



Medley Capital Corporation (NYSE: MCC)

Investor Presentation

Quarter Ended March 31, 2018

Important Notice

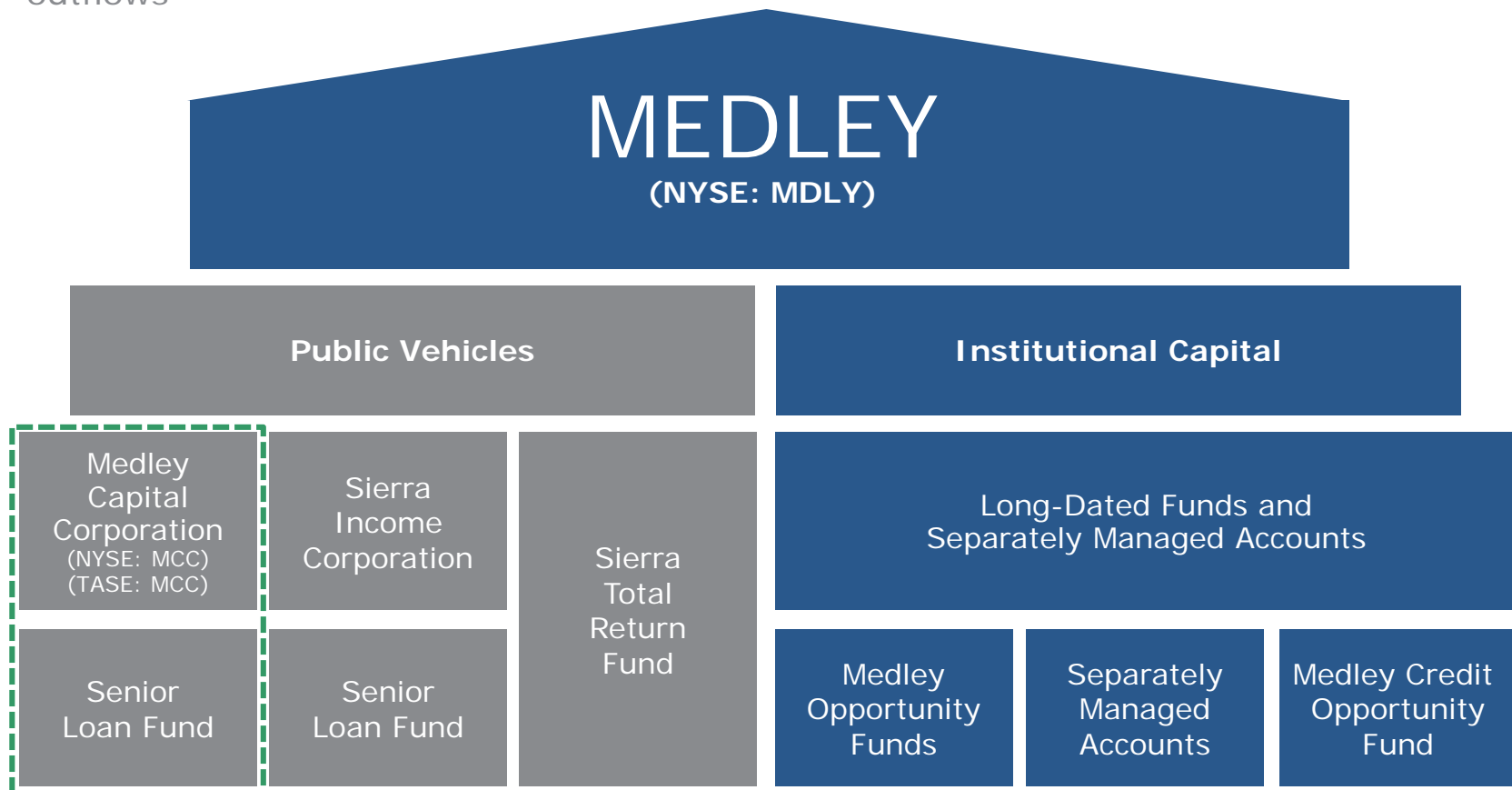
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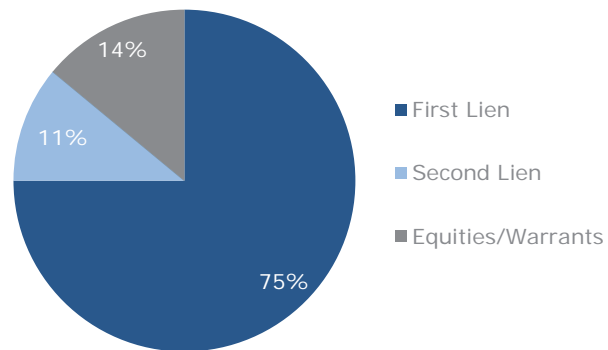
Diversified AUM Across Multiple Funds

