MOODY'S | Better decisions

3Q 2020 Investor Presentation

November 11, 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 Brexit and uncertainty as companies transition away from LIBOR; 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 Moody's Investors Service's 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, its quarterly report on Form 10-Q for the quarter ended March 31, 2020, 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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Moody’s Overview

Company Overview

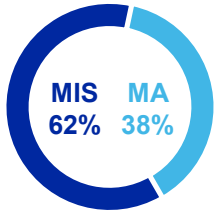
Moody's Investors Service

- 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

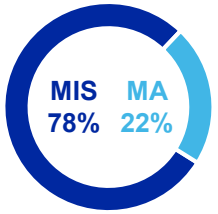
Moody's

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

Revenue of $5.3 billion



Adjusted Operating Income of $2.7 billion



Adjusted Operating Margin

MIS	MA
61.6%	28.8%

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 September 30, 2020.

Moody's Priorities for Strategic Growth

Enhance technology infrastructure to enable automation, innovation and efficiency

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

Global Integrated Risk Assessments



Moody's Core Strengths

- Trusted brand
- Proprietary data and integrated analytics
- Business-credit products
- Extended global customer base

Expand into New Geographies and Strategic Adjacencies

REGIONAL EXPANSION

EMEA | Asia Pacific | Latin America

BUSINESS ADJACENCIES

Commercial Real Estate | Know Your Customer | ESG

Priorities for Strategic Growth: Investing with Intent

Recent investments accelerate strategic growth priorities

BUSINESS ADJACENCIES

Know Your Customer

ESG

Acquire Media

- Enhances KYC business
- Curated news and workflow solutions enable the creation of early warning and real-time insights

ESG Solutions Group

- Brings together Moody's portfolio of premier ESG assets
- Creates unified solutions and accelerates innovation to drive new products and research

REGIONAL EXPANSION



Asia Pacific

- **MARC**: Minority investment in a Malaysian domestic rating agency
- Created the **Commercial Strategies Group** **in China** to focus on growth opportunities for MA
  - Facilitates development of new products and insights
  - Better align with market opportunities, as well as local regulatory requirements
- **MioTech**: Minority investment in China based ESG and KYC data provider



Latin America

- Expansion of **Moody's Local** in Uruguay and Argentina

Priorities for Strategic Growth: ESG Integrated Across All Platforms, Driving Growth and Enhanced Relevance

V.E + ESG & CLIMATE RISK + 427

MIS Integration

- Carbon Transition Assessment
- ESG & Climate Risk Impact on Credit
- Corporate Governance Assessment
- Thematic Reports

MA Integration

- Real Estate Solutions
- Moodys.com
- Lending Solutions and Tools
- APIs, Data Feeds and Other Subscriptions

Stand-alone ESG & Climate Solutions

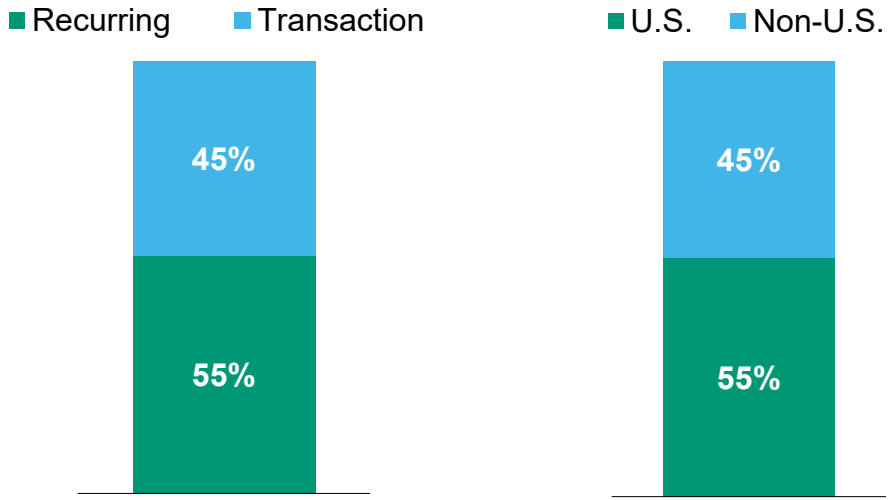
- Climate Risk Solutions
- ESG Assessments
- ESG Data (Indices)
- Second Party Opinions (Green Bonds)
- Sustainability Ratings

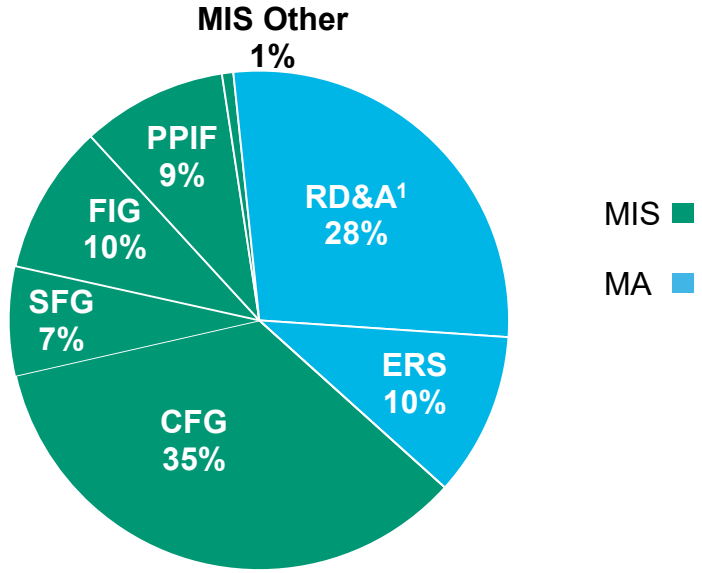
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Financial Overview

Moody's Corporation Financial Profile

3Q 2020 TTM Revenue: $5.3 billion





Full Year 2020 Guidance as of October 29, 2020[2]

Revenue	» Increase in the high-single-digit % range	Effective Tax Rate	» 19.5% - 21.5%
Operating Expenses	» Increase in the low-single-digit % range	Diluted EPS	» $9.30 - $9.50
Operating Margin	» Approximately 45%	Adjusted Diluted EPS[3]	» $9.95 - $10.15
Adjusted Operating Margin[3]	» Approximately 50%	Share Repurchases	» Approximately $500 million

1. Includes trailing twelve months of professional services revenue. Excludes MAKS. 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 Third Quarter 2020" from October 29, 2020 for Moody's complete full year 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.

Macro Assumptions Underpinning Our Outlook

Macro assumptions underpinning our guidance[1]

2020 GDP

-6% United States

-9% Euro area

-5% Global



Benchmark interest rates remain low; U.S. high-yield spreads of ~500 bps



U.S. unemployment rate of ~8% by year-end



High yield default rate rising to ~8%[2]

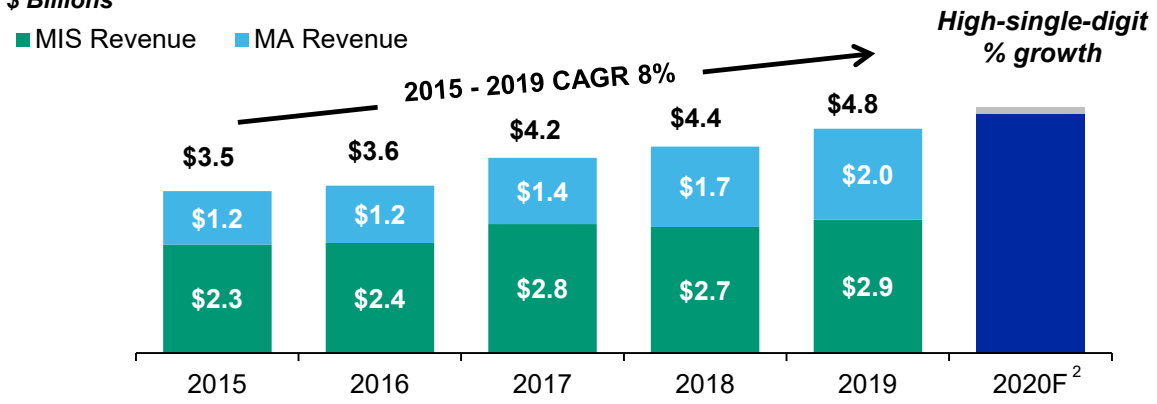


1. Sources: “September 2020 Default Report” and “Global Macro Outlook 2020-2021 (August 2020 Update)” from Moody’s Investors Service. Assumptions underpinning guidance that was issued on October 29, 2020.
2. Global high yield default rate by the end of 2020.

Financial Performance[1]

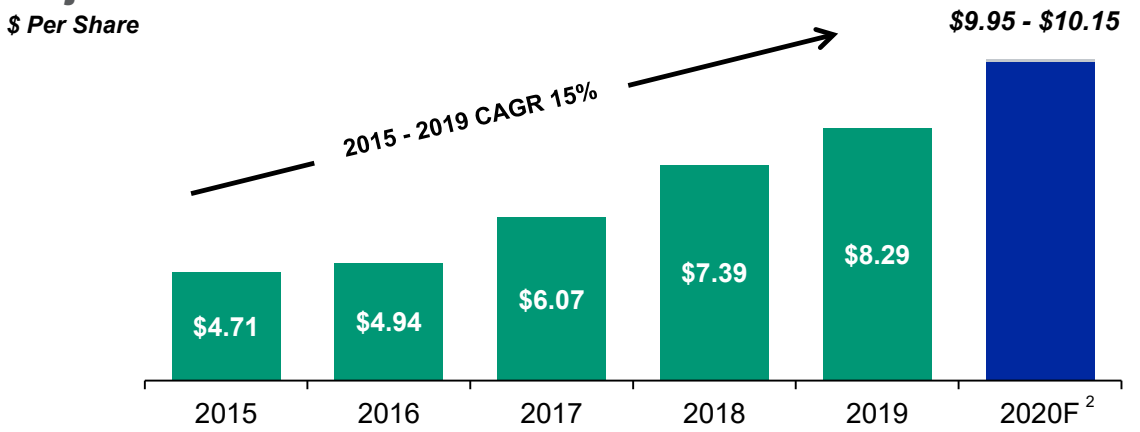
Revenue[1]

$ Billions

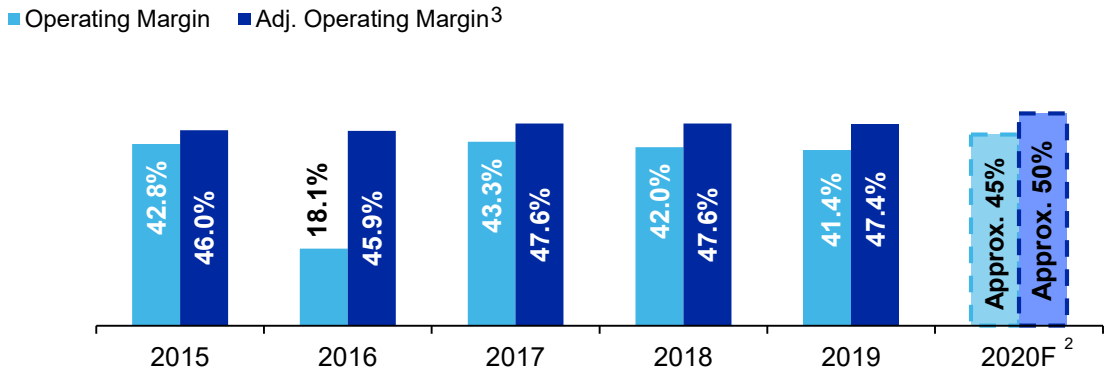


Adjusted Diluted EPS[3]

$ Per Share

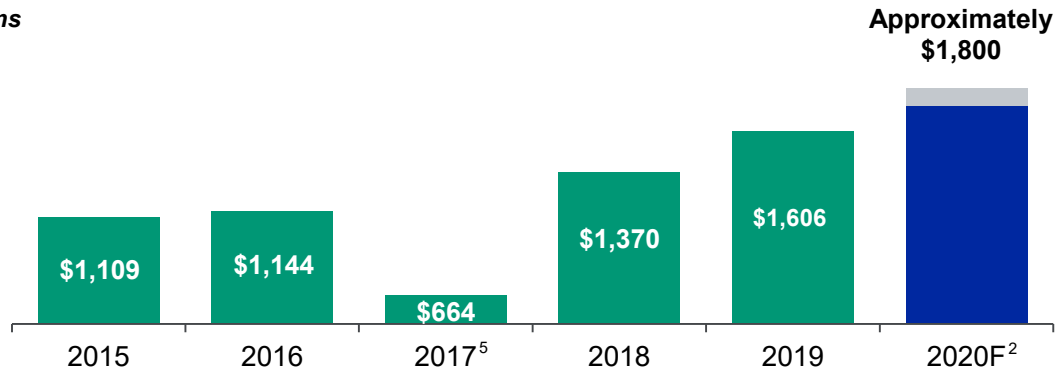


Operating Margin[4]



Free Cash Flow[3]

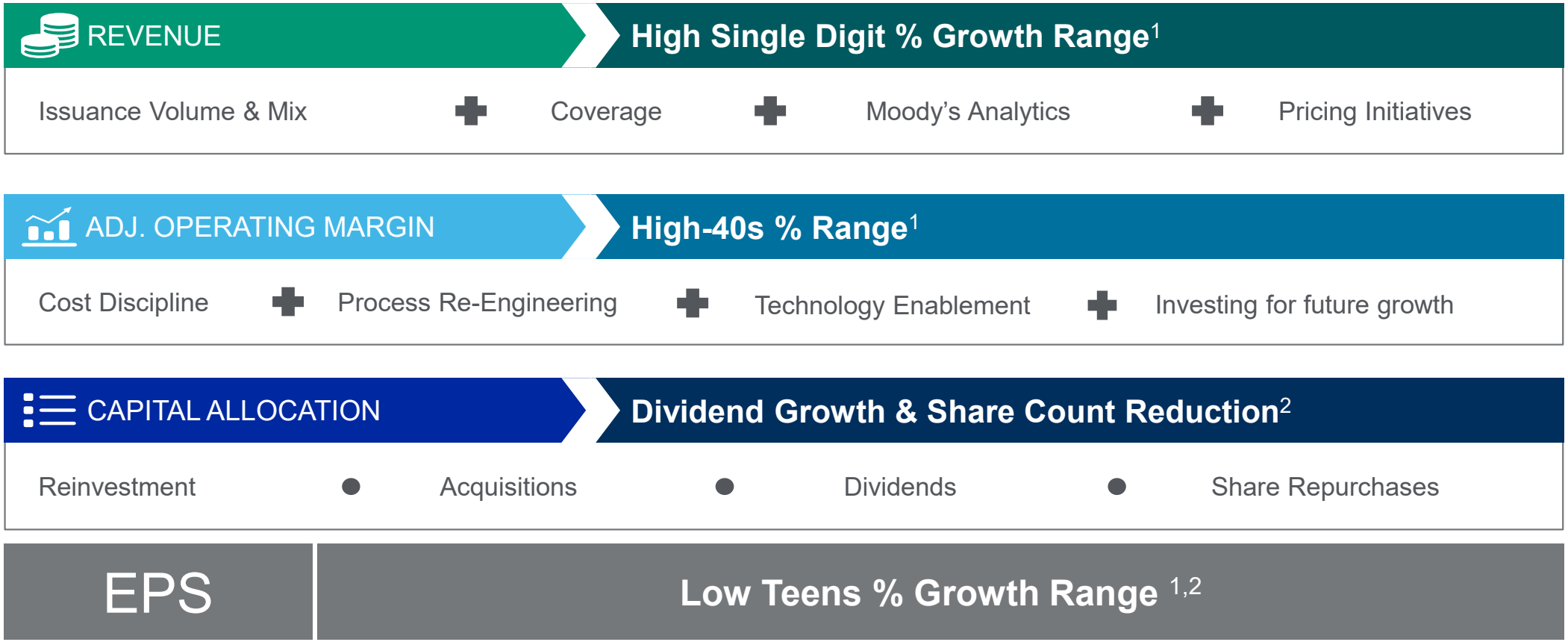
$ Millions



1. Totals may not sum due to rounding.
2. Guidance as of October 29, 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. Includes approximately $700 million in net payments pursuant to a settlement charge.

Long-Term Growth Opportunities

Three Levers to Achieve EPS Growth



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.

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

Capital Allocation Strategy

Prudent approach in uncertain times

Capital allocation goals



- Anchored around a BBB+ rating
- Ensure adequate financial flexibility
- Provide necessary capital to pursue growth opportunities
- Meet return thresholds and create long-term value for shareholders
- Manage risk

Capital allocation levers

INVESTING IN GROWTH OPPORTUNITIES

- Reinvestment
- Acquisitions

RETURN OF CAPITAL

- Dividends
- Share repurchase

Investment Criteria and Post Acquisition Review



Clear Industrial Logic

Strategic fit is the most important factor and the first screen

- Complementary ratings, content, data, analytics, risk management, etc., in existing and / or high growth markets
- Financial services and adjacent client base that can leverage Moody's brand, distribution, core credit expertise and analytic capabilities
- Preference for recurring or "repeat" revenue and low capital intensity



Disciplined Financial Targets

Long held, clear financial framework for external (and internal) investments

- IRR at / above Moody's cost of capital
- >10% annual cash return yield within 3-5 years
- Cash payback within 7-9 years
- GAAP EPS accretive by year 3 (where applicable)
- Transactions evaluated on an unlevered basis



Post-Acquisition Review

Disciplined and rigorous monitoring post close

- Clear accountability with regular reporting to senior management and board
- Integrate within acquiring business unit while maintaining unique and / or entrepreneurial characteristics
- Acquisition tracking for minimum of 3 years after close for transactions >$10 million

Key Takeaways

Growth Company



- Long-term financial expectations remain positive
- Balanced revenue model maximizes growth potential while ensuring resilience
- Strong free cash flow generation

Operational Excellence



- Strategic initiatives generate cost efficiencies, enabling reinvestment and margin improvement
- Continued MA margin expansion
- Investment in innovation creates sustainable value

Disciplined Capital Allocation



- Emphasis on returning excess capital to stockholders through dividends and share repurchases
- Strong track record of investment success exemplified by Bureau van Dijk
- Efficient balance sheet management

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Capital Markets Overview

3Q 2020 Credit Market Update

Buoyant credit markets despite ongoing real economy disruption from COVID-19

Real Economy

COVID-19 Pandemic

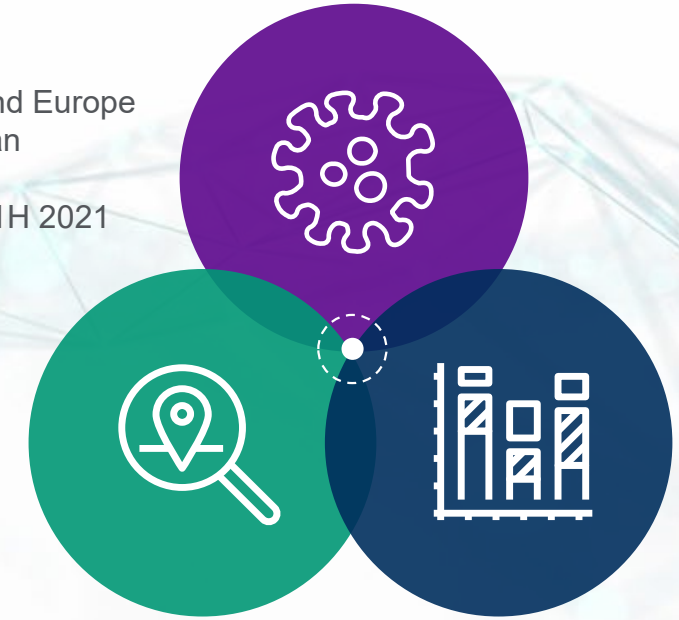
- New cases of COVID-19 increased in the U.S. and Europe
- Policy responses: some U.S. states and European countries rolled back re-opening measures
- Vaccine / treatment timing unclear; optimism for 1H 2021

Geopolitical Impact

- U.S. – China frictions remained elevated
- U.S. election season in heightened focus
- Continued international travel restrictions
- Oil prices recovered from lows but subdued

Macroeconomic Response

- U.S. Fed and other central bank actions are accommodative
- Fiscal stimulus measures in the E.U.
- Additional fiscal stimulus in the U.S. delayed
- Many businesses have fully utilized PPP funding
- Some industries resuming furloughs (travel, entertainment, etc.)



Credit Markets

Investment Grade Bonds

- Record issuance volumes[1]
- Liquidity-driven capital raising
- Opportunistic refinancing driven by effective yields lower than pre-pandemic for many issuers
- M&A pipeline limited, though indications of improvement

High Yield Bonds

- Continued strength
- Significant spread tightening from March, with spreads now approximately in line with historical averages (U.S. HY ~500 bps)
- Appetite for risk assets evidenced by continued equity market strength

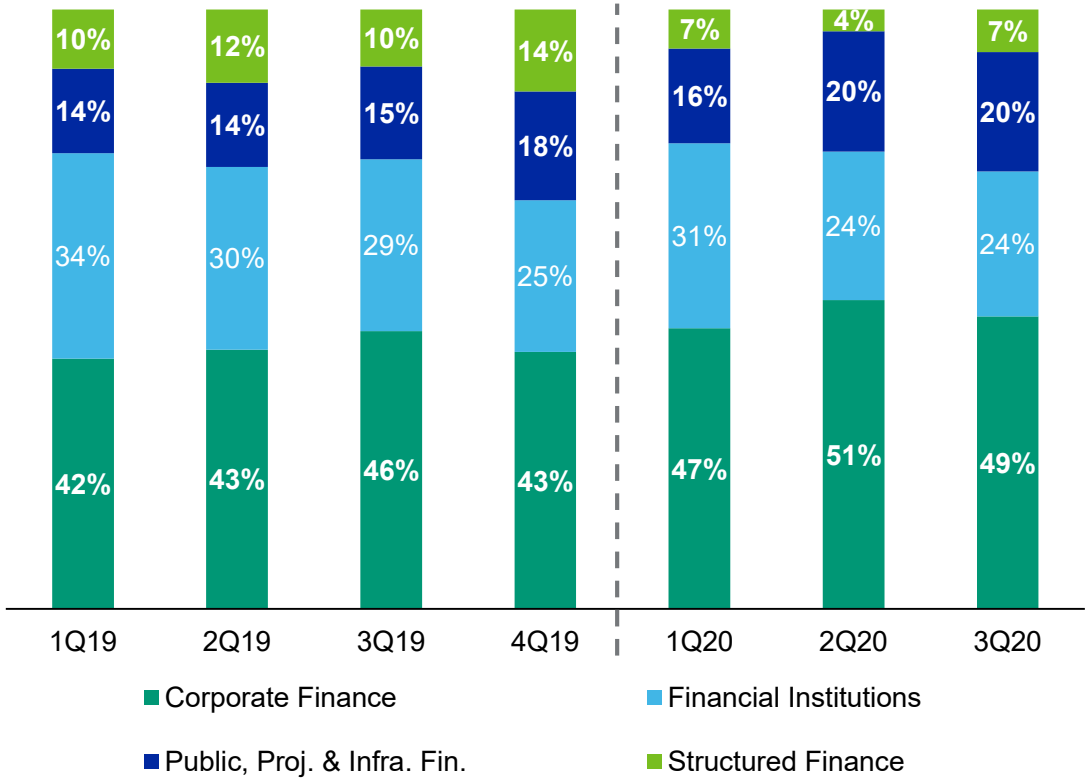
Leveraged Loans

- Improving, but relatively weak
- Demand for floating rate debt limited
- Modest M&A pipeline

