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. Such statements may include, among other words, “believe”, “expect”, “anticipate”, “intend”, “plan”, “will”, “predict”, “potential”, “continue”, “strategy”, “aspiré”, “target”, “forecast”, “project”, “estimate”, “should”, “could”, “may” and similar expressions or words and variations thereof that convey the prospective nature of events or outcomes generally indicative of forward-looking statements. The forward-looking statements and other information in this release are made as of the date hereof (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, except as required by applicable law or regulation. 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 uncertainty as companies transition away from LIBOR and the U.K.’s pending withdrawal 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, including those related to tariffs and trade barriers; 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 Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) and regulations resulting from Dodd-Frank; 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 Dodd-Frank 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 such 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. 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, 2018, 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. Moody’s Overview
2. Financial Overview
3. Capital Markets Overview
4. Moody’s Investors Service (MIS)
5. Moody’s Analytics (MA)
6. Appendix
1 Moody’s Overview
Company Overview

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

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

Revenue of $4.5 billion
Adjusted Operating Income of $2.1 billion

Adjusted Operating Margin
MIS 59% MA 41%
MIS 75% MA 25%

MIS 57.2% MA 28.1%

Note: Financial data for the trailing twelve months ended June 30, 2019.
Moody’s Strategic Core

Mission
Trusted insights and standards

Vision
Informed decisions that promote progress

Purpose
Clarity, knowledge and fairness
Moody’s Strategic Priorities

- **Enhance technology infrastructure** to enable automation, innovation and efficiency
- Foster employee engagement and creative solutions through our **diverse workforce and inclusive environment**
Recent Transactions Provide Enhancements to Analytical and Risk Measurement Capabilities

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Four Twenty Seven</td>
<td>Provider of data, intelligence, and analysis related to physical climate risks</td>
</tr>
<tr>
<td>RiskFirst</td>
<td>Fintech company providing risk analytics solutions for asset owners, pension consultants, asset managers and insurers</td>
</tr>
<tr>
<td>TEAM8</td>
<td>Cybersecurity think tank joint venture to establish global standard for evaluating and assessing cyber risk for enterprises</td>
</tr>
<tr>
<td>Moody’s Analytics</td>
<td>Divestiture of human capital-intensive business aligns with MA’s increasing strategic focus on providing subscription-based financial intelligence and analytical tools</td>
</tr>
</tbody>
</table>

» Limited impact on FY19 guidance: ~$0.05 reduction to adjusted diluted EPS

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.

- We are committed to returning capital to our stockholders.

- We will selectively invest in strategic growth opportunities.
ESG Drives Sustained Corporate Value
Introduced ESG Disclosures in our Public Filings

**ENVIRONMENTAL**
- Measurement of carbon emissions and identification of opportunities to reduce indirect GHG emissions
- Expansion of ESG products and services
- CDP\(^1\) participation

**GOVERNANCE**
- Professional integrity
- Systematic risk management
- Diverse Board membership and skill sets
- Separate CEO and Chairman positions
- Active shareholder engagement

**SOCIAL**
- Support a diverse and inclusive workplace
- Active global community and philanthropic involvement
- Robust data security and privacy practices
- Fair compensation practices and benefits packages
- Recognized as top 10 employer by *Working Mother*’s list of 100 Best Companies

**Executive compensation metrics include\(^2\):**
- Moody’s Corporation EPS, operating income and EBITDA
  - MIS operating income and ratings accuracy
  - MA operating income and sales
  - Strategic & operational\(^3\)

---

2. While the Company reports its financial results in accordance with GAAP, financial performance targets and results under the Company’s incentive plans are based on adjusted financial measures. These metrics and the related performance targets are relevant only to Moody’s executive compensation program and should not be used or applied in other contexts.
3. This measure is a qualitative assessment of strategic and operational metrics tied to key non-financial business objectives certified by the Compensation & Human Resources Committee at the beginning of the performance period. The Committee assessed the achievement of the metric by evaluating performance against the following objectives: (i) new sources of growth; (ii) quality assurance and controls; (iii) operating effectiveness and efficiency; (iv) people and culture; (v) risk management; and (vi) enabling technologies and capabilities.
Expanding CSR / ESG Engagement
Demonstrating our Commitment to a Sustainable Future

» Joined the **United Nations Global Compact (UNGC)** initiative

» **UNGC** is the *world’s largest corporate sustainability initiative* and a call to companies to align strategies and operations with ten universal principles and take actions that advance the Sustainable Development Goals (SDGs)

» **PRI** as a Service Provider signatory

» The PRI is the *world’s leading proponent of responsible investment*

**Other Strategic Partners Include:**

» Moody’s work on *climate-related risks and opportunities* is focused on *areas where it believes it can make the greatest impact*

» Includes *promoting global ESG measurement standards* for use by market participants and an *ongoing commitment to enhancing transparency in ESG*

Note: CSR: Corporate Social Responsibility; ESG: Environmental, Social and Governance.
2 | Financial Overview
Long-Term Growth Opportunities

Three Levers to Achieve EPS Growth

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.
Financial Performance

Revenue

Adjusted Diluted EPS\textsuperscript{2}

Operating Margin\textsuperscript{3}

Free Cash Flow\textsuperscript{2}

2. These figures are adjusted measures. See appendix for reconciliations from adjusted financial measures to U.S. GAAP.
3. 2014 – 2017 operating and adjusted operating margins have been restated to conform to the new presentation for pension expenses.
4. Reflects reduction by $701 million net of tax settlement charge.