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

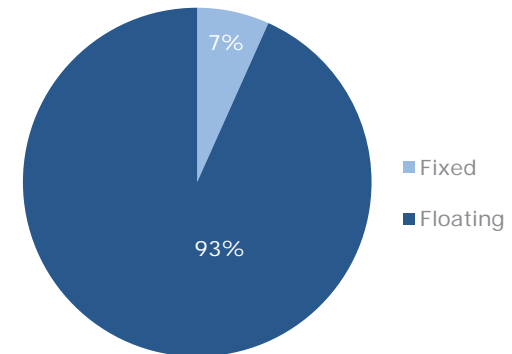


Diversified Senior Secured Floating Rate Portfolio

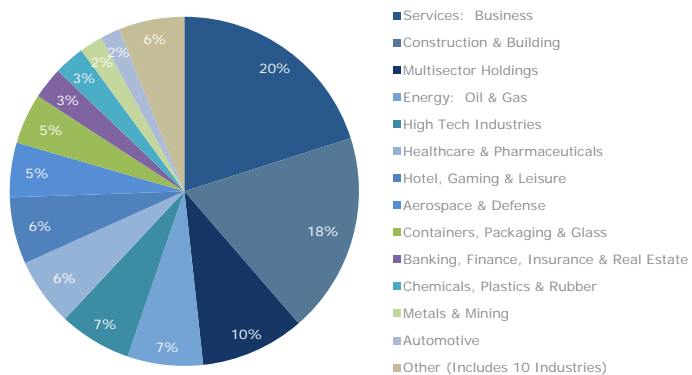
Investment Type¹



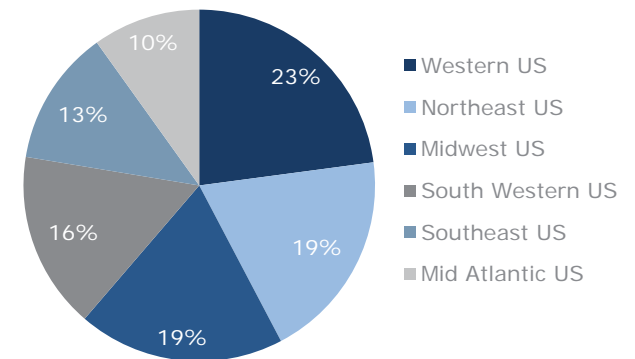
Floating vs Fixed Rate²



Industry



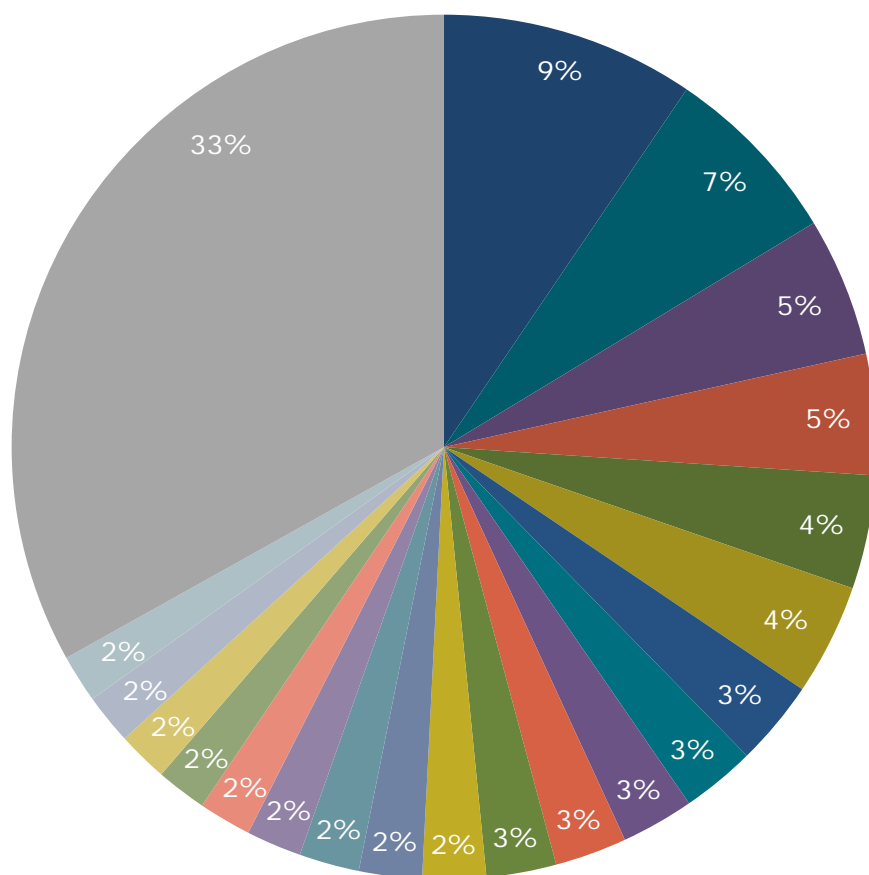
Geography²



Note: Portfolio data as of 3/31/18 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
2. Based on income bearing investments; excludes equity investments.
3. MCC does not have exposure to international investments.

