

# Investor Presentation

## Results through Fourth Quarter 2019



1166 MARSH & MCLENNAN

## Forward-Looking Statements

This presentation contains "forward-looking statements," as defined in the Private Securities Litigation Reform Act of 1995. These statements, which express management's current views concerning future events or results, use words like "anticipate," "assume," "believe," "continue," "estimate," "expect," "intend," "plan," "project" and similar terms, and future or conditional tense verbs like "could," "may," "might," "should," "will" and "would." Forward-looking statements are subject to inherent risks and uncertainties that could cause actual results to differ materially from those expressed or implied in our forward-looking statements. Factors that could materially affect our future results include, among other things: (1) our ability to compete effectively and adapt to changes in the competitive environment, including to respond to technological change, disintermediation, digital disruption and other types of innovation; (2) the impact from lawsuits, other contingent liabilities and loss contingencies arising from errors and omissions, breach of fiduciary duty or other claims against us; (3) our ability to attract and retain industry leading talent; (4) our organization's ability to maintain adequate safeguards to protect the security of our information systems and confidential, personal or proprietary information, particularly given the large volume of our vendor network and the need to identify and patch software vulnerabilities, including those in the existing JLT information systems; (5) our ability to successfully integrate or achieve the intended benefits of our acquisitions, including JLT; (6) the impact of investigations, reviews, or other activity by regulatory or law enforcement authorities, including the ongoing investigation by the European Commission competition authority; (7) our ability to maintain our credit ratings and repay our outstanding long-term debt in a timely manner and on favorable terms, including approximately \$6.8 billion issued in connection with the acquisition of JLT; (8) the regulatory, contractual and reputational risks that arise based on insurance placement activities and various insurer revenue streams; (9) the financial and operational impact of complying with laws and regulations where we operate and the risks of noncompliance with such laws, including cybersecurity and data privacy regulations such as the E.U.'s General Data Protection Regulation, anti-corruption laws such as the U.S. Foreign Corrupt Practices Act, U.K. Anti-Bribery Act and trade sanctions regimes; (10) our ability to manage risks associated with our investment management and related services business, including potential conflicts of interest between investment consulting and fiduciary management services; (11) the impact of macroeconomic, political, regulatory or market conditions on us, our clients and the industries in which we operate, including the impact of Brexit or the inability to collect on our receivables; (12) our ability to successfully recover if we experience a business continuity problem due to cyberattack, natural disaster, pandemic or otherwise; and (13) the impact of changes in tax laws, guidance and interpretations, including certain provisions of the U.S. Tax Cuts and Jobs Act, or disagreements with tax authorities.

The factors identified above are not exhaustive. Marsh & McLennan Companies and its subsidiaries operate in a dynamic business environment in which new risks emerge frequently. Accordingly, we caution readers not to place undue reliance on any forward-looking statements, which are based only on information currently available to us and speak only as of the dates on which they are made. The Company undertakes no obligation to update or revise any forward-looking statement to reflect events or circumstances arising after the date on which it is made.

Further information concerning Marsh & McLennan Companies and its businesses, including information about factors that could materially affect our results of operations and financial condition, is contained in the Company's filings with the Securities and Exchange Commission, including the "Risk Factors" section and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of our most recently filed Annual Report on Form 10-K.

## Explanation of Non-GAAP Measures

This presentation also contains certain financial measures that are "non-GAAP measures," within the meaning of Regulation G of the Securities Exchange Act of 1934, as amended. The Company believes these non-GAAP financial measures provide useful supplemental information that enables investors to better compare the Company's performance across periods. Management also uses these measures internally to assess the operating performance of its business, to assess performance for employee compensation purposes and to decide how to allocate resources. However, investors should not consider these non-GAAP measures in isolation from, or as a substitute for, the financial information that the Company reports in accordance with GAAP. The Company's non-GAAP measures include adjustments that reflect how management views our businesses, and may differ from similarly titled non-GAAP measures presented by other companies. Please see the Appendix to this presentation for a reconciliation of non-GAAP measures to the closest comparable applicable GAAP measures.



# 1. Overview & Opportunity

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## 2. A Compelling Investment

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## 3. Appendix

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# The Global Leader in Advisory on Risk, Strategy and People

149-year history of leadership and innovation



Revenue of **nearly \$17 billion\***

**Top 120** S&P 500 constituent by market value\*\*

**76,000** colleagues globally

Clients in more than **130 countries**

Over **\$100 billion** of premiums placed globally\*

**\$305 billion** delegated assets under management\*\*

**\$15 trillion** of retirement assets under advisement\*\*

Advisor to **95% of the Fortune 1000<sup>i</sup>** companies



\*MMC and JLT combined. Acquisition closed on 04/01/2019; \*\*As of 12/31/2019; <sup>i</sup>FORTUNE 1000® is a trademark of FORTUNE Media IP and is used under license.

# A Preeminent Global Professional Services Firm



**#1** Insurance Broker

**BUSINESS INSURANCE**

**#1** Broker of U.S. Business

**BUSINESS INSURANCE**

**#1** Health & Benefits Broker

**BUSINESS INSURANCE**

**#1** Assets Under Advisement

**Pensions&Investments**

**#1** Outsourced CIO

**Pensions&Investments**



# Making a Difference in Moments That Matter

Create  
breakthrough  
impact for  
clients



Embrace  
innovation  
and the  
digital future



Be a great  
place to work



Drive growth  
and create  
value



Live the Greater Good



# Best-in-Class Leadership



**President & CEO**  
Dan Glaser

**Risk and Insurance Services**

**Consulting**

 **MARSH**



**President & CEO**  
Marsh  
John Doyle

 **GUY CARPENTER**



**President & CEO**  
Guy Carpenter  
Peter Hearn

 **MERCER**



**President & CEO**  
Mercer  
Martine Ferland

 **OLIVER WYMAN**



**President & CEO**  
Oliver Wyman  
Scott McDonald





# Well Positioned for Issues of Today

## Cyber Risk

Global cyber crime estimated to be

**\$600 billion<sup>1</sup>**

- Global cyber premiums expected to grow at **~24% CAGR** to **\$18 billion** through 2025<sup>2</sup>
- Cyber risks comprised **2 of the top 10** most likely & impactful global risks for 2020<sup>3</sup>

*Leading Cyber Practice*

## Retirement Savings Gap

Global retirement savings gap  
pegged at

**~1.5x GDP<sup>4</sup>**

- U.S. retirement gap was **~\$28 trillion** in 2015 and could rise to **~\$137 trillion** by 2050<sup>4</sup>
- 48%** of households aged 55+ have no retirement savings<sup>5</sup>

*Mercer Wealth*

## Healthcare

By 2027, Healthcare spending expected to  
comprise

**19% of U.S. GDP<sup>6</sup>**

- U.S. healthcare spending expected to grow on average **5%** annually through 2027<sup>6</sup>
- Number of Americans that have employer-sponsored insurance exceed **180 million<sup>7</sup>**

