ModernGraham Valuation

Company Name:	KKR & Co. L.P.

Company Ticker	KKR
Date of Analysis	10/21/2015

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass all 6 of the following tests.

1. Adequate Size of the Enterprise	Market Cap > $2Bil	$14,025,580,034	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Fail
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	157333233.33%	Pass
5. Moderate PEmg Ratio	PEmg < 20	11.64	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.40	Pass

Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.

1. Earnings Stability	Positive EPS for 5 years prior	Pass
2. Dividend Record	Currently Pays Dividend	Pass
3. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	**No**
Enterprising	**Yes**

Stage 2: Determination of Intrinsic Value

EPSmg	1.48
MG Growth Estimate	15.00%
MG Value	**$57.16**
MG Value based on 3% Growth	$21.53
MG Value based on 0% Growth	$12.62
Market Implied Growth Rate	1.57%

MG Opinion

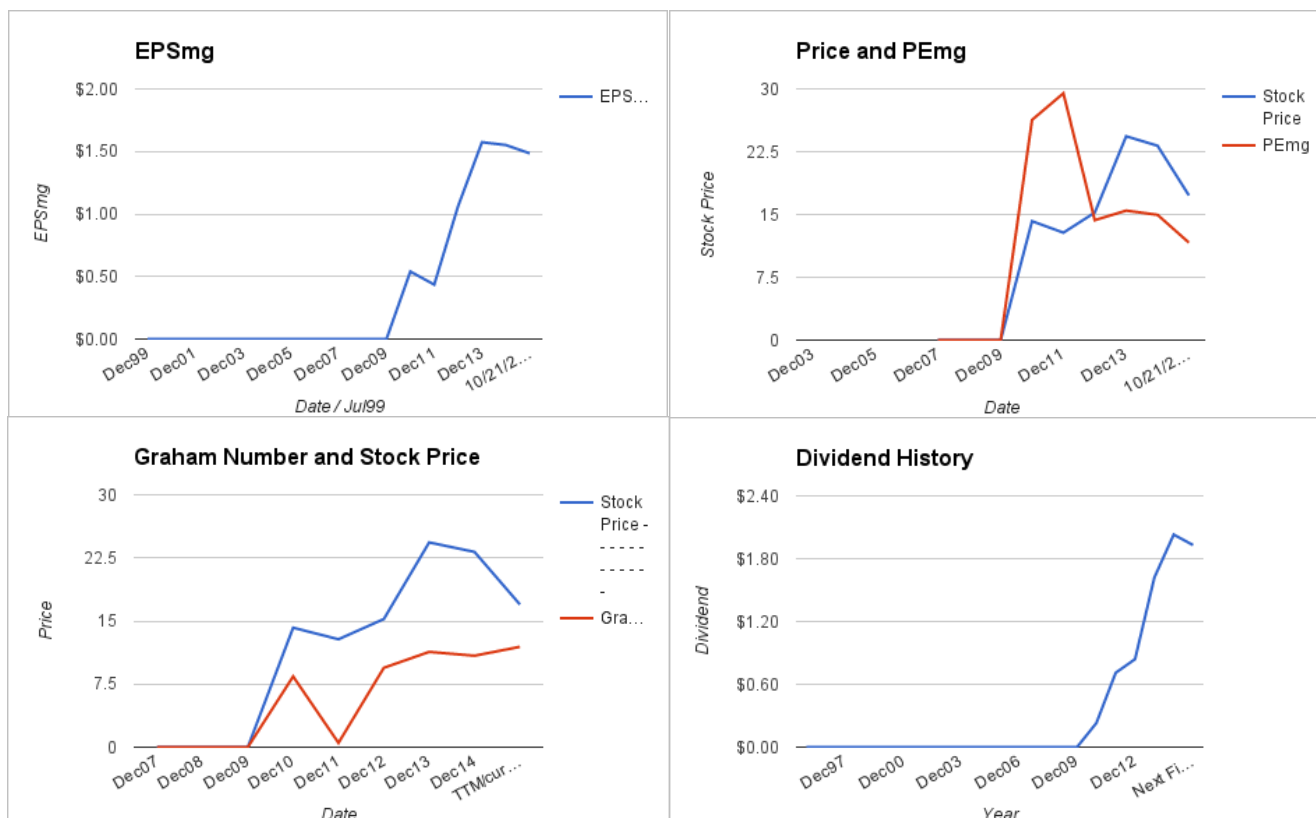|	
Current Price	$17.28
% of Intrinsic Value	30.23%
Opinion	**Undervalued**

Stage 3: Information for Further Research

Graham Number	$11.93
PEmg	11.64
PB Ratio	1.40
Dividend Yield	11.17%
Number of Consecutive Years of Dividend Growth	0

Useful Links:		
	ModernGraham tagged articles	Morningstar
	Google Finance	MSN Money
	Yahoo Finance	Seeking Alpha
	GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	$1.26	Next Fiscal Year Estimate	$1.48
Dec14	$1.16	Dec14	$1.55
Dec13	$2.30	Dec13	$1.57
Dec12	$2.21	Dec12	$1.06
Dec11	$0.01	Dec11	$0.44
Dec10	$1.62	Dec10	$0.54
Dec09	$0.00	Dec09	$0.00
Dec08	$0.00	Dec08	$0.00
Dec07	$0.00	Dec07	$0.00
Dec06	$0.00	Dec06	$0.00
Dec05	$0.00	Dec05	$0.00
Dec04	$0.00	Dec04	$0.00
Dec03	$0.00	Dec03	$0.00
Dec02	$0.00	Dec02	$0.00
Dec01	$0.00	Dec01	$0.00
Dec00	$0.00	Dec00	$0.00
Dec99	$0.00	Dec99	$0.00
Dec98	$0.00	**Balance Sheet Information**	**Jun15**
Dec97	$0.00	Long-Term Debt	$15,889,570,000
Dec96	$0.00	Total Assets	$71,693,700,000
Dec95	$0.00	Intangible Assets	$280,379,000
		Total Liabilities	$65,746,280,000
		Shares Outstanding (Diluted Average)	482,651,000

MG Value and Stock Price

EPSmg

Price and PEmg

Graham Number and Stock Price

Dividend History

Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company	5 Undervalued Companies for Value Investors with a High Beta – October 2015
	The Best Stocks of the Financial Services Industry – September 2015
	10 Companies Benjamin Graham Would Invest In Today – September 2015
	The 16 Best Stocks For Value Investors This Week – 8/1/15
	5 Undervalued Companies for Enterprising Investors With High Dividend Yields – July 2015

Other ModernGraham posts about related companies	Invesco Limited Analysis – October 2015 Update $IVZ
	CME Group Inc. Analysis – October 2015 Update $CME
	T.Rowe Price Group Inc. Analysis – September 2015 Update $TROW
	Moody's Corporation Analysis – September 2015 Update $MCO
	The Best Stocks of the Financial Services Industry – September 2015
	Franklin Resources Inc. Analysis – September 2015 $BEN
	Northern Trust Corporation Analysis – September 2015 Update $NTRS
	Legg Mason Analysis – August 2015 Update $LM
	Capital One Financial Corporation Analysis – August 2015 Update $COF
	Affiliated Managers Group Analysis – Initial Coverage $AMG