

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): May 5, 2023

FS KKR Capital Corp.

(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

814-00757
(Commission
File Number)

26-1630040
(I.R.S. Employer
Identification No.)

201 Rouse Boulevard
Philadelphia, Pennsylvania
(Address of principal executive offices)

19112
(Zip Code)

Registrant's telephone number, including area code: (215) 495-1150

None
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock	FSK	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On May 5, 2023, FS KKR Capital Corp. (the “Company”) issued a press release (the “Press Release”) providing an overview of its results for the quarter ended March 31, 2023.

A copy of the Press Release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

In the Press Release, the Company announced a cash distribution totaling \$0.70 per share, which will be paid on or about July 5, 2023 to stockholders of record as of the close of business on June 14, 2023. Additionally, the Company announced special cash distributions totaling \$0.15 per share, which will be paid in three equal \$0.05 per share installments on or about May 31, 2023 to stockholders of record as of the close of business on May 17, 2023, on or about August 30, 2023 to stockholders of record as of the close of business on August 16, 2023, and on or about November 29, 2023 to stockholders of record as of the close of business on November 15, 2023.

The Company will make available under the “Events + presentation” page within the “Investor relations” section of the Company’s website (www.fskkradvisor.com/fsk) a presentation containing financial and operating information in advance of its previously announced May 5, 2023 conference call.

Forward-Looking Statements

This Current Report on Form 8-K may contain certain forward-looking statements, including statements with regard to future events or the future performance or operation of the Company. 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 the Company’s operations or the economy generally due to terrorism, natural disasters or pandemics such as COVID-19, future changes in laws or regulations and conditions in the Company’s operating area, and the price at which shares of common stock may trade on the New York Stock Exchange. Some of these factors are enumerated in the filings the Company makes with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

EXHIBIT NUMBER	DESCRIPTION
99.1	Press Release, dated May 5, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 5, 2023

FS KKR Capital Corp.

By: /s/ Stephen Sypherd

Stephen Sypherd
General Counsel

FSK | FS KKR Capital Corp.

FS KKR Capital Corp. Announces First Quarter 2023 Results Declares Second Quarter 2023 Distribution of \$0.70 per share Declares Special Distributions Totaling \$0.15 per share to Be Paid in Three Equal Installments of \$0.05 per share in Each of the Next Three Quarters

PHILADELPHIA, PA AND NEW YORK, NY – May 5, 2023 – FS KKR Capital Corp. (NYSE: FSK), today announced its financial and operating results for the quarter ended March 31, 2023, and that its board of directors has declared a second quarter 2023 distribution of \$0.70 per share, and special distributions totaling \$0.15 per share, which will be paid in three equal installments of \$0.05 per share in each of the next three quarters.

Financial and Operating Highlights for the Quarter Ended March 31, 2023⁽¹⁾

- Net investment income of \$0.81 per share, compared to \$0.80 per share for the quarter ended December 31, 2022
 - Adjusted net investment income⁽²⁾ of \$0.78 per share, compared to \$0.81 per share for the quarter ended December 31, 2022
- Net asset value of \$24.93 per share, compared to \$24.89 per share as of December 31, 2022
- Total net realized and unrealized loss of \$0.11 per share, compared to a total net realized and unrealized loss of \$0.56 per share for the quarter ended December 31, 2022
 - Adjusted net realized and unrealized loss⁽²⁾ of \$0.07 per share, compared to adjusted net realized and unrealized loss of \$0.52 per share for the quarter ended December 31, 2022
- Earnings per Share of \$0.71, compared to Earnings per Share of \$0.24 for the quarter ended December 31, 2022
- Total purchases of \$270 million versus \$386 million of sales and repayments, including \$122 million of sales to its joint venture Credit Opportunities Partners JV, LLC
- Net debt to equity ratio⁽³⁾ as March 31, 2023 was 118%, compared to 118% as of December 31, 2022
- Paid cash distributions to stockholders totaling \$0.70 per share⁽⁴⁾

