
**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 5, 2020

TCG BDC, INC.
(Exact name of registrant as specified in charter)

Maryland

(State or Other Jurisdiction
of Incorporation)

No. 814-00995

(Commission
File Number)

80-0789789

(I.R.S. Employer
Identification No.)

**520 Madison Avenue, 40th Floor
New York, New York**

(Address of Principal Executive Offices)

10022

(Zip Code)

Registrant's telephone number, including area code: (212) 813-4900

N/A

(Former name or former address, if changed since last report.)

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

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

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

Title of each class:	Trading Symbol(s)	Name of each exchange on which registered:
Common stock, \$0.01 per share	CGBD	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 5, 2020, TCG BDC, Inc. (the “Company”) issued a summary press release and a detailed earnings presentation announcing its first quarter 2020 financial results. Copies of the summary press release and the earnings presentation are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively.

The information disclosed under this Item 2.02, including Exhibits 99.1 and 99.2 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933 (the "Securities Act") or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 7.01 – Regulation FD Disclosure.

On May 5, 2020, the Company issued a press release, included herewith as Exhibit 99.1, announcing the declaration of a second quarter 2020 dividend of \$0.37 per share, payable on July 17, 2020 to stockholders of record as of June 30, 2020.

The information disclosed under this Item 7.01, including Exhibit 99.1 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, and shall not be deemed incorporated by reference into any filing made under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 – Financial Statements and Exhibits.

Exhibits 99.1 and 99.2 shall be deemed furnished herewith.

(d) Exhibits:

<u>Exhibit Number</u>	<u>Description</u>
99.1	<u>Summary earnings press release of TCG BDC, Inc., dated May 5, 2020.</u>
99.2	<u>Earnings presentation of TCG BDC, Inc., dated May 5, 2020.</u>

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.

TCG BDC, INC.
(Registrant)

Dated: May 5, 2020

By: /s/ Thomas M. Hennigan
Name: Thomas M. Hennigan
Title: Chief Financial Officer

TCG | BDC

CARLYLE GLOBAL CREDIT

For Immediate Release
May 5, 2020

TCG BDC, Inc. Announces First Quarter 2020 Financial Results and Declares Second Quarter 2020 Dividend of \$0.37 Per Share

New York - TCG BDC, Inc. (together with its consolidated subsidiaries, “we,” “us,” “our,” “TCG BDC” or the “Company”) (NASDAQ: CGBD) today announced its financial results for its first quarter ended March 31, 2020.

Linda Pace, TCG BDC’s Chief Executive Officer said, “The world continues to deal with an unprecedented health and economic crisis, and our thoughts are with all front line workers. TCG BDC has performed very well during the early stages of this crisis. In the month of April we have acted proactively and decisively, pursuing select asset sales and raising preferred equity on attractive terms. These actions help to both bring our net financial leverage back in-line with our targeted range and also reinforce the flexibility of our balance sheet as we manage through a highly uncertain environment. As a result, we remain in a strong position to both support our portfolio and to invest in new opportunities.”

Selected Financial Highlights

(dollar amounts in thousands, except per share data)

	March 31, 2020	December 31, 2019
Total investments, at fair value	\$ 2,024,277	\$ 2,123,964
Total assets	2,126,826	2,187,533
Total debt	1,262,960	1,177,832
Total net assets	\$ 798,534	\$ 956,471
Net assets per share	\$ 14.18	\$ 16.56
	For the three month periods ended	
	March 31, 2020	December 31, 2019
Total investment income	\$ 50,545	\$ 53,465
Net investment income (loss)	23,972	25,377
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments and non-investment assets and liabilities	(145,072)	1,459
Net increase (decrease) in net assets resulting from operations	\$ (121,100)	\$ 26,836
Basic and diluted per weighted-average common share:		
Net investment income (loss)	\$ 0.42	\$ 0.43
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments and non-investment assets and liabilities	(2.57)	0.02
Net increase (decrease) in net assets resulting from operations	\$ (2.15)	\$ 0.46
Weighted-average shares of common stock outstanding—Basic and Diluted	57,112,193	58,784,971
Regular dividends declared per common share	\$ 0.37	\$ 0.37
Special dividends declared per common share	\$ —	\$ 0.18

First Quarter 2020 Highlights

(dollar amounts in thousands, except per share data)

- Net investment income for the three month period ended March 31, 2020 was \$23,972, or \$0.42 per share, as compared to \$25,377, or \$0.43 per share, for the three month period ended December 31, 2019;
- Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments and non-investment assets and liabilities for the three month period ended March 31, 2020 was \$(145,072), or \$(2.57) per share, as compared to \$1,459, or \$0.02 per share, for the three month period ended December 31, 2019;
- Net increase (decrease) in net assets resulting from operations for the three month period ended March 31, 2020 was \$(121,100), or \$(2.12) per share, as compared to \$26,836, or \$0.46 per share, for the three month period ended December 31, 2019;
- During the three month period ended March 31, 2020, the Company repurchased and extinguished 1,455,195 shares of the Company's common stock pursuant to the Company's previously announced \$100 million stock repurchase program at an average cost of \$11.00 per share, or \$16,003 in the aggregate, resulting in accretion to net assets per share of \$0.14; and
- On May 4, 2020, the Board of Directors declared a quarterly dividend of \$0.37, which is payable on July 17, 2020 to stockholders of record on June 30, 2020.

Portfolio and Investment Activity

(dollar amounts in thousands, except per share data, unless otherwise noted)

As of March 31, 2020, the fair value of our investments was approximately \$2,024,277, comprised of 138 investments in 110 portfolio companies/investment fund across 28 industries with 63 sponsors. This compares to the Company's portfolio as of December 31, 2019, as of which date the fair value of our investments was approximately \$2,123,964, comprised of 136 investments in 112 portfolio companies/investment fund across 28 industries with 63 sponsors.

As of March 31, 2020 and December 31, 2019, investments consisted of the following:

<u>Type—% of Fair Value</u>	<u>March 31, 2020</u>		<u>December 31, 2019</u>	
	<u>Fair Value</u>	<u>% of Fair Value</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
First Lien Debt (excluding First Lien/Last Out)	\$ 1,478,357	73.02%	\$ 1,585,042	74.63%
First Lien/Last Out Unitranche	56,408	2.79	78,096	3.68
Second Lien Debt	275,055	13.59	234,532	11.04
Equity Investments	29,323	1.45	21,698	1.02
Investment Fund	185,134	9.15	204,596	9.63
Total	\$ 2,024,277	100.00%	\$ 2,123,964	100.00%

The following table shows our investment activity for the three month period ended March 31, 2020:

<u>Principal amount of investments:</u>	<u>Funded</u>		<u>Sold/Repaid</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>
First Lien Debt (excluding First Lien/Last Out)	\$ 75,510	23.01%	\$ (97,185)	33.72%
First Lien/Last Out Unitranche	—	—	(19,273)	6.69
Second Lien Debt	86,109	26.24	(15,232)	5.29
Equity Investments	10,500	3.20	—	—
Investment Fund	156,000	47.55	(156,500)	54.30
Total	\$ 328,119	100.00%	\$ (288,190)	100.00%

Overall, total investments at fair value decreased by 4.7%, or \$99,687, during the three month period ended March 31, 2020 after factoring in repayments, sales, net fundings on revolvers and delayed draws and net change in unrealized appreciation (depreciation).

