

# BARINGS



**Barings BDC, Inc.  
Third Quarter 2022  
Earnings Presentation**

November 10, 2022

# Disclaimers and Cautionary Notes Regarding Forward-Looking Statements

Cautionary Notice: Certain statements contained in this presentation are "forward-looking" statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made and which reflect management's current estimates, projections, expectations or beliefs, and which are subject to risks and uncertainties that may cause actual results or events to differ materially. Forward-looking statements include, but are not limited to, Barings BDC, Inc.'s ("Barings BDC" or the "Company") projected net investment income and earnings, the Company's distribution levels and frequency of distributions, the Company's share repurchase activity, the ability of Barings LLC to manage the Company and identify investment opportunities, and some of the factors that could cause actual results or events to differ materially from those identified in forward-looking statements are enumerated in the filings the Company makes with the Securities and Exchange Commission (the "SEC"). These statements are subject to change at any time based upon economic, market or other conditions, including with respect to the impact of the COVID-19 pandemic and its effects on Barings BDC's and its portfolio companies' results of operations and financial condition, and may not be relied upon as investment advice or an indication of Barings BDC's investment intent. Important factors that could cause actual results to differ materially from plans, estimates or expectations included in this presentation include, among others, those risk factors detailed in Barings BDC's annual report on Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on February 23, 2022, in Barings BDC's most recently filed quarterly report on Form 10-Q, and as may be included from time to time in Barings BDC's other filings with the SEC, including current reports on Form 8-K. In addition, there is no assurance that Barings BDC or any of its affiliates will purchase additional shares of Barings BDC at any specific discount levels or in any specific amounts or that the market price of Barings BDC's shares, either absolutely or relative to net asset value, will increase as a result of any share repurchases, or that any repurchase plan will enhance stockholder value over the long term. The Company undertakes no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by law.

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## **JONATHAN BOCK**

*Chief Executive Officer  
Barings BDC, Inc.*

## **IAN FOWLER**

*President  
Barings BDC, Inc.*

## **JONATHAN LANDSBERG**

*Chief Financial Officer  
Barings BDC, Inc.*

## **BRYAN HIGH**

*Vice President  
Barings BDC, Inc.*

### **3Q 2022 Highlights (Bock)**

What were the summary points of the quarter?

### **Barings BDC Market Update & Investment Portfolio (Fowler)**

Update on the portfolio performance.

### **Barings BDC Financials (Landsberg)**

A walk through the balance sheet, income statement, NAV bridge and liquidity.

### **4Q 2022 Origination Pipeline (Landsberg)**

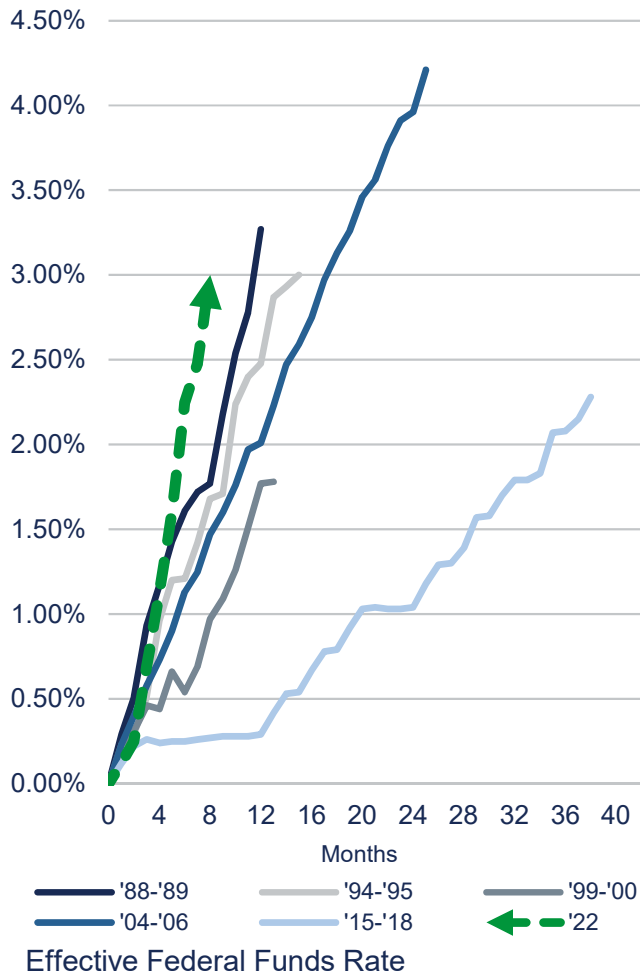
What is the level of investment activity post-quarter end?

## 3Q 2022 Highlights

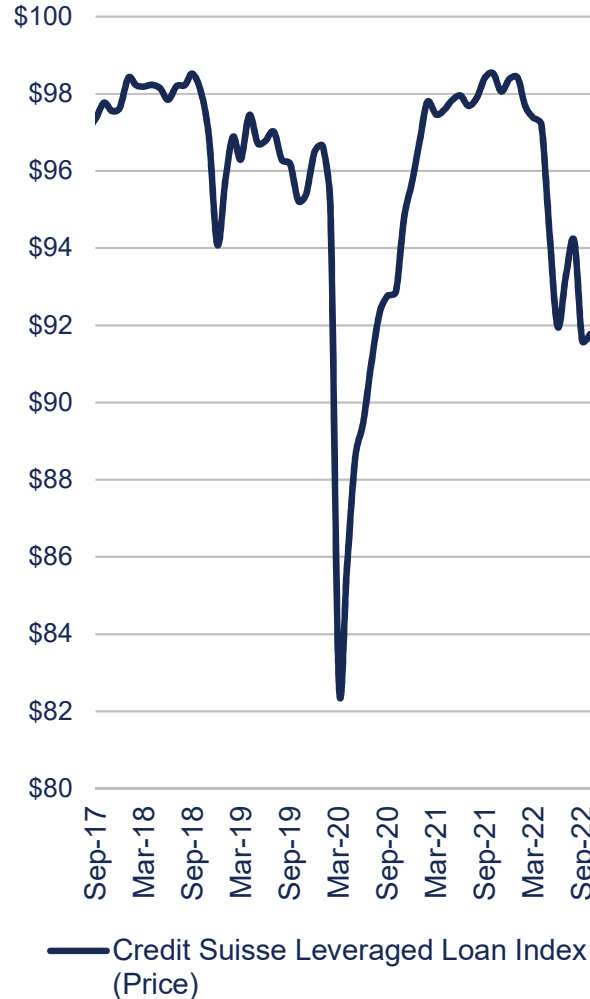
# Fed Rates, Loan Prices, and BDC Equity Prices through October 31<sup>st</sup>

An unprecedented pace of Fed rate increases has contributed to further asset price volatility

### FEDERAL RESERVE RATE HIKE IN HISTORICAL CONTEXT



### BROADLY-SYNDICATED LOAN PRICES



### BDC EQUITY PRICES



Source: Bloomberg

# Third Quarter 2022 Highlights

## NET ASSET VALUE

Net asset value (NAV) as of September 30, 2022 was \$11.28 per share as compared to \$11.41 as of June 30, 2022

## ORIGINATIONS

Total originations during the quarter were \$234 million, while sales and repayments totaled \$241 million, for net originations of -\$7 million

## NET INVESTMENT INCOME

Net investment income for the quarter ended September 30, 2022 was \$0.26 per share

## PORTFOLIO YIELD

The weighted-average portfolio yield<sup>1</sup> as of June 30, 2022 was 8.9% for Middle-Market Loans (MML), 9.6% for Cross-Platform investments, 7.3% for MVC assets, and 10.0% for SIC assets<sup>2</sup>

## DIVIDEND

The Board of Directors approved a fourth quarter dividend of \$0.24 per share, unchanged from the third quarter

## CREDIT PERFORMANCE

There were no BBDC-originated investments on non-accrual status as of quarter end; two MVC-acquired and five SIC-acquired portfolio companies were on non-accrual, representing 0.7% of total portfolio at fair value

Data as of September 30, 2022. Refer to slide 19 for fully-reconciled income statement including number of shares used to calculate per-share data.

1. Yield is calculated as the weighted average of current coupon rates (USD-equivalent).

2. Excludes short-term investments, equity investments, and non accrual investments.

# Selected Financial Highlights

Balance Sheet Highlights	3Q 2022	2Q 2022	1Q 2022	4Q 2021	3Q 2021
Investment Portfolio, at Fair Value	\$2,332.5	\$2,389.1	\$2,403.4	\$1,800.6	\$1,652.5
Total Debt Outstanding (Principal)	\$1,376.0	\$1,539.4	\$1,482.2	\$1,380.2	\$1,037.7
Total Net Assets (Equity)	\$1,228.1	\$1,252.9	\$1,317.6	\$741.9	\$744.8
Debt-to-Equity Ratio	1.12x	1.23x	1.12x	1.86x	1.39x
Net Debt-to-Equity Ratio <sup>1</sup>	0.99x	1.00x	0.89x	1.49x	1.19x
<b>Income Statement Highlights</b>					
Total Investment Income	\$56.3	\$55.6	\$43.8	\$36.6	\$35.0
Net Investment Income	\$27.9	\$31.8	\$19.0	\$15.2	\$14.9
Net Realized Gains/(Losses)	\$7.9	(\$10.2)	(\$1.4)	(\$1.8)	(\$3.8)
Net Unrealized Appreciation/(Depreciation)	(\$26.1)	(\$44.7)	\$3.5	(\$1.9)	\$3.3
Net Income	\$9.9	(\$25.0)	\$21.0	\$11.5	\$14.4
<b>Per-Share Data</b>					
Net Asset Value per Share	\$11.28	\$11.41	\$11.86	\$11.36	\$11.40
Net Investment Income per Share (Basic and Diluted) <sup>2</sup>	\$0.26	\$0.29	\$0.23	\$0.23	\$0.23
Net Income per Share (Basic and Diluted) <sup>2</sup>	\$0.09	(\$0.23)	\$0.25	\$0.18	\$0.22
Dividend per share	\$0.24	\$0.24	\$0.23	\$0.22	\$0.21

Amounts in millions, except per-share data and ratios.

