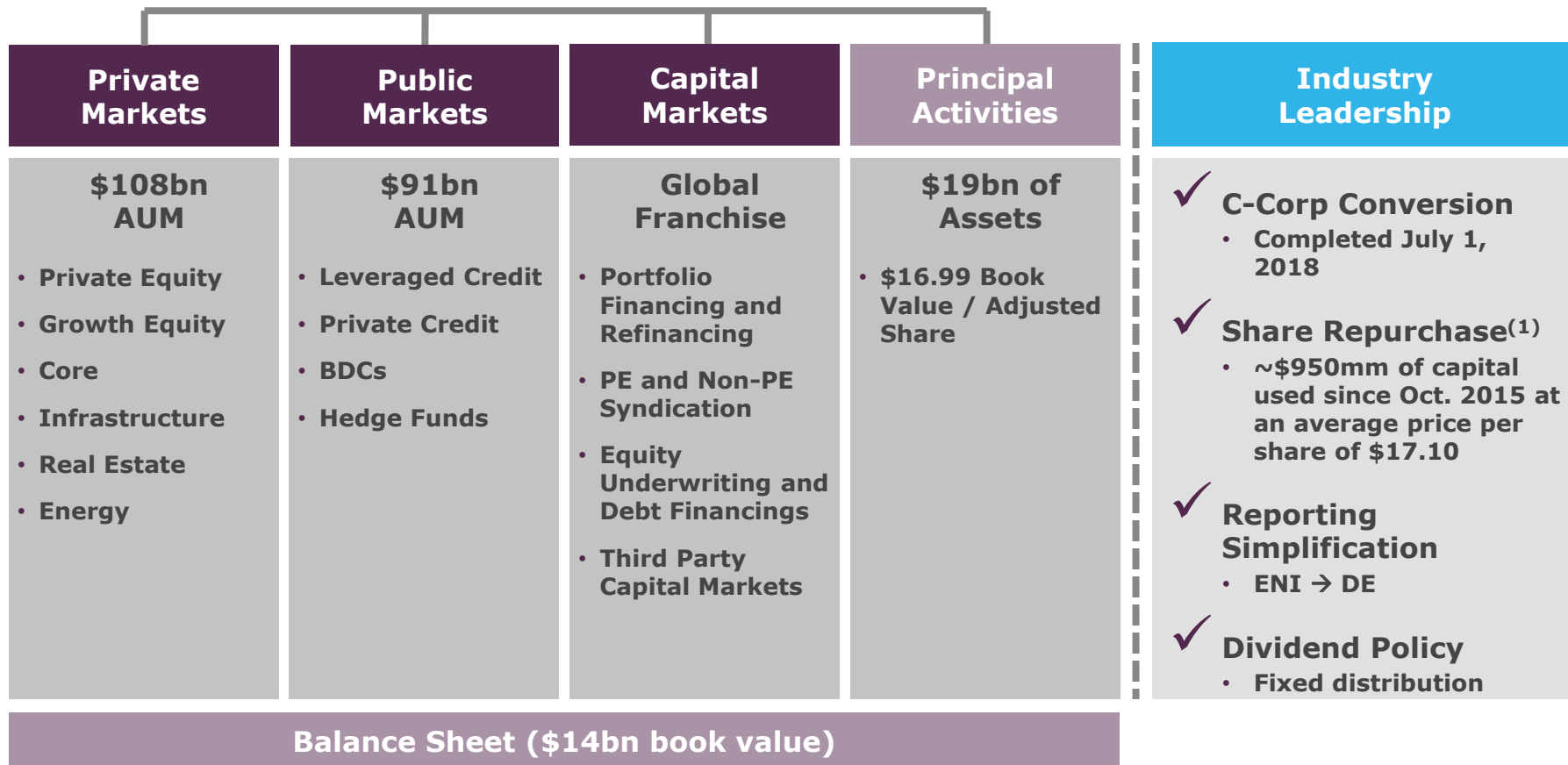


# Investor Presentation

June 2019

# KKR Overview

# KKR

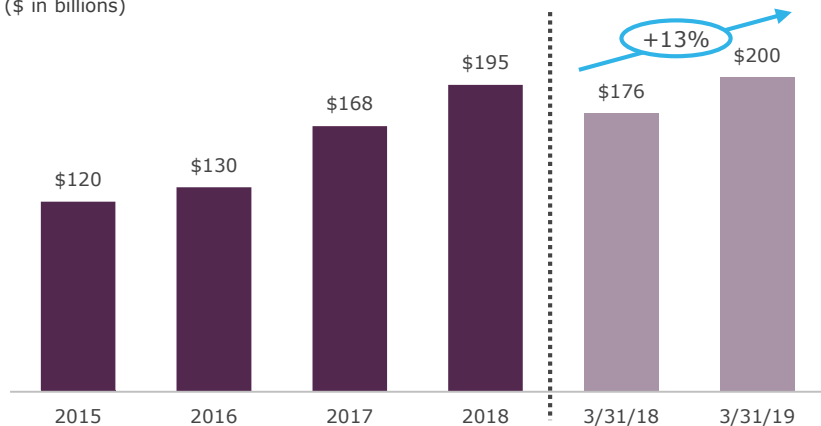


Note: See Appendix for a reconciliation to financial results prepared in accordance with GAAP. Figures as of March 31, 2019.  
 (1) Includes open market share repurchases and the retirement of equity awards issued pursuant to the KKR Equity Incentive Plans.

# Key Metrics

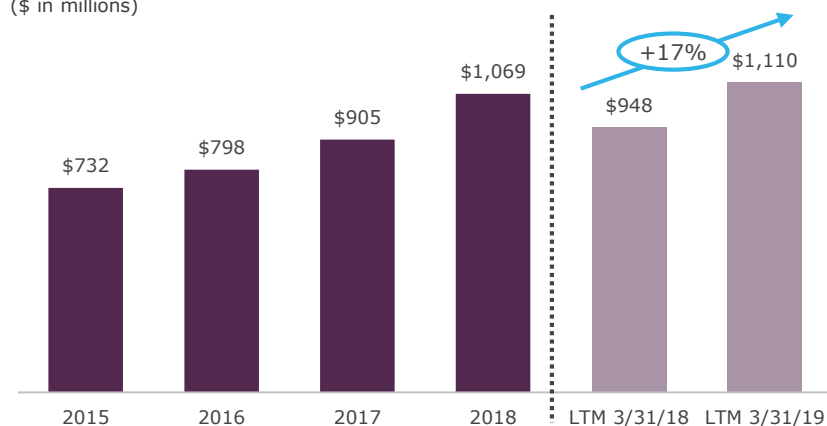
## Assets Under Management

(\$ in billions)

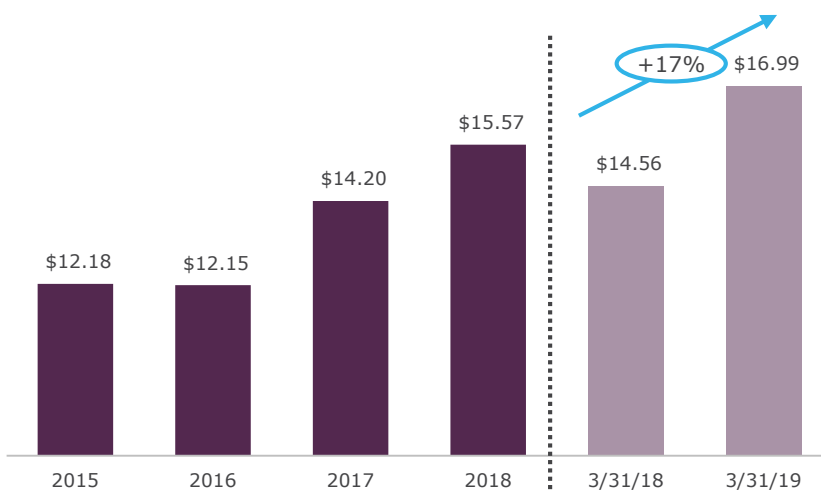


## Management Fees

(\$ in millions)

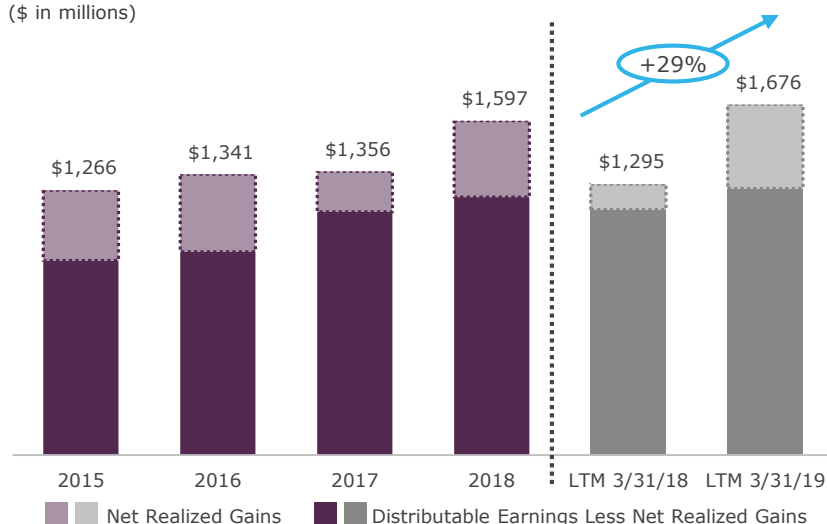


## Book Value Per Adjusted Share



## After-tax Distributable Earnings

(\$ in millions)

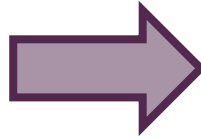


Note: See Appendix for a reconciliation to financial results prepared in accordance with GAAP.