As of March 31, 2020, the weighted average yields for our first and second lien debt investments on an amortized cost basis were 7.35% and 9.92%, respectively, with a total weighted average yield of 7.74%. Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of March 31, 2020. As of March 31,

2020, on a fair value basis, approximately 0.8% of our debt investments bear interest at a fixed rate and approximately 99.2% of our debt investments bear interest at a floating rate, which primarily are subject to interest rate floors.

Total investments at fair value held by Middle Market Credit Fund, LLC (“Credit Fund”), which is not consolidated with the Company, decreased by 3.8%, or \$47,656, during the three month period ended March 31, 2020 after factoring in repayments, sales, net fundings on revolvers and delayed draws and net change in unrealized appreciation (depreciation). As of March 31, 2020, Credit Fund had total investments at fair value of \$1,199,183, which comprised 98.2% of first lien senior secured loans and 1.8% of second lien senior secured loans at fair value. As of March 31, 2020, approximately 1.8% of Credit Fund’s debt investments bear interest at a fixed rate and approximately 98.2% of investments in the portfolio were floating rate debt investments, which primarily are subject to interest rate floors.

As part of the monitoring process, our Investment Adviser has developed risk policies pursuant to which it regularly assesses the risk profile of each of our debt investments and rates each of them based on the following categories, which we refer to as “Internal Risk Ratings”:

Internal Risk Ratings Definitions

<u>Rating</u>	<u>Definition</u>
1	Performing—Low Risk: Borrower is operating more than 10% ahead of the base case.
2	Performing—Stable Risk: Borrower is operating within 10% of the base case (above or below). This is the initial rating assigned to all new borrowers.
3	Performing—Management Notice: Borrower is operating more than 10% below the base case. A financial covenant default may have occurred, but there is a low risk of payment default.
4	Watch List: Borrower is operating more than 20% below the base case and there is a high risk of covenant default, or it may have already occurred. Payments are current although subject to greater uncertainty, and there is moderate to high risk of payment default.
5	Watch List—Possible Loss: Borrower is operating more than 30% below the base case. At the current level of operations and financial condition, the borrower does not have the ability to service and ultimately repay or refinance all outstanding debt on current terms. Payment default is very likely or may have occurred. Loss of principal is possible.
6	Watch List—Probable Loss: Borrower is operating more than 40% below the base case, and at the current level of operations and financial condition, the borrower does not have the ability to service and ultimately repay or refinance all outstanding debt on current terms. Payment default is very likely or may have already occurred. Additionally, the prospects for improvement in the borrower’s situation are sufficiently negative that impairment of some or all principal is probable.

Our Investment Adviser’s risk rating model is based on evaluating portfolio company performance in comparison to the base case when considering certain credit metrics including, but not limited to, adjusted EBITDA and net senior leverage as well as specific events including, but not limited to, default and impairment.

Our Investment Adviser monitors and, when appropriate, changes the investment ratings assigned to each debt investment in our portfolio. In connection with our quarterly valuation process, our Investment Adviser reviews our investment ratings on a regular basis. The following table summarizes the Internal Risk Ratings of our debt portfolio as of March 31, 2020 and December 31, 2019:

	March 31, 2020		December 31, 2019	
	Fair Value	% of Fair Value	Fair Value	% of Fair Value
(dollar amounts in millions)				
Internal Risk Rating 1	\$ 38.6	2.13%	\$ 39.2	2.07%
Internal Risk Rating 2	1,392.5	76.94	1,501.4	79.12
Internal Risk Rating 3	205.8	11.37	132.9	7.00
Internal Risk Rating 4	96.6	5.34	159.0	8.38
Internal Risk Rating 5	32.6	1.80	65.2	3.43
Internal Risk Rating 6	43.8	2.42	—	—
Total	\$ 1,809.8	100.00%	\$ 1,897.7	100.00%

As of March 31, 2020 and December 31, 2019, the weighted average Internal Risk Rating of our debt investment portfolio was 2.3 and 2.3, respectively.

Consolidated Results of Operations

(dollar amounts in thousands, except per share data)

Total investment income for the three month periods ended March 31, 2020 and December 31, 2019 was \$50,545 and \$53,465, respectively. This \$2,920 net decrease during the three month period ended March 31, 2020 was due to a decrease in interest income primarily due to lower LIBOR, a decrease in income recognized from the acceleration of OID due to lower repayments, and lower total income from Credit Fund.

Total expenses for the three month periods ended March 31, 2020 and December 31, 2019 were \$26,573 and \$28,088, respectively. This \$1,515 net decrease during the three month period ended March 31, 2020 was primarily attributable to a decrease in credit facility fees, base management fees and incentive fees, partially offset by an increase in interest expense.

During the three month period ended March 31, 2020, the Company recorded a net realized loss and change in unrealized depreciation on investments of \$147,260. This was primarily driven by higher market spreads related to the COVID-19 pandemic, as well as other changes in other inputs utilized under our valuation methodology, including, but not limited to, enterprise value multiples, leverage multiples and borrower ratings, and the impact of exits.

Liquidity and Capital Resources

(dollar amounts in thousands, except per share data)

As of March 31, 2020, the Company had cash and cash equivalents of \$65,525, secured notes payable (before debt issuance costs) of \$449,200, secured borrowings outstanding of \$701,609, and senior unsecured notes of \$115,000. As of March 31, 2020, the Company had \$261,391 of remaining unfunded commitments and \$127,329 available for additional borrowings under its revolving credit facilities, subject to leverage and borrowing base restrictions.

On May 5, 2020, the Company announced it had issued \$50 million in Series A Convertible Preferred Stock, purchased by an affiliate of The Carlyle Group, Inc. The primary use of proceeds from the issuance will be to pay down outstanding debt. The Series A Convertible Preferred Stock pays dividends, at the Company's option, at a rate of either 7% (to the extent paid in cash) or 9% (to the extent paid in kind). The Series A Convertible Preferred Stock is convertible beginning six months after the closing date into shares of the Company's common stock at an implied conversion price of \$9.50, or 57% above the current 30-day VWAP. The Series A Convertible Preferred Stock may be redeemed at the option of the Company after 3 years, or in the event of certain other events. Holders of the Series A Convertible Preferred Stock may request redemption after seven years, and such redemption may be satisfied - at the Company's option - in either shares of common stock or other consideration.

Dividend

On May 4, 2020, the Board of Directors declared a quarterly dividend of \$0.37, which is payable on July 17, 2020 to stockholders of record on June 30, 2020.

Conference Call

The Company will host a conference call at 11:00 a.m. EDT on Wednesday, May 6, 2020 to discuss these quarterly financial results. The call and webcast will be available on the TCG BDC website at tcgbdc.com. The call may be accessed by dialing +1 (866) 394-4623 (U.S.) or +1 (409) 350-3158 (international) and referencing "TCG BDC Financial Results Call." The conference call will be webcast simultaneously via a link on TCG BDC's website and an archived replay of the webcast also will be available on the website soon after the live call for 21 days.