1. Net of cash and foreign currencies, short-term investments and net unsettled transactions. Refer to slide 30 for a reconciliation of Debt-to-Net Debt and a calculation of Net Debt-to-Equity Ratio.

2. Refer to slide 19 for weighted-average shares outstanding for each period.

# Barings BDC Market Update & Investment Portfolio



# Investment Activity

## Summary of investment activity during the quarter ended September 30, 2022

- **Middle-Market Loans:**

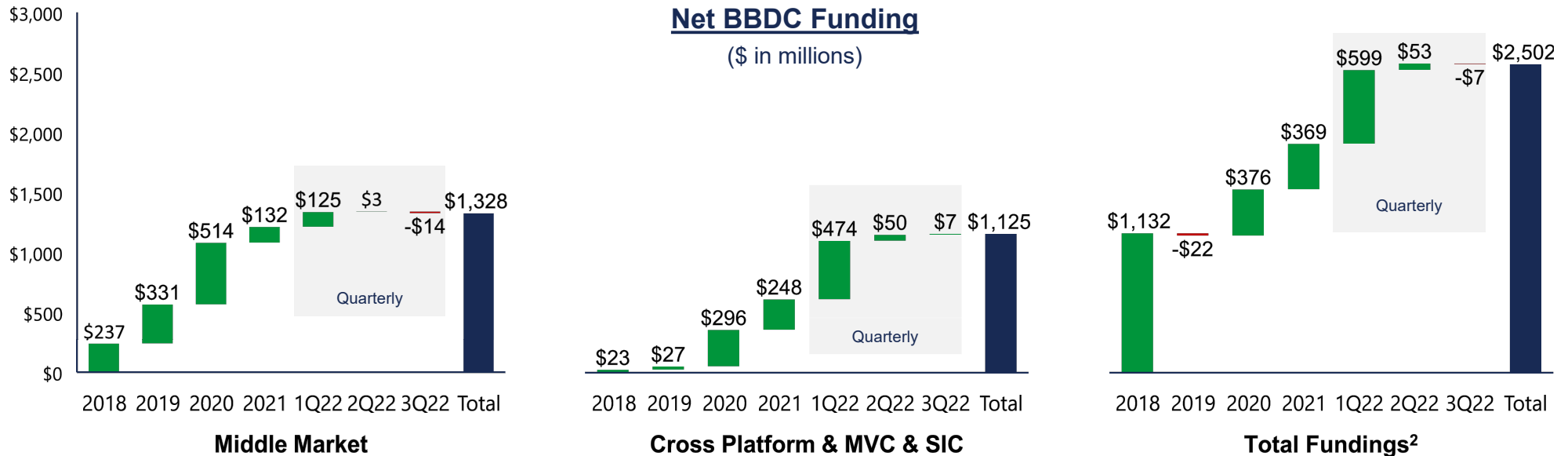
- Net decrease in investments of \$14 million
  - Total MML fundings were \$163 million
    - Includes \$116 million in 16 new portfolio companies
    - Includes \$47 million in 32 existing portfolio companies, including previously-committed Delayed-Draw Term Loans (DDTLs)
  - Sales and repayments totaled \$176 million

- **Cross-Platform Investments:**

- Net increase in investments of \$51 million
  - \$72 million of new originations (including JVs), and \$21 million of sales and repayments

- **MVC and SIC Portfolios:**

- Sales and repayments for the MVC and SIC portfolios totaled \$22 million each



All amounts in millions. 2018 amounts are for post-externalization period from August 3, 2018 to December 31, 2018. Excludes short-term investments.

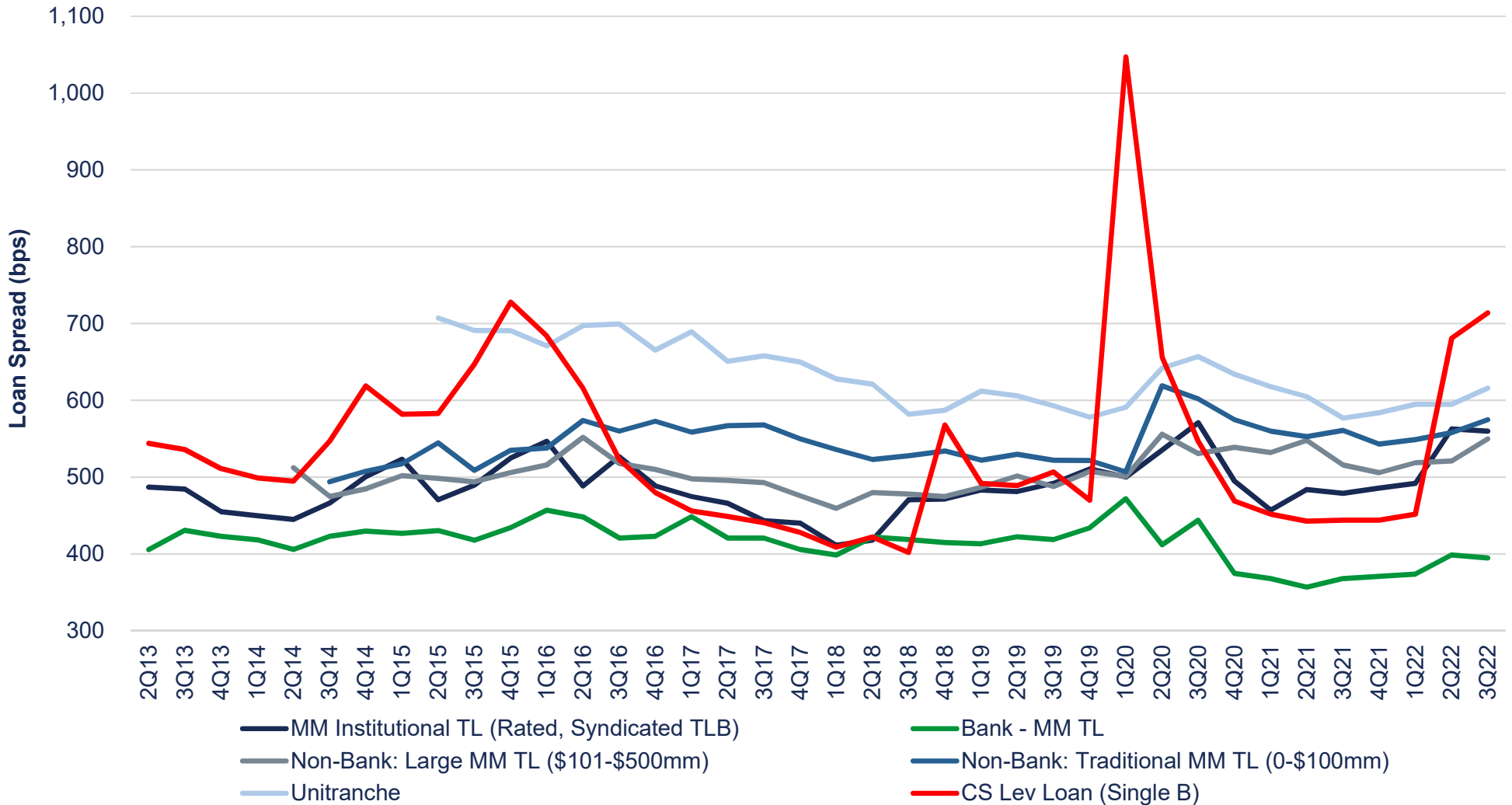
1. Cross Platform includes Jocassee Partners LLC, Thompson Rivers LLC, and Waccamaw River LLC.

2. Includes Initial BSL portfolio.

# All-In Senior Investment Spreads

Middle-market spreads continued to widen in the third quarter, but this occurred at a more measured pace in comparison to the spread widening seen in the broadly-syndicated loan market

## QUARTERLY MIDDLE-MARKET SPREADS ACROSS THE CAPITAL STRUCTURE

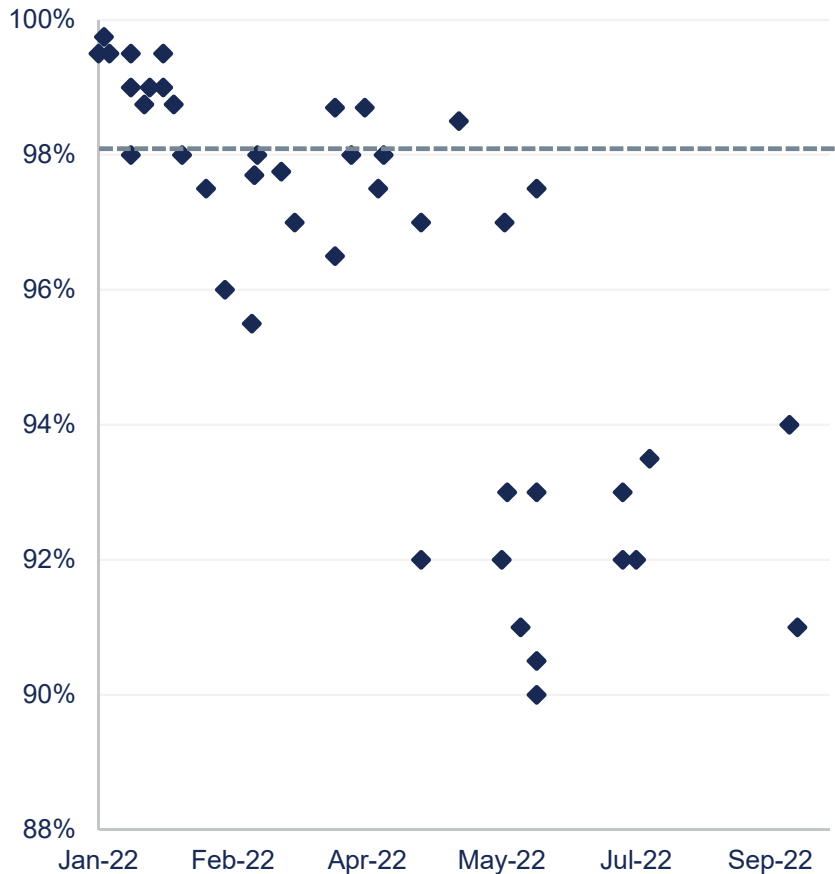


Source: Refinitiv LPC.

