



NEW MOUNTAIN FINANCE  
CORPORATION

## **Q3 2021 Earnings Presentation**

November 4, 2021

# 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 7, 12, 13, 17, 18, 24, 25, 26, 27, 28, 30, 31, and 38 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 C at the end of this presentation.**



# Important Notices and Safe Harbor Statement (cont.)

---

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.

Throughout the document, Senior Advisors are included in all references to staff members, team members, investment professionals or operating partners/executives unless stated otherwise. Generally, New Mountain Senior Advisors are similar to “Operating Partners” who provide general or specific industry expertise on particular projects or transactions. All persons listed in the Senior Advisors (Full Access) category are designated “access persons” pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended, and are subject to New Mountain’s Code of Ethics, which therefore allows them to be fully included in New Mountain’s investment reviews. Based on a variety of factors, Senior Advisors for Special Projects are designated as “non-access persons” and are not subject to New Mountain’s Code of Ethics.



# Management Participants

---

**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

---

- Q3 2021 Net Investment Income (“NII”) of \$0.31 per weighted average share, above our guidance of \$0.30
- Q3 2021 regular dividend of \$0.30 per share paid on September 30, 2021
- Q4 2021 regular dividend of \$0.30 per share announced, based on estimated NII of at least \$0.30 per share, payable on December 30, 2021 to holders of record as of December 16, 2021
- September 30, 2021 net asset value (“NAV”) of \$13.26 per share vs. \$13.33 per share on June 30, 2021
- 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
  - Just 9 basis points of annual default loss since 2011
  - Two new borrowers were placed on partial non-accrual for Q3 2021, representing \$18 million of fair value of our \$3 billion portfolio
  - Since our August 5, 2021 earnings call, portfolio company Risk Ratings<sup>(1)</sup> have generally remained unchanged
- Recovery of stock price from low of \$5.02 per share in April 2020 to \$14.06 per share on October 29, 2021<sup>(2)</sup>



# Chairman's Overview (cont.)

---

- In addition, now announcing structural changes expected to benefit NMFC shareholders:
  - Maximum potential management fee permanently reduced from 1.75% to 1.40%
  - Actual management fee will be 1.25% through December 2023
  - Dividend protection by manager's pledge to waive incentive fees if and as needed to maintain \$0.30 per share quarterly dividend; also extended for an additional year to December 2023<sup>(1)</sup>
    - Equates to 1.3x dividend coverage based on Q3 2021 pre-incentive fee NII
- Launching At-the-Market ("ATM") Program for new share issuance
  - Smaller issuance cost than traditional follow on offering
  - Potentially accretive to book value
  - May reduce reliance on traditional follow on offering to raise equity
  - No regular stock offering for at least the next 90 days
- Providing NMFC access, at its option, to co-invest in certain New Mountain Private Equity and Strategic Equity investments as potential source of NMFC book value growth
- New Mountain employees continue to be the largest shareholder of NMFC



# Key Highlights

## Financial Highlights

	Quarter Ended				9/30/2021
	9/30/2020	12/31/2020	3/31/2021	6/30/2021	
Adjusted NII Per Share <sup>(1)</sup>	\$0.30	\$0.30	\$0.30	\$0.30	\$0.31
NAV Per Share	\$12.24	\$12.62	\$12.85	\$13.33	\$13.26
Dividends Per Share	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
Share Count - End of Period (mm)	96.8	96.8	96.8	96.9	96.9
Shares Owned by New Mountain Employees (mm / %) <sup>(2)</sup>	12.3 / 13%	12.0 / 12%	12.1 / 12%	12.0 / 12%	12.1 / 12%
Value of Shares Owned by New Mountain Employees (mm) <sup>(2)(3)</sup>	\$117.5	\$136.5	\$149.6	\$157.7	\$160.5

## Portfolio Highlights

	Quarter Ended				9/30/2021
	9/30/2020	12/31/2020	3/31/2021	6/30/2021	
Fair Value of Investments (\$mm)	\$2,907.7	\$2,964.5	\$3,029.6	\$3,100.0	\$3,022.7
Number of Portfolio Companies	105	104	102	101	106
Middle Market Focus (EBITDA / Facility Size) <sup>(4)</sup>	80% / 64%	81% / 66%	78% / 64%	78% / 62%	74% / 64%
Current Yield at Cost <sup>(5)</sup>	8.8%	8.8%	8.8%	8.7%	8.5%
YTM at Cost <sup>(6)</sup>	8.6%	8.6%	8.8%	8.8%	8.8%
<b>Portfolio Activity (\$mm)<sup>(7)</sup></b>					
Gross Originations	\$43.4	\$183.7	\$219.4	\$102.3	\$428.9
(-) Repayments	(35.1)	(118.9)	(190.7)	(94.9)	(446.9)
<b>Net Originations</b>	<b>\$8.3</b>	<b>\$64.8</b>	<b>\$28.7</b>	<b>\$7.4</b>	<b>(\$18.0)</b>
(-) Sales	(7.5)	(32.9)	(5.5)	-	(43.9)
<b>Net Originations Less Sales</b>	<b>\$0.8</b>	<b>\$31.9</b>	<b>\$23.2</b>	<b>\$7.4</b>	<b>(\$61.9)</b>

<sup>1</sup> See Appendix C for GAAP and adjusted reconciliation; GAAP NII per weighted average share of \$0.30, \$0.30, \$0.30, \$0.30 and \$0.31 as of 9/30/2020, 12/31/2020, 3/31/2021, 6/30/2021, and 9/30/2021, 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 \$9.56, \$11.36, \$12.40, \$13.17, and \$13.31 per share on 9/30/2020, 12/31/2020, 3/31/2021, 6/30/2021, and 9/30/2021, 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 III ("SLP III"), NMFC Senior Loan Program IV ("SLP IV") 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> Originations exclude PIK ("payment-in-kind" interest); originations, repayments, and sales excludes revolvers, unfunded commitments, bridges, return of capital, and realized gains / losses



# Review of NMFC

---

## Overview

---

- 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 \$35 billion in assets under management and over 190 staff members
- Externally managed Business Development Company ("BDC")
  - Initial Public Offering ("IPO") completed in May 2011 (NASDAQ: NMFC)
  - Public float market capitalization has increased from \$147 million at IPO to approximately \$1,290 million as of September 30, 2021
  - As of September 30, 2021, New Mountain employees owned ~\$161 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

---

- 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

---

- 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

---

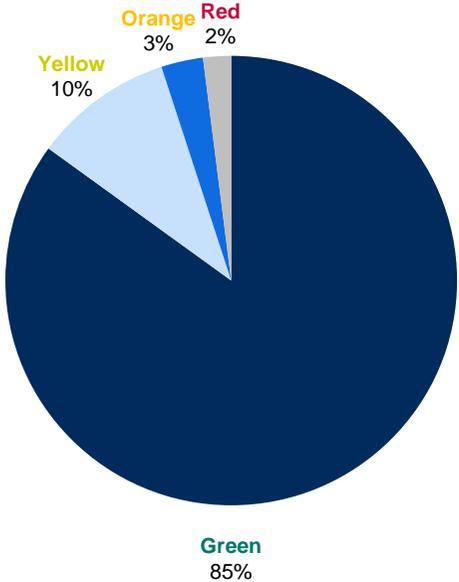
- Throughout Q3 2021, New Mountain's investment team has maintained its dialogue with companies and sponsors; we have re-rated each company based on those conversations
- As a reminder, in order to monitor COVID risk to the portfolio, we had assigned each portfolio company scores on 2 metrics to generate 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



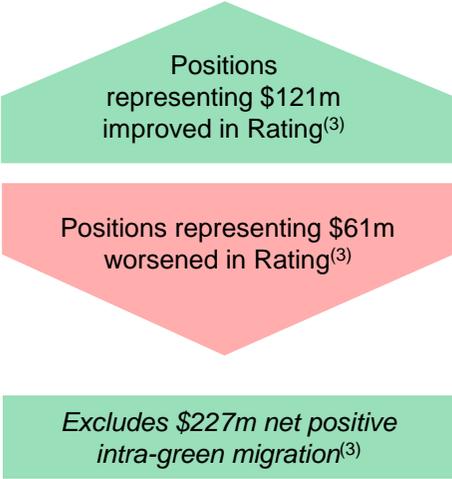
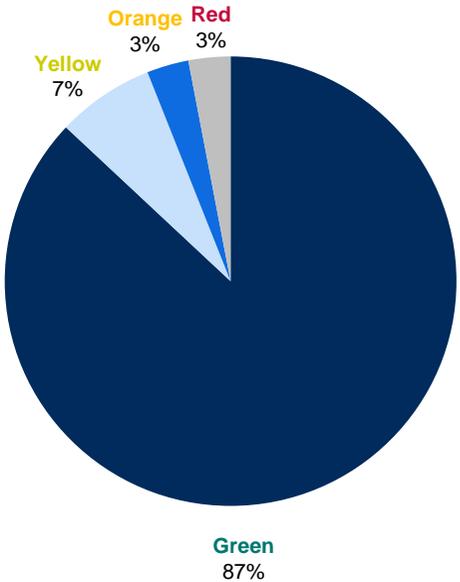
# Summary of Changes in Portfolio<sup>(1)</sup>

- Overall portfolio has generally remained unchanged from a Risk Rating standpoint in Q3 2021 from Q2 2021
  - As of Q3 2021, 87% of the portfolio is characterized as Green (up from 85% in Q2 2021)

**Q2 2021 Risk Ratings  
(FMV as of 6/30/2021)<sup>(2)</sup>**



**Q3 2021 Risk Ratings  
(FMV as of 9/30/2021)<sup>(2)</sup>**



<sup>1</sup> Risk Rating migration reflected as change in 6/30/2021 Risk Rating at 9/30/2021 FMV

<sup>2</sup> Excludes SLP III, SLP IV, and Net Lease

<sup>3</sup> Based on 9/30/2021 FMV

# NMFC Portfolio – Risk Rating Migration from Q2 2021

(FMV as of 9/30/21)  
(\$ in millions / company count)

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

C  
B  
A

Business Services \$34 / 1

Specialty Chemicals \$27 / 1

Benevis \$108

Hospitality Mgmt.<sup>(1)</sup> \$13 / 1

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

Tier 4

Tier 3

Tier 2

Tier 1

COVID Exposure (4 = Best; 1 = Worst)

