Disclaimer

Certain statements contained in this release are forward-looking statements and are based on future expectations, plans and prospects for the Company’s business and operations that involve a number of risks and uncertainties. The forward-looking statements and other information in this release are made as of the date (except where noted otherwise), and the Company undertakes no obligation (nor does it intend) to publicly supplement, update or revise such statements on a going-forward basis, whether as a result of subsequent developments, changed expectations or otherwise. In connection with the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, the Company is identifying examples of factors, risks and uncertainties that could cause actual results to differ, perhaps materially, from those indicated by these forward-looking statements. Those factors, risks and uncertainties include, but are not limited to, credit market disruptions or economic slowdowns, which could affect the volume of debt and other securities issued in domestic and/or global capital markets; other matters that could affect the volume of debt and other securities issued in domestic and/or global capital markets, including regulation, credit quality concerns, changes in interest rates and other volatility in the financial markets such as that due to the U.K.’s referendum vote whereby the U.K. citizens voted to withdraw from the EU; the level of merger and acquisition activity in the U.S. and abroad; the uncertain effectiveness and possible collateral consequences of U.S. and foreign government actions affecting credit markets, international trade and economic policy; concerns in the marketplace affecting our credibility or otherwise affecting market perceptions of the integrity or utility of independent credit agency ratings; the introduction of competing products or technologies by other companies; pricing pressure from competitors and/or customers; the level of success of new product development and global expansion; the impact of regulation as an NRSRO, the potential for new U.S., state and local legislation and regulations, including provisions in the Financial Reform Act and regulations resulting from that Act; the potential for increased competition and regulation in the EU and other foreign jurisdictions; exposure to litigation related to our rating opinions, as well as any other litigation, government and regulatory proceedings, investigations and inquiries to which the Company may be subject from time to time; provisions in the Financial Reform Act legislation modifying the pleading standards, and EU regulations modifying the liability standards, applicable to credit rating agencies in a manner adverse to credit rating agencies; provisions of EU regulations imposing additional procedural and substantive requirements on the pricing of services and the expansion of supervisory remit to include non-EU ratings used for regulatory purposes; the possible loss of key employees; failures or malfunctions of our operations and infrastructure; any vulnerabilities to cyber threats or other cybersecurity concerns; the outcome of any review by controlling tax authorities of the Company’s global tax planning initiatives; exposure to potential criminal sanctions or civil remedies if the Company fails to comply with foreign and U.S. laws and regulations that are applicable in the jurisdictions in which the Company operates, including data protection and privacy laws, sanctions laws, anti-corruption laws, and local laws prohibiting corrupt payments to government officials; the impact of mergers, acquisitions or other business combinations and the ability of the Company to successfully integrate acquired businesses; currency and foreign exchange volatility; the level of future cash flows; the levels of capital investments; and a decline in the demand for credit risk management tools by financial institutions. Other factors, risks and uncertainties relating to our acquisition of Bureau van Dijk could cause our actual results to differ, perhaps materially, from those indicated by these forward-looking statements, including risks relating to the integration of Bureau van Dijk’s operations, products and employees into Moody’s and the possibility that anticipated synergies and other benefits of the acquisition will not be realized in the amounts anticipated or will not be realized within the expected timeframe; risks that the acquisition could have an adverse effect on the business of Bureau van Dijk or its prospects, including, without limitation, on relationships with vendors, suppliers or customers; claims made, from time to time, by vendors, suppliers or customers; changes in the European or global marketplaces that have an adverse effect on the business of Bureau van Dijk. These factors, risks and uncertainties as well as other risks and uncertainties that could cause Moody’s actual results to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements are described in greater detail under “Risk Factors” in Part I, Item 1A of the Company’s annual report on Form 10-K for the year ended December 31, 2017, and in other filings made by the Company from time to time with the SEC or in materials incorporated herein or therein. Stockholders and investors are cautioned that the occurrence of any of these factors, risks and uncertainties may cause the Company’s actual results to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements, which could have a material and adverse effect on the Company’s business, results of operations and financial condition. New factors may emerge from time to time, and it is not possible for the Company to predict new factors, nor can the Company assess the potential effect of any new factors on it.
Table of Contents

1. Financial Overview
2. Capital Markets Overview
3. Moody’s Investors Service (MIS)
4. Moody’s Analytics (MA)
5. Conclusion
6. Appendix
Moody’s Mission: To be the World’s Most Respected Authority Serving Risk-Sensitive Financial Markets

» Defend and enhance our core ratings & research businesses
  – Ratings: predictive, predictable and transparent
  – Research: timely and insightful

» Pursue strategic growth opportunities
  – Leverage the brand to extend our reach in financial markets
  – More broadly occupy credit / financial risk management and information vertical
  – Extend both thought leadership footprint and presence as a recognized standard
  – Move upstream in emerging financial markets
1

Financial Overview
Overview of Moody’s Corporation

Moody’s

Leading global provider of credit rating opinions, insight and tools for financial risk measurement and management

Revenue of $4.5 billion
Operating Income of $1.9 billion

MIS 64% MA 36%
MIS 86% MA 14%

Moody’s INVESTORS SERVICE

- Independent provider of credit rating opinions and related information for over 100 years
- Proven ratings accuracy and deeply experienced analysts
- Expanded sales and marketing activities in Commercial group

Moody’s ANALYTICS

- Provides financial intelligence and analytical tools supporting our clients’ growth, efficiency and risk management objectives
- Solutions address diverse needs and customers
- Extending brand into new markets and deepening customer relationship

Note: Financial data for the trailing twelve months ended June 30, 2018.
Financial Performance

Revenue

- 2013 - 2017 CAGR 9%

Adjusted Diluted EPS

- 2013 - 2017 CAGR 13%

Operating Margin

- 2013 - 2017 operating and adjusted operating margins have been restated to conform to the new presentation of pension accounting.

