



# Fourth Quarter 2021

Earnings Presentation

# Important Notice

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# Financial and Portfolio Highlights

## Financial Highlights

<i>(all per share amounts, excluding net asset value per share, are basic and diluted)</i>	Q4-21	Q3-21	Q4-20	FY-21	FY-20
Core EPS* <sup>(1)</sup>	\$ 0.58	\$ 0.47	\$ 0.54	\$ 2.02	\$ 1.74
Net Investment Income Per Share	\$ 0.52	\$ 0.40	\$ 0.54	\$ 1.66	\$ 1.87
Net Realized Gains (Losses) Per Share	\$ 0.04	\$ 0.33	\$ (0.43)	\$ 0.54	\$ (0.39)
Net Unrealized Gains (Losses) Per Share	\$ 0.27	\$ —	\$ 0.78	\$ 1.31	\$ (0.34)
GAAP Net Income Per Share	\$ 0.83	\$ 0.73	\$ 0.89	\$ 3.51	\$ 1.14
Net Asset Value Per Share	\$ 18.96	\$ 18.52	\$ 16.97	\$ 18.96	\$ 16.97

## Portfolio Highlights

<i>(dollar amounts in millions)</i>	Q4-21	Q3-21	Q4-20	FY-21	FY-20
Gross Commitments <sup>(2)</sup>	\$5,866	\$ 3,110	\$3,858	\$15,573	\$ 6,703
Exits of Commitments <sup>(3)</sup>	\$3,869	\$2,263	\$3,032	\$ 11,195	\$ 5,786
Total Fair Value of Investments	\$20,009	\$17,677	\$15,515	\$20,009	\$15,515
Weighted Average Yield on Debt and Other Income Producing Securities at Amortized Cost <sup>(4)</sup>	8.7 %	8.9 %	9.3 %	8.7 %	9.3 %
Weighted Average Yield on Total Investments at Amortized Cost <sup>(5)</sup>	7.9 %	8.2 %	8.5 %	7.9 %	8.5 %

Note: Endnotes begin on slide 24

\* See slide 23 hereof for reconciliations of basic and diluted Core EPS to GAAP net income per share, the most directly comparable GAAP financial measure

# Selected Historical Financial Information

(dollar amounts in millions, except per share data and stock prices)	As of and for the Three Months Ended				
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20
Core EPS – Basic and Diluted <sup>(1)</sup>	\$ 0.58	\$ 0.47	\$ 0.53	\$ 0.43	\$ 0.54
Net Investment Income Per Share – Basic and Diluted	\$ 0.52	\$ 0.40	\$ 0.39	\$ 0.33	\$ 0.54
Net Realized and Unrealized Gains Per Share – Basic and Diluted	\$ 0.31	\$ 0.33	\$ 0.70	\$ 0.54	\$ 0.35
GAAP Net Income Per Share – Basic and Diluted	\$ 0.83	\$ 0.73	\$ 1.09	\$ 0.87	\$ 0.89
Dividend Declared and Payable Per Share	\$ 0.41	\$ 0.41	\$ 0.40	\$ 0.40	\$ 0.40
Stockholders' Equity	\$ 8,868	\$ 8,537	\$ 8,078	\$ 7,632	\$ 7,176
Net Asset Value Per Share	\$ 18.96	\$ 18.52	\$ 18.16	\$ 17.45	\$ 16.97
Debt/Equity Ratio	1.26x	1.17x	1.16x	1.06x	1.20x
Debt/Equity Ratio, Net of Available Cash <sup>(6)</sup>	1.21x	1.04x	1.12x	1.02x	1.17x
Unsecured Debt to Total Debt	75.9 %	83.5 %	85.1 %	81.1 %	67.2 %
Weighted Average Stated Interest on Debt <sup>(7)</sup>	3.1 %	3.2 %	3.3 %	3.3 %	3.4 %
Net Interest and Dividend Margin <sup>(8)</sup>	6.4 %	6.5 %	6.5 %	6.5 %	6.5 %
Ratio of Earnings to Fixed Charges <sup>(9)</sup>	3.7	3.3	3.8	3.2	3.9
<b>Market Capitalization</b>					
Principal Debt	\$ 11,061	\$ 9,928	\$ 9,278	\$ 8,061	\$ 8,582
Equity	9,910	9,367	8,715	8,183	7,142
<b>Total Market Capitalization</b>	<b>\$ 20,971</b>	<b>\$ 19,295</b>	<b>\$ 17,993</b>	<b>\$ 16,244</b>	<b>\$ 15,724</b>
<b>Common Stock Data:</b>					
High Price during the period	\$ 21.70	\$ 20.43	\$ 19.97	\$ 19.23	\$ 17.28
Low Price during the period	\$ 19.66	\$ 19.52	\$ 18.29	\$ 16.51	\$ 13.82
Closing Price	\$ 21.19	\$ 20.33	\$ 19.59	\$ 18.71	\$ 16.89

\*See slide 23 hereof for reconciliations of basic and diluted Core EPS to GAAP net income per share, the most directly comparable GAAP financial measure

# Selected Historical Financial Information (cont'd)

<i>(dollar amounts in millions)</i>	As of					
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	
Investments at Fair Value	\$ 20,009	\$ 17,677	\$ 17,136	\$ 15,429	\$ 15,515	
Number of Portfolio Companies <sup>(10)</sup>	387	371	365	350	350	
<b>Asset Class (at fair value):</b>						
First Lien Senior Secured Loans <sup>(11)</sup>	47 %	49 %	47 %	47 %	46 %	
Second Lien Senior Secured Loans	23 %	23 %	24 %	25 %	26 %	
Senior Direct Lending Program <sup>(12)</sup>	5 %	5 %	6 %	7 %	7 %	
Senior Subordinated Loans	4 %	6 %	6 %	6 %	6 %	
Preferred Equity	8 %	7 %	7 %	6 %	6 %	
Other Equity	13 %	10 %	10 %	9 %	9 %	
<b>Interest Rate Type (at fair value)</b>						
% Floating Rate <sup>(13)</sup>	77 %	80 %	79 %	82 %	84 %	
% Fixed Rate	10 %	9 %	8 %	6 %	5 %	
% Non-Income Producing	8 %	8 %	10 %	8 %	7 %	
% IHAM*	5 %	3 %	3 %	4 %	4 %	
<b>Yields:</b>						
Weighted Avg. Yield on Debt and Other Income Producing Securities at Amortized Cost <sup>(4)</sup>	8.7 %	8.9 %	9.0 %	9.2 %	9.3 %	
Weighted Avg. Yield on Debt and Other Income Producing Securities at Fair Value <sup>(4)</sup>	8.7 %	8.9 %	9.0 %	9.3 %	9.4 %	
Weighted Average Yield on Total Investments at Amortized Cost <sup>(5)</sup>	7.9 %	8.2 %	8.2 %	8.4 %	8.5 %	
Weighted Average Yield on Total Investments at Fair Value <sup>(5)</sup>	7.9 %	8.2 %	8.2 %	8.5 %	8.7 %	

\*Ares Capital's equity investment in Ivy Hill Asset Management, L.P. ("IHAM") generally pays a quarterly dividend

## Selected Historical Financial Information (cont'd)

<i>(dollar amounts in millions)</i>	For the Three Months Ended									
	12/31/21		9/30/21		6/30/21		3/31/21		12/31/20	
<b>Commitments:</b>										
Gross Commitments <sup>(2)</sup>	\$	5,866	\$	3,110	\$	4,847	\$	1,750	\$	3,858
Exits of Commitments <sup>(3)</sup>		(3,869)		(2,263)		(2,925)		(2,138)		(3,032)
Net Commitments <sup>(14)</sup>	\$	1,997	\$	847	\$	1,922	\$	(388)	\$	826
<b>Gross Commitments Information:</b>										
Number of Transactions		86		47		70		39		59
Weighted Average Commitment Term in Months		78		77		75		69		78
Average Commitment in Period	\$	68	\$	66	\$	69	\$	45	\$	65
<b>Fundings:</b>										
Gross Fundings	\$	5,682	\$	2,531	\$	4,123	\$	1,551	\$	3,396
Net Fundings <sup>(14)</sup>	\$	2,122	\$	454	\$	1,425	\$	(366)	\$	683
<b>Portfolio Turnover</b>		0.19		0.12		0.17		0.10		0.18

# Quarterly Operating Results

<i>(amounts in millions, except per share data)</i>	For the Three Months Ended					
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	
Investment income	\$ 529	\$ 442	\$ 459	\$ 390	\$ 440	
Expenses	279	253	277	241	204	
<b>Net investment income before income taxes</b>	<b>250</b>	<b>189</b>	<b>182</b>	<b>149</b>	<b>236</b>	
Income tax expense, including excise tax	8	5	11	5	7	
<b>Net investment income</b>	<b>242</b>	<b>184</b>	<b>171</b>	<b>144</b>	<b>229</b>	
Net realized and unrealized gains	140	150	307	229	149	
<b>Net Income</b>	<b>\$ 382</b>	<b>\$ 334</b>	<b>\$ 478</b>	<b>\$ 373</b>	<b>\$ 378</b>	
<b>Per Share:</b>						
Core EPS - Basic and Diluted <sup>(1)</sup>	\$ 0.58	\$ 0.47	\$ 0.53	\$ 0.43	\$ 0.54	
Net Income - Basic and Diluted	\$ 0.83	\$ 0.73	\$ 1.09	\$ 0.87	\$ 0.89	
Dividends Declared and Payable	\$ 0.41	\$ 0.41	\$ 0.40	\$ 0.40	\$ 0.40	
Weighted average shares of common stock outstanding - Basic and Diluted	463	453	440	429	423	
Common shares outstanding at end of period	468	461	445	437	423	

