

# Saratoga Investment Corp.

**Fiscal Year-End and Fourth Quarter  
2025 Shareholder Presentation**

May 8, 2025

# Steady Long-Term Performance in FY and Q4 2025

## Fiscal Year-End and Fourth Quarter 2025 Highlights:

### Continued high quality portfolio and solid portfolio performance

- Investment quality remains strong
  - 99.7% of loan investments with highest internal rating and two residual non-accruals (0.3% of fair value / 0.5% of cost)
  - These two remaining non-accrual or watchlist investments have undergone successful restructurings with decisive action
- Return on equity of 7.5% for LTM, as compared to industry average of 8.9%, impacted by Pepper Palace, Zollege and CLO/JV this year
  - Net realized gains and unrealized depreciation of \$7.6 million in Q4, consisting of (i) \$3.4 million net unrealized depreciation in the core non-CLO portfolio, including Pepper Palace and Zollege, (ii) net unrealized depreciation in the CLO and JV of \$2.7 million, and (iii) \$8.7 million unrealized depreciation related to the reversal of previously recognized unrealized appreciation on realizations reclassified to realized gains, offset by net realized gains of \$7.2 million on the equity realizations of the Nauticon, Vector and Modern Campus Investments.
  - Remaining total Pepper Palace and Zollege fair value as of quarter-end is \$5.5 million
- Average ROE over the past eleven years of 10.3% exceeds industry average of 7.0% and is consistently positive and steady
- Gross Unlevered IRR of 10.4% on total unrealized portfolio as of February 28, 2025
  - Fair value of \$978.1 million is 2.2% below total cost of portfolio, with core non-CLO BDC portfolio 1.6% above cost
  - Gross Unlevered IRR of 15.1% on \$1.20 billion of total realizations

### Strong net originations during the quarter of \$25.9 million contribute to growing long-term assets under management

- AUM of \$978.1 million, an increase of 1.9% since last quarter, and a decrease of 14.1% from last year, with \$41.8 million in originations offset by \$15.9 million repayments in Q4. Full year originations of \$168.1 million more than offset by significant repayments of \$312.1 million

### Base of liquidity and capital remains strong, with significant levels of available cash

- Quarter-end liquidity allows growth of AUM by 44% and is mostly long-term, with \$204.7 million in cash

### Declared dividend of \$0.74 per share for the quarter ended February 28, 2025;

- Transitioned to monthly dividend payment schedule starting March 31, 2025 – increased quarterly dividend by \$0.01 per share to \$0.75 per share (\$0.25 per share monthly payments)

### Key performance indicators for Q4 and versus Q3 2025

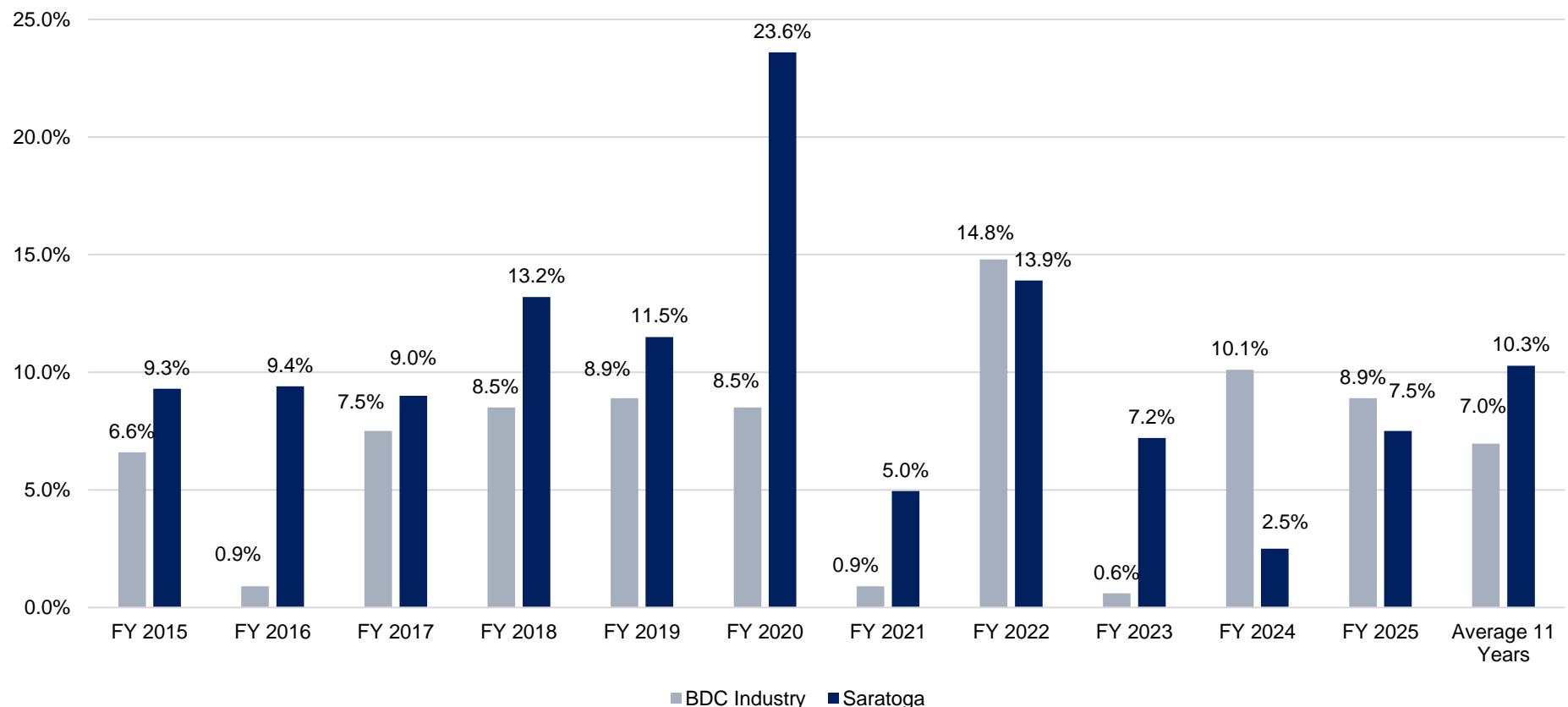
- Adjusted NII of \$8.0 million (down 35.4%), Adjusted NII per share of \$0.56 (down 37.8%), Adjusted NII Yield of 8.4% (down 490bps), NAV of \$392.7 million (up \$17.8 million, or 4.7%) and NAV per share of \$25.86 (down \$1.09, or 4.0%)
  - Excluding annual excise taxes, adjusted NII was 69c for Q4

### Key performance indicators for FY25 and versus FY24

- Adjusted NII of \$53.0 million (up 2.1%), Adjusted NII per share of \$3.81 (down 7.0%), Adjusted NII Yield of 14.1% (down 50bps), LTM ROE of 7.5% (versus 8.9% for industry), NAV of \$392.7 million (up \$22.4 million, or 6.1%) and NAV per share of \$25.86 (down \$1.26, or 4.6%)

# Saratoga Double Digit Long-Term ROE Substantially Ahead of the BDC Industry

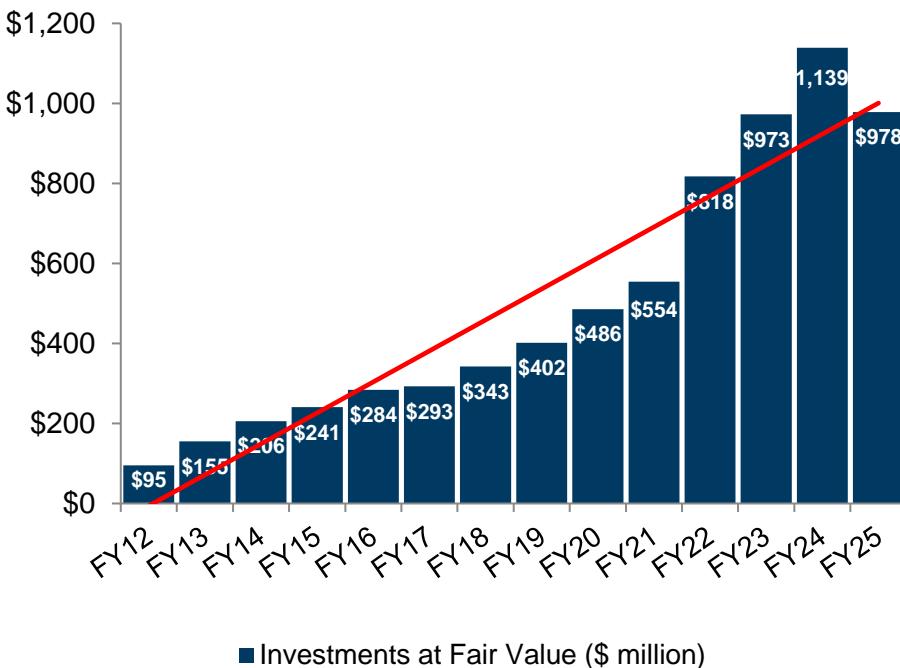
## Return on Equity



**Positive performance has led to SAR ROE beating the BDC industry eight of the past eleven years, with an 11-year average that is almost 1.5x the industry and consistently positive every year**

# Consistent Long-Term Asset Growth and Strong Credit Quality

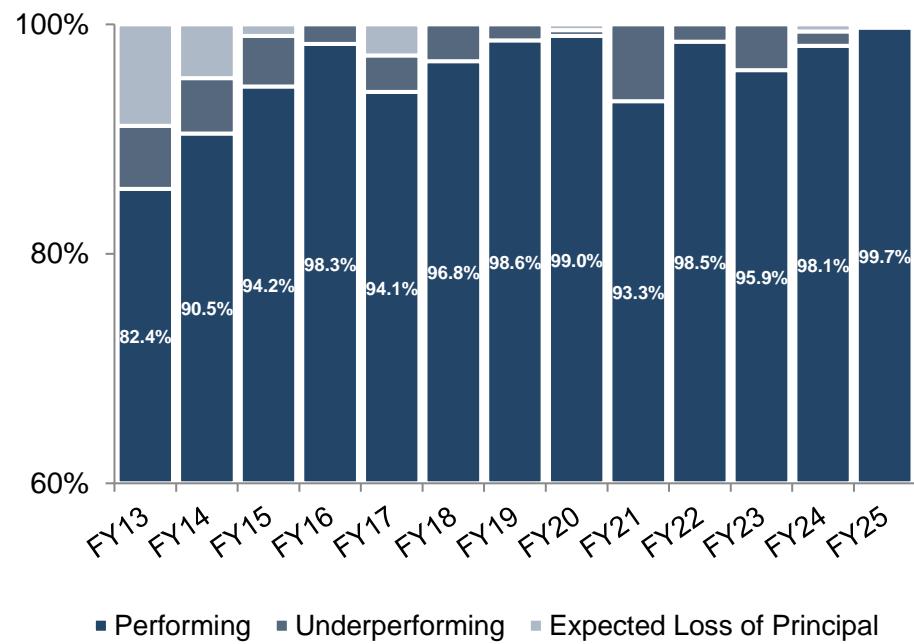
## Asset Base Expansion Trend



**Fair value of AUM increased 1.9% since last quarter and decreased 14.1% year-over-year.**

**Fair value of \$978.1m at FY25 is 2.2% below cost, with core non-CLO BDC portfolio 1.6% above cost.**

## Overall Credit Quality Remains Solid

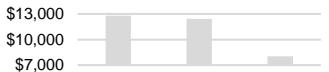


**99.7% of our SAR loan investments hold our highest internal rating, up from last quarter and last year; two investments on non-accrual at quarter-end (0.3% of fair value / 0.5% of cost)\***

\* Internal credit ratings exclude our investment in our CLO and our equity positions.