“We are pleased to start 2023 with another quarter of positive results, as our first quarter adjusted net investment income per share increased 8% year-over-year and our Net Asset Value per share increased to \$24.93,” said Michael C. Forman, Chief Executive Officer & Chairman. “Based on our strong quarterly results, coupled with the overall strength of our investment portfolio, we are excited to announce a second quarter cash distribution totaling \$0.70 per share, as well as special cash distributions totaling \$0.15 per share which will be paid in three equal installments over the remainder of the year. Going forward, we believe our conservatively structured balance sheet and defensively positioned investment portfolio will enable us to continue delivering strong results for our shareholders.”

Declaration of Distribution for Second Quarter 2023

FSK’s board of directors has declared a cash distribution for the second quarter of \$0.70 per share, consisting of a base distribution of \$0.64 per share and a supplemental distribution of \$0.06 per share, which will be paid on or about July 5, 2023, to stockholders of record as of the close of business on June 14, 2023. FSK’s board of directors has declared special distributions totaling \$0.15 per share to be paid in three equal installments by the end of 2023. The first \$0.05 per share special distribution will be paid on or about May 31, 2023, to stockholders of record as of the close of business on May 17, 2023. The second \$0.05 per share special distribution will be paid on or about August 30, 2023, to stockholders of record as of the close of business on August 16, 2023. The third \$0.05 per share special distribution will be paid on or about November 29, 2023, to stockholders of record as of the close of business on November 15, 2023.

Portfolio Highlights as of March 31, 2023

- Total fair value of investments was \$15.3 billion of which 69% was invested in senior secured securities.
- Weighted average annual yield on accruing debt investments⁽⁵⁾ was 12.3%, compared to 12.0% as of December 31, 2022. Excluding the impact of merger accounting, weighted average annual yield on accruing debt investments was 11.7%, compared to 11.4% as of December 31, 2022.
- Weighted average annual yield on all debt investments⁽⁵⁾ was 11.4%, compared to 11.2% as of December 31, 2022. Excluding the impact of merger accounting, weighted average annual yield on all debt investments was 10.8%, compared to 10.6% as of December 31, 2022.
- Exposure to the top ten largest portfolio companies by fair value was 19% as of March 31, 2023, compared to 19% as of December 31, 2022.
- As of March 31, 2023, investments on non-accrual status represented 2.7% and 5.5% of the total investment portfolio at fair value and amortized cost, respectively, compared to 2.4% and 4.9% as of December 31, 2022.

<u>Portfolio Data</u>	<u>As of March 31, 2023</u>	<u>As of December 31, 2022</u>
Total fair value of investments	\$ 15,277	\$ 15,377
Asset Class (based on fair value)		
Senior Secured Loans — First Lien	61.0%	60.3%
Senior Secured Loans — Second Lien	7.7%	7.8%
Other Senior Secured Debt	0.7%	0.7%
Subordinated Debt	1.8%	1.7%
Asset Based Finance	11.7%	12.4%
Credit Opportunities Partners JV, LLC	9.1%	9.3%
Equity/Other	8.0%	7.8%
Interest Rate Type (based on fair value)		
% Variable Rate Debt Investments	69.7%	69.6%
% Fixed Rate Debt Investments	8.3%	8.6%
% Other Income Producing Investments	14.7%	15.0%
% Non-Income Producing Investments ⁽⁷⁾	4.6%	4.4%
% of Investments on Non-Accrual ⁽⁶⁾	2.7%	2.4%

Leverage and Liquidity as of March 31, 2023

- Net debt to equity ratio⁽³⁾ of 118%, based on \$8.7 billion in total debt outstanding, \$250 million of cash and foreign currency and \$205 million of net receivable for investments sold and repaid and stockholders' equity of \$7.0 billion. FSK's weighted average effective interest rate (including the effect of non-usage fees) was 5.08%.
- Cash and foreign currency of \$250 million and availability under the company's financing arrangements of \$2,577 million, subject to borrowing base and other limitations.
- As of March 31, 2023, 54% of FSK's approximately \$8,713 million of total debt outstanding was in unsecured debt and 46% in secured debt.