<i>(amounts in millions, except per share data)</i>	For the Years Ended	
	12/31/21	12/31/20
Investment income	\$ 1,820	\$ 1,511
Expenses	1,050	698
<b>Net investment income before income taxes</b>	<b>770</b>	<b>813</b>
Income tax expense, including excise tax	29	19
<b>Net investment income</b>	<b>741</b>	<b>794</b>
Net realized and unrealized gains (losses)	826	(310)
<b>Net Income</b>	<b>\$ 1,567</b>	<b>\$ 484</b>
<b>Per Share:</b>		
Core EPS - Basic and Diluted <sup>(1)</sup>	\$ 2.02	\$ 1.74
Net Income - Basic and Diluted	\$ 3.51	\$ 1.14
Dividends Declared and Payable	\$ 1.62	\$ 1.60
Weighted average shares of common stock outstanding - Basic and Diluted	446	424
Common shares outstanding at end of period	468	423

\* See slide 23 hereof for reconciliations of basic and diluted Core EPS to GAAP net income per share, the most directly comparable GAAP financial measure

# Quarterly Operating Results Detail

(amounts in millions)	For the Three Months Ended					
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	
<b>Net Investment Income Before Income Taxes:</b>						
<b>Investment Income:</b>						
Interest income from investments	\$ 336	\$ 317	\$ 305	\$ 289	\$ 294	
Capital structuring service fees	116	59	93	38	93	
Dividend income	64	54	52	52	40	
Other income	13	12	9	11	13	
<b>Total investment income</b>	<b>529</b>	<b>442</b>	<b>459</b>	<b>390</b>	<b>440</b>	
<b>Expenses:</b>						
Interest and credit facility fees	105	94	87	86	82	
Base management fees	69	65	61	58	56	
Income based fees	67	53	59	46	57	
Capital gains incentive fees*	28	30	61	42	—	
Administrative fees	4	4	3	4	3	
Other general and administrative	6	7	6	5	6	
<b>Total operating expenses</b>	<b>279</b>	<b>253</b>	<b>277</b>	<b>241</b>	<b>204</b>	
Net investment income before income taxes	250	189	182	149	236	
Income tax expense, including excise tax	8	5	11	5	7	
<b>Net Investment Income</b>	<b>\$ 242</b>	<b>\$ 184</b>	<b>\$ 171</b>	<b>\$ 144</b>	<b>\$ 229</b>	

\* Accrued in accordance with GAAP. As of December 31, 2021, Ares Capital had accrued \$161 million of incentive fees payable related to capital gains under GAAP, of which only \$26 million was actually payable under Ares Capital's investment advisory and management agreement with its investment adviser, Ares Management for the 2021 fiscal year. Such amount will be paid in the first quarter of 2022



# Quarterly Gain/Loss Detail

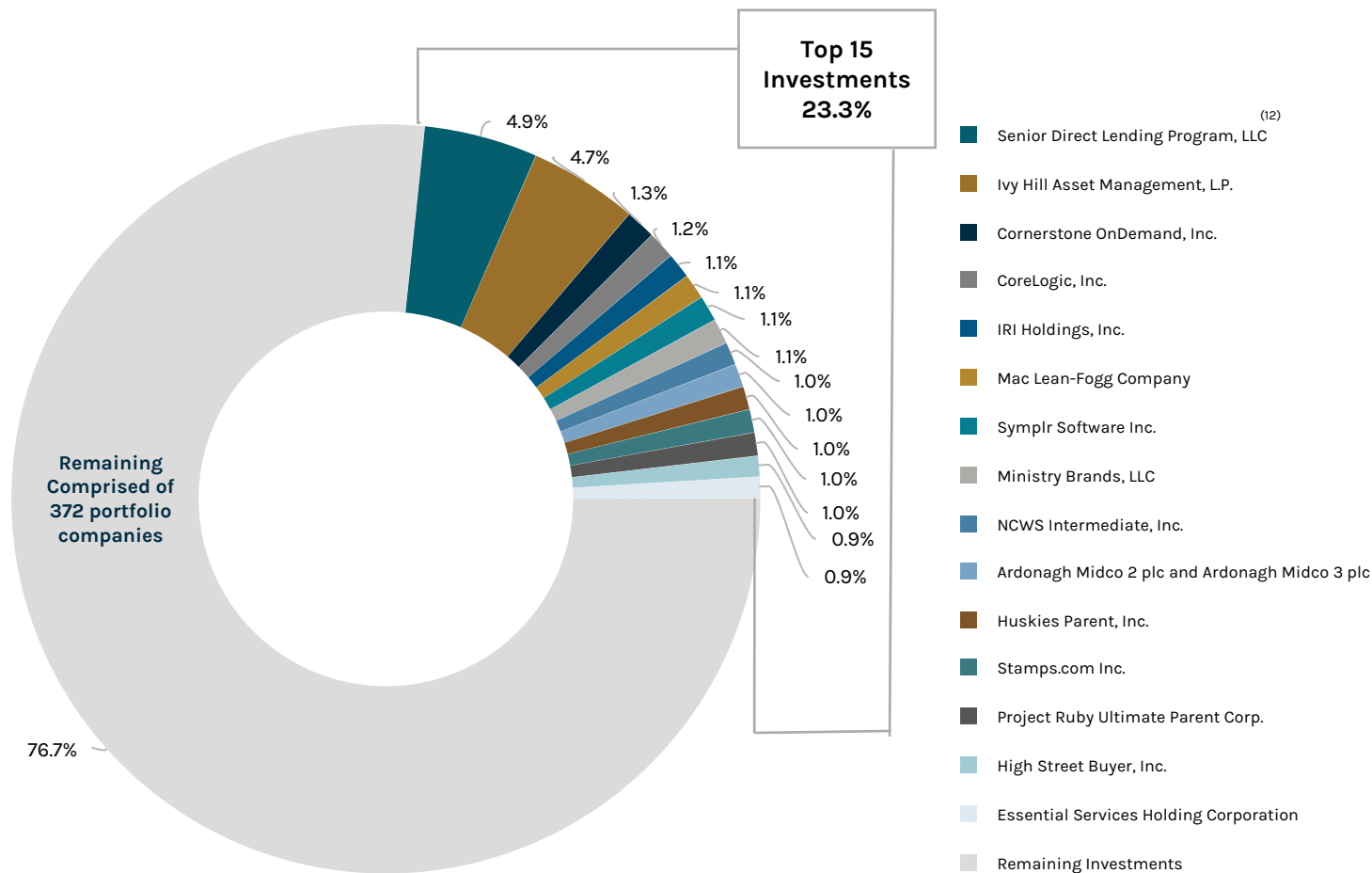
(amounts in millions)	For the Three Months Ended				
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20
<b>Net Realized and Unrealized Gains (Losses):</b>					
<b>Realized gains (losses) on investments:</b>					
Gains	\$ 49	\$ 233	\$ 79	\$ 80	\$ 38
Losses	(49)	(110)	(11)	(13)	(208)
Net realized gains (losses) on investments	–	123	68	67	(170)
<b>Unrealized gains (losses) on investments:</b>					
Unrealized appreciation	219	230	358	292	275
Unrealized depreciation	(130)	(127)	(78)	(48)	(138)
Net unrealized gains on investments	89	103	280	244	137
Net unrealized (appreciation) depreciation reversed related to net realized gains or losses on investments	56	(91)	(40)	(39)	195
<b>Total net unrealized gains on investments</b>	<b>145</b>	<b>12</b>	<b>240</b>	<b>205</b>	<b>332</b>
Net realized and unrealized gains (losses) on foreign currency and other transactions	(5)	15	(1)	–	(13)
Realized loss on extinguishment of debt	–	–	–	(43)	–
<b>Net realized and unrealized gains</b>	<b>\$ 140</b>	<b>\$ 150</b>	<b>\$ 307</b>	<b>\$ 229</b>	<b>\$ 149</b>

# Quarterly Balance Sheets

<i>(amounts in millions, except per share data)</i>	12/31/21		9/30/21		As of 6/30/21		3/31/21		12/31/20	
<b>ASSETS</b>										
Investments at fair value	\$	20,009	\$	17,677	\$	17,136	\$	15,429	\$	15,515
Cash and cash equivalents		372		1,193		377		337		254
Restricted cash		114		20		57		19		72
Interest receivable		142		111		110		98		112
Receivable from participants		—		—		30		—		38
Receivable for open trades		80		24		172		2		73
Other assets		99		98		110		100		94
Operating lease right-of-use asset		27		31		34		36		38
<b>Total assets</b>	<b>\$</b>	<b>20,843</b>	<b>\$</b>	<b>19,154</b>	<b>\$</b>	<b>18,026</b>	<b>\$</b>	<b>16,021</b>	<b>\$</b>	<b>16,196</b>
<b>LIABILITIES</b>										
Debt	\$	11,020	\$	9,895	\$	9,233	\$	8,005	\$	8,491
Base management fees payable		69		65		61		58		56
Income based fees payable		67		53		59		46		140
Capital gains incentive fees payable*		161		133		103		42		—
Interest and facility fees payable		100		66		97		47		83
Payable to participants		114		20		57		19		72
Payable for open trades		216		153		109		19		6
Accounts payable and other liabilities		111		87		77		73		90
Secured borrowings		74		97		99		24		23
Operating lease liabilities		43		48		53		56		59
<b>Total liabilities</b>		<b>11,975</b>		<b>10,617</b>		<b>9,948</b>		<b>8,389</b>		<b>9,020</b>
<b>STOCKHOLDERS' EQUITY</b>										
Common stock		—		—		—		—		—
Capital in excess of par value		8,553		8,373		8,059		7,914		7,656
Accumulated undistributed (overdistributed) earnings		315		164		19		(282)		(480)
<b>Total stockholders' equity</b>		<b>8,868</b>		<b>8,537</b>		<b>8,078</b>		<b>7,632</b>		<b>7,176</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$</b>	<b>20,843</b>	<b>\$</b>	<b>19,154</b>	<b>\$</b>	<b>18,026</b>	<b>\$</b>	<b>16,021</b>	<b>\$</b>	<b>16,196</b>
<b>NET ASSETS PER SHARE</b>	<b>\$</b>	<b>18.96</b>	<b>\$</b>	<b>18.52</b>	<b>\$</b>	<b>18.16</b>	<b>\$</b>	<b>17.45</b>	<b>\$</b>	<b>16.97</b>