# Q4 FY25: Strong Financial Foundation

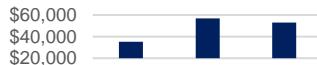
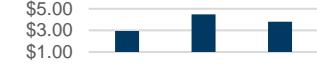
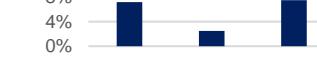
## Key Performance Metrics for the Fiscal Quarter

For the quarter ended and as of (\$ in millions except per share)	February 29, 2024	November 30, 2024	February 28, 2025	
Net investment income	\$12.8	\$12.4	\$8.0	
Adjusted net investment income <sup>1</sup>	\$12.8	\$12.4	\$8.0	
Net investment income per share	\$0.94	\$0.90	\$0.56	
Adjusted net investment income per share <sup>1</sup>	\$0.94	\$0.90	\$0.56	
Net investment income yield	14.0%	13.3%	8.4%	
Adjusted net investment income yield <sup>1</sup>	14.0%	13.3%	8.4%	
Return on Equity – Last Twelve Months	2.5%	9.2%	7.5%	
Fair value of investment portfolio	\$1,138.8	\$960.1	\$978.1	
Total net assets	\$370.2	\$374.9	\$392.7	
Investments in new/existing portfolio companies	\$43.2	\$84.4	\$41.8	
Loan Investments held in "Performing" credit ratings	98.1%	99.7%	99.7%	

<sup>1</sup>) Adjusted for accrued capital gains incentive fee expense, reconciliation to GAAP net investment income, net investment income per share and net investment income yield included in our fiscal fourth quarter 2025 earnings release.

# FY25: Strong Financial Foundation

## Key Performance Metrics for the Fiscal Year

For the year ended and as of (\$ in millions except per share)	February 28, 2023	February 29, 2024	February 28, 2025	
Net investment income	\$35.2	\$56.9	\$53.0	
Adjusted net investment income <sup>1</sup>	\$34.1	\$51.9	\$53.0	
Net investment income per share	\$2.94	\$4.49	\$3.81	
Adjusted net investment income per share <sup>1</sup>	\$2.85	\$4.10	\$3.81	
Net investment income yield	10.2%	16.0%	14.1%	
Adjusted net investment income yield <sup>1</sup>	9.9%	14.6%	14.1%	
Return on Equity – Last Twelve Months	7.2%	2.5%	7.5%	
Fair value of investment portfolio	\$972.6	\$1,138.8	\$978.1	
Total net assets	\$347.0	\$370.2	\$392.7	
Investments in new/existing portfolio companies	\$365.4	\$246.1	\$168.1	
Loan Investments held in “Performing” credit ratings	95.9%	98.1%	99.7%	

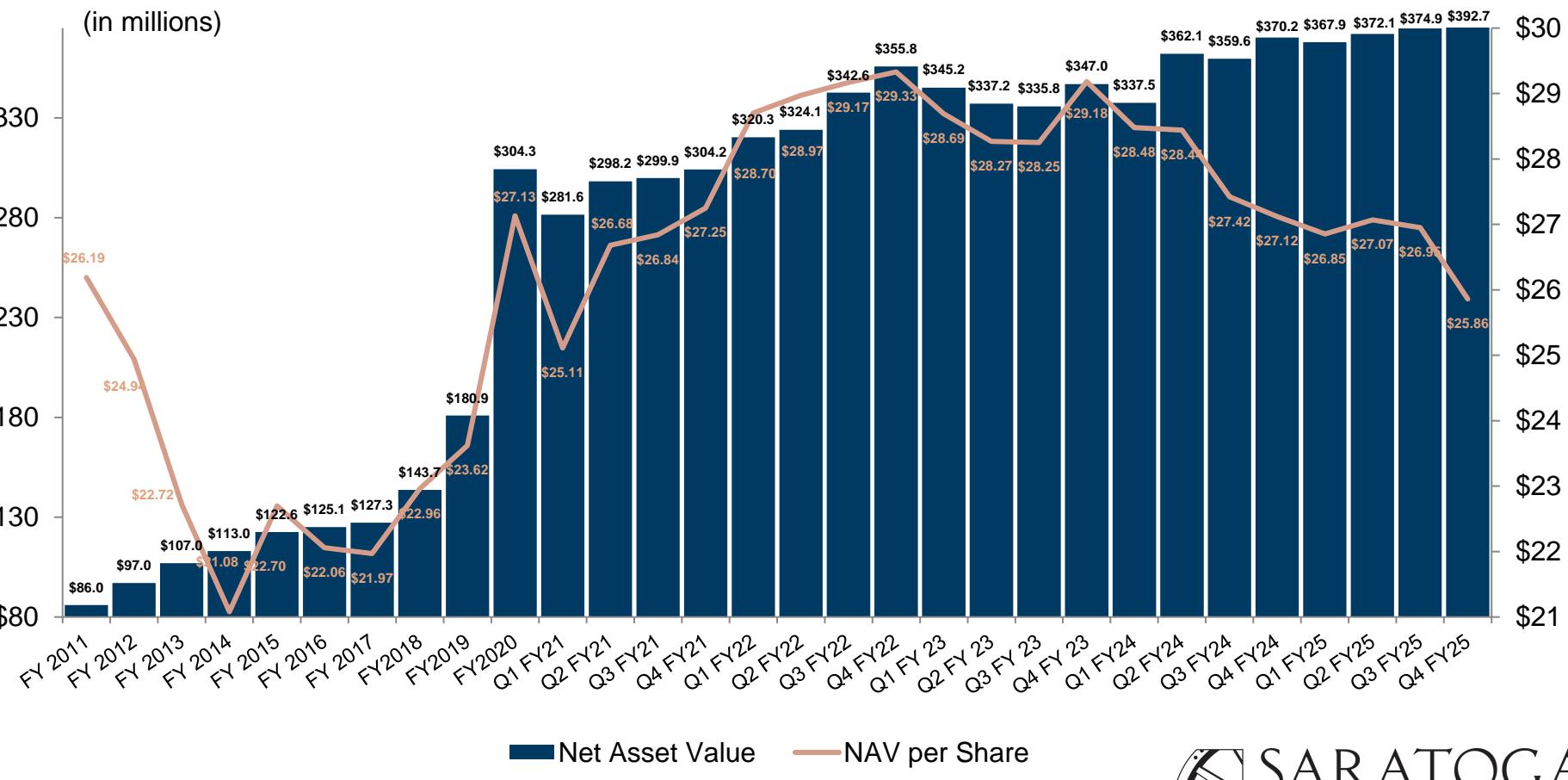
<sup>1)</sup> Adjusted for accrued capital gains incentive fee expense, and interest expense on SAK baby bonds during the period that the SAT baby bond was issued prior to repayment, reconciliation to GAAP net investment income, net investment income per share and net investment income yield included in our fiscal fourth quarter 2025 earnings release.

# Long-Term NAV and NAV Per Share Growth Despite Recent Discrete Weakness

## Net Asset Value and NAV per Share (FY 11 to FY25)

**NAV:** 5% increase this quarter. 357% increase since Saratoga took over management.

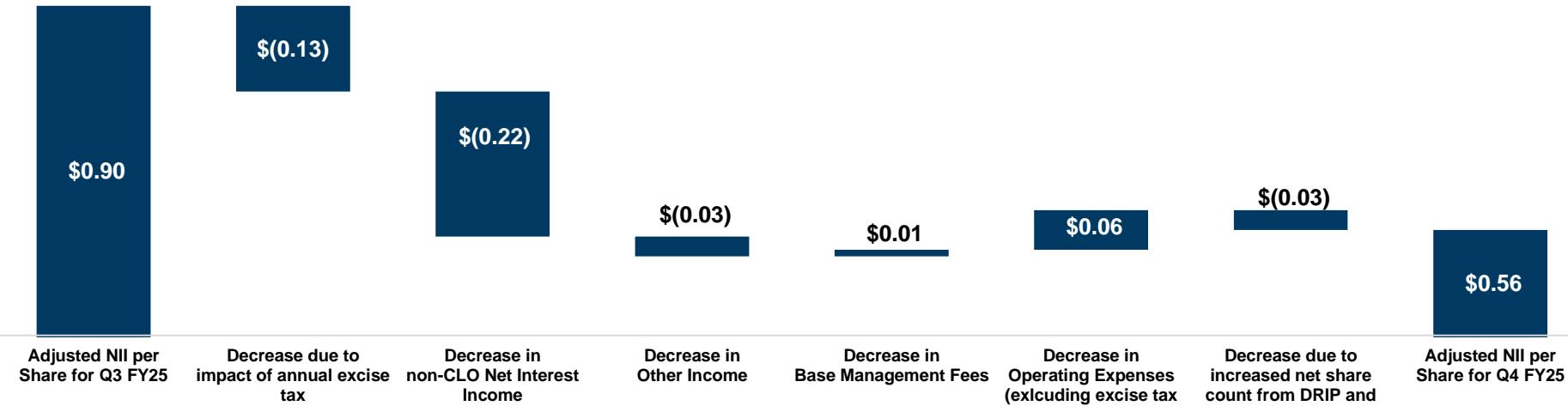
**NAV/Share:** 4% decrease this quarter. 18% increase since FY17 with increases 22 of the last 30 quarters.



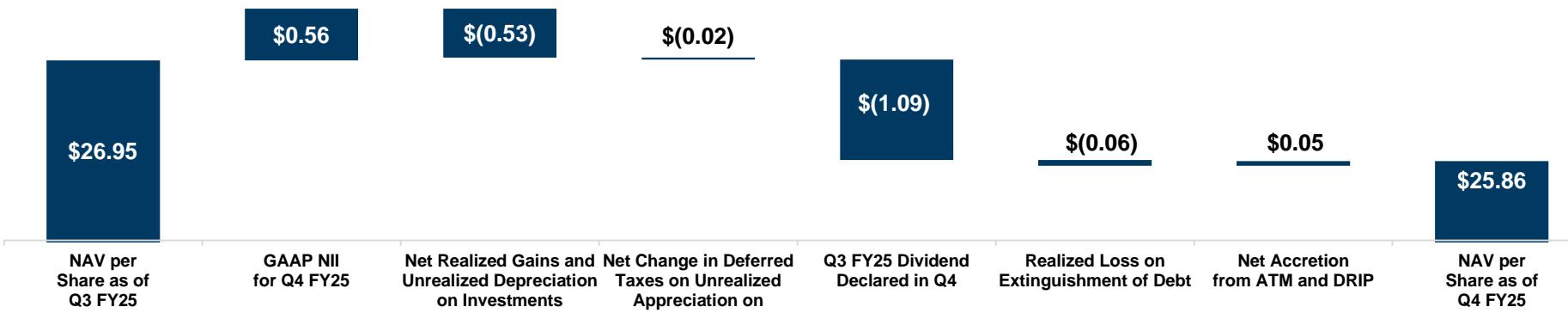
SARATOGA  
INVESTMENT CORP.

# Quarterly Reconciliation of NII and NAV per Share

## Reconciliation of Quarterly Adjusted NII per Share<sup>(1)</sup>



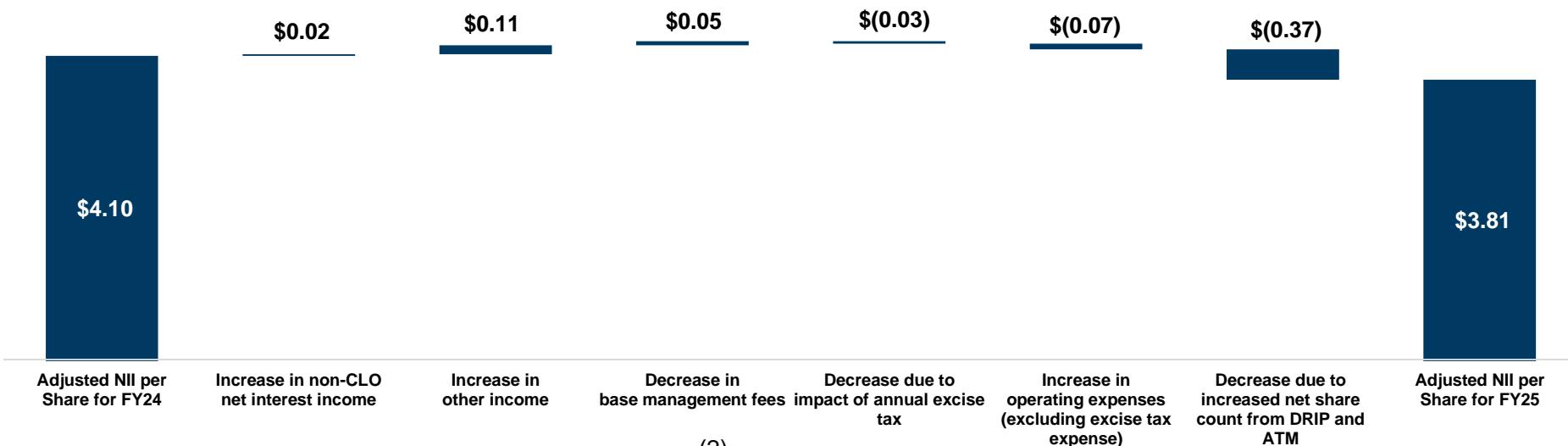
## Reconciliation of Quarterly NAV per Share



