

06-Aug-2025

Carlyle Secured Lending, Inc (CGBD)

Q2 2025 Earnings Call

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Analyst, Wells Fargo Securities LLC

Melissa Wedel

Analyst, JPMorgan Securities LLC

Robert Dodd

Analyst, Raymond James & Associates, Inc.

MANAGEMENT DISCUSSION SECTION

Operator: Thank you for standing by, and welcome to Carlyle Secured Lending's Second Quarter 2025 Earnings Conference Call. At this time, all participants are in a listen-only mode. After the speakers' presentation, there will be a question-and-answer session. [Operator Instructions]

I would now like to hand the call over to Nishil Mehta, Head of Investor Relations. Please go ahead.

Nishil Mehta

Managing Director, The Carlyle Group

Good morning, and welcome to Carlyle Secured Lending's conference call to discuss the earnings results for the second quarter of 2025. I'm joined by Justin Plouffe, our Chief Executive Officer; and Tom Hennigan, our Chief Financial Officer.

Last night, we filed our Form 10-Q and issued a press release with a presentation of our results, which are available on the Investor Relations section of our website. Following our remarks today, we will hold a question-and-answer session for analysts and institutional investors. This call is being webcast, and a replay will be available on our website.

Any forward-looking statements made today do not guarantee future performance and any undue reliance should not be placed on them. Today's conference call may include forward-looking statements reflecting our views with respect to, among other things, the expected synergies associated with the merger, the ability to realize the anticipated benefits of the merger and our future operating results and financial performance.

These statements are based on current management expectations and involve inherent risks and uncertainties, including those identified in the Risk Factors sections of our 10-K and 10-Qs. These risks and uncertainties could

cause actual results to differ materially from those indicated. CGBD assumes no obligation to update any forward-looking statements at any time.

During this conference call, the company may discuss certain non-GAAP measures as defined by SEC Regulation G, such as adjusted net investment income or adjusted NII. The company's management believes adjusted net investment income, adjusted net investment income per share, adjusted net income and adjusted net income per share are useful to investors as an additional tool to evaluate ongoing results and trends and to review our performance without giving effect to the amortization or accretion resulting from the new cost basis on the investments acquired and accounted for under the acquisition method of accounting in accordance with ASC 805 and the one-time purchase or non-recurring investment income and expense events, including the effects on incentive fees, and are used by management to value the economic earnings of the company.

A reconciliation of GAAP net investment income to most directly comparable GAAP financial measure to adjusted NII per share can be found in the accompanying slide presentation for this call. In addition, a reconciliation of these measures may also be found in our earnings release filed last night with the SEC on Form 8-K.

With that, I'll turn the call over to Justin, CGBD's Chief Executive Officer.

Justin V. Plouffe

Chief Executive Officer, President & Interested Director; Deputy Chief Investment Officer-Carlyle Global Credit Administration L.L.C., Carlyle Secured Lending, Inc

Thanks, Nishil. Good morning, everyone, and thank you all for joining. I'm Justin Plouffe, the CEO of Carlyle BDCs and Deputy CIO for Carlyle Global Credit. On today's call, I'll give an overview of our second quarter 2025 results, including the quarter's investment activity and portfolio positioning. I'll then hand the call over to our CFO, Tom Hennigan.

During the second quarter, CGBD benefited from growth in the overall portfolio, but was also impacted by historically tight market spreads. We generated \$0.39 per share of net investment income for the quarter on both a GAAP basis and after adjusting for asset acquisition accounting. Our board of directors declared a third quarter dividend of \$0.40 per share. Our net asset value as of June 30 was \$16.43 per share compared to \$16.63 per share as of March 31.

Despite muted sponsor M&A activity, Carlyle Direct Lending achieved a platform-wide deployment record with \$2 billion in originations closed during the quarter. At the CGBD level, we funded \$376 million of investments into new and existing borrowers, the highest level since our IPO in 2017, resulting in net investment activity of \$238 million after accounting for repayments. Total investments at CGBD increased from \$2.2 billion to \$2.3 billion during the quarter after adjusting for \$150 million of investments sold to MMCF, our joint venture.

Looking ahead, CGBD origination activity is expected to be somewhat slower in the third quarter due to the seasonal summer slowdown and delayed transaction time lines resulting from the market uncertainty that began in April. However, we see our pipeline rebuilding to a busier end of the year and remain optimistic for the fourth quarter. As trade policy evolves, we continue to monitor our portfolio for tariff exposure. In line with last quarter, we believe that less than 5% of the portfolio has material direct risk from tariffs.