1. MIS rated issuance.

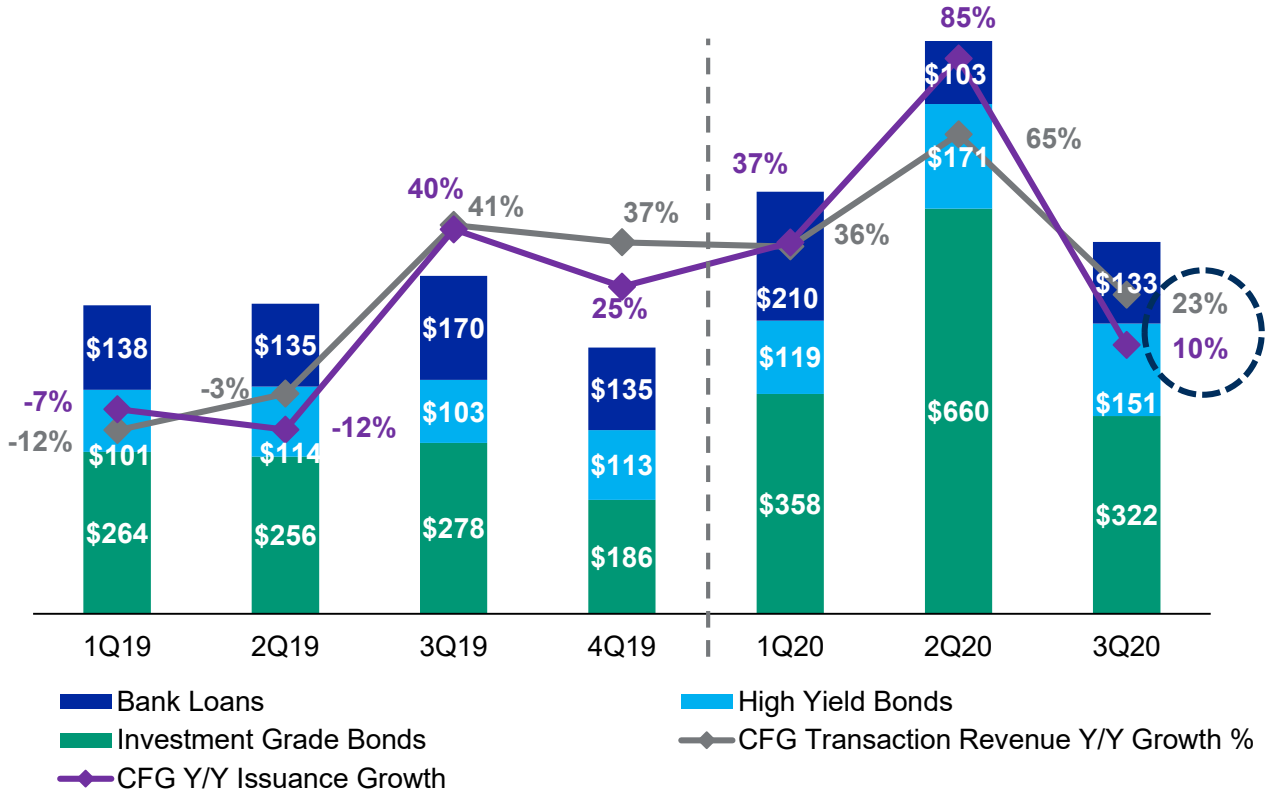
CFG Spotlight: Issuance-driven Revenue Growth

Issuance by Line of Business



CFG Issuance Volume and Transaction Revenue

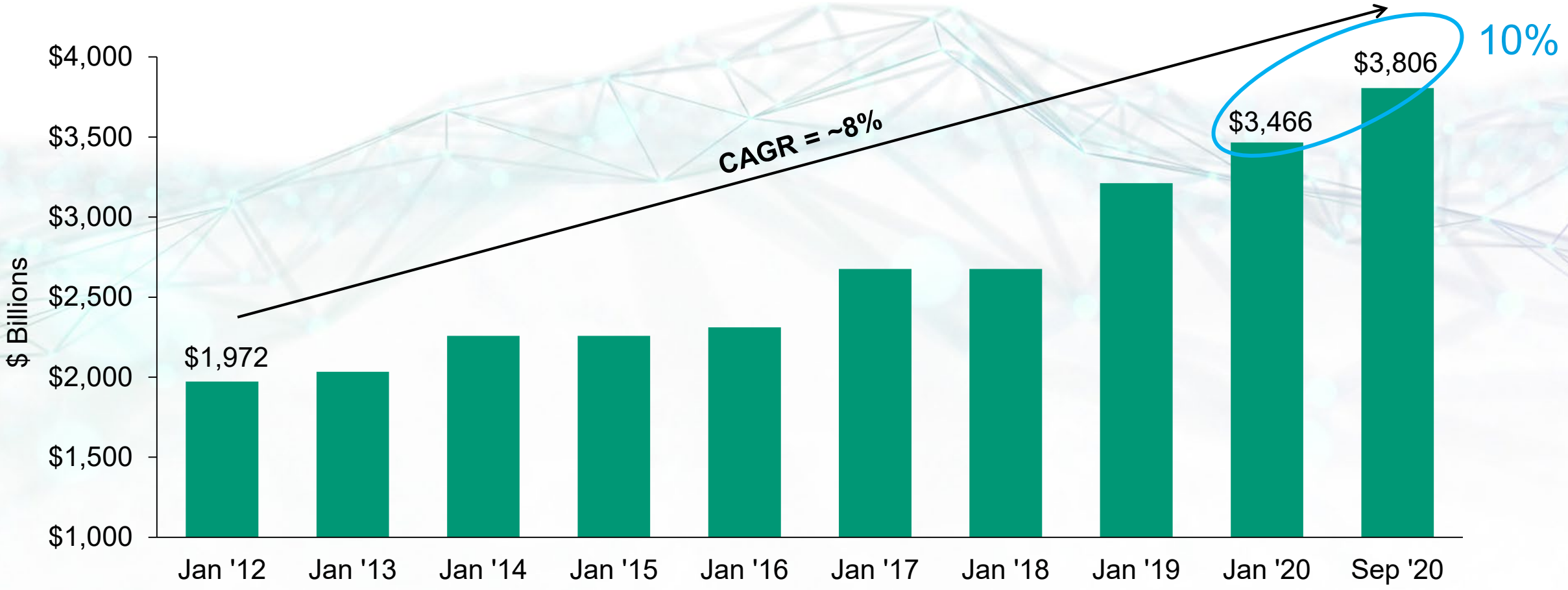
($ Billions)



Note: MIS rated issuance.

Refunding Needs Continue to Build

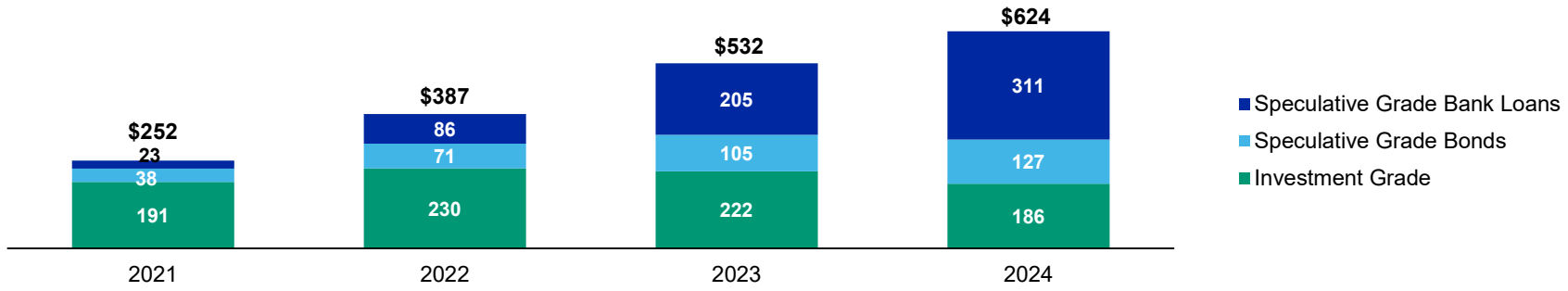
Next Four Years North America and EMEA Total Refunding Needs[1] as of:



1. Amount reflects total maturities as defined in Moody's Investors Service's U.S., Canada and EMEA refunding needs reports January 2012 – October 2020.
Note: Data represents U.S., Canadian and European MIS rated non-financial corporate bonds & loans. Canadian data not available before 2015.

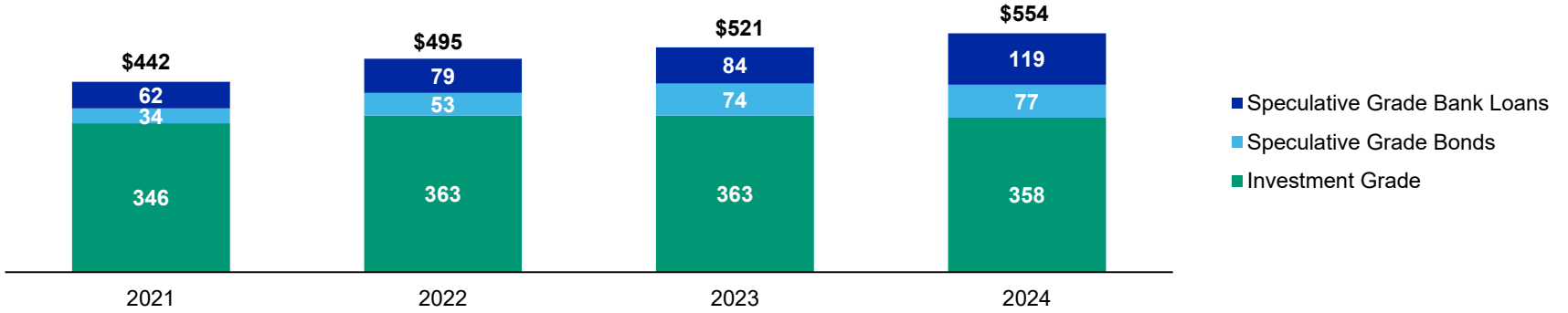
Refunding Needs[1] Support MIS Long-term Fundamentals

Debt Maturities: North America Moody's-Rated Corporate Bonds and Loans[2]



- Approximately $1.8 trillion of non-financial corporate debt maturing in North America through 2024, up ~8%[4]
- North America speculative grade bank loans refinancing needs up ~$180 billion, or ~40%[4]

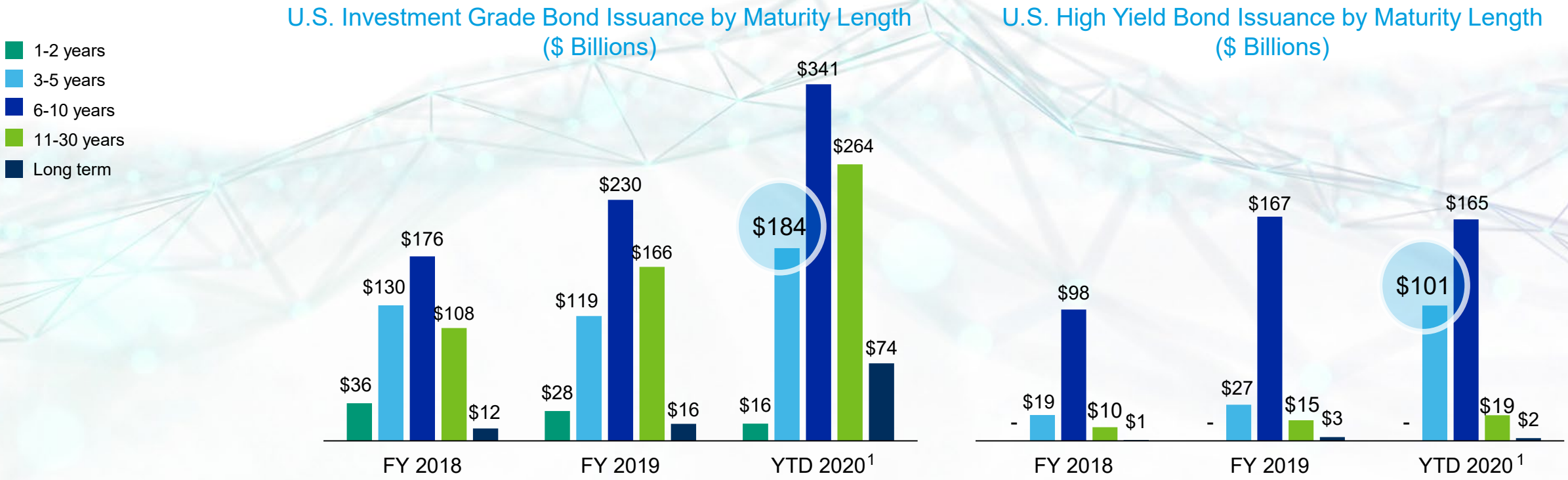
Debt Maturities: EMEA Moody's-Rated Corporate Bonds and Loans[3]



- Four-year debt maturities for EMEA non-financial corporates exceed $2 trillion, up ~$200 billion, or 11%[4]

1. Non-financial corporates.
2. Source: Moody's Investors Service, October 2020. Data represents U.S. & Canadian MIS rated corporate bonds & loans.
3. Source: Moody's Investors Service, October 2020. Data represents EMEA Investment-Grade & EMEA Speculative-Grade.
4. Comparison to previously provided refinancing needs data for the upcoming four years from 1Q 2020 Investor Presentation.
   Prior data: Moody's Investors Service. U.S. & Canadian MIS rated corporate bonds & loans for North America as of January 2020 & EMEA as of July 2019.

Increased Issuance Volume Offsets Impact of Longer Average Maturities

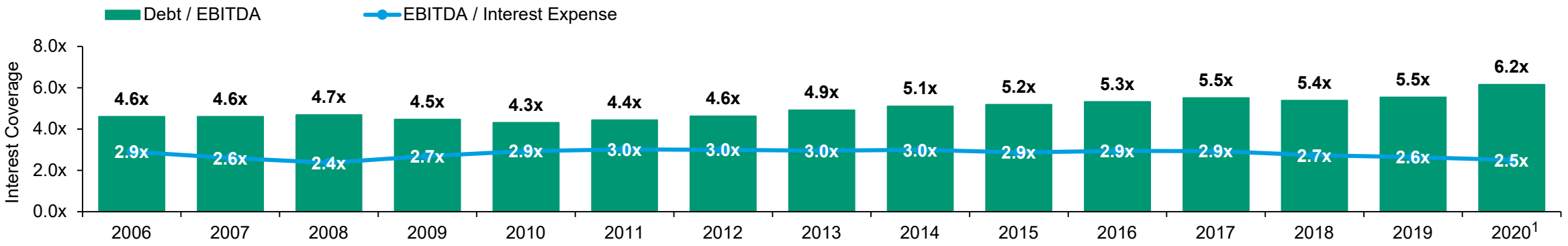


	FY 2018	FY 2019	YTD 2020[1]	FY 2018	FY 2019	YTD 2020[1]
TOTAL ISSUANCE ($B)	**$462**	**$561**	**$880**	**$128**	**$212**	**$287**
AVG. MATURITY[2]	12.0	12.4	14.5	8.6	8.4	7.5

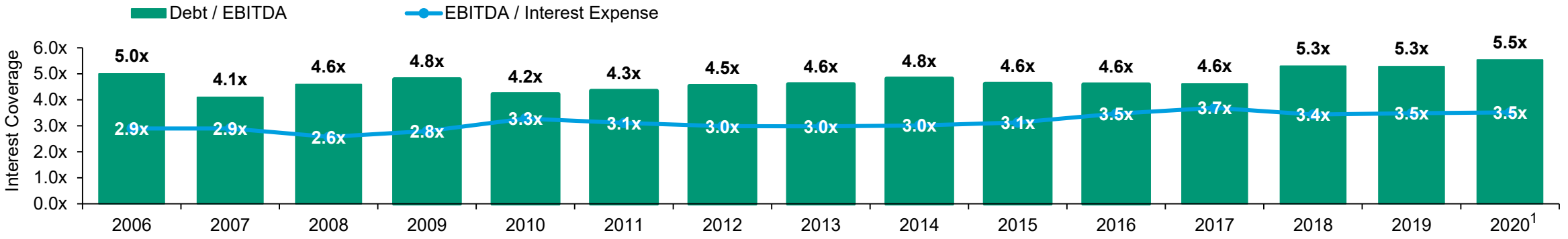
1. YTD through September 30, 2020. | 2. Proxy calculation uses weighted average years of tenor. | Source: Moody's Investors Service. | Note: Data represents tenors on Moody's rated debt in U.S.

Debt Leverage and Interest Coverage in North America and Europe

Credit Metrics: North American Speculative Grade Companies



Credit Metrics: European Speculative Grade Companies



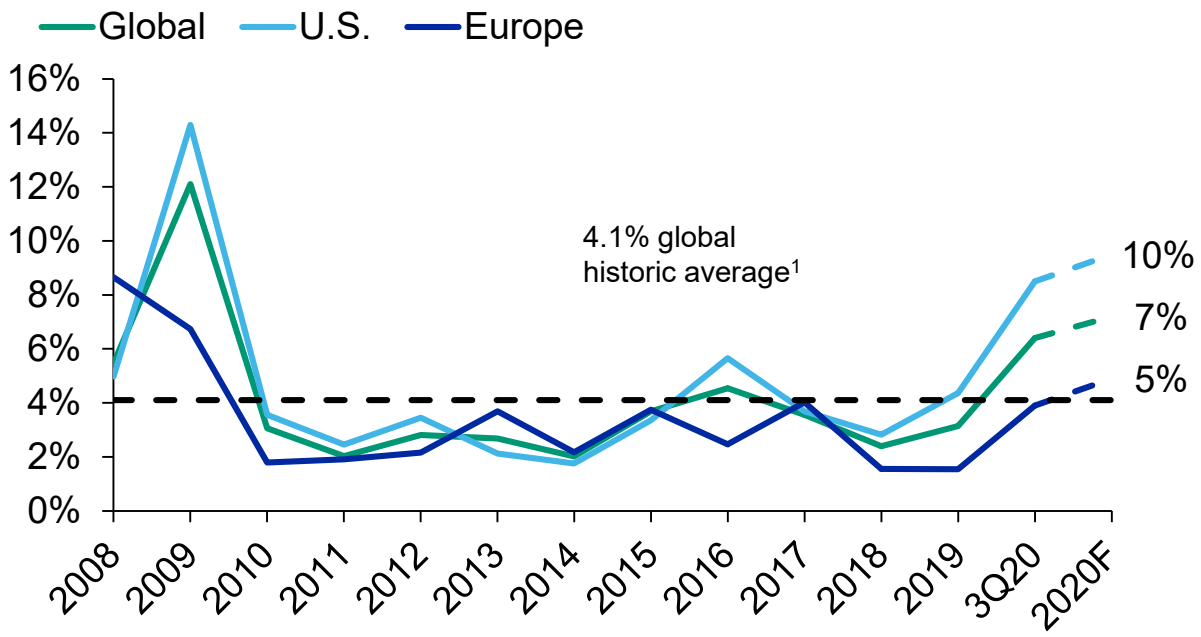
1. Trailing twelve months ended September 30, 2020.

Source: Moody's Investors Service.

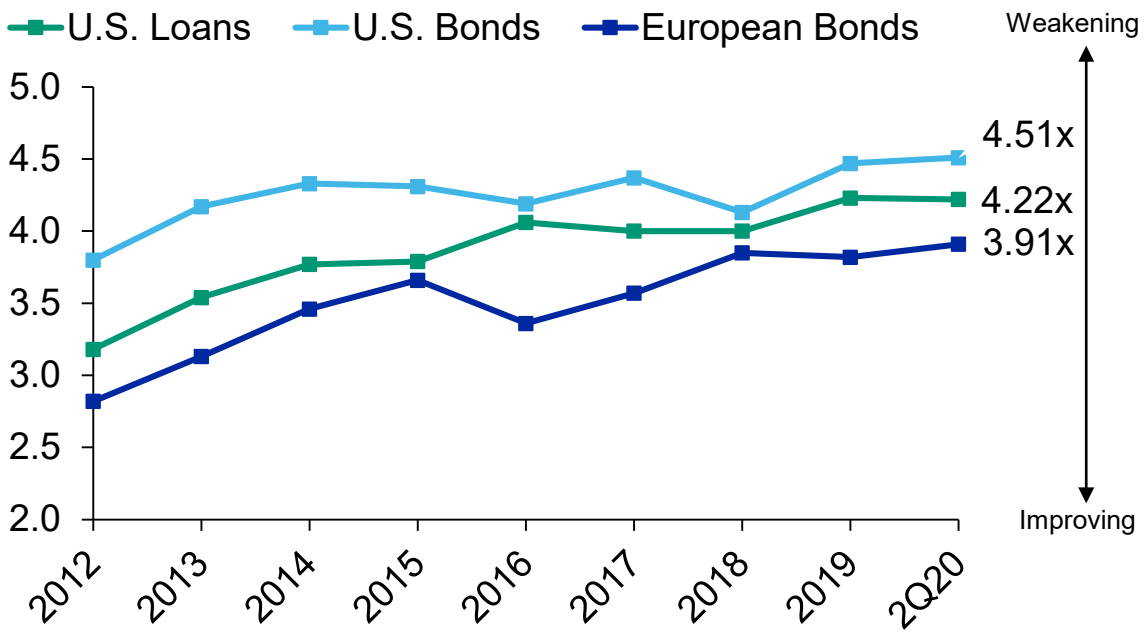
Note: Historical figures may change due to timing differences in issuer reporting deadlines.

Default Rate Forecast Reflects COVID-19 Impacts; Expected to Peak in 1Q 2021

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



Speculative-Grade Covenant Quality Indicators[2]



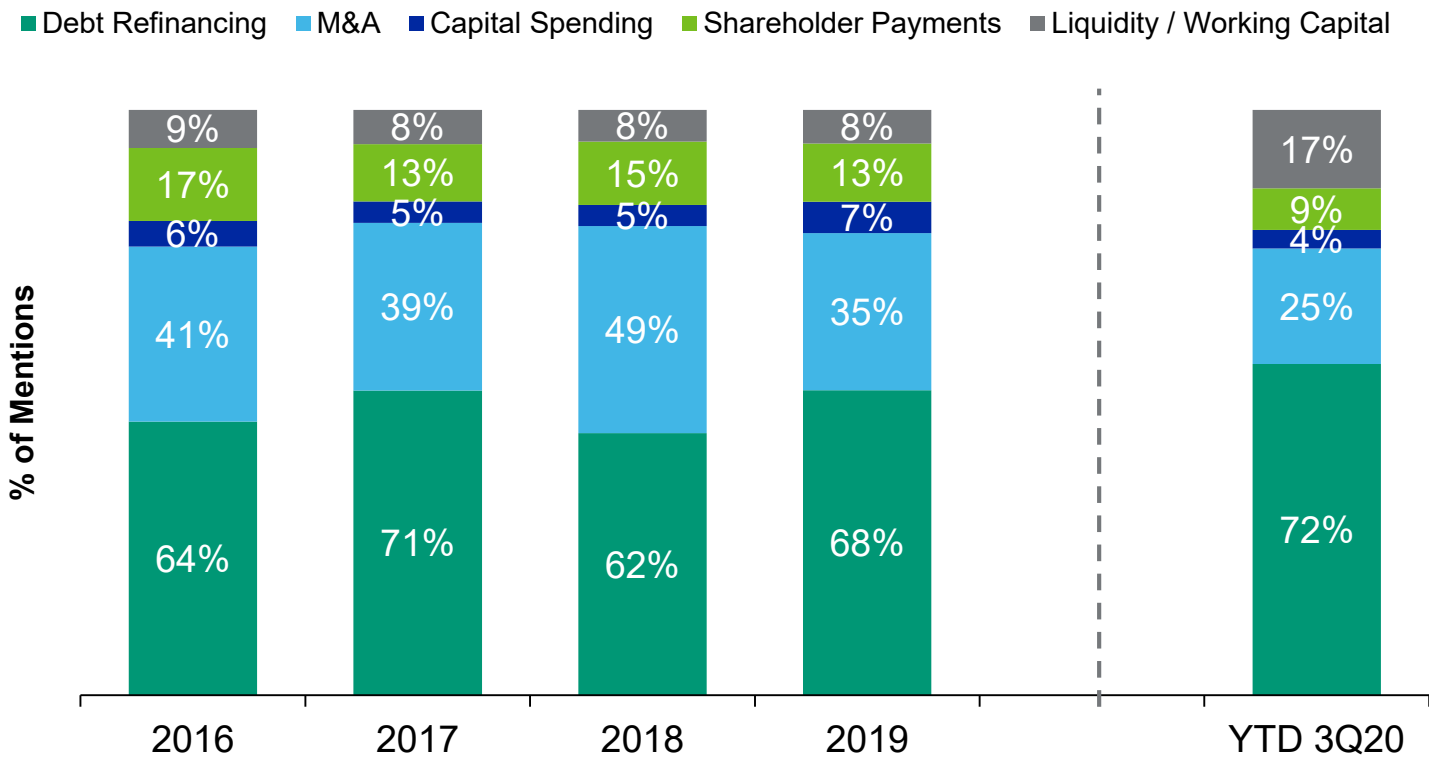
» Global trailing twelve month speculative-grade default rate at 6.4% as of September 30, 2020; expected to increase to 7.2% by December 2020 and peak at 8.1% by March 2021, before declining to 6.3% by September 2021

1. Moody's rated corporate global speculative grade default historical average of 4.1% from 1983 through September 30,2020. 2020 forecast for TTM ended December 31, 2020 and March 31, 2021 from Moody's Investor Service "October 2020 Default Report", published November 10, 2020.
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.

