

Marsh & McLennan Companies, Inc.  
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For the six months ended June 30, 2019, consolidated revenue was \$8.4 billion, an increase of 9%, or 4% on an underlying basis. Operating income was \$1.6 billion, an increase of 1% from the prior year period. Adjusted operating income, which excludes noteworthy items as presented in the attached supplemental schedules, rose 14% to \$1.9 billion. Net income attributable to the Company was \$1.0 billion. Fully diluted earnings per share was \$2.05 compared with \$2.38 in the first six months of 2018. Adjusted earnings per share increased 9% to \$2.70 compared with \$2.47 for the comparable period in 2018.

### Risk & Insurance Services

Risk & Insurance Services revenue was \$2.6 billion in the second quarter of 2019, an increase of 23%, or 3% on an underlying basis. Operating income rose 10% to \$517 million and adjusted operating income was \$641 million, an increase of 21% from the prior year period. For the six months ended June 30, 2019, revenue was \$5.0 billion, an increase of 13%, or 4% on an underlying basis. Operating income rose 5% to \$1.3 billion and adjusted operating income rose 13% to \$1.4 billion.

Marsh's revenue in the second quarter was \$2.2 billion, an increase of 4% on an underlying basis. In U.S./Canada, underlying revenue rose 5%. International operations produced underlying revenue growth of 2%, reflecting 7% underlying revenue growth in Asia Pacific, 4% in Latin America, and flat in EMEA. For the six months ended June 30, 2019, Marsh's underlying revenue growth was 4%.

Guy Carpenter's revenue in the second quarter was \$392 million, a decrease of 3% on an underlying basis. For the six months ended June 30, 2019, Guy Carpenter's underlying revenue growth was 2%.

### Consulting

Consulting revenue in the second quarter was \$1.8 billion, an increase of 9%, or 5% on an underlying basis. Operating income increased 4% to \$278 million and adjusted operating income increased 14% to \$305 million. For the first six months of 2019, revenue was \$3.5 billion, an increase of 5%, or 4% on an underlying basis. Operating income of \$557 million increased 8% and adjusted operating income increased 16% to \$596 million.

Mercer's revenue was \$1.3 billion in the second quarter, an increase of 2% on an underlying basis. Wealth, with revenue of \$613 million, was flat on an underlying basis. Health revenue of \$458 million was up 4% on an underlying basis and Career revenue of \$189 million increased 6% on an underlying basis. For the six months ended June 30, 2019, Mercer's revenue was \$2.4 billion, an increase of 1% on an underlying basis.

Oliver Wyman's revenue was \$540 million in the second quarter, an increase of 13% on an underlying basis. For the first six months ended June 30, 2019, Oliver Wyman's revenue was \$1.1 billion, up 10% on an underlying basis.



## 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 from those expressed or implied in our forward-looking statements. Factors that could materially affect our future results include, among other things:

- our ability to successfully integrate or achieve the intended benefits of the acquisition of JLT;
- 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 identify and patch software vulnerabilities, including those in the existing JLT information systems;
- our ability to repay our outstanding long-term debt in a timely manner and on favorable terms, including approximately \$6.8 billion issued in connection with the acquisition of JLT;
- the impact of any investigations, reviews, or other activity by regulatory or law enforcement authorities, including the ongoing investigation by the European Commission competition authority;
- 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 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 and the risks of noncompliance with such laws, including cybersecurity and data privacy regulations such as the E.U.'s General Data Protection Regulation, anti-corruption laws such as the U.S. Foreign Corrupt Practices Act and trade sanctions regimes;
- 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;
- the regulatory, contractual and reputational risks that arise based on insurance placement activities and various broker revenue streams;
- 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;
- our ability to successfully recover if we experience a business continuity problem due to cyberattack, natural disaster or otherwise; and
- the impact of changes in tax laws, guidance and interpretations, including certain provisions of the U.S. Tax Cuts and Jobs Act, or disagreements with tax authorities.

