

1Q 2018 Investor Presentation

May 10, 2018

Disclaimer

Certain statements contained in this release are forward-looking statements and are based on future expectations, plans and prospects for the Company's business and operations that involve a number of risks and uncertainties. The forward-looking statements and other information in this release are made as of the date (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. 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 the U.K.'s referendum vote whereby the U.K. citizens voted to withdraw 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; 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 Financial Reform Act and regulations resulting from that Act; the potential for increased competition and regulation in the EU and other foreign jurisdictions; exposure to litigation related to our rating opinions, as well as any other litigation, government and regulatory proceedings, investigations and inquires to which the Company may be subject from time to time; provisions in the Financial Reform Act 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 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. Other factors, risks and uncertainties relating to our acquisition of Bureau van Dijk could cause our actual results to differ, perhaps materially, from those indicated by these forward-looking statements, including risks relating to the integration of Bureau van Dijk's operations, products and employees into Moody's and the possibility that anticipated synergies and other benefits of the acquisition will not be realized in the amounts anticipated or will not be realized within the expected timeframe; risks that the acquisition could have an adverse effect on the business of Bureau van Dijk or its prospects, including, without limitation, on relationships with vendors, suppliers or customers; claims made, from time to time, by vendors, suppliers or customers; changes in the European or global marketplaces that have an adverse effect on the business of Bureau van Dijk. 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, 2017, 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 Mission: To be the World's Most Respected Authority Serving Risk-Sensitive Financial Markets



- **Defend and enhance our core ratings & research businesses**
  - Ratings: predictive, predictable and transparent
  - Research: timely and insightful
- **Pursue strategic growth opportunities**
  - Leverage the brand to extend our reach in financial markets
  - More broadly occupy credit / financial risk management and information vertical
  - Extend both thought leadership footprint and presence as a recognized standard
  - Move upstream in emerging financial markets

1

Financial Overview

Overview of Moody's Corporation

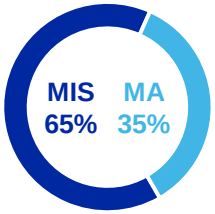
Moody's Investors Service

- 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

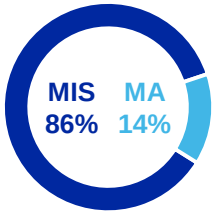
Moody's

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

Revenue of $4.4 billion



Operating Income of $1.9 billion



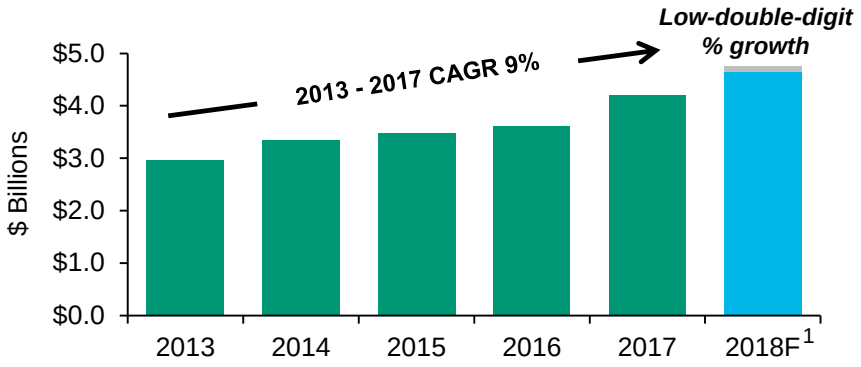
Moody's Analytics

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

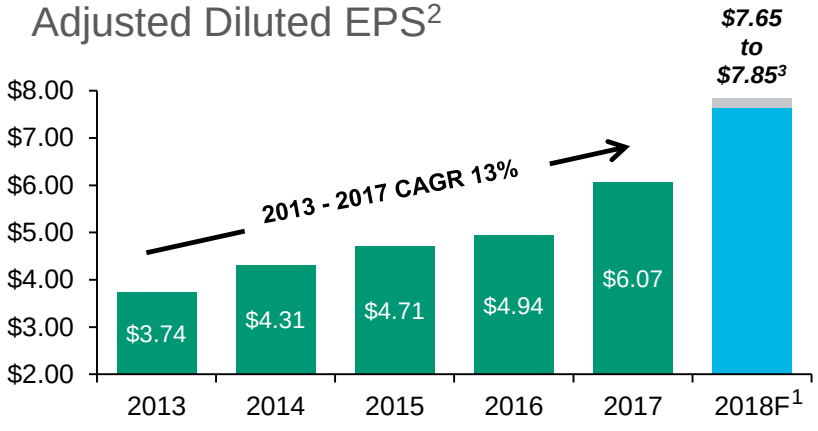
Note: Financial data for the trailing twelve months ended March 31, 2018.

Financial Performance

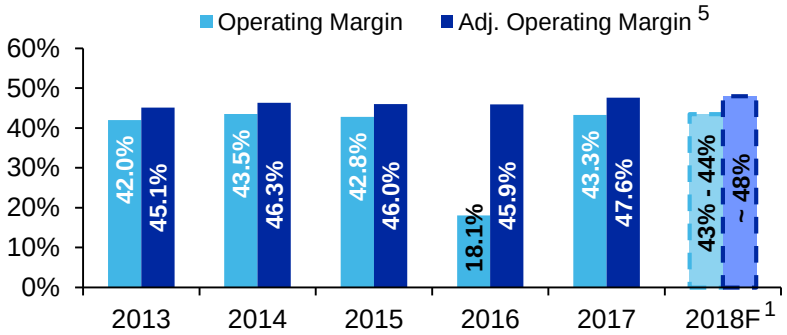
Revenue



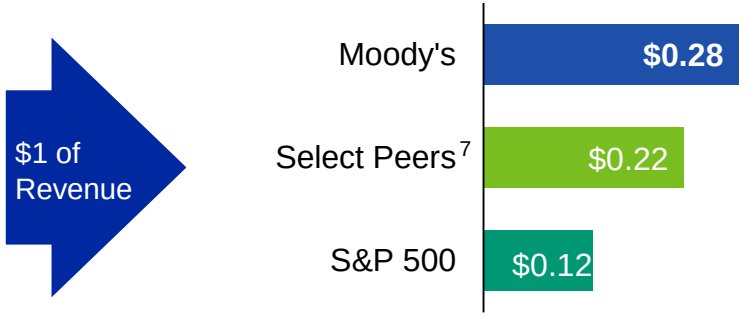
Adjusted Diluted EPS[2]



Operating Margin[4]



5-year Average Free Cash Flow Conversion[6]



1 Guidance as of April 27, 2018.
2 Adjusted diluted EPS is an adjusted measure. See appendix for reconciliations from adjusted financial measures to U.S. GAAP.
3 Includes an approximate $0.65 benefit resulting from U.S. corporate tax reform. See appendix for reconciliations from adjusted financial measures to U.S. GAAP.
4 2013 – 2017 operating and adjusted operating margins have been restated to conform to the new presentation of pension accounting.
5 Adjusted Operating Margin is an adjusted measure. See appendix for reconciliation from adjusted financial measures to U.S. GAAP.
6 As of May 2018, over the last five available fiscal years ended 2017. Free Cash Flow is an adjusted financial measure. See appendix for reconciliation from adjusted financial measures to U.S. GAAP. Source: FactSet.
7 Includes: CLGX, DNB, EXPN, FDS, INFO, MORN, MSCI, SPGI, TRI and VRSK.

Long-Term Growth Opportunities

Three Levers to Achieve EPS Growth



EPS	Low Teens % Growth Range[1, 2]

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

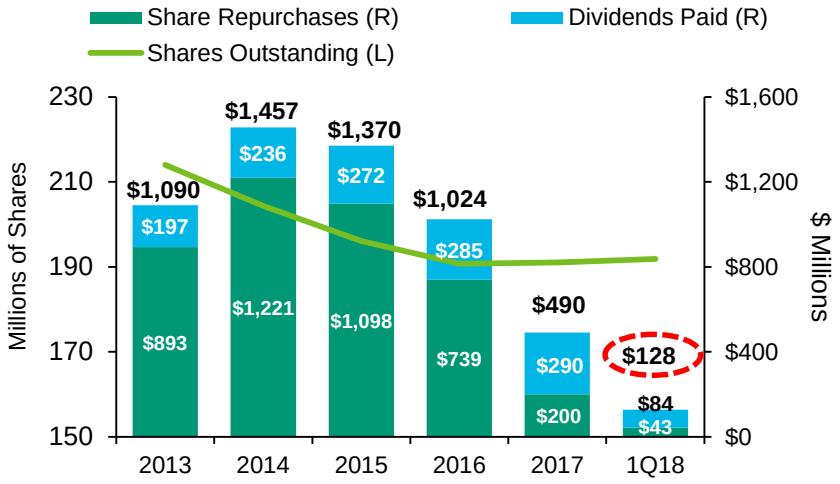
1 Assumes no material change in effective tax rate, foreign exchange rates, leverage profile and/or capital allocation policy.

2 Subject to market conditions and other ongoing capital allocation decisions.

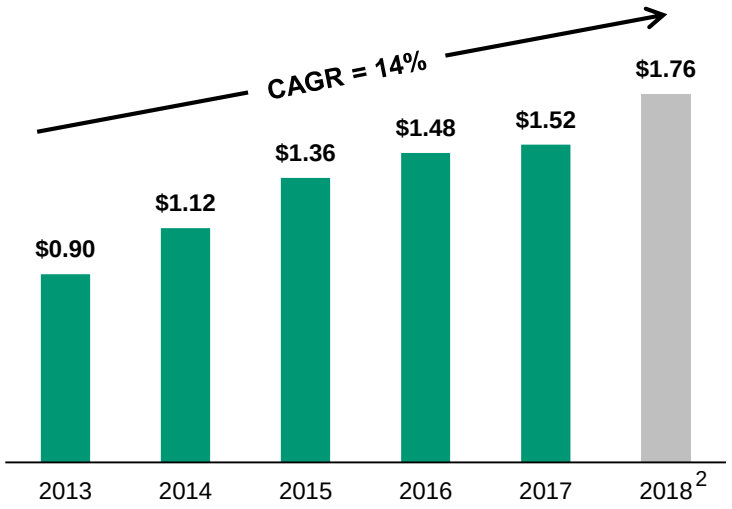
Disciplined Approach to Capital Allocation

Investing in Growth Opportunities		Return of Capital	
Reinvestment Invest in existing businesses to support organic growth	**Acquisitions** Evaluate carefully to make sure aligned with strategy and market evolution	**Dividends** Grow dividend in line with earnings; target 25% - 30% payout[1]	**Share Repurchase** Follow reinvestment, dividends and acquisitions in capital allocation prioritization

Share Repurchases and Dividends Paid

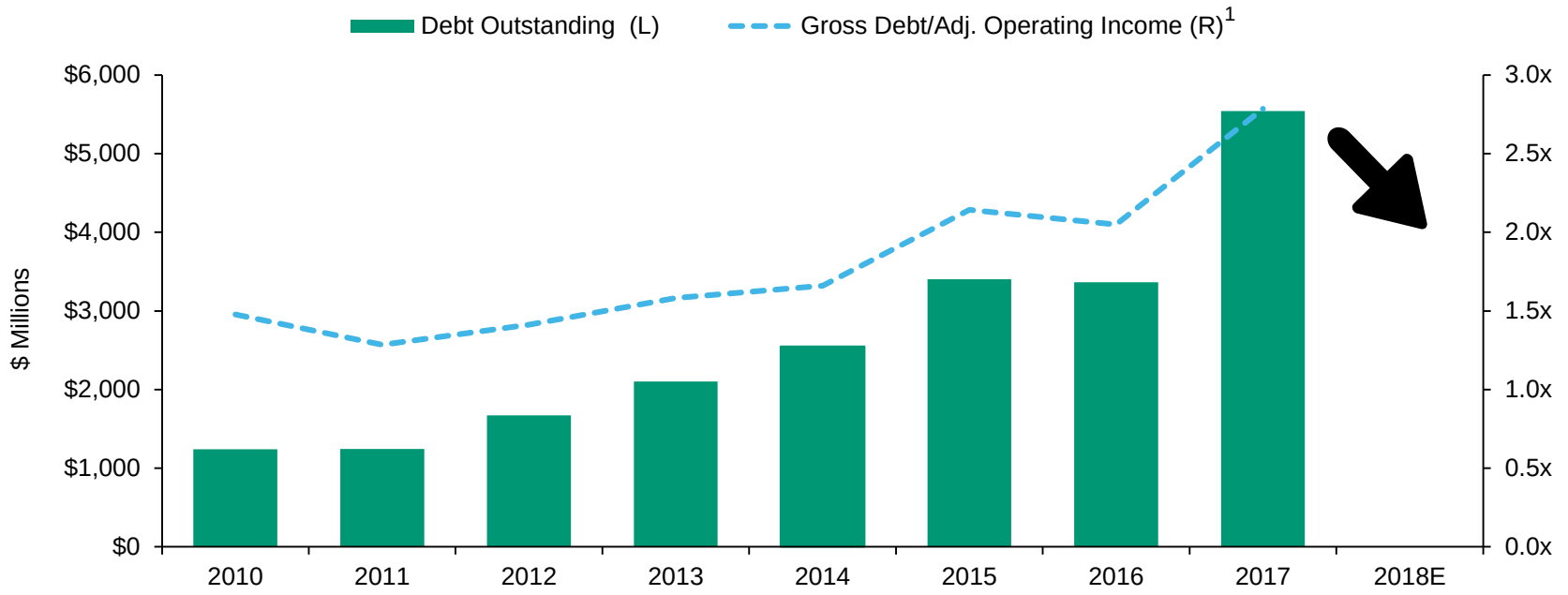


Annualized Dividend Per Share



1 Dividend payout ratio is defined as dividends per share paid/adjusted net income.
2 Annualized dividend total, based on first and second quarter dividend of $0.44 declared on January 24, 2018 and April 24, 2018, respectively.

De-leveraging in 2018 to Maintain Current BBB+ Credit Rating



- Current long-term credit ratings from S&P and Fitch are BBB+ (negative) / BBB+ (stable)
- Solid investment-grade rating provides reliable, cost-effective access to capital in a variety of market environments

1 Amount is an adjusted measure. See Appendix for reconciliations from adjusted financial measures to U.S. GAAP.

2018 Outlook

Guidance as of April 27, 2018[1]	
Revenue	Low-double-digit % growth
Operating Expenses	Low-double-digit % growth
Operating Margin	43% - 44% ~48% (Adjusted[2])
Effective Tax Rate	22% - 23%
EPS	$7.20 - $7.40 $7.65 - $7.85 (Adjusted[2])
Free Cash Flow[2]	~$1.6 billion

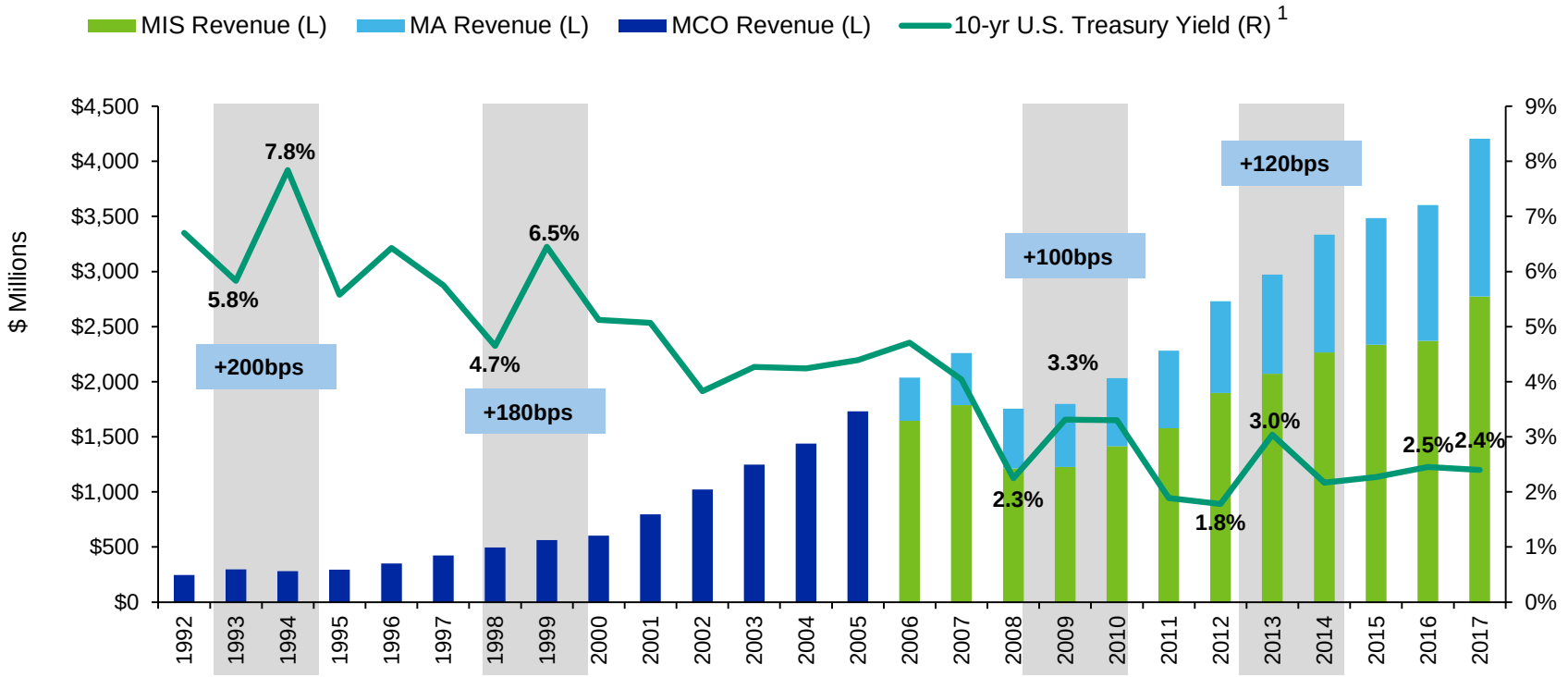
1 See press release titled “Moody's Corporation Reports Results for First Quarter 2018” from April 27, 2018 for Moody’s full 2018 guidance.
2 These metrics are adjusted measures. See Appendix for reconciliations from adjusted financial measures to U.S. GAAP.

