



Third Quarter 2023

Earnings Presentation

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Financial and Portfolio Highlights

Financial Highlights

	Q3-23	Q2-23	Q3-22
GAAP Net Income Per Share ⁽¹⁾⁽²⁾	\$ 0.89	\$ 0.61	\$ 0.21
Core EPS ^{*(3)}	\$ 0.59	\$ 0.58	\$ 0.50
Net Investment Income Per Share ⁽¹⁾	\$ 0.52	\$ 0.57	\$ 0.57
Net Realized Losses Per Share ⁽¹⁾	\$ (0.14)	\$ (0.15)	\$ —
Net Unrealized Gains (Losses) Per Share ⁽¹⁾	\$ 0.51	\$ 0.19	\$ (0.36)
Net Asset Value Per Share	\$ 18.99	\$ 18.58	\$ 18.56

Portfolio Highlights

<i>(dollar amounts in millions)</i>	Q3-23	Q2-23	Q3-22
Gross Commitments ⁽⁴⁾	\$ 1,598	\$ 1,218	\$ 2,242
Exits of Commitments ⁽⁵⁾	\$ 1,280	\$ 1,138	\$ 1,996
Total Fair Value of Investments	\$21,929	\$21,496	\$21,339
Weighted Average Yields on Debt and Other Income Producing Securities at Amortized Cost ⁽⁶⁾	12.4 %	12.2 %	10.7 %
Weighted Average Yields on Total Investments at Amortized Cost ⁽⁷⁾	11.2 %	11.0 %	9.6 %

Note: Endnotes begin on slide 24

* See slide 23 hereof for reconciliations of GAAP net income per share, the most directly comparable GAAP financial measure, to Core EPS.

Selected Historical Financial Information

(dollar amounts in millions, except per share data and stock prices)	As of and for the Three Months Ended				
	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22
GAAP Net Income Per Share ⁽¹⁾⁽²⁾	\$ 0.89	\$ 0.61	\$ 0.52	\$ 0.34	\$ 0.21
Core EPS ⁽³⁾	\$ 0.59	\$ 0.58	\$ 0.57	\$ 0.63	\$ 0.50
Net Investment Income Per Share ⁽¹⁾	\$ 0.52	\$ 0.57	\$ 0.60	\$ 0.68	\$ 0.57
Net Realized and Unrealized Gains (Losses) Per Share ⁽¹⁾	\$ 0.37	\$ 0.04	\$ (0.08)	\$ (0.34)	\$ (0.36)
Dividend Declared and Payable Per Share	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.43
Additional Dividend Declared and Payable Per Share	\$ —	\$ —	\$ —	\$ 0.03	\$ 0.03
Stockholders' Equity	\$ 10,815	\$ 10,354	\$ 10,049	\$ 9,555	\$ 9,436
Net Asset Value Per Share	\$ 18.99	\$ 18.58	\$ 18.45	\$ 18.40	\$ 18.56
Debt/Equity Ratio	1.07x	1.10x	1.12x	1.29x	1.27x
Debt/Equity Ratio, Net of Available Cash ⁽⁸⁾	1.03x	1.07x	1.09x	1.26x	1.24x
Unsecured Debt to Total Debt	72.3 %	68.0 %	69.2 %	69.4 %	71.7 %
Weighted Average Stated Interest on Debt ⁽⁹⁾	4.7 %	4.6 %	4.4 %	4.2 %	3.8 %
Net Interest and Dividend Margin ⁽¹⁰⁾	8.4 %	7.9 %	7.5 %	6.9 %	6.6 %
Ratio of Earnings to Fixed Charges ⁽¹¹⁾	3.3	3.3	3.3	3.3	3.2
Market Capitalization:					
Principal Debt	\$ 11,558	\$ 11,401	\$ 11,196	\$ 12,245	\$ 11,853
Equity	11,087	10,473	9,949	9,591	8,579
Total Market Capitalization	\$ 22,645	\$ 21,874	\$ 21,145	\$ 21,836	\$ 20,432
Common Stock Data:					
High Price during the period	\$ 19.81	\$ 19.11	\$ 20.04	\$ 19.76	\$ 20.70
Low Price during the period	\$ 18.86	\$ 17.65	\$ 17.19	\$ 17.30	\$ 16.84
Closing Price	\$ 19.47	\$ 18.79	\$ 18.27	\$ 18.47	\$ 16.88

*See slide 23 hereof for reconciliations of GAAP net income per share, the most directly comparable GAAP financial measure, to Core EPS.

Selected Historical Financial Information (cont'd)

(dollar amounts in millions)	As of					
	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	
Investments at Fair Value	\$ 21,929	\$ 21,496	\$ 21,148	\$ 21,780	\$ 21,339	
Number of Portfolio Companies ⁽¹²⁾	490	475	466	466	458	
Asset Class (at fair value):						
First Lien Senior Secured Loans ⁽¹³⁾	43 %	42 %	41 %	43 %	45 %	
Second Lien Senior Secured Loans	17 %	18 %	18 %	18 %	18 %	
Senior Direct Lending Program ⁽¹⁴⁾	6 %	6 %	6 %	6 %	5 %	
Senior Subordinated Loans	5 %	5 %	5 %	5 %	5 %	
Preferred Equity	11 %	10 %	10 %	9 %	10 %	
Ivy Hill Asset Management ⁽¹⁵⁾	9 %	10 %	11 %	10 %	9 %	
Other Equity	9 %	9 %	9 %	9 %	8 %	
Interest Rate Type (at fair value):						
% Floating Rate ⁽¹⁶⁾	69 %	68 %	69 %	71 %	73 %	
% Fixed Rate	12 %	12 %	11 %	11 %	10 %	
% Non-Income Producing	11 %	11 %	11 %	10 %	10 %	
% Ivy Hill Asset Management Equity*	8 %	9 %	9 %	8 %	7 %	
Yields:						
Weighted Avg. Yield on Debt and Other Income Producing Securities at Amortized Cost ⁽⁶⁾	12.4 %	12.2 %	12.0 %	11.6 %	10.7 %	
Weighted Avg. Yield on Debt and Other Income Producing Securities at Fair Value ⁽⁶⁾	12.6 %	12.5 %	12.2 %	11.9 %	10.8 %	
Weighted Average Yield on Total Investments at Amortized Cost ⁽⁷⁾	11.2 %	11.0 %	10.8 %	10.5 %	9.6 %	
Weighted Average Yield on Total Investments at Fair Value ⁽⁷⁾	11.2 %	11.1 %	10.9 %	10.6 %	9.7 %	

*Ares Capital's equity investment in Ivy Hill Asset Management, L.P. ("IHAM") generally pays a quarterly dividend.

Selected Historical Financial Information (cont'd)

<i>(dollar amounts in millions)</i>	For the Three Months Ended									
	9/30/23		6/30/23		3/31/23		12/31/22		9/30/22	
Commitments:										
Gross Commitments ⁽⁴⁾	\$	1,598	\$	1,218	\$	766	\$	2,519	\$	2,242
Exits of Commitments ⁽⁵⁾		(1,280)		(1,138)		(1,884)		(2,333)		(1,984)
Net Commitments ⁽¹⁷⁾	\$	318	\$	80	\$	(1,118)	\$	186	\$	258
Gross Commitments Information:										
Number of Transactions		50		46		32		42		40
Weighted Average Commitment Term in Months		67		65		72		77		66
Average Commitment in Period	\$	32	\$	26	\$	24	\$	60	\$	56
Fundings:										
Gross Fundings	\$	1,420	\$	1,329	\$	1,090	\$	2,710	\$	2,223
Net Fundings ⁽¹⁷⁾	\$	119	\$	132	\$	(699)	\$	490	\$	279
Portfolio Turnover		0.06		0.06		0.05		0.10		0.05

Quarterly Operating Results

(amounts in millions, except per share data)	For the Three Months Ended					
	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	
Investment income	\$ 655	\$ 634	\$ 618	\$ 640	\$ 537	
Expenses	363	314	298	273	235	
Net investment income before income taxes	292	320	320	367	302	
Income tax expense, including excise tax	3	6	2	18	14	
Net investment income	289	314	318	349	288	
Net realized and unrealized gains (losses)	211	17	(40)	(175)	(184)	
Net Income	\$ 500	\$ 331	\$ 278	\$ 174	\$ 104	
Per Share:						
GAAP Net Income Per Share ⁽¹⁾⁽²⁾	\$ 0.89	\$ 0.61	\$ 0.52	\$ 0.34	\$ 0.21	
Core EPS ^{*(3)}	\$ 0.59	\$ 0.58	\$ 0.57	\$ 0.63	\$ 0.50	
Dividends Declared and Payable**	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.51	\$ 0.46	
Weighted average shares of common stock outstanding ⁽²⁾⁽³⁾	562	547	534	514	503	
Common shares outstanding at end of period	569	557	545	519	508	

(amounts in millions, except per share data)	For the Nine Months Ended	
	9/30/23	9/30/22
Investment income	\$ 1,907	\$ 1,456
Expenses	975	676
Net investment income before income taxes	932	780
Income tax expense, including excise tax	11	37
Net investment income	921	743
Net realized and unrealized gains (losses)	188	(317)
Net Income	\$ 1,109	\$ 426
Per Share:		
GAAP Net Income Per Share ⁽¹⁾⁽²⁾	\$ 2.03	\$ 0.86
Core EPS ^{*(3)}	\$ 1.74	\$ 1.39
Dividends Declared and Payable***	\$ 1.44	\$ 1.36
Weighted average shares of common stock outstanding ⁽²⁾⁽³⁾	548	492
Common shares outstanding at end of period	569	508

* See slide 23 hereof for reconciliations of GAAP net income per share, the most directly comparable GAAP financial measure, to Core EPS.