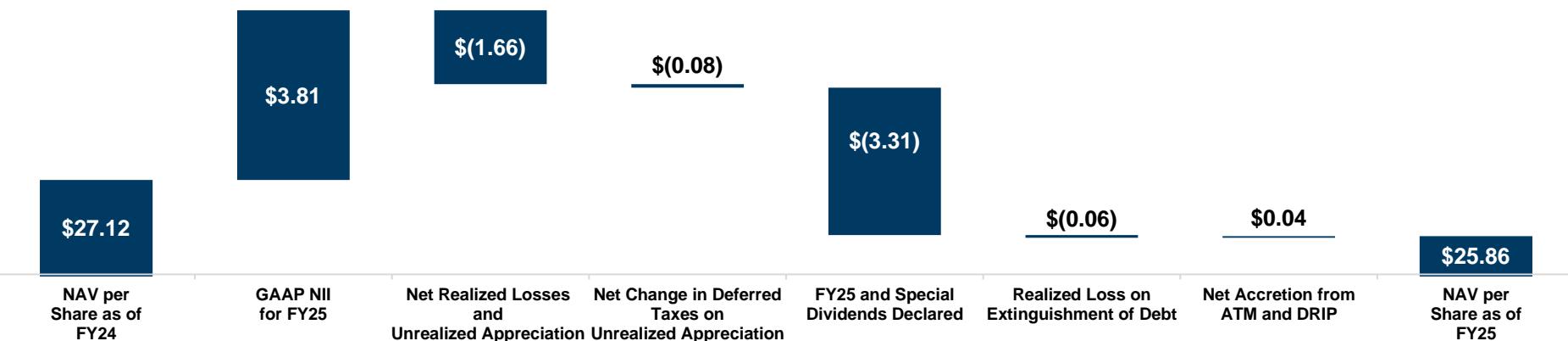
<sup>(1)</sup> Impacts are shown net of incentive fees

# Annual Reconciliation of NII and NAV per Share

## Reconciliation of Annual Adjusted NII per Share<sup>(1)</sup>



## Reconciliation of Annual NAV per Share<sup>(2)</sup>



<sup>1)</sup> Impacts are shown net of incentive fees

<sup>2)</sup> Includes the impact of the different share amounts used for different items (weighted average basic common shares outstanding for the full year earnings numbers and actual common shares outstanding at the end of the year) in the per common share data calculation and rounding impacts.

# Dry Powder Remains Available

(As of February 28, 2025)		Total Borrowing Capacity	Outstanding	Available Liquidity	Remaining Maturity Period	Call Period	Fixed / Floating Rate
Encina Credit Facility		\$65.0 million	\$32.5 million	\$32.5 million	1 Year	-	Floating
Live Oak Credit Facility		\$75.0 million	\$20.0 million	\$55.0 million	2 Years	-	Floating
SBA Debentures <sup>1</sup>	SBIC II	\$175.0 million	\$131.0 million	-	5-7 years	Now	Fixed
	SBIC III	\$175.0 million	\$39.0 million	\$136.0 million	8-9 years	Now	Fixed
Publicly-Traded Notes (at par value)	SAT	\$105.5 million	\$105.5 million	-	2 Years	Now	Fixed
	SAJ	\$46.0 million	\$46.0 million	-	2.5 Years	Now	Fixed
	SAY	\$60.4 million	\$60.4 million	-	2.5 Years	Now	Fixed
	SAZ	\$57.5 million	\$57.5 million	-	3 Years	Now	Fixed
Unsecured Notes		\$250.0 million	\$250.0 million	-	1-2 Years	-	Fixed
Private Notes (at par value)		\$52.0 million	\$52.0 million	-	Now-3 Years	Now	Fixed
Cash and Cash Equivalents		\$204.7 million	\$204.7 million	\$204.7 million	-	-	-

**Total Available Liquidity (at quarter-end): \$428.2 million**

**Ability to grow AUM by 44% without any new external financing as of February 28, 2025**

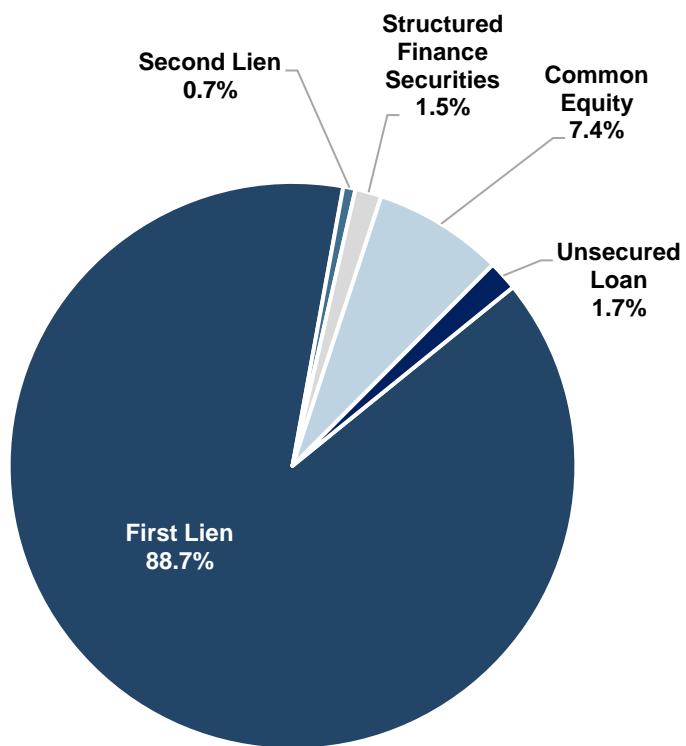
- SBIC III debentures are generally not available to support existing BDC or SBIC II investments

1) Total availability for all combined SBIC licenses limited to \$350.0 million outstanding debentures.

# Portfolio Composition and Yield

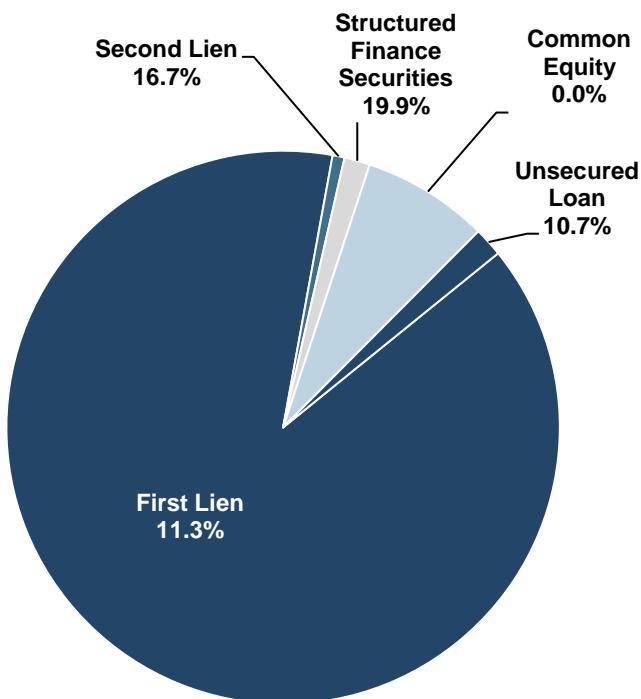
## Portfolio Composition – \$978.1m

(Based on Fair Values  
as of February 28, 2025)



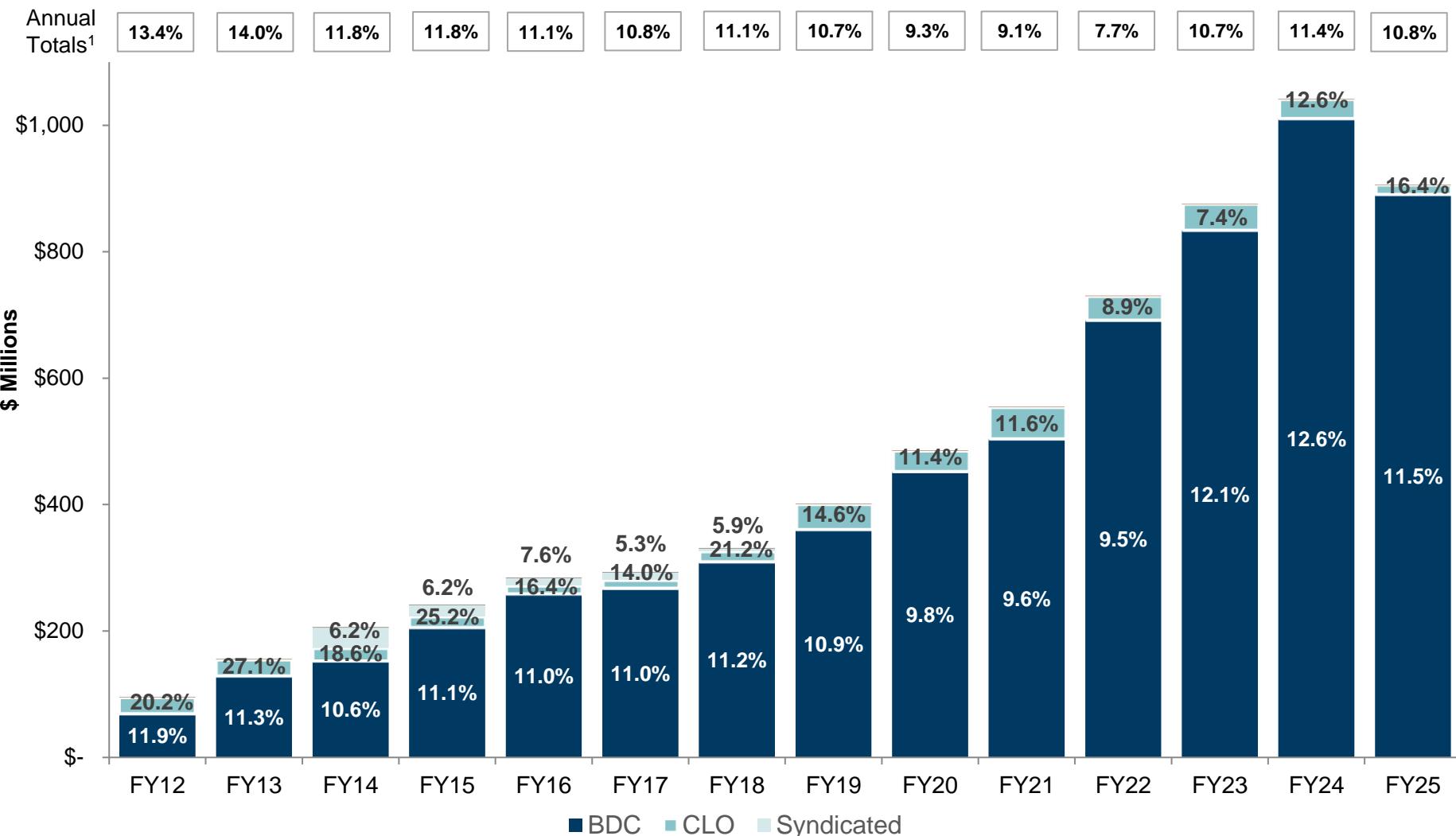
## Portfolio Yield – 10.8%

(Weighted Average  
Current Yield of Total Existing Portfolio)