2

Capital Markets Overview

Historically, Rising Rates Have not had a Significant Impact on Moody's Revenue

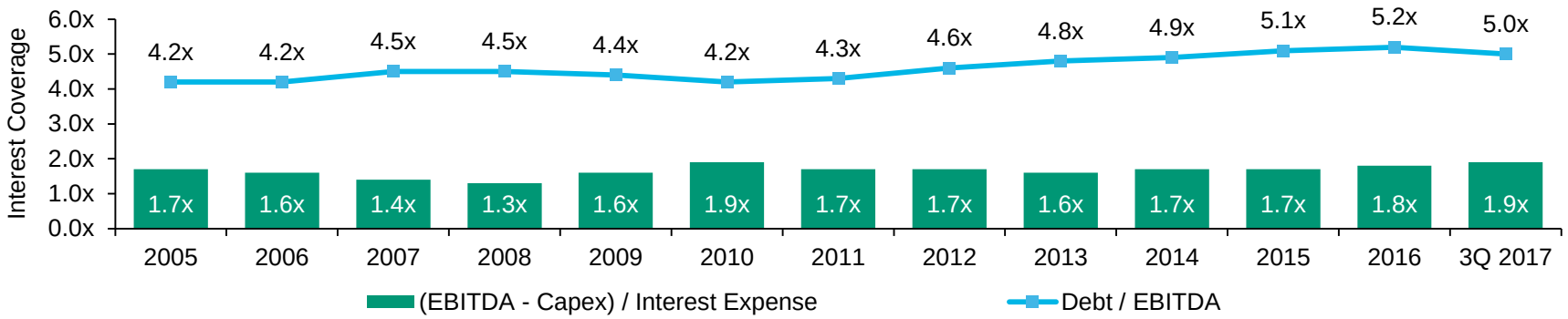
MCO Revenue and Interest Rates



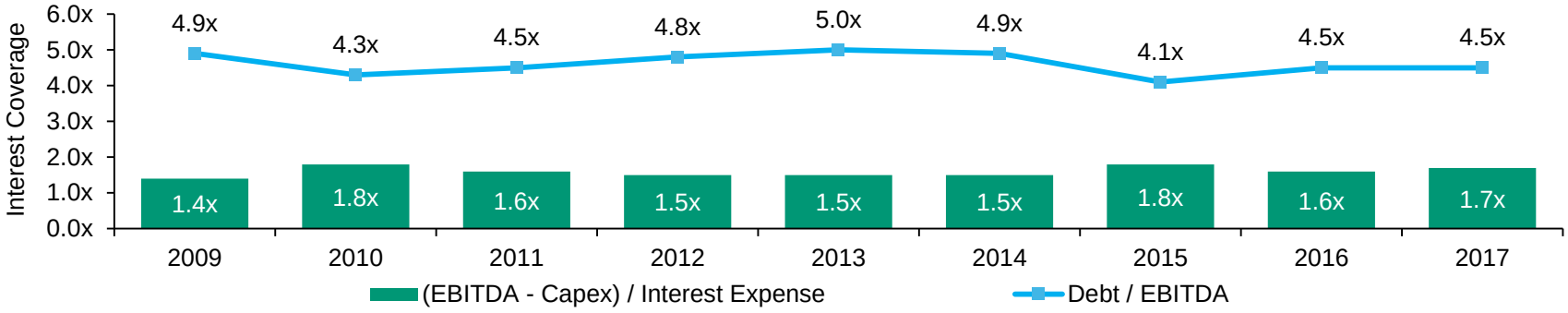
1 10-yr U.S. Treasury Yields are represented by the rate at the end-of-period.
Source: www.treasury.gov.

Debt Leverage Down in North America, Stable in Europe; Interest Coverage Remains Steady

Credit Metrics: North American Speculative Grade Companies



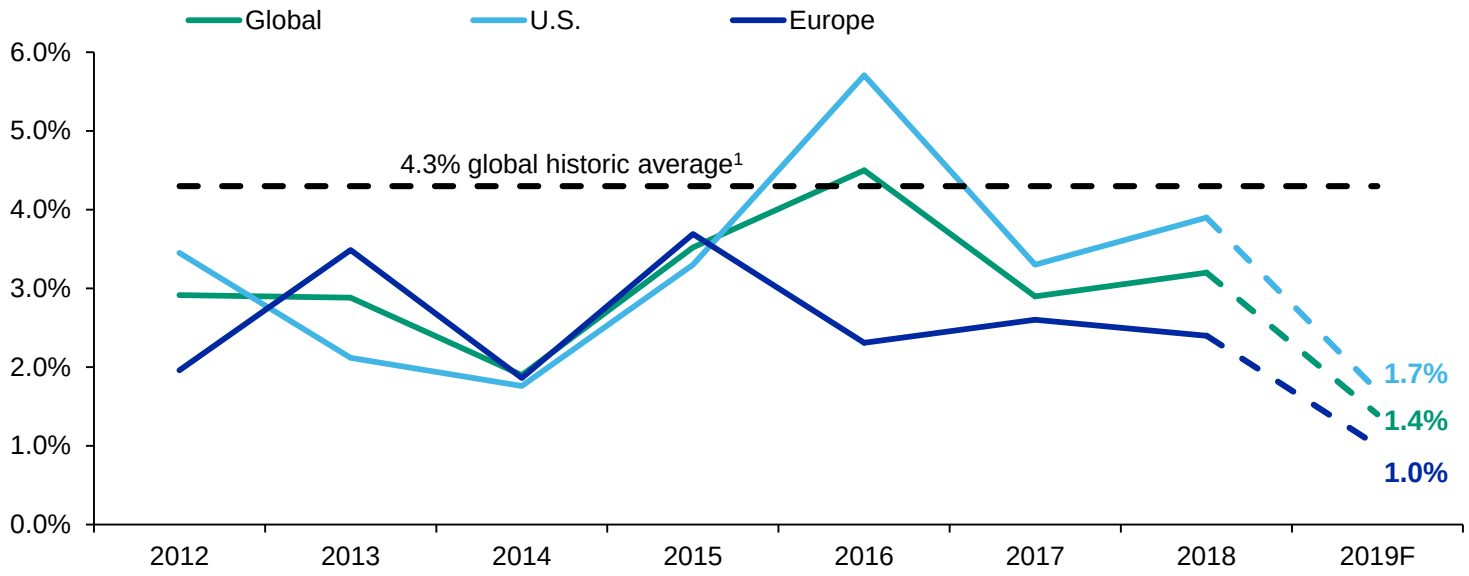
Credit Metrics: European Speculative Grade Companies



Source: Moody's Investors Service.

Global Default Rates Remain Under Historic Average

Default Rates for Corporate Rated Issuance[1]

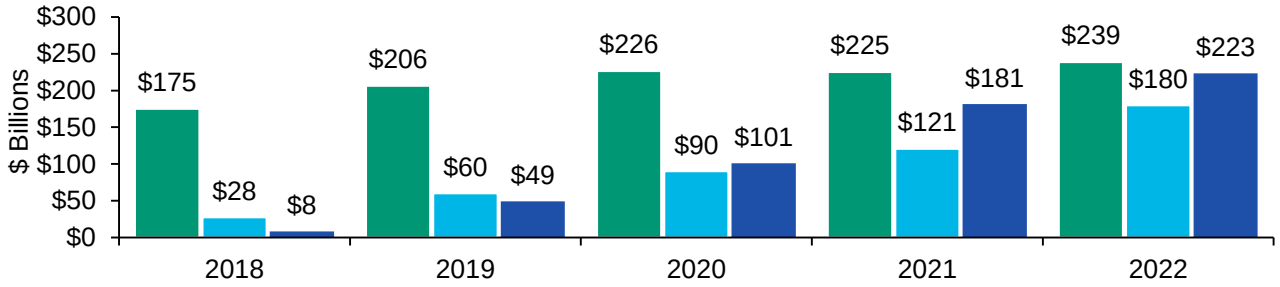


» Global speculative-grade default rate at 3.2% as of March 31, 2018; expected to decline to 1.4% by March 2019

1 Moody's rated corporate global speculative grade default historical average of 4.3% since 1998. 2019 forecast for trailing twelve months ended March 31, 2019.
Source: Moody's Investors Service.

North America and EMEA Non-Financial Corporates Have Significant Refunding Needs[1]

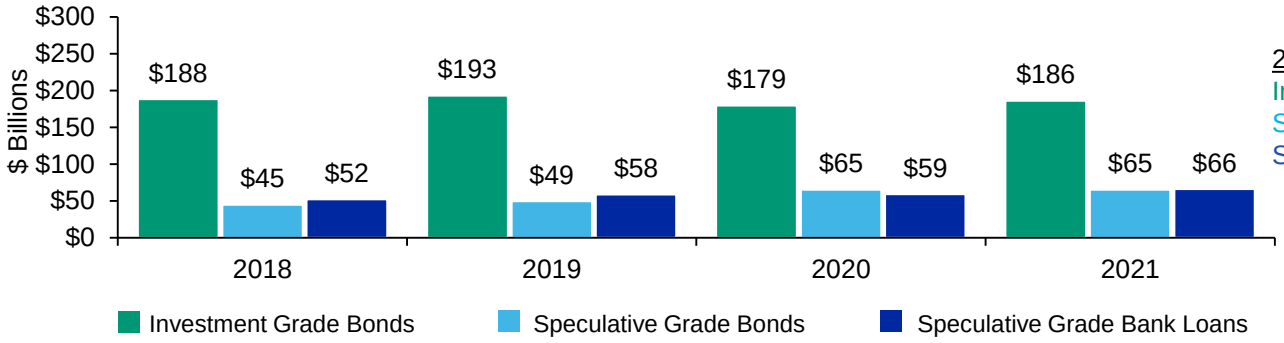
Debt Maturities: North America Moody's-Rated Corporate Bonds and Loans



2018 – 2022 CAGR
Investment Grade Bonds: 8%
Speculative Grade Bonds: 60%
Speculative Grade Bank Loans: 127%

Source: MIS, February 2018.
Note: Data represents U.S. & Canadian MIS rated corporate bonds & loans.

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



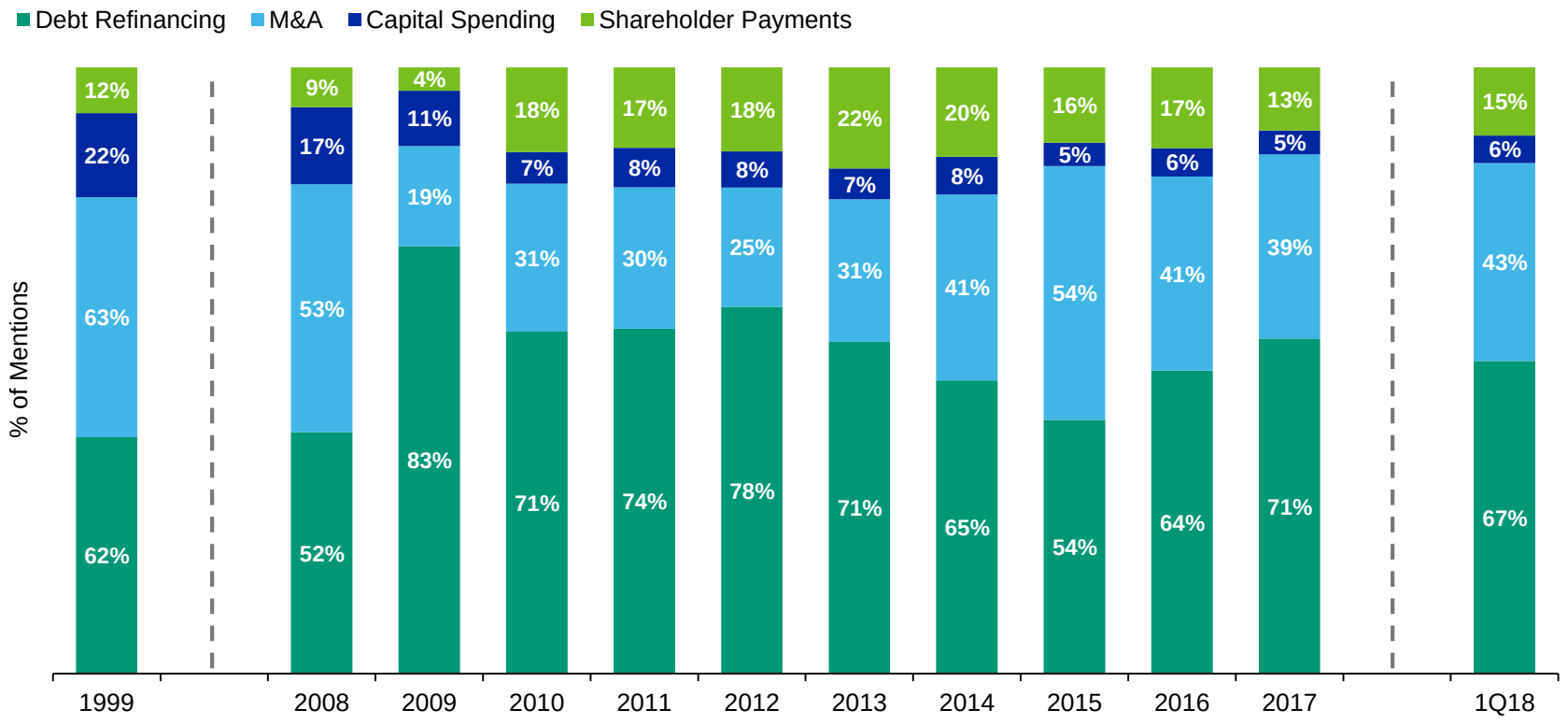
2018 – 2021 CAGR
Investment Grade Bonds: flat
Speculative Grade Bonds: 13%
Speculative Grade Bank Loans: 8%

Source: MIS, July 2017.

