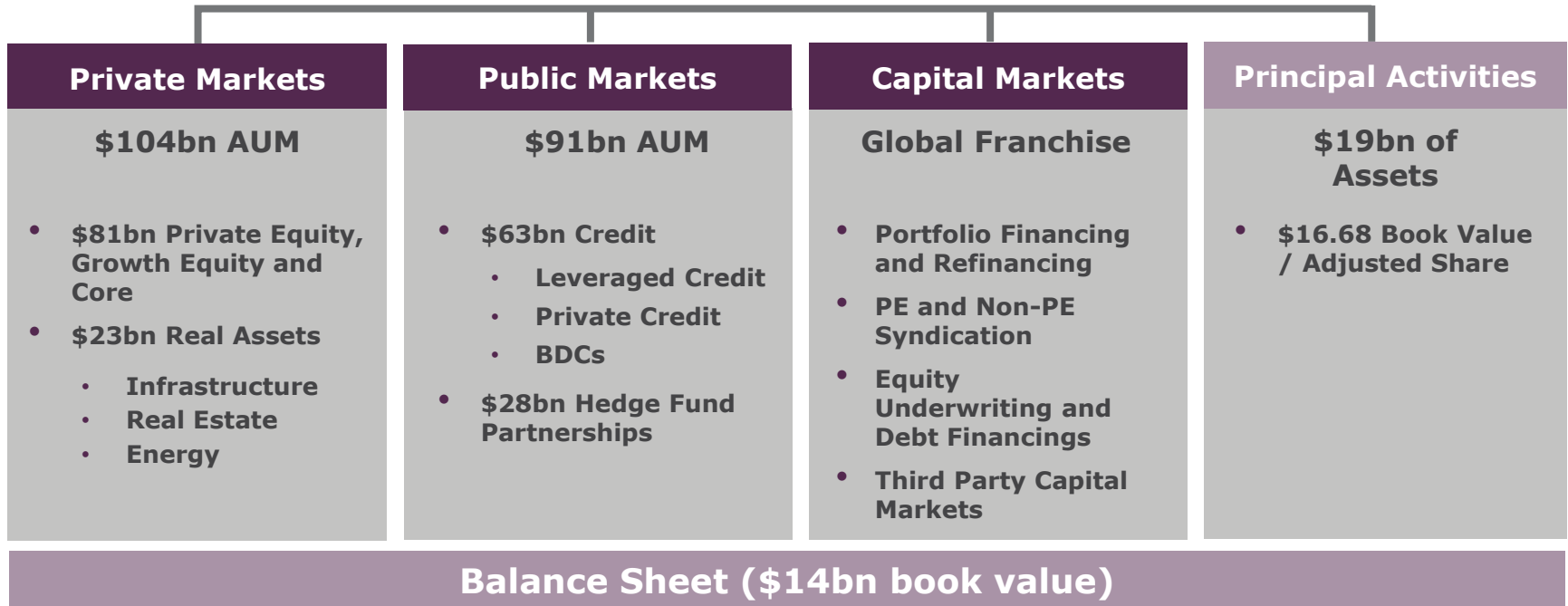


# Investor Presentation

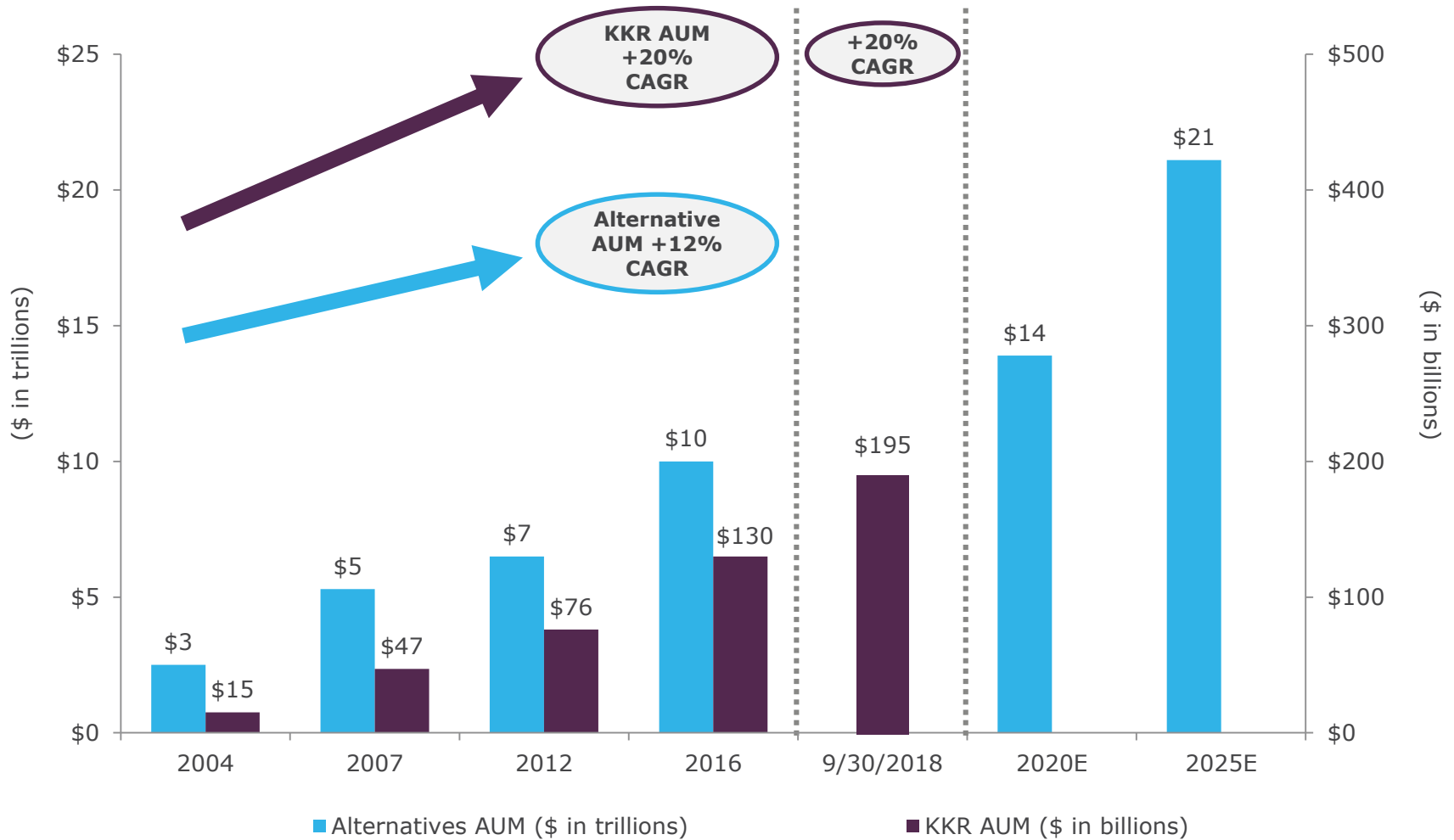
November 2018

# KKR



- Over 40-year history of superior investment performance
- Stable management fee earnings base with significant incentive and investment income upside potential
- Core strategies provide foundation for continued organic growth
- Substantial balance sheet value relative to Class A common stock price

