

**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): August 3, 2023

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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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 August 3, 2023, Oaktree Specialty Lending Corporation (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended June 30, 2023. A copy of the press release is attached hereto as Exhibit 99.1.

On August 3, 2023, the Company will host a conference call to discuss its financial results for the fiscal quarter ended June 30, 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 August 3, 2023](#)
- 99.2 [Oaktree Specialty Lending Corporation Third Quarter 2023 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: August 3, 2023

By: /s/ Christopher McKown
Name: Christopher McKown
Title: Chief Financial Officer and Treasurer



Oaktree Specialty Lending Corporation Announces Third Fiscal Quarter 2023 Financial Results and Declares Distribution of \$0.55 Per Share

LOS ANGELES, CA, August 3, 2023 - 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 June 30, 2023.

Financial Highlights for the Quarter Ended June 30, 2023¹

- **Total investment income** was \$101.9 million (\$1.32 per share) for the third fiscal quarter of 2023, as compared with \$96.3 million (\$1.32 per share) for the second fiscal quarter of 2023. Adjusted total investment income was \$101.1 million (\$1.31 per share) for the third fiscal quarter of 2023, as compared with \$95.7 million (\$1.31 per share) for the second fiscal quarter of 2023. The increase on a dollar basis was primarily driven by the first full quarter of interest income earned on the assets acquired in the merger with Oaktree Strategic Income II, Inc. ("OSI2") (the "OSI2 Merger") as well as the impact of higher base rates on the Company's floating rate debt portfolio.
- **GAAP net investment income** was \$48.4 million (\$0.63 per share) for the third fiscal quarter of 2023, as compared with \$46.0 million (\$0.63 per share) for the second fiscal quarter of 2023. The increase on a dollar basis was primarily driven by higher total investment income and lower operating expenses, which was partially offset by higher interest expense, management fees and Part I incentive fees.
- **Adjusted net investment income** was \$47.6 million (\$0.62 per share) for the third fiscal quarter of 2023, as compared with \$45.4 million (\$0.62 per share) for the second fiscal quarter of 2023. The increase on a dollar basis was primarily the result of higher adjusted total investment income and lower operating expenses, which was partially offset by higher interest expense, management fees and Part I incentive fees.
- **Net asset value ("NAV") per share** was \$19.58 as of June 30, 2023, down slightly as compared with \$19.66 as of March 31, 2023, which was mainly the result of unrealized depreciation on debt investments, partially offset by undistributed net investment income.
- **Originated** \$251.0 million of new investment commitments and received \$261.0 million of proceeds from prepayments, exits, other paydowns and sales during the quarter ended June 30, 2023. The weighted average yield on new debt investments was 12.6%.
- **Total debt outstanding** was \$1,785.0 million as of June 30, 2023. The total debt to equity ratio was 1.18x, and the net debt to equity ratio was 1.14x, after adjusting for cash and cash equivalents.
- **Upsized and extended maturity of the syndicated credit facility** during the quarter ended June 30, 2023. Total commitments were increased from \$1.0 billion to \$1.2 billion and the maturity was extended to June 2028. Pricing, advance rates and other general terms were unchanged on the amended facility.
- **Liquidity** as of June 30, 2023 was comprised of \$59.7 million of unrestricted cash and cash equivalents and \$482.5 million of undrawn capacity under the Company's credit facilities (subject to borrowing base and other limitations). Unfunded investment commitments were \$274.4 million, or \$247.3 million excluding unfunded commitments to the Company's joint ventures. Of the \$247.3 million, approximately \$185.2 million can be drawn immediately with the remaining amount subject to certain milestones that must be met by portfolio companies.
- **A quarterly cash distribution was declared** of \$0.55 per share. The distribution is payable in cash on September 29, 2023 to stockholders of record on September 15, 2023.

¹ 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 press release reflect the reverse stock split on a retroactive basis.

Armen Panossian, Chief Executive Officer and Chief Investment Officer, said, "OCSL produced solid results in our fiscal third quarter, supported by strong earnings and robust origination activity, which drove our annualized return on adjusted net investment income to 12.6%. We leveraged Oaktree's platform to source compelling investments, including several opportunistic transactions that resulted from the prevailing volatile market environment. We believe these investments present an appealing risk-reward and position OCSL to continue to deliver attractive returns to our shareholders."

Matt Pendo, President, said, "We made several enhancements to our capital structure during the quarter, creating flexibility and extending maturities. We increased the size of our syndicated credit facility to \$1.2 billion and extended its maturity to 2028. In addition, we consolidated a credit facility acquired from Oaktree Strategic Income II, Inc. with our existing Citibank facility and pushed out the maturity to 2027. We appreciate the support from our banking partners to complete these amendments amid a challenging market backdrop, which we believe reflects the confidence they have in Oaktree as a manager. These improvements further strengthen our funding options and position us well to capitalize on new investment opportunities."

Distribution Declaration

The Board of Directors declared a quarterly distribution of \$0.55 per share. The distribution is payable in cash on September 29, 2023 to stockholders of record on September 15, 2023.

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		
	June 30, 2023 (unaudited)	March 31, 2023 (unaudited)	June 30, 2022 (unaudited)
<i>(\$ in thousands, except per share data)</i>			
GAAP operating results:			
Interest income	\$ 95,310	\$ 88,745	\$ 54,728
PIK interest income	3,967	4,123	5,178
Fee income	1,573	2,380	2,275
Dividend income	1,050	1,054	956
Total investment income	101,900	96,302	63,137
Net expenses	53,487	50,324	22,767
Net investment income	48,413	45,978	40,370
Net realized and unrealized gains (losses), net of taxes	(11,728)	(24,456)	(78,204)
Net increase (decrease) in net assets resulting from operations	\$ 36,685	\$ 21,522	\$ (37,834)
Total investment income per common share	\$ 1.32	\$ 1.32	\$ 1.03
Net investment income per common share	\$ 0.63	\$ 0.63	\$ 0.66
Net realized and unrealized gains (losses), net of taxes per common share	\$ (0.15)	\$ (0.33)	\$ (1.28)
Earnings (loss) per common share — basic and diluted	\$ 0.48	\$ 0.29	\$ (0.62)
Non-GAAP Financial Measures¹:			
Adjusted total investment income	\$ 101,058	\$ 95,741	\$ 60,949
Adjusted net investment income	\$ 47,571	\$ 45,417	\$ 31,386
Adjusted net realized and unrealized gains (losses), net of taxes	\$ (11,116)	\$ (3,501)	\$ (76,016)
Adjusted earnings (loss)	\$ 36,455	\$ 41,916	\$ (37,834)
Adjusted total investment income per share	\$ 1.31	\$ 1.31	\$ 1.00
Adjusted net investment income per share	\$ 0.62	\$ 0.62	\$ 0.51
Adjusted net realized and unrealized gains (losses), net of taxes per share	\$ (0.14)	\$ (0.05)	\$ (1.24)
Adjusted earnings (loss) per share	\$ 0.47	\$ 0.57	\$ (0.62)

