

FS KKR Capital Corp.

Financial Information

QUARTER AND YEAR ENDED DECEMBER 31, 2018

Fourth Quarter and Year End Results

Summary of Quarterly Results

<p>Fourth Quarter Performance⁽¹⁾</p>	<ul style="list-style-type: none"> • Net investment income (NII) for the quarter ended December 31, 2018 was \$52.5 million, or \$0.19 per share, as compared to \$56.1 million, or \$0.23 per share, for the quarter ended September 30, 2018. • Net realized and unrealized losses on investments of \$172 million, or \$0.62 per share, for the quarter ended December 31, 2018. This compares to net realized and unrealized losses on investments of \$67 million, or \$0.28 per share, for the quarter ended September 30, 2018.
<p>NAV Per Share</p>	<ul style="list-style-type: none"> • Net asset value per share as of December 31, 2018 was \$7.84 (within the previously disclosed range of \$7.82 to \$7.86), compared to \$8.64 as of September 30, 2018.
<p>Dividend</p>	<ul style="list-style-type: none"> • FSK paid a regular dividend of \$0.19 per share for the fourth quarter of 2018, and as previously announced, a special dividend of \$0.09 per share was paid on December 3, 2018⁽²⁾. • FSK's Board of Directors has declared a regular dividend of \$0.19 per share for the first quarter of 2019. • For the quarter ended December 31, 2018, the Adjusted NII⁽³⁾ / Dividend coverage ratio was 109%.
<p>Investment Activity</p>	<ul style="list-style-type: none"> • New investment fundings in the fourth quarter were approximately \$220 million at FSK, and approximately \$530 million across FSK and Corporate Capital Trust (CCT) combined. • As of December 31, 2018, 88% of total investments at fair value were in Direct Originations⁽⁴⁾.
<p>Portfolio Diversification</p>	<ul style="list-style-type: none"> • Exposure to the top ten largest portfolio companies by fair value decreased to 19% as of December 31, 2018, compared to 36% as of September 30, 2018. • The average position size decreased to 0.5% of fair value as of December 31, 2018, compared to 1.1% as of September 30, 2018.
<p>Buyback Activity</p>	<ul style="list-style-type: none"> • Announced a \$200 million share buyback program and executed approximately \$39 million as of February 26, 2019.

1. Excludes the impact of \$717 million of unrealized appreciation resulting from the merger with CCT. See FSK's Annual Report on Form 10-K for additional information.

2. The record date for the special dividend was prior to the closing of the merger with CCT.

3. Adjusted to remove the impact of \$7M of excise tax. See the Appendix for the reconciliation between NII and Adjusted NII.

4. Direct Originations are defined as investments where FS/KKR Advisor, LLC (Advisor) or its affiliates negotiates the terms of the transaction beyond just the price, which, for example, may include negotiating financial covenants, maturity dates or interest rate terms or where we participate in other originated investment where there may be third parties involved, or a bank acting as an intermediary, for a closely held club, or similar investment.

Financial Results

<i>(Dollar amounts in millions, except per share data)</i>	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	FY - 2018
NII per share	\$0.19	\$0.23	\$0.19	\$0.21	\$0.22	\$0.82
Adjusted NII per share ⁽¹⁾	\$0.21	\$0.24	\$0.19	\$0.21	\$0.24	\$0.85
Net realized and unrealized gains (losses) per share ⁽²⁾	(\$0.62)	(\$0.28)	(\$0.32)	(\$0.15)	(\$0.16)	(\$1.40)
Net increase (decrease) in net assets resulting from operations (earnings per share) ⁽²⁾	(\$0.43)	(\$0.05)	(\$0.13)	\$0.05	\$0.06	(\$0.59)
Stockholder distributions per share	\$0.19	\$0.19	\$0.19	\$0.19	\$0.19	\$0.76
Special stockholder distributions per share	\$0.09	-	-	-	-	\$0.09
Net asset value per share at period end	\$7.84	\$8.64	\$8.87	\$9.16	\$9.30	\$7.84
Weighted average shares outstanding (in millions)	277.3	239.5	242.8	245.7	245.7	251.4
Shares outstanding, end of period (in millions)	531.5	239.2	240.6	245.6	245.7	531.5
Total assets	\$7,705	\$3,699	\$3,883	\$4,058	\$4,104	\$7,705
Cash ⁽³⁾	\$104	\$99	\$195	\$210	\$135	\$104
Total debt ⁽⁴⁾	\$3,391	\$1,557	\$1,636	\$1,722	\$1,722	\$3,391
Debt-to-equity, Net ⁽⁵⁾	0.79x	0.70x	0.67x	0.67x	0.69x	0.79x
Adjusted NII / total recurring dividend	109%	123%	100%	108%	123%	107%

