



Key Operating Metrics

Figure 51: KKR Firm-wide Key Operating Metrics Forecasts

INCOME STATEMENT	2012	1Q13	2Q13	3Q13	4Q13E	2013E	1Q14E	2Q14E	3Q14E	4Q14E	2014E	2015E	2016E
KEY METRICS													
Basic:													
Effective tax rate on EI	4.8%	3.1%	9.3%	1.9%	4.0%	3.5%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Book value per unit	\$9.87	\$9.89	\$9.65	\$10.07	\$10.20	\$10.20	\$10.33	\$10.45	\$10.56	\$10.67	\$10.67	\$10.78	\$10.92
Tangible book value per unit													
Distribution per unit	\$1.24	\$0.27	\$0.43	\$0.23	\$0.39	\$1.32	\$0.37	\$0.39	\$0.40	\$0.44	\$1.58	\$1.76	\$1.83
Distribution payout ratio	60.1%	66.1%	75.7%	66.6%	56.5%	65.6%	79.9%	81.1%	78.5%	79.5%	79.7%	84.3%	83.4%
Profitability:													
Economic net income (ENI) per unit	\$2.90	\$0.88	\$0.18	\$0.84	\$0.98	\$2.87	\$0.56	\$0.53	\$0.59	\$0.68	\$2.33	\$2.33	\$2.32
Distributable Earnings (DE) per unit	\$2.08	\$0.41	\$0.56	\$0.35	\$0.69	\$2.01	\$0.46	\$0.48	\$0.50	\$0.55	\$1.99	\$2.09	\$2.19
Fee-related earnings (FRE) per unit	\$0.31	\$0.10	\$0.12	\$0.13	\$0.10	\$0.44	\$0.13	\$0.15	\$0.13	\$0.17	\$0.58	\$0.61	\$0.63
EBITDA	1,523.7	316.9	433.8	283.4	538.7	1,572.8	363.1	374.2	395.8	428.5	1,961.6	1,630.5	1,702.4
FRE (pretax)	319.8	89.0	98.2	108.0	98.8	389.0	112.2	121.0	108.1	139.4	480.7	499.6	512.4
FRE margin (pretax)	38.8%	39.8%	41.5%	38.6%	35.3%	38.6%	39.5%	40.6%	38.5%	41.2%	40.0%	39.6%	39.4%
Economic income margin (pretax)	63.3%	67.4%	45.8%	65.4%	63.8%	63.6%	59.1%	53.7%	55.2%	55.4%	55.8%	57.6%	59.0%
Base comp ratio	33.1%	34.0%	34.0%	33.6%	35.0%	34.1%	37.1%	37.5%	37.8%	37.2%	37.4%	37.6%	37.4%
Incentive comp ratio	40.8%	40.4%	39.1%	40.5%	40.0%	40.2%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	38.6%
Total comp ratio	29.6%	26.4%	35.4%	26.2%	28.7%	28.0%	31.2%	37.1%	36.2%	36.9%	35.2%	32.5%	30.3%
Balance Sheet:													
EOP Assets	7,597	8,220	8,109	8,515	8,600	8,600	8,686	8,773	8,861	8,949	8,949	9,039	9,129
EOP Tangible Assets													
EOP Long-term Debt	500	1,000	1,000	1,000	1,010	1,010	1,020	1,030	1,041	1,051	1,051	1,062	1,072
EOP Equity (Partners' Capital)	6,957	7,068	6,899	7,208	7,280	7,280	7,353	7,426	7,500	7,575	7,575	7,651	7,728
EOP Tangible Equity													
Cash per unit	\$2.19	\$2.81	\$2.79	\$2.66	\$2.69	\$2.69	\$2.72	\$2.76	\$2.78	\$2.81	\$2.81	\$2.84	\$2.88
Debt/EBITDA	0.3x	0.8x	0.6x	0.9x	0.5x	0.8x	0.7x	0.7x	0.7x	0.6x	0.7x	0.7x	0.6x
Equity/Assets	0.9x	0.9x	0.9x	0.8x									
Return on Equity (ROE)	0.0%	36.3%	7.5%	33.9%	37.7%	0.0%	22.1%	20.5%	22.4%	24.1%	21.9%	21.6%	21.3%
Return on Tangible Equity (ROTE)													
Key Fundamental Drivers:													
Assets under Mgmt (AuM)	75,528	78,253	83,501	90,169	91,861	91,861	93,593	95,365	96,561	97,792	97,792	101,743	105,418
Fee-paying AuM (FPAuM)	60,846	62,454	67,956	73,612	75,967	75,967	78,398	80,907	83,208	85,582	85,582	89,137	91,862
Net flow s to AuM	13	(13)	4,978	4,349	1,512	10,826	1,548	1,585	1,005	1,038	5,176	3,755	3,472
AuM organic growth rate (annualized)	0.0%	-0.1%	25.5%	20.7%	6.7%	14.3%	6.8%	6.8%	4.2%	4.3%	5.6%	3.8%	3.4%
Net flow s to FPAuM	8,510	1,116	6,058	5,193	2,208	14,574	2,279	2,352	2,140	2,208	8,978	3,384	2,547
FPAuM organic growth rate (annualized)	18.3%	7.4%	38.9%	30.3%	11.9%	24.0%	12.2%	12.0%	10.5%	10.5%	11.8%	4.0%	2.9%
Avg. Mgmt fee rate on FPAuM	0.87%	1.01%	1.01%	0.97%	0.97%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.98%	0.97%
Committed capital (capital deployed)	3,811	763	1,685	2,132	3,011	7,591	2,858	2,231	1,816	1,816	8,322	3,669	3,145
Gross realizations	9,567	1,980	2,924	1,854	2,997	9,754	3,045	3,094	3,763	3,791	13,693	16,517	17,891
Uncalled capital (dry powder)	16,072	16,207	21,364	22,718	22,321	22,321	21,516	21,404	22,000	22,648	22,648	24,813	27,520

Source: Company reports and Deutsche Bank