Morningstar
2018
Shareholders’
Meeting
Welcome

Joe Mansueto
Executive Chairman
Business of Annual Meeting
Management Presentations
Break
Questions and Answers
To send in a question for the Q&A session, please visit:
http://morningstar.socialqa.com
Morningstar Update

Kunal Kapoor
Chief Executive Officer
Today’s presentations contain forward-looking statements. All statements made that are not historical facts are subject to a number of risks and uncertainties, and actual results may differ materially. Please refer to our most recent earnings release and our most recent Form 10-Q or 10-K for more information on the factors that could cause actual results to differ.

Today’s presentations also contain non-GAAP financial measures. Please refer to the slides at the end of the presentations for a reconciliation to the applicable GAAP measures.
Our mission is to create great products that help investors reach their financial goals.
Empower Launches Dynamic Retirement Manager

Dynamic QDIA

Target Beta Fund

Managed Accounts

Funds Trust

Morningstar Plan Analysis

Private + Public Equity Data

Best Interest Scorecard

PitchBook

2017

Jan

Feb

Mar

Apr

May

Jun

Jul

Aug

Sept

Oct

Nov

Dec

Credit Rating REITs

SUSTAINALYTICS

ABC Co.
Three Core Capabilities

- Research
- Technology
- Design
Technology Coverage

- 200,000 research inquiries per month through Office
- 3gb/s volume of data processed real-time
- ~286,000 portfolio-level reports generated per month
- 38M+ transactions imported in Q1 2018, ~12.7M/mo, 424,000/day
- 24,000 number of messages sent every minute on our data backend
Industry Landscape

Declining Fees

Best Interest Advice

Digitization
Industry Landscape

Decision Support

$28.5 bil

↑3.6%

Global spend on market data/analysis in 2017

Outsourced Investment Management

~$7.4 tril AUM

↑10.3%

Morningstar’s total addressable market in retirement and managed portfolios assets in 2017

Source: Burton-Taylor International Consulting LLC; Cerulli Associates; Morningstar
Strategy

- Develop Morningstar Direct and PitchBook as our key decision support platforms
- Produce the most effective investment data, research, and ratings
- Build world-class investment management solutions based on our proprietary research

Advisor: 255,000
Asset Management: 1,500+
Workplace/Retirement: 31 plan providers, 285,000 plan sponsors
Individual Investor: 11.9 million
Institutional Investor: 2,900
<table>
<thead>
<tr>
<th>Morningstar Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managed Products</td>
</tr>
<tr>
<td>Fundamental Equity</td>
</tr>
<tr>
<td>Retirement Plan</td>
</tr>
<tr>
<td>Real-Time</td>
</tr>
<tr>
<td>Private Equity/Venture Capital</td>
</tr>
<tr>
<td>Fixed-Income</td>
</tr>
<tr>
<td>Indexes</td>
</tr>
<tr>
<td>ESG</td>
</tr>
</tbody>
</table>
Indexes

Disruptor

Open Indexes / Ultra Low Cost Indexes

Innovator

Strategic Beta / ESG / Multi-Asset Premium Products
Morningstar Data

Increase in screening and usages of ESG data in Morningstar Cloud. Usage has risen by 25% in Q1 2018.

366%
Morningstar Direct

Morningstar Direct Licenses

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S.</th>
<th>Non-U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>4,830</td>
<td>3,684</td>
</tr>
<tr>
<td>14</td>
<td>5,782</td>
<td>4,273</td>
</tr>
<tr>
<td>15</td>
<td>6,527</td>
<td>4,901</td>
</tr>
<tr>
<td>16</td>
<td>6,972</td>
<td>5,520</td>
</tr>
<tr>
<td>17</td>
<td>7,678</td>
<td>6,206</td>
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</table>
Your Intelligent Engine

Transform your investment analysis with Morningstar Direct™ for Wealth Management.
*Included for informational purposes only; Morningstar did not acquire full ownership of PitchBook until December 2016.
### Alphabet (NAS: GOOGL)

#### Stock Performance

<table>
<thead>
<tr>
<th>Date</th>
<th>Price</th>
<th>Change</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov-2014</td>
<td>$1,333.45</td>
<td>+3.82</td>
<td>0.29%</td>
</tr>
</tbody>
</table>