Liquidity and Refinancing Prominent Drivers of Issuance YTD 2020, While M&A Declined

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



YTD 2020[2] Issuance Drivers:

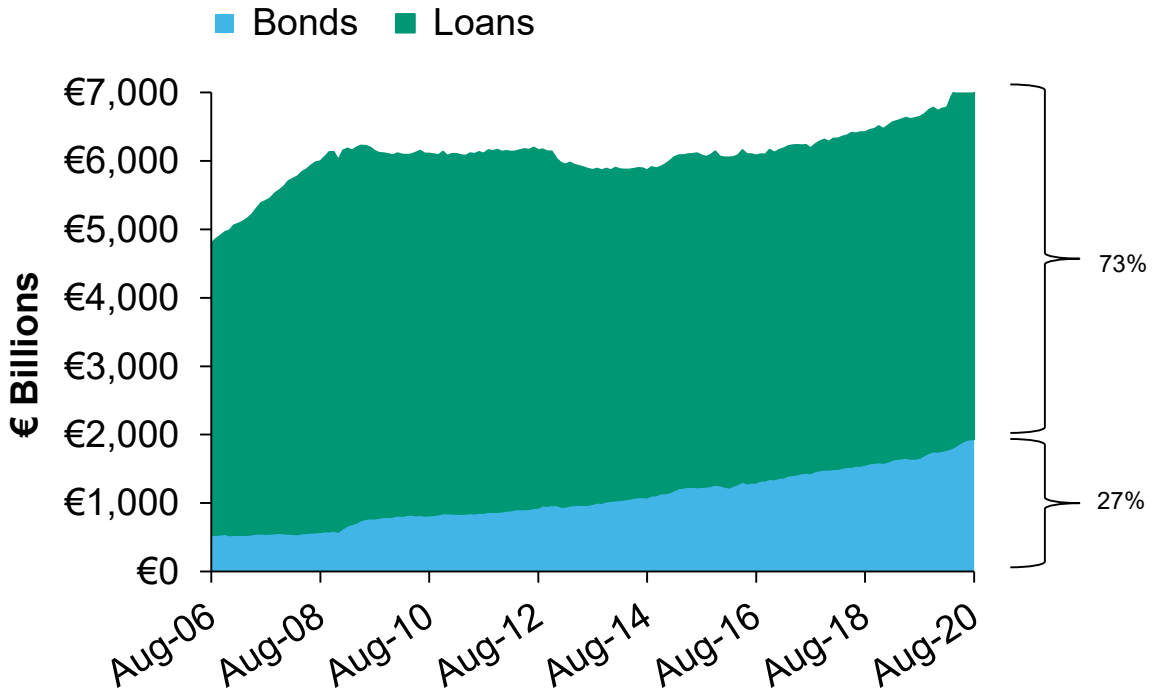
- Opportunistic refinancing driven by lower effective yields
- Liquidity and working capital
- Lower M&A related issuance

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%.
2. YTD through September 30, 2020.

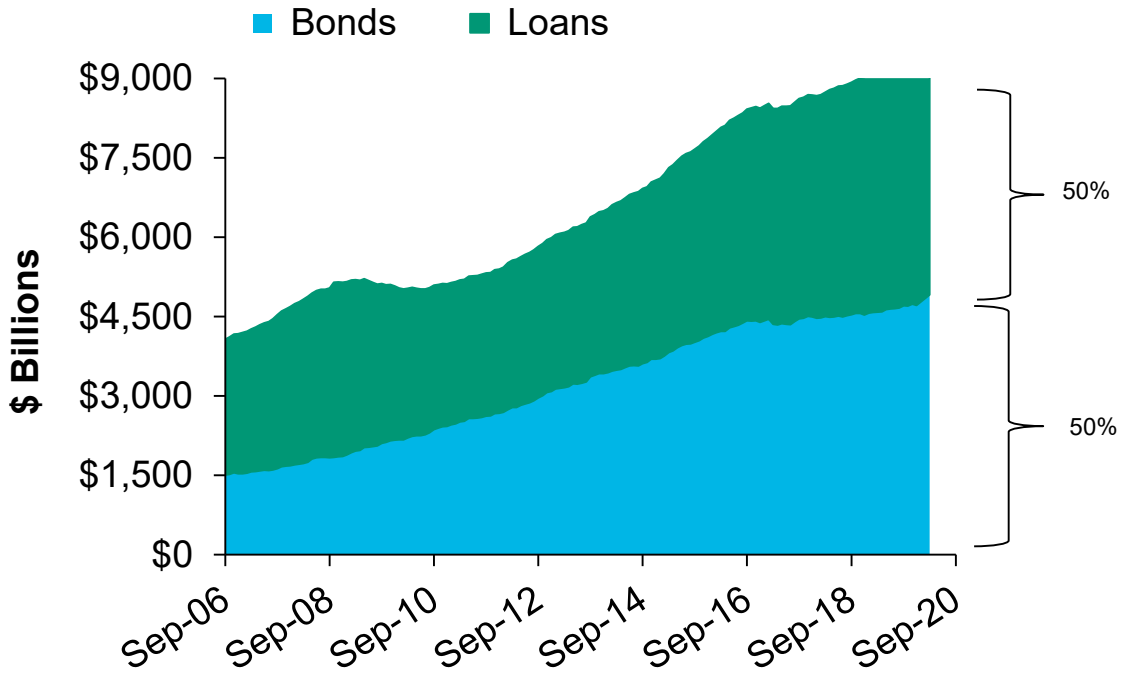
Source: Moody's Analytics.

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



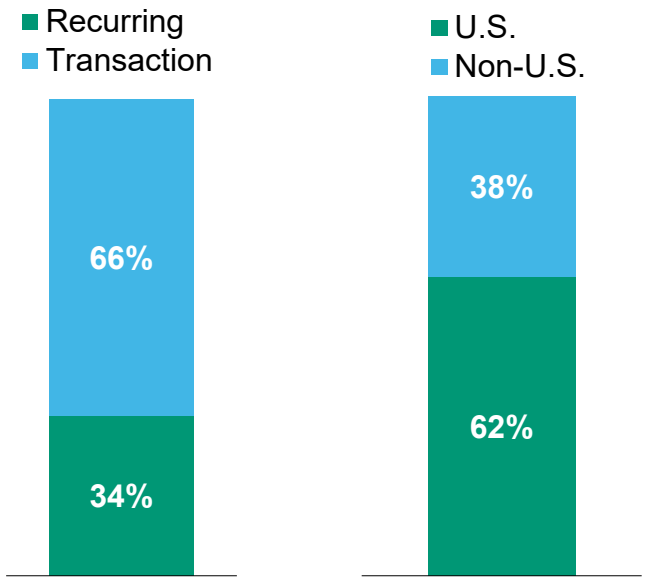
Sources: ECB, Federal Reserve, BarCap Indices. Europe bank loan data includes Eurozone and UK bank loans. Europe bond data includes euro and sterling denominated bonds. European data is through August 2020 and U.S. data is through September 2020.

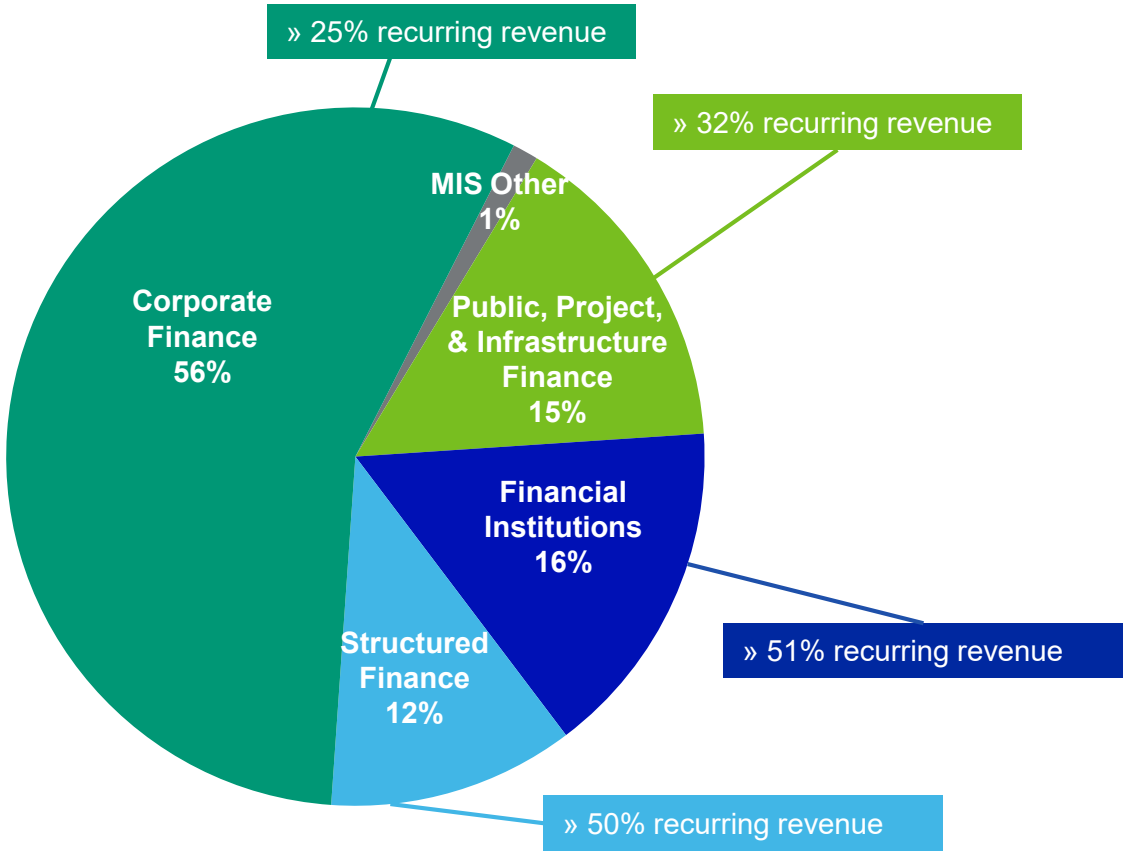
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Moody’s Investors Service

Moody's Investors Service Financial Profile

3Q 2020 TTM Revenue: $3.3 billion

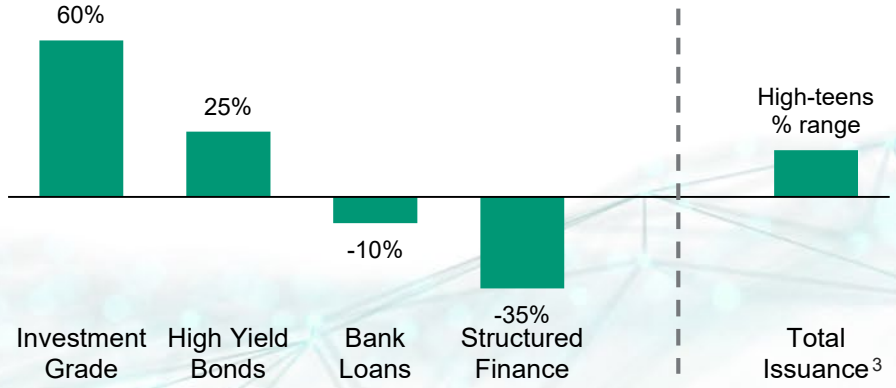




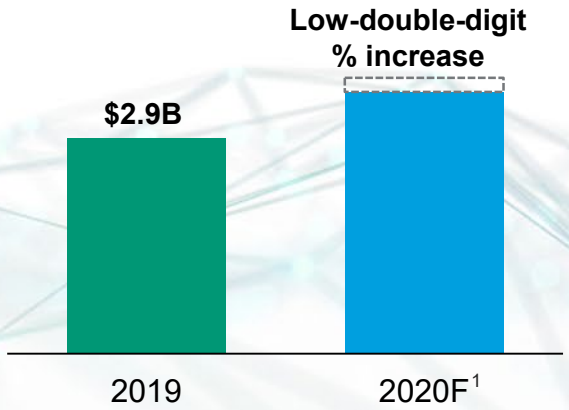
Note: The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected in 2019's calculations. Percentages have been rounded and may not total to 100%.

MIS Guidance: Robust YTD Driving Improved Outlook[1]

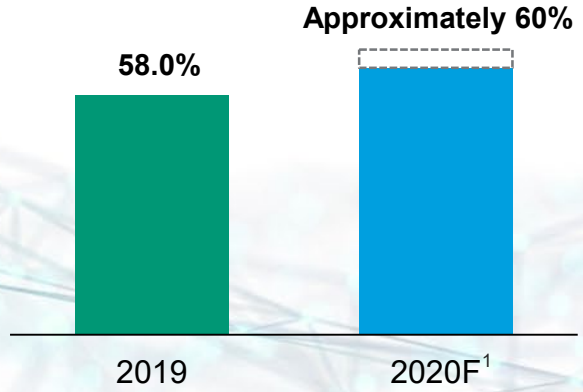
FY 2020 Issuance Guidance[1,2]



Revenue



Adjusted Operating Margin[1]



Key drivers of MIS FY 2020 outlook[1]

- Strong YTD results driving increased full-year outlook
- Issuance[2] expected to grow in the high-teens percent range from $4.6T in 2019
  - Pace of issuance likely to moderate in 4Q 2020
- Favorable issuance mix
- Approximately 600-700 first time mandates
- Refinancing and liquidity driven issuance, limited M&A activity
- Higher expectation for incentive compensation, though in-line with full year 2019

1. Guidance as of October 29, 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 as well as assumptions used by the Company with respect to its guidance.
2. MIS rated issuance.
3. Total issuance includes CFG, SFG, FIG and PPIF. 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

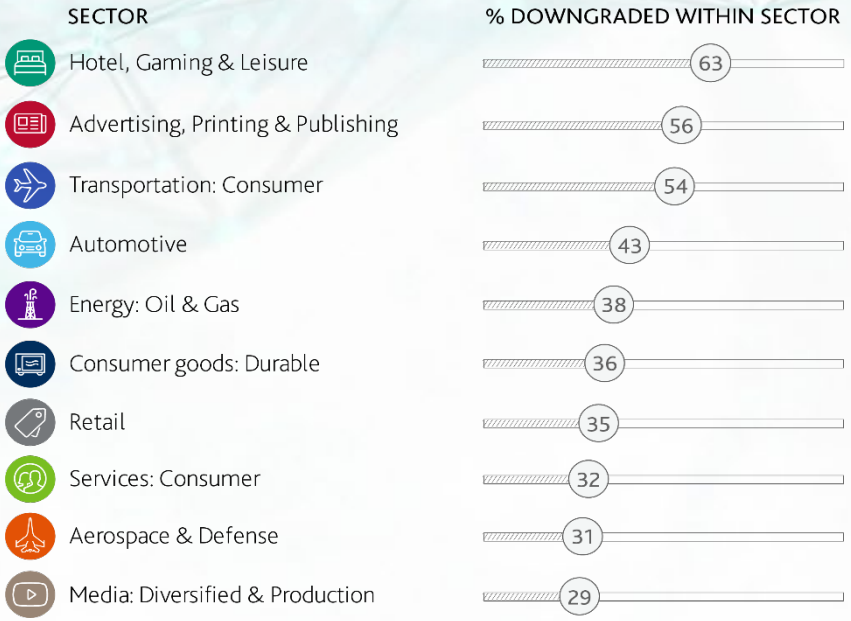
Managing Ratings in Turbulent Times

Transparency and relevance of credit ratings through the cycle

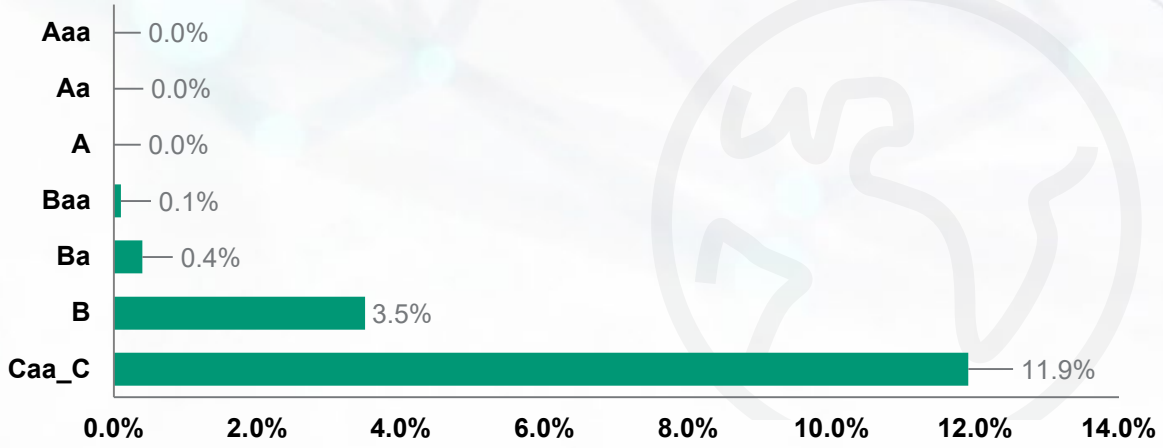
- Order sectors by degree of exposure
- Order issuers by vulnerability within each sector
- Reassess all ratings in the most vulnerable sectors
- Reassess ratings of the most vulnerable issuers in the moderately vulnerable sectors
- Monitor credit profiles associated with all other ratings and reassess those with special situations that merit prompt reconsideration
- Coordinate analytical views and sequencing of rating actions
- Take account of government policy measures designed to soften the effects of coronavirus

Top 10 sectors most affected by COVID-19[1]

March 1 – September 30, 2020



Global corporate default rates ended September 2020[2]



1. Includes all publicly-rated nonfinancial corporate entities; excludes subsidiaries and project finance-related corporations.
2. Trailing twelve months.

Source: Moody's Investors Service.

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

$70+ trillion of Total Rated Debt

- **4,700** Rated Non-Financial Corporates
- **16,100** Rated Public Finance Issuers
- **3,500** Rated Financial Institutions
- **9,200** Rated Structured Finance Deals
- **145** Rated Sovereigns*
- **1,050** Rated Infrastructure & Project Finance Issuers
- **47** Rated Supranational Institutions*
- **199**** Rating Methodologies*
- **448** Rated Sub-Sovereigns*

~15 Years Lead/Senior Analyst tenure

Moody's Investors Service has been globally and locally acknowledged for award-winning expertise in credit ratings, research and risk analysis. For more information, visit awards.moodys.io

Source: Moody's Investors Service as at 30 June 2020.
** As at 5 August 2020.
Research and Events data covers the 6-month period 1 January to 30 June 2020.
All numbers are rounded other than those marked*
***As at 30 September 2020.

~11,400+ MCO employees***

1,000+ Analysts

33 Offices*



Americas	EMEA	Asia Pacific
29,000+ Rated Companies and Structured Deals	**4,700+** Rated Companies and Structured Deals	**2,100+** Rated Companies and Structured Deals
$36.4+ trillion Total Debt Rated	**$20.3+ trillion** Total Debt Rated	**$12.3+ trillion** Total Debt Rated
14,000 Research Publications	**8,800** Research Publications	**2,800** Research Publications

MOODY'S INVESTORS SERVICE OFFICES

Americas	EMEA		Asia Pacific	
United States	Cyprus	Russia	Australia	Japan
Canada	Czech Rep.	Saudi Arabia	China	Korea
Argentina	DIFC	South Africa	Hong Kong	Singapore
Brazil	France	Spain	India	
Mexico	Germany	Sweden		
	Italy	UK		
	Poland			

EVENTS

39,000+ Global Participants

385 Global Events, including:

- Conferences
- Teleconferences
- Roundtables

PUBLICATIONS

+27,500 Research Publications

- **13,800** Issuer Research
- **3,100** Sector Research
- **10,600** Other Research

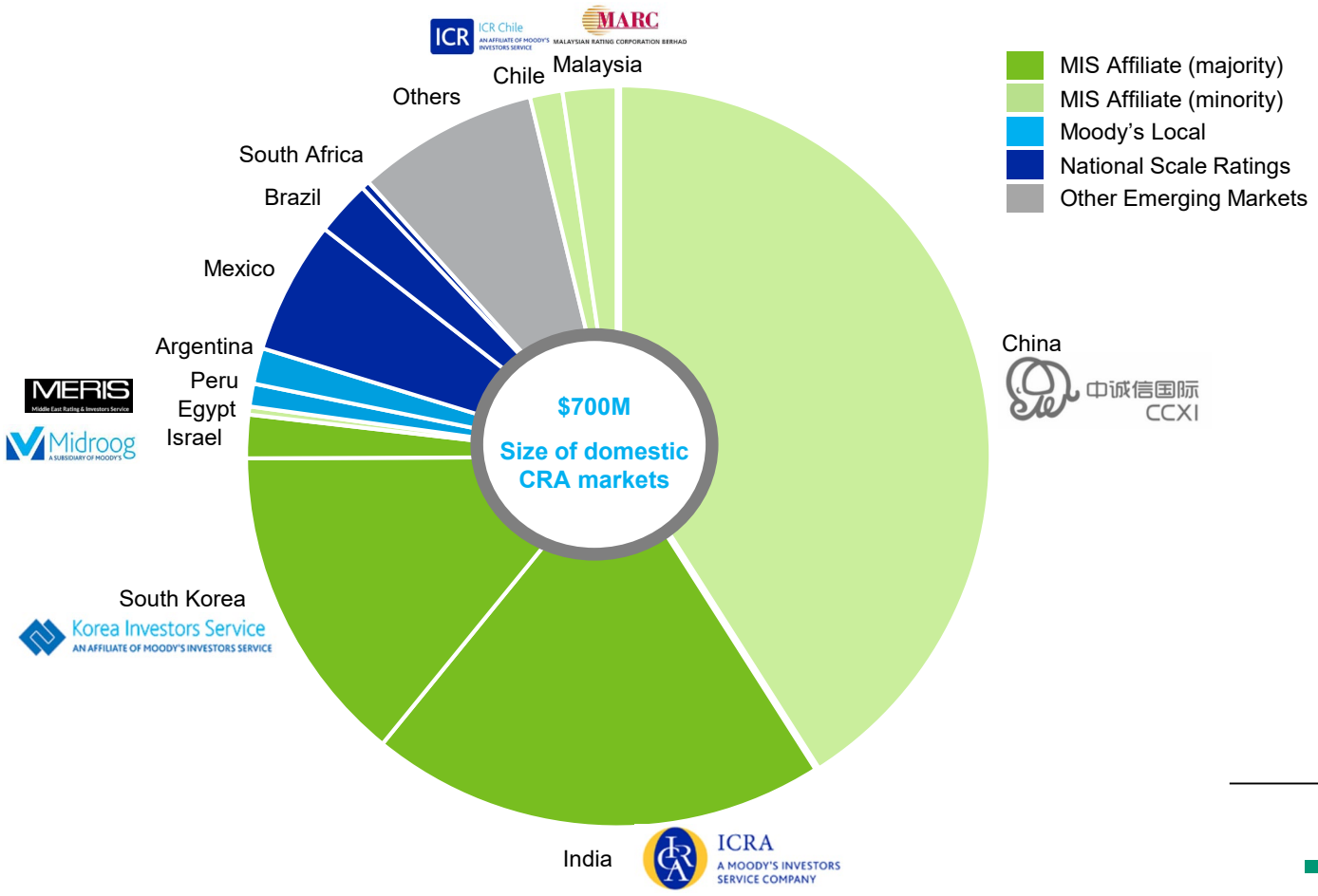
PUBLICATIONS BY SEGMENT

- **7,800** Non-Financial Corporates
- **2,900** Financial Institutions
- **880** Sovereign & Sub-Sovereign
- **4,700** U.S. Public Finance
- **4,900** Structured Finance
- **1,000** Infrastructure & Project Finance
- **3,400** Cross Sector

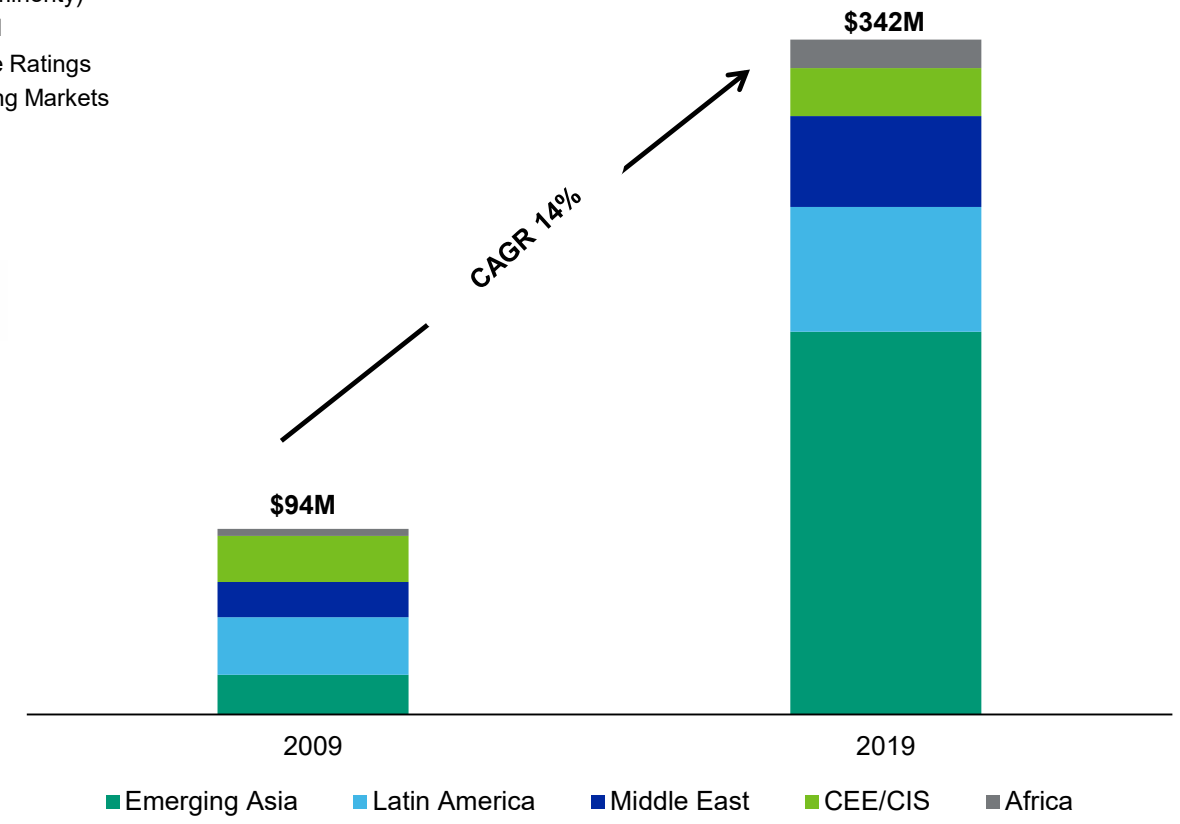
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Strongly Positioned in Emerging Markets

Emerging Markets - Domestic TAM



MIS Emerging Markets Revenue[1]

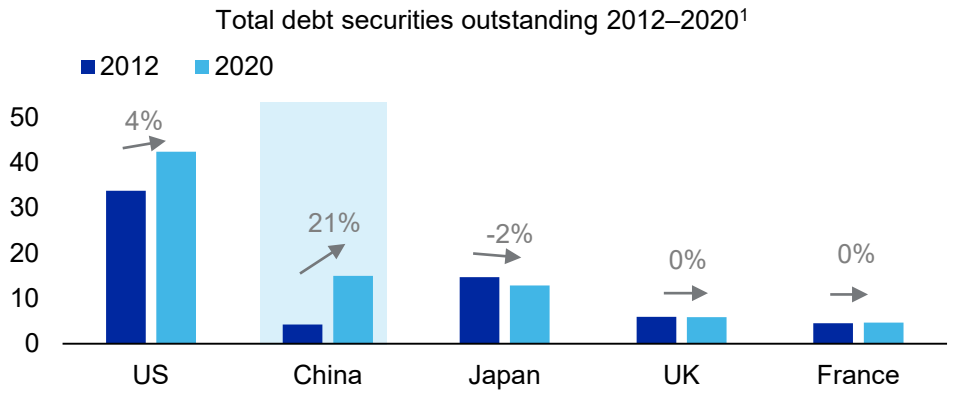


Note: Size of pie represents the estimated total CRA revenue from domestic markets ($700 million) as of June 30, 2020.