# Business Model

---

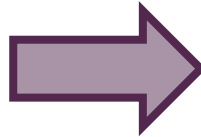
## Management Fees



- **Management fees stable with visibility**
- **\$148 billion of FPAUM**
- **\$20 billion of capital commitments not yet earning economics**

---

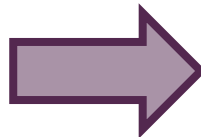
## Performance Fees



- **80% of third party managed assets are carry or incentive fee eligible**
- **36 consecutive quarters of realized carry**

---

## Balance Sheet



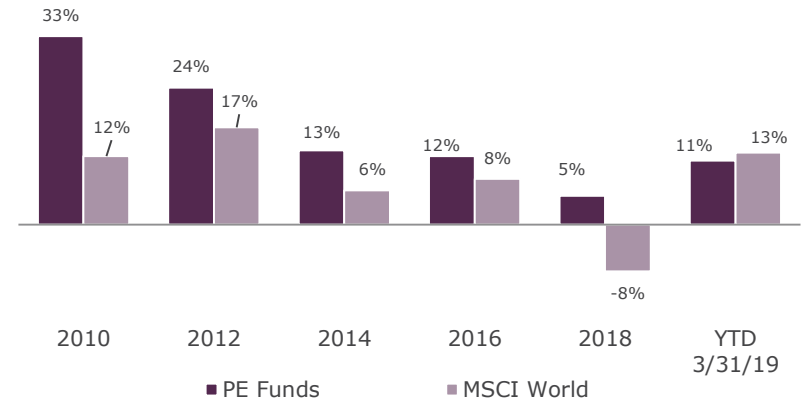
- **Alignment with our fund LPs**
- **Exposure across our asset classes**
- **Helps us seed and scale new efforts**
- **Strategic asset**

# Private Markets

## Highlights

- Private Equity pioneer with over four decades of experience
- 25.6% gross IRR (18.8% net IRR) and 2.0x multiple of invested capital for KKR's mature Private Markets funds since inception<sup>(1)</sup>
- \$108 billion of Private Markets AUM and \$72 billion of FPAUM, including \$12 billion of capital raised but not yet earning fees (all of which is performance fee eligible)

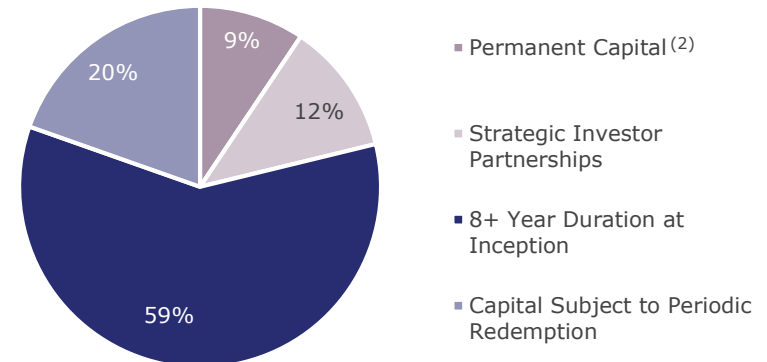
## Recent PE Performance<sup>(1)</sup>



## Differentiators

- Global team
- Long duration, locked-up capital
- Long-tenured industry relationships yielding differentiated sourcing capabilities
- Extensive operational capability set
- Integrated capital markets services including capital structure syndication and optimization
- Stakeholder management and ESG focus

## Private Markets Capital is Long-Term



Note: Figures as of March 31, 2019 unless otherwise stated.

(1) Index returns include total return. The KKR gross IRR, net IRR and gross multiple of invested capital are calculated for our investment funds that made their first investment at least 24 months prior to March 31, 2019. None of the Americas Fund XII, Real Estate Credit Opportunity Partners, Asian Fund III, Real Estate Partners Americas II, our Core Investment Vehicles, Global Infrastructure Investors III or European Fund V has invested for at least 24 months as of March 31, 2019. Date of inception is April 7, 1977. Past performance is no guarantee of future results.

(2) Capital of indefinite nature, which may be withdrawn under certain conditions.

# Public Markets

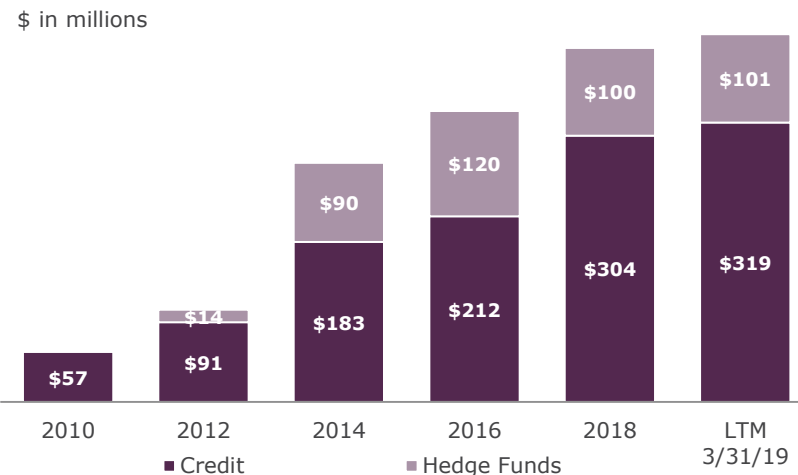
## Assets by Strategy

(\$ in millions)	AUM	FPAUM
Leveraged Credit SMAs / Funds	\$ 19,822	\$ 18,478
CLOs	<u>13,323</u>	<u>13,323</u>
Total Leveraged Credit	33,145	31,801
Alternative Credit	16,873	8,694
Hedge Funds	24,328	18,582
BDCs	<u>17,038</u>	<u>17,083</u>
<b>Total</b>	<b>\$ 91,384</b>	<b>\$ 76,115</b>

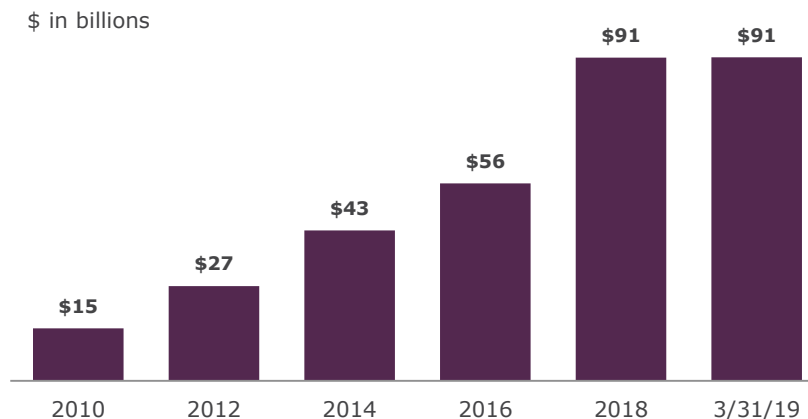
## Differentiators

- Benefit of global, cross-business sourcing and diligence / research capabilities
- Long-term, flexible and growing capital base
- \$52 billion of AUM in carry or incentive fee-eligible Credit vehicles
- Significant incentive fee upside from BDCs and Hedge Funds

## Management Fees



## AUM



Note: Figures as of March 31, 2019.