As of 30-Nov-2017 (Thursday Closing)

### Contents

- Stock Performance
- Financials & Estimates Summary
- Timeline
- General Information
- Contact Information
- Analyst Reports
- Recent Notes
- Similar Companies
- Stock Price History
- Signals
- Executives (228)
- Board Seats (3)
Morningstar Managed Portfolios

31.8%  $39.8 bil
Asset growth in 2017  Assets as of Dec. 31, 2017
Morningstar Managed Portfolios

Assets Under Management/Advisement ($bil)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>19.3</td>
<td>22.9</td>
<td>24.4</td>
<td>28.1</td>
<td>36.6</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>—</td>
<td>0.1</td>
<td>0.2</td>
<td>0.5</td>
<td>0.9</td>
</tr>
<tr>
<td>Australia</td>
<td>0.7</td>
<td>0.9</td>
<td>1.2</td>
<td>1.3</td>
<td>1.7</td>
</tr>
<tr>
<td>South Africa</td>
<td>—</td>
<td>—</td>
<td>0.3</td>
<td>0.4</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Assets reported in constant currency with the USD as of Dec. 31, 2017.
Workplace Solutions/Retirement

Asset growth in 2017: 22.7%
Assets as of Dec. 31, 2017: $128.1 bil
### Workplace Solutions/Retirement

#### Assets Under Management/Advisement ($bil)

<table>
<thead>
<tr>
<th>Year</th>
<th>Managed retirement accounts</th>
<th>Custom models</th>
<th>Fiduciary services</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>31.7</td>
<td>11.0</td>
<td>22.9</td>
</tr>
<tr>
<td>14</td>
<td>36.8</td>
<td>13.3</td>
<td>26.7</td>
</tr>
<tr>
<td>15</td>
<td>40.3</td>
<td>18.7</td>
<td>30.7</td>
</tr>
<tr>
<td>16</td>
<td>46.9</td>
<td>23.2</td>
<td>34.3</td>
</tr>
<tr>
<td>17</td>
<td>57.6</td>
<td>28.0</td>
<td>42.5</td>
</tr>
</tbody>
</table>
Morningstar Credit Ratings

Commercial mortgage-backed securities
Residential mortgage-backed securities
Single-family rental securities
Asset-backed securities
Financial institution ratings
Corporate credit ratings
Operational risk assessments
Morningstar Credit Ratings

New Issue Deals by Asset Class

- Commercial mortgage-backed securities
- Residential mortgage-backed securities
- Asset-backed securities
- Corporate credit ratings

2015

2017
Talent & Culture
Talent & Culture

Chicago's top 100 tech companies by # of employees

Forbes 2017
AMERICA'S BEST MID-SIZE EMPLOYERS

100% CORPORATE EQUALITY INDEX
HUMAN RIGHTS CAMPAIGN 2018

BEST PLACES TO WORK
for LGBTQ Equality

GREAT PLACE TO WORK®
CERTIFIED SEP 2017 - SEP 2018
USA

GREAT PLACE TO WORK®
Certified INDIA

Great Place To Work
Best Workplaces™
CANADA 2018
Financial Highlights

Jason Dubinsky
Chief Financial Officer
Financial Results
Capital Allocation
Value Creation
Financial Results
Morningstar Values

Investors First
Great Products
Great People
Uncompromising Ethics
Entrepreneurial Spirit
Financial Success
Financial Success

We believe that when we pursue our mission of creating great products that help investors, financial success will follow. This allows us to reinvest in our business, build long-term shareholder value, and further our work of helping investors.
Foundation for Financial Success

- Strategy and Economic Moat
- Unique Culture & Global Talent
- Brand and Mission
- Products & IP
- Scalable & Diverse Business
- Strong Balance Sheet and Cash Flow
Historical Performance: Revenue vs. Operating Income Growth

Revenue:
- 2013: +14.2%
- 2014: -6.0%
- 2015: +14.2%
- 2016: +14.2%
- 2017: +14.2%

