

CHURCHILL  
from nuveen

# Nuveen Churchill Direct Lending Corp.

*Quarter Ended September 30, 2023*

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This presentation contains forward-looking statements that involve substantial risks and uncertainties. Such statements involve known and unknown risks, uncertainties and other factors and undue reliance should not be placed thereon. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about the Company, our current and prospective portfolio investments, our industry, our beliefs and opinions, and our assumptions. Words such as “anticipates,” “expects,” “intends,” “plans,” “will,” “may,” “continue,” “believes,” “seeks,” “estimates,” “would,” “could,” “should,” “targets,” “projects,” “outlook,” “potential,” “predicts” and variations of these words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors that are outlined in the Company’s confidential private placement memorandum and public filings with the SEC, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including, without limitation: changes in the markets in which the Company invests and changes in financial and lending markets generally; an economic downturn and its impact on the ability of the Company’s portfolio companies to operate and the investment opportunities available to the Company; interest rate volatility; the impact of supply chain constraints; labor shortages; and the elevated levels of inflation. The Company is providing the information as of this date (unless otherwise specified) and assumes no obligations to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

All capitalized terms in the presentation have the same definitions as the Company’s 10-Q for the quarter ended September 30, 2023.

# Overview

## *Market Update*

- Sponsored middle market deal flow has continued to increase quarter-over-quarter with Q3 2023 sponsored middle market direct lending volume 12% higher than Q2 2023<sup>1</sup>
  - Lenders and sponsors are on the lookout for new deals and scarcity of capital is leading to great investment opportunities for scaled managers with valuable dry powder
- Of sponsored middle market volume in Q3 2023, the share for direct lenders was 3.4x that of syndicated volume<sup>1</sup> and scaled direct lenders continue to take share from the public credit market
  - Given the broadly syndicated loan market remains largely closed, more upper middle market companies continue to finance in the private markets
- Leading managers with scale and differentiated relationships can offer private equity sponsors speed, certainty, flexibility, confidentiality, and large hold sizes
- Attractive deal volumes, improved terms and pricing for direct lenders, conservative capital structures, and a more restrictive environment for bank financing and public markets have made private debt even more of an attractive asset class

## *Churchill Platform Update*

- Closed and/or committed to over \$4 billion in 110 transactions across our platform for the third quarter
- Ranked #1 U.S. direct lender for Q3 2023 in KBRA Analytics Direct Lending Deal's latest league tables<sup>2</sup>, a testament to our scale and deep private equity relationships
- During the LTM ended Q3 2023, our all-in senior loan yields remained over 11%<sup>3</sup>, while net senior and total leverage remained stable at a conservative 4.1x and 4.5x, respectively
  - Our all-in yield per unit of leverage remained at an all-time high of nearly 3%<sup>4</sup> year-to-date 2023
- We continue to believe our private debt solutions when compared to the public markets are well positioned in the current environment due to their steady current income, floating rate and lower volatility

# 3Q23 Highlights

<b>Investment Activity</b>	<b>Pipeline picked up significantly after a solid Q2</b> <ul style="list-style-type: none"><li>• Closed \$217M in new investment activity</li><li>• Portfolio is highly diversified by company, sponsor, and industry</li></ul>
<b>Performance</b>	<b>Steady trend in dividend paid to shareholders</b> <ul style="list-style-type: none"><li>• \$0.55 total dividend per share (12.2%<sup>6</sup> total annualized dividend yield)<ul style="list-style-type: none"><li>◦ \$0.50 regular dividend per share (11.0%<sup>6</sup> regular annualized dividend yield)</li><li>◦ \$0.05 supplemental dividend per share</li></ul></li><li>• NAV per share (as of 09/30/2023): \$17.96</li></ul>
<b>Liquidity</b>	<b>Well-positioned with ample liquidity to support portfolio growth</b> <ul style="list-style-type: none"><li>• Liquidity: \$457M<sup>7</sup><ul style="list-style-type: none"><li>◦ Uncalled shareholder commitments: \$242M</li><li>◦ Financing Facilities' availability: \$215M<sup>8</sup></li></ul></li><li>• Began utilizing our \$185M corporate revolver, priced at S+2.25%</li></ul>

