



Presentation
OHA Investment Corporation Q3 2015 Earnings Results

November 10, 2015

O A K H I L L

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Section 1

Overview

Overview

First Year under Oak Hill Advisors Management

- Oak Hill Advisors, L.P. (“OHA”) assumed management of the company on September 30, 2014
- 10 new portfolio company investments totaling approximately \$85 MM
- Energy exposure reduced from 74% to 47% of investment portfolio
- New board and management team
- Strengthened valuation process and other key infrastructure
- Dramatic decline in energy prices led to \$29 MM of write-downs in the legacy energy portfolio

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Overview

Third Quarter Developments

- NAV of \$6.71 per share, a 6% decline driven by four legacy energy investments
- Deployed \$8.9 MM in three new non-energy related investments
- Exited legacy Huff Energy investment for \$5.0 MM
- Declared dividend of \$0.12 per share
- Completed \$2.4 MM stock repurchase program in July
- In October, Foundation Building Materials, a \$18.5 MM investment made in Q1 2015, realized in connection with the acquisition of the company
 - 18.8% unlevered IRR, including 2% call premium

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Section 2

Financial Results

Financial Results

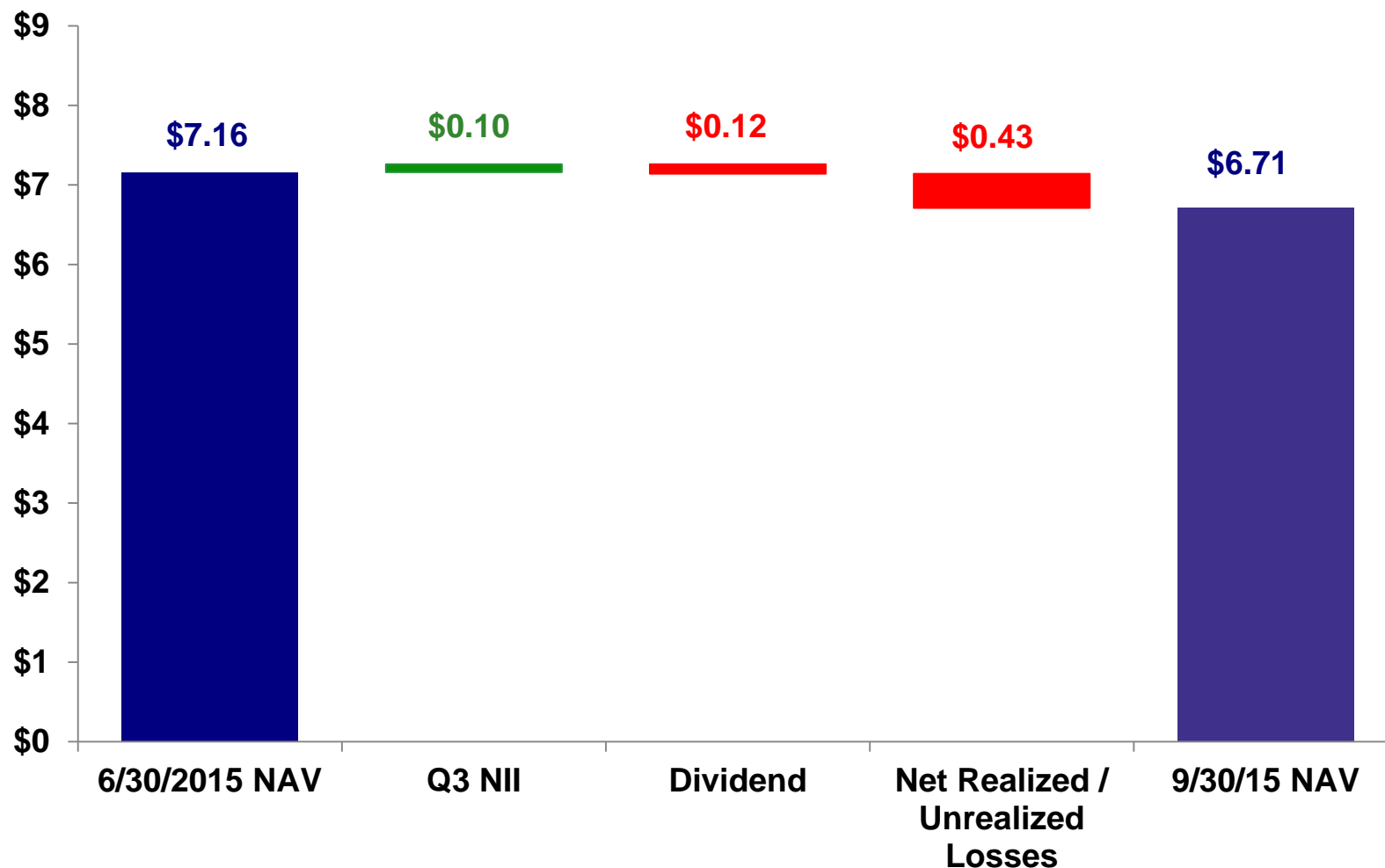
Q3 2015 Summary

- Investment income of \$5.1 MM, or \$0.25 per share
- Weighted average portfolio yield of 10.1% on fair value and 8.5% on cost
- Base management fee of \$0.8 MM and no incentive fee
- Net investment income of \$2.1 MM, or \$0.10 per share
- Net realized and unrealized losses of (\$8.7) MM, or (\$0.43) per share
- Positive assurance on valuation of 92% of Level 3 assets provided by leading independent valuation firm

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Financial Results

NAV Per Share Declined 6% as a Result of Lower Valuations on Energy Related Investments



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Financial Results

Statement of Operations

(in \$000's)	Q3 2015	Q2 2015	Q3 2014
Investment income	\$5,088	\$5,914	\$5,573
Costs related to strategic alternatives review	--	--	5,352
Management and incentive fees	758	854	1,254
Other G&A	1,286	1,638	1,333
Interest expense	957	894	405
Income taxes	<u>6</u>	<u>30</u>	<u>17</u>
Net investment income	<u>\$2,081</u>	<u>\$2,498</u>	<u>(\$2,788)</u>
<i>Net investment income per share</i>	<i>\$0.10</i>	<i>\$0.12</i>	<i>(\$0.14)</i>

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Financial Results

(in \$000's)	Q3 2015	Q2 2015	Q3 2014
Realized capital gains (losses):			
Huff ORRI and Warrants	\$ 16	\$ --	\$ --
Myriant Warrants	(49)	--	--