** For each of the quarters ended December 31, 2022 and September 30, 2022, dividends declared and paid included an additional dividend of \$0.03 per share.

*** For the nine months ended September 30, 2022, dividends declared and payable included additional dividends of \$0.09 per share.

Quarterly Operating Results Detail

(amounts in millions)	For the Three Months Ended				
	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22
Net Investment Income Before Income Taxes:					
Investment Income:					
Interest income from investments	\$ 495	\$ 476	\$ 470	\$ 456	\$ 385
Capital structuring service fees	20	21	10	59	32
Dividend income	128	123	121	110	107
Other income	12	14	17	15	13
Total investment income	655	634	618	640	537
Expenses:					
Interest and credit facility fees	145	141	139	141	120
Base management fees	81	79	79	79	78
Income based fees	83	79	76	81	63
Capital gains incentive fees*	42	4	(6)	(37)	(37)
Administrative fees	4	3	3	2	3
Other general and administrative	8	8	7	7	8
Total operating expenses	363	314	298	273	235
Net investment income before income taxes	292	320	320	367	302
Income tax expense, including excise tax	3	6	2	18	14
Net Investment Income	\$ 289	\$ 314	\$ 318	\$ 349	\$ 288

* Accrued in accordance with GAAP. As of September 30, 2023, Ares Capital had accrued \$75 million of incentive fees payable related to capital gains under GAAP; however, such amount is not actually payable under Ares Capital's investment advisory and management agreement with its investment adviser. The actual amount due under the investment advisory and management agreement is only determined annually at the end of each calendar year and may be less than the amount accrued under GAAP.

Quarterly Gain/Loss Detail

(amounts in millions)	For the Three Months Ended				
	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22
Net Realized and Unrealized Gains (Losses):					
Realized gains (losses) on investments:					
Gains	\$ 22	\$ 25	\$ 41	\$ 83	71
Losses	(94)	(93)	(61)	(82)	(93)
Net realized gains (losses) on investments	(72)	(68)	(20)	1	(22)
Unrealized gains (losses) on investments:					
Unrealized appreciation	307	253	224	204	213
Unrealized depreciation	(143)	(224)	(287)	(411)	(439)
Net unrealized gains (losses) on investments	164	29	(63)	(207)	(226)
Net unrealized depreciation reversed related to net realized gains or losses on investments	96	68	48	68	12
Total net unrealized gains (losses) on investments	260	97	(15)	(139)	(214)
Net realized and unrealized gains (losses) on foreign currency and other transactions	23	(12)	(5)	(37)	51
Net realized and unrealized gains (losses)	\$ 211	\$ 17	\$ (40)	\$ (175)	(185)

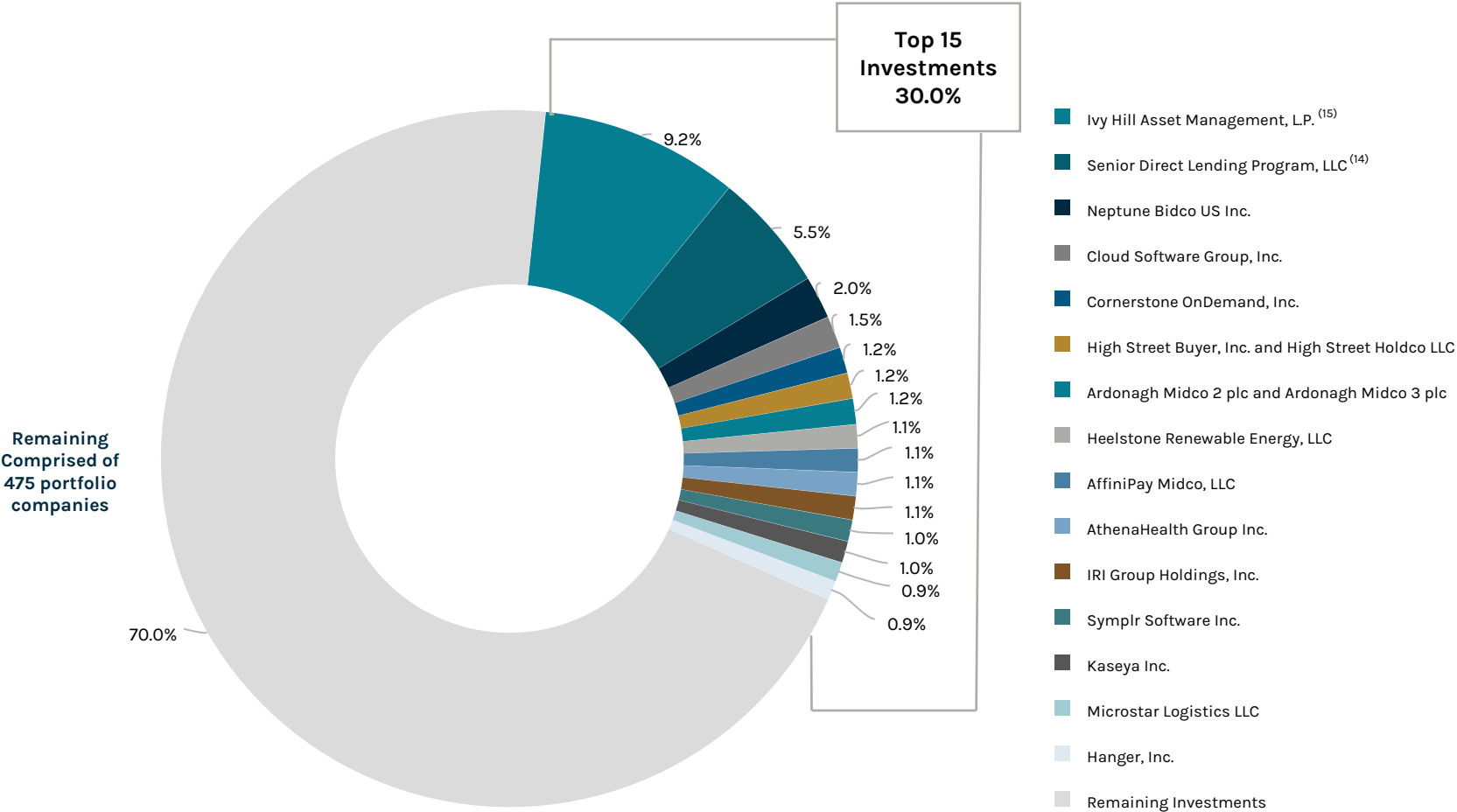
Quarterly Balance Sheets

	As of				
(amounts in millions, except per share data)	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22
ASSETS					
Investments at fair value	\$ 21,929	\$ 21,496	\$ 21,148	\$ 21,780	\$ 21,339
Cash and cash equivalents	527	411	359	303	257
Restricted cash	78	42	18	34	105
Interest receivable	215	181	187	176	160
Receivable for open trades	44	5	7	4	21
Other assets	114	81	75	81	135
Operating lease right-of-use asset	13	15	18	20	21
Total assets	\$ 22,920	\$ 22,231	\$ 21,812	\$ 22,398	\$ 22,038
LIABILITIES					
Debt	\$ 11,517	\$ 11,371	\$ 11,164	\$ 12,210	\$ 11,816
Base management fees payable	81	79	79	79	78
Income based fees payable*	83	79	157	81	63
Capital gains incentive fees payable**	75	33	29	35	72
Interest and facility fees payable	85	87	84	105	76
Payable to participants	77	42	18	34	105
Payable for open trades	1	6	7	22	141
Accounts payable and other liabilities	132	121	117	167	139
Secured borrowings	34	35	80	79	79
Operating lease liabilities	20	24	28	31	33
Total liabilities	12,105	11,877	11,763	12,843	12,602
STOCKHOLDERS' EQUITY					
Common stock	1	1	1	1	—
Capital in excess of par value	10,505	10,273	10,033	9,556	9,370
Accumulated undistributed (overdistributed) earnings	309	80	15	(2)	66
Total stockholders' equity	10,815	10,354	10,049	9,555	9,436
Total liabilities and stockholders' equity	\$ 22,920	\$ 22,231	\$ 21,812	\$ 22,398	\$ 22,038
NET ASSETS PER SHARE	\$ 18.99	\$ 18.58	\$ 18.45	\$ 18.40	\$ 18.56

* Pursuant to the terms of Ares Capital's Investment Advisory and Management Agreement (the "Agreement"), payment of \$81 million of the income based fees earned by Ares Capital's investment adviser for the fourth quarter of 2022 was deferred. The deferred income based fees were paid in the second quarter of 2023 pursuant to the terms of the Agreement.

** Accrued in accordance with GAAP. No capital gains incentive fees were actually payable under Ares Capital's investment advisory and management agreement for any periods presented.

