

**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): February 1, 2024

Oaktree Specialty Lending Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

814-00755
(Commission File Number)

26-1219283
(IRS Employer Identification No.)

333 South Grand Avenue, 28th Floor
Los Angeles, CA
(Address of principal executive offices)

90071
(Zip Code)

Registrant's telephone number, including area code: **(213) 830-6300**

Not Applicable
(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:

- 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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.01 per share	OCSL	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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 February 1, 2024, Oaktree Specialty Lending Corporation (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended December 31, 2023. A copy of the press release is attached hereto as Exhibit 99.1.

On February 1, 2024, the Company will host a conference call to discuss its financial results for the fiscal quarter ended December 31, 2023. In connection therewith, the Company provided an investor presentation on its website at <http://www.oaktreespecialtylending.com>. A copy of the investor presentation is attached hereto as Exhibit 99.2.

The information disclosed under this Item 2.02, including Exhibits 99.1 and 99.2 hereto, is being “furnished” and is not deemed “filed” by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor is it deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

- 99.1 [Press release of Oaktree Specialty Lending Corporation dated February 1, 2024](#)
- 99.2 [Oaktree Specialty Lending Corporation First Quarter 2024 Earnings Presentation](#)
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OAKTREE SPECIALTY LENDING CORPORATION

Date: February 1, 2024

By: /s/ Christopher McKown

Name: Christopher McKown

Title: Chief Financial Officer and Treasurer



Oaktree Specialty Lending Corporation Announces First Fiscal Quarter 2024 Financial Results and Declares Quarterly Distribution of \$0.55 Per Share

LOS ANGELES, CA, February 1, 2024 - Oaktree Specialty Lending Corporation (NASDAQ: OCSL) ("Oaktree Specialty Lending" or the "Company"), a specialty finance company, today announced its financial results for the fiscal quarter ended December 31, 2023.

Financial Highlights for the Quarter Ended December 31, 2023

- **Total investment income** was \$98.0 million (\$1.26 per share) for the first fiscal quarter of 2024, as compared with \$101.9 million (\$1.32 per share) for the fourth fiscal quarter of 2023. Adjusted total investment income was \$98.0 million (\$1.26 per share) for the first fiscal quarter, as compared with \$102.2 million (\$1.32 per share) for the fourth fiscal quarter of 2023. The decrease for the quarter was primarily driven by lower interest income, mainly due to an increase in non-accrual investments, partially offset by higher fee income and higher dividend income.
- **GAAP net investment income** was \$44.2 million (\$0.57 per share) for the first fiscal quarter of 2024, as compared with \$47.5 million (\$0.62 per share) for the fourth fiscal quarter of 2023. The decrease for the quarter was primarily driven by lower total investment income, partially offset by lower part I incentive fees.
- **Adjusted net investment income** was \$44.2 million (\$0.57 per share) for the first fiscal quarter of 2024, as compared with \$47.8 million (\$0.62 per share) for the fourth fiscal quarter of 2023. The decrease for the quarter was primarily driven by lower adjusted total investment income, partially offset by lower part I incentive fees.
- **Net asset value ("NAV") per share** was \$19.14 as of December 31, 2023, down as compared with \$19.63 as of September 30, 2023. The decline from September 30, 2023 primarily reflected realized and unrealized losses on certain debt and equity investments and the impact of the December 2023 special distribution.
- **Originated** \$370.3 million of new investment commitments and received \$213.5 million of proceeds from prepayments, exits, other paydowns and sales during the quarter ended December 31, 2023. The weighted average yield on new debt investments was 11.6%.
- **Total debt outstanding** was \$1,660.0 million as of December 31, 2023. The total debt to equity ratio was 1.10x, and the net debt to equity ratio was 1.02x, after adjusting for cash and cash equivalents.
- **Liquidity** as of December 31, 2023 was composed of \$112.4 million of unrestricted cash and cash equivalents and \$907.5 million of undrawn capacity under the Company's credit facilities (subject to borrowing base and other limitations). Unfunded investment commitments were \$226.6 million, or \$199.5 million excluding unfunded commitments to the Company's joint ventures. Of the \$199.5 million, approximately \$165.9 million can be drawn immediately with the remaining amount subject to certain milestones that must be met by portfolio companies or other restrictions.
- **A quarterly cash distribution was declared** of \$0.55 per share. The distribution is payable in cash on March 29, 2024 to stockholders of record on March 15, 2024.

Armen Panossian, Chief Executive Officer and Chief Investment Officer, said, "Our first quarter results were highlighted by strong origination activity and adjusted net investment income that supports our cash distribution. We leveraged the breadth of the Oaktree platform to invest \$370 million across sponsor, non-sponsor and discounted publicly traded credit investments, generating net portfolio growth with a diverse set of attractive opportunities."

"During the quarter, however, we experienced idiosyncratic performance challenges at four portfolio investments, resulting in a decline in NAV and an increase in non-accruals," Panossian added. "We are drawing upon Oaktree's deep resources and expertise in navigating turnarounds, and we believe we are well-positioned to manage these specific situations and maintain strong overall credit quality."

Distribution Declaration

The Board of Directors declared a quarterly distribution of \$0.55 per share. The distribution is payable in cash on March 29, 2024 to stockholders of record on March 15, 2024.

Distributions are paid primarily from distributable (taxable) income. To the extent taxable earnings for a fiscal taxable year fall below the total amount of distributions for that fiscal year, a portion of those distributions may be deemed a return of capital to the Company's stockholders.

Results of Operations

	For the three months ended		
	December 31, 2023	September 30, 2023	December 31, 2022
	(unaudited)	(unaudited)	(unaudited)
<i>(\$ in thousands, except per share data)</i>			
GAAP operating results:			
Interest income	\$ 91,414	\$ 94,732	\$ 69,978
PIK interest income	3,849	5,544	6,130
Fee income	1,307	572	2,021
Dividend income	1,415	1,057	1,050
Total investment income	97,985	101,905	79,179
Net expenses	53,796	54,407	40,293
Excise tax	—	—	(78)
Net investment income	44,189	47,498	38,808
Net realized and unrealized gains (losses), net of taxes	(33,654)	(1,546)	(25,636)
Net increase (decrease) in net assets resulting from operations	\$ 10,535	\$ 45,952	\$ 13,172
Total investment income per common share	\$ 1.26	\$ 1.32	\$ 1.30
Net investment income per common share	\$ 0.57	\$ 0.62	\$ 0.63
Net realized and unrealized gains (losses), net of taxes per common share	\$ (0.43)	\$ (0.02)	\$ (0.42)
Earnings (loss) per common share — basic and diluted	\$ 0.14	\$ 0.60	\$ 0.22
Non-GAAP Financial Measures¹:			
Adjusted total investment income	\$ 98,014	\$ 102,157	\$ 77,433
Adjusted net investment income	\$ 44,218	\$ 47,750	\$ 37,062
Adjusted net realized and unrealized gains (losses), net of taxes	\$ (32,858)	\$ (1,668)	\$ (23,890)
Adjusted earnings (loss)	\$ 11,360	\$ 46,082	\$ 13,172
Adjusted total investment income per share	\$ 1.26	\$ 1.32	\$ 1.27
Adjusted net investment income per share	\$ 0.57	\$ 0.62	\$ 0.61
Adjusted net realized and unrealized gains (losses), net of taxes per share	\$ (0.42)	\$ (0.02)	\$ (0.39)
Adjusted earnings (loss) per share	\$ 0.15	\$ 0.60	\$ 0.22

¹ See *Non-GAAP Financial Measures* below for a description of the non-GAAP measures and the reconciliations from the most comparable GAAP financial measures to the Company's non-GAAP measures, including on a per share basis. The Company's management uses these non-GAAP financial measures internally to analyze and evaluate financial results and performance and believes that these non-GAAP financial measures are useful to investors as an additional tool to evaluate ongoing results and trends for the Company and to review the Company's performance without giving effect to non-cash income/gain/loss resulting from the merger of Oaktree Strategic Income Corporation ("OCSI") with and into the Company in March 2021 (the "OCSI Merger") and the merger of Oaktree Strategic Income II, Inc. ("OSI2") with and into the Company in January 2023 (the "OSI2 Merger") and, in the case of adjusted net investment income, without giving effect to capital gains incentive fees. The presentation of non-GAAP measures is not intended to be a substitute for financial results prepared in accordance with GAAP and should not be considered in isolation.

	As of		
	December 31, 2023	September 30, 2023	December 31, 2022
	(unaudited)	(unaudited)	(unaudited)
<i>(\$ in thousands, except per share data and ratios)</i>			
Select balance sheet and other data:			
Cash and cash equivalents	\$ 112,369	\$ 136,450	\$ 17,382
Investment portfolio at fair value	3,018,552	2,892,420	2,642,870
Total debt outstanding (net of unamortized financing costs)	1,622,717	1,600,731	1,463,624
Net assets	1,511,651	1,515,764	1,201,989
Net asset value per share	19.14	19.63	19.63
Total debt to equity ratio	1.10x	1.10x	1.26x
Net debt to equity ratio	1.02x	1.01x	1.24x

Adjusted total investment income for the quarter ended December 31, 2023 was \$98.0 million and included \$91.4 million of interest income from portfolio investments, \$3.8 million of payment-in-kind ("PIK") interest income, \$1.3 million of fee income and \$1.4 million of dividend income. The \$4.1 million decline in adjusted total investment income was attributable to \$5.2 million of lower interest income, mainly due to an increase in non-accrual investments during the quarter, partially offset by a \$0.7 million increase in fee income mainly driven by prepayment and exit fees and a \$0.4 million increase in dividend income from the Company's investment in Senior Loan Fund JV I, LLC ("SLF JV I").