Spirit - ORRI	--	255	--
Accrual Adjustments	--	(2)	--
Crossroads ORRI	--	--	889
Crossroads Warrants	--	--	<u>73</u>
Total realized capital gains (losses), net	<u>(33)</u>	<u>253</u>	<u>962</u>
Unrealized gains (losses):			
Castex	(3,077)	596	547
Talos	(2,284)	2,037	(363)
ATP / Bennu	(1,576)	(2,416)	(26)
Contour	(1,000)	(1,860)	(3,873)
Gramercy	(570)	231	--
Kova	(278)	(907)	(7)
EFS	(245)	96	--
Reversals due to realizations	18	(539)	(1,379)
Other unrealized gains (losses), net	<u>317</u>	<u>(473)</u>	<u>848</u>
Total unrealized gains (losses), net	<u>(8,695)</u>	<u>(3,235)</u>	<u>(4,253)</u>
Total realized and unrealized (losses), net	<u>\$(8,728)</u>	<u>\$(2,982)</u>	<u>\$(3,291)</u>

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Section 3

Portfolio Review

Portfolio Review

Unrealized Losses Driven by Energy Related Investments

(in \$000's)	Principal/ Total Sum	Value at 6/30/15	Net New Investments (Realizations)	Write-up / (Write-down)	Value at 9/30/2015	% of Principal/Total Sum at 9/30/15	% of Portfolio Value
Energy:							
Castex redeemable preferred units	\$ 50,000	\$ 56,067	\$ -	(3,080)	\$ 52,987	106%	28%
Shoreline second lien term loan	12,853	10,027	(194)	29	9,862	77%	5%
Talos senior unsecured notes	12,000	10,440	-	(2,280)	8,160	68%	4%
Huff senior secured term loan	-	4,870	(4,870)	-	-	0%	0%
Huff warrants and royalty	-	96	(84)	(12)	-	n/a	0%
Subtotal	74,853	81,500	(5,148)	(5,343)	71,009	95%	37%
Energy Non-accruals:							
ATP/Bennu limited term royalty interest	27,813	19,310	-	(1,576)	17,734	64%	9%
Contour senior secured term loan	10,757	3,000	-	(1,000)	2,000	19%	1%
Spirit senior secured term loans and preferred equity	17,066	-	-	-	-	0%	0%
Subtotal	55,636	22,310	-	(2,576)	19,734	35%	10%
Energy total	130,489	103,810	(5,148)	(7,919)	90,743	70%	47%
Other Sectors:							
Foundation second lien term loan	18,700	18,513	-	187	18,700	100%	10%
OCI subordinated note	16,062	15,938	-	124	16,062	100%	8%
Appriss second lien term loan	13,100	9,850	3,054	-	12,904	99%	7%
Royal Holdings second lien term loan	10,000	10,025	-	(25)	10,000	100%	5%
EFS second lien term loan	10,000	9,891	-	(241)	9,650	97%	5%
KOVA senior subordinated notes	9,000	8,100	-	(270)	7,830	87%	4%
Hanson second lien term loan	7,500	7,388	-	65	7,453	99%	4%
Gramercy Park CLO residual interest	n/a	7,639	(247)	(570)	6,822	n/a	4%
Bioclinica first lien secured notes	4,200	-	4,095	-	4,095	98%	2%
WASH second lien term loan	4,000	4,050	-	(70)	3,980	100%	2%
OCI equity units	n/a	2,842	-	183	3,025	n/a	1%
TIBCO senior unsecured notes	1,800	-	1,774	22	1,796	100%	1%
Other	n/a	-	(49)	49	-	n/a	0%
Subtotal	94,362	94,236	8,627	(546)	102,317	98%	53%
Grand Total	\$ 224,851	\$ 198,046	\$ 3,479	\$ (8,465)	\$ 193,060	81%	100%