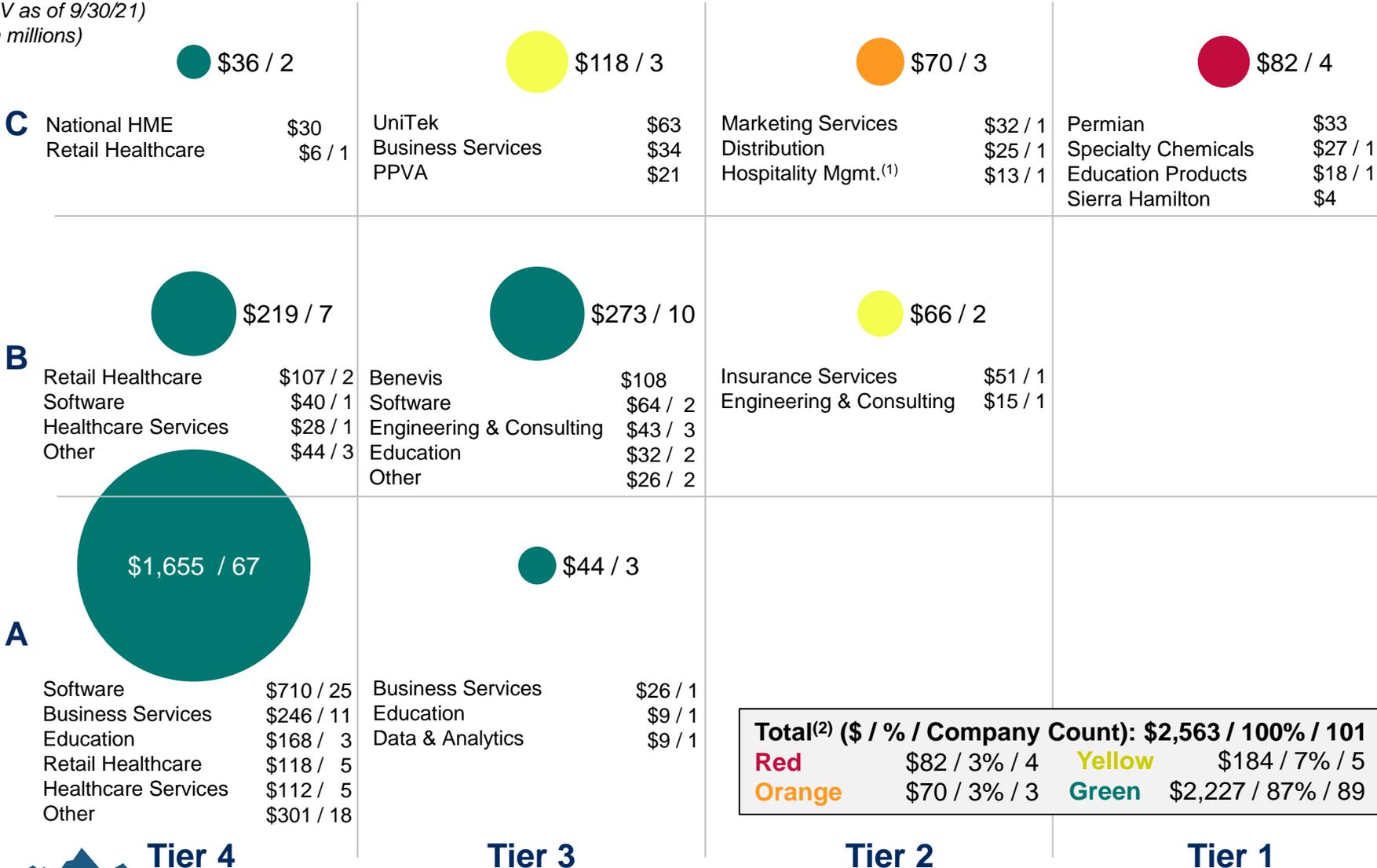


<sup>1</sup> Classified as Business Services on slide 26

# Risk Ratings – Overall Company Strength vs. COVID Exposure

(FMV as of 9/30/21)  
(\$ in millions)

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



**Total<sup>(2)</sup> (\$ / % / Company Count): \$2,563 / 100% / 101**

<b>Red</b>	\$82 / 3% / 4	<b>Yellow</b>	\$184 / 7% / 5
<b>Orange</b>	\$70 / 3% / 3	<b>Green</b>	\$2,227 / 87% / 89



**Tier 4**

**Tier 3**

**Tier 2**

**Tier 1**

**COVID Exposure (4 = Best; 1 = Worst)**

<sup>1</sup> Classified as Business Services on slide 26  
<sup>2</sup> Excludes SLP III, SLP IV, and Net Lease

# Credit Performance

Company (Vintage) <sup>(1)</sup>	NMFC Leverage Ratio <sup>(2)</sup>			Company (Vintage) <sup>(1)</sup>	NMFC Leverage Ratio <sup>(2)</sup>			Company (Vintage) <sup>(1)</sup>	NMFC Leverage Ratio <sup>(2)</sup>		
	Purchase	Current	Variance + / (-)		Purchase	Current	Variance + / (-)		Purchase	Current	Variance + / (-)
Company A (2019)	4.7x	2.2x	2.6x	Company AF (2018)	5.4x	5.1x	0.4x	Company BK (2021)	6.0x	6.3x	(0.3x)
Company B (2016)	6.8x	4.5x	2.3x	Company AG (2019)	7.4x	7.0x	0.3x	UniTek 2L (2020)	5.5x	5.9x	(0.4x)
Company C (2017)	6.4x	4.3x	2.1x	Company AH (2018)	5.3x	5.1x	0.2x	Company BL (2017)	3.7x	4.1x	(0.4x)
Company D (2021)	8.0x	6.1x	1.9x	Company AI (2021)	4.6x	4.5x	0.1x	Company BM (2020)	4.6x	5.0x	(0.4x)
Company E (2018)	9.7x	7.9x	1.8x	Company AJ (2020)	7.3x	7.2x	0.1x	Company BN (2021)	8.2x	8.6x	(0.4x)
Company F (2018)	6.4x	4.9x	1.6x	Company AK (2021)	6.0x	6.0x	0.0x	Company BO (2018)	6.5x	7.0x	(0.5x)
Company G (2020)	8.0x	6.5x	1.5x	Company AL (2019)	6.5x	6.5x	0.0x	Company BP (2020)	5.3x	5.9x	(0.5x)
Company H (2018)	5.2x	3.8x	1.4x	Company AM (2020)	5.0x	5.0x	0.0x	Company BQ (2016)	6.5x	7.1x	(0.6x)
Company I (2019)	10.7x	9.4x	1.3x	Company AN (2017)	2.8x <sup>(3)</sup>	2.8x	-	Company BR (2017)	9.5x	10.1x	(0.7x)
Company J (2018)	3.9x	2.7x	1.2x	Company AO (2021)	9.0x	9.0x	-	Company BS (2018)	5.5x	6.4x	(0.9x)
Company K (2019)	8.1x	6.9x	1.2x	Company AP (2021)	6.0x	6.0x	-	Company BT (2019)	4.8x	5.8x	(1.0x)
Company L (2019)	7.1x	5.9x	1.2x	Company AQ (2021)	7.0x	7.0x	-	Company BU (2015)	3.7x	4.8x	(1.1x)
Company M (2019)	7.5x	6.3x	1.2x	Company AR (2021)	7.0x	7.0x	-	Permian TL (2020)	4.0x	5.1x	(1.1x)
Company N (2021)	7.3x	6.3x	1.0x	Company AS (2021)	6.1x	6.1x	-	Company BV (2017)	0.9x	2.1x	(1.2x)
Company O (2020)	8.8x	7.8x	1.0x	Company AT (2021)	7.1x	7.1x	-	Company BW (2019)	7.5x	8.8x	(1.3x)
Company P (2019)	4.3x	3.3x	1.0x	Company AU (2021)	6.6x	6.6x	-	Company BX (2015)	5.7x	7.2x	(1.5x)
Company Q (2021)	9.8x	9.0x	0.8x	Company AV (2021)	4.5x	4.5x	-	Company BY (2018)	6.4x	8.2x	(1.7x)
Company R (2018)	10.5x	9.7x	0.8x	Company AW (2021)	6.7x	6.7x	-	Company BZ (2017)	6.1x	7.9x	(1.8x)
Company S (2018)	4.4x	3.6x	0.8x	Company AX (2021)	8.4x	8.4x	-	Company CA (2018)	7.3x	9.4x	(2.0x)
Company T (2021)	7.1x	6.3x	0.8x	Company AY (2021)	6.9x	6.9x	-	Company CB (2020)	3.0x	5.2x	(2.2x)
Company U (2021)	7.3x	6.5x	0.7x	Company AZ (2021)	6.5x	6.5x	-	Company CC (2016)	3.7x	6.4x	(2.7x)
Company V (2018)	12.3x	11.6x	0.7x	Company BA (2021)	7.0x	7.0x	-	UniTek TLB (2018)	2.0x	4.8x	(2.9x)
Company W (2021)	8.0x	7.3x	0.7x	Company BB (2021)	7.3x	7.3x	-	Company CD (2019)	6.5x	9.8x	(3.3x)
Company X (2019)	6.1x	5.4x	0.7x	Company BC (2021)	6.2x	6.2x	-	Company CE (2015)	4.5x	8.8x	(4.3x)
Company Y (2018)	5.8x	5.2x	0.5x	Company BD (2019)	5.1x	5.1x	(0.0x)	UniTek Super Sr. Pref. (2018)	2.5x	8.6x	(6.1x)
Company Z (2021)	7.2x	6.7x	0.5x	Company BE (2019)	7.0x	7.0x	(0.0x)	Company CF (2019)	4.5x	10.9x	(6.4x)
Company AA (2021)	6.5x	6.0x	0.5x	Company BF (2021)	4.2x	4.3x	(0.1x)	Company CG (2018)	7.0x	17.3x	(10.2x)
Company AB (2019)	7.5x	7.0x	0.5x	Company BG (2020)	5.9x	6.0x	(0.1x)	Company CH (2018)	6.0x	21.3x	(15.4x)
Company AC (2019)	7.4x	6.9x	0.4x	Company BH (2018)	7.0x	7.1x	(0.1x)	Company CI (2016)	6.0x	37.3x	(31.3x)
Company AD (2020)	5.1x	4.7x	0.4x	Company BI (2017)	6.6x	6.7x	(0.1x)				
Company AE (2021)	6.3x	5.9x	0.4x	Company BJ (2018)	6.9x	7.1x	(0.2x)				

Note: Companies color-coded according to Risk Rating

<sup>1</sup> The investments shown above represent 85% of cost and 88% of fair value of the interest-bearing portfolio; includes current positions with a cost greater than \$7.5m as of 9/30/2021 and excludes unfunded commitments, revolvers, a project finance investment, non-accruals, and seven 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 third calendar quarter of 2021, if available, or otherwise, the most recently reported fiscal quarter

<sup>3</sup> Represents leverage as of the second calendar quarter of 2021; additional M&A activity and leverage increases were anticipated subsequent to our initial investment when original capital structure was over-equitized



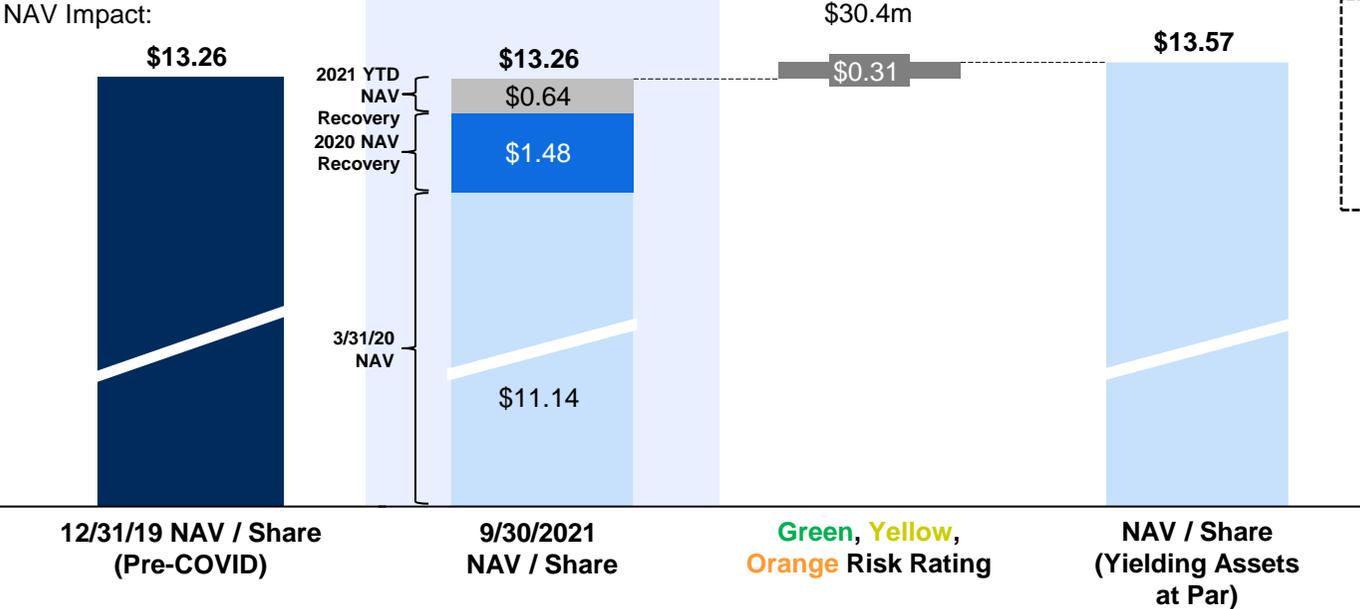
# NAV Update

(\$ in millions, except per share data)