Net expenses for the quarter ended December 31, 2023 totaled \$53.8 million, down \$0.6 million from the quarter ended September 30, 2023. The decrease in net expenses was primarily driven by lower part I incentive fees during the quarter.

Adjusted net investment income was \$44.2 million (\$0.57 per share) for the quarter ended December 31, 2023, down from \$47.8 million (\$0.62 per share) for the quarter ended September 30, 2023. The decline of \$3.5 million primarily reflected \$4.1 million of lower adjusted total investment income, partially offset by \$0.6 million of lower net expenses.

Adjusted net realized and unrealized losses, net of taxes, was \$32.9 million for the quarter ended December 31, 2023, primarily reflecting realized and unrealized losses on certain debt and equity investments.

Portfolio and Investment Activity

(\$ in thousands)	As of		
	December 31, 2023 (unaudited)	September 30, 2023 (unaudited)	December 31, 2022 (unaudited)
Investments at fair value	\$ 3,018,552	\$ 2,892,420	\$ 2,642,870
Number of portfolio companies	146	143	156
Average portfolio company debt size	\$ 20,200	\$ 19,800	\$ 16,500
Asset class:			
Senior secured debt	86.3 %	86.5 %	86.3 %
Unsecured debt	2.5 %	1.9 %	2.4 %
Equity	4.8 %	5.0 %	4.3 %
JV interests	6.4 %	6.6 %	7.0 %
Non-accrual debt investments:			
Non-accrual investments at fair value	\$ 120,713	\$ 48,743	\$ —
Non-accrual investments as a percentage of debt investments at fair value	4.2 %	1.8 %	— %
Non-accrual investments as a percentage of debt investments at cost	5.9 %	2.4 %	— %
Number of investments on non-accrual	7	4	—
Interest rate type:			
Percentage floating-rate	84.3 %	86.2 %	87.3 %
Percentage fixed-rate	15.7 %	13.8 %	12.7 %
Yields:			
Weighted average yield on debt investments ¹	12.2 %	12.7 %	11.6 %
Cash component of weighted average yield on debt investments	11.1 %	11.2 %	10.3 %
Weighted average yield on total portfolio investments ²	11.7 %	12.0 %	11.2 %
Investment activity:			
New investment commitments	\$ 370,300	\$ 87,500	\$ 250,300
New funded investment activity ³	\$ 367,600	\$ 117,100	\$ 274,400
Proceeds from prepayments, exits, other paydowns and sales	\$ 213,500	\$ 364,400	\$ 104,400
Net new investments ⁴	\$ 154,100	\$ (247,300)	\$ 170,000
Number of new investment commitments in new portfolio companies	14	3	18
Number of new investment commitments in existing portfolio companies	10	3	7
Number of portfolio company exits	10	16	11

¹ Annual stated yield earned plus net annual amortization of OID or premium earned on accruing investments, including the Company's share of the return on debt investments in SLF JV I and Glick JV, and excluding any amortization or accretion of interest income resulting solely from the cost basis established by ASC 805 (see Non-GAAP Financial Measures below) for the assets acquired in connection with the OCSI Merger and OSI2 Merger.

² Annual stated yield earned plus net annual amortization of OID or premium earned on accruing investments and dividend income, including the Company's share of the return on debt investments in SLF JV I and Glick JV, and excluding any amortization or accretion of interest income resulting solely from the cost basis established by ASC 805 for the assets acquired in connection with the OCSI Merger and OSI2 Merger.

³ New funded investment activity includes drawdowns on existing revolver and delayed draw term loan commitments.

⁴ Net new investments consists of new funded investment activity less proceeds from prepayments, exits, other paydowns and sales.

As of December 31, 2023, the fair value of the investment portfolio was \$3.0 billion and was composed of investments in 146 companies. These included debt investments in 133 companies, equity investments in 40 companies, and the Company's joint venture investments in SLF JV I and OCSI Glick JV LLC ("Glick JV"). 29 of the equity investments were in companies in which the Company also had a debt investment.

As of December 31, 2023, 94.2% of the Company's portfolio at fair value consisted of debt investments, including 77.9% of first lien loans, 8.4% of second lien loans and 7.9% of unsecured debt investments, including the debt investments in SLF

JV I and Glick JV. This compared to 76.4% of first lien loans, 10.1% of second lien loans and 7.5% of unsecured debt investments, including the debt investments in SLF JV I and Glick JV, as of September 30, 2023.

As of December 31, 2023, there were seven investments on non-accrual status, which represented 5.9% and 4.2% of the debt portfolio at cost and fair value, respectively. This is up from four investments on non-accrual status in the prior quarter, which represented 2.4% and 1.8% of the debt portfolio at cost and fair value, respectively.

SLF JV I

The Company's investments in SLF JV I totaled \$142.2 million at fair value as of December 31, 2023, up 0.5% from \$141.5 million as of September 30, 2023. The increase was primarily driven by SLF JV I's use of leverage and unrealized appreciation in the underlying investment portfolio.

As of December 31, 2023, SLF JV I had \$372.8 million in assets, including senior secured loans to 52 portfolio companies. This compared to \$376.1 million in assets, including senior secured loans to 48 portfolio companies, as of September 30, 2023. As of December 31, 2023, no investments held by SLF JV I were on non-accrual status. SLF JV I generated cash interest income of \$3.6 million for the Company during the quarter ended December 31, 2023, up from \$3.5 million in the prior quarter. In addition, SLF JV I generated dividend income of \$1.4 million for the Company during the quarter ended December 31, 2023, up from \$1.1 million in the prior quarter. As of December 31, 2023, SLF JV I had \$121.0 million of undrawn capacity (subject to borrowing base and other limitations) on its \$270 million senior revolving credit facility, and its debt to equity ratio was 1.1x.

Glick JV

The Company's investments in Glick JV totaled \$51.0 million at fair value as of December 31, 2023, up 1.9% from \$50.0 million as of September 30, 2023. The increase was primarily driven by Glick JV I's use of leverage and unrealized appreciation in the underlying investment portfolio.

As of December 31, 2023, Glick JV had \$139.2 million in assets, including senior secured loans to 42 portfolio companies. This compared to \$141.2 million in assets, including senior secured loans to 38 portfolio companies, as of September 30, 2023. As of December 31, 2023, no investments held by Glick JV were on non-accrual status. Glick JV generated cash interest income of \$1.5 million during the quarter ended December 31, 2023, flat as compared to the prior quarter. As of December 31, 2023, Glick JV had \$27.0 million of undrawn capacity (subject to borrowing base and other limitations) on its \$80 million senior revolving credit facility, and its debt to equity ratio was 1.1x.

Liquidity and Capital Resources

As of December 31, 2023, the Company had total principal value of debt outstanding of \$1,660.0 million, including \$710.0 million of outstanding borrowings under its revolving credit facilities, \$300.0 million of the 3.500% Notes due 2025, \$350.0 million of the 2.700% Notes due 2027 and \$300.0 million of the 7.100% Notes due 2029. The funding mix was composed of 43% secured and 57% unsecured borrowings as of December 31, 2023. The Company was in compliance with all financial covenants under its credit facilities as of December 31, 2023.

As of December 31, 2023, the Company had \$112.4 million of unrestricted cash and cash equivalents and \$907.5 million of undrawn capacity on its credit facilities (subject to borrowing base and other limitations). As of December 31, 2023, unfunded investment commitments were \$226.6 million, or \$199.5 million excluding unfunded commitments to the Company's joint ventures. Of the \$199.5 million, approximately \$165.9 million could be drawn immediately with the remaining amount subject to certain milestones that must be met by portfolio companies. The Company has analyzed cash and cash equivalents, availability under its credit facilities, the ability to rotate out of certain assets and amounts of unfunded commitments that could be drawn and believes its liquidity and capital resources are sufficient to invest in market opportunities as they arise.

As of December 31, 2023, the weighted average interest rate on debt outstanding, including the effect of the interest rate swap agreements, was 7.0%, unchanged from the prior quarter.

The Company's total debt to equity ratio was 1.10x as of each of December 31, 2023 and September 30, 2023. The Company's net debt to equity ratio was 1.02x and 1.01x as of December 31, 2023 and September 30, 2023, respectively.

Non-GAAP Financial Measures

On a supplemental basis, the Company is disclosing certain adjusted financial measures, each of which is calculated and presented on a basis of methodology other than in accordance with GAAP (“non-GAAP”). The Company’s management uses these non-GAAP financial measures internally to analyze and evaluate financial results and performance and believes that these non-GAAP financial measures are useful to investors as an additional tool to evaluate ongoing results and trends for the Company and to review the Company’s performance without giving effect to non-cash income/gain/loss resulting from the OCSI Merger and the OSI2 Merger and in the case of adjusted net investment income, without giving effect to capital gains incentive fees. The presentation of the below non-GAAP measures is not intended to be a substitute for financial results prepared in accordance with GAAP and should not be considered in isolation.