Since "principal" does not apply to instruments other than debt, "N/A" is shown in the "Principal" column for investments other than debt securities. Write-up/(Write-down) are shown net of \$0.2 MM PIK/OID amortization. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

Portfolio Review

Current Weighted Average Yield of 10.1% on Fair Value Basis as of September 30, 2015

(in \$000's)	Principal/ Total Sum	Cost	Fair Value	Current Yield at Cost	Current Yield at Fair Value	% of Portfolio Value
<u>7-10% Current Fair Value Yield:</u>						
Appriss second lien term loan	13,100	12,919	12,904	9.4%	9.4%	7%
EFS second lien term loan	10,000	9,839	9,650	8.8%	8.8%	5%
ATP/Bennu limited term royalty interest ⁽¹⁾	27,813	27,166	17,734	5.7%	8.7%	9%
Royal Holdings second lien term loan	10,000	9,926	10,000	8.6%	8.5%	5%
WASH second lien term loan	4,000	3,971	3,980	8.0%	8.0%	2%
Bioclinica first lien secured notes	4,200	4,095	4,095	8.0%	8.0%	2%
Castex redeemable preferred units	50,000	50,011	52,987	8.0%	7.5%	28%
Total 7-10%	119,113	117,927	111,350	7.7%	8.2%	58%
<u>10-14% Current Fair Value Yield:</u>						
Foundation second lien term loan	18,700	18,533	18,700	12.3%	12.0%	10%
Gramercy Park CLO residual interest	n/a	6,448	6,822	13.0%	12.0%	3%
TIBCO senior unsecured notes	1,800	1,775	1,796	11.7%	11.4%	1%
Hanson second lien term loan	7,500	7,105	7,453	11.5%	10.6%	4%
Total 10-14%	28,000	33,861	34,771	12.2%	11.7%	18%
<u>14%+ Current Fair Value Yield:</u>						
Shoreline second lien term loan	12,853	12,558	9,862	13.1%	16.0%	5%
OCI subordinated note	16,062	15,885	16,062	15.5%	15.0%	8%
KOVA senior subordinated notes	9,000	8,890	7,830	13.3%	14.7%	4%
Talos senior unsecured notes	12,000	11,961	8,160	9.9%	14.4%	4%
Total 14%+	49,915	49,294	41,914	13.1%	15.1%	21%
Current Yielding Investments	197,028	201,082	188,035	9.8%	10.3%	97%
<u>Other Investments:</u>						
Contour senior secured term loan	10,757	11,578	2,000	N/A	N/A	1%
Spirit senior secured term loans and preferred equity	17,066	17,030	--	N/A	N/A	0%
OCI equity units	n/a	2,500	3,025	N/A	N/A	2%
Myriant equity	n/a	419	--	N/A	N/A	0%
Total non-yielding investments	27,823	31,527	5,025	N/A	N/A	3%
Grand Total	224,851	232,609	193,060	8.5%	10.1%	100%

