

FS KKR Capital Corp.

Financial Information

QUARTER AND YEAR ENDED DECEMBER 31, 2019

Fourth Quarter and Year End Results

Summary of Quarterly Results

Fourth Quarter Performance

- Net investment income (NII) for the quarter ended December 31, 2019 was \$100 million, or \$0.20 per share, as compared to \$115 million, or \$0.22 per share, for the quarter ended September 30, 2019.
- Adjusted NII⁽¹⁾ for the quarter ended December 31, 2019 was \$107 million, or \$0.21 per share, as compared to \$114 million, or \$0.22 per share, for the quarter ended September 30, 2019.
- Net asset value (NAV) per share as of December 31, 2019 was \$7.64, compared to \$7.86 as of September 30, 2019.
- Net realized and unrealized losses on investments of \$127 million, or \$0.25 per share, for the quarter ended December 31, 2019, as compared to net realized and unrealized losses on investments of \$44 million, or \$0.08 per share, for the quarter ended September 30, 2019.

Investment Activity

- New investment fundings in the fourth quarter were approximately \$1,147 million. Net investment activity in the fourth quarter was \$218 million, and \$594 million, net of the \$376 million of sales to Strategic Credit Opportunities Partners, LLC (SCJV).
- As of December 31, 2019, 88% of total investments at fair value were in Direct Originations.⁽²⁾

Dividend

- Paid regular dividend of \$0.19 per share for the fourth quarter of 2019.
- Board of Directors has declared a regular dividend of \$0.19 per share for the first quarter of 2020.
- For the quarter ended December 31, 2019, the NII / Dividend coverage ratio was 103%.
- For the quarter ended December 31, 2019, the Adjusted NII⁽¹⁾ / Dividend coverage ratio was 111%.

Portfolio Diversification

- Diversified \$7.4 billion portfolio with 210 portfolio companies spread across 24 industries.
- Exposure to the top ten largest portfolio companies by fair value was 22% as of December 31, 2019.

Buyback Activity

- Executed approximately \$171 of the \$200 million share buyback program as of February 26, 2020.
- Since the listing of CCT in November 2017, the combined FSK entity has repurchased approximately \$455 million of shares as of February 26, 2020, including the full \$100 million share buyback program in 2018.

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

2. Direct Originations are defined as investments where FSK's investment adviser, sub-adviser or their affiliates had negotiated 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. These direct originations include investments originated by FSK's former investment adviser, sub-adviser or their affiliates.

Financial Results

<i>(Dollar amounts in millions, except per share data)</i>	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
NII per share	\$0.20	\$0.22	\$0.19	\$0.18	\$0.19
Adjusted NII per share ⁽¹⁾	\$0.21	\$0.22	\$0.19	\$0.18	\$0.21
Net realized and unrealized gains (losses) per share ⁽²⁾	(\$0.25)	(\$0.08)	\$0.00	\$0.01	(\$0.62)
Net increase (decrease) in net assets resulting from operations (earnings per share) ⁽²⁾	(\$0.05)	\$0.14	\$0.19	\$0.19	(\$0.43)
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	\$7.64	\$7.86	\$7.88	\$7.86	\$7.84
Weighted average shares outstanding (in millions)	508.8	517.5	522.2	527.5	277.3
Shares outstanding, end of period (in millions)	506.3	512.3	520.3	524.1	531.5
Total assets	\$8,216	\$7,774	\$7,744	\$7,733	\$7,705
Cash ⁽³⁾	\$106	\$126	\$288	\$92	\$104
Total debt ⁽⁴⁾	\$4,195	\$3,522	\$3,451	\$3,405	\$3,397
Debt-to-equity, Net ⁽⁵⁾	0.89x	0.78x	0.76x	0.78x	0.76x
Adjusted NII / total recurring dividend	111%	117%	102%	95%	109%

1. See the Appendix for a reconciliation between NII and Adjusted NII.

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

3. Includes cash, restricted cash, and cash denominated in foreign currency.

4. Principal amount outstanding.

5. 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.