Conference Call Information

FSK will host a conference call at 9:00 a.m. (Eastern Time) on Friday, May 5, 2023, to discuss its first quarter 2023 financial and operating results. All interested parties are welcome to participate and can access the live conference call by registering using the following URL: <https://register.vevent.com/register/B1a89f54f9964344a292794a5e367a233d>. Participants are requested to register a day in advance or at a minimum 15 minutes before the start of the call. Once registered, they will receive the dial-in numbers and their unique PIN number. When they dial in, they will input their PIN and be placed into the call. The conference call will also be webcast, which can be accessed from the Investor Relations section of FSK's website at www.fskkradvisor.com under Events.

A replay of the call will be available shortly after the end of the call by visiting the Investor Relations section of FSK's website under Events or by using the following URL: <https://edge.media-server.com/mmc/p/r6r4prhf>.

Supplemental Information

An investor presentation containing financial and operating information will be made available prior to the call in the Investor Relations section of FSK's website at www.fskkradvisor.com under Earnings presentations.

About FS KKR Capital Corp.

FSK is a leading publicly traded business development company (BDC) focused on providing customized credit solutions to private middle market U.S. companies. FSK seeks to invest primarily in the senior secured debt and, to a lesser extent, the subordinated debt of private middle market companies. FSK is advised by FS/KKR Advisor, LLC. For more information, please visit www.fskkradvisor.com.

About FS/KKR Advisor, LLC

FS/KKR Advisor, LLC (FS/KKR) is a partnership between FS Investments and KKR Credit that serves as the investment adviser to FSK.

FS Investments is a leading asset manager dedicated to helping individuals, financial professionals and institutions design better portfolios. The firm provides access to alternative sources of income and growth, and focuses on setting industry standards for investor protection, education and transparency. FS Investments is headquartered in Philadelphia, PA with offices in New York, NY, Orlando, FL and Leawood, KS. Visit www.fsinvestments.com to learn more.

KKR Credit is a subsidiary of KKR & Co. Inc., a leading global investment firm that manages multiple alternative asset classes, including private equity, credit and real assets, with strategic manager partnerships that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

Forward-Looking Statements and Important Disclosure Notice

This announcement may contain certain forward-looking statements, including statements with regard to future events or future performance or operations of 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 generally due to terrorism, geo-political risks, natural disasters or pandemics such as COVID-19, future changes in laws or regulations and conditions in FSK’s operating area and the price at which shares of FSK’s common stock trade on the New York Stock Exchange. Some of these factors are enumerated in the filings FSK makes with the SEC. FSK undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The press release above contains summaries of certain financial and statistical information about FSK. The information contained in this press release 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 press release. 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.

Other Information

The information in this press release is summary information only and should be read in conjunction with FSK’s quarterly report on Form 10-Q for the quarter ended March 31, 2023, which FSK filed with the U.S. Securities and Exchange Commission (the SEC) on May 5, 2023, as well as FSK’s other reports filed with the SEC. A copy of FSK’s quarterly report on Form 10-Q for the quarter ended March 31, 2023 and FSK’s other reports filed with the SEC can be found on FSK’s website at www.fskkradvisor.com and the SEC’s website at www.sec.gov.

Certain Information About Distributions

The determination of the tax attributes of FSK’s distributions is made annually as of the end of its fiscal year based upon its taxable income and distributions paid, in each case, for the full year. Therefore, a determination as to the tax attributes of the distributions made on a quarterly basis may not be representative of the actual tax attributes for a full year. FSK intends to update stockholders quarterly with an estimated percentage of its distributions that resulted from taxable ordinary income. The actual tax characteristics of distributions to stockholders will be reported to stockholders annually on Form 1099-DIV.

