Moody's

Decode risk.
Unlock opportunity.

2Q 2022 Investor Presentation

August 9, 2022

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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, 2021, and in other filings made by Moody's 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 Moody'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 Moody's business, results of operations and financial condition. New factors may emerge from time to time, and it is not possible for Moody's to predict new factors, nor can Moody's 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.

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1

Moody’s Overview

Company Overview

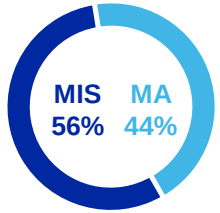
Moody's Investors Service

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

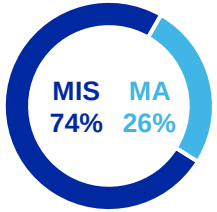
Moody's

Global integrated risk assessment firm providing credit rating opinions, analytical solutions and insights that empower organizations to make better, faster decisions

Revenue of $6.0 billion



Adjusted Operating Income[1] of $2.7 billion



Adjusted Operating Margin[1]

MIS	MA
57.0%	26.0%

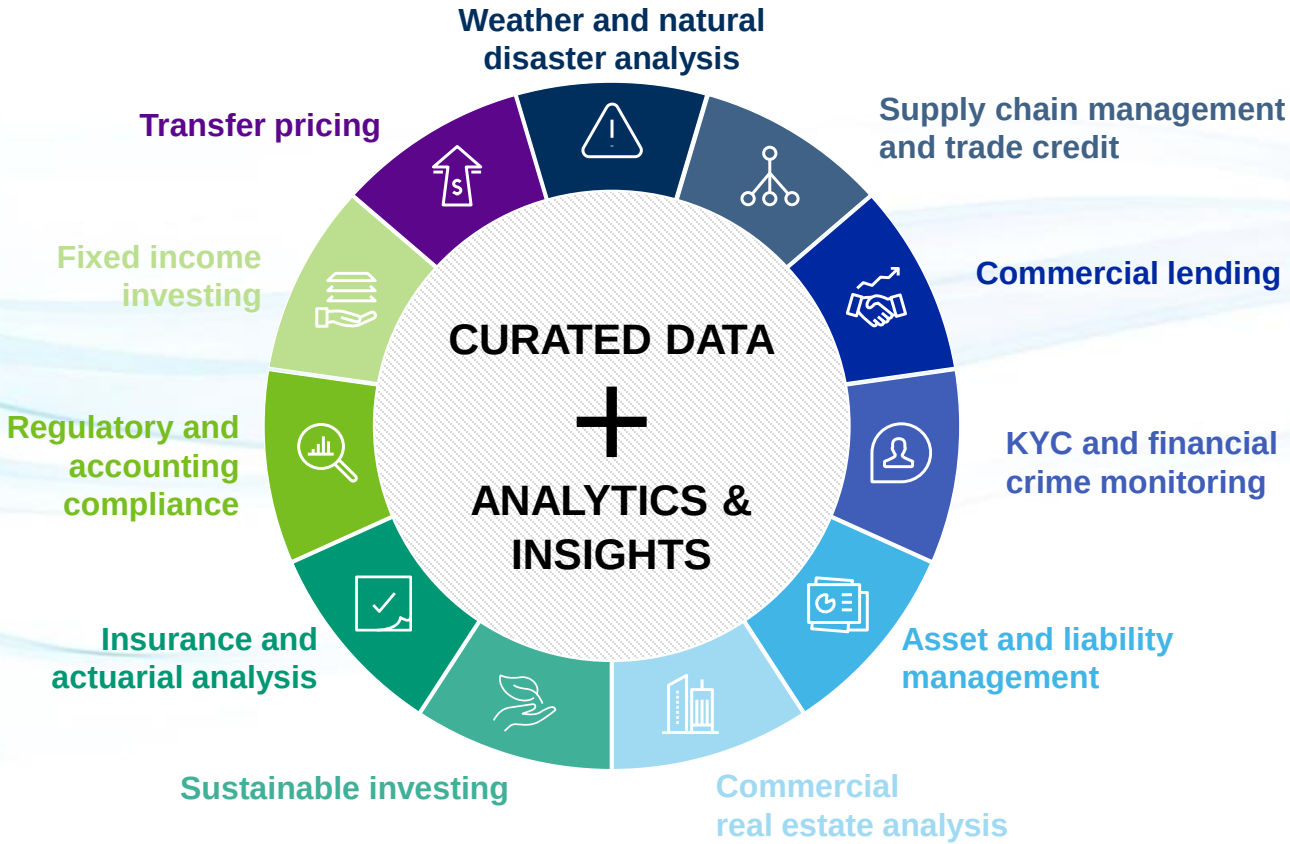
Moody's Analytics

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

1. Refer to the Appendix for reconciliations between all adjusted measures mentioned throughout this presentation and U.S. GAAP.
Note: Financial data for the trailing twelve months ended June 30, 2022.

Moody's as an Integrated Risk Assessment Business

Selection of Use Cases Addressable by Moody's Solutions



$40B+

Current Addressable Market

Helping customers make **BETTER DECISIONS**

CURATED DATA[1]

Entities
435+ million
public & private entities

Securities
$73+ trillion
rated debt

Economies
500+ million
economic, financial and demographic time series

Properties
20+ million
commercial real estate properties

People
15+ million
risk profiles

Physical risk
3+ million
scores on global facilities

Note: KYC = Know Your Customer

1. Figures shown are as of June 30, 2022.

Multi-Year Investment Approach



Market Penetration and Customer Access

Incremental sales staff, customer-oriented travel, marketing and other go-to-market initiatives



KYC, CRE, Banking and ESG & Climate

Continuation of strategic investment roadmaps across MIS and MA to meet increasing demand in high-growth markets



Technology and Product Development

New capabilities, including continued development of SaaS platform, improve operational efficiency, promote interoperability and facilitate execution of a robust product development pipeline



Best-in-Class Talent

Competitive compensation, as well as fostering a diverse and inclusive environment to recruit and retain top talent in a tight labor market

2021: ~$150 million organically invested in growth initiatives and enhanced capabilities in MIS and MA

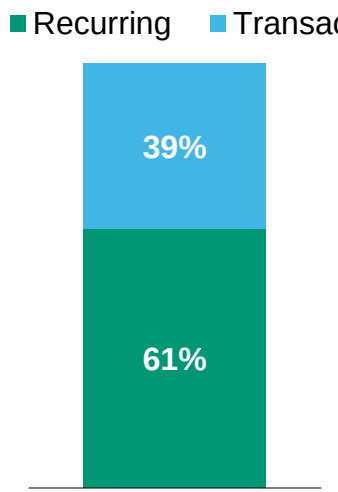
2022: Incremental organic investment of ~$150 million to accelerate medium-term growth

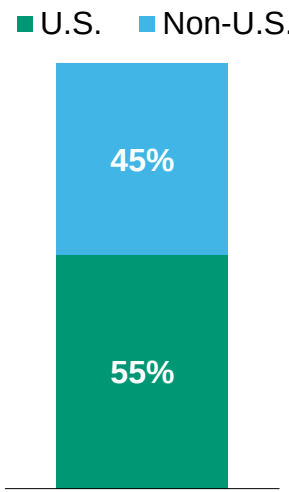
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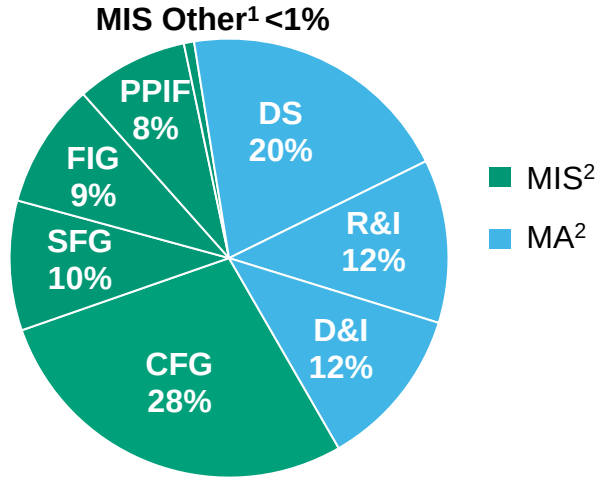
Financial Overview

Moody's Corporation Financial Profile

2Q 2022 TTM Revenue: $6.0 billion







Full Year 2022 Guidance as of July 26, 2022[3]

Revenue	» Decline in the high-single-digit percent range	Effective Tax Rate	» 20.5% - 22.5%
Operating Expenses	» Increase in the high-single-digit percent range	Diluted EPS	» $8.10 - $8.60
Operating Margin	» 37% to 38%	Adjusted Diluted EPS[4]	» $9.20 - $9.70
Adjusted Operating Margin[4]	» Approximately 44%	Share Repurchases[5]	» Approximately $1.0 billion

1. Consists of financial instruments pricing services in the Asia-Pacific region, ICRA non-ratings revenue and revenue from providing ESG research, data and assessments.
2. Percentages may not sum to 100% due to rounding.
3. Guidance as of July 26, 2022. Refer to Table 10 – "2022 Outlook" in the press release titled "Moody's Corporation Reports Results for Second Quarter 2022" from July 26, 2022, for a complete list of guidance, reconciliations between adjusted measures and U.S. GAAP and assumptions used by the Company with respect to its guidance.
4. Refer to the Appendix for reconciliations between all adjusted measures mentioned throughout this presentation and U.S. GAAP.
5. Full year 2022 share repurchase guidance is subject to available cash, market conditions, M&A opportunities and other ongoing capital allocation decisions.

Macro Assumptions Underpinning Our Outlook[1]

Macroeconomic Assumptions Underpinning 2022 Outlook[1]

GDP Growth[2]

1.5% - 2.5% United States

1.5% - 2.5% Euro area

2.0% - 3.0% Global

Credit Spreads

Benchmark rates to continue to rise; U.S. high yield interest rate spreads to fluctuate around 500 bps, with periodic volatility

Inflation & Unemployment

Global inflation levels to remain elevated (U.S.: 6.5% - 7.5%; Euro area: 6.0% - 8.0%); U.S. unemployment rate to rise to ~3.7% by year-end

Default Rates

Global high yield default rate to rise to 2.5% - 3.5% by year-end

TAILWINDS	HEADWINDS
Continued, though slowing, global GDP growth	Recessionary concerns influencing consumer and business behavior
$4T+ of refinancing needs between 2022 and 2025	Expectation for USD to maintain its strength throughout 2022
Despite expected interest rate increases, investor demand remains for higher-rated credits	Global inflation at a 40-year high; hawkish Central Bank policies leading to interest rate increases
Widened credit spreads remain below historical highs	Russia-Ukraine crisis impacting commodity prices, supply chains and market sentiment
Strong credit performance and low default rates	Lower issuance demand due to high cash levels on corporate balance sheets

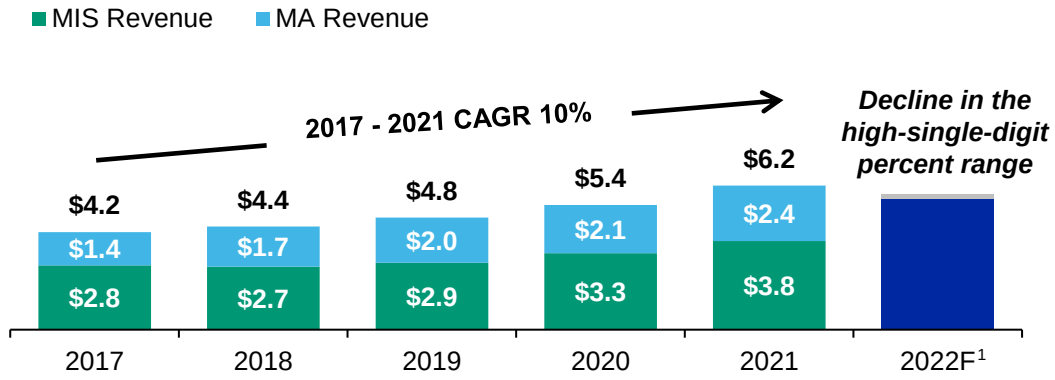
Source: Default rate and unemployment assumptions sourced from Moody's Investors Service "June 2022 Default Report", published July 15, 2022. High yield spreads, GDP and inflation assumptions as of July 26, 2022, from Moody's Investors Service.

1. Guidance as of July 26, 2022. Refer to Table 10 – "2022 Outlook" in the press release titled "Moody's Corporation Reports Results for Second Quarter 2022" from July 26, 2022, for a complete list of guidance, reconciliations between adjusted and organic measures and U.S. GAAP, as well as assumptions used by the Company with respect to its guidance.
2. GDP Growth represents real GDP.

Financial Performance[1]

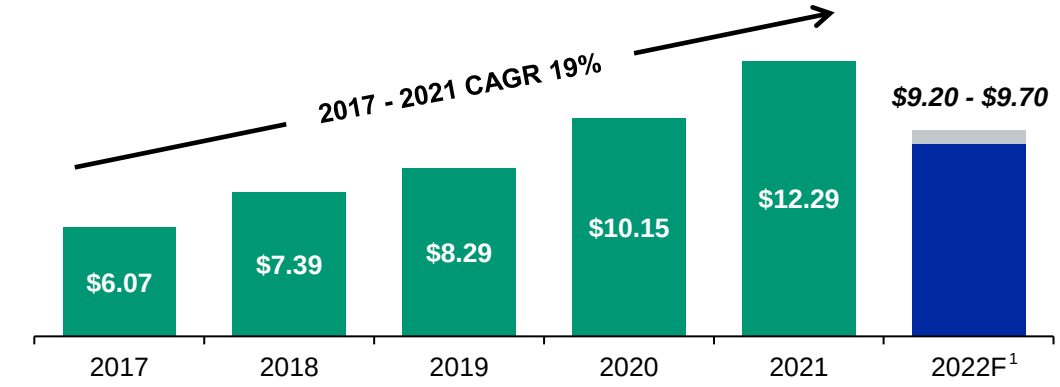
Revenue[2]

$ Billions

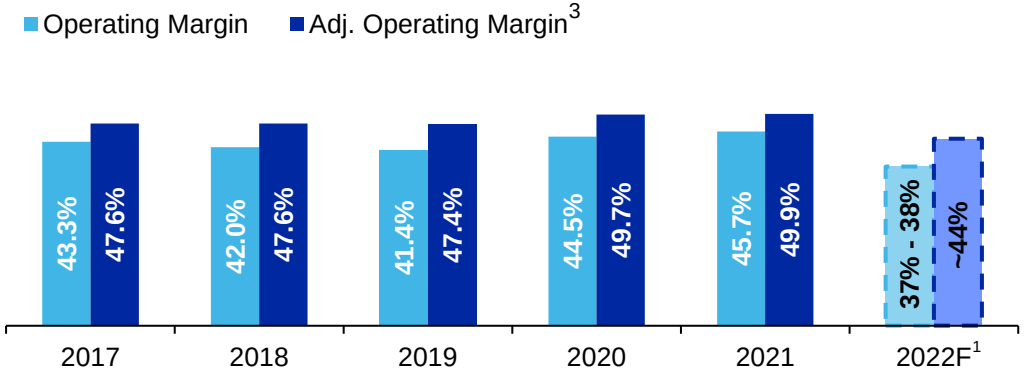


Adjusted Diluted EPS[3]

$ Per Share

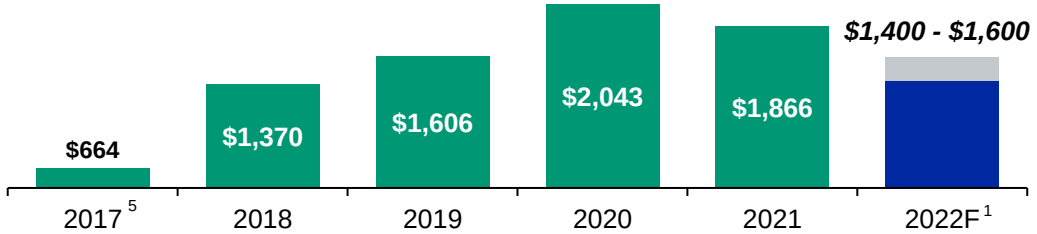


Operating Margin[4]



Free Cash Flow[3]

$ Millions



1. Guidance as of July 26, 2022. Refer to Table 10 – "2022 Outlook" in the press release titled "Moody's Corporation Reports Results for Second Quarter 2022" from July 26, 2022, for a complete list of guidance, reconciliations between adjusted measures and U.S. GAAP and assumptions used by the Company with respect to its guidance.
2. Totals may not sum due to rounding.
3. Refer to the Appendix for reconciliations between all adjusted measures mentioned throughout this presentation and U.S. GAAP.
4. 2017 operating and adjusted operating margins have been restated to conform to the new presentation for pension expenses.
5. Includes approximately $700 million in net payments pursuant to a settlement charge.

Medium-Term Growth Targets[1]

	MEDIUM-TERM[2,3]
MCO Revenue	**At least 10% growth**
MA Revenue	**Low-to-mid-teens % growth**
MIS Revenue	**Low-to-mid-single-digit % growth**
MCO Adjusted Operating Margin	**Low-50s % range**
MA Adjusted Operating Margin	**Mid-30s % range**
MIS Adjusted Operating Margin	**Low-60s % range**
MCO Adjusted EPS	**Low-double-digit % growth**

Note: Medium-term guidance refers to a time period within 5 years. Growth refers to average annualized growth over the time period.
As of March 10, 2022. Refer to slide 79 in the Appendix for details and assumptions with respect to medium-term guidance. Assumes full year 2021 as the base year.

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

Prudent Approach to Capital Allocation

Capital allocation goals



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

Capital allocation levers

INVESTING IN GROWTH OPPORTUNITIES

- Reinvestment
- Acquisitions

RETURN OF CAPITAL

- Dividends
- Share repurchases

Investment Criteria and Post-Acquisition Review



Clear Industrial Logic

Strategic fit, the most important factor, is the first screen

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



Disciplined Financial Targets

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

- IRR at / above Moody's cost of capital
- >10% annual cash return yield within 3-5 years
- Cash payback within 7-9 years
- Adjusted EPS accretive by year 2
- Transactions evaluated on an unlevered basis



Post-Acquisition Review

Disciplined and rigorous monitoring post-close

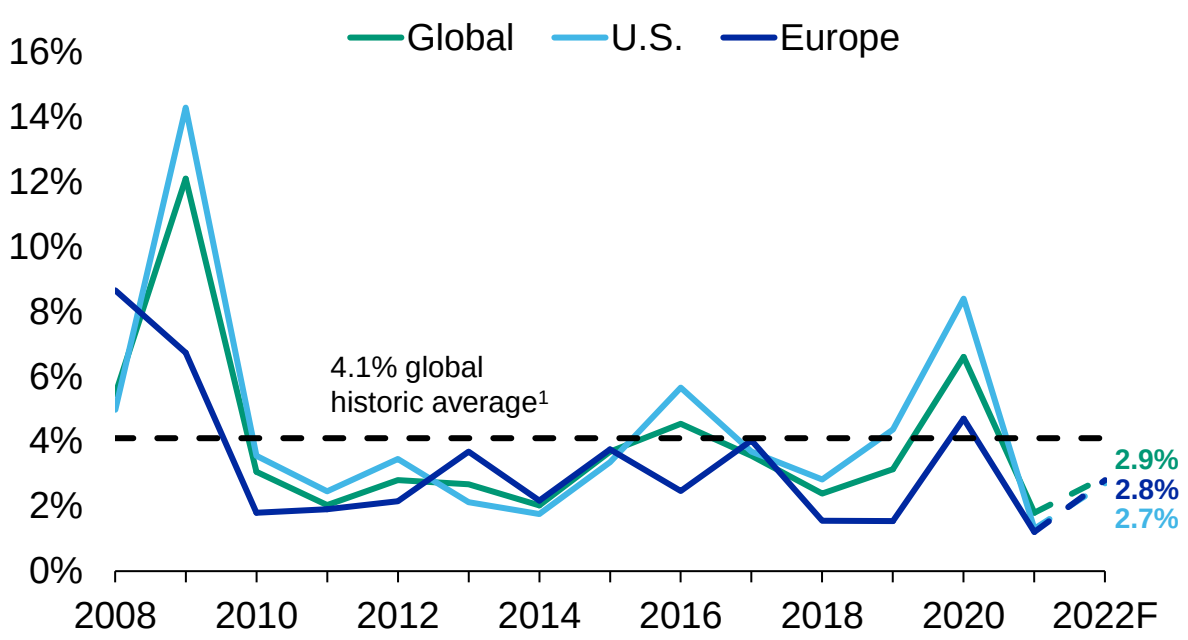
- Clear accountability with regular reporting to senior management and Board
- Integrate within acquiring business unit while maintaining unique and / or entrepreneurial characteristics
- Acquisition tracking for minimum of 3 years after close for substantive transactions

3

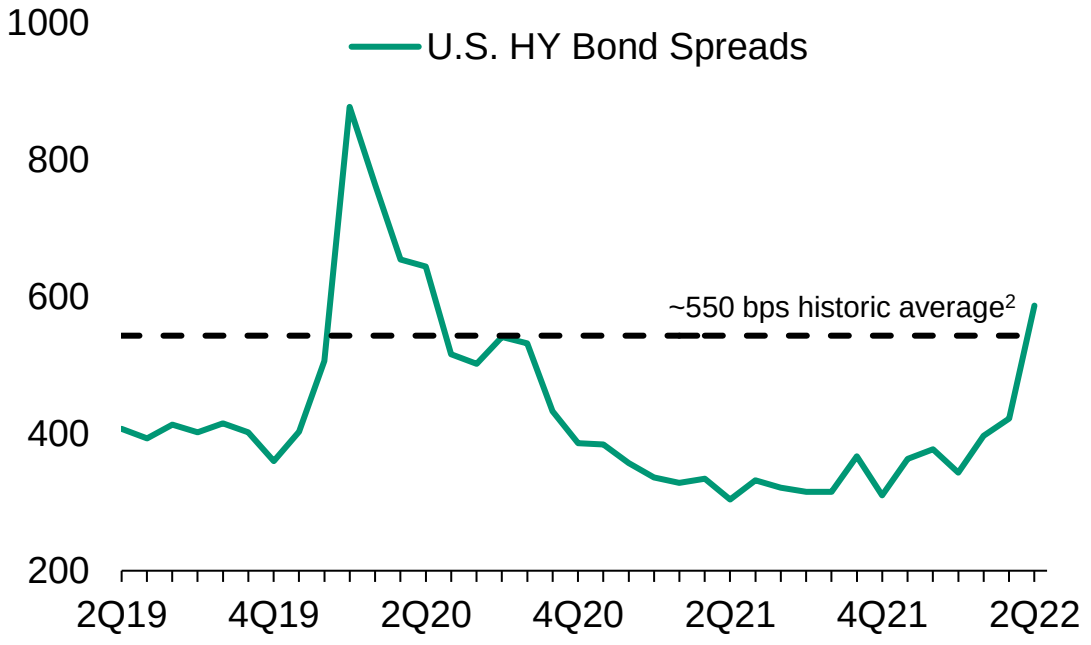
Capital Markets Overview

Default Rates Expected to Rise; High Yield Spreads Fluctuate Around Historical Average

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



U.S. HY Bond Spreads[2]

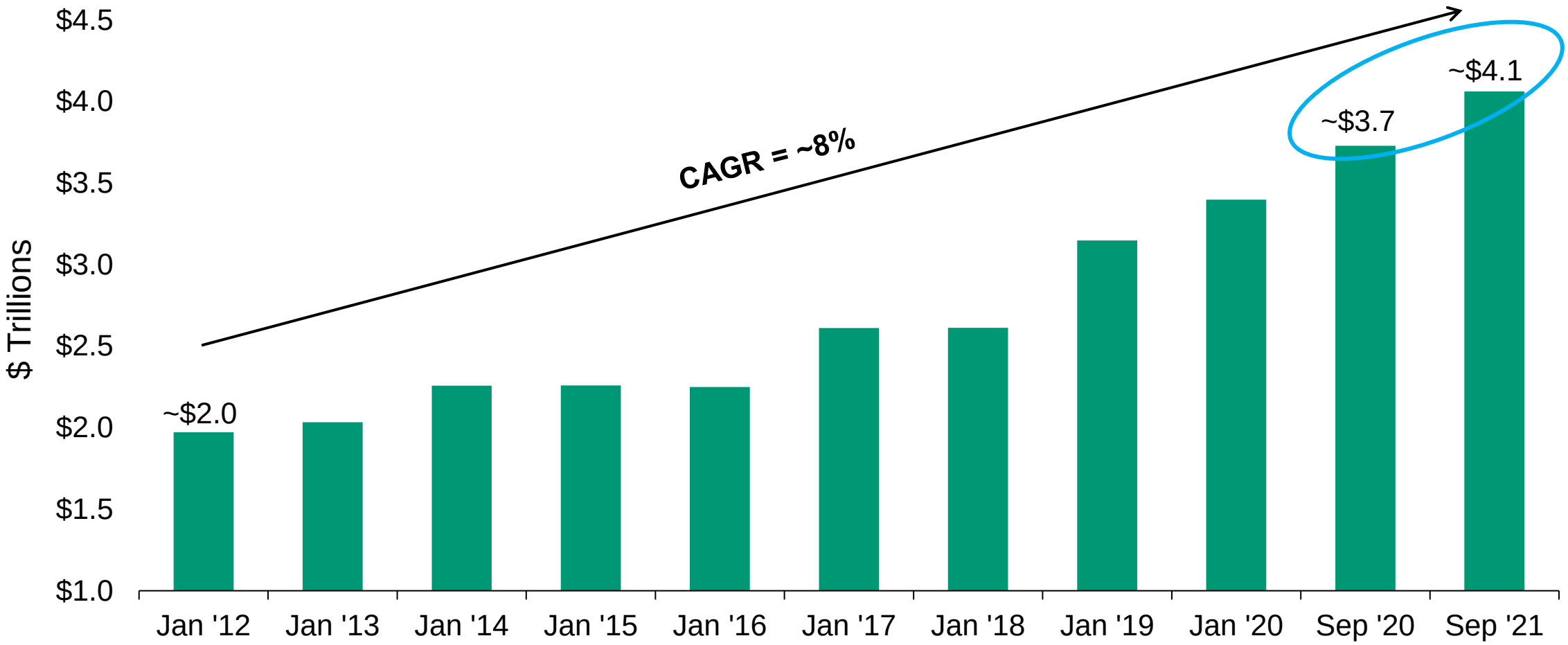


- Trailing twelve month global speculative-grade default rate as of June 30, 2022, was 2.1%
- Global speculative-grade default rate is expected to rise to 2.9% at the end of the year

1. Moody's rated corporate global speculative grade default historical average of 4.1% from 1983 through December 31, 2021. 2022 forecast for trailing twelve months ended December 31, 2022, from Moody's Investors Service as of July 15, 2022.
2. Reported data as of June 30, 2022. Bond spreads as of the last day of each month. Historic average is the daily bond spread average between December 31, 1996 – June 30, 2022. Source: St. Louis Fed Database.