# Yield of BDC Grew With Rising Rates

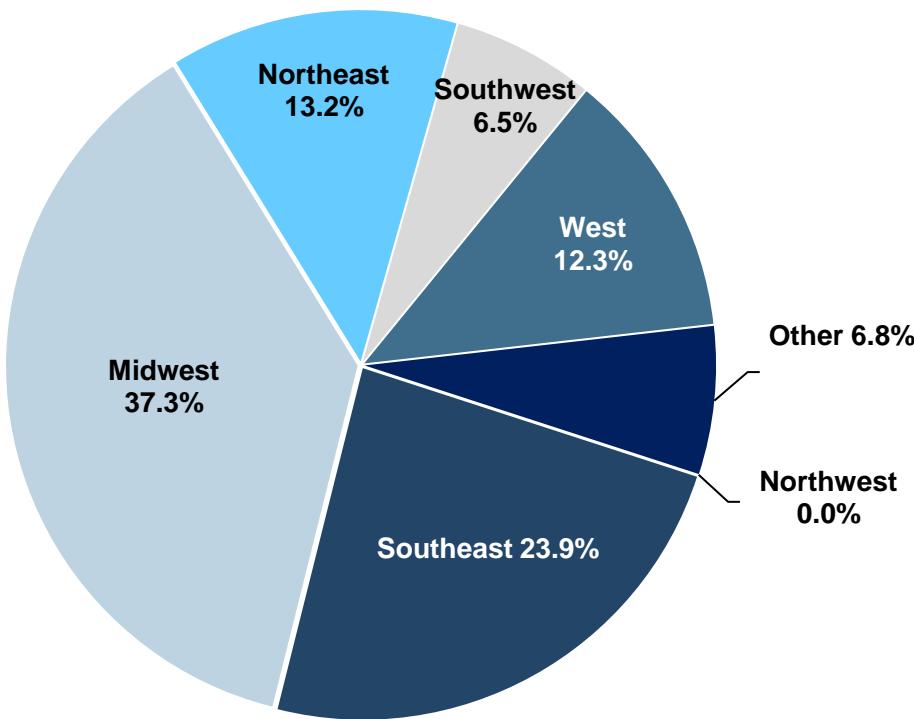
## Weighted Average Current Yields



<sup>1</sup> Annual total yields on fair value of full portfolio. Excludes dividend income on preferred equity investments and other income. BDC, CLO and Syndicated yields are annualized and calculated on fair value of interest earning assets.

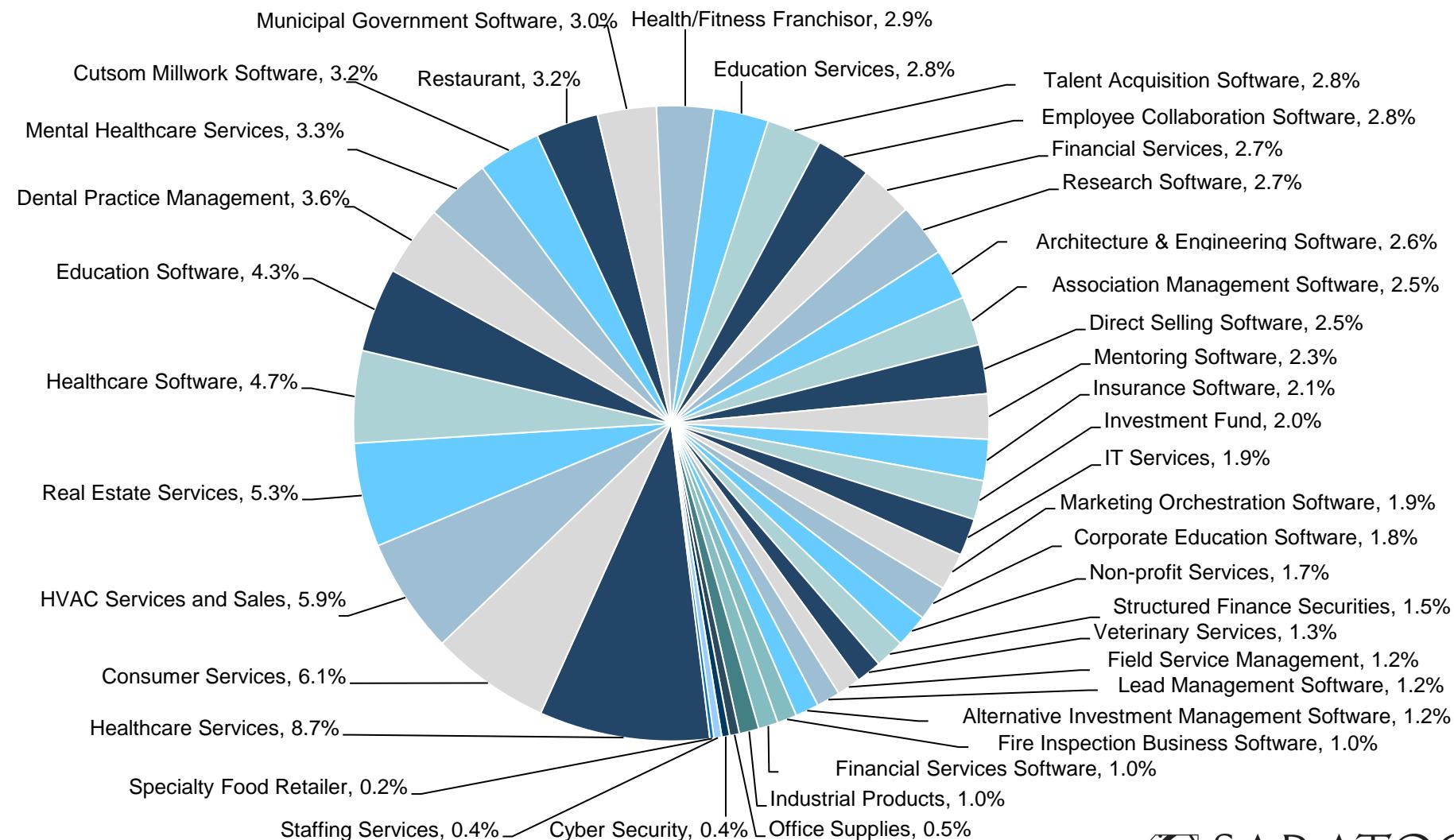
# Diversified Across Geography

## Investments Diversified Geographically



# Diversified Across Industry

## Investments across 40 distinct industries



# Net Realized Gains Help Protect Shareholder Capital

Cumulative net realized gains reflect portfolio credit quality

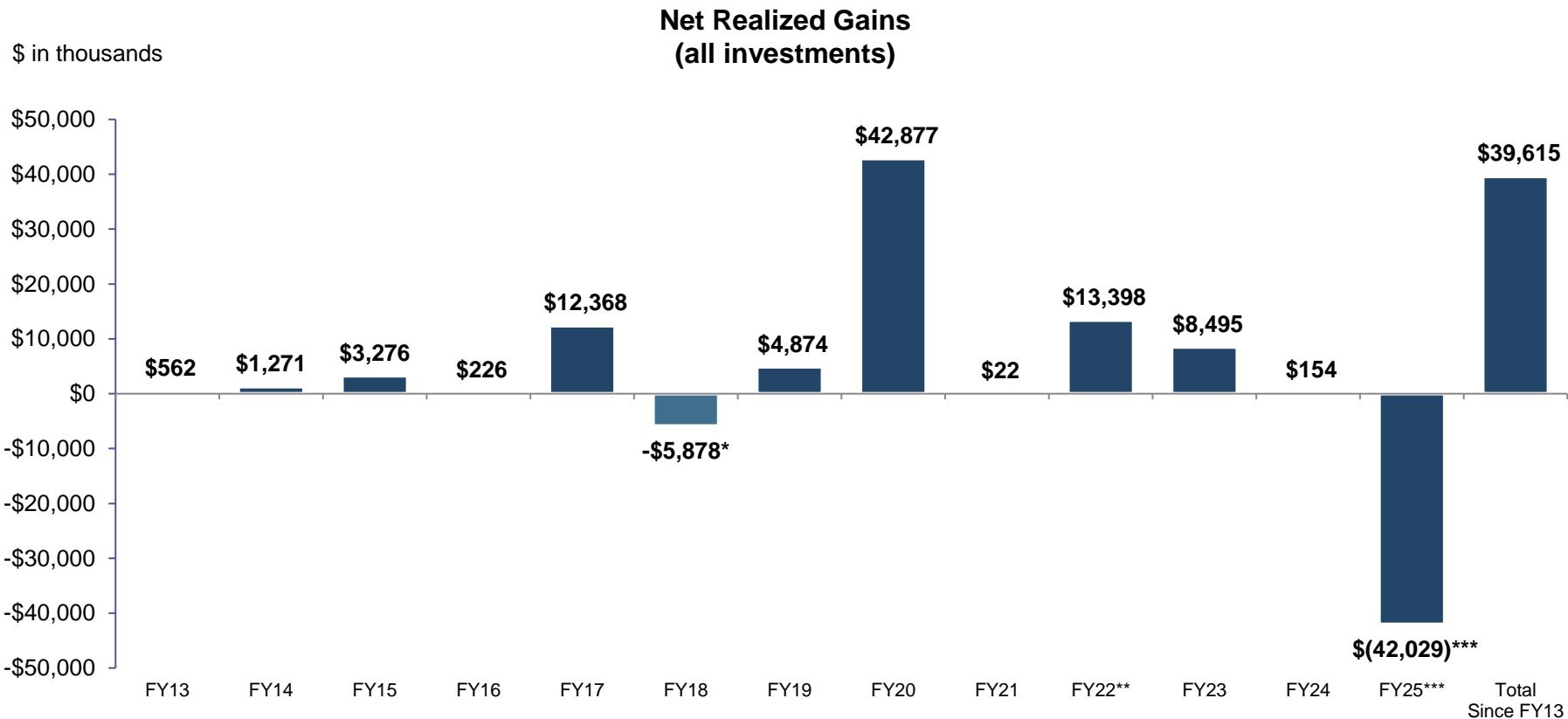


Table above reflects investments originated by Saratoga management (excludes Elyria legacy investment)

\*Reflects realized loss on My Alarm Center investment of \$7.7m less \$1.8m in other realized gains in FY18.

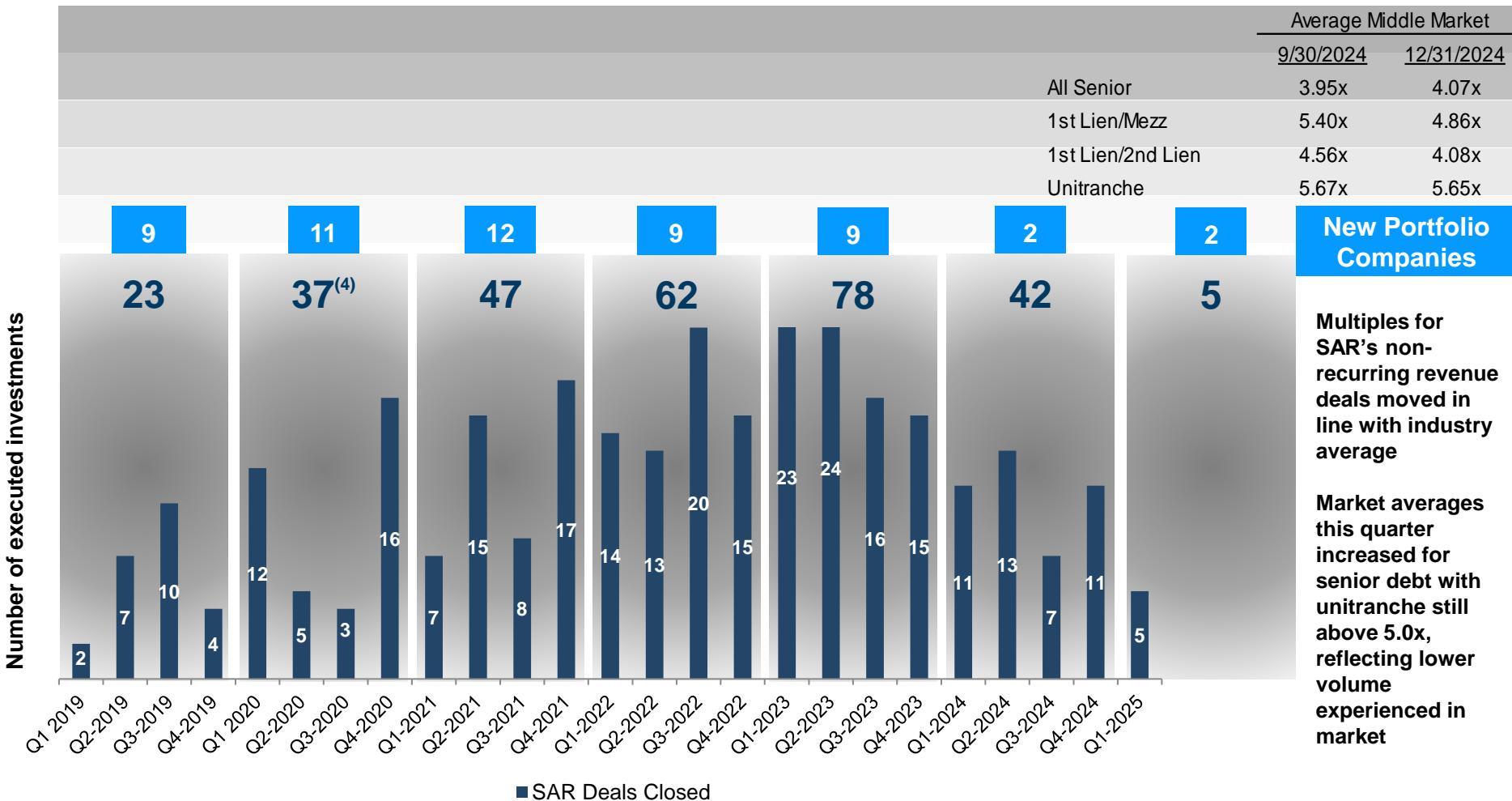
\*\*Reflects realized gains of \$18.3m on various equity investments in FY22, offset by full \$4.9m write-down of remaining My Alarm Center investment.

