

FS KKR Capital Corp.

Financial Information

QUARTER ENDED JUNE 30, 2019

Second Quarter Results

Summary of Quarterly Results

<p>Second Quarter Performance</p>	<ul style="list-style-type: none"> • Net investment income (NII) for the quarter ended June 30, 2019 was \$101 million, or \$0.19 per share, as compared to \$95 million, or \$0.18 per share, for the quarter ended March 31, 2019. • Net realized and unrealized gains on investments of \$0 million, for the quarter ended June 30, 2019. This compares to net realized and unrealized gains on investments of \$6 million, or \$0.01 per share, for the quarter ended March 31, 2019.
<p>NAV Per Share</p>	<ul style="list-style-type: none"> • Net asset value (NAV) per share as of June 30, 2019 was \$7.88, compared to \$7.86 as of March 31, 2019.
<p>Dividend</p>	<ul style="list-style-type: none"> • FSK paid a regular dividend of \$0.19 per share for the second quarter of 2019. • FSK's Board of Directors has declared a regular dividend of \$0.19 per share for the third quarter of 2019. • For the quarter ended June 30, 2019, the NII / Dividend coverage ratio was 102%.⁽¹⁾
<p>Investment Activity</p>	<ul style="list-style-type: none"> • New investment fundings in the second quarter were approximately \$513 million. Sales and paydowns were approximately \$692 million in the second quarter. • As of June 30, 2019, 89% of total investments at fair value were in Direct Originations.⁽²⁾
<p>Portfolio Diversification</p>	<ul style="list-style-type: none"> • Diversified \$7.3 billion portfolio with 197 portfolio companies spread across 24 industries. • Exposure to the top ten largest portfolio companies by fair value was 21% as of June 30, 2019. • The average position size was 0.5% of fair value as of June 30, 2019.
<p>Capital Activity</p>	<ul style="list-style-type: none"> • Expanded Joint Venture program to \$1 billion with a new partner, South Carolina Retirement Systems Group Trust. • Raised over \$350 million of proceeds in a Middle Market CLO issuance in the second quarter. • Issued a \$400 million five-year unsecured bond and an add-on issuance of \$175 million to our existing 2022 unsecured bonds in July. • Received shareholder approval to increase regulatory leverage to 2:1 debt-to-equity. • Executed approximately \$81 million of the \$200 million share buyback program as of August 6, 2019.

1. There were no adjustments to NII in the quarter ended June 30, 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>	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
NII per share	\$0.19	\$0.18	\$0.19	\$0.23	\$0.19
Adjusted NII per share ⁽¹⁾	\$0.19	\$0.18	\$0.21	\$0.24	\$0.19
Net realized and unrealized gains (losses) per share ⁽²⁾	\$0.00	\$0.01	(\$0.62)	(\$0.28)	(\$0.32)
Net increase (decrease) in net assets resulting from operations (earnings per share) ⁽²⁾	\$0.19	\$0.19	(\$0.43)	(\$0.05)	(\$0.13)
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	\$7.88	\$7.86	\$7.84	\$8.64	\$8.87
Weighted average shares outstanding (in millions)	522.2	527.5	277.3	239.5	242.8
Shares outstanding, end of period (in millions)	520.3	524.1	531.5	239.2	240.6
Total assets	\$7,744	\$7,733	\$7,705	\$3,699	\$3,883
Cash ⁽³⁾	\$288	\$92	\$104	\$99	\$195
Total debt ⁽⁴⁾	\$3,451	\$3,405	\$3,397	\$1,557	\$1,636
Debt-to-equity, Net ⁽⁵⁾	0.77x	0.80x	0.79x	0.70x	0.67x
Adjusted NII / total recurring dividend	102%	95%	109%	123%	100%