Refunding Walls Continue to Build

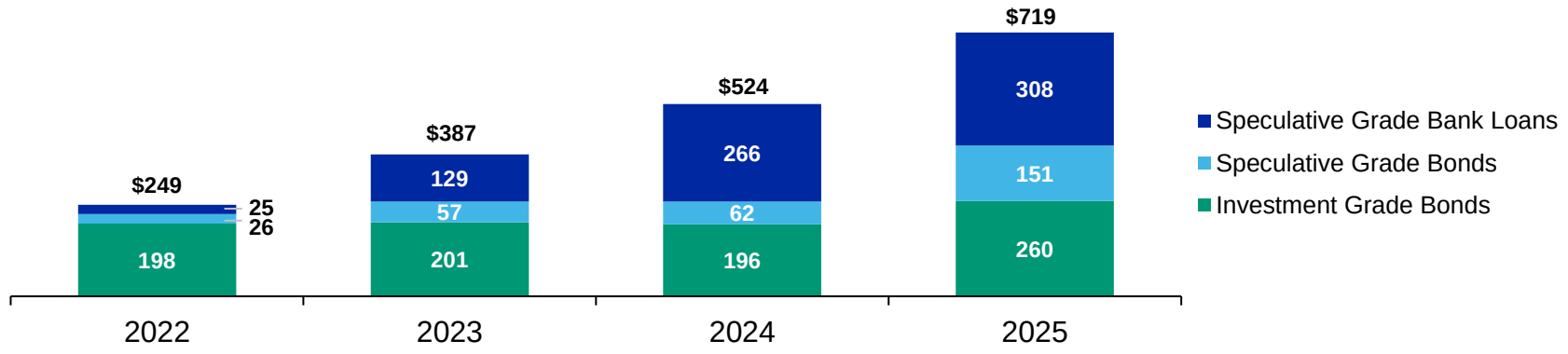
Next four years U.S. and EMEA total refunding needs[1] as of:



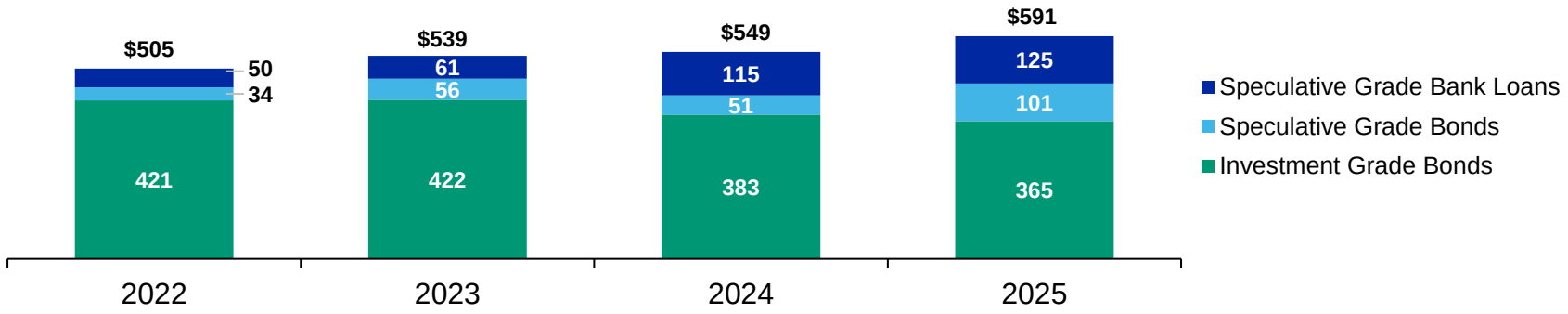
1. Amount reflects total MIS-rated U.S. non-financial corporate bond and loan maturities, in addition to EMEA non-financial corporate and infrastructure bond and loan maturities as defined in Moody's Investors Service's refunding needs reports (2012 – 2021).

Refunding Needs[1] Support MIS Long-term Fundamentals

Debt Maturities: U.S. Non-Financial Corporate Bonds and Loans ($B)[2]



Debt Maturities: EMEA Non-Financial Corporate Bonds and Loans ($B)[3]

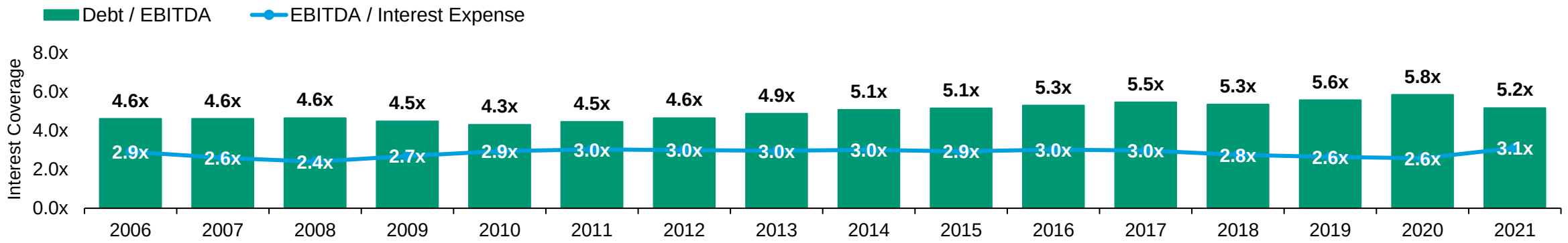


- Refinancing needs totaling more than $4T over the medium-term
- U.S. refinancing needs primarily concentrated in leveraged loans and investment grade corporate bonds
- EMEA refinancing needs driven by aggressive borrowing from investment grade companies in 2020

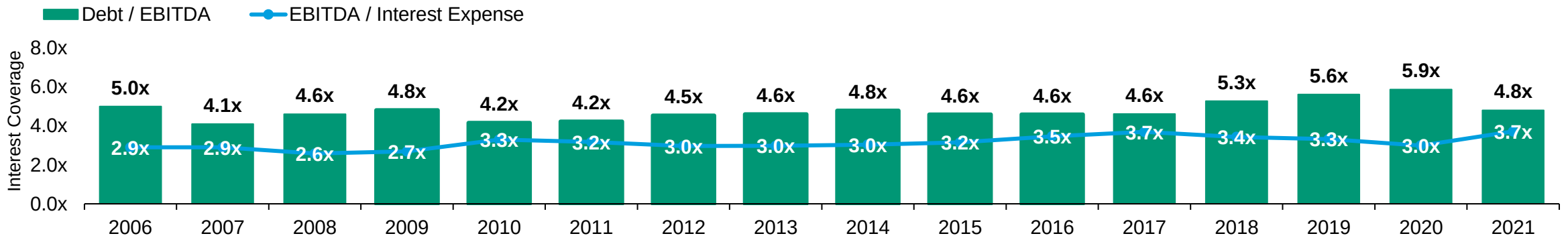
1. Non-financial corporates.
2. MIS-rated U.S. non-financial corporate bond and loan maturities as defined in Moody's Investors Service's refunding needs reports (2021).
3. EMEA non-financial corporate and infrastructure bond and loan maturities as defined in Moody's Investors Service's refunding needs reports (2021).

Debt Leverage and Interest Coverage in North America and Europe

Credit Metrics: North American Speculative Grade Companies[1]



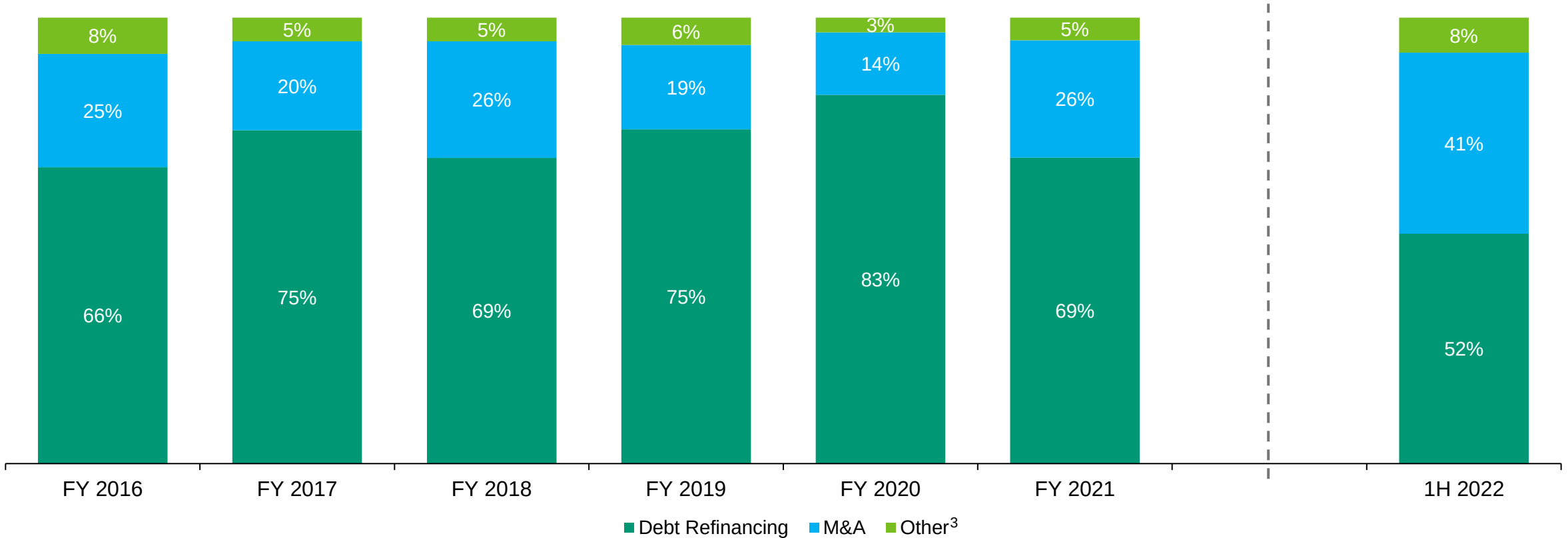
Credit Metrics: European Speculative Grade Companies[1]



Source: Moody's Investors Service.
Note: Credit metrics are medians and historical figures may change due to timing differences in issuer reporting. Debt figures refer to gross debt.
1. Data as of July 28, 2022.

Leveraged Finance Issuance Driven by Refinancing and M&A Activity

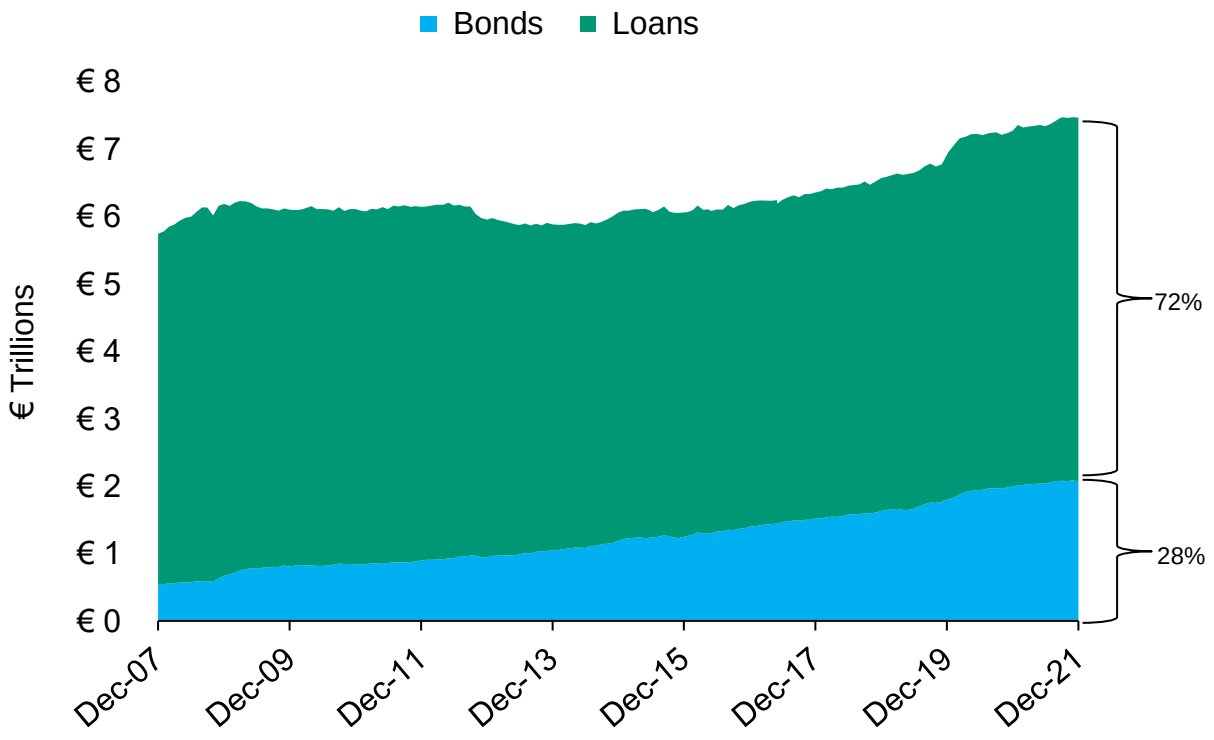
Uses of Funds from USD High Yield Bonds and Bank Loans[1,2]



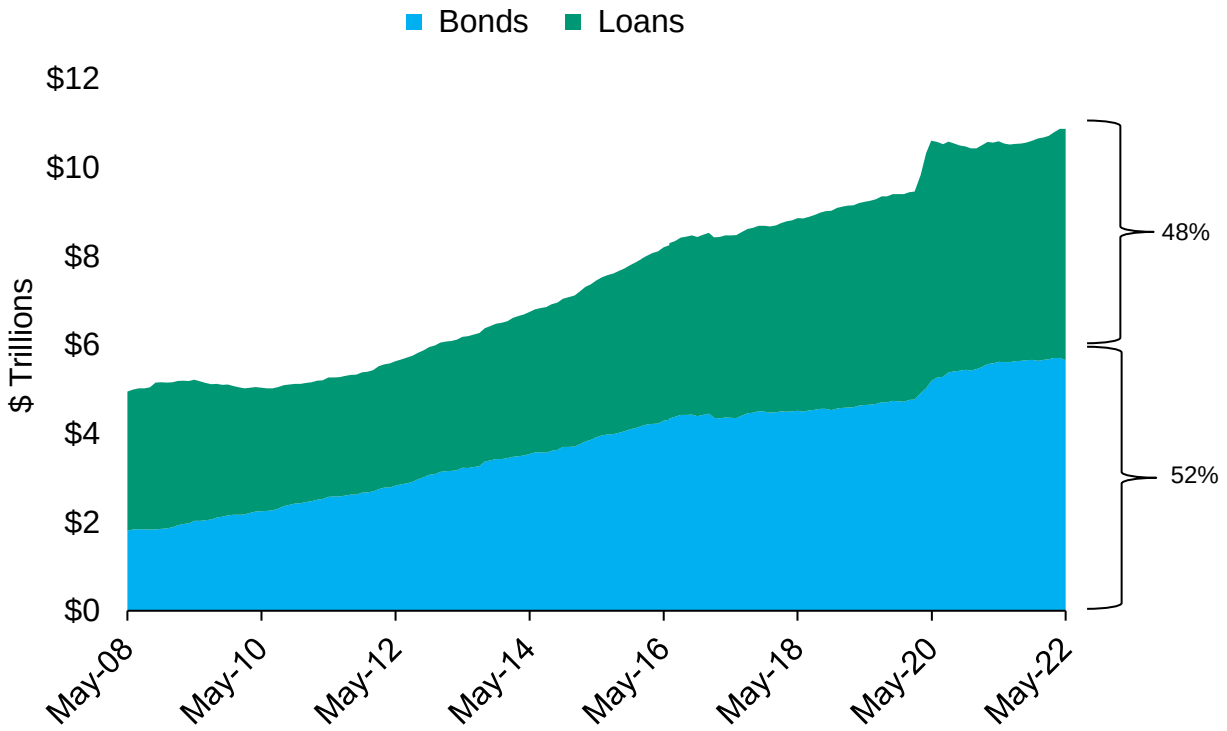
1. Percent of mentions for each respective period in bond issue or bank loan program tranche documents. Excludes issues of less than $25 million and general corporate purposes. Historical data has been restated to reflect updated methodology. Percentages may not sum to 100% due to rounding. Source: Dealogic.
2. Reported data as of June 30, 2022.
3. Other includes Shareholder Payments, Working Capital and Capital Spending.

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

European Non-Financial Corporate Bonds vs. Bank Loans Outstanding

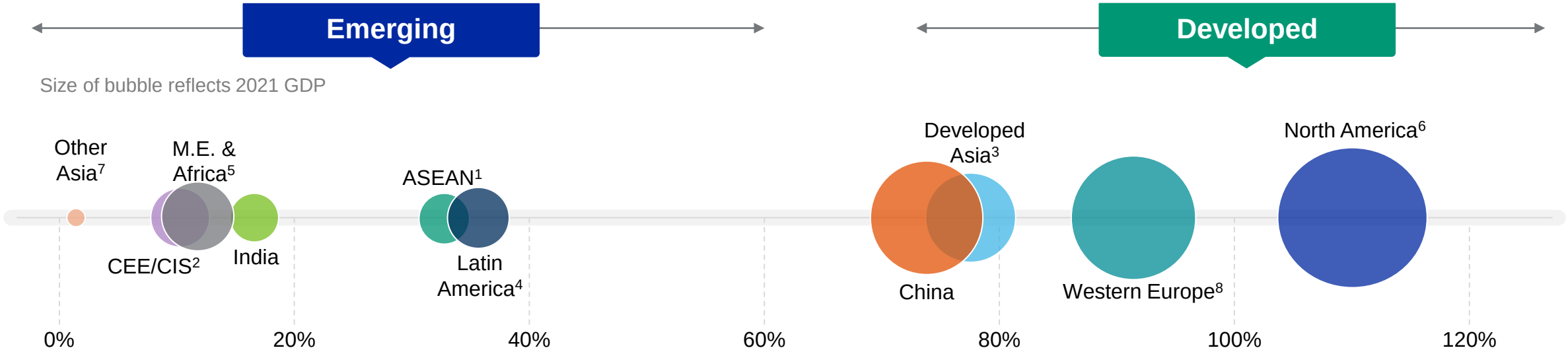


U.S. Non-Financial Corporate Bonds vs. Bank Loans Outstanding



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 December 31, 2021, and U.S. data is through May 31, 2022.

Debt Capital Market Penetration Continues



2021 Private Sector Capital Market Debt Securities (International & Domestic) Outstanding / GDP (%)

- Debt capital markets continue to grow faster than GDP
- China is the second largest bond market and its size relative to GDP is approaching that of Developed Asia
- Low interest rates and investor appetite support the ongoing development of bond markets in emerging economies

Sources: International Monetary Fund World Economic Outlook as of October 2021, Bank for International Settlements as of December 2021, Securities and Exchange Board of India, Moody's Investors Service.
Note: Includes non-financial corporates and financial institutions, excludes general government. Size of bubble reflects 2021 GDP in each region (U.S. dollars, current prices).
Regional definitions:
1. ASEAN = Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam. **2. CEE/CIS** = Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Hungary, Kazakhstan, Kosovo, Kyrgyz Republic, Moldova, Montenegro, North Macedonia, Poland, Romania, Russia, Serbia, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan. 3. **Developed Asia** = Australia, Hong Kong, Japan, Macao, New Zealand, South Korea, Taiwan. **4. Latin America** = Mexico, all Caribbean countries and South America. 5. **M.E. & Africa** = All African countries, Bahrain, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates, Yemen. 6. **North America** = Canada, United States. 7. **Other Asia** = Afghanistan, Bangladesh, Bhutan, Mongolia, Nepal, Pakistan, Sri Lanka, as well as all Oceania countries except for Australia and New Zealand. 8. **Western Europe** = All European countries except for those in CEE/CIS.

Growth in Private Credit Leads to Mounting Risks[1,2]

U.S. private credit market now rivals that of the institutional loan market

» Private credit totals ~$1 trillion and is estimated to grow to $1.5 trillion over the next 3 – 5 years

Non-traditional lenders taking market share from banks

» Banks' share in corporate lending has decreased since 2008 as:

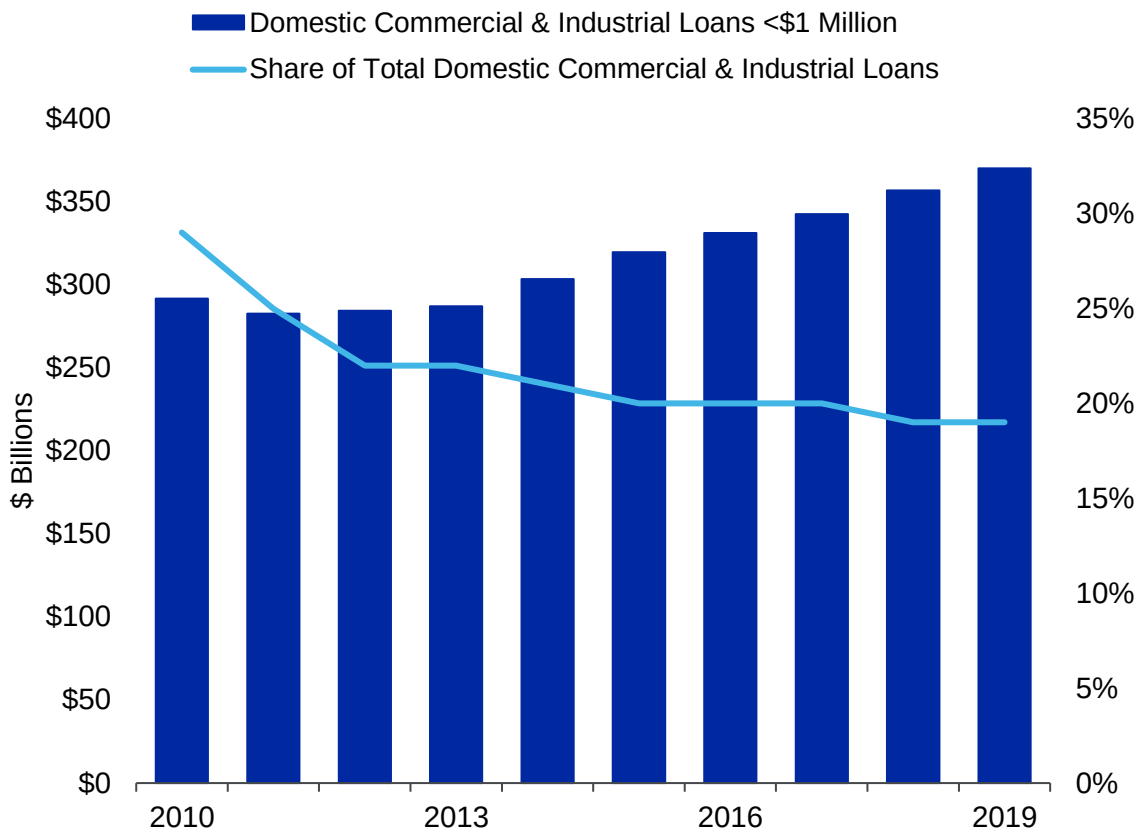
- Regulation increased; and
- The number and scale of private-sponsored enterprises has risen

Credit and systemic concerns rising

» Credit risk heightened by reduced transparency, rising leverage and lender concentrations

» Systemic risk created from disintermediation away from regulated financial institutions

Bank Loans to SMBs[3] Continue to Grow, but Banks' Share of the Market Declines



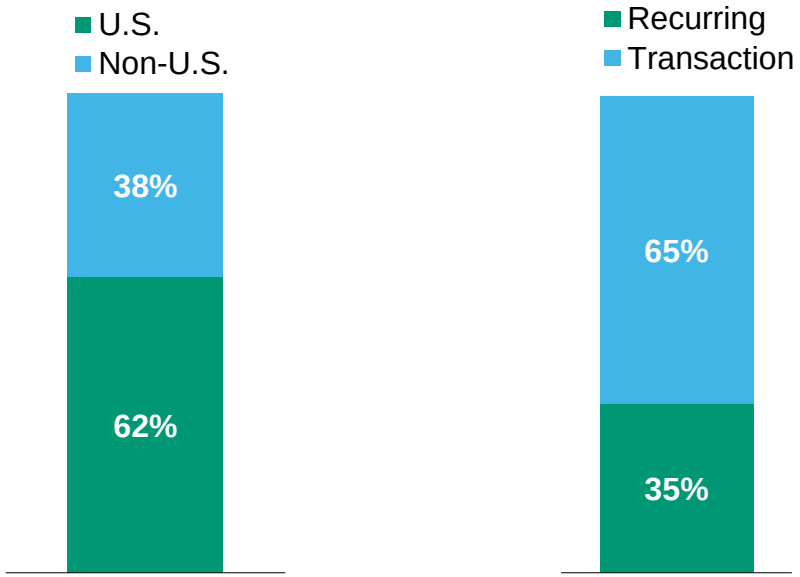
1. Moody's Investors Service; The private credit landscape, May 3, 2022.
2. Moody's Investors Service; Financial Stability – U.S.: As private credit continues to grow, risks are getting swept into grey zone, October 25, 2021.
3. SMBs: Small and mid-size businesses.

