

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549
Form 10-Q

(Mark one)
 QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2024

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission file number 1-14037

Moody's Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

13-3998945
(I.R.S. Employer Identification No.)

7 World Trade Center at 250 Greenwich Street, New York, New York 10007
(Address of Principal Executive Offices)
(Zip Code)

Registrant's telephone number, including area code:
(212) 553-0300

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	MCO	New York Stock Exchange
1.75% Senior Notes Due 2027	MCO 27	New York Stock Exchange
0.950% Senior Notes Due 2030	MCO 30	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Shares Outstanding at September 30, 2024

181.2 million

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GLOSSARY OF TERMS AND ABBREVIATIONS

The following terms, abbreviations and acronyms are used to identify frequently used terms in this report:

<u>TERM</u>	<u>DEFINITION</u>
ABS	Asset backed securities; a component of SFG
Acquisition-Related Intangible Amortization Expense	Amortization of definite-lived intangible assets acquired by the Company from all business combination transactions
Adjusted Diluted EPS	Diluted EPS excluding the impact of certain items as detailed in the section entitled "Non-GAAP Financial Measures"
Adjusted Net Income	Net Income excluding the impact of certain items as detailed in the section entitled "Non-GAAP Financial Measures"
Adjusted Operating Income	Operating income excluding the impact of certain items as detailed in the section entitled "Non-GAAP Financial Measures"
Adjusted Operating Margin Americas	Adjusted Operating Income divided by revenue Represents countries within North and South America, excluding the U.S.
ARR	Annualized Recurring Revenue; a supplemental performance metric to provide additional insight on the estimated value of MA's recurring revenue contracts at a given point in time, excluding the impact of FX and contracts related to acquisitions
ASC	The FASB Accounting Standards Codification; the sole source of authoritative GAAP as of July 1, 2009 except for rules and interpretive releases of the SEC, which are also sources of authoritative GAAP for SEC registrants
Asia-Pacific	Represents Australia and countries in Asia including but not limited to: China, India, Indonesia, Japan, Republic of South Korea, Malaysia, Singapore, Sri Lanka and Thailand
ASU	The FASB Accounting Standards Update to the ASC. Provides background information for accounting guidance and the bases for conclusions on the changes in the ASC. ASUs are not considered authoritative until codified into the ASC
AUD	Australian dollar
BitSight	A provider that helps global market participants understand cyber risk through ratings, analytics, and performance management tools
Board	The board of directors of the Company
BPS	Basis points
CAD	Canadian dollar
CCXI	China Cheng Xin International Credit Rating Co. Ltd.; China's first and largest domestic credit rating agency approved by the People's Bank of China; currently Moody's owns 30% of CCXI
CDP	Carbon Disclosure Project; an international nonprofit organization that helps companies, cities, states and regions manage their environmental impact through a global disclosure system
CFG	Corporate finance group; an LOB of MIS
CLO	Collateralized loan obligation
CMBS	Commercial mortgage-backed securities; an asset class within SFG
COLI	Corporate-Owned Life Insurance
Common Stock	The Company's common stock
Company	Moody's Corporation and its subsidiaries; MCO; Moody's
CODM	Chief Operating Decision Maker
COVID-19	An outbreak of a novel strain of coronavirus resulting in an international public health crisis and a global pandemic
CP	Commercial Paper
CP Program	A program entered into on August 3, 2016 allowing the Company to privately place CP up to a maximum of \$1 billion for which the maturity may not exceed 397 days from the date of issue, and which is backstopped by the 2024 Facility
CRAs	Credit rating agencies
Data and Information (D&I)	LOB within MA which provides vast data sets on companies and securities via data feeds and data applications products

TERMDEFINITION

Decision Solutions (DS)	LOB within MA that provides SaaS solutions supporting banking, insurance, and KYC workflows. This LOB utilizes components from the Data & Information and Research & Insights LOBs to provide risk assessment solutions
EMEA	Represents countries within Europe, the Middle East and Africa
EPS	Earnings per share
ESG	Environmental, Social and Governance
ESTR	Euro Short-Term Rate
ETR	Effective tax rate
EU	European Union
EUR	euros
Excess Tax Benefits	The difference between the tax benefit realized at exercise of an option or delivery of a restricted share and the tax benefit recorded at the time the option or restricted share is expensed under GAAP
Exchange Act	The Securities Exchange Act of 1934, as amended
External Revenue	Revenue excluding any intersegment amounts
FASB	Financial Accounting Standards Board
FIG	Financial institutions group; an LOB of MIS
Free Cash Flow	Net cash provided by operating activities less cash paid for capital additions
FX	Foreign exchange
GAAP	U.S. Generally Accepted Accounting Principles
GBP	British pounds
GCR (Global Credit Rating Company Limited and subsidiaries)	A domestic credit rating agency with operations spanning Africa; the Company acquired a controlling financial interest in GCR in July 2024; the Company previously accounted for GCR as an equity method investment
GDP	Gross domestic product
GLoBE	Global Anti-Base Erosion, also known as "Pillar II;" tax model issued by the OECD in 2023
ICRA	ICRA Limited; a provider of credit ratings and research in India
INR	Indian rupee
JPY	Japanese yen
KYC	Know-your-customer
LOB	Line of business
MA	Moody's Analytics - a reportable segment of MCO; a global provider of: i) data and information; ii) research and insights; and iii) decision solutions, which help companies make better and faster decisions. MA leverages its unique assets and specialized industry knowledge across multiple risks such as credit, market, financial crime, supply chain, catastrophe and climate to deliver integrated risk assessment solutions that enable business leaders to identify, measure and manage the implications of interrelated risks and opportunities
MAKS	Moody's Analytics Knowledge Services; formerly known as Copal Amba; provided offshore research and analytic services to the global financial and corporate sectors; business was divested in the fourth quarter of 2019 and was formerly a reporting unit within the MA reportable segment
MCO	Moody's Corporation and its subsidiaries; the Company; Moody's
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
M&A	Mergers and acquisitions
MIS	Moody's Investors Service - a reportable segment of MCO; MIS publishes credit ratings and provides assessment services on a wide range of debt obligations, programs and facilities, and the entities that issue such obligations in markets worldwide, including various corporate, financial institution and governmental obligations, and structured finance securities; consists of five LOBs - SFG; CFG; FIG; PPIF; and MIS Other
MIS Other	Consists of financial instruments pricing services in the Asia-Pacific region, ICRA non-ratings revenue, and revenue from professional services. These businesses are components of MIS; MIS Other is an LOB of MIS
Moody's	Moody's Corporation and its subsidiaries; MCO; the Company

<u>TERM</u>	<u>DEFINITION</u>
MSS	Moody's Shared Services; primarily consists of information technology and support staff such as finance, human resources and legal that support both MA and MIS
Net Income	Net income attributable to Moody's Corporation, which excludes net income from consolidated noncontrolling interests belonging to the minority interest holder
NM	Percentage change is not meaningful
Non-GAAP	A financial measure not in accordance with GAAP; these measures, when read in conjunction with the Company's reported results, can provide useful supplemental information for investors analyzing period-to-period comparisons of the Company's performance, facilitate comparisons to competitors' operating results and to provide greater transparency to investors of supplemental information used by management in its financial and operational decision making
NRSRO	Nationally Recognized Statistical Rating Organization, which is a credit rating agency registered with the SEC
OECD	Organization for Economic Co-operation and Development; an international organization that promotes policies that improve economic and social well-being around the world
Operating segment	Term defined in the ASC relating to segment reporting; the ASC defines an operating segment as a component of a business entity that has each of the three following characteristics: i) the component engages in business activities from which it may recognize revenue and incur expenses; ii) the operating results of the component are regularly reviewed by the entity's CODM; and iii) discrete financial information about the component is available
Pillar II	Tax model issued by the OECD in 2023; also referred to as the "Global Anti-Base Erosion" or "GLoBE" rules
PPIF	Public, project and infrastructure finance; an LOB of MIS
Praedicat	A provider of casualty insurance analytics; the Company acquired a controlling financial interest in Praedicat in September 2024; the Company previously accounted for Praedicat as an equity method investment
Recurring Revenue	For MA, represents subscription-based revenue and software maintenance revenue. For MIS, represents recurring monitoring fees of a rated debt obligation and/or entities that issue such obligations, as well as revenue from programs such as commercial paper, medium-term notes and shelf registrations. For MIS Other, represents subscription-based revenue
Reporting unit	The level at which Moody's evaluates its goodwill for impairment under GAAP; defined as an operating segment or one level below an operating segment
Research and Insights (R&I)	LOB within MA that provides models, scores, expert insights and commentary. This LOB includes credit research; credit models and analytics; economics data and models; and structured finance solutions
RMBS	Residential mortgage-backed securities; an asset class within SFG
RMS	Risk Management Solutions, Inc., a global provider of climate and natural disaster risk modeling and analytics; acquired by the Company in September 2021
SaaS	Software-as-a-Service
SEC	U.S. Securities and Exchange Commission
SFG	Structured finance group; an LOB of MIS
SG&A	Selling, general and administrative expenses
SGD	Singapore dollar
SOFR	Secured Overnight Financing Rate
Tax Act	The "Tax Cuts and Jobs Act" enacted into U.S. law on December 22, 2017 which significantly amends the tax code in the U.S.
Total Debt	All indebtedness of the Company as reflected on the consolidated balance sheets
Transaction Revenue	For MA, represents perpetual software license fees and revenue from software implementation services, risk management advisory projects, and training and certification services. For MIS (excluding MIS Other), represents the initial rating of a new debt issuance as well as other one-time fees. For MIS Other, represents revenue from professional services.
U.K.	United Kingdom
U.S.	United States
USD	U.S. dollar

	<u>TERM</u>	<u>DEFINITION</u>
UTPs		Uncertain tax positions
2022 - 2023 Geolocation Restructuring Program		Restructuring program approved by the chief executive officer of Moody's on June 30, 2022 relating to the Company's post-COVID-19 geolocation strategy

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

MOODY'S CORPORATION
 CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
 (Amounts in millions, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 1,813	\$ 1,472	\$ 5,416	\$ 4,436
Expenses				
Operating	512	412	1,448	1,266
Selling, general, and administrative	434	403	1,293	1,204
Depreciation and amortization	108	95	318	276
Restructuring	6	27	13	51
Charges related to asset abandonment	15	—	30	—
	<u>1,075</u>	<u>937</u>	<u>3,102</u>	<u>2,797</u>
Operating income	738	535	2,314	1,639
Non-operating (expense) income, net				
Interest expense, net	(60)	(66)	(185)	(185)
Other non-operating income, net	25	18	45	31
Total non-operating (expense) income, net	<u>(35)</u>	<u>(48)</u>	<u>(140)</u>	<u>(154)</u>
Income before provision for income taxes	703	487	2,174	1,485
Provision for income taxes	169	97	510	217
Net income	534	390	1,664	1,268
Less: Net income attributable to noncontrolling interests	—	1	1	1
Net income attributable to Moody's	<u>\$ 534</u>	<u>\$ 389</u>	<u>\$ 1,663</u>	<u>\$ 1,267</u>
Earnings per share attributable to Moody's common shareholders				
Basic	\$ 2.94	\$ 2.12	\$ 9.13	\$ 6.91
Diluted	\$ 2.93	\$ 2.11	\$ 9.09	\$ 6.88
Weighted average number of shares outstanding				
Basic	181.7	183.3	182.2	183.4
Diluted	<u>182.5</u>	<u>184.0</u>	<u>183.0</u>	<u>184.1</u>

The accompanying notes are an integral part of the consolidated financial statements.

MOODY'S CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(Amounts in millions)

	Three Months Ended September 30, 2024			Three Months Ended September 30, 2023		
	Pre-tax amounts	Tax amounts	After-tax amounts	Pre-tax amounts	Tax amounts	After-tax amounts
Net Income			\$ 534			\$ 390
Other Comprehensive Income (Loss):						
Foreign Currency Adjustments:						
Foreign currency translation adjustments, net	\$ 252	\$ (3)	249	\$ (174)	\$ (2)	(176)
Net (losses) gains on net investment hedges	(184)	48	(136)	124	(31)	93
Cash Flow Hedges:						
Reclassification of losses included in net income	1	—	1	1	—	1
Pension and Other Retirement Benefits:						
Amortization of actuarial gains and prior service credits included in net income	—	—	—	(1)	—	(1)
Net actuarial gains	—	—	—	2	(1)	1
Total other comprehensive income (loss)	\$ 69	\$ 45	\$ 114	\$ (48)	\$ (34)	\$ (82)
Comprehensive Income Attributable to Moody's			<u>\$ 648</u>			<u>\$ 308</u>
			Nine Months Ended September 30, 2024			Nine Months Ended September 30, 2023
	Pre-tax amounts	Tax amounts	After-tax amounts	Pre-tax amounts	Tax amounts	After-tax amounts
Net Income			\$ 1,664			\$ 1,268
Other Comprehensive Income (Loss):						
Foreign Currency Adjustments:						
Foreign currency translation adjustments, net	\$ 98	\$ (3)	95	\$ (14)	\$ (4)	(18)
Net (losses) gains on net investment hedges	(40)	10	(30)	11	(3)	8
Cash Flow Hedges:						
Reclassification of losses included in net income	2	—	2	2	(1)	1
Pension and Other Retirement Benefits:						
Amortization of actuarial gains and prior service credits included in net income	(1)	—	(1)	(3)	1	(2)
Net actuarial (losses) gains	(3)	1	(2)	2	(1)	1
Total other comprehensive loss	\$ 56	\$ 8	\$ 64	\$ (2)	\$ (8)	\$ (10)
Comprehensive income			1,728			1,258
Less: comprehensive loss attributable to noncontrolling interests			—			(1)
Comprehensive Income Attributable to Moody's			<u>\$ 1,728</u>			<u>\$ 1,259</u>

The accompanying notes are an integral part of the consolidated financial statements.

MOODY'S CORPORATION
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(Amounts in millions, except share and per share data)

	September 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,642	\$ 2,130
Short-term investments	573	63
Accounts receivable, net of allowance for credit losses of \$35 in 2024 and \$35 in 2023	1,708	1,659
Other current assets	470	489
Total current assets	5,393	4,341
Property and equipment, net of accumulated depreciation of \$1,442 in 2024 and \$1,272 in 2023	662	603
Operating lease right-of-use assets	242	277
Goodwill	6,148	5,956
Intangible assets, net	1,970	2,049
Deferred tax assets, net	268	258
Other assets	1,086	1,138
Total assets	\$ 15,769	\$ 14,622
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,133	\$ 1,076
Current portion of operating lease liabilities	109	108
Total current liabilities	3,235	2,500
Non-current portion of deferred revenue	59	65
Long-term debt	6,876	7,001
Deferred tax liabilities, net	416	402
Uncertain tax positions	209	196
Operating lease liabilities	245	306
Other liabilities	661	676
Total liabilities	11,701	11,146
Contingencies (Note 15)		
Shareholders' equity:		
Preferred stock, par value \$0.01 per share; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Series common stock, par value \$0.01 per share; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, par value \$0.01 per share; 1,000,000,000 shares authorized; 342,902,272 shares issued at September 30, 2024 and December 31, 2023, respectively	3	3
Capital surplus	1,390	1,228
Retained earnings	15,855	14,659
Treasury stock, at cost; 161,671,601 and 160,430,754 shares of common stock at September 30, 2024 and December 31, 2023, respectively	(12,840)	(12,005)
Accumulated other comprehensive loss	(503)	(567)
Total Moody's shareholders' equity	3,905	3,318
Noncontrolling interests	163	158
Total shareholders' equity	4,068	3,476
Total liabilities, noncontrolling interests and shareholders' equity	\$ 15,769	\$ 14,622

The accompanying notes are an integral part of the consolidated financial statements.

MOODY'S CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Amounts in millions)

	Nine Months Ended September 30,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 1,664	\$ 1,268
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization	318	276
Stock-based compensation	166	143
Deferred income taxes	9	(10)
Asset impairment and abandonment-related charges	15	12
Provision for credit losses on accounts receivable	14	15
Gain on previously held equity method investments	(7)	—
Changes in assets and liabilities:		
Accounts receivable	(43)	112
Other current assets	25	151
Other assets	(1)	(31)
Lease obligations	(24)	(16)
Accounts payable and accrued liabilities	45	(61)
Deferred revenue	(51)	(35)
Uncertain tax positions and other non-current tax liabilities	12	(114)
Other liabilities	22	(36)
Net cash provided by operating activities	<u>2,164</u>	<u>1,674</u>
Cash flows from investing activities		
Capital additions	(243)	(198)
Purchases of investments	(623)	(105)
Sales and maturities of investments	105	115
Purchases of investments in non-consolidated affiliates	(4)	(3)
Sales of investments in non-consolidated affiliates	—	1
Cash paid for acquisitions, net of cash acquired	(110)	(3)
Net cash used in investing activities	<u>(875)</u>	<u>(193)</u>
Cash flows from financing activities		
Repayment of notes	—	(500)
Issuance of notes	496	—
Proceeds from stock-based compensation plans	60	40
Treasury shares	(812)	(278)
Repurchase of shares related to stock-based compensation	(85)	(67)
Dividends	(465)	(424)
Dividends to noncontrolling interests	(1)	(2)
Debt issuance costs and related fees	(5)	—
Net cash used in financing activities	<u>(812)</u>	<u>(1,231)</u>
Effect of exchange rate changes on cash and cash equivalents	35	(13)
Increase in cash and cash equivalents	512	237
Cash and cash equivalents, beginning of period	2,130	1,769
Cash and cash equivalents, end of period	<u>\$ 2,642</u>	<u>\$ 2,006</u>

The accompanying notes are an integral part of the consolidated financial statements.

MOODY'S CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)
(Amounts in millions, except per share data)

Shareholders of Moody's Corporation

	Common Stock		Capital Surplus	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total Moody's Shareholders' Equity	Non-Controlling Interests	Total Shareholders' Equity
	Shares	Amount			Shares	Amount				
	Balance at June 30, 2023	342.9	\$ 3	\$ 1,124	\$ 14,213	(159.4)	\$ (11,626)	\$ (570)	\$ 3,144	\$ 168
Net income				389				389	1	390
Dividends (\$0.77 per share)				(142)				(142)	(8)	(150)
Stock-based compensation			46					46		46
Shares issued for stock-based compensation plans at average cost, net			5		—	2		7		7
Treasury shares repurchased, inclusive of excise tax			—		(0.5)	(171)		(171)		(171)
Currency translation adjustment, net of net investment hedge activity (net of tax of \$33 million)							(83)	(83)	—	(83)
Net actuarial gains and prior service costs (net of tax of \$1 million)							1	1		1
Amortization of actuarial gains and prior service credits							(1)	(1)		(1)
Amortization of losses on cash flow hedges							1	1		1
Balance at September 30, 2023	342.9	\$ 3	\$ 1,175	\$ 14,460	(159.9)	\$ (11,795)	\$ (652)	\$ 3,191	\$ 161	\$ 3,352

The accompanying notes are an integral part of the consolidated financial statements.

MOODY'S CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)
(Amounts in millions, except per share data)

Shareholders of Moody's Corporation

	Common Stock		Capital Surplus	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total Moody's Shareholders' Equity	Non-Controlling Interests	Total Shareholders' Equity
	Shares	Amount			Shares	Amount				
	Balance at December 31, 2022	342.9			\$ 3	\$ 1,054				
Net income				1,267				1,267	1	1,268
Dividends (\$2.31 per share)				(425)				(425)	(9)	(434)
Stock-based compensation			143					143		143
Shares issued for stock-based compensation plans at average cost, net			(22)		0.7	(2)		(24)		(24)
Treasury shares repurchased, inclusive of excise tax			—		(0.9)	(280)		(280)		(280)
Currency translation adjustment, net of net investment hedge activity (net of tax of \$7 million)							(9)	(9)	(1)	(10)
Net actuarial gains and prior service costs (net of tax of \$1 million)							1	1		1
Amortization of actuarial gains and prior service credits (net of tax of \$1 million)							(2)	(2)		(2)
Amortization of losses on cash flow hedges (net of tax of \$1 million)							1	1		1
Balance at September 30, 2023	342.9	\$ 3	\$ 1,175	\$ 14,460	(159.9)	\$ (11,795)	\$ (652)	\$ 3,191	\$ 161	\$ 3,352

The accompanying notes are an integral part of the consolidated financial statements.

MOODY'S CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)
(Amounts in millions, except per share data)

Shareholders of Moody's Corporation

	Common Stock		Capital Surplus	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total Moody's Shareholders' Equity	Non- Controlling Interests	Total Shareholders' Equity
	Shares	Amount			Shares	Amount				
	Balance at June 30, 2024	342.9			\$ 3	\$ 1,324				
Net income				534				534	—	534
Dividends (\$0.85 per share)				(157)				(157)	(5)	(162)
Stock-based compensation			58					58		58
Shares issued for stock-based compensation plans at average cost, net			8		—	4		12		12
Noncontrolling interest resulting from majority acquisition								—	8	8
Treasury shares repurchased, inclusive of excise tax					(0.9)	(434)		(434)		(434)
Currency translation adjustment, net of net investment hedge activity (net of tax of \$45 million)							113	113	—	113
Amortization of losses on cash flow hedges							1	1		1
Balance at September 30, 2024	342.9	\$ 3	\$ 1,390	\$ 15,855	(161.7)	\$ (12,840)	\$ (503)	\$ 3,905	\$ 163	\$ 4,068

The accompanying notes are an integral part of the consolidated financial statements.

MOODY'S CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)
(Amounts in millions, except per share data)

Shareholders of Moody's Corporation

	Common Stock		Capital Surplus	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total Moody's Shareholders' Equity	Non-Controlling Interests	Total Shareholders' Equity
	Shares	Amount			Shares	Amount				
	Balance at December 31, 2023	342.9			\$ 3	\$ 1,228				
Net income				1,663				1,663	1	1,664
Dividends (\$2.55 per share)				(467)				(467)	(6)	(473)
Stock-based compensation			169					169		169
Shares issued for stock-based compensation plans at average cost, net			(7)		0.6	(18)		(25)		(25)
Noncontrolling interest resulting from majority acquisition								—	10	10
Treasury shares repurchased, inclusive of excise tax			—		(1.9)	(817)		(817)		(817)
Currency translation adjustment, net of net investment hedge activity (net of tax of \$7 million)							65	65	—	65
Net actuarial losses (net of tax of \$1 million)							(2)	(2)		(2)
Amortization of actuarial gains and prior service credits							(1)	(1)		(1)
Amortization of losses on cash flow hedges							2	2		2
Balance at September 30, 2024	342.9	\$ 3	\$ 1,390	\$ 15,855	(161.7)	\$ (12,840)	\$ (503)	\$ 3,905	\$ 163	\$ 4,068

The accompanying notes are an integral part of the consolidated financial statements.

MOODY'S CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(tabular dollar and share amounts in millions, except per share data)

NOTE 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Moody's is a global integrated risk assessment firm that empowers organizations to anticipate, adapt and thrive in a new era of exponential risk. Our data, analytical solutions and insights help decision-makers identify opportunities and manage the risks of doing business with others. Moody's reports in two reportable segments: MA and MIS.

MA is a global provider of: i) decision solutions; ii) research and insights; and iii) data and information, which help companies make better and faster decisions. MA leverages its unique assets and specialized industry knowledge across multiple risks such as credit, market, financial crime, supply chain, catastrophe and climate to deliver integrated risk assessment solutions that enable business leaders to identify, measure and manage the implications of interrelated risks and opportunities.

MIS publishes credit ratings and provides assessment services on a wide range of debt obligations, programs and facilities, and the entities that issue such obligations in markets worldwide, including various corporate, financial institution and governmental obligations, and structured finance securities.

These interim financial statements have been prepared in accordance with the instructions to Form 10-Q and should be read in conjunction with the Company's consolidated financial statements and related notes in the Company's 2023 annual report on Form 10-K filed with the SEC on February 14, 2024. The results of interim periods are not necessarily indicative of results for the full year or any subsequent period. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation of financial position, results of operations and cash flows at the dates and for the periods presented have been included. The year-end consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP.

Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Recently Issued Accounting Standards

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" ("ASU No. 2023-07"), which expands segment disclosure requirements for public entities. ASU No. 2023-07 will require entities to disclose significant segment expenses by reportable segment if they are regularly provided to the CODM and included in each reported measure of segment profit or loss. In addition, this ASU permits entities to disclose more than one measure of segment profit or loss used by the CODM. Additionally, disclosure of the CODM's title and position will be required on an annual basis, as well as an explanation of how the CODM uses the reported measure(s). Furthermore, all existing annual disclosures about segment profit or loss and assets must be provided on an interim basis in addition to disclosure of significant segment expenses and other segment items. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and requires retrospective application to all prior periods presented in the financial statements. The Company will adopt this ASU in its Form 10-K for the year ended December 31, 2024 and will provide the aforementioned new required disclosures, including further disaggregation of each segment's operating and SG&A expenses.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU No. 2023-09"), which is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in ASU No. 2023-09 require entities to disclose additional income tax information, primarily related to greater disaggregation of the entity's ETR reconciliation and income taxes paid by jurisdiction disclosures. This ASU is effective for annual periods beginning after December 15, 2024, and should be applied on a prospective basis; however, retrospective application is permitted. The Company is currently evaluating the impact of adopting this ASU on its consolidated financial statements and disclosures.

Reclassification of Previously Reported Revenue by LOB

In the first quarter of 2024, pursuant to the integration of RMS into the Company's order-to-cash systems, the Company reclassified certain prior year revenue by geography disclosures. The impact of the reclassification was not material and prior year revenue disclosures have been reclassified to conform to this new presentation, which is disclosed in Note 2.

NOTE 2. REVENUES
Revenue by Category

The following table presents the Company's revenues disaggregated by LOB:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
MA:				
Decision Solutions (DS)				
Banking	\$ 140	\$ 136	\$ 405	\$ 390
Insurance	148	138	439	404
KYC	95	80	270	228
Total DS	383	354	1,114	1,022
Research and Insights (R&I)	235	222	683	654
Data and Information (D&I)	213	200	635	584
Total external revenue	831	776	2,432	2,260
Intersegment revenue	3	3	10	10
Total MA	834	779	2,442	2,270
MIS:				
Corporate Finance (CFG)				
Investment-grade	149	63	416	272
High-yield	80	38	232	116
Bank loans	120	82	422	209
Other accounts ⁽¹⁾	166	163	499	470
Total CFG	515	346	1,569	1,067
Structured Finance (SFG)				
Asset-backed securities	34	30	101	89
RMBS	24	22	73	72
CMBS	27	17	66	45
Structured credit	49	32	138	95
Other accounts	1	1	2	2
Total SFG	135	102	380	303
Financial Institutions (FIG)				
Banking	108	92	344	289
Insurance	46	24	166	92
Managed investments	13	7	40	23
Other accounts	3	3	10	9
Total FIG	170	126	560	413
Public, Project and Infrastructure Finance (PPIF)				
Public finance / sovereign	61	49	187	155
Project and infrastructure	93	66	262	216
Total PPIF	154	115	449	371
Total ratings revenue	974	689	2,958	2,154
MIS Other	8	7	26	22
Total external revenue	982	696	2,984	2,176
Intersegment revenue	48	47	144	138
Total MIS	1,030	743	3,128	2,314
Eliminations	(51)	(50)	(154)	(148)
Total MCO	\$ 1,813	\$ 1,472	\$ 5,416	\$ 4,436

(1) Other includes: recurring monitoring fees of a rated debt obligation and/or entities that issue such obligations as well as fees from programs such as commercial paper, medium term notes, and ICRA corporate finance revenue.