KKR

# Principal Activities

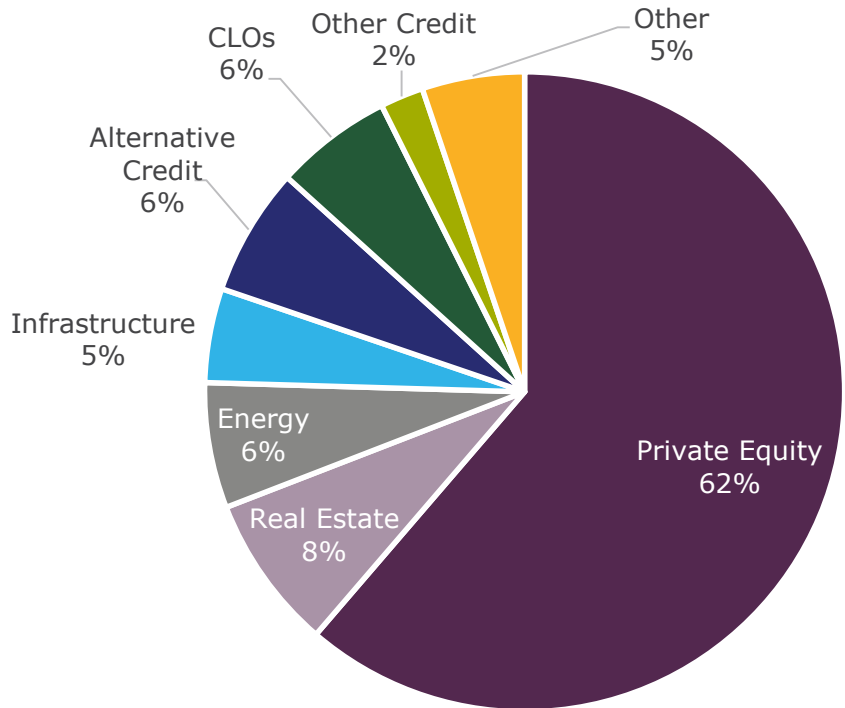
## Balance Sheet Overview

(\$ in millions)

Private Equity	\$6,568
Real Assets	2,027
Credit	1,564
Other	555
<b>Total Investments</b>	<b>\$10,714</b>
Cash & Short-term Investments	2,554
Unrealized Carried Interest	1,468
Other Assets / Corporate Real Estate	4,034
<b>Total Assets</b>	<b>\$18,771</b>
Debt Obligations	\$3,312
Other Liabilities	788
<b>Total Liabilities</b>	<b>\$4,100</b>
Noncontrolling Interests	22
Preferred Stock	500

**Book Value** **\$14,148**

## Holdings By Asset Class



**Total Investment Balance: \$10.7 billion**

Note: Figures as of March 31, 2019. See Appendix for a reconciliation to financial results prepared in accordance with GAAP.

**KKR**

# How KKR Uses Its Balance Sheet Capital to Drive Growth

---





# Key Drivers of Value Creation

---

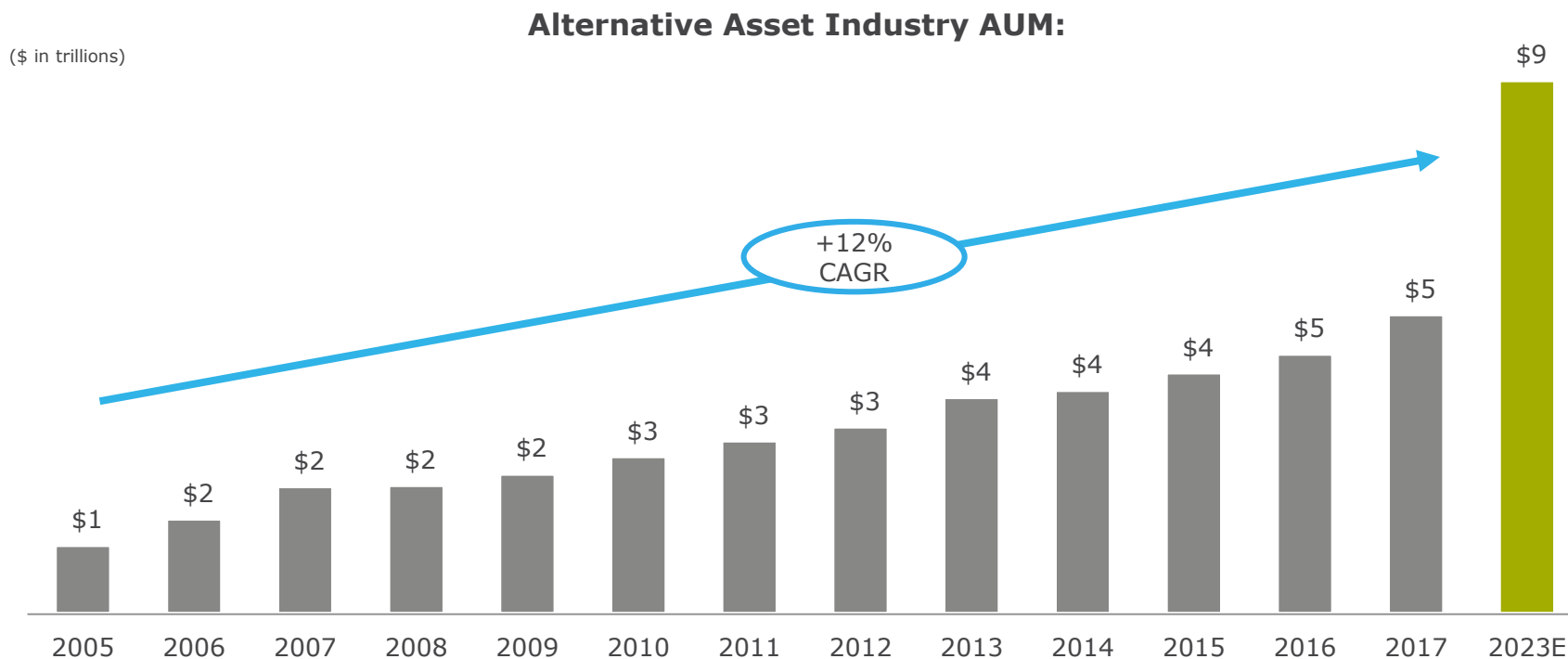
1

Our industry is growing and we have been taking share

# 1 Our Industry Is Growing

## Secular Drivers

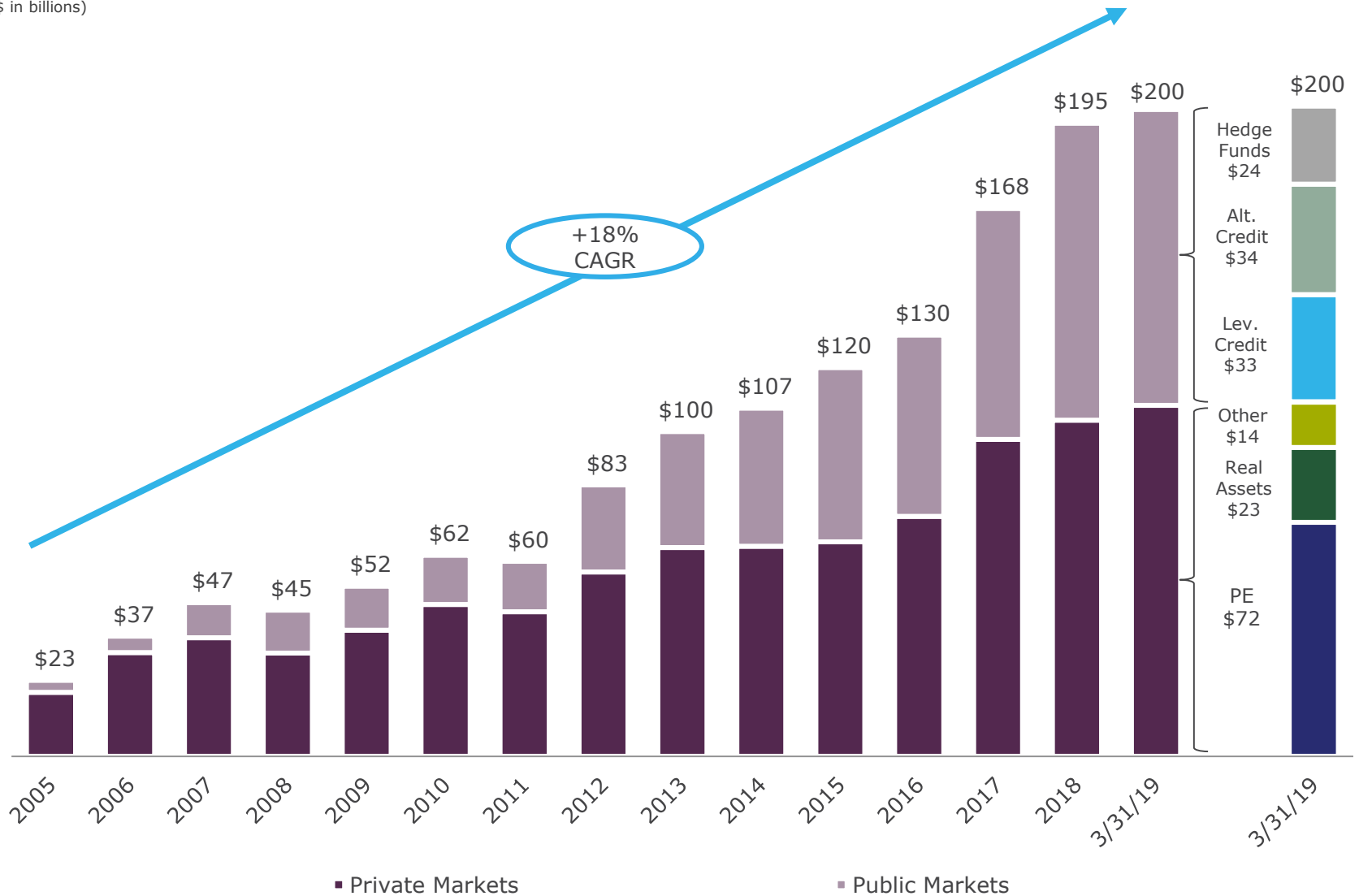
- ✓ Limited Partners' need for investment returns
- ✓ Growth in Sovereign Wealth Funds
- ✓ Growing penetration of Insurance and High Net Worth investors
- ✓ Retrenchment of banks
- ✓ Shareholder activism