# KKR Growth in Alternative Asset Market Share

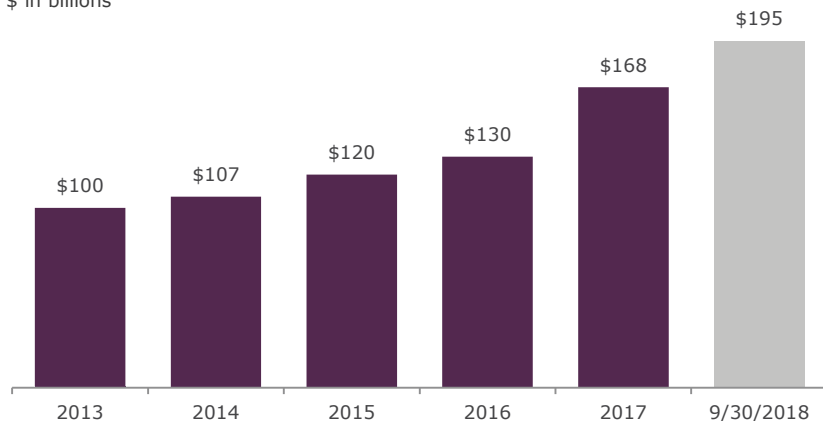


Source: PwC Asset & Wealth Management Revolution – Figure 4: Alternatives by type in USD trillion. October 2017.  
 Note: CAGRs from 2004 to 2016, except for September 30, 2018 data. KKR’s definition of AUM is different from PwC’s definition of AUM, and therefore the comparison between the two may not be directly comparable.