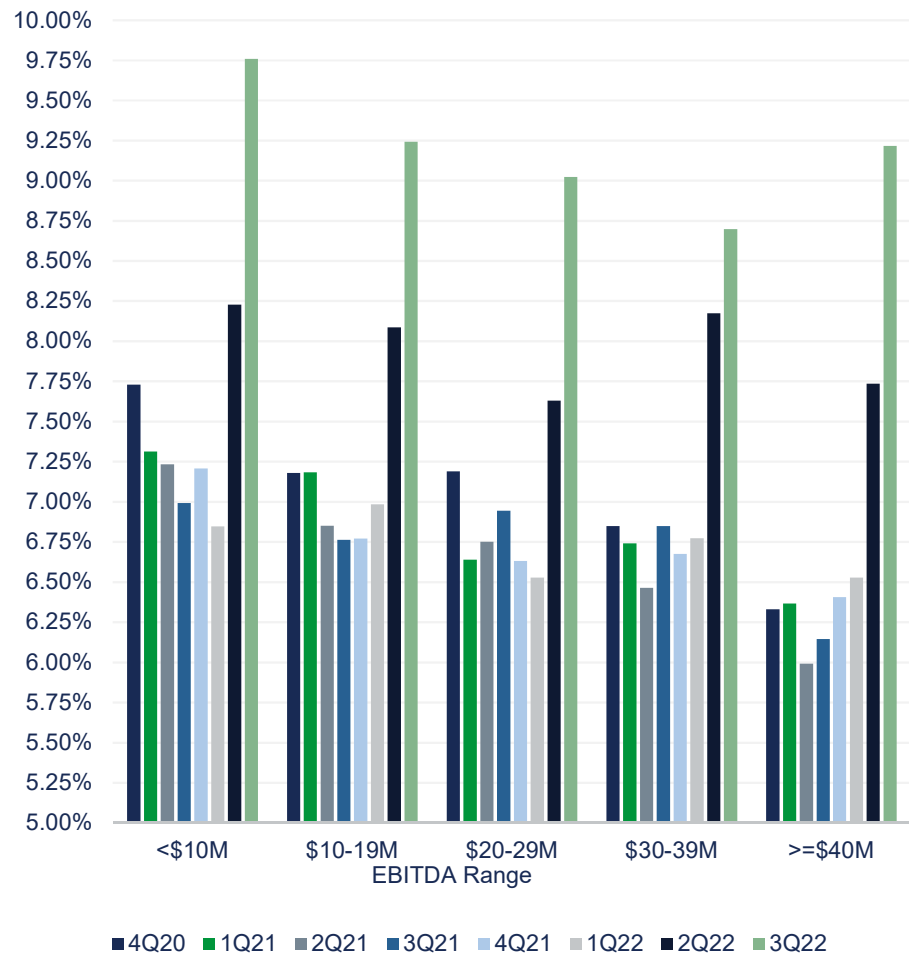
# Loan Market Context

New-issue Broadly Syndicated Loans (BSLs) continue to be issued at meaningful discounts

### Term Loan New-issue Price, LBOs



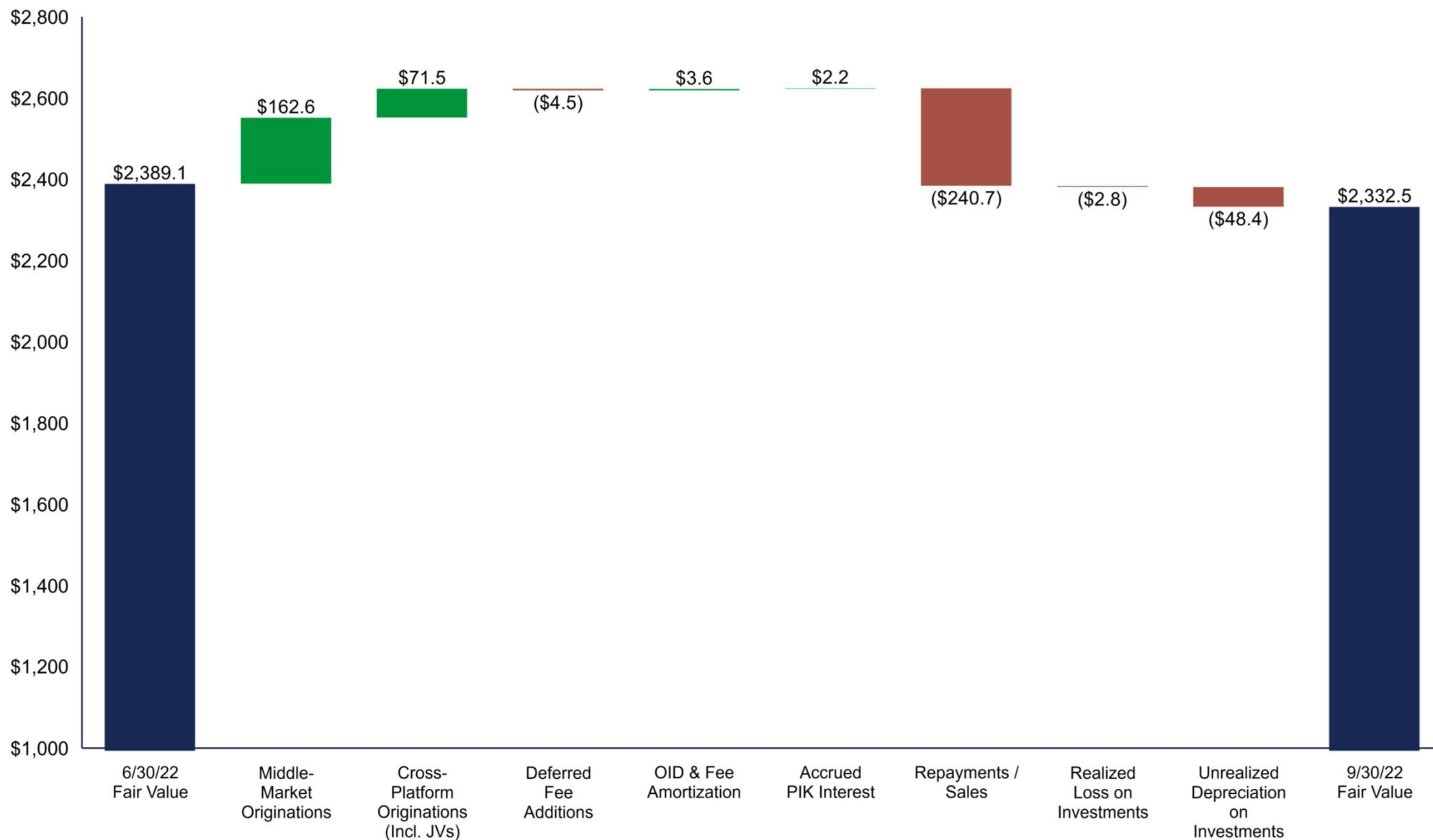
### Average 1L Term Loan Yield by EBITDA Size (bps)



Source: Refinitiv LPC and LCD.

# Portfolio Bridge – 2Q22 to 3Q22

In the third quarter we originated \$163 million of Middle-Market Loans, made \$72 million of Cross-Platform Investments (including JVs), and had \$241 million of sales/paydowns



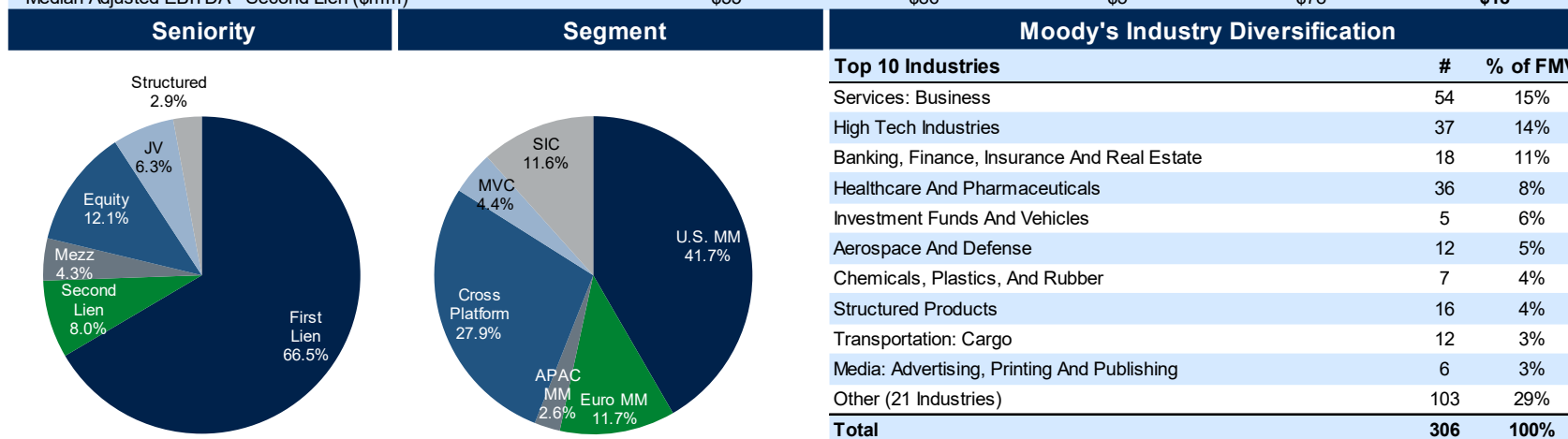
Dollar amounts in millions. Total may not foot due to rounding.

