Third Quarter 2019 Earnings Call

October 30, 2019

Overview

Shivani Kak
Head of Investor Relations

Disclaimer

Certain statements contained in this release are forward-looking statements and are based on future expectations, plans and prospects for the Company's business and operations that involve a number of risks and uncertainties. Such statements may include, among other 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 that convey the prospective nature of events or outcomes generally indicative of forward-looking statements. The forward-looking statements and other information in this release are made as of the date hereof (except where noted otherwise), and the Company undertakes no obligation (nor does it intend) to publicly supplement, update or revise such statements on a going-forward basis, whether as a result of subsequent developments, changed expectations or otherwise, except as required by applicable law or regulation. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company is identifying examples of factors, risks and uncertainties that could cause actual results to differ, perhaps materially, from those indicated by these forward-looking statements. Those factors, risks and uncertainties include, but are not limited to, credit market disruptions or economic slowdowns, which could affect the volume of debt and other securities issued in domestic and/or global capital markets; other matters that could affect the volume of debt and other securities issued in domestic and/or global capital markets, including regulation, credit quality concerns, changes in interest rates and other volatility in the financial markets such as that due to uncertainty as companies transition away from LIBOR and the U.K.'s pending withdrawal from the EU; the level of merger and acquisition activity in the U.S. and abroad; the uncertain effectiveness and possible collateral consequences of U.S. and foreign government actions affecting credit markets, international trade and economic policy, including those related to tariffs and trade barriers; concerns in the marketplace affecting our credibility or otherwise affecting market perceptions of the integrity or utility of independent credit agency ratings; the introduction of competing products or technologies by other companies; pricing pressure from competitors and/or customers; the level of success of new product development and global expansion; the impact of regulation as an NRSRO, the potential for new U.S., state and local legislation and regulations, including provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") and regulations resulting from Dodd-Frank; the potential for increased competition and regulation in the EU and other foreign jurisdictions; exposure to litigation related to our rating opinions, as well as any other litigation, government and regulatory proceedings, investigations and inquires to which the Company may be subject from time to time; provisions in the Dodd-Frank legislation modifying the pleading standards, and EU regulations modifying the liability standards, applicable to credit rating agencies in a manner adverse to credit rating agencies; provisions of EU regulations imposing additional procedural and substantive requirements on the pricing of services and the expansion of supervisory remit to include non-EU ratings used for regulatory purposes; the possible loss of key employees; failures or malfunctions of our operations and infrastructure; any vulnerabilities to cyber threats or other cybersecurity concerns; the outcome of any review by controlling tax authorities of the Company's global tax planning initiatives; exposure to potential criminal sanctions or civil remedies if the Company fails to comply with foreign and U.S. laws and regulations that are applicable in the jurisdictions in which the Company operates, including data protection and privacy laws, sanctions laws, anti-corruption laws, and local laws prohibiting corrupt payments to government officials; the impact of mergers, acquisitions or other business combinations and the ability of the Company to successfully integrate such acquired businesses; currency and foreign exchange volatility; the level of future cash flows; the levels of capital investments; and a decline in the demand for credit risk management tools by financial institutions. These factors, risks and uncertainties as well as other risks and uncertainties that could cause Moody's actual results to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements are described in greater detail under "Risk Factors" in Part I, Item 1A of the Company's annual report on Form 10-K for the year ended December 31, 2018, and in other filings made by the Company from time to time with the SEC or in materials incorporated herein or therein. Stockholders and investors are cautioned that the occurrence of any of these factors, risks and uncertainties may cause the Company's actual results to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements, which could have a material and adverse effect on the Company's business, results of operations and financial condition. New factors may emerge from time to time, and it is not possible for the Company to predict new factors, nor can the Company assess the potential effect of any new factors on it.

3Q 2019 Overview and Strategy Discussion

Ray McDaniel
President and Chief Executive Officer

3Q19 Highlights

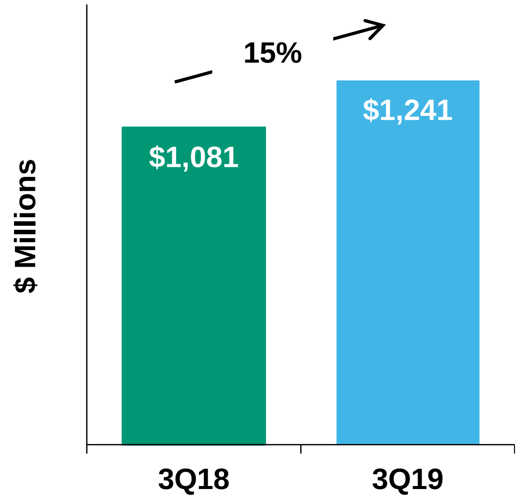
- MCO achieved substantial revenue growth
  - Second highest quarterly MIS revenue result
  - Continued double-digit growth in MA revenue
- Adjusted operating margin of 49.5%, up 190 basis points
- Raising adjusted diluted 2019 EPS[1] guidance on stronger than anticipated top-line growth and disciplined expense management
- Continued to execute on long-term strategy with targeted regional and product capability investments
- Ongoing leadership in ESG engagement and disclosure

1. Refer to Table 12 – "2019 Outlook" in the press release for a complete list of guidance and a reconciliation between adjusted measures to GAAP.

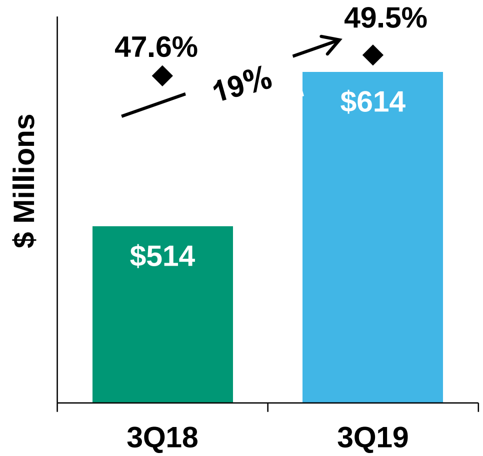
Strong MCO Results Driven by Robust Performance Across Both Business Segments

- 3Q19 MCO revenue increased 15%, driven by 16% growth in MIS and 13% growth in MA
- Adjusted operating income up 19%; adjusted operating margin up 190 basis points
- Adjusted diluted EPS up 27%, driven by strong business performance

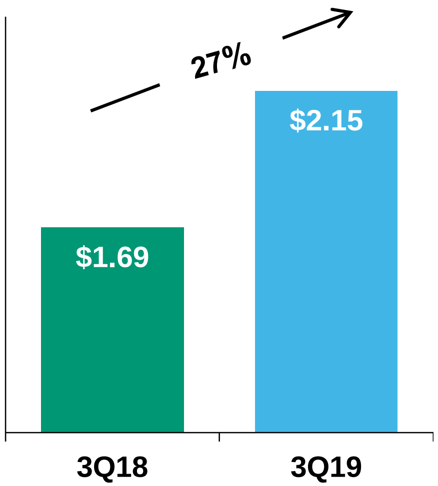
MCO Revenue



MCO Adjusted Operating Income and Margin[1]