\*\*\* Reflects realized loss of \$15.1M on Zollege, \$5.5M on Netreo, and \$34.0M on Pepper Palace investment, offset by realized gains of \$4.8M on Invita, \$1.3m on Nauticon, and \$.5.5m on Modern Campus investments

# Exercising Disciplined Investment Judgment

## SAR Debt Multiples/Deals Closed (2019-2025)<sup>(1)</sup>

Portfolio leverage with non-recurring revenue underwriting is 5.35x<sup>(2)(3)</sup>



1) Calendar quarters, not fiscal, excludes investments in CLO BB securities

2) Excludes 26 loans underwritten using recurring revenue metrics. These recurring revenue loans would have significantly different portfolio leverage statistics.

3) Pepper Palace leverage is excluded due to negative EBITDA.

4) 8 of the 37 deals closed in calendar year 2020 were liquidity draws related to COVID.

# Pipeline Remains Healthy But Reflects Market Slowdown

New business opportunities impacted by market opportunities last year and decreases largely offset by follow-on investments. Current pipeline strengthening as a result of recent business development initiatives

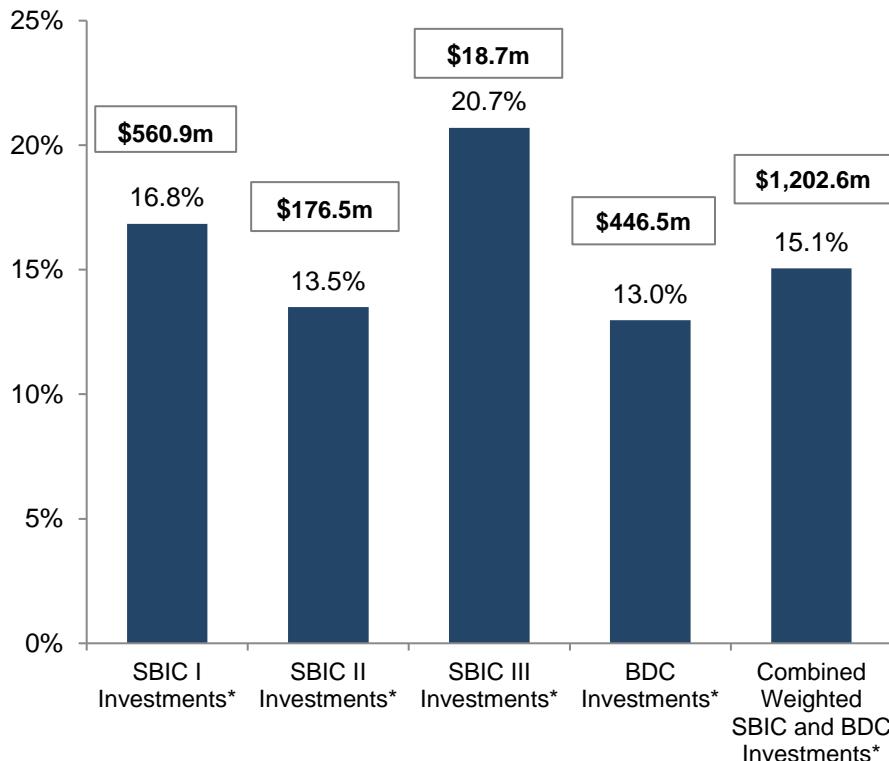
Calendar*	2020	Δ	2021	Δ	2022	Δ	2023	Δ	2024	LTM Q1 2025		
Deals Sourced	619	-8%	572	-20%	469	8%	506	-4%	484	26%	612	<ul style="list-style-type: none"> <li>~35% of deal flow from private equity sponsors</li> <li>~65% of deals from private companies without institutional ownership</li> <li>Saratoga maintains investment discipline which is demonstrated by passing on many deals that other firms close</li> </ul>
Term Sheets (excludes follow-ons)	32	109%	67	-32%	47	-17%	39	-46%	21	62%	34	<ul style="list-style-type: none"> <li>~85% of term sheets are currently issued for transactions involving a private equity sponsor</li> <li>Selective in issuing term sheets based on credit quality</li> </ul>
Deals Executed (new and follow-on)	29	62%	47	32%	62	27%	78	-46%	42	-14%	36	<ul style="list-style-type: none"> <li>Includes follow-on investments which reliably augment portfolio growth</li> <li>2020 and 2021 deals executed exclude COVID related liquidity draws</li> </ul>
New portfolio companies	11		12		9		9		2		4	<ul style="list-style-type: none"> <li>Four new portfolio company during LTM Q1 2025</li> <li>Saratoga new portfolio company investments generally average ~1-2% of deals reviewed</li> </ul>

1) Calendar quarters, not fiscal quarters.

# Demonstrated Strong Track Record

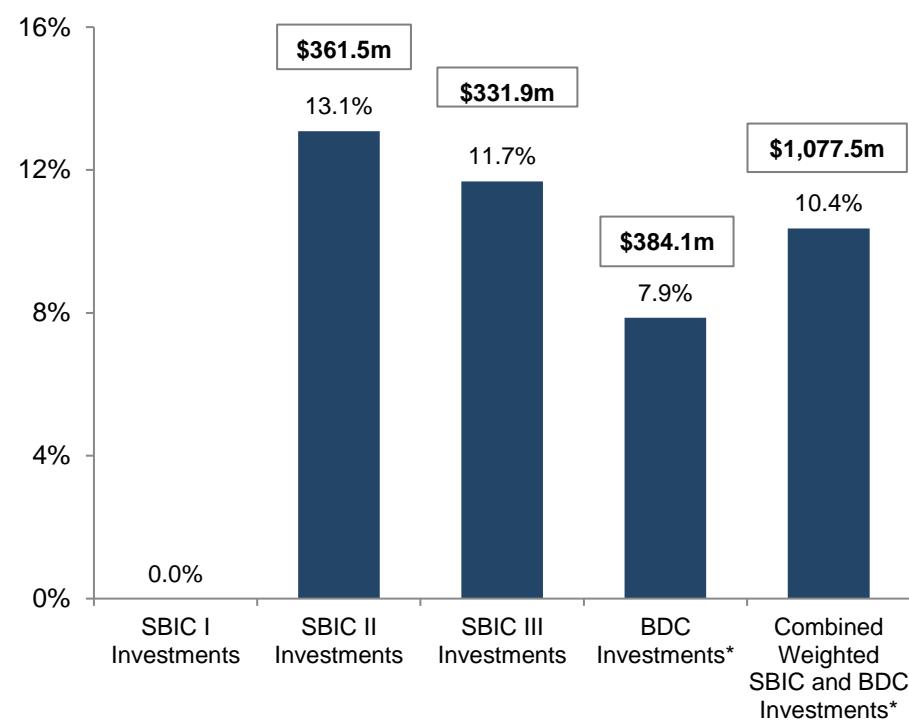
## Realized Investments<sup>(1)(2)(3)</sup>

(Gross Unlevered IRR%)



## Unrealized Investments<sup>(1)(2)(3)(4)</sup>

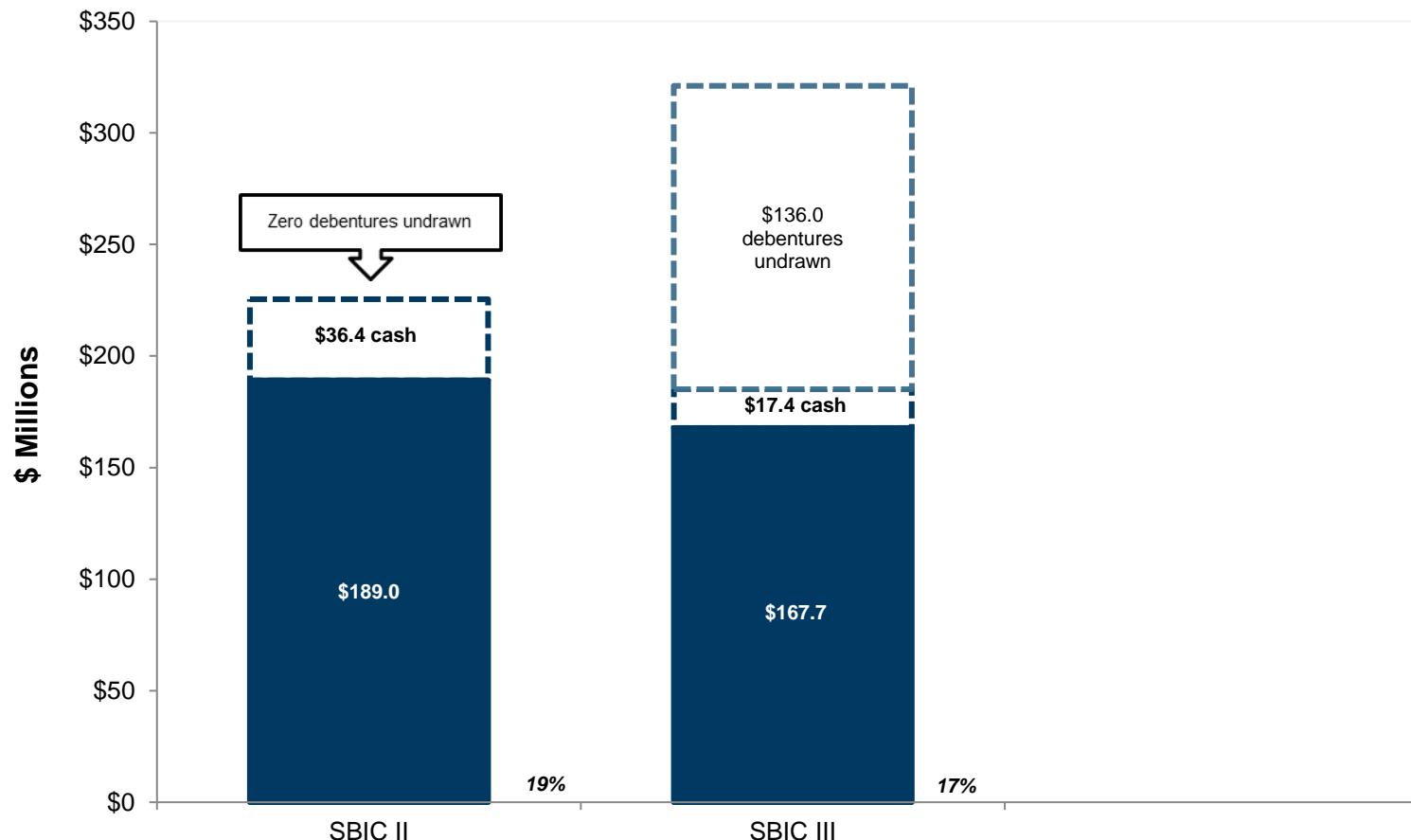
(Gross Unlevered IRR%)



- 1) Track Record as of 2/28/2025
- 2) Graphs show invested dollars
- 3) Track record reflects the Zollege and Pepper Palace investments as fully unrealized as we still own the Companies
- 4) IRRs for unrealized investments include fair value and accrued interest as of 2/28/2025

\*SBIC I, SBIC II and SBIC III investments represent all investments in the specific funds, including later follow-ons that might be invested in the BDC due to SBIC fund size limitations. BDC investments exclude investments existing when Saratoga management took over, corporate financing investments and our investments in our CLO and JV.

