



MARSH & McLENNAN  
COMPANIES

# Results through Third 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 Commission and the U.K. FCA market study; (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 inability to collect on our receivables in certain high-risk jurisdictions; (8) the regulatory, contractual and reputational risks that arise based on insurance placement activities and various broker revenue streams; (9) the extent to which we manage risks associated with the various services, including fiduciary and investments and other advisory 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 new revenue recognition, pension and lease 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**

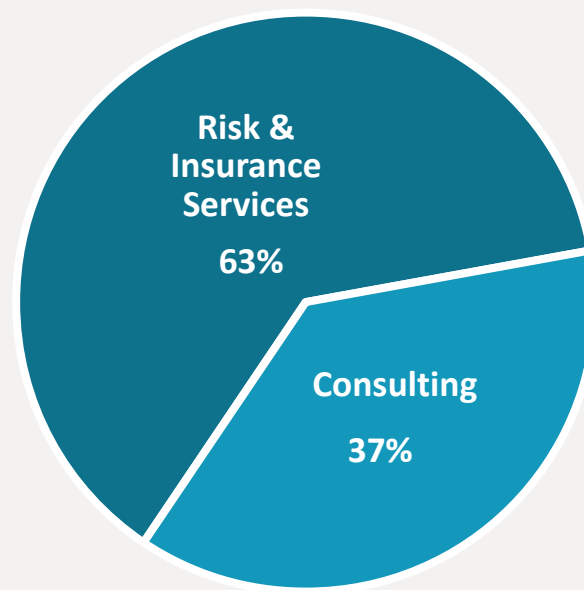
Scott McDonald



# A preeminent global professional services firm



**2018\* Revenue**  
**\$14.8 Billion**



**2018\* Adjusted Operating Income**  
**\$2.8 Billion**

\*LTM Revenue ex. Rev Rec.; 12 months ended 09/30/18. LTM NOI ex. Rev. Rec. and restated for pension adjustment  
Reconciliation of Non-GAAP measures included in Appendix



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



Annual revenue of nearly \$15 billion

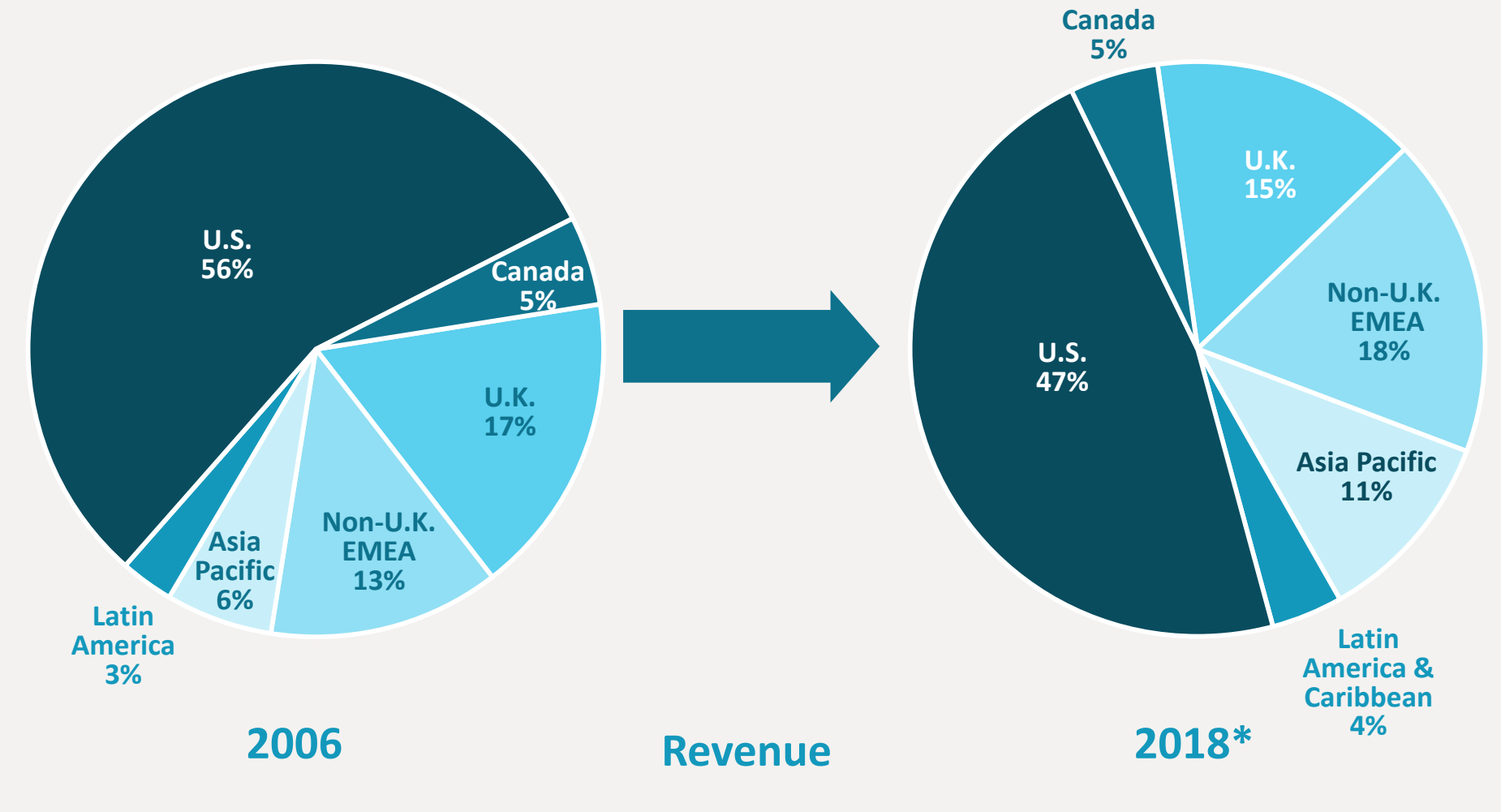
65,000 colleagues globally

Clients in more than 130 countries

147-year history of leadership and innovation



# Expanding Global Presence



\*LTM Revenue ex. Rev Rec.; 12 months ended 09/30/18

# Strategic & Macro Drivers of Long-Term Growth



# Shift to Higher Growth Areas

## Geographies

Latin America

Africa

## Market Segments

(MMA) Marsh &  
McLennan Agency

SME (U.K.)

Mercer Marketplace  
365

Investment Consulting

Alternative Capital

## Capabilities & Market Segments

Data & Analytics

Mercer Digital

Cyber

Workday (CPSG)

OW Labs

Flood (Torrent)