Impact of Market Recovery & Equity Gains

Impact of Assets Recovering to Par

Illustrative Impact to NAV



A 10% change in the FMV of Red Risk Rating, Restructured & Equity positions impacts book value by **\$0.32 / share**

### Q3 NAV Recovery Details

Risk Rating	Impact to NAV	Impact to NAV / Share
Green	\$3.1	\$0.03
Yellow	(1.3)	(0.01)
Orange	1.1	0.01
Red	(10.0)	(0.10)
Restruct. & Equity <sup>(1)</sup>	2.2	0.02
Realized & Other	(2.3)	(0.02)
<b>Total Increase</b>	<b>(\$7.2)</b>	<b>(\$0.07)</b>

Δ in FMV

### Notable Movers (Difference from Par)

Company	Amount	Risk Rating
A (Marketing Serv.)	(\$7.4)	Orange
B (Bus. Services)	(4.8)	Green
C (Bus. Services)	(3.8)	Yellow
Benevis	(2.8)	Green
D (Packaging)	(1.9)	Green
E (Hospitality Mgmt.) <sup>(2)</sup>	(1.7)	Orange
F (Distribution) <sup>(3)</sup>	(1.6)	Orange
Unitek	(0.7)	Yellow

### Red Risk Rating, Restructured & Equity

Company	FMV as of 9/30/2021
Edmentum - Equity	\$92.3
Benevis - Equity	50.0
Unitek - 2nd Lien & Equity	38.1
Permian	33.8
National HME	29.6
G (Specialty Chem.) - Term Loan (Red)	26.9
PPVA	21.4
H (Education) - Term Loan (Red)	17.6
Sierra Hamilton	4.0

Note: Graph is not to scale

<sup>1</sup> Previously restructured (Benevis, Edmentum, NHME, Permian, PPVA, Sierra, UniTek), and Tenawa equity

<sup>2</sup> Classified as Business Service on slide 26

<sup>3</sup> Difference from the weighted average purchase price



# Leverage Migration

(\$ in millions)

6/30/21

Δ

9/30/21

Statutory Debt:

**\$1,539.6**

**(\$9.8)**

Statutory Debt:

**\$1,529.8**

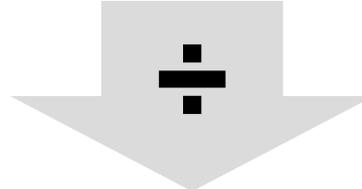
NAV:

**\$1,292.1**

**(\$7.2)**

NAV:

**\$1,284.9**



**Statutory  
Leverage Ratio<sup>(1)</sup>:  
1.19x**

**Statutory  
Leverage Ratio<sup>(1)</sup>:  
1.19x**

Sources		Uses	
Q3 2021 Repayments	\$447.8	Debt Paydown	\$9.8
Q3 2021 Settled Sales	55.4	Q3 2021 Settled Originations	404.5
Q3 2021 Revolver Repayments, Net Draws	5.0	Q2 2021 Settled Originations	15.2
Q2 2021 Cash Interest Income, Net of Expenses	27.8	Q2 2021 Mgmt. & Incentive Fees	17.2
		Q3 2021 Dividend	29.1
		Balance Sheet Cash	55.4
		Other	4.8
<b>Total</b>	<b>\$536.0</b>	<b>Total</b>	<b>\$536.0</b>

**Pro Forma Statutory  
Leverage Ratio<sup>(2)</sup>:**

**1.13x**

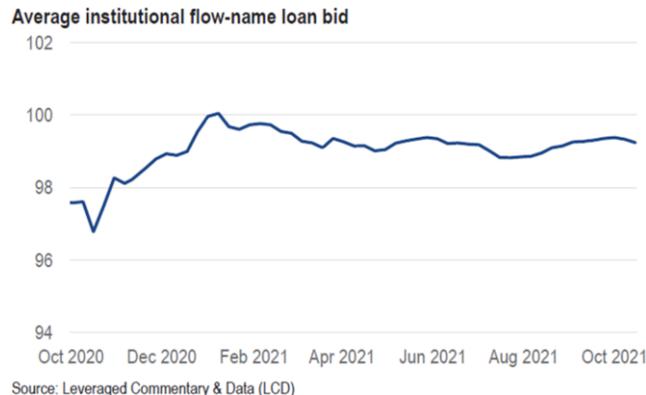
<sup>1</sup> Statutory debt / equity calculation excludes SBA-guaranteed debentures, which are fully funded, non-recourse, asset-backed securities that are excluded by SEC exemptive order from the definition of "senior securities" under the Investment Company Act of 1940, as amended

<sup>2</sup> Pro forma statutory debt / equity calculation is net of available cash



# Credit Market Conditions

- Credit market conditions continue to remain very healthy
- Deal volume in our core direct lending market continues to be very strong
- Secondary trading levels in corporate credit have been stable through 2021



- Companies within our defensive growth verticals continue to trade at record multiples with significant private equity interest
  - NMC portfolio heavily exposed to enterprise software, business & healthcare services and technology enabled healthcare (61% of portfolio<sup>(1)</sup>)
- Interest spreads and loan structures are in line with the prior quarter, and reflect the ongoing competitive lending environment
  - Most deals are financed within a very tight spread range
- Base rates have remained relatively stable since our last call
  - 3-month LIBOR is at 13 bps as of October 29, 2021 compared to 12 bps as of August 2, 2021

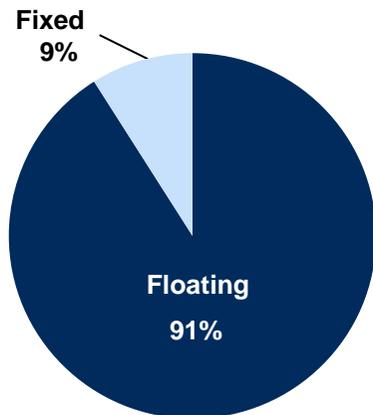


# Credit Market Conditions – Interest Rates

## Floating vs. Fixed

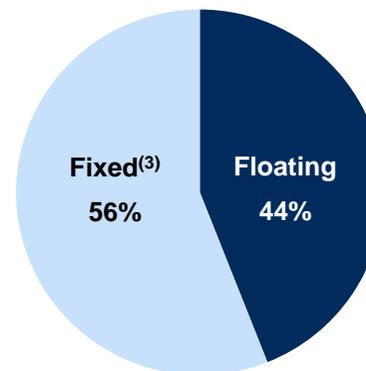
### Investments

(Aggregate par value of \$2,448 million as of 9/30/2021)<sup>(1)</sup>



### Debt

(\$1,824 million drawn as of 9/30/2021)<sup>(2)</sup>



## Impact of Changing Rates<sup>(4)</sup>

Base Interest Rate	Estimated % Change in Interest Income Net of Interest Expense	Illustrative Impact to Annual NII / Share
0.00%	0.2%	\$0.00
0.50%	(0.9%)	(\$0.01)
1.00%	(0.9%)	(\$0.01)
2.00%	9.6%	\$0.12
3.00%	20.2%	\$0.24

As of 9/30/2021 3-month LIBOR was 0.13%; 73% of floating rate assets<sup>(5)</sup> had a LIBOR floor, with an average floor of 0.93%

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

<sup>2</sup> Excludes \$5.8m NMNLC Credit Facility II draw

<sup>3</sup> Includes SBA debentures which become fixed rate debt upon semi-annual debenture pooling dates every March and September

<sup>4</sup> These hypothetical calculations are based on a model of the investments in our portfolio, held as of 9/30/2021, 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>5</sup> Measured at par



# Credit Performance

(\$ in millions)

## As of 9/30/2021

Cost / FMV / # Portfolio Co's

\$3,019 / \$3,023 / 106

*of which*

\$293 / \$165 / 10

*of which*

\$115 / \$42 / 6

## Cumulative Since Inception<sup>(1)</sup>

(October 2008 – September 30, 2021)

Cost / # Portfolio Co's

\$8,843 / 314

*of which*

\$651 / 20

*of which*

\$276 / 12

*of which*

\$79 / 5

**Investments**

**Internal Watch List  
(3 or 4 Rating)<sup>(2)</sup>**

**Non-Accrual**

**Realized Default Loss<sup>(3)</sup>**

<sup>1</sup> Since inception of predecessor entity in 10/2008 through 9/30/2021

<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



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

(\$ in millions)

	IPO - 12/31/2011 <sup>(2)</sup>	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD 2021
Regular Dividend	\$26.6	\$46.6	\$59.8	\$71.4	\$81.1	\$88.8	\$100.9	\$103.4	\$117.4	\$120.1	\$87.2
Cumulative Regular Dividend	26.6	73.2	133.0	204.3	285.4	374.2	475.1	578.5	695.9	816.0	903.2
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>	120.6 <sup>(3)</sup>	88.7
Cumulative Adj. NII	26.5	72.7	134.8	208.2	291.0	377.6	477.5	581.0	700.2	820.8	909.5
<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>	<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	\$5.2 <sup>(7)</sup>	\$4.4 <sup>(7)</sup>
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)	(44.9) <sup>(7)</sup>	0.0 <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	(39.8)	4.4
Cumulative Adj. Realized Gains / (Losses)	0.9	12.8	20.5	29.3	43.8	10.3	12.2	17.5	18.4	(21.4)	(17.0)
Adj. Δ in Unrealized Appreciation	4.4	27.9	35.2	23.4	52.8	104.0	70.0	17.1	51.3	78.0 <sup>(7)</sup>	127.5 <sup>(7)</sup>
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)	(96.4) <sup>(7)</sup>	(70.6) <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)	(18.3)	56.9
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)	(86.0)	(29.1)
<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>(\$107.4)</b>	<b>(\$46.1)</b>

<sup>1</sup> See Appendix C 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 (\$1.2m) in 2016, (\$1.2m) in 2017, (\$1.4m) in 2018 and \$3.8m in 2019, and non-recurring dividend, interest, and incentive fee adjustments related to Permian of (\$0.2m) in 2016, (\$1.1m) in 2017, (\$1.1m) in 2018, (\$1.7m) in 2019, and \$4.1m in 2020