# Key Fundamentals Are Strong

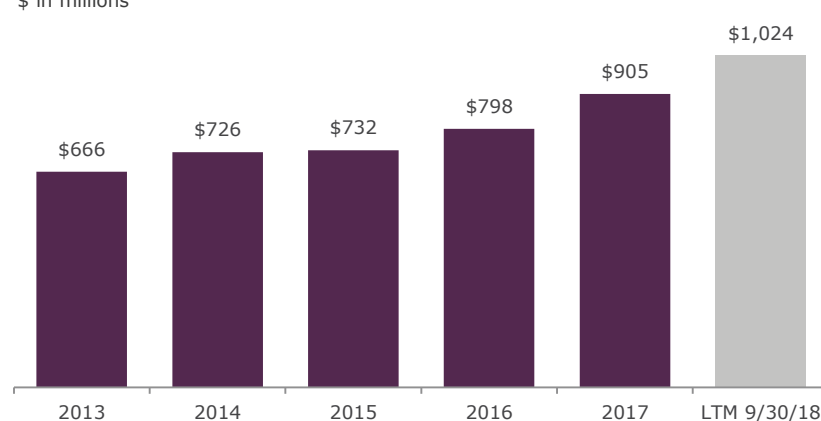
## Assets Under Management

\$ in billions



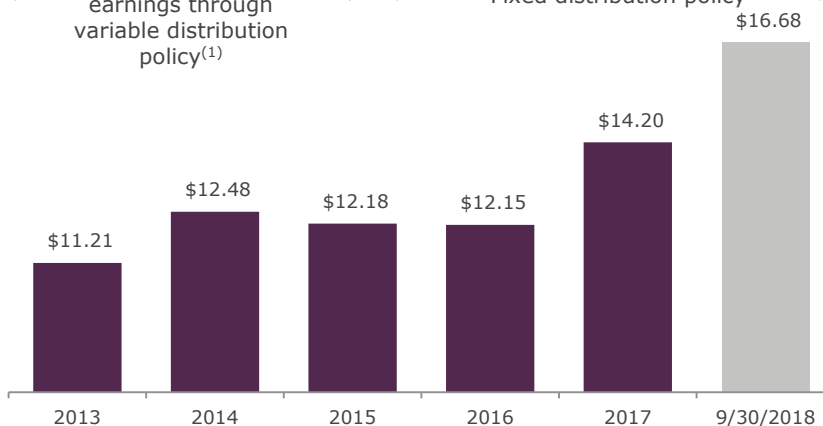
## Management Fees

\$ in millions



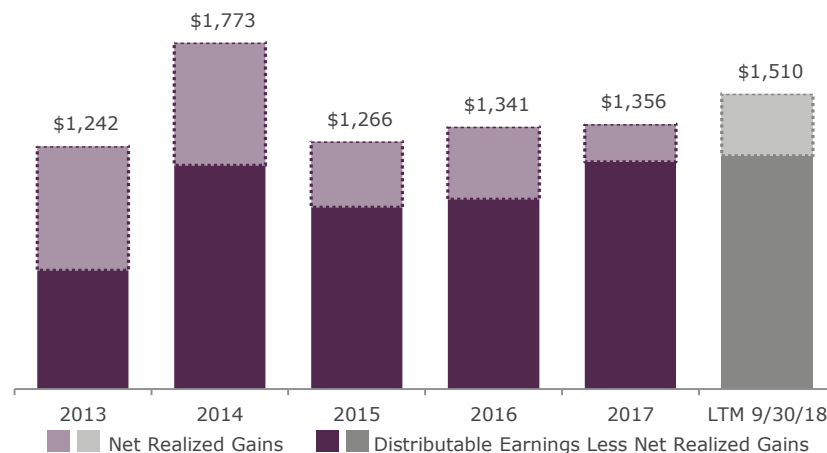
## Book Value Per Adjusted Share

Returned ~75% of earnings through variable distribution policy<sup>(1)</sup> ← → Fixed distribution policy →



## After-tax Distributable Earnings<sup>(2)</sup>

\$ in millions



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

(1) From Q1 2013 to Q3 2015.

(2) Note: Figures in 2013 and 2014 are elevated reflecting Net Realized Investment Income Gains from the sale of legacy co-investment positions. Realized Performance Income in 2014 includes ~\$300 million from the sale of Oriental Brewery.

