



MARSH & McLENNAN  
COMPANIES

# Results through Fourth Quarter 2017

## 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: the impact of any investigations, reviews, market studies or other activity by regulatory or law enforcement authorities, including the recently-announced UK FCA wholesale insurance broker market study and the ongoing investigations by the European Commission; the impact from lawsuits, other contingent liabilities and loss contingencies arising from errors and omissions, breach of fiduciary duty or other claims against us; 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 volume of our vendor network and the need to patch software vulnerabilities; our ability to compete effectively and adapt to changes in the competitive environment, including to respond to disintermediation, digital disruption and other types of innovation; the financial and operational impact of complying with laws and regulations where we operate, including cybersecurity and data privacy regulations such as the E.U.'s General Data Protection Regulation, anti-corruption laws and trade sanctions regimes; the regulatory, contractual and reputational risks that arise based on insurance placement activities and various broker revenue streams; the extent to which we manage risks associated with the various services, including fiduciary and investments and other advisory services; our ability to successfully recover if we experience a business continuity problem due to cyberattack, natural disaster or otherwise; the impact of changes in tax laws, guidance and interpretations, including related to certain provisions of the U.S. Tax Cuts and Jobs Act, or disagreements with tax authorities; the impact of fluctuations in foreign exchange and interest rates on our results; the impact of macroeconomic, political, regulatory or market conditions on us, our clients and the industries in which we operate; and the impact of changes in accounting rules or in our accounting estimates or assumptions, including the impact of the adoption of the new revenue recognition and pension accounting standards.

The factors identified above are not exhaustive. 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. 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. We undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances arising after the date on which it is made.

## 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.



**President & CEO  
Dan Glaser**

**Risk & Insurance Services**

**Consulting**

**Marsh**

John Doyle

**Guy  
Carpenter**

Peter Hearn

**Mercer**

Julio Portalatin

**Oliver  
Wyman**

Scott McDonald



# A preeminent global professional services firm



**2017\***  
**Revenue**  
**\$14.0 Billion**



**2017\***  
**Adjusted Operating Income**  
**\$3.0 Billion**

\*12 months ended 12/31/17  
Reconciliation of Non-GAAP measures included in Appendix