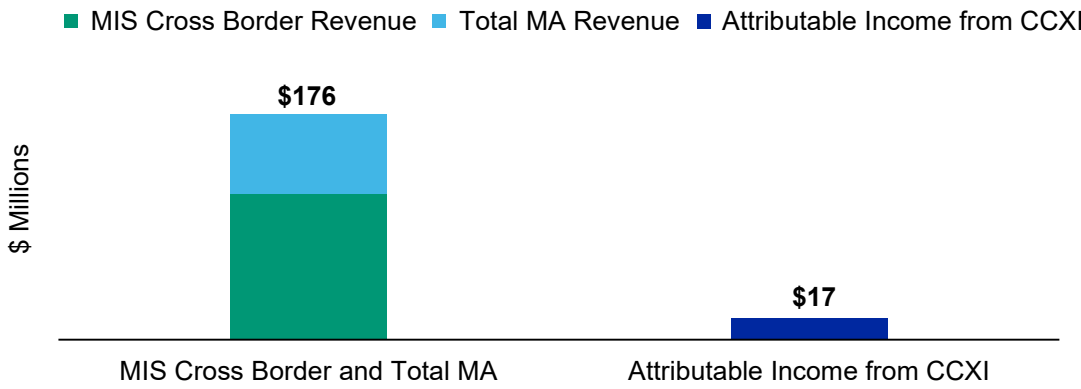
1. Includes revenue from cross border issuance.

Moody's in Greater China

2nd Largest Onshore Bond Market at $15 Trillion

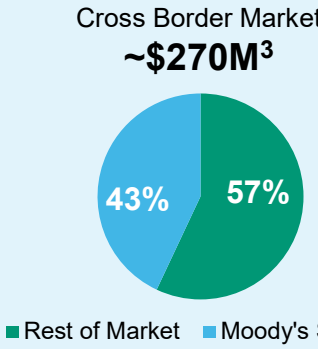


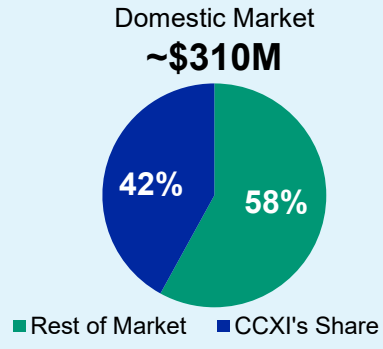
Revenue and Attributable Income from China[2]



Estimated China Ratings Market Size: Domestic and Cross Border[3]

- **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



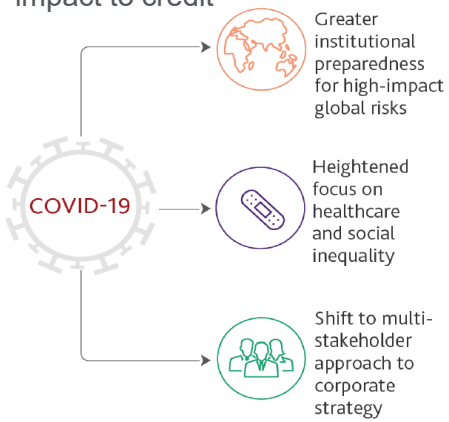


1. Percentage growth numbers are rounded compound annual growth calculations. Source: Bank for International Settlements' latest data available as of 1Q 2020.
2. Greater China: Mainland, Hong Kong and Macau. Revenue and attributable income data for full year 2019.
3. Revenue as of 3Q 2020; USD 1 = RMB 6.79 RMB exchange rate as of September 30, 2020 is used for conversion for domestic CRAs' estimated revenue. Note: These are high level estimates based on MIS & CCXI 3Q 2020 revenue/market coverage in domestic market; in cross border, market share is coverage/sum of coverage for three major CRAs.

Moody's ESG: Driving Standards Beyond Credit

Market Trends

- Moody's forecasts global green, social and sustainability bond issuance to be $325 to $375 billion in 2020[1]
- Coronavirus crisis expected to accelerate credit-relevant ESG trends with increased impact to credit[2]



Moody's ESG Solutions

- ESG & Climate Measures
- Sustainable Finance Solutions
- ESG & Credit
- Risk Management Solutions

Key Stats[2]

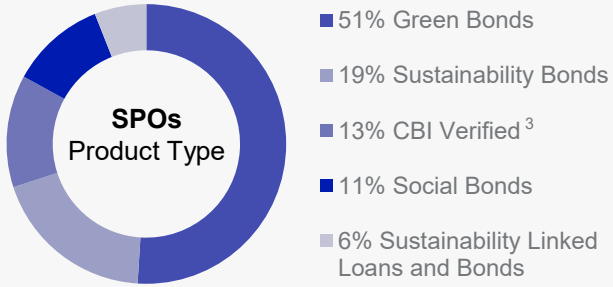
30+
Years of ESG experience
Our affiliate VE has been a pioneer in ESG analysis since the 1990s

5,000+
ESG assessments
Covering 273 unique ESG data points

100%
Systematic integration of ESG considerations into credit ratings
A detailed discussion is now required in all rating committees

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

260+
Global sustainable bonds and loans
Green, social, sustainability bonds and sustainability-linked loans and bonds



Outreach

- Over 700 media engagements from January to September 2020 driven by Moody's events and research
- Strategic relationships with industry organizations and influencers across sustainable finance
- Moody's ESG & Climate Risk hub: A one stop-shop for everything ESG at Moody's (**moodys.com/esg**)



1. Moody's Investors Service "Sector in-depth: Sustainable Finance – Global – Record sustainable bond issuance in second quarter as social bonds surge", August 17, 2020.
2. As of September 30, 2020; combined for all Moody's entities including affiliates.
3. Includes 3% for sustainability/green bonds and Climate Bond Initiative verification.

Enhanced ESG Solutions

Index Partnerships

- Partnered with Euronext on a new ESG index powered by VE data: the Euronext ESG80
- Agreements to provide ESG data in support of the creation of new ESG products and indices with The Stock Exchange of Thailand and Solactive

Integration of Analytics, Risk Measurement and CRE tools

- VE and 427 content integrating into multiple platforms within MA, including moodys.com and the REIS commercial real estate portal
- Working with asset managers, banks, regulators to develop climate-based stress testing solutions



Second Party Opinions (SPOs)

- VE launched an enhanced SPO service for sustainable bonds featuring an updated impact assessment and a more intuitive, impactful format
- Includes Green Bonds, Social Bonds, Sustainability linked bonds and loan assessments
- VE's SPO offering provides an independent assessment of green, social and sustainability bond frameworks

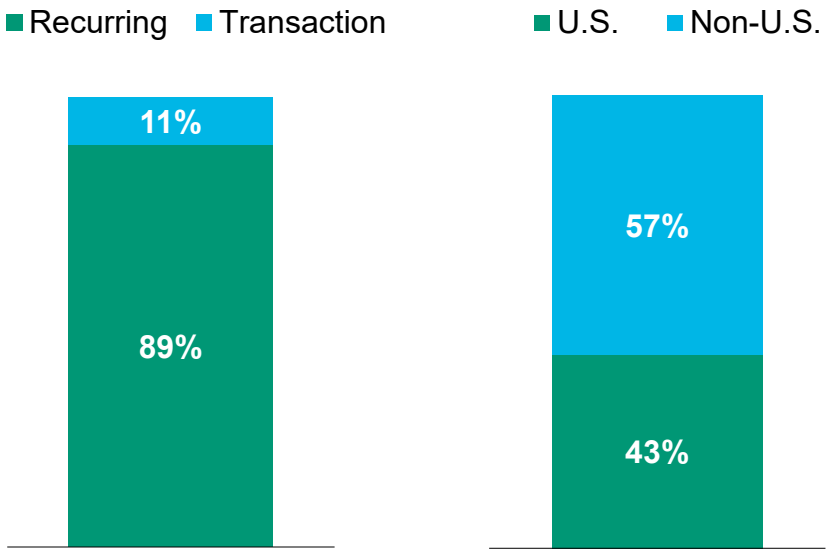
Note: For more information please refer to https://esg.moodys.io/solutions.

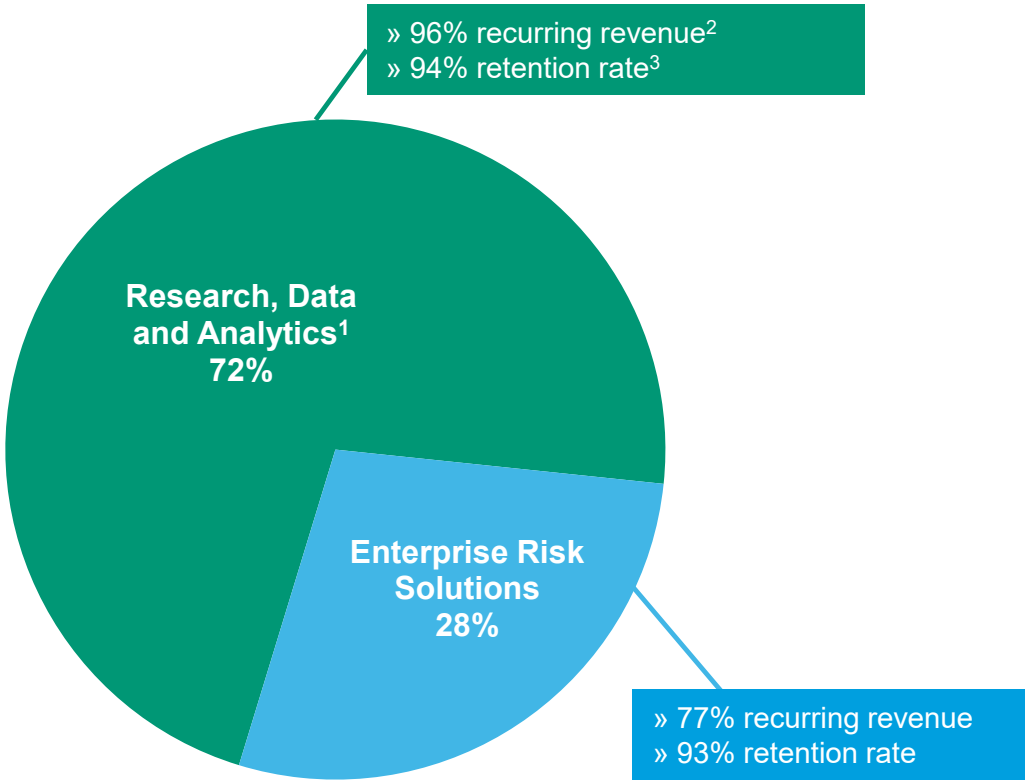
5

Moody’s Analytics

Moody's Analytics Financial Profile

3Q 2020 TTM Revenue: $2.0 billion



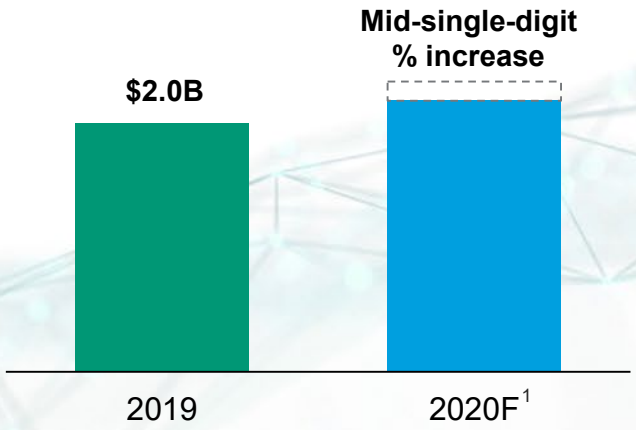


1. Includes trailing twelve months of professional services revenue, excluding MAKS.
2. Recurring revenue for RD&A as reported, including MALS for YTD 2020. It does not include MALS or other professional services revenue prior to 2020.
3. 3Q 2020 TTM. Includes Bureau van Dijk.

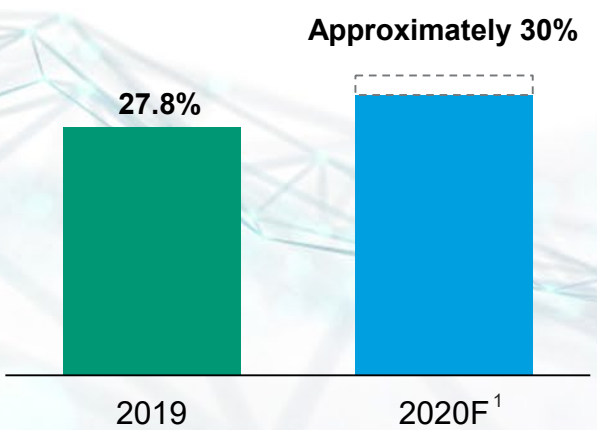
Note: The revenue reclassification of the FACT product from RD&A to ERS, MALS to RD&A and the MAKS sale is reflected in the trailing twelve month calculations.

MA Guidance: Recurring Revenue Creates Stability[1]

Revenue



Adjusted Operating Margin[1]



Key drivers of MA FY 2020 outlook[1]

- Strong recurring revenue mitigates COVID-19 impact
- MAKS divestiture weighs on revenue growth, partially offset by RDC, RiskFirst, ABS Suite and Acquire Media acquisitions
  - FY revenue guidance includes an approximately 2% unfavorable impact from inorganic activity and FX
- RD&A growth driven by strong demand for KYC and compliance solutions, followed by research and data feeds
- ERS: Strength in lending software and analytics sales supports steady growth; modest impact from delays of IFRS 17 and CECL implementations
- Margin improvement primarily driven by operating leverage and cost management initiatives

1. Guidance as of October 29, 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 as well as assumptions used by the Company with respect to its guidance.

Subscription Sales Resilient Through COVID-19 Disruption

Continued demand for insights and analytics

YTD 2020 RETENTION

~94%
Total MA

~96%	Research[1]
~92%	ERS
~90%	BvD

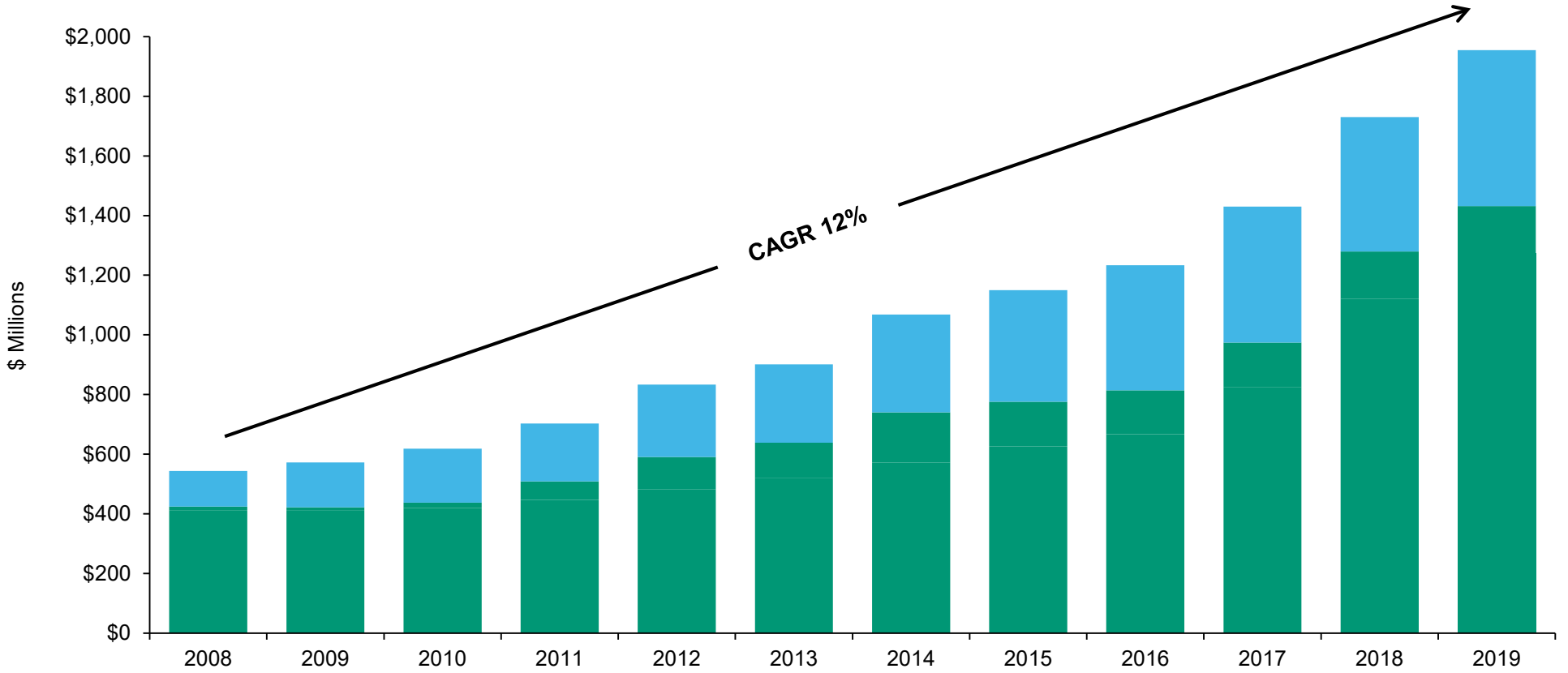
- Strong retention
- Softer demand for lower margin, one-time sales
- Robust subscriptions sales growth expected to continue

	2020 OUTLOOK	2021 OUTLOOK
Retention	**Positive** Retention holding at ~94% despite initial concerns	**Positive** Retention expected to remain stable
Subscription Sales Growth	**Positive** Renewal yield[2] outlook better than prior expectations	**Positive** Renewal yields[2] expected to remain at existing levels
Pipeline	**Stable** Social distancing challenged sales efforts, but strong pipeline execution	**COVID-19 Related Impact** Healthy new renewable sales pipeline Softness in one-time project sales pipeline

1. Reflects RD&A excluding BvD. | 2. Incorporates retention and pricing components of recurring business growth.

Moody's Analytics Has Several Platforms for Growth

Revenue Has 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)

Research, Data & Analytics[1]

2019 Revenue[2]: $1,432M

2008 – 2019 CAGR[3]: +11%
(~62% organic)

1. Includes Professional Services line of business ("LOB"). 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 LOB, will now be reported as part of the RD&A LOB.
2. RD&A reported revenue in 2019, excluding Professional Services, was $1,273M.
3. RD&A CAGR calculation excludes professional services.

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

Diverse Product Solutions

Continuous improvement of content and user experience provides tools for customer to make better decisions, faster

Integrated Experience: ***Ease of Use***		Enhanced Content & Coverage: ***More Value***
Onboard customers Confirm KYC, AML, Ownership tree	→	**Compliance modules** Leverage BvD, RDC data
Gather financials Create credit statistics	→	**Spreading tools** Prepopulate and digitize financials
Analyze credit and transaction Run credit scores and consider portfolio	→	**World class credit analytics** Early warning and credit scoring
Consider risks holistically Climate change, cyber, macro-economic	→	**Understand ESG impact** of customer's business

Multichannel Delivery:

- ✓ Web
- ✓ Mobile
- ✓ Excel add-in
- ✓ Third party platforms

1,400+ Asset Managers	**2,900+** Commercial Banks
2,300+ Corporations	**240+** Securities Dealers and Investment Banks
780+ Insurance Companies	**3,370+** Governments & Other Entities
300+ Real Estate Entities	

Note: Data as of September 30, 2020.

Newly Integrated Capabilities Help Customers Make Better Decisions

Leveraging interoperability to create new solutions

CUSTOMER NEEDS

Early warning tools to identify credit deterioration

Incorporating ESG and climate information to enhance understanding of credit

CAPABILITIES & DATA

- Credit Sentiment Score
- CreditEdge
- RiskCalc
- moodys.com
- VE
- Four Twenty Seven

NEW INTEGRATED SOLUTIONS

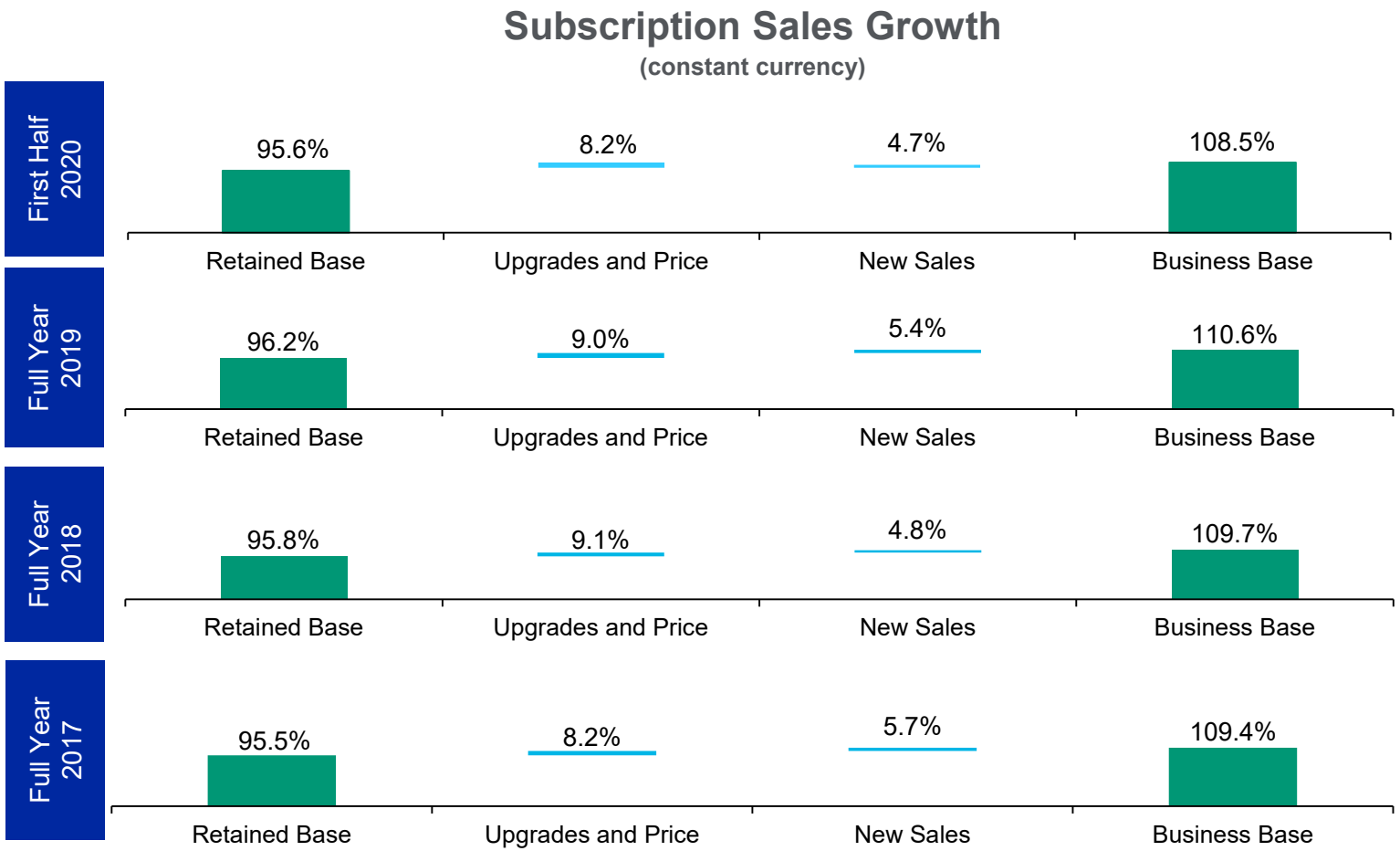


Credit Sentiment Score and AI powered news feed added to CreditEdge and RiskCalc solutions



CreditView users can access ESG and climate resources from affiliates VE and Four Twenty Seven

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 includes Reis and excludes Bureau van Dijk and ABS Suite. Upgrades reflect amendments to existing customer contracts. New Sales reflect new contracts with new and existing customers.

