



Morningstar
2020
Shareholders'
Meeting

Safe Harbor Statement

Today's presentations contain forward-looking statements. All statements made that are not historical facts are subject to a number of risks and uncertainties, and actual results may differ materially. Please refer to our most recent earnings release and our most recent Form 10-Q or 10-K for more information on the factors that could cause actual results to differ.

Today's presentations also contain non-GAAP financial measures. Please refer to the slides at the end of the presentations for a reconciliation to the applicable GAAP measures.

OUR MISSION

Empowering investor success

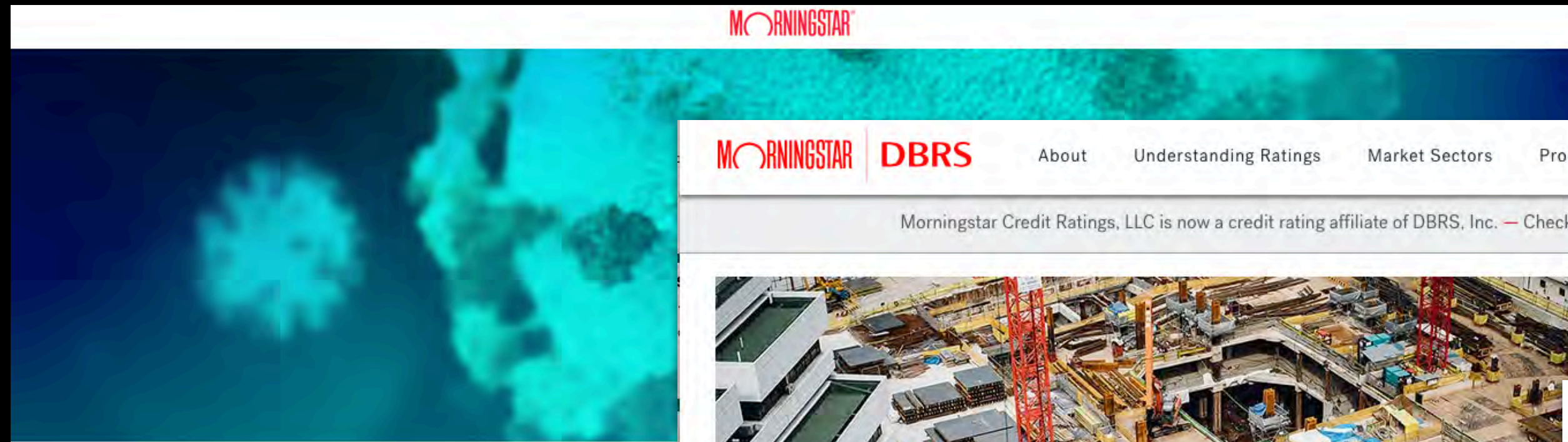


Our opinions are **independent**

Our actions are **transparent**

We invest for the **long term**

COVID Response, Enabled By Our People



Morningstar DBRS About Understanding Ratings Market Sectors Products Contact Search

Morningstar Credit Ratings, LLC is now a credit rating affiliate of DBRS, Inc. - Check here for Integration News and Updates!

US VIDEOS

The Critical Reason to Stay Invested

How a short period of time plays a big role in returns.

Navigating Investing during Novel Coronavirus

On Demand

In response to the outbreak, Morningstar's research team has put together an all-star panel to discuss the impact of the coronavirus on holdings. Join our upcoming webinar, moderated by Christine Benz, Morningstar's director of personal finance.

- The impact of the coronavirus on holdings

DBRS Viewpoint - Identify Risks of Coronavirus on CMBS Market on our Ratings, Research and Surveillance Platform

DATA

Retirees and Pre-Retirees: You've Got This

Key steps to take back control if your retirement portfolio has taken a tumble.

Christine Benz Mar 25, 2020

Editor's note: Read the latest on how the coronavirus is rattling markets and what investors can do to navigate it.

Live coronavirus updates: Coronavirus effects on private markets

May 4, 2020

Rocky Toyman and Dave Griffiths, the "Pandemic Comforters," sing to Sarah Bloom Raskin and US Rep. Jamie Raskin in front of Raskin's Maryland home. (Drew Angerer/Getty Images News)

Willkommen bei Morningstar

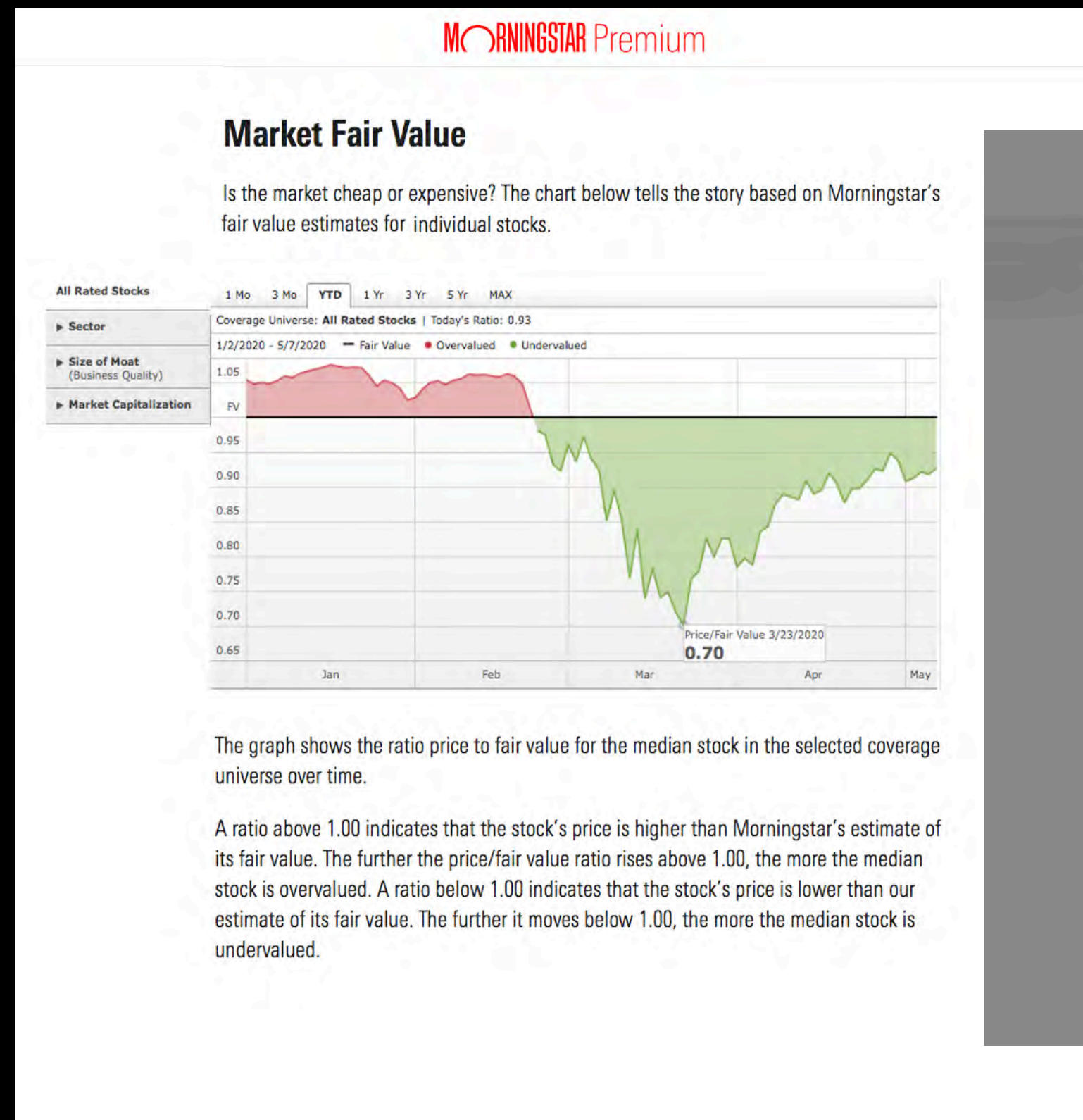
Den Corona-Crash mit einer 150-jährigen Schmerzgeschichte entmystifizieren

Investieren in Zeiten von COVID-19

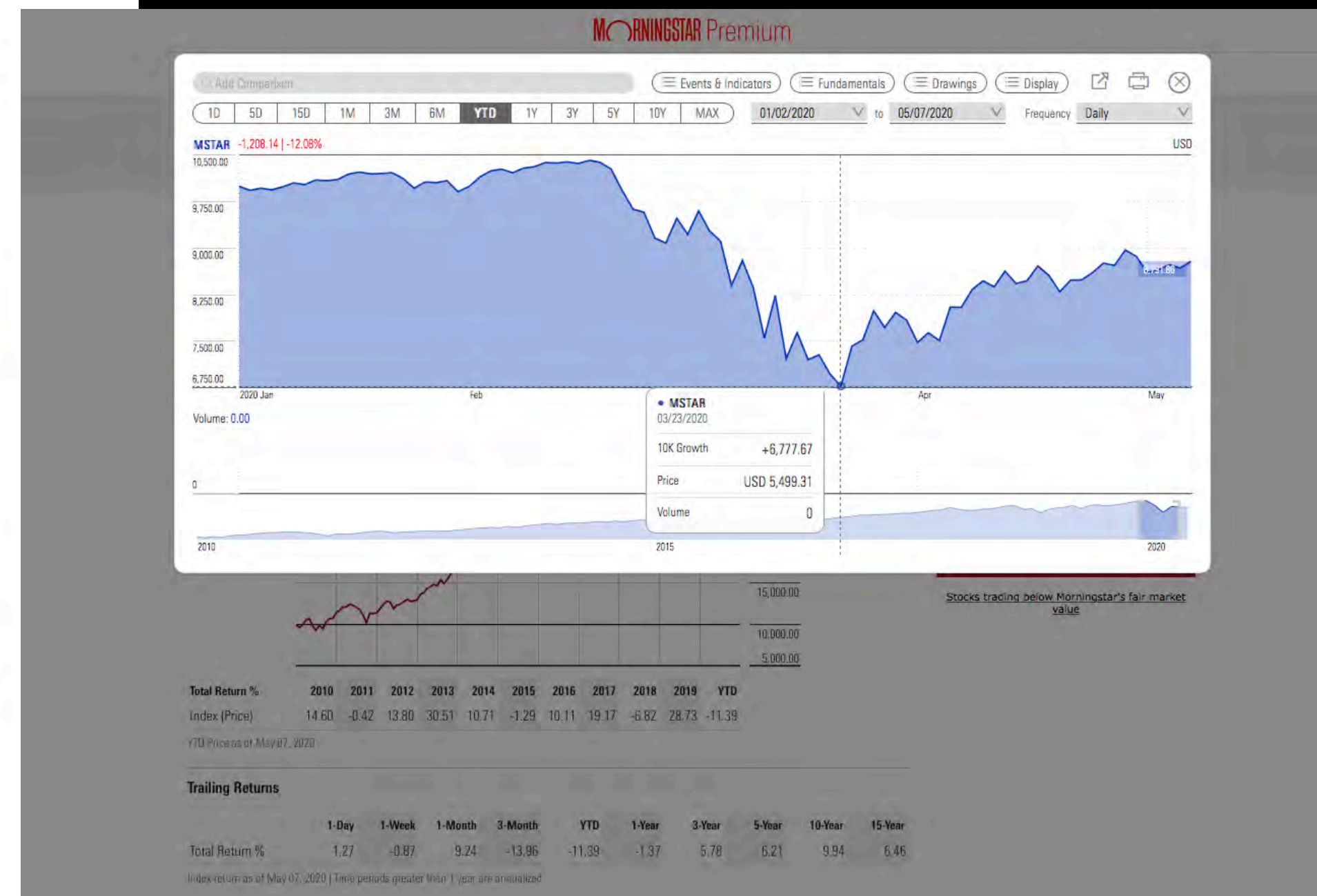
COVID-19

Morningstar's Market Fair Value vs. the Broader Market

Morningstar's aggregate price to fair value ratio reached a low of .70 for the year to date period, on the same day as the broader U.S. market hit its first-quarter low point.



