

Bain Capital Specialty Finance, Inc.

First Quarter 2020
Earnings Presentation

Bain Capital Specialty Finance, Inc.

Disclaimer

In this material Bain Capital Credit, LP, Bain Capital Credit (Asia), Limited, Bain Capital Credit (Australia), Pty. Ltd., Bain Capital Credit, Ltd., Bain Capital (Ireland) Limited, Bain Capital Investments (Europe) Limited, Bain Capital Credit CLO Advisors, LP, Bain Capital Credit U.S. CLO Manager, LLC, and BCSF Advisors, LP are collectively referred to as “Bain Capital Credit”, which are credit affiliates of Bain Capital, LP. Bain Capital Credit, LP, Bain Capital Credit CLO Advisors, LP, Bain Capital Credit U.S. CLO Manager, LLC, and BCSF Advisors, LP are an investment advisers registered with the U.S. Securities and Exchange Commission (the “Commission”). Registration with the Commission does not constitute an endorsement by the Commission nor does it imply a certain level of skill or training. Bain Capital Credit (Australia), Pty. Ltd. is regulated by the Australian Securities and Investments Commission (“ASIC”). Bain Capital Credit, Ltd. and Bain Capital Investments (Europe) Limited are authorized and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom. Bain Capital Credit (Asia), Limited, is registered with the Securities & Futures Commission in Hong Kong. Bain Capital Private Equity Japan LLC is registered under Kanto Local Finance Bureau (FIEA) No.3025. Bain Capital Private Equity Japan LLC is a member of the Type II Financial Instruments Firms Association and the Japan Investment Advisers Association. No securities commission or regulatory authority in the United States or in any other country has in any way passed upon the merits of an investment in the company or the accuracy or adequacy of the information or material contained herein or otherwise..

This presentation shall not constitute an offer to sell or the solicitation of any offer to buy any securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such state or jurisdiction. Any such offering of securities will be made only by means of a registration statement (including a prospectus) filed with the Commission, and only after such registration statement has become effective. No such registration statement has become effective as of the date of this presentation.

This presentation has been prepared by Bain Capital Specialty Finance, Inc. (the “Company”) and may be used for information purposes only.

The information contained herein remains subject to further updating, revision, and amendment without notice. It should not be relied upon as the basis for making any investment decision, entering into any transaction or for any other purpose. Any offer to purchase or buy securities or other investment product will only be made pursuant to a definitive prospectus, and in compliance with applicable federal and state securities laws and regulations, and the information contained in this presentation is expressly subject to, and qualified in its entirety by, such prospectus. Any investment decision in connection with the Company should be based on the information contained in the registration statement and prospectus. This information is not, and under no circumstances is to be construed as, a prospectus or an offering memorandum as defined under applicable securities legislation. The information contained herein does not set forth all of the terms, conditions and risks of the Company.

Bain Capital Credit, the Company and their respective subsidiaries and affiliates and their respective employees, officers and agents make no representations as to the completeness and accuracy of any information contained within this written material. As such, Bain Capital Credit, the Company and their respective subsidiaries and affiliates are not responsible for errors and/or omissions with respect to the information contained herein except and as required by law. Information contained in this material is for informational purposes only and should not be construed as an offer or solicitation of any security or investment product, nor should it be interpreted to contain a recommendation for the sale or purchase of any security or investment product and is considered incomplete without the accompanying oral presentation and commentary.

An investment in the Company is speculative and involves a high degree of risk, which may not be suitable for all investors. The Company may often engage in leveraging and other speculative investment practices that may increase the risk of investment loss and the investments may be highly illiquid. Investing in the Company may involve complex tax structures and there may be delays in distributing important tax information. An investment in the Company involves a number of significant risks and other important factors relating to investments generally, and relating to the structure and investment objectives of the Company in particular. Investors should consider risks associated with the following: illiquidity and restrictions on transfer; tax considerations; valuation risks, and impact of fees on returns. The foregoing list of risk factors does not purport to be a complete enumeration of the risks involved in an investment in the Company. Prospective investors should reference the prospectus for additional details, risk factors and other important considerations, and consult with their own legal, tax and financial advisors before deciding to invest in the Company.

In considering investment performance information contained in this presentation, bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that Bain Capital or the Company will achieve comparable results. Actual realized value of currently unrealized investments will depend on, among other factors, future operating results, the value of the assets and market 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 and circumstances on which the current unrealized valuations are based. Accordingly, the actual realized values of unrealized investments may differ materially from the values indicated herein.

Please note that certain metrics contained in this presentation include Antares Bain Capital Complete Financing Solution LLC, a joint venture with Antares Midco Inc. (“Antares”).

For purposes of the non-financial operating and statistical data included in this presentation, including the aggregation of our non-U.S. dollar denominated investment funds, foreign currencies have been converted to U.S. dollars at the spot rate as of the last trading day of the reporting period when presenting period end balances, and the average rate for the period has been utilized when presenting activity during such period. With respect to capital commitments raised in foreign currencies, the conversion to U.S. dollars is based on the exchange rate as of the date of closing of such capital commitment.

This material contains proprietary information and analysis and may not be distributed or duplicated without the express written consent of Bain Capital Credit or its affiliates. Distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation, or which would subject Bain Capital Credit or its affiliates to any registration requirement within such jurisdiction or country, is prohibited.