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**\$217M**

Investment Volume<sup>5</sup>

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**23**

Investments

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**\$9.4M**

Avg. Investment Size

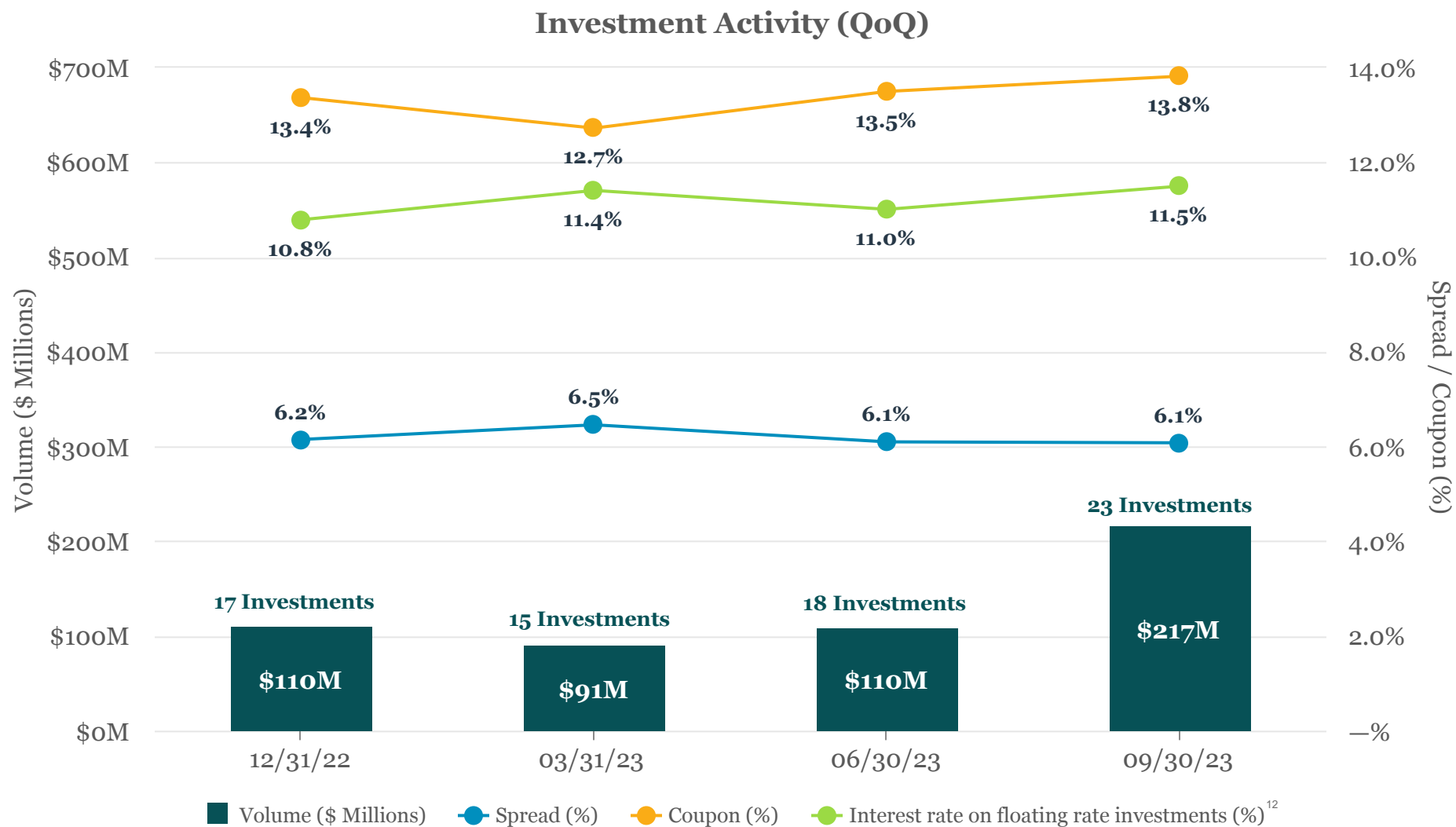
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**12.2%**

Average Investment Yield<sup>9</sup>

# 3Q23 Investment activity

- Closed 14 new portfolio investments and 9 add-ons totaling \$217M<sup>5</sup>
- 6.1%<sup>10</sup> average spread of new floating rate investments
- 13.8%<sup>11</sup> average coupon of new fixed rate investments