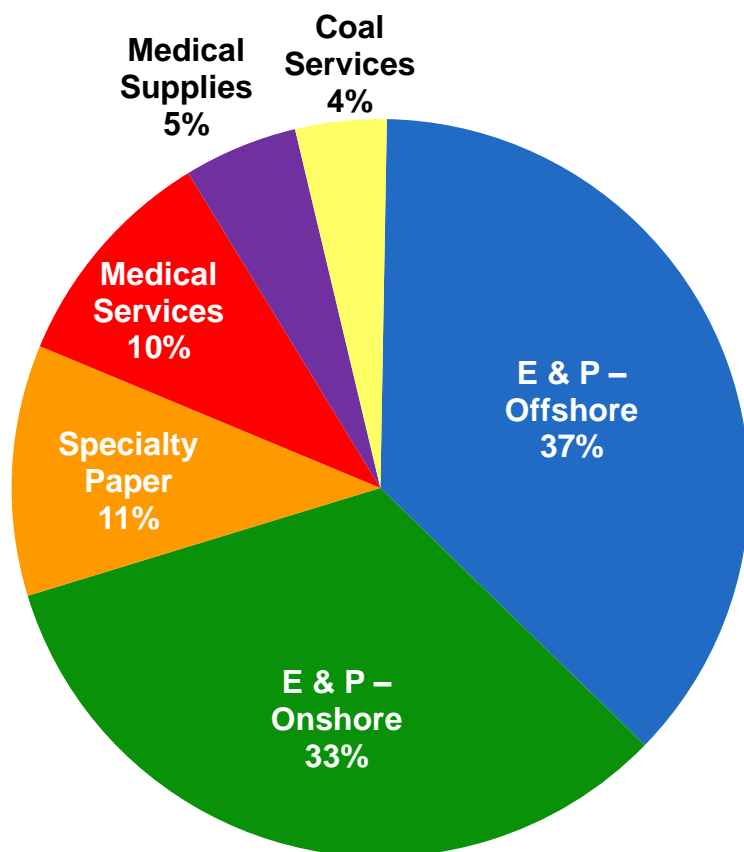
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(1) Yield computed by annualizing the most recent quarter's income, which is recognized to the extent cash received.

