

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **February 3, 2020**

CAPITAL SOUTHWEST CORPORATION

(Exact Name Of Registrant As Specified In Charter)

Texas
(State or Other Jurisdiction of Incorporation)

814-00061
(Commission File Number)

75-1072796
(IRS Employer Identification No.)

5400 Lyndon B. Johnson Freeway, Suite 1300
Dallas, Texas 75240
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(214) 238-5700**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$0.25 par value per share	CSWC	The Nasdaq Global Select Market
5.95% Notes due 2022	CSWCL	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On February 3, 2020, Capital Southwest Corporation (the "Company") issued a press release, a copy of which has been furnished as Exhibit 99.1 hereto.

The information furnished in this Current Report on Form 8-K under Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1934, except as shall be expressly set forth by reference in a future filing.

Item 7.01 Regulation FD Disclosure.

The Company expects to hold a conference call with analysts and investors on February 4, 2020. A copy of the investor presentation slides to be used by the Company on such conference call is furnished as Exhibit 99.2 to this Form 8-K and incorporated herein by reference.

The information set forth under this Item 7.01, including Exhibit 99.2, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued by Capital Southwest Corporation on February 3, 2020
99.2	Investor presentation slides

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 3, 2020

By: /s/ Bowen S. Diehl
Name: Bowen S. Diehl
Title: Chief Executive Officer and President

Capital Southwest Announces Financial Results for Third Fiscal Quarter Ended December 31, 2019 and Announces Total Dividends of \$0.51 Per Share for the Quarter Ended March 31, 2020

CSWC Reports Pre-Tax Net Investment Income of \$0.44 Per Share

Dallas, Texas – February 3, 2020 – Capital Southwest Corporation (“Capital Southwest,” “CSWC” or the “Company”) (Nasdaq: CSWC), an internally managed business development company focused on providing flexible financing solutions to support the acquisition and growth of middle market businesses, today announced its financial results for the third fiscal quarter ended December 31, 2019.

Third Quarter Fiscal Year 2020 Financial Highlights

- **Total Investment Portfolio:** \$558.6 million
 - **Credit Portfolio** of \$456.1 million:
 - 90% 1st Lien Senior Secured Debt
 - \$88.5 million in new committed credit investments
 - Weighted Average Yield on Debt Investments: 11.3%
 - Three Upper Middle Market 1st Lien Senior Secured Debt investments currently on non-accrual with a fair value of \$18.2 million, representing 3.3% of the total investment portfolio
 - **Equity Portfolio** of \$44.2 million, excluding investment in I-45 Senior Loan Fund (“I-45 SLF”)
 - \$3.9 million in new committed equity co-investments
 - **CSWC Investment in I-45 SLF** of \$58.3 million
 - I-45 SLF portfolio of \$206.2 million
 - Portfolio consists of 46 issuers: 96% 1st Lien Debt and 4% 2nd Lien Debt
 - I-45 SLF paid a \$2.1 million quarterly dividend to CSWC, an annualized yield of 14.7%
- **Sale of Media Recovery, Inc.:** Completed successful exit of Media Recovery, generating a realized gain of \$44.3 million (\$2.38 per share) and an IRR since inception of 11.8%
- **Pre-Tax Net Investment Income:** \$7.9 million, or \$0.44 per weighted average diluted share
- **Dividends:** Paid \$0.40 per share in Regular Dividend, \$0.10 per share Supplemental Dividend, and \$0.75 per share Special Dividend for the quarter ended December 31, 2019
 - 109% LTM Pre-Tax NII Regular Dividend Coverage
 - Total Dividends for the quarter ended December 31, 2019 of \$1.25 per share
- **Net Realized and Unrealized Portfolio Depreciation:** \$10.4 million
 - \$2.9 million of net appreciation related to the lower middle market portfolio
 - \$9.0 million of net depreciation related to the upper middle market portfolio, including I-45 SLF
 - \$4.3 million of net depreciation related to the sale of Media Recovery
 - \$1.6 million in sales proceeds adjustments related to transaction costs
 - \$1.5 million in unrecognized earnout/escrow that CSWC has the ability to earn in the future
 - \$1.2 million success fee recognized as revenue by CSWC

- **Taxes on Deemed Distribution of Long-Term Capital Gains:** \$3.5 million
 - For the tax year ended December 31, 2019, we had net long-term capital gains of \$42.2 million, of which \$25.7 million was distributed to shareholders as capital gains dividends
 - Elected to retain net long-term capital gains of \$16.5 million (\$0.90 per share) and designate the retained amount as a "deemed distribution" to shareholders
 - Incurred 21% federal tax of \$3.5 million (\$0.19 per share) on the retained amount on behalf of shareholders
- **Balance Sheet:**
 - Cash and Cash Equivalents: \$23.0 million
 - Total Net Assets: \$311.9 million
 - Net Asset Value ("NAV") per Share: \$16.74

In commenting on the Company's results, Bowen Diehl, President and Chief Executive Officer, stated, "Our third fiscal quarter was quite active, having originated \$89 million in five new Lower Middle Market portfolio companies while exiting our last legacy equity investment in Media Recovery, realizing a long term capital gain of over \$44 million. The sale allowed us to distribute a special dividend of \$0.75 per share to shareholders, replenish our Undistributed Taxable Income to the maximum we can hold at this time, providing visibility to the continuation of the program well into the future, and retain a portion of the capital to be deployed into income producing debt assets. Today, we also announced a \$0.51 per share dividend for the quarter ended March 31, 2020, which was a \$0.01 per share increase from the prior quarter. We continued to be active in the capital markets, having raised \$10 million in debt on our October 2024 Notes, while raising an additional \$13.8 million in equity capital under our existing ATM program. Regarding the investment portfolio, though we were disappointed with our Upper Middle Market portfolio performance during the quarter, our Lower Middle Market portfolio continued its strong performance offsetting much of the Upper Middle Market unrealized depreciation for the quarter. Overall, we feel confident in the strength of our investment portfolio and the robustness of our Lower Middle Market investment pipeline."

Third Quarter Fiscal Year Investment Activities

During the quarter ended December 31, 2019, the Company originated five new investment and four follow-on investments totaling \$92.4 million in commitments. New investment transactions that occurred during the quarter ended December 31, 2019 are summarized as follows:

NinjaTrader, LLC, \$18.2 million 1st Lien Senior Secured Debt, \$1.5 million Revolving Loan, \$2.0 million Preferred Equity: NinjaTrader is a futures trading platform offering software and brokerage services.

Landpoint LLC, \$19.5 million 1st Lien Senior Secured Debt: Landpoint is a technology-enabled provider of geospatial services, including surveying, mapping, data processing and analytics.

ICS Distribution, LLC (d/b/a Relevant Rental Solutions), \$18.0 million 1st Lien Senior Secured Debt: Relevant Rental Solutions is an independent compressed oil-free air rental solutions provider.

GammaTech, Inc., \$11.5 million 1st Lien Senior Secured Debt, \$2.5 million Revolving Loan, \$1.0 million Preferred Equity: GammaTech provides cybersecurity technology solutions with a focus on vulnerability discovery and remediation.

Trinity 3, LLC, \$14.3 million 1st Lien Senior Secured Debt, \$0.5 million Preferred Equity: Trinity 3 is a brand agnostic provider of tablets, PCs, laptops and related warranties, accessories, and enterprise products to the K-12 market throughout the United States with a focus on small-to-medium sized school districts.

During the quarter ended December 31, 2019, the Company received full prepayment on one subordinated debt investment totaling \$4.6 million and proceeds related to the sale of one equity investment totaling \$50.9 million.

Media Recovery, Inc. (d/b/a SpotSee): Proceeds of \$50.9 million, which includes the success fee, a portion of the maximum total earnout recognized at close and a portion of the maximum total escrow recognized at close. CSWC has the ability to earn up to an additional \$1.5 million in proceeds based on the performance of Media Recovery, Inc. post-close. The sale generated a realized gain of \$44.3 million and an IRR 11.8%.

Chandler Signs, LLC: Proceeds of \$4.6 million, generating a realized gain of \$32.4 thousand and an IRR of 14.0%.

Third Fiscal Quarter 2020 Operating Results

For the quarter ended December 31, 2019, Capital Southwest reported total investment income of \$16.0 million, compared to \$15.2 million in the prior quarter. The increase in investment income was primarily attributable to an increase in average debt investments outstanding and a transaction fee received in connection with the sale of Media Recovery, offset by a decrease in dividend income from I-45 SLF and Media Recovery, as well as an additional asset being placed on non-accrual during the quarter.