MOODY'S

August 6, 2019
Moody’s Corporation Financial Profile

2Q 2019 TTM Revenue: $4.5 billion

Full Year 2019 Guidance as of July 31, 2019¹

- Revenue
  - increase in the mid-single-digit % range
- Operating Expenses²
  - increase in the high-single-digit % range
- Operating Margin
  - approximately 42%
- Adjusted Operating Margin³
  - approximately 48%
- Effective Tax Rate
  - 21% - 22%
- Diluted EPS
  - $7.15 - $7.35
- Adjusted Diluted EPS³
  - $7.95 - $8.15

¹. See press release titled “Moody’s Corporation Reports Results for Second Quarter 2019” from July 31, 2019 for Moody’s full 2019 guidance.
². Includes depreciation and amortization, restructuring charges, impairment pursuant to the planned divestiture of MAKs and Acquisition-Related Expenses.
³. These metrics are adjusted measures. See Supplemental financial information for reconciliations from adjusted financial measures to U.S. GAAP.

Note: The revenue reclassifications of REITs to Corporate Finance from Structured Finance and the FACT product from RD&A to ERS are reflected in the trailing twelve month (TTM) calculations.
Dividend payout ratio is defined as total dividends paid/adjusted net income.

Annualized dividend total, based on first, second and third quarter dividends of $0.50 declared on February 15, 2019, April 16, 2019 and July 9, 2019.
2019 Guidance Drivers

**MIS**
- **Stable** economic fundamentals and **GDP growth** in developed regions
- Market disruption to start the year, followed by **spread tightening** and **issuance markets normalization**
- Tighter credit seen **moderating new mandates** compared to 2018
- **Recurring revenue** and pricing initiatives support growth
- Issuance expected to be **flat to down 5%** compared to 2018

**MA**
- **Product enhancements** driving customer upgrades and new sales in RD&A, supporting growth across multiple business lines
- **Bureau van Dijk synergies** on track to achieve ~$45 million run rate
- **ERS** resumes growth as transition from licenses and services to **SaaS** passes inflection point
- **Reis** and **Omega Performance** integrated
- **RiskFirst acquisition** and **MAKS divestiture**

**Moody’s**
- Restructuring: **Annualized pre-tax savings anticipated to be ~$60 million** providing optionality to reinvest or bolster margin depending on market conditions
- Strategic management of real estate footprint and hiring activity
- **Limited $0 to $10 million expense ramp** expected from Q1 to Q4 2019
- Remainder of year FX assumptions: British pound (£): $1.27 to £1 and Euro (€): $1.14 to €1

---

2. Excluding sovereign debt issuance.
3. Expense ramp relates to total operating expenses. Total operating expenses include depreciation and amortization, restructuring charges, MAKS Impairment Charge and Acquisition-Related Expenses.
3

Capital Markets Overview
Q2 Issuance Activity: Receptive Market Conditions Tempered by Cautious Sentiment

**Strong Issuance Conditions**
- Falling 10Y benchmark rates: U.S. to multiyear lows, Germany reverts back to sub-zero
- Fed and ECB pivots resume: expected to lower rates in 2H19
- U.S., Europe and Asia credit spreads continue to narrow from December highs
- U.S. equity market indices approach record highs as volatility abates
- Low unemployment rates and subdued inflation in developed economies

**Mixed Issuance Activity**
- Issuance\(^1\) declines for fourth consecutive quarter: -14% reflected in each line of business, U.S. and Europe
- Resurgent corporate fixed rate issuance and jumbo M&A financings offset by bank loan (floating rate) declines
- Bankers indicate moderate U.S. IG and leveraged finance issuance pipelines
- CLO activity remains weak on wider year-over-year U.S. and European spreads

**Ongoing Macro and Geopolitical Headwinds**
- Declining global growth expectations: IMF cuts 2019 outlook in April; 3rd cut in six months
- Geopolitical uncertainty continues: U.S./China and Mexico trade, Brexit, Mideast tensions
- Business confidence weak
- Q2 global M&A volume down despite megadeals
- Global capex has slowed materially year-over-year

\(^1\) Excludes sovereign debt issuance.
Debt Leverage and Interest Coverage Remain Stable in North America and Europe