# Aggregate Portfolio Characteristics (as of September 30, 2022)

	Middle Market	Cross Platform	Acquired MVC	Acquired SIC	Total
<b>Total Investments and Commitments (\$mm)</b>	\$1,472	\$779	\$103	\$277	<b>\$2,632</b>
Unfunded Commitments (\$mm)	\$166	\$127	\$0	\$6	<b>\$299</b>
<b>Total Investments at Fair Value (\$mm)</b>	\$1,307	\$652	\$103	\$271	<b>\$2,332</b>
Assets on Non-Accrual	\$0	\$0	\$4	\$13	<b>\$17</b>
Assets Valued Below 90% of Cost	0.2%	7.9%	6.0%	30.1%	<b>6.1%</b>
Average Spread	597 bps	798 bps	731 bps	720 bps	<b>654 bps</b>
Yield at Fair Value of Investments (%) <sup>1</sup>	9.2%	9.6%	7.5%	10.5%	<b>9.4%</b>
<b>Revenue Contribution (as % of Total Revenue)</b>					
Cash Interest	46.7%	25.3%	2.1%	11.9%	<b>86.1%</b>
PIK Interest	1.5%	2.2%	0.6%	1.6%	<b>5.9%</b>
Restructured PIK Interest <sup>2</sup>	0.0%	0.0%	0.0%	0.0%	<b>0.0%</b>
OID/Upfront Fee	4.0%	1.0%	1.2%	0.3%	<b>6.4%</b>
Other Fees	1.3%	0.2%	0.0%	0.1%	<b>1.6%</b>
<b>Total</b>	<b>53.5%</b>	<b>28.7%</b>	<b>3.9%</b>	<b>13.8%</b>	<b>100.0%</b>

## Portfolio Statistics

Number of Portfolio Companies	211	41	10	44	<b>306</b>
Percent 1st Lien	88.0%	52.2%*	2.6%	67.0%*	<b>66.5%</b>
Weighted-Average First Lien Leverage (Debt/Adjusted EBITDA)	5.2x	6.5x	1.5x	5.6x	<b>5.2x</b>
Weighted-Average Total Leverage (Debt/Adjusted EBITDA)	5.6x	6.9x	2.3x	6.7x	<b>5.6x</b>
Weighted-Average Interest Coverage	3.2x	3.4x	3.2x	2.6x	<b>3.1x</b>
Median Adjusted EBITDA - First Lien (\$mm)	\$24	\$73	-	\$23	<b>\$27</b>
Median Adjusted EBITDA - Second Lien (\$mm)	\$55	\$86	\$5	\$78	<b>\$18</b>



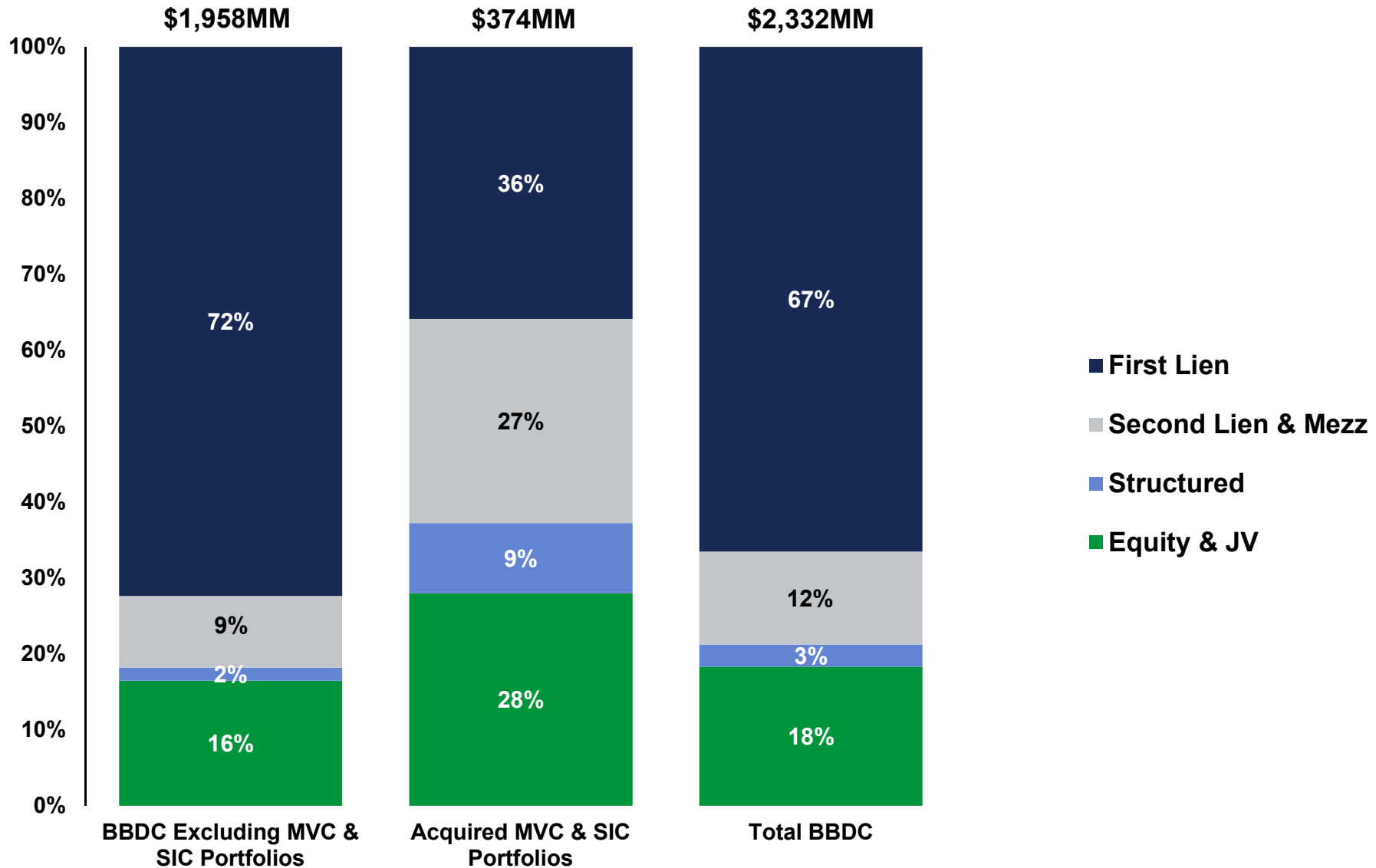
Data as of September 30, 2022. Excludes short-term investments. \* Excludes structured products and joint ventures.

1. Yield at Fair Value is calculated as current coupon (USD-equivalent) divided by current price.

2. Restructured PIK Interest refers to a deal amended after closing due to underperformance to increase the PIK portion of interest and reduce the cash portion.

# Portfolio Rotation

While the acquisitions of MVC Capital and Sierra Income diversified the Barings BDC portfolio, our core focus remains first lien investments



Based on fair value as of September 30, 2022. Excludes short-term investments. Totals may not foot due to rounding.

# Top 10 Investments

Top 10 Holdings (as of September 30, 2022)						
Issuer	Moody's Industry	Segment	Principal Amount	Cost	Fair Value	% of Portfolio
Eclipse Business Capital, LLC	Banking, Finance, Insurance and Real Estate	Cross Platform	\$10,727	\$100,425	\$137,295	5.9%
Security Holdings B.V.	Services: Business	MVC	19,044	55,308	76,460	3.3%
Policy Services Company, LLC	Banking, Finance, Insurance and Real Estate	Cross Platform	49,140	47,920	47,665	2.0%
Thompson Rivers LLC	Investment Funds and Vehicles	JV	-	58,604	43,729	1.9%
Bridger Aerospace Group Holdings, LLC	Environmental Industries	Cross Platform	27,200	41,138	42,232	1.8%
Jocassee Partners LLC	Investment Funds and Vehicles	JV	-	35,158	40,845	1.8%
Sierra Senior Loan Strategy JV I LLC	Investment Funds and Vehicles	SIC	-	50,221	40,216	1.7%
TPC Group, Inc.	Chemicals, Plastics, and Rubber	Cross Platform	40,678	40,235	40,116	1.7%
The Cleaver-Brooks Company, Inc.	Capital Equipment	Middle Market	32,538	31,843	31,822	1.4%
Core Scientific, Inc.	High Tech Industries	Cross Platform	29,647	29,915	29,648	1.3%
<b>Top 10</b>			<b>208,975</b>	<b>490,767</b>	<b>530,028</b>	<b>22.7%</b>
<b>Rest of Portfolio</b>			<b>1,913,526</b>	<b>1,940,137</b>	<b>1,802,464</b>	<b>77.3%</b>
<b>Total Portfolio</b>			<b>\$2,122,501</b>	<b>\$2,430,904</b>	<b>\$2,332,492</b>	<b>100.0%</b>

