

2nd Quarter Earnings Conference Call

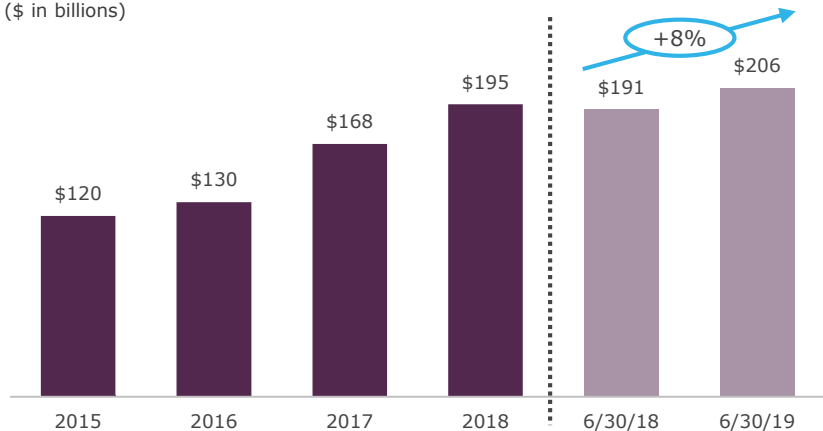
KKR & Co. Inc. Investor Update

July 25, 2019

Key Metrics

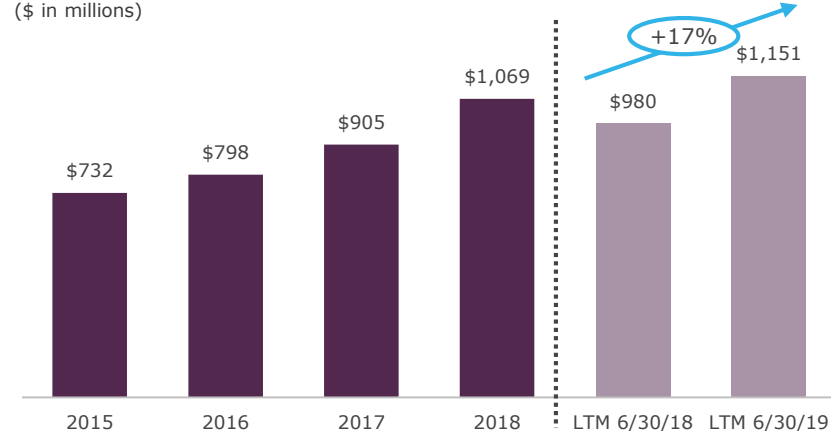
Assets Under Management

(\$ in billions)

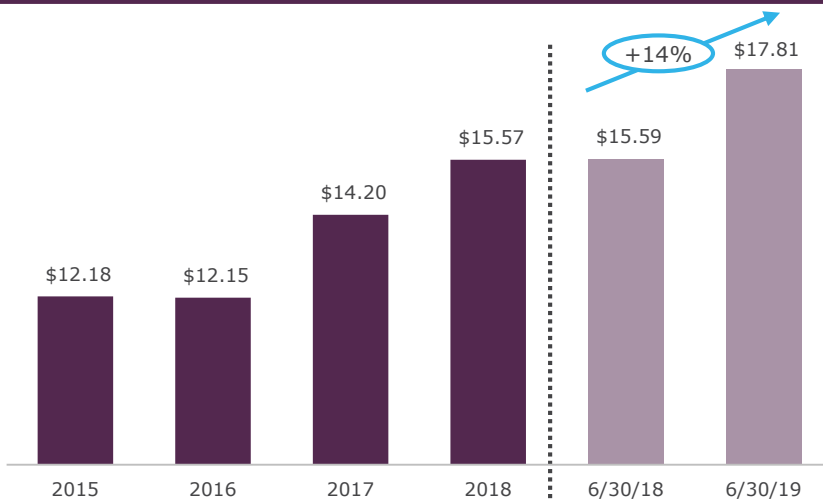


Management Fees

(\$ in millions)