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.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenue	\$ 4,349	\$ 3,734	\$ 8,420	\$ 7,734
Expense:				
Compensation and Benefits	2,537	2,135	4,819	4,359
Other Operating Expenses	1,132	908	1,983	1,776
Operating Expenses	<u>3,669</u>	<u>3,043</u>	<u>6,802</u>	<u>6,135</u>
Operating Income	680	691	1,618	1,599
Other Net Benefit Credits	70	65	134	131
Interest Income	2	3	30	6
Interest Expense	(141)	(68)	(261)	(129)
Cost of Early Extinguishment of Debt	(32)	—	(32)	—
Investment Income	8	28	13	28
Acquisition Related Derivative Contracts	(37)	—	(8)	—
Income Before Income Taxes	<u>550</u>	<u>719</u>	<u>1,494</u>	<u>1,635</u>
Income Tax Expense	206	183	423	403
Net Income Before Non-Controlling Interests	<u>344</u>	<u>536</u>	<u>1,071</u>	<u>1,232</u>
Less: Net Income Attributable to Non-Controlling Interests	12	5	23	11
Net Income Attributable to the Company	<u>\$ 332</u>	<u>\$ 531</u>	<u>\$ 1,048</u>	<u>\$ 1,221</u>
Net Income Per Share Attributable to the Company:				
- Basic	<u>\$ 0.66</u>	<u>\$ 1.05</u>	<u>\$ 2.07</u>	<u>\$ 2.41</u>
- Diluted	<u>\$ 0.65</u>	<u>\$ 1.04</u>	<u>\$ 2.05</u>	<u>\$ 2.38</u>
Average Number of Shares Outstanding				
- Basic	<u>507</u>	<u>507</u>	<u>506</u>	<u>507</u>
- Diluted	<u>512</u>	<u>512</u>	<u>511</u>	<u>513</u>
Shares Outstanding at June 30	<u>507</u>	<u>505</u>	<u>507</u>	<u>505</u>

JLT's results of operations for the three months ended June 30, 2019 are included in the Company's results of operations for the three- and six-month periods ended June 30, 2019. Prior periods in 2018 do not include JLT's results.

Marsh & McLennan Companies, Inc.  
 Supplemental Information - Revenue Analysis  
 Three Months Ended June 30, 2019  
 (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 six months ended June 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 is reflected in the acquisitions/dispositions column beginning in June 2019. All other acquisitions/dispositions activity is included in the acquisitions/dispositions column.

	Three Months Ended June 30,		% Change GAAP Revenue	2018 Including JLT	% Change Including JLT in 2018	Components of Revenue Change Including JLT*		
						2019	2018	Currency Impact
	Risk and Insurance Services							
Marsh	\$ 2,156	\$ 1,749	23%	\$ 2,102	3 %	(3)%	2%	4 %
Guy Carpenter	392	332	18%	406	(4)%	(1)%	—	(3)%
Subtotal	2,548	2,081	22%	2,508	2 %	(2)%	2%	2 %
Fiduciary Interest Income	26	15		18				
Total Risk and Insurance Services	2,574	2,096	23%	2,526	2 %	(3)%	2%	3 %
Consulting								
Mercer	1,260	1,158	9%	1,245	1 %	(3)%	2%	2 %
Oliver Wyman	540	492	10%	492	10 %	(3)%	—	13 %
Total Consulting	1,800	1,650	9%	1,737	4 %	(3)%	1%	5 %
Corporate/Eliminations	(25)	(12)		(12)				
Total Revenue	\$ 4,349	\$ 3,734	16%	\$ 4,251	2 %	(3)%	2%	4 %

Revenue Details

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


Change

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

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	Six Months Ended June 30,		% Change GAAP Revenue	2018 Including JLT	% Change Including JLT in 2018	Components of Revenue Change Including JL T*		
						Currency Impact	Acquisitions/ Dispositions/ Other Impact	Underlying Revenue
	2019	2018						
<b>Risk and Insurance Services</b>								
Marsh	\$ 3,893	\$ 3,443	13%	\$ 3,795	3%	(3)%	2%	4%
Guy Carpenter	1,055	969	9%	1,044	1%	(1)%	—	2%
Subtotal	4,948	4,412	12%	4,839	2%	(3)%	1%	4%
Fiduciary Interest Income	49	28		31				
Total Risk and Insurance Services	4,997	4,440	13%	4,870	3%	(3)%	1%	4%
<b>Consulting</b>								
Mercer	2,415	2,329	4%	2,416	—	(3)%	2%	1%
Oliver Wyman	1,058	989	7%	989	7%	(3)%	—	10%
Total Consulting	3,473	3,318	5%	3,405	2%	(3)%	2%	4%
Corporate/Eliminations	(50)	(24)		(24)				
Total Revenue	\$ 8,420	\$ 7,734	9%	\$ 8,251	2%	(3)%	1%	4%