- The following adjustments have been reflected: i) removes impact of one time refinancing expenses in Q3 2018 and ii) removes excise tax paid in Q4 2017 and Q4 2018. See the Appendix for the reconciliation between NII and Adjusted NII.
- Excludes the impact of \$717 million of unrealized appreciation resulting from the merger with CCT. See FSK's Annual Report on Form 10-K for additional information.
- Includes cash and cash denominated in foreign currency.
- Principal amount outstanding.
- Computed as total principal debt outstanding less cash divided by stockholders' equity.

Portfolio Highlights

<i>(Dollar amounts in millions)</i>	As of and for Three Months Ended				
	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17
Investment at Fair Value:					
First Lien Senior Secured Loans	54.2%	69.5%	67.2%	65.2%	64.2%
Second Lien Senior Secured Loans	15.1%	3.9%	3.6%	3.9%	5.0%
Other Senior Secured Debt	4.6%	5.2%	5.1%	4.3%	4.1%
Subordinated Debt	5.8%	5.3%	8.2%	9.3%	9.1%
Asset Based Finance	8.9%	5.6%	5.4%	5.0%	4.8%
Strategic Credit Opportunities Partners	4.0%	0.0%	0.0%	0.0%	0.0%
Equity/Other	7.4%	10.4%	10.6%	12.3%	12.8%
Total Investments	\$7,387	\$3,537	\$3,623	\$3,804	\$3,926
% Non-Income Producing Investments – FMV	9.4%	10.7%	9.6%	10.1%	10.7%
Number of portfolio companies ⁽¹⁾	204	92	109	94	100
Interest Rate Type:⁽²⁾					
% Floating Rate	79.8%	80.7%	78.1%	79.0%	79.6%
% Fixed Rate	20.2%	19.3%	21.9%	21.0%	20.4%
Net Interest Margin:					
Weighted average annual yield on income producing investments ⁽³⁾	10.8%	11.1%	11.1%	10.8%	10.5%
Weighted average interest rate on borrowings	4.6%	4.4%	4.4%	4.4%	4.2%

1. Does not look through to FSK's portfolio companies held solely in Strategic Credit Opportunities Partners, LLC (SCJV). SCJV is a joint venture between FSK and Conway Capital, an affiliate of Guggenheim Life and Annuity Company and Delaware Life Insurance Company.

2. Represents interest rates on debt investments at US\$ fair value (FV). Floating includes variable interest rates on asset back finance investments that can change quarter to quarter.

3. The weighted average annual yield for accruing debt investments is computed as (i) the sum of (a) the stated annual interest rate of each debt and debt-like investment, multiplied by its par amount, adjusted to U.S. dollars and for any partial income accrual when necessary, as of the end of the applicable reporting period, plus (b) the annual amortization of the purchase or original issue discount or premium of each accruing debt investment; divided by (ii) the total amortized cost of debt investments included in the calculated group as of the end of the applicable reporting period. Asset based finance investments with an effective interest rate are being included in the calculation.