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

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

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

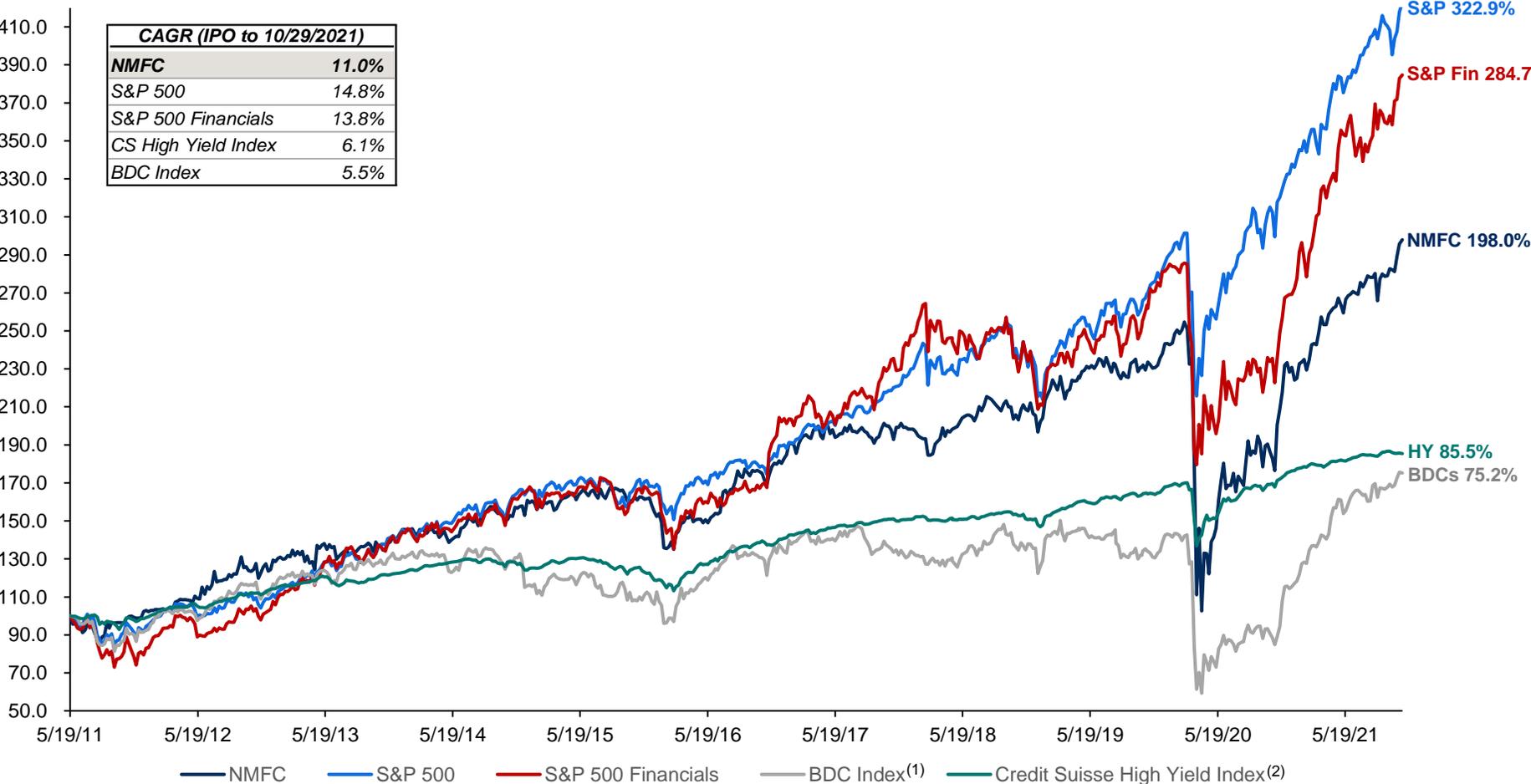
<sup>7</sup> Includes \$10.5m reclassification from realized loss to unrealized depreciation related to Permian in 2016, which was reversed in 2020, along with an additional \$3.0m reclassification from unrealized depreciation to realized loss in 2020, \$27.1m reclassification from unrealized depreciation to realized loss related to Transtar in 2016, which was reversed in 2017, \$14.5m reclassification from realized loss to unrealized depreciation related to Sierra Hamilton in 2017, which was reversed in 2020, along with an additional \$4.8m reclassification from unrealized depreciation to realized loss in 2020, \$15.0m reclassification from realized loss to unrealized depreciation related to National HME in 2018, \$13.9m reclassification from realized gain to unrealized appreciation related to Edmentum in 2020, \$9.7m reclassification from realized loss to unrealized depreciation related to Benevis in 2020, \$12.2m reclassification from realized loss to unrealized depreciation related to Permian in 2021, and \$20.5m reclassification from realized gain to unrealized appreciation related to Edmentum in 2021



# NMFC Relative Return Performance – Indexed Total Return

May 19, 2011 (IPO) – October 29, 2021

## 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



# Q3 2021 Originations

## Portfolio Originations<sup>(1)</sup>

(\$ in millions)

Date <sup>(2)</sup>	Name	Industry	Amount (\$'s Invested)	Type of Investment	Rate
7/2/21	Associa	Business Services	\$29.9	First Lien	L + 6.50%
7/19/21	Chemical Guys	Specialty Chemicals	\$8.2	First Lien	L + 5.25%
7/22/21	USRP	Federal Services	\$11.3	First Lien	L + 5.50%
7/30/21	Infogain	Software	\$19.0	First Lien	L + 5.75%
7/30/21	Veritext	Business Services	\$16.1	Second Lien	L + 6.75%
8/2/21	Affordable Care	Healthcare Services	\$22.1	First Lien	L + 5.50%
			\$12.4	Preferred Shares	11.75% (Fixed)
8/6/21	Davies	Business Services	\$17.6 <sup>(3)</sup>	First Lien (GBP)	SONIA + 7.00%
			\$10.0	First Lien (USD)	L + 7.00%
8/10/21	Cloudera	Software	\$8.5	Second Lien	L + 6.00%
8/16/21	EAB Global	Education	\$33.0	Second Lien	L + 6.50%
8/19/21	Teaching Strategies	Education	\$27.4	Second Lien	L + 6.50%
8/26/21	Deca Dental	Healthcare Services	\$38.0	First Lien	L + 5.75%



<sup>1</sup> Origination commitments over \$7.5m shown, originations less than \$7.5m included in "Other"; originations exclude PIK; originations, repayments, and sales excludes revolvers, unfunded commitments, bridges, return of capital, and realized gains / losses

<sup>2</sup> Date of commitment; where multiple trade dates, the first trade date is listed

<sup>3</sup> Converted at 1.39 GBP/USD exchange rate as of 8/6/2021

# Q3 2021 Originations (cont.)

## Portfolio Originations<sup>(1)</sup>

(\$ in millions)

Date <sup>(2)</sup>	Name	Industry	Amount (\$'s Invested)	Type of Investment	Rate
9/8/21	Kaseya	Software	\$7.7	First Lien	L + 7.00%
9/13/21	Dealer Tire	Distribution & Logistics	\$55.8	Preferred Shares	7.00% (Fixed)
9/22/21	Insight Global	Business Services	\$29.2	First Lien	L + 6.00%
9/29/21	MDVIP	Healthcare Services	\$16.2	Second Lien	L + 6.50%
9/30/21	EPIC	Financial Services	\$24.1	First Lien	L + 5.25%
	Other		\$42.4		
<b>Total Originations</b>			<b>\$428.9</b>		
Repayments			(\$446.9)		
<b>Net Originations</b>			<b>(\$18.0)</b>		
Sales			(\$43.9)		
<b>Net Originations Less Sales</b>			<b>(\$61.9)</b>		



# Origination Activity Since Quarter End (Through 10/29/2021)

## Portfolio Originations<sup>(1)</sup>

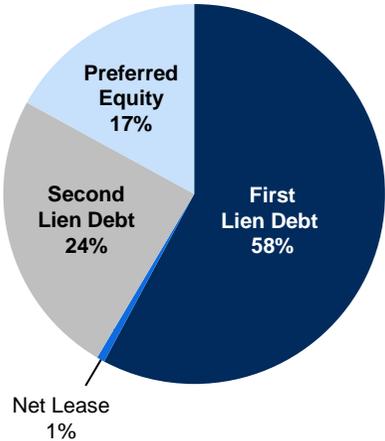
(\$ in millions)

Date <sup>(2)</sup>	Name	Industry	Amount (\$'s Invested)	Type of Investment	Rate
10/1/21	Talend	Information Technology	\$58.6	First Lien	L + 6.00%
10/5/21	Stamps	Software	\$36.9	First Lien	L + 5.75%
10/15/21	Fortis	Packaging	\$20.4	First Lien	L + 5.50%
10/15/21	Daxko	Software	\$13.1	First Lien	L + 5.50%
	Other		\$17.0		
<b>Total Originations</b>			<b>\$145.9</b>		
Repayments			(\$67.5)		
<b>Net Originations</b>			<b>\$78.4</b>		
Sales			-		
<b>Net Originations Less Sales</b>			<b>\$78.4</b>		



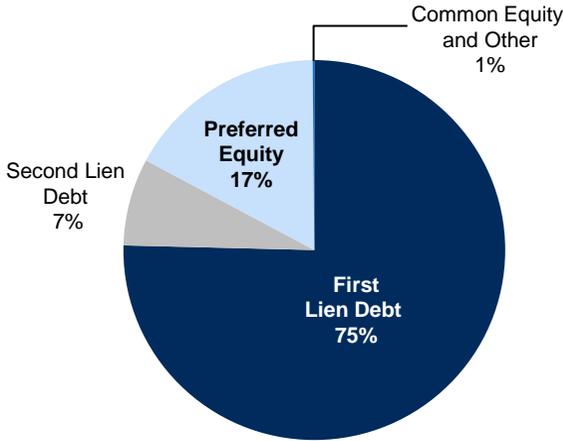
# Portfolio Activity & Mix by Type of Investment