1 Amount reflects total maturities identified in the above sources.

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

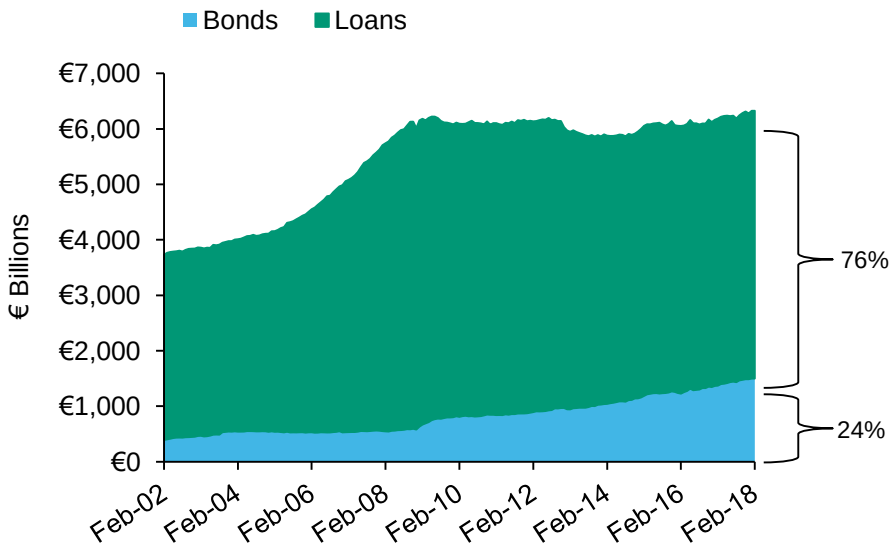
Uses of Funds from USD High Yield Bonds and Bank Loans[1]



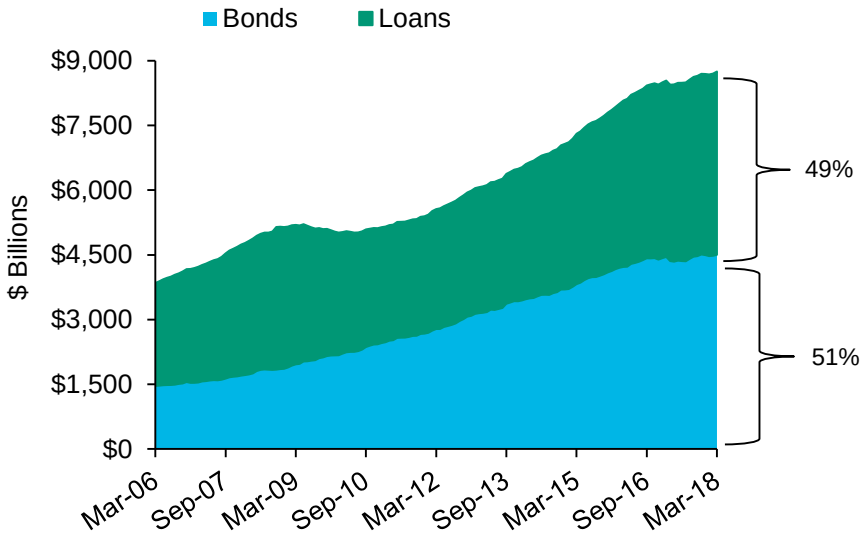
1 Percent of mentions for each respective period in bond issue or bank loan program tranche documents. Excludes issues of less than $25 million and general corporate purposes. An issue can have multiple purposes and, as a result, percentages do not sum to 100%.
Source: Moody's Analytics.

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

European Non-Financial Corporate Bonds vs. Bank Loans Outstanding



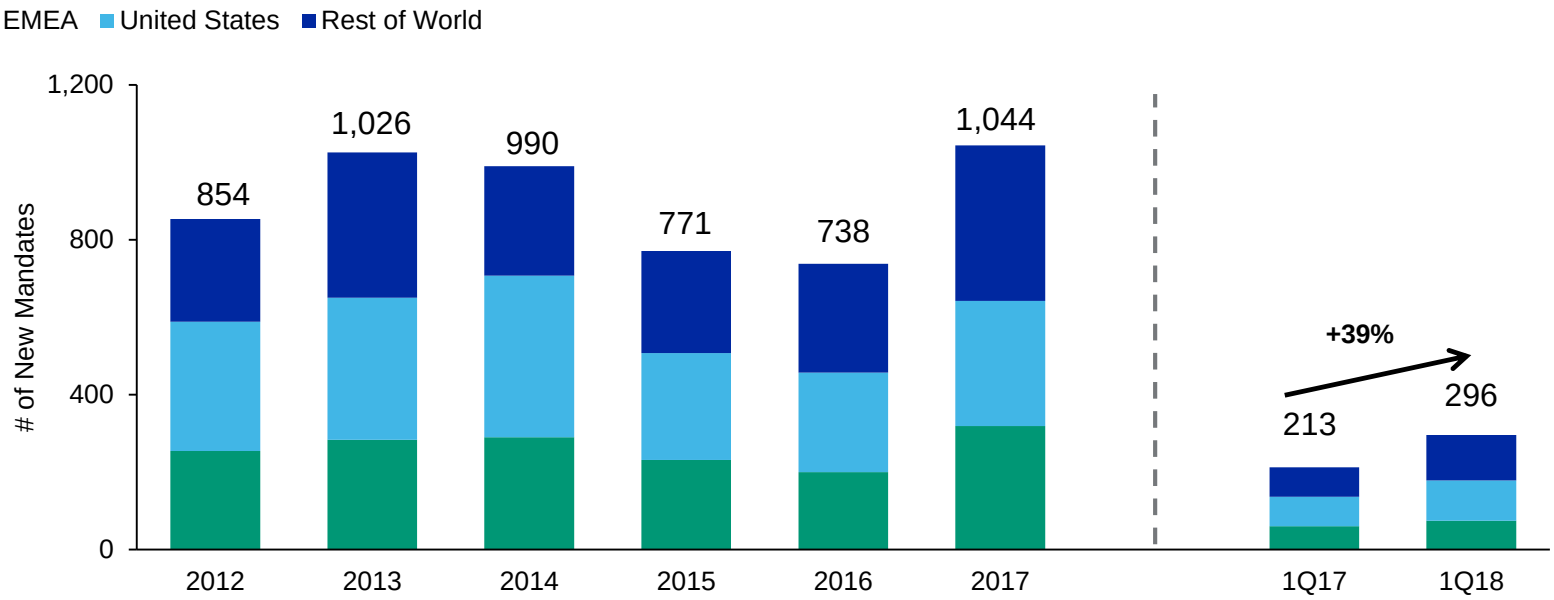
U.S. Non-Financial Corporate Bonds vs. Bank Loans Outstanding



Sources: ECB, Federal Reserve, BarCap Indices. Europe bank loan data includes Eurozone and UK bank loans. Europe bond data includes euro and sterling denominated bonds. European data is through February 2018 and U.S. data is through March 2018.

Robust Growth of New Rating Mandates

Global New Rating Mandates[1]

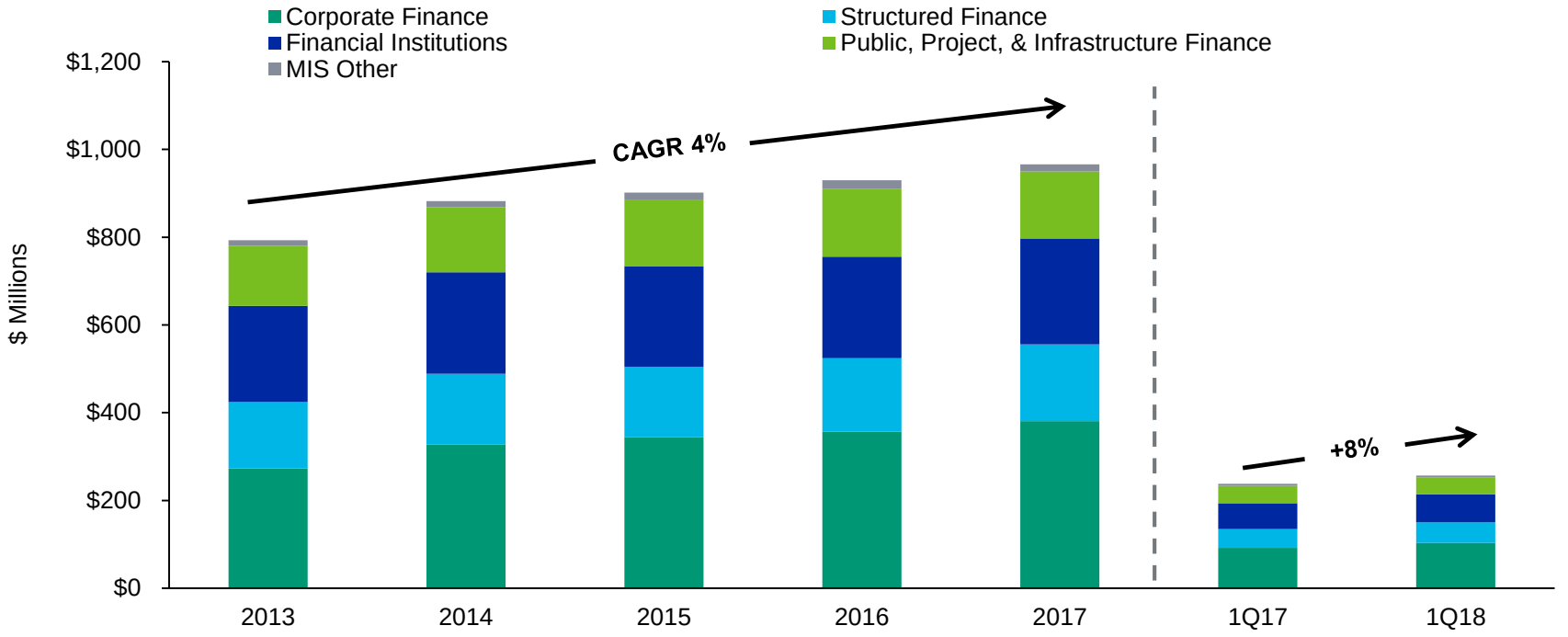


- In 1Q 2018, Moody's new rating mandates increased to 296, up 13% from 261 in 4Q 2017 and up 39% from 213 in 1Q 2017
- Expect ~1,000 new mandates in 2018[2]

1 Rated by Moody's Investors Service.
2 New mandates estimate as of April 27, 2018.

New Rating Mandates Provide Recurring Revenue[1] Growth

MIS Recurring Revenue



	2013	2014	2015	2016	2017	1Q17	1Q18
As a % of MIS revenue	38%	39%	39%	39%	35%	36%	36%

- MIS recurring revenue growth primarily driven by increased monitoring fees from new mandates in 2017
- Recurring revenue averages ~36% of total MIS revenue

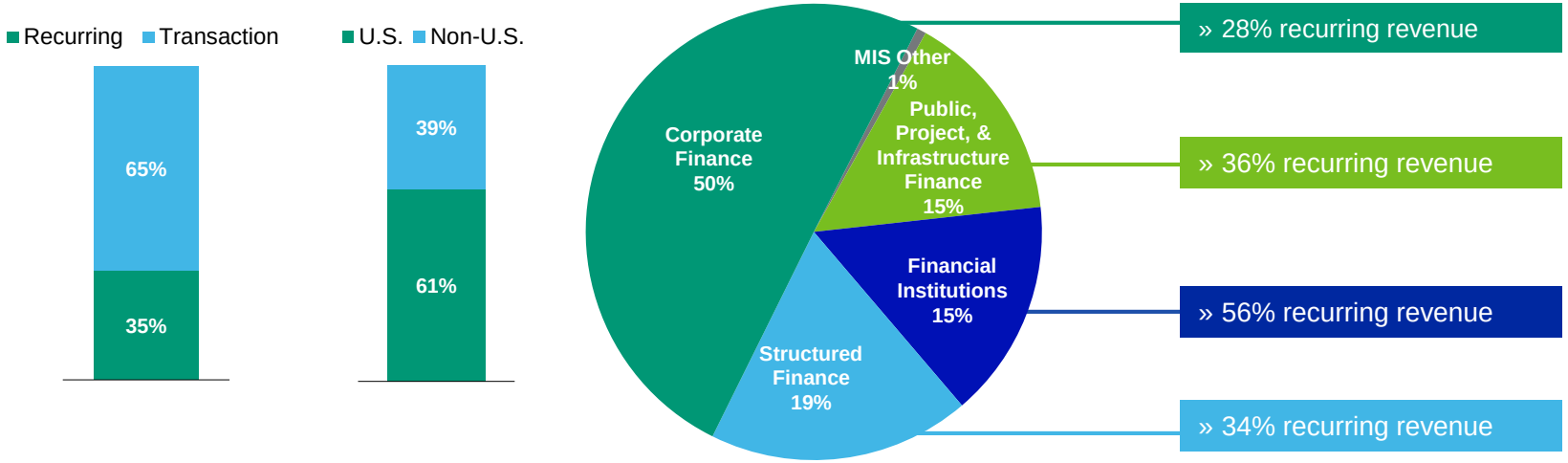
1 MIS recurring revenue is typically billed annually and recognized ratably over 12 months. Recurring revenue can also be billed upfront and recognized over the life of the security.

3

Moody's Investors Service

Moody's Investors Service Financial Profile

TTM 1Q 2018 Revenue: $2.8 billion



2018 Revenue Guidance as of April 27, 2018

Global	↑	mid-single-digit % range
U.S.	↑	low-single-digit % range
Non-U.S.	↑	high-single-digit % range
Corporate Finance	↑	mid-single-digit % range
Structured Finance	↑	high-single-digit % range
Financial Institutions	↑	mid-single-digit % range
Public, Project & Infrastructure Finance	↓	low-single-digit % range

Broad Coverage Serves Global Needs

$72+ trillion
of Total Rated Debt

- **4,700** Rated Non-Financial Corporates
- **4,100** Rated Financial Institutions
- **138** Rated Sovereigns
- **47** Rated Supranational Institutions
- **450** Rated Sub-Sovereigns
- **17,700** Rated Public Finance Issuers
- **11,000** Rated Structured Deals
- **1,000** Rated Infrastructure & Project Finance Issuers
- **213** Rating Methodologies



Americas

- 32,500 rated companies and structured deals
- $34+ trillion total debt rated
- 19,500 research publications
- Offices in 5 countries



EMEA

- 4,600 rated companies and structured deals
- $21+ trillion total debt rated
- 6,300 research publications
- Offices in 12 countries



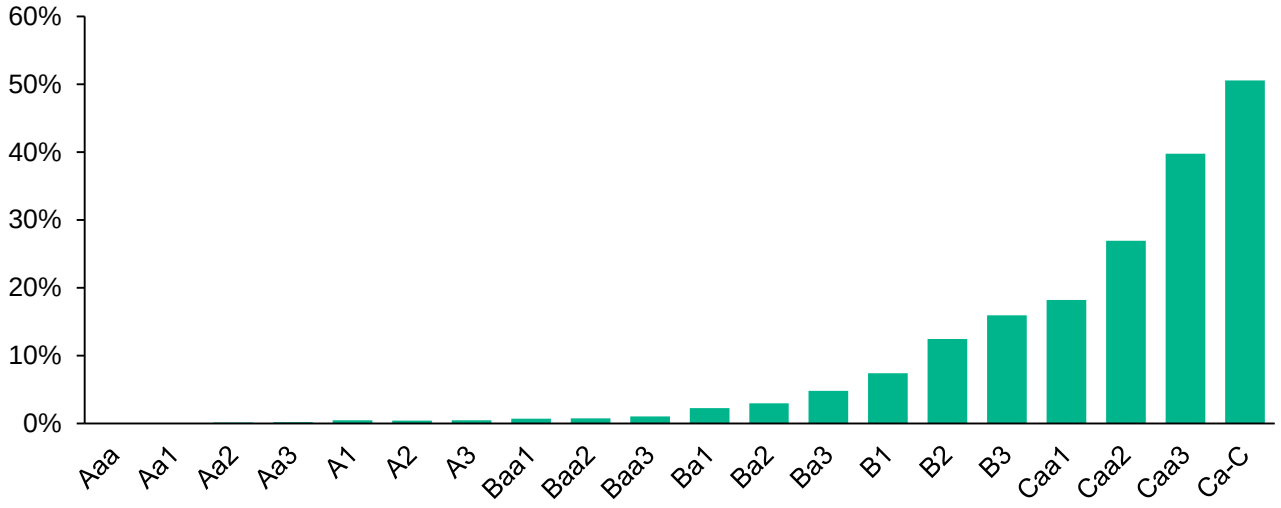
APAC

- 2,000 rated companies and structured deals
- $15+ trillion total debt rated
- 3,500 research publications
- Offices in 7 countries

Note: Data as of December 31, 2017.
Numbers of rated entities (other than sovereigns and supranational institutions) and structured deals, research publications and event participants/activities rounded to nearest hundred.

Rating Performance Drives Investor Confidence

Three-Year Cumulative Default Rates of Fundamental Rated Universe[1]



~15 Years
Lead/Senior Analyst tenure

Institutional Investor
#1 U.S. Credit Rating Agency 2012-2017[2]

- We remain focused on analytical expertise and the continuous refinement of our credit methodologies to provide predictive, predictable and transparent ratings
- Reinforces investor "demand pull"

1 The data in the chart above shows the three-year cumulative default rates by rating from January 1998, through December 2017 of fundamental Moody's rated universe globally. Rating category is based on senior unsecured rating (or equivalent) of the issuer. Source: Moody's Investors Service.
2 Institutional Investor Survey.