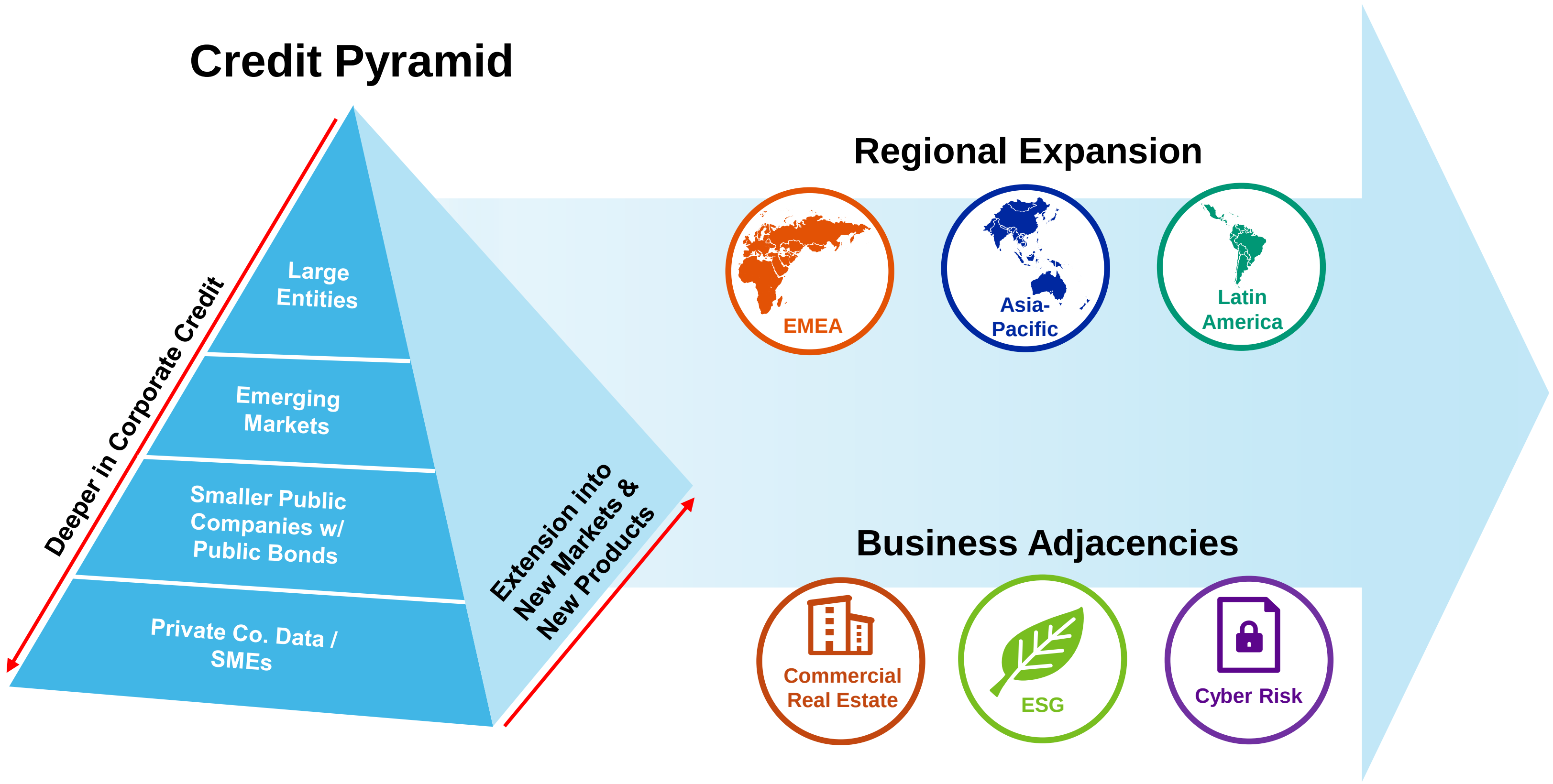


MCO Adjusted Diluted EPS[1]



1. Adjusted operating income, adjusted operating margin and adjusted diluted EPS are non-GAAP measures. Refer to the Appendix for a reconciliation between all adjusted and organic measures mentioned throughout this presentation and GAAP.

Moody's Strategic Priorities



Enhancing Regional Presence…

China

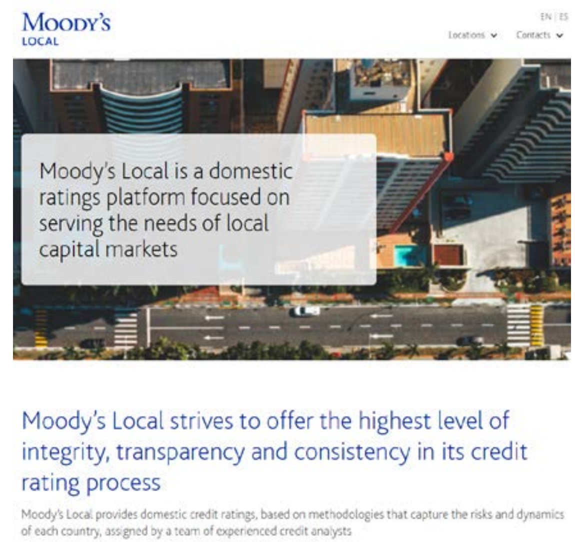
» CCXI **maintains its leadership position** in the domestic ratings market, with **1,700 rated customers and ~40% issuance coverage**

» We are continuing to collaborate with CCXI on opportunities to **leverage and enhance CCXI's strong domestic market position** and thought leadership

» Minority investment in **SynTao** Green Finance, a leading provider of **ESG data, tools and solutions** based in, and serving, China

Latin America

» Launched Moody's Local, a new platform that provides **domestic ratings and research in Peru, Panama and Bolivia**[1]



» **Regional domestic market expansion continues**

1. Subject to regulatory approvals. Moody's Local ratings represent forward-looking rank-orderings of creditworthiness within the domestic market of a specific country. They are not comparable between countries, and are distinct from and independent of the opinions of MIS and its global ratings.

… and Adding New Product Capabilities

BUREAU VAN DIJK
A Moody's Analytics Company

compliance catalyst²

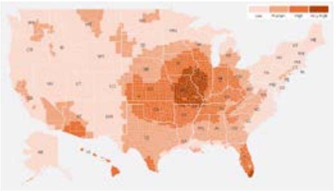
- **Complete rebuild** of popular risk platform
- **Streamlines** know-your-customer, anti-money laundering, and anti-bribery and corruption **research**

ABS Suite™

- Software platform used by **issuers and trustees for administering and reporting** on asset-backed and mortgage-backed securities programs

MOODY'S INVESTORS SERVICE

427 Four Twenty Seven Climate Solutions



- **Used data and analytics** from Four Twenty Seven to **analyze U.S. local government heat stress exposure and credit risk**

RiskFirst

- **Award-winning PFaroe platform:** a leading solution for asset managers and pension plan sponsors, **supporting over 3,000 plans and more than $1.4 trillion in assets**