Source: Preqin – The Future of Alternatives. October 2018. AUM includes Private Equity, Infrastructure, Private Debt, Natural Resources and Real Estate. KKR's definition of AUM is different from Preqin's definition of AUM, and therefore the comparison between the two may not be directly comparable.

# 1 Assets Under Management Growth & Diversification

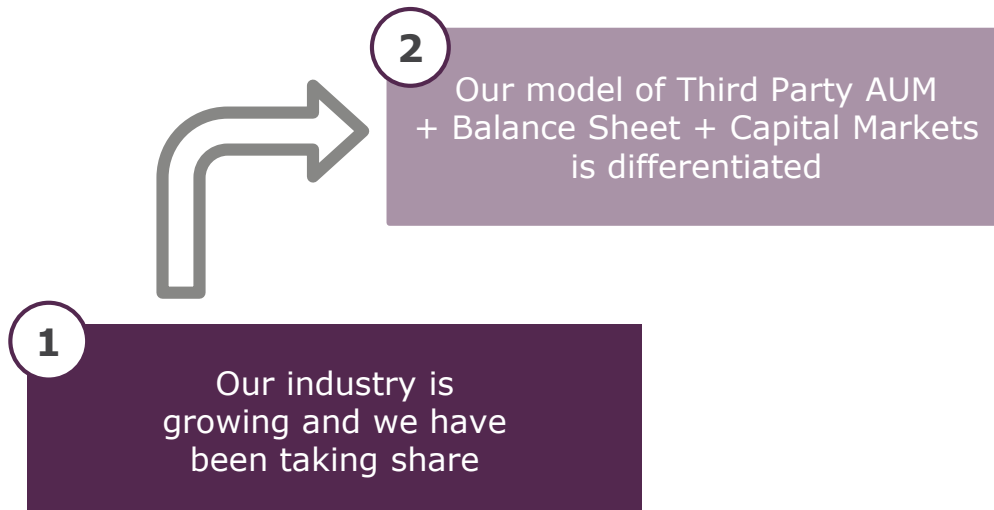
(\$ in billions)



Note: Other includes Core, Impact and Growth.

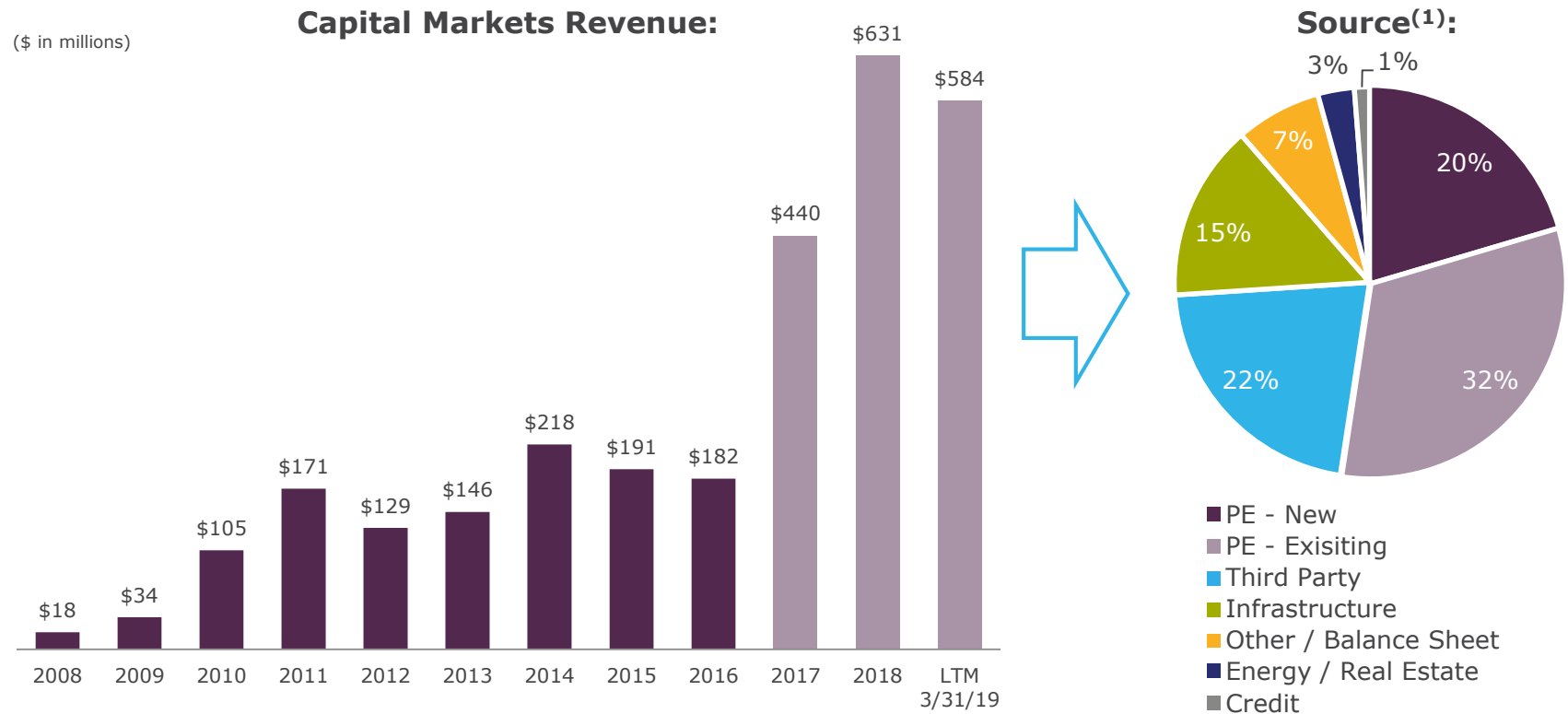
# Key Drivers of Value Creation

---



## 2 Capital Markets


- Global team offering full-service capital markets underwriting and support
  - Acquisition finance: expands capacity for private equity / mezzanine transactions
  - Refinancing / buybacks during ownership: optimizes cost of capital, enhances capital structure flexibility
  - IPOs / secondary sales: experienced execution and market advice
- Profitable, aligned business model providing a high-growth, high-margin opportunity with a focus on third party capital markets for sponsors and corporates




**Over \$1 billion of revenue since beginning of 2017 from a diversified stream**


(1) Represents revenue contribution by investment strategy for 2017, 2018 and year-to-date March 31, 2019.


