



NEW MOUNTAIN FINANCE  
CORPORATION

## **Q2 2020 Earnings Presentation**

August 6, 2020

# Important Notices and Safe Harbor Statement

This presentation contains forward looking statements, which are not guarantees of future performance, conditions or results, and involve substantial risks and uncertainties, including the impact of COVID-19 and related changes in base interest rates and significant volatility on our business, portfolio companies, our industry, and the global economy. All forward-looking statements included in this presentation are made only as of the date hereof and are subject to change without notice. Actual outcomes and results could differ materially from those suggested by this presentation due to the impact of many factors beyond the control of New Mountain Finance Corporation (“NMFC”), including those listed in the “Risk Factors” section of our filings with the United States Securities and Exchange Commission (“SEC”). Any such forward-looking statements are made pursuant to the safe harbor provisions available under applicable securities laws and NMFC assumes no obligation to update or revise any such forward-looking statements unless required by law. Certain information discussed in this presentation (including information relating to portfolio companies) was derived from third party sources and has not been independently verified and, accordingly, NMFC makes no representation or warranty with respect to this information.

The following slides contain summaries of certain financial and statistical information about NMFC. The information contained in this presentation is summary information that is intended to be considered in the context of our SEC filings and other public announcements that we may make, by press release or otherwise, from time to time. We undertake no duty or obligation to publicly update or revise the information contained in this presentation unless required by law. In addition, information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured. You should not view the past performance of NMFC, or information about the market, as indicative of NMFC’s future results. The performance data stated herein may have been due to extraordinary market conditions, which may not be duplicated in the future. Current performance may be lower or higher than the performance data quoted. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities of NMFC.

Past performance is not indicative nor a guarantee of future returns, the realization of which is dependent on many factors, many of which are beyond the control of NMFC. There can be no assurances that future dividends will match or exceed historic ones, or that they will be made at all. Net returns give effect to all fees and expenses. Unless otherwise noted, information included herein is presented as of the date indicated on the cover page and may change at any time without notice. NMFC is subject to certain significant risks relating to our business and investment objective. For more detailed information on risks relating to NMFC, see the latest Form 10-K and subsequent quarterly reports filed on Form 10-Q.

Investment portfolio related activity, metrics and disclosures on slides 6, 9, 11, 16, 17, 18, 24, 25, 26, 28, 29, and 34 include the underlying collateral from securities purchased under collateralized agreements to resell and exclude the PPVA Black Elk (Equity) LLC investment. Figures shown herein are unaudited and may not add due to rounding.

This presentation contains non-GAAP financial information. NMFC’s management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of NMFC’s financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. However, these non-GAAP measures should not be considered in isolation or as a substitute for or superior to any measures of financial performance calculated and presented in accordance with GAAP. Other companies may calculate this or similarly titled non-GAAP measures differently than we do.

The term Adjusted Net Investment Income as used throughout this presentation is not defined under GAAP and is not a measure of operating income, operating performance or liquidity presented in accordance with GAAP. In evaluating its business, NMFC considers and uses Adjusted Net Investment Income as a measure of its operating performance. Adjusted Net Investment Income is defined as net investment income adjusted to reflect income as if the cost basis of investments held at NMFC’s IPO date had stepped-up to fair market value as of the IPO date. Under GAAP, NMFC’s IPO did not step-up the cost basis of the predecessor operating company’s existing investments to fair market value. Since the total value of the predecessor operating company’s investments at the time of the IPO was greater than the investments’ cost basis, a larger amount of amortization of purchase or issue discount, and different amounts in realized gains and unrealized appreciation, may be recognized under GAAP in each period than if a step-up had occurred. For purposes of the incentive fee calculation, NMFC adjusts income as if each investment was purchased at the date of the IPO (or stepped-up to fair market value). **To view the reconciliation of Adjusted Net Investment Income, please see Appendix A at the end of this presentation.**

The S&P 500 Stock Index (the “S&P 500”) is an unmanaged index of 500 widely held, large-capitalization stocks from a broad variety of industries that is recognized by investors to be generally representative of the performance of the broad domestic economy. The S&P 500 Total Return Index reflects the reinvestment of all dividends and distributions. Please note an investor cannot invest directly in an index. References to the S&P 500 Total Return Index are for illustrative purposes only. The S&P 500 Financial Index comprises those companies included in the S&P 500 that are classified as members of the GICS financial sectors. The S&P 500 Total Return Index and the S&P Financials Index may not be the most appropriate comparison because the indices are unmanaged and significantly more diversified than NMFC. NMFC’s investments and portfolio holdings are materially different from the companies represented in the indices. Additionally, due to the allocation differences between the indices and NMFC, NMFC may experience more investment volatility than the unmanaged S&P 500 Index and the S&P 500 Financial Index, which may have accounted for the results of the comparison.

Relevant credit benchmarks include the Credit Suisse Leveraged Loan Index, the Credit Suisse HY Index II and the BDC Index (together, the “Benchmarks”). The Credit Suisse Leveraged Loan Index is an unmanaged market value weighted index designed to represent the universe of U.S. dollar-denominated leveraged loan markets. The Credit Suisse HY Index II is an unmanaged index designed to mirror the investable universe of U.S. dollar-denominated high yield debt market. The loans and other investments held by NMFC may be materially different in composition and diversification as compared to the loans comprising each of the Benchmarks described above. The BDC Index is not a tracked index and includes the median of other business development companies that have been public for as long as NMFC, equal-weighted. The portfolio of loans and other investments held by the BDC Index and relevant Peer Group referenced herein may be materially different in composition and risk profile than that of NMFC. The volatility of an index may be materially different from the performance attained by NMFC. In addition, NMFC’s holdings may differ significantly from the securities that comprise the indices. You cannot invest directly in an index.



# Management Participants

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**Steven B. Klinsky**

*Chairman of the Board of Directors*

**Robert A. Hamwee**

*Chief Executive Officer and Director*

**John R. Kline**

*President, Chief Operating Officer, and Director*

**Shiraz Y. Kajee**

*Chief Financial Officer*



# Chairman's Overview

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- As the COVID-19 pandemic continues, NMFC has actively worked to mitigate the impact through a number of initiatives:
  - Continue to maintain close dialogue with sponsors and companies to monitor the impact of COVID-19
  - Generated additional liquidity through various actions, including selling assets at attractive prices
  - Focused on liability management through outreach to lenders and rating agencies; no immediate pressure due to non-mark-to-market nature of credit facilities
- We believe our portfolio continues to be well positioned as a result of our defensive growth investment strategy, which focuses on acyclical, recurring, and predictable business models with long term viability, even in a recessionary environment
  - No material migration to any portfolio company's Risk Rating<sup>(1)</sup> since our May 7, 2020 earnings call



# Chairman's Overview (Continued)

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- Q2 2020 Adjusted Net Investment Income (“NII”) of \$0.30<sup>(1)</sup> per weighted average share, at the higher end of our guidance of \$0.27 to \$0.31
  - Q2 2020 regular dividend of \$0.30 per share paid on June 30, 2020
- Only one asset, dental practice management company, Benevis, which we discussed on our earnings call in May, has been placed on non-accrual
- Every other borrower paid their interest for Q2 2020
  - We do not currently anticipate placing any additional portfolio companies on non-accrual for Q3 2020
- June 30, 2020 net asset value (“NAV”) of \$11.63 per share, an increase of \$0.49 per share from the March 31, 2020 NAV of \$11.14 per share
  - Recovery in fair value driven primarily by market spread movement and comparable company valuations
- Q3 2020 regular dividend of \$0.30 per share announced, based on estimated NII of approximately \$0.30 per share, payable on September 30, 2020 to holders of record as of September 16, 2020
- Liquidity position remains strong as we currently have ~\$200 million of cash and immediately available liquidity to handle future needs<sup>(2)</sup>
- New Mountain employees continue to be the largest shareholder of the Company, with ownership of ~13%



# Key Highlights

## Financial Highlights

	Quarter Ended				6/30/2020
	6/30/2019	9/30/2019	12/31/2019	3/31/2020	
Adjusted NII Per Share <sup>(1)</sup>	\$0.34	\$0.36	\$0.36	\$0.35	\$0.30
NAV Per Share	\$13.41	\$13.35	\$13.26	\$11.14	\$11.63
Dividends Per Share	\$0.34	\$0.34	\$0.34	\$0.34	\$0.30
Share Count - End of Period (mm)	80.6	87.6	96.8	96.8	96.8
Shares Owned by New Mountain Employees (mm / %) <sup>(2)</sup>	10.1 / 12%	10.1 / 12%	10.7 / 11%	11.1 / 11%	12.2 / 13%
Value of Shares Owned by New Mountain Employees (mm) <sup>(2)(3)</sup>	\$140.6	\$138.1	\$146.9	\$75.5	\$112.9

## Portfolio Highlights

	Quarter Ended				6/30/2020
	6/30/2019	9/30/2019	12/31/2019	3/31/2020	
Fair Value of Investments (\$mm)	\$2,655.2	\$3,009.6	\$3,171.3	\$3,002.3	\$2,837.5
Number of Portfolio Companies	101	112	114	114	108
Middle Market Focus (EBITDA / Facility Size) <sup>(4)</sup>	81% / 60%	80% / 58%	76% / 60%	80% / 60%	80% / 64%
Current Yield at Cost <sup>(5)</sup>	10.1%	9.8%	9.7%	9.1%	8.8%
YTM at Cost <sup>(6)</sup>	9.4%	9.3%	9.5%	8.5%	8.6%
<b>Portfolio Activity (\$mm)<sup>(7)</sup></b>					
Gross Originations	\$183.3	\$452.1	\$286.2	\$172.8	\$48.8
(-) Repayments	(68.4)	(67.3)	(73.5)	(151.3)	(90.8)
<b>Net Originations</b>	<b>\$114.9</b>	<b>\$384.8</b>	<b>\$212.7</b>	<b>\$21.5</b>	<b>(\$42.0)</b>
(-) Sales	-	(43.9)	(43.9)	(38.6)	(168.3)
<b>Net Originations Less Sales</b>	<b>\$114.9</b>	<b>\$340.9</b>	<b>\$168.8</b>	<b>(\$17.1)</b>	<b>(\$210.3)</b>

<sup>1</sup> See Appendix A for GAAP and adjusted reconciliation; GAAP NII per weighted average share of \$0.35, \$0.36, \$0.32, \$0.32 and \$0.28 as of 6/30/2019, 9/30/2019, 12/31/2019, 3/31/2020 and 6/30/2020, respectively

<sup>2</sup> Includes members of senior management and other New Mountain employees; excludes independent directors; ownership % based on total shares outstanding at the end of the respective period

<sup>3</sup> Based on NMFC's closing price of \$13.97, \$13.63, \$13.74, \$6.80 and \$9.29 per share on 6/28/2019, 9/30/2019, 12/31/2019, 3/31/2020 and 6/30/20, respectively

<sup>4</sup> Defined as the % of portfolio companies (by fair value) with LTM EBITDA at the time of investment less than \$100m and facility sizes as of each date less than \$300m; excludes NMFC Senior Loan Program I ("SLP I"), NMFC Senior Loan Program II ("SLP II"), NMFC Senior Loan Program III ("SLP III") and investments held by New Mountain Net Lease Corporation ("Net Lease")

<sup>5</sup> Current Yield at Cost is calculated as annual stated interest rate plus annual amortization of original issue discount and market discount / premium earned on accruing debt and other income producing securities divided by total accruing debt and other income producing securities at amortized cost

<sup>6</sup> Yield to Maturity ("YTM") at Cost assumes that the accruing investments in our portfolio as of each date are purchased at cost on that date and held until their respective maturities with no prepayments or losses and are exited at par at maturity. This calculation excludes the impact of existing leverage. YTM at Cost uses the LIBOR curves at each quarter's respective end date. The actual yield to maturity may be higher or lower due to the future selection of LIBOR contracts by the individual companies in our portfolio or other factors. See "Important Notices and Safe Harbor Statement"

<sup>7</sup> Excludes PIK ("payment-in-kind" interest), revolvers, unfunded commitments, bridges, return of capital, and realized gains / losses



# Review of NMFC

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## Overview

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- Founded in October 2008 to apply New Mountain Capital, L.L.C.'s ("NMC" or "New Mountain") private equity strengths to attractive risk-reward opportunities in the U.S. debt markets
  - New Mountain is a leading alternative investment firm that currently manages private equity, public equity, and credit funds with over \$25 billion in assets under management and ~175 staff members
- Externally managed Business Development Company ("BDC")
  - Initial Public Offering ("IPO") completed in May 2011 (NYSE: NMFC)
  - Public float market capitalization has increased from \$147 million at IPO to approximately \$900 million as of June 30, 2020
  - As of June 30, 2020, New Mountain employees owned ~\$113 million of NMFC shares<sup>(1)</sup>
- Targets investments up to a \$125 million hold size in:
  - "Defensive growth" middle market companies, typically generating \$10 – \$200 million of EBITDA
  - Senior secured debt (1<sup>st</sup> lien, 2<sup>nd</sup> lien or uni-tranche), mezzanine and other subordinated securities