TCG BDC, INC.
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(dollar amounts in thousands, except per share data)

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
	(unaudited)	(unaudited)
ASSETS		
Investments, at fair value		
Investments—non-controlled/non-affiliated, at fair value (amortized cost of \$2,007,160 and \$1,960,755, respectively)	\$ 1,826,422	\$ 1,897,057
Investments—controlled/affiliated, at fair value (amortized cost of \$240,167 and \$240,696, respectively)	197,855	226,907
Total investments, at fair value (amortized cost of \$2,247,327 and \$2,201,451, respectively)	2,024,277	2,123,964
Cash and cash equivalents	65,525	36,751
Receivable for investment sold	15,655	6,162
Deferred financing costs	4,026	4,032
Interest receivable from non-controlled/non-affiliated investments	10,406	9,462
Interest and dividend receivable from controlled/affiliated investments	6,350	6,845
Prepaid expenses and other assets	587	317
Total assets	<u>\$ 2,126,826</u>	<u>\$ 2,187,533</u>
LIABILITIES		
Secured borrowings	\$ 701,609	\$ 616,543
Notes payable, net of unamortized debt issuance costs of \$2,849 and \$2,911, respectively	446,351	446,289
Senior Notes	115,000	115,000
Payable for investments purchased	24,345	—
Interest and credit facility fees payable	6,100	6,764
Dividend payable	20,824	31,760
Base management and incentive fees payable	12,333	13,236
Administrative service fees payable	98	77
Other accrued expenses and liabilities	1,632	1,393
Total liabilities	<u>1,328,292</u>	<u>1,231,062</u>
NET ASSETS		
Common stock, \$0.01 par value; 200,000,000 shares authorized; 56,308,616 and 57,763,811 shares issued and outstanding at March 31, 2020 and December 31, 2019, respectively)	563	578
Paid-in capital in excess of par value	1,093,250	1,109,238
Offering costs	(1,633)	(1,633)
Total distributable earnings (loss)	(293,646)	(151,712)
Total net assets	<u>\$ 798,534</u>	<u>\$ 956,471</u>
NET ASSETS PER SHARE	<u>\$ 14.18</u>	<u>\$ 16.56</u>

TCG BDC, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollar amounts in thousands, except per share data)
(unaudited)

	For the three month periods ended	
	March 31, 2020	December 31, 2019
Investment income:		
From non-controlled/non-affiliated investments:		
Interest income	\$ 41,465	\$ 44,945
Other income	2,344	1,279
Total investment income from non-controlled/non-affiliated investments	43,809	46,224
From controlled/affiliated investments:		
Interest income	3,236	3,241
Dividend income	3,500	4,000
Total investment income from controlled/affiliated investments	6,736	7,241
Total investment income	50,545	53,465
Expenses:		
Base management fees	7,386	7,702
Incentive fees	5,086	5,383
Professional fees	667	866
Administrative service fees	106	97
Interest expense	12,179	12,026
Credit facility fees	590	1,295
Directors' fees and expenses	96	84
Other general and administrative	411	400
Total expenses	26,521	27,853
Net investment income (loss) before taxes	24,024	25,612
Excise tax expense	52	235
Net investment income (loss)	23,972	25,377
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments:		
Net realized gain (loss) from:		
Non-controlled/non-affiliated investments	(1,697)	(20,685)
Currency gains (losses) on non-investment assets and liabilities	(150)	33
Net change in unrealized appreciation (depreciation) on investments:		
Non-controlled/non-affiliated	(117,042)	38,808
Non-controlled/affiliated	—	(6,607)
Controlled/affiliated	(28,521)	(7,745)
Net change in unrealized currency gains (losses) on non-investment assets and liabilities	2,338	(2,345)
Net realized gain (loss) and net change in unrealized appreciation (depreciation)	(145,072)	1,459
Net increase (decrease) in net assets resulting from operations	\$ (121,100)	\$ 26,836
Basic and diluted earnings per common share	\$ (2.12)	\$ 0.46
Weighted-average shares of common stock outstanding—Basic and Diluted	57,112,193	58,784,971

About TCG BDC, Inc.

TCG BDC is an externally managed specialty finance company focused on lending to middle-market companies. TCG BDC is managed by Carlyle Global Credit Investment Management L.L.C., an SEC-registered investment adviser and a wholly owned subsidiary of The Carlyle Group Inc. Since it commenced investment operations in May 2013 through March 31, 2020, TCG BDC has invested approximately \$5.9 billion in aggregate principal amount of debt and equity investments prior to any subsequent exits or repayments. TCG BDC's investment objective is to generate current income and capital appreciation primarily through debt investments in U.S. middle market companies. TCG BDC has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended.

Web: tcgbdc.com

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements that involve substantial risks and uncertainties, including the impact of COVID-19 on the business. You can identify these statements by the use of forward-looking terminology such as “anticipates,” “believes,” “expects,” “intends,” “will,” “should,” “may,” “plans,” “continue,” “believes,” “seeks,” “estimates,” “would,” “could,” “targets,” “projects,” “outlook,” “potential,” “predicts” and variations of these words and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words. You should read statements that contain these words carefully because they discuss our plans, strategies, prospects and expectations concerning our business, operating results, financial condition and other similar matters. We believe that it is important to communicate our future expectations to our investors. There may be events in the future, however, that we are not able to predict accurately or control. You should not place undue reliance on these forward-looking statements, which speak only as of the date on which we make it. Factors or events that could cause our actual results to differ, possibly materially from our expectations, include, but are not limited to, the risks, uncertainties and other factors we identify in the sections entitled “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” in filings we make with the Securities and Exchange Commission, and it is not possible for us to predict or identify all of them. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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Quarterly Earnings Presentation

March 31, 2020

THE CARLYLE GROUP

Disclaimer and Forward-Looking Statements

This presentation (the “Presentation”) has been prepared by TCG BDC, Inc. (together with its consolidated subsidiaries, “we,” “us,” “our,” “TCG BDC” or the “Company”) (NASDAQ: CGBD) and may only be used for informational purposes only. This Presentation should be viewed in conjunction with the earnings conference call of the Company held on May 6, 2020 and the Company’s Quarterly Report on Form 10-Q for the period ended March 31, 2020. The information contained herein may not be used, reproduced, referenced, quoted, linked by website, or distributed to others, in whole or in part, except as agreed in writing by the Company.

This Presentation does not constitute a prospectus and should under no circumstances be understood as an offer to sell or the solicitation of an offer to buy our common stock or any other securities nor will there be any sale of the common stock or any other securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such state or jurisdiction.

This Presentation provides limited information regarding the Company and is not intended to be taken by, and should not be taken by, any individual recipient as investment advice, a recommendation to buy, hold or sell, or an offer to sell or a solicitation of offers to purchase, our common stock or any other securities that may be issued by the Company, or as legal, accounting or tax advice. An investment in securities of the type described herein presents certain risks.