MarketConnect

Growth  
Focus  
Areas

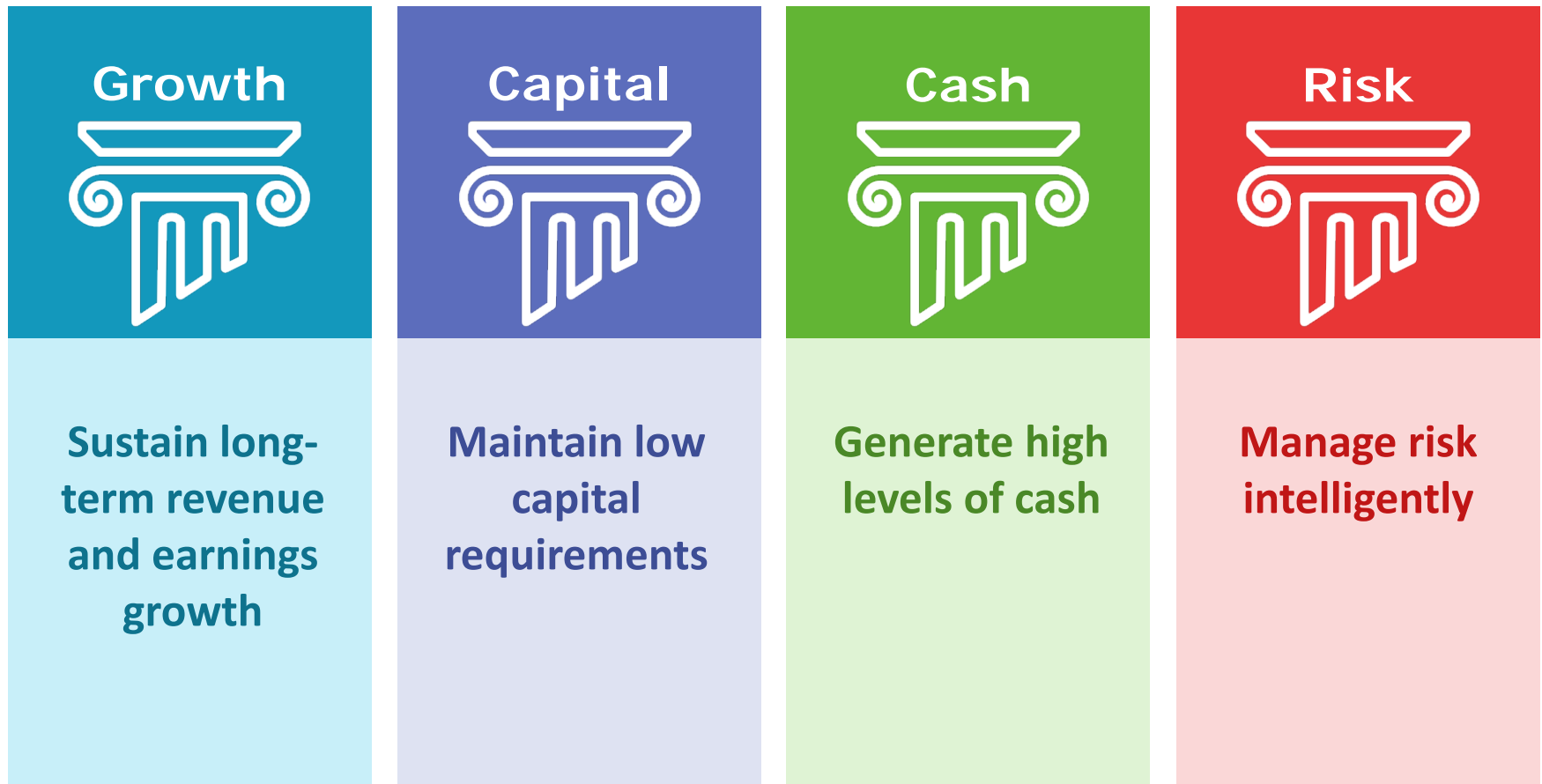
~30%

2017 Revenue  
\$14 billion





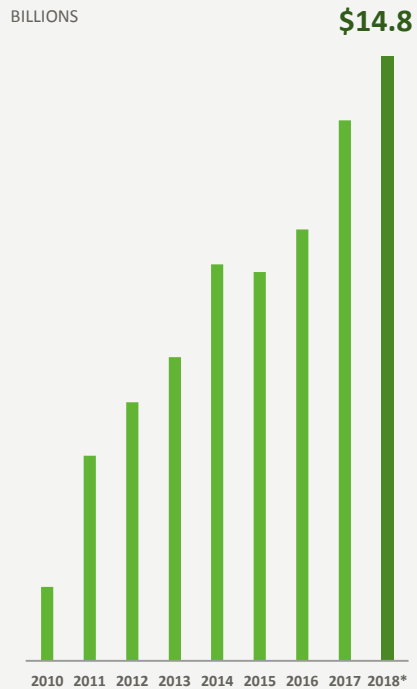
# Four Pillars for Investment Performance\*



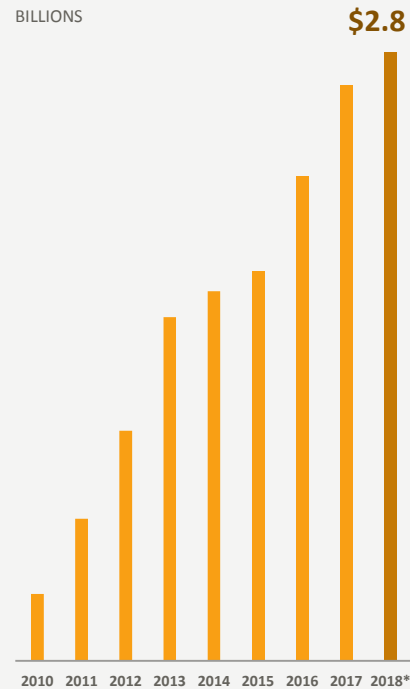
\* Introduced September 2010

# We Have a History of Strong Growth

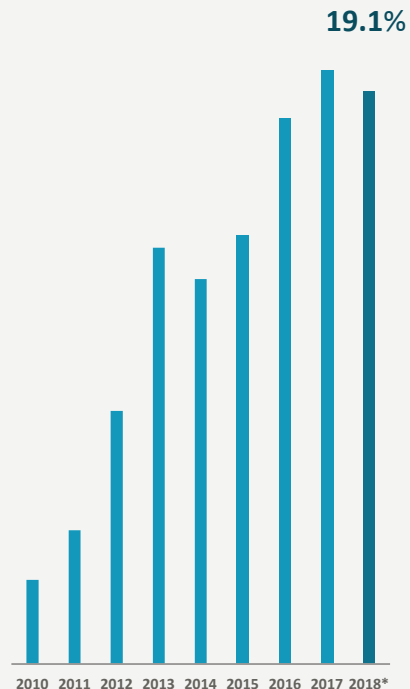
GAAP Revenue  
7.75-YEAR CAGR 4.5%



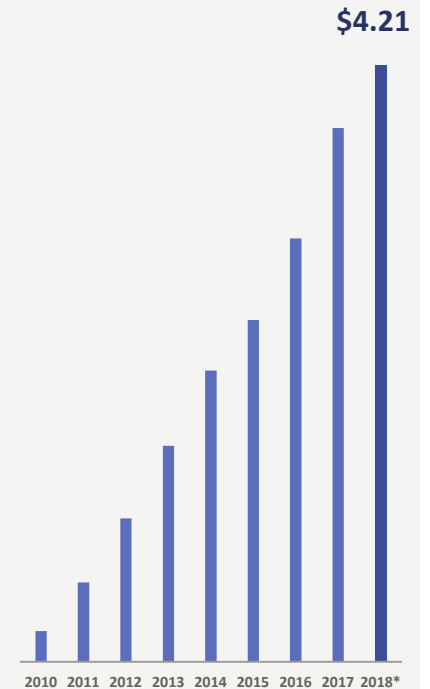
Adjusted Operating Income  
7.75-YEAR CAGR 9.7%



Adjusted Operating Margin  
7.75-YEAR +610 BPS



Adjusted EPS  
7.75-YEAR CAGR 12.9%

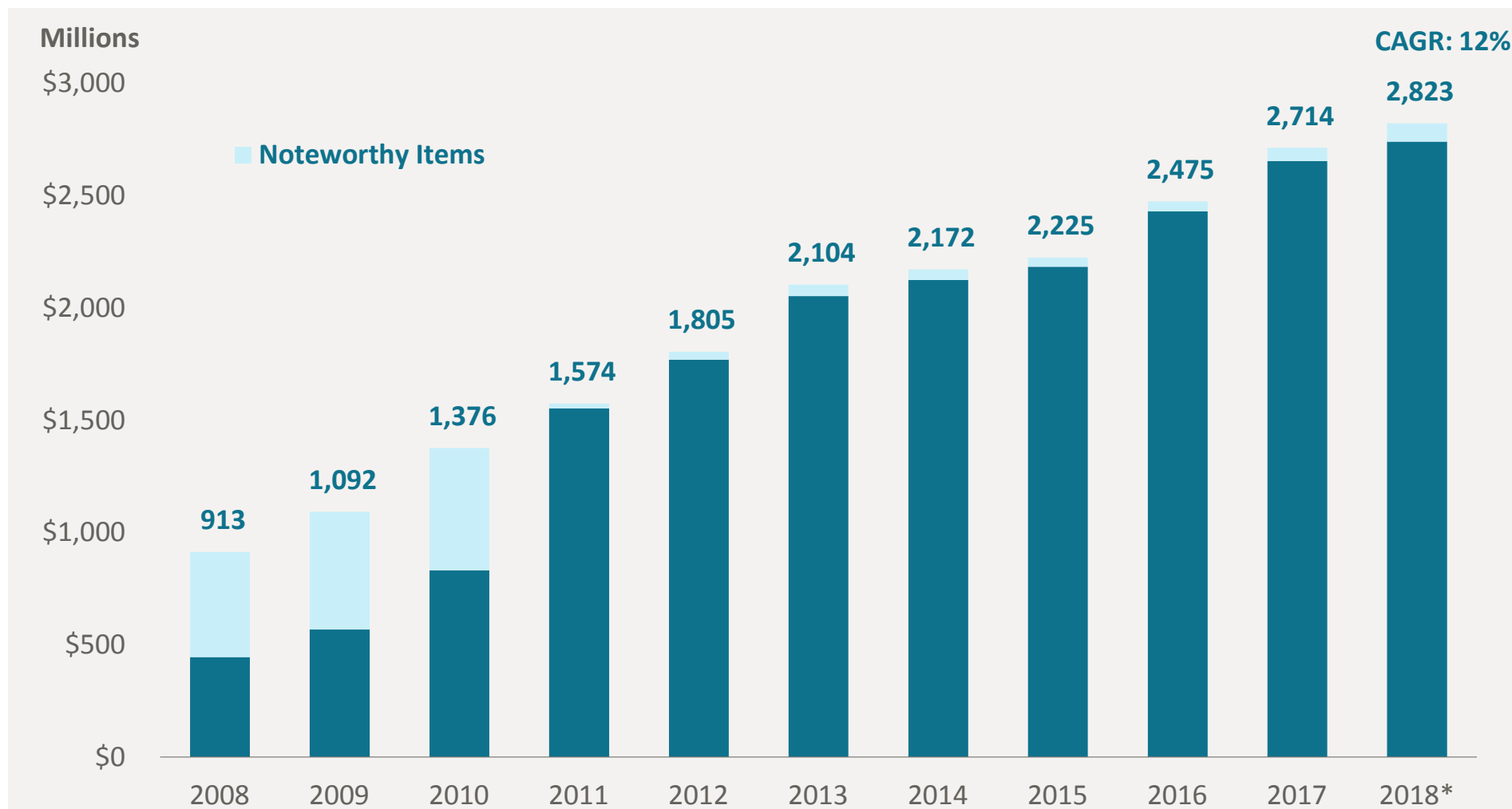


\*LTM Revenue ex. Rev Rec.; 12 months ended 09/30/18. LTM NOI ex. Rev. Rec. and restated for pension adjustment