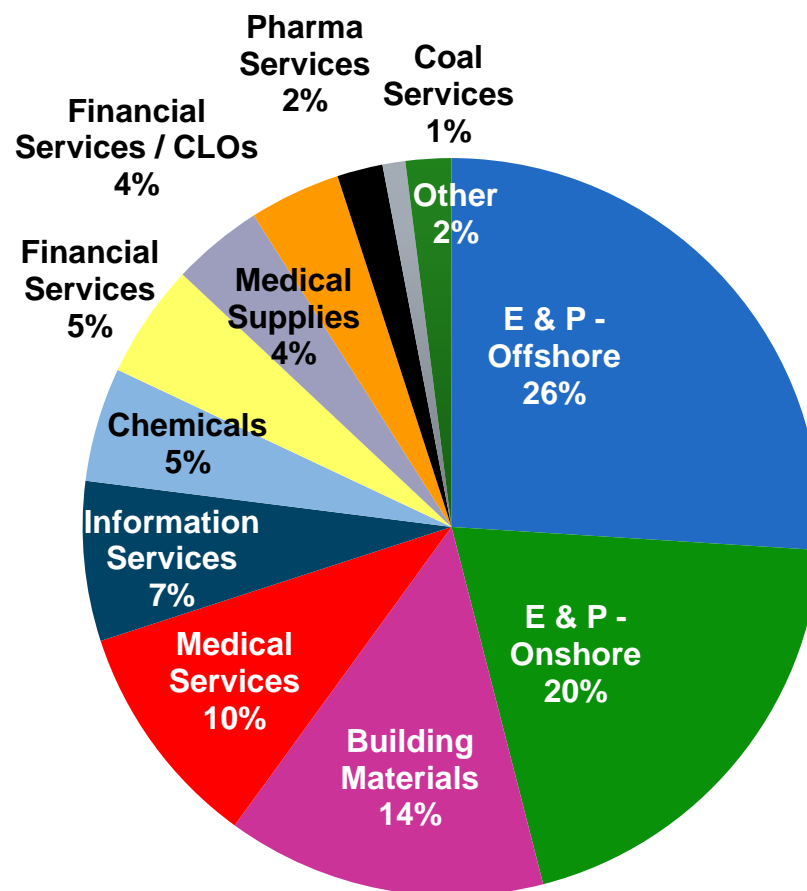
Portfolio Review

Energy Exposure Reduced from 74% at 9/30/14 to 47% at 9/30/15⁽¹⁾

September 30, 2014



September 30, 2015



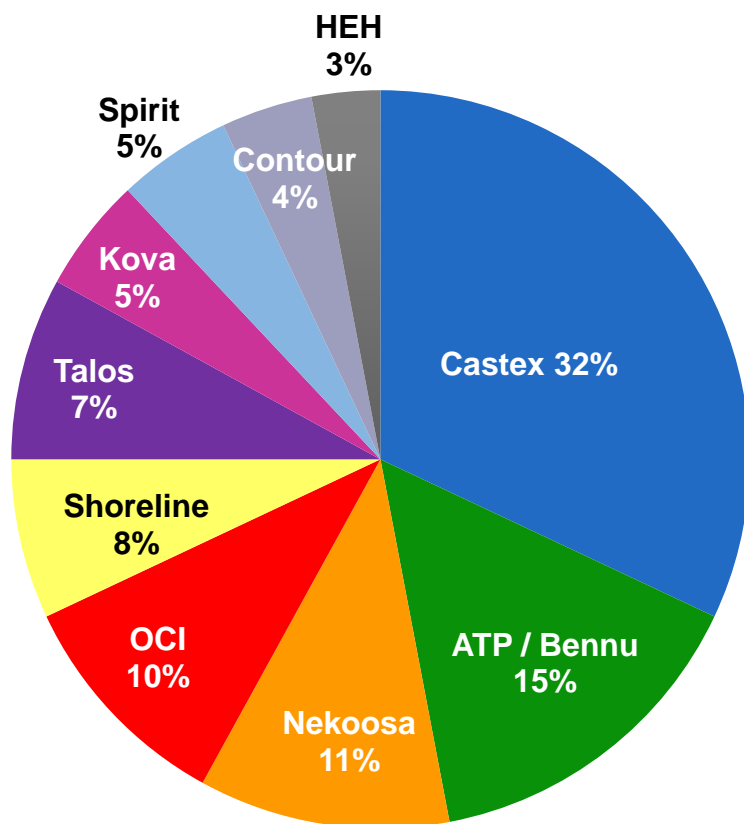
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(1) As a percentage of total fair value.

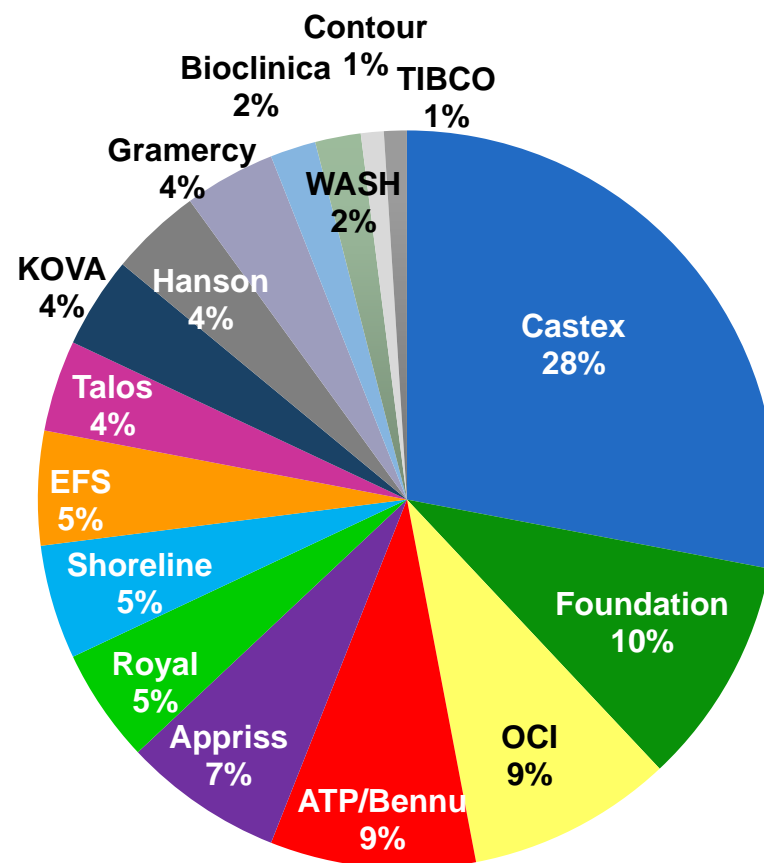
Portfolio Review

Portfolio Value is Derived from 16 Active Investments at 9/30/15 vs. 10 at 9/30/14⁽¹⁾

