



MARSH & McLENNAN  
COMPANIES

# Results through Fourth Quarter 2018

## 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 successfully consummate, integrate or achieve the intended benefits of the acquisition of JLT; (2) the impact of any investigations, reviews, market studies or other activity by regulatory or law enforcement authorities, including the ongoing investigations by the European and Brazilian competition authorities; (3) the impact from lawsuits, other contingent liabilities and loss contingencies arising from errors and omissions, breach of fiduciary duty or other claims against us; (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 patch software vulnerabilities; (5) 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; (6) 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, anticorruption laws and trade sanctions regimes; (7) the impact of macroeconomic, political, regulatory or market conditions on us, our clients and the industries in which we operate, including the impact and uncertainty around Brexit or the inability to collect on our receivables; (8) the regulatory, contractual and reputational risks that arise based on insurance placement activities and various broker and consulting revenue streams; (9) 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; (10) our ability to successfully recover if we experience a business continuity problem due to cyberattack, natural disaster or otherwise; (11) 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; (12) the impact of fluctuations in foreign exchange and interest rates on our results; and (13) the impact of changes in accounting rules or in our accounting estimates or assumptions, including the impact of the adoption of the revenue recognition, pension and lease accounting standards.

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.



**President & CEO  
Dan Glaser**

**Risk & Insurance Services**

**Consulting**

**Marsh**

John Doyle

**Guy Carpenter**

Peter Hearn

**Mercer**

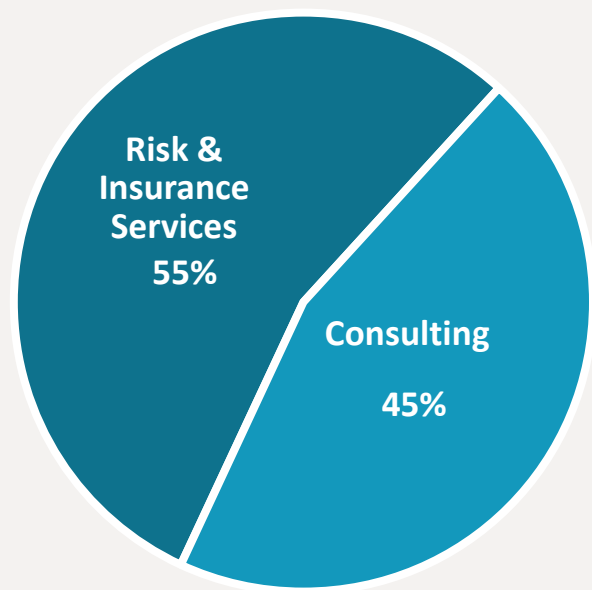
Martine Ferland

**Oliver Wyman**

Scott McDonald



# A preeminent global professional services firm



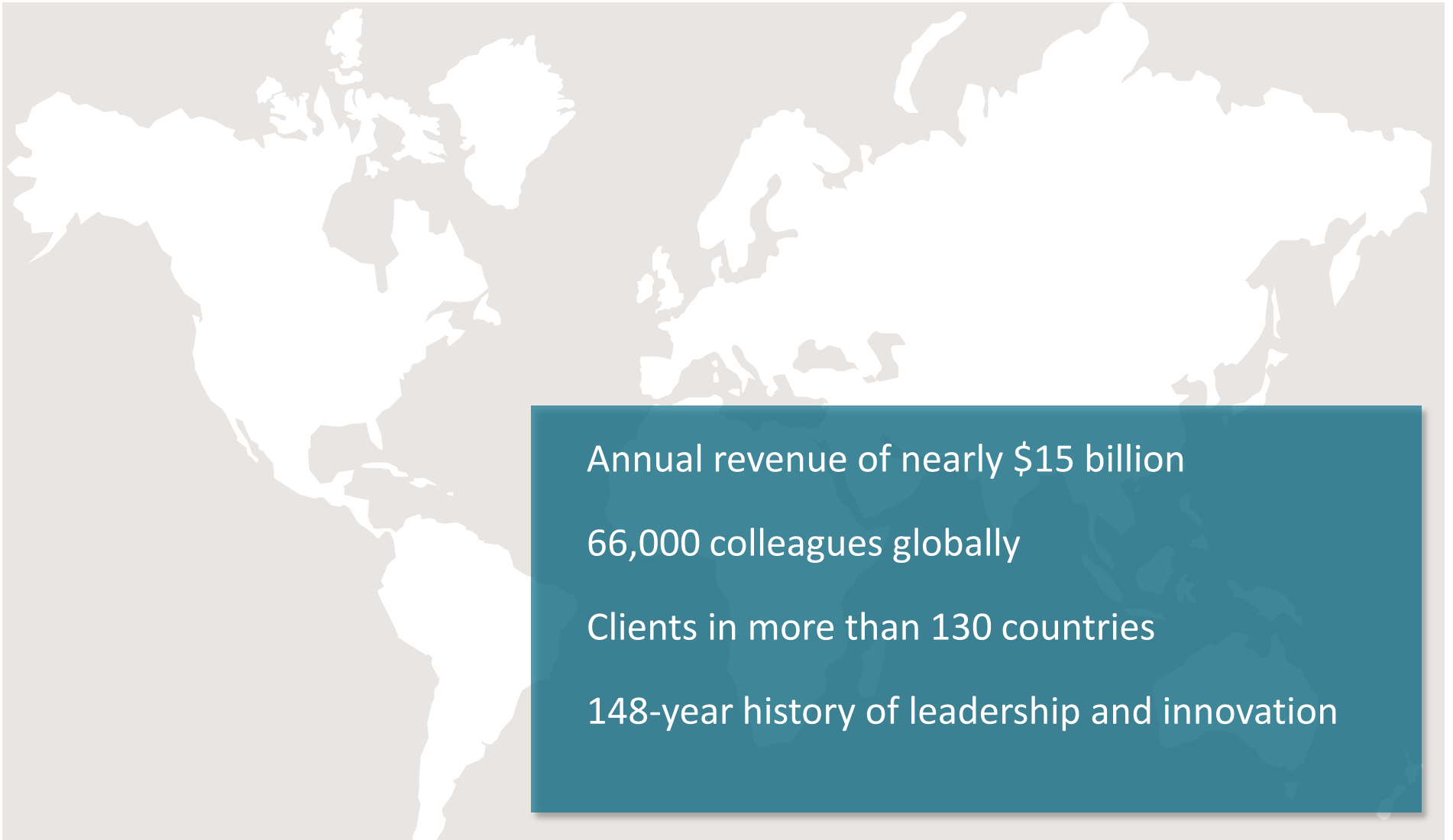
**2018 Revenue**  
**\$15 Billion**



**2018 Adjusted Operating Income**  
**\$2.9 Billion**



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



Annual revenue of nearly \$15 billion

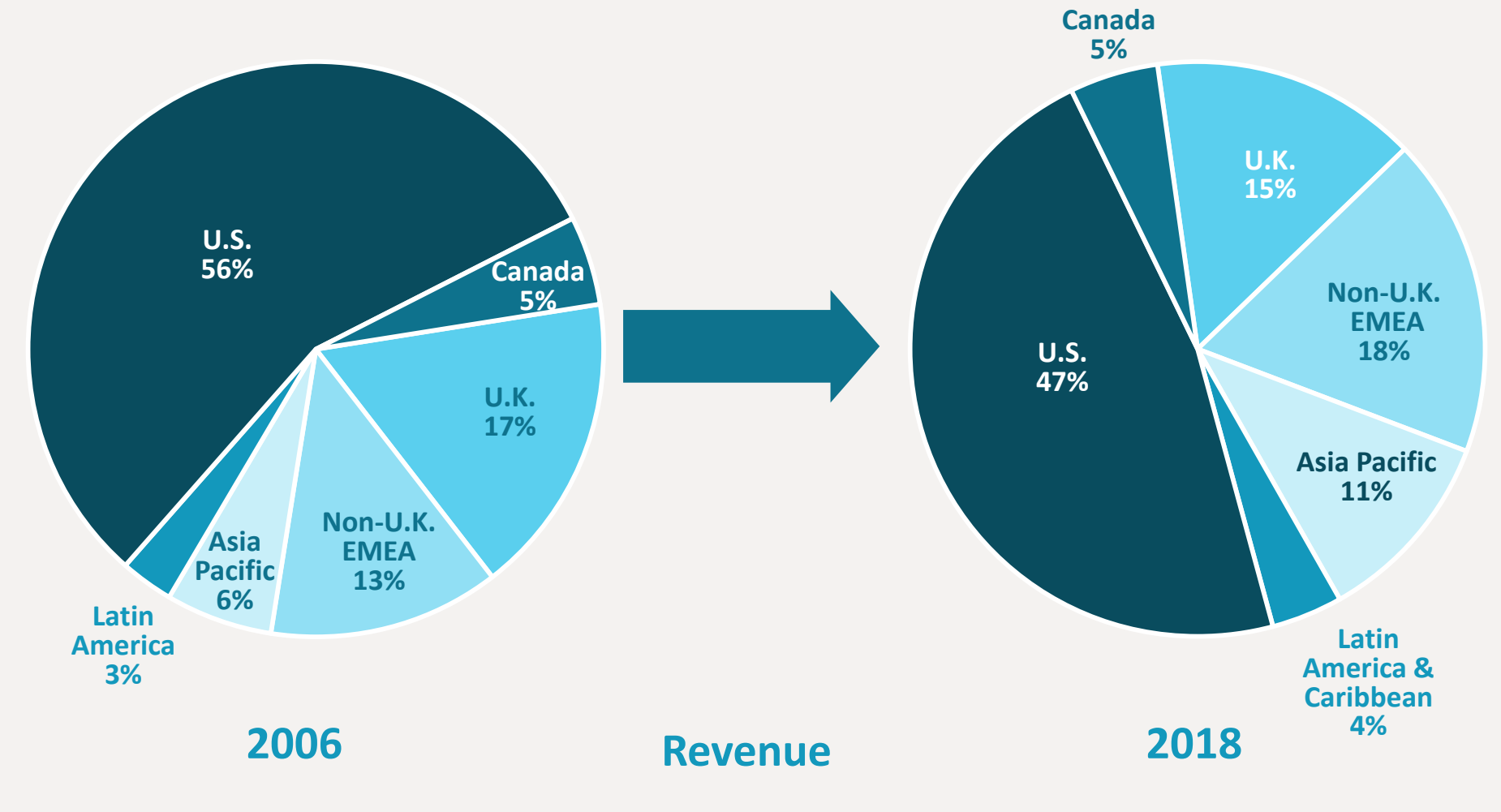
66,000 colleagues globally

Clients in more than 130 countries

148-year history of leadership and innovation



# Expanding Global Presence



# Strategic & Macro Drivers of Long-Term Growth



# Shift to Higher Growth Areas

## Market Segments

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

## Capabilities

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

## Geographies

Latin America

Growth Focus Areas

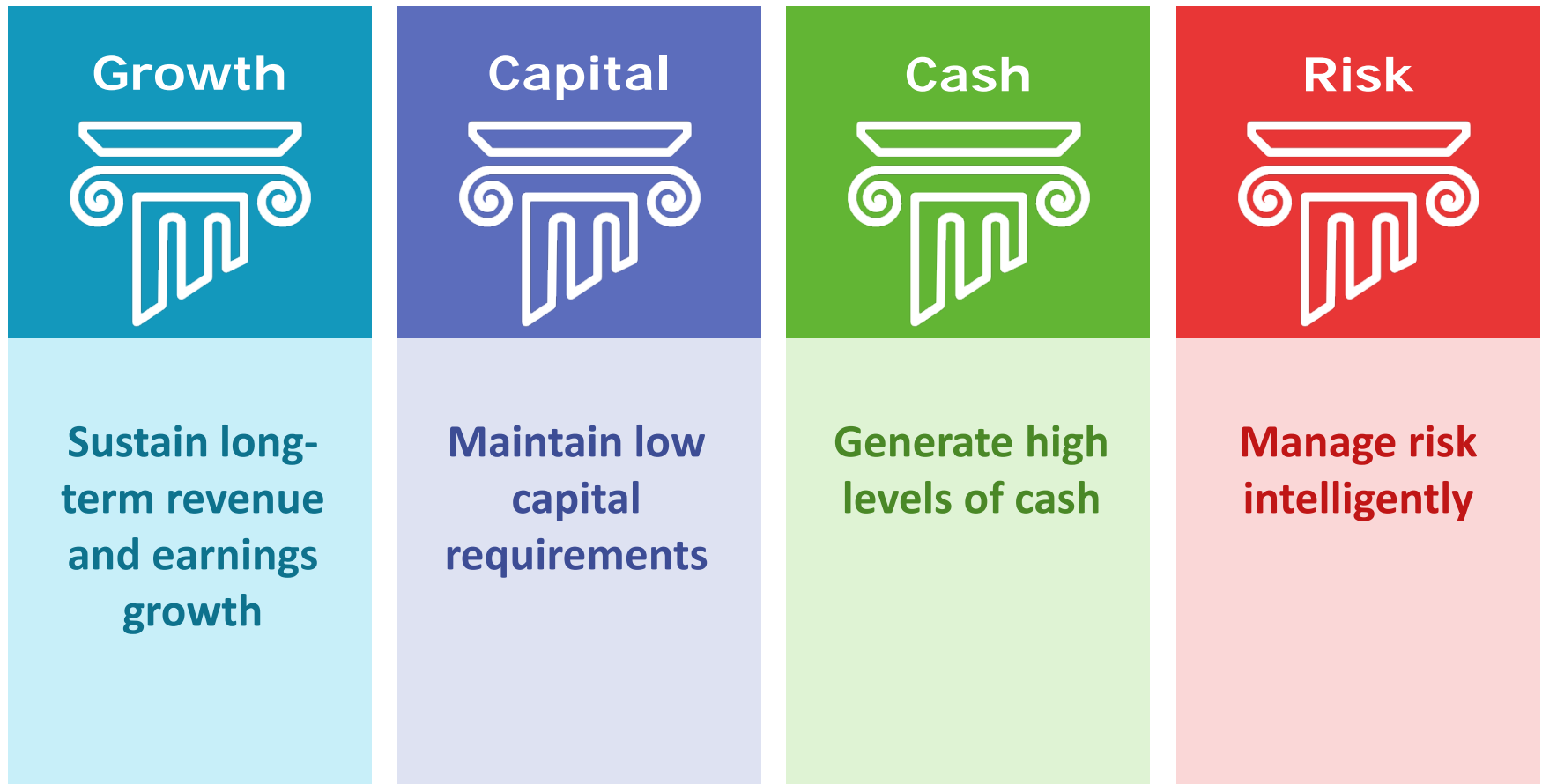
~30%

2017 Revenue  
\$14 billion





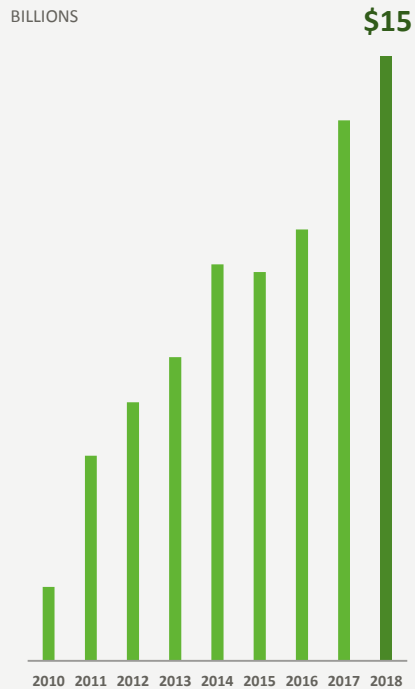
# Four Pillars for Investment Performance\*



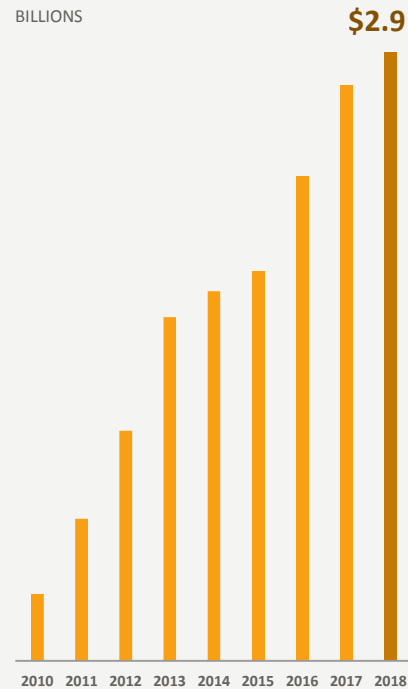
\*Introduced September 2010

# We Have a History of Strong Growth

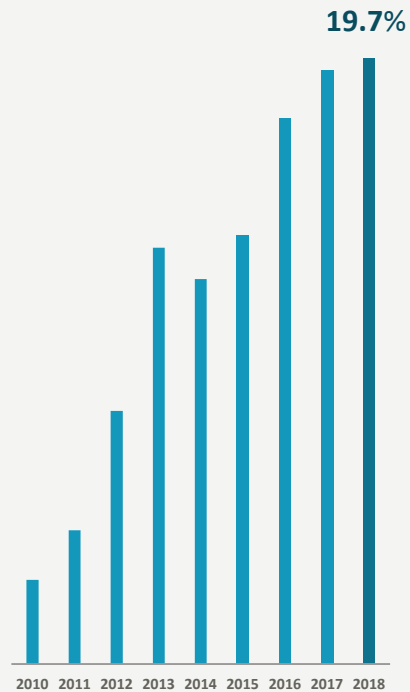
GAAP Revenue  
8-YEAR CAGR 4.5%



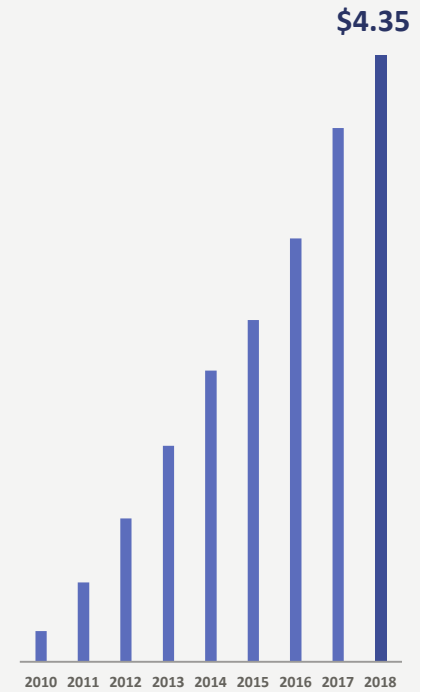
Adjusted Operating Income  
8-YEAR CAGR 9.9%