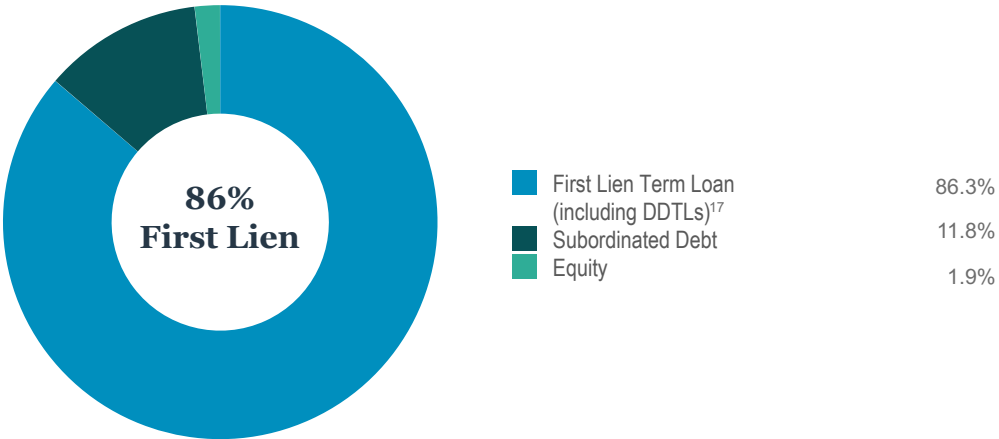


# Portfolio overview

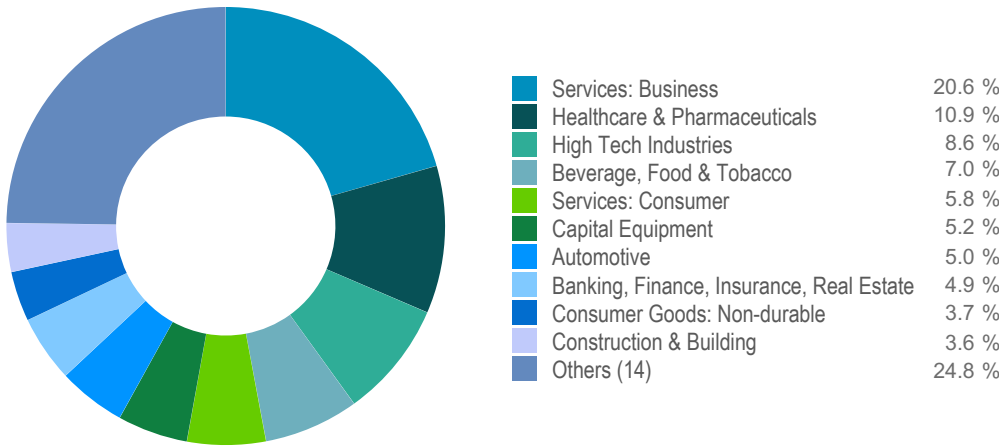
## Key Portfolio Statistics



## Portfolio composition by investment type<sup>16</sup>



## Portfolio diversification by Moody's Industry



# Capital summary

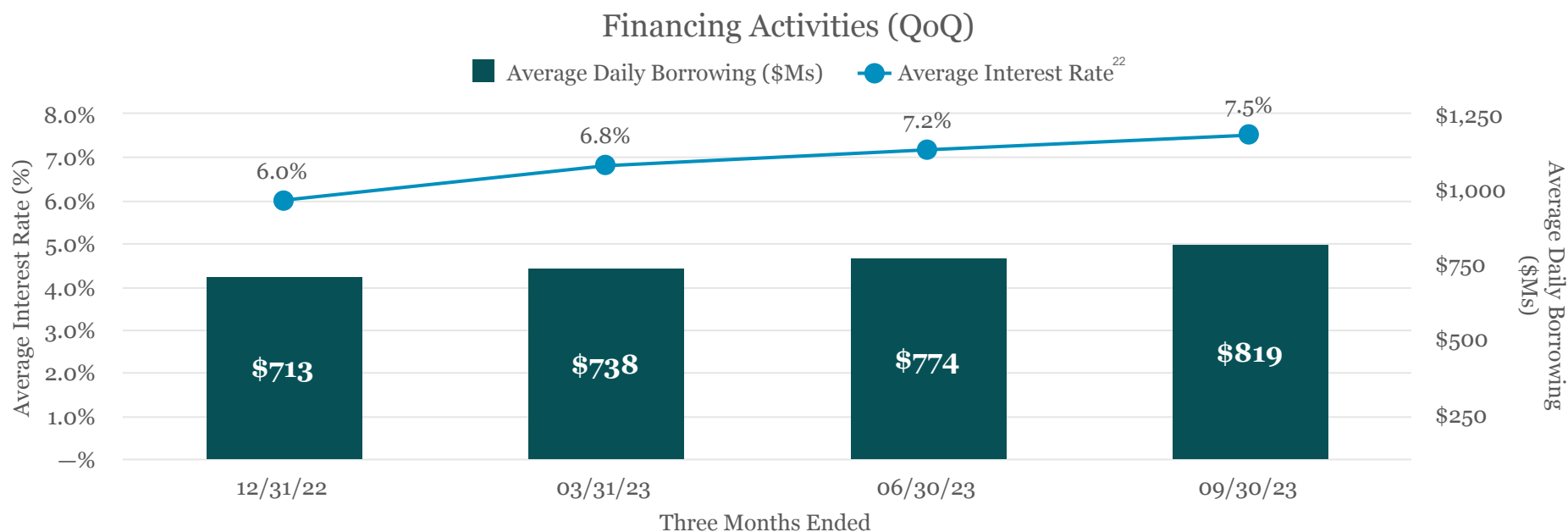
- \$457M<sup>7</sup> of liquidity through uncalled shareholder commitments and Financing Facilities
- Asset Coverage Ratio of 174% (debt-to-equity ratio of 1.36x)