Portfolio Highlights

<i>(Dollar amounts in millions)</i>	As of and for Three Months Ended				
	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18
Investment at Fair Value:					
First Lien Senior Secured Loans	50.6%	50.8%	52.8%	54.2%	54.2%
Second Lien Senior Secured Loans	16.3%	17.0%	15.8%	15.7%	15.1%
Other Senior Secured Debt	3.2%	3.8%	3.8%	3.7%	4.6%
Subordinated Debt	5.6%	5.4%	5.4%	5.4%	5.8%
Asset Based Finance	10.0%	9.7%	9.9%	9.1%	9.0%
Strategic Credit Opportunities Partners	6.5%	5.9%	4.0%	4.1%	4.0%
Equity/Other	7.8%	7.4%	8.3%	7.8%	7.3%
Total Investments	\$7,357	\$7,218	\$7,283	\$7,440	\$7,387
% Non-Income Producing Investments – FV ⁽¹⁾	9.4%	7.9%	8.7%	8.1%	8.6%
Number of portfolio companies ⁽²⁾	210	201	197	186	204
Interest Rate Type:⁽³⁾					
% Floating Rate	81.7%	81.3%	80.9%	81.9%	80.5%
% Fixed Rate	18.3%	18.7%	19.1%	18.1%	19.5%
Net Interest Margin:					
Weighted average annual yield on accruing debt investments ⁽⁴⁾	9.7%	10.1%	10.5%	10.8%	10.8%
Weighted average interest rate on borrowings ⁽⁵⁾	4.0%	4.4%	4.6%	4.7%	4.6%

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

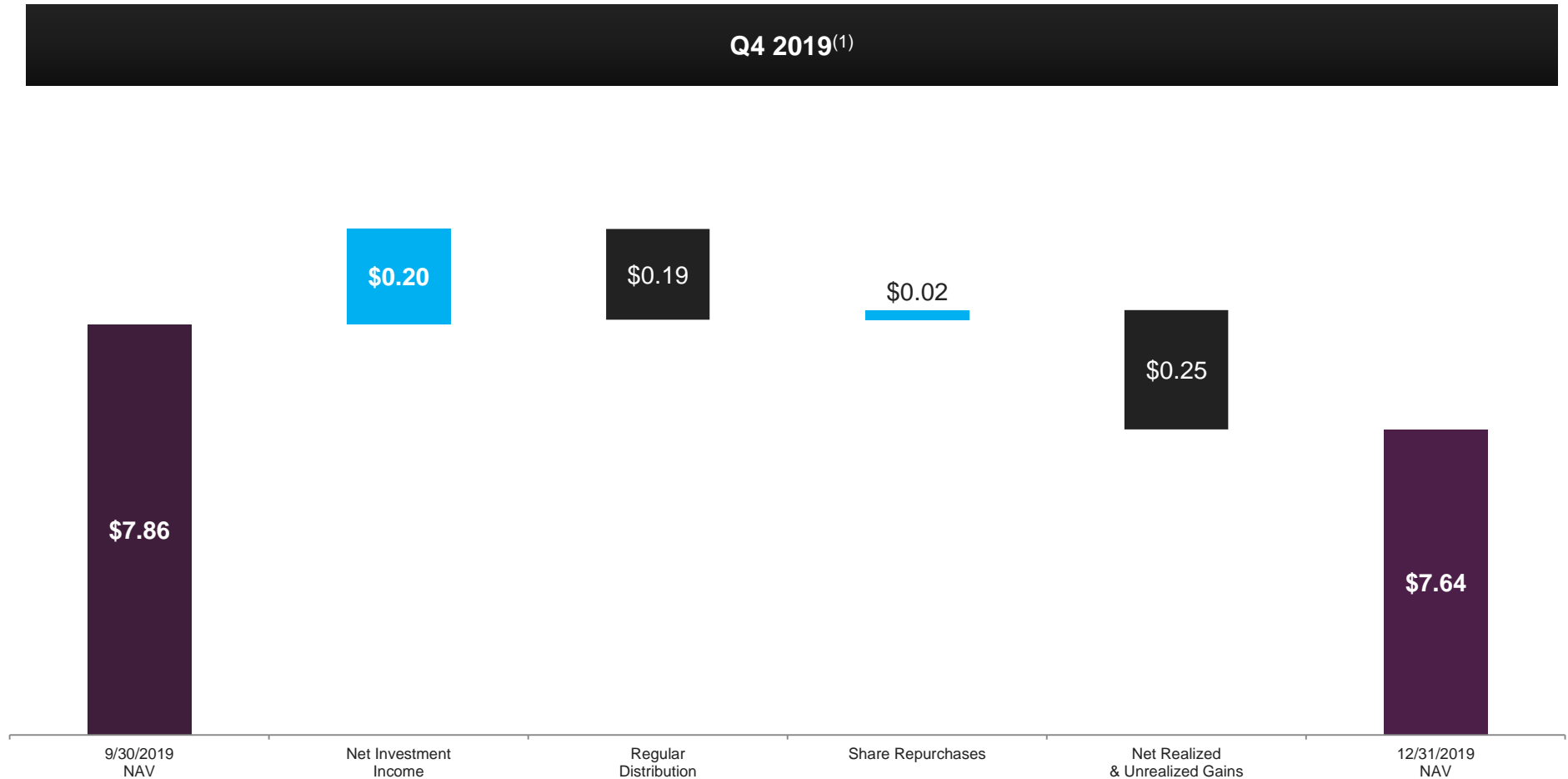
2. Does not look through to FSK's portfolio companies held solely in SCJV. SCJV is a joint venture between FSK and South Carolina Retirement Systems Group Trust (SCRS).