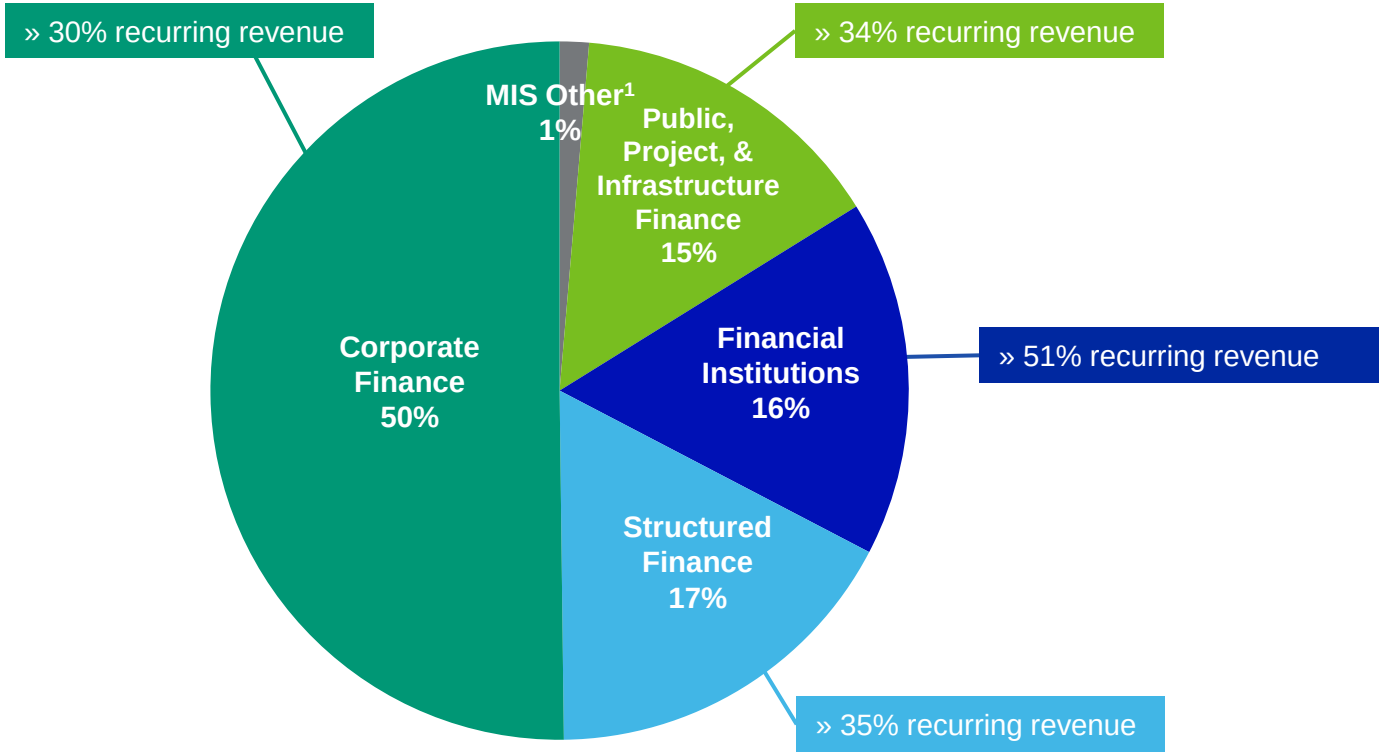
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Moody’s Investors Service

Moody's Investors Service Financial Profile

2Q 2022 TTM Revenue: $3.3 billion



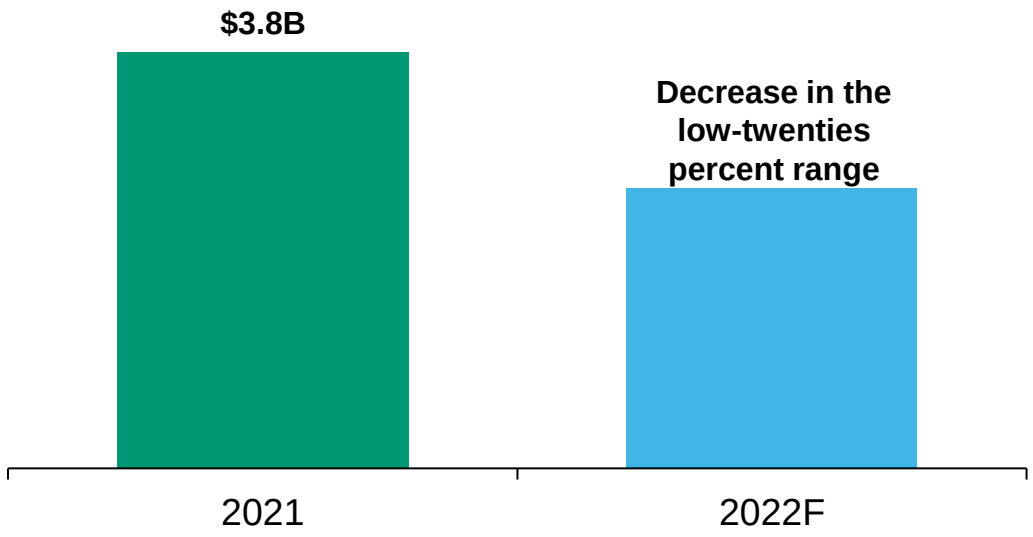


Note: Percentages may not sum to 100% due to rounding.

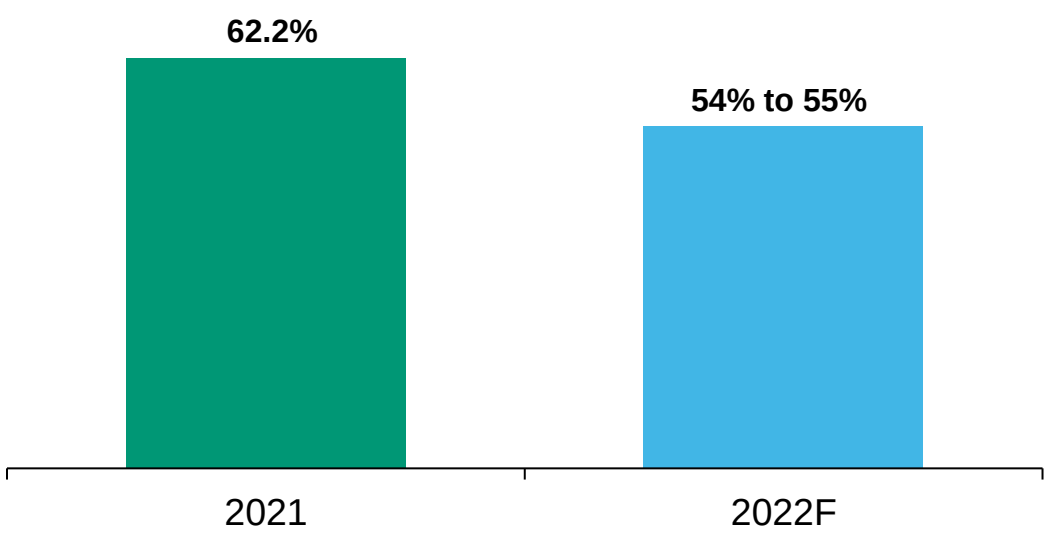
1. Consists of financial instruments pricing services in the Asia-Pacific region, ICRA non-ratings revenue and revenue from providing ESG research, data and assessments.

MIS: Market Volatility Impacts Expectations for the Year

Revenue[1]



Adjusted Operating Margin[1]

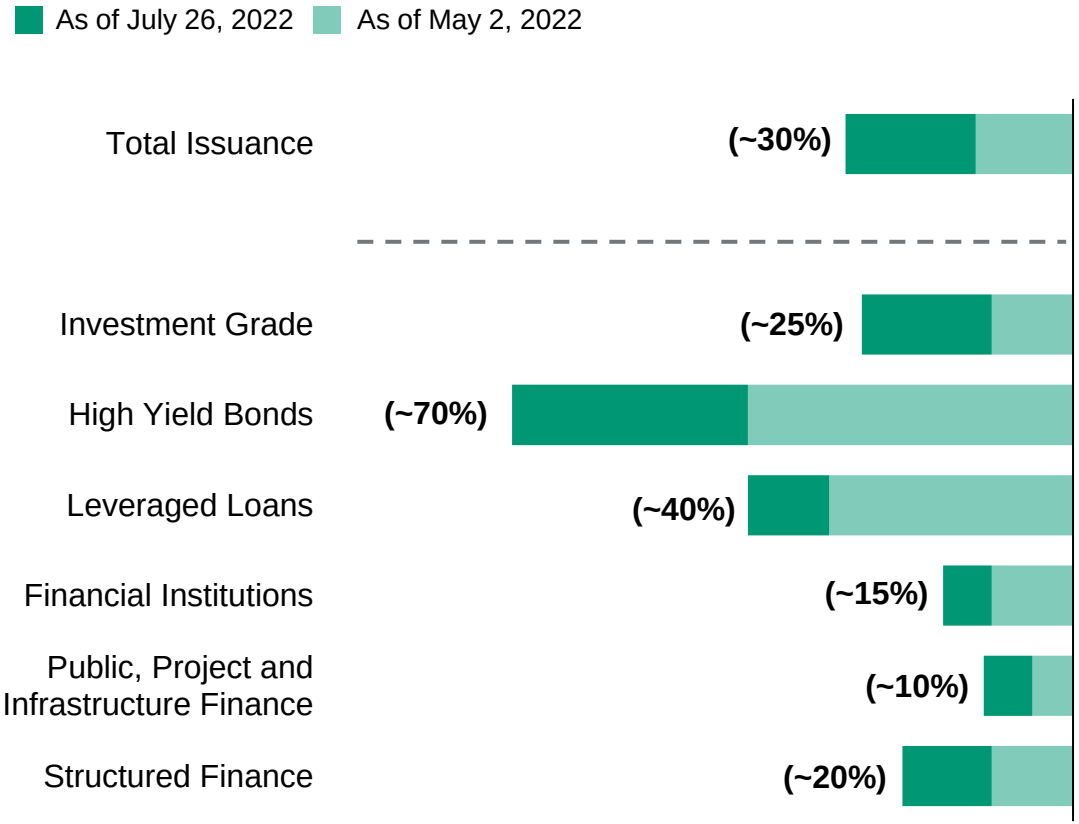


- Cyclical market volatility expected through year-end, with issuance to remain significantly constrained
- Projecting 700 to 800 first-time new business mandates
- Minimal opportunistic issuance given rising rates and high cash balances
- Infrequent issuer mix reverts to pre-pandemic levels[2]

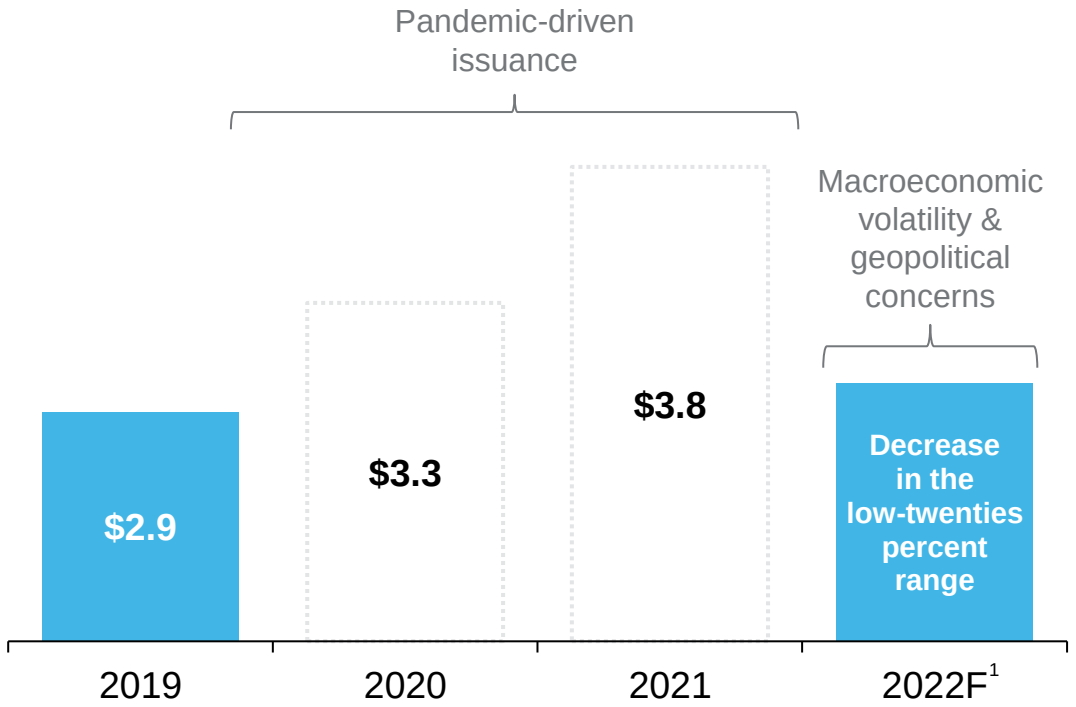
1. Guidance as of July 26, 2022. Refer to Table 10 – "2022 Outlook" in the press release titled "Moody's Corporation Reports Results for Second Quarter 2022" from July 26, 2022, for a complete list of guidance, reconciliations between adjusted and organic measures and U.S. GAAP, as well as assumptions used by the Company with respect to its guidance.
2. Pre-pandemic levels refers to average infrequent issuer mix from 2017 through 2019.

MIS: Issuance is Projected to Remain Subdued

FY 2022 Issuance Guidance[1,2]



Revenue ($B)



1. Guidance as of July 26, 2022. Refer to Table 10 – "2022 Outlook" in the press release titled "Moody's Corporation Reports Results for Second Quarter 2022" from July 26, 2022, for a complete list of guidance, reconciliations between adjusted and organic measures and U.S. GAAP, as well as assumptions used by the Company with respect to its guidance.
2. Total issuance includes CFG, SFG, FIG and PPIF. MIS-rated issuance excludes sovereign debt issuance. Issuance figures are subject to amendment given face amount variations that may occur following the reporting cycle.

The Benefits of a Moody's Rating

Investors seek Moody's opinions and particularly value the knowledge of its analysts and the depth of Moody's research

Access to capital

- Moody's opinions on credit are used by institutional investors throughout the world, **making an issuer's debt potentially more attractive to a wide range of buyers**
- A Moody's rating may **facilitate access to both domestic and international debt capital**

Transparency, credit comparison and market stability

- Signals a **willingness by issuers to be transparent** and **provides market participants with an independent assessment** against which to compare creditworthiness
- Moody's ratings and research reports **may help to maintain investor confidence**, especially during periods of market stress

Responsive to investor demand

- Moody's extensive investor outreach is one reason why **Moody's is most frequently identified as the agency used most**[1] (when multiple agencies are used)

Planning and budgeting

- May help issuers when **formulating internal capital plans and funding strategies**

Analytical capabilities

- Among ratings advisors, Moody's enjoys a **strong position** and is **well-recognized for the depth and breadth of its excellence**[2]

1. 2019 Moody's Perception Study (Investors) conducted anonymously by Morpace / Stakeholder Advisory Services.
2. 2019 Moody's Global Intermediaries Perception Study conducted by Morpace / Stakeholder Advisory Services.

Illustrative Impact of Adding a Moody's Credit Rating

Example: 5-year $500 million corporate bond

Not Rated by Moody's		Rated by Moody's
$500,000,000	Bond	$500,000,000
1.20%	5-Yr US Treasury Bond Rate	1.20%
500	Option Adjusted Spread (bps)[1]	435
6.20%	Interest Rate	5.55%
= $31,000,000	Annual Interest Payments	= $27,750,000
5 years	Term	5 years
= $155,000,000	Total Interest Expense over the Term	= $138,750,000

Over $16 million in total interest expense vs. cost of rating

Note: Illustrative spread differential based on an independent study performed by BDO in June 2022 on a snapshot of data from January 31, 2022, which shows that a five-year $500m bond with a Moody's credit rating (when rated at the same level as S&P and/or Fitch) has a ~13% lower OAS which results in a savings of ~65 basis points per year. The study only applies to corporate bonds and not to sovereign/quasi-sovereign/municipal or structured finance bonds. Many factors go into the pricing of a bond.

1. OAS is the measurement of the credit spread of a fixed-income security rate and the risk-free rate of return (Treasury yields), adjusted for embedded options.

MOODY'S
INVESTORS SERVICE

FACTS & FIGURES

Full Year 2021

35,000+
Rated Organizations and Structured Deals

5,300+
Non-Financial Corporates

3,500+
Financial Institutions

15,500+
U.S. Public Finance Issuers

9,000+
Structured Finance Deals

1,000+
Infrastructure & Project Finance Issuers

445
Sub-Sovereigns*

145
Sovereigns*

49
Supranational Institutions*

$73+ trillion
Total rated debt

	AMERICAS	EMEA	ASIA PACIFIC
TOTAL RATED DEBT[1]	$39+ trillion	$20+ trillion	$10+ trillion
RATED ORGANIZATIONS AND STRUCTURED DEALS	28,000+	4,900+	2,200+
PUBLICATIONS	22,300+	14,400+	4,500+

47,000+ Publications globally

21,700+	2,800+	22,700+	190
Issuer Research	Sector Research	Other Reports	Rating Methodologies



1,500+
Analysts

40+
Countries/Regions



EVENTS

700+
Global events

59,000+
Global participants

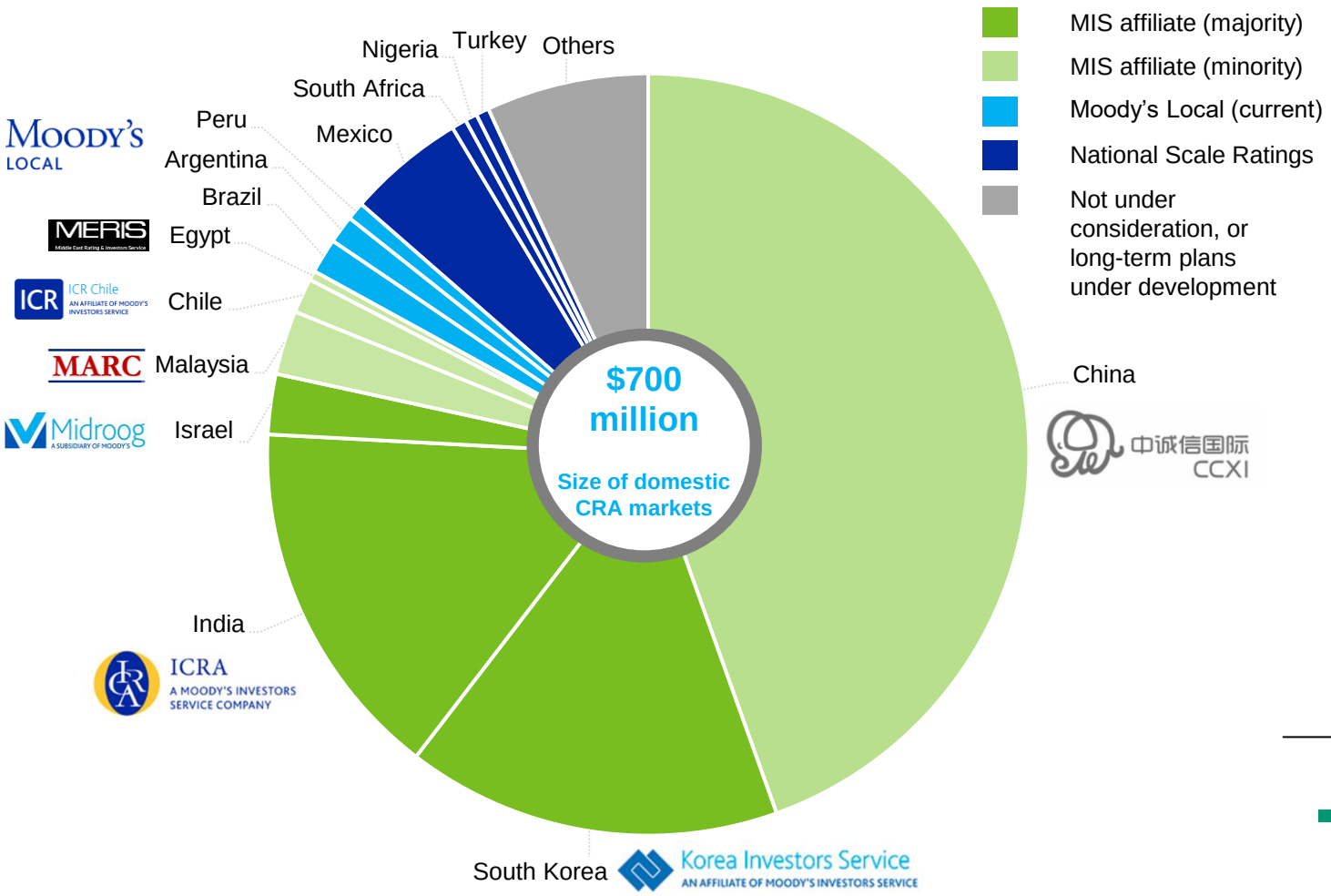


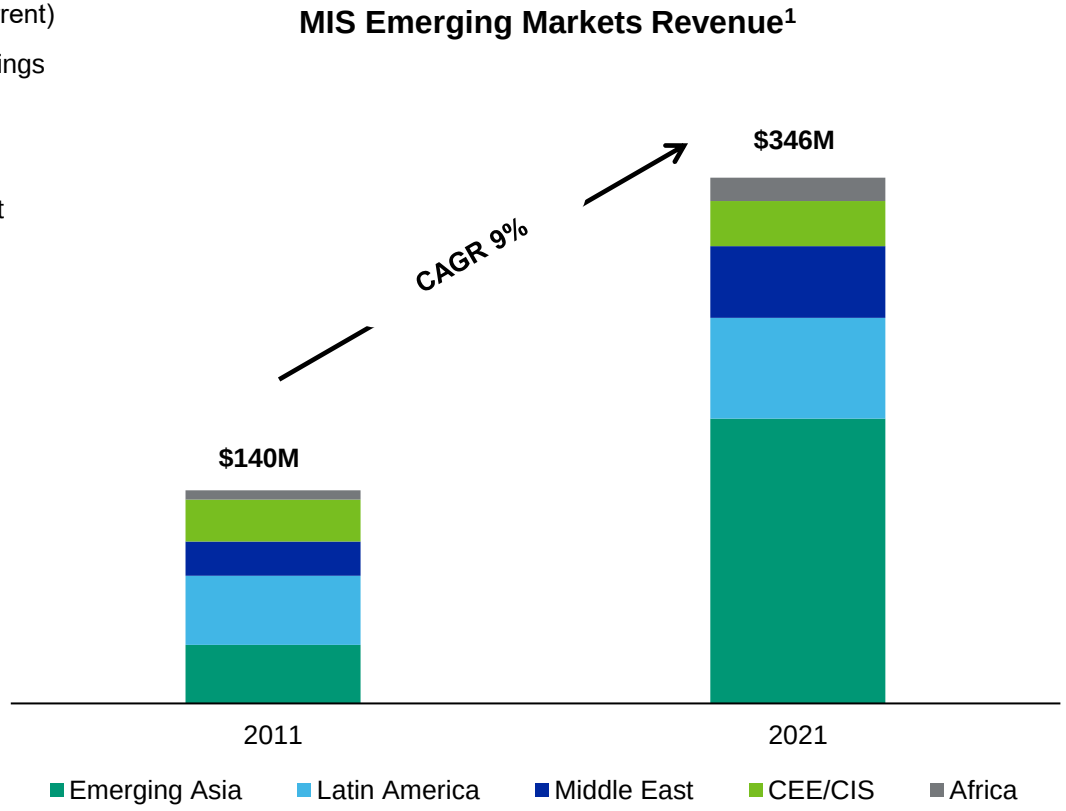
AWARDS & RECOGNITION

Award-winning expertise in credit ratings, research and risk analysis. For more information, visit **awards.moodys.io**

Source: Moody's Investors Service as of January 21, 2022.
Research and Events data covers the period January 1, 2021, to December 31, 2021.
Publications breakdown includes "Global" which accounts for an additional 5,000+ publications.
All numbers are rounded other than those marked *.
1. Regional breakdown excludes supranational debt and is rounded therefore will not foot to the $73 trillion total.