## Strategy

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- NMFC's mandate is to primarily target businesses in the middle market that, consistent with New Mountain's private equity platform, are **quality, defensive growth** companies, in industries that are **well-researched** by New Mountain
- Mandate achieved by **utilizing existing New Mountain investment team** as primary underwriting resource; team combines operating executives with financial executives
- Target loan to value ratios typically average less than 50% of both sponsor purchase price and NMC valuation

## Key Investment Highlights

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- Strong track record on credit and returns
- Well established New Mountain platform provides unique knowledge warehouse and sourcing capabilities
- Differentiated "defensive growth" investment strategy
- High quality and diverse portfolio
- Experienced management team who are also significant shareholders



# Assessment of COVID-19 Exposure

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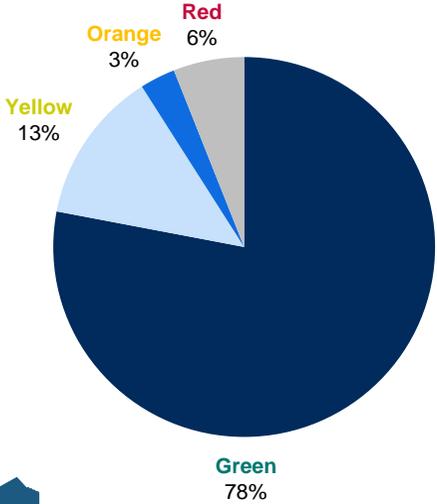
- Throughout Q2 2020, New Mountain's investment team has maintained its dialogue with companies and sponsors; we have re-rated each company based on those conversations
- As a reminder, in order to monitor COVID risk to the portfolio, we had assigned each portfolio company scores on 2 metrics to generate an overall "Risk Rating":
  - "COVID Exposure" (scale of 1 to 4, with 1 being the worst)
    - Tier 1 – Immediate and severe impact
    - Tier 2 – Near term or secondary significant impact
    - Tier 3 – Material impact only from a sustained disruption
    - Tier 4 – Modest or limited impact
  - "Overall Company Strength," based on a combination of 3 sub-metrics (scale of A to C, with A being the best)
    - Business performance and quality (pre-COVID)
    - Balance sheet quality
    - Sponsor support
- Charted COVID Exposure versus Overall Company Strength to create a combined Risk Rating of **Green**, **Yellow**, **Orange**, or **Red**, plotted on the following pages



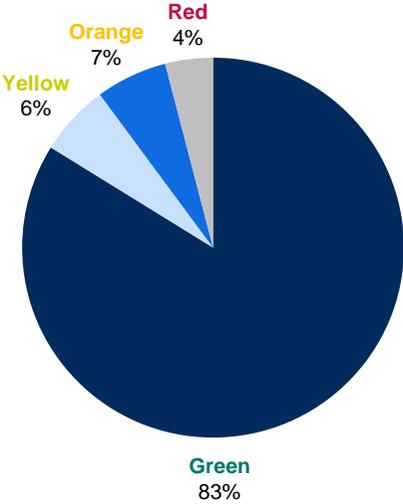
# Summary of Changes in Portfolio<sup>(1)</sup>

- Overall portfolio has improved from a Risk Rating standpoint in Q2 2020 from Q1 2020
  - As of Q2, 83% of the portfolio is characterized as Green (up from 78% in Q1)
  - 45% of Q1 Red Risk Rated companies improved to Orange
  - 63% of Q1 Orange Risk Rated companies improved to Yellow, offset by 10% that worsened
  - 63% of Q1 Yellow Risk Rated companies improved to Green, offset by 16% that worsened
  
- Improvement in the portfolio is primarily driven by 1) reopening of operations in our retail healthcare names and 2) stable performance at Edmentum and NHME, offset by further weakness at UniTek and our one hospitality management name

**Q1 2020 Risk Ratings**  
(FMV as of 3/31/2020)<sup>(2)</sup>



**Q2 2020 Risk Ratings**  
(FMV as of 6/30/2020)<sup>(2)</sup>



Positions representing \$377m improved in Rating<sup>(3)</sup>

Positions representing \$90m worsened in Rating<sup>(3)</sup>

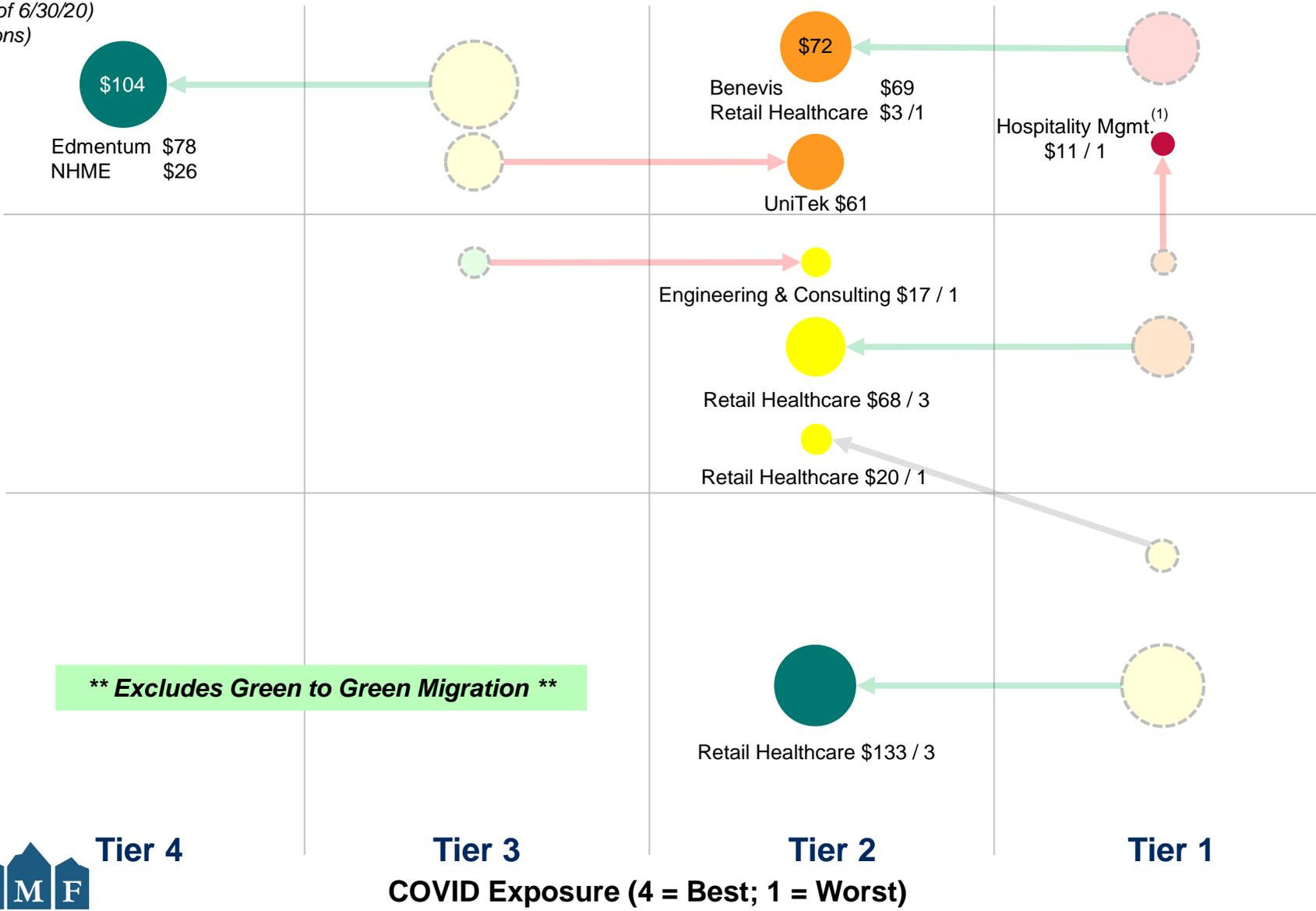


<sup>1</sup> Risk Rating migration reflected as change in 3/31/2020 Risk Rating at 6/30/2020 FMV  
<sup>2</sup> Excludes SLP I, SLP II, SLP III, and Net Lease  
<sup>3</sup> Based on 6/30/2020 FMV

# NMFC Portfolio – Risk Rating Migration from Q1 2020

(FMV as of 6/30/20)  
(\$ in millions)

Overall Company Strength (A = Best; C = Worst)



**\*\* Excludes Green to Green Migration \*\***

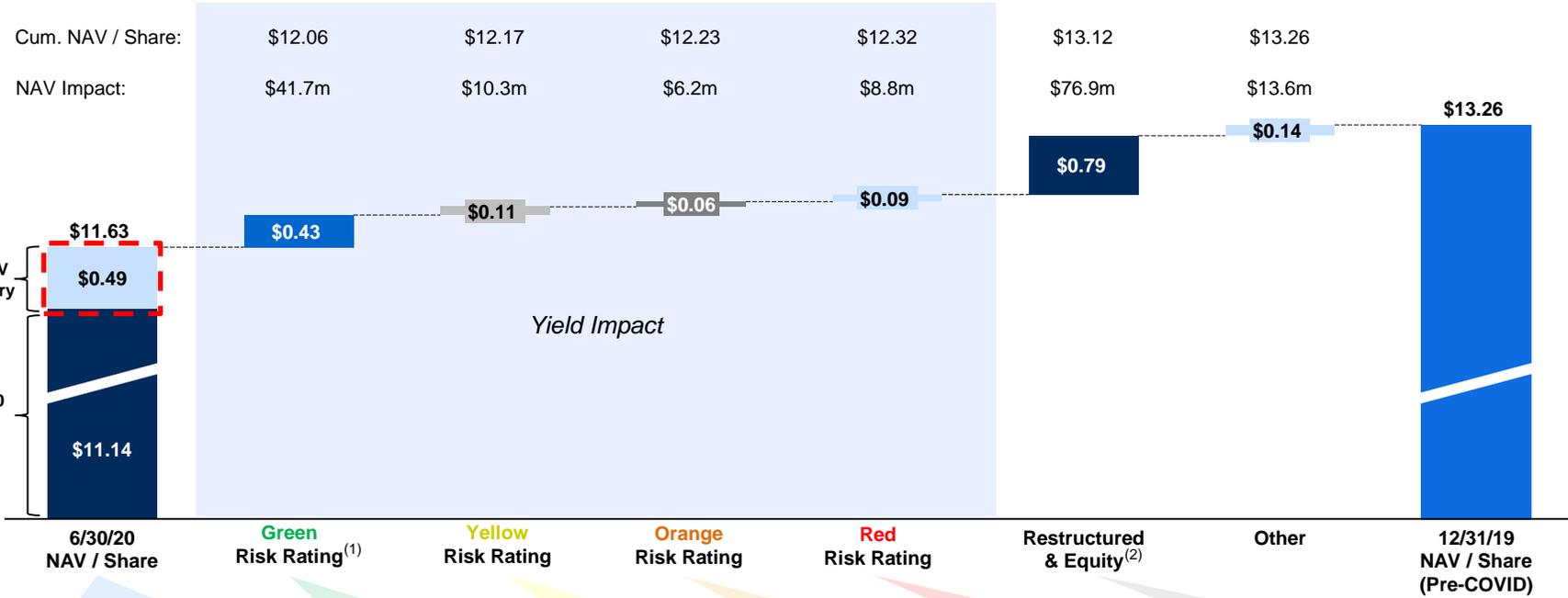
<sup>1</sup> Classified as Business Services on slide 24



# NAV Recovery Progress

(\$ in millions)

## NAV Impact Change in FMV of \$143.9



### Q2 NAV Recovery Details

	Risk Rating	Impact to NAV	Impact to NAV / Share
Δ in FMV	Green	\$40.7	\$0.42
	Yellow	5.3	0.05
	Orange	3.8	0.04
	Red	3.7	0.04
	Restruct. & Equity	(3.8)	(0.04)
	Realized & Other	(2.2)	(0.02)
	<b>Total Increase</b>	<b>\$47.4</b>	<b>\$0.49</b>

### Notable Individual Movers

Green Risk Rating	Yellow Risk Rating	Orange Risk Rating	Red Risk Rating	Restructured & Equity
REIT (\$8.3)	F (Retail Healthcare) (\$3.9)	I (Marketing Serv.) (\$4.5)	K (Retail Healthcare) (\$4.5)	Unitek (\$22.8)
A (Retail Healthcare) (4.2)	G (Dist. Restaurants) (2.3)	J (Retail Healthcare) (1.7)	L (Hospitality Mgmt.) <sup>(3)</sup> (2.4)	Edmentum (19.7)
B (Bus. Services) (3.3)	H (Retail Healthcare) (1.1)		M (Edu. Products) (1.8)	Benevis (17.2)
C (Engr. Consulting) (3.3)				Permian (9.1)
D (Retail Healthcare) (2.1)				Sierra Hamilton (4.5)
E (Bus. Services) (1.9)				



<sup>1</sup> Includes SLPs and Net Lease

<sup>2</sup> Previously restructured (Edmentum, NHME, Permian, PPVA, Sierra, Unitek), Tenawa equity, and Benevis, which is currently going through a restructuring

<sup>3</sup> Classified as Business Services on slide 24

# Leverage Migration

(\$ in millions)

**3/31/20**

Statutory Debt:

**\$1,682.5**

NAV:

**\$1,078.2**



**Statutory  
Leverage Ratio<sup>(1)</sup>:  
1.56x**

**Δ**

**(\$234.0)**

*Debt paydown primarily  
from asset sales / repayments*

**\$47.4**

*Primarily driven by  
market value recovery*

Sources		Uses	
Q2 Sales	\$168.3	Debt Paydown	<b>\$234.0</b>
Q2 Repayments	90.8	Q2 DDTL Draws	43.4
Q2 Revolver Net Repayments	15.6	Q2 Settled Originations	2.0
Q1 Sales Settlement	31.0	Q2 2020 Dividend	29.0
Cash Interest Income, Net of Expenses	34.2	Balance Sheet Cash	34.1
Other	2.6		
<b>Total</b>	<b>\$342.5</b>	<b>Total</b>	<b>\$342.5</b>

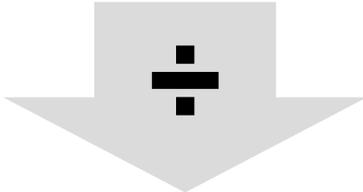
**6/30/20**

Statutory Debt:

**\$1,448.5**

NAV:

**\$1,125.6**



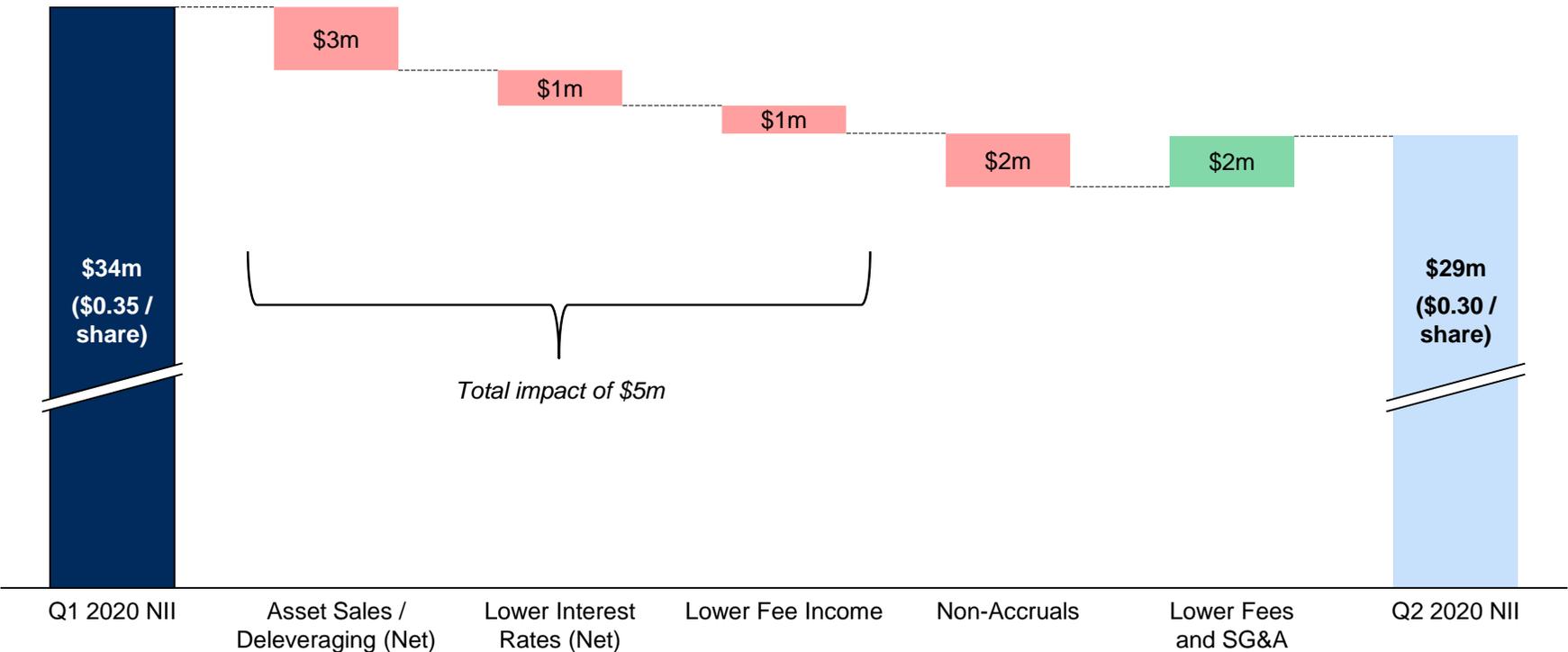
**Statutory  
Leverage Ratio<sup>(1)</sup>:  
1.29x**



<sup>1</sup> Statutory debt / equity calculation excludes SBA-guaranteed debentures, which are fully funded, non-recourse, asset-backed securities that are excluded by SEC exemptive order from the definition of "senior securities" under the Investment Company Act of 1940, as amended

# Q2 2020 Adjusted NII Bridge

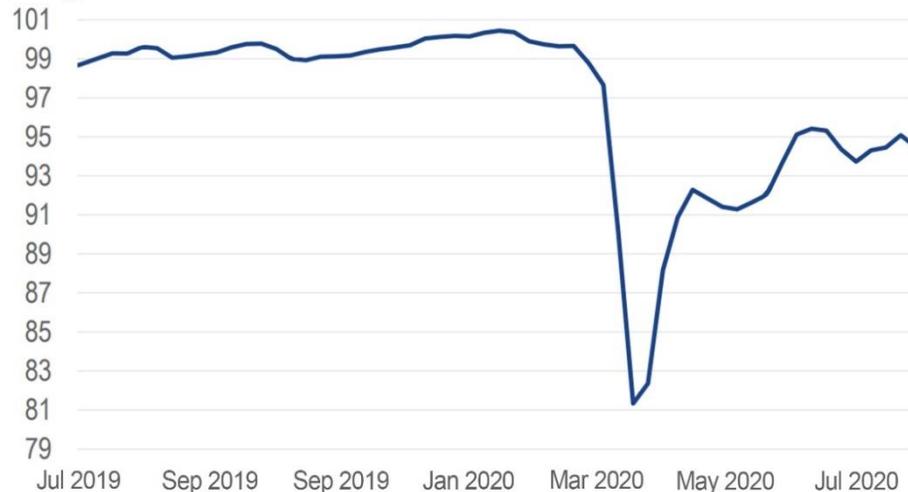
Q2 2020 NII was within our initial projections of \$0.27 to \$0.31 per share



# Credit Market Conditions

- Credit markets have continued to materially improve since our last earnings call in May
- Deal volume in our core direct lending market remains low
- Secondary trading levels in corporate credit have nearly returned to pre-COVID levels
- The broad market has exhibited material improvements since late May, driven by:
  - Tremendous liquidity in the system
  - Expectation for continued Federal Reserve support
  - Optimism around lower infection rates

Average institutional flow-name loan bid



Source: LCD, an offering of S&P Global Market Intelligence

- Technology enabled companies with recurring revenue models have continued to hold their value
  - NMC portfolio heavily exposed to enterprise software, business & healthcare services and technology enabled healthcare (59% of portfolio<sup>(1)</sup>)
- Base rates have declined since our last call
  - 3-month LIBOR is at 25 bps as of July 31, 2020 compared to 54 bps as of May 1, 2020

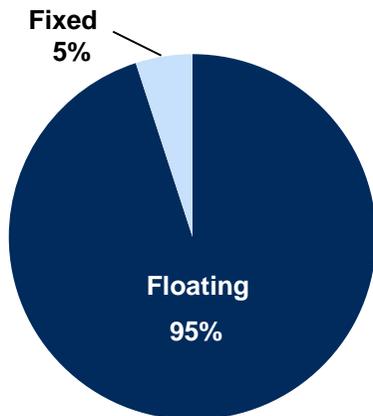


# Credit Market Conditions – Interest Rates

## Floating vs. Fixed

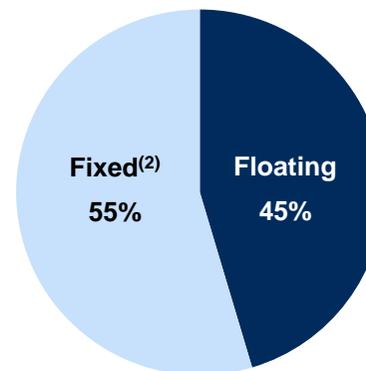
### Investments

(Aggregate par value of \$2,543 million as of 6/30/2020)<sup>(1)</sup>



### Debt

(\$1,748 million drawn as of 6/30/2020)



## Impact of Changing Rates<sup>(3)</sup>

<u>Change in Base Interest Rates</u>	<u>Estimated % Change in Interest Income Net of Interest Expense</u>	<u>Illustrative Impact to Annual NII / Share</u>
-100 bps	(1.5%)	(\$0.02)
-50 bps	(0.9%)	(\$0.01)
+50 bps	1.8%	\$0.02
+100 bps	6.5%	\$0.08

As of 6/30/2020 3-month LIBOR was 0.30%; 75% of floating rate assets<sup>(4)</sup> had a LIBOR floor, with an average floor of 1.00%



<sup>1</sup> Based on par values (excludes assets on non-accrual, unfunded commitments and non-interest bearing equity investments)

<sup>2</sup> Includes SBA debentures which become fixed rate debt upon semi-annual debenture pooling dates every March and September

<sup>3</sup> These hypothetical calculations are based on a model of the investments in our portfolio, held as of 6/30/2020, holding everything constant (including interest spreads and management and incentive fees) except for assumed changes in the underlying base interest rates. Assumes constant share count

<sup>4</sup> Measured at par

# Credit Performance

(\$ in millions)

	<b>As of 6/30/2020</b>	<b>Cumulative Since Inception<sup>(1)</sup> (October 2008 – June 30, 2020)</b>
	<u>Cost</u> / <u>FMV</u> / <u># Portfolio Co's</u>	<u>Cost</u> / <u># Portfolio Co's</u>
<b>Investments</b>	\$2,984 / \$2,838 / 108	\$7,903 / 292
	<i>of which</i>	<i>of which</i>
<b>Internal Watch List (3 or 4 Rating)<sup>(2)</sup></b>	\$394 / \$284 / 12	\$600 / 19
	<i>of which</i>	<i>of which</i>
<b>Non-Accrual</b>	\$119 / \$71 / 5	\$220 / 10
		<i>of which</i>
<b>Realized Default Loss<sup>(3)</sup></b>		\$74 / 5

<sup>1</sup> Since inception of predecessor entity in 10/2008 through 6/30/2020

<sup>2</sup> Determined on a quarterly basis by Management. In addition to various risk management and monitoring tools, NMFC also uses a four-level numeric investment rating system to characterize and monitor the credit profile and expected level of returns on each portfolio investment. Ratings of 1 and 2 indicate the investment is performing materially above, or materially in-line, with expectations, respectively. All new loans are rated 2 when approved. A rating of 3 indicates the investment is performing materially below expectations, where the risk of loss has materially increased since the original investment. A rating of 4 indicates the investment is performing substantially below expectations and risks have increased substantially since the original investment. Payments may be delinquent. There is a meaningful possibility that we will not recoup our original cost basis in the investment and may realize a substantial loss upon exit. Where it is determined that an investment is underperforming, or circumstances suggest that the risk associated with a particular investment has significantly increased, a more aggressive monitoring of the affected portfolio company will be undertaken

<sup>3</sup> Realized default loss represents positions, or portions of positions, where no recovery is expected

