

MOODY'S

Fourth Quarter and Full Year 2024 Earnings Call

February 13, 2025



Shivani Kak

HEAD OF INVESTOR RELATIONS

Disclaimer

Certain statements contained in this document are forward-looking statements and are based on future expectations, plans and prospects for Moody's business and operations that involve a number of risks and uncertainties. Such statements involve estimates, projections, goals, forecasts, assumptions and uncertainties that could cause actual results or outcomes to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements. Stockholders and investors are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements and other information in this document are made as of the date hereof, and Moody's 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, Moody's is identifying certain factors that could cause actual results to differ, perhaps materially, from those indicated by these forward-looking statements. These factors, risks and uncertainties include, but are not limited to: the impact of general economic conditions (including significant government debt and deficit levels, and inflation and related monetary policy actions by governments in response to inflation) on worldwide credit markets and on economic activity, including on the volume of mergers and acquisitions, and their effects on the volume of debt and other securities issued in domestic and/or global capital markets; the uncertain effectiveness and possible collateral consequences of U.S. and foreign government initiatives and monetary policy to respond to the current economic climate, including instability of financial institutions, credit quality concerns, and other potential impacts of volatility in financial and credit markets; the global impacts of the Russia - Ukraine military conflict and the military conflict in Israel and the surrounding areas on volatility in world financial markets, on general economic conditions and GDP in the U.S. and worldwide, on global relations and on the Company's own operations and personnel; other matters that could affect the volume of debt and other securities issued in domestic and/or global capital markets, including regulation, increased utilization of technologies that have the potential to intensify competition and accelerate disruption and disintermediation in the financial services industry, as well as the number of issuances of securities without ratings or securities which are rated or evaluated by non-traditional parties; the level of merger and acquisition activity in the U.S. and abroad; the uncertain effectiveness and possible collateral consequences of U.S. and foreign government actions affecting credit markets, international trade and economic policy, including those related to tariffs, tax agreements and trade barriers; the impact of MIS's withdrawal of its credit ratings on countries or entities within countries and of Moody's no longer conducting commercial operations in countries where political instability warrants such actions; concerns in the marketplace affecting our credibility or otherwise affecting market perceptions of the integrity or utility of independent credit agency ratings; the introduction or development of competing and/or emerging technologies and products; pricing pressure from competitors and/or customers; the level of success of new product development and global expansion; the impact of regulation as an NRSRO, the potential for new U.S., state and local legislation and regulations; the potential for increased competition and regulation in the jurisdictions in which we operate, including the EU; exposure to litigation related to our rating opinions, as well as any other litigation, government and regulatory proceedings, investigations and inquiries to which Moody's may be subject from time to time; provisions in U.S. legislation modifying the pleading standards and EU regulations modifying the liability standards applicable to 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; uncertainty regarding the future relationship between the U.S. and China; the possible loss of key employees and the impact of the global labor environment; failures or malfunctions of our operations and infrastructure; any vulnerabilities to cyber threats or other cybersecurity concerns; the timing and effectiveness of any restructuring programs; currency and foreign exchange volatility; the outcome of any review by tax authorities of Moody's global tax planning initiatives; exposure to potential criminal sanctions or civil remedies if Moody's fails to comply with foreign and U.S. laws and regulations that are applicable in the jurisdictions in which Moody's operates, including data protection and privacy laws, sanctions laws, anti-corruption laws, and local laws prohibiting corrupt payments to government officials; the impact of mergers, acquisitions, such as our acquisition of RMS, or other business combinations and the ability of Moody's to successfully integrate acquired businesses; the level of future cash flows; the levels of capital investments; and a decline in the demand for credit risk management tools by financial institutions. These factors, risks and uncertainties as well as other risks and uncertainties that could cause Moody's actual results to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements are described in greater detail under "Risk Factors" in Part I, Item 1A of Moody's annual report on Form 10-K for the year ended December 31, 2023, and in other filings made by the Company from time to time with the SEC or in materials incorporated herein or therein. Stockholders and investors are cautioned that the occurrence of any of these factors, risks and uncertainties may cause the Company's actual results to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements, which could have a material and adverse effect on the Company's business, results of operations and financial condition. New factors may emerge from time to time, and it is not possible for the Company to predict new factors, nor can the Company assess the potential effect of any new factors on it. Forward-looking and other statements in this document may also address our corporate responsibility progress, plans, and goals (including sustainability and environmental matters), and the inclusion of such statements is not an indication that these contents are necessarily material to investors or required to be disclosed in the Company's filings with the Securities and Exchange Commission. In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.



Rob Fauber

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Key Takeaways

- 1 Moody's delivered exceptional results**
Full year 2024 revenue grew 20% to \$7.1B; Adjusted Operating Margin¹ up 420bps to 48.1%; Adjusted Diluted EPS¹ increased 26% to \$12.47
- 2 MIS full year revenue grew an impressive 33%**
Transactional revenue grew 54% on issuance growth of 42%; Adjusted Operating Margin up 560bps to 60.1%
- 3 MA ARR² now \$3.3B, up 9%**
Full year revenue grew 8%; Adjusted Operating Margin was 30.7%
- 4 Strategic investments driving durable and scalable growth**
Commitment to innovation and excellence positions Moody's to deliver sustainable shareholder returns
- 5 Introducing full year 2025 guidance³ and updating medium-term targets**
Building on our momentum as we capitalize on the earnings power of our business

1. Refer to the Appendix for reconciliations between all adjusted measures mentioned throughout this presentation and U.S. GAAP.
2. ARR: Annualized Recurring Revenue. ARR growth as of December 31, 2024. Refer to the Appendix for the definition of and further information on ARR. ARR excludes the impact of foreign currency translation.
3. Guidance as of February 13, 2025. Refer to Table 12 – "2025 Outlook" in the press release titled "Moody's Corporation Reports Results for Fourth Quarter and Full Year 2024" from February 13, 2025, for a complete list of guidance, as well as assumptions used by the Company with respect to its guidance.

Delivering value for our customers throughout 2024

Investing to strengthen our core business and accelerate future growth

Moody's Investors Service

- #1 Best Credit Rating Agency by Extel for 13th consecutive year
- Continuing investments to address evolving capital market trends
- Operational improvements driven by technology investments
- Acquisition of GCR – the leading domestic credit rating agency in Africa

Moody's Analytics

- #1 in Chartis RiskTech100® for 3rd consecutive year
- Ongoing innovation and investment, including:
 - **Banking:** AbleAI & Numerated
 - **Insurance:** Praedicat & CAPE¹
 - **KYC:** Expanding third-party risk management use cases

Partnerships and Collaborations

- Market expansion and access to new customers
- Enhancing product offering and innovation
- Creating new use cases

FOUNDATIONAL INVESTMENTS

Platform Engineering

Gen AI Innovation

Risk and Resilience

Data Estate

1. In January, 2025, Moody's announced it had entered into an agreement to acquire CAPE Analytics. Refer to the press release titled "[Moody's to acquire CAPE Analytics, a pioneer in AI-powered property risk intelligence](#)" published on January 13, 2025.

Deep currents underpin 2025 MCO outlook¹

Revenue Growth	HSD%	Adjusted Operating Margin²	~50%	Adjusted Diluted EPS²	\$14.00 to \$14.50
Strengthening position as the Agency of Choice		Building scale across high-growth areas		Accelerating platforming and product innovation	
				Optimizing our operating model	
Dynamic capital markets continuing to evolve		Ongoing digital transformation	Heightened awareness of risks and need for resilience		Increasing need to understand financial impact of extreme weather events
					Productivity from Gen AI

Note: HSD = High-single-digit.

1. Guidance as of February 13, 2025. Refer to Table 12 – “2025 Outlook” in the press release titled “Moody’s Corporation Reports Results for Fourth Quarter and Full Year 2024” from February 13, 2025, for a complete list of guidance, as well as assumptions used by the Company with respect to its guidance.

2. Refer to the Appendix for reconciliations between all adjusted measures mentioned throughout this presentation and U.S. GAAP.



Noémie Heuland

CHIEF FINANCIAL OFFICER

Strong Q4 performance caps off outstanding 2024 financial results

MCO Full Year 2024

\$7.1B

Revenue

20%

Revenue Growth¹

48.1%

Adjusted Operating Margin²

\$12.47

Adjusted Diluted EPS²

34%

Free Cash Flow Growth^{1,2}

MA Full Year 2024

8%

Revenue Growth¹

9%

Recurring Revenue Growth¹

9%

ARR Growth^{1,3}

30.7%

Adjusted Operating Margin

MIS Full Year 2024

33%

Revenue Growth¹

54%

Transaction Revenue Growth¹

42%

Rated Issuance Growth^{1,4}

60.1%

Adjusted Operating Margin

1. Year-over-year growth.

2. Refer to the Appendix for reconciliations between all adjusted measures mentioned throughout this presentation and U.S. GAAP.

3. ARR: Annualized Recurring Revenue. ARR growth as of December 31, 2024. Refer to the Appendix for the definition of and further information on ARR. ARR excludes the impact of foreign currency translation.

4. MIS rated issuance, excludes sovereign debt issuance. Issuance figures are subject to amendment given face amount variations that may occur following the reporting cycle.

MCO: full year 2025 guidance¹

AS OF FEBRUARY 13, 2025

MOODY'S CORPORATION

Revenue Growth	High-single-digit % range
Operating Expense Growth	Low-to-mid-single-digit % range
Adjusted Operating Margin ²	Approximately 50%
Diluted EPS	\$12.75 to \$13.25
Adjusted Diluted EPS ²	\$14.00 to \$14.50
Share Repurchases ³	At least \$1.3 billion
Free Cash Flow ²	\$2.4 to \$2.6 billion

1. Guidance as of February 13, 2025. Refer to Table 12 – “2025 Outlook” in the press release titled “Moody’s Corporation Reports Results for Fourth Quarter and Full Year 2024” from February 13, 2025, for a complete list of guidance, as well as assumptions used by the Company with respect to its guidance.

2. Adjusted Operating Margin, Adjusted Diluted EPS and Free Cash Flow are non-GAAP measures. Refer to the Appendix for reconciliations between all adjusted measures mentioned throughout this presentation and U.S. GAAP.

3. Subject to available cash, market conditions, M&A opportunities and other ongoing capital allocation decisions.

MIS: issuance backdrop for 2025

ISSUANCE FACTORS



MACROECONOMICS & POLICY

- Fiscal policy stance, trade, immigration, industrial policies, and regulation
- Global growth prospects
- Geopolitical risks



INTEREST RATES & CENTRAL BANK ACTIONS

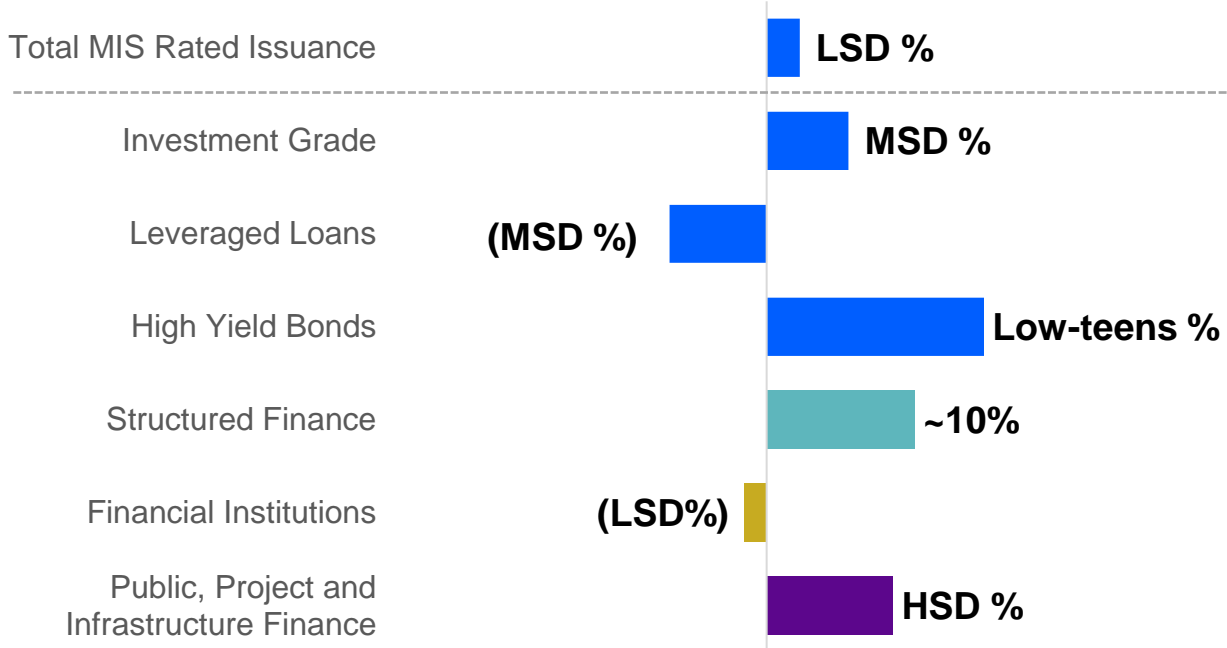
- Pace of monetary policy rate normalization
- Higher long-term rates and higher neutral rates



CREDIT MARKETS

- Liquidity, sentiment, and credit spreads
- Credit performance and default rates
- Evolving market opportunities, including Transition Finance and Private Credit
- Upcoming debt maturities / refinancing needs
- M&A activity

ISSUANCE GUIDANCE^{1,2}



→ Expecting 700-800 First Time Mandates in 2025

Note: LSD = Low-single-digit. MSD = Mid-single-digit. HSD = High-single-digit.
 1. Guidance as of February 13, 2025. Refer to Table 12 – “2025 Outlook” in the press release titled “Moody’s Corporation Reports Results for Fourth Quarter and Full Year 2024” from February 13, 2025, for a complete list of guidance, as well as assumptions used by the Company with respect to its guidance.
 2. MIS rated issuance, excludes sovereign debt issuance. Issuance figures are subject to amendment given face amount variations that may occur following the reporting cycle.

MIS & MA: full year 2025 guidance¹

AS OF FEBRUARY 13, 2025

MOODY'S INVESTORS SERVICE

Issuance Growth² Low-single-digit % range

Revenue Growth Mid-to-high-single-digit % range

Adjusted Operating Margin 62% - 63%

MOODY'S ANALYTICS

Revenue Growth High-single-digit % range

ARR Growth³ High-single-digit to low-double-digit % range

Adjusted Operating Margin 32% - 33%

1. Guidance as of February 13, 2025. Refer to Table 12 – “2025 Outlook” in the press release titled “Moody’s Corporation Reports Results for Fourth Quarter and Full Year 2024” from February 13, 2025, for a complete list of guidance, as well as assumptions used by the Company with respect to its guidance.

2. MIS rated issuance, excludes sovereign debt issuance. Issuance figures are subject to amendment given face amount variations that may occur following the reporting cycle. Refer to the Slide 11 for a breakdown by asset class.

3. ARR: Annualized Recurring Revenue. Refer to the Appendix for the definition of and further information on ARR. ARR excludes the impact of foreign currency translation.

MCO: a powerhouse compounding shareholder value

Update to previously set medium-term targets; raising Adjusted Diluted EPS¹

	AS OF FEBRUARY 13, 2024 2022 Base Year		AS OF FEBRUARY 13, 2025 ¹ 2022 Base Year
 MCO Revenue	At least 10% growth	>	High-single to low-double-digit % growth
 MCO Adjusted Operating Margin	Low-50s % range	>	Low-50s % range
 MCO Adjusted Diluted EPS	Low-double-digit % growth	>	Low-to-mid-teens % growth
 MA Revenue	Low-to-mid-teens % growth	>	High-single to low-double-digit % growth
 MA Adjusted Operating Margin	Mid-30s % range	>	Mid-to-high-30s % range
 MIS Revenue	Mid-to-high-single-digit % growth	>	High-single to low-double-digit % growth
 MIS Adjusted Operating Margin	Low-60s % range	>	Low-60s % range

Note: Medium-term targets refer to a time period within 5 years from the base year 2022. Growth refers to the average annualized growth over the period. Margin expectations reflect exit rates at the end of the period.

1. Guidance as of February 13, 2025. Refer to Slide 48 in the Appendix for details and assumptions with respect to medium-term targets. Assumes no material change in effective tax rate, foreign exchange rates, leverage profile and/or capital allocation policy. Subject to available cash, market conditions, M&A opportunities and other ongoing capital allocation decisions.

