

# 1<sup>st</sup> Quarter Earnings Conference Call

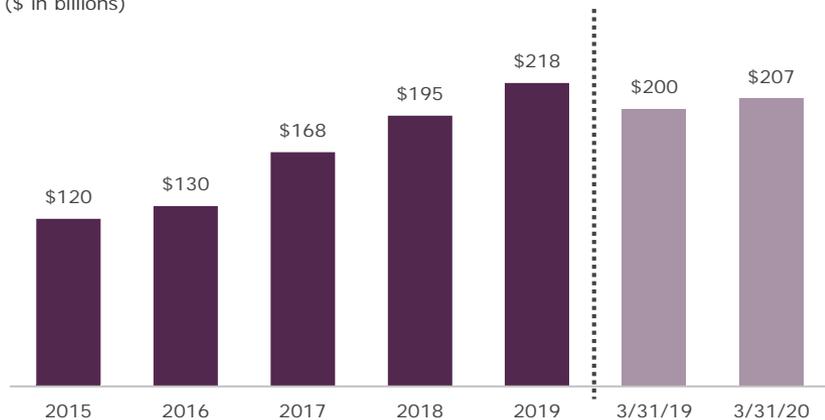
KKR & Co. Inc. Investor Update

May 6, 2020

# Operating Performance

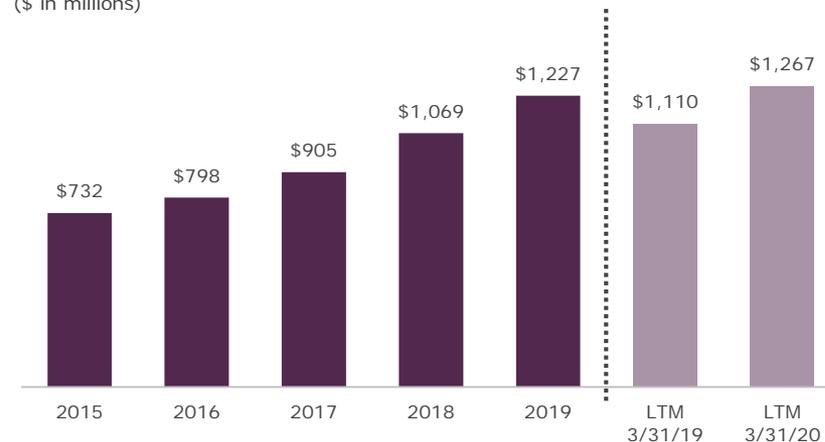
## Assets Under Management

(\$ in billions)



## Management Fees

(\$ in millions)

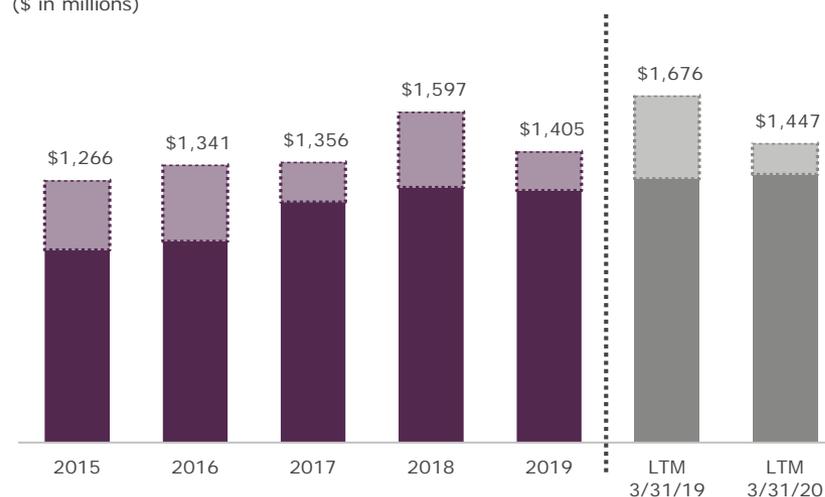


## Book Value Per Adjusted Share



## After-tax Distributable Earnings

(\$ in millions)



Net Realized Gains (light purple) | Distributable Earnings Less Net Realized Gains (dark purple)