3. Represents interest rates on Debt Investments (see FSK's Annual Report on Form 10-K 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. FSK's weighted average annual yield on all debt investments was 8.8% as of December 31, 2019. See FSK's Annual Report on Form 10-K for additional information on the calculation of weighted average annual yield on accruing debt investments and weighted average annual yield on all debt investments.

5. Includes the effect of non-usage fees.

Net Asset Value Bridge – Q4 2019



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

Portfolio Highlights

Portfolio Highlights

210

portfolio companies¹

22%

concentration in top-10 portfolio companies²

70%

of investments in senior secured debt²

\$56M / 5.4x

Median portfolio company EBITDA & Leverage

82%

of debt investments are floating rate³

9.7%

Wtd. avg. annual yield on accruing debt investments⁴

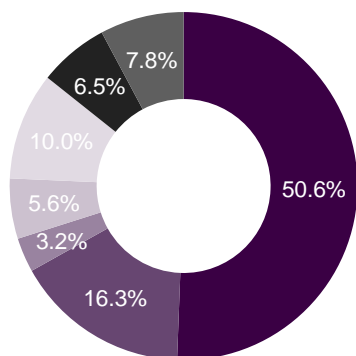
2.8%

Non-accrual rate

94%

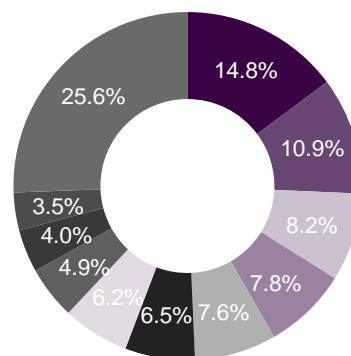
Lead, co-lead, or sole lender⁵

Security Exposure



- Senior Secured Loans—First Lien
- Senior Secured Loans—Second Lien
- Other Senior Secured Debt
- Subordinated Debt
- Asset Based Finance
- Strategic Credit Opportunities Partners, LLC
- Equity/Other

Sector Exposure Across Top 10 Industries



- Capital Goods
- Software & Services
- Health Care Equipment & Services
- Diversified Financials
- Commercial & Professional Services
- Strategic Credit Opportunities Partners, LLC
- Retailing
- Consumer Durables & Apparel
- Consumer Services
- Materials
- Other

