

FS KKR Capital Corp.

Financial Information

QUARTER ENDED MARCH 31, 2019

First Quarter Results

Summary of Quarterly Results

First Quarter Performance	<ul style="list-style-type: none"> • Net investment income (NII) for the quarter ended March 31, 2019 was \$95.1 million, or \$0.18 per share, as compared to \$52.5 million, or \$0.19 per share, for the quarter ended December 31, 2018. • Net realized and unrealized gains on investments of \$6 million, or \$0.01 per share, for the quarter ended March 31, 2019. This compares to net realized and unrealized losses on investments of \$172 million, or \$0.62 per share, for the quarter ended December 31, 2018.
NAV Per Share	<ul style="list-style-type: none"> • Net asset value (NAV) per share as of March 31, 2019 was \$7.86, compared to \$7.84 as of December 31, 2018.
Dividend	<ul style="list-style-type: none"> • FSK paid a regular dividend of \$0.19 per share for the first quarter of 2019. • FSK's Board of Directors has declared a regular dividend of \$0.19 per share for the second quarter of 2019. • For the quarter ended March 31, 2019, the NII / Dividend coverage ratio was 95%.⁽¹⁾
Investment Activity	<ul style="list-style-type: none"> • New investment fundings in the first quarter were approximately \$549 million. Net investment activity in the first quarter was positive \$39 million on a gross basis, and positive \$121 million, net of \$82 million of sales to SCJV. • As of March 31, 2019, 90% of total investments at fair value were in Direct Originations.⁽²⁾
Portfolio Diversification	<ul style="list-style-type: none"> • Diversified \$7.4 billion portfolio with 186 portfolio companies spread across 24 industries and 7 asset classes. • Exposure to the top ten largest portfolio companies by fair value was 20% as of March 31, 2019 • The average position size was 0.5% of fair value as of March 31, 2019.
Buyback Activity	<ul style="list-style-type: none"> • Executed approximately \$56 million of the \$200 million share buyback program as of May 7, 2019. • Named officers and board members have purchased approximately \$2.8 million of FSK shares year-to-date as of May 7, 2019.

1. There were no adjustments to NII in the quarter ended March 31, 2019. See the Appendix for the reconciliation between NII and Adjusted NII for historical periods.

2. 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>	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
NII per share	\$0.18	\$0.19	\$0.23	\$0.19	\$0.21
Adjusted NII per share ⁽¹⁾	\$0.18	\$0.21	\$0.24	\$0.19	\$0.21
Net realized and unrealized gains (losses) per share ⁽²⁾	\$0.01	(\$0.62)	(\$0.28)	(\$0.32)	(\$0.15)
Net increase (decrease) in net assets resulting from operations (earnings per share) ⁽²⁾	\$0.19	(\$0.43)	(\$0.05)	(\$0.13)	\$0.05
Stockholder distributions per share	\$0.19	\$0.19	\$0.19	\$0.19	\$0.19
Special stockholder distributions per share	-	\$0.09	-	-	-
Net asset value per share at period end	\$7.86	\$7.84	\$8.64	\$8.87	\$9.16
Weighted average shares outstanding (in millions)	527.5	277.3	239.5	242.8	245.7
Shares outstanding, end of period (in millions)	524.1	531.5	239.2	240.6	245.6
Total assets	\$7,733	\$7,705	\$3,699	\$3,883	\$4,058
Cash ⁽³⁾	\$92	\$104	\$99	\$195	\$210
Total debt ⁽⁴⁾	\$3,405	\$3,397	\$1,557	\$1,636	\$1,722
Debt-to-equity, Net ⁽⁵⁾	0.80x	0.79x	0.70x	0.67x	0.67x
Adjusted NII / total recurring dividend	95%	109%	123%	100%	108%