Investment Portfolio by Issuer as of September 30, 2023*

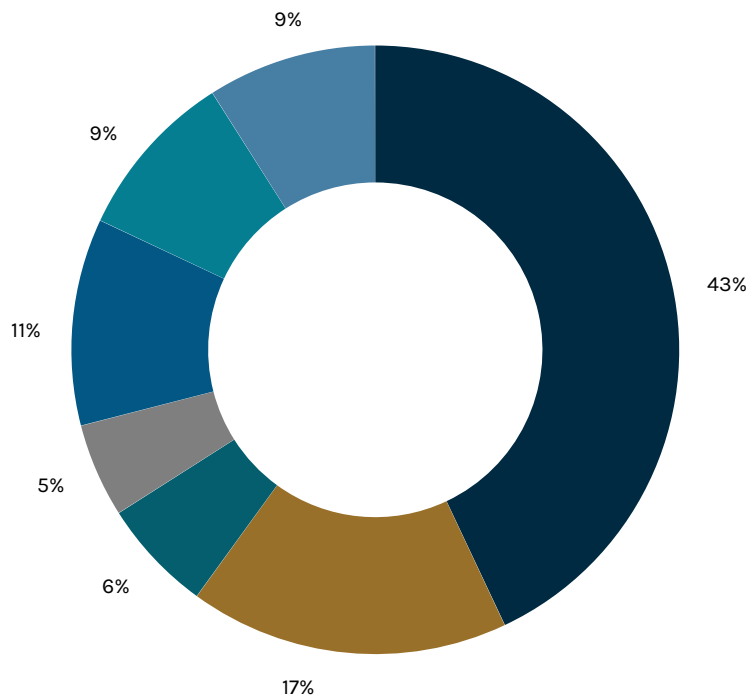


Diversified \$21.9 billion portfolio with 490 portfolio companies ⁽¹²⁾

* At fair value

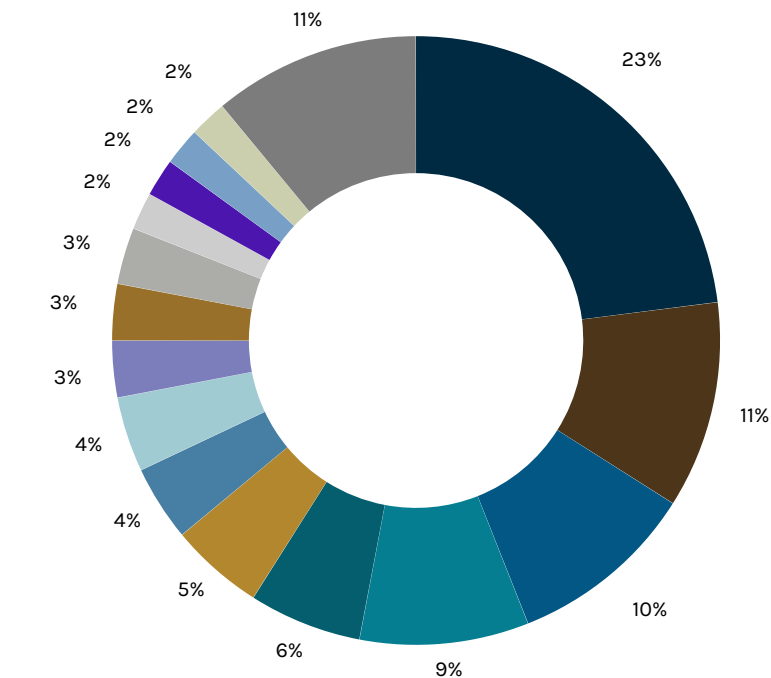
Investment Portfolio as of September 30, 2023*

Asset Class



- First Lien Senior Secured Loans⁽¹³⁾
- Second Lien Senior Secured Loans
- Senior Direct Lending Program⁽¹⁴⁾
- Senior Subordinated Loans
- Preferred Equity
- Ivy Hill Asset Management⁽¹⁵⁾
- Other Equity

Industry

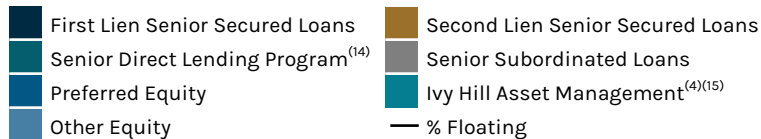
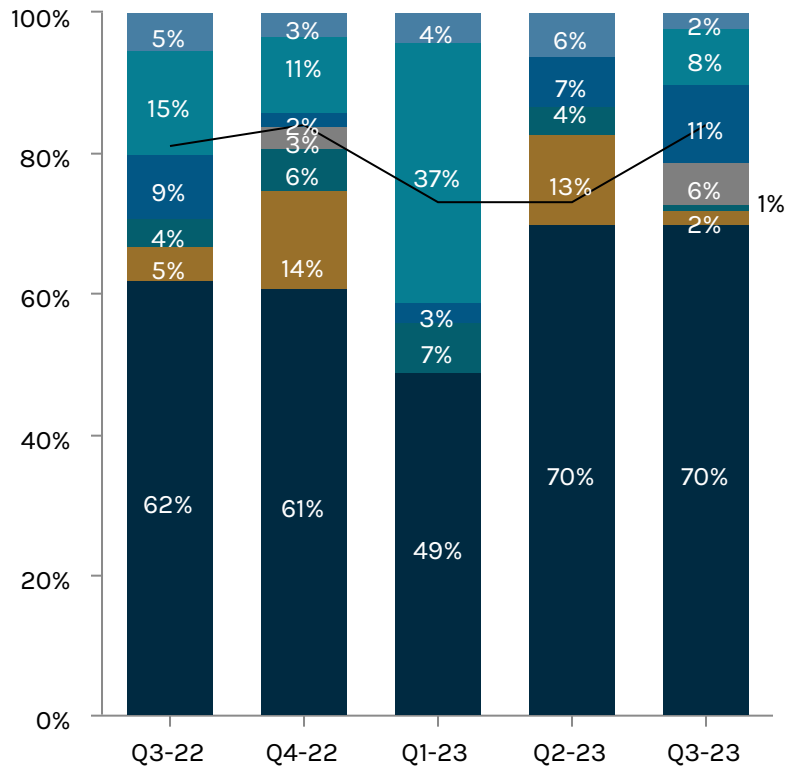


- Software and Services
- Health Care Services
- Commercial and Professional Services
- Ivy Hill Asset Management⁽¹⁵⁾
- Senior Direct Lending Program⁽¹⁴⁾
- Insurance Services
- Power Generation
- Consumer Services
- Consumer Durables and Apparel
- Financial Services
- Media and Entertainment
- Capital Goods
- Energy
- Food and Beverage
- Retailing and Distribution
- Other

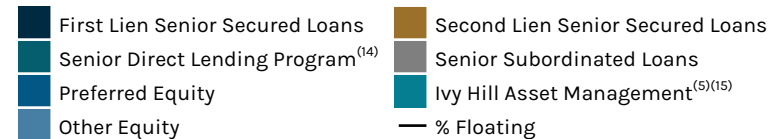
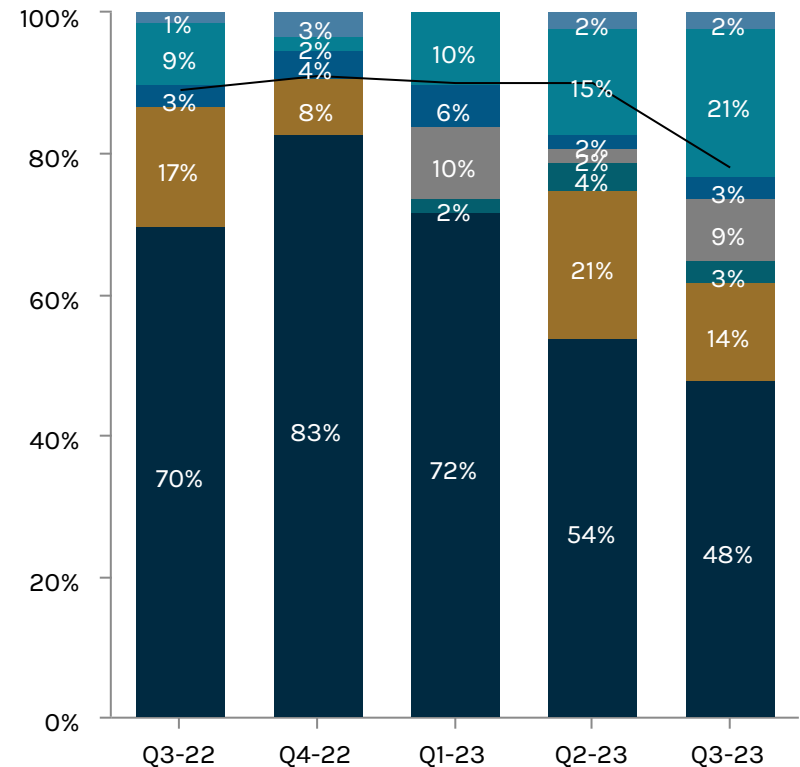
* At fair value