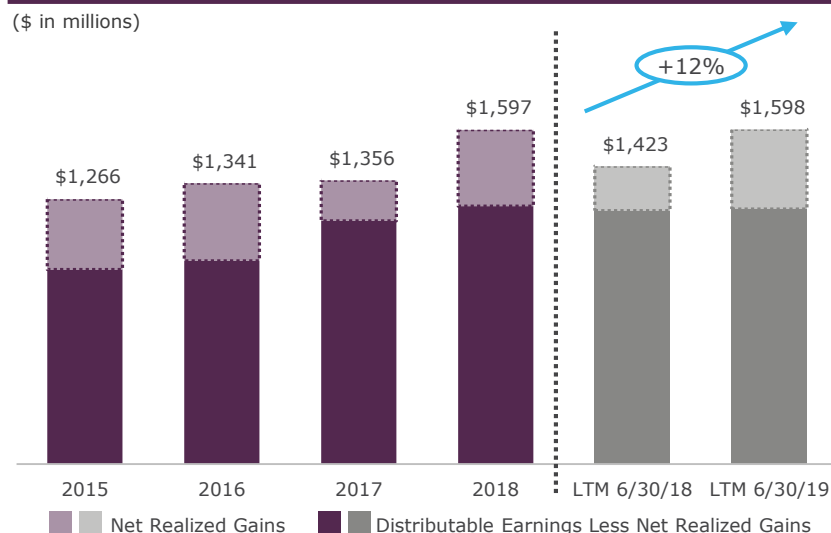


Book Value Per Adjusted Share



After-tax Distributable Earnings

(\$ in millions)



Note: See Appendix for a reconciliation to financial results prepared in accordance with GAAP.

2Q19 Reflections | Fundamentals Are Strong

(\$ in millions, except per share amounts and unless otherwise stated)

	Q2 2019	LTM	Notes
After-tax Distributable Earnings	\$327	\$1,598	• +12% on an LTM year-over-year basis
After-tax Distributable Earnings / Adjusted Share	\$0.39	\$1.92	• +11% on an LTM year-over-year basis
Management Fees	\$303	\$1,151	• +17% on an LTM year-over-year basis
Fee Related Earnings ⁽¹⁾	\$287	\$1,132	• +28% on an LTM year-over-year basis
Assets Under Management	\$206bn		• +8% on a year-over-year basis
Fee Paying AUM	\$152bn		• +9% on a year-over-year basis
Book Value / Adjusted Share	\$17.81		• +14% on a year-over-year basis • \$15bn of cash and investments ⁽²⁾

Note: See Appendix for a reconciliation to financial results prepared in accordance with GAAP.

(1) Fee related earnings is calculated as KKR's Total Fees and Other, Net, multiplied by KKR's segment operating margin. For purposes of the fee related earnings calculation, segment operating margin is calculated as Segment Operating Earnings, before equity-based compensation, divided by total segment revenues. For the quarter ended June 30, 2019, KKR's total Fees and Other, Net was \$528 million, Segment Operating Earnings was \$445 million, equity-based compensation was \$49 million, and total segment revenues was \$908 million.

(2) Represents Cash and Short-term Investments and Investments. Excludes Unrealized Carried Interest and Other Assets.


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Fund Investment Performance

		LTM Gross Return
Private Equity	Private Equity Flagship Funds <ul style="list-style-type: none"> • North America XI • Asia II • Europe IV 	12%
Real Assets	Real Estate I	7%
	Infrastructure II	13%
	Energy Income & Growth	0%
Alternative Credit	Alternative Credit Flagship Funds <ul style="list-style-type: none"> • Special Situations II • Private Credit Opportunities II • Lending Partners II 	5%
Leveraged Credit	KKR Composite	5%


Note: The private equity, real asset and alternative credit strategies shown above consist of KKR's strategies that could generate carry. For Private Equity the funds represent the flagship funds within each major geographic region. The funds shown within each of the Real Assets and Alternative Credit strategies represent the flagship funds within each sub-strategy with at least \$1 billion in committed capital and that have been investing for at least two years. For a complete list of our carry paying funds, see the Investment Vehicle Summary on page 12 of KKR's second quarter earnings release, dated July 25, 2019. Leveraged credit encompasses all funds in that strategy. Past performance is no guarantee of future results.


