Moody's | Better decisions

# 1Q 2020 Investor Presentation

May 6, 2020

# Disclaimer

Certain statements contained in this release are forward-looking statements and are based on future expectations, plans and prospects for the business and operations of Moody's Corporation (the "Company") 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 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, the impact of COVID-19 on volatility in the U.S. and world financial markets, on general economic conditions and GDP growth in the U.S. and worldwide, and on the company's own operations and personnel. Many other factors could cause actual results to differ from Moody's outlook, including 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 Brexit; the level of merger and acquisition activity in the U.S. and abroad; the uncertain effectiveness and possible collateral consequences of U.S. and foreign government actions affecting credit markets, international trade and economic policy, including those related to tariffs and trade barriers; concerns in the marketplace affecting our credibility or otherwise affecting market perceptions of the integrity or utility of independent credit agency ratings; the introduction of competing products or technologies by other companies; pricing pressure from competitors and/or customers; the level of success of new product development and global expansion; the impact of regulation as an NRSRO, the potential for new U.S., state and local legislation and regulations, including provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") and regulations resulting from Dodd-Frank; the potential for increased competition and regulation in the EU and other foreign jurisdictions; exposure to litigation related to our rating opinions, as well as any other litigation, government and regulatory proceedings, investigations and inquiries to which the Company may be subject from time to time; provisions in the Dodd-Frank 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 currently, or in the future could be, amplified by the COVID-19 outbreak and 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, 2019, 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.

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# 1

# Moody's Overview

# Company Overview

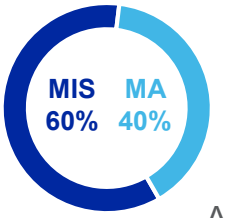
## Moody's Investors Service

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

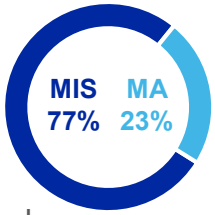
## Moody's

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

Revenue of $5.0 billion




Adjusted Operating Income of $2.4 billion




Adjusted Operating Margin

| MIS | MA |
|---|---|
| 59.4% | 28.1% |

## Moody's Analytics

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

Note: Financial data for the trailing twelve months ended March 31, 2020.

# Moody's Stakeholder Engagement



## Supporting our stakeholders during COVID-19 crisis

### Employees

- Employee safety and wellbeing remains our priority
- Successful enactment of business contingency plans has resulted in over 11,000 of our global workforce working from home
- Monitoring situation on a local level and aligning our work processes with guidance from relevant authorities
- "Return to work" planning well underway

### Customers

- Dedicated microsite showing research and analytics from both MIS and MA
- Engaging with customers through virtual meetings as well as near daily webcasts
- Creating innovative products and services to assist customers and market participants

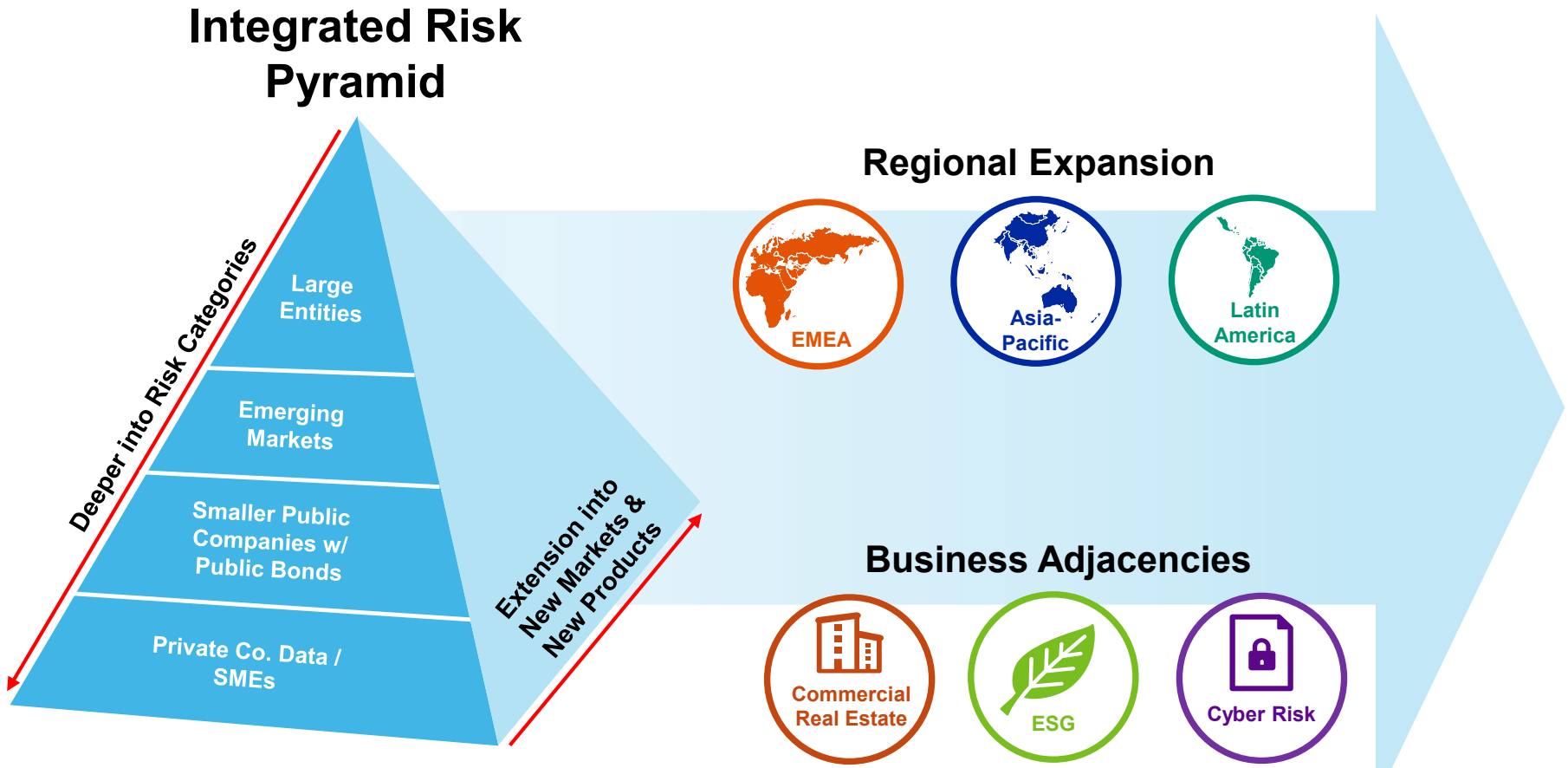
### Communities

- Focusing on areas where we can leverage our core business expertise to help the communities in which we operate
- Providing virtual volunteering opportunities to our employees across the globe
- Providing global and local grants for humanitarian aid and to address the impact of COVID-19 on small businesses and education systems.

### Policymakers

- Increased dialogue with government officials to share insights, provide data and resources
- Regular interactions with fiscal and monetary authorities to enhance efficacy of stimulus programs
- Moody's breadth and depth of data and expertise across economic and market views; credit, KYC, ESG and other risk measurements- and related software tools- makes it a natural partner for policymakers

# Moody's Strategic Priorities




**Enhance technology infrastructure** to enable automation, innovation and efficiency

Foster employee engagement and creative solutions through our **diverse workforce and inclusive environment**

# Key Business Development and Growth Initiatives

## Better decisions through unique and powerful customer solutions














### Know-Your-Customer (KYC)

**WORLD CLASS KYC SOLUTIONS**

BvD and RDC recognized as category leaders in new Chartis Research report[1]

Integration of RDC on-track

Unique data assets and AI improve speed and effectiveness in identifying risks

### Environment, Social and Governance (ESG)

**EXTENSIVE ESG CAPABILITIES**

~50 Q1 mandates for sustainability ratings, sustainability-linked loans and second party opinions for labeled bonds

Leveraging data and analytics to support new value propositions

- Ratings & research
- Climate and credit models
- Scenario projections
- Portfolio attribution tools

### Commercial Real Estate (CRE)

**NEW CRE PLATFORMS**

Launched new REIS website with dedicated COVID-19 topic page

Integrating Moody's data and analytics including ratings, proprietary commercial location scores and 427 physical risk scores

1. Chartis Research report: KYC/AML Data Solutions, 2020 Market and Vendor Landscape.

# Drivers of Sustainable Corporate Value

## Introduced Sustainability Disclosures in our Public Filings

### ENVIRONMENTAL

- Measurement of carbon emissions and identification of opportunities to reduce indirect GHG emissions
- Expansion of ESG products and services
- CDP[1] participation
- Verifiably carbon neutral in 2019

### GOVERNANCE

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




### SOCIAL

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

### Executive compensation metrics include[2]:

- Moody's Corporation EPS and operating income
- MIS operating income and ratings performance
- MA operating income and sales
- Strategic & operational[3]

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

# CSR and Sustainability Initiatives Remain a Focus

We drive progress and measurable impact in our complex and changing world by building more inclusive economies, stronger communities and an environmentally sustainable future.

## Empowering people with financial knowledge

**Pathway to Prosperity**
- Helping business advisors and, ultimately, their clients better understand cash flow management

**Technoserve**
- Serving the developing world to build competitive farms, businesses and industries

**Finance Forward Latin America 2019**
- Through Moody's Local, collaborated with Reshape Tomorrow™ partner Village Capital
- Supporting the social, environmental and financial health of Latin American communities

## Activating an environmentally sustainable future

- Continually seek to improve Moody's impact on the planet

**Energy Use and Travel/Commuting[1]**
- 10% reduction in electricity use year-over year; 16% reduction in use per employee
- 11% renewable energy use
- 75% miles commuted using public transport or carpool

**Grants: Prioritize organizations with a mission of environmental sustainability**
- **Instituto Perene** – a nonprofit dedicated to promoting development while protecting natural resources in rural Brazil
- **Future Food Institute** – Improve and enrich degraded land in Brazil while creating jobs for forest workers

## Helping young people reach their potential

- We work with schools and nonprofits around the world to prepare students ages 15–24 for successful careers in finance, technology and economics
- Moody's provides mentorship initiatives, skills development programs, internships and other educational opportunities

**Urban Scholars Widening Access Programme**
- Funded and supported by Moody's for 15 years.

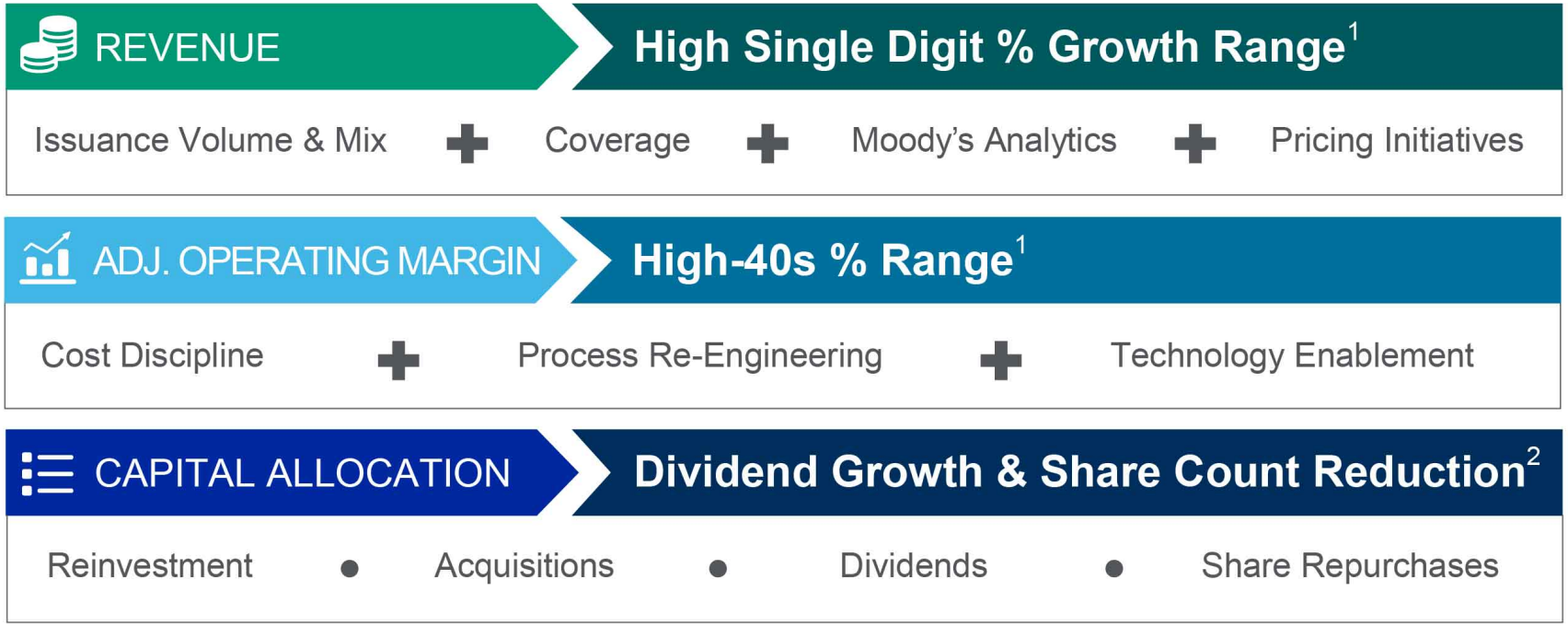
1. Data per Moody's 2019 CSR report.

# 2

# Financial Overview

# Long-Term Growth Opportunities

## Three Levers to Achieve EPS Growth



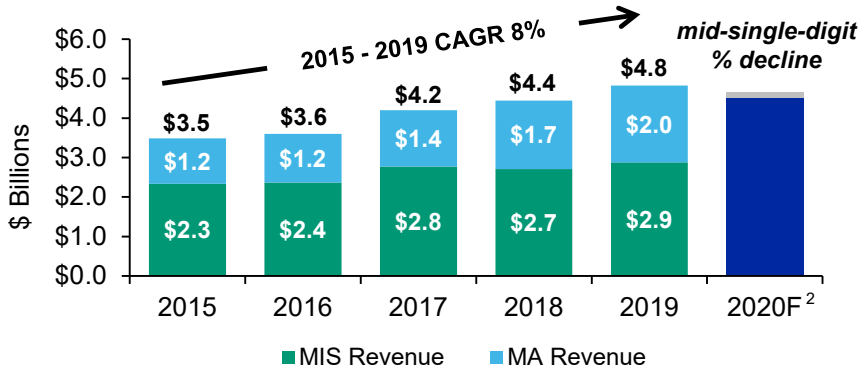

| EPS | Low Teens % Growth Range[1, 2] |
|---|---|

Note: Long-term growth opportunities presented on this slide are on average over time.

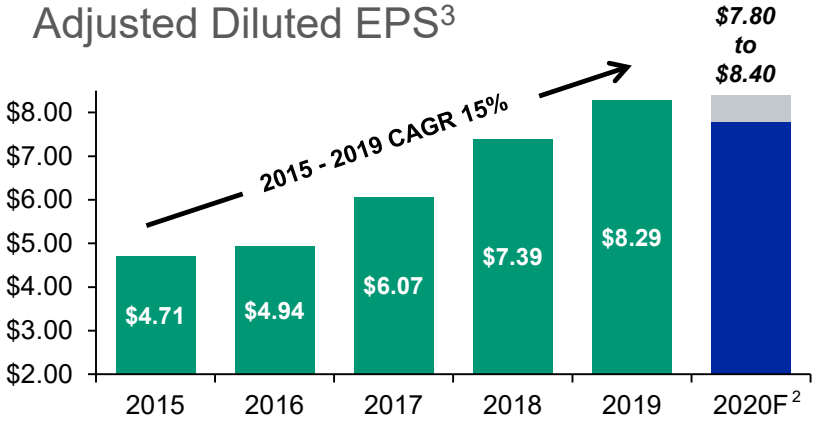
1. Assumes no material change in effective tax rate, foreign exchange rates, leverage profile and/or capital allocation policy.
2. Subject to market conditions and other ongoing capital allocation decisions.

# Financial Performance[1]

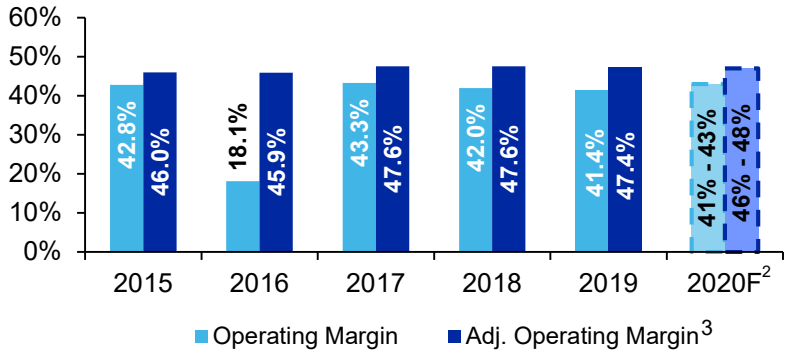
## Revenue[1]




## Adjusted Diluted EPS[3]

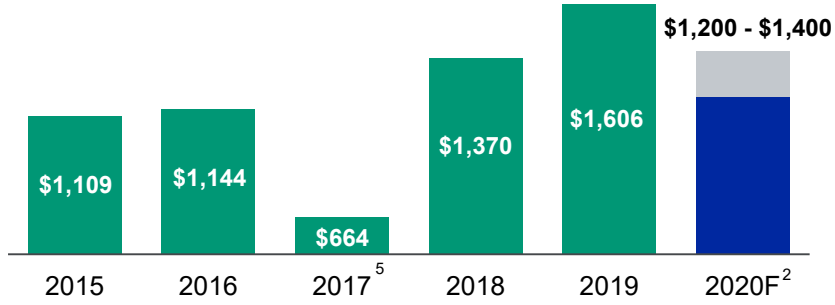



## Operating Margin[4]




## Free Cash Flow[3]

*$ Millions*




1. Totals may not sum due to rounding.
2. Guidance as of April 30, 2020.
3. These figures are adjusted measures. See appendix for reconciliations from adjusted financial measures to U.S. GAAP.
4. 2015 – 2017 operating and adjusted operating margins have been restated to conform to the new presentation for pension expenses.
5. Reflects reduction by $701 million net of tax settlement charge.

# Macro Environment Informing Our Outlook

## BASE CASE ASSUMPTIONS









Expect economic recovery late 3Q/4Q 2020

2020 GDP

| | |
|---|---|
| U.S. | -5.7% |
| Europe | -6.5% |

Benchmark interest rates remain low; high yield spreads remain >700 bps

Full year average 2020 U.S. unemployment rate of ~10%[1]

High yield default rate of 11%-16%[2]

## CHANGES SINCE MARCH 11TH

### Accelerate

- Global fiscal support and monetary stimulus actions
- Wave of investment grade capital raising for liquidity purposes

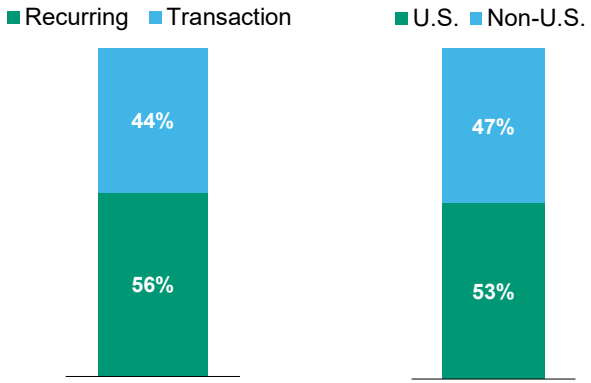
### Decelerate

- COVID-19 declared a pandemic by the World Health Organization
- Shelter-in-place policies implemented across most of the world
- Over 30 million people in the U.S. filed for unemployment benefits over the last 2 months
- VIX index spiked north of 80
- Record low oil prices
- U.S. HY spreads widened to north of 1,000 bps; spreads on Aaa portions of CLOs reached ~300 bps

Note: Outlook is as of April 30, 2020.
1. Assumes 2Q20 peak unemployment of 12% - 17%.
2. Peak default rate. Represents one year forecast ending March 2021.
Sources: "Default Scenarios as Coronavirus-Induces Economic Turmoil Intensifies", "March 2020 Default Report" and "Global Macro Outlook 2020-2021 (April 2020 Update) Moody's Investors Service.

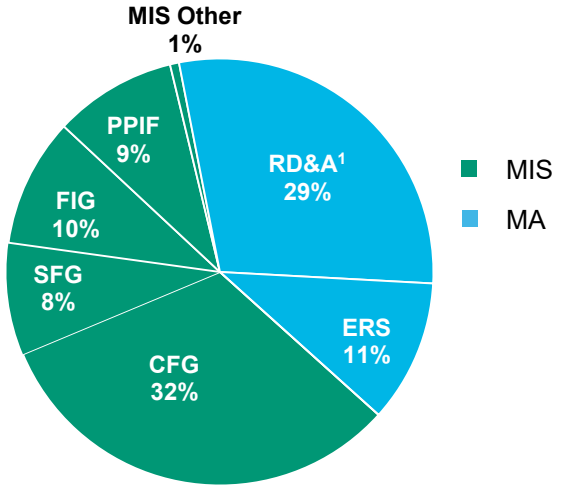
# Moody's Corporation Financial Profile

## 1Q 2020 TTM Revenue: $5.0 billion










## Full Year 2020 Guidance as of April 30, 2020[2]

| | | |
|---|---|---|
| Revenue | • | decline in the mid-single-digit % range |
| Operating Expenses | • | decline in the mid-single-digit % range |
| Operating Margin | • | approximately 41% - 43% |
| Adjusted Operating Margin[3] | • | 46% - 48% |
| Effective Tax Rate | • | 19.5% - 21.5% |
| Diluted EPS | • | $7.25 - $7.85 |
| Adjusted Diluted EPS[3] | • | $7.80 - $8.40 |

1. Includes trailing twelve months of professional services revenue. Subsequent to the divestiture of MAKS in 2019, revenue from the Moody's Analytics Learning Solutions ("MALS") unit, which previous to 2020 was reported in the Professional Services line of business ("LOB"), will now be reported as part of the RD&A LOB.
2. See press release titled "Moody's Corporation Reports Results for First Quarter 2020" from April 30, 2020 for Moody's full 2020 guidance.
3. These metrics are adjusted measures. See Appendix for reconciliations from adjusted financial measures to U.S. GAAP.

