

Saratoga Investment Corp.

Fiscal Third Quarter 2024 Shareholder Presentation

January 10, 2024



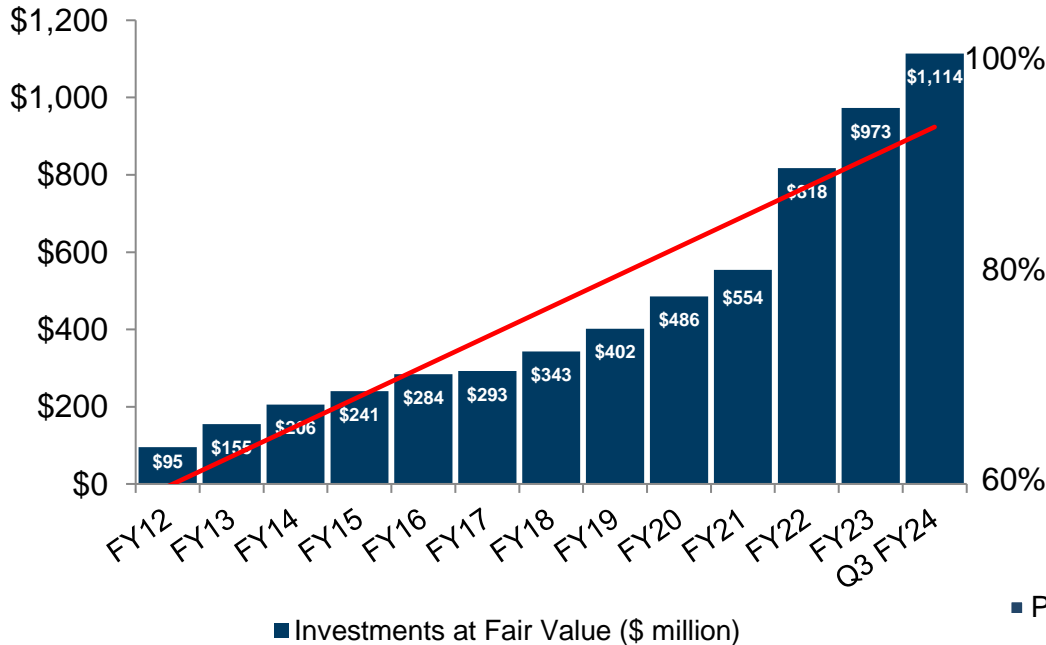
Steady Growth and Performance in Q3FY24

Fiscal Third Quarter 2024 Highlights:

- Continued high quality portfolio and strong performance
 - Investment quality remains strong
 - 97.1% of loan investments with highest internal rating and three non-accruals (2.6% of fair value/ 6.0% of cost)
 - Return on equity of 6.6% for LTM, as compared to industry average of 7.5%
 - Net unrealized depreciation of \$17.9 million for Q3 includes (i) \$15.7 million net unrealized depreciation related to the Pepper Palace, Netro Holdings, ETU Holdings and Zollege investments, and (ii) unrealized depreciation related to the CLO and JV of \$6.5 million in the broadly syndicated loan market, offset by \$4.3 million net unrealized appreciation in the remaining core BDC portfolio
 - Gross Unlevered IRR of 15.7% on \$917 million of total realizations
 - Gross Unlevered IRR of 10.9% on total unrealized portfolio as of November 30, 2023
 - Fair value of \$1.1 billion is 3.0% below total cost of portfolio, with core non-CLO BDC portfolio <1% below cost
 - Average ROE over the past ten years of 10.8% exceeds industry average of 6.3% and consistently steady
- Consistent strong long-term originations contribute to growing assets under management
 - AUM up 13% since last year and up 1% this quarter, with originations of \$36 million in Q3 from strong pipeline
- Base of liquidity and capital remains strong
 - Quarter-end liquidity allows growth of AUM by 20% and is mostly long-term, with \$47 million in cash
 - Issued \$48 million of equity at net asset value since Q1, with \$24 million raised in Q2, \$10 million in Q3 and \$14 million since quarter-end
- Declared dividend of \$0.72 per share for the quarter ended November 30, 2023, paid on December 28, 2023
- Key performance indicators for Q3 and versus Q2 - Adjusted NII of \$13.1 million (down 0.2%), Adjusted NII per share of \$1.01 (down 6%), LTM ROE of 6.6% (down versus 7.5% for industry) and NAV per share of \$27.42 (down \$1.02, or 3.6%)

Continued Asset Growth and Strong Credit Quality

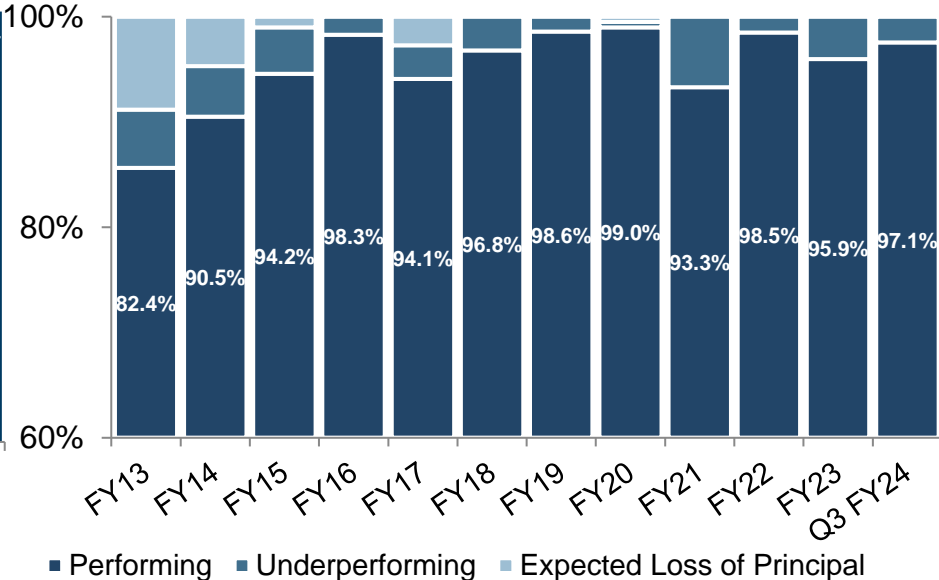
Asset Base Expansion Trend



Fair value of AUM increased 13% year-over-year and increased 1% since last quarter.

Fair value of \$1,114m at Q3 FY24 is 3% below cost, with the core non-CLO BDC portfolio less than 1% below cost

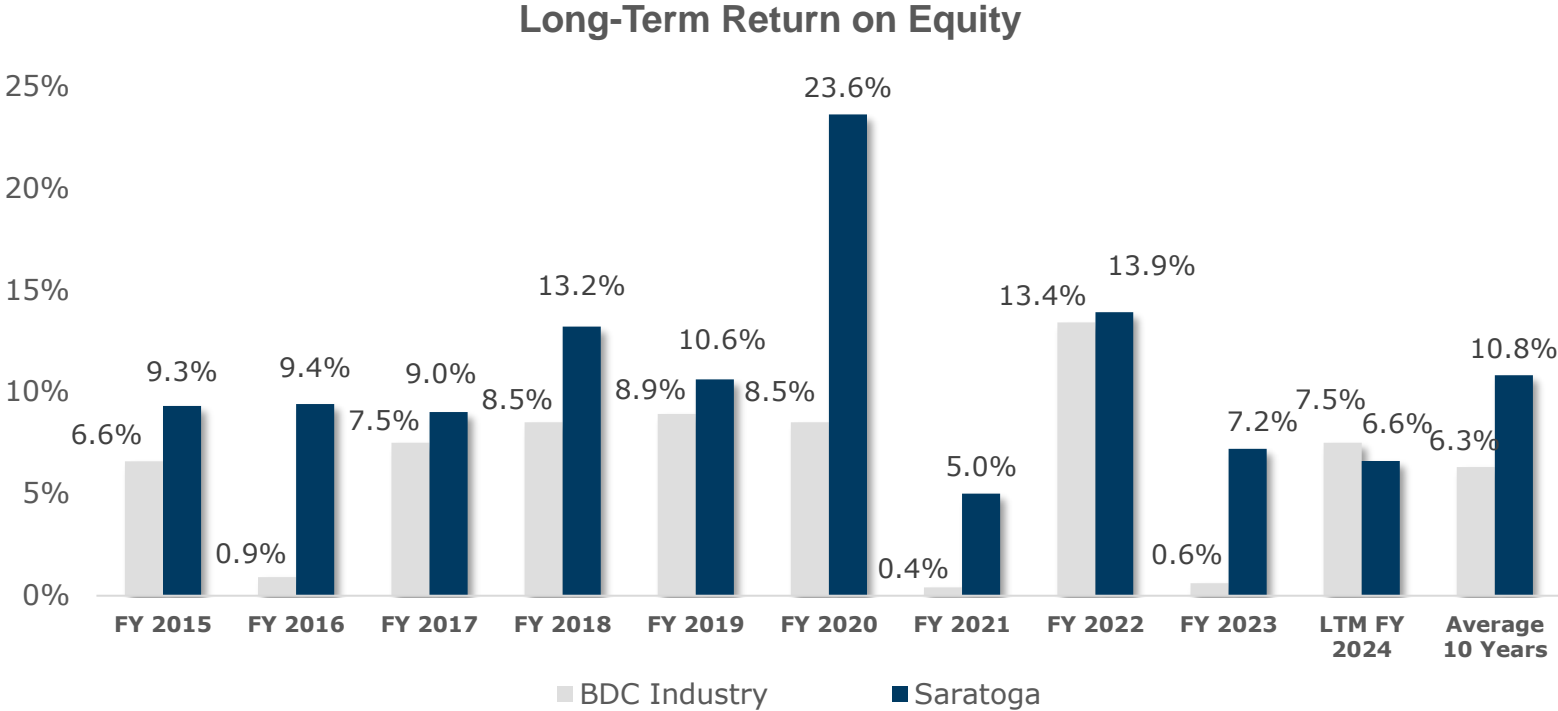
Overall Credit Quality Remains Strong



97.1% of our SAR loan investments hold our highest internal rating, down slightly from last quarter; three investments on non-accrual at quarter-end (2.6% of fair value/ 6.0% of cost)*

* Excludes our investment in our CLO and our equity positions

Strong and Consistent Long-Term ROE

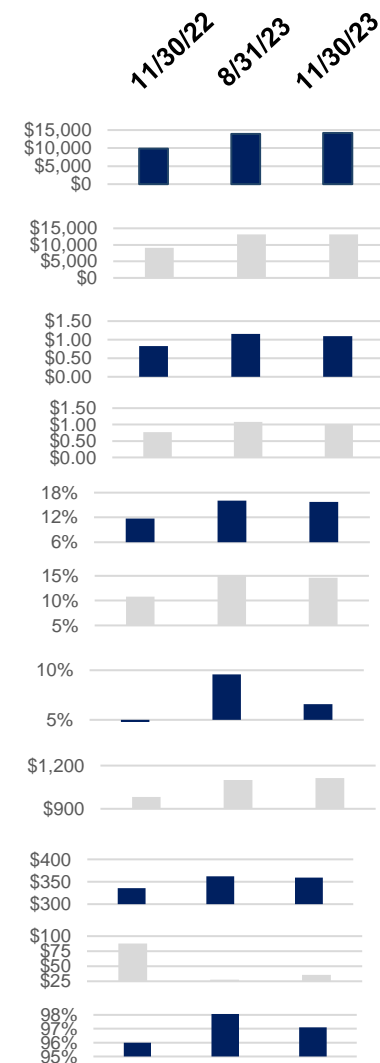


Long-term ROE over the past ten years well above the industry average, and consistently strong every year

Q3 FY24: Strong Financial Foundation and Momentum

Key Performance Metrics for the Fiscal Quarter

For the quarter ended and as of (\$ in millions except per share)	November 30, 2022	August 31, 2023	November 30, 2023
Net investment income	\$9,877	\$13,965	\$14,166
Adjusted net investment income*	\$9,126	\$13,156	\$13,127
Net investment income per share	\$0.83	\$1.15	\$1.09
Adjusted net investment income per share*	\$0.77	\$1.08	\$1.01
Net investment income yield	11.7%	16.0%	15.7%
Adjusted net investment income yield*	10.8%	15.0%	14.6%
Return on Equity – Last Twelve Months	4.0%	9.6%	6.6%
Fair value of investment portfolio	\$982.0	\$1,098.9	\$1,114.0
Total net assets	\$335.8	\$362.1	\$359.6
Investments in new/existing portfolio companies	\$87.6	\$27.5	\$35.6
Loan Investments held in “Performing” credit ratings	96.0%	98.2%	97.1%



*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 third quarter 2024 earnings release.