Bureau van Dijk Collects and Enhances Information to Deliver High Value Solutions

High Value Customer Solutions

KYC, compliance and financial crime

Conduct on-boarding and anti-money laundering research with extensive corporate structure and beneficial ownership data combined with information on politically exposed persons (PEPs), sanctions and adverse news.

Supplier risk and procurement

Increased demand to lower risk within the supply chain and for companies to have a better understanding of who they are doing business with. Moody's recently launched a Beta of the Know Your Supplier tool helping healthcare providers research PPE suppliers for criminal histories and negative media mentions.

Credit and financial risk

Assess customers, partners or suppliers using globally comparable financial strength metrics and standardized financial statements.

Corporate finance and M&A

Find targets/sellers, perform M&A/deal analysis and conduct due diligence using detailed deal and company data in a standardized format.

Transfer pricing

Find comparable companies and conduct peer analysis for tax compliance.

Business development

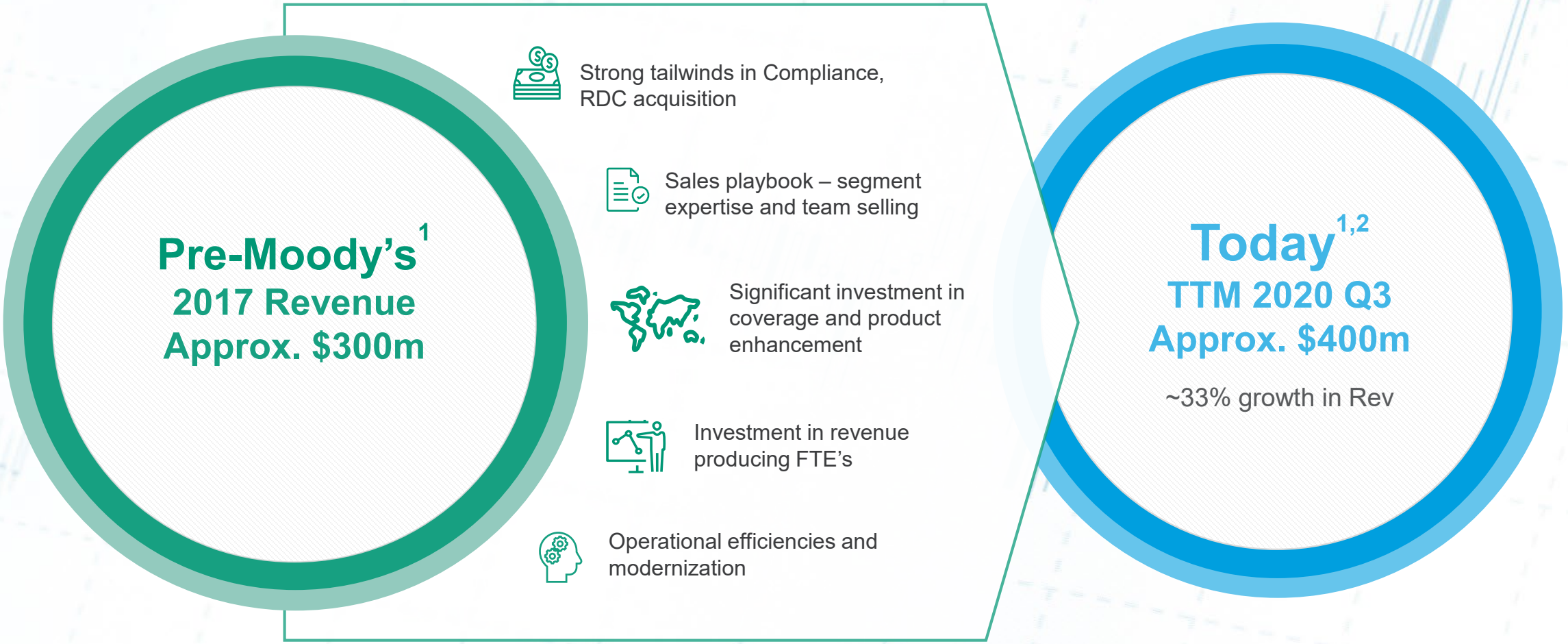
Improve efficiency of sales and marketing efforts by using Orbis data to enrich and refresh CRM systems, research new markets and improve customer targeting.

Data management

Combine multiple data sources into single entity views using unique identifiers and matching, de-duplication and data enhancement services.

BvD Acquisition – Growth Synergies Are Coming Through

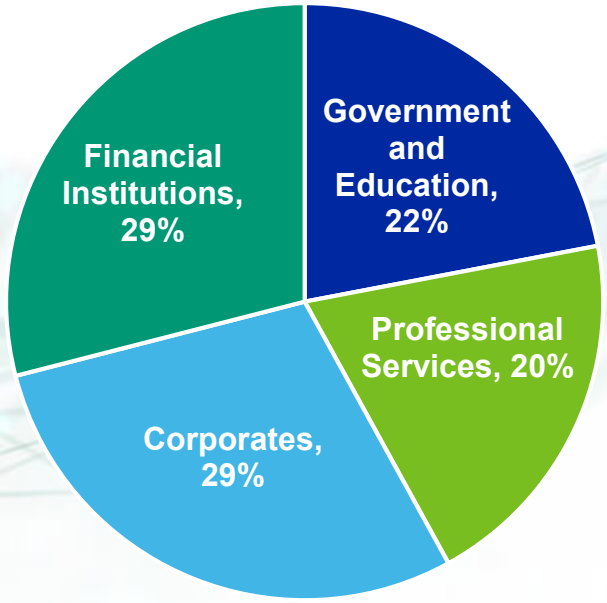
Leveraging Moody's financial stability and scale



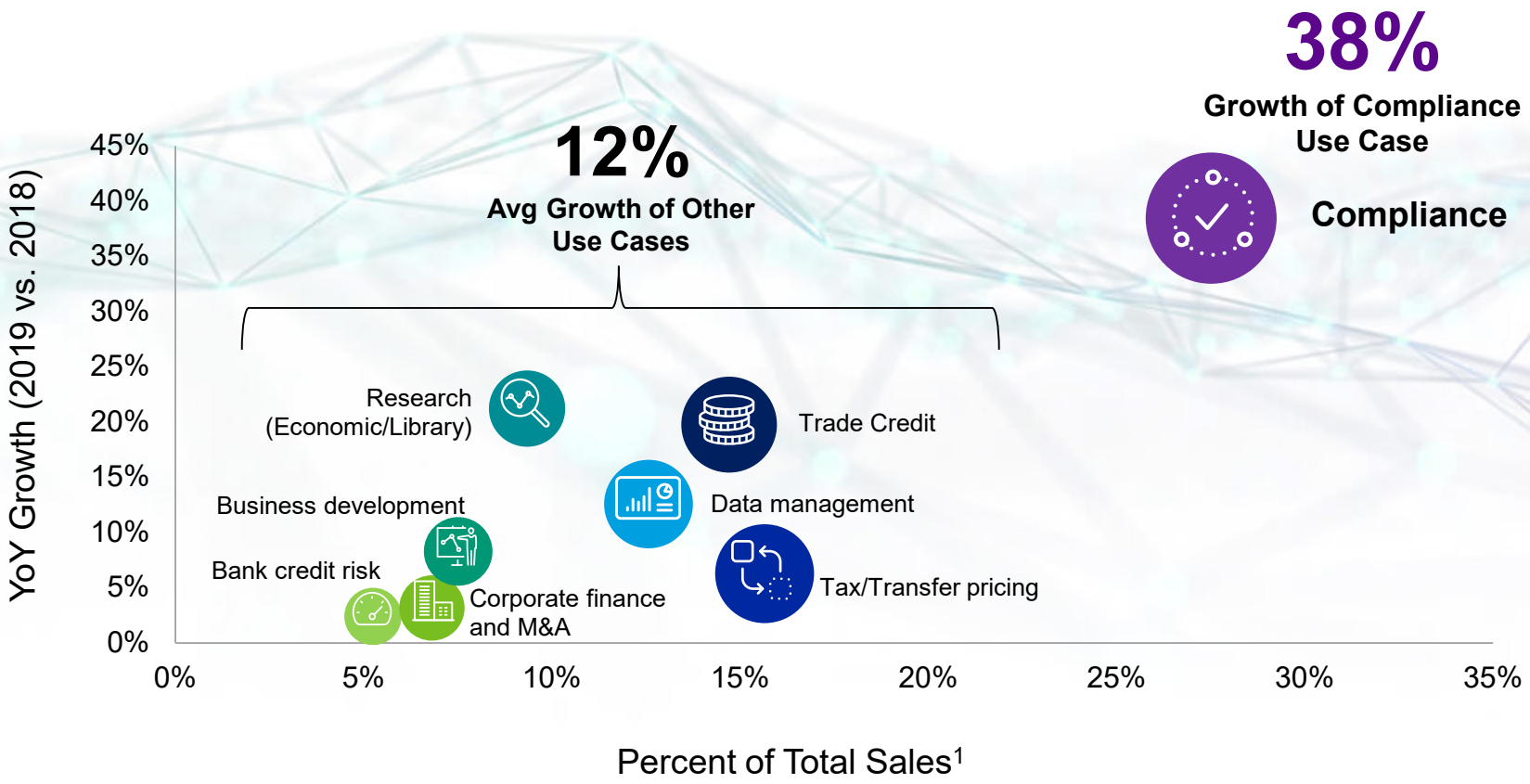
1. Excludes FACT.
2. Excludes RDC.

BvD: Diverse Client Base and Broad Range of Use Cases

BvD Customer Mix by industry[1]



Use Case Growth Rates



1. For full year 2019.
Source: Moody's Analytics.

BvD + RDC Makes Us a Leading Global Player in KYC

Improved accuracy and streamlined decisions

- Bureau van Dijk accelerating growth with Moody's: BvD post acquisition **revenue growth**[1] of **~16%** and **adjusted operating margin**[2] of **~52%**
- BvD + RDC creates a leading provider of data for compliance-related use cases
- The KYC space is a **$900M market with ~18% 5-yr CAGR**[3]
- **2019** pro forma combined **compliance product sales of ~$150M**[4]
  - Expect **combined sales to more than double by 2023**[5]
- Complementary assets:
  - RDC's Global Risk Information Database (GRID): over 12.7+ million profiles of risk-related organizations and individuals
  - Worldwide entity and ultimate ownership data from BvD's Orbis database and Compliance Catalyst tool

BvD

381M+
PUBLIC & PRIVATE ENTITIES

198M+
ACTIVE OWNERSHIP LINKS[6]

155M
BENEFICIAL OWNERSHIP[7]

RDC

12.7M+
RISK PROFILES

1,100
MONITORED LISTS

1.8M
POLITICALLY EXPOSED PEOPLE

1. 2019 revenue growth. 2018 revenue includes the impact of $17M of revenue reductions relating to previous adjustments to deferred revenue recorded as part of acquisition accounting.
2. Direct adjusted operating margin for Bureau van Dijk for full year 2019. Excludes the allocation of corporate overhead expenses.
3. Source: Burton-Taylor, "AML/KYC Data & Services Global Sizing 2019", November 2019; Moody's Analytics estimates.
4. Pro forma estimate assuming RDC owned for full year 2019.
5. Guidance as of February 12, 2020.
6. As of October 15, 2020.
7. Beneficial owner is any individual or individuals who ultimately own or control an entity. Beneficial ownership calculated based on ownership links: 5% threshold at all levels. As of September 30, 2020.

ERS Empowers Customers' Success With Analytics

Technology with a purpose – Enabling better, faster decisions

Our business solutions

Accounting

Impairments, IFRS-17

Balance sheet management

Portfolio, valuation and ALM[1]

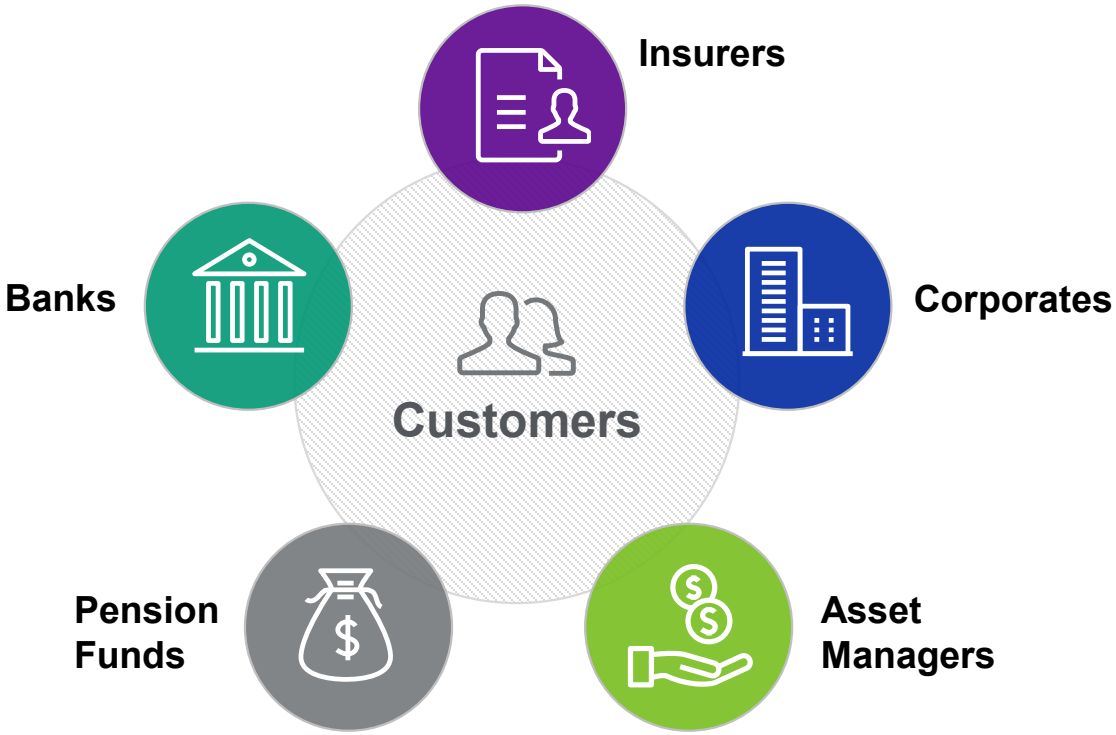
Credit decisioning & lending

Credit modeling, scoring and spreading

RegTech

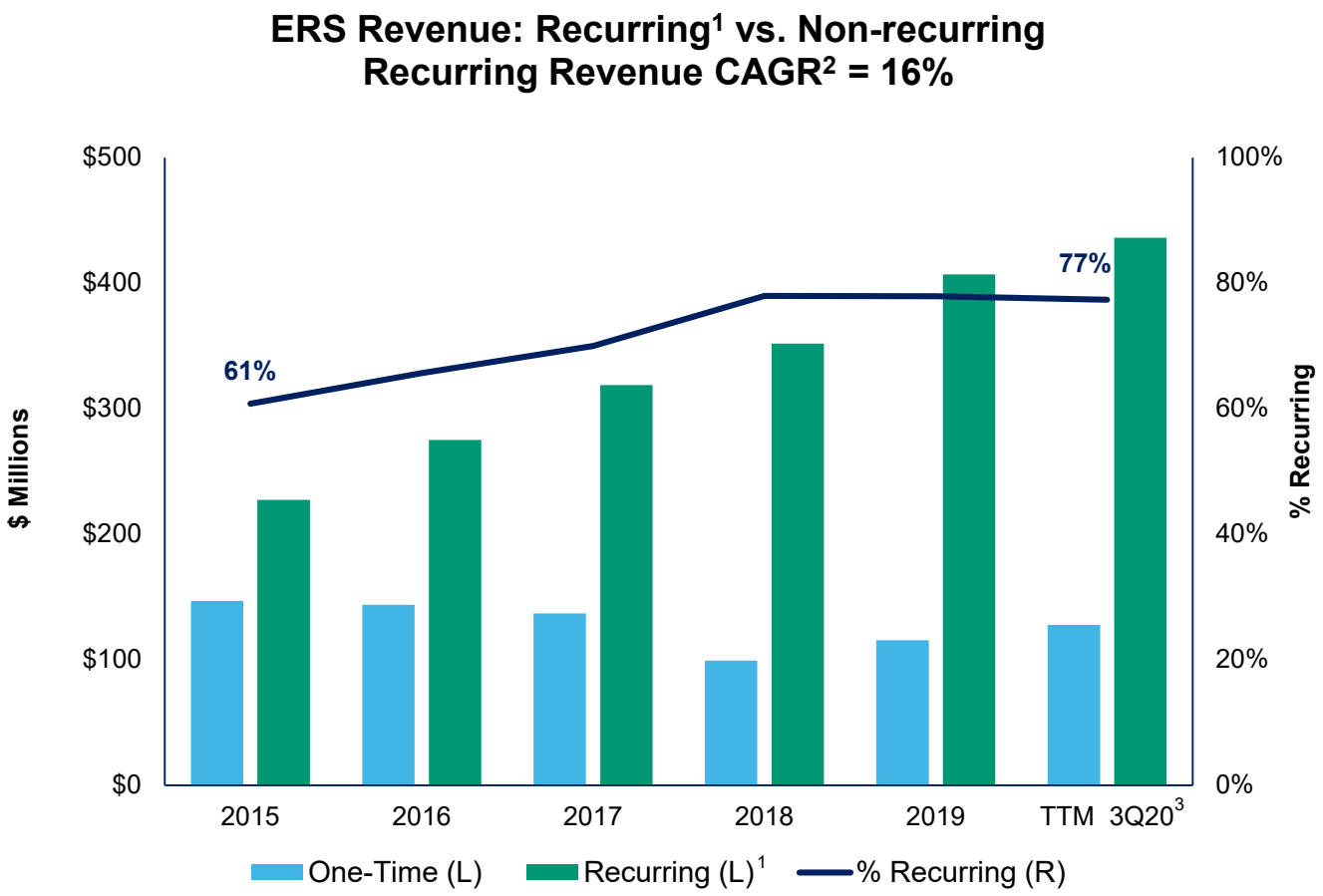
Regulatory reporting

Our customers



1. Asset and liability management.

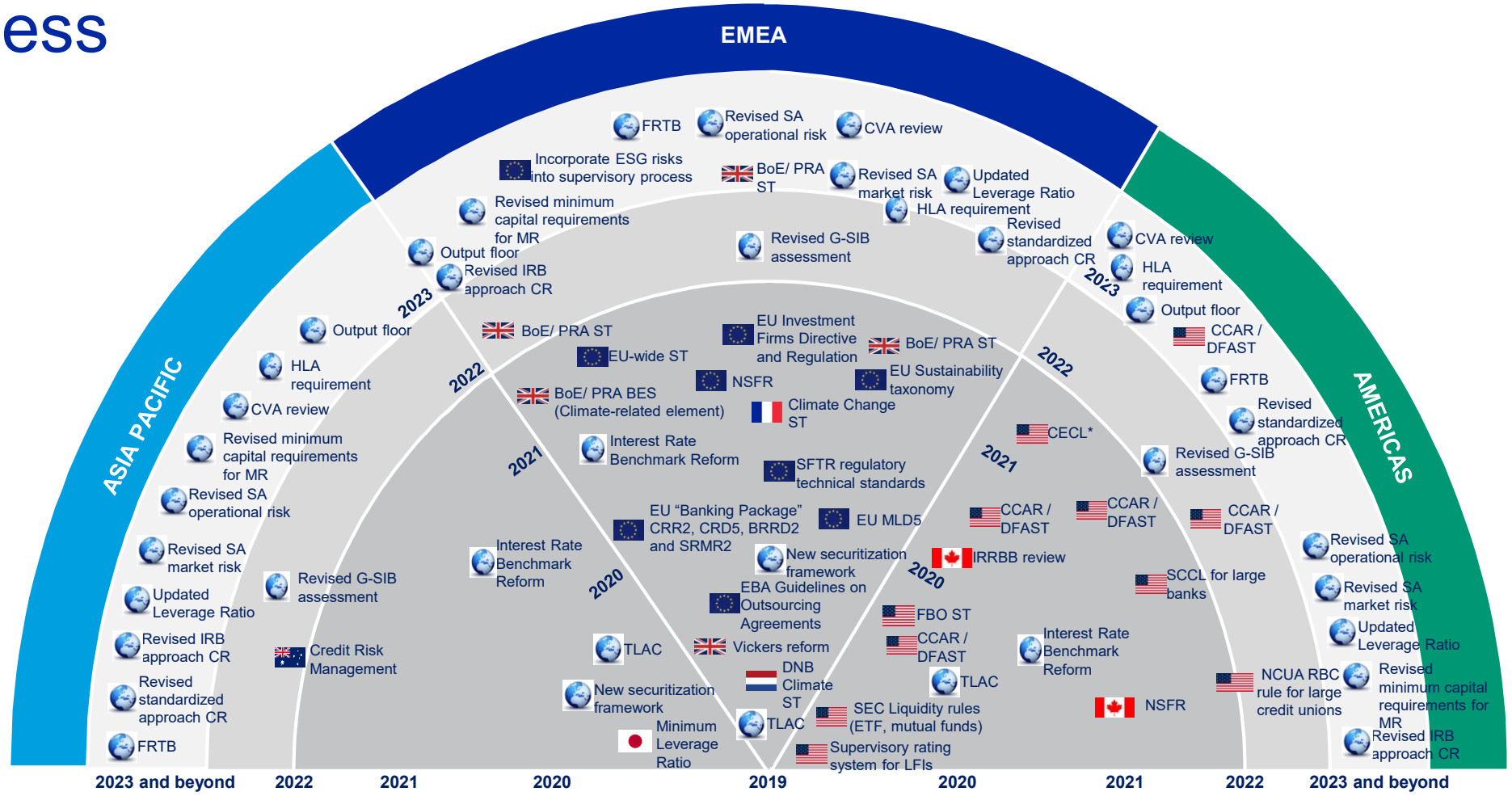
ERS: Recurring ~80% of Revenue with Mid-teens CAGR



- ERS recurring revenue has grown by approximately $200 million since 2015
- Emphasis on subscription products supports scalability, drives operating leverage and margin
- Ease of use and lower cost of ownership shifting customer demand to SaaS
- Next gen products enhance customer experience, improve adoption rates and shorten sales cycles
- TTM[3] revenue as of 3Q 2020:
  - Subscriptions (recurring)[4] +12%
  - One-time (non-recurring) +19%

1. Recurring revenue includes maintenance and subscription.
2. Compound Annual Growth Rate, 2015-2019.
3. Trailing twelve months ended September 30, 2020.
4. Subscriptions / recurring revenue include maintenance. Excluding maintenance, TTM subscription / recurring revenue would be +16%.