*Mercer Marsh Benefits*

## Natural Disasters & Climate Change

Share of Global Natural Catastrophe Losses  
Insured<sup>8</sup>

**2019**

**38%**

**10 YR Avg.**

**34%**

- 2019 global catastrophe protection gap was **~\$80 billion<sup>8</sup>**
- \$30 - \$50 billion** flood annual premium opportunity<sup>9</sup>

*Marsh / Guy Carpenter*

## Workforce of the Future

Percent of executives predicting significant  
workforce disruption over next three years

**73%<sup>10</sup>**

- U.S. digital & tech consulting market worth **~\$14 billion** and growing<sup>11</sup>
- Global management consulting market worth estimated **\$130 billion<sup>11</sup>**

*Mercer Career / Oliver Wyman*



Sources: <sup>1</sup>CSIS-McAfee; <sup>2</sup>The Geneva Association; <sup>3</sup>World Economic Forum: The Global Risks Report 2020; <sup>4</sup>World Economic Forum: We'll Live to 100 – How Can We Afford It?; <sup>5</sup>U.S. Government Accountability Office; <sup>6</sup>Centers for Medicare and Medicaid; <sup>7</sup>The Council of Insurance Agents and Brokers; <sup>8</sup>Swiss Re Institute; <sup>9</sup>McKinsey & Company; <sup>10</sup>Mercer Global Talent Trends 2019; <sup>11</sup>Greentarget



# We Have Meaningful Competitive Advantages...

## Culture

- Our code of conduct, The Greater Good, guides our culture of responsibility, inclusion, integrity and intelligent risk management
- *The MMC Advantage* – bringing the collective power of our firm to deliver insights and solutions

## Talent

- 76,000 experienced, diverse and dynamic colleagues
- 23,000 colleagues with more than 10 years tenure
- Nearly half of colleagues in the millennial generation

## Geographic Reach

- Unparalleled geographic reach
- Clients in over 130 countries
- 18 countries with over \$100 million of revenue

## Scale

- Leading positions across insurance brokerage and consulting
- Largest capex spend among insurance brokers
- Economies of scale drive expense efficiencies

## Expertise Across Client Segments

- Multinationals and large accounts
- Middle market
- Small commercial enabled by technology

## Data & Technology

- Data from over \$100 billion in premiums placed\*
- Transforming client experience through innovation
- Technology enables operating efficiency

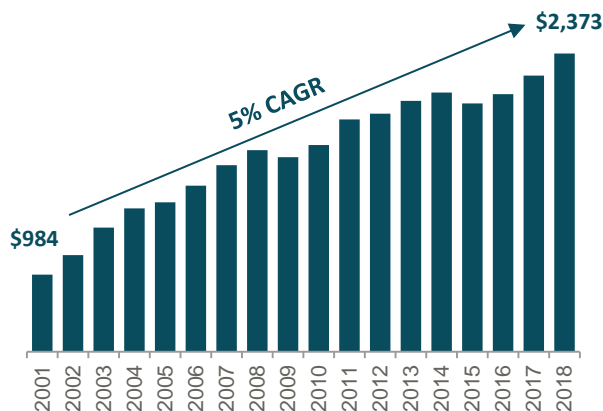


\*MMC and JLT combined. Acquisition closed on 04/01/2019.

# ... And Fundamental Underpinnings for Sustained Growth

## Risk

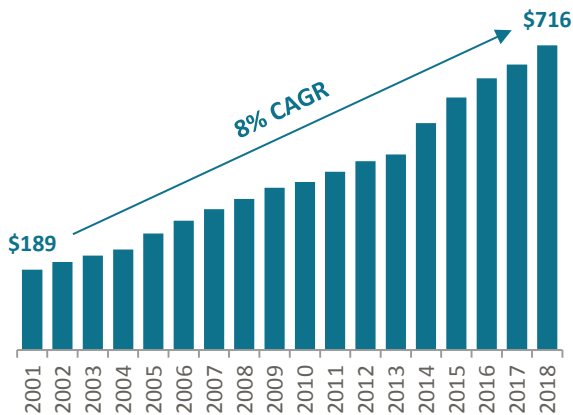
Global Non-Life Direct Written Premiums (\$ billions)<sup>1</sup>



- Over \$100 billion of annualized premiums placed globally\*
- Capabilities across market segments
- Leading MGA, Cyber and Flood practices

## Health

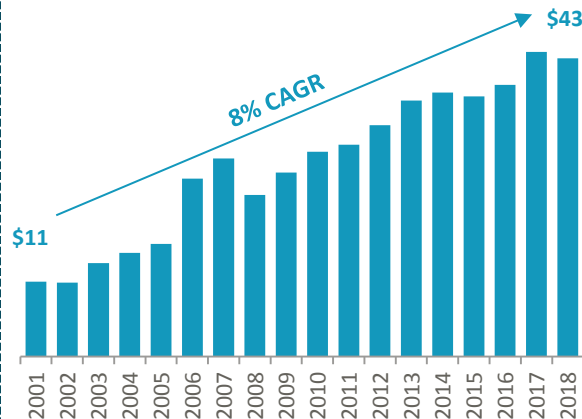
U.S. Health Direct Written Premiums (\$ billions)<sup>2</sup>



- Nearly \$2.9 billion of global Health brokerage and consulting revenues
- Global capabilities across Mercer, Marsh, MMA & Oliver Wyman
- Digital Health solutions through Thomsons Online and Mercer Marketplace 365

## Wealth

Retirement Assets (\$ trillions)<sup>3</sup>



- World's largest retirement advisory business
- \$305 billion of assets under delegated management\*\*
- 27% CAGR of assets under delegated management since 2010



Sources: <sup>1</sup>Swiss Re Institute; <sup>2</sup>SNL; <sup>3</sup>Pension Markets in Focus 2019 (Data only includes countries in the Organization for Economic Cooperation & Development);\*MMC and JLT combined. Acquisition closed on 04/01/2019; \*\*As of 12/31/2019.

# Jardine Lloyd Thompson: A Significant Step Forward



Smart, creative, dynamic

Focus on clients  
and markets

Commitment and  
collaboration

Skilled  
leadership team



Over **\$15 billion** in global premiums placed

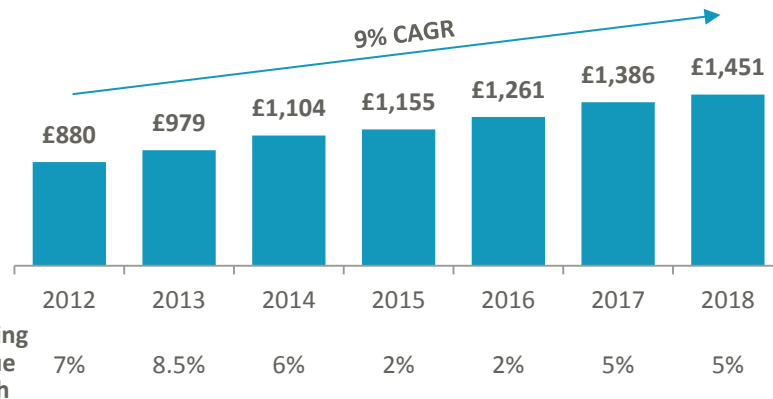


Over **10,000** employees



Operating in over **40** countries worldwide

Revenue (£ millions)