# Credit Performance

NMFC Leverage Ratio <sup>(2)</sup>				NMFC Leverage Ratio <sup>(2)</sup>				NMFC Leverage Ratio <sup>(2)</sup>			
Company (Vintage) <sup>(1)</sup>	Purchase	Current	Variance + / (-)	Company (Vintage) <sup>(1)</sup>	Purchase	Current	Variance + / (-)	Company (Vintage) <sup>(1)</sup>	Purchase	Current	Variance + / (-)
Company A (2017)	8.9x	4.5x	4.4x	Company AF (2019)	4.7x	4.3x	0.4x	Company BK (2019)	4.5x	4.9x	(0.4x)
Company B (2019)	7.5x	5.1x	2.3x	Company AG (2019)	5.0x	4.6x	0.4x	Company BL (2016)	1.7x	2.1x	(0.4x)
Company C (2019)	8.9x	6.6x	2.3x	Company AH (2018)	4.4x	4.0x	0.4x	Company BM (2018)	6.4x	6.8x	(0.4x)
Company D (2019)	7.4x	5.5x	1.9x	Company AI (2016)	3.7x	3.3x	0.4x	Company BN (2017)	5.9x	6.4x	(0.5x)
Company E (2018)	6.0x	4.1x	1.8x	Company AJ (2019)	6.5x	6.1x	0.4x	Company BO (2018)	7.0x	7.6x	(0.6x)
Company F (2018)	5.3x	3.6x	1.7x	Company AK (2018)	6.9x	6.6x	0.3x	Company BP (2019)	5.1x	5.8x	(0.7x)
Company G (2020)	8.8x	7.3x	1.5x	Company AL (2019)	7.2x	6.9x	0.3x	Company BQ (2018)	6.4x	7.2x	(0.7x)
Company H (2018)	7.0x	5.5x	1.5x	Company AM (2018)	6.5x	6.2x	0.3x	Company BR (2019)	7.4x	8.1x	(0.8x)
Company I (2017)	9.5x	8.1x	1.4x	Company AN (2019)	7.5x	7.2x	0.3x	Company BS (2017)	3.7x	4.5x	(0.8x)
Company J (2016)	7.3x	6.0x	1.3x	Company AO (2019)	7.4x	7.2x	0.2x	Company BT (2017)	7.3x	8.1x	(0.8x)
Company K (2016)	6.8x	5.6x	1.2x	Company AP (2018)	10.5x	10.4x	0.2x	Company BU (2019)	6.5x	7.5x	(1.0x)
Company L (2018)	5.2x	4.0x	1.2x	Company AQ (2018)	5.8x	5.6x	0.2x	Company BV (2016)	6.5x	7.8x	(1.3x)
Company M (2017)	6.4x	5.2x	1.1x	Company AR (2018)	7.3x	7.2x	0.1x	Company BW (2017)	8.7x	10.2x	(1.5x)
Company N (2018)	6.6x	5.5x	1.1x	Company AS (2020)	5.9x	5.8x	0.1x	Company BX (2017)	0.9x	2.4x	(1.5x)
Company O (2018)	3.9x	2.9x	1.0x	Company AT (2017)	4.2x	4.2x	0.1x	Company BY (2017)	6.1x	7.7x	(1.6x)
Company P (2015)	5.7x	4.7x	1.0x	Company AU (2019)	7.1x	7.1x	0.0x	Company BZ (2018)	1.1x	2.8x	(1.7x)
Company Q (2015)	3.7x	2.7x	1.0x	Company AV (2017)	4.0x <sup>(3)</sup>	4.0x	-	Company CA (2017)	5.0x	6.8x	(1.9x)
Company R (2019)	6.6x	5.7x	1.0x	Company AW (2020)	4.2x	4.2x	-	Company CB (2017)	4.4x	6.3x	(1.9x)
Company S (2019)	8.1x	7.2x	0.9x	Company AX (2019)	4.8x	4.8x	(0.0x)	Company CC (2015)	4.5x	6.7x	(2.2x)
Company T (2020)	5.1x	4.2x	0.9x	Company AY (2018)	12.3x	12.4x	(0.0x)	Company CD (2018)	5.4x	7.9x	(2.4x)
Company U (2019)	7.0x	6.1x	0.9x	Company AZ (2019)	5.9x	5.9x	(0.0x)	Edmentum - 1st Lien	6.5x	9.1x	(2.7x)
Company V (2019)	7.3x	6.5x	0.9x	Company BA (2018)	5.5x	5.6x	(0.0x)	Benevis	3.8x	6.7x	(3.0x)
Company W (2018)	9.7x	8.9x	0.9x	Company BB (2019)	3.9x	3.9x	(0.1x)	Edmentum - 2nd Lien	8.0x	11.5x	(3.5x)
Company X (2018)	6.4x	5.7x	0.8x	Company BC (2018)	7.7x	7.7x	(0.1x)	UniTek - TLB	2.1x	6.2x	(4.1x)
Company Y (2019)	5.2x	4.5x	0.7x	Company BD (2019)	6.1x	6.2x	(0.1x)	Company CE (2016)	6.0x	10.4x	(4.4x)
Company Z (2019)	6.5x	5.8x	0.6x	Company BE (2018)	7.2x	7.3x	(0.1x)	UniTek - Super Senior Pref	2.5x	8.1x	(5.6x)
Company AA (2019)	7.5x	6.9x	0.6x	Company BF (2019)	4.8x	5.0x	(0.2x)	UniTek - Senior Preferred	1.9x	10.7x	(8.8x)
Company AB (2018)	6.5x	5.9x	0.6x	Company BG (2018)	7.0x	7.2x	(0.2x)	Edmentum - Junior PIK	7.8x	17.6x	(9.8x)
Company AC (2017)	6.6x	6.0x	0.6x	Company BH (2015)	5.1x	5.4x	(0.3x)	Unitex - Preferred	5.0x	17.2x	(12.3x)
Company AD (2018)	7.0x	6.5x	0.6x	Company BI (2019)	4.3x	4.6x	(0.3x)	Permian - Preferred	N/M	N/M	N/M
Company AE (2019)	5.1x	4.6x	0.5x	Company BJ (2017)	6.2x	6.5x	(0.3x)				

<sup>1</sup> The investments shown above represent 86% of cost and 86% of fair value of the interest-bearing portfolio; includes current positions with a cost greater than \$7.5m as of 6/30/2020 and excludes unfunded commitments, revolvers, a project finance investment, PPVA, and eight investments made based on recurring revenue and a >60% equity cushion

<sup>2</sup> Defined as total debt (assuming par for debt senior to our security, purchase price for our security, and no value for debt subordinated to our security) less total cash for the period, divided by the TTM EBITDA; current multiple as of the first calendar quarter of 2020, if available, or otherwise, the most recently reported fiscal quarter

<sup>3</sup> Represents leverage as of the first calendar quarter of 2020; additional M&A activity and leverage increases were anticipated subsequent to our initial investment when original capital structure was over-equitized



# Performance Since IPO<sup>(1)</sup>

(\$ in millions)

	IPO - 12/31/2011 <sup>(2)</sup>	2012	2013	2014	2015	2016	2017	2018	2019	YTD 2020
Regular Dividend	\$26.6	\$46.6	\$59.8	\$71.4	\$81.1	\$88.8	\$100.9	\$103.4	\$117.4	\$62.0
Cumulative Regular Dividend	26.6	73.2	133.0	204.3	285.4	374.2	475.1	578.5	695.9	757.9
Adj. NII	26.5	46.1	62.1	73.4	82.8	86.6 <sup>(3)</sup>	99.9 <sup>(3)</sup>	103.5 <sup>(3)</sup>	119.2 <sup>(3)</sup>	62.7 <sup>(3)</sup>
Cumulative Adj. NII	26.5	72.7	134.8	208.2	291.0	377.6	477.5	581.0	700.2	762.9
<b>Dividend Coverage (Cumulative Adj. NII / Dividend)</b>	<b>100%</b>	<b>99%</b>	<b>101%</b>	<b>102%</b>	<b>102%</b>	<b>101%</b>	<b>101%</b>	<b>100%</b>	<b>101%</b>	<b>101%</b>
Adj. Realized Gains	\$1.6	\$13.9	\$13.8 <sup>(4)</sup>	\$12.4 <sup>(4)</sup>	\$17.6 <sup>(4)</sup>	\$6.7	\$3.7	\$12.4	\$1.0	\$1.1
Adj. Realized Credit & Other Losses	(0.8)	(2.0)	(6.1)	(3.6)	(3.1) <sup>(5)</sup>	(40.2) <sup>(7)</sup>	(1.8) <sup>(7)</sup>	(7.1) <sup>(7)</sup>	(0.1)	(36.2) <sup>(7)</sup>
Total Adj. Realized Gains / (Losses)	0.9	11.9	7.8	8.8	14.5	(33.5)	1.9	5.3	0.9	(35.1)
Cumulative Adj. Realized Gains / (Losses)	0.9	12.8	20.5	29.3	43.8	10.3	12.2	17.5	18.4	(16.7)
Adj. Δ in Unrealized Appreciation	4.4	27.9	35.2	23.4	52.8	104.0	70.0	17.1	51.3	4.7
Adj. Δ in Unrealized Depreciation <sup>(6)</sup>	(15.5)	(7.4)	(23.2)	(66.0)	(117.3) <sup>(5)</sup>	(46.7) <sup>(7)</sup>	(64.6) <sup>(7)</sup>	(56.1) <sup>(7)</sup>	(56.8)	(124.1) <sup>(7)</sup>
Total Adj. Δ in Unrealized Appreciation / (Depreciation)	(11.1)	20.4	12.0	(42.6)	(64.4)	57.2	5.3	(39.0)	(5.5)	(119.4)
Cumulative Adj. Δ in Unrealized Appreciation / (Depreciation)	(11.1)	9.3	21.3	(21.3)	(85.7)	(28.5)	(23.2)	(62.2)	(67.7)	(187.0)
<b>Cumulative Net Realized and Unrealized (Losses) / Gains</b>	<b>(\$10.2)</b>	<b>\$22.0</b>	<b>\$41.7</b>	<b>\$8.0</b>	<b>(\$41.9)</b>	<b>(\$18.2)</b>	<b>(\$11.0)</b>	<b>(\$44.7)</b>	<b>(\$49.3)</b>	<b>(\$203.8)</b>

<sup>1</sup> See Appendix A for GAAP and adjusted reconciliation

<sup>2</sup> NMFC priced its initial public offering on 5/19/2011; IPO – 12/31/2011 Adj. NII reflects nine months ended 12/31/2011 for comparability to the dividend

<sup>3</sup> Includes non-recurring interest and incentive fee adjustment related to PPVA of (\$1.2) million in 2016, (\$1.2) million in 2017, (\$1.4) million in 2018 and \$3.8 million in 2019, and non-recurring dividend, interest, and incentive fee adjustments related to Permian of (\$0.2) million in 2016, (\$1.1) million in 2017, (\$1.1) million in 2018, (\$1.7) million in 2019, and \$4.1 million in 2020

<sup>4</sup> Includes net YP distribution (net of incentive fee) and subsequent change in tax estimates of \$4.9 million in 2013, \$0.2 million in 2014 and \$0.5 million in 2015

<sup>5</sup> Includes \$12.8 million reclassification from realized to unrealized loss related to UniTek material modification and \$15.2 million reclassification from realized to unrealized loss related to Edmentum material modification

<sup>6</sup> From 2014 onwards, includes provision for income tax

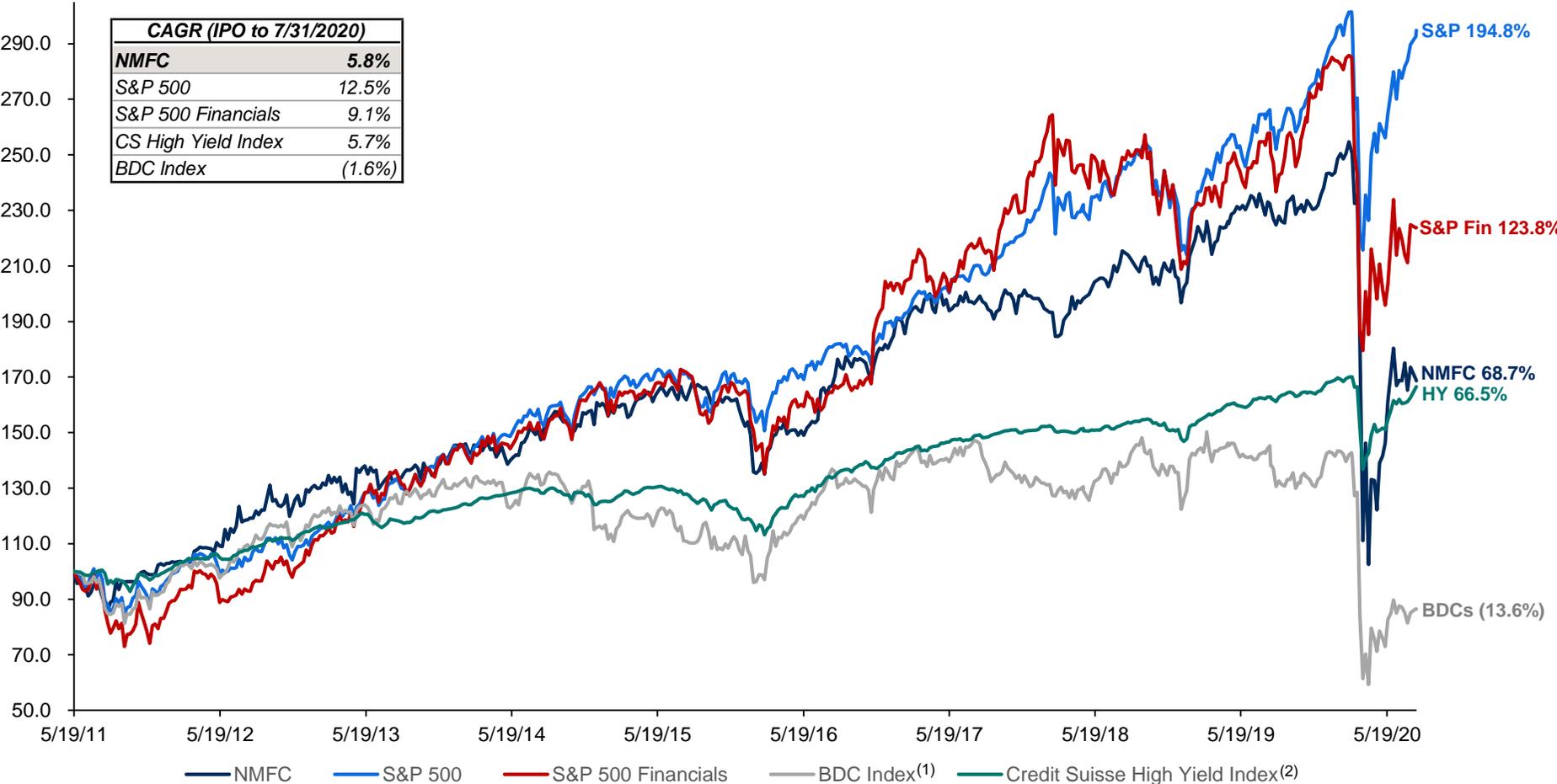
<sup>7</sup> Includes \$10.5 million reclassification from realized loss to unrealized depreciation related to Permian in 2016, which was reversed in 2020, \$27.1 million reclassification from unrealized depreciation to realized loss related to Transtar in 2016, which was reversed in 2017, \$14.5 million reclassification from realized loss to unrealized depreciation related to Sierra Hamilton in 2017, which was reversed in 2020, \$15.0 million reclassification from realized loss to unrealized depreciation related to National HME in 2018, and \$6.5 million reclassification from unrealized depreciation to realized loss related to Permian in 2020