- **“Adjusted Total Investment Income” and “Adjusted Total Investment Income Per Share”** – represents total investment income excluding any amortization or accretion of interest income resulting solely from the cost basis established by ASC 805 (see below) for the assets acquired in connection with the OCSI Merger and the OSI2 Merger.
- **“Adjusted Net Investment Income” and “Adjusted Net Investment Income Per Share”** – represents net investment income, excluding (i) any amortization or accretion of interest income resulting solely from the cost basis established by ASC 805 (see below) for the assets acquired in connection with the OCSI Merger and the OSI2 Merger and (ii) capital gains incentive fees (“Part II incentive fees”).
- **“Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes” and “Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes Per Share”** – represents net realized and unrealized gains (losses) net of taxes excluding any net realized and unrealized gains (losses) resulting solely from the cost basis established by ASC 805 (see below) for the assets acquired in connection with the OCSI Merger and the OSI2 Merger.
- **“Adjusted Earnings (Loss)” and “Adjusted Earnings (Loss) Per Share”** – represents the sum of (i) Adjusted Net Investment Income and (ii) Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes and includes the impact of Part II incentive fees¹, if any.

The OCSI Merger and the OSI2 Merger (the “Mergers”) were accounted for as asset acquisitions in accordance with the asset acquisition method of accounting as detailed in ASC 805-50, *Business Combinations—Related Issues* (“ASC 805”). The consideration paid to each of the stockholders of OCSI and OSI2 were allocated to the individual assets acquired and liabilities assumed based on the relative fair values of the net identifiable assets acquired other than “non-qualifying” assets, which established a new cost basis for the acquired investments under ASC 805 that, in aggregate, was different than the historical cost basis of the acquired investments prior to the OCSI Merger or the OSI2 Merger, as applicable. Additionally, immediately following the completion of the Mergers, the acquired investments were marked to their respective fair values under ASC 820, *Fair Value Measurements*, which resulted in unrealized appreciation/depreciation. The new cost basis established by ASC 805 on debt investments acquired will accrete/amortize over the life of each respective debt investment through interest income, with a corresponding adjustment recorded to unrealized appreciation/depreciation on such investment acquired through its ultimate disposition. The new cost basis established by ASC 805 on equity investments acquired will not accrete/amortize over the life of such investments through interest income and, assuming no subsequent change to the fair value of the equity investments acquired and disposition of such equity investments at fair value, the Company will recognize a realized gain/loss with a corresponding reversal of the unrealized appreciation/depreciation on disposition of such equity investments acquired.

The Company’s management uses the non-GAAP financial measures described above internally to analyze and evaluate financial results and performance and to compare its financial results with those of other business development companies that have not adjusted the cost basis of certain investments pursuant to ASC 805. The Company’s management believes “Adjusted Total Investment Income”, “Adjusted Total Investment Income Per Share”, “Adjusted Net Investment Income” and “Adjusted Net Investment Income Per Share” are useful to investors as an additional tool to evaluate ongoing results and trends for the Company without giving effect to the income resulting from the new cost basis of the investments acquired in the Mergers because these amounts do not impact the fees payable to Oaktree Fund Advisors, LLC (the “Adviser”) under its second amended and restated advisory agreement (the “A&R Advisory Agreement”), and specifically as it relates to “Adjusted Net Investment Income” and “Adjusted Net Investment Income Per Share”, without giving effect to Part II incentive fees. In addition, the Company’s management believes that “Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes”, “Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes Per Share”, “Adjusted Earnings (Loss)” and “Adjusted Earnings (Loss) Per Share” are useful to investors as they exclude the non-cash income and gain/loss resulting from the Mergers and are used by management to evaluate the economic earnings of its investment portfolio. Moreover,

¹ Adjusted earnings (loss) includes accrued Part II incentive fees. As of and for the three months ended December 31, 2023, there was no accrued Part II incentive fee liability. Part II incentive fees are contractually calculated and paid at the end of the fiscal year in accordance with the A&R Advisory Agreement, which differs from Part II incentive fees accrued under GAAP. For the three months ended December 31, 2023, no amounts were payable under the A&R Advisory Agreement.

these metrics more closely align the Company's key financial measures with the calculation of incentive fees payable to the Adviser under with the A&R Advisory Agreement (i.e., excluding amounts resulting solely from the lower cost basis of the acquired investments established by ASC 805 that would have been to the benefit of the Adviser absent such exclusion).

The following table provides a reconciliation of total investment income (the most comparable U.S. GAAP measure) to adjusted total investment income for the periods presented:

(\$ in thousands, except per share data)	For the three months ended					
	December 31, 2023 (unaudited)		September 30, 2023 (unaudited)		December 31, 2022 (unaudited)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
GAAP total investment income	\$ 97,985	\$ 1.26	\$ 101,905	\$ 1.32	\$ 79,179	\$ 1.30
Interest income amortization (accretion) related to merger accounting adjustments	29	—	252	—	(1,746)	(0.03)
Adjusted total investment income	\$ 98,014	\$ 1.26	\$ 102,157	\$ 1.32	\$ 77,433	\$ 1.27

The following table provides a reconciliation of net investment income (the most comparable U.S. GAAP measure) to adjusted net investment income for the periods presented:

(\$ in thousands, except per share data)	For the three months ended					
	December 31, 2023 (unaudited)		September 30, 2023 (unaudited)		December 31, 2022 (unaudited)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
GAAP net investment income	\$ 44,189	\$ 0.57	\$ 47,498	\$ 0.62	\$ 38,808	\$ 0.63
Interest income amortization (accretion) related to merger accounting adjustments	29	—	252	—	(1,746)	(0.03)
Part II incentive fee	—	—	—	—	—	—
Adjusted net investment income	\$ 44,218	\$ 0.57	\$ 47,750	\$ 0.62	\$ 37,062	\$ 0.61

The following table provides a reconciliation of net realized and unrealized gains (losses), net of taxes (the most comparable U.S. GAAP measure) to adjusted net realized and unrealized gains (losses), net of taxes for the periods presented:

(\$ in thousands, except per share data)	For the three months ended					
	December 31, 2023 (unaudited)		September 30, 2023 (unaudited)		December 31, 2022 (unaudited)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
GAAP net realized and unrealized gains (losses), net of taxes	\$ (33,654)	\$ (0.43)	\$ (1,546)	\$ (0.02)	\$ (25,636)	\$ (0.42)
Net realized and unrealized losses (gains) related to merger accounting adjustments	796	0.01	(122)	—	1,746	0.03
Adjusted net realized and unrealized gains (losses), net of taxes	\$ (32,858)	\$ (0.42)	\$ (1,668)	\$ (0.02)	\$ (23,890)	\$ (0.39)

The following table provides a reconciliation of net increase (decrease) in net assets resulting from operations (the most comparable U.S. GAAP measure) to adjusted earnings (loss) for the periods presented:

(\$ in thousands, except per share data)	For the three months ended					
	December 31, 2023 (unaudited)		September 30, 2023 (unaudited)		December 31, 2022 (unaudited)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net increase (decrease) in net assets resulting from operations	\$ 10,535	\$ 0.14	\$ 45,952	\$ 0.60	\$ 13,172	\$ 0.22
Interest income amortization (accretion) related to merger accounting adjustments	29	—	252	—	(1,746)	(0.03)
Net realized and unrealized losses (gains) related to merger accounting adjustments	796	0.01	(122)	—	1,746	0.03
Adjusted earnings (loss)	\$ 11,360	\$ 0.15	\$ 46,082	\$ 0.60	\$ 13,172	\$ 0.22

Conference Call Information

Oaktree Specialty Lending will host a conference call to discuss its first fiscal quarter 2024 results at 11:00 a.m. Eastern Time / 8:00 a.m. Pacific Time on February 1, 2024. The conference call may be accessed by dialing (877) 507-3275 (U.S. callers) or +1 (412) 317-5238 (non-U.S. callers). All callers will need to reference "Oaktree Specialty Lending" once connected with the operator. Alternatively, a live webcast of the conference call can be accessed through the Investors section of Oaktree Specialty Lending's website, www.oaktreespecialtylending.com. During the conference call, the Company intends to refer to an investor presentation that will be available on the Investors section of its website.

For those individuals unable to listen to the live broadcast of the conference call, a replay will be available on Oaktree Specialty Lending's website, or by dialing (877) 344-7529 (U.S. callers) or +1 (412) 317-0088 (non-U.S. callers), access code 2845273, beginning approximately one hour after the broadcast.

About Oaktree Specialty Lending Corporation

Oaktree Specialty Lending Corporation (NASDAQ:OCSL) is a specialty finance company dedicated to providing customized one-stop credit solutions to companies with limited access to public or syndicated capital markets. The Company's investment objective is to generate current income and capital appreciation by providing companies with flexible and innovative financing solutions including first and second lien loans, unsecured and mezzanine loans, and preferred equity. The Company is regulated as a business development company under the Investment Company Act of 1940, as amended, and is externally managed by Oaktree Fund Advisors, LLC, an affiliate of Oaktree Capital Management, L.P. For additional information, please visit Oaktree Specialty Lending's website at www.oaktreespecialtylending.com.