Equity (73% called)		Debt (79% drawn)		Overall (76% drawn)
<b>\$664M</b> called	+	<b>\$867M</b> drawn	=	<b>\$1.53B</b> drawn
<b>\$242M</b> uncalled	+	<b>\$215M</b> available <sup>8</sup>	=	<b>\$457M</b> liquidity <sup>7</sup>
<b>\$906M</b> committed	+	<b>\$1.10B</b> committed <sup>18</sup>	=	<b>\$2.01B</b> committed

# Financing overview

- The Company has a diversified funding profile including: two Asset Based Financing Facilities, one Collateralized Loan Obligation, and one Corporate Revolver
- The SMBC Subscription Facility matured on September 8, 2023, all outstanding debt and accrued interest have been fully repaid

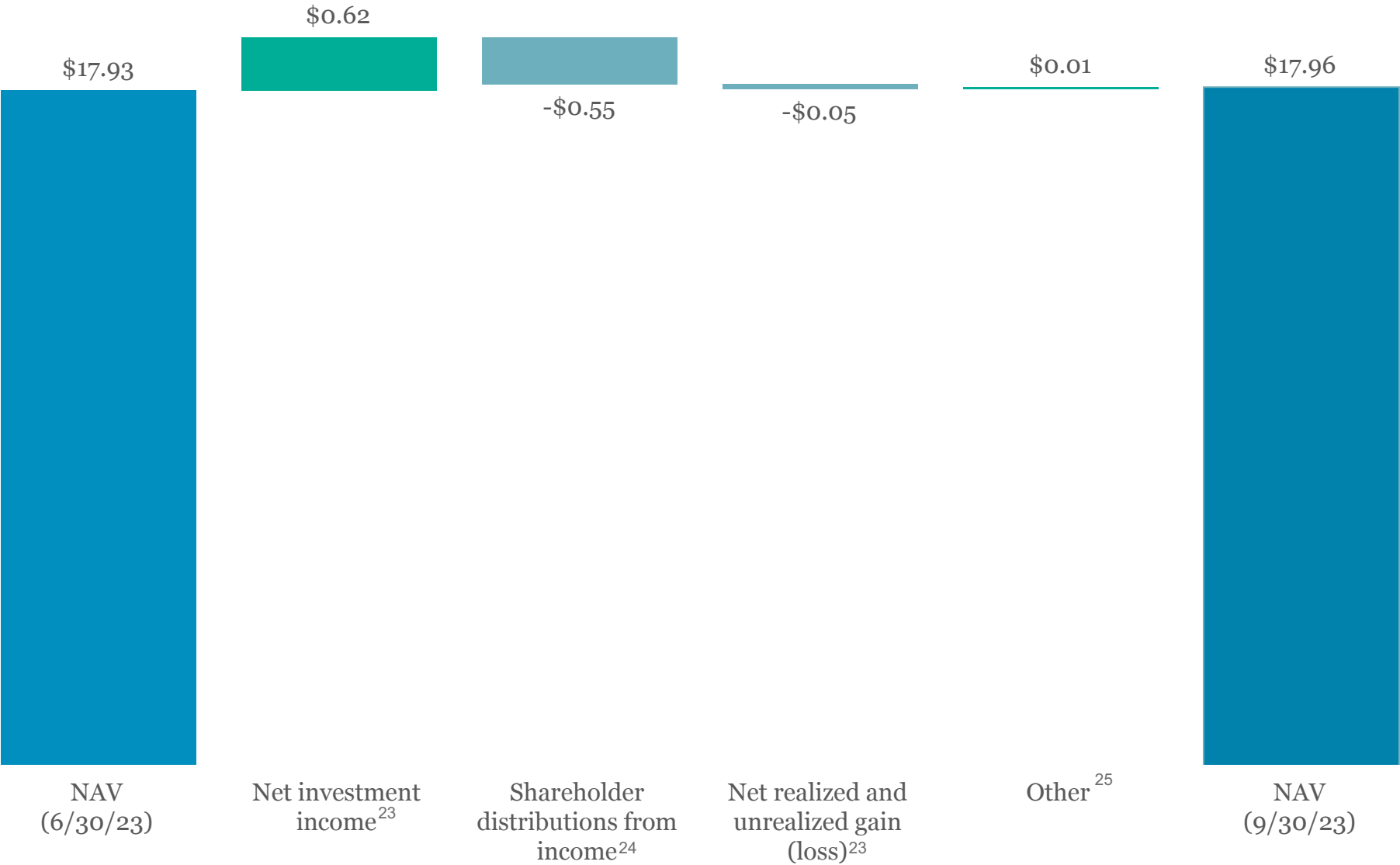
Financing Facilities	Amount (\$Ms)	Drawn (\$Ms)	Pricing	Maturity
Churchill NCDLC CLO-I	\$342.0	\$342.0	S + 2.01% <sup>19</sup> (no SOFR floor)	April 20, 2034
Corporate Revolver <sup>20</sup>	\$185.0	\$52.5	S + 2.25% (no SOFR floor)	June 23, 2028
Wells Fargo Financing Facility	\$275.0	\$185.7	S + 2.20% (no SOFR floor)	March 31, 2027
SMBC Financing Facility	\$300.0	\$286.3	S + 2.15% (no SOFR floor)	November 24, 2025
<b>Total</b>	<b>\$1,102.0</b>	<b>\$866.5</b>	<b>S+2.14%<sup>21</sup></b>	