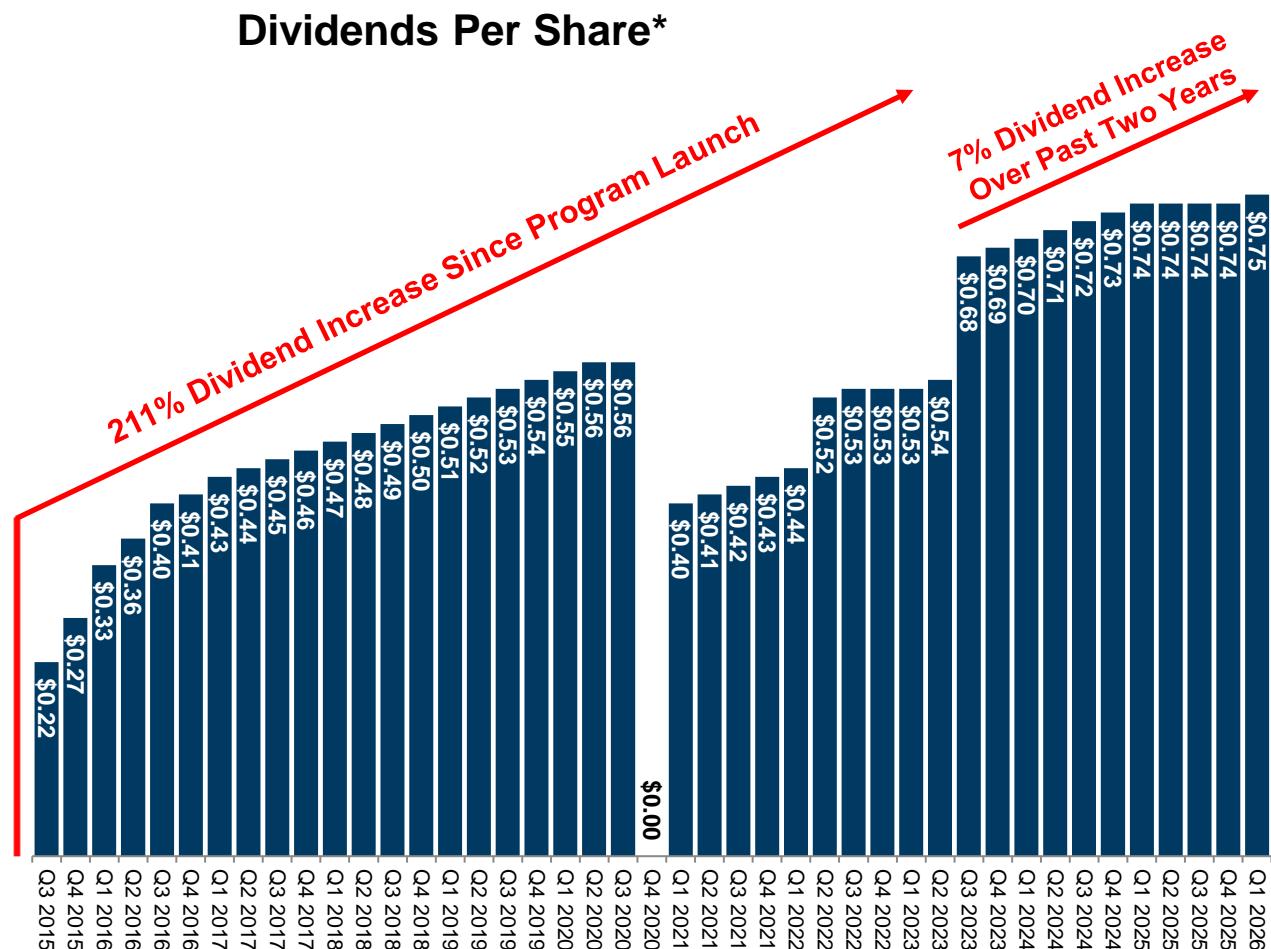
# SBIC II Debenture Repayments Commenced - SBIC III Availability<sup>(1)(2)</sup>



1) SBIC III cash available for new originations and follow-ons in existing license, with SBIC II cash only available for follow-ons  
2) SBIC III has \$136 million of available debentures based on the SBA family of funds limit

# Long-Term Consistent Dividend Growth

- Announced shift to monthly dividend payment structure starting March 31, 2025
- Increased Q1 FY26 dividend to **\$0.75 per share**; paid in \$0.25 per share monthly increments beginning March 31, 2025
- Increased dividend by 1% over past year to **\$0.74 per share** declared and paid for the quarter ended February 28, 2025
- Paid a **\$0.35 per share special dividend** during the quarter ended November 30, 2024
- Established dividend policy to pay regular quarterly cash dividends to stockholders pursuant to dividend reinvestment plan (“DRIP”) in 2014

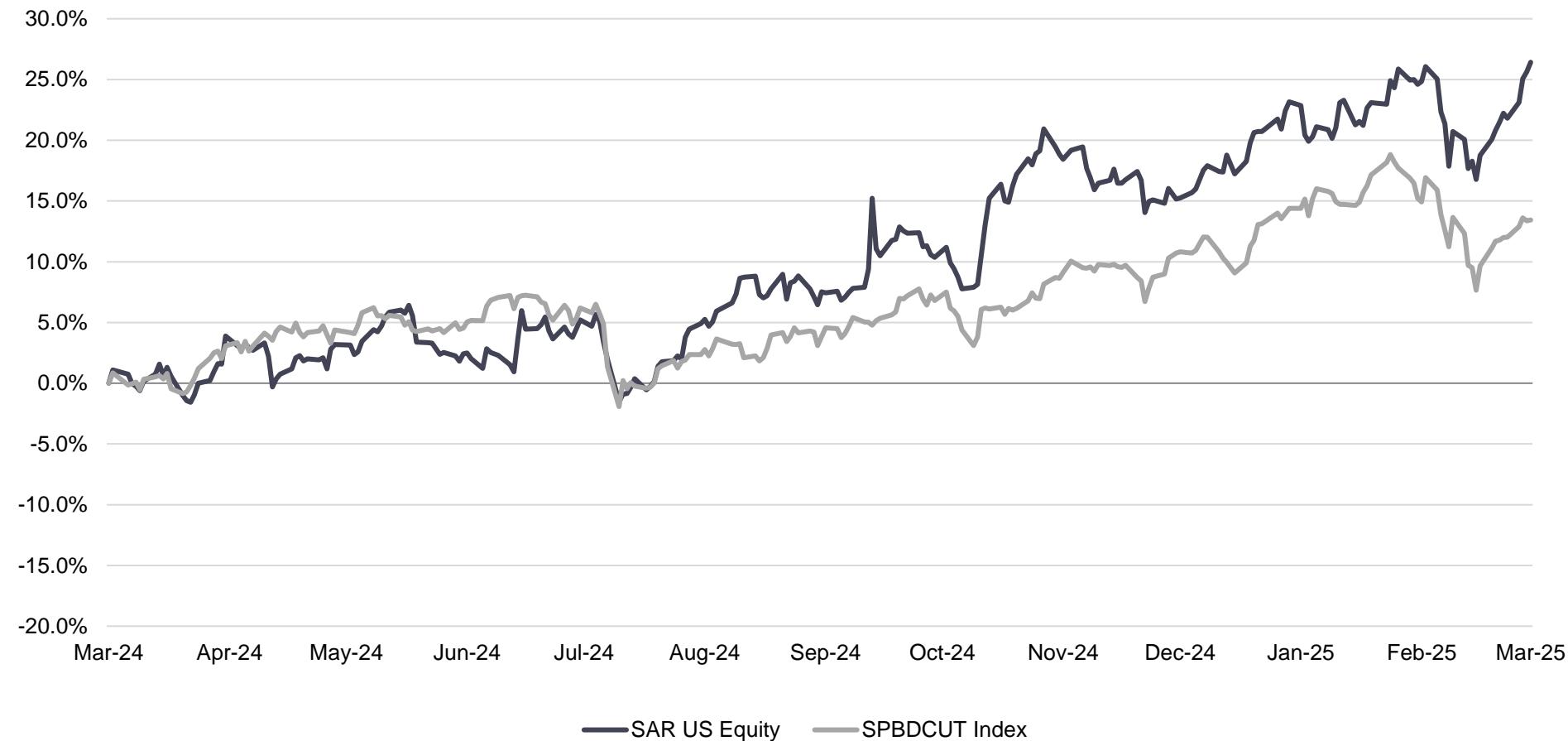


\* Excludes special dividend of \$0.20 per share paid on September 5, 2016, and special dividend of \$0.35 per share paid on December 19, 2024

\*\* Q1 2026 dividend commenced monthly dividends of \$0.25 per share from March 2025 onwards

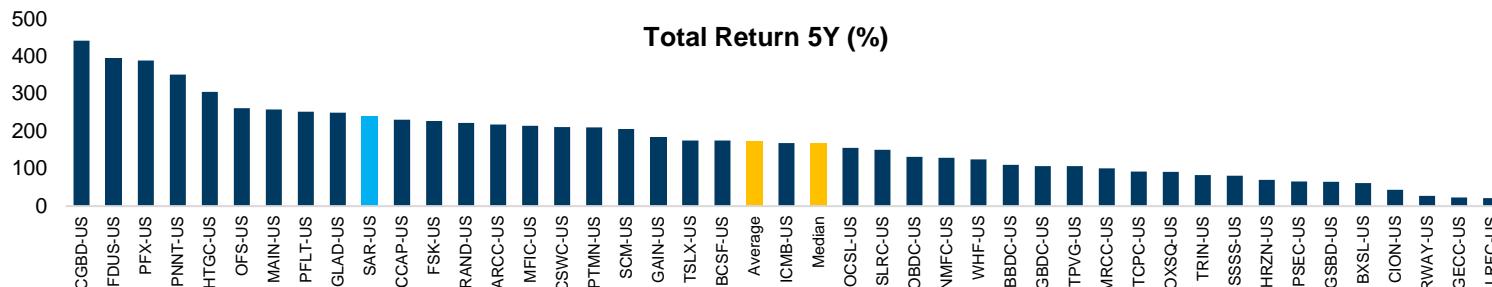
# SAR LTM Total Return Beats the BDC Index

