

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): **May 14, 2025**

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.)

8333 Douglas Avenue, Suite 1100
Dallas, Texas 75225
(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
Common Stock, \$0.25 par value per share
7.75% Notes due 2028

Trading Symbol(s)
CSWC
CSWCZ

Name of Each Exchange on Which Registered
The Nasdaq Global Select Market
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 May 14, 2025, 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, as amended (the "Exchange Act"), nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), 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 May 15, 2025. 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 Exchange Act, nor shall it be deemed incorporated by reference into any filing under the Securities Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued by Capital Southwest Corporation on May 14, 2025
99.2	Investor presentation slides
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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: May 14, 2025

By: /s/ Michael S. Sarner
Name: Michael S. Sarner
Title: President and Chief Executive Officer

Capital Southwest Announces Financial Results for Fourth Fiscal Quarter and Fiscal Year Ended March 31, 2025

Dallas, Texas – May 14, 2025 – 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 fourth fiscal quarter and year ended March 31, 2025.

Fourth Quarter Fiscal Year 2025 Financial Highlights

- Total Investment Portfolio: \$1.8 billion
 - Credit Portfolio of \$1.6 billion
 - 99% 1st Lien Senior Secured Debt
 - \$146.2 million in new committed credit investments during the quarter
 - Weighted Average Yield on Debt Investments: 11.7%
 - Current non-accruals with a fair value of \$30.6 million, representing 1.7% of the total investment portfolio
 - Equity Portfolio of \$179.4 million
 - \$3.8 million in new equity co-investments during the quarter
- Pre-Tax Net Investment Income:
 - \$28.5 million, or \$0.56 per weighted average common share outstanding
 - Adjusted pre-tax net investment income of \$31.3 million, or \$0.61 per weighted average common share outstanding, excluding one-time net expenses of \$2.8 million, or \$0.05 per share, related to the departure of our former President and Chief Executive Officer⁽¹⁾
- Estimated Undistributed Taxable Income (“UTI”), \$0.79 per share as of March 31, 2025
- LTM Operating Leverage: 1.7% for the quarter ended March 31, 2025
- Dividends: Paid \$0.58 per share Regular Dividend and \$0.06 per share Supplemental Dividend
 - 110% LTM Pre-Tax NII Regular Dividend Coverage
 - Total Dividends for the quarter ended March 31, 2025 of \$0.64 per share
- Net Realized and Unrealized Depreciation: \$10.3 million, or 0.6% of total investments at fair value
 - \$19.3 million of net appreciation related to the equity portfolio
 - \$25.7 million of net depreciation related to the credit portfolio
 - \$3.9 million realized and unrealized income tax provision
- Balance Sheet:
 - Cash and Cash Equivalents: \$43.2 million
 - Total Net Assets: \$883.6 million
 - Net Asset Value (“NAV”) per Share: \$16.70

Fiscal Year 2025 Financial Highlights

- Total Investment Portfolio: Increased by \$308.7 million in total fair value, from \$1.5 billion to \$1.8 billion, representing 21% growth during the year
 - Credit Portfolio increased by \$261.3 million, representing 19% growth during the year
- Investment Revenue: \$204.4 million for the year ended March 31, 2025, representing a \$26.3 million, or 15% increase, as compared to March 31, 2024
- Operating Leverage: Remained flat at 1.7% as of March 31, 2025 as compared to March 31, 2024
- Dividends: Declared and paid total dividends of \$2.54 per share
 - \$2.31 per share in regular dividends, an increase of 3% compared to the prior year
 - \$0.23 per share in supplemental dividends
 - Estimated UTI balance at the end of the fiscal year ended March 31, 2025 was \$0.79 per share

In commenting on the Company's results, Michael Sarner, President and Chief Executive Officer, stated, "The March quarter was another strong quarter for Capital Southwest, with approximately \$150 million of new committed originations. Our portfolio continued to generate significant income for our shareholders, producing \$0.61 of adjusted pre-tax net investment income per share,⁽¹⁾ or \$0.56 of pre-tax net investment income per share, for the quarter. In consideration of the continued performance of our portfolio, our Board of Directors has again declared a regular dividend of \$0.58 per share for the quarter ending June 30, 2025. Our Board of Directors also has declared a supplemental dividend of \$0.06 per share for the quarter ending June 30, 2025, resulting in total dividends for the quarter of \$0.64 per share. While future dividend declarations are at the discretion of our Board of Directors, it is our intent to continue to distribute quarterly supplemental dividends for the foreseeable future based on our current UTI balance of \$0.79 per share, additional harvested gains which occurred subsequent to quarter end and significant net unrealized appreciation in our equity portfolio. We continued to efficiently raise equity capital during the quarter, raising over \$68 million on our Equity ATM Program. In April 2025, we increased commitments by \$25 million on our Corporate Credit Facility to \$510 million. Additionally, we received a license from the U.S. Small Business Administration to operate a second SBIC subsidiary. This license provides Capital Southwest with access to up to an additional \$175 million in cost effective debt capital, bringing Capital Southwest's aggregate borrowing capacity through the SBIC program to a total of up to \$350 million."

Fourth Quarter Fiscal Year Investment Activities

During the quarter ended March 31, 2025, the Company originated \$149.9 million in new commitments, consisting of investments in four new portfolio companies totaling \$116.3 million and add-on commitments in 15 portfolio companies totaling \$33.6 million. New committed originations were comprised of \$146.1 million 1st lien senior secured debt and \$3.8 million equity.

During the quarter ended March 31, 2025, the Company received proceeds of \$40.6 million from nine portfolio company prepayments and exits, generating net realized gains of \$5.1 million. Total proceeds were comprised of \$24.6 million from debt investments and \$16.0 million from equity investments.

Fourth Fiscal Quarter 2025 Operating Results

For the quarter ended March 31, 2025, Capital Southwest reported total investment income of \$52.4 million, compared to \$52.0 million in the prior quarter. The increase in investment income was primarily attributable to an increase in interest income due to an increase in the average cost basis of investments held, offset by a decrease in prepayment and arranger fees received during the quarter.

For the quarter ended March 31, 2025, total operating expenses (excluding interest expense) were \$8.7 million, compared to \$6.6 million in the prior quarter. The increase was primarily attributable to \$2.8 million in one-time expenses related to the departure of our former President and Chief Executive Officer during the current quarter.

For the quarter ended March 31, 2025, interest expense was \$15.2 million, compared to \$14.7 million in the prior quarter. The increase was primarily attributable to an increase in average debt outstanding.

For the quarter ended March 31, 2025, total pre-tax net investment income was \$28.5 million, compared to \$30.7 million in the prior quarter.

For the quarter ended March 31, 2025, there was a tax provision of \$0.6 million, compared to a tax provision of \$0.4 million in the prior quarter.

During the quarter ended March 31, 2025, Capital Southwest recorded total net realized and unrealized losses on investments of \$10.3 million, compared to \$13.7 million of total net realized and unrealized losses in the prior quarter. For the quarter ended March 31, 2025, the total net realized and unrealized losses on investments reflected net realized and unrealized gains on equity investments of \$19.3 million, net realized and unrealized losses on debt investments of \$25.7 million and realized and unrealized income tax provision of \$3.9 million. The net increase in net assets resulting from operations was \$17.6 million for the quarter, compared to \$16.3 million in the prior quarter.

The Company's NAV at March 31, 2025 was \$16.70 per share, compared to \$16.59 per share in the prior quarter. The increase in NAV per share from the prior quarter is primarily due to the issuance of common stock at a premium to NAV per share through the Equity ATM Program (as described below), partially offset by net realized and unrealized losses on investments.

Fiscal Year 2025 Operating Results

For the year ended March 31, 2025, Capital Southwest reported total investment income of \$204.4 million, compared to \$178.1 million in the prior year. The increase in investment income was primarily attributable to an increase in average debt investments outstanding and an increase in arranger fees, partially offset by a decrease in weighted average yield on debt investments and a decrease in dividend income.