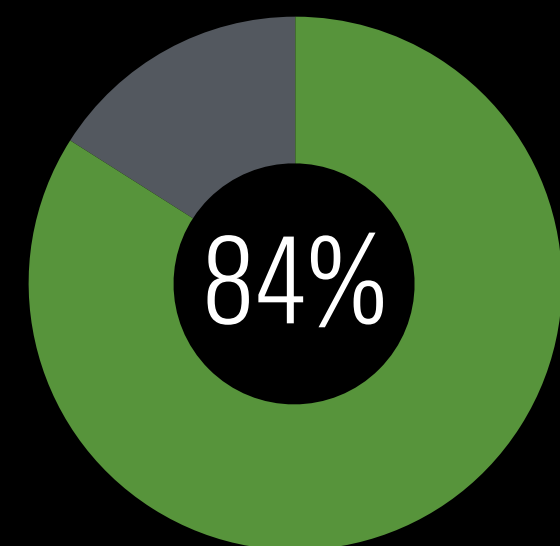
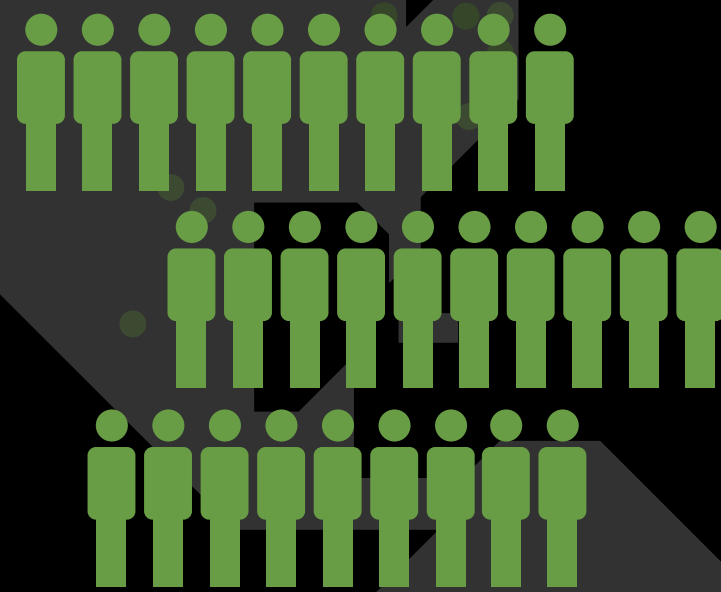
Morningstar Market Fair Value



Morningstar U.S. Market Index

Our People

2,935

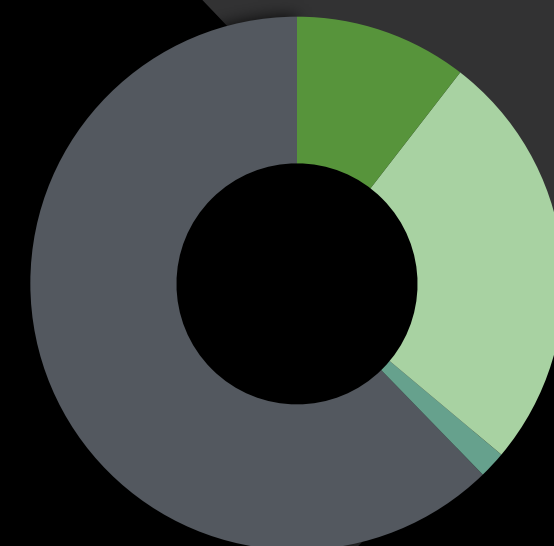


People understand how their work is connected to the company's strategy

84%

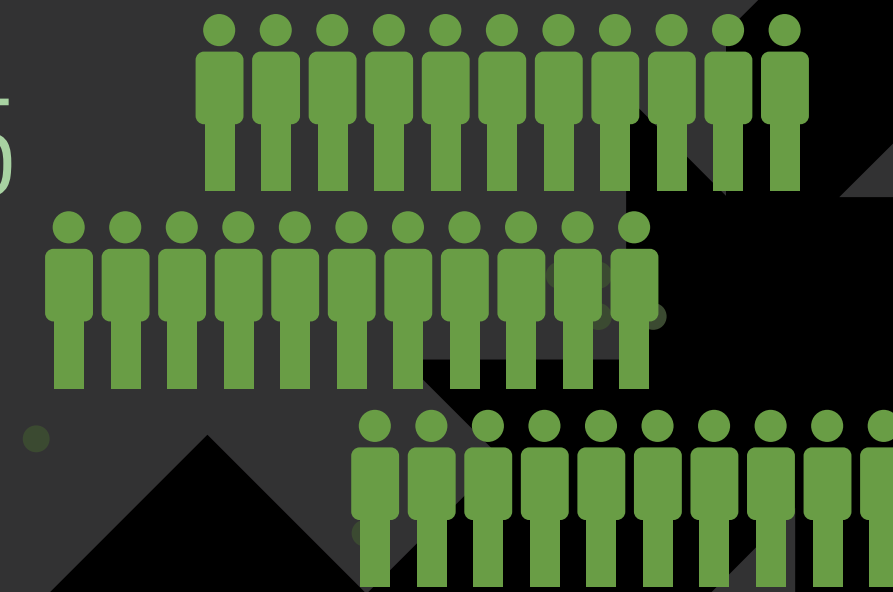
Acting ethically and with integrity on my team takes priority over achieving business results

760

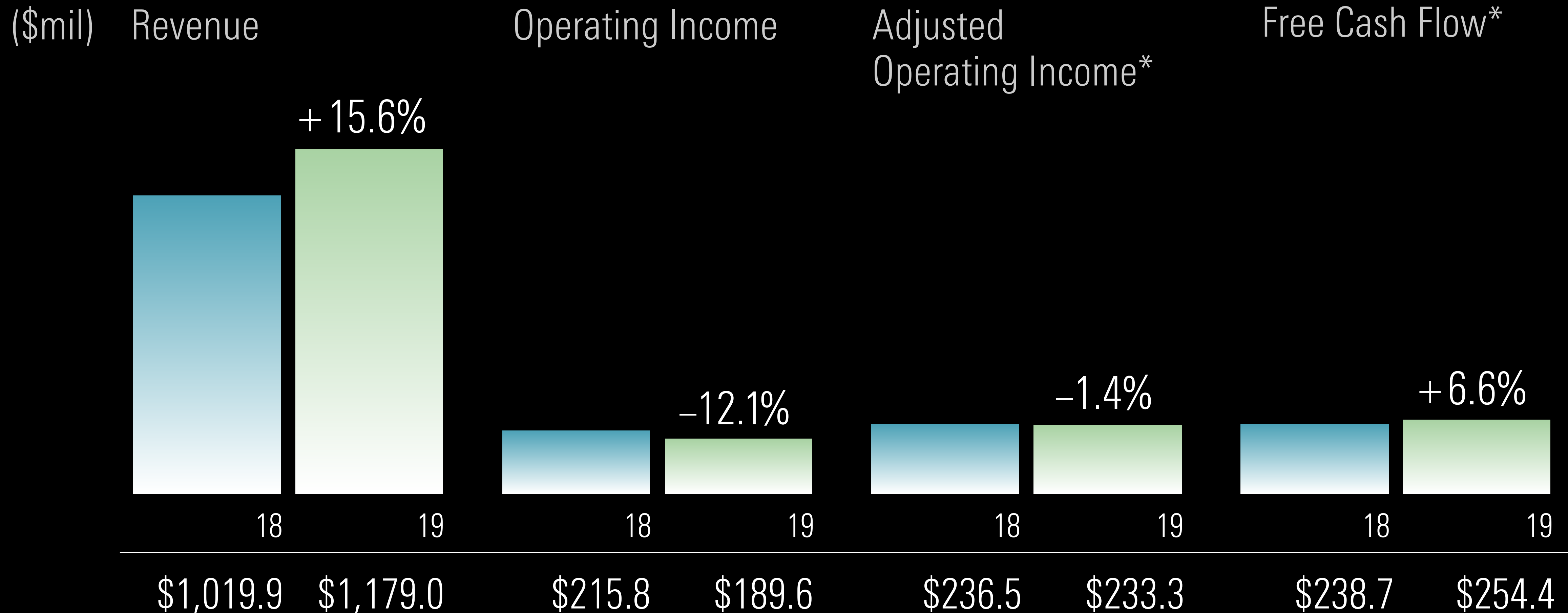


- 868 Research Analysts
- 2,122 Technologists
- 135 Designers

3,255



2019 Reported Performance



*Adjusted operating income and free cash flow are considered non-GAAP financial measures. We calculate adjusted operating income by excluding all M&A-related expenses and amortization from operating income. Free cash flow is defined as cash from operating activities less capital expenditures. Please refer to the reconciliation tables at the end of the presentation.