The timing and amount of any future distributions on FSK’s shares of common stock are subject to applicable legal restrictions and the sole discretion of its board of directors. There can be no assurance as to the amount or timing of any such future distributions.

FSK may fund its cash distributions to stockholders from any sources of funds legally available to it, including net investment income from operations, capital gains proceeds from the sale of assets, non-capital gains proceeds from the sale of assets, dividends or other distributions paid to it on account of preferred and common equity investments in portfolio companies, proceeds from the sale of shares of FSK’s common stock and borrowings. FSK has not established limits on the amount of funds it may use from available sources to make distributions. There can be no assurance that FSK will be able to pay distributions at a specific rate or at all.

Contact Information:

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Consolidated Statements of Operations
(in millions, except share and per share amounts)

	Three Months Ended March 31,	
	2023	2022
Investment income		
From non-controlled/unaffiliated investments:		
Interest income	\$ 305	\$ 241
Paid-in-kind interest income	23	18
Fee income	5	27
Dividend and other income	19	8
From non-controlled/affiliated investments:		
Interest income	3	10
Paid-in-kind interest income	9	11
Fee income	—	2
Dividend and other income	—	5
From controlled/affiliated investments:		
Interest income	19	10
Paid-in-kind interest income	10	14
Fee income	—	0
Dividend and other income	63	50
Total investment income	456	396
Operating expenses		
Management fees	58	62
Subordinated income incentive fees	46	40
Administrative services expenses	3	4
Accounting and administrative fees	1	1
Interest expense	114	77
Other general and administrative expenses	5	7
Total operating expenses	227	191
Incentive fee waiver	—	(15)
Net expenses	227	176
Net investment income	229	220
Realized and unrealized gain/loss		
Net realized gain (loss) on investments:		
Non-controlled/unaffiliated investments	(58)	(26)
Non-controlled/affiliated investments	0	(6)
Controlled/affiliated investments	—	—
Net realized gain (loss) on foreign currency forward contracts	3	5
Net realized gain (loss) on foreign currency	1	1
Net change in unrealized appreciation (depreciation) on investments:		
Non-controlled/unaffiliated investments	5	(40)
Non-controlled/affiliated investments	16	30
Controlled/affiliated investments	10	37
Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	(4)	1
Net change in unrealized gain (loss) on foreign currency	\$ (3)	\$ 3

	Three Months Ended March 31,	
	2023	2022
Total net realized and unrealized gain (loss)	(30)	5
Net increase (decrease) in net assets resulting from operations	\$ 199	\$ 225
Per share information—basic and diluted		
Net increase (decrease) in net assets resulting from operations (Earnings (Losses) per Share)	\$ 0.71	\$ 0.79
Weighted average shares outstanding	280,919,460	284,323,542

Consolidated Balance Sheets
(in millions, except share and per share amounts)

	March 31, 2023 (Unaudited)	December 31, 2022
Assets		
Investments, at fair value		
Non-controlled/unaffiliated investments (amortized cost—\$12,395 and \$12,566, respectively)	\$ 11,861	\$ 12,026
Non-controlled/affiliated investments (amortized cost—\$556 and \$575, respectively)	439	443
Controlled/affiliated investments (amortized cost—\$3,232 and \$3,173, respectively)	2,977	2,908
Total investments, at fair value (amortized cost—\$16,183 and \$16,314, respectively)	\$ 15,277	\$ 15,377
Cash	245	248
Foreign currency, at fair value (cost—\$5 and \$3, respectively)	5	3
Receivable for investments sold and repaid	205	212
Income receivable	275	227
Unrealized appreciation on foreign currency forward contracts	21	25
Deferred financing costs	23	23
Prepaid expenses and other assets	7	9
Total assets	\$ 16,058	\$ 16,124
Liabilities		
Payable for investments purchased	\$ —	\$ 14
Debt (net of deferred financing costs of \$32 and \$34, respectively)	8,678	8,694
Unrealized depreciation on foreign currency forward contracts	1	1
Stockholder distributions payable	196	192
Management fees payable	58	59
Subordinated income incentive fees payable	46	27
Administrative services expense payable	7	6
Interest payable	74	90
Other accrued expenses and liabilities	15	29
Total liabilities	\$ 9,075	\$ 9,112
Commitments and contingencies		
Stockholders' equity		
Preferred stock, \$0.001 par value, 50,000,000 shares authorized, none issued and outstanding	\$ —	\$ —
Common stock, \$0.001 par value, 750,000,000 shares authorized, 280,066,433 and 281,731,750 shares issued and outstanding, respectively	0	0
Capital in excess of par value	9,578	9,610
Retained earnings (accumulated deficit)	(2,595)	(2,598)
Total stockholders' equity	\$ 6,983	\$ 7,012
Total liabilities and stockholders' equity	\$ 16,058	\$ 16,124
Net asset value per share of common stock at period end	\$ 24.93	\$ 24.89