# NMFC Relative Return Performance – Indexed Total Return

May 19, 2011 (IPO) – July 31, 2020

## Indexed Total Return



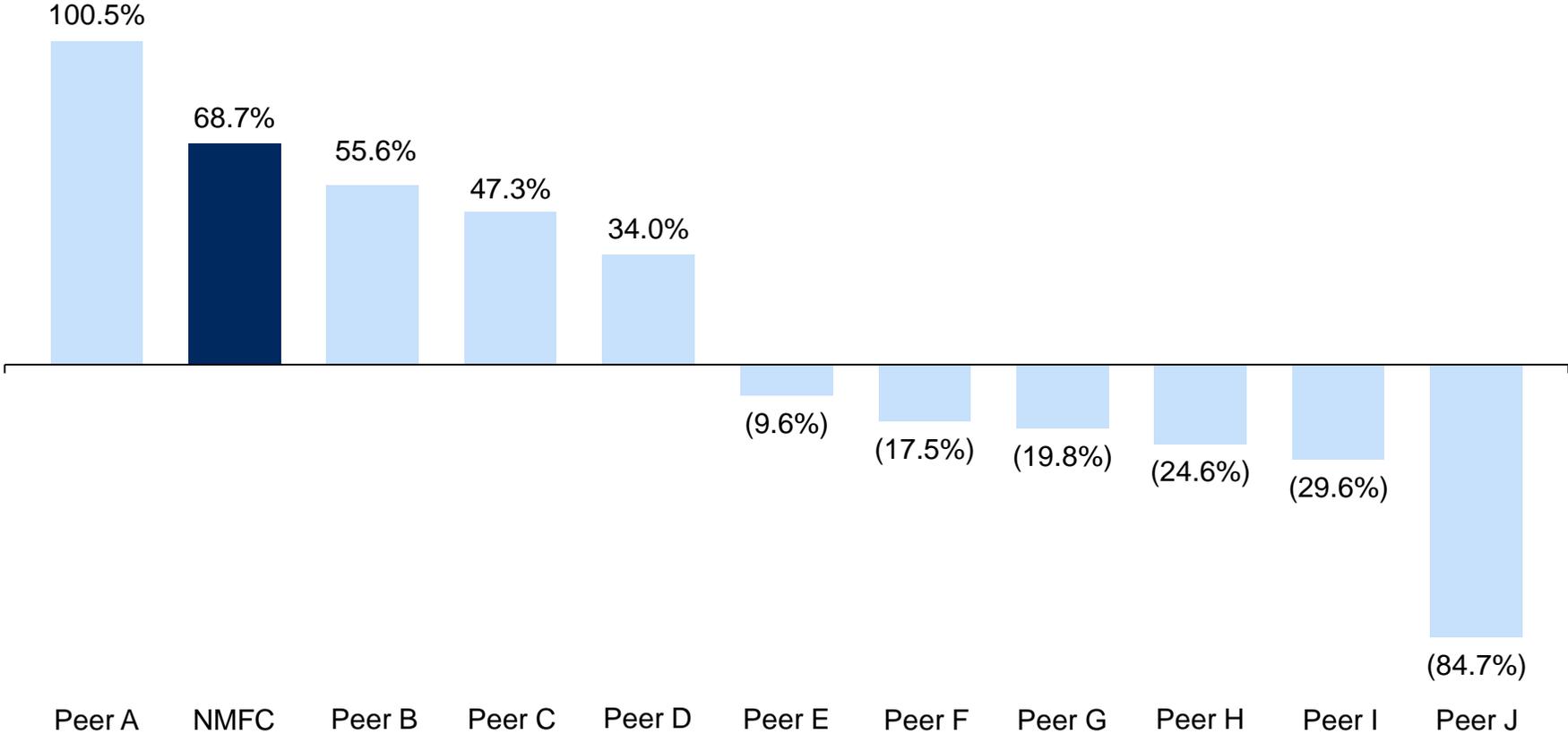
Source: Capital IQ, Credit Suisse Research & Analytics

<sup>1</sup> The BDC Index includes publicly-traded, externally-managed BDCs that have been publicly traded since NMFC's IPO (5/19/2011) with market capitalizations greater than \$300 million as of December 31, 2014, when NMFC began tracking this peer set. The BDC index includes median of Ares, Apollo, Prospect, Solar, Blackrock Capital, Pennant Park, Golub, THL Credit, Oaktree Specialty Lending Corporation, and Medley; equal-weighted, who may invest in assets with a materially different risk profile than NMFC. Refer to the Benchmarks disclosure on slide 2

<sup>2</sup> The Credit Suisse High Yield Index is an unmanaged index designed to mirror the investable universe of the US dollar-denominated high yield debt market

# NMFC Cumulative Total Return Performance Versus Peers<sup>(1)</sup>

May 19, 2011 (IPO) – July 31, 2020

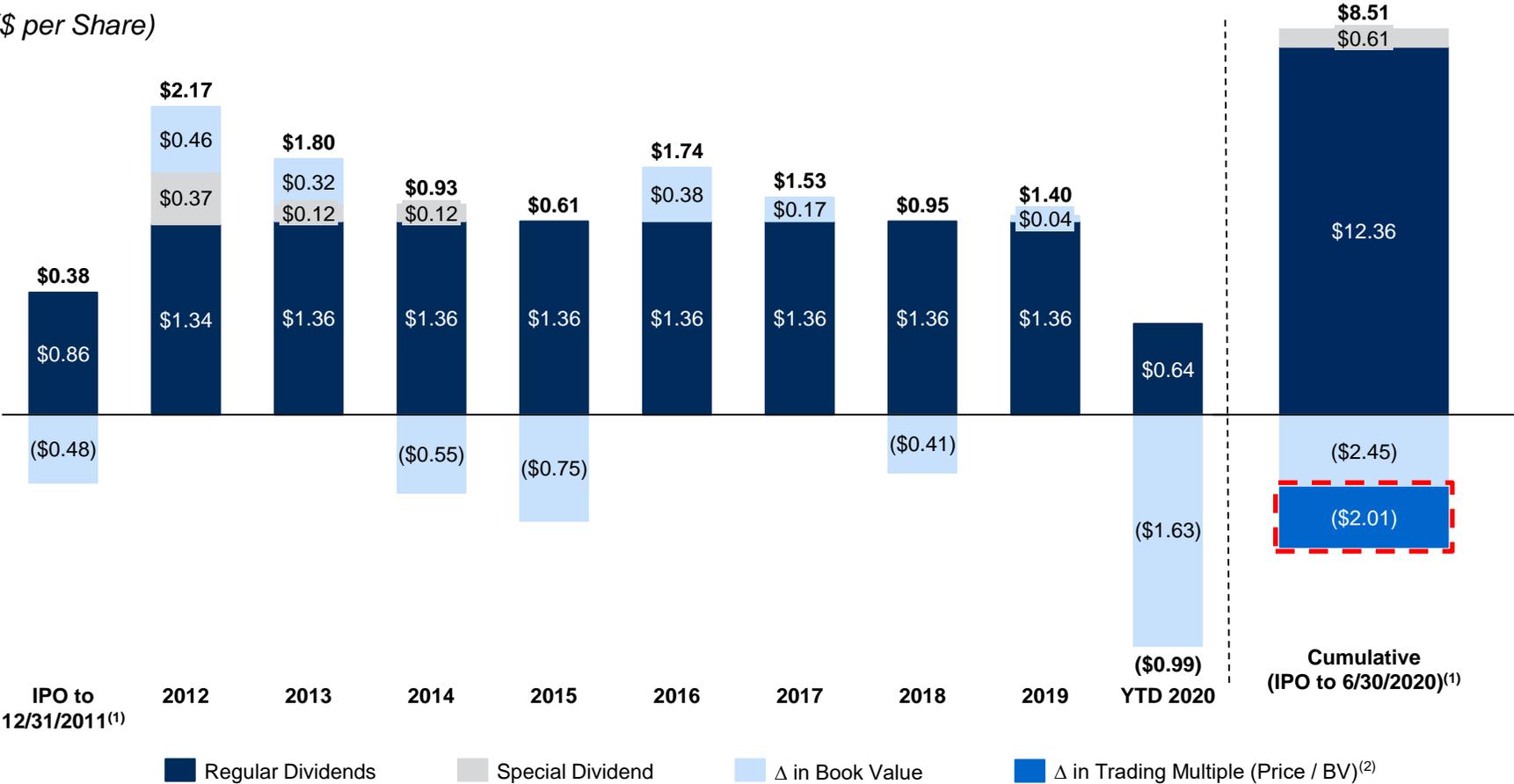


Source: Capital IQ

<sup>1</sup> Peers include publicly-traded, externally-managed BDCs that have been publicly traded since NMFC's IPO (5/19/2011) with market capitalizations greater than \$300 million as of December 31, 2014, when NMFC began tracking this peer set. Peers include Ares, Apollo, Prospect, Solar, Blackrock Capital, Pennant Park, Golub, THL Credit, Oaktree Specialty Lending Corporation, and Medley

# NMFC Return Attribution

(\$ per Share)



Since IPO, NMFC has distributed \$12.36 per share in regular dividends and \$0.61 per share in special dividends, and NMFC public shares have traded from \$13.75 at IPO to \$9.29 at close on 6/30/2020



<sup>1</sup> NMFC priced its initial public offering on 5/19/2011 at \$13.75 per share; closing price on 6/30/2020 was \$9.29 per share

<sup>2</sup> Delta in trading multiple shown only for cumulative period and is equal to change in share price over period less change in book value per share

# Q2 2020 Sale / Repayment Activity

(\$ in millions)					
Date <sup>(1)</sup>	Name	Activity	Proceeds <sup>(2)</sup>	Type of Investment	Weighted Average Price
4/8/20	Kronos	Sale	\$36.6	2 <sup>nd</sup> Lien	98.19
4/14/20	GEMS	Sale	\$7.5	1 <sup>st</sup> Lien	95.00
4/16/20	Solera	Sale	\$5.0	Sub Debt	100.13
5/5/20	WellDyne	Sale	\$8.6	1 <sup>st</sup> Lien	96.50
5/13/20	Conservice	Repayment	\$29.7	1 <sup>st</sup> Lien	100.00
5/14/20	symplr	Sale	\$28.8	1 <sup>st</sup> Lien	96.00
5/18/20	NaviHealth	Repayment	\$56.3	1 <sup>st</sup> Lien	100.00
5/20/20	Apptio	Sale	\$22.1	1 <sup>st</sup> Lien	96.66
5/20/20	Diligent	Sale	\$14.1	1 <sup>st</sup> Lien	98.00
5/20/20	Sovos Brands	Sale	\$27.1	1 <sup>st</sup> Lien	97.00
6/4/20	Wrike	Sale	\$8.8	1 <sup>st</sup> Lien	97.00
	Other		\$14.5		98.12
<b>Total Sales / Repayments</b>			<b>\$259.1</b>		<b>98.13</b>
Total Originations			(\$48.8)		
<b>Net Proceeds</b>			<b>\$210.3</b>		

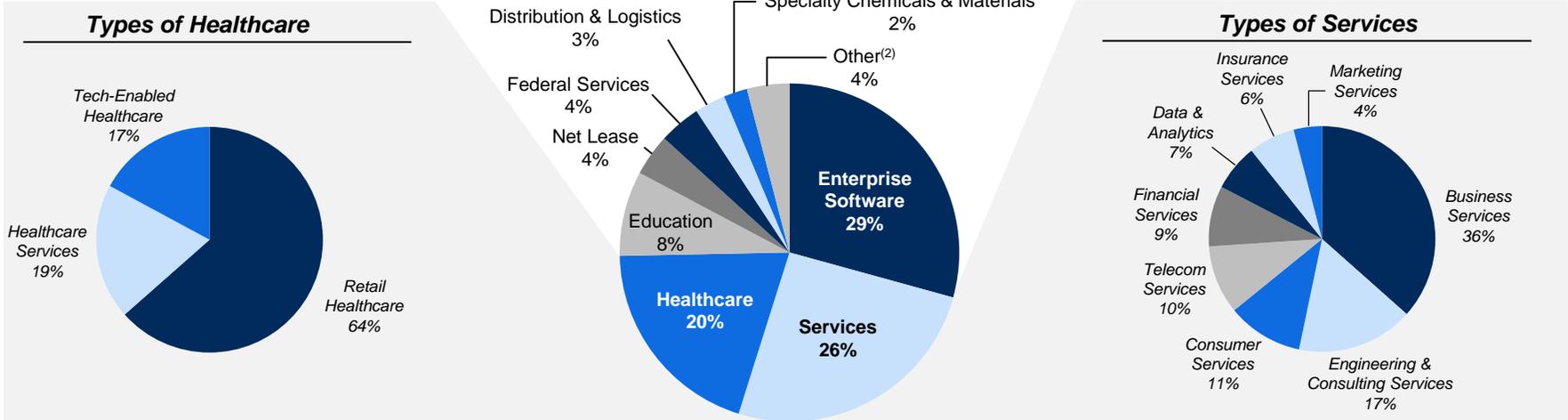


<sup>1</sup> Trade date; where multiple trade dates, the first trade date is listed