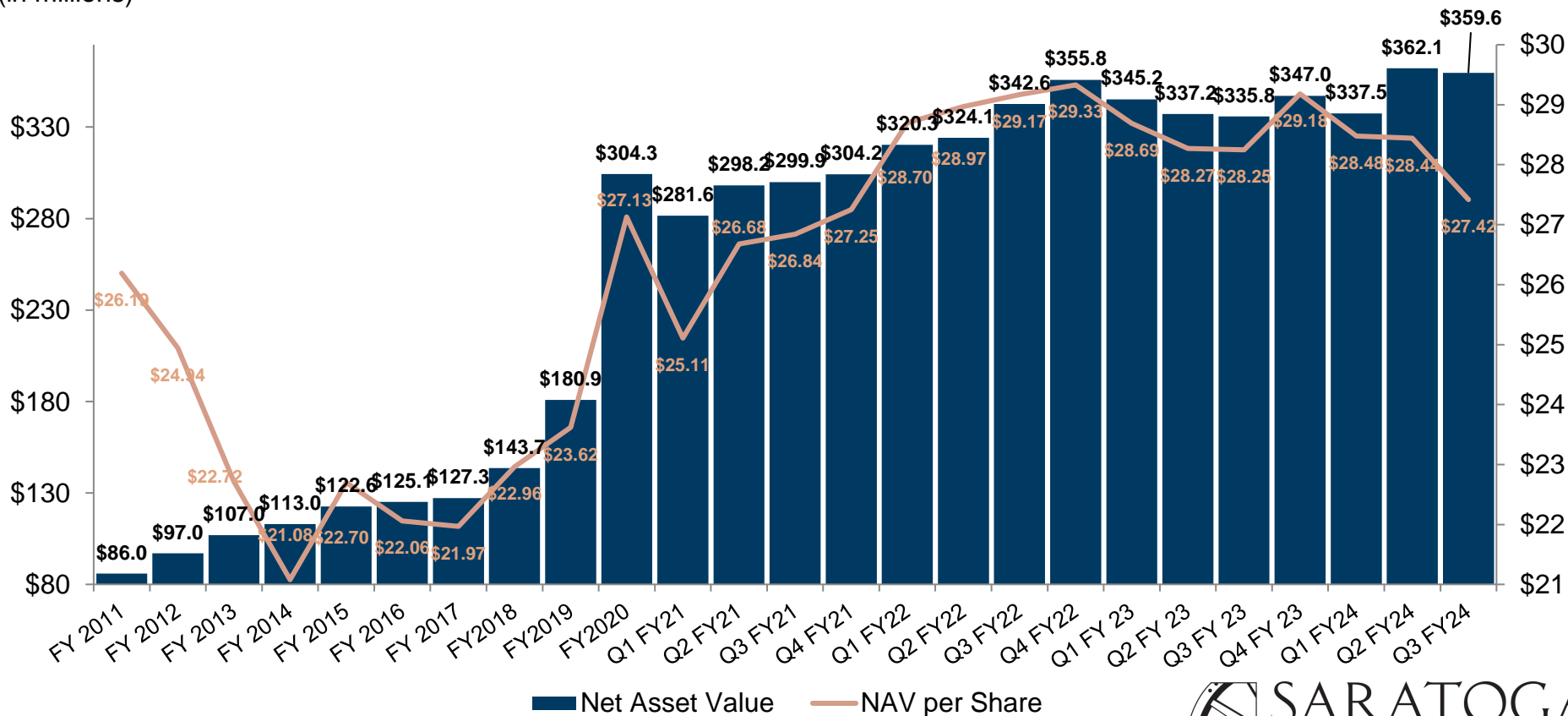
Long-Term Accretive NAV and NAV Per Share Growth

Net Asset Value and NAV per Share (FY 11 to FYQ3 24)

NAV: 1% decrease this quarter. 318% increase since Saratoga took over management.

NAV/Share: 4% decrease this quarter. 25% increase since FY17 with increases 20 of the last 27 quarters.

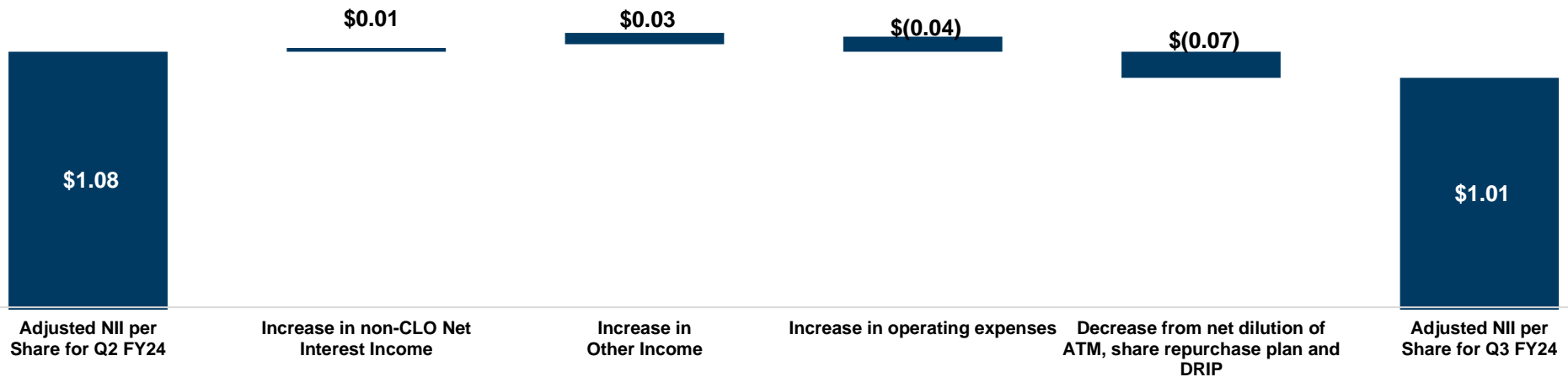
(in millions)



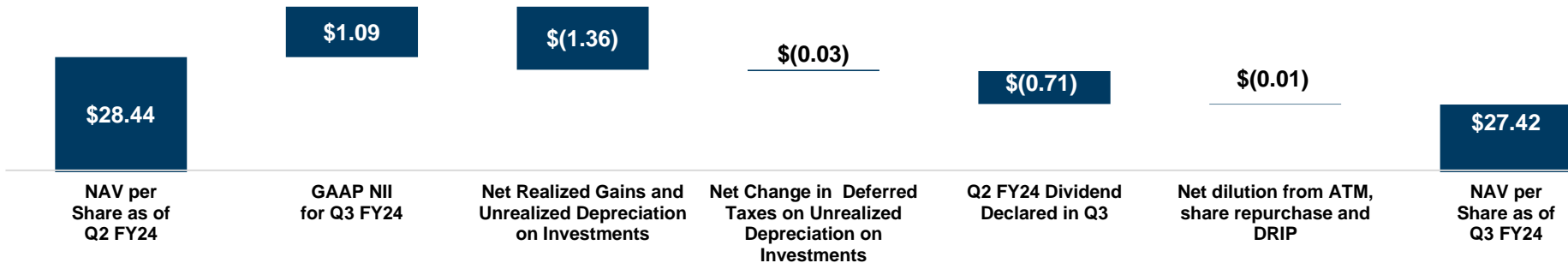
Quarterly Reconciliation of NII and NAV per Share

- Impacts are shown net of incentive fees.

Reconciliation of Quarterly Adjusted NII per Share



Reconciliation of Quarterly NAV per Share



Dry Powder Remains Available

(As of November 30, 2023)		Total Borrowing Capacity	Outstanding	Available Liquidity	Remaining Maturity Period	Call Period	Fixed / Floating Rate
Secured Revolving Credit Facility		\$65.0 million	\$35.0 million	\$30.0 million	2 Years	-	Floating
SBA Debentures	SBIC I	\$0.0 million	\$0.0 million	\$0.0 million	-	-	Fixed
	SBIC II	\$175.0 million	\$175.0 million	\$0.0 million	6-9 years	-	Fixed
	SBIC III	\$175.0 million	\$30.0 million	\$145.0 million*	10 years	-	Fixed
Publicly-Traded Notes (at par value)	SAT	\$105.5 million	\$105.5 million	\$0.0 million	3.5 Years	< 1 Year	Fixed
	SAJ	\$46.0 million	\$46.0 million	\$0.0 million	4 Years	< 1 Year	Fixed
	SAY	\$60.4 million	\$60.4 million	\$0.0 million	4 Years	1 Year	Fixed
	SAZ	\$57.5 million	\$57.5 million	\$0.0 million	4.5 Years	1 Year	Fixed
Unsecured Notes		\$250.0 million	\$250.0 million	\$0.0 million	2-3 years	-	Fixed
Private Notes (at par value)		\$52.0 million	\$52.0 million	\$0.0 million	1-4 Years	< 1 Year	Fixed
Cash and Cash Equivalents		\$47.0 million	\$47.0 million	\$47.0 million	-	-	-
Total Available Liquidity (at quarter-end):				\$ 222.0 million			

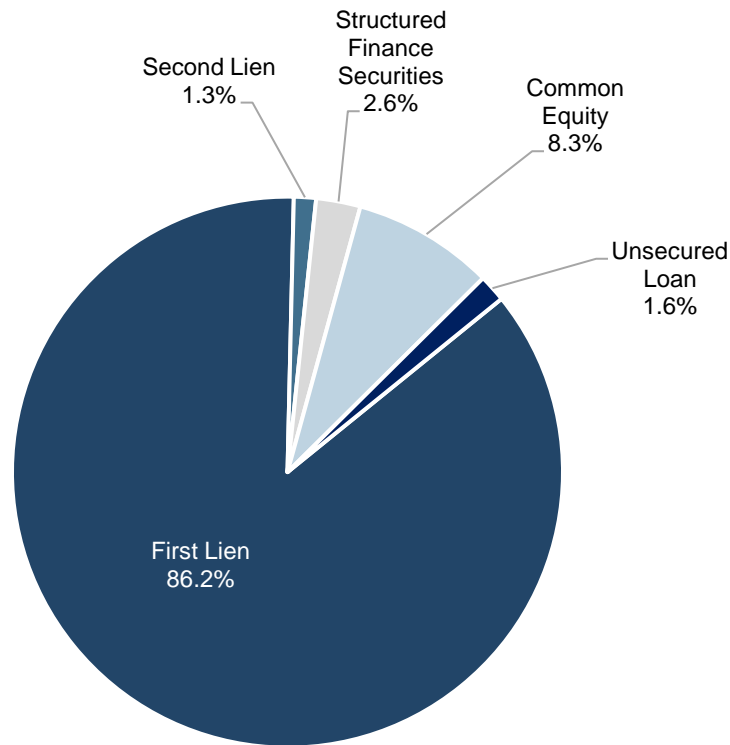
Ability to grow AUM by 20% without any new external financing as of November 30, 2023 (including new SBIC license)