# We're Global Leaders in Risk, Strategy and People



Annual revenue of more than \$14 billion

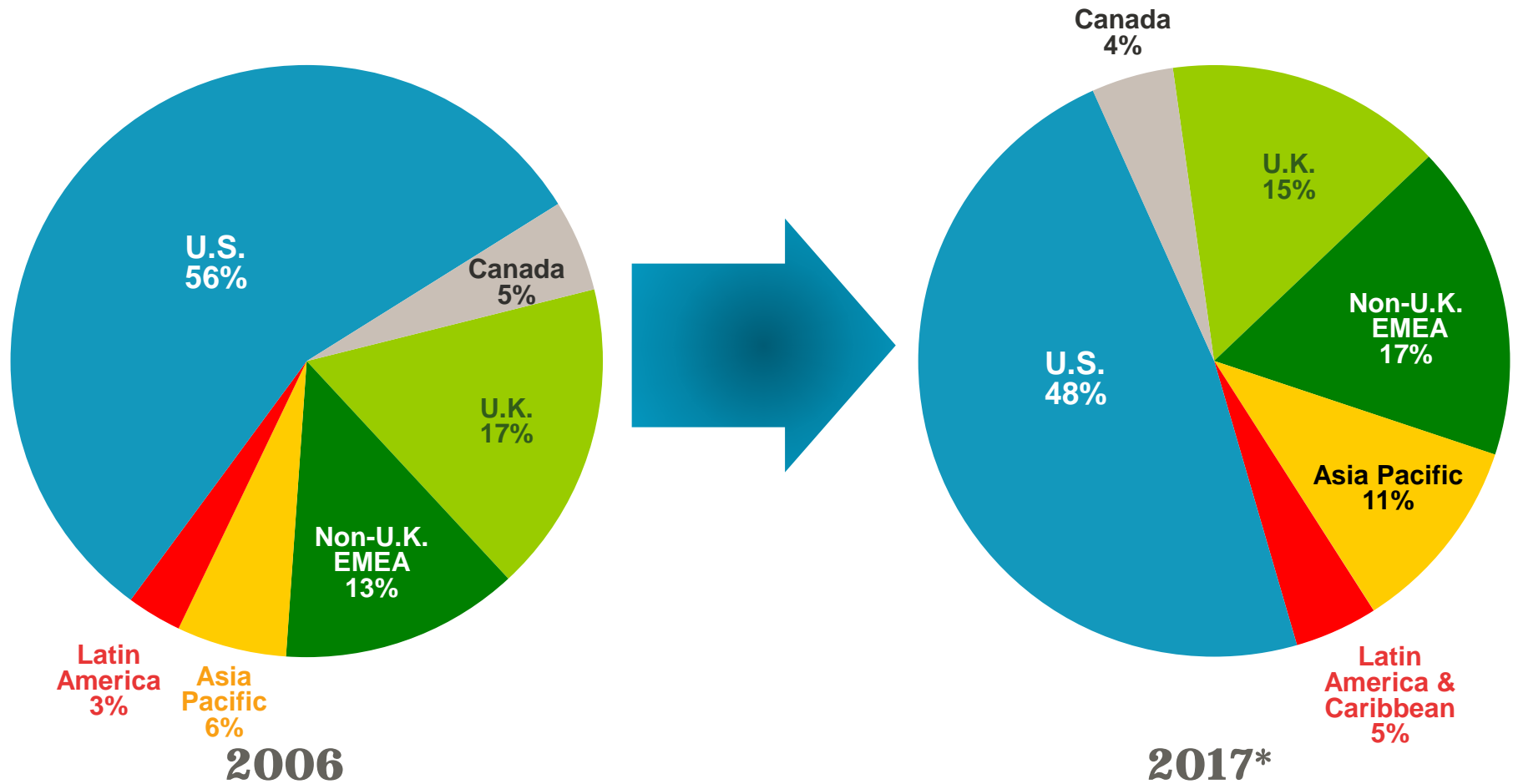
More than 64,000 colleagues globally

Clients in more than 130 countries

145-year history of leadership and innovation



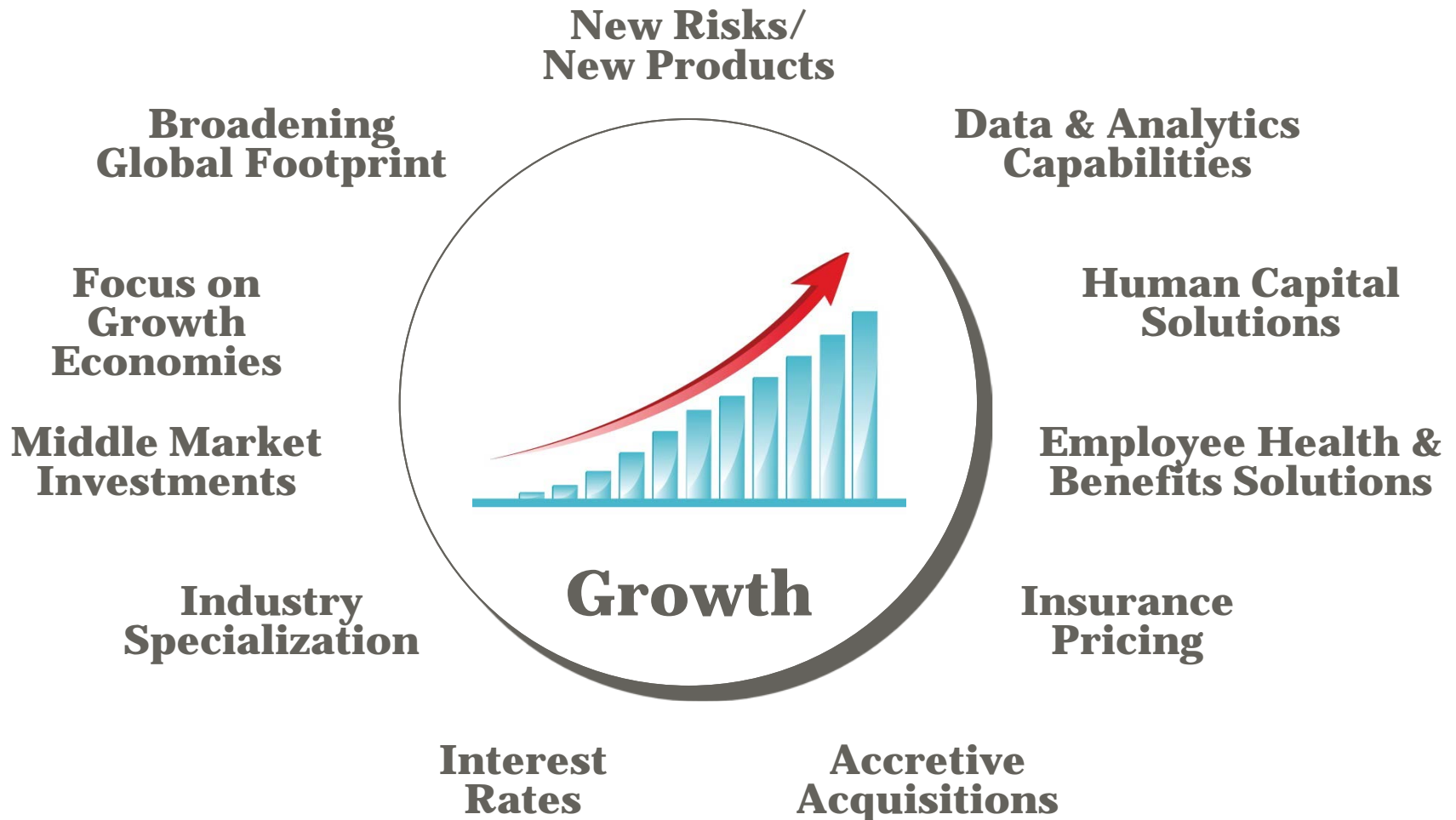
# Expanding Global Presence



\*12 months ended 12/31/17



# Strategic & Macro Drivers of Long-Term Growth



# Shift to Higher Growth Areas

## Geographies

- Latin America
- Africa

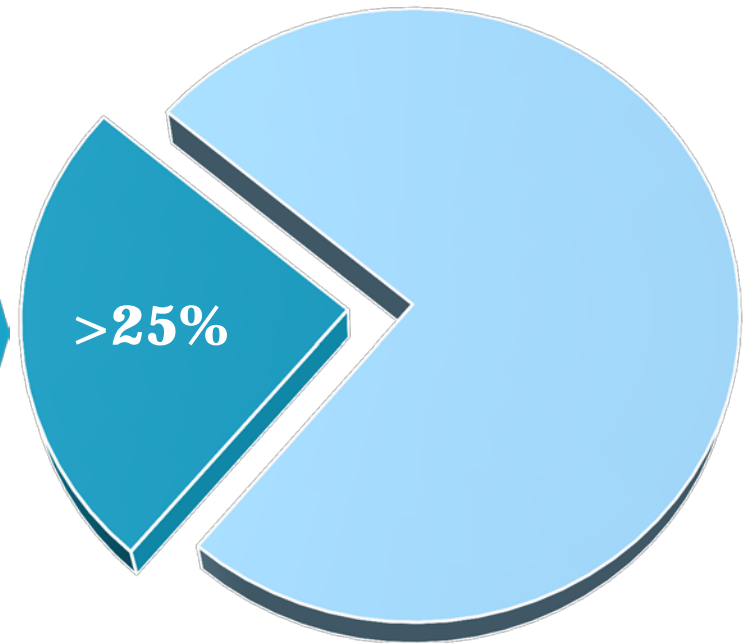
## Market Segments

- (MMA) Marsh & McLennan Agency
- Mercer Marketplace 365
- SME (U.K.)
- Investment Consulting
- Alternative Capital

## Capabilities

- Data & Analytics
- Cyber
- OW Labs
- MarketConnect
- Mercer Digital
- Workday (CPSG)
- Flood (Torrent)

**Focus  
Growth  
Areas**



**2016 Revenue \$13 billion**





# Four Pillars for Investment Performance – Introduced September 2010

## Growth



**Sustain  
long-term  
revenue and  
earnings  
growth**

## Capital



**Maintain low  
capital  
requirements**

## Cash



**Generate  
high levels of  
cash**

## Risk

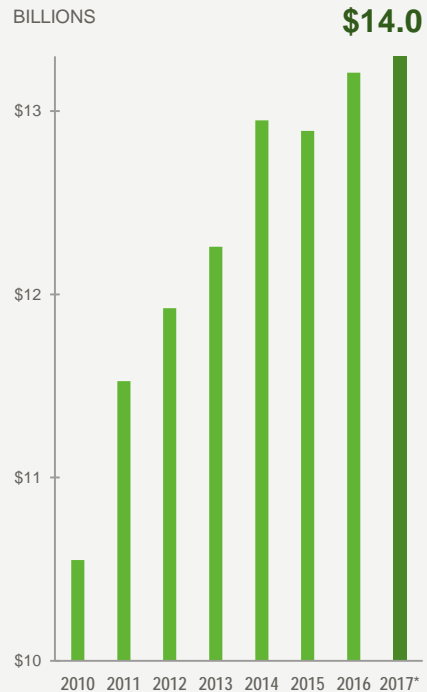


**Manage risk  
intelligently**

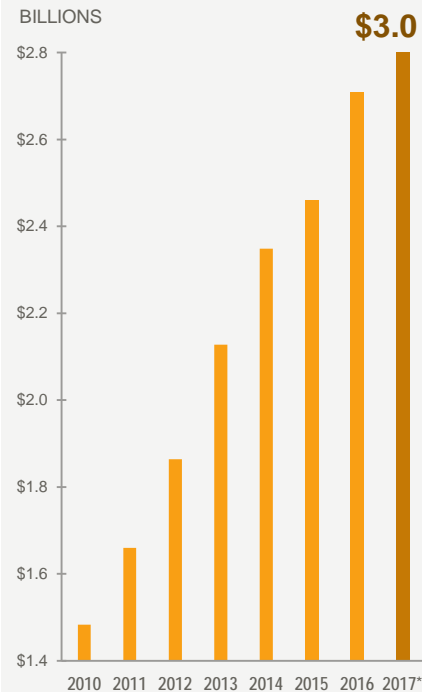


# We Have a History of Strong Growth

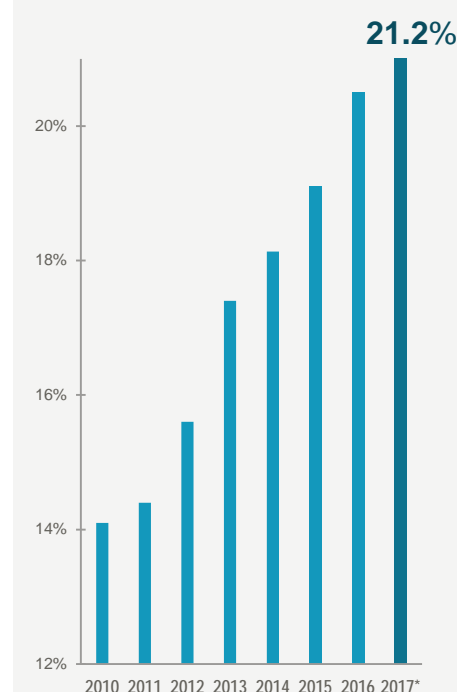
GAAP Revenue  
7-YEAR CAGR 4.2%



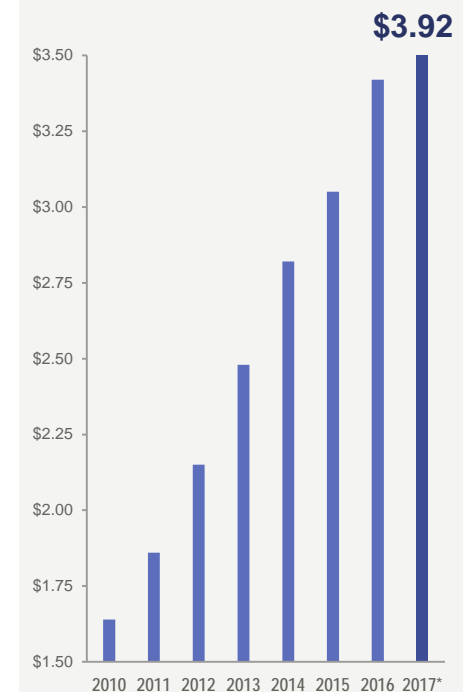
Adjusted Operating Income  
7-YEAR CAGR 10.4%