September 30, 2014



September 30, 2015



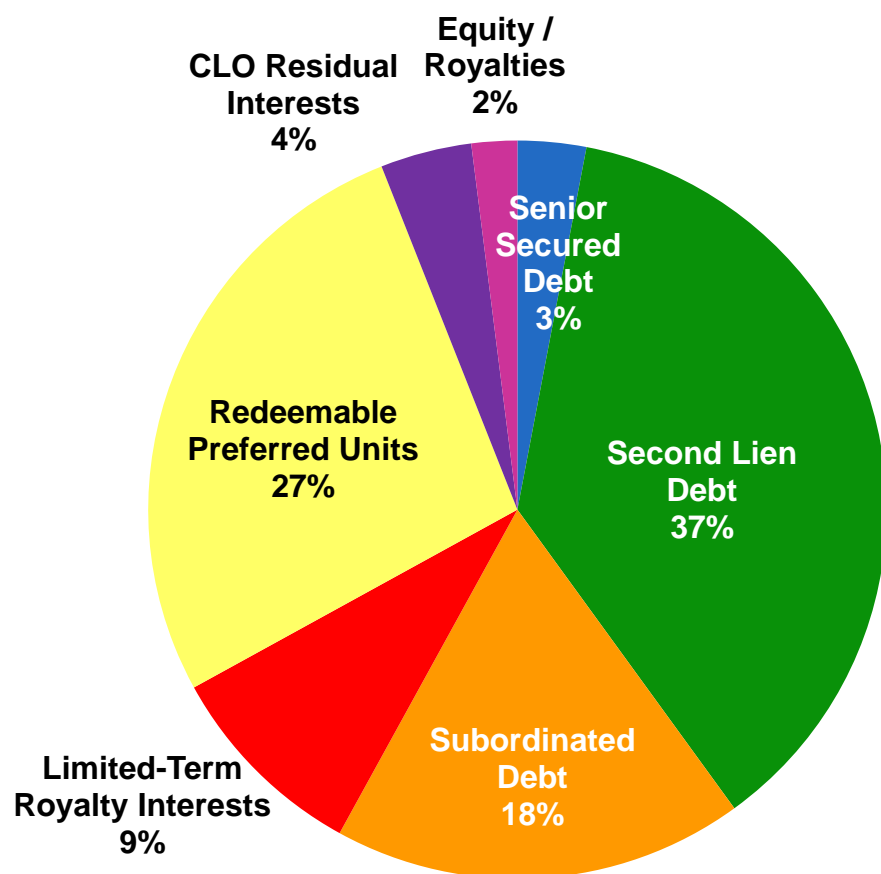
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(1) As a percentage of total fair value.