Reconciliation of Non-GAAP measures included in Appendix



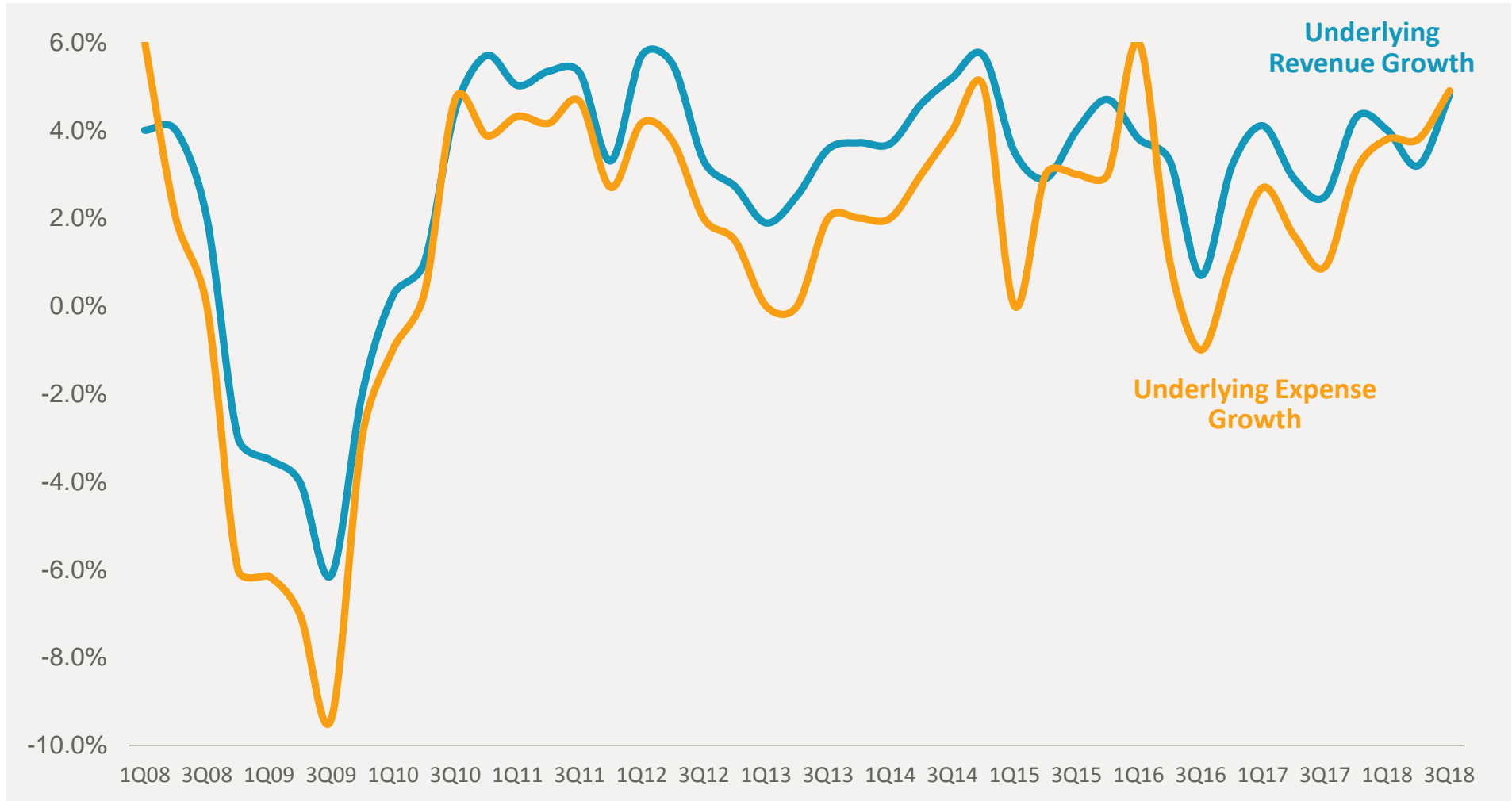
# Adjusted Operating Income



\*12 months ended 09/30/2018; All periods adjusted to reflect impact of Pension Standard. 2018 excludes the impact of the new Revenue Standard  
Reconciliation of Non-GAAP measures included in Appendix



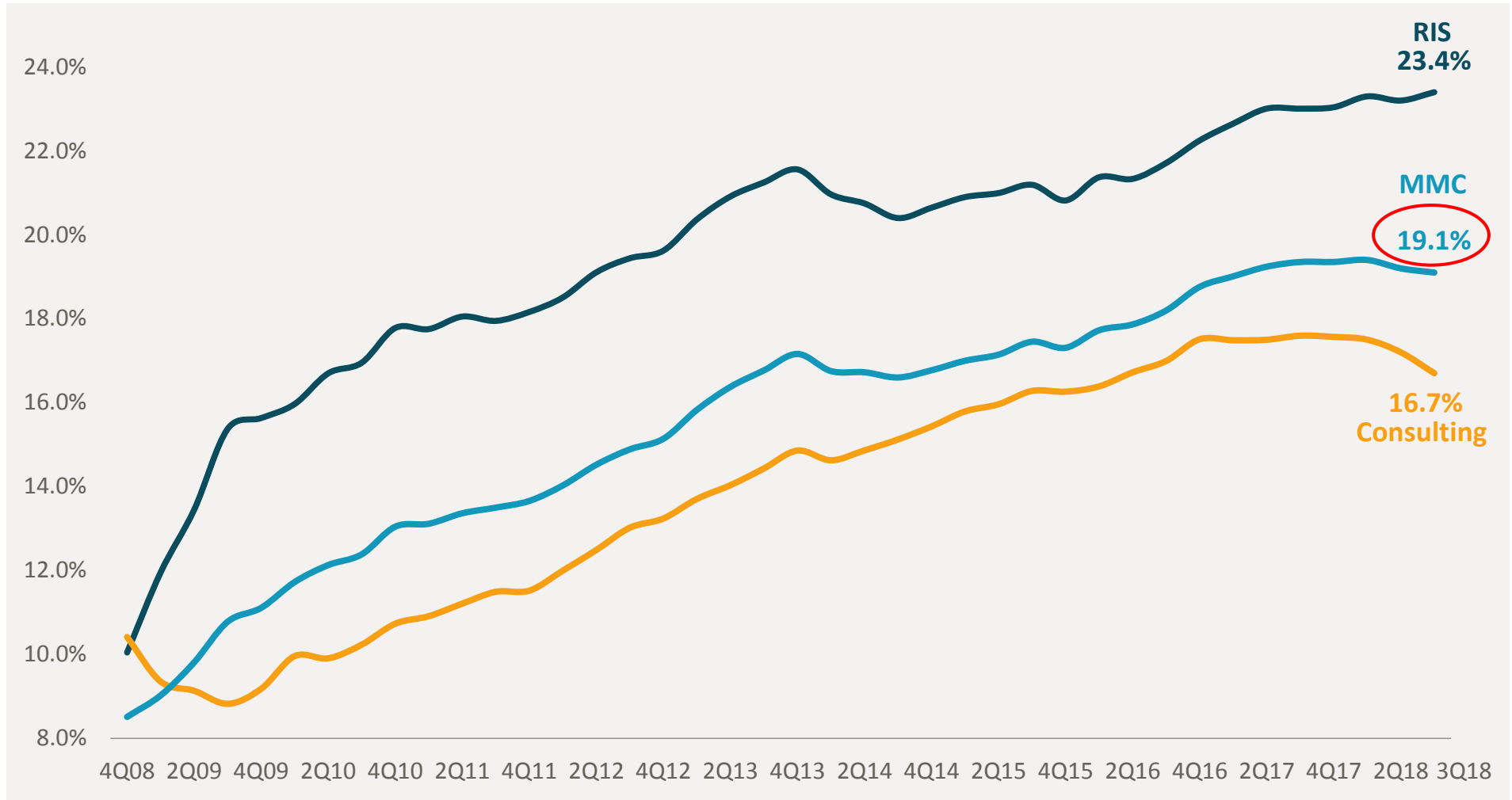
# Operating Leverage Produces Margin Expansion