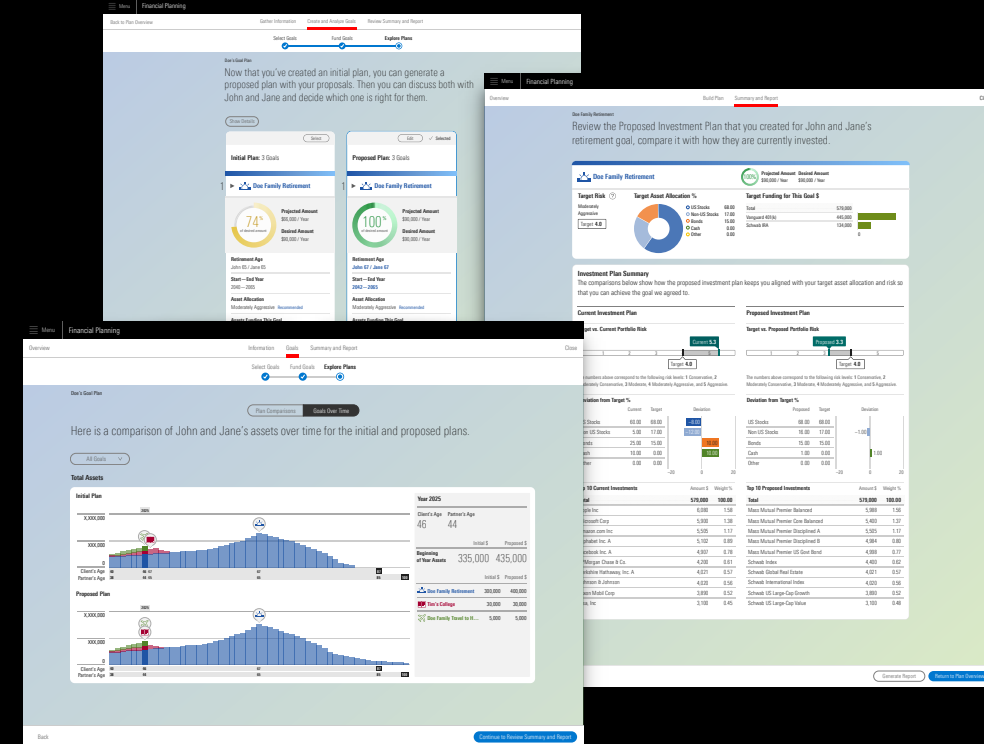
Recent Highlights

PlanPlus Global

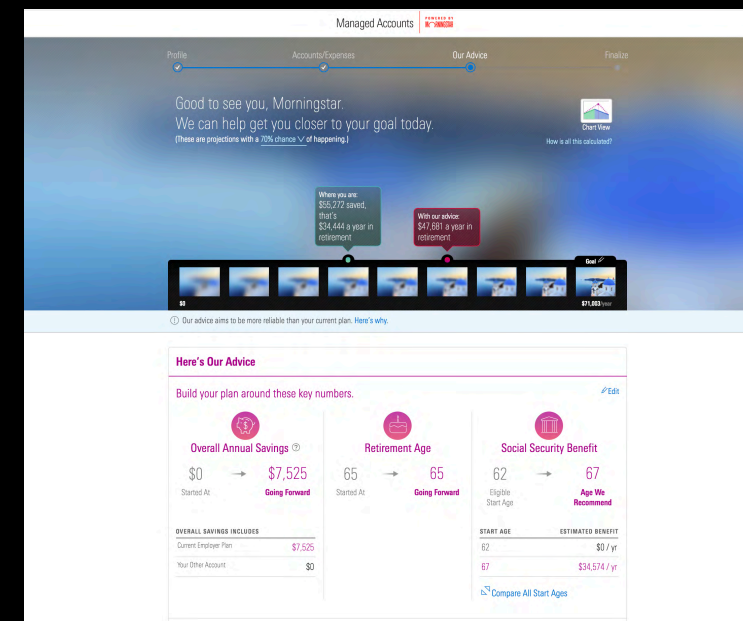
a Morningstar company

adviserlogic

a Morningstar company



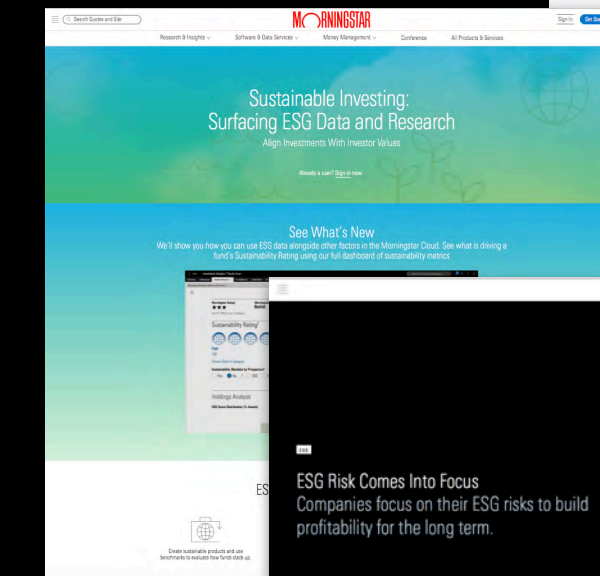
Financial Planning



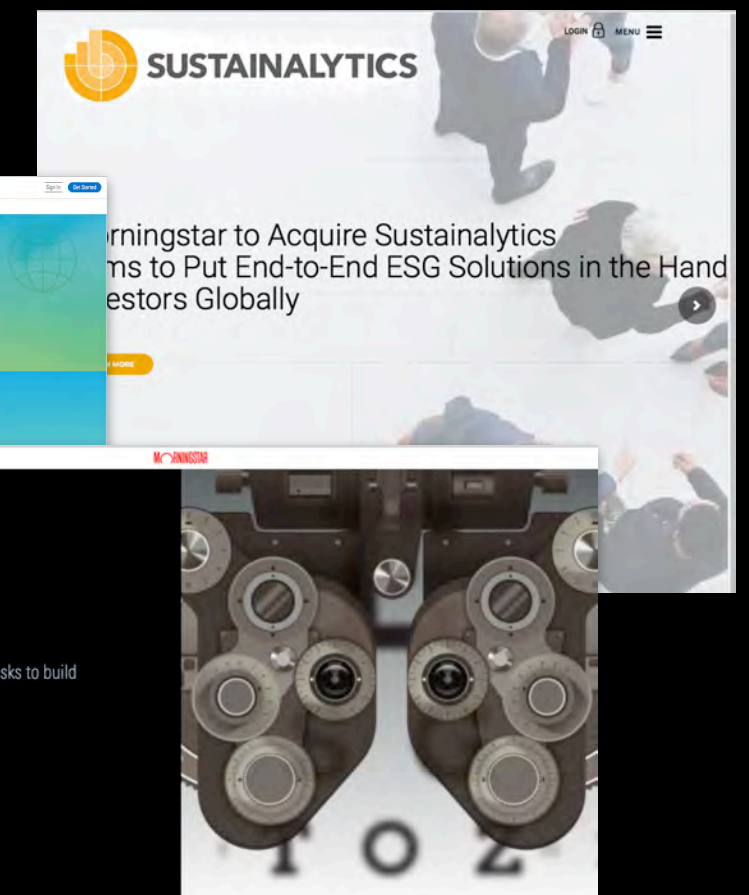
Managed Accounts



PitchBook Research Center



ESG



MORNINGSTAR

DBRS

2019

2020

Integrated ESG Data and Research for All Investors

The collage features several key documents and website interfaces:

- ESG Risk Comes Into Focus:** A report by Travis Miller, Tancred Fulop, and Seth Sherwood, discussing how companies focus on ESG risks to build profitability for the long term.
- The Morningstar Sustainable Investing Handbook:** A guide for investors on sustainable investing.
- Measuring Transition Risk in Fund Portfolios:** A report on the Morningstar Portfolio Carbon Risk Score.
- Active Investing: Search for Alpha:** A dashboard for finding ESG-related investment opportunities.
- Morningstar Canada:** A regional research hub for Canadian investors.
- APAC Manager Research:** Research focused on the Asia-Pacific region.
- Sustainable Investing: Surfacing ESG Data and Research:** A report on aligning investments with investor values.
- Liquid Alts:** Research on alternative investment strategies.
- Goals-Based Investing:** Research on meeting specific investment objectives.
- Exchange-Traded Products:** Research on ESG-focused ETFs and ETPs.

Professional & Individual Investor Solutions

License-based

Morningstar Data

PitchBook

Research

Morningstar.com

Morningstar Direct

Asset Management Solutions

Asset-based

Workplace

Managed Portfolios

Indexes

Solutions for Issuers

Transaction-based

Credit Ratings

Sustainable Finance

We Participate in Large and Growing Markets

\$32 Bil

Global Spend on
Financial Data/Analysis
5.6% Growth YOY

\$2.3 Bil

Total Addressable Market for
Private Capital Markets Data
27.8% Growth YOY

\$9.3 Tril

Total Addressable Market
AUM in Managed Accounts
20.6% Growth YOY

\$8.1 Bil

Global Credit Ratings Industry
5.6% Growth YOY

\$465 Bil

Sustainable Bonds/Loans Issuance
54.5% Growth YOY

\$900 Bil

U.S./EU Sustainable Funds AUM
54.6% Growth YOY

\$3.7 Bil

Global Indexes Industry
8.0% Growth YOY

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for Wealth Managed Accounts
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Investor Trends

Trend 1:

The modern investor is empowered with new data, research, and analytics

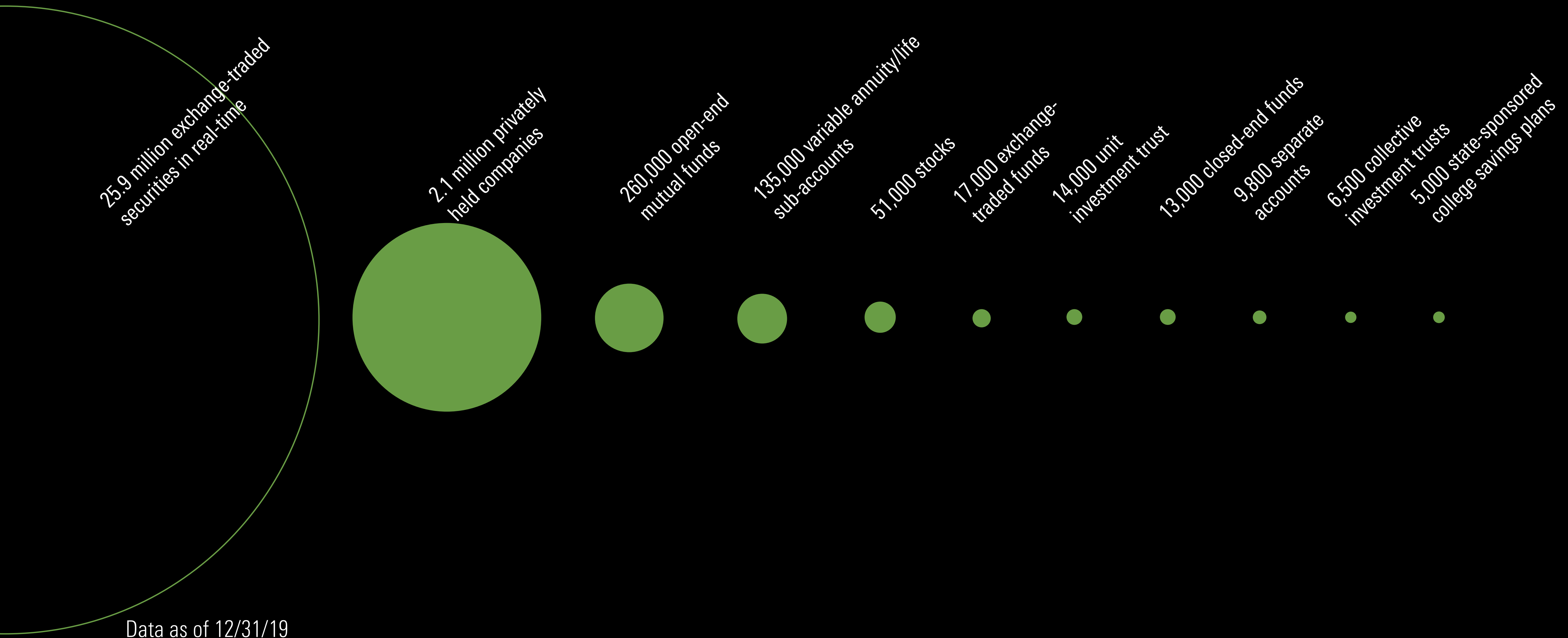
Trend 2:

Investors demand more value from advice

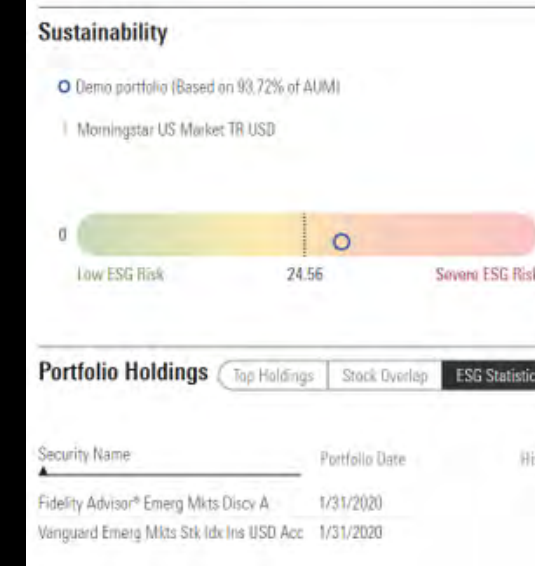
Trend 3:

Convergence of public and private markets

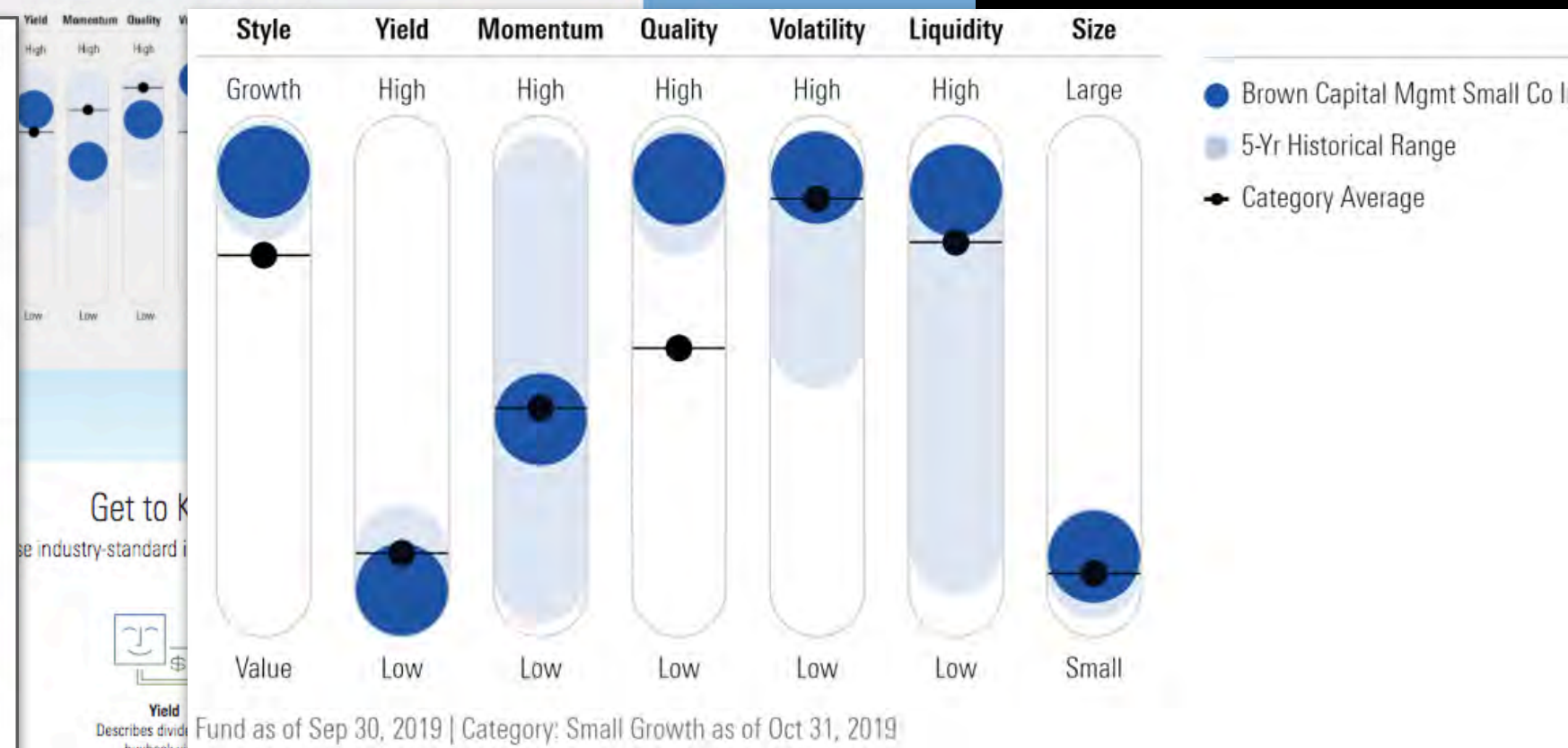
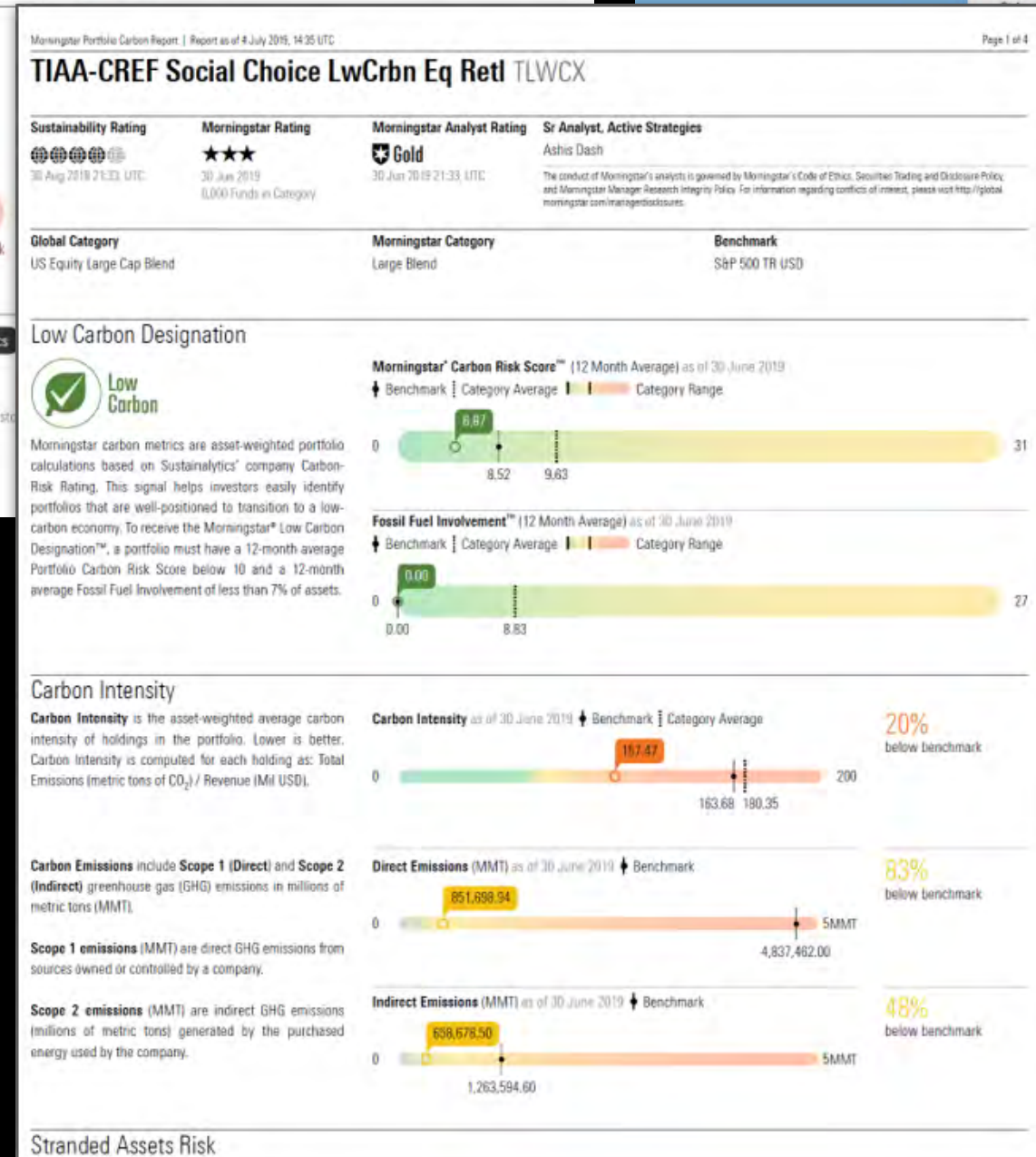
Investor Trend One



Investor Trend One



ESG Reports



Factor Profile

Morningstar Data

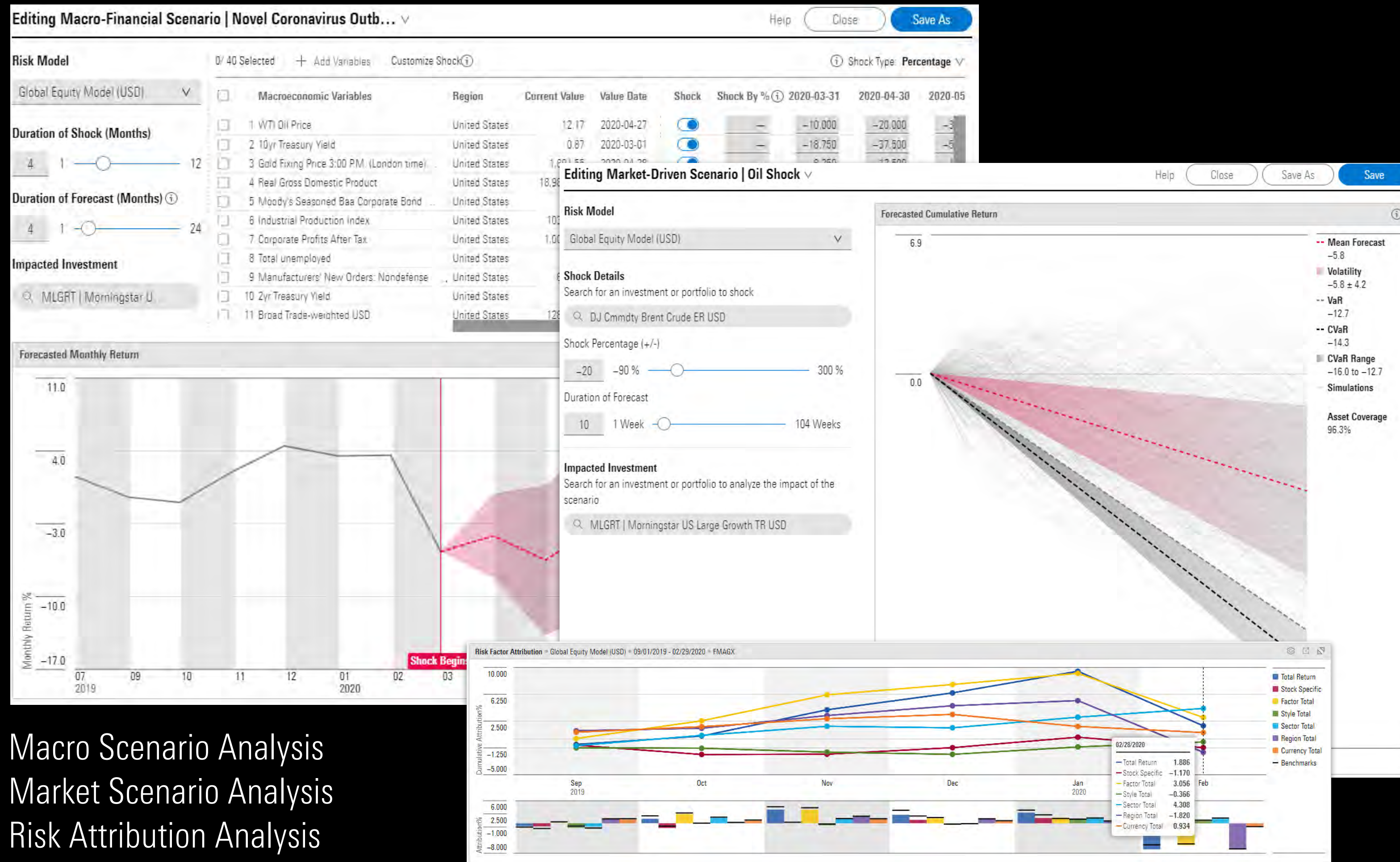
6.3%
 Reported Revenue

8.4%
 Organic Revenue

2019 YOY Growth

Organic revenue is considered a non-GAAP financial measure. We calculate this measure by excluding the impact of currency, M&A, and adoption of accounting changes. Please refer to the reconciliation tables at the end of the presentation.

Investor Trend One



Macro Scenario Analysis
 Market Scenario Analysis
 Risk Attribution Analysis

Morningstar Direct

7.8%

Reported Revenue

9.5%

Organic Revenue

5.8% Licenses

2019 YOY Growth

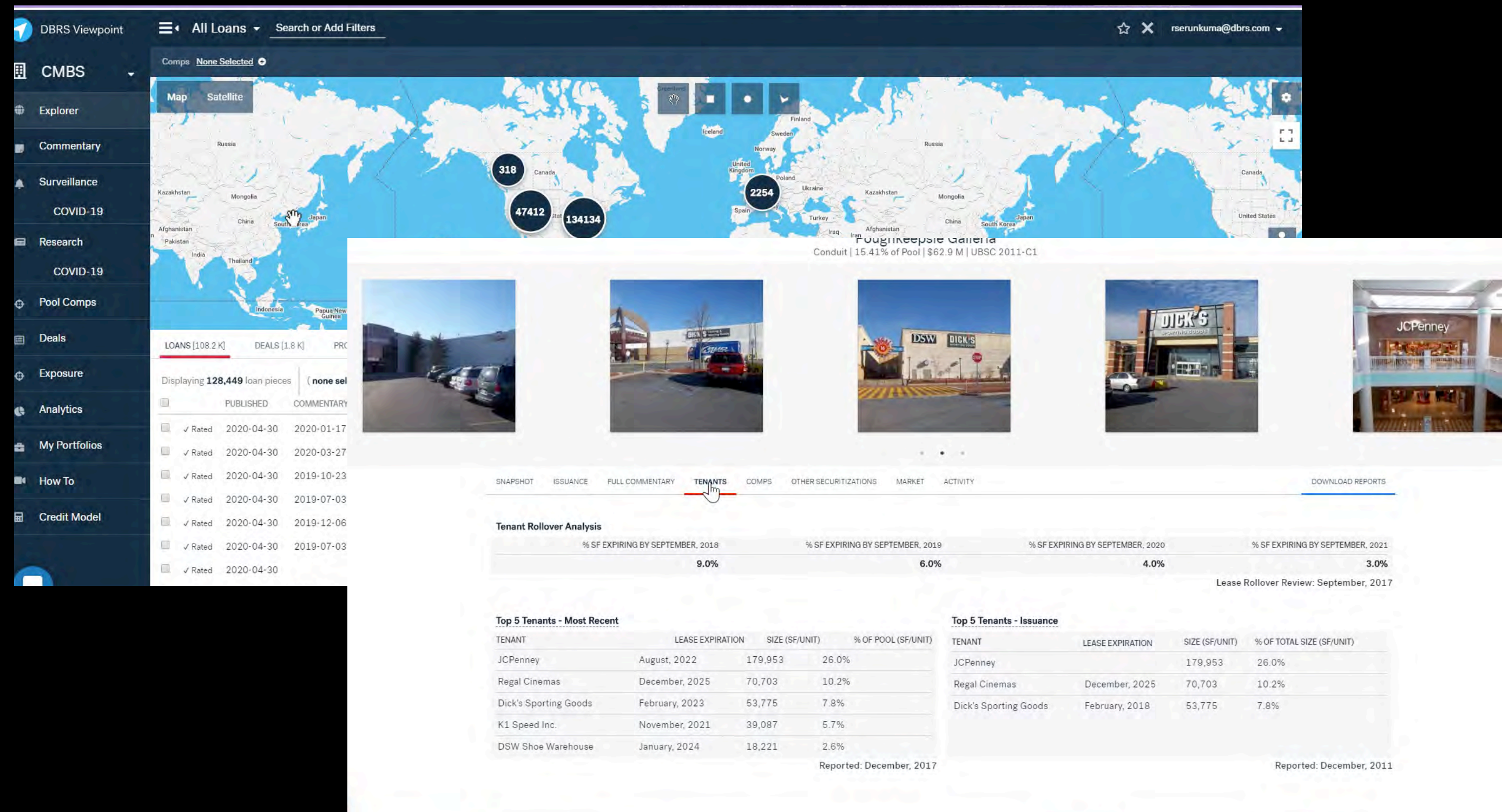
Organic revenue growth is a non-GAAP financial measure.

