



BCP Investment Corp. (BCIC)

Updated August 19th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	\$7.65	5 Year Annual Expected Total Return:	11.0%	Market Cap:	\$95 M
Fair Value Price:	\$7.50	5 Year Growth Estimate:	0.0%	Ex-Dividend Date:	09/15/26
% Fair Value:	102%	5 Year Valuation Multiple Estimate:	-0.4%	Dividend Payment Date:	09/30/26
Dividend Yield:	14.1%	5 Year Price Target	\$7.50	Years Of Dividend Growth:	0
Dividend Risk Score:	F	Sector:	Financials	Rating:	Sell

Overview & Current Events

BCP Investment Corporation is an externally managed business development company focused on generating current income, and secondarily capital appreciation, by lending to and investing in middle-market companies. It mainly invests in first- and second-lien secured loans, mezzanine debt, and selected equity-linked instruments, and also has smaller exposures to joint ventures and CLO fund securities. BCP targets privately held businesses with EBITDA of about \$10 million to \$50 million. BCP is managed by Sierra Crest Investment Management, an affiliate of BC Partners. As of Q2 2026, its investment portfolio totaled about \$452.7 million at fair value across 107 entities. Its debt investment portfolio totaled \$349.7 million at fair value across 71 portfolio companies and 33 industries. BCP pays dividends on a monthly basis.

On August 6th, 2026, BCP posted its Q2 results for the period ending June 30th, 2026. BCP recorded net investment income of \$5.5 million, or \$0.45 per share, up from \$4.6 million, or \$0.50 per share, in Q2 2025. Total investment income grew to \$15.2 million from \$12.6 million, while total expenses rose to \$9.6 million from \$8.1 million. Total net assets fell to \$179.5 million from \$193.0 million at the end of Q1. NAV per share declined to \$14.49 from \$15.60 due to unrealized portfolio markdowns, with 34% tied to investments classified as software. After quarter-end, BCP refinanced its revolving debt through a larger, lower-cost KeyBank facility maturing in 2031. For 2026, we expect NII of \$2.50.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$3.10	\$2.80	\$2.40	\$1.85	\$2.43	\$2.22	\$2.51	\$3.16	\$2.59	\$2.27	\$2.50	\$2.50
DPS	\$5.70	\$4.60	\$4.00	\$2.80	\$2.40	\$2.45	\$2.61	\$2.76	\$2.54	\$1.73	\$1.08	\$1.08
Shares¹	3.7	3.7	3.7	3.8	5.0	8.5	9.6	9.5	9.3	11.1	12.4	15.0

BCP has not managed to grow over the past decade. NII per share was strongest in the earlier years as KCAP Financial, but it trended down from 2016 through 2019 as the company was still operating with a legacy mix of investments, such as CLO-related exposures, while earnings power and net asset value were under pressure. In 2019, the business was effectively reset when KCAP was externalized to Sierra Crest/BC Partners, renamed Portman Ridge, and received a \$35 million support package that included cash to shareholders, adviser buybacks, and temporary incentive-fee support. Still, NII/share fell to its low for the period, as BCP was still in transition and the OHAI acquisition closed only late in the year.

From 2020 to 2023, NII/share recovered as Portman Ridge gained scale through the GARS and HCAP acquisitions and shifted toward middle-market credit under BC Partners. The 2020 rebound was aided by a partial incentive-fee waiver, while later years benefited from a larger earning-asset base. By 2022, and especially 2023, higher floating-rate asset yields pushed NII/share to \$2.51 and then \$3.16, though 2023 also included adviser reimbursements related to transition-service costs from prior mergers.

The decline to \$2.59 in 2024 and \$2.27 in 2025 reflects a different set of pressures. In 2024, higher financing costs weighed on results, with interest expense taking up a much larger share of average net assets. In 2025, total NII still rose

¹ In millions



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to about \$25.1 million, but NII/share fell because the Logan Ridge acquisition increased the share count, while pre-incentive income softened and interest expense remained meaningful. Overall, the long-run pattern runs from legacy KCAP weakness, to a consolidation-driven recovery under external management, to a larger but still share-count- and funding-sensitive BDC model.

Going forward, we expect no growth in EPS or the dividend, as higher funding costs, share-count dilution from acquisitions, and limited underlying earnings growth are likely to offset the benefits of greater scale.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	2.8	3.4	4.0	5.5	2.7	5.5	5.3	4.2	5.5	5.2	3.1	3.0
Avg. Yld.	65.1%	48.4%	42.2%	27.4%	36.4%	19.9%	19.4%	21.0%	17.8%	14.7%	14.1%	14.4%

BCIC has typically traded at a low P/NII because investors have not viewed its earnings as durable, given the long history of mergers, fee drag, credit losses, leverage, and recurring NAV erosion. With book value per share falling from about \$53 in 2016 to \$14.49 as of its latest report, we think the market’s skepticism is justified, which is why we use only a 3.0x fair multiple. The high dividend yield reflects the plethora of risks surrounding the stock.