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

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# First Quarter Results Comparison

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

	Q1 2020	Q1 2019	
Total Fees and Other, Net	\$426	\$397	
Total Realized Performance Income	\$372	\$350	
Total Realized Investment Income	\$145	\$103	
<b>Total Operating Revenues</b>	<b>\$943</b>	<b>\$850</b>	<b>+11%</b>
Compensation (Including Equity-based Compensation)	\$377	\$340	
Non-compensation Expenses	\$94	\$89	
<b>Total Operating Expenses</b>	<b>\$471</b>	<b>\$429</b>	
<b>Distributable Operating Earnings</b>	<b>\$472</b>	<b>\$421</b>	<b>+12%</b>
After-tax Distributable Earnings	\$355	\$314	
<b>After-tax Distributable Earnings Per Adjusted Share</b>	<b>\$0.42</b>	<b>\$0.38</b>	<b>+11%</b>
<i>Total Compensation Margin</i>	40%	40%	
<i>Pre-tax Distributable Operating Margin</i>	50%	50%	

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

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# Fund Investment Performance

		Q1 Gross Return	LTM Gross Return
Private Equity	<b>Private Equity Flagship Funds</b> <ul style="list-style-type: none"> <li>Americas XII</li> <li>Asia III</li> <li>Europe IV</li> </ul>	-6%	13%
	Private Equity Portfolio	-12%	4%
Real Assets	<b>Opportunistic Real Estate Flagship Funds</b> <ul style="list-style-type: none"> <li>Americas II</li> <li>Europe</li> </ul>	-1%	14%
	Global Infrastructure II	18%	26%
Alternative Credit	<b>Alternative Credit Flagship Funds</b> <ul style="list-style-type: none"> <li>Special Situations II</li> <li>Private Credit Opportunities II</li> <li>Lending Partners III</li> </ul>	-16%	-10%
Leveraged Credit	KKR Composite	-13%	-8%

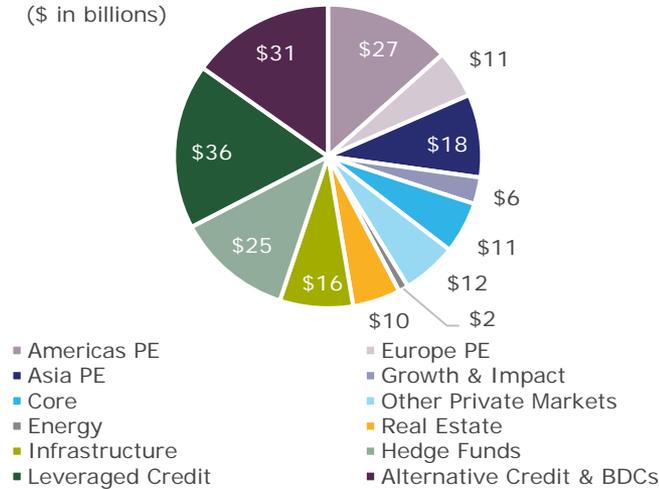
Note: The private equity, real asset and alternative credit strategies shown above consist of KKR's strategies that could generate carry. For Private Equity the funds represent the flagship funds within each major geographic region. The funds shown within each of the Real Assets and Alternative Credit strategies represent the flagship funds within each sub-strategy with at least \$10 billion in capital across their respective platforms 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 11 of KKR's first quarter earnings release, dated May 6, 2020. Leveraged credit encompasses all funds in that strategy. Past performance is no guarantee of future results. The +18% gross return in Global Infrastructure II in Q1 was driven by the mark-up associated with the announced sale of the largest investment in that fund.