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The following table presents the Company's revenues disaggregated by LOB and geographic area:

	Three Months Ended September 30, 2024			Three Months Ended September 30, 2023		
	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	Total
MA:						
Decision Solutions	\$ 144	\$ 239	\$ 383	\$ 141	\$ 213	\$ 354
Research and Insights	128	107	235	124	98	222
Data and Information	74	139	213	69	131	200
Total MA	346	485	831	334	442	776
MIS:						
Corporate Finance	364	151	515	242	104	346
Structured Finance	98	37	135	65	37	102
Financial Institutions	90	80	170	52	74	126
Public, Project and Infrastructure Finance	100	54	154	69	46	115
Total ratings revenue	652	322	974	428	261	689
MIS Other	1	7	8	—	7	7
Total MIS	653	329	982	428	268	696
Total MCO	\$ 999	\$ 814	\$ 1,813	\$ 762	\$ 710	\$ 1,472
Three Months Ended September 30, 2024						
Three Months Ended September 30, 2023						
MA:						
Decision Solutions	\$ 420	\$ 694	\$ 1,114	\$ 406	\$ 616	\$ 1,022
Research and Insights	374	309	683	361	293	654
Data and Information	227	408	635	204	380	584
Total MA	1,021	1,411	2,432	971	1,289	2,260
MIS:						
Corporate Finance	1,078	491	1,569	727	340	1,067
Structured Finance	266	114	380	186	117	303
Financial Institutions	292	268	560	188	225	413
Public, Project and Infrastructure Finance	284	165	449	228	143	371
Total ratings revenue	1,920	1,038	2,958	1,329	825	2,154
MIS Other	1	25	26	—	22	22
Total MIS	1,921	1,063	2,984	1,329	847	2,176
Total MCO	\$ 2,942	\$ 2,474	\$ 5,416	\$ 2,300	\$ 2,136	\$ 4,436

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The following table presents the Company's reportable segment revenues disaggregated by segment and geographic region:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023		2024	2023	
MA:						
U.S.	\$ 346	\$ 334		\$ 1,021	\$ 971	
Non-U.S.:						
EMEA	334	310		969	895	
Asia-Pacific	84	76		251	224	
Americas	67	56		191	170	
Total Non-U.S.	485	442		1,411	1,289	
Total MA	831	776		2,432	2,260	
MIS:						
U.S.	653	428		1,921	1,329	
Non-U.S.:						
EMEA	212	155		685	509	
Asia-Pacific	73	67		225	213	
Americas	44	46		153	125	
Total Non-U.S.	329	268		1,063	847	
Total MIS	982	696		2,984	2,176	
Total MCO	\$ 1,813	\$ 1,472		\$ 5,416	\$ 4,436	

The following table summarizes the split between Transaction Revenue and Recurring Revenue:

	Three Months Ended September 30,					
	2024			2023		
	Transaction	Recurring	Total	Transaction	Recurring	Total
Decision Solutions	\$ 33 9 %	\$ 350 91 %	\$ 383 100 %	\$ 43 12 %	\$ 311 88 %	\$ 354 100 %
Research and Insights	\$ 4 2 %	\$ 231 98 %	\$ 235 100 %	\$ 4 2 %	\$ 218 98 %	\$ 222 100 %
Data and Information	\$ 1 — %	\$ 212 100 %	\$ 213 100 %	\$ 1 1 %	\$ 199 99 %	\$ 200 100 %
Total MA ⁽¹⁾	\$ 38 5 %	\$ 793 95 %	\$ 831 100 %	\$ 48 6 %	\$ 728 94 %	\$ 776 100 %
Corporate Finance	\$ 382 74 %	\$ 133 26 %	\$ 515 100 %	\$ 216 62 %	\$ 130 38 %	\$ 346 100 %
Structured Finance	\$ 78 58 %	\$ 57 42 %	\$ 135 100 %	\$ 49 48 %	\$ 53 52 %	\$ 102 100 %
Financial Institutions	\$ 92 54 %	\$ 78 46 %	\$ 170 100 %	\$ 52 41 %	\$ 74 59 %	\$ 126 100 %
Public, Project and Infrastructure Finance	\$ 109 71 %	\$ 45 29 %	\$ 154 100 %	\$ 70 61 %	\$ 45 39 %	\$ 115 100 %
MIS Other	\$ 2 25 %	\$ 6 75 %	\$ 8 100 %	\$ 2 29 %	\$ 5 71 %	\$ 7 100 %
Total MIS	\$ 663 68 %	\$ 319 32 %	\$ 982 100 %	\$ 389 56 %	\$ 307 44 %	\$ 696 100 %
Total Moody's Corporation	\$ 701 39 %	\$ 1,112 61 %	\$ 1,813 100 %	\$ 437 30 %	\$ 1,035 70 %	\$ 1,472 100 %

Nine Months Ended September 30,

	2024			2023		
	Transaction	Recurring	Total	Transaction	Recurring	Total
Decision Solutions	\$ 105	\$ 1,009	\$ 1,114	\$ 126	\$ 896	\$ 1,022
	9 %	91 %	100 %	12 %	88 %	100 %
Research and Insights	\$ 11	\$ 672	\$ 683	\$ 12	\$ 642	\$ 654
	2 %	98 %	100 %	2 %	98 %	100 %
Data and Information	\$ 3	\$ 632	\$ 635	\$ 2	\$ 582	\$ 584
	— %	100 %	100 %	— %	100 %	100 %
Total MA ⁽¹⁾	\$ 119	\$ 2,313	\$ 2,432	\$ 140	\$ 2,120	\$ 2,260
	5 %	95 %	100 %	6 %	94 %	100 %
Corporate Finance	\$ 1,169	\$ 400	\$ 1,569	\$ 682	\$ 385	\$ 1,067
	75 %	25 %	100 %	64 %	36 %	100 %
Structured Finance	\$ 213	\$ 167	\$ 380	\$ 142	\$ 161	\$ 303
	56 %	44 %	100 %	47 %	53 %	100 %
Financial Institutions	\$ 329	\$ 231	\$ 560	\$ 195	\$ 218	\$ 413
	59 %	41 %	100 %	47 %	53 %	100 %
Public, Project and Infrastructure Finance	\$ 315	\$ 134	\$ 449	\$ 240	\$ 131	\$ 371
	70 %	30 %	100 %	65 %	35 %	100 %
MIS Other	\$ 6	\$ 20	\$ 26	\$ 4	\$ 18	\$ 22
	23 %	77 %	100 %	18 %	82 %	100 %
Total MIS	\$ 2,032	\$ 952	\$ 2,984	\$ 1,263	\$ 913	\$ 2,176
	68 %	32 %	100 %	58 %	42 %	100 %
Total Moody's Corporation	\$ 2,151	\$ 3,265	\$ 5,416	\$ 1,403	\$ 3,033	\$ 4,436
	40 %	60 %	100 %	32 %	68 %	100 %

(1) Revenue from software implementation services and risk management advisory projects, while classified by management as transactional revenue, is recognized over time under GAAP.

The following table presents the timing of revenue recognition:

	Three Months Ended September 30, 2024			Nine Months Ended September 30, 2024		
	MA	MIS	Total	MA	MIS	Total
Revenue recognized at a point in time	\$ 26	\$ 663	\$ 689	\$ 65	\$ 2,032	\$ 2,097
Revenue recognized over time	805	319	1,124	2,367	952	3,319
Total	\$ 831	\$ 982	\$ 1,813	\$ 2,432	\$ 2,984	\$ 5,416

	Three Months Ended September 30, 2023			Nine Months Ended September 30, 2023		
	MA	MIS	Total	MA	MIS	Total
Revenue recognized at a point in time	\$ 24	\$ 389	\$ 413	\$ 73	\$ 1,263	\$ 1,336
Revenue recognized over time	752	307	1,059	2,187	913	3,100
Total	\$ 776	\$ 696	\$ 1,472	\$ 2,260	\$ 2,176	\$ 4,436

Unbilled receivables, deferred revenue and remaining performance obligations

Unbilled receivables

For certain MA arrangements, the timing of when the Company has the unconditional right to consideration and recognizes revenue occurs prior to invoicing the customer. In addition, certain MIS arrangements contain contractual terms whereby the customers are billed in arrears for annual monitoring services, requiring revenue to be accrued as an unbilled receivable as such services are provided.

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The following table presents the Company's unbilled receivables, which are included within accounts receivable, net, at September 30, 2024 and December 31, 2023:

	As of September 30, 2024		As of December 31, 2023	
	MA	MIS	MA	MIS
Unbilled Receivables	\$ 119	\$ 470	\$ 119	\$ 415

Deferred revenue

The Company recognizes deferred revenue when a contract requires a customer to pay consideration to the Company in advance of when revenue related to that contract is recognized. This deferred revenue is relieved when the Company satisfies the related performance obligation and revenue is recognized.

Significant changes in the deferred revenue balances during the three and nine months ended September 30, 2024 and 2023 are as follows:

	Three Months Ended September 30, 2024			Three Months Ended September 30, 2023		
	MA	MIS	Total	MA	MIS	Total
Balance at June 30,	\$ 1,146	\$ 336	\$ 1,482	\$ 1,116	\$ 336	\$ 1,452
Changes in deferred revenue						
Revenue recognized that was included in the deferred revenue balance at the beginning of the period	(551)	(120)	(671)	(513)	(113)	(626)
Increases due to amounts billable excluding amounts recognized as revenue during the period	410	92	502	410	82	492
Increases due to acquisitions during the period	5	—	5	—	—	—
Effect of exchange rate changes	37	4	41	(25)	(2)	(27)
Total changes in deferred revenue	(99)	(24)	(123)	(128)	(33)	(161)
Balance at September 30,	\$ 1,047	\$ 312	\$ 1,359	\$ 988	\$ 303	\$ 1,291
	Nine Months Ended September 30, 2024			Nine Months Ended September 30, 2023		
	MA	MIS	Total	MA	MIS	Total
Balance at December 31,	\$ 1,111	\$ 270	\$ 1,381	\$ 1,055	\$ 278	\$ 1,333
Changes in deferred revenue						
Revenue recognized that was included in the deferred revenue balance at the beginning of the period	(950)	(197)	(1,147)	(969)	(192)	(1,161)
Increases due to amounts billable excluding amounts recognized as revenue during the period	860	238	1,098	908	218	1,126
Increases due to acquisitions during the period	5	—	5	—	—	—
Effect of exchange rate changes	21	1	22	(6)	(1)	(7)
Total changes in deferred revenue	(64)	42	(22)	(67)	25	(42)
Balance at September 30,	\$ 1,047	\$ 312	\$ 1,359	\$ 988	\$ 303	\$ 1,291
Deferred revenue - current	\$ 1,047	\$ 253	\$ 1,300	\$ 986	\$ 240	\$ 1,226
Deferred revenue - non-current	\$ —	\$ 59	\$ 59	\$ 2	\$ 63	\$ 65

For the MA segment, the decrease in deferred revenue for the three months ended September 30, 2024 and 2023 was primarily due to the recognition of annual subscription and maintenance billings from December and January. For the nine months ended September 30, 2024 and 2023, the decrease in the deferred revenue balance is attributable to recognition of revenues related to the aforementioned December billings being mostly offset by the impact of the high concentration of billings in the first quarter.

For the MIS segment, the change in the deferred revenue balance for all periods presented was primarily related to the significant portion of contract renewals that occur during the first quarter and are generally recognized over a one year period.

Remaining performance obligation

Remaining performance obligations in the MA segment include both amounts recorded as deferred revenue on the balance sheet as of September 30, 2024 as well as amounts not yet invoiced to customers as of September 30, 2024, largely reflecting future revenue related to signed multi-year arrangements for hosted and installed subscription-based products. As of September 30, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately \$3.5 billion. The Company expects to recognize into revenue approximately 60% of this balance within one year, approximately 25% of this balance between one to two years and the remaining amount thereafter.

Remaining performance obligations in the MIS segment largely reflect deferred revenue related to monitoring fees for certain structured finance products, primarily CMBS, where the issuers can elect to pay the monitoring fees for the life of the security in advance. As of September 30, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately \$97 million. The Company expects to recognize into revenue approximately 25% of this balance within one year, approximately 50% of this balance between one to five years and the remaining amount thereafter. With respect to the remaining performance obligations for the MIS segment, the Company has applied a practical expedient set forth in ASC Topic 606 permitting the omission of unsatisfied performance obligations relating to contracts with an original expected length of one year or less.

NOTE 3. STOCK-BASED COMPENSATION

Presented below is a summary of the stock-based compensation cost and associated tax benefit included in the accompanying consolidated statements of operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Stock-based compensation cost	\$ 57	\$ 46	\$ 166	\$ 143
Tax benefit	\$ 12	\$ 10	\$ 36	\$ 32

During the first nine months of 2024, the Company granted 0.2 million employee stock options, which had a weighted average grant date fair value of \$120.42 per share. The Company also granted 0.5 million shares of restricted stock in the first nine months of 2024, which had a weighted average grant date fair value of \$372.64 per share. Both the employee stock options and restricted stock generally vest ratably over four years. Additionally, the Company granted 0.2 million shares of performance-based awards whereby the number of shares that ultimately vest are based on the achievement of certain non-market-based performance metrics of the Company over a period of two to four years. The weighted average grant date fair value of these awards was \$361.83 per share.

The following weighted average assumptions were used in determining the fair value using the Black-Scholes option-pricing model for options granted in 2024:

Expected dividend yield	0.91 %
Expected stock volatility	28 %
Risk-free interest rate	4.34 %
Expected holding period	5.9 years

Unrecognized stock-based compensation expense at September 30, 2024 was \$16 million and \$279 million for unvested stock options and restricted stock, respectively, which is expected to be recognized over a weighted average period of 1.8 years and 2.5 years, respectively. Additionally, there was \$67 million of unrecognized stock-based compensation expense relating to the aforementioned non-market-based performance-based awards, which is expected to be recognized over a weighted average period of 2.3 years.

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The following table summarizes information relating to stock option exercises and restricted stock vesting:

	Nine Months Ended September 30,	
	2024	2023
Exercise of stock options:		
Proceeds from stock option exercises	\$ 44	\$ 26
Aggregate intrinsic value	\$ 60	\$ 48
Tax benefit realized upon exercise	\$ 10	\$ 11
Number of shares exercised	0.3	0.2
Vesting of restricted stock:		
Fair value of shares vested	\$ 183	\$ 154
Tax benefit realized upon vesting	\$ 45	\$ 36
Number of shares vested	0.5	0.5
Vesting of performance-based restricted stock:		
Fair value of shares vested	\$ 40	\$ 24
Tax benefit realized upon vesting	\$ 9	\$ 3
Number of shares vested	0.1	0.1

NOTE 4. INCOME TAXES

Moody's ETR was 24.0% and 19.9% for the three months ended September 30, 2024 and 2023, respectively. Moody's ETR for the nine months ended September 30, 2024 and 2023 was 23.5% and 14.6%, respectively. The increase in the ETR for the nine months ended September 30, 2024 compared to the same period in the prior year was primarily due to tax benefits recognized in the first quarter of 2023, which reflect the resolution of uncertain tax positions in various U.S. and non-U.S. tax jurisdictions and will not recur in 2024. The Company's year-to-date provision for income taxes differs from the tax computed by applying its estimated annual ETR to the pre-tax earnings primarily due to the excess tax benefits from stock-based compensation of \$23 million and a change in tax rate of a non-U.S. tax jurisdiction of \$7 million.

The Company classifies interest related to UTPs in interest expense, net in its consolidated statements of operations. Penalties, if incurred, would be recognized in other non-operating income, net. The Company had a net increase in its UTP reserves of \$2 million, net of federal tax, during the third quarter of 2024 and an increase in its UTPs of \$13 million, net of federal tax, during the first nine months of 2024.

Moody's is subject to U.S. federal income tax as well as income tax in various state, local and foreign jurisdictions. The tax years 2021 through 2023 remain open to examination. The Company's New York City tax returns for 2018 through 2022 are currently under examination. The Company's U.K. tax returns for 2017 through 2022 remain open to examination.

For ongoing audits, it is possible the balance of UTPs could decrease in the next twelve months as a result of the settlement of such audits, which might involve the payment of additional taxes, the adjustment of certain deferred taxes and/or the recognition of tax benefits. It is also possible that new issues will be raised by tax authorities which could necessitate increases to the balance of UTPs. As the Company is unable to predict the timing or outcome of these audits, it is unable to estimate the amount of future changes to the balance of UTPs at this time. However, the Company believes that it has adequately provided for its financial exposure relating to all open tax years, by tax jurisdiction, in accordance with the applicable provisions of ASC Topic 740 regarding UTPs.

The following table shows the amount the Company paid for income taxes:

	Nine Months Ended September 30,	
	2024	2023
Income taxes paid	\$ 391	\$ 213

Effective in 2024, multiple foreign jurisdictions in which the Company operates have enacted legislation to adopt a minimum tax rate described in the Global Anti-Base Erosion tax model rules (referred to as GloBE or Pillar II) issued by the OECD. A minimum ETR of 15% applies to multinational companies with consolidated revenue above €750 million. Under the GloBE rules, a company is required to determine a combined ETR for all entities located in a jurisdiction. If the jurisdictional effective tax rate is less than 15%, an additional tax generally will be due to bring the jurisdictional ETR up to 15%. We have evaluated the impact of the Pillar II global minimum tax rules on our consolidated financial statements and related disclosures. As of September 30, 2024, the Pillar II minimum tax requirement is not expected to have a material impact on our full-year results of operations or financial position.

NOTE 5. RECONCILIATION OF WEIGHTED AVERAGE SHARES OUTSTANDING

Below is a reconciliation of basic to diluted shares outstanding:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Basic	181.7	183.3	182.2	183.4
Dilutive effect of shares issuable under stock-based compensation plans	0.8	0.7	0.8	0.7
Diluted	182.5	184.0	183.0	184.1
Anti-dilutive options to purchase common shares and restricted stock as well as contingently issuable restricted stock which are excluded from the table above	0.3	0.4	0.4	0.5

The calculation of basic shares outstanding is based on the weighted average number of shares of common stock outstanding during the reporting period. The calculation of diluted EPS requires certain assumptions regarding the use of both cash proceeds and assumed proceeds that would be received upon the exercise of stock options and vesting of restricted stock outstanding as of September 30, 2024 and 2023.

NOTE 6. CASH EQUIVALENTS AND INVESTMENTS

The table below provides additional information on the Company's cash equivalents and investments:

	As of September 30, 2024					
	Cost	Gains/(Losses)	Fair Value	Balance sheet location		
				Cash and cash equivalents	Short-term investments	Other assets
Certificates of deposit and money market deposit accounts/funds ⁽¹⁾	\$ 1,691	\$ —	\$ 1,691	\$ 1,117	\$ 573	\$ 1
Mutual funds	\$ 101	\$ 11	\$ 112	\$ —	\$ —	\$ 112

	As of December 31, 2023					
	Cost	Gains/(Losses)	Fair Value	Balance sheet location		
				Cash and cash equivalents	Short-term investments	Other assets
Certificates of deposit and money market deposit accounts/funds ⁽¹⁾	\$ 1,178	\$ —	\$ 1,178	\$ 1,112	\$ 63	\$ 3
Mutual funds	\$ 91	\$ 6	\$ 97	\$ —	\$ —	\$ 97

(1) Consists of time deposits, money market deposit accounts and money market funds. The remaining contractual maturities for the certificates of deposits classified as short-term investments are one month to 12 months at both September 30, 2024 and December 31, 2023. The remaining contractual maturities for the certificates of deposits classified in other assets are 14 months to 15 months at September 30, 2024 and 14 months at December 31, 2023. Time deposits with a maturity of less than 90 days at time of purchase are classified as cash and cash equivalents.

In addition, the Company invested in COLI. As of September 30, 2024 and December 31, 2023, the contract value of the COLI was \$49 million and \$47 million, respectively.

NOTE 7. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company is exposed to global market risks, including risks from changes in FX rates and changes in interest rates. Accordingly, the Company uses derivatives in certain instances to manage financial exposures that occur in the normal course of business. The Company does not hold or issue derivatives for speculative purposes.

Derivatives and non-derivative instruments designated as accounting hedges:
Fair Value Hedges
Interest Rate Swaps

The Company has entered into interest rate swaps to convert the fixed interest rate on certain of its long-term debt to a floating interest rate based on the SOFR. The purpose of these hedges is to mitigate the risk associated with changes in the fair value of the long-term debt, thus the Company has designated these swaps as fair value hedges. The fair value of the swaps is adjusted quarterly with a corresponding adjustment to the carrying value of the debt. The changes in the fair value of the swaps and the underlying hedged item generally offset and the net cash settlements on the swaps are recorded each period within interest expense, net in the Company's consolidated statements of operations.

The following table summarizes the Company's interest rate swaps designated as fair value hedges:

Hedged Item	Nature of Swap	Notional Amount		Floating Interest Rate
		As of September 30, 2024	As of December 31, 2023	
2014 Senior Notes due 2044	Pay Floating/Receive Fixed	\$ 300	\$ 300	SOFR
2017 Senior Notes due 2028	Pay Floating/Receive Fixed	500	500	SOFR
2018 Senior Notes due 2029	Pay Floating/Receive Fixed	400	400	SOFR
2018 Senior Notes due 2048	Pay Floating/Receive Fixed	300	300	SOFR
2020 Senior Notes due 2025	Pay Floating/Receive Fixed	300	300	SOFR
2022 Senior Notes due 2052	Pay Floating/Receive Fixed	500	500	SOFR
2022 Senior Notes due 2032	Pay Floating/Receive Fixed	250	250	SOFR
Total		\$ 2,550	\$ 2,550	

Refer to Note 13 for information on the cumulative amount of fair value hedging adjustments included in the carrying amount of the above hedged items.

The following table summarizes the impact to the statements of operations of the Company's interest rate swaps designated as fair value hedges:

Total amounts of financial statement line item presented in the statements of operations in which the effects of fair value hedges are recorded	Amount of income/(loss) recognized in the consolidated statements of operations			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Interest expense, net	\$ (60)	\$ (66)	\$ (185)	\$ (185)

Description	Location on Consolidated Statements of Operations	2024	2023	2024	2023
Net interest settlements and accruals on interest rate swaps	Interest expense, net	\$ (25)	\$ (25)	\$ (74)	\$ (64)
Fair value changes on interest rate swaps	Interest expense, net	\$ 79	\$ (35)	\$ 57	\$ (35)
Fair value changes on hedged debt	Interest expense, net	\$ (79)	\$ 35	\$ (57)	\$ 35

Net investment hedges
Debt designated as net investment hedges

The Company has designated €500 million of the 2015 Senior Notes Due 2027 and €750 million of the 2019 Senior Notes due 2030 as net investment hedges to mitigate FX exposure related to a portion of the Company's euro net investment in certain foreign subsidiaries against changes in euro/USD exchange rates. These hedges are designated as accounting hedges under the applicable sections of ASC Topic 815 and will end upon the repayment of the notes in 2027 and 2030, respectively, unless terminated early at the discretion of the Company.

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Cross currency swaps designated as net investment hedges

The Company enters into cross-currency swaps to mitigate FX exposure related to a portion of the Company's euro net investment in certain foreign subsidiaries against changes in euro/USD exchange rates. The following tables provide information on the cross-currency swaps designated as net investment hedges under ASC Topic 815:

September 30, 2024				
Nature of Swap	Pay		Receive	
	Notional Amount	Weighted Average Interest Rate	Notional Amount	Weighted Average Interest Rate
Pay Fixed/Receive Fixed	€ 965	2.91%	\$ 1,014	4.41%
Pay Floating/Receive Floating	2,138	Based on ESTR	2,250	Based on SOFR
Total	€ 3,103		\$ 3,264	

December 31, 2023				
Nature of Swap	Pay		Receive	
	Notional Amount	Weighted Average Interest Rate	Notional Amount	Weighted Average Interest Rate
Pay Fixed/Receive Fixed	€ 765	3.67%	\$ 800	5.25%
Pay Floating/Receive Floating	2,138	Based on ESTR	2,250	Based on SOFR
Total	€ 2,903		\$ 3,050	

As of September 30, 2024 these hedges will expire and the notional amounts will be settled as follows unless terminated early at the discretion of the Company:

Years Ending December 31,	Notional Amount (Pay)		Notional Amount (Receive)	
2026	€	450	\$	500
2027		531		550
2028		588		600
2029		573		614
2031		481		500
2032		480		500
Total	€	3,103	\$	3,264

The following table provides information on the gains/(losses) on the Company's net investment and cash flow hedges:

Derivative and Non-Derivative Instruments in Net Investment Hedging Relationships	Amount of Gain/(Loss) Recognized in AOCL on Derivative, net of Tax		Amount of Loss Reclassified from AOCL into Income, net of Tax		Gain Recognized in Income on Derivative (Amount Excluded from Effectiveness Testing)	
	Three Months Ended September 30,		Three Months Ended September 30,		Three Months Ended September 30,	
	2024	2023	2024	2023	2024	2023
Cross currency swaps	\$ (95)	\$ 63	\$ —	\$ —	\$ 12	\$ 13
Long-term debt	(41)	30	—	—	—	—
Total net investment hedges	\$ (136)	\$ 93	\$ —	\$ —	\$ 12	\$ 13
Derivatives in Cash Flow Hedging Relationships						
Cross currency swap	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest rate contracts	—	—	(1)	(1)	—	—
Total cash flow hedges	\$ —	\$ —	\$ (1)	\$ (1)	\$ —	\$ —
Total	\$ (136)	\$ 93	\$ (1)	\$ (1)	\$ 12	\$ 13

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Derivative and Non-Derivative Instruments in Net Investment Hedging Relationships	Amount of Gain/(Loss) Recognized in AOCL on Derivative, net of Tax		Amount of Loss Reclassified from AOCL into Income, net of Tax		Gain Recognized in Income on Derivative (Amount Excluded from Effectiveness Testing)	
	Nine Months Ended September 30,		Nine Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023
Cross currency swaps	\$ (20)	\$ —	\$ —	\$ —	\$ 34	\$ 43
Long-term debt	(10)	8	—	—	—	—
Total net investment hedges	\$ (30)	\$ 8	\$ —	\$ —	\$ 34	\$ 43
Derivatives in Cash Flow Hedging Relationships						
Cross currency swaps	\$ —	\$ —	\$ —	\$ 1	\$ —	\$ —
Interest rate contracts	—	—	(2)	(2)	—	—
Total cash flow hedges	\$ —	\$ —	\$ (2)	\$ (1)	\$ —	\$ —
Total	\$ (30)	\$ 8	\$ (2)	\$ (1)	\$ 34	\$ 43

The cumulative amount of net investment hedge and cash flow hedge gains (losses) remaining in AOCL is as follows:

	Cumulative Gains/(Losses), net of tax	
	September 30, 2024	December 31, 2023
<i>Net investment hedges</i>		
Cross currency swaps	\$ 1	\$ 21
FX forwards	29	29
Long-term debt	(7)	3
Total net investment hedges	\$ 23	\$ 53
<i>Cash flow hedges</i>		
Interest rate contracts	\$ (43)	\$ (45)
Cross currency swaps	1	1
Total cash flow hedges	(42)	(44)
Total net gain in AOCL	\$ (19)	\$ 9

Derivatives not designated as accounting hedges:

Foreign exchange forwards

The Company also enters into foreign exchange forward contracts to mitigate the change in fair value on certain assets and liabilities denominated in currencies other than a subsidiary's functional currency. These forward contracts are not designated as accounting hedges under the applicable sections of ASC Topic 815. Accordingly, changes in the fair value of these contracts are recognized immediately in other non-operating income, net, in the Company's consolidated statements of operations along with the FX gain or loss recognized on the assets and liabilities denominated in a currency other than the subsidiary's functional currency. These contracts have expiration dates at various times through July 2025.

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The following table summarizes the notional amounts of the Company's outstanding foreign exchange forwards:

Notional amount of currency pair ⁽¹⁾ :	September 30, 2024				December 31, 2023			
	Sell		Buy		Sell		Buy	
Contracts to sell USD for GBP	\$	567	£	435	\$	513	£	407
Contracts to sell USD for JPY	\$	29	¥	4,000	\$	14	¥	2,000
Contracts to sell USD for CAD	\$	52	C\$	70	\$	147	C\$	200
Contracts to sell USD for SGD	\$	69	S\$	90	\$	50	S\$	67
Contracts to sell USD for EUR	\$	—	€	—	\$	60	€	55
Contracts to sell USD for INR	\$	23	₹	1,900	\$	23	₹	1,900
Contracts to sell EUR for USD	€	15	\$	17	€	—	\$	—
Contracts to sell USD for AUD	\$	—	A\$	—	\$	5	A\$	8
Contracts to sell CAD for USD	C\$	—	\$	—	C\$	25	\$	19

(1) € = euro, £ = British pound, S\$ = Singapore dollar, \$ = U.S. dollar, ¥ = Japanese yen, C\$ = Canadian dollar, ₹ = Indian Rupee, A\$ = Australian dollar

Total Return Swaps

The Company has entered into total return swaps to mitigate market-driven changes in the value of certain liabilities associated with the Company's deferred compensation plans. The fair value of these swaps at September 30, 2024 and related gains in the three and nine months ended September 30, 2024 were not material. The notional amount of the total return swaps as of September 30, 2024 and December 31, 2023 was \$65 million and \$58 million, respectively.