Illustrative Value of a Moody's Rating

Example: 10 year $500 million corporate bond

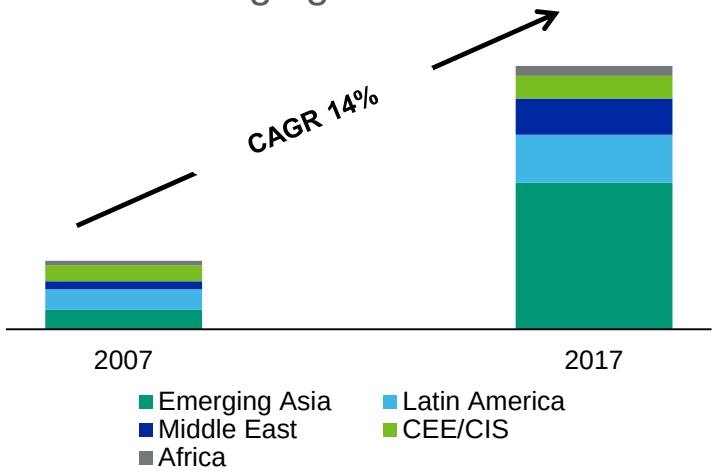
Unrated		Rated by Moody's
$500,000,000	**Bond**	$500,000,000
x 4.3%	**Interest rate**	x 4.0%
= $21,500,000	**Annual interest payments**	= $20,000,000
x 10 years	**Tenor**	x 10 years
= $215,000,000	**Lifetime interest expense**	= $200,000,000

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

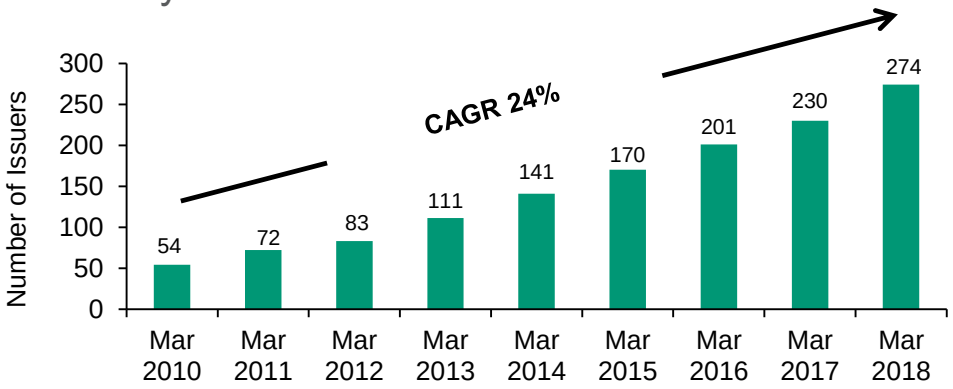
Note: Illustrative spread differential based on feedback from syndicate desks and FBR & Co. research on Moody's Corporation (January 2014) which stated that obtaining a Moody's rating typically saves approximately 30 basis points per year for investment grade issuers. Many factors go into the pricing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

Continue to Invest in Key International Markets

Revenue in Emerging Markets



Moody's-Rated Chinese Issuers[1]



China

- Successful joint venture with CCXI, leading domestic rating agency
- CCXI provides >1,000 domestic Chinese ratings; 34% coverage in 2017[2]
- Cross border market rated via MIS Hong Kong office
- China recently announced it will allow foreign firms to provide credit rating services in part of the domestic market

Latin America

Equilibrium
AN AFFILIATE OF MOODY'S INVESTORS SERVICE

- Deepens Moody's presence in a dynamic and expanding market

Rest of World

Korea Investors Service
AN AFFILIATE OF MOODY'S INVESTORS SERVICE

- Acquired full ownership of KIS, a leading provider of domestic credit ratings

ICRA
A MOODY'S INVESTORS SERVICE COMPANY

- Increased majority stake in ICRA to serve growing domestic bond market

1 Includes rated issuers where major operations or headquarters are in Mainland China. Hong Kong, Macau and Taiwan are not included.
2 Based on full year 2017 rated bond issuance (deal count) in China's Interbank Market. Source: CCXI.
Sources: Dealogic, Moody's Analytics, Moody's Investors Service.

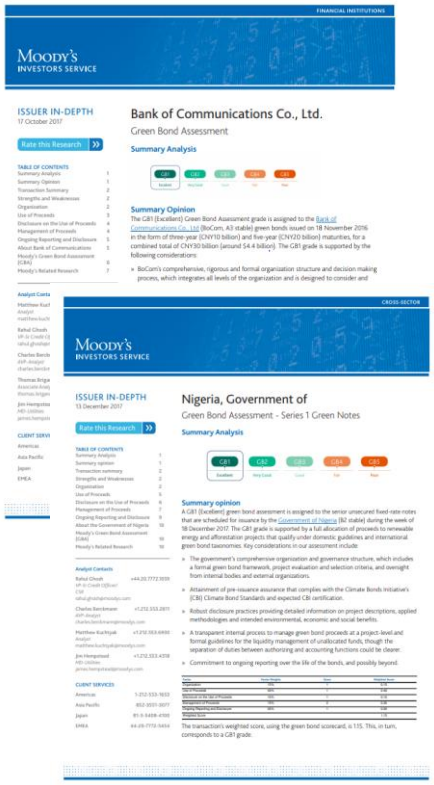
New Non-Credit Assessments Meet Market Needs

Green Bond Assessment

- ~$250 billion green bond issuance volume forecasted for 2018[1]
- 34 green bond assessments assigned as of April 2018 globally

ESG

- Dedicated ESG teams in U.S., Europe and Asia
- ESG research, heat maps
- Extensive ESG outreach & membership





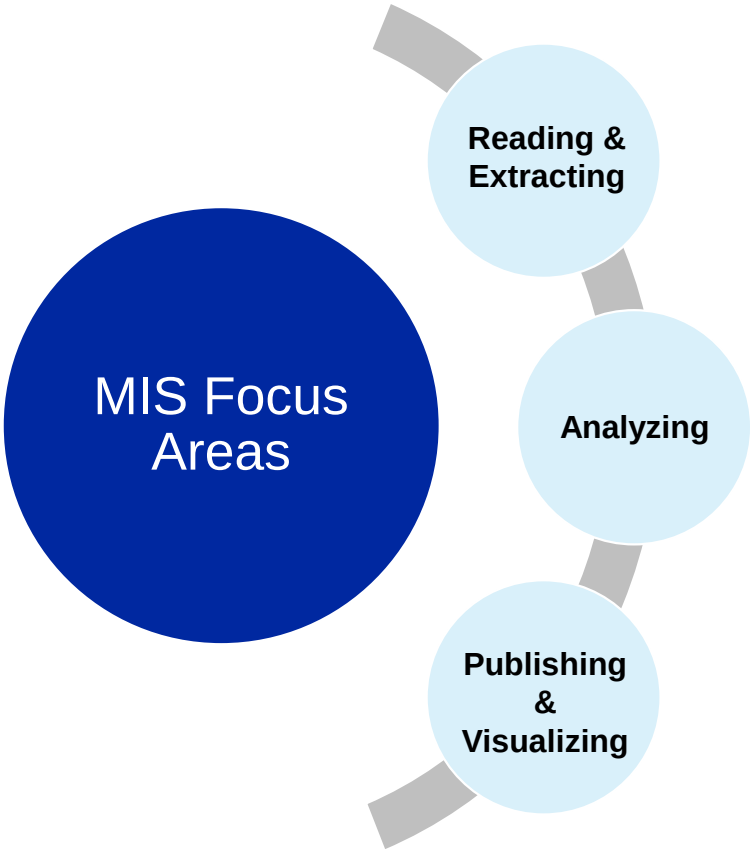
Other

- Servicer Quality Assessments in LATAM
- Private Monitored Rating extension
- Private Rating for Investors- Sub sovereign
- SME ratings through Euler-Hermes Ratings (4.99% ownership)

1 Source: Moody's Investors Service.

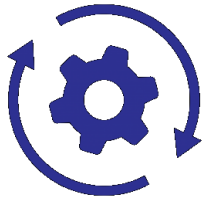
Further Operationalizing Enabling Technologies

We focus on three core activities in MIS…



…and incorporate new technologies into our current processes

Robotic Process Automation



Machine Learning, Artificial Intelligence & Big Data



Natural Language Processing

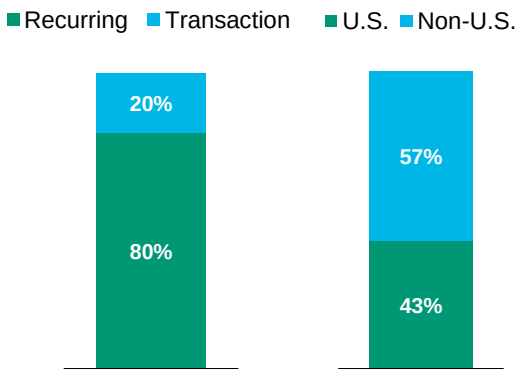


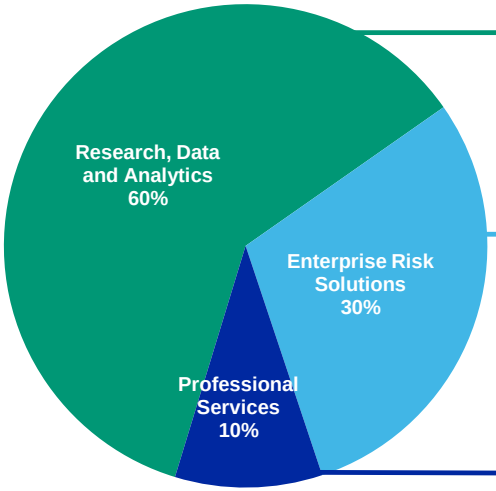
4

Moody's Analytics

Moody's Analytics Financial Profile

TTM 1Q 2018 Revenue: $1.5 billion





» > 97% recurring revenue
» 96% retention rate[1]

» 70% recurring revenue

» Combination of one-off contracts and semi-recurring revenue

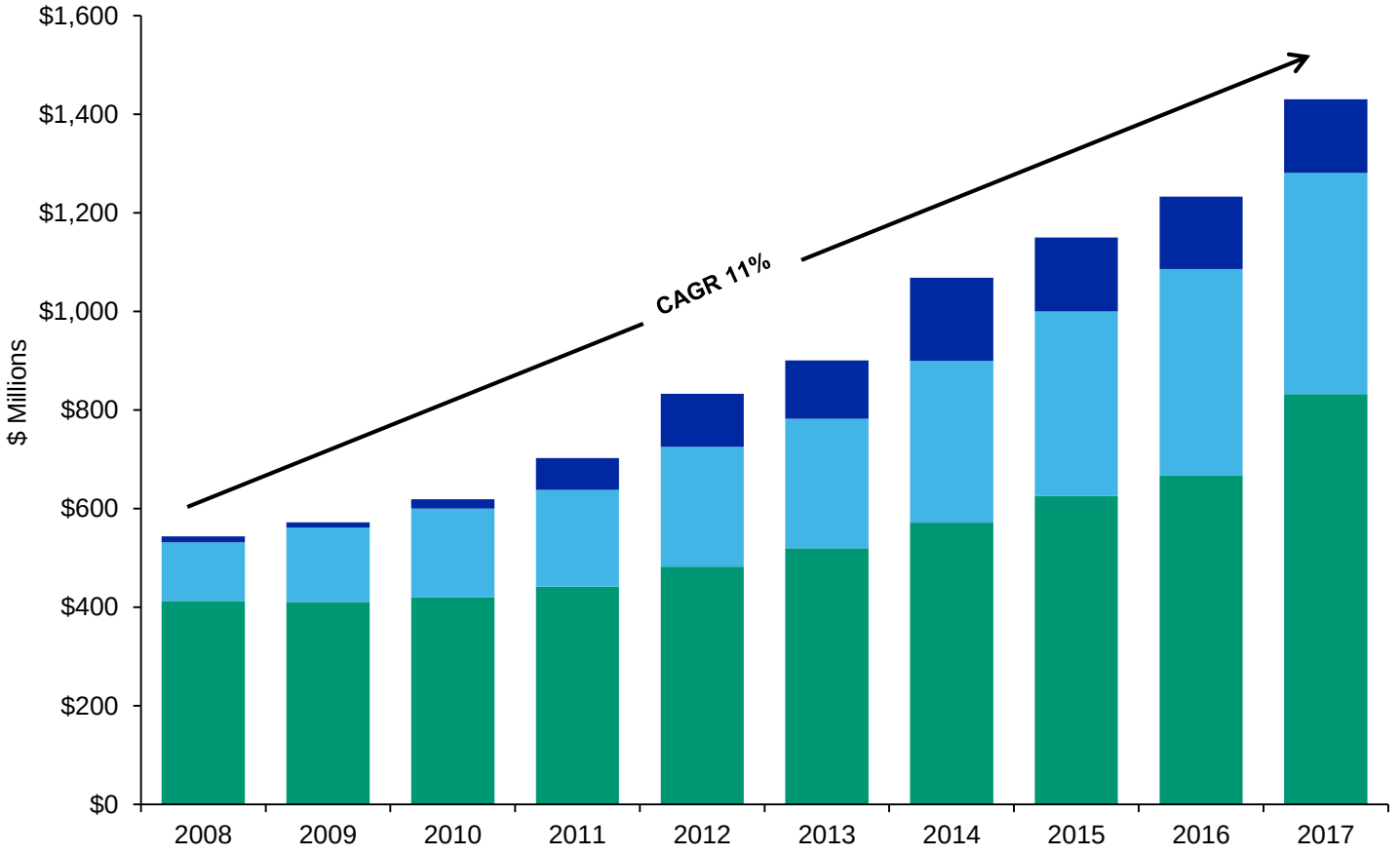
2018 Revenue Guidance as of April 27, 2018

Global[2]	↑	mid-twenties % range
U.S.	↑	low-double-digit % range
Non-U.S.	↑	mid-thirties % range
Research, Data & Analytics[2]	↑	approximately 40%
Enterprise Risk Solutions	↑	low-single-digit % range
Professional Services	↑	high-single-digit % range

1 Excludes Bureau van Dijk.
2 Organic MA global revenue is expected to increase in the low-double-digit percent range and organic RD&A revenue is expected to increase in the mid-teens percent range.

Moody's Analytics has Several Platforms for Growth

Revenue More Than Doubled Since Inception



Moody's Analytics

2017 Revenue: $1,430m

2008 – 2017 CAGR: +11% (~62% organic)

Professional Services

2017 Revenue: $149m

2008 – 2017 CAGR: +32% (~15% organic)

Enterprise Risk Solutions

2017 Revenue: $449m

2008 – 2017 CAGR: +16% (~67% organic)

Research, Data & Analytics

2017 Revenue: $833m

2008 – 2017 CAGR: +8% (~74% organic)

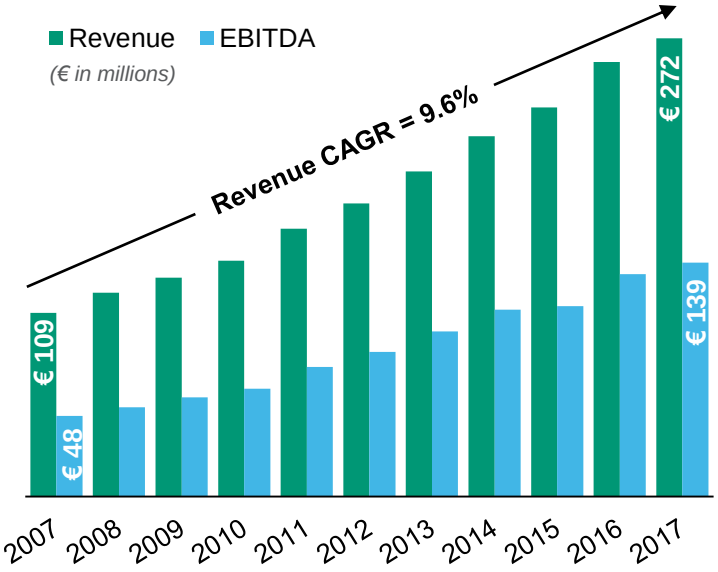
Note: Individual line of business revenues may not foot due to rounding.

Bureau van Dijk Acquisition

Bureau van Dijk aggregates, standardizes and distributes an extensive private company data set

- **€3 billion acquisition closed on August 10, 2017**
- Bureau van Dijk is a leading aggregator and distributor of private company business intelligence and data, **serving over 6,000 unique institutions worldwide**
- **Extends MA's reach** beyond financial institutions and insurance
- **Adds capacity to MA's attractive RD&A business** through extensive customer base and geographic footprint
- **Combination anticipated to deliver significant synergies.** Expect ~$45 million in annual revenue and expense synergies by 2019, increasing to ~$80 million by 2021[1]
- **Integration proceeding according to plan** with focus on implementing controls appropriate for a unit of a listed U.S. company while delivering on strategy and business plan.