For the year ended March 31, 2025, total operating expenses (excluding interest expense) were \$29.0 million, compared to \$24.1 million in the prior year. The increase in operating expenses (excluding interest expense) during the current year was primarily attributable to one-time expenses related to the departure of our former President and Chief Executive Officer during the current year, an increase in professional fees and an increase in general and administrative expenses.

For the year ended March 31, 2025, interest expense was \$55.0 million, compared to \$43.1 million in the prior year. The increase was primarily attributable to an increase in average debt outstanding and an increase in the weighted average interest rate on total debt.

For the year ended March 31, 2025, total pre-tax net investment income was \$120.4 million, compared to \$110.9 million in the prior year.

During the year ended March 31, 2025, Capital Southwest recorded total net realized and unrealized losses on investments of \$47.2 million, compared to \$26.3 million in the prior year. For the year ended March 31, 2025, the total net realized and unrealized losses on investments reflected net realized and unrealized gains on equity of \$28.4 million, net realized and unrealized losses on debt of \$69.0 million and realized and unrealized income tax provision of \$6.6 million. The net increase in net assets resulting from operations was \$70.5 million, compared to \$83.4 million in the prior year.

The Company's NAV at March 31, 2025 was \$16.70, as compared to \$16.77 at March 31, 2024. The decrease in NAV per share from the prior year is primarily due to net realized and unrealized losses on investments, partially offset by the issuance of common stock at a premium to NAV per share through the Equity ATM Program (as described below).

Liquidity and Capital Resources

At March 31, 2025, Capital Southwest had approximately \$43.2 million in unrestricted cash and money market balances and \$341.2 million of unused capacity under the Corporate Credit Facility (as defined below) and the SPV Credit Facility (as defined below). The regulatory debt to equity ratio at the end of the quarter was 0.89 to 1.

As of March 31, 2025, Capital Southwest had the following borrowings outstanding:

- \$235.0 million of total debt outstanding on the Corporate Credit Facility
- \$108.0 million of total debt outstanding on the SPV Credit Facility
- \$148.8 million, net of unamortized debt issuance costs, of the 3.375% Notes due October 2026
- \$70.2 million, net of unamortized debt issuance costs, of the 7.75% Notes due August 2028
- \$223.1 million, net of amortized debt issuance costs, of the 5.125% convertible notes due November 2029

- \$170.9 million, net of unamortized debt issuance costs, of SBA Debentures (as defined below)

In August 2016, CSWC entered into a senior secured credit facility (the "Corporate Credit Facility") to provide additional liquidity to support its investment and operational activities. Borrowings under the Corporate Credit Facility accrue interest on a per annum basis at a rate equal to the applicable SOFR rate plus 2.15%. On August 2, 2023, CSWC entered into the Third Amended and Restated Senior Secured Revolving Credit Agreement (the "Credit Agreement") that (1) increased commitments under the Corporate Credit Facility from \$400 million to \$435 million; (2) added an uncommitted accordion feature that could increase the maximum commitments up to \$750 million; (3) extended the end of the Corporate Credit Facility's revolving period from August 9, 2025 to August 2, 2027 and extended the final maturity from August 9, 2026 to August 2, 2028; and (4) amended several financial covenants. On December 7, 2023, the Company entered into an Incremental Commitment and Assumption Agreement that increased the total commitments under the accordion feature of the Credit Agreement by \$25 million, which increased total commitments from \$435 million to \$460 million. The \$25 million increase was provided by one new lender, bringing the total bank syndicate to ten participants. On September 12, 2024, the Company entered into an Incremental Commitment and Assumption Agreement that increased the total commitments under the accordion feature of the Credit Agreement by \$25 million, which increased total commitments from \$460 million to \$485 million. The \$25 million increase was provided by one new lender, bringing the total bank syndicate to 11 participants. On April 9, 2025, the Company entered into Incremental Commitment and Assumption Agreements that increased the total commitments under the accordion feature of the Credit Agreement by \$25 million, which increased total commitments from \$485 million to \$510 million. The \$25 million increase was provided by two existing lenders.

Capital Southwest SPV LLC ("SPV") is a wholly owned special purpose vehicle that was formed to hold investments for the SPV Credit Facility (as defined below) to support our investment and operating activities. On March 20, 2024, SPV entered into a special purpose vehicle financing credit facility (the "SPV Credit Facility"). The SPV Credit Facility included an initial commitment of \$150 million. Pursuant to the terms of the loan agreement, on June 20, 2024, total commitments automatically increased from \$150 million to \$200 million. The SPV Credit Facility also includes an accordion feature that allows increases up to \$400 million of total commitments from new and existing lenders on the same terms and conditions as the existing commitments. Borrowings under the SPV Credit Facility bear interest at three-month Term SOFR plus 2.50% per annum during the revolving period ending on March 20, 2027 and three-month Term SOFR plus an applicable margin of 2.85% thereafter. SPV (i) paid unused commitment fees of 0.10% through April 20, 2024 and (ii) pays unused commitment fees of 0.35% thereafter, on the unused lender commitments under the SPV Credit Facility, in addition to other customary fees. Under the SPV Credit Facility, SPV also pays a utilization fee based on the amount of borrowings utilized. The SPV Credit Facility matures on March 20, 2029.

On November 4, 2024, the Company issued \$230.0 million in aggregate principal amount of 5.125% convertible notes due 2029 (the "2029 Convertible Notes"), including the underwriters' full exercise of their option to purchase an additional \$30.0 million in aggregate principal amount to cover over-allotments. The 2029 Convertible Notes bear interest at a rate of 5.125% per year, payable quarterly on February 15, May 15, August 15 and November 15 of each year. The 2029 Convertible Notes will mature on November 15, 2029, unless earlier converted, redeemed or repurchased. The conversion rate was initially 40.0000 shares of common stock per \$1,000 principal amount of 2029 Convertible Notes (equivalent to an initial conversion price of \$25.00 per share of common stock), subject to adjustment in some events.

On December 9, 2024, the Company redeemed \$140.0 million in aggregate principal amount of the issued and outstanding 4.50% notes due 2026 (the "January 2026 Notes") in full. The January 2026 Notes were redeemed at 100% of their principal amount, plus the accrued and unpaid interest thereon, through, but excluding the redemption date. Accordingly, the Company recognized a realized loss on extinguishment of debt, equal to the write-off of the related unamortized debt issuance costs, of \$0.4 million during the quarter ended December 31, 2024. There was no "make-whole" premium required to be paid in connection with the redemption.

The Company has an "at-the-market" offering (the "Equity ATM Program"), pursuant to which the Company may offer and sell, from time to time through sales agents, up to \$1 billion of shares of its common stock. During the quarter ended March 31, 2025, the Company sold 2,992,513 shares of its common stock under the Equity ATM Program at a weighted-average price of \$22.91 per share, raising \$68.6 million of gross proceeds. Net proceeds were \$67.5 million after commissions to the sales agents on shares sold. As of March 31, 2025, the Company has \$290.0 million available under the Equity ATM Program.

Our wholly owned subsidiaries, Capital Southwest SBIC I, LP ("SBIC I") and Capital Southwest SBIC II, LP ("SBIC II") and together with SBIC I, the "SBIC Subsidiaries"), received a license from the Small Business Administration (the "SBA") to operate as a Small Business Investment Company ("SBIC") under Section 301(c) of the Small Business

Investment Act of 1958, as amended, on April 20, 2021 and April 17, 2025, respectively. The SBIC licenses allow the SBIC Subsidiaries to obtain leverage by issuing SBA-guaranteed debentures ("SBA Debentures"), subject to the issuance of a leverage commitment by the SBA. SBA debentures are loans issued to an SBIC that have interest payable semi-annually and a ten-year maturity. The interest rate is fixed shortly after issuance at a market-driven spread over U.S. Treasury Notes with ten-year maturities. For two or more SBICs under common control, the maximum amount of outstanding SBA debentures cannot exceed \$350 million. As of March 31, 2025, SBIC I had a total leverage commitment from the SBA in the amount of \$175.0 million, all of which was drawn.