- 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 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				
	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18
Investment at Fair Value:					
First Lien Senior Secured Loans	54.2%	54.2%	69.5%	67.2%	65.2%
Second Lien Senior Secured Loans	15.7%	15.1%	3.9%	3.6%	3.9%
Other Senior Secured Debt	3.7%	4.6%	5.2%	5.1%	4.3%
Subordinated Debt	5.4%	5.8%	5.3%	8.2%	9.3%
Asset Based Finance	9.1%	8.9%	5.6%	5.4%	5.0%
Strategic Credit Opportunities Partners	4.1%	4.0%	0.0%	0.0%	0.0%
Equity/Other	7.8%	7.4%	10.4%	10.6%	12.3%
Total Investments	\$7,440	\$7,387	\$3,537	\$3,623	\$3,804
% Non-Income Producing Investments – FV ⁽¹⁾	8.1%	9.4%	10.7%	9.6%	10.1%
Number of portfolio companies ⁽²⁾	186	204	92	109	94
Interest Rate Type:⁽³⁾					
% Floating Rate	81.9%	79.8%	80.7%	78.1%	79.0%
% Fixed Rate	18.1%	20.2%	19.3%	21.9%	21.0%
Net Interest Margin:					
Weighted average annual yield on accruing debt investments ⁽⁴⁾	10.8%	10.8%	11.1%	11.1%	10.8%
Weighted average interest rate on borrowings	4.6%	4.6%	4.4%	4.4%	4.4%

1. Combines Non-Income Producing Investments and Investments on Non-Accrual based on fair value (FV). See FSK's Quarterly Report on Form 10-Q for additional information.

2. 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.

3. Represents interest rates on Debt Investments (see FSK's Quarterly Report on Form 10-Q for the definition of Debt Investments) at US\$ Fair Value FV. Floating includes variable interest rates on asset back finance investments that can change quarter to quarter.

4. See FSK's Quarterly Report on Form 10-Q for additional information on the calculation of weighted average annual yield on accruing debt investments.

Net Asset Value Bridge – Q1 2019

Q1 2019⁽¹⁾



1. Per share data derived using the weighted average shares outstanding during the period

Portfolio Highlights

Portfolio Highlights

186

portfolio companies¹

20%

FV in top-10 portfolio companies²

74%

of investments in senior secured debt²

\$54M / 5.1x

Median portfolio company EBITDA & Leverage⁴

82%

of debt investments are floating rate

10.8%

Wtd. avg. annual yield on accruing debt investments³

0.4%

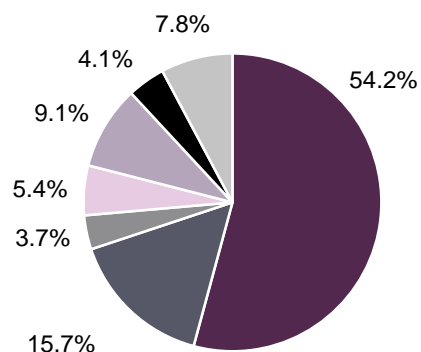
Non-accrual rate at FV

85%

Lead, co-lead, or sole lender⁴

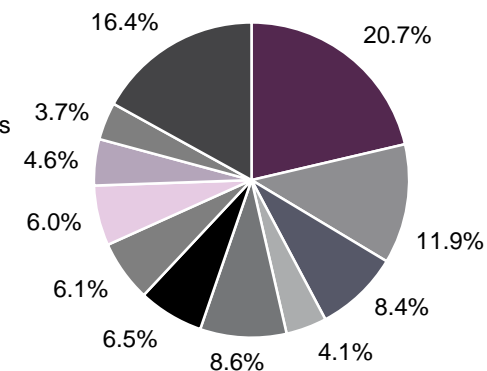
Security Exposure

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



Sector Exposure Across Top 10 Industries

- Capital Goods
- Software & Services
- Diversified Financials
- Strategic Credit Opportunities Partners
- Health Care Equipment & Services
- Retailing
- Commercial & Professional Services
- Consumer Durables & Apparel
- Materials
- Energy
- Other (14 industries)



Note: All stats as of March 31, 2019 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. See FSK's Quarterly Report on Form 10-Q for additional information on the calculation of weighted average annual yield on accruing debt investments.

