

New Mountain Finance Corp
Form 10-Q
August 06, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarter Ended June 30, 2014

o Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission
File Number
814-00832

Exact name of registrant as specified in its charter, address of principal executive
offices, telephone numbers and states or other jurisdictions of incorporation or organization

New Mountain Finance Corporation

I.R.S. Employer
Identification Number
27-2978010

787 Seventh Avenue, 48th Floor
New York, New York 10019
Telephone: (212) 720-0300
State of Incorporation: Delaware

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

New Mountain Finance Corporation Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

New Mountain Finance Corporation Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

New Mountain Finance Corporation Large accelerated filer Accelerated filer
 Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

New Mountain Finance Corporation Yes No

Registrant	Description	Shares as of August 6, 2014
New Mountain Finance Corporation	Common stock, \$0.01 par value	52,062,237

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****New Mountain Finance Corporation****Consolidated Statements of Assets and Liabilities****(in thousands, except shares and per share data)**

(unaudited)

	June 30, 2014	December 31, 2013
Assets		
Investments at fair value		
Non-controlled/non-affiliated investments (cost of \$1,271,021 and \$0, respectively)	\$ 1,299,372	\$
Non-controlled/affiliated investments (cost \$11,500 and \$0, respectively)	11,500	
Investment in New Mountain Finance Holdings, L.L.C. (cost of \$0 and \$633,835, respectively)		650,107
Total investments at fair value (cost \$1,282,521 and \$633,835, respectively)	1,310,872	650,107
Cash and cash equivalents	21,665	
Interest and dividend receivable	12,918	
Deferred financing costs (net of accumulated amortization of \$4,490 and \$0, respectively)	8,795	
Receivable from affiliates	6	
Other assets	3,856	
Total assets	\$ 1,358,112	\$ 650,107
Liabilities		
Holdings Credit Facility	238,101	
SLF Credit Facility	215,000	
Convertible Notes	115,000	
Capital gains incentive fee payable	9,336	
Incentive fee payable	4,630	
Management fee payable	4,621	
Payable for unsettled securities purchased	2,978	
Interest payable	1,288	
Payable to affiliates	502	
Deferred tax liability	386	
Other liabilities	3,715	
Total liabilities	595,557	
Commitments and contingencies (See Note 9)		
Net assets		
Preferred stock, par value \$0.01 per share, 2,000,000 shares authorized, none issued		
Common stock, par value \$0.01 per share 100,000,000 shares authorized, and 52,062,237 and 45,224,755 shares issued and outstanding, respectively	521	452
Paid in capital in excess of par	732,614	633,383

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Accumulated undistributed net realized gains on investments	11,942	5,056
Net unrealized appreciation of investments (net of provision for taxes of \$386 and \$0, respectively)	17,478	11,216
Total net assets	\$ 762,555	\$ 650,107
Total liabilities and net assets	\$ 1,358,112	\$ 650,107
Number of shares outstanding	52,062,237	45,224,755
Net asset value per share	\$ 14.65	\$ 14.38

The accompanying notes are an integral part of these consolidated financial statements.

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New Mountain Finance Corporation

Consolidated Statements of Operations

(in thousands, except shares and per share data)

(unaudited)

	Three months ended		Six months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Investment income(1)				
From non-controlled/non-affiliated investments:				
Interest income	\$ 18,788	\$	\$ 18,788	\$
Dividend income	972		972	
Other income	705		705	
From non-controlled/affiliated investments:				