For the quarter ended December 31, 2019, total operating expenses (excluding interest expense) were \$4.0 million, compared to \$4.1 million in the prior quarter. The decrease in expenses was primarily due to a one-time expense in the prior quarter for the write off of deferred offering costs related to our previous registration statement on Form N-2.

For the quarter ended December 31, 2019, interest expense was \$4.1 million, as compared to \$3.8 million in the prior quarter. The increase was primarily due to the addition of the October 2024 Notes.

For the quarter ended December 31, 2019, total pre-tax net investment income was \$7.9 million, compared to \$7.4 million in the prior quarter.

For the quarter ended December 31, 2019, tax expense was \$0.8 million, as compared to \$0.6 million in the prior quarter. The increase in tax expense was due primarily to an increase in the excise tax accrual due to additional undistributed net investment income.

During the quarter ended December 31, 2019, Capital Southwest recorded total net realized and unrealized losses on investments of \$13.9 million, compared to total net realized and unrealized losses on investments of \$4.1 million in the prior quarter. Total net realized and unrealized losses for the current quarter includes \$3.5 million of tax incurred on the deemed distribution of long-term capital gains. For the quarter ended December 31, 2019, this included total net realized gains on investments of \$40.8 million and net unrealized depreciation on investments of \$54.8 million, of which \$48.3 million was the reversal of net unrealized appreciation recognized in prior periods due to realized gains noted above. The net decrease in net assets resulting from operations was \$6.8 million for the quarter, compared to a net increase of \$2.7 million in the prior quarter.

The Company's NAV at December 31, 2019 was \$16.74 per share, as compared to \$18.30 at September 30, 2019. The decrease in NAV per share from the prior quarter is primarily due to the special dividend of \$0.75 per share, taxes on the deemed distribution of long-term capital gains, and net unrealized depreciation on investments.

Liquidity and Capital Resources

At December 31, 2019, Capital Southwest had approximately \$23.0 million in unrestricted cash and money market balances and \$167.6 million in available borrowings under the revolving credit facility. As of December 31, 2019, Capital Southwest had \$124.0 million of total debt outstanding on its revolving credit facility, \$75.7 million, net of unamortized debt issuance costs, of the December 2022 Notes outstanding, and \$73.4 million, net of unamortized debt issuance costs, of the October 2024 Notes outstanding. The debt to equity ratio at the end of the quarter was 0.88 to 1.

In September 2019, the Company issued \$65.0 million in aggregate principal amount of 5.375% Notes due 2024 (the "Existing October 2024 Notes"). On October 8, 2019, the Company issued an additional \$10.0 million in aggregate principal amount of the October 2024 Notes (the "Additional October 2024 Notes" together with the Existing October 2024 Notes, the "October 2024 Notes"). The total net proceeds from the offering of the October 2024 Notes was \$73.5 million, before offering expenses payable by us. The October 2024 Notes mature on October 1, 2024 and may be redeemed in whole or in part at any time prior to July 1, 2024, at par plus a "make-whole" premium, and thereafter at par. The October 2024 Notes bear interest at a rate of 5.375% per year, payable semi-annually on April 1 and October 1 of each year, beginning on April 1, 2020.

In December 2018, the Company entered into the Amended and Restated Senior Secured Revolving Credit Agreement (the "Amended and Restated Agreement"), and a related Amended and Restated Guarantee, Pledge and Security Agreement, to amend and restate its Senior Secured Revolving Credit Facility (the "Credit Facility"). On May 23, 2019, the Company entered into an Incremental Assumption Agreement, which increased the total commitments under the Credit Facility by \$25 million. The increase was executed under the accordion feature of the Credit Facility and increased total commitments from \$270 million to \$295 million.

On March 4, 2019, the Company entered into separate equity distribution agreements with certain sales agents through which it may offer and sell, from time to time, shares of its common stock having an aggregate offering price of up to \$50,000,000 (the "Equity ATM Program"). During the quarter ended December 31, 2019, the Company sold 623,111 shares of its common stock under the Equity ATM Program at a weighted-average price of \$22.07 per share, raising \$13.8 million of gross proceeds. Net proceeds were \$13.5 million after commissions to the sales agents on shares sold. Cumulative to date, the Company has sold 1,313,588 shares of its common stock under the Equity ATM Program at a weighted-average price of \$21.81, raising \$28.7 million of gross proceeds. Net proceeds were \$28.1 million after commissions to the sales agents on shares sold.

Additionally, I-45 SLF has total commitments outstanding of \$165 million from a group of four bank lenders in its Deutsche Bank led credit facility, which is scheduled to mature in November 2024. As of December 31, 2019, I-45 SLF had \$139 million in borrowings outstanding under its credit facility. During the quarter, the Company amended the Deutsche Bank credit facility to lower the spread and extend the maturity.

Share Repurchase Program

On January 25, 2016, Capital Southwest announced that its Board of Directors authorized the repurchase of up to \$10.0 million of its common stock at prices below the Company's net asset value per share as reported in its most recent financial statements. The Board authorized the share repurchase program because it believes that the Company's common stock may be undervalued from time to time due to market volatility.

During the quarter ended December 31, 2019, the Company did not repurchase any shares of the Company's common stock under the share repurchase program. Cumulative to date, the Company has repurchased a total of 46,363 shares at an average price of \$16.67 per share, including commissions paid. The Company currently has approximately \$9.2 million available for additional repurchases under the program.

Declared Dividend of \$0.51 Per Share for Quarter Ended March 31, 2020

On January 22, 2020, the Board declared total dividends of \$0.51 per share for the quarter ended March 31, 2020, comprised of a Regular Dividend of \$0.41 per share and a Supplemental Dividend of \$0.10 per share.

The Company's dividend will be payable as follows:

March 31, 2020 Dividend

Amount Per Share: \$0.51
Ex-Dividend Date: March 13, 2020
Record Date: March 16, 2020
Payment Date: March 31, 2020

When declaring dividends, the Board reviews estimates of taxable income available for distribution, which may differ from net investment income under generally accepted accounting principles. The final determination of taxable income for each year, as well as the tax attributes for dividends in such year, will be made after the close of the tax year.

Capital Southwest maintains a dividend reinvestment plan ("DRIP") that provides for the reinvestment of dividends on behalf of its registered stockholders who hold their shares with Capital Southwest's transfer agent and registrar, American Stock Transfer and Trust Company. Under the DRIP, if the Company declares a dividend, registered stockholders who have opted into the DRIP by the dividend record date will have their dividend automatically reinvested into additional shares of Capital Southwest common stock.

Third Quarter 2020 Earnings Results Conference Call and Webcast

Capital Southwest has scheduled a conference call on Tuesday, February 4, 2020, at 11:00 a.m. Eastern Time to discuss the third quarter 2020 financial results. You may access the call by dialing (866) 502-8274 and using the Conference ID 1477718 at least 10 minutes before the call. The call can also be accessed using the Investor Relations section of Capital Southwest's website at www.capitalsouthwest.com, or by using <http://edge.media-server.com/mmc/p/z8jn4v4z>.

A telephonic replay will be available through February 11, 2020 by dialing (855) 859-2056 and using the Conference ID 1477718. An audio archive of the conference call will also be available on the Investor Relations section of Capital Southwest's website.

For a more detailed discussion of the financial and other information included in this press release, please refer to the Capital Southwest Form 10-Q for the period ended December 31, 2019 to be filed with the Securities and Exchange Commission and Capital Southwest's Third Fiscal Quarter 2020 Earnings Presentation to be posted on the Investor Relations section of Capital Southwest's website at www.capitalsouthwest.com.

About Capital Southwest

Capital Southwest Corporation (Nasdaq: CSWC) is a Dallas, Texas-based, internally managed business development company with approximately \$312 million in net assets as of December 31, 2019. Capital Southwest is a middle market lending firm focused on supporting the acquisition and growth of middle market businesses with \$5 million 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.

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 and lending markets, regulatory changes, tax treatment and general economic and business conditions.

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, 2019 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.