**Q3 2021  
Originations by Type<sup>(1)</sup>**



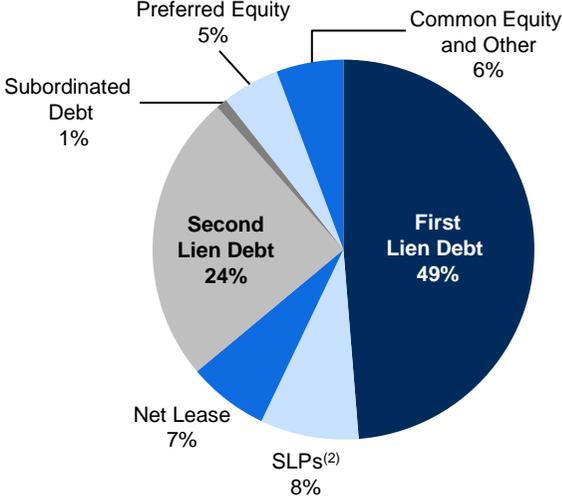
**Total: \$428.9 million**

**Q3 2021  
Sales / Repayments by Type<sup>(1)</sup>**



**Total: \$490.8 million**

**Total Portfolio  
(FMV as of 9/30/2021)**



**Total: \$3,022.7 million**

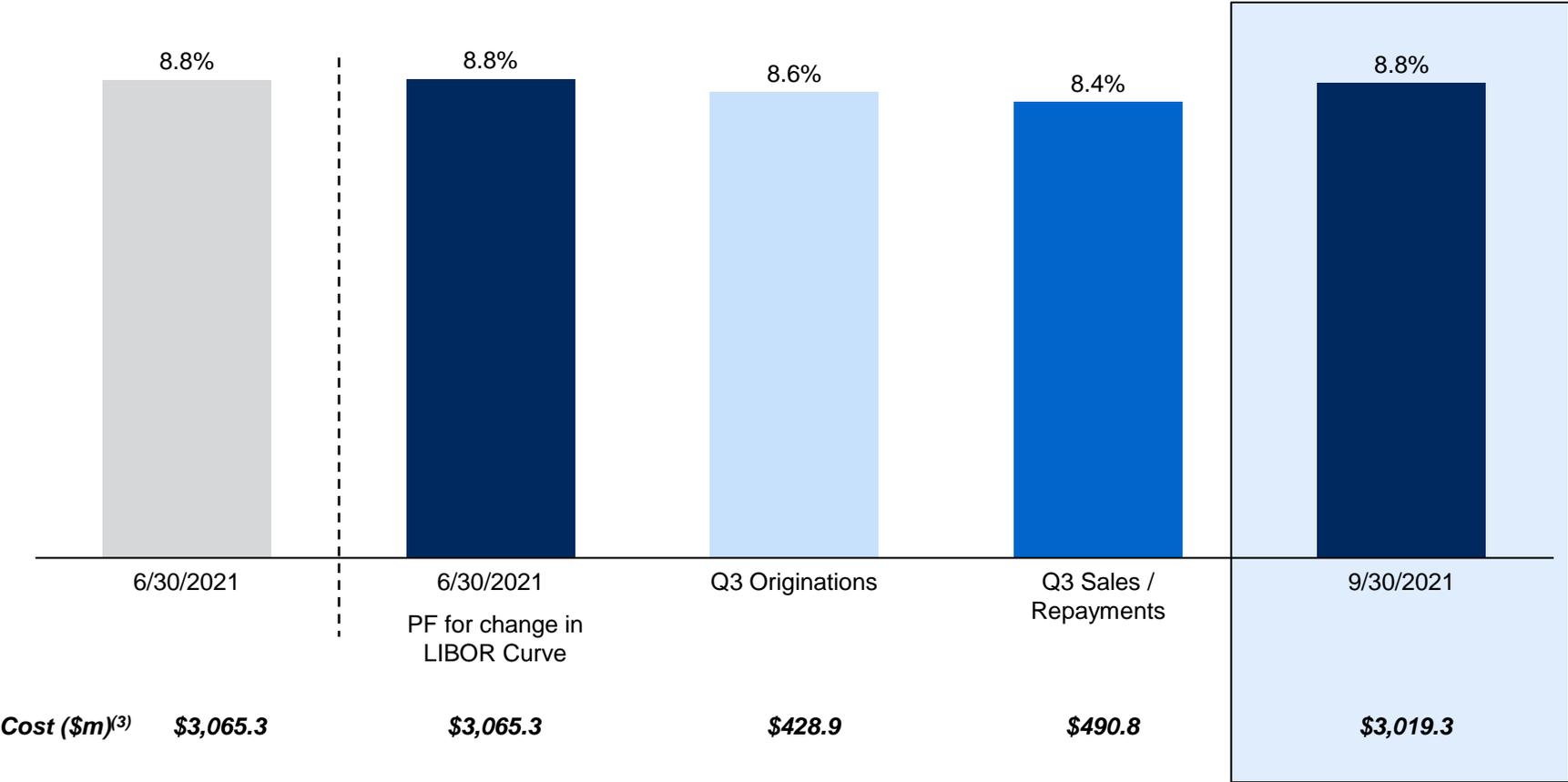


<sup>1</sup> By \$s invested / \$s received at time of origination / sale / repayment; excludes PIK, revolvers, unfunded commitments, bridges, return of capital, and realized gains / losses

<sup>2</sup> Includes SLP III and SLP IV

# Q3 2021 Investment Activity Roll

## YTM at Cost<sup>(1)</sup> / Purchase<sup>(2)</sup>



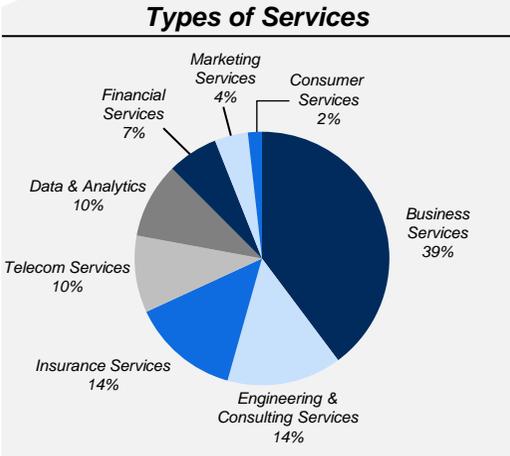
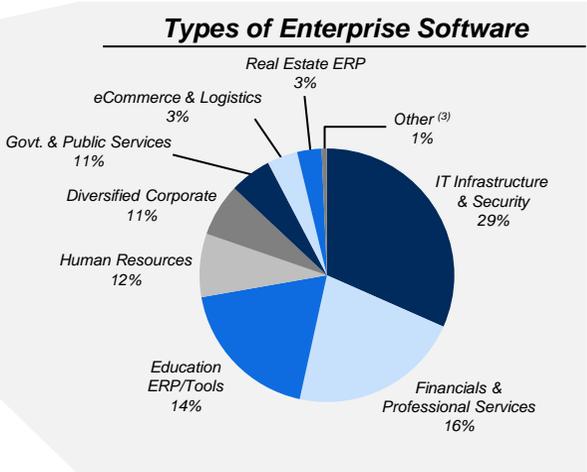
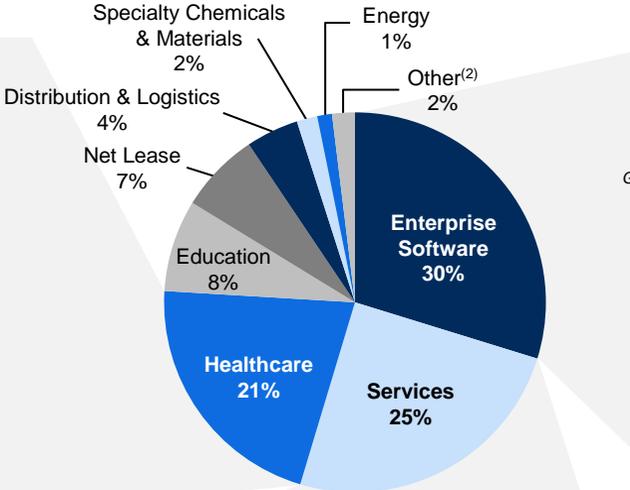
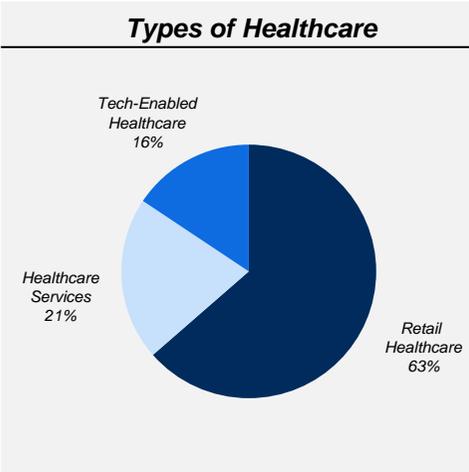
<sup>1</sup> Assumes that investments are purchased at cost and held until their respective maturities with no prepayments or losses and are exited at par at maturity. The actual yield to maturity may be higher or lower due to the future selection of LIBOR contracts by the individual companies in our portfolio or other factors. See "Important Notices and Safe Harbor Statement"

<sup>2</sup> References to "YTM at Purchase" have the same assumptions as above except that investments are purchased at purchase price on settlement date

<sup>3</sup> Will not sum across due to amortization, PIK, realized gain / loss, and rollovers

# Portfolio Mix By Industry (Fair Value as of 9/30/2021)

**Total Portfolio<sup>(1)</sup>**



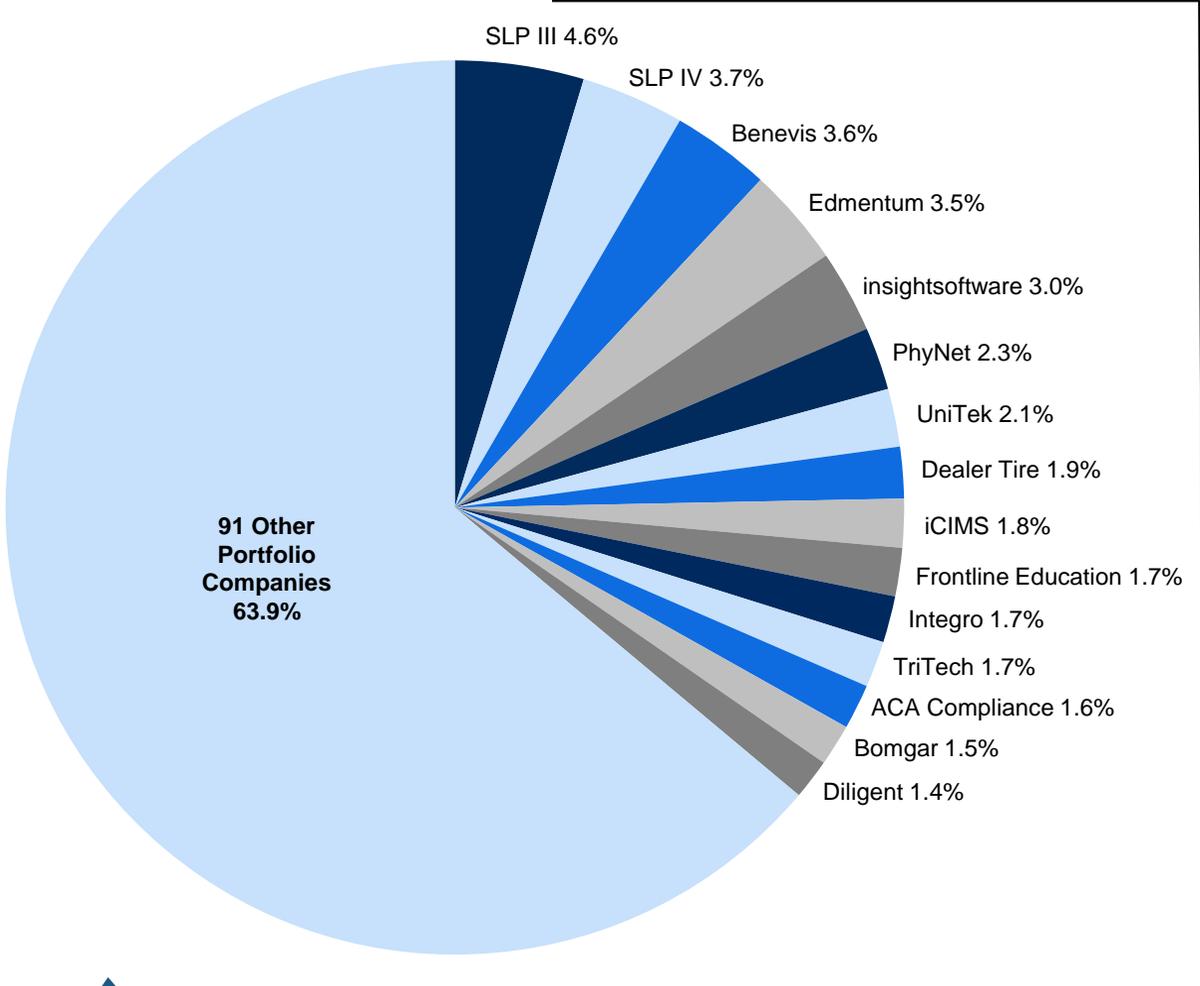
<sup>1</sup> Includes fair value of NMFC's investment in SLP III and SLP IV allocated by industry (\$252.4m)

<sup>2</sup> Includes Packaging, Federal Services, Business Products, Information Services, Food & Beverage, Retail, and Industrial Services

<sup>3</sup> Includes Compliance, Hospitality, Travel & Entertainment, and Media, Marketing & Telecom

# Portfolio Concentration (By Fair Value as of 9/30/2021)

Portfolio Names By Fair Value



Top 15 portfolio companies<sup>(1)</sup> represent \$1,091.9 million, or 36.1%, of consolidated investments

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

As of		
12/31/2020	3/31/2021	6/30/2021
\$1,082.8	\$1,108.4	\$1,195.3
36.5%	36.6%	38.6%