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

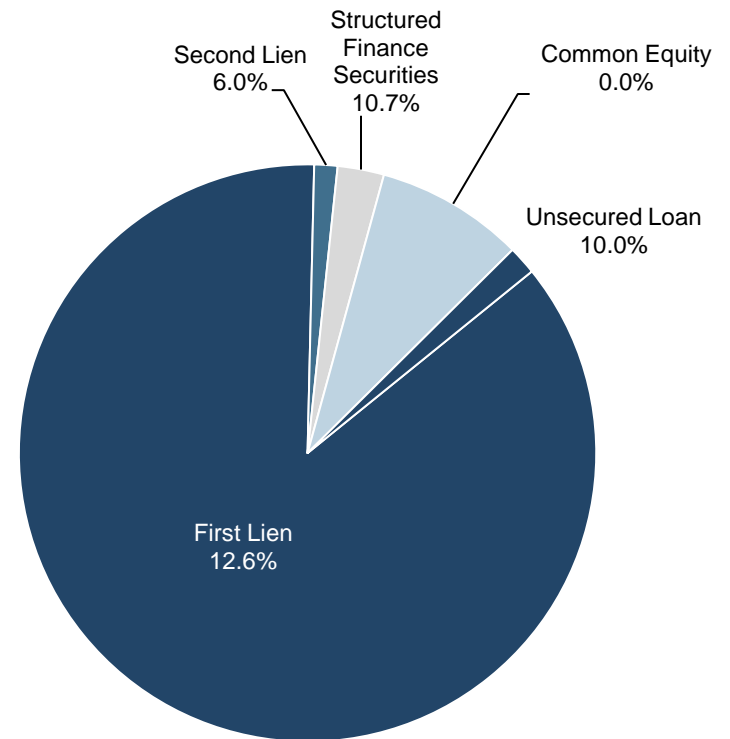
* Total availability for all combined SBIC licenses limited to \$350.0 million outstanding debentures.

Portfolio Composition and Yield

Portfolio Composition – \$1,114.0m
(Based on Fair Values
as of November 30, 2023)

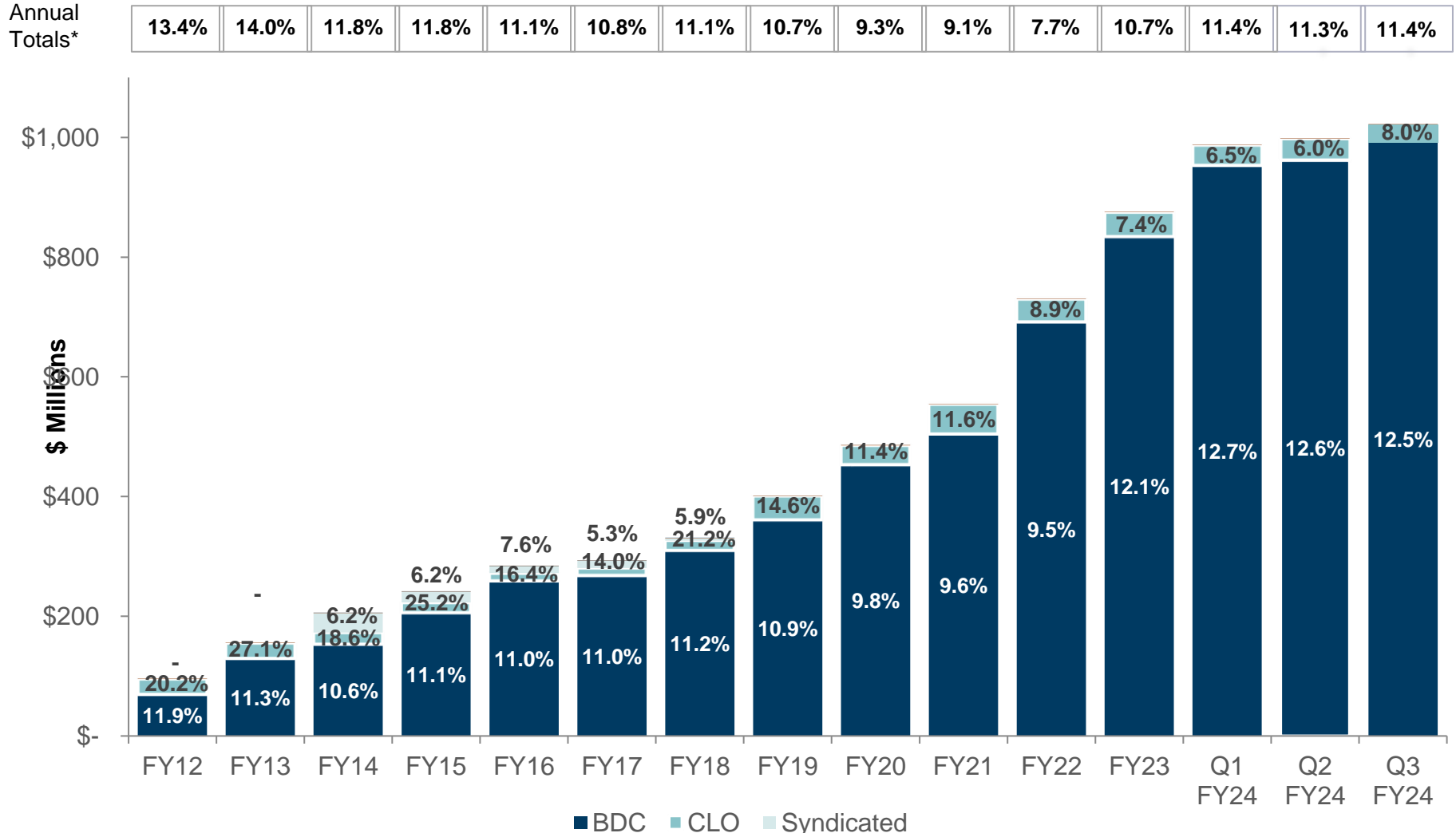


Portfolio Yield – 11.4%
(Weighted Average
Current Yield of Total Existing Portfolio)



Yield of BDC Growing With Rising Rates

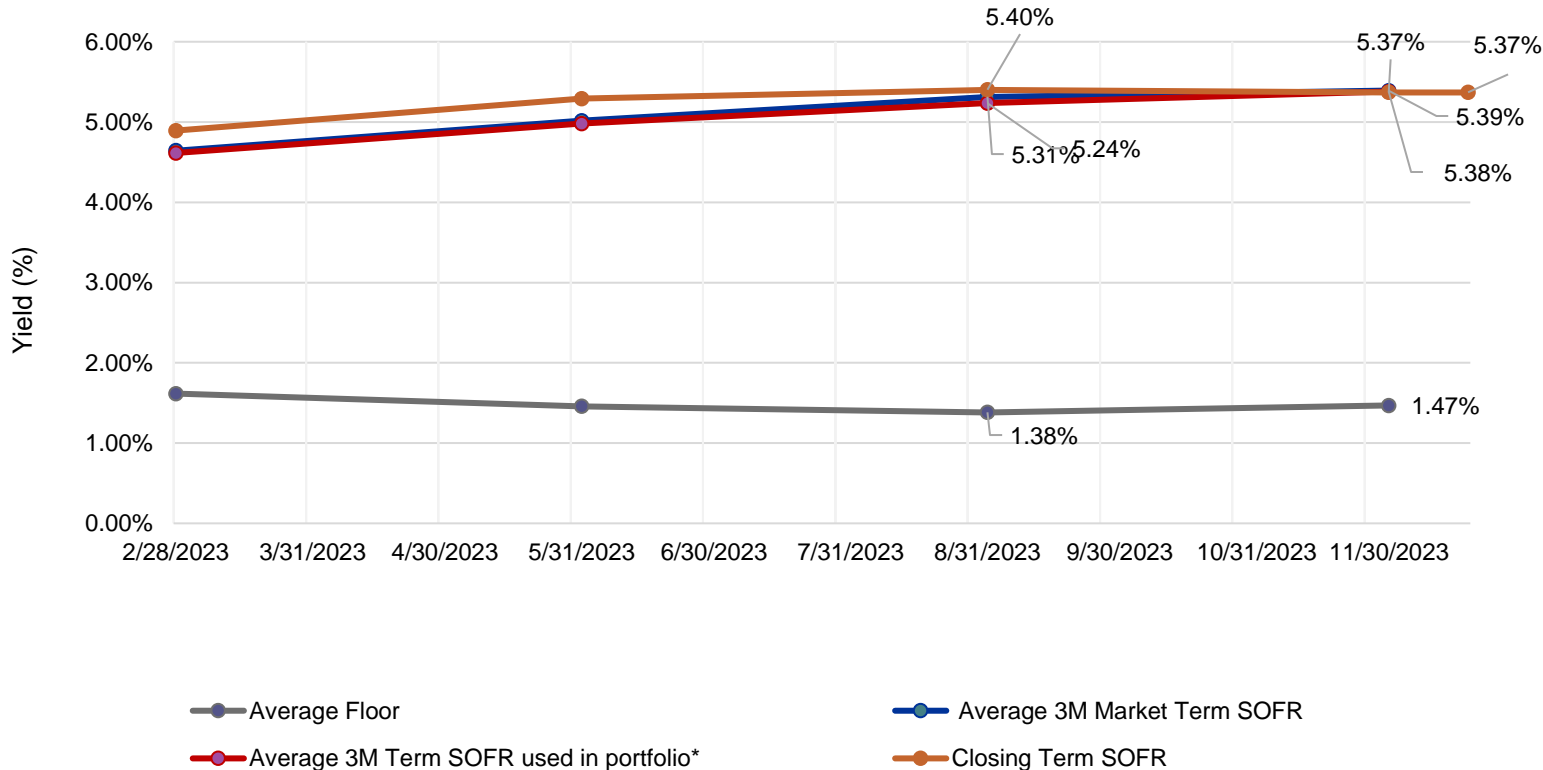
Weighted Average Current Yields



* 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.

Increased Rates have Stabilized

SOFR Impact on Portfolio



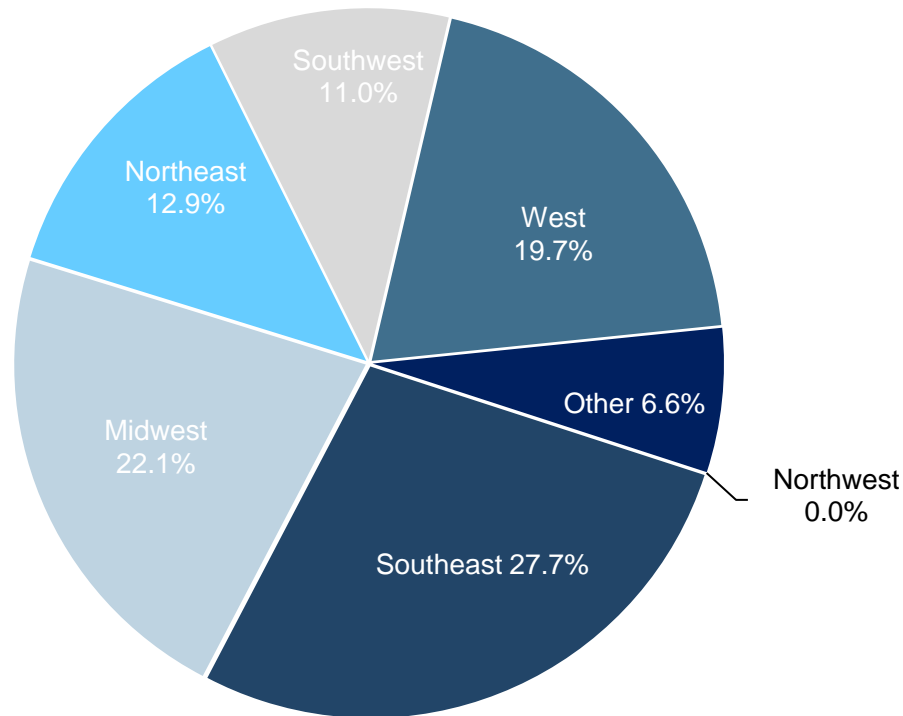
99% of our interest earning assets are variable rate.

