

Operating income was \$885 million, an increase of 30% from the prior year. Adjusted operating income, which excludes noteworthy items as presented in the attached supplemental schedules, rose 10% to \$984 million. Net income attributable to the Company was \$572 million, or \$1.12 per diluted share, compared with \$0.65 in the second quarter of 2019. Adjusted earnings per share rose 12% to \$1.32 per diluted share compared with \$1.18 for the prior year period.

For the six months ended June 30, 2020, consolidated revenue was \$8.8 billion, an increase of 5%, or 2% on an underlying basis compared to the prior period a year ago. Operating income was \$2.0 billion, an increase of 21% from the prior year period. Adjusted operating income rose 13% to \$2.2 billion. Net income attributable to the Company was \$1.3 billion. Fully diluted earnings per share was \$2.60 compared with \$2.05 in the first six months of 2019. Adjusted earnings per share increased 10% to \$2.96 compared with \$2.70 for the comparable period in 2019.

Risk & Insurance Services

Risk & Insurance Services revenue was \$2.6 billion in the second quarter of 2020, an increase of 1%, or 2% on an underlying basis. Operating income rose 34% to \$696 million, and adjusted operating income was \$762 million, an increase of 19% from the prior year period. For the six months ended June 30, 2020, revenue was \$5.5 billion, an increase of 10%, or 4% on an underlying basis. Operating income rose 24% to \$1.6 billion, and adjusted operating income was \$1.7 billion, an increase of 20% from the prior year period.

Marsh's revenue in the second quarter was \$2.2 billion, an increase of 1% on an underlying basis. In US/Canada, underlying revenue rose 3%. In International, underlying revenue was flat compared to the prior year period, reflecting 4% underlying revenue growth in Asia Pacific, 4% growth in Latin America, and a decline of 3% in EMEA. For the six months ended June 30, 2020, Marsh's underlying revenue growth was 3% compared to the prior period a year ago.

Guy Carpenter's revenue in the second quarter was \$433 million, an increase of 9% on an underlying basis. For the six months ended June 30, 2020, Guy Carpenter's underlying revenue growth was 8%.

Consulting

Consulting revenue in the second quarter was \$1.6 billion, a decrease of 10%, or a decline of 6% on an underlying basis compared to the same period a year ago. Operating income decreased 8% to \$255 million, and adjusted operating income decreased 13% to \$265 million. For the first six months of 2020, revenue was \$3.4 billion, a decrease of 3%, or a decline of 1% on an underlying basis. Operating income of \$537 million decreased 4% and adjusted operating income decreased 7% to \$554 million.

Mercer's revenue was \$1.1 billion in the second quarter

underlying basis. For the six months ended June 30, 2020, Mercer's revenue was \$2.4 billion, an increase of 1% on an underlying basis compared to the same period a year ago.

Oliver Wyman's revenue was \$467 million in the second quarter, a decrease of 13% on an underlying basis. For the first six months ended June 30, 2020, Oliver Wyman's revenue was \$978 million, a decline of 7% on an underlying basis.

Other Items

In May 2020, the Company issued \$750 million of 10-year senior unsecured notes. The Company used the net proceeds to reduce outstanding short term borrowings.

In July, the Board of Directors increased the quarterly dividend to \$0.465 per share, effective with the third quarter dividend payable on August 14, 2020.

Conference Call

A conference call to discuss second quarter 2020 results will be held today at 8:30 a.m. Eastern time. To participate in the teleconference, please dial +1 866 437 7574. Callers from outside the United States should dial +1 409 220 9376. The access code for both numbers is 1693114. The live audio webcast will be accessible at mmc.com, and a replay will be available approximately two hours after the event.

About Marsh & McLennan Companies

Marsh & McLennan (NYSE: MMC) is the world's leading professional services firm in the areas of risk, strategy and people. The Company's 76,000 colleagues advise clients in over 130 countries. With annual revenue of \$17 billion, Marsh & McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses. Marsh advises individual and commercial clients of all sizes on insurance broking and innovative risk management solutions. Guy Carpenter develops advanced risk, reinsurance and capital strategies that help clients management

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

Marsh & McLennan Companies, Inc.
Consolidated Statements of Income
(In millions, except per share figures)
(Unaudited)

Marsh & McLennan Companies, Inc.
 Supplemental Information - Revenue Analysis
 Three Months Ended June 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.

	Three Months Ended June 30,		% Change GAAP Revenue	Components of Revenue Change*		
				Currency Impact	Acquisitions/ Dispositions/ Other Impact	Underlying Revenue
	2020	2019				
Risk and Insurance Services						
Marsh	\$ 2,161	\$ 2,156	—	(2)%	1 %	1 %
Guy Carpenter	433	392	10 %	—	2 %	9 %
Subtotal	2,594	2,548	2 %	(2)%	1 %	2 %

Marsh & McLennan Companies, Inc.
Supplemental Information - Revenue Analysis
Six Months Ended June 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 six months ended June 30, 2020 includes the results of JLT. The column "2019 Including JLT" includes JLT's prior year first quarter revenue (See reconciliation of non-GAAP measures on page 14).