1. 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.
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. 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				
	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18
Investment at Fair Value:					
First Lien Senior Secured Loans	52.8%	54.2%	54.2%	69.5%	67.2%
Second Lien Senior Secured Loans	15.8%	15.7%	15.1%	3.9%	3.6%
Other Senior Secured Debt	3.8%	3.7%	4.6%	5.2%	5.1%
Subordinated Debt	5.4%	5.4%	5.8%	5.3%	8.2%
Asset Based Finance	9.9%	9.1%	9.0%	5.6%	5.4%
Strategic Credit Opportunities Partners	4.0%	4.1%	4.0%	0.0%	0.0%
Equity/Other	8.3%	7.8%	7.3%	10.4%	10.6%
Total Investments	\$7,283	\$7,440	\$7,387	\$3,537	\$3,623
% Non-Income Producing Investments – FV ⁽¹⁾	7.5%	8.1%	9.4%	10.7%	9.6%
Number of portfolio companies ⁽²⁾	197	186	204	92	109
Interest Rate Type:⁽³⁾					
% Floating Rate	80.9%	81.9%	79.8%	80.7%	78.1%
% Fixed Rate	19.1%	18.1%	20.2%	19.3%	21.9%
Net Interest Margin:					
Weighted average annual yield on accruing debt investments ⁽⁴⁾	10.5%	10.8%	10.8%	11.1%	11.1%
Weighted average interest rate on borrowings	4.4%	4.6%	4.6%	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 South Carolina Retirement Systems Group Trust (SCRS).

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. FSK's weighted average annual yield on all debt investments was 9.8% as of June 30, 2019. See FSK's Quarterly Report on Form 10-Q for additional information on the calculation of weighted average annual yield on accruing debt investments and weighted average annual yield on all debt investments.

Net Asset Value Bridge – Q2 2019

Q2 2019⁽¹⁾



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

Portfolio Highlights

Portfolio Highlights

197

portfolio companies¹

21%

FV in top-10 portfolio companies²

72%

of investments in senior secured debt²

\$53M / 5.1x

Median portfolio company EBITDA & Leverage⁴

81%

of debt investments are floating rate³

10.5%

Wtd. avg. annual yield on accruing debt investments⁴

1.2%

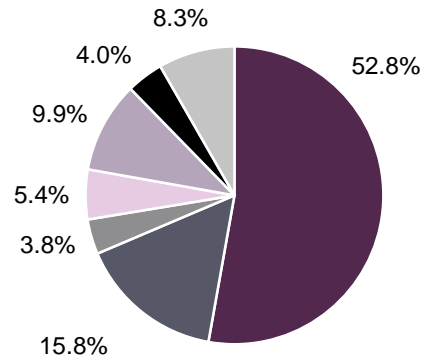
Non-accrual rate at FV

85%

Lead, co-lead, or sole lender⁵

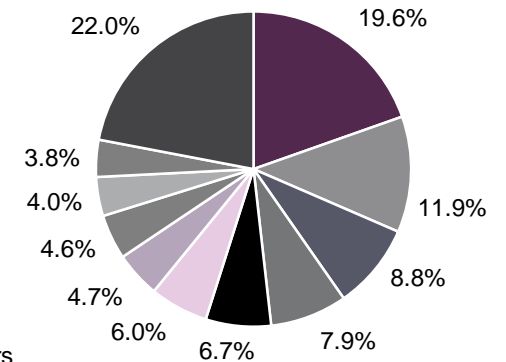
Security Exposure

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



Note: All stats as of June 30, 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 its definition of debt investments.
4. FSK's weighted average annual yield on all debt investments was 9.8% as of June 30, 2018. See FSK's Quarterly Report on Form 10-Q 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 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)

Q2 2019 Select Transactions⁽¹⁾

Incremental Investment



\$105mm

Lead Investor

New Investment



**Home Partners
of America®**

\$65mm

Lead Investor

New Investment

TORRID

\$32mm

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)	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Investment Purchases	\$513	\$549	\$220	\$184	\$240
Sales and Redemptions ⁽¹⁾	(692)	(510)	(397)	(223)	(350)
Net Investment Activity	(\$179)	\$39	(\$177)	(\$39)	(\$110)
Net Sales to SCJV	-	82	44	-	-
Adjusted Net Investment Activity	(\$179)	\$121	(\$133)	(\$39)	(\$110)