Portfolio Activity

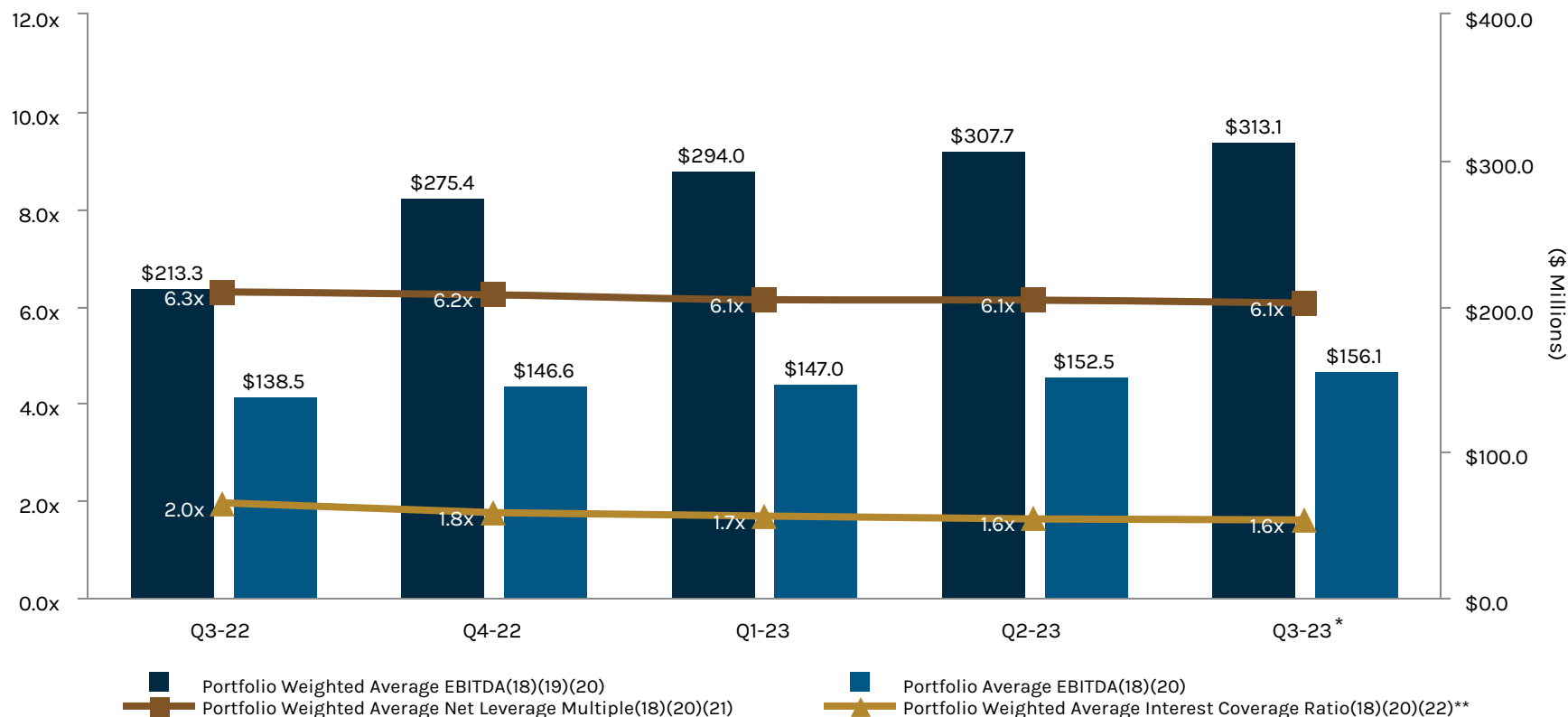
Gross Commitments by Asset Class



Exits of Commitments by Asset Class



Portfolio Company EBITDA and Credit Statistics

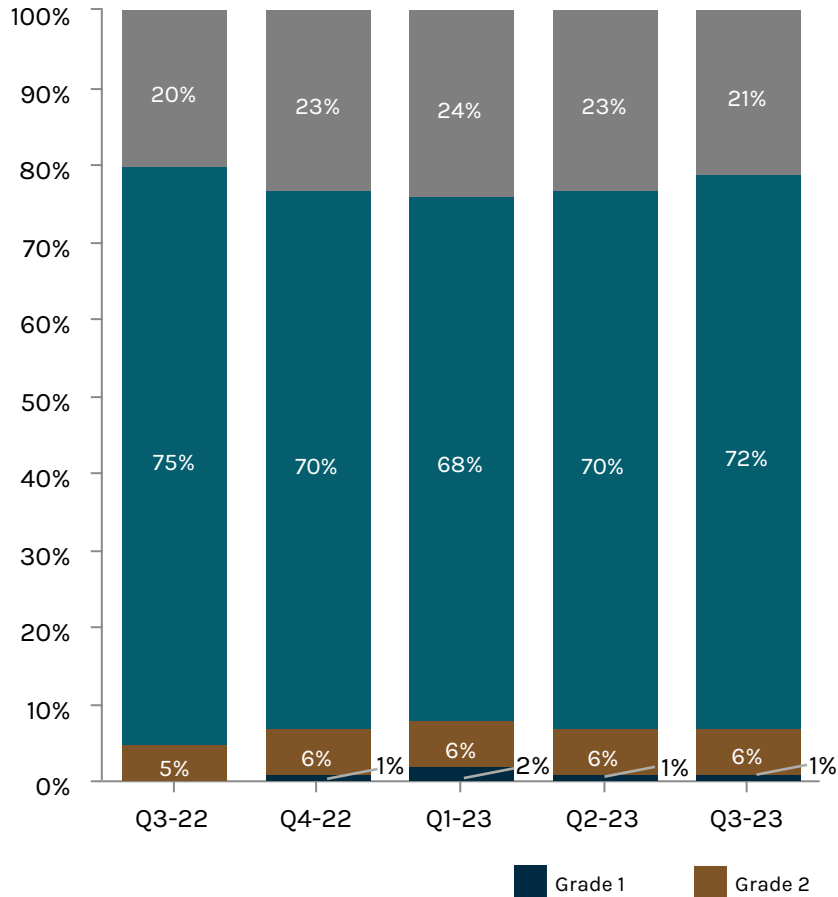


* For the portfolio companies included in the portfolio weighted average EBITDA data above (subject to additional exclusions described in the following sentence), the weighted average EBITDA growth rate as of Q3-23 was approximately 6% on a comparable basis for the most recently reported LTM period versus prior year LTM period. In addition to those portfolio companies excluded as noted⁽¹⁸⁾, this calculation excludes 60 companies where prior year comparable data was not available.⁽²³⁾

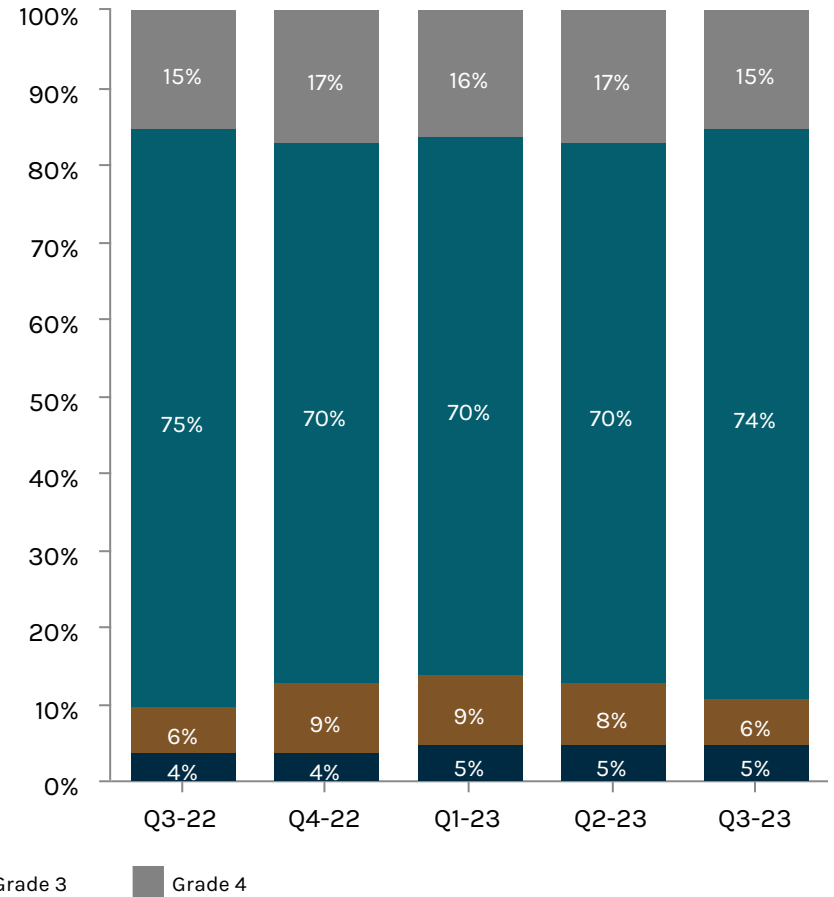
** Interest coverage represents portfolio companies' LTM EBITDA as a multiple of implied annualized cash interest based on the borrowing levels and market rates at quarter end.

