



PennantPark

Floating Rate Capital Ltd.

06/30/2024

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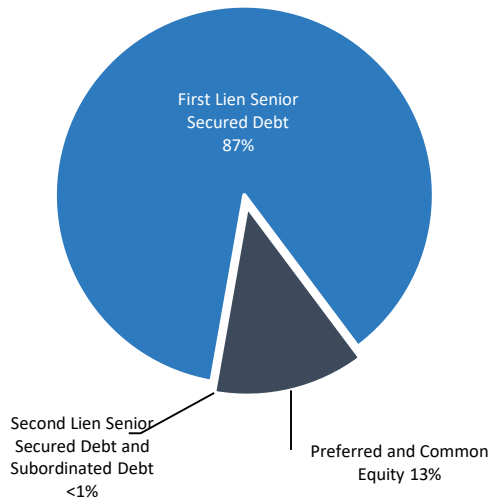
Established Credit Platform



\$8.0 billion total Investable Capital Under Management¹

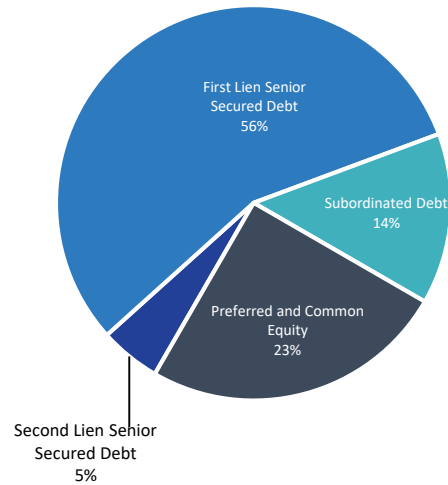
PennantPark Floating Rate Capital Ltd.

- NYSE: “PFLT”
- IPO Date: April 2011
- 87% Secured Debt
- \$1.7 billion, total investments



PennantPark Investment Corporation

- NYSE: “PNNT”
- IPO Date: April 2007
- 61% Secured Debt
- \$1.3 billion, total investments²



Established Investment Platform

- PennantPark Investment Advisers founded 17 years ago before the Global Financial Crisis (“GFC”)
- Independent middle market credit platform providing strategic capital to growing companies in the core middle market
- Cohesive, experienced team
- Culture of building long-term trust
- Funded \$21.3 billion in 684 companies

PFLT

- Primary focus: first lien senior secured debt
- Steady and stable dividend stream since inception in 2011
- Goal of capital preservation with a lower risk portfolio
- Approximately 100% of debt portfolio is first lien senior secured loans

1. As of September 1, 2024
 2. This amount is inclusive of \$59.8 million of U.S. government issued treasury bills held in the portfolio which is not reflected in the chart below

Investment Strategy Overview

Why PennantPark?

Core Middle Market Focus

Senior secured loans made to U.S. companies with earnings of \$10 to \$50 million

Stable and Growing Borrowers

Target profitable companies with leading market positions, strong management teams, and steady cash flows

Stable and Experienced Leadership Team

12 senior investment professionals average 26+ years of industry experience and 12+ years together at PennantPark

Emphasis on Capital Preservation

Conservative underwriting targeting loans with low leverage multiples, substantial sponsor equity, and protective covenants

Upside Participation

Selectively negotiate equity co-investments to benefit from role as a strategic lending partner

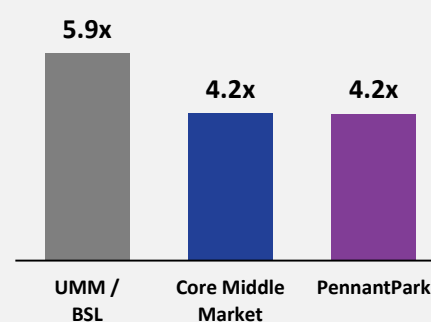
Extensive Sourcing Network

Long-term relationships with hundreds of middle market private equity sponsors; closed deals with over 230 sponsors

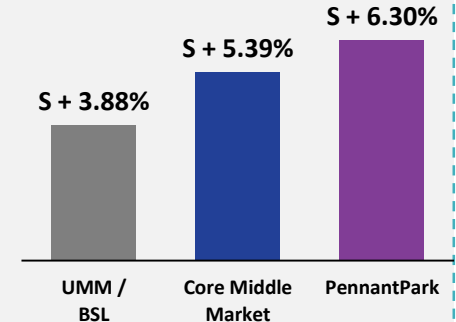
Core Middle Market Potential Advantage:

- ✓ Less competition as other lenders have moved up market
- ✓ More time to conduct thorough diligence
- ✓ Consistent yield premium over upper middle market and broadly-syndicated loans¹
- ✓ Lower average leverage multiples
- ✓ Stronger covenant packages with tighter cushions
- ✓ Monthly financial reporting
- ✓ Improved control of downside outcomes with greater recovery rates

Lower Leverage^{2,3}



Higher Spreads^{2,3}



Note: Past performance is not necessarily indicative of future results. Invested capital is at risk. Estimates regarding future investments are subject to change based upon market conditions and other factors.

1. Please refer to slide entitled "Core Middle Market Potential Advantage" for additional detail.

2. Source: LSEG. Data as of December 2023. Core Middle Market defined as issuers with revenues of \$500M and below, and total loan package of less than or equal to \$500M. Upper Middle Market ("UMM") and Broadly Syndicated Loans ("BSL") are defined as syndicated or direct/clubbed deals that have either revenues or total loan package of \$500M or greater. Please refer to slide entitled "The Core Middle Market Offers a Yield Premium with Lower Risk" for additional detail.

3. Represents the arithmetic average of leverage multiples and spreads for PennantPark's newly direct originated loans in 2023.

Providing Value-Added Capital to Middle Market Borrowers

- ▶ We target profitable, growing, and cash-flowing companies with \$10 - \$50 million of EBITDA
- ▶ In many cases, PennantPark participates in a company's first round of institutional investment
- ▶ Seek to act as a strategic partner to drive growth, and participate in upside through equity co-investments

Target Positive Credit Characteristics:	Avoid Negative Credit Characteristics:
<ul style="list-style-type: none"> • Leading market positions and significant competitive advantages • Established sponsors with track record of supporting portfolio companies • Proven management team with appropriate incentives • Low debt multiples and conservative loan-to-value ratios 	<ul style="list-style-type: none"> • Asset-intensive operations requiring capital expenditures • Cyclical end markets or exposure to commodity price volatility • Volatile or lumpy cash flows, or highly concentrated customer base • Undifferentiated product or services with low profit margins

▶ Five Key Industries of Expertise:



Healthcare

- High quality providers and low-cost outcomes
- Favorable reimbursement environment
- Solid infrastructure and IT systems
- Sustained organic growth and accretive M&A



Government Services

- Diverse government contract portfolio
- Mission critical services
- Alignment with government funding
- Track record of winning new business and re-compete contracts



Software & Technology

- Tailwinds from digital transformation
- Value-added functions with high switching costs
- Recurring cash flows models
- Accretive acquisition opportunities



Consumer

- Essential goods and services with stable pricing
- Strong brands with leading market positions
- Differentiated value proposition
- Avoidance of fad risk



Business Services

- Integral to customers' business processes
- Demonstrable value added for customers
- Leading technologies with increasing adoption
- Capitalize on increasing outsourcing trends

Note: Past performance is not necessarily indicative of future results. Invested capital is at risk.

Third Quarter 2024 Highlights

Highlights

- Monthly dividend remained consistent at \$0.1025 per share
- Net investment income (NII) of \$0.31 per share
- Approximately 100% of the debt portfolio is first lien senior secured
- Investment portfolio totaled \$1.7 billion, an increase of 31% from the prior quarter

Strong Credit Performance of Portfolio

- 4.1x debt to EBITDA
- 2.2x interest coverage ratio
- Only 3 companies out of 151 on non-accrual
- 1.5% of portfolio at cost, 1.1% at fair market value
- PIK income remained low at 1.4% of total interest income, one of the lowest among BDCs

Growing PSSL¹ (Joint Venture)

- Targeting \$1 billion of assets from \$904 million
- Enhances return on equity and NII at PFLT
- Run rate return on invested capital of approximately 13.6%

Note: Past performance is not necessarily indicative of future results. Invested capital is at risk.