Portfolio by Issuer



Top 20 Investments: 67%

- MCC Senior Loan Strategy JV I LLC
- Harrison Gypsum LLC
- JFL-NGS Partners, LLC
- URT Acquisition Holdings Corporation
- NVTN LLC
- 1888 Industrial Services, LLC
- Seotowncenter, Inc.
- L & S Plumbing Partnership, Ltd.
- Heligear Acquisition Co.
- Alpine SG, LLC
- Capstone Nutrition
- Vail Holdco Corp
- 3SI Security Systems, Inc.
- Omnivere, LLC
- Oxford Mining Company, LLC
- Taylored Freight Services, LLC
- InterFlex Acquisition Company, LLC
- Autosplice, Inc.
- RMS Holdings Company, LLC
- Crow Precision Components, LLC
- Other

Note: The investments in Harrison Gypsum LLC and Seotowncenter, Inc. were repaid at par in April, 2018.
1. Portfolio includes 64 total issuers; the 33% of Portfolio Issuer Concentration represents 44 MCC borrowers.

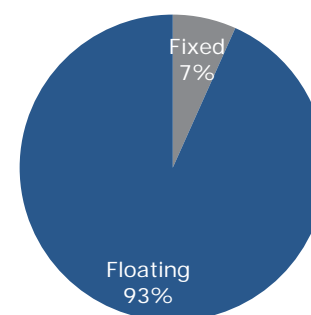
Well Positioned for a Rising Rate Environment

- MCC is well positioned for a rising interest rate environment
- 93% of the portfolio is floating rate
- 98% 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 4.4 years

Basis Point Change	Interest Income Change	Interest Expense Change	NII Change
100	\$4,500	\$100	\$4,400
200	9,100	200	8,900
300	13,700	400	13,300

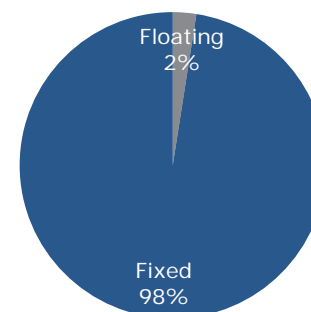
Assets

3/31/2018



Liabilities

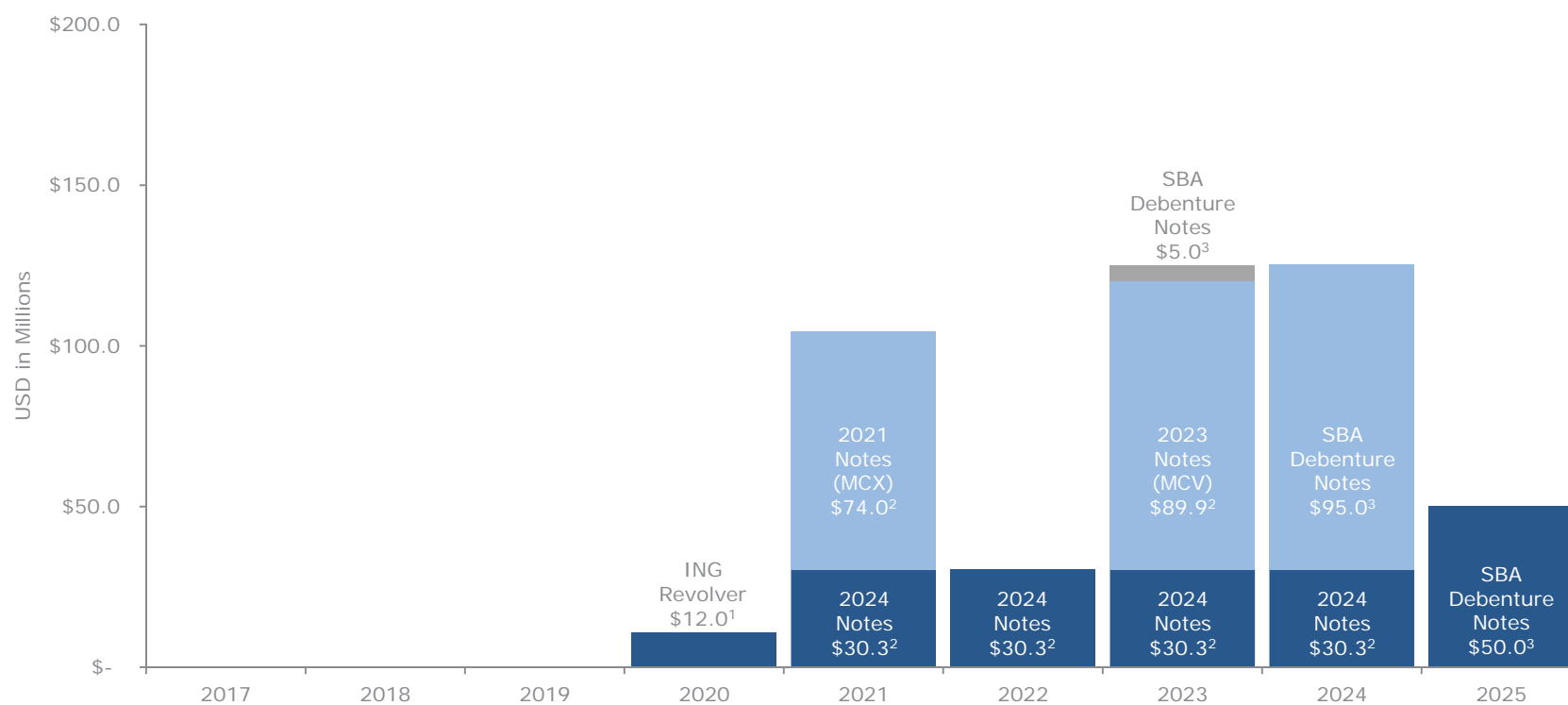
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Note: Past performance is not indicative of future results.