Disclaimer

Certain information contained herein are not purely historical in nature, but are "forward-looking statements," which can be identified by the use of terms such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," or "believe" (or negatives thereof) or other variations thereof. These statements are based on certain assumptions and are intended to illustrate hypothetical results under those assumptions (not all of which are specified herein). Due to various risks and uncertainties (including those described as Risk Factors in the filings made by the Company with the SEC and in the prospectus), actual events or results may differ materially from those reflected or contemplated in such forward-looking statements. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in the Company's filings with the SEC. As a result, investors should not rely on such forward-looking statements. Bain Capital Credit, the Company and their respective its subsidiaries and affiliates undertake no obligation to update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

Certain information contained in this presentation has been obtained from published and non-published sources and/or prepared by third-parties and in certain cases has not been updated through the date hereof. Such information has not been independently verified by Bain Capital Credit, and Bain Capital Credit does not assume responsibility for the accuracy of such information (or updating the presentation based on facts learned following its issuance).

This material has been provided to you solely for your information and may not be copied, reproduced, further distributed to any other person or published, in whole or in part for any purpose without the express written consent of Bain Capital or affiliates. Any other person receiving this material should not rely upon its content.

The Bain Capital square symbol is a trademark of Bain Capital, LP.

Bain Capital Specialty Finance (“BCSF”) Highlights

Investment Focus

- Primary focus is directly originating loans to middle market, sponsor backed companies with \$10-150M of EBITDA. Portfolio median EBITDA: \$50.8 million. Median leverage through investment: 5.2x
- Highly diversified portfolio of investments of 108 companies across 30 industries
- Portfolio comprised of 88% first lien senior secured, 99.7% floating rate, and 92% with financial covenants

Benefits from Broader Bain Capital Platform

- Bain Capital is one of the world’s leading private alternative asset management firms
- Approximately \$105 billion in AUM
- 29-person Private Credit Group provides comprehensive coverage and broad geographical reach across 1,500+ middle market private equity sponsors, banks and financial intermediaries
- Bottom-up approach is grounded in business and industry due diligence, prudent investment structuring, and thorough documentation providing lender protections

Strategic Partnership

- Bain Capital Specialty Finance has access to a range of differentiated strategic partnerships given the scope of Bain Capital and the breadth of our network
- BCSF established a relationship with Antares Capital in November 2017 to source and make investments in unitranche loans

Quarterly Highlights

- Q1 2020 investment fundings of \$276.1 million
- Total investment income: \$51.5 million
- NII: \$22.5 million or \$0.44 per share
- Q1 ROE: 9.4%⁽¹⁾

Portfolio Highlights

We have invested approximately \$3.7 billion in aggregate principal since inception, driven by a robust origination pipeline and global sourcing capabilities.

\$2,485M

Current Portfolio Size

108

Portfolio Companies

30

Industries

7.3%

Weighted Avg. Yield at Amortized Cost⁽¹⁾

Portfolio of Predominantly Senior Secured, Floating Rate Loans

Net portfolio growth of \$302M since Q1 2019

Increase in Total Investment Income of 29% compared to Q1 2019

Portfolio Companies	133	123	126	114	108
---------------------	-----	-----	-----	-----	-----

Feb 2019
Entered into revolving credit agreement with Citibank

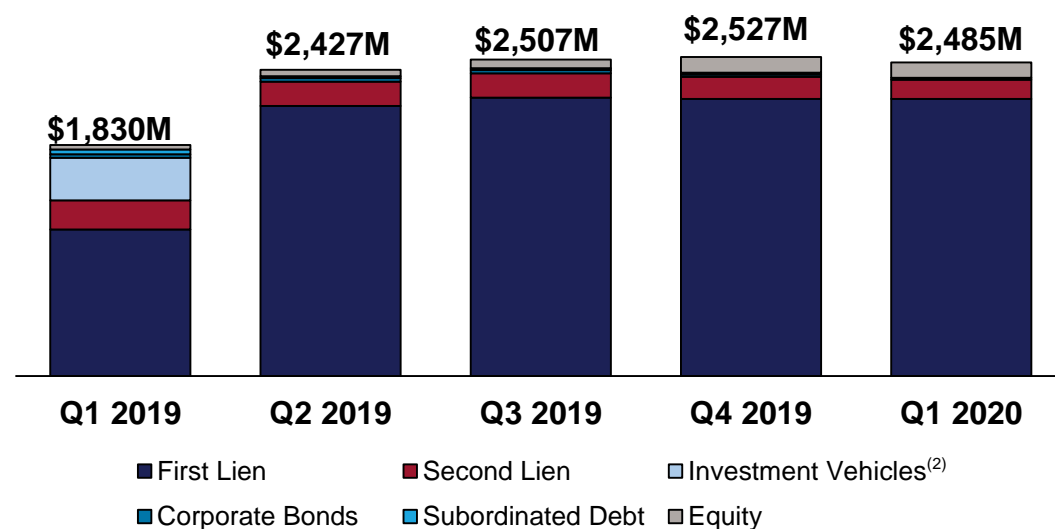
April 2019
ABCS assets on balance sheet

August 2019
Issued 2019-1 Debt

March 2020
Amended JPM and BCSF credit facilities
Entered into \$50M facility with Advisor
Announced rights offering