Questions and Answers



Rob Fauber

PRESIDENT AND CHIEF EXECUTIVE OFFICER



Noémie Heuland

CHIEF FINANCIAL OFFICER



Stephen Tulenko

PRESIDENT – MOODY'S ANALYTICS



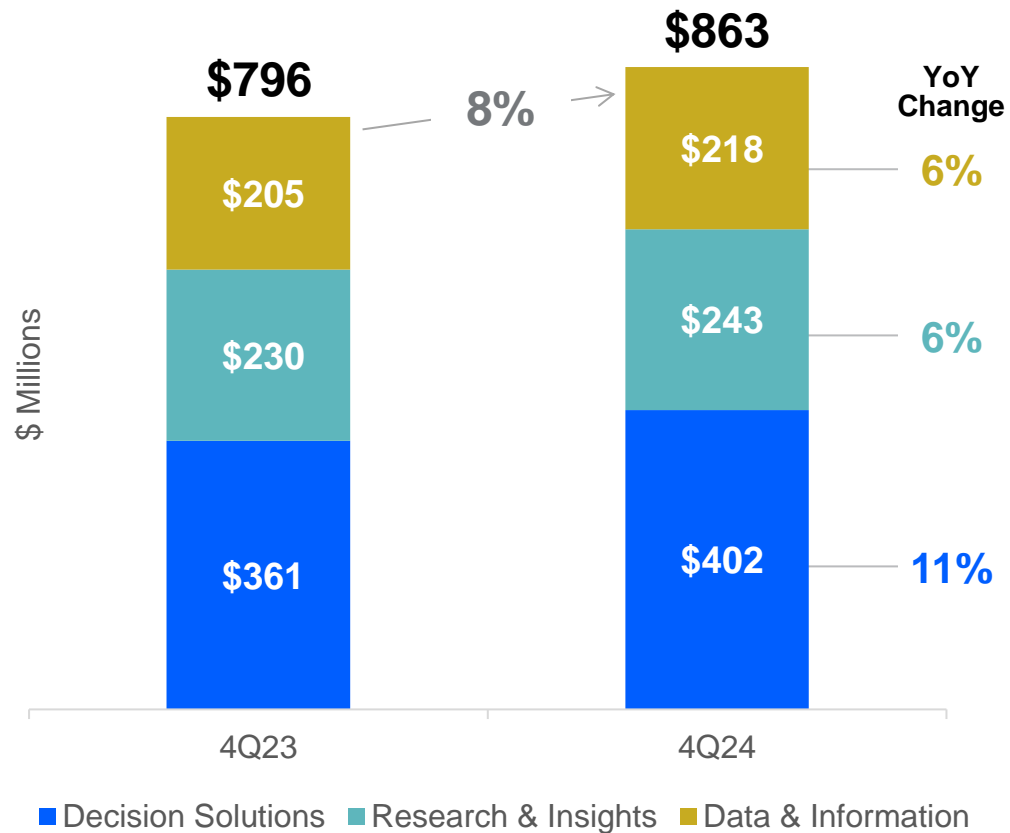
Michael West

PRESIDENT – MOODY'S INVESTORS SERVICE

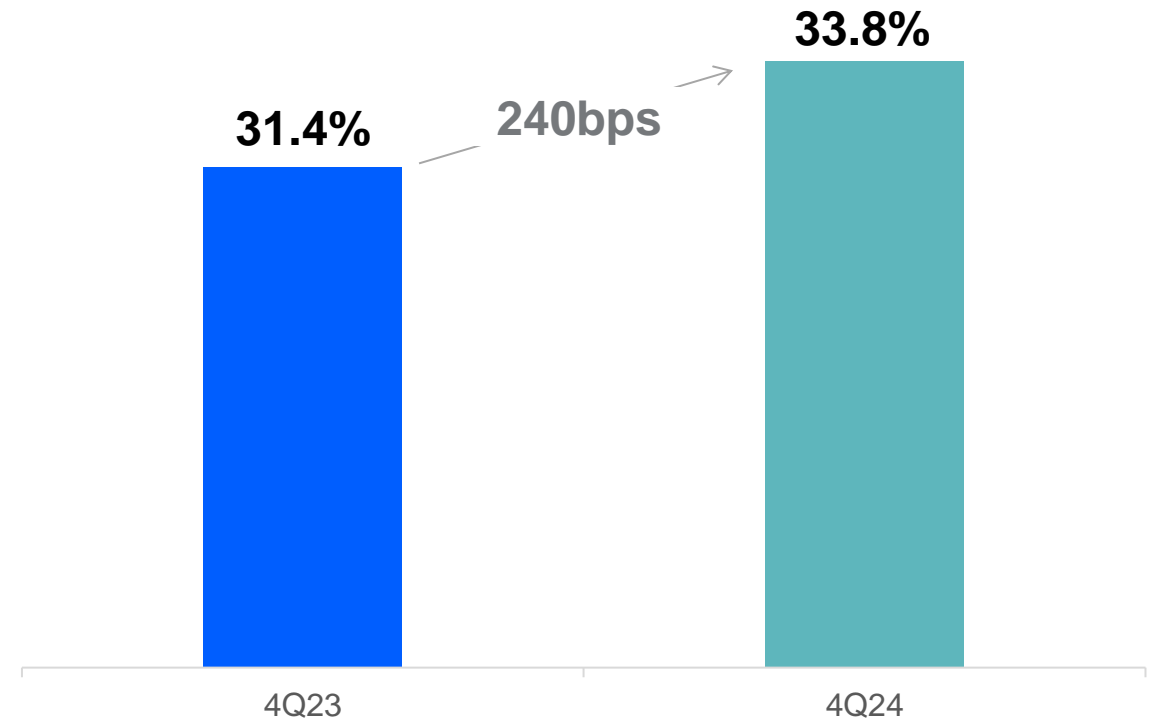
Supplemental Information

MA: quarterly performance

REVENUE

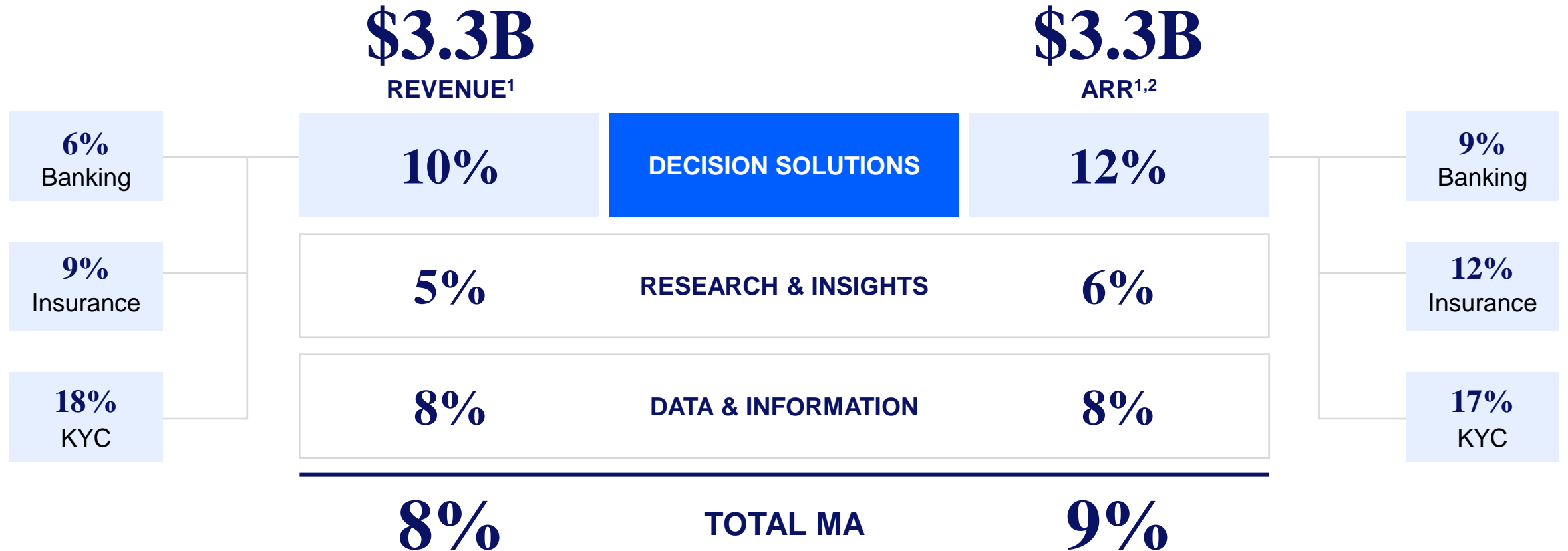


ADJUSTED OPERATING MARGIN



1. Foreign currency did not have a material impact on revenue growth. Refer to the Appendix for disclosures on constant currency (C\$) revenue growth.

MA: full year 2024 results

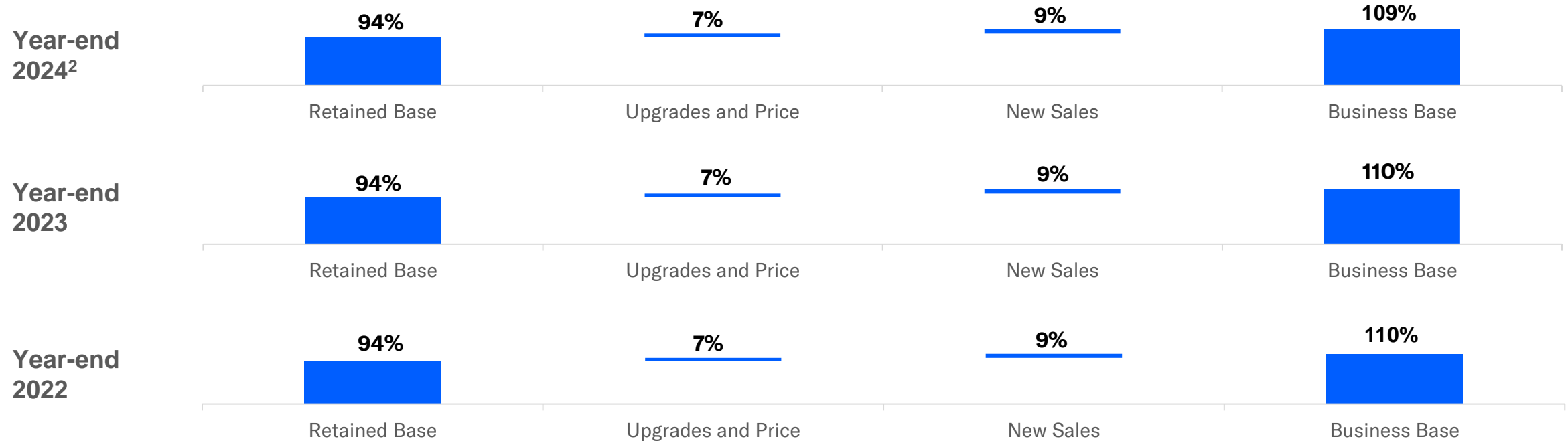


1. Percentages represent year-over-year growth.

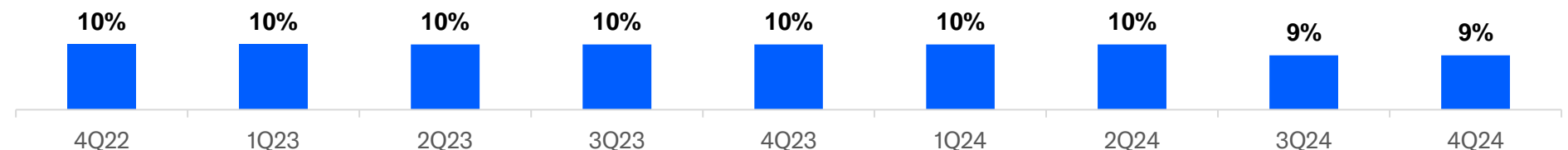
2. ARR: Annualized Recurring Revenue. ARR growth as of December 31, 2024. Refer to the Appendix for the definition of and further information on ARR. ARR excludes the impact of foreign currency translation.

MA: building on a foundation of strong customer retention

MA ARR¹ GROWTH ATTRIBUTION



MA ARR¹ GROWTH BY QUARTER



Note: Upgrades and price include increases (or decreases) in value of products sold to legacy customers within the retained base. New sales includes sales of incremental products to both existing and new customers.

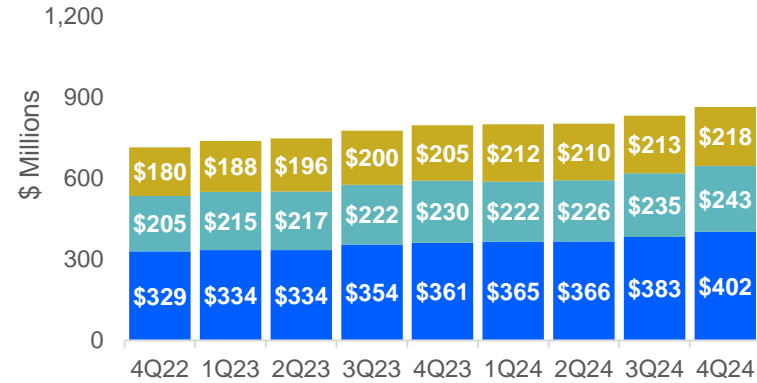
1. ARR: Annualized Recurring Revenue. Refer to the Appendix for the definition of and further information on ARR. ARR excludes the impact of foreign currency translation.

2. Total may not sum due to rounding.

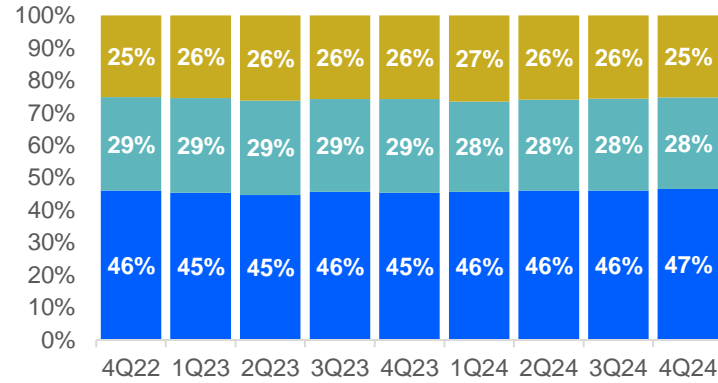
MA: financial overview

Decision Solutions Research & Insights Data & Information

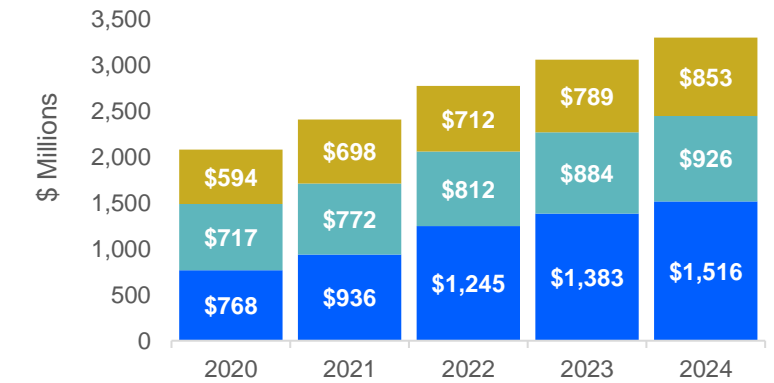
Revenue: Mix by Quarter



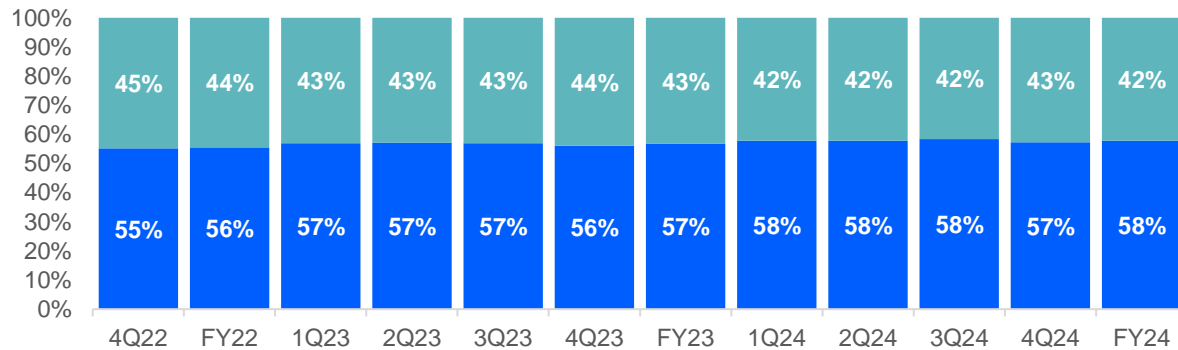
Revenue: Distribution by Line of Business