## 2 Core Investing


**Long Duration** 


**Cash Generative** 

**Less Cyclical** 

**More Limited External Exposures** 

**Lower Leverage** 

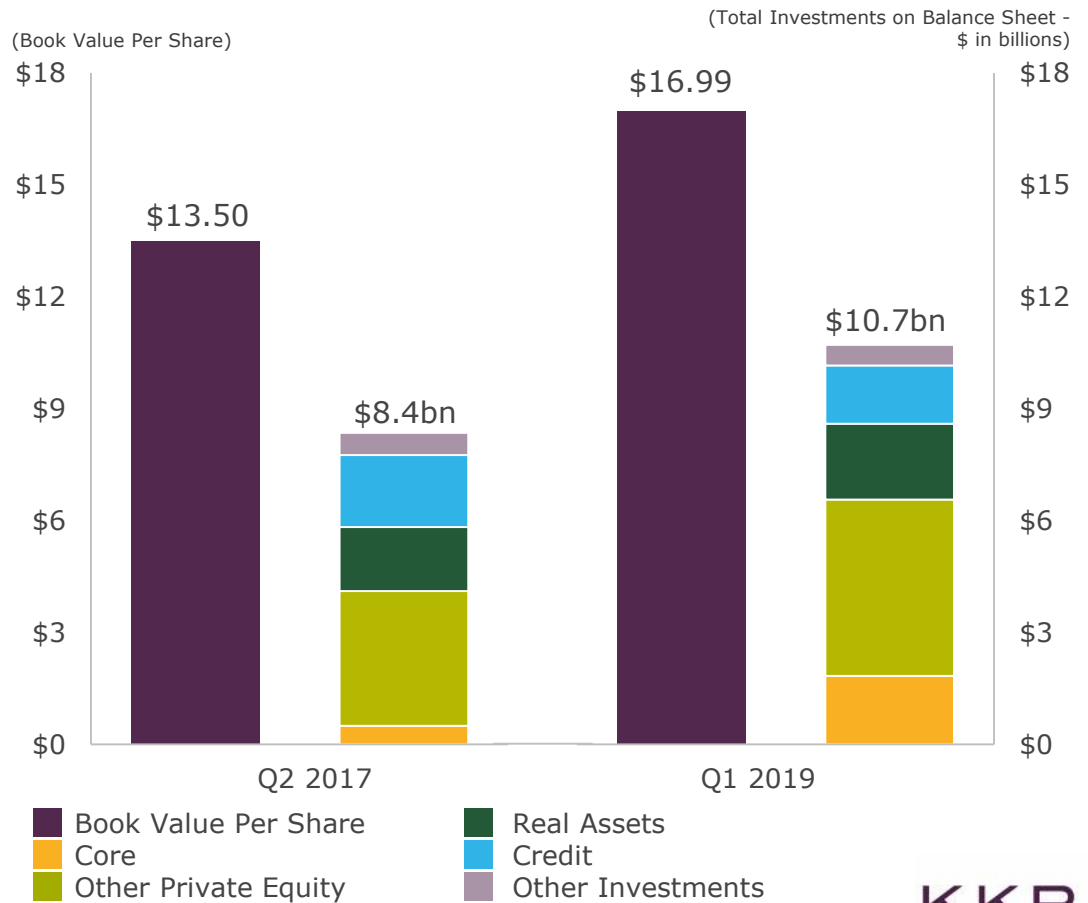
**More Limited Disruptors** 

**Control** 

**High-Quality Management** 

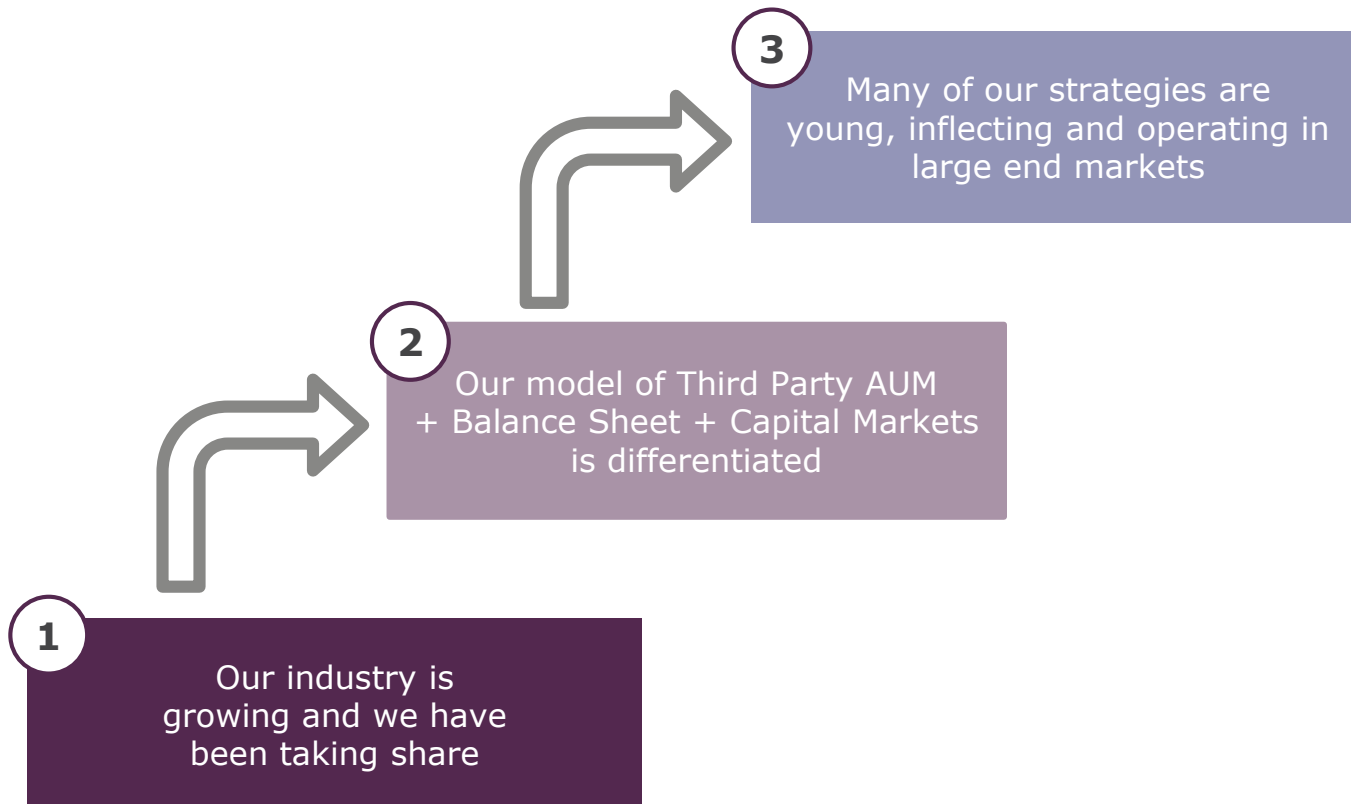
### How Our Approach Is Playing Out

- Over \$10 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
- 19.5% Gross IRR



# Key Drivers of Value Creation

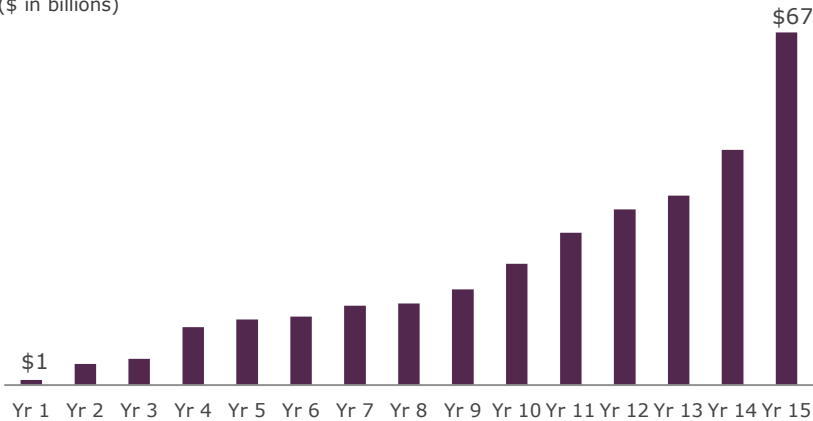
---



### 3 It Takes ~10 Years to Scale

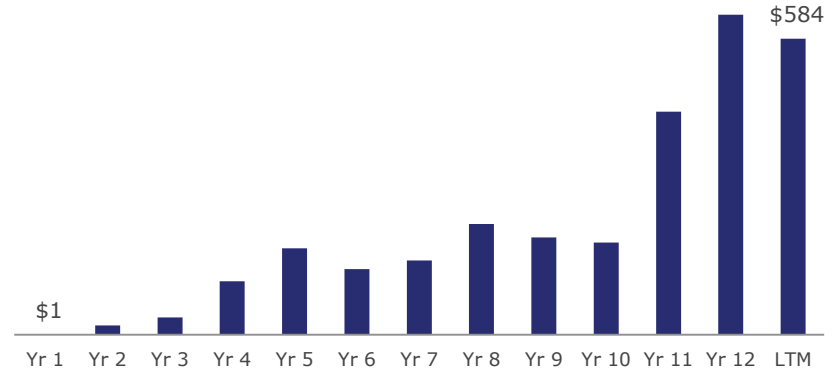
#### Credit - AUM

(\$ in billions)



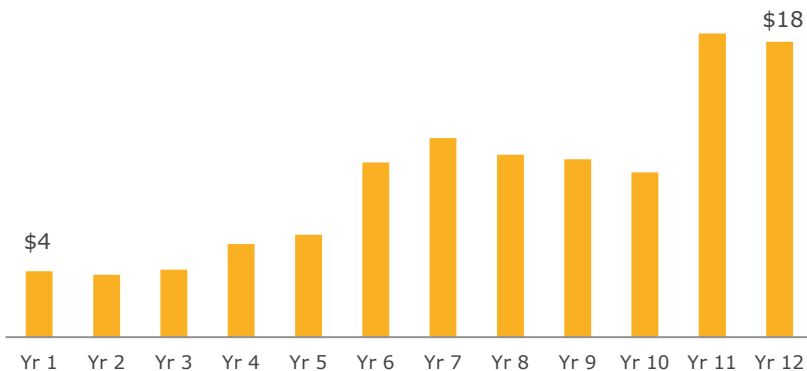
#### KCM - Revenue

(\$ in millions)