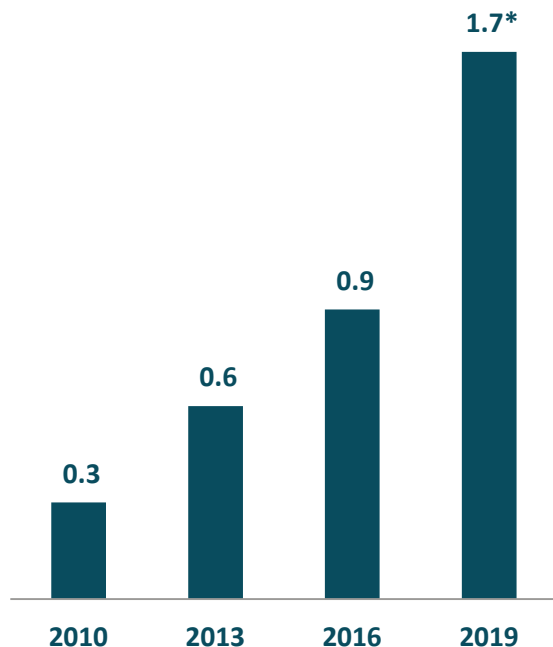


Note: 2018 JLT financial figures per 8-K/A filed 06/06/2019.

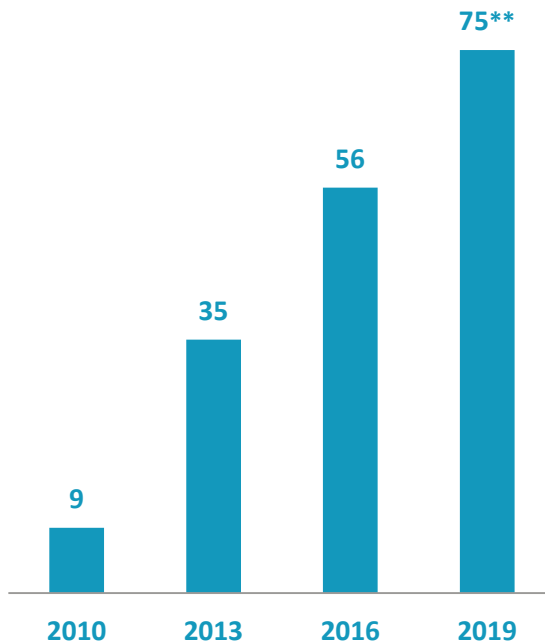
# Expanding Our Presence in the U.S. Middle Market

## Marsh & McLennan Agency

Revenue (\$ billions)



Cumulative Transactions



### Milestones

- **2009:** Marsh launches strategy
- **2010:** Thomas Rutherford Inc. acquired – 32nd largest U.S. brokerage firm
- **2014:** California-based Barney & Barney acquired – largest acquisition to date
- **2015:** Texas-based MHBT, Inc. acquired
- **2017:** J. Smith Lanier acquired – expanding MMA's Southeast operations
- **2019:** Completed five acquisitions including Bouchard and Lovitt & Touché, confirming commitment to MMA build-out post JLT acquisition



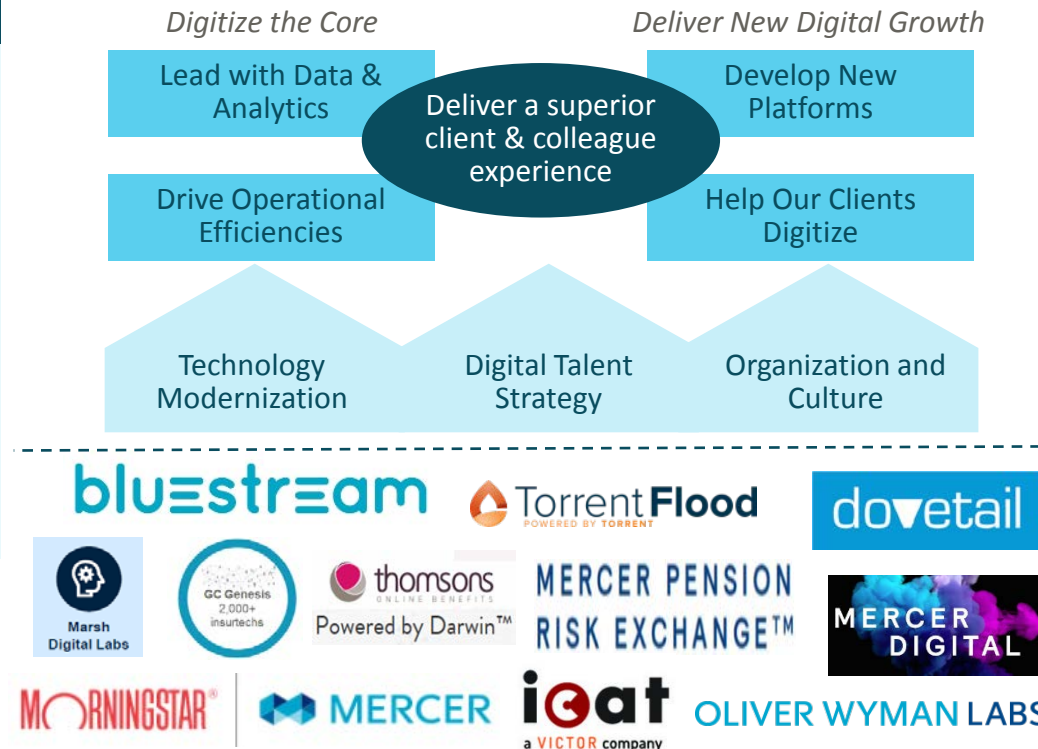
\*Revenue represents previously disclosed estimate of annualized run-rate as of 4Q19; \*\*Full year 2019.

# Shaping Industry Change Through Digital and Technology

## Highlights

- Significant organic investments in digital
- Transforming client experience through digital innovation
- Winning business through superior technology platform, experience and data
- Opportunity through digital to expand in small commercial
- Premium volume drives information advantage with data & analytics
- Opportunity for continued operating efficiency

## Embrace the Digital Future



1. Overview & Opportunity

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2. **A Compelling Investment**