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 with and into the Company in March 2021 (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 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		
	June 30, 2023 (unaudited)	March 31, 2023 (unaudited)	June 30, 2022 (unaudited)
<i>(\$ in thousands, except per share data and ratios)</i>			
Select balance sheet and other data:			
Cash and cash equivalents	\$ 59,704	\$ 43,750	\$ 34,306
Investment portfolio at fair value	3,135,619	3,164,860	2,565,389
Total debt outstanding (net of unamortized financing costs)	1,740,066	1,723,840	1,356,606
Net assets	1,509,441	1,515,150	1,263,529
Net asset value per share	19.58	19.66	20.67
Total debt to equity ratio	1.18x	1.16x	1.10x
Net debt to equity ratio	1.14x	1.14x	1.08x

Adjusted total investment income for the quarter ended June 30, 2023 was \$101.1 million and included \$94.4 million of interest income from portfolio investments, \$4.0 million of payment-in-kind ("PIK") interest income, \$1.6 million of fee income and \$1.1 million of dividend income. The \$5.3 million increase was primarily driven by the first full quarter of interest income earned on the assets acquired in the OSI2 merger as well as the impact of higher base rates on the Company's floating rate debt portfolio.

Net expenses for the quarter ended June 30, 2023 totaled \$53.5 million, up \$3.2 million from the quarter ended March 31, 2023. The increase in net expenses was primarily driven by \$3.0 million of higher interest expense due to the impact of rising interest rates on the Company's floating rate liabilities and an increase in average borrowings outstanding. Further contributing to the increase were a \$0.8 million increase in base management fees resulting from the first full quarter of the assets acquired in the OSI2 Merger and \$0.6 million of higher part I incentive fees as a result of higher adjusted net investment income during the quarter. These were partially offset by a \$1.2 million reduction in professional fees and general and administrative expenses during the quarter.

Adjusted net investment income was \$47.6 million (\$0.62 per share) for the quarter ended June 30, 2023, up from \$45.4 million (\$0.62 per share) for the quarter ended March 31, 2023. The increase of \$2.2 million primarily reflected \$5.3 million of higher adjusted total investment income and was partially offset by \$3.2 million of higher net expenses.

Adjusted net realized and unrealized losses, net of taxes, were \$11.1 million for the quarter ended June 30, 2023, primarily reflecting unrealized depreciation on certain debt investments.

Portfolio and Investment Activity

(\$ in thousands)	As of		
	June 30, 2023 (unaudited)	March 31, 2023 (unaudited)	June 30, 2022 (unaudited)
Investments at fair value	\$ 3,135,619	\$ 3,164,860	\$ 2,565,389
Number of portfolio companies	156	165	151
Average portfolio company debt size	\$ 19,800	\$ 18,800	\$ 16,700
Asset class:			
Senior secured debt	88.5 %	88.0 %	86.6 %
Unsecured debt	1.7 %	1.9 %	2.5 %
Equity	3.8 %	4.1 %	4.3 %
JV interests	6.0 %	6.0 %	6.6 %
Non-accrual debt investments:			
Non-accrual investments at fair value	\$ 91,152	\$ 73,424	\$ —
Non-accrual investments as a percentage of debt investments at fair value	3.1 %	2.4 %	— %
Non-accrual investments as a percentage of debt investments at cost	3.6 %	2.5 %	— %
Number of investments on non-accrual	5	2	—
Interest rate type:			
Percentage floating-rate	86.0 %	87.9 %	87.8 %
Percentage fixed-rate	14.0 %	12.1 %	12.2 %
Yields:			
Weighted average yield on debt investments ¹	12.3 %	11.9 %	9.3 %
Cash component of weighted average yield on debt investments	11.4 %	10.9 %	8.2 %
Weighted average yield on total portfolio investments ²	11.8 %	11.5 %	9.0 %
Investment activity:			
New investment commitments	\$ 251,000	\$ 123,800	\$ 131,900
New funded investment activity ³	\$ 243,300	\$ 103,600	\$ 130,000
Proceeds from prepayments, exits, other paydowns and sales	\$ 261,000	\$ 162,100	\$ 129,900
Net new investments ⁴	\$ (17,700)	\$ (58,500)	\$ 100
Number of new investment commitments in new portfolio companies	6	6	12
Number of new investment commitments in existing portfolio companies	4	3	16
Number of portfolio company exits	16	5	7

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 and excludes the assets acquired in the OSI2 Merger during the three months ended March 31, 2023.

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

As of June 30, 2023, the fair value of the investment portfolio was \$3.1 billion and was composed of investments in 156 companies. These included debt investments in 143 companies, equity investments in 43 companies, and the Company's joint venture investments in SLF JV I LLC ("SLF JV I") and OCSI Glick JV LLC ("Glick JV"). 32 of the equity investments were in companies in which the Company also had a debt investment.

As of June 30, 2023, 95.3% of the Company's portfolio at fair value consisted of debt investments, including 76.5% of first lien loans, 12.0% of second lien loans and 6.8% of unsecured debt investments, including the debt investments in SLF JV I and Glick JV. This compared to 75.0% of first lien loans, 13.0% of second lien loans and 7.0% of unsecured debt investments, including the debt investments in SLF JV I and Glick JV, as of March 31, 2023.

As of June 30, 2023, there were five investments on non-accrual status, which represented 3.6% and 3.1% of the debt portfolio at cost and fair value, respectively. Three additional investments were placed on non-accrual during the quarter, which represented 1.0% and 0.8% of the debt portfolio at cost and fair value.

SLF JV I

The Company's investments in SLF JV I totaled \$140.6 million at fair value as of June 30, 2023, up 1% from \$139.5 million as of March 31, 2023. The increase was primarily driven by SLF JV I's use of leverage and unrealized appreciation in the underlying investment portfolio and undistributed net investment income.

As of June 30, 2023, SLF JV I had \$370.2 million in assets, including senior secured loans to 52 portfolio companies. This compared to \$392.9 million in assets, including senior secured loans to 56 portfolio companies, as of March 31, 2023. As of June 30, 2023, there were no investments held by SLF JV I on non-accrual status. SLF JV I generated cash interest income of \$3.4 million for the Company during the quarter ended June 30, 2023, up from \$3.2 million in the prior quarter. In addition, SLF JV I generated dividend income of \$1.1 million for the Company during the quarter ended June 30, 2023, flat as compared to the prior quarter. As of June 30, 2023, SLF JV I had \$60.0 million of undrawn capacity (subject to borrowing base and other limitations) on its \$260 million senior revolving credit facility, and its debt to equity ratio was 1.2x.

Glick JV

The Company's investments in Glick JV totaled \$49.6 million at fair value as of June 30, 2023, down 1% from \$50.0 million as of March 31, 2023. The decrease was primarily driven by investment losses.