Global Regulatory and Accounting Drivers for the ERS Business



* Regulation has been delayed/ cancelled to allow banks to focus their resources on navigating the coronavirus pandemic (the **FED** has implemented a transition rule that provides a two-years delay period to eligible institutions, followed by a three-year transition period (the pre-existing 2020 CECL transition period))

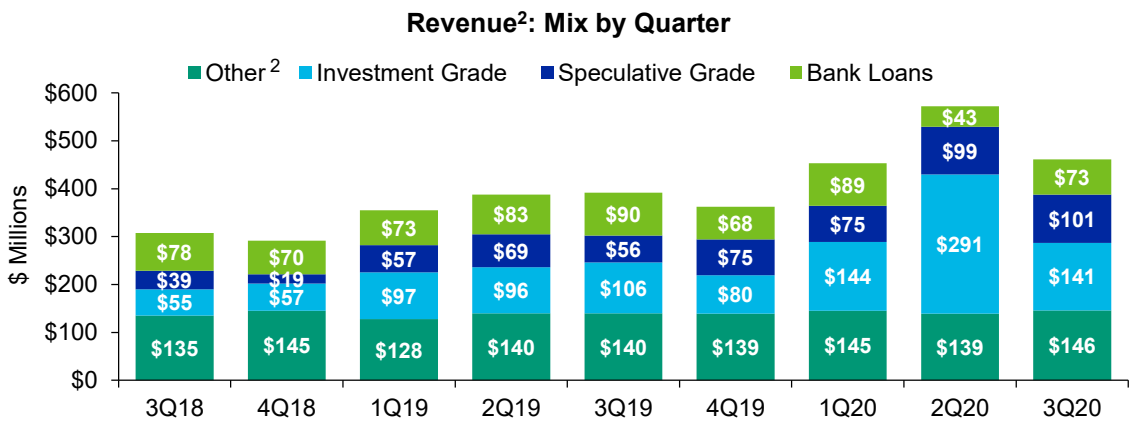
Pandemic related delays noted in last quarters report; OSFI NSFR; FED SCCL; EBA CRD 5, CRR 2 and BRRD 2

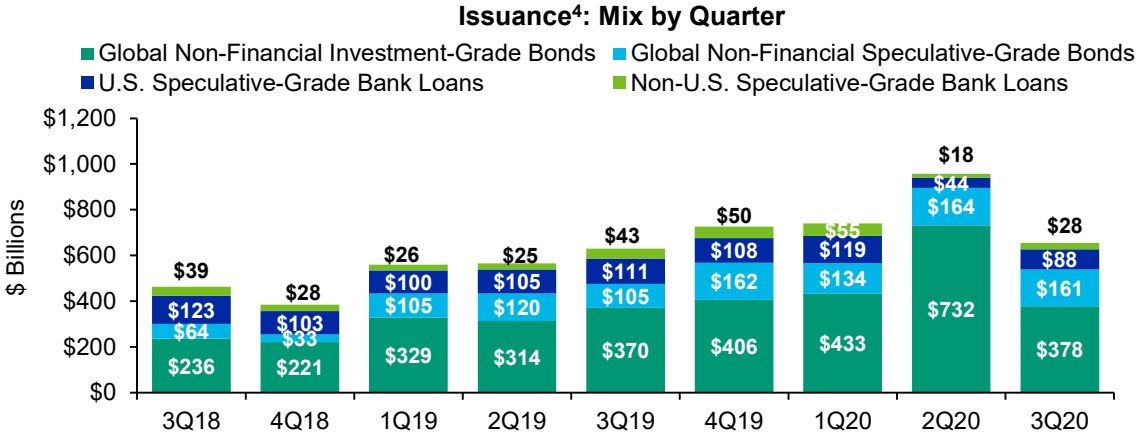
Source: Moody's Analytics market research as of October 2020.

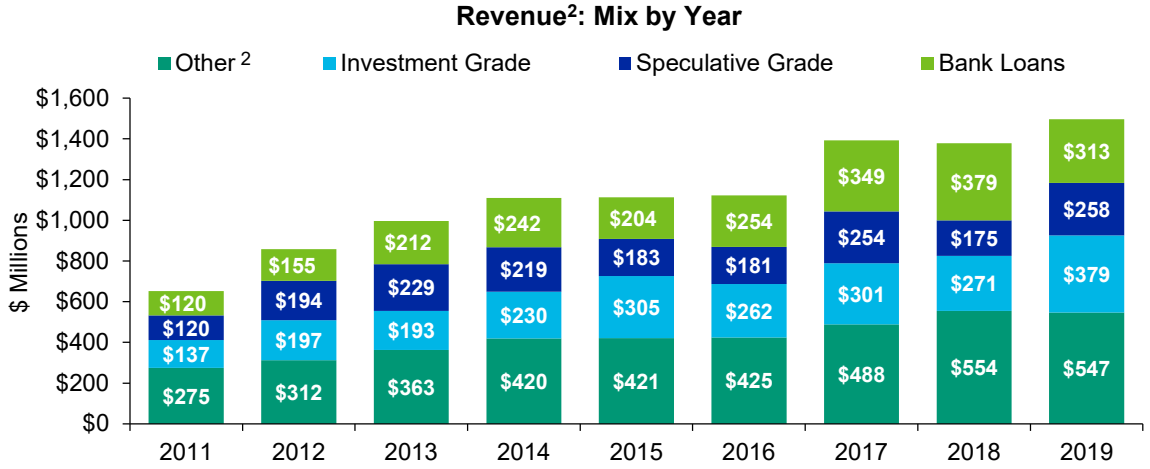
6

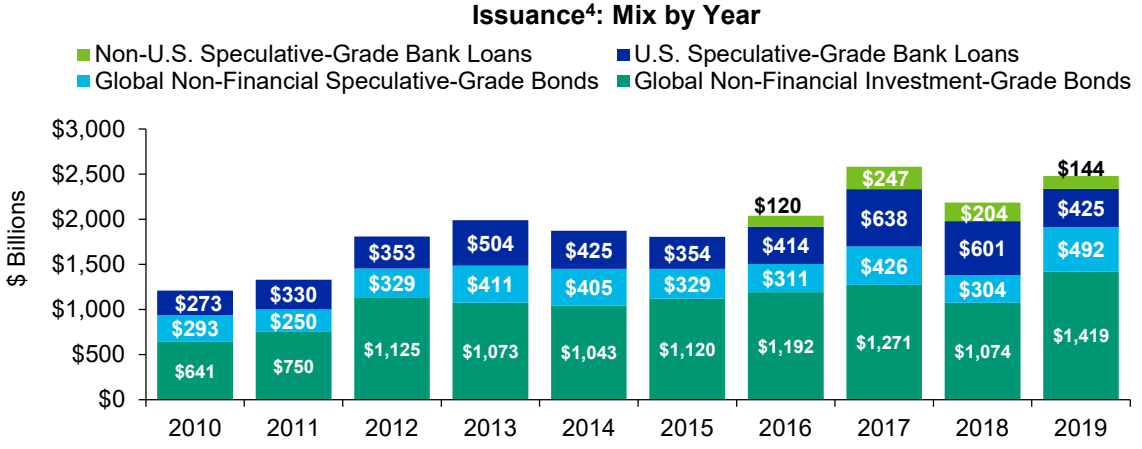
Appendix

Corporate Finance: Revenue and Issuance[1]





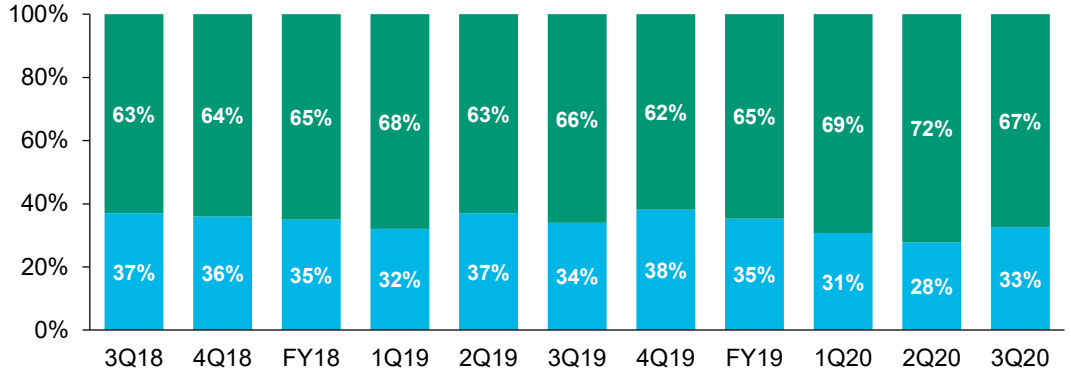




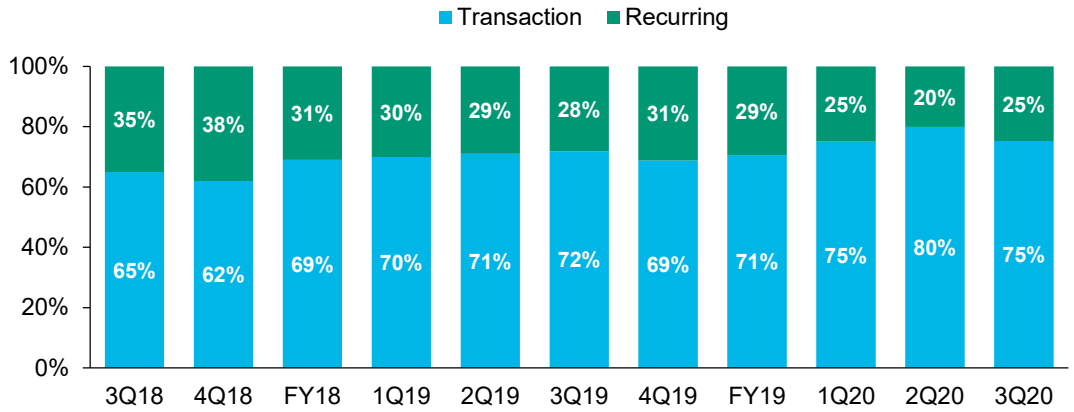
1. Total estimated market issuance unless otherwise noted.
2. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected starting from 1Q 2018.
3. Other includes: monitoring, commercial paper, medium term notes, and ICRA.
4. 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

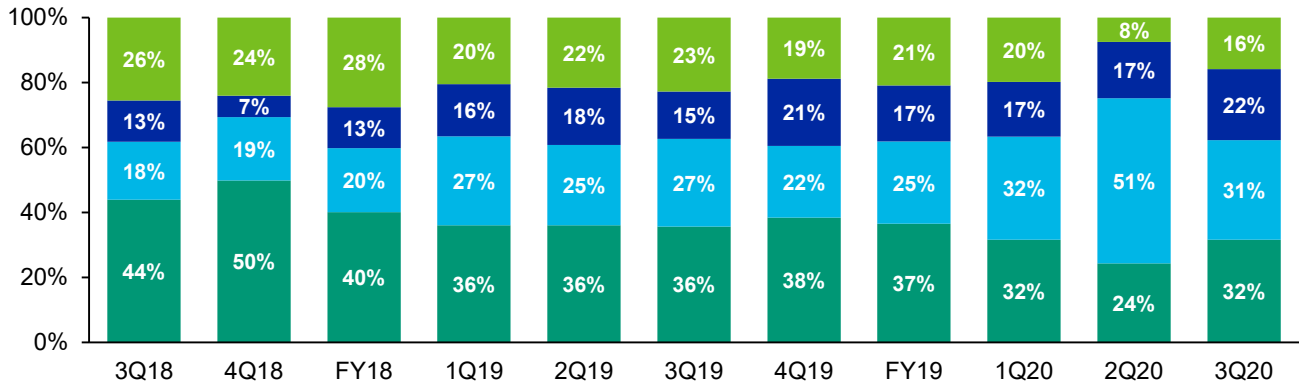
Revenue[1]: Distribution by Geography



Revenue[1]: Distribution by Recurring vs. Transaction



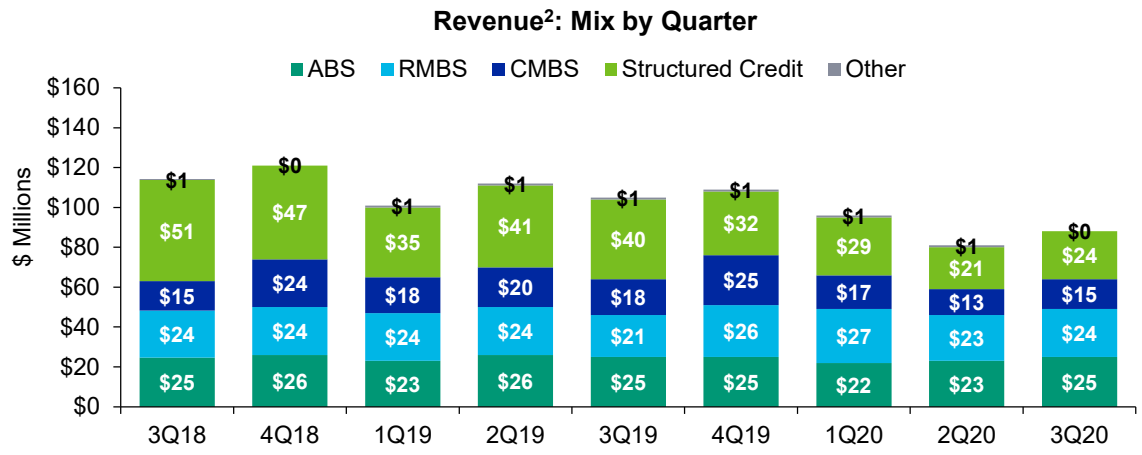
Revenue[1]: Distribution by Product

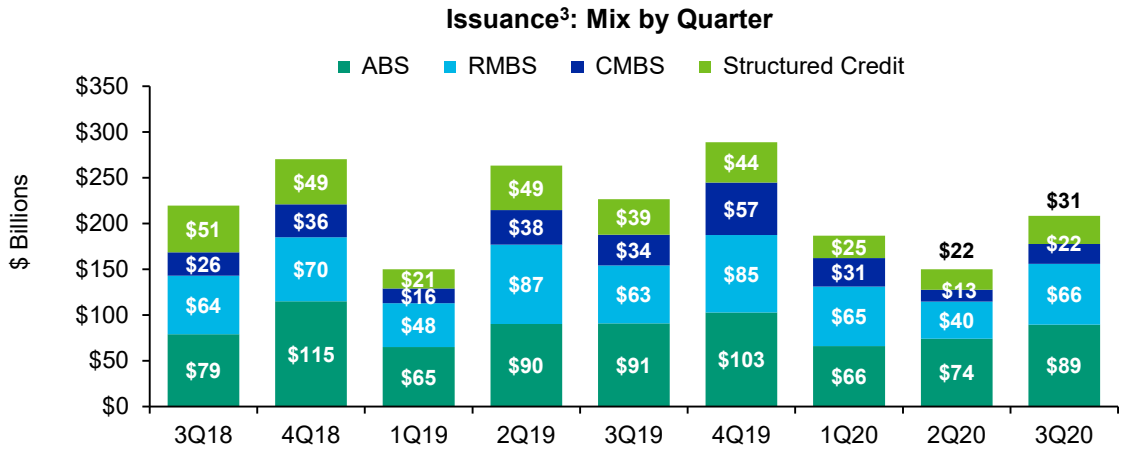


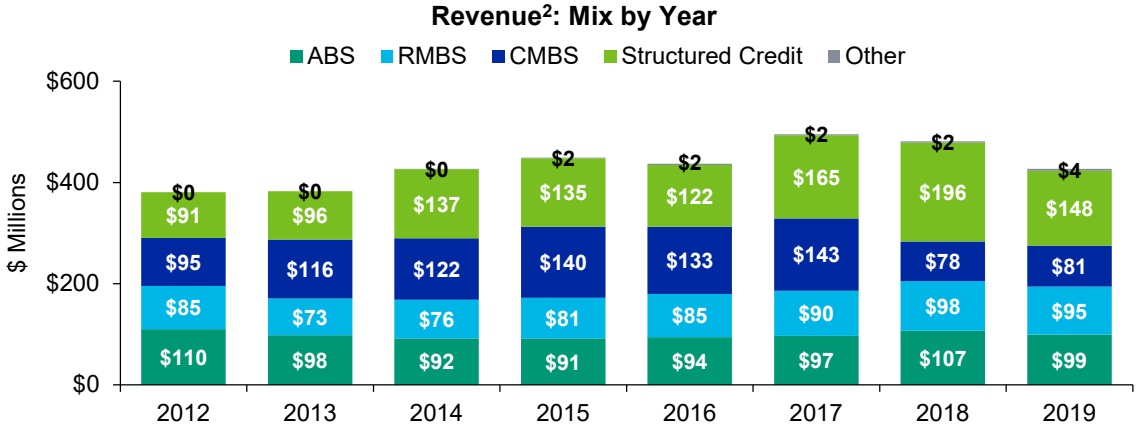
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs from Corporate Finance to Structured Finance is reflected starting from 1Q 2018.
2. Other includes: monitoring, commercial paper, medium term notes, and ICRA.

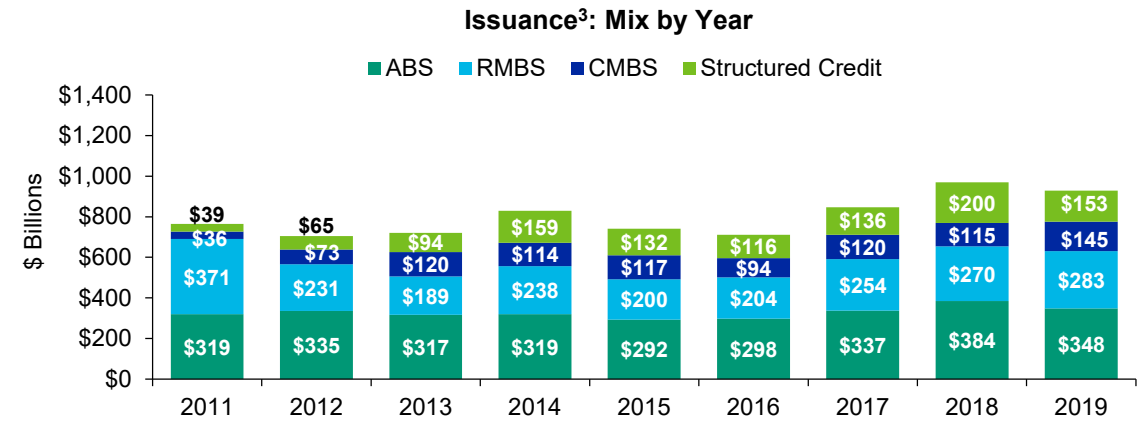
Note: Percentages have been rounded and may not total to 100%.

Structured Finance: Revenue and Issuance[1]







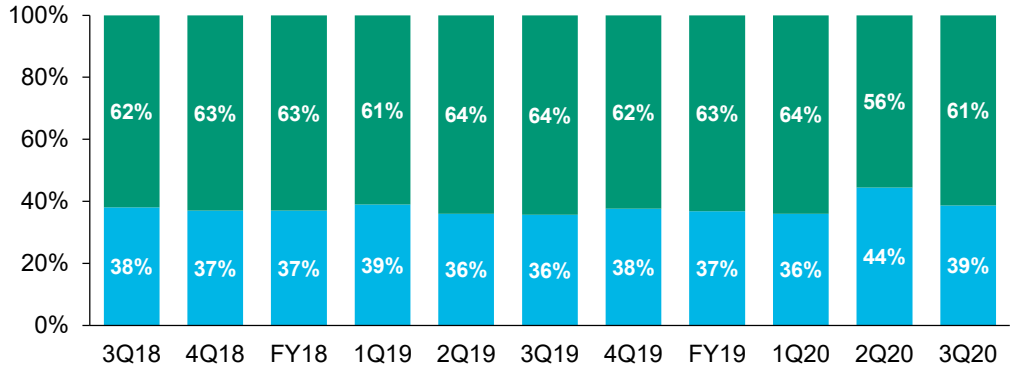


1. Total estimated market issuance unless otherwise noted.
2. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected starting from 1Q 2018.
3. Sources: AB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

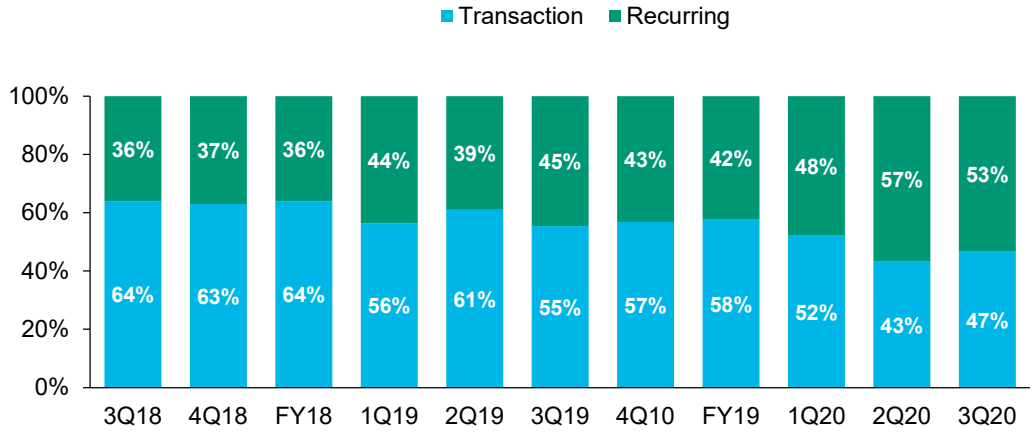
Notes: ABS (Asset Backed Securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (Residential Mortgage Backed Securitization) includes covered bonds. CMBS includes commercial mortgage-backed securities and commercial real estate CDOs. Structured Credit includes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

Structured Finance: Revenue Diversification

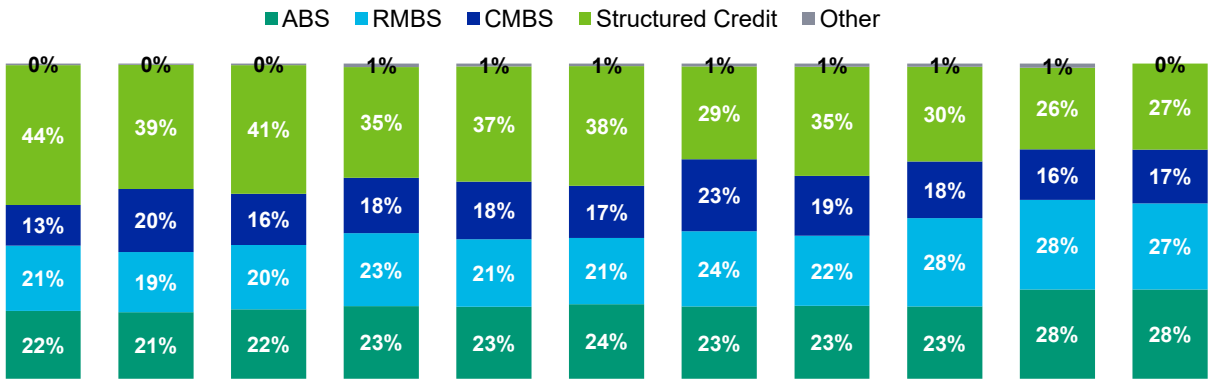
Revenue[1]: Distribution by Geography



Revenue[1]: Distribution by Recurring vs. Transaction



Revenue[1]: Distribution by Product



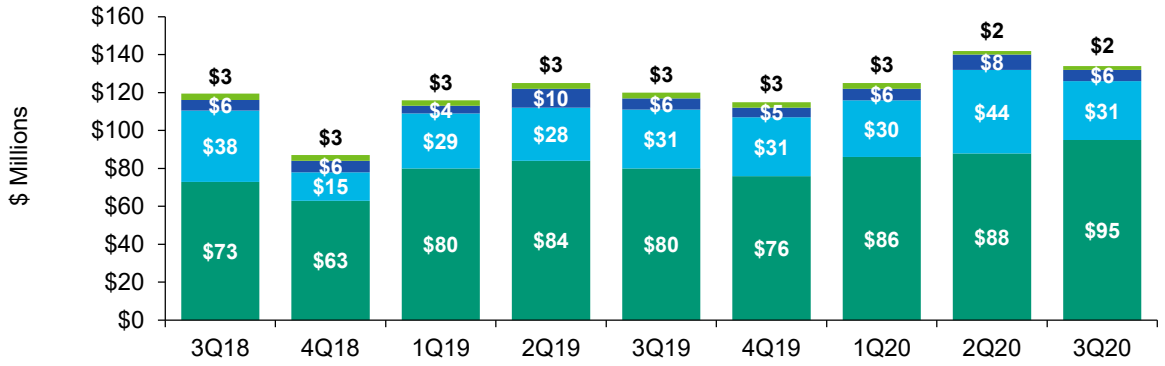
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected starting from 1Q 2018.

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.