1. PSSL refers to PennantPark Senior Secured Loan Fund LLC, a joint venture between PFLT and Kemper Corporation that invests in first lien middle market loans

Why is PFLT Well Positioned?

Strong Capital Base

- Permanent equity capital of \$817 million
- Diversified funding sources
- Senior loan joint venture, PSSS, has \$1 billion of investment capacity

Attractive and Diversified Financing

- \$611 million revolving credit facility due August 2026 at SOFR + 236 bps was upsized in August 2024 to a \$636 million due August 2029 at 225bps
- \$185 million notes due April 2026 at 4.25%
- \$266 million securitized asset backed debt financing at a weighted average spread to SOFR of 1.89%, final maturity of July 2036
- \$287 million securitized asset backed debt financing at a weighted average spread to SOFR of 2.79%, final maturity of April 2036

Experienced Team

- Decades of experience in middle market credit through multiple cycles
- Stable, consistent investment team
- Headquarters in Miami with offices in New York, Chicago, Houston, Los Angeles and Amsterdam

Expansive Relationship Network

- Known as a provider of strategic capital to growing companies in the core middle market
- Focus on building long-term trust
- Brand recognition with 240+ private equity sponsors
- Independent capital provider with established institutionalized relationships

Extensive Sourcing Network

Robust Origination Platform

Actively cover

770+

middle market PE sponsors in the U.S.

Closed deals with

230+

PE sponsors; majority repeat transactions¹

Existing lender to

180+

portfolio companies across 90+ PE sponsors

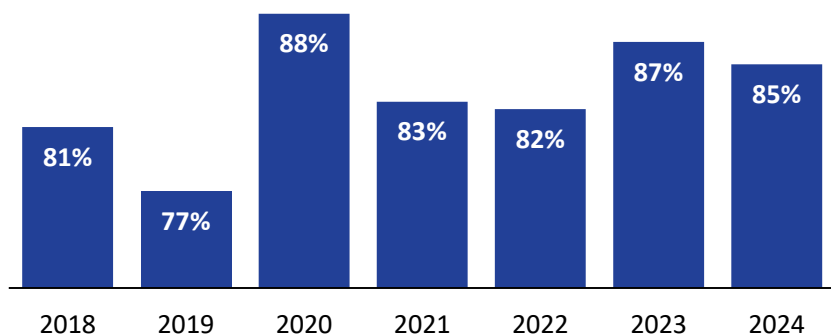
Selective underwriting; only

5.7%

of deals closed from 2019 to 2024

Origination Volume with Repeat PE Sponsors¹

- ▶ **Since 2018, over 75% of PennantPark's deals have been with repeat PE sponsors**
 - PE sponsors typically give PennantPark early and last looks because of our reliability, experience, market leadership, and flexible capital solutions
- ▶ **PennantPark maintains a diversified flow; the top repeat sponsor represents only 4% of investments since inception¹**



Top 5 Sponsors	Since Inception ¹
No. 1	4%
No. 2	3%
No. 3	3%
No. 4	3%
No. 5	2%

Note: Past performance is not necessarily indicative of future results. Invested capital is at risk. Data as of 3/31/2024. PE stands for Private Equity.

1. Percentage of total origination volume. Origination volume refers to the dollar value of all financing commitments to middle market companies. Repeat sponsors are private equity firms that had previously completed a financing transaction with PennantPark. Based on invested capital for active investments and investments made since inception.

Core Middle Market Potential Advantage

- ▶ The U.S. middle market includes nearly 200,000 companies, generates \$10 trillion of annual revenue (1/3 of the U.S. economy), and is the world's fifth largest economy on a standalone basis¹
- ▶ The core middle market presents attractive investment opportunities
 - Lower leverage and higher yields
 - Strong covenant packages
 - Greater recovery rates