As of June 30, 2023, Glick JV had \$126.8 million in assets, including senior secured loans to 37 portfolio companies. This compared to \$131.0 million in assets, including senior secured loans to 39 portfolio companies, as of March 31, 2023. As of June 30, 2023, there were no investments held by Glick JV on non-accrual status. Glick JV generated cash interest income of \$1.4 million during the quarter ended June 30, 2023, up as compared to \$1.2 million in the prior quarter. As of June 30, 2023, Glick JV had \$23.9 million of undrawn capacity (subject to borrowing base and other limitations) on its \$90 million senior revolving credit facility, and its debt to equity ratio was 1.2x.

Liquidity and Capital Resources

As of June 30, 2023, the Company had total principal value of debt outstanding of \$1,785.0 million, including \$1,135.0 million of outstanding borrowings under its revolving credit facilities, \$300.0 million of the 3.500% Notes due 2025 and \$350.0 million of the 2.700% Notes due 2027. The funding mix was composed of 64% secured and 36% unsecured borrowings as of June 30, 2023. The Company was in compliance with all financial covenants under its credit facilities as of June 30, 2023.

As of June 30, 2023, the Company had \$59.7 million of unrestricted cash and cash equivalents and \$482.5 million of undrawn capacity on its credit facilities (subject to borrowing base and other limitations). As of June 30, 2023, unfunded investment commitments were \$274.4 million, or \$247.3 million excluding unfunded commitments to the Company's joint ventures. Of the \$247.3 million, approximately \$185.2 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 take advantage of market opportunities in the current economic climate.

As of June 30, 2023, the weighted average interest rate on debt outstanding, including the effect of the interest rate swap agreement, was 6.6%, up from 6.2% as of March 31, 2023, primarily driven by the impact of higher interest rates on the Company's floating rate liabilities.

The Company's total debt to equity ratio was 1.18x and 1.16x as of June 30, 2023 and March 31, 2023, respectively. The Company's net debt to equity ratio was 1.14x and 1.14x as of June 30, 2023 and March 31, 2023, respectively.

Syndicated Facility Amendment

On June 23, 2023, the Company entered into an amendment to its amended and restated senior secured credit facility to, among other things, (i) increase the size of the Syndicated Facility from \$1.0 billion to \$1.218 billion (with no changes to the "accordion" feature the permits the Company, under certain circumstances, to increase the size of the Syndicated Facility to up to the greater of \$1.25 billion and its net worth); (ii) extend the reinvestment period for \$1.035 billion of commitments from May 4, 2025 to June 23, 2027; and (iii) extend the final maturity date for \$1.035 billion of commitments from May 4, 2026 to June 23, 2028.

OSI2 Citibank Facility

On May 25, 2023, the Company entered into an amendment to the revolving credit facility which (i) increased the size of the OSI2 Citibank Facility from \$250 million to \$400 million; (ii) extended the reinvestment period from May 26, 2023 to May 25, 2025; (iii) extended the final maturity date from January 26, 2025 to January 26, 2027; (iv) modified the interest rate such that borrowings during the reinvestment period are subject to a rate equal to (A) in the case of a lender that is identified as a conduit lender, the lesser of (I) the applicable commercial paper rate for such conduit lender and (II) the Secured Overnight Financing Rate ("SOFR") plus 2.00% per annum on broadly syndicated loans and 2.75% per annum on all other eligible loans and (b) for all other lenders, SOFR plus 2.00% per annum on broadly syndicated loans and 2.75% per annum on all other eligible loans, in all cases subject to a minimum overall rate of SOFR plus 2.50% per annum; and (v) modified the interest rate such that borrowings after the reinvestment period are subject to an applicable spread of 4.00% per annum.

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 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 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 June 30, 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 June 30, 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:

	For the three months ended					
	June 30, 2023 (unaudited)		March 31, 2023 (unaudited)		June 30, 2022 (unaudited)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
GAAP total investment income	\$101,900	\$ 1.32	\$96,302	\$ 1.32	\$63,137	\$ 1.03
Less: Interest income accretion related to merger accounting adjustments	(842)	(0.01)	(561)	(0.01)	(2,188)	(0.04)
Adjusted total investment income	\$101,058	\$ 1.31	\$95,741	\$ 1.31	\$60,949	\$ 1.00

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:

	For the three months ended					
	June 30, 2023 (unaudited)		March 31, 2023 (unaudited)		June 30, 2022 (unaudited)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
GAAP net investment income	\$48,413	\$ 0.63	\$45,978	\$ 0.63	\$40,370	\$ 0.66
Less: Interest income accretion related to merger accounting adjustments	(842)	(0.01)	(561)	(0.01)	(2,188)	(0.04)
Add: Part II incentive fee	—	—	—	—	(6,796)	(0.11)
Adjusted net investment income	\$47,571	\$ 0.62	\$45,417	\$ 0.62	\$31,386	\$ 0.51

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:

	For the three months ended					
	June 30, 2023 (unaudited)		March 31, 2023 (unaudited)		June 30, 2022 (unaudited)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
GAAP net realized and unrealized gains (losses), net of taxes	\$(11,728)	\$ (0.15)	\$(24,456)	\$ (0.33)	\$(78,204)	\$ (1.28)
Less: Net realized and unrealized losses (gains) related to merger accounting adjustments	612	0.01	20,955	0.29	2,188	0.04
Adjusted net realized and unrealized gains (losses), net of taxes	\$(11,116)	\$ (0.14)	\$(3,501)	\$ (0.05)	\$(76,016)	\$ (1.24)

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:

	For the three months ended					
	June 30, 2023 (unaudited)		March 31, 2023 (unaudited)		June 30, 2022 (unaudited)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net increase (decrease) in net assets resulting from operations	\$36,685	\$ 0.48	\$21,522	\$ 0.29	\$(37,834)	\$ (0.62)
Less: Interest income accretion related to merger accounting adjustments	(842)	(0.01)	(561)	(0.01)	(2,188)	(0.04)
Less: Net realized and unrealized losses (gains) related to merger accounting adjustments	612	0.01	20,955	0.29	2,188	0.04
Adjusted earnings (loss)	\$36,455	\$ 0.47	\$41,916	\$ 0.57	\$(37,834)	\$ (0.62)

Conference Call Information

Oaktree Specialty Lending will host a conference call to discuss its third fiscal quarter 2023 results at 11:00 a.m. Eastern Time / 8:00 a.m. Pacific Time on August 3, 2023. 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 1958224, 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 conflict between Russia and Ukraine), natural disasters or pandemics; (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)