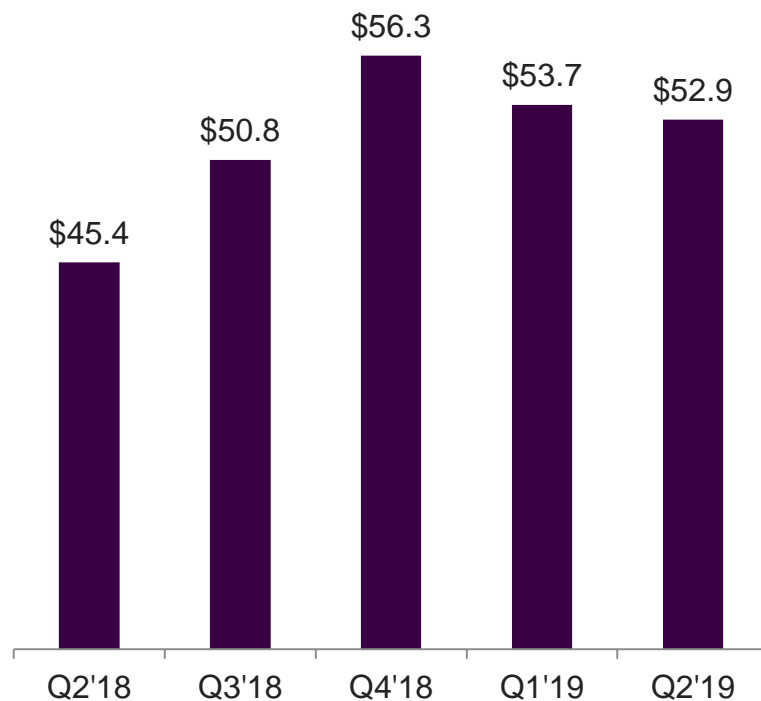
Asset Mix of New Purchases ⁽²⁾	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
First Lien Senior Secured Loans	69%	59%	71%	78%	62%
Second Lien Senior Secured Loans	1%	25%	29%	18%	8%
Other Senior Secured Debt	6%	0%	0%	2%	15%
Subordinated Debt	3%	10%	0%	1%	2%
Asset Based Finance	21%	4%	0%	1%	0%
Investment in SCJV	0%	0%	0%	0%	0%
Equity/Other	0%	2%	0%	0%	13%

1. Includes net sales to SCJV.

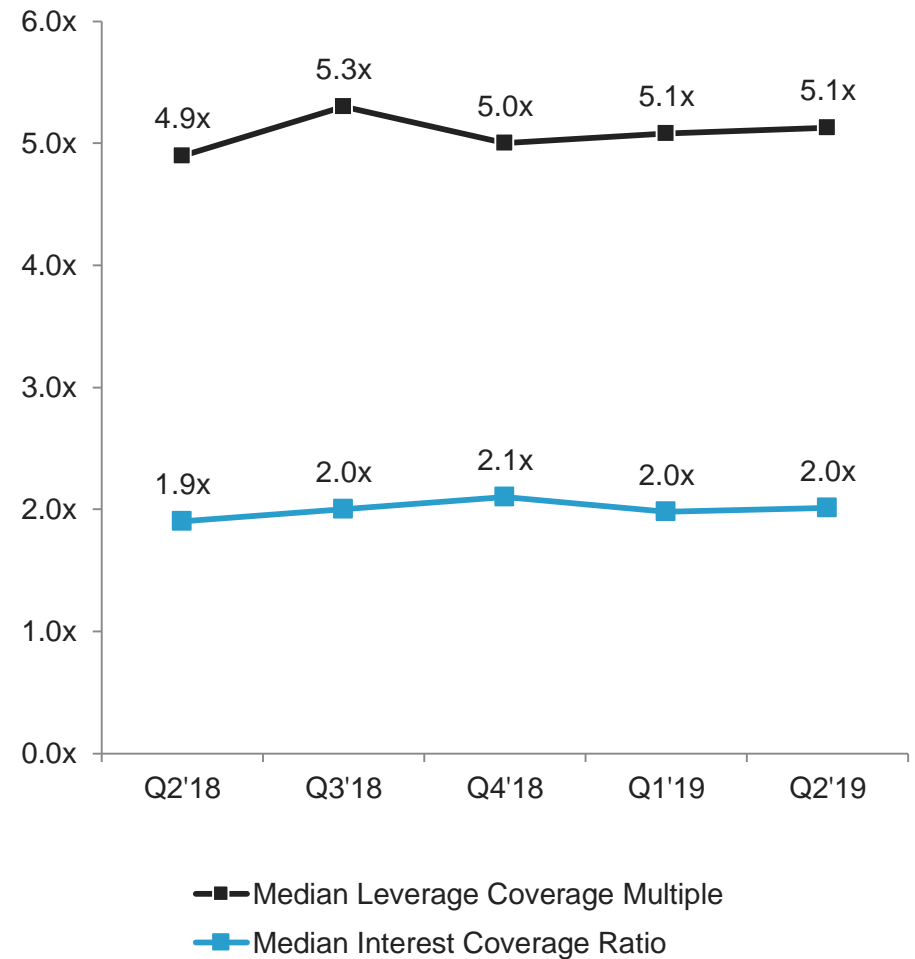
2. Zero represents an amount less than 0.5%.