Feb 2019
Shareholder approval of reduced asset coverage of at least 150%

April 2019
Entered into credit agreement with JPMorgan Chase



Selected Quarterly Financial Information

(Dollar amounts in millions, except share data; per share data is based on weighted average shares outstanding during period, except as otherwise noted)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Net investment income per share	\$0.41	\$0.41	\$0.41	\$0.41	\$0.44
Net realized gain (loss) per share	0.05	0.12	0.01	(0.04)	(0.18)
Net unrealized gain (loss) per share	0.30	(0.16)	(0.07)	0.04	(2.28)
Net income per share	0.76	0.37	0.35	0.41	(2.02)
Distributions paid per share	0.41	0.41	0.41	0.41	0.41
Net asset value per share (ending shares)	19.81	19.77	19.71	19.72	17.29
Total Fair Value of Investments	\$1,829.9	\$2,427.4	\$2,506.7	\$2,527.1	\$2,484.5
Number of Portfolio Companies	133	123	126	114	108
Floating rate investments as % of total	96.1%	98.5%	98.7%	99.0%	99.7%
Weighted Average Yield at Amortized Cost ⁽¹⁾	8.9%	8.1%	7.8%	7.8%	7.3%
Weighted Average Yield at Fair Value ⁽¹⁾	8.9%	8.1%	7.9%	7.8%	7.6%
Net Assets	\$1,019.8	\$1,021.2	\$1,018.2	\$1,018.4	\$892.8
Debt ⁽²⁾	916.9	1,507.1	1,662.3	1,579.2	1,659.4
Debt to Equity at Quarter-End ⁽³⁾	0.90x	1.48x	1.63x	1.55x	1.86x

Selected Quarterly Financial Information

(Dollar amounts in millions)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Originations and Net Investment Activity:					
Investment Fundings	\$275.5	\$403.1 ⁽²⁾	\$274.8	\$341.4	\$276.1
Sales and Repayments	192.2	378.1 ⁽²⁾	184.2	333.5	180.7
Net Investment Activity	83.3	25.0	90.6	7.9	95.4
Total Investment Portfolio at Cost					
First Lien Debt	62.0%	86.9%	86.6%	85.4%	87.0%
First Lien, Last-out	1.5	1.1	1.1	1.1	0.6
Second Lien Debt	12.8	8.1	8.0	7.4	7.2
Subordinated Debt	2.2	0.6	0.5	0.6	0.6
Corporate Bonds	1.7	1.3	1.3	0.9	-
Investment Vehicles ⁽¹⁾	18.1	-	-	-	-
Equity Interest	1.3	1.2	1.7	3.8	3.9
Preferred Equity	0.4	0.8	0.8	0.8	0.7
Warrants	-	-	-	-	-

Quarterly Balance Sheets (Quarter Ended March 31, 2020)