How We Participate in Global Domestic Markets

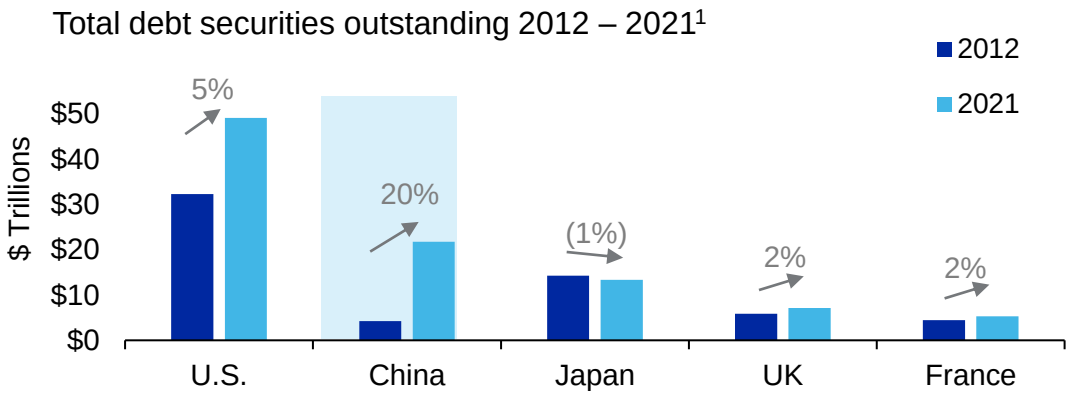




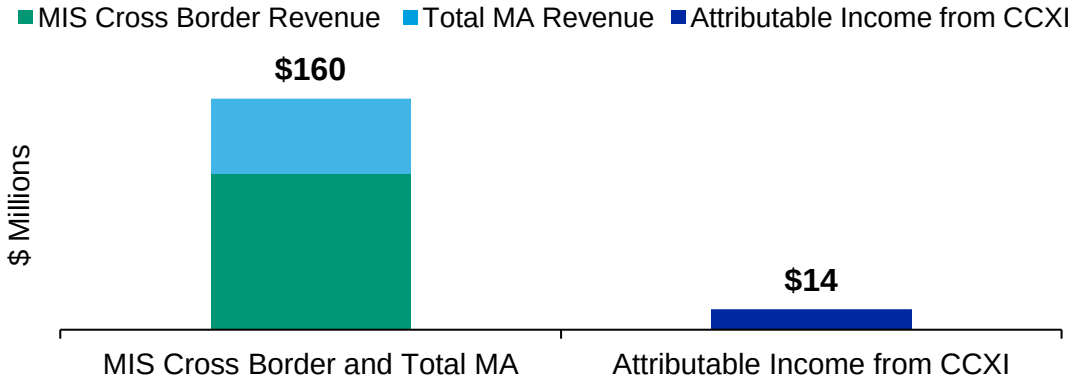
Note: Size of pie represents the estimated total CRA revenue from domestic markets ($700 million) as of September 30, 2021.
Note: In May 2022, Moody's acquired a majority (51%) stake in Global Credit Rating Company Limited (GCR); a leading credit rating agency in Africa. In April 2022, Moody's acquired Class y Asociados S.A. Clasificadora de Riesgo (Class), a leading credit rating agency in Peru.
1. Includes revenue from cross border issuance. Refer to slide 22 titled "Debt Capital Market Penetration Continues" for regional definitions. Emerging Asia includes China and India.

Moody's in Greater China

2nd Largest Onshore Bond Market at $20 Trillion

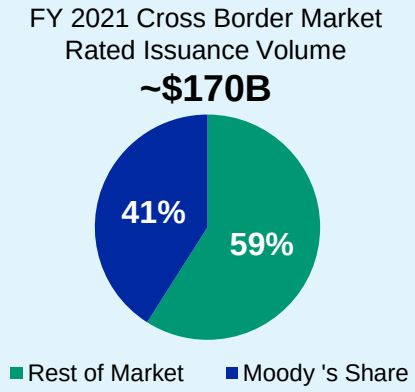


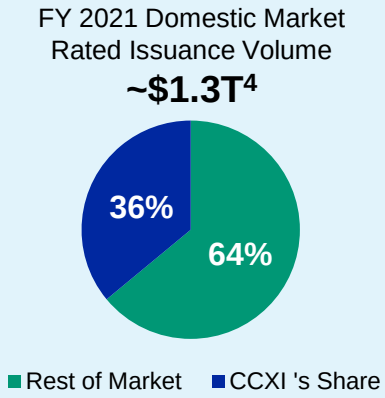
Revenue and Attributable Income from China[2]



Domestic and Cross Border[3]

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





1. Percentage growth numbers are rounded compound annual growth calculations. Source: Bank for International Settlements' latest data available as of December 31, 2021.
2. Greater China: Mainland, Hong Kong and Macau. Revenue and attributable income data for full year 2021.
3. Source for Cross Border Market Issuance: Dealogic, excludes Structured Finance, Sovereign/Sub-Sovereign entities, policy banks & Special Purpose Vehicles (SPVs).
4. Source for Domestic Market Issuance: WIND, excludes Structured Finance, Government debt, Private Placement Notes (PPN) and Negotiable Certificates of Deposit (NCDs). USD 1 = RMB 6.45 average exchange rate in 2021 is used for conversion.

5

Moody’s Analytics

Moody's Analytics at a Glance

Strong Financial Profile

- Operating in large markets with significant opportunity for topline growth
- Expanding revenue organically and through strategic acquisitions
- Generating high quality, recurring revenue to provide ballast for MCO
- Attractive economics: growth balanced against margin expansion

$2.6bn
Revenue TTM 2Q 2022

$30bn+
2021 Current Addressable Market[1]

18%
Revenue Growth 2Q 2022

>90%
Retention Rate 2Q 2022

9%
Organic C$ Recurring Revenue[2] Growth 2Q 2022

>90%
Recurring Revenue 2Q 2022

Low-double-digit % Growth
Organic ARR[3] Guidance 2022

Meets Rule of 40[4]
2022F Guidance

1. Sources: Moody's estimates, company annual reports, IDC Gartner, Pitchbook, Opimas, ESG – Global Sustainable Investment Alliance and industry experts.
2. Refer to Table 7 in the press release titled "Moody's Corporation Reports Results for Second Quarter 2022" from July 26, 2022, for reconciliations between organic constant currency measures and U.S. GAAP.
3. ARR: Annualized Recurring Revenue. Calculation: 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 transactional sales including training, one-time services and perpetual licenses.
4. Rule of 40 metric calculated by adding Annualized Recurring Revenue Growth to Adjusted Operating Margin.

Helping Customers Navigate Increasing Global Risks



Heightened operational and reputational risks

Evolving regulatory environment

Climate change

Fintech disruption & digitization

Complex credit and financial markets

MA PROVIDES…

1 Proprietary data with models, software and expertise that empower customers to better measure, monitor and manage various types of risk

2 Unparalleled ability to integrate risk capabilities for unique insights

3 Tech-enabled solutions deeply embedded in customers' workflows

… an integrated view of risk

Diverse Customer Base Across Multiple Sectors

70%
of the Fortune 100[1]

52%
of the Forbes 1,000[2]

~15,000
Customers[3]

155+
Countries

5,300+
Governments
& Other Entities

2,300+
Commercial Banks

3,600+
Corporates

1,800+
Asset Managers

900+
Insurance Companies

800+
Real Estate Entities

200+
Securities Dealers
and Investment Banks

1. Based on the top 100 of Fortune Magazine's rank of 500 of the largest United States corporations by total revenue, 2021.
2. Based on the top 1,000 of Forbes Global's list of 2,000 of the world's biggest and most powerful companies, as measured by a composite ranking for sales, profits, assets and market value, 2021.
3. As of December 31, 2021, includes RMS.

Compelling Value Proposition

High-quality franchise

- Tech-enabled solutions deeply embedded in customers' workflows
- Proprietary databases
- Long-term and strong customer relationships with retention rates in the mid-90's % range
- Resilient recurring subscription business with profitable growth

Multiple opportunities for significant future value creation

Organic revenue growth acceleration through:

- New product development and enhancements
- Increased distribution capacity
- Continued SaaS transition
- Cross-selling, upgrades & pricing

Inorganic market extension through**:**

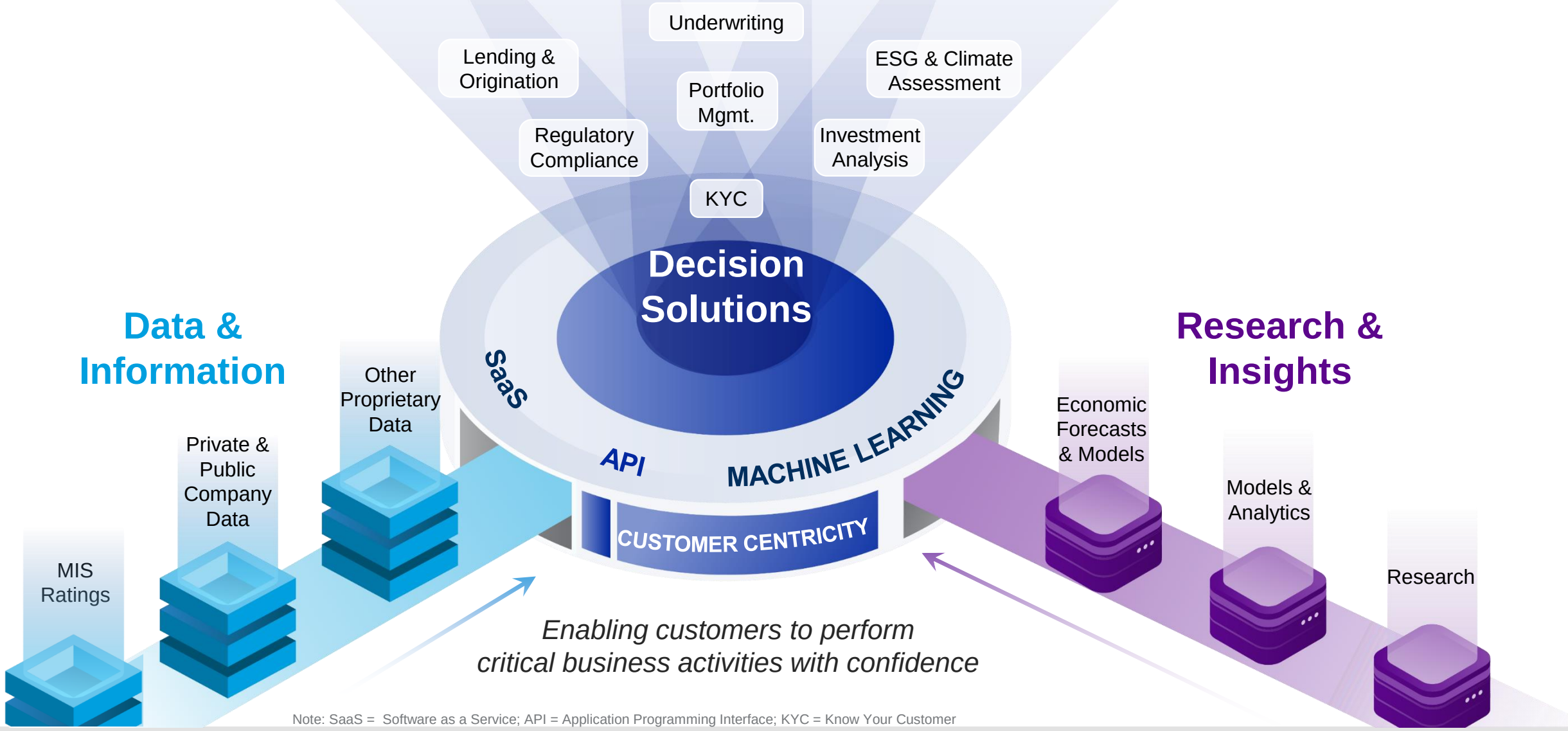
- Significant synergies from acquisitions
- Current Addressable Market (CAM) expansion in sectors with growth opportunities

Exposure to attractive tailwinds

- Large and growing CAM
- Secular trends supporting future expansion



Assembling and Integrating Capabilities



Enabling customers to perform critical business activities with confidence

Note: SaaS = Software as a Service; API = Application Programming Interface; KYC = Know Your Customer

Data & Information Snapshot

Raw ingredients for unique insights

- Create and aggregate extensive data from multiple sources
- Standardize, cleanse and curate data
- Distribute through cloud-based platforms, APIs and other web interfaces

DATA SETS INCLUDE
Data feeds from the MIS ratings process
Firmographic data on 435M+ public and private entities
40M+ private firm financial statements
1.6B+ entity ownership and hierarchical links
Curated real-time multimedia news with ~800K articles screened each day

Curated Data + **Expertise** » **Better Decisions**

$710M
REVENUE

8%
REVENUE GROWTH

100%
RECURRING REVENUE

95%
RETENTION RATE

Note: API = Application Programming Interface.
Financial data for the trailing twelve months ended June 30, 2022.

Research & Insights Snapshot

Generating actionable insights

- Model and measure risks related to credit, financial, climate, operational, cyber and others
- Forecast and benchmark micro and macroeconomic implications
- Provide valuable insights and opinions that inform global decisionmakers

CAPABILITIES INCLUDE

Economic forecasts and scenarios based on 500M+ data series

Climate models based on:
- 120T+ high resolution data points globally for understanding physical and climate risk
- 200+ data points per location for rich representation of risk

Corporate risk models and analytics based on credit scores and 360-degree risk measures for 435M+ public and private entities

Curated Data + **Expertise** » **Better Decisions**

$719M
REVENUE

6%
REVENUE GROWTH

99%
RECURRING REVENUE

96%
RETENTION RATE

Note: C&I = Commercial & Industrial.
Financial data for the trailing twelve months ended June 30, 2022

Decision Solutions Snapshot

Integrating best-in-class data and analytics

- Integrate and connect data, research and analytics for enriching customer applications
- Build and support software for specific customer workflows
- Embedded components in external ecosystems

SOLUTIONS INCLUDE	SELECT USE CASES
Screening & Insights	Know Your Customer
Lending & Origination	Insurance underwriting
Portfolio Management	Asset liability management

Curated Data + **Expertise** » **Better Decisions**

$1,210M
REVENUE

36%
REVENUE GROWTH

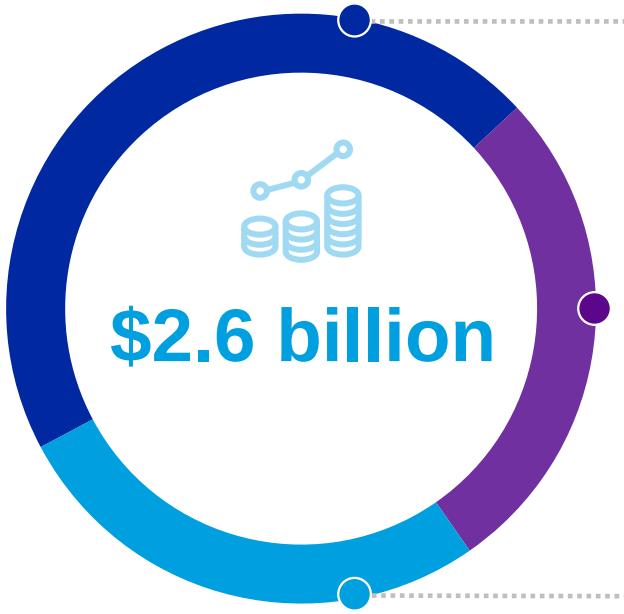
86%
RECURRING REVENUE

93%
RETENTION RATE

Financial data for the trailing twelve months ended June 30, 2022

$30B+ Current Addressable Market Expanding

2Q 2022 TTM Revenue



46% **Decision Solutions**

86% recurring revenue
93% retention rate[1]

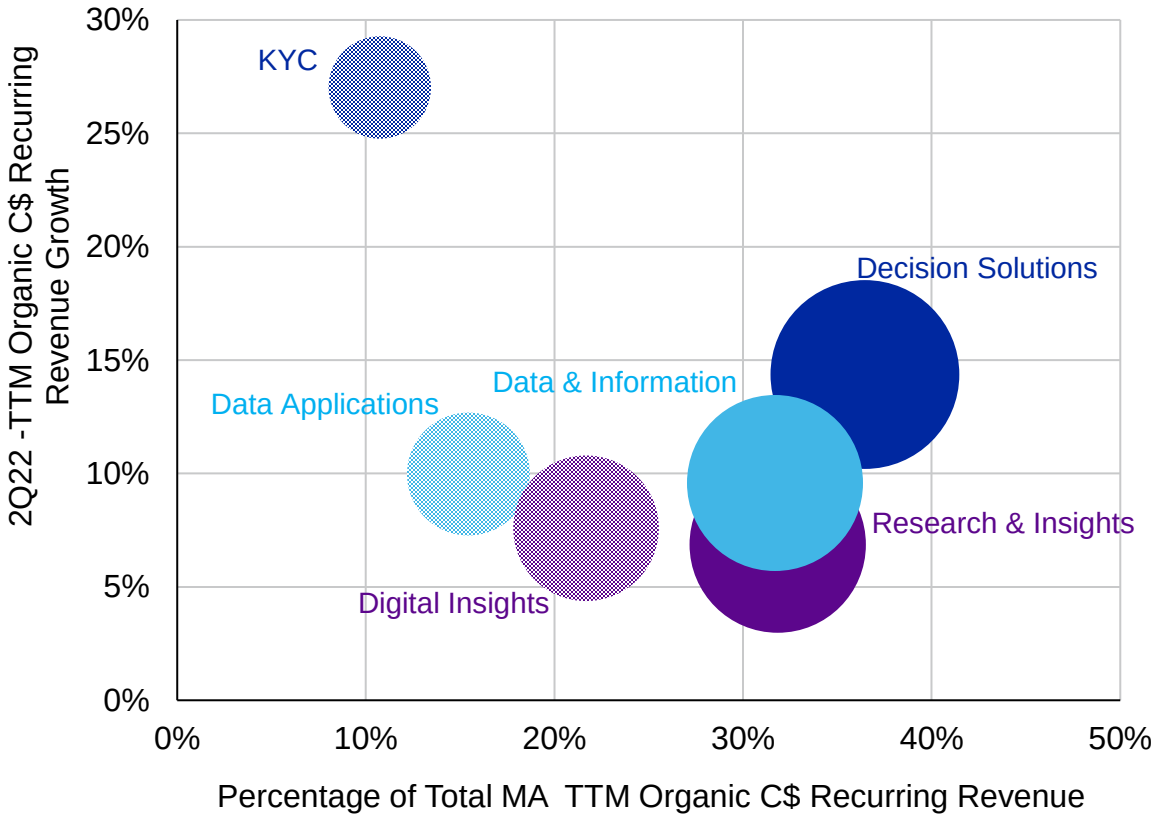
27% **Research & Insights**

99% recurring revenue
96% retention rate[1]

27% **Data & Information**

100% recurring revenue
95% retention rate[1]

Operating in Growing Markets

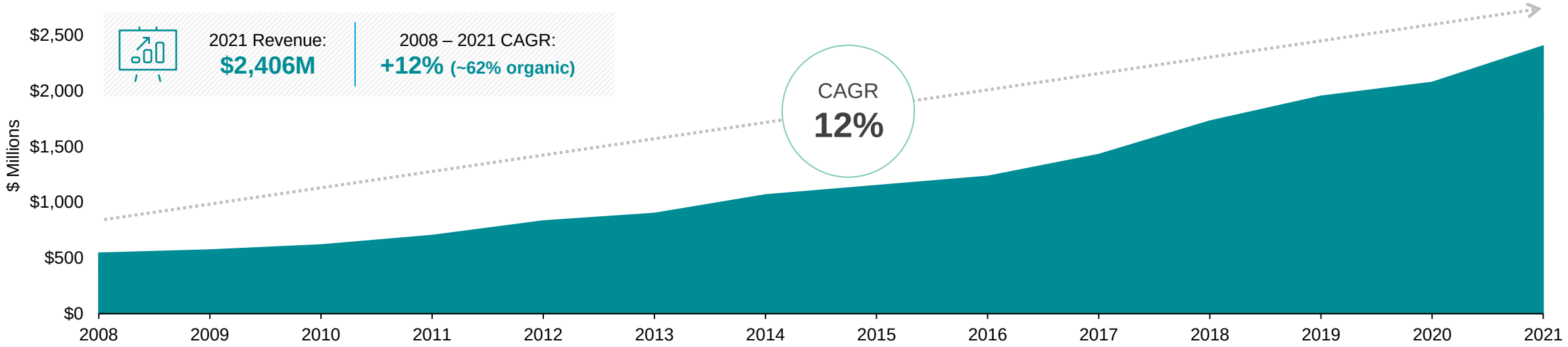


Note: KYC = Know Your Customer.

1. All retention rates exclude acquisitions of ZM Financial, Catylist, Cortera, RMS, RealXData, Bogard, PassFort, kompany, 2021 RDC and 2021 to 1Q 2022 Acquire Media.

Strong Execution Enables Consistent Revenue Growth

Exceptional value creation - revenue has more than tripled since inception



2007

- Moody's Analytics (MA) founded
- Established risk assessment franchise with banks and insurance companies

2010 - 2016

- Continued to develop and enhance Moodys.com
- Expanded economic data and modeling capabilities
- Created a chassis for MA integration and growth
- Investments to further Commercial Real Estate capabilities
- Private entity data – largest database of private companies provided thousands of customers
- Extended ALM franchise into pensions market

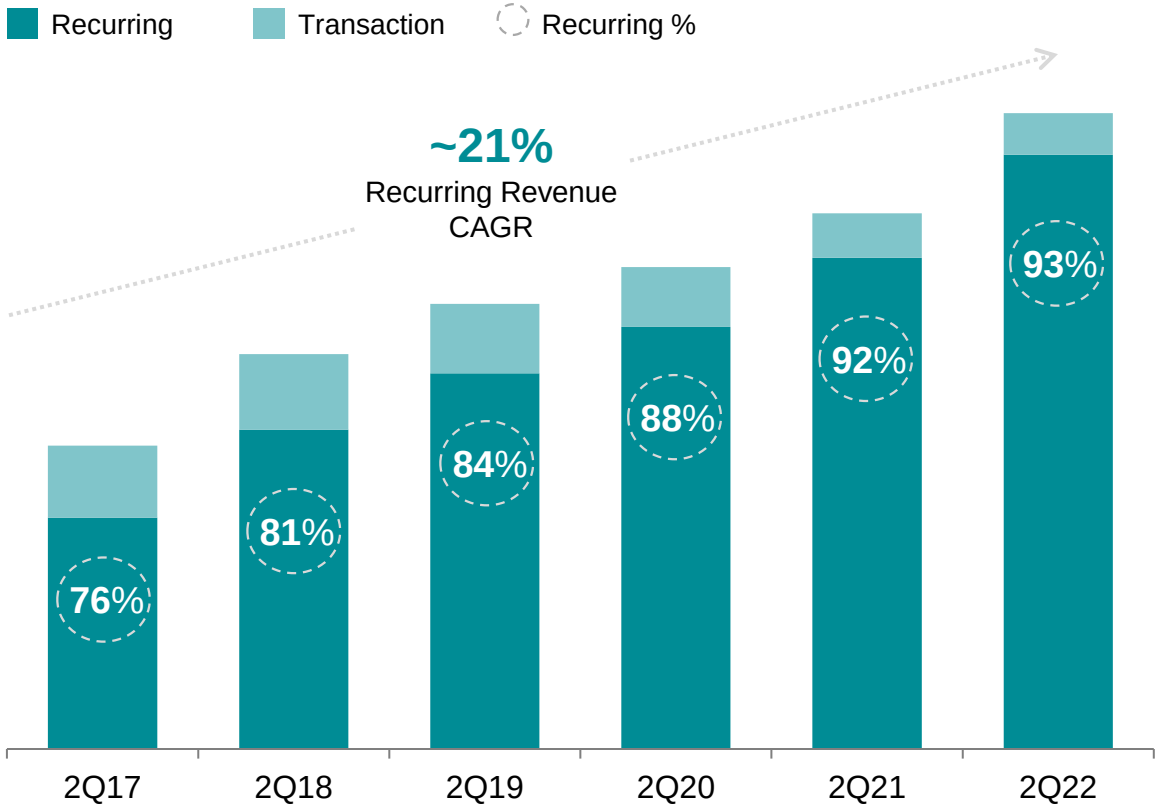
2017 - 2021

- Combined private entity data with profiles on politically exposed persons to form top tier KYC solutions
- Acquired RMS, the world's leading provider of climate and natural disaster risk modeling
- Divested MAKS to focus on data and analytics products

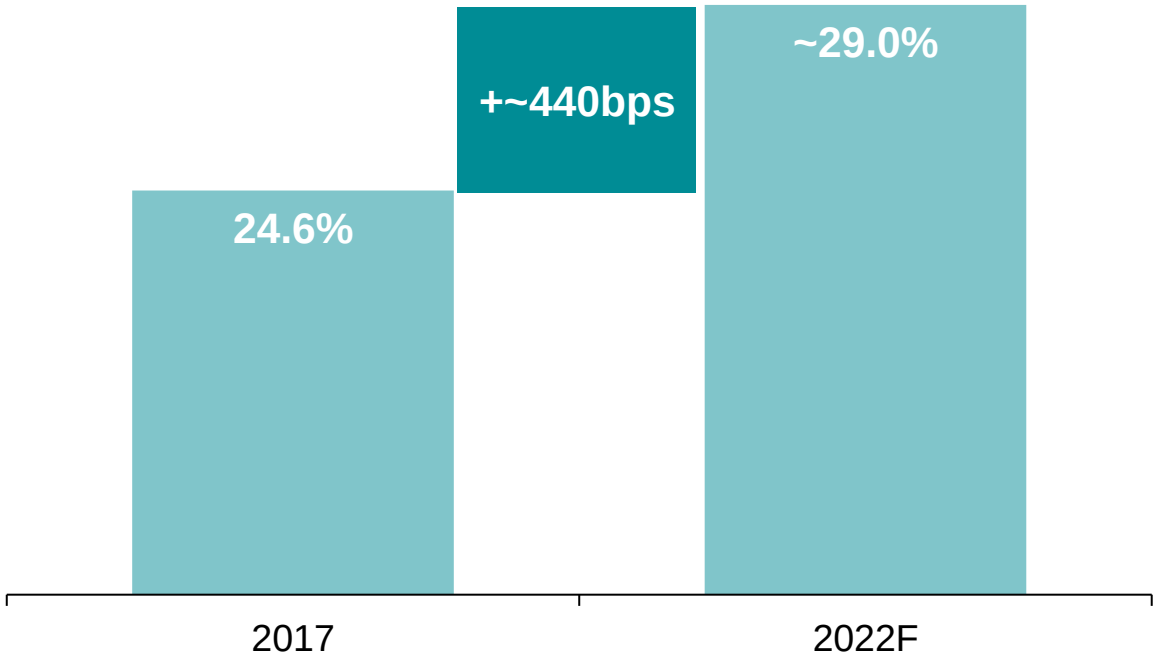
Note: ALM = Asset Liability Management; KYC = Know Your Customer.