# Net Asset Value

- \$0.03 quarter-over-quarter increase in NAV per share



# Internal risk rating

- Weighted average rating remains stable quarter over quarter at 4.2
- One investment on non-accrual (0.1% and 0.2% of total investments at fair value and amortized cost<sup>26</sup>, respectively)

## Portfolio risk ratings (\$ thousands)

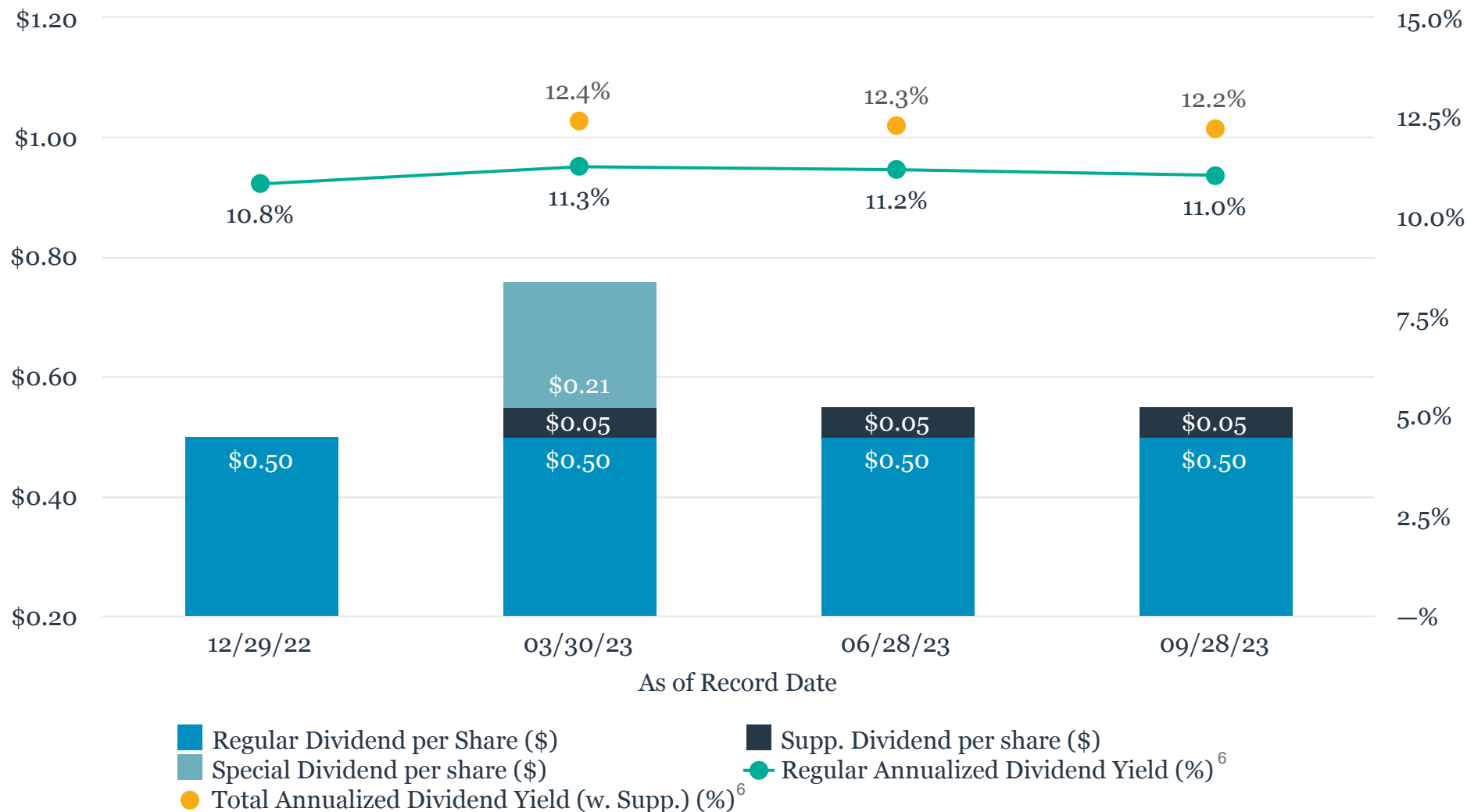
	September 30, 2023		June 30, 2023		March 31, 2023		December 31, 2022	
	Fair Value	% of Portfolio	Fair Value	% of Portfolio	Fair Value	% of Portfolio	Fair Value	% of Portfolio
1	—	—	—	—	—	—	—	—
2	—	—	—	—	—	—	—	—
3	64,424	4.4	91,714	6.8	85,991	6.8	42,921	3.6
4	1,228,370	82.9	1,099,477	81.4	1,038,265	82.6	1,028,738	85.7
5	135,410	9.1	103,146	7.6	85,862	6.8	71,433	6.0
6	30,351	2.1	31,201	2.3	23,795	1.9	48,386	4.0
7	14,268	1.0	20,566	1.5	14,971	1.2	—	—
8	6,445	0.4	—	—	—	—	—	—
9	—	—	—	—	—	—	8,898	0.7
10	1,744	0.1	4,653	0.3	8,374	0.7	—	—
<b>Total</b>	<b>1,481,012</b>	<b>100.0</b>	<b>1,350,757</b>	<b>100.0</b>	<b>1,257,258</b>	<b>100.0</b>	<b>1,200,376</b>	<b>100.0</b>

Rating	Definition
1	Performing – Superior
2	Performing – High
3	Performing – Low Risk
4	Performing – Stable Risk (Initial Rating Assigned at Origination)
5	Performing – Management Notice

Rating	Definition
6	Watch List – Low Maintenance
7	Watch List – Medium Maintenance
8	Watch List – High Maintenance
9	Watch List – Possible Loss
10	Watch List – Probable Loss

# Dividend history

- Dividends have remained stable as portfolio has reached scale and interest rates remain elevated
- The Company declared a total dividend of \$0.55 per share (12.2%<sup>6</sup> total annualized dividend yield) for the quarter ended on September 30, 2023