Portfolio Highlights

Portfolio Highlights

204

portfolio companies¹

19%

FMV in top-10 portfolio companies²

74%

of investments in senior secured debt²

\$56M / 5.0x

Median portfolio company EBITDA & Leverage⁴

80%

of debt investments are floating rate

10.8%

Wtd. avg. yield on income producing investments³

1.0%

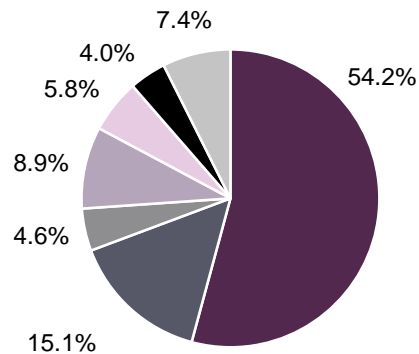
Non-accrual rate at FMV

86%

Lead, co-lead, or sole lender⁴

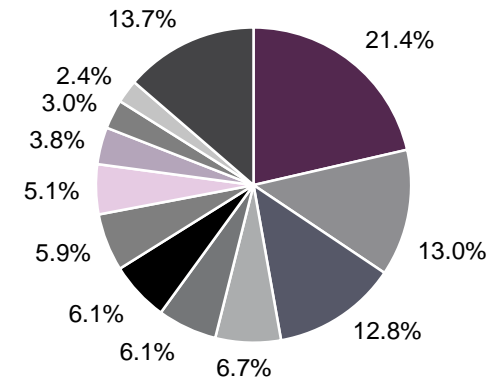
Security Exposure

- 1st Lien Loan - Senior Secured
- 2nd Lien Loan - Senior Secured
- Other Senior Secured
- Asset Based Finance
- Subordinated Debt
- SCJV
- Equity / Other



Sector Exposure Across 23 Industries

- Capital Goods
- Diversified Financials
- Software & Services
- Health Care Equip.
- Retailing
- Comm. & Profess. Services
- Consumer Durables
- Materials
- Energy
- Consumer Services
- Real Estate
- Other (12 industries)



Note: All stats as of December 31, 2018 unless otherwise noted.

1. Does not look through to FSK's portfolio companies held solely in SCJV.

2. Figure excludes the impact of FSK's investment in SCJV.

3. The weighted average annual yield on accruing debt instruments is based on amortized cost as of the end of the applicable period. The weighted average annual yield for accruing debt investments is computed as (i) the sum of (a) the stated annual interest rate of each debt investment, multiplied by its par amount, adjusted to U.S. dollars and for any partial income accrual when necessary, as of the end of the applicable reporting period, plus (b) the annual amortization of the purchase or original issue discount or premium of each accruing debt investment; divided by (ii) the total amortized cost of debt investments included in the calculated group as of the end of the applicable reporting period.

4. Figure based on FV of Direct Origination investments only.

Portfolio Highlights – Net Investment Activity

Portfolio Roll (\$ in millions)	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q2 – Q4 Pro Forma CCT + FSIC
Investment Purchases	\$220	\$184	\$240	\$116	\$263	\$1,839
Sales and Redemptions ⁽¹⁾	(397)	(223)	(350)	(216)	235	(1,656)
Net Investment Activity	(\$177)	(\$39)	(\$110)	(\$100)	\$28	\$183

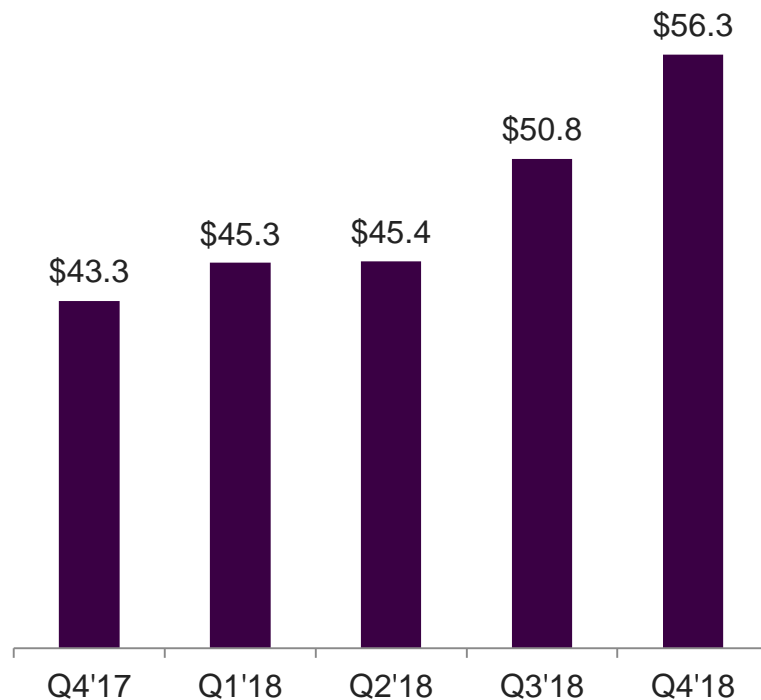
Asset Mix of New Purchases	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q2 – Q4 Pro Forma CCT + FSIC
First Lien Senior Secured Loans	71%	78%	62%	85%	85%	66%
Second Lien Senior Secured Loans	29%	18%	8%	4%	6%	20%
Other Senior Secured Debt	0%	2%	15%	6%	0%	4%
Subordinated Debt	0%	1%	2%	3%	0%	5%
Asset Based Finance	0%	1%	0%	0%	0%	5%
Equity/Other ²	0%	0%	13%	2%	9%	0%