Adjusted Operating Margin  
7-YEAR +710BPS



Adjusted EPS  
7-YEAR CAGR 13.3%

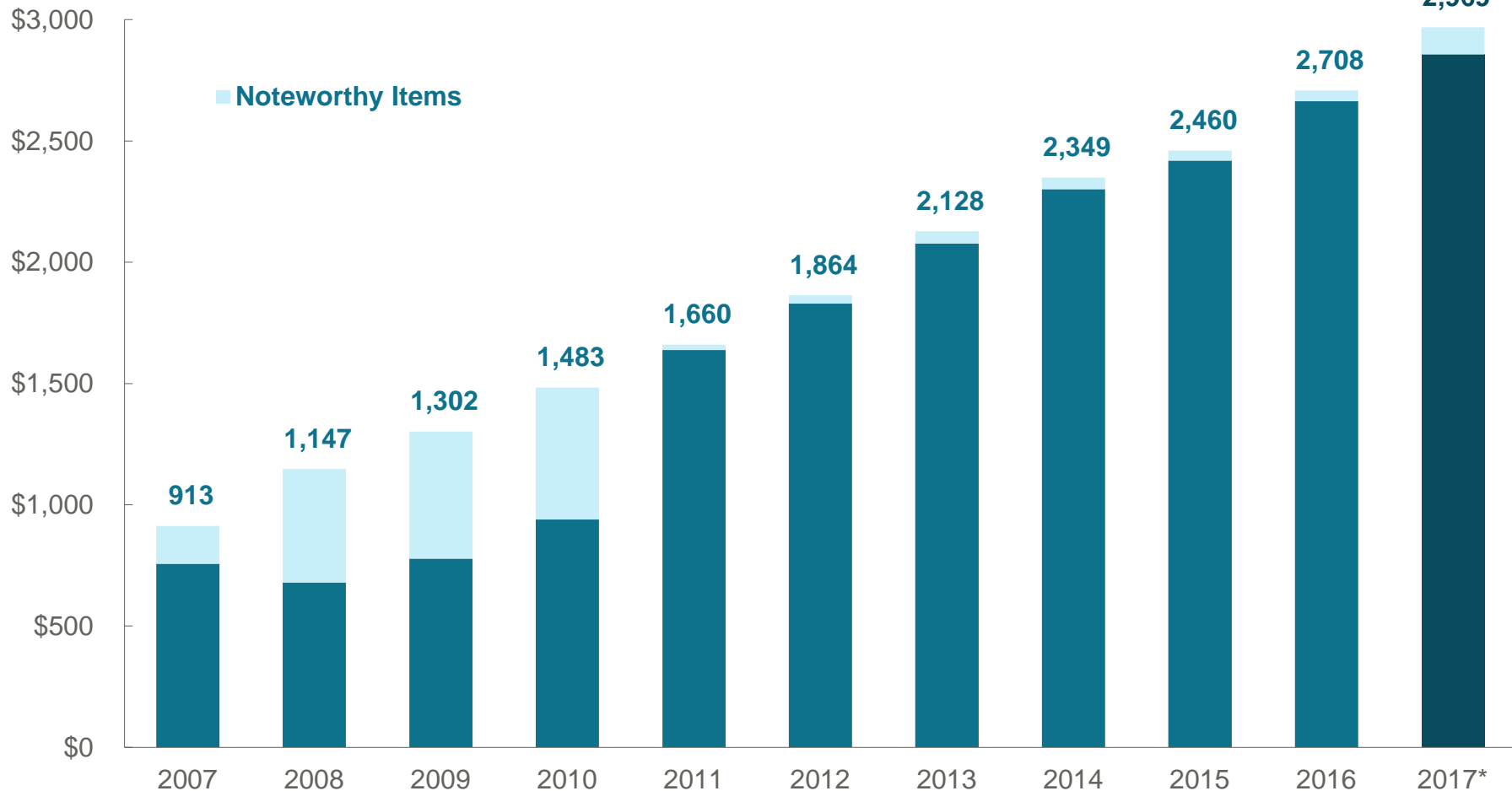


\*12 months ended 12/31/17



# Adjusted Operating Income

Millions

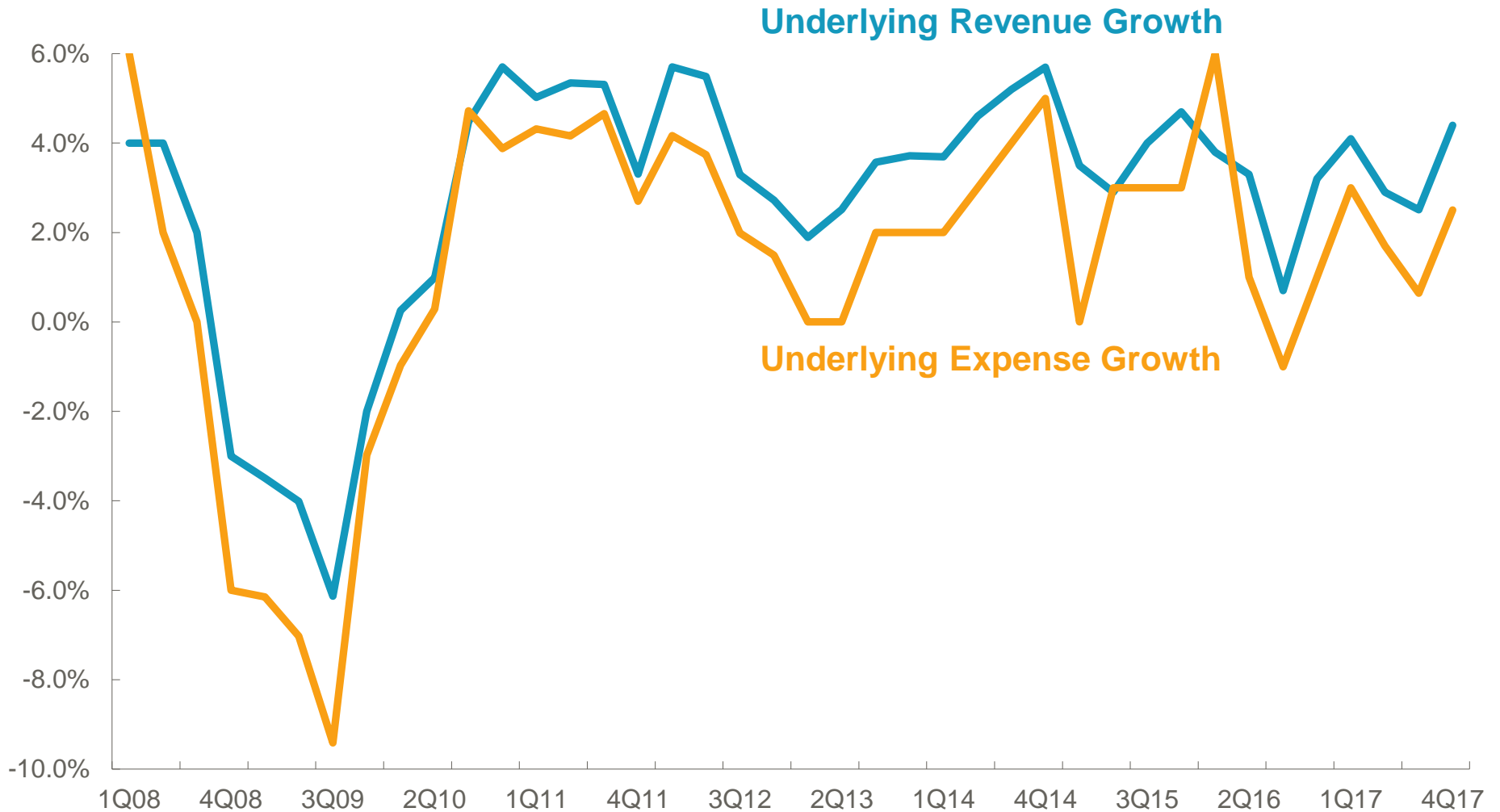


**CAGR: 13%**

\*12 months ended 12/31/17  
Reconciliation of Non-GAAP measures included in Appendix



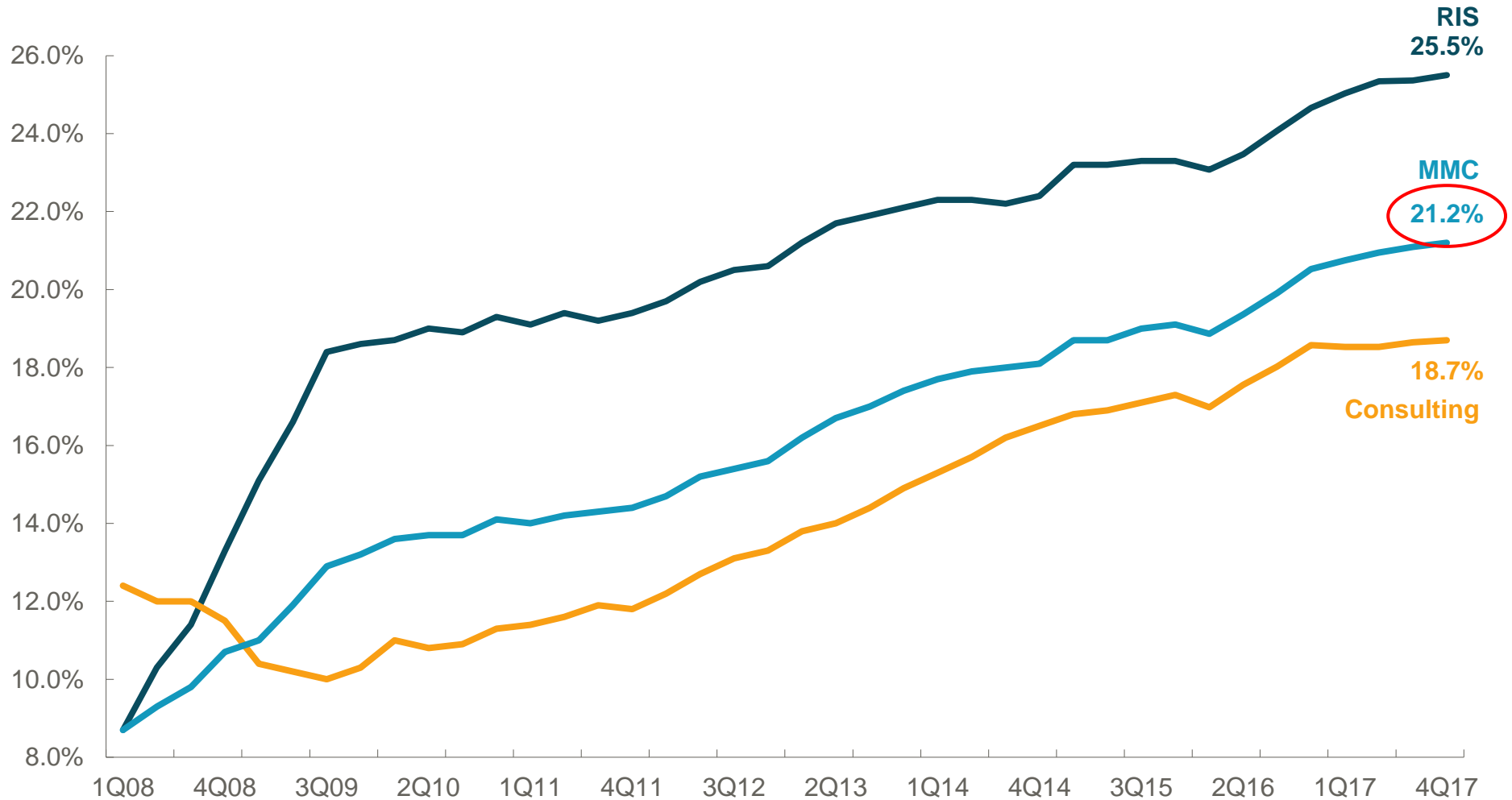
# Operating Leverage Produces Margin Expansion



Underlying revenue and expense 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.



