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## NEWS RELEASE

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### MARSH & McLENNAN REPORTS THIRD QUARTER 2019 RESULTS

Third Quarter Revenue Growth of 13%; Underlying Revenue Growth of 5%

Third Quarter GAAP EPS of \$0.59; Adjusted EPS of \$0.77

Nine Months Revenue Growth of 10%; Underlying Revenue Growth of 4%

Nine Months GAAP Operating Income Declines 3%; Adjusted Operating Income Grows 13%

NEW YORK, October 29, 2019 — Marsh & McLennan Companies, Inc. (NYSE: MMC), the world's leading professional services firm in the areas of risk, strategy and people, today reported financial results for the third quarter ended September 30, 2019.

Dan Glaser, President and CEO, said: "We are pleased with our third quarter results, which reflect excellent performance across the Company. In the quarter, we produced 13% revenue growth, 5% underlying revenue growth including growth across both segments, and 10% adjusted operating income growth. For the nine months of 2019, we achieved 4% underlying revenue growth, adjusted operating income grew 13%, and the adjusted operating margin increased 110 basis points to 22.0%."

"Our year-to-date results position us well for a solid year," concluded Mr. Glaser.

#### Consolidated Results

Consolidated revenue in the third quarter of 2019 was \$4.0 billion, an increase of 13% compared with the third quarter of 2018. Underlying revenue grew 5% compared to a year ago. Underlying revenue growth is calculated as if Marsh & McLennan and Jardine Lloyd Thompson were a combined company a year ago, but excludes the impact of currency and other acquisitions, dispositions, and transfers among businesses. Operating income was \$467 million compared with \$541 million in the prior year. Adjusted operating income, which excludes noteworthy items as presented in the attached supplemental schedules, rose 10% to \$585 million. Net income attributable to the Company was \$303 million, or \$0.59 per diluted share, compared with \$0.54 in the third quarter of 2018. Adjusted earnings per share decreased 1% to \$0.77 compared with \$0.78 for the prior year period.

For the nine months ended September 30, 2019, consolidated revenue was \$12.4 billion, an increase of 10%, or 4% on an underlying basis. Operating income was \$2.1 billion, while adjusted operating income, which excludes noteworthy items as presented in the attached supplemental schedules, rose



## INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

This press release 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



Marsh & McLennan Companies, Inc.  
 Supplemental Information - Revenue Analysis  
 Three Months Ended September 30  
 (Millions) (Unaudited)

The Company conducts business in more than 130 countries. As a result, foreign exchange rate movements may impact period-to-period comparisons of revenue. Similarly, certain other items such as the revenue impact of acquisitions and dispositions, including transfers among businesses, may impact period-to-period comparisons of revenue. Underlying revenue measures the change in revenue from one period to the next by isolating these impacts.

The calculation of underlying revenue growth for the three and nine months ended September 30, 2019 includes the results of JLT. The column "2018 Including JLT" includes JLT's prior year third quarter revenue (See reconciliation of non-GAAP measures on page 14).

Three Months September 30,			% Change GAAP Revenue	2018 Including JLT	% Change including JLT	Components of Revenue Change Including JL T*		
						Revenue	2018	2019
317.70	317.70	317.70	53.38	371.08	15.70	355.38	355.38	15.70
561.25	561.25	561.25	38.53	749.78	13.30	611.48	611.48	13.30
208.25	208.25	208.25	2.38	210.63	0.63	208.00	208.00	0.63

Marsh & McLennan Companies, Inc.  
 Supplemental Information - Revenue Analysis  
 Nine Months Ended September 30  
 (Millions) (Unaudited)

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The calculation of underlying revenue growth for the three and nine months ended September 30, 2019 includes the results of JLT. The column "2018 Including JLT" includes JLT's prior year revenue beginning April 1, 2018 (See reconciliation of non-GAAP measures on page 14). The decrease in revenue due to the disposal of JLT's aerospace business in the second quarter of 2019 is reflected in the acquisitions/dispositions column. All other acquisitions/dispositions activity is included in the acquisitions/dispositions column.