This Presentation may contain forward-looking statements that involve substantial risks and uncertainties, including the impact of COVID-19 on the business. You can identify these statements by the use of forward-looking terminology such as “anticipates,” “believes,” “expects,” “intends,” “will,” “should,” “may,” “plans,” “continue,” “believes,” “seeks,” “estimates,” “would,” “could,” “targets,” “projects,” “outlook,” “potential,” “predicts” and variations of these words and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words. You should read statements that contain these words carefully because they discuss our plans, strategies, prospects and expectations concerning our business, operating results, financial condition and other similar matters. We believe that it is important to communicate our future expectations to our investors. There may be events in the future, however, that we are not able to predict accurately or control. You should not place undue reliance on these forward-looking statements, which speak only as of the date on which we make them. Factors or events that could cause our actual results to differ, possibly materially from our expectations, include, but are not limited to, the risks, uncertainties and other factors we identify in the sections entitled “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” in filings we make with the Securities and Exchange Commission (the “SEC”), and it is not possible for us to predict or identify all of them. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Information throughout the Presentation provided by sources other than the Company (including information relating to portfolio companies) has not been independently verified and, accordingly, the Company makes no representation or warranty in respect of this information.

The following slides contain summaries of certain financial and statistical information about the Company. The information contained in this Presentation is summary information that is intended to be considered in the context of our SEC filings and other public announcements that we may make, by press release or otherwise, from time to time. We undertake no duty or obligation to publicly update or revise the information contained in this Presentation.

TCG BDC is managed by Carlyle Global Credit Investment Management L.L.C. (the “Investment Adviser”), an SEC-registered investment adviser and a wholly owned subsidiary of The Carlyle Group Inc. (together with its affiliates, “Carlyle”).

This Presentation contains information about the Company and certain of its affiliates and includes the Company’s historical performance. You should not view information related to the past performance of the Company as indicative of the Company’s future results, the achievement of which is dependent on many factors, many of which are beyond the control of the Company and the Investment Adviser and cannot be assured. There can be no assurances that future dividends will match or exceed historical rates or will be paid at all. Further, an investment in the Company is discrete from, and does not represent an interest in, any other Carlyle entity. Nothing contained herein shall be relied upon as a promise or representation whether as to the past or future performance of the Company or any other Carlyle entity.

COVID-19 Update

Our Thoughts on the Current Environment

- We recognize the significant human toll of the COVID-19 pandemic, and our focus has been and remains the health and well-being of the employees of our investment advisor, their families, as well as those at our portfolio companies.
- At TCG BDC, we are deeply focused on working with each of our portfolio companies to sustain value through this unprecedented economy-wide demand shock.
- The expected forward economic environment will inevitably produce credit losses, but we are encouraged by our initial portfolio assessment and performance, as the senior orientation of our portfolio should position us to outperform over the cycle.
- During the first quarter, our liquidity and capital position functioned as intended, and we met every committed funding request from our portfolio companies.
- While still early, our credit performance remains solid, with 102 of our 104 underlying borrowers making standard payments at quarter end.
- Despite the very uncertain environment, our business continues to operate normally.

Experience & Portfolio Positioning Matters

- Our TCG BDC management team has navigated across many market cycles, and our portfolio is well positioned to weather the demanding environment we expect ahead:
 - We have a 20-year track record of successful credit investing.
 - Our portfolio is anchored in the most senior position in corporate capital structures, with first lien loans historically comprising approximately 70% of our total investments.
 - A defensive industry orientation should position us to outperform over the cycle, being significantly underweight to the oil and gas industry (1.9% of portfolio fair value, with no direct upstream energy exposure), while the hotel, gaming and leisure sector account for less than 4.2% of our portfolio fair value.
- Our capital and liquidity position remains strong, with approximately \$320 million in the form of cash and unused commitments under our credit facilities relative to total unfunded commitments of approximately \$105 million as of quarter-end.

TCG BDC Highlights

TCG BDC Overview

- Middle-market lending focused BDC externally managed by The Carlyle Group ⁽¹⁾
- Current market capitalization of \$409 million⁽²⁾ (NASDAQ listed; ticker: CGBD)
- Track record of consistent dividend delivery to shareholders – LTM dividend yield on quarter-end net asset value ("NAV") of 12.3%

Investment Strategy

- Directly originate private credit investments, with a focus on U.S. private equity finance
- Maintain appropriately diversified, defensively oriented portfolio of primarily senior secured debt instruments
- Utilize Carlyle's extensive platform resources to generate differentiated results for TCG BDC shareholders

Benefits of Carlyle

- Founded in 1987, Carlyle is a leading global alternative asset manager with \$217bn of AUM
- Carlyle's Global Credit segment, with \$49bn of AUM, has a 20-year track record of successful credit investing
- Carlyle's broad capabilities, scaled capital base and depth of expertise create sustainable competitive advantages across market environments

Defensively Positioned Portfolio

- Well-diversified by issuer and industry: top 10 borrowers and top 3 industries 21% and 30% of exposure, respectively
- Heavy portfolio tilt to 1st lien loans: historically 70% of portfolio, of which, >90% contain a financial covenant⁽³⁾
- Approximately half the exposure of broader markets to cyclical industries

Source: The Carlyle Group Inc. As of March 31, 2020 unless otherwise stated.

(1) TCG BDC is externally managed by the Investment Adviser, which is a wholly-owned subsidiary of The Carlyle Group Inc. (2) As of May 4, 2020 (3) LTM average of approximately 70% of fair value, and excludes loans categorized as first lien last out.