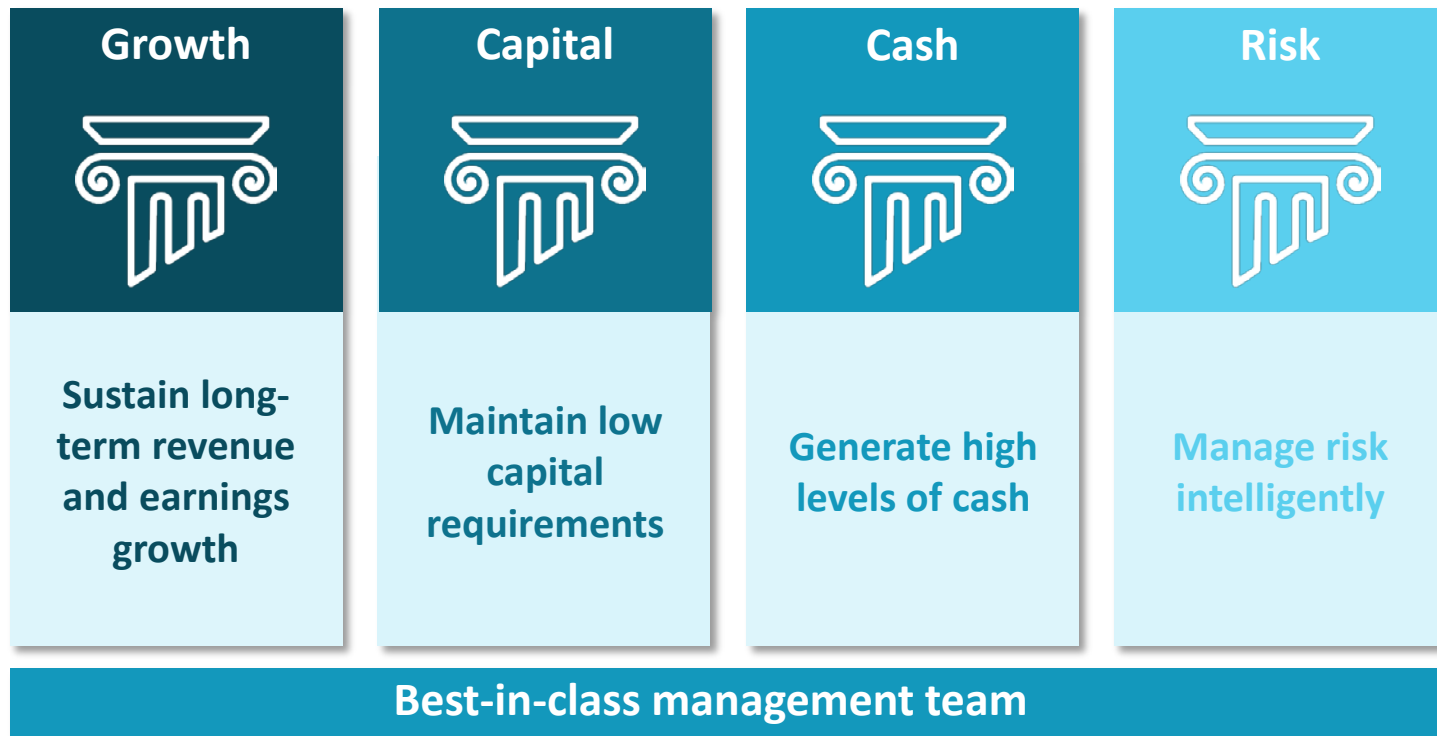
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3. Appendix

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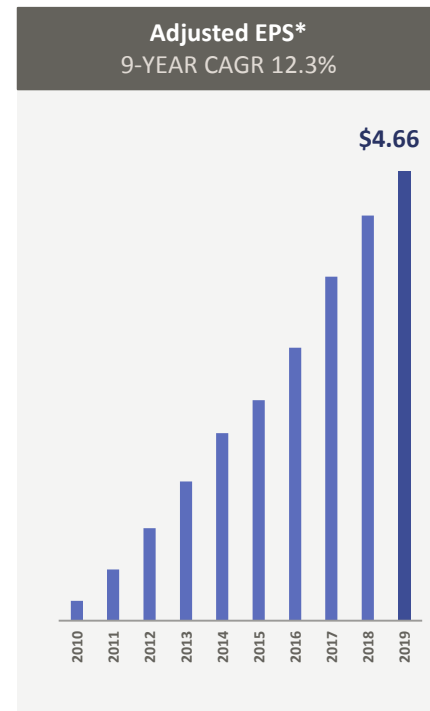
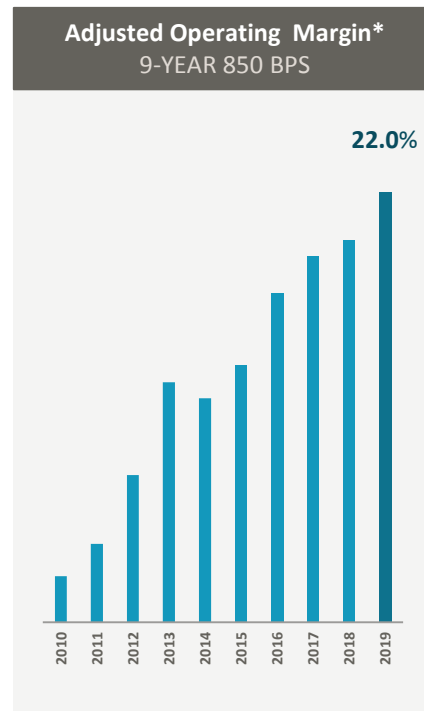
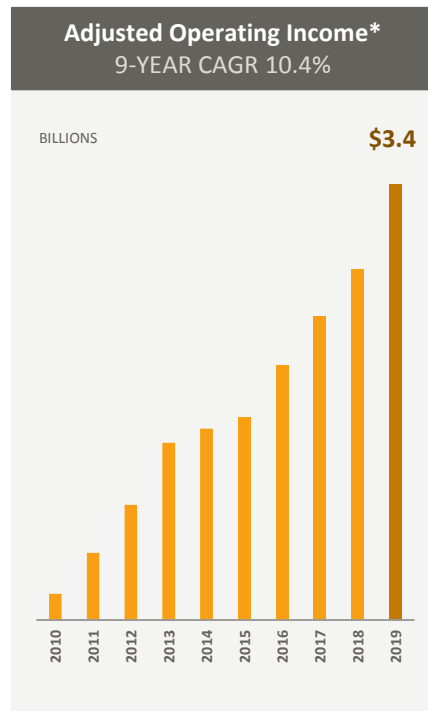
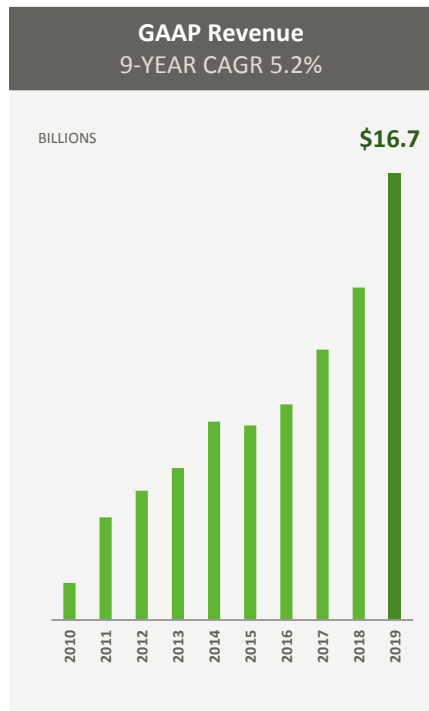


