MOODY'S

News

FOR MOODYS:

SHIVANI KAK
Investor Relations
212.553.0298
Shivani.Kak@moodys.com

MICHAEL ADLER
Communications
212.553.4667
Michael.Adler@moodys.com

moodys.com
ir.moodys.com/
moodys.com/csr

FOR RDC:

TERESE FERNANDEZ
Marketing/Communications
484.366.8226
TFernandez@rdc.com

MICHAEL MELAMED
Press Relations
480.309.1585
mmelamed@laurelstrategies.com

MOODY'S ACQUIRES RDC, A LEADER IN RISK AND COMPLIANCE INTELLIGENCE, DATA AND SOFTWARE

NEW YORK, NY - January 23, 2020 - Moody's Corporation (NYSE:MCO) announced today that it has agreed to acquire Regulatory DataCorp (RDC), a leading provider of anti-money laundering (AML) and know-your-customer (KYC) data and due diligence services, for $700 million. The deal complements Moody's 2017 acquisition of company data provider Bureau van Dijk (BvD), creating a global leader in compliance solutions, BvD's fastest-growing business segment.

The deal deepens BvD's information portfolio and analytical capabilities by adding RDC's unique, comprehensive dataset. It will also extend RDC's global presence to a broader group of financial institutions, corporations, insurance companies and government agencies served by Moody's Analytics and BvD.

RDC's proprietary Global Regulatory Information Database (GRID) helps companies assess counterparties through a lens of more than 60 risk types by examining over 120,000 global sources, including adverse media coverage, politically exposed persons, government sanctions and regulatory watchlists. RDC's platform incorporates industry-leading artificial intelligence (AI) for compliance screening to help process customer requests at greater speeds and accuracy while reducing false positives.

"RDC's comprehensive data and leading technology are at the forefront of the global effort to identify sources of counterparty risk and to prevent criminal infiltration of the financial system," said Dan Russell, Executive Director of the Bureau van Dijk division of Moody's Analytics. "The addition of RDC's proprietary data and technology to BvD's comprehensive company information offerings provides an industry-leading platform that will help customers make better informed decisions as they manage AML and KYC risks and requirements."

RDC is currently owned by Vista Equity Partners (Vista), a leading investment firm focused on enterprise software, data and technology-enabled businesses.

The transaction is expected to close in the first quarter of 2020, subject to the satisfaction of customary closing conditions, including the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The transaction will be funded with a combination of cash on hand, commercial paper and debt financing. Moody's expects the acquisition of RDC to generate approximately $55 million of annualized revenue in 2020, and to be accretive to earnings per share on an adjusted basis in 2022. Due to the estimated impact of amortization expense relating to acquired intangible assets, the transaction is expected to be accretive to earnings per share on a GAAP basis in 2024.

Including the impact of this transaction, Moody's anticipates share repurchases for 2020 to total approximately $1.3 billion, subject to available cash, market conditions and other ongoing capital allocation decisions. Share repurchases during 2019 totaled approximately $1.0 billion.

Moody's received legal counsel from Paul Hastings LLP. UBS Investment Bank served as exclusive financial advisor and Kirkland & Ellis LLP served as legal advisor to RDC and Vista.

ABOUT MOODY'S CORPORATION

Moody's is an essential component of the global capital markets, providing credit ratings, research, tools and analysis that contribute to transparent and integrated financial markets. Moody's Corporation (NYSE:MCO) is the parent company of Moody's Investors Service, which provides credit ratings and research covering debt instruments and securities, and Moody's Analytics, which offers leading-edge software, advisory services and research for credit and economic analysis and financial risk management. The corporation, which reported revenue of $4.4 billion in 2018, employs approximately 10,900 people worldwide and maintains a presence in 44 countries. Further information is available at www.moodys.com.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995

Certain statements contained in this release are forward-looking statements and are based on future expectations, plans and prospects for the Company's business and operations that involve a number of risks and uncertainties. Such statements may include, among other words, "believe", "expect", "anticipate", "intend", "plan", "will", "predict", "potential", "continue", "strategy", "aspire", "target", "forecast", "project", "estimate", "should", "could", "may" and similar expressions or words and variations thereof that convey the prospective nature of events or outcomes generally indicative of forward-looking statements. The forward-looking statements and other information in this release are made as of the date hereof (except where noted otherwise), and the Company undertakes no obligation (nor does it intend) to publicly supplement, update or revise such statements on a going-forward basis, whether as a result of subsequent developments, changed expectations or otherwise, except as required by applicable law or regulation. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company is identifying examples of factors, risks and uncertainties that could cause actual results to differ, perhaps materially, from those indicated by these forward-looking statements. Those factors, risks and uncertainties include, but are not limited to, credit market disruptions or economic slowdowns, which could affect the volume of debt and other securities issued in domestic and/or global capital markets; other matters that could affect the volume of debt and other securities issued in domestic and/or global capital markets, including regulation, credit quality concerns, changes in interest rates and other volatility in the financial markets such as that due to uncertainty as companies transition away from LIBOR and the U.K.'s pending withdrawal from the EU; the level of merger and acquisition activity in the U.S. and abroad; the uncertain effectiveness and possible collateral consequences of U.S. and foreign government actions affecting credit markets, international trade and economic policy, including those related to tariffs and trade barriers; concerns in the marketplace affecting our credibility or otherwise affecting market perceptions of the integrity or utility of independent credit agency ratings; the introduction of competing products or technologies by other companies; pricing pressure from competitors and/or customers; the level of success of new product development and global expansion; the impact of regulation as an NRSRO, the potential for new U.S., state and local legislation and regulations, including provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") and regulations resulting from Dodd-Frank; the potential for increased competition and regulation in the EU and other foreign jurisdictions; exposure to litigation related to our rating opinions, as well as any other litigation, government and regulatory proceedings, investigations and 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 described in greater detail under "Risk Factors" in Part I, Item 1A of the Company's annual report on Form 10-K for the year ended December 31, 2018, and in other filings made by the Company from time to time with the SEC or in materials incorporated herein or therein. Stockholders and investors are cautioned that the occurrence of any of these factors, risks and uncertainties may cause the Company's actual results to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements, which could have a material and adverse effect on the Company's business, results of operations and financial condition. New factors may emerge from time to time, and it is not possible for the Company to predict new factors, nor can the Company assess the potential effect of any new factors on it.