Adjusted Operating Margin  
8-YEAR +670 BPS



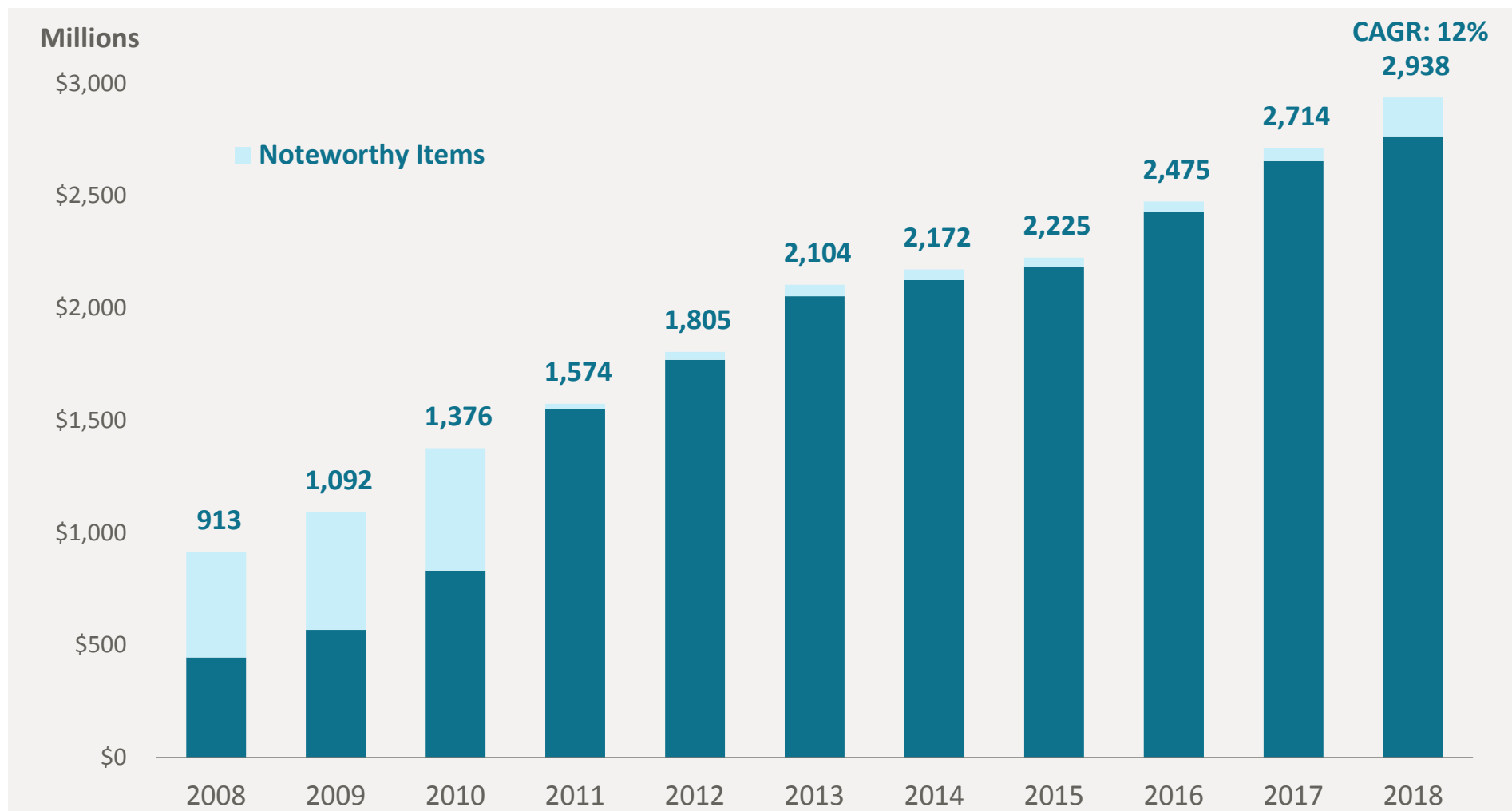
Adjusted EPS  
8-YEAR CAGR 13.0%



NOI and NOI margin are restated for pension adjustment in 2017 and prior; Reconciliation of Non-GAAP measures included in Appendix



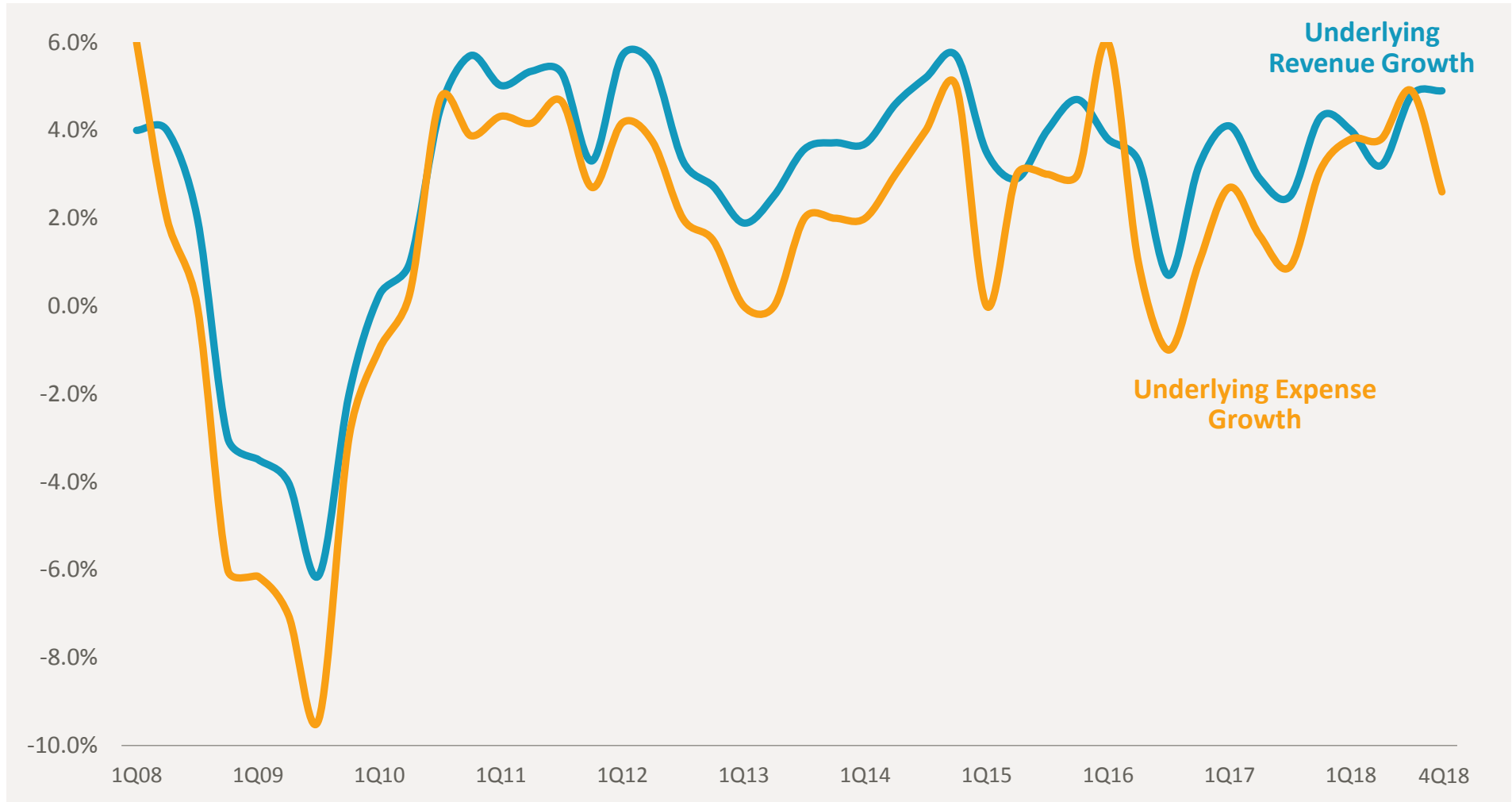
# Adjusted Operating Income



2017 and prior adjusted to reflect impact of pension standard; Reconciliation of Non-GAAP measures included in Appendix