Spreads in the private credit space remain at historically tight levels and, when combined with potential Fed rate cuts, may present a headwind to near-term earnings. Overall, we remain selective in our underwriting approach, seeking quality credits at the top of the capital structure.

We remain focused on overall credit performance and portfolio diversification while maintaining target leverage and growing the credit fund. As of June 30, our portfolio was comprised of 202 investments and 148 companies across more than 25 industries. The average exposure to any single portfolio company was less than 1% of total investments, and 94% of our investments were in senior secured loans.

The median EBITDA across our portfolio was \$92 million. As always, discipline and consistency drove performance in the second quarter. We expect these tenets to drive performance in future quarters.

With that, I'll now hand the call over to our CFO, Tom Hennigan.

Thomas M. Hennigan

Chief Financial Officer & Interested Director, Carlyle Secured Lending, Inc

Thank you, Justin. Today, I'll begin with an overview of our second quarter financial results, then I'll discuss portfolio performance before concluding with detail on our balance sheet position.

Total investment income for the second quarter was \$67 million, up significantly from prior quarter as a result of a higher investment portfolio balance attributable to the merger with CSL III, which closed at the end of Q1, and the purchase of Credit Fund II in mid-February. Total expenses of \$39 million also increased versus prior quarter, primarily as a result of higher interest expense from a higher average outstanding debt balance, along with higher management and incentive fees driven by growth in the size of the portfolio.

The result was net investment income for the second quarter of \$28 million or \$0.39 per share on both a GAAP basis and after adjusting for asset acquisition accounting, which excludes the amortization of the purchase price premium from the CSL III merger and the purchase price discount associated with the consolidation of Credit Fund II.

This quarter's earnings, which demonstrates the first full quarter of the combined CGBD and CSL III portfolios, decreased by about \$0.01 per share as we continue to work towards achieving our target leverage levels at both CGBD and the MMCF JV. As previewed last quarter, the earnings power of the combined portfolio remains in the same range as pre-combination Q1 CGBD earnings.

Our board of directors declared the dividend for the third quarter of 2025 at a level of \$0.40 per share, which is payable to stockholders of record as of the close of business on September 30. This dividend level represents an attractive yield of over 11% based on the recent share price. In addition, we currently estimate we have \$0.89 per share of spillover income generated over the last five years, so we feel comfortable in our ability to maintain the quarterly dividend.

On valuations, our total aggregate realized and unrealized net loss for the quarter was about \$14 million or \$0.19 per share, partially attributable to unrealized markdowns on select underperforming investments.

Turning to credit performance. We continue to see overall stability in credit quality across the portfolio with some underperformance in a handful of names. On the metrics, the risk rating distribution remained relatively stable with one name added to non-accrual during the quarter, increasing non-accruals to 2.1% of total investments at fair value.

At the beginning of July, we closed the successful restructuring of Maverick which, all else equal, decreases non-accruals to 1% of total investments at fair value on a pro forma basis. And while our non-accrual rates may

fluctuate from period to period, we're confident in our ability to leverage the broader Carlyle network to achieve maximum recoveries for underperforming borrowers.

Moving to our credit fund. As previewed last quarter, we've been focused on maximizing both asset growth and returns at the MMCF JV over the last few quarters. As you can see from our investment activity, we continue to bolster the asset base and we expect the MMCF JV dividend to achieve a run rate of mid-teens ROE. Separately, we continue to work on optimizing our non-qualifying asset capacity and anticipate using this flexibility going forward for other strategic partnerships.

I'll finish by touching on our financing facilities and leverage. In July, we closed a small upside to our primary revolving credit facility, increasing total commitments to \$960 million in total. At quarter end, statutory leverage was about 1.1 times, towards the midpoint of our target range, and given our current strong liquidity profile and targeted incremental sales to the MMCF JV, we're well positioned to benefit from the expected pickup in deal volume in future quarters.

With that, I'll turn the call back over to Justin.

Justin V. Plouffe

Chief Executive Officer, President & Interested Director; Deputy Chief Investment Officer-Carlyle Global Credit Administration L.L.C., Carlyle Secured Lending, Inc

Thanks, Tom. As we approach the middle of the third quarter, our portfolio remains resilient. We continue to focus on sourcing transactions with significant equity cushions, conservative leverage profiles and attractive spreads relative to market levels. Our pipeline of new originations is active. With a stable, high-quality portfolio, CGBD stockholders are benefiting from the continued execution of our strategy. As always, we remain committed to delivering a resilient, stable cash flow stream to our investors through consistent income and solid credit performance.