Stock and Dividend Information

CGBD

Ticker

\$409 Million

Market Cap ⁽²⁾

Nasdaq

Exchange

\$2.0 billion

Current Portfolio Size

138

Unique Investments

72%

1st Lien Debt ⁽³⁾

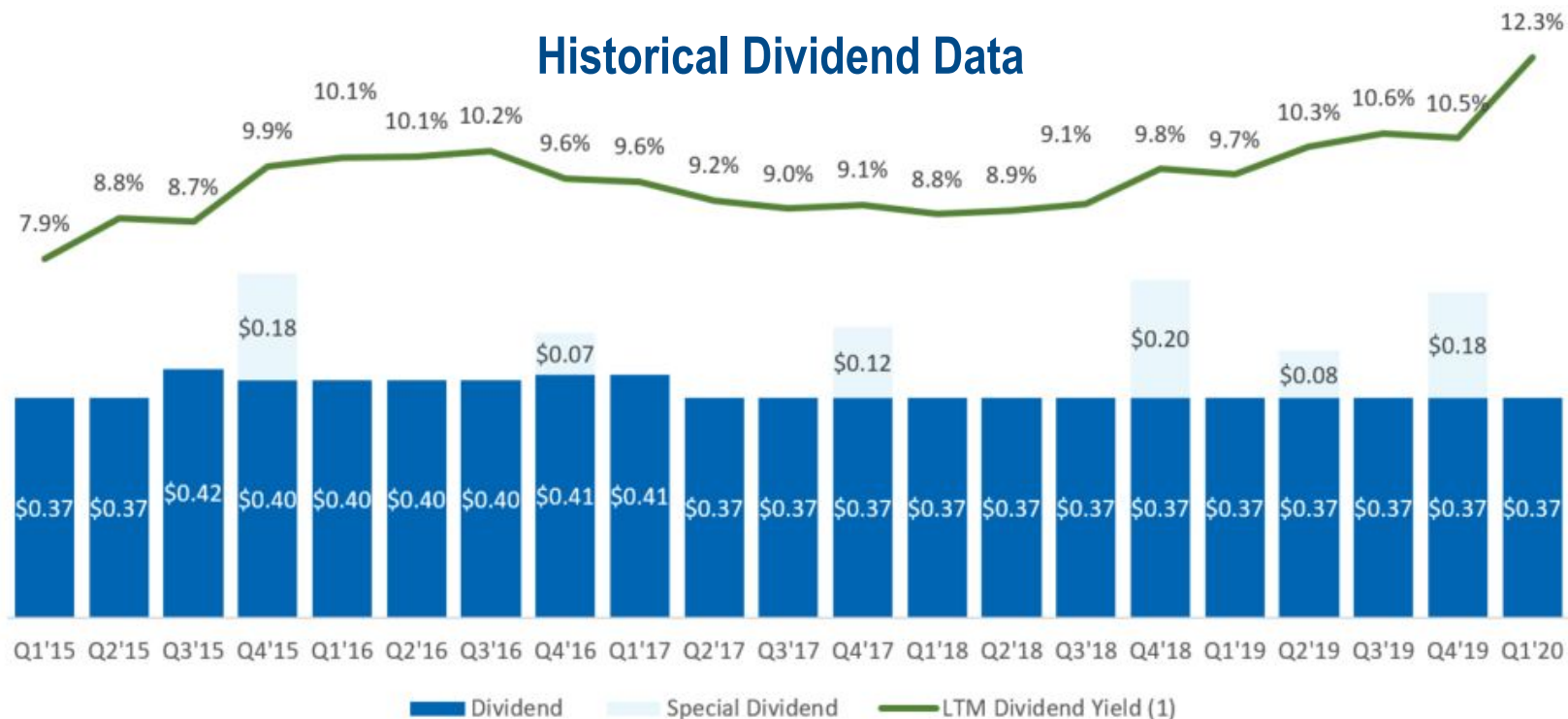
12.3%

LTM Dividend Yield

\$86 Million

Inception-to-date
Share Repurchases

Historical Dividend Data



Note: Historical dividend data for dividends declared prior to the period shown are available on the Company's website at tcgbdc.com. There can be no assurance that the Company will continue to achieve comparable results.

(1) Last-twelve-month ("LTM") dividend yield is calculated by dividing the sum of the declared dividends for the most recent four quarters by the ending net asset value. (2) As of May 4, 2020 (3) LTM average of approximately 70% of fair value, and excludes loans categorized as first lien last out.

Q1 2020 Quarterly Results

1st Quarter Results

- Net investment income per share was \$0.42, and has exceeded the regular \$0.37 quarterly dividend each quarter since TCG BDC's IPO
- Net realized and unrealized losses totaled \$145 million, or approximately \$2.57 per share
- NAV per share declined 14.4% to \$14.18 (from \$16.56 at 4Q19), driven principally by the mark-to-market impact of widening pricing benchmarks

Portfolio & Investment Activity

- Total investments at fair value down to \$2.0 billion from \$2.1 billion last quarter
- New fundings totaled \$328 million with a yield of 9.95%
- Repayment/sale activity totaled \$288 million with a yield of 8.95%
- Robust financing environment slowed materially in March, leading to slowing origination and repayment activity

Dividend & Capital Activity

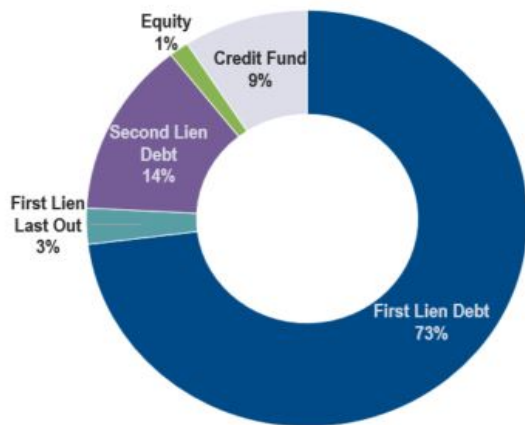
- Paid Q1 regular dividend of \$0.37, resulting in a LTM dividend yield of 12.3% based on quarter-end NAV
- Continued share repurchase pace with an additional 1.46 million shares, or \$16.0 million in the quarter, which contributed \$0.14 per share in NAV accretion
- Since quarter end, we have taken proactive actions – including select asset sales and issuance of \$50 million in preferred equity – to reestablish net leverage within target range of 1.0-1.4x and further strengthen our balance sheet

Portfolio Highlights

Key Statistics ⁽¹⁾

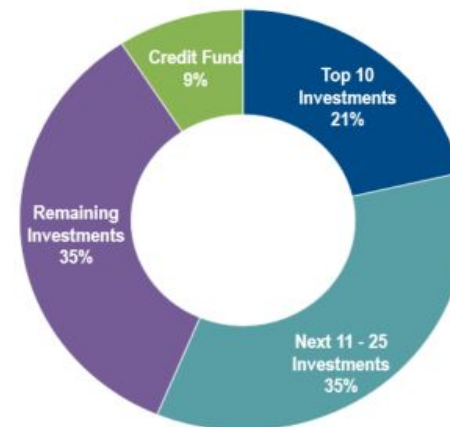
Total Investments and Commitments (\$mm)	\$2,128
Unfunded Commitments ⁽¹⁾ (\$mm)	\$104
Investments at Fair Value (\$mm)	\$2,024
Yield of Debt Investments at Cost ⁽²⁾ (%)	7.74%
Yield of Debt Investments at Fair Value ⁽²⁾ (%)	8.56%
Number of Investments	138
Number of Portfolio Companies	110
Floating / Fixed ⁽³⁾ (%)	99.2% / 0.8%

Asset Mix

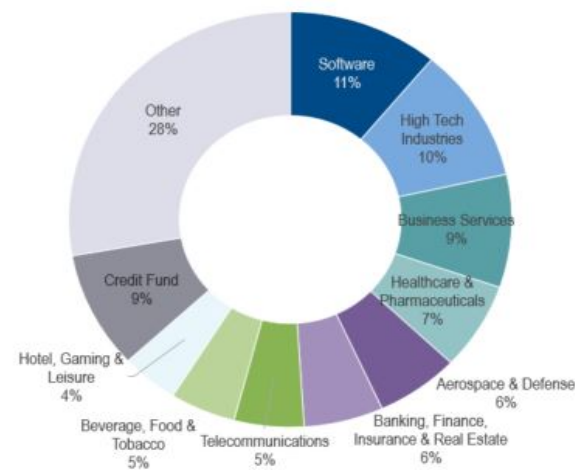


Portfolio Composition ⁽¹⁾

Diversification by Borrower



Industry



⁽¹⁾ Excludes the Company's commitments to fund capital to Middle Market Credit Fund, LLC ("Credit Fund"), which is not consolidated with the Company. ⁽²⁾ Weighted average yields of the debt investments include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of period end. Actual yields earned over the life of each investment could differ materially from the yields presented above. Weighted average yields for TCG BDC do not include TCG BDC's investment in Credit Fund. ⁽³⁾ % of fair value of first and second lien debt.

