

# ModernGraham Valuation

Company Name:

KKR & Co. L.P.

Company Ticker KKR

Date of Analysis

3/13/2017



## 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	\$14,889,756,354	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	103.70%	Pass
4. Earnings Growth			
5. Moderate PEmg Ratio	PEmg < 20	14.81	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.49	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		Fail

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	1.23
MG Growth Estimate	-3.24%
<b>MG Value</b>	<b>\$2.49</b>
MG Value based on 3% Growth	\$17.89
MG Value based on 0% Growth	\$10.49
Market Implied Growth Rate	3.15%

### MG Opinion

Current Price	\$18.27
% of Intrinsic Value	733.06%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

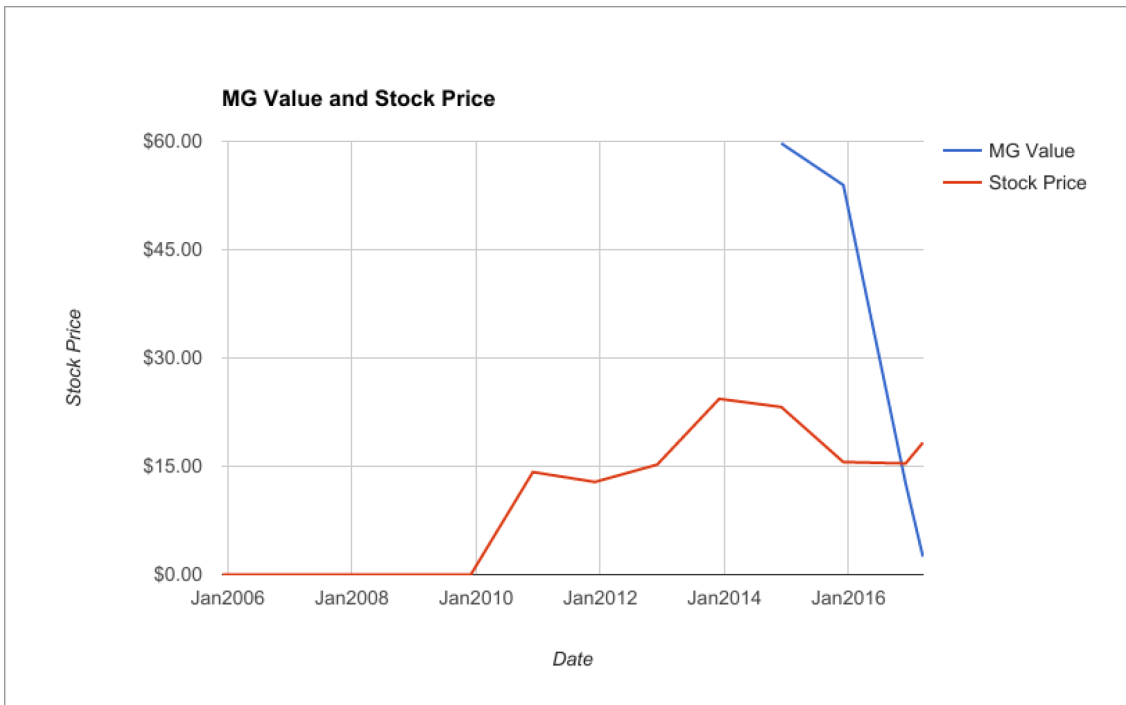
## Stage 3: Information for Further Research

Graham Number	\$22.48
PEmg	14.81
PB Ratio	1.49
Dividend Yield	3.50%
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	\$1.70	Next Fiscal Year Estimate	\$1.23
Dec2016	\$0.59	Dec2016	\$1.15
Dec2015	\$1.01	Dec2015	\$1.40
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		
Dec1999	\$0.00		
Dec1998	\$0.00		
Dec1997	\$0.00		
		<b>Balance Sheet Information</b>	<b>12/1/2016</b>
		Long-Term Debt & Capital Lease Obligation	\$18,544,075,000
		Total Assets	\$39,002,897,000
		Intangible Assets	\$0
		Total Liabilities	\$33,063,064,000
		Shares Outstanding (Diluted Average)	483,431,000





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

- [KKR & Co L.P. Valuation – August 2016 \\$KKR](#)
- [10 Best Dividend Paying Stocks for the Enterprising Investor – August 2016](#)
- [Dividend Investors Should Research These 10 Stocks – July 2016](#)
- [10 Most Undervalued Companies for the Enterprising Investor – June 2016](#)
- [10 Companies for Enterprising Dividend Investors – June 2016](#)

Other ModernGraham posts about related companies

- [Charles Schwab Corp Valuation – March 2017 \\$SCHW](#)
- [Synchrony Financial Valuation – Initial Coverage \\$SYF](#)
- [Franklin Resources Inc Valuation – February 2017 \\$BEN](#)
- [S&P Global Inc Valuation – Initial Coverage \\$SPGI](#)
- [CME Group Inc Valuation – February 2017 \\$CME](#)
- [Equifax Inc Valuation – February 2017 \\$EFX](#)
- [Janus Capital Group Inc Valuation – Initial Coverage \\$JNS](#)
- [Jones Lang LaSalle Inc Valuation – Initial Coverage \\$JLL](#)
- [Sun Life Financial Inc Valuation – Initial Coverage \\$TSE:SLF](#)
- [Capstead Mortgage Corporation Valuation – Initial Coverage \\$CMO](#)