96% of our borrowings (all debt except \$35.0 million credit facility) is fixed rate. All our 6%+ fixed rate borrowings are callable within one year.

*For illustrative purposes only includes Saratoga investments with 3-month SOFR as reference rate. All investments were converted from LIBOR to SOFR or practical equivalent at June 30, 2023.

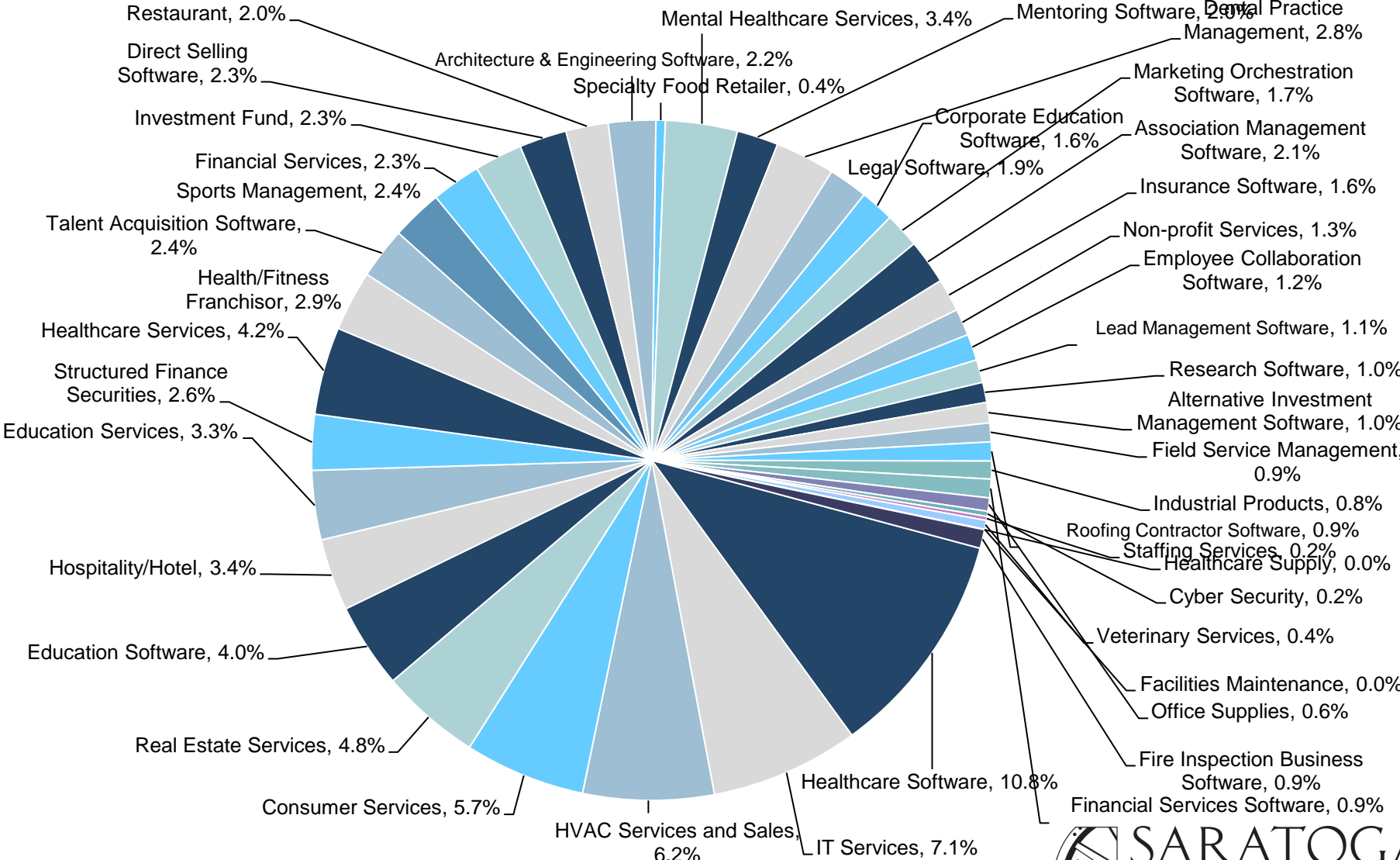
Diversified Across Geography

Investments Diversified Geographically



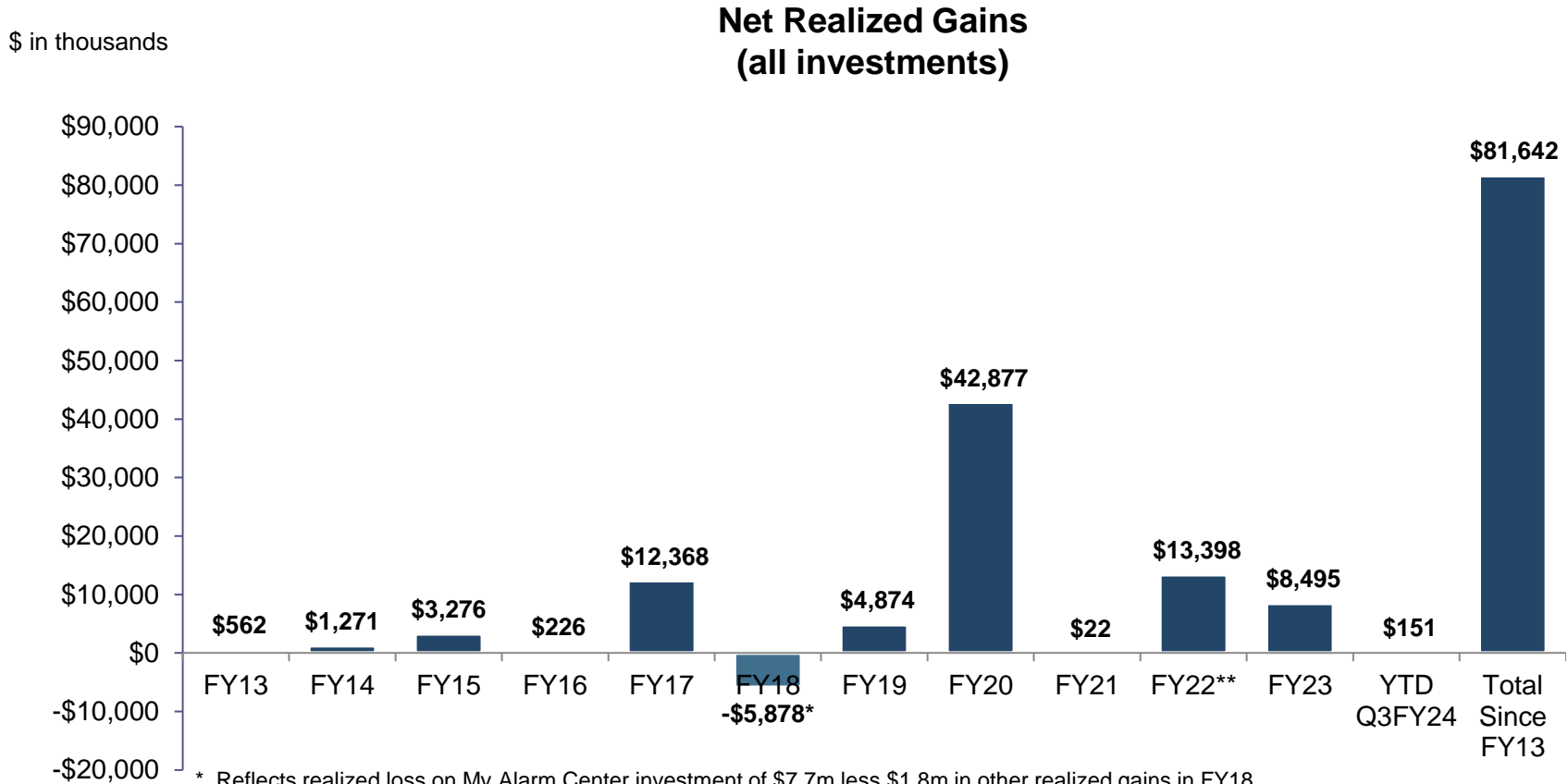
Diversified Across Industry

Investments across 43 distinct industries



Net Realized Gains Help Protect Shareholder Capital

Cumulative net realized gains reflect portfolio credit quality



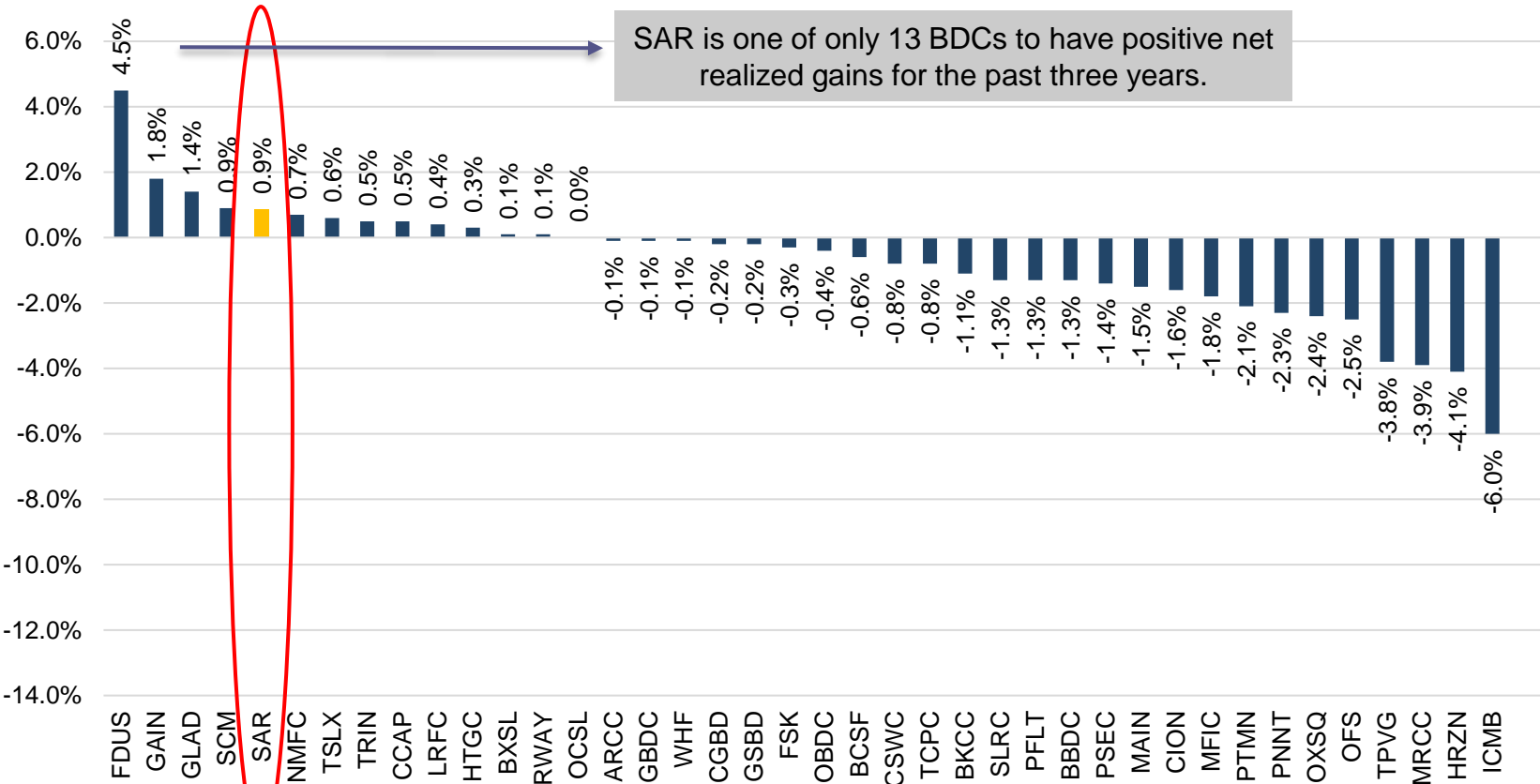
* Reflects realized loss on My Alarm Center investment of \$7.7m less \$1.8m in other realized gains in FY18.