\* Accrued in accordance with GAAP. For the year ended December 31, 2021, the capital gains incentive fees actually payable under Ares Capital's investment advisory and management agreement was \$26 million, which will be paid in the first quarter of 2022

# Investment Portfolio by Issuer as of December 31, 2021\*

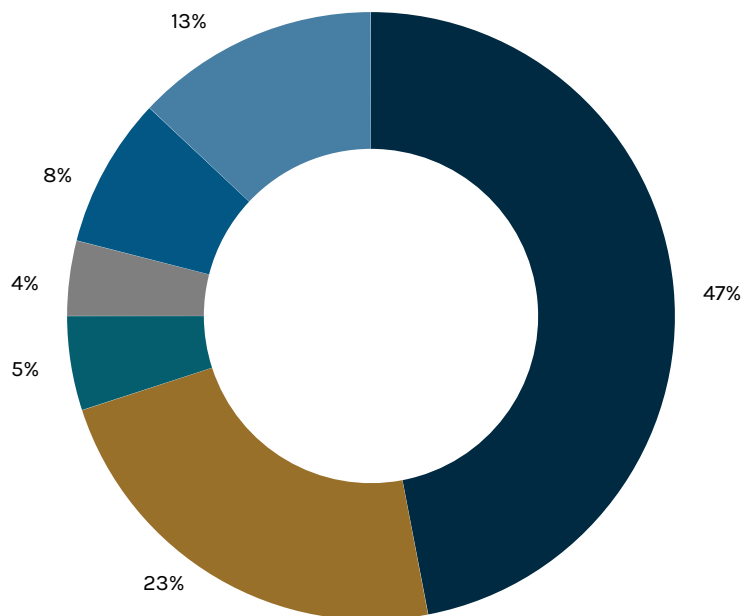


Diversified \$20.0 billion portfolio with 387 portfolio companies

\* At fair value

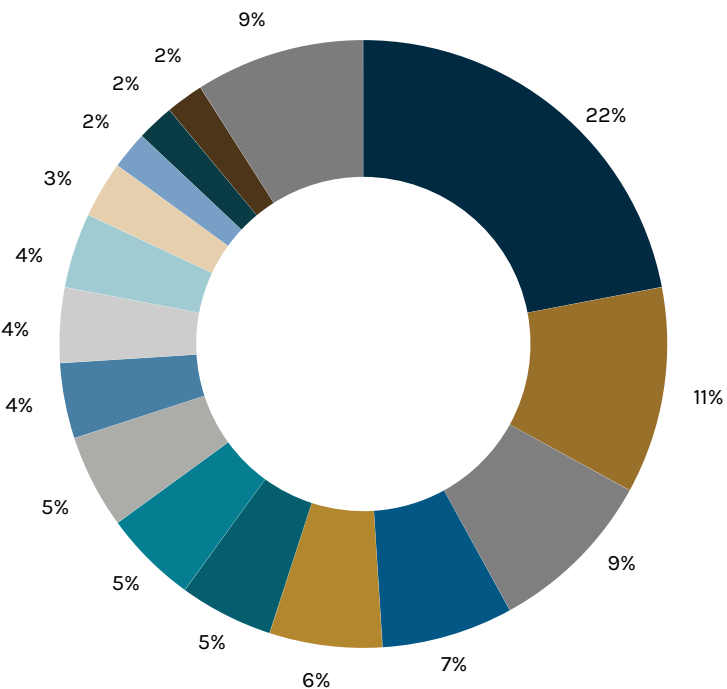
# Investment Portfolio as of December 31, 2021\*

## Asset Class



- First Lien Senior Secured Loans<sup>(11)</sup>
- Second Lien Senior Secured Loans
- Senior Direct Lending Program<sup>(12)</sup>
- Senior Subordinated Loans
- Preferred Equity
- Other Equity

## Industry

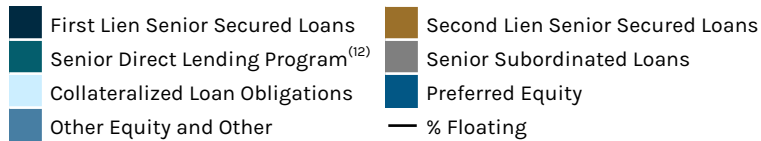
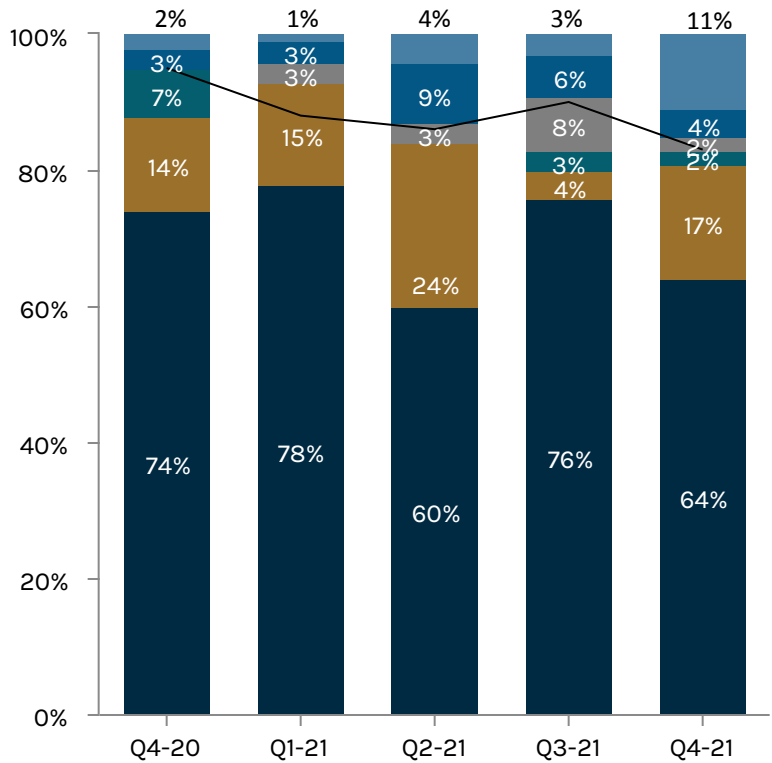


- Software & Services
- Healthcare Services
- Commercial & Professional Services
- Diversified Financials
- Insurance Services
- Senior Direct Lending Program<sup>(12)</sup>
- Capital Goods
- Automobiles & Components
- Power Generation
- Consumer Durables & Apparel
- Consumer Services
- Retailing & Distribution
- Media & Entertainment
- Food & Beverage
- Materials
- Other

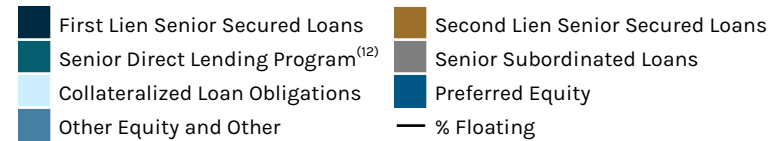
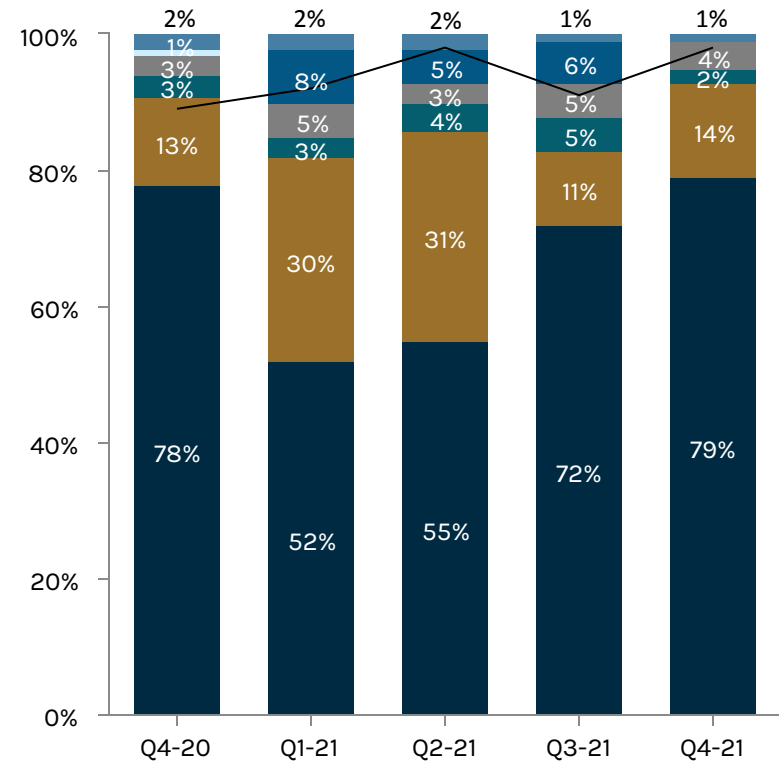
\* At fair value