Recurring Revenue Growth Drives Margin Expansion

TTM Recurring And Transaction Revenue

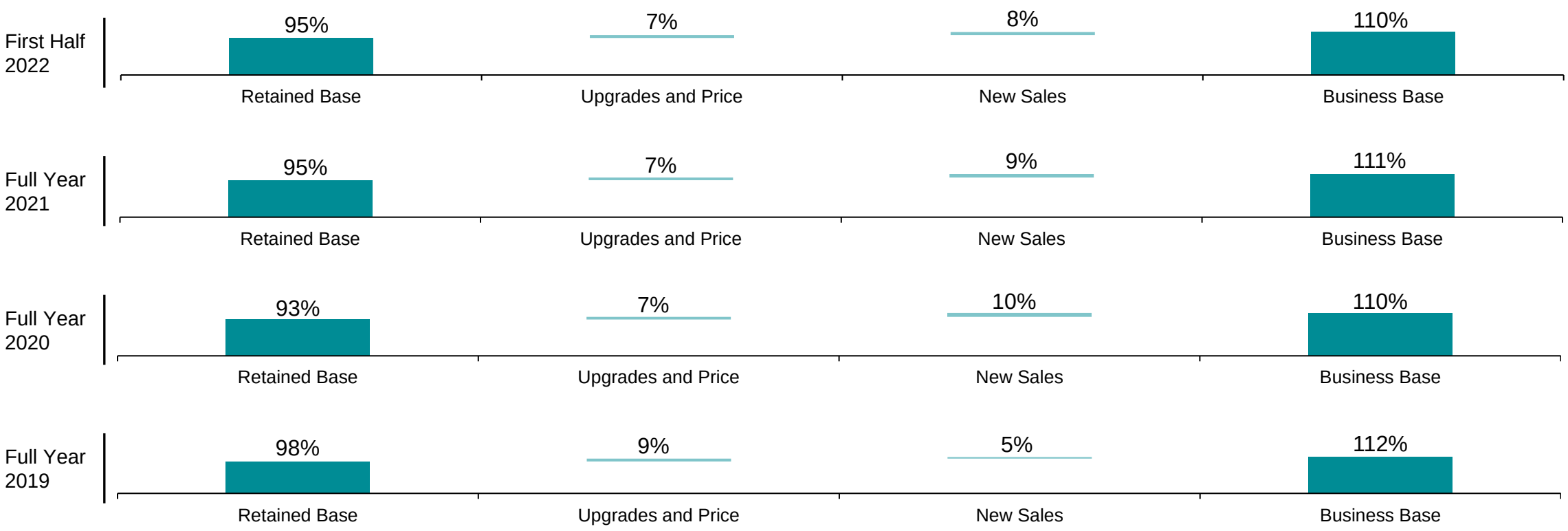


Adjusted Operating Margin[1]



1. Guidance as of July 26, 2022. Refer to Table 10 – "2022 Outlook" in the press release titled "Moody's Corporation Reports Results for Second Quarter 2022" from July 26, 2022, for a complete list of guidance, reconciliations between adjusted measures and U.S. GAAP and assumptions used by the Company with respect to its guidance.

Building on a Foundation of Strong Customer Retention



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

Note: The sales growth attributions presented on this slide are on a constant currency basis. Pre-2020 data excludes BvD. Upgrades reflect amendments to existing customer contracts. New Sales reflect new contracts with new and existing customers.

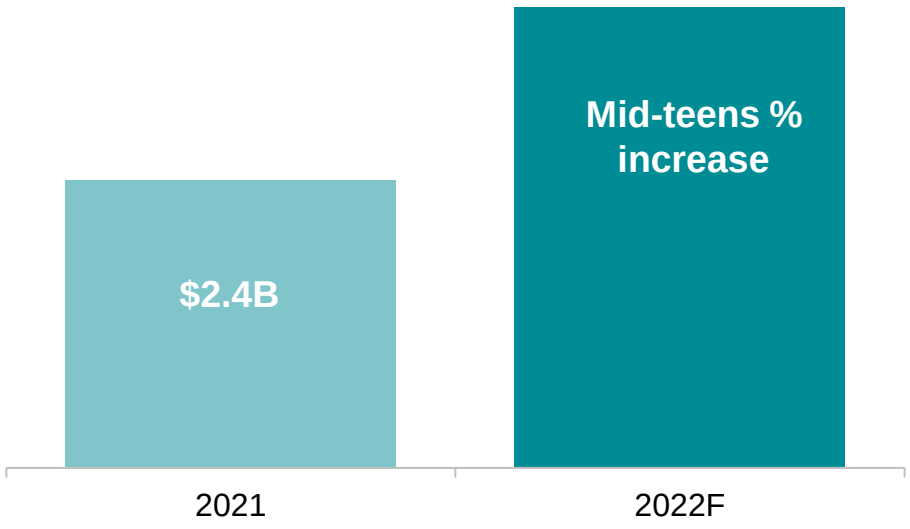
MA: Full Year 2022 Guidance[1]

Continued focus on profitable revenue growth and reinvestment to fuel future expansion

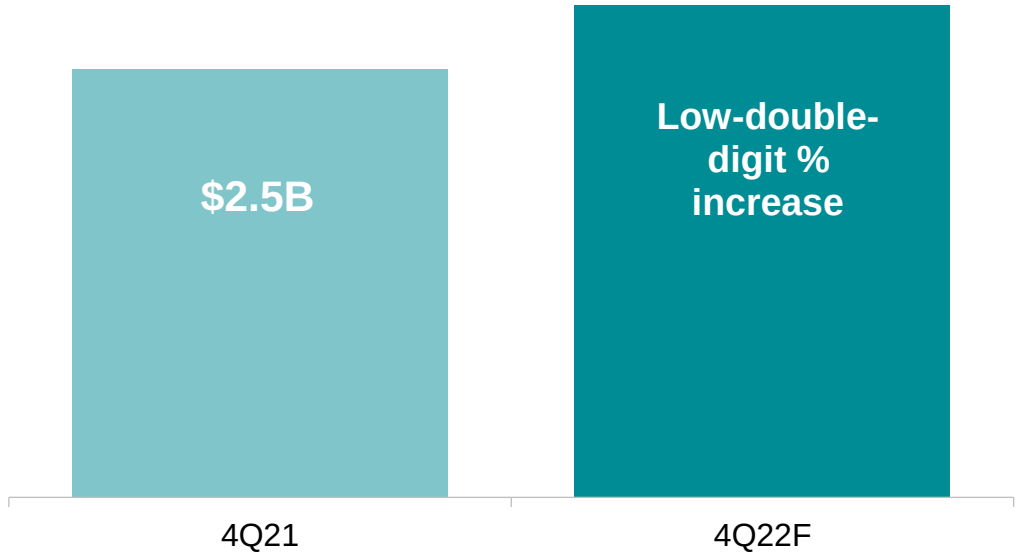
KEY DRIVERS OF FY 2022 OUTLOOK

- Mission-critical products and solutions provide integrated perspectives on risk
- Recurring revenue proportion remains in the mid-90's; retention rates in the mid-90's percent range
- Ongoing organic investments and strong sales pipeline support 2H 2022 growth acceleration

REVENUE



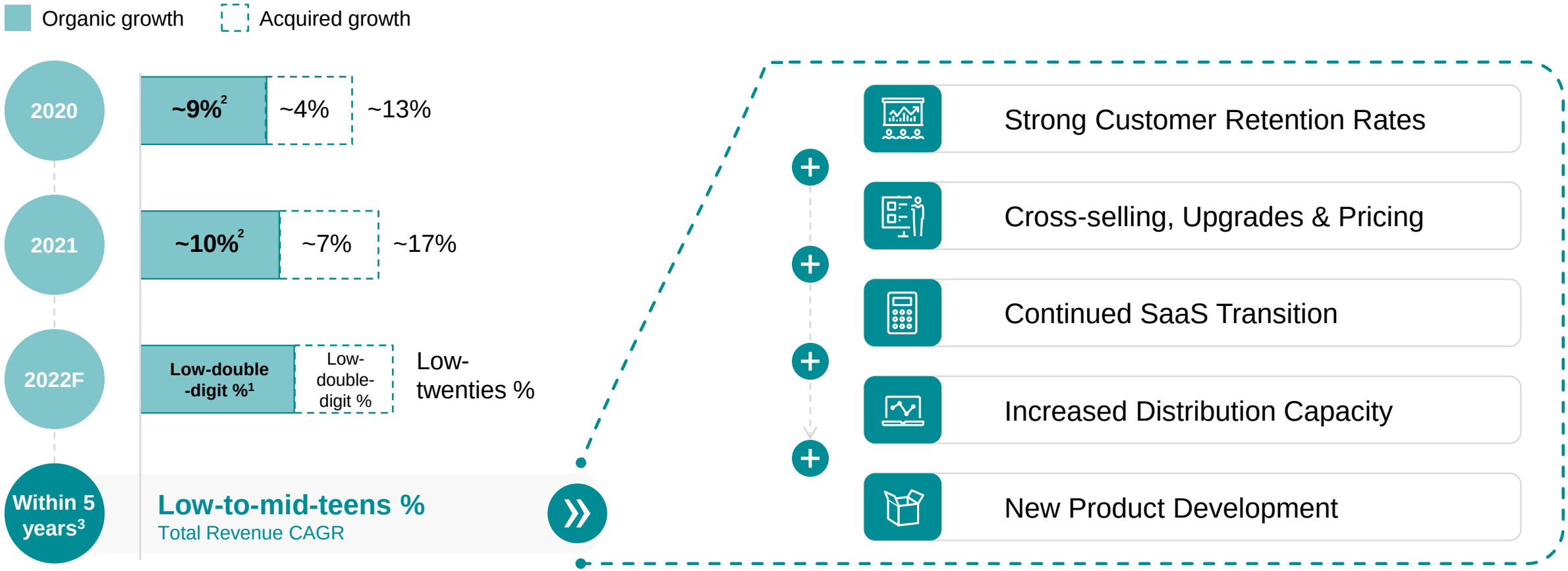
ORGANIC ANNUALIZED RECURRING REVENUE



1. Guidance as of July 26, 2022. Refer to Table 10 – "2022 Outlook" in the press release titled "Moody's Corporation Reports Results for Second Quarter 2022" from July 26, 2022, for a complete list of guidance, reconciliations between adjusted measures and U.S. GAAP and assumptions used by the Company with respect to its guidance.

Accelerating Revenue Growth

Recurring Revenue Growth Rate[1]



Note: SaaS = Software as a Service.

1. Year-over-year constant currency recurring revenue growth rate. 2021-2022 year-over-year organic constant currency recurring revenue growth rate derived from guidance as of February 10, 2022.
2. Refer to the Appendix for the reconciliation between organic constant currency recurring revenue growth and U.S. GAAP.
3. Medium-term revenue target. See press release titled "Moody's Corporation Reports Results for Fourth Quarter and Full Year 2021; Sets Full Year 2022 and Medium-Term Outlooks" from February 10, 2022. Assumes full year 2021 as the base year.

KYC: Best-in-Class Compliance Solutions

Well-positioned to deliver differentiated solutions in a growing market

INDUSTRY TRENDS

- Complex regulatory environment
- Sophisticated crime tactics
- Increasing data volume and variety
- High customer expectations and transaction speed

CUSTOMER PAIN POINTS

- Rapidly respond to evolving compliance environment
- Limited resources
- Sourcing data from multiples vendors
- Managing customer expectations

KYC SOLUTIONS

DATA

World's preeminent and comprehensive database on:

- Entities
- Corporate hierarchies
- Ownership structure
- Adverse media
- Politically exposed persons
- Sanctions

TECHNOLOGY

- 100% subscription-based SaaS end-to-end solution
- Data gathering
- Workflow optimization
- Reduction in 'false positives'
- Analytics and real time monitoring

DISTRIBUTION

- Fully integrated into customers' workflows
- API delivery
- Intelligent, flexible and adaptable solution

435+ million	Companies and entities
1.6+ billion	Ownership links
99.99%	Precision level in ownership data
1,800+	Customers across diversified sectors

Note: KYC = Know Your Customer; SaaS = Software as a Service; API = Application Programming Interface.

RMS: Expanding Mission-Critical Role to Other Industries

Integration

- Cross-trained sales forces to offer breadth of combined product suite
- Progressing on customer SaaS conversion
- Corporate integration proceeding as scheduled

Cross-sell & Collaboration

- Deepening relationships with P&C customers by providing Moody's holistic suite of products and solutions, including ESG
- Joint customer calls with both insurance and bank customers validate demand for integrated risk assessment offerings

Product Development Exploration

- Embedding climate-related financial loss estimates across multiple use cases
- Initiated proof of concepts for CRE and CMBS markets
- Combining Moody's data assets with RMS risk analytics to capture high-growth addressable markets

Transition customers to SaaS + Cross-sell existing offerings + New and integrated solutions = Up to **$150M** in incremental RMS-related revenue **by 2025**[1]

Note SaaS = Software as a Service; P&C = Property & Casualty; CRE = Commercial Real Estate; CMBS = Commercial Mortgage-Backed Securities.

1. Forecast as of August 5, 2021.

Awards & Accolades

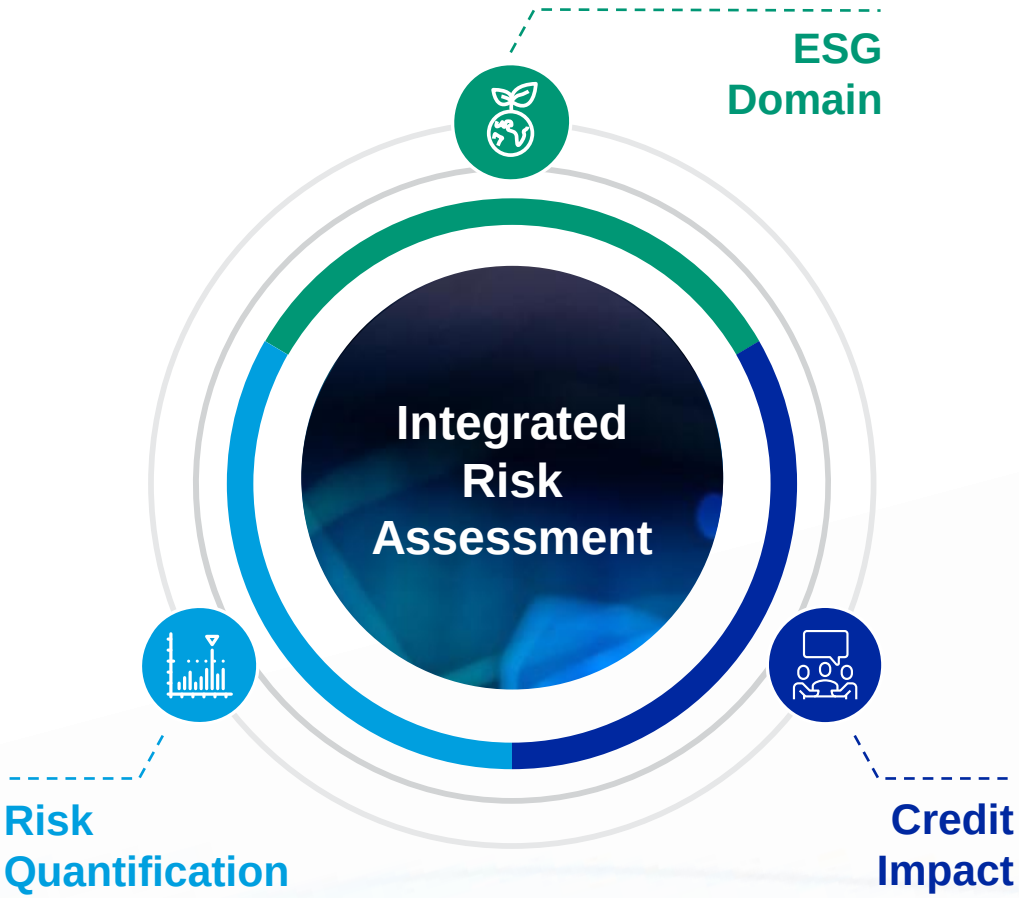
Recognition for our industry-leading solutions: data, research, analytics and software



6

ESG & Climate Solutions

Moody's is Well-Positioned to Develop Critical ESG & Climate Market Solutions



MESG

- Climate Solutions
- ESG Measures
- Sustainable Finance

MA

- Catastrophe Models
- Lending Solutions and Tools
- Risk Analytics & Reporting
- Real Estate Solutions

MIS

- Credit Ratings & Research
- ESG Credit Impact Scores
- ESG Classification
- Heat Maps

- Asset Managers
- Banks & Insurers
- Companies & Organizations
- Governments & Academia
- Professional Services

Comprehensive ESG & Climate Offerings

Holistic, detailed, clear: a leading and reliable approach

MESG applies a double materiality lens to its analysis to capture financial and stakeholder impact

Insight delivery suited to customers' needs. Includes powerful ESG platforms that give a singular view of ESG risk and opportunities

ESG MEASURES

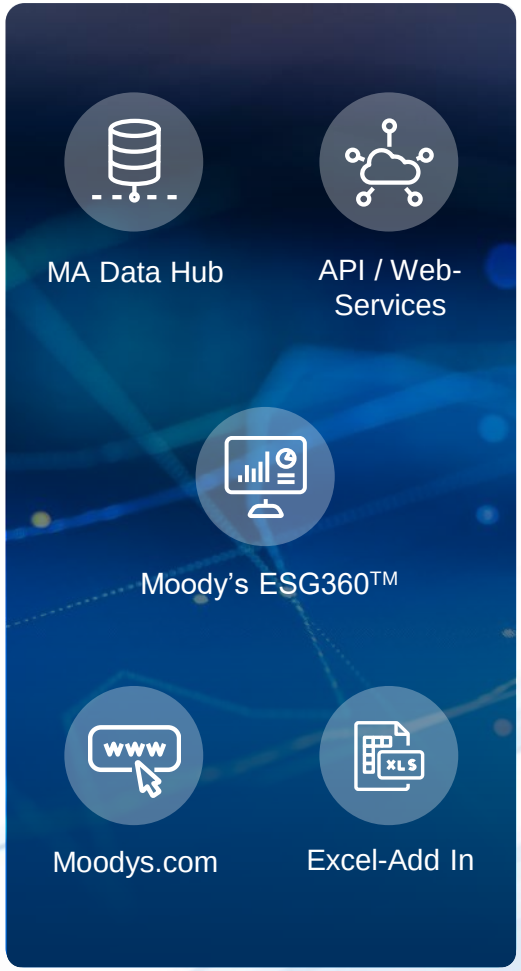
- ESG Assessments
- Modeled or Analyst-verified ESG Scores
- Controversy Monitoring & Alerts
- Positive / Negative Screening
- Regulatory Datasets
- Data for 100+ ESG Indices and Structured Products

CLIMATE SOLUTIONS

- Physical and Transition data
- Macroeconomic Scenarios
- Climate-Adjusted Probability of Default
- Climate Pathway Scenarios
- Expected Loss and Financial Impacts
- Catastrophe Models

SUSTAINABLE FINANCE

- Second Party Opinions: Green, Social and Sustainable Bonds
- Second Party Opinions: Sustainability-linked Bonds and Loans
- Sustainability Ratings
- Green Certifications
- Company Benchmarks



MIS: Four Components to Integration of ESG & Climate

ESG scores transparently and systematically demonstrate the impact of ESG factors on credit ratings

Credit Ratings & Research

Are ESG factors integrated into credit ratings?

- ESG factors are taken into consideration for all Moody's credit ratings and transparently disclosed in press releases and credit opinions
- A Credit Impact Score (CIS) is an output of a rating process that indicates the impact of ESG factors on the rating of an issuer or transaction

ESG Credit Scores

How is a specific issuer exposed to ESG risks / benefits?

- Issuer Profile Scores (IPS) measure an entity's exposure to ESG factors that could be material to credit risk
- Available IPSs are inputs into credit ratings

ESG Classification

What is ESG?

- Our classification reports define and categorize the Environmental, Social and Governance considerations that are material to credit quality
- New environmental classification sharpens focus on physical climate risks

Heat Maps

Is ESG material to credit quality?

- Heat maps rank Environmental and Social risk considerations most relevant to credit quality for various sectors

MA: Identifying and Quantifying ESG & Climate Risk

An integrated risk assessment approach

Moodys.com

- Physical climate risk exposure scores and ESG performance scores
- ESG company and sector reports
- MIS sector heatmaps & classifications
- MIS entity CTA, IPS, CIS scores[1]

Risk Analytics & Regulatory Reporting

- ESG Score Predictor integrated with Supply Chain Catalyst, providing a 360° view of suppliers across financial, sustainability, reputational and operational risk factors
- ESG integration with PFaroe[2] provides insights into how ESG & Climate factors contribute to current and historical drivers of portfolio performance & risk

Real Estate Solutions

- Physical climate risk scores integrated in Commercial Real Estate (CRE) analytics platform
- Scores for CRE properties, submarkets, markets and regions within the U.S.
- CRE properties and geographies are assigned category scores for the six climate hazards that drive business risk[3]

Moody's Analytics Climate Risk

- RMS catastrophe models provide physical risk data and analysis on a wide range of perils
- Economic climate risk impact scenarios for over 70 countries and 18k macroeconomic variables
- Temperature Alignment: Forward-looking assessment of corporate emissions targets and alignment to temperature trajectory benchmarks

Lending Solutions & Tools

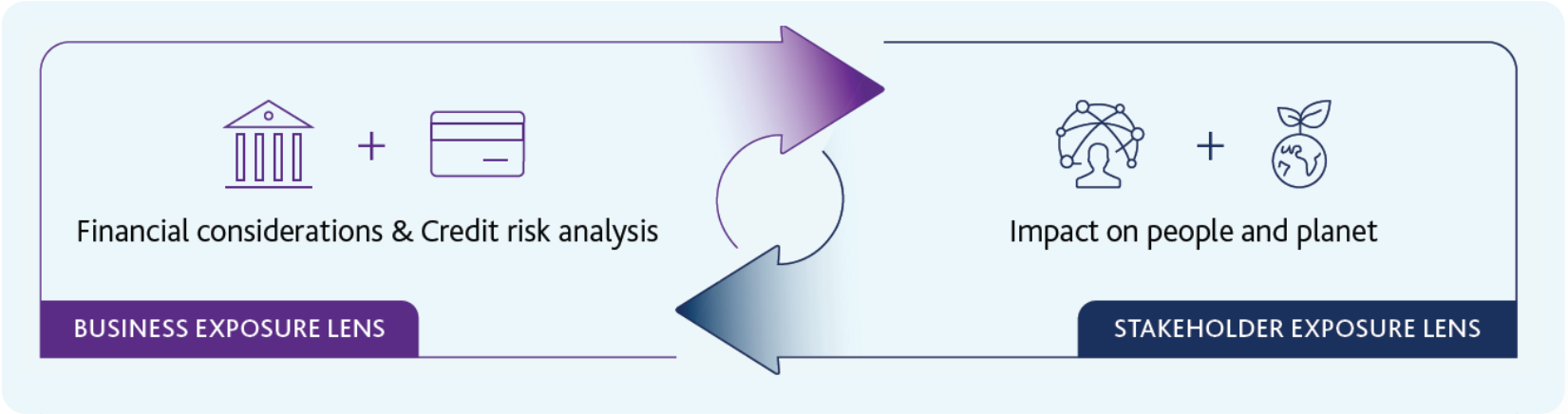
- Climate-adjusted expected default frequencies (EDFs) measure impact of physical and transition risk on issuers' credit worthiness
- ESG & Climate risk quantification for public and private firms within the credit origination workflow
- Assessment of climate risks for CRE assets as part of lenders' credit decision workflows under development

1. Carbon Transition Assessment, Issuer Profile Scores and Credit Impact Scores.
2. PFaroe is a web-based platform that provides portfolio investment risk and simulation analytics tools for the buy-side.
3. Floods, heat stress, hurricanes & typhoons, sea level rise, water stress and wildfire risk.