# A Compelling Core Holding For Any Long-term Portfolio





# We Have a History of Strong Growth



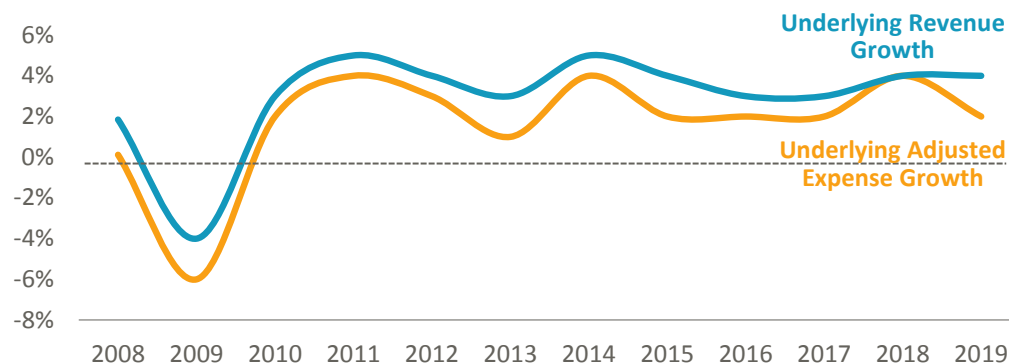
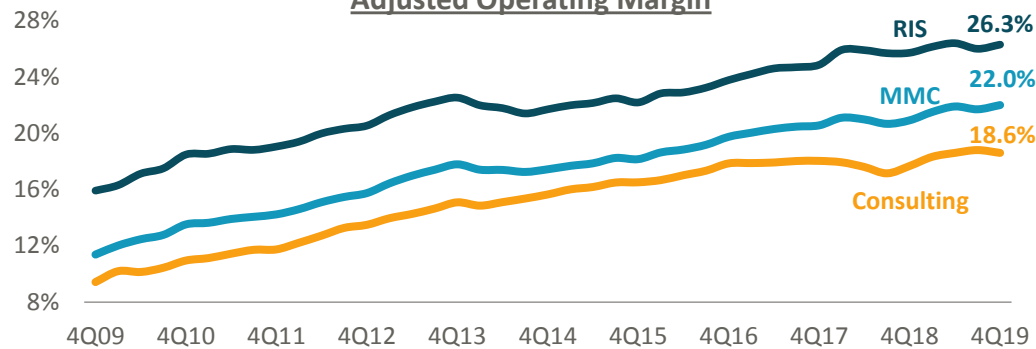
\*Reconciliation of Non-GAAP measures included in Appendix;

Periods prior to 03/31/2019 exclude JLT. Adjusted operating income and adjusted operating margin for 2017 and prior periods include the impact of the pension standard.



# Operating Leverage Produces Margin Expansion

## Adjusted Operating Margin



## Runway for Continued Operating Leverage

- 2019 marks 12th consecutive year MMC reported adjusted operating margin improvement
- Underlying revenue growth has met or exceeded underlying adjusted expense growth in each of the last 12 years
- Shared service, offshoring, centers of excellence in India accelerating through JLT acquisition
- Continued efficiency in office footprint
- Technology and automation offer potential for further operating efficiency
- Significant investments in global platforms enable scaling of global functional operating model
- Global alignment of procurement practices

Periods prior to 03/31/2019 exclude JLT. Adjusted operating margin for 2017 and prior periods is adjusted to reflect the impact of the pension standard. Reconciliation of Non-GAAP measures included in Appendix.

Underlying revenue and underlying adjusted expense growth measure the change in revenue and expense using consistent currency exchange rates, excluding the impact of certain items that affect comparability such as acquisitions, dispositions and transfers among businesses. Underlying revenue growth and underlying adjusted expense growth are as originally reported and do not include the impact of the pension standard.



# Disciplined and Balanced Capital Strategy

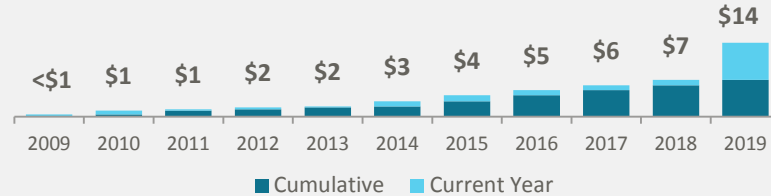
Invest for Organic Growth

High Quality Acquisitions

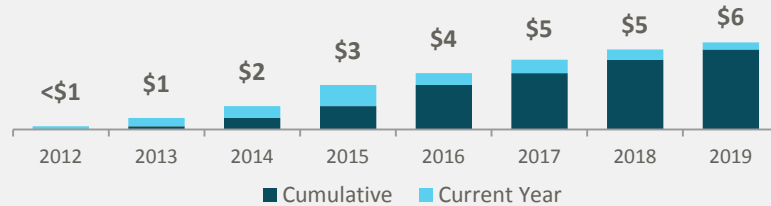
Reduce Shares  
Outstanding Annually

Double-Digit  
Dividend Growth

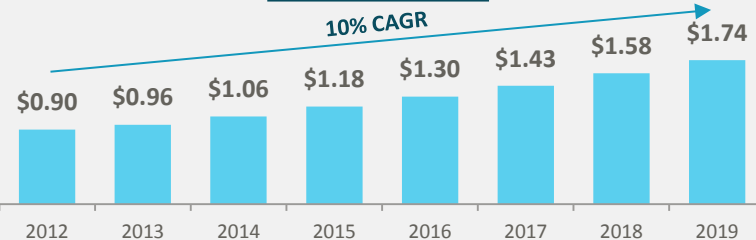
Cumulative Acquisition Consideration (\$ billions)



Cumulative Share Repurchases (\$ billions)