Debt Maturity Profile

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



Note: As of 3/31/2018.

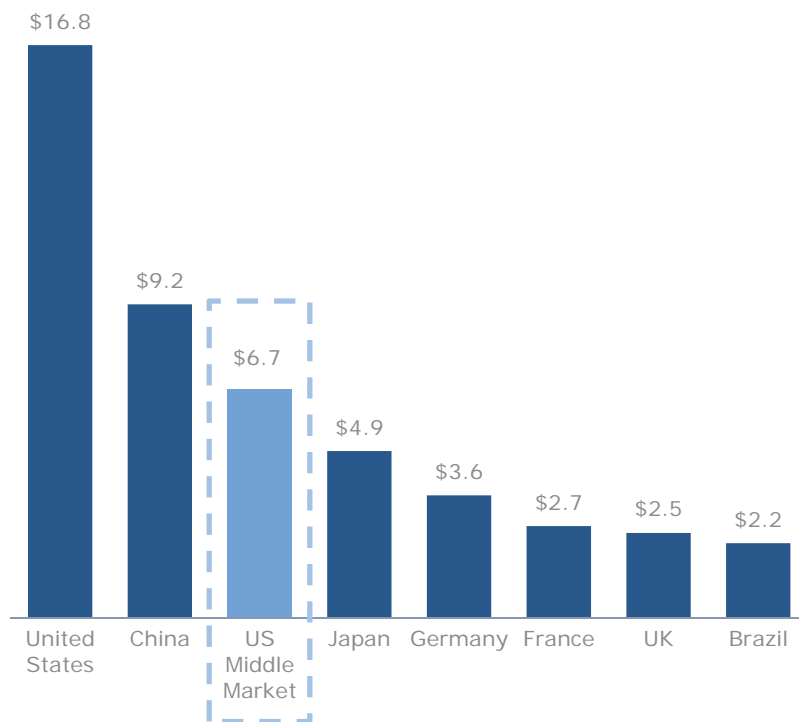
- \$1.6 million aggregate difference in total Revolving Credit Facility from the balance sheet is a result of recently adopted debt issuance cost accounting standards.
- \$9.4 million aggregate difference in total Unsecured Notes from the balance sheet is a result of recently adopted debt issuance cost accounting standards.
- \$2.6 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

