



Pennant Park

Investment Corporation

June 30, 2019

NEW YORK • CHICAGO • HOUSTON • LOS ANGELES

Forward-looking Statements and Risk Factors

This presentation may include forward-looking statements. These forward-looking statements include comments with respect to our objectives and strategies and results of our operations.

However, by their nature, these forward-looking statements involve numerous assumptions, uncertainties and opportunities, both general and specific. The risk exists that these statements may not be fulfilled. We caution readers of this presentation not to place undue reliance on these forward-looking statements as a number of factors could cause future company results to differ materially from these statements.

Forward-looking statements may be influenced in particular by factors such as fluctuations in interest rates and stock indices, the effects of competition in the areas in which we operate, and changes in economic, political and regulatory conditions. We caution that the foregoing list is not exhaustive.

When relying on forward-looking statements to make decisions, investors should carefully consider the aforementioned factors as well as other uncertainties and events. The performance data quoted represents past performance and does not guarantee future results. The performance stated 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.

We do not undertake to update our forward-looking statements unless required by law.

We refer you to the list of risk factors set forth in our most recent Annual Report on Form 10-K, a copy of which may be obtained on our website at www.pennantpark.com or the SEC's website at www.sec.gov. Specifically, an investment in our common stock involves significant risks, including the risk that the secondary market price of our common stock may decline from the offering price and may be less than our net asset value per share, as well as the risk that the price of our common stock in the secondary market may be highly volatile. Please see a discussion of these risks and other related risks in our most recent Annual Report on Form 10-K under Item 1A - "Risks Relating to an Investment in Our Common Stock".

This is not a prospectus and should under no circumstances be understood to be an offer to sell, or a solicitation of an offer to buy, any security of PennantPark Investment Corporation or PennantPark Floating Rate Capital Ltd. These materials and the presentations of which they are a part, and the summaries contained herein, do not purport to be complete and no obligation to update or otherwise revise such information is being assumed. This presentation contains only such information as is set forth in our reports on Form 10-K or 10-Q and we direct you to these reports for further information on our business including investment objectives, risks and expenses.

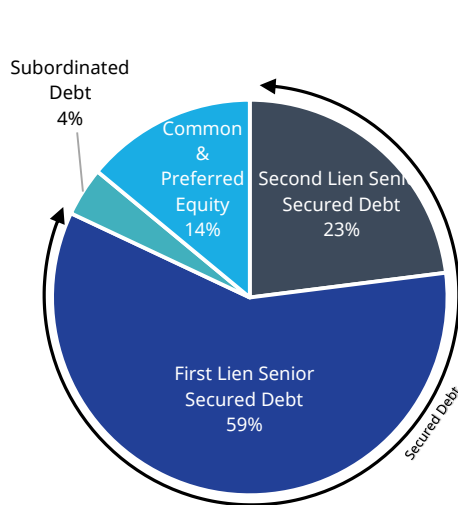
Established Credit Platform

PennantPark Investment Advisers, LLC

\$3.2 billion total Assets Under Management

PennantPark Investment Corporation

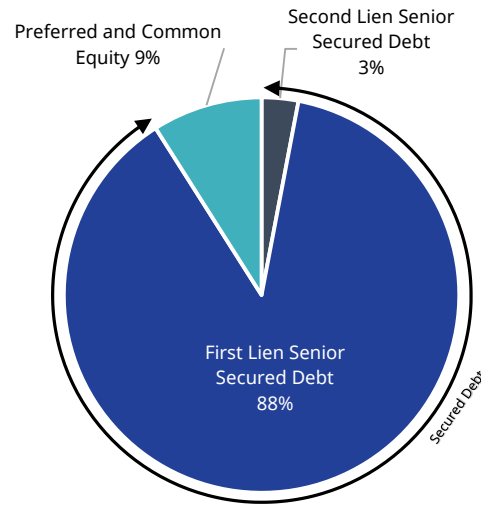
- NASDAQ: "PNNT"
- IPO Date: April 2007
- 82% Secured Debt



\$ 1,275 million
88% Floating Rate

PennantPark Floating Rate Capital Ltd.