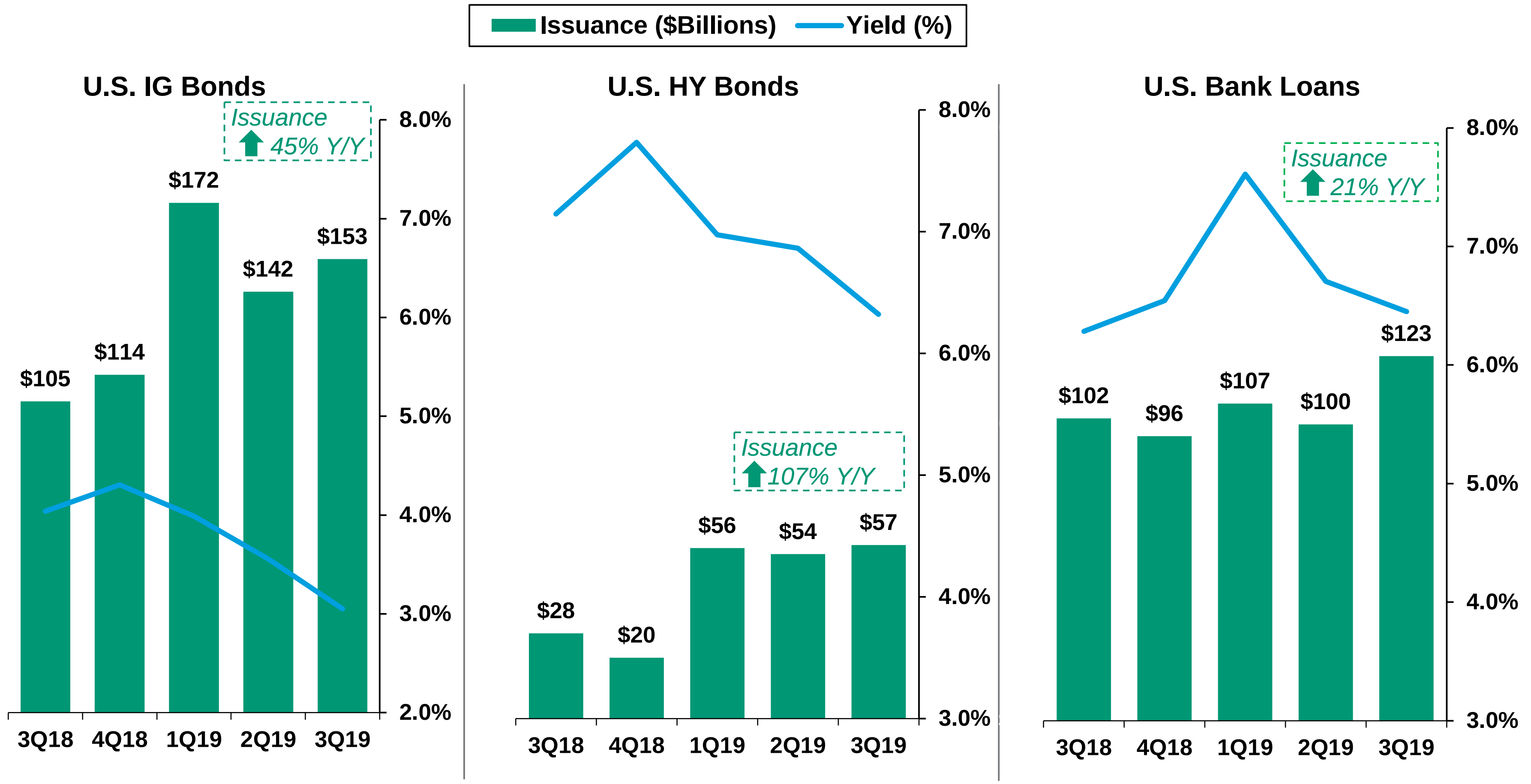
Q3 Issuance Activity

Receptive Market Conditions Overcame Geopolitical and Macro Headwinds

	United States	Rest of World
Geopolitical Headwinds	» Trade disputes » Political turmoil	» Trade disputes » Brexit uncertainty » Hong Kong protests
Negative 2020 GDP Revisions[1]	» 2.0%, down 30 bps	» China: 5.7%, down 30 bps » Euro Zone: 1.0%, down 40 bps - Germany: 0.6%, down 60 bps » UK: 0.9%, down 10 bps
Central Bank Actions	» 25 bps rate cuts in July and September » Money market liquidity provision	» ECB cut rates and restarted bond purchasing program
Falling 10-Year Benchmark Rates	» Sharp decline (50+ bps) to average 1.8%; still high among developed economies	» Sub-zero benchmarks enabled negative-rate investment grade corporate borrowing in Europe and Japan
MIS Rated Issuance[2] Growth	» Up 18%	» Up 2%

1. Organization for Economic Co-operation and Development September 2019 Interim Projection; revised from May 2019.
2. Excludes sovereign debt issuance.

CFG Issuance Spotlight: Significant Driver of MIS 3Q19 Performance



Note: MIS rated issuance. IG yield % per Federal Reserve; HY and bank loan issuance yield % per Refinitiv; bank loans are large corporate average.

Brexit Readiness Strategy

Actions Taken Since June 2016 UK Referendum

- **Rebalancing of portfolios and staff** between the UK and EU27 essentially complete
- **Expansion of offices** in Frankfurt, Paris, Madrid, Milan and Stockholm
- **Establishment of EU27 services hub** in Vilnius
- **Systems, policies and procedures have been updated**

Prepared for Delay

- **Current operations continue** with **ongoing contingency preparedness**

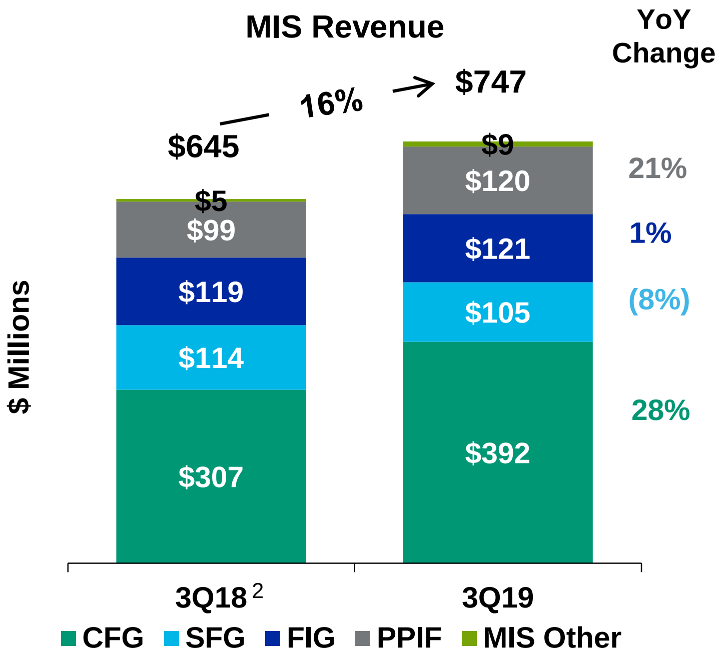
Furthering our Commitment to a Sustainable Future

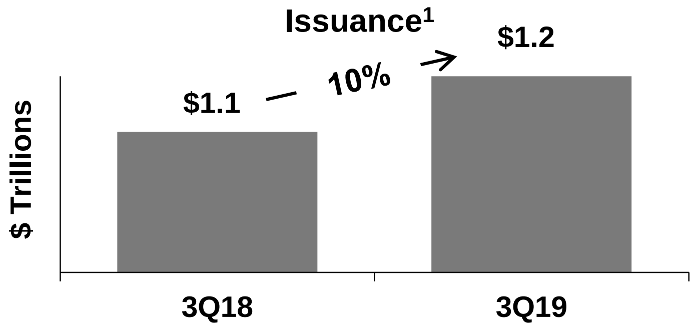
- » **Inaugural SASB Index** now available at moodys.com/csr
- » Senior management participated in **UN Global Compact events** related to ESG
- » MIS, in partnership with the Climate Bond Initiative, **hosted a briefing on carbon transition**
- » **Hosting ESG Conference** in London on Nov. 5 **together with Vigeo Eiris and Four Twenty Seven**
- » **Satisfied the requirements** to become a constituent of the FTSE4Good Index Series for the first time
- » Announced Pathway to Prosperity, **a financial empowerment initiative** for **the nation's largest small business assistance network**