# Diversity and Strength of Capital Base

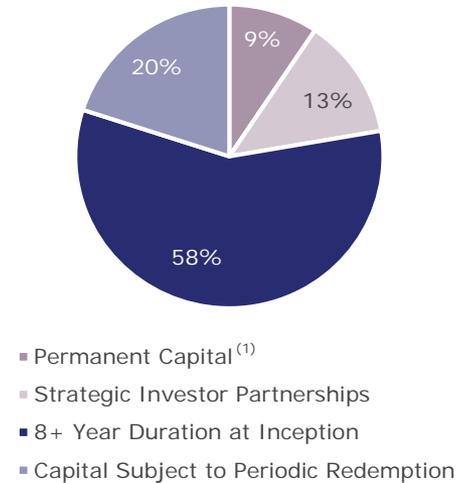
## Locked Up, Diversified Capital Base

### AUM Diversified Across Strategies

(\$ in billions)



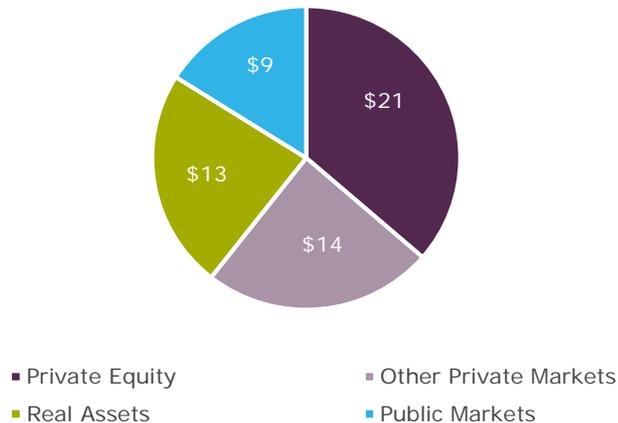
### Long Term, Locked Up Capital



## Significant Dry Powder

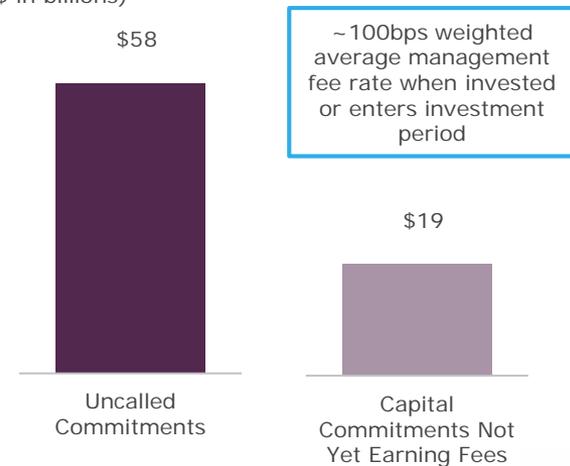
### Diversified Uncalled Commitments

(\$ in billions)