- NASDAQ: "PFLT"
- IPO Date: April 2011
- 91% Secured Debt



\$ 1,072 million
99% Floating Rate

Established Investment Platform

- PennantPark Investment Advisers founded 12 years ago before the financial crisis
- Deep expertise in middle market direct lending
- Longer investment horizon with attractive publicly traded model
- Cohesive, experienced team

PNNT

- \$424 million Market Capitalization
- \$8.74 Net Asset Value per Share
- 88% of Portfolio is Floating Rate
- 82% of the Portfolio is Senior Secured debt.

PennantPark Investment Advisers, LLC

Founded in 2007
Funded \$10B in 521 companies

Disciplined Investor

- Value oriented with goal of capital preservation
- Focused approach to ensure good risk/reward
- Patient and prudently leveraged to capture returns during dislocations

Relationship & Solution Driven

- Team approach
- Build long term relationships – trusted partner
- Independent and conflict free

Middle Market Focus

- Companies with EBITDA of \$10 - \$50 million
- Solutions that traditional lenders find increasingly difficult

Consistent Performance & Track Record

- Low volatility of underlying portfolio EBITDA through the Great Recession

PNNT

- Only 13 non-accruals out of 229 companies since inception
- Annualized loss ratio about 30 basis points compared to 12.1% yield since inception 12 years ago

PNNT

Conservative Portfolio Construction

- 68 companies in 28 different industries
- Weighted average debt/EBITDA through PNNT security is 4.7x
- Weighted average cash interest coverage is 2.5x
- 83% of portfolio is senior secured
- 88% of portfolio is floating rate

Why is PNNT Well Positioned?

Experienced Team

- Decades of experience in middle market sponsor-driven direct lending
- Investment committee has worked together for over 20 years
- Stable, consistent investment team
- Headquarters in New York with offices in Los Angeles, Chicago, and Houston

Expansive Relationship Network

- Independent
- Established institutionalized relationships
- Focus on building long-term trust
- Brand recognition with about 185 sponsors financed

Strong Capital Base

- Permanent equity capital of \$586 million
- Quarterly dividend of 18 cents per share
- Debt/Equity Ratio now targeted at 1.1 – 1.5x should improve ROE while maintaining a prudent debt profile.

Attractive and Diversified Financing

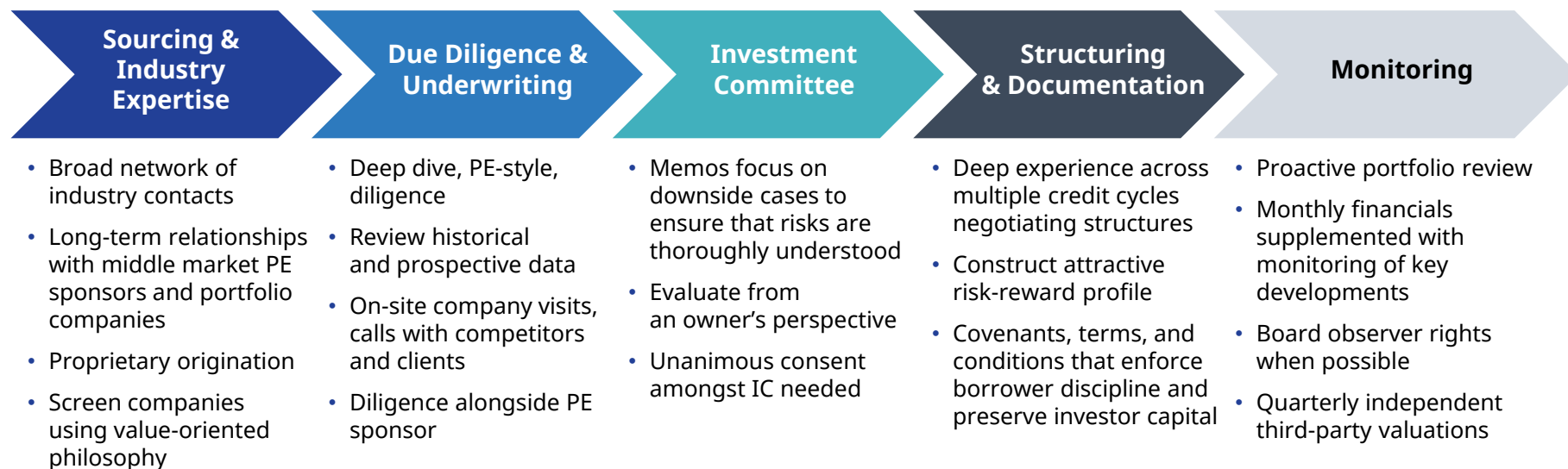
- \$445 million of SunTrust credit facility at L+225
- \$250 million of BNP credit facility at L+260
- \$150 million in attractive, fixed rate, long-term SBA financing