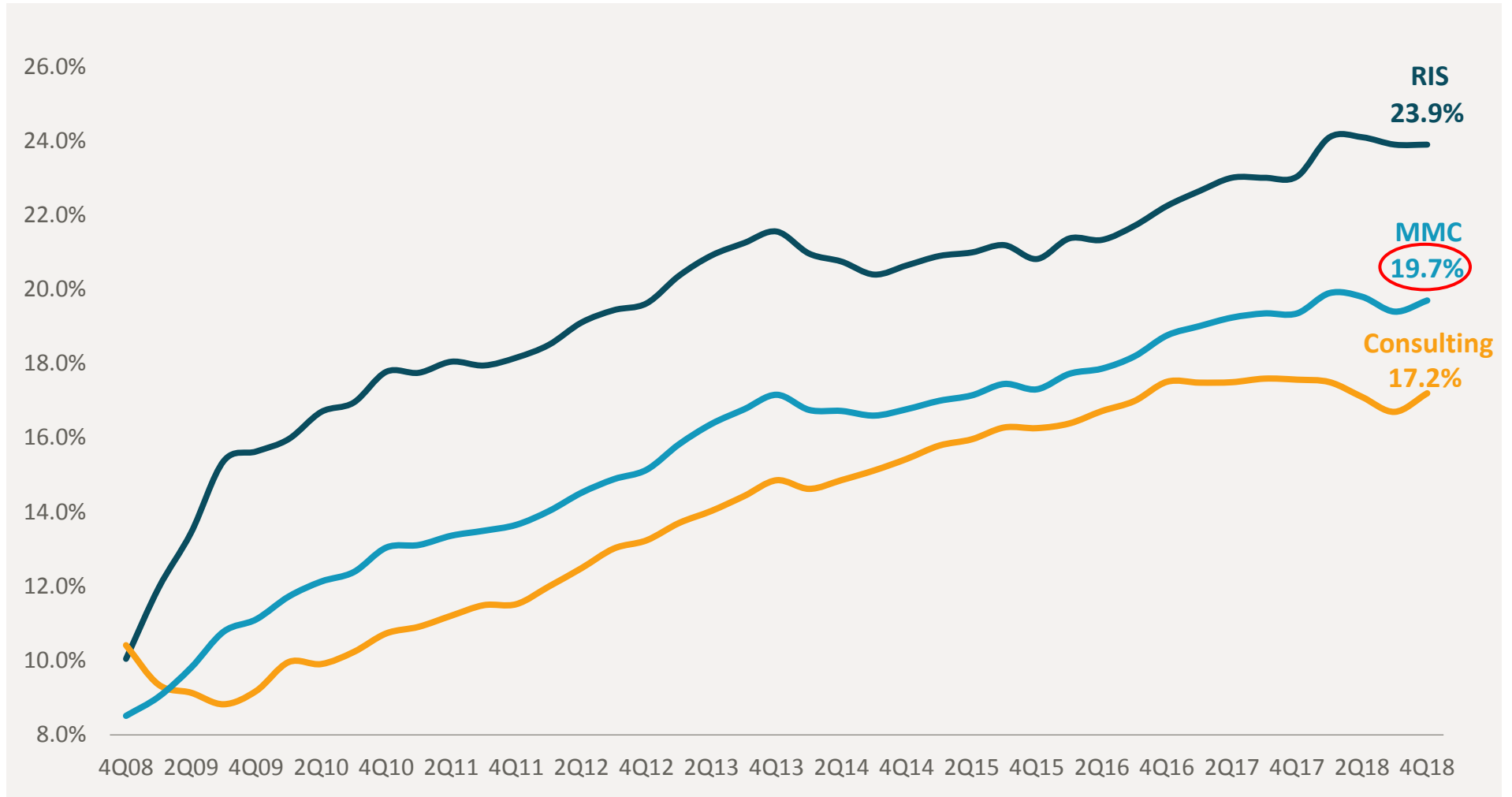
# Operating Leverage Produces Margin Expansion



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



2017 and prior adjusted to reflect impact of pension standard; Includes amortization expense. Reconciliation of Non-GAAP measures included in Appendix