Investor Trend One

DBRS Morningstar

251.5%

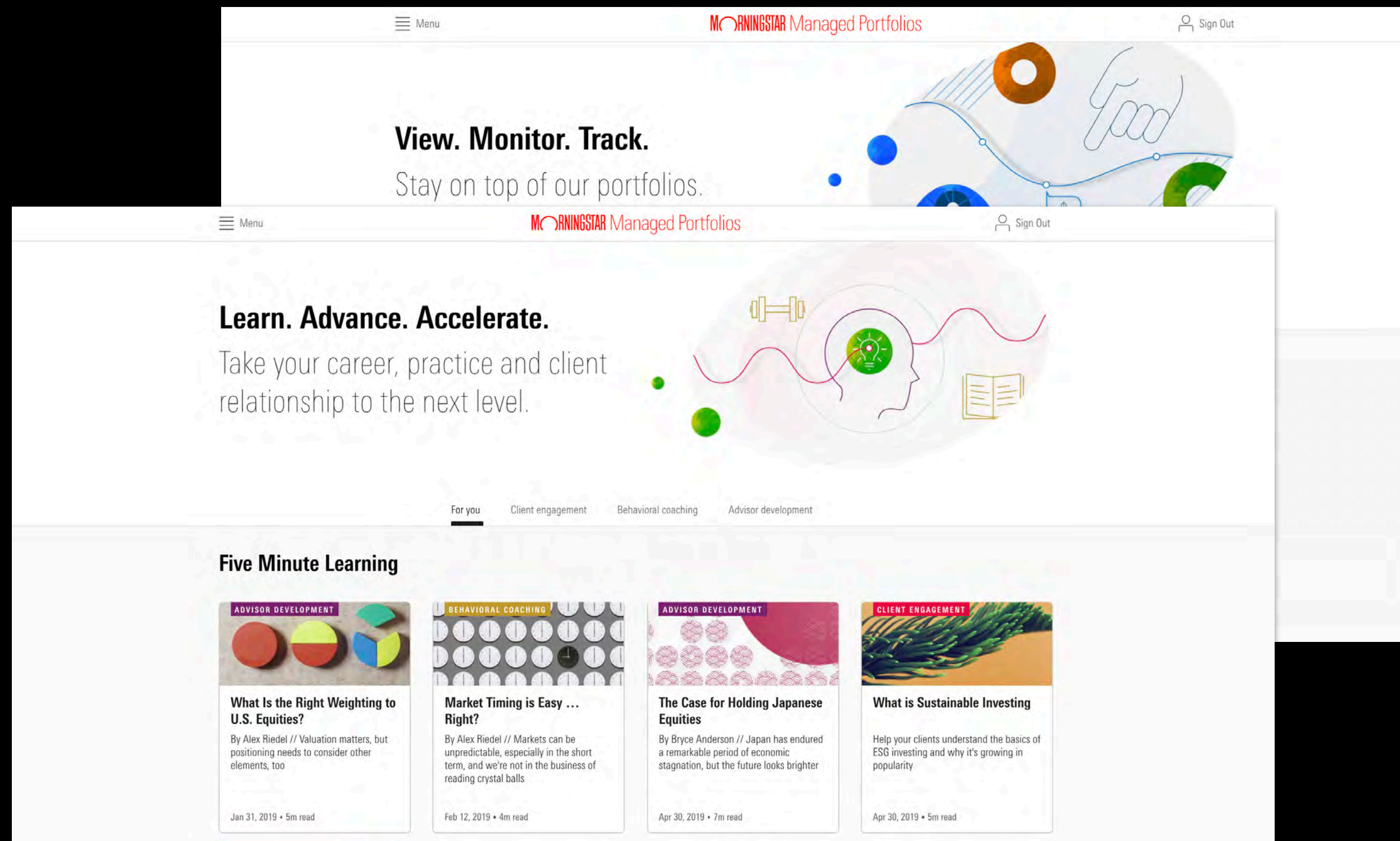
Reported Revenue*
37% Recurring



DBRS Morningstar Viewpoint

*Revenue for the first six months of 2019 includes revenue from Morningstar Credit Ratings while revenue for the third and fourth quarters of 2019 includes revenue from DBRS Morningstar, the newly combined credit ratings operations.

Investor Trend Two



Morningstar Managed Portfolios

Morningstar Investment Management

4.2%
Reported Revenue

5.7%
Organic Revenue

13.1% AUM/A

2019 YOY Growth

Organic revenue growth is a non-GAAP financial measure.

Investor Trend Two

Managed Accounts POWERED BY MORNINGSSTAR

Profile Accounts/Expenses Our Advice Finalize

Good to see you, Morningstar.
We can help get you closer to your goal today.
(These are projections with a 70% chance of happening.)

Where you are: \$55,272 saved, that's \$34,444 a year in retirement

With our advice: \$47,681 in retirement

Our advice aims to be more reliable than your current plan. [Here's why.](#)

Here's Our Advice

Build your plan around these key numbers.

Overall Annual Savings $\$0 \rightarrow \$7,525$
Started At: **Going Forward**

Retirement Age 65 \rightarrow 65
Started At: **Going Forward**

OVERALL SAVINGS INCLUDES

Current Employer Plan	\$7,525
Your Other Account	\$0

Morningstar Managed Accounts

MORNINGSSTAR Plan Advantage

Welcome back, Dave.

Total Assets by Provider

\$12,403,640

Provider	Provider %	Data as of	Amount
Fidelity	30%	07/01/2019	\$2,765,091
John Hancock	20%	07/01/2019	\$2,650,384
CLINA Mutual	15%	07/01/2019	\$1,832,845
Lincoln	13%	06/01/2019	\$1,910,277
Voysa	12%	06/01/2019	\$1,750,421
Other	10%	06/01/2019	\$1,394,022

Your Plans

Active RPA Prospects Inactive [View Program Information](#)

View all your plans available through the RPA program.

Plan Name	UES Account No.	Program Type	Provider	Assets	Contract Date	Status
Acme Tire and Auto	NA25814	RPA	John Hancock	\$323,518	01/23/2020	🔴
Julie's Donuts and Fine Baked Goods	NA12671	RPA	Fidelity	\$1,100,989	01/22/2020	🔴
Howard Tile and Hardwood Flooring	NA52370	RPA	CLINA Mutual	\$300,000	01/22/2020	🔴
Duet Dance Studio	NA18460	RPA	John Hancock	\$500,000	01/19/2020	🟢
Julie's Donuts and Fine Baked Goods	NA12671	RPA	Fidelity	\$1,100,989	01/19/2020	🟢
Howard Tile and Hardwood Flooring	NA52370	RPA	CLINA Mutual	\$300,000	01/19/2020	🟢
Duet Dance Studio	NA18460	RPA	John Hancock	\$500,000	01/12/2020	🟢
Julie's Donuts and Fine Baked Goods	NA12671	RPA	Fidelity	\$1,100,989	01/12/2020	🟢
Howard Tile and Hardwood Flooring	NA52370	RPA	CLINA Mutual	\$300,000	01/12/2020	🟢
Duet Dance Studio	NA18460	RPA	John Hancock	\$500,000	12/28/2019	🟢

[Show More Plans](#)

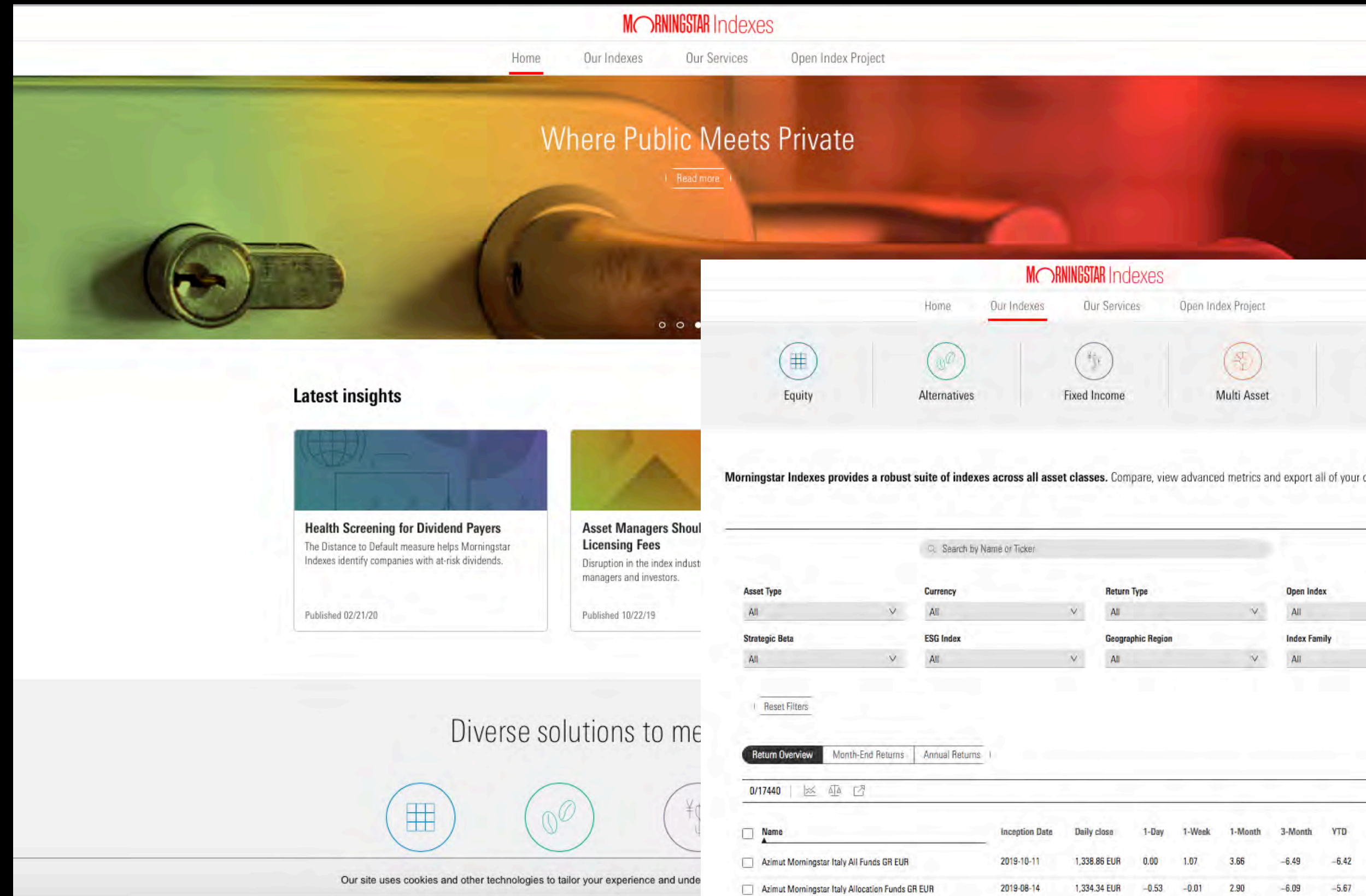
Morningstar Plan Advantage

Morningstar Workplace Solutions

4.1%
Revenue

24.3% AUM/A
2019 YOY Growth

Investor Trend Two



Morningstar Indexes

Name	Inception Date	Daily close	1-Day	1-Week	1-Month	3-Month	YTD	Close Price	Date
<input type="checkbox"/> Azimut Morningstar Italy All Funds GR EUR	2019-10-11	1,338.86 EUR	0.00	1.07	3.66	-6.49	-6.42	2020-05-03	
<input type="checkbox"/> Azimut Morningstar Italy Allocation Funds GR EUR	2019-08-14	1,334.34 EUR	-0.53	-0.01	2.90	-6.09	-5.67	2020-05-04	
<input type="checkbox"/> Azimut Morningstar Italy Alternatives Funds GR EUR	2019-08-14	1,176.30 EUR	-0.50	-0.35	1.16	-4.23	-3.89	2020-05-04	
<input type="checkbox"/> Azimut Morningstar Italy Capital-Protected Funds GR EUR	2019-08-14	1,065.97 EUR	-0.11	-0.18	0.00	-6.07	-6.06	2020-05-04	
<input type="checkbox"/> Azimut Morningstar Italy Equity Funds GR EUR	2019-08-14	2,180.76 EUR	-2.63	-1.68	7.31	-18.83	-18.38	2020-05-04	
<input type="checkbox"/> Azimut Morningstar Italy Fixed-Income Funds GR EUR	2019-08-14	1,174.04 EUR	-0.23	0.22	1.95	-5.99	-5.34	2020-05-04	