Underwriting Philosophy & Process¹

Investment Philosophy

- ▶ **Capital preservation is paramount when investing in middle-market companies**
- ▶ **Focus on companies in non-cyclical industries that have a viable reason to exist**
- ▶ **Documentation is critical**

Underwriting Process

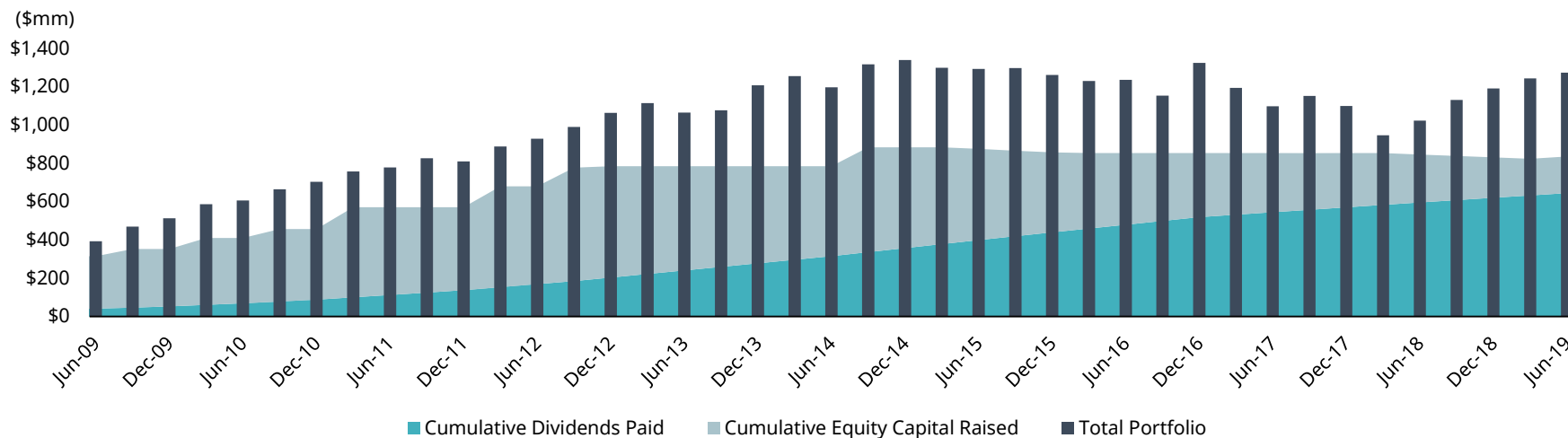


1. *The execution of the investment process described herein indicates the Manager's current approach to investing, and this investment approach may be modified in the future by the Manager in its sole discretion at any time and without further notice to investors in response to changing market conditions, or in any manner it believes is consistent with the overall investment objective of an individual fund/vehicle.*