	June 30, 2023 (unaudited)	March 31, 2023 (unaudited)	September 30, 2022
ASSETS			
Investments at fair value:			
Control investments (cost June 30, 2023: \$285,236; cost March 31, 2023: \$283,629; cost September 30, 2022: \$260,305)	\$ 238,196	\$ 235,855	\$ 214,165
Affiliate investments (cost June 30, 2023: \$25,370; cost March 31, 2023: \$25,924; cost September 30, 2022: \$27,353)	23,911	24,316	26,196
Non-control/Non-affiliate investments (cost June 30, 2023: \$2,985,679; cost March 31, 2023: \$3,010,825; cost September 30, 2022: \$2,330,096)	<u>2,873,512</u>	<u>2,904,689</u>	<u>2,253,750</u>
Total investments at fair value (cost June 30, 2023: \$3,296,285; cost March 31, 2023: \$3,320,378; cost September 30, 2022: \$2,617,754)	3,135,619	3,164,860	2,494,111
Cash and cash equivalents	59,704	43,750	23,528
Restricted cash	12,956	9,263	2,836
Interest, dividends and fees receivable	29,457	28,508	35,598
Due from portfolio companies	2,080	2,022	22,495
Receivables from unsettled transactions	39,261	14,439	4,692
Due from broker	39,990	45,690	45,530
Deferred financing costs	13,284	7,045	7,350
Deferred offering costs	186	186	32
Deferred tax asset, net	2,695	1,770	1,687
Derivative assets at fair value	49	—	6,789
Other assets	693	974	1,665
Total assets	\$ 3,335,974	\$ 3,318,507	\$ 2,646,313
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable, accrued expenses and other liabilities	\$ 3,412	\$ 3,424	\$ 3,701
Base management fee and incentive fee payable	20,072	19,390	15,940
Due to affiliate	7,724	4,012	3,180
Interest payable	12,907	14,851	7,936
Payables from unsettled transactions	2,785	—	26,981
Derivative liability at fair value	39,567	37,840	41,969
Credit facilities payable	1,135,000	1,115,000	700,000
Unsecured notes payable (net of \$3,909, \$4,279 and \$5,020 of unamortized financing costs as of June 30, 2023, March 31, 2023 and September 30, 2022, respectively)	605,066	608,840	601,043
Total liabilities	1,826,533	1,803,357	1,400,750
Commitments and contingencies			
Net assets:			
Common stock, \$0.01 par value per share, 250,000 shares authorized; 77,080, 77,080 and 61,125 shares issued and outstanding as of June 30, 2023, March 31, 2023 and September 30, 2022, respectively	771	771	611
Additional paid-in-capital	2,163,528	2,163,528	1,827,721
Accumulated overdistributed earnings	(654,858)	(649,149)	(582,769)
Total net assets (equivalent to \$19.58, \$19.66 and \$20.38 per common share as of June 30, 2023, March 31, 2023 and September 30, 2022, respectively)	1,509,441	1,515,150	1,245,563
Total liabilities and net assets	\$ 3,335,974	\$ 3,318,507	\$ 2,646,313

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

	Three months ended June 30, 2023 (unaudited)	Three months ended March 31, 2023 (unaudited)	Three months ended June 30, 2022 (unaudited)	Nine months ended June 30, 2023 (unaudited)	Nine months ended June 30, 2022 (unaudited)
Interest income:					
Control investments	\$ 5,568	\$ 5,191	\$ 3,400	\$ 15,326	\$ 10,214
Affiliate investments	681	648	470	1,970	1,170
Non-control/Non-affiliate investments	88,069	82,149	50,707	234,516	155,656
Interest on cash and cash equivalents	992	757	151	2,221	157
Total interest income	95,310	88,745	54,728	254,033	167,197
PIK interest income:					
Non-control/Non-affiliate investments	3,967	4,123	5,178	14,220	14,515
Total PIK interest income	3,967	4,123	5,178	14,220	14,515
Fee income:					
Control investments	13	12	12	38	38
Affiliate investments	5	5	5	15	15
Non-control/Non-affiliate investments	1,555	2,363	2,258	5,921	5,039
Total fee income	1,573	2,380	2,275	5,974	5,092
Dividend income:					
Control investments	1,050	1,050	875	3,150	5,491
Non-control/Non-affiliate investments	—	4	81	4	81
Total dividend income	1,050	1,054	956	3,154	5,572
Total investment income	101,900	96,302	63,137	277,381	192,376
Expenses:					
Base management fee	11,983	11,483	9,819	33,383	29,853
Part I incentive fee	9,590	9,007	6,497	26,300	19,658
Part II incentive fee	—	—	(6,796)	—	(8,791)
Professional fees	1,387	2,075	885	4,962	3,029
Directors fees	160	160	160	480	443
Interest expense	30,793	27,804	11,870	79,316	31,178
Administrator expense	322	315	271	935	968
General and administrative expenses	752	1,255	811	2,753	2,217
Total expenses	54,987	52,099	23,517	148,129	78,555
Fees waived	(1,500)	(1,775)	(750)	(4,025)	(2,250)
Net expenses	53,487	50,324	22,767	144,104	76,305
Net investment income before taxes	48,413	45,978	40,370	133,277	116,071
(Provision) benefit for taxes on net investment income	—	—	—	—	(3,308)
Excise tax	—	—	—	(78)	—
Net investment income	48,413	45,978	40,370	133,199	112,763
Unrealized appreciation (depreciation):					
Control investments	734	1,675	(16,991)	(900)	(26,552)
Affiliate investments	149	(454)	(328)	(302)	(716)
Non-control/Non-affiliate investments	(6,497)	(21,124)	(67,806)	(36,296)	(90,333)
Foreign currency forward contracts	4,575	1,624	(1,630)	(4,802)	(778)
Net unrealized appreciation (depreciation)	(1,039)	(18,279)	(86,755)	(42,300)	(118,379)
Realized gains (losses):					
Control investments	—	—	—	—	1,868
Non-control/Non-affiliate investments	(4,294)	(2,459)	416	(14,404)	5,888
Foreign currency forward contracts	(6,309)	(3,652)	8,796	(5,513)	12,179
Net realized gains (losses)	(10,603)	(6,111)	9,212	(19,917)	19,935
(Provision) benefit for taxes on realized and unrealized gains (losses)	(86)	(66)	(661)	397	1,696
Net realized and unrealized gains (losses), net of taxes	(11,728)	(24,456)	(78,204)	(61,820)	(96,748)
Net increase (decrease) in net assets resulting from operations	\$ 36,685	\$ 21,522	\$ (37,834)	\$ 71,379	\$ 16,015
Net investment income per common share — basic and diluted	\$ 0.63	\$ 0.63	\$ 0.66	\$ 1.89	\$ 1.86
Earnings (loss) per common share — basic and diluted	\$ 0.48	\$ 0.29	\$ (0.62)	\$ 1.01	\$ 0.26
Weighted average common shares outstanding — basic and diluted	77,080	73,203	61,123	70,431	60,593



OAKTREE

OCSL | Specialty Lending Corporation

THIRD QUARTER 2023
AUGUST 3, 2023

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, 2022 and our quarterly report on Form 10-Q for the quarter ended June 30, 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 conflict between Russia and Ukraine), natural disasters or pandemics; 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 June 30, 2023.