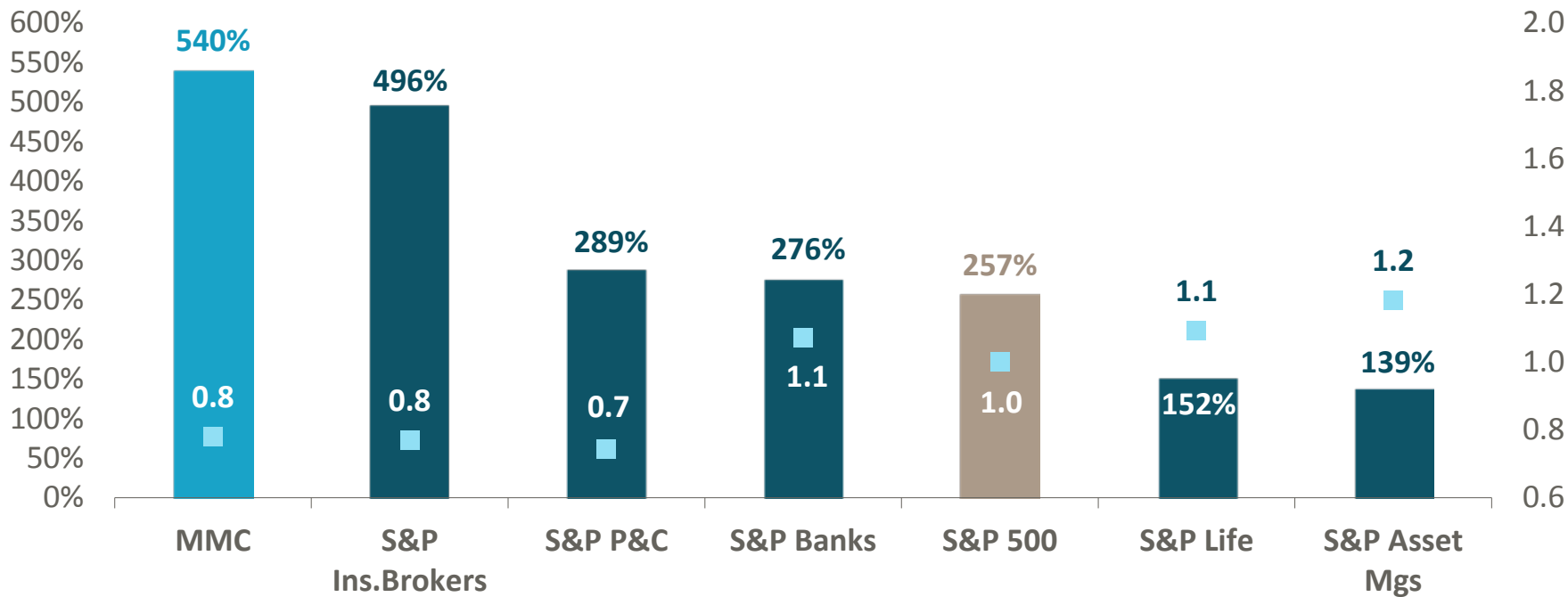
Dividends Per Share



# Stronger Returns with Lower Relative Volatility

12/31/09 – 12/31/19

Total Return



Sources: FactSet; Beta reflects end of period 3-year beta.

# Environmental, Social & Governance (ESG)

## A Commitment to Our Shareholders, Colleagues and Communities

### Areas of Focus



#### Environmental

- Reduce our carbon footprint
- Cut paper usage
- Recycling electronics
- Partner with suppliers to implement BEGREEN procurement
- Flood risk advisory



#### Social

- Unconscious bias & inclusive leadership training
- Colleague support through internal resource groups
- Veteran Talent Initiative
- Commitment to colleague training and development
- Human Rights policy



#### Governance

- Commitment to maintaining a diverse and inclusive Board
- Independent Chairman and directors
- Annual election of all independent directors
- Proxy access
- Pledge for 30% female board
- Cyber breach playbook

### Rankings and Recognition



Source: Institutional Shareholder Services; MMC Corporate Citizenship Report: <http://news-investors.mmc.com/environmental-social-governance>

1. Overview & Opportunity

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2. A Compelling Investment

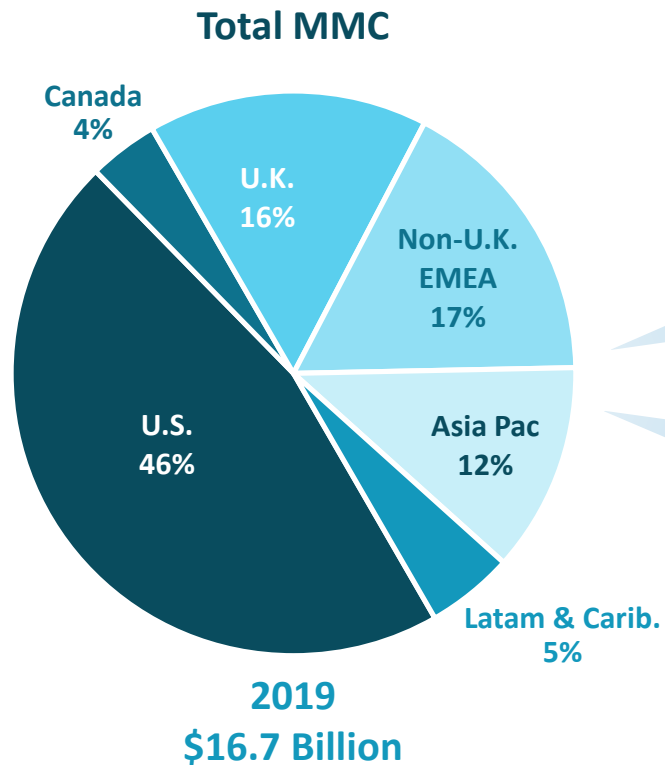
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3. **Appendix**

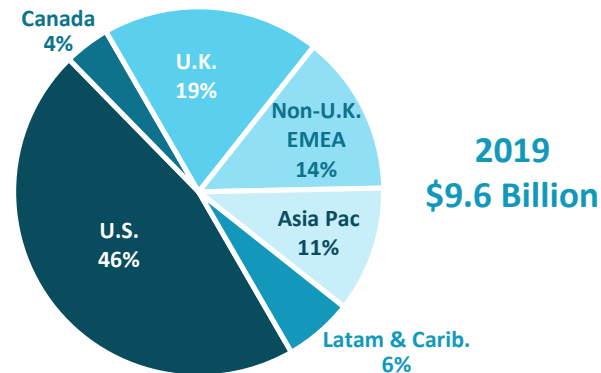
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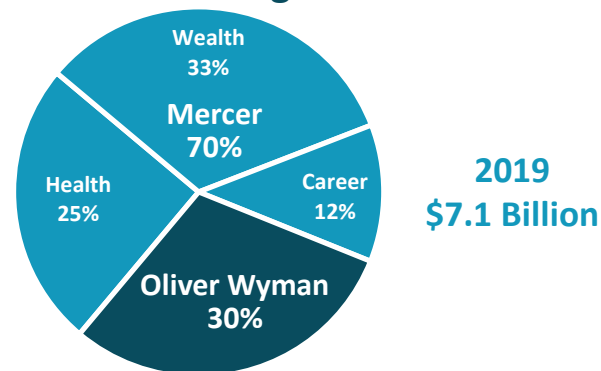
# Segment Revenues



## Risk & Insurance Services



## Consulting



Periods prior to 03/31/2019 exclude JLT, which had total revenues of approximately \$1.9 billion in 2018, per 8-K/A filed 06/06/2019. Segment revenues do not sum to total due to corporate / eliminations.



# Marsh

## INSURANCE BROKING & RISK MANAGEMENT

- Risk analysis
- Insurance program design and placement
- Insurance program support and administration
- Claims support and advocacy
- Alternative risk strategies

## MIDDLE MARKET & CORPORATE

### MMA

- Broad range of commercial property and casualty products and services
- U.S. & Canada

### Marsh Commercial

- Small to mid-market segment across the U.K.
- High quality technical advice, bespoke products, distinctive services

## COMMERCIAL & CONSUMER

### VICTOR

- One of the largest underwriting managers of professional liability and specialty insurance programs worldwide

### Dovetail Insurance

- Leading provider of cloud-based insurance services and transaction processing tailored to the U.S. small commercial market



Over **\$60 billion** in annualized global premiums placed\*



Nearly **90%** of Fortune 500®i companies are clients



Over **40,000** employees serving businesses, public entities and private clients in more than **130** countries

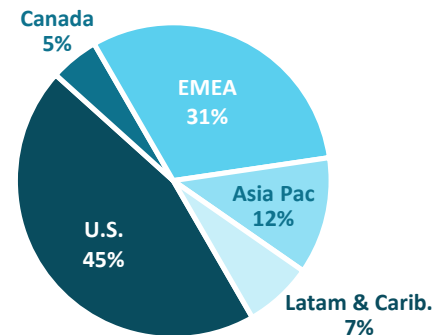


More than **35** risk, specialty and industry practices



Significant resources and depth of expertise, and significant investments in data & analytics

**2019 Revenue  
\$8.1 Billion**



Underlying Revenue Growth	2012	2013	2014	2015	2016	2017	2018	2019
	5%	3%	4%	3%	3%	3%	4%	4%



<sup>i</sup>FORTUNE 500 ® is a trademark of FORTUNE Media IP and is used under license;

\*MMC and JLT combined. Acquisition closed on 04/01/2019; Periods prior to 03/31/2019 exclude JLT, which had Specialty revenues of approximately \$1.3 billion in 2018, per 8-K/A filed 06/06/2019.