Finally, I'd like to conclude with some comments on our recently announced leadership addition. We are thrilled that Alex Chi will join Carlyle as Partner, Deputy Chief Investment Officer for Global Credit and Head of Direct Lending in early 2026. Alex will lead Carlyle's Direct Lending team and will work alongside Global Credit leadership to drive strategic decisions for Carlyle's Global Credit business and the Carlyle Direct Lending platform.

Alex joins Carlyle from Goldman Sachs, where he spent more than 30 years serving in a variety of roles, most recently as Co-Head of Private Credit within Goldman Sachs Asset Management and Co-Chief Executive Officer and Co-President of the Goldman Sachs BDC complex. With Alex's deep experience, proven leadership and strong industry relationships, we are confident he will help us further accelerate the growth of our Global Credit business, including CGBD.

I'd like to now hand the call over to the operator to take your questions. Thank you.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Our first question comes from the line of Erik Zwick of Lucid Capital Markets. Your line is open, Erik.

Erik Zwick

Analyst, Lucid Capital Markets LLC

Q

Thanks. Good morning. Thanks for taking my question this morning. Wanted to start with maybe just kind of a bigger picture question first and – with regard to kind of the tighter spread environment that you're currently operating in, not just you, but the entire sector. And curious from your seat, what's driven the tighter spreads over the past year or so? And what would it take to return to maybe a more normal relative to historical level environment? Or do you think this is something that is likely to persist for kind of the near to midterm?

Justin V. Plouffe

Chief Executive Officer, President & Interested Director; Deputy Chief Investment Officer-Carlyle Global Credit Administration L.L.C., Carlyle Secured Lending, Inc

A

Yeah. Erik, thanks for the question. Look, I think a couple of things. One, deal activity probably wasn't as robust in the first half as we hoped it would be across the market. Now we had a record deployment quarter for the second quarter. So we're taking more market share. But I think what we'd really like to see across the market is increased deal activity. And anecdotally, we're optimistic about that for the rest of the year and into 2026 just from what we hear in people's pipelines.

But I also think that part of this is the fact that in 2022 and 2023, spreads were probably wider than you would expect in a mature market. So I don't think that this is necessarily about spreads going back to that level, but more just having them normalize with a normal amount of deal activity with private equity sponsors entering the market in a more robust fashion in the second half of the year. And as I said, we're optimistic about that deal activity coming to the market in Q4 and in 2026. So I think there will be plenty of opportunities for us to invest.

Erik Zwick

Analyst, Lucid Capital Markets LLC

Q

I appreciate the commentary there. And just kind of following on the theme there with, you had a very strong quarter of originations in Q2 but still remain very optimistic. It sounds like the pipeline remains robust. So there's a lot of kind of broader market uncertainty or concern about the trajectory of the economy, but it sounds like based on what you're seeing, you're seeing more opportunities, finding deals that you're comfortable underwriting. So I guess from your seat, is there anything that gives you any pause or concern about the US economic environment going forward?

Justin V. Plouffe

Chief Executive Officer, President & Interested Director; Deputy Chief Investment Officer-Carlyle Global Credit Administration L.L.C., Carlyle Secured Lending, Inc

A

Yeah. Look, I think that certainty is what our markets like to see. And any sort of certainty that we get on things like tariff policy is a positive for our markets. But we're very happy with the companies we're investing in, right? As a BDC, of course, we'd like to see spreads be a little bit more in our favor. But the real key to our long-term performance is investing in great companies, and we've continued to be able to do that. We see great companies coming to market and we're very optimistic about our ability to continue to invest with great companies going forward.

Erik Zwick*Analyst, Lucid Capital Markets LLC*

Q

That's good to hear. And I think you addressed it in the prepared remarks, but I just wanted to make sure I heard it correctly. With respect to the unrealized losses that were kind of recorded in the quarter, that sounded like those are more company specific and not something broader. And if so, if you could just maybe add a little color to what developed at those particular companies that resulted in the unrealized marks.