5-year Average Free Cash Flow Conversion

- As of August 2018, over the last five available fiscal years ended 2017. Free Cash Flow is an adjusted financial measure. See appendix for reconciliation from adjusted financial measures to U.S. GAAP. Source: FactSet.


1. Adjusted diluted EPS is an adjusted measure. See appendix for reconciliations from adjusted financial measures to U.S. GAAP.

2. Includes an approximate $0.65 benefit resulting from U.S. corporate tax reform. See appendix for reconciliations from adjusted financial measures to U.S. GAAP.

3. 2013 – 2017 operating and adjusted operating margins have been restated to conform to the new presentation of pension accounting.

4. Adjusted Operating Margin is an adjusted measure. See appendix for reconciliation from adjusted financial measures to U.S. GAAP.

5. As of August 2018, over the last five available fiscal years ended 2017. Free Cash Flow is an adjusted financial measure. See appendix for reconciliation from adjusted financial measures to U.S. GAAP. Source: FactSet.

6. Includes: CLGX, DNB, EXPN, FDS, INFO, MORN, MSCI, SPGI, TRI and VRSK.
Long-Term Growth Opportunities

Three Levers to Achieve EPS Growth

1. Revenue: High Single Digit % Growth Range
   - Issuance Volume & Mix
   - Coverage
   - Moody's Analytics
   - Pricing Initiatives

2. Adj. Operating Margin: High-40s % Range
   - Cost Discipline
   - Process Re-Engineering
   - Technology Enablement

3. Capital Allocation: Dividend Growth & Share Count Reduction
   - Reinvestment
   - Acquisitions
   - Dividends
   - Share Repurchases

Note: Long-term growth opportunities presented on this slide are on average over time.
1. Assumes no material change in effective tax rate, foreign exchange rates, leverage profile and/or capital allocation policy.
2. Subject to market conditions and other ongoing capital allocation decisions.
Disciplined Approach to Capital Allocation

Investing in Growth Opportunities

<table>
<thead>
<tr>
<th>Reinvestment</th>
<th>Acquisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invest in existing businesses to support organic growth</td>
<td>Evaluate carefully to make sure aligned with strategy and market evolution</td>
</tr>
</tbody>
</table>

Return of Capital

<table>
<thead>
<tr>
<th>Dividends</th>
<th>Share Repurchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grow dividend in line with earnings; target 25% - 30% payout</td>
<td>Follow reinvestment, dividends and acquisitions in capital allocation prioritization</td>
</tr>
</tbody>
</table>

Share Repurchases and Dividends Paid

- **Share Repurchases (R)**
- **Dividends Paid (R)**
- **Shares Outstanding (L)**

Annualized Dividend Per Share

- **CAGR = 14%**
- **$1.76**

1. Dividend payout ratio is defined as dividends per share paid/adjusted net income.
2. Annualized dividend total, based on first, second and third quarter dividend of $0.44 declared on January 24, April 24 and July 10, 2018, respectively.
» Current long-term credit ratings from S&P and Fitch are each BBB+ (stable)

» Solid investment-grade rating provides reliable, cost-effective access to capital in a variety of market environments

1. Amount is an adjusted measure. See Appendix for reconciliations from adjusted financial measures to U.S. GAAP.
2018 Outlook

<table>
<thead>
<tr>
<th>Guidance as of July 27, 2018&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Effective Tax Rate</strong></td>
</tr>
<tr>
<td><strong>EPS</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Free Cash Flow&lt;sup&gt;2&lt;/sup&gt;</strong></td>
</tr>
</tbody>
</table>

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2. These metrics are adjusted measures. See Appendix for reconciliations from adjusted financial measures to U.S. GAAP.
Capital Markets Overview
Historically, Rising Rates Have not had a Significant Impact on Moody’s Revenue

MCO Revenue and Interest Rates

1. 10-yr U.S. Treasury Yields are represented by the rate at the end of period.

Source: [www.treasury.gov](http://www.treasury.gov)
Interest Coverage Up and Debt Leverage Remains Steady in the U.S.