Note: The revenue reclassifications of REITs to Corporate Finance from Structured Finance and the FACT product from RD&A to ERS are reflected in the full year (FY) calculations.

# Disciplined Approach to Capital Allocation

## Investing in Growth Opportunities

**Reinvestment**

Invest in existing businesses to support organic growth

**Acquisitions**

Evaluate carefully to make sure aligned with strategy and market evolution

## Return of Capital

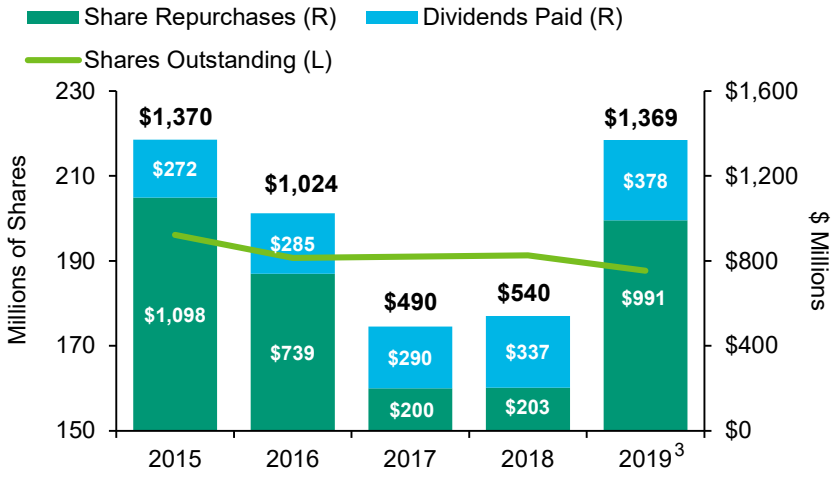
**Dividends**

Grow dividend in line with earnings; target 25% - 30% payout[1]

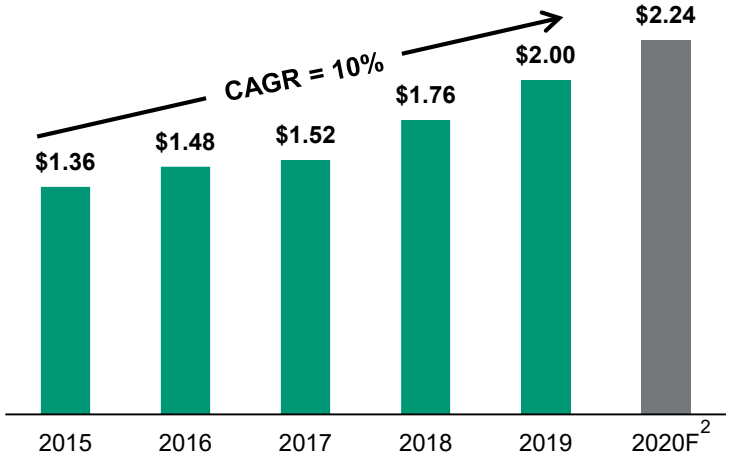
**Share Repurchase**

Follow reinvestment, dividends and acquisitions in capital allocation prioritization

### Share Repurchases and Dividends Paid




### Annualized Dividend Per Share



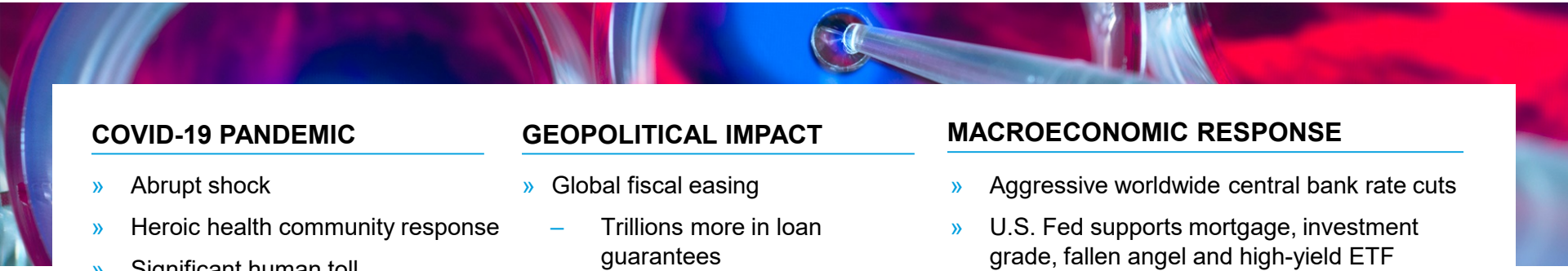

1. Dividend payout ratio is defined as total dividends paid/adjusted net income.
2. Annualized dividend total, based on first quarter dividend declared on April 20, 2020.
3. Share repurchases have been temporarily suspended as of April 30, 2020. Year-to-date share repurchases as of March 31, 2020 is approximately $253 million.

# 3

# Capital Markets Overview

# Credit Market Update

## Coronavirus disrupts real economy, impact to credit market may be delayed



### COVID-19 PANDEMIC

- Abrupt shock
- Heroic health community response
- Significant human toll
- Policy responses: social distancing implemented
  - Reopening tactics under review as infection curves flatten

### GEOPOLITICAL IMPACT

- Global fiscal easing
  - Trillions more in loan guarantees
- Oil prices plummet on lack of global demand/storage capacity and production disputes

### MACROECONOMIC RESPONSE

- Aggressive worldwide central bank rate cuts
- U.S. Fed supports mortgage, investment grade, fallen angel and high-yield ETF markets
- Various other central bank asset purchase programs and new credit facilities instituted
- IMF: -3% worldwide 2020 GDP
- Job losses and furloughs

REAL ECONOMY

CREDIT MARKETS

### Investment grade bonds

- Record March issuance[1]
- Opportunistic capital raising bolsters balance sheet liquidity
- Commercial paper access limited

### High yield bonds

- Significant spread widening, though subsequent tightening
- Access remains for fallen angels and higher-end of spec grade

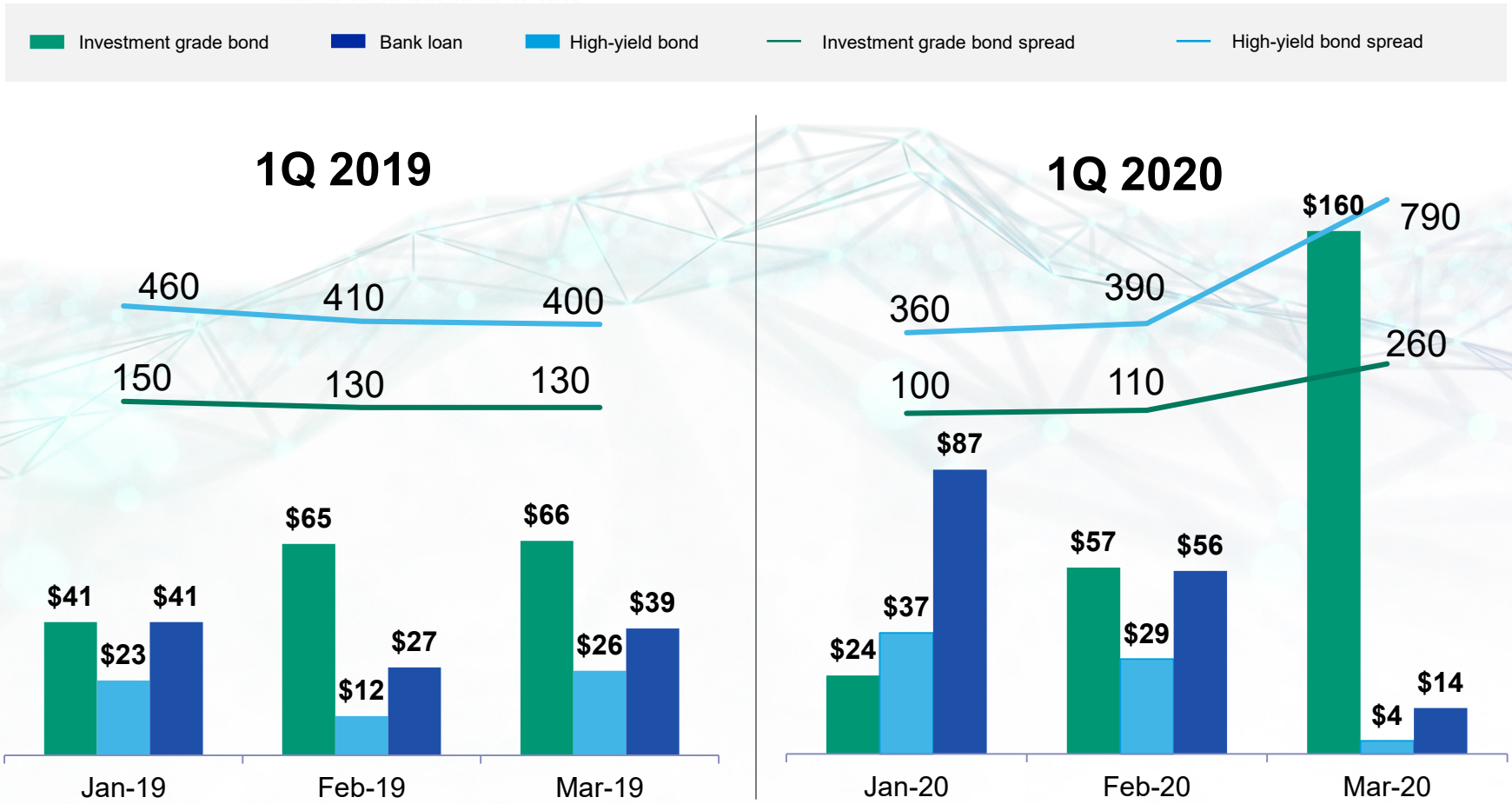
### Leveraged loans

- Revolver draw-downs bolster liquidity
- Issuance market shutters
- Fund outflows and lack of CLO demand

1. MIS rated issuance.

# U.S. Investment Grade Drives Issuance in 1Q20

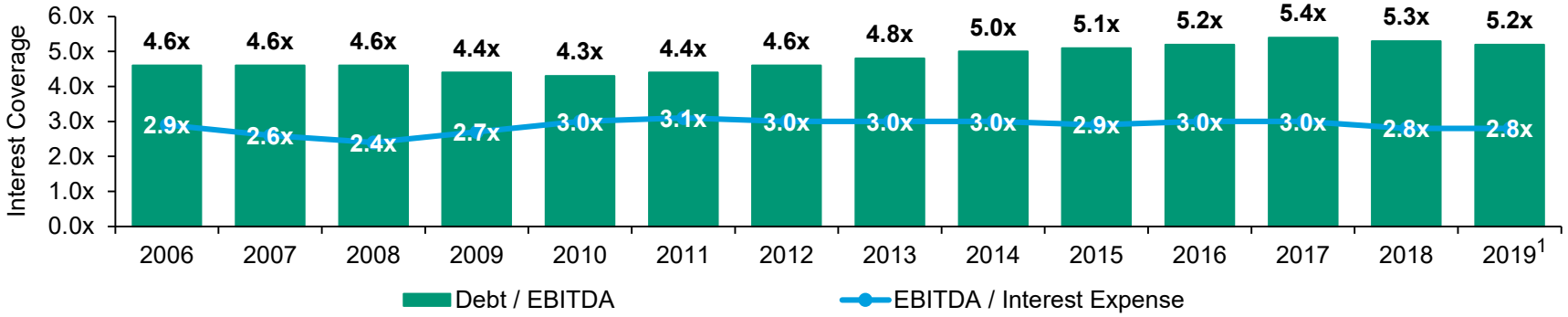
## Investment grade issuance surged in March, while leveraged finance stalled



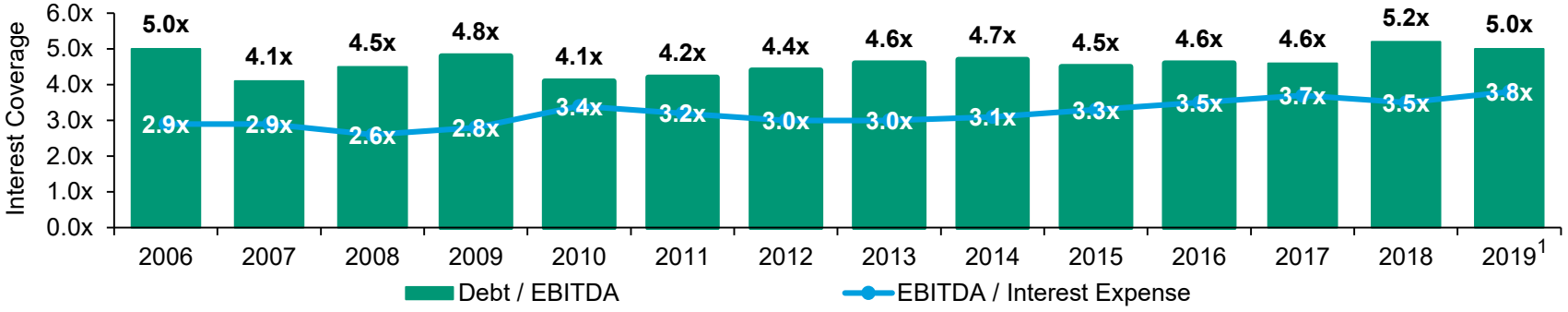

Note: MIS rated issuance. Investment Grade and High Yield Bond spreads in basis points. Issuance figures displayed in billions.

# Debt Leverage and Interest Coverage in North America and Europe

## Credit Metrics: North American Speculative Grade Companies




## Credit Metrics: European Speculative Grade Companies

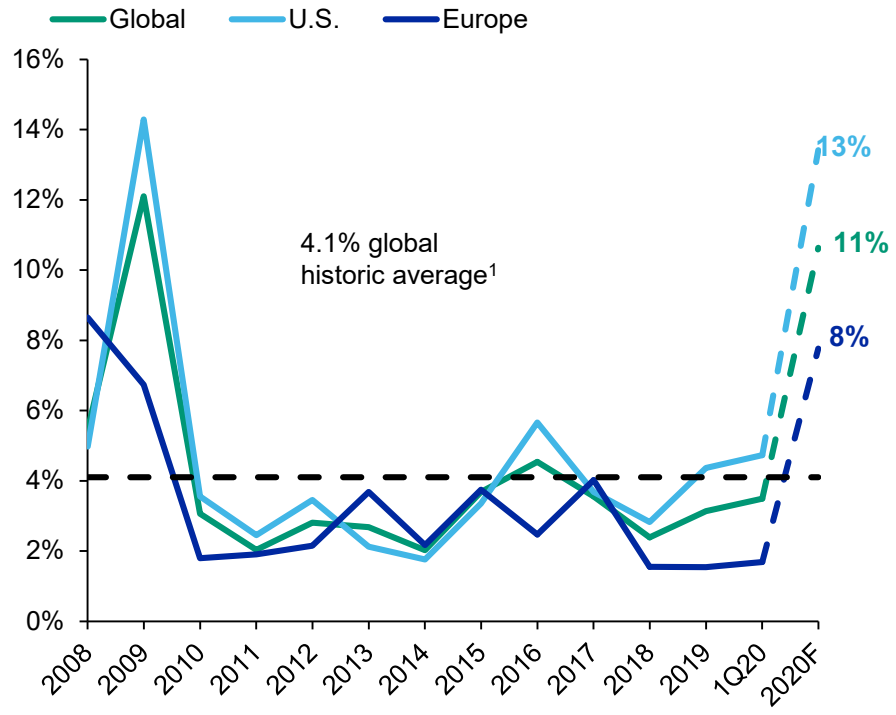



1. Trailing twelve months ended December 31, 2019.

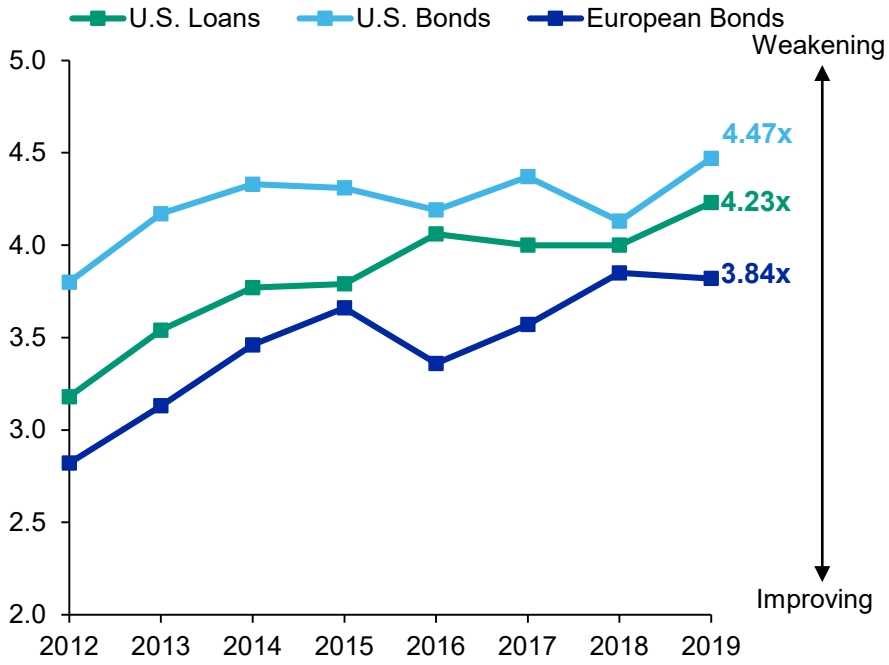
Note: Historical figures may change due to timing differences in issuer reporting deadlines. Source: Moody's Investors Service.

# Default Rate Forecast Rises in Wake of Unprecedented Turmoil

## Default Rates for Speculative-Grade Corporate Rated Issuance[1]




## Speculative-Grade Covenant Quality Indicators[2]

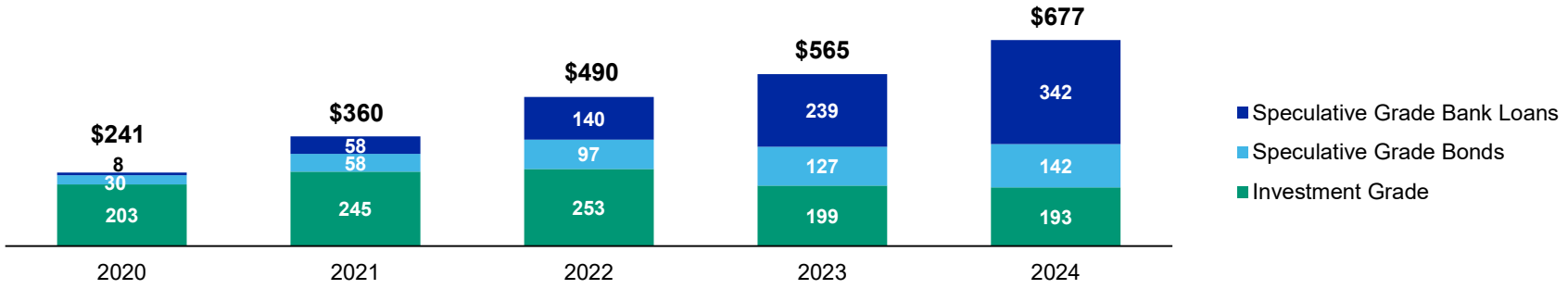



1. Moody's rated corporate global speculative grade default historical average of 4.1% from 1983 through March 31,2020. 2020 forecast for TTM ended December 31, 2020. Peak global default rate downside case forecast of ~16%; represents one year forecast ending March 2021.
2. Covenant data for European bonds represent a three quarter rolling average, North American loans and bonds represent a two quarter rolling and a three month rolling average, respectively.

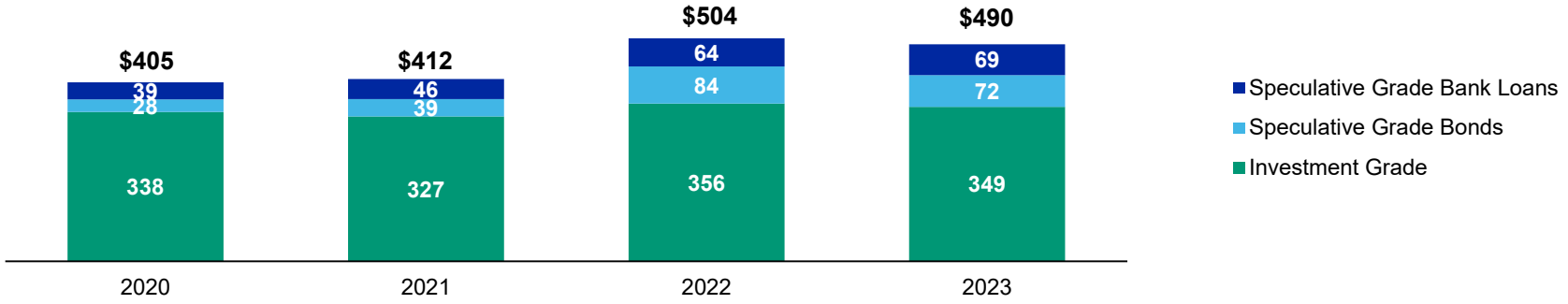
Source: Moody's Investors Service.