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



\*12 months ended 09/30/2018; All periods adjusted to reflect impact of Pension Standard. 2018 excludes the impact of the new Revenue Standard  
Includes amortization expense. Reconciliation of Non-GAAP measures included in Appendix



# Capital Allocation Priorities

Investment for organic growth

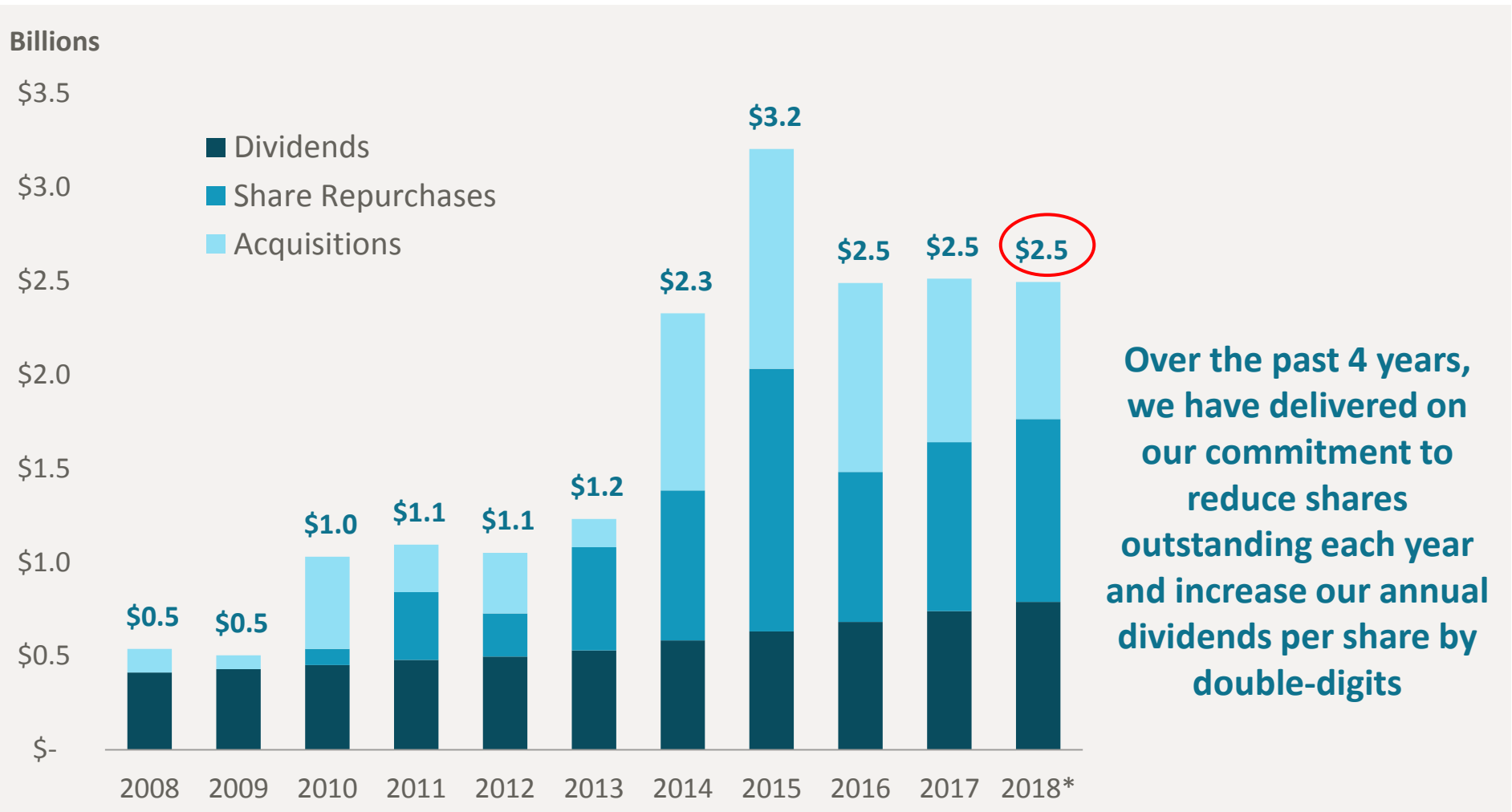
Strong dividend growth

Quality acquisitions

Share Repurchase

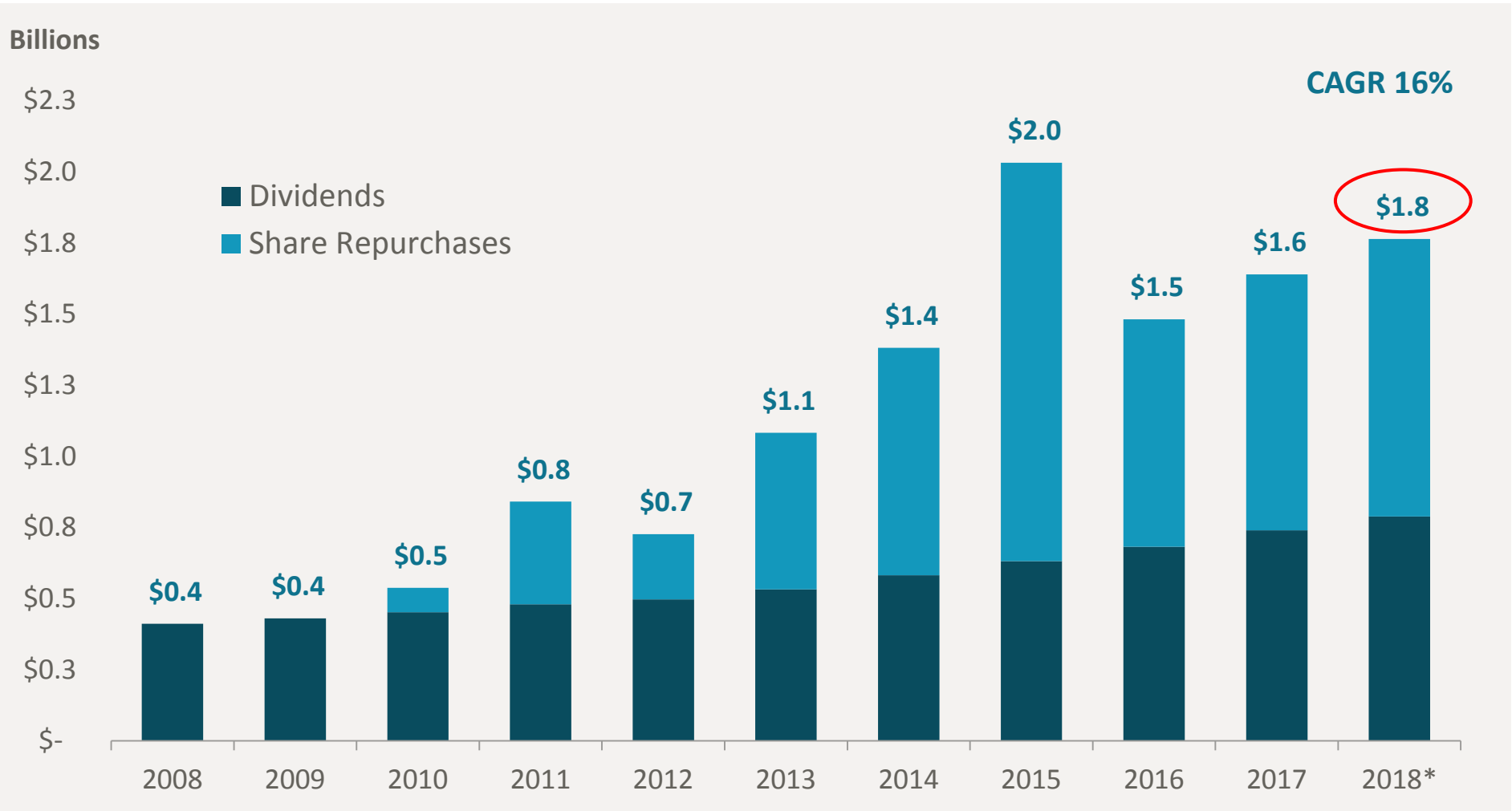


# Dividends, Share Repurchases and Acquisitions



\*12 months ended 09/30/2018

# Returning Cash to Shareholders



\*12 months ended 09/30/2018

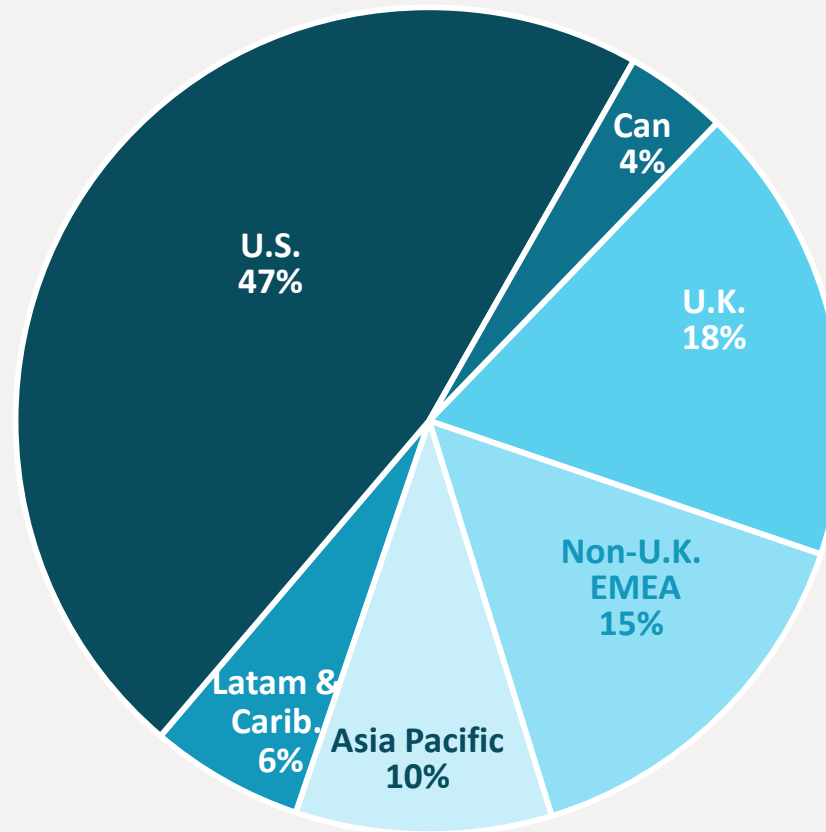


# **RISK & INSURANCE SERVICES**

Marsh and Guy Carpenter

# Risk & Insurance Services

## Revenue



**2018\***  
**\$8.1 Billion**



\*LTM Revenue ex. Rev Rec.; 12 months ended 09/30/18

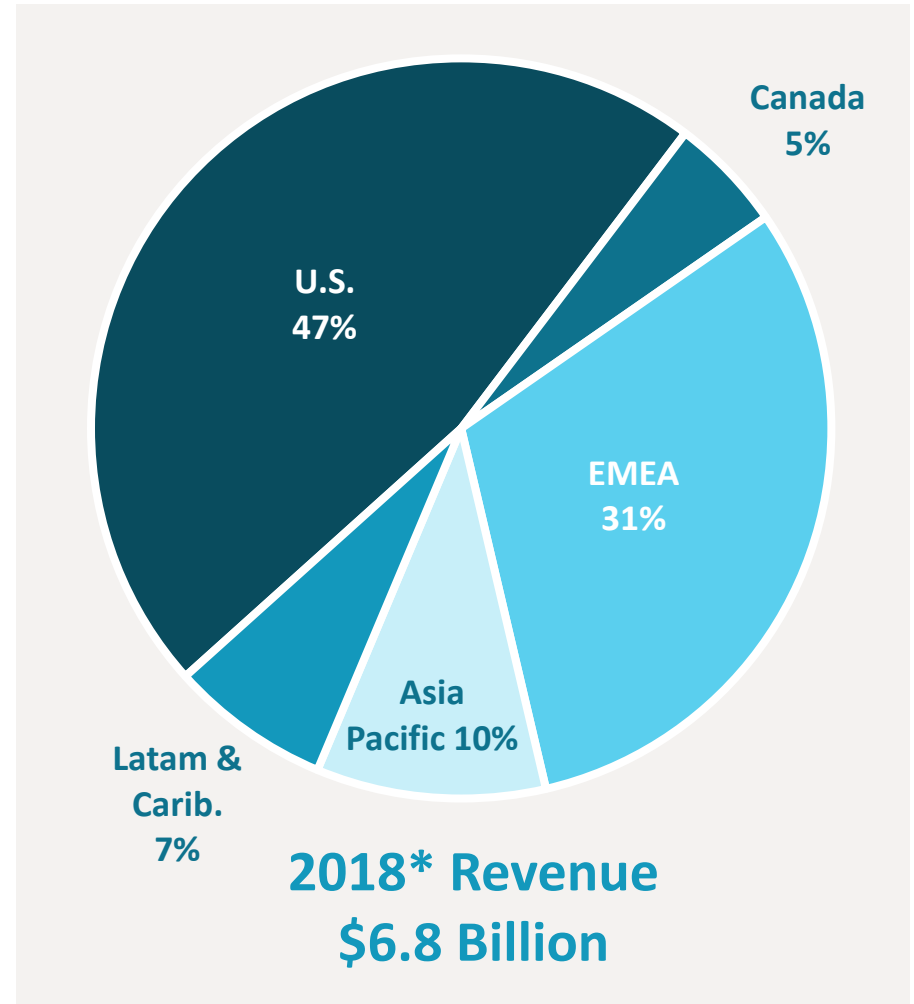
Over 33,000 colleagues serve businesses, public entities and private clients in more than 130 countries