Operating Income:
- 2013 (Year ended): +14.2%
- 2014: +14.2%
- 2015: -6.0%
- 2016: -6.0%
- 2017: -6.0%
Historical Performance: Operating Margin

- 24.4% (2013)
- 13.9%* (2014, includes a $61.0 million litigation settlement which adversely impacted operating margin by 8.1 percentage points)
- 24.2% (2015)
- 22.6% (2016)
- 18.6%** (2017, includes a $4.1 million impairment charge which adversely impacted operating margin by 0.5 percentage points)
### 2017 Reported Performance

<table>
<thead>
<tr>
<th>($mil)</th>
<th>Revenue</th>
<th>Operating Income</th>
<th>Free Cash Flow*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>$798.6</td>
<td>$180.8</td>
<td>$150.9</td>
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<tr>
<td>16</td>
<td>$911.7</td>
<td>$169.8</td>
<td>$183.5</td>
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<tr>
<td>17</td>
<td>$183.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Free cash flow is a non-GAAP financial measure.*
2017 Organic and Adjusted Performance

<table>
<thead>
<tr>
<th></th>
<th>Organic Revenue*</th>
<th>Adjusted Operating Income*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 (mil)</td>
<td>$794.2</td>
<td>$184.1</td>
</tr>
<tr>
<td>2017 (mil)</td>
<td>$854.2</td>
<td>$182.2</td>
</tr>
</tbody>
</table>

*Organic revenue and adjusted operating income are non-GAAP measures

**Includes a $4.1 million impairment charge which adversely impacted adjusted operating income growth by 2.2 percentage points
First Quarter 2018 Performance

<table>
<thead>
<tr>
<th>($) (mil)</th>
<th>Revenue</th>
<th>Operating Income</th>
<th>Free Cash Flow*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 17</td>
<td>Q1 18</td>
<td>Q1 17</td>
</tr>
<tr>
<td></td>
<td>$209.5</td>
<td>$243.5</td>
<td>$28.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$32.2</td>
<td>$42.3</td>
<td></td>
</tr>
</tbody>
</table>

*Free cash flow is a non-GAAP financial measure.
# Drivers of Growth: Key Investment Areas

<table>
<thead>
<tr>
<th></th>
<th>3 Year Revenue CAGR*</th>
<th>2014—2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Excluding PitchBook</td>
<td>Including PitchBook</td>
</tr>
<tr>
<td>Total Morningstar Growth</td>
<td>5.3%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Key Investment Areas**</td>
<td>8.1%</td>
<td>12.6%</td>
</tr>
</tbody>
</table>

*Growth calculated at constant currency.

**Key investment areas include Data, Direct, Investment Management (Managed Portfolios in organic calculation), Workplace, and Credit Ratings.
Drivers of Growth: Key Investment Areas

<table>
<thead>
<tr>
<th></th>
<th>3 Year Revenue CAGR* 2014—2017</th>
<th>2017 Organic Revenue Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Excluding PitchBook</td>
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<td>Key Investment Areas**</td>
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<td>12.6%</td>
</tr>
</tbody>
</table>

*Growth calculated at constant currency.
**Key investment areas include Data, Direct, Investment Management (Managed Portfolios in organic calculation), Workplace, and Credit Ratings
Drivers of Growth: Diversification

Revenue by Type:

- **Product**
  - License: 73%
  - AUM: 7%
  - Transaction: 21%

- **Geography**
  - Americas: 79%
  - EMEA: 6%
  - APAC: 15%

<table>
<thead>
<tr>
<th>Region</th>
<th>2017 Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>15.8%</td>
</tr>
<tr>
<td>EMEA</td>
<td>8.8%</td>
</tr>
<tr>
<td>APAC</td>
<td>6.9%</td>
</tr>
<tr>
<td>License</td>
<td>15.6%</td>
</tr>
<tr>
<td>AUM</td>
<td>10.3%</td>
</tr>
<tr>
<td>Transaction</td>
<td>11.1%</td>
</tr>
</tbody>
</table>
Capital Allocation
Cash Flow Generation

Free Cash Flow* ($mil)