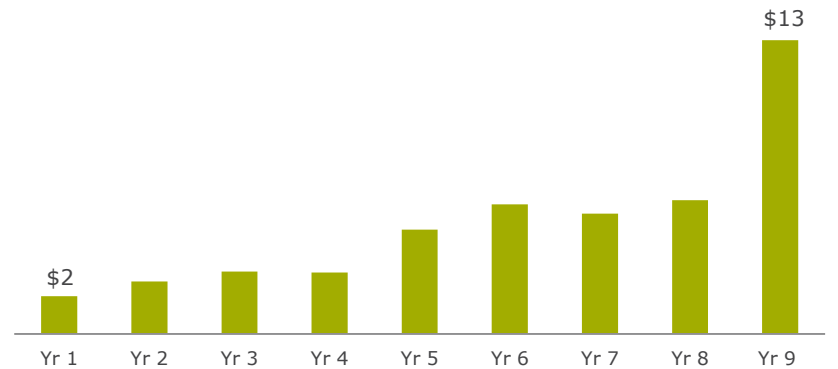
#### Asia Private Equity - AUM

(\$ in billions)



#### Infrastructure - AUM

(\$ in billions)

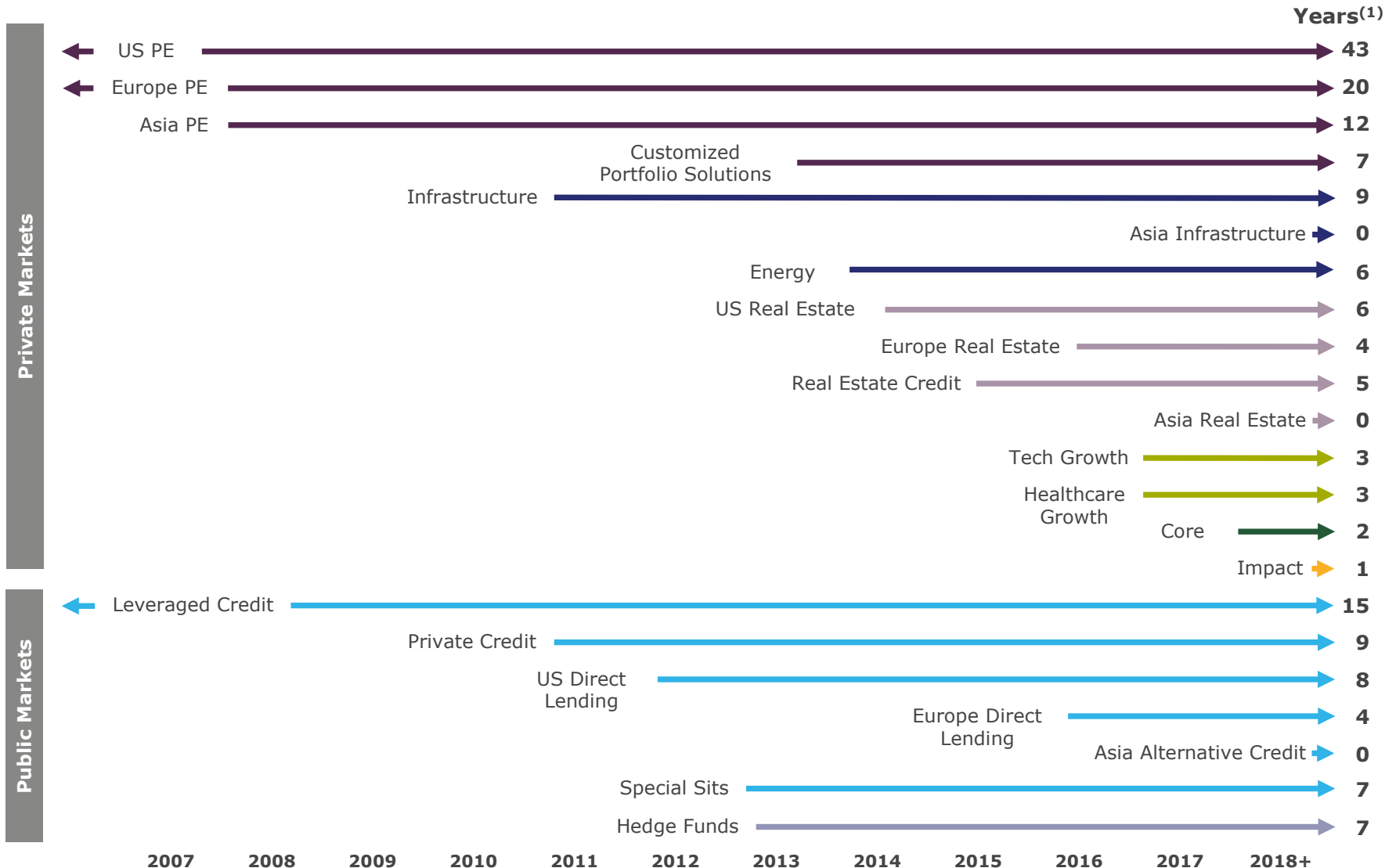


**We Have Several Strategies in Their First 10 Years, With Significant Potential**

Note: Terminal year AUM represents quarter ended March 31, 2019, all other years represent year ended December 31, 2017 and prior. KCM Revenue LTM represents twelve months ended March 31, 2019, all other years represent twelve calendar months ended December 31, 2018 and prior.



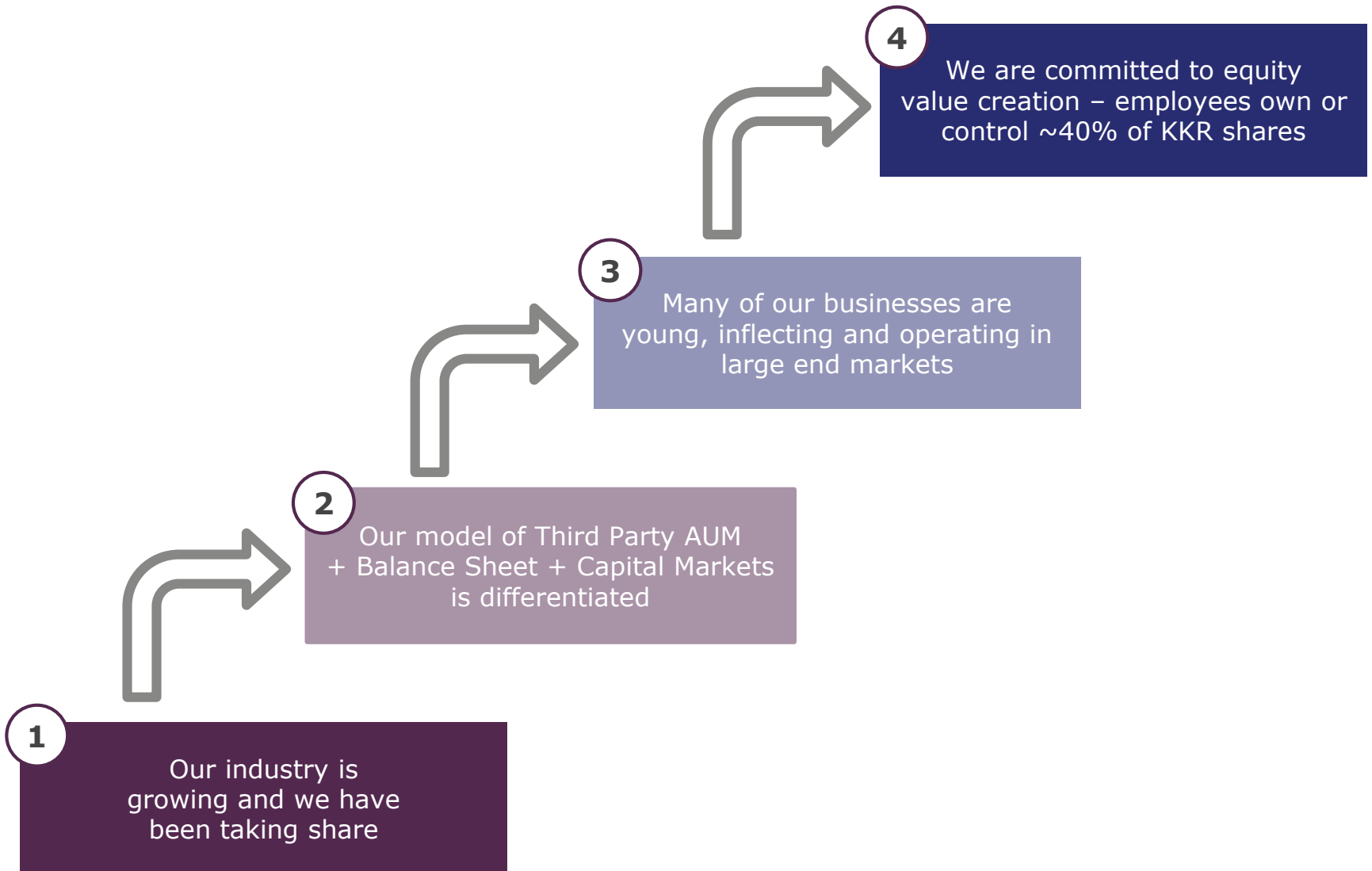
### 3 We Have Many Young Strategies



(1) Years since strategy inception.