Credit Metrics: U.S. Speculative Grade Public Companies

1. Trailing twelve months (TTM) as of March 31, 2018.
Source: Moody’s Analytics. Includes Moody’s rated publicly traded companies.
Global Default Rates Remain Under Historic Average

Default Rates for Corporate Rated Issuance

» Global speculative-grade default rate at 2.9% as of June 30, 2018; expected to decline to 2.0% by June 2019

Source: Moody’s Investors Service.
North America and EMEA Non-Financial Corporates Have Significant Refunding Needs

Debt Maturities: North America Moody’s-Rated Corporate Bonds and Loans

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment Grade Bonds</th>
<th>Speculative Grade Bonds</th>
<th>Speculative Grade Bank Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$206</td>
<td>$60</td>
<td>$49</td>
</tr>
<tr>
<td>2020</td>
<td>$226</td>
<td>$90</td>
<td>$101</td>
</tr>
<tr>
<td>2021</td>
<td>$225</td>
<td>$121</td>
<td>$181</td>
</tr>
<tr>
<td>2022</td>
<td>$239</td>
<td>$180</td>
<td>$223</td>
</tr>
</tbody>
</table>

2019 – 2022 CAGR
Investment Grade Bonds: 5%
Speculative Grade Bonds: 44%
Speculative Grade Bank Loans: 66%

Source: MIS, February 2018.
Note: Data represents U.S. & Canadian MIS rated corporate bonds & loans.

Debt Maturities: EMEA Moody’s-Rated Corporate Bonds and Loans

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment Grade Bonds</th>
<th>Speculative Grade Bonds</th>
<th>Speculative Grade Bank Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$247</td>
<td>$33</td>
<td>$40</td>
</tr>
<tr>
<td>2020</td>
<td>$248</td>
<td>$37</td>
<td>$50</td>
</tr>
<tr>
<td>2021</td>
<td>$246</td>
<td>$52</td>
<td>$59</td>
</tr>
<tr>
<td>2022</td>
<td>$263</td>
<td>$88</td>
<td>$75</td>
</tr>
</tbody>
</table>

2019 – 2022 CAGR
Investment Grade Bonds: 2%
Speculative Grade Bonds: 39%
Speculative Grade Bank Loans: 4%

Source: MIS, July 2018.

1. Amount reflects total maturities identified in the above sources.
Debt Refinancing and M&A are Most Frequently Stated Uses of Proceeds

Uses of Funds from USD High Yield Bonds and Bank Loans

1. Percent of mentions for each respective period in bond issue or bank loan program tranche documents. Excludes issues of less than $25 million and general corporate purposes. An issue can have multiple purposes and, as a result, percentages do not sum to 100%.

Source: Moody's Analytics.
Disintermediation of Credit is an Ongoing Trend in the Global Capital Markets

European Non-Financial Corporate Bonds vs. Bank Loans Outstanding

U.S. Non-Financial Corporate Bonds vs. Bank Loans Outstanding

Sources: ECB, Federal Reserve, BarCap Indices. Europe bank loan data includes Eurozone and UK bank loans. Europe bond data includes euro and sterling denominated bonds. European data is through May 2018 and U.S. data is through June 2018.
Robust Growth of New Rating Mandates

Global New Rating Mandates\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>EMEA</th>
<th>United States</th>
<th>Rest of World</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>854</td>
<td>432</td>
<td>570</td>
</tr>
<tr>
<td>2013</td>
<td>1,026</td>
<td>510</td>
<td>516</td>
</tr>
<tr>
<td>2014</td>
<td>990</td>
<td>484</td>
<td>506</td>
</tr>
<tr>
<td>2015</td>
<td>771</td>
<td>432</td>
<td>339</td>
</tr>
<tr>
<td>2016</td>
<td>738</td>
<td>384</td>
<td>354</td>
</tr>
<tr>
<td>2017</td>
<td>1,044</td>
<td>538</td>
<td>506</td>
</tr>
<tr>
<td>1H 2017</td>
<td>518</td>
<td>259</td>
<td>259</td>
</tr>
<tr>
<td>1H 2018</td>
<td>616</td>
<td>308</td>
<td>308</td>
</tr>
</tbody>
</table>

» In 2Q 2018, Moody’s new rating mandates increased to 323, up 10% from 293 in 1Q 2018

» Expect ~1,000 new mandates in 2018\(^2\)

---

1. Rated by Moody’s Investors Service.
New Rating Mandates Provide Recurring Revenue\(^1\) Growth

MIS Recurring Revenue

MIS recurring revenue growth primarily driven by increased monitoring fees from new mandates in 2017

Recurring revenue ~35% of total MIS revenue

1. MIS recurring revenue is typically billed annually and recognized ratably over 12 months. Recurring revenue can also be billed upfront and recognized over the life of the security.
3 Moody’s Investors Service
Moody’s Investors Service Financial Profile

TTM 2Q 2018 Revenue: $2.9 billion

- Recurring: 65%
- Transaction: 35%
- U.S.: 61%
- Non-U.S.: 39%

- Corporate Finance: 50%
- Structured Finance: 19%
- Financial Institutions: 15%
- Public, Project, & Infrastructure Finance: 15%
- MIS Other: 1%

« 28% recurring revenue
« 36% recurring revenue
« 55% recurring revenue
« 33% recurring revenue

2018 Revenue Guidance as of July 27, 2018

- Global: mid-single-digit % range
- U.S.: low-single-digit % range
- Non-U.S.: mid-single-digit % range
- Corporate Finance: low-single-digit % range
- Structured Finance: low-double-digit % range
- Financial Institutions: mid-single-digit % range
- Public, Project & Infrastructure Finance: mid-single-digit % range
$72+ trillion
of Total Rated Debt