	Nine Months Ended September 30,		% Change GAAP Revenue	2018 Including JLT	% Change Including JLT in 2018	Components of Revenue Change Including JLT*		
	2019	2018				Currency Impact	Acquisitions/ Dispositions/ Other Impact	Underlying Revenue
Operating Revenue	5,795	5,388	9%	5,388	9%			5,388
Marsh	\$ 5,795							
Dispositions								
Components of Revenue Change Impact								
% Change								
Including								
2018								
Revenue								
2018								

Total International  
 health

Marsh & McLennan Companies, Inc.  
Reconciliation of Non-GAAP Measures - Actual as Reported  
Three Months Ended September 30  
(Millions) (Unaudited)

Overview

The Company reports its financial results in accordance with accounting principles generally accepted in the United States (referred to in this release as "GAAP" or "reported" results). The Company also refers to and presents below certain additional non-GAAP financial measures, within the meaning of Regulation G under the Securities Exchange Act of 1934. These measures are: adjusted operating income (loss), adjusted operating margin, adjusted income, net of tax and adjusted earnings per share (EPS). The Company has included reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated in accordance with GAAP in the following tables.

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 businesses, 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.

Adjusted Operating Income (Loss) and Adjusted Operating Margin

Adjusted operating income (loss) is calculated by excluding the impact of certain noteworthy items from the Company's GAAP operating income or (loss). The following tables identify these noteworthy items and reconcile adjusted operating income (loss) to GAAP operating income or loss, on a consolidated and segment basis, for the three and nine months ended September 30, 2019 and 2018. The following tables also present adjusted operating margin. In 2019, the Company changed its methodology for calculating adjusted operating margin due to the significant amount of identified intangible asset amortization related to the JLT Transaction, on April 1, 2019. For the three and nine months ended September 30, 2019 and 2018, adjusted operating margin is calculated by dividing the sum of adjusted operating income plus identified intangible asset amortization by consolidated or segment adjusted revenue.

The information presented below represents the actual as reported results for the three months ended September 30, 2019 and 2018. Results for the three months ended September 30, 2018 are for MMC only, as previously reported, and do not include JLT results.

	Risk & Insurance Services	Consulting	Corporate/ Eliminations	Total
<b>Three Months Ended September 30, 2019</b>				
Operating income (loss)	\$ 218	\$ 317	\$ (68)	\$ 467
Operating margin	9.9%	17.7%	N/A	11.8%
Add (Deduct) impact of Noteworthy Items:				
Restructuring, excluding JLT (a)	—	10	2	12
Changes in contingent consideration (b)	5	1	—	6
JLT integration and restructuring costs (c)	58	5	14	77
JLT acquisition-related costs (d)	16	1	4	21
Disposal of businesses (e)	13	(14)	—	(1)
Other	3	—	—	3
Operating income adjustments	95	3	20	118
Adjusted operating income (loss)	\$ 313	\$ 320	\$ (48)	\$ 585
Total identified intangible amortization expense	\$ 73	\$ 11	\$ —	\$ 84
Adjusted operating margin	17.4%	18.7%	N/A	16.9%
<b>As Reported Results</b>				
<b>Three Months Ended September 30, 2018</b>				
Operating income (loss), as reported	\$ 293	\$ 291	\$ (43)	\$ 541
Operating margin	15.7%	17.6%	N/A	15.5%
Add (Deduct) impact of Noteworthy Items:				
Restructuring, excluding JLT (a)	29	—	2	31
Changes in contingent consideration (b)	7	2	—	9
Disposal of business (f)	(46)	—	—	(46)
Operating income adjustments	(10)	2	2	(6)
Adjusted operating income (loss)	\$ 283	\$ 293	\$ (41)	\$ 535
Total identified intangible amortization expense	\$ 39	\$ 8	\$ —	\$ 47
Adjusted operating margin	17.7%	18.2%	N/A	16.8%

(a) Includes severance and related charges from restructuring activities, adjustments to restructuring liabilities for future rent under non-cancellable leases and other real estate costs, and restructuring costs related to the integration of recent acquisitions. Consulting in 2019 reflects severance related to the Mercer restructuring program. Risk & Insurance Services in 2018 reflects severance and consulting costs related to the Marsh simplification initiative.