Highlights for the Quarter Ended June 30, 2023

ADJUSTED NET INVESTMENT INCOME¹	<ul style="list-style-type: none"> • \$0.62 per share, consistent with the quarter ended March 31, 2023 • GAAP net investment income was \$0.63 per share, consistent with the quarter ended March 31, 2023
NET ASSET VALUE PER SHARE	<ul style="list-style-type: none"> • \$19.58 as compared with \$19.66 as of March 31, 2023 • The decrease was primarily driven by unrealized depreciation on debt investments, partially offset by undistributed net investment income
DIVIDENDS	<ul style="list-style-type: none"> • Declared a cash distribution of \$0.55 per share, which was well-covered by adjusted net investment income of \$0.62 per share • Distribution will be payable on September 29, 2023 to stockholders of record as of September 15, 2023
INVESTMENT ACTIVITY	<ul style="list-style-type: none"> • \$251 million of new investment commitments • 12.6% weighted average yield on new debt investments • \$243 million of new investment fundings • Received \$261 million of proceeds from prepayments, exits, other paydowns and sales
INVESTMENT PORTFOLIO	<ul style="list-style-type: none"> • \$3.1 billion at fair value across 156 portfolio companies • 12.3% weighted average yield on debt investments, up from 11.9% as of March 31, 2023 primarily due to higher base rates • 88% senior secured • 86% of debt portfolio was floating rate
CAPITAL STRUCTURE & LIQUIDITY	<ul style="list-style-type: none"> • 1.14x net debt to equity ratio • \$60 million of cash and \$483 million of undrawn capacity on credit facilities • Amended syndicated revolving credit facility; increased size to \$1.2 billion and extended maturity to 2028 while keeping pricing, advance rates and other general terms unchanged • Consolidated Citibank credit facility acquired from Oaktree Strategic Income II, Inc. with existing Citibank facility and extended maturity to 2027

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 18 for a description of this non-GAAP measure.



Portfolio Summary

PORTFOLIO CHARACTERISTICS

(At fair value)

<p>\$3.1bn</p> <p>TOTAL INVESTMENTS</p>	<p>156</p> <p>PORTFOLIO COMPANIES</p>
<p>12.3%</p> <p>WEIGHTED AVERAGE YIELD ON DEBT INVESTMENTS</p>	<p>\$119mm</p> <p>MEDIAN DEBT PORTFOLIO COMPANY EBITDA¹</p>
<p>88%</p> <p>SENIOR SECURED DEBT INVESTMENTS</p>	<p>86%</p> <p>FLOATING RATE</p>

As of June 30, 2023

Note: Numbers may not sum due to rounding.

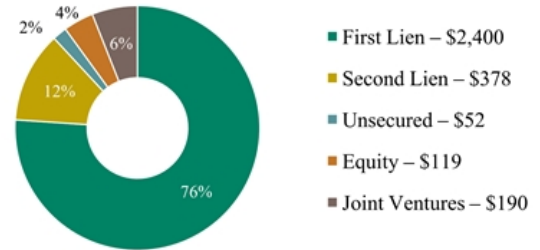
¹ Excludes investments in negative EBITDA borrowers, structured products and recurring revenue software businesses.

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.

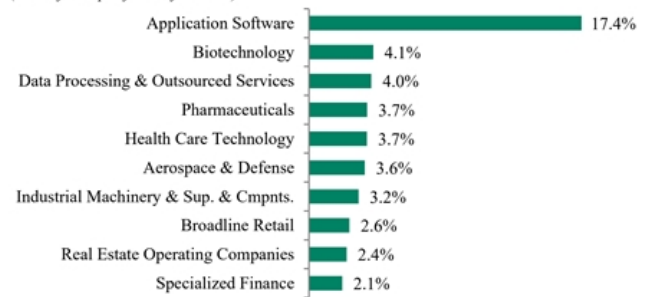
PORTFOLIO COMPOSITION

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



TOP TEN SUB-INDUSTRIES^{2, 3}

(As % of total portfolio at fair value)

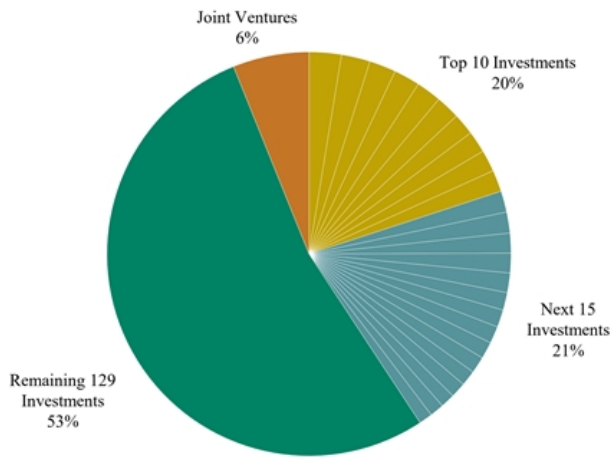




Portfolio Diversity

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	18.1%
Specialty Retail	5.2
Real Estate Management & Development	4.4
Financial Services	4.1
Professional Services	4.1
Biotechnology	4.1
Health Care Providers & Services	3.9
Pharmaceuticals	3.7
Health Care Technology	3.7
Aerospace & Defense	3.6
Machinery	3.2
Chemicals	3.0
Remaining 30 Industries	32.8
Joint Ventures	6.1

OCSL's portfolio is diverse across borrowers and industries

As of June 30, 2023

Note: Numbers may not sum due to rounding.

¹ Based on GICS industry classification.

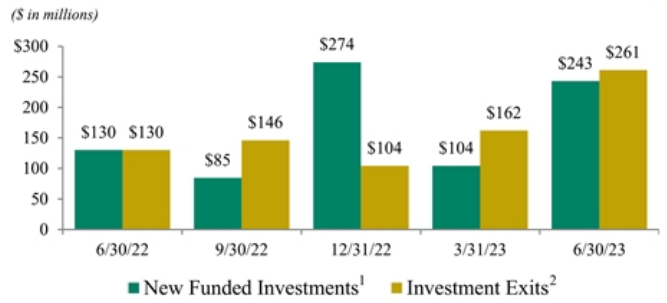


Investment Activity

NEW INVESTMENT HIGHLIGHTS

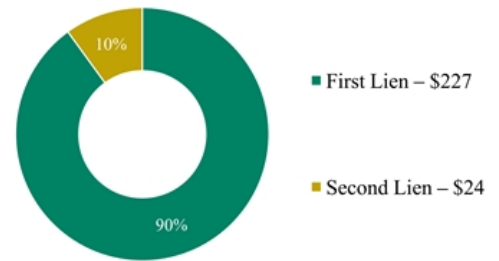
<p>\$251mm</p> <p>NEW INVESTMENT COMMITMENTS</p>	<p>\$243mm</p> <p>NEW INVESTMENT FUNDINGS¹</p>
<p>12.6%</p> <p>WEIGHTED AVERAGE YIELD ON NEW DEBT COMMITMENTS</p>	<p>100%</p> <p>ALSO HELD BY OTHER OAKTREE FUNDS</p>
<p>\$191mm</p> <p>NEW INVESTMENT COMMITMENTS IN NEW PORTFOLIO COMPANIES</p>	<p>\$60mm</p> <p>NEW INVESTMENT COMMITMENTS IN EXISTING PORTFOLIO COMPANIES</p>