Americas
» 32,500 rated companies and structured deals
» $34+ trillion total debt rated
» 19,500 research publications
» Offices in 5 countries

EMEA
» 4,600 rated companies and structured deals
» $21+ trillion total debt rated
» 6,300 research publications
» Offices in 12 countries

APAC
» 2,000 rated companies and structured deals
» $15+ trillion total debt rated
» 3,500 research publications
» Offices in 7 countries

Note: Data as of December 31, 2017. Numbers of rated entities (other than sovereigns and supranational institutions) and structured deals, research publications and event participants/activities rounded to nearest hundred.
Rating Performance Drives Investor Confidence

Three-Year Cumulative Default Rates of Fundamental Rated Universe

» We remain focused on analytical expertise and the continuous refinement of our credit methodologies to provide predictive, predictable and transparent ratings

» Reinforces investor “demand pull”

1. The data in the chart above shows the three-year cumulative default rates by rating from January 1998, through December 2017 of fundamental Moody’s rated universe globally. Rating category is based on senior unsecured rating (or equivalent) of the issuer. Source: Moody’s Investors Service.
2. Institutional Investor Survey.
## Illustrative Value of a Moody’s Rating

### Example: 10 year $500 million corporate bond

<table>
<thead>
<tr>
<th></th>
<th>Unrated</th>
<th>Rated by Moody’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond</td>
<td>$500,000,000</td>
<td>$500,000,000</td>
</tr>
<tr>
<td>Interest rate</td>
<td>x 4.3%</td>
<td>x 4.0%</td>
</tr>
<tr>
<td>Annual interest payments</td>
<td>$21,500,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Tenor</td>
<td>x 10 years</td>
<td>x 10 years</td>
</tr>
<tr>
<td>Lifetime interest expense</td>
<td>$215,000,000</td>
<td>$200,000,000</td>
</tr>
</tbody>
</table>

$15 million in total interest expense
vs.
lifetime cost of a rating

Note: Illustrative spread differential based on feedback from syndicate desks and FBR & Co. research on Moody’s Corporation (January 2014) which stated that obtaining a Moody’s rating typically saves approximately 30 basis points per year for investment grade issuers. Many factors go into the pricing of a bond.
Continue to Invest in Key International Markets

Revenue in Emerging Markets

China
- Successful joint venture with CCXI, leading domestic rating agency
- CCXI provides >1,000 domestic Chinese ratings; 34% coverage in 2017²
- Cross border market rated via MIS Hong Kong office
- In 2017, China announced it will allow foreign firms to provide credit rating services in part of the domestic market

Latin America
- Deepens Moody’s presence in a dynamic and expanding market

Rest of World
- Acquired full ownership of KIS, a leading provider of domestic credit ratings
- Increased majority stake in ICRA to serve growing domestic bond market
- Opened Saudi Arabia office

Moody’s-Rated Chinese Issuers¹

1. Includes rated issuers where major operations or headquarters are in Mainland China. Hong Kong, Macau and Taiwan are not included.
2. Based on full year 2017 rated bond issuance (deal count) in China’s Interbank Market. Source: CCXI.
Sources: Dealogic, Moody’s Analytics, Moody’s Investors Service.
Moody’s Investors Service ESG Initiative

Three Primary Objectives

**Analysis**

- Develop systematic and transparent incorporation of ESG issues into analytical process
- Expand global Green Bond Assessment (GBA) franchise

**Research**

- Expand MIS research focused on ESG risks and opportunities to meet growing market demand

**Outreach**

- Elevate Moody’s voice in ESG sphere as a thought leader
- Collaborate with key organizations and influencers in the market

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1. As of June 30, 2018.
4

Moody’s Analytics
Moody’s Analytics Financial Profile

TTM 2Q 2018 Revenue: $1.6 billion

» 98% recurring revenue
» > 95% retention rate

» 70% recurring revenue

» Combination of one-off contracts and semi-recurring revenue

2018 Revenue Guidance as of July 27, 2018

Global
U.S.
Non-U.S.
Research, Data & Analytics
Enterprise Risk Solutions
Professional Services

↑ low-twenties % range
↑ high-single-digit % range
↑ low-thirties % range
↑ high-thirties % range
↓ low-single-digit % range
↑ high-single-digit % range

1. Excludes Bureau van Dijk.
2. Organic MA global revenue is expected to increase in the high-single-digit percent range and organic RD&A revenue is expected to increase in the low-teens percent range.
Moody’s Analytics has Several Platforms for Growth

Revenue More Than Doubled Since Inception

Moody’s Analytics
2017 Revenue: $1,430m
2008 – 2017 CAGR: +11%
(~62% organic)

Professional Services
2017 Revenue: $149m
2008 – 2017 CAGR: +32%
(~15% organic)

Enterprise Risk Solutions
2017 Revenue: $449m
2008 – 2017 CAGR: +16%
(~67% organic)

Research, Data & Analytics
2017 Revenue: $833m
2008 – 2017 CAGR: +8%
(~74% organic)