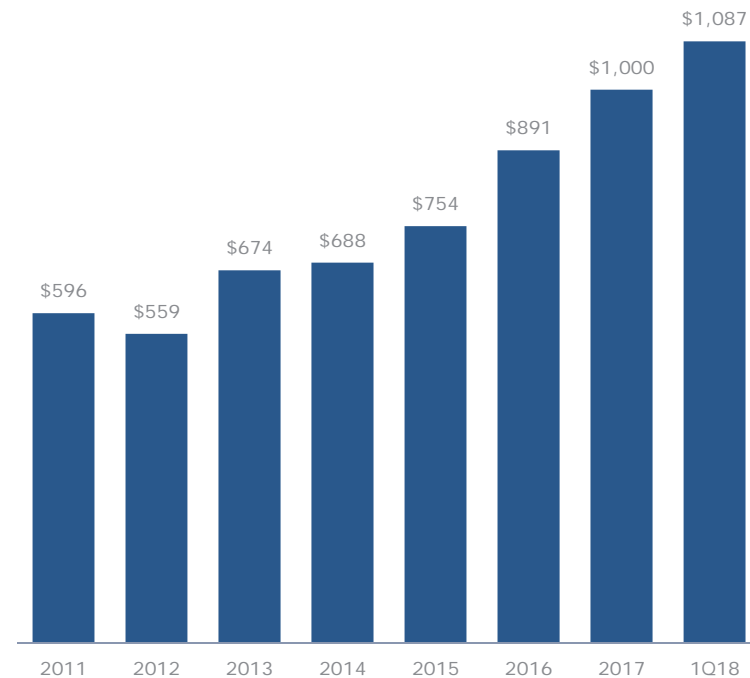
The Opportunity – Large Target Market

- 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 GDPs¹



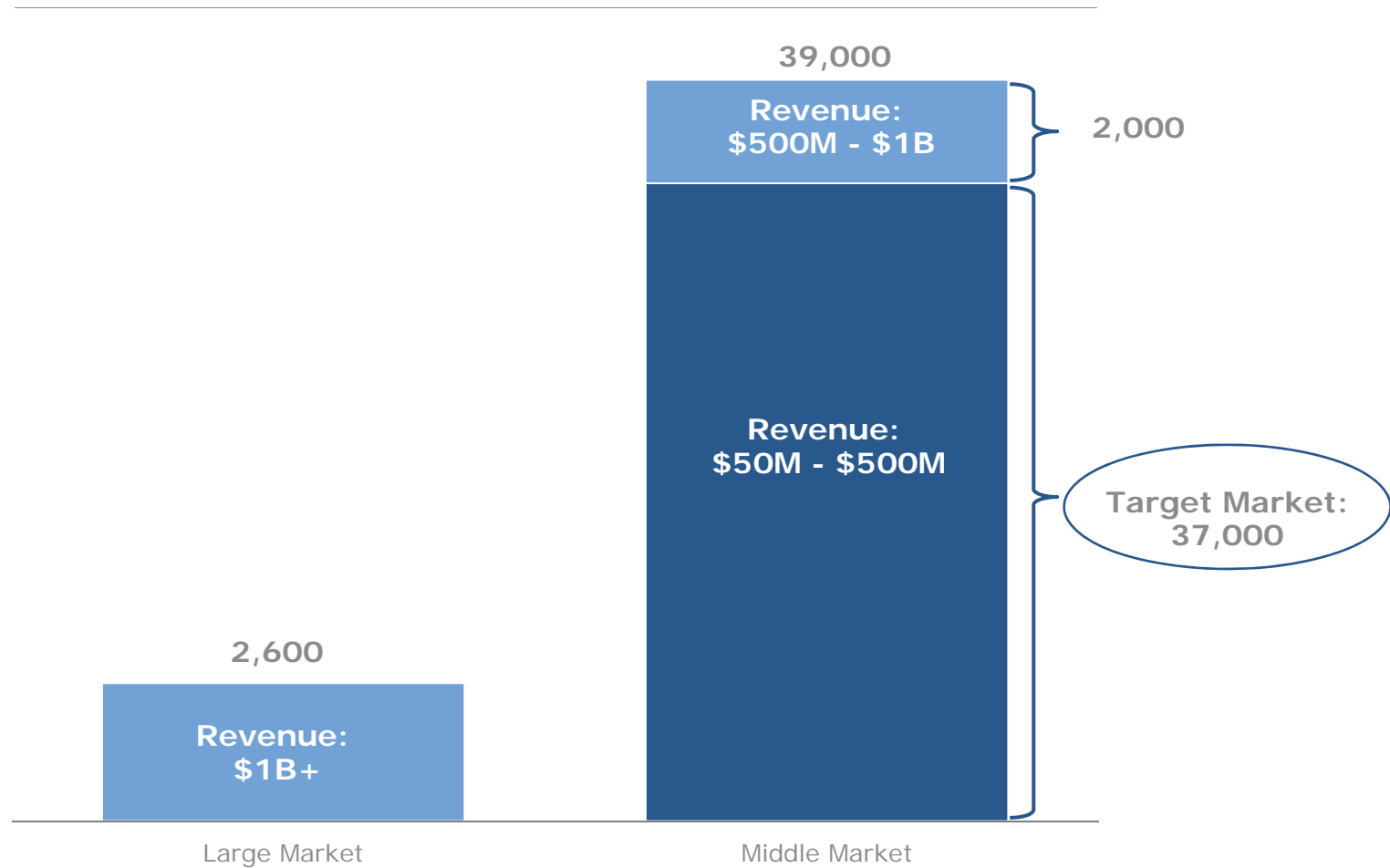
Private Equity Dry Powder²



1. International Monetary Fund, World Economic Outlook Database, June 2014. Metrics in trillions of USD.
 2. Preqin Private Equity Q3 2017 Quarterly Update. Metrics in billions of USD.