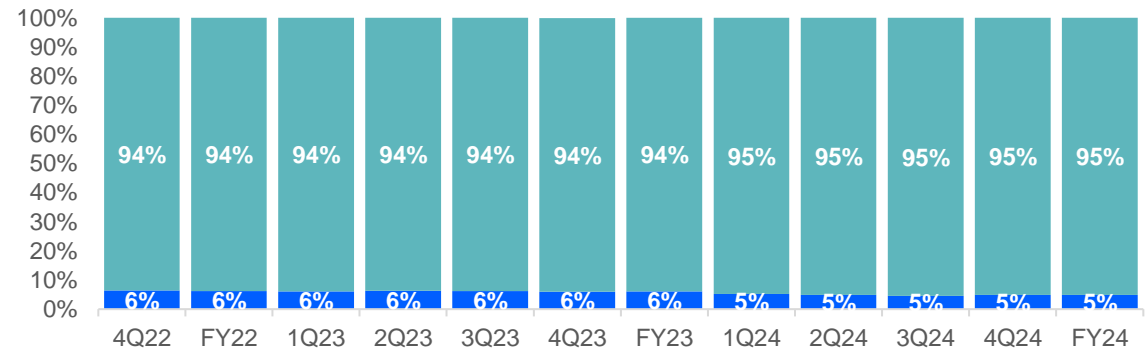
Revenue: Mix by Year



Revenue: Distribution by Geography



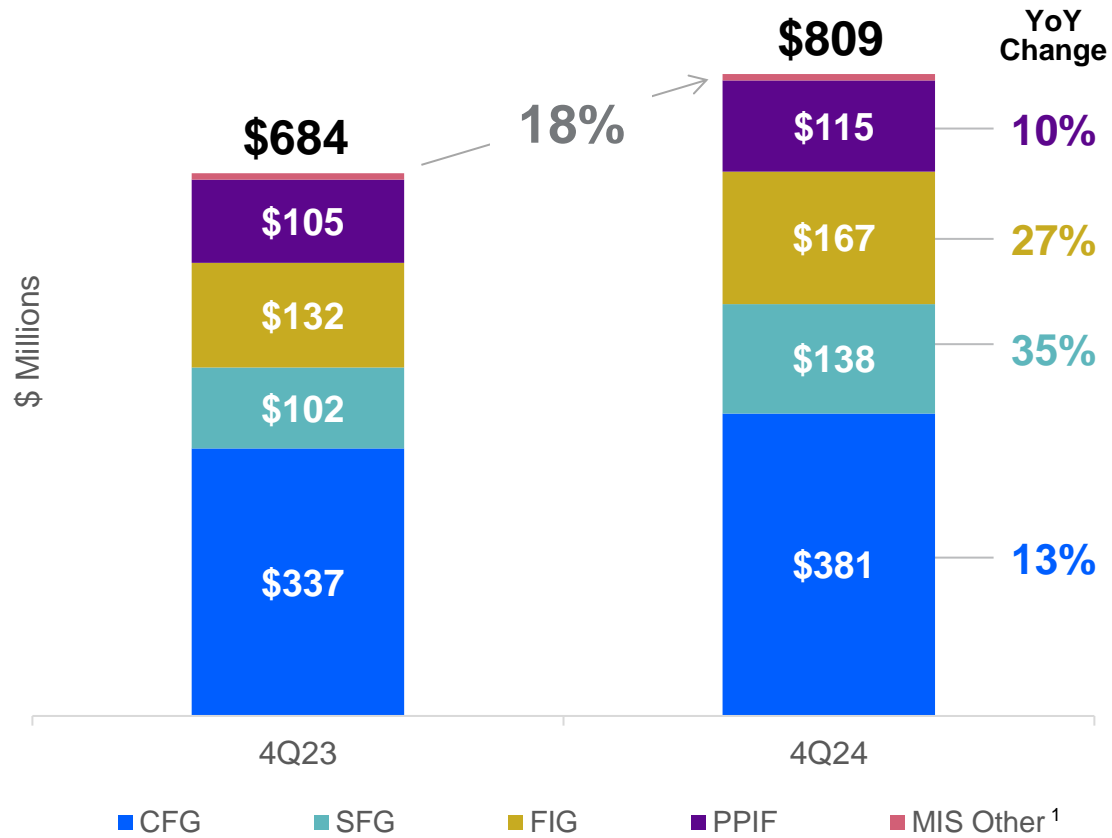
Revenue: Distribution by Recurring vs. Transaction



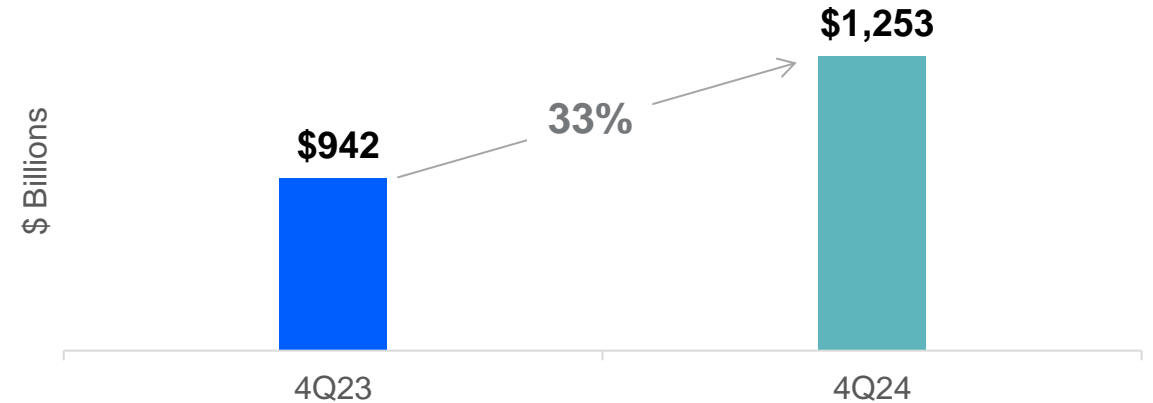
Note: Percentages have been rounded and may not total to 100%.

MIS: quarterly performance

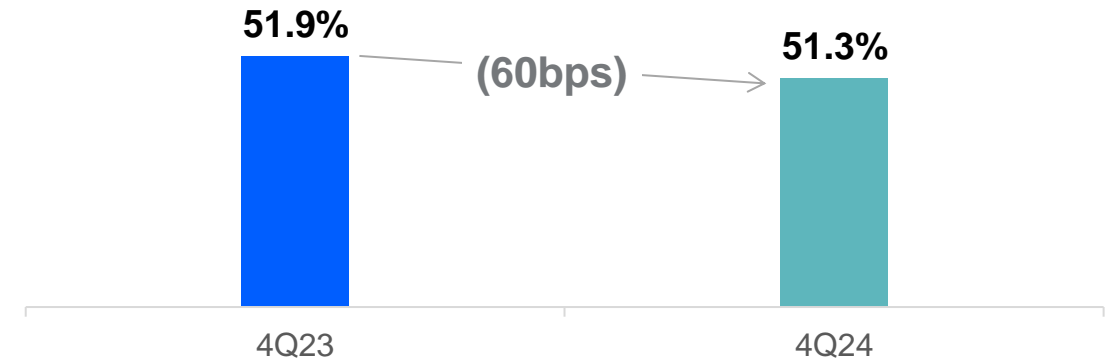
REVENUE



ISSUANCE²



ADJUSTED OPERATING MARGIN



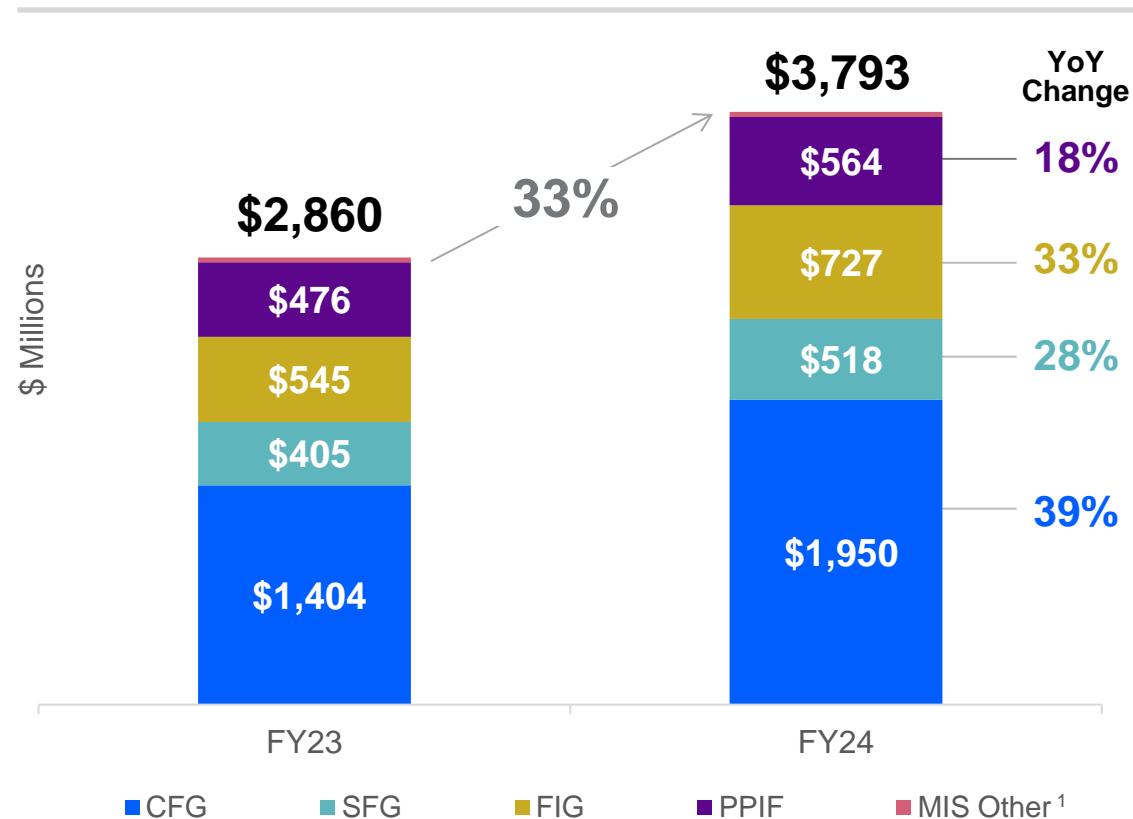
1. MIS Other revenue was approximately \$8 million and \$8 million in the quarters ended December 31, 2023, and December 31, 2024, respectively.

2. MIS rated issuance, excludes sovereign debt issuance. Issuance figures are subject to amendment given face amount variations that may occur following the reporting cycle.

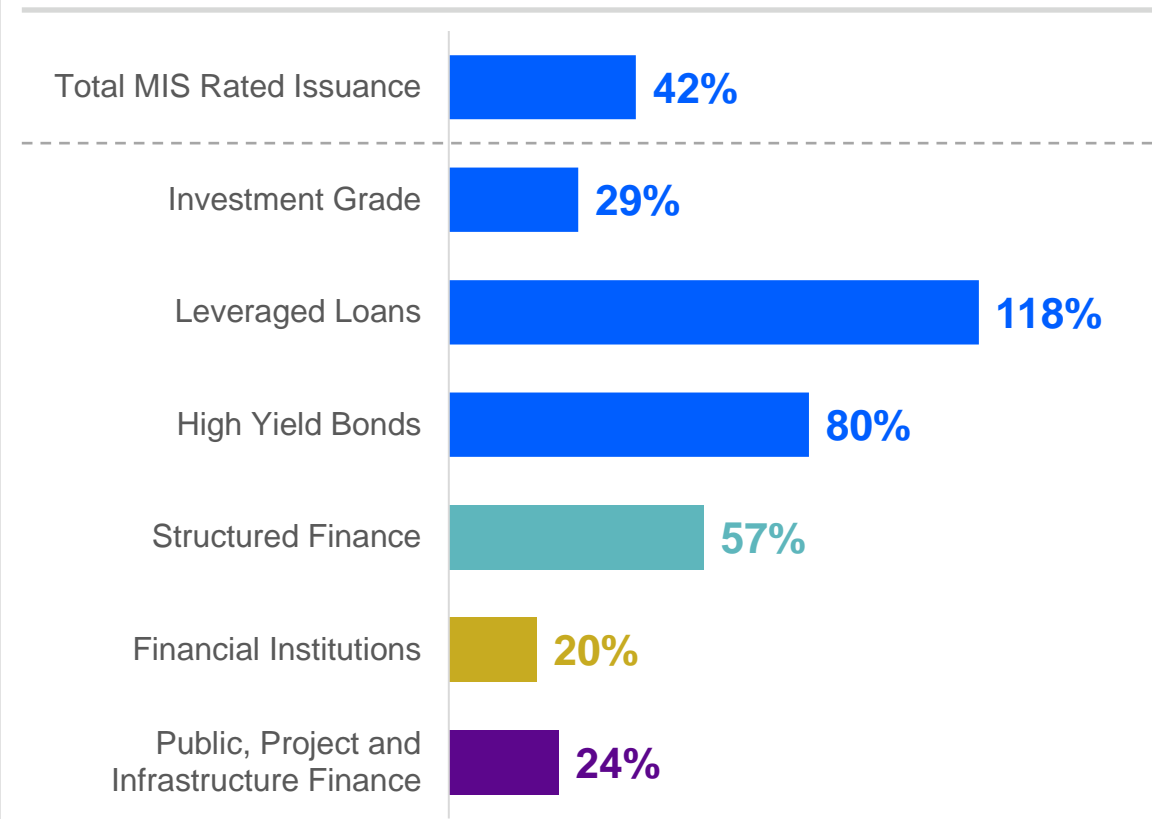
MIS: full year 2024 results

Transactional revenue growth of 54% outpaced issuance

REVENUE



ISSUANCE²



1. MIS Other revenue was approximately \$30 million and \$34 million in the twelve months ended December 31, 2023, and December 31, 2024, respectively.

2. MIS rated issuance, excludes sovereign debt issuance. Issuance figures are subject to amendment given face amount variations that may occur following the reporting cycle.

MIS: macroeconomic assumptions underpinning our full year 2025 outlook¹

MACROECONOMIC ASSUMPTIONS

- **Real GDP²**: U.S.: 1.5% - 2.5%; Euro area: 0.5% - 1.5%; Global: 2.0% - 3.0%
- **Global policy rates** will continue to normalize throughout 2025, including two cuts by the U.S. Fed
- **U.S. high yield spreads** to widen to around 430 bps by year-end, below historical average of ~500 bps
- **U.S. inflation rate** to average around 2.0% - 2.5%; **Euro area economies' inflation rate** to average around 2.0% in 2025
- **U.S. unemployment rate** to average around 4.2% – 4.5% over the next 12 months
- **Global high yield default rate** to decline below 3.0% in 2025
- **FX rates** of \$1.25 and \$1.04 for GBP/USD and EUR/USD, respectively, for the full year

TAILWINDS

- ✓ Central banks continue to normalize rates as inflation eases
- ✓ ~\$4.9T of refinancing needs between 2025 and 2028
- ✓ Improving M&A outlook, with significant dry powder at private equity firms

HEADWINDS

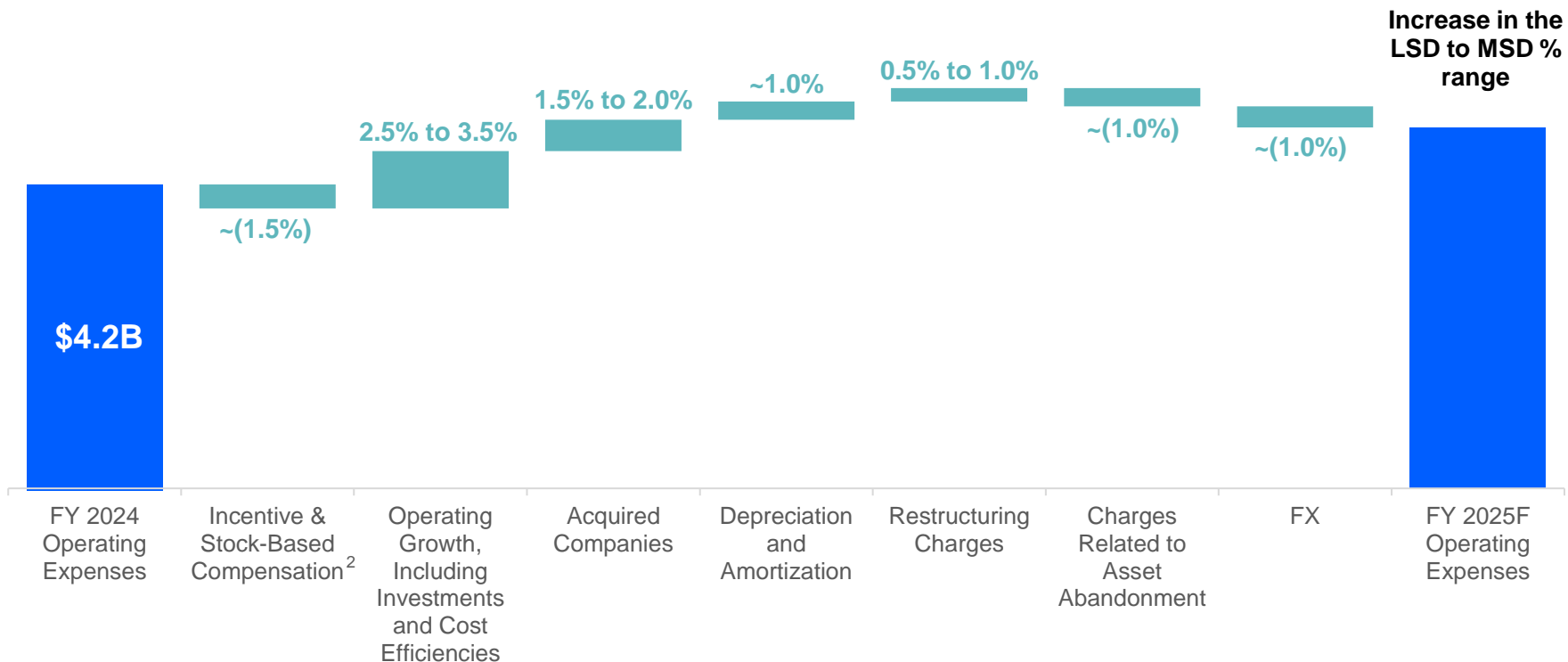
- ✗ Elevated funding costs pose potential refinancing risks for vulnerable issuers
- ✗ Geopolitical uncertainty, including the prolonged Russia-Ukraine military conflict, and the military conflict in the Middle East
- ✗ Inflationary concerns and uncertainty regarding U.S. economic policies

Sources: Macroeconomic assumptions as of February 13, 2025, from Moody's Investors Service.