Portfolio By Grade⁽²⁴⁾

% by Fair Value

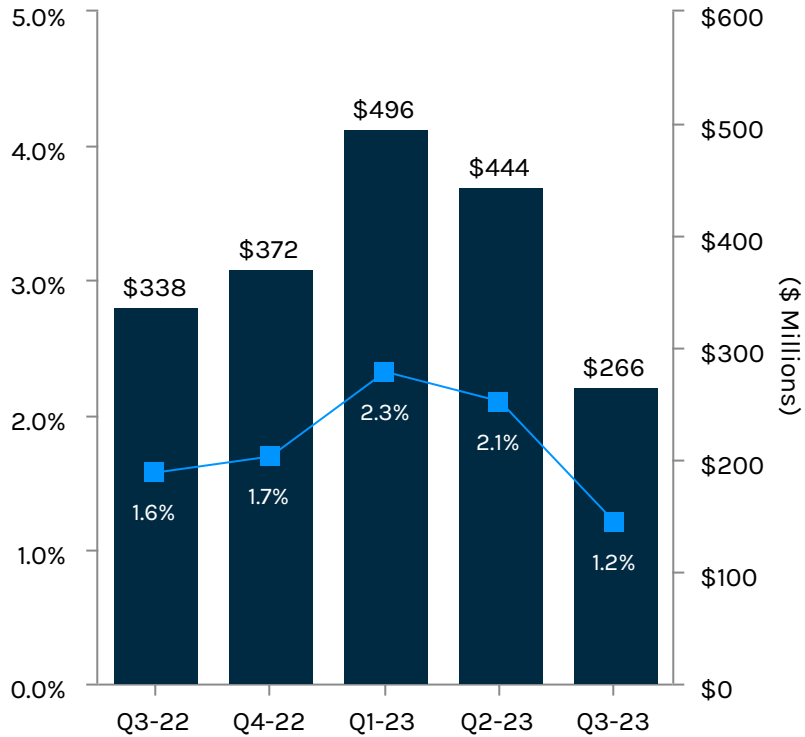


% by Number of Companies

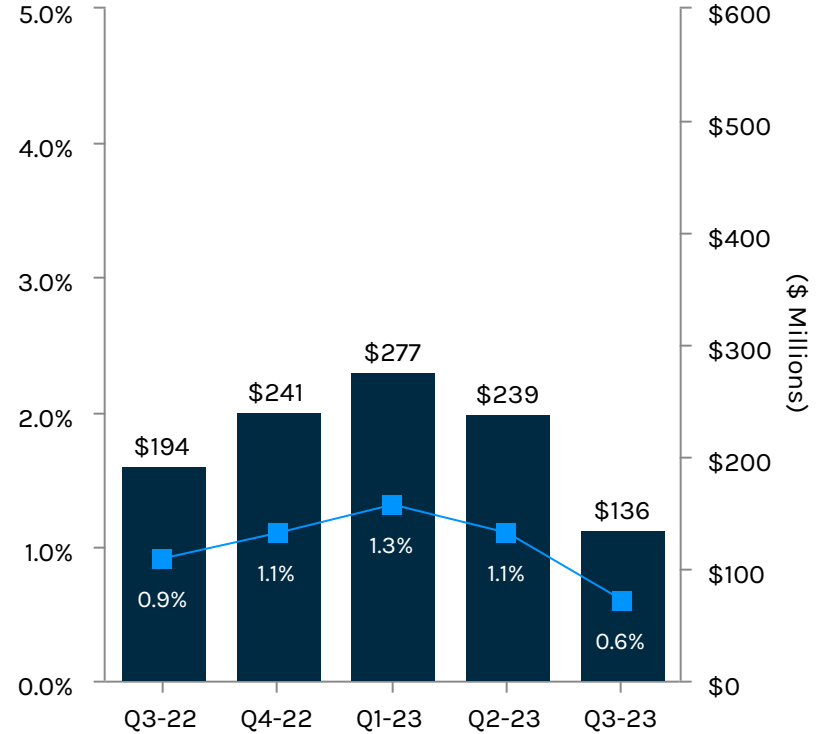


Loans on Non-Accrual Status

Amortized Cost



Fair Value



Investments on Non-Accrual Status
 Percentage of Total Investment Portfolio

Investment Activity from October 1, 2023 through October 18, 2023

Ares Capital made approximately \$410 million of new investment commitments

- 97% were in first lien senior secured loans, 2% were in preferred equity and 1% was in other equity
- 97% were floating rate, 2% were fixed rate and 1% was non-incoming producing
- Weighted average yield of debt and other income producing securities funded at amortized cost was 11.5%
- Weighted average yield on total investments funded at amortized cost was 11.2%

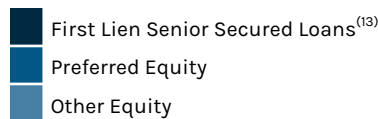
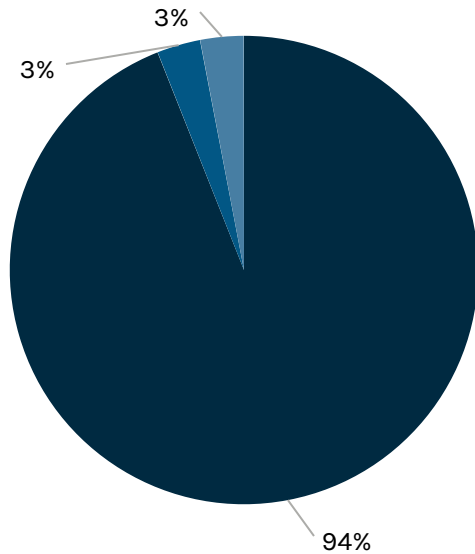
Ares Capital exited approximately \$158 million of investment commitments

- 93% were first lien senior secured loans, 4% were subordinated certificates of the SDLP and 3% were Ares Capital's subordinated loan investment in IHAM
- 100% were floating rate
- Weighted average yield of debt and other income producing securities exited or repaid at amortized cost was 11.6%
- Weighted average yield on total investments exited or repaid at amortized cost was 11.6%
- Total net realized gains of approximately \$1 million
- Exits include approximately \$4 million of loans sold to IHAM or certain vehicles managed by IHAM, resulting in no realized gains or losses

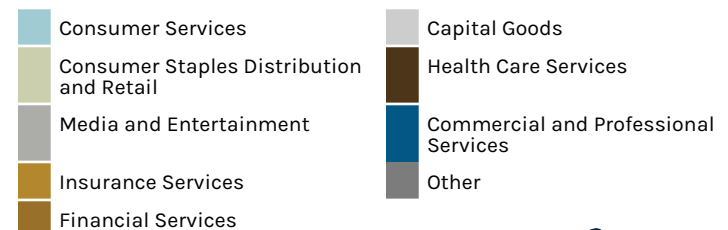
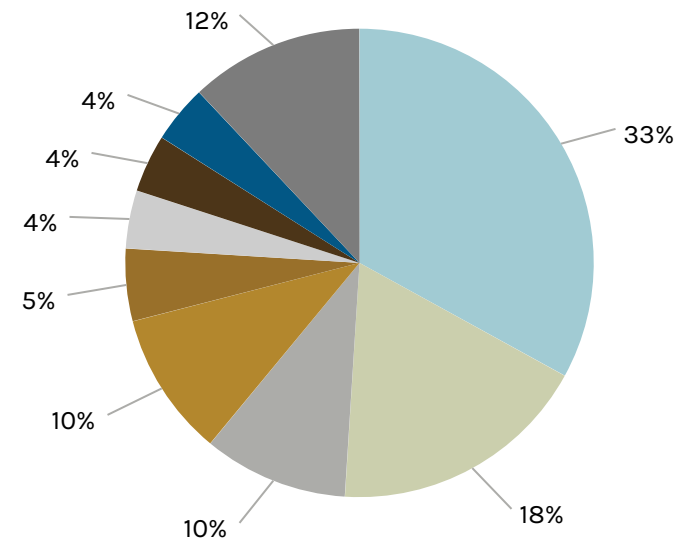
Backlog and Pipeline

- As of October 18, 2023, Ares Capital had a backlog and pipeline of approximately \$820 million and \$0, respectively⁽²⁵⁾
- The following is a breakdown of the backlog and pipeline by asset class and by industry