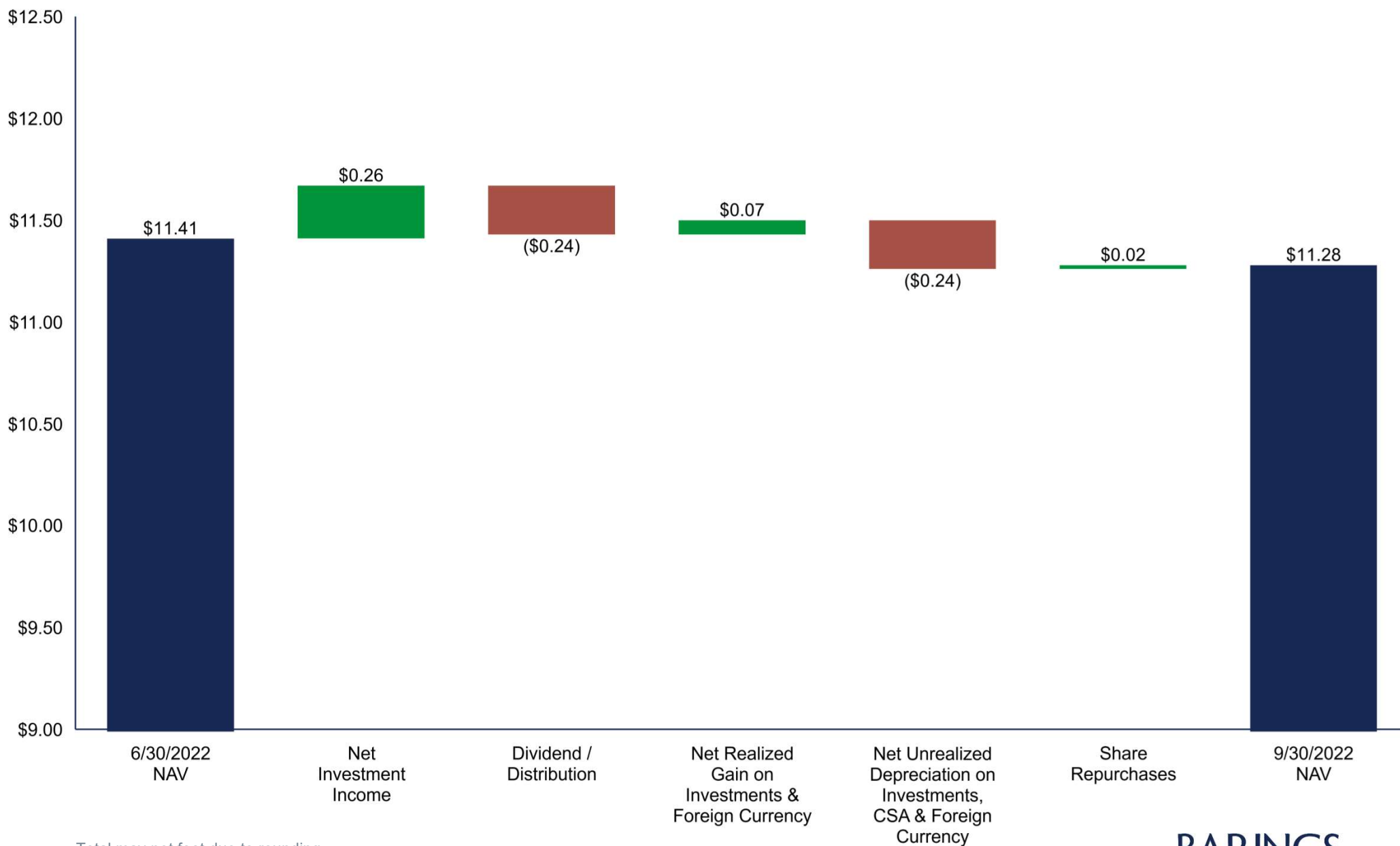
Excludes short-term investments. Totals may not foot due to rounding.

# Barings BDC Financials



# Net Asset Value Per Share (NAV) Bridge – 2Q22 to 3Q22

BBDC's NAV per share decreased in 3Q22 to \$11.28 from \$11.41, driven primarily by unrealized depreciation on investments



Total may not foot due to rounding.

# Barings BDC Portfolio Summary as of September 30, 2022

3Q 2022 Portfolio Summary								
	Par	Cost	Fair Value	3Q Unrealized App (Dep) - Price	3Q Unrealized App (Dep) - Credit	3Q Unrealized App (Dep) - FX	3Q Unrealized App (Dep) - Total	Per Share
<b>Middle-Market Lending</b>								
North America	\$972,331	\$977,081	\$971,714	(\$1,938)	(1,838)	(\$1,021)	(\$4,797)	(\$0.04)
Europe / APAC	319,164	374,299	334,828	(3,142)	(250)	(20,580)	(23,972)	(0.22)
<b>Total Middle-Market Lending</b>	<b>1,291,495</b>	<b>1,351,380</b>	<b>1,306,541</b>	<b>(5,080)</b>	<b>(2,088)</b>	<b>(21,601)</b>	<b>(28,769)</b>	<b>(0.26)</b>
<b>Cross-Platform Investments</b>								
Special Situations	234,392	261,806	254,673	(4,693)	865	(873)	(4,701)	(0.04)
Opportunistic Liquid	30,332	31,247	27,886	(259)	-	(660)	(919)	(0.01)
Infrastructure & Structured	107,081	126,293	125,959	(955)	-	-	(955)	(0.01)
Joint Ventures		116,282	105,946	(5,511)	-	-	(5,511)	(0.05)
Eclipse	10,727	100,425	137,295	-	10,668	-	10,668	0.10
<b>Total Cross-Platform Investments</b>	<b>382,532</b>	<b>636,053</b>	<b>651,759</b>	<b>(11,418)</b>	<b>11,533</b>	<b>(1,533)</b>	<b>(1,418)</b>	<b>(0.01)</b>
<b>Legacy MVC Portfolio</b>	<b>117,041</b>	<b>141,006</b>	<b>102,934</b>	<b>-</b>	<b>(6,565)</b>	<b>(3,792)</b>	<b>(10,357)</b>	<b>(0.09)</b>
<b>Legacy SIC Portfolio</b>	<b>323,637</b>	<b>302,465</b>	<b>271,258</b>	<b>(2,716)</b>	<b>(4,642)</b>	<b>-</b>	<b>(7,358)</b>	<b>(0.07)</b>
<b>Total Portfolio as of 9/30/22</b>	<b>\$2,114,706</b>	<b>\$2,430,904</b>	<b>\$2,332,492</b>	<b>(19,214)</b>	<b>(1,761)</b>	<b>(26,926)</b>	<b>(47,902)</b>	<b>(\$0.44)</b>
Reclass. Adj. - Sales & Repayments				(1,199)	-	2,308	1,108	0.01
Money Market Funds				-	-	-	-	-
<b>Total Unrealized App (Dep) on Investments</b>				<b>(20,414)</b>	<b>(1,761)</b>	<b>(24,618)</b>	<b>(46,793)</b>	<b>(0.43)</b>
Foreign Currency Transactions				-	-	17,231	17,231	0.16
Credit Support Agreements				3,440	-	-	3,440	0.03
<b>Total Unrealized App (Dep) on Investments, CSAs and Foreign Currency Transactions</b>				<b>(\$16,973)</b>	<b>(\$1,761)</b>	<b>(\$7,387)</b>	<b>(\$26,121)</b>	<b>(\$0.24)</b>

Amounts in thousands, except per share amounts.

# Barings BDC Income Statement

	3Q22	2Q22	1Q22	4Q21	3Q21
<b>Investment income:</b>					
Interest income	\$40,639	\$40,784	\$32,069	\$25,783	\$24,623
Dividend income	7,905	7,246	7,693	5,546	2,867
Fee and other income	4,321	5,072	1,197	3,830	4,488
Payment-in-kind interest income	3,267	2,474	2,798	1,445	3,006
Interest income from cash	174	16	—	—	—
<b>Total investment income</b>	<b>56,306</b>	<b>55,592</b>	<b>43,757</b>	<b>36,605</b>	<b>34,984</b>
<b>Operating expenses:</b>					
Interest and other financing fees	15,341	13,168	11,661	9,631	8,103
Base management fee	8,267	7,381	5,872	5,422	5,274
Incentive management fees	1,825	—	4,754	4,067	4,443
General and administrative expenses	2,961	3,269	2,455	2,312	2,281
<b>Total operating expenses</b>	<b>28,394</b>	<b>23,818</b>	<b>24,742</b>	<b>21,433</b>	<b>20,101</b>
<b>Net investment income before taxes</b>	<b>27,912</b>	<b>31,774</b>	<b>19,015</b>	<b>15,172</b>	<b>14,883</b>
Income taxes, including excise tax expense (benefit)	—	—	6	—	26
<b>Net investment income after taxes</b>	<b>27,912</b>	<b>31,774</b>	<b>19,009</b>	<b>15,172</b>	<b>14,857</b>
<b>Realized and unrealized gains (losses) on investments, CSA and FX:</b>					
Net realized gains (losses)	7,862	(10,223)	(1,442)	(1,800)	(3,762)
Net unrealized appreciation (depreciation)	(26,121)	(44,654)	3,465	(1,894)	3,315
<b>Net realized and unrealized gains (losses)</b>	<b>(18,259)</b>	<b>(54,877)</b>	<b>2,023</b>	<b>(3,693)</b>	<b>(447)</b>
Loss on extinguishment of debt	—	—	—	—	—
Tax benefit (provision)	240	(1,890)	—	—	—
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$9,893</b>	<b>(\$24,993)</b>	<b>\$21,032</b>	<b>\$11,479</b>	<b>\$14,410</b>
Net investment income per share—basic and diluted	\$0.26	\$0.29	\$0.23	\$0.23	\$0.23
Net increase (decrease) in net assets resulting from operations per share—basic and diluted	\$0.09	(\$0.23)	\$0.25	\$0.18	\$0.22
Weighted average shares outstanding—basic and diluted	109,272,489	110,759,443	82,656,326	65,316,085	65,316,085

Amounts in thousands, except per share amounts.