1. Guidance as of February 13, 2025. Refer to Table 12 – "2025 Outlook" in the press release titled "Moody's Corporation Reports Results for Fourth Quarter and Full Year 2024" from February 13, 2025, for a complete list of guidance, as well as assumptions used by the Company with respect to its guidance.
2. GDP represents rate of change in real GDP.

MCO: strategic expense management supports investments in high-growth areas

FY 2024 vs. FY 2025F¹



Strategy and Operational Efficiency Restructuring Program¹

- Aligns operations toward high-priority growth areas
- Consolidates certain functions to simplify the organization to enable improved operating efficiency and leverage
- Projecting \$200-\$250M in restructuring charges through 2026, including \$80M-\$100M in 2025
- Expecting to generate \$250M-\$300M in annualized savings

Note: LSD = Low-single-digit. MSD = Mid-single-digit.

1. Guidance as of February 13, 2025. Refer to Table 12 – “2025 Outlook” in the press release titled “Moody’s Corporation Reports Results for Fourth Quarter and Full Year 2024” from February 13, 2025, for a complete list of guidance.

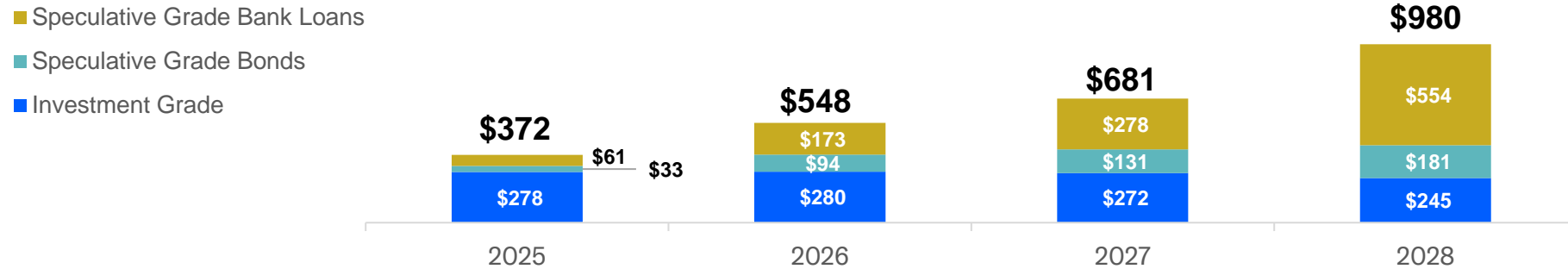
2. Incentive Compensation primarily consists of annual bonuses and commissions.

3. Refer to Table 5 – “Financial Information by Segment (Unaudited)” in the press release titled “Moody’s Corporation Reports Results for Fourth Quarter and Full Year 2024” from February 13, 2025, for the definition of and further information on “Charges related to Asset Abandonment.”

Strong refinancing needs support future issuance

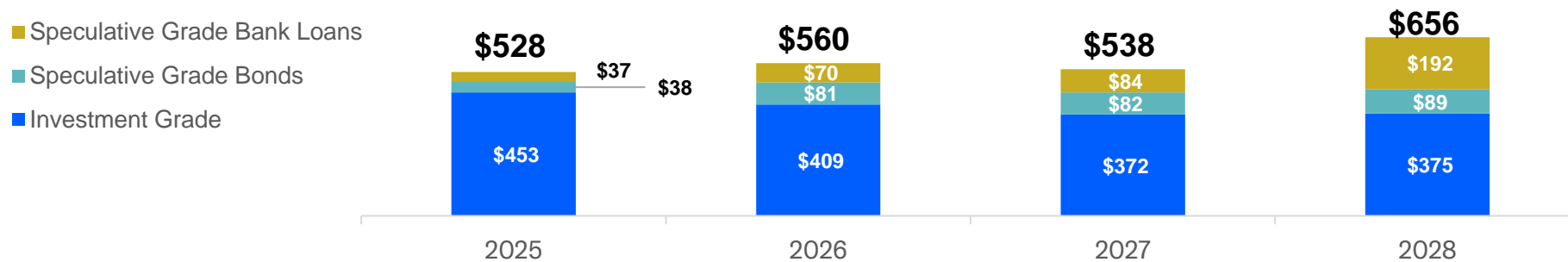
DEBT MATURITIES:

Moody's-rated U.S. Non-Financial Corporate Bonds and Loans (\$B)^{1,2}



DEBT MATURITIES:

Total EMEA Non-Financial Corporate and Infrastructure Bonds and Loans (\$B)^{1,3}



- Refinancing needs up from ~\$4.4T to ~\$4.9T over the next four years
- U.S. refinancing needs grew ~17% and remain weighted towards leveraged finance issuers, with a ~27% increase in U.S. Speculative Grade refinancing needs
- Investment grade and leveraged finance both contributing to growth in EMEA

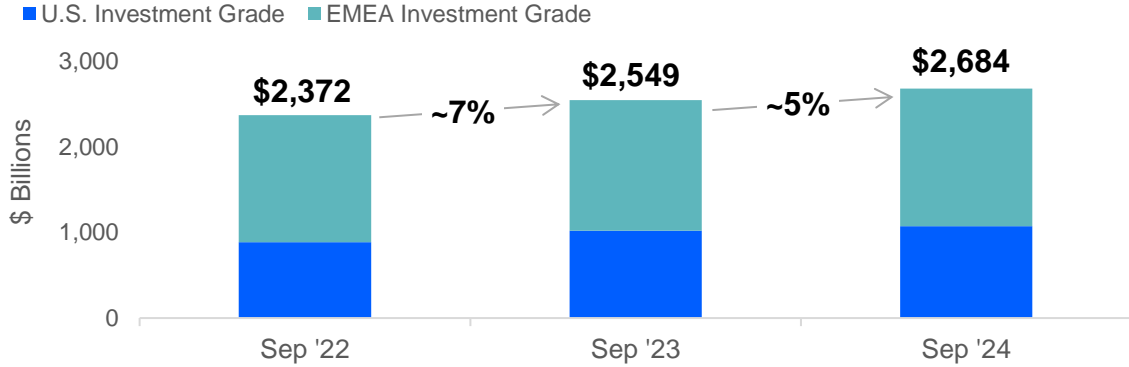
1. Totals may not sum due to rounding.

2. Amounts reflect Moody's-rated U.S. non-financial corporate bond and loan maturities as defined in Moody's refunding needs reports (2024), excludes unrated debt, REITS and public utilities.

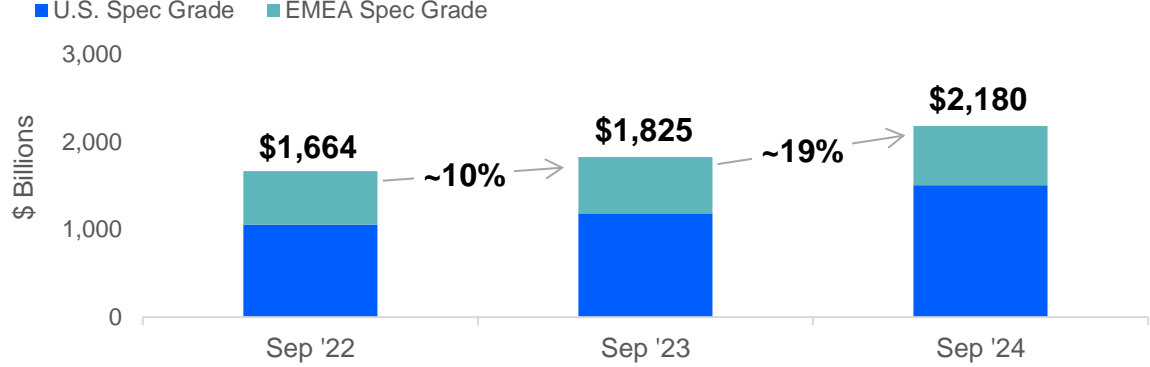
3. Amounts reflect Moody's-rated and unrated EMEA non-financial corporate and infrastructure bond and loan maturities as defined in Moody's refunding needs reports (2024). EMEA data is shown in USD, which appreciated against the EUR and GBP (the main reporting currencies) in the latest period under review.

Overview of recent refunding wall studies^{1,2}

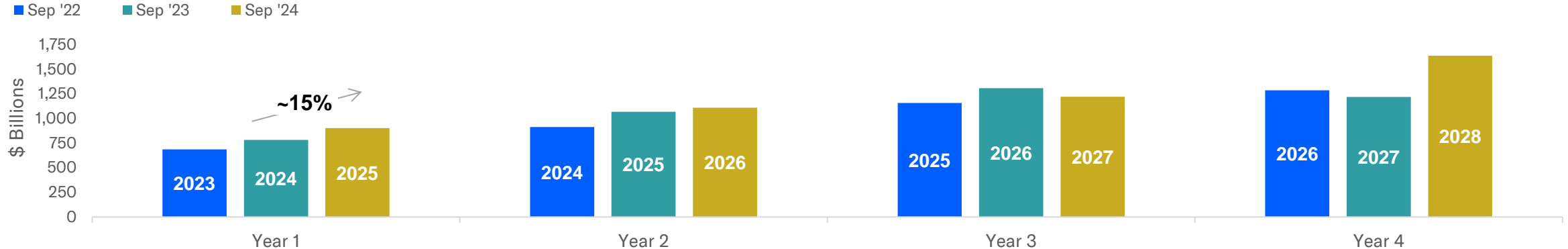
INVESTMENT GRADE 4-YEAR REFUNDING WALL STUDIES



SPECULATIVE GRADE 4-YEAR REFUNDING WALL STUDIES



COMBINED REFUNDING WALLS BY YEAR

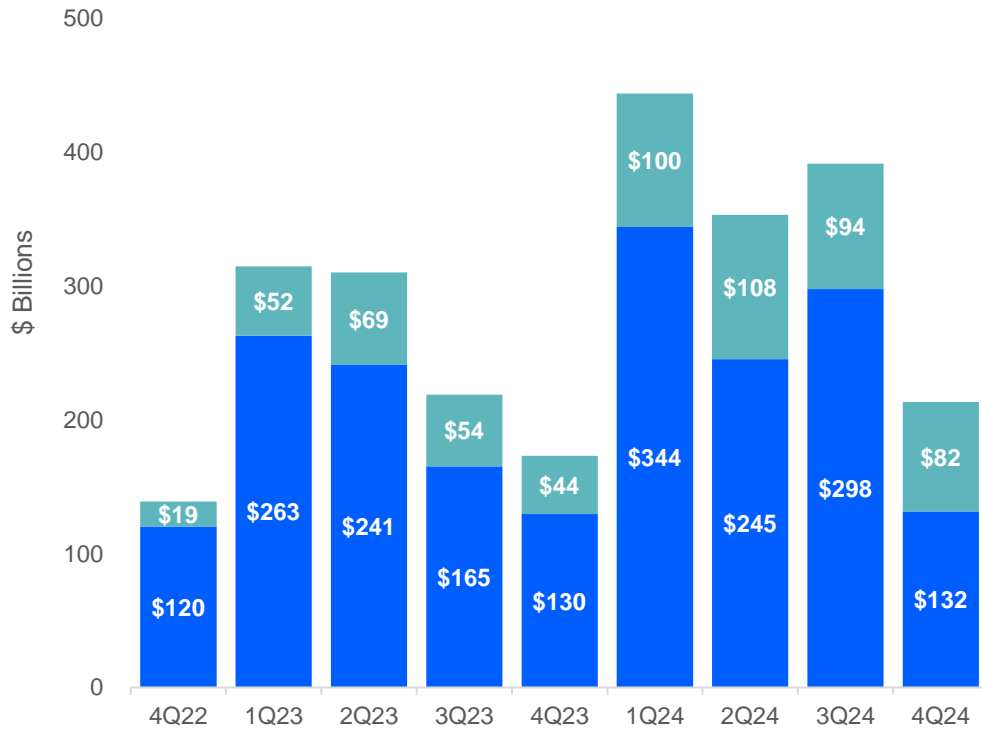


1. Totals may not sum to total due to rounding.
 2. Amounts reflect Moody's-rated U.S. non-financial corporate bond and loan maturities as defined in Moody's refunding needs reports (2022-2024), excludes unrated debt, REITs and public utilities. Amounts also reflect Moody's-rated and unrated EMEA non-financial corporate and infrastructure bond and loan maturities as defined in Moody's refunding needs reports (2022-2024).

Corporate Finance: issuance¹ and revenue

Global Issuance²: Mix by Quarter

■ Global Non-Financial Speculative-Grade Bonds
■ Global Non-Financial Investment-Grade Bonds

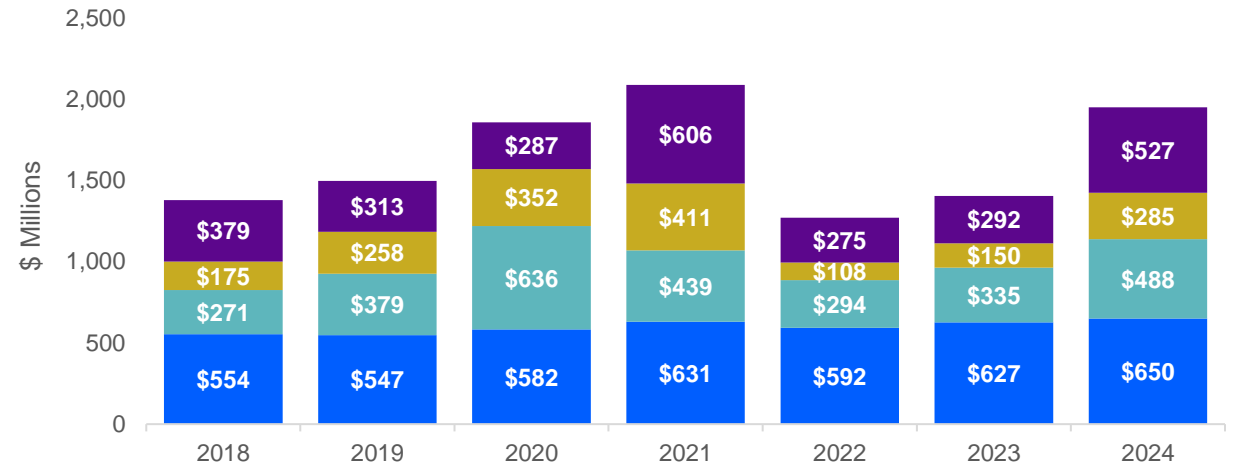


Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

1. Total estimated market issuance, unless otherwise noted.
2. Historical issuance data has been adjusted as of November 16, 2023, to conform with current information using a single-third party source (Dealogic). Issuance figures are subject to amendment given face amount variations that may occur following the reporting cycle.
3. 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 2018.
4. Other includes monitoring, commercial paper, medium term notes and ICRA.