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# Q3 2018 Reflections | Fundamentals Are Strong

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

	Q3 2018	LTM Q3 2018	Notes
After-tax Distributable Earnings	\$497	\$1,510	
After-tax Distributable Earnings / Adjusted Share	\$0.60	\$1.83	• +13% on an LTM year-over-year basis
Management Fees	\$277	\$1,024	• +18% on an LTM year-over-year basis
Fee Related Earnings	\$291	\$970	• +26% on an LTM year-over-year basis
Assets Under Management	\$195bn		• +27% on a year-over-year basis
Fee Paying AUM	\$139bn		• +22% on a year-over-year basis
Book Value / Adjusted Share	\$16.68		• +21% on a year-over-year basis • \$13.2bn of cash and investments <sup>(1)</sup>

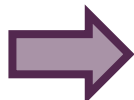
Note: See Appendix for a reconciliation to financial results prepared in accordance with GAAP.

(1) Represents Cash and Short-term Investments and Investments. Excludes Unrealized Carried Interest, Other Assets and Corporate Real Estate.

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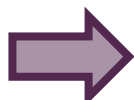
# Core Fundamentals Drive Firm-Wide Performance

**Generate strong investment performance**



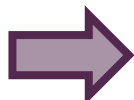
- Positive LTM performance across flagship fund strategies
- Unrealized carried interest +20% since Q3 2017
- Investment performance key to the 21% increase in BVPS

**Continue to raise capital**



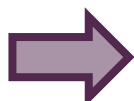
- AUM +27% year-over-year
- FPAUM +22% year-over-year

**Deploy capital in attractive opportunities**



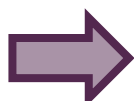
- \$5.5 billion deployed globally in Q3 across a wide array of strategies and geographies

**Monetize existing investments**



- After-tax Distributable Earnings of \$497 million in Q3, \$1,510 million LTM
- Several secondary and strategic sales drove monetization events in Q3

**Use our model to capture more of everything that we do**



- Record level of Capital Markets fees in Q3 together with strong fund deployment

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

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# Flagship Fund Investment Performance

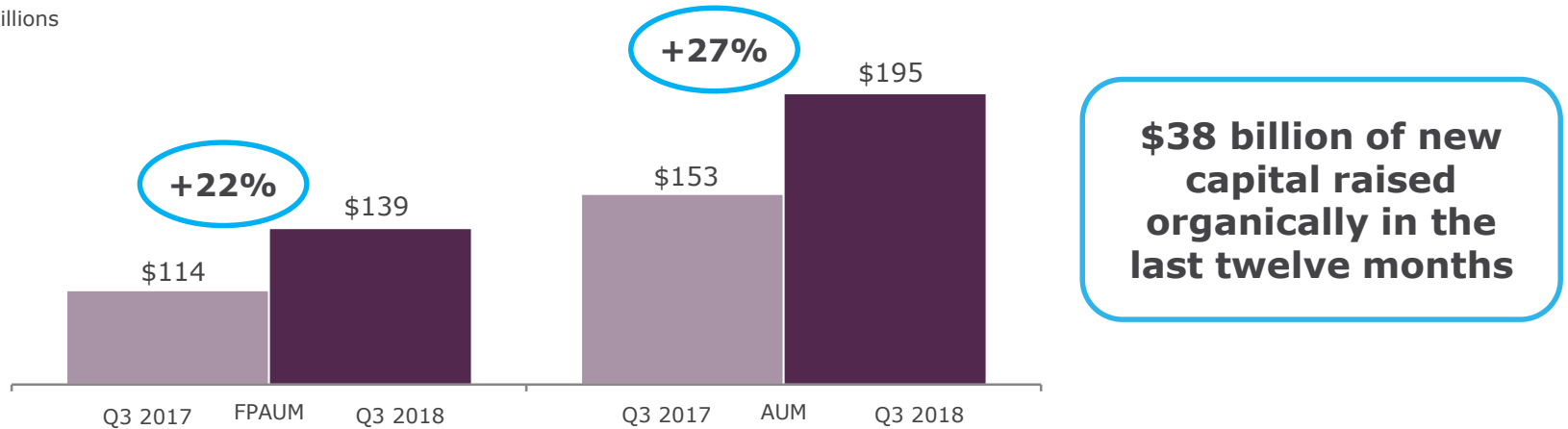
		LTM Gross Return
Private Equity	<b>Private Equity Flagship Funds</b> <ul style="list-style-type: none"> <li>• North America XI</li> <li>• Asia II</li> <li>• Europe IV</li> </ul>	<b>19%</b>
Real Assets	<b>Real Estate I</b>	<b>10%</b>
	<b>Infrastructure II</b>	<b>11%</b>
	<b>Energy Income &amp; Growth</b>	<b>15%</b>
Alternative Credit	<b>Special Situations II</b>	<b>19%</b>
	<b>Mezzanine</b>	<b>25%</b>
	<b>Lending Partners II</b>	<b>5%</b>