Direct Origination Investments EBITDA and Credit Statistics

Direct Origination Portfolio Company
Median EBITDA



Direct Origination Portfolio Company
Coverage Ratios



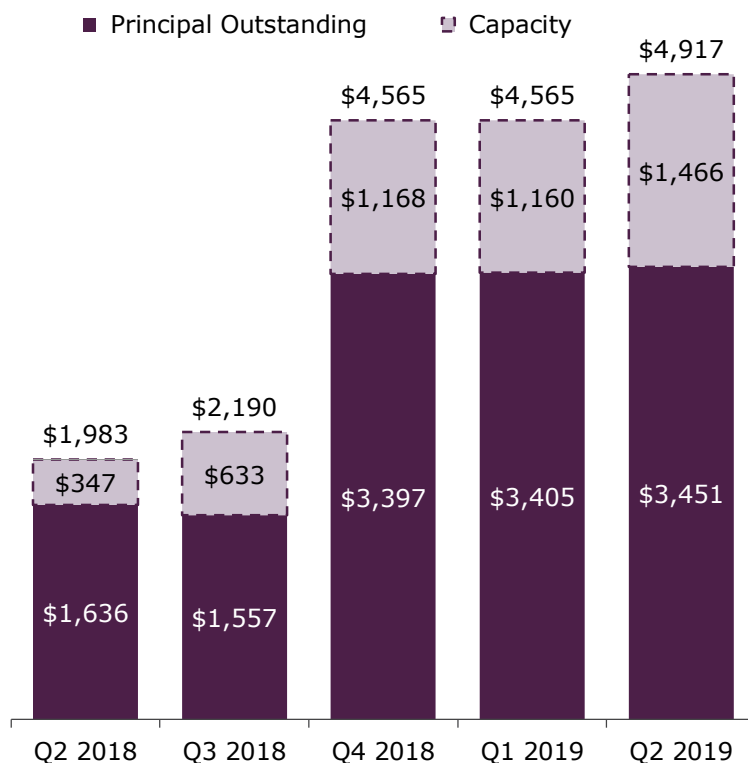
Note: Information based on most recently reported Direct Origination financial information

Capital Structure

Funding and Liquidity Management

- Expanded our funding sources with a new middle market CLO during the quarter
- Issued a \$400 million five-year unsecured bond and an add-on issuance of \$175 million to our existing 2022 unsecured bonds in July
- Repaid our 2019 4.00% bonds and our JP Morgan – Prepayable facility in July

Leverage over Time

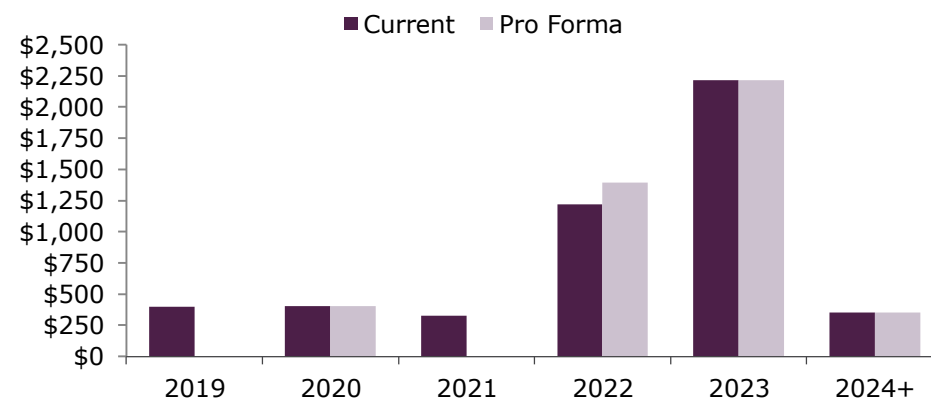


Cash (mm)⁽¹⁾	\$200.1	\$100.0	\$104.0	\$92.0	\$288.0
Net Debt /Equity⁽²⁾	0.67x	0.70x	0.79x	0.80x	0.77x