Indexes

44.7%
Asset-value Linked
to Morningstar Indexes

2019 YOY Growth

Investor Trend Three

PitchBook
EMERGING TECH RESEARCH

Mobility Tech

Q1 2020

Emerging Spaces
94 Emerging Spaces

Space	Count
Low Code / No Code	157 Companies
Cognitive Computing	102 Companies
Robotic Process Automation	99 Companies
Lidar	74 Companies
Insect-Based Foods	124 Companies
Auto Comm...	91 Comp...
Susta... Fashion	81 Com...
Blockchain Real Estate	100 Compani...
Sports Tech	44 Com...
Indust... Work... Safety	43 Com...
Commer... Space L...	36 Compa...
Ghost K...	31 Compa...
Food Ser...	30 Compa...
Cellular Agriculture	51 Companies
Livestock Health	
Decentralized	

Private Market Research
Market Reports on VC, PE and M&A from PitchBook

Report Title	Asset Class	Report Type
Q2 2020 PitchBook Analyst Note: The Great Unlocationing	Venture Capital	Analyst Note
Q2 2020 Quantitative Perspectives: US Private Equity During Economic Turmoil	Private Equity	Analyst Note
Q1 2020 North American M&A Report	M&A	Analyst Note
Q2 2020 PitchBook Analyst Note: Venture Funds in Times of Crisis	Venture Capital	Analyst Note
Q2 2020 PitchBook Analyst Note: Real Assets Funds in Times of Crisis	M&A	Emerging Technology Research

Emerging Tech and Private Company Research
Private Company and Industry Reports from PitchBook

Report Title	Report Type
Q2 2020 PitchBook Analyst Note: The Great Unlocationing	Analyst Note
Q2 2020 PitchBook Analyst Note: Fintech Companies Navigate a Challenged SMB Market	Analyst Note
Q2 2020 PitchBook Analyst Note: Startups Helping to Build a Pandemic Preparedness and Response Infrastructure	Analyst Note
Q2 2020 PitchBook Analyst Note: Pandemic-Induced Supply Chain Disruption Urges New Tech Solutions	Analyst Note
Q4 2019 Emerging Tech Research: Insurtech	Emerging Technology Research

Public Market Thematic Research
Sector, Industry and Market Outlook Reports from Morningstar

Report Title	Asset Class
Wide Moat Focus Index: Strong Performance After Market Declines	Basic Materials
10 Questions That Should Be Asked at Berkshire's Annual Meeting	
Chemicals in the Time of Coronavirus	

10 Questions That Should Be Asked at Berkshire's Annual Meeting
Berkshire is unlikely to get through the COVID-19 pandemic and subsequent recession unscathed, so questions need to be asked.

Emerging Spaces to Watch

- Low Code / No Code**
Newly Added Space
Low Code and No Code development platforms aim to expedite the creation of new applications with minimal coding requirements, as well as offer tools for non-programmers to create apps of their own...
- Sustainable Tourism**
2 New Companies Founded (Last 6 Months)
Sustainable Tourism is the idea that travel should have a positive impact on the environment, culture, and economy of the area being visited. As travel becomes available to a larger segment of the world...
- Decentralized Finance**
15.87% Deals (Last 3 Months)
Decentralized Finance (DeFi) encompasses conventional financial tools and services built on blockchain. DeFi is offered on open protocols and decentralized networks, enabling users to be cust...
- Edge Computing Semiconductors**
63.87% Capital Invested (Last 3 Months)
Edge Computing Semiconductors are developing novel semiconductors enabling AI & ML inferencing in edge devices. These architectures leverage innovations in power man...