Note: The strategies shown above consist of KKR's strategies that generate carry. The funds shown within each strategy represent the flagship funds within each sub-strategy with at least \$1bn in committed capital and that have been investing for at least two years. For Private Equity the funds represent the flagship funds within each major geographic region. For a complete list of our carry paying funds, see the Investment Vehicle Summary on page 12 of KKR's third quarter earnings release, dated October 25, 2018. Past performance is no guarantee of future results.

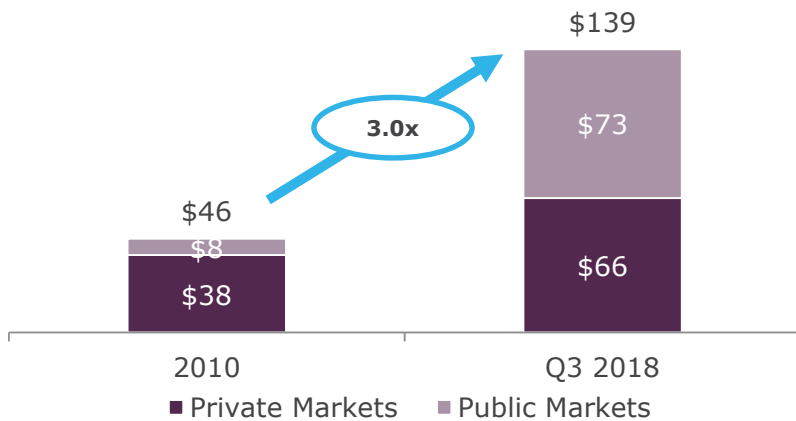
# Healthy Level of New Capital Raised

## Year-Over-Year Capital Inflows Driving Asset Growth

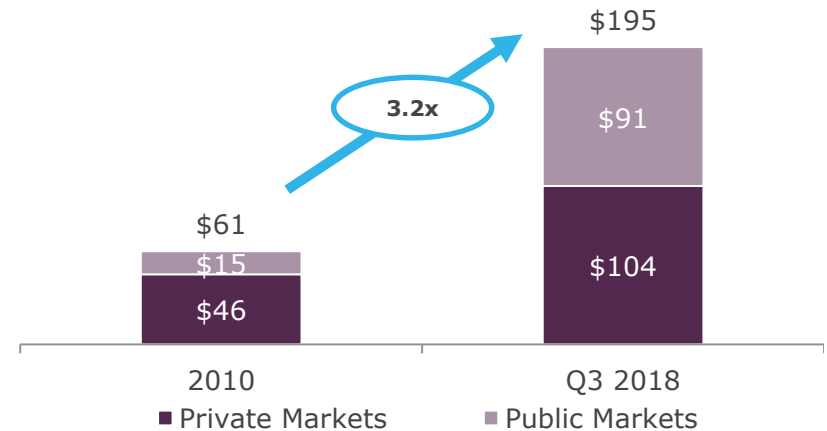
\$ in billions



## FPAUM Growth Profile



## AUM Growth Profile



Note: AUM and FPAUM reflect the inclusion of KKR's pro rata portion of AUM or FPAUM of strategic partners in which KKR holds a minority stake. In addition, AUM includes capital commitments for which KKR is eligible to receive fees or carried interest upon deployment of capital in the future.