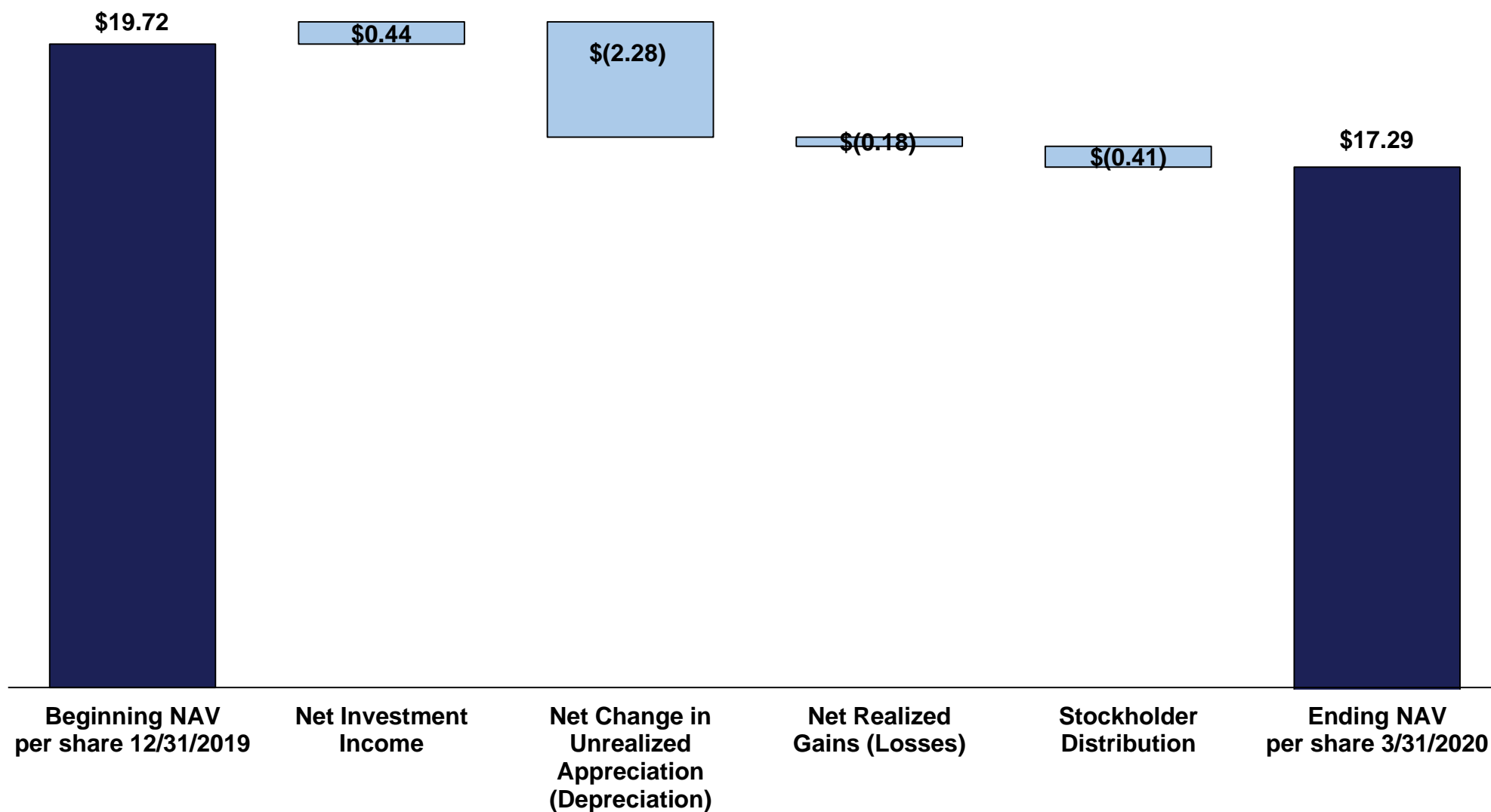
\$ in '000s	Q1 2019		Q2 2019		Q3 2019		Q4 2019		Q1 2020	
Assets										
Investments at fair value	\$	1,829,940	\$	2,427,415	\$	2,506,734	\$	2,527,055	\$	2,484,533
Cash and cash equivalents		79,140		100,358		70,637		36,531		55,128
Foreign cash		1,479		599		992		810		632
Restricted cash		14,009		27,946		86,402		31,505		18,706
Collateral on forward currency exchange contracts		404		1,984		64		-		392
Deferred financing costs		3,873		3,868		3,471		3,182		3,891
Receivable for sales and paydowns		40,236		12,016		28,070		21,994		10,595
Interest receivable on investments		7,974		13,529		18,600		22,482		15,156
Unrealized appreciation on forward currency contracts		6,038		331		9,308		1,034		12,903
Dividend receivable		9,150		292		1,037		961		2,405
Other assets		3,701		1,484		2,147		-		-
Total Assets	\$	1,995,944	\$	2,589,822	\$	2,727,462	\$	2,645,554	\$	2,604,341
Liabilities										
Debt (net of issuance costs) ⁽¹⁾	\$	914,896	\$	1,505,096	\$	1,657,578	\$	1,574,635	\$	1,654,900
Deferred offering costs payable		1,731		1,731		1,731		-		-
Interest payable		5,096		10,893		12,381		15,534		11,422
Payable for investments purchased		24,370		15,241		3,033		293		367
Unrealized depreciation on forward currency contracts		-		158		-		1,252		-
Base management fee payable		4,501		6,366		6,328		7,265		15,991
Incentive fee payable		2,103		4,490		3,567		4,513		4,513
Distributions payable		21,108		21,176		21,176		21,176		21,176
Other liabilities		2,305		3,469		3,443		2,486		3,195
Total Liabilities	\$	976,110	\$	1,568,620	\$	1,709,237	\$	1,627,154	\$	1,711,564
Total Net Assets	\$	1,019,834	\$	1,021,202	\$	1,018,225	\$	1,018,400	\$	892,777
Total Liabilities and Net Assets	\$	1,995,944	\$	2,589,822	\$	2,727,462	\$	2,645,554	\$	2,604,341
Net Assets per share										
Shares outstanding at end of period (thousands)	\$	19.81	\$	19.77	\$	19.71	\$	19.72	\$	17.29

Quarterly Operating Results (Quarter Ended March 31, 2020)

For Three Months Ended

\$ in '000s	Q1 2019		Q2 2019		Q3 2019		Q4 2019		Q1 2020
Interest income	\$	30,495	\$	45,073	\$	51,491	\$	53,335	\$ 48,643
Dividend income		9,373		5,152		961		1,254	2,413
Other income		22		373		236		178	440
Total Investment Income	\$	39,890	\$	50,598	\$	52,688	\$	54,767	\$ 51,496
Interest and debt financing expenses	\$	10,546	\$	16,619	\$	19,427	\$	19,738	\$ 17,876
Base management fee		6,751		7,983		8,910		9,058	8,726
Incentive fee		4,086		4,490		4,330		4,513	-
Other operating expenses		1,496		1,968		2,191		1,958	2,394
Total expenses	\$	22,879	\$	31,060	\$	34,858	\$	35,267	\$ 28,996
Management and incentive fees waived		(4,232)		(1,617)		(3,345)		(1,792)	-
Total expenses, net of fee waivers	\$	18,647	\$	29,443	\$	31,513	\$	33,475	\$ 28,996
Net investment income before income taxes	\$	21,243	\$	21,155	\$	21,175	\$	21,292	\$ 22,500
Excise tax expense		-		-		-		-	-
Net investment income	\$	21,243	\$	21,155	\$	21,175	\$	21,292	\$ 22,500
Net realized and unrealized gains (losses)		18,070		(1,933)		(2,976)		59	(126,947)
Net increase (decrease) in net assets	\$	39,313	\$	19,222	\$	18,199	\$	21,351	\$ (104,447)
Net investment income per share	\$	0.41	\$	0.41	\$	0.41	\$	0.41	\$ 0.44
Weighted average shares outstanding (thousands)		51,482		51,630		51,650		51,650	51,650