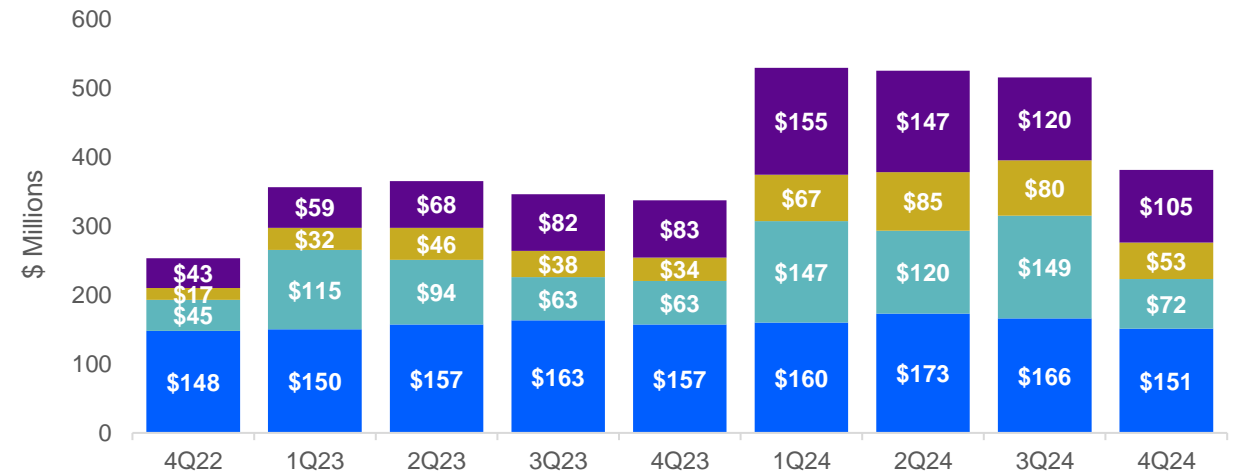
MIS Revenue³: Mix by Year

■ Other⁴ ■ Investment Grade ■ Speculative Grade ■ Bank Loans



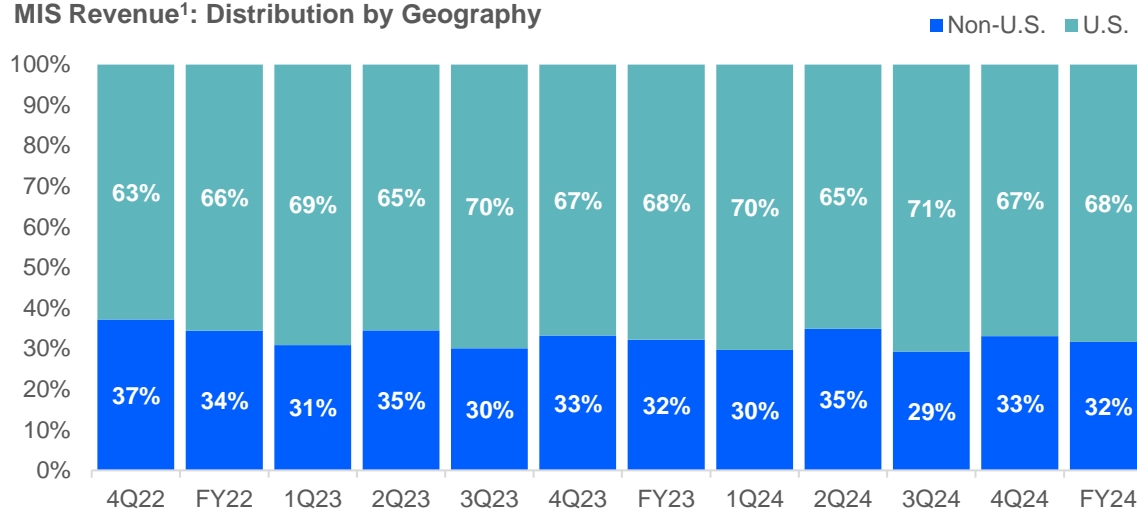
MIS Revenue³: Mix by Quarter

■ Other⁴ ■ Investment Grade ■ Speculative Grade ■ Bank Loans

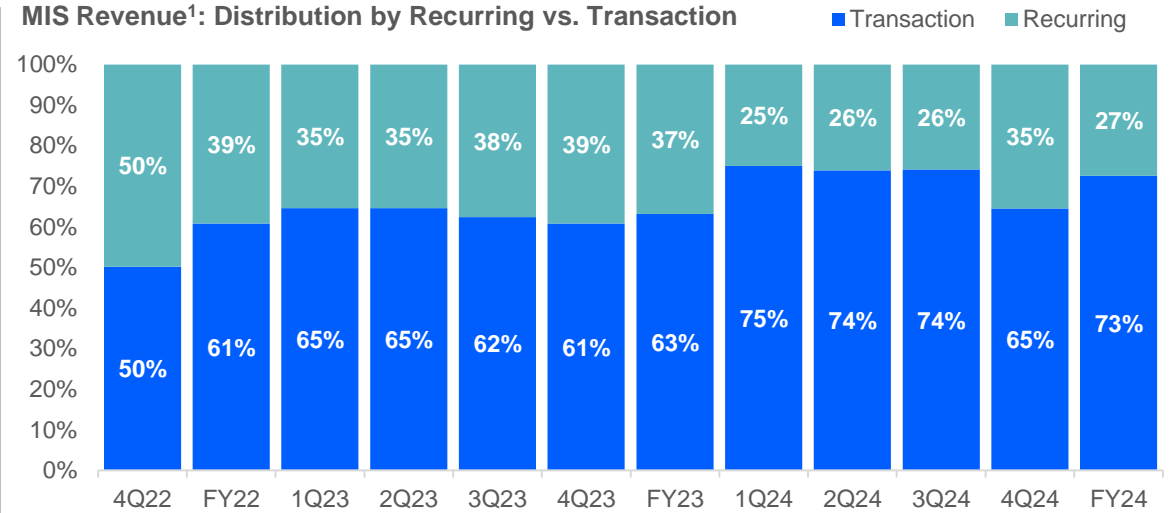


Corporate Finance: revenue

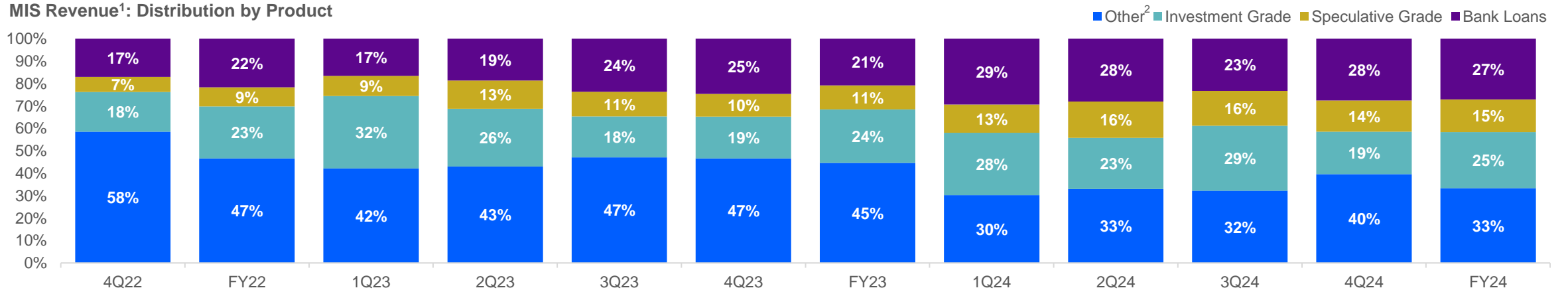
MIS Revenue¹: Distribution by Geography



MIS Revenue¹: Distribution by Recurring vs. Transaction



MIS Revenue¹: Distribution by Product



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

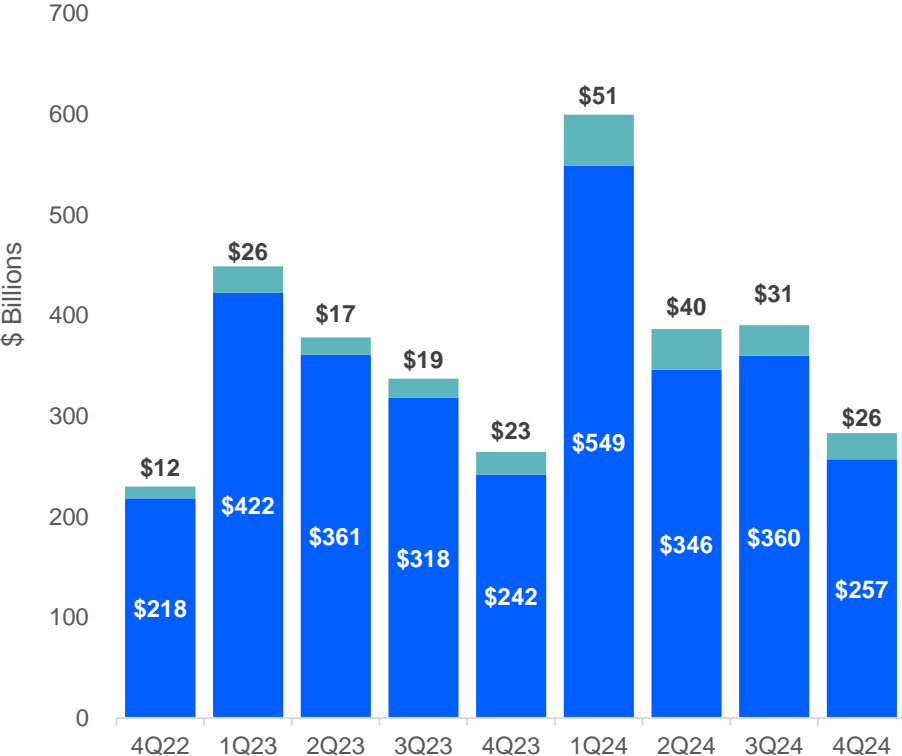
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.

2. Other includes monitoring, commercial paper, medium term notes and ICRA.

Financial Institutions: issuance¹ and revenue

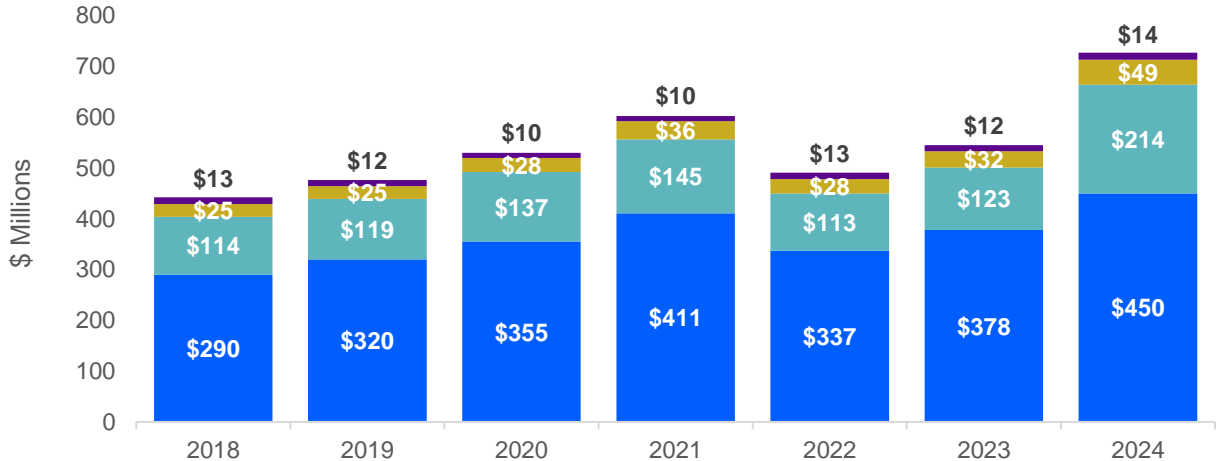
Global Issuance²: Mix by Quarter

- Global Speculative Grade Financial Corporate Bonds
- Global Investment Grade Financial Corporate Bonds



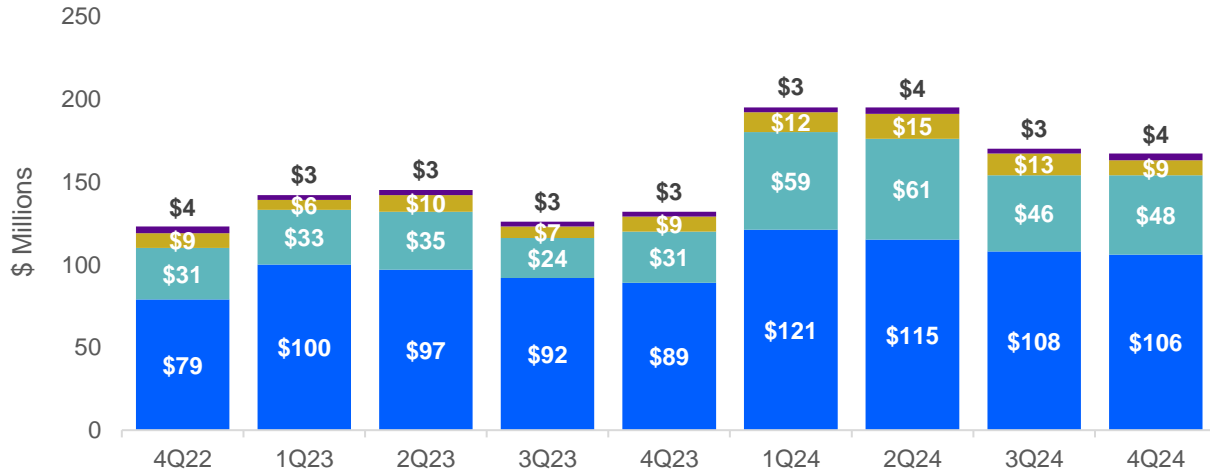
MIS Revenue³: Mix by Year

- Banking
- Insurance
- Managed Investments
- Other⁴



MIS Revenue³: Mix by Quarter

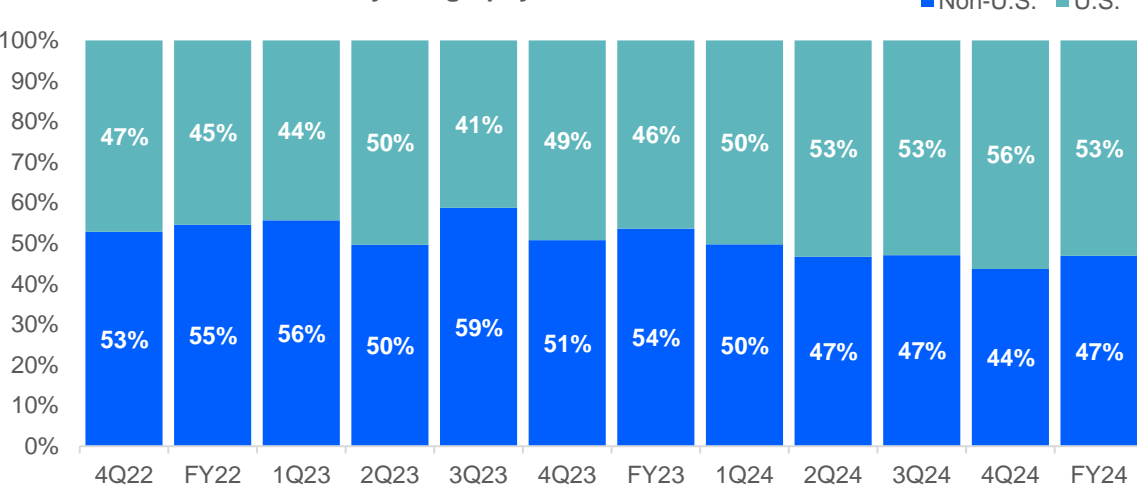
- Banking
- Insurance
- Managed Investments
- Other⁴



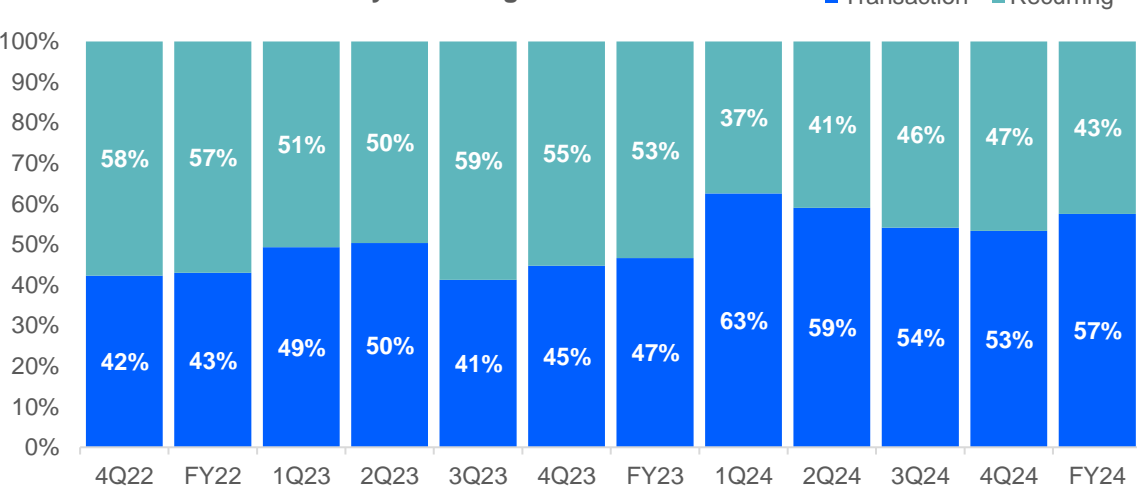
1. Total estimated market issuance, unless otherwise noted.
 2. Historical issuance data has been adjusted as of November 16, 2023, to conform with current information using a single-third party source (Dealogic). Issuance figures are subject to amendment given face amount variations that may occur following the reporting cycle. Debt issuance categories do not directly correspond to Moody's revenue categorization.
 3. Historical data has been adjusted to conform with current information and excludes intercompany revenue.
 4. Other includes monitoring, commercial paper, medium term notes and ICRA.