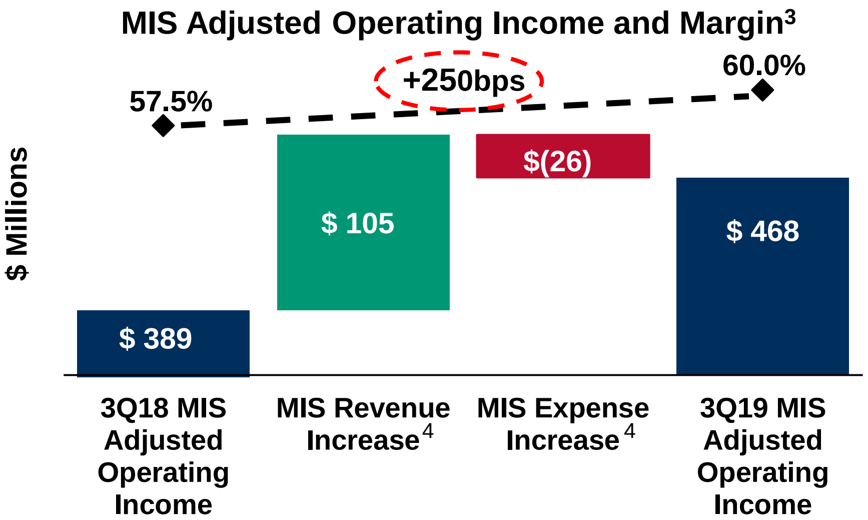
3Q 2019 Results and FY 2019 Outlook

Mark Kaye
Chief Financial Officer

MIS Returns to Growth



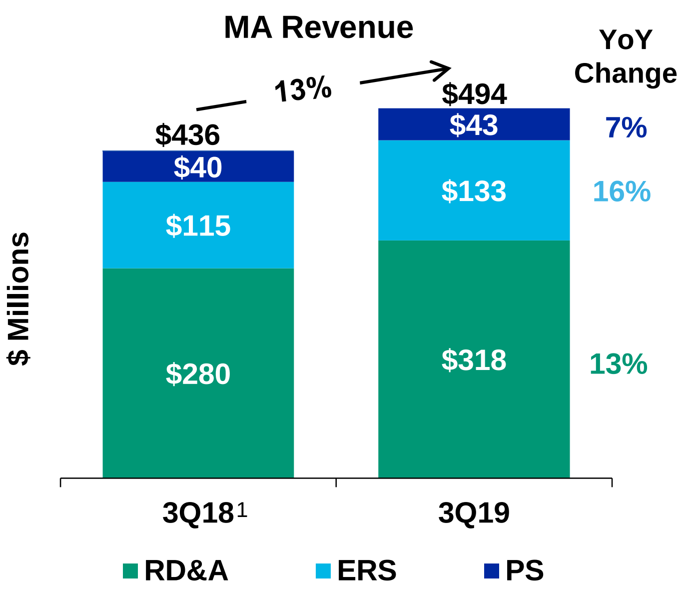


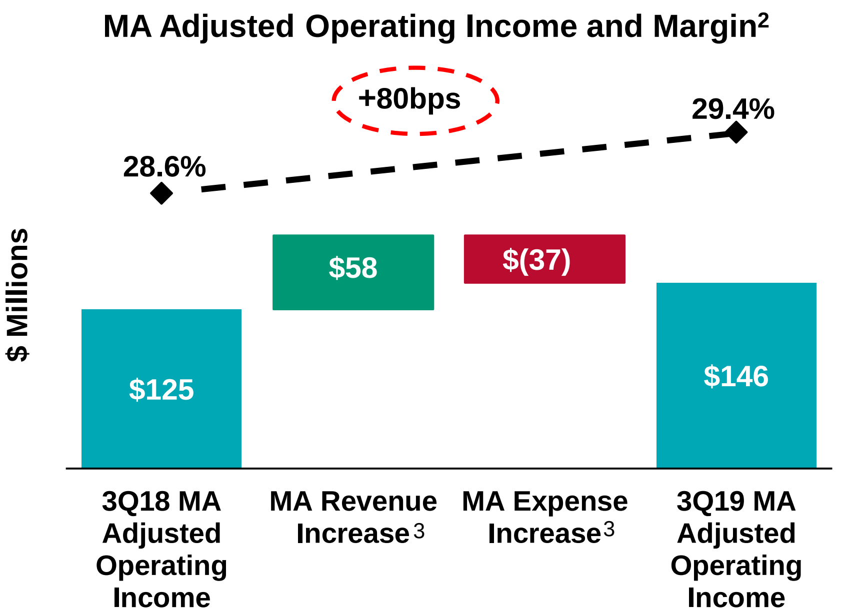


- » Issuance up 10%
- » 16% revenue growth led to 250bps margin expansion
- » Mix skewed toward infrequent and fixed (vs. floating) rate issuers

1. Excludes sovereign debt issuance.
2. 3Q18 CFG and SFG revenues have been restated due to the change in reporting of REITs revenue from SFG to CFG; figures for both periods reported on a consistent basis.
3. Adjusted operating income and adjusted operating margin are non-GAAP measures. Refer to the Appendix for a reconciliation between all adjusted and organic measures mentioned throughout this presentation and GAAP.
4. Includes intercompany revenue and expenses.

Continued MA Growth and Margin Improvement





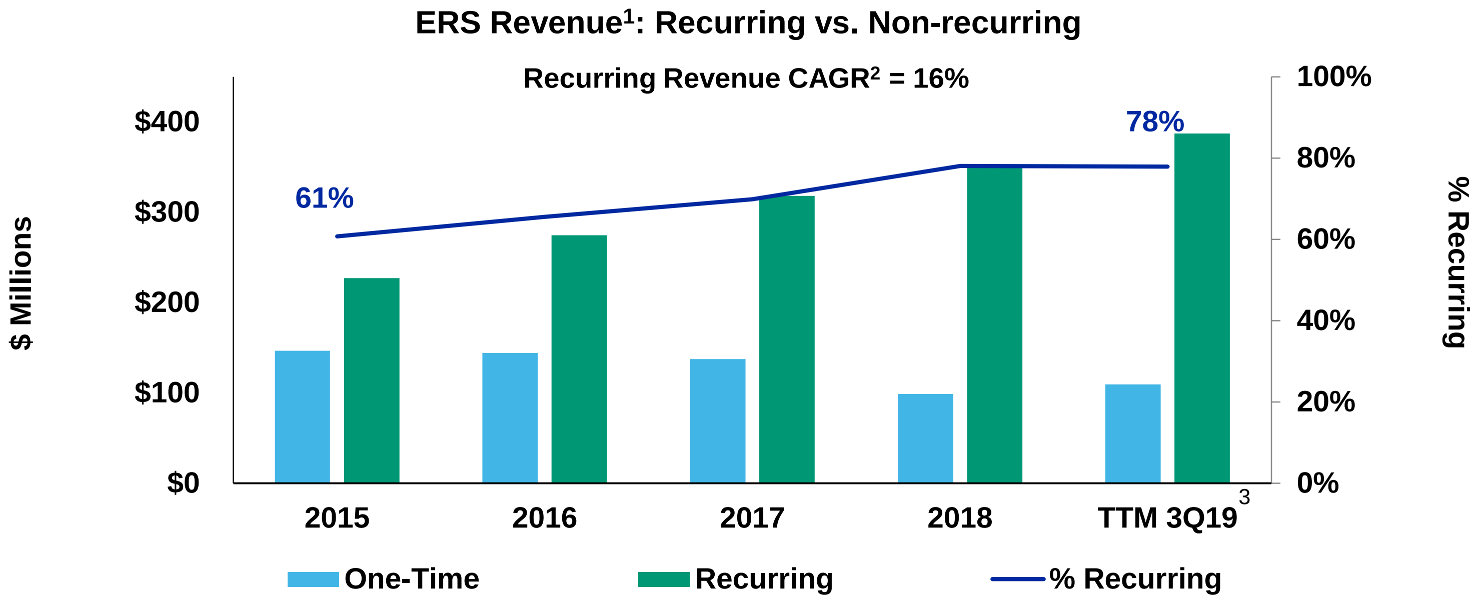
» RD&A revenue up 13%, driven by growth at Bureau van Dijk and strength in credit research and data products