# Refunding Needs[1] Support MIS Long-term Fundamentals

## >$2.3 Trillion in Debt Maturities: North America Moody's-Rated Corporate Bonds and Loans[2]



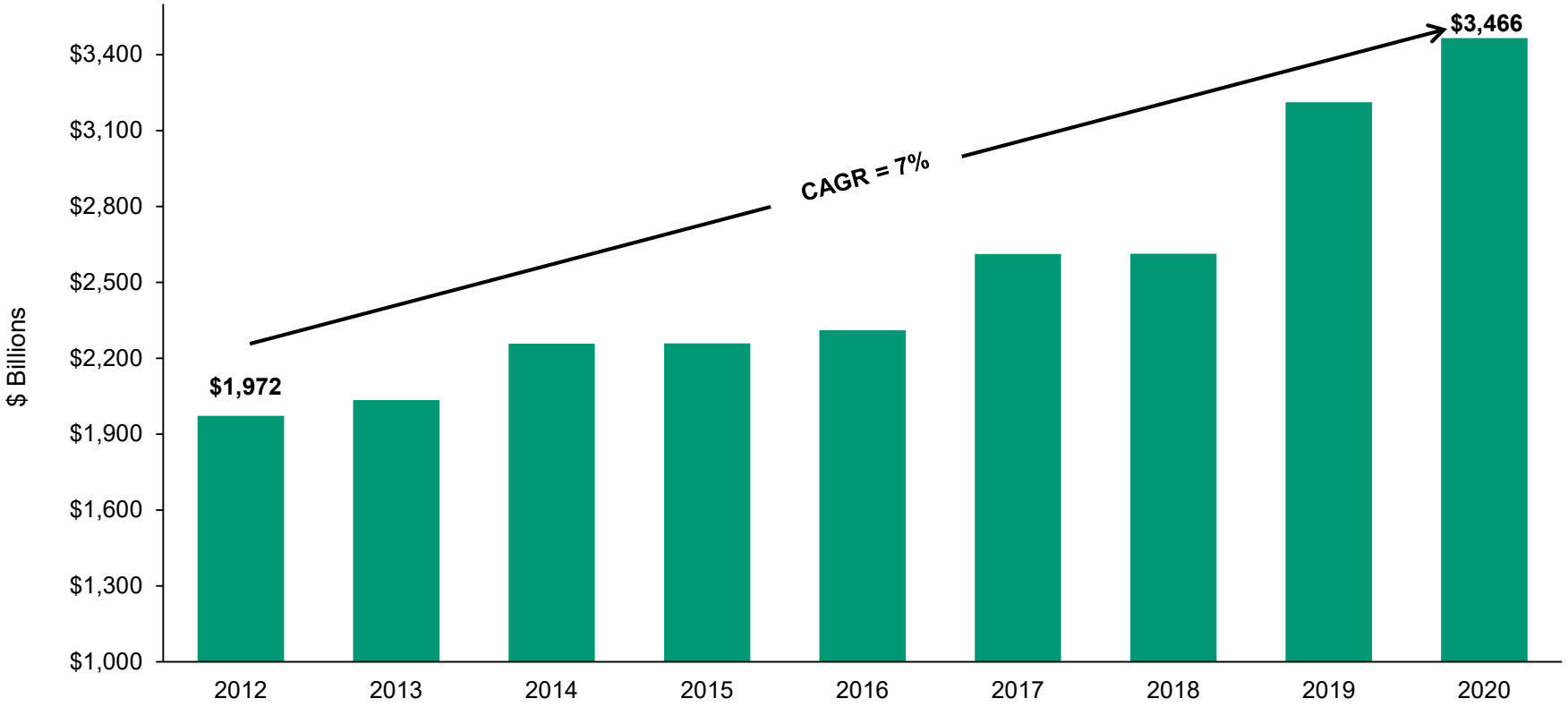

## >$1.8 Trillion in Debt Maturities: EMEA Moody's-Rated Corporate Bonds and Loans[3]




1. Non-financial corporates.
2. **Source: Moody's Investors Service, January 2020.** Data represents U.S. & Canadian MIS rated corporate bonds & loans.
3. **Source: Moody's Investors Service, July 2019.**

# Refunding Needs Have Grown Strongly Over Time

Next Four Years North America and EMEA Total Refunding Needs[1] as of:



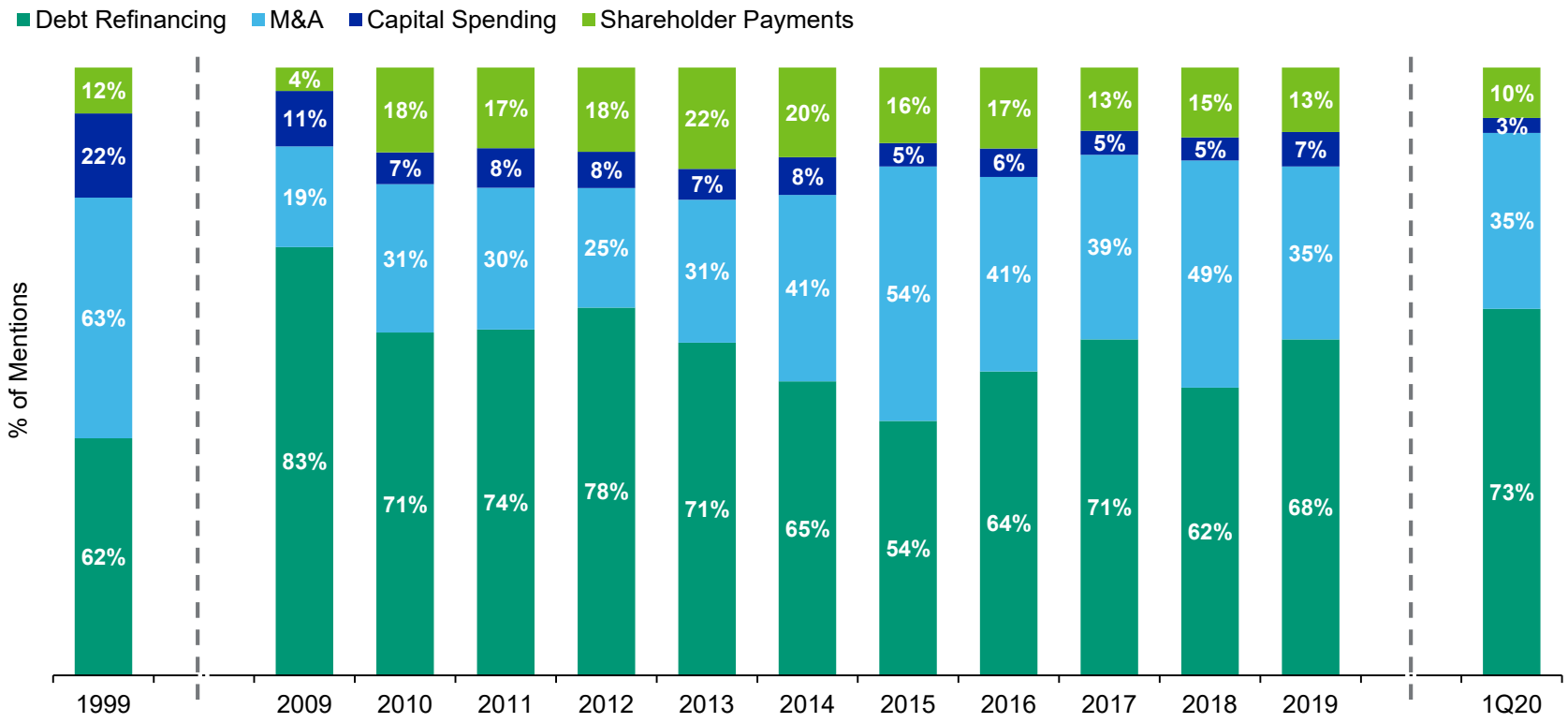

1. Amount reflects total maturities identified below.

Source: Moody's Investors Service. U.S. and EMEA refunding needs reports January 2012 – January 2020.

Note: Data represents U.S., Canadian and European MIS rated corporate bonds & loans. Canada data not available before 2015.

# Debt Refinancing and M&A are Most Frequently Stated Uses of Proceeds

## Uses of Funds from USD High Yield Bonds and Bank Loans[1]

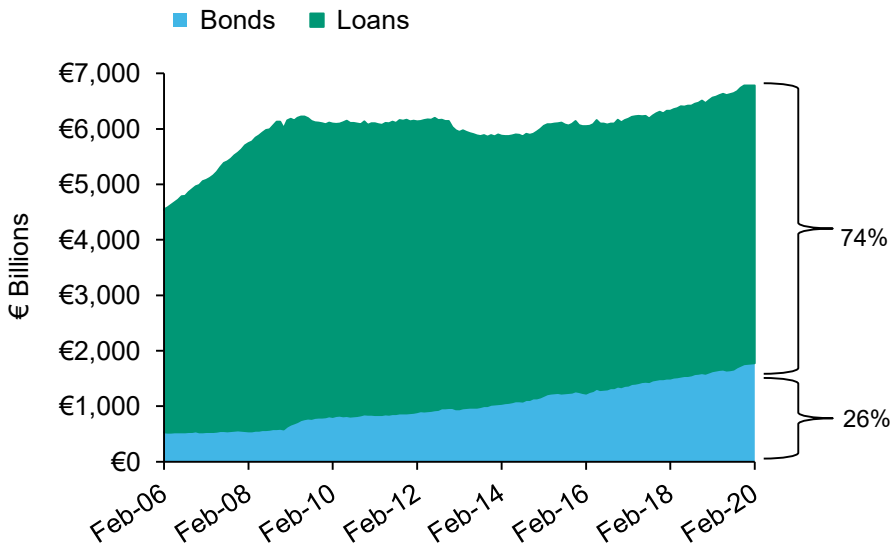



1. Percent of mentions for each respective period in bond issue or bank loan program tranche documents. Excludes issues of less than $25 million and general corporate purposes. An issue can have multiple purposes and, as a result, percentages do not sum to 100%.

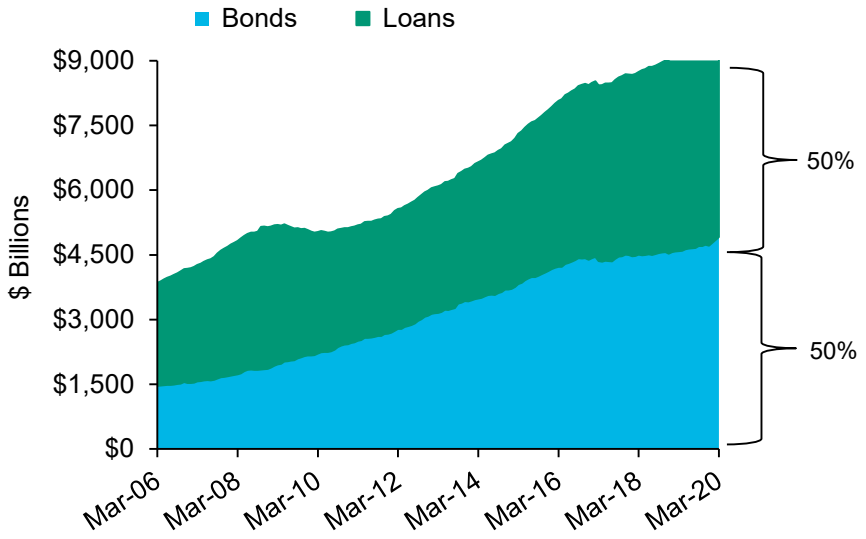
Source: Moody's Analytics.

# Disintermediation of Credit is an Ongoing Trend in the Global Capital Markets

European Non-Financial Corporate Bonds vs. Bank Loans Outstanding




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



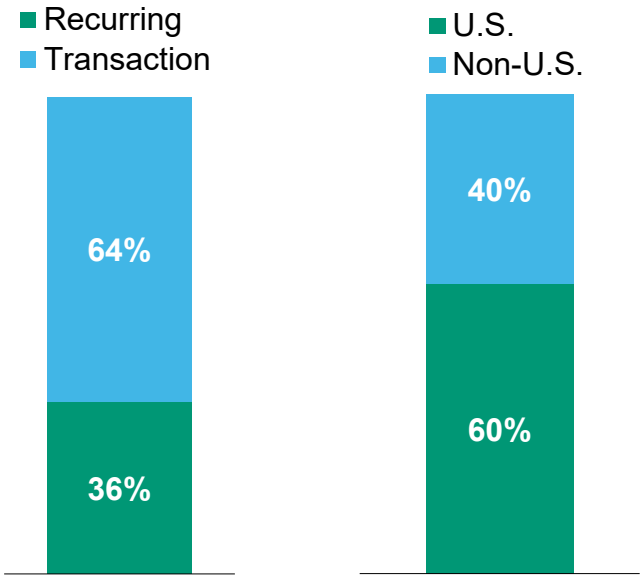

Sources: ECB, Federal Reserve, BarCap Indices. Europe bank loan data includes Eurozone and UK bank loans. Europe bond data includes euro and sterling denominated bonds. European data is through February 2020 and U.S. data is through March 2020.

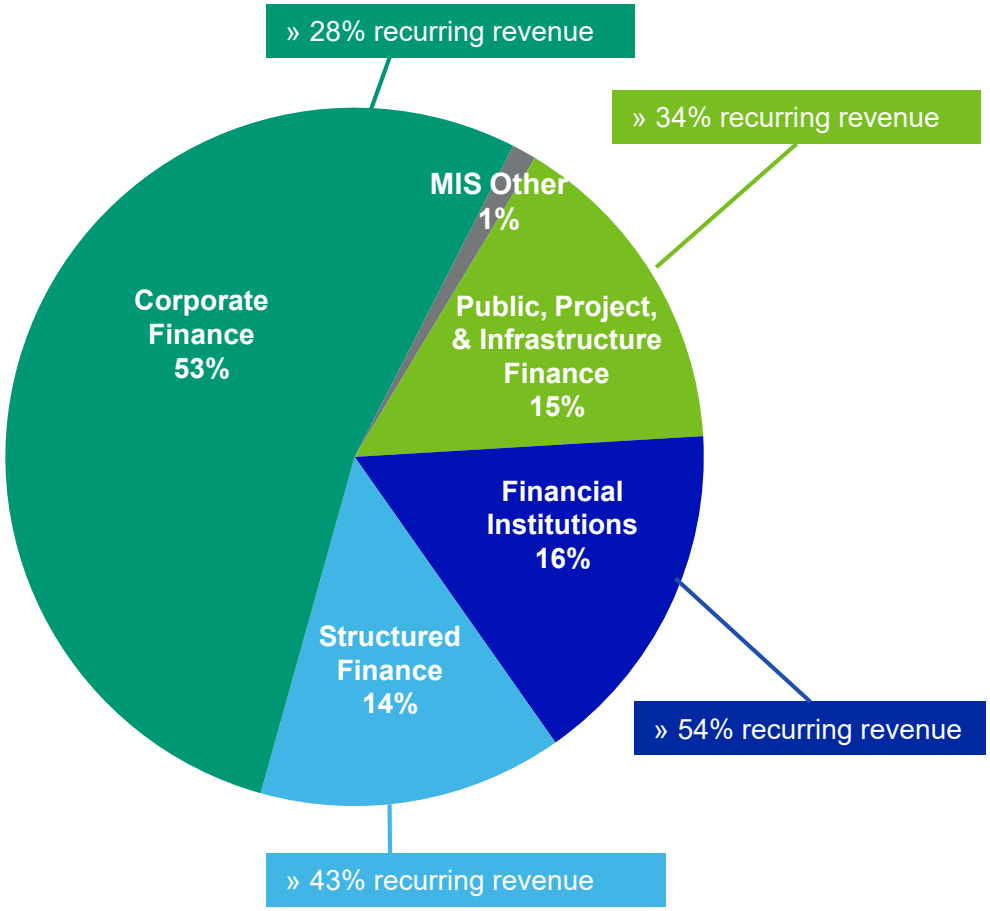
# 4

# Moody's Investors Service

# Moody's Investors Service Financial Profile

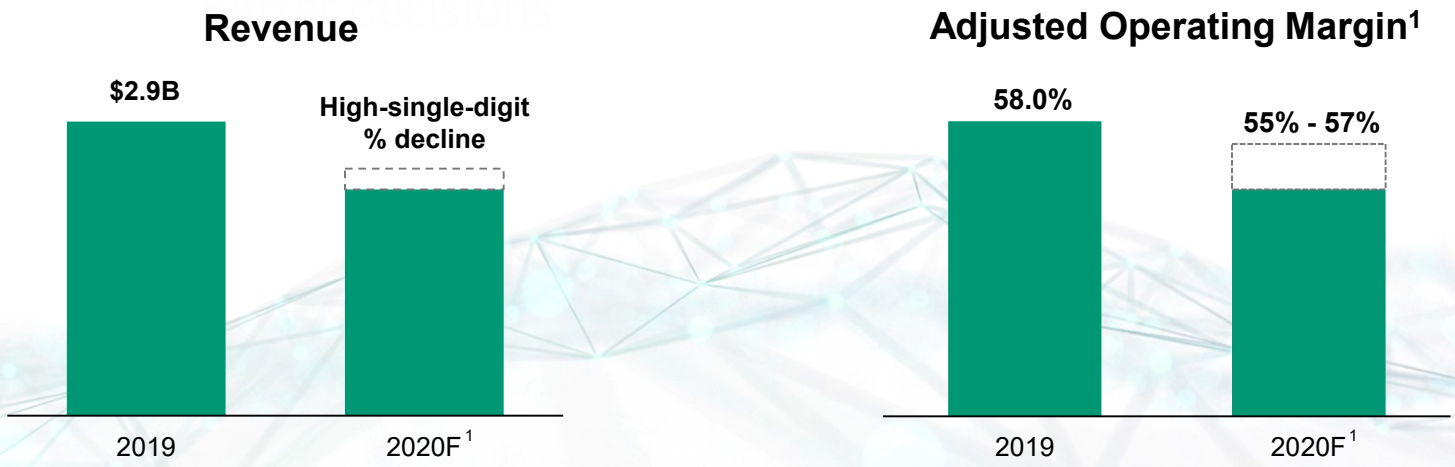
## 1Q 2020 TTM Revenue: $3.0 billion




Note: The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected in the full year 2019 calculations. Percentages have been rounded and may not total to 100%.

# MIS Guidance: COVID-19 Lowers Outlook[1]

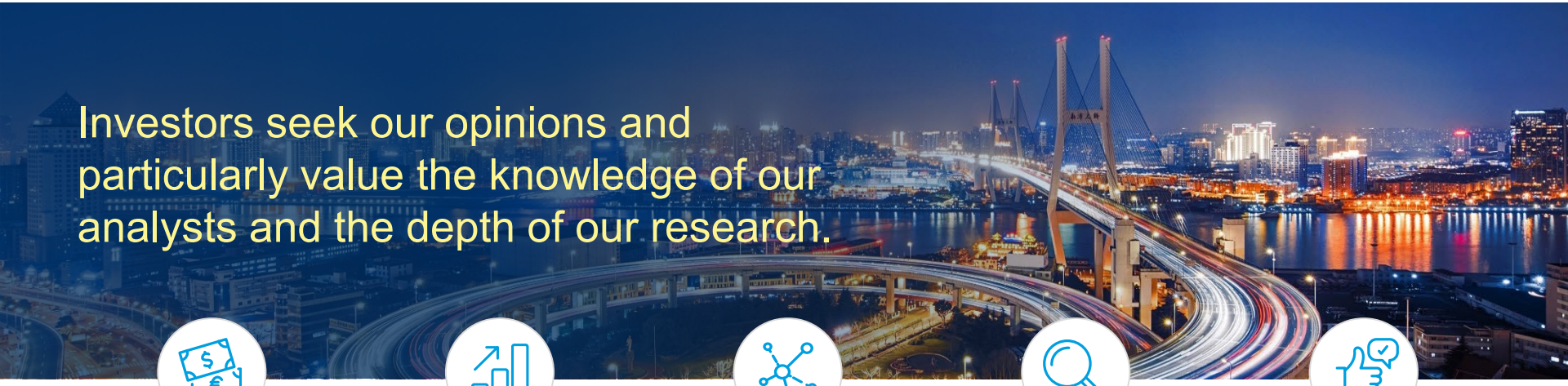



## Key drivers of MIS FY 2020 outlook[1]

- Issuance[2] expected to decline in the low-double-digit percent range from $4.6T in 2019
  - Non-financial corporate investment grade issuance to increase ~10%; high yield bonds to decline ~20%; leveraged loans to decline ~40%
- Approximately 600 first time mandates
- Refinancing and liquidity driven issuance, reduced M&A activity
- Less favorable issuance mix
- Recurring revenue provides ballast
- Lower incentive compensation and additional cost efficiency initiatives support margin

1. Guidance as of April 30, 2020.
2. Global debt issuance. Excludes sovereign debt.

# The Benefits of a Moody's Rating




**Wider access to capital**

Moody's opinions on credit are broadly used by institutional investors throughout the world, making an issuer's debt more attractive to a wider range of potential buyers

**Tangible financing benefits**

The credibility of Moody's ratings may allow rated issuers to enter the capital markets more economically through a lower cost of capital

**Planning and budgeting**

Helps issuers formulate internal capital plans and funding strategies

**Transparency, credit comparison and market stability**

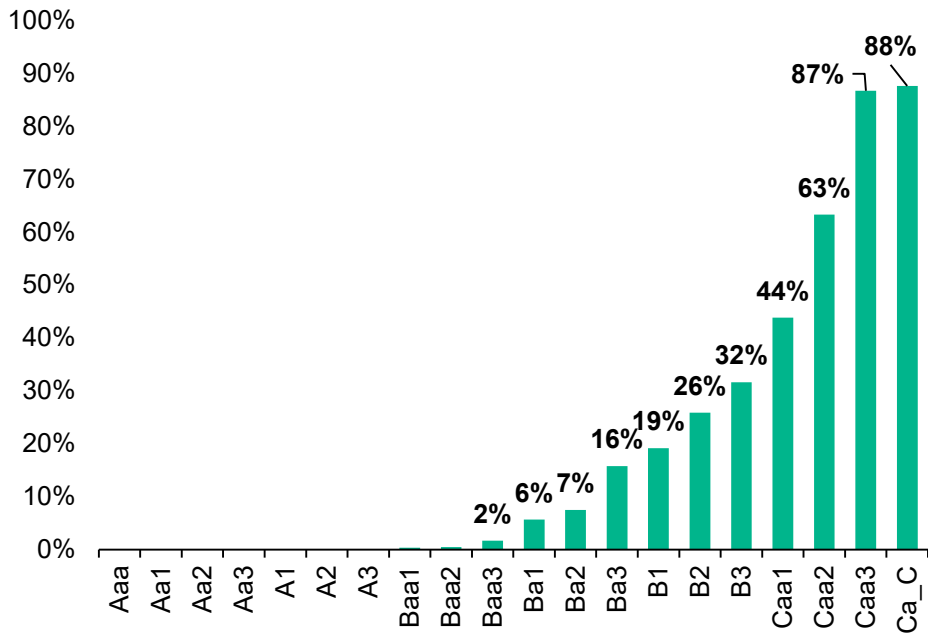
Signals a willingness by issuers to be transparent and provides issuers with an independent assessment against which to compare their own creditworthiness

**Responsive to investor demand**

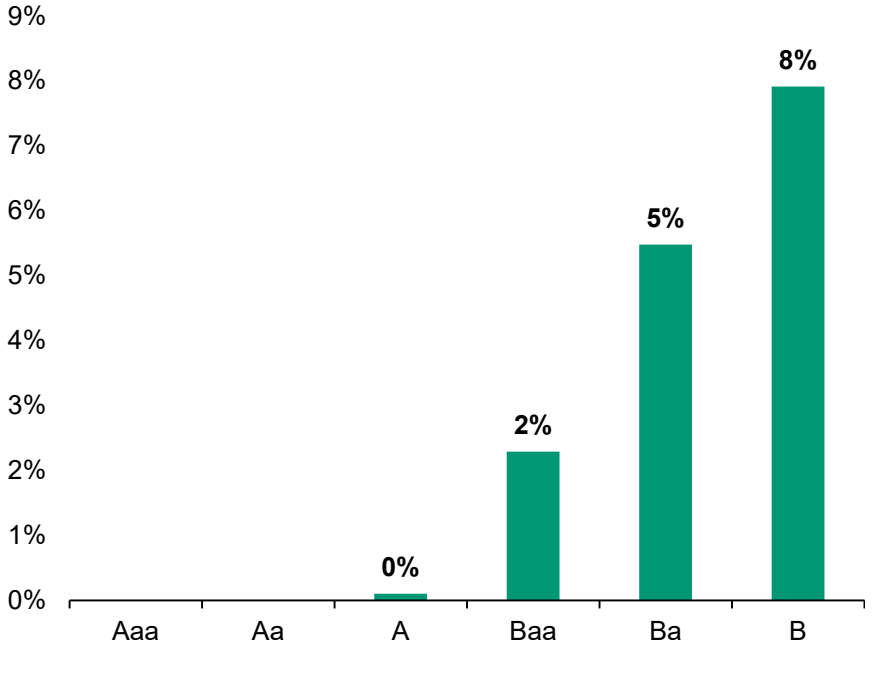
Moody's ratings are the most used by investors, (when multiple agencies are used), who have acknowledged our track record of accuracy

# Rating Performance Drives Investor Confidence

Ten-Year Default Rates by Rating for 2009-2018 Cohort: Non-Financial Corporates[1]




Ten-Year Cumulative 1993-2018 CLO Impairments[2]




- We remain focused on analytical expertise and our credit methodologies to provide predictive, predictable and transparent ratings
- Accuracy reinforces investor demand pull
- April 2020 ratings review reports provide update of rating actions by sector[3]

1 Source: Moody's Investors Service. The data in the chart above shows the ten-year cumulative default rates by rating from January 2009, through January 2018 of fundamental Moody's rated universe globally. Rating category is based on senior unsecured rating (or equivalent) of the issuer.
2 Source: Moody's Investors Service: Global multi-year cumulative WR-adjusted impairment rates by original rating,1993-2018.
3 Corporate Finance and Financial Institutions Ratings Review Summaries published April 1, 2020 and April 15, 2020, respectively.