Investor Relations Contact:

Michael S. Sarner, Chief Financial Officer
214-884-3829

CAPITAL SOUTHWEST CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(In thousands, except shares and per share data)

	December 31, 2019	March 31, 2019
	(Unaudited)	
Assets		
Investments at fair value:		
Non-control/Non-affiliate investments (Cost: \$415,222 and \$305,596, respectively)	\$ 409,388	\$ 304,663
Affiliate investments (Cost: \$89,481 and \$79,277, respectively)	90,870	80,905
Control investments (Cost: \$68,000 and \$93,182, respectively)	58,294	138,503
Total investments (Cost: \$572,703 and \$478,055, respectively),	558,552	524,071
Cash and cash equivalents	22,966	9,924
Receivables:		
Dividends and interest	10,045	9,252
Escrow	1,424	370
Other	175	1,244
Income tax receivable	155	183
Deferred tax asset	1,336	1,807
Debt issuance costs (net of accumulated amortization of \$2,384 and \$1,814, respectively)	3,016	3,364
Other assets	1,679	1,628
Total assets	\$ 599,348	\$ 551,843
Liabilities		
December 2022 Notes (Par value: \$77,136 and \$77,136, respectively)	\$ 75,688	\$ 75,099
October 2024 Notes (Par value: \$75,000 and \$0, respectively)	73,393	—
Credit facility	124,000	141,000
Other liabilities	5,737	6,516
Accrued restoration plan liability	2,992	3,073
Income tax payable	4,560	192
Deferred tax liability	1,122	—
Total liabilities	287,492	225,880
Commitments and contingencies (Note 10)		
Net Assets		
Common stock, \$0.25 par value: authorized, 40,000,000 shares at December 31, 2019 and 25,000,000 at March 31, 2019; issued, 20,967,227 shares at December 31, 2019 and 19,842,528 shares at March 31, 2019	5,242	4,961
Additional paid-in capital	316,322	281,205
Total distributable earnings	14,229	63,734
Treasury stock - at cost, 2,339,512 shares	(23,937)	(23,937)
Total net assets	311,856	325,963
Total liabilities and net assets	\$ 599,348	\$ 551,843
Net asset value per share (18,627,715 shares outstanding at December 31, 2019 and 17,503,016 shares outstanding at March 31, 2019)	\$ 16.74	\$ 18.62

CAPITAL SOUTHWEST CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except shares and per share data)

	Three Months Ended		Nine Months Ended	
	December 31,		December 31,	
	2019	2018	2019	2018
Investment income:				
Interest income:				
Non-control/Non-affiliate investments	\$ 9,526	\$ 7,744	\$ 27,793	\$ 20,825
Affiliate investments	2,159	1,886	6,210	5,136
Control investments	—	440	265	983
Dividend income:				
Non-control/Non-affiliate investments	(15)	95	140	120
Affiliate investments	122	—	141	82
Control investments	2,581	3,257	10,013	9,383
Interest income from cash and cash equivalents	21	12	49	21
Fees and other income	1,590	437	2,390	1,022
Total investment income	<u>15,984</u>	<u>13,871</u>	<u>47,001</u>	<u>37,572</u>
Operating expenses:				
Compensation	2,034	2,007	5,763	5,880
Share-based compensation	690	607	2,212	1,564
Interest	4,142	3,347	11,664	8,829
Professional fees	479	390	1,567	1,285
Net pension expense	36	40	107	119
General and administrative	728	704	2,748	2,322
Total operating expenses	<u>8,109</u>	<u>7,095</u>	<u>24,061</u>	<u>19,999</u>
Income before taxes	7,875	6,776	22,940	17,573
Income tax expense	761	101	1,651	736
Net investment income	<u>\$ 7,114</u>	<u>\$ 6,675</u>	<u>\$ 21,289</u>	<u>\$ 16,837</u>
Realized gain				
Non-control/Non-affiliate investments	\$ (157)	\$ 1,849	\$ 1,159	\$ 2,066
Affiliate investments	40	—	57	77
Control investments	44,399	34	44,566	18,653
Taxes on deemed distribution of long-term capital gains	(3,464)	—	(3,464)	—
Total net realized gain on investments, net of tax	<u>40,818</u>	<u>1,883</u>	<u>42,318</u>	<u>20,796</u>
Net unrealized (depreciation) appreciation on investments				
Non-control/Non-affiliate investments	(1,118)	(4,860)	(4,899)	1,549
Affiliate investments	(1,265)	(95)	(240)	(1,634)
Control investments	(52,208)	564	(55,027)	(15,523)
Income tax (provision) benefit	(174)	153	(832)	535
Total net unrealized (depreciation) appreciation on investments, net of tax	<u>(54,765)</u>	<u>(4,238)</u>	<u>(60,998)</u>	<u>(15,073)</u>
Net realized and unrealized (losses) gains on investments	<u>\$ (13,947)</u>	<u>\$ (2,355)</u>	<u>\$ (18,680)</u>	<u>\$ 5,723</u>
Net (decrease) increase in net assets from operations	<u>\$ (6,833)</u>	<u>\$ 4,320</u>	<u>\$ 2,609</u>	<u>\$ 22,560</u>
Pre-tax net investment income per share - basic and diluted	<u>\$ 0.44</u>	<u>\$ 0.40</u>	<u>\$ 1.29</u>	<u>\$ 1.06</u>
Net investment income per share – basic and diluted	<u>\$ 0.39</u>	<u>\$ 0.39</u>	<u>\$ 1.20</u>	<u>\$ 1.02</u>
Net (decrease) increase in net assets from operations – basic and diluted	<u>\$ (0.38)</u>	<u>\$ 0.25</u>	<u>\$ 0.15</u>	<u>\$ 1.36</u>
Weighted average shares outstanding – basic	<u>18,100,176</u>	<u>17,120,357</u>	<u>17,803,005</u>	<u>16,541,102</u>
Weighted average shares outstanding – diluted	<u>18,100,176</u>	<u>17,122,925</u>	<u>17,803,005</u>	<u>16,543,524</u>



Capital Southwest Corporation

Q3 2020 Earnings Presentation

February 4, 2020

5400 Lyndon B. Johnson Freeway, Suite 1300 | Dallas, Texas 75240 | 214.238.5700 | capitalsouthwest.com

Important Notices

- These materials and any presentation of which they form a part are neither an offer to sell, nor a solicitation of an offer to purchase, any securities of Capital Southwest.
- These materials and the presentations of which they are a part, and the summaries contained herein, do not purport to be complete and no obligation to update or otherwise revise such information is being assumed. Nothing shall be relied upon as a promise or representation as to the future performance of Capital Southwest. Such information is qualified in its entirety by reference to the more detailed discussions contained elsewhere in Capital Southwest's public filings with the Securities and Exchange Commission.
- There is no guarantee that any of the estimates, targets or projections illustrated in these materials and any presentation of which they form a part will be achieved. Any references herein to any of the Capital Southwest's past or present investments or its past or present performance, have been provided for illustrative purposes only. It should not be assumed that these investments were or will be profitable or that any future investments by Capital Southwest will be profitable or will equal the performance of these investments.
- The information contained herein has been derived from financial statements and other documents provided by the portfolio companies unless otherwise stated.
- Past performance is not indicative of future results. In addition, there can be no assurance that unrealized investments will be realized at the expected multiples shown as actual realized returns will depend on, among other factors, future operating results of each of Capital Southwest's current portfolio companies, the value of the assets and economic conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which Capital Southwest's expected returns are based. In many instances, Capital Southwest will not determine the timing or manner of sale of its portfolio companies.



Forward-Looking Statements

- This presentation contains forward-looking statements relating to, among other things, the business, market conditions, financial condition and results of operations of Capital Southwest, the anticipated investment strategies and investments of Capital Southwest, and future market demand. Any statements that are not statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, preceded by, followed by, or include words such as "believe," "expect," "intend," "plan," "should" or similar words, phrases or expressions or the negative thereof. These statements are made on the basis of the current beliefs, expectations and assumptions of the management of Capital Southwest and speak only as of the date of this presentation. There are a number of risks and uncertainties that could cause Capital Southwest's actual results to differ materially from the forward-looking statements included in this presentation.
- For a further discussion of some of the risks and uncertainties applicable to Capital Southwest and its business, see Capital Southwest's Annual Report on Form 10-K for the fiscal year ended March 31, 2019 and its subsequent filings with the Securities and Exchange Commission, including the "Risk Factors" section therein. Other unknown or unpredictable factors could also have a material adverse effect on Capital Southwest's actual future results, performance, or financial condition. As a result of the foregoing, readers are cautioned not to place undue reliance on these forward-looking statements. Capital Southwest does not assume any obligation to revise or to update these forward-looking statements, whether as a result of new information, subsequent events or circumstances, or otherwise, except as may be required by law.

