Moody’s Acquisition of Bureau van Dijk
Presenters

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Moody’s to acquire Bureau van Dijk for €3.0 billion

Bureau van Dijk (BvD) aggregates, standardizes and distributes one of the world’s most extensive private company data sets

- **Strong and consistent financial performance.** Revenue growth CAGR of 9.3%, with demonstrated operating leverage over last ten years (EBITDA margin expansion from 38% to 51%)
- **Powerful cash flow generator.** Subscription business; 90%+ recurring revenue and renewal rates
- **Combination anticipated to deliver significant synergies.** Expect ~$45 million in annual revenue and expense synergies by 2019, increasing to ~$80 million by 2021
- **Rapid positive impact on earnings.** Expected to be accretive to GAAP EPS in 2019 and to adjusted EPS in 2018
- **Increases Moody’s long-term growth outlook.** Revenue and EPS growth rates now expected to be "High Single Digit" and "Low Teens", respectively
- **Efficiently financed.** Productive use of ~$1.3 billion of offshore cash and ~$2 billion of debt issuance

1 Full year ended December 31st, based on IFRS. € in millions.
2 Adjusted EPS excludes purchase price amortization and one-time integration costs.
BvD firmly positions Moody’s as a leading provider of private company data and information

» Powerful platform covers more than 220 million private companies worldwide

» Information sourced via relationships with over 160 third-party providers established over 30+ years

» Supports more than 6,000 unique institutions with intelligence that addresses a wide range of business problems

» Serves as the hub of a vital information network, connecting sources and users of essential information
Value proposition flows from specialized sourcing and efficient data management capabilities

Diversified IP Network

- 220 Million+ Private Companies
- 65 Thousand+ Public Companies
- 152 Million+ Director Contacts

Data from 160+ Information Providers
Publicly Available Data
Other Data Sourced By BvD

Proprietary Data Augmentation & Processing Tools

- Standardize financials and ratios
- Verify and cleanse data
- Create unique identifiers
- Link data sources
- Identify beneficial owners
- Append and link corporate structures
- Add bespoke research
- Link directors and shareholders
- Quality control
- Integrate M&A deals, rumors and greenfield investment

High Value Customer Solutions

Selected Product Examples

Global Database
- orbis

Industry-specific
- orbis bank focus

Regional
- amadeus
- oriana

Other Tools
- tp catalyst
- compliance
- fact
Expands MA’s reach beyond financial institutions

BvD Customers by Industry Segment

- **Financial Institutions**
  - Bank and corporate credit departments
  - Corporate finance / M&A
  - Compliance
  - Private banking
  - Research centers
  - Desktop research
  - B2B sales and marketing

- **Professional Services Firms**
  - Transfer pricing
  - Compliance: KYC, AML
  - Information departments
  - Corporate finance
  - B2B sales and marketing

- **Corporations**
  - B2B sales and marketing
  - Transfer pricing
  - Information departments
  - Corporate credit departments
  - Procurement departments

- **Governmental Authorities**
  - National tax bureaus
  - Economic research and analysis
  - Information departments
  - Economic development agencies
  - Universities

BvD - MAIN USERS

- **Financial Institutions**: 28%
- **Professional Services Firms**: 27%
- **Corporations**: 26%
- **Governmental Authorities**: 19%
Expect to achieve ~$45 million in annual synergies by 2019 and ~$80 million by 2021¹

**Sales Execution**
- Accelerate adoption of best practices at BvD
- Distribute BvD financial analysis platforms through MA

**Product Strategy**
- Apply MA analytics to data to generate off-the-shelf financial metrics
- Package BvD data subscriptions with MA analytical software & models
- Enrich MIS/MA data sets with BvD’s proprietary identifiers

**Market Penetration**
- Expand BvD’s reach outside Europe
- Extend MA penetration of non-financial customers

**Operational Efficiency**
- Co-locate staff
- Eliminate overlapping data acquisition costs
- Streamline product portfolios

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¹ Anticipated annual revenue and expense synergies achieved through 2019 and 2021, excluding purchase price amortization and integration costs.
### Solid strategic and industrial logic

| Deepens credit risk coverage | Positions Moody’s to more fully address small- and medium-size enterprises  
|                            | » *Broader coverage of the credit market* |
| Reinforces product offering | Data can be integrated into Moody’s loan origination, risk management and regulatory reporting analytics  
|                            | » *Further reliance on both BvD’s and Moody’s offerings in customer workflow* |
| Extends relevance to new customers | BvD’s corporate, governmental and professional services customers provide new end markets for Moody’s expertise  
|                            | » *Develop product offerings for under-served segments* |
| Expands risk measurement opportunities | Enlarges Moody’s addressable market beyond credit  
|                            | » *Moody’s-branded scores/assessments for tax risk, transfer pricing, compliance, financial crime, supply chain management* |
Timing, financing and reporting plans

» Acquisition is subject to regulatory approval in the European Union and is expected to close late in the third quarter of 2017

» Committed $1.5 billion bridge loan in place with replacement financing expected to occur via issuance of commercial paper, term loan and public debt before closing

» At closing, anticipate deal will be funded with ~$1.3 billion of offshore cash on hand and ~$2 billion in debt issuance

Expect to:

» Report BvD as a part of MA’s Research, Data & Analytics unit

» Reduce share repurchase to $200 million for 2017 and 2018

» Maintain dividend policy of ~25-30% payout of net income

1 Assumes exchange rate for the euro (€) of $1.09 to €1.
2 Excluding Non-GAAP adjustments.
Conclusion

» BvD 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

» Expect to **generate significant synergies**\(^1\) and be accretive to GAAP EPS in 2019 and to adjusted EPS in 2018\(^2\)

» **Allocation of capital into high-return, synergistic business closely aligned with Moody’s mission and core capabilities**

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1 Anticipated annual revenue and expense synergies.
2 Adjusted EPS excludes purchase price amortization and one-time integration costs.
Q&A session

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