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	180	145	1/31/21	4.82%
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	4.82%
SMBC Revolver	300	150	150	12/2/22	4.32%
Syndicated RCF	2,215	1,044	1,171	8/9/23	4.32%
FS KKR MM CLO	352	352	-	7/15/30	4.14%
Total	\$4,917	\$3,451	\$1,466		4.42%

Maturity Profile (\$mm)



FSK's SCJV Offers Key Investor Benefits

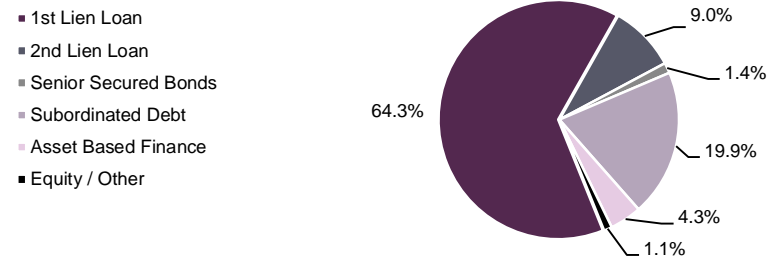
FSK's joint venture with South Carolina Retirement Systems Group Trust

- 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
 - Advisor provides day-to-day administrative oversight

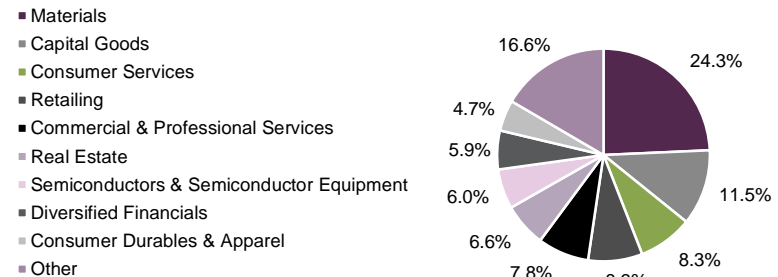
June 30, 2019 update:

- Portfolio
 - Fair value of investments was \$644mm
- Key stats
 - NAV of \$335mm (FSK's equity of SCJV was \$293mm)
 - 0.90x net debt-to-equity ratio¹
 - \$15.9mm total dividend declared in Q2 compared to \$7.3mm total dividend declared in Q1 due to a special dividend in connection with our Joint Venture partnership change

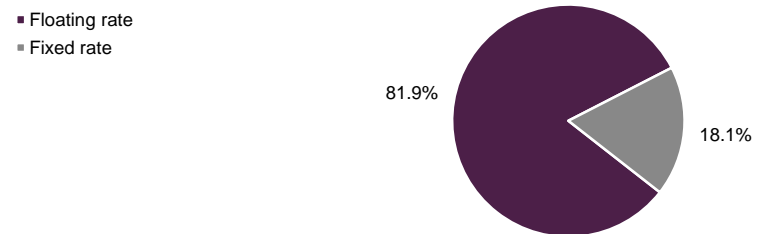
Security Exposure



Sector Exposure



Fixed / Floating – Debt Investments



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

Appendix

Quarterly Gain/Loss Information

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18
Realized gain/loss					
Net realized gain (loss) on investments:					
Non-controlled/unaffiliated investments	(\$51)	(\$15)	(\$177)	\$24	\$41
Non-controlled affiliated investments	(8)	-	1	-	(10)
Controlled/affiliated investments	-	(3)	0	-	-
Net realized gain (loss) on swap contracts	(11)	1	-	-	-
Net realized gain (loss) on foreign currency	3	2	0	6	-
Total net realized gain (loss)	(\$67)	(\$15)	(\$176)	\$30	\$31
Unrealized gain/loss					
Net change in unrealized appreciation (depreciation) on investments:					
Non-controlled/unaffiliated investments	\$49	(\$30)	\$154	(\$104)	(\$82)
Non-controlled affiliated investments	24	53	(38)	8	(21)
Controlled/affiliated investments	(12)	(7)	(101)	6	(8)
Net change in unrealized appreciation (depreciation) on swap contracts	10	4	(16)	-	-
Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	(2)	1	3	-	-
Net change in unrealized appreciation (depreciation) on secured borrowing	-	-	-	-	-
Net change in unrealized gain (loss) on foreign currency	(2)	-	2	(7)	3
Total net unrealized gain (loss)	\$67	\$21	\$4	(\$97)	(\$108)
Total net realized and unrealized gain (loss)⁽¹⁾	\$0	\$6	(\$172)	(\$67)	(\$77)