1. Excludes net sales to SCJV.

2. Zero represents an amount less than 0.5%.

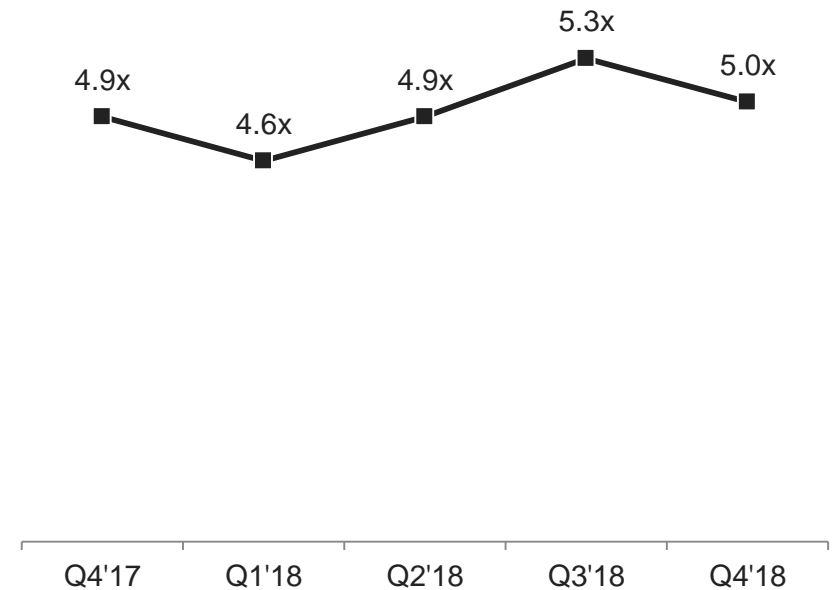
Direct Origination Investments - EBITDA and Credit Statistics

Direct Origination Portfolio Company Median EBITDA



Direct Origination Portfolio Company Coverage Ratio

Median Leverage Coverage Multiple



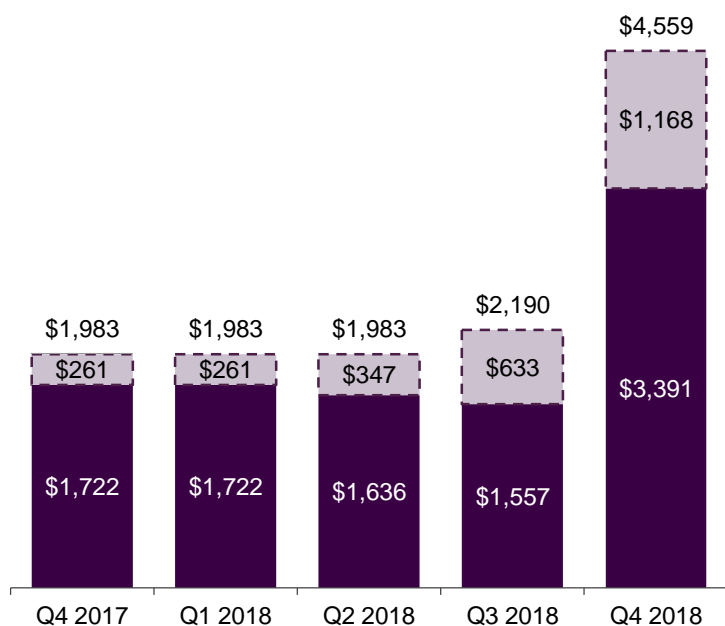
Note: Information based on most recently reported Direct Origination investment financial information.