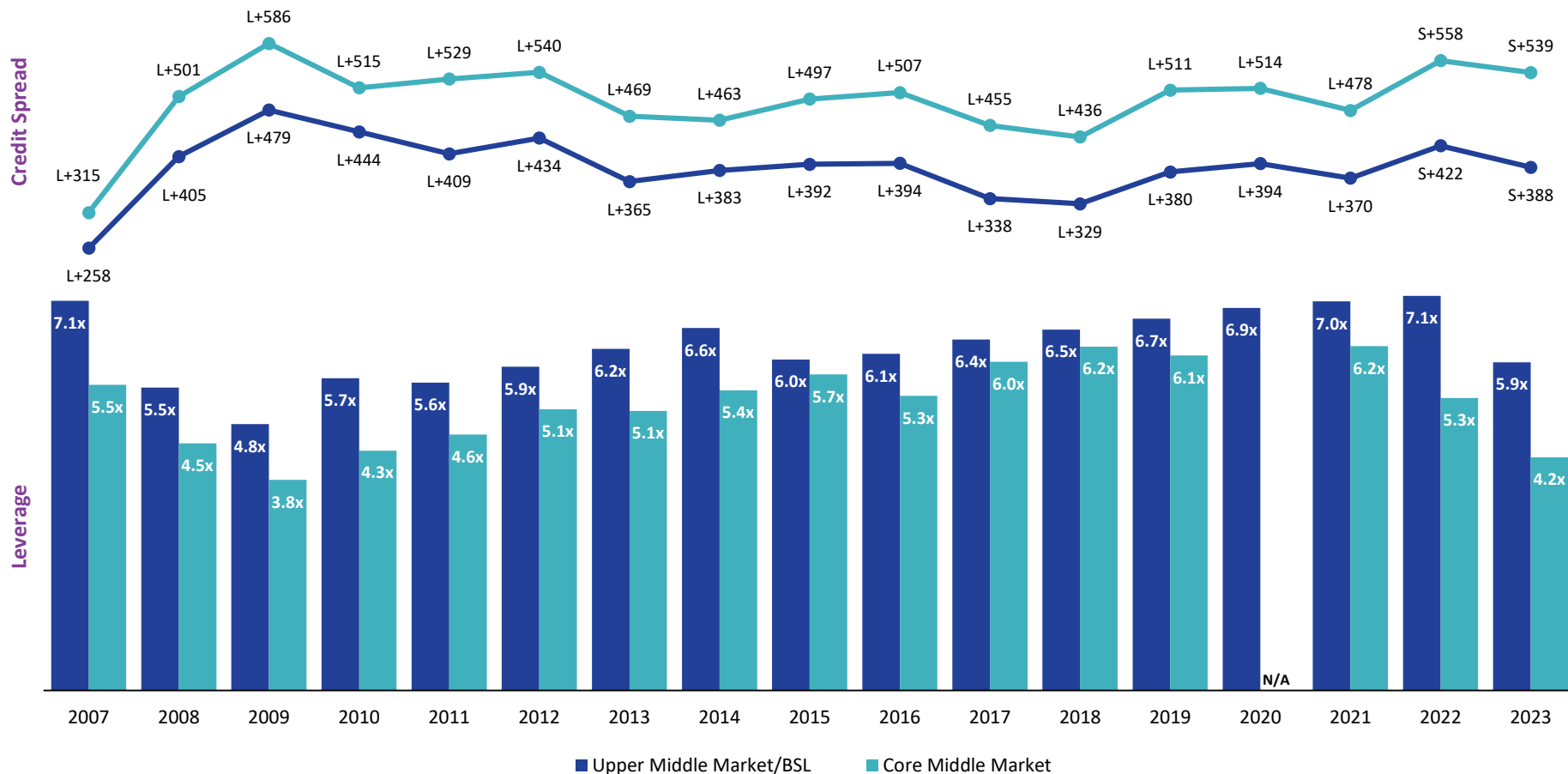
	Core Middle Market	Upper Middle Market
EBITDA	\$10 to \$50 million	\$50 million and greater
New Issue Pricing	First Lien: SOFR + 5.00% to 6.50% Second Lien: SOFR + 7.50% to 10.00%	First Lien: SOFR + 3.50% to 5.50% Second Lien: SOFR + 6.00% to 7.50%
Leverage	First Lien: 4.0x to 5.5x Second Lien: 5.5x to 6.5x	First Lien: 5.0x to 7.5x Second Lien: 6.0x to 9.0x
Covenants	Usually stronger; total net leverage, interest coverage, etc.	Covenant lite or one covenant set at wide levels
Equity Contribution	45% or more	35% or more
Due Diligence Process	In-depth and comprehensive; typically 6 – 8 weeks	More limited information; typically 2 weeks or less
Reporting	Usually monthly	Usually quarterly
Lender Group Size	1 to 4 lenders	5 or more lenders
Equity Co-Investments	Common	Less common

Note: Past performance is not necessarily indicative of future results. Invested capital is at risk. Statements herein concerning financial market trends or other financial market commentary are based on the current market conditions, which will fluctuate. In addition, such statements constitute the Manager's current opinion, which is subject to change in the future without notice. Refer to the Important Notices at the end of this presentation for additional information.