Thomas M. Hennigan*Chief Financial Officer & Interested Director, Carlyle Secured Lending, Inc*

A

Hi, Erik. Yeah, that was – it was really, I'd say, when you look at that unrealized, it was probably 60%, 65% credit and then 30%, 35% just markets/technical factors like deals repaying. I'd be – I'd say really idiosyncratic. There were a handful – no specific very large movers, but just a handful of company-specific credit situations where there's underperformance that were marked down. But we're engaged where appropriate with our workout team, with other lenders, with the sponsors where we see stability in those names and/or looking to get the companies in the right position that will have ultimate reasonable recoveries on those situations relative to where we're marked today.

Justin V. Plouffe*Chief Executive Officer, President & Interested Director; Deputy Chief Investment Officer-Carlyle Global Credit Administration L.L.C., Carlyle Secured Lending, Inc*

A

Yeah. We certainly haven't seen broader reasons to worry about credit in the market. There are very specific situations in the book.

Erik Zwick*Analyst, Lucid Capital Markets LLC*

Q

Got it. And then last one for me. In terms of the buyback authorization that you do have, and I know you're very focused on growth and that would be the preferred use of capital today. But just how do you think about the opportunity given where the stock trades relative to NAV to potentially buy back shares?

Thomas M. Hennigan*Chief Financial Officer & Interested Director, Carlyle Secured Lending, Inc*

A

It's something we didn't have to think about last year. Over the last few months, it's definitely something. As a management team, we've had more regular conversations. We are in dialogue with our board of directors. You mentioned the last couple of years, we've been very focused on growth of our equity base, and that culminated with the merge that we closed last quarter. So we get all the benefits of scale, whether it be better liquidity in the stock, leveraging our expense base, better liability.

So we're still very much focused on growth and focused on getting that and getting that share price back up to NAV. So we're positioned to grow, but certainly something we're considering in terms of potential buybacks. Right now, there's nothing in the imminent plan, but we're certainly considering just based on where the stock has been trading.

Erik Zwick*Analyst, Lucid Capital Markets LLC*

Q

Thanks for taking my question today.

Operator: Thank you. Our next question comes from the line of Finian O'Shea of Wells Fargo Securities. Your line is open, Finian.

Finian O'Shea

Analyst, Wells Fargo Securities LLC

Q

Hey everyone. Good morning. Tom, first question on the credit fund, mid-teens ROE. Does that indicate the \$5 million dividend or a different level?

Thomas M. Hennigan

Chief Financial Officer & Interested Director, Carlyle Secured Lending, Inc

A

That indicates roughly – what we'll see is we'll be deploying more capital and then we'll be able to be in the range of, let's say, \$4.5 million to \$5.5 million when we – if we utilize – perhaps a little bit higher when we utilize the full equity commitments. Right now, the fund has about \$700 million of total investments. With the current equity committed by both partners, we can achieve – we cannot quite double that, but that's certainly our plan longer term. So we think that we'll see that dividend rate inch up some, probably not too much movement in the absolute dividend level from the [ph] JV1 (00:30:41).

What we are very focused on is potential other JVs and utilizing that non-asset capacity. Nothing imminent right now on that front. But we're in dialogue with other partners for other JVs. And what I'd say is that, that's likely to be something leveraging the broader Carlyle network, not a great deviation from what we've been doing, but we're looking at that asset capacity. And the JVs in the aggregate certainly have a great stable base with [ph] JV1 (00:31:07), and looking to add to that with the second one.

Finian O'Shea

Analyst, Wells Fargo Securities LLC

Q

Yeah, that's helpful. Thanks. And I guess just a follow-up, bigger picture. You talked about Alex coming on, growing the Credit business, including the BDC. Seeing if this suggests any sort of style drift. Like do you want to get back to where you were? I know you were just at a premium, grow a little bit, sort of remain more specialty. I know a lot of the origination this quarter looks pretty interesting. And as you just said, there are plans on the 30% bucket. Or do you want to go more into overdrive like some of the large market peers and issue maybe a lot on the ATM or secondary every quarter, which – the flip side of that is it might ask that you go with a more modernized or lower fee. So seeing if you're weighing those two items against each other and how we should think about that.

Justin V. Plouffe

Chief Executive Officer, President & Interested Director; Deputy Chief Investment Officer-Carlyle Global Credit Administration L.L.C., Carlyle Secured Lending, Inc

A

Sure, Fin. No change to our strategy. We are focused on originating in the core middle market in the US. That's going to continue to be the case. Alex brings tremendous experience in that area. So this is just adding strength to strength. And as Tom mentioned, we certainly are considering adding to the JV program, but no change in overall strategy between now when Alex comes or after Alex comes.