# Adjusted Operating Margin: Rolling 4 Quarters



Includes amortization expense  
Reconciliation of Non-GAAP measures included in Appendix



# Capital Allocation Priorities



**Investment for organic growth**



**Strong dividend growth**



**Quality acquisitions**

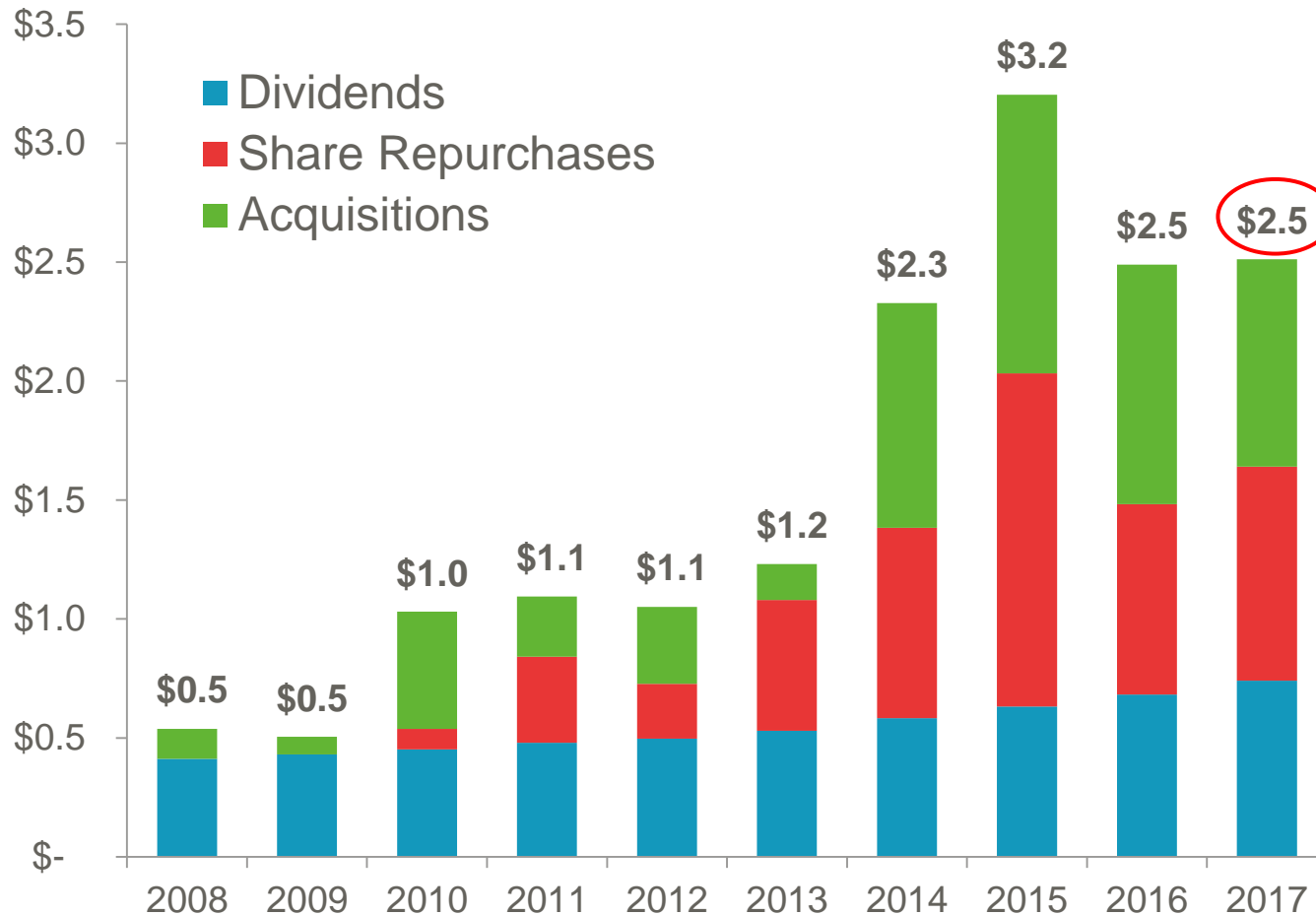


**Share repurchase**



# Dividends, Share Repurchases and Acquisitions

Billions

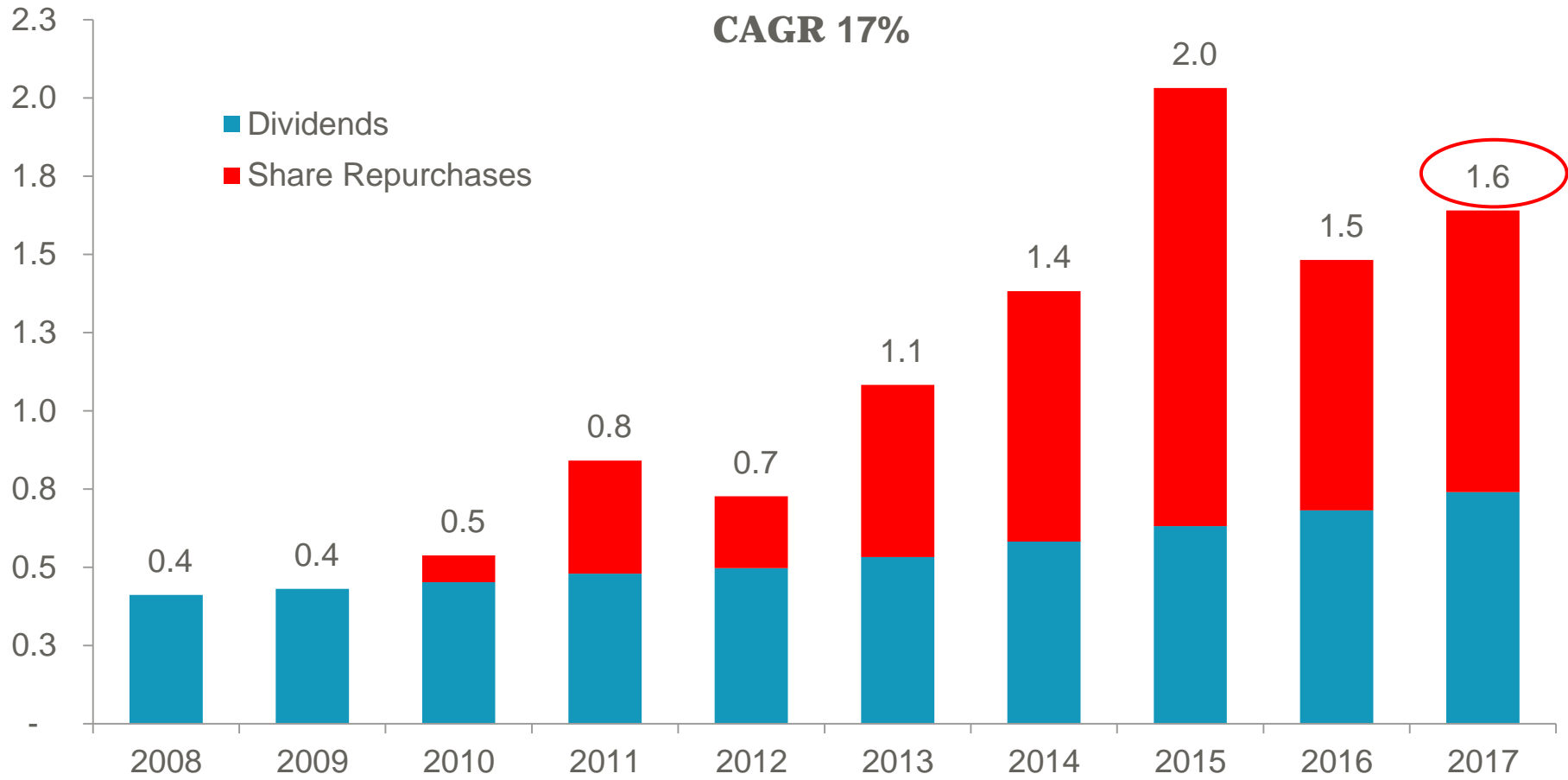


**Over the past 4 years, we have delivered on our commitment to reduce shares outstanding each year and increase our annual dividends per share by double-digits.**