» 16% growth in ERS bolstered by new credit assessment and loan origination platform and tools that support adoption of new accounting standards for banks and insurance companies

» MA has now delivered double-digit growth in eight of the last nine quarters

1. 3Q18 ERS and RD&A results adjusted to reflect reclassification of products between business lines; figures for both periods reported on consistent basis.
2. Adjusted operating income and adjusted operating margin are non-GAAP measures. Refer to the Appendix for a reconciliation between all adjusted and organic measures mentioned throughout this presentation and GAAP.
3. Includes intercompany revenue and expenses.

ERS Spotlight: Driving Growth via Recurring Revenue

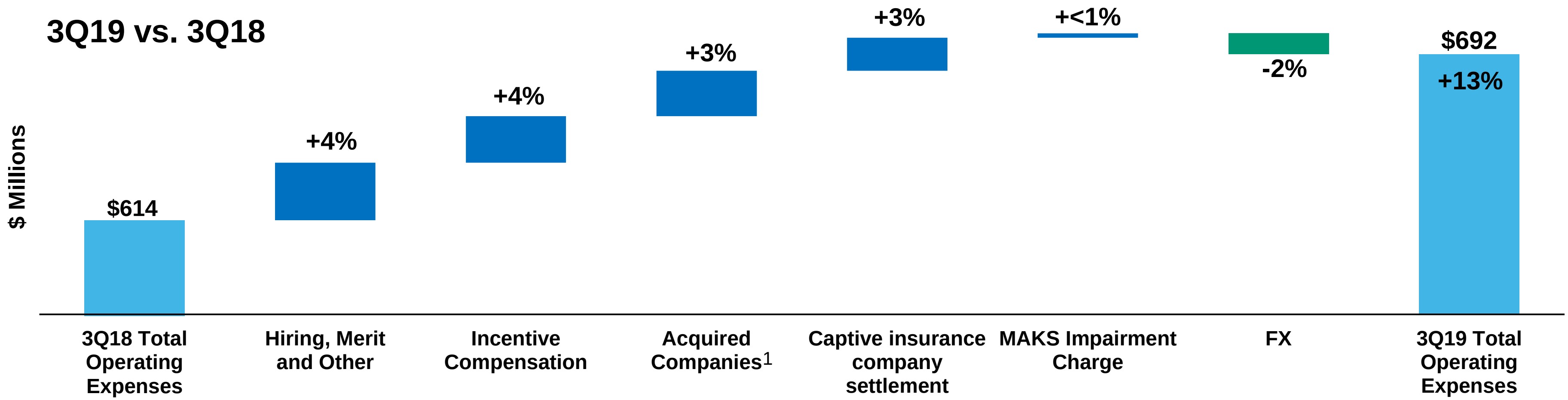


- ERS recurring revenue has grown by $160 million since 2015
- Emphasis on subscription products supports scalability, drives operating leverage
- 3Q19 results enhanced by one-time license delivery
- Sales growth driven by IFRS17[4] (insurance), CECL[5] (U.S. banking) and CreditLens (credit decision solutions platform) product roll-out

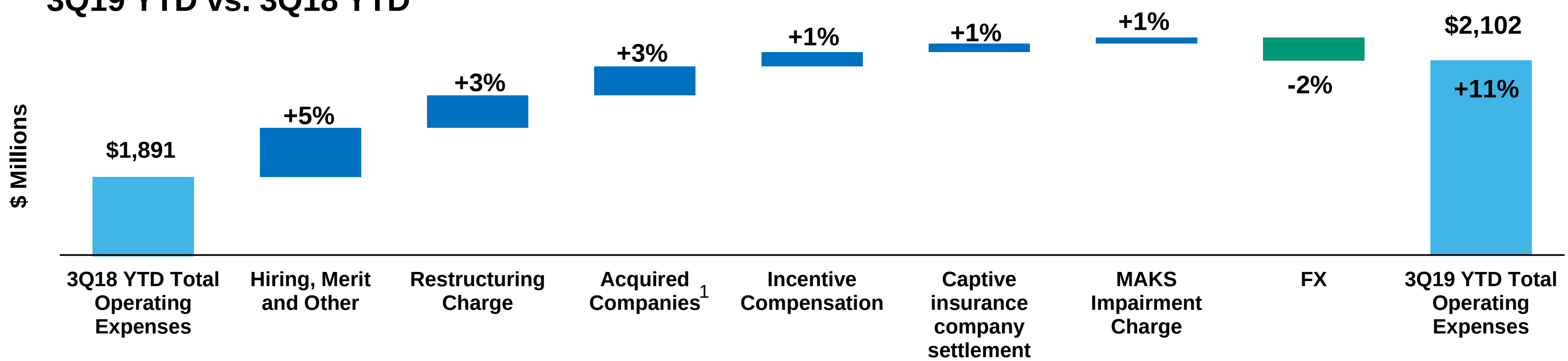
1. Recurring revenue includes maintenance and subscription.
2. Compound Annual Growth Rate, 2015-2018.
3. Trailing twelve months ended September 30, 2019.
4. International Financial Reporting Standards Foundation – Standards No. 17.
5. Current Expected Credit Losses.

Strong Operating Performance Underpinned by Disciplined Expense Management

3Q19 vs. 3Q18



3Q19 YTD vs. 3Q18 YTD



Note: Percentages and totals may not foot due to rounding

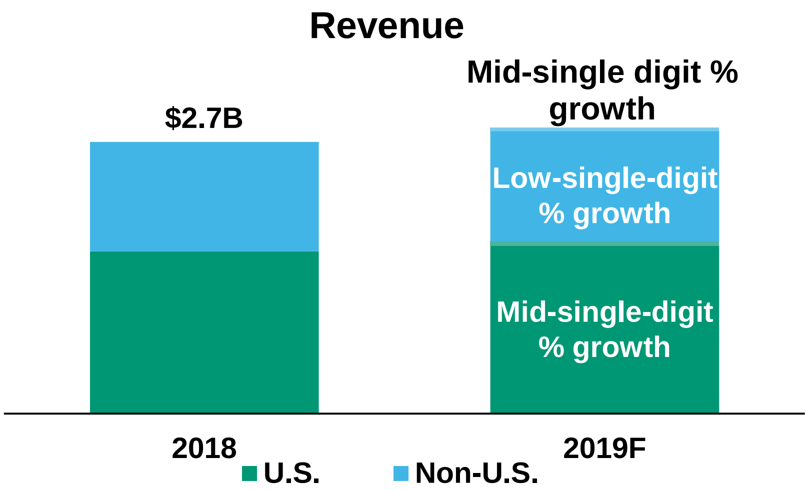
1. Incremental operating expenses of acquired companies, including transaction expenses. Also includes transaction expenses associated with the planned MAKS divestiture.