# Capital Allocation Priorities

Investment for organic growth

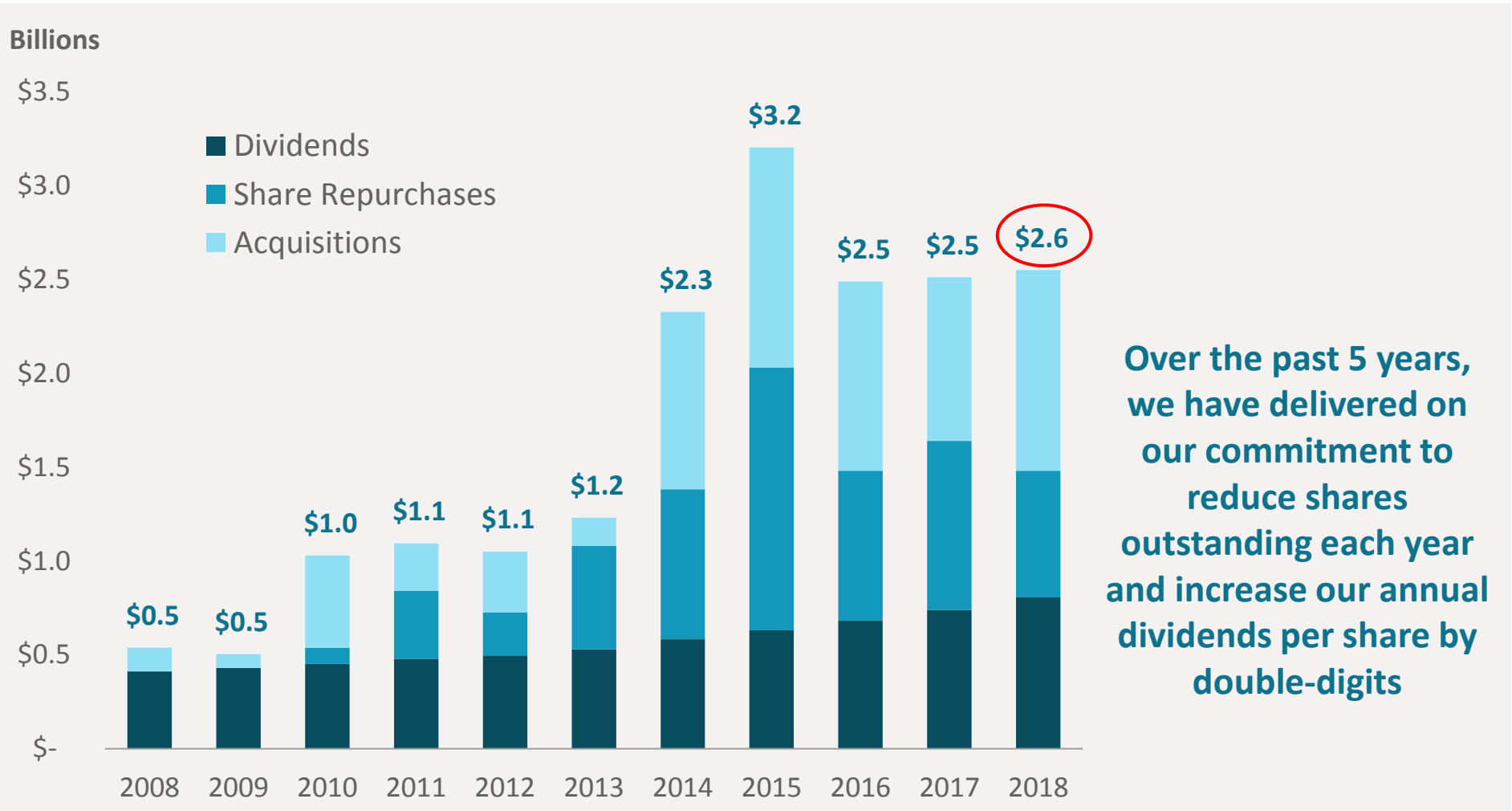
Strong dividend growth

High quality acquisitions

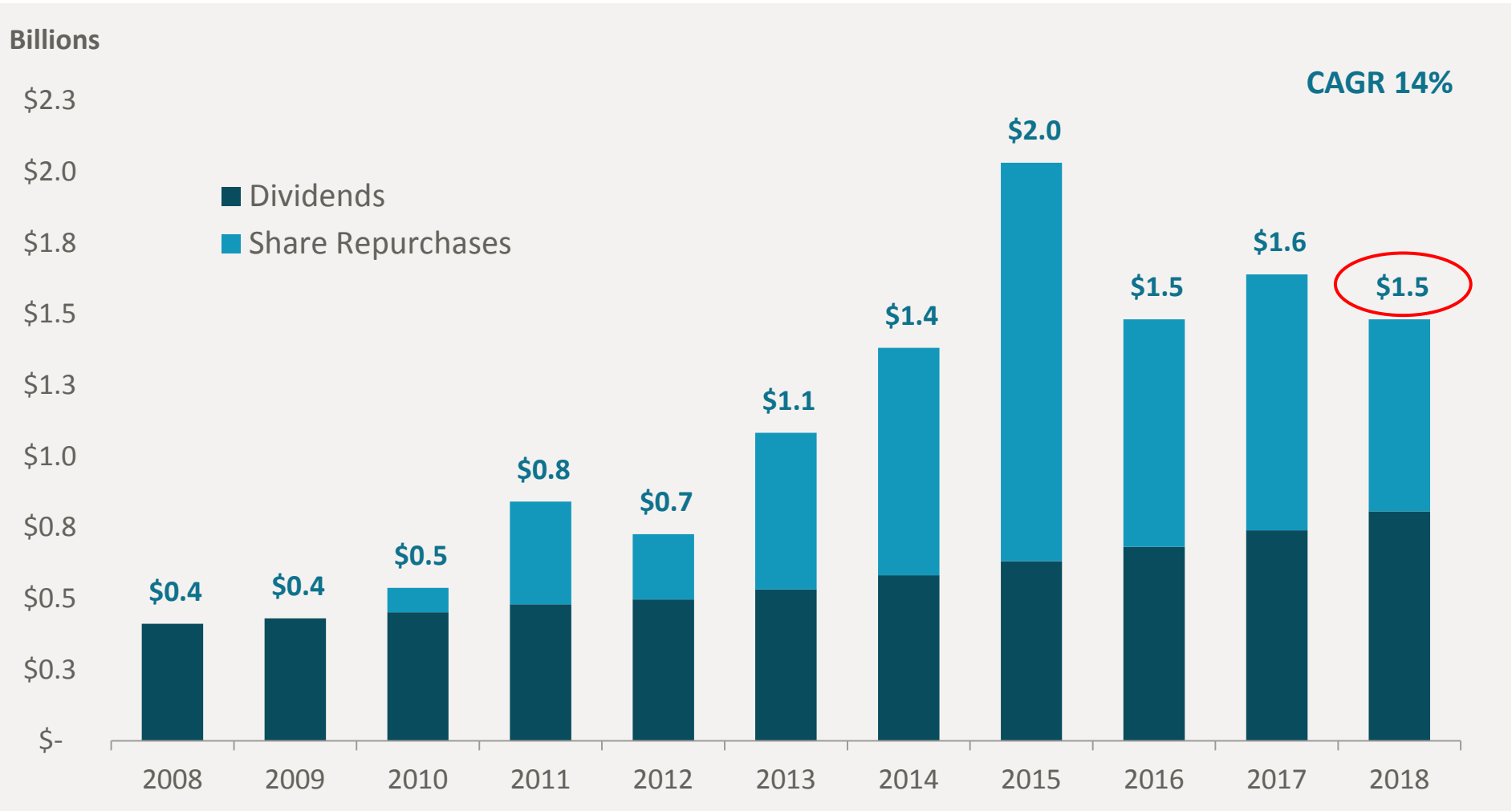
Share Repurchase



# Dividends, Share Repurchases and Acquisitions



# Returning Cash to Shareholders



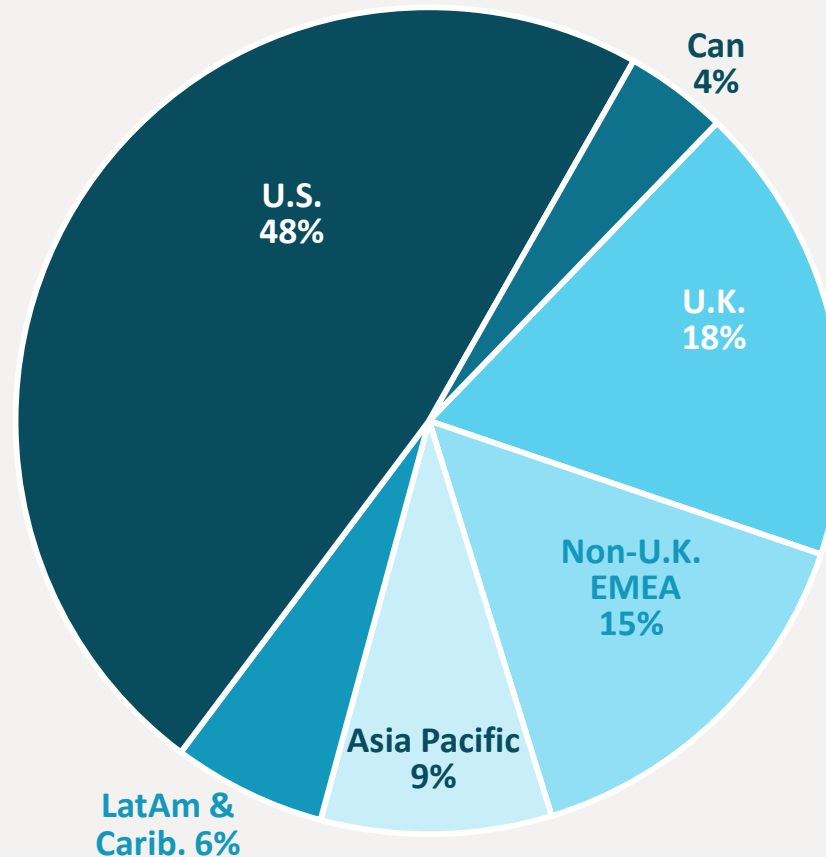


# **RISK & INSURANCE SERVICES**

Marsh and Guy Carpenter

# Risk & Insurance Services

## *Revenue*



**2018**  
**\$8.2 Billion**





# MARSH

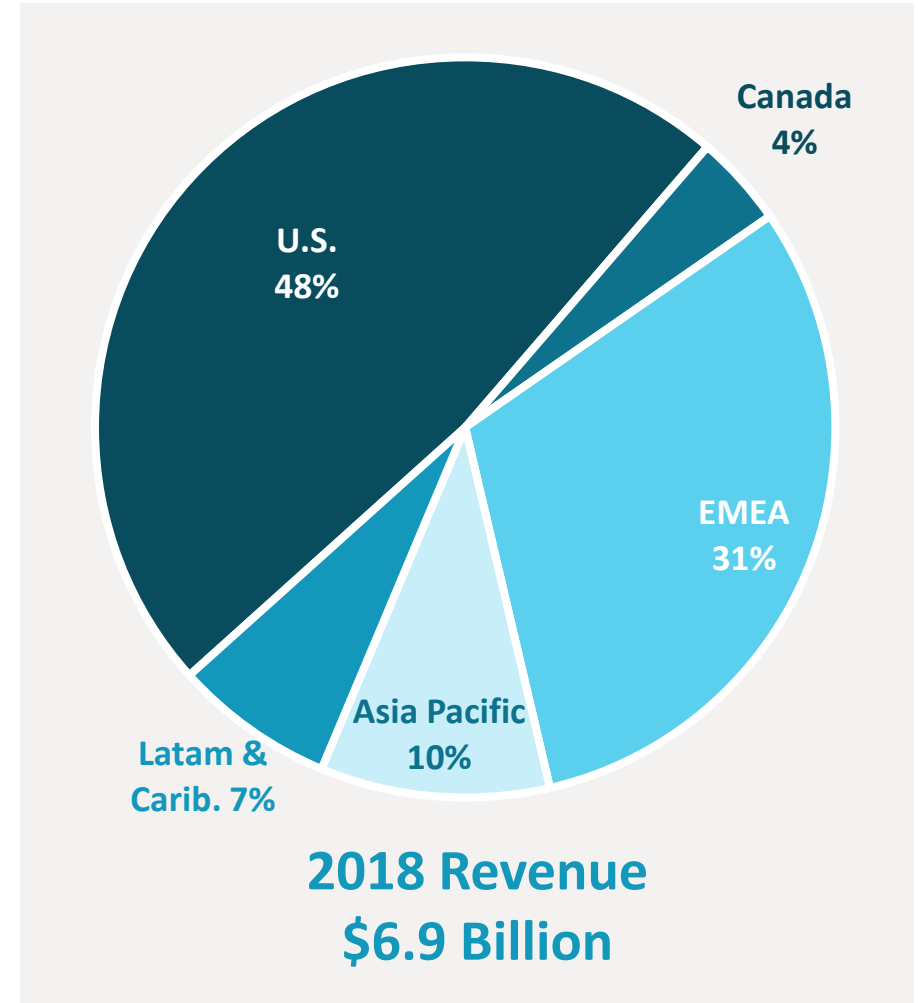
Over 34,000 colleagues serving businesses, public entities and private clients in more than 130 countries