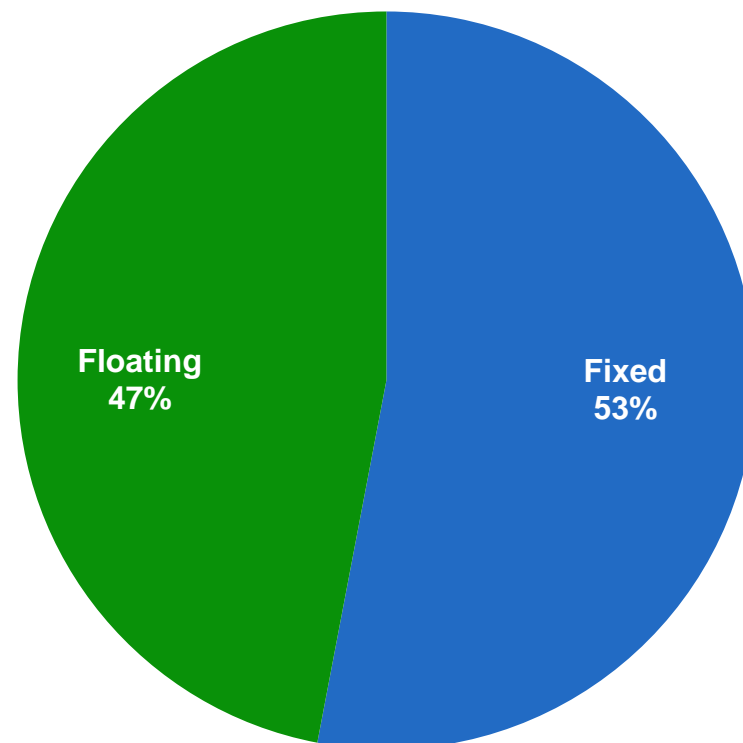
Portfolio Review

Portfolio Structures and Characteristics as of 9/30/15⁽¹⁾

Structure



Fixed vs. Floating⁽²⁾



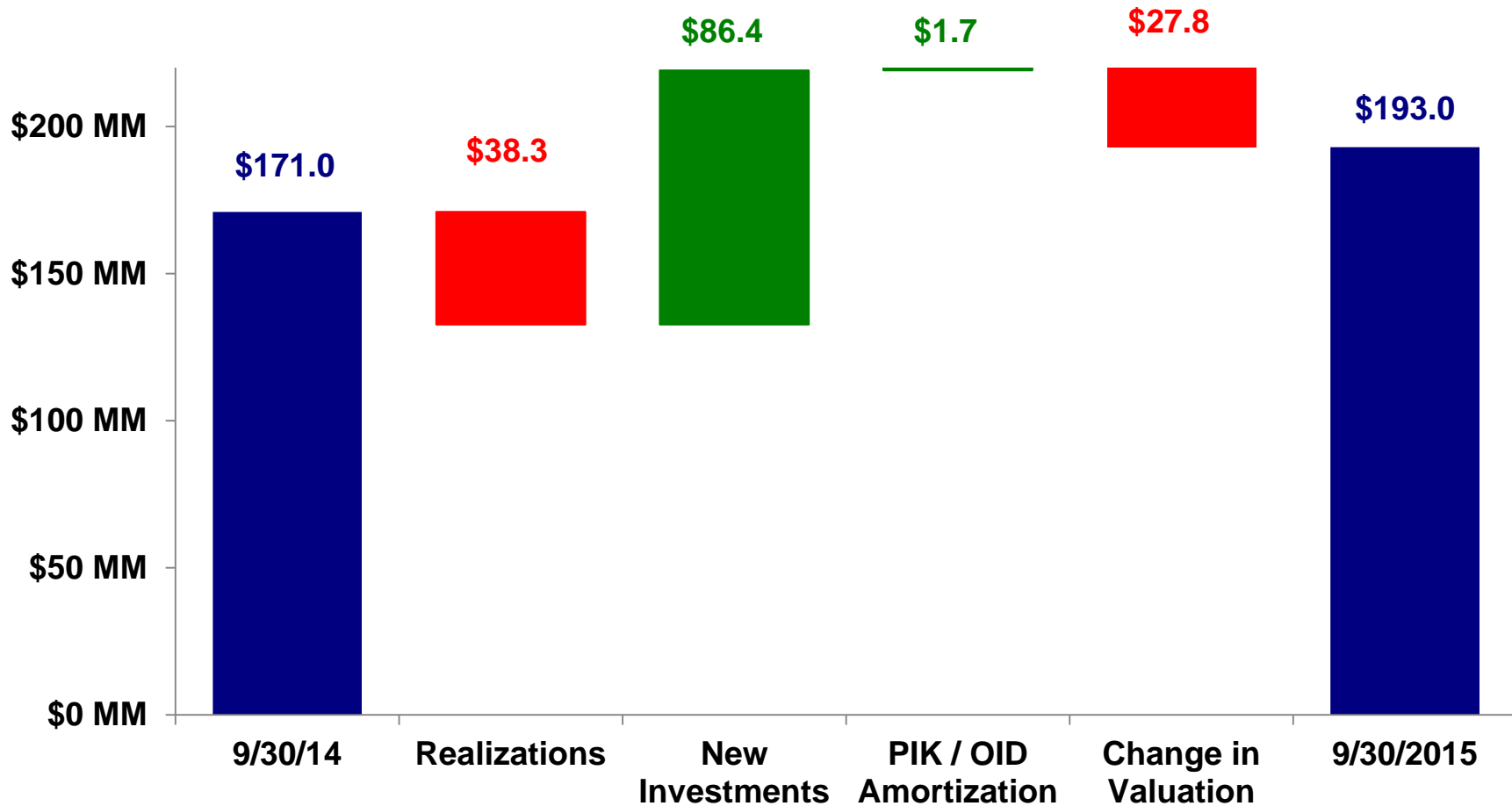
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(1) As a percentage of total fair value.

(2) Excludes Overriding Royalty Interests, Warrants, CLO Residual Interests, and similar securities that do not provide a consistent current yield.