Capital Structure

Funding & Liquidity Management

Leverage over Time

■ Principal Outstanding ▒ Capacity

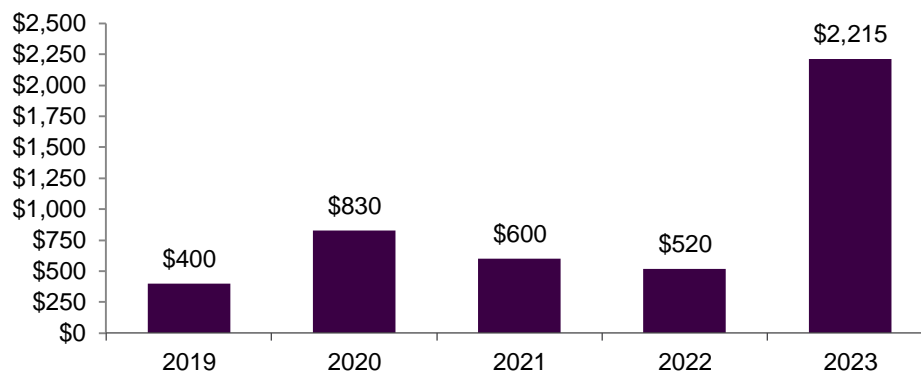


Cash (mm)⁽¹⁾	\$135	\$210	\$195	\$99	\$104
Net D/E⁽²⁾	0.69x	0.67x	0.67x	0.70x	0.79x

Key Funding Vehicles (\$mm)

Funding Source	Committed	Principal Outstanding	Undrawn	Maturity	Effective Rate ⁽³⁾
4.00% Notes	\$400	\$400	-	7/15/19	4.00%
4.25% Notes	405	405	-	1/15/20	4.25%
JPM Term Loan	425	425	-	11/1/20	5.08%
JPM Revolver	300	240	60	1/16/21	5.21%
SMBC Revolver	300	183	117	12/2/21	4.55%
4.75% Notes	275	275	-	5/15/22	4.75%
5.00% Notes	245	245	-	6/28/22	5.00%
Syndicated RCF	2,215	1,224	991	8/9/23	4.46%
Total	\$4,565	\$3,397	\$1,168		4.58%

Maturity Profile (\$mm)



1. Includes Cash and Cash denominated in foreign currency.

2. Computed as total principal debt outstanding less cash divided by stockholders' equity.

3. Weighted average as of December 31, 2018. Includes the effect of non-usage fees.

FSK's SCJV Offers Key Investor Benefits

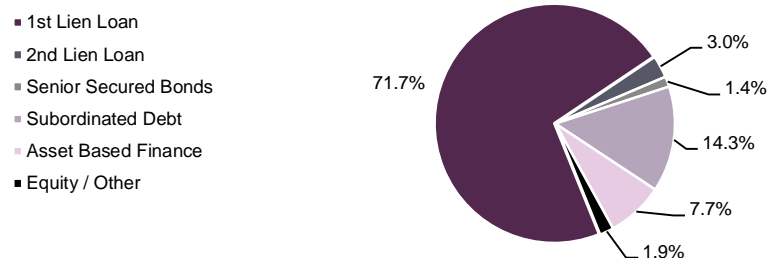
FSK's joint venture with Conway Capital⁽¹⁾

- **Primarily senior secured assets**
- **Key Portfolio Benefits**
 - Allows FSK to access the full capabilities of KKR
 - Yield enhancing
- **Key Terms of the Partnership**
 - FSK and Conway share voting control 50% / 50%
 - Equity ownership 87.5% FSK / 12.5% Conway
 - Advisor provides day-to-day administrative oversight

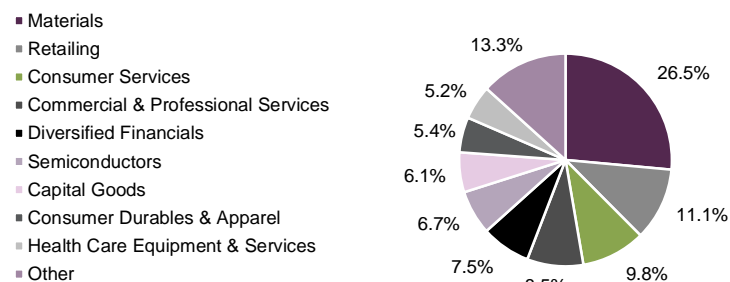
December 31, 2018 update:

- **Portfolio**
 - Fair value of investments was \$581mm
- **Key stats**
 - NAV of \$342mm (FSK's equity of SCJV was \$300mm)
 - 0.79x net debt-to-equity ratio
 - \$7.8mm total dividend paid in Q4 compared to \$8.7mm for Q3 at CCT
 - Net income was \$8.3mm, resulting in a projected Q1 2019 dividend of \$7.3mm to FSK