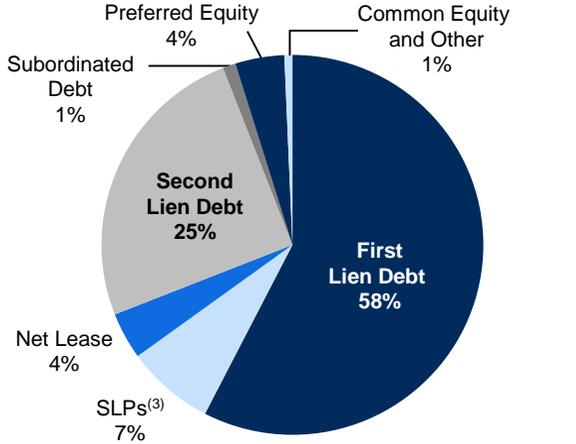
<sup>2</sup> Sale / repayment activity over \$5.0m shown, activity less than \$5.0m included in "Other"; originations, repayments and sales exclude PIK, revolvers, unfunded commitments, bridges, return of capital and realized gains / losses

# Portfolio Mix (By Fair Value as of 6/30/2020)

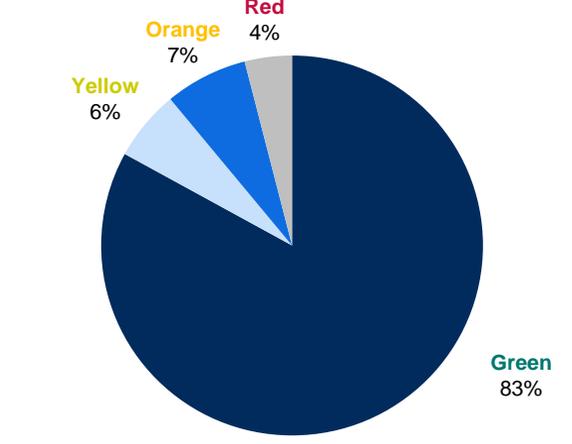
## By Industry<sup>(1)</sup>



## By Type of Investment



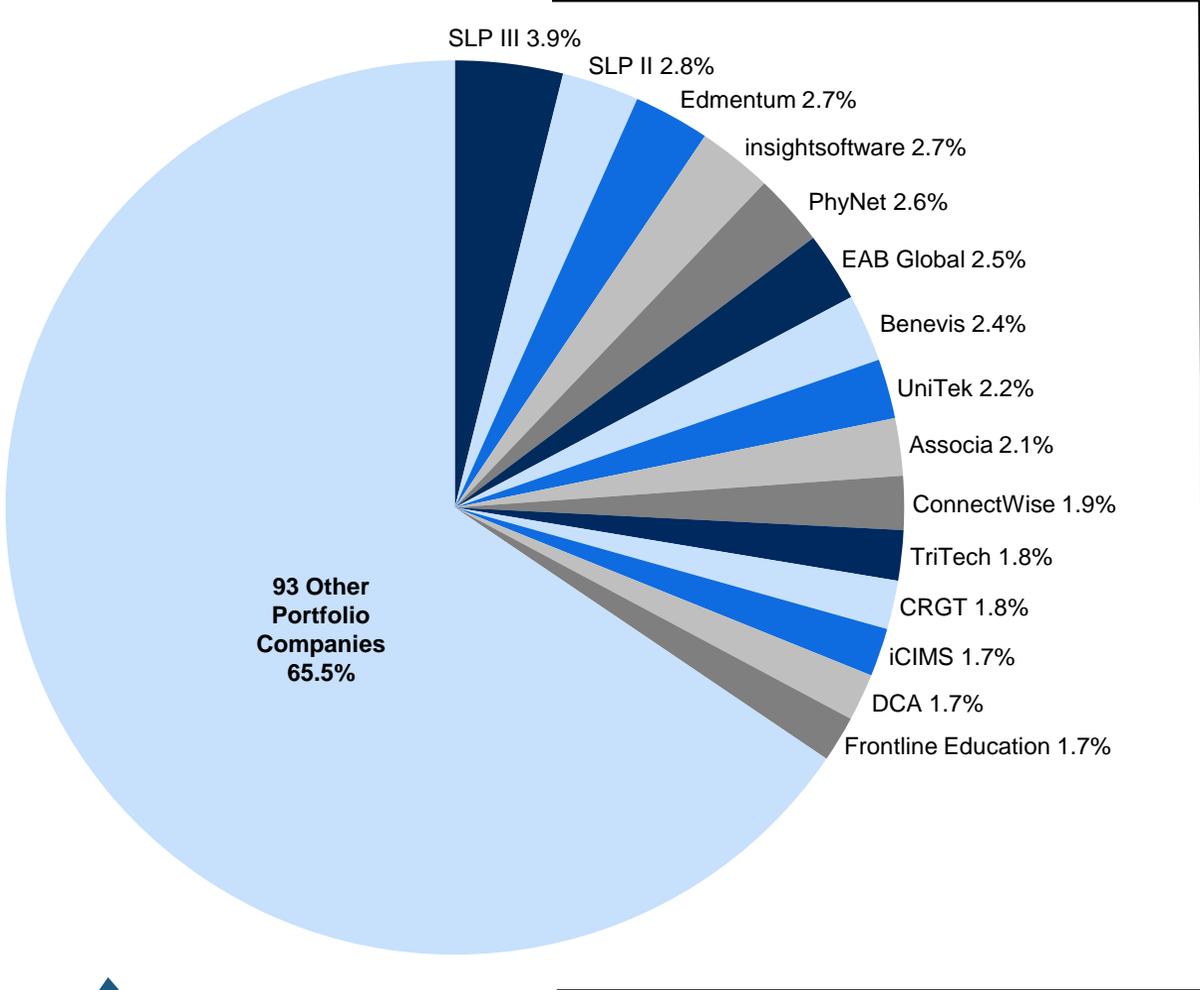
## By Risk Rating<sup>(4)</sup>



<sup>1</sup> Includes fair value of NMFC's investment in SLP II and SLP III allocated by industry (\$188.8m)  
<sup>2</sup> Includes Energy, Industrial Services, Food & Beverage, SLP I, Packaging, and Business Products  
<sup>3</sup> Includes SLP I, SLP II, and SLP III  
<sup>4</sup> Excludes SLP I, SLP II, SLP III, and Net Lease

# Portfolio Concentration (By Fair Value as of 6/30/2020)

Portfolio Names By Fair Value



Top 15 portfolio companies<sup>(1)</sup> represent \$978.9 million, or 34.5%, of consolidated investments

Memo: Top 15 Portfolio Companies<sup>(1)</sup>

	As of		
	9/30/2019	12/31/2019	3/31/2020
	\$994.8	\$1,004.8	\$967.0
	33.1%	31.7%	32.2%



<sup>1</sup> Excludes Net Lease, representing 3.9%, 3.8%, 3.8% and 4.0% of consolidated investments in 9/30/2019, 12/31/2019, 3/31/2020 and 6/30/2020, respectively

# Balance Sheet Highlights

(\$ in millions, except per share data)	Quarter Ended				
	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020
<b>Assets</b>					
Portfolio	\$2,655.2	\$3,009.6	\$3,171.3	\$3,002.3	\$2,837.5
Cash & Equivalents	87.2	69.8	48.6	22.1	56.2
Other Assets <sup>(1)</sup>	48.9	52.7	46.2	79.1	49.9
<b>Total Assets</b>	<b>\$2,791.3</b>	<b>\$3,132.1</b>	<b>\$3,266.1</b>	<b>\$3,103.5</b>	<b>\$2,943.6</b>
<b>Liabilities</b>					
Statutory Debt	\$1,439.0	\$1,643.6	\$1,734.9	\$1,682.5	\$1,448.5
SBA-Guaranteed Debentures	165.0	184.0	225.0	300.0	300.0
Other Liabilities <sup>(2)</sup>	106.4	135.2	22.7	42.8	69.5
<b>Total Liabilities</b>	<b>\$1,710.4</b>	<b>\$1,962.8</b>	<b>\$1,982.6</b>	<b>\$2,025.3</b>	<b>\$1,818.0</b>
<b>NAV</b>	<b>\$1,080.9</b>	<b>\$1,169.3</b>	<b>\$1,283.5</b>	<b>\$1,078.2</b>	<b>\$1,125.6</b>
Shares Outstanding - Ending Balance (mm)	80.6	87.6	96.8	96.8	96.8
<b>NAV / Share</b>	<b>\$13.41</b>	<b>\$13.35</b>	<b>\$13.26</b>	<b>\$11.14</b>	<b>\$11.63</b>
<b>Statutory Debt / Equity<sup>(3)</sup></b>	<b>1.22x<sup>(4)</sup></b>	<b>1.20x<sup>(5)</sup></b>	<b>1.35x</b>	<b>1.56x</b>	<b>1.29x</b>

<sup>1</sup> Includes interest and dividends receivable, receivable from affiliate, receivable from unsettled securities sold and other assets

<sup>2</sup> Includes incentive fee payable, capital gains incentive fee payable, management fee payable, payable for unsettled securities purchased, interest payable, payable to affiliates, deferred tax liability, non-controlling interest in NMNLC, and other liabilities

<sup>3</sup> Statutory debt / equity calculation excludes SBA-guaranteed debentures, which are fully funded, non-recourse, asset-backed securities that are excluded by SEC exemptive order from the definition of "senior securities" under the 1940 Act asset coverage test

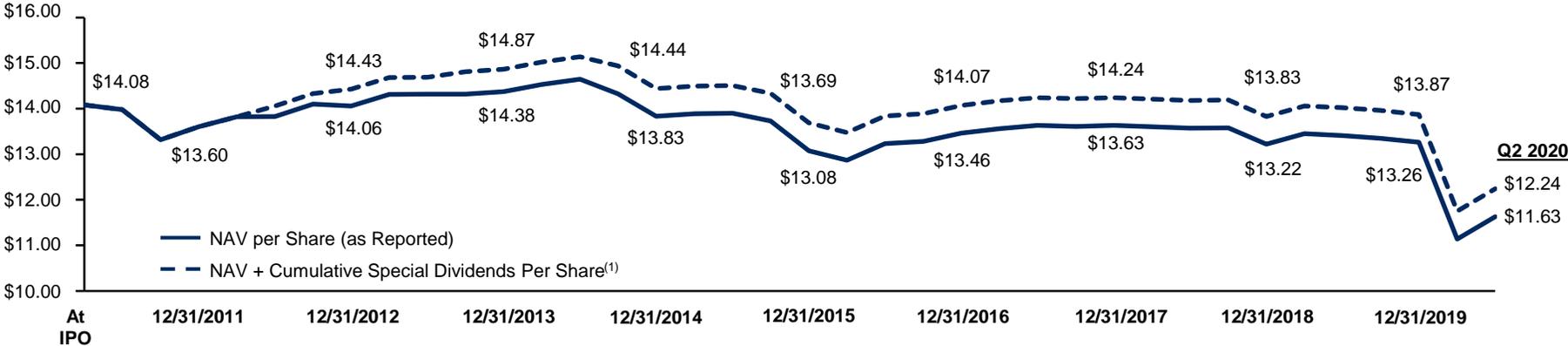
<sup>4</sup> Statutory debt / equity ratio of 1.33x as of 6/30/2019; pro forma ratio of 1.22x reflects \$94.2m of net proceeds received from primary offering completed on 7/11/2019

<sup>5</sup> Statutory debt / equity ratio of 1.41x as of 9/30/2019; pro forma ratio of 1.20x reflects \$125.1m of net proceeds received from equity offering completed on 10/25/2019 and \$95.6m repayment of revolving credit facilities