# Returning Cash to Shareholders

Billions



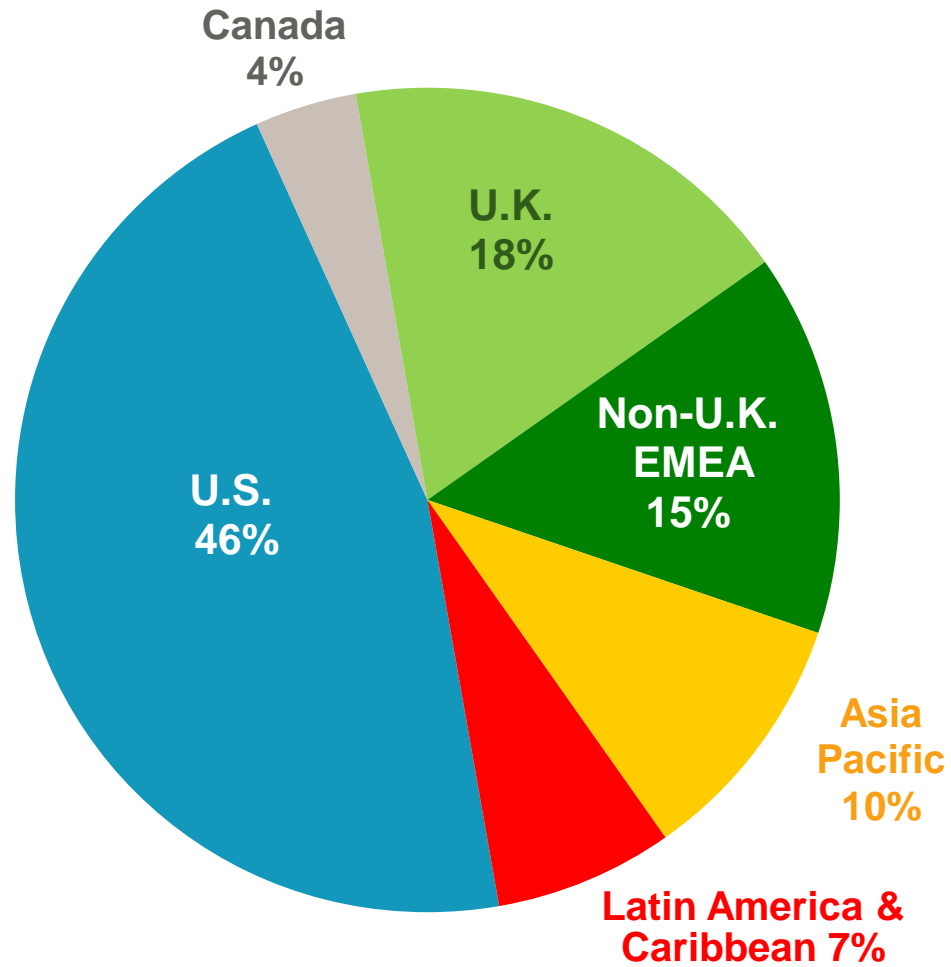


# **RISK & INSURANCE SERVICES**

Marsh and Guy Carpenter

# Risk & Insurance Services

*Revenue*

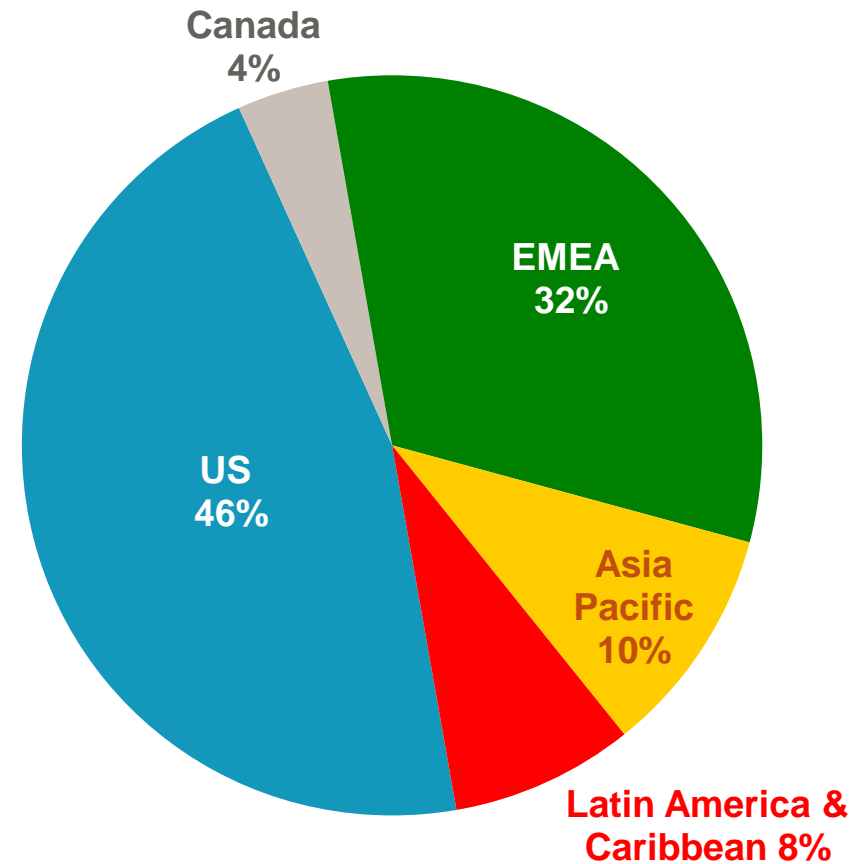


**2017\***  
**\$7.6 Billion**



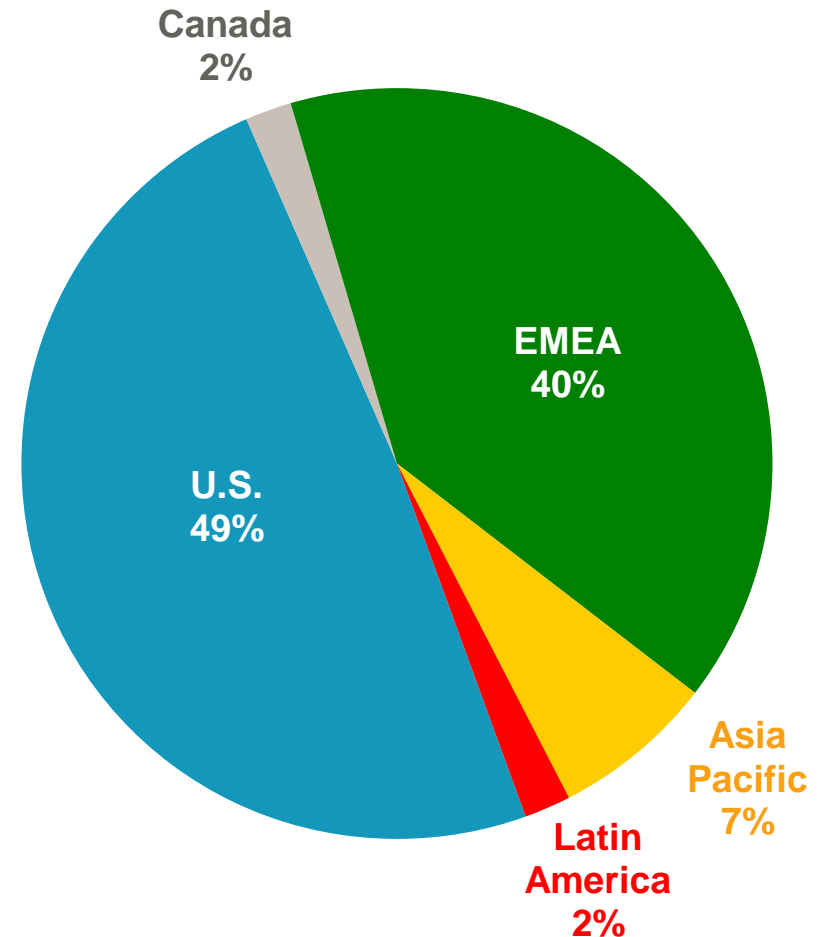
\*12 months ended 12/31/17

- Over 32,000 colleagues serve businesses, public entities and private clients in more than 130 countries
- More than 35 risk, specialty and industry practices
- Industry-leading content and intellectual capital
- Significant resources and depth of expertise
- \$55 Billion in global premium



**2017\* Revenue  
\$6.4 Billion**

- 2,300 employees in over 50 offices worldwide
- 1,600 clients
- Serves clients through specialized reinsurance broking expertise, strategic advisory services, and industry-leading analytics
- Places \$26 Billion in reinsurance premiums annually



**2017\* Revenue**  
**\$1.2 Billion**

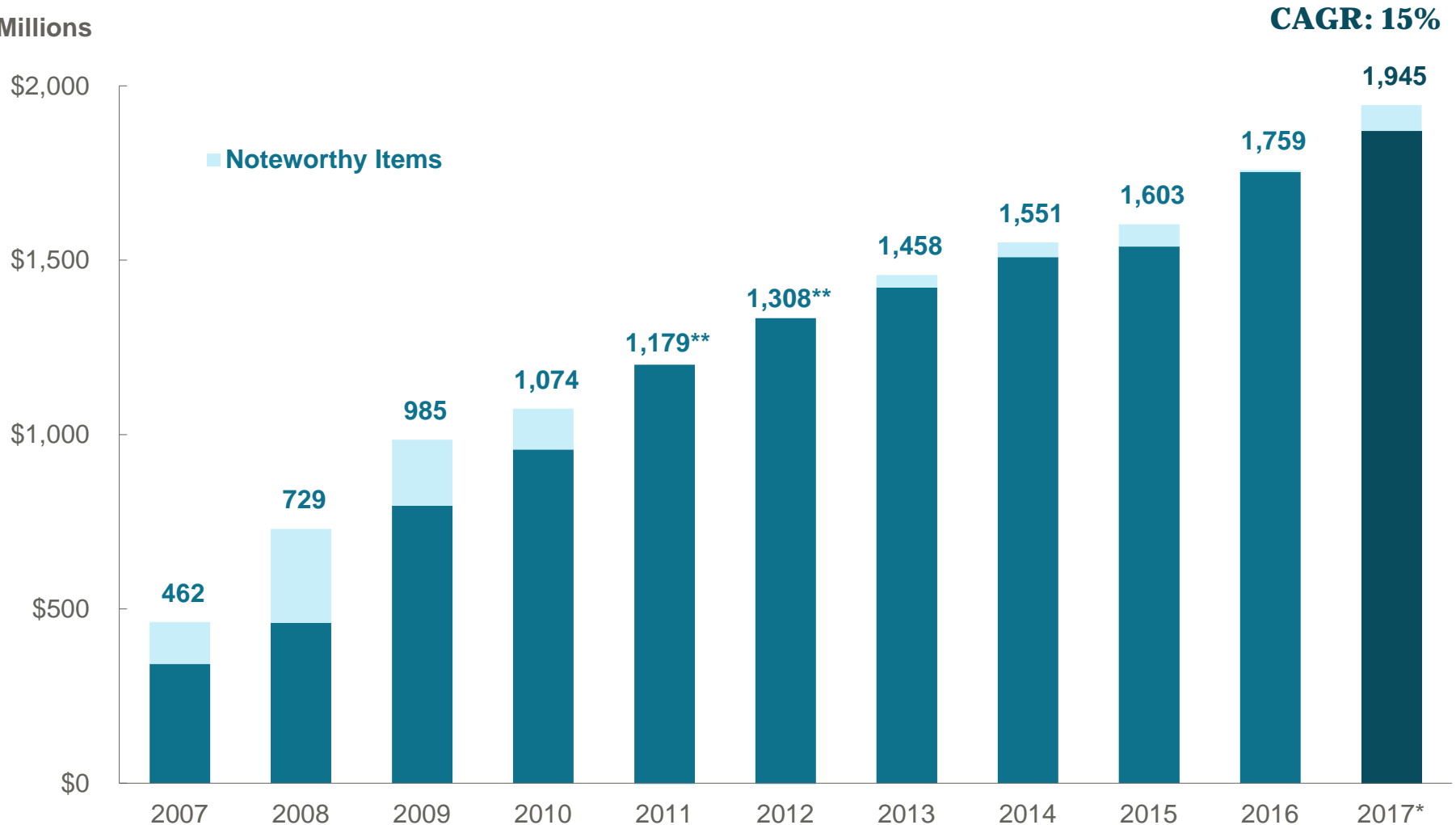


\*12 months ended 12/31/17

# Risk & Insurance Services

## *Adjusted Operating Income*

Millions



\*12 months ended 12/30/17; \*\*Operating Income as Reported was \$1,200 and \$1,334 in 2011 and 2012, respectively and noteworthy items were -\$21 and -\$26 million, respectively