**LTM Total Return (%)**  
(March 2024 to March 2025)  
**SAR 26% v BDC Index +13%**



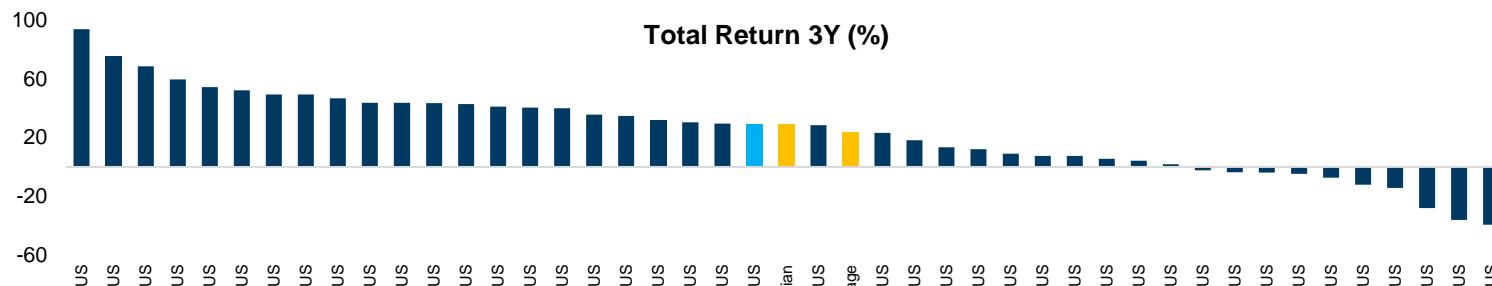
## Strong Long-Term and LTM Performance

## BDC Total Return (%)



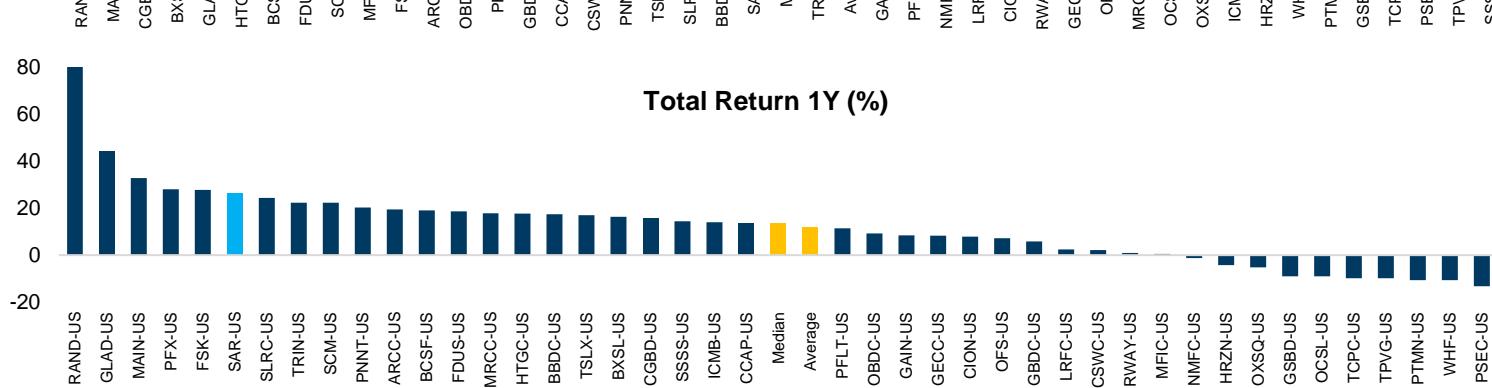
Last 5 years: 239%

(BDC Index 168%)



Last 3 years: 30%

(BDC Index 29%)

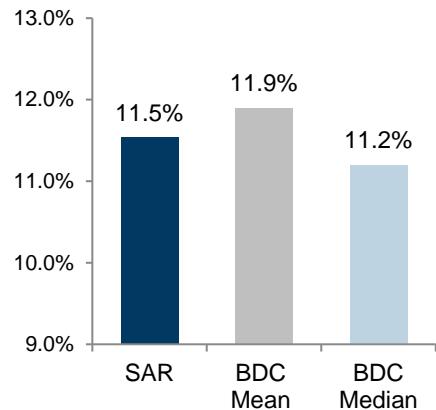


Last 12 months: 26%

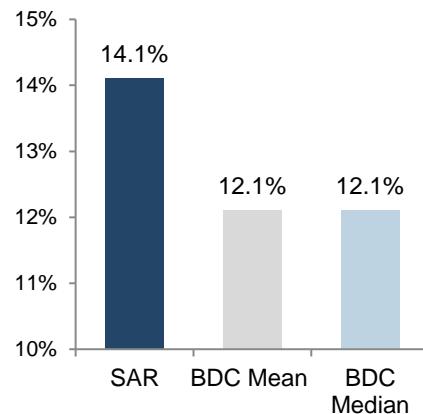
(BDC Index 13%)

# Short-Term Performance Impacted by Discrete Restructurings

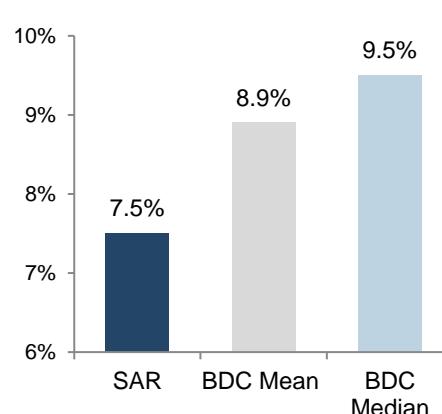
**Interest % on Portfolio**



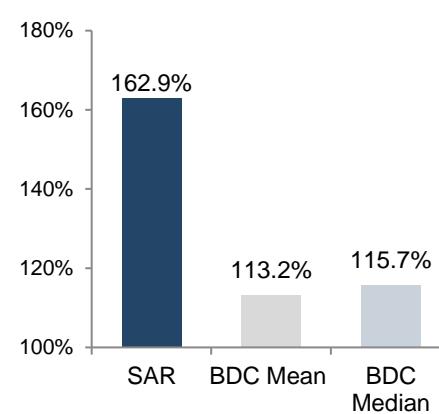
**LTM NII Yield**



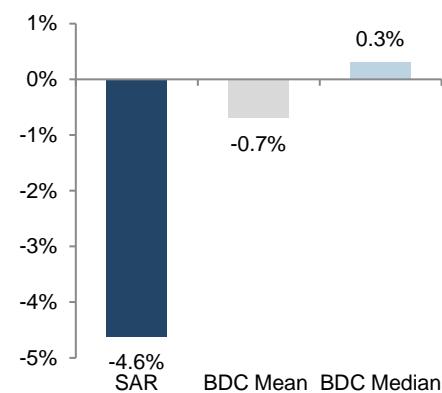
**LTM ROE**



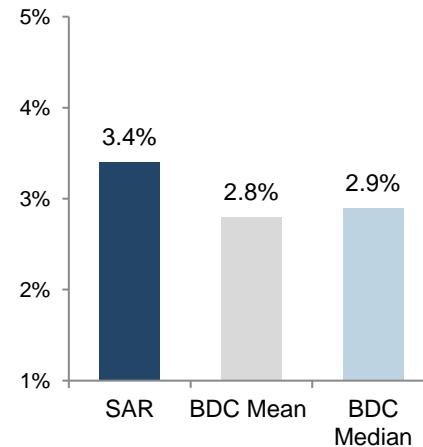
**Regulatory Debt/Equity**



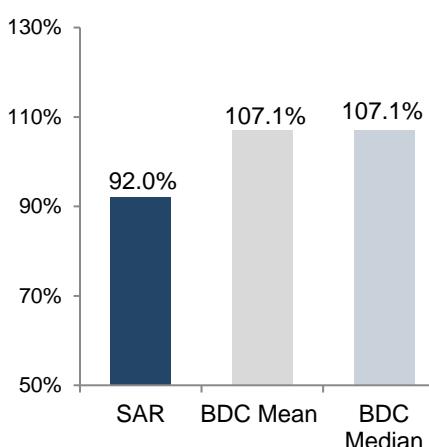
**LTM NAV Per Share Growth**



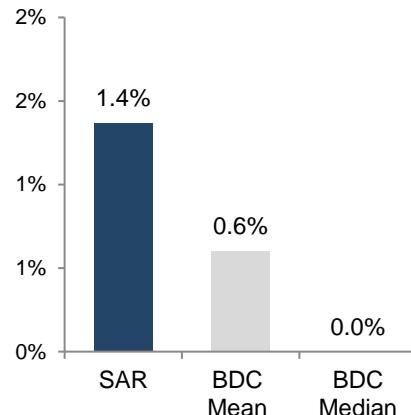
**LTM Operating Expense Ratio<sup>1</sup>**



**Dividend Coverage**



**Year-Over-Year Dividend Growth**



Source: SNL Financial / Company Filings / Raymond James report as of 3/28/2025

1) LTM Operating Expense Ratio defined as total operating expenses, net of interest and debt financing expenses and income and excise taxes, divided by average total assets. Total operating expenses divided by net assets is 25.5%.

# Establishing Competitive Edge vs. Other BDCs

## Outstanding performance characteristics

### ► Strong long-term dividend

Increased quarterly dividend by 211% since program launched until Covid deferral; Latest dividend declared of \$0.75 per share for the quarter ended May 31, 2025, up 1% over prior year and 7% past two years, represents current dividend yield of 13.0%; significant management ownership of 11.2%

### ► Strong return on equity

Long term ROE factors in both investment income and net gains/losses, averages 10.3% over the past eleven years versus industry average of 7.3% - most recent LTM ROE of 7.5% below current industry average of 8.9% due to discrete restructurings and CLO/JV mark-downs

### ► Low-cost available liquidity

Borrowing capacity still at hand through new SBIC III debentures, undrawn existing and new credit facility and cash – can grow current asset base by 44% as of quarter ended February 28, 2025, with most of it in cash or low-cost liquidity (SBIC III debentures) that will be accretive to earnings.

### ► Solid earnings per share and NII Yield

Attractive and growing NII per share generated from strong risk-adjusted portfolio returns and favorable capital structure

### ► Commitment to AUM expansion

Fair value of AUM down 14.1% from prior year - total portfolio fair value 2.2% below cost, with core non-CLO BDC portfolio fair value 1.6% above cost

### ► Well-positioned for changes in interest rates

Approx. 97.0% of our loans have floating interest rates, with interest rates currently higher than all floors. Debt primarily at fixed rates and long-term. Investment grade rating reaffirmed recently as "BBB+". All our baby bonds are callable either now or within a year.

### ► Limited oil & gas exposure

Will not be facing significant write-downs as a result of major direct exposure to energy/oil/gas investments

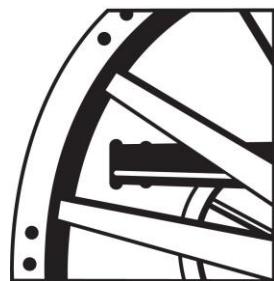
### ► Attractive risk profile

99.7% of credits are the highest quality, 88.7% of investments are first lien

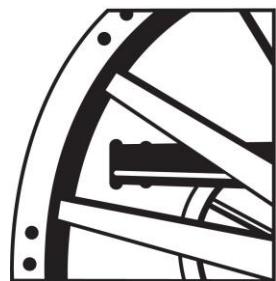
# Objectives for the Future

- Expand our asset base without sacrificing credit quality while benefitting from scale
- Increase our capacity to source, analyze, close and manage our investments by adding to our management team and processes
- Utilize benefits of fully deploying diverse and available financing to build scale and increase our AUM and net investment income/yield, enabling us to achieve growth in:
  - Net Asset Value and Net Asset Value per Share
  - Return on Equity
  - Earnings per Share
  - Stock Values

# Questions?



SARATOGA  
INVESTMENT CORP.

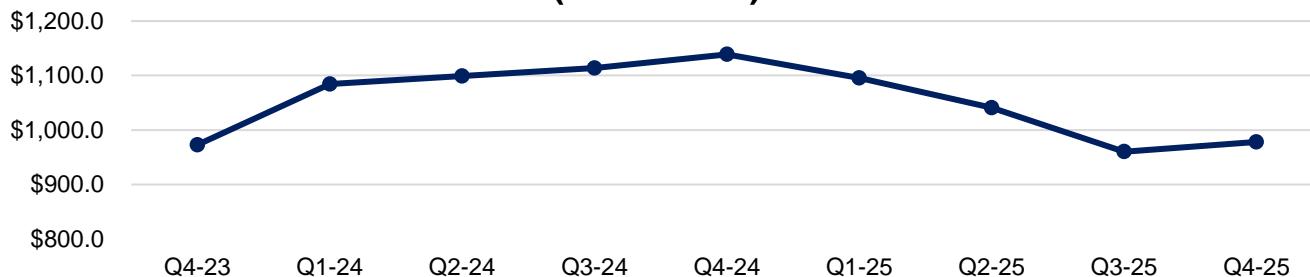


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# KPIs – Balance Sheet – Q4 FY25

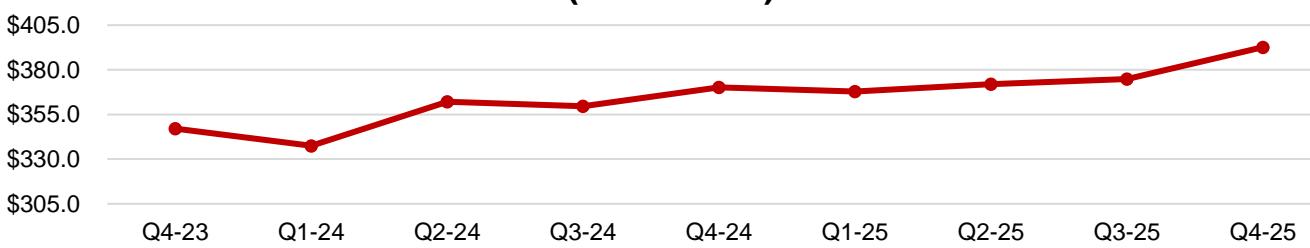
Period	FMV Investment Portfolio (in millions)
Q4-23	\$ 972.6
Q1-24	\$ 1,084.1
Q2-24	\$ 1,098.9
Q3-24	\$ 1,114.0
Q4-24	\$ 1,138.8
Q1-25	\$ 1,095.6
Q2-25	\$ 1,040.7
Q3-25	\$ 960.1
Q4-25	\$ 978.1