Double Materiality

How it Works in our Corporate ESG Assessments

A balanced and comprehensive view on ESG performance



Looking at a broader range of ESG factors is key because:

- Over time, these factors **could** translate into financial risks that impact enterprise value, and
- Today's investors demand corporate transparency on factors that may significantly impact the environments and societies in which firms operate

Moody’s ESG360™

Enhancing customer access to ESG & Climate insights

Investing to expand our data universe and develop delivery channels to facilitate easy access to our insights



Moody's ESG360™ for Investors

- A new **easy to use** approach to delivering portfolio managers with comprehensive, decision-useful information
- Moody’s ESG360™ answers the growing call for **increased transparency and clarity** around ESG & Climate insights[1]
- Moody’s powerful platform provides **analyst-validated and modeled ESG & Climate intelligence** on millions of private and public companies

Moody's ESG360™ Connect for Corporates

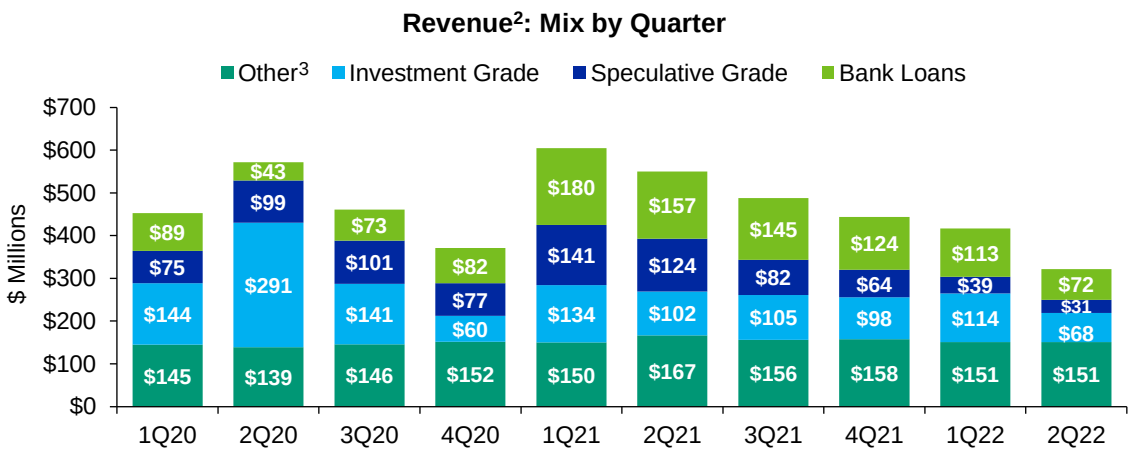
- Enables companies to easily **engage** with Moody's ESG Solutions regarding their sustainability disclosures
- Corporate ESG & Climate **disclosure data** directly feeds into our data sets and solutions for investors
- Bolsters the **coverage and quality of the data i**n our solutions
- Companies can **ensure accurate representation of their ESG data**

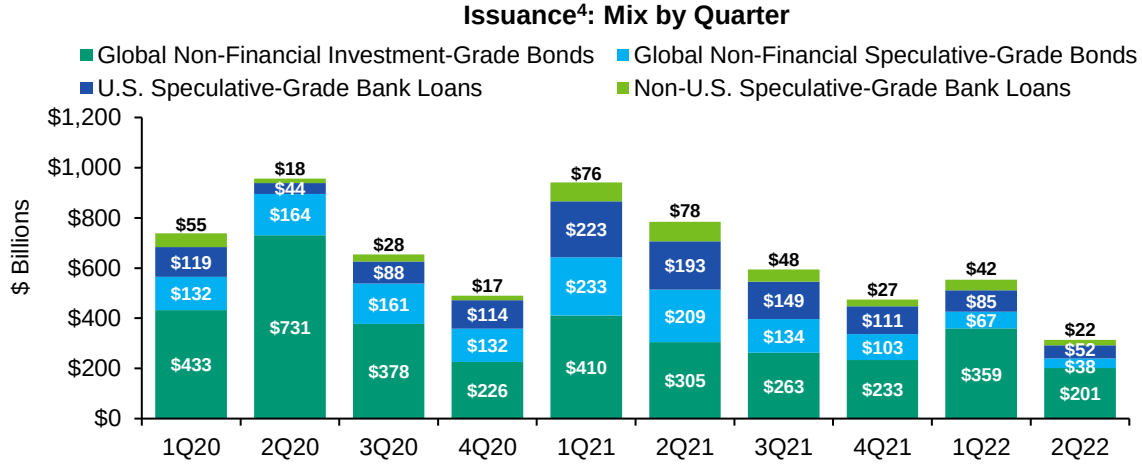
1. At launch, ESG360™ includes Climate Data. ESG data will be added in the months following the April 2022 release.

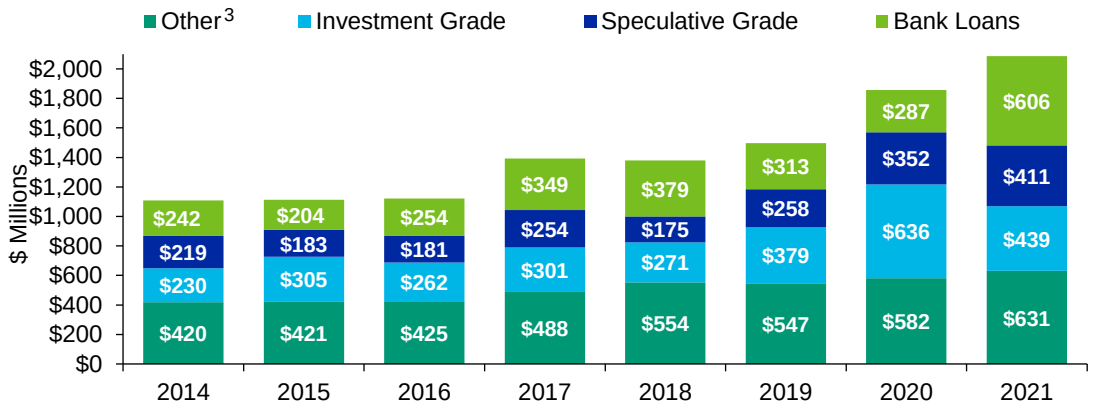
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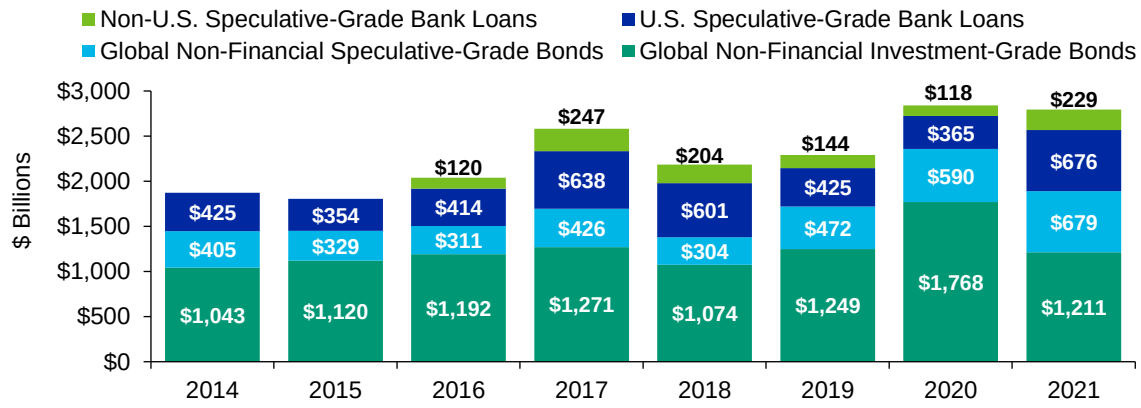
Appendix

Corporate Finance: Revenue and Issuance[1]







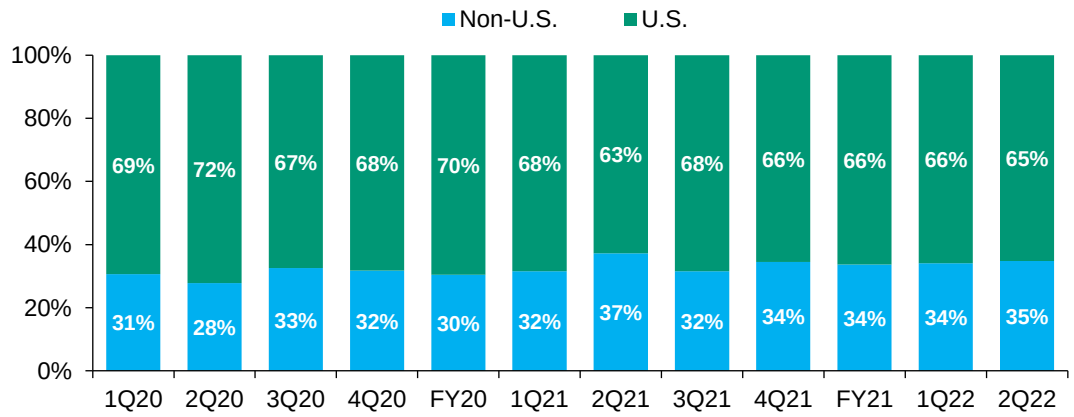


Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

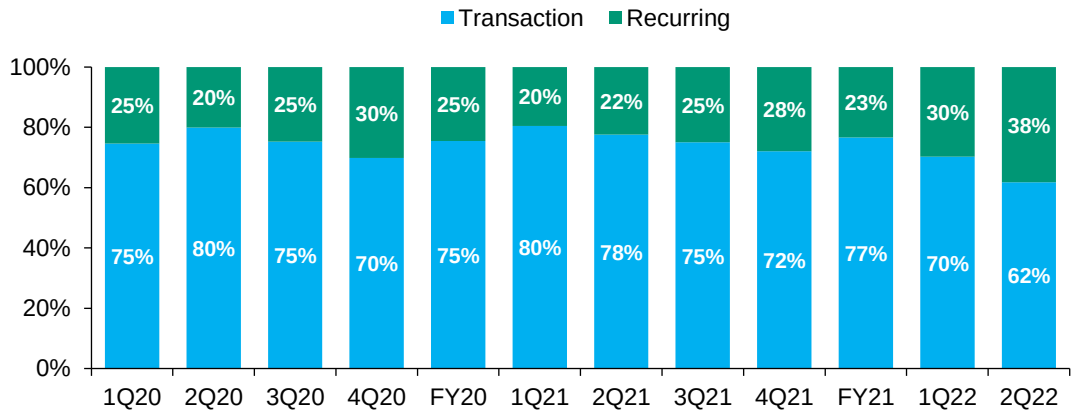
1. Total estimated market issuance unless otherwise noted.
2. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected starting from 1Q 2018.
3. Other includes monitoring, commercial paper, medium term notes and ICRA.
4. Sources: Moody's Analytics, Dealogic. U.S. and Non-U.S. Speculative-Grade Bank Loans represent only Moody's rated speculative-grade bank loans. Non-U.S. Speculative-Grade Bank Loan Origination data available starting in 2016. Issuance figures are subject to amendment given face amount variations that may occur following the reporting cycle.

Corporate Finance: Revenue Diversification

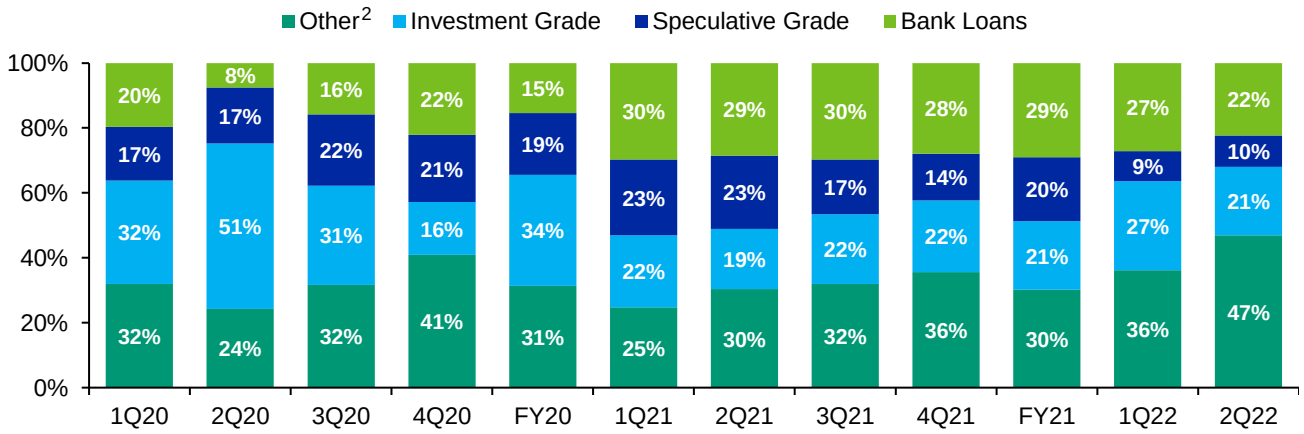
Revenue[1]: Distribution by Geography



Revenue[1]: Distribution by Recurring vs. Transaction



Revenue[1]: Distribution by Product

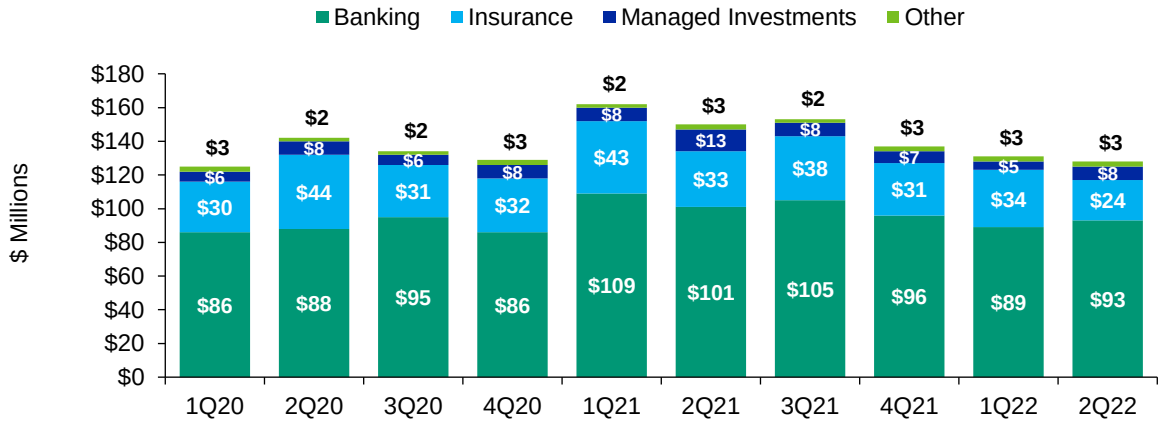


Note: Percentages have been rounded and may not total to 100%.

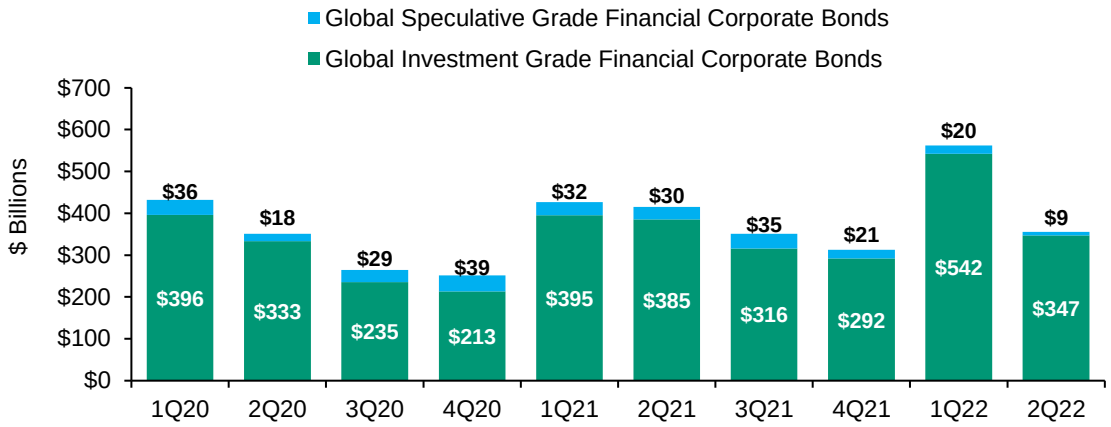
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Financial Institutions: Revenue and Issuance[1]

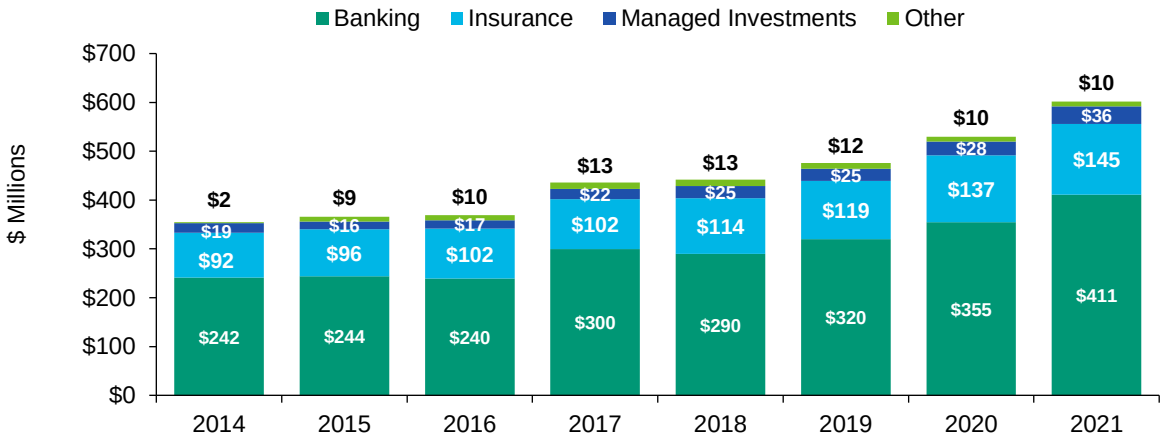
Revenue[2]: Mix by Quarter



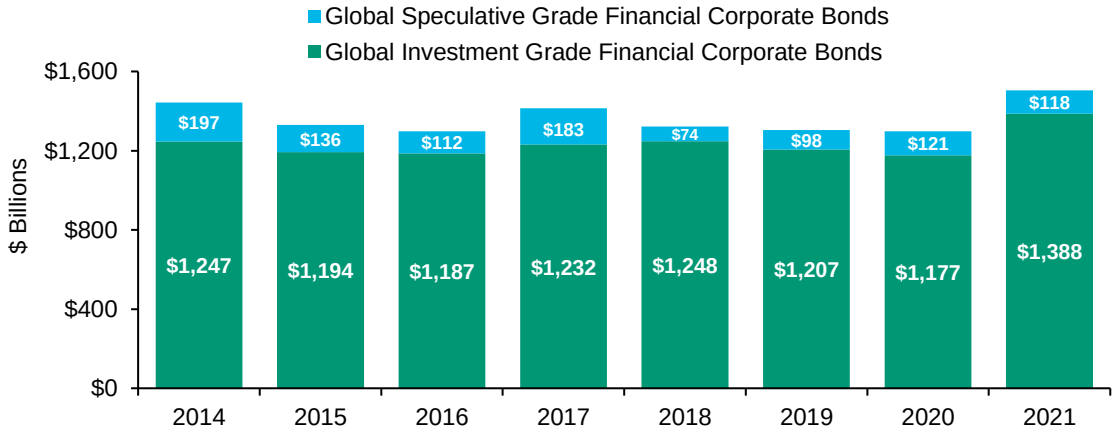
Issuance[3]: Mix by Quarter



Revenue[2]: Mix by Year



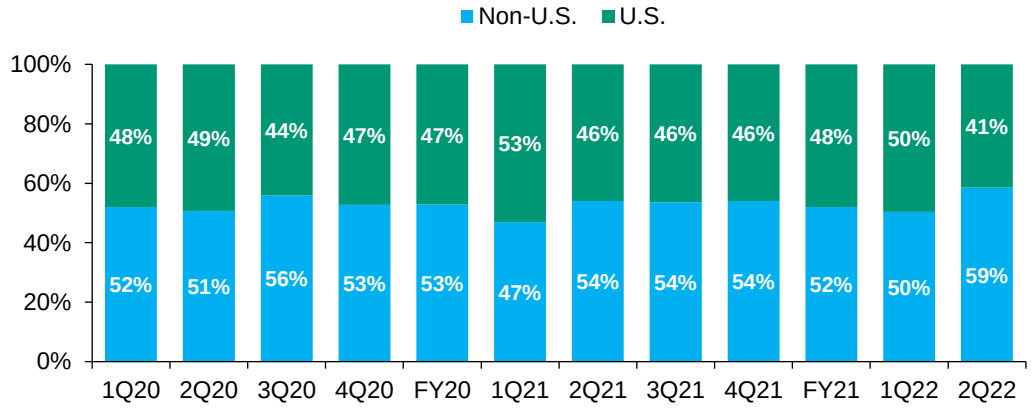
Issuance[3]: Mix by Year



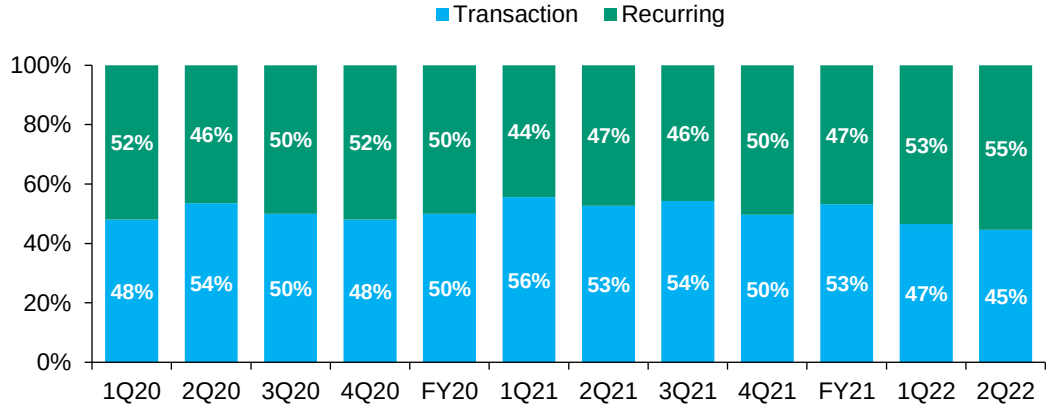
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Financial Institutions: Revenue Diversification

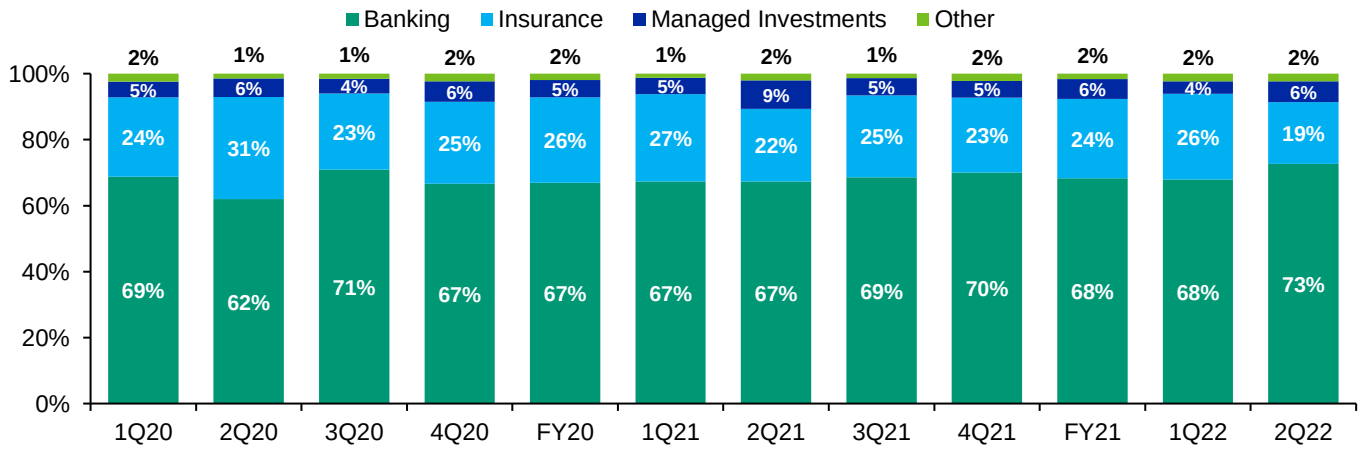
Revenue[1]: Distribution by Geography



Revenue[1]: Distribution by Recurring vs. Transaction



Revenue[1]: Distribution by Product

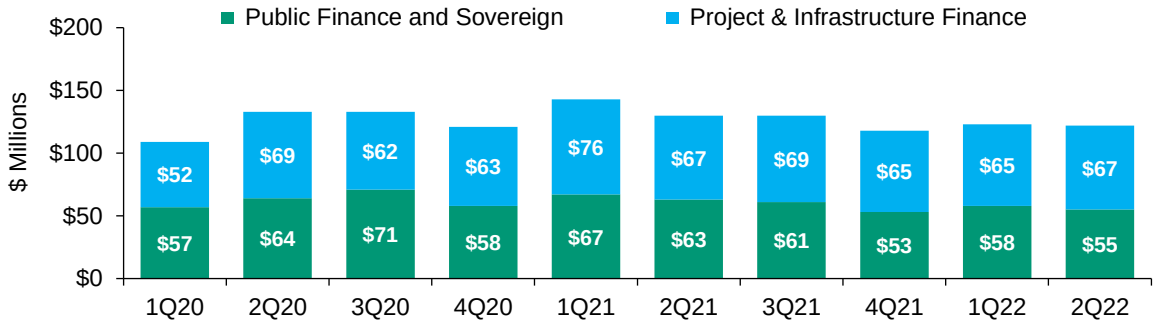


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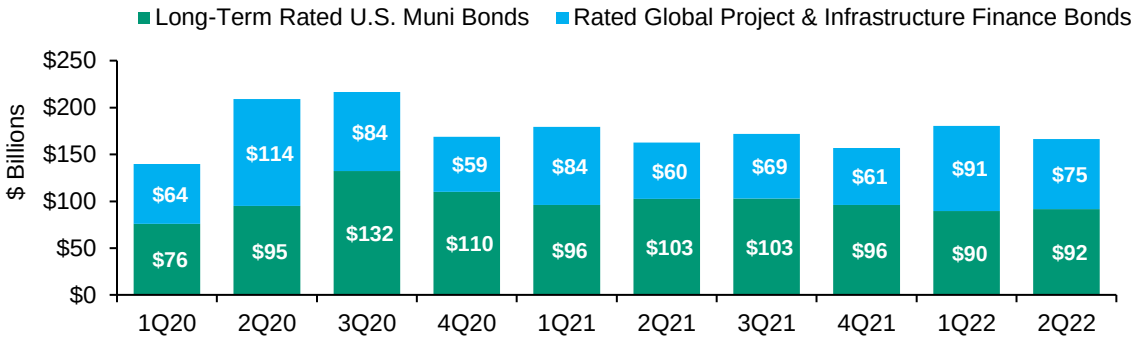
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.