# Illustrative Value of a Moody's Rating

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

| Unrated | | Rated by Moody's |
|---|---|---|
| $500,000,000 | Bond | $500,000,000 |
| x 4.3% | Interest rate | x 4.0% |
| = $21,500,000 | Annual interest payments | = $20,000,000 |
| x 10 years | Tenor | x 10 years |
| = $215,000,000 | Lifetime interest expense | = $200,000,000 |

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

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

# Broad Coverage Serves Global Needs



## Americas

- 29,600+ rated companies and structured deals
- $35+ trillion total debt rated
- 16,800 research publications
- Offices in 10 cities*



## EMEA

- 4,700+ rated companies and structured deals
- $20+ trillion total debt rated
- 6,700 research publications
- Offices in 13 cities*



## APAC

- 2,200+ rated companies and structured deals
- $13+ trillion total debt rated
- 4,100 research publications
- Offices in 10 cities*

**~15 Years**
Lead/Senior Analyst tenure

Institutional Investor

#1 Global Credit Rating Agency 2019[1]

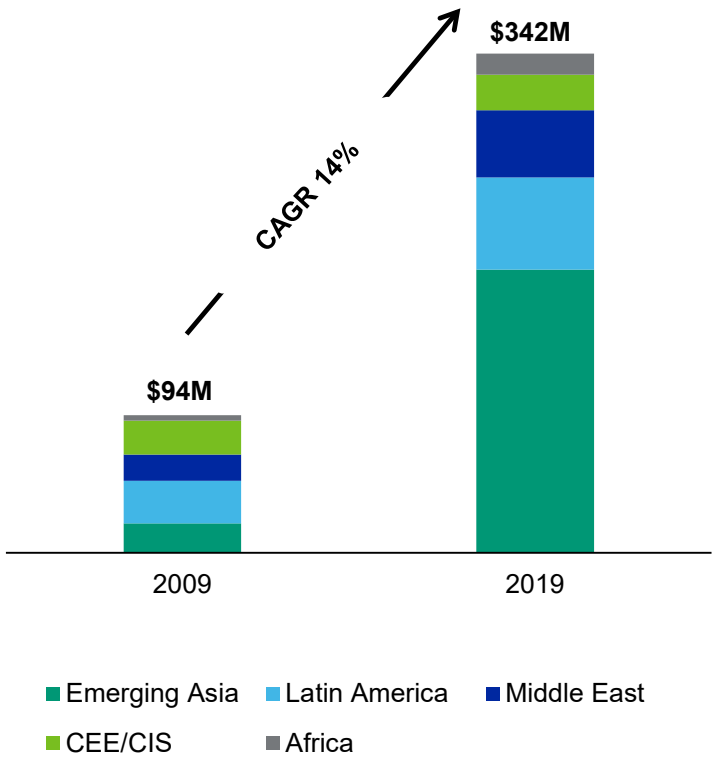
#1 U.S. Credit Rating Agency 2012-2018[1]

1. Institutional Investor Survey.

Source: Moody's Investors Service.
All data as of January 20, 2020, except Research Data covers the period January 1, 2019 – December 31, 2019.
All numbers are rounded other than those marked *

# Continue to Invest in Key International Markets

## Revenue in Emerging Markets




## Asia Pacific

- China: Successful joint venture with CCXI and robust cross-border operations
- South Korea: Full ownership of KIS subsidiary, a leading provider of domestic credit ratings in South Korea
- India: Majority stake in ICRA serves growing domestic Indian bond market

## Latin America

- Launched Moody's Local, a new platform that will provide domestic credit ratings and research in Peru, Panama and Bolivia[1]
- Minority investment in ICR Chile deepens Moody's presence in dynamic and expanding market

## EMEA

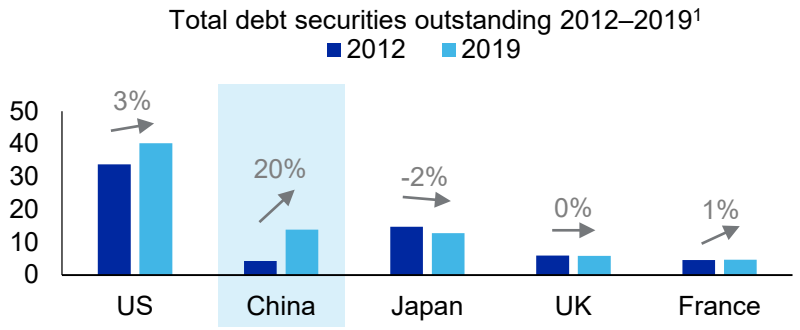



- Opened Moody's offices in Saudi Arabia and Lithuania

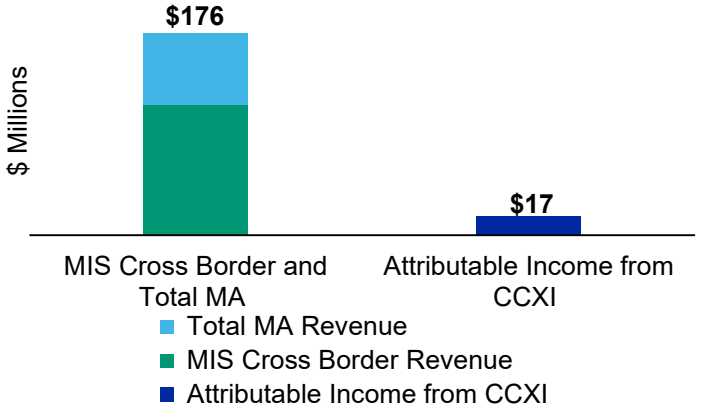
1. Subject to regulatory approvals. Moody's Local ratings represent forward-looking rank-orderings of creditworthiness within the domestic market of a specific country. They are not comparable between countries, and are distinct from and independent of the opinions of MIS and its global ratings.

# Moody's in Greater China

## 2nd Largest Onshore Bond Market at $14 Trillion

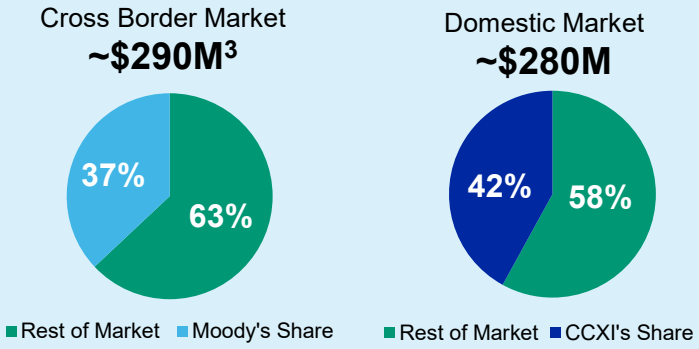



## 2019 Revenue and Attributable Income from China[3]




## Estimated China Ratings Market Size: Domestic and Cross Border[2]

- **Moody's participates directly** in the cross border China issuance market through MIS **and in the domestic market** through a 30% interest in CCXI
- **Long-term growth prospects** enabled by **participation** in the ongoing **development** of **China's domestic credit markets**
- **Continuing to foster constructive relationships** and partnerships with issuers, regulators and other market participants




1. Source: Bank for International Settlements (latest data available as of 2Q19).
2. Revenue as of full year 2019; USD 1 = RMB 6.92 RMB exchange rate as of December 31, 2019 is used for conversion for domestic CRAs' estimated revenue. Note: These are high level estimates based on MIS & CCXI full year 2019 revenue/market coverage in domestic market; in cross border, market share is coverage/sum of coverage for three major CRAs.
3. Greater China: Mainland, Hong Kong and Macau.

# MIS ESG Opportunity: Driving Expansion Beyond Credit

## ANALYSIS

- Moody's forecasts global green, social and sustainability bond issuance to be $275 to $325 billion in 2020[1]
- Our minority stake in SynTao Green Finance's China-specific datasets enhance Moody's global ESG research and data, and complement Moody's majority ownership of Vigeo Eiris, a leading provider of ESG research, data and assessments, and of Four Twenty Seven, a leader in climate data and risk analysis.
- Moody's offers a comprehensive suite of solutions for ESG assessments

## RESEARCH[2]

**38,000+**
**Credit ratings**
ESG assessments integrated into Moody's Investors Services (MIS) credit ratings

**5,000+**
**ESG assessments**
Covering 266 unique ESG data points

**6,000+**
**Climate risk scores**
Spanning countries, counties, cities, companies & real estate assets globally

**200+**
**Sustainable bonds**
Assessed globally

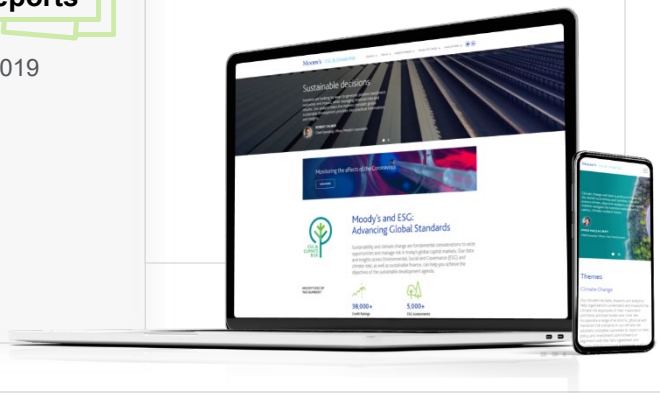
**30+**
**Years of ESG experience**
Our affiliate Vigeo Eiris has been a pioneer in ESG analysis since the 1990s

**300+**
**MIS research reports**
Related to ESG considerations in 2019

**20+**
**ESG related events**
Delivered in 2019 through Moody's global event program

## OUTREACH

- ~200 media engagements in 1Q20 driven by Moody's Events and MIS research
- MIS maintains a leading share of voice in key global media with 58%
- Strategic relationships with industry organizations and influencers across sustainable finance
- New Moody's ESG & Climate Risk microsite: **moodys.com/esg**




1. Forecast as of May 5, 2020.
2. As of November 2019, combined for all Moody's entities including affiliates.

# Integrating 427 Climate Analytics to Better Inform the Market

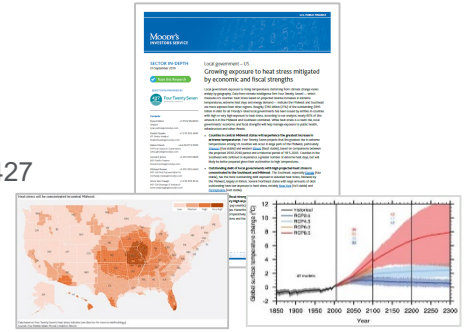
Moody's Investors Service + 427 Four Twenty Seven

**Research report on exposure to future heat stress for U.S. counties**

» Relative projections of future heat stress for each U.S. county to demonstrate high risk areas provided by 427

**Research report on public safety power shutoffs in California**

» Maps of heat/water stress in California provided by 427



## Near term

**MIS publishing report on the climate change scenarios**

» Climate scenario expertise on the physical impacts of the different scenarios provided by 427

**427 data to be incorporated into tools for the U.S. PFG team**

» Data and scores for all U.S. Municipalities from 427 will either complement or replace data from prior sources

» 427 includes greater amount of risk hazards than prior sources

Moody's Analytics + 427 Four Twenty Seven

**REIS Network data partner**

**Joint by-line article: the changing climate of credit risk management**

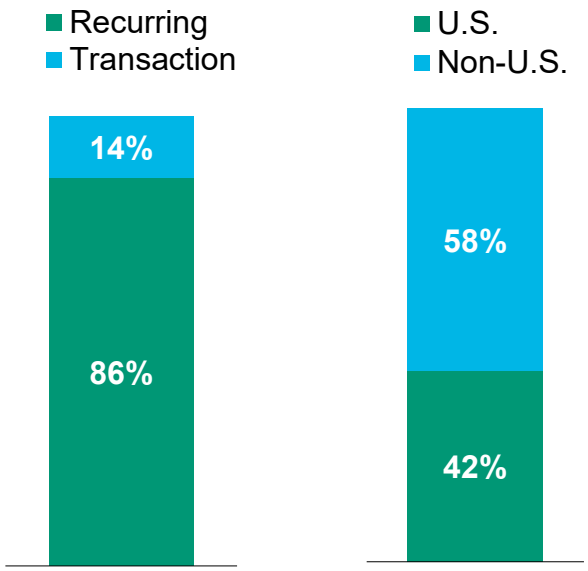


# 5

# Moody's Analytics

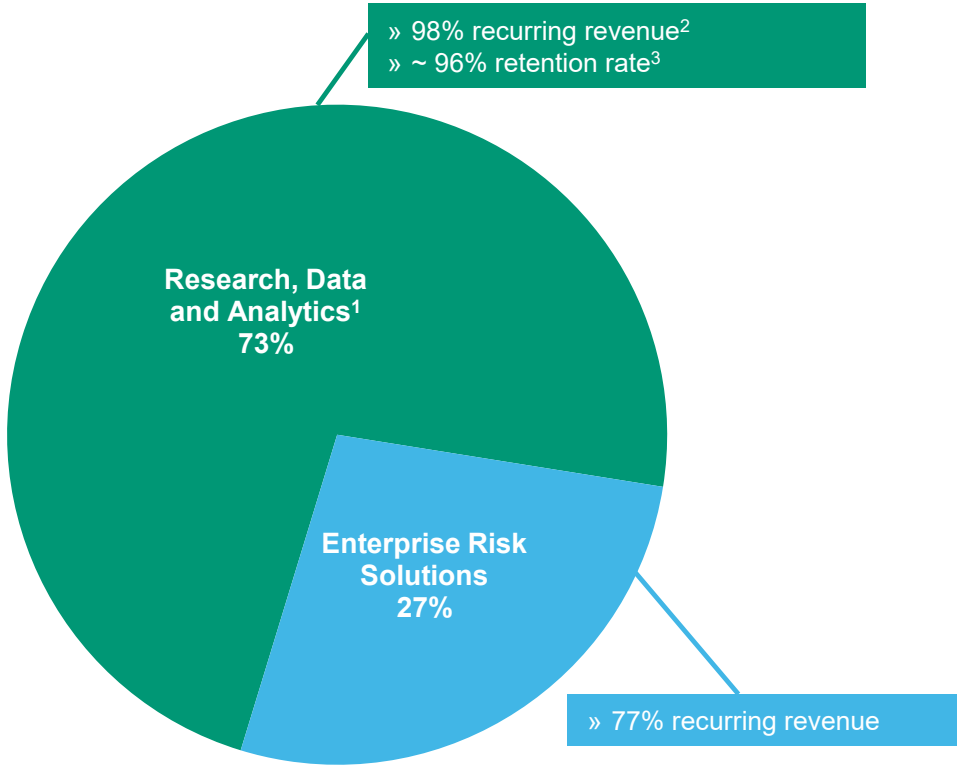
# Moody's Analytics Financial Profile

## 1Q 2020 TTM Revenue: $2.0 billion





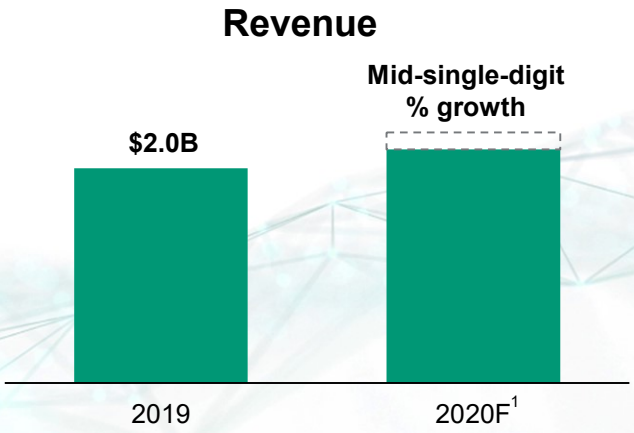


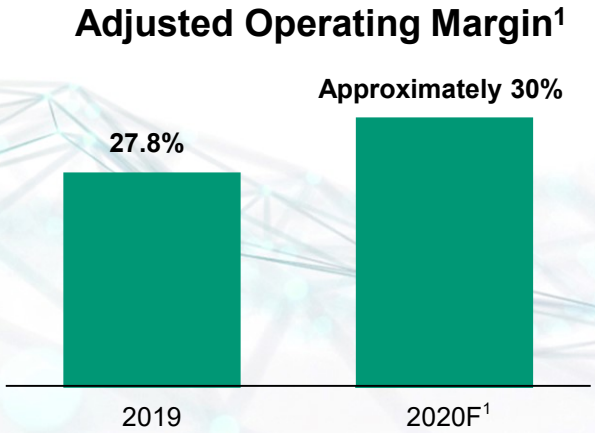



1. Includes trailing twelve months of professional services revenue.
2. 98% recurring revenue for RD&A as reported, including MALS for 1Q20. It does not include MALS or other professional services revenue prior to 1Q20.
3. As of FY 2019. Excludes Bureau van Dijk.

Note: The revenue reclassification of the FACT product from RD&A to ERS, MALS to RD&A and the MAKS sale is reflected in the trailing twelve month calculations.

# MA Guidance: Continue to Expect Revenue Growth and Margin Expansion[1]



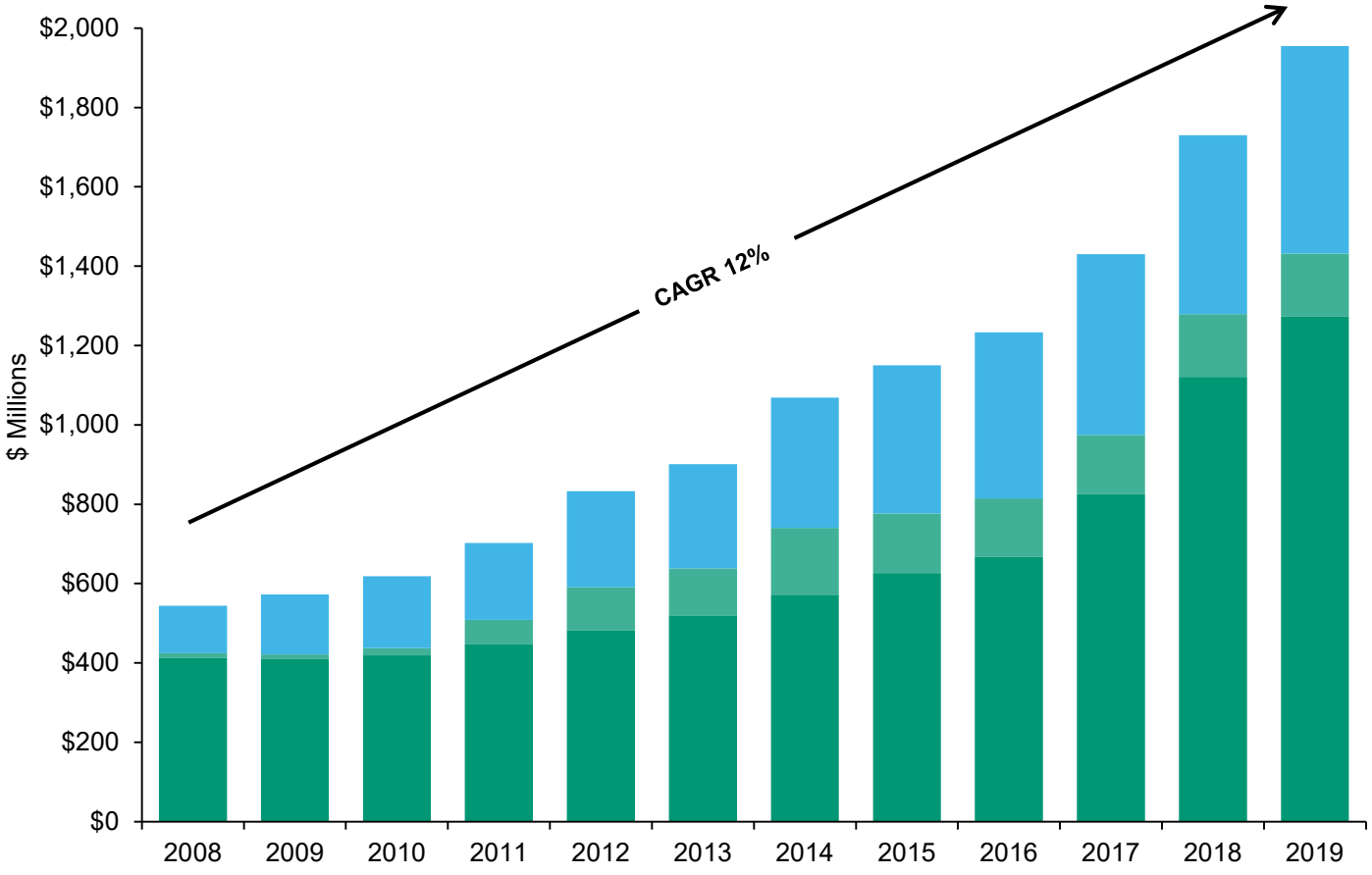

## Key drivers of MA FY 2020 outlook

- Strong recurring revenue moderates COVID-19 impact
- MAKS divestiture weighs on revenue growth, partially offset by RiskFirst, Deloitte ABS, RDC acquisitions
- FY revenue guidance including an unfavorable 2% - 3% impact from FX and inorganic activity
- RD&A: Strong demand for BvD data and tools, continued upgrades for research platform, and data feeds
- ERS: Strength in software sales and delivery; modest impact from delays of IFRS 17 and CECL implementations
- Lower incentive compensation and additional cost efficiency initiatives support margin

1. Guidance as of April 30, 2020.

# Moody's Analytics has Several Platforms for Growth

## Revenue More Than Tripled Since Inception




**Moody's Analytics**

2019 Revenue: $1,954m

2008 – 2019 CAGR: +12% (~60% organic)

**Enterprise Risk Solutions**

2019 Revenue: $522m

2008 – 2019 CAGR: +14% (~68% organic)

**Professional Services[1]**

2019 Revenue: $159m

**Research, Data & Analytics**

2019 Revenue: $1,273m

2008 – 2019 CAGR: +11% (~62% organic)

Note: Individual line of business revenues may not add up to total Moody's Analytics revenue due to rounding.