Core Investing


Long Duration 

Cash Generative Businesses 

Less Cyclical 

Lower Leverage Over Time 

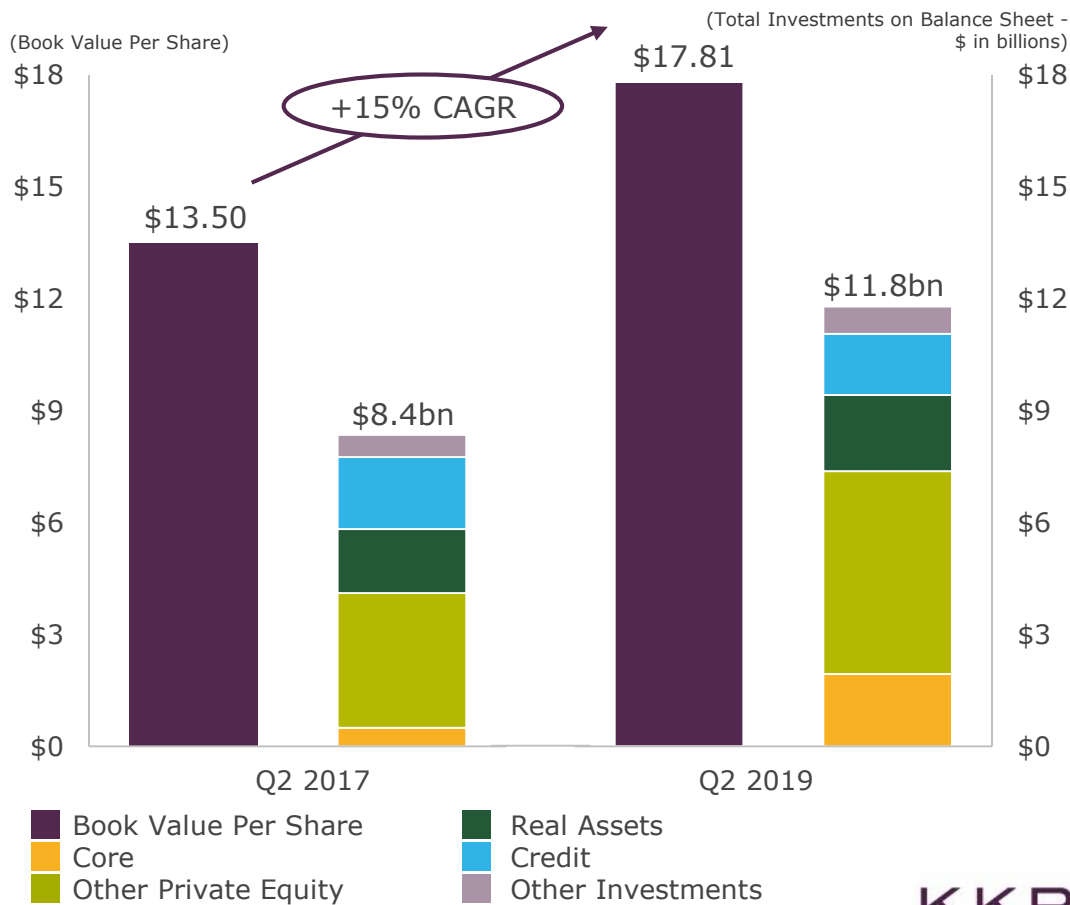
More Limited Disruptors 

Control 

High-Quality Management 

How Our Approach Is Playing Out

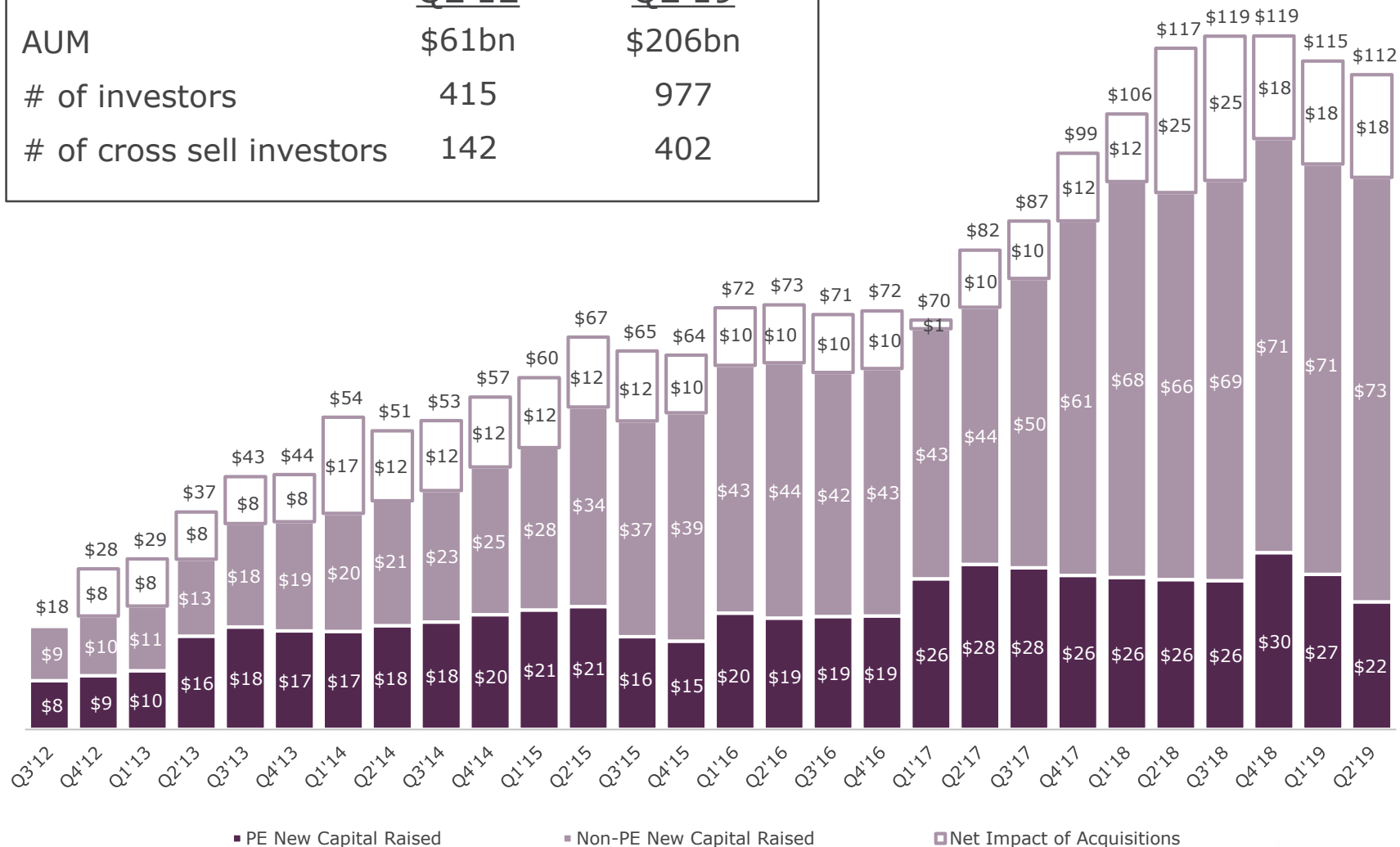
- Over \$10.5 billion of AUM today
- First investment closed in Q2 2017, with 5 additional investments in 2 years across the US, Europe and Asia Pacific
- Balance sheet critical in approach
- 21% Gross IRR



New Capital Inflows – Rolling 3-Year Basis

(\$ in billions)