<table>
<thead>
<tr>
<th>Year</th>
<th>Free Cash Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>$159.0</td>
</tr>
<tr>
<td>14</td>
<td>$78.3</td>
</tr>
<tr>
<td>15</td>
<td>$184.2</td>
</tr>
<tr>
<td>16</td>
<td>$150.9</td>
</tr>
<tr>
<td>17</td>
<td>$183.5</td>
</tr>
</tbody>
</table>

*Free cash flow is a non-GAAP financial measure.
Value Creation
ROIC: Return On Invested Capital*

*Return on invested capital is considered a non-GAAP measure. We calculate this measure based on return divided by invested capital. Please refer to the reconciliation at the end of the section.
## MORN Total Return

**Date as of April 30, 2018**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Since IPO (05/03/2005)</td>
<td>477.6%</td>
<td>211.7%</td>
<td>14.5%</td>
</tr>
<tr>
<td>10-year</td>
<td>95.6%</td>
<td>141.6%</td>
<td>6.9%</td>
</tr>
<tr>
<td>5-year</td>
<td>70.5%</td>
<td>82.4%</td>
<td>11.3%</td>
</tr>
<tr>
<td>3-year</td>
<td>46.6%</td>
<td>34.0%</td>
<td>13.6%</td>
</tr>
<tr>
<td>1-year</td>
<td>49.8%</td>
<td>13.2%</td>
<td>49.8%</td>
</tr>
</tbody>
</table>

**Cumulative Annualized Date as of April 30, 2018**
Morningstar Values

Investors First
Great Products
Great People
Uncompromising Ethics
Entrepreneurial Spirit
Financial Success
Investment Management Strategy and Business Update

Daniel Needham
President and Chief Investment Officer
Investment Management Group
Global Assets Under Management and Advisement Decomposition

Global Morningstar Investment Management

- Workplace: $130.8B
- Investment Management: $70.7B

Total: $201.5B

As of March 31, 2018
Global Assets Under Management and Advisement Decomposition

Global Morningstar Investment Management

- Workplace: $130.8B
- Investment Management: $70.7B
- Institutional Asset Mgmt: $16.8B
- Asset Allocation Services: $10.1B
- Managed Portfolios: $43.8B

As of March 31, 2018
Continued Transition from Customized Advisory to Managed Portfolios

Morningstar Managed Portfolios

Customized Advisory
Focus on Advisors and Managed Portfolios

Morningstar Managed Portfolios

Morningstar Sales
- Banks
- RIAs
- Broker Dealers
- Investors

Morningstar Portfolio Specialists
- Wirehouses
- Discount Brokers
Drivers of Organic Growth

- Investor Outcomes
- Market Positioning
- Sales Effectiveness
Drivers of Organic Growth

**Investor Outcomes**
- Investment results
- Investment capability
- Trust
- Price
- Ease of use
- Quality of service

**Market Positioning**

**Sales Effectiveness**
Drivers of Organic Growth

**Investor Outcomes**
- Investment results
- Investment capability
- Trust
- Price
- Ease of use
- Quality of service

**Market Positioning**
- Product line-up
- Advisor segments
- Product development
- Marketing and brand
- Geographies

**Sales Effectiveness**
Drivers of Organic Growth

**Investor Outcomes**
- Investment results
- Investment capability
- Trust
- Price
- Ease of use
- Quality of service

**Market Positioning**
- Product line-up
- Advisor segments
- Product development
- Marketing and brand
- Geographies

**Sales Effectiveness**
- Quality of sales team
- Incentives and alignment
- Lead generation
- Structure and geographic location
- Data, tools and systems
- Training and development
Investment Management Vision

A global Investment Management group focused on delivering great long-term investment results to help investors reach their financial goals.
Investment Principles

- We put investors first
- We’re independent-minded
- We invest for the long term
- We’re valuation-driven investors
- We take a fundamental approach
- We strive to minimize costs
- We build portfolios holistically
Global Asset Class Teams

- Equity, Americas
- Fixed Income, Americas
- Global Sectors
- G5/Global Credit
- Equity, EMEA
- Fixed Income, EMEA
- Emerging Markets Equities
- Emerging Market Debt
- Equity, APAC
- Fixed Income, APAC
- REITS/Infrastructure
- Currency
The best way to measure your investing success is not by whether you’re beating the market but by whether you’ve put in place a financial plan and a behavioural discipline that are likely to get you where you want to go.

