



CAPITAL SOUTHWEST

Capital Southwest Supports O2 Investment Partners' Investment in Flip Electronics, LLC

January 19, 2021

DALLAS, Jan. 19, 2021 (GLOBE NEWSWIRE) -- Capital Southwest Corporation ("Capital Southwest") (Nasdaq:CSWC), an internally managed business development company focused on providing flexible financing solutions to support the acquisition and growth of middle market businesses, announced today that it supported O2 Investment Partners, LLC's ("O2") significant investment in Flip Electronics, LLC ("Flip" or the "Company") with a first lien term loan and equity co-investment. Capital Southwest serves as the term loan agent on the credit facility. PNC Bank is a first-out lender in the term loan and provided a revolving credit facility. Main Street Capital Corporation (NYSE: MAIN) is also a last-out lender in the term loan.

"We are excited to partner with O2 on its investment in Flip," said Ryan Kelly, Principal of Capital Southwest. "Flip's management team has done an excellent job building and growing the business over the last several years." Grant Eason, Vice President of Capital Southwest said, "Flip's end-of-life ("EOL") focus offers a compelling value proposition both for its original component manufacturing partners and customers."

Founded by Jason Murphy in 2015, Flip Electronics is an authorized specialty distributor of electronic components to customers across the U.S. and internationally. Flip serves as a critical supply chain partner to both electronic component manufacturers and end customers across a range of industries, including military, aerospace, telecommunications, healthcare, and industrial. The Company helps solve complex challenges caused by component obsolescence through its core focus on EOL, obsolete, and hard-to-find parts. Flip is headquartered in Roswell, GA.

About Capital Southwest

Capital Southwest Corporation (Nasdaq: CSWC) is a Dallas, Texas-based, internally managed business development company, with approximately \$286 million in net assets as of September 30, 2020. Capital Southwest is a middle market lending firm focused on supporting the acquisition and growth of middle market businesses with \$5 to \$25 million investments across the capital structure, including first lien, unitranche, second lien, subordinated debt and non-control equity co-investments. As a public company with a permanent capital base, Capital Southwest has the flexibility to be creative in its financing solutions and to invest to support the growth of its portfolio companies over long periods of time.

About O2 Investment Partners

O2 Investment Partners is a Midwestern based private equity firm that seeks to acquire majority interests in lower middle market B2B services, technology, and select niche industrial companies. The firm invests in businesses with earnings growth potential and a clear path to the creation of shareholder value. O2 invests with a view toward partnering with management to build and grow the business and take it to its next stage of development. This requires not only a clear vision and strategic plan to create shareholder value, but a close partnership and alignment of interest with management.

Forward-Looking Statements

This press release contains historical information and forward-looking statements with respect to the business and investments of Capital Southwest. Forward-looking statements are statements that are not historical statements and can often be identified by words such as "will," "believe," "expect" and similar expressions and variations or negatives of these words. These statements are based on management's current expectations, assumptions and beliefs. They are not guarantees of future results and are subject to numerous risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statement. These risks include risks related to: changes in the markets in which Capital Southwest invests; changes in the financial, capital, and lending markets; regulatory changes; tax treatment and general economic and business conditions; and uncertainties associated with the impact from the COVID-19 pandemic, including its impact on the global and U.S. capital markets and the global and U.S. economy, the length and duration of the COVID-19 outbreak in the United States as well as worldwide and the magnitude of the economic impact of that outbreak; and the effect of the COVID-19 pandemic on our business prospects and the operational and financial performance of our portfolio companies, including our ability and their ability to achieve their respective objectives, and the effects of the disruptions caused by the COVID-19 pandemic on our ability to continue to effectively manage our business.

Readers should not place undue reliance on any forward-looking statements and are encouraged to review Capital Southwest's Annual Report on Form 10-K for the year ended March 31, 2020 and subsequent filings, including the "Risk Factors" sections therein, with the Securities and Exchange Commission for a more complete discussion of the risks and other factors that could affect any forward-looking statements. Except as required by the federal securities laws, Capital Southwest does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changing circumstances or any other reason after the date of this press release.

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Source: Capital Southwest Corporation