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				
	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18
Total investment income	\$199	\$195	\$103	\$95	\$96
Net expenses	(98)	(100)	(43)	(39)	(50)
Net investment income before taxes	\$101	\$95	\$60	\$56	\$46
Excise taxes	-	-	(7)	-	-
GAAP Net investment income	\$101	\$95	\$53	\$56	\$46
Plus: excise taxes	-	-	7	-	-
Plus: one-time expenses ⁽¹⁾	-	-	-	1	-
Adjusted net investment income	\$101	\$95	\$60	\$57	\$46
Total net unrealized and realized gains (losses) ⁽²⁾	0	6	(172)	(67)	(77)
Net increase (decrease) in net assets resulting from operations	\$101	\$101	(\$119)	(\$11)	(\$31)
Per Share:					
Net investment income	\$0.19	\$0.18	\$0.19	\$0.23	\$0.19
Adjusted net investment income	\$0.19	\$0.18	\$0.21	\$0.24	\$0.19
Net increase (decrease) in net assets results from operations	\$0.19	\$0.19	(\$0.43)	(\$0.05)	(\$0.13)
Stockholder distributions	\$0.19	\$0.19	\$0.19	\$0.19	\$0.19
Special distributions	-	-	\$0.09	-	-
Weighted average shares outstanding (millions)	522.2	527.5	277.3	239.5	242.8
Shares outstanding, end of period (millions)	520.3	524.1	531.5	239.2	240.6

1. FSK's one-time expenses for the three months ended September 30, 2018 were \$1 million 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				
	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18
Investment income:					
Interest income	\$156	\$158	\$83	\$75	\$81
Payment-in-kind interest income	12	16	16	14	12
Fee income	8	11	3	4	3
Total dividend and other income	23	10	2	-	-
Total investment income	\$199	\$195	\$103	\$95	\$96
Operating expenses:					
Investment advisory fees & expenses	28	29	16	15	15
Interest expense	41	43	22	21	21
Incentive fees	25	24	3	-	11
Other operating expenses	4	4	2	2	3
Total operating expenses	\$98	\$100	\$43	\$38	\$50
Net investment income before taxes	101	95	60	56	46
Income taxes, including excise taxes	-	-	(7)	-	-
Net investment income	\$101	\$95	\$53	\$56	\$46
Total net unrealized and realized gains (losses) ⁽¹⁾	0	6	(172)	(67)	(77)
Net increase in net assets resulting from operations	\$101	\$101	(\$119)	(\$11)	(\$31)

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

(Dollar amounts in millions, except per share data)	As of				
	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18
Assets					
Total investments, at fair value	\$7,283	\$7,440	\$7,387	\$3,537	\$3,627
Cash	264	86	101	99	195
Foreign currency, at fair value	24	6	3	1	6
Receivable for investments sold and repaid	86	123	144	28	20
Income receivable	77	65	60	23	32
Unrealized appreciation on foreign currency forward contracts	3	4	3	-	-
Deferred financing costs	5	6	6	6	3
Deferred merger costs	-	-	-	3	-
Prepaid expenses and other assets	2	3	1	1	1
Total Assets	\$7,744	\$7,733	\$7,705	\$3,699	\$3,883
Liabilities					
Payable for investments purchased	\$17	\$15	\$6	\$1	\$22
Debt	3,441	3,398	3,391	1,551	1,629
Unrealized depreciation on derivative instruments	3	12	16	-	-
Shareholders' distributions payable	100	100	45	45	46
Interest Payable	26	26	28	18	23
Other liabilities ⁽¹⁾	59	62	53	17	28
Total Liabilities	\$3,646	\$3,613	\$3,539	\$1,632	\$1,748
Total Net Assets	\$4,098	\$4,120	\$4,166	\$2,067	\$2,135
Net Asset Value per Share	\$7.88	\$7.86	\$7.84	\$8.64	\$8.87

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.