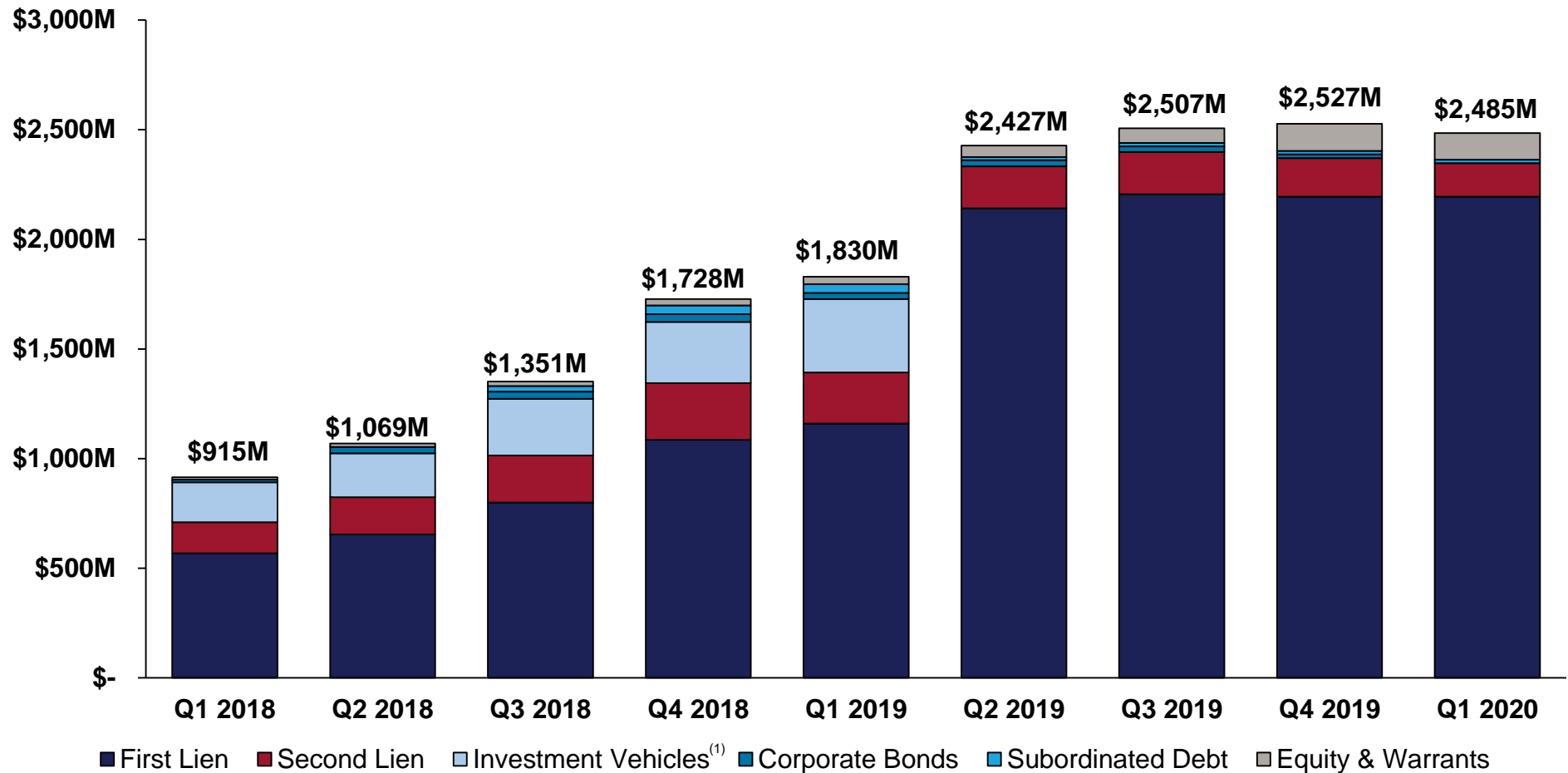
Net Asset Value Bridge – Q1 2020



Portfolio Overview

The Fair Value of Investments for BCSF as of March 31, 2020 is \$2,484.5 million.

Fair Value of Investments (in millions)