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

FSK's Targeted Investments

Product Solutions

- Senior Secured Loans
 - *First Lien*
 - *Second Lien*
- Asset Based Finance
- Subordinated Debt
- Equity

Investment Size

- EBITDA Range
 - \$25 - \$100mm+
- Transaction Size
 - \$50mm+

Uses of Capital

- Growth
- Acquisitions
- Product Expansion
- Restructurings
- Recapitalizations
- Refinancing

Diversified Solutions Provider by Industry

- Capital Goods
- Software & Services
- Diversified Financials
- Retailing
- Consumer Durables
- Materials
- Energy
- Other (17 industries)

Q1 2019 Select Transactions⁽¹⁾

New Origination



\$127mm

Lead Investor

New Origination



\$169mm

Joint Investor

New Origination



\$89mm

Lead Investor

1. Dollar amounts listed above for Select Transactions reflective of FSK's total allocation including unfunded commitments to each respective investment. Excludes: (i) amounts allocated to other investment vehicles managed by KKR, and (ii) syndicated capital.

Portfolio Highlights – Net Investment Activity

Portfolio Roll (\$ in millions)	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Investment Purchases	\$549	\$220	\$184	\$240	\$116
Sales and Redemptions ⁽¹⁾	(510)	(397)	(223)	(350)	(216)
Net Investment Activity	\$39	(\$177)	(\$39)	(\$110)	(\$100)
Net Sales to SCJV	82	44	-	-	-
Adjusted Net Investment Activity	\$121	(\$133)	(\$39)	(\$110)	(\$100)

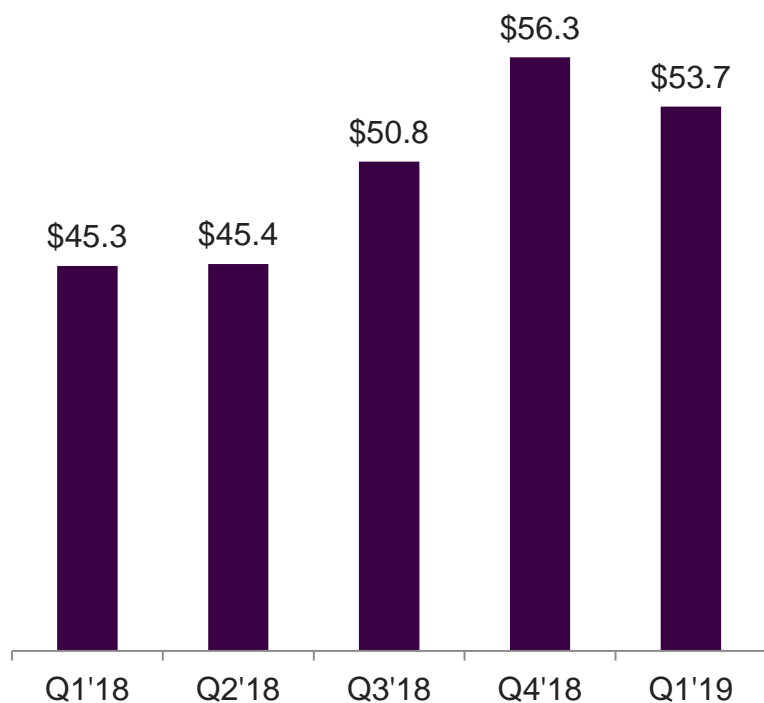
Asset Mix of New Purchases ⁽²⁾	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
First Lien Senior Secured Loans	59%	71%	78%	62%	85%
Second Lien Senior Secured Loans	25%	29%	18%	8%	4%
Other Senior Secured Debt	0%	0%	2%	15%	6%
Subordinated Debt	10%	0%	1%	2%	3%
Asset Based Finance	4%	0%	1%	0%	0%
Investment in SCJV	0%	0%	0%	0%	0%
Equity/Other	2%	0%	0%	13%	2%