	Six Months Ended June 30,		% Change GAAP Revenue	2019 Including JLT	% Change Including JLT in 2019	Components of Revenue Change Including JLT*		
	2020	2019				Currency Impact	Acquisitions/ Dispositions/ Other Impact	Underlying Revenue
Risk and Insurance Services								
Marsh	\$ 4,222	\$ 3,893	8 %	\$ 4,125	2 %	(2)%	1 %	3 %
Guy Carpenter	1,260	1,055	19 %	1,172	7 %	—	—	8 %
Subtotal	5,482	4,948	11 %	5,297	3 %	(1)%	1 %	4 %
Fiduciary Interest Income	32	49		54				
Total Risk and Insurance Services	5,514	4,997	10 %	5,351	3 %	(1)%	1 %	4 %
Consulting								
Mercer	2,400	2,415	(1)%	2,489	(4)%	(2)%	(3)%	1 %
Oliver Wyman	978	1,058	(8)%	1,058	(8)%	(1)%	—	(7)%
Total Consulting	3,378	3,473	(3)%	3,547	(5)%	(2)%	(2)%	(1)%
Corporate/Eliminations	(52)	(50)		(50)				
Total Revenue	\$ 8,840	\$ 8,420	5 %	\$ 8,848	—	(2)%	—	2 %

Revenue Details

The following table provides more detailed revenue information for certain of the components presented above:

Marsh & McLennan Companies, Inc.
Reconciliation of Non-GAAP Measures - Actual as Reported
Three Months Ended June 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 six months ended June 30, 2020 and 2019. 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 six months ended June 30, 2020 and 2019, 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	Consulting	Corporate/ Eliminations	Total
Three Months Ended June 30, 2020				
Operating income (loss)	\$ 696	\$ 255	\$ (66)	\$ 885
Operating margin	26.7%	15.8%	N/A	21.1%
Add (Deduct) impact of Noteworthy Items:				
Restructuring, excluding JLT (a)	—	2	9	11
Changes in contingent consideration (b)	4	1	2	7
JLT integration and restructuring costs (c)	39	7	11	57
JLT acquisition-related costs (d)	12	—	1	13
Disposal of businesses (e)	6	—	—	6
Other	5	—	—	5
Operating income adjustments	66	10	23	99
Adjusted operating income (loss)	\$ 762	\$ 265	\$ (43)	\$ 984
Total identified intangible amortization expense	\$ 75	\$ 13	\$ —	\$ 88
Adjusted operating margin	32.1%	17.3%	N/A	25.5%
As Reported Results				
Three Months Ended June 30, 2019				
Operating income (loss), as reported	\$ 517	\$ 278	\$ (115)	\$ 680
Operating margin	20.1%	15.5%	N/A	15.6%
Add (Deduct) impact of Noteworthy Items:				
Restructuring, excluding JLT (a)	1	22	3	26
Changes in contingent consideration (b)	9	—	—	9
JLT integration and restructuring costs (c)	56	5	18	79
JLT acquisition-related costs (d)	60	—	41	101
Other	(2)	—	1	(1)
Operating income adjustments	124	27	63	214
Adjusted operating income (loss)	\$ 641	\$ 305	\$ (52)	\$ 894
Total identified intangible amortization expense	\$ 80	\$ 20	\$ —	\$ 100
Adjusted operating margin	27.8%	18.0%	N/A	22.8%

(a) Corporate charges in 2020 reflect consulting costs related to the restructure of the Global HR function and adjustments to restructuring liabilities for future rent under non-cancellable leases. Consulting in 2019 reflects severance related to the Mercer restructuring program.

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

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

(d) Reflects retention costs in 2020 and in 2019 advisor fees, stamp duty taxes and legal fees related to the closing of the JLT Transaction. 2019 also includes the loss on the sale of JLT's aerospace business, included in revenue. This loss is removed from GAAP revenue in the calculation of adjusted operating income.

(e) Reflects net loss on disposal of specialty businesses sold in the U.S., U.K. and Canada, previously acquired as part of the JLT Transaction.

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

The information presented below represents the actual as reported data for the six months ended June 30, 2020 and 2019. Results for the six months ended June 30, 2019 do not include JLT's results of operations for the period January 1, 2019 through March 31, 2019.

Marsh & McLennan Companies, Inc.
Reconciliation of Non-GAAP Measures
Three and Six Months Ended June 30,
(Millions) (Unaudited)

Adjusted income, net of tax is calculated as the Company's GAAP income from continuing operations, adjusted to reflect the after tax impact of the operating income adjustments set forth in the preceding tables and investments gains or losses related to the impact of mark-to-market adjustments on certain equity securities. Adjustments also include JLT acquisition related items, including change in fair value of derivative contracts, financing costs and interest income on funds held in escrow. Adjusted EPS is calculated by dividing the Company's adjusted income, net of tax, by MMC's average number of shares outstanding-diluted for the relevant period. The following tables reconcile adjusted income, net of tax to GAAP income from continuing operations and adjusted EPS to GAAP EPS for the three and six months ended June 30, 2020 and 2019. The information presented below represents the actual as reported results for the three and six month periods ended June 30, 2020 and 2019. Results for the six months ended June 30, 2019 do not include JLT's results of operations for the period January 1, 2019 through March 31, 2019.