<sup>1</sup> Excludes Net Lease, representing 5.1%, 6.1%, 6.1%, and 6.8% of consolidated investments in 12/31/2020, 3/31/2021, 6/30/2021, and 9/30/2021, respectively

# Balance Sheet Highlights

(\$ in millions, except per share data)	Quarter Ended				
	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021
<b>Assets</b>					
Portfolio	\$2,907.7	\$2,964.5	\$3,029.6	\$3,100.0	\$3,022.7
Cash & Equivalents	68.7	79.0	47.3	27.8	83.4
Other Assets <sup>(1)</sup>	56.1	54.0	51.4	52.3	62.0
<b>Total Assets</b>	<b>\$3,032.5</b>	<b>\$3,097.5</b>	<b>\$3,128.3</b>	<b>\$3,180.1</b>	<b>\$3,168.1</b>
<b>Liabilities</b>					
Statutory Debt	\$1,506.5	\$1,514.4	\$1,471.2	\$1,539.6	\$1,529.8
SBA-Guaranteed Debentures	300.0	300.0	300.0	300.0	300.0
Other Liabilities <sup>(2)</sup>	41.2	61.2	112.8	48.4	53.4
<b>Total Liabilities</b>	<b>\$1,847.7</b>	<b>\$1,875.6</b>	<b>\$1,884.0</b>	<b>\$1,888.0</b>	<b>\$1,883.2</b>
<b>NAV</b>	<b>\$1,184.8</b>	<b>\$1,221.9</b>	<b>\$1,244.3</b>	<b>\$1,292.1</b>	<b>\$1,284.9</b>
Shares Outstanding - Ending Balance (mm)	96.8	96.8	96.8	96.9	96.9
<b>NAV / Share</b>	<b>\$12.24</b>	<b>\$12.62</b>	<b>\$12.85</b>	<b>\$13.33</b>	<b>\$13.26</b>
<b>Statutory Debt / Equity<sup>(3)</sup></b>	<b>1.27x</b>	<b>1.24x</b>	<b>1.18x</b>	<b>1.19x</b>	<b>1.19x</b>



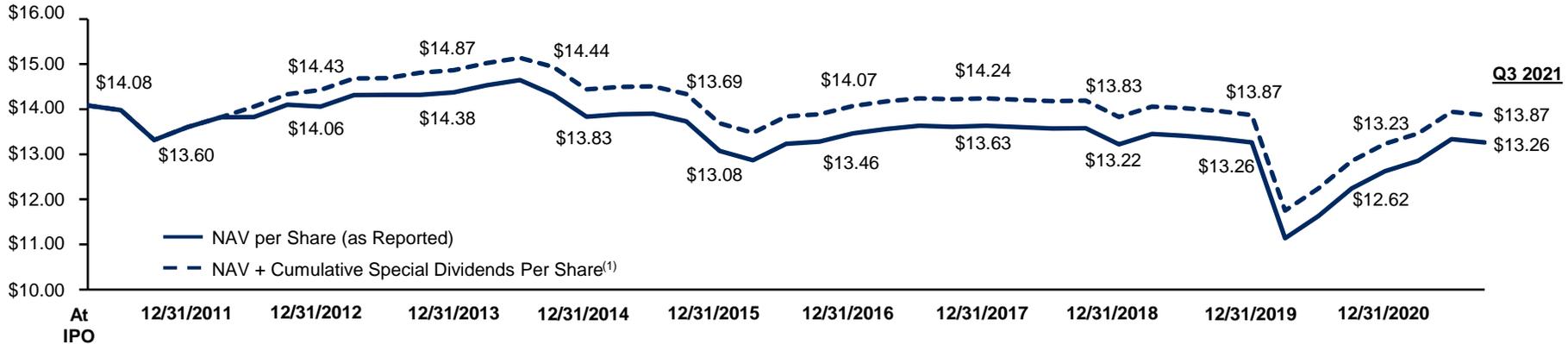
<sup>1</sup> Includes interest and dividends receivable, receivable from affiliate, receivable from unsettled securities sold and other assets

<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

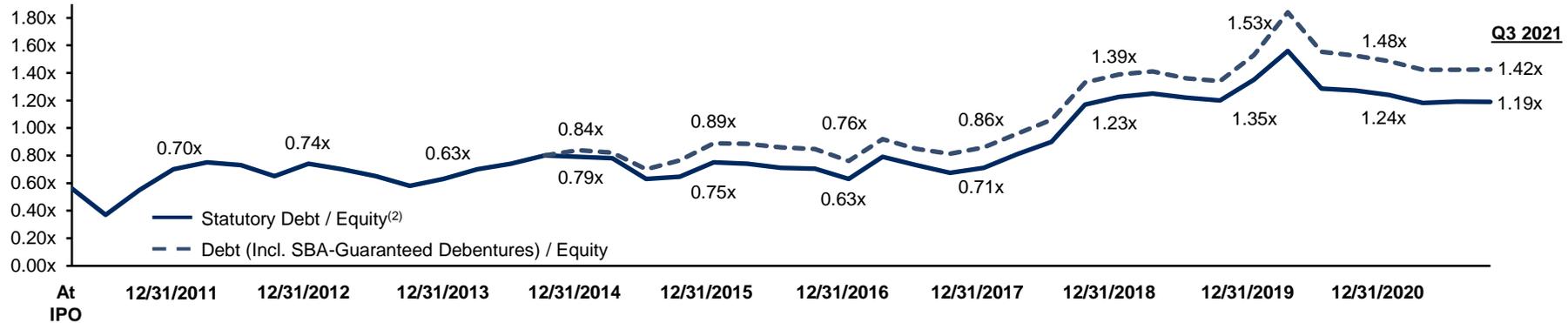
<sup>3</sup> Statutory debt / equity calculation excludes SBA-guaranteed debentures, which are fully funded, non-recourse, asset-backed securities that are excluded by SEC exemptive order from the definition of "senior securities" under the 1940 Act asset coverage test

# 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				9/30/2021
	9/30/2020	12/31/2020	3/31/2021	6/30/2021	
<b>Investment Income</b>					
Interest income	\$49.7	\$48.9	\$47.0	\$47.1	\$47.8
Dividend income	12.4	12.7	15.4	16.5	14.3
Other income	3.2	6.2	5.0	2.6	6.1
<b>Total investment income</b>	<b>\$65.3</b>	<b>\$67.8</b>	<b>\$67.4</b>	<b>\$66.2</b>	<b>\$68.2</b>
<b>Expenses</b>					
Management fee <sup>(1)</sup>	\$10.0	\$10.4	\$9.8	\$9.9	\$10.0
Incentive fee <sup>(1)</sup>	6.7	7.3	7.2	7.3	7.7
Interest and other financing expenses	18.1	18.6	18.6	17.9	17.6
Net administrative, professional, other G&A expenses and income taxes <sup>(2)</sup>	1.7	2.4	2.3	2.3	2.5
<b>Total net expenses</b>	<b>\$36.5</b>	<b>\$38.7</b>	<b>\$37.9</b>	<b>\$37.4</b>	<b>\$37.8</b>
<b>Adjusted net investment income<sup>(3)</sup></b>	<b>\$28.8</b>	<b>\$29.1</b>	<b>\$29.5</b>	<b>\$28.8</b>	<b>\$30.4</b>
<b>Gain / Loss</b>					
Net realized gains (losses) on investments	\$0.0	\$0.8	(\$10.5)	\$0.2	\$23.0
Net change in unrealized appreciation (depreciation) of investments	59.1	36.0	33.4	46.8	(31.5)
Benefit (provision) for income tax	0.3	0.2	(0.1)	–	–
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$88.2</b>	<b>\$66.1</b>	<b>\$52.3</b>	<b>\$75.8</b>	<b>\$21.9</b>
Weighted average shares outstanding (mm)	96.8	96.8	96.8	96.8	96.9
<b>Adjusted NII per weighted average share<sup>(3)</sup></b>	<b>\$0.30</b>	<b>\$0.30</b>	<b>\$0.30</b>	<b>\$0.30</b>	<b>\$0.31</b>
Memo: Annualized Effective Management Fee	1.34%	1.35%	1.25%	1.25%	1.25%



<sup>1</sup> Reflects management and incentive fees net of waivers; fees waived cannot be recouped. In Q3 2020, \$0.5 million of incentive fees were waived

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

<sup>3</sup> See Appendix C for GAAP and adjusted reconciliation; GAAP NII per weighted average share of \$0.30, \$0.30, \$0.30, \$0.30, and \$0.31 as of 9/30/2020, 12/31/2020, 3/31/2021, 6/30/2021, and 9/30/2021 respectively