Conference Call Participants

Bowen S. Diehl

President and Chief Executive Officer

Michael S. Sarner

Chief Financial Officer

Chris Rehberger

VP Finance / Treasurer



CSWC Company Overview

CSWC is a middle-market lending firm focused on supporting the acquisition and growth of middle-market companies across the capital structure

- CSWC was formed in 1961, and elected to be regulated as a BDC in 1988
- Publicly-traded on Nasdaq: Common Stock (“CSWC”) and December 2022 Notes (“CSWCL”)
- Internally Managed BDC with RIC tax treatment for U.S. federal income tax purposes
- December 2014: announced intent to spin-off industrial growth company (“CSW Industrials”; Nasdaq: “CSWI”) tax free
- January 2015: launched credit investment strategy
- September 2015: completed tax free spin off of CSWI
- 23 employees based in Dallas, Texas
- Total Balance Sheet Assets of \$599 MM as of December 31, 2019
- Manage I-45 Senior Loan Fund (“I-45 SLF”) in partnership with Main Street Capital (NYSE: “MAIN”)



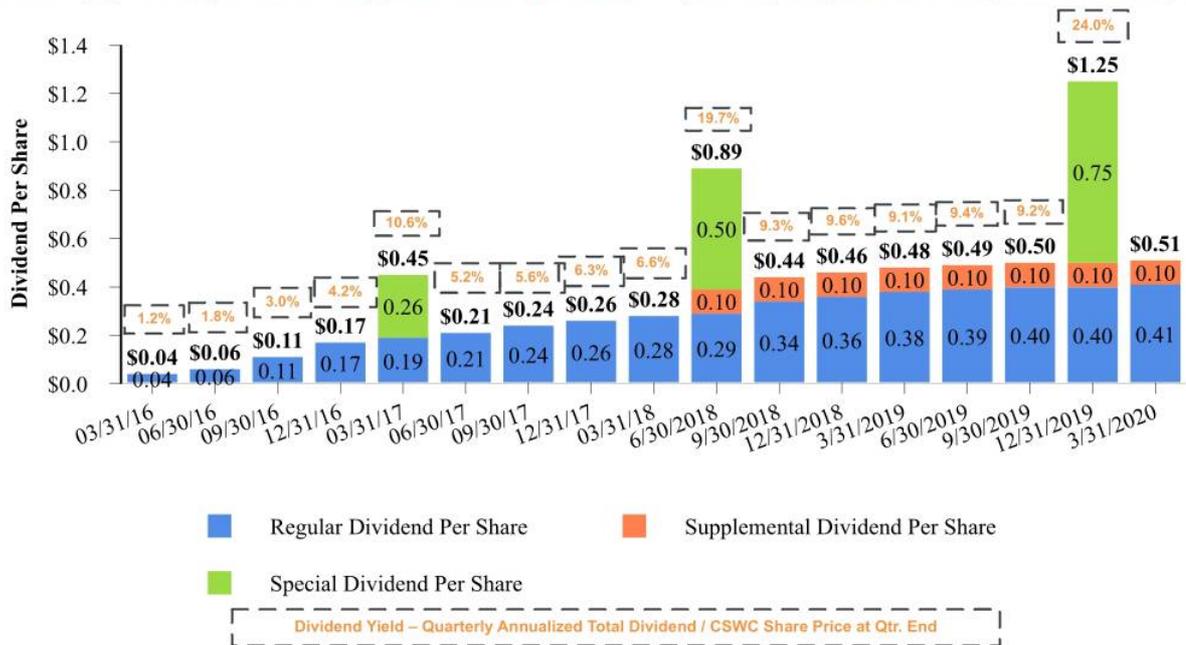
Q3 2020 Highlights

Financial Highlights

- Q3 2020 Pre-Tax Net Investment Income (“NII”) of \$7.9 MM or \$0.44 per share
- Paid \$0.40 per share in Regular Dividends, plus \$0.10 per share Supplemental Dividend and \$0.75 per share Special Dividend
 - Total Dividends for the quarter of \$1.25 per share
- Investment Portfolio at Fair Value increased to \$559 MM from \$539 MM in prior quarter
 - \$89.1 MM committed to five new portfolio companies and \$3.3 MM committed to four existing portfolio companies
 - \$50.9 MM in proceeds recognized from sale of Media Recovery, generating a realized gain of \$44.3 MM and IRR of 11.8%
 - \$4.6 MM in proceeds from one full prepayment of one subordinated debt investment, generating a realized gain of \$32K and IRR of 14.0%
- Raised \$13.8 MM in gross proceeds through Equity ATM Program during the quarter
 - Sold 623,111 shares at a weighted average price of \$22.07 per share (1.21x Price to Book based on prior quarter NAV per share)
 - Cumulatively, raised \$28.7 MM in gross proceeds at a weighted average price of \$21.81 per share since inception of the Equity ATM Program in March 2019
- Raised \$10 MM in additional 5.375% October 2024 Notes during the quarter, increasing aggregate principal amount outstanding to \$75 MM
- \$167.6 MM available on Credit Facility and \$23.0 MM in cash and cash equivalents as of quarter end

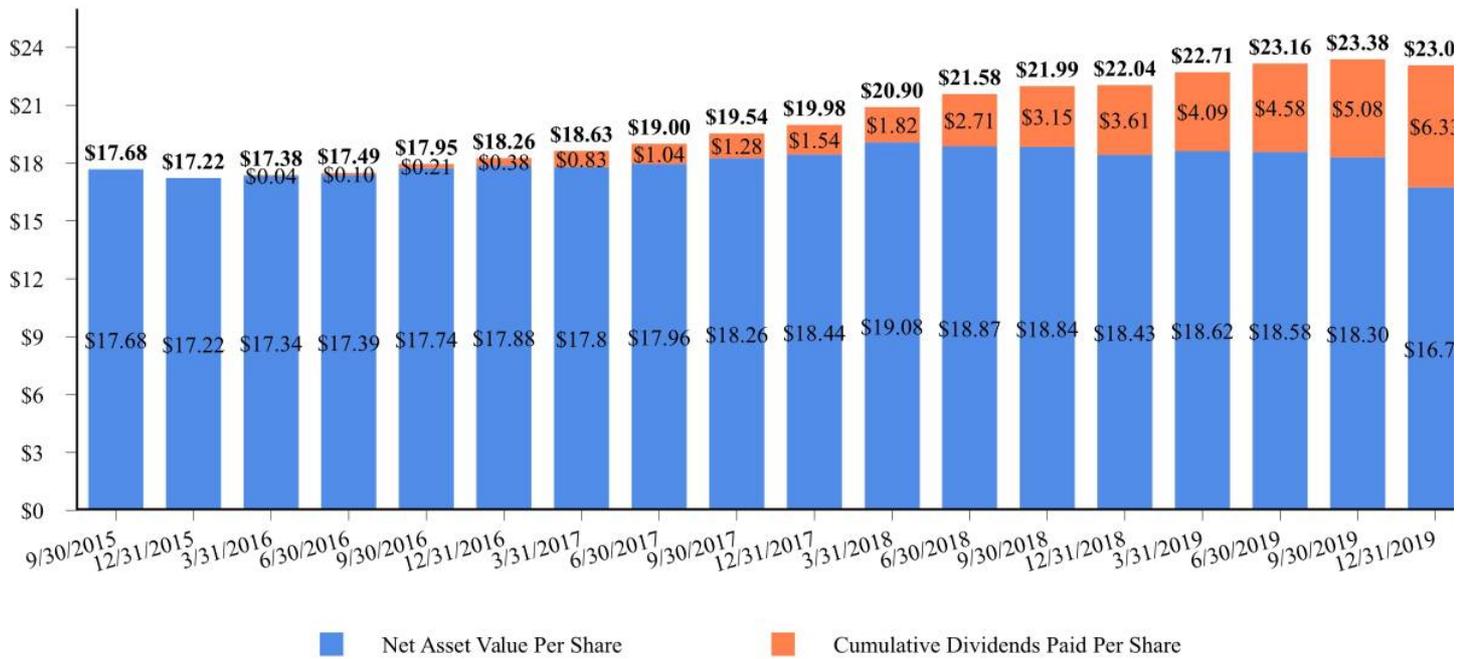
Track Record of Strong Dividend Yield and Consistent Dividend Coverage