1. National Center For the Middle Market, 4Q 2023 Middle Market Indicator Report.

The Core Middle Market Offers a Yield Premium with Lower Risk

Core Middle Market vs. Upper Middle Market/BSL¹



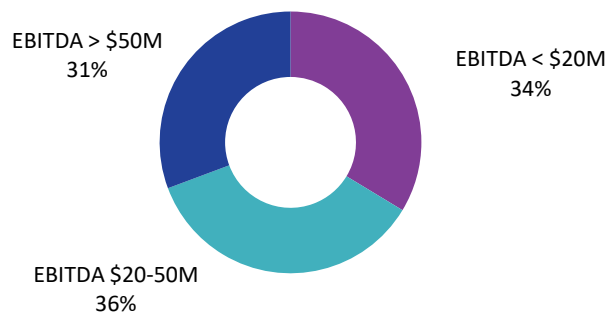
Note: Past performance is not necessarily indicative of future results. Invested capital is at risk. Source: LSEG as of December 2023.

1. Core Middle Market is defined as Issuers with revenues of \$500M and below, and total loan package of less or equal to \$500M. Upper Middle Market and BSL are defined as syndicated or direct/clubbed deals that have either revenues or total loan package of \$500M or greater. Broadly Syndicated Loans are denoted as "BSL". For 2020 LSEG does not have sufficient observations at this time to provide data for MM.

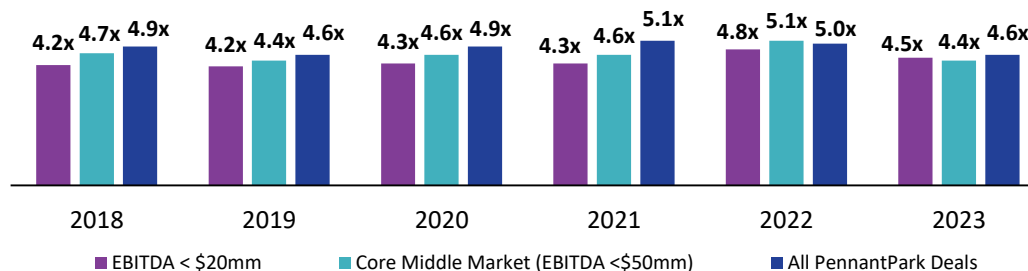
Lower Leverage and Better Returns in the Core Middle Market

- ▶ PennantPark takes a more focused and value-added approach when evaluating core middle market opportunities
- ▶ Since 2015, 70% of invested capital was directed to companies with EBITDA below \$50 million
- ▶ 34% of total invested capital was directed to companies with EBITDA below \$20 million
- ▶ Leverage multiples for smaller borrowers have historically been lower compared to larger borrowers
- ▶ Despite lower leverage, PennantPark has historically achieved higher IRRs on deals with borrower EBITDA below \$20 million at entry when compared to all deals

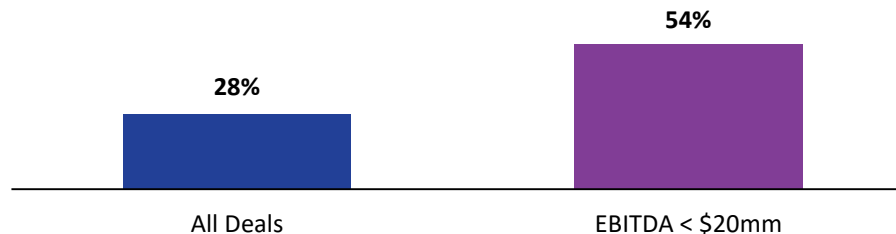
PennantPark Capital Invested as % of Total¹