Financial Performance Summary

(Dollar amounts in thousands, except per share data)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Net Investment Income Per Share	\$ 0.45	\$ 0.46	\$0.45	\$0.43	\$0.42
Net Realized & Unrealized Appreciation (Depreciation) Per Share	0.09	(0.29)	(0.60)	0.02	(2.57)
Net Income (Loss) Per Share	0.54	0.16	(0.15)	0.46	(2.15)
Dividends Paid Per Share	0.37	0.45	0.37	0.55	0.37
Impact of Share Repurchases Per Share	0.04	0.04	0.04	0.06	0.14
Net Asset Value Per Share	\$ 17.30	\$17.06	\$16.58	\$16.56	\$14.18
Weighted Average Shares Outstanding for the Period (in thousands)	61,773	60,596	59,588	58,785	57,112
Shares Outstanding at End of Period (in thousands)	61,272	60,182	59,013	57,764	56,309
Total Fair Value of Investments	\$ 2,155,209	\$ 2,075,614	\$2,126,688	\$2,123,964	\$2,024,277
Number of Portfolio Companies	103	106	110	112	110
Average Size of Investment in Portfolio Company (Notional) ⁽¹⁾	\$ 21,880	\$ 20,563	\$20,828	\$19,848	\$18,403
Weighted Average all-in Yield on Investments at Amortized Cost ⁽²⁾	9.51%	8.97%	8.88%	8.22%	7.74%
Weighted Average all-in Yield on Investments at Fair Value ⁽²⁾	9.85%	9.32%	9.33%	8.50%	8.56%
Net Assets	\$1,060,187	\$1,026,592	\$978,601	\$956,471	\$798,534
Debt	\$1,107,064	\$1,095,563	\$1,202,739	\$1,177,832	\$1,262,960
Debt To Equity at Quarter End	1.04x	1.07x	1.23x	1.23x	1.58x

Note: The net asset value per share and dividends declared per share are based on the shares outstanding at each respective quarter-end. Net investment income per share and net change in realized and unrealized appreciation (depreciation) per share are based on the weighted average number of shares outstanding for the period.

(1) For equity investments with no stated par amount, includes total funded amount. (2) Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of each respective period end. Actual yields earned over the life of each investment could differ materially from the yields presented above.

Origination Activity Detail

(Dollar amounts in thousands and based on par/principal)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
TCG BDC Originations and Net Investment Activity					
Investment Fundings	\$ 249,713	\$ 231,361	\$ 237,004	\$ 289,763	\$ 328,119
Unfunded Commitments, Net Change	(6,772)	24,789	719	(23,963)	(45,902)
Sales and Repayments	(69,866)	(305,398)	(165,672)	(319,882)	(288,190)
Net Investment Activity	\$ 173,075	\$ (49,248)	\$ 72,051	\$ (54,082)	\$ (5,973)
TCG BDC Originations by Asset Type					
First Lien Debt	65.58%	74.65%	68.10%	87.80%	43.87%
First Lien, Last-out Unitranche Debt	10.89%	7.64%	12.25%	3.50%	—%
Second Lien Debt	22.51%	17.43%	19.32%	7.92%	50.03%
Equity Investments	1.02%	0.29%	0.33%	0.78%	6.10%
TCG BDC Total Investment Portfolio at Fair Value ⁽¹⁾					
First Lien Debt	67.84%	69.51%	68.05%	74.63%	73.02%
First Lien, Last-out Unitranche Debt	9.34%	10.08%	10.04%	3.68%	2.79%
Second Lien Debt	10.62%	9.79%	10.92%	11.04%	13.59%
Equity Investments	1.32%	1.40%	1.44%	1.02%	1.45%
Investment Fund / Credit Fund	10.88%	9.22%	9.55%	9.63%	9.15%

Please refer to the Company's Form 10-Q for the period ended March 31, 2020 ("Form 10-Q") for more information. No assurance is given that the Company will continue to achieve comparable results.

(1) At quarter end.

Quarterly Operating Results Detail

<i>(Dollar amounts in thousands)</i>	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Investment Income					
Interest Income	\$44,471	\$45,468	\$45,168	\$44,248	\$41,009
Payment-In-Kind Interest Income	1,150	2,140	2,396	910	643
Income From Credit Fund	7,538	6,993	6,459	7,028	6,549
Other Income	2,028	2,266	1,756	1,279	2,344
Total Investment Income	\$55,187	\$56,867	\$55,779	\$53,465	\$50,545
<i>(Dollar amounts in thousands)</i>					
Expenses					
Management Fees ⁽¹⁾	7,685	7,913	8,016	7,702	7,386
Incentive Fees ⁽²⁾	5,846	5,933	5,710	5,383	5,086
Interest Expense & Credit Facility Fees	12,559	13,703	14,083	13,321	12,769
Other Expenses	1,475	1,287	1,166	1,447	1,280
Excise Tax Expense	60	60	49	235	52
Net Expenses	27,625	28,896	29,024	28,088	26,573
Net Investment Income	27,562	27,971	26,755	25,377	23,972
Net Realized and Change in Unrealized Gains (Losses)	6,164	(18,214)	(35,744)	1,459	(145,072)
Net Income (Loss)	\$33,726	\$9,757	\$(8,989)	\$26,836	\$(121,100)

(1) Beginning October 1, 2017, the base management fee is calculated at an annual rate of 1.50% of the Company's gross assets, excluding cash and cash equivalents but including assets acquired through the use of leverage. In addition, on August 6, 2018, the Company's Board of Directors approved a one-third (0.50%) reduction in the 1.50% annual base management fee rate charged by the Investment Adviser on assets financed using leverage in excess of 1.0x debt to equity. Effective July 1, 2018, the reduced annual fee of 1.00% applies to the average value of the Company's gross assets as of the end of the two most recently completed calendar quarters that exceeds the product of (i) 200% and (ii) the average value of the Company's net asset value at the end of the two most recently completed calendar quarters.

(2) Effective October 1, 2017, the Investment Adviser agreed to charge 17.5% instead of 20% with respect to the entire calculation of the incentive fee.

Note: There can be no assurance that we will continue to earn income at this rate and our income may decline. If our income declines, we may reduce the dividend we pay and the yield you earn may decline. Refer to the consolidated financial statements included in Part I, Item 1 of the Company's Form 10-Q for additional details.