** 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.

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

Strong Net Realized Gains Flow from Disciplined Underwriting

Last 3 Year Average Realized Gains (Loss) as a Percentage of Portfolio Cost*

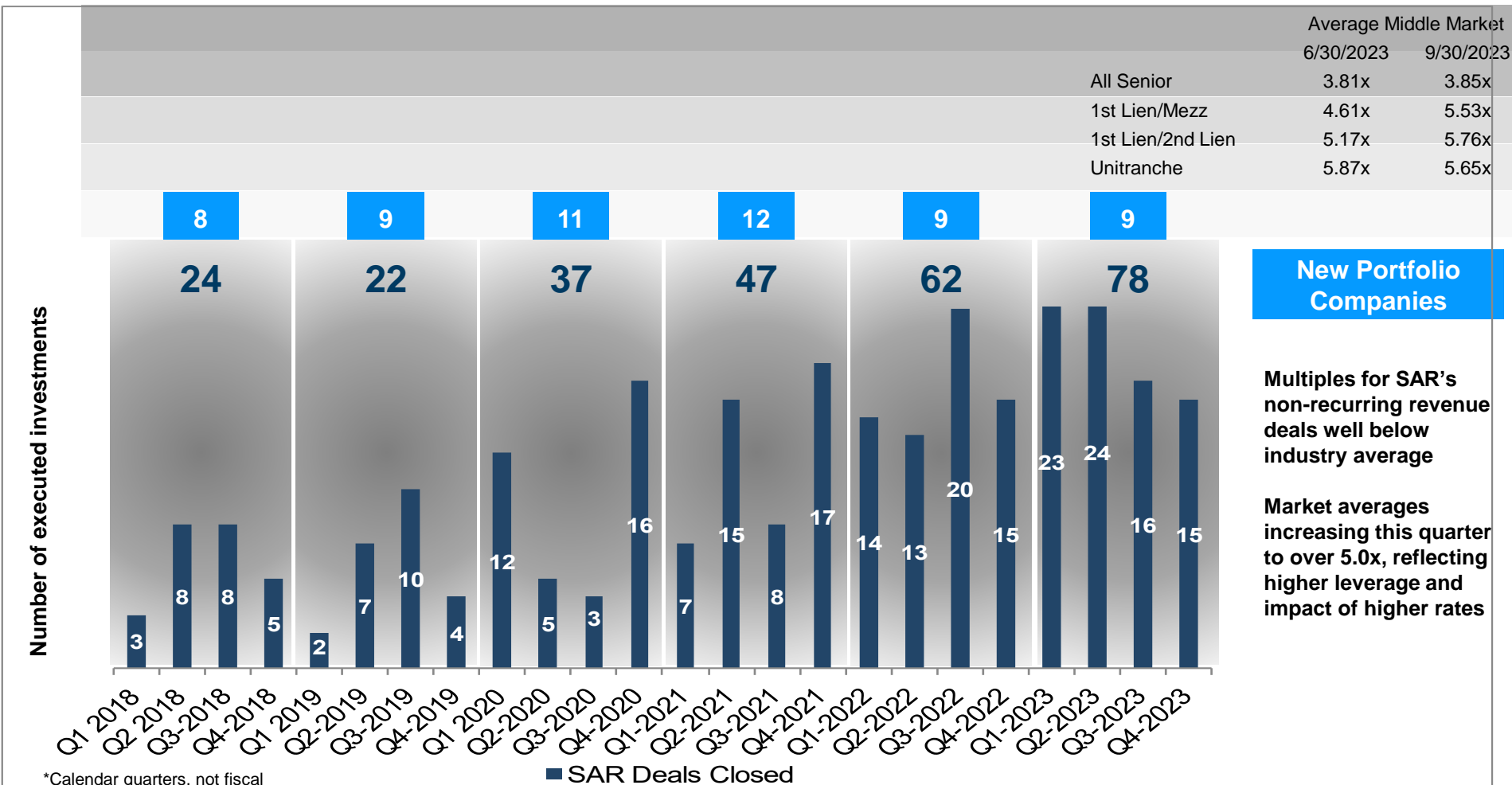


*Source: Ladenburg Thielmann - calculated as three-year average realized gains as proportion of average cost
 SAR data excludes legacy investments not originated by Saratoga management

Exercising Disciplined Investment Judgment While Growing Origination Pace

SAR Debt Multiples/Deals Closed (2018-2023)

Portfolio leverage with non-recurring revenue underwriting is 4.30x^{1^}



New Portfolio Companies

Multiples for SAR's non-recurring revenue deals well below industry average

Market averages increasing this quarter to over 5.0x, reflecting higher leverage and impact of higher rates

*Calendar quarters, not fiscal

¹Excludes 27 loans underwritten using recurring revenue metrics. These recurring revenue loans would have significantly different portfolio leverage statistics.

[^]Excludes our yellow and red assets, Knowland, Pepper Palace, and Zollege. Leverage 5.42x including these three investments

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



Pipeline Growth Resuming Post-COVID-19

New business opportunities severely impacted by COVID-19 but healthy success in term sheets and deals executed driven by investments in team and strong reputation

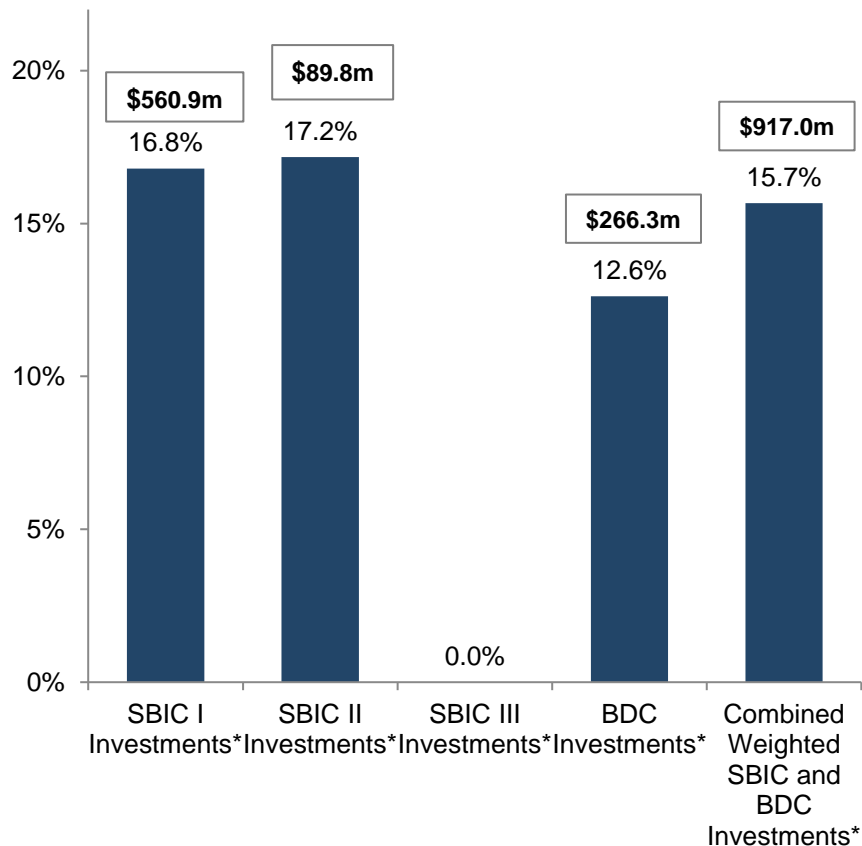
Calendar*	2019	Δ	2020	Δ	2021	Δ	2022	Δ	2023	
Deals Sourced	863	-28%	619	-8%	572	-20%	469	%	506	<ul style="list-style-type: none"> ~61% of deal flow from private equity sponsors ~39% of deals from private companies without institutional ownership Saratoga maintains investment discipline which is demonstrated by passing on many deals that other firms close
Term Sheets (excludes follow-ons)	77	-58%	32	109%	67	-30%	47	-17%	39	<ul style="list-style-type: none"> ~92% of term sheets are currently issued for transactions involving a private equity sponsor Being more selective in issuing term sheets based on credit quality
Deals Executed (new and follow-on)	22	32%	29	62%	47	32%	62	27%	78	<ul style="list-style-type: none"> Includes follow-on investments which reliably augment portfolio growth 2020 and 2021 deals executed exclude COVID related liquidity draws
New portfolio companies	9		11		12		9		9	<ul style="list-style-type: none"> 9 new portfolio companies during Calendar 2023, and 5 from new relationships Saratoga new portfolio company investments average ~2.5% of deals reviewed

*Calendar quarters, not fiscal quarters.

Demonstrated Strong Track Record – 13.8% IRR on \$2.1bn

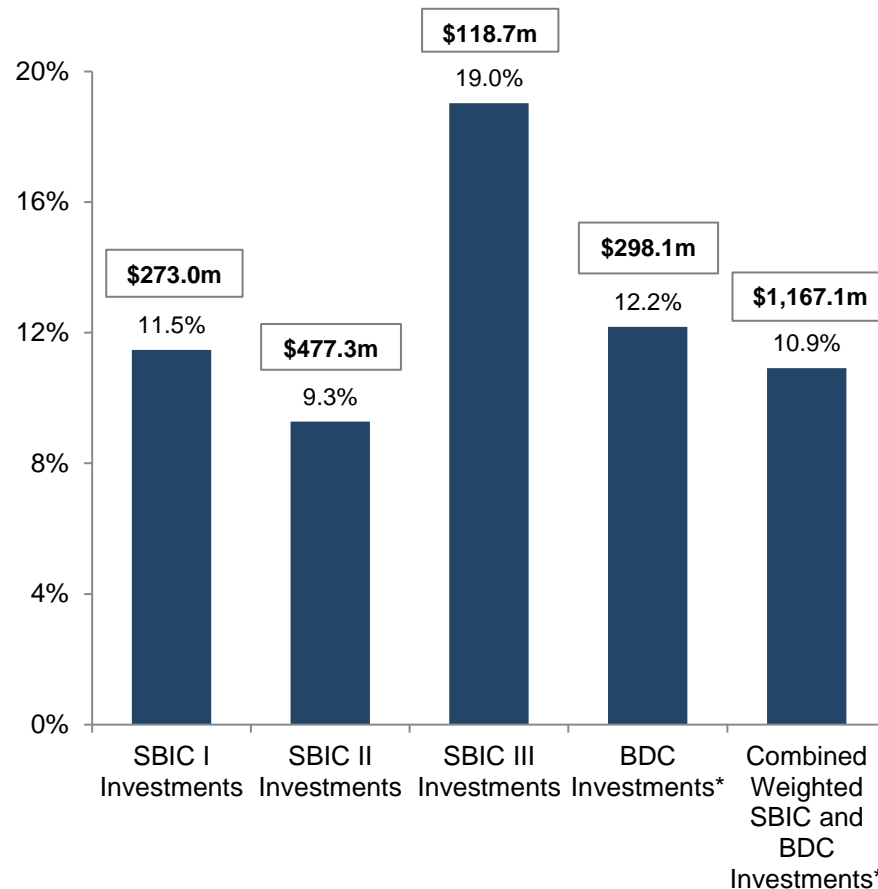
Realized Investments [^]

(Gross Unlevered IRR%)



Unrealized Investments ^{1 ^}

(Gross Unlevered IRR%)