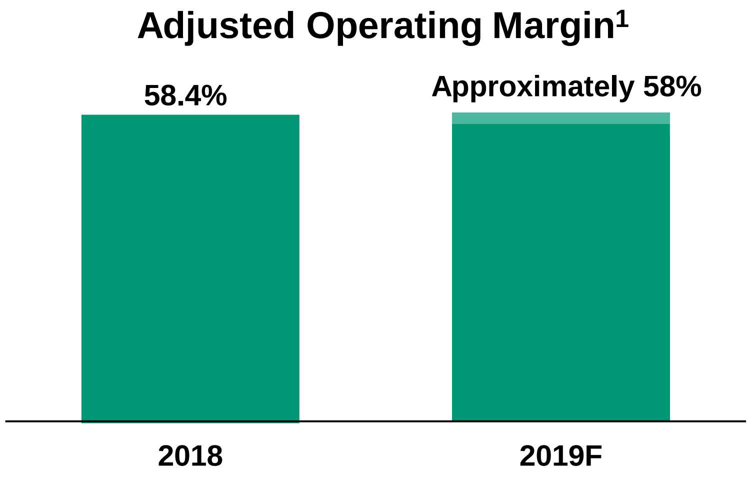
Updated FY19 Guidance[1,2]

Revenue	Increase in high-single-digit % range
Total Expenses[3]	Increase in high-single-digit % range
Operating Margin	Approximately 42%
Adjusted Operating Margin	Approximately 48%
Interest Expense, Net	Approximately $195 million
Effective Tax Rate	21.5% - 22.5%
Diluted EPS	$7.20 - $7.35
Adjusted Diluted EPS	$8.05 - $8.20
Share Repurchases[4]	Approximately $1.0 billion

1. Items in blue text have been revised from those relayed on Moody's July 31, 2019 earnings call. Refer to Table 12 – "2019 Outlook" in the press release for a complete list of guidance and a reconciliation between adjusted measures to GAAP.
2. Moody's outlook assumes foreign currency translation at end-of-quarter exchange rates. Specifically, our forecast for the remaining periods of 2019 reflects exchange rates for the British pound (£) of $1.23 to £1 and for the euro (€) of $1.09 to €1.
3. Includes depreciation and amortization, restructuring charges, captive insurance company settlement, MAKS Impairment Charge and Acquisition-Related Expenses.
4. Subject to available cash, market conditions and other ongoing capital allocation decisions.

Total MIS Revenue Guidance Increased on Supportive Market Conditions

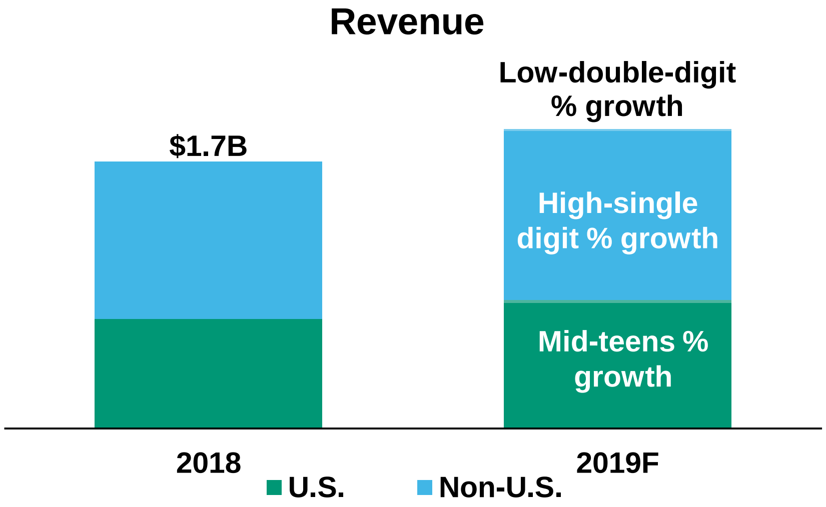


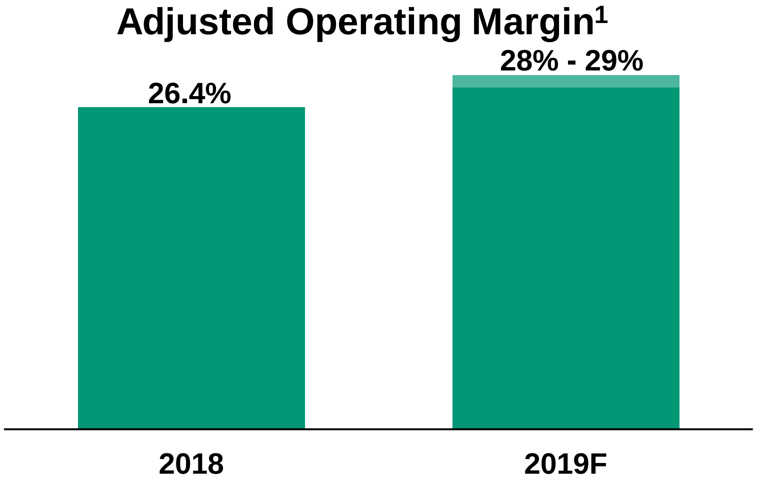


» Key drivers of FY 2019 revenue outlook:
- Issuance[2]: Approximately flat (revised upward from flat to down 5%)
- First Time Mandates: ~900
- Additional contributions from fixed-rate corporate bonds and public sector issuance activity
- M&A activity broadly in line with 2018
- Ongoing low benchmark rates and accommodative monetary policy

1. Refer to Table 12 – "2019 Outlook" in the press release for a complete list of guidance and a reconciliation between adjusted measures to GAAP.
2. Excludes sovereign debt issuance.

MA Revenue Growth and Adjusted Operating Margin Expansion On Track





» No change to revenue growth and adjusted operating margin; guidance incorporates announced transactions
  – Strong sales growth across all business lines
  – Recurring revenue driven by RD&A and ERS subscription businesses

1. Refer to Table 12 – "2019 Outlook" in the press release for a complete list of guidance and a reconciliation between adjusted measures to GAAP.

Key Takeaways

» Core business continues to grow

» Product innovation and moves into business adjacencies enhance relevance and growth prospects

» Upwardly revising adjusted diluted EPS[1] guidance on stronger than anticipated top-line growth and disciplined expense management

1. Refer to Table 12 – “2019 Outlook” in the press release for a complete list of guidance and a reconciliation between adjusted measures to GAAP.

Incoming Presidents of Moody's Analytics and Moody's Investors Service

Stephen Tulenko
President of Moody's Analytics

Joined in 1990

Michael West
President of Moody's Investors Service

Joined in 1998

Moody's Attendance at Upcoming Conferences

» **J.P. Morgan Ultimate Services Investor Conference**
  – Wednesday, November 13
  – NYC

» **BMO Capital Markets Growth Conference**
  – Tuesday, December 3
  – Boston

» **Goldman Sachs Financial Services Conference**
  – Tuesday, December 10
  – NYC

» **Barclays Global Technology, Media and Telecommunications Conference**
  – Wednesday, December 11
  – San Francisco

Investor Day March 11, 2020

Save the Date

Moody's Investor Day 2020

Moody's Corporation will hold its next Investor Day on Wednesday, March 11, 2020 in New York City. The event, which will be webcast live, will feature presentations from management and showcase important aspects of the Company's business.

Additional details to follow.