1. Includes net sales to SCJV.

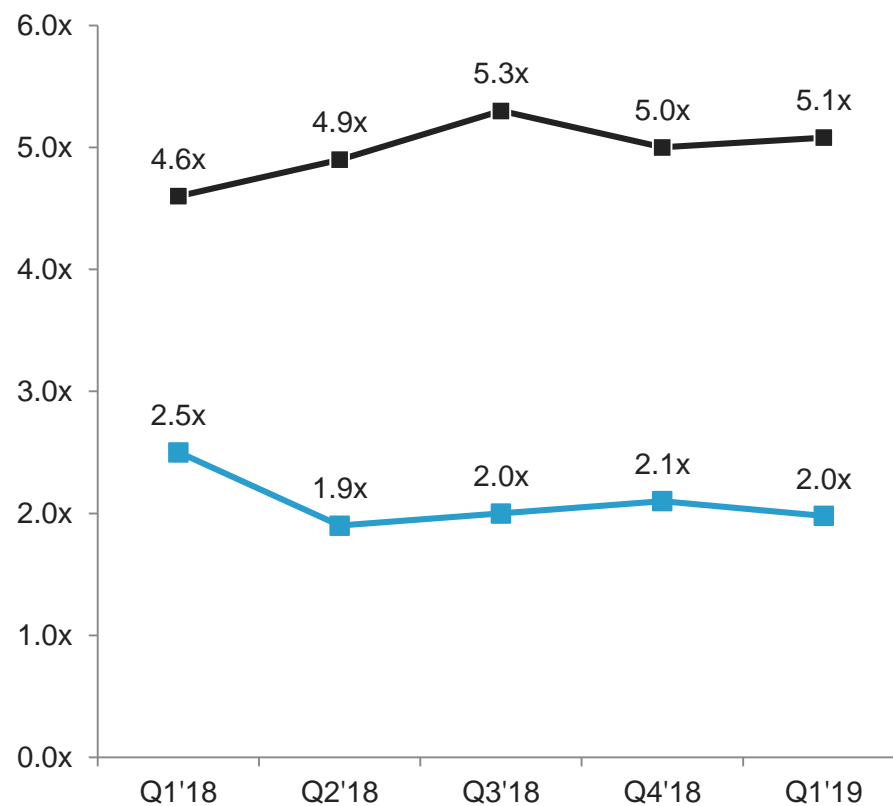
2. Zero represents an amount less than 0.5%.

Direct Origination Investments EBITDA and Credit Statistics

Direct Origination Portfolio Company
Median EBITDA



Direct Origination Portfolio Company
Coverage Ratios



■ Median Leverage Coverage Multiple
■ Median Interest Coverage Ratio

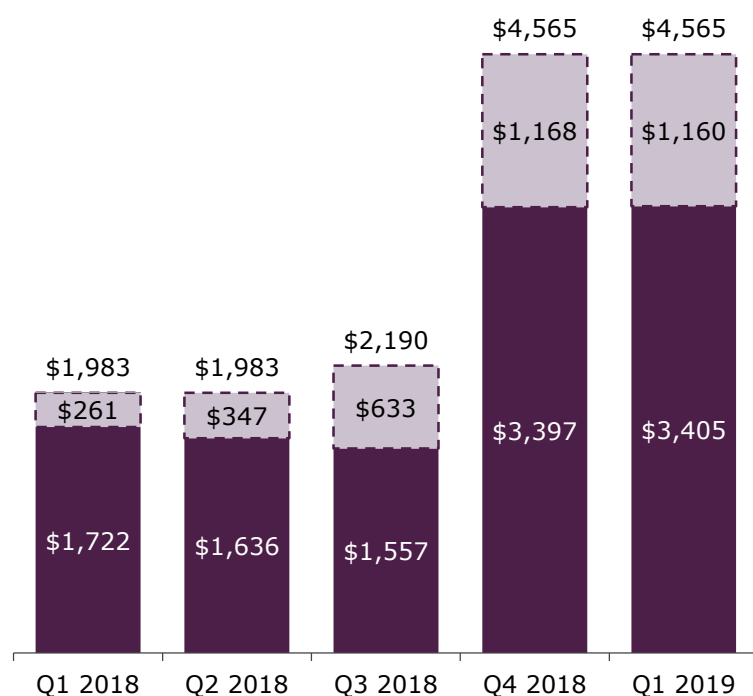
Note: Information based on most recently reported Direct Origination Investments financial information

