

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): **June 24, 2020**

New Mountain Finance Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

814-00832
(Commission
File Number)

27-2978010
(IRS Employer
Identification Number)

787 7th Avenue, 48th Floor, New York, NY 10019
(Address of principal executive offices)

Registrant's telephone number, including area code **(212) 720-0300**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	NMFC	New York Stock Exchange
5.75% Notes due 2023	NMFX	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On June 24, 2020, New Mountain Finance Corporation (the “Company”) posted a presentation on its website containing preliminary estimates of the results for the period ending June 30, 2020 (the “Interim Update”). The Interim Update is intended to provide the Company’s shareholders information on the Company’s credit performance, leverage and liquidity since its last update on May 7, 2020 and ahead of the next quarterly earnings conference call. A copy of the presentation is attached hereto as Exhibit 99.1.

The information disclosed under this Item 2.02, including Exhibit 99.1 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information provided herein shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
<u>99.1</u>	<u>Presentation dated June 24, 2020</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

New Mountain Finance Corporation

By: /s/ Karrie J. Jerry

Name: Karrie J. Jerry

Title: Chief Compliance Officer and Corporate Secretary

Date: June 24, 2020



**NEW MOUNTAIN FINANCE
CORPORATION**

June 2020 Update

June 24, 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.

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.

The preliminary estimates contained in this presentation are not a comprehensive statement of our financial condition or results for the period ending June 30, 2020. NMFC's actual results for the three months ending June 30, 2020 may differ materially from these estimates, which are given only as of June 24, 2020, as a result of the completion of NMFC's financial closing procedures, final adjustments and other developments, including changes in interest rates, changes in the businesses to whom NMFC has made loans or market and industry fluctuations, which may arise between now and the time that NMFC's financial results for the three months ending June 30, 2020 are finalized. This information is inherently uncertain. The preliminary financial estimates provided herein have been prepared by, and are the responsibility of, NMFC's management. Neither Deloitte & Touche LLP, NMFC's independent registered public accounting firm, nor any other independent accountants have audited, reviewed, compiled, or performed any procedures with respect to the accompany preliminary financial data. Accordingly, Deloitte & Touche LLP does not express an opinion or any form of assurance with respect thereto and assumes no responsibility for, and disclaims any association with, this information.



Key Highlights

- In light of ongoing market volatility and the evolving impact of COVID-19, NMFC's management team would like to provide an interim update on credit performance, leverage, liquidity, and projected earnings
- 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⁽¹⁾ since our May 7, 2020 earnings call
 - We do not currently anticipate any additional portfolio companies to be placed on non-accrual status for Q2 2020 beyond the one retail healthcare position we discussed on the May call
- Projected June 30, 2020 statutory leverage ratio of 1.35x (holding portfolio fair value constant), down from 1.56x at March 31, 2020
 - To repay debt outstanding, we successfully exited \$255 million of investments at an average price of 98.1% of par since end of March
 - As a reminder, March 31, 2020 statutory leverage ratio increased from 1.35x at December 31, 2019 due to decline in fair value, driven primarily by market spread movement and comparable company values, not underlying credit problems
 - Syndicated loan market prices have recovered meaningfully since March 31, 2020; assuming prices continue to stay above March 31st levels, leverage ratio expected to decline even further
 - 2% increase in portfolio fair market value would result in a June 30, 2020 statutory leverage ratio of 1.28x
- Liquidity position remains strong as we currently have ~\$230 million of cash and immediately available liquidity to handle future needs⁽²⁾
- Q2 2020 Net Investment Income projected to be \$0.30 per share, towards the high end of the estimated range previously provided and consistent with the dividend declared



¹ Risk Rating assigned based on two metrics: COVID Exposure and Overall Company Strength. Please refer to our Q1 2020 Earnings Presentation for details.

² As of June 22, 2020

Projected Leverage Migration

(\$ in millions)

3/31/20

Δ

6/30/20 (Projected)

Statutory Debt:

\$1,682.5

NAV:

\$1,078.2



Statutory
Leverage Ratio⁽¹⁾:
1.56x

(\$232.2)
*debt paydown primarily
from asset sales / repayments*

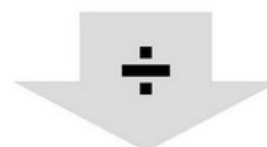
\$-
Holding mark-to-market flat

Statutory Debt:

\$1,450.3

NAV:

\$1,078.2



Statutory
Leverage Ratio⁽¹⁾:
1.35x

Sources		Uses	
Sales	\$168.3	Debt Paydown	\$232.2
Repayments	86.7	DDTL / Revolver Activity	25.8
Cash Interest Income, Net of Expenses	31.6	Originations	7.7
Balance Sheet Cash	8.2	Q2 2020 Dividend	29.1
Total	\$294.8	Total	\$294.8