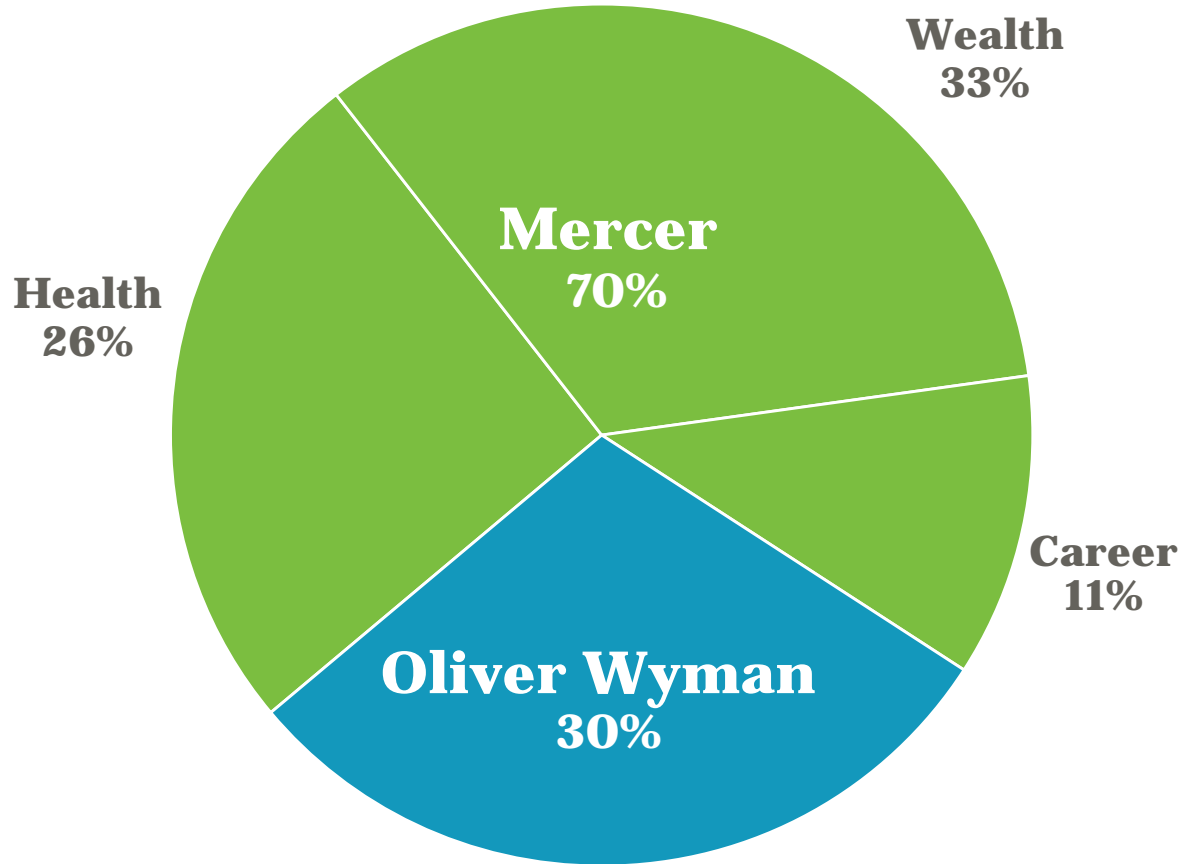


Reconciliation of Non-GAAP measures included in Appendix

**CONSULTING**

Mercer and Oliver Wyman

# Consulting Revenue

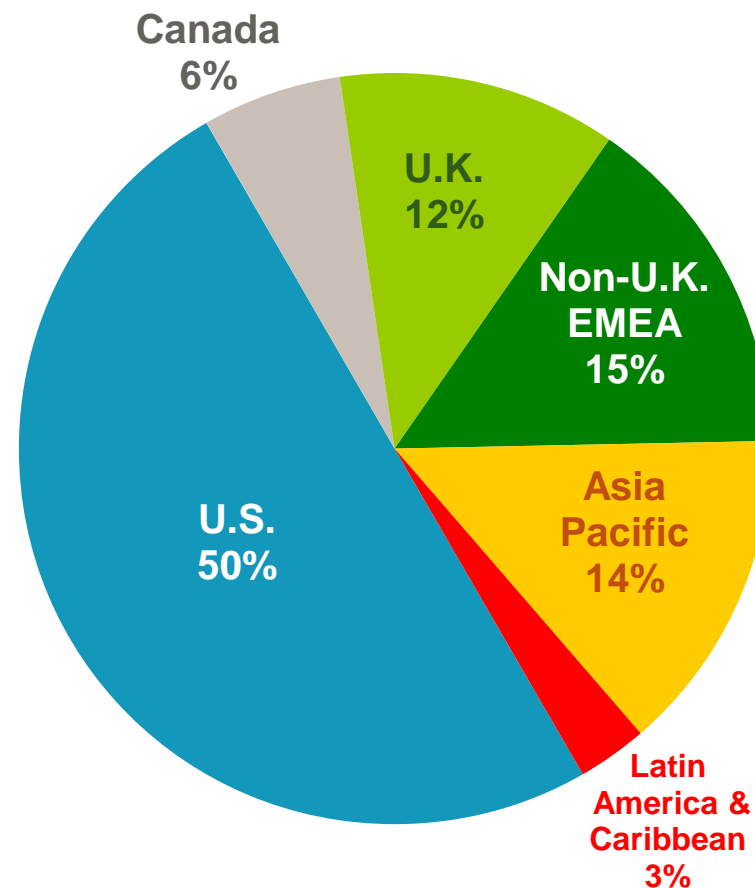


**2017\***  
**\$6.4 Billion**



\*12 months ended 12/31/17

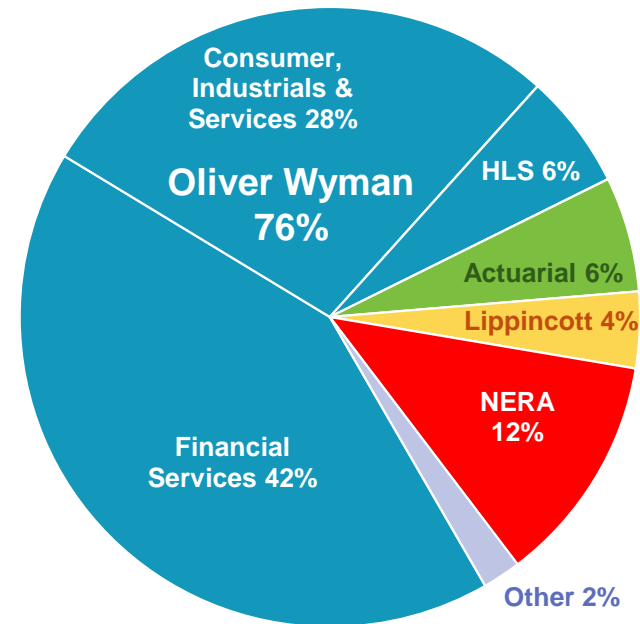
- More than 22,000 colleagues
- Offices in 43 countries
- A global leader in:
  - Health
  - Wealth
  - Career
- 88% of Fortune 500 are clients
- 80% of clients have less than 5,000 employees



**2017\* Revenue**  
**\$4.5 Billion**



- Fourth largest of global strategy and management consultants
- More than 1,300 clients
- 4,700 colleagues in more than 50 offices in 27 countries
- Leading market positions in
  - Financial Services
  - Aviation
  - Retail
- Build of Health & Life Sciences, Energy, Insurance, and Cross-Industry Capabilities