The Opportunity – Large Number of Borrowers

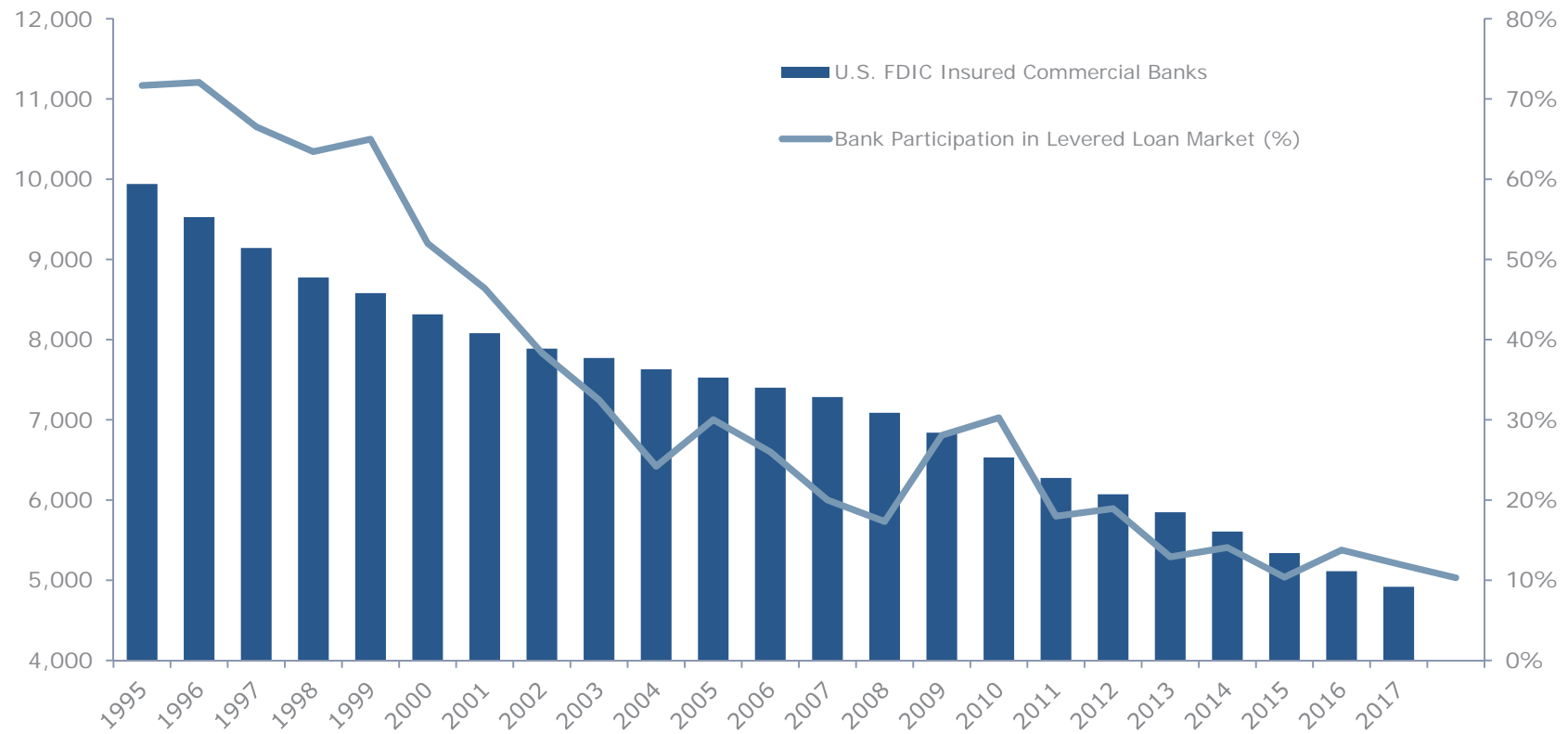
Number of Businesses by Market¹



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

The Opportunity – Bank Consolidation

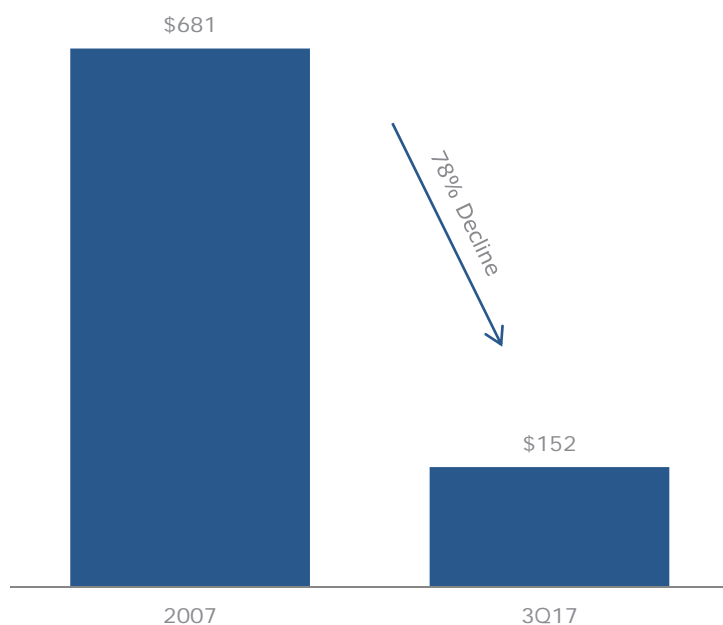
- Banks continue to shift toward large borrowers
- Regulatory environment is a headwind for banks in the middle-market