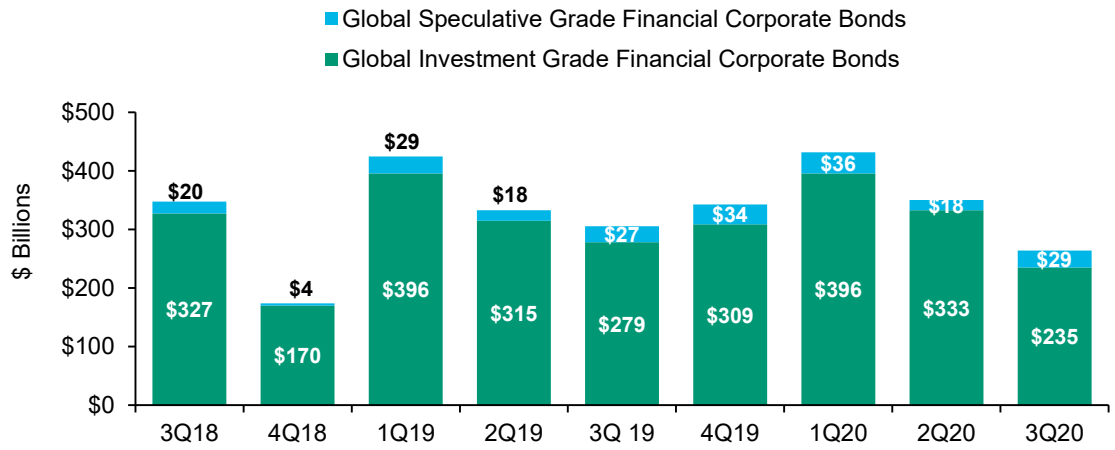
Percentages have been rounded and may not total to 100%.

Financial Institutions: Revenue and Issuance[1]

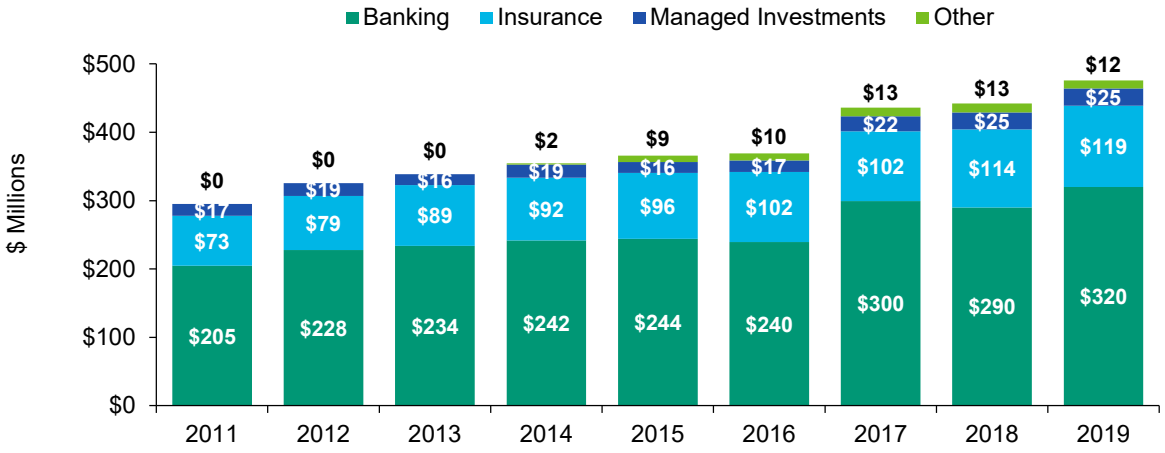
Revenue[2]: Mix by Quarter



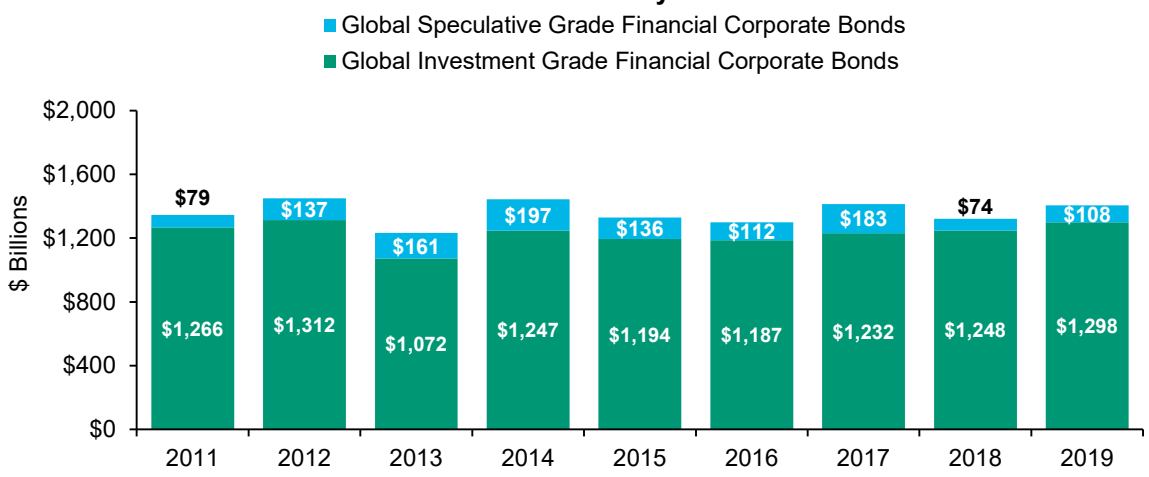
Issuance[3]: Mix by Quarter



Revenue[2]: Mix by Year



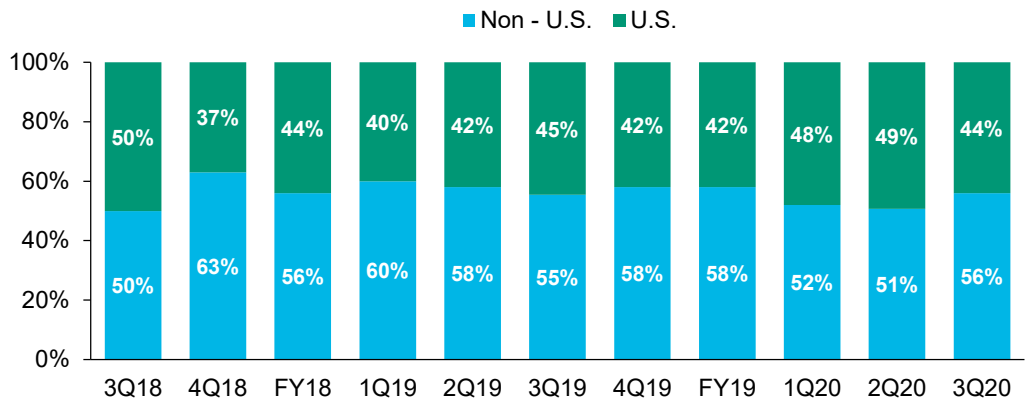
Issuance[3]: Mix by Year



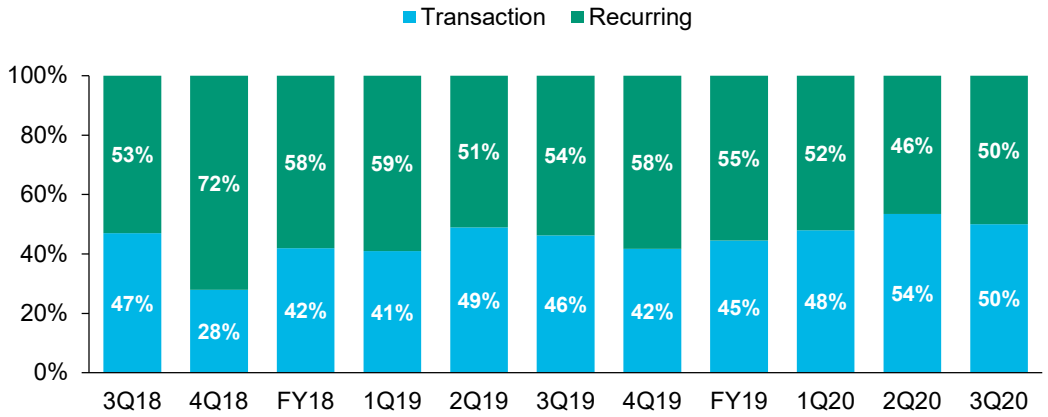
1. Total estimated market issuance unless otherwise noted.
2. Historical data has been adjusted to conform with current information and excludes intercompany revenue.
3. Sources: Moody's Analytics, Dealogic. Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

Financial Institutions: Revenue Diversification

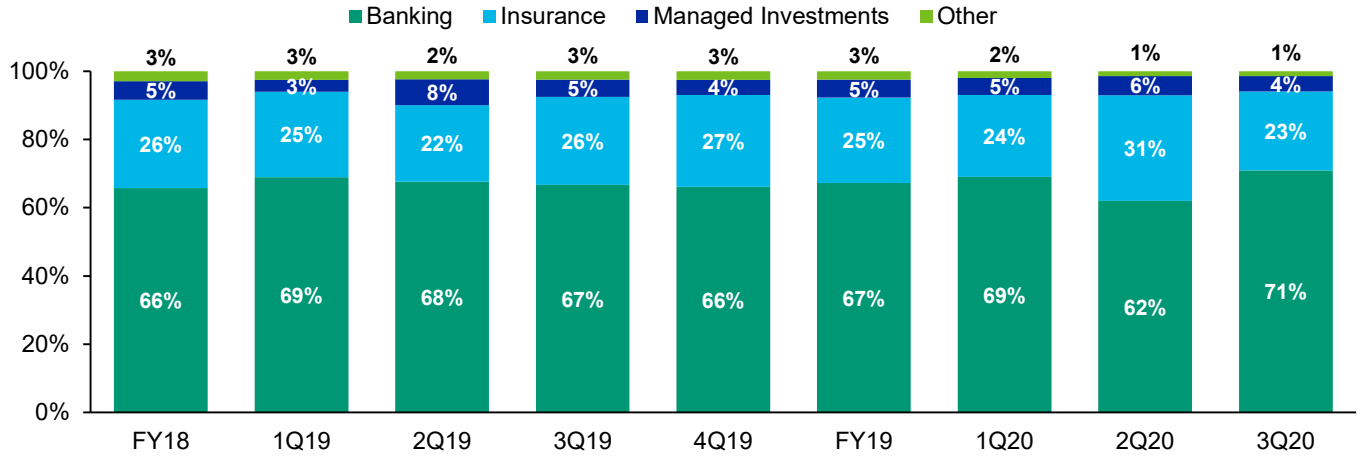
Revenue[1]: Distribution by Geography



Revenue[1]: Distribution by Recurring vs. Transaction



Revenue[1]: Distribution by Product

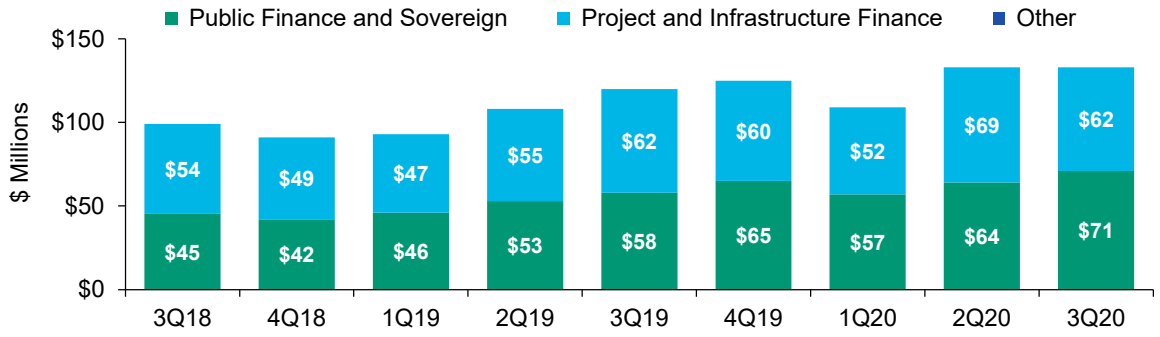


1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.

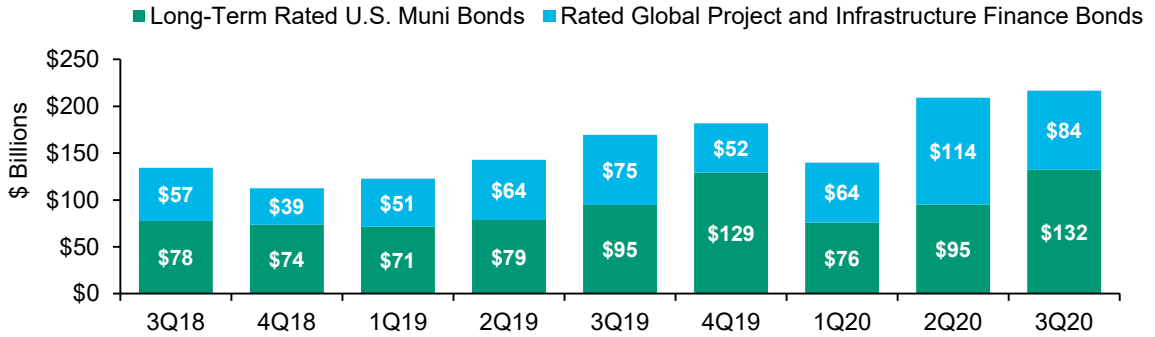
Note: Percentages have been rounded and may not total to 100%.

Public, Project and Infrastructure: Revenue and Issuance[1]

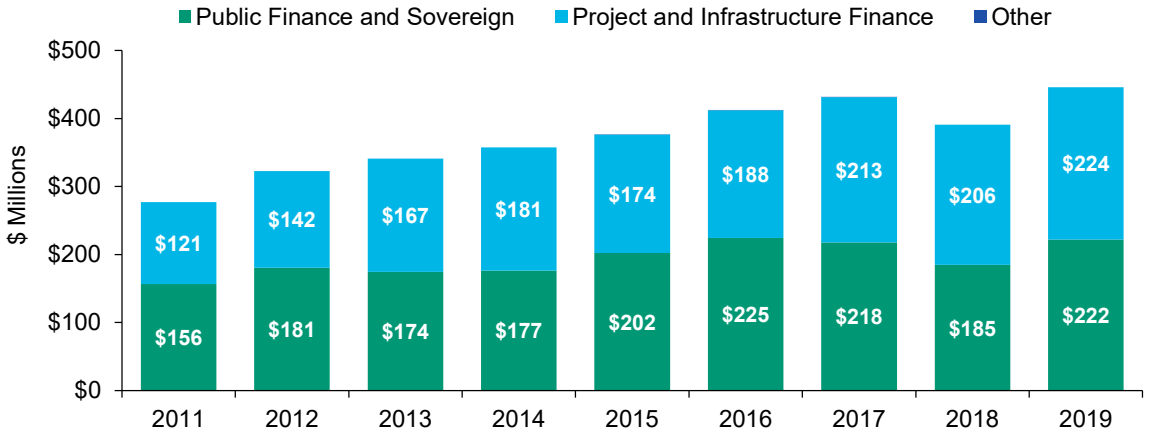
Revenue[2]: Mix by Quarter



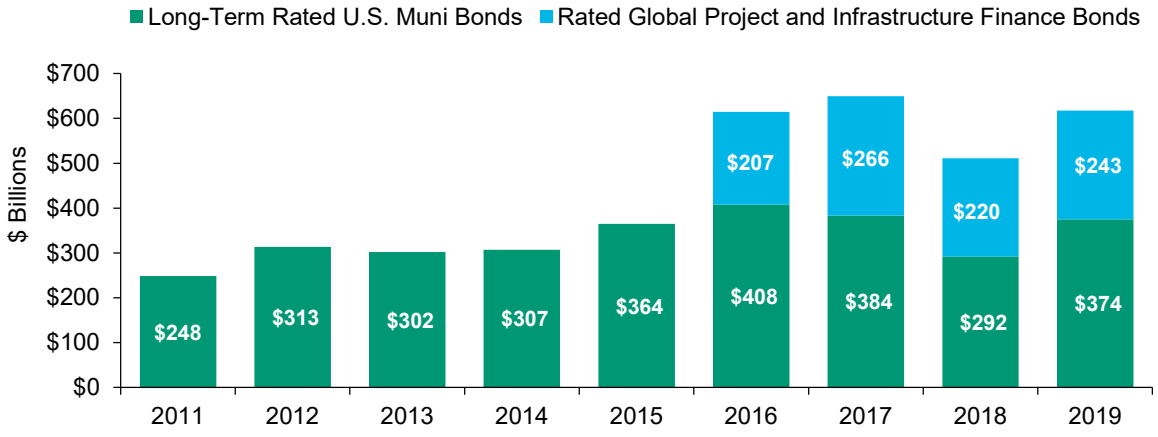
Issuance[3]: Mix by Quarter



Revenue[2]: Mix by Year



Issuance[3]: Mix by Year

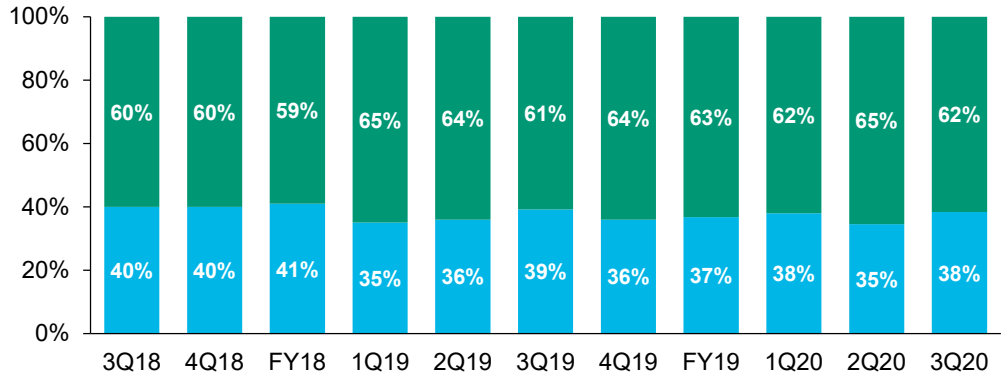


1. Total estimated market issuance unless otherwise noted.
2. Historical data has been adjusted to conform with current information and excludes intercompany revenue.
3. Global Rated Project & Infrastructure Finance available starting in 2016 and represents Moody's rated issuance.

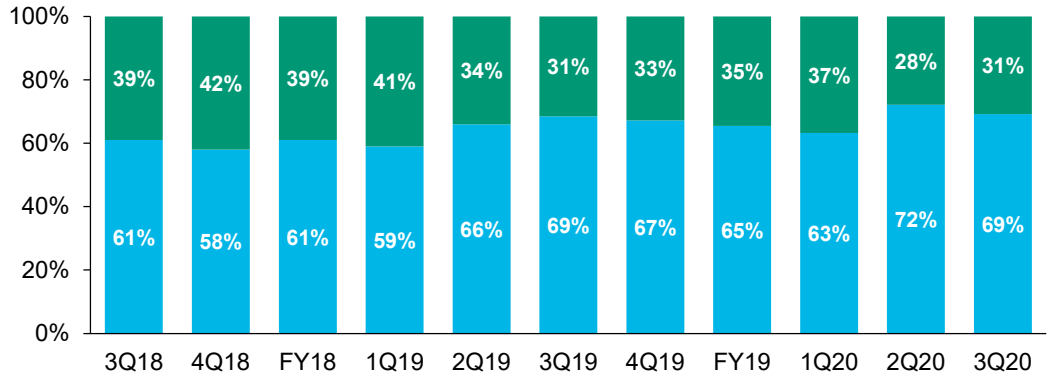
Sources: Thomson SDC, Moody's Corporation. Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

Public, Project and Infrastructure: Revenue Diversification

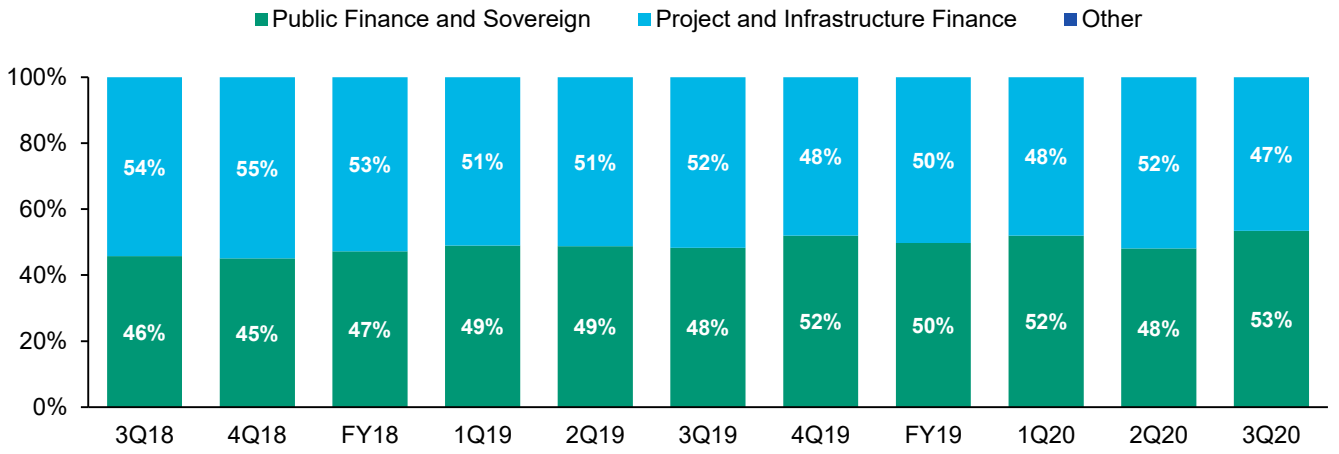
Revenue[1]: Distribution by Geography



Revenue[1]: Distribution by Recurring vs. Transaction



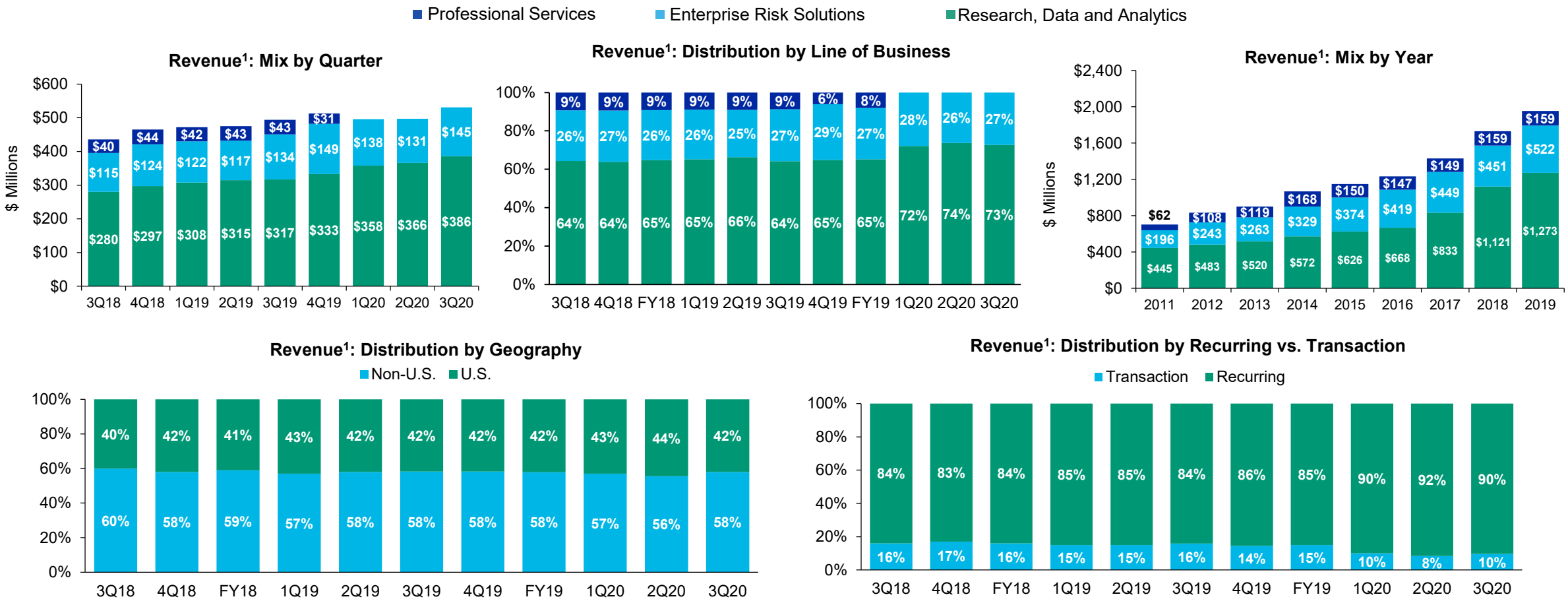
Revenue[1]: Distribution by Product



1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.