Long History of Profitable Growth[2]



1 Anticipated annual revenue and expense synergies, as of April 27, 2018.
2 Based on IFRS.

Bureau van Dijk Collects and Enhances Information to Deliver a Market Leading Global Dataset

Diversified IP Network[1]

280 Million
Private Companies

67 Thousand
Public Companies

170 Million
Director Contacts

Data from 160+ Information Providers

Publicly Available Data

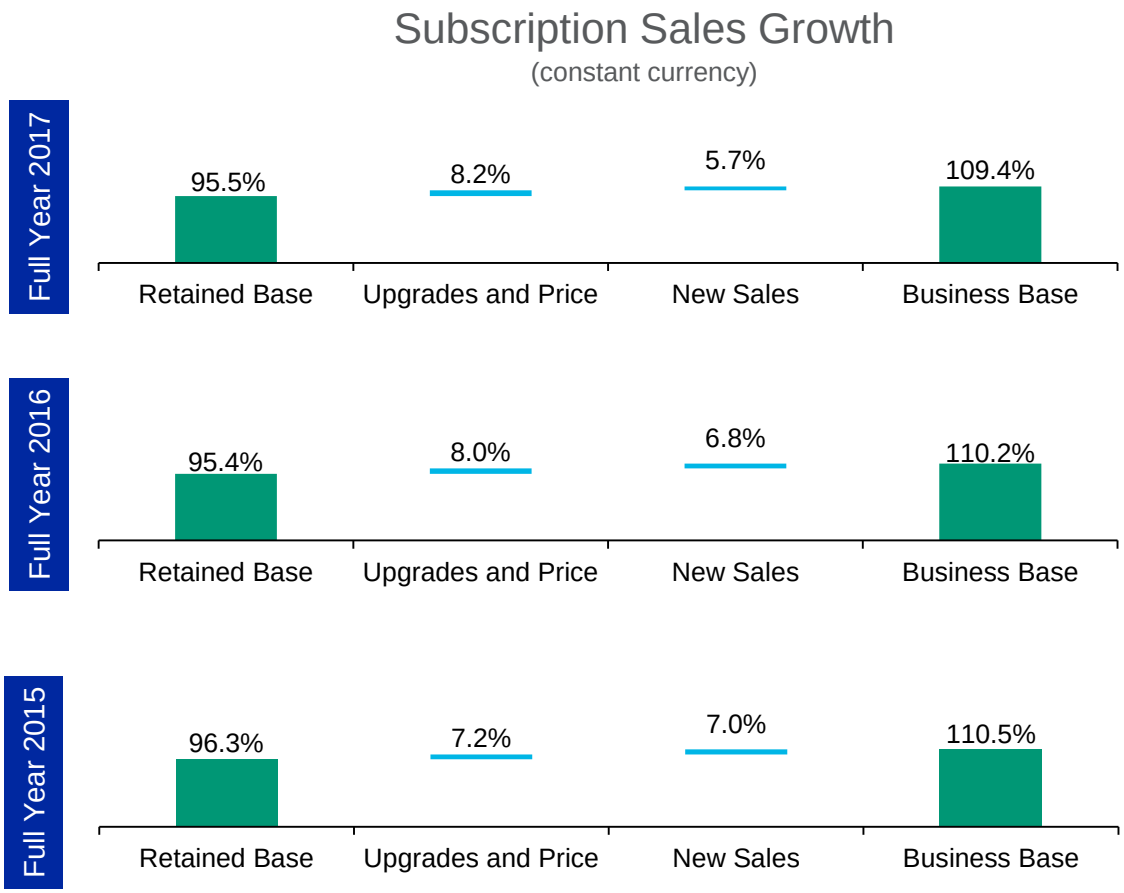
Other Data Sourced By Bureau van Dijk

High Value Customer Solutions

- Compliance and Financial Crime
- Corporate Finance and M&A
- Credit Risk
- Transfer Pricing
- Business Development
- Data Management

1 Data as of December 31, 2017.

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



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

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

ERS Solutions Address Diverse Needs and Customers

Credit Risk & Actuarial Analytics

Helps risk managers assess and manage current and future exposures across all asset classes

Accounting Calculation & Reporting

Produces key calculations and reports required by many of the world's accounting standards

Regulatory Calculation & Reporting

Generates key calculations and reports required by many of the world's financial regulations



Credit Assessment & Origination

Automates financial spreading and credit scoring, decision making and monitoring

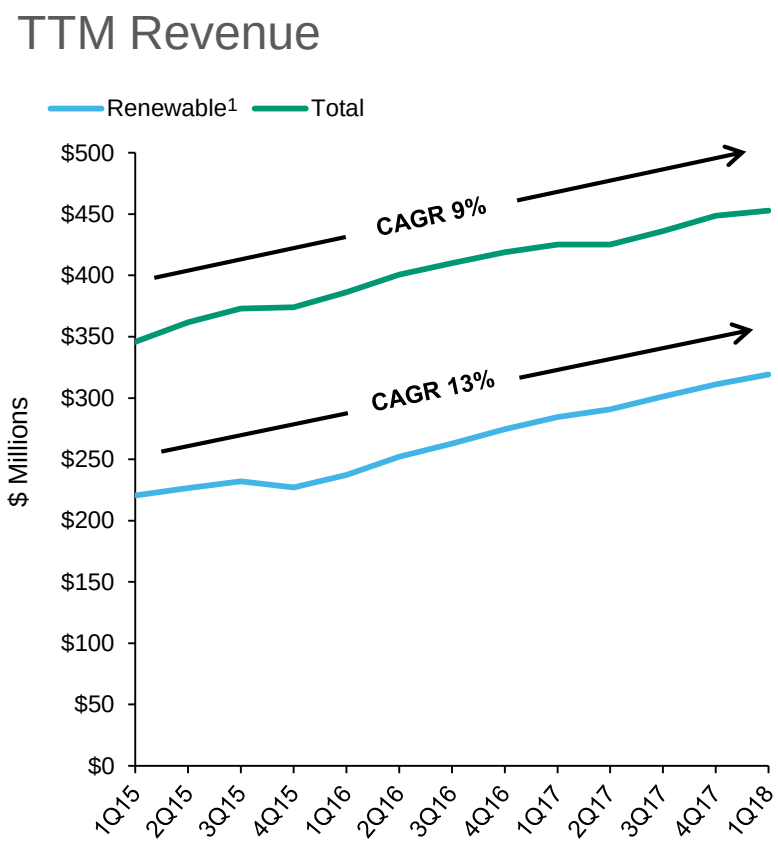
Portfolio & Capital Strategy

Helps firms to improve portfolio performance and meet regulatory and economic capital requirements

Asset & Liability Management

Integrates ALM, liquidity risk management, funds transfer pricing and regulatory reporting capabilities into a seamless enterprise platform

ERS Renewable Products Drive Growth



Prior to 2016: Growth from installed software

- One-time projects – installed software & services
- Bespoke projects accelerated development of IP
- 61% of revenue from renewable products in 2015

2016+: SaaS & subscriptions drive growth

- Expanding SaaS and subscription product array
- Subscriptions generate lower Annual Contract Value in short run, but better Lifetime Customer Value
- 69% of revenue from renewable products in 2017

Key Growth Drivers

- New accounting standards require Moody's expertise at banks and Insurance companies
  - CECL, IFRS17
- Moody's software and analytics enable customers' to realize digitization and automation initiatives

1 Renewables revenue includes subscriptions and maintenance.

5 Conclusion

Why Invest in Moody's?

- **We strive to be the world's most respected authority serving risk-sensitive financial markets**
- **We have had strong revenue and earnings growth, as well as cash flow conversion**
  - 2013 – 2017 revenue CAGR of 9%
  - 2013 – 2017 adjusted diluted EPS[1] CAGR of 15%
  - 2013 – 2017 free cash flow[1] conversion rate of ~28%
- **We are committed to returning capital to our shareholders**
  - 2013 – 2017 returned $5.4 billion, or 114% of free cash flow, to shareholders via share repurchases and dividends
- **We will selectively invest in strategic growth opportunities**
  - Leverage brand to extend our relevance in financial markets
  - Expand our product offerings and geographic influence

1 Adjusted diluted EPS is an adjusted measure. See appendix for reconciliations from adjusted financial measures to U.S. GAAP.

Globally and locally acknowledged for award-winning tools to measure and manage risk.

Moody's Investors Service



Best Islamic Rating Agency: 2015, 2017



Best CLO Rating Agency: 2016–2017



Multi-award winner, including best rating agency categories: 2015-2017



Best Rating Agency: 2017



#1 US Credit Rating Agency: 2012–2017



Multi-Award Winner, Including Best Ratings Agency: 2016



Most Influential Credit Rating Agency: 2013–2016



#1 Asia Credit Rating Agency: 2012–2016



Australia's Rating Agency of the Year: 2014–2016



Market Leadership Award, Islamic Financial Intelligence & Ratings: 2016
Best Islamic Finance Rating Agency: 2015



#1 US Rating Agency: 1997–2017

Moody's Analytics



Best Solvency II Tech Solutions Category Winner



Technology Vendor of the Year



Stress Testing Product of the Year Category Winner
Economic Scenario Generation Product of the Year Category Winner
Solvency II Product of the Year Category Winner
Regulatory Reporting Product of the Year Category Winner



Best Buy-Side Market Surveillance Tool Category Winner – Structured Finance Portal



Ranked 5 out of 100
Credit Risk Category Winner
Enterprise Stress Testing Solution Category Winner



#1 IFRS 9
#1 Asset and Liability Management
#1 Regulatory Capital Calculation and Management



Ranked 19th in the Overall Top 100 Rankings



Best Credit Risk Solution Provider – RiskCalc™



Compliance Risk, Liquidity Risk, Enterprise Risk and Risk Technology Implementations of the Year



CLO Data Provider of the Year

Crystal Ball Award Winner, 2012 Expectations category (2- and 3-Year Horizon)



Front-Line Customer Service Team of the Year - Financial Services Industries
Award for Innovation in Customer Service - Financial Services Industries



#1 Enterprise-Wide Stress Testing
#1 Risk Capital Calculation



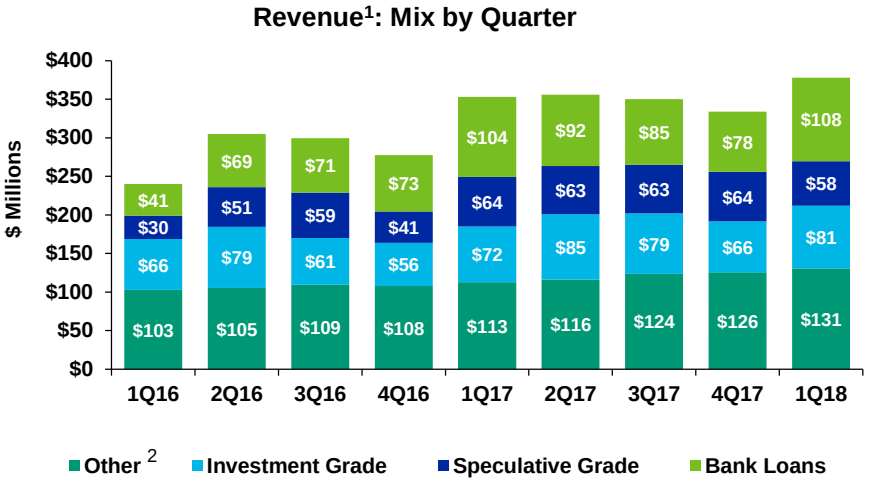
Best Solvency II solution and Best ESG solution

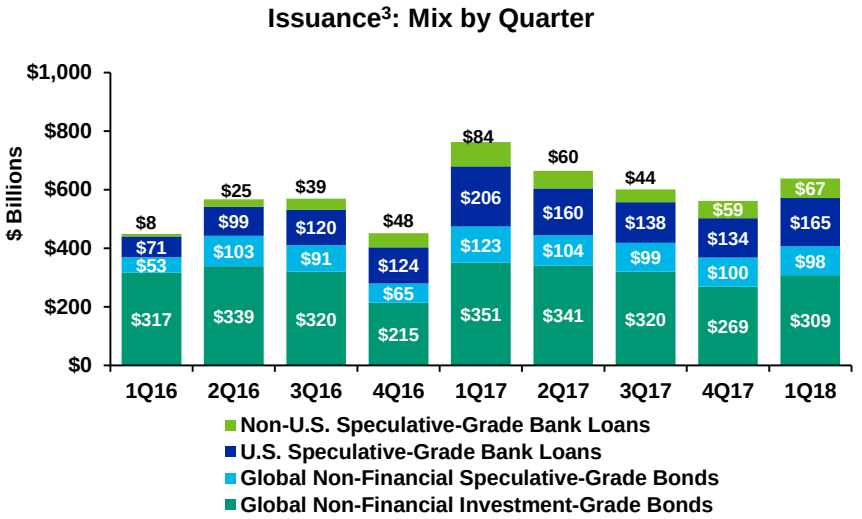
MOODY'S

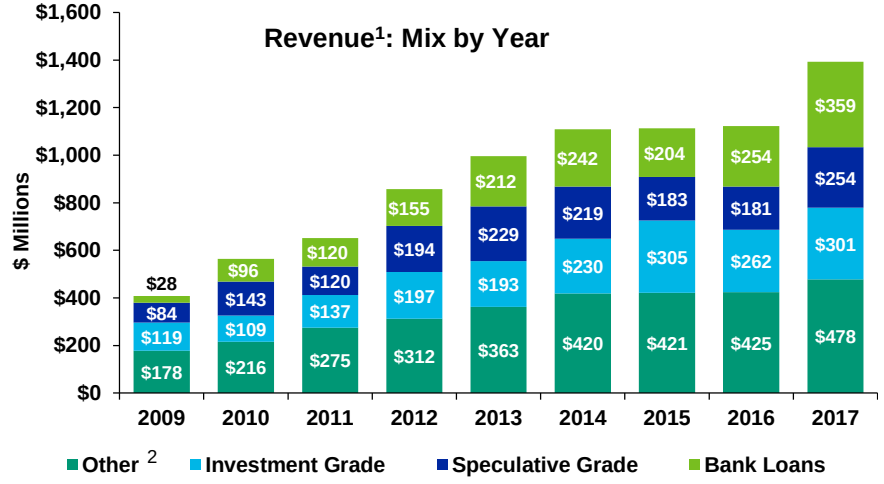
moodys.com/awards

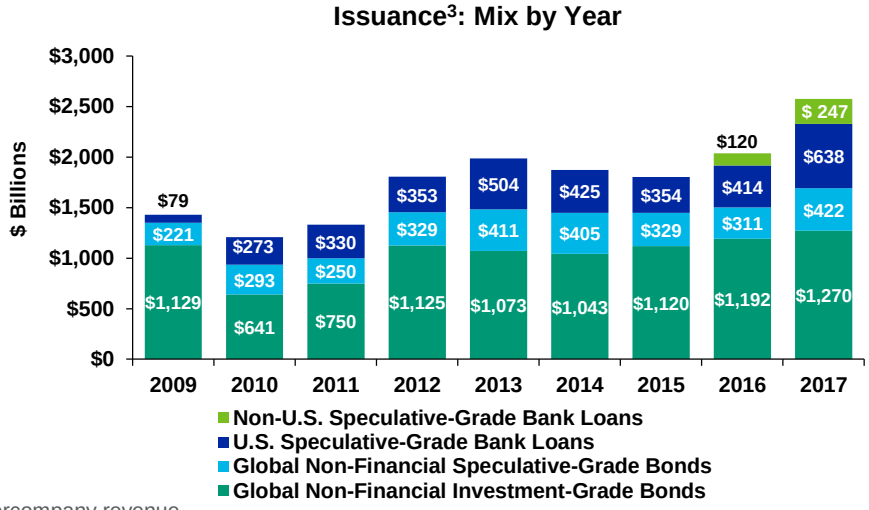
6 Appendix

Corporate Finance: Revenue and Issuance





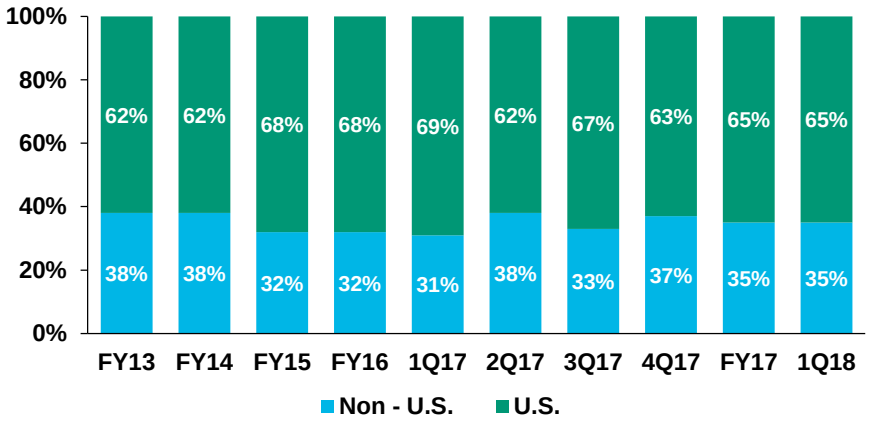




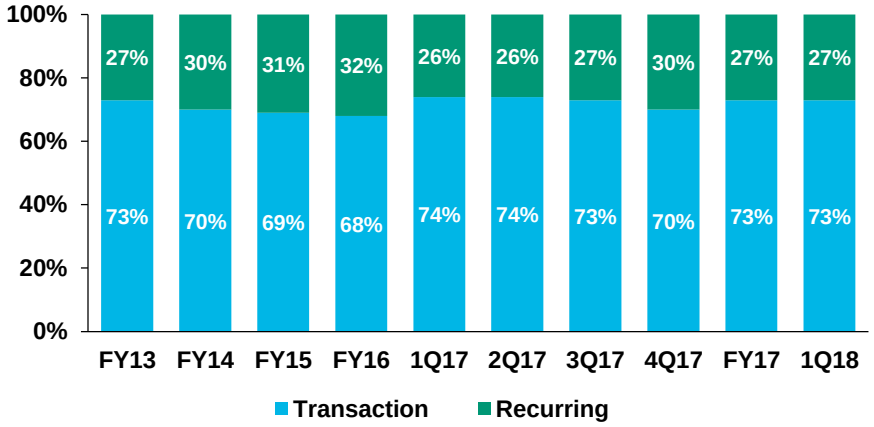
1 Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2 Other includes: monitoring, commercial paper, medium term notes, and ICRA.
3 Sources: Moody's Analytics, Dealogic. U.S. and Non-U.S. Speculative-Grade Bank Loans represent only Moody's rated speculative-grade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