# Guy Carpenter

## MANAGING RISK

Integrated reinsurance broking teams around the world help our clients identify, mitigate and transfer risks to optimize return on risk-adjusted capital

## CAPITAL SOLUTIONS

Innovative capital, M&A and corporate finance solutions help our clients diversify and strengthen their balance sheets to gain a competitive advantage

## BUSINESS GROWTH

Comprehensive strategic solutions help our clients discover and develop new markets, new products and new distribution channels that achieve long-term growth



**\$40 billion** in annualized reinsurance premiums placed\*



More than **1,600** clients

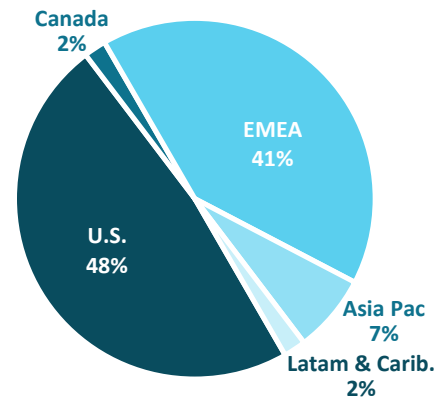


Over **3,000** employees in more than **60** offices worldwide



Sophisticated data and analytics expertise used for comprehensive mapping for NFIP

**2019 Revenue**  
**\$1.5 Billion**



Underlying Revenue Growth	2012	2013	2014	2015	2016	2017	2018	2019
	6%	5%	2%	2%	2%	4%	7%	5%



\*MMC and JLT combined. Acquisition closed on 04/01/2019; Periods prior to 03/31/2019 exclude JLT, which had Reinsurance revenues of approximately \$0.3 billion in 2018, per 8-K/A filed 06/06/2019.

# Mercer

Advice and digital solutions to help organizations meet health, wealth and career needs

## HEALTH

- Private Health Exchange
- Employee Benefits
- Global Benefits
- Health Benefits Administration
- Affinity Benefits



**MERCER MARKETPLACE<sup>SM</sup>**  
EMPOWERING BENEFITS 365

## WEALTH

- Defined Benefit Pension Plans
- Defined Contribution Plans
- Employee Financial Wellness
- Alternative Investments
- Endowments and Foundations
- Insurance Investment
- Financial Intermediary Partnerships
- Retirement Plan Administration
- Pension Risk Management
- Outsourced CIO

**MERCER PENSION  
RISK EXCHANGE<sup>TM</sup>**

**MERCER INSIGHTS**

## CAREER

- Talent Strategy
- Executive Compensation
- Workforce Rewards
- Talent Mobility
- HR Transformation
- Employee Communication
- Workday



Over **95%** of Fortune 500<sup>®i</sup> companies are clients



**86%** of FTSE 100 are clients



Serving clients with more than **115 million** employees in over **130** countries

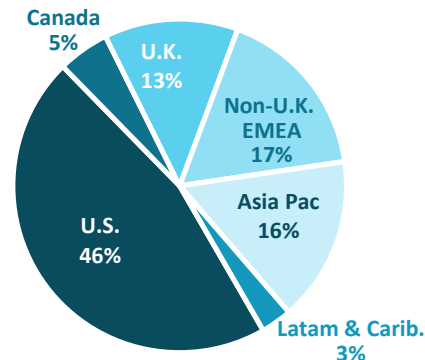


Over **25,000** employees



**\$305 billion** announced AUDM as of 4Q19

**2019 Revenue  
\$5.0 Billion**



Underlying Revenue Growth	2012	2013	2014	2015	2016	2017	2018	2019
	4%	4%	3%	4%	3%	2%	3%	2%



<sup>i</sup>FORTUNE 500<sup>®</sup> is a trademark of FORTUNE Media IP and is used under license;  
Periods prior to 03/31/2019 exclude JLT, which had Health & Benefits revenues of approximately \$0.4 billion in 2018, per 8-K/A filed 06/06/2019.

# Oliver Wyman

## OLIVER WYMAN

### Select Industry Groups:

- Financial Services
- Transportation
- Health & Life Sciences
- Retail & Consumer Products
- Industrial Products
- Energy

### Select Functional Specializations:

- Strategy
- Operations and Organizational Effectiveness
- Digital
- Risk Management
- Actuarial

## NERA

### Specialized Practice Areas:

- Antitrust
- Securities
- Complex commercial litigation
- Energy
- Environmental economics
- Network industries
- Intellectual property
- Product liability and mass torts
- Transfer pricing

## LIPPINCOTT

- Brand strategy and design consulting firm
- Corporate branding, identity and image



More than **3,000** clients including the world's largest corporations



Over **5,000** employees in more than **30** countries and in over **70** cities

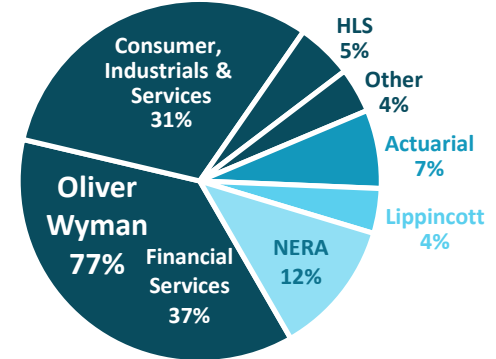


Expanding digital, technology and analytics (DTA) team of approximately **600** colleagues



Leading positions in Financial Services, Consumer and Retail, Health & Life Sciences, Industrials, Transportation & Energy

**2019 Revenue  
\$2.1 Billion**



Underlying Revenue Growth	2012	2013	2014	2015	2016	2017	2018	2019
	3%	-1%	15%	7%	3%	7%	5%	6%



# Marsh & McLennan Companies

## *Reconciliation of Non-GAAP Measures (\$Millions)*

### Adjusted Operating Income and Adjusted Operating Margin

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	10,730	9,831	10,550	11,526	11,924	12,261	12,951	12,893	13,211	14,024	14,950	16,652
Operating Income as Reported*	445	568	832	1,552	1,770	2,053	2,124	2,184	2,431	2,655	2,761	2,677
Restructuring Charges	328	243	141	51	78	22	12	28	44	40	161	447
Settlement, Legal & Regulatory	51	242	10	(21)	(2)	-	-	-	-	15	-	-
Adj. to Acquisition Related Accts.	-	-	-	(1)	(35)	32	37	51	15	3	32	68
Other	89	39	393	(7)	(6)	(3)	(1)	(38)	(15)	1	(16)	159
Adjustments	468	524	544	22	35	51	48	41	44	59	177	674
Operating Income as Adjusted	913	1,092	1,376	1,574	1,805	2,104	2,172	2,225	2,475	2,714	2,938	3,351
Identified intangible amortization expense	31	26	50	66	72	77	86	109	130	169	183	314
Operating Margin as Reported	4.1%	5.8%	7.9%	13.5%	14.8%	16.7%	16.4%	16.9%	18.4%	18.9%	18.5%	16.1%
Operating Margin as Adjusted	8.8%	11.4%	13.5%	14.2%	15.7%	17.8%	17.4%	18.2%	19.7%	20.6%	20.9%	22.0%

Periods prior to 03/31/2019 exclude JLT; \*2017 and prior periods are adjusted to reflect the impact of the pension standard.