**FMV Investment Portfolio  
(in millions)**



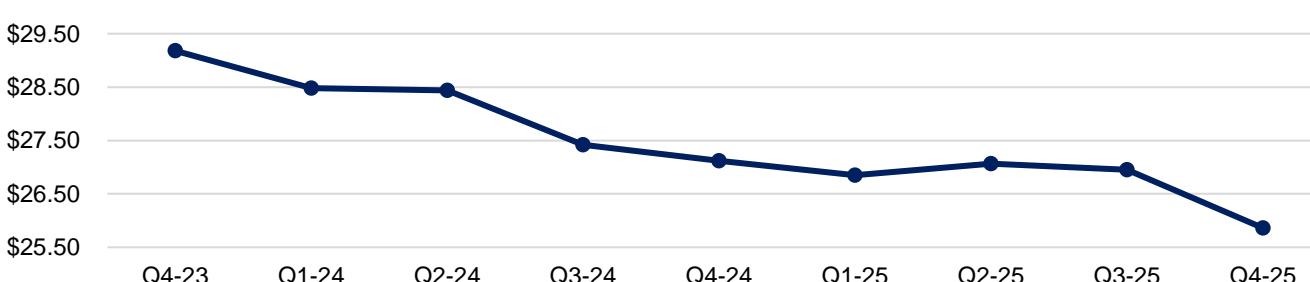
Period	NAV (in millions)
Q4-23	\$ 347.0
Q1-24	\$ 337.5
Q2-24	\$ 362.1
Q3-24	\$ 359.6
Q4-24	\$ 370.2
Q1-25	\$ 367.9
Q2-25	\$ 372.1
Q3-25	\$ 374.9
Q4-25	\$ 392.7

**NAV  
(in millions)**



Period	NAV Per Share
Q4-23	\$ 29.18
Q1-24	\$ 28.48
Q2-24	\$ 28.44
Q3-24	\$ 27.42
Q4-24	\$ 27.12
Q1-25	\$ 26.85
Q2-25	\$ 27.07
Q3-25	\$ 26.95
Q4-25	\$ 25.86

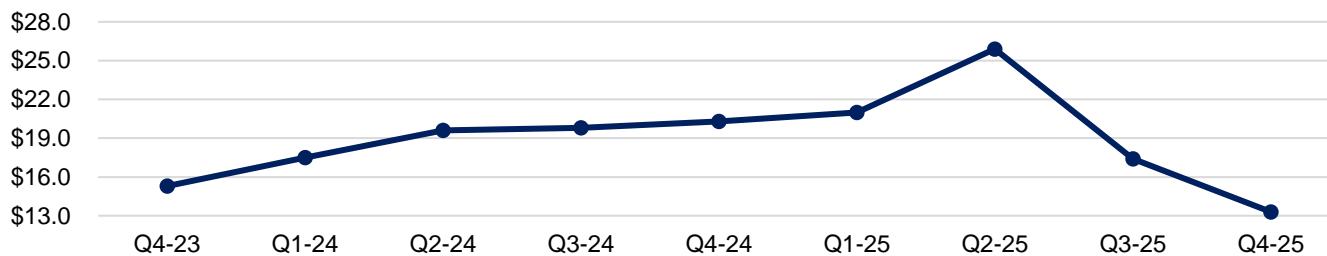
**NAV Per Share**



# KPIs – Income Statement – Q4 FY25

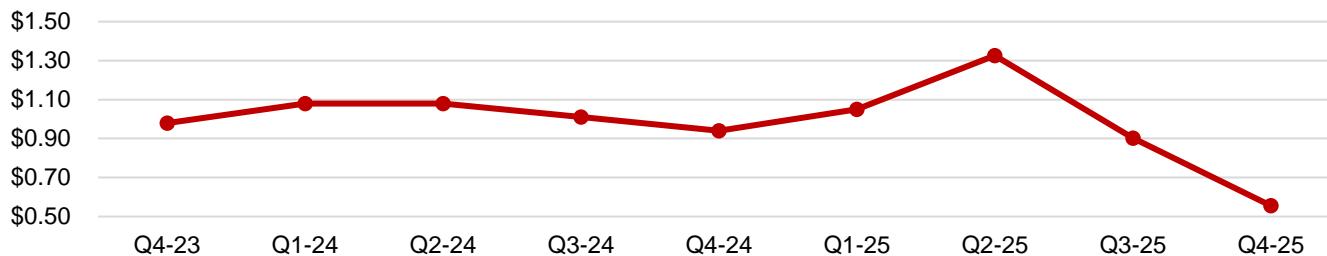
Period	Net Interest Margin (in millions)
Q4-23	\$ 15.3
Q1-24	\$ 17.5
Q2-24	\$ 19.6
Q3-24	\$ 19.8
Q4-24	\$ 20.3
Q1-25	\$ 21.0
Q2-25	\$ 25.9
Q3-25	\$ 17.4
Q4-25	\$ 13.3

**Net Interest Margin Excluding CLO (in millions)**



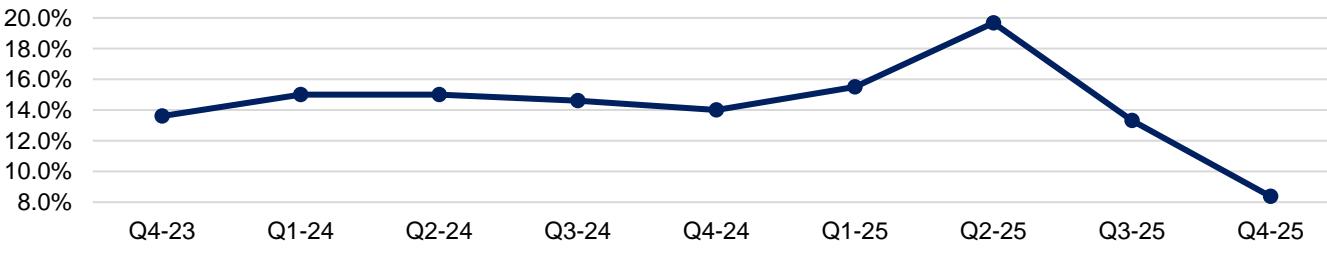
Period	NII Per Share
Q4-23	\$ 0.98
Q1-24	\$ 1.08
Q2-24	\$ 1.08
Q3-24	\$ 1.01
Q4-24	\$ 0.94
Q1-25	\$ 1.05
Q2-25	\$ 1.33
Q3-25	\$ 0.90
Q4-25	\$ 0.56

**Adjusted NII Per Share**



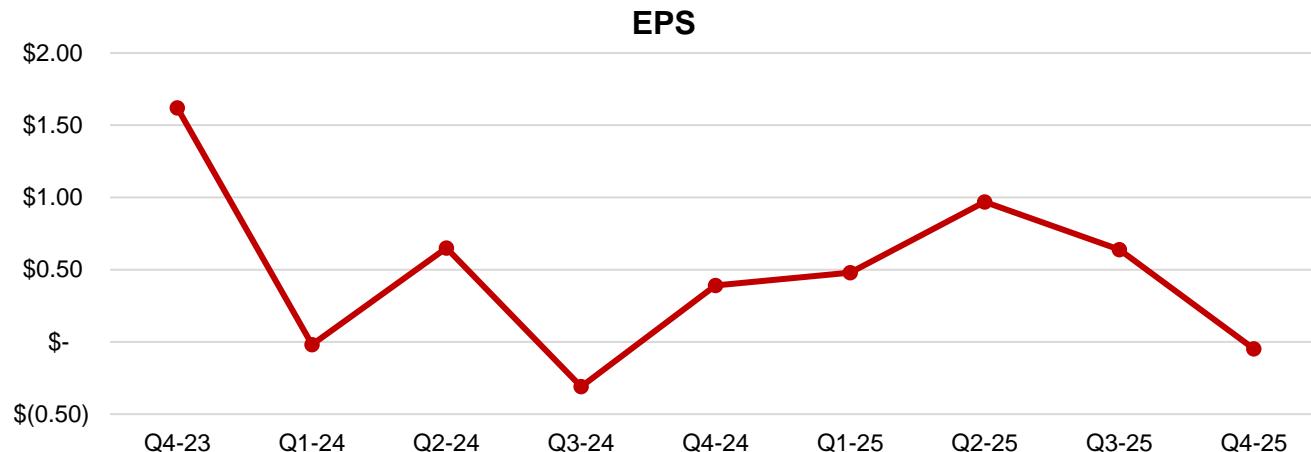
Period	NII Yield
Q4-23	13.6%
Q1-24	15.0%
Q2-24	15.0%
Q3-24	14.6%
Q4-24	14.0%
Q1-25	15.5%
Q2-25	19.7%
Q3-25	13.3%
Q4-25	8.4%

**Adjusted NII Yield**

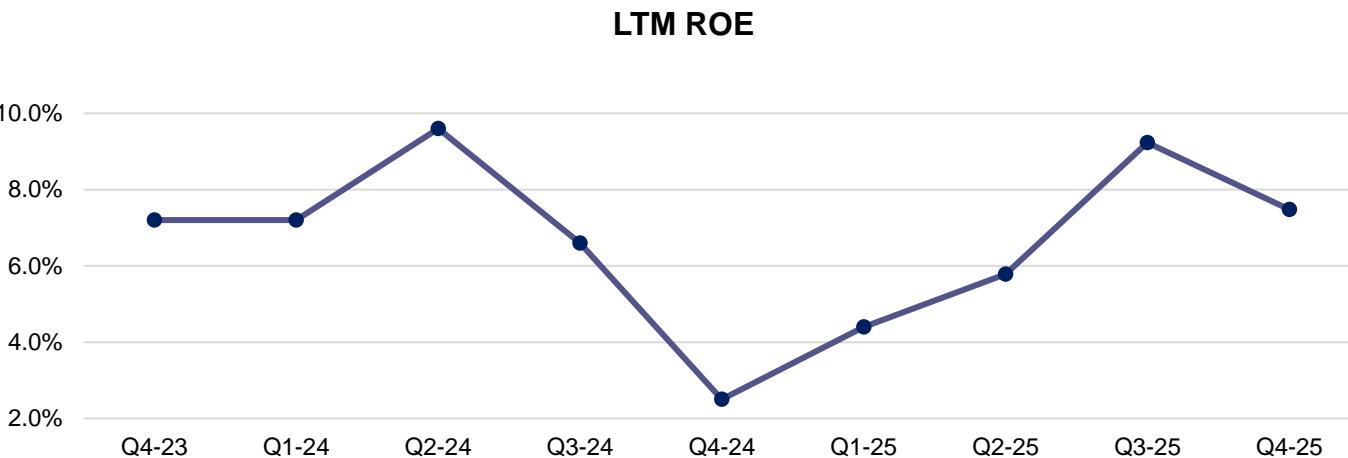


# KPIs – Income Statement– Q4 FY25 (continued)

Period	EPS
Q4-23	\$ 1.62
Q1-24	\$ (0.02)
Q2-24	\$ 0.65
Q3-24	\$ (0.31)
Q4-24	\$ 0.39
Q1-25	\$ 0.48
Q2-25	\$ 0.97
Q3-25	\$ 0.64
Q4-25	\$ (0.05)



Period	LTM ROE
Q4-23	7.2%
Q1-24	7.2%
Q2-24	9.6%
Q3-24	6.6%
Q4-24	2.5%
Q1-25	4.4%
Q2-25	5.8%
Q3-25	9.2%
Q4-25	7.5%



# KPIs - SAR Net Interest Margin Grew Significantly

**SAR Net Interest Margin stabilized this year with AUM and rate decreases after increasing sevenfold since taking over management**