Corporate Finance: Revenue Diversification

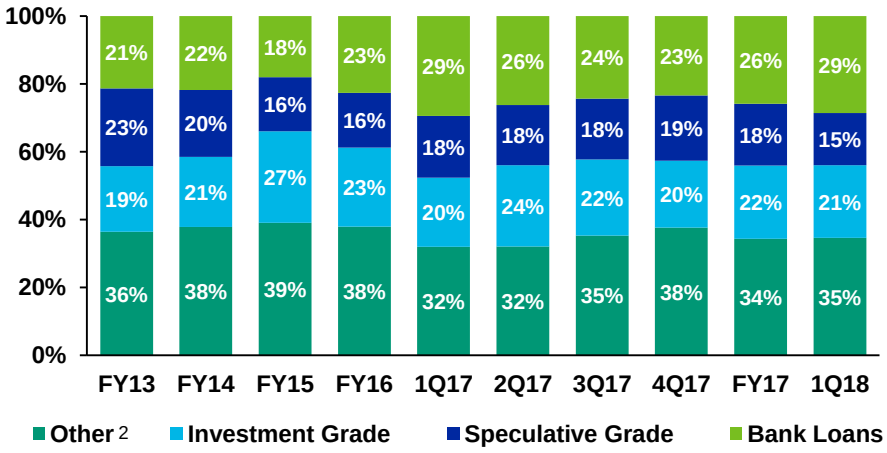
Revenue[1]: Distribution by Geography



Revenue[1]: Distribution by Recurring vs. Transaction

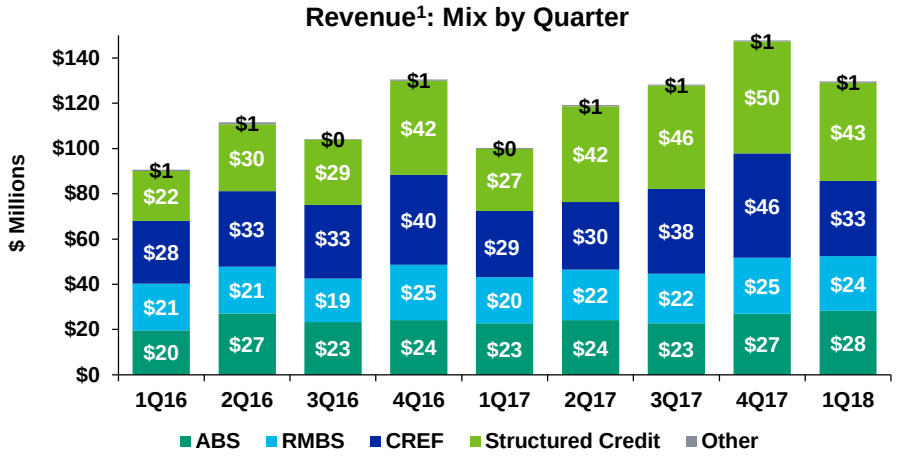


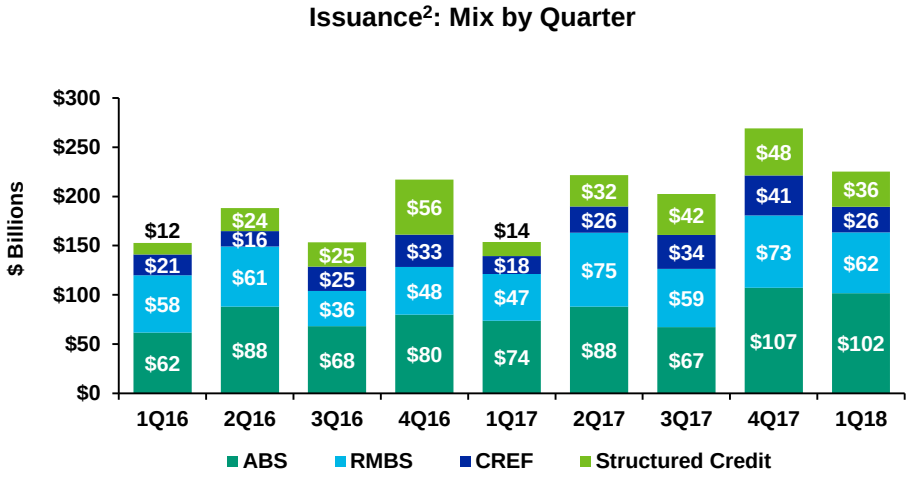
Revenue[1]: Distribution by Product

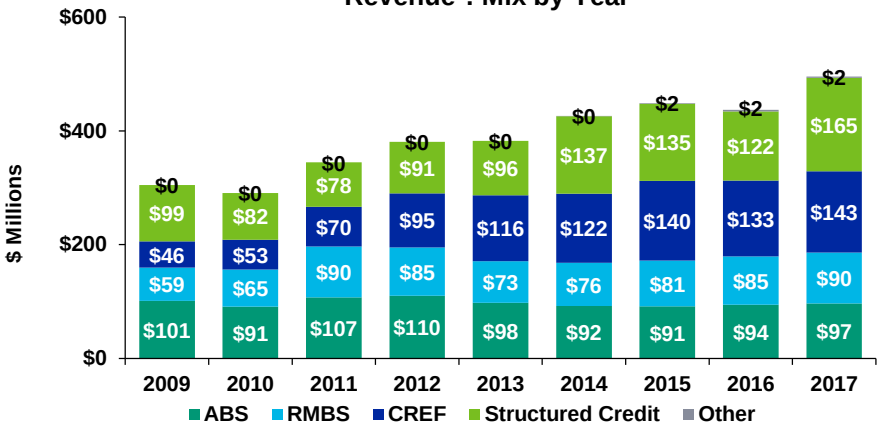


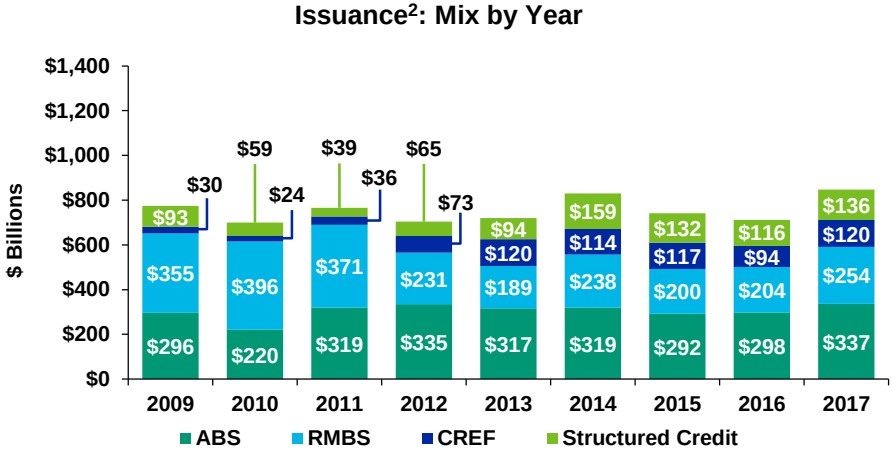
1 Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2 Other includes: monitoring, commercial paper, medium term notes, and ICRA.
Percentages have been rounded and may not total to 100%.

Structured Finance: Revenue and Issuance





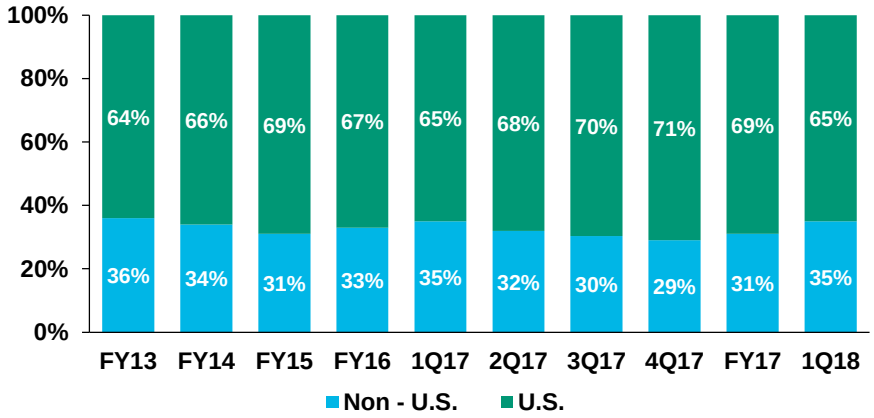




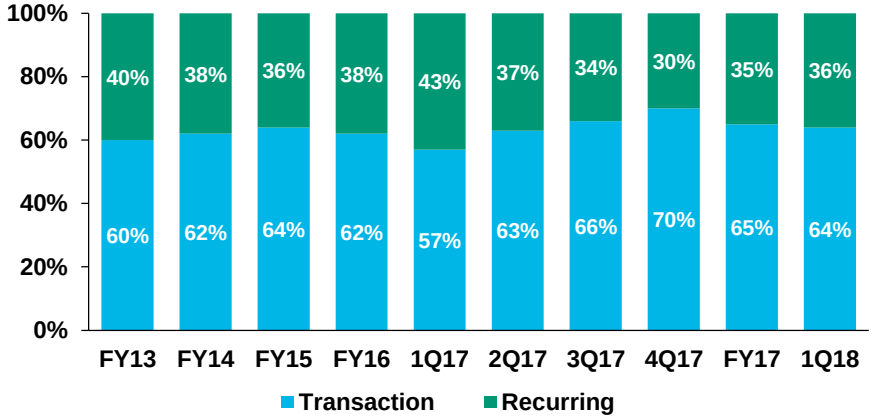
1 Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2 Sources: AB Alert, CM Alert, Moody's Corporation. Debt issuance categories do not directly correspond to Moody's revenue categorization.
Notes: ABS (Asset Backed Securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (Residential Mortgage Backed Securitization) includes covered bonds. CREF (Commercial Real Estate Finance) includes commercial mortgage-backed securities, real estate finance, commercial real estate CDOs, and real estate investment trusts (REITs). Structured Credit includes CLOs and CDOs.

Structured Finance: Revenue Diversification

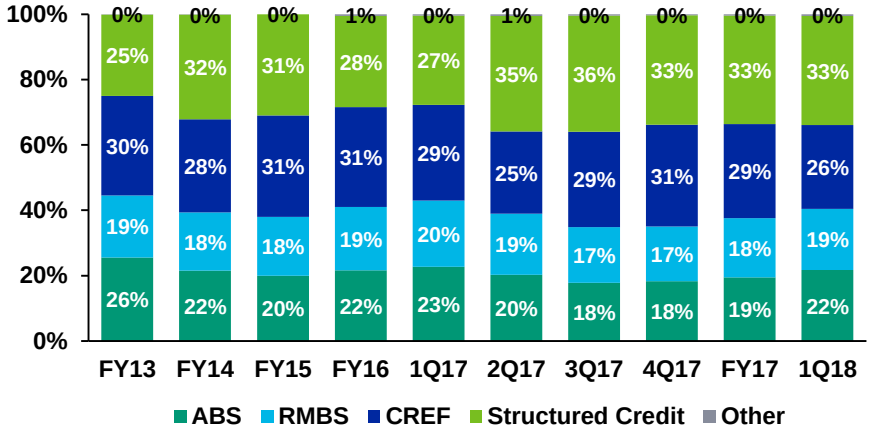
Revenue[1]: Distribution by Geography



Revenue[1]: Distribution by Recurring vs. Transaction

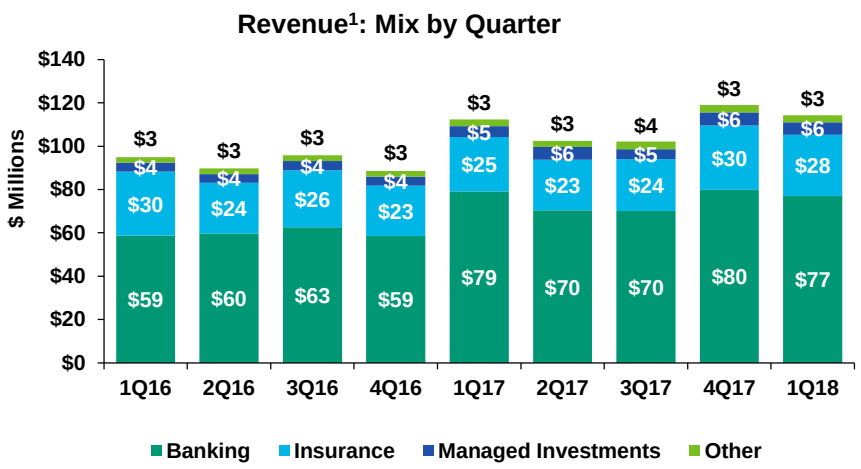


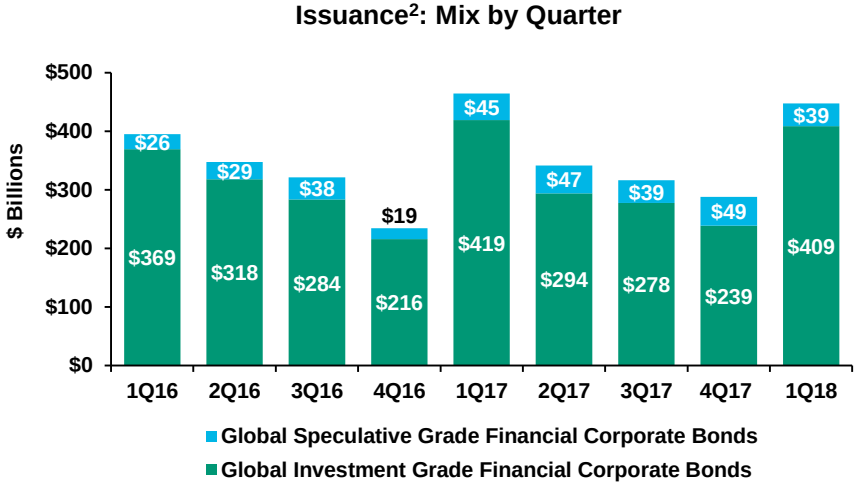
Revenue[1]: Distribution by Product

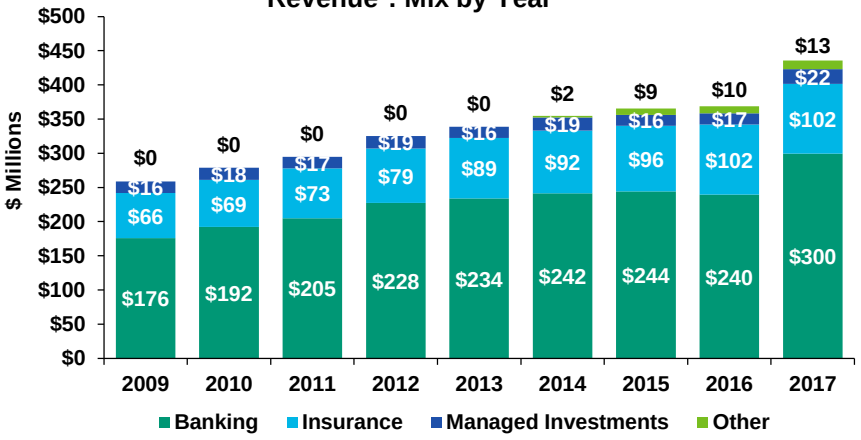


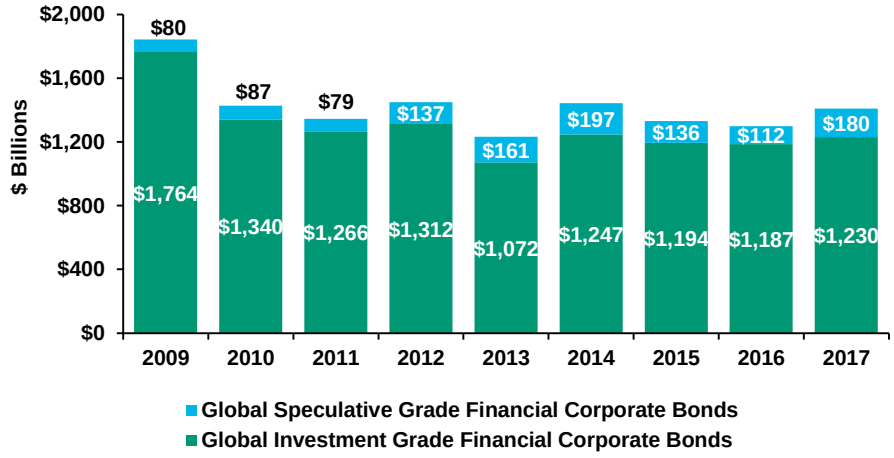
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Financial Institutions: Revenue and Issuance