Note: All stats as of December 31, 2019 and based on fair value 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 Annual Report on Form 10-K for its definition of debt investments.
4. FSK's weighted average annual yield on all debt investments was 8.8% as of December 31, 2019. See FSK's Annual Report on Form 10-K for additional information on the calculation of weighted average annual yield on accruing debt investments and weighted average annual yield on all debt investments.
5. Figure based on count 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
- Healthcare Equipment & Services
- Other (17 industries)

Q4 2019 Select Transactions⁽¹⁾

New Investment



\$100mm
Club Deal

New Investment

LIONBRIDGE

\$99mm
Lead Investor

New Investment



\$179mm
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)	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Investment Purchases	\$1,147	\$698	\$513	\$549	\$220
Sales and Redemptions ⁽¹⁾	(929)	(723)	(692)	(510)	(397)
Net Investment Activity	\$218	(\$25)	(\$179)	\$39	(\$177)
Net Sales to SCJV	376	274	-	82	44
Adjusted Net Investment Activity	\$594	\$249	(\$179)	\$121	(\$133)

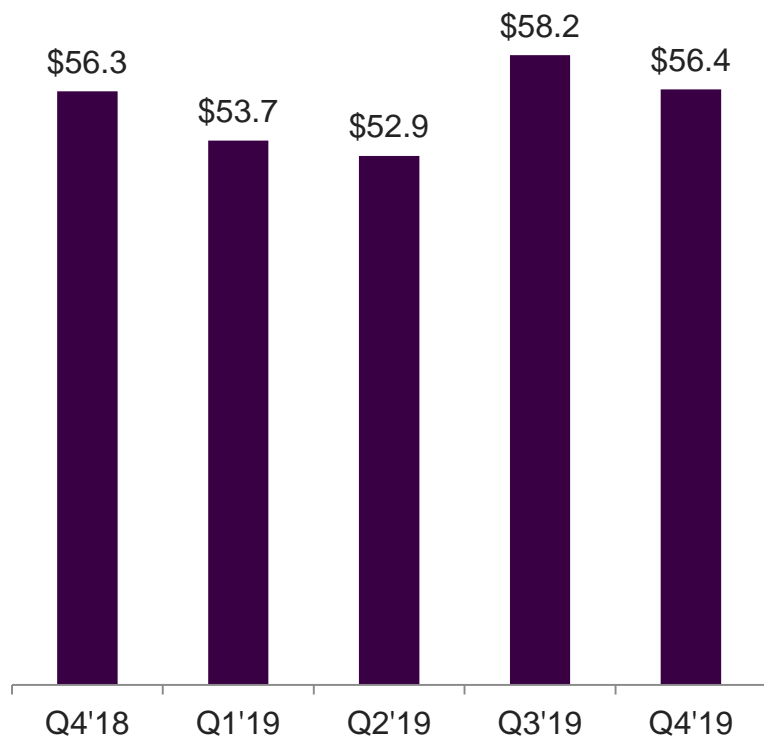
Asset Mix of New Purchases ⁽²⁾	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
First Lien Senior Secured Loans	72%	53%	69%	59%	71%
Second Lien Senior Secured Loans	8%	14%	1%	25%	29%
Other Senior Secured Debt	0%	0%	6%	0%	0%
Subordinated Debt	0%	0%	3%	10%	0%
Asset Based Finance	11%	14%	21%	4%	0%
Investment in SCJV	6%	19%	0%	0%	0%
Equity/Other	3%	0%	0%	2%	0%