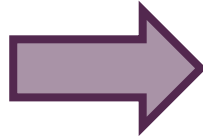


# Financial Highlights and Segment Snapshots

# Business Model

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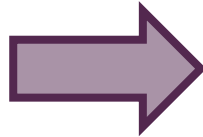
## Management Fees



- **Management fees stable with visibility**
- **\$139 billion of FPAUM**
- **~\$20 billion of capital commitments not yet earning economics**

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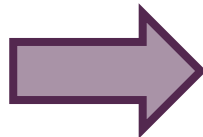
## Performance Fees



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

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## 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>
- \$104 billion of Private Markets AUM and \$66 billion of FPAUM, including ~\$12 billion of capital raised but not yet earning fees (all of which is performance fee eligible)

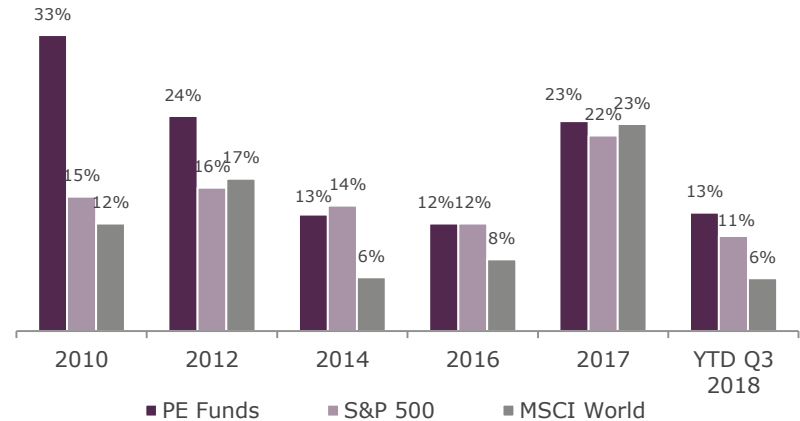
## Differentiators

- 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

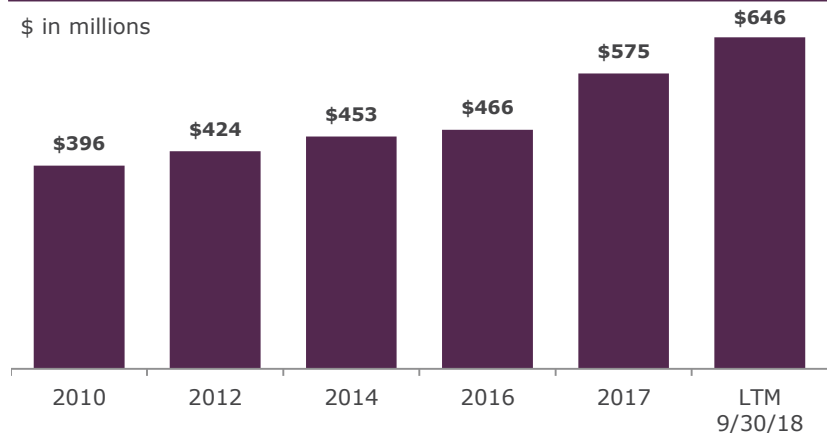
Note: Figures as of September 30, 2018 unless otherwise stated.

(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 September 30, 2018. None of the Health Care Strategic Growth Fund, Americas Fund XII, Real Estate Credit Opportunity Partners, Asian Fund III, Real Estate Partners II, our Core Investment Vehicles or Global Infrastructure Investors III has invested for at least 24 months as of September 30, 2018. Date of inception is April 7, 1977. Past performance is no guarantee of future results.

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



## Management Fees



# Public Markets

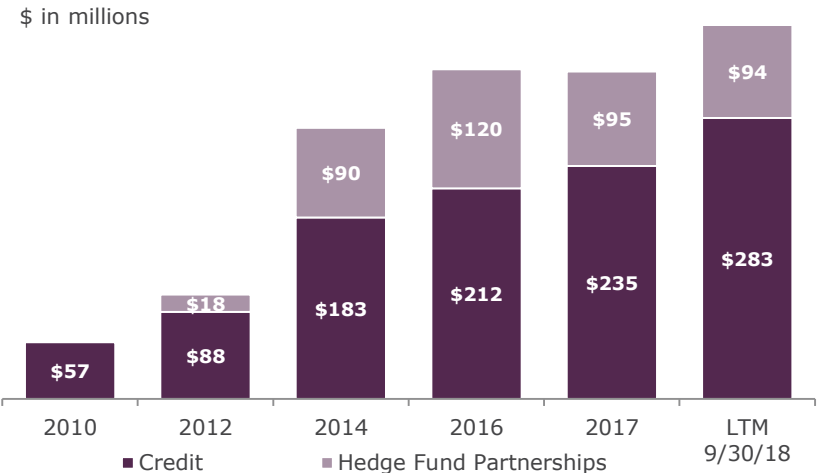
## Assets by Strategy

<i>\$ in millions</i>	<b>AUM</b>	<b>FPAUM</b>
Leveraged Credit SMAs / Funds	\$ 16,512	\$ 15,119
CLOs	<u>12,113</u>	<u>12,113</u>
Total Leveraged Credit	28,625	27,232
Alternative Credit	17,372	8,558
Hedge Fund Partnerships	28,168	20,642
BDCs	<u>16,793</u>	<u>16,793</u>
<b>Total</b>	<b>\$ 90,958</b>	<b>\$ 73,225</b>