(b) Primarily includes the change in fair value as measured each quarter of contingent consideration related to acquisitions.

(c) Includes costs incurred for staff reductions, lease related exit costs as well as legal and consulting costs related to the integration.

(d) Reflects retention costs in the Risk & Insurance Services and Consulting segments and legal fees at corporate related to the closing of the JLT Transaction.

(e) Reflects the loss on the sale of a U.S. Specialty business at Marsh and a gain on the sale of Mercer's stand-alone U.S. large market health and defined benefit administration business, which are both included in revenue. These amounts are removed from GAAP revenue in the calculation of adjusted operating income.

(f) Relates to a gain on the disposal of a risk management software and services business unit of Marsh. The \$46 million gain is removed from GAAP revenue in the calculation of adjusted operating margin.



Marsh & McLennan Companies, Inc.  
 Reconciliation of Non-GAAP Measures - Actual as Reported  
 Nine Months Ended September 30  
 (Millions) (Unaudited)

The information presented below represents the actual as reported data for the nine months ended September 30, 2019 and 2018. Results for the nine months ended September 30, 2018 are for MMC only, as previously reported, and do not include JLT results.

	Risk & Insurance Services	Consulting	Corporate/ Eliminations	Total
2019	=====	=====	=====	=====
2018	=====	=====	=====	=====
Change	-----	-----	-----	-----
2019	-----	-----	-----	-----
2018	-----	-----	-----	-----
Change	-----	-----	-----	-----
2019	-----	-----	-----	-----
2018	-----	-----	-----	-----
Change	-----	-----	-----	-----
2019	-----	-----	-----	-----
2018	-----	-----	-----	-----
Change	-----	-----	-----	-----
2019	-----	-----	-----	-----
2018	-----	-----	-----	-----
Change	-----	-----	-----	-----

Marsh & McLennan Companies, Inc.  
Reconciliation of Non-GAAP Measures  
Three and Nine Months Ended September 30

Marsh & McLennan Companies, Inc.  
Supplemental Information  
Three and Nine Months Ended September 30  
(Millions) (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Consolidated				
Compensation and Benefits	\$ 2,437	\$ 2,083	\$ 7,256	\$ 6,442
Other Operating Expenses	1,064	880	3,047	2,656
Total Expenses	<u>\$ 3,501</u>	<u>\$ 2,963</u>	<u>\$ 10,303</u>	<u>\$ 9,098</u>
Depreciation and amortization expense	\$ 85	\$ 77	\$ 245	\$ 236
Identified intangible amortization expense	84	47	235	135
Total	<u>\$ 169</u>	<u>\$ 124</u>	<u>\$ 480</u>	<u>\$ 371</u>
Stock option expense	\$ 4	\$ 3	\$ 23	\$ 20
Risk and Insurance Services				
Compensation and Benefits	\$ 1,373	\$ 1,103	\$ 4,012	\$ 3,416
Other Operating Expenses	615	467	1,723	1,406
Total Expenses	<u>\$ 1,988</u>	<u>\$ 1,570</u>	<u>\$ 5,735</u>	<u>\$ 4,822</u>
Depreciation and amortization expense	\$ 43	\$ 36	\$ 114	\$ 108
Identified intangible amortization expense	73	39	194	111
Total	<u>\$ 116</u>	<u>\$ 75</u>	<u>\$ 308</u>	<u>\$ 219</u>
Consulting				
Compensation and Benefits	\$ 967	\$ 895	\$ 2,932	\$ 2,753
Other Operating Expenses	501	470	1,452	1,416
Total Expenses	<u>\$ 1,468</u>	<u>\$ 1,365</u>	<u>\$ 4,384</u>	<u>\$ 4,169</u>
Depreciation and amortization expense	\$ 24	\$ 23	\$ 75	\$ 74
Identified intangible amortization expense	11	8	41	24
Total	<u>\$ 35</u>	<u>\$ 31</u>	<u>\$ 116</u>	<u>\$ 98</u>

JLT's results of operations for the three months ended September 30, 2019 are included in the Company's results of operations for the three-month period ended September 30, 2019. JLT's results of operations from April 1, 2019 through September 30, 2019 are included in the Company's results of operations for the nine-month period ended September 30, 2019. Prior periods in 2018 do not include JLT's results.

