due to rounding.

4. Reflects common shares outstanding of 2,723,711 and a closing price of \$15.40 as of 06/30/20, 2,723,711 and a closing price of \$11.60 as of 03/31/20, 2,723,711 and a closing price of \$43.60 as of 12/31/19, 2,723,711 and a closing price of \$51.80 as of 9/30/19, 2,723,711 and a closing price of \$46.80 as of 6/30/19.

5. Reflects the high and low closing share price during the periods ended 06/30/20, 03/31/20, 12/31/19, 9/30/19 and 6/30/19.

6. Based on First and Second Lien term loan income bearing investments. Non-income bearing investments that are excluded represent 35.4% of the portfolio.

# Balance Sheet

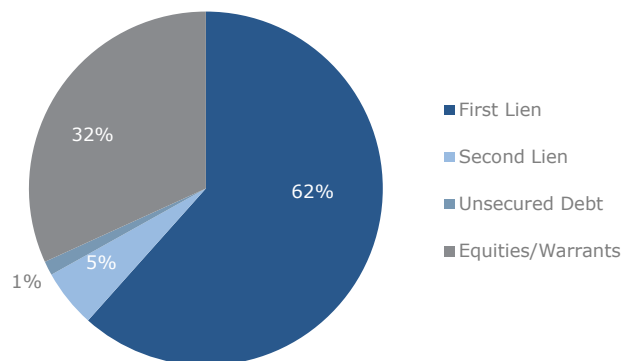
**As of**  
**(dollars in thousands, except per share data)**

	<b>6/30/20</b>	<b>3/31/20</b>	<b>12/31/19</b>	<b>9/30/19</b>	<b>6/30/19</b>
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
<b>ASSETS</b>					
Investments at fair value					
Non-controlled/non-affiliated investments	\$ 116,697	\$ 112,666	\$ 138,892	\$ 189,895	\$ 229,402
Affiliated investments	80,257	82,277	108,581	99,540	122,953
Controlled investments	53,665	60,953	94,531	107,454	123,424
Total investments at fair value	250,619	255,896	342,004	396,889	475,779
Cash and cash equivalents	52,203	61,104	81,737	68,245	49,444
Restricted Cash	-	-	-	16,039	-
Interest receivable	663	489	1,221	1,592	3,448
Receivable for dispositions and investments sold	1,302	12	632	419	261
Other assets	2,161	1,011	6,189	3,083	4,767
<b>TOTAL ASSETS</b>	<b>\$ 306,948</b>	<b>\$ 318,512</b>	<b>\$ 431,783</b>	<b>\$ 486,267</b>	<b>\$ 533,699</b>
<b>LIABILITIES</b>					
Notes payable	\$ 150,732	\$ 171,173	\$ 204,463	\$ 251,732	\$ 265,719
Management and incentive fees payable	1,317	1,641	2,008	2,231	2,689
Interest and fees payable	802	802	802	2,905	4,368
Accounts payable, accrued expenses and other liabilities	4,751	3,154	3,908	12,966	12,843
<b>TOTAL LIABILITIES</b>	<b>\$ 157,602</b>	<b>\$ 176,770</b>	<b>\$ 211,181</b>	<b>\$ 269,834</b>	<b>\$ 285,619</b>
<b>NET ASSETS</b>					
Common stock, par value \$.001 per share, 100,000,000 common shares authorized, 2,723,711 common shares issued and outstanding as of June 30, 2020	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
Capital in excess of par value	673,584	673,584	673,584	673,584	698,638
Total distributable earnings/(loss)	(524,241)	(531,845)	(452,985)	(457,154)	(450,561)
Total net assets	149,346	141,742	220,602	216,433	248,080
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 306,948</b>	<b>\$ 318,512</b>	<b>\$ 431,783</b>	<b>\$ 486,267</b>	<b>\$ 533,699</b>
<b>NET ASSET VALUE PER SHARE<sup>1</sup></b>	<b>\$ 54.83</b>	<b>\$ 52.04</b>	<b>\$ 80.99</b>	<b>\$ 79.46</b>	<b>\$ 91.08</b>

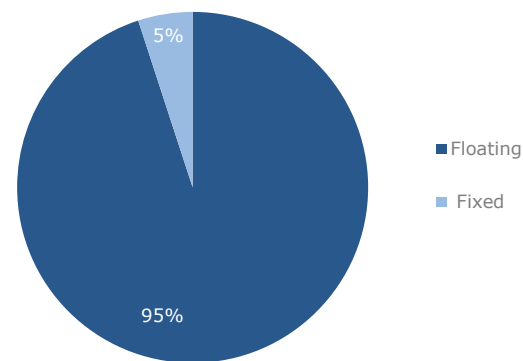
1. Per share data has been adjusted for the periods shown to reflect the one-for-twenty reverse stock split effected on July 24, 2020 on a retroactive basis.