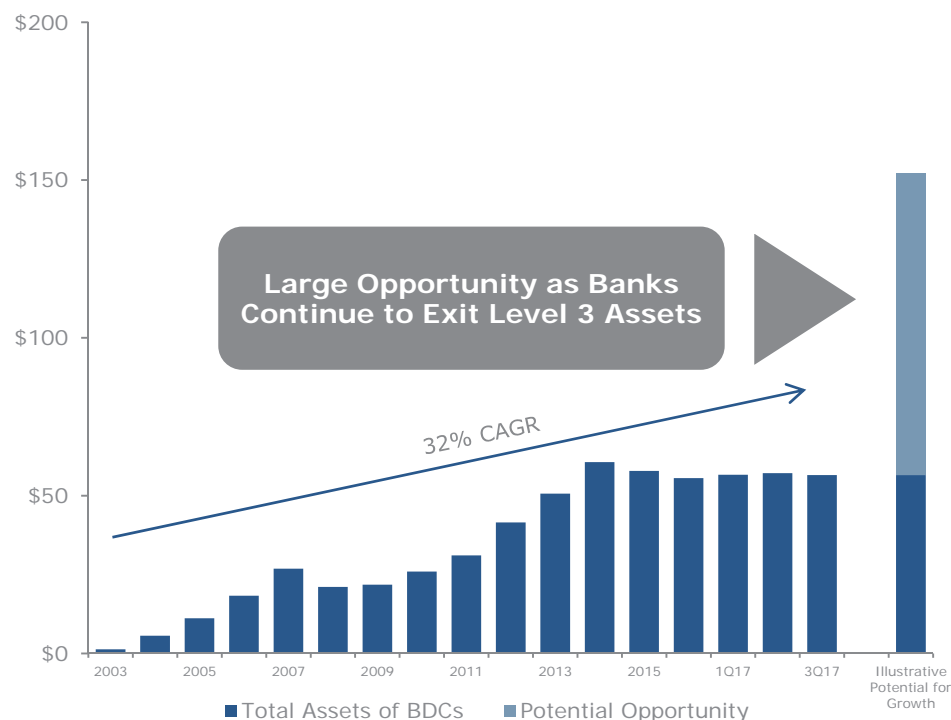
1. Federal Deposit Insurance Corporation, represents number of commercial banking institutions insured by the FDIC as of 12/31/2017.
 2. S&P LCD's Leveraged Lending Review – 4Q17.

Regulatory Pressure Continues for Banks

Level 3 Assets for Financial Firms¹



Total Assets of Publicly Traded BDCs²



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 \$0.07 per share for the quarter ending 3/31/2018
- Net asset value of \$7.02 per share for the quarter ending 3/31/2018
- Quarterly dividend of \$0.10 per share for the quarter ending 3/31/2018
- 10.4% portfolio yield as of 3/31/2018¹
- Funded \$70.1M in the MCC SLS JV since inception through the quarter ending 3/31/2018

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

	3/31/18	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16
Net investment income per share	\$ 0.07	\$ 0.13	\$ 0.16	\$ 0.18	\$ 0.15	\$ 0.19
Net realized gains (losses) per share	\$ (0.43)	\$ -	\$ (0.22)	\$ (1.01)	\$ -	\$ (0.12)
Loss on extinguishment of Debt	\$ (0.02)	\$ -	\$ (0.01)	\$ -	\$ (0.01)	\$ -
Net unrealized gains (losses)	\$ (0.15)	\$ (0.72)	\$ (0.16)	\$ 0.88	\$ (0.36)	\$ 0.05
Provision for taxes on unrealized per share	\$ -	\$ -	\$ 0.01	\$ 0.01	\$ -	\$ -
Net income per share ¹	\$ (0.53)	\$ (0.59)	\$ (0.22)	\$ 0.06	\$ (0.22)	\$ 0.12
Net asset value per share	\$ 7.02	\$ 7.71	\$ 8.45	\$ 8.84	\$ 8.94	\$ 9.39

Portfolio Highlights

- \$746.8 million total fair value of investments as of March 31, 2018
- \$60.1 million net repayments during quarter ended March 31, 2018

Asset Mix by Investment Type

Asset Class	3/31/18	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16
Senior Secured 1st Lien	65.8%	67.0%	67.5%	63.6%	64.4%	64.3%
Senior Secured 2nd Lien	10.6%	12.7%	16.2%	21.1%	24.1%	23.4%
Unsecured Debt	-	-	-	-	3.1%	4.3%
MCC Senior Loan Strategy JV I LLC	9.5%	8.0%	6.7%	6.2%	4.8%	4.3%
Equity/Warrants	14.1%	12.3%	9.6%	9.1%	3.6%	3.7%

Asset Mix by Rating

Rating	3/31/18	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16
1	3.3%	0.8%	5.1%	10.2%	12.0%	12.3%
2	78.6%	72.1%	63.0%	58.8%	58.4%	60.3%
3	5.8%	17.1%	16.7%	20.0%	15.8%	19.1%
4	5.7%	3.0%	8.3%	3.9%	6.4%	6.9%
5	6.6%	7.0%	6.9%	7.1%	7.4%	1.4%