Quarterly Balance Sheet Detail

(Dollar amounts in thousands, except per share data)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Assets					
Investments—non-controlled/non-affiliated, at fair value	\$1,899,537	\$1,840,979	\$1,893,216	\$1,897,057	\$1,826,422
Investments—non-controlled/affiliated, at fair value	21,081	20,925	6,607	—	—
Investments—controlled/affiliated, at fair value	234,591	213,710	226,865	226,907	197,855
Total investments, at fair value	2,155,209	2,075,614	2,126,688	2,123,964	2,024,277
Cash and cash equivalents	40,071	62,324	70,281	36,751	65,525
Receivable for investment sold	—	14,854	5,725	6,162	15,655
Deferred financing costs	4,069	4,869	4,687	4,032	4,026
Interest Receivable from Non-Controlled/Non-Affiliated/Affiliated Investments	7,666	8,300	11,561	9,462	10,406
Interest and Dividend Receivable from Controlled/Affiliated Investments	7,256	6,652	6,951	6,845	6,350
Prepaid expenses and other assets	8	143	97	317	587
Total assets	\$2,214,279	\$2,172,756	\$2,225,990	\$2,187,533	\$2,126,826
Liabilities					
Payable for investments purchased	\$—	\$—	\$11	\$—	\$24,345
Secured borrowings	660,959	649,397	756,511	616,543	701,609
2015-1 Notes payable, net of unamortized debt issuance costs	446,105	446,166	446,228	446,289	446,351
Senior Notes	—	—	—	115,000	115,000
Due to Investment Adviser	169	228	142	—	—
Interest and credit facility fees payable	7,994	7,563	7,680	6,764	6,100
Dividend payable	22,681	27,082	21,825	31,760	20,824
Base management and incentive fees payable	13,531	13,846	13,726	13,236	12,333
Administrative service fees payable	139	128	66	77	98
Other accrued expenses and liabilities	2,514	1,754	1,200	1,393	1,632
Total liabilities	1,154,092	1,146,164	1,247,389	1,231,062	1,328,292
Net assets	1,060,187	1,026,592	978,601	956,471	798,534
Total liabilities & net assets	\$2,214,279	\$2,172,756	\$2,225,990	\$2,187,533	\$2,126,826
Net Asset Value Per Share	\$17.30	\$17.06	\$16.58	\$16.56	\$14.18

Please refer to the Company's Form 10-Q for more information.

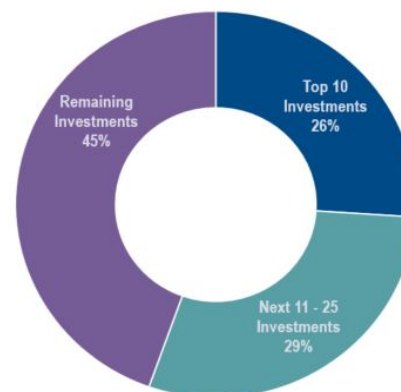
Credit Fund Update (9% of TCG BDC Portfolio)

Credit Fund Key Statistics

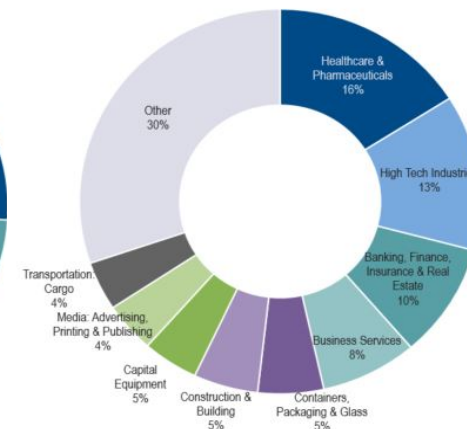
Total Investments and Commitments (\$mm)	\$1,258
Unfunded Commitments (\$mm)	\$59
Investments at Fair Value (\$mm)	\$1,199
Yield of Debt Investments (%) ⁽¹⁾	6.01%
Number of Investments	63
First Lien Exposure (%) ⁽²⁾	96%
Floating / Fixed (%) ⁽³⁾	98.2% / 1.8%
Dividend Yield to TCG BDC	11%

Portfolio Composition

Diversification by Borrower



Industry



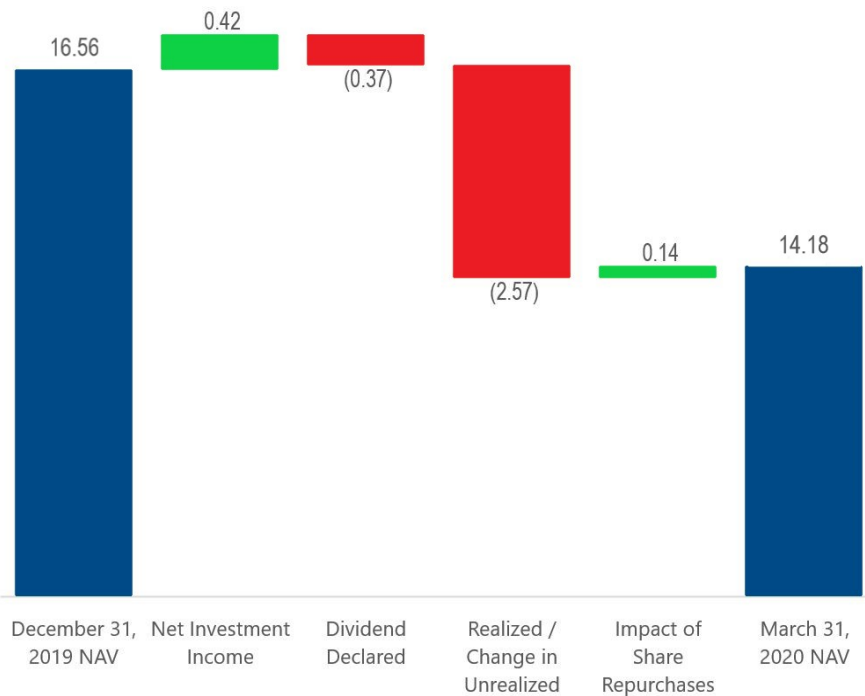
(Dollar amounts in thousands and based on par/principal)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Credit Fund Originations and Net Investment Activity					
Investment Fundings	\$ 137,478	\$ 121,117	\$ 93,821	\$ 139,134	\$ 179,383
Unfunded Commitments, Net Change	13,655	(16,635)	1,429	11,101	(33,615)
Sales and Repayments	(58,312)	(43,351)	(154,969)	(165,292)	(141,762)
Net Investment Activity	\$ 92,821	\$61,131	\$ (59,719)	\$ (15,057)	\$ 4,006

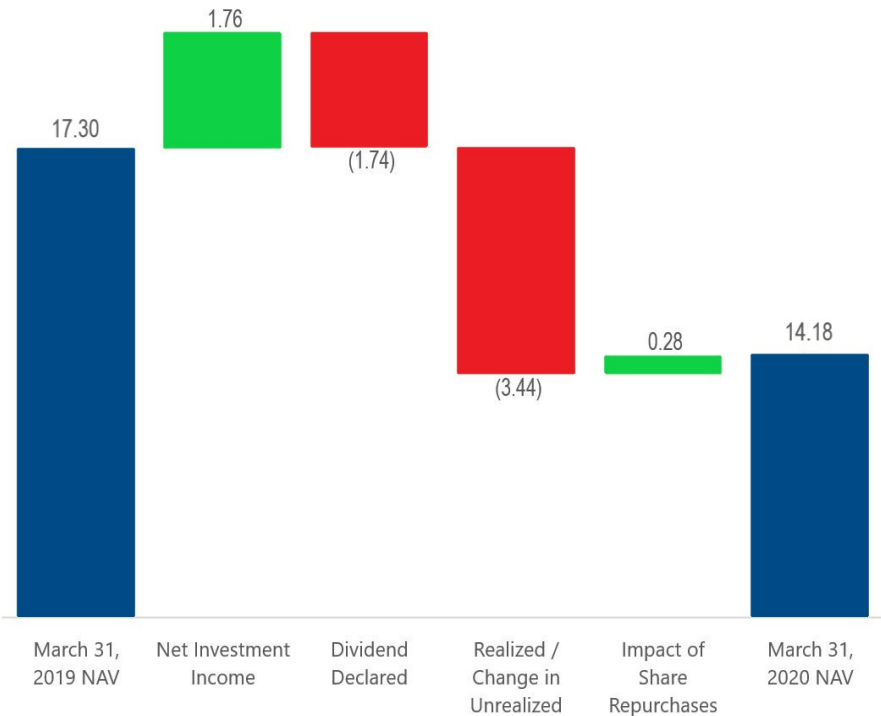
(1) Weighted average yields at cost of the debt investments include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of period end. Actual yields earned over the life of each investment could differ materially from the yields presented above. (2) First lien, excluding loans categorized as first lien last out, as a % of fair value. (3) % of fair value of first and second lien debt.