1. Subsequent to the divestiture of MAKS in 2019, revenue from the Moody's Analytics Learning Solutions ("MALS") unit, which previous to 2020 was reported in the Professional Services line of business ("LOB"), will now be reported as part of the RD&A LOB. Prior periods have not been reclassified as the amounts were not material.

# MA's Strong Retention Rates Mitigate COVID-19 Impact



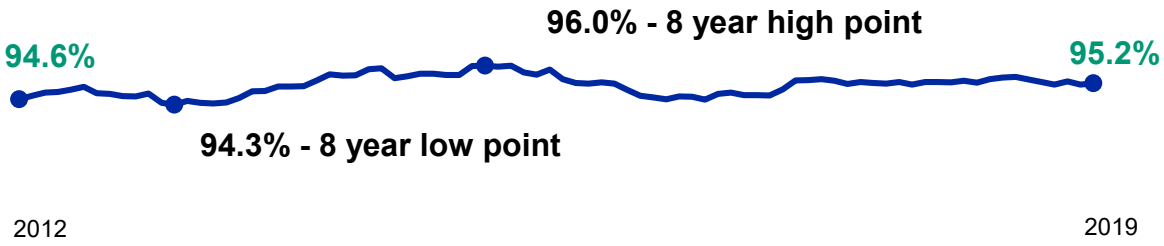

## Revenue components

- **~50%** Revenue from sales closed prior to 1/1/2020
- **~40%** Revenue from scheduled renewals
- **~10%** Revenue from new sales in 2020

## 2020 Current Outlook[2]

- ✓ Existing contractual obligations being met by MA and Customers
- ↓ Renewal yield might be affected
- ↓ Social distancing preventing face to face selling efforts

## Stable Retention of Recurring Base Ensures Predictable Revenue




**2019 Actuals**

- Research **~96%**
- ERS **~94%**
- BvD **~92%**

Note: Recurring refers to the repeatable nature of sales or revenue, as a result of a subscription-based fee model. Product retention rate refers to the dollars retained from existing customers on an annual basis.

1. Full Year 2019, excluding MAKS.
2. Guidance as of April 30, 2020.

# Sales Strategies Adapting to COVID-19

Observing some impact on new business pipeline

- Expect sales cycles to take longer than 9-12 month historical average
- Business development activities are seasonal, COVID-19 interrupting important period

Converting selling activities from face-to-Face to virtual

Updating sales campaigns

**FOR CURRENT CUSTOMERS…**

- Emphasis on pro-active customer support during crisis to maintain retention rates
- Adding new content and analytics to address shifting customer needs

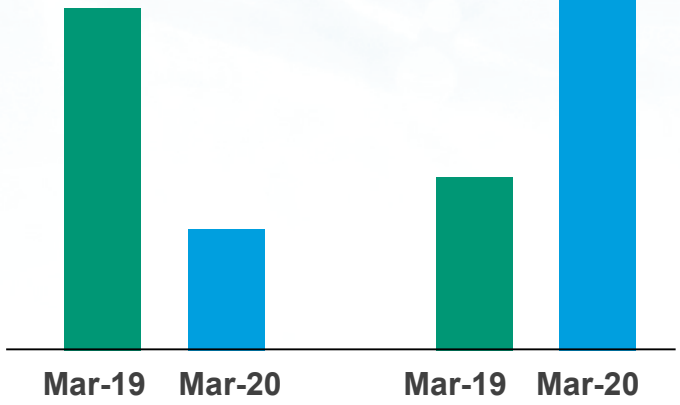
**FOR NEW CUSTOMERS…**

- Test new value propositions
- Highlight COVID related features

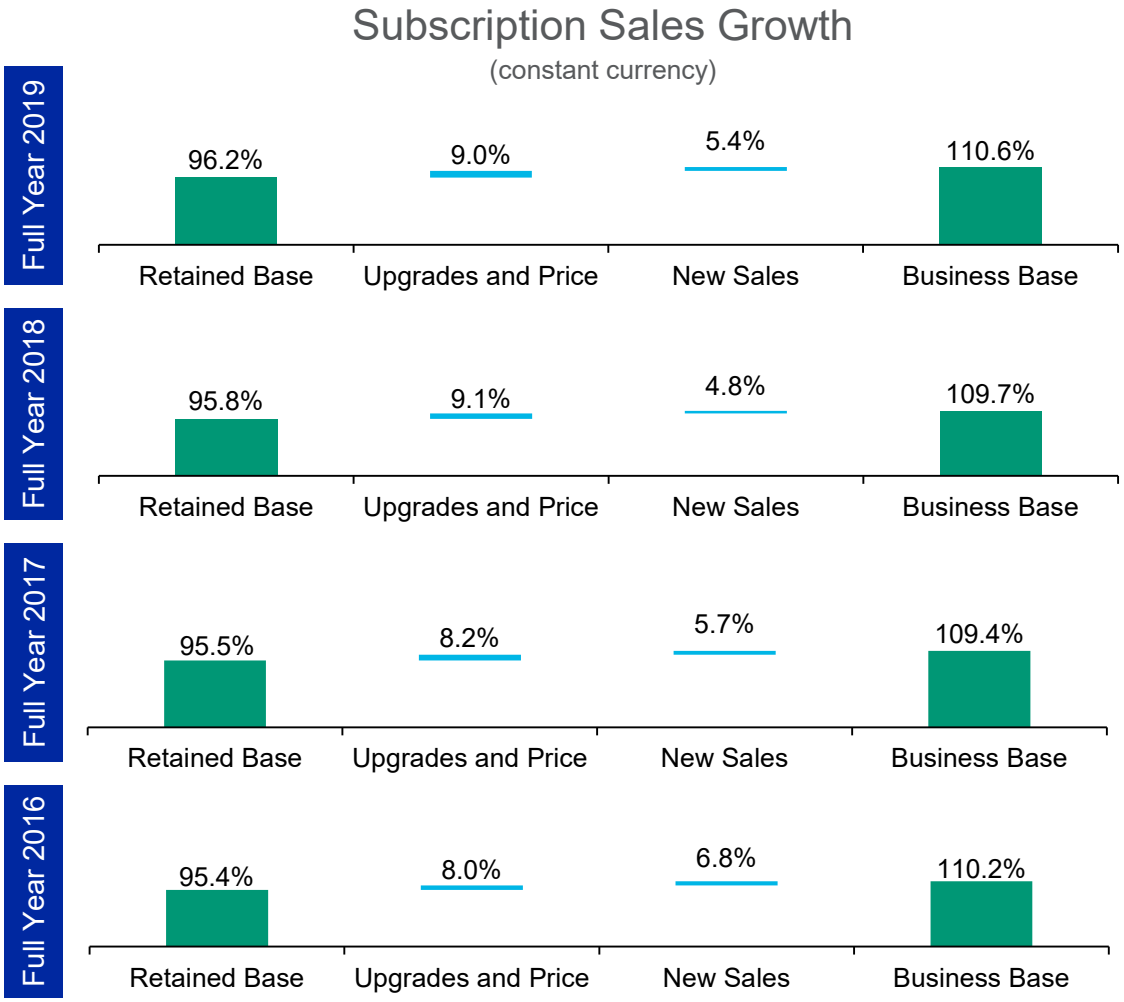
**Sales Activities Shifting**

**Up +400%**
Number of Virtual Meetings

**Down 50%**
Number of In-Person Meetings



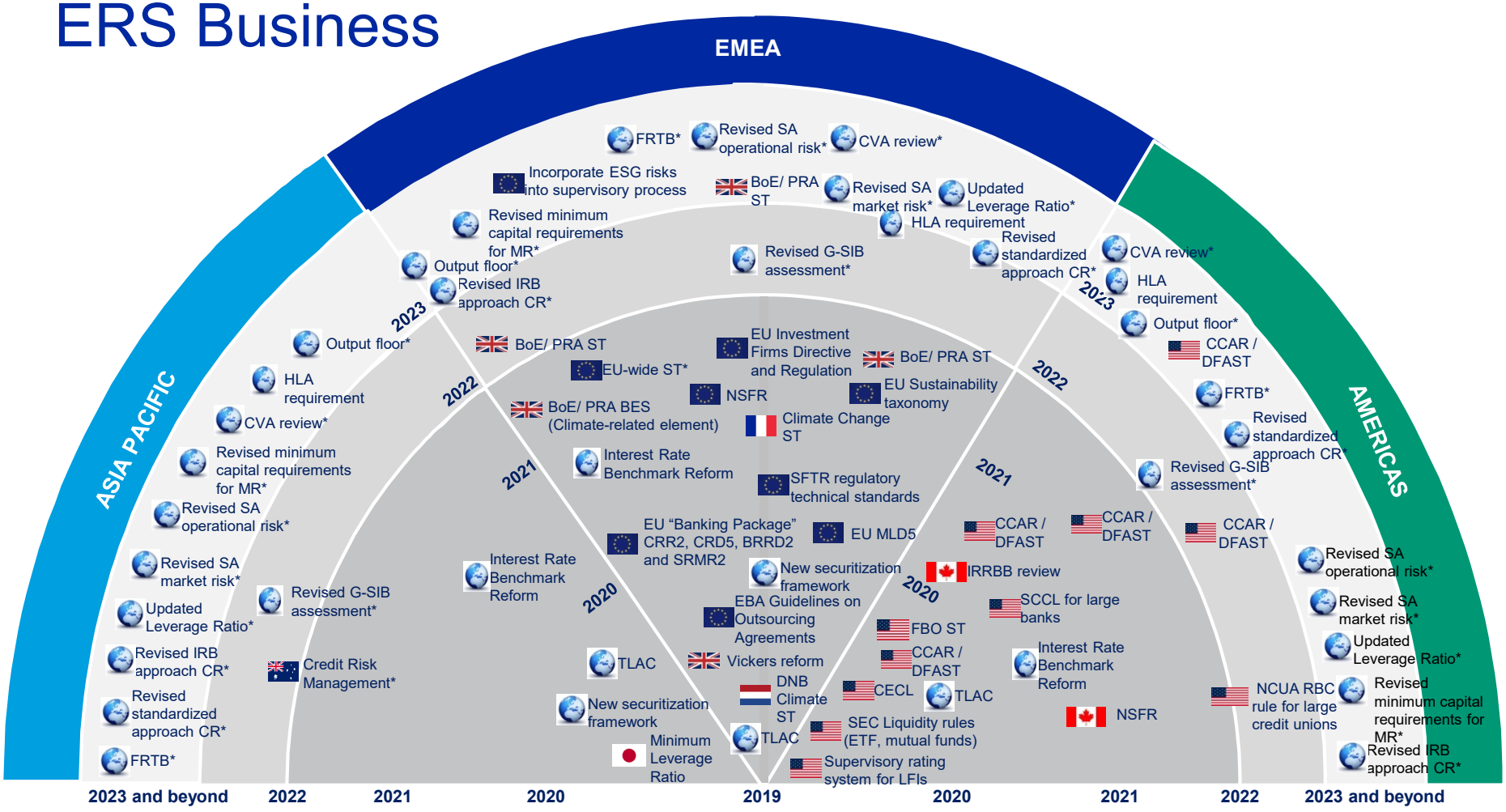
# RD&A: Subscription Growth Driven by Retention, Upgrades and Pricing & New Sales




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

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

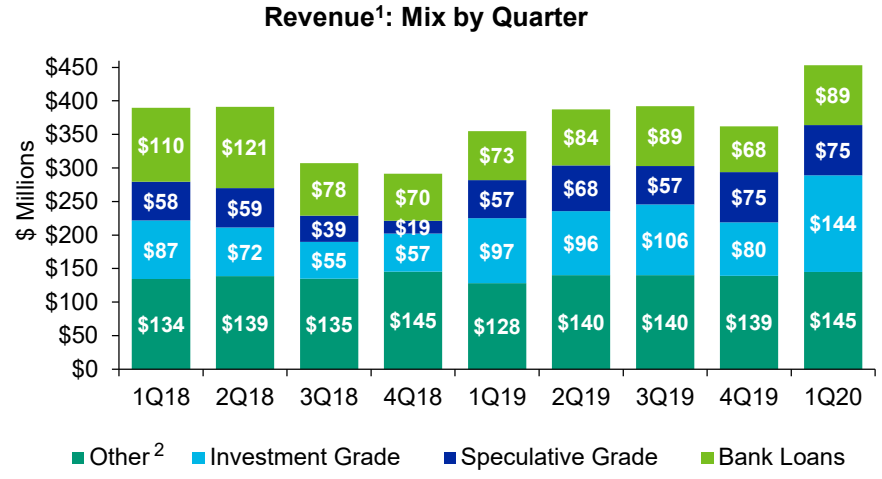
# Global Regulatory and Accounting Drivers for the ERS Business

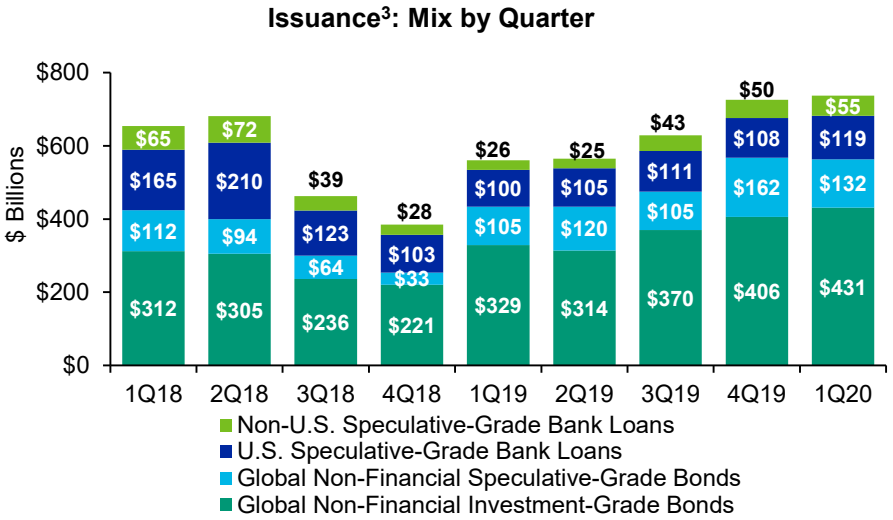


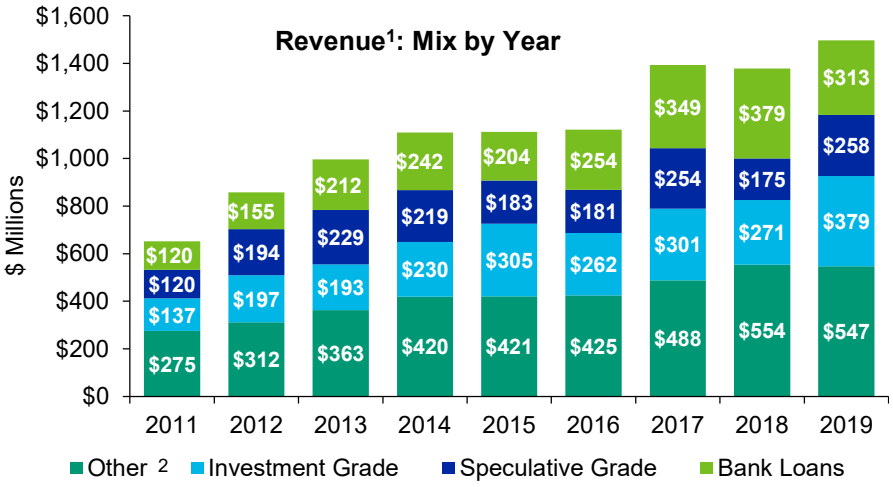

Source: Moody's Analytics market research as of April 2020.
Note: *Regulation has been delayed/ cancelled to allow banks to focus their resources on navigating the coronavirus pandemic - *please see below for details*
*The **Basel Committee** has delayed the implementation of outstanding capital standards - commonly referred to as "Basel IV" - originally set to be implemented on Jan. 1, 2022 - will now have an implementation date of Jan. 1, 2023. Additionally, the Committee has decided to postpone the implementation of the revised G-SIB framework by one year, from 2021 to 2022. The **EBA** has delayed the EU-wide stress test by one year to 2021. In Australia **APRA** has delayed the implementation of APS 220 on credit risk management by one year from January 2021, to January 2022.*

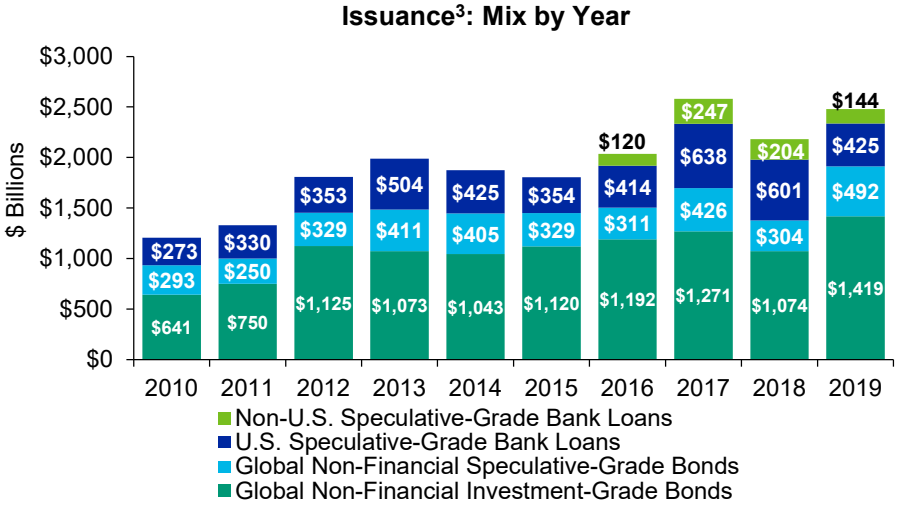
# 6 Appendix

# Corporate Finance: Revenue and Issuance



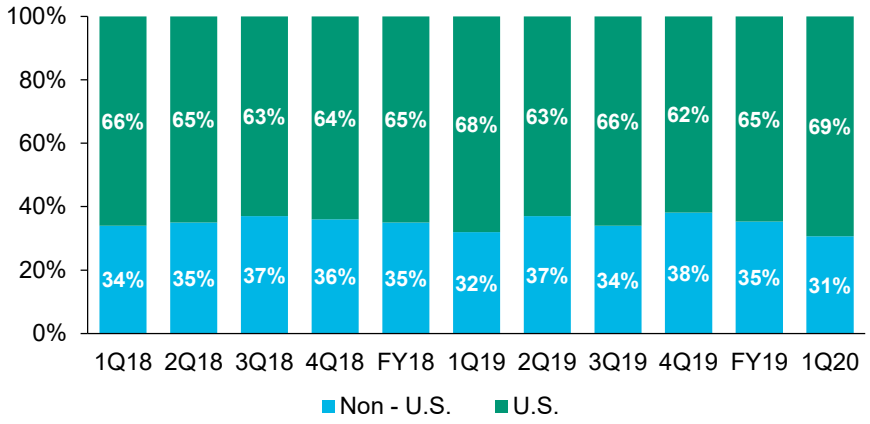



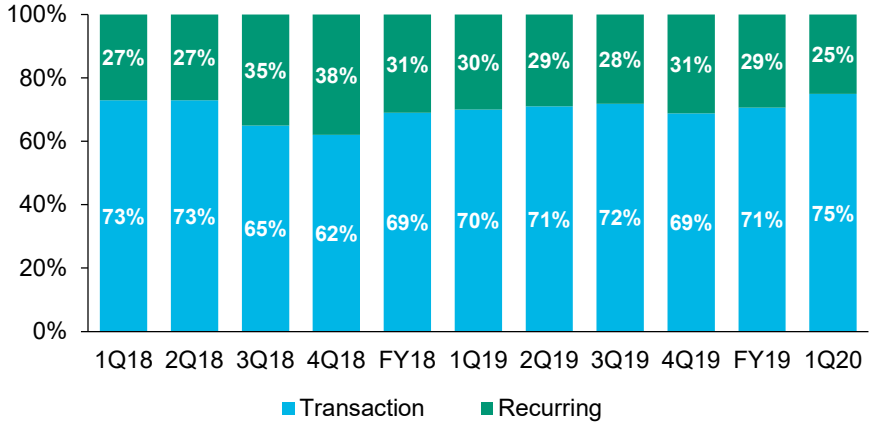

1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected starting from 1Q 2018.
2. Other includes: monitoring, commercial paper, medium term notes, and ICRA.
3. Sources: Moody's Analytics, Dealogic. U.S. and Non-U.S. Speculative-Grade Bank Loans represent only Moody's rated speculative-grade bank loans. Non-U.S. Speculative-Grade Bank Loan Origination data available starting 2016. Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