Credit Metrics: North American Speculative Grade Companies

Credit Metrics: European Speculative Grade Companies

1. Trailing twelve months as of June 30, 2019.
Note: Historical figures may change due to timing differences in issuer reporting deadlines. Source: Moody's Investors Service.
Global Default Rates Remain Under Historic Average; Continue to Monitor Covenant Quality

Default Rates for Speculative-Grade Corporate Rated Issuance

Speculative-Grade Covenant Quality Indicators

» Global speculative-grade default rate at 2.3% as of June 30, 2019; expected to increase to 2.6% by June 2020

» Recent strengthening in U.S. loan covenants reflects weakening investor demand, while U.S. bond covenants weaken simultaneously with pickup in issuance activity

2. As of the trailing twelve months ended June 30, 2019.
Source: Moody’s Investors Service.
Baa-Credit Concentration Has Grown, with Mitigating Factors

Rated Debt of Baa U.S. Nonfinancial Companies Has Almost Tripled Since 2007

- 2018 Baa-rated Debt Accounted for More than One-third of The Total Rated Debt of U.S. Nonfinancial Companies

2018 Potential Fallen Angels\(^1\) Accounted for $0.1 Trillion of the $2 Trillion of U.S. Baa-Rated Nonfinancial Debt Outstanding

- As compared to 2007, 2018 representative median companies generated more revenue ($4.7B to $7.1B), with improved EBITDA margins (20% to 24%) and EBITDA / Interest Expense ratios (7.0x to 8.2x)

---

\(^1\) Fallen Angels and Rising Stars fall within the "The Crossover Zone" which refers to the ratings closest to the line between speculative grade and investment grade. Companies in the zone are rated Baa3 or Ba1. To be considered in the zone, companies rated Baa3 must be on review for downgrade or have a negative outlook, while companies rated Ba1 must be on review for upgrade or have a positive outlook.

Source: Moody's Investors Service.
North America and EMEA Non-Financial Corporates Have Significant Refunding Needs¹

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

- Four-year debt maturities for North America non-financial investment-grade corporates approaching $1 trillion
- Four-year U.S. speculative grade bank loans refinancing needs up $44 billion, or 8%, from a year ago

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

- Four-year debt maturities for EMEA non-financial corporates exceed $1.8 trillion, up more than $370 billion, or 26%, from the prior year

¹ Amount reflects total maturities identified in the above sources.
Refunding Needs Have Grown Strongly Over Time

Next Four Years U.S. and EMEA Total Refunding Needs\(^1\) as of:

<table>
<thead>
<tr>
<th>Year</th>
<th>Billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$1,972</td>
</tr>
<tr>
<td>2013</td>
<td>$1,972</td>
</tr>
<tr>
<td>2014</td>
<td>$2,200</td>
</tr>
<tr>
<td>2015</td>
<td>$2,200</td>
</tr>
<tr>
<td>2016</td>
<td>$2,500</td>
</tr>
<tr>
<td>2017</td>
<td>$2,500</td>
</tr>
<tr>
<td>2018</td>
<td>$2,500</td>
</tr>
<tr>
<td>2019</td>
<td>$2,948</td>
</tr>
</tbody>
</table>

\(^1\) Amount reflects total maturities identified below.
Note: Data represents U.S. and European MIS rated corporate bonds & loans.
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 2019 and U.S. data is through June 2019.
New Rating Mandates Provide Recurring Revenue\(^1\) Growth

Global New Rating Mandates\(^2\)

» In 2Q19, Moody’s new rating mandates increased to 252, up 22% from 1Q19

» Expect ~900 new mandates in 2019\(^3\)

» MIS recurring revenue growth driven by increased volume of monitoring fees from recent new mandates, as well as pricing initiatives

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.

2. Rated by Moody’s Investors Service.

Moody’s Investors Service
Moody’s Investors Service Financial Profile

2Q 2019 TTM Revenue: $2.6 billion

- 32% recurring revenue
- 39% recurring revenue
- 58% recurring revenue
- 39% recurring revenue
- 39% recurring revenue

Global
- Increase in the low-single-digit % range

U.S.
- Increase in the mid-single-digit % range

Non-U.S.
- Approximately flat

Adjusted Operating Margin
- Approximately 58%

Full Year 2019 Guidance as of July 31, 2019

Note: The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected in the trailing twelve month (TTM) calculations.
The Benefits of a Moody’s Rating

WIDER ACCESS TO CAPITAL

INCREASED MARKET STABILITY

TANGIBLE FINANCING BENEFITS

TRANSPARENCY AND CREDIT COMPARISON

RESPONSIVE TO INVESTOR DEMAND

PLANNING & BUDGETING

Investors seek our opinions and particularly value the knowledge of our analysts and the depth of our research.
## 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>$500,000,000 \times 4.3%</td>
<td>$500,000,000 \times 4.0%</td>
</tr>
<tr>
<td>Annual interest payments</td>
<td>$21,500,000 \times 10\text{ years} = $215,000,000</td>
<td>$20,000,000 \times 10\text{ years} = $200,000,000</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.
Broad Coverage Serves Global Needs