Note: Individual line of business revenues may not foot due to rounding.
Bureau van Dijk Acquisition

Bureau van Dijk aggregates, standardizes and distributes an extensive private company data set

» **€3 billion acquisition closed on August 10, 2017**

» Bureau van Dijk is a leading aggregator and distributor of private company business intelligence and data, serving over 6,000 unique institutions worldwide

» **Extends MA’s reach** beyond financial institutions and insurance

» **Adds capacity to MA’s attractive RD&A business** through extensive customer base and geographic footprint

» **Combination anticipated to deliver significant synergies.** Expect ~$45 million in annual revenue and expense synergies by 2019, increasing to ~$80 million by 2021\(^1\)

» **Integration proceeding according to plan** with focus on implementing controls appropriate for a unit of a listed U.S. company while delivering on strategy and business plan.

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1. Anticipated annual revenue and expense synergies, as of July 27, 2018.
2. Based on IFRS. Reflects stand-alone Bureau van Dijk and does not include corporate overhead allocation or deferred revenue haircut.
Bureau van Dijk Collects and Enhances Information to Deliver a Market Leading Global Dataset

Diversified IP Network

- 280 Million Private Companies
- 67 Thousand Public Companies
- 170 Million Director Contacts

Data from 160+ Information Providers
Publicly Available Data
Other Data Sourced By Bureau van Dijk

High Value Customer Solutions

- Compliance and Financial Crime
- Corporate Finance and M&A
- Credit Risk
- Transfer Pricing
- Business Development
- Data Management

RD&A: Subscription Growth Driven by Retention, Upgrades and Pricing & New Sales

**Subscription Sales Growth**
(constant currency)

### 1H 2018
- Retained Base: 94.6%
- Upgrades and Price: 9.0%
- New Sales: 6.5%
- Business Base: 110.1%

### Full Year 2017
- Retained Base: 95.5%
- Upgrades and Price: 8.2%
- New Sales: 5.7%
- Business Base: 109.4%

### Full Year 2016
- Retained Base: 95.4%
- Upgrades and Price: 8.0%
- New Sales: 6.8%
- Business Base: 110.2%

- Expansion of ratings coverage
- Production of insightful credit analysis
- New customers in geographies with developing debt capital markets
- Expansion of data sets and delivery options
- Strong customer retention

**Note:** The sales growth attributions presented on this slide are related to RD&A subscription sales on a constant currency basis and excludes Bureau van Dijk. Upgrades reflect amendments to existing customer contracts. New Sales reflect new contracts with new and existing customers.
ERS Solutions Address Diverse Needs and Customers

Credit Risk & Actuarial Analytics
Helps risk managers assess and manage current and future exposures across all asset classes.

Accounting Calculation & Reporting
Produces key calculations and reports required by many of the world’s accounting standards.

Regulatory Calculation & Reporting
Generates key calculations and reports required by many of the world’s financial regulations.

Credit Assessment & Origination
Automates financial spreading and credit scoring, decision making and monitoring.

Portfolio & Capital Strategy
Helps firms to improve portfolio performance and meet regulatory and economic capital requirements.

Asset & Liability Management
Integrates ALM, liquidity risk management, funds transfer pricing and regulatory reporting capabilities into a seamless enterprise platform.
ERS Subscription Products Drive Growth

Prior: Growth from installed software
» One-time projects – installed software & services
» Bespoke projects accelerated development of IP
» 61% of revenue from renewable products in 2015

Now: SaaS & subscriptions driving growth
» Expanding SaaS and subscription product array
» Subscriptions generate lower Annual Contract Value in short run, but better Lifetime Customer Value
» 70% of revenue from subscription products over TTM\(^1\)

Key Growth Drivers
» New accounting standards require Moody’s expertise at banks and Insurance companies
  – CECL, IFRS17
» Moody’s software and analytics enable customers’ to realize digitization and automation initiatives

\(1\) Trailing twelve months (TTM) as of June 30, 2018.
2. Subscription revenue includes subscriptions and maintenance.
Conclusion
Why Invest in Moody’s?

We strive to be the world’s most respected authority serving risk-sensitive financial markets

We have had strong revenue and earnings growth, as well as cash flow conversion

- 2013 – 2017 revenue CAGR of 9%
- 2013 – 2017 adjusted diluted EPS\(^1\) CAGR of 15%
- 2013 – 2017 free cash flow\(^1\) conversion rate of ~28%

We are committed to returning capital to our shareholders

- 2013 – 2017 returned $5.4 billion, or 114% of free cash flow, to shareholders via share repurchases and dividends

We will selectively invest in strategic growth opportunities

- Leverage brand to extend our relevance in financial markets
- Expand our product offerings and geographic influence

---

1. Adjusted diluted EPS is an adjusted measure. See appendix for reconciliations from adjusted financial measures to U.S. GAAP.
Globally and locally acknowledged for award-winning tools to measure and manage risk.