Track Records as of 11/30/23

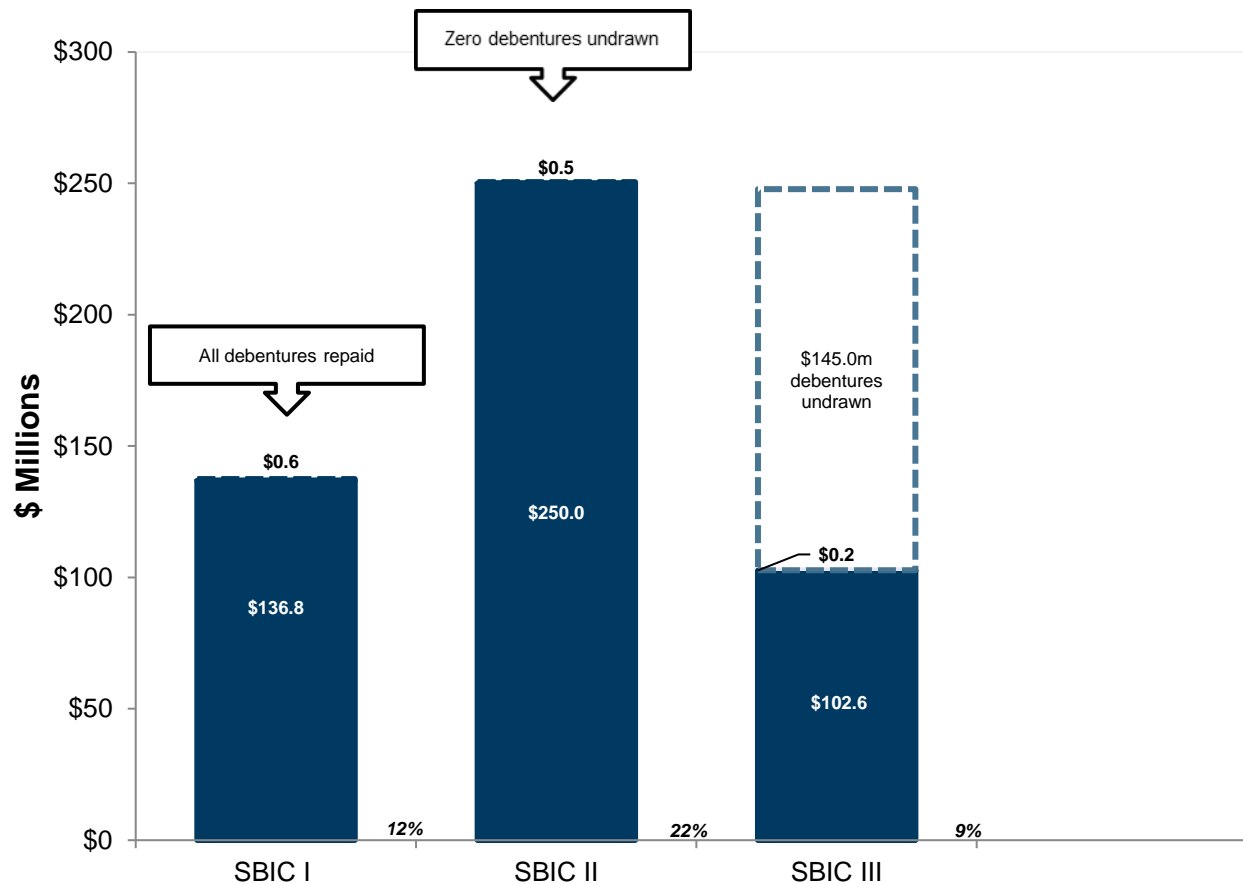
¹ IRRs for unrealized investments include fair value and accrued interest as of 11/30/2023

* 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.

[^] Graphs show invested dollars

SBIC I and II Fully Funded - SBIC III Availability



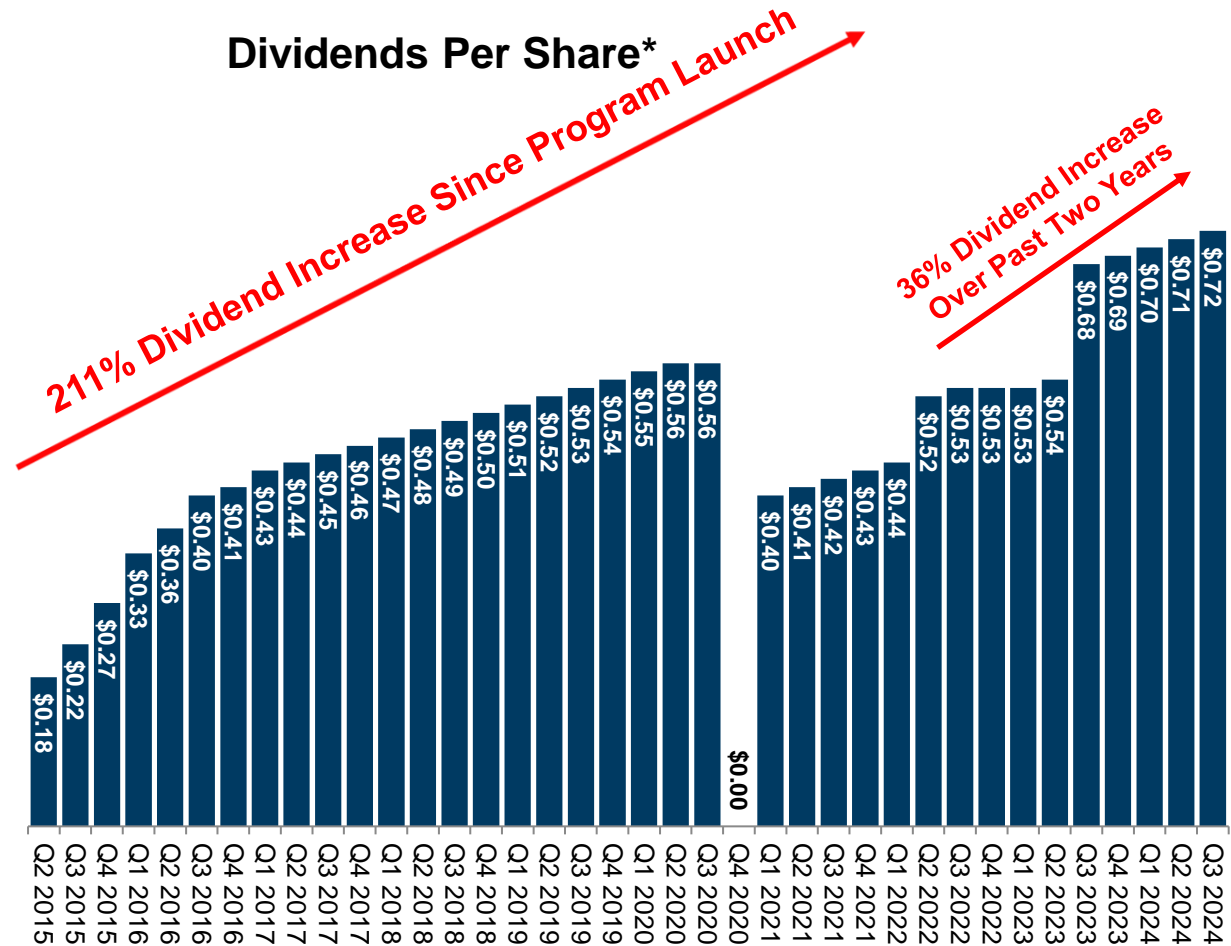
* SBIC I cash available to the BDC and license surrender process currently being completed

** SBIC II and III cash available for new originations and follow-ons in existing license.

*** SBIC III has \$145 million of available debentures based on the SBA family of funds limit

Long-Term Dividend Growth

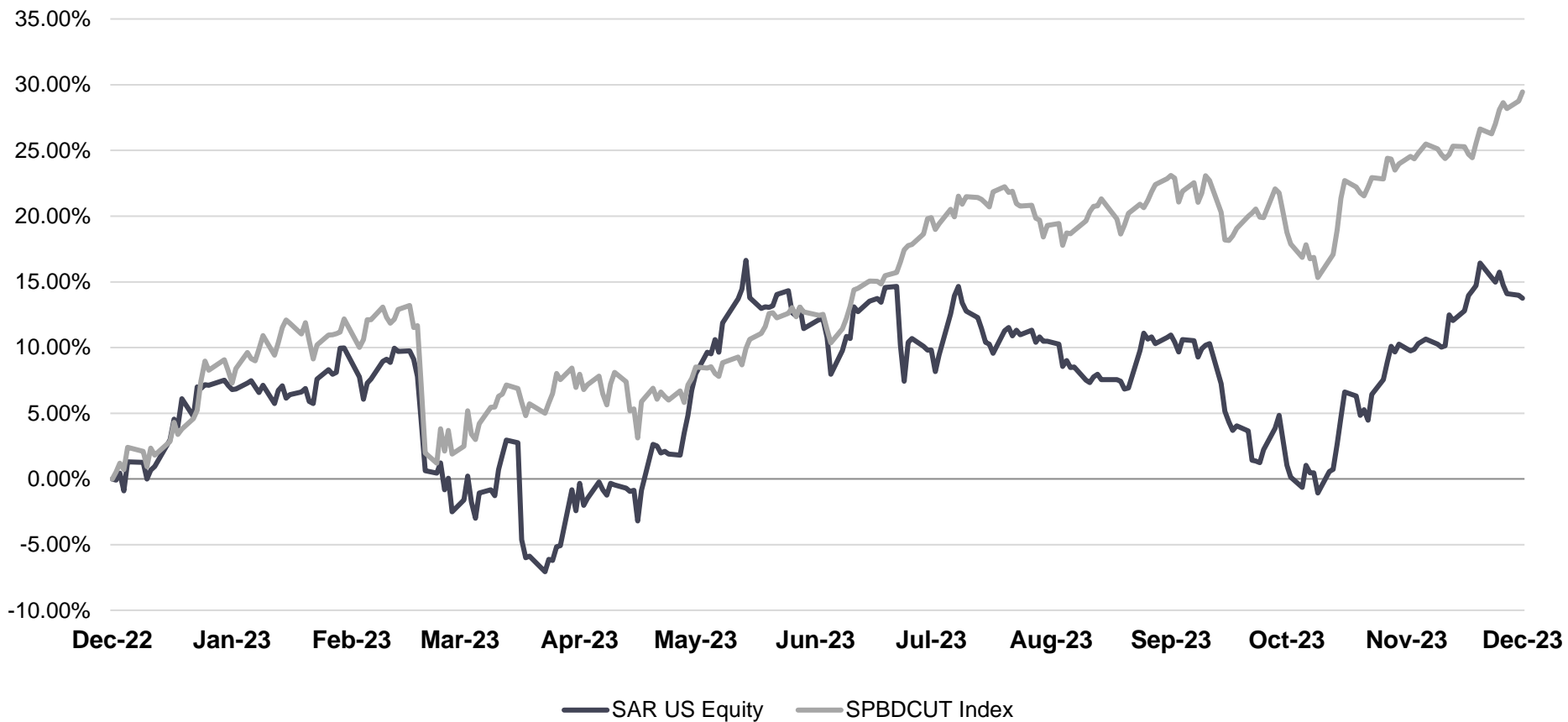
- Established dividend policy to pay regular quarterly cash dividends to stockholders pursuant to dividend reinvestment plan (“DRIP”) in 2014
- Increased dividend by 211% since program launch until Covid deferral
- Increased dividend by 6% over past year, with a 1% increase this past quarter
- Q3 FY24 dividend of \$0.72 declared and paid for the quarter ended November 30, 2023.