- In the last twelve months ending 12/31/2019, CSWC generated \$1.72 per share in Pre-Tax NII and paid out \$1.57 per share in regular dividends
- Cumulative Pre-Tax NII Regular Dividend Coverage of 108% since the 2015 spin-off
- Distributed a \$0.75 one-time Special Dividend this quarter in conjunction with the sale of Media Rec
- Announced Supplemental Dividend Program in June 2018
 - Expect to pay \$0.10 per share Supplemental Dividend per quarter going forward, subject to Board approval



History of Value Creation

Total Value (Net Asset Value + Cumulative Dividends Paid) Increase of \$5.39 at 12/31/2019 from 9/30/2015 Spin-off of CSWI



Two Pronged Investment Strategy

CORE: Lower Middle Market (“LMM”): CSWC led or Club Deals

- Companies with EBITDA between \$3 MM and \$15 MM
- Typical leverage of 2.0x – 4.0x Debt to EBITDA through CSWC debt position
- Commitment size up to \$25 MM with hold sizes generally \$10 MM to \$20 MM
- Both Sponsored and Non-sponsored deals
- Securities include first lien, unitranche, second lien and subordinated debt
- Frequently make equity co-investments alongside CSWC debt

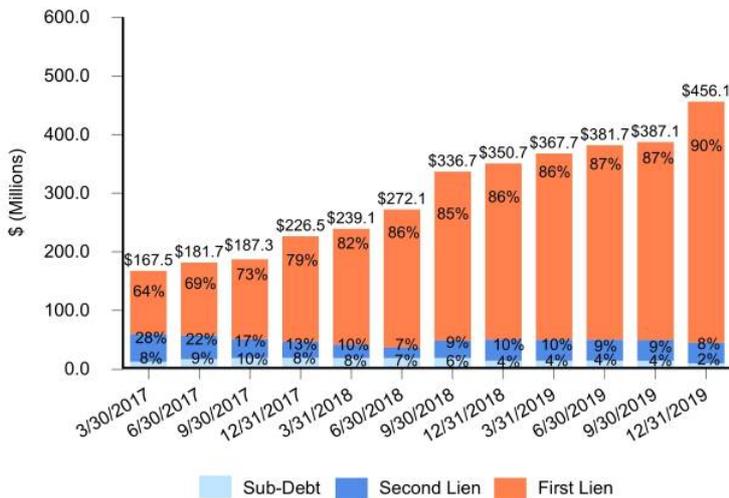
OPPORTUNISTIC: Upper Middle Market (“UMM”): Syndicated or Club, First and Second Lien

- Companies typically have in excess of \$50 MM in EBITDA
- Typical leverage of 3.0x – 5.5x Debt to EBITDA through CSWC debt position
- Hold sizes generally \$5 MM to \$15 MM
- Floating rate first and second lien debt securities
- More liquid assets relative to Lower Middle Market investments
- Provides flexibility to invest/divest opportunistically based on market conditions and liquidity position

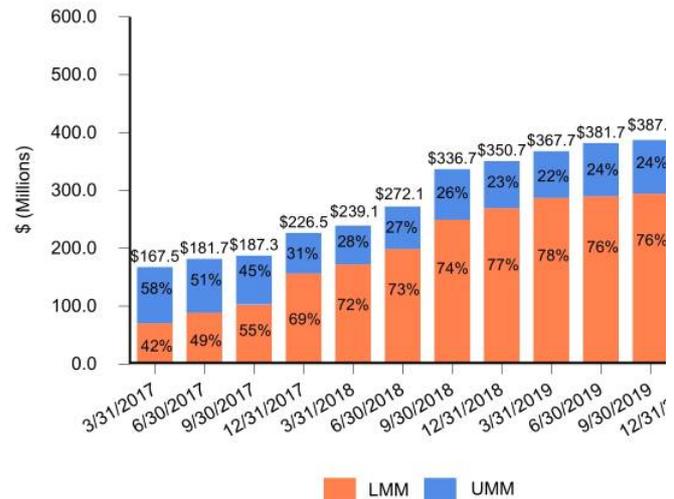
Credit Portfolio Heavily Weighted Towards First Lien and LMM Investm

First Lien and LMM Investments have increased to 90% and 81% of the credit portfolio, respectively, as of 12/31/2019

Credit Portfolio Heavily Weighted to First Lien



Robust LMM Credit Portfolio Growth



CSWC Originations

\$92.4 MM in total new committed investments, consisting of \$89.1 MM committed to new portfolio companies and \$3.3 MM committed to existing portfolio companies

Portfolio Originations		Q3 2020			Total Debt Funded at Close (\$000s)	Total Equity Funded at Close (\$000s)	Unfunded Commitments at Close (\$000s)	Debt Spread over LIBOR	Debt M
Name	Industry	Type	Market						
NinjaTrader	Financial Services	1st Lien / Equity	LMM	\$19,350	\$2,000	\$400	6.00%		
Landpoint	Business Services	1st Lien	LMM	\$19,500	\$0	\$0	7.00%		
ICS Distribution d/b/a Relevant Rental Solutions	Industrial Services	1st Lien ⁽¹⁾	LMM	\$18,000	\$0	\$0	8.22%	1	
GammaTech	Software & IT Services	1st Lien / Equity	LMM	\$11,500	\$1,000	\$2,500	7.00%		
Trinity3	Technology Products & Components	1st Lien / Equity	LMM	\$14,250	\$563	\$0	7.50%	1	
Total / Weighted Average				\$82,600	\$3,563	\$2,900	7.12%		

Note: Market refers to Upper Middle Market ("UMM") and Lower Middle Market ("LMM")

(1) Capital Southwest partnered with a bank lender who contributed a first out participation in the first lien loan



Track Record of CSWC Exits Continues

\$55.5 MM in proceeds from one prepayment and one sale during the quarter

- Sale of Media Recovery equity investment, generating a realized gain of \$44.3 MM and IRR of 11.8%
- Full prepayment of Chandler Signs subordinated debt investment, generating a realized gain of \$32K and IRR of 14.0%
- Cumulative IRR of 15.4% on 29 portfolio exits generating \$266.9 MM in proceeds since launch of credit strategy in January 2015

Portfolio Repayments and Exits		Q3 2020				
Name	Industry	Type	Market	Net Proceeds (\$000)	Realized Gain (\$000s)	IRR
Media Recovery (SpotSee)	Industrial Products	Equity	LMM	\$50,903 ⁽¹⁾	\$44,328	11.83%
Chandler Signs	Business Services	Subordinated Debt	LMM	\$4,569	\$32	14.00%
Total / Weighted Average				\$55,472	\$44,360	12.01%

(1) Includes success fee, a portion of the maximum total earnout recognized at close, and a portion of the maximum total escrow recognized at close. CSWC has the ability to earn up to an additional \$1.5 MM in proceeds based on the performance of Media Recovery post-close

Note: Market refers to Upper Middle Market ("UMM") and Lower Middle Market ("LMM")



CSWC Portfolio Asset Mix by Market

Maintaining conservative portfolio leverage while receiving attractive risk adjusted returns

Investment Portfolio - Statistics Q3 2020		
(In Thousands)	Lower Middle Market ⁽¹⁾	Upper Middle Market
Number of Portfolio Companies	32	11
Total Cost	\$404,006	\$100,697
Total Fair Value	\$413,503	\$86,755
Average Hold Size (at Cost)	\$12,625	\$9,154
% First Lien Investments (at Cost)	83.4%	85.2%
% Second Lien Investments (at Cost)	5.3%	14.8%
% Subordinated Debt Investments (at Cost)	2.5%	0.0%
% Equity (at Cost)	8.8%	0.0%
Wtd. Avg. Yield ⁽²⁾	11.6%	7.4%
Wtd. Avg. EBITDA of Issuer (\$MM's) ⁽³⁾	\$7.9	\$65.2
Wtd. Avg. Leverage through CSWC Security ⁽⁴⁾	3.6x	4.6x

Note: All metrics above exclude the I-45 Senior Loan Fund

(1) At December 31, 2019, we had equity ownership in approximately 68.8% of our LMM investments