1. Includes net sales to SCJV.

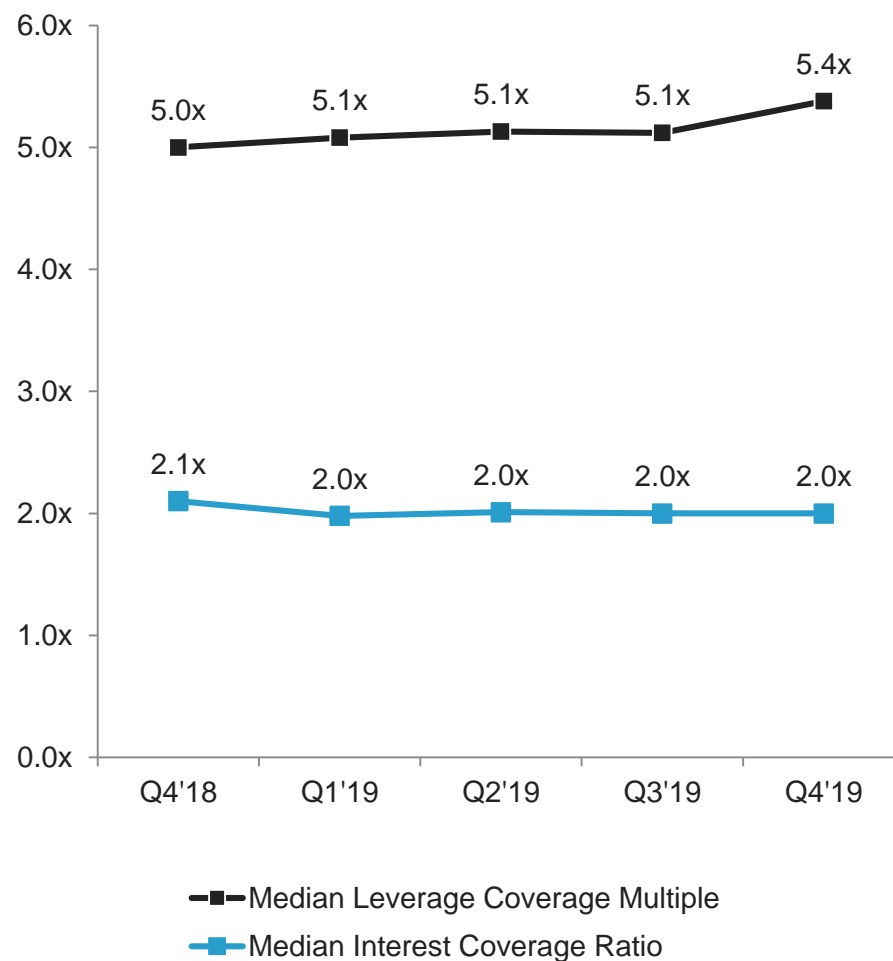
2. Zero represents an amount less than 0.5%.

Direct Origination Investments EBITDA and Credit Statistics

Direct Origination Portfolio Company
Median EBITDA



Direct Origination Portfolio Company
Coverage Ratios



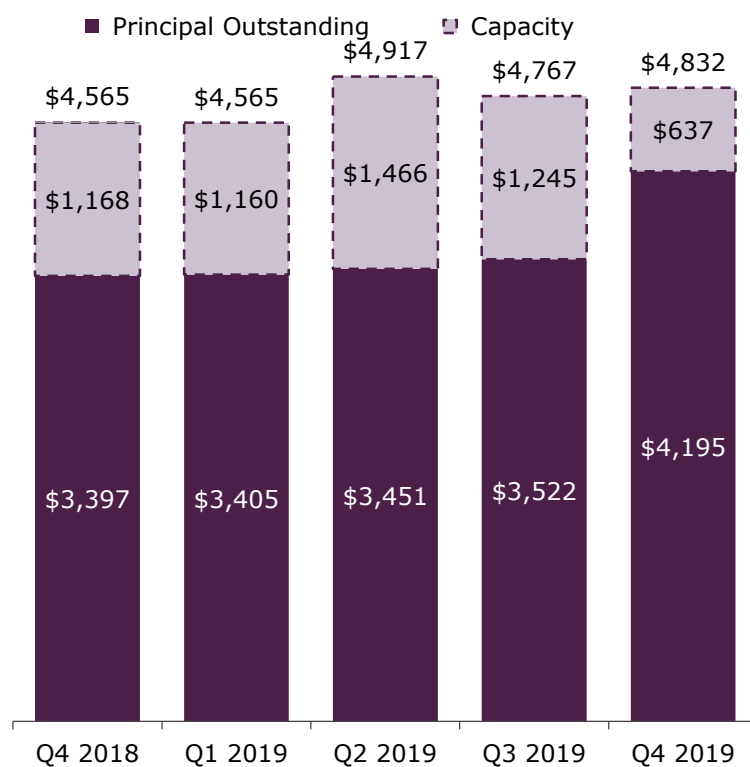
Note: Information based on most recently reported Direct Origination financial information