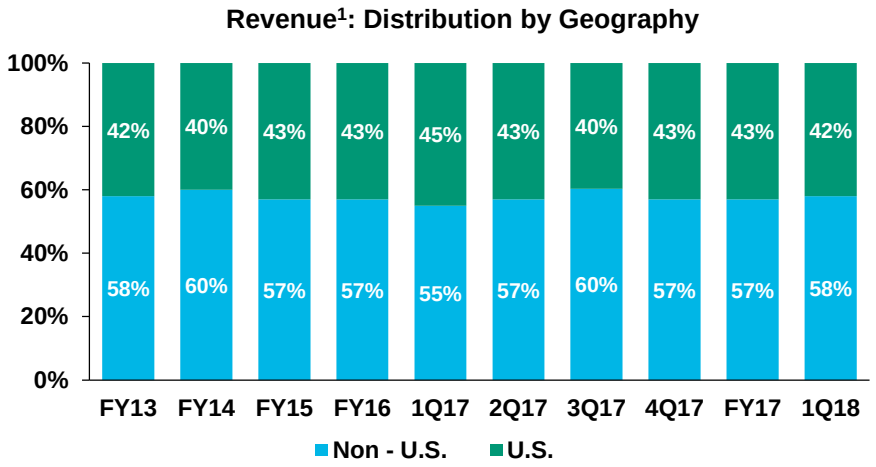


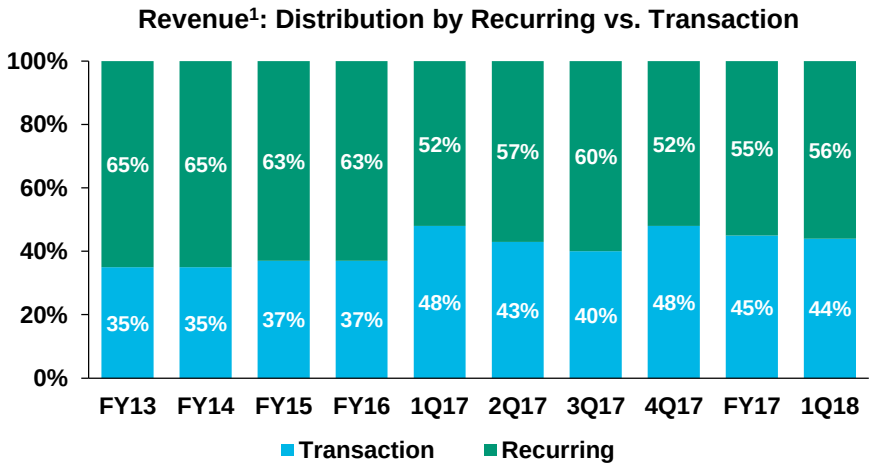


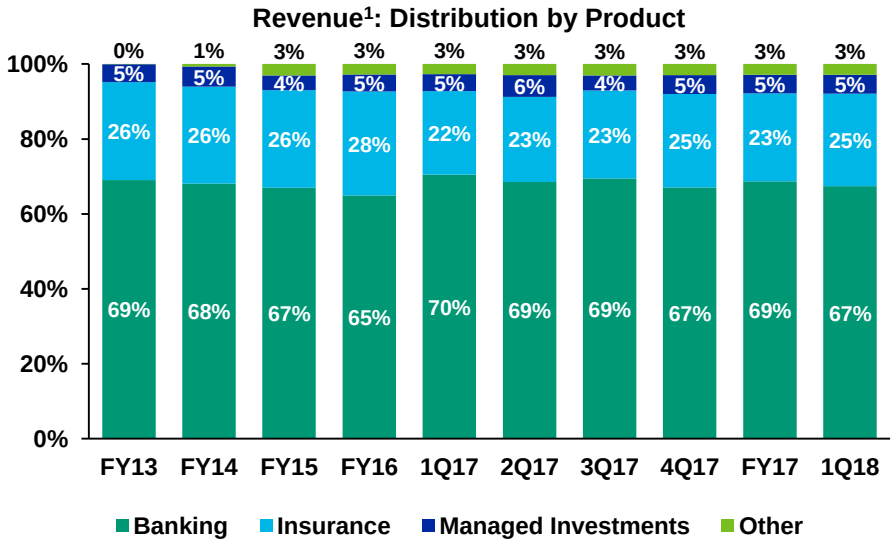


1 Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2 Sources: Moody's Analytics, Dealogic. Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

Financial Institutions: Revenue Diversification

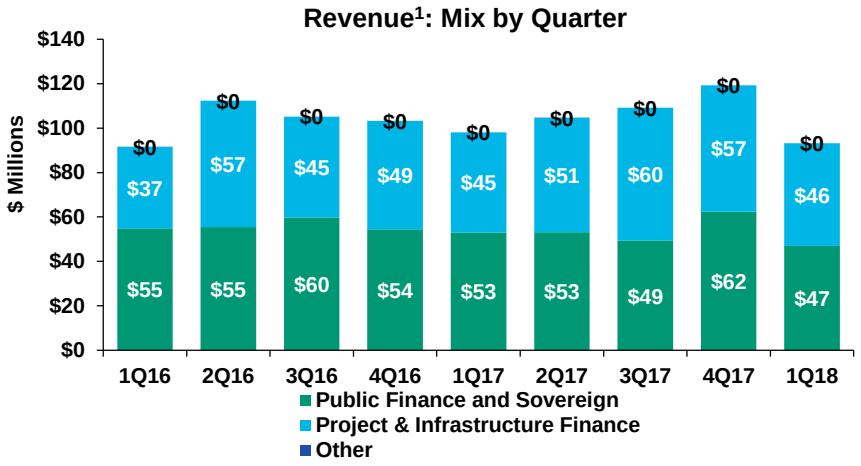


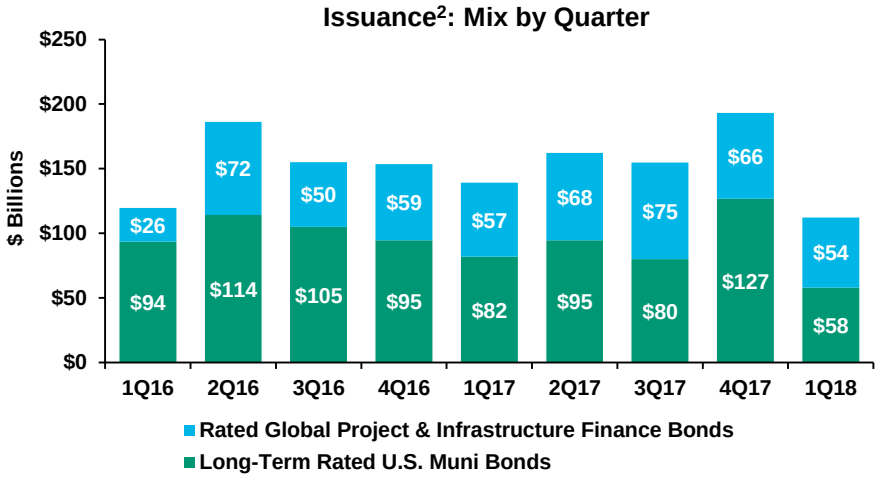


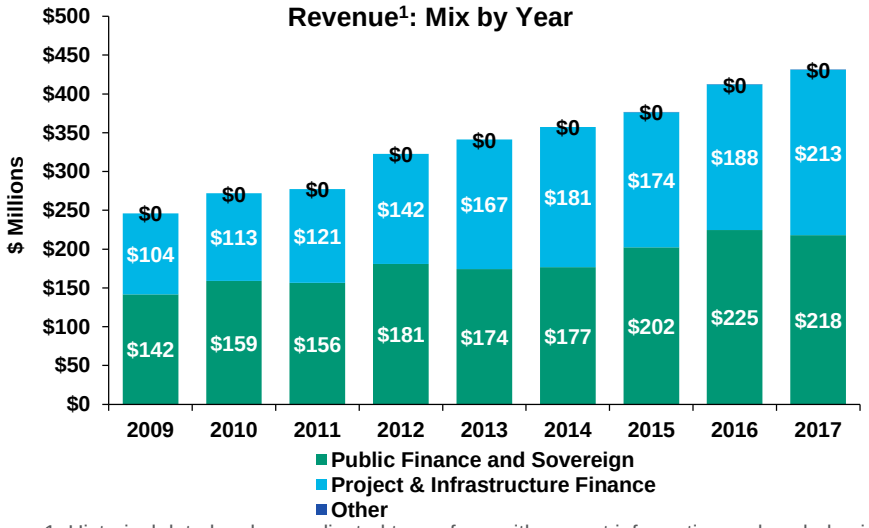


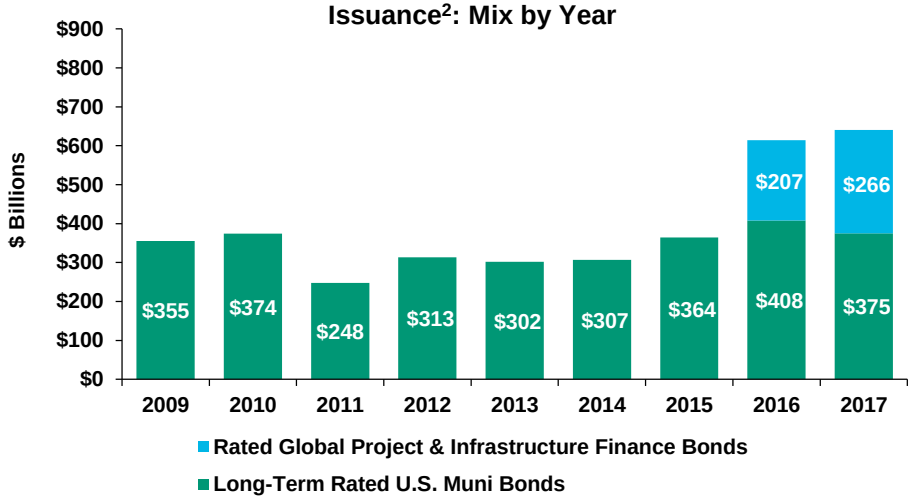
1 Historical data has been adjusted to conform with current information and excludes intercompany revenue.
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Public, Project and Infrastructure: Revenue and Issuance





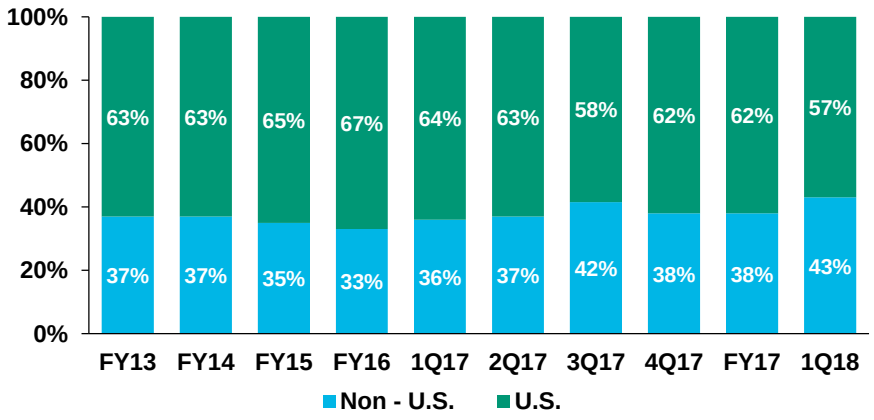




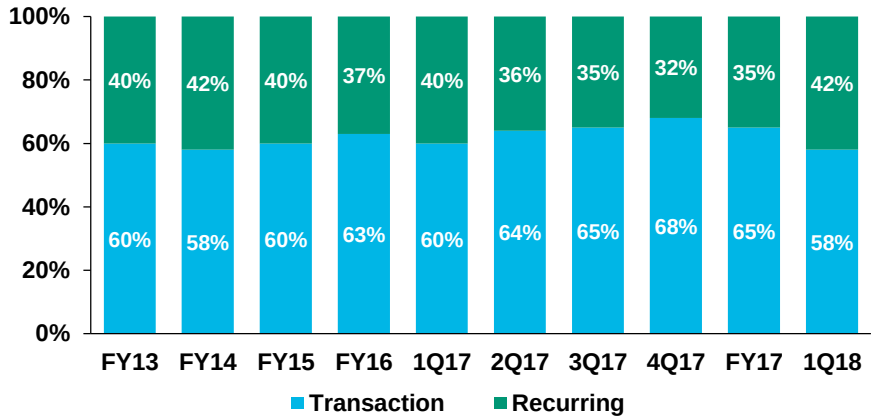
1 Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2 Global Rated Project & Infrastructure Finance available starting in 2016 and represents Moody's rated issuance.
Sources: Thomson SDC, Moody's Corporation. Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