HISTORICAL FUNDED ORIGINATIONS AND EXITS



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

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

(\$ and number of shares in thousands, except per share amounts)	As of				
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022
GAAP Net Investment Income per Share	\$0.63	\$0.63	\$0.63	\$0.59	\$0.66
<i>Adjusted Net Investment Income per Share¹</i>	<i>\$0.62</i>	<i>\$0.62</i>	<i>\$0.61</i>	<i>\$0.55</i>	<i>\$0.51</i>
Net Realized and Unrealized Gains (Losses), Net of Taxes per Share	\$(0.15)	\$(0.33)	\$(0.42)	\$(0.37)	\$(1.28)
<i>Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes per Share¹</i>	<i>\$(0.14)</i>	<i>\$(0.05)</i>	<i>\$(0.39)</i>	<i>\$(0.34)</i>	<i>\$(1.24)</i>
Earnings (Loss) per Share	\$0.48	\$0.29	\$0.22	\$0.22	\$(0.62)
<i>Adjusted Earnings (Loss) per Share¹</i>	<i>\$0.47</i>	<i>\$0.57</i>	<i>\$0.22</i>	<i>\$0.22</i>	<i>\$(0.62)</i>
Quarterly Distributions per Share	\$0.55	\$0.55	\$0.54	\$0.51	\$0.495
Special Distributions per Share	--	--	\$0.42	--	--
NAV per Share	\$19.58	\$19.66	\$19.63	\$20.83	\$20.67
Weighted Average Shares Outstanding	77,080	73,203	61,142	61,125	61,123
Shares Outstanding, End of Period	77,080	77,080	61,220	61,125	61,125
Investment Portfolio (at Fair Value)	\$3,135,619	\$3,164,860	\$2,642,870	\$2,494,111	\$2,565,389
Cash and Cash Equivalents	\$59,704	\$43,750	\$17,382	\$23,528	\$34,306
Total Assets	\$3,335,974	\$3,318,507	\$2,767,260	\$2,646,313	\$2,689,378
Total Debt Outstanding ²	\$1,740,066	\$1,723,840	\$1,463,624	\$1,301,043	\$1,356,606
Net Assets	\$1,509,441	\$1,515,150	\$1,201,989	\$1,245,563	\$1,263,529
Total Debt to Equity Ratio	1.18x	1.16x	1.26x	1.08x	1.10x
Net Debt to Equity Ratio	1.14x	1.14x	1.24x	1.06x	1.08x
Weighted Average Interest Rate on Debt Outstanding ³	6.6%	6.2%	5.6%	4.4%	3.2%

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 18 for a description of the non-GAAP measures.

² Net of unamortized financing costs.

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



Portfolio Highlights

(\$ in thousands, at fair value)	As of				
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022
Investments at Fair Value	\$3,135,619	\$3,164,860	\$2,642,870	\$2,494,111	\$2,565,389
Number of Portfolio Companies	156	165	156	149	151
Average Portfolio Company Debt Investment Size	\$19,800	\$18,800	\$16,500	\$16,500	\$16,700
Asset Class:					
First Lien	76.5%	75.0%	71.9%	71.2%	70.0%
Second Lien	12.0	13.0	14.4	15.7	16.6
Unsecured Debt	1.7	1.9	2.4	2.3	2.5
Equity	3.8	4.1	4.3	4.2	4.3
Joint Venture Interests	6.0	6.0	7.0	6.7	6.6
Interest Rate Type for Debt Investments:					
% Floating-Rate	86.0%	87.9%	87.3%	86.5%	87.8%
% Fixed-Rate	14.0	12.1	12.7	13.5	12.2
Yields:					
Weighted Average Yield on Debt Investments ¹	12.3%	11.9%	11.6%	10.6%	9.3%
Cash Component of Weighted Average Yield on Debt Investments	11.4	10.9	10.3	9.3	8.2
Weighted Average Yield on Total Portfolio Investments ²	11.8	11.5	11.2	10.2	9.0

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 18 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 18 for a description of the non-GAAP financial measures.



Investment Activity

(\$ in thousands)	As of				
	6/30/2023	3/31/2023 ¹	12/31/2022	9/30/2022	6/30/2022
New Investment Commitments	\$251,000	\$123,800	\$250,300	\$97,000	\$131,900
New Funded Investment Activity ²	\$243,300	\$103,600	\$274,400	\$84,500	\$130,000
Proceeds from Prepayments, Exits, Other Paydowns and Sales	\$261,000	\$162,100	\$104,400	\$146,100	\$129,900
Net New Investments ³	\$(17,700)	\$(58,500)	\$170,000	\$(61,600)	\$100
New Investment Commitments in New Portfolio Companies	6	6	18	6	12
New Investment Commitments in Existing Portfolio Companies	4	3	7	5	16
Portfolio Company Exits	16	5	11	8	7
Weighted Average Yield at Cost on New Debt Investment Commitments	12.6%	11.9%	13.1%	9.9%	9.2%

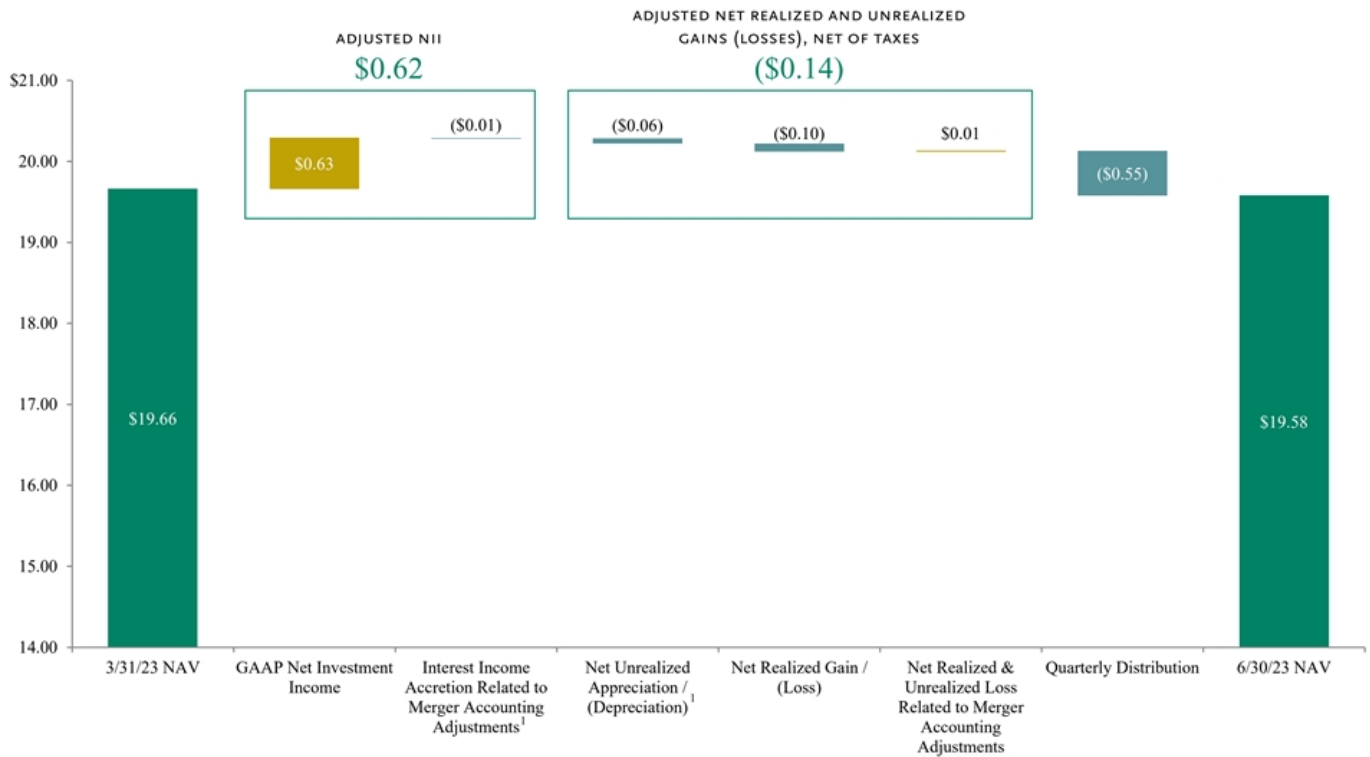
¹ Excludes the assets acquired in the OSI2 Merger.