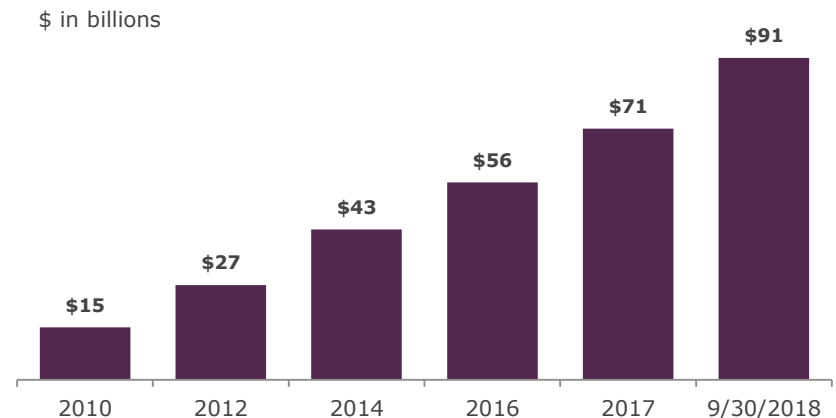
## Differentiators

- Benefit of global, cross-business sourcing and diligence / research capabilities
- Long-term, flexible and growing capital base
- \$66 billion of AUM in carry or incentive fee-eligible Credit vehicles
- Significant incentive fee upside from BDCs and Hedge Fund Partnerships

## Management Fees



## AUM



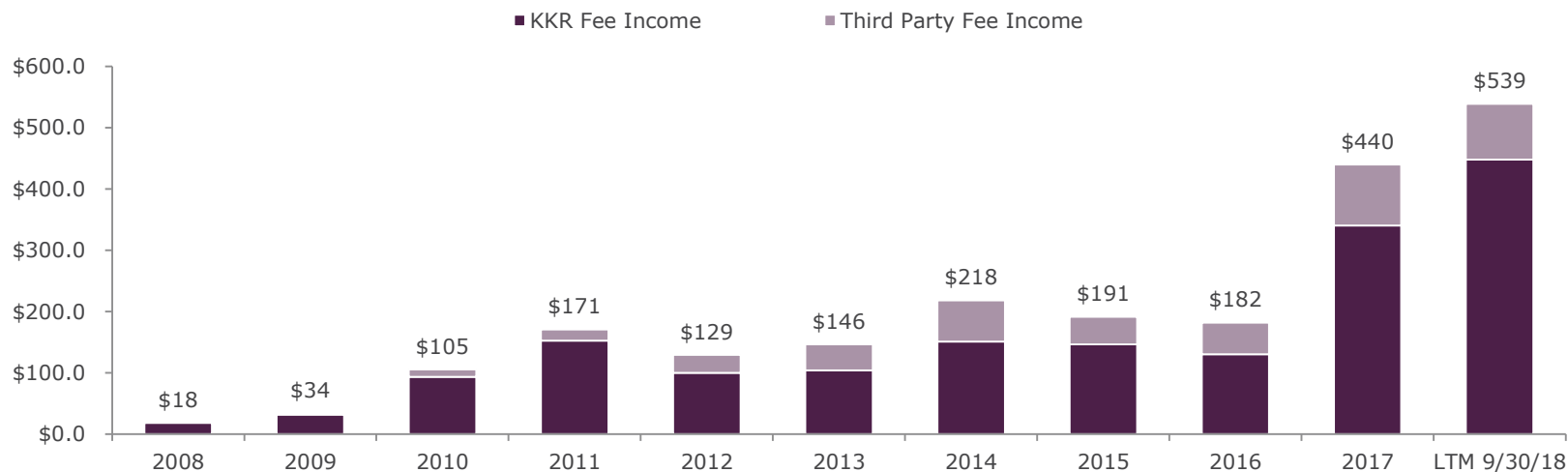
Note: Figures as of September 30, 2018.