NEW MOUNTAIN FINANCE CORPORATION

¹ 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

Post-Q1 2020 Sales / Repayments⁽¹⁾ (4/1/20 through 6/22/20)

Since the end of March, we have successfully exited \$255 million of assets at attractive prices

(\$ in millions)					
Date ⁽²⁾	Name	Activity	Proceeds	Type of Investment	Weighted Average Price
4/8/20	Kronos	Sale	\$36.6	2 nd Lien	98.19
4/14/20	GEMS	Sale / Repayment	\$7.6	1 st Lien	95.04
4/16/20	Solera	Sale	\$5.0	Sub Debt	100.13
5/5/20	WellDyne	Sale	\$8.6	1 st Lien	96.50
5/13/20	Conservice	Repayment	\$29.6	1 st Lien	100.00
5/14/20	symplr	Sale	\$28.8	1 st Lien	96.00
5/18/20	NaviHealth	Repayment	\$56.3	1 st Lien	100.00
5/20/20	Sovos	Sale	\$27.1	1 st Lien	97.00
5/20/20	Apptio	Sale	\$22.1	1 st Lien	96.66
5/20/20	Diligent	Sale	\$14.1	1 st Lien	98.00
6/4/20	Wrike	Sale	\$8.8	1 st Lien	97.00
	Other		\$10.4		
Total / Weighted Average			\$255.0		98.07



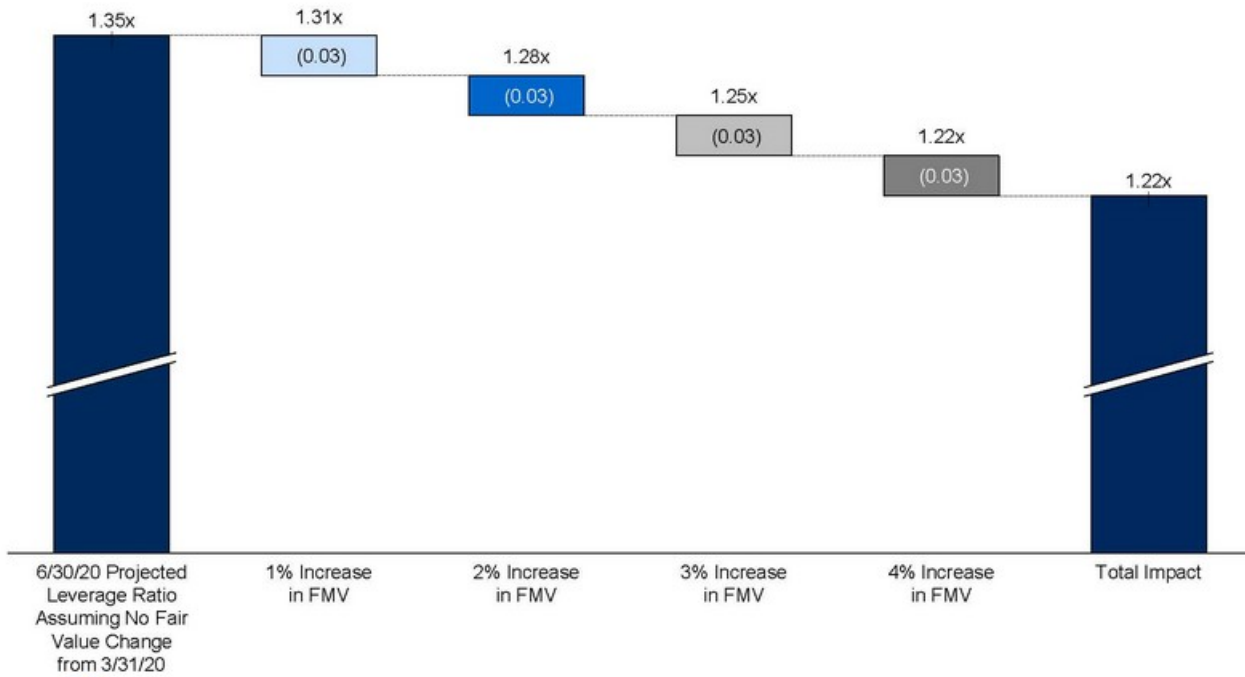
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¹ Sale / repayment activity over \$5.0m shown, activity less than \$5.0m included in "Other"; repayments and sales exclude bridges, return of capital, and realized gains / losses

² Trade / repayment date; where multiple trade dates, the first trade date is listed

Impact of Mark-to-Market Recovery on Leverage

Each 1% increase in portfolio fair market value ("FMV") from March 31, 2020 level results in ~0.03x of de-levering





**NEW MOUNTAIN FINANCE
CORPORATION**