Americas
- 30,400+ rated companies and structured deals
- $34+ trillion total debt rated
- 18,600 research publications
- Offices in 10 cities*

EMEA
- 4,700+ rated companies and structured deals
- $21+ trillion total debt rated
- 6,700 research publications
- Offices in 13 cities*

APAC
- 2,100+ rated companies and structured deals
- $14+ trillion total debt rated
- 3,500 research publications
- Offices in 10 cities*

1. Institutional Investor Survey.
Source: Moody’s Investors Service.
All numbers are rounded other than those marked *
Continue to Invest in Key International Markets

Revenue in Emerging Markets

Asia Pacific

- China:
  - Successful joint venture with CCXI, leading rating agency in China’s ~$260M domestic single-rating bond market
  - ~$260M cross-border multi-rating bond market rated from MIS Hong Kong office
- South Korea: Full ownership of KIS subsidiary, a leading provider of domestic credit ratings in South Korea
- India: Majority stake in ICRA serves growing domestic Indian bond market

Latin America

- Acquisition of Equilibrium and minority investment in ICR Chile deepen Moody’s presence in dynamic and expanding markets

EMEA

- Recently opened Moody’s offices in Stockholm, Saudi Arabia and Lithuania

CAGR 14%

<table>
<thead>
<tr>
<th>Year</th>
<th>Emerging Asia</th>
<th>Latin America</th>
<th>Middle East</th>
<th>CEE/CIS</th>
<th>Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$84M</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td>$313M</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
MIS ESG Opportunity: Driving Expansion Beyond Credit

Analysis

» Moody’s forecasts global green bond issuance of $200 billion in 2019, a projected increase of 20% over 2018¹
» Moody’s Green Bond Assessment (“GBA”) portfolio is expected to save an estimated 2.6 million metric tons of annual carbon emissions²
» Majority acquisition of Four Twenty Seven complements majority stake in Vigeo Eiris underscoring work to advance global standards for assessing environmental and climate risk factors

Research

» In 2018, Moody’s published 200+ research reports focused on ESG risks and opportunities, up ~170% from 2017

Outreach

» Organized or participated at 100+ global ESG events in 2018, attracting 5,500+ market participants
» Strategic relationships with industry organizations and influencers across sustainable finance

2. Based on preliminary 2018 data. Sources: Climate Bonds Initiative, Moody’s Investors Service.
5

Moody’s Analytics
Moody’s Analytics Financial Profile

2Q 2019 TTM Revenue: $1.8 billion

- 99% recurring revenue
- ~ 96% retention rate
- 78% recurring revenue
- Combination of one-off contracts and semi-recurring revenue

Full Year 2019 Guidance as of July 31, 2019

- Global: increase in the low-double-digit % range
- U.S.: increase in the mid-teens % range
- Non-U.S.: increase in the high-single-digit % range
- Adjusted Operating Margin: 28% - 29%

1. Excludes Bureau van Dijk.
Note: The revenue reclassification of the FACT product from RD&A to ERS is reflected in the trailing twelve month (TTM) calculations.
Moody’s Analytics has Several Platforms for Growth

Revenue More Than Tripled Since Inception

Moody's Analytics
2018 Revenue: $1,730m
2008 – 2018 CAGR: +12%
(~55% organic)

Professional Services
2018 Revenue: $159m
2008 – 2018 CAGR: +30%
(~18% organic)

Enterprise Risk Solutions
2018 Revenue: $437m
2008 – 2018 CAGR: +14%
(~66% organic)

Research, Data & Analytics
2018 Revenue: $1,134m
2008 – 2018 CAGR: +11%
(~57% organic)

Note: Individual line of business revenues may not add up to total Moody’s Analytics revenue due to rounding.
## RD&A: Subscription Growth Driven by Retention, Upgrades and Pricing & New Sales

### Subscription Sales Growth (constant currency)

<table>
<thead>
<tr>
<th></th>
<th>Full Year 2016</th>
<th>Full Year 2017</th>
<th>Full Year 2018</th>
<th>1H 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained Base</td>
<td>95.4%</td>
<td>95.5%</td>
<td>95.8%</td>
<td>96.2%</td>
</tr>
<tr>
<td>Upgrades and Price</td>
<td>8.0%</td>
<td>8.2%</td>
<td>9.1%</td>
<td>9.4%</td>
</tr>
<tr>
<td>New Sales</td>
<td>6.8%</td>
<td>5.7%</td>
<td>4.8%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Business Base</td>
<td>110.2%</td>
<td>109.4%</td>
<td>109.7%</td>
<td>111.3%</td>
</tr>
</tbody>
</table>

### Key Points:

- 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 and Reis. Upgrades reflect amendments to existing customer contracts. New Sales reflect new contracts with new and existing customers.
ERS: Driving Growth via Recurring Revenue

ERS Revenue: Recurring vs. Non-recurring
Recurring Revenue CAGR² = 16%

» ERS recurring revenue has grown by approximately $150 million since 2015
» Emphasis on subscription products supports scalability, drives operating leverage and margin
» Ease of use and lower cost of ownership shifting customer demand to SaaS
» Next gen products enhance customer experience, improve adoption rates and shorten sales cycles

TTM³ sales as of 2Q19: Subscriptions (recurring) +11%; One-time (non-recurring) -2%

1. Recurring revenue includes maintenance and subscription.
Global Regulatory and Accounting Drivers for the ERS Business

Source: Moody’s Analytics market research as of January 2019.