# Key Drivers of Value Creation

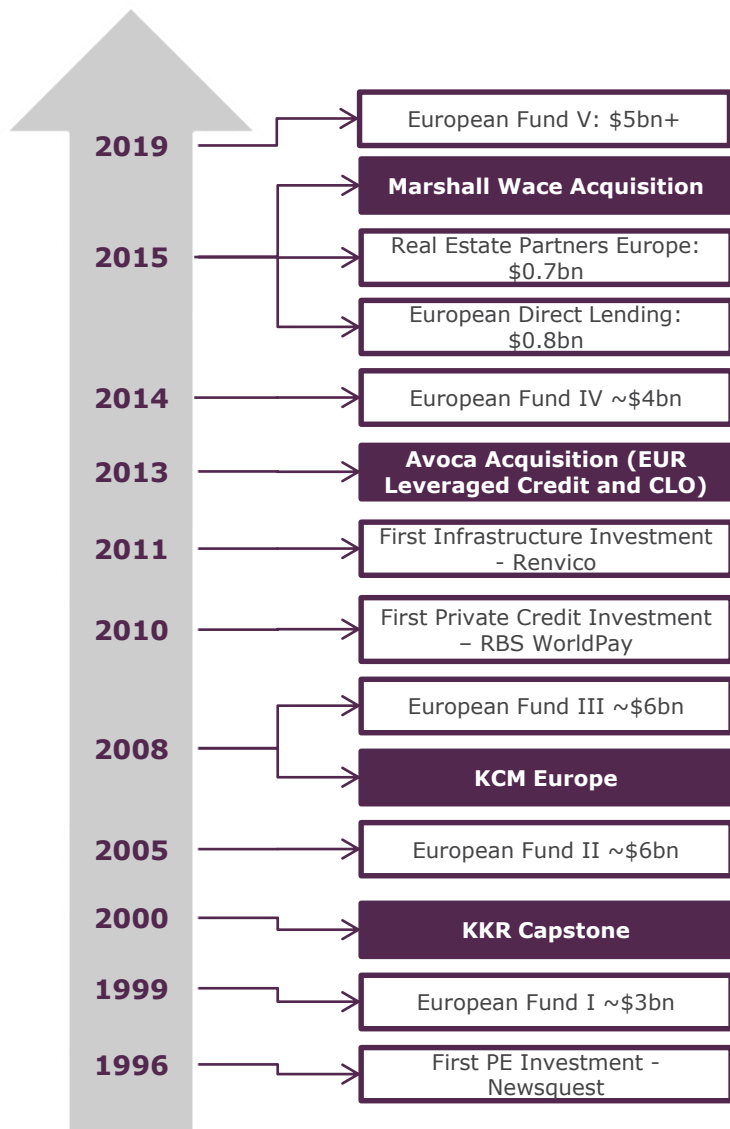
---



# Appendix

KKR

# KKR Has a Long-Standing and Significant Presence in Europe



## Key Highlights

Over \$40bn of European AUM

~145 Executives across 6 regional offices / 14 different European nationalities represented

Over \$25bn raised for dedicated European draw funds across Private Equity, Real Estate and Credit

Invested over €20bn of capital in European PE deals across 14 different countries

### Recent Investment Performance<sup>(1)</sup>

Gross PE MOIC of 2.5x in Europe since 2009

Gross PE IRR of 23.1% in Europe since 2009

### Dedicated European Fund Strategies:

European Private Equity, European Real Estate, European Direct Lending, European CLOs, European Leveraged Credit

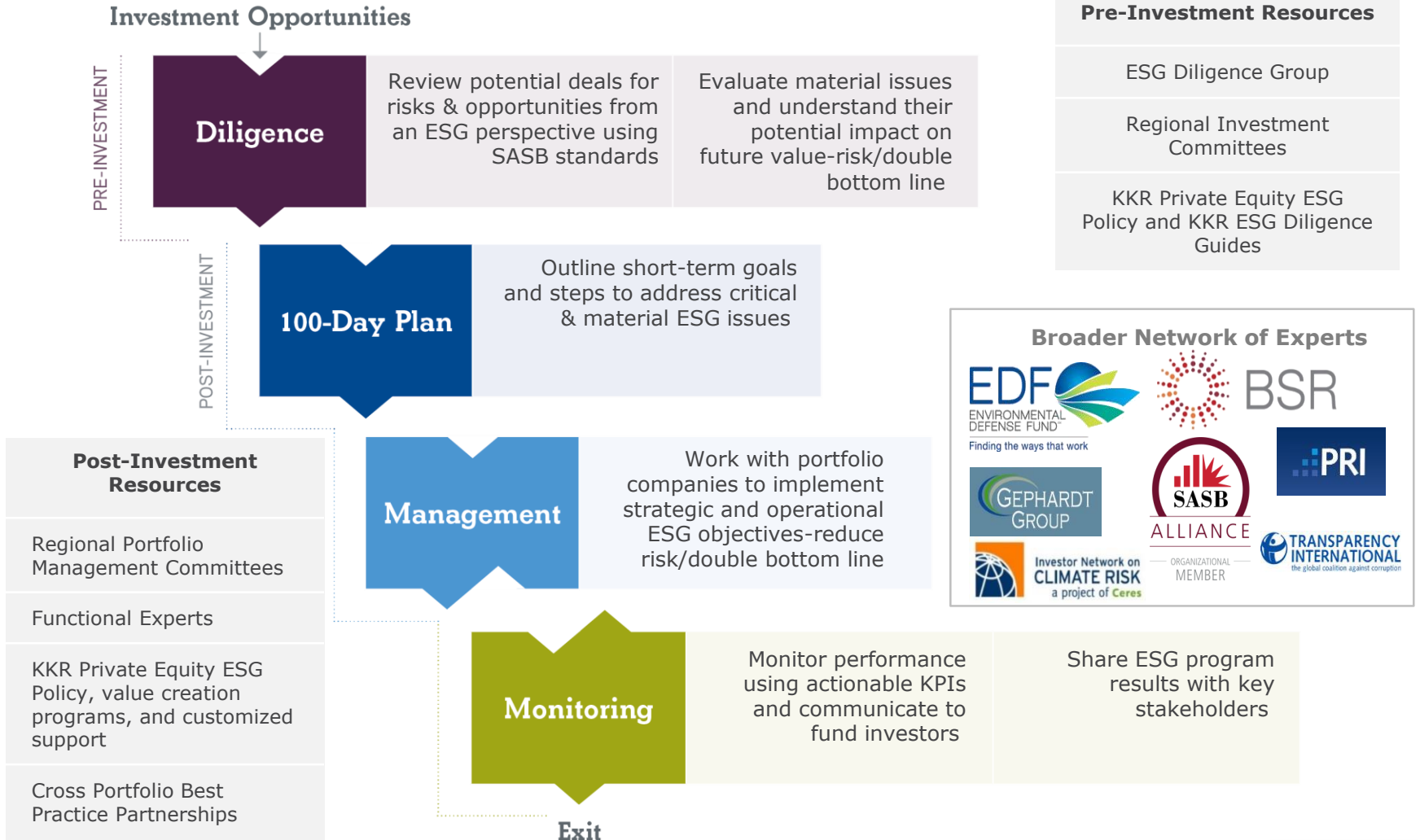
### Global Strategies with Significant European Component:

Next Generation Technology, Global Infrastructure, Private Credit Opportunities, Special Situations

(1) All performance data as of March 31, 2019, in EUR, for fully and partially realized portfolio companies.

# ESG Built Into All Parts of Investment Process

We strive to incorporate ESG considerations into our decision-making and across the full investment life cycle. A variety of resources support this entire process.