Share Repurchase Program

On July 28, 2021, the Company's Board of Directors (the "Board") approved a share repurchase program authorizing the Company to repurchase up to \$20 million of its outstanding shares of common stock in the open market at certain thresholds below its NAV per share, in accordance with guidelines specified in Rules 10b5-1(c)(1)(i)(B) and 10b-18 under the Securities Exchange Act of 1934, as amended. On August 31, 2021, the Company entered into a share repurchase agreement, which became effective immediately, and the Company will cease purchasing its common stock under the share repurchase program upon the earlier of, among other things: (1) the date on which the aggregate purchase price for all shares equals \$20 million including, without limitation, all applicable fees, costs and expenses; or (2) upon written notice by the Company to the broker that the share repurchase agreement is terminated. During the quarter ended March 31, 2025, the Company did not repurchase any shares of the Company's common stock under the share repurchase program.

Regular Dividend of \$0.58 Per Share and Supplemental Dividend of \$0.06 Per Share for Quarter Ended June 30, 2025

On April 25, 2025, the Board declared a total dividend of \$0.64 per share for the quarter ending June 30, 2025, comprised of a Regular Dividend of \$0.58 per share and a Supplemental Dividend of \$0.06 per share.

The Company's dividend will be payable as follows:

Regular Dividend

Amount Per Share: \$0.58
Ex-Dividend Date: June 13, 2025
Record Date: June 13, 2025
Payment Date: June 30, 2025

Supplemental Dividend

Amount Per Share: \$0.06
Ex-Dividend Date: June 13, 2025
Record Date: June 13, 2025
Payment Date: June 30, 2025

When declaring dividends, the Board of Directors 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, Equiniti 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's common stock.

Fourth Quarter 2025 Earnings Results Conference Call and Webcast

Capital Southwest has scheduled a conference call on Thursday, May 15, 2025, at 11:00 a.m. Eastern Time to discuss the fourth quarter 2025 financial results. You may access the call by using the Investor Relations section of Capital Southwest's website at www.capitalsouthwest.com, or by using <http://edge.media-server.com/mmc/p/s389iru5>.

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's Form 10-K for the period ended March 31, 2025 to be filed with the Securities and Exchange Commission (the "SEC") and Capital Southwest's Fourth Fiscal Quarter 2025 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 \$1.8 billion in investments at fair value as of March 31, 2025. Capital Southwest is a middle market lending firm focused on supporting the acquisition and growth of middle market businesses with \$5 million to \$50 million investments across the capital structure, including first lien, second lien 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, including, but not limited to, the statements about Capital Southwest's future performance and financial performance and financial condition, and the timing, form and amount of any distributions or supplemental dividends in the future. 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; changes in the interest rate environment and its impact on our business and our portfolio companies; regulatory changes; tax treatment; our ability to operate the SBIC Subsidiaries as small business investment companies; the uncertainty associated with the imposition of tariffs and trade barriers and changes in trade policy and its impact on our portfolio companies and our financial condition; an economic downturn and its impact on the ability of our portfolio companies to operate and the investment opportunities available to us; the impact of supply chain constraints on our portfolio companies; and the elevated levels of inflation and its impact on our portfolio companies and the industries in which we invests.

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, 2025 and any subsequent filings with the SEC, including the "Risk Factors" sections therein, 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, President and Chief Executive Officer
214-884-3829

(1) Adjusted pre-tax net investment income is a non-GAAP measure. This non-GAAP measure is included to supplement the Company's financial information presented in accordance with GAAP and because the Company believes such measure is a useful indicator of operations and enhances investors' ability to analyze trends in the Company's business exclusive of a tax provision and the one-time net expenses related to the departure of Capital Southwest's former President and Chief Executive Officer. However, the non-GAAP measure has limitations and should not be considered in isolation or as a substitute for analysis of the Company's financial results as reported under GAAP.

Non-GAAP measures are not in accordance with, or an alternative to, measures prepared in accordance with GAAP and may be different from non-GAAP measures used by other companies. In addition, non-GAAP measures are not based on

any comprehensive set of accounting rules or principles. This measure should only be used to evaluate the Company's results of operations in conjunction with its corresponding GAAP measure. Pursuant to the requirements of Item 10(e) of Regulation S-K, as promulgated under the Securities Exchange Act of 1934, as amended, the Company has provided a reconciliation of these non-GAAP measures in the above disclosure.

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

	March 31, 2025 (Unaudited)	March 31, 2024
Assets		
Investments at fair value:		
Non-control/Non-affiliate investments (Cost: \$1,403,623 and \$1,276,690, respectively)	\$ 1,436,316	\$ 1,286,355
Affiliate investments (Cost: \$304,824 and \$200,013, respectively)	292,891	190,206
Control investments (Cost: \$70,913 and \$0, respectively)	56,092	—
Total investments (Cost: \$1,779,360 and \$1,476,703, respectively)	1,785,299	1,476,561
Cash and cash equivalents	43,221	32,273
Restricted cash	1,650	—
Receivables:		
Dividends and interest	30,303	22,928
Escrow	1,926	16
Other	2,018	7,276
Income tax receivable	94	336
Debt issuance costs (net of accumulated amortization of \$10,357 and \$7,741, respectively)	9,266	10,928
Other assets	9,063	6,440
Total assets	<u>\$ 1,882,840</u>	<u>\$ 1,556,758</u>
Liabilities		
SBA Debentures (net of \$4,082 and \$4,305, respectively, of unamortized debt issuance costs)	\$ 170,918	\$ 148,695
January 2026 Notes (net of \$0 and \$612, respectively, of unamortized debt issuance costs)	—	139,388
October 2026 Notes (net of \$1,154 and \$1,923, respectively, of unamortized debt issuance costs)	148,846	148,077
August 2028 Notes (net of \$1,681 and \$2,182, respectively, of unamortized debt issuance costs)	70,194	69,693
2029 Convertible Notes (net of \$6,893 and \$0, respectively, of unamortized debt issuance costs)	223,107	—
Credit Facilities	343,000	265,000
Other liabilities	23,038	17,381
Accrued restoration plan liability	555	570
Income tax payable	2,769	281
Deferred tax liability	16,780	11,997
Total liabilities	<u>999,207</u>	<u>801,082</u>
Commitments and contingencies (Note 12)		
Net Assets		
Common stock, \$0.25 par value: authorized, 75,000,000 shares at March 31, 2025 and March 31, 2024; issued, 52,912,796 shares at March 31, 2025 and 45,050,759 shares at March 31, 2024	13,228	11,263
Additional paid-in capital	959,123	796,945
Total distributable (loss) earnings	(88,718)	(52,532)
Total net assets	883,633	755,676
Total liabilities and net assets	<u>\$ 1,882,840</u>	<u>\$ 1,556,758</u>
Net asset value per share (52,912,796 shares outstanding at March 31, 2025 and 45,050,759 shares outstanding at March 31, 2024)	<u>\$ 16.70</u>	<u>\$ 16.77</u>