# Diversified Senior Secured Floating Rate Portfolio

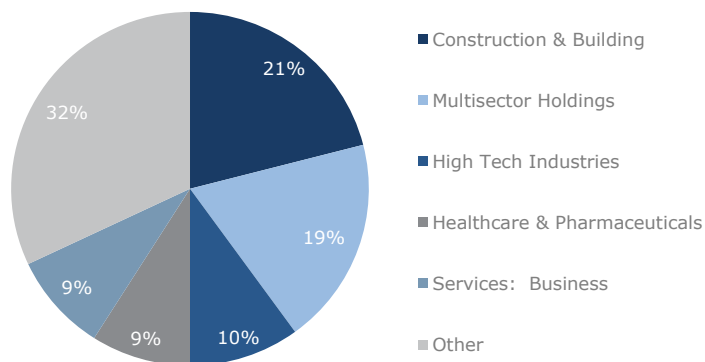
## Investment Type<sup>1</sup>



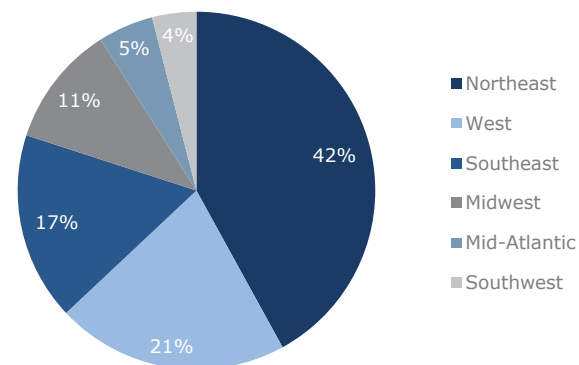
## Floating vs Fixed Rate<sup>2</sup>



## Industry<sup>3</sup>



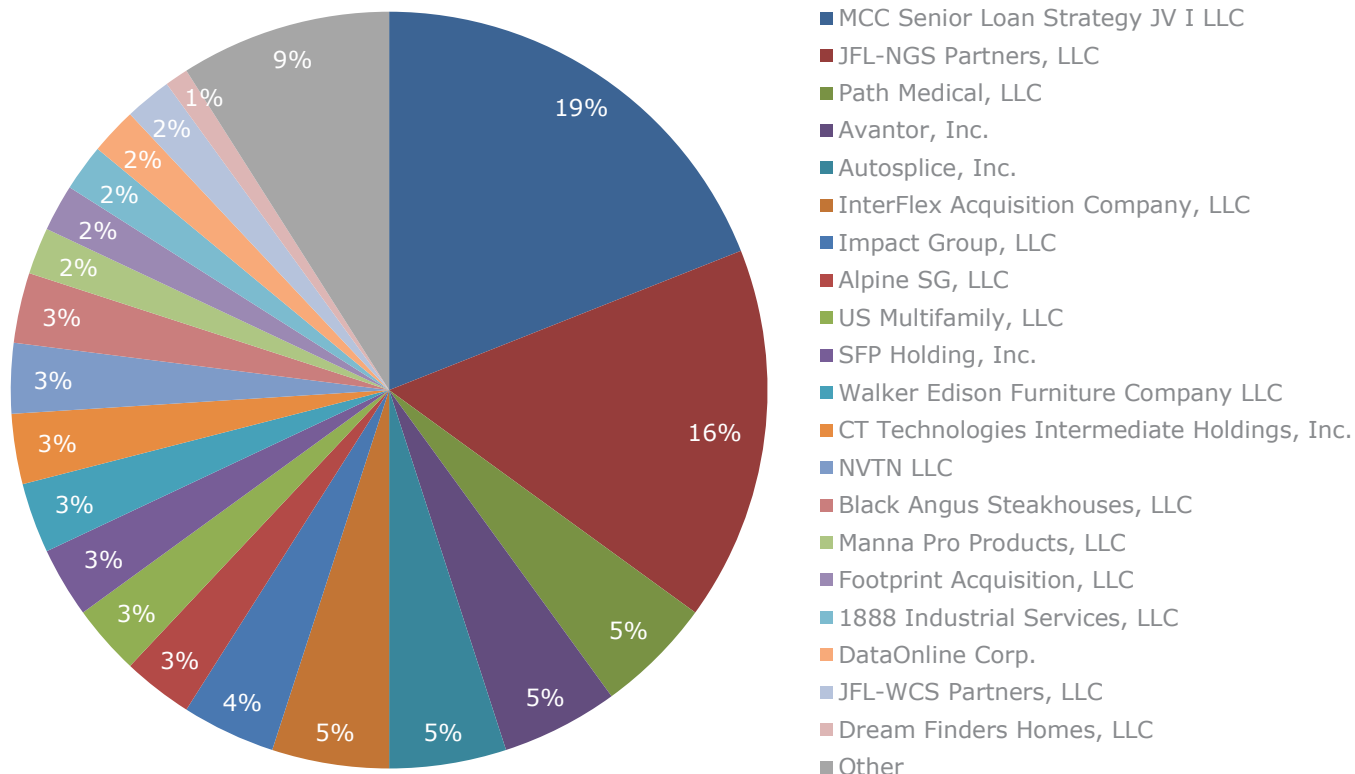
## Geography



Note: Portfolio data as of 6/30/20 based on fair market value. Numbers may not foot due to rounding. Past performance is not indicative of future results.  
 1. MCC SLS JV equity is categorized as First Lien. The MCC SLS portfolio is comprised of 100% first lien loans, based on fair market value.  
 2. Based on income bearing investments; excludes preferred and common equity.  
 3. Other category includes any industry with less than 5% portfolio concentration; "Other" consists of 15 different industries.