PNNT Has a Compelling Track Record

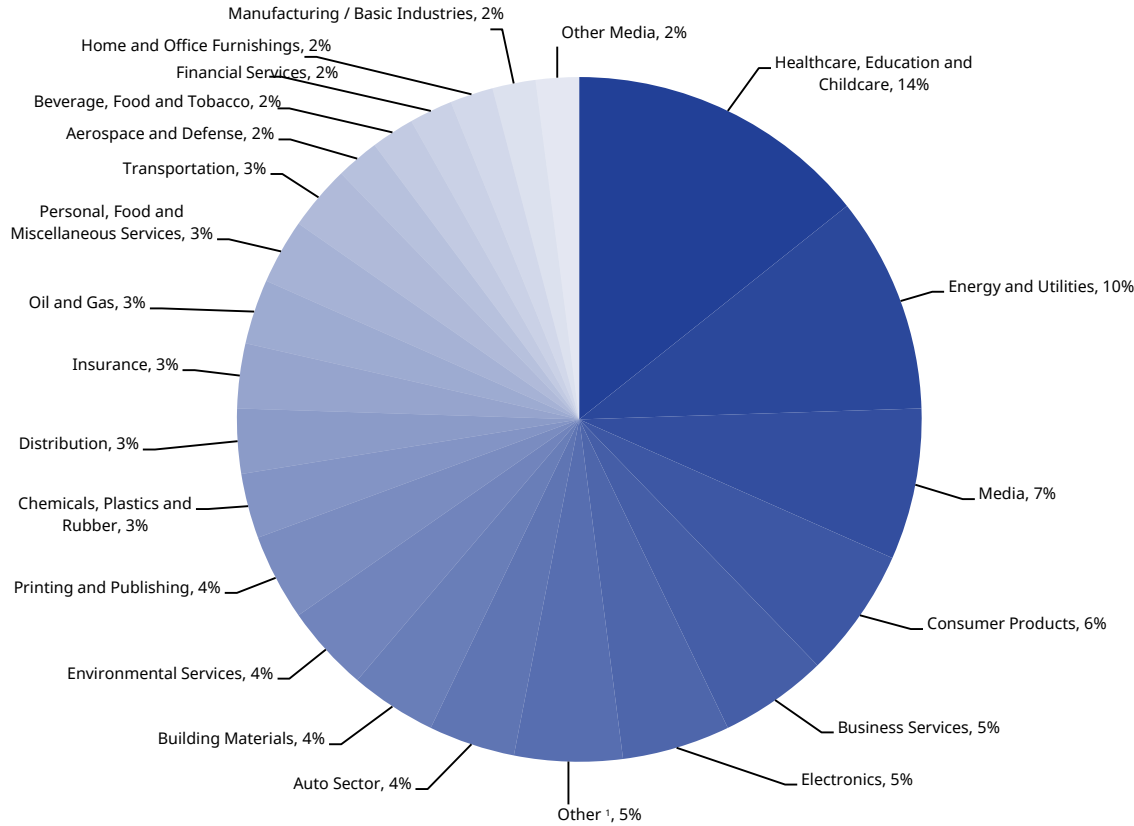
- ▶ **Portfolio growth has been measured and consistent with market opportunity**
- ▶ **\$645 million of dividends paid to shareholders since inception**
 - To date, dividends paid to shareholders are about 78% of equity capital raised¹
- ▶ **Low loss experience: about 31 bps annual loss rate against a 12.1% average yield on purchases since inception**
 - Low volatility of underlying portfolio EBITDA through the Great Recession
 - Only 13 non-accruals out of 229 companies since inception, despite recession and credit crisis

Portfolio Size, Equity Raised & Cumulative Dividends Paid



1. Net of repurchases.

Highly Diversified Industry Mix¹

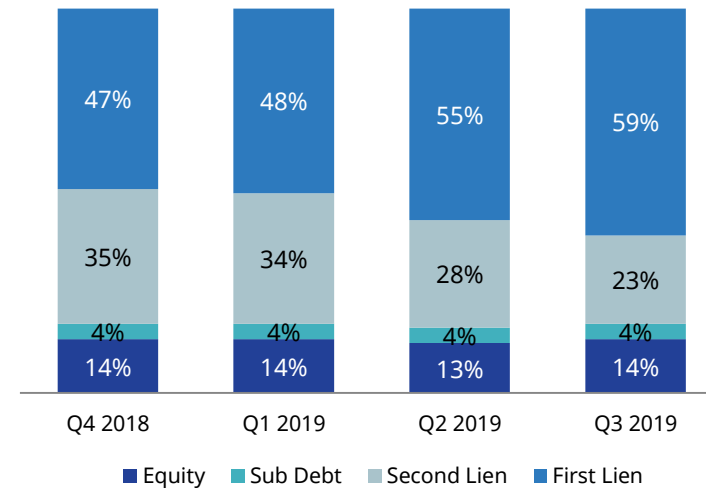


Total Portfolio: \$1,275 million

Portfolio Overview

- ▶ 68 Different Companies
- ▶ Average Investment Size: \$18.7 million
- ▶ Yield at Cost on Debt Portfolio: 10.1%
- ▶ 82% Secured Debt
- ▶ First Lien percentage increasing
- ▶ Annualized Dividend Yield of 11.4%
- ▶ Sustainable dividend stream with upside as Debt to Equity gradually increases and as equity co-invests mature