Forward-Looking Statements

Some of the statements in this press release constitute forward-looking statements because they relate to future events, future performance or financial condition. The forward-looking statements may include statements as to: future operating results of the Company and distribution projections; business prospects of the Company and the prospects of its portfolio companies; and the impact of the investments that the Company expects to make. In addition, words such as "anticipate," "believe," "expect," "seek," "plan," "should," "estimate," "project" and "intend" indicate forward-looking statements, although not all forward-looking statements include these words. The forward-looking statements contained in this press release involve risks and uncertainties. Certain factors could cause actual results and conditions to differ materially from those projected, including the uncertainties associated with (i) changes in the economy, financial markets and political environment, including the impacts of inflation and rising interest rates; (ii) risks associated with possible disruption in the operations of the Company or the economy generally due to terrorism, war or other geopolitical conflict (including the current conflicts in Ukraine and Israel), natural disasters, pandemics or cybersecurity incidents; (iii) future changes in laws or regulations (including the interpretation of these laws and regulations by regulatory authorities); (iv) conditions in the Company's operating areas, particularly with respect to business development companies or regulated investment companies; and (v) other considerations that may be disclosed from time to time in the Company's publicly disseminated documents and filings. The Company has based the forward-looking statements included in this press release on information available to it on the date of this press release, and the Company assumes no obligation to update any such forward-looking statements. The Company undertakes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that it may make directly to you or through reports that the Company in the future may file with the Securities and Exchange Commission, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

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Oaktree Specialty Lending Corporation
Consolidated Statements of Assets and Liabilities
(in thousands, except per share amounts)

	December 31, 2023 (unaudited)	September 30, 2023
ASSETS		
Investments at fair value:		
Control investments (cost December 31, 2023: \$363,124; cost September 30, 2023: \$345,245)	\$ 316,309	\$ 297,091
Affiliate investments (cost December 31, 2023: \$26,916; cost September 30, 2023: \$24,898)	24,442	23,349
Non-control/Non-affiliate investments (cost December 31, 2023: \$2,797,710; cost September 30, 2023: \$2,673,976)	2,677,801	2,571,980
Total investments at fair value (cost December 31, 2023: \$3,187,750; cost September 30, 2023: \$3,044,119)	3,018,552	2,892,420
Cash and cash equivalents	112,369	136,450
Restricted cash	19,328	9,089
Interest, dividends and fees receivable	43,038	44,570
Due from portfolio companies	7,912	6,317
Receivables from unsettled transactions	23,931	55,441
Due from broker	26,520	54,260
Deferred financing costs	11,827	12,541
Deferred offering costs	131	160
Derivative assets at fair value	—	4,910
Other assets	2,587	1,681
Total assets	\$ 3,266,195	\$ 3,217,839
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	\$ 3,273	\$ 2,950
Base management fee and incentive fee payable	19,004	19,547
Due to affiliate	3,815	4,310
Interest payable	18,980	16,007
Director fees payable	160	—
Payables from unsettled transactions	57,279	11,006
Derivative liability at fair value	29,316	47,519
Deferred tax liability	—	5
Credit facilities payable	710,000	710,000
Unsecured notes payable (net of \$6,534 and \$7,076 of unamortized financing costs as of December 31, 2023 and September 30, 2023, respectively)	912,717	890,731
Total liabilities	1,754,544	1,702,075
Net assets:		
Common stock, \$0.01 par value per share, 250,000 shares authorized; 78,965 and 77,225 shares issued and outstanding as of December 31, 2023 and September 30, 2023, respectively	790	772
Additional paid-in-capital	2,200,561	2,166,330
Accumulated overdistributed earnings	(689,700)	(651,338)
Total net assets (equivalent to \$19.14 and \$19.63 per common share as of December 31, 2023 and September 30, 2023, respectively)	1,511,651	1,515,764
Total liabilities and net assets	\$ 3,266,195	\$ 3,217,839

Oaktree Specialty Lending Corporation
Consolidated Statements of Operations
(in thousands, except per share amounts)

	Three months ended December 31, 2023 (unaudited)	Three months ended September 30, 2023 (unaudited)	Three months ended December 31, 2022 (unaudited)
Interest income:			
Control investments	\$ 6,005	\$ 5,877	\$ 4,567
Affiliate investments	324	650	641
Non-control/Non-affiliate investments	82,721	86,346	64,298
Interest on cash and cash equivalents	2,364	1,859	472
Total interest income	91,414	94,732	69,978
PIK interest income:			
Control investments	544	309	—
Non-control/Non-affiliate investments	3,305	5,235	6,130
Total PIK interest income	3,849	5,544	6,130
Fee income:			
Control investments	13	13	13
Affiliate investments	5	5	5
Non-control/Non-affiliate investments	1,289	554	2,003
Total fee income	1,307	572	2,021
Dividend income:			
Control investments	1,400	1,050	1,050
Non-control/Non-affiliate investments	15	7	—
Total dividend income	1,415	1,057	1,050
Total investment income	97,985	101,905	79,179
Expenses:			
Base management fee	11,477	11,516	9,917
Part I incentive fee	9,028	9,531	7,703
Professional fees	1,504	1,282	1,500
Directors fees	160	160	160
Interest expense	32,170	32,326	20,719
Administrator expense	366	317	298
General and administrative expenses	591	775	746
Total expenses	55,296	55,907	41,043
Fees waived	(1,500)	(1,500)	(750)
Net expenses	53,796	54,407	40,293
Net investment income before taxes	44,189	47,498	38,886
Excise tax	—	—	(78)
Net investment income	44,189	47,498	38,808
Unrealized appreciation (depreciation):			
Control investments	1,339	(1,114)	(3,309)
Affiliate investments	(925)	(90)	3
Non-control/Non-affiliate investments	(17,615)	10,088	(8,675)
Foreign currency forward contracts	(7,824)	4,861	(11,001)
Net unrealized appreciation (depreciation)	(25,025)	13,745	(22,982)
Realized gains (losses):			
Control investments	786	—	—
Non-control/Non-affiliate investments	(13,340)	(12,986)	(7,651)
Foreign currency forward contracts	4,101	(252)	4,448
Net realized gains (losses)	(8,453)	(13,238)	(3,203)
(Provision) benefit for taxes on realized and unrealized gains (losses)	(176)	(2,053)	549
Net realized and unrealized gains (losses), net of taxes	(33,654)	(1,546)	(25,636)
Net increase (decrease) in net assets resulting from operations	\$ 10,535	\$ 45,952	\$ 13,172
Net investment income per common share — basic and diluted	\$ 0.57	\$ 0.62	\$ 0.63
Earnings (loss) per common share — basic and diluted	\$ 0.14	\$ 0.60	\$ 0.22
Weighted average common shares outstanding — basic and diluted	77,840	77,130	61,142



OAKTREE

OCSL | Specialty Lending Corporation

FIRST QUARTER 2024
FEBRUARY 1, 2024

EARNINGS PRESENTATION
NASDAQ: OCSL



Forward Looking Statements & Legal Disclosures

Some of the statements in this presentation constitute forward-looking statements because they relate to future events or our future performance or financial condition. The forward-looking statements contained in this presentation may include statements as to: our future operating results and distribution projections; the ability of Oaktree Fund Advisors, LLC (together with its affiliates, "Oaktree") to reposition our portfolio and to implement Oaktree's future plans with respect to our business; the ability of Oaktree and its affiliates to attract and retain highly talented professionals; our business prospects and the prospects of our portfolio companies; the impact of the investments that we expect to make; the ability of our portfolio companies to achieve their objectives; our expected financings and investments and additional leverage we may seek to incur in the future; the adequacy of our cash resources and working capital; the timing of cash flows, if any, from the operations of our portfolio companies; and the cost or potential outcome of any litigation to which we may be a party. In addition, words such as "anticipate," "believe," "expect," "seek," "plan," "should," "estimate," "project" and "intend" indicate forward-looking statements, although not all forward-looking statements include these words. The forward-looking statements contained in this presentation involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in "Risk Factors" and elsewhere in our annual report on Form 10-K for the fiscal year ended September 30, 2023 and our quarterly report on Form 10-Q for the quarter ended December 31, 2023. Other factors that could cause actual results to differ materially include: changes in the economy, financial markets and political environment; risks associated with possible disruption in our operations or the economy generally due to terrorism, war or other geopolitical conflict (including the current conflicts in Ukraine and Israel), natural disasters, pandemics or cybersecurity incidents; future changes in laws or regulations (including the interpretation of these laws and regulations by regulatory authorities) and conditions in our operating areas, particularly with respect to business development companies or regulated investment companies; and other considerations disclosed from time to time in our publicly disseminated documents and filings.

We have based the forward-looking statements included in this presentation on information available to us on the date of this presentation, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

Calculation of Assets Under Management

References to total "assets under management" or "AUM" represent assets managed by Oaktree and a proportionate amount of the AUM reported by DoubleLine Capital LP ("DoubleLine Capital"), in which Oaktree owns a 20% minority interest. Oaktree's methodology for calculating AUM includes (i) the net asset value ("NAV") of assets managed directly by Oaktree, (ii) the leverage on which management fees are charged, (iii) undrawn capital that Oaktree is entitled to call from investors in Oaktree funds pursuant to their capital commitments, (iv) for collateralized loan obligation vehicles ("CLOs"), the aggregate par value of collateral assets and principal cash, (v) for publicly-traded business development companies, gross assets (including assets acquired with leverage), net of cash, and (vi) Oaktree's pro rata portion (20%) of the AUM reported by DoubleLine Capital. This calculation of AUM is not based on the definitions of AUM that may be set forth in agreements governing the investment funds, vehicles or accounts managed and is not calculated pursuant to regulatory definitions.

Unless otherwise indicated, data provided herein are dated as of December 31, 2023.