The following table summarizes the impact to the consolidated statements of operations relating to the gains (losses) on the Company's derivatives which are not designated as hedging instruments:

Derivatives not designated as accounting hedges	Location on Consolidated Statements of Operations	Three Months Ended September 30,		Nine Months Ended September 30,	
		2024	2023	2024	2023
		FX forwards	Other non-operating income, net	\$ 39	\$ (25)
Total return swaps	Operating expense	\$ 1	\$ (2)	\$ 5	\$ (2)
Total return swaps	SG&A expense	\$ 1	\$ (1)	\$ 2	\$ (1)

The table below shows the classification between assets and liabilities on the Company's consolidated balance sheets for the fair value of the derivative instrument as well as the carrying value of its non-derivative debt instruments designated and qualifying as net investment hedges:

	Derivative and Non-Derivative Instruments		
	Balance Sheet Location	September 30, 2024	December 31, 2023
Assets:			
<i>Derivatives designated as accounting hedges:</i>			
Cross-currency swaps designated as net investment hedges	Other assets	\$ —	\$ 3
<i>Derivatives not designated as accounting hedges:</i>			
FX forwards on certain assets and liabilities	Other current assets	17	13
Total assets		<u>\$ 17</u>	<u>\$ 16</u>
Liabilities:			
<i>Derivatives designated as accounting hedges:</i>			
Interest rate swaps designated as fair value hedges	Accounts payable and accrued liabilities	\$ 6	\$ —
Cross-currency swaps designated as net investment hedges	Other liabilities	207	183
Interest rate swaps designated as fair value hedges	Other liabilities	120	183
Total derivatives designated as accounting hedges		<u>333</u>	<u>366</u>
<i>Non-derivatives designated as accounting hedges:</i>			
Long-term debt designated as net investment hedge	Long-term debt	1,395	1,381
Total liabilities		<u>\$ 1,728</u>	<u>\$ 1,747</u>

NOTE 8. GOODWILL AND OTHER ACQUIRED INTANGIBLE ASSETS

The following table summarizes the activity in goodwill for the periods indicated:

	Nine Months Ended September 30, 2024								
	MA			MIS			Consolidated		
	Gross goodwill	Accumulated impairment charge	Net goodwill	Gross goodwill	Accumulated impairment charge	Net goodwill	Gross goodwill	Accumulated impairment charge	Net goodwill
Balance at beginning of year	\$ 5,681	\$ (12)	\$ 5,669	\$ 287	\$ —	\$ 287	\$ 5,968	\$ (12)	\$ 5,956
Additions/adjustments ⁽¹⁾	39	—	39	98	—	98	137	—	137
Foreign currency translation adjustments	54	—	54	1	—	1	55	—	55
Ending balance	\$ 5,774	\$ (12)	\$ 5,762	\$ 386	\$ —	\$ 386	\$ 6,160	\$ (12)	\$ 6,148
	Year Ended December 31, 2023								
	MA			MIS			Consolidated		
	Gross goodwill	Accumulated impairment charge	Net goodwill	Gross goodwill	Accumulated impairment charge	Net goodwill	Gross goodwill	Accumulated impairment charge	Net goodwill
Balance at beginning of year	\$ 5,474	\$ (12)	\$ 5,462	\$ 377	\$ —	\$ 377	\$ 5,851	\$ (12)	\$ 5,839
Additions/adjustments ⁽²⁾	90	—	90	(87)	—	(87)	3	—	3
Foreign currency translation adjustments	117	—	117	(3)	—	(3)	114	—	114
Ending balance	\$ 5,681	\$ (12)	\$ 5,669	\$ 287	\$ —	\$ 287	\$ 5,968	\$ (12)	\$ 5,956

(1) The 2024 additions/adjustments primarily relate to certain immaterial acquisitions in 2024 (most notably GCR and Praedicat in the third quarter of 2024).

(2) The 2023 additions/adjustments primarily relate to a reallocation of goodwill pursuant to a realignment of certain components of the Company's ESG business in the first quarter of 2023.

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Acquired intangible assets and related amortization consisted of:

	September 30, 2024	December 31, 2023
Customer relationships	\$ 2,109	\$ 2,065
Accumulated amortization	(634)	(556)
Net customer relationships	1,475	1,509
Software/product technology	691	674
Accumulated amortization	(420)	(364)
Net software/product technology	271	310
Database	179	179
Accumulated amortization	(97)	(82)
Net database	82	97
Trade names	207	199
Accumulated amortization	(83)	(72)
Net trade names	124	127
Other ⁽¹⁾	66	52
Accumulated amortization	(48)	(46)
Net other	18	6
Total acquired intangible assets, net	\$ 1,970	\$ 2,049

(1) Other intangible assets primarily consist of trade secrets, covenants not to compete, and acquired ratings methodologies and models.

Amortization expense relating to acquired intangible assets is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Amortization expense	\$ 51	\$ 49	\$ 148	\$ 150

NOTE 9. RESTRUCTURING

On June 30, 2022, the chief executive officer of Moody's approved the 2022 - 2023 Geolocation Restructuring Program. The Company estimates that the program will result in annualized savings of \$145 million to \$165 million per year. This program related to the Company's post-COVID-19 geolocation strategy and other strategic initiatives and included the rationalization and exit of certain leased office spaces and a reduction in staff, including the relocation of certain job functions. Cumulative charges related to this program are shown in the table below. The savings generated from the 2022 - 2023 Geolocation Restructuring Program will strengthen the Company's operating margin, with a portion being deployed to support strategic investments, including the Company's workplace of the future program and employee retention initiatives. The 2022 - 2023 Geolocation Restructuring Program was substantially completed at the end of 2023. Cash outlays associated with this program, which primarily relate to personnel-related costs, are expected to be \$145 million to \$155 million, substantially all of which are expected to be paid by the end of 2024.

Total expense included in the accompanying consolidated statements of operations relating to the aforementioned restructuring program is below:

2022 - 2023 Geolocation Restructuring Program	Three months ended September 30,		Nine months ended September 30,		Cumulative expense incurred
	2024	2023	2024	2023	
Employee Termination Costs	\$ 6	\$ 17	\$ 13	\$ 39	\$ 149
Real Estate Related Costs	—	10	—	12	63
Other Costs	—	—	—	—	1
Total Restructuring	\$ 6	\$ 27	\$ 13	\$ 51	\$ 213

The restructuring liability for the aforementioned plan was not material at September 30, 2024.

NOTE 10. FAIR VALUE

The tables below present information about items that are carried at fair value at September 30, 2024 and December 31, 2023:

Description	Fair Value Measurement as of September 30, 2024		
	Balance	Level 1	Level 2
Assets:			
Derivatives ⁽¹⁾	\$ 17	\$ —	\$ 17
Money market funds/mutual funds	122	122	—
Total	\$ 139	\$ 122	\$ 17
Liabilities:			
Derivatives ⁽¹⁾	\$ 333	\$ —	\$ 333
Total	\$ 333	\$ —	\$ 333

Description	Fair Value Measurement as of December 31, 2023		
	Balance	Level 1	Level 2
Assets:			
Derivatives ⁽¹⁾	\$ 16	\$ —	\$ 16
Money market funds/mutual funds	107	107	—
Total	\$ 123	\$ 107	\$ 16
Liabilities:			
Derivatives ⁽¹⁾	\$ 366	\$ —	\$ 366
Total	\$ 366	\$ —	\$ 366

(1) Represents fair value of certain derivative contracts as more fully described in Note 7 to the consolidated financial statements.

The following are descriptions of the methodologies utilized by the Company to estimate the fair value of its derivative contracts, money market mutual funds and mutual funds:

Derivatives:

In determining the fair value of the derivative contracts in the table above, the Company utilizes industry standard valuation models. Where applicable, these models project future cash flows and discount the future amounts to a present value using spot rates, forward points, currency volatilities, interest rates as well as the risk of non-performance of the Company and the counterparties with whom it has derivative contracts. The Company established strict counterparty credit guidelines and only enters into transactions with financial institutions that adhere to these guidelines. Accordingly, the risk of counterparty default is deemed to be minimal.

Money market funds and mutual funds:

The mutual funds in the table above are deemed to be equity securities with readily determinable fair values with changes in the fair value recognized through net income under ASC Topic 321. The fair value of these instruments is determined using Level 1 inputs as defined in the ASC Topic 820.

NOTE 11. OTHER BALANCE SHEET AND STATEMENTS OF OPERATIONS INFORMATION

The following tables contain additional detail related to certain balance sheet captions:

	September 30, 2024	December 31, 2023
Other current assets:		
Prepaid taxes	\$ 73	\$ 115
Prepaid expenses	168	133
Capitalized costs to obtain and fulfill sales contracts	118	116
Foreign exchange forwards on certain assets and liabilities	17	13
Interest receivable on interest rate and cross currency swaps	51	79
Other	43	33
Total other current assets	\$ 470	\$ 489
Other assets:		
Investments in non-consolidated affiliates	\$ 467	\$ 521
Deposits for real-estate leases	16	16
Indemnification assets related to acquisitions	112	111
Mutual funds, certificates of deposit and money market deposit accounts/funds	113	100
Company owned life insurance (at contract value)	49	47
Capitalized costs to obtain sales contracts	202	196
Derivative instruments designated as accounting hedges	—	3
Pension and other retirement employee benefits	41	41
Other	86	103
Total other assets	\$ 1,086	\$ 1,138
Accounts payable and accrued liabilities:		
Salaries and benefits	\$ 130	\$ 130
Incentive compensation	321	345
Customer credits, advanced payments and advanced billings	136	105
Dividends	17	7
Professional service fees	56	46
Interest accrued on debt	52	83
Accounts payable	50	23
Income taxes	156	108
Pension and other retirement employee benefits	15	15
Accrued royalties	18	24
Restructuring liability	12	35
Derivative instruments designated as accounting hedges	6	—
Interest payable on interest rate and cross currency swaps	52	67
Other	112	88
Total accounts payable and accrued liabilities	\$ 1,133	\$ 1,076

	September 30, 2024	December 31, 2023
Other liabilities:		
Pension and other retirement employee benefits	\$ 199	\$ 190
Interest accrued on UTPs	45	36
MAKS indemnification provisions	19	19
Income tax liability - non-current portion	12	15
Derivative instruments designated as accounting hedges	327	366
Other	59	50
Total other liabilities	<u>\$ 661</u>	<u>\$ 676</u>

Investments in non-consolidated affiliates:

The following table provides additional detail regarding Moody's investments in non-consolidated affiliates, as included in other assets in the consolidated balance sheets:

	September 30, 2024	December 31, 2023
Equity method investments ⁽¹⁾	\$ 131	\$ 186
Investments measured using the measurement alternative ⁽²⁾	327	327
Other	9	8

Total investments in non-consolidated affiliates	<u>\$</u>	<u>467</u>	<u>\$</u>	<u>521</u>
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(1) Equity securities in which the Company has significant influence over the investee but does not have a controlling financial interest in accordance with ASC Topic 323.

(2) Equity securities without readily determinable fair value for which the Company has elected to apply the measurement alternative in accordance with ASC Topic 321.

Moody's holds various investments accounted for under the equity method, the most significant of which is the Company's minority investment in CCXI. Moody's also holds various investments measured using the measurement alternative, the most significant of which is the Company's minority interest in BitSight.

Earnings from non-consolidated affiliates, which are included within other non-operating income, net, are disclosed within the table below.

Other non-operating income, net:

The following table summarizes the components of other non-operating income, net:

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
FX (loss) gain ⁽¹⁾	\$ —	\$ 2	\$ (7)	\$ (29)
Net periodic pension income - non-service and non-interest cost components	9	8	25	26
Income from investments in non-consolidated affiliates	8	9	10	12
Gain on previously held equity method investments ⁽²⁾	7	—	7	—
Gain on investments	4	—	12	11
Other ⁽³⁾	(3)	(1)	(2)	11
Total	<u>\$ 25</u>	<u>\$ 18</u>	<u>\$ 45</u>	<u>\$ 31</u>

(1) The amount for the nine months ended September 30, 2023 includes a \$23 million loss recorded pursuant to an immaterial out-of-period adjustment relating to the 2022 fiscal year.

(2) The amounts for the three and nine months ended September 30, 2024 reflect non-cash gains relating to the step-acquisitions of Praedicat and GCR.

(3) The amount for the nine months ended September 30, 2023 includes a benefit of \$9 million related to the favorable resolutions of various tax matters.

Charges related to asset abandonment:

During the nine months ended September 30, 2024, the Company recorded charges related to asset abandonment of \$30 million. Costs of \$15 million were recorded in the second quarter of 2024 related to severance incurred pursuant to a reduction in staff due to the Company's decision to outsource the production of certain sustainability content utilized in our product offerings. Additionally, the Company has reduced the estimated useful lives of certain internally developed software and amortizable intangible assets that are associated with the sustainability content offerings for which production is being outsourced. During the third quarter of 2024,

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the Company incurred \$15 million in incremental amortization expense related to the change in estimated useful lives of these assets and expects to incur an additional \$15 million of incremental amortization expense in the fourth quarter of 2024.

NOTE 12. COMPREHENSIVE INCOME AND ACCUMULATED OTHER COMPREHENSIVE LOSS

The following tables show changes in AOCL by component (net of tax):

Gains/(Losses)	Three Months Ended September 30,									
	2024					2023				
	Pension and Other Retirement Benefits	Cash Flow Hedges	Foreign Currency Translation Adjustments	Net Investment Hedges	Total	Pension and Other Retirement Benefits	Cash Flow Hedges	Foreign Currency Translation Adjustments	Net Investment Hedges	Total
Balance at June 30,	\$ (59)	\$ (43)	\$ (674)	\$ 159	\$ (617)	\$ (48)	\$ (45)	\$ (577)	\$ 100	\$ (570)
Other comprehensive income/(loss) before reclassifications	—	—	249	(136)	113	1	—	(176)	93	(82)
Amounts reclassified from AOCL	—	1	—	—	1	(1)	1	—	—	—
Other comprehensive income/(loss)	—	1	249	(136)	114	—	1	(176)	93	(82)
Balance at September 30,	\$ (59)	\$ (42)	\$ (425)	\$ 23	\$ (503)	\$ (48)	\$ (44)	\$ (753)	\$ 193	\$ (652)

Gains/(Losses)	Nine Months Ended September 30,									
	2024					2023				
	Pension and Other Retirement Benefits	Cash Flow Hedges	Foreign Currency Translation Adjustments	Net Investment Hedges	Total	Pension and Other Retirement Benefits	Cash Flow Hedges	Foreign Currency Translation Adjustments	Net Investment Hedges	Total
Balance at December 31,	\$ (56)	\$ (44)	\$ (520)	\$ 53	\$ (567)	\$ (47)	\$ (45)	\$ (736)	\$ 185	\$ (643)
Other comprehensive (loss)/income before reclassifications	(2)	—	95	(30)	63	1	—	(17)	8	(8)
Amounts reclassified from AOCL	(1)	2	—	—	1	(2)	1	—	—	(1)
Other comprehensive (loss)/income	(3)	2	95	(30)	64	(1)	1	(17)	8	(9)
Balance at September 30,	\$ (59)	\$ (42)	\$ (425)	\$ 23	\$ (503)	\$ (48)	\$ (44)	\$ (753)	\$ 193	\$ (652)

NOTE 13. INDEBTEDNESS

The Company's debt is recorded at its carrying value, which represents the issuance amount plus or minus any issuance premium or discount, except for certain debt as depicted in the table below, which is recorded at the carrying value adjusted for the fair value of an interest rate swap used to hedge the fair value of the note.

The following table summarizes total indebtedness:

September 30, 2024					
Notes Payable:	Principal Amount	Fair Value of Interest Rate Swaps ⁽¹⁾	Unamortized (Discount) Premium	Unamortized Debt Issuance Costs	Carrying Value
5.25% 2014 Senior Notes, due 2044	\$ 600	\$ (26)	\$ 3	\$ (4)	\$ 573
1.75% 2015 Senior Notes, due 2027	558	—	—	(1)	557
3.25% 2017 Senior Notes, due 2028	500	(14)	(2)	(1)	483
4.25% 2018 Senior Notes, due 2029	400	(25)	(1)	(1)	373
4.875% 2018 Senior Notes, due 2048	400	(29)	(6)	(3)	362
0.950% 2019 Senior Notes, due 2030	837	—	(2)	(3)	832
3.75% 2020 Senior Notes, due 2025	700	(6)	—	(1)	693
3.25% 2020 Senior Notes, due 2050	300	—	(4)	(3)	293
2.55% 2020 Senior Notes, due 2060	300	—	(2)	(3)	295
2.00% 2021 Senior Notes, due 2031	600	—	(6)	(4)	590
2.75% 2021 Senior Notes, due 2041	600	—	(12)	(5)	583
3.10% 2021 Senior Notes, due 2061	500	—	(7)	(5)	488
3.75% 2022 Senior Notes, due 2052	500	(21)	(8)	(5)	466
4.25% 2022 Senior Notes, due 2032	500	(5)	(2)	(3)	490
5.00% 2024 Senior Notes, due 2034	500	—	(4)	(5)	491
Total debt	\$ 7,795	\$ (126)	\$ (53)	\$ (47)	\$ 7,569
Current portion					(693)
Total long-term debt					\$ 6,876

December 31, 2023					
Notes Payable:	Principal Amount	Fair Value of Interest Rate Swaps ⁽¹⁾	Unamortized (Discount) Premium	Unamortized Debt Issuance Costs	Carrying Value
5.25% 2014 Senior Notes, due 2044	\$ 600	\$ (34)	\$ 3	\$ (4)	\$ 565
1.75% 2015 Senior Notes, due 2027	552	—	—	(1)	551
3.25% 2017 Senior Notes, due 2028	500	(26)	(2)	(2)	470
4.25% 2018 Senior Notes, due 2029	400	(34)	(2)	(2)	362
4.875% 2018 Senior Notes, due 2048	400	(36)	(6)	(3)	355
0.950% 2019 Senior Notes, due 2030	829	—	(2)	(4)	823
3.75% 2020 Senior Notes, due 2025	700	(16)	(1)	(1)	682
3.25% 2020 Senior Notes, due 2050	300	—	(4)	(3)	293
2.55% 2020 Senior Notes, due 2060	300	—	(2)	(3)	295
2.00% 2021 Senior Notes, due 2031	600	—	(6)	(4)	590
2.75% 2021 Senior Notes, due 2041	600	—	(12)	(5)	583
3.10% 2021 Senior Notes, due 2061	500	—	(7)	(5)	488
3.75% 2022 Senior Notes, due 2052	500	(29)	(8)	(5)	458
4.25% 2022 Senior Notes, due 2032	500	(8)	(2)	(4)	486
Total long-term debt	\$ 7,281	\$ (183)	\$ (51)	\$ (46)	\$ 7,001

(1) The fair value of interest rate swaps in the tables above represents the cumulative amount of fair value hedging adjustments included in the carrying value of the hedged debt.

Notes Payable

At September 30, 2024, the Company was in compliance with all covenants contained within all of the debt agreements. All of the debt agreements contain cross default provisions which state that default under one of the aforementioned debt instruments could in turn permit lenders under other debt instruments to declare borrowings outstanding under those instruments to be immediately due and payable. As of September 30, 2024, there were no such cross defaults.

The repayment schedule for the Company's borrowings is as follows:

Year Ending December 31,	Year Ending Total
2024 (After September 30,)	\$ —
2025	700
2026	—
2027	558
2028	500
Thereafter	6,037
Total	\$ 7,795

Interest expense, net

The following table summarizes the components of interest as presented in the consolidated statements of operations and the cash paid for interest:

	Three Months Ended		Nine Months Ended September 30,	
	September 30,		September 30,	
	2024	2023	2024	2023
Income	\$ 28	\$ 19	\$ 73	\$ 44
Expense on borrowings ⁽¹⁾	(79)	(75)	(227)	(220)
(Expense) income on UTPs and other tax related liabilities ⁽²⁾	(3)	(4)	(12)	10
Net periodic pension costs - interest component	(6)	(6)	(19)	(19)
Interest expense, net	\$ (60)	\$ (66)	\$ (185)	\$ (185)
Interest paid⁽³⁾	\$ 83	\$ 87	\$ 234	\$ 230

(1) Expense on borrowings includes interest on long-term debt, as well as realized gains/losses related to interest rate swaps and cross currency swaps, which are more fully discussed in Note 7.

(2) The amount for the nine months ended September 30, 2023 includes a \$22 million reduction of tax-related interest expense primarily related to the resolutions of tax matters.

(3) Interest paid includes net settlements on interest rate swaps, which are more fully discussed in Note 7.

The fair value and carrying value of the Company's debt as of September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024		December 31, 2023	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
	Total debt	\$ 7,569	\$ 7,066	\$ 7,001

The fair value of the Company's debt is estimated based on quoted prices in active markets as of the reporting date, which are considered Level 1 inputs within the fair value hierarchy.

NOTE 14. LEASES

The Company has operating leases, substantially all of which relate to the lease of office space. The Company's leases which are classified as finance leases are not material to the consolidated financial statements. Certain of the Company's leases include options to renew, with renewal terms that can extend the lease term from one year to 20 years at the Company's discretion.

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The following table presents the components of the Company's lease cost:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating lease cost	\$ 23	\$ 23	\$ 66	\$ 70
Sublease income	(1)	(1)	(5)	(5)
Variable lease cost	5	6	16	16
Total lease cost	\$ 27	\$ 28	\$ 77	\$ 81

The following tables present other information related to the Company's operating leases:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 31	\$ 30	\$ 90	\$ 90
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 15	\$ 1	\$ 20	\$ 25

	September 30, 2024	September 30, 2023
Weighted-average remaining lease term	4.0 years	4.6 years
Weighted-average discount rate applied to operating leases	3.2 %	3.2 %

The following table presents a maturity analysis of the future minimum lease payments included within the Company's operating lease liabilities at September 30, 2024:

Year Ending December 31,	Operating Leases
2024 (After September 30,)	\$ 30
2025	113
2026	93
2027	75
2028	24
After 2028	41
Total lease payments (undiscounted)	376
Less: Interest	22
Present value of lease liabilities:	\$ 354
Lease liabilities - current	\$ 109
Lease liabilities - noncurrent	\$ 245

NOTE 15. CONTINGENCIES

Given the nature of the Company's activities, Moody's and its subsidiaries are subject to legal and tax proceedings, governmental, regulatory and legislative investigations, subpoenas and other inquiries, and claims and litigation by governmental and private parties that are based on ratings assigned by MIS or that are otherwise incidental to the Company's business. Moody's and MIS also are subject to periodic reviews, inspections, examinations and investigations by regulators in the U.S. and other jurisdictions, any of which may result in claims, legal proceedings, assessments, fines, penalties or restrictions on business activities. On September 3, 2024, MIS settled charges by the SEC for failure to comply with record preservation requirements applicable to MIS. The settlement followed an investigation relating to certain business communications sent over electronic messaging channels that had not been approved by MIS. The SEC has settled similar charges with other NRSROs and other registrants subject to record preservation requirements. The terms of MIS's settlement included the payment of a \$20 million civil monetary penalty. As previously disclosed in the Company's Form 10-Q's this year, the Company had accrued that amount in its consolidated financial statements in prior periods. Moody's also is subject to ongoing tax audits as addressed in Note 4 to the consolidated financial statements.

Management periodically assesses the Company's liabilities and contingencies in connection with these matters based upon the latest information available. For claims, litigation and proceedings and governmental investigations and inquiries not related to income taxes, the Company records liabilities in the consolidated financial statements when it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated and periodically adjusts these as appropriate. When the

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reasonable estimate of the loss is within a range of amounts, the minimum amount of the range is accrued unless some higher amount within the range is a better estimate than another amount within the range. In instances when a loss is reasonably possible but uncertainties exist related to the probable outcome and/or the amount or range of loss, management does not record a liability but discloses the contingency if material. As additional information becomes available, the Company adjusts its assessments and estimates of such matters accordingly. Moody's also discloses material pending legal proceedings pursuant to SEC rules and other pending matters as it may determine to be appropriate.

In view of the inherent difficulty of assessing the potential outcome of legal proceedings, governmental, regulatory and legislative investigations and inquiries, claims and litigation and similar matters and contingencies, particularly when the claimants seek large or indeterminate damages or assert novel legal theories or the matters involve a large number of parties, the Company often cannot predict what the eventual outcome of the pending matters will be or the timing of any resolution of such matters. The Company also may be unable to predict the impact (if any) that any such matters may have on how its business is conducted, on its competitive position or on its financial position, results of operations or cash flows. As the process to resolve any pending matters progresses, management will continue to review the latest information available and assess its ability to predict the outcome of such matters and the effects, if any, on its operations and financial condition and to accrue for and disclose such matters as and when required. However, because such matters are inherently unpredictable and unfavorable developments or resolutions can occur, the ultimate outcome of such matters, including the amount of any loss, may differ from those estimates.

NOTE 16. SEGMENT INFORMATION

The Company is organized into two operating segments: MA and MIS and accordingly, the Company reports in two reportable segments: MA and MIS.

Revenue for MA and expenses for MIS include an intersegment fee charged to MIS from MA for certain MA products and services utilized in MIS's ratings process. Additionally, revenue for MIS and expenses for MA include intersegment fees charged to MA for the rights to use and distribute content, data and products developed by MIS. These intersegment fees are generally based on the market value of the products and services being transferred between the segments.

Overhead expenses include costs such as rent and occupancy, information technology and support staff such as finance, human resources and legal. Such costs and corporate expenses that exclusively benefit one segment are fully charged to that segment.

For overhead costs and corporate expenses that benefit both segments, costs are allocated to each segment based on the segment's share of full-year 2018 actual revenue which comprises a "Baseline Pool" established in 2019, which will remain fixed over time. In subsequent periods, incremental overhead costs (or reductions thereof) will be allocated to each segment based on the prevailing shares of total revenue represented by each segment.

"Eliminations" in the following table represent intersegment revenue/expense. Moody's does not report the Company's assets by reportable segment, as this metric is not used by the CODM to allocate resources to the segments. Consequently, it is not practical to show assets by reportable segment.

Financial Information by Segment

The table below shows revenue and Adjusted Operating Income by reportable segment. Adjusted Operating Income is a financial metric utilized by the Company's CODM to assess the profitability of each reportable segment. Refer to Note 2 for further details on the components of the Company's revenue.

	Three Months Ended September 30,							
	2024				2023			
	MA	MIS	Eliminations	Consolidated	MA	MIS	Eliminations	Consolidated
Total external revenue	\$ 831	\$ 982	\$ —	\$ 1,813	\$ 776	\$ 696	\$ —	\$ 1,472
Intersegment revenue	3	48	(51)	—	3	47	(50)	—
Revenue	834	1,030	(51)	1,813	779	743	(50)	1,472
Operating, SG&A	581	416	(51)	946	517	348	(50)	815
Adjusted Operating Income	\$ 253	\$ 614	\$ —	\$ 867	\$ 262	\$ 395	\$ —	\$ 657
Add:								
Depreciation and amortization	88	20	—	108	76	19	—	95
Restructuring	4	2	—	6	22	5	—	27
Charges related to asset abandonment	15	—	—	15	—	—	—	—
Operating Income				\$ 738				\$ 535

Nine Months Ended September 30,

	2024				2023			
	MA	MIS	Eliminations	Consolidated	MA	MIS	Eliminations	Consolidated
Total external revenue	\$ 2,432	\$ 2,984	\$ —	\$ 5,416	\$ 2,260	\$ 2,176	\$ —	\$ 4,436
Intersegment revenue	10	144	(154)	—	10	138	(148)	—
Revenue	2,442	3,128	(154)	5,416	2,270	2,314	(148)	4,436
Operating, SG&A	1,721	1,174	(154)	2,741	1,584	1,034	(148)	2,470
Adjusted Operating Income	\$ 721	\$ 1,954	\$ —	\$ 2,675	\$ 686	\$ 1,280	\$ —	\$ 1,966
Add:								
Depreciation and amortization	260	58	—	318	220	56	—	276
Restructuring	7	6	—	13	38	13	—	51
Charges related to asset abandonment	30	—	—	30	—	—	—	—
Operating Income				\$ 2,314				\$ 1,639

The table below shows cumulative restructuring expense incurred through September 30, 2024 by reportable segment.

	MA	MIS	Total
2022 - 2023 Geolocation Restructuring Program	\$ 115	\$ 98	\$ 213

The 2022 - 2023 Geolocation Restructuring Program is more fully discussed in Note 9.