PitchBook
49.0%
Revenue

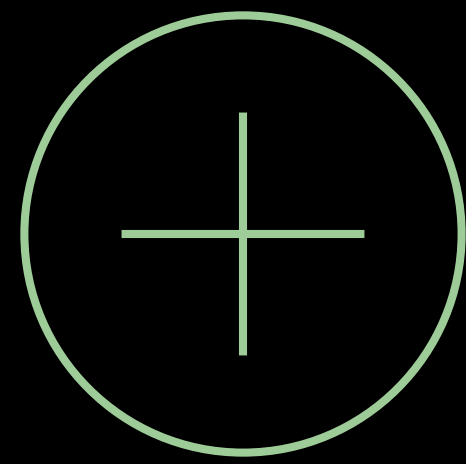
59.7% Licenses
2019 YOY Growth

OUR MISSION

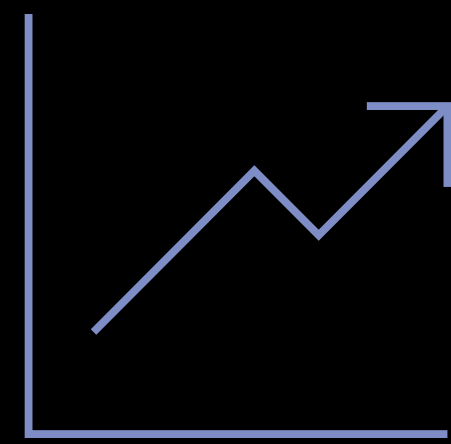
Empowering investor success



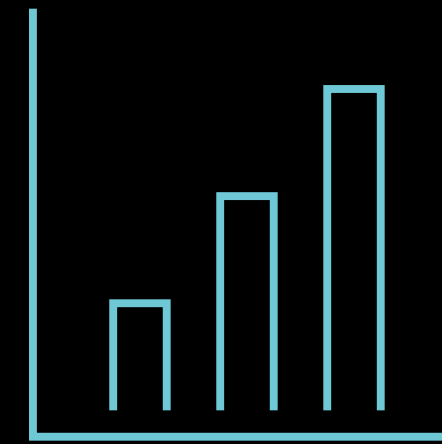
Financial Success in 2019



Completed largest acquisition in Morningstar history



Continued to invest in organic growth

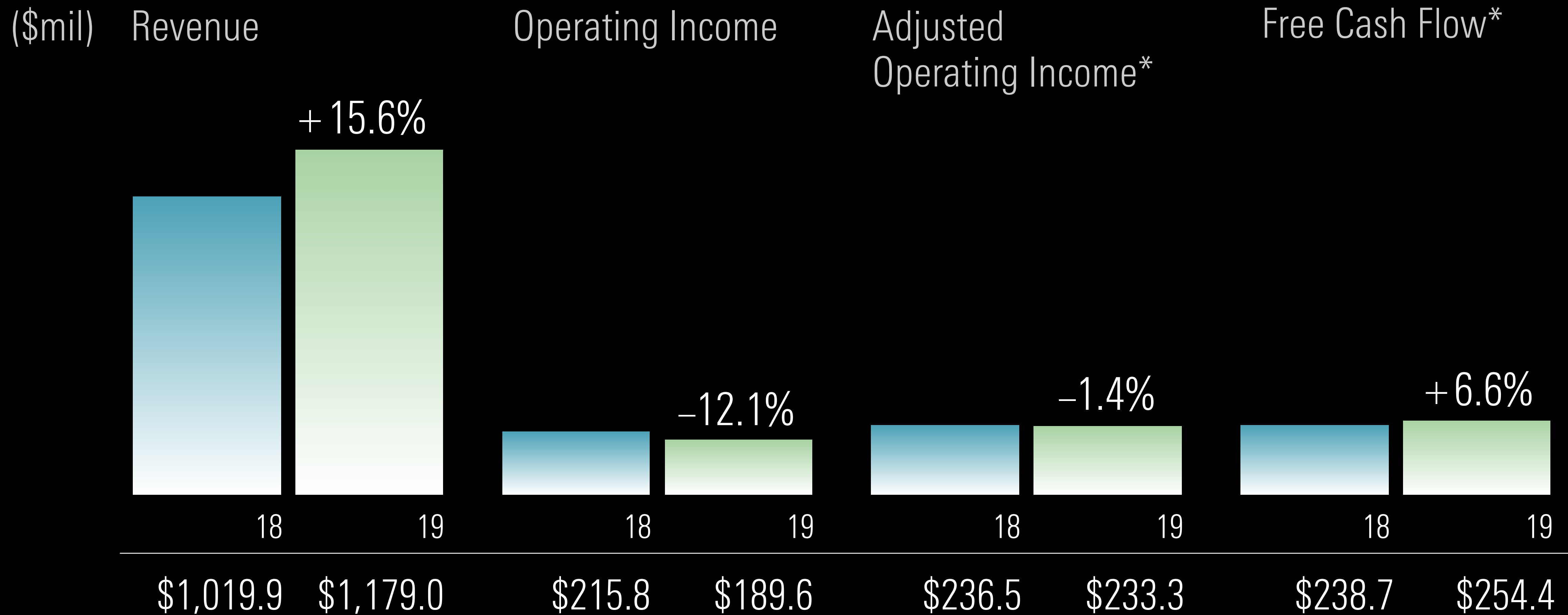


Drove solid top line performance



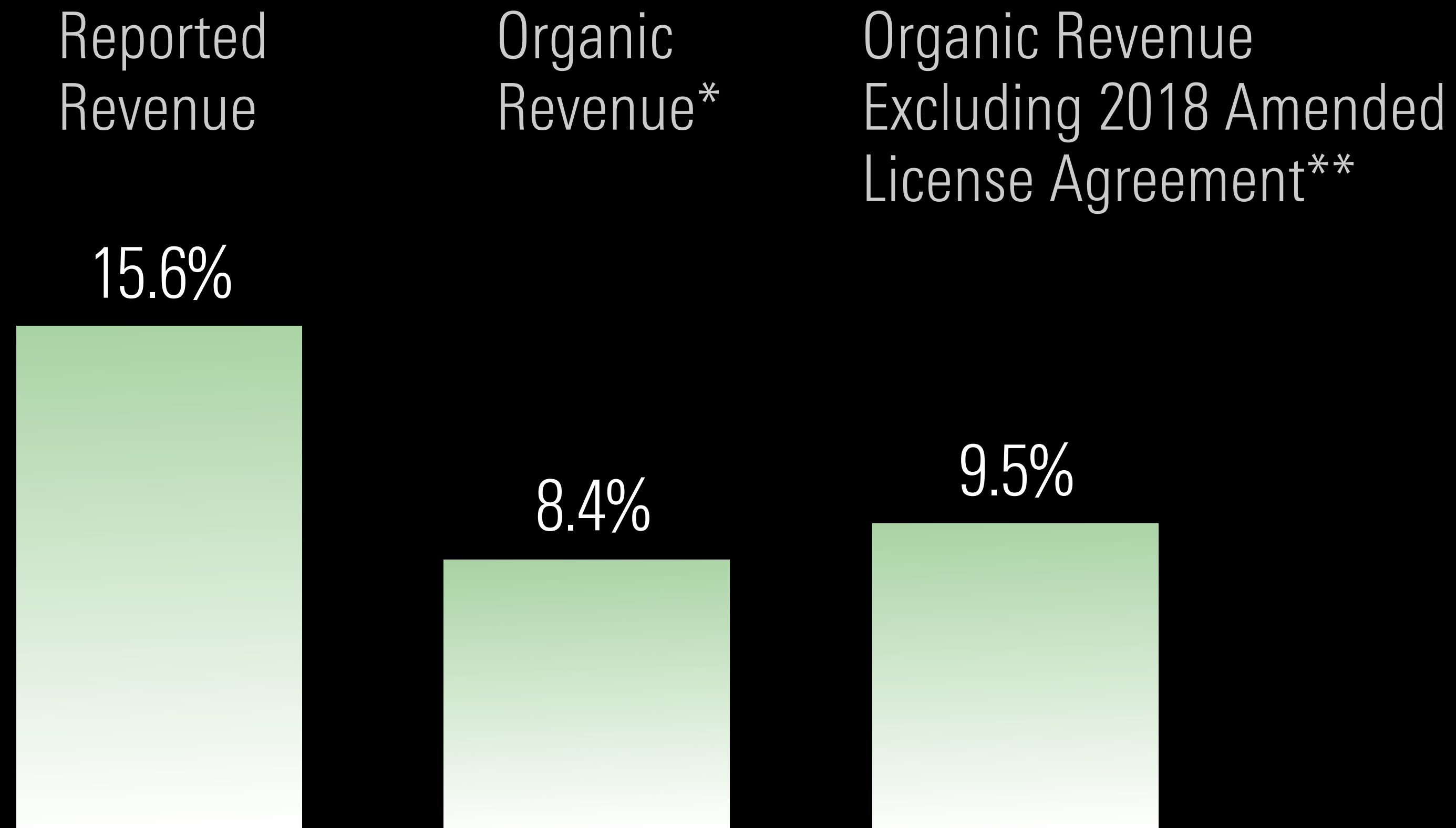
Achieved record free cash flow

2019 Reported Performance



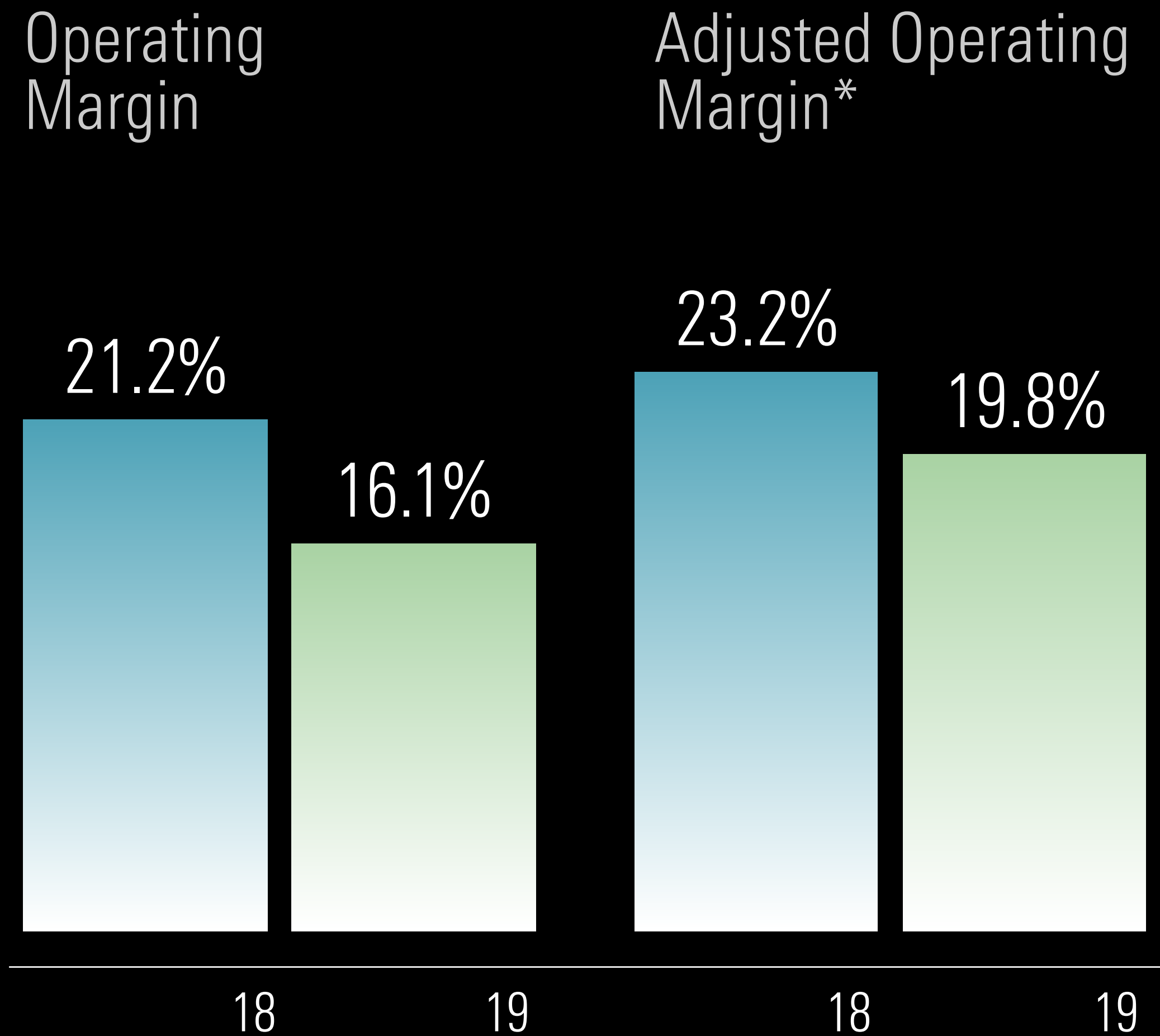
*Adjusted operating income and free cash flow are non-GAAP financial measures.

2019 Revenue Growth



*Organic revenue is considered a non-GAAP financial measure. **Excludes the impact of a \$10.5 million amended license agreement in the third quarter of 2018. Please refer to the reconciliation tables at the end of the presentation.

Operating Margin

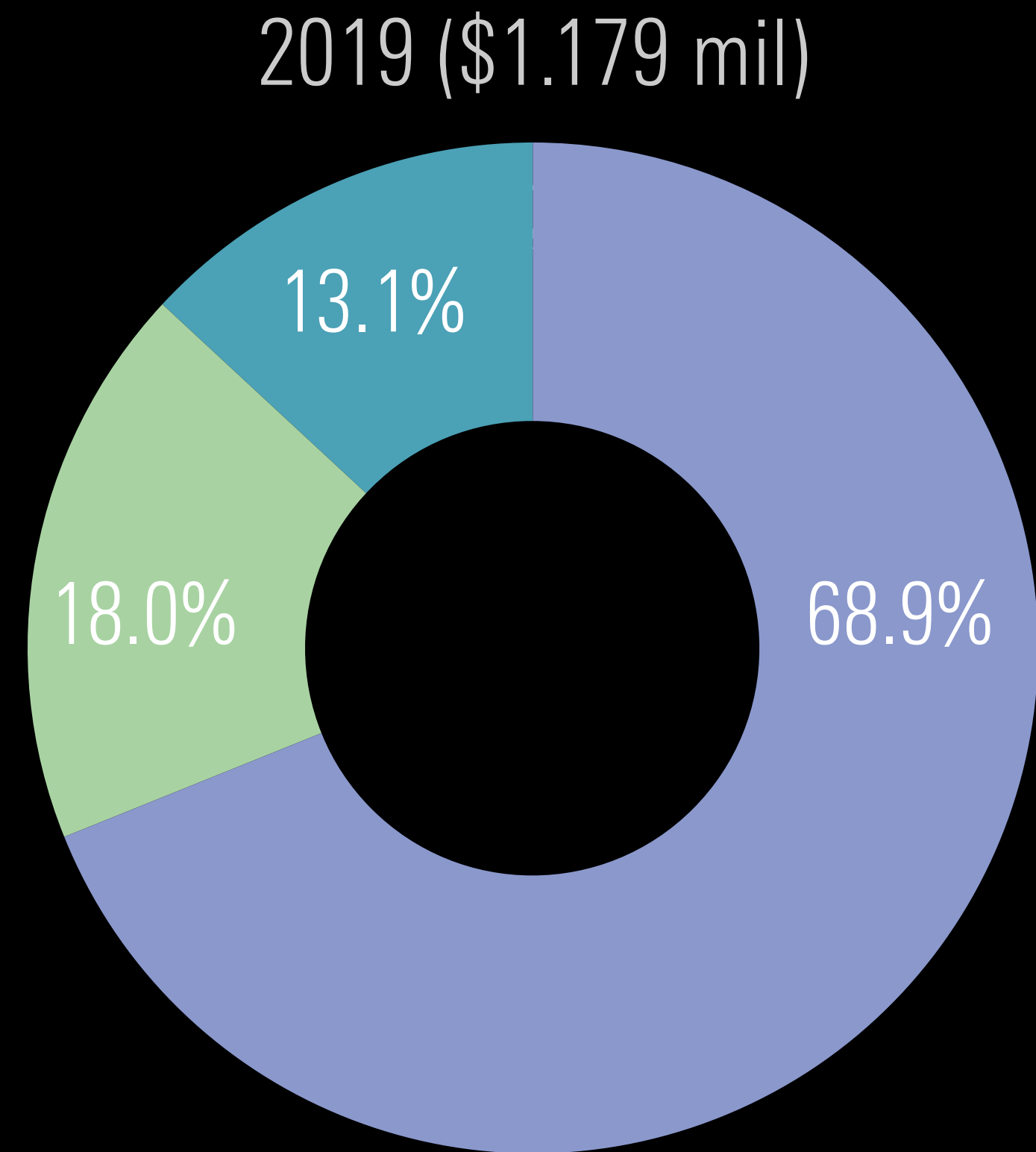


Margin Drivers:

- ▶ Non-comparable items
 - Amended license agreement
 - Stock-based compensation
- ▶ Business mix
- ▶ Cash compensation
- ▶ Production / Cloud-computing
- ▶ Facilities

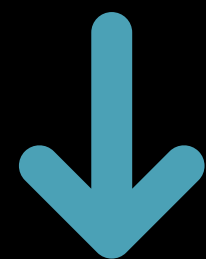
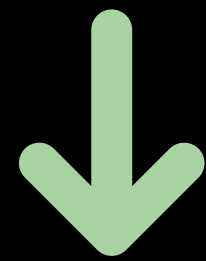
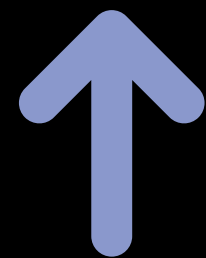
*Adjusted operating margin is a non-GAAP financial measure.