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)						
	3/31/18	12/31/17	9/30/17	6/30/17	3/31/17	
Net investment income per share - basic & diluted	0.07	0.13	0.16	0.18	0.15	
Net realized and unrealized gains per share - basic & diluted ^{1 2}	(0.60)	(0.72)	(0.39)	(0.12)	(0.37)	
GAAP EPS - basic & diluted ³	(0.53)	(0.59)	(0.22)	0.06	(0.22)	
Dividend declared per share	0.10	0.16	0.16	0.16	0.16	
Stockholders' equity	\$ 382.3	\$ 419.8	\$ 460.4	\$ 481.3	\$ 487.0	
Net asset value per share	7.02	7.71	8.45	8.84	8.94	
Market Capitalization ⁴	\$ 216.8	\$ 284.4	\$ 325.2	\$ 348.1	\$ 418.9	
Common stock data:						
High Price ⁵	\$ 5.34	\$ 6.10	\$ 6.57	\$ 7.84	\$ 8.00	
Low Price ⁵	3.98	5.09	5.79	5.96	7.40	
Closing Price	3.98	5.22	5.97	6.39	7.69	
Investments at fair value	\$ 746.8	\$ 835.9	\$ 837.0	\$ 880.6	\$ 926.1	
% Floating Rate ⁶	82.9%	83.7%	83.5%	83.4%	83.4%	
% Fixed Rate ⁶	17.1%	16.3%	16.5%	16.6%	16.6%	
Number of Portfolio Companies	64	68	64	60	64	
Gross originations for the quarter	\$ 20.2	\$ 82.7	\$ 58.0	\$ 75.4	\$ 58.0	
Realizations/amortizations for the quarter	79.5	47.9	82.0	119.0	35.0	
Net originations/(realizations) for the quarter	(59.3)	34.8	(24.0)	(43.6)	23.0	

Note: Basic and diluted per share data reflects weighted average common shares outstanding of 54,474,211 as of 3/31/18, 54,474,211 as of 12/31/17, 54,474,211 as of 9/30/17, 54,474,211 as of 6/30/17, and 54,474,211 as of 3/31/17.

1. Inclusive of change in provision for taxes of \$190,494 for the quarter ended 3/31/18, \$90,009 for the quarter ended 12/31/17, \$309,180 for the quarter ended 9/30/17, \$782,608 for the quarter ended 6/30/17 and \$0 for the quarter ended 3/31/17.

2. Inclusive of loss on extinguishment of debt.

3. May not foot due to rounding.

4. Reflects common shares outstanding of 54,474,211 and a closing price of \$3.98 as of 3/31/18, 54,474,211 and a closing price of \$5.22 as of 12/31/17, 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 3/31/17.

5. Reflects the high and low closing share price during the periods ended 3/31/18, 12/31/2017, 9/30/2017, 6/30/17, and 3/31/17.

6. Based on income bearing investments.

Balance Sheet

As of (dollars in thousands, except per share data)					
	3/31/18	12/31/17	9/30/17	6/30/17	3/31/17
	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)
ASSETS					
Investments at fair value					
Non-controlled/non-affiliated investments	\$ 480,365	\$ 565,542	\$ 575,496	\$ 608,166	\$ 717,295
Affiliated investments	93,793	95,792	90,071	33,317	32,824
Controlled investments	172,657	174,569	171,424	239,084	176,022
Total investments at fair value	\$ 746,815	\$ 835,903	\$ 836,991	\$ 880,567	\$ 926,141
Cash and cash equivalents	65,430	50,008	108,572	118,186	83,523
Interest receivable	9,427	9,475	9,371	6,629	10,050
Receivable for dispositions and investments sold	179	56	232	4,205	680
Other assets	4,243	4,582	4,394	2,054	2,107
TOTAL ASSETS¹	\$ 826,094	\$ 900,024	\$ 959,560	\$ 1,011,641	\$ 1,022,501
LIABILITIES					
Revolving credit facility payable ¹	\$ 10,711	\$ 45,381	\$ 66,223	\$ 24,417	\$ 32,292
Term loan payable ¹	-	101,047	100,954	172,333	172,158
Notes payable ¹	275,771	173,002	172,752	172,508	172,163
SBA debentures payable ¹	147,437	147,297	147,154	146,983	146,814
Management and incentive fees payable	3,396	4,068	4,312	4,439	4,479
Interest and fees payable	2,725	5,063	3,760	3,195	1,843
Accounts payable, accrued expenses and other liabilities	3,779	4,397	3,976	6,468	5,737
TOTAL LIABILITIES¹	\$ 443,819	\$ 480,255	\$ 499,131	\$ 530,343	\$ 535,486
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 March 31, 2018	\$ 54	\$ 54	\$ 54	\$ 54	\$ 54
Capital in excess of par value	705,046	705,046	705,046	705,313	705,313
Accumulated undistributed net investment income	2,856	7,992	9,528	5,873	5,020
Accumulated undistributed net realized gain/(loss) from investments	(201,173)	(176,684)	(176,663)	(160,827)	(105,745)
Net unrealized appreciation/(depreciation) on investments, net of defer	(124,508)	(116,639)	(77,536)	(69,115)	(117,627)
Total net assets	382,275	419,769	460,429	481,298	487,015
TOTAL LIABILITIES AND NET ASSETS¹	\$ 826,094	\$ 900,024	\$ 959,560	\$ 1,011,641	\$ 1,022,501
NET ASSET VALUE PER SHARE	\$ 7.02	\$ 7.71	\$ 8.45	\$ 8.84	\$ 8.94

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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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 (Senior Notes Due 2024)

Transfer Agent

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