### Moody's Investors Service

- **Best Credit Rating Agency Mexico**: 2018
- **Best US Credit Rating Agency**: 2012–2018
- **Multi-award winner including best rating agency categories**: 2015–2018
- **Multi-award winner 2016–2017**
- **Australian Rating Agency of the Year**: 2014–2017
- **Best Islamic Rating Agency**: 2015, 2017
- **Market Leadership Award, Islamic Finance Intelligence & Ratings**: 2016–2017
- **Best Islamic Finance Rating Agency**: 2015

### Moody's Analytics

- **Best Credit Risk Solution Provider – RiskCalc™**
- **Credit Data Provider of the Year, Wholesale Credit Modeling Software of the Year, Credit Stress Testing Product of the Year**
- **Credit Risk Technology Category Leader**
- **CECL Technology Category Leader**
- **Balance Sheet Management Technology Category Leader**
- **Compliance Risk and Credit Risk Technology Implementation of the Year**
- **CLO Data Provider of the Year**
- **Innovation in Customer Service – Financial Services Industries**
- **Best ESG Solution**
- **Best Solvency II Solution**
- **Stress Testing, Economic Scenario Generation, Solvency II, and Regulatory Reporting Products of the Year**
- **Best Buy-Side Market Surveillance Tool Category Winner**
- **Ranked 5 out of 100 Credit Risk and Enterprise Stress Testing Solution Category Winner**
- **IFRS9, Asset and Liability and Regulatory Capital Calculation and Management Category Leader**
- **Ranked 10th in the Overall Top 100 Rankings**
- **Winner, 2012 Expectations category (2- and 3-Year Horizon)**

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**Moody's**

[moody.com/awards]
Appendix
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2. Other includes: monitoring, commercial paper, medium term notes, and ICRA.
3. Sources: Moody’s Analytics, Dealogic. U.S. and Non-U.S. Speculative-Grade Bank Loans represent only Moody’s rated speculative-grade bank loans. Non-U.S. Speculative-Grade Bank Loan Origination data available starting 2016. Note: Debt issuance categories do not directly correspond to Moody’s revenue categorization.

August 9, 2018
Corporate Finance: Revenue Diversification

Revenue\(^1\): Distribution by Geography

- **Non-U.S.**
  - FY13: 62%
  - FY14: 68%
  - FY15: 69%
  - FY16: 62%
  - 1Q17: 63%
  - 2Q17: 65%
  - 3Q17: 65%
  - 4Q17: 62%
  - FY18: 64%

- **U.S.**
  - FY13: 38%
  - FY14: 32%
  - FY15: 31%
  - FY16: 38%
  - 1Q17: 33%
  - 2Q17: 37%
  - 3Q17: 35%
  - 4Q17: 35%
  - FY18: 36%

Revenue\(^1\): Distribution by Recurring vs. Transaction

- **Recurring**
  - FY13: 73%
  - FY14: 70%
  - FY15: 69%
  - FY16: 68%
  - 1Q17: 74%
  - 2Q17: 74%
  - 3Q17: 70%
  - 4Q17: 73%
  - FY18: 73%

- **Transaction**
  - FY13: 27%
  - FY14: 30%
  - FY15: 31%
  - FY16: 32%
  - 1Q17: 26%
  - 2Q17: 27%
  - 3Q17: 27%
  - 4Q17: 29%
  - FY18: 27%

Revenue\(^1\): Distribution by Product

- **Investment Grade**
  - FY13: 36%
  - FY14: 38%
  - FY15: 39%
  - FY16: 38%
  - 1Q17: 35%
  - 2Q17: 35%
  - 3Q17: 38%
  - 4Q17: 34%
  - FY18: 35%

- **Speculative Grade**
  - FY13: 21%
  - FY14: 22%
  - FY15: 18%
  - FY16: 23%
  - 1Q17: 29%
  - 2Q17: 24%
  - 3Q17: 23%
  - 4Q17: 26%
  - FY18: 31%

- **Bank Loans**
  - FY13: 23%
  - FY14: 20%
  - FY15: 16%
  - FY16: 16%
  - 1Q17: 18%
  - 2Q17: 18%
  - 3Q17: 19%
  - 4Q17: 18%
  - FY18: 16%

1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2. Other includes: monitoring, commercial paper, medium term notes, and ICRA.

Percentages have been rounded and may not total to 100%.
Structured Finance: Revenue and Issuance

1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2. Sources: AB Alert, CM Alert, Moody’s Corporation. Debt issuance categories do not directly correspond to Moody’s revenue categorization.

Notes: ABS (Asset Backed Securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (Residential Mortgage Backed Securitization) includes covered bonds. CREF (Commercial Real Estate Finance) includes commercial mortgage-backed securities, real estate finance, commercial real estate CDOs, and real estate investment trusts (REITs). Structured Credit includes CLOs and CDOs.
Structured Finance: Revenue Diversification

Revenue\(^1\): Distribution by Geography

- FY13: 64% (Non-U.S.), 36% (U.S.)
- FY14: 66% (Non-U.S.), 34% (U.S.)
- FY15: 69% (Non-U.S.), 31% (U.S.)
- FY16: 67% (Non-U.S.), 33% (U.S.)
- Q1FY17: 65% (Non-U.S.), 35% (U.S.)
- Q2FY17: 68% (Non-U.S.), 32% (U.S.)
- Q3FY17: 70% (Non-U.S.), 30% (U.S.)
- Q4FY17: 71% (Non-U.S.), 29% (U.S.)
- FY17: 69% (Non-U.S.), 31% (U.S.)
- Q1FY18: 65% (Non-U.S.), 35% (U.S.)
- Q2FY18: 66% (Non-U.S.), 34% (U.S.)