Capital Structure

Funding and Liquidity Management

Leverage over Time

■ Principal Outstanding □ Capacity

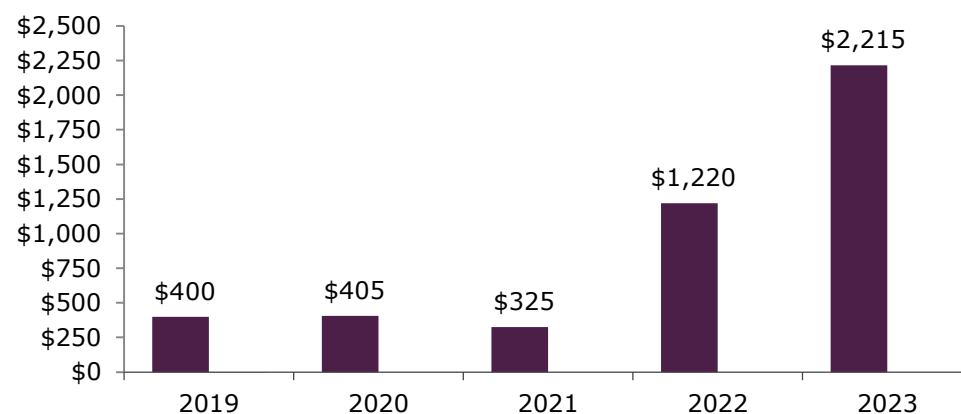


Cash (mm)⁽¹⁾	\$215.1	\$200.1	\$100.0	\$104.0	\$92.0
Net Debt /Equity⁽²⁾	0.67x	0.67x	0.70x	0.79x	0.80x

Key Funding Vehicles (\$mm)

Funding Source	Committed	Principal Outstanding	Undrawn	Maturity	Wtd. Avg. Rate ⁽³⁾
4.00% Notes	\$400	\$400	-	7/15/19	4.00%
4.25% Notes	405	405	-	1/15/20	4.25%
JPM – Prepayable	325	268	57	1/31/21	5.09%
4.75% Notes	275	275	-	5/15/22	4.75%
5.00% Notes	245	245	-	6/28/22	5.00%
JPM – Extended	400	400	-	9/28/22	5.09%
SMBC Revolver	300	50	250	12/2/22	4.34%
Syndicated RCF	2,215	1,362	853	8/9/23	4.59%
Total	\$4,565	\$3,405	\$1,160		4.62%

Maturity Profile (\$mm)



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

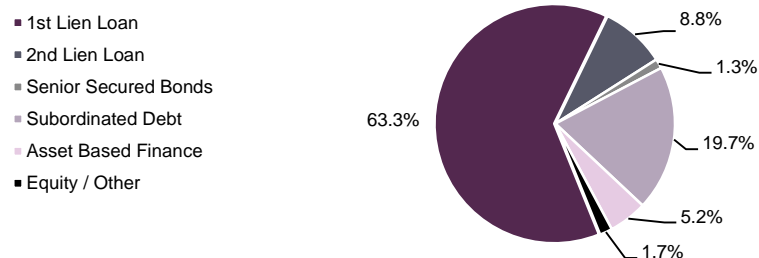
March 31, 2019 update:

- **Portfolio**
 - Fair value of investments was \$657mm
- **Key stats**
 - NAV of \$345mm (FSK's equity of SCJV was \$303mm)
 - 0.93x net debt-to-equity ratio⁽²⁾
 - \$7.3mm total dividend paid in Q1 compared to \$7.8mm total dividend paid in Q4
 - Net income was \$9.2mm, resulting in a projected Q2 2019 dividend of \$8.0mm to FSK

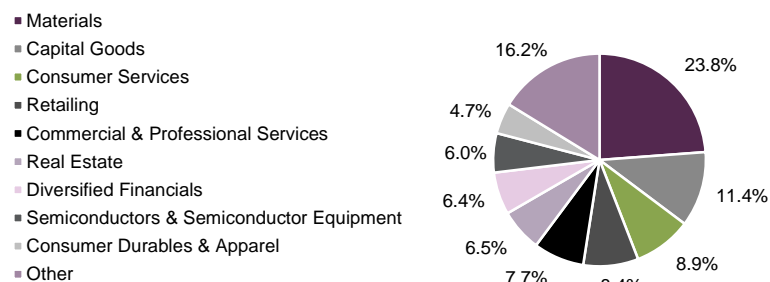
1. Conway Capital is an affiliate of Guggenheim Life and Annuity Company and Delaware Life Insurance Company.

2. Computed as total principal debt outstanding less cash +/- unsettled trades divided by stockholders' equity.

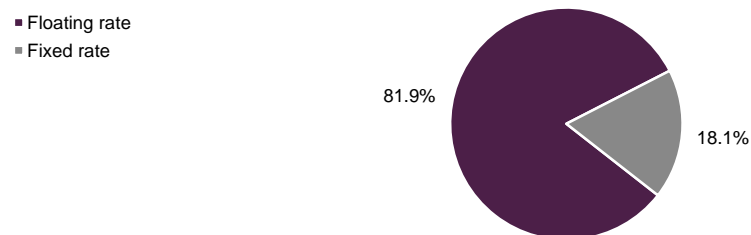
Security Exposure



Sector Exposure



Fixed / Floating – Debt Investments



Appendix

Quarterly Gain/Loss Information

	For The Three Months Ended				
	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18
<i>(Dollar amounts in millions, except per share data)</i>					
Realized gain/loss					
Net realized gain (loss) on investments:					
Non-controlled/unaffiliated investments	(\$15)	(\$177)	\$24	\$41	(\$4)
Non-controlled affiliated investments	-	1	-	(10)	-
Controlled/affiliated investments	(3)	0	-	-	-
Net realized gain (loss) on swap contracts	1	-	-	-	-
Net realized gain (loss) on foreign currency	2	0	6	-	-
Total net realized gain (loss)	(\$15)	(\$176)	\$30	\$31	(\$4)
Unrealized gain/loss					
Net change in unrealized appreciation (depreciation) on investments:					
Non-controlled/unaffiliated investments	(\$30)	\$154	(\$104)	(\$81)	(\$17)
Non-controlled affiliated investments	53	(38)	8	(21)	(6)
Controlled/affiliated investments	(7)	(101)	6	(8)	(10)
Net change in unrealized appreciation (depreciation) on swap contracts	4	(16)	-	-	-
Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	1	3	-	-	-
Net change in unrealized appreciation (depreciation) on secured borrowing	-	-	-	-	-
Net change in unrealized gain (loss) on foreign currency	-	2	(7)	2	(1)
Total net unrealized gain (loss)	\$21	\$4	(\$97)	(\$108)	(\$34)
Total net realized and unrealized gain (loss)⁽¹⁾	\$6	(\$172)	(\$67)	(\$77)	(\$38)