(2) The weighted-average annual effective yields were computed using the effective interest rates during the quarter for all debt investments at cost as of December 31, 2019, including accretion of original issue discount but excluding fees payable upon repayment of the debt instruments. As of December 31, 2019, there were three investments on non-accrual status. Weighted-average annual effective yield is not a return to shareholders and is higher than what an investor in shares in our common stock will realize on its investment because it does not reflect our expenses or any sales load paid by an investor

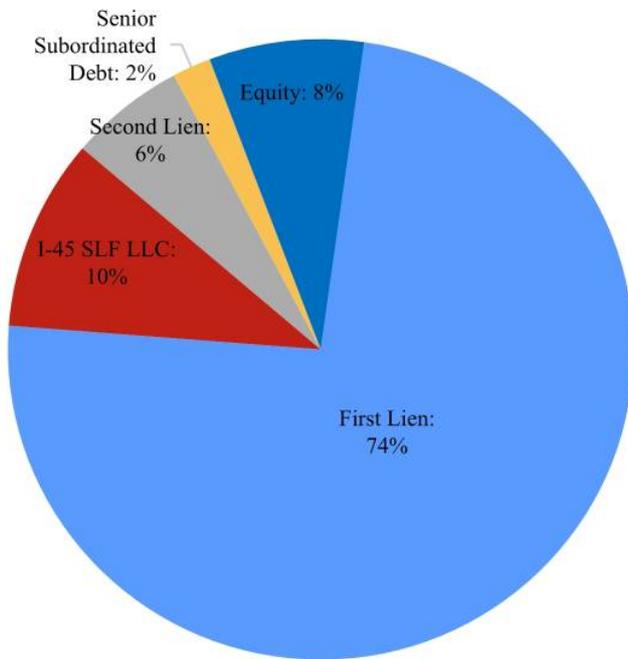
(3) Weighted average EBITDA metric is calculated using investment cost basis weighting. For the quarter ended December 31, 2019, one portfolio company is excluded from this calculation due to a reported debt to adjusted EBITDA ratio that was not meaningful

(4) Includes CSWC debt investments only. Calculated as the amount of each portfolio company's debt (including CSWC's position and debt senior or pari passu to CSWC's position but excluding debt subordinated to CSWC's position) in the capital structure divided by each portfolio company's adjusted EBITDA. Weighted average leverage is calculated using investment cost basis weighting. Management uses this metric as a guide to evaluate relative risk of its position in each portfolio debt investment. For the quarter ended December 2019, one portfolio company is excluded from this calculation due to reporting a debt to adjusted EBITDA ratio that was not meaningful

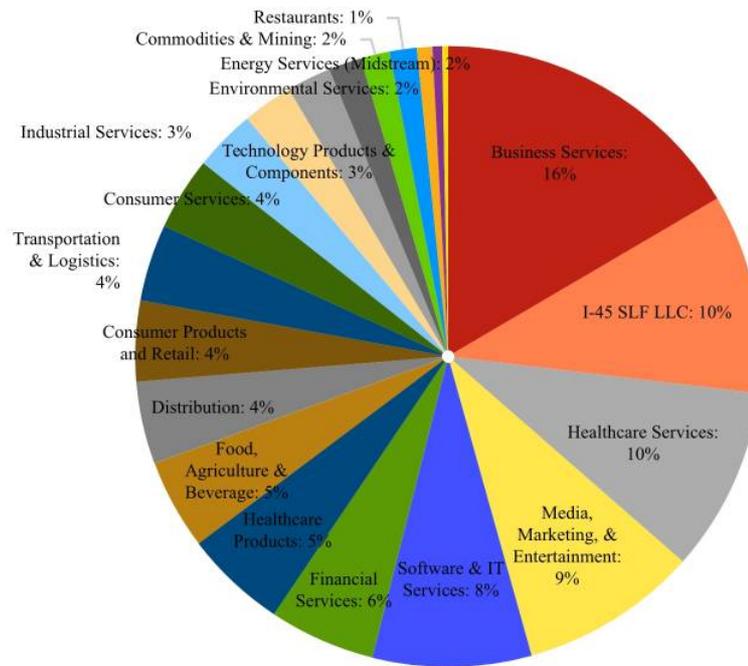
CSWC Portfolio Mix as of 12/31/19 at Fair Value

Current Investment Portfolio of \$558.6 MM continues to be diverse across industries

Current Investment Portfolio (By Type)



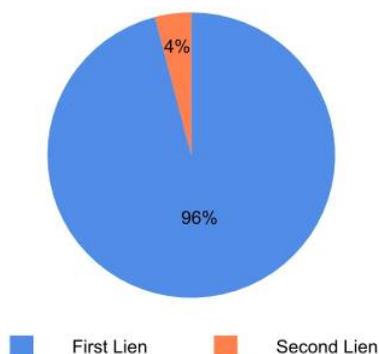
Current Investment Portfolio (By Industry)



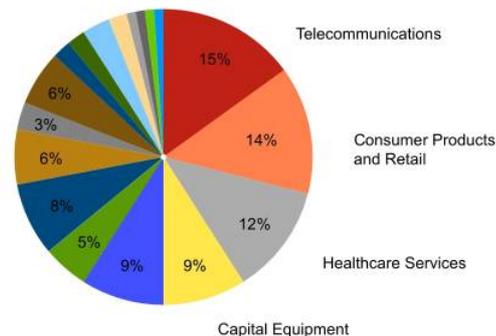
I-45 Portfolio Overview

I-45 loan portfolio of \$206.2 MM is 96% first lien with average hold size of 2.2% of the I-45 portfolio

Current I-45 Portfolio (By Type)



Current I-45 Portfolio (By Industry)



I-45 Portfolio Statistics				
(In Thousands)	3/31/2019	6/30/2019	9/30/2019	12/31/2019
Total Debt Investments at Fair Value	\$237,547	\$234,700	\$214,762	\$206,208
Number of Issuers	48	50	46	46
Wtd. Avg. Issuer EBITDA	\$68,109	\$70,807	\$69,270	\$64,968
Avg. Investment Size as a % of Portfolio	2.1%	2.0%	2.2%	2.2%
Wtd. Avg. Net Leverage on Investments ⁽¹⁾⁽²⁾	3.6x	3.9x	4.3x	4.5x
Wtd. Avg. Spread to LIBOR	6.3%	6.4%	6.4%	6.3%
Wtd. Avg. Duration (Yrs)	3.9	4.0	3.9	3.8

(1) Through I-45 Security

(2) One portfolio company is excluded from this calculation due to a reported debt to adjusted EBITDA ratio that was not meaningful