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

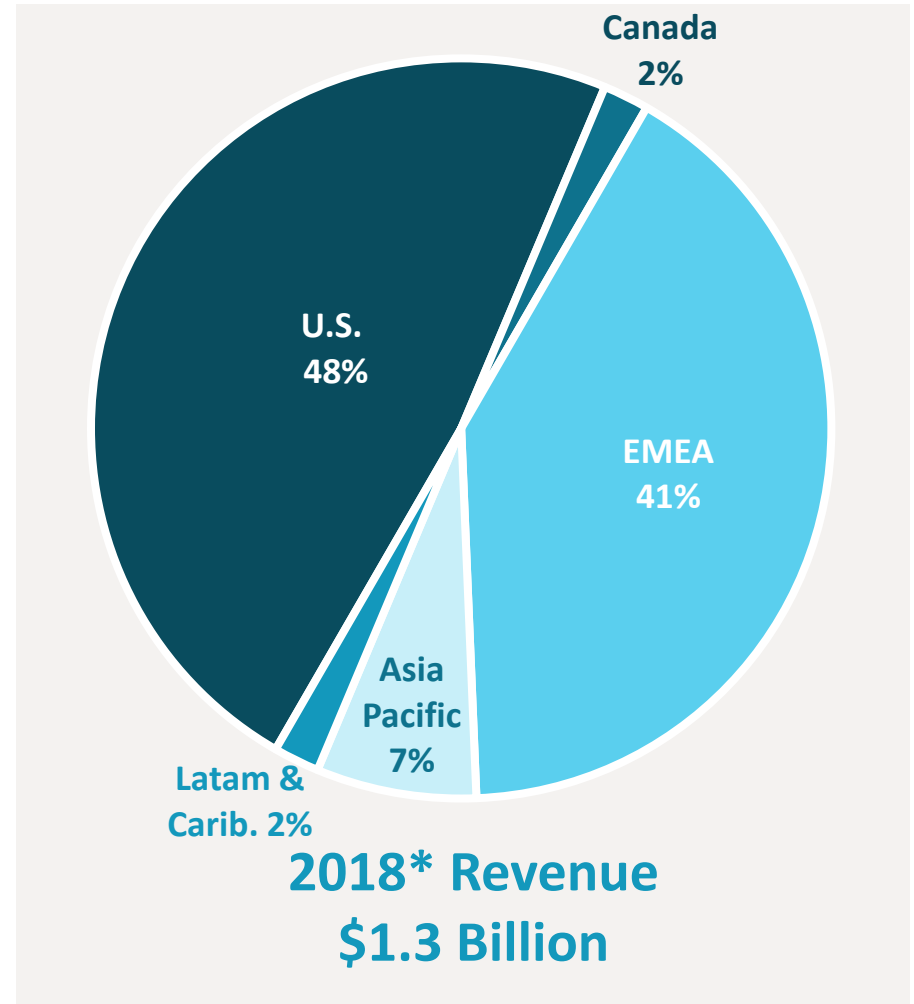


2,400 employees in over 60 offices  
worldwide

1,600 clients

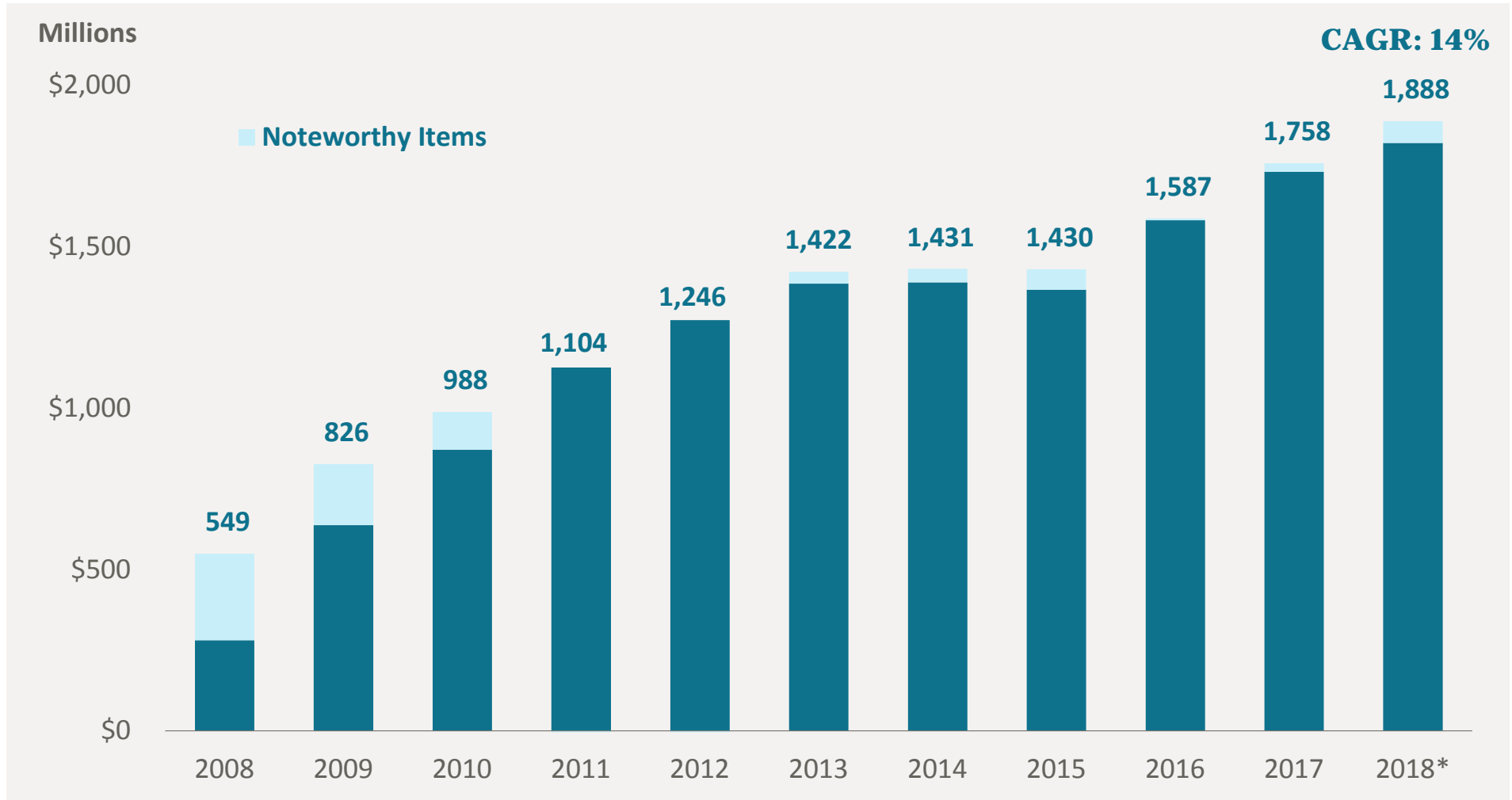
Serves clients through specialized  
reinsurance broking expertise,  
strategic advisory services, and  
industry-leading analytics

Places \$26 Billion in reinsurance  
premiums annually



# Risk & Insurance Services

## *Adjusted Operating Income*



\*12 months ended 09/30/2018; All periods adjusted to reflect impact of Pension Standard. 2018 excludes the impact of the new Revenue Standard

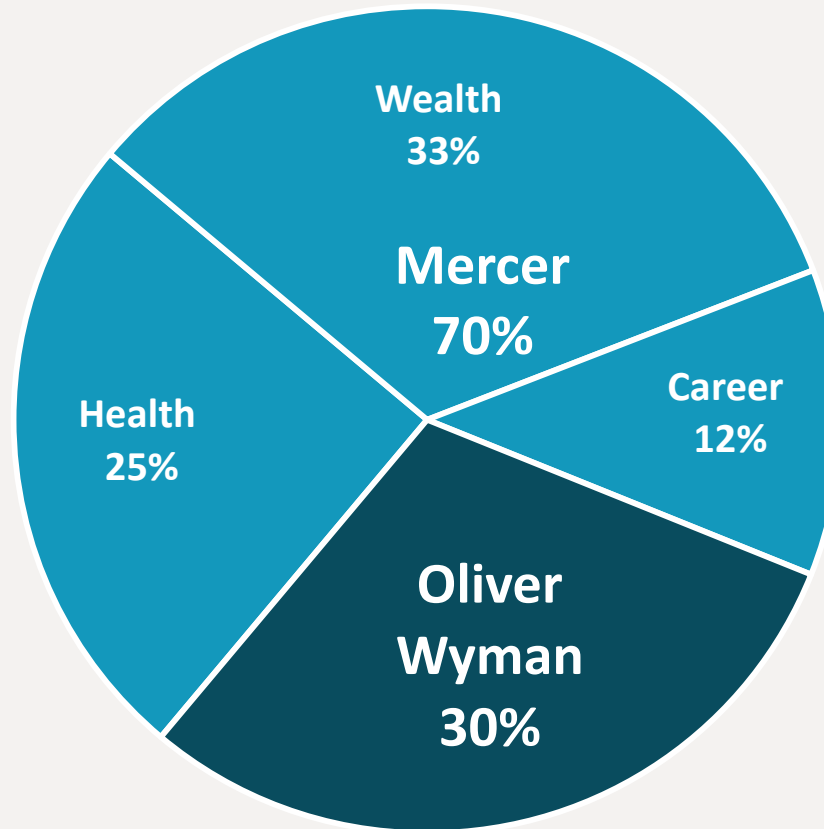
Reconciliation of Non-GAAP measures included in Appendix