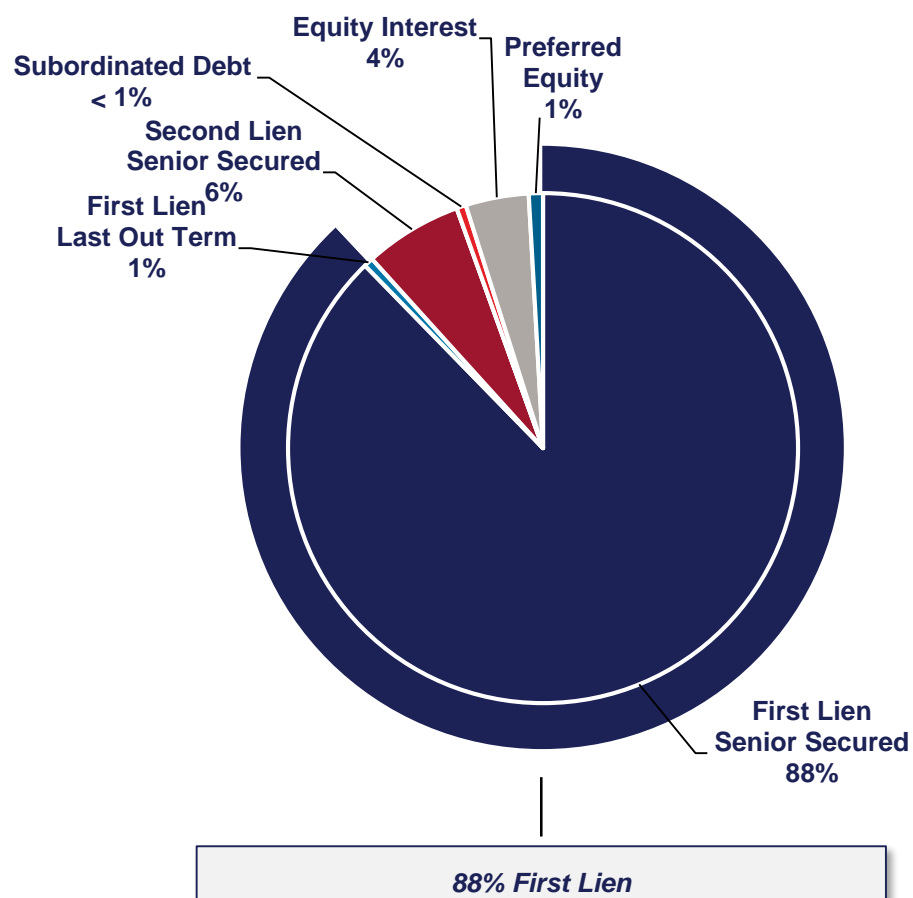


Portfolio Overview

The portfolio primarily consists of loans that represent the first dollar of risk in a capital structure. We focus on investing in structures that provide strong lender controls.

Portfolio Composition

Focus on First Dollar Risk ⁽¹⁾



Focus on Control

Primarily Sponsored ⁽²⁾

Sponsored

Majority of Loans Benefit From a Financial Covenant ⁽³⁾

Covenant

Effective Loan Voting Control ⁽⁴⁾

Positive Voting Control

Negative Voting Control

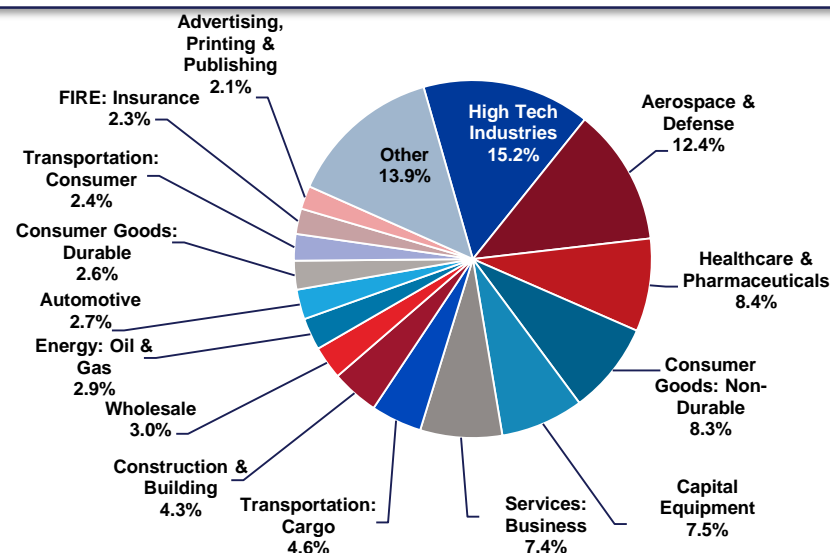
Other

BCSF Portfolio Overview

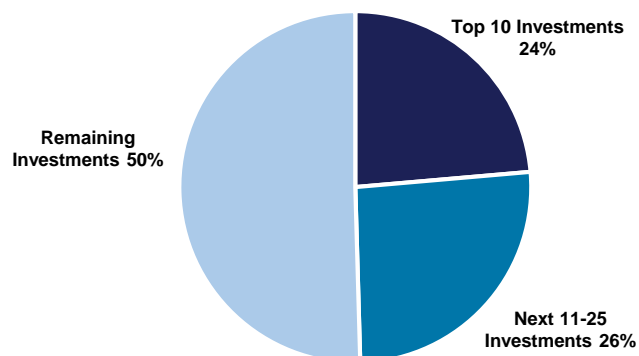
Portfolio Characteristics

Investments at Fair Value	\$2,484.5M
Unfunded Commitments	\$90.9M
Yield at Fair Value of Investments ⁽¹⁾	7.6%
Number of Companies	108
Floating / Fixed Rate	99.7% / 0.3%