Financial Institutions: revenue

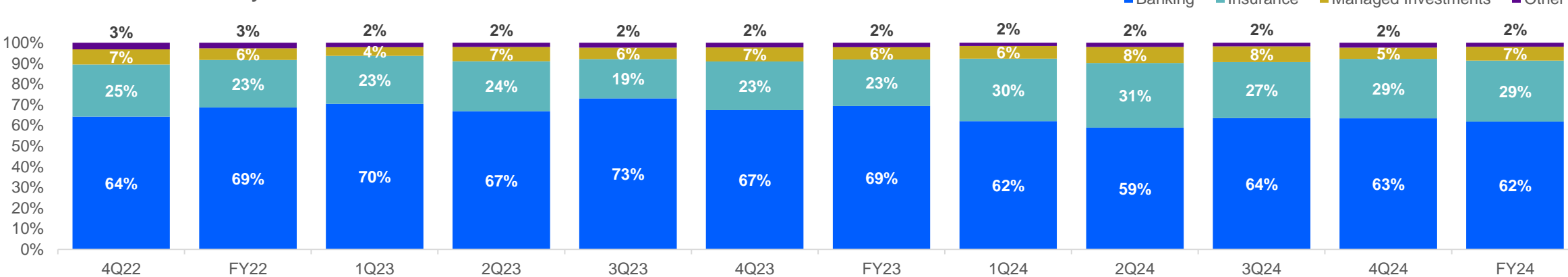
MIS Revenue¹: Distribution by Geography



MIS Revenue¹: Distribution by Recurring vs. Transaction



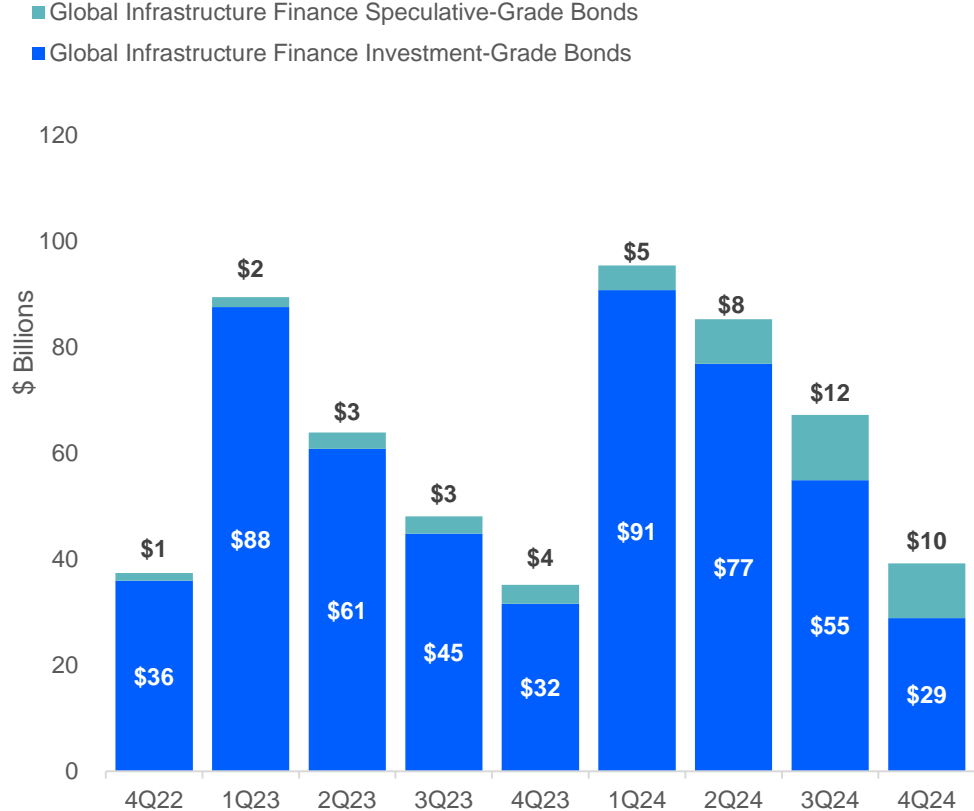
MIS Revenue¹: Distribution by Product



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.
 2. Other includes monitoring, commercial paper, medium term notes and ICRA.

Infrastructure issuance¹; Public, Project & Infrastructure revenue

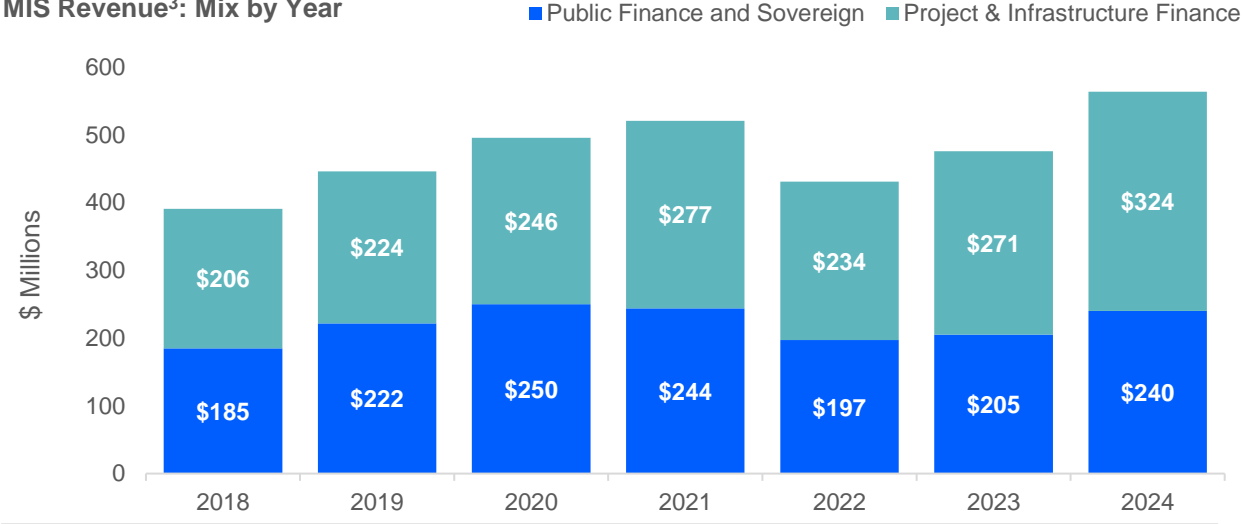
Global Issuance²: Mix by Quarter



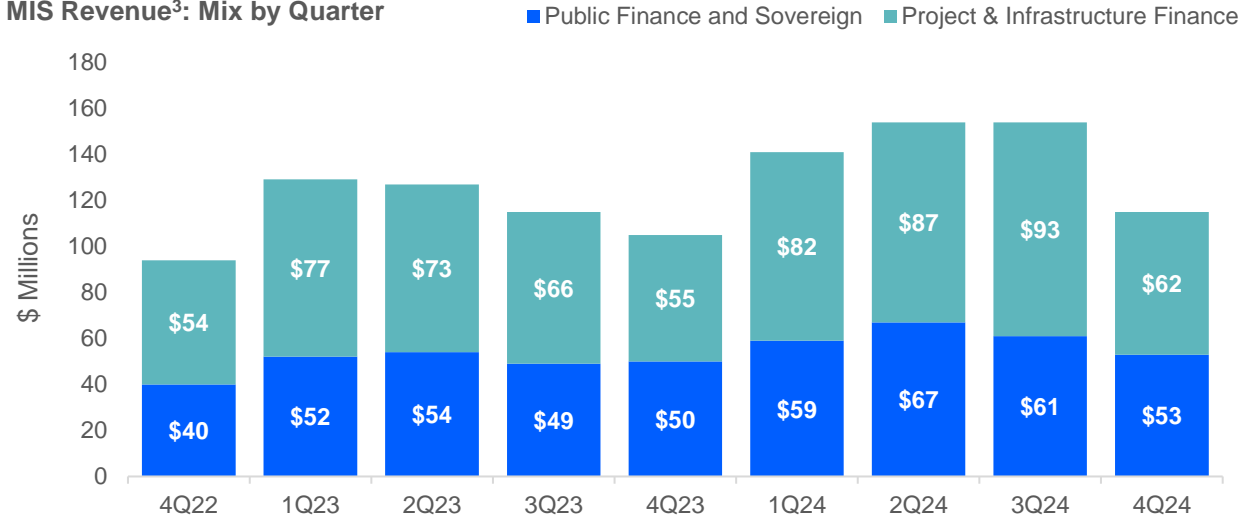
Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

- Total estimated market issuance, unless otherwise noted.
- Historical issuance data has been adjusted as of November 16, 2023, to conform with current information using a single-third party source (Dealogic). Issuance figures are subject to amendment given face amount variations that may occur following the reporting cycle.
- Historical data has been adjusted to conform with current information and excludes intercompany revenue.

MIS Revenue³: Mix by Year

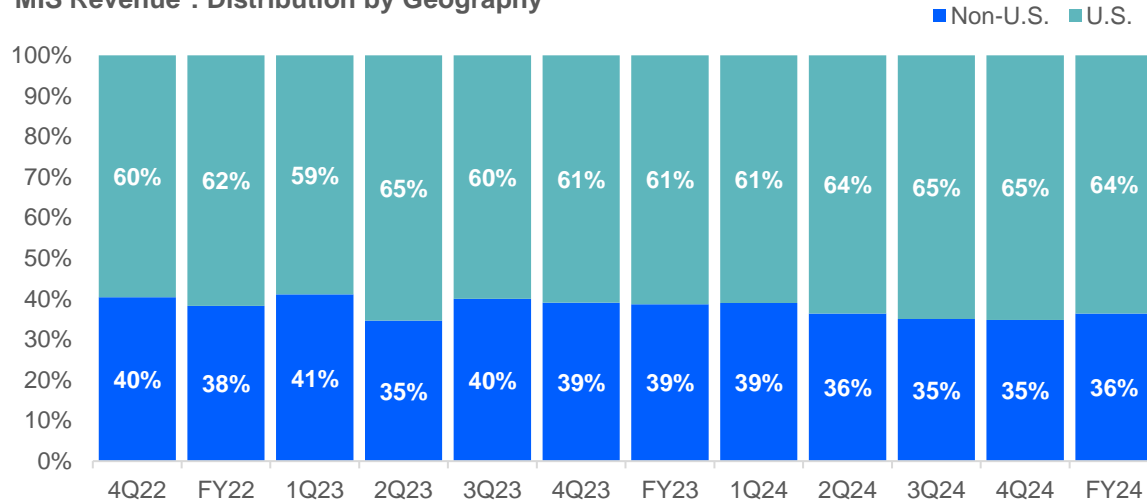


MIS Revenue³: Mix by Quarter

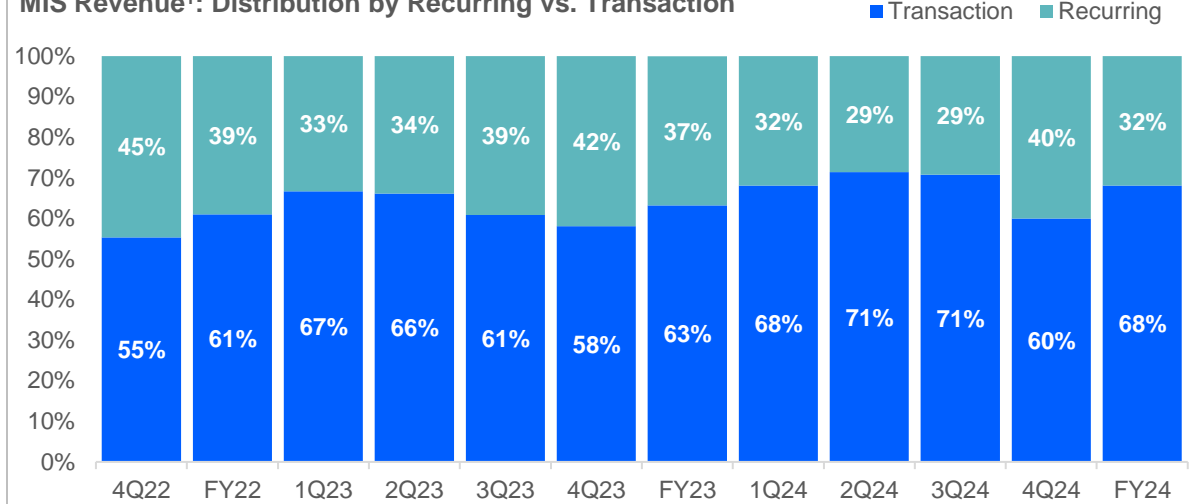


Public, Project & Infrastructure: revenue

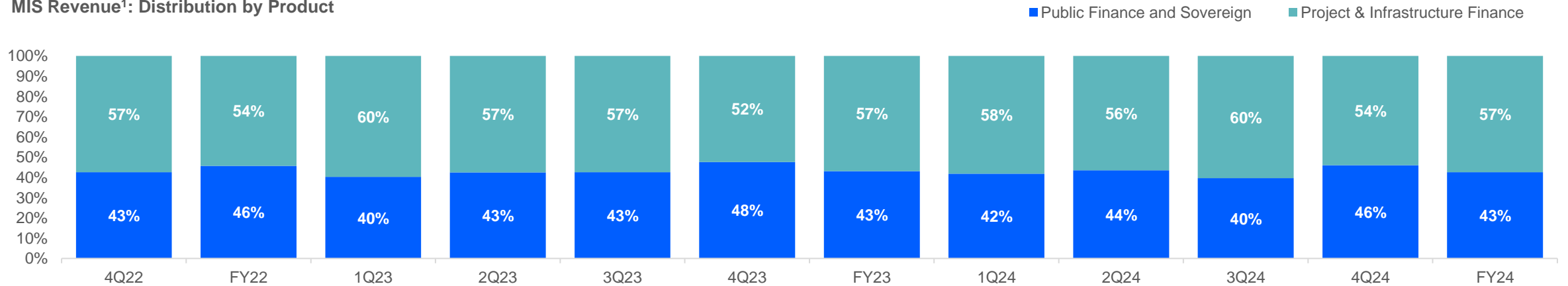
MIS Revenue¹: Distribution by Geography



MIS Revenue¹: Distribution by Recurring vs. Transaction



MIS Revenue¹: Distribution by Product



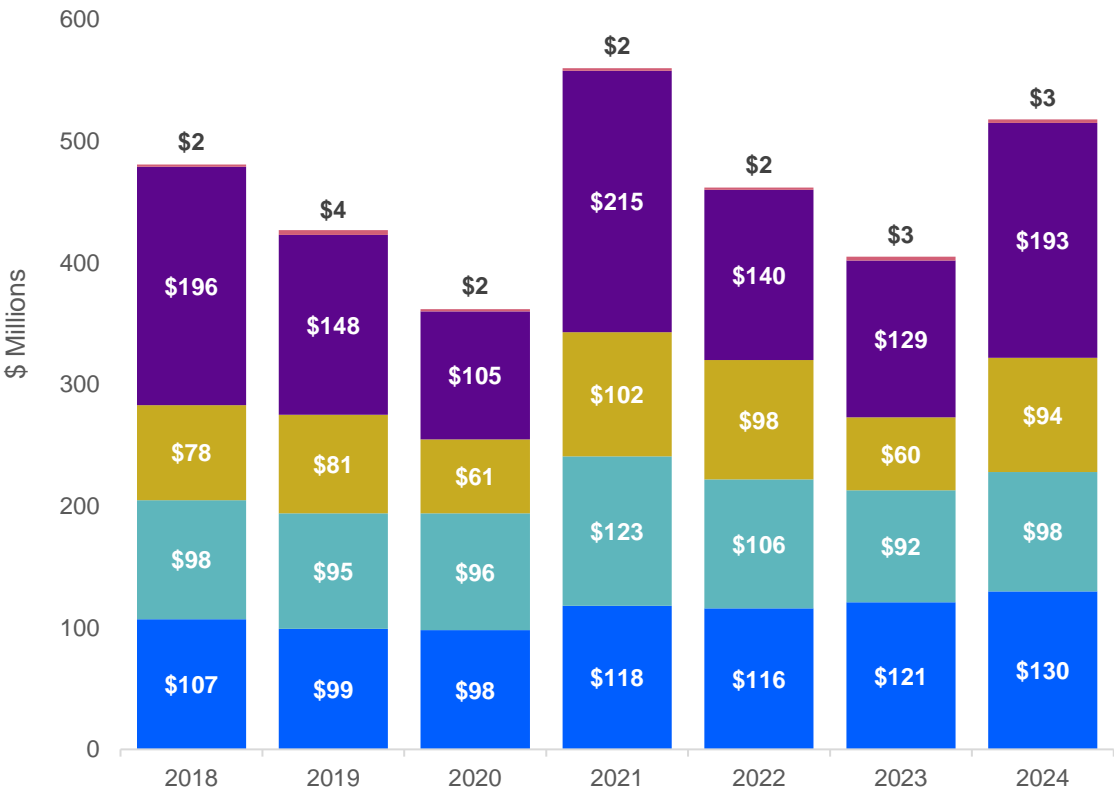
Note: Percentages have been rounded and may not total to 100%.