Net Asset Value Per Share Bridge

First Quarter 2020



LTM 1Q 2020



Note: The net asset value per share and dividends declared per share are based on the shares outstanding at each respective quarter-end. Net investment income per share and net change in realized and unrealized appreciation (depreciation) per share are based on the weighted average number of shares outstanding for the period. The sum of the individual numbers may not add up due to rounding.

Risk Rating Distribution

- As of March 31, 2020, 5 borrowers were on non-accrual status, representing 2.2% of total investments at fair value and 5.4% at amortized cost

Portfolio Risk Ratings

Internal Risk Rating	September 30, 2019		December 31, 2019		March 31, 2020	
	Fair Value	% of Fair Value	Fair Value	% of Fair Value	Fair Value	% of Fair Value
1	\$92.5	4.89%	\$39.2	2.07%	\$38.6	2.13%
2	1,402.9	74.11%	1,501.4	79.12%	1,392.5	76.94%
3	184.4	9.74%	132.9	7.00%	205.8	11.37%
4	187.6	9.91%	159.0	8.38%	96.6	5.34%
5	24.5	1.29%	65.2	3.43%	32.6	1.80%
6	1.0	0.05%	0.0	—%	43.8	2.42%
Total	\$1,892.9	100.00%	\$1,897.7	100.00%	\$1,809.8	100.00%

Rating Definition

1	Performing – Low Risk: Borrower is operating more than 10% ahead of the Base Case
2	Performing – Stable Risk: Borrower is operating within 10% of the Base Case (above or below). This is the initial rating assigned to all new borrowers
3	Performing – Management Notice: Borrower is operating more than 10% below the Base Case. A financial covenant default may have occurred, but there is a low risk of payment default
4	Watch List: Borrower is operating more than 20% below the Base Case and there is a high risk of covenant default, or it may have already occurred. Payments are current although subject to greater uncertainty, and there is moderate to high risk of payment default
5	Watch List – Possible Loss: Borrower is operating more than 30% below the Base Case. At the current level of operations and financial condition, the borrower does not have the ability to service and ultimately repay or refinance all outstanding debt on current terms. Payment default is very likely or may have occurred. Loss of principal is possible
6	Watch List – Probable Loss: Borrower is operating more than 40% below the Base Case, and at the current level of operations and financial condition, the borrower does not have the ability to service and ultimately repay or refinance all outstanding debt on current terms. Payment default is very likely or may have already occurred. Additionally, the prospects for improvement in the borrower's situation are sufficiently negative that impairment of some or all principal is probable

Funding and Liability Management Overview

Overview of Financing Facilities

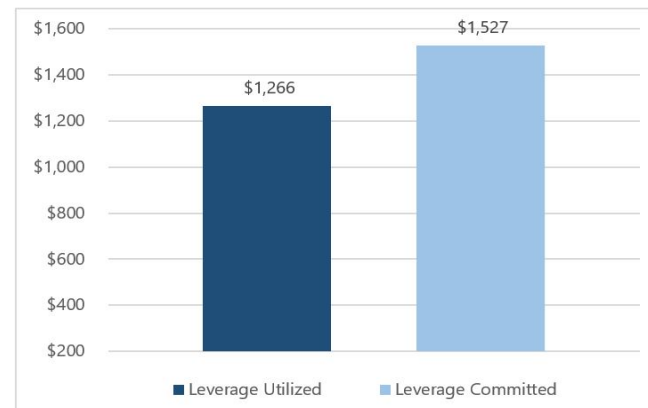
	Credit Facility ⁽¹⁾	SPV Credit Facility ⁽¹⁾	2015-1R Notes ^{(1) (5)}	Senior Unsecured Notes
Size	\$688 million	\$275 million	\$449 million	\$115 million
Original Tenor / Maturity Date	5 years (4 year revolving); maturity date 6/14/2024	5 years (3 years revolving); maturity date 5/23/2023	10/15/2031	12/31/2024
Pricing	L + 225 bps / 37.5 bps unused fee	L +200bps / 50-75bps unused fee	385 bps ⁽²⁾	475 bps Fixed

	Credit Fund Sub Facility ^{(1) (3)}	2017-1 Notes ⁽³⁾	2019-2 Notes ⁽⁴⁾	Credit Fund Warehouse II Facility ⁽⁶⁾
Size	\$640 million	\$194 million outstanding (\$352 million at closing)	\$298 million outstanding (\$352 million at closing)	\$150 million
Original Tenor / Maturity Date	6 years (3 years revolving); maturity date 5/22/2024	1/15/2028	4/15/2029	3 years (2 years revolving); maturity date 8/16/2022
Pricing	L + 225 bps / 50-75 bps unused fee	414 bps ⁽²⁾	436 bps ⁽²⁾	L + 105 bps

(1) Size represents maximum principal amount of the facility and is subject to availability under the facility, which is based on certain advance rates multiplied by the value of certain portfolio investments of the Company or Credit Fund (subject to certain concentration limitations) and may be net of certain other indebtedness that the Company or Credit Fund may incur in accordance with the terms of the facility. Middle Market Credit Fund SPV, LLC (the "Credit Fund Sub"), a Delaware limited liability company, was formed on April 5, 2016. Credit Fund Sub is a wholly-owned subsidiary of Credit Fund and is consolidated in Credit Fund's consolidated financial statements commencing from the date of its formation. (2) Weighted average interest rate, including amortization of debt issuance costs on the 2015-1R Notes, 2017-1 Notes and 2019-2 Notes, respectively, for the quarter ended March 31, 2020. (3) MMCF CLO 2017-1 LLC, the issuer, is a wholly-owned and consolidated subsidiary of Credit Fund. (4) MMCF CLO 2019-2 LLC, the issuer, is a wholly-owned and consolidated subsidiary of Credit Fund. (5) Carlyle Direct Lending CLO 2015-1R LLC, the issuer, is a wholly-owned and consolidated subsidiary of the Company. (6) MMCF Warehouse II, LLC, is a wholly-owned and consolidated subsidiary of Credit Fund. Refer to Notes 6 and 7 to the consolidated financial statements included in Part I, Item 1 of the Company's Form 10-Q for additional details.

Debt on Company's Balance Sheet

(dollar amounts in millions)



Mark to Market vs. Non-Mark to Market Debt