Portfolio Review

Investment Portfolio Increased \$22 MM Since OHA Assumed Management on 9/30/14



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Section 4

Stock Repurchase Program

Stock Repurchase Program

Repurchased 2% of Outstanding Shares during 2015

- During July, the company completed its \$2.4 MM stock repurchase program, the maximum amount permitted under the company's credit facility
- Aggregate purchases under the program totaled:
 - 444,030 shares for \$2.4 MM
 - 2% of outstanding shares
 - Average price of \$5.46
 - Repurchases under the program were accretive to beginning of the year NAV by \$0.04 per share

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Section 5

Investment Strategy

Investment Strategy & OHA Overview

\$86 MM of Investments in New Portfolio Companies under OHA Management

- Q4 2014 – four investments totaling \$37 MM
- Q1 2015 – two investments totaling \$21 MM
- Q2 2015 – three investments totaling \$19 MM
- Q3 2015 – three investments totaling \$9 MM
 - Bioclinica
 - Appriss Holdings
 - TIBCO Software
- OHA believes its platform is well-positioned to identify attractive assets and increase the earnings power of the portfolio over time

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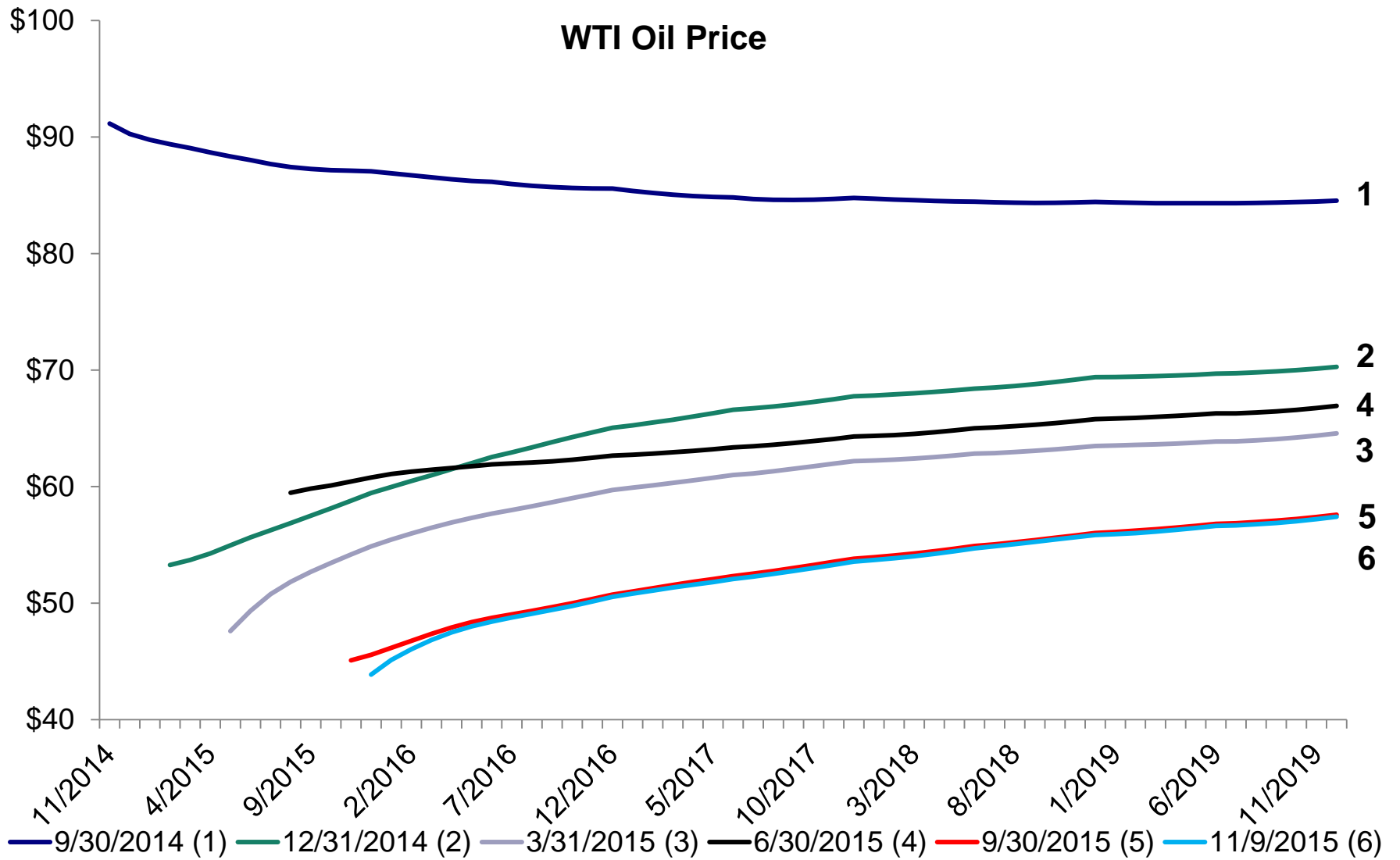
Section 6

Q & A

Section 7

Appendix

Oil Price Strip



Natural Gas Price Strip