Capital Structure

Funding and Liquidity Management

- Mature capital structure with diversified funding sources and an appropriate maturity profile
- Short term flexibility of \$637m of undrawn debt capacity and \$642m of net unsettled sales
- Unsecured debt represented approximately 37% of our drawn debt

Leverage over Time

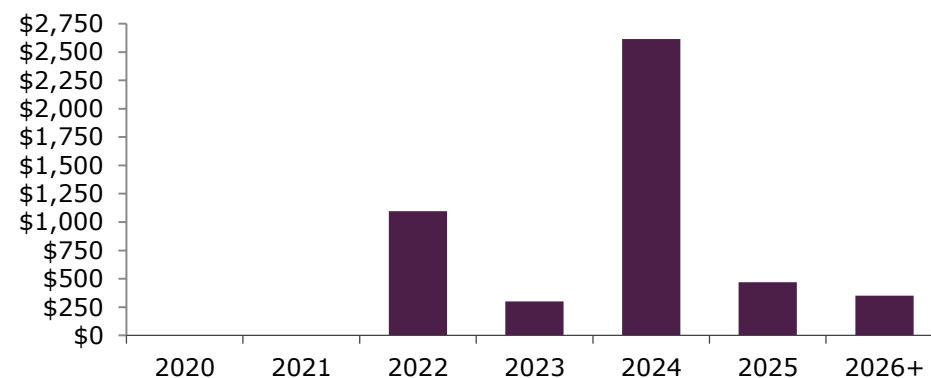


Cash (mm)⁽¹⁾	\$104.0	\$92.0	\$288.0	\$126.0	\$106.0
Net Debt /Equity⁽²⁾	0.76x	0.78x	0.76x	0.78x	0.89x

Key Funding Vehicles (\$mm)

Funding Source	Committed	Principal Outstanding	Undrawn	Maturity	Wtd. Avg. Rate ⁽³⁾
4.75% Notes	450	450	-	5/15/22	4.75%
5.00% Notes	245	245	-	6/28/22	5.00%
JPM Term Loan	400	400	-	9/28/22	L+2.50%
SMBC Revolver	300	265	35	6/2/23	L+1.75%
4.625% Notes	400	400	-	7/15/24	4.63%
Syndicated RCF	2,215	1,613	602	11/7/24	L+2.00%
4.125% Notes	470	470	-	2/1/25	4.13%
FS KKR MM CLO	352	352	-	7/15/30	L+1.82%
Total	\$4,832	\$4,195	\$637		4.01%

Maturity Profile (\$mm)



FSK's SCJV Offers Key Investor Benefits

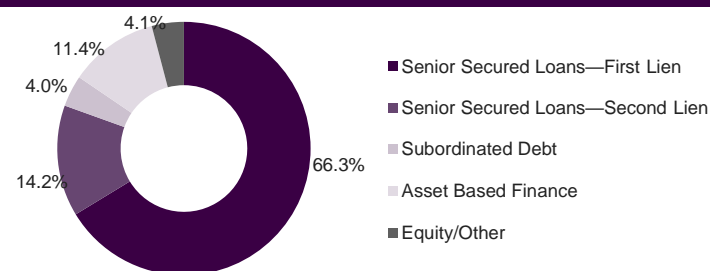
FSK's joint venture with South Carolina Retirement Systems Group Trust