# Portfolio by Issuer

## Top 20 Investments: 91%

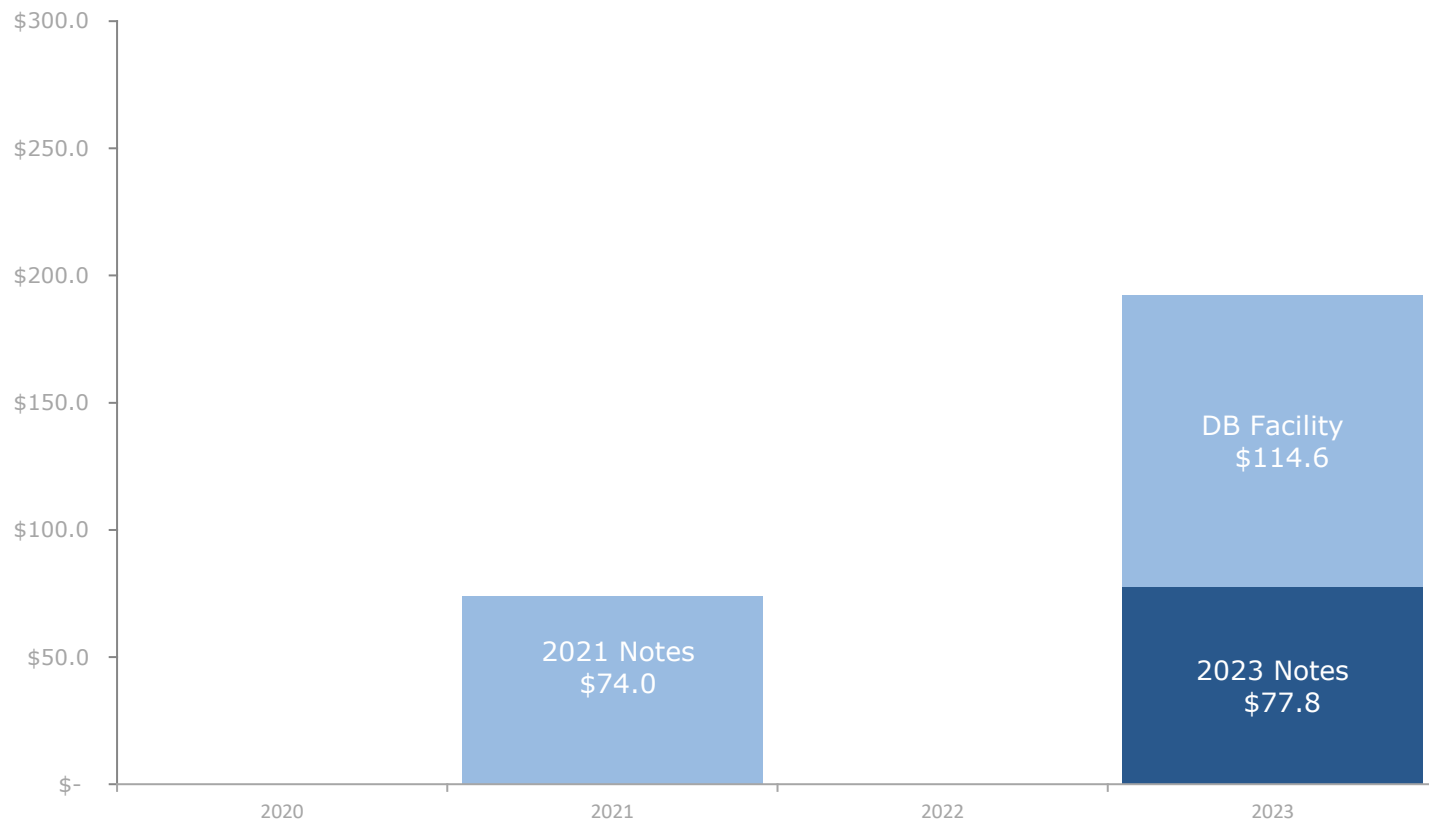


Note: Portfolio includes 43 total issuers; the 9% of Portfolio Issuer Concentration represents 23 MCC borrowers.



# Debt Maturity Profile<sup>1</sup>

(Dollars in millions)



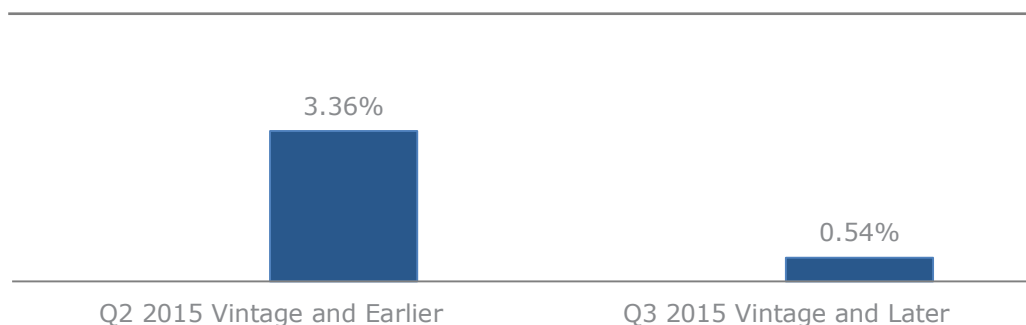
Source: Company Financials.

1. Balances are as of 8/11/20 and reflect a paydown to the DB facility of \$19.0 million on 8/7/20.
2. Facility is maintained at MCC Senior Loan Strategy JV I LLC and is not consolidated for GAAP financial reporting purposes.

## MCC Investment Strategy Shift

- **Beginning in 2015, the Medley lending platform shifted its focus to first lien loans provided to larger, sponsor backed borrowers**
  - New investments post Q2 2015 have experienced 0.54% of annualized realized and unrealized losses<sup>1,2</sup>
  - Two non-accruals out of 42 borrowers' loans originated since the beginning of 2015

**MCC Annualized Realized & Unrealized Loss Rate<sup>1,2</sup>**



Source: Management

Note: Portfolio data as of June 30, 2020. Past performance is not indicative of future results. For information about past performance prior to 2015 and since inception, see the public filings for MCC.