# Corporate Finance: Revenue Diversification

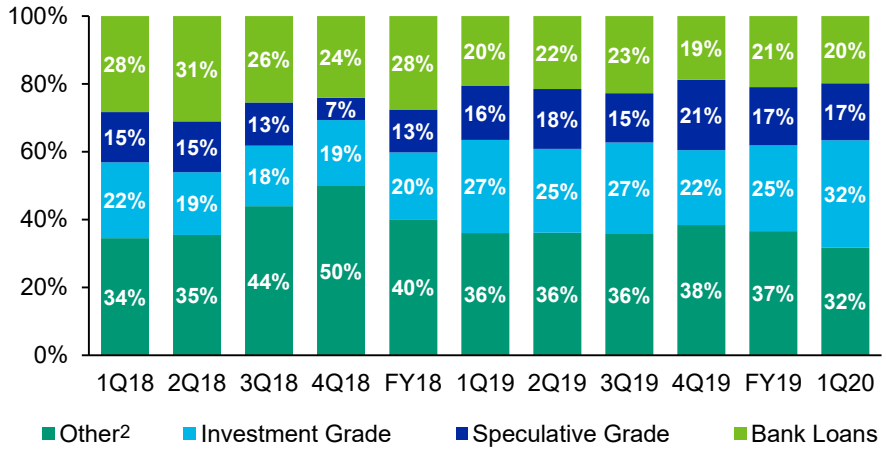
**Revenue[1]: Distribution by Geography**




**Revenue[1]: Distribution by Recurring vs. Transaction**



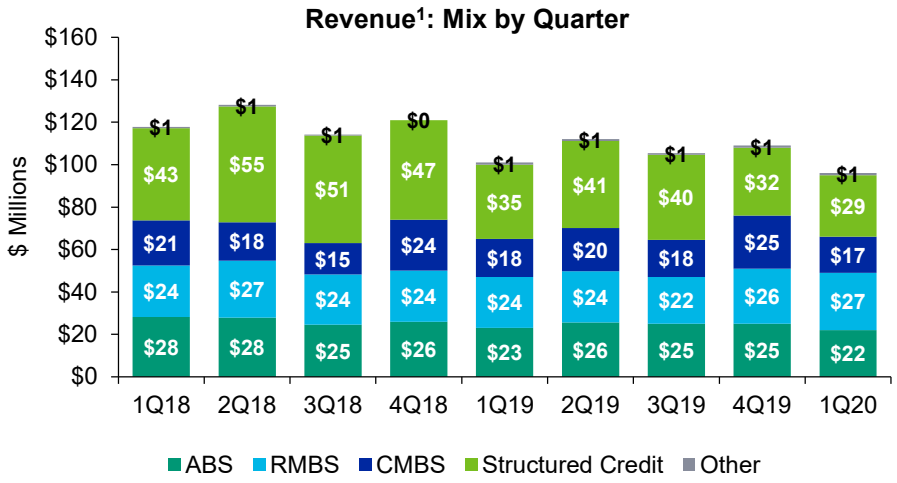

**Revenue[1]: Distribution by Product**

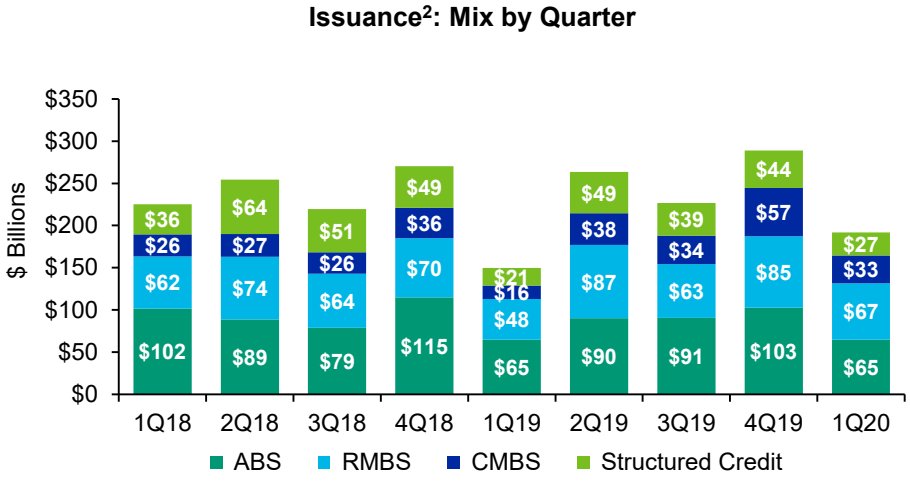


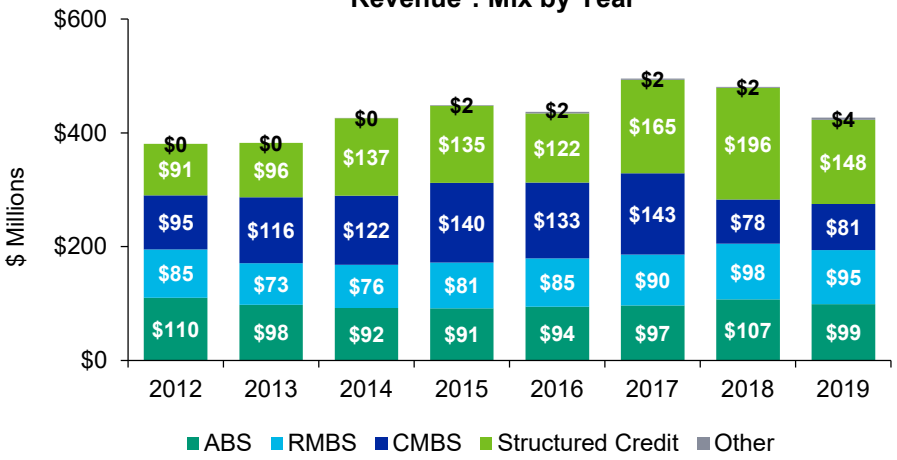

1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs from Corporate Finance to Structured Finance is reflected starting from 1Q 2018.
2. Other includes: monitoring, commercial paper, medium term notes, and ICRA.

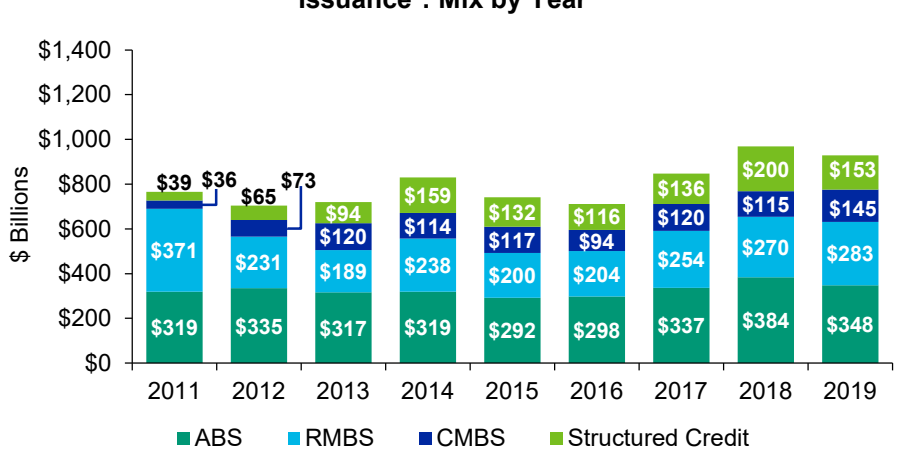
Percentages have been rounded and may not total to 100%.

# Structured Finance: Revenue and Issuance



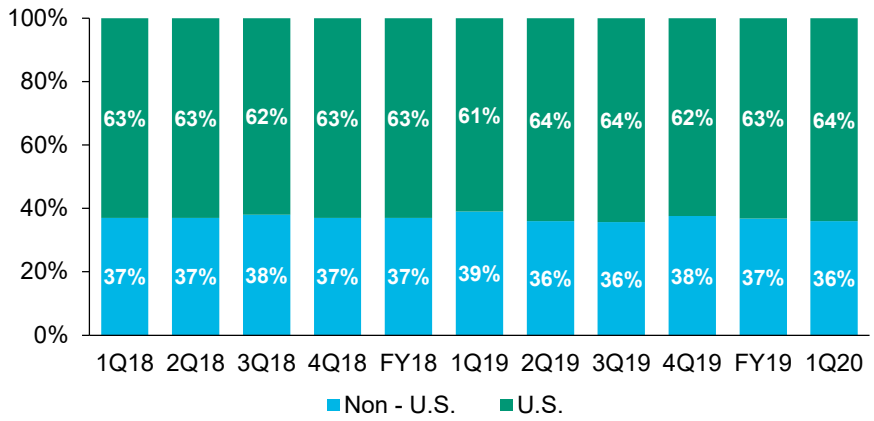




1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected starting from 1Q 2018.
2. Sources: AB Alert, CM Alert, Moody's Corporation. Debt issuance categories do not directly correspond to Moody's revenue categorization.

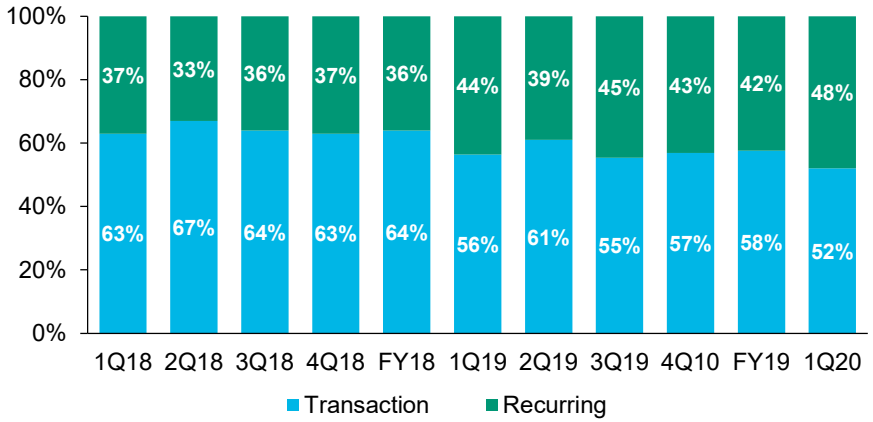
Notes: ABS (Asset Backed Securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (Residential Mortgage Backed Securitization) includes covered bonds. CMBS includes commercial mortgage-backed securities and commercial real estate CDOs. Structured Credit includes CLOs and CDOs.

# Structured Finance: Revenue Diversification

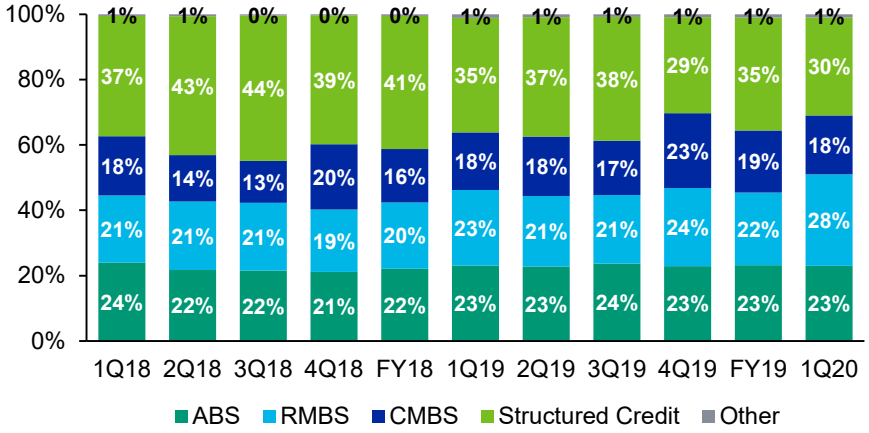
**Revenue[1]: Distribution by Geography**




**Revenue[1]: Distribution by Recurring vs. Transaction**



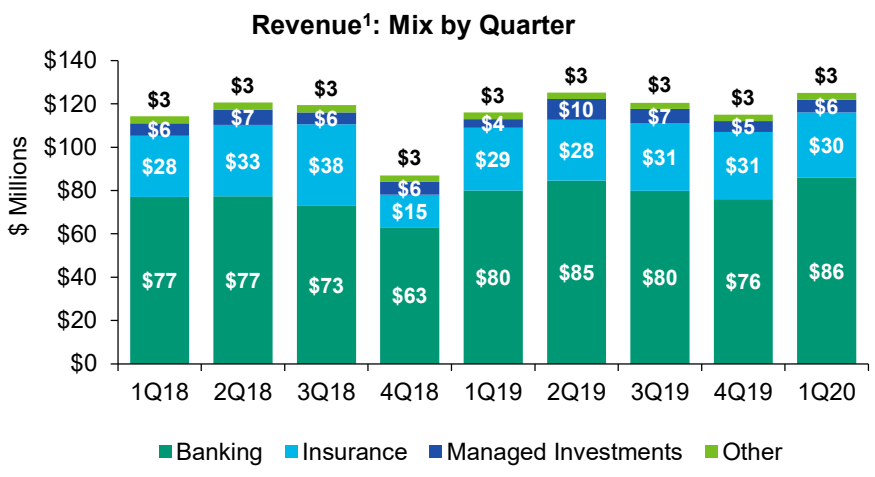

**Revenue[1]: Distribution by Product**

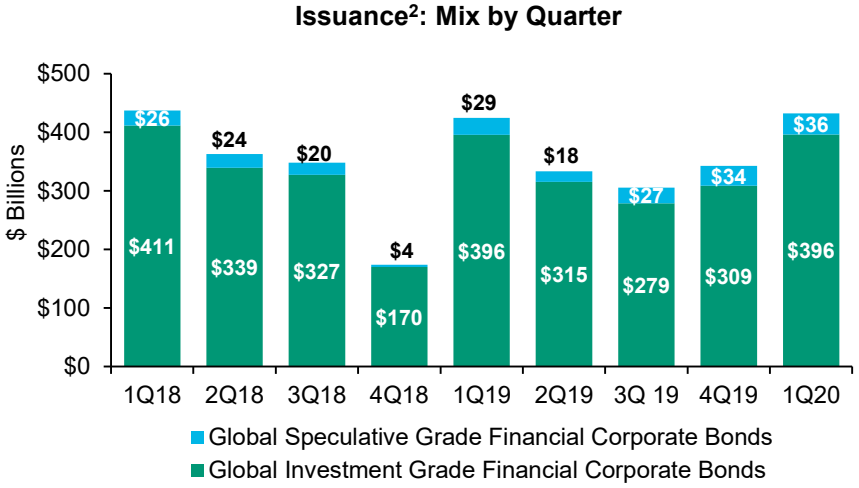


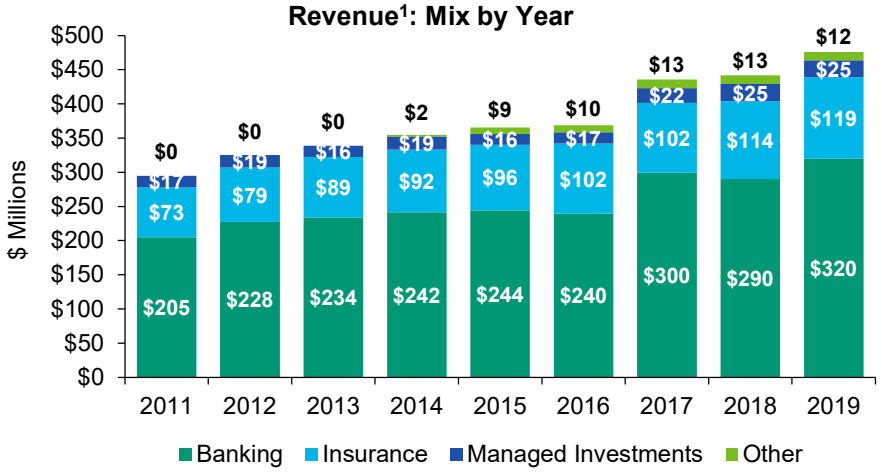

1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected starting from 1Q 2018.

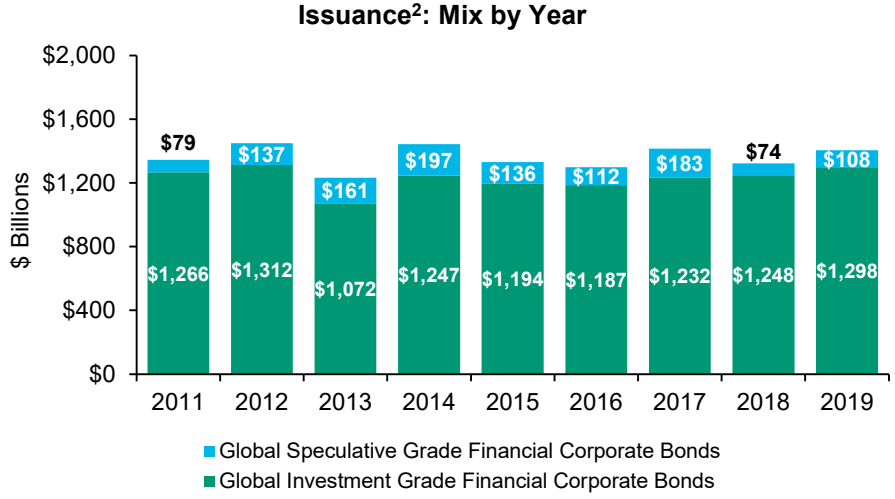
Notes: ABS (Asset Backed Securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (Residential Mortgage Backed Securitization) includes covered bonds. CMBS includes commercial mortgage-backed securities and commercial real estate CDOs. Structured Credit includes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

# Financial Institutions: Revenue and Issuance



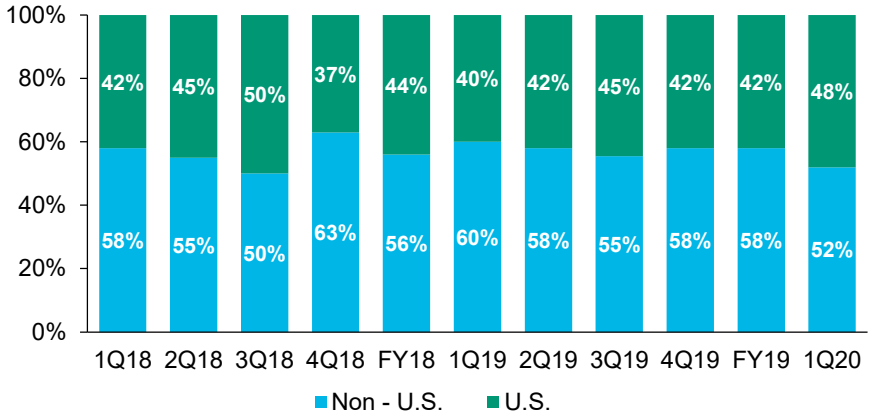



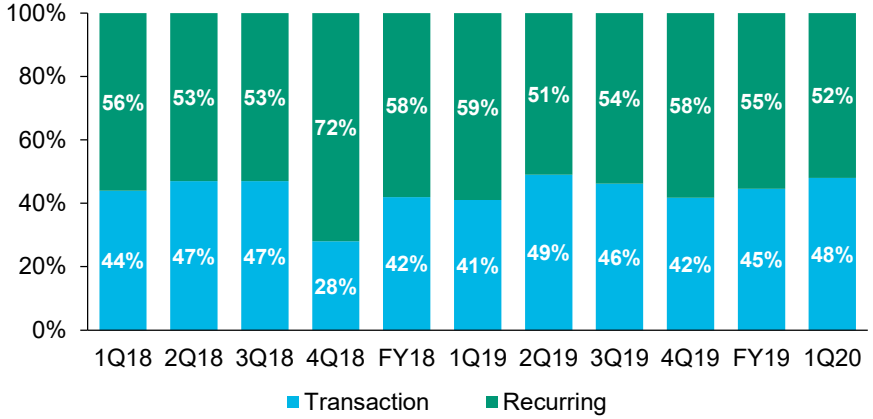

1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2. Sources: Moody's Analytics, Dealogic. Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

# Financial Institutions: Revenue Diversification

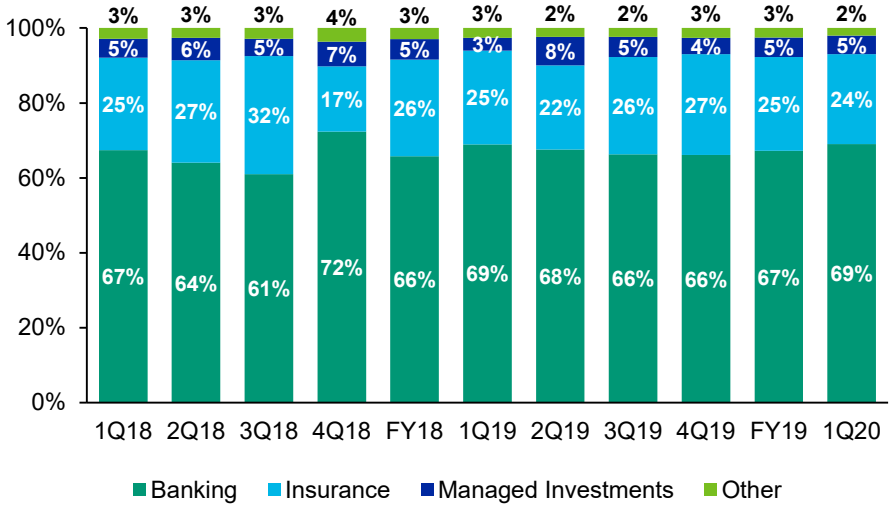
**Revenue[1]: Distribution by Geography**