Public, Project and Infrastructure: Revenue Diversification

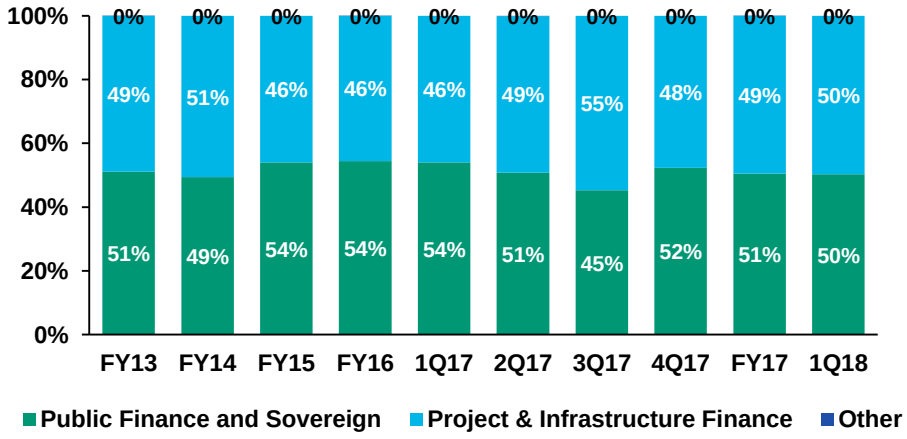
Revenue[1]: Distribution by Geography



Revenue[1]: Distribution by Recurring vs. Transaction

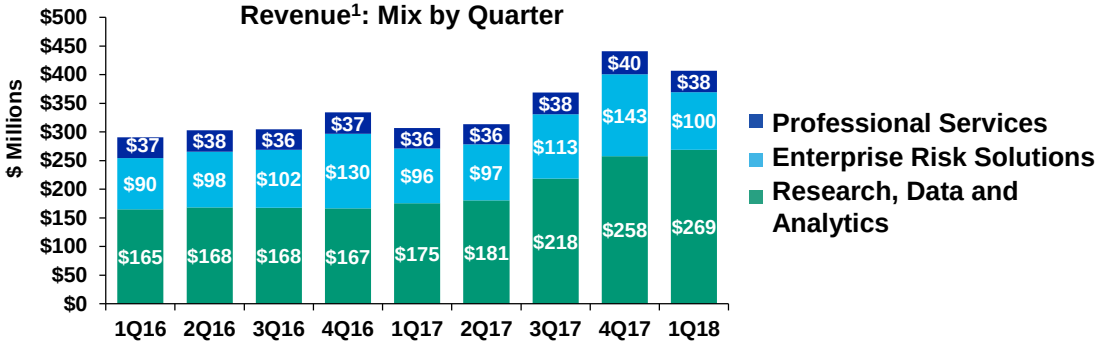


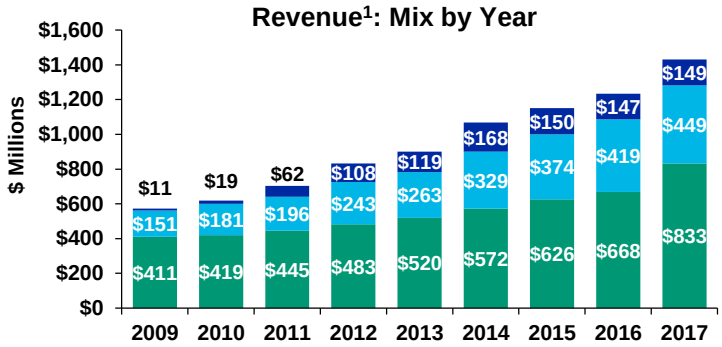
Revenue[1]: Distribution by Product

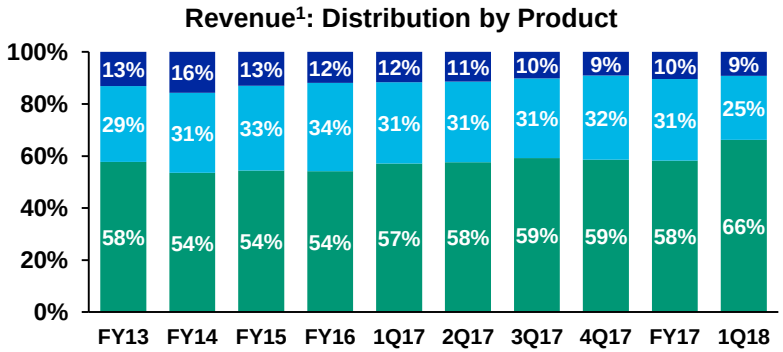


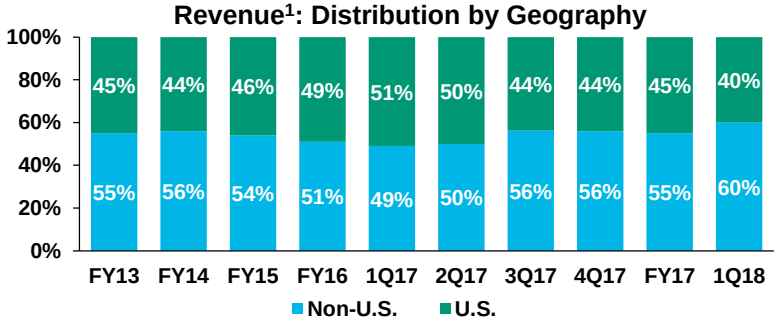
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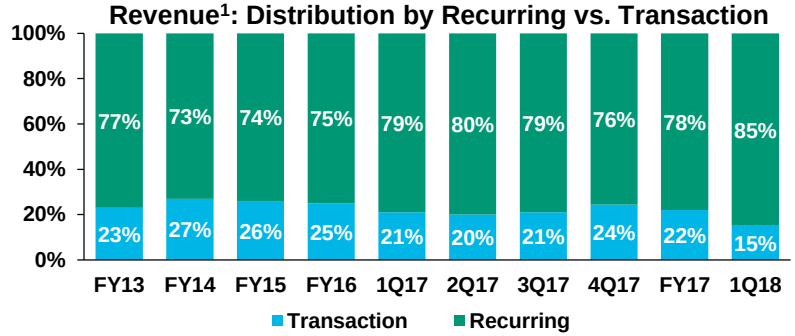
Moody's Analytics: Financial Overview





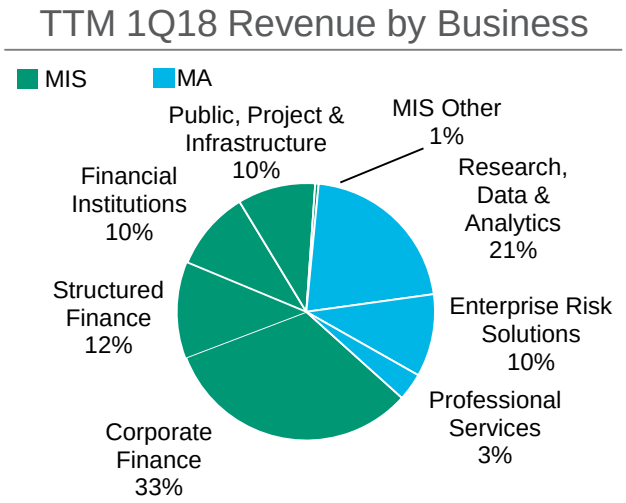


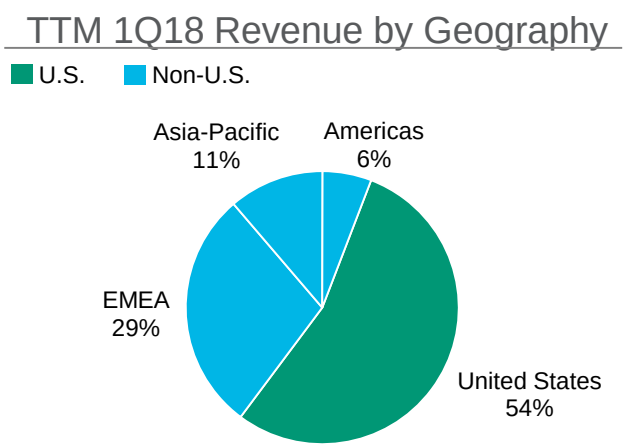


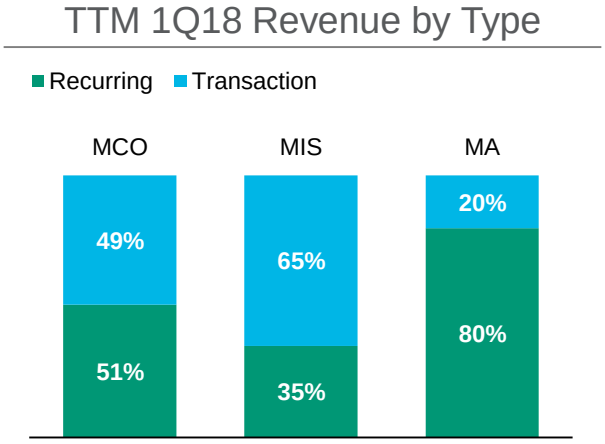


1 Historical data has been adjusted to conform with current information and excludes intercompany revenue. Research, Data and Analytics includes Bureau van Dijk revenue beginning from the acquisition close date, August 10, 2017.
Percentages have been rounded and may not total to 100%.

Revenue is Diversified by Business, Geography and Type







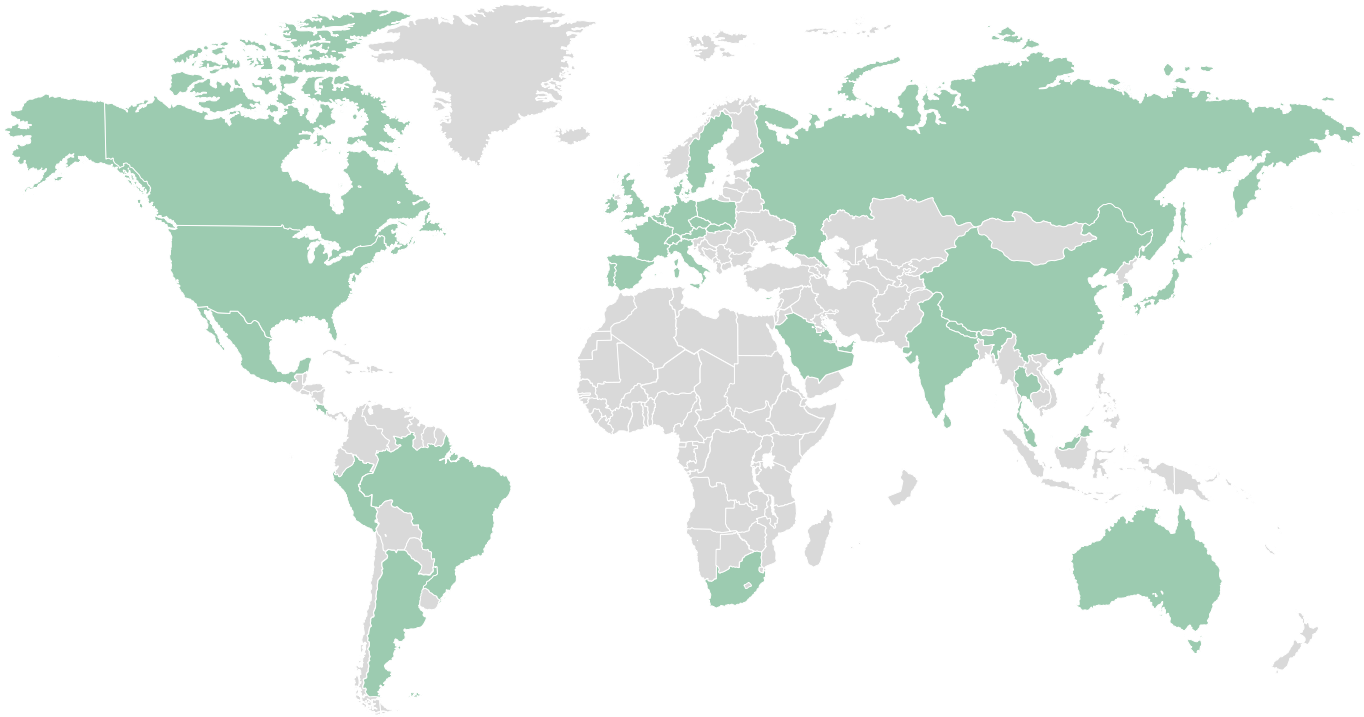
Moody's Corporate Speculative Grade Credit Cycle Gauge

	North America				Europe			
	Latest Metric	1-Year Ago	Long-Term Average[1]	Record Worst	Latest Metric	1-Year Ago	Long-Term Average[2]	Record Worst
Liquidity Stress Index	2.8%	5.3%	6.6%	20.8%	6.5%	9.9%	11.6%	18.5%
B3-Neg / Lower	190	243	195	291	40	57	41	60
% B3-Neg / Lower	12.7%	16.7%	15.1%	26.1%	8.6%	13.3%	11.7%	17.2%
3-Year Refunding Index	3.8x	3.8x	6.2x	1.5x	N/A	N/A	N/A	N/A
Downgrade / Upgrade Ratio[3]	0.8x	0.6x	3.4x	11.7x	0.5x	0.9x	2.4x	20.5x
Covenant Quality Score	4.32	4.12	4.06	4.52	3.56	3.39	3.22	4.85
Default Rate (forecast)	1.7%	3.9%	4.7%	15.0%	1.0%	2.4%	3.7%	13.0%

Improving | Neutral | Trending Worse

1 North America long-term average: LSI: from 2002, B3-Neg: from 2007, Refunding: from 2007, Downgrade / Update Ratio: from 2008, CQ score: from 2011, Default rate: from 1990.
2 Europe long-term average: LSI: from 2012, CQ Score: from 2011, B3-Neg: from 2011, Downgrade / Update Ratio: from 2009, Default rate: from 1999.
3 Trailing twelve months (TTM) ended March 31, 2018.
Source: Moody's Investors Service.

Moody's Global Presence



Americas

Argentina
Brazil
Canada
Costa Rica
Mexico
Panama
Peru
United States

Europe, Middle East & Africa

Austria
Belgium
Cyprus
Czech Republic
Denmark
France
Germany
Ireland
Israel
Italy
Mauritius
Netherlands
Poland
Portugal
Russia
Saudi Arabia
Slovakia
South Africa
Spain
Sweden
Switzerland
UAE
United Kingdom

Asia-Pacific

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

2018	3,589	+	8,445	=	12,034	
	U.S. employees		non-U.S. employees		total employees[1]	
2017	3,411	+	7,247	=	10,658	
	U.S. employees		non-U.S. employees		total employees[2]	

1 As of March 31, 2018.
2 As of March 31, 2017.

Corporate Social Responsibility: Opening the Door to a Better Future

Three Focus Areas, All Supported by Our Colleagues



Empowering people with financial knowledge

Changing the lives of people all over the world—especially women and untapped groups—and helping them grow their businesses by acquiring the tools and know-how to navigate in the financial world. Includes Reshape Tomorrow™, our signature financial empowerment initiative.



Activating an Environmentally Sustainable Future

Developing internal awareness in our workplaces through the Environmental Task Force, and external tools and services, such as the MIS ESG Initiative and Moody's Green Bond Assessment.



Helping Young People Reach Their Potential

Opening greater opportunities for untapped students and young adults ages 15-24 to prepare for successful careers in technology, economics and finance, and developing a diverse & inclusive talent pipeline.



Sharing Our Passion and Purpose With the World

Empowering employees in communities all over the world to change people's lives with their time, talent and resources. Provide more opportunities through *Moody's TeamUp*®, skills-based and pro bono volunteering, nonprofit board service and employee giving programs.

Reconciliation of Adjusted Financial Measures to GAAP

Adjusted Operating Income and Adjusted Operating Margin Reconciliation[1]

(in $ millions)	2013	2014	2015	2016	2017	TTM 1Q18
Operating Income	$1,248.0	$1,449.8	$1,490.7	$650.9	$1,820.8	*$1,864.9*
Operating Margin	*42.0%*	*43.5%*	*42.8%*	*18.1%*	*43.3%*	*42.8%*
Add Adjustment:						
Depreciation & Amortization	*93.4*	*95.6*	*113.5*	*126.7*	*158.3*	*174.8*
Acquisition-Related Expenses	*-*	*-*	*-*	*-*	*22.5*	*23.3*
Restructuring	*-*	*-*	*-*	*12.0*	*-*	*-*
Goodwill Impairment Charge	*-*	*-*	*-*	*-*	*-*	*-*
Settlement Charge	*-*	*-*	*-*	*863.8*	*-*	*-*
Adjusted Operating Income	$1,341.4	$1,545.4	$1,604.2	$1,653.4	$2,001.6	*$2,063.1*
Adjusted Operating Margin	*45.1%*	*46.3%*	*46.0%*	*45.9%*	*47.6%*	*47.4%*

Moody's Corporation Operating Margin Guidance Reconciliation

	2018F[2]
Projected Operating Margin - GAAP	43% - 44%
Projected impact from Depreciation & Amortization	Approximately 4.0%
Projected impact from Acquisition-Related Expenses	Approximately 0.5%
Projected Adjusted Operating Margin	Approximately 48%

Free Cash Flow Reconciliation

(in $ millions)	2013	2014	2015	2016	2017	2018F[2]
Net cash flows from operating activities	$965.6	$1,017.3	$1,198.1	$1,259.2	$747.5	~$1,700
Less: Capital expenditures	*42.3*	*74.6*	*89.0*	*115.2*	*90.6*	*~$120*
Free Cash Flow	$923.3	$942.7	$1,109.1	$1,144.0	$656.9	~$1,600

1 2013 - 2017 operating and adjusted operating income have been restated to conform to the new presentation of pension accounting.
2 Guidance as of April 27, 2018.

Reconciliation of Adjusted Financial Measures to GAAP (cont.)

Moody's Corporation Diluted EPS Reconciliation

	2013	2014	2015	2016	2017	2018F[1]
Diluted EPS - GAAP	$3.60	$4.61	$4.63	$1.36	$5.15	$7.20 - $7.40
Legacy Tax	(0.09)	(0.03)	(0.03)	-	-	-
Impact of Litigation Settlement	0.14	-	-	$3.59	-	-
ICRA Gain	-	(0.37)	-	-	-	-
FX Gain due to Subsidiary Liquidation	-	-	-	($0.18)	-	-
Restructuring	-	-	-	$0.04	-	-
CCXI Gain	-	-	-	-	($0.31)	-
Acquisition-Related Expenses	-	-	-	-	$0.10	~$0.05
Purchase Price Hedge Gain	-	-	-	-	($0.37)	-
Net Acquisition-Related Intangible Amortization Expenses	$0.09	$0.10	$0.11	$0.13	$0.23	~$0.40
Transition tax related to U.S. tax reform	-	-	-	-	$1.28	-
Net Impact of U.S./European tax change on deferred taxes	-	-	-	-	($0.01)	-
Adjusted Diluted EPS	$3.74	$4.31	$4.71	$4.94	$6.07	$7.65 - $7.85

Note: Table may not sum to total due to rounding.
1 Guidance as of April 27, 2018.


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