### Dry Powder & Capital Commitments Not Yet Earning Fees

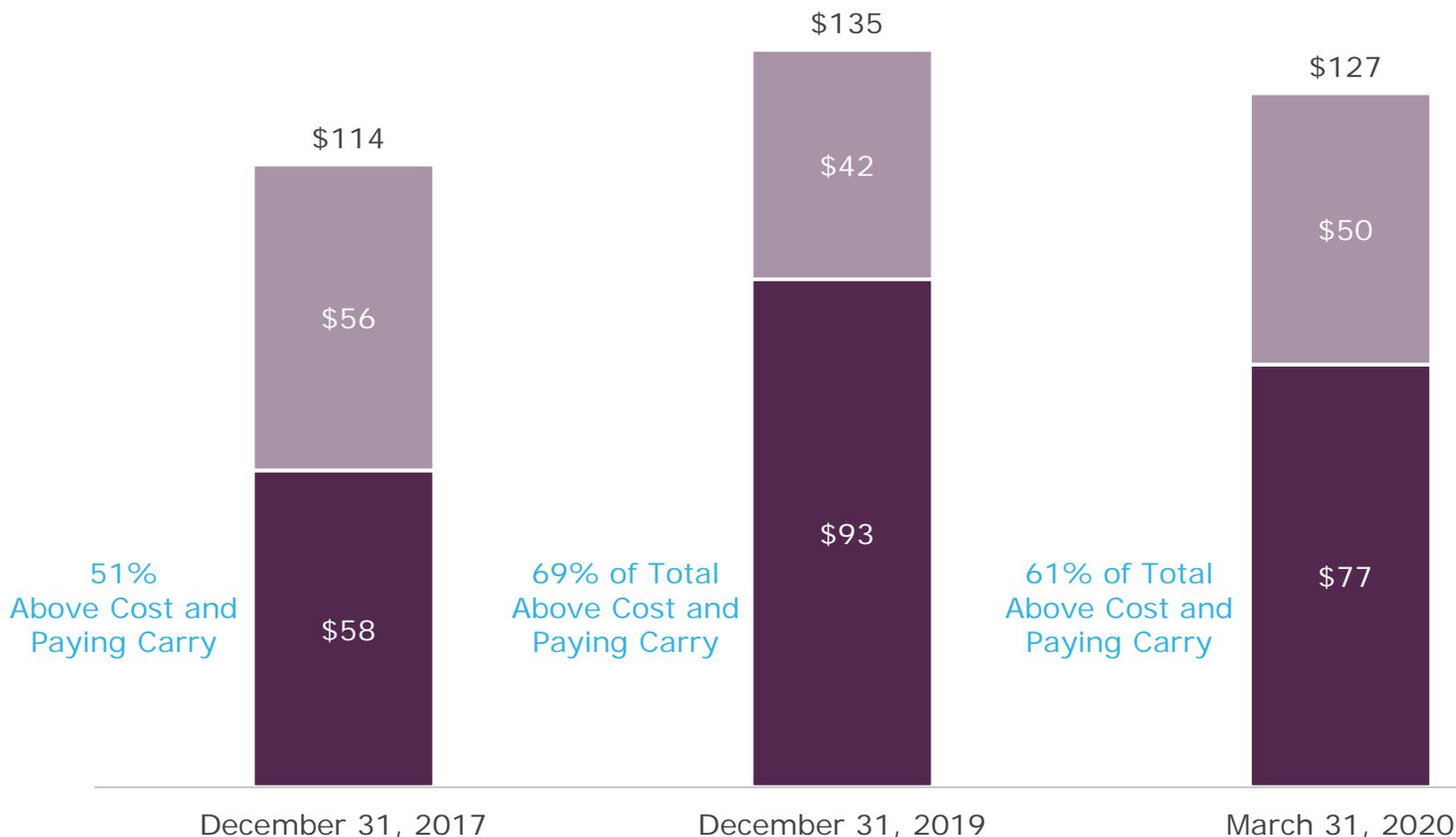
(\$ in billions)



Note: All data as of March 31, 2020 unless otherwise noted.  
 (1) Capital of indefinite nature, which may be withdrawn under certain conditions.