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

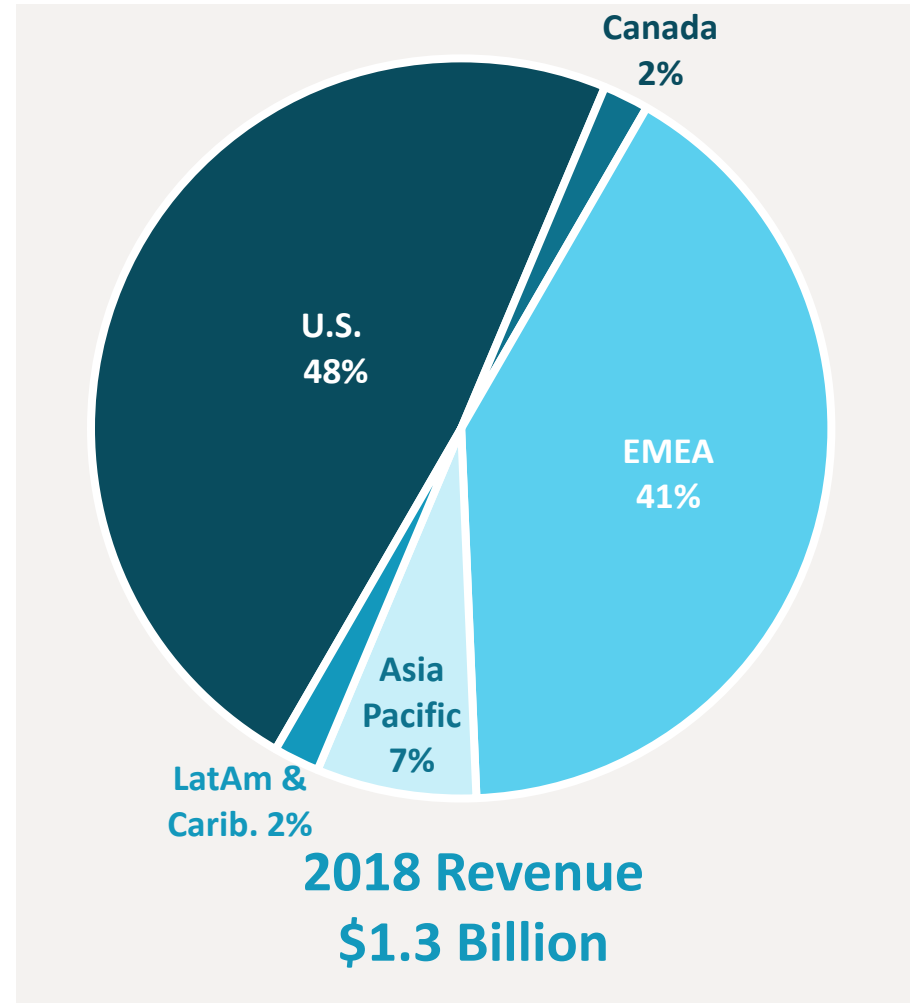


2,400 employees in over 60 offices worldwide

1,600 clients

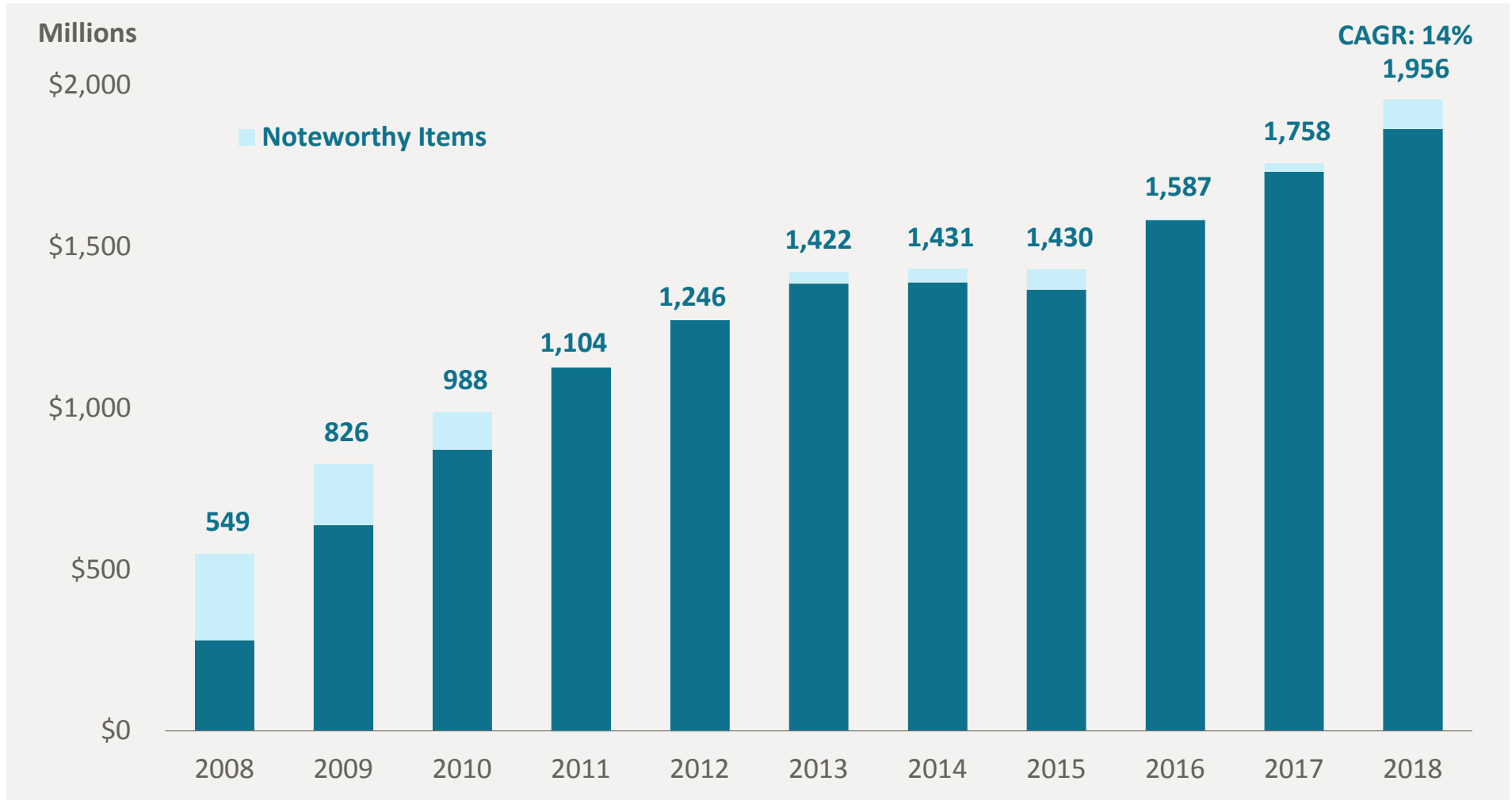
Serves clients through specialized reinsurance broking expertise, strategic advisory services, and industry-leading analytics

Places \$33 Billion in reinsurance premiums annually



# Risk & Insurance Services

## *Adjusted Operating Income*



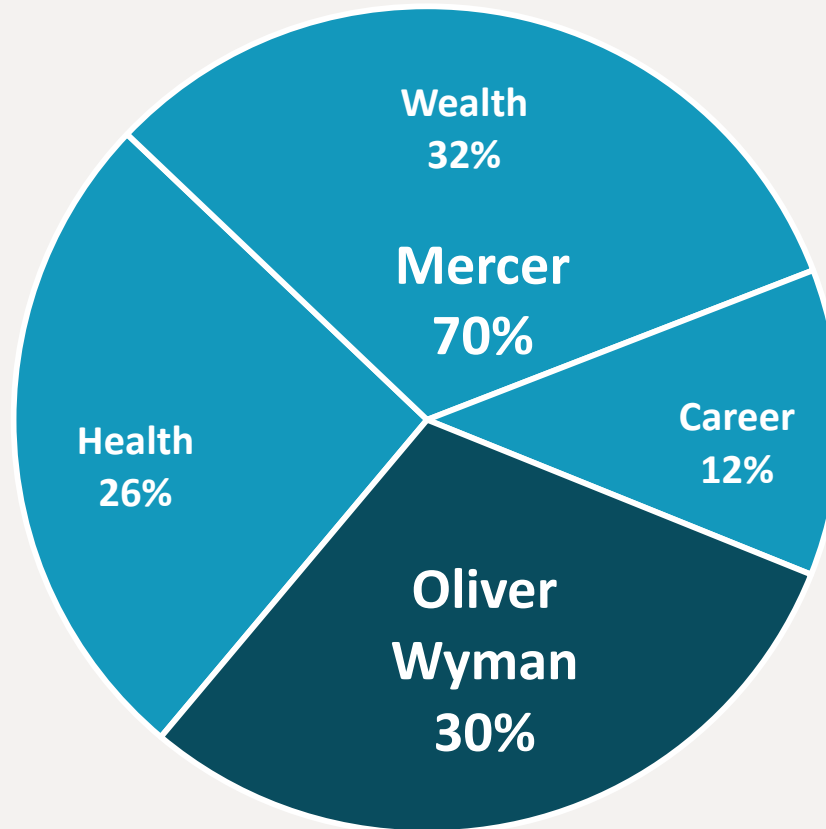
2017 and prior adjusted to reflect impact of pension standard; Reconciliation of Non-GAAP measures included in Appendix