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

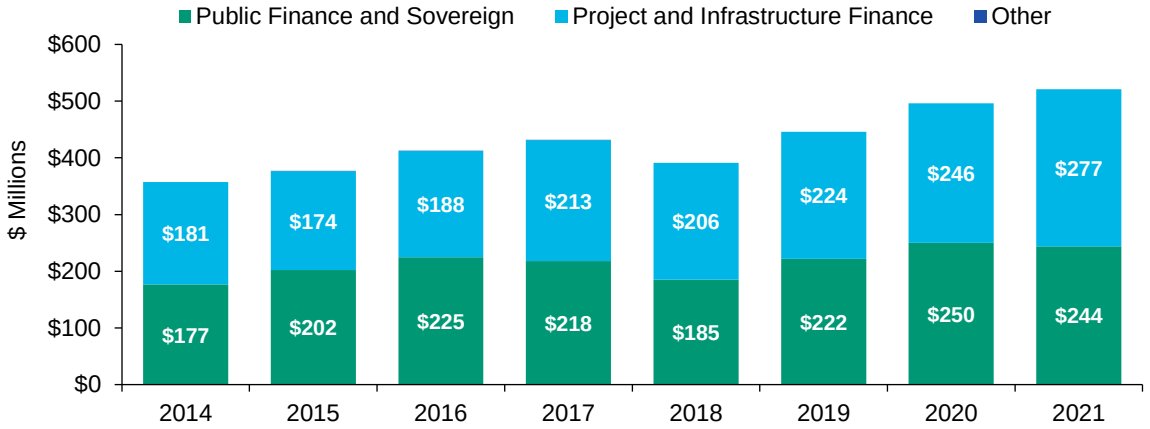
Revenue[2]: Mix by Quarter



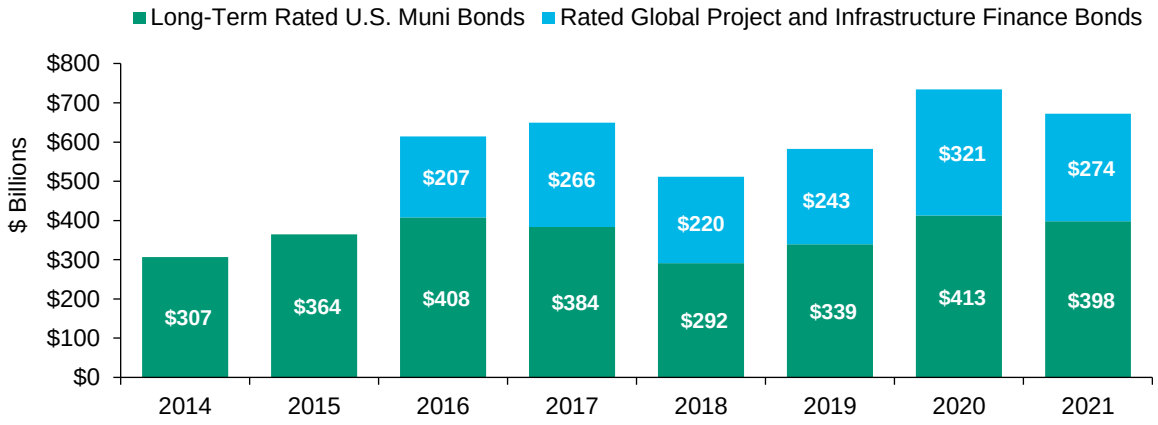
Issuance[3]: Mix by Quarter



Revenue[2]: Mix by Year



Issuance[3]: Mix by Year

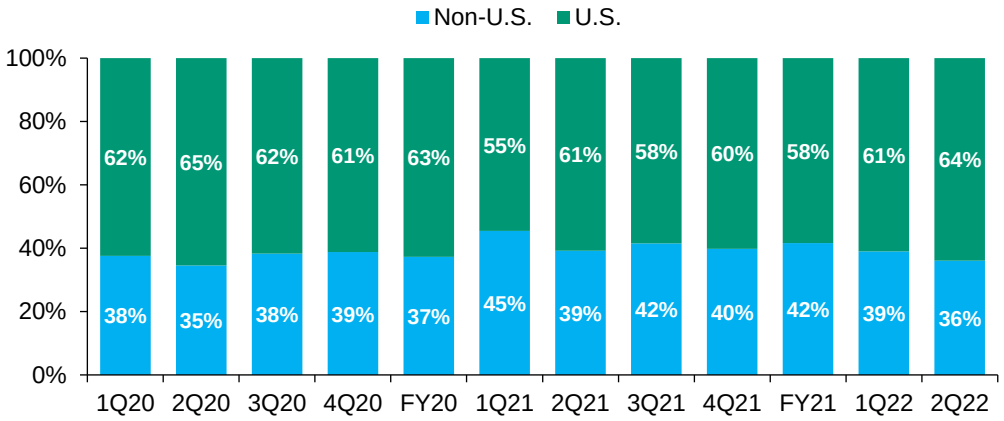


Sources: Moody's Corporation, Refinitiv, Thomson Reuters.
Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

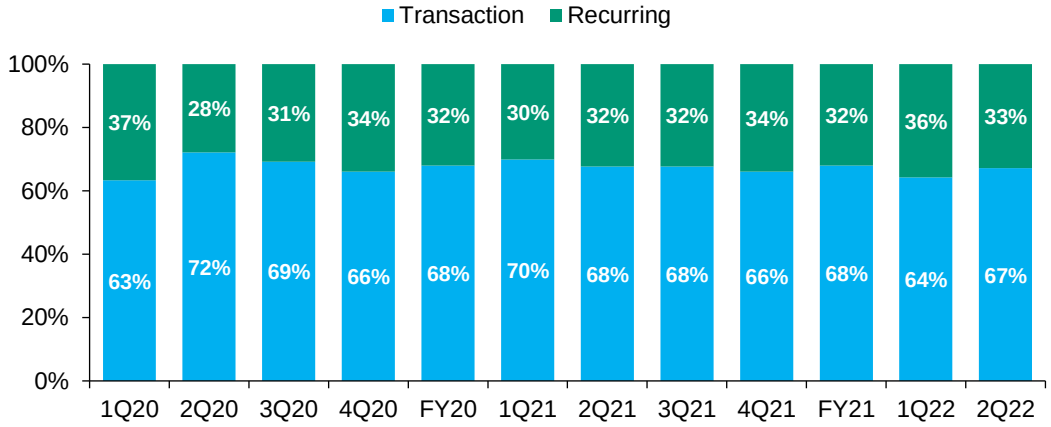
1. Total estimated market issuance unless otherwise noted.
2. Historical data has been adjusted to conform with current information and excludes intercompany revenue.
3. Global Rated Project & Infrastructure Finance available starting in 2016 and represents Moody's rated issuance. Issuance figures are subject to amendment given face amount variations that may occur following the reporting cycle.

Public, Project and Infrastructure: Revenue Diversification

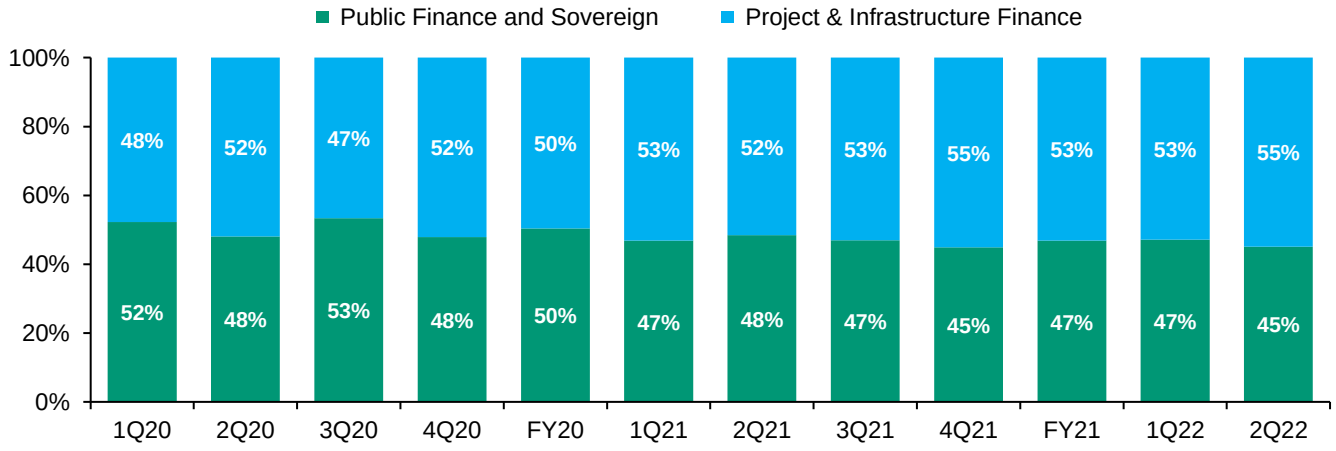
Revenue[1]: Distribution by Geography



Revenue[1]: Distribution by Recurring vs. Transaction



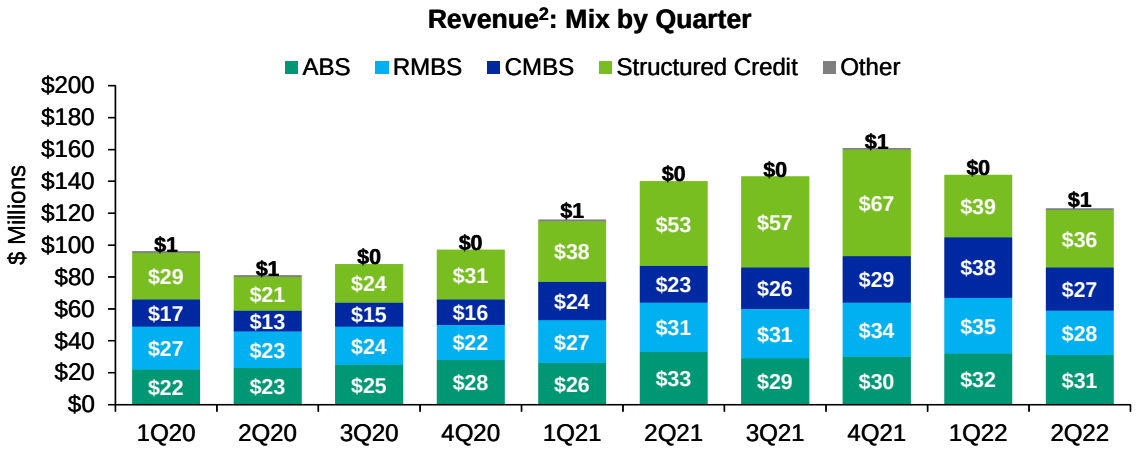
Revenue[1]: Distribution by Product

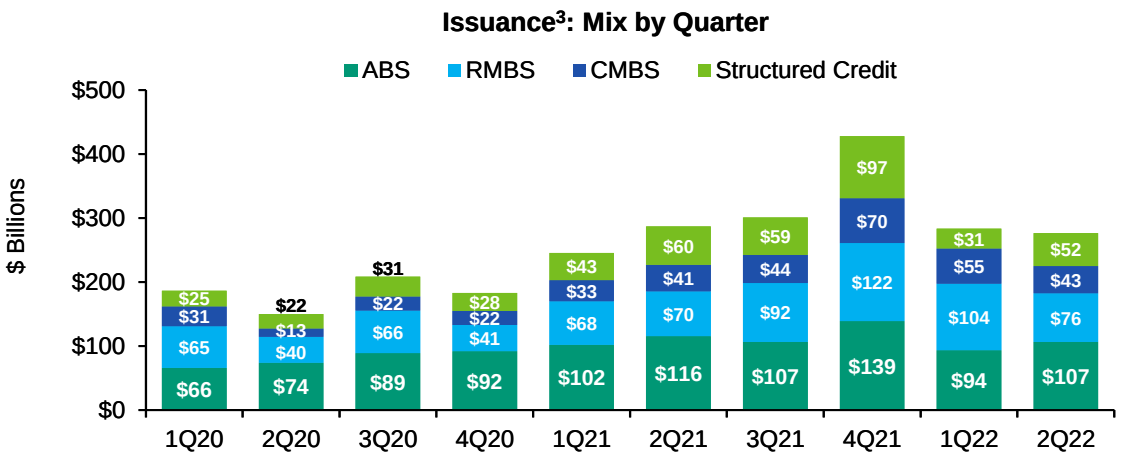


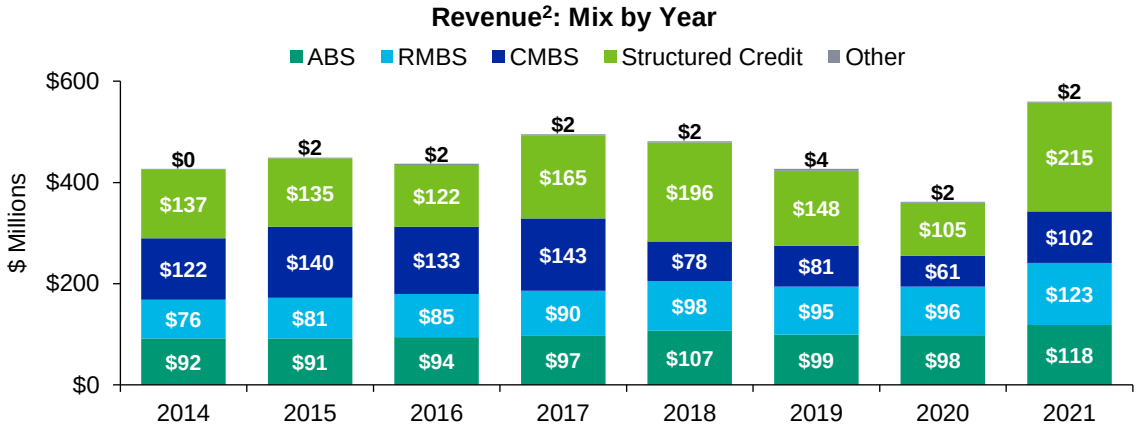
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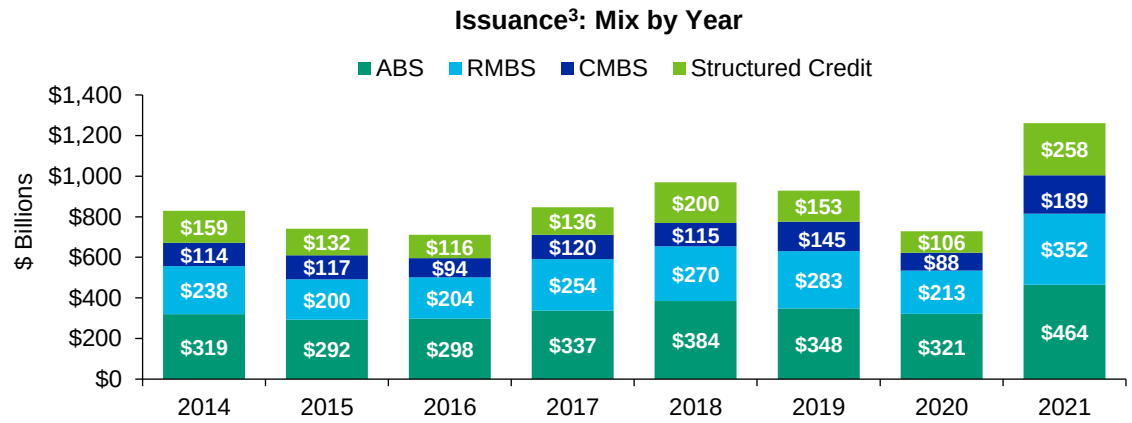
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Structured Finance: Revenue and Issuance[1]







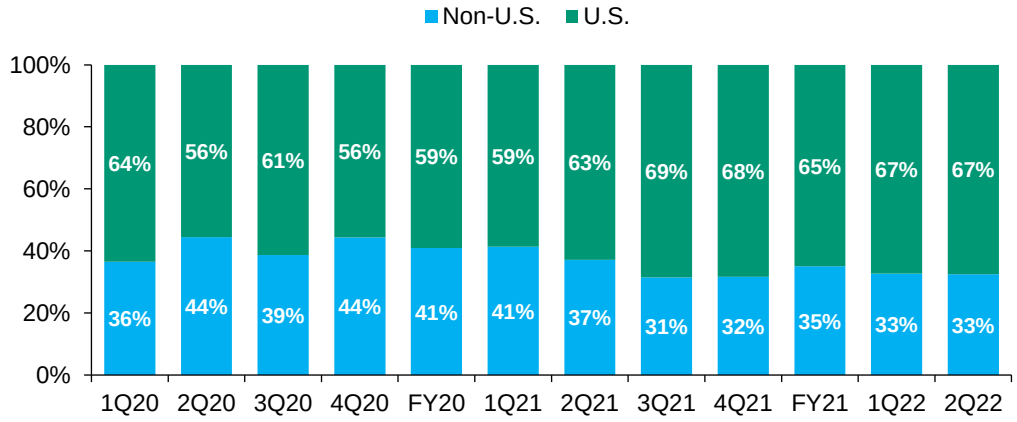


Notes: ABS (asset-backed securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (residential mortgage-backed securitization) includes covered bonds. CMBS (commercial mortgage-backed securities) includes commercial real estate CDOs. Structured Credit includes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

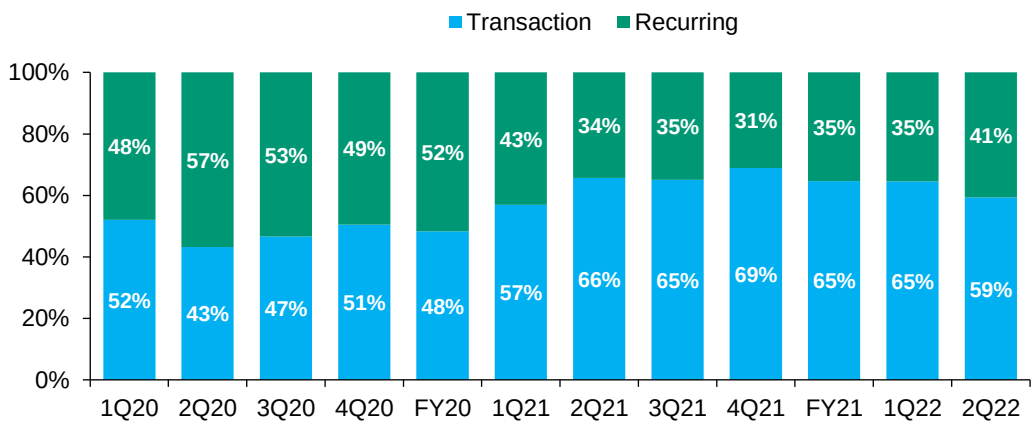
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs to Corporate Finance from Structured Finance is reflected starting from 1Q 2018.
2. Sources: AB Alert, CM Alert, Moody's Corporation. Debt issuance categories do not directly correspond to Moody's revenue categorization. Issuance figures are subject to amendment given face amount variations that may occur following the reporting cycle.

Structured Finance: Revenue Diversification

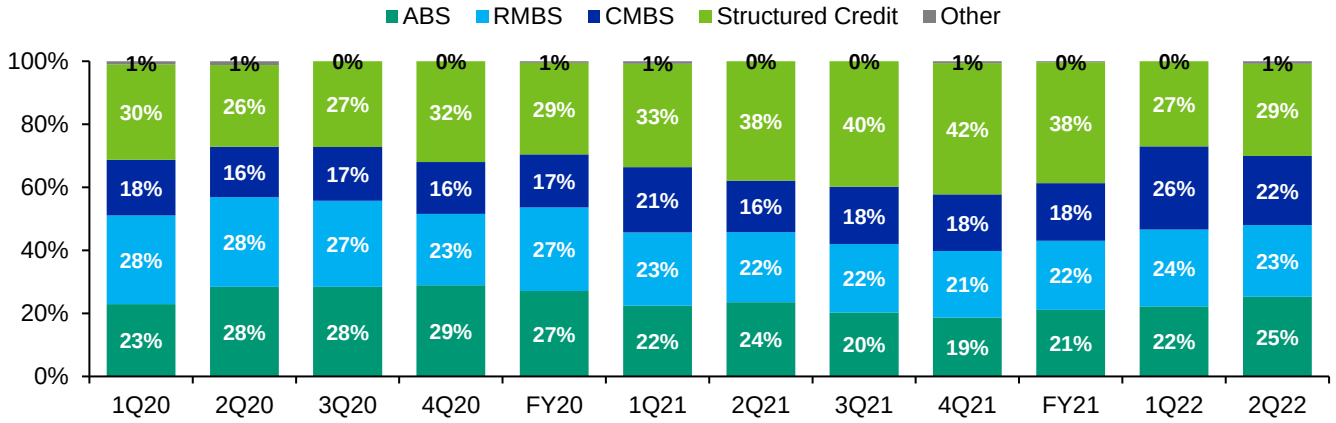
Revenue[1]: Distribution by Geography



Revenue[1]: Distribution by Recurring vs. Transaction

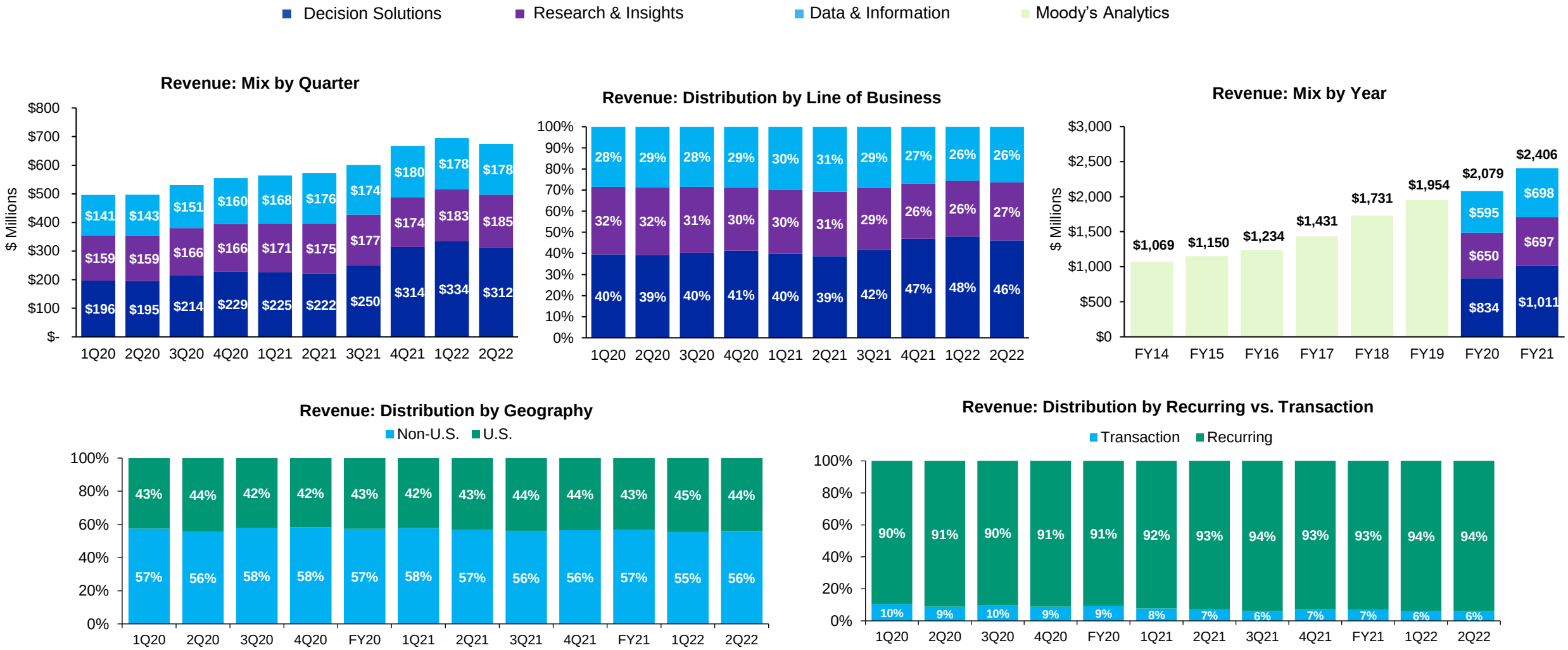


Revenue[1]: Distribution by Product



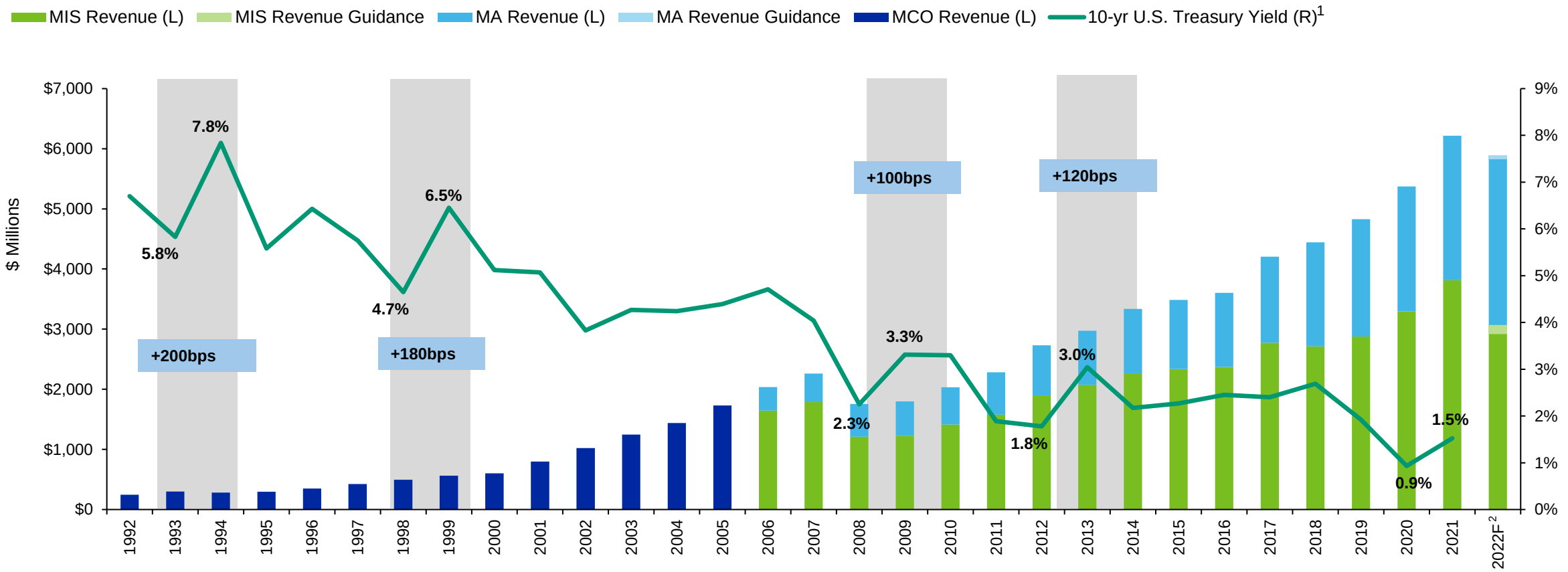
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Percentages have been rounded and may not total to 100%.
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.