*Excludes special dividend of \$0.20 per share paid on September 5, 2016

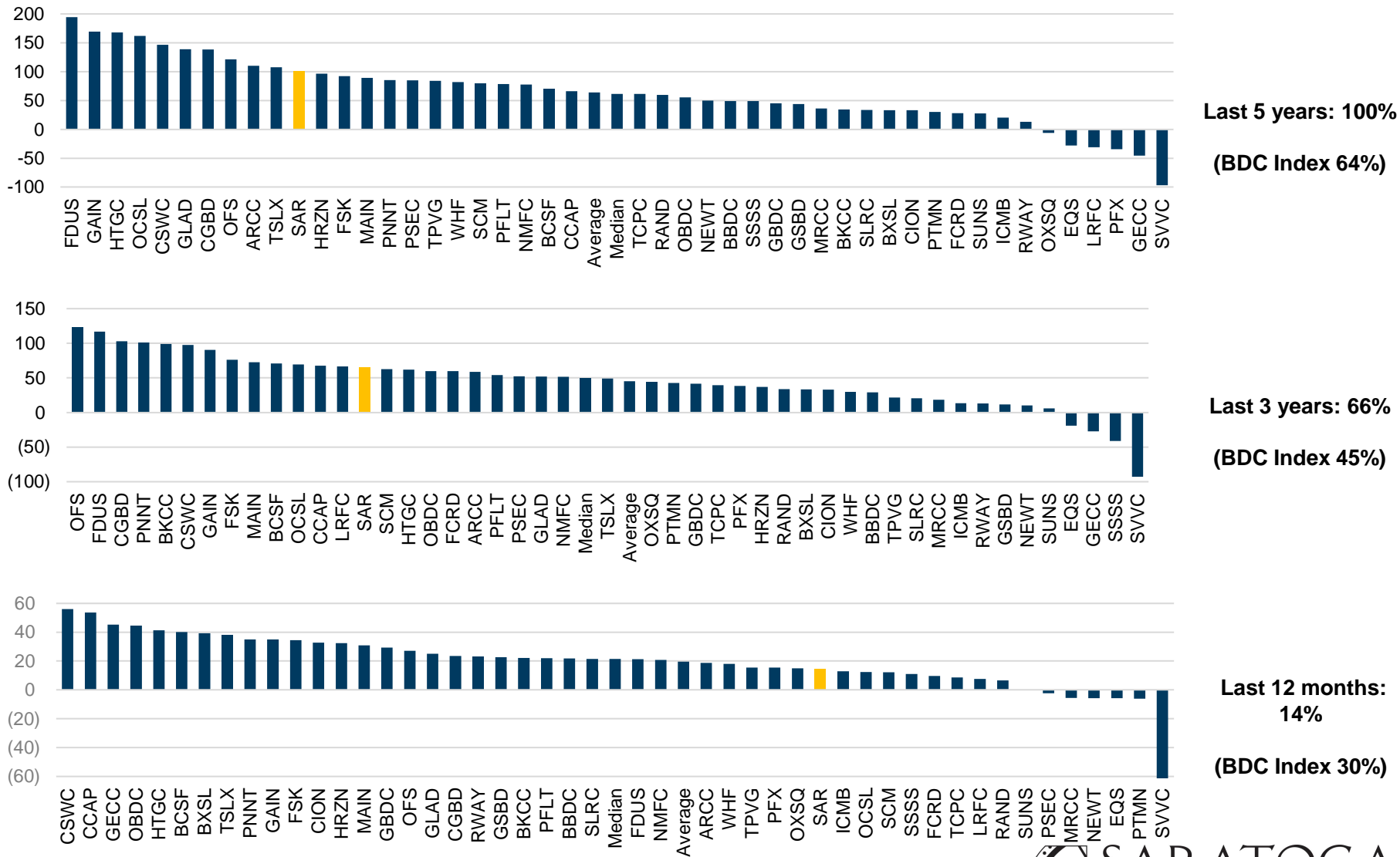
SAR LTM Total Return Lagging BDC Index Creates Opportunity

LTM Total Return (%)
(December 2022 to December 2023)
SAR +14% v BDC Index +30%



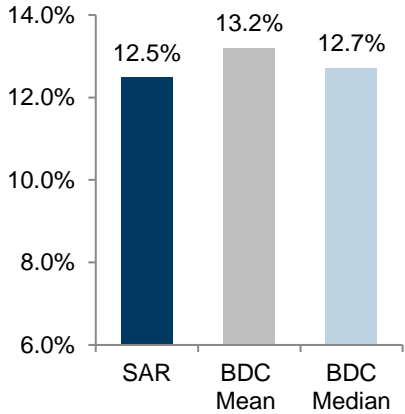
Long-Term Performance at Top of BDC Industry

BDC Total Return (%)

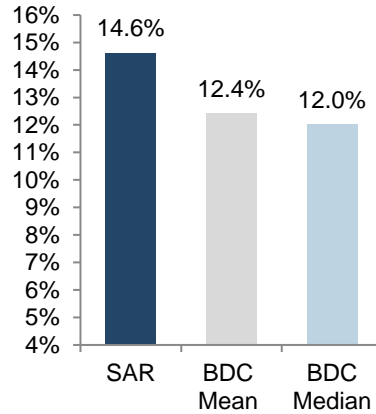


Differentiated Long-Term Performance

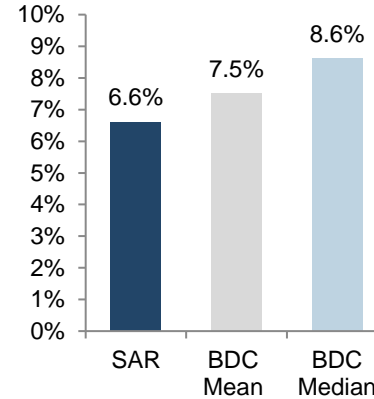
Interest % on Portfolio



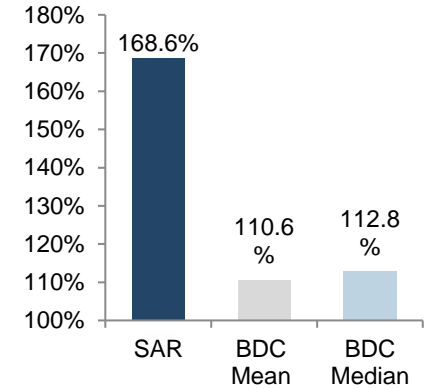
LTM NII Yield



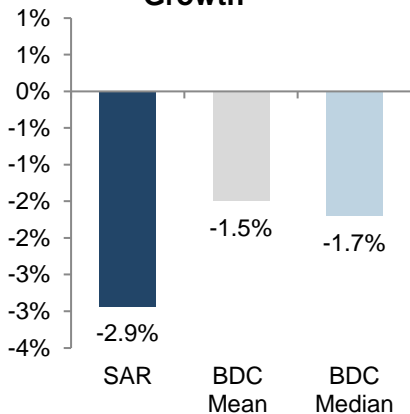
LTM ROE



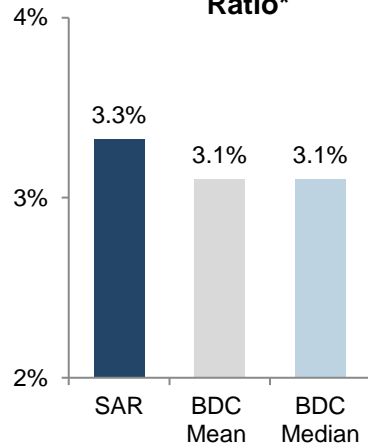
Regulatory Debt/Equity



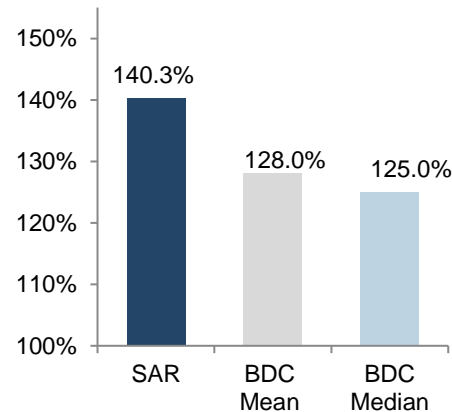
LTM NAV Per Share Growth



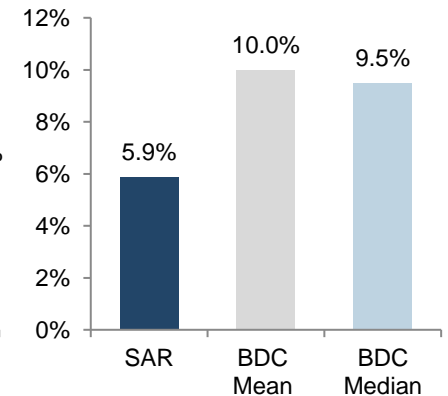
LTM Operating Expense Ratio*



Dividend Coverage



Year-Over-Year Dividend Growth



Source: SNL Financial / Company Filings / Raymond James report as of 12/15/23

* 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 24.4%.

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 72c per share for the quarter ended November 30, 2023, up 6% over prior year and 36% over prior two years, represents current dividend yield of 11.0%; significant management ownership of 12%

▶ Strong return on equity

Long term ROE factors in both investment income and net gains/losses, averages 10.8% over the past ten years versus industry average of 6.3% - most recent LTM ROE of 6.6% below current industry average of 7.5%

▶ Low-cost available liquidity

Borrowing capacity still at hand through new SBIC III debentures, undrawn credit facility and cash – can grow current asset base by 20% as of quarter ended November 30, 2023, with most of it in cash or low-cost liquidity (SBIC III debentures) that will be accretive to earnings. Raised an additional \$14m through our ATM program in December 2023

▶ 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 up 13% from prior year, with total portfolio fair value 3% below cost while core BDC portfolio is less than 1% below cost

▶ Well-positioned for changes in interest rates

Approx. 99.5% 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 of “BBB+”, recently affirmed. All our baby bonds are callable 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

97% of credits are the highest quality, 86% 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?