Benjamin Graham, *The Intelligent Investor*
Taxonomy of Multi-Asset Strategies

Goals-based

Outcome-based

Benchmark-based
<table>
<thead>
<tr>
<th>Morningstar Funds Trust Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds available exclusively through Morningstar Managed Portfolios™</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Morningstar Funds Trust Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morningstar Alternative Fund</td>
</tr>
<tr>
<td>Morningstar Defensive Bond Fund</td>
</tr>
<tr>
<td>Morningstar Global Income Fund</td>
</tr>
<tr>
<td>Morningstar International Equity Fund</td>
</tr>
<tr>
<td>Morningstar MultiSector Bond Fund</td>
</tr>
<tr>
<td>Morningstar Municipal Bond Fund</td>
</tr>
<tr>
<td>Morningstar Total Return Bond Fund</td>
</tr>
<tr>
<td>Morningstar U.S. Equity Fund</td>
</tr>
<tr>
<td>Morningstar Unconstrained Allocation Fund</td>
</tr>
</tbody>
</table>
Overview
Our Story

- **2007**: PitchBook founded: March 2007
- **2008**: We raise $4.2M Series A
- **2009**: We launch US Private Equity product in Q1
- **2010**: Morningstar invests in Series A, Sept 2009
- **2011**: We add Limited Partner and Public Company Data
- **2012**: New York office opens
- **2013**: We start tracking European PE and VC data
- **2014**: London office opens
- **2015**: Company Signals launches
- **2016**: We add M&A data
- **2017**: We’re acquired by Morningstar: December 2016
- **2018**: We launch API & Datafeed business
- **2019**: We integrate Morningstar Research
- **2020**: 830 PitchBook team members across 9 offices
# What we track

<table>
<thead>
<tr>
<th>Limited Partners</th>
<th>27,481</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corp. Pensions</td>
<td>4,679</td>
</tr>
<tr>
<td>Foundations</td>
<td>4,432</td>
</tr>
<tr>
<td>Family Offices</td>
<td>4,086</td>
</tr>
<tr>
<td>Insurance Co.</td>
<td>2,493</td>
</tr>
<tr>
<td>Endowments</td>
<td>1,457</td>
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<tr>
<td>Public Pension</td>
<td>1,324</td>
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</table>

<table>
<thead>
<tr>
<th>Funds</th>
<th>41,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open</td>
<td>8,462</td>
</tr>
<tr>
<td>Closed &amp; evergreen</td>
<td>32,593</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investors</th>
<th>244,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angels</td>
<td>28,873</td>
</tr>
<tr>
<td>Incubators &amp; accelerators</td>
<td>5,140</td>
</tr>
<tr>
<td>Venture capital firms</td>
<td>20,236</td>
</tr>
<tr>
<td>Private equity firms</td>
<td>13,807</td>
</tr>
<tr>
<td>Strategic acquirers</td>
<td>163,186</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Companies</th>
<th>978,000</th>
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</thead>
<tbody>
<tr>
<td>Pre-venture</td>
<td>51,679</td>
</tr>
<tr>
<td>Venture capital-backed</td>
<td>107,266</td>
</tr>
<tr>
<td>Private equity-backed</td>
<td>119,931</td>
</tr>
<tr>
<td>Merged &amp; acquired</td>
<td>220,110</td>
</tr>
<tr>
<td>Public</td>
<td>78,722</td>
</tr>
<tr>
<td>Other private</td>
<td>471,110</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments</th>
<th>878,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angel &amp; seed</td>
<td>130,323</td>
</tr>
<tr>
<td>Venture capital</td>
<td>220,988</td>
</tr>
<tr>
<td>Private equity</td>
<td>157,456</td>
</tr>
<tr>
<td>Strategic M&amp;A</td>
<td>239,313</td>
</tr>
<tr>
<td>IPOs &amp; PIPEs</td>
<td>52,418</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Providers</th>
<th>44,361</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Professionals</th>
<th>1,710,248</th>
</tr>
</thead>
</table>

*As of March 31, 2018*
Since 2007, hundreds of PitchBook researchers have spent 3.25M hours collecting data for PitchBook.