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

	Years Ended		
	2025	2024	2023
	March 31,		
	(Unaudited)		
Investment income:			
Interest income:			
Non-control/Non-affiliate investments	\$ 152,952	\$ 133,329	\$ 87,982
Affiliate investments	20,015	17,209	11,658
Control investments	1,226	—	—
Payment-in-kind interest income:			
Non-control/Non-affiliate investments	9,819	7,737	2,382
Affiliate investments	2,214	2,471	3,060
Control investments	644	—	—
Dividend income:			
Non-control/Non-affiliate investments	4,125	3,533	1,824
Affiliate investments	421	230	141
Control investments	—	7,983	7,337
Fee income:			
Non-control/Non-affiliate investments	8,340	4,257	4,057
Affiliate investments	2,179	759	638
Control investments	135	82	100
Other income	2,369	545	121
Total investment income	<u>204,439</u>	<u>178,135</u>	<u>119,300</u>
Operating expenses:			
Compensation	11,143	10,631	9,870
Share-based compensation	6,963	4,518	3,705
Interest	54,959	43,088	28,873
Professional fees	4,685	3,705	3,180
General and administrative	6,242	5,244	4,632
Total operating expenses	<u>83,992</u>	<u>67,186</u>	<u>50,260</u>
Income before taxes	120,447	110,949	69,040
Federal income, excise and other taxes	1,424	1,135	630
Deferred taxes	841	(191)	(301)
Total income tax provision	<u>2,265</u>	<u>944</u>	<u>329</u>
Net investment income	<u>\$ 118,182</u>	<u>\$ 110,005</u>	<u>\$ 68,711</u>
Realized (loss) gain			
Non-control/Non-affiliate investments	\$ (46,722)	\$ (18,062)	\$ (5,872)
Affiliate investments	273	(6,500)	(11,027)
Control investments	(260)	(15,047)	—
Income tax (provision) benefit	(2,941)	(286)	(130)
Total net realized (loss) gain on investments, net of tax	<u>(49,650)</u>	<u>(39,895)</u>	<u>(17,029)</u>
Net unrealized appreciation (depreciation) on investments			
Non-control/Non-affiliate investments	916	1,584	(6,942)
Affiliate investments	6,354	(6,688)	6,014
Control investments	(1,188)	18,727	(11,147)
Income tax (provision) benefit	(3,659)	17	(6,514)
Total net unrealized appreciation (depreciation) on investments, net of tax	<u>2,423</u>	<u>13,640</u>	<u>(18,589)</u>
Net realized and unrealized (losses) gains on investments	<u>(47,227)</u>	<u>(26,255)</u>	<u>(35,618)</u>
Realized loss on extinguishment of debt	<u>(387)</u>	<u>(361)</u>	<u>—</u>
Realized loss on disposal of fixed assets	<u>(20)</u>	<u>—</u>	<u>—</u>
Net increase in net assets from operations	<u>\$ 70,548</u>	<u>\$ 83,389</u>	<u>\$ 33,093</u>
Pre-tax net investment income per share - basic	<u>\$ 2.50</u>	<u>\$ 2.72</u>	<u>\$ 2.30</u>
Net investment income per share - basic	<u>\$ 2.46</u>	<u>\$ 2.70</u>	<u>\$ 2.29</u>
Net increase in net assets from operations - basic	<u>\$ 1.47</u>	<u>\$ 2.05</u>	<u>\$ 1.10</u>
Net increase in net assets from operations - diluted	<u>\$ 1.47</u>	<u>\$ 2.05</u>	<u>\$ 1.10</u>
Weighted average common shares outstanding - basic	<u>47,448,093</u>	<u>40,727,133</u>	<u>30,015,533</u>
Weighted average common shares outstanding - diluted	<u>51,187,714</u>	<u>40,727,133</u>	<u>30,015,533</u>



Capital Southwest Corporation

Q4 2025 Earnings Presentation

May 15, 2025

8333 Douglas Avenue, Suite 1100 | Dallas, Texas 75225 | 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.
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- 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.
- Capital Southwest has filed a registration statement (which contains the prospectus) with the SEC for any offering to which this communication may relate and may file one or more prospectus supplements to the prospectus in the future. Before you invest in any of Capital Southwest's securities, you should read the registration statement and the applicable prospectus and prospectus supplement(s), including the information incorporated by reference therein, in order to fully understand all of the implications and risks of an offering of Capital Southwest's securities. You should also read other documents Capital Southwest has filed with the SEC for more complete information about Capital Southwest and any offering of its securities. You may get these documents for free by visiting EDGAR on the SEC's website at www.sec.gov. Alternatively, Capital Southwest will arrange to send you any applicable prospectus and prospectus supplement(s) if you request such materials by calling us at (214) 238-5700. These materials are also made available, free of charge, on our website at www.capitalsouthwest.com. Information contained on our website is not incorporated by reference into this communication.

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.
- These risks include risks related to: changes in the markets in which Capital Southwest invests; changes in the financial, capital, and lending markets; changes in the interest rate environment and its impact on our business and our portfolio companies; the impact of supply chain constraints on our portfolio companies; elevated levels of inflation and its impact on Capital Southwest's portfolio companies and the industries in which it invests; regulatory changes; tax treatment and general economic and business conditions; our ability to operate our wholly owned subsidiaries, Capital Southwest SBIC I, LP and Capital Southwest SBIC II, LP, as small business investment companies ("SBIC"); the uncertainty associated with the imposition of tariffs and trade barriers and changes in trade policy and its impact on our portfolio companies and our financial condition; and an economic downturn and its impact on the ability of our portfolio companies to operate and the investment opportunities available to us.
- 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, 2025 and its subsequent filings with the SEC. 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.

CSWC Senior Management



Michael S. Sarner
President and Chief Executive Officer

- Joined Capital Southwest in June 2015
- Former SVP Treasurer at American Capital
- 30+ years of financial, treasury and BDC experience
- BA – James Madison | MBA – George Washington University
- Certified Public Accountant



Chris T. Rehberger
Chief Financial Officer, Treasurer and Secretary

- Joined Capital Southwest in September 2015
- Former VP at American Capital
- 20+ years of BDC experience
- BS – University of Virginia | MBA – University of Virginia



Josh S. Weinstein
Senior Managing Director and Chief Investment Officer

- Joined Capital Southwest in June 2015
- Former Principal at H.I.G. WhiteHorse
- 20+ years of investment experience in middle market debt and equity
- BA – Columbia University | MBA – University of Southern California
- Chartered Financial Analyst



Ryan P. Kelly
Managing Director and Investment Committee Member

- Joined Capital Southwest in August 2010
- Previous experience at Houlihan Lokey
- 15+ years of BDC experience
- BBA – University of Texas



Tabitha D. Geiger
Chief Compliance Officer

- Joined Capital Southwest in April 2024
- Former Senior MD at IQ-EQ
- 8+ years of compliance experience
- BASc – Texas A&M University | JD – South Texas College

Conference Call Participants

Michael S. Sarner
President and Chief Executive Officer

Chris T. Rehberger
Chief Financial Officer, Treasurer and Secretary

Josh S. Weinstein
Senior Managing Director and Chief Investment Officer

Amy L. Baker
Executive Vice President Accounting

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 7.75% Notes due 2028 ("CSWCZ")
- Internally Managed BDC with RIC tax treatment for U.S. federal income tax purposes
- 30 employees based in Dallas, Texas
- Total Balance Sheet Assets of \$1.9 B as of March 31, 2025
- Operate Capital Southwest SBIC I, LP and Capital Southwest SBIC II, LP as wholly-owned subsidiaries
- Maintain investment grade issuer ratings of Baa3 from Moody's and BBB- from Fitch

Lower Middle Market Credit Strategy

CSWC leads financing transactions, primarily backing private equity firms that generally fit the following parameters

- Flexible financing solutions to fund growth, changes of control, or other corporate events
- Investments are diverse among industries, geographic regions, and end markets
- Companies with EBITDA between \$3 MM and \$25 MM
- Typical leverage of 2.5x – 4.5x Debt to EBITDA through CSWC debt position and Loan-to-Value of 25% - 50%
- Investments generally range in size from \$5 MM to \$50 MM
- Both sponsored and non-sponsored deals
- Floating rate first lien debt securities
- Frequently make equity co-investments alongside CSWC debt