We're going to continue to provide the same type of investment exposure that we have in the past. And of course, we'd love to trade at a premium, but we're in this for the long-term investment returns, and we think core middle market investing is where we can do the best for our investors.

Finian O'Shea*Analyst, Wells Fargo Securities LLC*

Awesome. [ph] All for me (00:33:06). Thanks so much.

Operator: Thank you. Our next question comes from the line Melissa Wedel of JPMorgan. Please go ahead, Melissa.

Melissa Wedel*Analyst, JPMorgan Securities LLC*

Good morning. Thanks for taking my questions. I wanted to circle back to your comments about optimism for deployment in the second half. I want to make sure I heard you right. I got the impression from what you said that you're particularly optimistic about 4Q versus 3Q. Is that fair?

Justin V. Plouffe*Chief Executive Officer, President & Interested Director; Deputy Chief Investment Officer-Carlyle Global Credit Administration L.L.C., Carlyle Secured Lending, Inc*

Yes, that's fair, Melissa. 3Q is always a little bit muted in terms of closings on origination just because it's the summer. But what we're looking at is the pipeline of deals we have today. And we think for the rest of the year, we feel pretty good about it.

Melissa Wedel*Analyst, JPMorgan Securities LLC*

Okay. And then sort of the flip side of that, as you see a pickup in activity, should we – are you expecting a proportionate pickup in repayments as well? So maybe sort of looking towards the net deployment back half, but maybe a little bit muted.

Justin V. Plouffe*Chief Executive Officer, President & Interested Director; Deputy Chief Investment Officer-Carlyle Global Credit Administration L.L.C., Carlyle Secured Lending, Inc*

I'm not expecting or I don't see reason in the market, I should say, to expect a significant change in prepayments in the second half. I think this is just more about new deal activity in the private equity space and the pipelines we're seeing. And we'll have to see if it actually materializes, but right now our pipelines are looking pretty good.

Melissa Wedel*Analyst, JPMorgan Securities LLC*

Okay. I appreciate that. And then I guess the final question for me. When you think about all of the growth plans that you have and potentially doing additional joint ventures and things like that, which can enhance the earnings profile, I'm also curious about how you think about the earnings power offset from potentially lower rates and what that might mean for your dividend – and that's the base dividend, I should specify, of \$0.40 a share? Thanks.

Thomas M. Hennigan*Chief Financial Officer & Interested Director, Carlyle Secured Lending, Inc*

Yeah, sure. And we achieved the \$0.39, [ph] \$0.01 (00:35:23) shy. Right now, our crystal ball for the third quarter, we're already a month in, is we're going to be in the same general territory. When you look at the potential pluses on an average – our statutory leverage at quarter end was in the middle of our range. But on an average asset basis, over – on a daily basis, it was lower. So I think we've got just some upside in terms of leverage.

We mentioned non-accruals. Maverick are at a large position, although that was restructured and will be a lower debt balance that will be back on accrual. So there's some potential positive just on overall non-accruals.

Our cost to debt, we're going to have some moving pieces with our baby bond. We're likely going to issue a new – another index eligible deal over the next few quarters. We have a higher-priced legacy facility from CSL III that we're likely to repay. So net-net on liabilities, we'll probably be neutral all in. And then we've got the potential upside from the JVs, which we're very focused on.

And the one big headwind is obviously rates. And then although spreads have stabilized, when you look at our overall portfolio spread, it continues to inch down a little bit. So we feel okay on the overall spread side. So I think really it will be the – those various factors, a number of positives, but the JVs being in the longer term a large growth driver in terms of our comfort with achieving that \$0.40.

Melissa Wedel

Analyst, JPMorgan Securities LLC



Okay. I appreciate your candor there. And one follow-up – I guess, one last follow-up for me on Maverick. I would assume, but I guess I'm asking this question, is it fair for us to think that the mark that you had there at 6/30 was very reflective of the July 3rd restructuring economics?

Thomas M. Hennigan

Chief Financial Officer & Interested Director, Carlyle Secured Lending, Inc



Yeah. So our anticipation is you're going to have a different capital structure. So you're going to have a lower debt quantum. You're going to have an equity holding. And the total fair value dollars will be equivalent, roughly the same. That's our current valuation.

Melissa Wedel

Analyst, JPMorgan Securities LLC



Got it. Thanks so much.