PennantPark Total Leverage



EBITDA Growth During Hold Period¹

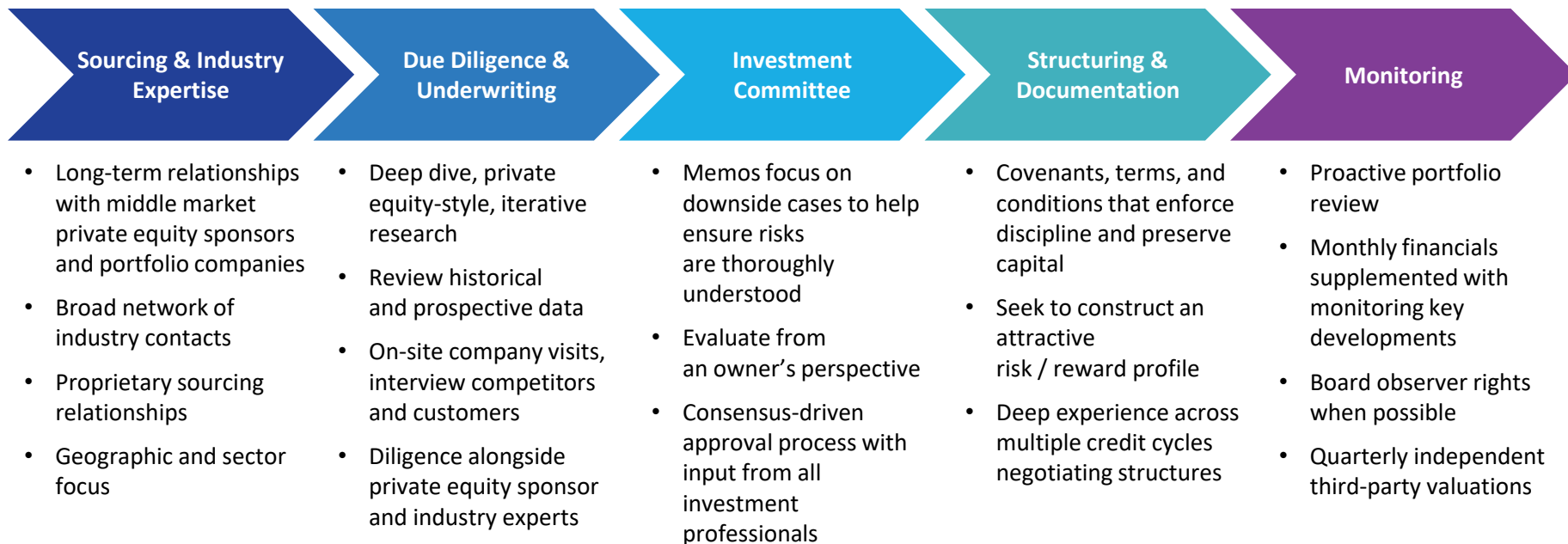


Note: Past performance is not necessarily indicative of future results. Invested capital is at risk. As of 12/31/2023. Statistics presented above are calculated based on PennantPark's portfolio.

1. Capital invested and EBITDA growth during hold period since 2015.

Underwriting Process

- ▶ Led by experienced senior team
- ▶ The same deal team originates, executes, and monitors each investment
- ▶ Every member of the investment team participates in consensus-driven Investment Committee



Note: The execution of the investment process described herein indicates PennantPark's current approach to investing, and this investment approach may be modified in the future by PennantPark 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.