# Portfolio Activity

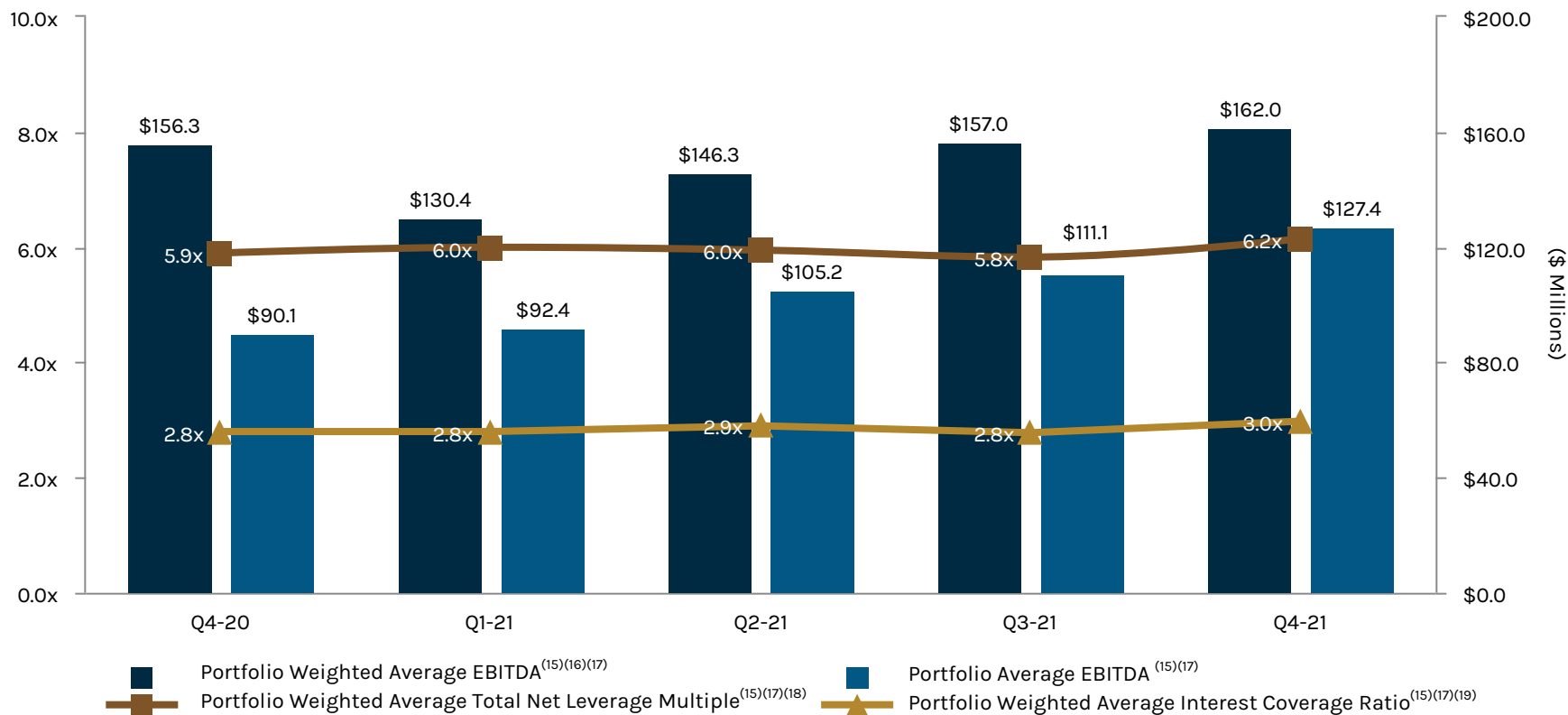
## Gross Commitments by Asset Class



## Exits of Commitments by Asset Class



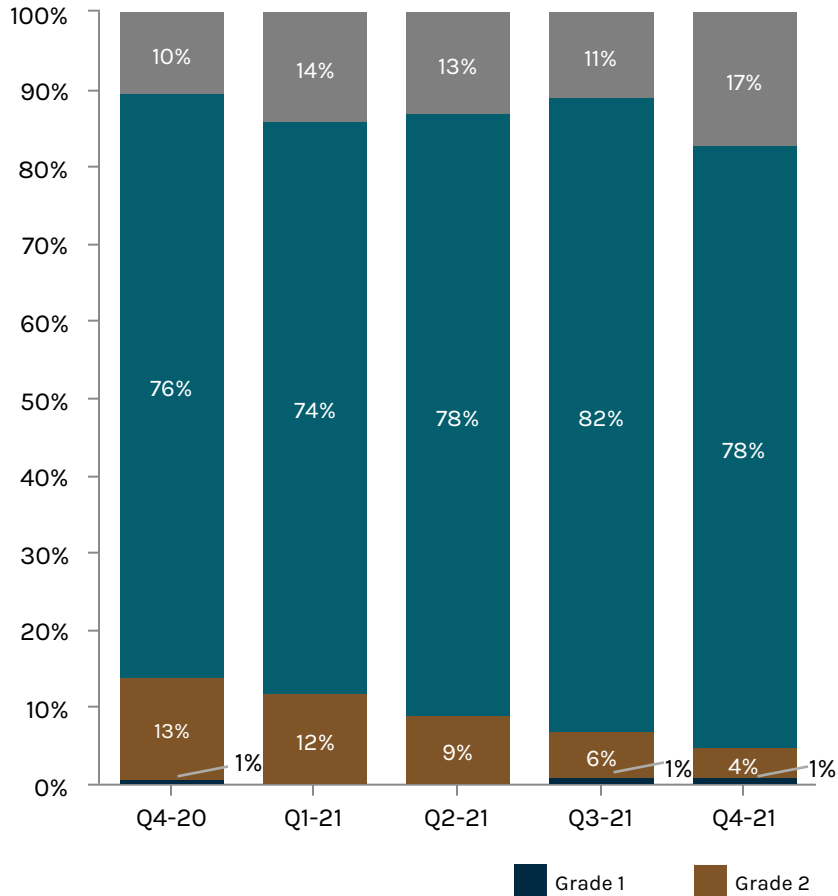
# Portfolio Company EBITDA and Credit Statistics



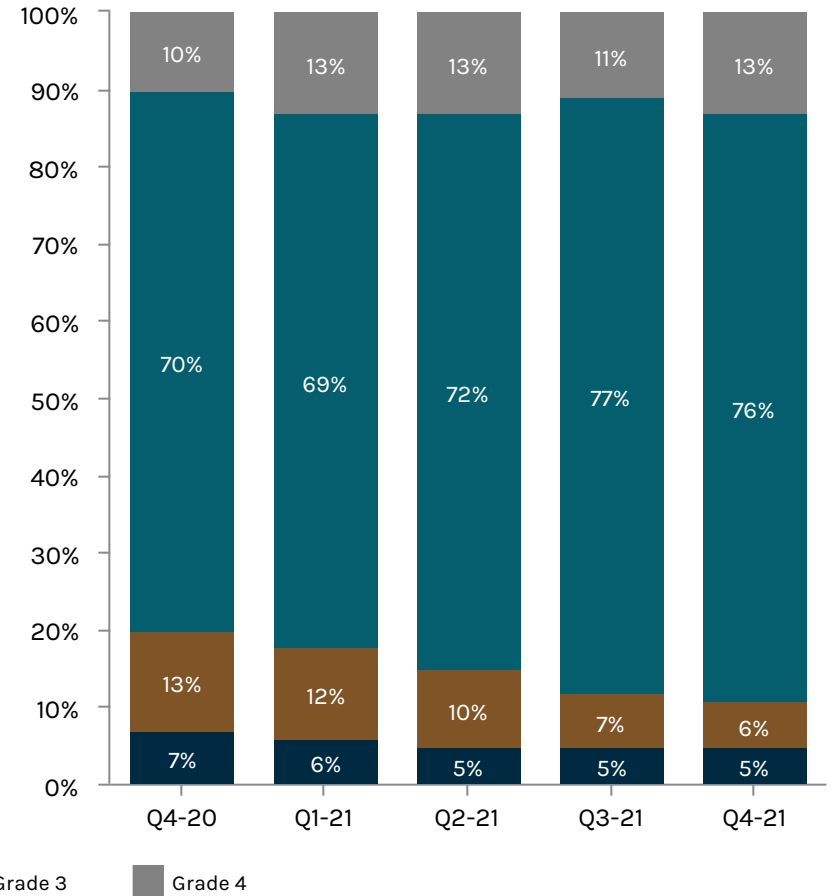
\* For the portfolio companies included in the portfolio weighted average EBITDA data above (subject to additional exclusions described in the following sentence), the weighted average EBITDA growth rate as of Q4-21 was approximately 16% on a comparable basis for the most recently reported LTM period versus prior year LTM period. In addition to those portfolio companies excluded as noted, this calculation excludes 44 companies where prior year comparable data was not available<sup>(20)</sup>