Note: MiFID II, MiFIR and GDPR regulations are relevant to the banking sector but do not impact on Moody’s Analytics products and so have not been included on the radar.

1. The implementation of the LCR in the EU was: 60% in 2015, 70% in 2016, 80% in 2017 and 100% in 2018. In the US, advanced-approach banks had to meet 80% of the LCR by January 1, 2015 and 100% of the ratio by January 1, 2017.
2. The G-SIB surcharge will expand the conservation buffer, subject to a 3 year phase in period. G-SIBs will be required to hold a minimum Total Loss-Absorbing Capacity (TLAC) of at least 16% from 2019 and 18% by 2022.
Appendix
### Revenue 1: Mix by Quarter

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Other</th>
<th>Investment Grade</th>
<th>Speculative Grade</th>
<th>Bank Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q17</td>
<td>$92</td>
<td>$85</td>
<td>$78</td>
<td>$110</td>
</tr>
<tr>
<td>3Q17</td>
<td>$63</td>
<td>$63</td>
<td>$64</td>
<td>$58</td>
</tr>
<tr>
<td>4Q17</td>
<td>$85</td>
<td>$79</td>
<td>$66</td>
<td>$87</td>
</tr>
<tr>
<td>1Q18</td>
<td>$116</td>
<td>$124</td>
<td>$126</td>
<td>$134</td>
</tr>
<tr>
<td>2Q18</td>
<td>$121</td>
<td>$139</td>
<td>$135</td>
<td>$145</td>
</tr>
<tr>
<td>3Q18</td>
<td>$78</td>
<td>$70</td>
<td>$57</td>
<td>$57</td>
</tr>
<tr>
<td>4Q18</td>
<td>$70</td>
<td>$73</td>
<td>$57</td>
<td>$97</td>
</tr>
<tr>
<td>1Q19</td>
<td>$73</td>
<td>$68</td>
<td>$68</td>
<td>$139</td>
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<tr>
<td>2Q19</td>
<td>$84</td>
<td>$128</td>
<td>$140</td>
<td>$128</td>
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</table>

### Issuance 3: Mix by Quarter

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Non-U.S. Speculative-Grade Bank Loans</th>
<th>U.S. Speculative-Grade Bank Loans</th>
<th>Global Non-Financial Speculative-Grade Bonds</th>
<th>Global Non-Financial Investment-Grade Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q17</td>
<td>$60</td>
<td>$160</td>
<td>$332</td>
<td>$312</td>
</tr>
<tr>
<td>3Q17</td>
<td>$44</td>
<td>$138</td>
<td>$322</td>
<td>$269</td>
</tr>
<tr>
<td>4Q17</td>
<td>$59</td>
<td>$134</td>
<td>$269</td>
<td>$312</td>
</tr>
<tr>
<td>1Q18</td>
<td>$65</td>
<td>$165</td>
<td>$305</td>
<td>$236</td>
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<tr>
<td>2Q18</td>
<td>$72</td>
<td>$210</td>
<td>$305</td>
<td>$236</td>
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<tr>
<td>3Q18</td>
<td>$39</td>
<td>$123</td>
<td>$236</td>
<td>$221</td>
</tr>
<tr>
<td>4Q18</td>
<td>$28</td>
<td>$103</td>
<td>$221</td>
<td>$329</td>
</tr>
<tr>
<td>1Q19</td>
<td>$100</td>
<td>$105</td>
<td>$329</td>
<td>$314</td>
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<tr>
<td>2Q19</td>
<td>$105</td>
<td>$120</td>
<td>$314</td>
<td>$314</td>
</tr>
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</table>

### Revenue 1: Mix by Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Other</th>
<th>Investment Grade</th>
<th>Speculative Grade</th>
<th>Bank Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$96</td>
<td>$120</td>
<td>$194</td>
<td>$212</td>
</tr>
<tr>
<td>2011</td>
<td>$143</td>
<td>$196</td>
<td>$183</td>
<td>$204</td>
</tr>
<tr>
<td>2012</td>
<td>$137</td>
<td>$197</td>
<td>$230</td>
<td>$254</td>
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<tr>
<td>2013</td>
<td>$109</td>
<td>$193</td>
<td>$305</td>
<td>$254</td>
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<tr>
<td>2014</td>
<td>$216</td>
<td>$230</td>
<td>$262</td>
<td>$175</td>
</tr>
<tr>
<td>2015</td>
<td>$254</td>
<td>$301</td>
<td>$301</td>
<td>$175</td>
</tr>
<tr>
<td>2016</td>
<td>$181</td>
<td>$271</td>
<td>$488</td>
<td>$553</td>
</tr>
<tr>
<td>2017</td>
<td>$349</td>
<td>$425</td>
<td>$553</td>
<td>$553</td>
</tr>
<tr>
<td>2018</td>
<td>$380</td>
<td>$425</td>
<td>$425</td>
<td>$553</td>
</tr>
</tbody>
</table>