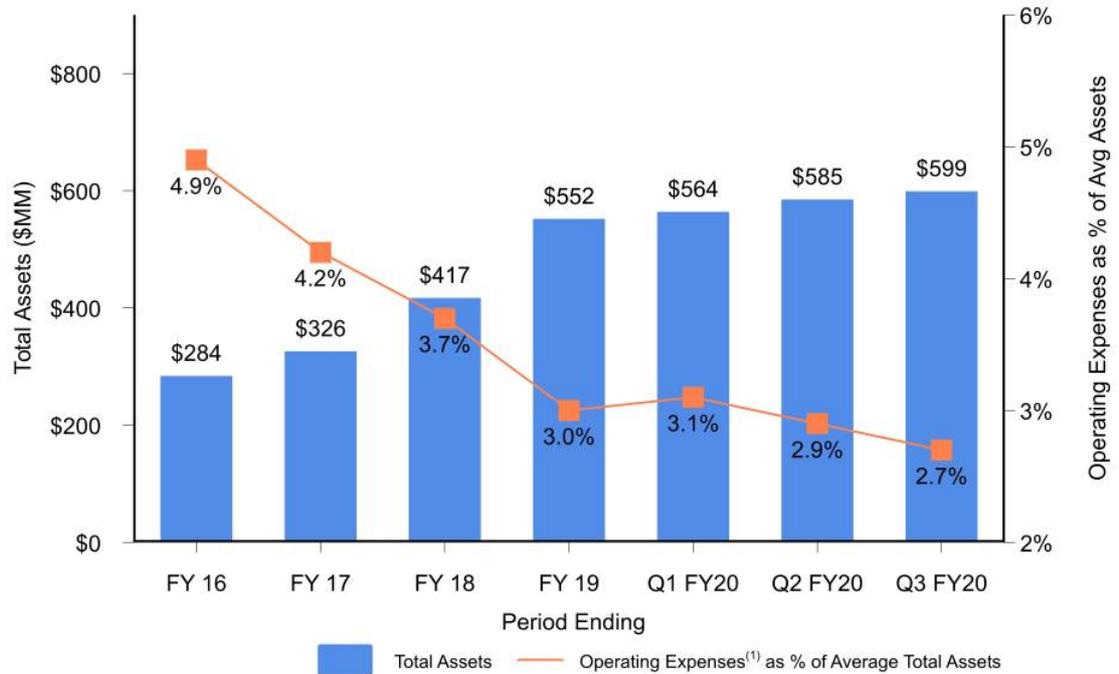
Income Statement

<i>(In Thousands, except per share amounts)</i>	Quarter Ended 3/31/19	Quarter Ended 6/30/19	Quarter Ended 9/30/19	Quarter Ended 12/31/19
Investment Income				
Interest Income	\$10,320	\$11,346	\$11,237	\$11,688
Dividend Income	3,342	4,019	3,587	2,688
Fees and Other Income ⁽¹⁾	646	434	394	1,611
Total Investment Income	\$14,308	\$15,799	\$15,218	\$15,987
Expenses				
Cash Compensation	\$1,835	\$2,021	\$1,708	\$2,034
Share Based Compensation	707	837	685	690
General & Administrative	1,233	1,451	1,728	1,243
Total Expenses (excluding Interest)	\$3,775	\$4,309	\$4,121	\$3,967
Interest Expense	\$3,349	\$3,806	\$3,716	\$4,142
Pre-Tax Net Investment Income	\$7,184	\$7,684	\$7,381	\$7,878
Taxes and Gain / (Loss)				
Income Tax Benefit (Expense)	\$(312)	\$(324)	\$(566)	\$(761)
Net realized gain (loss) on investments	58	1,217	283	40,818
Net increase (decrease) in unrealized appreciation of investments	3,567	(1,864)	(4,369)	(54,765)
Net increase (decrease) in net assets resulting from operations	\$10,497	\$6,713	\$2,729	\$(6,833)
Weighted Average Diluted Shares Outstanding	17,296	17,536	17,770	18,100
Pre-Tax NII Per Diluted Weighted Average Share	\$0.42	\$0.44	\$0.42	\$0.44

(1) Includes Success Fee from sale of Media Recovery

Operating Leverage Trend

Continue to realize operating efficiencies of internally-managed structure migrating to a target operating leverage of sub-2.5%

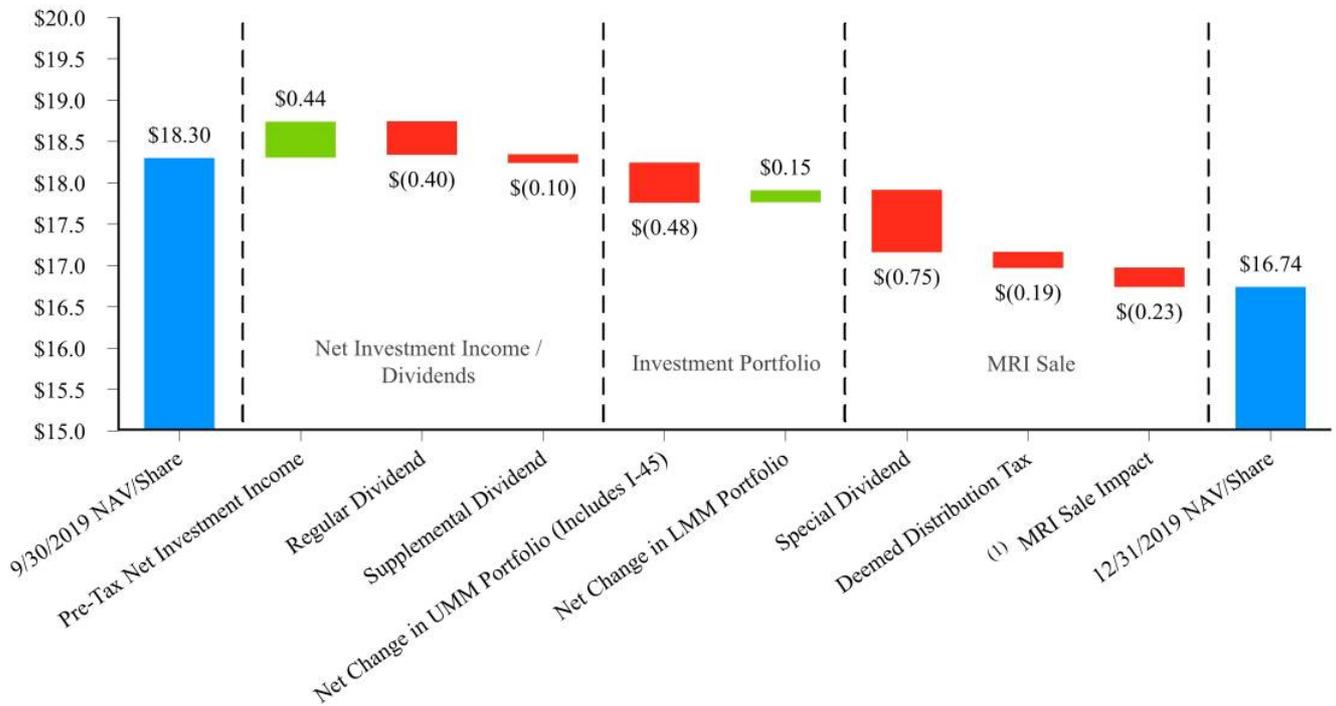


Note: FY16 includes only the quarters after the 2015 spin-off. Q1 FY20, Q2 FY20, and Q3 FY20 are quarterly annualized.
 (1) Operating expenses exclude interest expense

Balance Sheet

<i>(In Thousands, except per share amounts)</i>	Quarter Ended 3/31/19	Quarter Ended 6/30/19	Quarter Ended 9/30/19	Quarter Ended 12/31/19
Assets				
Portfolio Investments	\$524,071	\$533,491	\$538,876	\$558,552
Cash & Cash Equivalents	9,924	11,969	30,019	22,966
Deferred Tax Asset	1,807	1,672	1,628	1,336
Other Assets	16,041	17,044	14,510	16,494
Total Assets	\$551,843	\$564,176	\$585,033	\$599,348
Liabilities				
December 2022 Notes	\$75,099	\$75,440	\$75,564	\$75,688
October 2024 Notes	—	—	63,585	73,393
Credit Facility	141,000	151,000	108,000	124,000
Other Liabilities	9,781	8,922	9,785	14,411
Total Liabilities	\$225,880	\$235,362	\$256,934	\$287,492
Shareholders Equity				
Net Asset Value	\$325,963	\$328,814	\$328,099	\$311,856
Net Asset Value per Share	\$18.62	\$18.58	\$18.30	\$16.74
Debt to Equity	0.66x	0.69x	0.75x	0.88x

NAV per Share Bridge from Quarter Ended 9/30/2019



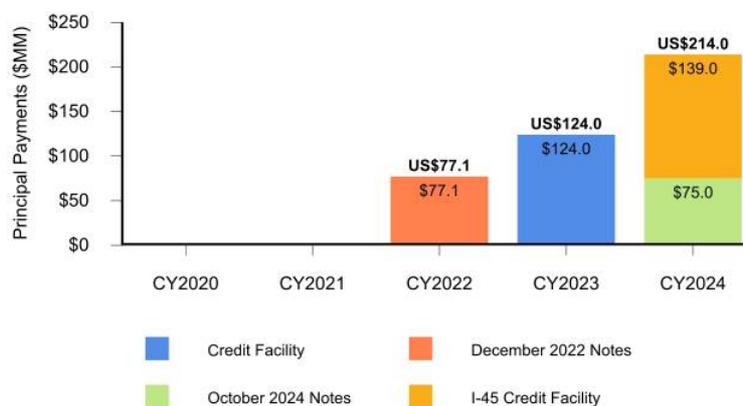
(1) MRI Sale Impact consists of \$0.09 per share in sales proceeds adjustments related to transaction costs, \$0.08 per share in unrecognized earnout / escrow which CSWC has the ability to earn in the future, and \$0.06 per share success fee recognized as revenue by CSWC