Moody's Analytics: Financial Overview



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

Moody's Revenue and Interest Rates[1] Over Time

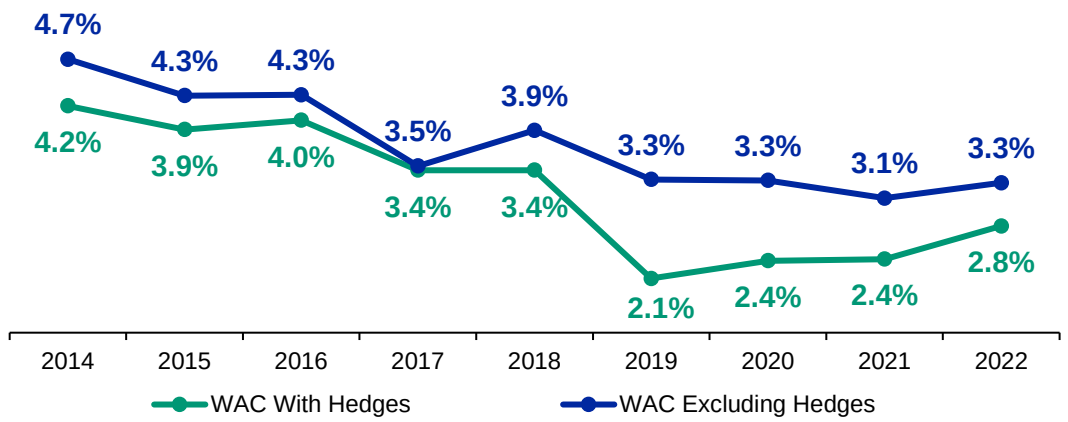


Source: www.treasury.gov.
Note: Gray bars reflect periods of significant increases in the 10-year U.S. Treasury Yield.

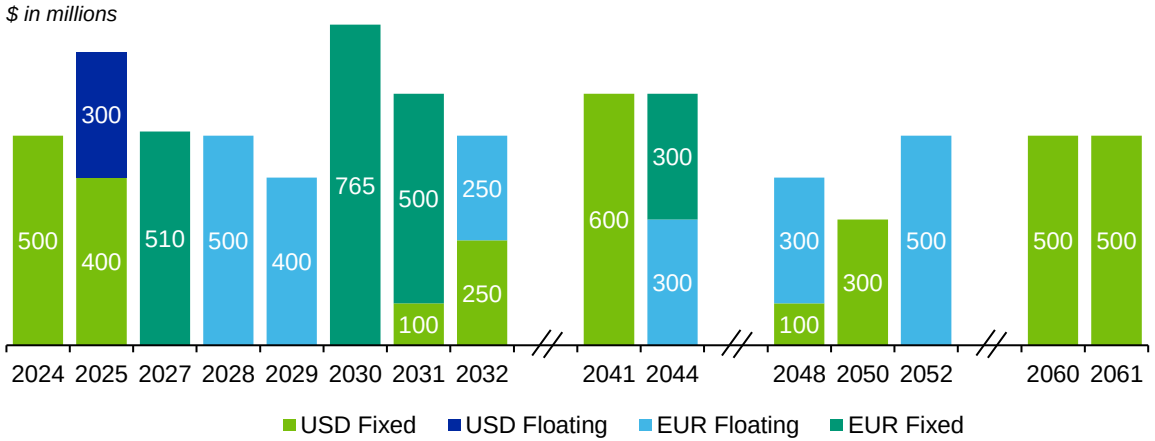
1. 10-year U.S. Treasury Yields are represented by the rate at the end-of-period.
2. Guidance as of July 26, 2022. Refer to Table 10 – "2022 Outlook" in the press release titled "Moody's Corporation Reports Results for Second Quarter 2022" from July 26, 2022, for a complete list of guidance, reconciliations between adjusted measures and U.S. GAAP and assumptions used by the Company with respect to its guidance.

Proactive Capital and Liquidity Management[1]

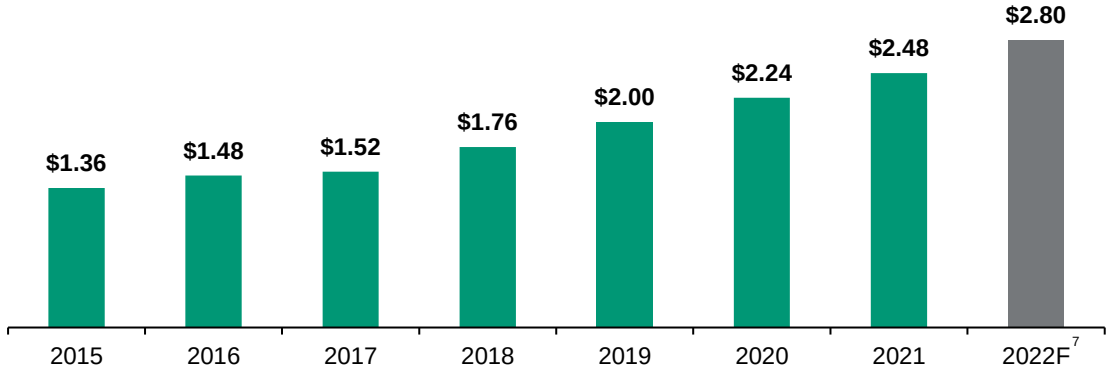
Bond portfolio WAC[2]



Balanced maturity schedule[6]



Annualized Dividend Per Share



- Strong liquidity with $1.7B in cash and short-term investments, and an undrawn $1.25B revolving credit facility[3]
- 2.2x net debt to Adjusted Operating Income[4]
- Leverage below maximum 4.0x total debt / EBITDA covenant[5]

1. WAC and maturity schedule both assume the refinancing of 2023 Senior Notes with 2032 Senior Notes expected to be completed in September 2023.
2. WAC = Weighted Average Coupon. 2014-2021 as of year-end. 2022 WAC projection following both the redemption of all 2023 notes and the issuance of 2032 notes.
3. As of June 30, 2022. See press release titled “Moody's Corporation Reports Results for Second Quarter 2022” from July 26, 2022, for Moody’s sources of capital and cash flow generation.
4. Trailing twelve months Adjusted Operating Income as of June 30, 2022. Refer to the Appendix for reconciliations between all adjusted measures mentioned throughout this presentation and U.S. GAAP.
5. Total debt (gross debt less $100M of cash and equivalents) to EBITDA ratio threshold is normally 4.0x but elevated to 4.5x for three quarters after an acquisition of >$500 million.
6. Certain USD denominated debt has been synthetically converted to EUR via cross-currency swaps. EUR bonds converted to USD as of August 3, 2022.
7. Annualized quarterly dividend of $0.70.



ESG & Climate at Moody's: Snapshot[1]

35+ Years of dedicated ESG experience

~3,500 MIS research reports related to ESG considerations

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

~300M Companies scored via a combination of analyst-verified and modeled scores

10K Companies with ESG, Regulatory, Screening & Climate Data

530+ SPOs Global green, social, sustainability bonds and sustainability-linked loans & bonds across 30 countries

43 Awards in the ESG & Climate space (from 2021), i*ncluding IFR's 'Best ESG Opinion Provider' 2021*

67 Regulatory consultation on ESG matters

~540 ESG events and speaking engagements

200+ Natural catastrophe models in nearly 100 countries

1. Data as of June 30, 2022.

Drivers of Sustainable Corporate Value

Placing Sustainability at the Core of the Business

Better Business

- Committed to net-zero by 2040: Moody's is one of the first companies to set SBTi-validated long-term net-zero target
- Exceeded and progressed on our interim science-based targets
- Committed to aligning relevant products and services to net-zero through Net-Zero Financial Services Provider Alliance, a new GFANZ alliance launched in September 2021
- Updated our Environmental Sustainability Policy
- Launched the 2021 Stakeholder Sustainability report (aligned with the GRI, SASB, WEF frameworks) and 2021 TCFD Report







Better Lives

- Published our pay equity analysis for global gender pay equity and pay equity for racial / ethnic underrepresented groups in the U.S.
- Published our consolidated U.S. EEO-1 employment data for the second consecutive year
- Established our employee learning and development program, Moody's University, including a Sustainability and ESG training for all employees
- The "Workplace of the Future" is enhancing our technology and IT infrastructure, and implementing an enhanced flexible work model that allows increased part- and full-time remote work
- Engaging our communities through the donation of more than $6 million in Moody's Foundation grants, corporate charitable contributions, value of volunteer hours and employee-driven giving[1]
- Named to Bloomberg Gender-Equality Index for Third Consecutive Year

Better Solutions

- Launched several new solutions that provide greater transparency into ESG-related risks or assist in aligning investments more closely with regulatory and disclosure frameworks, including:
  - Expansion of our Issuer Profile Scores (IPS) and Credit Impact Scores (CIS)
  - The launch of the ESG Score Predictor and Temperature Alignment Data
  - Establishment of normative screenings for alignment with the UN Sustainable Development Goals (SDG) and Global Compact principles
- Acquired RMS, a leading global provider of climate and natural disaster risk modeling and analytics







VISIT OUR SUSTAINABILITY SITE TO LEARN MORE »

1. Employee-driven giving includes grants paid from Moody's Foundation toward the Matching Gifts and Dollars for Doers programs.

Modernizing our Internal Data & Technology Infrastructure to Further Enhance Business Capabilities

Cloud and Platform

- Progressing on our cloud infrastructure journey to allow "**always on**"; majority of MA workloads are in the cloud
- Built state of the art interoperable cloud platform, with data factory and API framework, to support integration of all current and future product offerings

Talent Agility

- Continue to promote a diverse and inclusive culture to enable **talent agility** that pivots on priority
- Moody's Data Science Development Program created to further our capabilities in emerging technology

Data Management

- Increasing **data interoperability** across products and solutions to assist customers' evolving needs
- Creating new data service platforms, such as Moody's DataHub, to promote data accessibility and availability



DevOps

- Continuing our DevOps journey within MIS and MA to promote high quality, secure solutions with optimal speed to market
- MIS significantly reduced release times, greatly increasing productivity and **quadrupled release features**

Integration Management Office

- Establishing and enforcing consistent and repeatable integration processes and procedures for recent and new acquisitions
- Accelerating integration of people, commercial assets and operations to **maximize value delivery**

Finance Transformation

- Implementing a **modern cloud-based** ERP solution to further streamline processes
- Enhancing capabilities across data science, analytics and automation through a wide array of technology

Note: API = Application Programming Interface. ERP = Enterprise Resource Planning.

Innovation Enabled by Artificial Intelligence (AI)

Utilizing natural language processing (NLP) and machine learning (ML) across Moody's external products and solutions

mlfabric™

- Extensible **modular machine learning** framework to accelerate & scale ML across the organization
- mlfabric™ enables cloud-based deployment leveraging **reusable ML** components and libraries developed by Moody's Accelerator

Ratings Research

- Using **ML** models to **augment** the capabilities of our analysts by:
  - Predicting when issuers are likely to issue to improve outreach
  - Regional and company peer analysis to compare debt issuance
  - Anticipating future rating actions
  - AI and NLP used to generate credit reports on ~6,000 municipal issuers



MA Products

- **QUIQspread**: product capable of automating digitization and spreading of multilingual financial statements
- Award-winning Coronavirus, Compliance, KYC and Credit Adverse Media products use **NLP** to understand risks and gain insights from **unstructured sources**

ESG

- Leveraging in-house **NLP** models to improve and enhance coverage
- ESG score predictors using innovative **algorithms** employed to enhance quantitative and qualitative metrics

Note: KYC = Know Your Customer

Addressing the Needs of the Greater China Market[1]

International Investors

- MIS credit ratings on cross-border market issuance
- CreditView China offers insights on domestic issuers
  - Covers 1,800+ companies[1]
  - Integrates ORBIS company hierarchy data and a Financial Statement Information Quotient

Domestic Investors

- CCXI provides market-leading rating coverage of local currency bonds serving the domestic market - several thousand ratings assigned in 2021 across both fundamental and structured finance
- Domestic investors looking to invest in offshore bonds through China BondConnect – Southbound[2] and Qualified Domestic Institutional Investor (QDII) channels can leverage Moody's global content and analytical tools tailored to the market

- Risk Compass, a China-focused integrated platform for risk analytics, provides a comprehensive suite of solutions to evaluate credit risks, identify early warnings, price financial instruments and understand counterparties
- Serving the needs around ESG and green finance by working through local partners, including the integration of ESG data into MIS's China ESG related research and conferences

25+
years
Covering and serving Chinese markets

8,000+
Research reports
Related to Asia Pacific, attracting 800,000+ unique views globally

5
Cities
Local presence in Beijing, Hong Kong SAR, Shanghai, Shenzhen and Taipei

130+
events
Conferences, briefings, roundtables and sponsored events

$857B
Outstanding rated debt[3]

220+ rated non-financial corporates

190+ rated financial institutions

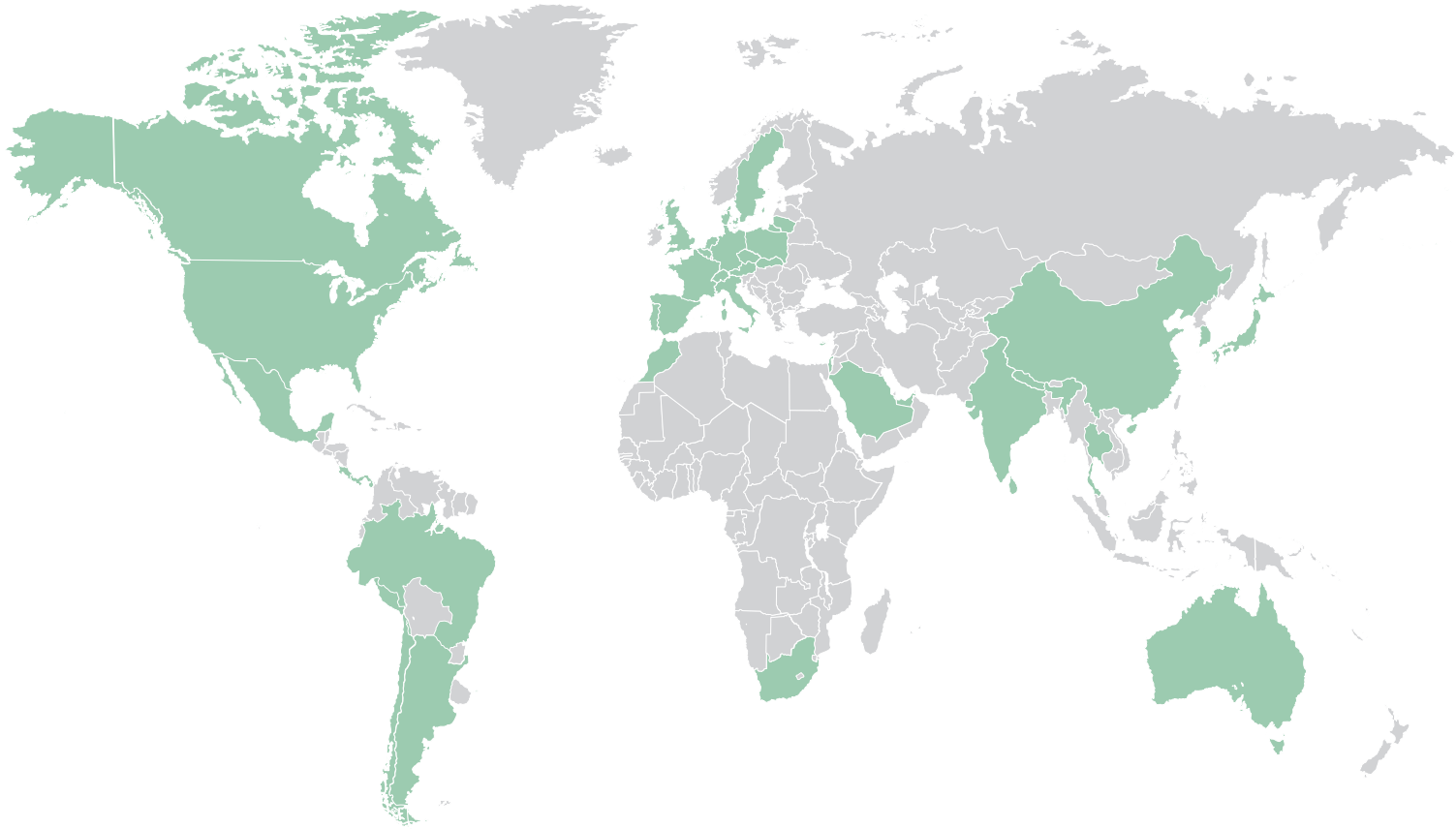
25+ rated structure finance deals

30+ rated infrastructure and projects finance issuers

550+
employees
Subject-matter experts in their respective fields

1. Source: Moody's; all data for Greater China as of December 31, 2021, unless otherwise specified. Outstanding rated debt refers to cross-border outstanding debt by Greater China issuers/deals and rated by Moody's Investors Service, as of January 1, 2022. It is calculated based on face amounts at the time of issuance. Research data is for period January 1, 2021, to December 31, 2021. Event data for the period January 1, 2021, to December 31, 2021, which includes events organized by Moody's and third-party events in which Moody's participated. Number of companies covered is as of March 31, 2022. All numbers are rounded.
2. BondConnect – China Southbound provides a mechanism for onshore Chinese institutional investors to invest in offshore bonds traded in Hong Kong through designated trading systems and financial platforms.
3. Outstanding debt across cross-border markets rated by MIS.

Moody's Global Presence



Americas

Argentina
Brazil
Bermuda
Canada
Chile
Costa Rica
Mexico
Panama
Peru
United States

Europe, Middle East & Africa

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

Asia-Pacific

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

2022	5,032	+	9,174	=	14,206	
	U.S. employees		non-U.S. employees		total employees[1]	

2021	4,177	+	7,429	=	11,606	
	U.S. employees		non-U.S. employees		total employees[2]	

1. As of June 30, 2022, reflects acquisition of RMS, PassFort, RealXData and kompany.
2. As of June 30, 2021, reflects acquisition of Cortera.

Reconciliation of Adjusted Financial Measures to U.S. GAAP

Moody's Corporation Adjusted Operating Income and Adjusted Operating Margin Reconciliation[1]

(in $ millions)	2017	2018	2019	2020	2021	TTM 2Q 2022
Operating Income	$1,821	*$1,868*	*$1,998*	*$2,388*	*$2,844*	*$2,354*
Operating Margin	*43.3%*	*42.0%*	*41.4%*	*44.5%*	*45.7%*	*39.4%*
Add Adjustment:						
Depreciation & Amortization	*158*	*192*	*200*	*220*	*257*	*297*
Acquisition-Related Expenses	*23*	*8*	*3*	*-*	*-*	*-*
Restructuring	*-*	*49*	*60*	*50*	*-*	*29*
Captive insurance company settlement	*-*	*-*	*16*	*-*	*-*	*-*
Loss pursuant to the divestiture of MAKS	*-*	*-*	*14*	*9*	*-*	*-*
Adjusted Operating Income	***$2,002***	***$2,117***	***$2,291***	***$2,667***	***$3,101***	***$2,680***
Adjusted Operating Margin	*47.6%*	*47.6%*	*47.4%*	*49.7%*	*49.9%*	*44.9%*

Moody's Corporation Net Debt Reconciliation

(in $ millions)	2017	2018	2019	2020	2021	1Q 2022	2Q 2022
Gross debt	$5,540	$5,676	$5,581	$6,422	$7,413	$7,786	$7,657
Less: Cash, cash equivalents and short-term investments	*1,183*	*1,818*	*1,930*	*2,696*	*1,902*	*1,853*	*1,703*
Net debt	**$4,357**	**$3,858**	**$3,651**	**$3,726**	**$5,511**	**$5,933**	**$5,954**

Note: Some numbers may not foot due to rounding.

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

Reconciliation of Adjusted Financial Measures to U.S. GAAP (cont.)

Moody's Corporation Operating Margin Guidance Reconciliation

	2022F[1]
Projected Operating Margin – U.S. GAAP	37% to 38%
Depreciation & Amortization	Approximately 6%
Restructuring	0.5% to 1.0%
Projected Adjusted Operating Margin	**Approximately 44%**

Free Cash Flow Reconciliation

(in $ millions)	2017	2018	2019	2020	2021	2022F[1]
Net cash flows from operating activities	$755	$1,461	$1,675	$2,146	$2,005	$1.7 to $1.9 billion
Less: Capital expenditures	*91*	*91*	*69*	*103*	*139*	*$250 to $300 million*
Free Cash Flow	**$664**	**$1,370**	**$1,606**	**$2,043**	**$1,866**	**$1.4 to $1.6 billion**

1. Guidance as of July 26, 2022. Refer to Table 10 – "2022 Outlook" in the press release titled "Moody's Corporation Reports Results for Second Quarter 2022" from July 26, 2022, for a complete list of guidance, reconciliations between adjusted measures and U.S. GAAP and assumptions used by the Company with respect to its guidance.

Reconciliation of Adjusted Financial Measures to U.S. GAAP (cont.)

Moody's Corporation Diluted EPS Reconciliation

	2017	2018	2019	2020	2021	2022F[1]
Diluted EPS – U.S. GAAP	$5.15	$6.74	$7.42	$9.39	$11.78	$8.10 to $8.60
Acquisition-Related Intangible Amortization Expenses	$0.23	$0.40	$0.42	$0.51	$0.65	~$0.85
Acquisition-Related Expenses	$0.10	$0.03	$0.02	-	-	-
Restructuring	-	$0.19	$0.23	$0.20	-	~$0.15
Impact of U.S. tax reform	$1.28	($0.30)	-	-	-	-
Net Impact of U.S./European tax change on deferred taxes	($0.01)	-	-	-	-	-
CCXI Gain	($0.31)	-	-	-	-	-
Purchase Price Hedge Gain	($0.37)	-	-	-	-	-
Increase to non-U.S. UTPs	-	$0.33	-	-	-	-
Captive insurance company settlement	-	-	$0.06	-	-	-
Tax charge pursuant to the divestiture of MAKS	-	-	$0.07	-	-	-
Loss pursuant to the divestiture of MAKS	-	-	$0.07	$0.05	-	-
Non-cash gain relating to minority investment in BitSight	-	-	-	-	($0.14)	-
FX losses resulting from the Company no longer conducting commercial operations in Russia	-	-	-	-	-	~$0.11
Adjusted Diluted EPS	$6.07	$7.39	$8.29	$10.15	$12.29	$9.20 to $9.70

1. Guidance as of July 26, 2022. Refer to Table 10 – "2022 Outlook" in the press release titled "Moody's Corporation Reports Results for Second Quarter 2022" from July 26, 2022, for a complete list of guidance, reconciliations between adjusted measures and U.S. GAAP and assumptions used by the Company with respect to its guidance.

Key Assumptions Underlying our Medium-Term Targets

Moody's medium-term guidance refers to a time period within 5 years and reflects 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 interest rates, inflation, foreign currency exchange rates, capital markets' liquidity and activity in different sectors of the debt markets, as well as the impact of COVID-19, including the responses to the pandemic by governments, regulators, businesses and individuals. This outlook also reflects assumptions about geopolitics, general economic conditions and GDP growth in the U.S. and Euro area, as well as the Company's own operations, personnel and opportunistic M&A activity.

While the duration and severity of the COVID-19 pandemic are unknown, Moody's outlook assumes that the Company continues to not experience any material negative impact on its ability to conduct its operations as a result of COVID-19. The implications of COVID-19, or other situations or developments, could affect these and many other factors that also could cause actual results to differ materially from Moody's outlook.

The guidance also incorporates various assumptions as of March 10, 2022, including: (a) the deceleration of U.S. and Euro area GDP growth rates; (b) an increase in the U.S. 10-Year Treasury yield; (c) issuers refinance a majority of maturing debt; (d) MA customer retention rates remain in-line with historic levels; and (e) pricing initiatives align with prior practices and enhancements to customer value.

Moody's Corporation Medium-Term Guidance as of March 10, 2022	
MOODY'S CORPORATION	
Revenue	At least 10% growth
Adjusted Operating Margin (1)	Low-50s percent range
Adjusted Diluted EPS (1)	Low-double-digit percent growth
Moody's Investors Service (MIS)	
MIS global revenue	Low-to-mid-single-digit percent growth
MIS Adjusted Operating Margin	Low-60s percent range
Moody's Analytics (MA)	
MA global revenue	Low-to-mid-teens percent growth
MA Adjusted Operating Margin	Mid-30s percent range

Note: Growth refers to average annualized growth over the time period. Assumes full year 2021 as the base year.

1. 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 to derive adjusted operating income, adjusted operating margin and adjusted diluted EPS could significantly impact the Company's medium-term U.S. GAAP results.

MOODY'S

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Unlock opportunity.

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