	<u>Q2'12</u>	<u>Q2'19</u>
AUM	\$61bn	\$206bn
# of investors	415	977
# of cross sell investors	142	402



Appendix

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Reconciliation of Net Income (Loss) Attributable to KKR & Co. Inc. Class A Common Stockholders (GAAP Basis) to After-tax Distributable Earnings

	Twelve Months Ended						Three Months Ended
	2015	December 31, 2016	December 31, 2017	2018	June 30, 2018	June 30, 2019	June 30, 2019
Net Income (Loss) Attributable to KKR & Co. Inc. Class A Common Stockholders	\$ 488,482	\$ 287,072	\$ 984,941	\$ 1,097,699	\$ 1,170,435	\$ 1,462,587	\$ 514,393
Add: Net Income (Loss) Attributable to Noncontrolling Interests held by KKR Holdings L.P.	433,693	212,878	791,021	561,052	840,170	832,787	361,228
Add: Equity-based and Other Compensation - KKR Holdings L.P.	75,233	78,663	141,727	100,632	99,612	84,611	22,803
Add: Amortization of Intangibles and Other, net	47,599	(17,267)	122,870	26,116	82,575	110,583	25,380
Add: Non-recurring Costs	-	-	-	11,501	11,501	-	-
Add: Realized Losses on Certain Investments	-	-	-	729,425	729,425	-	-
Deduct: Unrealized Carried Interest	163,545	(420,372)	600,242	(756,467)	214,607	102,754	509,319
Deduct: Net Unrealized Gains (Losses)	(391,962)	(584,423)	395,358	1,043,912	1,481,076	667,390	401,807
Add: Unrealized Performance Income Compensation	66,927	(161,510)	247,601	(295,794)	94,582	50,137	210,020
Deduct: Gain from Remeasurement of Tax Receivable Agreement Liability	-	-	67,221	-	67,221	-	-
Add: Income Tax Provision	66,636	24,561	224,326	(194,098)	243,847	60,293	165,399
Deduct: Income Taxes Paid	140,677	87,723	94,065	151,848	86,694	232,668	60,815
After-tax Distributable Earnings	\$ 1,266,310	\$ 1,341,469	\$ 1,355,600	\$ 1,597,240	\$ 1,422,549	\$ 1,598,186	\$ 327,282

Note: Amounts in thousands.

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Reconciliation of KKR & Co. Inc. Stockholders' Equity – Common Stockholders (GAAP Basis) to Book Value per Adjusted Share

	As Of							
	2015	December 31,		2018	2017	June 30,	2019	
		2016	2017			2018		
KKR & Co. Inc. Stockholders' Equity – Common Stockholders	\$ 5,547,182	\$ 5,457,279	\$ 6,703,382	\$ 8,167,056	\$ 6,212,556	\$ 7,909,830	\$ 9,392,924	
Impact of Consolidation of Investment Vehicles and Other Entities	133,208	118,635	214,188	205,502	137,831	196,032	271,665	
Noncontrolling Interests held by KKR Holdings L.P. and Other	4,431,939	4,389,285	4,844,271	4,625,448	4,770,678	4,852,877	5,355,692	
Other Reclassifications	-	(17,446)	(17,446)	(17,446)	(17,446)	(17,446)	(17,446)	
Equity Impact of KKR Management Holdings Corp.	(133,100)	(151,162)	(70,486)	-	(130,126)	(28,011)	-	
Book Value	\$ 9,979,229	\$ 9,796,591	\$ 11,673,909	\$ 12,980,560	\$ 10,973,493	\$ 12,913,282	\$ 15,002,835	
Adjusted Shares	819,181,463	806,137,733	822,146,070	833,938,476	812,962,176	828,449,636	842,585,116	
Book Value per Adjusted Share	\$ 12.18	\$ 12.15	\$ 14.20	\$ 15.57	\$ 13.50	\$ 15.59	\$ 17.81	

Note: Amounts in thousands, except adjusted shares and book value per share amounts.

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