# Dividend distribution activity

Date Declared	Record Date	Payment Date	Dividend per Share
September 28, 2023	September 28, 2023	October 12, 2023	\$0.50
September 28, 2023	September 28, 2023	October 12, 2023	\$0.05 <sup>27</sup>
June 28, 2023	June 28, 2023	July 12, 2023	\$0.50
June 28, 2023	June 28, 2023	July 12, 2023	\$0.05 <sup>27</sup>
March 30, 2023	March 30, 2023	April 12, 2023	\$0.50
March 30, 2023	March 30, 2023	April 12, 2023	\$0.26 <sup>27</sup>
December 29, 2022	December 29, 2022	January 17, 2023	\$0.50
September 28, 2022	September 28, 2022	October 11, 2022	\$0.47
June 30, 2022	June 30, 2022	July 12, 2022	\$0.43
March 30, 2022	March 31, 2022	April 12, 2022	\$0.41
December 29, 2021	December 29, 2021	January 18, 2022	\$0.40
September 29, 2021	September 29, 2021	October 11, 2021	\$0.38
June 29, 2021	June 29, 2021	July 12, 2021	\$0.31
March 29, 2021	March 29, 2021	April 19, 2021	\$0.30
December 29, 2020	December 29, 2020	January 18, 2021	\$0.28
November 4, 2020	November 4, 2020	November 11, 2020	\$0.23
August 4, 2020	August 4, 2020	August 11, 2020	\$0.28
April 16, 2020	April 16, 2020	April 21, 2020	\$0.17

# Share issuance activity

- As of September 30, 2023, the Company had 35,585,951 shares outstanding

Issuance Date	Share Issuance	Aggregate Offering Price	Issuance Price per Share
July 17, 2023	4,357,515	\$78,564,514	\$18.03
April 20, 2023	2,205,038	\$40,000,000	\$18.14
December 21, 2022	3,193,195	\$60,000,000	\$18.79
August 1, 2022	2,652,775	\$50,081,849	\$18.88
April 25, 2022	1,800,426	\$34,963,980	\$19.42
January 21, 2022	1,541,568	\$30,000,000	\$19.46
December 9, 2021	1,491,676	\$29,207,475	\$19.58
November 1, 2021	1,546,427	\$30,000,000	\$19.40
August 23, 2021	2,593,357	\$50,000,000	\$19.28
July 26, 2021	1,564,928	\$30,000,000	\$19.17
June 22, 2021	1,034,668	\$20,000,000	\$19.33
April 23, 2021	1,845,984	\$35,000,000	\$18.96
March 11, 2021	785,751	\$15,000,000	\$19.09
November 6, 2020	1,870,660	\$35,000,000	\$18.71
October 16, 2020	1,057,641	\$20,000,000	\$18.91
August 6, 2020	1,105,425	\$20,000,000	\$18.09
May 7, 2020	1,069,522	\$20,000,000	\$18.70
December 31, 2019	3,310,540	\$66,210,800	\$20.00
December 19, 2019	50	\$1,000	\$20.00

On October 20, 2023, the Company delivered a drawdown notice to its shareholders relating to the issuance of 5,497,609 shares of the Company's common stock for an aggregate offering price of approximately \$100 million. The shares were issued on November 3, 2023.

# Contact us

## Company website

[churchillam.com/NCDL](http://churchillam.com/NCDL)

## Investor Relations

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# Endnotes

**Note:** All information is as of September 30, 2023, unless otherwise noted. Numbers may not sum due to rounding.

1. Source: Refinitiv LPC's 3Q23 Sponsored Middle Market Private Deals Analysis (July 2023).
2. Source: Direct Lending Deals' Lender Mandates as of September 30, 2023. Eligible transactions are U.S. non-syndicated loans to private equity-backed companies. The league table comprises top 60 lenders.