Consolidated Revenue Information by Geographic Area

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
United States	\$ 999	\$ 762	\$ 2,942	\$ 2,300
Non-U.S.:				
EMEA	546	465	1,654	1,404
Asia-Pacific	157	143	476	437
Americas	111	102	344	295
Total Non-U.S.	814	710	2,474	2,136
Total	\$ 1,813	\$ 1,472	\$ 5,416	\$ 4,436

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion and analysis of financial condition and results of operations should be read in conjunction with the Moody's Corporation consolidated financial statements and notes thereto included elsewhere in this quarterly report on Form 10-Q.

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains Forward-Looking Statements. See "Forward-Looking Statements" commencing on page 77 for a discussion of uncertainties, risks and other factors associated with these statements.

THE COMPANY

In a world shaped by increasingly interconnected risks, Moody's data, insights, and innovative technologies help customers develop a holistic view of their world and unlock opportunities. With a rich history of experience in global markets and a diverse workforce of approximately 16,000 across more than 40 countries, Moody's gives customers the comprehensive perspective needed to act with confidence and thrive. Moody's has two reportable segments: MA and MIS.

Moody's Analytics	MOODY'S	Moody's Investors Service
MA provides data, intelligence and analytical tools to help business and financial leaders make confident decisions.	Global risk assessment firm that empowers organizations to anticipate, adapt and thrive in a new era of exponential risk. Our data, analytical solutions and insights help decision-makers identify opportunities and manage the risks of doing business with others.	For more than 115 years, MIS has been a leading provider of credit ratings, research, and risk analysis helping businesses, governments, and other entities around the globe.

MA is comprised of: i) three cloud-based SaaS businesses serving banking, insurance and KYC workflows (Decision Solutions); ii) a premier fixed income and economic research business (Research & Insights); and iii) a data business powered by the world's largest database on companies and credit (Data & Information).

MIS publishes credit ratings and provides assessment services on a wide range of debt obligations, programs and facilities, and the entities that issue such obligations in markets worldwide, including various corporate, financial institution and governmental obligations, and structured finance securities.

Sustainability

Moody's manages its business with the goal of delivering value to all of its stakeholders, including its customers, employees, business partners, local communities and stockholders. As part of this effort, Moody's advances its commitment to sustainability by considering ESG factors in its operations, value chain, products and services. We use our specialized knowledge and assets to make a positive difference through technology tools, research and analytical services that help other organizations and the investor community better understand the links between sustainability considerations and the global markets. During 2024, Moody's received the following awards and recognition for its sustainability-related efforts:

- Recognized among America's 100 Most JUST Companies by JUST Capital and CNBC for its commitment to serving its workforce, customers, communities, the environment, and stockholders for its sustainability-related efforts;
- Made CDP's 2023 Climate Change 'A' List, in recognition of Moody's leadership in corporate transparency and actions taken to mitigate climate change;
- Named to the 2023 Dow Jones Sustainability Indices (DJSI) - World and North America, an annual listing of publicly traded companies, recognizing Moody's for its strong corporate sustainability practices; and
- Recognized as a 2023 CDP Supplier Engagement leader for the fourth consecutive year, ranking among the top 4% companies assessed for supplier engagement on climate change.

The Board oversees sustainability matters via the Audit, Governance & Nominating and Compensation & Human Resources Committees, as part of its oversight of management and the Company's overall strategy. The Audit Committee oversees financial, risk and other disclosures made in the Company's annual and quarterly reports related to sustainability and has overseen the expanded voluntary disclosures the Company has made in its periodic filings. The Governance & Nominating Committee oversees sustainability matters, including significant issues of corporate social and environmental responsibility, as they pertain to the Company's business and to long-term value creation for the Company and its stockholders, and makes recommendations to the Board regarding these issues. This has helped to develop the Company's robust ESG strategy. Finally, the Compensation & Human Resources Committee oversees inclusion of sustainability-related performance goals for determining compensation of all senior executives. This oversight has resulted in the Company more fully integrating sustainability-related performance metrics into the strategic & operational compensation metric of all senior executives. The Board also oversees Moody's policies for assessing and managing the Company's exposure to risk, including climate-related risks such as business continuity disruption and

reputational or credibility concerns stemming from incorporation of climate-related risks into the credit methodologies and credit ratings of MIS, or analysis of such risks within MA's products and services. The Board maintains its collective knowledge of sustainability topics through ongoing education, such as regular presentations from management on various ESG issues, including climate and the integration of ESG factors into Moody's products and solutions.

Three Pillars of Moody's Sustainability Strategy



Our Actions

the decisions and actions we can take related to impacts under our direct control



Our Influence

the actions that we can demand or request from entities providing us with products and services



Our Support

the steps we take to support or enable direct action by other organizations or communities

Critical Accounting Estimates

Moody's discussion and analysis of its financial condition and results of operations are based on the Company's consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires Moody's to make estimates and judgments that affect reported amounts of assets and liabilities and related disclosures of contingent assets and liabilities at the dates of the financial statements and revenue and expenses during the reporting periods. These estimates are based on historical experience and on other assumptions that are believed to be reasonable under the circumstances. On an ongoing basis, Moody's evaluates its estimates, including those related to revenue recognition, contingencies, goodwill and acquired intangible assets, pension and other retirement benefits, investments in non-consolidated affiliates, and income taxes. Actual results may differ from these estimates under different assumptions or conditions. Item 7, MD&A, in the Company's annual report on Form 10-K for the year ended December 31, 2023, includes descriptions of some of the judgments that Moody's makes in applying its accounting estimates in these areas. Since the date of the annual report on Form 10-K, there have been no material changes to the Company's critical accounting estimates disclosures other than the update below relating to the Company's annual assessment of goodwill for impairment.

Goodwill and Other Acquired Intangible Assets

At July 31st of each year, Moody's evaluates its goodwill for impairment at the reporting unit level, defined as an operating segment (i.e., MA and MIS), or one level below an operating segment (i.e., a component of an operating segment).

The Company has four reporting units: two reporting units within MA consisting of businesses that offer: i) data and data-driven analytical solutions; and ii) risk-management software, workflow and CRE solutions, and two within the Company's ratings business (one for the ICRA business and one that encompasses all of Moody's other ratings operations).

The Company evaluates the recoverability of goodwill using a two-step impairment test approach at the reporting unit level. In the first step, the Company assesses various qualitative factors to determine whether the fair value of a reporting unit may be less than its carrying amount. If a determination is made based on the qualitative factors that an impairment does not exist, the Company is not required to perform further testing. If the aforementioned qualitative assessment results in the Company concluding that it is more likely than not that the fair value of a reporting unit may be less than its carrying amount, the fair value of the reporting unit will be quantitatively determined and compared to its carrying value including goodwill. If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that unit, goodwill is not impaired, and the Company is not required to perform further testing. If the fair value of the reporting unit is less than the carrying value, the Company will record a goodwill impairment charge for the amount by which the carrying value exceeds the reporting unit's fair value. The Company evaluates its reporting units on an annual basis, or more frequently if there are changes in the reporting structure of the Company due to acquisitions, realignments or if there are indicators of potential impairment. For the reporting units where the Company is consistently able to conclude that no impairment exists using only a qualitative approach, the Company's accounting policy is to perform the second step of the aforementioned goodwill impairment assessment at least once every three years.

At July 31, 2024, the Company performed quantitative assessments for each of the four reporting units in accordance with the aforementioned policy. These quantitative assessments resulted in fair values that significantly exceeded carrying value for all reporting units. Accordingly, at the date of the filing of this quarterly report on Form 10-Q, the Company does not believe that any of its reporting units are at risk for impairment.

Determining the fair value of a reporting unit involves the use of significant estimates and assumptions, which are more fully described below. In addition, the Company also makes certain judgments and assumptions in allocating shared assets and liabilities to determine the carrying values for each of its reporting units.

Other assets and liabilities, including applicable corporate assets, are allocated to the extent they are related to the operation of respective reporting units.

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Methodologies and significant estimates utilized in determining the fair value of reporting units:

The following is a discussion regarding the Company's methodology for determining the fair value of its reporting units, excluding ICRA, as of July 31, 2024. As ICRA is a publicly traded company in India, the Company was able to observe its fair value based on its market capitalization.

The fair value of each reporting unit, excluding ICRA, was estimated using a discounted cash flow methodology and comparable public company and precedent transaction multiples. The discounted cash flow analysis requires significant estimates, including projections of future operating results and cash flows of each reporting unit that are based on internal budgets and strategic plans, expected long-term growth rates, terminal values, weighted average cost of capital and the effects of external factors and market conditions. Changes in these estimates and assumptions could materially affect the estimated fair value of each reporting unit that could result in an impairment charge to reduce the carrying value of goodwill, which could be material to the Company's financial position and results of operations. Moody's allocates newly acquired goodwill to reporting units based on the reporting unit expected to benefit from the acquisition.

The sensitivity analyses on the future cash flows and WACC assumptions are described below. These key assumptions utilized in the discounted cash flow valuation methodology require significant management judgment:

–Future cash flow assumptions - The projections for future cash flows utilized in the models are derived from historical experience and assumptions regarding future growth and profitability of each reporting unit. These projections are consistent with the Company's operating budget and strategic plan. Cash flows for the five years subsequent to the date of the quantitative goodwill impairment test were utilized in the determination of the fair value of each reporting unit. Beyond five years, a terminal value was determined using a perpetuity growth rate based on inflation and real GDP growth rates. A sensitivity analysis of the revenue growth rates was performed on all reporting units. For each reporting unit analyzed, a 10% reduction in the revenue growth rates used would still result in fair values that significantly exceeded carrying values.

–WACC - The WACC is the rate used to discount each reporting unit's estimated future cash flows. The WACC is calculated based on the proportionate weighting of the cost of debt and equity. The cost of equity is based on a risk-free interest rate and an equity risk factor, which is derived from public companies similar to the reporting unit and which captures the perceived risks and uncertainties associated with the reporting unit's cash flows. The cost of debt component is calculated as the weighted average cost associated with all of the Company's outstanding borrowings as of the date of the impairment test and was immaterial to the computation of the WACC. The cost of debt and equity is weighted based on the debt to market capitalization ratio of publicly traded companies with similarities to the reporting unit being tested. The WACC for all reporting units ranged from 10.0% to 10.5% as of July 31, 2024. Differences in the WACC used between reporting units is primarily due to distinct risks and uncertainties regarding the cash flows of the different reporting units. A sensitivity analysis of the WACC was performed on all reporting units as of July 31, 2024 for each reporting unit. For all reporting units, an increase in the WACC of one percentage point would still result in fair values that significantly exceeded carrying values.

Reportable Segments

The Company is organized into two reportable segments as of September 30, 2024: MA and MIS, which are more fully described in the section entitled "The Company" above and in Note 16 to the consolidated financial statements.

RESULTS OF OPERATIONS

The following footnotes are applicable throughout the discussion of the Company's results of operations:

- (1) Refer to the section entitled "Non-GAAP Financial Measures" of this MD&A for the definition and methodology that the Company utilizes to calculate this metric.
- (2) Refer to the section entitled "Key Performance Metrics" of this MD&A for the definition and methodology that the Company utilizes to calculate this metric.

Three months ended September 30, 2024 compared with three months ended September 30, 2023

Executive Summary

The following table provides an executive summary of key operating results for the quarter ended September 30, 2024. Following this executive summary is a more detailed discussion of the Company's operating results as well as a discussion of the operating results of the Company's reportable segments.

Financial measure:	Three Months Ended			% Change Favorable (Unfavorable)	Insight and Key Drivers of Change Compared to Prior Year
	September 30,				
	2024	2023			
Moody's total revenue	\$ 1,813	\$ 1,472	23 %		— reflects revenue growth in both segments
MA external revenue	\$ 831	\$ 776	7 %		— sustained demand for KYC and insurance offerings; — ongoing strong retention and new sales for ratings data feeds and company data applications; and — continued demand for credit research product offerings
MIS external revenue	\$ 982	\$ 696	41 %		reflects issuance growth across all LOBs resulting from: — favorable market conditions for issuers, due to sustained tight credit spreads; and — demand from investors, as yields remain high ahead of potential future interest rate cuts
Total operating and SG&A expenses	\$ 946	\$ 815	(16 %)		— higher incentive and stock-based compensation aligned with actual/projected financial and operating performance; and — higher salaries and benefits reflecting an increase in headcount and annual salary increases in both segments
Depreciation and amortization	\$ 108	\$ 95	(14 %)		— higher amortization of internally developed software, primarily related to the development of MA SaaS solutions
Restructuring	\$ 6	\$ 27	78 %		— relates to the Company's 2022 - 2023 Geolocation Restructuring Program, more fully discussed in Note 9 to the consolidated financial statements
Charges related to asset abandonment	\$ 15	\$ —	NM		— costs related to the Company's decision to outsource the production of certain sustainability content utilized in our product offerings, which is more fully discussed in Note 11 to the consolidated financial statements
Total non-operating (expense) income, net	\$ (35)	\$ (48)	27 %		— an increase in interest income due to higher cash and short-term investment balances and higher interest rates; and — gains recorded on previously held equity investments, more fully discussed in Note 11 to the consolidated financial statements
Operating margin	40.7 %	36.3 %	440 BPS		— operating margin and Adjusted Operating Margin ⁽¹⁾ expansion reflects strong revenue growth, particularly within MIS, outpacing an increase in operating and SG&A expenses
Adjusted Operating Margin ⁽¹⁾	47.8 %	44.6 %	320 BPS		
ETR	24.0 %	19.9 %	(410 BPS)		— reflects adjustments resulting from the finalization of income tax returns, coupled with increased earnings from non-U.S. operations subject to higher income tax rates
Diluted EPS	\$ 2.93	\$ 2.11	39 %		— increase reflects growth in operating income and Adjusted Operating Income ⁽¹⁾ driven mainly by strong MIS revenue growth
Adjusted Diluted EPS ⁽¹⁾	\$ 3.21	\$ 2.43	32 %		

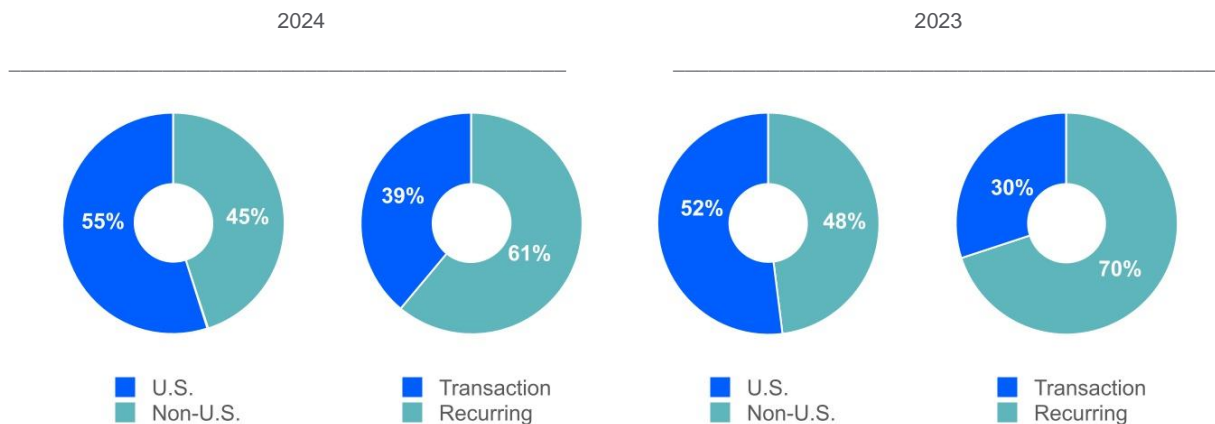
	Three Months Ended September 30,		% Change Favorable (Unfavorable)
	2024	2023	
Revenue:			
United States	\$ 999	\$ 762	31 %
Non-U.S.:			
EMEA	546	465	17 %
Asia-Pacific	157	143	10 %
Americas	111	102	9 %
Total Non-U.S.	814	710	15 %
Total	1,813	1,472	23 %
Expenses:			
Operating	512	412	(24 %)
SG&A	434	403	(8 %)
Depreciation and amortization	108	95	(14 %)
Restructuring	6	27	78 %
Charges related to asset abandonment	15	—	NM
Total	1,075	937	(15 %)
Operating income	\$ 738	\$ 535	38 %
Adjusted Operating Income ⁽¹⁾	\$ 867	\$ 657	32 %
Interest expense, net	\$ (60)	\$ (66)	9 %
Other non-operating income, net	25	18	39 %
Non-operating (expense) income, net	\$ (35)	\$ (48)	27 %
Net income attributable to Moody's	\$ 534	\$ 389	37 %
Diluted weighted average shares outstanding	182.5	184.0	1 %
Diluted EPS attributable to Moody's common shareholders	\$ 2.93	\$ 2.11	39 %
Adjusted Diluted EPS ⁽¹⁾	\$ 3.21	\$ 2.43	32 %
Operating margin	40.7 %	36.3 %	
Adjusted Operating Margin ⁽¹⁾	47.8 %	44.6 %	
ETR	24.0 %	19.9 %	

The table below shows Moody's global staffing by geographic area:

		September 30,		Change %
		2024	2023 ^(a)	
MA	U.S.	2,971	3,049	(3 %)
	Non-U.S.	5,182	4,829	7 %
	Total	8,153	7,878	3 %
MIS	U.S.	1,559	1,469	6 %
	Non-U.S.	4,136	3,822	8 %
	Total	5,695	5,291	8 %
MSS	U.S.	689	729	(5 %)
	Non-U.S.	1,239	1,145	8 %
	Total	1,928	1,874	3 %
Total MCO	U.S.	5,219	5,247	(1 %)
	Non-U.S.	10,557	9,796	8 %
	Total	15,776	15,043	5 %

(a) Certain reclassifications and adjustments have been made to 2023 amounts to reflect certain departmental reorganizations and M&A integrations

Three months ended September 30,



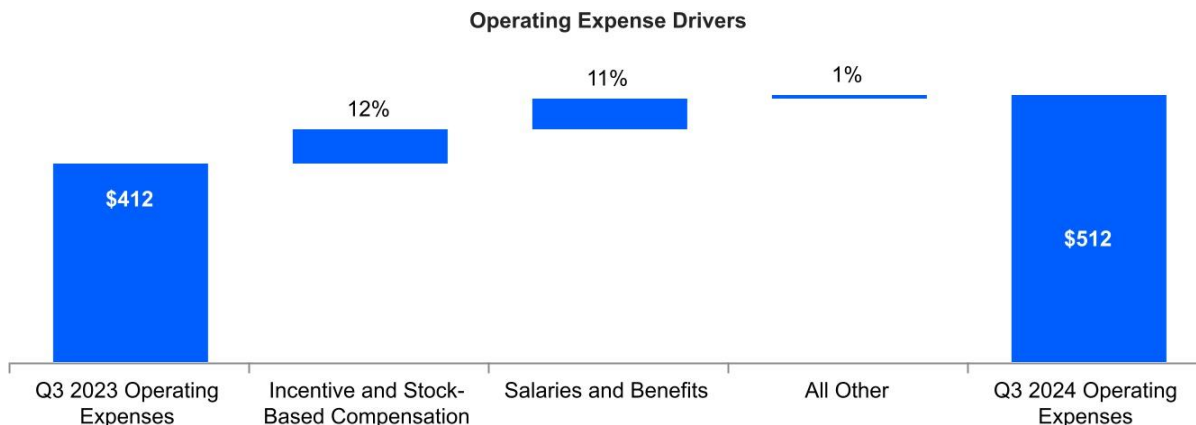
Global revenue ↑ \$341 million

U.S. Revenue ↑ \$237 million

Non-U.S. Revenue ↑ \$104 million

The increase in global revenue reflects growth in both segments, both in the U.S. and internationally. Refer to the section entitled “Segment Results” of this MD&A for a more comprehensive discussion of the Company’s segment revenue.

Third Quarter Operating Expense ↑ \$100 million



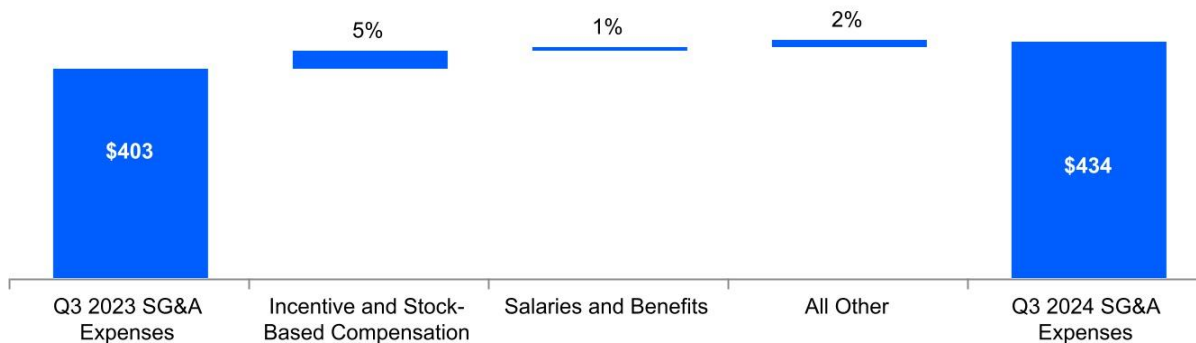
Compensation expenses of \$394 million increased \$93 million, with the most notable drivers reflecting:

- higher incentive and stock-based compensation aligned with actual/projected financial and operating performance and headcount growth; and
- higher salaries and benefits that reflects hiring and salary increases to support continued growth in the business

Non-compensation expenses of \$118 million increased \$7 million, with the most notable driver reflecting:

- an increase in costs to support operating growth, including investments to support technology and innovation

SG&A Expense Drivers



Compensation expenses of \$274 million increased \$23 million, with the most notable driver reflecting:
 — higher incentive and stock-based compensation aligned with actual/projected financial and operating performance and headcount growth

Non-compensation expenses of \$160 million increased \$8 million, with the most notable driver reflecting:
 — costs to support operating growth

[Depreciation and amortization](#)

The increase is primarily driven by amortization of internally developed software, which relates to the development of MA SaaS solutions.

[Restructuring](#)

The amounts in both periods reflect charges and adjustments related to the Company's 2022 - 2023 Geolocation Restructuring Program as more fully discussed in Note 9 to the consolidated financial statements.

[Charges related to asset abandonment](#)

Reflects costs related to the Company's decision to outsource the production of certain sustainability content utilized in our product offerings, which is more fully discussed in Note 11 to the consolidated financial statements.

[Operating margin 40.7%, ↑ 440 BPS](#)

[Adjusted Operating Margin^{\(1\)} 47.8%, ↑ 320 BPS](#)

Operating margin and Adjusted Operating Margin⁽¹⁾ expansion reflects strong revenue growth, particularly in MIS, outpacing an increase in operating and SG&A expenses.

[Interest Expense, net ↓ \\$6 million](#)

[Other non-operating income ↑ \\$7 million](#)

The most notable driver of the decrease in expense is due to:
 — higher interest income of \$9 million reflecting higher cash and short term investment balances and interest yields

Increase in income is primarily due to:
 — gains of \$7 million recorded on previously held equity investments, more fully discussed in Note 11 to the consolidated financial statements

[ETR ↑ 410 BPS](#)

The ETR was higher than the prior year reflecting adjustments resulting from the finalization of income tax returns, coupled with increased earnings from non-U.S. operations subject to higher income tax rates.

[Diluted EPS ↑ \\$0.82](#)

[Adjusted Diluted EPS^{\(1\)} ↑ \\$0.78](#)

Both diluted EPS and Adjusted Diluted EPS⁽¹⁾ growth is mostly attributable to higher operating income and Adjusted Operating Income⁽¹⁾, the components of which are more fully described above.

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Segment Results

Moody's Analytics

The table below provides a summary of revenue and operating results, followed by further insight and commentary:

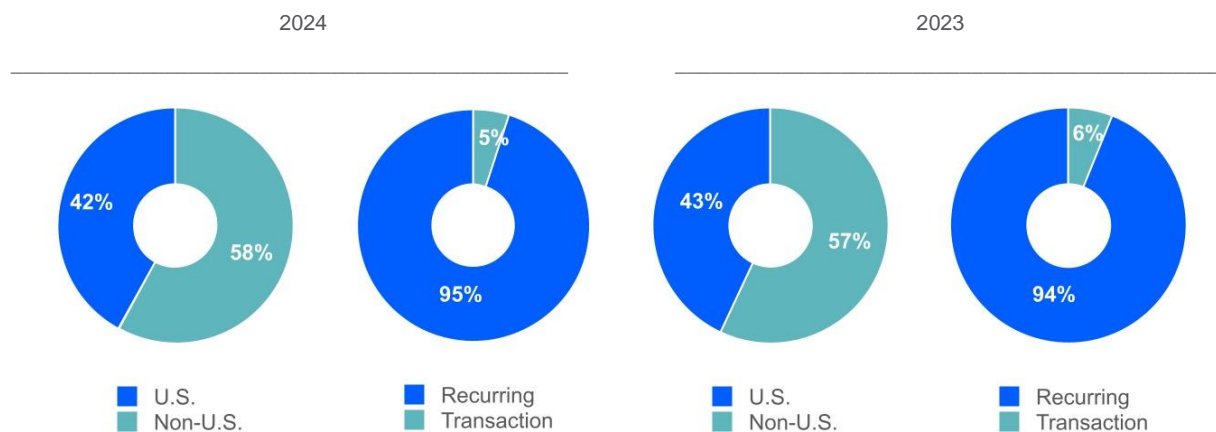
	Three Months Ended September 30,		% Change Favorable (Unfavorable)
	2024	2023	
Revenue:			
Decision Solutions (DS)	\$ 383	\$ 354	8 %
Research and Insights (R&I)	235	222	6 %
Data and Information (D&I)	213	200	7 %
Total external revenue	831	776	7 %
Intersegment revenue	3	3	— %
Total MA revenue	834	779	7 %
Expenses:			
Operating and SG&A (external)	533	470	(13 %)
Operating and SG&A (intersegment)	48	47	(2 %)
Total operating and SG&A	581	517	(12 %)

Adjusted Operating Income	\$ 253	\$ 262	(3 %)
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Adjusted Operating Margin	30.3 %	33.6 %	
Depreciation and amortization	88	76	(16 %)
Restructuring	4	22	82 %
Charges related to asset abandonment	15	—	NM

[MOODY'S ANALYTICS REVENUE](#)

Three months ended September 30,



MA: Global revenue ↑ \$55 million

U.S. Revenue ↑ \$12 million

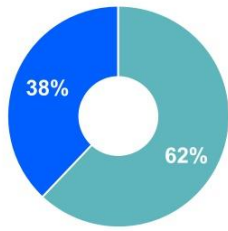
Non-U.S. Revenue ↑ \$43 million

The 7% increase in global MA revenue reflects growth both in the U.S. (4%) and internationally (10%).

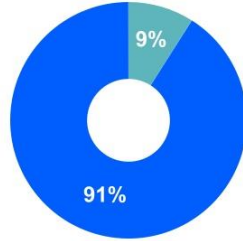
–ARR₍₂₎ increased 9% reflecting growth across all LOBs.

2024

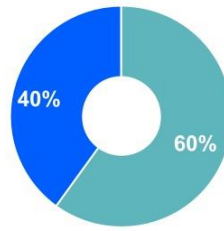
2023



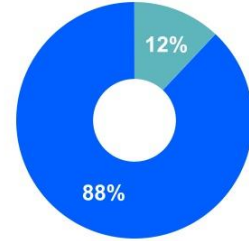
■ U.S.
■ Non-U.S.



■ Recurring
■ Transaction



■ U.S.
■ Non-U.S.



■ Recurring
■ Transaction

DS: Global revenue ↑ \$29 million

U.S. Revenue ↑ \$3 million

Non-U.S. Revenue ↑ \$26 million

Global DS revenue for the three months ended September 30, 2024 and 2023 was comprised as follows:



Global DS revenue grew 8% compared to the third quarter of 2023 and reflects increases in the U.S. (2%) and internationally (12%).