1. Annualized loss utilizes the loss for each realized and unrealized investment over total capital invested during the life of the investment. Unrealized investments in 2016, 2017, 2018 and 2019 assume the weighted average life of realized investments in the portfolio, which has historically been approximately 4 years. The terminal value for unrealized investments is the fair market value as of June 30, 2020.

2. Includes MCC SLS assets on a consolidated basis.

# Corporate Information

## **Board of Directors**

BROOK TAUBE  
Chairman & Chief Executive Officer

SETH TAUBE  
Director

JEFF TONKEL  
Director

ARTHUR AINSBERG  
Independent Director

KARIN HIRTLER-GARVEY  
Independent Director

DAVID A. LORBER  
Independent Director

LOWELL W. ROBINSON  
Independent Director

## **Corporate Officers**

BROOK TAUBE  
Chairman & Chief Executive Officer

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

JOHN FREDERICKS  
Chief Compliance Officer

## **Corporate Headquarters**

280 Park Avenue, 6th Floor East  
New York, NY 10017  
(212) 759-0777

## **Investor Relations**

SAM ANDERSON  
Head of Capital Markets & Risk  
Management  
(212) 759-0777

## **Corporate Counsel**

EVERSHEDS SUTHERLAND  
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)  
TASE: MCC (Common Stock)  
MCC.B1 (Series A Israeli Notes)

## **Transfer Agent**

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