Highlights for the Quarter Ended December 31, 2023

ADJUSTED NET INVESTMENT INCOME¹	<ul style="list-style-type: none">• \$0.57 per share, as compared with \$0.62 per share for the quarter ended September 30, 2023• GAAP net investment income was \$0.57 per share, as compared with \$0.62 in the quarter ended September 30, 2023
NET ASSET VALUE PER SHARE	<ul style="list-style-type: none">• \$19.14 per share, as compared with \$19.63 per share as of September 30, 2023• The decrease was primarily due to realized and unrealized losses on certain debt and equity investments as well as the \$0.07 per share special distribution that was paid during the quarter
DIVIDENDS	<ul style="list-style-type: none">• Declared a cash distribution of \$0.55 per share• Distribution will be payable on March 29, 2024 to stockholders of record as of March 15, 2024
INVESTMENT ACTIVITY	<ul style="list-style-type: none">• \$370 million of new investment commitments• 11.6% weighted average yield on new debt investments• \$368 million of new investment fundings• Received \$214 million of proceeds from prepayments, exits, other paydowns and sales
INVESTMENT PORTFOLIO	<ul style="list-style-type: none">• \$3.0 billion at fair value across 146 portfolio companies• 12.2% weighted average yield on debt investments, as compared with 12.7% as of September 30, 2023• 86% senior secured• 84% of debt portfolio was floating rate
CAPITAL STRUCTURE & LIQUIDITY	<ul style="list-style-type: none">• 1.02x net debt to equity ratio, up slightly from 1.01x as of September 30, 2023• \$112 million of cash and \$908 million of undrawn capacity on credit facilities

¹ See page 19 for a description of this non-GAAP measure.



Portfolio Summary

PORTFOLIO CHARACTERISTICS

(At fair value)

\$3.0bn TOTAL INVESTMENTS	146 PORTFOLIO COMPANIES
12.2% WEIGHTED AVERAGE YIELD ON DEBT INVESTMENTS	\$133mm MEDIAN DEBT PORTFOLIO COMPANY EBITDA ¹
86% SENIOR SECURED DEBT INVESTMENTS	84% FLOATING RATE

As of December 31, 2023

Note: Numbers may not sum due to rounding.

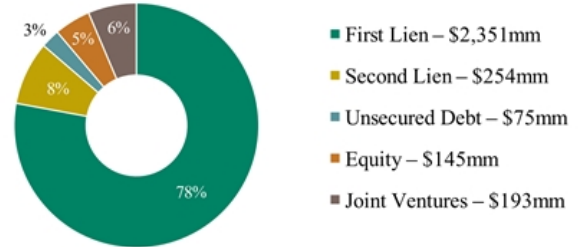
¹ Excludes investments in negative EBITDA borrowers, royalty interest financings, structured products and recurring revenue software businesses.

² Based on GICS sub-industry classification.

³ Excludes multi-sector holdings, which is primarily composed of investments in Senior Loan Fund JV I LLC (the "Kemper JV") and OCSI Glick JV (the "Glick JV"), joint ventures that invest primarily in senior secured loans of middle market companies.

PORTFOLIO COMPOSITION

(As % of total portfolio at fair value; \$ in millions)



TOP TEN SUB-INDUSTRIES^{2, 3}

(As % of total portfolio at fair value)

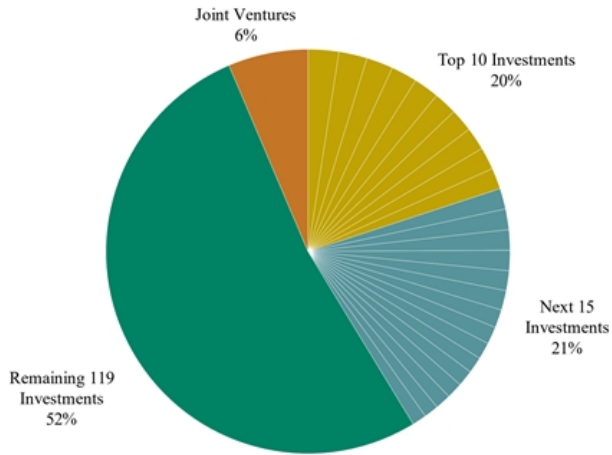




Portfolio Diversity

DIVERSITY BY INVESTMENT SIZE

(As % of total portfolio at fair value)



PORTFOLIO BY INDUSTRY¹

(As % of total portfolio at fair value)

Industry	% of Portfolio
Software	16.7%
Health Care Providers & Services	6.1
Specialty Retail	5.6
Real Estate Management & Development	5.0
Professional Services	4.4
Commercial Services & Supplies	4.3
Biotechnology	4.2
Health Care Technology	3.6
Financial Services	3.5
Machinery	3.5
Chemicals	3.4
Metals & Mining	2.4
Remaining 25 Industries	30.9
Joint Ventures	6.4

OCSL's portfolio is diverse across borrowers and industries

As of December 31, 2023

Note: Numbers may not sum due to rounding.

¹ Based on GICS industry classification.

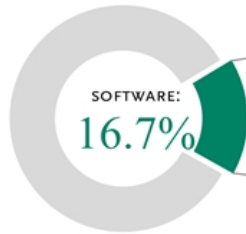


Spotlight on OCSL's Software Exposure

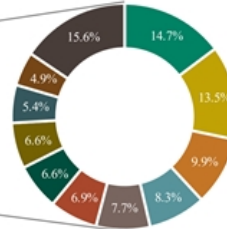
SOFTWARE EXPOSURE

(As % of total portfolio at fair value)

- Software
- Rest of Portfolio



END MARKET DIVERSITY



- Application Software
- IT Consulting & Other Services
- Specialized Consumer Services
- Alternative Carriers
- Diversified Real Estate Activities
- Systems Software
- Internet Services & Infrastructure
- Human Resource & Employment Services
- Broadcasting
- Other¹

OAKTREE'S APPROACH TO SOFTWARE INVESTING

- Target large, diversified businesses with entrenched customer bases
- Companies provide mission critical software solutions that lead to high customer retention rates
- Focus on constructing a balanced application software portfolio that is composed of businesses that serve different end markets
- Backed by large, well-established private equity firms who have strong reputations and deep sector expertise

SOFTWARE PORTFOLIO CHARACTERISTICS

	12/31/2023
Fair Value of Software Portfolio (\$ in millions)	\$505
Number of Portfolio Companies	26
First Lien (% of software portfolio)	85.6%
Average Portfolio Company Revenues ² (\$ millions)	\$662
Average LTV ³	40%

OCSL's software investments are in large companies that serve diverse end markets

As of December 31, 2023

¹ Includes Oil & Gas Exploration & Production, Aerospace & Defense, Diversified Financial Services, Education Services, Automotive Parts & Equipment, Property & Casualty Insurance, Interactive Media & Services and Health Care Technology.

² Revenues based on the most recent portfolio company financial statements for the trailing twelve-month reported period.

³ Average loan-to-value ("LTV") represents the net ratio of loan-to-value for each software portfolio company, weighted based on the fair value of total software investments as of December 31, 2023.



Investment Activity

NEW INVESTMENT HIGHLIGHTS

<p>\$370mm NEW INVESTMENT COMMITMENTS</p>	<p>\$368mm NEW INVESTMENT FUNDINGS¹</p>
<p>11.6% WEIGHTED AVERAGE YIELD ON NEW DEBT COMMITMENTS</p>	<p>100% ALSO HELD BY OTHER OAKTREE FUNDS</p>
<p>\$279mm NEW INVESTMENT COMMITMENTS IN NEW PORTFOLIO COMPANIES</p>	<p>\$91mm NEW INVESTMENT COMMITMENTS IN EXISTING PORTFOLIO COMPANIES</p>

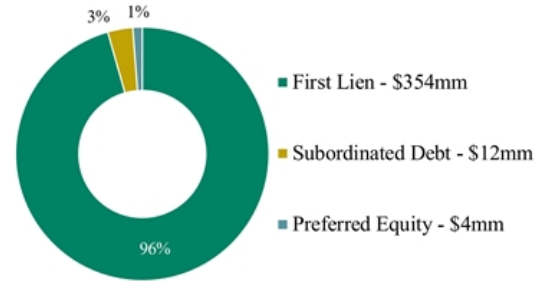
HISTORICAL FUNDED ORIGINATIONS AND EXITS

(\$ in millions)



NEW INVESTMENT COMPOSITION

(As % of new investment commitments; \$ in millions)



Note: Numbers rounded to the nearest million or percentage point and may not sum as a result. Excludes the \$572 million of investments at fair value acquired in the merger of Oaktree Strategic Income II, Inc. ("OSI2") with and into us (the "OSI2 Merger"), which closed on January 23, 2023.

¹ New funded investments includes drawdowns on existing delayed draw and revolver commitments.

² Investment exits includes proceeds from prepayments, exits, other paydowns and sales.



Investment Activity (continued)

NEW INVESTMENT COMMITMENT DETAIL

(\$ in millions)

Fiscal Quarter	Investment Commitments	Number of Deals	Security Type			Market			Avg. Secondary Purchase Price
			First Lien	Second Lien	Unsecured & Other	Private Placement	Primary (Public)	Secondary (Public)	
2Q2020	\$273	39	\$210	\$21	\$42	\$141	\$58	\$75	83%
3Q2020	261	18	177	8	76	154	71	35	74
4Q2020	148	10	123	25	0.5	90	57	2	96
1Q2021	286	21	196	90	--	181	84	22	93
2Q2021	318	20	253	44	21	245	63	10	93
3Q2021	178	10	141	25	12	104	70	5	97
4Q2021	385	20	350	13	23	304	79	2	100
1Q2022	300	21	220	77	2	227	73	--	N/A
2Q2022	228	25	163	17	48	162	26	40	96
3Q2022	132	28	100	6	25	63	5	63	91
4Q2022	97	11	65	--	32	71	22	4	92
1Q2023	250	25	214	10	26	188	49	14	82
2Q2023	124	9	124	--	--	118	5	1	81
3Q2023	251	10	227	24	0.2	224	20	7	85
4Q2023	87	6	87	--	--	76	12	--	N/A
1Q2024	370	24	354	--	16	302	--	68	90

Note: Numbers may not sum due to rounding. Excludes any positions originated, purchased and sold within the same quarter and the assets acquired in the OSI2 Merger.