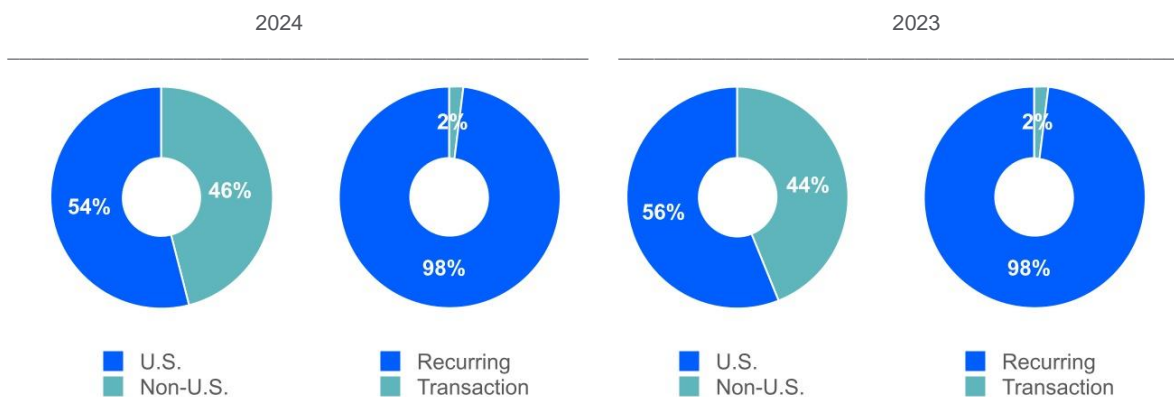
The most notable drivers of the growth are as follows:

- strong demand for an expanding suite of KYC solutions, reflecting increased customer and supplier risk data usage, which drove revenue and ARR₍₂₎ growth of 19% and 14%, respectively;
- Insurance revenue and ARR₍₂₎ grew 7% and 13%, respectively.
 - recurring revenue growth of 11% in Insurance was attributable to strong demand resulting in new sales for subscription-based catastrophe and actuarial models.
- Banking revenue and ARR₍₂₎ grew 3% and 10%, respectively.
 - recurring revenue growth of 10% within banking was supported by strong customer retention coupled with expansion of existing customer relationships to subscription-based banking offerings, which enable customers' lending, risk management and finance workflows;
- the aforementioned recurring revenue growth for Insurance and Banking was partially offset by a decline in transaction revenue of 50% and 17%, respectively, reflecting MA's continued strategic shift to subscription-based solutions.

The aforementioned factors contributed to overall ARR₍₂₎ growth for DS of 12%.

RESEARCH AND INSIGHTS REVENUE

Three months ended September 30,



R&I: Global revenue ↑ \$13 million

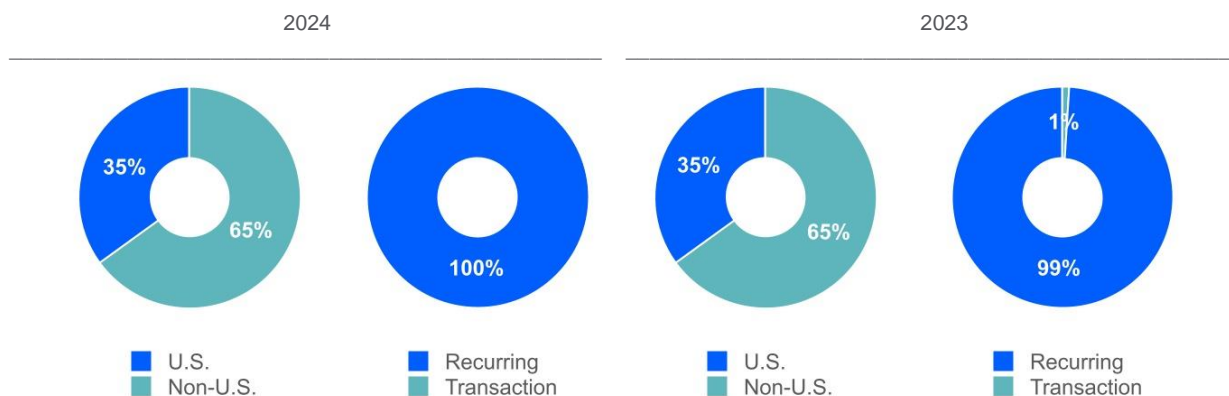
U.S. Revenue ↑ \$4 million

Non-U.S. Revenue ↑ \$9 million

Global R&I revenue increased 6% compared to the third quarter of 2023 and reflects growth in both the U.S. (3%) and internationally (9%). This increase was driven by sales growth from credit and economic research product offerings, which contributed to R&I ARR₍₂₎ growth of 6%.

DATA AND INFORMATION REVENUE

Three months ended September 30,



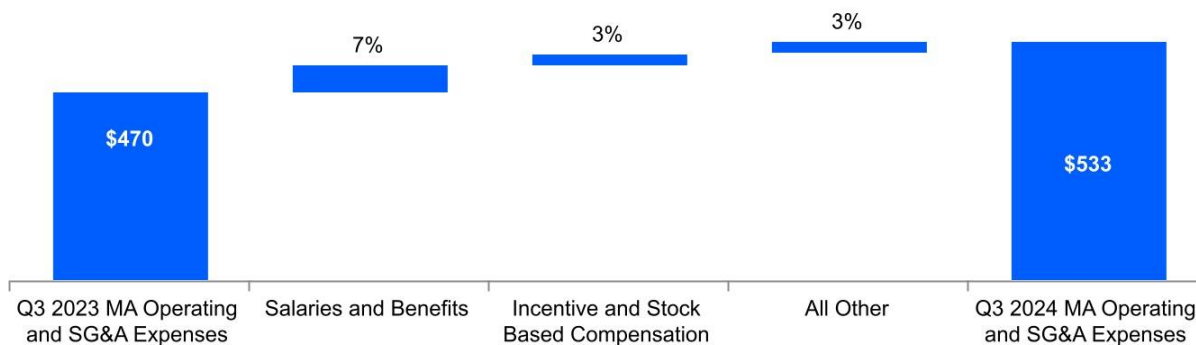
D&I: Global revenue ↑ \$13 million

U.S. Revenue ↑ \$5 million

Non-U.S. Revenue ↑ \$8 million

Global D&I revenue increased 7% compared to the third quarter of 2023 and reflects growth in both the U.S. (7%) and internationally (6%), mainly driven by continued strong demand for company data applications and ratings data feeds, which contributed to ARR₍₂₎ growth of 8%.

MA Operating and SG&A Expense Drivers



Compensation expenses of \$350 million increased \$46 million, with the most notable drivers reflecting:

- growth in salaries and benefits reflecting higher headcount and annual salary increases to support business growth; and
- an increase in incentive compensation driven by higher headcount coupled with higher stock-based compensation aligned with actual/projected financial and operating performance

Non-compensation expenses of \$183 million increased \$17 million:

- the increase is mostly attributable to costs to support operating growth, including investments to support technology, innovation and product development

MA: Adjusted Operating Margin 30.3% ↓ 330 BPS

Adjusted Operating Margin contraction for MA is due to operating and SG&A expense growth of 13% outpacing the 7% increase in global MA revenue.

Depreciation and amortization

The increase in depreciation and amortization expense primarily reflects higher amortization of internally developed software relating to the development of SaaS-based solutions.

Restructuring

The amounts in both periods reflect charges and adjustments related to the Company's 2022 - 2023 Geolocation Restructuring Program as more fully discussed in Note 9 to the consolidated financial statements.

Charges related to asset abandonment

Reflects costs related to the Company's decision to outsource the production of certain sustainability content utilized in our product offerings, which is more fully discussed in Note 11 to the consolidated financial statements.

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Moody's Investors Service

The table below provides a summary of revenue and operating results, followed by further insight and commentary:

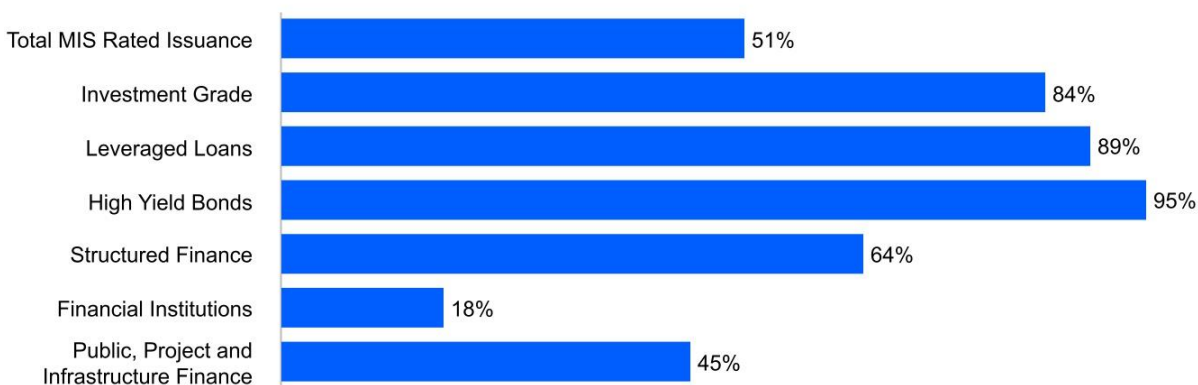
	Three Months Ended September 30,		% Change Favorable (Unfavorable)
	2024	2023	
Revenue:			
Corporate finance (CFG)	\$ 515	\$ 346	49 %
Structured finance (SFG)	135	102	32 %
Financial institutions (FIG)	170	126	35 %
Public, project and infrastructure finance (PPIF)	154	115	34 %
Total ratings revenue	974	689	41 %
MIS Other	8	7	14 %
Total external revenue	982	696	41 %
Intersegment revenue	48	47	2 %
Total MIS revenue	1,030	743	39 %
Expenses:			
Operating and SG&A (external)	413	345	(20 %)
Operating and SG&A (intersegment)	3	3	— %
Total operating and SG&A	416	348	(20 %)

Adjusted Operating Income	\$ 614	\$ 395	55 %
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Adjusted Operating Margin	59.6 %	53.2 %	
Depreciation and amortization	20	19	(5 %)
Restructuring	2	5	60 %

The following chart presents changes in rated issuance volumes compared to the third quarter of 2023. To the extent that changes in rated issuance volumes had a material impact to MIS's revenue compared to the prior year, those impacts are discussed below.

Q3 Changes in Rated Issuance Volumes

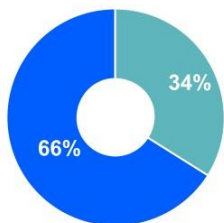


MOODY'S INVESTORS SERVICE REVENUE

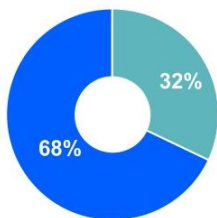
Three months ended September 30,

2024

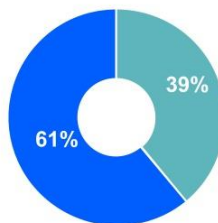
2023



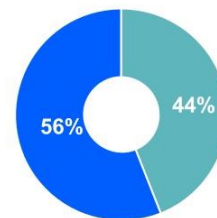
■ U.S.
■ Non-U.S.



■ Transaction
■ Recurring



■ U.S.
■ Non-U.S.



■ Transaction
■ Recurring

MIS: Global revenue ↑ \$286 million

U.S. Revenue ↑ \$225 million

Non-U.S. Revenue ↑ \$61 million

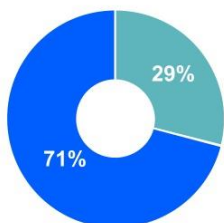
The increase in global MIS revenue reflects strong growth across all ratings LOBs.

CFG REVENUE

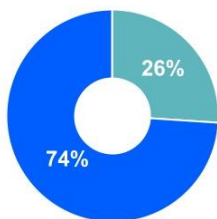
Three months ended September 30,

2024

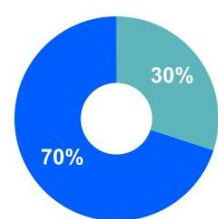
2023



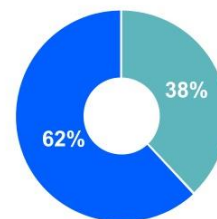
■ U.S.
■ Non-U.S.



■ Transaction
■ Recurring



■ U.S.
■ Non-U.S.



■ Transaction
■ Recurring

CFG: Global revenue ↑ \$169 million

U.S. Revenue ↑ \$122 million

Non-U.S. Revenue ↑ \$47 million

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Global CFG revenue for the three months ended September 30, 2024 and 2023 was comprised as follows:



* Other includes: recurring monitoring fees of a rated debt obligation and/or entities that issue such obligations as well as fees from programs such as commercial paper, medium term notes, and ICRA corporate finance revenue.

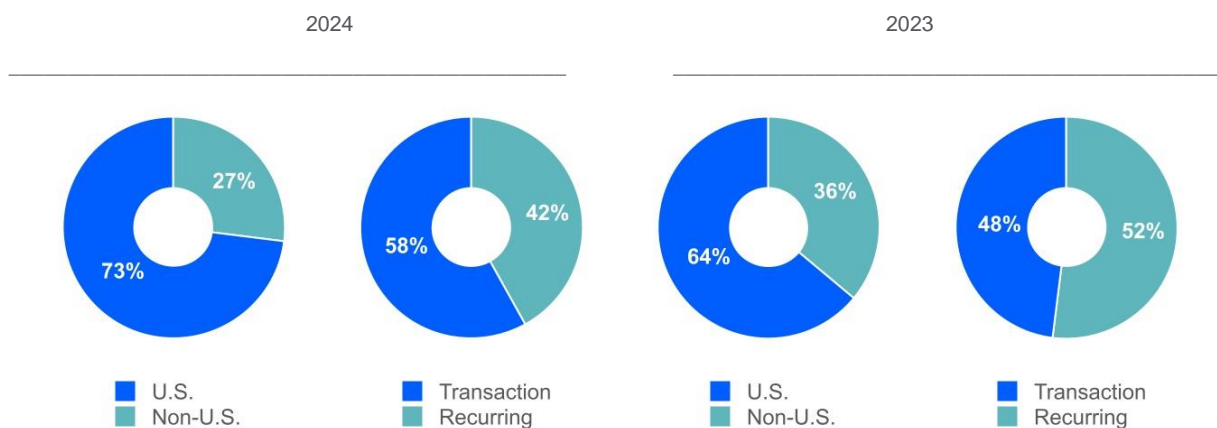
The increase in CFG revenue of 49% reflects growth in both the U.S. (50%) and internationally (45%).

Transaction revenue increased \$166 million compared to the same period in the prior year, with continued momentum in investment-grade and leveraged finance (which includes bank loans and speculative-grade bonds). The growth in these sectors resulted from:

- refinancing activity and new mandates resulting from continued tight corporate credit spreads;
- strong investor demand to capture yields ahead of further potential interest rate cuts; and
- bank loan issuance to fund M&A transactions.

[SFG REVENUE](#)

Three months ended September 30,



SFG: Global revenue ↑ \$33 million

U.S. Revenue ↑ \$33 million

Non-U.S. Revenue was in line with prior year

Global SFG revenue for the three months ended September 30, 2024 and 2023 was comprised as follows:



The increase in SFG revenue of 32% reflects growth in the U.S. (51%).

Transaction revenue increased \$29 million compared to the third quarter of 2023, mainly attributable to strong issuance activity in U.S. CLOs and CMBS, supported by tighter spreads and strong investor demand.

FIG REVENUE

Three months ended September 30,

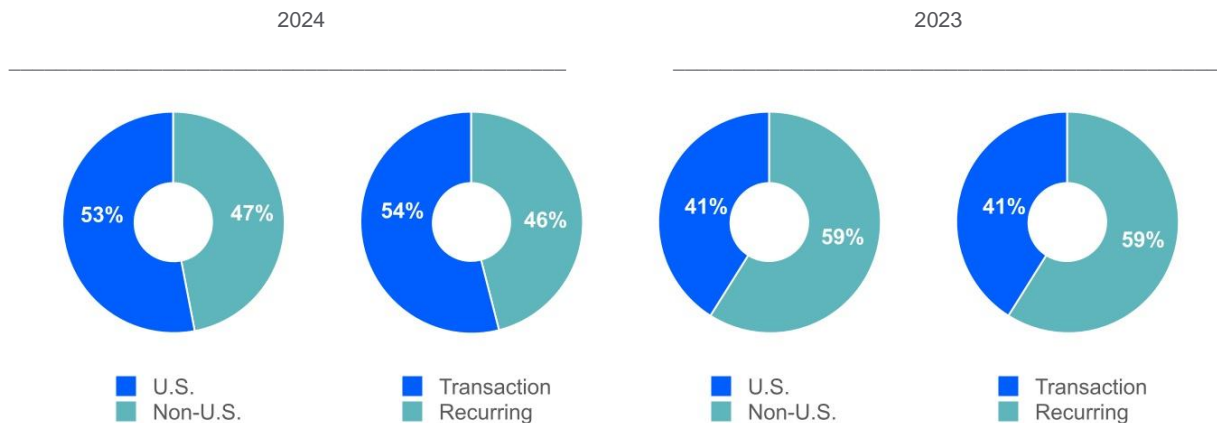


FIG: Global revenue ↑ \$44 million

U.S. Revenue ↑ \$38 million

Non-U.S. Revenue ↑ \$6 million

Global FIG revenue for the three months ended September 30, 2024 and 2023 was comprised as follows:



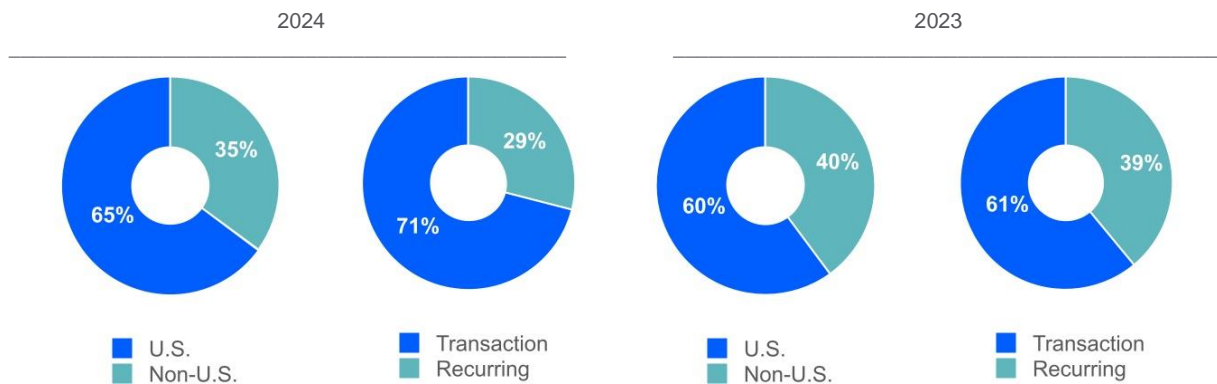
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The increase in FIG revenue of 35% reflects growth in both the U.S. (73%) and internationally (8%).

Transaction revenue increased \$40 million compared to the third quarter of 2023, mainly due to growth in the insurance and banking sectors, which was primarily attributable to a favorable issuance mix from infrequent issuer activity as well as higher overall rated issuance volumes.

PPIF REVENUE

Three months ended September 30,



PPIF: Global revenue ↑ \$39 million

U.S. Revenue ↑ \$31 million

Non-U.S. Revenue ↑ 8 million

Global PPIF revenue for the three months ended September 30, 2024 and 2023 was comprised as follows:

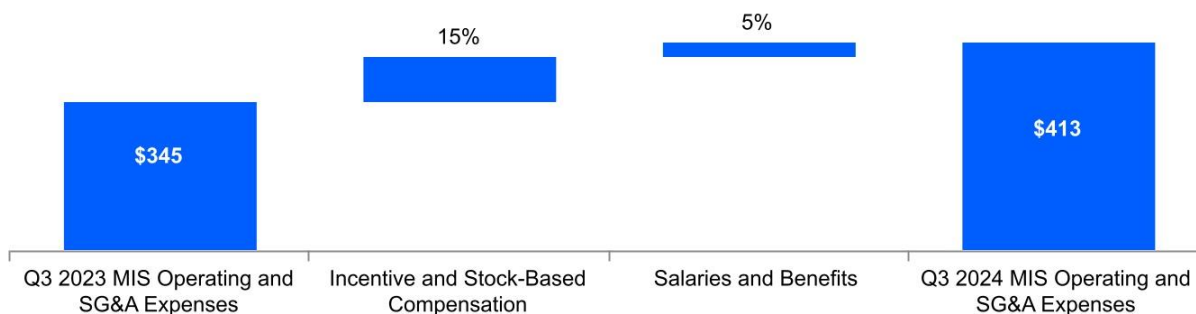


The increase in PPIF revenue of 34% reflects growth in both the U.S. (45%) and internationally (17%).

Transaction revenue increased \$39 million compared to the third quarter of 2023 primarily due to:

- increased investment-grade infrastructure finance activity in the U.S. and EMEA; and
- growth in issuance from U.S. Public Finance issuers, reflecting new deals in the state and local government sectors.

MIS Operating and SG&A Expense Drivers



Compensation expenses of \$318 million increased \$70 million, with the most notable drivers of the growth reflecting:

- an increase in incentive and stock-based compensation driven by actual/projected financial and operating performance and higher headcount; and
- growth in salaries and benefits reflecting higher headcount and annual salary increases

Non-compensation expenses of \$95 million decreased \$2 million:

- non-compensation expenses were generally in line compared to the prior year

MIS: Adjusted Operating Margin 59.6% ↑ 640 BPS

The MIS Adjusted Operating Margin expansion primarily reflects the aforementioned 41% increase in revenue.

Restructuring

The amounts in both periods reflect charges and adjustments related to the Company's 2022 - 2023 Geolocation Restructuring Program as more fully discussed in Note 9 to the consolidated financial statements.

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Nine months ended September 30, 2024 compared with nine months ended September 30, 2023

Executive Summary

The following table provides an executive summary of key operating results for the nine months ended September 30, 2024. Following this executive summary is a more detailed discussion of the Company's operating results as well as a discussion of the operating results of the Company's reportable segments.

Financial measure:	Nine Months Ended September 30,		% Change Favorable (Unfavorable)	Insight and Key Drivers of Change Compared to Prior Year
	2024	2023		
Moody's total revenue	\$ 5,416	\$ 4,436	22 %	— reflects revenue growth in both segments
MA external revenue	\$ 2,432	\$ 2,260	8 %	— sustained demand for KYC, insurance offerings and SaaS-based banking solutions; — ongoing strong retention for ratings data feeds and company data applications; and — continued demand for credit and economic research product offerings
MIS external revenue	\$ 2,984	\$ 2,176	37 %	reflects issuance growth across all LOBs resulting from: — favorable market conditions for issuers, due to sustained tight credit spreads and opportunistic issuance ahead of expected interest rate reductions and potential volatility later in the year; and — demand from investors, as yields remain high ahead of potential future interest rate cuts
Total operating and SG&A expenses	\$ 2,741	\$ 2,470	(11 %)	— higher incentive and stock-based compensation aligned with actual/projected financial and operating performance; and — higher salaries and benefits reflecting an increase in headcount and annual salary increases in both segments
Depreciation and amortization	\$ 318	\$ 276	(15 %)	— higher amortization of internally developed software, primarily related to the development of MA SaaS solutions
Restructuring	\$ 13	\$ 51	75 %	— relates to the Company's 2022 - 2023 Geolocation Restructuring Program, more fully discussed in Note 9 to the consolidated financial statements
Charges related to asset abandonment	\$ 30	\$ —	NM	— costs related to the Company's decision to outsource the production of certain sustainability content utilized in our product offerings, which is more fully discussed in Note 11 to the consolidated financial statements
Total non-operating (expense) income, net	\$ (140)	\$ (154)	9 %	— a net decrease of \$22 million in foreign exchange losses recorded during the year mainly attributable to an immaterial out-of-period adjustment relating to the 2022 fiscal year recorded in the first quarter of 2023; and — an increase in interest income of \$29 million due to higher cash and short-term investment balances and higher interest rates; <i>partially offset by:</i> — an increase in tax-related interest expense of \$22 million mainly due to the favorable resolution of tax matters in the prior year
Operating margin	42.7 %	36.9 %	580 BPS	— operating margin and Adjusted Operating Margin ⁽¹⁾ expansion reflects strong revenue growth, particularly in MIS, outpacing operating and SG&A expense growth
Adjusted Operating Margin ⁽¹⁾	49.4 %	44.3 %	510 BPS	
ETR	23.5 %	14.6 %	(890 BPS)	— higher ETR primarily reflects tax benefits recognized in the first quarter of 2023, which resulted from the resolutions of UTPs in various U.S. and non-U.S. tax jurisdictions
Diluted EPS	\$ 9.09	\$ 6.88	32 %	— increase reflects growth in operating income/Adjusted Operating Income ⁽¹⁾ driven mainly by increases in MIS revenue, <i>partially offset by:</i> — a \$0.75 per share benefit in the prior year resulting from the resolutions of tax matters in the first quarter of 2023
Adjusted Diluted EPS ⁽¹⁾	\$ 9.85	\$ 7.71	28 %	

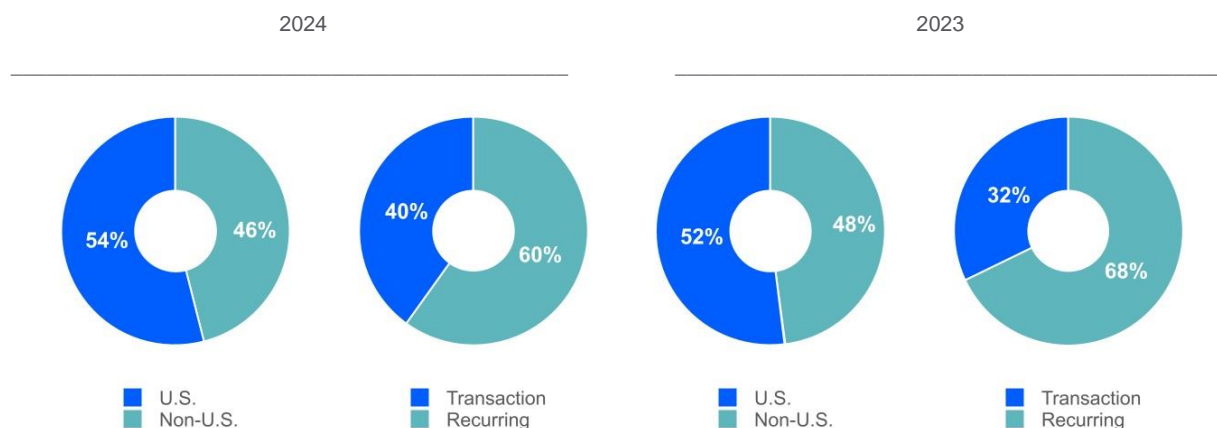
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Moody's Corporation

	Nine Months Ended September 30,		% Change Favorable (Unfavorable)
	2024	2023	
Revenue:			
United States	\$ 2,942	\$ 2,300	28 %
Non-U.S.:			
EMEA	1,654	1,404	18 %
Asia-Pacific	476	437	9 %
Americas	344	295	17 %
Total Non-U.S.	2,474	2,136	16 %
Total	5,416	4,436	22 %
Expenses:			
Operating	1,448	1,266	(14 %)
SG&A	1,293	1,204	(7 %)
Depreciation and amortization	318	276	(15 %)
Restructuring	13	51	75 %
Charges related to asset abandonment	30	—	NM
Total	3,102	2,797	(11 %)
Operating income	2,314	1,639	41 %
Adjusted Operating Income ⁽¹⁾	2,675	1,966	36 %
Interest expense, net	(185)	(185)	— %
Other non-operating income, net	45	31	45 %
Non-operating (expense) income, net	(140)	(154)	9 %
Net income attributable to Moody's	\$ 1,663	\$ 1,267	31 %
Diluted weighted average shares outstanding	183.0	184.1	1 %
Diluted EPS attributable to Moody's common shareholders	\$ 9.09	\$ 6.88	32 %
Adjusted Diluted EPS ⁽¹⁾	\$ 9.85	\$ 7.71	28 %
Operating margin	42.7 %	36.9 %	
Adjusted Operating Margin ⁽¹⁾	49.4 %	44.3 %	
Effective tax rate	23.5 %	14.6 %	

[GLOBAL REVENUE](#)

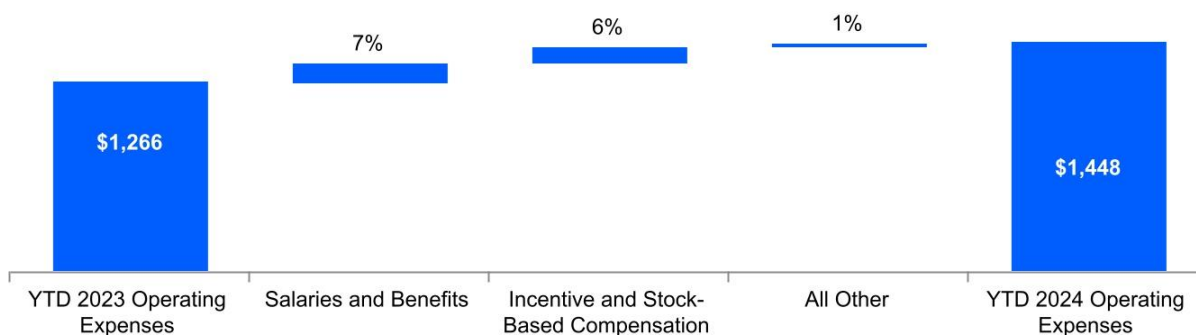
Nine months ended September 30,



Growth in global revenue reflected increases in both MA and MIS, both in the U.S. and internationally. Refer to the section entitled “Segment Results” of this MD&A for a more comprehensive discussion of the Company’s segment revenue.