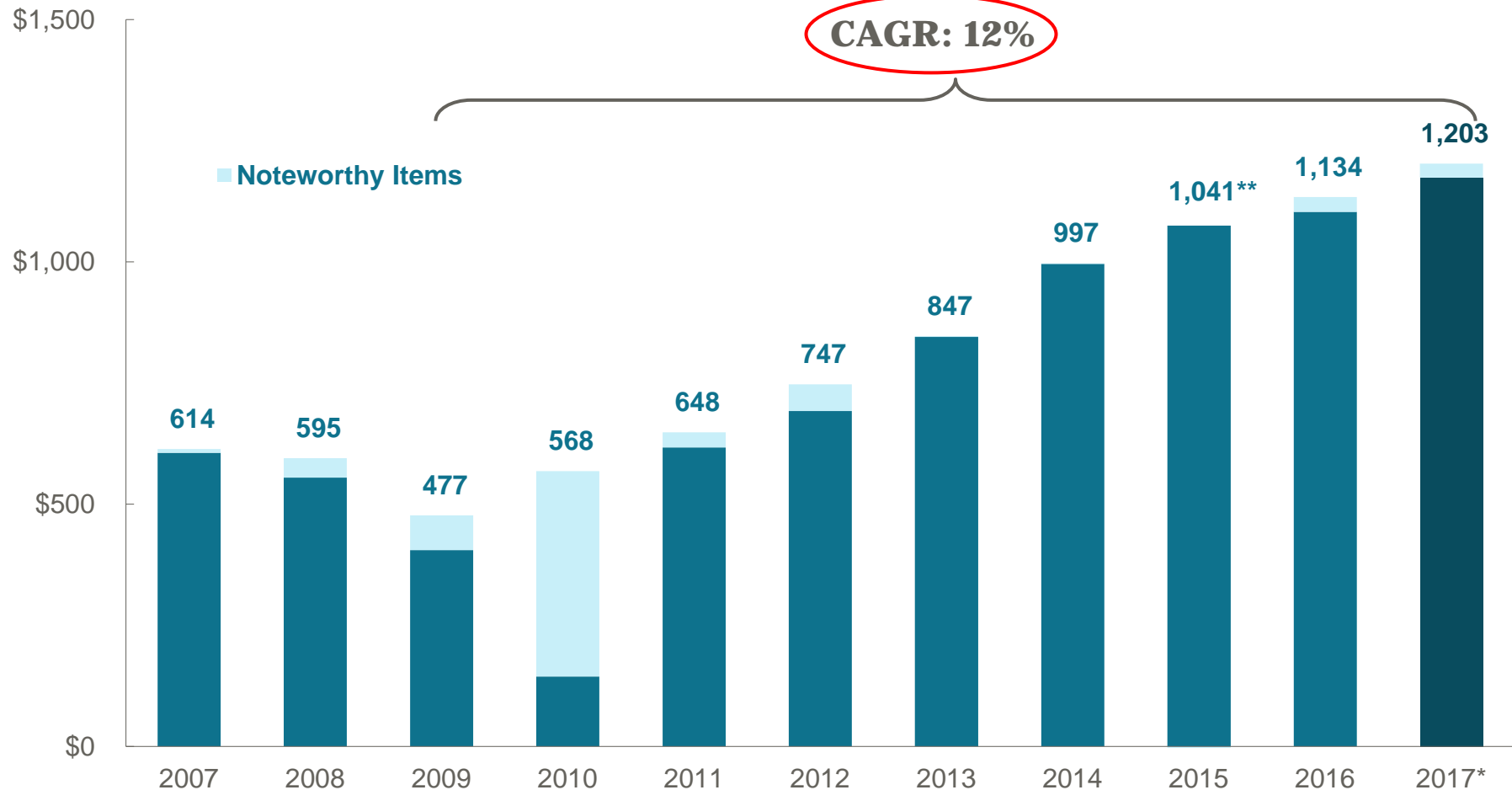
**2017\* Revenue  
\$1.9 Billion**

# Consulting

## Adjusted Operating Income

Millions

**CAGR: 7%**



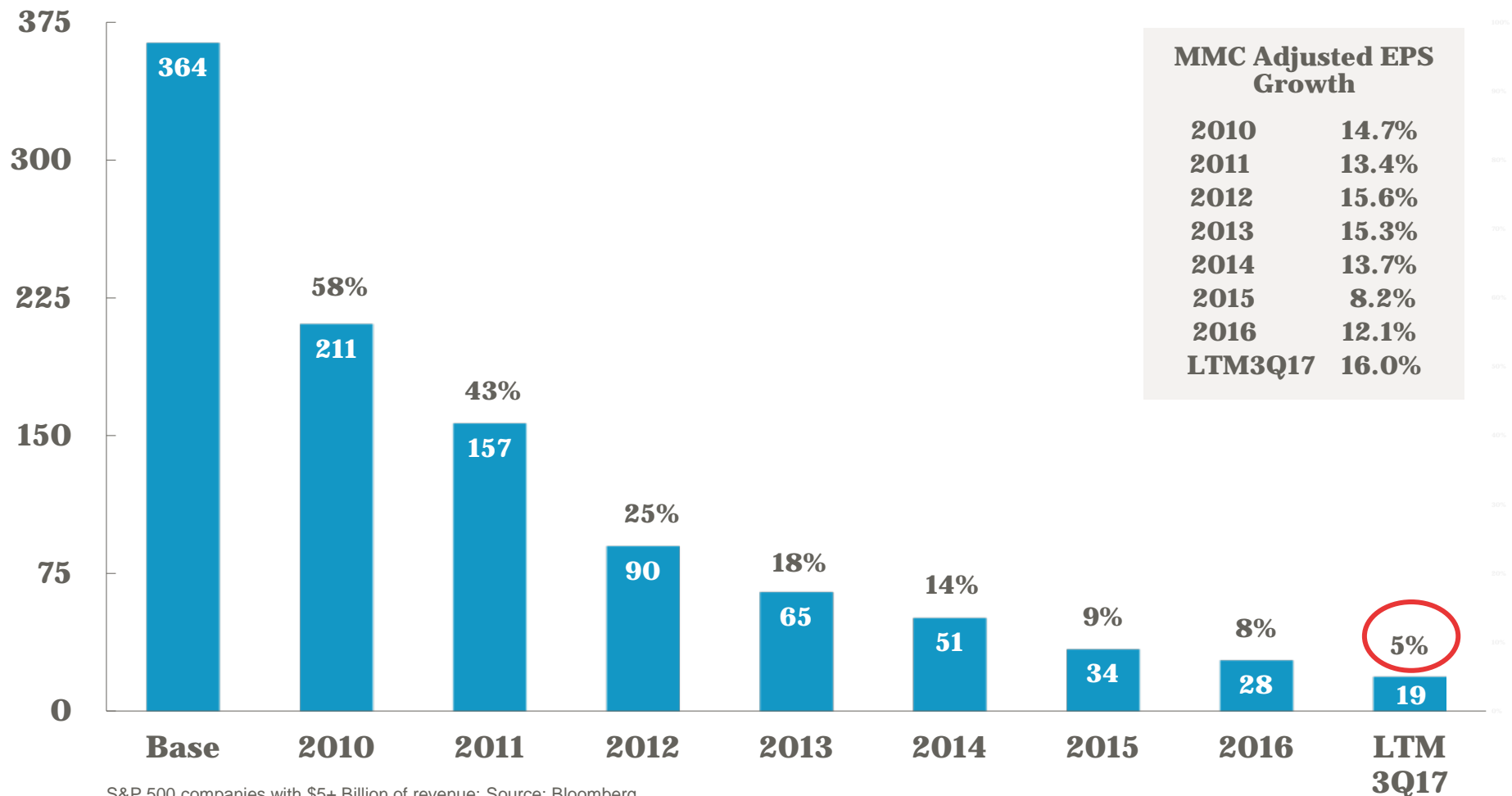
\*12 months ended 12/31/17; \*\*Operating Income as Reported in 2015 was \$1,075 million. Noteworthy items were a negative \$34 million  
Reconciliation of Non-GAAP measures included in Appendix



# Why Invest In MMC?

# We Have a Record of Consistent Adjusted EPS Growth

Top 5% of S&P 500 Companies – Growing Adjusted EPS 8%+ Each Year

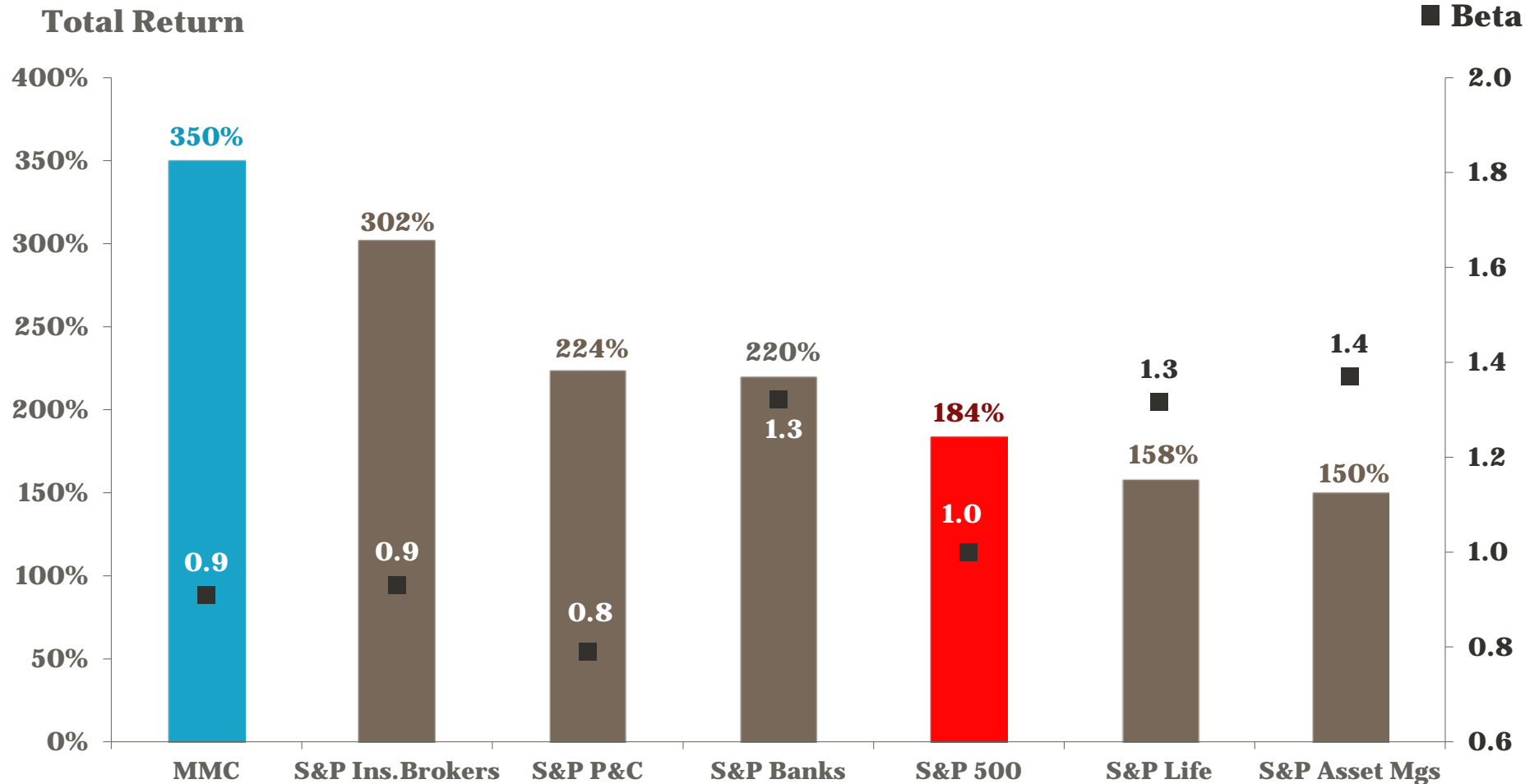


S&P 500 companies with \$5+ Billion of revenue; Source: Bloomberg  
Reconciliation of Non-GAAP measures included in Appendix