Non-GAAP Financial Measures

This press release contains certain financial measures that have not been prepared in accordance with generally accepted accounting principles in the United States (GAAP). FSK uses these non-GAAP financial measures internally in analyzing financial results and believes that the use 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 BDCs.

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 this press release, and investors are encouraged to review the reconciliation.

Reconciliation of Non-GAAP Financial Measures⁽¹⁾

	Three Months Ended	
	March 31, 2023	December 31, 2022
GAAP net investment income per share	\$ 0.81	\$ 0.80
Accretion resulting from merger accounting	(\$ 0.04)	(\$ 0.04)
Excise Taxes	—	\$ 0.05
Adjusted net investment income per share ⁽²⁾	\$ 0.78	\$ 0.81
GAAP Net realized and unrealized gain (loss) per share	(\$ 0.11)	(\$ 0.56)
Unrealized appreciation from merger accounting	\$ 0.04	\$ 0.04
Adjusted net realized and unrealized gain ⁽²⁾	(\$ 0.07)	(\$ 0.52)

- 1) Per share data was derived by using the weighted average shares of FSK's common stock outstanding during the applicable period. Per share numbers may not sum due to rounding.
- 2) Adjusted net investment income is a non-GAAP financial measure. Adjusted net investment income is presented for all periods as GAAP net investment income excluding (i) the accrual for the capital gains incentive fee for realized and unrealized gains; (ii) excise taxes (iii) the impact of accretion resulting from merger accounting; and (iv) certain non-recurring operating expenses that are one-time in nature and are not representative of ongoing operating expenses incurred during FSK's normal course of business (referred to herein as one-time expenses). FSK uses this non-GAAP financial measure internally in analyzing financial results and believes that the use of this non-GAAP financial measure is useful to investors as an additional tool to evaluate ongoing results and trends and in comparing its financial results with other business development companies. Adjusted net realized and unrealized gain is a non-GAAP financial measure. Adjusted net realized and unrealized gain is presented for all periods as GAAP realized and unrealized gains to exclude the impact of the merger accounting. 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. A reconciliation of GAAP net investment income to adjusted net investment income and GAAP net realized and unrealized gain to adjusted net realized and unrealized gain can be found above.
- 3) Net debt to equity ratio is debt outstanding, net of cash and foreign currency and net payable/receivable for investments purchased/sold and repaid, divided by net assets.
- 4) The per share data for distributions reflects the amount of distributions paid per share of our common stock to stockholders of record during each applicable period.
- 5) See FSK's quarterly report on Form 10-Q for the quarter ended March 31, 2023 for important information, including information related to the calculation and definition of weighted average annual yield on accruing debt investments, weighted average annual yield on all debt investments, variable rate debt investments, fixed rate debt investments, other income producing investments and non-income producing investments.
- 6) Interest income is recorded on an accrual basis. See FSK's quarterly report on Form 10-Q for the quarter ended March 31, 2023 for a description of FSK's revenue recognition policy.
- 7) Does not include investments on non-accrual status.