# Portfolio By Grade<sup>(21)</sup>

% by Fair Value

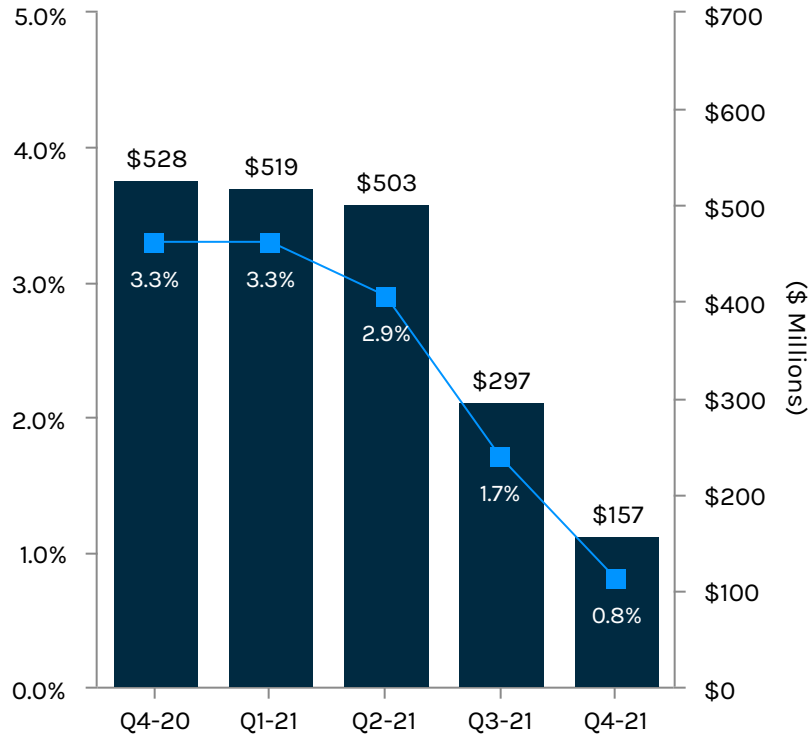


% by Number of Companies

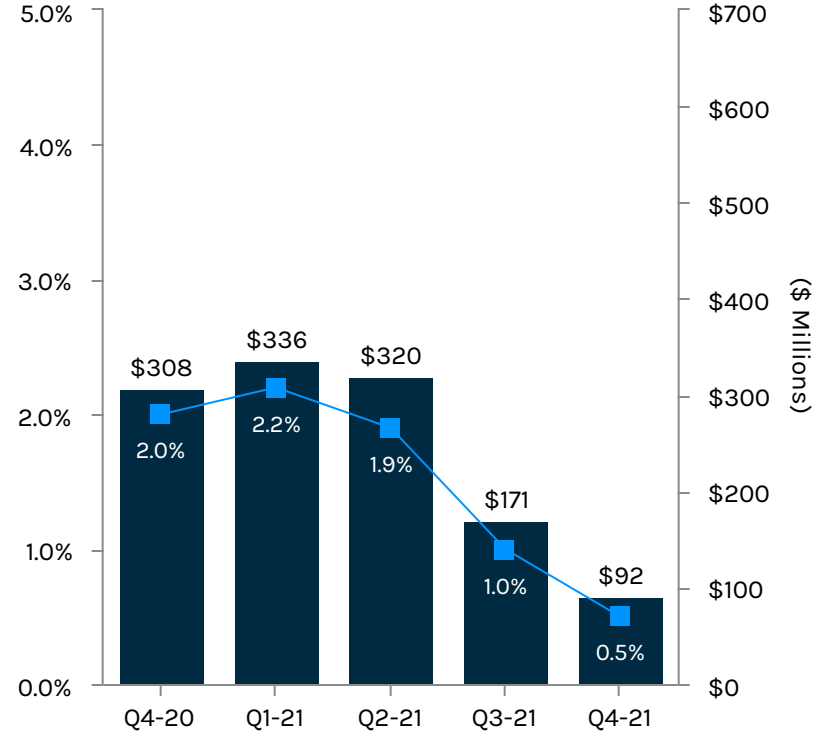


# Loans on Non-Accrual Status

## Amortized Cost



## Fair Value



Investments on Non-Accrual Status
  Percentage of Total Investment Portfolio



# Investment Activity from January 1, 2022 through February 2, 2022

## **Ares Capital made approximately \$607 million of new investment commitments**

- 68% were in first lien senior secured loans, 31% were in other equity and 1% were in preferred equity
- 68% were floating rate, 2% were non-income producing, 1% were fixed rate and the remaining 29% was Ares Capital's equity investment in IHAM which generally pays a quarterly dividend
- Weighted average yield of debt and other income producing securities funded at amortized cost of 9.6%
- Weighted average yield on total investments funded at amortized cost was 9.3%

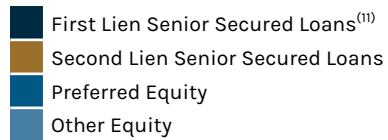
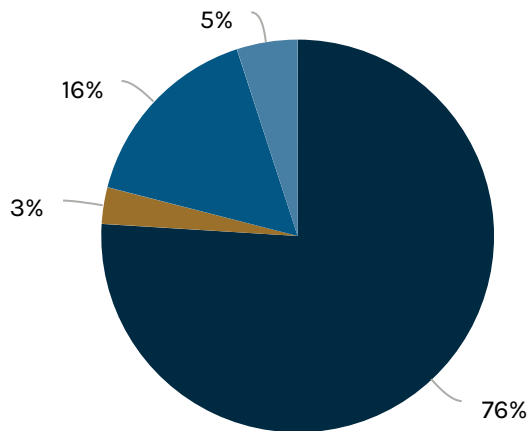
## **Ares Capital exited approximately \$956 million of investment commitments**

- 89% were first lien senior secured loans, 8% were second lien senior secured loans, 2% were preferred equity and 1% were subordinated certificates of the SDLP
- 88% were floating rate, 11% were fixed rate and 1% were non-income producing
- Weighted average yield of debt and other income producing securities exited or repaid at amortized cost was 7.3%
- Weighted average yield on total investments exited or repaid at amortized cost was 7.2%
- Total net realized gains of approximately \$20 million
- Exits include approximately \$529 million of loans sold by Ares Capital to IHAM or certain vehicles managed by IHAM and net realized gains include approximately \$2 million of net realized losses recognized from these transactions

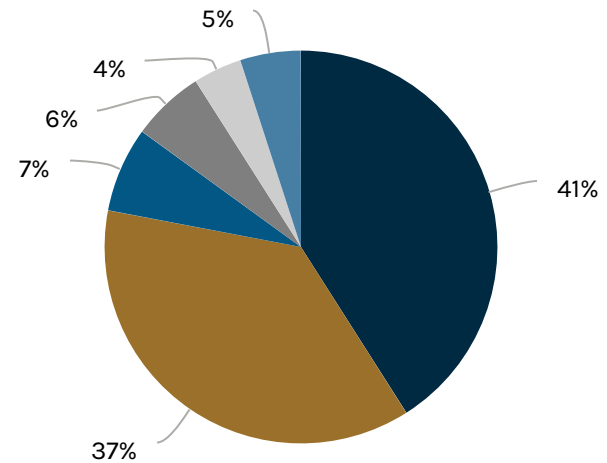
# Backlog and Pipeline

- As of February 2, 2022, Ares Capital had a backlog and pipeline of approximately \$1.2 billion and \$125 million, respectively<sup>(22)</sup>
- The following is a breakdown of the backlog and pipeline by asset class and by industry

Asset Class



Industry



# Debt Summary

(dollar amounts in millions)	As of 9/30/21			As of 12/31/21			Weighted Average Stated Interest Rate <sup>(26)</sup>	Interest Rate	Maturity Date
	Aggregate Principal Amount Committed/Outstanding <sup>(24)</sup>	Principal Amount Outstanding	Carrying Value of Outstanding Debt	Aggregate Principal Amount Committed/Outstanding <sup>(24)</sup>	Principal Amount Outstanding	Carrying Value of Outstanding Debt			
<b>Secured Revolving Facilities<sup>(23)</sup>:</b>									
Revolving Credit Facility	\$ 4,232	\$ 874	\$ 874	\$ 4,232	\$ 1,507	\$ 1,507	1.996 %	LIBOR + 1.75% <sup>(27)</sup>	March 2026 <sup>(27)</sup>
Revolving Funding Facility	1,525	763	763	1,525	762	762	2.001 %	LIBOR + 1.90% <sup>(28)</sup>	December 2026 <sup>(28)</sup>
SMBC Funding Facility	800	—	—	800	401	401	2.099 %	LIBOR + 1.75% <sup>(29)</sup>	May 2026 <sup>(29)</sup>
BNP Funding Facility	300	—	—	300	—	—	0.788 %	LIBOR + 1.80% <sup>(30)</sup>	June 2025 <sup>(30)</sup>
<b>Subtotal</b>	<b>6,857</b>	<b>1,637</b>	<b>1,637</b>	<b>6,857</b>	<b>2,670</b>	<b>2,670</b>	<b>2.013 %</b>		
<b>Unsecured Notes Payable*:</b>									
2022 Notes	600	600	600 <sup>(25)</sup>	—	—	—			
2022 Convertible Notes	388	388	386 <sup>(25)</sup>	388	388	388 <sup>(25)</sup>	3.750 %		February 2022
2023 Notes	750	750	748 <sup>(25)</sup>	750	750	748 <sup>(25)</sup>	3.500 %		February 2023
2024 Convertible Notes	403	403	394 <sup>(25)</sup>	403	403	395 <sup>(25)</sup>	4.625 %		March 2024
2024 Notes	900	900	897 <sup>(25)</sup>	900	900	897 <sup>(25)</sup>	4.200 %		June 2024
March 2025 Notes	600	600	596 <sup>(25)</sup>	600	600	596 <sup>(25)</sup>	4.250 %		March 2025
July 2025 Notes	1,250	1,250	1,261 <sup>(25)</sup>	1,250	1,250	1,260 <sup>(25)</sup>	3.250 %		July 2025
January 2026 Notes	1,150	1,150	1,142 <sup>(25)</sup>	1,150	1,150	1,143 <sup>(25)</sup>	3.875 %		January 2026
July 2026 Notes	1,000	1,000	988 <sup>(25)</sup>	1,000	1,000	988 <sup>(25)</sup>	2.150 %		July 2026
2028 Notes	1,250	1,250	1,246 <sup>(25)</sup>	1,250	1,250	1,246 <sup>(25)</sup>	2.875 %		June 2028
2031 Notes	—	—	—	700	700	689 <sup>(25)</sup>	3.200 %		November 2031
<b>Subtotal</b>	<b>8,291</b>	<b>8,291</b>	<b>8,258</b>	<b>8,391</b>	<b>8,391</b>	<b>8,350</b>	<b>3.429 %</b>		
<b>Total Debt</b>	<b>\$ 15,148</b>	<b>\$ 9,928</b>	<b>\$ 9,895</b>	<b>\$ 15,248</b>	<b>\$ 11,061</b>	<b>\$ 11,020</b>	<b>3.087 %</b>		