	Three Months Ended June 30, 2020		Three Months Ended June 30, 2019	
	Amount	Adjusted EPS	Amount	Adjusted EPS
Net income before non-controlling interests, as reported	\$ 580		\$ 344	
Less: Non-controlling interest, net of tax	8		12	
Subtotal	\$ 572	\$ 1.12	\$ 332	\$ 0.65
Operating income adjustments	\$ 99		\$ 214	
Investments adjustment (a)	25		(2)	
Change in fair value of acquisition related derivative contracts (b)	—		37	
Financing costs (c)	—		(1)	
Early extinguishment of debt	—		32	
Impact of income taxes on above items	(21)		(10)	
	103	0.20	270	0.53
Adjusted income, net of tax	\$ 675	\$ 1.32	\$ 602	\$ 1.18
	Six Months Ended June 30, 2020		Six Months Ended June 30, 2019	
	Amount	Adjusted EPS	Amount	Adjusted EPS
Net income before non-controlling interests, as reported	\$ 1,347		\$ 1,071	
Less: Non-controlling interest, net of tax	21		23	
Subtotal	\$ 1,326	\$ 2.60	\$ 1,048	\$ 2.05
Operating income adjustments	\$ 196		\$ 292	
Investments adjustment (a)	26		(6)	
Change in fair value of acquisition related derivative contracts (b)	—		8	
Financing costs (c)	—		53	
Interest on funds held in escrow (d)	—		(25)	
Early extinguishment of debt	—		32	
Impact of income taxes on above items	(38)		(22)	
	184	0.36	332	0.65
Adjusted income, net of tax	\$ 1,510	\$ 2.96	\$ 1,380	\$ 2.70

(a) The Company recorded mark-to-market losses of \$2 million and gains of \$2 million for the three month periods ended June 30, 2020 and June 30, 2019, respectively, and losses of \$3 million and gains of \$6 million for the six month periods ended June 30, 2020 and June 30, 2019, respectively, which are included in investment (loss) income in the consolidated statements of income.

During the second quarter of 2020, the Company sold a portion of its investment in Alexander Forbes ("AF"). The Company no longer accounts for this investment under the equity method, and records the change in fair value in each subsequent period as an investment gain or loss in the consolidated statement of income. The Company recorded a loss of \$23 million in the second quarter of 2020 primarily related to the recognition of accumulated foreign currency losses previously recorded as part of equity.

(b) Reflects the change in fair value of derivatives that were not redesignated as accounting hedges following the JLT acquisition, a deal contingent foreign exchange contract and derivative contracts related to debt issuances.

(c) Reflects interest expense on debt issuances and amortization of bridge financing fees related to the acquisition of JLT (prior to April 1, 2019).

(d) Interest income earned on funds held in escrow related to the JLT acquisition (prior to April 1, 2019).

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

	Six Months Ended June 30,	
	2020	2019
Operating cash flows:		
Net income before non-controlling interests	\$ 1,347	\$ 1,071
Adjustments to reconcile net income to cash provided by operations:		
Depreciation and Amortization	362	310
Non cash lease expense	165	151
Charge for early extinguishment of debt	—	32
Share-based compensation expense	147	117
Change in fair value of acquisition-related derivative contracts and other	15	89
 Changes in Assets and Liabilities:		
Accrued compensation and employee benefits	(848)	(670)
Net receivables	(389)	(437)

Marsh & McLennan Companies, Inc.
Reconciliation of Non-GAAP Measures - 2019 Revenue Including JLT
Six Months Ended June 30, 2019
(Millions) (Unaudited)

On April 1, 2019, the Company completed its previously announced acquisition of Jardine Lloyd Thompson Group, plc. JLT's results of operations for the three and six month periods ended June 30, 2020 are included in the Company's results of operations for 2020. The Company's prior period 2019 results of operations do not include JLT's results for the three months ended March 31, 2019. Prior to being acquired by the Company, JLT operated in three segments, Specialty, Reinsurance and Employee Benefits. As of April 1, 2019, the historical JLT businesses were combined into MMC operations as follows: JLT Specialty was included by geography within Marsh, JLT Reinsurance was included within Guy Carpenter and the majority of the JLT Employee Benefits business was included in Mercer Health and Wealth.

The JLT Transaction had a significant impact on the Company's results of operations in 2019. The Company believes that in addition to the change in reported GAAP revenue, a comparison of 2020 revenue to the combined 2019 revenue of MMC and JLT would provide investors useful information about the year-over-year results.

The table below sets forth revenue information as if the companies were combined on January 1, 2019. Consolidated revenue in 2019 for the six months ended June 30, 2019 "MMC as previously reported" does not include JLT revenue for the period from January 1 to March 31, 2019. The "2019 Including JLT" revenue information set forth in the table below presents revenue information as if the companies were combined on January 1, 2019. The "2019