Other in 2010 includes \$400 million net Alaska litigation settlement; 2018 and 2019 include JLT Acquisition related costs and disposal of businesses.

Adjusted operating income is calculated by excluding the impact of certain noteworthy items from the Company's GAAP operating income. The above table identifies these noteworthy items and reconciles adjusted operating income to GAAP operating income on a consolidated basis.

Adjusted operating margin is calculated by dividing the sum of adjusted operating income plus identified intangible asset amortization by consolidated or Segment adjusted revenue.



# Risk & Insurance Services

## *Reconciliation of Non-GAAP Measures (\$Millions)*

### Adjusted Operating Income and Adjusted Operating Margin

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	5,466	5,284	5,557	6,079	6,350	6,596	6,931	6,869	7,143	7,630	8,228	9,599
Operating Income as Reported*	280	637	871	1,125	1,272	1,385	1,389	1,366	1,581	1,731	1,864	1,833
Restructuring Charges	193	169	102	1	8	7	5	8	3	11	99	263
Settlement, Legal & Regulatory	51	12	10	(21)	-	-	-	-	-	15	-	-
Adj. to Acquisition Related Accts.	-	-	-	(1)	(32)	31	37	56	12	-	22	65
Other	25	8	5	-	(2)	(1)	-	-	(9)	1	(29)	118
Adjustments	269	189	117	(21)	(26)	37	42	64	6	27	92	446
Operating Income as Adjusted	549	826	988	1,104	1,246	1,422	1,431	1,430	1,587	1,758	1,956	2,279
Identified intangible amortization expense	15	15	39	54	58	64	73	94	109	139	151	260
Operating Margin as Reported	5.1%	12.1%	15.7%	18.5%	20.0%	21.0%	20.0%	19.9%	22.1%	22.7%	22.7%	19.1%
Operating Margin as Adjusted	10.3%	15.9%	18.5%	19.0%	20.5%	22.5%	21.7%	22.2%	23.8%	24.9%	25.7%	26.3%

Periods prior to 03/31/2019 exclude JLT; \*2017 and prior periods are adjusted to reflect the impact of the pension standard.

Other in 2018 and 2019 includes JLT Acquisition related costs and disposal of businesses.

Adjusted operating income is calculated by excluding the impact of certain noteworthy items from the Company's GAAP operating income. The above table identifies these noteworthy items and reconciles adjusted operating income to GAAP operating income on a segment basis.

Adjusted operating margin is calculated by dividing the sum of adjusted operating income plus identified intangible asset amortization by consolidated or Segment adjusted revenue.



# Consulting

## *Reconciliation of Non-GAAP Measures (\$Millions)*

### Adjusted Operating Income and Adjusted Operating Margin

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	5,196	4,609	5,042	5,487	5,613	5,701	6,059	6,064	6,112	6,444	6,779	7,143
Operating Income as Reported*	501	351	117	601	688	845	934	1,014	1,038	1,110	1,099	1,210
Restructuring Charges	40	42	24	31	58	2	1	8	34	19	52	74
Adj. to Acquisition Related Accts.	-	-	-	-	(3)	1	-	(5)	3	3	10	3
Other	-	30	400	-	-	(1)	-	(37)	(6)	-	6	(12)
Adjustments	40	72	424	31	55	2	1	(34)	31	22	68	65
Operating Income as Adjusted	541	423	541	632	743	847	935	980	1,069	1,132	1,167	1,275
Identified intangible amortization expense	16	11	11	12	14	13	13	15	21	30	32	54
Operating Margin as Reported	9.6%	7.6%	2.3%	11.0%	12.3%	14.8%	15.4%	16.7%	17.0%	17.2%	16.2%	16.9%
Operating Margin as Adjusted	10.7%	9.4%	10.9%	11.7%	13.5%	15.1%	15.6%	16.5%	17.9%	18.0%	17.7%	18.6%

Periods prior to 03/31/2019 exclude JLT; \*2017 and prior periods are adjusted to reflect the impact of the pension standard.

Other in 2010 includes \$400 million net Alaska litigation settlement; 2015 and 2016 reflect the gain on the disposal of Mercer's U.S. defined contribution recordkeeping business; 2018 and 2019 include disposal of businesses; 2019 includes JLT Acquisition related costs.

Adjusted operating income is calculated by excluding the impact of certain noteworthy items from the Company's GAAP operating income. The above table identifies these noteworthy items and reconciles adjusted operating income to GAAP operating income on a segment basis.

Adjusted operating margin is calculated by dividing the sum of adjusted operating income plus identified intangible asset amortization by consolidated or Segment adjusted revenue.





# Marsh & McLennan Companies

## *Reconciliation of Non-GAAP Measures*

### Adjusted Earnings per Share

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Diluted EPS, Continuing Operations</b>	<b>\$0.88</b>	<b>\$0.70</b>	<b>\$0.96</b>	<b>\$1.00</b>	<b>\$1.73</b>	<b>\$2.13</b>	<b>\$2.42</b>	<b>\$2.61</b>	<b>\$2.98</b>	<b>\$3.38</b>	<b>\$2.87</b>	<b>\$3.23</b>	<b>\$ 3.41</b>
Adjustments, after tax	0.45	0.70	0.65	0.64	0.13	0.02	0.06	0.21	0.07	0.04	1.05	1.12	1.25
<b>Diluted EPS as Adjusted</b>	<b>\$1.33</b>	<b>\$1.40</b>	<b>\$1.61</b>	<b>\$1.64</b>	<b>\$1.86</b>	<b>\$2.15</b>	<b>\$2.48</b>	<b>\$2.82</b>	<b>\$3.05</b>	<b>\$3.42</b>	<b>\$3.92</b>	<b>\$4.35</b>	<b>\$ 4.66</b>
Tax Benefit			<u>(\$0.18)</u>										
<b>Normalized for Tax Benefit</b>			<b>\$1.43</b>										

Periods prior to 03/31/2019 exclude JLT.

2014 and 2011 adjusted EPS excludes expense of \$0.15 and \$0.09, respectively, related to early extinguishment of debt.

Please see our fourth quarter 2019 earnings released furnished on Form 8-K for additional information regarding the adjustments for Adjusted EPS.





MARSH & McLENNAN  
COMPANIES