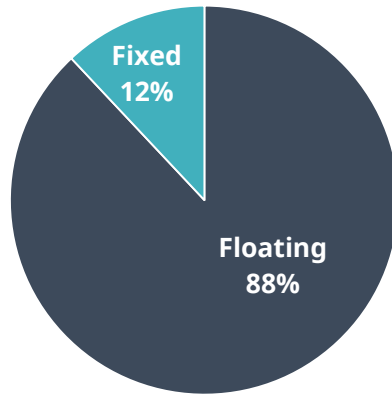
Portfolio Mix



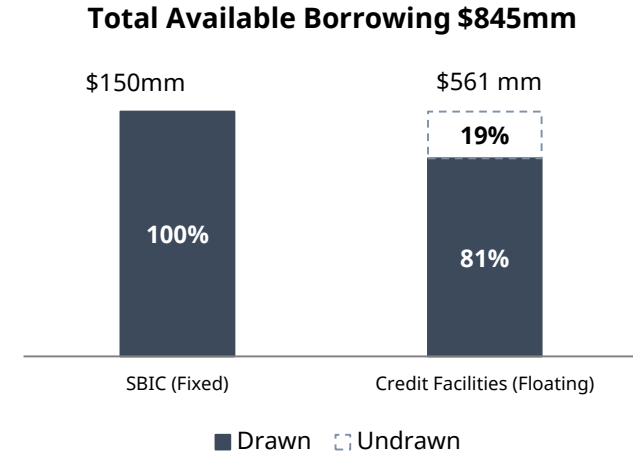
1. Total of 28 industries. "Other" includes: Broadcasting and Entertainment / Communications / Education / Telecommunication.

Attractive Asset/Liability Profile

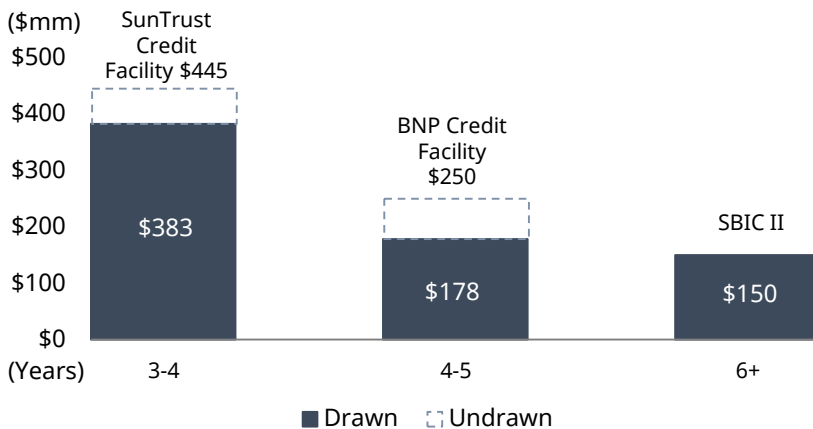
Fixed vs. Floating Assets



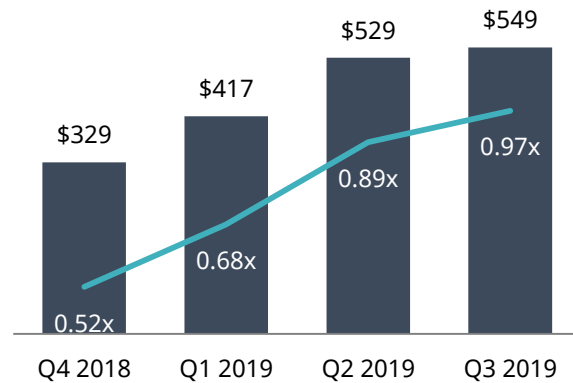
Fixed vs. Floating Debt Exposure



Liability Maturity



Regulatory Leverage



Benefits of SBIC Subsidiary

- ▶ **Long-term funding**

- 10-year SBA non-recourse debentures
- Does not use mark-to-market accounting

- ▶ **Up to 2x leverage at SBIC subsidiary**

- Up to \$150 million long-term financing
- Potential new SBIC license for an additional \$175 million of SBA financing