**CONSULTING**

Mercer and Oliver Wyman

# Consulting Revenue



**2018**  
**\$6.8 Billion**



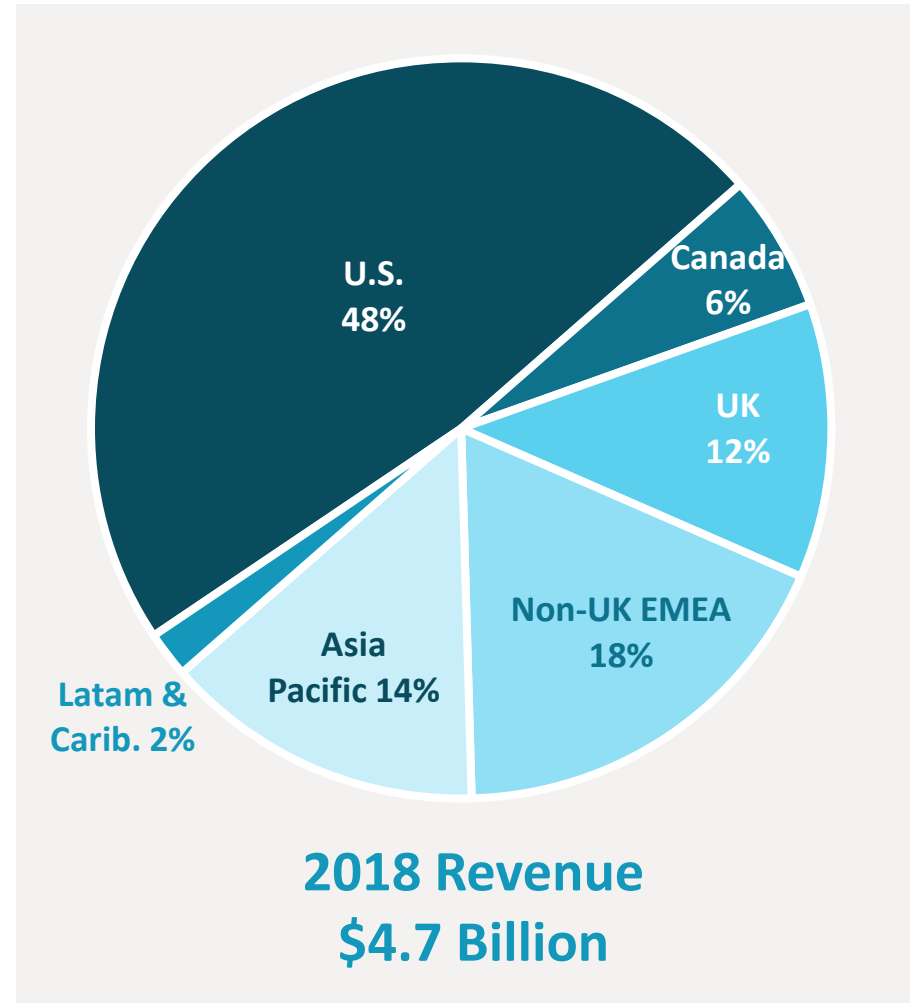
Nearly 23,000 colleagues

Offices in 43 countries

A global leader in Health, Wealth  
and Career

88% of Fortune 500 are clients

80% of clients have less than 5,000  
employees





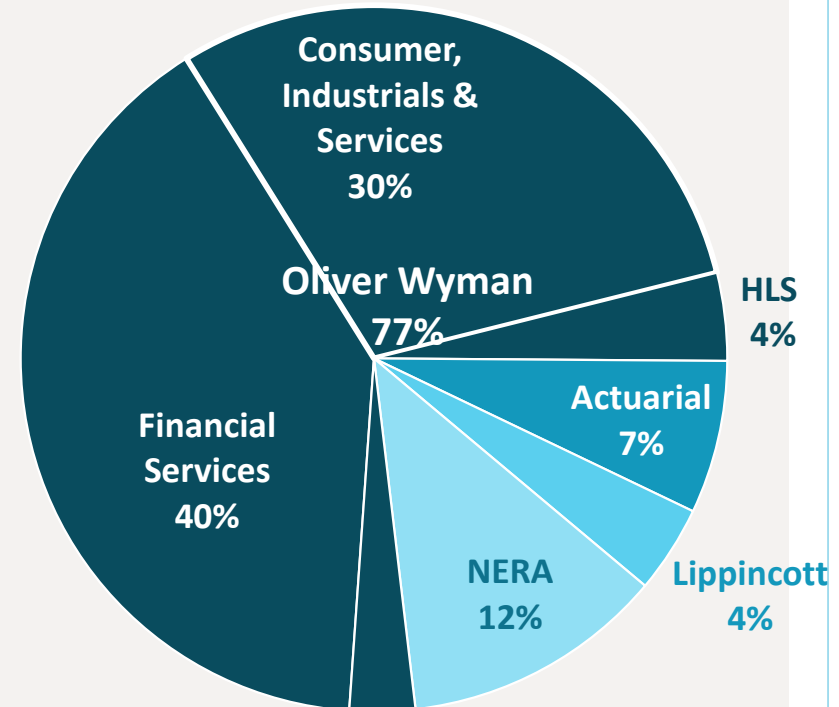
A leading global strategy and management consultancy

More than 1,300 clients

5,000 colleagues in more than 50 offices in 27 countries

Leading market positions in Financial Services, Aviation and Retail

Expanding digital, technology and analytics (DTA) team



Other 3%

**2018 Revenue**  
**\$2.0 Billion**



# Consulting

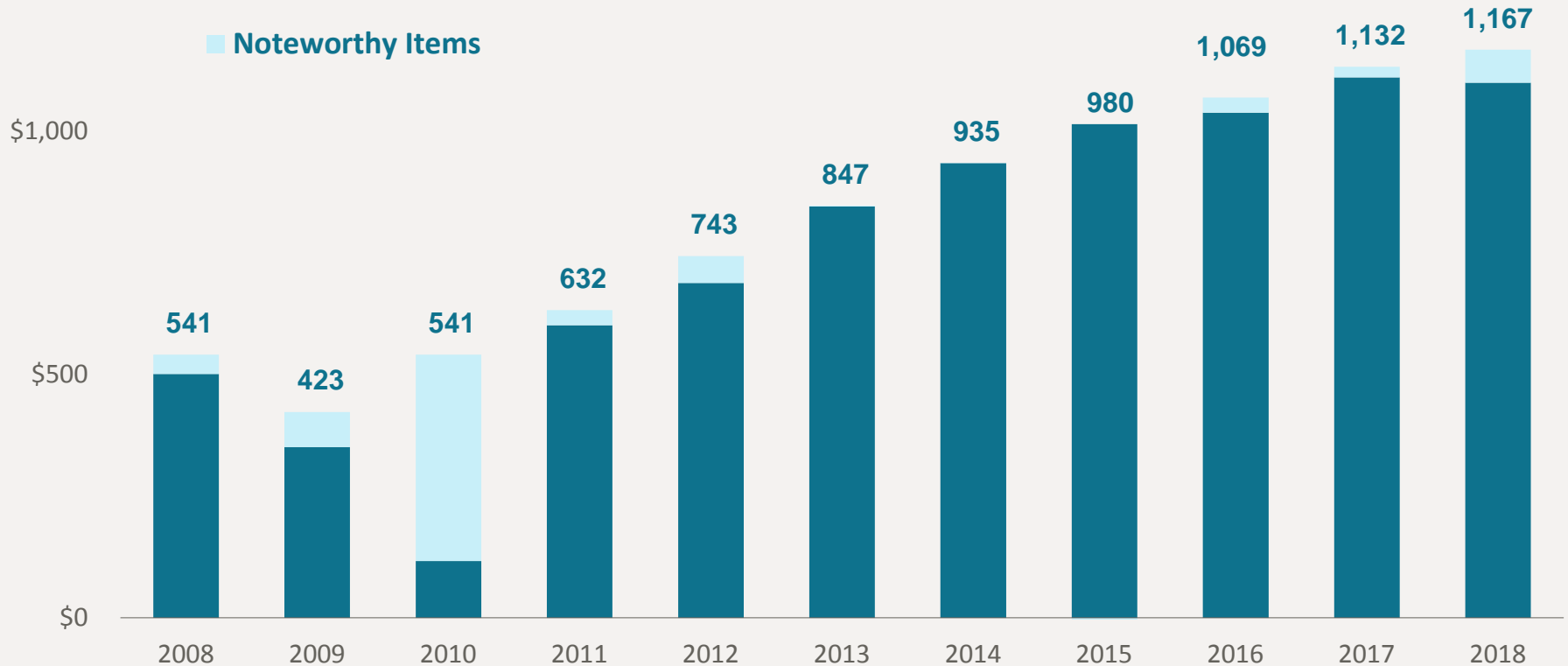
## *Adjusted Operating Income*

Millions

**CAGR: 8%**

\$1,500

**CAGR: 12%**



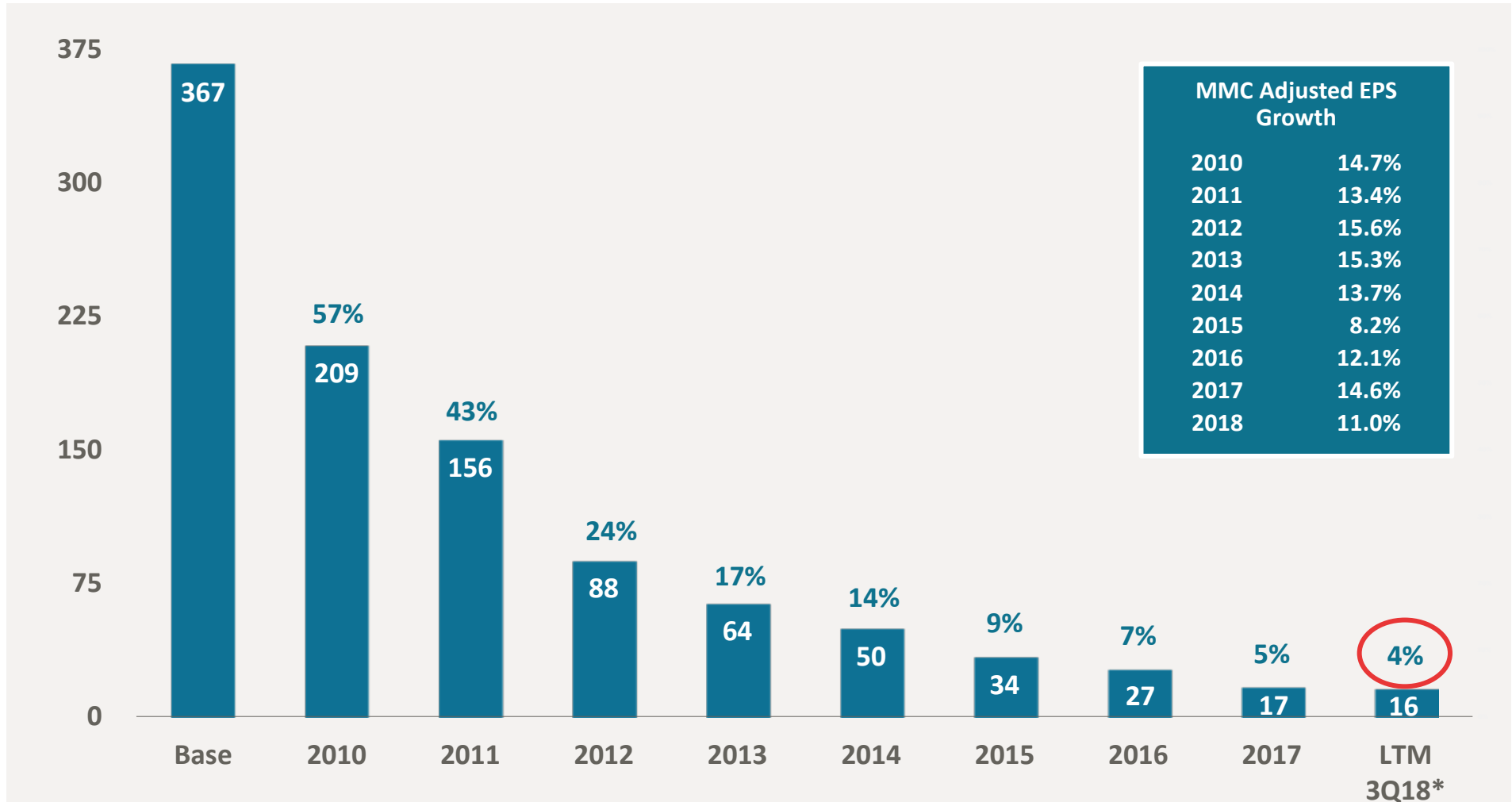
2017 and prior adjusted to reflect impact of pension standard; Reconciliation of Non-GAAP measures included in Appendix