YTD Operating Expense ↑ \$182 million

Operating Expense Drivers



Compensation expenses of \$1,086 million increased \$166 million, with the most notable drivers reflecting:

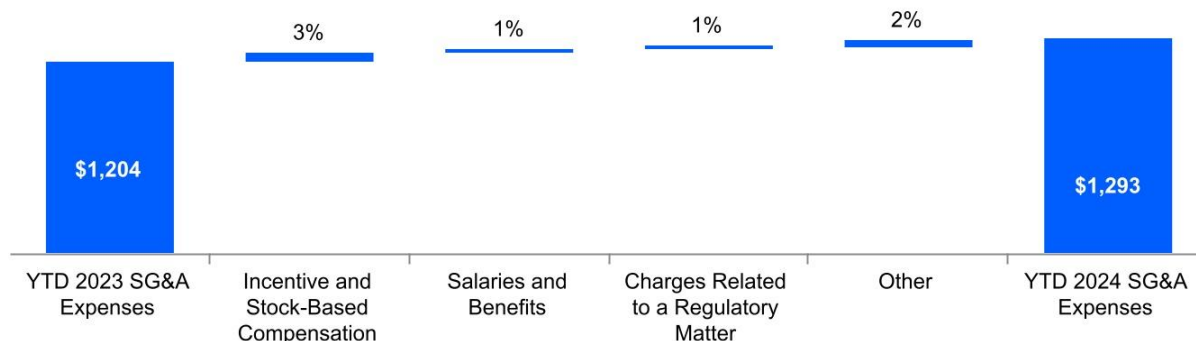
- higher salaries and benefits reflecting hiring and salary increases to support continued growth in the business; and
- higher incentive and stock-based compensation aligned with actual/projected financial and operating performance and headcount growth

Non-compensation expenses of \$362 million increased \$16 million, with the most notable driver reflecting:

- costs to support operating growth, including investments to support technology, innovation and product development

YTD SG&A Expense ↑ \$89 million

SG&A Expense Drivers



Compensation expenses of \$804 million increased \$51 million, with the most notable drivers reflecting:

- higher incentive and stock-based compensation aligned with headcount growth and actual/projected financial and operating performance; and
- higher salaries and benefits reflecting an increase in headcount and annual salary increases

Non-compensation expenses of \$489 million increased \$38 million, with the most notable drivers reflecting:

- a charge in 2024 relating to a regulatory investigation, which is more fully discussed in Note 15 to the consolidated financial statements; and
- increases in costs to support operating growth

[Table of Contents](#)[Depreciation and amortization](#)

The increase in depreciation and amortization expense is driven by amortization of internally developed software, which is primarily related to the development of MA SaaS solutions.

[Restructuring](#)

The amounts in both periods reflect charges and adjustments related to the Company's 2022 - 2023 Geolocation Restructuring Program as more fully discussed in Note 9 to the consolidated financial statements.

[Charges related to asset abandonment](#)

Reflects costs related to the Company's decision to outsource the production of certain sustainability content utilized in our product offerings, which is more fully discussed in Note 11 to the consolidated financial statements.

[Operating margin 42.7%, ↑ 580 BPS](#)[Adjusted Operating Margin_{\(1\)} 49.4%, ↑ 510 BPS](#)

Increases in both Operating margin and Adjusted Operating Margin₍₁₎ is due to strong revenue growth, particularly within MIS, partially offset by an increase in operating and SG&A expenses.

[Interest Expense, net in line with prior year](#)[Other non-operating income ↑ \\$14 million](#)

Interest expense was in line with prior year with the following offsetting factors:

- higher interest income of \$29 million reflecting higher cash and short-term investment balances and interest yields; *offset by*
- an increase of \$22 million in tax-related interest mainly reflecting the favorable resolution of tax matters in the prior year

Increase in income is primarily due to:

- a \$22 million net decrease in foreign currency losses mainly attributable to an immaterial out-of-period adjustment relating to the 2022 fiscal year recorded in the first quarter of 2023; and
- gains of \$7 million recorded on previously held equity investments, more fully discussed in Note 11 to the consolidated financial statements; *partially offset by*
- a benefit of \$9 million in the prior year related to the favorable resolution of various tax matters

[ETR ↑ 890 BPS](#)

The increase in the ETR primarily reflects \$113 million in tax benefits recognized in the first quarter of 2023, which resulted from the resolutions of UTPs in various U.S. and non-U.S. tax jurisdictions.

[Diluted EPS ↑ \\$2.21](#)[Adjusted Diluted EPS_{\(1\)} ↑ \\$2.14](#)

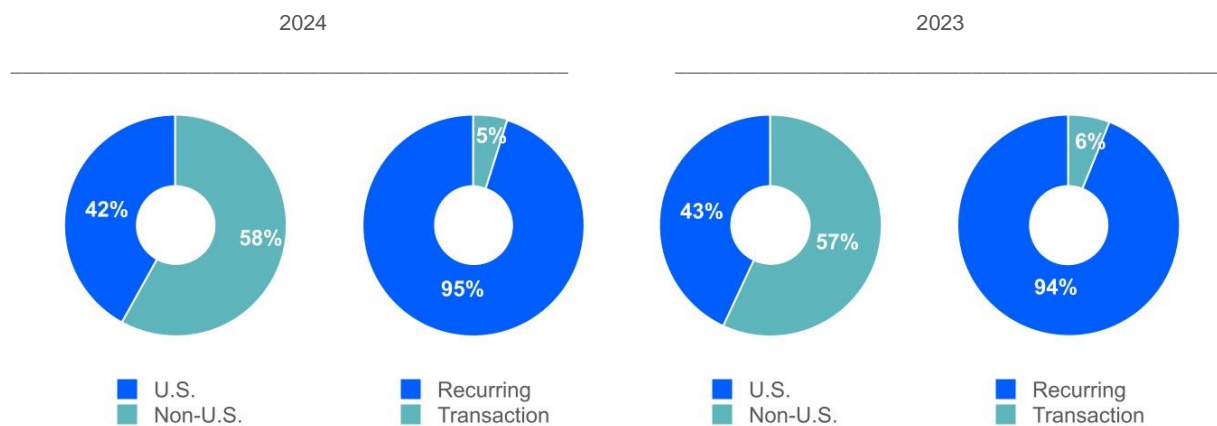
Both diluted EPS and Adjusted Diluted EPS₍₁₎ growth is mostly attributable to higher operating income and Adjusted Operating Income₍₁₎, the components of which are more fully described above. This was partially offset by a \$0.75 per share benefit in the prior year related to the resolution of tax matters in the first quarter of 2023.

The table below provides a summary of revenue and operating results, followed by further insight and commentary:

	Nine Months Ended September 30,		% Change Favorable (Unfavorable)
	2024	2023	
Revenue:			
Decision Solutions (DS)	\$ 1,114	\$ 1,022	9 %
Research and Insights (R&I)	683	654	4 %
Data and Information (D&I)	635	584	9 %
Total external revenue	2,432	2,260	8 %
Intersegment revenue	10	10	— %
Total MA Revenue	2,442	2,270	8 %
Expenses:			
Operating and SG&A (external)	1,577	1,446	(9 %)
Operating and SG&A (intersegment)	144	138	(4 %)
Total operating and SG&A expense	1,721	1,584	(9 %)
Adjusted Operating Income	\$ 721	\$ 686	5 %
Adjusted Operating Margin	29.5 %	30.2 %	
Depreciation and amortization	260	220	(18 %)
Restructuring	7	38	82 %
Charges related to asset abandonment	30	—	NM

MOODY'S ANALYTICS REVENUE

Nine months ended September 30,



MA: Global revenue ↑ \$172 million

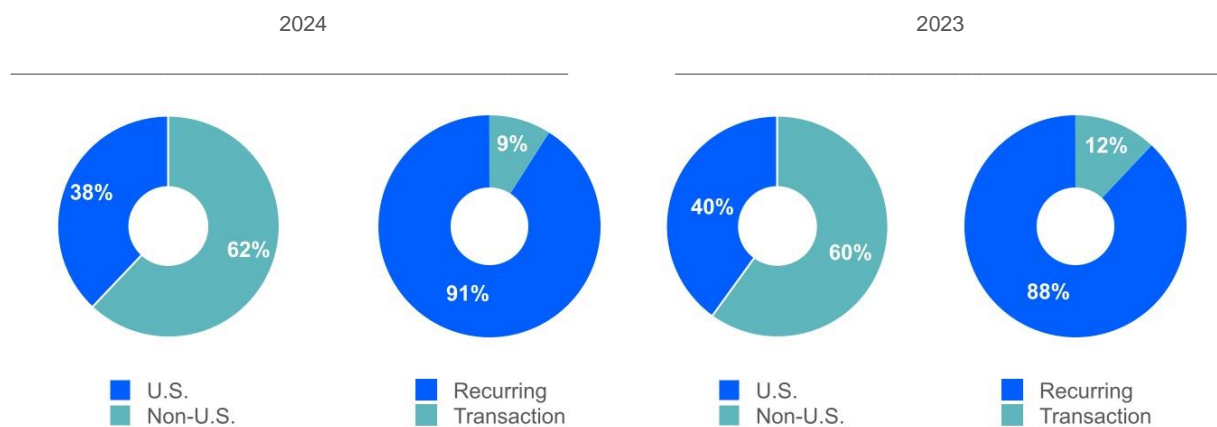
U.S. Revenue ↑ \$50 million

Non-U.S. Revenue ↑ \$122 million

The 8% increase in global MA revenue reflects growth both in the U.S. (5%) and internationally (9%) across all LOBs.

–ARR₍₂₎ grew 9% reflecting increases across all LOBs.

Nine months ended September 30,



DS: Global revenue ↑ \$92 million

U.S. Revenue ↑ \$14 million

Non-U.S. Revenue ↑ \$78 million

Global DS revenue for the nine months ended September 30, 2024 and 2023 was comprised as follows:



Global DS revenue grew 9% compared to the first nine months of 2023 and reflects increases in both the U.S. (3%) and internationally (13%).

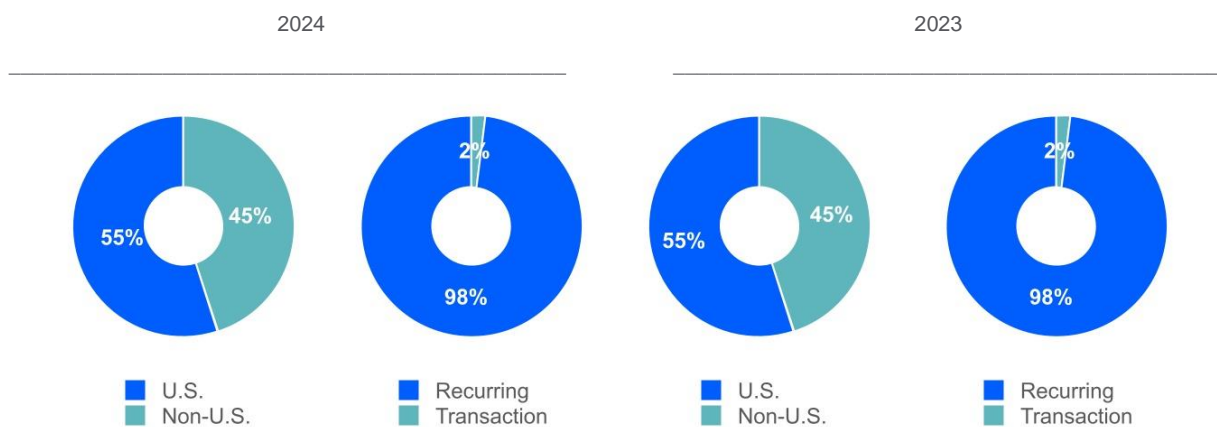
The most notable drivers of the growth are as follows:

- strong demand for KYC and compliance solutions reflecting increased customer and supplier risk data usage, which drove both revenue and ARR₍₂₎ growth of 18% and 14%, respectively;
- Insurance revenue and ARR₍₂₎ grew 9% and 13%, respectively.
 - recurring revenue growth of 12% in Insurance was attributable to improved customer retention and strong demand resulting in new sales for subscription-based revenue for catastrophe and actuarial modeling tools.
- Banking revenue and ARR₍₂₎ grew 4% and 10%, respectively.
 - recurring revenue growth of 9% within Banking supported by strong customer retention coupled with expansion of existing customer relationships to subscription-based banking offerings, which enable customers' lending, risk management and finance workflows;
- the aforementioned recurring revenue growth for Insurance and Banking was partially offset by a decline in transaction revenue of 36% and 12%, respectively, reflecting MA's continued strategic shift to subscription-based solutions.

The aforementioned factors also contributed to overall ARR₍₂₎ growth for DS of 12%.

RESEARCH AND INSIGHTS REVENUE

Nine months ended September 30,



R&I: Global revenue ↑ \$29 million

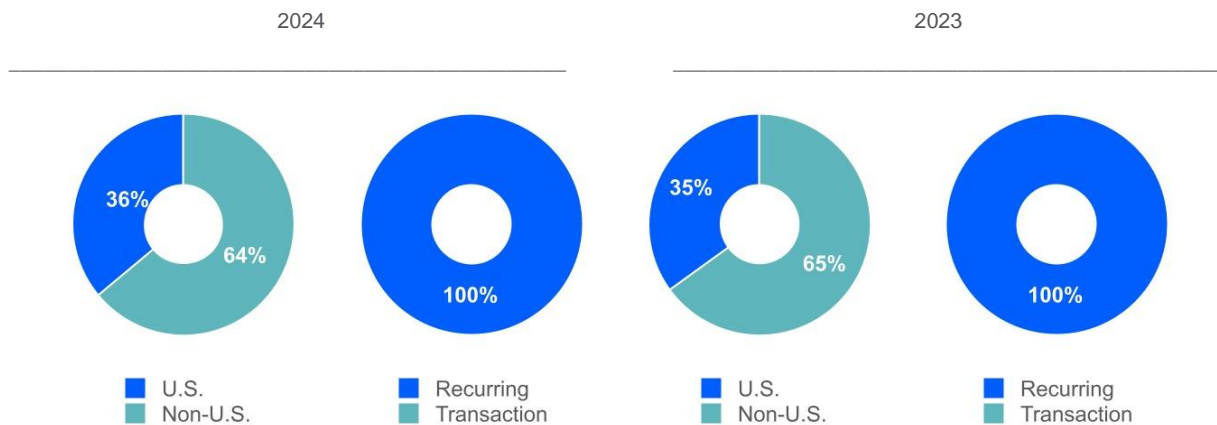
U.S. Revenue ↑ \$13 million

Non-U.S. Revenue ↑ \$16 million

Global R&I revenue increased 4% compared to the first nine months of 2023 and reflects growth in both the U.S. (4%) and internationally (5%). This increase was attributable to sales growth for credit and economic research product offerings, which contributed to ARR₍₂₎ growth of 6%.

DATA AND INFORMATION REVENUE

Nine months ended September 30,



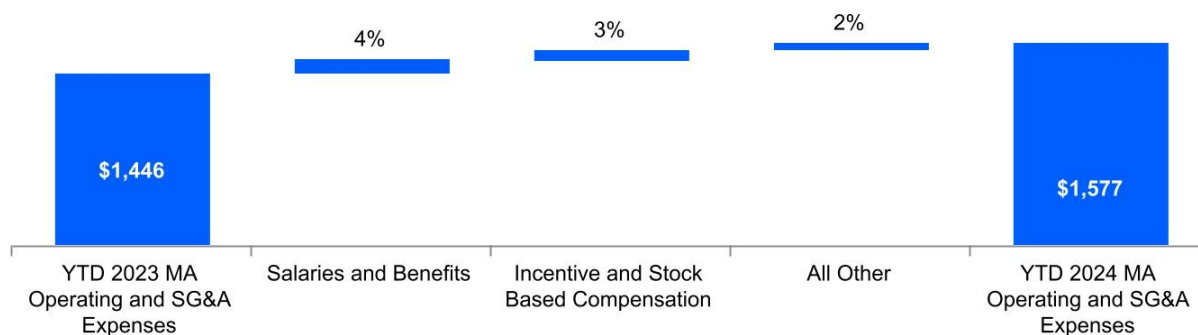
D&I: Global revenue ↑ \$51 million

U.S. Revenue ↑ \$23 million

Non-U.S. Revenue ↑ \$28 million

Global D&I revenue increased 9% compared to the first nine months of 2023 and reflects growth in both the U.S. (11%) and internationally (7%), mainly driven by continued strong demand for company data applications and ratings data feeds, which contributed to ARR₍₂₎ growth of 8% for D&I.

MA Operating and SG&A Expense Drivers



Compensation expenses of \$1,023 million increased \$102 million:
— the growth in salaries and benefits reflects higher headcount and annual salary increases to support business growth; and
— the increase in incentive and stock-based compensation is driven by higher headcount and actual/projected financial and operating performance

Non-compensation expenses of \$554 million increased \$29 million:
— the modest increase is mostly attributable to costs to support operating growth, including investments to support technology, innovation and product development

MA: Adjusted Operating Margin 29.5% ↓ 70 BPS

The modest decline in Adjusted Operating Margin is primarily due to operating and SG&A expense growth of 9% slightly outpacing the 8% increase in global MA revenue.

Depreciation and amortization

The increase in depreciation and amortization expense primarily reflects higher amortization of internally developed software relating to the development of SaaS-based solutions.

Restructuring

The amounts in both periods reflect charges and adjustments related to the Company's 2022 - 2023 Geolocation Restructuring Program as more fully discussed in Note 9 to the consolidated financial statements.

Charges related to asset abandonment

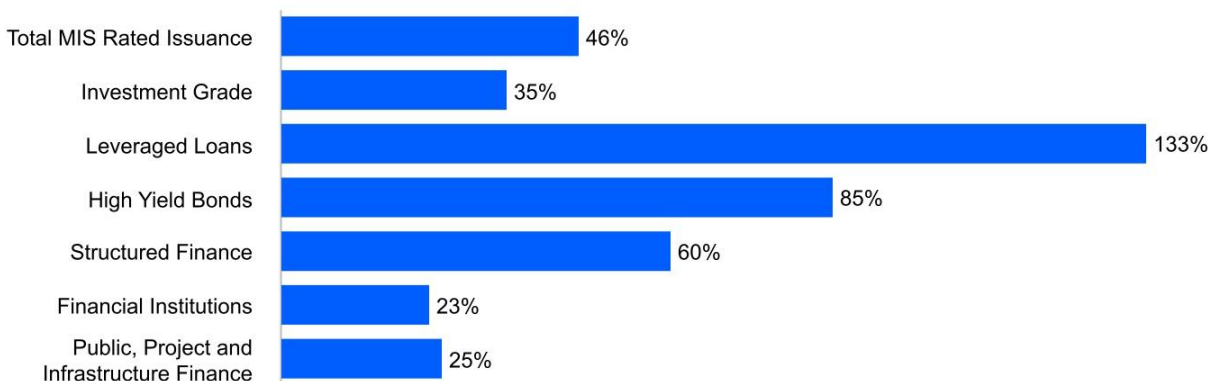
Reflects costs related to the Company's decision to outsource the production of certain sustainability content utilized in our product offerings, which is more fully discussed in Note 11 to the consolidated financial statements.

The table below provides a summary of revenue and operating results, followed by further insight and commentary:

	Nine Months Ended September 30,		% Change Favorable (Unfavorable)
	2024	2023	
Revenue:			
Corporate finance (CFG)	\$ 1,569	\$ 1,067	47 %
Structured finance (SFG)	380	303	25 %
Financial institutions (FIG)	560	413	36 %
Public, project and infrastructure finance (PPIF)	449	371	21 %
Total ratings revenue	2,958	2,154	37 %
MIS Other	26	22	18 %
Total external revenue	2,984	2,176	37 %
Intersegment royalty	144	138	4 %
Total	3,128	2,314	35 %
Expenses:			
Operating and SG&A (external)	1,164	1,024	(14 %)
Operating and SG&A (intersegment)	10	10	— %
Total operating and SG&A expense	1,174	1,034	(14 %)
Adjusted Operating Income	\$ 1,954	\$ 1,280	53 %
Adjusted Operating Margin	62.5 %	55.3 %	
Depreciation and amortization	58	56	(4 %)
Restructuring	6	13	54 %

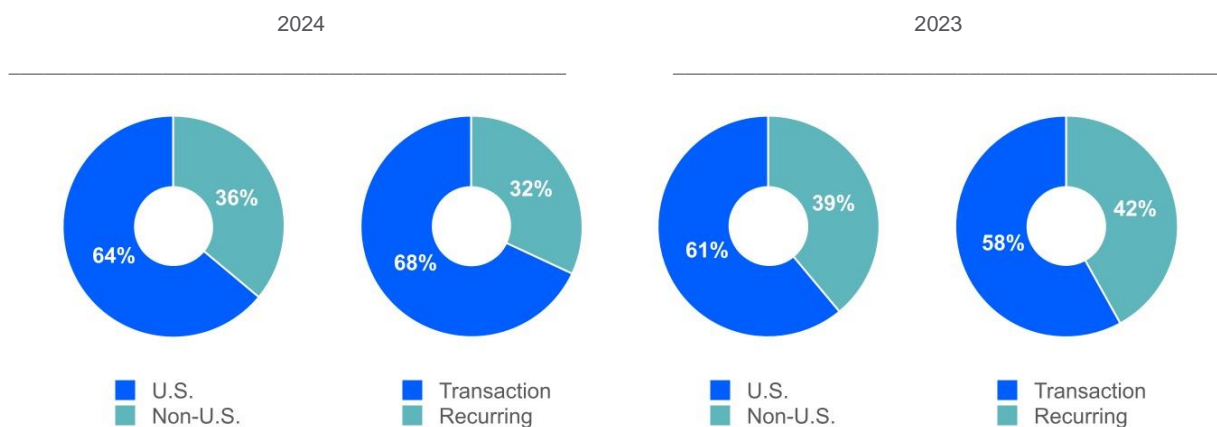
The following chart presents changes in rated issuance volumes compared to the first nine months of 2023. To the extent that changes in rated issuance volumes had a material impact to MIS's revenue compared to the prior year, those impacts are discussed below.

Year-to-Date Changes in Rated Issuance Volumes



MOODY'S INVESTORS SERVICE REVENUE

Nine months ended September 30,



MIS: Global revenue ↑ \$808 million

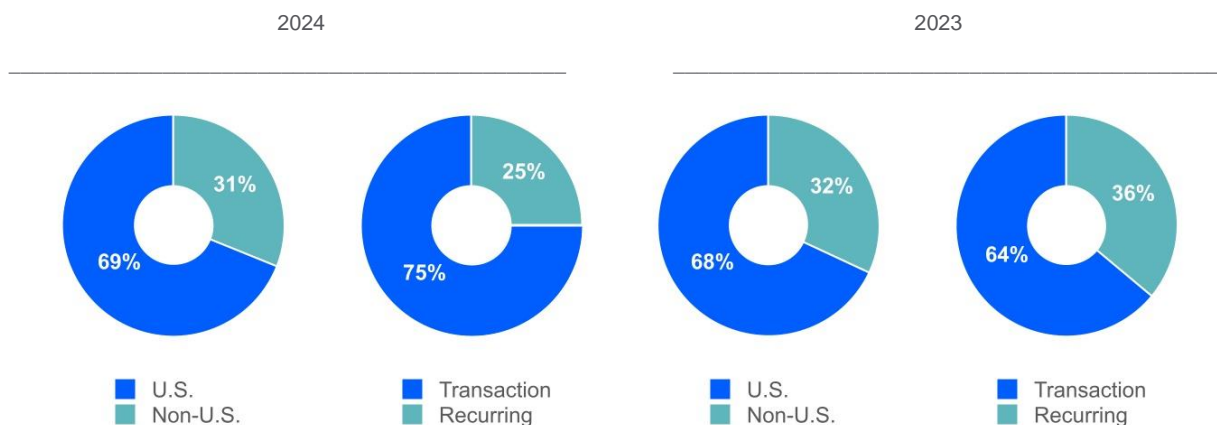
U.S. Revenue ↑ \$592 million

Non-U.S. Revenue ↑ \$216 million

The increase in global MIS revenue reflects strong growth across all LOBs.

CFG REVENUE

Nine months ended September 30,



CFG: Global revenue ↑ \$502 million

U.S. Revenue ↑ 351 million

Non-U.S. Revenue ↑ \$151 million

Global CFG revenue for the nine months ended September 30, 2024 and 2023 was comprised as follows:



* Other includes: recurring monitoring fees of a rated debt obligation and/or entities that issue such obligations as well as fees from programs such as commercial paper, medium term notes, and ICRA corporate finance revenue.

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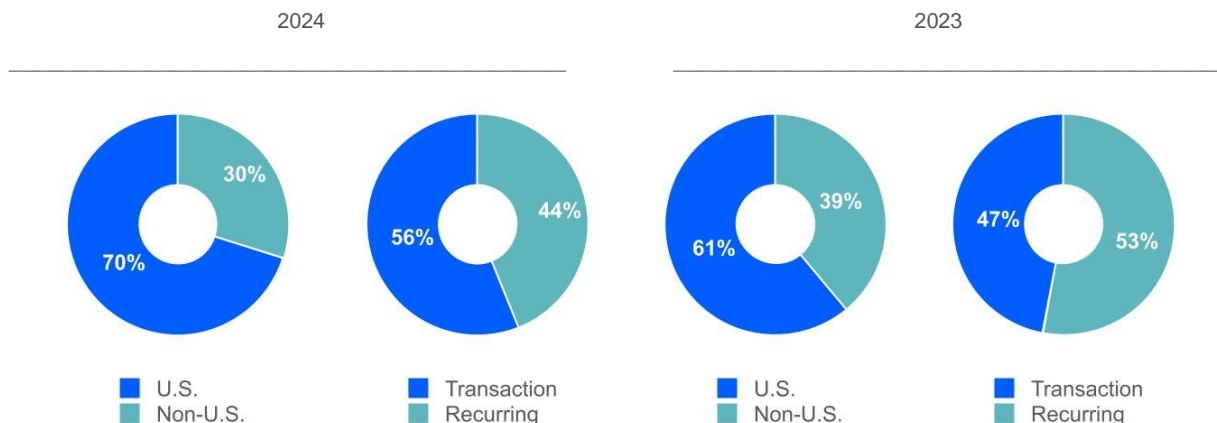
The increase in CFG revenue of 47% reflects growth in both the U.S (48%) and internationally (44%).

Transaction revenue increased \$487 million compared to the same period in the prior year, with continued momentum in leveraged finance (which includes bank loans and speculative-grade bonds) and investment-grade. The growth in these sectors resulted from:

- bank loan issuance to fund M&A transactions;
- refinancing activity and new mandates resulting from continued tight corporate credit spreads; and
- strong investor demand to capture yields ahead of further potential interest rate cuts.

[SFG REVENUE](#)

Nine months ended September 30,



SFG: Global revenue ↑ \$77 million

U.S. Revenue ↑ \$80 million

Non-U.S. Revenue ↓ \$3 million

Global SFG revenue for the nine months ended September 30, 2024 and 2023 was comprised as follows:



The increase in SFG revenue of 25% reflects growth in the U.S. (43%), partially offset by modest declines in international revenue (3%).

Transaction revenue increased \$71 million compared to the first nine months of 2023, mainly attributable to:

- higher CLO issuance, with new deals supported by increased bank loan activity, coupled with refinancing activity; and
- increased issuance activity from the CMBS and ABS asset classes, reflecting tightening credit spreads and strong investor demand, including from first time issuers.