Fiscal Year 2025 Highlights

Financial Highlights

- Investments at Fair Value of \$1.8 B compared to \$1.5 B in prior year, an increase of 21%
 - Committed Investment Originations of \$665.4 MM for Fiscal Year 2025
- Investment Revenue of \$204.4 MM compared to \$178.1 MM, an increase of 15%
- Paid Regular Dividends of \$2.31 compared to \$2.24 in prior year, an increase of 3%
- Strengthened Balance Sheet through variety of capital raising activities
 - Raised \$181.1 MM in gross equity proceeds through Equity ATM Program at a weighted average price of \$23.54, or 142% of the prevailing NAV per share
 - Issued \$230.0 MM in aggregate principal of 5.125% Convertible Notes due 2029, with an initial conversion price of \$25.00 per share of common stock
 - Increased total commitments on existing SPV Credit Facility to \$200 MM from \$150 MM
 - Increased total commitments on existing Corporate Credit Facility to \$485 MM from \$460 MM
 - Redeemed in full \$140.0 MM January 2026 Notes, with no "make-whole" premium required on the redemption
- Moody's and Fitch BBB- corporate ratings affirmed
 - Fitch upgraded CSWC's Secured Debt rating to BBB from BBB-

Q4 2025 Highlights

Financial Highlights

- Q4 2025 Pre-Tax Net Investment Income ("NII") of \$28.5 MM or \$0.56 per share
 - Adjusted Pre-Tax NII of \$0.61 per share, excluding one-time net expenses of \$2.8 million, or \$0.05 per share, related to the departure of the former President and Chief Executive Officer⁽¹⁾
- Declared Regular Dividend of \$0.58 per share for the quarter ending June 30, 2025
 - In addition, declared Supplemental Dividend of \$0.06 per share for the quarter ending June 30, 2025
- Investment Portfolio at Fair Value of approximately \$1.8 B
- Net Asset Value per share of \$16.70 as of March 31, 2025
- Raised \$68.6 MM in gross proceeds through Equity ATM Program during the quarter
 - Sold shares at weighted-average price of \$22.91 per share, or 138% of the prevailing NAV per share
- Regulatory Debt to Equity ended at 0.89x for the quarter
- \$341 MM of total availability under credit facilities and \$43 MM in cash and cash equivalents as of quarter end
 - Post quarter-end, increased total commitments on existing Corporate Credit Facility to \$510 MM from \$485 MM
- Received second SBIC license from the SBA in April 2025

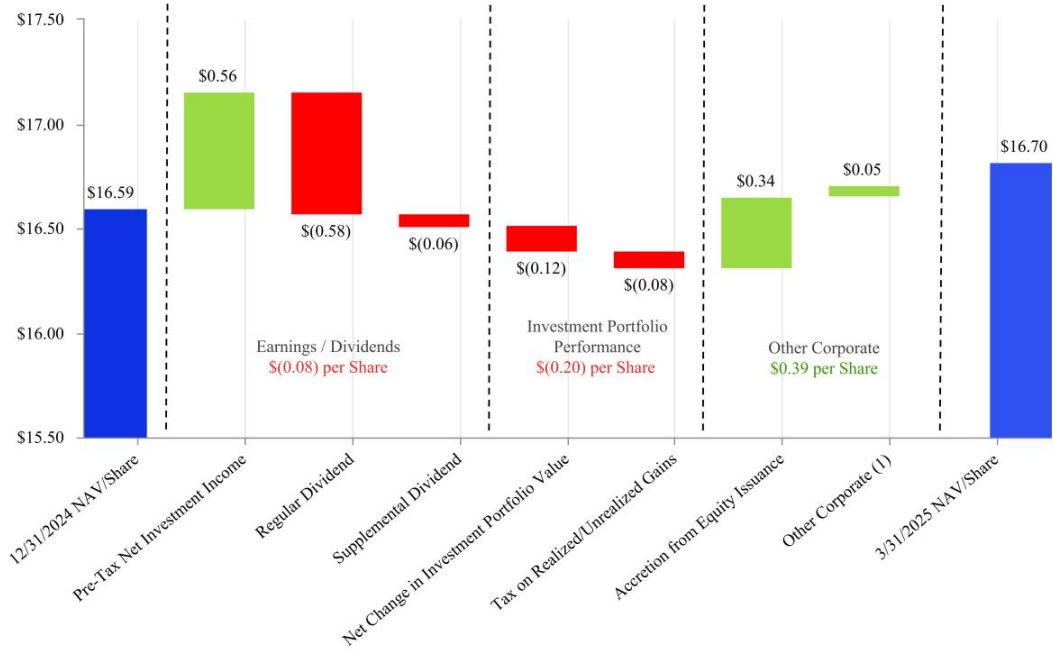
(1) Adjusted pre-tax NII is a non-GAAP measure included to supplement the Company's financial information presented in accordance with GAAP. Non-GAAP measures have limitations and should not be considered in isolation or as a substitute for analysis of the Company's financial results as reported under GAAP. This measure should only be used to evaluate the Company's results of operations in conjunction with its corresponding GAAP measure. The Company has provided a reconciliation of these non-GAAP measures in the above disclosure.

Q4 2025 Investment Activity

Investment Activity Highlights

- During the quarter, CSWC originated \$149.9 MM in total new committed investments (\$124.4 MM funded at close) to four new portfolio companies and fifteen existing portfolio companies
 - New committed investments consisted of \$146.1 MM of first lien debt and \$3.8 MM of equity
 - Weighted average spread on new debt commitments was 6.90%
- During the quarter, CSWC exited nine portfolio investments generating proceeds of \$40.6 MM and net realized gains of \$5.1 MM
 - Total proceeds were comprised of \$24.6 MM from debt investments and \$16.0 MM from equity investments
- In the last 12 months, CSWC originated \$665.4 MM in total new committed investments and generated \$189.7 MM in proceeds from portfolio investment exits
- Cumulative weighted average IRR of 13.2% on 96 portfolio company exits, generating \$1.1 B in proceeds since launch of credit strategy in January 2015

NAV per Share Bridge for Quarter Ended 3/31/25



(1) Other Corporate primarily consists of share based compensation expense of \$0.05.

CSWC Investment Portfolio Composition

Maintaining appropriate portfolio leverage while receiving attractive risk-adjusted returns

Investment Portfolio - Statistics		
(in \$000's)	12/31/2024	3/31/2025
	Total CSWC Portfolio	Total CSWC Portfolio
Number of Portfolio Companies	125	121
Total Cost	\$1,713,282	\$1,779,360
Total Fair Value	\$1,701,286	\$1,785,299
Average Hold Size Debt Investments (at Fair Value)	\$13,897	\$15,150
Average Hold Size Equity Investments (at Fair Value)	\$2,062	\$2,271
% First Lien Investments (at Fair Value)	89.1%	88.9%
% Second Lien Investments (at Fair Value)	1.5%	1.0%
% Subordinated Debt Investments (at Fair Value)	0.1%	0.1%
% Equity (at Fair Value) ⁽¹⁾	9.3%	10.0%
Wtd. Avg. Yield on Debt Investments ⁽²⁾	12.1%	11.7%
Wtd. Avg. Yield on Total Investments ⁽³⁾	12.1%	11.5%
Wtd. Avg. EBITDA of Issuer (\$MM's) ⁽⁴⁾	\$20.0	\$18.5
Wtd. Avg. Leverage through CSWC Security ⁽⁵⁾	3.6x	3.5x

(1) At March 31, 2025 and December 31, 2024, we had equity ownership in approximately 65% and 62%, respectively, of our 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 March 31, 2025, including accretion of original issue discount but excluding fees payable upon repayment of the debt instruments

(3) The weighted average annual effective yields on total investments were calculated by dividing total investment income, exclusive of non-recurring fees, by average total investments at fair value

(4) Includes CSWC debt investments only. Weighted average EBITDA metric is calculated using investment cost basis weighting. For the quarters ended March 31, 2025 and December 31, 2024, twelve portfolio companies and fourteen portfolio companies, respectively, are excluded from this calculation due to a reported debt to adjusted EBITDA ratio that was not meaningful.