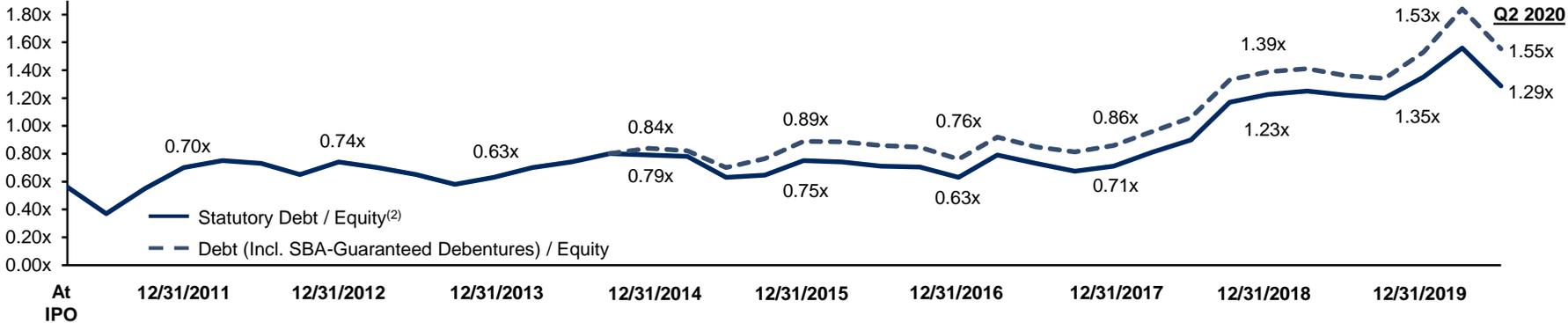


# Historical NAV / Share and Leverage Trends

NAV / Share



Debt / Equity



<sup>1</sup> Assumes shares purchased at IPO

<sup>2</sup> Statutory debt / equity calculation excludes SBA-guaranteed debentures, which are fully funded, non-recourse, asset-backed securities that are excluded by SEC exemptive order from the definition of "senior securities" under the 1940 Act asset coverage test

# Income Statement Highlights

(\$ in millions, except per share data)

	Quarter Ended				6/30/2020
	6/30/2019	9/30/2019	12/31/2019	3/31/2020	
<b>Investment Income</b>					
Interest income	\$51.5	\$55.0	\$58.4	\$61.3	\$53.4
Dividend income	12.3	13.0	14.1	13.9	12.0
Other income	2.2	4.2	4.8	2.0	2.3
<b>Total investment income</b>	<b>\$66.0</b>	<b>\$72.2</b>	<b>\$77.3</b>	<b>\$77.2</b>	<b>\$67.7</b>
<b>Expenses</b>					
Management fee <sup>(1)</sup>	\$8.8	\$9.6	\$10.3	\$10.3	\$10.0
Incentive fee	6.9	7.7	8.4	8.4	7.3
Interest and other financing expenses	20.8	21.8	22.6	22.2	19.2
Net administrative, professional, other G&A expenses and income taxes <sup>(2)</sup>	2.0	2.3	2.0	2.5	2.3
<b>Total net expenses</b>	<b>\$38.5</b>	<b>\$41.4</b>	<b>\$43.3</b>	<b>\$43.4</b>	<b>\$38.8</b>
<b>Adjusted net investment income<sup>(3)</sup></b>	<b>\$27.5</b>	<b>\$30.8</b>	<b>\$34.0</b>	<b>\$33.8</b>	<b>\$28.9</b>
<b>Gain / Loss</b>					
Net realized gains (losses) on investments	\$0.1	\$0.3	\$0.5	\$0.1	(\$3.7)
Net change in unrealized appreciation (depreciation) of investments	(3.9)	(8.4)	(9.6)	(204.6)	53.2
Benefit (provision) for income tax	(0.3)	0.3	(0.0)	0.9	(0.4)
Capital gains incentive fee	—	—	—	—	—
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$23.4</b>	<b>\$23.0</b>	<b>\$24.9</b>	<b>(\$169.8)</b>	<b>\$78.0</b>
Weighted average shares outstanding (mm)	80.5	87.0	94.7	96.8	96.8
<b>Adjusted NII per weighted average share<sup>(3)</sup></b>	<b>\$0.34</b>	<b>\$0.35</b>	<b>\$0.36</b>	<b>\$0.35</b>	<b>\$0.30</b>
Memo: Annualized Effective Management Fee	1.29%	1.28%	1.28%	1.29%	1.31%



<sup>1</sup> Reflects management fee net of waivers; fees waived cannot be recouped

<sup>2</sup> Net of expense waivers and reimbursements

<sup>3</sup> See Appendix A for GAAP and adjusted reconciliation; GAAP NII per weighted average share of \$0.35, \$0.36, \$0.32, \$0.32 and \$0.28 as of 6/30/2019, 9/30/2019, 12/31/2019, 3/31/2020 and 6/30/2020, respectively

# Investment Income Detail

(\$ in millions)	Quarter Ended				
	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020
<b>Investment Income Build</b>					
Cash Interest and Dividend Income	\$47.3	\$50.2	\$52.8	\$54.0	\$45.5
SLP and Net Lease Income <sup>(1)</sup>	8.4	8.7	9.6	9.2	8.4
<b>Recurring Cash Investment Income</b>	<b>\$55.7</b>	<b>\$58.9</b>	<b>\$62.4</b>	<b>\$63.2</b>	<b>\$53.9</b>
Non-cash Interest and Dividend Income <sup>(2)</sup>	\$7.4 <sup>(3)</sup>	\$8.1	\$9.0 <sup>(3)</sup>	\$8.3 <sup>(3)</sup>	\$10.6 <sup>(3)</sup>
Amortization of Purchase Discounts (Premiums)	0.9	1.2	1.3	1.3	1.4
<b>Recurring Non-cash Investment Income</b>	<b>\$8.3</b>	<b>\$9.3</b>	<b>\$10.3</b>	<b>\$9.6</b>	<b>\$12.0</b>
<b>Total Recurring Investment Income</b>	<b>\$64.0</b>	<b>\$68.2</b>	<b>\$72.7</b>	<b>\$72.8</b>	<b>\$65.9</b>
Prepayment Fees (Cash)	\$0.6	\$0.4	\$0.6	\$3.2	\$1.6
Other Cash Fee Income	1.4	3.5	4.0	1.2	0.2
<b>Total Non-recurring Cash Investment Income</b>	<b>\$2.0</b>	<b>\$3.9</b>	<b>\$4.6</b>	<b>\$4.4</b>	<b>\$1.8</b>
<b>Total Investment Income</b>	<b>\$66.0</b>	<b>\$72.1</b>	<b>\$77.3</b>	<b>\$77.2</b>	<b>\$67.7</b>
<b>Total Cash Investment Income</b>	<b>\$57.7</b>	<b>\$62.8</b>	<b>\$67.0</b>	<b>\$67.6</b>	<b>\$55.7</b>
<b>Key Statistics</b>					
% of Total Investment Income that is Recurring	97%	95%	94%	94%	97%
% of Total Investment Income that is Cash	87%	87%	87%	88%	82%

**Our investment income continues to be predominantly paid in cash  
and generated by stable and predictable sources**



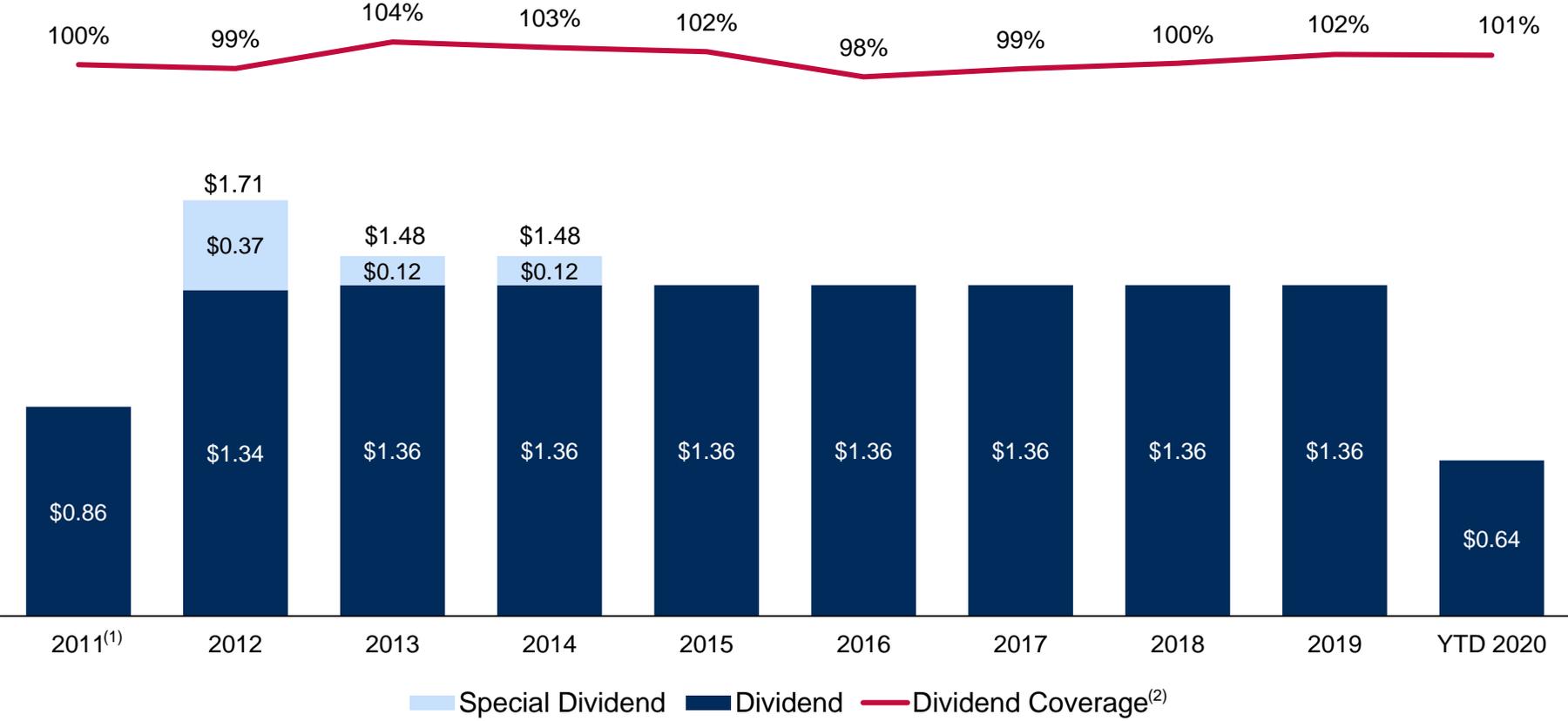
<sup>1</sup> Includes recurring management fee associated with SLP I and recurring distributions associated with SLP I, SLP II, SLP III, and Net Lease

<sup>2</sup> See Appendix A for GAAP and adjusted reconciliation

<sup>3</sup> Includes ~\$0.3 million PIK amendment fee in Q2 2019, ~\$0.2 million PIK amendment fee in Q4 2019, ~\$0.1 million PIK amendment fee in Q1 2020, and ~1.6 million PIK amendment, consent and upfront fees in Q2 2020 that are non-recurring in nature

# Dividend Summary and Coverage

**We believe our Q3 2020 NII will be approximately \$0.30 per share. Our board of directors has declared a third quarter dividend of \$0.30 per share.**



<sup>1</sup> NMFC priced its initial public offering on 5/19/2011  
<sup>2</sup> Calculated as Adjusted Net Investment Income / regular dividend

# Diversified Leverage Profile

<i>(As of 6/30/2020, \$ in millions)</i>	<b>Amount Outstanding / Facility Size</b>	<b>Interest Rate</b>	<b>Maturity</b>
Wells Fargo Credit Facility <i>(Wells Fargo / Raymond James / State Street / CIT Bank / NBH Bank / State Bank / TIAA / Old Second / SMTB / Fifth Third)</i>	\$500 / \$800	Broadly syndicated 1 <sup>st</sup> lien loans <sup>(1)</sup> : L + 1.75% All other: L + 2.25% (0.00% LIBOR floor)	October 2022
Deutsche Bank Credit Facility <i>(Deutsche Bank / KeyBank / Customers Bank / Hitachi / Citizens Bank)</i>	\$215 / \$280	L + 2.85% <sup>(2)</sup> (0.00% LIBOR floor)	December 2023
NMFC Credit Facility <i>(Goldman Sachs / Morgan Stanley / Stifel / MUFG)</i>	\$79 / \$189	L + 2.50% (No LIBOR floor)	June 2022
2018 Convertible Notes	\$201 / \$201	5.75%	August 2023
SBA I Guaranteed Debentures <sup>(3)</sup>	\$150 / \$150	3.26% weighted average rate <sup>(4)</sup>	March 2025 or later
SBA II Guaranteed Debentures <sup>(3)</sup>	\$150 / \$150	2.24% weighted average rate <sup>(4)</sup>	Sept. 2028 or later
Series 2016 Unsecured Notes	\$90 / \$90	5.31%	May 2021
Series 2017A Unsecured Notes	\$55 / \$55	4.76%	July 2022
Series 2018A Unsecured Notes	\$90 / \$90	4.87%	January 2023
Series 2018B Unsecured Notes	\$50 / \$50	5.36%	June 2023
Series 2019A Unsecured Notes	\$117 / \$117	5.49%	April 2024
5.75% Unsecured Notes	\$52 / \$52	5.75%	October 2023
Unsecured Management Company Revolver	– / \$50	7.00%	December 2022
<b>Total</b>	<b>\$1,748 / \$2,273</b>		

- Wells Fargo and Deutsche Bank credit facilities' borrowing base and liquidity are not tied to trading prices and valuations of securities
  - Covenants tied to underlying portfolio company operating performance, not mark-to-market



<sup>1</sup> As defined in the credit agreement for the Wells Fargo Credit Facility