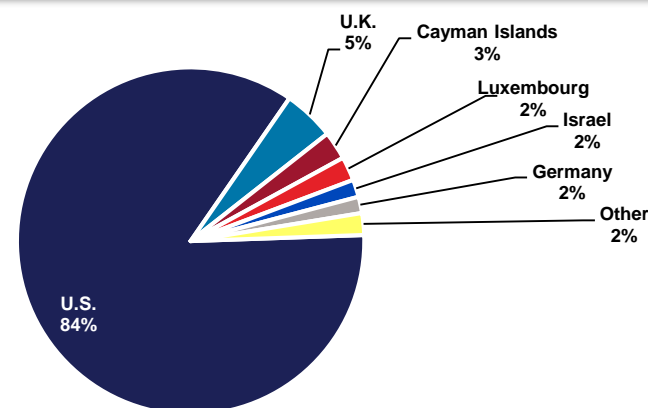
Industry



Diversification of Investments

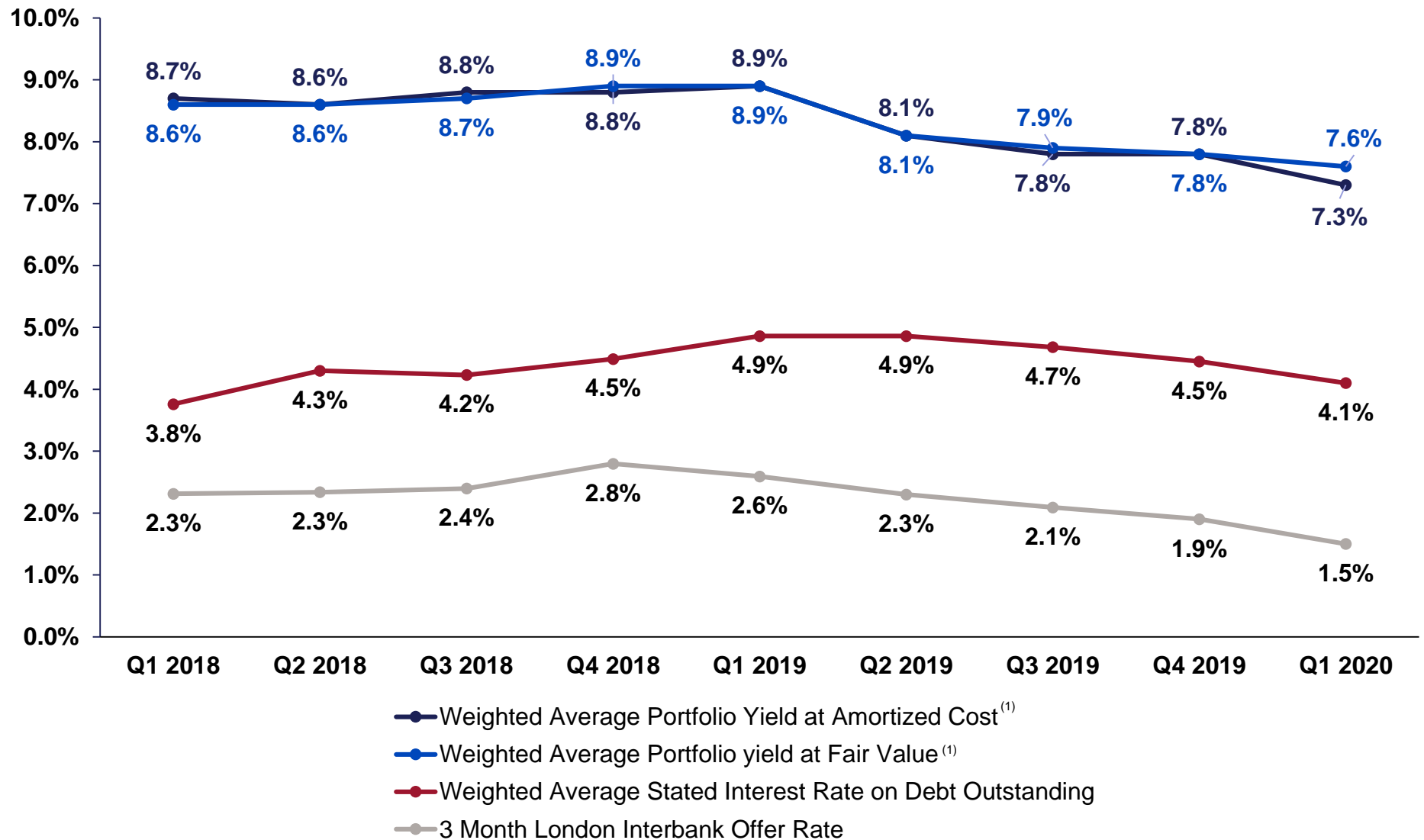


Geography



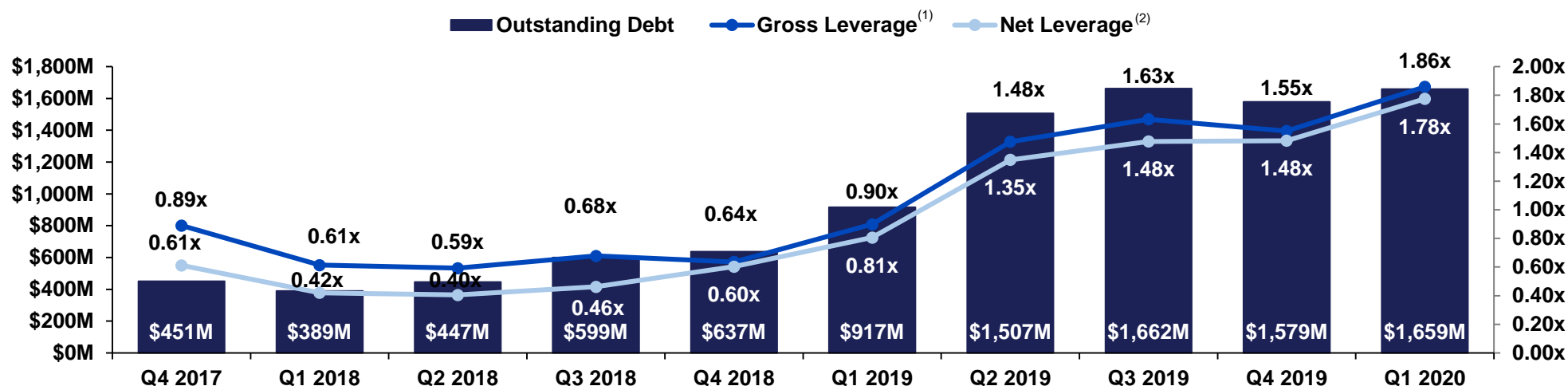
Portfolio Yield

Yield Analysis

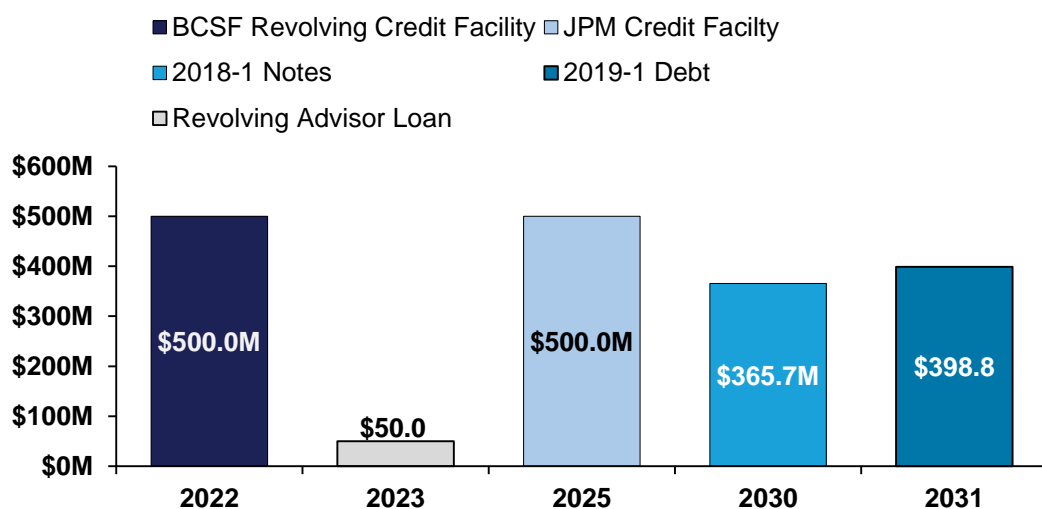


Debt Summary

Outstanding Debt and Debt to Equity Ratio



Debt Maturity Schedule by Total Commitments



Liability Profile

	BCSF Revolving Credit Facility ⁽³⁾	JPM Credit Facility ⁽³⁾	2018-1 Notes	2019-1 Debt	Advisor Loan
Principal Amount	\$500.0M	\$500.0M	\$365.7M	\$398.8M	\$50.0M
Interest Rate	L + 3.25%	L+2.375%	L + 1.55% AAA L + 1.96%	L + 1.70% AAA L + 2.30%	1.59%
Amount Outstanding	\$427.0M	\$449.6M	\$365.7M	\$398.8M	\$18.3M

Credit Quality of Investments

Investment Performance Rating

Investment Performance Rating	As of March 31, 2020				As of December 31, 2019			
	Fair Value (millions)	Percentage of Total	Number of Companies	Percentage of Total	Fair Value (millions)	Percentage of Total	Number of Companies	Percentage of Total
1	\$15.2	0.6%	1	0.9%	\$140.9	5.6%	4	3.5%
2	2,128.9	85.7	88	81.5	2,355.4	93.2	106	93.0
3	313.9	12.6	17	15.7	27.3	1.1	3	2.6
4	26.5	1.1	2	1.9	3.5	0.1	1	0.9
Total	\$2,484.5	100.0%	108	100.0%	\$2,527.1	100.0%	114	100.0%

Investment Performance Rating	Definition
1	An investment is rated 1 if, in the opinion of the Advisor, it is performing above underwriting expectations, and the business trends and risk factors are generally favorable, which may include the performance of the portfolio company or the likelihood of a potential exit.
2	An investment is rated 2 if, in the opinion of our Advisor, it is performing as expected at the time of our underwriting and there are generally no concerns about the portfolio company's performance or ability to meet covenant requirements, interest payments or principal amortization, if applicable. All new investments or acquired investments in new portfolio companies are initially given a rating of 2.