### Issuance 3: Mix by Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-U.S. Speculative-Grade Bank Loans</th>
<th>U.S. Speculative-Grade Bank Loans</th>
<th>Global Non-Financial Speculative-Grade Bonds</th>
<th>Global Non-Financial Investment-Grade Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$273</td>
<td>$330</td>
<td>$1,271</td>
<td>$1,074</td>
</tr>
<tr>
<td>2011</td>
<td>$330</td>
<td>$1,125</td>
<td>$1,125</td>
<td>$1,074</td>
</tr>
<tr>
<td>2012</td>
<td>$293</td>
<td>$1,073</td>
<td>$1,073</td>
<td>$1,074</td>
</tr>
<tr>
<td>2013</td>
<td>$250</td>
<td>$1,043</td>
<td>$1,043</td>
<td>$1,043</td>
</tr>
<tr>
<td>2014</td>
<td>$1,043</td>
<td>$1,120</td>
<td>$1,120</td>
<td>$1,120</td>
</tr>
<tr>
<td>2015</td>
<td>$425</td>
<td>$354</td>
<td>$354</td>
<td>$354</td>
</tr>
<tr>
<td>2016</td>
<td>$414</td>
<td>$425</td>
<td>$425</td>
<td>$425</td>
</tr>
<tr>
<td>2017</td>
<td>$638</td>
<td>$601</td>
<td>$601</td>
<td>$601</td>
</tr>
<tr>
<td>2018</td>
<td>$247</td>
<td>$304</td>
<td>$304</td>
<td>$304</td>
</tr>
</tbody>
</table>

1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected starting from 1Q 2018.
2. Other includes: monitoring, commercial paper, medium term notes, and ICRA.
Corporate Finance: 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. The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected starting from 1Q 2018.

2. Other includes: monitoring, commercial paper, medium term notes, and ICRA. Percentages have been rounded and may not total to 100%.
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected starting from 1Q 2018.


Notes: ABS (Asset Backed Securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (Residential Mortgage Backed Securitization) includes covered bonds. CMBS includes commercial mortgage-backed securities and commercial real estate CDOs. Structured Credit includes CLOs and CDOs.
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected starting from 1Q 2018.

Notes: ABS (Asset Backed Securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (Residential Mortgage Backed Securitization) includes covered bonds. CMBS includes commercial mortgage-backed securities and commercial real estate CDOs. Structured Credit includes CLOs and CDOs. Percentages have been rounded and may not total to 100%.
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.
Financial Institutions: Revenue Diversification

**Revenue¹: Distribution by Geography**

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>FY18</th>
<th>1Q19</th>
<th>2Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non - U.S.</td>
<td>60%</td>
<td>57%</td>
<td>57%</td>
<td>58%</td>
<td>55%</td>
<td>50%</td>
<td>63%</td>
<td>56%</td>
<td>60%</td>
<td>58%</td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>40%</td>
<td>43%</td>
<td>43%</td>
<td>42%</td>
<td>45%</td>
<td>50%</td>
<td>37%</td>
<td>44%</td>
<td>40%</td>
<td>42%</td>
<td></td>
</tr>
</tbody>
</table>

**Revenue¹: Distribution by Recurring vs. Transaction**

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>FY18</th>
<th>1Q19</th>
<th>2Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction</td>
<td>35%</td>
<td>37%</td>
<td>37%</td>
<td>45%</td>
<td>44%</td>
<td>47%</td>
<td>47%</td>
<td>42%</td>
<td>41%</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>Recurring</td>
<td>65%</td>
<td>63%</td>
<td>63%</td>
<td>56%</td>
<td>53%</td>
<td>53%</td>
<td>72%</td>
<td>58%</td>
<td>59%</td>
<td>51%</td>
<td></td>
</tr>
</tbody>
</table>

**Revenue¹: Distribution by Product**

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>FY18</th>
<th>1Q19</th>
<th>2Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking</td>
<td>68%</td>
<td>67%</td>
<td>65%</td>
<td>69%</td>
<td>67%</td>
<td>64%</td>
<td>61%</td>
<td>72%</td>
<td>66%</td>
<td>69%</td>
<td>68%</td>
</tr>
<tr>
<td>Insurance</td>
<td>26%</td>
<td>26%</td>
<td>28%</td>
<td>23%</td>
<td>25%</td>
<td>27%</td>
<td>32%</td>
<td>17%</td>
<td>26%</td>
<td>25%</td>
<td>22%</td>
</tr>
<tr>
<td>Managed Investments</td>
<td>1%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
<td>5%</td>
<td>7%</td>
<td>5%</td>
<td>3%</td>
<td>8%</td>
</tr>
</tbody>
</table>

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 Year

Revenue¹: Mix by Quarter

Issuance²: Mix by Year

Issuance²: Mix by Quarter

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 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. The revenue reclassification of the FACT product from RD&A to ERS is reflected starting from 1Q 2018.