Web crawlers scan the internet—capturing relevant financial information from articles, filings, websites and more.

A primary research team communicates directly with people involved in deals to validate information and gather hard-to-find details.

Natural language processing and machine learning technology organizes data and filters out anything irrelevant.

A quality assurance team uses preventative validations, corrective validations and manual reviews to relentlessly vet every piece of data.

Specialized data teams collect, calculate and verify key figures to build in-depth datasets with information you can’t find anywhere else.

Rigorous research makes our data superior
Accessing data where and when you need it

PitchBook Desktop
Our award-winning software gives you access to our data and the analytical tools you need to find the right data points, discover opportunities and more.

PitchBook Mobile
Get the information you need about companies, funds or investors—wherever you are.

Excel Plugin
Access our data directly from Excel and update your models with one click.

Direct Data Access
Integrate our data with your existing systems through an à la carte solution or pre-defined supply of data points.

CRM Integration
Bring our data into your CRM to create new leads and enhance your existing accounts.

Chrome Extension
Access our data directly from your browser while you’re visiting a website, reading the news or researching online.
Who we serve

At PitchBook our mission is to be the premier data provider for the private and public equity markets.

Our data spans the entire venture capital, private equity and M&A lifecycle - along with the LPs, funds, firms, companies and people involved.
Client and User Growth

Number of Clients
2,884

Number of Users
15,488
From Our Customers

Maintain NPS in excess of 50 / Currently 58

Over 91% of clients report a return on investment within one year

- 25% First month
- 25% First 6 months
- 41% First year
- 9% First 1-2 years

Reported return on PitchBook investment

71% of clients rate PitchBook’s private companies and transactions “significantly better” compared to other data providers

74% of clients who have used or currently use Cap IQ rate PitchBook’s private company data “significantly better” in comparison

58% of clients rate PitchBook’s fund performance and management “significantly better” compared to other data providers
Positive Feedback

“Just phenomenal info that’s shared via PitchBook; and the ability to access via the iPhone PitchBook app is outstanding.”

“Amazing customer service. High quality product. Great content and functionality.”

“Best known private market data provider available.”

“It’s an awesome platform, the customer service Team is super responsive, and the info/data is exactly what I look for.”

J.P. Morgan

ipgroup

TMX Toronto Stock Exchange

KPMG
Innovation & Initiatives
# PitchBook Product Vision and Themes

Build PitchBook Next - principal resource of private and public information

## Private Data
- Expanding the depth and breadth of our private data with more companies, more deals, more debt and more financials

## Search & Discovery
- Building tools to surface trends and insights for opportunity discovery and market analysis

## Workflow
- Improving the search experience (M&A, Keywords, Debt, etc.) and provide integrated workflow and collaboration tools

## Speed & Scale
- Investing in infrastructure to scale to more users, more datasets all while keeping the Platform fast

## Public Data
- Expanding our public datasets in terms of fundamental data, market data and equity research

## Valuation & Modeling
- Building tools in the platform and Excel plugins to allow better modeling and valuation analysis

## Buy-side
- Penetrating a new market for us-Buy-side-with new tools and strong Equity Research

## Real Time & Scale
- Scaling our technology to allow Real Time pricing data and intraday reports and alerts
PitchBook Next Video
pb_labs

...
To send in a question for the Q&A session, please visit: http://morningstar.socialqa.com
Appendix
## Reconciliation of Non-GAAP Measure with the Nearest Comparable GAAP Measure

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by operating activities</td>
<td>$192.6</td>
<td>$136.6¹</td>
<td>$241.5</td>
<td>$213.7</td>
<td>$250.1</td>
<td>$46.5</td>
<td>$59.9</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>−$33.6</td>
<td>−$58.3</td>
<td>−$57.3</td>
<td>−$62.8</td>
<td>−$66.6</td>
<td>−$14.3</td>
<td>−$17.6</td>
</tr>
<tr>
<td>Free cash flow³</td>
<td>$159.0</td>
<td>$78.3²</td>
<td>$184.2</td>
<td>$150.9</td>
<td>$183.5</td>
<td>$32.2</td>
<td>$42.3</td>
</tr>
</tbody>
</table>