(5) 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. For the quarters ended March 31, 2025 and December 31, 2024, twelve portfolio companies and fourteen portfolio companies, respectively, are excluded from this calculation due to a reported debt to adjusted EBITDA ratio that was not meaningful.

Quarter-over-Quarter Investment Rating Migration

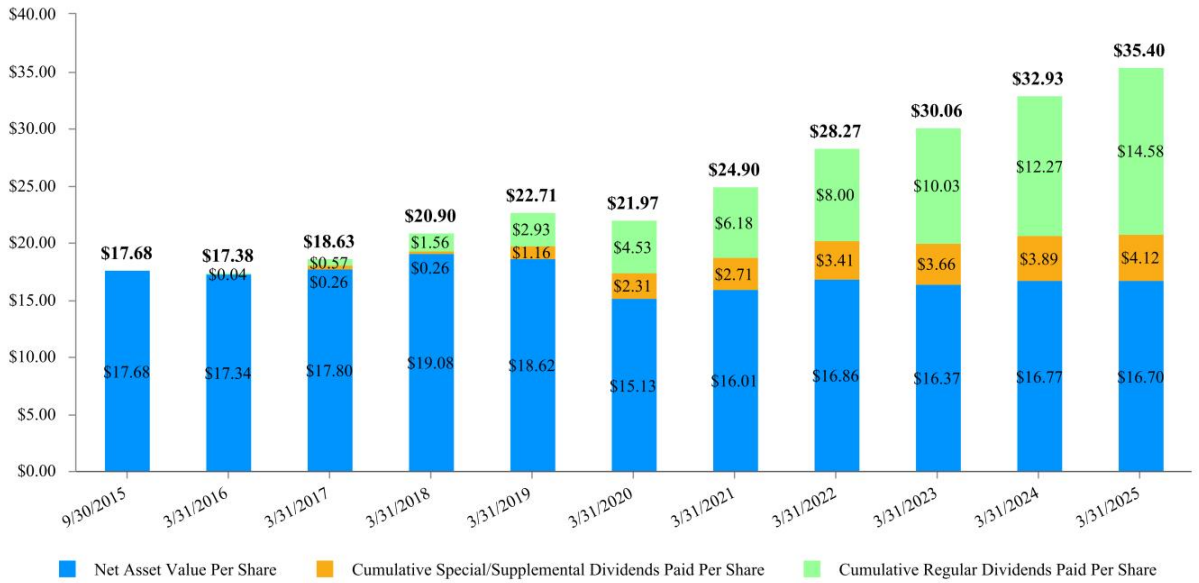
Over 95% of all debt investments are currently rated a "1" or "2" as credit portfolio continues to demonstrate solid performance

Investment Rating	12/31/2024			Investment Rating Upgrades			Investment Rating Downgrades			3/31/2025		
	# of Loans	Fair Value (\$MM)	% of Portfolio (FV)	# of Loans	Fair Value (\$MM)	% of Portfolio (FV)	# of Loans	Fair Value (\$MM)	% of Portfolio (FV)	# of Loans	Fair Value (\$MM)	% of Portfolio (FV)
1	36	\$414.0	26.8%	—	\$—	—%	—	\$—	—%	34	\$401.0	25.0%
2	113	\$1,047.9	67.9%	1	\$5.9	0.4%	—	\$—	—%	118	\$1,128.4	70.3%
3	10	\$78.7	5.1%	1	\$5.0	0.3%	3	\$22.0	1.4%	12	\$76.5	4.8%
4	2	\$2.0	0.1%	—	\$—	—%	1	\$0.0	0.0%	2	\$0.0	0.0%

Note: We utilize an internally developed investment rating system to rate the performance and monitor the expected level of returns for each debt investment in our portfolio. The investment rating system takes into account both quantitative and qualitative factors of the portfolio company and the investments held therein. Investment Ratings range from a rating of 1, which represents the least amount of risk in our portfolio, to 4, which indicates that the investment is performing materially below underwriting expectations.

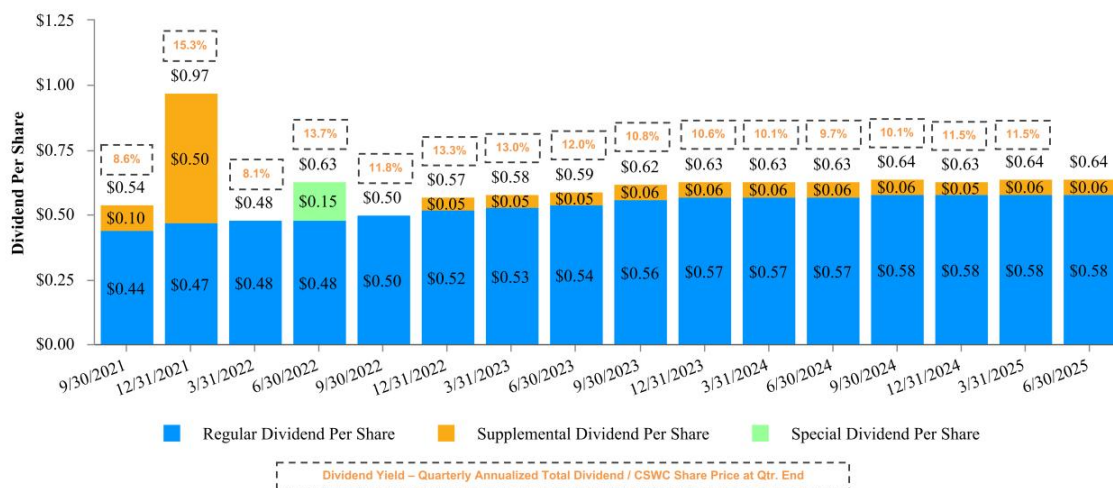
History of Value Creation

Total Value (Net Asset Value + Cumulative Dividends Paid) Increase from Credit Strategy of \$17.72 per share through 3/31/2025



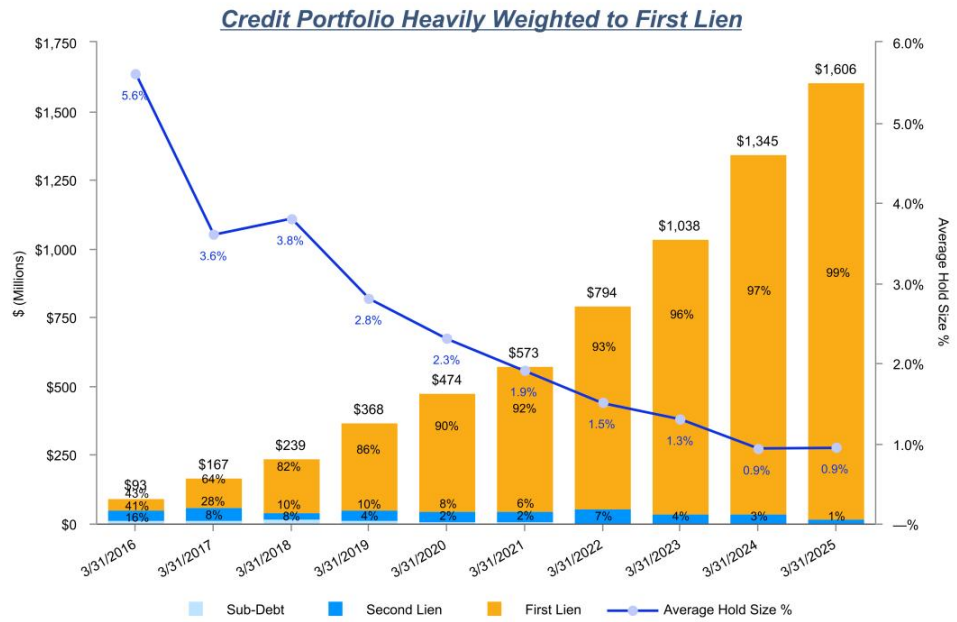
Track Record of Consistent Dividends Continues