Nine months ended September 30,

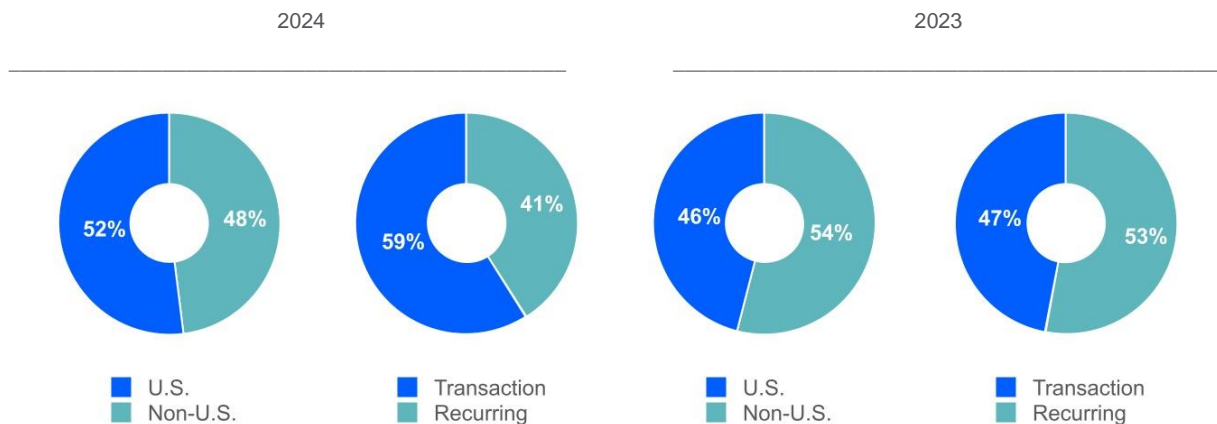
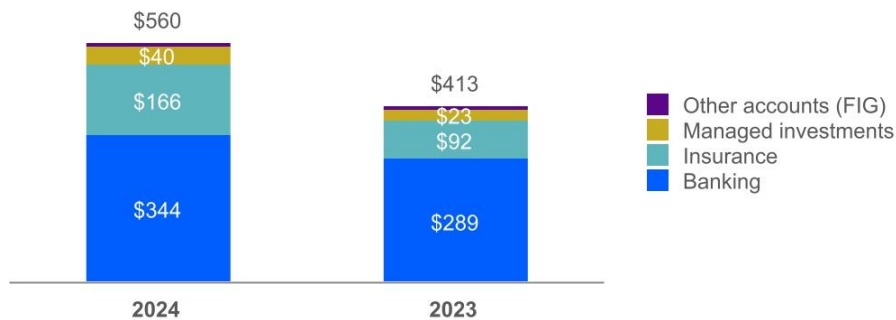


FIG: Global revenue ↑ \$147 million

U.S. Revenue ↑ \$104 million

Non-U.S. Revenue ↑ \$43 million

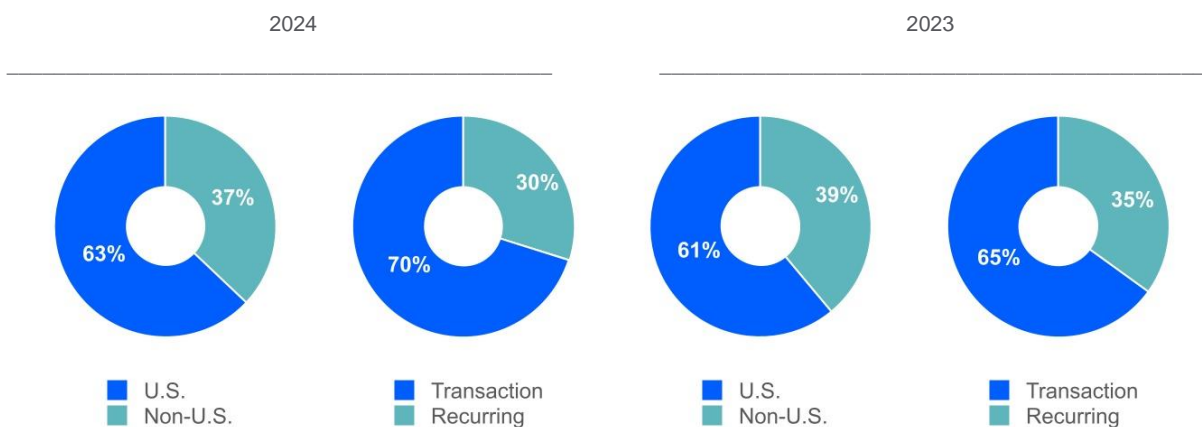
Global FIG revenue for the nine months ended September 30, 2024 and 2023 was comprised as follows:



The increase in FIG revenue of 36% reflects growth in both the U.S. (55%) and internationally (19%).

Transaction revenue increased \$134 million compared to the same period in the prior year, primarily driven by growth in the insurance and banking sectors, which was mainly attributable to a favorable issuance mix from infrequent issuer activity.

Nine months ended September 30,



PPIF: Global revenue ↑ \$78 million

U.S. Revenue ↑ \$56 million

Non-U.S. Revenue ↑ \$22 million

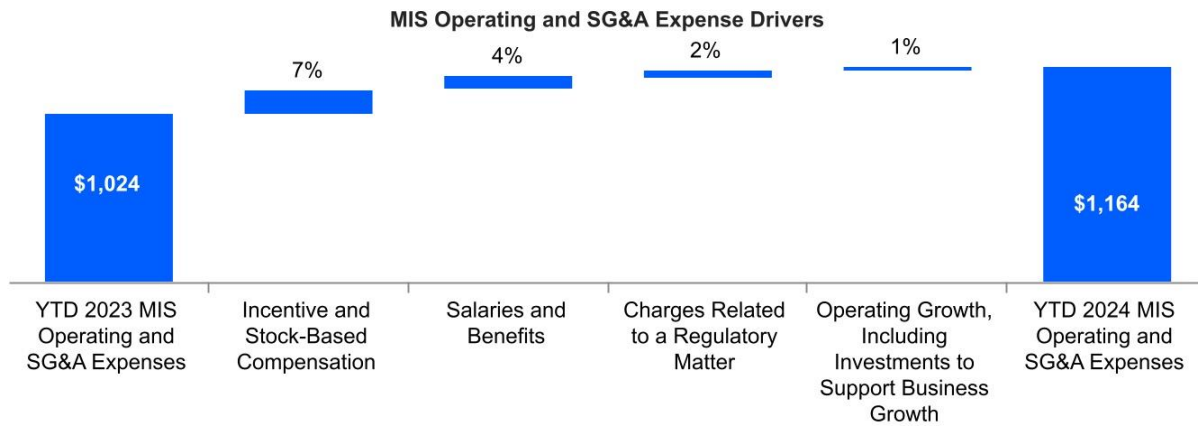
Global PPIF revenue for the nine months ended September 30, 2024 and 2023 was comprised as follows:



The 21% increase in PPIF revenue reflects increases in both the U.S. (25%) and internationally (15%).

Transaction revenue increased \$75 million compared to the same period in the prior year, primarily due to:

- higher issuance from U.S. Public Finance issuers, reflecting increased activity in the state and local government, healthcare and higher education sectors;
- increased U.S. and international investment-grade infrastructure finance activity; and
- higher U.S. Project Finance activity supported by continued market improvement.



Compensation expenses of \$867 million increased \$115 million with the most notable drivers of the growth reflecting:

- an increase in incentive and stock-based compensation driven by higher headcount and actual/projected financial and operating performance; and
- growth in salaries and benefits reflecting higher headcount and annual salary increases

Non-compensation expenses of \$297 million increased \$25 million with the most notable drivers of the growth reflecting:

- a charge relating to a regulatory investigation, which is more fully discussed in Note 15 to the consolidated financial statements; and
- an increase in costs to support operating growth, including investments to support technology and innovation

[Adjusted Operating Margin of 62.5% ↑ 720 BPS](#)

The MIS Adjusted Operating Margin expansion primarily reflected the aforementioned 37% increase in revenue, partially offset by growth of 14% in operating and SG&A expenses.

[Restructuring Charges](#)

The amounts in both periods reflect charges and adjustments related to the Company's 2022 - 2023 Geolocation Restructuring Program as more fully discussed in Note 9 to the consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

Moody's remains committed to using its cash flow to create value for shareholders by both investing in the Company's employees and growing the business through targeted organic initiatives and inorganic acquisitions aligned with strategic priorities. Additional excess capital is returned to the Company's shareholders via a combination of dividends and share repurchases.

[Cash Flow](#)

The Company is currently financing its operations, capital expenditures and share repurchases from operating and financing cash flows.

The following is a summary of the changes in the Company's cash flows followed by a brief discussion of these changes:

	Nine Months Ended September 30,		\$ Change Favorable (Unfavorable)
	2024	2023	
Net cash provided by operating activities	\$ 2,164	\$ 1,674	\$ 490
Net cash used in investing activities	\$ (875)	\$ (193)	\$ (682)
Net cash used in financing activities	\$ (812)	\$ (1,231)	\$ 419
Free Cash Flow ⁽¹⁾	\$ 1,921	\$ 1,476	\$ 445

⁽¹⁾ Free Cash Flow is a non-GAAP measure and is defined by the Company as net cash provided by operating activities minus cash paid for capital expenditures. Refer to "Non-GAAP Financial Measures" of this MD&A for further information on this financial measure.

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Net cash provided by operating activities

Net cash flows from operating activities in the nine months ended September 30, 2024 increased by \$490 million compared to the same period in 2023, with the most notable drivers reflecting:

–growth in operating income of \$675 million;

partially offset by:

–\$178 million in higher income tax payments in the current year.

Net cash used in investing activities

The \$682 million increase in cash used in investing activities in the nine months ended September 30, 2024 compared to the same period in 2023 was primarily due to:

–higher net purchases of investments in 2024 of \$528 million;

–higher cash paid for acquisitions, net of cash acquired, of \$107 million primarily due to the acquisitions of GCR and Praedicat in the third quarter of 2024, coupled with certain immaterial acquisitions completed in the first quarter of 2024; and

–higher cash paid for capital additions of \$45 million compared to the prior year reflecting both costs to support investments in company-wide technology infrastructure coupled with costs related to the development of SaaS-based solutions in MA.

Net cash used in financing activities

The \$419 million decrease in cash used in financing activities in the nine months ended September 30, 2024 compared to the same period in the prior year was primarily attributed to:

–a \$500 million repayment of notes payable in 2023; and

–a \$496 million issuance of notes in the third quarter of 2024;

partially offset by:

– higher cash paid for treasury share repurchases in 2024 of \$534 million compared to the prior year.

Cash and cash equivalents and short-term investments

The Company's aggregate cash and cash equivalents and short-term investments of \$3.2 billion at September 30, 2024 included approximately \$2.1 billion located outside of the U.S. Approximately 31% of the Company's aggregate cash and cash equivalents and short-term investments is denominated in euros and GBP. The Company manages both its U.S. and non-U.S. cash flow to maintain sufficient liquidity in all regions to effectively meet its operating needs.

As a result of the Tax Act, all previously net undistributed foreign earnings have now been subject to U.S. tax. The Company continues to evaluate which entities it will indefinitely reinvest earnings outside the U.S. The Company has provided deferred taxes for those entities whose earnings are not considered indefinitely reinvested. Accordingly, the Company continues to repatriate a portion of its non-U.S. cash in these subsidiaries and will continue to repatriate certain of its offshore cash in a manner that addresses compliance with local statutory requirements, sufficient offshore working capital and any other factors that may be relevant in certain jurisdictions. Notwithstanding the Tax Act, which generally eliminated federal income tax on future cash repatriation to the U.S., cash repatriation may be subject to state and local taxes or withholding or similar taxes.

Material Cash Requirements

The Company's material cash requirements consist of the following contractual and other obligations:

Financing Arrangements

Indebtedness

At September 30, 2024, Moody's had \$7.6 billion of outstanding debt and approximately \$1 billion of additional capacity available under the Company's CP Program, which is backstopped by the \$1.25 billion 2024 Facility.

The repayment schedule for the Company's borrowings outstanding at September 30, 2024 is as follows:



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For additional information on the Company's outstanding debt, refer to Note 13 to the consolidated financial statements.

Future interest payments and fees associated with the Company's debt and credit facility are expected to be \$4.8 billion, of which approximately \$300 million is expected to be paid in each of the next five years, and the remaining amount expected to be paid thereafter.

Management may consider pursuing additional long-term financing when it is appropriate in light of cash requirements for operations, share repurchases and other strategic opportunities, which could result in higher financing costs.

Purchase Obligations

Purchase obligations generally include multi-year agreements with vendors to purchase goods or services and mainly include data center/cloud hosting fees and fees for information technology licensing and maintenance. As of September 30, 2024, these purchase obligations totaled \$683 million, of which approximately 40% is expected to be paid in the next twelve months and another approximate 45% expected to be paid over the next two subsequent years, with the remainder to be paid thereafter.

Leases

The Company has remaining payments relating to its operating leases of \$376 million at September 30, 2024, primarily related to real estate leases, of which \$118 million in payments are expected over the next twelve months. For more information on the expected cash flows relating to the Company's operating leases, refer to Note 14 to the consolidated financial statements.

Pension and Other Retirement Plan Obligations

The Company does not anticipate making significant contributions to its funded pension plan in the next twelve months. This plan is overfunded at September 30, 2024, and accordingly holds sufficient investments to fund future benefit obligations. Payments for the Company's unfunded plans are not expected to be material in either the short or long-term.

Dividends and share repurchases

On October 21, 2024, the Board approved the declaration of a quarterly dividend of \$0.85 per share for Moody's common stock, payable December 13, 2024 to shareholders of record at the close of business on November 22, 2024. The continued payment of dividends at this rate, or at all, is subject to the discretion of the Board.

On February 5, 2024, the Board approved \$1 billion in share repurchase authority. At September 30, 2024, the Company had approximately \$547 million of remaining authority under this authorization. On October 15, 2024, the Board authorized an additional \$1.5 billion in share repurchase authority. There is no established expiration date for the remaining authorizations.

Sources of Funding to Satisfy Material Cash Requirements

The Company believes that it has the financial resources needed to meet its cash requirements and expects to have positive operating cash flow over the next twelve months. Cash requirements for periods beyond the next twelve months will depend, among other things, on the Company's profitability and its ability to manage working capital requirements. The Company may also borrow from various sources as described above.

NON-GAAP FINANCIAL MEASURES

In addition to its reported results, Moody's has included in this MD&A certain adjusted results that the SEC defines as "Non-GAAP financial measures." Management believes that such adjusted financial measures, when read in conjunction with the Company's reported results, can provide useful supplemental information for investors analyzing period-to-period comparisons of the Company's performance, facilitate comparisons to competitors' operating results and can provide greater transparency to investors of supplemental information used by management in its financial and operational decision-making. These adjusted measures, as defined by the Company, are not necessarily comparable to similarly defined measures of other companies. Furthermore, these adjusted measures should not be viewed in isolation or used as a substitute for other GAAP measures in assessing the operating performance or cash flows of the Company. Below are brief descriptions of the Company's adjusted financial measures accompanied by a reconciliation of the adjusted measure to its most directly comparable GAAP measure:

Adjusted Operating Income and Adjusted Operating Margin:

The Company presents Adjusted Operating Income and Adjusted Operating Margin because management deems these metrics to be useful measures to provide additional perspective on Moody's operating performance. Adjusted Operating Income excludes the impact of: i) depreciation and amortization; ii) restructuring charges/adjustments; and iii) charges related to an asset abandonment. Depreciation and amortization are excluded because companies utilize productive assets of different estimated useful lives and use different methods of acquiring and depreciating productive assets. Restructuring charges/adjustments and charges related to asset abandonment are excluded as the frequency and magnitude of these charges may vary widely across periods and companies.

Management believes that the exclusion of the aforementioned items, as detailed in the reconciliation below, allows for an additional perspective on the Company's operating results from period to period and across companies. The Company defines Adjusted Operating Margin as Adjusted Operating Income divided by revenue.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating income	\$ 738	\$ 535	\$ 2,314	\$ 1,639
Adjustments:				
Depreciation and amortization	108	95	318	276
Restructuring	6	27	13	51
Charges related to asset abandonment	15	—	30	—
Adjusted Operating Income	\$ 867	\$ 657	\$ 2,675	\$ 1,966
Operating margin	40.7 %	36.3 %	42.7 %	36.9 %
Adjusted Operating Margin	47.8 %	44.6 %	49.4 %	44.3 %

Adjusted Net Income and Adjusted Diluted EPS attributable to Moody's common shareholders:

The Company presents Adjusted Net Income and Adjusted Diluted EPS because management deems these metrics to be useful measures to provide additional perspective on Moody's operating performance. Adjusted Net Income and Adjusted Diluted EPS exclude the impact of: i) amortization of acquired intangible assets; ii) restructuring charges/adjustments; iii) charges related to asset abandonment; and iv) gains on previously held equity method investments.

The Company excludes the impact of amortization of acquired intangible assets as companies utilize intangible assets with different estimated useful lives and have different methods of acquiring and amortizing intangible assets. These intangible assets were recorded as part of acquisition accounting and contribute to revenue generation. The amortization of intangible assets related to acquisitions will recur in future periods until such intangible assets have been fully amortized. Furthermore, the timing and magnitude of business combination transactions are not predictable and the purchase price allocated to amortizable intangible assets and the related amortization period are unique to each acquisition and can vary significantly from period to period and across companies. Restructuring charges/adjustments, charges related to asset abandonment, and gains on previously held equity method investments are excluded as the frequency and magnitude of these items may vary widely across periods and companies.

The Company excludes the aforementioned items to provide additional perspective when comparing net income and diluted EPS from period to period and across companies as the frequency and magnitude of similar transactions may vary widely across periods.

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Free Cash Flow:

The Company defines Free Cash Flow as net cash provided by operating activities minus cash paid for capital additions. Management believes that Free Cash Flow is a useful metric in assessing the Company's cash flows to service debt, pay dividends and to fund acquisitions and share repurchases. Management deems capital expenditures essential to the Company's product and service innovations and maintenance of Moody's operational capabilities. Accordingly, capital expenditures are deemed to be a recurring use of Moody's cash flow. Below is a reconciliation of the Company's net cash flows from operating activities to Free Cash Flow:

	Nine Months Ended September 30,	
	2024	2023
Net cash provided by operating activities	\$ 2,164	\$ 1,674
Capital additions	(243)	(198)
Free Cash Flow	\$ 1,921	\$ 1,476
Net cash used in investing activities	\$ (875)	\$ (193)
Net cash used in financing activities	\$ (812)	\$ (1,231)

Key Performance Metrics:

The Company presents Annualized Recurring Revenue ("ARR") on a constant currency organic basis for its MA business as a supplemental performance metric to provide additional insight on the estimated value of MA's recurring revenue contracts at a given point in time. The Company uses ARR to manage and monitor performance of its MA operating segment and believes that this metric is a key indicator of the trajectory of MA's recurring revenue base.

The Company calculates ARR by taking the total recurring contract value for each active renewable contract as of the reporting date, divided by the number of days in the contract and multiplied by 365 days to create an annualized value. The Company defines renewable contracts as subscriptions, term licenses, maintenance and renewable services. ARR excludes transaction sales including one-time training, services and perpetual licenses. In order to compare period-over-period ARR excluding the effects of foreign currency translation, the Company bases the calculation on currency rates utilized in its current year operating budget and holds these FX rates constant for the duration of all current and prior periods being reported. Additionally, ARR excludes contracts related to acquisitions to provide additional perspective in assessing growth excluding the impacts from certain acquisition activity.

The Company's definition of ARR may differ from definitions utilized by other companies reporting similarly named measures, and this metric should be viewed in addition to, and not as a substitute for, financial measures presented in accordance with GAAP.

Amounts in millions

	September 30, 2024	September 30, 2023	Change	Growth
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MA ARR				
Decision Solutions				
Banking	\$ 439	\$ 400	\$ 39	10%
Insurance	579	514	65	13%
KYC	360	316	44	14%
Total Decision Solutions	\$ 1,378	\$ 1,230	\$ 148	12%
Research and Insights	910	860	50	6%
Data and Information	859	796	63	8%
Total MA ARR	\$ 3,147	\$ 2,886	\$ 261	9%

RECENTLY ISSUED ACCOUNTING STANDARDS

Refer to Note 1 to the consolidated financial statements located in Part I of this Form 10-Q for a discussion on the impact to the Company relating to recently issued accounting pronouncements.

CONTINGENCIES

Legal proceedings in which the Company is involved also may impact Moody's liquidity or operating results. No assurance can be provided as to the outcome of such proceedings. In addition, litigation inherently involves significant costs. For information regarding legal proceedings, see Item 1 - "Financial Statements," Note 15 "Contingencies" in this Form 10-Q.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this quarterly report on Form 10-Q 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 involve estimates, projections, goals, forecasts, assumptions and uncertainties that could cause actual results or outcomes to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements. Those statements appear at various places throughout this quarterly report on Form 10-Q, including in the sections entitled "Contingencies" under Item 2, "MD&A," commencing on page 39 of this quarterly report on Form 10-Q, under "Legal Proceedings" in Part II, Item 1, of this Form 10-Q, and elsewhere in the context of statements containing the words "believe," "expect," "anticipate," "intend," "plan," "will," "predict," "potential," "continue," "strategy," "aspire," "target," "forecast," "project," "estimate," "should," "could," "may," and similar expressions or words and variations thereof relating to the Company's views on future events, trends and contingencies or otherwise convey the prospective nature of events or outcomes generally indicative of forward-looking statements. Stockholders and investors are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements and other information in this document are made as of the date of this quarterly report on Form 10-Q, 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 certain factors 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:

- the impact of general economic conditions (including significant government debt and deficit levels and inflation and related monetary policy actions by governments in response to inflation) on worldwide credit markets and on economic activity, including on the volume of mergers and acquisitions, and their effects on the volume of debt and other securities issued in domestic and/or global capital markets;
- the uncertain effectiveness and possible collateral consequences of U.S. and foreign government initiatives and monetary policy to respond to the current economic climate, including instability of financial institutions, credit quality concerns, and other potential impacts of volatility in financial and credit markets;
- the global impacts of the Russia-Ukraine military conflict and the military conflict in the Middle East on volatility in world financial markets, on general economic conditions and GDP in the U.S. and worldwide, on global relations and on the Company's own operations and personnel;
- other matters that could affect the volume of debt and other securities issued in domestic and/or global capital markets, including regulation, increased utilization of technologies that have the potential to intensify competition and accelerate disruption and disintermediation in the financial services industry, as well as the number of issuances of securities without ratings or securities which are rated or evaluated by non-traditional parties;
- 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, tax agreements and trade barriers;
- the impact of MIS's withdrawal of its credit ratings on countries or entities within countries and of Moody's no longer conducting commercial operations in countries where political instability warrants such actions;
- concerns in the marketplace affecting our credibility or otherwise affecting market perceptions of the integrity or utility of independent credit agency ratings;
- the introduction or development of competing and/or emerging technologies and products;
- 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;
- the potential for increased competition and regulation in the jurisdictions in which we operate, including the EU;
- exposure to litigation related to our rating opinions, as well as any other litigation, government and regulatory proceedings, investigations and inquiries to which Moody's may be subject from time to time;
- provisions in U.S. legislation modifying the pleading standards and EU regulations modifying the liability standards, applicable to CRAs in a manner adverse to CRAs;
- 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;
- uncertainty regarding the future relationship between the U.S. and China;
- the possible loss of key employees and the impact of the global labor environment;

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- failures or malfunctions of our operations and infrastructure;
- any vulnerabilities to cyber threats or other cybersecurity concerns;
- the timing and effectiveness of any restructuring programs;
- currency and foreign exchange volatility;
- the outcome of any review by tax authorities of Moody's global tax planning initiatives;
- exposure to potential criminal sanctions or civil remedies if Moody's fails to comply with foreign and U.S. laws and regulations that are applicable in the jurisdictions in which Moody's 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 Moody's to successfully integrate acquired businesses;
- 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 Moody's annual report on Form 10-K for the year ended December 31, 2023, 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. Forward-looking and other statements in this document may also address our corporate responsibility progress, plans, and goals (including sustainability and environmental matters), and the inclusion of such statements is not an indication that these contents are necessarily material to investors or required to be disclosed in the Company's filings with the Securities and Exchange Commission. In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no significant changes to the Company's market risk during the nine months ended September 30, 2024. For a discussion of the Company's exposure to market risk, refer to the Company's market risk disclosures set forth in Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" of our Form 10-K for the year ended December 31, 2023.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures: The Company carried out an evaluation, as required by Rule 13a-15(b) under the Exchange Act, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures, as defined in Rule 13a-15(e) of the Exchange Act, as of the end of the period covered by this report (the "Evaluation Date"). Based on such evaluation, such officers have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the communication to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, has determined that there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, these internal controls over financial reporting during the three-month period ended September 30, 2024.

The Company's disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives as specified above. The Company's management does not expect, however, that our disclosure controls and procedures will prevent or detect all instances of error and fraud. Any control system, regardless of how well designed and operated, is based upon certain assumptions, and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal proceedings, see Item 1 – “Financial Statements – Notes to Consolidated Financial Statements (Unaudited),” Note 15 “Contingencies” in this Form 10-Q.

Item 1A. Risk Factors

There have been no material changes from the significant risk factors and uncertainties previously disclosed under the heading “Risk Factors” in the Company’s annual report on Form 10-K for the year ended December 31, 2023, that if they were to occur, could materially adversely affect the Company’s business, financial condition, operating results and/or cash flow. For a discussion of the Company’s risk factors, refer to Item 1A. “Risk Factors” contained in the Company’s annual report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

MOODY’S PURCHASES OF EQUITY SECURITIES

For the three months ended September 30, 2024

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares That May Yet be Purchased Under the Program ⁽²⁾
July 1- 31	254,701	\$ 441.26	249,457	\$ 865 million
August 1- 31	354,722	\$ 466.79	354,650	\$ 699 million
September 1- 30	316,635	\$ 481.08	315,988	\$ 547 million
Total	926,058	\$ 464.77	920,095	

(1) Includes surrender to the Company of 5,244; 72; and 647 shares of common stock in July, August, and September, respectively, to satisfy tax withholding obligations in connection with the vesting of restricted stock issued to employees.

(2) As of the last day of each of the months. On February 5, 2024, the Board of Directors authorized \$1 billion in share repurchase authority. At September 30, 2024 there was approximately \$547 million of share repurchase authority remaining under this authorization. On October 15, 2024, the Board authorized an additional \$1.5 billion in share repurchase authority. There is no established expiration date for the remaining authorizations.

During the third quarter of 2024, Moody’s issued a net 100,000 shares under employee stock-based compensation plans.

Item 5. Other Information

Rule 10b5-1 Plans

On July 30, 2024, Robert Fauber, the Company’s Chief Executive Officer, adopted a trading plan intended to satisfy Rule 10b5-1(c). The plan relates to the sale of up to 17,191 shares of Moody’s Corporation common stock between November 1, 2024 and October 27, 2025. The shares include: i) shares which will be acquired upon the exercise of employee stock options; and ii) vested restricted stock units.

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Item 6. Exhibits

Exhibit No	Description
3	Articles of Incorporation and By-laws
.1	Restated Certificate of Incorporation of the Registrant, effective April 17, 2024 (incorporated by reference to Exhibit 3.3 to the Report on Form 8-K of the Registrant, file number 1-14037, filed April 19, 2024)
.2	Amended and Restated By-laws of Moody's Corporation, effective April 17, 2024 (incorporated by reference to Exhibit 3.2 to the Report on Form 8-K of the Registrant, file number 1-14037, filed April 19, 2024)
4	Instruments Defining the Rights of Security Holders, Including Indentures
.1	Eighteenth Supplemental Indenture, dated as of August 5, 2024, between the Company and Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, as Trustee, including the form of 5.000% Senior Note due 2034 (incorporated by reference to Exhibit 4.1 to the Report on Form 8-K of the Registrant, file number 1-4037, filed August 5, 2024)
10	Material Contracts
.1*	Moody's Corporation Career Transition Plan (Amended and Restated as of October 1, 2024)
31	Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
.1*	Chief Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
.2*	Chief Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certifications Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
.1*	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. The Company has furnished this certification and does not intend for it to be considered filed under the Securities Exchange Act of 1934 or incorporated by reference into future filings under the Securities Act of 1933 or the Securities Exchange Act of 1934
.2*	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. The Company has furnished this certification and does not intend for it to be considered filed under the Securities Exchange Act of 1934 or incorporated by reference into future filings under the Securities Act of 1933 or the Securities Exchange Act of 1934
101.INS*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Definitions Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith

MOODY'S CORPORATION CAREER TRANSITION PLAN
Amended and Restated as of October 1, 2024

The Moody's Corporation Career Transition Plan (the "Plan") is intended to provide certain eligible employees of Moody's Corporation (the "Company"), and its participating affiliates, severance benefits in the event of such employee's Eligible Termination under the terms and conditions set forth in the Plan. This Plan is designed to be an "employee welfare benefit plan," as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and is governed by ERISA. The Company is the "Plan sponsor" as defined in Section 3(16)(B) of ERISA and exercises this authority through the Board and the CHRC, as applicable. There are no vested rights to any benefits under the Plan, and the Plan may be amended, modified or terminated at any time. Please review the section entitled "Amendment and Termination" regarding the Company's reservation of rights. This document constitutes both the official plan document and the summary plan description under ERISA. This document shall apply to any Eligible Employee who experiences an Eligible Termination on and after October 1, 2024.