# Why Invest In MMC?

# We Have a Record of Consistent Adjusted EPS Growth

## Top 4% of S&P 500 Companies – Growing Adjusted EPS 8%+ Each Year



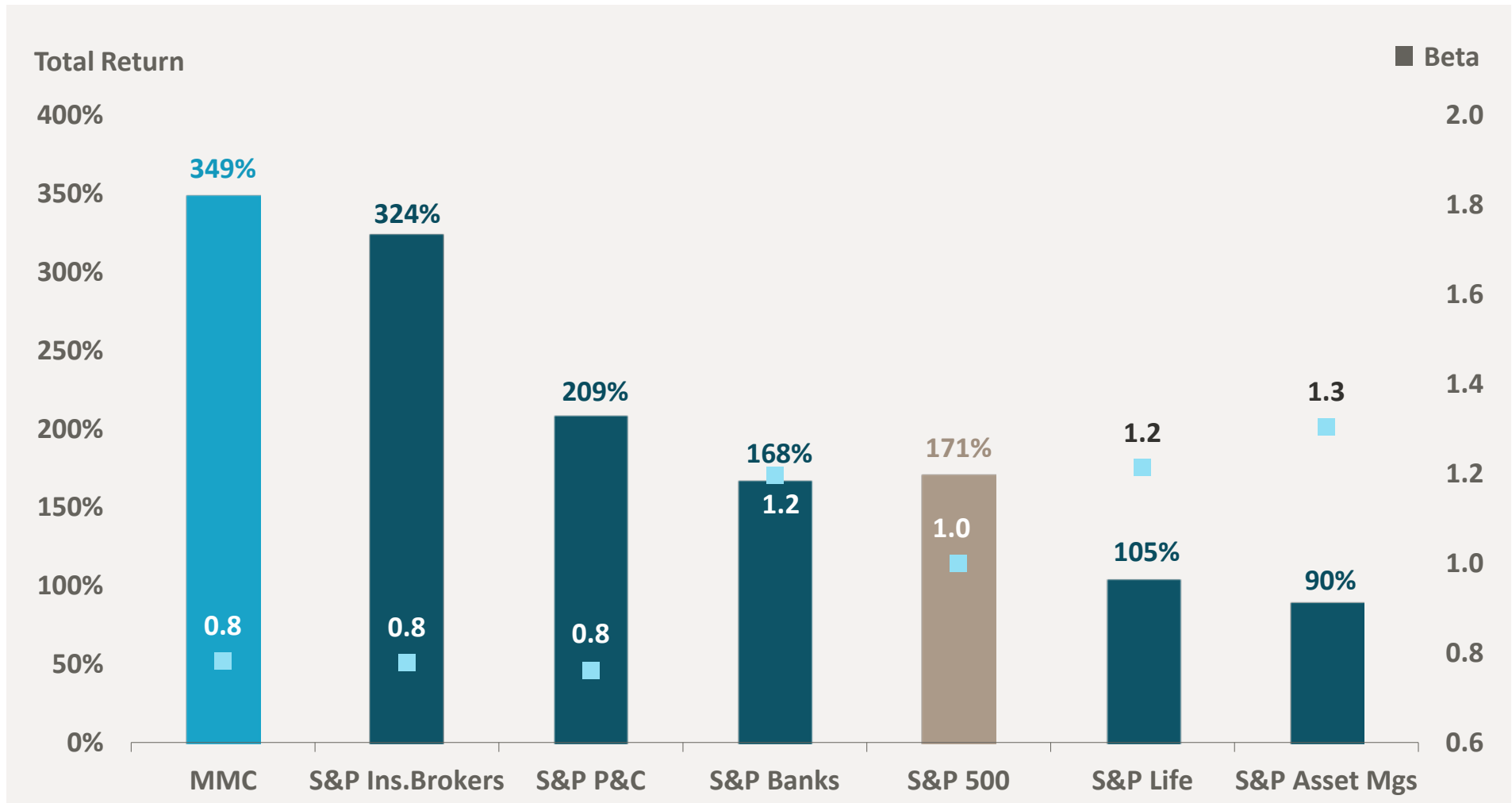
S&P 500 companies with \$5+ Billion of revenue; \*MMC LTM 3Q18 adjusted EPS growth was 12.0%. Excludes impact of new revenue recognition accounting standard.

Source: Bloomberg; Reconciliation of Non-GAAP measures included in Appendix



# Stronger Returns with Lower Relative Volatility

12/31/09 – 12/31/18



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

# 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



# Environmental, Social & Governance (ESG)

A Commitment to Our Shareholders, Colleagues and Communities We Take Seriously

## 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 (e.g. Finance Academy)



### Governance

Commitment to maintaining a diverse and inclusive Board; independent Chairman and directors, with the exception of our CEO; annual election of all directors; proxy access

## Rankings and Recognition



Formed Internal ESG Working Group



Source: Institutional Shareholder Services; MMC Citizenship Report: <http://www.mmc.com/publications/mmc-corporate/corporate-citizenship-report.html>

# APPENDIX



# 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
<b>Revenue</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>14,950</b>
<b>Operating Income as Reported*</b>	<b>445</b>	<b>568</b>	<b>832</b>	<b>1,552</b>	<b>1,770</b>	<b>2,053</b>	<b>2,124</b>	<b>2,184</b>	<b>2,431</b>	<b>2,655</b>	<b>2,761</b>
Restructuring Charges	328	243	141	51	78	22	12	28	44	40	161
Settlement, Legal & Regulatory	51	242	10	(21)	(2)	-	-	-	-	15	-
Adj. to Acquisition Related Accts.	-	-	-	(1)	(35)	32	37	51	15	3	32
Other	89	39	393	(7)	(6)	(3)	(1)	(38)	(15)	1	(16)
Adjustments	468	524	544	22	35	51	48	41	44	59	177
<b>Operating Income as Adjusted</b>	<b>913</b>	<b>1,092</b>	<b>1,376</b>	<b>1,574</b>	<b>1,805</b>	<b>2,104</b>	<b>2,172</b>	<b>2,225</b>	<b>2,475</b>	<b>2,714</b>	<b>2,938</b>
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%
<b>Operating Margin as Adjusted</b>	<b>8.5%</b>	<b>11.1%</b>	<b>13.0%</b>	<b>13.7%</b>	<b>15.1%</b>	<b>17.2%</b>	<b>16.8%</b>	<b>17.3%</b>	<b>18.8%</b>	<b>19.4%</b>	<b>19.7%</b>

\*2017 and prior adjusted to reflect impact of pension standard.

Other in 2010 includes \$400 net Alaska litigation settlement; 2015 includes \$37 gain on disposal of Mercer's U.S. defined contribution recordkeeping business; 2016 includes the gain on disposal of Mercer's U.S. defined contribution recordkeeping business and 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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue	5,466	5,284	5,557	6,079	6,350	6,596	6,931	6,869	7,143	7,630	8,228
Operating Income as Reported*	280	637	871	1,125	1,272	1,385	1,389	1,366	1,581	1,731	1,864
Restructuring Charges	193	169	102	1	8	7	5	8	3	11	99
Settlement, Legal & Regulatory	51	12	10	(21)	-	-	-	-	-	15	-
Adj. to Acquisition Related Accts.	-	-	-	(1)	(32)	31	37	56	12	-	22
Other	25	8	5	-	(2)	(1)	-	-	(9)	1	(29)
Adjustments	269	189	117	(21)	(26)	37	42	64	6	27	92
<b>Operating Income as Adjusted</b>	<b>549</b>	<b>826</b>	<b>988</b>	<b>1,104</b>	<b>1,246</b>	<b>1,422</b>	<b>1,431</b>	<b>1,430</b>	<b>1,587</b>	<b>1,758</b>	<b>1,956</b>
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%
<b>Operating Margin as Adjusted</b>	<b>10.0%</b>	<b>15.6%</b>	<b>17.8%</b>	<b>18.2%</b>	<b>19.6%</b>	<b>21.6%</b>	<b>20.6%</b>	<b>20.8%</b>	<b>22.2%</b>	<b>23.0%</b>	<b>23.9%</b>

\*2017 and prior adjusted to reflect impact of pension standard.

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue	5,196	4,609	5,042	5,487	5,613	5,701	6,059	6,064	6,112	6,444	6,779
Operating Income as Reported*	501	351	117	601	688	845	934	1,014	1,038	1,110	1,099
Restructuring Charges	40	42	24	31	58	2	1	8	34	19	52
Adj. to Acquisition Related Accts.	-	-	-	-	(3)	1	-	(5)	3	3	10
Other	-	30	400	-	-	(1)	-	(37)	(6)	-	6
Adjustments	40	72	424	31	55	2	1	(34)	31	22	68
<b>Operating Income as Adjusted</b>	<b>541</b>	<b>423</b>	<b>541</b>	<b>632</b>	<b>743</b>	<b>847</b>	<b>935</b>	<b>980</b>	<b>1,069</b>	<b>1,132</b>	<b>1,167</b>
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%
<b>Operating Margin as Adjusted</b>	<b>10.4%</b>	<b>9.2%</b>	<b>10.7%</b>	<b>11.5%</b>	<b>13.2%</b>	<b>14.9%</b>	<b>15.4%</b>	<b>16.3%</b>	<b>17.5%</b>	<b>17.6%</b>	<b>17.2%</b>

\*2017 and prior adjusted to reflect impact of pension standard.

Other in 2010 is net Alaska litigation settlement; 2015 and 2016 reflects 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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<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>
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
<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>
Tax Benefit			<u>(\$0.18)</u>									
<b>Normalized for Tax Benefit</b>			<b>\$1.43</b>									

2014 and 2011 adjusted EPS excludes expense of \$.15 and \$.09, respectively, related to early extinguishment of debt  
Please see our fourth quarter 2018 earnings released furnished on Form 8-K for additional information regarding the adjustments for Adjusted EPS





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