

# ModernGraham Valuation

Company Name:

KKR & Co. L.P.

Company Ticker KKR

Date of Analysis

2/15/2016



## 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	\$10,614,222,032	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	13233233.33%	Pass
4. Earnings Growth	PEmg < 20	9.66	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.95	Pass
6. Moderate Price to Assets			

*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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	1.23
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$47.53</b>
MG Value based on 3% Growth	\$17.90
MG Value based on 0% Growth	\$10.49
Market Implied Growth Rate	0.58%

### MG Opinion

Current Price	\$11.93
% of Intrinsic Value	25.10%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C+</b>

## Stage 3: Information for Further Research

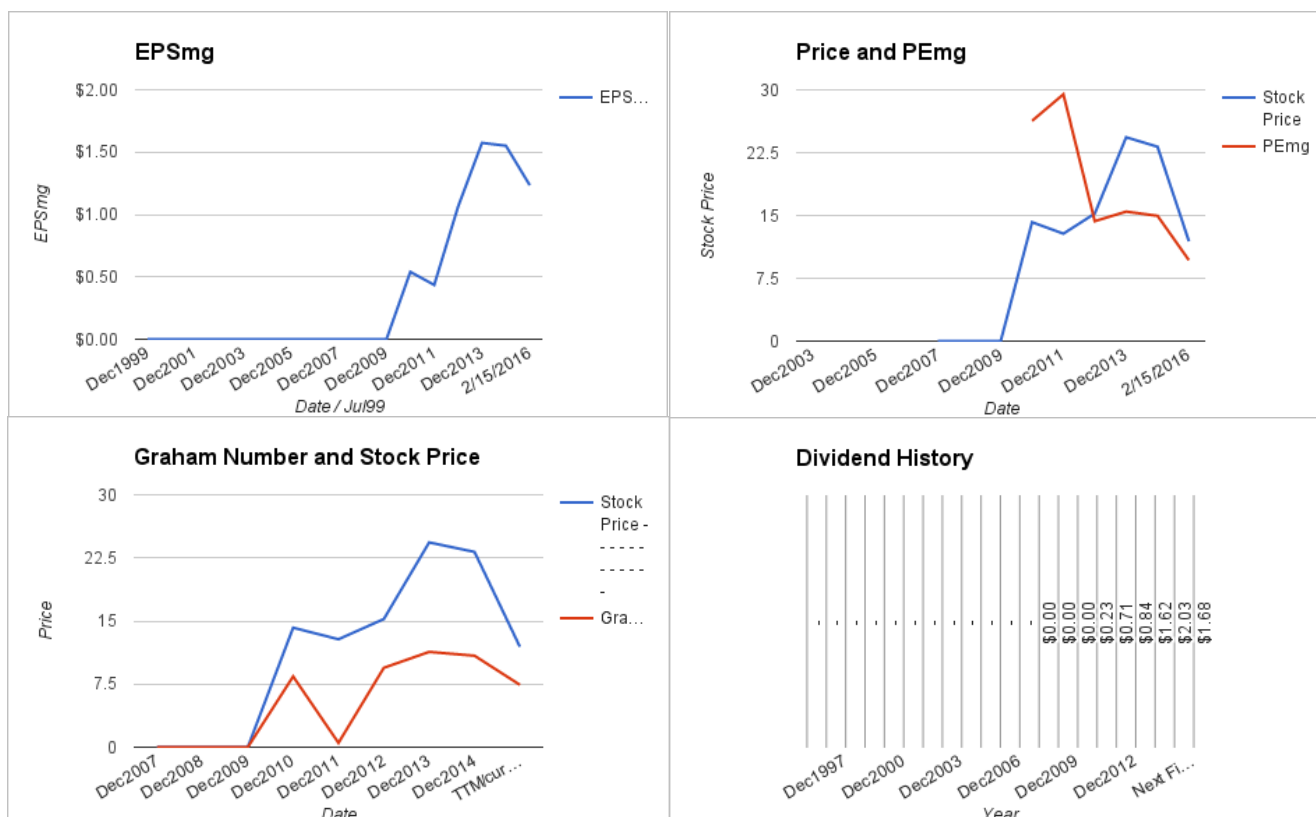
Graham Number	\$7.41
PEmg	9.66
PB Ratio	0.95
Dividend Yield	14.08%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.51	Next Fiscal Year Estimate	\$1.23
Dec2014	\$1.16	Dec2014	\$1.55
Dec2013	\$2.30	Dec2013	\$1.57
Dec2012	\$2.21	Dec2012	\$1.06
Dec2011	\$0.01	Dec2011	\$0.44
Dec2010	\$1.62	Dec2010	\$0.54
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Dec1999	\$0.00
Dec1998	\$0.00	<div><div>Balance Sheet Information</div><div>Sep2015</div></div>	
Dec1997	\$0.00	Long-Term Debt	\$16,587,643,000
Dec1996	\$0.00	Total Assets	\$69,056,926,000
Dec1995	\$0.00	Intangible Assets	\$0
		Total Liabilities	\$63,398,280,000
		Shares Outstanding (Diluted Average)	452,166,000





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

[10 Most Undervalued Companies for the Enterprising Investor – February 2016](#)

[7 Best Stocks For Value Investors This Week – 10/24/15](#)

[KKR & Co. LP Valuation – October 2015 Update \\$KKR](#)

[5 Undervalued Companies for Value Investors with a High Beta – October 2015](#)

[The Best Stocks of the Financial Services Industry – September 2015](#)

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[Invesco Ltd Valuation – January 2016 Update \\$IVZ](#)

[Legg Mason Inc Valuation – December 2015 Update \\$LM](#)

[Visa Inc Valuation – November 2015 Update \\$V](#)

[Ameriprise Financial Inc. Valuation – November 2015 Update \\$AMP](#)

[BlackRock Inc. Valuation – November 2015 Update \\$BLK](#)

[Goldman Sachs Group Inc. Valuation – November 2015 Update \\$GS](#)