# Barings BDC Balance Sheet

Debt-to-equity at September 30, 2022 was 1.12x, or 0.99x<sup>(1)</sup> after adjusting for cash and foreign currencies, short-term investments and unsettled transactions

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
<b>Assets:</b>					
Investments at fair value:					
Non-Control / Non-Affiliate investments	\$1,915,108	\$1,928,010	\$1,917,558	\$1,490,113	\$1,355,088
Affiliate investments	300,258	322,321	364,753	288,069	223,000
Control investments	117,126	138,745	121,114	22,412	24,395
Short-term investments	—	—	—	—	50,000
<b>Total investments at fair value</b>	<b>2,332,492</b>	<b>2,389,076</b>	<b>2,403,425</b>	<b>1,800,594</b>	<b>1,652,483</b>
Cash and foreign currencies	137,323	197,770	154,431	84,253	41,386
Receivable from unsettled transactions	46,880	101,195	182,294	219,732	61,438
Credit Support Agreements	49,480	46,040	59,400	15,400	14,300
Other assets	80,813	95,397	49,860	40,927	29,928
<b>Total assets</b>	<b>\$2,646,988</b>	<b>\$2,829,478</b>	<b>\$2,849,410</b>	<b>\$2,160,906</b>	<b>\$1,799,534</b>
<b>Liabilities:</b>					
Borrowings under credit facility	\$650,989	\$814,380	\$757,217	\$655,189	\$662,664
Notes payable (net of deferred financing fees)	718,592	718,222	717,841	717,556	374,265
Payable from unsettled transactions	18,768	14,594	21,195	26,786	59
Other liabilities	30,578	29,407	35,601	19,444	17,724
<b>Total liabilities</b>	<b>1,418,927</b>	<b>1,576,603</b>	<b>1,531,854</b>	<b>1,418,975</b>	<b>1,054,713</b>
<b>Total net assets</b>	<b>1,228,061</b>	<b>1,252,875</b>	<b>1,317,556</b>	<b>741,931</b>	<b>744,822</b>
<b>Total liabilities and net assets</b>	<b>\$2,646,988</b>	<b>\$2,829,478</b>	<b>\$2,849,410</b>	<b>\$2,160,906</b>	<b>\$1,799,534</b>
Net asset value per share	\$11.28	\$11.41	\$11.86	\$11.36	\$11.40

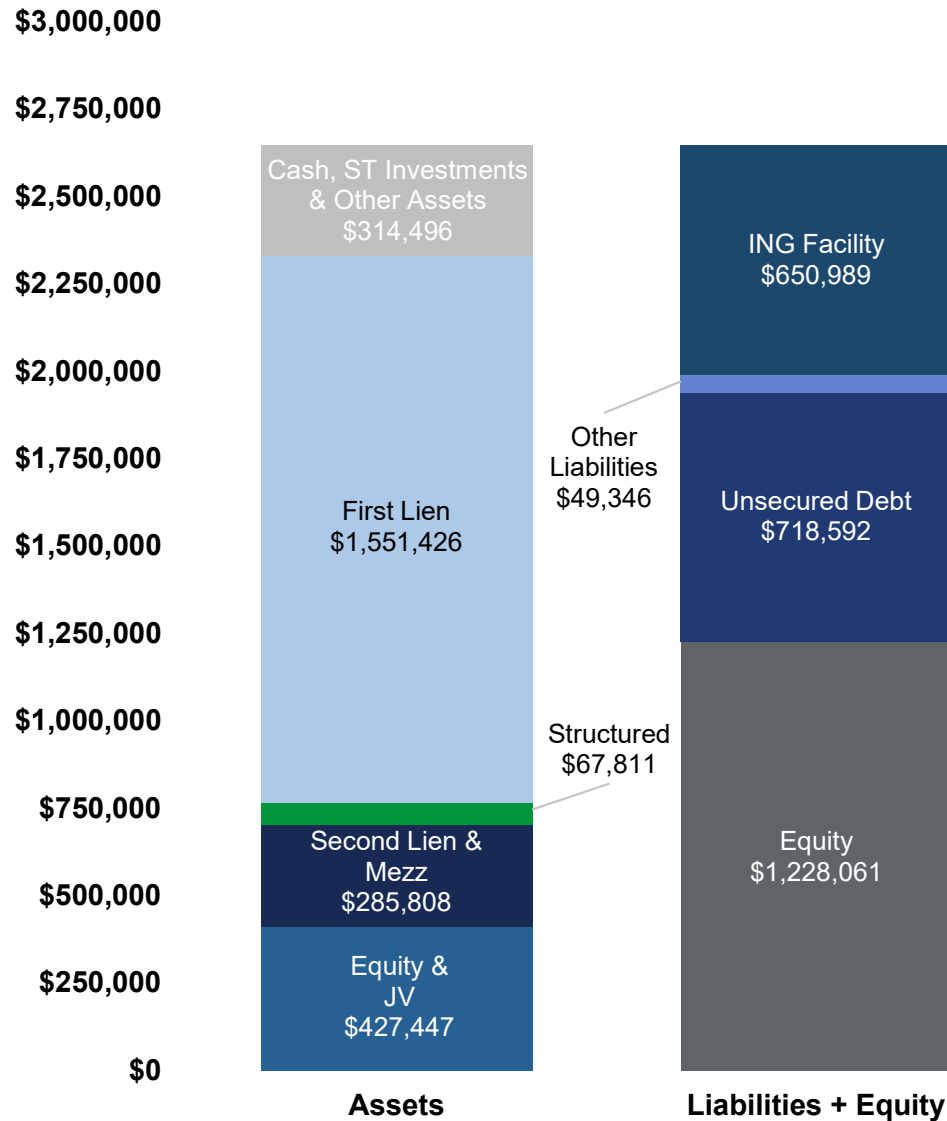
Amounts in thousands, except per share amounts.

1. Refer to slide 30 for a reconciliation of Debt-to-Net Debt and a calculation of Net Debt-to-Equity Ratio.

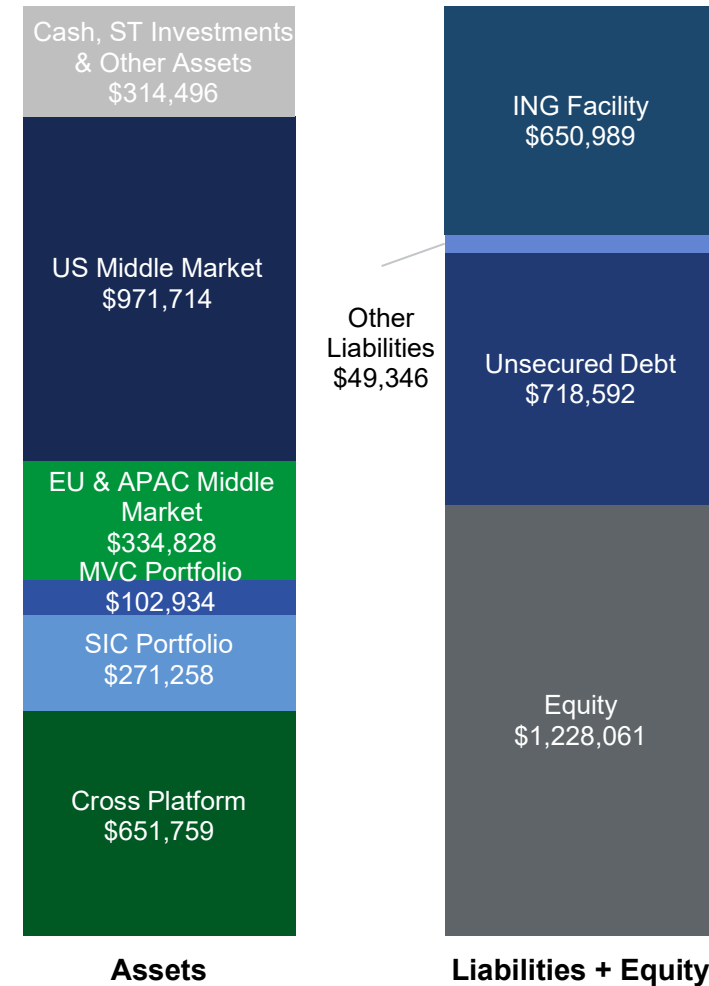
# Asset and Liability Mix

Barings BDC seeks to match its assets with a diversified mix of secured and unsecured debt

**FUNDING MIX BY SENIORITY (000'S)**



**FUNDING MIX BY ASSET CLASS (000'S)**

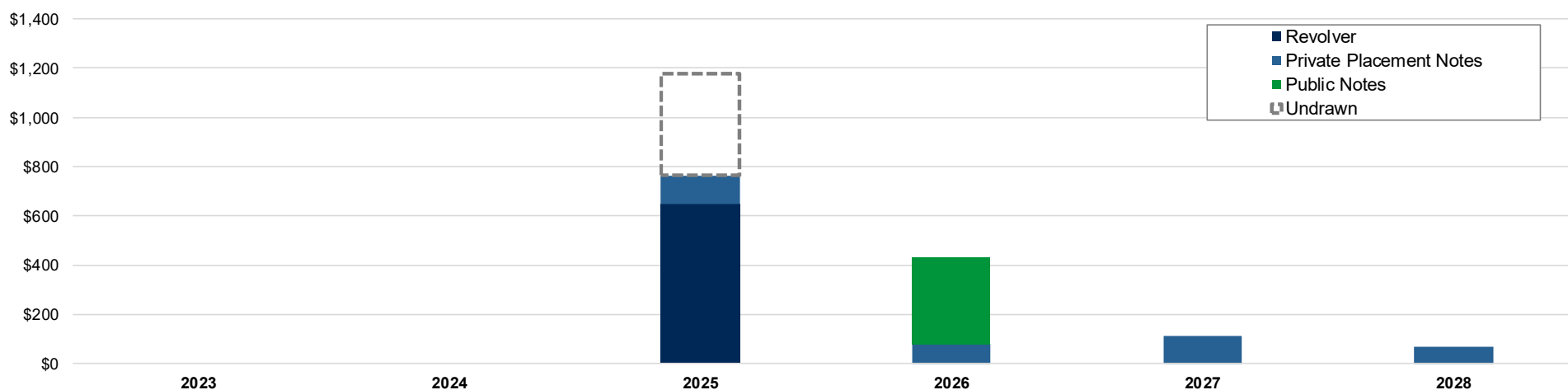


Dollar amounts in thousands. Based on fair value as of September 30, 2022. Totals may not foot due to rounding.