<sup>2</sup> Inclusive of a 25bps facility agent fee

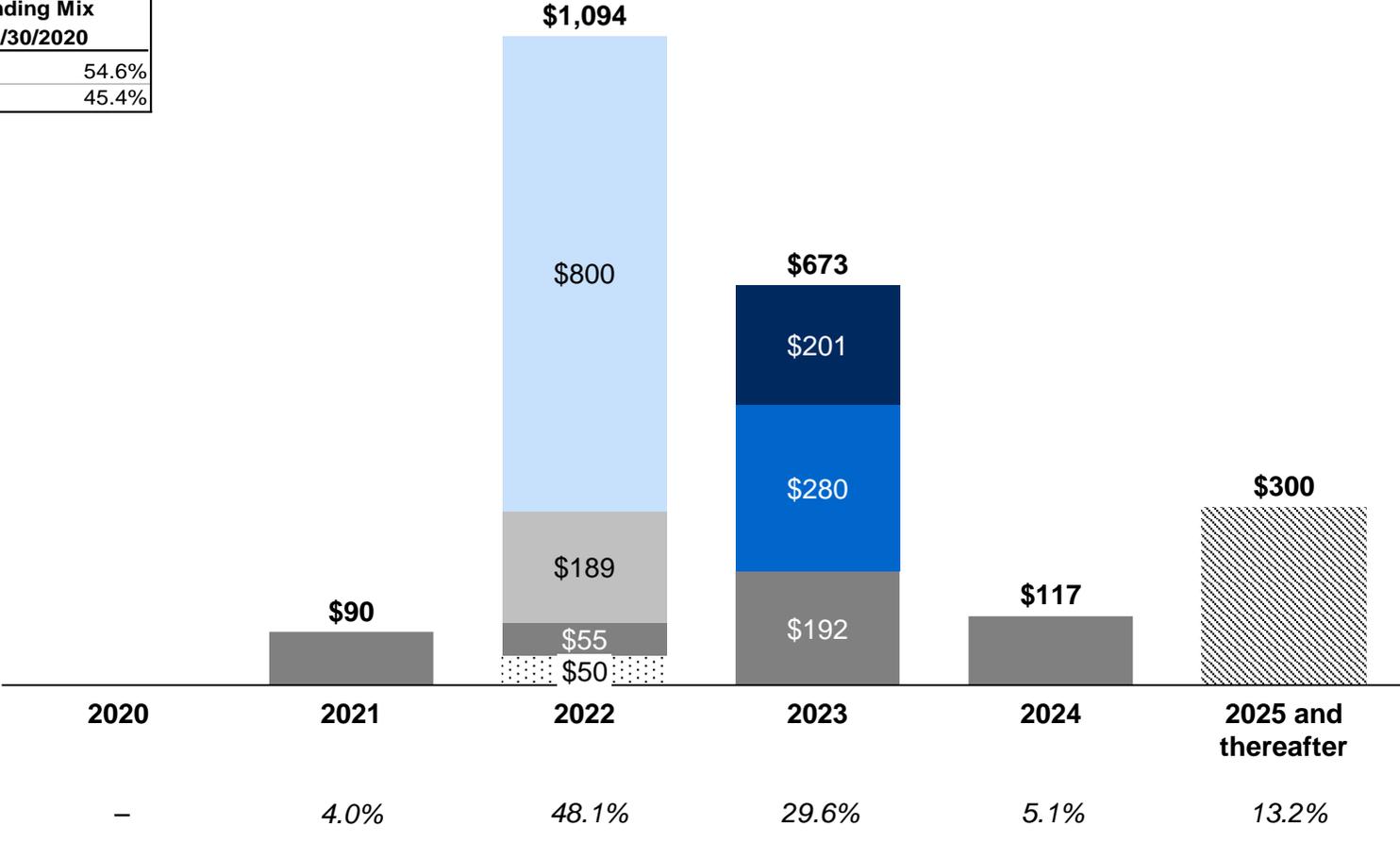
<sup>3</sup> SBA-guaranteed debentures are fully funded, non-recourse, asset-backed securities, excluded by SEC exemptive order from the definition of "senior securities" under the 1940 Act asset coverage test

<sup>4</sup> QTD weighted average interest rate shown for SBA I and SBA II guaranteed debentures reflects pooled interest rates and SBA's annual charges

# Leverage Maturity Schedule

(As of 6/30/2020, \$ in millions, based on total facility size)

Floating vs. Fixed Debt Outstanding Mix As of 6/30/2020	
Fixed	54.6%
Floating	45.4%



- Convertible Note
- Unsecured Notes
- Wells Fargo Credit Facility Revolver
- SBA Debentures
- Deutsche Bank Credit Facility Revolver
- Unsecured Management Company Revolver
- NMFC Credit Facility Revolver



# Corporate Information

## Board of Directors

### Inside Directors

Steven B. Klinsky (Chairman)  
Robert A. Hamwee  
John R. Kline  
Adam B. Weinstein

### Independent Directors

Rome G. Arnold III  
Alice W. Handy  
Daniel B. Hébert  
Alfred F. Hurley, Jr.  
David Ogens

## Corporate Offices & Website

787 Seventh Avenue, 48th Floor  
New York, NY 10019  
<http://www.newmountainfinance.com>

## Investor Relations

Shiraz Y. Kajee, Authorized Representative  
212-220-3505  
[NMFCIR@newmountaincapital.com](mailto:NMFCIR@newmountaincapital.com)

## Senior Management

Steven B. Klinsky <i>Chairman of the Board of Directors</i>	Adam B. Weinstein <i>EVP, Chief Administrative Officer &amp; Director</i>
Robert A. Hamwee <i>Chief Executive Officer and Director</i>	Karrie J. Jerry <i>Chief Compliance Officer &amp; Corporate Secretary</i>
John R. Kline <i>President, Chief Operating Officer &amp; Director</i>	James W. Stone III <i>Managing Director</i>
Shiraz Y. Kajee <i>Chief Financial Officer</i>	Laura C. Holson <i>Managing Director &amp; Head of Capital Markets</i>

## Research Coverage

### Bank of America Securities

Derek Hewett, 646-855-2087

### Deutsche Bank

George Bahamondes, 212-250-1587

### Janney Montgomery Scott

Mitchel Penn, 410-583-5976

### Keefe, Bruyette & Woods (KBW)

Ryan Lynch, 314-342-2918  
Paul Johnson, 314-342-2194

### National Securities

Bryce Rowe, 212-417-8243

### Oppenheimer & Co.

Chris Kotowski, 212-667-6699  
Owen Lau, 212-667-8166  
Kevin Tripp, 212-667-7585  
Patrick Josephs, 212-667-7137

### Wells Fargo Securities

Finian O'Shea, 704-410-0067

## Fiscal Year End

December 31

## Independent Auditor

Deloitte & Touche LLP  
New York, NY

## Securities Listing

NYSE: NMFC (Common Equity)  
NYSE: NMFX (5.75% Unsecured Notes)

## Corporate Counsel

Eversheds Sutherland (US) LLP  
Washington D.C.

## Transfer Agent

American Stock Transfer & Trust Company, LLC  
800-937-5449  
[www.astfinancial.com](http://www.astfinancial.com)

## Credit Ratings

Egan-Jones Ratings: BBB+ / BBB+  
Fitch Ratings: BBB- / Watch Negative  
Kroll Bond Rating Agency: BBB- / Negative



# Appendix A: NMFC Income Reconciliation

(in millions, except per share data)  
(unaudited)

	Year Ended									
	IPO -									
	12/31/11	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	2020 YTD
<b>GAAP net investment income ("NII")</b>	\$28.5	\$45.2	\$63.7	\$80.3	\$82.5	\$88.1	\$102.2	\$106.0	\$117.2	\$58.9
Non-controlling interest in NMNLC related to NII	-	-	-	-	-	-	-	-	-	(0.3)
Non-cash adjustment <sup>(1)</sup>	(2.0)	(3.5)	(0.9)	(0.2)	(0.1)	(0.1)	-	-	-	-
Non-cash capital gains incentive fee	-	4.4	3.2	(6.5)	-	-	-	-	-	-
Non-recurring interest adjustment (Permian & PPVA)	-	-	-	-	-	(1.5)	(1.9)	(2.0)	3.7	1.7
Non-recurring dividend adjustment (Permian)	-	-	-	-	-	(0.2)	(1.0)	(1.1)	(1.2)	3.4
Non-recurring incentive fee adjustment (Permian & PPVA)	-	-	-	-	-	0.3	0.6	0.6	(0.5)	(1.0)
<b>Adjusted NII</b>	<b>\$26.5</b>	<b>\$46.1</b>	<b>\$66.0</b>	<b>\$73.6</b>	<b>\$82.4</b>	<b>\$86.6</b>	<b>\$99.9</b>	<b>\$103.5</b>	<b>\$119.2</b>	<b>\$62.7</b>
Non-recurring tax adjustment <sup>(2)</sup>			(3.9)	(0.2)	0.4					
<b>Pro forma adjusted NII</b>			<b>\$62.1</b>	<b>\$73.4</b>	<b>\$82.8</b>					
<b>GAAP realized gains (losses) on investments</b>	<b>\$3.3</b>	<b>\$18.9</b>	<b>\$7.2</b>	<b>\$9.1</b>	<b>(\$12.9)</b>	<b>(\$16.7)</b>	<b>(\$39.7)</b>	<b>(\$9.7)</b>	<b>\$0.9</b>	<b>(\$3.6)</b>
Non-cash adjustment <sup>(1)</sup>	(2.4)	(7.0)	(3.3)	(0.5)	(0.1)	(0.2)	-	-	-	-
Reclass of UniTek, Edmentum, Transtar, Permian, Sierra, & NHME <sup>(3)</sup>	-	-	-	-	27.9	(16.6)	41.6	15.0	-	(31.5)
Non-recurring tax adjustment <sup>(2)</sup>	-	-	3.9	0.2	(0.4)	-	-	-	-	-
<b>Adj. realized gains (losses) on investments</b>	<b>\$0.9</b>	<b>\$11.9</b>	<b>\$7.8</b>	<b>\$8.8</b>	<b>\$14.5</b>	<b>(\$33.5)</b>	<b>\$1.9</b>	<b>\$5.3</b>	<b>\$0.9</b>	<b>(\$35.1)</b>
<b>GAAP net change in unrealized (depreciation) appreciation</b>	<b>(\$15.5)</b>	<b>\$9.9</b>	<b>\$8.0</b>	<b>(\$43.3)</b>	<b>(\$36.7)</b>	<b>\$40.3</b>	<b>\$46.9</b>	<b>(\$24.0)</b>	<b>(\$5.5)</b>	<b>(\$150.9)</b>
Non-cash adjustment <sup>(1)</sup>	4.4	10.5	4.0	0.7	0.2	0.3	0.0	-	-	-
Reclass of UniTek, Edmentum, Transtar, Permian, Sierra, & NHME <sup>(3)</sup>	-	-	-	-	(27.9)	16.6	(41.6)	(15.0)	-	31.5
<b>Adj. net change in unrealized (depreciation) appreciation</b>	<b>(\$11.1)</b>	<b>\$20.4</b>	<b>\$12.0</b>	<b>(\$42.6)</b>	<b>(\$64.4)</b>	<b>\$57.2</b>	<b>\$5.3</b>	<b>(\$39.0)</b>	<b>(\$5.5)</b>	<b>(\$119.4)</b>

	Quarter Ended									
	6/30/2019		9/30/2019		12/31/2019		3/31/2020		6/30/2020	
	\$m	Per Share <sup>(4)</sup>	\$m	Per Share <sup>(4)</sup>						
<b>GAAP net investment income ("NII")</b>	\$27.9	\$0.35	\$31.2	\$0.36	\$30.6	\$0.32	\$31.3	\$0.32	\$27.3 <sup>(5)</sup>	\$0.28
Non-recurring dividend, interest & incentive fee adjustment (Permian & PPVA)	(0.4)	(0.01)	(0.4)	(0.01)	3.4	0.04	2.5	0.03	1.6	0.02
<b>Adjusted NII</b>	<b>\$27.5</b>	<b>\$0.34</b>	<b>\$30.8</b>	<b>\$0.35</b>	<b>\$34.0</b>	<b>\$0.36</b>	<b>\$33.8</b>	<b>\$0.35</b>	<b>\$28.9</b>	<b>\$0.30</b>

<sup>1</sup> See "Important Notices and Safe Harbor Statement" for discussion on adjustments due to NMFC's IPO

<sup>2</sup> Related to YP, LLC distributions and other changes in tax estimates

<sup>3</sup> Reclassification of UniTek material modification of \$12.8m and Edmentum material modification of \$15.2m from realized loss to unrealized depreciation during the year ended 2015, \$10.5m of Permian from realized loss to unrealized depreciation during the year ended 2016, which was reversed in 2020, \$27.1m of Transtar from unrealized depreciation to realized loss related to Transtar in 2016, which was reversed during the nine months ended 9/30/2017, \$14.5 million reclassification from realized loss to unrealized depreciation related to Sierra Hamilton in 2017, which was reversed in 2020, \$15.0 million reclassification from realized loss to unrealized depreciation related to National HME in 2018, and \$6.5 million reclassification from unrealized depreciation to realized loss related to Permian in 2020

<sup>4</sup> Per weighted average share

<sup>5</sup> Excludes \$0.3 million of NII related to non-controlling interest in NMNLC





**NEW MOUNTAIN FINANCE  
CORPORATION**