## Floating and Fixed rate debt as of December 31, 2021

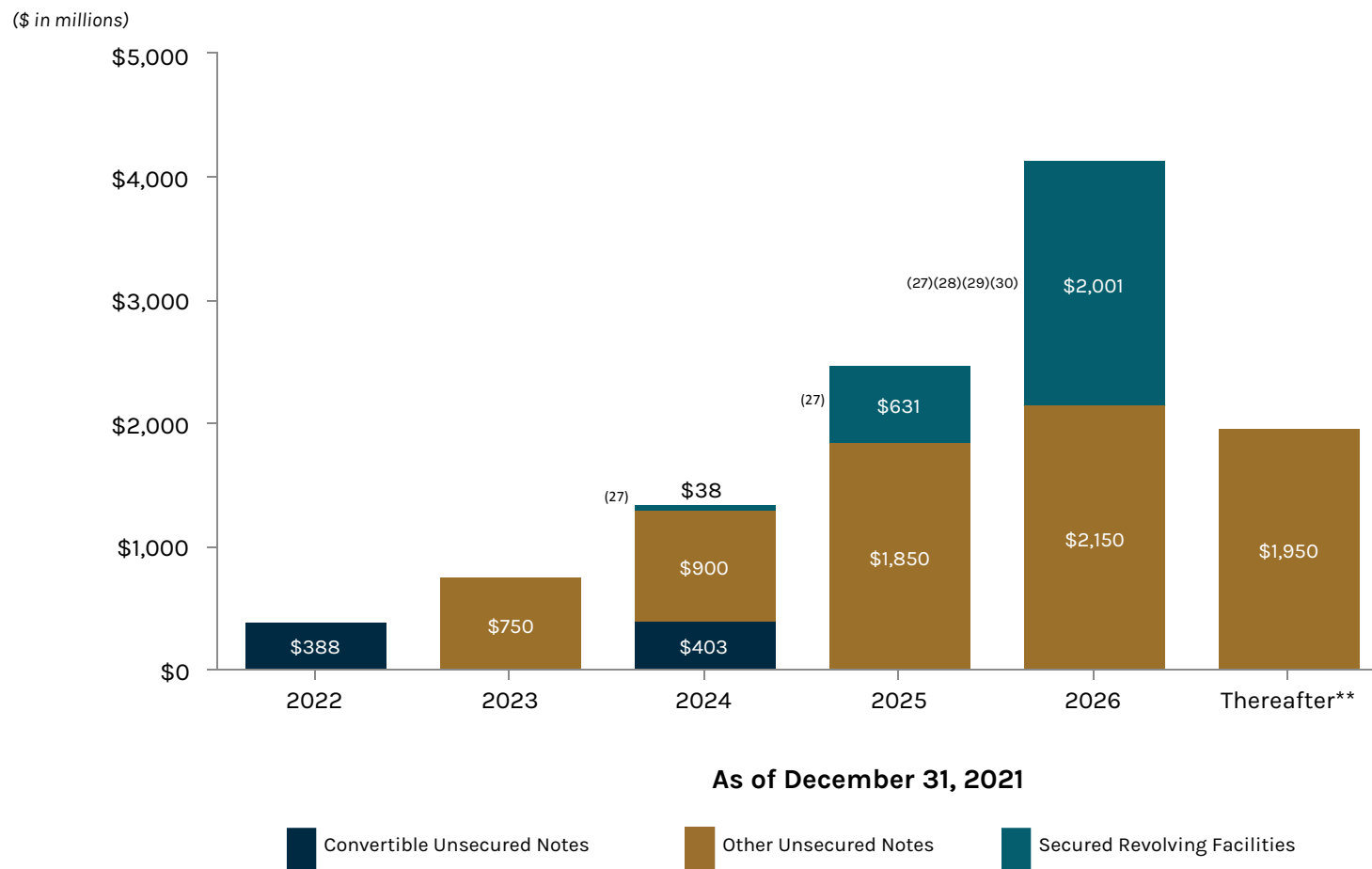
Debt (dollar amounts in millions)	Principal Amount Outstanding	Weighted Average Stated Interest Rate <sup>(26)</sup>	Weighted Average Remaining Maturity** (in years)
Floating	\$ 2,670	2.01 %	4.60
Fixed	8,391	3.43 %	4.12
<b>Total</b>	<b>\$ 11,061</b>	<b>3.09 %</b>	<b>4.20</b>

\* In January 2022, Ares Capital issued \$500 million aggregate principal amount of unsecured notes that mature in June 2027 and bear interest at a rate of 2.875% per year (the "2027 Notes")

\*\* Represents the weighted average remaining maturity of outstanding debt as of December 31, 2021

# Debt Summary

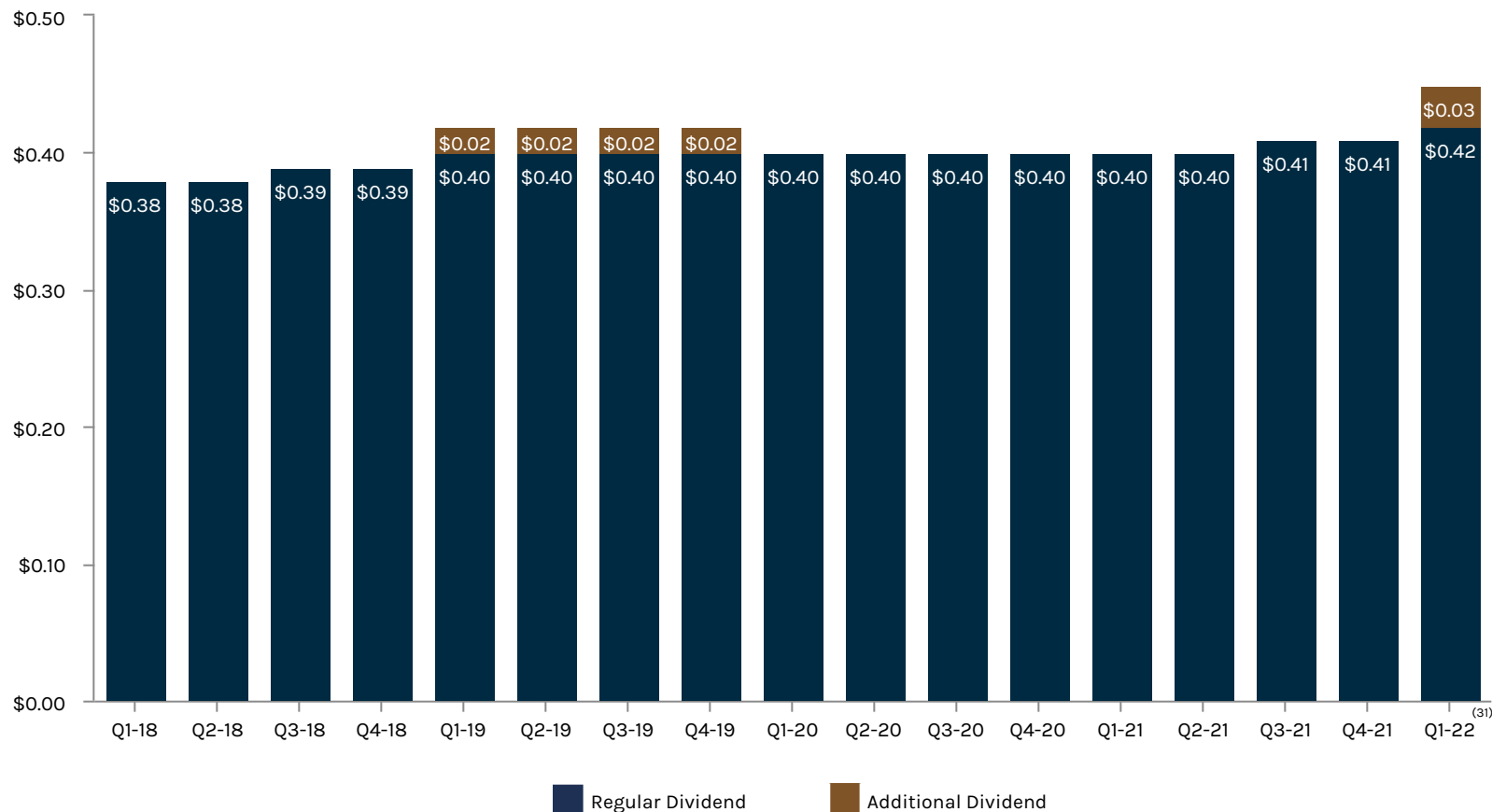
## Debt Maturities\*



\* Represents the total aggregate principal amount outstanding due on the stated maturity date

\*\* Excludes the 2027 Notes issued in January 2022 totaling \$500 million in aggregate principal amount

# Quarterly Dividends



- ARCC estimates that it will carry forward excess taxable income of approximately \$624 million<sup>(32)</sup> or \$1.30<sup>(33)</sup> per share from 2021 for distribution to stockholders in 2022

# Corporate Data

## Board of Directors

MICHAEL AROUGHETI  
Co-Chairman and Executive Vice  
President of Ares Capital Corporation  
Co-Founder, Chief Executive Officer and  
President of Ares

ANN TORRE BATES  
Former Executive Vice President, Chief  
Financial Officer and Treasurer of NHP,  
Inc.