# Carry Eligible AUM Update

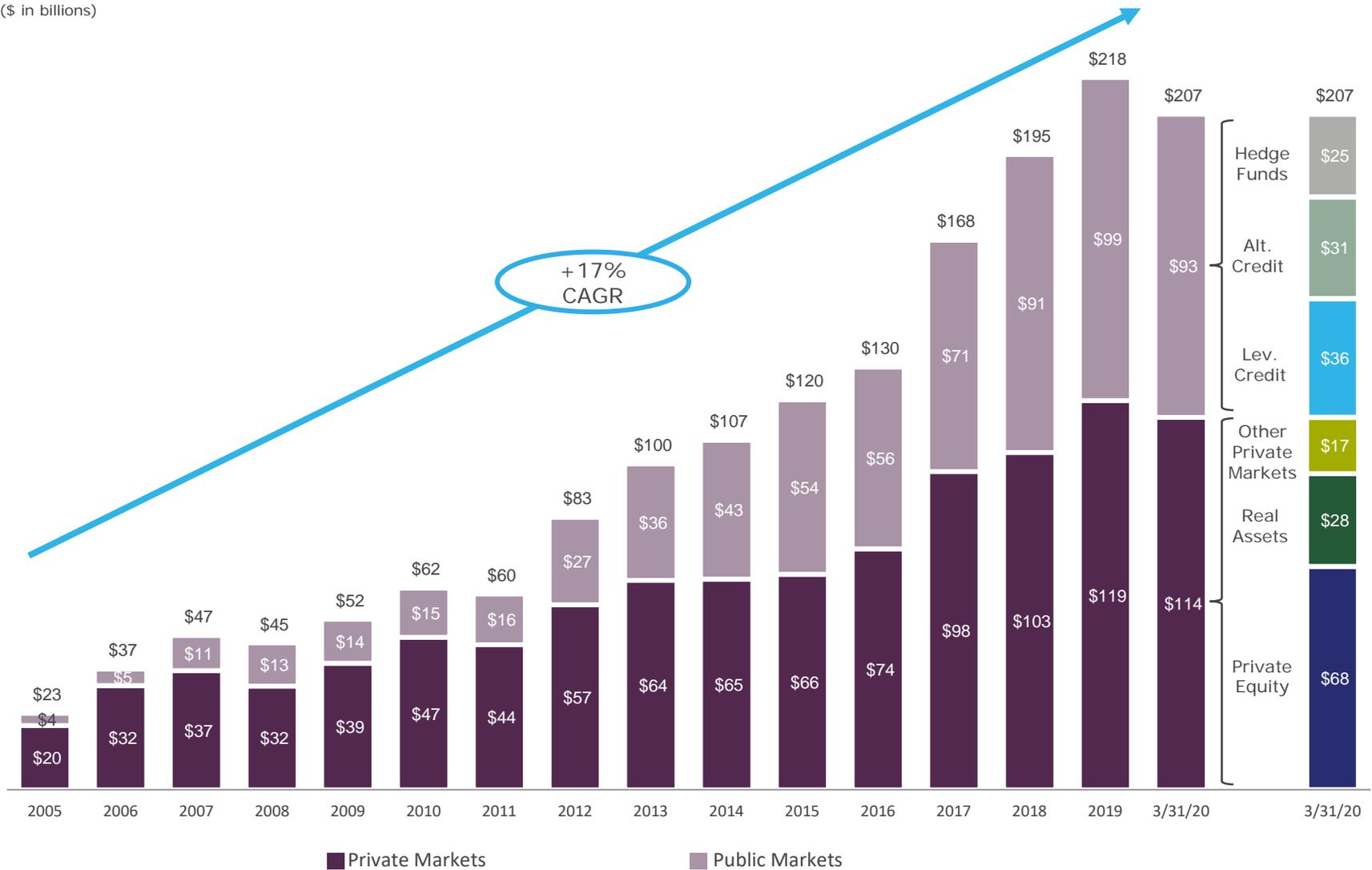
(\$ in billions)



Note: Does not include incentive fee eligible AUM. AUM not Above Cost, Paying Carry is either At or Above Cost and Carry Eligible, But Not Paying Carry (e.g. Seasoning, Working Through Preferred Returns) or Below Cost. Above Cost, Paying Carry Represents the ability to pay carry upon realization of the investments in the underlying fund at each reporting date's fair value.

# AUM Growth

(\$ in billions)



Note: Other Private Markets includes Growth, Core and Impact.

# 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	2016	December 31, 2017	2018	2019	March 31, 2019	2020	2019	March 31, 2020
<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>\$ 1,971,685</b>	<b>\$ 1,628,575</b>	<b>\$ (18,158)</b>	<b>\$ 700,978</b>	<b>\$ (1,288,865)</b>
(+) Net Income (Loss) Attributable to Noncontrolling Interests held by KKR Holdings L.P.	433,693	212,878	791,021	561,052	1,369,671	921,418	36,109	481,368	(852,194)
(+) Equity-based and Other Compensation - KKR Holdings L.P.	75,233	78,663	141,727	100,632	91,296	91,055	88,874	23,118	20,696
(+) Amortization of Intangibles and Other, net	47,599	(17,267)	122,870	26,116	226,422	34,560	108,043	56,153	(62,226)
(+) Non-recurring Costs	-	-	-	11,501	22,839	11,501	22,839	-	-
(+) Realized Losses on Certain Investments	-	-	-	729,425	-	729,425	-	-	-
(-) Net Unrealized Carried Interest	163,545	(420,372)	600,242	(756,467)	1,263,046	(243,123)	(798,506)	401,612	(1,659,940)
(-) Net Unrealized Gains (Losses)	(391,962)	(584,423)	395,358	1,043,912	1,854,867	1,655,452	(939,066)	819,402	(1,974,531)
(+) Unrealized Performance Income Compensation	66,927	(161,510)	247,601	(295,794)	520,033	(92,791)	(315,721)	159,880	(675,874)
(-) Gain from Remeasurement of Tax Receivable Agreement Liability	-	-	67,221	-	-	-	-	-	-
(+) Income Tax Expense (Benefit)	66,636	24,561	224,326	(194,098)	528,750	(44,146)	478	167,593	(360,679)
(-) Income Taxes Paid	140,677	87,723	94,065	151,848	207,479	191,673	213,521	53,993	60,035
<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>\$ 1,405,304</b>	<b>\$ 1,675,595</b>	<b>\$ 1,446,515</b>	<b>\$ 314,083</b>	<b>\$ 355,294</b>
Weighted Average Adjusted Shares								832,750,892	847,471,874
<b>After-tax Distributable Earnings per Adjusted Share</b>								<b>\$ 0.38</b>	<b>\$ 0.42</b>