# Debt Summary and Maturity Profile

Unsecured debt exceeded secured debt at quarter end, as BBDC used excess cash from sales and repayments to reduce borrowings outstanding on the Revolving Credit Facility at the end of the third quarter

	Borrower	Interest Rate	Collateral	Maturity Date	As of 9/30/2022		As of 6/30/2022		As of 3/31/22		As of 12/31/21	
					Principal Amount Committed	Principal Amount Outstanding	Principal Amount Committed	Principal Amount Outstanding	Principal Amount Committed	Principal Amount Outstanding	Principal Amount Committed	Principal Amount Outstanding
Revolving Credit Facility	Barings BDC, Inc.	S+ 200	MML, BSL & SP	Feb-2025	\$1,065.0	\$651.0	\$1,065.0	\$814.4	\$965.0	\$757.2	\$875.0	\$655.2
Unsecured PP Notes - Series A	Barings BDC, Inc.	4.66%	n/a	Aug-2025	50.0	50.0	50.0	50.0	50.0	50.0	75.0	50.0
Unsecured PP Notes - Series B	Barings BDC, Inc.	4.25%	n/a	Nov-2025	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5
Unsecured PP Notes - Series C	Barings BDC, Inc.	4.75%	n/a	Nov-2027	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5
Unsecured PP Notes - Series D	Barings BDC, Inc.	3.41%	n/a	Feb-2026	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0
Unsecured PP Notes - Series E	Barings BDC, Inc.	4.06%	n/a	Feb-2028	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0
Unsecured Public Notes	Barings BDC, Inc.	3.30%	n/a	Nov-2026	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0
<b>Total Debt</b>					<b>\$1,790.0</b>	<b>\$1,376.0</b>	<b>\$1,790.0</b>	<b>\$1,539.4</b>	<b>\$1,690.0</b>	<b>\$1,482.2</b>	<b>\$1,625.0</b>	<b>\$1,380.2</b>
						<b>47.3%</b>		<b>52.9%</b>		<b>51.1%</b>		<b>47.5%</b>
						<b>52.7%</b>		<b>47.1%</b>		<b>48.9%</b>		<b>52.5%</b>



Note: Dollar amounts in millions. Excludes deferred financing fees.

# Liquidity Summary

Barings BDC has adequate available liquidity to support its unused capital commitments

Debt / Net Debt-to-Equity Ratio Scenarios			
	Debt / Net Debt Outstanding	Total Net Assets	Debt / Net Debt-to- Equity Ratio <sup>(1)</sup>
Debt-to-equity ratio, September 30, 2022	\$1,376.0	\$1,228.1	1.12x
Adjust for cash, short-term investments and unsettled transactions	(165.4)	-	-
Net debt-to-equity ratio, September 30, 2022	1,210.6	1,228.1	0.99x
Fund all unused commitments to extend debt financing	231.8	-	-
Pro forma net debt-to-equity ratio	\$1,442.3	\$1,228.1	1.17x
Fund remaining joint venture commitments	67.5	-	-
Pro forma net debt-to-equity ratio	1,509.8	1,228.1	1.23x

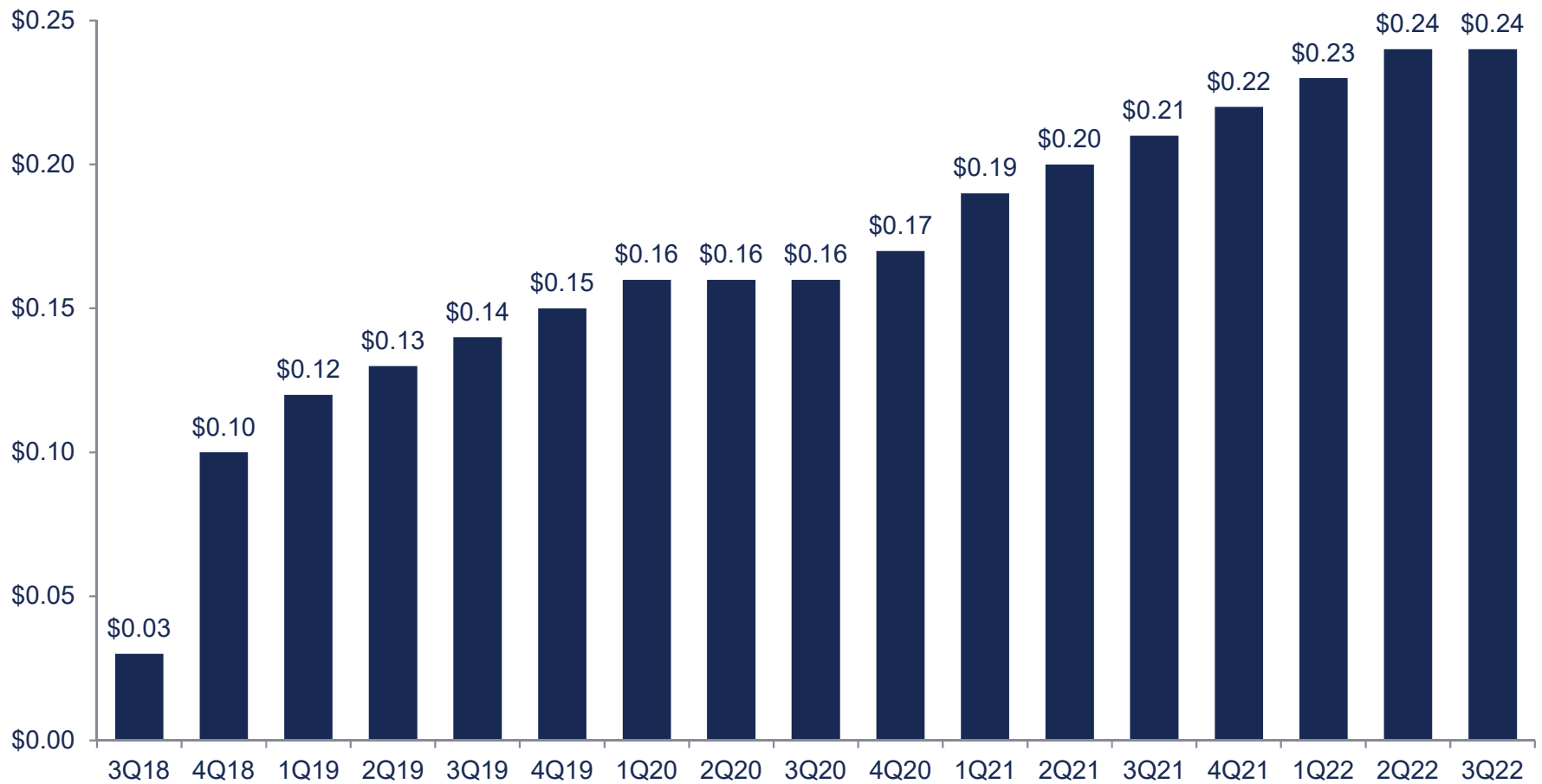
Note: Amounts in millions, except Debt / Net Debt-to-Equity Ratio.

1. Refer to slide 31 for a reconciliation of Debt-to-Net Debt and a calculation of Net Debt-to-Equity Ratio.

# Quarterly Dividends

Barings BDC declared a 3Q22 dividend of \$0.24 per share, unchanged from 2Q22

## BBDC DIVIDENDS DECLARED PER SHARE

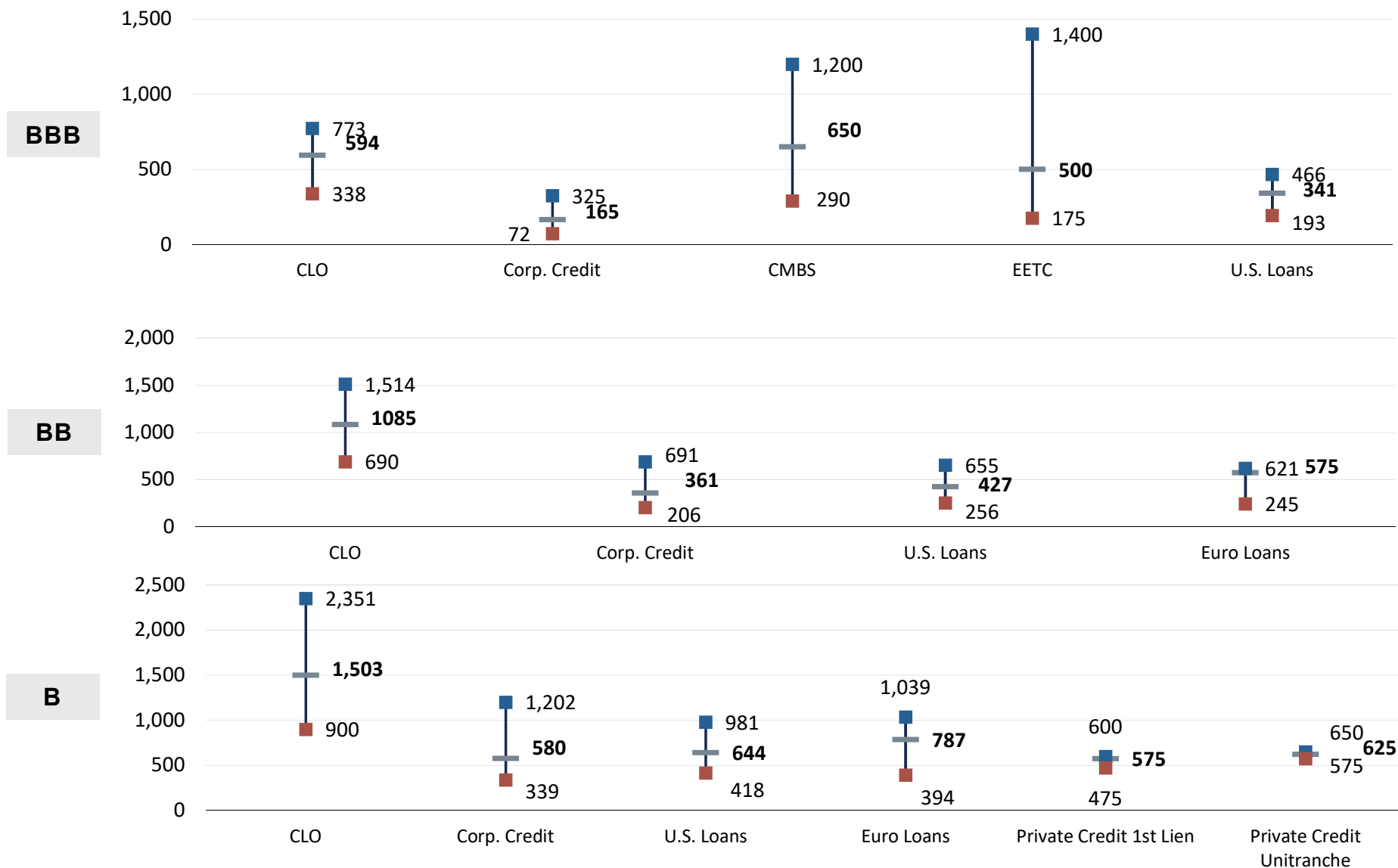




## 4Q 2022 Origination Pipeline

# Relative Value in Credit Asset Classes

## 3 Year Lookback (Wide/Tight/Current):



CLO spread source: J.P. Morgan CLOIE Index, As of September 30, 2022.