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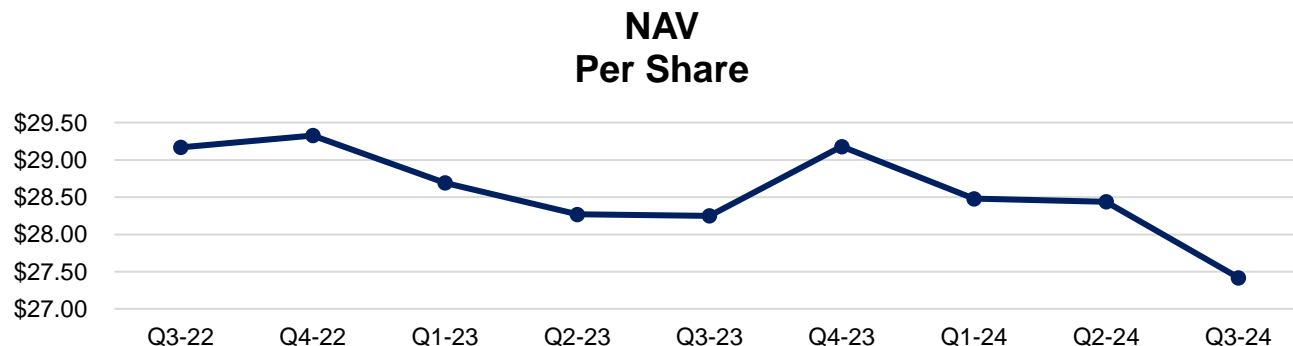
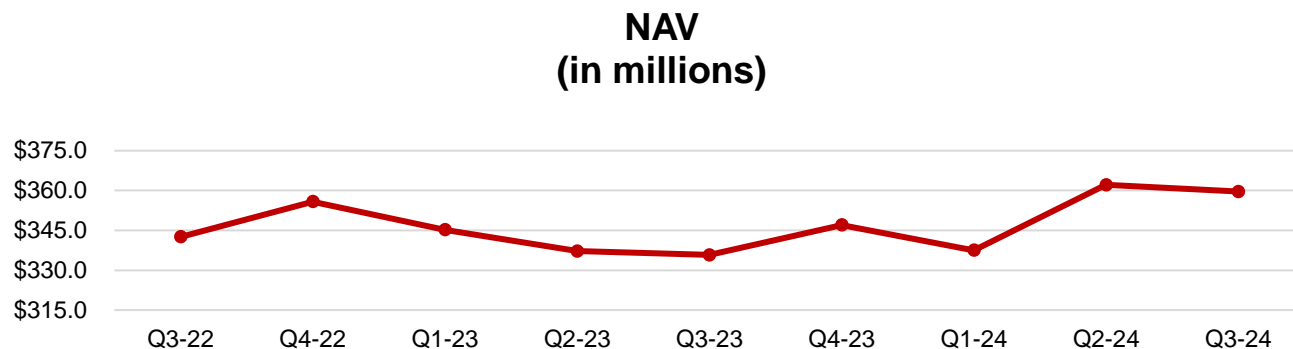
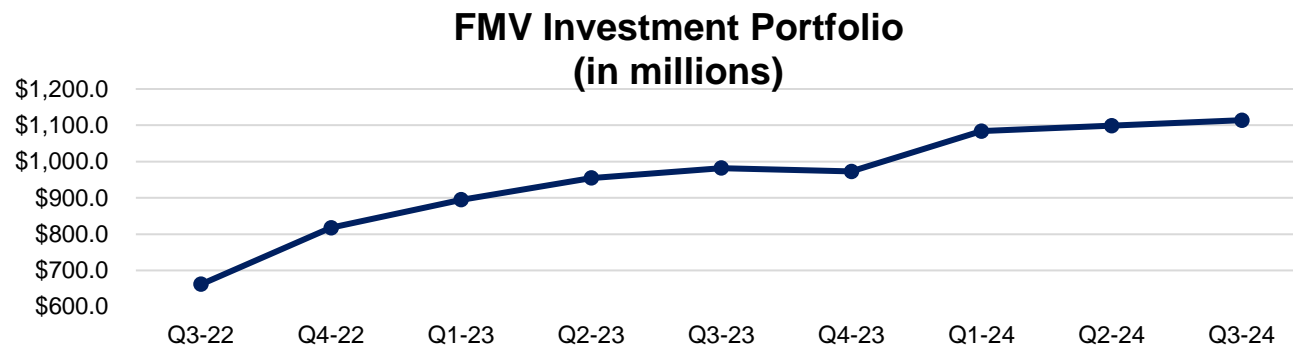
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KPIs – Balance Sheet – Q3 FY24

Period	FMV Investment Portfolio (in millions)
Q3-22	\$ 661.8
Q4-22	\$ 817.6
Q1-23	\$ 894.5
Q2-23	\$ 954.7
Q3-23	\$ 982.0
Q4-23	\$ 972.6
Q1-24	\$ 1,084.1
Q2-24	\$ 1,098.9
Q3-24	\$ 1,114.0

Period	NAV (in millions)
Q3-22	\$ 342.6
Q4-22	\$ 355.8
Q1-23	\$ 345.2
Q2-23	\$ 337.2
Q3-23	\$ 335.8
Q4-23	\$ 347.0
Q1-24	\$ 337.5
Q2-24	\$ 362.1
Q3-24	\$ 359.6

Period	NAV Per Share
Q3-22	\$ 29.17
Q4-22	\$ 29.33
Q1-23	\$ 28.69
Q2-23	\$ 28.27
Q3-23	\$ 28.25
Q4-23	\$ 29.18
Q1-24	\$ 28.48
Q2-24	\$ 28.44
Q3-24	\$ 27.42



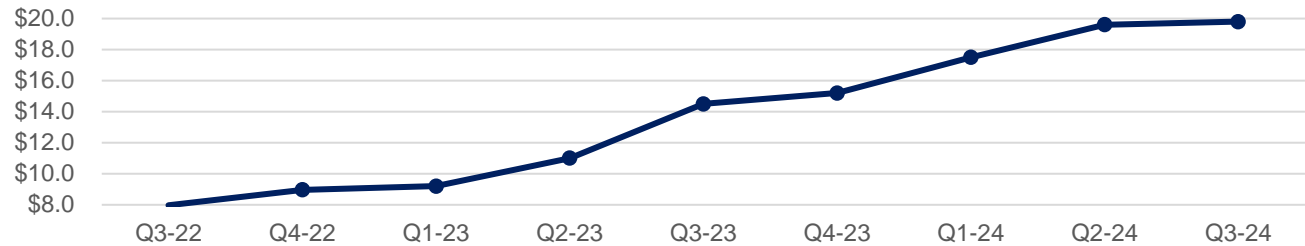
KPIs – Income Statement – Q3 FY24

Period	Net Interest Margin (in millions)
Q3-22	\$ 8.0
Q4-22	\$ 9.0
Q1-23	\$ 9.2
Q2-23	\$ 11.0
Q3-23	\$ 14.5
Q4-23	\$ 15.2
Q1-24	\$ 17.5
Q2-24	\$ 19.6
Q3-24	\$ 19.8

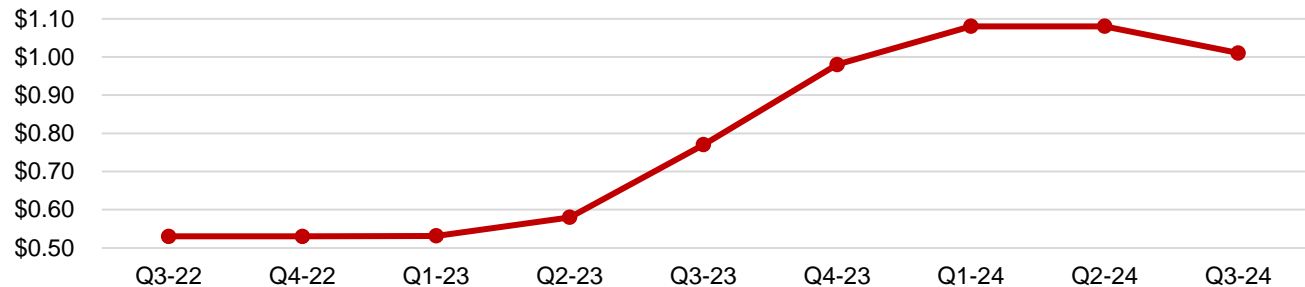
Period	NII Per Share
Q3-22	\$ 0.53
Q4-22	\$ 0.53
Q1-23	\$ 0.53
Q2-23	\$ 0.58
Q3-23	\$ 0.77
Q4-23	\$ 0.98
Q1-24	\$ 1.08
Q2-24	\$ 1.08
Q3-24	\$ 1.01

Period	NII Yield
Q3-22	7.3%
Q4-22	7.3%
Q1-23	7.3%
Q2-23	8.2%
Q3-23	10.8%
Q4-23	13.6%
Q1-24	15.0%
Q2-24	15.0%
Q3-24	14.6%

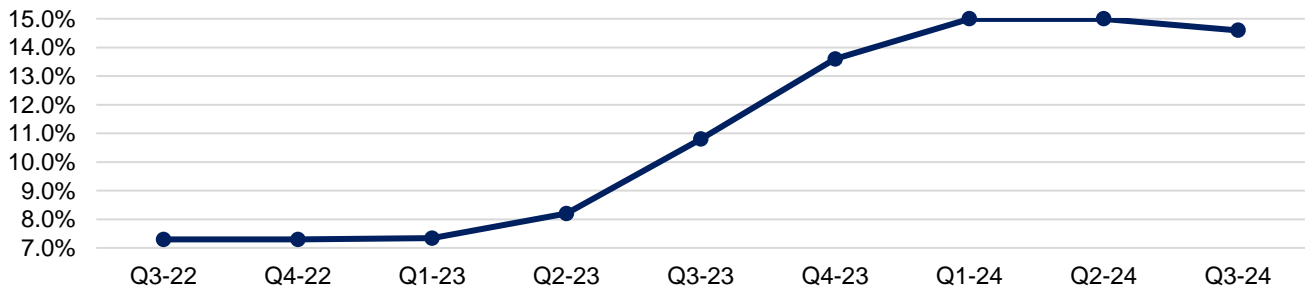
Net Interest Margin Excluding CLO (in millions)



Adjusted NII Per Share

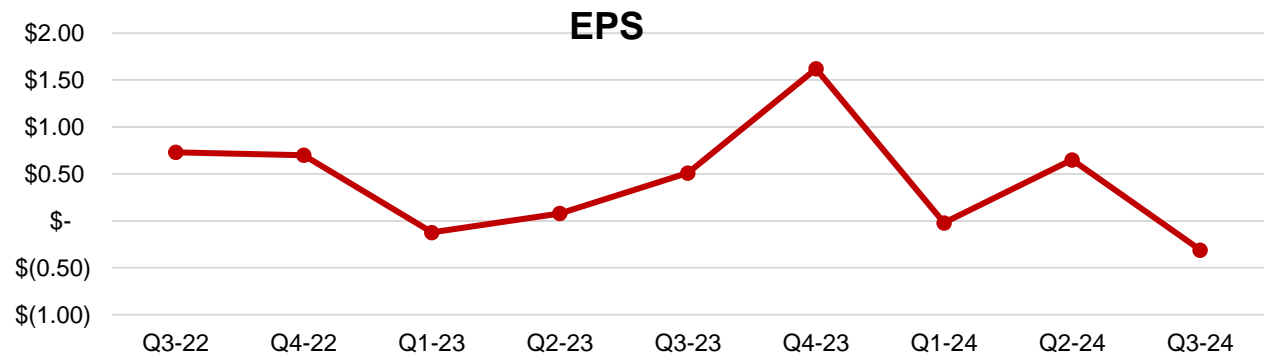


Adjusted NII Yield

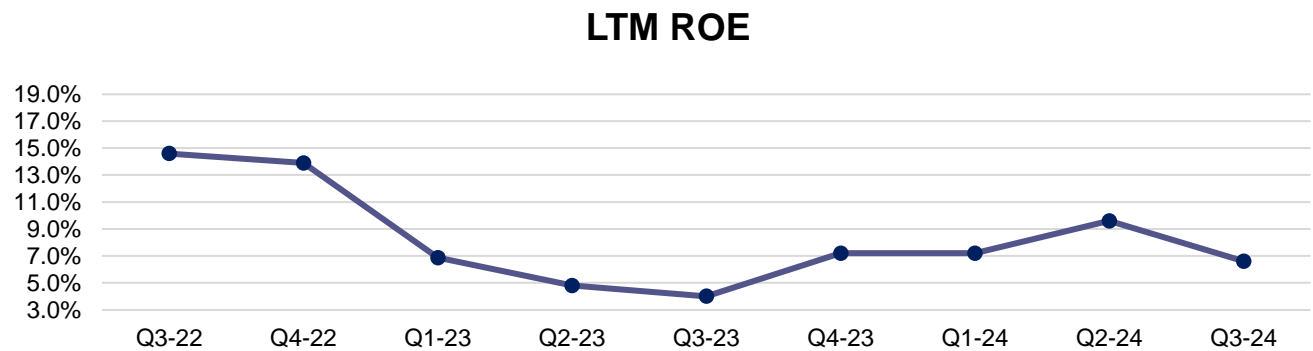


KPIs – Income Statement– Q3 FY24 (continued)

Period	EPS
Q3-22	\$ 0.73
Q4-22	\$ 0.70
Q1-23	\$ (0.12)
Q2-23	\$ 0.08
Q3-23	\$ 0.51
Q4-23	\$ 1.62
Q1-24	\$ (0.02)
Q2-24	\$ 0.65
Q3-24	\$ (0.31)



Period	LTM ROE
Q3-22	14.6%
Q4-22	13.9%
Q1-23	6.9%
Q2-23	4.8%
Q3-23	4.0%
Q4-23	7.2%
Q1-24	7.2%
Q2-24	9.6%
Q3-24	6.6%



KPIs - SAR Net Interest Margin Continues to Grow

SAR has increased its Net Interest Margin sixfold since taking over management

Net Interest Margin