# Investment Income Detail

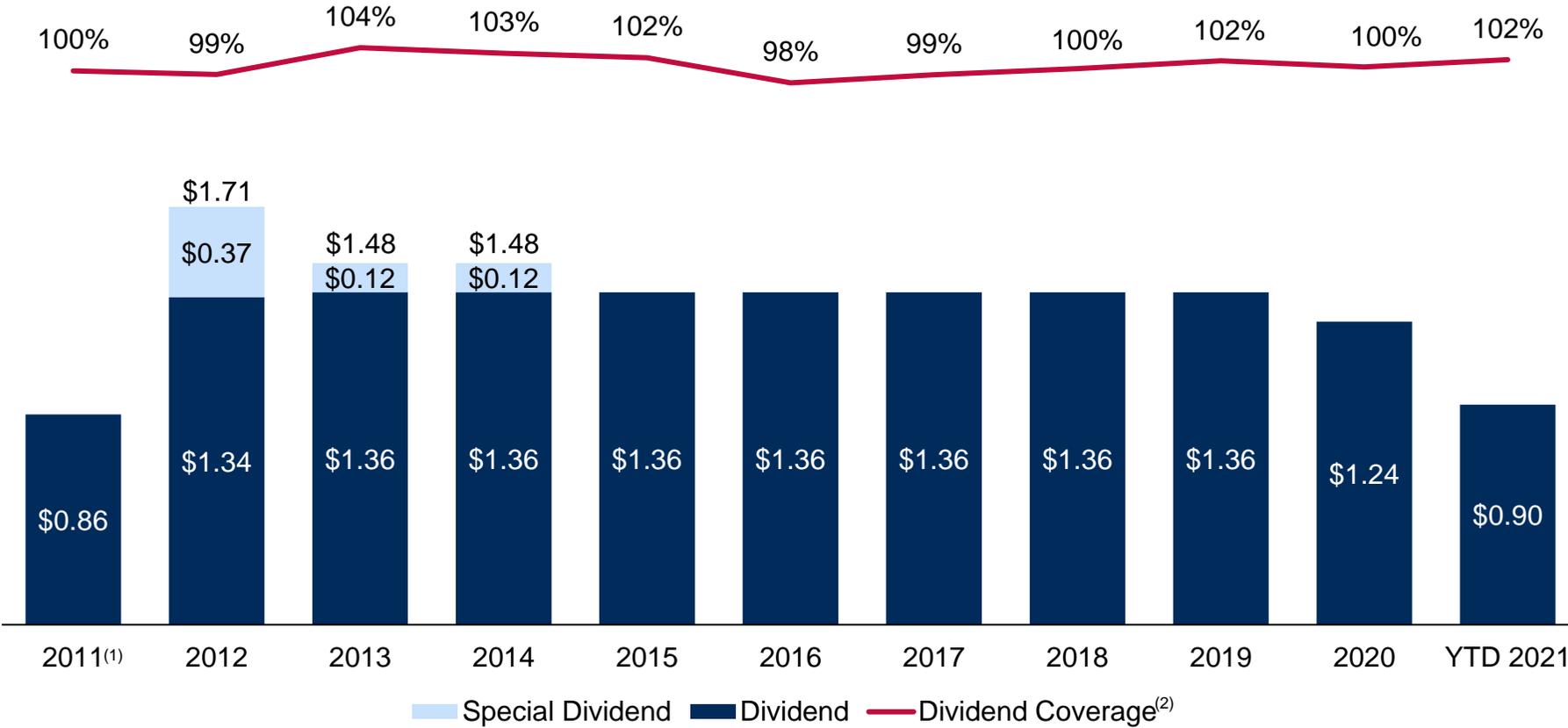
(\$ in millions)	Quarter Ended				9/30/2021
	9/30/2020	12/31/2020	3/31/2021	6/30/2021	
<b>Investment Income Build</b>					
Cash Interest and Dividend Income	\$43.2	\$41.4	\$38.9	\$39.7	\$39.1
SLP and Net Lease Income <sup>(1)</sup>	8.8	8.6	10.2	10.7	9.4
<b>Recurring Cash Investment Income</b>	<b>\$52.0</b>	<b>\$50.0</b>	<b>\$49.1</b>	<b>\$50.4</b>	<b>\$48.5</b>
Non-cash Interest and Dividend Income <sup>(2)</sup>	\$8.8	\$9.5	\$11.0	\$11.4	\$9.4
Amortization of Purchase Discounts (Premiums)	1.4	1.5	1.3	1.3	1.3
<b>Recurring Non-cash Investment Income</b>	<b>\$10.2</b>	<b>\$11.0</b>	<b>\$12.3</b>	<b>\$12.7</b>	<b>\$10.7</b>
<b>Total Recurring Investment Income</b>	<b>\$62.2</b>	<b>\$61.0</b>	<b>\$61.4</b>	<b>\$63.1</b>	<b>\$59.2</b>
Prepayment Fees (Cash)	\$0.3	\$0.9	\$1.1	\$0.8	\$3.2
Other Cash Fee Income	1.1	5.3	4.0	1.5	5.0
<b>Non-recurring Cash Investment Income</b>	<b>\$1.4</b>	<b>\$6.2</b>	<b>\$5.1</b>	<b>\$2.3</b>	<b>\$8.2</b>
Other Non-cash Fee Income	\$1.7	\$0.6	\$0.9	\$0.8	\$0.8
<b>Non-recurring Non-Cash Investment Income</b>	<b>\$1.7</b>	<b>\$0.6</b>	<b>\$0.9</b>	<b>\$0.8</b>	<b>\$0.8</b>
<b>Total Non-recurring Investment Income</b>	<b>\$3.1</b>	<b>\$6.8</b>	<b>\$6.0</b>	<b>\$3.1</b>	<b>\$9.0</b>
<b>Total Investment Income</b>	<b>\$65.3</b>	<b>\$67.8</b>	<b>\$67.4</b>	<b>\$66.2</b>	<b>\$68.2</b>
<b>Total Cash Investment Income</b>	<b>\$53.4</b>	<b>\$56.2</b>	<b>\$54.2</b>	<b>\$52.7</b>	<b>\$56.7</b>
<b>Key Statistics</b>					
% of Total Investment Income that is Recurring	95%	90%	91%	95%	87%
% of Total Investment Income that is Cash	82%	83%	80%	80%	83%

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



# Dividend Summary and Coverage

**We believe our Q4 2021 NII will be at least \$0.30 per share. Our board of directors has declared a fourth 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 9/30/2021, \$ 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 / Old Second / Fifth Third)</i>	\$493 / \$730	Broadly syndicated 1 <sup>st</sup> lien loans <sup>(1)</sup> : L + 1.60% All other: L + 2.10% (0.00% LIBOR floor)	April 2026
Deutsche Bank Credit Facility <i>(Deutsche Bank / KeyBank / Customers Bank / Hitachi / Citizens Bank)</i>	\$168 / \$280	L + 2.60% <sup>(2)</sup> (0.00% LIBOR floor)	March 2026
NMFC Credit Facility <i>(Goldman Sachs / Morgan Stanley / Stifel / MUFG)</i>	\$150 <sup>(3)</sup> / \$189	L + 2.10% (No LIBOR floor)	June 2026
2018 Convertible Notes	\$201 / \$201	5.75%	August 2023
SBA I Guaranteed Debentures <sup>(4)</sup>	\$150 / \$150	3.26% weighted average rate <sup>(5)</sup>	March 2025 or later
SBA II Guaranteed Debentures <sup>(4)</sup>	\$150 / \$150	2.14% weighted average rate <sup>(5)</sup>	Sept. 2028 or later
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
Series 2021 Unsecured Notes	\$200 / \$200	3.88%	January 2026
Unsecured Management Company Revolver	– / \$50	7.00%	December 2022
<b>Total<sup>(6)</sup></b>	<b>\$1,824 / \$2,261</b>	<b>Wtd. Avg.: 3.35%</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> Includes £12.6m converted at 1.35 GBP/USD exchange rate as of 9/30/2021

<sup>4</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>5</sup> QTD weighted average interest rate shown for SBA I and SBA II guaranteed debentures reflects pooled interest rates and SBA's annual charges

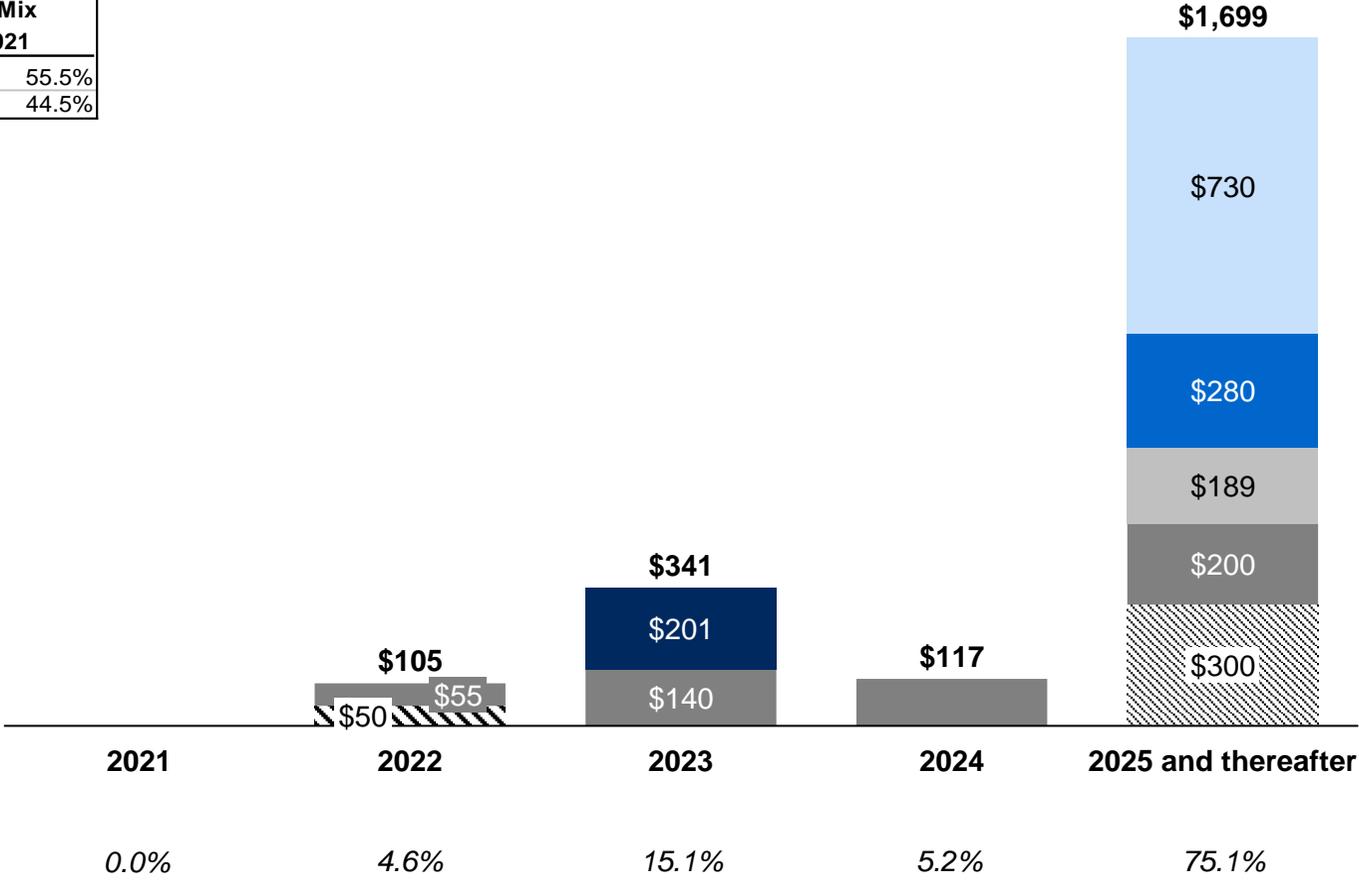
<sup>6</sup> Excludes \$5.8m NMNLC Credit Facility II draw



# Leverage Maturity Schedule

(As of 9/30/2021, \$ in millions, based on total facility size)

Floating vs. Fixed Debt Outstanding Mix As of 9/30/2021	
Fixed	55.5%
Floating	44.5%



- Convertible Note
- Series 2017A-2021 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

1633 Broadway, 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  
*Chairman of the Board of Directors*  
Adam B. Weinstein  
*EVP, Chief Administrative Officer & Director*

Robert A. Hamwee  
*Chief Executive Officer & Director*  
John R. Kline  
*President, Chief Operating Officer & Director*

Shiraz Y. Kajee  
*Chief Financial Officer*  
Karrie J. Jerry  
*Chief Compliance Officer & Corporate Secretary*

James W. Stone III  
*Managing Director*  
Laura C. Holson  
*Managing Director & Head of Capital Markets*

Joshua B. Porter  
*Managing Director*  
Ivo Turkedjiev  
*Managing Director, Trader & Sr. Loan Portfolio Manager*

## Research Coverage

Bank of America Securities  
Derek Hewett, 646-855-2087

Janney Montgomery Scott  
John Rowan, 212-940-6981

Hovde Group  
Bryce Rowe, 804-318-0969

Oppenheimer & Co.  
Mitchel Penn, 212-667-7136

Keefe, Bruyette & Woods (KBW)  
Ryan Lynch, 314-342-2918  
Paul Johnson, 314-342-2194

Wells Fargo Securities  
Finian O'Shea, 704-410-0067  
Jordan Wathen, 980-242-9977

## Fiscal Year End

December 31

## Independent Auditor

Deloitte & Touche LLP  
New York, NY

## Securities Listing

NASDAQ: NMFC (Common Equity)

## 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- / Stable  
Kroll Bond Rating Agency: BBB- / Stable  
Moody's Investor Services: Baa3 / Stable



# Appendix A: New Mountain Capital Team Members

## Managing Directors

- Steve Klinsky
- Andrew Barous
- Matt Bennett
- Prasad Chintamaneni
- Andrew Cooper
- David Coquillet
- Joe Delgado
- Joseph Hartswell<sup>(1)</sup>
- Rob Hamwee
- Laura Holson
- Matt Holt
- Lars Johansson
- Teddy Kaplan
- Harris Kealey
- Lew Klessel
- John Kline
- Pete Masucci
- Andre Moura
- Bob Mulcare
- Bert Notini
- Kyle Peterson
- Josh Porter
- Jack Qian
- Daniel Riley
- Ignacio Sarria
- James Stone
- Ivo Turkedjiev**
- Jonathan Waggoner
- Adam Weinstein<sup>(1)</sup>