Revenue\(^1\): Distribution by Recurring vs. Transaction

- FY13: 40% (Recurring), 60% (Transaction)
- FY14: 38% (Recurring), 62% (Transaction)
- FY15: 36% (Recurring), 64% (Transaction)
- FY16: 38% (Recurring), 62% (Transaction)
- Q1FY17: 43% (Recurring), 57% (Transaction)
- Q2FY17: 34% (Recurring), 66% (Transaction)
- Q3FY17: 37% (Recurring), 63% (Transaction)
- Q4FY17: 30% (Recurring), 70% (Transaction)
- FY17: 35% (Recurring), 65% (Transaction)
- Q1FY18: 36% (Recurring), 64% (Transaction)
- Q2FY18: 33% (Recurring), 67% (Transaction)

Revenue\(^1\): Distribution by Product

1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. Percentages have been rounded and may not total to 100%.

Notes: ABS (Asset Backed Securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (Residential Mortgage Backed Securitization) includes covered bonds. CREF (Commercial Real Estate Finance) includes commercial mortgage-backed securities, real estate finance, commercial real estate CDOs, and real estate investment trusts (REITs). Structured Credit includes CLOs and CDOs.
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2. Sources: Moody’s Analytics, Dealogic. Note: Debt issuance categories do not directly correspond to Moody’s revenue categorization.
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. Percentages have been rounded and may not total to 100%.
Public, Project and Infrastructure: Revenue and Issuance

Revenue¹: Mix by Quarter

Revenue²: Mix by Quarter

Revenue¹: Mix by Year

Issuance²: Mix by Year

1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2. Global Rated Project & Infrastructure Finance available starting in 2016 and represents Moody’s rated issuance.

Sources: Thomson SDC, Moody’s Corporation. Note: Debt issuance categories do not directly correspond to Moody’s revenue categorization.
Public, Project and Infrastructure: Revenue Diversification

Revenue¹: Distribution by Geography

Revenue¹: Distribution by Recurring vs. Transaction

Revenue¹: Distribution by Product

1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. Percentages have been rounded and may not total to 100%.

MOODY'S August 9, 2018 47
Moody’s Analytics: Financial Overview

1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. Research, Data and Analytics includes Bureau van Dijk revenue beginning from the acquisition close date, August 10, 2017. Percentages have been rounded and may not total to 100%.
Revenue is Diversified by Business, Geography and Type

TTM 2Q18 Revenue by Business

- Corporate Finance: 32%
- Structured Finance: 12%
- Financial Institutions: 10%
- Public, Project & Infrastructure: 9%
- Research, Data & Analytics: 23%
- Enterprise Risk Solutions: 10%
- Professional Services: 3%
- MIS Other: 1%
- MIS
- MA

TTM 2Q18 Revenue by Geography

- United States: 53%
- Americas: 30%
- Asia-Pacific: 11%
- EMEA: 6%
- United States

TTM 2Q18 Revenue by Type

- Recurring
- Transaction

- MCO: 49%
- MIS: 65%
- MA: 19%
- MCO
- MIS
- MA

- 51%
- 35%
- 81%
# Moody’s Corporate Speculative Grade Credit Cycle Gauge

<table>
<thead>
<tr>
<th>Metric</th>
<th>North America</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Latest Metric</td>
<td>1-Year Ago</td>
</tr>
<tr>
<td>Liquidity Stress Index</td>
<td>2.9%</td>
<td>3.5%</td>
</tr>
<tr>
<td>B3-Neg / Lower</td>
<td>190</td>
<td>226</td>
</tr>
<tr>
<td>% B3-Neg / Lower</td>
<td>12.4%</td>
<td>15.7%</td>
</tr>
<tr>
<td>3-Year Refunding Index</td>
<td>3.5x</td>
<td>4.0x</td>
</tr>
<tr>
<td>Downgrade / Upgrade Ratio³</td>
<td>2.6x</td>
<td>1.2x</td>
</tr>
<tr>
<td>Covenant Quality Score</td>
<td>4.36</td>
<td>4.48</td>
</tr>
<tr>
<td>Default Rate (forecast)</td>
<td>2.3%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

3. Trailing twelve months (TTM) ended June 30, 2018.

Source: Moody’s Investors Service.
Moody’s Global Presence

<table>
<thead>
<tr>
<th>Region</th>
<th>2018 U.S. employees</th>
<th>2018 non-U.S. employees</th>
<th>2018 total employees¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>3,594</td>
<td>8,682</td>
<td>12,276</td>
</tr>
<tr>
<td>Europe, Middle East &amp; Africa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td>3,404</td>
<td>7,214</td>
<td>10,618</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. As of June 30, 2018.
Corporate Social Responsibility: Opening the Door to a Better Future
Three Focus Areas, All Supported by Our Colleagues

Empowering people with financial knowledge
Changing the lives of people all over the world—especially women and untapped groups—and helping them grow their businesses by acquiring the tools and know-how to navigate in the financial world. Includes Reshape Tomorrow™, our signature financial empowerment initiative.