**CONSULTING**

Mercer and Oliver Wyman

# Consulting Revenue



**2018\***  
**\$6.7 Billion**



\*LTM Revenue ex. Rev Rec.; 12 months ended 09/30/18

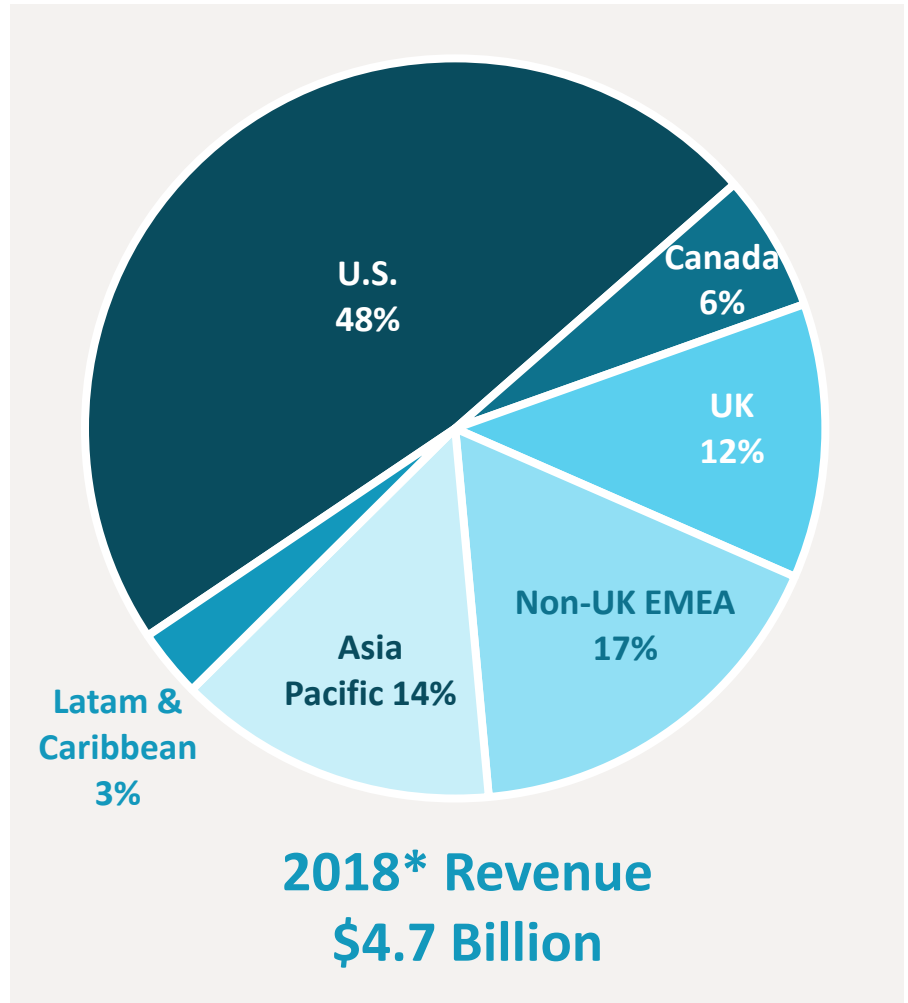
Nearly 23,000 colleagues

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





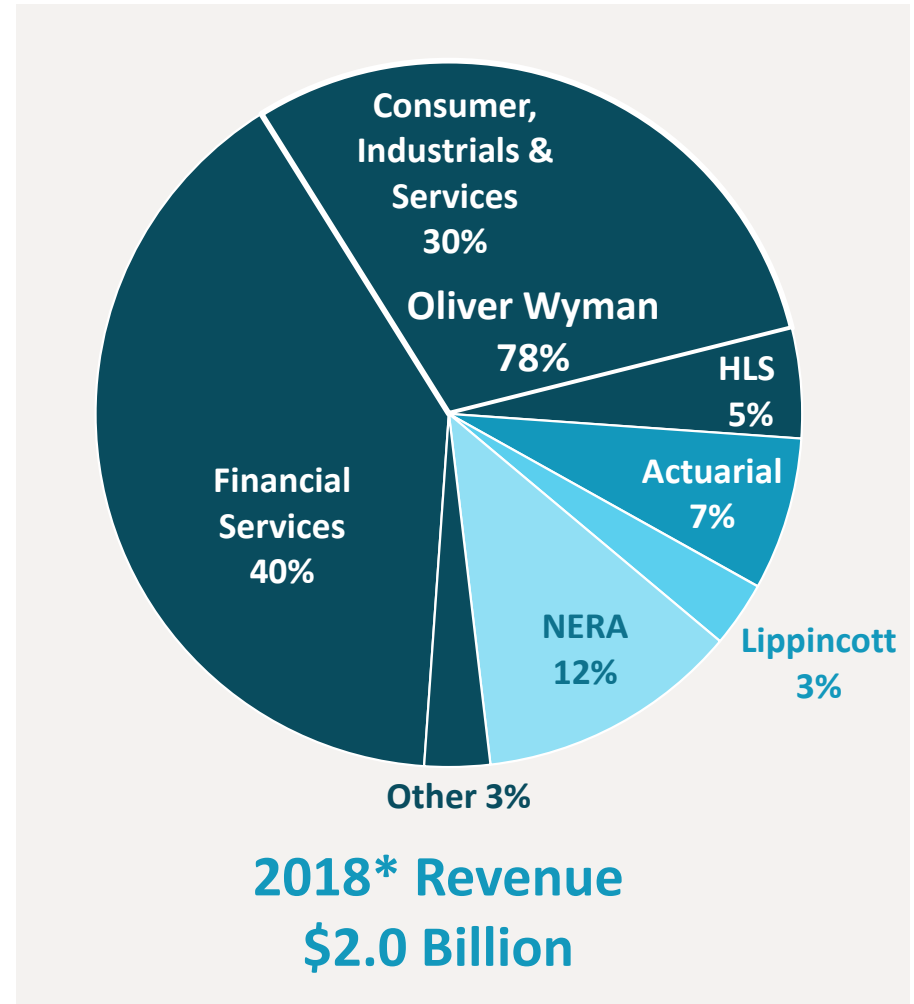
Fourth largest of global strategy and management consultants

More than 1,300 clients

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