Financial Highlights

<i>(\$ and number of shares in thousands, except per share amounts)</i>	As of				
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
GAAP Net Investment Income per Share	\$0.57	\$0.62	\$0.63	\$0.63	\$0.63
<i>Adjusted Net Investment Income per Share¹</i>	<i>\$0.57</i>	<i>\$0.62</i>	<i>\$0.62</i>	<i>\$0.62</i>	<i>\$0.61</i>
Net Realized and Unrealized Gains (Losses), Net of Taxes per Share	\$(0.43)	\$(0.02)	\$(0.15)	\$(0.33)	\$(0.42)
<i>Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes per Share¹</i>	<i>\$(0.42)</i>	<i>\$(0.02)</i>	<i>\$(0.14)</i>	<i>\$(0.05)</i>	<i>\$(0.39)</i>
Earnings (Loss) per Share	\$0.14	\$0.60	\$0.48	\$0.29	\$0.22
<i>Adjusted Earnings (Loss) per Share¹</i>	<i>\$0.15</i>	<i>\$0.60</i>	<i>\$0.47</i>	<i>\$0.57</i>	<i>\$0.22</i>
Quarterly Distributions per Share	\$0.55	\$0.55	\$0.55	\$0.55	\$0.54
Special Distributions per Share	\$0.07	--	--	--	\$0.42
NAV per Share	\$19.14	\$19.63	\$19.58	\$19.66	\$19.63
Weighted Average Shares Outstanding	77,840	77,130	77,080	73,203	61,142
Shares Outstanding, End of Period	78,965	77,225	77,080	77,080	61,220
Investment Portfolio (at Fair Value)	\$3,018,552	\$2,892,420	\$3,135,619	\$3,164,860	\$2,642,870
Cash and Cash Equivalents	\$112,369	\$136,450	\$59,704	\$43,750	\$17,382
Total Assets	\$3,266,195	\$3,217,839	\$3,335,974	\$3,318,507	\$2,767,260
Total Debt Outstanding ²	\$1,622,717	\$1,600,731	\$1,740,066	\$1,723,840	\$1,463,624
Net Assets	\$1,511,651	\$1,515,764	\$1,509,441	\$1,515,150	\$1,201,989
Total Debt to Equity Ratio	1.10x	1.10x	1.18x	1.16x	1.26x
Net Debt to Equity Ratio	1.02x	1.01x	1.14x	1.14x	1.24x
Weighted Average Interest Rate on Debt Outstanding ³	7.0%	7.0%	6.6%	6.2%	5.6%

Note: The Company completed a 1-for-3 reverse stock split on January 20, 2023, effective as of the commencement of trading on January 23, 2023. All share amounts and per share information included in this presentation reflect the reverse stock split on a retroactive basis.

¹ See page 19 for a description of the non-GAAP measures.

² Net of unamortized financing costs.

³ Includes effect of the interest rate swap agreements the Company entered into in connection with the issuance of the 2027 Notes and the 2029 Notes.



Portfolio Highlights

<i>(\$ in thousands, at fair value)</i>	As of				
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
Investments at Fair Value	\$3,018,552	\$2,892,420	\$3,135,619	\$3,164,860	\$2,642,870
Number of Portfolio Companies	146	143	156	165	156
Average Portfolio Company Debt Investment Size	\$20,200	\$19,800	\$19,800	\$18,800	\$16,500
Asset Class:					
First Lien	77.9%	76.4%	76.5%	75.0%	71.9%
Second Lien	8.4	10.1	12.0	13.0	14.4
Unsecured Debt	2.5	1.9	1.7	1.9	2.4
Equity	4.8	5.0	3.8	4.1	4.3
Joint Venture Interests	6.4	6.6	6.0	6.0	7.0
Interest Rate Type for Debt Investments:					
% Floating-Rate	84.3%	86.2%	86.0%	87.9%	87.3%
% Fixed-Rate	15.7	13.8	14.0	12.1	12.7
Yields:					
Weighted Average Yield on Debt Investments ¹	12.2%	12.7%	12.3%	11.9%	11.6%
Cash Component of Weighted Average Yield on Debt Investments	11.1	11.2	11.4	10.9	10.3
Weighted Average Yield on Total Portfolio Investments ²	11.7	12.0	11.8	11.5	11.2

Note: Numbers may not sum due to rounding.

¹ Annual stated yield earned plus net annual amortization of OID or premium earned on accruing investments, including the Company's share of the return on debt investments in the Kemper JV and Glick JV, and excluding any amortization or accretion of interest income resulting solely from the cost basis established by ASC 805 for the assets acquired in connection with the mergers of Oaktree Strategic Income Corporation (the "OCSI Merger") and the OSI2 Merger. See page 19 for a description of the non-GAAP financial measures.

² Annual stated yield earned plus net annual amortization of OID or premium earned on accruing investments and dividend income, including the Company's share of the return on debt investments in the Kemper JV and Glick JV, and excluding any amortization or accretion of interest income resulting solely from the cost basis established by ASC 805 for the assets acquired in connection with the OCSI Merger and the OSI2 Merger. See page 19 for a description of the non-GAAP financial measures.



Investment Activity

<i>(\$ in thousands)</i>	As of				
	12/31/2023	9/30/2023	6/30/2023	3/31/2023 ¹	12/31/2022
New Investment Commitments	\$370,300	\$87,500	\$251,000	\$123,800	\$250,300
New Funded Investment Activity ²	\$367,600	\$117,100	\$243,300	\$103,600	\$274,400
Proceeds from Prepayments, Exits, Other Paydowns and Sales	\$213,500	\$364,400	\$261,000	\$162,100	\$104,400
Net New Investments ³	\$154,100	\$(247,300)	\$(17,700)	\$(58,500)	\$170,000
New Investment Commitments in New Portfolio Companies	14	3	6	6	18
New Investment Commitments in Existing Portfolio Companies	10	3	4	3	7
Portfolio Company Exits	10	16	16	5	11
Weighted Average Yield at Cost on New Debt Investment Commitments	11.6%	12.0%	12.6%	11.9%	13.1%

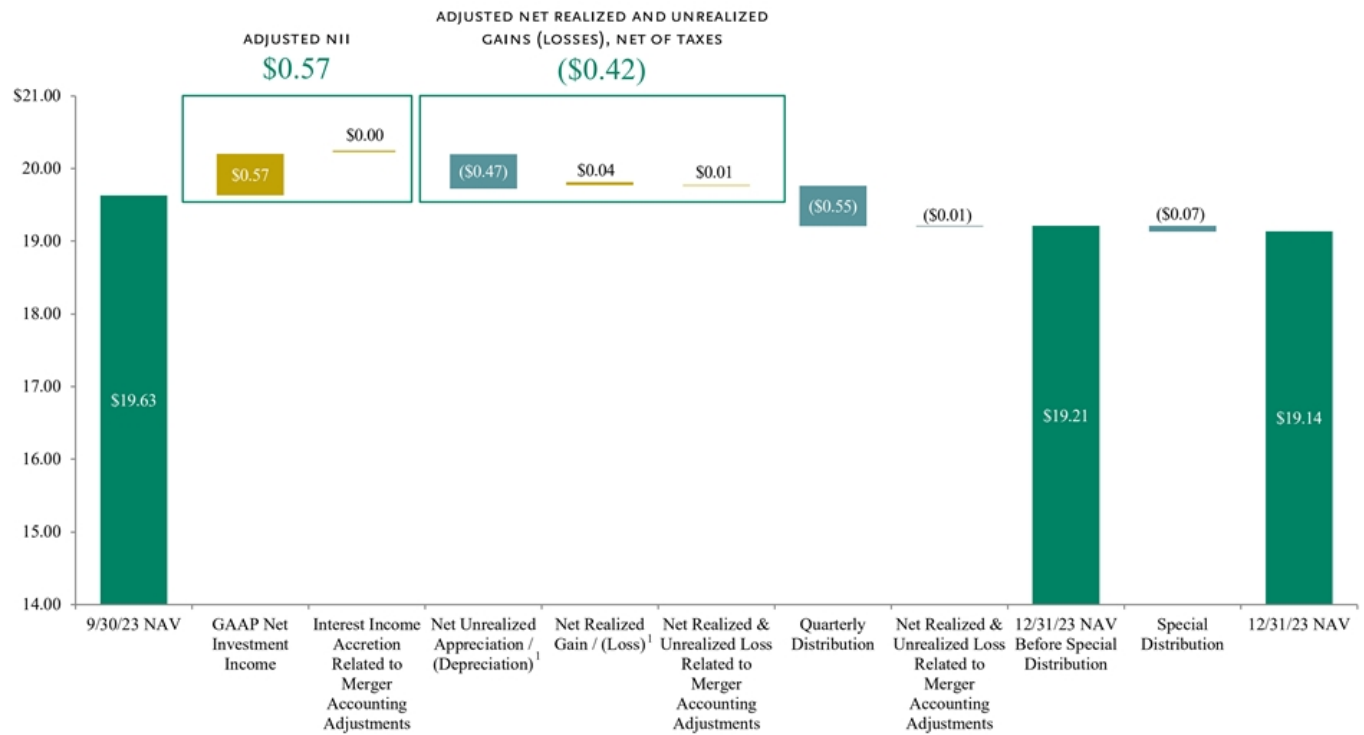
¹ Excludes the assets acquired in the OSI2 Merger.