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

Structured Finance: revenue

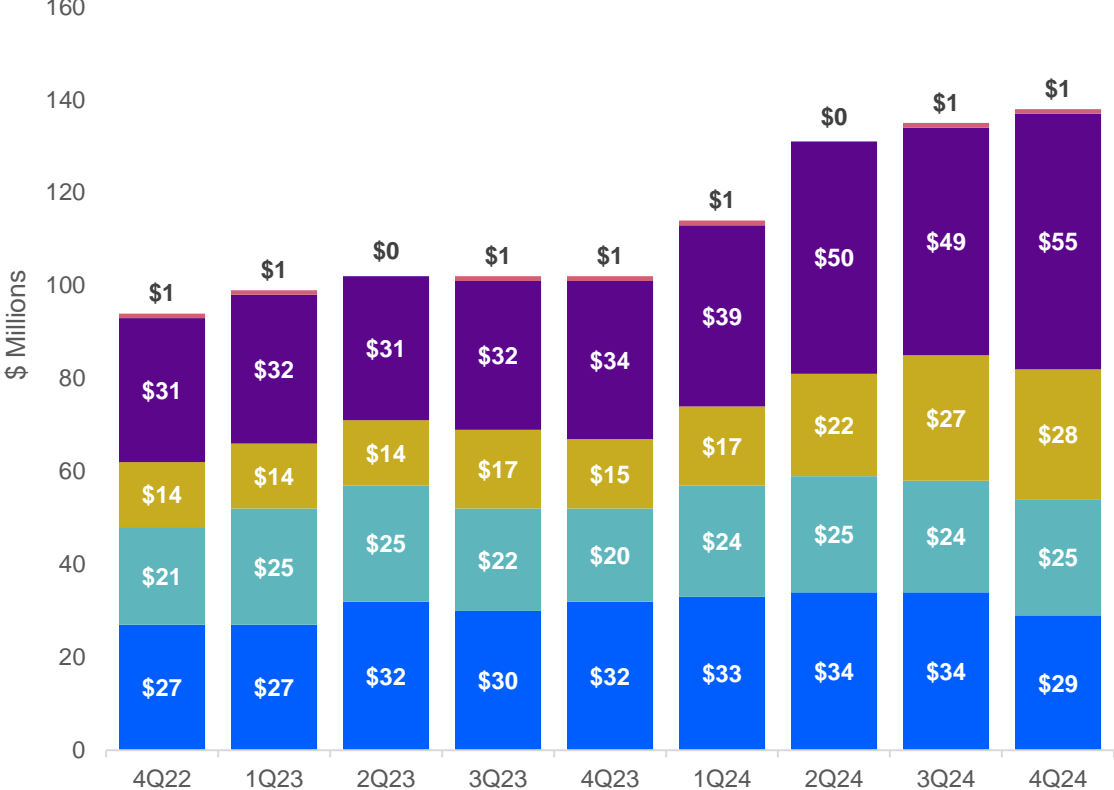
MIS Revenue¹: Mix by Year

■ ABS ■ RMBS ■ CMBS ■ Structured Credit ■ Other



MIS Revenue¹: Mix by Quarter

■ ABS ■ RMBS ■ CMBS ■ Structured Credit ■ Other

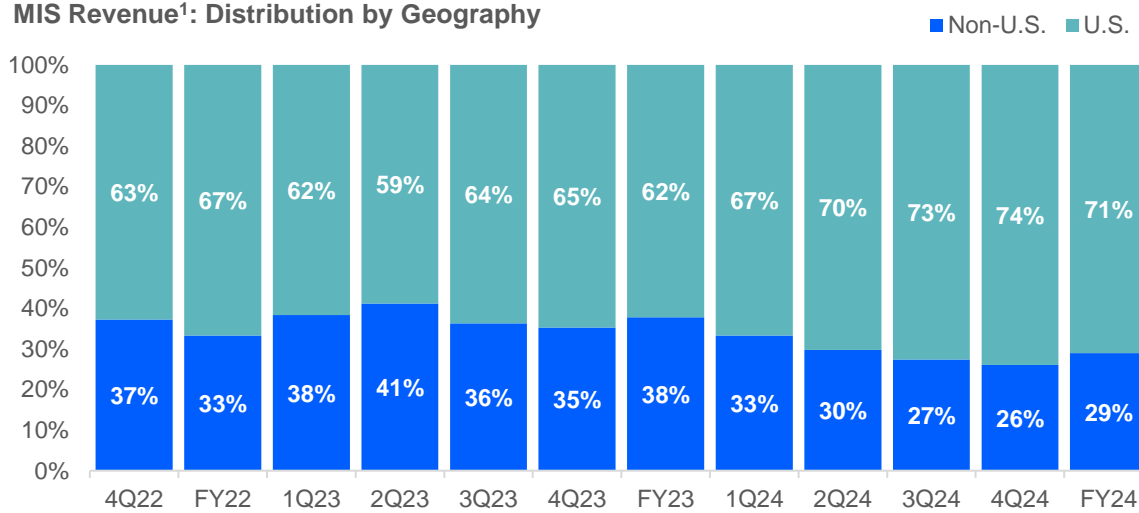


Notes: ABS (asset-backed securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (residential mortgage-backed securitization) includes covered bonds. CMBS (commercial mortgage-backed securities) includes commercial real estate CDOs. Structured Credit includes CLOs and CDOs.

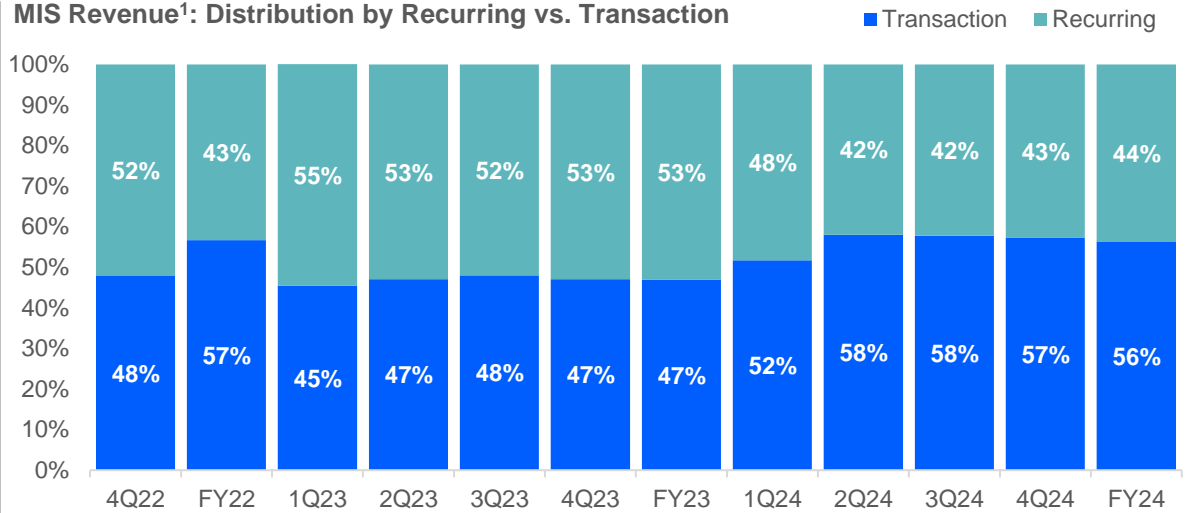
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected starting from 2018.

Structured Finance: revenue

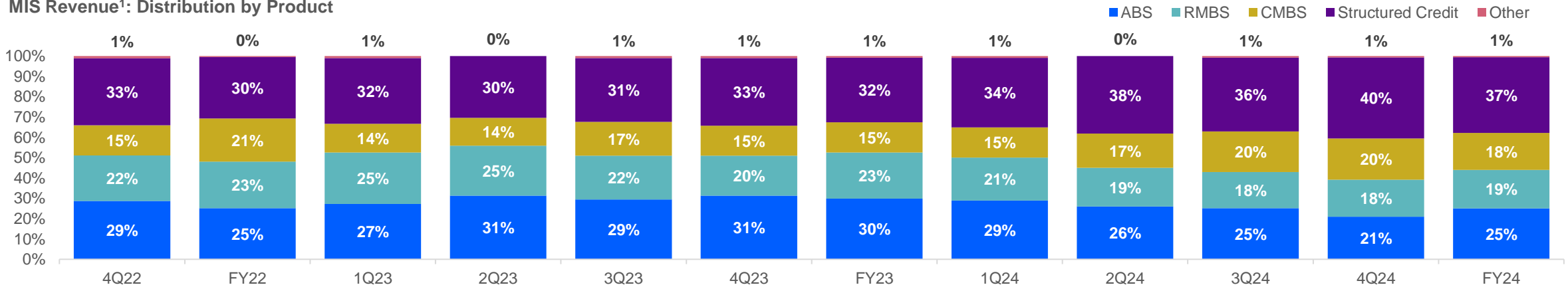
MIS Revenue¹: Distribution by Geography



MIS Revenue¹: Distribution by Recurring vs. Transaction



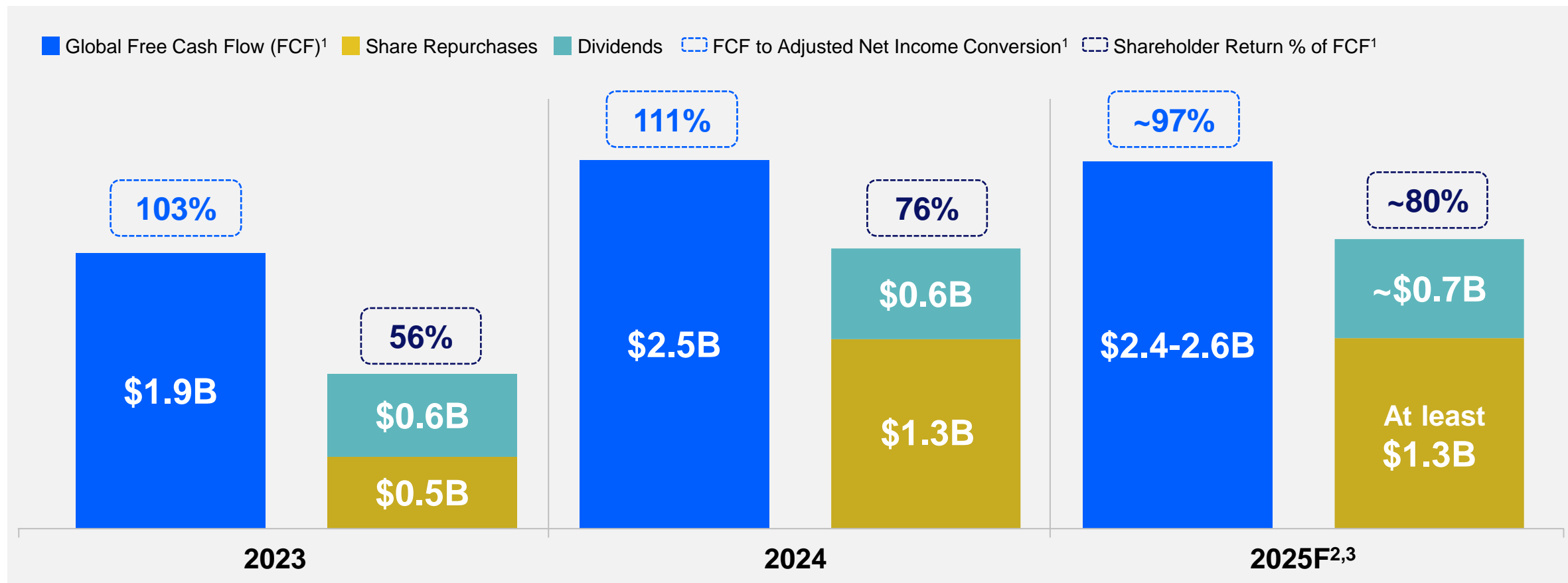
MIS Revenue¹: Distribution by Product



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 (commercial mortgage-backed securities) includes commercial real estate CDOs. Structured Credit includes CLOs and CDOs. Percentages have been rounded and may not total to 100%.

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

MCO: investing for growth while returning capital to shareholders



1. Refer to the Appendix for reconciliations between non-GAAP or adjusted measures mentioned throughout this presentation and U.S. GAAP.
 2. Based on midpoint of Free Cash Flow and Adjusted Diluted EPS guidance as of February 13, 2025. Refer to Table 12 – “2025 Outlook” in the press release titled “Moody’s Corporation Reports Results for Fourth Quarter and Full Year 2024” from February 13, 2025, for a complete list of guidance, as well as assumptions used by the Company with respect to its guidance.
 3. Subject to available cash, market conditions, M&A opportunities and other ongoing capital allocation decisions.

Teleconference details

DIAL IN REPLAY AVAILABLE FROM
**February 13, 2025, through
February 20, 2025.**



Webcast

- Go to ir.moodys.com
- Click on “**Events & Presentations**”
- Click on the link for “**4Q and FY 2024 Earnings Conference Call**”



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515 6491

Moody's attendance at upcoming conferences

Mar 3

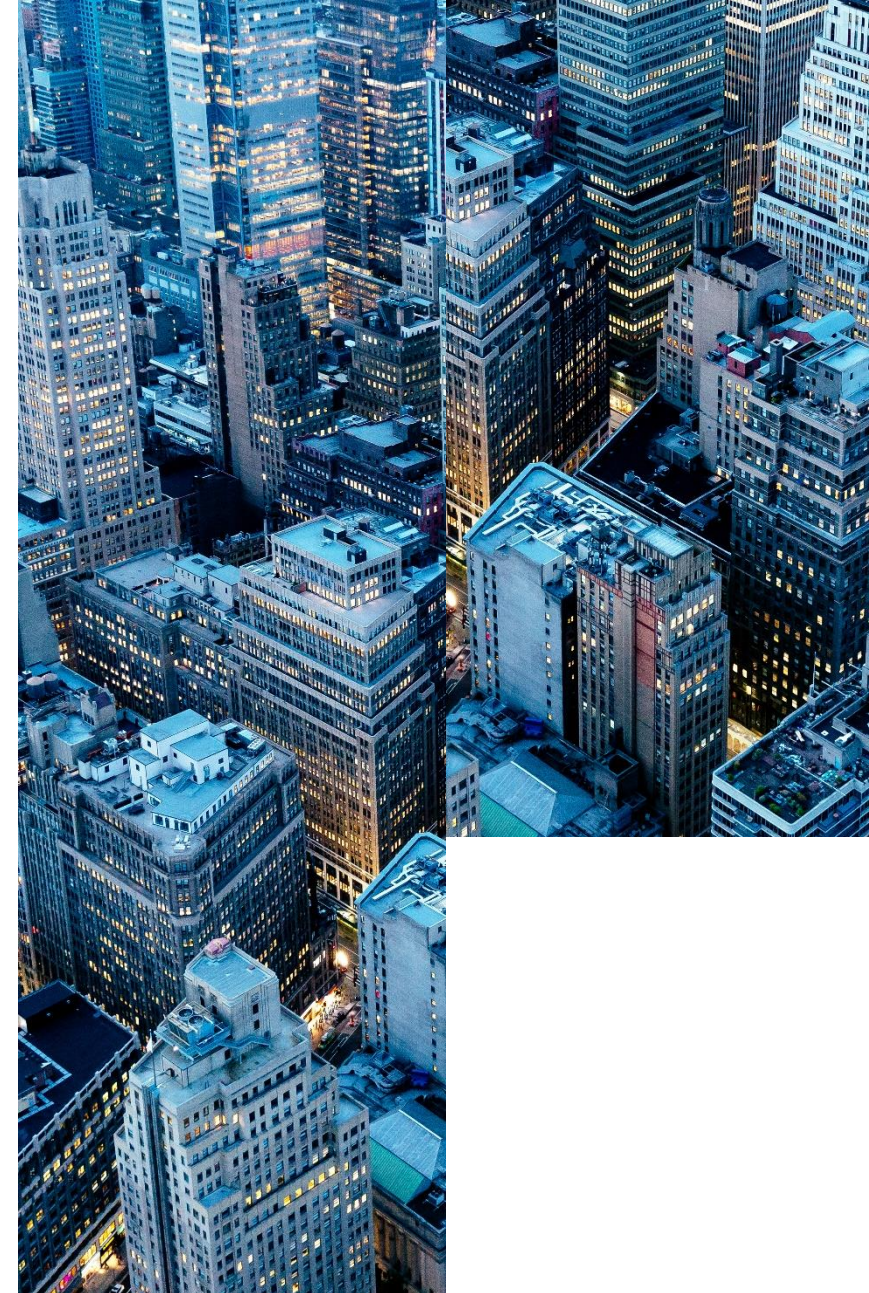
Raymond James

2025 Annual Institutional Investors Conference

Mar 11

Wolfe Research

2025 Fintech Forum



Appendix

Glossary of terms and abbreviations

Term	Definition
CFG	Corporate finance group; an LOB within MIS
D&I	The Data & Information LOB within MA, which provides vast data sets on companies and securities via data feeds and data applications products
DS	The Decision Solutions LOB within MA that provides subscription-based solutions supporting banking, insurance, and KYC workflows. This LOB utilizes components from the Data & Information and Research & Insights LOBs to provide risk assessment solutions
FIG	Financial institutions group; an LOB within MIS
FTM	First Time Mandates
FX	Foreign exchange
Gen AI	Generative Artificial Intelligence
LOB	Line of business
M&A	Mergers & Acquisitions
MA	Moody's Analytics - a reportable segment of MCO; consists of three LOBs - Decision Solutions; Research and Insights; and Data and Information
MIS	Moody's Investors Service - a reportable segment of MCO; consists of five LOBs - CFG; SFG; FIG; PPIF; and MIS Other
MIS Other	Consists of financial instruments pricing services in the Asia-Pacific region, ICRA non-ratings revenue and revenue from professional services. These businesses are components of MIS; MIS Other is an LOB of MIS
PPIF	Public, project and infrastructure finance; an LOB within MIS
R&I	The Research & Insights LOB within MA, which provides models, scores, expert insights and commentary. This LOB includes credit research; credit models and analytics; economics data and models; and structured finance solutions
SFG	Structured finance group; an LOB within MIS
YoY	Year-over-year

Annualized Recurring Revenue (ARR)

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

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

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

<i>Amounts in millions</i>	December 31, 2024	December 31, 2023	Change	Growth
MA ARR				
Decision Solutions				
Banking	\$ 457	\$ 420	\$ 37	9%
Insurance	601	536	65	12%
KYC	390	334	56	17%
Total Decision Solutions	\$ 1,448	\$ 1,290	\$ 158	12%
Research and Insights	942	885	57	6%
Data and Information	888	821	67	8%
Total MA ARR	\$ 3,278	\$ 2,996	\$ 282	9%

Financial information by segment

The table below shows revenue and Adjusted Operating Income by reportable segment. Adjusted Operating Income is a financial metric utilized by the Company's chief operating decision maker to assess the profitability of each reportable segment.