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

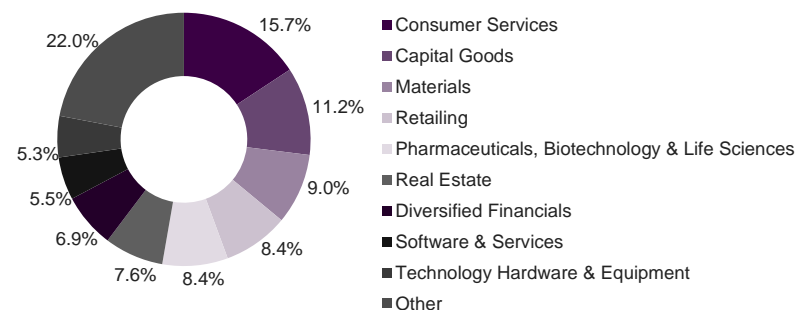
December 31, 2019 update:

- **Portfolio**
 - Fair value of investments was \$1,439mm
- **Key stats**
 - NAV of \$547mm (FSK's equity of SCJV was \$479mm)
 - \$192mm net purchases in Q4, weighted toward the end of the quarter
 - \$440mm of uncalled equity capital (\$385mm allocated to FSK)
 - 1.63x net debt-to-equity ratio⁽¹⁾⁽²⁾
 - \$12.3mm dividend declared to FSK in Q4 (\$14.0mm total dividend)

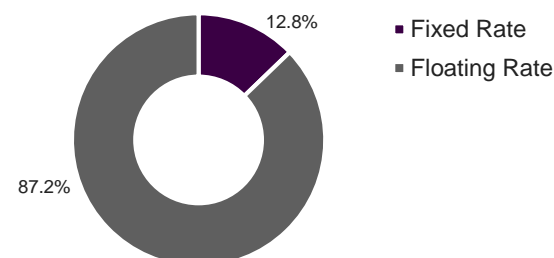
Security Exposure



Sector Exposure



Fixed / Floating – Debt Investments



Appendix

Operating Results

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18
Total investment income	\$186	\$199	\$199	\$195	\$103
Net expenses	(79)	(84)	(98)	(100)	(43)
Net investment income before taxes	\$107	\$115	\$101	\$95	\$60
Excise taxes	(7)	-	-	-	(7)
GAAP Net investment income	\$100	\$115	\$101	\$95	\$53
Plus: excise taxes	7	-	-	-	7
Plus: one-time expenses ⁽¹⁾	-	(1)	-	-	-
Adjusted net investment income⁽²⁾	\$107	\$114	\$101	\$95	\$60
Total net unrealized and realized gains (losses) ⁽³⁾	(127)	(44)	0	6	(172)
Net increase (decrease) in net assets resulting from operations	(\$27)	\$71	\$101	\$101	(\$119)
Per Share:					
Net investment income	\$0.20	\$0.22	\$0.19	\$0.18	\$0.19
Adjusted net investment income ⁽²⁾	\$0.21	\$0.22	\$0.19	\$0.18	\$0.21
Net increase (decrease) in net assets results from operations	(\$0.05)	\$0.14	\$0.19	\$0.19	(\$0.43)
Stockholder distributions	\$0.19	\$0.19	\$0.19	\$0.19	\$0.19
Special distributions	-	-	-	-	\$0.09
Weighted average shares outstanding (millions)	508.8	517.5	522.2	527.5	277.3
Shares outstanding, end of period (millions)	506.3	512.3	520.3	524.1	531.5

1. FSK's one-time expenses for the three months ended September 30, 2019 consist of a reversal of \$1 million resulting from a reduction in the estimate for deferred taxes.

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; and (iii) 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. 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.