**Revenue[1]: Distribution by Recurring vs. Transaction**

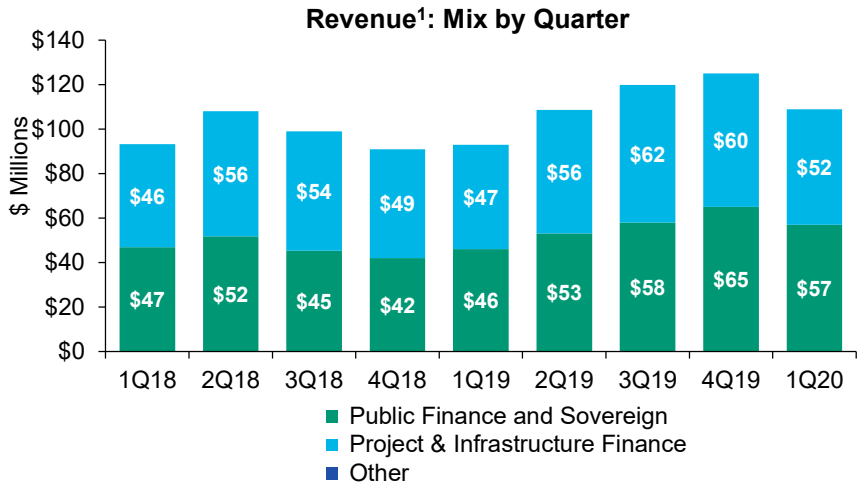


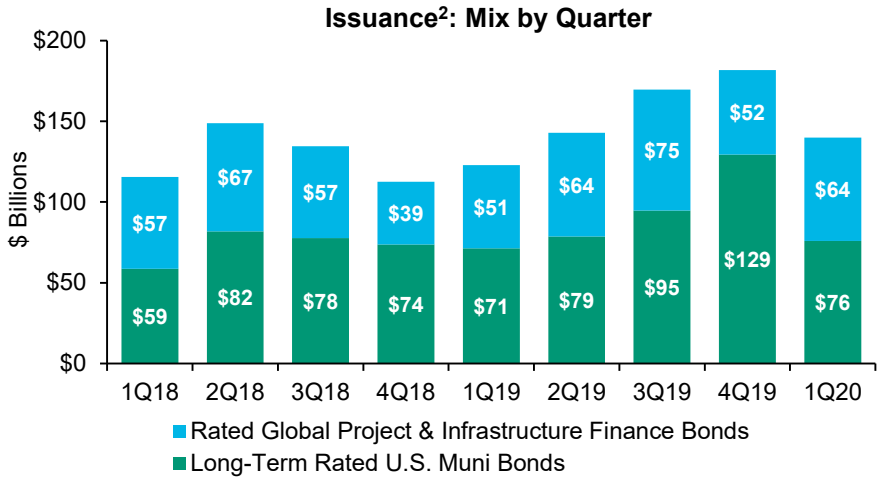

**Revenue[1]: Distribution by Product**

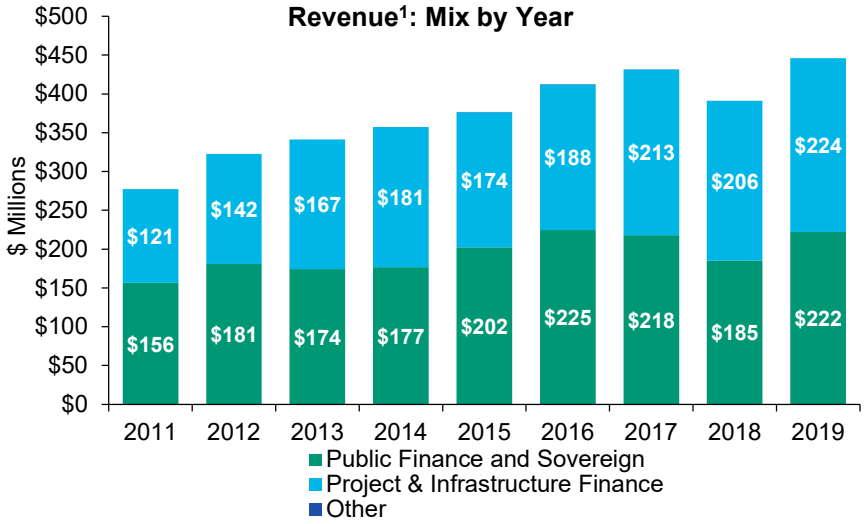


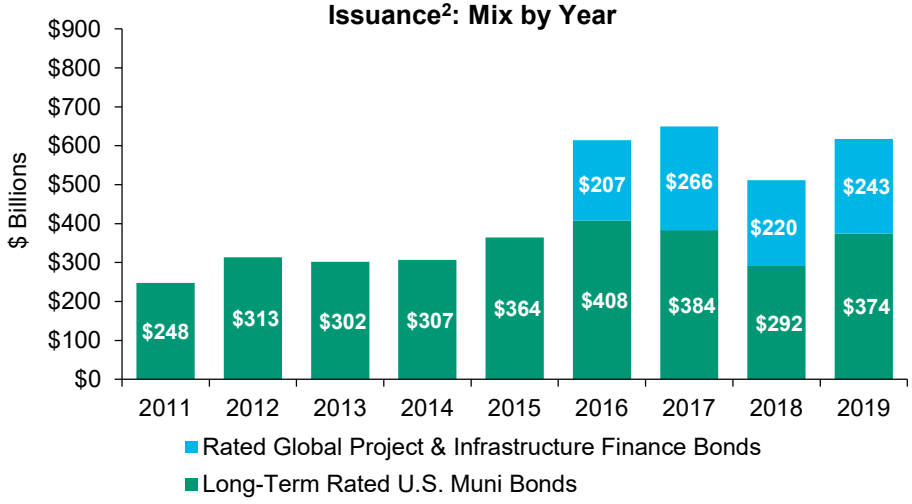

1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.
Percentages have been rounded and may not total to 100%.

# Public, Project and Infrastructure: Revenue and Issuance



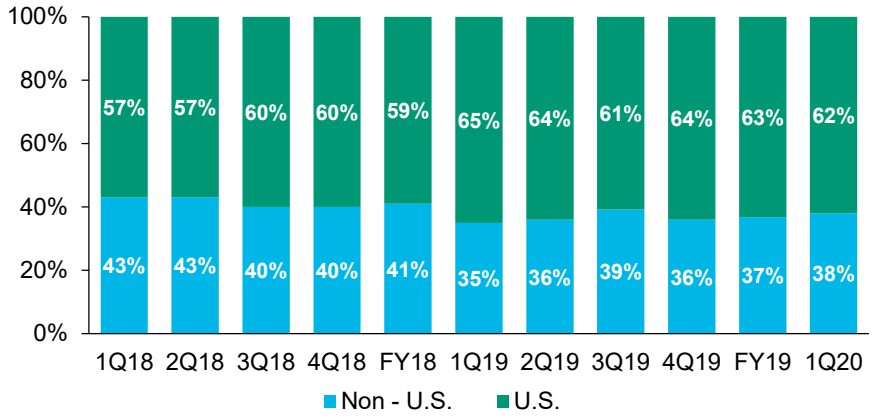




1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2. Global Rated Project & Infrastructure Finance available starting in 2016 and represents Moody's rated issuance.

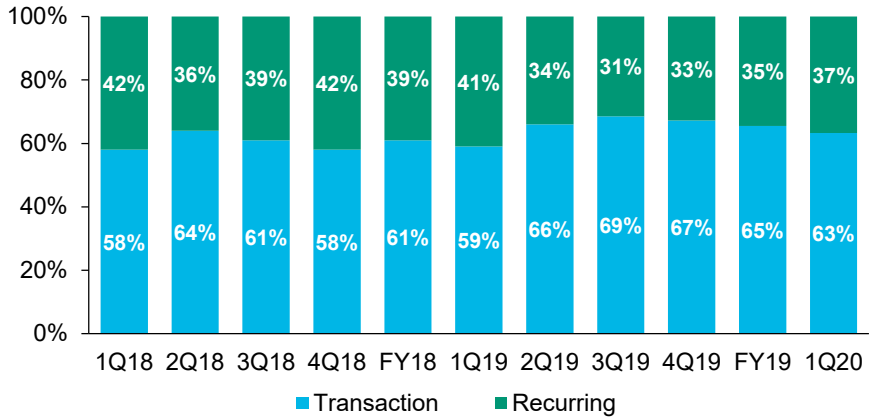
Sources: Thomson SDC, Moody's Corporation. Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

# Public, Project and Infrastructure: Revenue Diversification

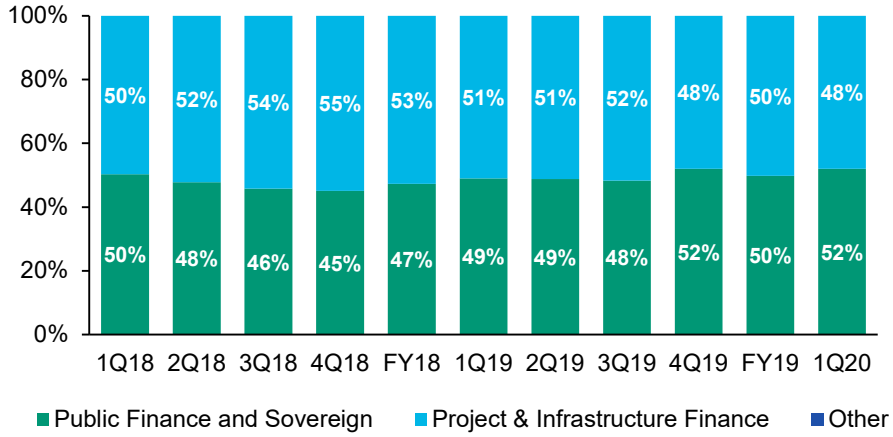
**Revenue[1]: Distribution by Geography**




**Revenue[1]: Distribution by Recurring vs. Transaction**

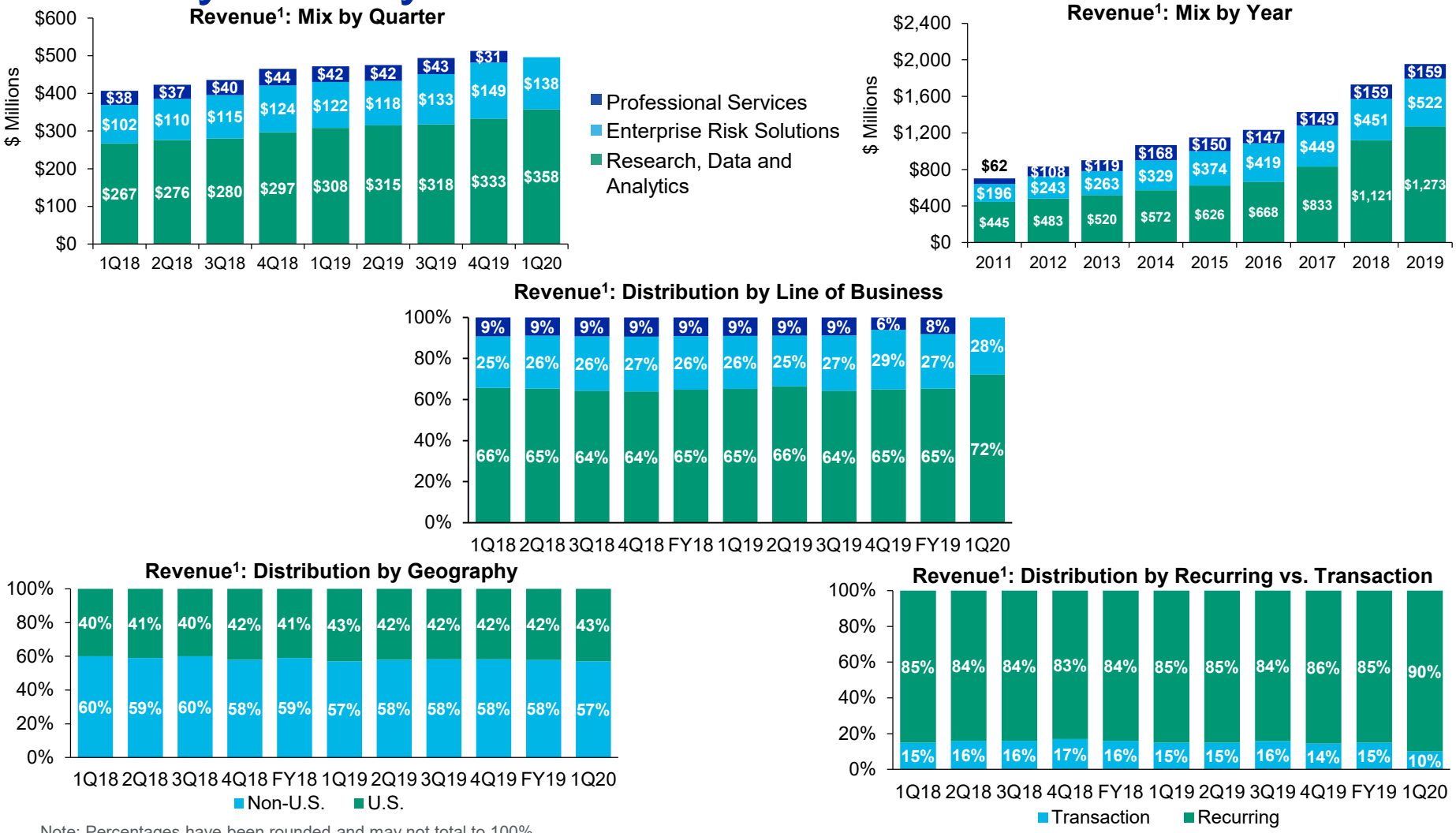



**Revenue[1]: Distribution by Product**




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

# Moody's Analytics: Financial Overview




Note: Percentages have been rounded and may not total to 100%.

1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. Research, Data and Analytics includes Bureau van Dijk revenue beginning from the acquisition close date, August 10, 2017. The revenue reclassification of the FACT product from RD&A to ERS is reflected starting from 1Q 2018. Subsequent to the divestiture of MAKS in 2019, revenue from the Moody's Analytics Learning Solutions ("MALS") unit, which previous to 2020 was reported in the Professional Services line of business ("LOB"), will now be reported as part of the RD&A LOB.

# RDC Acquisition Provides Leadership Position in the KYC Market

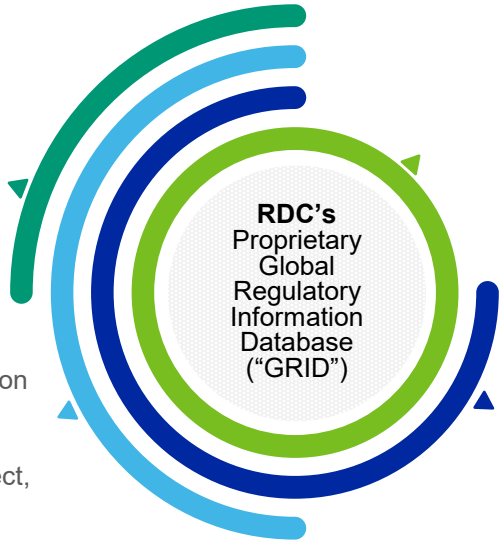
- RDC's data and decision tools combined with BvD's compliance products **position MA to become a leading KYC solutions provider**
- **2019** pro forma **combined compliance product sales** of **~$150M**
- The KYC space is a **$900M market with ~18% 5-yr CAGR**[1]

### Adverse Media

- ~120K sources across public data from 240 countries
- ~3.0 billion articles scanned in the last decade

### Special Collections

- Sanctions Connect provides information on individuals and organizations associated with sanctioned entities
- Specialized datasets include: Iran Connect, Panama Papers and Marijuana-Related Business




### Politically-Exposed Persons

- ~1.5 million PEPs featured from a full spectrum of government, media and academic sources
- Regional desks covering 70+ languages and local dialects

### Sanctions & Watchlists

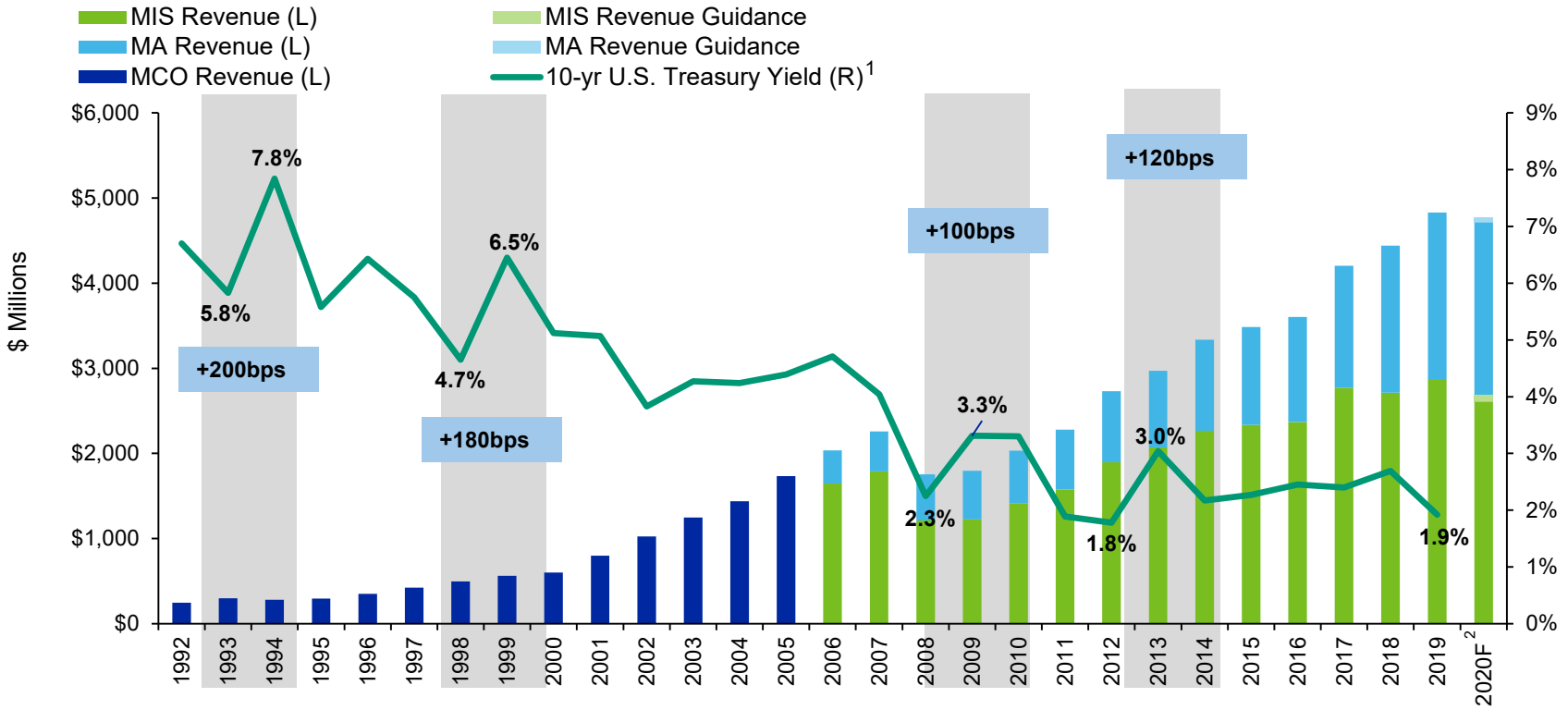
- 800+ regulatory and disciplinary authority / government lists
- Features local, state and federal sources from across the world covering fugitives, exclusions, fraud warnings, debarments, sex offenses and law enforcement actions

**11M+ Profiles | ~10,000 profiles updated daily | ~300M daily screens**

1. Source: Burton-Taylor, "AML/KYC Data & Services Global Sizing 2019", November 2019; Moody's Analytics estimates.

# Historically, Moody's Revenue and Interest Rates Have Not Been Strongly Correlated

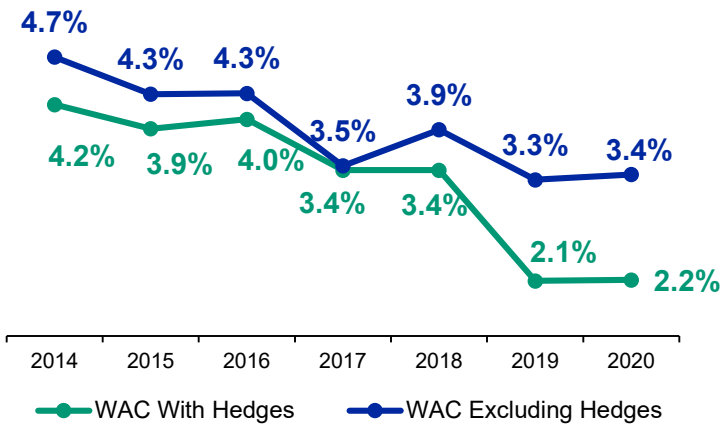
MCO Revenue and Interest Rates



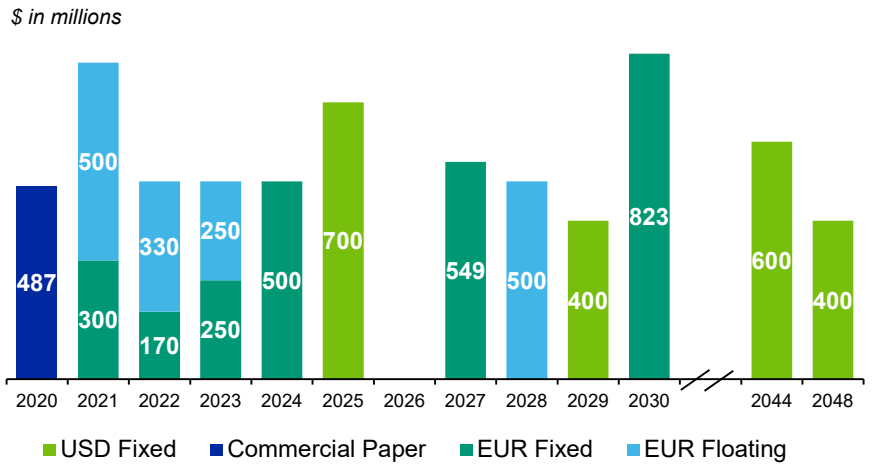

Note: Gray bars reflect periods of significant increases in the 10-year Treasury Yield.
1. 10-yr U.S. Treasury Yields are represented by the rate at the end-of-period.
2. Guidance as of April 30, 2020.
Source: www.treasury.gov.