3. Utilizes the greater of 3-Month base rate, or base rate floor, if applicable for each respective transaction (3-Month SOFR as of September 30, 2023 was 5.40%; 3-Month LIBOR as of September 30, 2023 was 5.66%).
4. Churchill's all-in yield ("AIY") per unit of leverage was calculated on an investment-by-investment basis of AIY (spread + floor on base rate at the time of origination + OID/3) over first lien net leverage, the leverage applicable to each loan. These AIYs/unit of leverage were then weighted by their committed capital on an annual basis. For 2023 data, AIY was calculated using 3-Month SOFR as of September 30, 2023 of 5.40% rather than the rate at the time of origination. This analysis does not incorporate credit spread adjustments, which can account for an additional 15 basis points on average. Portfolio yield is only one component of expected performance and is not and should not be viewed as a statement of the future performance of the strategy. Metrics provided reflect the overall Churchill senior loan platform and do not reflect the Company's standalone portfolio.
5. Reflects the par amount of total new investment activity for the three months ended September 30, 2023. Investment Activity does not include draws on existing Delayed Draw Term Loans and partial paydowns.
6. Regular Annualized Dividend yield is the Annualized Regular Dividend per share divided by the NAV per share as of quarter end. Total Annualized Dividend yield of 12.4% for the quarter ended March 31, 2023 includes the Regular Dividend of \$0.50 per share and the Supplemental Dividend of \$0.05 per share divided by the NAV per share as of March 31, 2023 but excludes the Special Dividend of \$0.21 per share. Total Annualized Dividend yield of 12.3% for the quarter ended June 30, 2023 includes the Regular Dividend of \$0.50 per share and the Supplemental Dividend of \$0.05 per share divided by the NAV per share as of June 30, 2023. Total Annualized Dividend yield of 12.1% for the quarter ended September 30, 2023 includes the Regular Dividend of \$0.50 per share and the Supplemental Dividend of \$0.05 per share divided by the NAV per share as of September 30, 2023.
7. Represents the sum of uncalled shareholder commitments of \$242M and Financing Facilities availability of \$215M.
8. Available for borrowing based on the computation of collateral to support the borrowings and subject to compliance with applicable covenants and financial ratios.
9. Represents the unlevered weighted average spread plus the greater of 3-Month base rate, or base rate floor, adjusted for credit spread, if applicable, plus amortization of OID over 3-year assumed loan life. 3-Month SOFR as of September 30, 2023 was 5.40%.
10. Average Spread is calculated based off of par amount.
11. Average Coupon is calculated based off of par amount. Average coupon includes 67% cash coupon and 28% PIK.