<i>Amounts in millions</i>	Three Months Ended December 31,							
	2024				2023			
	MA	MIS	Eliminations	Consolidated	MA	MIS	Eliminations	Consolidated
Total external revenue	\$863	\$809	\$ —	\$ 1,672	\$796	\$684	\$ —	\$ 1,480
Intersegment revenue	3	49	(52)	—	3	48	(51)	—
Total revenue	866	858	(52)	1,672	799	732	(51)	1,480
Compensation expense	347	302	—	649	317	251	—	568
Non-compensation expense	177	113	—	290	183	98	—	281
Intersegment expense	49	3	(52)	—	48	3	(51)	—
Operating, SG&A	573	418	(52)	939	548	352	(51)	849
Adjusted Operating Income	\$293	\$440	\$ —	\$ 733	\$251	\$380	\$ —	\$ 631
<i>Adjusted Operating Margin</i>	33.8 %	51.3 %		43.8 %	31.4 %	51.9 %		42.6 %
Depreciation and amortization	93	20	—	113	78	19	—	97
Restructuring	35	11	—	46	21	15	—	36
Charges related to asset abandonment	13	—	—	13	—	—	—	—
Operating income				\$ 561				\$ 498
<i>Operating margin</i>				33.6 %				33.6 %

Financial information by segment (Cont'd)

The table below shows revenue and Adjusted Operating Income by reportable segment. Adjusted Operating Income is a financial metric utilized by the Company's chief operating decision maker to assess the profitability of each reportable segment.

Amounts in millions	Year Ended December 31,							
	2024				2023			
	MA	MIS	Eliminations	Consolidated	MA	MIS	Eliminations	Consolidated
Total external revenue	\$3,295	\$3,793	\$ —	\$ 7,088	\$3,056	\$2,860	\$ —	\$ 5,916
Intersegment revenue	13	193	(206)	—	13	186	(199)	—
Total revenue	3,308	3,986	(206)	7,088	3,069	3,046	(199)	5,916
Compensation expense	1,370	1,169	—	2,539	1,238	1,003	—	2,241
Non-compensation expense	731	410	—	1,141	708	370	—	1,078
Intersegment expense	193	13	(206)	—	186	13	(199)	—
Operating, SG&A	2,294	1,592	(206)	3,680	2,132	1,386	(199)	3,319
Adjusted Operating Income	\$1,014	\$2,394	\$ —	\$ 3,408	\$937	\$1,660	\$ —	\$ 2,597
<i>Adjusted Operating Margin</i>	30.7 %	60.1 %		48.1 %	30.5 %	54.5 %		43.9 %
Depreciation and amortization	353	78	—	431	298	75	—	373
Restructuring	42	17	—	59	59	28	—	87
Charges related to asset abandonment ⁽¹⁾	43	—	—	43	—	—	—	—
Operating income				\$ 2,875				\$ 2,137
<i>Operating margin</i>				40.6 %				36.1 %

1. (1) During the year ended December 31, 2024, the Company recorded charges related to asset abandonment of \$43 million pursuant to the Company's decision to outsource the production of certain sustainability content utilized in our product offerings. These charges consist of: i) \$12 million related to severance incurred pursuant to a reduction in staff; and ii) \$31 million in incremental amortization expense related to the change in estimated useful lives of certain internally developed software and amortizable intangible assets that are associated with the sustainability content offerings for which production is being outsourced.

Adjusted Operating Income and Adjusted Operating Margin

The Company presents Adjusted Operating Income and Adjusted Operating Margin because management deems these metrics to be useful measures to provide additional perspective on Moody's operating performance. Adjusted Operating Income excludes the impact of: i) depreciation and amortization; ii) restructuring charges/adjustments; and iii) charges related to asset abandonment. Depreciation and amortization are excluded because companies utilize productive assets of different estimated useful lives and use different methods of acquiring and depreciating productive assets. Restructuring charges/adjustments and charges related to asset abandonment, which the Company believes are not reflective of its ongoing operating cost structure, are excluded as the frequency and magnitude of these charges may vary widely across periods and companies.

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

Below is a reconciliation of these measures to their most directly comparable U.S. GAAP measures:

<i>Amounts in millions</i>	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Operating income	\$ 561	\$ 498	\$ 2,875	\$ 2,137
Depreciation and amortization	113	97	431	373
Restructuring	46	36	59	87
Charges related to asset abandonment	13	—	43	—
Adjusted Operating Income	\$ 733	\$ 631	\$ 3,408	\$ 2,597
Operating margin	33.6 %	33.6 %	40.6 %	36.1 %
Adjusted Operating Margin	43.8 %	42.6 %	48.1 %	43.9 %

Free Cash Flow

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

Below is a reconciliation of the Company's net cash flows from operating activities to Free Cash Flow:

<i>Amounts in millions</i>	Year Ended December 31,	
	2024	2023
Net cash provided by operating activities	\$ 2,838	\$ 2,151
Capital additions	(317)	(271)
Free Cash Flow	\$ 2,521	\$ 1,880
Net cash used in investing activities	\$ (1,056)	\$ (247)
Net cash used in financing activities	\$ (1,446)	\$ (1,584)

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

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

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

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

At right is a reconciliation of these measures to their most directly comparable U.S. GAAP measures:

<i>Amounts in millions</i>	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net Income attributable to Moody's common shareholders	\$ 395	\$ 340	\$ 2,058	\$ 1,607
Pre-tax Acquisition-Related Intangible Amortization Expenses	\$ 50	\$ 48	\$ 198	\$ 198
Tax on Acquisition-Related Intangible Amortization Expenses	(12)	(12)	(48)	(48)
Net Acquisition-Related Intangible Amortization Expenses	38	36	150	150
Pre-tax restructuring	\$ 46	\$ 36	\$ 59	\$ 87
Tax on restructuring	(12)	(10)	(15)	(22)
Net restructuring	34	26	44	65
Pre-tax charges related to asset abandonment	\$ 13	\$ —	\$ 43	\$ —
Tax on charges related to asset abandonment	(4)	—	(11)	—
Net charges related to asset abandonment	9	—	32	—
Pre-tax gain on previously held equity method investments	\$ —	\$ —	\$ (7)	\$ —
Tax on gain on previously held equity method investments	—	—	2	—
Net gain on previously held equity method investments	—	—	(5)	—
Adjusted Net Income	\$ 476	\$ 402	\$ 2,279	\$ 1,822

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

Adjusted Net Income and Adjusted Diluted EPS attributable to Moody's common shareholders (Cont'd)

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

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

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

At right is a reconciliation of these measures to their most directly comparable U.S. GAAP measures:

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Diluted earnings per share attributable to Moody's common shareholders	\$ 2.17	\$ 1.85	\$ 11.26	\$ 8.73
Pre-tax Acquisition-Related Intangible Amortization Expenses	\$ 0.28	\$ 0.26	\$ 1.08	\$ 1.08
Tax on Acquisition-Related Intangible Amortization Expenses	(0.07)	(0.06)	(0.26)	(0.26)
Net Acquisition-Related Intangible Amortization Expenses	0.21	0.20	0.82	0.82
Pre-tax restructuring	\$ 0.25	\$ 0.20	\$ 0.32	\$ 0.47
Tax on restructuring	(0.06)	(0.06)	(0.08)	(0.12)
Net restructuring	0.19	0.14	0.24	0.35
Pre-tax charges related to asset abandonment	\$ 0.07	\$ —	\$ 0.24	\$ —
Tax on charges related to asset abandonment	(0.02)	—	(0.06)	—
Net charges related to asset abandonment	0.05	—	0.18	—
Pre-tax gain on previously held equity method investments	\$ —	\$ —	\$ (0.04)	\$ —
Tax on gain on previously held equity method investments	—	—	0.01	—
Net gain on previously held equity method investments	—	—	(0.03)	—
Adjusted Diluted EPS	\$ 2.62	\$ 2.19	\$ 12.47	\$ 9.90

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

Constant currency revenue growth

The Company presents constant currency revenue growth (decline) as its non-GAAP measure of revenue growth (decline). Management deems this measure to be useful in providing additional perspective in assessing the Company's revenue growth (decline) excluding the impacts of changes in foreign exchange rates. The Company calculates the dollar impact of foreign exchange as the difference between the translation of its current period non-USD functional currency results using comparative prior period weighted average foreign exchange translation rates and current year reported results.

At right is a reconciliation of the Company's reported revenue and growth (decline) rates to its constant currency revenue growth (decline) measures:

<i>Amounts in millions</i>	Three Months Ended December 31,				Year Ended December 31,			
	2024	2023	Change	Growth	2024	2023	Change	Growth
MCO revenue	\$ 1,672	\$ 1,480	\$ 192	13%	\$ 7,088	\$ 5,916	\$ 1,172	20%
FX impact	4	—	4		(1)	—	(1)	
Constant currency MCO revenue	<u>\$ 1,676</u>	<u>\$ 1,480</u>	<u>\$ 196</u>	<u>13%</u>	<u>\$ 7,087</u>	<u>\$ 5,916</u>	<u>\$ 1,171</u>	<u>20%</u>
MA revenue	\$ 863	\$ 796	\$ 67	8%	\$ 3,295	\$ 3,056	\$ 239	8%
FX impact	—	—	—		(6)	—	(6)	
Constant currency MA revenue	<u>\$ 863</u>	<u>\$ 796</u>	<u>\$ 67</u>	<u>8%</u>	<u>\$ 3,289</u>	<u>\$ 3,056</u>	<u>\$ 233</u>	<u>8%</u>
Decision Solutions revenue	\$ 402	\$ 361	\$ 41	11%	\$ 1,516	\$ 1,383	\$ 133	10%
FX impact	—	—	—		(2)	—	(2)	
Constant currency Decision Solutions revenue	<u>\$ 402</u>	<u>\$ 361</u>	<u>\$ 41</u>	<u>11%</u>	<u>\$ 1,514</u>	<u>\$ 1,383</u>	<u>\$ 131</u>	<u>9%</u>
Research and Insights revenue	\$ 243	\$ 230	\$ 13	6%	\$ 926	\$ 884	\$ 42	5%
FX impact	—	—	—		(2)	—	(2)	
Constant currency Research and Insights revenue	<u>\$ 243</u>	<u>\$ 230</u>	<u>\$ 13</u>	<u>6%</u>	<u>\$ 924</u>	<u>\$ 884</u>	<u>\$ 40</u>	<u>5%</u>
Data and Information revenue	\$ 218	\$ 205	\$ 13	6%	\$ 853	\$ 789	\$ 64	8%
FX impact	—	—	—		(2)	—	(2)	
Constant currency Data and Information revenue	<u>\$ 218</u>	<u>\$ 205</u>	<u>\$ 13</u>	<u>6%</u>	<u>\$ 851</u>	<u>\$ 789</u>	<u>\$ 62</u>	<u>8%</u>
MA recurring revenue	\$ 821	\$ 748	\$ 73	10%	\$ 3,134	\$ 2,868	\$ 266	9%
FX impact	(2)	—	(2)		(8)	—	(8)	
Constant currency MA recurring revenue	<u>\$ 819</u>	<u>\$ 748</u>	<u>\$ 71</u>	<u>9%</u>	<u>\$ 3,126</u>	<u>\$ 2,868</u>	<u>\$ 258</u>	<u>9%</u>
MIS revenue	\$ 809	\$ 684	\$ 125	18%	\$ 3,793	\$ 2,860	\$ 933	33%
FX impact	4	—	4		5	—	5	
Constant currency MIS revenue	<u>\$ 813</u>	<u>\$ 684</u>	<u>\$ 129</u>	<u>19%</u>	<u>\$ 3,798</u>	<u>\$ 2,860</u>	<u>\$ 938</u>	<u>33%</u>
CFG revenue	\$ 381	\$ 337	\$ 44	13%	\$ 1,950	\$ 1,404	\$ 546	39%
FX impact	1	—	1		1	—	1	
Constant currency CFG revenue	<u>\$ 382</u>	<u>\$ 337</u>	<u>\$ 45</u>	<u>13%</u>	<u>\$ 1,951</u>	<u>\$ 1,404</u>	<u>\$ 547</u>	<u>39%</u>
SFG revenue	\$ 138	\$ 102	\$ 36	35%	\$ 518	\$ 405	\$ 113	28%
FX impact	1	—	1		2	—	2	
Constant currency SFG revenue	<u>\$ 139</u>	<u>\$ 102</u>	<u>\$ 37</u>	<u>36%</u>	<u>\$ 520</u>	<u>\$ 405</u>	<u>\$ 115</u>	<u>28%</u>
FIG revenue	\$ 167	\$ 132	\$ 35	27%	\$ 727	\$ 545	\$ 182	33%
FX impact	1	—	1		1	—	1	
Constant currency FIG revenue	<u>\$ 168</u>	<u>\$ 132</u>	<u>\$ 36</u>	<u>27%</u>	<u>\$ 728</u>	<u>\$ 545</u>	<u>\$ 183</u>	<u>34%</u>
PPIF revenue	\$ 115	\$ 105	\$ 10	10%	\$ 564	\$ 476	\$ 88	18%
FX impact	1	—	1		—	—	—	
Constant currency PPIF revenue	<u>\$ 116</u>	<u>\$ 105</u>	<u>\$ 11</u>	<u>10%</u>	<u>\$ 564</u>	<u>\$ 476</u>	<u>\$ 88</u>	<u>18%</u>

2025 outlook reconciliations

The following are reconciliations of the Company's adjusted forward looking measures to their comparable U.S. GAAP measure:

Projected for the Year Ended December 31, 2025	
Operating margin guidance	Approximately 43%
Depreciation and amortization	Approximately 6%
Restructuring	Approximately 1%
Adjusted Operating Margin guidance	Approximately 50%
Projected for the Year Ended December 31, 2025	
Operating cash flow guidance	\$2.75 to \$2.95 billion
Less: Capital expenditures	Approximately \$350 million
Free Cash Flow guidance	\$2.40 to \$2.60 billion
Projected for the Year Ended December 31, 2025	
Diluted EPS guidance	\$12.75 to \$13.25
Acquisition-Related Intangible Amortization	Approximately \$0.90
Restructuring	Approximately \$0.35
Adjusted Diluted EPS guidance	\$14.00 to \$14.50

Key assumptions underlying our medium-term targets¹

Moody's medium-term targets refer to a time period within 5 years from the base year 2022 and reflect assumptions about numerous factors that could affect its business and is based on currently available information reviewed by management through and as of today's date.

These assumptions include, but are not limited to, the effects of current economic conditions, including the effects of interest rates, inflation, foreign currency exchange rates, capital markets' liquidity, trade tariffs and policy and activity in different sectors of the debt markets. This outlook also reflects assumptions about global GDP growth, and the impacts resulting from changes in international conditions, including as a result of the Russia-Ukraine military conflict, and the military conflict in Israel and surrounding areas. Actual results could differ materially from Moody's outlook.

The targets also incorporate various assumptions as of February 13, 2025, including: (a) a macro environment supportive of economic growth; (b) ongoing demand for Moody's products and services; (c) issuers continue to refinance maturing debt; (d) MA customer retention rates remain in-line with historical levels; and (e) pricing initiatives align with prior practices and enhancements to customer value.

Moody's Corporation Medium-Term Targets (as of February 13, 2025)

Moody's Corporation

Revenue	High-single to low-double-digit % growth
Adjusted Operating Margin ⁽²⁾	Low-50s % range
Adjusted Diluted EPS ⁽²⁾	Low-to-mid-teens % growth

Moody's Analytics (MA)

MA Revenue	High-single to low-double-digit % growth
MA Adjusted Operating Margin	Mid-to-high-30s % range

Moody's Investors Service (MIS)

MIS Revenue	High-single to low-double-digit % growth
MIS Adjusted Operating Margin	Low-60s % range

Note: Growth refers to the average annualized growth over the period. Margin expectations refer to exit rates at the end of the period.

- Guidance as of February 13, 2025. Assumes no material change in effective tax rate, foreign exchange rates, leverage profile and/or capital allocation policy. Subject to available cash, market conditions, M&A opportunities and other ongoing capital allocation decisions.
- Moody's does not provide medium-term operating margin and diluted EPS guidance on a U.S. GAAP basis because the items that the Company excludes to derive Adjusted Operating Margin and Adjusted Diluted EPS cannot be reasonably predicted or assumed, for example the amount of amortization associated with acquired intangible assets from future M&A activity. Accordingly, the Company does not forecast these items over the medium-term. The occurrence, timing and amount of any of the items excluded from operating income and net income to derive Adjusted Operating Margin and Adjusted Diluted EPS could significantly impact the Company's medium-term U.S. GAAP results.

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