Asset Class



Industry



Debt Summary

(dollar amounts in millions)	As of 6/30/23			As of 9/30/23			Weighted Average Stated Interest Rate ⁽²⁶⁾	Interest Rate	Maturity Date
	Aggregate Principal Amount Committed/Outstanding ⁽²⁷⁾	Principal Amount Outstanding	Carrying Value of Outstanding Debt	Aggregate Principal Amount Committed/Outstanding ⁽²⁷⁾	Principal Amount Outstanding	Carrying Value of Outstanding Debt			
Secured Revolving Facilities⁽²⁸⁾:									
Revolving Credit Facility	\$ 4,758	\$ 1,922	\$ 1,922	\$ 4,758	\$ 1,392	\$ 1,392	7.066 %	SOFR + 1.75%	⁽³⁰⁾ April 2028
Revolving Funding Facility	1,775	850	850	1,775	887	887	7.305 %	SOFR + 1.90%	⁽³⁰⁾ December 2026
SMBC Funding Facility	800	401	401	800	401	401	7.182 %	SOFR + 1.75%	⁽³⁰⁾ May 2026
BNP Funding Facility	790	475	475	790	525	525	8.130 %	SOFR + 2.80%	⁽³⁰⁾ April 2028
Subtotal	8,123	3,648	3,648	8,123	3,205	3,205	7.321 %		
Unsecured Notes Payable:									
2024 Convertible Notes	403	403	401 ⁽²⁸⁾	403	403	401 ⁽²⁸⁾	4.625 %		March 2024
2024 Notes	900	900	899 ⁽²⁸⁾	900	900	899 ⁽²⁸⁾	4.200 %		June 2024
March 2025 Notes	600	600	598 ⁽²⁸⁾	600	600	598 ⁽²⁸⁾	4.250 %		March 2025
July 2025 Notes	1,250	1,250	1,256 ⁽²⁸⁾	1,250	1,250	1,255 ⁽²⁸⁾	3.250 %		July 2025
January 2026 Notes	1,150	1,150	1,145 ⁽²⁸⁾	1,150	1,150	1,146 ⁽²⁸⁾	3.875 %		January 2026
July 2026 Notes	1,000	1,000	992 ⁽²⁸⁾	1,000	1,000	993 ⁽²⁸⁾	2.150 %		July 2026
January 2027 Notes*	—	—	— ⁽²⁸⁾	600	600	587 ⁽²⁸⁾	7.898 %	SOFR + 2.585%	January 2027
June 2027 Notes	500	500	495 ⁽²⁸⁾	500	500	495 ⁽²⁸⁾	2.875 %		June 2027
2028 Notes	1,250	1,250	1,247 ⁽²⁸⁾	1,250	1,250	1,247 ⁽²⁸⁾	2.875 %		June 2028
2031 Notes	700	700	690 ⁽²⁸⁾	700	700	691 ⁽²⁸⁾	3.200 %		November 2031
Subtotal	7,753	7,753	7,723	8,353	8,353	8,312	3.631 %		
Total Debt	\$ 15,876	\$ 11,401	\$ 11,371	\$ 16,476	\$ 11,558	\$ 11,517	4.701 %		

Floating and Fixed rate debt as of September 30, 2023

Debt (dollar amounts in millions)	Principal Amount Outstanding	Weighted Average Stated Interest Rate ⁽²⁹⁾	Weighted Average Remaining Maturity ^{***} (In years)
Floating**	\$ 3,805	7.41 %	3.74
Fixed	7,753	3.37 %	2.94
Total	\$ 11,558	4.70 %	3.20

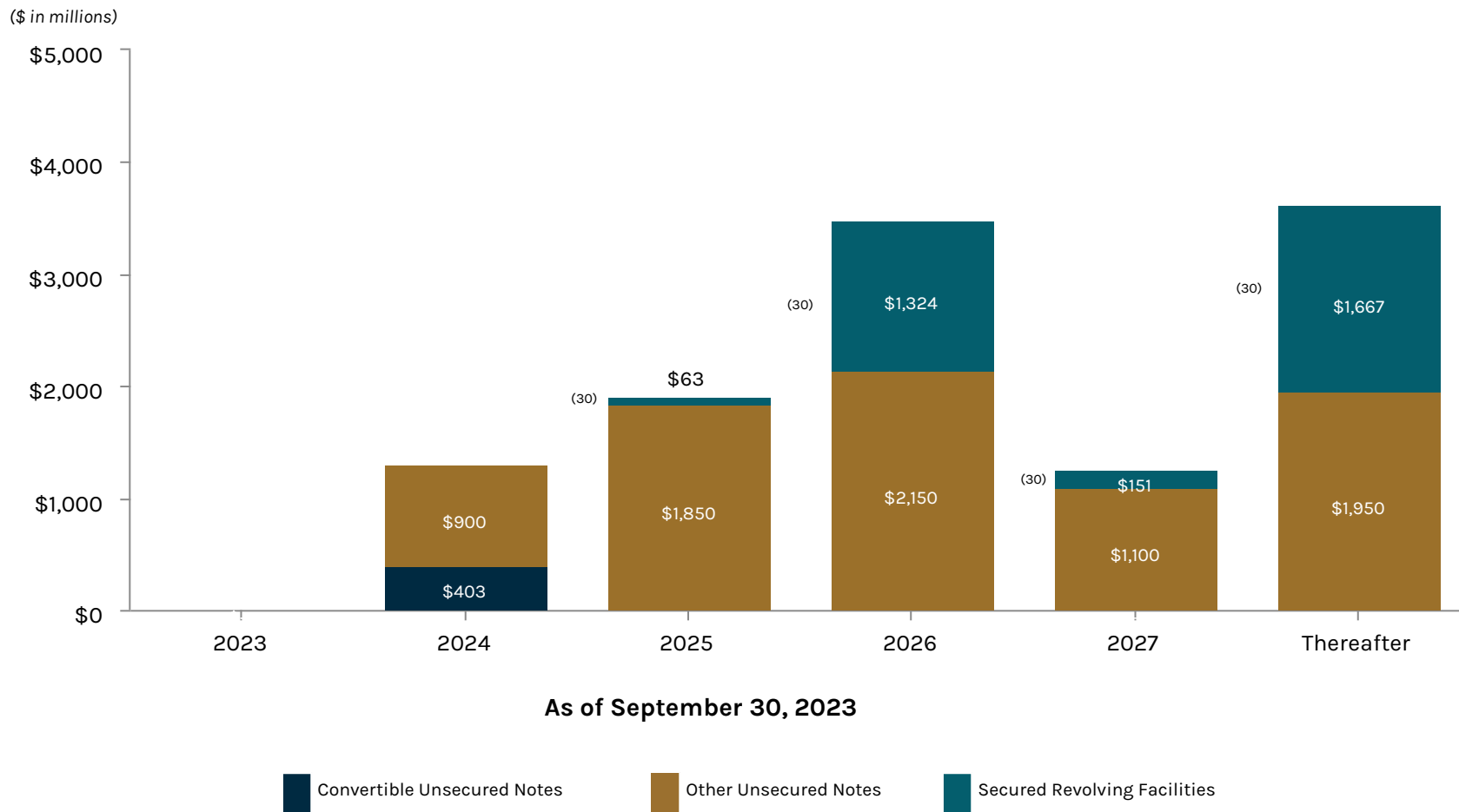
* In connection with the issuance of the January 2027 Notes, Ares Capital entered into an interest rate swap agreement for a total notional amount of \$600 million that matures on January 15, 2027 to more closely align the interest rate of such liability with Ares Capital's investment portfolio. Under the interest rate swap agreement, Ares Capital receives a fixed interest rate of 7.000% and pays a floating interest rate of one-month SOFR plus 2.585%.

** Includes the January 2027 Notes.

*** Represents the weighted average remaining maturity of outstanding debt as of September 30, 2023.

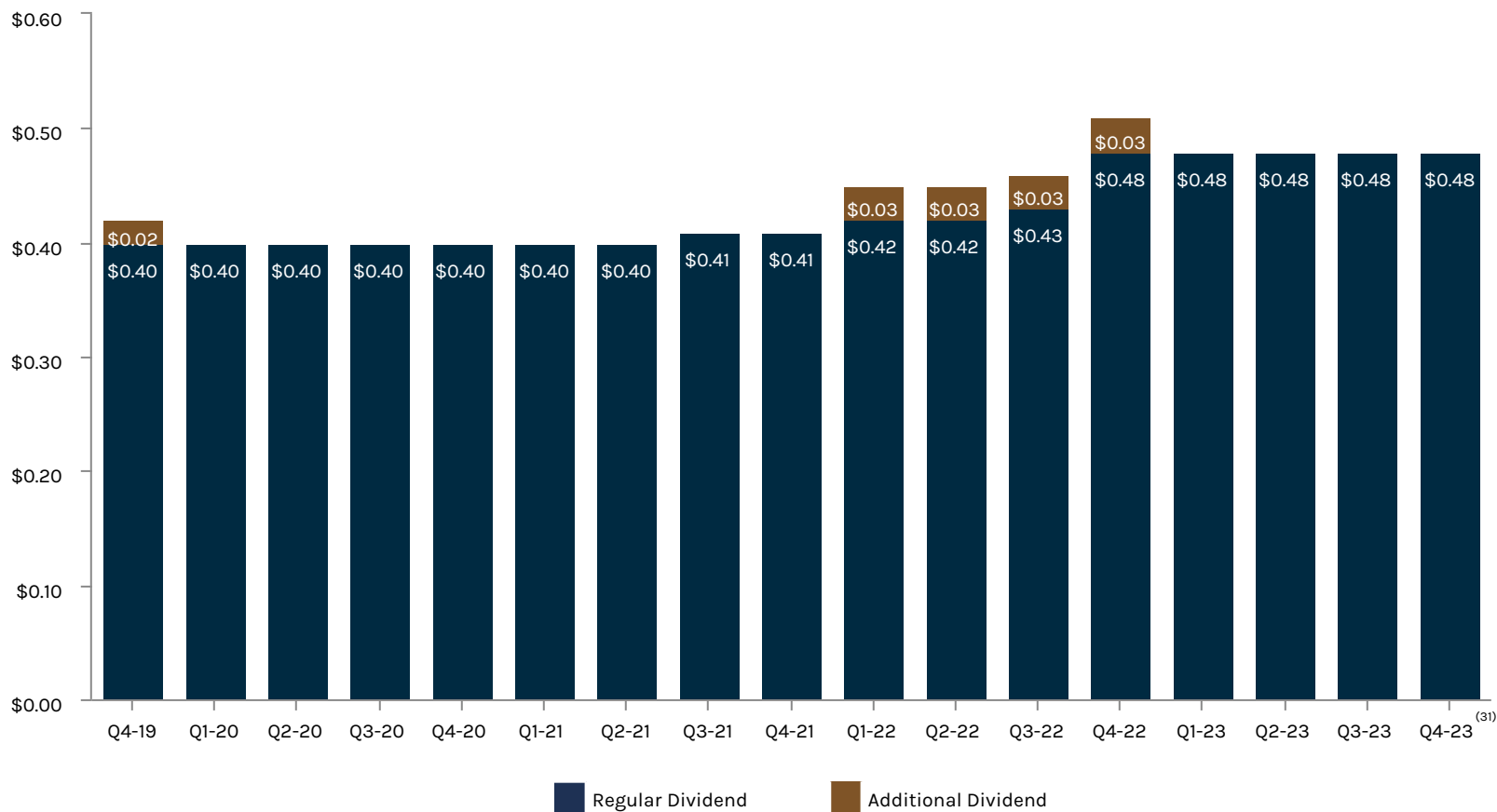
Debt Summary

Debt Maturities*



* Represents the total aggregate principal amount outstanding due on the stated maturity date.