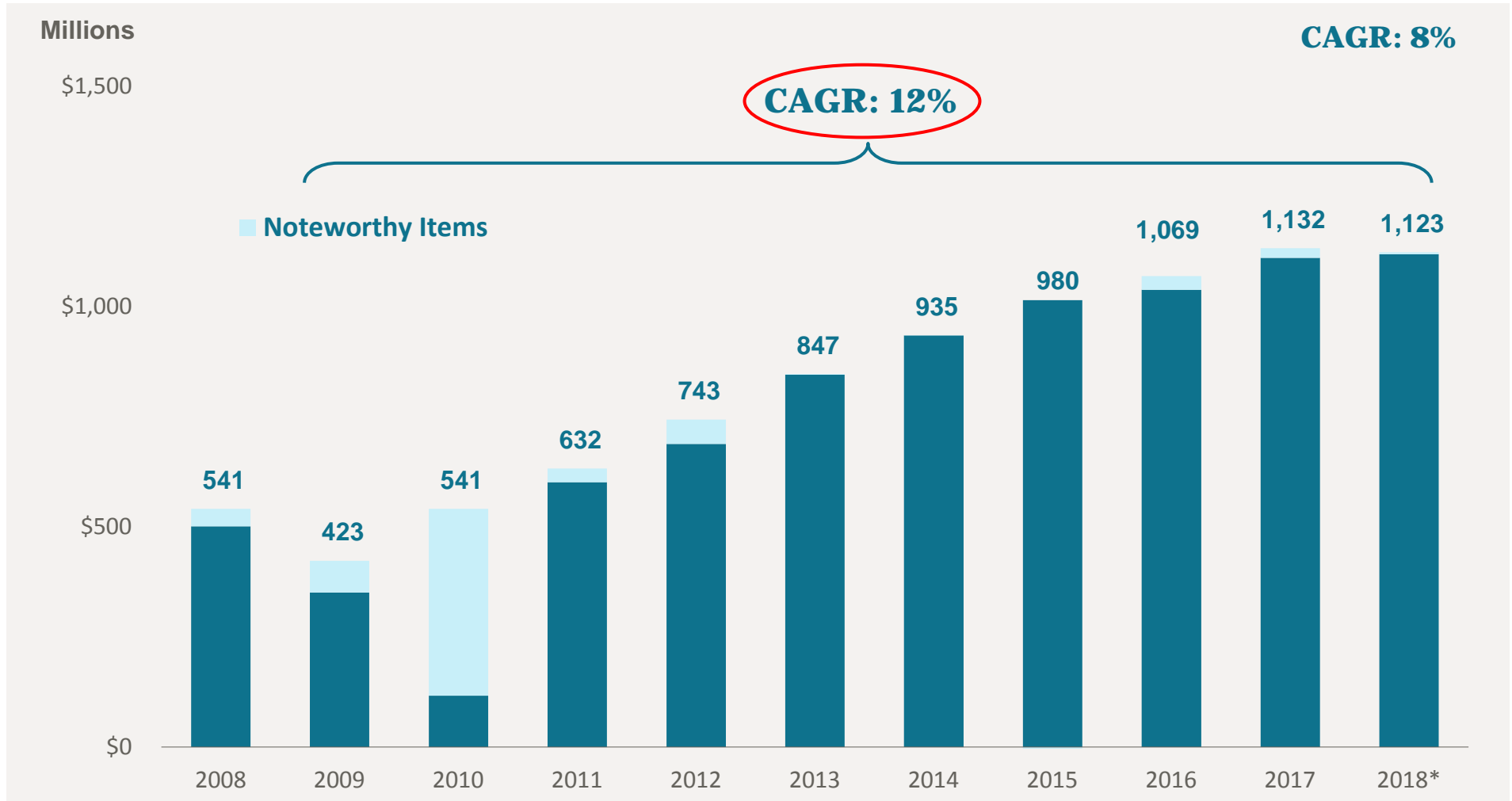
Leading market positions in Financial Services, Aviation and Retail

Expanding digital, technology and analytics (DTA) team



# Consulting

## Adjusted Operating Income



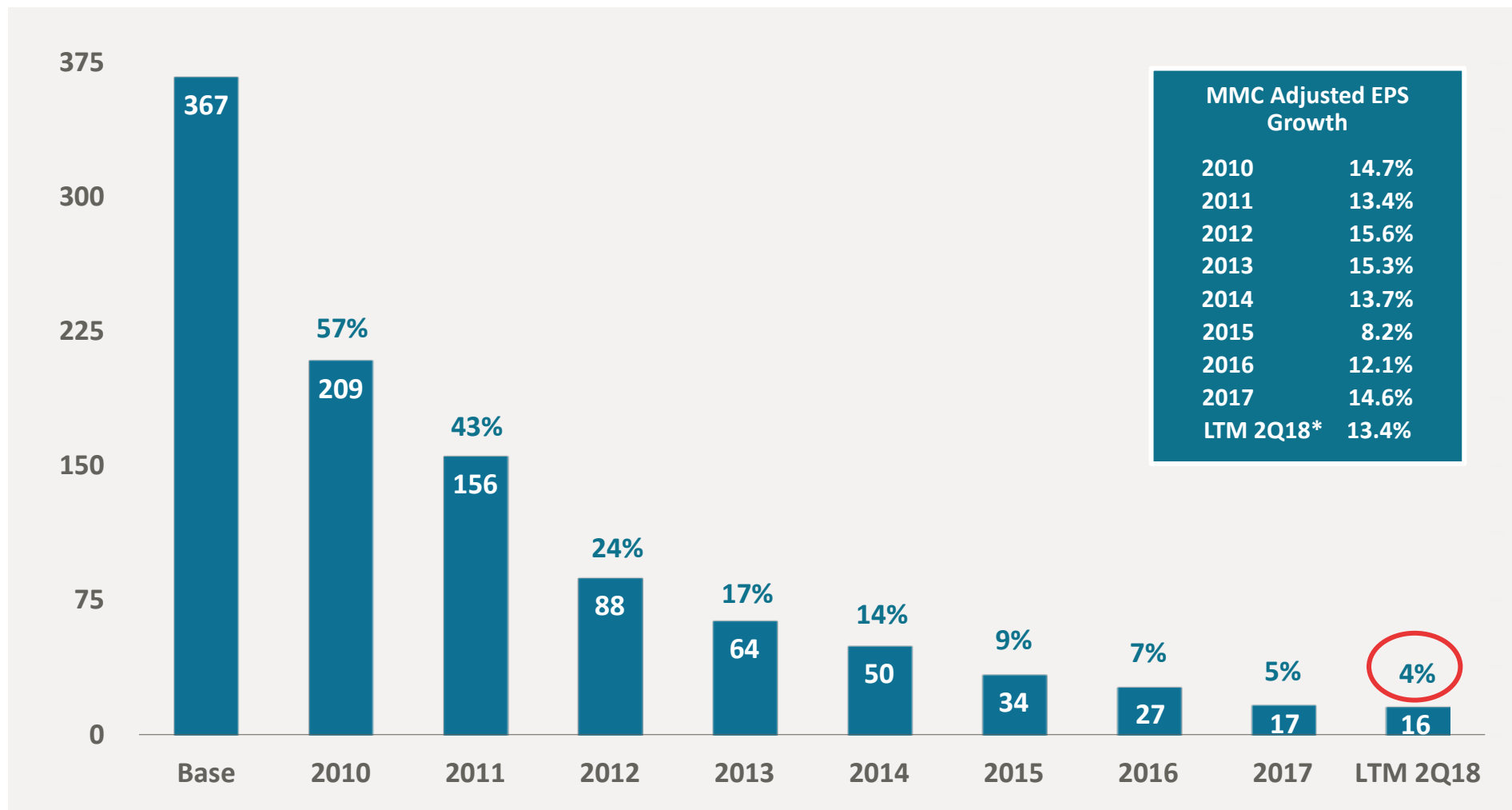
\*12 months ended 09/30/18; All periods adjusted to reflect impact of Pension Standard. 2018 excludes the impact of the new Revenue Standard  
Reconciliation of Non-GAAP measures included in Appendix