3	An investment is rated 3 if, in the opinion of our Advisor, the investment is performing below underwriting expectations and there may be concerns about the portfolio company's performance or trends in the industry, including as a result of factors such as declining performance, non-compliance with debt covenants or delinquency in loan payments (but generally not more than 180 days past due).
4	An investment is rated 4 if, in the opinion of our Advisor, the investment is performing materially below underwriting expectations. For debt investments, most of or all of the debt covenants are out of compliance and payments are substantially delinquent. Investments rated 4 are not anticipated to be repaid in full, if applicable, and there is significant risk that we may realize a substantial loss on our investment.

Quarterly Distribution Information

Date Declared	Record Date	Payment Date	Amount Per Share
December 22, 2016	December 22, 2016	January 17, 2017	\$0.015
May 9, 2017	May 12, 2017	May 19, 2017	\$0.07
June 21, 2017	June 29, 2017	August 11, 2017	\$0.11
September 27, 2017	September 28, 2017	November 14, 2017	\$0.21
December 26, 2017	December 28, 2017	January 24, 2018	\$0.31
March 28, 2018	March 28, 2018	May 17, 2018	\$0.34
June 28, 2018	June 28, 2018	August 10, 2018	\$0.36
September 26, 2018	September 26, 2018	October 19, 2018	\$0.41
December 19, 2018	December 31, 2018	January 14, 2019	\$0.41
February 21, 2019	March 29, 2019	April 12, 2019	\$0.41
May 7, 2019	June 28, 2019	July 29, 2019	\$0.41
August 1, 2019	September 30, 2019	October 30, 2019	\$0.41
October 31, 2019	December 31, 2019	January 30, 2020	\$0.41
February 20, 2020	March 31, 2020	April 30, 2020	\$0.41
May 4, 2020	June 30, 2020	July 30, 2020	\$0.41 ⁽¹⁾