Safety, Quality, Competitive Advantage, & Recession Resiliency

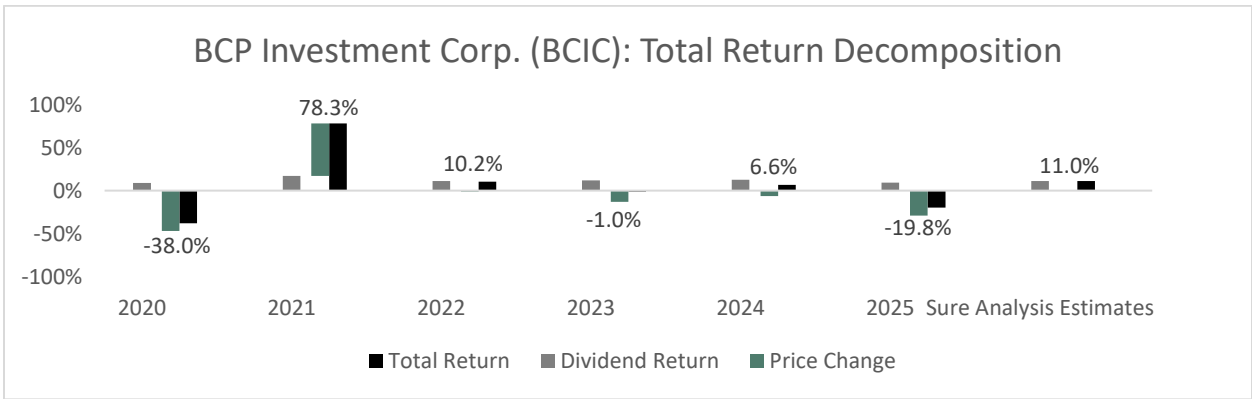
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	184%	164%	167%	151%	99%	110%	104%	87%	98%	76%	43%	43%

BCIC scores weakly on safety and business quality as its dividend capacity relies on credit performance, leverage, funding costs, and manager execution rather than on any durable underlying franchise. It has no real moat, as it is an externally managed BDC, so any advantage is mostly in sourcing and underwriting, and the company’s long record of mergers, book value erosion, and periods of over-distribution suggests that edge has not translated into meaningful long-term shareholder outcomes. Its resiliency is also limited because a weaker economy can quickly pressure portfolio company fundamentals, non-accruals, realized losses, and NAV at the same time. Overall, we view BCIC as a risky income vehicle and one where investors should remain cautious about treating the dividend as fully dependable through a cycle.

Final Thoughts & Recommendation

BCIC is a higher-yield, higher-risk BDC best viewed as a discounted income vehicle with some upside from credit stability and portfolio scale. However, there is limited valuation support because weak business quality, no moat, and a long history of NAV erosion make the dividend and earnings stream hard to fully trust. We forecast low-double-digit annualized returns in the medium-term, but that assumes the dividend holds at this level, and that’s not guaranteed. We believe this is a risky investment with no dependable dividend growth prospects. Thus we rate the stock as a sell.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	30	21	11	11	50	76	38	50	31	40
Gross Profit	30	21	11	7	40	58	20	38	18	28
Gross Margin	100%	100%	100%	61.3%	78.5%	76.0%	52.6%	76.0%	57.3%	71.3%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.				(0)	-	-	-	-	-	-
Operating Profit	(1)	8	(9)	(2)	42	42	(3)	37	16	32
Operating Margin	-2.9%	35.2%	-88.3%	-15.9%	82.8%	54.7%	-8.8%	74.0%	49.6%	81.7%
Net Profit	(1)	3	(10)	(13)	32	26	(21)	11	(6)	11
Net Margin	-3.4%	15.7%	-89.6%	-115%	62.7%	34.3%	-55.8%	22.9%	-19.0%	28.9%
Free Cash Flow	29	26	(3)	(58)	25	29	28	22	9	2
Income Tax	-	-	-	-	-	-	-	-	-	-

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	381	320	285	310	600	648	619	549	454	524
Cash & Equivalents	39	79	54	9	83	68	33	72	72	37
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Goodwill & Int. Ass.	-	-	-	-	-	-	-	-	-	-
Total Liabilities	186	138	127	158	384	368	387	336	275	314
Accounts Payable										
Long-Term Debt	176	101	100	154	373	347	373	322	265	307
Shareholder's Equity	195	182	158	152	216	280	232	214	178	209
LTD/E Ratio	0.90	0.56	0.64	1.01	1.73	1.24	1.61	1.51	1.49	1.47

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	-0.3%	1.0%	-3.1%	-4.2%	6.9%	4.2%	-3.3%	1.9%	-1.2%	2.4%
Return on Equity	-0.5%	1.8%	-5.6%	-8.1%	17.1%	10.5%	-8.2%	5.1%	-3.0%	5.9%
ROIC	-0.3%	1.0%	-3.5%	-4.4%	7.1%	4.3%	-3.4%	2.0%	-1.2%	2.4%
Shares Out.	3.7	3.7	3.7	3.8	5.0	8.5	9.6	9.5	9.3	11.1
Revenue/Share	8.08	5.74	2.84	2.89	10.08	8.88	3.91	5.22	3.37	3.61
FCF/Share	7.67	6.90	(0.90)	-15.31	4.92	3.38	2.92	2.33	1.01	0.18

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

Disclaimer

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