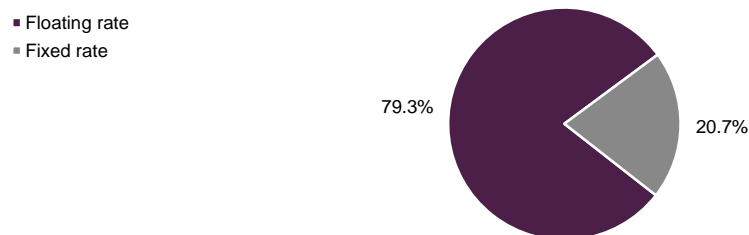
Security Exposure



Sector Exposure



Fixed / Floating – Debt Investments



1. Conway Capital is an affiliate of Guggenheim Life and Annuity Company and Delaware Life Insurance Company.

Appendix

Quarterly Gain/Loss Information

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17
Realized gain/loss					
Net realized gain (loss) on investments:					
Non-controlled/unaffiliated investments	(\$177)	\$24	\$41	(\$4)	(\$11)
Non-controlled affiliated investments	1	-	(10)	-	2
Controlled/affiliated investments	0	-	-	-	-
Net realized gain (loss) on foreign currency	0	6	-	-	-
Total net realized gain (loss)	(\$176)	\$30	\$31	(\$4)	(\$9)
Unrealized gain/loss					
Net change in unrealized appreciation (depreciation) on investments:					
Non-controlled/unaffiliated investments	\$154	(\$104)	(\$81)	(\$17)	(\$12)
Non-controlled affiliated investments	(38)	8	(21)	(6)	(16)
Controlled/affiliated investments	(101)	6	(8)	(10)	(1)
Net change in unrealized appreciation (depreciation) on swap contracts	(16)	-	-	-	-
Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	3	-	-	-	-
Net change in unrealized appreciation (depreciation) on secured borrowing	-	-	-	-	-
Net change in unrealized gain (loss) on foreign currency	2	(7)	2	(1)	(1)
Total net unrealized gain (loss)	\$4	(\$97)	(\$108)	(\$34)	(\$30)
Total net realized and unrealized gain (loss)⁽¹⁾	(\$172)	(\$67)	(\$77)	(\$38)	(\$39)

1. Excludes the impact of \$717 million of unrealized appreciation resulting from the merger with CCT. See FSK's Annual Report on Form 10-K for additional information.

Operating Results

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17
Total investment income	\$103	\$95	\$96	\$101	\$111
Net expenses	(43)	(39)	(50)	(50)	(52)
Net investment income before taxes	\$60	\$56	\$46	\$51	\$59
Excise taxes	(7)	-	-	-	(5)
GAAP Net investment income	\$53	\$56	\$46	\$51	\$54
Plus excise taxes	7	-	-	-	5
Plus one-time expenses ¹	-	1	-	-	-
Adjusted net investment income	\$60	\$57	\$46	\$51	\$59
Total net unrealized and realized gains (losses) ⁽²⁾	(172)	(67)	(77)	(38)	(39)
Net increase (decrease) in net assets resulting from operations	(\$119)	(\$11)	(\$31)	\$13	\$15
Per Share:					
Net investment income	\$0.19	\$0.23	\$0.19	\$0.21	\$0.22
Adjusted net investment income	\$0.21	\$0.24	\$0.19	\$0.21	\$0.24
Net increase (decrease) in net assets results from operations	(\$0.43)	(\$0.05)	(\$0.13)	\$0.05	\$0.06
Stockholder distributions	\$0.19	\$0.19	\$0.19	\$0.19	\$0.19
Special distributions	\$0.09	-	-	-	-
Weighted average shares outstanding (millions)	277.3	239.5	242.8	245.7	245.7
Shares outstanding, end of period (millions)	531.5	239.2	240.6	245.6	245.7

1. FSK's one-time expenses for the three months ended September 30, 2018 were \$1 resulting from the acceleration of the remaining unamortized deferred financing costs associated with the closing of the Hamilton Street Credit Facility.

2. Excludes the impact of \$717 million of unrealized appreciation resulting from the merger with CCT. See FSK's Annual Report on Form 10-K for additional information.