KIPP DEVEER  
Director and Chief Executive Officer of  
Ares Capital Corporation  
Partner, Head of Credit Group

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Retired Partner of Davis Polk &  
Wardwell LLP

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Founder and Chief Executive Officer of  
Hidden Beach Recordings

MICHAEL PARKS  
Chief Executive Officer and President of  
FlyawayHomes

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Group

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Co-Chairman of Ares Capital  
Corporation  
Co-Founder and Partner of Ares  
Co-Chairman of Ares Private Equity  
Group

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Retired Partner of Apollo Advisors, LP.  
Special Advisor to the Chairman of the  
Milwaukee Brewers Baseball Club and a  
member of the Club's Board of Advisors

## Investment Committee

MARK AFFOLTER  
Partner, Co-Head of U.S. Direct Lending

MICHAEL AROUGHETI  
Co-Chairman and Executive Vice  
President of Ares Capital Corporation  
Co-Founder, Chief Executive Officer and  
President of Ares

KIPP DEVEER  
Director and Chief Executive Officer of  
Ares Capital Corporation  
Partner, Head of Credit Group

MICHAEL DIEBER  
Partner, Co-Head of Portfolio Management

MITCHELL GOLDSTEIN  
Co-President of Ares Capital Corporation  
Partner and Co-Head of Ares Credit Group

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KORT SCHNABEL  
Partner, Co-Head of U.S. Direct Lending

DAVID SCHWARTZ  
Partner, Co-Head of U.S. Direct Lending

MICHAEL SMITH  
Co-President of Ares Capital Corporation  
Partner and Co-Head of Ares Credit Group

## Corporate Officers

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Co-Chairman and Executive Vice  
President of Ares Capital Corporation  
Co-Founder, Chief Executive Officer and  
President of Ares

JOSHUA BLOOMSTEIN  
Vice President, General Counsel and  
Secretary

KIPP DEVEER  
Director and Chief Executive Officer of  
Ares Capital Corporation  
Partner, Head of Credit Group

MITCHELL GOLDSTEIN  
Co-President

MIRIAM KRIEGER  
Vice President

SCOTT LEM  
Chief Accounting Officer,  
Vice President and Treasurer

LISA MORGAN  
Chief Compliance Officer

PENNI ROLL  
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Please visit our website at:  
[www.arescapitalcorp.com](http://www.arescapitalcorp.com)

# Reconciliations of Core EPS

The following are reconciliations of basic and diluted net income per share computed in accordance with GAAP to basic and diluted core earnings per share:

	For the Three Months Ended				
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20
Basic and Diluted Core EPS <sup>(1)</sup>	\$ 0.58	\$ 0.47	\$ 0.53	\$ 0.43	\$ 0.54
Net realized and unrealized gains	0.31	0.33	0.70	0.54	0.35
Capital gains incentive fees attributable to net realized and unrealized gains and losses	(0.06)	(0.07)	(0.14)	(0.10)	—
Income tax expense related to net realized gains and losses	—	—	—	—	—
<b>Basic and Diluted GAAP net income per share</b>	<b>\$ 0.83</b>	<b>\$ 0.73</b>	<b>\$ 1.09</b>	<b>\$ 0.87</b>	<b>\$ 0.89</b>

	For the Years Ended	
	12/31/21	12/31/20
Basic and Diluted Core EPS <sup>(1)</sup>	\$ 2.02	\$ 1.74
Net realized and unrealized gains (losses)	1.85	(0.73)
Capital gains incentive fees attributable to net realized and unrealized gains and losses	(0.36)	0.13
Income tax expense related to net realized gains and losses	—	—
<b>Basic and Diluted GAAP net income per share</b>	<b>\$ 3.51</b>	<b>\$ 1.14</b>

# Endnotes

- 1) Basic and diluted Core EPS is a non-GAAP financial measure. Core EPS is the net per share increase (decrease) in stockholders' equity resulting from operations less net realized and unrealized gains and losses, any capital gains incentive fees attributable to such net realized and unrealized gains and losses, and any income taxes related to such net realized gains and losses. Basic and diluted GAAP net income (loss) per share is the most directly comparable GAAP financial measure. Ares Capital believes that Core EPS provides useful information to investors regarding financial performance because it is one method Ares Capital uses to measure its financial condition and results of operations. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. Reconciliations of basic and diluted Core EPS to the most directly comparable GAAP financial measure are set forth on slide 23 hereof.
- 2) Includes investment commitments to IHAM, a wholly-owned portfolio company of Ares Capital, or vehicles managed by IHAM. Q4-21 and Q2-21 also include investment commitments to IHAM or vehicles managed by IHAM of \$296 million and \$52 million, respectively.
- 3) Includes sales to IHAM or vehicles managed by IHAM. Q4-21, Q3-21, Q2-21, Q1-21 and Q4-20 include sales of loans to IHAM or vehicles managed by IHAM of \$1.4 billion, \$201 million, \$566 million, \$283 million and \$141 million, respectively. Q4-21 and Q4-20 also include investment commitments repaid by IHAM of \$108 million and \$78 million, respectively.
- 4) The weighted average yield on debt and other income producing securities is computed as (a) annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities (including the annualized amount of the dividend received by Ares Capital related to its equity investment in IHAM during the most recent quarter end), divided by (b) total accruing debt and other income producing securities at amortized cost or at fair value (including the amortized cost or fair value of Ares Capital's equity investment in IHAM as applicable), as applicable.
- 5) The weighted average yield on the total investment portfolio is computed as (a) annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities (including the annualized amount of the dividend received by Ares Capital related to its equity investment in IHAM during the most recent quarter end), divided by (b) total investments at amortized cost or at fair value, as applicable.
- 6) Computed as total principal debt outstanding less available cash divided by stockholders' equity. Available cash excludes restricted cash as well as cash held for dividends payable and for uses specifically designated for paying interest and expenses on certain debt.
- 7) Computed as (a) the annual stated interest expense on our debt obligations divided by (b) total debt obligations at principal amount outstanding. Stated interest expense on debt excludes facility and other fees and the amortization of original issue discount or premium, market discounts and debt issuance costs.
- 8) Net interest and dividend margin represents the difference between interest and dividend income (including dividend income from IHAM) and interest and credit facility fees expense for the last twelve month period divided by average total investments at amortized cost during the same period.
- 9) Excludes realized and unrealized gains (losses), incentive fees attributable to net realized and unrealized gains (losses) and income tax expense, including excise taxes.
- 10) Includes portfolio companies for which there are outstanding commitments, but for which no amounts were funded at the end of the period.
- 11) First lien senior secured loans include certain loans that Ares Capital classifies as "unitranche" loans, which are loans that combine both senior and subordinated debt, generally in a first lien position. As of December 31, 2021, the total amortized cost and fair value of loans that Ares Capital classified as "unitranche" loans were \$5.2 billion and \$5.2 billion, respectively.
- 12) Represents Ares Capital's portion of co-investments with Varagon Capital Partners and its clients in first lien senior secured loans, including certain loans that the SDLP classifies as "unitranche" loans, to U.S. middle-market companies. As of December 31, 2021, the Senior Direct Lending Program LLC's (the "SDLP") loan portfolio totaled approximately \$4.2 billion in aggregate principal amount and had loans to 19 different borrowers. As of December 31, 2021, the SDLP's largest loan to a single borrower was \$342 million in aggregate principal amount and the five largest loans to borrowers totaled \$1.5 billion in aggregate principal amount. As of December 31, 2021, the total principal amount of loans in the SDLP portfolio that the SDLP classified as "unitranche" loans was \$2.9 billion. The portfolio companies in the SDLP are in industries similar to companies in Ares Capital's portfolio. See Note 4 to Ares Capital's consolidated financial statements included in the annual report on Form 10-K for the year ended December 31, 2021 for information regarding the SDLP.