Percentages have been rounded and may not total to 100%.
Historically, Moody’s Revenue and Interest Rates Have Not Been Strongly Correlated

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.
Capital Management

» Committed to leverage anchored around a BBB+ rating

» Strong track record of de-leveraging through cash flow within nine months of Bureau van Dijk acquisition

» Well-laddered maturities; no significant debt maturities until September 2020

» Leverage expected to decline over the remainder of 2019

1. Trailing twelve months adjusted operating income. Amounts are adjusted measures. See Appendix for reconciliations from adjusted financial measures to U.S. GAAP and gross debt to net debt.
2. TTM only applies to income and cash flow statement items.
3. Amounts are adjusted measures. See Appendix for reconciliations from adjusted financial measures to U.S. GAAP and gross debt to net debt.
4. Subject to market conditions and other ongoing capital allocation decisions.
Technology: Innovating with Purpose
Next Gen Tech is a Defining Element of our Culture, Setting Stage for Growth

Enhance Data & Analytics

» Incorporating **alternative data** sources to augment SME credit scoring accuracy
» *QuantCube* pilot program to synthesize **unstructured data** to enhance financial analysis
» *CompStak’s* use of **crowd-sourced data** on CRE leases and sales

Deliver Efficiencies

» **ML and deep learning** tools to automate financial data spreading at both MA and MIS
» **AI and NLP** used to generate credit reports on 6,000 municipal issuers
» **RPA** of manual, repeatable tasks within MIS

Improve Decisions

» **NLP** based early warning and monitoring tools for MIS analysts and MA customers
» **AI** tailored credit training for MA customers – *Credit Coach*
» Faster loan approvals with **AI** powered lending decisions – *CreditLens*

Increase Adaptability

» **SaaS** accelerating product development and improving customer experience
» Leveraging **PaaS** to experiment with application of tools and techniques – **blockchain** and **big data**
» Moody’s IT moving to **IaaS** to expand capabilities and lower costs

Note: AI: Artificial Intelligence; ML: Machine learning; NLP: Natural language processing; RPA: Robotic process automation; IaaS: Infrastructure-as-a-service; SaaS: Software-as-a-service; PaaS: Platform-as-a-service.
Moody’s Global Presence

<table>
<thead>
<tr>
<th>Region</th>
<th>2019 U.S. employees</th>
<th>2019 non-U.S. employees</th>
<th>2019 total employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>3,903</td>
<td>9,319</td>
<td>13,222</td>
</tr>
<tr>
<td>Brazil</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chile</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costa Rica</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe, Middle East &amp; Africa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Belgium</td>
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<td>Cyprus</td>
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<td>Czech Republic</td>
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<td>Denmark</td>
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<td>France</td>
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<td>Israel</td>
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<td>Italy</td>
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<td>Lithuania</td>
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<tr>
<td>Mauritius</td>
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<td>Morocco</td>
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<tr>
<td>Netherlands</td>
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<tr>
<td>Asia-Pacific</td>
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<td></td>
</tr>
<tr>
<td>Australia</td>
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<tr>
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<td></td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. As of June 30, 2019. Includes ~2,800 MAKS employees.
Reconciliation of Adjusted Financial Measures to GAAP

Adjusted Operating Income and Adjusted Operating Margin Reconciliation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>$1,449.8</td>
<td>$1,490.7</td>
<td>$650.9</td>
<td>$1,820.8</td>
<td>$1,868.2</td>
<td>$1,788.6</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>43.5%</td>
<td>42.8%</td>
<td>18.1%</td>
<td>43.3%</td>
<td>42.1%</td>
<td>39.8%</td>
</tr>
<tr>
<td>Add Adjustment:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>95.6</td>
<td>113.5</td>
<td>126.7</td>
<td>158.3</td>
<td>191.9</td>
<td>195.7</td>
</tr>
<tr>
<td>Acquisition-Related Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22.5</td>
<td>8.3</td>
<td>8.9</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-</td>
<td>-</td>
<td>12.0</td>
<td>-</td>
<td>48.7</td>
<td>108.0</td>
</tr>
<tr>
<td>Settlement Charge</td>
<td>-</td>
<td>-</td>
<td>863.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impairment pursuant to the planned divestiture of MAKS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8.7</td>
</tr>
<tr>
<td>Adjusted Operating Income</td>
<td>$1,545.4</td>
<td>$1,604.2</td>
<td>$1,653.4</td>
<td>$2,001.6</td>
<td>$2,117.1</td>
<td>$2,109.9</td>
</tr>
<tr>
<td>Adjusted Operating Margin</td>
<td>46.3%</td>
<td>46.0%</td>
<td>45.9%</td>
<td>47.6%</td>
<td>47.7%</td>
<td>46.9%</td>
</tr>
</tbody>
</table>