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

Moody's Analytics: Financial Overview

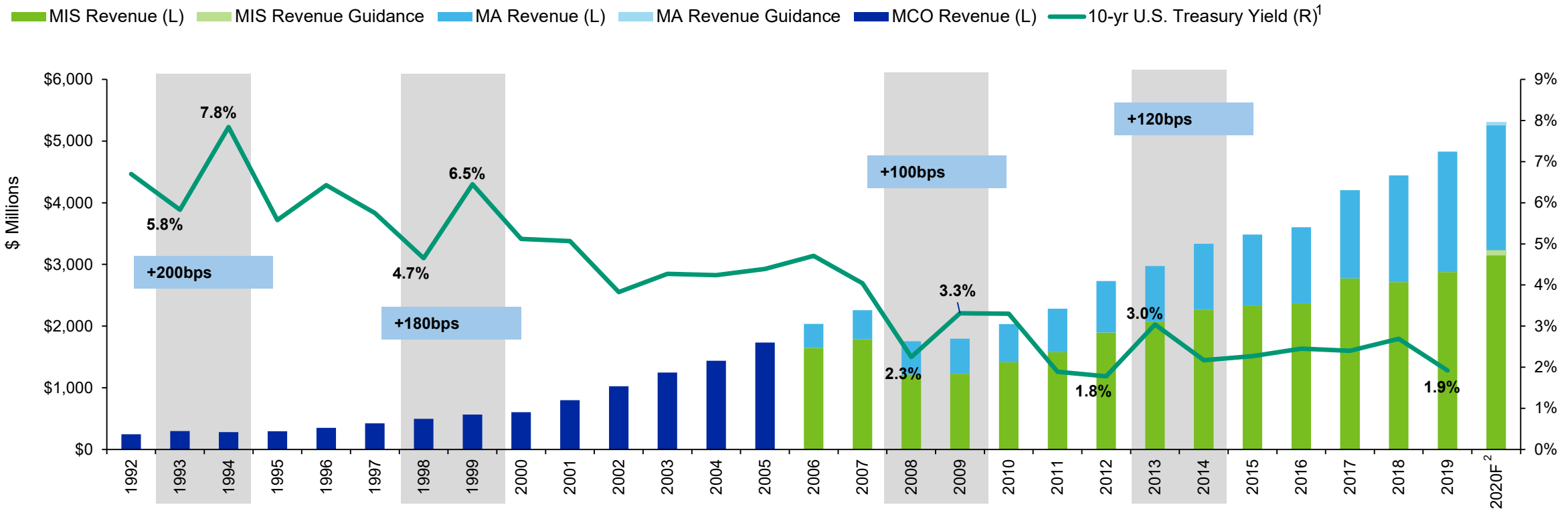


1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. Research, Data and Analytics includes Bureau van Dijk revenue beginning from the acquisition close date, August 10, 2017. The revenue reclassification of the FACT product from RD&A to ERS is reflected starting from 1Q 2018. 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.

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

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

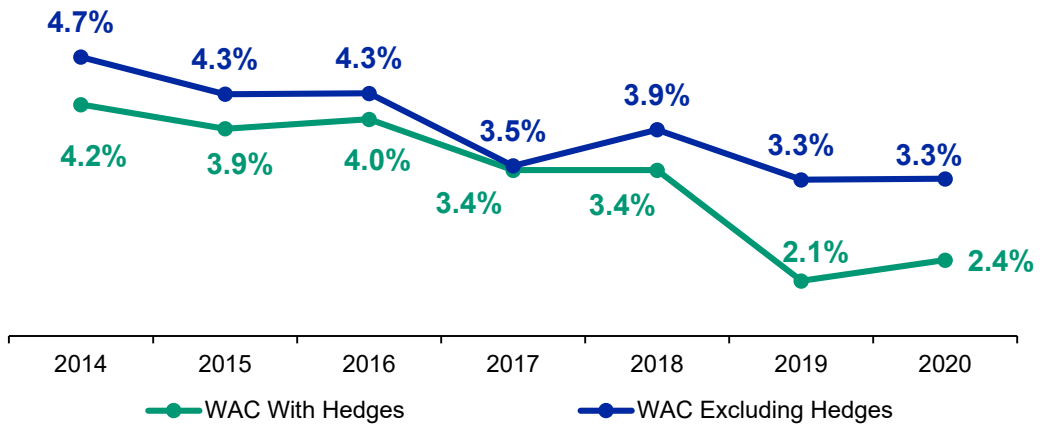
MCO Revenue and Interest Rates



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 October 29, 2020.
Source: www.treasury.gov.

Proactive Capital and Liquidity Management

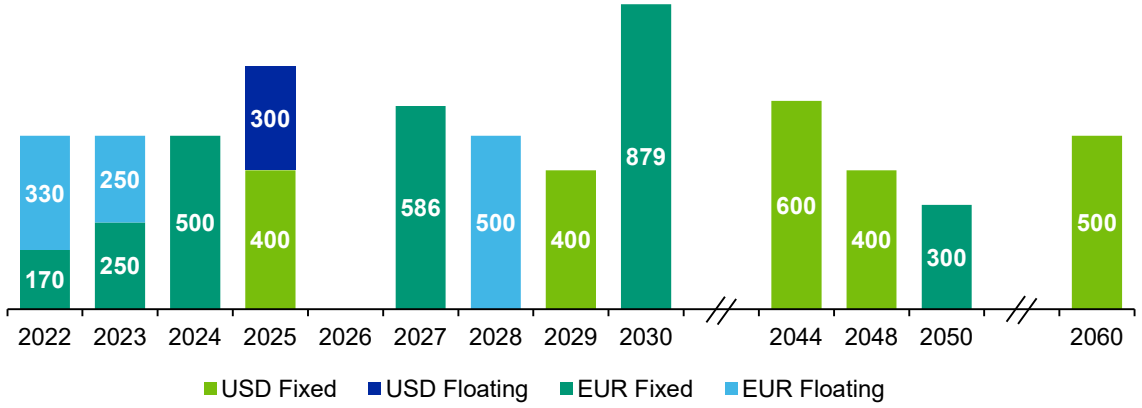
Bond portfolio WAC[1]



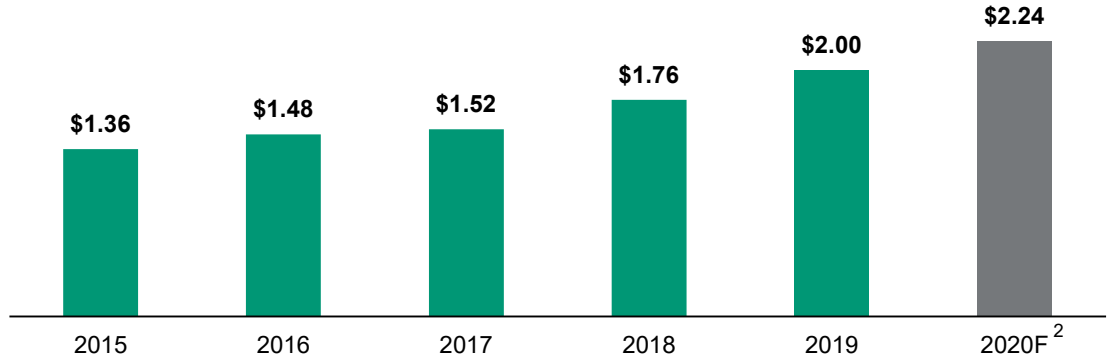
- Strong liquidity with $2.6B in cash and short-term investments, and a $1.0B revolving credit facility[2]
- 1.4x net debt to adjusted operating income[3]
- Leverage well below maximum 4.5x net debt/EBITDA covenant[4]

Balanced maturity schedule[5]

$ in millions

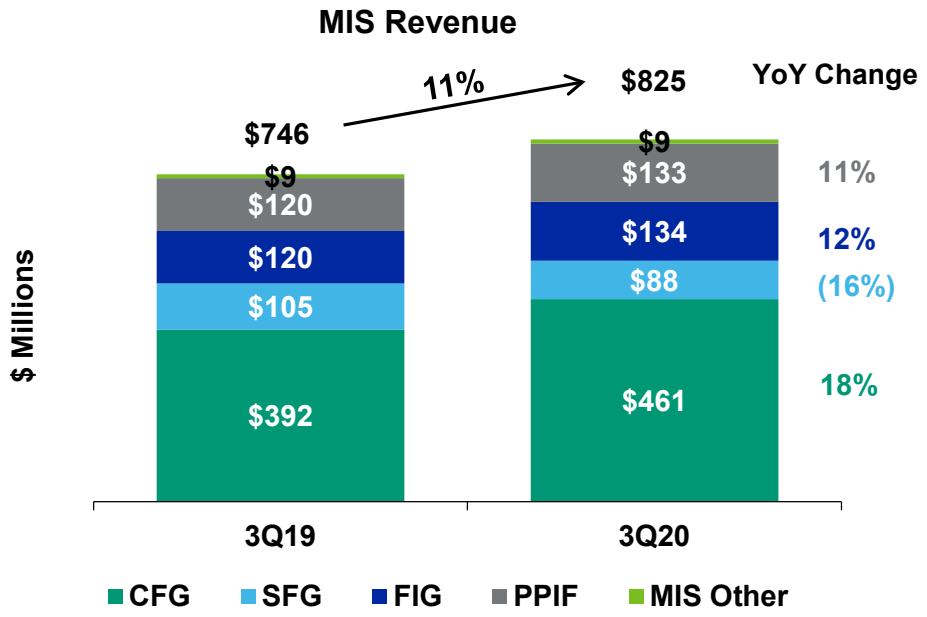


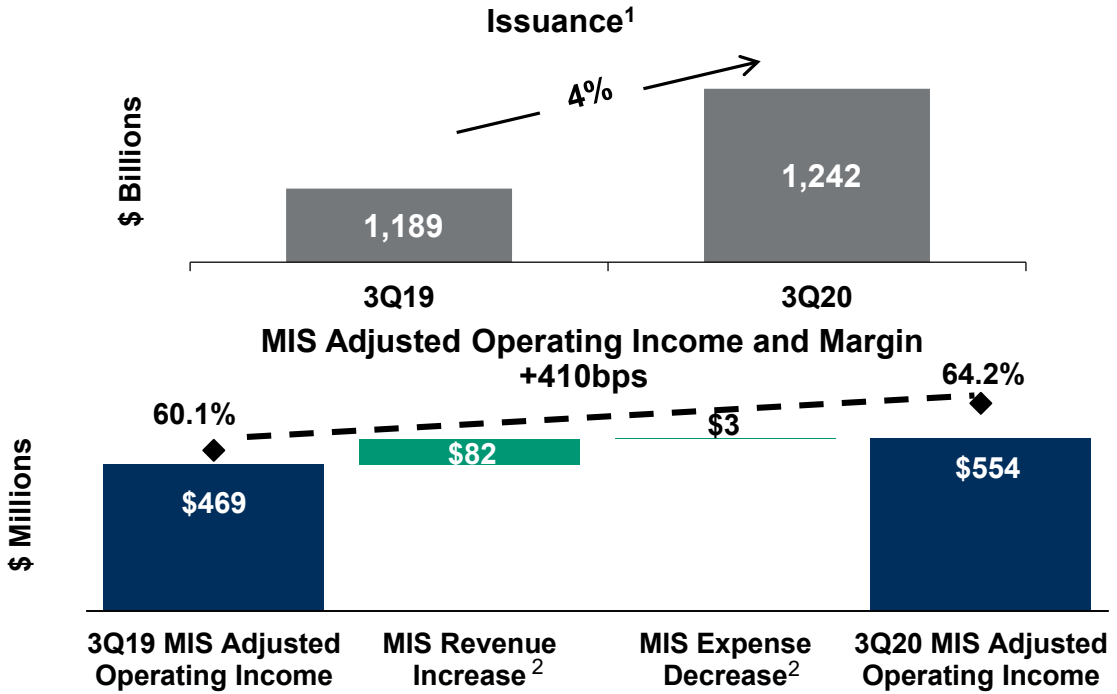
Annualized Dividend Per Share



1. WAC = Weighted Average Coupon. 2014-2019 data as of year-end. 2020 data as of September 30, 2020.
2. As of September 30, 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 September 30, 2020.

MIS 3Q 2020: Favorable Revenue Mix

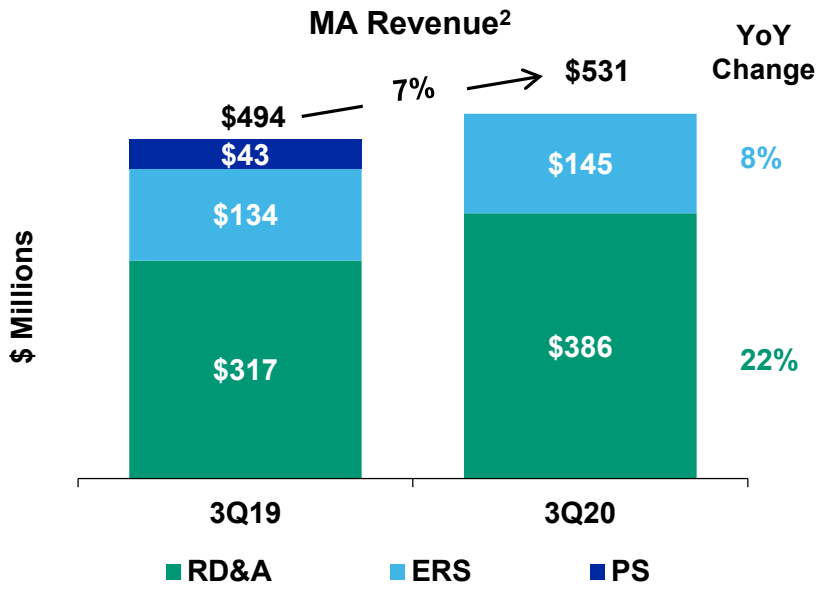


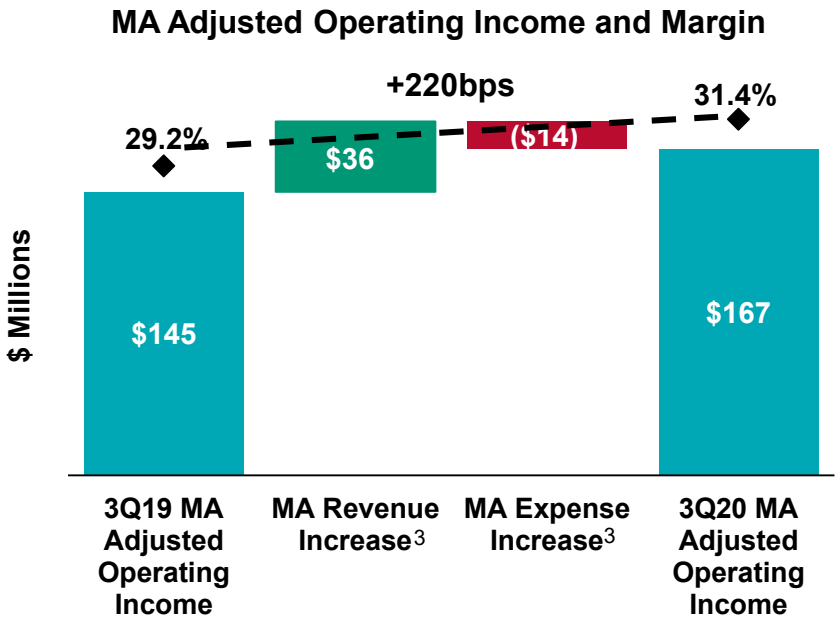


- CFG: Opportunistic refinancing, liquidity driven issuance and speculative grade strength contributed to favorable mix
- FIG: Revenue growth on active participation from infrequent issuers
- SFG: Slightly improved, but remains weak overall due to preference for fixed rate instruments
- Stronger than expected first time mandates YTD: ~540
- Revenue growth and accompanying expense discipline drove 410 bps increase in adjusted operating margin

1. MIS rated issuance, excludes sovereign debt issuance.
2. Includes intercompany revenue and expenses. Changes in expenses include the impact of adjusting items.

MA 3Q 2020: 8%[1] Organic Constant Currency Revenue Growth





- MA revenue grew 8%, excluding the impact of divestiture, acquisitions and FX[1]
  - RD&A: Driven by KYC and compliance solutions, research and data feeds
  - ERS: Growth from credit assessment and origination solutions, as well as insurance products

- Year-over-year margin expansion enabled by:
  - Scalable top-line growth generating operating leverage
  - Continued savings from reduced marketing, travel and entertainment expenses

1. MA organic constant currency growth as defined in the reconciliation tables in the Appendix.
2. Subsequent to the divestiture of MAKS in 2019, revenue from the Moody's Analytics Learning Solutions ("MALS") unit that was reported in the Professional Services line of business ("LOB") is now being reported as part of the RD&A LOB. Prior periods have not been reclassified as the amounts were not material.
3. Includes intercompany revenue and expenses. Changes in expenses include the impact of adjusting items.

Drivers of Sustainable Corporate Value

Introduced Sustainability Disclosures in our Public Filings

ENVIRONMENTAL

- Focused on reducing greenhouse gas emissions with science-based targets[1] on our path to net-zero
- Committed to remaining carbon neutral on an annual basis and retroactively since September 2000[2]
- Expansion of ESG products and services
- CDP[3] participation
- Procuring 100% renewable electricity

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



GOVERNANCE

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

Executive compensation metrics include[4]:

- Moody's Corporation EPS and operating income
- MIS operating income and ratings performance
- MA operating income and sales
- Strategic & operational[5]

1. The Science Based Targets initiative is a collaboration between CDP, UNGC, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF), that is seeking to reduce corporate GHG emissions.
2. To be completed by 2040 through the purchase of verified carbon offsets.
3. Carbon Disclosure Project.
4. 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.
5. 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) business focus and innovation and growth; (ii) people and culture; (iii) operating effectiveness and efficiency; and (iv) quality and risk management.

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

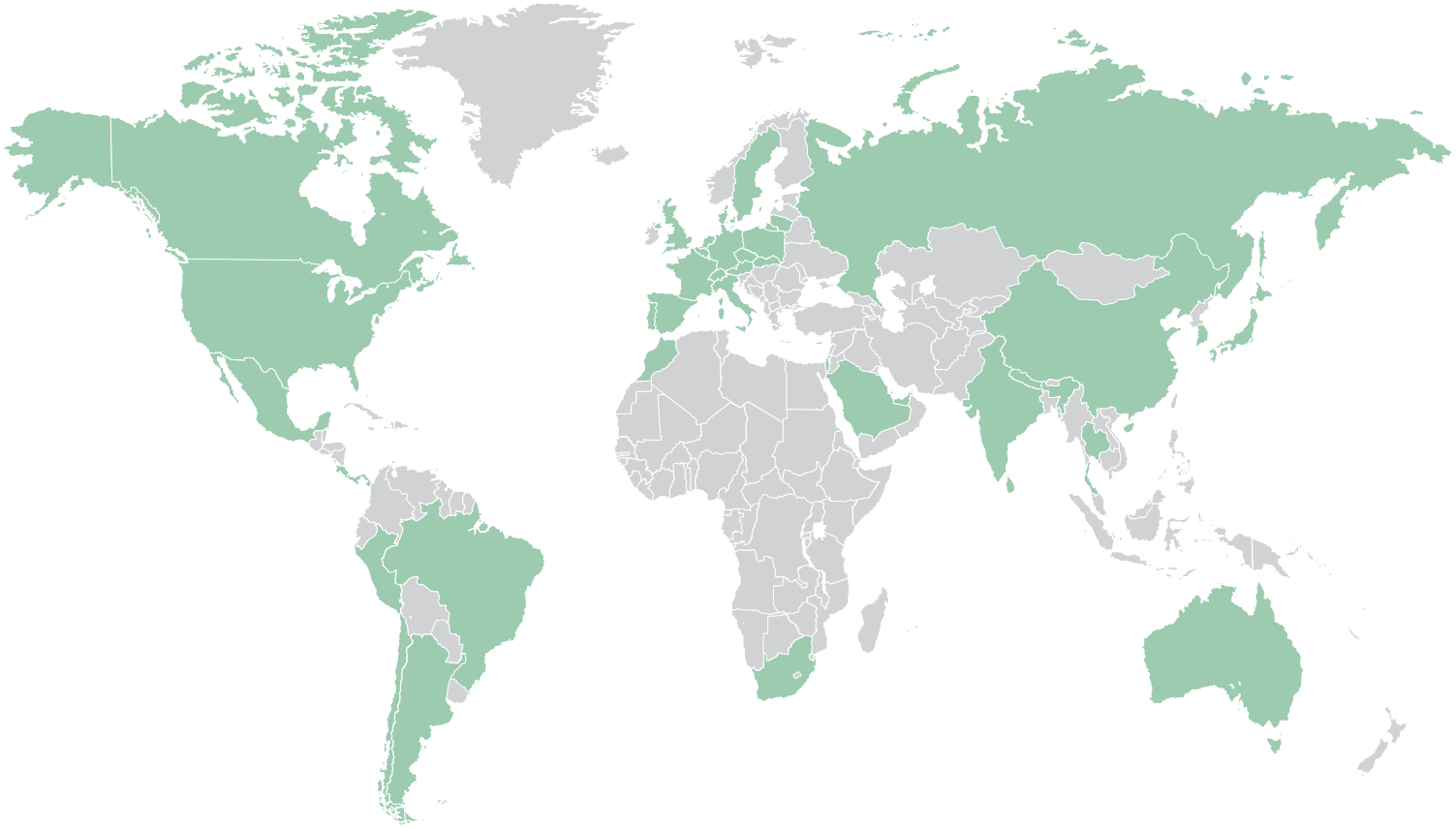


Increase Adaptability

- **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.

Moody's Global Presence



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
Sweden
Switzerland
United Arab Emirates
United Kingdom

Asia-Pacific

Australia
China
Hong Kong
India
Japan
Nepal
Singapore
South Korea
Thailand
Sri Lanka

2020	4,087	+	7,310	=	11,397
	U.S. employees		non-U.S. employees		total employees[1]

2019	3,875	+	9,850	=	13,725
	U.S. employees		non-U.S. employees		total employees[2]

1. As of September 30, 2020. Reflects acquisition of RDC, VE, Four Twenty Seven, Risk First, ABS Suite and divestiture of MAKS.
2. As of September 30, 2019.

Reconciliation of Adjusted Financial Measures to GAAP

Adjusted Operating Income and Adjusted Operating Margin Reconciliation[1]

(in $ millions)	2015	2016	2017	2018	2019	TTM 3Q 2020
Operating Income	$1,491	$651	$1,821	*$1,868*	*$1,998*	*$2,448*
Operating Margin	*42.8%*	*18.1%*	*43.3%*	*42.0%*	*41.4%*	*46.1%*
Add Adjustment:						
Depreciation & Amortization	*114*	*127*	*158*	*192*	*200*	*213*
Acquisition-Related Expenses	*-*	*-*	*23*	*8*	*3*	*0*
Restructuring	*-*	*12*	*-*	*49*	*60*	*22*
Captive insurance company settlement	*-*	*-*	*-*	*-*	*16*	*0*
Settlement Charge	*-*	*864*	*-*	*-*	*-*	*-*
Loss pursuant to the divestiture of MAKS	*-*	*-*	*-*	*-*	*14*	*12*
Adjusted Operating Income	**$1,605**	**$1,654**	**$2,002**	***$2,117***	***$2,291***	***$2,695***
Adjusted Operating Margin	*46.0%*	*45.9%*	*47.6%*	*47.6%*	*47.4%*	*50.7%*

Moody's Corporation Net Debt Reconciliation

(in $ millions)	2015	2016	2017	2018	2019	1Q 2020	2Q 2020	3Q 2020
Gross debt	$3,381	$3,363	$5,540	$5,676	$5,581	$6,788	$6,333	$6,363
Less: Cash, cash equivalents and short-term investments	*2,232*	*2,225*	*1,183*	*1,818*	*1,930*	*2,231*	*2,199*	*2,588*
Net debt	**$1,148**	**$1,138**	**$4,357**	**$3,858**	**$3,651**	**$4,557**	**$4,134**	**$3,775**

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	Approximately 45%
Depreciation & Amortization	Approximately 4.5%
Restructuring	Approximately 0.5%
Loss pursuant to the divestiture of MAKS	Negligible
Projected Adjusted Operating Margin	**Approximately 50%**

Free Cash Flow Reconciliation

(in $ millions)	2015	2016	2017	2018	2019	2020F[1]
Net cash flows from operating activities	$1,198	$1,259	$755	$1,461	$1,675	Approximately $1.9 billion
Less: Capital expenditures	*89*	*115*	*91*	*91*	*69*	*~100*
Free Cash Flow	**$1,109**	**$1,144**	**$664**	**$1,370**	**$1,606**	**Approximately $1.8 billion**

1. Guidance as of October 29, 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	$9.30 - $9.50
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	~ $0.12
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	~ $0.48
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	$9.95 – $10.15

1. Guidance as of October 29, 2020.
Note: Table may not sum to total due to rounding.

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