- ▶ **Attractive pricing: all-in ten-year fixed-rate of 3.1% on SBA financed vehicles**

- ▶ **Diversifies funding sources**

- ▶ **Exemptive relief excludes SBIC debt from BDC asset coverage test**

Debt Summary

Quarter Ended June 30, 2019

	Commitment Amount (\$mm)	Debt Drawn (\$mm)	Interest Rate	Maturity Date
BNP Revolving Credit Facility	\$250	\$178	L + 260 bps	2/22/2024
SunTrust Revolving Credit Facility	\$445	\$383	L + 225 bps	5/25/2022
SBIC II	150	150	3.1% ¹	3/1/26 - 3/1/28 ¹
Total	\$845	\$682	5.9%²	

1. Across all SBIC II debentures.

2. Represents annualized weighted average cost of debt for the quarter ended, inclusive of the fee on the undrawn commitment on the Credit Facility and amortized upfront fees on SBA debentures but excluding debt issuance costs.

Selected Financial Highlights - PNNT

(\$mm, except per share data)	September Q4 2018	December Q1 2019	March Q2 2019	June Q3 2019
Investment Portfolio (at fair value)	\$1,132	\$1,191	\$1,245	\$1,275
Debt (Regulatory: Excluding SBIC)	\$329	\$417	\$520	\$549
Debt (GAAP)	\$504	\$562	\$666	\$695
Net Assets	\$629	\$616	\$592	\$586
Ending Debt to Equity (Regulatory)	0.52x	0.68x	0.89x	0.97x
Ending Debt to Equity (GAAP)	0.81x	0.93x	1.15x	1.23x
Net Investment Income	\$14	\$13	\$11	\$12
Originations	\$181	\$194	\$184	\$116
Per Share Data:				
Net Asset Value	\$9.11	\$9.05	\$8.83	\$8.74
Core Net Investment Income ¹	\$0.20	\$0.18	\$0.19	\$0.17
Dividends to Shareholders	\$0.18	\$0.18	\$0.18	\$0.18

1. Core Net Investment Income per share is a non-GAAP financial measure.

Strategy Targeted to Deliver Returns

- ▶ **Proprietary sourcing network**
- ▶ **Free cash flow and de-leveraging**
- ▶ **Dividends with capital preservation**
- ▶ **Less risky middle market companies**
- ▶ **Captured by interest payments on primarily secured debt**

Selected Investments

BLACKHAWK
INDUSTRIAL

Subordinated Debt
Equity

Snow Phipps

Cano
Health

Revolver
First Lien Secured Debt
Equity

InTandem Capital

COMODO
Creating Trust Online®

Second Lien Secured Debt
Equity

Francisco Partners

CORFIN
INDUSTRIES
COMPONENT PREPARATION SOLUTIONS
Preventing Catastrophic Failures in Mission Critical Systems

Revolver
First Lien Secured Debt
Equity

Sagewind Capital Partners

DOMINION
VOTING

Revolver
First Lien Term Loan
Equity

Staple Street Capital

h w Meyers
RESEARCH

Term Loan
Revolver

MidOcean Partners

infogroup

Second Lien Secured Debt
Equity

Court Square
Capital Partners

MERITDIRECT
HIGHER GROUND

Revolver
First Lien Term Loan
Equity

Mountaingate Capital

OX
ENGINEERED PROGRESS
BUILD STRONG

Revolver
First Lien Secured Debt

Wind Point Partners

Pathway

Second Lien Secured Debt
Delayed-Draw Term Loan

Morgan Stanley
Capital Partners

PHOENIX

Revolver
First Lien Secured Debt
Delayed-Draw Term Loan

ZS Fund LP

SIGNATURE
SYSTEMS GROUP

Revolver
First Lien Term Loan
Equity

Center Rock Capital
Partners

StrataTech
EDUCATION
GROUP

Revolver
First Lien Term Loan

The Halifax Group

Walker Edison.

First Lien Term Loan
Equity

J.W. Childs

WBB

Revolver
First Lien Secured Debt
Equity

H.I.G. Capital

WHEELPROS

Second Lien Secured Debt
Equity

Clearlake Capital