# Endnotes

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12. Interest rate utilizes the floating rate investment spread plus the greater of 3-Month base rate, or base rate floor, if applicable for each respective transaction (SOFR as of September 30, 2022 was 3.59%, LIBOR as of September 30, 2022 was 3.75%; SOFR as of December 31, 2022 was 4.59%, LIBOR as of December 31, 2022 was 4.77%; SOFR as of March 31, 2023 was 4.91%, LIBOR as of March 31, 2023 was 5.19%; SOFR as of June 30, 2023 was 5.27%, LIBOR as of June 30, 2023 was 5.55%; SOFR as of September 30, 2023 was 5.40%. NCDLC has two investments that entered into forward LIBOR contracts with expiration dates subsequent to the LIBOR cessation date of June 30, 2023. Both investments will convert to SOFR contracts upon expiration of their current contracts, on or before December 31, 2023. As of September 30, 2023, substantially all of our loans that referenced LIBOR have been amended to reference the forward-looking term rate published by CME Group Benchmark Administration Limited based on Term SOFR..
13. Represents total investment portfolio at Fair Value. Total par value of debt investment commitments is \$1,685M which includes approximately \$182M of unfunded delayed draw term loan commitments.
14. Weighted average yield on debt and income producing investments, at fair value. The weighted average yield of the Company's debt and income producing securities is not the same as a return on investment for our shareholders but, rather, relates to our investment portfolio and is calculated before the payment of all of our and our subsidiaries' fees and expenses. The weighted average yield was computed using the effective interest rates as of each respective date, including accretion of original issue discount, but excluding investments on non-accrual status, if any.
15. Average Position Size (at fair value) is calculated as a percentage of Total Portfolio (at fair value) divided by Committed Capital. Committed Capital includes Equity Commitment of \$906M as of September 30, 2023 and \$1,102M from Financing Facilities.
16. Investment Type reflects classification at issuance.
17. 36% of first lien term loans are unitranche positions.
18. Represents current Financing Facilities amount.
19. Interest rates represent the weighted average spread over 3-month SOFR for the various floating rate tranches of issued notes within the CLO. The weighted average interest rate for the CLO excludes tranches with a fixed interest rate.
20. The Corporate Revolver is defined as the Revolving Credit Facility in the Company's September 30, 2023 10Q.
21. Weighted average facility pricing spread weighted based on total commitment amount. SOFR base rate tenors may differ between credit facilities.
22. Average Interest Rate includes borrowing interest expense and unused fees.
23. The per share data was derived by using the weighted average shares outstanding for the three months ended September 30, 2023.
24. The per share data for distributions reflects the actual amount of distributions declared for the three months ended September 30, 2023.



# Endnotes

**Note:** All information is as of September 30, 2023, unless otherwise noted. Numbers may not sum due to rounding.

- 25. Includes the impact of different share amounts used in calculating per share data as a result of calculating certain per share data based on weighted average shares outstanding during the period and certain per share data based on shares outstanding as of a period end or transaction date.
- 26. Percentage of investment on non-accrual status based on cost represents the cost of the portfolio as of September 30, 2023, and includes amortized cost of debt investments plus the cost of equity securities held.
- 27. Represents a special/supplemental dividend.