Note: For illustrative purposes only and may be subject to change. KKR may use some or all of the techniques described above. Senior Advisors, Industry Advisors, and KKR Advisors are engaged as consultants and are not employees of KKR. KKR Capstone is not a subsidiary or affiliate of KKR

# A Decade of Creating Value Through ESG Management



## Green Solutions Platform

58 companies across  
4 asset classes

**Business Benefits** (at 25 Portfolio Companies):

\$1.2 billion of cumulative costs avoided and additional revenue

### Environmental Benefits

(at 25 Portfolio Companies):

- 2.3 MMT of greenhouse gas emissions
- 6.3 MT of waste
- 27 m<sup>3</sup> of water use

External Partner



## Responsible Sourcing Initiative

26 portfolio companies  
10 webinars

**Business Benefits:** Reduced disruptions and reputation risk

**Social Benefits:** Improved ESG management of supply chains

External Partner



## Integrity & Engagement

Access to best practices for ethical business

**Business Benefits:** Investments protected and more focus on regulatory compliance

**Social Benefits:** Reduced corruption and enhanced transparency

External Partner



## KKR Investment Examples

HCAHealthcare

Labor partnership and reduced energy use



Expanded employee ownership, improve performance & worker safety



Increased diversity to become industry leader in hiring women in tech



Launched Serve Good product line, addressing sustainability issues in the food industry



Built dedicated biogas and electricity generation facilities in each farm, and treated ~2.1mm m<sup>3</sup>/year of manure



Achieved cost savings from reduced energy use

U.S. Only Programs:

## KKR Wellness Works

10 portfolio companies

### Business Benefits:

- Improved productivity
- Fewer sick days
- Control health care costs over time

**Social Benefits:** Engagement of 250k+ employees



External Partner



## Vets @ Work

50 portfolio companies

**Business Benefits:** Highly skilled work force

**Social Benefits:** High-quality jobs for more than 77,600 U.S. veterans and military spouses since 2011



## Diversity-Related Practices

Across 20 companies

2019

### Key 2019 Initiatives

Diversity, Inclusion and Workplace Respect Training; Data Privacy and Technology Best Practices

KKR

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

	Twelve Months Ended					
	2015	December 31, 2016	2017	2018	March 31, 2018	2019
<b>Net Income (Loss) Attributable to KKR &amp; Co. Inc. Class A Common Stockholders</b>	<b>\$ 488,482</b>	<b>\$ 287,072</b>	<b>\$ 984,941</b>	<b>\$ 1,097,699</b>	<b>\$ 895,700</b>	<b>\$ 1,628,575</b>
Add: Net Income (Loss) Attributable to Noncontrolling Interests held by KKR Holdings L.P.	433,693	212,878	791,021	561,052	695,591	921,418
Add: Equity-based and Other Compensation - KKR Holdings L.P.	75,233	78,663	141,727	100,632	113,329	91,055
Add: Amortization of Intangibles and Other, net	47,599	(17,267)	122,870	26,116	137,742	34,560
Add: One-time 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)	347,884	(243,123)
Deduct: Net Unrealized Gains (Losses)	(391,962)	(584,423)	395,358	1,043,912	399,184	1,655,452
Add: Unrealized Performance Income Compensation	66,927	(161,510)	247,601	(295,794)	147,264	(92,791)
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)	201,425	(44,146)
Deduct: Income Taxes Paid	140,677	87,723	94,065	151,848	81,958	191,673
<b>After-tax Distributable Earnings</b>	<b>\$ 1,266,310</b>	<b>\$ 1,341,469</b>	<b>\$ 1,355,600</b>	<b>\$ 1,597,240</b>	<b>\$ 1,294,804</b>	<b>\$ 1,675,595</b>

Note: Amounts in thousands.

**KKR**

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

	As Of						
	2015	December 31, 2016	2017	2018	June 30, 2017	March 31, 2018	2019
KKR & Co. Inc. Stockholders' Equity – Common Stockholders	\$ 5,547,182	\$ 5,457,279	\$ 6,703,382	\$ 8,167,056	\$ 6,212,556	\$ 6,918,185	\$ 8,839,817
Impact of Consolidation of Investment Vehicles and Other Entities	133,208	118,635	214,188	205,502	137,831	254,777	246,793
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	4,893,161	5,079,042
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)	(65,388)	-
<b>Book Value</b>	<b>\$ 9,979,229</b>	<b>\$ 9,796,591</b>	<b>\$ 11,673,909</b>	<b>\$ 12,980,560</b>	<b>\$ 10,973,493</b>	<b>\$ 11,983,289</b>	<b>\$ 14,148,206</b>
Adjusted Shares	819,181,463	806,137,733	822,146,070	833,938,476	812,962,176	822,890,120	832,568,187
<b>Book Value per Adjusted Share</b>	<b>\$ 12.18</b>	<b>\$ 12.15</b>	<b>\$ 14.20</b>	<b>\$ 15.57</b>	<b>\$ 13.50</b>	<b>\$ 14.56</b>	<b>\$ 16.99</b>

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

**KKR**



# Legal Disclosures

---

This presentation is prepared for KKR & Co. Inc. (NYSE: KKR) for the benefit of its public stockholders. This presentation is solely for informational purposes in connection with evaluating the business, operations and financial results of KKR & Co. Inc. and its subsidiaries (collectively, "KKR"). Any discussion of specific KKR entities is provided solely to demonstrate such entities' role within the KKR organization and their contributions to the business, operations and financial results of KKR & Co. Inc. This presentation is not and shall not be construed as an offer to purchase or sell, or the solicitation of an offer to purchase or sell, any securities, any investment funds, vehicles or accounts, the solicitation of a proxy or any vote or approval, any investment advice, or any other service by any KKR entities, including Kohlberg Kravis Roberts & Co. L.P., KKR Credit Advisors (US) LLC, KKR Credit Advisors (Ireland) or KKR Capital Markets LLC. Nothing in this presentation constitutes the provision of any tax, accounting, financial, investment, regulatory, legal or other advice by KKR or its advisors.

This presentation may not be referenced, quoted or linked by website, in whole or in part, except as agreed to in writing by KKR & Co. Inc.

This presentation contains certain forward-looking statements pertaining to KKR, including certain investment funds, vehicles and accounts that are managed by KKR (each, a "fund"). Forward-looking statements relate to expectations, estimates, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, including the statements with respect to the declaration and payment of dividends in future quarters and the timing, manner and volume of repurchase of Class A common stock pursuant to its repurchase program. The forward-looking statements are based on KKR's beliefs, assumptions and expectations, taking into account all information currently available to it. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to KKR or are within its control. If a change occurs, KKR's business, financial condition, liquidity and results of operations, including but not limited to dividends, tax assets, tax liabilities, assets under management, fee paying assets under management, capital invested, syndicated capital, uncalled commitments, after-tax distributable earnings, fee related earnings, segment EBITDA, core interest expense, cash and short-term investments, book value, and return on equity may vary materially from those expressed in the forward-looking statements. The following factors, among others, could cause actual results to vary from the forward-looking statements: whether KKR realizes all or any of the anticipated benefits from converting to a corporation and the timing of realizing such benefits; whether there are increased or unforeseen costs associated with the conversion, including any adverse change in tax law; the volatility of the capital markets; failure to realize the benefits of or changes in KKR's business strategies including the ability to realize the anticipated synergies from acquisitions, strategic partnerships or other transactions; availability, terms and deployment of capital; availability of qualified personnel and expense of recruiting and retaining such personnel; changes in the asset management industry, interest rates or the general economy; underperformance of KKR's investments and decreased ability to raise funds; and the degree and nature of KKR's competition. All forward-looking statements speak only as of the date of this presentation. KKR does not undertake any obligation to update any forward-looking statements to reflect circumstances or events that occur after the date on which such statements were made except as required by law. In addition, KKR's business strategy is focused on the long-term and financial results are subject to significant volatility.

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP and have important limitations as analytical tools because they may exclude items that are significant in understanding and analyzing our financial results. In addition, these measures are defined differently by different companies in our industry and, accordingly, such measures as used in this presentation may not be comparable to similarly titled measures of other companies. A reconciliation of non-GAAP measures to the closest comparable GAAP measures is contained in the Appendix to this presentation.

Additional information about factors affecting KKR, including a description of risks that may be important to a decision to purchase or sell any common or preferred stock of KKR & Co. Inc., can be found in KKR & Co. Inc.'s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and its other filings with the SEC, which are available at [www.sec.gov](http://www.sec.gov).

The statements contained in this presentation are made as of June 27, 2019, unless another time is specified in relation to them, and access to this presentation at any given time shall not give rise to any implication that there has been no change in the facts set forth in this presentation since that date. All financial information in this presentation is as of March 31, 2019 unless otherwise indicated. Certain information presented in this presentation have been developed internally or obtained from sources believed to be reliable; however, KKR does not give any representation or warranty as to the accuracy, adequacy, timeliness or completeness of such information, and assumes no responsibility for independent verification of such information.