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 18 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.

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

36%
UNSECURED
BORROWINGS

\$542mm
AVAILABLE LIQUIDITY³

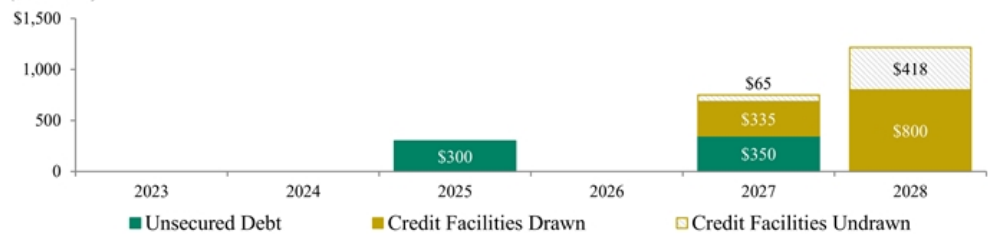
FUNDING SOURCES

(\$ in millions)

	Committed	Principal Outstanding	Interest Rate	Maturity
Syndicated Credit Facility	\$1,218	\$800	SOFR + 2.00%	6/23/2028
Citibank Facility	400	335	SOFR + 2.00%-2.75% ¹	1/26/2027
2025 Notes	300	300	3.500%	2/25/2025
2027 Notes	350	350	2.700% (LIBOR + 1.658%) ²	1/15/2027
Cash and Cash Equivalents	--	(60)	--	--
Total	\$2,268	\$1,725		
Weighted Average Interest Rate		6.6%		
Net Debt to Equity Ratio		1.14x		

MATURITIES

(\$ in millions)



Diverse and flexible sources of debt capital with no near-term maturities

As of June 30, 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 LIBOR plus 1.658% on a notional amount of \$350 million.

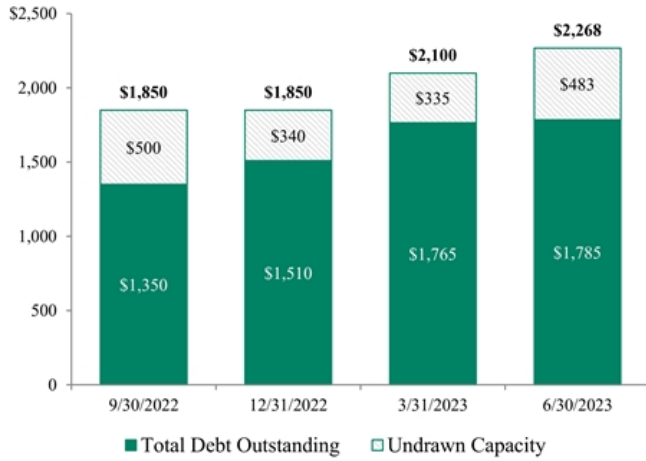
³ Liquidity was composed of \$59.7 million of unrestricted cash and cash equivalents and \$482.5 million of undrawn capacity under the credit facilities (subject to borrowing base and other limitations).



Funding and Liquidity Metrics

LEVERAGE UTILIZATION

(\$ in millions)



	9/30/2022	12/31/2022	3/31/2023	6/30/2023
Cash	\$24	\$17	\$44	\$60
Net Assets	\$1,246	\$1,202	\$1,515	\$1,509
Total Leverage	1.08x	1.26x	1.16x	1.18x
Net Leverage	1.06x	1.24x	1.14x	1.14x

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 June 30, 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 take advantage of market opportunities in the current economic climate.

LIQUIDITY OVERVIEW

(\$ in millions)

	9/30/2022	12/31/2022	3/31/2023	6/30/2023
Credit Facilities Committed	\$1,200	\$1,200	\$1,450	\$1,618
Credit Facilities Drawn	(700)	(860)	(1,115)	(1,135)
Cash and Cash Equivalents	24	17	44	60
Total Liquidity	524	357	379	542
Total Unfunded Commitments ¹	(175)	(172)	(237)	(247)
Unavailable Unfunded Commitments ²	33	42	53	62
Adjusted Liquidity	\$382	\$227	\$195	\$357

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)

\$141mm OCSL'S INVESTMENTS IN THE KEMPER JV	4.5% % OF OCSL'S PORTFOLIO
\$5.3mm NET INVESTMENT INCOME ¹	15.2% RETURN ON OCSL'S INVESTMENT (ANNUALIZED) ³

GLICK JV CHARACTERISTICS

(At fair value)

\$50mm OCSL'S INVESTMENTS IN THE GLICK JV	1.6% % OF OCSL'S PORTFOLIO
\$1.8mm NET INVESTMENT INCOME ²	14.7% RETURN ON OCSL'S INVESTMENT (ANNUALIZED) ³

COMBINED PORTFOLIO SUMMARY

INVESTMENT PORTFOLIO	FIRST LIEN	PORTFOLIO COMPANY COUNT	WTD. AVG. DEBT PORTFOLIO YIELD	LEVERAGE RATIO
\$444mm	96%	55	11.0%	1.2x

As of June 30, 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 June 30, 2023.