Quarterly Dividends



- ARCC carried forward excess taxable income of approximately \$643 million or \$1.18 per share from 2022 for distribution to stockholders in 2023

Corporate Data

Board of Directors

MICHAEL AROUGHETI
Co-Chairman and Executive Vice President
of Ares Capital Corporation
Co-Founder, Chief Executive Officer and
President of Ares

ANN TORRE BATES
Former Executive Vice President, Chief
Financial Officer and Treasurer of NHP, Inc.

KIPP DEVEER
Chief Executive Officer of Ares Capital
Corporation
Partner, Head of Credit Group

MARY BETH HENSON
Former Chief Financial Officer of the
National Audubon Society
Co-Founder & Managing Director, Retail &
Apparel Investment Banking Group, Merrill
Lynch

DANIEL KELLY, JR.
Retired Partner of Davis Polk & Wardwell LLP

STEVEN MCKEEVER
Founder and Chief Executive Officer of
Hidden Beach Recordings

MICHAEL PARKS
Chief Executive Officer and President of
FlyawayHomes

ROBERT ROSEN
Strategic Adviser to Ares Private Equity
Group

BENNETT ROSENTHAL
Co-Chairman of Ares Capital Corporation
Co-Founder and Partner of Ares
Co-Chairman of Ares Private Equity Group

ERIC SIEGEL
Retired Partner of Apollo Advisors, LP.
Special Advisor to the Chairman of the
Milwaukee Brewers Baseball Club and a
member of the Club's Board of Advisors

MICHAEL SMITH
Partner, Co-Head of Credit Group

Investment Committee

MARK AFFOLTER
Partner, Co-Head of U.S. Direct Lending

MICHAEL AROUGHETI
Co-Chairman and Executive Vice
President of Ares Capital Corporation
Co-Founder, Chief Executive Officer and
President of Ares

KIPP DEVEER
Director and Chief Executive Officer of
Ares Capital Corporation
Partner, Head of Credit Group

MICHAEL DIEBER
Partner, Co-Head of Portfolio Management

MITCHELL GOLDSTEIN
Co-President of Ares Capital Corporation
Partner, Co-Head of Credit Group

JIM MILLER
Partner, Co-Head of U.S. Direct Lending

KORT SCHNABEL
Co-President of Ares Capital Corporation
Partner, Co-Head of U.S. Direct Lending

MICHAEL SMITH
Director of Ares Capital Corporation
Partner, Co-Head of Credit Group

Corporate Officers

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Co-Chairman and Executive Vice
President of Ares Capital Corporation
Co-Founder, Chief Executive Officer and
President of Ares

JOSHUA BLOOMSTEIN
Vice President, General Counsel and
Secretary

KIPP DEVEER
Director and Chief Executive Officer of
Ares Capital Corporation
Partner, Head of Credit Group

MITCHELL GOLDSTEIN
Co-President

MIRIAM KRIEGER
Vice President

SCOTT LEM
Chief Accounting Officer,
Vice President and Treasurer

JANA MARKOWICZ
Chief Operating Officer

LISA MORGAN
Chief Compliance Officer

PENNI ROLL
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Reconciliations of GAAP Net Income Per Share to Core EPS

The following are reconciliations of net income per share computed in accordance with GAAP to core earnings per share:

	For the Three Months Ended				
	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22
GAAP net income per share⁽¹⁾⁽²⁾	\$ 0.89	\$ 0.61	\$ 0.52	\$ 0.34	\$ 0.21
Adjustments:					
Net realized and unrealized (gains) losses ⁽¹⁾	(0.37)	(0.04)	0.08	0.34	0.36
Capital gains incentive fees attributable to net realized and unrealized gains and losses ⁽¹⁾	0.07	0.01	(0.01)	(0.07)	(0.07)
Income tax expense (benefit) related to net realized gains and losses ⁽¹⁾	—	—	(0.02)	0.02	—
Core EPS⁽³⁾	\$ 0.59	\$ 0.58	\$ 0.57	\$ 0.63	\$ 0.50

	For the Nine Months Ended	
	9/30/23	9/30/22
GAAP net income per share⁽¹⁾⁽²⁾	\$ 2.03	\$ 0.86
Adjustments:		
Net realized and unrealized (gains) losses ⁽¹⁾	(0.35)	0.65
Capital gains incentive fees attributable to net realized and unrealized gains and losses ⁽¹⁾	0.08	(0.13)
Income tax expense (benefit) related to net realized gains and losses ⁽¹⁾	(0.02)	0.01
Core EPS⁽³⁾	\$ 1.74	\$ 1.39

Endnotes

- 1) Per share amounts and weighted average shares outstanding are basic. The basic weighted average shares outstanding for the three months ended September 30, 2023, June 30, 2023, March 31, 2023, December 31, 2022 and September 30, 2022 were approximately 562 million, 547 million, 534 million, 514 million and 503 million, respectively. The basic weighted average shares outstanding for the nine months ended September 30, 2023 and September 30, 2022 were approximately 548 million and 492 million, respectively.
- 2) Ares Capital's diluted GAAP net income per share for the three months ended September 30, 2023, June 30, 2023, March 31, 2023, December 31, 2022 and September 30, 2022 was \$0.87, \$0.59, \$0.51, \$0.34 and \$0.21, respectively. The weighted average shares outstanding for the purpose of calculating the diluted GAAP net income per share for the three months ended September 30, 2023, June 30, 2023, March 31, 2023, December 31, 2022 and September 30, 2022 were approximately 582 million shares, 567 million shares, 555 million shares, 534 million shares and 523 million shares, respectively, which includes approximately 20 million shares, 20 million shares, 21 million shares, 20 million shares and 20 million shares, respectively, related to the assumed conversion of outstanding convertible notes. Ares Capital's diluted GAAP net income per share for the nine months ended September 30, 2023 and September 30, 2022 was \$1.98 and \$0.86, respectively. The weighted average shares outstanding for the purpose of calculating the diluted GAAP net income per share for the nine months ended September 30, 2023 and September 30, 2022 were approximately 568 million shares and 512 million shares, respectively, which includes 20 million shares and 20 million shares, respectively, related to the assumed conversion of outstanding convertible notes.
- 3) Core EPS is a non-GAAP financial measure. Core EPS is the net increase (decrease) in stockholders' equity resulting from operations, and excludes net realized and unrealized gains and losses, any capital gains incentive fees attributable to such net realized and unrealized gains and losses, and any income taxes related to such net realized gains and losses, divided by the basic weighted average shares outstanding for the relevant period. GAAP net income (loss) per share is the most directly comparable GAAP financial measure. Ares Capital believes that Core EPS provides useful information to investors regarding financial performance because it is one method Ares Capital uses to measure its financial condition and results of operations. 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. Reconciliations of GAAP net income per share, the most directly comparable GAAP financial measure, to Core EPS are set forth on slide 23 hereof.
- 4) Includes investment commitments to IHAM, a wholly-owned portfolio company of Ares Capital, or vehicles managed by IHAM. Q3-23, Q2-23, Q1-23, Q4-22 and Q3-22 include investment commitments to IHAM of \$122, \$0, \$283 million, \$283 million and \$342 million, respectively.
- 5) Q3-23, Q2-23, Q1-23, Q4-22 and Q3-22 include sales of loans to IHAM or vehicles managed by IHAM of \$151 million, \$39 million, \$652 million, \$943 million and \$860 million, respectively. Q3-23, Q2-23 and Q1-23 also include investment commitments repaid by IHAM of \$264 million, \$171 million and \$192 million, respectively.
- 6) The weighted average yields on debt and other income producing securities are computed as (a) annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities (including the annualized amount of the dividend received by Ares Capital related to its equity investment in IHAM during the most recent quarter end), divided by (b) total accruing debt and other income producing securities at amortized cost or at fair value (including the amortized cost or fair value of Ares Capital's equity investment in IHAM, as applicable), as applicable.
- 7) The weighted average yields on total investments are computed as (a) annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities (including the annualized amount of the dividend received by Ares Capital related to its equity investment in IHAM during the most recent quarter end), divided by (b) total investments at amortized cost or at fair value, as applicable.
- 8) Computed as total principal debt outstanding less available cash divided by stockholders' equity. Available cash excludes restricted cash as well as cash held for uses specifically designated for paying interest and expenses on certain debt.
- 9) Computed as (a) the annual stated interest expense on our debt obligations divided by (b) total debt obligations at principal amount outstanding. Stated interest expense on debt excludes facility and other fees and the amortization of original issue discount or premium, market discounts and debt issuance costs. The stated interest on the January 2027 Notes reflects the floating rate paid under the interest rate swap. See Note 6 to Ares Capital's consolidated financial statements included in the quarterly report on Form 10-Q for the quarter ended September 30, 2023 for more information regarding the interest rate swap agreement.
- 10) Net interest and dividend margin represents the difference between interest and dividend income (including dividend income from IHAM) and interest and credit facility fees expense for the last twelve month period divided by average total investments at amortized cost during the same period.