3. Excludes the impact of \$717 million of unrealized appreciation resulting from the merger with CCT for the three months ended December 31, 2018. 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				
	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18
Investment income:					
Interest income	\$133	\$163	\$156	\$158	\$83
Payment-in-kind interest income	21	11	12	16	16
Fee income	16	7	8	11	3
Total dividend and other income	16	18	23	10	2
Total investment income	\$186	\$199	\$199	\$195	\$103
Operating expenses:					
Investment advisory fees & expenses	30	28	28	29	16
Interest expense	43	42	41	43	22
Incentive fees	-	8	25	24	3
Other operating expenses	6	6	4	4	2
Total operating expenses	\$79	\$84	\$98	\$100	\$43
Net investment income before taxes	107	115	101	95	60
Income taxes, including excise taxes	(7)	-	-	-	(7)
Net investment income	\$100	\$115	\$101	\$95	\$53
Total net unrealized and realized gains (losses) ⁽¹⁾	(127)	(44)	0	6	(172)
Net increase in net assets resulting from operations	(\$27)	\$71	\$101	\$101	(\$119)

1. Excludes the impact of \$717 million of unrealized appreciation resulting from the merger with CCT for the three months ended December 31, 2018. See FSK's Annual Report on Form 10-K for additional information.

Operating Statement of Financial Condition

(Dollar amounts in millions, except per share data)	As of				
	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18
Assets					
Total investments, at fair value	\$7,357	\$7,218	\$7,283	\$7,440	\$7,387
Cash	93	115	264	86	101
Foreign currency, at fair value	13	11	24	6	3
Receivable for investments sold and repaid	657	328	86	123	144
Income receivable	82	84	77	65	60
Unrealized appreciation on foreign currency forward contracts	1	9	3	4	3
Deferred financing costs	10	6	5	6	6
Prepaid expenses and other assets	3	3	2	3	1
Total Assets	\$8,216	\$7,774	\$7,744	\$7,733	\$7,705
Liabilities					
Payable for investments purchased	\$15	\$71	\$17	\$15	\$6
Debt	4,173	3,508	3,441	3,398	3,391
Unrealized depreciation on derivative instruments	-	1	3	12	16
Shareholders' distributions payable	96	98	100	100	45
Interest Payable	23	29	26	26	28
Other liabilities ⁽¹⁾	43	43	59	62	53
Total Liabilities	\$4,350	\$3,750	\$3,646	\$3,613	\$3,539
Total Net Assets	\$3,866	\$4,024	\$4,098	\$4,120	\$4,166
Net Asset Value per Share	\$7.64	\$7.86	\$7.88	\$7.86	\$7.84

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

Quarterly Gain/Loss Information

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18
Realized gain/loss					
Net realized gain (loss) on investments:					
Non-controlled/unaffiliated investments	(\$31)	(\$17)	(\$51)	(\$15)	(\$177)
Non-controlled/affiliated investments	11	29	(8)	-	1
Controlled/affiliated investments	(1)	5	-	(3)	0
Net realized gain (loss) on swap contracts	(1)	-	(11)	1	-
Net realized gain (loss) on foreign currency forward contracts	6	2	2	2	-
Net realized gain (loss) on foreign currency	(1)	2	1	0	0
Total net realized gain (loss)	(\$17)	\$21	(\$67)	(\$15)	(\$176)
Unrealized gain/loss					
Net change in unrealized appreciation (depreciation) on investments:					
Non-controlled/unaffiliated investments	(\$51)	(\$73)	\$49	(\$30)	\$154
Non-controlled/affiliated investments	(7)	(15)	24	53	(38)
Controlled/affiliated investments	(26)	12	(12)	(7)	(101)
Net change in unrealized appreciation (depreciation) on swap contracts	1	1	10	4	(16)
Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	(8)	7	(2)	1	3
Net change in unrealized gain (loss) on foreign currency	(19)	3	(2)	-	2
Total net unrealized gain (loss)	(\$110)	(\$65)	\$67	\$21	\$4
Total net realized and unrealized gain (loss)⁽¹⁾	(\$127)	(\$44)	\$0	\$6	(\$172)

1. Excludes the impact of \$717 million of unrealized appreciation resulting from the merger with CCT for the three months ended December 31, 2018. See FSK's Annual Report on Form 10-K for additional information.

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.