## Endnotes (cont'd)

- 13) As of December 31, 2021, excluding Ares Capital's investment in the subordinated certificates of the SDLP, 93% of the floating rate investments at fair value contained interest rate floor features.
- 14) Represents gross commitments or fundings less commitments or investments exited, respectively.
- 15) The portfolio weighted average EBITDA and average EBITDA for the underlying borrowers includes information solely in respect of corporate investments in Ares Capital's portfolio and the weighted average total net leverage multiple and interest coverage ratio data includes information solely in respect of corporate portfolio companies in which Ares Capital has a debt investment (in each case, subject to the exclusions described in the following sentence). Excluded from the data above is information in respect of the following: (i) the SDLP (and the underlying borrowers in the SDLP), (ii) portfolio companies that do not report EBITDA, including IHAM, (iii) portfolio companies with negative or de minimis EBITDA, (iv) investment funds/vehicles, (v) discrete projects in the project finance/power generation sector, (vi) certain oil and gas companies, (vii) venture capital backed companies and (viii) commercial real estate finance companies. The portfolio weighted average EBITDA for the underlying borrowers in the SDLP was \$62.2 million, \$63.2 million, \$75.4 million, \$83.5 million and \$85.2 million as of 12/31/20, 3/31/21, 6/30/21, 9/30/21 and 12/31/21, respectively. The portfolio average EBITDA for the underlying borrowers in the SDLP was \$51.0 million, \$53.0 million, \$64.7 million, \$71.5 million and \$73.8 million as of 12/31/20, 3/31/21, 6/30/21, 9/30/21 and 12/31/21, respectively.
- 16) Weighted average EBITDA amounts are weighted based on the fair value of the portfolio company investments. EBITDA amounts are estimated from the most recent portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 17) EBITDA is a non-GAAP financial measure. For a particular portfolio company, EBITDA is generally defined as net income before net interest expense, income tax expense, depreciation and amortization. EBITDA amounts are estimated from the most recent portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 18) Portfolio weighted average total net leverage multiples represent Ares Capital's last dollar of invested debt capital (net of cash) as a multiple of EBITDA. Portfolio weighted average total net leverage multiples for borrowers in the SDLP represent the SDLP's last dollar of invested debt capital (net of cash) as a multiple of EBITDA. The weighted average total net leverage multiple for the underlying borrowers in the SDLP was 6.2x, 6.2x, 5.8x, 5.8x and 6.0x as of 12/31/20, 3/31/21, 6/30/21, 9/30/21 and 12/31/21, respectively, which excludes certain portfolio companies with negative or de minimis EBITDA. Weighted average total net leverage multiples are weighted based on the fair value of the portfolio company investments. Portfolio company credit statistics for Ares Capital and the SDLP are derived from the most recently available portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 19) Portfolio weighted average interest coverage ratio represents the portfolio company's EBITDA as a multiple of cash interest expense. The weighted average interest coverage ratio for the underlying borrowers in the SDLP was 2.3x, 2.3x, 2.6x, 2.7x and 2.6x as of 12/31/20, 3/31/21, 6/30/21, 9/30/21 and 12/31/21, respectively, which excludes certain portfolio companies with negative or de minimis EBITDA. Weighted average interest coverage ratios are weighted based on the fair value of the portfolio company investments. Portfolio company credit statistics for Ares Capital and the SDLP are derived from the most recently available portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 20) The EBITDA growth rate for each included portfolio company is calculated as the percentage change for the most recently reported fiscal year to date comparable periods and is weighted based on the fair value of the portfolio company investments to calculate the portfolio weighted average EBITDA growth rate. For a particular portfolio company, EBITDA is generally defined as net income before net interest expense, income tax expense, depreciation and amortization. EBITDA amounts used in the calculation are estimated from the most recent portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.

## Endnotes (cont'd)

- 21) Based on our investment adviser's internal investment rating system scale from 1 to 4. Investments with a grade of 4 involve the least amount of risk to our initial cost basis and the trends and risk factors for these investments since origination or acquisition are generally favorable, which may include the performance of the portfolio company or a potential exit. Investments with a grade of 3 involve a level of risk to our initial cost basis that is similar to the risk to our initial cost basis at the time of origination or acquisition. This portfolio company is generally performing as expected and the risk factors to our ability to ultimately recoup the cost of our investment are neutral to favorable. Investments with a grade of 2 indicate that the risk to our ability to recoup the initial cost basis of such investment has increased materially since origination or acquisition, including as a result of factors such as declining performance and non-compliance with debt covenants; however, payments are generally not more than 120 days past due. Investments with a grade of 1 indicate that the risk to our ability to recoup the initial cost basis of such investment has substantially increased since origination or acquisition and our investment adviser does not anticipate that we will recoup our initial cost basis and we may realize a substantial loss on our initial cost basis upon exit. All investments or acquired investments in new portfolio companies are initially assessed a grade of 3.
- 22) Investment backlog includes transactions approved by our investment adviser's investment committee and/or for which a formal mandate, letter of intent or a signed commitment has been issued, and therefore we believe are likely to close. Investment pipeline includes transactions where due diligence and analysis are in process, but no formal mandate, letter of intent or signed commitment has been issued. The consummation of any of the investments in this backlog and pipeline depends upon, among other things, one or more of the following: satisfactory completion of our due diligence investigation of the prospective portfolio company, our acceptance of the terms and structure of such investment and the execution and delivery of satisfactory transaction documentation. In addition, Ares Capital may sell all or a portion of these investments and certain of these investments may result in the repayment of existing investments. Ares Capital cannot assure you that we will make any of these investments or that we will sell all or any portion of these investments.
- 23) Requires periodic payments of interest and may require repayments of a portion of the outstanding principal once their respective reinvestment periods end but prior to the applicable stated maturity.
- 24) Subject to borrowing base and other restrictions. Represents total aggregate amount committed or outstanding, as applicable, under such instrument.
- 25) Represents the aggregate principal amount of the notes outstanding adjusted for the unaccreted discount or premium initially recorded at the time of issuance.
- 26) Effective stated rate as of December 31, 2021.
- 27) The interest rate charged on the Revolving Credit Facility is based on LIBOR (or an alternate rate of interest for certain loans, commitments and/or other extensions of credit denominated in Sterling, Canadian Dollars, Euros and certain other foreign currencies) plus an applicable spread of either 1.75% or 1.875% or an "alternate base rate" (as defined in the agreements governing the Revolving Credit Facility) plus an applicable spread of either 0.75% or 0.875%, in each case, determined monthly based on the total amount of the borrowing base relative to the sum of (i) the greater of (a) the aggregate amount of revolving exposure and term loans outstanding under the Revolving Credit Facility and (b) 85% of the total commitments of the Revolving Credit Facility (or, if higher, the total revolving exposure) plus (ii) other debt, if any, secured by the same collateral as the Revolving Credit Facility. As of December 31, 2021, the interest rate in effect was LIBOR plus 1.75%. The Revolving Credit Facility consists of a \$874 million term loan tranche and a \$3,358 million revolving tranche. For \$824 million of the term loan tranche, the stated maturity date is March 31, 2026. For the remaining \$50 million of the term loan tranche, the stated maturity date is March 30, 2025. For \$3,208 million of the revolving tranche, the end of the revolving period and the stated maturity date are March 31, 2025 and March 31, 2026, respectively. For the remaining \$150 million of the revolving tranche, the end of the revolving period and the stated maturity date are March 30, 2024 and March 30, 2025, respectively. Subsequent to the end of the respective revolving periods and prior to the respective stated maturity dates, Ares Capital is required to repay the relevant outstanding principal amounts under both the term loan tranche and revolving tranche on a monthly basis in an amount equal to 1/12th of the outstanding principal amount at the end of the respective revolving period.

## Endnotes (cont'd)

- 28) The interest rate charged on the Revolving Funding Facility is based on LIBOR plus 1.90% per annum or a “base rate” (as defined in the agreements governing the Revolving Funding Facility) plus 1.00% per annum. As of December 31, 2021, the interest rate in effect was LIBOR plus 1.90%. The end of the reinvestment period and the stated maturity date for the Revolving Funding Facility are December 29, 2024 and December 29, 2026, respectively. Subsequent to the end of this reinvestment period and prior to the stated maturity date of December 29, 2026, any principal proceeds from sales and repayments of loan assets held by Ares Capital CP Funding LLC will be used to repay the aggregate principal amount outstanding.
- 29) The interest rate charged on the SMBC Funding Facility is based on an applicable spread of either 1.75% or 2.00% per annum over LIBOR or 0.75% or 1.00% per annum over a “base rate” (as defined in the agreements governing the SMBC Funding Facility), in each case, determined monthly based on the amount of the average borrowings outstanding under the SMBC Funding Facility. As of December 31, 2021, the interest rate in effect was LIBOR plus 2.00%. The end of the reinvestment period and the stated maturity date for the SMBC Funding Facility are May 28, 2024 and May 28, 2026, respectively. Subsequent to the end of this reinvestment period and prior to the stated maturity date of May 28, 2026, any principal proceeds from sales and repayments of loan assets held by our consolidated subsidiary, Ares Capital JB Funding LLC, will be used to repay the aggregate principal amount outstanding.
- 30) The interest rate charged on the BNP Funding Facility is based on LIBOR (subject to a floor of 0.00%), or a “base rate” (as defined in the agreements governing the BNP Funding Facility) plus a margin of (i) 1.80% during the reinvestment period and (ii) 2.30% following the reinvestment period. The end of the reinvestment period and the stated maturity date for the BNP Funding Facility are June 11, 2023 and June 11, 2025, respectively. Subsequent to the end of this reinvestment period and prior to the stated maturity date of June 11, 2025, any principal proceeds from sales and repayments of loan assets held by our consolidated subsidiary, ARCC FB Funding LLC will be used to repay the aggregate principal amount outstanding.
- 31) Declared. In addition to the first quarter 2022 regular dividend of \$0.42 per share to be paid on March 31, 2022 to stockholders of record on March 15, 2022, Ares Capital declared additional dividends totaling \$0.12 per share for 2022, to be distributed in four consecutive quarterly payments of \$0.03 per share. The first additional dividend of \$0.03 per share is to be paid on March 31, 2022 to stockholders of record on March 15, 2022.
- 32) The amount of excess 2021 U.S. federal taxable income available for carry over into 2022 is only an estimate based on estimated 2021 U.S. federal taxable income. The calculation of estimated 2021 U.S. federal taxable income includes a number of estimated inputs, including information received from third parties, and as a result, actual 2021 U.S. federal taxable income will not be finally determined until Ares Capital's 2021 tax return is filed in 2022. Consequently, both 2021 U.S. federal taxable income and the amount of excess U.S. federal taxable income available for carry over into 2021 are subject to change. See Note 11 to Ares Capital's consolidated financial statements included in the annual report on Form 10-K for the year ended December 31, 2021 for more information.
- 33) The estimated excess taxable income carried forward from 2021 for distribution to stockholders in 2022 is based on the approximately 479 million shares outstanding as of February 2, 2022.