Operator: Thank you. Our next question comes from the line of Robert Dodd of Raymond James. Please go ahead, Robert.

Robert Dodd

Analyst, Raymond James & Associates, Inc.



Hi, guys. Good morning. On the kind of two things tied to kind of the credit fund and the non-core bucket, what do you think is a feasible time line to kind of fully – relatively fully deploy or utilize the full equity in the current credit fund, particularly in light of the fact that you seem quite optimistic about the second half of the year and kind of Q4, which obviously would be – would create a positive environment for kind of fully utilizing that vehicle? I mean so if you can give us any idea of what the time line is for kind of maxing that one, the first one out.

Thomas M. Hennigan

Chief Financial Officer & Interested Director, Carlyle Secured Lending, Inc



Based on the current equity base, our target, our goal was the next two or three quarters...

Robert Dodd

Analyst, Raymond James & Associates, Inc.

Got it. Got it. Thank you.

Q

Thomas M. Hennigan

Chief Financial Officer & Interested Director, Carlyle Secured Lending, Inc

... [indiscernible] (00:38:20) additional JV. Having worked on the first JV and realized we had an agreement inked and then it took us nine months to negotiate, we think it'll be less than nine months. But in terms of actual economic benefit from any second JV, it would likely be a 2026 event just because they're very complex structures, negotiating with the other partner, getting everything in the ground [indiscernible] (00:38:44)

A

Robert Dodd

Analyst, Raymond James & Associates, Inc.

Got it. Got it. Yeah. And to that point, on like another JV, would you be looking at kind of the same kind of conceptual structure, right, basically the same kind of loans, different partner? Or are you looking at something slightly different? Like, I mean, obviously, you can hold a lot of international assets in a JV somewhat easier than on balance sheet sometimes, et cetera. I mean is there any – is it just going to be just, for lack of a better term, a carbon copy of the first one, just with a different partner? Or are you looking to do anything different with the second one?

Q

Justin V. Plouffe

Chief Executive Officer, President & Interested Director; Deputy Chief Investment Officer-Carlyle Global Credit Administration L.L.C., Carlyle Secured Lending, Inc

Yeah. Look, not necessarily decided yet. What I will tell you is that we're going to lean into our strengths within Carlyle Global Credit overall. So we have a lot of tools at our disposal in what we do with that JV or with that basket. And in some way, shape or form, I think it benefits our investors greatly to use all of the experience and the origination engine we have in our \$200 billion global credit platform. But right now, for the second JV, we're considering options, and we'll just go with where we think we can produce the best value for the entity.

A

Robert Dodd

Analyst, Raymond James & Associates, Inc.

Got it. Thank you. And then one more if I can. On the – obviously, deal flow, you seem quite positive. That's kind of a theme [indiscernible] (00:40:18) and quality wise, right, we've heard that there's been – there's a significant mix in the type of – the quality of deals that are coming to market right now. I mean, how would you characterize? Obviously, they were high enough quality for you in Q2. So – but looking forward, I mean, the [ph] A plus (00:40:44) kind of deals have been able to get done even during 2023, 2024, right? So is there any mix shift in terms of like the quality of opportunities that are starting to enter the pipeline, and maybe getting rejected, but starting to enter the flow in the second half of 2025 and heading into 2026? Do you think there's going to be a mix – a quality mix shift?

Q

Justin V. Plouffe

Chief Executive Officer, President & Interested Director; Deputy Chief Investment Officer-Carlyle Global Credit Administration L.L.C., Carlyle Secured Lending, Inc

No. We have not seen a material change in quality. The quality of the companies we've been able to invest in has continued to be strong and the quality of the overall pipeline has continued to be strong. Certainly, we would prefer spreads to be a little wider than they are and we'd prefer more deals in the market rather than less. But so far, I think quality has remained good both in our pipeline and certainly in the investments we're doing.

A

Robert Dodd

Analyst, Raymond James & Associates, Inc.



Got it. Thank you.

Operator: Thank you. I would now like to turn the conference back to Justin Plouffe for closing remarks. Sir?

Justin V. Plouffe

Chief Executive Officer, President & Interested Director; Deputy Chief Investment Officer-Carlyle Global Credit Administration L.L.C., Carlyle Secured Lending, Inc

Well, thank you, everyone, for joining our call. We hope it was helpful, and we will talk to you next quarter.

Operator: This concludes today's conference call. Thank you for participating. You may now disconnect.

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