Operating Results Detail

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17
Investment income:					
Interest income	\$83	\$75	\$81	\$78	\$90
Payment-in-kind interest income	16	14	11	13	12
Fee income	3	4	4	2	9
Total dividend and other income	2	-	-	7	-
Total investment income	\$103	\$95	\$96	\$100	\$111
Operating expenses:					
Investment advisory fees & expenses	16	15	16	16	17
Interest expense	22	21	21	20	20
Incentive fees	3	-	11	12	13
Other operating expenses	2	2	2	2	2
Total operating expenses	\$43	\$38	\$50	\$50	\$52
Net investment income before taxes	60	56	46	50	59
Income taxes, including excise taxes	(7)	-	-		(5)
Net investment income	\$53	\$56	\$46	\$50	\$54
Total net unrealized and realized gains (losses) ⁽¹⁾	(172)	(67)	(77)	(37)	(39)
Net increase in net assets resulting from operations	(\$119)	(\$11)	(\$31)	\$13	\$15

1. Excludes the impact of \$717 million of unrealized appreciation resulting from the merger with CCT. See FSK's Annual Report on Form 10-K for additional information.

Operating Statement of Financial Condition

<i>(Dollar amounts in millions, except per share data)</i>	As of				
	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17
Assets					
Total investments, at fair value	\$7,387	\$3,537	\$3,627	\$3,804	\$3,926
Cash	101	99	195	210	135
Foreign currency, at fair value	3	1	6	5	4
Receivable for investments sold and repaid	144	28	20	1	3
Income receivable	60	23	32	32	31
Unrealized appreciation on foreign currency forward contracts	3	-	-	-	-
Deferred financing costs	6	6	3	3	3
Deferred merger costs	-	3	-	-	-
Prepaid expenses and other assets	1	1	1	2	2
Total Assets	\$7,705	\$3,699	\$3,883	\$4,058	\$4,104
Liabilities					
Payable for investments purchased	\$6	\$1	\$22	\$0	\$2
Credit facilities payable	2,070	475	554	639	639
Unsecured notes payable	1,321	1,076	1,075	1,074	1,073
Unrealized depreciation on derivative instruments	16	-	-	-	-
Shareholders' distributions payable	45	45	46	47	47
Interest Payable	28	18	23	18	23
Other liabilities ⁽¹⁾	53	17	28	30	35
Total Liabilities	\$3,539	\$1,632	\$1,748	\$1,808	\$1,819
Total Net Assets	\$4,166	\$2,067	\$2,135	\$2,250	\$2,285
Net Asset Value per Share	\$7.84	\$8.64	\$8.87	\$9.16	\$9.30

1. Includes accrued performance-based incentive fees, accrued investment advisory fees, accrued directors' fees, administrative expenses payable and deferred tax liabilities.

Important Disclosure Notice

This presentation may contain certain forward-looking statements, including statements with regard to the future performance of FS KKR Capital Corp. (FSK). Words such as “believes,” “expects,” “projects” and “future” or similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results to differ materially from those projected in these forward-looking statements. Factors that could cause actual results to differ materially include changes in the economy, risks associated with possible disruption in FSK’s operations or the economy due generally to terrorism or natural disasters, future changes in laws or regulations and conditions in FSK’s operating area, and the price at which shares of common stock may trade on the New York Stock Exchange LLC (NYSE). Certain of these factors are enumerated in the filings FSK makes with the Securities and Exchange Commission (SEC). FSK undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation contains summaries of certain financial and statistical information about FSK. The information contained in this presentation is summary information that is intended to be considered in the context of FSK’s SEC filings and other public announcements that FSK may make, by press release or otherwise, from time to time. FSK undertakes no duty or obligation to update or revise the information contained in this presentation. In addition, information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured. Investors should not view the past performance of FSK, or information about the market, as indicative of FSK’s future results.

This presentation contains certain financial measures that have not been prepared in accordance with U.S. generally accepted accounting principles (GAAP). FSK uses these non-GAAP financial measures internally in analyzing financial results and believes that the presentation of these non-GAAP financial measures is useful to investors as an additional tool to evaluate ongoing results and trends and in comparing FSK’s financial results with other business development companies.

Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures, and should be read only in conjunction with FSK’s consolidated financial statements prepared in accordance with GAAP. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures has been provided in the Appendix included in this presentation and investors are encouraged to review the reconciliation in the table and the related footnotes.

Certain figures in this presentation have been rounded.