Q&A

Ray McDaniel
President and Chief Executive Officer

Mark Kaye
Chief Financial Officer

Mark Almeida
President, Moody's Analytics[1]

Rob Fauber
Chief Operating Officer[2]

1. Effective until October 31, 2019.
2. Effective from November 1, 2019.

Replay Details

- Available from 3:30pm (Eastern Time) October 30, 2019 until 3:30pm (Eastern Time) November 28, 2019
- Telephone Details:
  - U.S. +1-888-203-1112
  - Non-U.S. +1-719-457-0820
  - Passcode 2733003
- Webcast Details:
  - Go to ir.moodys.com
  - Click on “Events & Presentations”
  - Click on the link for “3Q 2019 Earnings Conference Call”

Moody's

Appendix

Investor Relations
http://ir.moodys.com
ir@moodys.com

Glossary of Terms and Abbreviations

TERM	DEFINITION
CFG	Corporate finance group; an LOB of MIS
ERS	The Enterprise Risk Solutions LOB within MA, which offers risk management software solutions as well as related risk management advisory engagements services
FIG	Financial institutions group; an LOB of MIS
LOB	Line of business
MA	Moody's Analytics – a reportable segment of MCO which provides a wide range of products and services that support financial analysis and risk management activities of institutional participants in global financial markets; consists of three LOBs – RD&A, ERS and PS
MIS	Moody's Investors Service – a reportable segment of MCO; consists of five LOBs – SFG, CFG, FIG, PPIF and MIS Other
MIS Other	Consists of non-ratings revenue from ICRA, KIS Pricing and KIS Research. These businesses are components of MIS; MIS Other is an LOB of MIS
PPIF	Public, project and infrastructure finance; an LOB of MIS
PS	Professional Services, an LOB within MA consisting of MAKS and MALS that provides offshore analytical and research services as well as learning solutions and certification programs
RD&A	an LOB within MA that offers subscription based research, data and analytical products, including credit ratings produced by MIS, credit research, quantitative credit scores and other analytical tools, economic research and forecasts, business intelligence and company information products, and commercial real estate data and analytical tools
SFG	Structured finance group; an LOB of MIS

Adjusted Operating Income and Adjusted Operating Margin by Segment

The table below presents revenue, operating income and adjusted operating income by reportable segment. The Company defines adjusted operating income as operating income excluding: i) depreciation and amortization; ii) restructuring; iii) Acquisition-Related Expenses; iv) a non-recurring impairment charge pursuant to the planned divestiture of MAKS; and v) a captive insurance company settlement.

	Three Months Ended September 30,							
	2019				2018			
Amounts in millions	MIS	MA	Eliminations	Consolidated	MIS	MA	Eliminations	Consolidated
Revenue	$ 780.9	$ 496.0	$ (36.4)	$ 1,240.5	$ 676.4	$ 438.6	$ (34.2)	$ 1,080.8
Total Expense	339.9	388.2	(36.4)	691.7	303.5	344.7	(34.2)	614.0
Operating income	$ 441.0	$ 107.8	$ —	$ 548.8	$ 372.9	$ 93.9	$ —	$ 466.8
Add:				—				
Restructuring	(0.1)	(0.9)	—	(1.0)	—	—	—	—
Depreciation and amortization	18.0	30.6	—	48.6	15.8	30.3	—	46.1
Acquisition-Related Expenses	—	—	—	—	—	1.3	—	1.3
Impairment pursuant to the planned divestiture of MAKS	—	2.0	—	2.0	—	—	—	—
Captive insurance company settlement	9.4	6.1		15.5	—	—		—
Adjusted Operating Income	$ 468.3	$ 145.6	$ —	$ 613.9	$ 388.7	$ 125.5	$ —	$ 514.2
Operating margin	56.5 %	21.7 %		44.2 %	55.1 %	21.4 %		43.2 %
Adjusted operating margin	60.0 %	29.4 %		49.5 %	57.5 %	28.6 %		47.6 %

	Nine Months Ended September 30,							
	2019				2018			
Amounts in millions	MIS	MA	Eliminations	Consolidated	MIS	MA	Eliminations	Consolidated
Revenue	$2,254.	$ 1,447.	$ (106.3)	$ 3,596.2	$ 2,209.	$ 1,275.	$ (102.0)	$ 3,382.6
Total Expense	1,027.9	1,180.6	(106.3)	2,102.2	951.0	1,042.0	(102.0)	1,891.0
Operating income	$ 1,226.	$ 267.2	$ —	$ 1,494.0	$ 1,258.	$ 233.6	$ —	$ 1,491.6
Add:								
Restructuring	29.1	29.2	—	58.3	—	—	—	—
Depreciation and amortization	53.0	96.9	—	149.9	49.3	94.3	—	143.6
Acquisition-Related Expenses	—	3.4	—	3.4	—	4.1	—	4.1
Impairment pursuant to the planned divestiture of MAKS	—	10.7	—	10.7	—	—	—	—
Captive insurance company settlement	9.4	6.1		15.5	—	—		—
Adjusted Operating Income	$ 1,318.	$ 413.5	$ —	$ 1,731.8	$ 1,307.	$ 332.0	$ —	$ 1,639.3
Operating margin	54.4 %	18.5 %		41.5 %	56.9 %	18.3 %		44.1 %
Adjusted operating margin	58.5 %	28.6 %		48.2 %	59.2 %	26.0 %		48.5 %

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 the operating performance of Moody's. Adjusted Operating Income excludes the impact of: i) amortization of acquired intangible assets; ii) Acquisition-Related Expenses; iii) restructuring charges; iv) an impairment and tax charge pursuant to the planned divestiture of MAKS; and v) a captive insurance company settlement. Depreciation and amortization are excluded because companies utilize productive assets of different ages and use different methods of acquiring and depreciating productive assets. Restructuring charges are excluded as the frequency and magnitude of these charges may vary widely across periods and companies. Acquisition-Related Expenses consist of expenses incurred to complete and integrate the acquisition of Bureau van Dijk and are excluded due to the material nature of these expenses on an annual basis in both the current and prior years, which are not expected to recur at this dollar magnitude subsequent to the completion of the multi-year integration effort. Acquisition-related expenses from other acquisitions were not material. The impairment charge pursuant to the planned divestiture of MAKS is excluded as the frequency and magnitude of divestiture activity may vary widely from period to period and across companies. The captive insurance company settlement relates to the resolution of a matter that is not expected to recur in the future at this magnitude. 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,	
Amounts in millions	2019	2018	2019	2018
Operating income	$ 548.8	$ 466.8	$ 1,494.0	$ 1,491.6
Restructuring	(1.0)	—	58.3	—
Depreciation and amortization	48.6	46.1	149.9	143.6
Acquisition-Related Expenses	—	1.3	3.4	4.1
Impairment pursuant to the planned divestiture of MAKS	2.0	—	10.7	—
Captive insurance company settlement	15.5	—	15.5	—
Adjusted Operating Income	$ 613.9	$ 514.2	$ 1,731.8	$ 1,639.3
Operating margin	44.2 %	43.2%	41.5 %	44.1%
Adjusted operating margin	49.5 %	47.6%	48.2 %	48.5%

Free Cash Flow

The table below reflects a reconciliation of the Company's net cash flows from operating activities to free cash flow. The Company defines free cash flow as net cash provided by operating activities minus payments for capital additions. 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. 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.