- In the last twelve months ended 3/31/2025, CSWC generated \$2.53 per share in Pre-Tax NII and paid out \$2.31 per share in Regular Dividends
 - LTM Pre-Tax NII Regular Dividend Coverage of 110%
- Cumulative Pre-Tax NII Regular Dividend Coverage of 110% since launch of credit strategy in 2015
- Total of \$4.18 per share Special and Supplemental Dividends declared since launch of credit strategy in 2015
- Estimated Undistributed Taxable Income ("UTI") of \$0.79 per share as of March 31, 2025



Granular Credit Portfolio Heavily Weighted Towards First Lien Investments

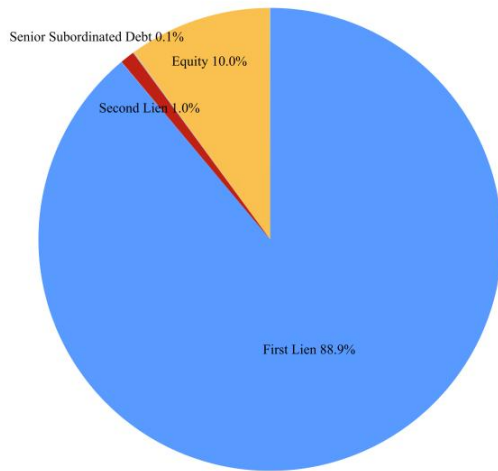
99% of credit portfolio in first lien senior secured loans with an average investment hold size of 0.9% as of 3/31/2025



CSWC Portfolio Mix as of March 31, 2025 at Fair Value

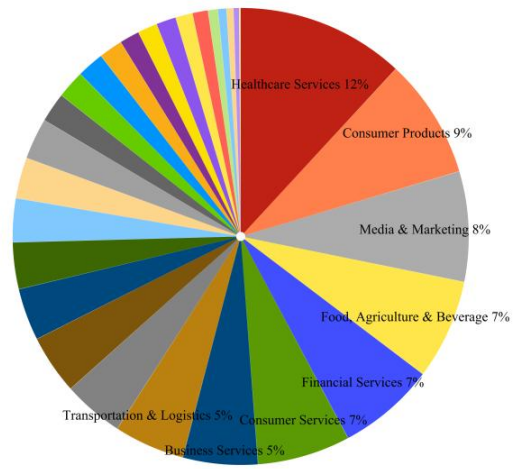
Current Investment Portfolio of approximately \$1.8 B continues to be heavily weighted towards first lien investments and diverse across industries

Current Investment Portfolio (By Type)



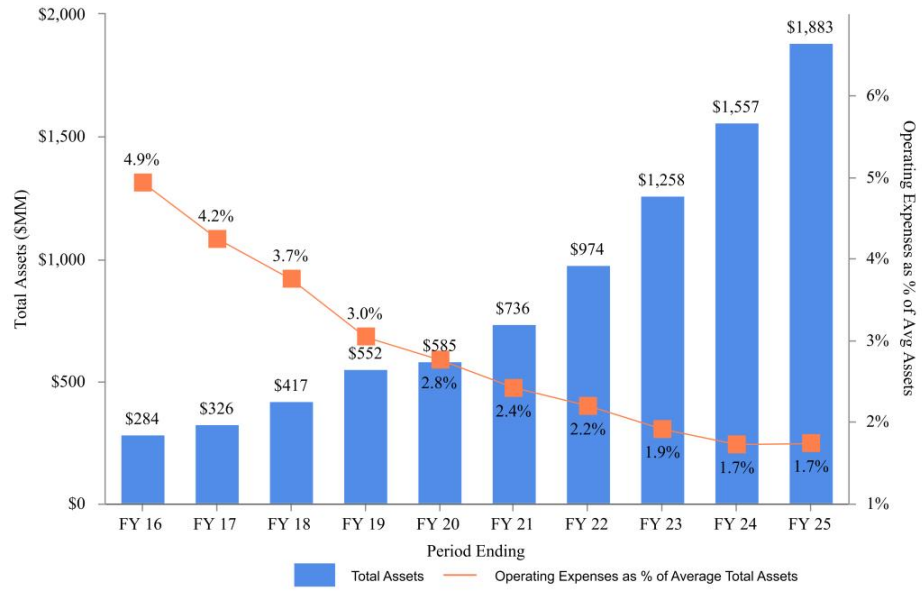
Note: Equity represents equity co-investments across 79 portfolio companies.

Current Investment Portfolio (By Industry)



Operating Leverage Trend

Driving exceptional Operating Leverage through benefits of internally-managed structure



Note: Operating Leverage calculated as last twelve months operating expenses (excluding interest expense) divided by average annual assets

Significant Unused Debt Capacity with Long-Term Duration

Earliest debt maturity occurs in October 2026

Facility	Total Commitments	Interest Rate	Maturity	Principal Drawn	Undrawn Commitment
October 2026 Notes ⁽¹⁾	\$150.0 MM	3.375%	October 2026	\$150.0 MM	N/A
Corporate Credit Facility	\$485.0 MM	Term SOFR + 2.15%	August 2028	\$235.0 MM	\$249.1 MM ⁽²⁾
August 2028 Notes ⁽³⁾	\$71.9 MM	7.75%	August 2028	\$71.9 MM	N/A
SPV Credit Facility	\$200.0 MM	Term SOFR + 2.50%	March 2029	\$108.0 MM	\$92.0 MM
2029 Convertible Notes ⁽⁴⁾	\$230.0 MM	5.125%	November 2029	\$230.0 MM	N/A
SBA Debentures	\$175.0 MM	4.42% ⁽⁵⁾	September 2031 ⁽⁶⁾	\$175.0 MM	\$0.0 MM

Long-Term Debt Obligations (Calendar Year)



(1) Redeemable in whole or in part at any time prior to July 1, 2026, at par plus a "make whole" premium, and thereafter at par

(2) Net of \$0.9 MM in letters of credit outstanding

(3) Redeemable in whole or in part at Capital Southwest's option on or after August 1, 2025

(4) Redeemable in whole or in part at Capital Southwest's option on or after November 20, 2027 or before the 45th scheduled trading day immediately prior to the maturity date if the price of CSWC common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period

(5) Weighted average interest rate of all SBA Debentures for the three months ended March 31, 2025

(6) First SBA Debentures mature on September 1, 2031

Balance Sheet

<i>(In Thousands, except per share amounts)</i>	Quarter Ended 6/30/2024	Quarter Ended 9/30/2024	Quarter Ended 12/31/2024	Quarter Ended 3/31/2025
Assets				
Portfolio Investments	\$1,468,126	\$1,508,507	\$1,701,286	\$1,785,299
Cash & Cash Equivalents	33,299	47,237	36,013	43,221
Restricted Cash	—	—	—	1,650
Other Assets	42,607	48,754	51,766	52,670
Total Assets	\$1,544,032	\$1,604,498	\$1,789,065	\$1,882,840
Liabilities				
SBA Debentures	\$148,880	\$149,064	\$170,721	\$170,918
January 2026 Notes	139,472	139,557	—	—
October 2026 Notes	148,269	148,462	148,654	148,846
August 2028 Notes	69,820	69,948	70,075	70,194
2029 Convertible Notes	—	—	222,744	223,107
Credit Facilities	229,000	278,000	308,000	343,000
Other Liabilities	31,260	28,209	38,429	43,142
Total Liabilities	\$766,701	\$813,240	\$958,623	\$999,207
Shareholders Equity				
Net Asset Value	\$777,331	\$791,258	\$830,442	\$883,633
Net Asset Value per Share	\$16.60	\$16.59	\$16.59	\$16.70
Regulatory Debt to Equity	0.75x	0.80x	0.90x	0.89x