# Stronger Returns with Lower Relative Volatility

12/31/09 – 12/31/17



Source: FactSet; Beta reflects 3-year beta as of 12/29/17

# Why Own



# MARSH & MCLENNAN COMPANIES

## We are Committed to Growth

**Long-term  
13% EPS  
Growth**

**Increasing  
Cash Flows**

**Reducing  
Share  
Count**

**Double-  
Digit  
Dividend  
Growth**

### Attractive Growth:

- ✓ **Revenue**
- ✓ **Earnings**
- ✓ **Margins**
- ✓ **Cash Flow**
- ✓ **Dividends**
- ✓ **Share Repurchase**



# APPENDIX

# Marsh & McLennan Companies

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

### Adjusted Operating Income and Adjusted Operating Margin

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenue</b>	<b>10,370</b>	<b>10,730</b>	<b>9,831</b>	<b>10,550</b>	<b>11,526</b>	<b>11,924</b>	<b>12,261</b>	<b>12,951</b>	<b>12,893</b>	<b>13,211</b>	<b>14,024</b>
<b>Operating Income as Reported</b>	<b>757</b>	<b>679</b>	<b>778</b>	<b>939</b>	<b>1,638</b>	<b>1,829</b>	<b>2,077</b>	<b>2,301</b>	<b>2,419</b>	<b>2,664</b>	<b>2,856</b>
Restructuring Charges	74	328	243	141	51	78	22	12	28	44	40
Settlement, Legal & Regulatory	51	51	242	10	(21)	(2)	-	-	-	-	15
Adj. to Acquisition Related Accts.	-	-	-	-	(1)	(35)	32	37	51	15	3
Other	<u>31</u>	<u>89</u>	<u>39</u>	<u>393</u>	<u>(7)</u>	<u>(6)</u>	<u>(3)</u>	<u>(1)</u>	<u>(38)</u>	<u>(15)</u>	<u>55</u>
Adjustments	156	468	524	544	22	35	51	48	41	44	113
<b>Operating Income as Adjusted</b>	<b>913</b>	<b>1,147</b>	<b>1,302</b>	<b>1,483</b>	<b>1,660</b>	<b>1,864</b>	<b>2,128</b>	<b>2,349</b>	<b>2,460</b>	<b>2,708</b>	<b>2,969</b>
Operating Margin as Reported	7.3%	6.3%	7.9%	8.9%	14.2%	15.3%	16.9%	17.8%	18.8%	20.2%	20.4%
<b>Operating Margin as Adjusted</b>	<b>8.8%</b>	<b>10.7%</b>	<b>13.2%</b>	<b>14.1%</b>	<b>14.4%</b>	<b>15.6%</b>	<b>17.4%</b>	<b>18.1%</b>	<b>19.1%</b>	<b>20.5%</b>	<b>21.2%</b>

Other in 2010 includes \$400 net Alaska litigation settlement; in 2015 includes \$37 gain on disposal of Mercer's U.S. defined contribution recordkeeping business; in 2016, in addition to gain on disposal of Mercer's U.S. defined contribution recordkeeping business, also includes the net gain on the deconsolidation of Marsh's India subsidiary.

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 adjusted operating income by consolidated GAAP revenue less the net gain on the deconsolidation of Marsh's India subsidiary and contingent proceeds related to the disposal of Mercer's U.S. defined contribution recordkeeping business.





# Risk & Insurance Services

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

### Adjusted Operating Income and Adjusted Operating Margin

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenue</b>	<b>5,400</b>	<b>5,466</b>	<b>5,284</b>	<b>5,557</b>	<b>6,079</b>	<b>6,350</b>	<b>6,596</b>	<b>6,931</b>	<b>6,869</b>	<b>7,143</b>	<b>7,630</b>
<b>Operating Income as Reported</b>	<b>342</b>	<b>460</b>	<b>796</b>	<b>957</b>	<b>1,200</b>	<b>1,334</b>	<b>1,421</b>	<b>1,509</b>	<b>1,539</b>	<b>1,753</b>	<b>1,871</b>
Restructuring Charges	60	193	169	102	1	8	7	5	8	3	11
Settlement, Legal & Regulatory	51	51	12	10	(21)	-	-	-	-	-	15
Adj. to Acquisition Related Accts.	-	-	-	-	(1)	(32)	31	37	56	12	-
Other	<u>9</u>	<u>25</u>	<u>8</u>	<u>5</u>	<u>-</u>	<u>(2)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(9)</u>	<u>48</u>
Adjustments	120	269	189	117	(21)	(26)	37	42	64	6	74
<b>Operating Income as Adjusted</b>	<b>462</b>	<b>729</b>	<b>985</b>	<b>1,074</b>	<b>1,179</b>	<b>1,308</b>	<b>1,458</b>	<b>1,551</b>	<b>1,603</b>	<b>1,759</b>	<b>1,945</b>
Operating Margin as Reported	6.3%	8.4%	15.1%	17.2%	19.7%	21.0%	21.5%	21.8%	22.4%	24.5%	24.5%
<b>Operating Margin as Adjusted</b>	<b>8.6%</b>	<b>13.3%</b>	<b>18.6%</b>	<b>19.3%</b>	<b>19.4%</b>	<b>20.6%</b>	<b>22.1%</b>	<b>22.4%</b>	<b>23.3%</b>	<b>24.7%</b>	<b>25.5%</b>

Other in 2008 includes accelerated amortization of \$22; in 2016 is the net gain on the deconsolidation of Marsh's India subsidiary.

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 adjusted operating income by segment GAAP revenue less the net gain on the deconsolidation of Marsh's India subsidiary.



# Consulting

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

### Adjusted Operating Income and Adjusted Operating Margin

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenue</b>	<b>4,884</b>	<b>5,196</b>	<b>4,609</b>	<b>5,042</b>	<b>5,487</b>	<b>5,613</b>	<b>5,701</b>	<b>6,059</b>	<b>6,064</b>	<b>6,112</b>	<b>6,444</b>
<b>Operating Income as Reported</b>	<b>606</b>	<b>555</b>	<b>405</b>	<b>144</b>	<b>617</b>	<b>692</b>	<b>845</b>	<b>996</b>	<b>1,075</b>	<b>1,103</b>	<b>1,174</b>
Restructuring Charges	2	40	42	24	31	58	2	1	8	34	19
Adj. to Acquisition Related Accts.	-	-	-	-	-	(3)	1	-	(5)	3	3
Other	<u>6</u>	<u>-</u>	<u>30</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(37)</u>	<u>(6)</u>	<u>7</u>
Adjustments	8	40	72	424	31	55	2	1	(34)	31	29
<b>Operating Income as Adjusted</b>	<b>614</b>	<b>595</b>	<b>477</b>	<b>568</b>	<b>648</b>	<b>747</b>	<b>847</b>	<b>997</b>	<b>1,041</b>	<b>1,134</b>	<b>1,203</b>
Operating Margin as Reported	12.4%	10.7%	8.8%	2.9%	11.2%	12.3%	14.8%	16.4%	17.7%	18.1%	18.2%
<b>Operating Margin as Adjusted</b>	<b>12.6%</b>	<b>11.5%</b>	<b>10.3%</b>	<b>11.3%</b>	<b>11.8%</b>	<b>13.3%</b>	<b>14.9%</b>	<b>16.5%</b>	<b>17.3%</b>	<b>18.6%</b>	<b>18.7%</b>

Other in 2010 is net Alaska litigation settlement; in 2015 and 2016 it is the gain on the disposal of Mercer's U.S. defined contribution recordkeeping business.

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 adjusted operating income by segment GAAP revenue less the contingent proceeds related to the disposal of Mercer's U.S. defined contribution recordkeeping business.



# Marsh & McLennan Companies

## *Reconciliation of Non-GAAP Measures*

### Adjusted Earnings per Share

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Diluted EPS, Continuing Operations	\$ .88	\$ .70	\$ .96	\$ 1.00	\$ 1.73	\$ 2.13	\$ 2.42	\$ 2.61	\$ 2.98	\$ 3.38	\$ 2.87
Adjustments, after tax	.45	.70	.65	.64	.13	.02	.06	.21	.07	.04	1.05
Diluted EPS as Adjusted	\$ 1.33	\$ 1.40	\$ 1.61	\$ 1.64	\$ 1.86	\$ 2.15	\$ 2.48	\$ 2.82	\$ 3.05	\$ 3.42	\$ 3.92
Tax Benefit			(\$0.18)								
Normalized for Tax Benefit			\$ 1.43								



2014 and 2011 adjusted EPS excludes expense of \$.15 and \$.09, respectively, related to early extinguishment of debt



**MARSH & McLENNAN**  
**COMPANIES**