Moody's Corporation Net Debt Reconciliation

<table>
<thead>
<tr>
<th>(in $ millions)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross debt</td>
<td>$2,532.1</td>
<td>$3,380.6</td>
<td>$3,363.0</td>
<td>$5,540.5</td>
<td>$5,676.0</td>
<td>$5,387.9</td>
</tr>
<tr>
<td>Less: Cash, cash equivalents and short-term investments</td>
<td>1,677.6</td>
<td>2,232.2</td>
<td>2,224.9</td>
<td>1,183.3</td>
<td>1,817.5</td>
<td>1,315.4</td>
</tr>
<tr>
<td>Net debt</td>
<td>$854.5</td>
<td>$1,148.4</td>
<td>$1,138.1</td>
<td>$4,357.2</td>
<td>$3,858.5</td>
<td>$4,072.5</td>
</tr>
</tbody>
</table>

1. 2014 - 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 Operating Margin Guidance Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2019F¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Operating Margin - GAAP</td>
<td>Approximately 42%</td>
</tr>
<tr>
<td>Projected impact from Depreciation &amp; Amortization</td>
<td>Approximately 4.5%</td>
</tr>
<tr>
<td>Restructuring</td>
<td>Approximately 1.5%</td>
</tr>
<tr>
<td>Impairment pursuant to the planned divestiture of MAKS</td>
<td>Negligible</td>
</tr>
<tr>
<td>Projected impact from Acquisition-Related Expenses</td>
<td>Negligible</td>
</tr>
<tr>
<td>Projected Adjusted Operating Margin</td>
<td>Approximately 48%</td>
</tr>
</tbody>
</table>

Free Cash Flow Reconciliation²

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash flows from operating activities</td>
<td>$1,077.3</td>
<td>$1,198.1</td>
<td>$1,259.2</td>
<td>$754.6</td>
<td>$1,461.1</td>
<td>$1,700.0 - $1,800.0</td>
</tr>
<tr>
<td>Less: Capital expenditures</td>
<td>74.6</td>
<td>89.0</td>
<td>115.2</td>
<td>90.6</td>
<td>90.4</td>
<td>~100.0</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$1,002.7</td>
<td>$1,109.1</td>
<td>$1,144.0</td>
<td>$664.0</td>
<td>$1,370.7</td>
<td>$1,600.0 to $1,700.0</td>
</tr>
</tbody>
</table>

## Reconciliation of Adjusted Financial Measures to GAAP (cont.)
### Moody's Corporation Diluted EPS Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019F(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted EPS - GAAP</td>
<td>$4.61</td>
<td>$4.63</td>
<td>$1.36</td>
<td>$5.15</td>
<td>$6.74</td>
<td>$7.15 - $7.35</td>
</tr>
<tr>
<td>Legacy Tax</td>
<td>(0.03)</td>
<td>(0.03)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Impact of Litigation Settlement</td>
<td>-</td>
<td>-</td>
<td>$3.59</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ICRA Gain</td>
<td>(0.37)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FX Gain due to Subsidiary Liquidation</td>
<td>-</td>
<td>-</td>
<td>($0.18)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-</td>
<td>-</td>
<td>$0.04</td>
<td>-</td>
<td>$0.19</td>
<td>~$0.23</td>
</tr>
<tr>
<td>CCXI Gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>($0.31)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition-Related Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$0.10</td>
<td>$0.03</td>
<td>~$0.02</td>
</tr>
<tr>
<td>Purchase Price Hedge Gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>($0.37)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition-Related Intangible Amortization Expenses</td>
<td>$0.10</td>
<td>$0.11</td>
<td>$0.13</td>
<td>$0.23</td>
<td>$0.40</td>
<td>~$0.42</td>
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<tr>
<td>Impact of U.S. tax reform</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$1.28</td>
<td>($0.30)</td>
<td>-</td>
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<tr>
<td>Net Impact of U.S./European tax change on deferred taxes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>($0.01)</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Increase to non-U.S. UTPs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$0.33</td>
<td>-</td>
</tr>
<tr>
<td>Tax charge associated with planned divestiture of MAKS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>~$0.08</td>
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<tr>
<td>Impairment pursuant to the planned divestiture of MAKS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>~$0.05</td>
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<tr>
<td>Adjusted Diluted EPS</td>
<td>$4.31</td>
<td>$4.71</td>
<td>$4.94</td>
<td>$6.07</td>
<td>$7.39</td>
<td>$7.95 - $8.15</td>
</tr>
</tbody>
</table>

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