Income Statement

<i>(In Thousands, except per share amounts)</i>	Quarter Ended 6/30/2024	Quarter Ended 9/30/2024	Quarter Ended 12/31/2024	Quarter Ended 3/31/2025
Investment Income				
Interest Income	\$42,987	\$43,698	\$42,889	\$44,619
PIK Interest Income	3,051	2,398	3,246	3,982
Dividend Income	2,418	572	586	970
Fees and Other Income	2,898	2,038	5,252	2,835
Total Investment Income	\$51,354	\$48,706	\$51,973	\$52,406
Expenses				
Cash Compensation	\$3,466	\$1,990	\$2,388	\$3,299
Share Based Compensation	1,224	1,538	1,544	2,657
General & Administrative	2,931	2,577	2,641	2,778
Total Expenses (excluding Interest)	\$7,621	\$6,105	\$6,573	\$8,734
Interest Expense	\$12,447	\$12,587	\$14,717	\$15,208
Pre-Tax Net Investment Income	\$31,286	\$30,014	\$30,683	\$28,464
Income Tax (Expense) / Benefit	(2,427)	1,151	(367)	(622)
Net Investment Income	\$28,859	\$31,165	\$30,316	\$27,842
Net Realized and Unrealized Losses	\$(14,824)	\$(8,481)	\$(14,048)	\$(10,281)
Net increase in Net Assets Resulting from Operations	\$14,035	\$22,684	\$16,268	\$17,561
Weighted Average Basic Shares Outstanding	45,665	47,243	48,315	50,654
Pre-Tax NII Per Basic Weighted Average Share	\$0.69	\$0.64	\$0.64	\$0.56
NII per Basic Weighted Average Share	\$0.63	\$0.66	\$0.63	\$0.55
Net Increase in Net Assets Per Basic Wtd. Average Share	\$0.31	\$0.48	\$0.34	\$0.34

Note: For the quarter ended 3/31/2025, Total Expenses include one-time net expenses of \$2.8 million, or \$0.05 per share, related to the departure of the former President and Chief Executive Officer

Portfolio Statistics

Continuing to build a well performing credit portfolio

<i>(In Thousands)</i>	Quarter Ended 6/30/2024	Quarter Ended 9/30/2024	Quarter Ended 12/31/2024	Quarter Ended 3/31/2025
Portfolio Statistics				
Fair Value of Debt Investments	\$1,335,279	\$1,374,041	\$1,542,524	\$1,605,906
Average Debt Investment Hold Size	\$12,717	\$13,086	\$13,897	\$14,870
Fair Value of Debt Investments as a % of Par	95%	95%	95%	96%
% of Investment Portfolio on Non-Accrual at Fair Value	1.9%	3.5%	2.7%	1.7%
Weighted Average Yield on Debt Investments	13.26%	12.87%	12.08%	11.68%
Fair Value of All Portfolio Investments	\$1,468,126	\$1,508,507	\$1,701,286	\$1,785,299
Weighted Average Yield on all Portfolio Investments	13.49%	12.73%	12.06%	11.50%
Investment Mix (Debt vs. Equity) at Fair Value	91% / 9%	91% / 9%	91% / 9%	90% / 10%

Investment Income Detail

Constructing a portfolio of investments with recurring cash yield

(In Thousands)	Quarter Ended 6/30/2024	Quarter Ended 9/30/2024	Quarter Ended 12/31/2024	Quarter Ended 3/31/2025
Investment Income Breakdown				
Cash Interest	\$41,998	\$42,629	\$42,294	\$42,985
Cash Dividends	2,418	572	586	970
PIK Income	3,051	2,398	3,246	3,982
Amortization of Purchase Discounts and Fees	1,531	1,560	1,641	1,922
Management/Admin Fees	465	480	491	535
Fees & Other Income	1,891	1,067	3,715	2,013
Total Investment Income	\$51,354	\$48,706	\$51,973	\$52,407
Key Metrics				
Cash Income as a % of Investment Income ⁽¹⁾	94%	95%	94%	92%
% of Total Investment Income that is Recurring	94%	98%	92%	96%

(1) Includes Purchase Discounts and Fees previously received in cash

Key Financial Metrics

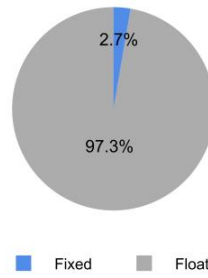
Strong Pre-Tax Net Investment Income and Dividend Yield driven by net portfolio growth and investment performance

	Quarter Ended 6/30/2024	Quarter Ended 9/30/2024	Quarter Ended 12/31/2024	Quarter Ended 3/31/2025
Key Financial Metrics				
Pre-Tax Net Investment Income Per Wtd Avg Basic Share	\$0.69	\$0.64	\$0.64	\$0.56
Pre-Tax Net Investment Income Return on Equity (ROE) ⁽¹⁾	16.34%	15.31%	15.31%	13.46%
Realized Earnings Per Wtd Avg Basic Share	\$0.65	\$0.44	\$0.35	\$0.01
Realized Earnings Return on Equity (ROE) ⁽¹⁾	15.45%	10.65%	8.55%	0.27%
Earnings Per Wtd Avg Basic Share	\$0.31	\$0.48	\$0.34	\$0.35
Earnings Return on Equity (ROE) ⁽¹⁾	7.33%	11.57%	8.12%	8.30%
Regular Dividends per Share	\$0.57	\$0.58	\$0.58	\$0.58
Supplemental / Special Dividends per Share	\$0.06	\$0.06	\$0.05	\$0.06
Total Dividends per Share	\$0.63	\$0.64	\$0.63	\$0.64

(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

Interest Rate Sensitivity

Fixed vs. Floating Credit Portfolio Exposure



Change in Base Interest Rates	Illustrative Annual NII Change (\$'s)	Illustrative Annual NII Change (\$ Per Share)
(200 bps)	(25,009,220)	(0.47)
(150 bps)	(18,789,993)	(0.36)
(100 bps)	(12,526,662)	(0.24)
(50 bps)	(6,263,331)	(0.12)
50 bps	6,263,331	0.12

Note: Illustrative change in annual NII does not adjust for potential changes in the credit market, credit quality, size and composition of the assets in the portfolio. It also does not adjust for other business developments, including future originations and repayments. Accordingly, no assurances can be given that actual results would not differ materially from the table above.

Corporate Information

Board of Directors
Inside Director Michael S. Sarner
Independent Directors David R. Brooks Christine S. Battist Jack D. Furst William R. Thomas Ramona Rogers-Windsor

Corporate Offices & Website
8333 Douglas Avenue Suite 1100 Dallas, TX 75225 http://www.capitalsouthwest.com

Senior Management
Michael S. Sarner <i>President & Chief Executive Officer</i>
Chris T. Rehberger <i>Chief Financial Officer, Secretary & Treasurer</i>
Josh S. Weinstein <i>Senior Managing Director & Chief Investment Officer</i>
Ryan P. Kelly <i>Managing Director & Investment Committee Member</i>
Tabitha D. Geiger <i>Chief Compliance Officer</i>

Investor Relations
Michael S. Sarner Capital Southwest 214-884-3829 msarner@capitalsouthwest.com

Fiscal Year End
March 31

Independent Auditor
RSM US LLP Chicago, IL

Corporate Counsel
Eversheds Sutherland (US) LLP

Transfer Agent
Equiniti Trust Company, LLC www.equiniti.com

Securities Listing
Nasdaq: "CSWC" (Common Stock) Nasdaq: "CSWCZ" (7.75% Notes due 2028)

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