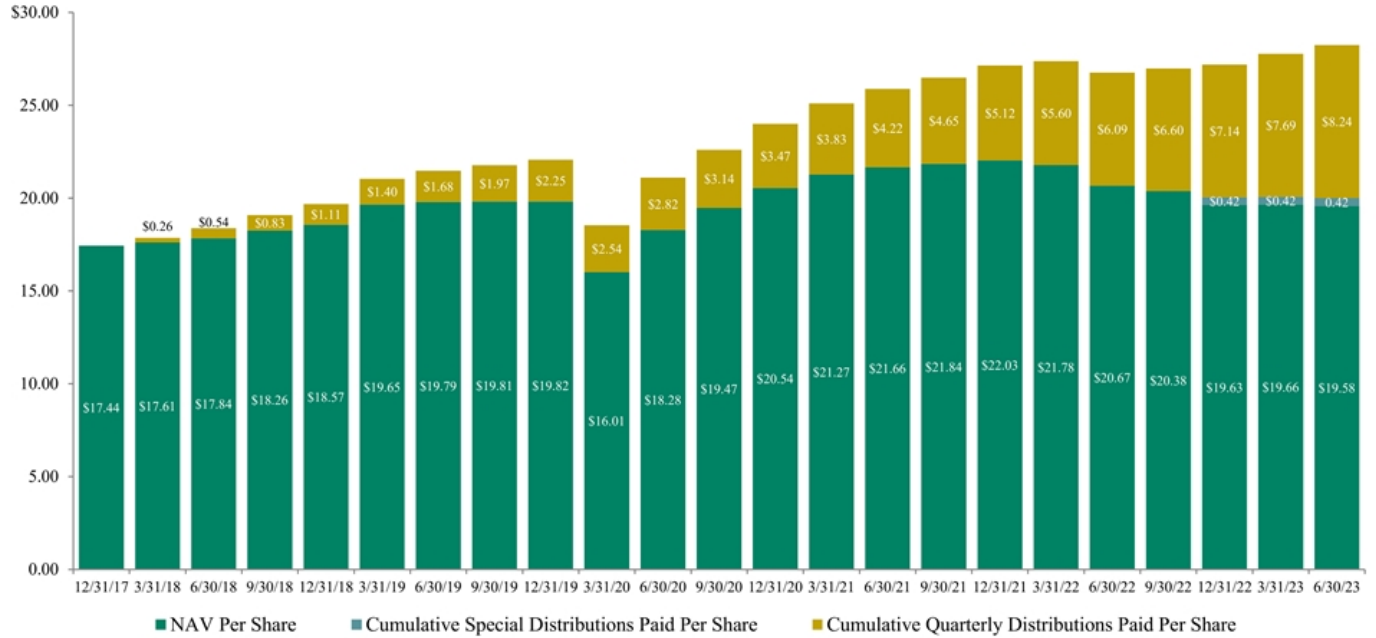
² Represents OCSL's 87.5% share of the Glick JV's net investment income (excluding subordinated note interest expense) earned during the quarter ended June 30, 2023.

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 March 31, 2023.



Compelling Performance Under Oaktree Management

NAV AND CUMULATIVE DISTRIBUTIONS PAID PER SHARE¹



OCSL has generated a 10.5% 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 June 30, 2023.

² Annualized return on equity calculated as the change in net asset value plus distributions paid from December 31, 2017 through June 30, 2023. Assumes dividends reinvested at NAV.

Appendix



OAKTREE
OCSL | Specialty Lending Corporation



Quarterly Statement of Operations

(\$ in thousands)	For the three months ended				
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022
INVESTMENT INCOME					
Interest income	\$95,310	\$88,745	\$69,978	\$61,719	\$54,728
PIK interest income	3,967	4,123	6,130	6,011	5,178
Fee income	1,573	2,380	2,021	1,539	2,275
Dividend income	1,050	1,054	1,050	875	956
GAAP total investment income	101,900	96,302	79,179	70,144	63,137
Less: Interest income accretion related to merger accounting adjustments	(842)	(561)	(1,746)	(2,173)	(2,188)
Adjusted total investment income	101,058	95,741	77,433	67,971	60,949
EXPENSES					
Base management fee	11,983	11,483	9,917	9,703	9,819
Part I incentive fee	9,590	9,007	7,703	6,986	6,497
Part II incentive fee	--	--	--	--	(6,796)
Interest expense	30,793	27,804	20,719	15,751	11,870
Other operating expenses ¹	2,621	3,805	2,704	2,596	2,127
Total expenses	54,987	52,099	41,043	35,036	23,517
Fees waived	(1,500)	(1,775)	(750)	(750)	(750)
Net expenses	53,487	50,324	40,293	34,286	22,767
(Provision) benefit for taxes on net investment income	--	--	--	--	--
Excise tax	--	--	(78)	--	--
GAAP net investment income	48,413	45,978	38,808	35,858	40,370
Less: Interest income accretion related to merger accounting adjustments	(842)	(561)	(1,746)	(2,173)	(2,188)
Add: Part II incentive fee	--	--	--	--	(6,796)
Adjusted net investment income	\$47,571	\$45,417	\$37,062	\$33,685	\$31,386

Note: See page 18 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)

(\$ in thousands, except per share amounts)	For the three months ended				
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022
NET REALIZED AND UNREALIZED GAINS (LOSSES)					
Net unrealized appreciation (depreciation)	\$ (1,039)	\$ (18,279)	\$ (22,982)	\$ (17,869)	\$ (86,755)
Net realized gains (losses)	(10,603)	(6,111)	(3,203)	(2,756)	9,212
(Provision) benefit for taxes on realized and unrealized gains (losses)	(86)	(66)	549	(2,025)	(661)
GAAP net realized and unrealized gains (losses), net of taxes	\$ (11,728)	\$ (24,456)	\$ (25,636)	\$ (22,650)	\$ (78,204)
Less: Net realized and unrealized losses (gains) related to merger accounting adjustments	612	20,955	1,746	2,173	2,188
Adjusted net realized and unrealized gains (losses), net of taxes	\$ (11,116)	\$ (3,501)	\$ (23,890)	\$ (20,477)	\$ (76,016)
GAAP net increase (decrease) in net assets resulting from operations	\$ 36,685	\$ 21,522	\$ 13,172	\$ 13,208	\$ (37,384)
Less: Interest income accretion related to merger accounting adjustments	(842)	(561)	(1,746)	(2,173)	(2,188)
Less: Net realized and unrealized losses (gains) related to merger accounting adjustments	612	20,955	1,746	2,173	2,188
Adjusted earnings (loss)	\$ 36,455	\$ 41,916	\$ 13,172	\$ 13,208	\$ (37,834)
PER SHARE DATA:					
GAAP total investment income	\$ 1.32	\$ 1.32	\$ 1.30	\$ 1.15	\$ 1.03
Adjusted total investment income	1.31	1.31	1.27	1.11	1.00
GAAP net investment income	0.63	0.63	0.63	0.59	0.66
Adjusted net investment income	0.62	0.62	0.61	0.55	0.51
GAAP net realized and unrealized gains (losses), net of taxes	(0.15)	(0.33)	(0.42)	(0.37)	(1.28)
Adjusted net realized and unrealized gains (losses), net of taxes	(0.14)	(0.05)	(0.39)	(0.34)	(1.24)
GAAP net increase/decrease in net assets resulting from operations	0.48	0.29	0.22	0.22	(0.62)
Adjusted earnings (loss)	0.47	0.57	0.22	0.22	(0.62)
Weighted average common shares outstanding	77,080	73,203	61,142	61,125	61,123
Shares outstanding, end of period	77,080	77,080	61,220	61,125	61,125

Note: See page 18 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).



OAKTREE

OCSL | Specialty Lending Corporation



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