ARTICLE 1

DEFINITIONS

1.1 "Board" shall mean the Board of Directors of Moody's Corporation.

1.2 "Cause" shall mean (a) willful malfeasance, willful misconduct, or gross negligence by the Eligible Employee in connection with his or her employment, (b) continuing failure to perform such duties as are requested by any employee to whom the Eligible Employee reports or the Participating Company's board of directors, (c) failure by the Eligible Employee to observe and/or comply with material policies of the Participating Company applicable to the Eligible Employee, or (d) the conviction of, or plea of guilty or nolo contendere by, the Eligible Employee to (i) any felony or (ii) any misdemeanor involving moral turpitude. The determination of whether a termination or other separation from employment is for Cause shall be made by the Committee, or member of Company management, in such person's sole and absolute discretion, and such determination shall be conclusive and binding on the affected individual.

1.3 "CHRC" shall mean the Compensation and Human Resources Committee of the Board, or any other committee appointed by the Board to exercise its authority as Plan sponsor.

1.4 "Committee" shall mean the Management Benefits & Compensation Committee,

which is a subcommittee of the CHRC, or any other committee appointed by the Board or CHRC to administer the Plan.

1.5 "Eligible Employee" shall mean a regular full-time salaried employee or regular part-time salaried employee of any Participating Company who:

- (a) is on the United States payroll of a Participating Company; and
- (b) shall have executed a Severance and Release Agreement.

Notwithstanding the foregoing, an “Eligible Employee” shall not include any individual: (A) (i) designated by the Participating Company as a casual, seasonal, hourly, temporary, leased, limited duration employee or “independent contractor”; or (ii) as to whom the Participating Company does not withhold income taxes (and no such individual described in this Section 1.3(A) shall be an Eligible Employee even if he or she is later retroactively reclassified or recharacterized as a common-law employee of the Participating Company during all or any part of such period pursuant to applicable law or otherwise); (B) who is receiving or has been approved to receive income replacement benefits from a party other than a Participating Company (e.g., an insurance company) pursuant to any employee benefit plan, program or arrangement sponsored by a Participating Company; (C) who pursuant to an individual employment contract, offer letter or otherwise is or may be entitled to receive severance from the Participating Company other than pursuant to this Plan and does not waive and relinquish that entitlement in a writing that is in form and substance satisfactory to the Participating Company; or (D) who is otherwise designated by the management of the Participating Company (in its sole discretion) to be ineligible to participate in the Plan.

1.6 “Eligible Termination” shall mean, on or after the Effective Date (as set forth in Article 7), (a) an involuntary termination of employment with a Participating Company by reason of a reduction in force program, job elimination, or unsatisfactory performance in the execution of an Eligible Employee’s duties; (b) a resignation mutually agreed to in writing by the Participating Company and the Eligible Employee and initiated by the Participating Company; or (c) any other termination that is designated by the management of the Participating Company (in its sole discretion) to be an Eligible Termination. Notwithstanding the foregoing, an Eligible Termination shall not include (v) a termination of employment that occurs due to death; (w) a resignation for any reason other than as specified in Section 1.6(b); (x) a termination by a Participating Company for Cause; (y) a termination as a result of a sale (whether in whole or in part, of stock or assets), merger or other combination, spinoff, reorganization or liquidation, dissolution or other winding up or other similar transaction involving a Participating Company; or (z) any termination where an offer of employment is made to the Eligible Employee of a reasonably comparable position at a Participating Company or any affiliate of a Participating Company or in connection with an outsourcing transaction concurrently with his or her termination (and whether or not such offer is accepted). In addition, in no event shall an Eligible Employee be deemed to have experienced an Eligible Termination if the Committee determines that the Eligible Employee abandoned his or her position with a Participating Company.

1.7 “Participating Company” shall mean the Company or any other affiliated entity more than 50% of the voting interests of which are owned, directly or indirectly, by the Company and which has elected to participate in the Plan by action of its board of directors or other governing body.

1.8 “Salary” shall mean an Eligible Employee’s annual base salary at the time his or her employment terminates, as reflected on the Participating Company’s payroll records, and

does not include bonuses, overtime pay, commissions, incentive or deferred compensation or other additional compensation.

1.9 "Severance and Release Agreement" shall mean an agreement provided by the Participating Company to an Eligible Employee in connection with his or her termination of employment, pursuant to which, if executed by the Eligible Employee (and not timely revoked), the Eligible Employee will acknowledge his or her termination of employment with the Participating Company, release the Participating Company and all of its affiliates and any other applicable persons from liability for any and all claims, and agree to comply with certain post-termination obligations (including non-competition, non-solicitation, non-disparagement, confidentiality and other restrictive covenants), as determined by the Company in its sole and absolute discretion.

1.10 "Years of Service" shall mean an Eligible Employee's continuous service (in years and months, rounded up to the nearest whole month for partial months) as an active employee of a Participating Company since his or her most recent date of hire in a capacity in which the Eligible Employee qualified as such pursuant to the definition above; *provided that* a Participating Company may, in its sole discretion, agree to take into account Years of Service prior to the Eligible Employee's most recent hire date (e.g., service with a predecessor in connection with an acquisition).

ARTICLE 2

SEVERANCE BENEFITS

2.1 Subject to the provisions of this Article 2, and in consideration of the Eligible Employee executing a Severance and Release Agreement in accordance with Section 2.2, in the event of an Eligible Termination, an Eligible Employee shall be entitled to receive from the Participating Company the benefits set forth on Schedule A hereto.

2.2 Notwithstanding any other provision contained herein, the grant of severance benefits pursuant to Section 2.1 hereof is conditioned upon an Eligible Employee signing a Severance and Release Agreement in such form as is satisfactory to the Participating Company, in its sole discretion, under which, among other things, the Eligible Employee (i) releases and discharges the Participating Company and all of its affiliates and any other applicable persons from all claims and liabilities relating to the Eligible Employee's employment with the Participating Company and/or the termination of the Eligible Employee's employment, including without limitation, claims under the Age Discrimination in Employment Act and the Older Workers Benefit Protection Act, where applicable, and the Eligible Employee not revoking the Severance and Release Agreement during any revocation period set forth therein, and (ii) agrees to comply with certain post-termination obligations (including non-competition, non-solicitation, non-disparagement, confidentiality and other restrictive covenants) determined by the Company in its sole and absolute discretion. Severance shall be paid only after the Severance and Release Agreement has been signed and the time for the Eligible Employee to revoke the Severance and Release Agreement, if any, has expired and the Severance and Release Agreement has become effective in accordance with its terms. The Eligible Employee

must return the executed Severance and Release Agreement no later than sixty (60) days following the date of the Eligible Termination and, if such 60-day period includes two calendar years, no benefits hereunder subject to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") shall be paid to the Eligible Employee until the second calendar year. Any amounts that otherwise would have been paid during the period beginning on the date of termination and ending on the first applicable payment date shall be paid on the first applicable payment date.

2.3 Notwithstanding any other provision contained herein, the Chief Executive Officer of the Participating Company, or his or her delegee, may, at any time, take such action as such officer, in such officer's sole discretion, deems appropriate to reduce or increase by any amount the benefits otherwise payable to an Eligible Employee pursuant to Schedule A or otherwise modify the terms and conditions applicable to an Eligible Employee under this Plan. Benefits granted hereunder may not exceed an amount nor be paid over a period which would cause the Plan to be other than a "welfare benefit plan" under Section 3 (1) of ERISA.

2.4 Notwithstanding any other provision contained herein, if the Eligible Employee is a "specified employee" within the meaning of Section 409A of the Code, as of the date of termination of his or her employment, to the extent necessary to comply with Section 409A of the Code, no severance payments or benefits will be paid or provided to the Eligible Employee before the date that is six months after the date of the termination of employment; provided, that such payments and benefits will be accumulated (without interest) and paid to the Eligible Employee as soon as practicable on or after the first day of the seventh month following the date of termination of employment. In no event shall a Participating Company be liable to any Eligible Employee for any adverse tax consequences under Section 409A of the Code for any payment made under this Plan.

ARTICLE 3

AMENDMENT AND TERMINATION

3.1 By action of the Board (including any action of the CHRC or any successor committee to whom the Board has delegated authority to exercise its powers as Plan sponsor), the Company reserves the right, in its sole and absolute discretion, to terminate the Plan on behalf of any or all Participating Companies at any time and for any or no reason and without any further obligation by action of the Board or such other person or persons to whom the Board properly delegates such authority. Any other Participating Company may cease participation in the Plan by action of its board of directors or such other person or persons to whom such board properly delegates such authority.

3.2 By action of the Board (including any action of the CHRC or any successor committee to whom the Board has delegated authority to exercise its powers as Plan sponsor), the Company shall have the right, in its sole and absolute discretion, to modify or amend the terms of the Plan at any time, or from time to time, for any or no reason. The Committee also shall have the right, in its sole and absolute discretion, to modify or amend the terms of the Plan at any time, or from time to time, for any or no reason.

3.3 All modifications of or amendments to the Plan shall be in writing.

ARTICLE 4

ADMINISTRATION OF THE PLAN

4.1 The Committee shall be the Plan administrator who has authority to control and manage the operation and administration of the Plan and to manage and control any assets to the extent such assets have been set aside pursuant to Section 5.2 of this Plan.

4.2 The Committee may from time-to-time delegate its responsibilities to officers of the Company or a Participating Company. The Committee may employ one or more persons to render advice regarding any responsibility the Committee has under the Plan.

4.3 The Committee (and its delegees) shall have the exclusive right to interpret any and all of the provisions of the Plan and to determine any questions arising thereunder or in connection with the administration of the Plan, including those regarding any Eligible Employee's officer code or Job Group. Any decision or action by the Committee (and its delegees) shall be conclusive and binding upon all employees, members, and beneficiaries. In all instances the Committee (and its delegees) shall have complete discretionary authority to determine eligibility for participation and benefits under the Plan, as well as any other matter of fact or interpretation relating to the Plan, and to construe and interpret all provisions of the Plan and all documents relating thereto including, without limitation, all disputed and uncertain terms. It is the intention of the preceding sentences that the Committee's (and its delegees') decision(s), if reviewed by a Federal or state court or an arbitrator, are reviewed based on an abuse of discretion or "arbitrary or capricious standard," and not a "de novo standard," and that all deference permitted by law shall be given to such constructions, interpretations and determinations of the Committee (and its delegees). Should any dispute arise as to eligibility to receive, or amount of, benefits provided under the Plan, such dispute shall be resolved pursuant to the Claims Procedures attached hereto as Schedule B.

4.4 Any action to be taken by the Committee shall be taken by a majority of its members either at a meeting or by written instrument approved by such majority in the absence of a meeting. A written resolution or memorandum signed by one Committee member and the secretary of the Committee shall be sufficient evidence to any person of any action taken pursuant to the Plan.

4.5 Any person, corporation or other entity may serve in more than one capacity under the Plan.

4.6 The Company shall indemnify any individual who is a director, officer or employee of a Participating Company, or his or her heirs and legal representatives, against all liability and reasonable expense, including counsel fees, amounts paid in settlement and amounts of judgments, fines or penalties, incurred or imposed upon him or her in connection with any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, in connection with his or her duties with respect to the Plan, provided that any act

or omission giving rise to such claim, action, suit or proceeding does not constitute willful misconduct or is not performed or omitted in bad faith.

ARTICLE 5

MISCELLANEOUS

5.1 Neither the establishment of the Plan nor any action of a Participating Company, the Committee, or any fiduciary shall be held or construed to confer upon any person any legal right to continue employment with a Participating Company. Each Participating Company expressly reserves the right to discharge any employee to the same extent as if the Plan had not been put into effect.

5.2 Benefits payable under the Plan shall be paid out of the general assets of a Participating Company. No Participating Company needs to fund the benefits payable under this Plan; however, nothing in this Section 5.2 shall be interpreted as precluding any Participating Company from funding or setting aside amounts in anticipation of paying such benefits. Any benefits payable to an Eligible Employee under this Plan shall represent an unsecured claim by such Eligible Employee against the general assets of the Participating Company that employed such Eligible Employee.

5.3 A Participating Company shall deduct from the amount of any severance benefits payable hereunder the amount required by law to be withheld for the payment of any taxes and any other amounts properly to be withheld.

5.4 Benefits payable under the Plan shall not be subject to assignment, alienation, transfer, pledge, encumbrance, commutation or anticipation by the Eligible Employee. Any attempt to assign, alienate, transfer, pledge, encumber, commute or anticipate Plan benefits shall be void.

5.5 This Plan shall be construed, whenever possible, to be in conformity with the requirements of ERISA, or any subsequent laws or amendments thereto. To the extent not in conflict with the preceding sentence or another provision of the Plan, the construction and administration of the Plan shall be in accordance with the laws of the State of New York applicable to contracts made and to be performed within the State of New York (without reference to its conflicts of law provisions). This Plan will be of no force or effect with respect to an Eligible Employee to the extent superseded by foreign law.

5.6 This Plan supersedes any and all prior severance arrangements, policies, plans or practices of the Company and of any Participating Company (whether written or unwritten).

5.7 Should any provisions of the Plan be deemed or held to be unlawful or invalid for any reason, such fact shall not adversely affect the other provisions of the Plan unless such determination shall render impossible or impracticable the functioning of the Plan, and in such case, an appropriate provision or provisions shall be adopted so that the Plan may continue to function properly.

5.8 In the event that the Committee finds that an Eligible Employee (or designated beneficiary) is unable to care for his or her affairs because of illness or accident, then benefits payable hereunder, unless claim has been made therefor by a duly appointed guardian, committee, or other legal representative, may be paid in such manner as the Committee shall determine, and the application thereof shall be a complete discharge of all liability for any payments or benefits to which such Eligible Employee (or designated beneficiary) was or would have been otherwise entitled under this Plan.

5.9 Any payments to a minor from this Plan may be paid by the Committee in its sole and absolute discretion (a) directly to such minor; (b) to the legal or natural guardian of such minor; or (c) to any other person, whether or not appointed guardian of the minor, who shall have the care and custody of such minor. The receipt by such individual shall be a complete discharge of all liability under the Plan therefor.

5.10 The Plan is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and administered in accordance with such intention. Any payment under the Plan that may be excluded from coverage under Section 409A of the Code either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from such coverage to the maximum extent possible. For purposes of Section 409A of the Code, each installment payment provided under this Plan shall be treated as a separate payment. To the extent required by Section 409A of the Code, any payments to be made under this Plan upon a termination of employment shall be made only if such termination of employment constitutes a "separation from service" for purposes of Section 409A of the Code.

ARTICLE 6

YOUR RIGHTS UNDER ERISA

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all plan participants shall be entitled to:

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the office of the Plan Administrator (as defined below) and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the plan and summary plan description. The Plan Administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including the Company or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal Court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a State or Federal Court. If plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal Court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order

the persons you have sued to pay these cost and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

ARTICLE 7

OTHER IMPORTANT INFORMATION.

OFFICIAL NAME OF THE PLAN: Moody's Corporation Career Transition

Plan SPONSOR: Moody's Corporation

7 World Trade Center at 250 Greenwich Street New York, NY
10007

212.553.0300

EMPLOYER IDENTIFICATION NUMBER (EIN): 13-3998945

PLAN NUMBER: 526

TYPE OF PLAN: Employee Welfare Severance Benefit Plan

END OF PLAN YEAR: December 31

TYPE OF ADMINISTRATION: Employer Administered

PLAN ADMINISTRATOR: The Management Benefits & Compensation Committee, a subcommittee of the
Compensation and Human Resources Committee of the Board of
Directors of Moody's Corporation

7 World Trade Center at 250 Greenwich Street New York, NY
10007

212.553.0300

AGENT FOR SERVICE OF LEGAL PROCESS: Managing Director – Total Rewards

7 World Trade Center at 250 Greenwich Street
New York, NY 10007
212.553.0300

Service of legal process may also be made upon the Plan Administrator.

EFFECTIVE DATE: October 1, 2024

The Plan Administrator keeps records of the Plan and is responsible for the administration of the Plan. The Plan Administrator will also answer any questions you may have about the Plan.

No individual may, in any case, become entitled to additional benefits or other rights under this Plan after the Plan is terminated.

Severance pay is subject to Federal and state income and Social Security tax withholdings and any other withholdings mandated by law.

Schedule A

An Eligible Employee entitled to benefits under the Plan shall, subject to Article 2 of the Plan, receive the following:

1. Severance Benefits.

(a) If the Eligible Employee is employed in Job Group A (as defined in this paragraph), has one or more Years of Service, and incurs an Eligible Termination for any reason other than unsatisfactory performance, the Eligible Employee shall receive the higher of (i) 10 weeks of Salary or (ii) 2 weeks of Salary for each Year of Service. Job Group A consists of the following officer codes: Assistant Vice President, Assistant Vice President-Analyst, Associate Director, Assistant Director, Analyst, Associate Analyst, and Associate.

(b) If the Eligible Employee is employed in Job Group B (as defined in this paragraph), has one or more Years of Service, and incurs an Eligible Termination for any reason other than unsatisfactory performance, the Eligible Employee shall receive the higher of (i) 26 weeks of Salary or (ii) 2 weeks of Salary for each Year of Service. Job Group B consists of the following officer codes: Vice President, Vice President-Senior Analyst, Vice President-Senior Compliance Officer, Country Head, and Director.

(c) If the Eligible Employee is employed in Job Group C (as defined in this paragraph), has one or more Years of Service, and incurs an Eligible Termination for any reason other than unsatisfactory performance, the Eligible Employee shall receive 52 weeks of Salary. Job Code C consists of the following officer codes: Chief Executive Officer, Chief Executive Officer-Direct, Senior Managing Director, Group Managing Director, Managing Director, Associate Managing Director, Senior Director, and Senior Vice President.

The amount an Eligible Employee would have otherwise been entitled to receive under paragraphs 1(a) through (c) above shall be reduced by 50% if that Eligible Employee (i) incurs an Eligible Termination by reason of unsatisfactory performance, or (ii) has less than one Year of Service and incurs an Eligible Termination for any reason. The maximum payment payable under paragraph 1 shall be 52 weeks of Salary.

If an Eligible Employee serves in roles at two or more Participating Companies, the higher(est) officer code at such entities shall determine the Job Group for purposes hereof. The officer code assigned to an Eligible Employee shall be determined by the Company, in its sole discretion.

2. Payment Method.

Except as otherwise set forth in this paragraph 2 or as otherwise determined by the Company (in its sole discretion, but in all events consistent with the requirements of Section 409A of the Code), the amounts payable under paragraph 1 shall be paid in a lump-sum as soon

as practicable after the Severance and Release Agreement has been signed and the time for the Eligible Employee to revoke the Severance and Release Agreement, if any, has expired and the Severance and Release Agreement has become effective in accordance with its terms. Notwithstanding the foregoing, for Eligible Employees employed as a Managing Director or higher and/or employed in analytical roles (as determined by the Company, in its sole discretion, but in all events consistent with the requirements of Section 409A of the Code), or for any other Eligible Employees the Company determines (in its sole discretion, but in all events consistent with the requirements of Section 409A of the Code), the amounts payable under paragraph 1 shall be paid at the times the Eligible Employee's Salary would have been paid if employment had not terminated, over a period equal to the number of weeks of Salary to which such Eligible Employee is eligible under paragraph 1 ("salary continuation payments").

If an Eligible Employee performs services for a Participating Company following an Eligible Termination, no payment shall be made under the Plan, and any salary continuation payments already commenced shall cease. For purposes of this Schedule A, to "perform services" shall mean employment or services as a full-time employee, consultant, owner, partner, associate, agent or otherwise on behalf of any person, principal, partnership, firm or corporation (other than a Participating Company).

3. Welfare Benefit Continuation.

Medical, dental, and vision benefits shall be provided during such number of weeks of Salary for which the Eligible Employee is eligible under paragraph 1 at the levels in effect for the Eligible Employee immediately prior to termination of employment, on the same basis as applicable to similarly-situated employees, provided that the Eligible Employee shall pay the employee portion of any required premium payments at the level in effect for employees generally of the Participating Company for such benefits. For purposes of determining an Eligible Employee's entitlement to continuation coverage as required by Title I, Subtitle B, Part 6 of ERISA (COBRA), such employee's 18-month or other period of coverage shall commence on his or her termination of employment.

4. Annual Bonus Payment.

Subject to the provisions of this paragraph 4, a cash bonus for the calendar year of termination may be paid in the event the Eligible Employee was employed by a Participating Company for at least six full months during such year and the Eligible Employee participated in an annual bonus plan (the "Annual Incentive Plan") immediately prior to termination of employment. In such event, the Eligible Employee shall receive a bonus in an amount equal to the Eligible Employee's bonus target amount in effect as of his or her termination of employment multiplied by a fraction the numerator of which is the number of full months of employment during the calendar year of termination and the denominator of which is 12. Such bonus shall be payable in a lump-sum payment as soon as practicable after the Severance and Release Agreement has been signed and the time for the Eligible Employee to revoke the Severance and Release Agreement, if any, has expired and the Severance and Release Agreement has become effective in accordance with its terms. Notwithstanding the foregoing, no amount shall be paid under this paragraph 4 in the event the Eligible Employee incurred an Eligible

Termination by reason of unsatisfactory performance. The foregoing provisions of this paragraph 4 shall be appropriately modified in the case of any plan not on a calendar year basis.

5. Death.

Upon the death of an Eligible Employee while receiving salary continuation payments, the remainder of the benefits described in paragraph 1 of this Schedule A shall be paid in a lump-sum payment to his or her estate, as applicable, as soon as reasonably practicable after the Company receives acceptable proof of such death.

6. Other Benefits.

The Eligible Employee may be entitled to such outplacement services following a termination of employment as may be provided by, and in the sole discretion of, the Participating Company.

7. No Further Grants, Etc.

Following an Eligible Employee's termination of employment, no further grants, awards, contributions, accruals or continued participation (except as otherwise provided for herein) shall be made to or on behalf of such employee under any plan or program maintained by a Participating Company including, but not limited to, any qualified or nonqualified retirement, profit sharing, stock option or restricted stock plan of a Participating Company. Any unvested or unexercised options, unvested restricted stock and all other benefits under any plan or program maintained by a Participating Company (including, but not limited to, any qualified or nonqualified retirement, profit sharing, stock option or restricted stock plan) which are held or accrued by an Eligible Employee at the time of his or her termination of employment, shall be treated in accordance with the terms of such plans and programs under which such options, restricted stock or other benefits were granted or accrued; *provided, however*, that if the Eligible Employee satisfies the age and service requirements for "Retirement" treatment under the Amended and Restated 2001 Moody's Corporation Key Employees' Stock Incentive Plan as of the date of the Eligible Employee's termination of employment, the Eligible Employee shall receive such Retirement treatment with respect to any awards outstanding under such Plan to the same extent as if he or she had voluntarily retired as of the date of termination.

Schedule B

Claims Procedures

1. No Eligible Employee or beneficiary or other person or entity shall have any right or claim to benefits under the Plan, or any right or claim to payment from the Plan, except as specified herein. Any dispute as to eligibility, type, amount or duration of benefits or any right or claim to payments from the Plan shall be resolved pursuant to the Claims Procedures of this Schedule B and the provisions of the Plan.

2. All initial and disputed claims for benefits under the Plan shall be submitted to the Managing Director – Total Rewards or such other person designated by the Committee (the “Claims Administrator”). The Claims Administrator shall decide within 90 days after receiving the claim from an Eligible Employee or beneficiary (hereinafter referred to as "Claimant"), or his or her duly authorized representative.

3. If the Claims Administrator determines that an extension of time for processing is required, written or electronic notification of the extension shall be furnished to the Claimant prior to the termination of the initial 90-day period. In no event shall such extension exceed a period of 90 days from the end of such initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Claims Administrator expects to render the benefit determination.

4. The period of time within which a benefit determination is required to be made shall begin at the time a claim is filed in accordance with these claim procedures without regard to whether all the information necessary to make a benefit determination accompanies the filing.

5. If the claim is denied in part or in full, written or electronic notice of denial shall be sent to the Claimant or his duly authorized representative. The written or electronic notice shall be set forth in a manner calculated to be understood by the Claimant and include:

- (a) the specific reason or reasons for the denial;
 - (b) specific reference to pertinent Plan provisions on which the denial is based;
 - (c) a description of any additional material or information necessary for the Claimant to perfect the claim, and an explanation of why such material or information is necessary; and
 - (d) an explanation of the Plan's claim review procedures and the time limits applicable to such procedures including a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA.
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6. Except as set forth in section 11 below, within 60 days after the denial of a claim, the Claimant, or his duly authorized representative, may appeal, in writing, the denial of the claim to the Committee and request a review. In connection with the review, the Claimant or his duly authorized representative may review pertinent documents and may submit issues and comments in writing. The Claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits. Such review shall take into account all comments, documents, records, and other information submitted by the Claimant relating to the claims, without regard to whether such information was submitted or considered in the initial benefit determination.

7. The Committee shall deliver the decision on review, in writing or electronic means, to the Claimant or his duly authorized representative not later than 60 days after the receipt of the request for such review, unless there are special circumstances (such as holding a hearing, if the Committee deems necessary), which require extensions of time for processing. If the Committee determines that an extension of time for processing is required, written or electronic notification of the extension shall be furnished to the Claimant prior to the termination of the initial 60-day period. In no event shall such extension exceed a period of 60 days from the end of the initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render the determination on review.

8. The period of time within which a benefit determination on review is required to be made shall begin at the time an appeal is filed in accordance with these claim procedures without regard to whether all the information necessary to make a benefit determination on review accompanies the filing. In the event that a period of time is extended due to Claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination on review shall be tolled from the date on which the notification of the extension is sent to the Claimant until the date on which the Claimant responds to the request for additional information.

9. In the case of an adverse benefit determination on review, the Committee shall provide access to, and copies of all documents, records, and other information relevant to the Claimant's claim for benefits.

10. The decision shall be sent in writing or by electronic means and shall set forth in a manner calculated to be understood by the Claimant and include:

- (a) the specific reason or reasons for the denial;
 - (b) specific reference to pertinent Plan provisions on which the denial is based;
 - (c) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits; and
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(d) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA.

11. The Claims Administrator's decisions on claims (where no review is requested) and the Committee's decisions on review (where review is requested) shall be in the discretionary and sole and absolute authority of the Claims Administrator (where no review is requested) and the Committee (where review is requested) and shall be binding and conclusive on all interested persons as to participation, benefit eligibility and benefits and any other matter of fact or interpretation relating to the Plan. It is the intention of the preceding sentence that the Claim Administrator's decision(s) and the Committee's decision(s) if reviewed by a Federal or state court or an arbitrator are reviewed based on an abuse of discretion or "arbitrary or capricious standard", and not a de novo standard."

CHIEF EXECUTIVE OFFICER CERTIFICATION
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Robert Fauber, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Moody's Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/ S / ROBERT FAUBER

Robert Fauber

President and Chief Executive Officer

October 23, 2024

CHIEF FINANCIAL OFFICER CERTIFICATION
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Noémie Heuland, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Moody's Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/ S / NOÉMIE HEULAND

Noémie Heuland

Senior Vice President and Chief Financial Officer

October 23, 2024

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Moody's Corporation (the "Company") on Form 10-Q for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert Fauber, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/ S / ROBERT FAUBER

Robert Fauber
President and Chief Executive Officer

October 23, 2024

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Moody's Corporation (the "Company") on Form 10-Q for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Noémie Heuland, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/ S / NOÉMIE HEULAND

Noémie Heuland
Senior Vice President and Chief Financial Officer

October 23, 2024