Marsh & McLennan Companies, Inc.  
Consolidated Balance Sheets  
(Millions)

	(Unaudited) September 30, 2019	December 31, 2018
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,213	\$ 1,066
Net receivables	5,198	4,317
Other current assets	645	551
Total current assets	<u>7,056</u>	<u>5,934</u>
Goodwill and intangible assets	17,155	11,036
Fixed assets, net	816	701
Pension related assets	1,857	1,688
Right of use assets	1,957	—
Deferred tax assets	603	680
Other assets	1,653	1,539
<b>TOTAL ASSETS</b>	<u><u>\$ 31,097</u></u>	<u><u>\$ 21,578</u></u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Short-term debt	\$ 1,139	\$ 314
Accounts payable and accrued liabilities	2,479	2,234
Accrued compensation and employee benefits	1,762	1,778
Acquisition related derivatives	—	441
Current lease liabilities	341	—
Accrued income taxes	251	157
Dividends payable	232	—
Total current liabilities	<u>6,204</u>	<u>4,924</u>
Fiduciary liabilities	7,547	5,001
Less - cash and investments held in a fiduciary capacity	<u>(7,547)</u>	<u>(5,001)</u>
	—	—
Long-term debt	11,429	5,510
Pension, post-retirement and post-employment benefits	1,998	1,911
Long-term lease liabilities	1,957	—
Liabilities for errors and omissions	324	287
Other liabilities	1,388	1,362
Total equity	<u>7,797</u>	<u>7,584</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>\$ 31,097</u></u>	<u><u>\$ 21,578</u></u>

Marsh & McLennan Companies, Inc.  
Consolidated Statements of Cash Flows  
(Millions) (Unaudited)

	Nine Months Ended September 30,	
	2019	2018
Operating cash flows:		
Net income before non-controlling interests	\$ 1,377	\$ 1,511
Adjustments to reconcile net income to cash provided by operations:		
Depreciation and amortization of fixed assets and capitalized software	245	236
Amortization of intangible assets	235	135
Non cash lease expense	236	—
Adjustments and payments related to contingent consideration liability	(9)	(10)
Charge for early extinguishment of debt	32	—
Provision for deferred income taxes	95	66
Loss (gain) on investments	(20)	24
Loss (gain) on disposition of assets	36	(53)
Share-based compensation expense	184	146
Change in fair value of acquisition-related derivative contracts	8	100
Changes in assets and liabilities:		
Net receivables	(84)	(210)
Other current assets	30	19
Other assets	(59)	(51)
Accounts payable and accrued liabilities	(126)	(3)
Accrued compensation and employee benefits	(281)	(312)
Accrued income taxes	120	(13)
Contributions to pension and other benefit plans in excess of current year expense/credit	(269)	(250)
Other liabilities	(149)	11
Operating lease liabilities	(240)	—
Effect of exchange rate changes	(70)	(27)
Net cash provided by operations	1,291	1,319
Financing cash flows:		
Purchase of treasury shares	(300)	(675)
Net increase in commercial paper	325	75
Net increase in short term borrowings	300	—
Proceeds from issuance of debt	6,459	592
Repayments of debt	(760)	(10)
Acquisition-related derivative payments	(337)	—
Payment of bridge loan fees	—	(24)
Payments for early extinguishment of debt	(585)	—
Purchase of non-controlling interests	(75)	—
Shares withheld for taxes on vested units – treasury shares	(89)	(62)
Issuance of common stock from treasury shares	132	72
Payments of deferred and contingent consideration for acquisitions	(60)	(106)
Distributions of non-controlling interests	(18)	(15)
Dividends paid	(655)	(594)
Net cash provided by (used for) financing activities	4,337	(747)
Investing cash flows:		
Capital expenditures	(284)	(222)
Sales (Purchases) of long-term investments	193	(1)
Purchase of equity investment		