PFLT Portfolio as of 06/30/24

Highly Diversified by Industry

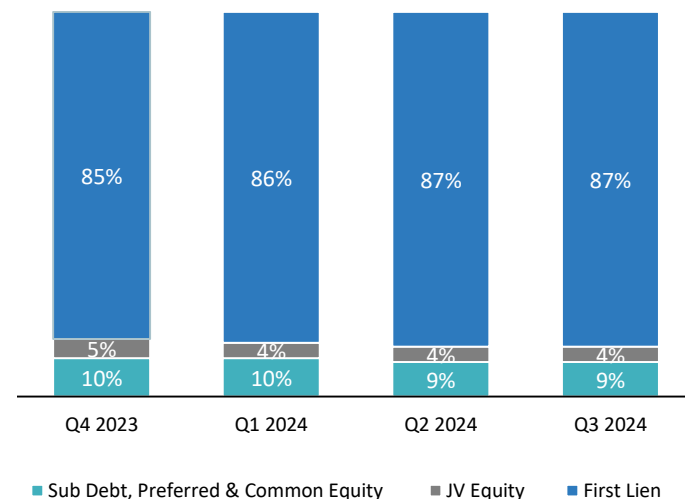
Industry ¹	Fair Value (\$ millions)	% of Portfolio
Professional Services	\$106.7	7.8%
Aerospace and Defense	103.6	7.6%
Healthcare Providers and Services	98.0	7.2%
Media	91.3	6.7%
Electronic Equipment, Instruments, and Components	72.4	5.3%
Construction and Engineering	72.3	5.3%
Leisure Products	68.4	5.0%
Distributors	68.1	5.0%
Personal Products	66.6	4.9%
IT Services	55.5	4.1%
Media: Diversified and Production	54.0	4.0%
High Tech Industries	42.3	3.1%
Healthcare, Education and Childcare	39.9	2.9%
Insurance	38.4	2.8%
Healthcare Technology	37.4	2.7%
Diversified Consumer Services	33.9	2.5%
Commercial Services & Supplies	28.3	2.1%
Building Products	23.8	1.8%
Construction and Building	22.5	1.7%
Internet Software and Services	21.3	1.6%
Capital Equipment	19.1	1.4%
Business Services	18.2	1.3%
Chemicals, Plastics and Rubber	17.9	1.3%
Auto Components	15.7	1.2%
Healthcare Equipment and Supplies	15.1	1.1%
Diversified Financial Services	15.1	1.1%
Hotels, Restaurants and Leisure	14.6	1.1%
Consumer Services	13.4	1.0%
Automobiles	12.8	0.9%
Food Products	12.8	0.9%
Metals and Mining	10.8	0.8%
Financial Services	10.4	0.8%
Air freight and Logistics	8.4	0.6%
Textiles, Apparel and Luxury Goods	7.4	0.5%
Other	25.4	1.9%
Total Portfolio	\$1,361.8	100.0%

¹ Excluding investment in PSSL. Total of 45 industries. "Other" includes / Specialty Retail / Commodity Chemicals / Consumer Finance / Software / Wholesale / Healthcare and Pharmaceuticals / Consumer Products / Trading Companies & Distributors / Energy Equipment and Services / Banking, Finance, Insurance & Real Estate.

Portfolio Overview

- ▶ 151 different companies
- ▶ \$11.0 million: average investment size
- ▶ 87% senior secured investments

Portfolio Composition by Investment Type



PennantPark Senior Secured Loan Fund (“PSSL”)

- ▶ **An unconsolidated joint venture between PFLT and Kemper**
- ▶ **Invests in middle market, directly originated first lien loans**
- ▶ **\$1 billion of total investment capacity, as of June 30, 2024**
- ▶ **Total commitments of \$388 million in notes and equity from PFLT and Kemper**
- ▶ **Diversified liabilities including a senior secured revolving credit facility and two long term securitizations**
- ▶ **Expands ability to serve sponsor and borrower clients with larger investment hold size**
- ▶ **Seeks to enhance return on equity and NII at PFLT**
- ▶ **PSSL JV has been generating an run rate return of approximately 13.6%**

PSSL Portfolio as of 06/30/24

Highly Diversified by Industry

Industry ¹	Fair Value (\$ millions)	% of Portfolio
Business Services	\$114.1	12.6%
Aerospace and Defense	85.4	9.4%
Healthcare and Pharmaceuticals	58.5	6.5%
Media	56.1	6.2%
Diversified Consumer Services	51.2	5.7%
Personal Products	49.9	5.5%
Electronic Equipment, Instruments, and Components	40.6	4.5%
Healthcare Providers and Services	33.7	3.7%
Distributors	27.9	3.1%
Media: Advertising, Printing & Publishing	24.5	2.7%
Consumer Goods: Durable	24.5	2.7%
Professional Services	23.9	2.6%
Software	23.3	2.6%
Commercial Services & Supplies	22.0	2.4%
Capital Equipment	20.4	2.3%
Air Freight and Logistics	19.6	2.2%
Automotive	19.6	2.2%
IT Services	17.6	1.9%
High Tech Industries	17.5	1.9%
Wholesale	17.1	1.9%
Consumer Goods: Non-Durable	16.6	1.8%
Automobiles	16.1	1.8%
Diversified Financial Services	14.8	1.6%
Containers and Packaging	12.2	1.4%
Chemicals, Plastics and Rubber	11.0	1.2%
Healthcare, Education & Childcare	10.1	1.1%
Internet Software and Services	8.4	0.9%
Media: Diversified and Production	8.1	0.9%
Insurance	7.9	0.9%
Construction and Engineering	7.7	0.8%
Education	7.3	0.8%
Hotel, Gaming and Leisure	7.2	0.8%
Textiles, Apparel and Luxury Goods	6.2	0.7%
Other	23.2	2.7%
Total	\$904.2	100.0%