**Revenue Details**

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

	Six Months Ended June 30,		% Change GAAP Revenue	2018 Including JLT	% Change Including JLT in 2018	Components of Revenue Change Including JL T*		
						Currency Impact	Acquisitions/ Dispositions/ Other Impact	Underlying Revenue
	2019	2018						
<b>Marsh:</b>								
EMEA	\$ 1,285	\$ 1,169	10 %	\$ 1,321	(3)%	(5)%	1 %	2 %
Asia Pacific	456	347	31 %	457	—	(4)%	(3)%	7 %
Latin America	194	183	6 %	218	(11)%	(11)%	(6)%	6 %
Total International	1,935	1,699	14 %	1,996	(3)%	(6)%	(1)%	3 %
U.S./Canada	1,958	1,744	12 %	1,799	9 %	—	4 %	5 %
Total Marsh	\$ 3,893	\$ 3,443	13 %	\$ 3,795	3 %	(3)%	2 %	4 %
<b>Mercer:</b>								
Wealth	1,156	1,117	4 %	1,184	(2)%	(5)%	3 %	(1)%
Health	900	871	3 %	890	1 %	(2)%	—	3 %
Career	359	341	5 %	342	5 %	(3)%	4 %	4 %
Total Mercer	\$ 2,415	\$ 2,329	4 %	\$ 2,416	—	(3)%	2 %	1 %

\* Components of revenue change may not add due to rounding.

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, 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 six months ended June 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 June 30, 2019 and 2018. Results for the three months ended June 30, 2018 are for MMC only, as previously reported, and do not include JLT results.

	2019	2018	2018
GAAP operating income (loss)			
Adjusted operating income (loss)			
Adjusted operating margin			
GAAP operating income (loss)			
Adjusted operating income (loss)			
Adjusted operating margin			
GAAP operating income (loss)			
Adjusted operating income (loss)			
Adjusted operating margin			



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, 2019 and 2018. Results for the six months ended June 30, 2018 are for MMC only, as previously reported, and do not include JLT results.

	Risk & Insurance Services	Consulting	Corporate/ Eliminations	Total
Six Months Ended June 30, 2019				
Operating income (loss)	\$ 1,250	\$ 557	\$ (189)	\$ 1,618
Operating margin	<u>25.0%</u>	<u>16.1%</u>	<u>N/A</u>	<u>19.2%</u>
Add impact of Noteworthy Items:				
Restructuring, excluding JLT (a)	6	33	5	44
Changes in contingent consideration (b)	19	1	—	20
JLT integration and restructuring costs (c)	95	5	34	134
JLT acquisition related costs (d)	46	—	47	93
Other	—	—	1	1

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



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

	<u>(Unaudited)</u> June 30, 2019	<u>December 31,</u> 2018
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,294	\$ 1,066
Net receivables	5,553	4,317
Other current assets	679	551
Total current assets	<u>7,526</u>	<u>5,934</u>
Goodwill and intangible assets	17,562	11,036
Fixed assets, net	799	701
Pension related assets	1,821	1,688
Right of use assets	2,016	—
Deferred tax assets	628	680
Other assets	1,764	1,539
<b>TOTAL ASSETS</b>	<u><u>\$ 32,116</u></u>	<u><u>\$ 21,578</u></u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Short-term debt	\$ 1,663	\$ 314
Accounts payable and accrued liabilities	2,600	2,234
Accrued compensation and employee benefits	1,375	1,778
Acquisition related derivatives	—	441
Current lease liabilities	347	—
Accrued income taxes	165	157
Dividends payable	232	—
Total current liabilities	<u>6,382</u>	<u>4,924</u>
Fiduciary liabilities	6,807	5,001
Less - cash and investments held in a fiduciary capacity	<u>(6,807)</u>	<u>(5,001)</u>
	—	—
Long-term debt	11,459	5,510
Pension, post-retirement and post-employment benefits	2,044	1,911
Long-term lease liabilities	1,981	—
Liabilities for errors and omissions	319	287
Other liabilities	1,594	1,362
Total equity	<u>8,337</u>	<u>7,584</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>\$ 32,116</u></u>	<u><u>\$ 21,578</u></u>

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

Marsh and McLennan Companies, Inc.  
Reconciliation of Non-GAAP Measures - 2018 Revenue Including JLT  
Three and Six Months Ended June 30, 2018  
(Millions) (Unaudited)

On April 1, 2019, the Company completed its previously announced acquisition of Jardine Lloyd Thompson Group, plc. JLT results of operations for the three months ended June 30, 2019 are included in the Company's results of operations for the second quarter of 2019. Prior periods in 2018 do not include JLT's results. 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 2019 revenue to the combined 2018 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 April 1, 2018. Consistent with consolidated revenue in 2019, the six months ended June 30, 2018 does not include JLT revenue for the period from January 1 to March 31, 2018. JLT 2018 revenue information is derived from the "JLT Supplemental Information - Revenue Analysis" furnished to the SEC on June 6, 2019 on Form 8-K and includes the revenue from JLT's aerospace business. Please see the notes to the supplemental information on that Form 8-K for additional information.

	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
MMC As Previously Reported		
Risk & Insurance Services		