CMBS Source: Bank of America/Merrill Lynch, As of September 30, 2022.

Corporate Credit Spread to Swap Source: Barclays, As of September 30, 2022.

U.S. and Europeans Loan Spread Source: Credit Suisse, As of September 30, 2022.

# New Investment Illiquidity and Complexity Premiums

Barings BDC seeks to generate excess shareholder return via illiquidity and complexity premiums across its wide investment frame of reference

		3Q22		
		Dollars Deployed (\$mm)	All-in Spread (bps) <sup>1</sup>	Premium/ Discount To Market Indices (bps)
Market Indices	Asset Class			
	US IG Credit BBB		192	
	US HY Credit BB		354	
	US HY Credit B		619	
	US HY Credit CCC		1155	
	US BSLs BB		423	
	US BSLs B		714	
	US BSLs CCC		1374	
	EUR BSLs BB		489	
	EUR BSLs B		762	
EUR BSLs CCC		1551		
BBDC Middle-Market & Cross-Platform Originations	<b>Middle Market</b>			
	North America	\$131	742	+28
	Europe & Asia Pacific	\$31	701	-61
	<b>Total</b>	<b>\$162</b>		<b>+11</b>
	<b>Cross Platform</b>			
	Special Sits	\$10	1,097	-58
	Infrastructure	\$60	1,432	1,078
<b>Total</b>	<b>\$70</b>		<b>+913</b>	
<b>TOTAL</b>		<b>\$232</b>	<b>931</b>	<b>+284</b>

- In 3Q22, BBDC deployed \$232 million<sup>1</sup> at an all-in spread<sup>2</sup> (inclusive of upfronts/OID) of 931 bps; this equates to a **284-bp spread premium**<sup>3</sup> to comparable liquid market indices at the same credit risk profile

1. Excludes certain equity investments.

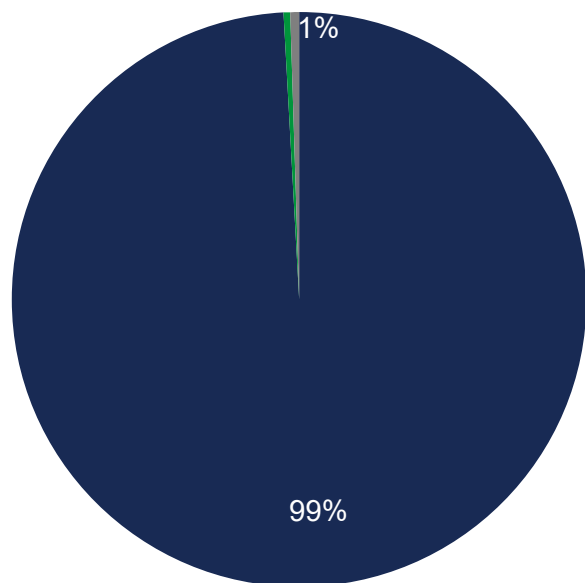
2. 3-year discount margins (DM3) for MM and BSLs; Swapped spread to LIBOR for Fixed Rate Assets; Structured Products based on market convention; annualized dividend income for Waccamaw River and Thompson Rivers.

3. Represents a weighted average based on dollars deployed.

# Investment Activity Since Quarter End and Investment Pipeline

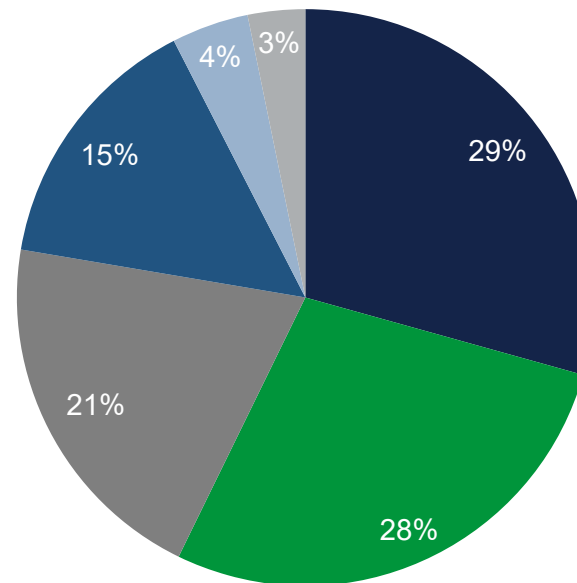
- From October 1, 2022 through November 9, 2022, Barings BDC made approximately \$131 million of new commitments, of which approximately \$103 million closed and funded; in addition, BBDC funded \$7 million of previously-committed delayed draw term loans
- Of the new 4Q22 investments, the weighted-average origination margin (DM-3)<sup>1</sup> is 8.2%, 95% are in first lien senior secured loans, 23% are in Cross Platform, and 20% are European or Asia Pac originations
- Sales and repayments were \$38 million through November 9
- As of November 9, 2022, Barings Global Private Finance group had a probability-weighted pipeline of approximately \$1.8 billion<sup>2</sup>
- The following is a breakdown of the pipeline by seniority and by industry

**Asset Class**



■ First Lien ■ Second Lien ■ Sub Debt + Equity

**Industry**



■ Information Technology ■ Health Care  
 ■ Industrials ■ Consumer Discretionary  
 ■ Utilities ■ Other

1. Excludes Joint Ventures and Equity.

2. Represents pipeline applicable to all investment vehicles managed by Barings Global Private Finance. Not all deals may be suitable for Barings BDC. Barings BDC allocations to be determined in accordance with Barings Global Private Finance allocation policy.

## Appendix

# Appendix: Reconciliation of Debt-to-Net Debt and Calculation of Net Debt-to-Equity Ratio

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Total debt (principal)	\$1,375,989	\$1,539,380	\$1,482,217	\$1,380,189	\$1,037,664
<i>minus: Cash and foreign currencies</i>	(137,323)	(197,770)	(154,431)	(84,253)	(41,386)
<i>minus: Short-term investments</i>	—	—	—	—	(50,000)
<i>plus: Payable from unsettled transactions</i>	18,768	14,594	21,195	26,786	59
<i>minus: Receivable from unsettled transactions</i>	(46,880)	(101,195)	(182,294)	(219,732)	(61,438)
<b>Total net debt</b>	<b>1,210,554</b>	<b>1,255,009</b>	<b>1,166,687</b>	<b>1,102,990</b>	<b>884,900</b>
<b>Total net assets</b>	<b>1,228,061</b>	<b>1,252,875</b>	<b>1,317,556</b>	<b>741,931</b>	<b>744,822</b>
<b>Total net debt-to-equity ratio</b>	<b>0.99x</b>	<b>1.00x</b>	<b>0.89x</b>	<b>1.49x</b>	<b>1.19x</b>

Amounts in thousands. Totals may not foot due to rounding.

# Appendix: Barings BDC Corporate Data

## Board of Directors

**ERIC LLOYD**  
Executive Chairman of BBDC,  
President of Barings

**STEVE BYERS**  
Independent Chairman of the  
Board of Deutsche Bank DBX  
ETF Trust

**BERNARD HARRIS**  
Managing Partner of Vesalius  
Ventures

**DAVID MIHALICK**  
Head of Private Assets at  
Barings

**ROBERT C. KNAPP**  
Founder and CIO of Ironsides  
Partners LLC

**VALERIE LANCASTER-  
BEAL**  
President and CEO of VLP  
Associates

**TOM OKEL**  
Former Executive Director of  
Catawba Lands Conservancy,  
a nonprofit land trust

**JILL OLMSTEAD**  
Chief Human Resources  
Officer at LendingTree

**MARK MULHERN**  
Retired Senior Vice President  
and CFO at Highwoods  
Properties

**JOHN SWITZER**  
Retired Managing Partner at  
KPMG

## Corporate Officers

**JONATHAN BOCK**  
Chief Executive Officer

**IAN FOWLER**  
President

**JONATHAN LANDSBERG**  
Chief Financial Officer

**ELIZABETH MURRAY**  
Chief Operating Officer and  
Chief Accounting Officer

**JILL DINERMAN**  
Chief Legal Officer

**BENJAMIN TECMIRE**  
Chief Compliance Officer

**JEFFREY CHILLAG**  
Head of Investor Relations  
and Director of Finance

**BRYAN HIGH**  
Vice President

**ASHLEE STEINNERD**  
Corporate Secretary

**ALEXANDRA PACINI**  
Assistant Secretary

**ALBERT PERLEY**  
Treasurer

## Research Coverage

**BANK OF AMERICA  
MERRILL LYNCH**  
Derek Hewett  
(415) 676-3518

**COMPASS POINT**  
Casey Alexander  
(646) 448-3027

**JEFFERIES**  
Kyle Joseph  
(415) 229-1525

**KBW, INC.**  
Ryan Lynch  
(314) 342-2918

**OPPENHEIMER & CO.**  
Mitchel Penn  
(212) 667-7136

**RAYMOND JAMES**  
Robert Dodd  
(901) 579-4560

**WELLS FARGO  
SECURITIES**  
Finian O'Shea  
(704) 410-0067

## Corporate Headquarters

300 South Tryon Street  
Suite 2500  
Charlotte, NC 28202

## Investor Relations

(888) 401-1088  
BDCInvestorRelations@barings.com

## Media Contact

MediaRelations@barings.com

## Corporate Counsel

Dechert LLP

## Independent Accounting Firm

KPMG LLP

## Securities Listing

NYSE: BBDC

## Transfer Agent

Computershare, Inc.  
(866) 228-7201  
www.computershare.com/investor

## Website

www.baringsbdc.com