² New funded investment activity includes drawdowns on existing revolver commitments.

³ Net new investments consists of new funded investment activity less proceeds from prepayments, exits, other paydowns and sales.



Net Asset Value Per Share Bridge



Note: Numbers may not sum due to rounding. Net asset value per share amounts are based on the shares outstanding at each respective quarter end. Net investment income per share, net unrealized appreciation / (depreciation), and net realized gain / (loss) are based on the weighted average number of shares outstanding for the period. Numbers may not sum due to rounding. See page 19 for a description of the non-GAAP measures.

¹ Excludes reclassifications of net unrealized appreciation / (depreciation) to net realized gains / (losses) as a result of investments exited during the quarter.



Capital Structure Overview

0.90x to 1.25x
TARGET LEVERAGE RATIO

**Investment
Grade Rated**
BY MOODY'S AND FITCH

57%
UNSECURED
BORROWINGS

\$1.0bn
AVAILABLE LIQUIDITY⁴

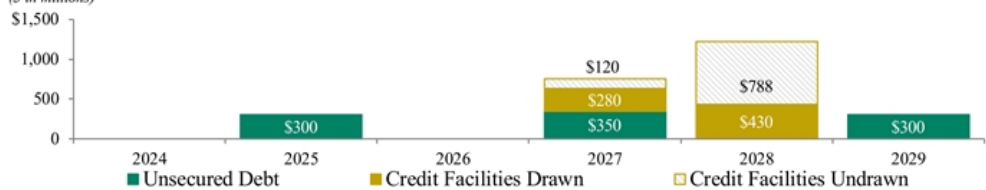
FUNDING SOURCES

(\$ in millions)

	Committed	Principal Outstanding	Interest Rate	Maturity
Syndicated Credit Facility	\$1,218	\$430	SOFR + 2.00%	6/23/2028
Citibank Facility	400	280	SOFR + 2.00%-2.75% ¹	1/26/2027
2025 Notes	300	300	3.500%	2/25/2025
2027 Notes	350	350	2.700% (SOFR + 1.658%) ²	1/15/2027
2029 Notes	300	300	7.100% (SOFR + 3.126%) ³	2/15/2029
Cash and Cash Equivalents	--	(112)	--	--
Total	\$2,568	\$1,548		
Weighted Average Interest Rate		7.0%		
Net Debt to Equity Ratio		1.02x		

MATURITIES

(\$ in millions)



Diverse and flexible sources of debt capital with ample liquidity

As of December 31, 2023

Note: Numbers may not sum due to rounding.

¹ The interest rate on outstanding borrowings is SOFR plus 2.00% on broadly syndicated loans and SOFR plus 2.75% on all other eligible loans.

² The Company entered into an interest rate swap agreement under which the Company receives a fixed interest rate of 2.700% and pays a floating rate of the three-month SOFR plus 1.658% on a notional amount of \$350 million.

³ The Company entered into an interest rate swap agreement under which the Company receives a fixed interest rate of 7.100% and pays a floating rate of the three-month SOFR plus 3.126% on a notional amount of \$300 million.

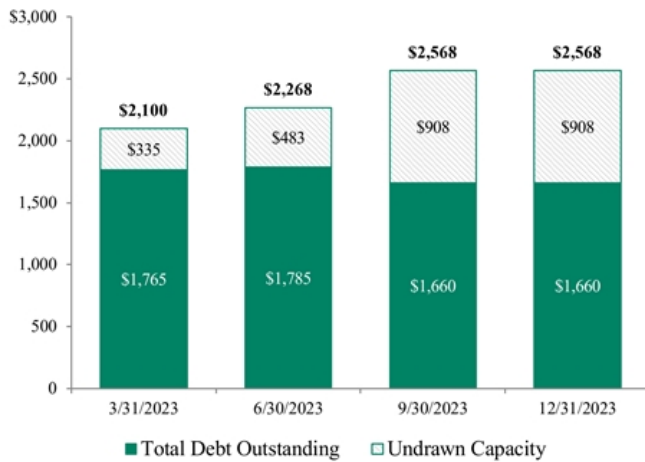
⁴ Liquidity was composed of \$112.4 million of unrestricted cash and cash equivalents and \$907.5 million of undrawn capacity under the credit facilities (subject to borrowing base and other limitations).



Funding and Liquidity Metrics

LEVERAGE UTILIZATION

(\$ in millions)



	3/31/2023	6/30/2023	9/30/2023	12/31/2023
Cash	\$44	\$60	\$136	\$112
Net Assets	\$1,515	\$1,509	\$1,516	\$1,512
Total Leverage	1.16x	1.18x	1.10x	1.10x
Net Leverage	1.14x	1.14x	1.01x	1.02x

¹ Excludes unfunded commitments to the Kemper JV and Glick JV.

² Includes unfunded commitments ineligible to be drawn due to certain limitations in credit agreements.

³ As of December 31, 2023, we have analyzed cash and cash equivalents, availability under our credit facilities, the ability to rotate out of certain assets and amounts of unfunded commitments that could be drawn and believe our liquidity and capital resources are sufficient to invest in market opportunities as they arise.

LIQUIDITY OVERVIEW

(\$ in millions)

	3/31/2023	6/30/2023	9/30/2023	12/31/2023
Credit Facilities Committed	\$1,450	\$1,618	\$1,618	\$1,618
Credit Facilities Drawn	(1,115)	(1,135)	(710)	(710)
Cash and Cash Equivalents	44	60	136	112
Total Liquidity	379	542	1,044	1,020
Total Unfunded Commitments ¹	(237)	(247)	(206)	(200)
Unavailable Unfunded Commitments ²	53	62	51	34
Adjusted Liquidity	\$195	\$357	\$890	\$854

Ample liquidity to support funding needs³



Strategic Joint Ventures are Accretive to Earnings

OCSL'S JOINT VENTURES ARE INCOME-ENHANCING VEHICLES THAT PRIMARILY INVEST IN SENIOR SECURED LOANS OF MIDDLE MARKET COMPANIES AND OTHER CORPORATE DEBT SECURITIES

Key Attributes of Joint Ventures:

- Equity ownership: 87.5% OCSL and 12.5% joint venture partner
- Shared voting control: 50% OCSL and 50% joint venture partner

KEMPER JV CHARACTERISTICS*(At fair value)*

\$142mm OCSL'S INVESTMENTS IN THE KEMPER JV	4.7% % OF OCSL'S PORTFOLIO
\$5.1mm NET INVESTMENT INCOME ¹	14.3% RETURN ON OCSL'S INVESTMENT (ANNUALIZED) ³

GLICK JV CHARACTERISTICS*(At fair value)*

\$51mm OCSL'S INVESTMENTS IN THE GLICK JV	1.7% % OF OCSL'S PORTFOLIO
\$2.0mm NET INVESTMENT INCOME ²	16.3% RETURN ON OCSL'S INVESTMENT (ANNUALIZED) ³

COMBINED PORTFOLIO SUMMARY

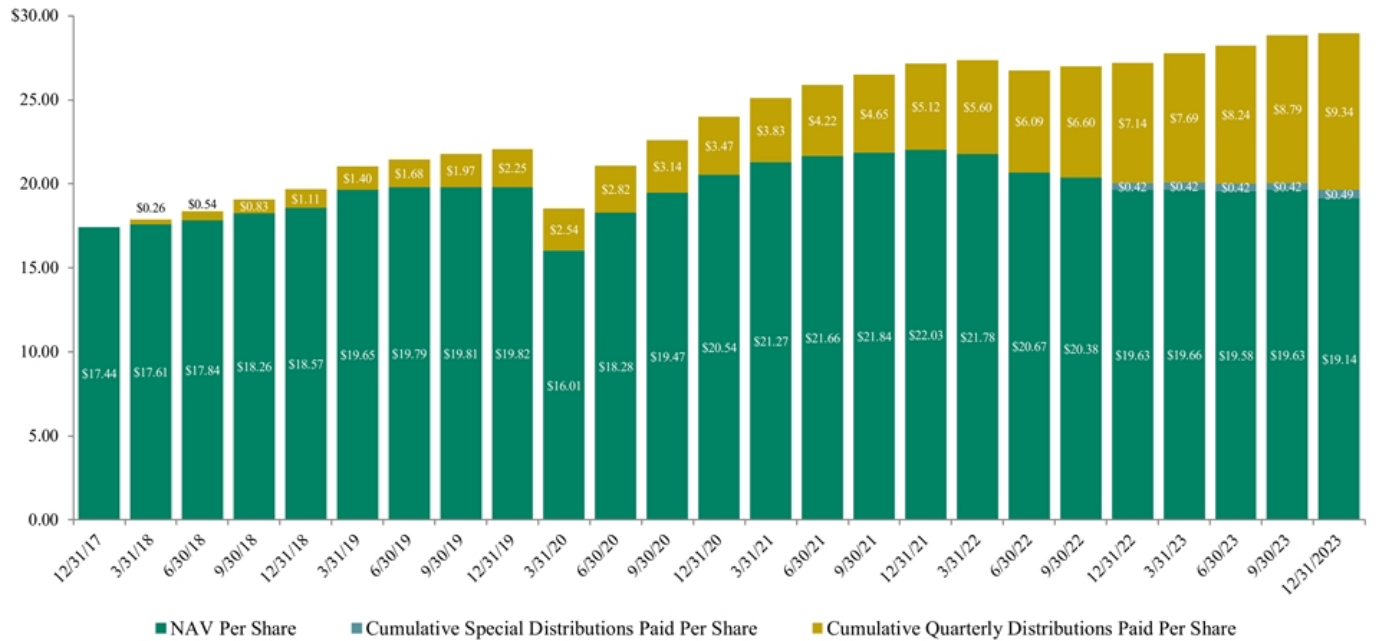
INVESTMENT PORTFOLIO	FIRST LIEN	PORTFOLIO COMPANY COUNT	WTD. AVG. DEBT PORTFOLIO YIELD	LEVERAGE RATIO
\$450mm	97%	54	11.2%	1.1x

*As of December 31, 2023*¹ Represents OCSL's 87.5% share of the Kemper JV's net investment income (excluding subordinated note interest expense) earned during the quarter ended December 31, 2023.² Represents OCSL's 87.5% share of the Glick JV's net investment income (excluding subordinated note interest expense) earned during the quarter ended December 31, 2023.³ Calculated as OCSL's share of each respective joint venture's net investment income annualized, divided by the fair value of OCSL's investments in each joint venture as of September 30, 2023.