Significant Unused Debt Capacity with Long-Term Duration

Earliest Debt Maturity occurs in December 2022

Facility	Total Commitments	Interest Rate	Maturity	Principal Drawn	Undrawn Comm
Credit Facility ⁽¹⁾	\$295.0 MM	L + 2.50% subject to certain conditions	December 2023	\$124.0 MM	\$167.6 MM
December 2022 Notes (NASDAQ: "CSWCL") ⁽³⁾	\$77.1 MM	5.95%	December 2022	\$77.1 MM	N/A
October 2024 Notes ⁽⁴⁾	\$75.0 MM	5.375%	October 2024	\$75.0 MM	N/A
I-45 Credit Facility ⁽⁵⁾	\$165.0 MM	L + 2.25%	November 2024	\$139.0 MM	\$26.0 MM

Long-Term Debt Obligations (Calendar Year)



- (1) The facility has an accordion feature that allows for an increase in total commitments up to \$350 MM. Principal Drawn is based upon outstanding balances as of 12/31/19
- (2) Net of \$3.4 MM in letters of credit outstanding
- (3) Redeemable in whole or in part at CSWC's option at any time. Principal drawn is based upon outstanding balances as of 12/31/19
- (4) Redeemable in whole or in part at any time prior to July 1, 2024, at par plus a "make whole" premium, and thereafter at par
- (5) CSWC owns 80% of the equity and 50% of the voting rights of I-45 SLF LLC with a joint venture partner

Portfolio Statistics

Continuing to build a well performing credit portfolio

<i>(In Thousands)</i>	Quarter Ended 3/31/19	Quarter Ended 6/30/19	Quarter Ended 9/30/19	Quarter Ended 12/31/19
Portfolio Statistics				
Fair Value of Debt Investments	\$367,727	\$381,704	\$387,168	\$456,095
Average Debt Investment Hold Size	\$10,506	\$10,906	\$11,062	\$11,695
Fair Value of Debt Investments as a % of Par	97%	97%	96%	95%
% of Investment Portfolio on Non-Accrual (at Fair Value)	1.6%	1.5%	2.6%	3.3%
Weighted Average Investment Rating ⁽¹⁾	1.9	1.9	2.0	2.0
Weighted Average Yield on Debt Investments	11.58%	11.73%	11.02%	11.26%
Total Fair Value of Portfolio Investments	\$524,071	\$533,491	\$538,876	\$558,552
Weighted Average Yield on all Portfolio Investments ⁽²⁾	10.96%	11.73%	11.10%	10.69%
Investment Mix (Debt vs. Equity) ⁽³⁾⁽⁴⁾	80% / 20%	81% / 19%	81% / 19%	91% / 9%

(1) CSWC utilizes an internal 1 - 4 investment rating system in which 1 represents material outperformance and 4 represents material underperformance. All new investments are initially set to 2

(2) Includes dividends from Media Recovery, Inc. and I-45 Senior Loan Fund

(3) Excludes CSWC equity investment in I-45 Senior Loan Fund

(4) At Fair Value

Investment Income Detail

Constructing a portfolio of investments with recurring cash yield

- Non-Cash and Non-Recurring investment income remain a minor portion of Total Investment Income

<i>(In Thousands)</i>	Quarter Ended 3/31/19	Quarter Ended 6/30/19	Quarter Ended 9/30/19	Quarter Ended 12/31/19
Investment Income Breakdown				
Cash Interest	\$9,760	\$10,526	\$10,573	\$10,430
Cash Dividends	3,282	3,959	3,576	2,703
PIK Income	298	424	191	801
Amortization of purchase discounts and fees	336	472	496	460
Management/Admin Fees	197	211	246	199
Prepayment Fees & Other Income ⁽¹⁾	435	207	136	1,391
Total Investment Income	\$14,308	\$15,799	\$15,218	\$15,984
Key Metrics				
Cash Income as a % of Investment Income	96%	94%	95%	92%
% of Total Investment Income that is Recurring ⁽²⁾	97%	96%	98%	88%

(1) Includes success fee from sale of Media Recovery

(2) Non-Recurring income principally made up of loan prepayment, amendment fees, and success fee / stub dividend from sale of Media Recovery

Key Financial Metrics

Strong Pre-Tax Net Investment Income and Regular Dividend growth driven by net portfolio growth and investment performance

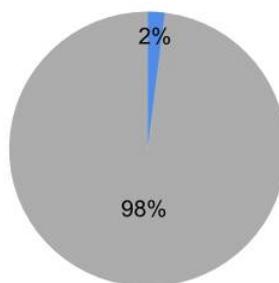
	Quarter Ended 3/31/19	Quarter Ended 6/30/19	Quarter Ended 9/30/19	Quarter En 12/31/19
Key Financial Metrics				
Pre-Tax Net Investment Income Per Wtd Avg Diluted Share	\$0.42	\$0.44	\$0.42	\$0.44
Pre-Tax Net Investment Income Return on Equity (ROE) ⁽¹⁾	9.01%	9.41%	8.94%	9.51%
Realized Earnings Per Wtd Avg Diluted Share	\$0.40	\$0.49	\$0.40	\$2.65
Realized Earnings Return on Equity (ROE) ⁽¹⁾	8.70%	10.51%	8.60%	57.88%
Earnings Per Wtd Avg Diluted Share	\$0.61	\$0.38	\$0.15	\$(0.38)
Earnings Return on Equity (ROE) ⁽¹⁾	13.17%	8.22%	3.31%	(8.25)%
Regular Dividends per Share	\$0.38	\$0.39	\$0.40	\$0.40
Supplemental/Special Dividends per Share	\$0.10	\$0.10	\$0.10	\$0.85
Total Dividends per Share	\$0.48	\$0.49	\$0.50	\$1.25
Dividend Yield ⁽²⁾	9.13%	9.36%	9.17%	24.03%

(1) Return on Equity is calculated as the quarterly annualized Pre-Tax NII, Realized Earnings, or Total Earnings, respectively, divided by equity at the end of the prior quarter

(2) Dividend Yield is calculated as the quarterly annualized Total Dividend divided by share price at quarter end

Interest Rate Sensitivity

Fixed vs. Floating Portfolio Exposure ⁽¹⁾



■ Fixed ■ Floating

Change in Base Interest Rates	Illustrative Annual NII Change (\$'s)	Illustrative Annual NII Change (Per Share)
(100 bps)	\$(1,921,287)	\$(0.11)
(75 bps)	(1,723,716)	(0.10)
(50 bps)	(1,195,064)	(0.07)
(25 bps)	(612,652)	(0.03)
25 bps	800,188	0.04
50 bps	1,705,864	0.09
75 bps	2,611,540	0.14
100 bps	3,517,217	0.19

(1) Portfolio Exposure includes I-45 assets pro rata as a % of CSWC's equity investment in the fund

Note: Illustrative change in annual NII is based on a projection of CSWC's existing debt investments as of 12/31/19, adjusted only for changes in Base Interest Rate. Base Interest Rate used in this analysis is 3-Month LIBOR of 1.91% at 12/31/19. The results of this analysis include the I-45 Senior Loan Fund, which is comprised of 100% floating rate assets and liabilities

Corporate Information

Board of Directors

Inside Directors

Bowen S. Diehl

Independent Directors

David R. Brooks

Christine S. Battist

T. Duane Morgan

Jack D. Furst

William R. Thomas

Senior Management

Bowen S. Diehl

President & Chief Executive Officer

Michael S. Sarner

Chief Financial Officer, Secretary & Treasurer

Fiscal Year End

March 31

Independent Auditor

RSM US

Chicago, IL

Corporate Counsel

Eversheds Sutherland (US) LLP

Transfer Agent

American Stock Transfer & Trust Company

800-937-5449

www.amstock.com

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Michael S. Sarner

Capital Southwest

214-884-3829

msarner@capitalsouthwest.com

Securities Listing

Nasdaq: "CSWC" (Common Stock)

Nasdaq: "CSWCL" (December 2022 Notes)

Corporate Offices & Website

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<http://www.capitalsouthwest.com>

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JMP Securities	Christopher York	Direct: 415-835-8965
B. Riley FBR	Tim Hayes	Direct: 703-312-1819
National Securities	Bryce Rowe	Direct: 212-417-8211
Jefferies	Kyle Joseph	Direct: 510-418-0754
Raymond James	Robert Dodd	Direct: 901-579-4560

CSWC

capital southwest