(1) Operating income and free cash flow for 2014 included a $61.0 million litigation settlement expense and corresponding cash outflow. 2. Non-operating income in 2016 included a $37.1 million holding gain related to the purchase of the remaining ownership interest in PitchBook, which was previously a minority investment. Non-operating income in 2017 includes a $16.7 million gain related to the sale of HelloWallet. 3. Free cash flow is considered a non-GAAP financial measure under SEC regulations.
## Reconciliation of Non-GAAP Measure with the Nearest Comparable GAAP Measure

<table>
<thead>
<tr>
<th>($mil)</th>
<th>Twelve Months Ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td><strong>Consolidated revenue</strong></td>
<td>$911.7</td>
</tr>
<tr>
<td><strong>Less: acquisitions</strong></td>
<td>–57.5</td>
</tr>
<tr>
<td><strong>Less: divestitures</strong></td>
<td>–</td>
</tr>
<tr>
<td><strong>Effect of foreign currency translations</strong></td>
<td>–</td>
</tr>
<tr>
<td><strong>Organic revenue</strong></td>
<td>$854.2</td>
</tr>
</tbody>
</table>
### Reconciliation of Non-GAAP Measure with the Nearest Comparable GAAP Measure

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>$169.8</td>
<td>$180.8</td>
<td>–6%</td>
</tr>
<tr>
<td>Add back: management bonus plan expense</td>
<td>$7.9</td>
<td>$0.6</td>
<td>NMF</td>
</tr>
<tr>
<td>Add back: intangible amortization expense</td>
<td>$10.6</td>
<td>$0.9</td>
<td>NMF</td>
</tr>
<tr>
<td>Deduct: capitalized labor benefit</td>
<td>–$4.6</td>
<td>—</td>
<td>NMF</td>
</tr>
<tr>
<td>Add back (deduct): other operating (income) loss, net for PitchBook</td>
<td>–$1.5</td>
<td>$1.8</td>
<td>NMF</td>
</tr>
<tr>
<td>Adjusted operating income</td>
<td>$182.2</td>
<td>$184.1</td>
<td>–1.1%</td>
</tr>
</tbody>
</table>
## Reconciliation of Non-GAAP Measure with the Nearest Comparable GAAP Measure

<table>
<thead>
<tr>
<th>($mil)</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$123.5</td>
<td>$78.3</td>
<td>$132.6</td>
<td>$161.0</td>
<td>$136.9</td>
</tr>
<tr>
<td>Net interest expense (after tax)</td>
<td>–$1.9</td>
<td>–$1.4</td>
<td>–$0.9</td>
<td>–$0.2</td>
<td>$2.7</td>
</tr>
<tr>
<td>Return</td>
<td>$121.6</td>
<td>$76.9</td>
<td>$131.7</td>
<td>$160.8</td>
<td>$139.6</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>$709.1</td>
<td>$672.9</td>
<td>$647.5</td>
<td>$668.7</td>
<td>$750.9</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$125.0</td>
<td>$215.0</td>
</tr>
<tr>
<td>Short-term debt</td>
<td>$0.0</td>
<td>$15.0</td>
<td>32.5</td>
<td>$17.5</td>
<td>$0.0</td>
</tr>
<tr>
<td>Invested Capital</td>
<td>$709.1</td>
<td>$687.9</td>
<td>$680.0</td>
<td>$811.2</td>
<td>$965.9</td>
</tr>
<tr>
<td>ROIC</td>
<td>17.2%</td>
<td>11.2%</td>
<td>19.4%</td>
<td>19.8%</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

1. Includes after-tax expense of approximately $38.2 million for litigation settlement. 2. Includes after tax holding gain of $37.1 million upon acquisition of additional ownership of equity method investments. 3. Includes after tax gain of $17.8 million on sale of business. 4. All items included in invested capital reflect average of 12/31 balance for current and previous year. 5. We calculate this measure based on return divided by invested capital.