Note: Amounts in thousands, except Weighted Average Adjusted Shares and After-tax Distributable Earnings per Adjusted Share.

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# Reconciliation of Total GAAP Revenues to Total Operating Revenues

	Three Months Ended	
	March 31,	
	2019	2020
<b>Total GAAP Revenues</b>	<b>\$ 1,187,480</b>	<b>\$ (1,001,505)</b>
(+) Management Fees - Consolidated Funds and Other	121,949	118,782
(-) Fee Credits - Consolidated Funds	3,939	227
(-) Capital Allocation-Based Income (GAAP)	814,932	(1,382,077)
(+) Realized Carried Interest	330,345	361,331
(+) Realized Investment Income (Loss)	102,919	145,164
(-) Revenue Earned by Other Consolidated Entities	29,703	13,315
(-) Capstone Fees	-	20,918
(-) Expense Reimbursements	44,060	28,224
<b>Total Operating Revenues</b>	<b>\$ 850,059</b>	<b>\$ 943,165</b>

Note: Amounts in thousands.

# Reconciliation of Total GAAP Expenses to Total Operating Expenses

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	Three Months Ended	
	March 31,	
	2019	2020
<b>Total GAAP Expenses</b>	<b>\$ 728,767</b>	<b>\$ (96,692)</b>
(-) Equity-based and Other Compensation - KKR Holdings L.P.	23,743	20,696
(-) Unrealized Performance Income Compensation	159,880	(675,874)
(-) Amortization of Intangibles	535	380
(-) Reimbursable Expenses	52,032	34,962
(-) Operating Expenses relating to Other Consolidated Entities	51,818	20,001
(-) Capstone Expenses	-	17,797
(+) Other	(11,606)	(14,374)
<b>Total Operating Expenses</b>	<b>\$ 429,153</b>	<b>\$ 470,972</b>

Note: Amounts in thousands.

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

	As Of						
	2015	2016	December 31, 2017	2018	2019	March 31, 2019	2020
KKR & Co. Inc. Stockholders' Equity – Common Stockholders	\$ 5,547,182	\$ 5,457,279	\$ 6,703,382	\$ 8,167,056	\$ 10,324,936	\$ 8,839,817	\$ 8,843,408
(+) Impact of Consolidation of Funds and Other Entities	133,208	118,635	214,188	205,502	327,826	246,793	270,815
(+) Noncontrolling Interests held by KKR Holdings L.P.	4,431,939	4,389,285	4,844,271	4,625,448	5,728,634	5,079,042	4,785,151
(-) 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	-	-	-	-
<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>\$ 16,363,950</b>	<b>\$ 14,148,206</b>	<b>\$ 13,881,928</b>
Adjusted Shares	819,181,463	806,137,733	822,146,070	833,938,476	850,388,924	832,568,187	840,179,251
<b>Book Value per Adjusted Share</b>	<b>\$ 12.18</b>	<b>\$ 12.15</b>	<b>\$ 14.20</b>	<b>\$ 15.57</b>	<b>\$ 19.24</b>	<b>\$ 16.99</b>	<b>\$ 16.52</b>

Note: Amounts in thousands, except Adjusted Shares and Book Value per Adjusted Share amounts.

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# Legal Disclosures

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