Endnotes (cont'd)

- 11) Excludes realized and unrealized gains (losses), incentive fees attributable to net realized and unrealized gains (losses) and income tax expense, including excise taxes. Fixed charges include interest and credit facility fees expense and amortization of debt issuance costs.
- 12) Includes portfolio companies for which there are outstanding commitments, but for which no amounts were funded at the end of the period.
- 13) First lien senior secured loans include certain loans that Ares Capital classifies as "unitranche" loans, which are loans that combine both senior and subordinated debt, generally in a first lien position. As of September 30, 2023, the total amortized cost and fair value of loans that Ares Capital classified as "unitranche" loans were \$5.3 billion and \$5.1 billion, respectively.
- 14) Represents Ares Capital's portion of co-investments with Varagon Capital Partners and its clients in first lien senior secured loans, including certain loans that the Senior Direct Lending Program LLC (the "SDLP") classifies as "unitranche" loans, to U.S. middle-market companies. See Note 4 to Ares Capital's consolidated financial statements included in the quarterly report on Form 10-Q for the quarter ended September 30, 2023 for information regarding the SDLP.
- 15) Includes Ares Capital's subordinated loan and equity investments in IHAM, as applicable. IHAM is an asset management services company and an SEC-registered investment adviser. See Note 4 to Ares Capital's consolidated financial statements included in the quarterly report on Form 10-Q for the quarter ended September 30, 2023 for more information regarding IHAM.
- 16) As of September 30, 2023, excluding Ares Capital's investment in the subordinated certificates of the SDLP, 96% of the floating rate investments at fair value contained interest rate floor features.
- 17) Represents gross commitments or fundings less commitments or investments exited, respectively.
- 18) The portfolio weighted average EBITDA and average EBITDA for the underlying borrowers includes information solely in respect of corporate investments in Ares Capital's portfolio and the weighted average total net leverage multiple and interest coverage ratio data includes information solely in respect of corporate portfolio companies in which Ares Capital has a debt investment (in each case, subject to the exclusions described in the following sentence). Excluded from the data above is information in respect of the following: (i) the SDLP (and the underlying borrowers in the SDLP), (ii) portfolio companies that do not report EBITDA, including IHAM, (iii) portfolio companies with negative or de minimis EBITDA, (iv) investment funds/vehicles, (v) discrete projects in the project finance/power generation sector, (vi) certain oil and gas companies, (vii) venture capital backed companies and (viii) commercial real estate finance companies. The portfolio weighted average EBITDA for the underlying borrowers in the SDLP was \$92.2 million, \$93.4 million, \$92.3 million, \$95.8 million and \$95.7 million as of September 30, 2022, December 31, 2022, March 31, 2023, June 30, 2023 and September 30, 2023, respectively. The portfolio average EBITDA for the underlying borrowers in the SDLP was \$80.1 million, \$82.6 million, \$82.1 million, \$86.1 million and \$86.4 million as of September 30, 2022, December 31, 2022, March 31, 2023, June 30, 2023 and September 30, 2023, respectively.
- 19) Weighted average EBITDA amounts are weighted based on the fair value of the portfolio company investments. EBITDA amounts are estimated from the most recent portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 20) EBITDA is a non-GAAP financial measure. For a particular portfolio company, EBITDA is generally defined as net income before net interest expense, income tax expense, depreciation and amortization. EBITDA amounts are estimated from the most recent portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 21) The net leverage multiple represents Ares Capital's last dollar of invested debt capital (net of cash) as a multiple of EBITDA. The portfolio weighted average net leverage multiple is weighted based on the fair value of the portfolio company investments. In addition to the data presented for the entire portfolio, the weighted average net leverage multiple for the underlying borrowers in the SDLP was 5.8x, 5.8x, 6.0x, 5.9x and 5.9x as of September 30, 2022, December 31, 2022, March 31, 2023, June 30, 2023 and September 30, 2023, respectively, which excludes certain portfolio companies with negative or de minimis EBITDA. Net leverage multiples for the underlying borrowers in the SDLP represent the SDLP's last dollar of invested debt capital (net of cash) as a multiple of EBITDA. The SDLP portfolio weighted average net leverage multiple is weighted based on the fair value of the underlying portfolio company investments. Portfolio company credit statistics for Ares Capital and the SDLP are derived from the most recently available portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.

Endnotes (cont'd)

- 22) The interest coverage ratio represents portfolio companies' LTM EBITDA as a multiple of implied annualized cash interest expense based on the borrowing levels and market rates at quarter end. The portfolio weighted average interest coverage ratio is weighted based on the fair value of the portfolio company investments. In addition to the data presented for the entire portfolio, the weighted average interest coverage ratio for the underlying borrowers in the SDLP was 1.9x, 1.7x, 1.7x, 1.6x and 1.6x as of September 30, 2022, December 31, 2022, March 31, 2023, June 30, 2023 and September 30, 2023, respectively, which excludes certain portfolio companies with negative or de minimis EBITDA. The SDLP portfolio weighted average interest coverage ratio is weighted based on the fair value of the underlying portfolio company investments. Portfolio company credit statistics for Ares Capital and the SDLP are derived from the most recently available portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 23) The EBITDA growth rate for each included portfolio company is calculated as the percentage change for the most recently reported fiscal year to date comparable periods and is weighted based on the fair value of the portfolio company investments to calculate the portfolio weighted average EBITDA growth rate. For a particular portfolio company, EBITDA is generally defined as net income before net interest expense, income tax expense, depreciation and amortization. EBITDA amounts used in the calculation are estimated from the most recent portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 24) Based on our investment adviser's internal investment rating system scale from 1 to 4. Investments with a grade of 4 involve the least amount of risk to our initial cost basis and the trends and risk factors for these investments since origination or acquisition are generally favorable, which may include the performance of the portfolio company or a potential exit. Investments with a grade of 3 involve a level of risk to our initial cost basis that is similar to the risk to our initial cost basis at the time of origination or acquisition. This portfolio company is generally performing as expected and the risk factors to our ability to ultimately recoup the cost of our investment are neutral to favorable. Investments with a grade of 2 indicate that the risk to our ability to recoup the initial cost basis of such investment has increased materially since origination or acquisition, including as a result of factors such as declining performance and non-compliance with debt covenants; however, payments are generally not more than 120 days past due. Investments with a grade of 1 indicate that the risk to our ability to recoup the initial cost basis of such investment has substantially increased since origination or acquisition and our investment adviser does not anticipate that we will recoup our initial cost basis and we may realize a substantial loss on our initial cost basis upon exit. All investments or acquired investments in new portfolio companies are initially assessed a grade of 3.
- 25) Investment backlog includes transactions approved by our investment adviser's investment committee and/or for which a formal mandate, letter of intent or a signed commitment has been issued, and therefore we believe are likely to close. Investment pipeline includes transactions where due diligence and analysis are in process, but no formal mandate, letter of intent or signed commitment has been issued. The consummation of any of the investments in this backlog and pipeline depends upon, among other things, one or more of the following: satisfactory completion of our due diligence investigation of the prospective portfolio company, our acceptance of the terms and structure of such investment and the execution and delivery of satisfactory transaction documentation. In addition, Ares Capital may sell all or a portion of these investments and certain of these investments may result in the repayment of existing investments. Ares Capital cannot assure you that we will make any of these investments or that we will sell all or any portion of these investments.
- 26) Requires periodic payments of interest and may require repayments of a portion of the outstanding principal once their respective reinvestment periods end but prior to the applicable stated maturity.
- 27) Subject to borrowing base and other restrictions. Represents total aggregate amount committed or outstanding, as applicable, under such instrument.
- 28) Represents the aggregate principal amount of the notes outstanding adjusted for the unaccreted discount or premium initially recorded at the time of issuance.
- 29) Effective stated rate as of September 30, 2023. The stated interest on the January 2027 Notes reflects the floating rate paid under the interest rate swap. See Note 6 to Ares Capital's consolidated financial statements included in the quarterly report on Form 10-Q for the quarter ended September 30, 2023 for more information regarding the interest rate swap agreement.

Endnotes (cont'd)

- 30) See Note 5 to Ares Capital's consolidated financial statements included in the quarterly report on Form 10-Q for the quarter ended September 30, 2023 for more information regarding each of Ares Capital's secured revolving facilities.
- 31) Declared. The fourth quarter 2023 regular dividend of \$0.48 per share to be paid on December 28, 2023 to stockholders of record on December 15, 2023.