1. Total of 40 industries. "Other" includes Consumer Finance / Consumer Products / Environmental Industries / Healthcare Technology / Leisure Products / Trading Companies & Distributors / Construction and Building

Portfolio Overview

- ▶ 108 different companies
- ▶ \$8.4 million: average investment size
- ▶ 99.6%: first lien secured investments

PFLT Selected Financial Highlights

(\$mm, except per share data)	June Q3 2024	March Q2 2024	December Q1 2024	September Q4 2023
Investment portfolio, at fair value	\$1,659	\$1,478	\$1,271	\$1,067
Joint venture investment portfolio, at fair value	\$904	\$870	\$837	\$786
Debt (GAAP)	\$896	\$861	\$671	\$495
GAAP Net Assets	\$817	\$721	\$658	\$654
Debt to Equity ²	1.11x	1.21x	1.03x	0.76x
Investment purchases	\$321	\$338	\$303	\$94
Investment sales and repayments	\$138	\$145	\$104	\$141
Per Share Data:				
GAAP Net Asset Value	\$11.34	\$11.40	\$11.20	\$11.13
Net Investment Income (NII)	\$0.31	\$0.31	\$0.33	\$0.32
Core NII ³	\$0.31	\$0.31	\$0.33	\$0.32
Dividends to shareholders	\$0.31	\$0.31	\$0.31	\$0.31

1. Debt to equity is calculated by dividing the total par balance of outstanding debt liabilities by Adjusted Net Assets.

2. Core net investment income ("Core NII") is a non-GAAP financial measure. The Company believes that Core NII provides useful information to investors and management because it reflects the Company's financial performance excluding one-time or non-recurring investment income and expenses. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. For the quarter ended June 30, 2024, there were no one-time events resulting in \$0.31 of Core NII.

Strategy Targeted to Deliver Returns

- ▶ **Extensive and diverse sourcing network**
- ▶ **Focused on companies with strong free cash flow and de-leveraging capabilities**
- ▶ **Value oriented with a goal of capital preservation**
- ▶ **Privately negotiated middle market loans provide attractive risk / return**
- ▶ **Returns driven by interest payments from primarily first lien secured debt**

PFLT Selected Investments




Revolver
First Lien Term Loan
Equity

Mountaingate Capital



Revolver
First Lien Term Loan
Equity

Knox Lane Partners



Revolver
First Lien Term Loan
Equity

Odyssey Investment Ptrs



Revolver
First Lien Term Loan
Equity

Littlejohn & Co




Revolver
First Lien Term Loan
Equity

Sagewind Capital



Revolver
First Lien Term Loan
Equity

L Squared Capital Partners



First Lien Term Loan
Equity

Clearlake Capital



First Lien
Equity
Revolver

Housatonic Partners




Revolver
First Lien Term Loan
Equity

Court Square / Fruition Capital



Revolver
First Lien Term Loan
Equity

Mountaingate Capital




Revolver
First Lien Term Loan
Equity

Norwest Equity Partners




First Lien Term Loan

CCMP Growth Advisors



Revolver
First Lien Term Loan

Odyssey Investment Ptrns



First Lien
Revolver

Consello Group




Revolver
First Lien Term Loan

Arcline Investment Ptrns




Revolver
First Lien Term Loan
Equity

LightBay Capital



First Lien Term Loan

Arlington Capital Partners




First Lien Term Loan
Equity

Lee Equity Partners



First Lien Term Loan
Revolver

Dominus Capital



First Lien Term Loan

O2 Investment Partners