# 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

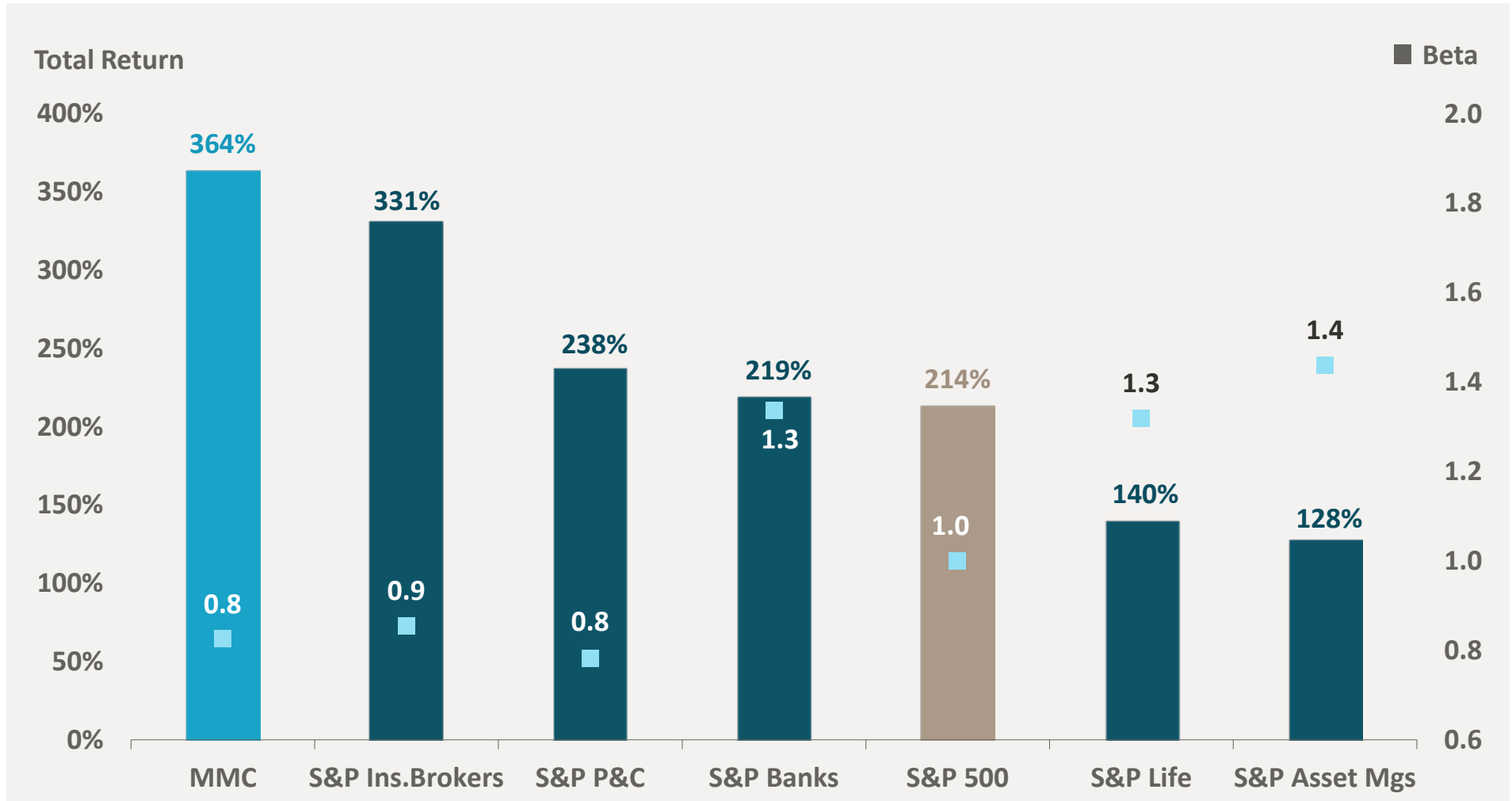


S&P 500 companies with \$5+ Billion of revenue; \*Excludes impact of new revenue recognition accounting standard. Source: Bloomberg  
 Reconciliation of Non-GAAP measures included in Appendix



# Stronger Returns with Lower Relative Volatility

12/31/09 – 09/30/18



Source: FactSet; Beta reflects 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



# 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>14,796</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>2,741</b>
Restructuring Charges	328	243	141	51	78	22	12	28	44	40	103
Settlement, Legal & Regulatory	51	242	10	(21)	(2)	-	-	-	-	15	-
Adj. to Acquisition Related Accts.	-	-	-	(1)	(35)	32	37	51	15	3	25
Other	89	39	393	(7)	(6)	(3)	(1)	(38)	(15)	1	(46)
Adjustments	468	524	544	22	35	51	48	41	44	59	82
<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>2,823</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>19.1%</b>

\*All periods adjusted to reflect impact of Pension Standard.. \*\*12 months ended 09/30/2018 and excludes the impact of the new Revenue Standard. For a discussion of the impact of revenue recognition standard on the Company's financial statements, please see the Company's most recently filed 10-Q with the SEC.

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**
<b>Revenue</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>8,125</b>
<b>Operating Income as Reported*</b>	<b>280</b>	<b>637</b>	<b>871</b>	<b>1,125</b>	<b>1,272</b>	<b>1,385</b>	<b>1,389</b>	<b>1,366</b>	<b>1,581</b>	<b>1,731</b>	<b>1,821</b>
Restructuring Charges	193	169	102	1	8	7	5	8	3	11	91
Settlement, Legal & Regulatory	51	12	10	(21)	-	-	-	-	-	15	-
Adj. to Acquisition Related Accts.	-	-	-	(1)	(32)	31	37	56	12	-	21
Other	25	8	5	-	(2)	(1)	-	-	(9)	1	(45)
Adjustments	269	189	117	(21)	(26)	37	42	64	6	27	67
<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>1,888</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%	22.4%
<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>23.4%</b>

\*All periods adjusted to reflect impact of Pension Standard.. \*\*12 months ended 09/30/2018 and excludes the impact of the new Revenue Standard. For a discussion of the impact of revenue recognition standard on the Company's financial statements, please see the Company's most recently filed 10-Q with the SEC.

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	6,726
Operating Income as Reported*	501	351	117	601	688	845	934	1,014	1,038	1,110	1,118
Restructuring Charges	40	42	24	31	58	2	1	8	34	19	2
Adj. to Acquisition Related Accts.	-	-	-	-	(3)	1	-	(5)	3	3	4
Other	-	30	400	-	-	(1)	-	(37)	(6)	-	(1)
Adjustments	40	72	424	31	55	2	1	(34)	31	22	5
<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>1,123</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%	16.6%
<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>16.7%</b>

\*All periods adjusted to reflect impact of Pension Standard.. \*\*12 months ended 09/30/2018 and excludes the impact of the new Revenue Standard. For a discussion of the impact of revenue recognition standard on the Company's financial statements, please see the Company's most recently filed 10-Q with the SEC.

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>\$2.88</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	1.33
<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>\$4.21</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

\*12 months ended 09/30/2018; excludes the impact of the new Revenue Standard

Please see our third quarter 2018 earnings released furnished on Form 8-K for additional information regarding the adjustments for Adjusted EPS





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