Compelling Performance Under Oaktree Management

NAV AND CUMULATIVE DISTRIBUTIONS PAID PER SHARE¹



OCSL has generated a 10.2% annualized return on equity under Oaktree management²

Note: The Company completed a 1-for-3 reverse stock split on January 20, 2023, effective as of the commencement of trading on January 23, 2023. All share amounts and per share information included in this presentation reflect the reverse stock split on a retroactive basis.

¹ Cumulative distributions declared and paid from December 31, 2017 through December 31, 2023.

² Annualized return on equity calculated as the change in net asset value plus distributions paid from December 31, 2017 through December 31, 2023. Assumes dividends reinvested at NAV.

Appendix



OAKTREE
OCSL | Specialty Lending Corporation



Quarterly Statement of Operations

(\$ in thousands)	For the three months ended				
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
INVESTMENT INCOME					
Interest income	\$91,414	\$94,732	\$95,310	\$88,745	\$69,978
PIK interest income	3,849	5,544	3,967	4,123	6,130
Fee income	1,307	572	1,573	2,380	2,021
Dividend income	1,415	1,057	1,050	1,054	1,050
GAAP total investment income	97,985	101,905	101,900	96,302	79,179
Interest income amortization related to merger accounting adjustments	29	252	(842)	(561)	(1,746)
Adjusted total investment income	98,014	102,157	101,058	95,741	77,433
EXPENSES					
Base management fee	11,477	11,516	11,983	11,483	9,917
Part I incentive fee	9,028	9,531	9,590	9,007	7,703
Part II incentive fee	--	--	--	--	--
Interest expense	32,170	32,326	30,793	27,804	20,719
Other operating expenses ¹	2,621	2,534	2,621	3,805	2,704
Total expenses	55,296	55,907	54,987	52,099	41,043
Fees waived	(1,500)	(1,500)	(1,500)	(1,775)	(750)
Net expenses	53,796	54,407	53,487	50,324	40,293
(Provision) benefit for taxes on net investment income	--	--	--	--	--
Excise tax	--	--	--	--	(78)
GAAP net investment income	44,189	47,498	48,413	45,978	38,808
Less: Interest income accretion related to merger accounting adjustments	29	252	(842)	(561)	(1,746)
Add: Part II incentive fee	--	--	--	--	--
Adjusted net investment income	\$44,218	\$47,750	\$47,571	\$45,417	\$37,062

Note: See page 19 for a description of the non-GAAP measures.

¹ Includes professional fees, directors fees, administrator expense and general and administrative expenses.



Quarterly Statement of Operations (continued)

<i>(\$ in thousands, except per share amounts)</i>	For the three months ended				
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
NET REALIZED AND UNREALIZED GAINS (LOSSES)					
Net unrealized appreciation (depreciation)	\$25,025	\$13,745	\$(1,039)	\$(18,279)	\$(22,982)
Net realized gains (losses)	(8,453)	(13,238)	(10,603)	(6,111)	(3,203)
(Provision) benefit for taxes on realized and unrealized gains (losses)	(176)	(2,053)	(86)	(66)	549
GAAP net realized and unrealized gains (losses), net of taxes	\$(33,654)	\$(1,546)	\$(11,728)	\$(24,456)	\$(25,636)
Net realized and unrealized losses (gains) related to merger accounting adjustments	796	(122)	612	20,955	1,746
Adjusted net realized and unrealized gains (losses), net of taxes	\$(32,858)	\$(1,668)	\$(11,116)	\$(3,501)	\$(23,890)
GAAP net increase (decrease) in net assets resulting from operations	\$10,535	\$45,952	\$36,685	\$21,522	\$13,172
Interest income amortization (accretion) related to merger accounting adjustments	29	252	(842)	(561)	(1,746)
Net realized and unrealized losses (gains) related to merger accounting adjustments	796	(122)	612	20,955	1,746
Adjusted earnings (loss)	\$11,360	\$46,082	\$36,455	\$41,916	\$13,172
PER SHARE DATA:					
GAAP total investment income	\$1.26	\$1.32	\$1.32	\$1.32	\$1.30
<i>Adjusted total investment income</i>	<i>1.26</i>	<i>1.32</i>	<i>1.31</i>	<i>1.31</i>	<i>1.27</i>
GAAP net investment income	0.57	0.62	0.63	0.63	0.63
<i>Adjusted net investment income</i>	<i>0.57</i>	<i>0.62</i>	<i>0.62</i>	<i>0.62</i>	<i>0.61</i>
GAAP net realized and unrealized gains (losses), net of taxes	(0.43)	(0.02)	(0.15)	(0.33)	(0.42)
<i>Adjusted net realized and unrealized gains (losses), net of taxes</i>	<i>(0.42)</i>	<i>(0.02)</i>	<i>(0.14)</i>	<i>(0.05)</i>	<i>(0.39)</i>
GAAP net increase/decrease in net assets resulting from operations	0.14	0.60	0.48	0.29	0.22
<i>Adjusted earnings (loss)</i>	<i>0.15</i>	<i>0.60</i>	<i>0.47</i>	<i>0.57</i>	<i>0.22</i>
Weighted average common shares outstanding	77,840	77,130	77,080	73,203	61,142
Shares outstanding, end of period	78,965	77,225	77,080	77,080	61,220

Note: See page 19 for a description of the non-GAAP measures. Per share amounts have been adjusted for the one-for-three reverse stock split which took effect before market open on January 23, 2023.



Non-GAAP Disclosures

The OCSI Merger and the OSI2 Merger (the "Mergers") were accounted for as asset acquisitions in accordance with the asset acquisition method of accounting as detailed in ASC 805-50, Business Combinations—Related Issues ("ASC 805"). The consideration paid to each of the stockholders of Oaktree Strategic Income Corporation ("OCSI") and OSI2 were allocated to the individual assets acquired and liabilities assumed based on the relative fair values of the net identifiable assets acquired other than "non-qualifying" assets, which established a new cost basis for the acquired investments under ASC 805 that, in aggregate, was different than the historical cost basis of the acquired investments prior to the OCSI Merger or OSI2 Merger, as applicable. Additionally, immediately following the completion of the Mergers, the acquired investments were marked to their respective fair values under ASC 820, Fair Value Measurements, which resulted in unrealized appreciation / depreciation. The new cost basis established by ASC 805 on debt investments acquired will accrete / amortize over the life of each respective debt investment through interest income, with a corresponding adjustment recorded to unrealized appreciation / depreciation on such investment acquired through its ultimate disposition. The new cost basis established by ASC 805 on equity investments acquired will not accrete / amortize over the life of such investments through interest income and, assuming no subsequent change to the fair value of the equity investments acquired and disposition of such equity investments at fair value, the Company will recognize a realized gain / loss with a corresponding reversal of the unrealized appreciation / depreciation on disposition of such equity investments acquired.

The Company's management uses the non-GAAP financial measures described above internally to analyze and evaluate financial results and performance and to compare its financial results with those of other business development companies that have not adjusted the cost basis of certain investments pursuant to ASC 805. The Company's management believes "Adjusted Total Investment Income", "Adjusted Total Investment Income Per Share", "Adjusted Net Investment Income" and "Adjusted Net Investment Income Per Share" are useful to investors as an additional tool to evaluate ongoing results and trends for the Company without giving effect to the accretion income resulting from the new cost basis of the investments acquired in the Mergers because these amounts do not impact the fees payable to Oaktree under its second amended and restated investment advisory agreement (the "A&R Advisory Agreement"), and specifically as it relates to "Adjusted Net Investment Income" and "Adjusted Net Investment Income Per Share", without giving effect to Part II incentive fees. In addition, the Company's management believes that "Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes", "Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes Per Share", "Adjusted Earnings (Loss)" and "Adjusted Earnings (Loss) Per Share" are useful to investors as they exclude the non-cash income/gain resulting from the Mergers and used by management to evaluate the economic earnings of its investment portfolio. Moreover, these metrics align the Company's key financial measures with the calculation of incentive fees payable to Oaktree under with the A&R Advisory Agreement (i.e., excluding amounts resulting solely from the lower cost basis of the acquired investments established by ASC 805 that would have been to the benefit of Oaktree absent such exclusion).



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OCSL | Specialty Lending Corporation



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