Activating an Environmentally Sustainable Future
Developing internal awareness in our workplaces through the Environmental Task Force, and external tools and services, such as the MIS ESG Initiative and Moody’s Green Bond Assessment.

Helping Young People Reach Their Potential
Opening greater opportunities for untapped students and young adults ages 15-24 to prepare for successful careers in technology, economics and finance, and developing a diverse & inclusive talent pipeline.

Sharing Our Passion and Purpose With the World
Empowering employees in communities all over the world to change people’s lives with their time, talent and resources. Provide more opportunities through Moody’s TeamUp®, skills-based and pro bono volunteering, nonprofit board service and employee giving programs.
# Reconciliation of Adjusted Financial Measures to GAAP

## Adjusted Operating Income and Adjusted Operating Margin Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>TTM2Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Income</strong></td>
<td>$1,248.0</td>
<td>$1,449.8</td>
<td>$1,490.7</td>
<td>$650.9</td>
<td>$1,820.8</td>
<td>$1,933.0</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>42.0%</td>
<td>43.5%</td>
<td>42.8%</td>
<td>18.1%</td>
<td>43.3%</td>
<td>42.7%</td>
</tr>
</tbody>
</table>

**Add Adjustment:**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Depreciation &amp; Amortization</strong></td>
<td>93.4</td>
<td>95.6</td>
<td>113.5</td>
<td>126.7</td>
<td>158.3</td>
<td>190.3</td>
</tr>
<tr>
<td><strong>Acquisition-Related Expenses</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Restructuring</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12.0</td>
<td>22.5</td>
<td>18.7</td>
</tr>
<tr>
<td><strong>Goodwill Impairment Charge</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Settlement Charge</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>863.8</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Adjusted Operating Income**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>TTM2Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted Operating Margin</strong></td>
<td>45.1%</td>
<td>46.3%</td>
<td>46.0%</td>
<td>45.9%</td>
<td>47.6%</td>
<td>47.3%</td>
</tr>
</tbody>
</table>

## Moody's Corporation Operating Margin Guidance Reconciliation

### 2018F

- **Projected Operating Margin - GAAP**: Approximately 44%
- **Projected impact from Depreciation & Amortization**: Approximately 4.0%
- **Projected impact from Acquisition-Related Expenses**: Approximately 0.5%
- **Projected Adjusted Operating Margin**: 48% - 49%

## Free Cash Flow Reconciliation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td>$965.6</td>
<td>$1,077.3</td>
<td>$1,198.1</td>
<td>$1,259.2</td>
<td>$740.40</td>
<td>~$1,700</td>
</tr>
<tr>
<td><strong>Less: Capital expenditures</strong></td>
<td>42.3</td>
<td>74.6</td>
<td>89.0</td>
<td>115.2</td>
<td>90.6</td>
<td>~$105</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>$923.3</td>
<td>$1,002.7</td>
<td>$1,109.1</td>
<td>$1,144.0</td>
<td>$649.80</td>
<td>~$1,600</td>
</tr>
</tbody>
</table>

1. 2013 - 2017 operating and adjusted operating income have been restated to conform to the new presentation of pension accounting.
# Reconciliation of Adjusted Financial Measures to GAAP (cont.)

Moody's Corporation Diluted EPS Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018F1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted EPS - GAAP</td>
<td>$3.60</td>
<td>$4.61</td>
<td>$4.63</td>
<td>$1.36</td>
<td>$5.15</td>
<td>$7.20 - $7.40</td>
</tr>
<tr>
<td>Legacy Tax</td>
<td>(0.09)</td>
<td>(0.03)</td>
<td>(0.03)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impact of Litigation Settlement</td>
<td>0.14</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$3.59</td>
<td>-</td>
</tr>
<tr>
<td>ICRA Gain</td>
<td>-</td>
<td>(0.37)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FX Gain due to Subsidiary Liquidation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>($0.18)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$0.04</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CCXI Gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>($0.31)</td>
</tr>
<tr>
<td>Acquisition-Related Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$0.10 ~$0.05</td>
</tr>
<tr>
<td>Purchase Price Hedge Gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>($0.37)</td>
</tr>
<tr>
<td>Net Acquisition-Related Intangible Amortization Expenses</td>
<td>$0.09</td>
<td>$0.10</td>
<td>$0.11</td>
<td>$0.13</td>
<td>$0.23</td>
<td>~$0.40</td>
</tr>
<tr>
<td>Transition tax related to U.S. tax reform</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$1.28</td>
</tr>
<tr>
<td>Net Impact of U.S./European tax change on deferred taxes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>($0.01)</td>
</tr>
<tr>
<td>Adjusted Diluted EPS</td>
<td>$3.74</td>
<td>$4.31</td>
<td>$4.71</td>
<td>$4.94</td>
<td>$6.07</td>
<td>$7.65 - $7.85</td>
</tr>
</tbody>
</table>

1. Note: Table may not sum to total due to rounding.