# Proactive Capital and Liquidity Management

## Bond portfolio WAC[1]




## Balanced maturity schedule[5]




- Strong liquidity with $2.2B in cash and short-term investments, and a $1.0B revolving credit facility[2]
- 1.9x net debt to adjusted operating income[3]
- Leverage well below maximum 4.5x net debt/EBITDA covenant[4]

- Issued $700M of 5-year notes in March, demonstrating strong investor confidence in Moody's
- Fixed-to-floating-rate swaps portfolio benefits from low rate environment
  - Approximately 31% of debt portfolio exposed to floating rate
- Anchored around BBB+ rating

1. WAC = Weighted Average Coupon. As of year-end. 2020 data as of March 31, 2020.
2. As of March 31, 2020
3. Trailing twelve months adjusted operating income. Amounts are adjusted measures, see Appendix for reconciliations from adjusted financial measures to U.S. GAAP and gross debt to net debt.
4. Total Debt (gross debt less $100M of cash and equivalents) to EBITDA ratio threshold is normally 4.0x, but elevated to 4.5x for three quarters after an acquisition >$500 million.
5. Certain USD denominated debt has been synthetically converted to EUR via cross-currency swaps. EUR converted to USD as of 3/31/2020.

# Technology: Innovating with Purpose

## Next Gen Tech is a Defining Element of our Culture, Setting Stage for Growth



**Enhance Data & Analytics**

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



**Improve Decisions**

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



**Deliver Efficiencies**

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

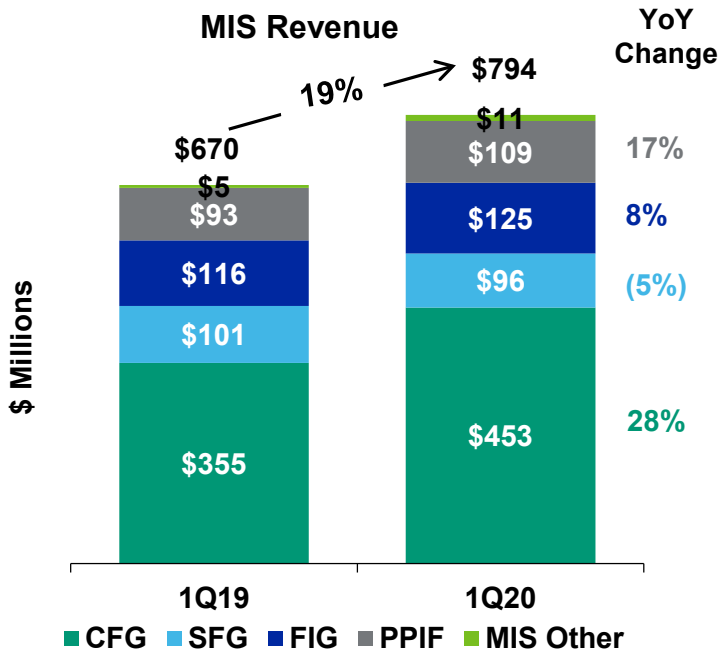


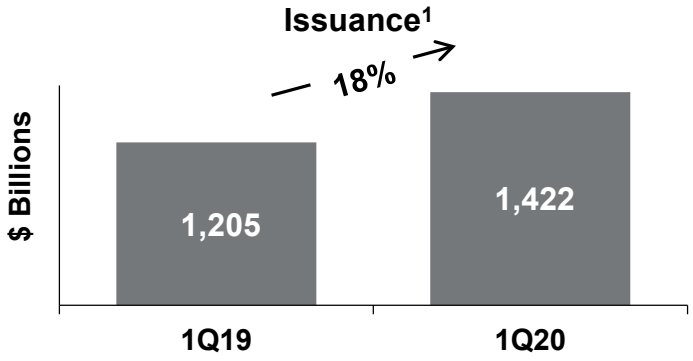
**Increase Adaptability**

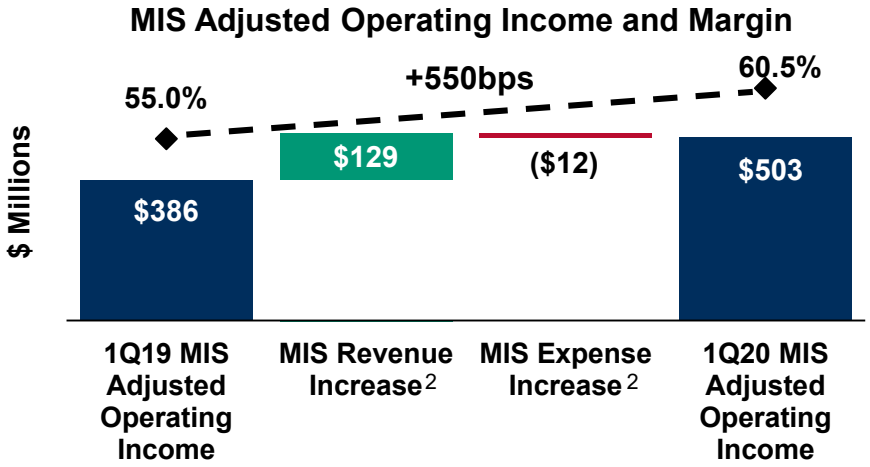
- **SaaS** accelerating product development and improving customer experience
- Leveraging **PaaS** to experiment with application of tools and techniques -- **blockchain** and **big data**
- Moody's IT moving to **IaaS** to expand capabilities and lower costs

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

# MIS 1Q20 Results

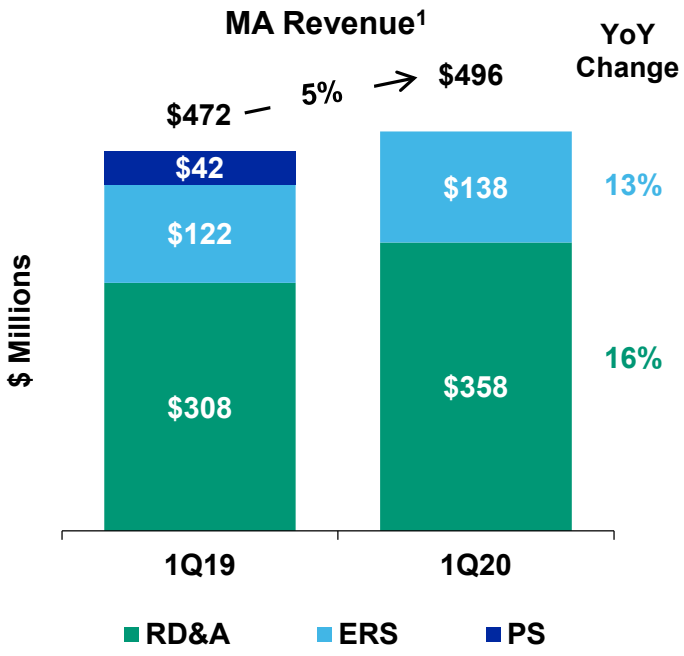


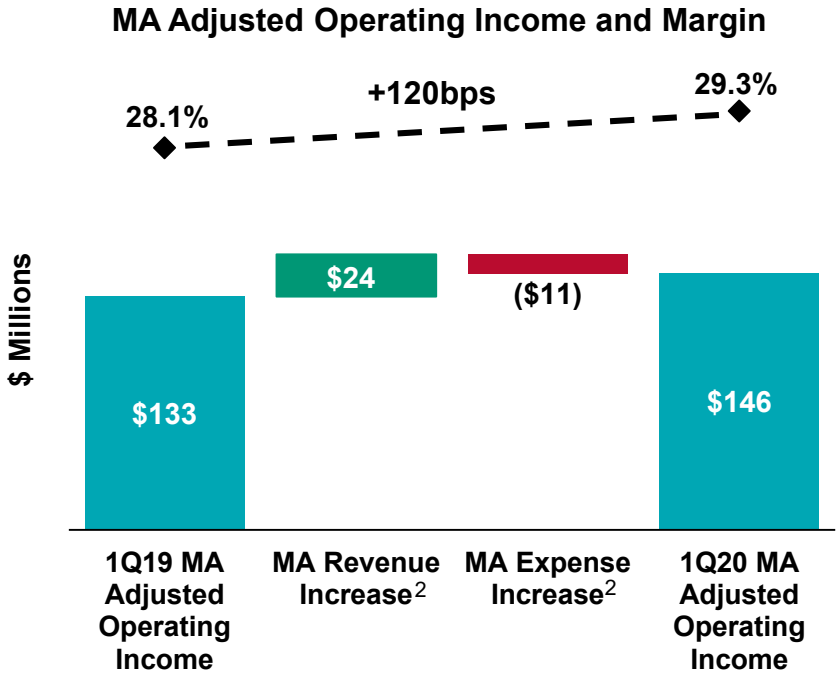




1. Excludes sovereign debt issuance.
2. Includes intercompany revenue and expenses.

# MA 1Q20 Results

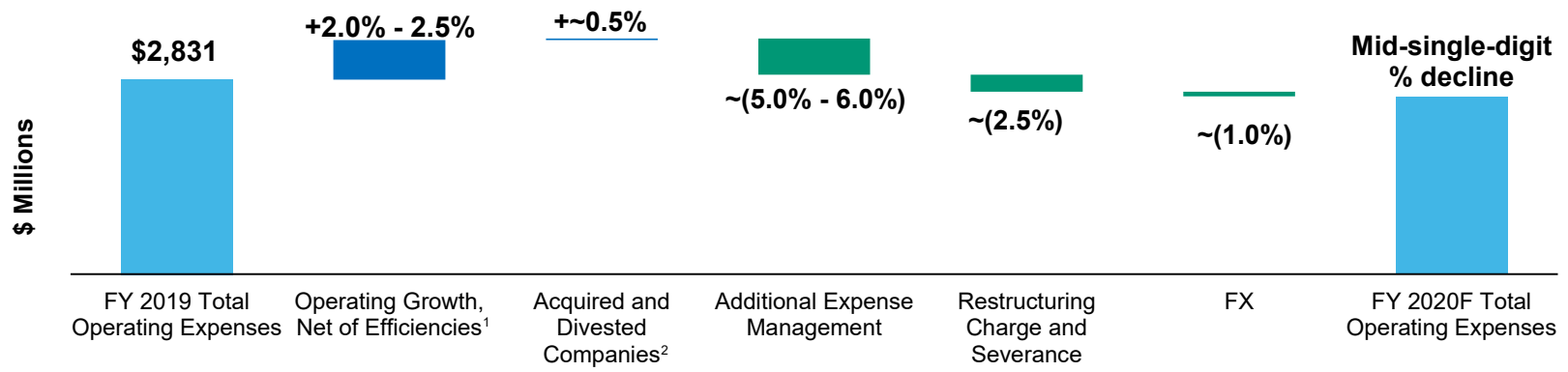


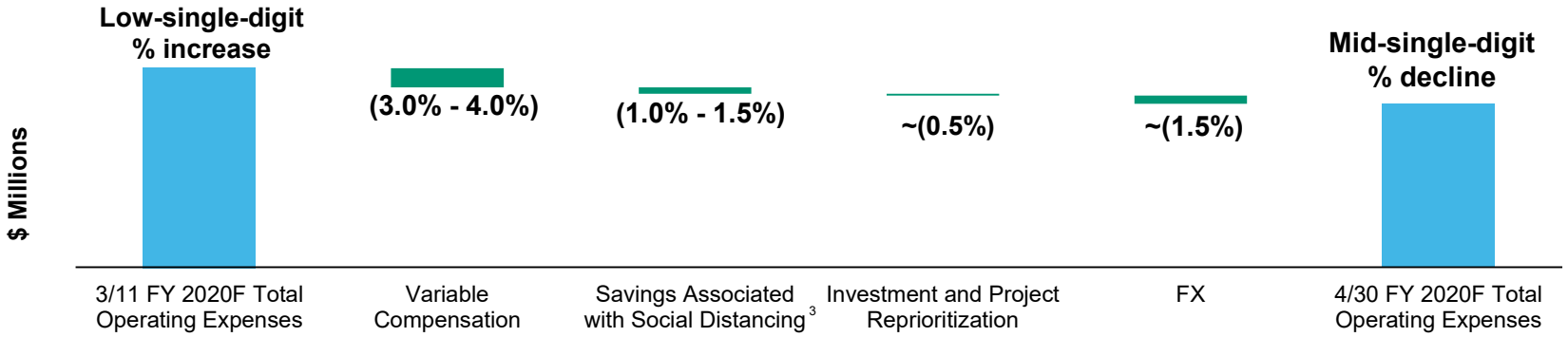

1. Subsequent to the divestiture of MAKS in 2019, revenue from the Moody's Analytics Learning Solutions ("MALS") unit, which previous to 2020 was reported in the Professional Services line of business ("LOB"), will now be reported as part of the RD&A LOB. Prior periods have not been reclassified as the amounts were not material.
2. Includes intercompany revenue and expenses.

# Prudently Reducing Expenses

## FY20F vs. FY19A



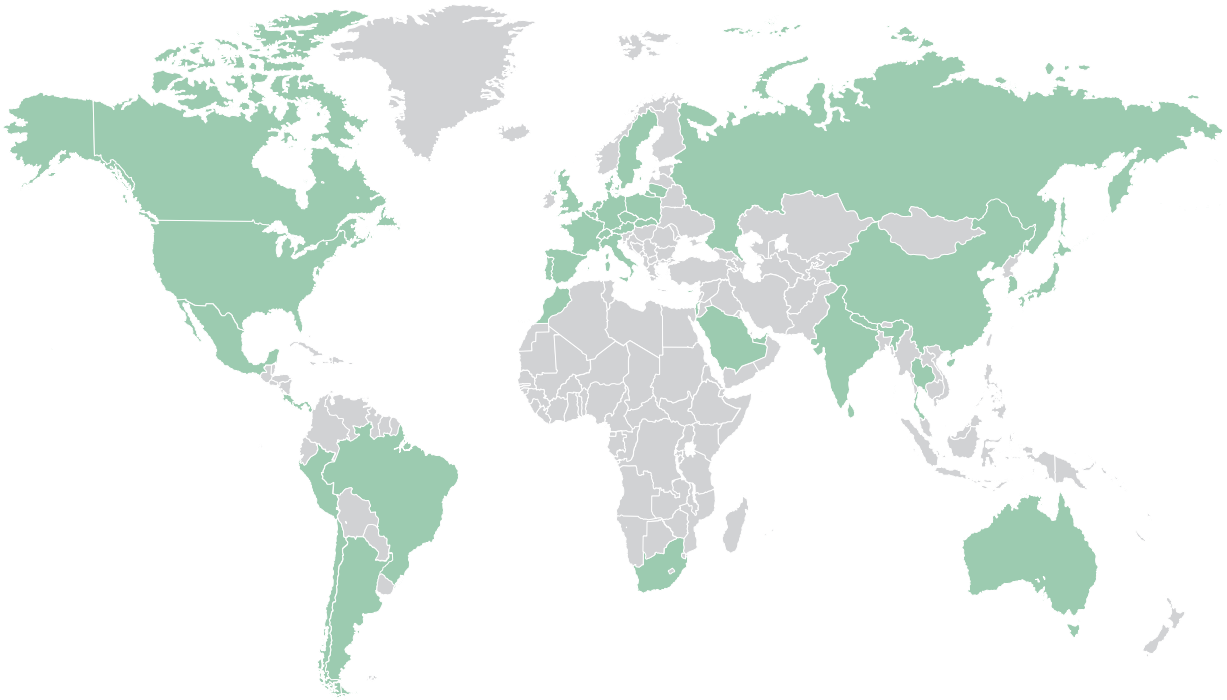

## FY20F New (4/30) vs. Prior (3/11)




Note: Guidance as of April 30, 2020. Refer to Table 12 – "2020 Outlook" in the press release for a complete list of guidance and a reconciliation between adjusted measures to GAAP. Percentages and totals may not foot due to rounding.

1. Operating growth of expenses moderated by lower expenses resulting from 2018/2019 restructuring program and ongoing expense efficiency initiatives.
2. Incremental operating expenses of acquired companies, net of divestitures, including transaction expenses. Also includes non-tax-deductible loss related to the divestiture of MAKS and transaction expenses.
3. Includes travel, entertainment, marketing, recruiting and training expenses.

# Moody's Global Presence



| | | | | | | |
|---|---|---|---|---|---|---|
| 2020 | 4,065 | + | 7,298 | = | 11,363 |
| | U.S. employees | | non-U.S. employees | | total employees[1] |
| 2019 | 3,908 | + | 7,173 | = | 11,081 |
| | U.S. employees | | non-U.S. employees | | total employees[2] |

## Americas

Argentina
Brazil
Canada
Chile
Costa Rica
Mexico
Panama
Peru
United States

## Europe, Middle East & Africa

Austria
Belgium
Cyprus
Czech Republic
Denmark
France
Germany
Israel
Italy
Lithuania
Morocco
Netherlands
Poland
Portugal
Russia
Saudi Arabia
Slovak Republic
South Africa
Spain
Sri Lanka
Sweden
Switzerland
United Arab Emirates
United Kingdom

## Asia-Pacific

Australia
China
Hong Kong
India
Japan
Nepal
Singapore
South Korea
Thailand

1. As of March 31, 2020. Reflects acquisition of RDC.
2. As of December 31, 2019.

# Reconciliation of Adjusted Financial Measures to GAAP

## Adjusted Operating Income and Adjusted Operating Margin Reconciliation[1]

| | Year Ended March 31, 2020 | | | | | |
|---|---|---|---|---|---|---|
| *(in $ millions)* | 2015 | 2016 | 2017 | 2018 | 2019 | TTM 1Q20 |
| Operating Income | $1,490.7 | $650.9 | $1,820.8 | *$1,868* | *$1,998* | *$2,128* |
| *Operating Margin* | *42.8%* | *18.1%* | *43.3%* | *42.0%* | *41.4%* | *42.8%* |
| *Add Adjustment:* | | | | | | |
| *Depreciation & Amortization* | *113.5* | *126.7* | *158.3* | *192* | *200* | *199* |
| *Acquisition-Related Expenses* | *-* | *-* | *22.5* | *8* | *3* | *2* |
| *Restructuring* | *-* | *12.0* | *-* | *49* | *60* | *53* |
| *Captive insurance company settlement* | *-* | *-* | *-* | *-* | *16* | *16* |
| *Settlement Charge* | *-* | *863.8* | *-* | *-* | *-* | *-* |
| *Loss pursuant to the divestiture of MAKS* | *-* | *-* | *-* | *-* | *14* | *23* |
| Adjusted Operating Income | $1,604.2 | $1,653.4 | $2,001.6 | *$2,117* | *$2,291* | *$2,421* |
| *Adjusted Operating Margin* | *46.0%* | *45.9%* | *47.6%* | *47.6%* | *47.4%* | *48.6%* |

## Moody's Corporation Net Debt Reconciliation

| | March 31, 2020 | | | | | |
|---|---|---|---|---|---|---|
| *(in $ millions)* | 2015 | 2016 | 2017 | 2018 | 2019 | 1Q20 |
| Gross debt | $3,380.6 | $3,363.0 | $5,540.5 | $5,676 | $5,581 | $6,778 |
| *Less: Cash, cash equivalents and short-term investments* | *2,232.2* | *2,224.9* | *1,183.3* | *1,818* | *1,930* | *2,231* |
| Net debt | $1,148.4 | $1,138.1 | $4,357.2 | $3,858 | $3,651 | $4,557 |

1. 2014 - 2017 operating and adjusted operating income have been restated to conform to the new presentation of pension accounting.

# Reconciliation of Adjusted Financial Measures to GAAP (cont.)

## Moody's Corporation Operating Margin Guidance Reconciliation

| | 2020F[1] |
|---|---|
| Projected Operating Margin - GAAP | 41% - 43% |
| Depreciation & Amortization | Approximately 4.8% |
| Loss pursuant to the divestiture of MAKS | 0.2% |
| Projected Adjusted Operating Margin | 46% - 48% |

## Free Cash Flow Reconciliation

| *(in $ millions)* | 2015 | 2016 | 2017 | 2018 | 2019 | 2020F[1] |
|---|---|---|---|---|---|---|
| Net cash flows from operating activities | $1,198.1 | $1,259.2 | $754.6 | $1,461 | $1,675 | $1,300 - $1,500 |
| *Less: Capital expenditures* | *89.0* | *115.2* | *90.6* | *91* | *69* | *~100* |
| Free Cash Flow | $1,109.1 | $1,144.0 | $664.0 | $1,370 | $1,606 | $1,200 - $1,400 |

1. Guidance as of April 30, 2020.

# Reconciliation of Adjusted Financial Measures to GAAP (cont.)

## Moody's Corporation Diluted EPS Reconciliation

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020F[1] |
|---|---|---|---|---|---|---|
| Diluted EPS - GAAP | $4.63 | $1.36 | $5.15 | $6.74 | $7.42 | $7.25 - $7.85 |
| Legacy Tax | (0.03) | - | - | - | - | - |
| Impact of Litigation Settlement | - | $3.59 | - | - | - | - |
| Captive insurance company settlement | | | | | $0.06 | - |
| ICRA Gain | - | - | - | - | - | - |
| FX gain on liquidation of a subsidiary | - | ($0.18) | - | - | - | - |
| Restructuring | - | $0.04 | - | $0.19 | $0.23 | - |
| CCXI Gain | - | - | ($0.31) | - | - | - |
| Acquisition-Related Expenses | - | - | $0.10 | $0.03 | $0.02 | - |
| Purchase Price Hedge Gain | - | - | ($0.37) | - | - | - |
| Acquisition-Related Intangible Amortization Expenses | $0.11 | $0.13 | $0.23 | $0.40 | $0.42 | ~ $0.50 |
| Loss pursuant to the divestiture of MAKS | - | - | - | - | $0.07 | $0.05 |
| Impact of U.S. tax reform | - | - | $1.28 | ($0.30) | - | - |
| Net Impact of U.S./European tax change on deferred taxes | - | - | ($0.01) | - | - | - |
| Increase to non-U.S. UTPs | - | - | - | $0.33 | - | - |
| Tax charge pursuant to the divestiture of MAKS | - | - | - | - | $0.07 | - |
| Adjusted Diluted EPS | $4.71 | $4.94 | $6.07 | $7.39 | $8.29 | $7.80 – $8.40 |

1. Guidance as of April 30, 2020.

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




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