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				
	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18
Total investment income	\$195	\$103	\$95	\$96	\$101
Net expenses	(100)	(43)	(39)	(50)	(50)
Net investment income before taxes	\$95	\$60	\$56	\$46	\$51
Excise taxes	-	(7)	-	-	-
GAAP Net investment income	\$95	\$53	\$56	\$46	\$51
Plus: excise taxes	-	7	-	-	-
Plus: one-time expenses ⁽¹⁾	-	-	1	-	-
Adjusted net investment income	\$95	\$60	\$57	\$46	\$51
Total net unrealized and realized gains (losses) ⁽²⁾	6	(172)	(67)	(77)	(38)
Net increase (decrease) in net assets resulting from operations	\$101	(\$119)	(\$11)	(\$31)	\$13
Per Share:					
Net investment income	\$0.18	\$0.19	\$0.23	\$0.19	\$0.21
Adjusted net investment income	\$0.18	\$0.21	\$0.24	\$0.19	\$0.21
Net increase (decrease) in net assets results from operations	\$0.19	(\$0.43)	(\$0.05)	(\$0.13)	\$0.05
Stockholder distributions	\$0.19	\$0.19	\$0.19	\$0.19	\$0.19
Special distributions	-	\$0.09	-	-	-
Weighted average shares outstanding (millions)	527.5	277.3	239.5	242.8	245.7
Shares outstanding, end of period (millions)	524.1	531.5	239.2	240.6	245.6

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				
	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18
Investment income:					
Interest income	\$158	\$83	\$75	\$81	\$78
Payment-in-kind interest income	16	16	14	11	13
Fee income	11	3	4	4	3
Total dividend and other income	10	2	-	-	7
Total investment income	\$195	\$103	\$95	\$96	\$101
Operating expenses:					
Investment advisory fees & expenses	29	16	15	16	16
Interest expense	43	22	21	21	20
Incentive fees	24	3	-	11	12
Other operating expenses	4	2	2	2	2
Total operating expenses	\$100	\$43	\$38	\$50	\$50
Net investment income before taxes	95	60	56	46	51
Income taxes, including excise taxes	-	(7)	-	-	-
Net investment income	\$95	\$53	\$56	\$46	\$51
Total net unrealized and realized gains (losses) ⁽¹⁾	6	(172)	(67)	(77)	(38)
Net increase in net assets resulting from operations	\$101	(\$119)	(\$11)	(\$31)	\$13

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				
	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18
Assets					
Total investments, at fair value	\$7,440	\$7,387	\$3,537	\$3,627	\$3,804
Cash	86	101	99	195	210
Foreign currency, at fair value	6	3	1	6	5
Receivable for investments sold and repaid	123	144	28	20	1
Income receivable	65	60	23	32	32
Unrealized appreciation on foreign currency forward contracts	4	3	-	-	-
Deferred financing costs	6	6	6	3	3
Deferred merger costs	-	-	3	-	-
Prepaid expenses and other assets	3	1	1	1	2
Total Assets	\$7,733	\$7,705	\$3,699	\$3,883	\$4,058
Liabilities					
Payable for investments purchased	\$15	\$6	\$1	\$22	\$0
Credit facilities payable	2,076	2,070	475	554	639
Unsecured notes payable	1,322	1,321	1,076	1,075	1,074
Unrealized depreciation on derivative instruments	12	16	-	-	-
Shareholders' distributions payable	100	45	45	46	47
Interest Payable	26	28	18	23	18
Other liabilities ⁽¹⁾	62	53	17	28	30
Total Liabilities	\$3,613	\$3,539	\$1,632	\$1,748	\$1,808
Total Net Assets	\$4,120	\$4,166	\$2,067	\$2,135	\$2,250
Net Asset Value per Share	\$7.86	\$7.84	\$8.64	\$8.87	\$9.16

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.

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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.