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# 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

## Capital Markets Performance



<b>Syndicated Capital (\$ in millions)</b>	--	--	--	\$2,427	\$544	\$1,112	\$2,567	\$869	\$1,214	\$4,686	\$4,866
<b># Deals</b>	9	11	50	72	102	128	139	116	117	193	203

Note: KKR Capital Markets LLC is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of FINRA and SIPC.



# Appendix

# 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
	2013	2014	December 31, 2015	2016	2017	September 30, 2018	September 30, 2018
<b>Net Income (Loss) Attributable to KKR &amp; Co. Inc. Class A Common Stockholders</b>	<b>\$ 691,226</b>	<b>\$ 477,611</b>	<b>\$ 488,482</b>	<b>\$ 287,072</b>	<b>\$ 984,941</b>	<b>\$ 1,657,070</b>	<b>\$ 640,198</b>
Add: Net Income (Loss) Attributable to Noncontrolling Interests held by KKR Holdings L.P.	1,056,126	585,135	433,693	212,878	791,021	1,018,395	293,659
Add: Equity-based and Other Compensation - KKR Holdings L.P.	192,805	151,476	75,233	78,663	141,727	101,342	25,537
Add: Amortization of Intangibles and Other, net	102,789	290,348	47,599	(17,267)	122,870	123,059	60,948
Add: One-time Non-recurring Costs	-	-	-	-	-	11,501	-
Add: Realized Losses on Certain Investments	-	-	-	-	-	729,425	-
Deduct: Unrealized Carried Interest	724,141	110,133	163,545	(420,372)	600,242	404,665	130,420
Deduct: Net Unrealized Gains (Losses)	301,262	(396,425)	(391,962)	(584,423)	395,358	1,783,324	251,346
Add: Unrealized Performance Income Compensation	306,938	49,459	66,927	(161,510)	247,601	171,815	57,407
Deduct: Gain from Remeasurement of Tax Receivable Agreement Liability	-	-	-	-	67,221	67,221	-
Add: Income Tax Provision	37,926	63,669	66,636	24,561	224,326	96,022	(129,405)
Deduct: Income Taxes Paid	120,052	131,081	140,677	87,723	94,065	143,705	69,880
<b>After-tax Distributable Earnings</b>	<b>\$ 1,242,355</b>	<b>\$ 1,772,909</b>	<b>\$ 1,266,310</b>	<b>\$ 1,341,469</b>	<b>\$ 1,355,600</b>	<b>\$ 1,509,714</b>	<b>\$ 496,698</b>

Note: Amounts in thousands.

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

	As Of					
	2013	2014	December 31, 2015	2016	2017	September 30, 2018
KKR & Co. Inc. Stockholders' Equity – Common Stockholders	\$ 2,722,010	\$ 5,382,691	\$ 5,547,182	\$ 5,457,279	\$ 6,703,382	\$ 8,524,213
Impact of Consolidation of Investment Vehicles and Other Entities	21,490	120,228	133,208	118,635	214,188	253,662
Noncontrolling Interests held by KKR Holdings L.P. and Other	5,116,761	4,735,773	4,431,939	4,389,285	4,844,271	5,064,615
Other Reclassifications	-	-	-	(17,446)	(17,446)	(17,446)
Equity Impact of KKR Management Holdings Corp.	(97,661)	(120,467)	(133,100)	(151,162)	(70,486)	-
<b>Book Value</b>	<b>\$ 7,762,600</b>	<b>\$ 10,118,225</b>	<b>\$ 9,979,229</b>	<b>\$ 9,796,591</b>	<b>\$ 11,673,909</b>	<b>\$ 13,825,044</b>
Outstanding Adjusted Shares	692,512,345	810,527,289	819,181,463	806,137,733	822,146,070	828,700,402
<b>Book Value per Outstanding Adjusted Share</b>	<b>\$ 11.21</b>	<b>\$ 12.48</b>	<b>\$ 12.18</b>	<b>\$ 12.15</b>	<b>\$ 14.20</b>	<b>\$ 16.68</b>
Weighted Average Adjusted Shares						865,128,426
Adjusted Shares						864,709,242

Note: Amounts in thousands, except adjusted shares and book value per share amounts. Weighted Average Adjusted Shares is for the quarter ended September 30, 2018.

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