## Senior Advisors<sup>(2)</sup> (Full Access)

- Sandra Andersen<sup>(3)</sup>**
- Larry Benjamin
- Christos Cotsakos
- Paul Farrell
- George Gallate**
- Clark Golestani
- Raj Gupta
- Bjorn Hofman
- Lawrence Jackson
- Ed Lonergan
- Rakesh Sachdev
- Fred Salerno
- Nadia Shouraboura
- Robert Tullman
- David Vise
- Buzz Waterhouse
- Bob Weiler

## Directors

- Gandhi Bedi**
- Art Cardillo
- Tom DeCarlo
- Ryan Dawson**
- Nikhil Devulapalli
- Matt Dubbioso
- Catherine Dunn**
- Andrea Ruocco
- Ricardo Gonzalez
- Roger Liao**
- Tom Libretto
- Cyrus Moshiri**
- Brian Murphy
- William Murphy**
- Patrick O'Dolan**
- Neely Piolet
- Robert Roberts
- Joe Walker
- Joy Xu

## Senior Advisors for Special Projects<sup>(2)</sup>

- Raj Alva
- Bal Dail
- Matt Ebbel

## Vice Presidents

- Rishi Abuwala
- Ian Baker**
- William Choi**
- Sara DiMassimo**
- Conor Donovan
- Sean Donovan
- Connor Feeley**
- Alec Guzov
- William Haley
- Sara Israel
- Megan Kingsley**
- Raj Merchant**
- Lara Nosseir**
- Mike Oshinsky
- Tyler Saitta
- Peter Savarese**
- Nichole Sharpe**
- Marya Stansky**

## Credit Senior Analysts / Analysts

- Christopher Kenney**
- Jacob Zucker**
- Patrick Farrell
- Mark Hammer**
- Matthew Lorenzetti
- Nicholas Palumbo**
- Daniel Rhee
- Sean Walsh**

## Senior Associates / Associates

- Jag Buddhavarapu**
- Michael Gawlik**
- Riley Lyons**
- Malachi Price**
- Marcus Schwarz**
- Stephen Tully**
- Bryan Africk**
- Tingting Bi**
- Frank Bruni**
- Rachel Citera
- Neil Corber
- Jason Darell**
- Isaac Greenwood**
- Lindsay Greig
- Michael Hammond**
- Patrick James**
- Felicia Jia**
- Andrew Lobel**
- Lauren Mounts**
- Jake Macey
- Philip Morgan
- Richard Oyeniran**
- Kevin Schneider**
- Stephanie Slaven**
- Darren Tan
- Steven Tenzer**
- Lee Yoseff**
- John Zipf**

## Finance / Operations / Compliance / Legal / Administration

- Shiraz Kajee
- Michael McCarthy
- Arina Popova
- Saaima Shahin
- Linda Chiu
- Deborah Cox
- Jessica Hanna**
- John Hausler**
- Karrie Jerry
- Scott Justin**
- Kate Kapanowski**
- Pamela Kauppila**
- Patricia Last**
- James Lavallee
- Fang Lin**
- Phil Montesana
- Trish Molyneux
- Jacquelyn Pultorak**
- Joe Cortese
- Tim Faranda**
- Kaitlyn Grigoleit
- Vivian Ko
- Holly Lau
- John Maris
- Sucharita Mukherjee
- Sameet Rai
- Kyle Sheridan**
- James Shaw
- Kellie Steele
- Lindsey Wittmann
- Scott DeBenedittis**
- Michael Caballero
- Natalie DeLacio
- Michael Doyle
- Alec Freeman
- Daniel Gonyon**
- Vicky Han**
- Timothy Klotsche**
- Matthew Masino
- Meredith McAneny
- Matthew Miller
- Abby O'Hara**
- Nirav Patel
- Alexander Stern
- Evelyn Wang

Over 190 Team Members  
(~110 Investment Professionals)<sup>(4)</sup>

 New hires and promotions  
in last twelve months

Note: Team information as of October 8, 2021

<sup>1</sup> Adam Weinstein (CFO/Head of Firm Operations) also leads the Finance/Operations/Compliance/Legal Administration teams, and Joe Hartswell is the CCO

<sup>2</sup> Please reference Disclosures for more detail on Senior Advisors

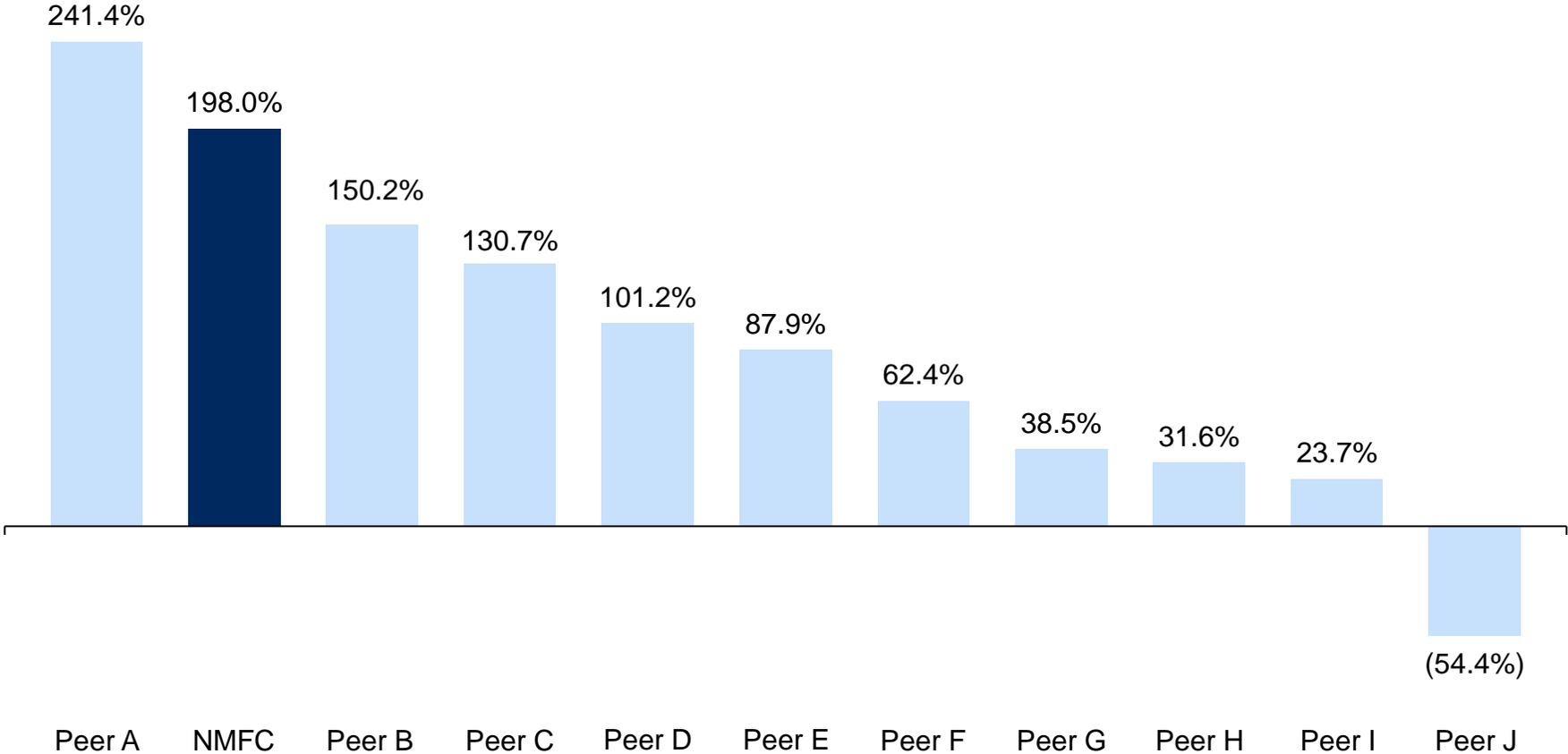
<sup>3</sup> Denotes Executive in Residence (full-time employee)

<sup>4</sup> Investment Professionals includes 19 Senior Advisors, 11 Business Development professionals and those whose responsibilities also include non-investment areas as well, including New Mountain's Head of Firm Operations & CFO and CCO



# Appendix B: NMFC Cumulative Total Return Versus Peers<sup>(1)</sup>

May 19, 2011 (IPO) – October 29, 2021



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

# Appendix C: 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	12/31/20	2021 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	\$117.3	\$88.8
Non-controlling interest in NMNLC related to NII	-	-	-	-	-	-	-	-	-	(0.8)	(0.9)
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)	-
Non-recurring interest expense adjustment	-	-	-	-	-	-	-	-	-	-	0.8
<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>\$120.6</b>	<b>\$88.7</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>(\$2.8)</b>	<b>\$12.7</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, Benevis & NHME <sup>(3)</sup>	-	-	-	-	27.9	(16.6)	41.6	15.0	-	(37.0)	(8.3)
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>(\$39.8)</b>	<b>\$4.4</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>(\$52.7)</b>	<b>\$52.4</b>
Non-controlling interest in NMNLC related to unrealized appreciation (depreciation)	-	-	-	-	-	-	-	-	-	(2.6)	(3.8)
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, Benevis & NHME <sup>(3)</sup>	-	-	-	-	(27.9)	16.6	(41.6)	(15.0)	-	37.0	8.3
<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>(\$18.3)</b>	<b>\$56.9</b>
	Quarter Ended										
	9/30/2020		12/31/2020		3/31/2021		6/30/2021		9/30/2021		
	\$m	Per Share <sup>(4)</sup>									
<b>GAAP net investment income ("NII")</b>	\$28.8 <sup>(5)</sup>	\$0.30	\$29.1 <sup>(5)</sup>	\$0.30	\$28.7 <sup>(5)</sup>	\$0.30	\$28.8 <sup>(5)</sup>	\$0.30	\$30.4 <sup>(5)</sup>	\$0.31	
Non-recurring dividend, interest & incentive fee adjustment (Permian & PPVA)	-	-	-	-	-	-	-	-	-	-	
Non-recurring interest expense adjustment	-	-	-	-	0.8	0.00	-	-	-	-	
<b>Adjusted NII</b>	<b>\$28.8</b>	<b>\$0.30</b>	<b>\$29.1</b>	<b>\$0.30</b>	<b>\$29.5</b>	<b>\$0.30</b>	<b>\$28.8</b>	<b>\$0.30</b>	<b>\$30.4</b>	<b>\$0.31</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 reclassification from realized loss to unrealized depreciation related to Permian in 2016, which was reversed in 2020, along with an additional \$3.0m reclassification from unrealized depreciation to realized loss, \$27.1m reclassification from unrealized depreciation to realized loss related to Transtar in 2016, which was reversed in 2017, \$14.5m reclassification from realized loss to unrealized depreciation related to Sierra Hamilton in 2017, which was reversed in 2020, along with an additional \$4.8m reclassification from unrealized depreciation to realized loss, \$15.0m reclassification from realized loss to unrealized depreciation related to National HME in 2018, \$13.9m reclassification from realized gain to unrealized appreciation related to Edmentum in 2020, and \$9.7m reclassification from realized loss to unrealized depreciation related to Benevis in 2020, \$12.2m reclassification from realized loss to unrealized depreciation related to Permian in 2021, and \$20.5m reclassification from realized gain to unrealized appreciation related to Edmentum in 2021

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

<sup>5</sup> Excludes NII related to non-controlling interest in NMNLC of \$0.2m, \$0.3m, \$0.3m, \$0.4m, and \$0.2m during the quarter ended 9/30/2020, 12/31/2020, 3/31/2021, 6/30/2021, and 9/30/2021 respectively





**NEW MOUNTAIN FINANCE  
CORPORATION**