	Nine Months Ended September 30,	
Amounts in millions	2019	2018
Net cash provided by operating activities	$ 1,195.5	$ 1,084.6
Capital additions	(60.9)	(62.9)
Free cash flow	$ 1,134.6	$ 1,021.7
Net cash used in investing activities	$ (149.5)	$ (113.8)
Net cash used in financing activities	$ (1,517.0)	$ (980.2)

Organic Revenue and Growth Measures – MA, RD&A, ERS and PS

The Company presents the organic revenue and growth for the MA segment, the RD&A LOB, the ERS LOB and the PS LOB because management deems this metric to be a useful measure which provides additional perspective in assessing the revenue growth excluding the inorganic revenue impacts from the August 2018 acquisition of Omega Performance, the October 2018 acquisition of Reis Inc., and the July 2019 acquisition of RiskFirst. Inorganic revenue for Omega Performance includes revenue from the start of the period until August 16, 2019. Below is a reconciliation of the Company's organic dollar revenue and growth rates:

	Three Months Ended September 30,				Nine Months Ended September 30,			
Amounts in millions	2019	2018	Change	Growth	2019	2018	Change	Growth
MA revenue	$ 493.9	$ 436.0	$ 57.9	13%	$ 1,441.1	$ 1,265.6	$ 175.5	14%
Omega Performance revenue	(1.1)	—	(1.1)		(5.2)	—	(5.2)	
Reis Inc. revenue	(9.0)	—	(9.0)		(26.7)	—	(26.7)	
RiskFirst revenue	(2.5)	—	(2.5)		(2.5)	—	(2.5)	
Organic MA revenue	$ 481.3	$ 436.0	$ 45.3	10%	$ 1,406.7	$ 1,265.6	$ 141.1	11%

	Three Months Ended September 30,			
Amounts in millions	2019	2018	Change	Growth
RD&A revenue	$ 317.5	$ 280.3	$ 37.2	13%
Reis Inc. revenue	(9.0)	—	(9.0)	
Organic RD&A revenue	$ 308.5	$ 280.3	$ 28.2	10%

	Three Months Ended September 30,			
Amounts in millions	2019	2018	Change	Growth
ERS revenue	$ 133.3	$ 115.3	$ 18.0	16%
RiskFirst revenue	(2.5)	—	(2.5)	
Organic ERS revenue	$ 130.8	$ 115.3	$ 15.5	13%

	Three Months Ended September 30,			
Amounts in millions	2019	2018	Change	Growth
PS revenue	$ 43.1	$ 40.4	$ 2.7	7%
Omega Performance revenue	(1.1)	—	(1.1)	
Organic PS revenue	$ 42.0	$ 40.4	$ 1.6	4%

Adjusted Net Income and Adjusted Diluted Earnings per Share 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 the operating performance of Moody's. Adjusted Net Income and Adjusted Diluted EPS exclude the impact of: i) amortization of acquired intangible assets; ii) Acquisition-Related Expenses; iii) restructuring charges; iv) an impairment and tax charge pursuant to the planned divestiture of MAKS; and v) a captive insurance company settlement.

The Company excludes the impact of amortization of acquired intangible assets as companies utilize intangible assets with different ages and have different methods of acquiring and amortizing intangible assets. 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. Also, management believes that excluding acquisition-related amortization expense provides additional perspective when comparing operating results from period to period, and with both acquisitive and non-acquisitive peer companies. Additionally, Acquisition-Related Expenses are excluded due to the material nature of these expenses on an annual basis, which are not expected to recur at this dollar magnitude subsequent to the completion of the multi-year integration effort relating to Bureau van Dijk. Acquisition-related expenses from other acquisitions were not material. The impairment and the tax charge pursuant to the planned divestiture of MAKS are excluded as the frequency and magnitude of divestiture activity may vary widely from period to period and across companies. The captive insurance company settlement relates to the resolution of a matter that is not expected to recur in the future at this magnitude.

Furthermore, in 2018, the Company excluded the impact of the transition tax pursuant to the Tax Act and certain adjustments relating to the Company's non-U.S. UTPs, which resulted in significant adjustments to the provision for income taxes. The Company excludes these 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.

Below is a reconciliation of this measure to its most directly comparable U.S. GAAP amount:

	Three Months Ended September 30,				Nine Months Ended September 30,			
Amounts in millions	2019		2018		2019		2018	
Net income attributable to Moody's common shareholders		$ 379.4		$ 310.2		$ 1,062.6		$ 1,059.3
Pre-Tax Acquisition-Related Expenses	$ —		$ 1.3		$ 3.4		$ 4.1	
Tax on Acquisition-Related Expenses	—		(0.4)		(0.9)		(1.0)	
Net Acquisition-Related Expenses		—		0.9		2.5		3.1
Pre-Tax Acquisition-Related Intangible Amortization Expenses	$ 24.7		$ 24.6		$ 77.3		$ 75.4	
Tax on Acquisition-Related Intangible Amortization Expenses	(5.8)		(5.5)		(18.0)		(17.0)	
Net Acquisition-Related Intangible Amortization Expenses		18.9		19.1		59.3		58.4
Impairment pursuant to the planned divestiture of MAKS		2.0		—		10.7		—
Pre-Tax Restructuring	$ (1.0)		$ —		$ 58.3		$ —	
Tax on Restructuring	0.3		—		(14.2)		—	
Net Restructuring		(0.7)		—		44.1		—
Tax charge pursuant to the planned divestiture of MAKS		—		—		15.0		—
Impact of U.S. Tax reform		—		(64.7)		—		(64.7)
Increase to non-U.S. UTPs		—		63.9		—		63.9
Pre-Tax captive insurance company settlement	$ 15.5		$ —		$ 15.5		$ —	
Tax on captive insurance company settlement	(3.8)		—		(3.8)		—	
Net captive insurance company settlement		11.7		—		11.7		—
Adjusted Net Income		$ 411.3		$ 329.4		$ 1,205.9		$ 1,120.0

Note: The tax impacts in the table above were calculated using tax rates in effect in the jurisdiction for which the item relates.

Adjusted Net Income and Adjusted Diluted Earnings per Share Attributable to Moody's Common Shareholders (continued)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2019		2018		2019		2018	
Earnings per share attributable to Moody's common shareholders		$ 1.99		$ 1.59		$ 5.54		$ 5.45
Pre-Tax Acquisition-Related Expenses	$ —		$ 0.01		$ 0.02		$ 0.02	
Tax on Acquisition-Related Expenses	—		(0.01)		(0.01)		(0.01)	
Net Acquisition-Related Expenses		—		—		0.01		0.01
Pre-Tax Acquisition-Related Intangible Amortization Expenses	$ 0.13		$ 0.13		$ 0.40		$ 0.39	
Tax on Acquisition-Related Intangible Amortization Expenses	(0.04)		(0.03)		(0.09)		(0.09)	
Net Acquisition-Related Intangible Amortization Expenses		0.09		0.10		0.31		0.30
Impairment pursuant to the planned divestiture of MAKS		0.01		—		0.06		—
Pre-Tax Restructuring	$ (0.01)		$ —		$ 0.30		$ —	
Tax on Restructuring	0.01		—		(0.07)		—	
Net Restructuring		—		—		0.23		—
Tax charge pursuant to the planned divestiture of MAKS		—		—		0.08		—
Impact of U.S. Tax reform		—		(0.33)		—		(0.33)
Increase to non-U.S. UTPs		—		0.33		—		0.33
Pre-Tax captive insurance company settlement	$ 0.08		$ —		$ 0.08		$ —	
Tax on captive insurance company settlement	(0.02)		—		(0.02)		—	
Net captive insurance company settlement		0.06		—		0.06		—
Adjusted Diluted EPS		$ 2.15		$ 1.69		$ 6.29		$ 5.76

Note: The tax impacts in the table above were calculated using tax rates in effect in the jurisdiction for which the item relates.

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