Business Mix

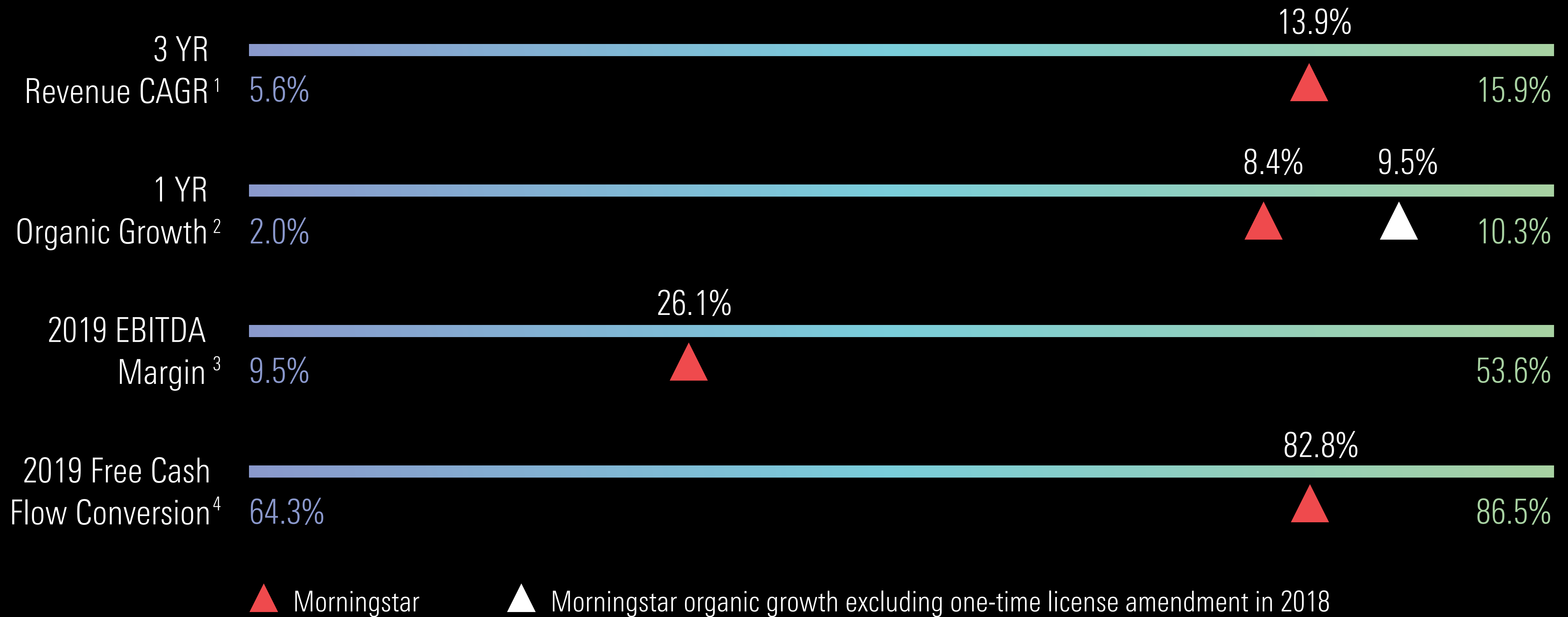


Revenue Category Margin vs Company Margin

- **Licensed-based**
Morningstar Data
Morningstar Direct
PitchBook
Other
- **Asset-based**
Investment Management
Workplace Solutions
Morningstar Indexes
- **Transaction-based**
Credit Ratings
Morningstar.com Ad Sales
Conferences



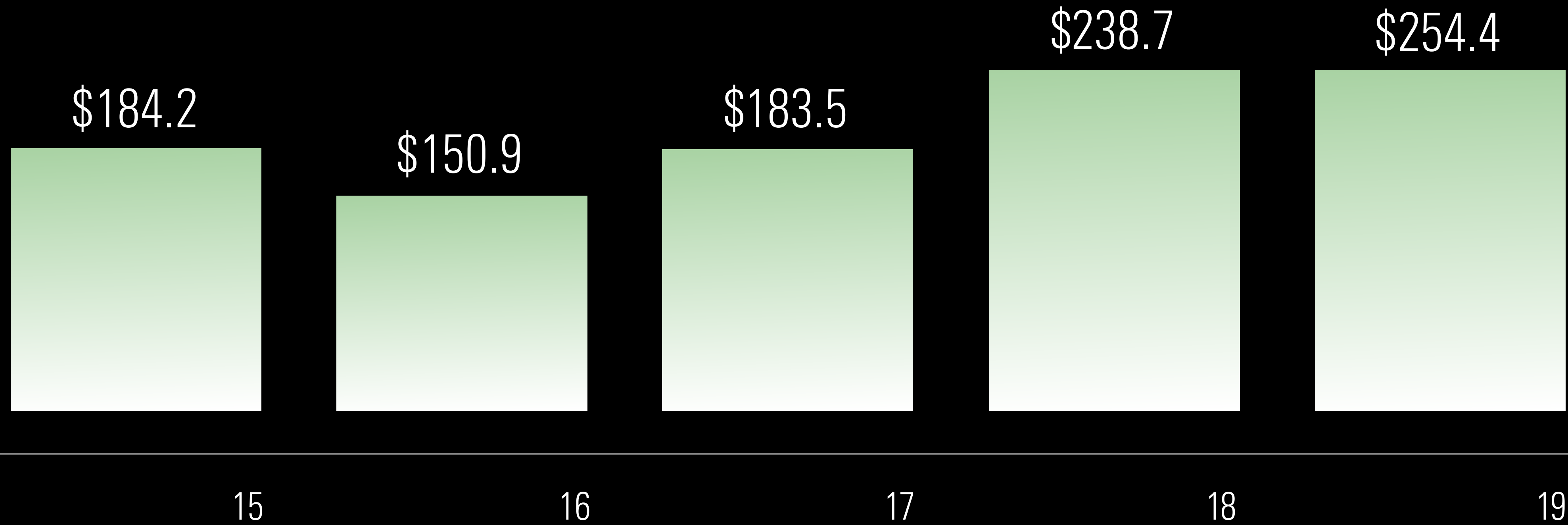
Comparisons to Peers



Includes following peers to develop ranges: Envestnet Inc., FactSet Research System Inc., Moody's Corporation, MSCI Inc., SEI Investments Company, and S&P Global Inc. 1. Calculated based on 2016 and 2019 reported fiscal year revenue in SEC filings. 2. Derived from or directly reported for 2019 fiscal year per SEC filings. Represents revenue excluding M&A and currency fluctuations. 3. Derived from reported 2019 fiscal year GAAP operating income and depreciation and amortization per SEC filings. 4. Represents Free Cash Flow / EBITDA. Free Cash Flow derived from 2019 fiscal year GAAP operating cash flow less capital expenditures and capitalized software development per SEC filings. EBITDA per definition above.

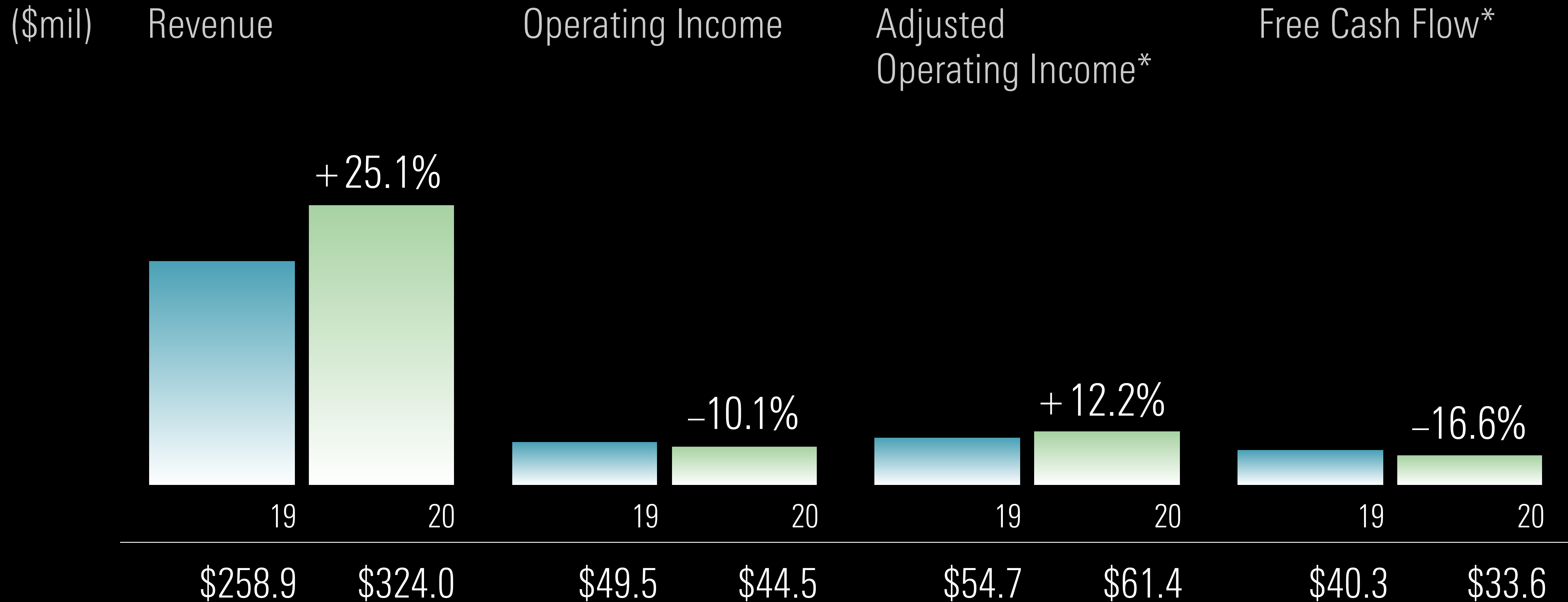
Cash Flow Generation

Free Cash Flow* (\$mil)







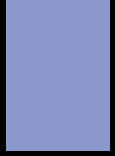
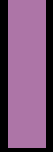
*Free cash flow is a non-GAAP financial measure.

Q1 2020 Reported Performance



*Adjusted operating income and free cash flow are non-GAAP financial measures.

Key Products and Investment Area Growth: Q1 2020 vs Q1 2019

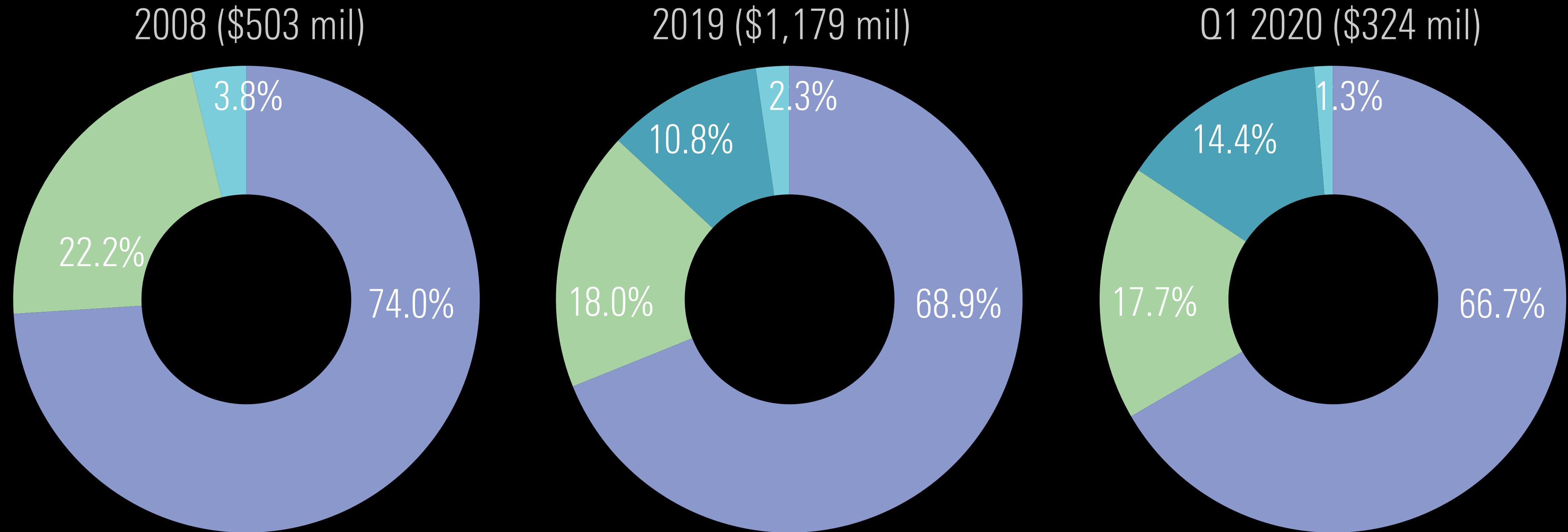
		Reported Growth (\$mil)	Organic Growth*
PitchBook		\$13.0	40.2%
Investment Management		\$3.8	16.0%
Data		\$3.7	8.9%
Workplace		\$2.7	14.6%
Direct		\$2.0	6.5%
Advisor Workstation		-\$0.6	-2.4%
DBRS Morningstar		\$37.2	—

*Organic revenue growth is a non-GAAP financial measure.

Business Impacts in Current Environment

Revenue Type	Characteristics	Q1 Observations
Licensed-based	Subscription-based contracts Generally more recurring	Limited impact in the quarter Closely monitoring sales pipeline and client activity
Asset-based	Linked to AUM levels and basis point fees Dependent on contract structure and reporting timing	Timing lag to impact revenue in Q2
Transaction-based	Generally more one-time in nature Portion of recurring transaction-related fees in credit ratings	Tightening credit markets impacted ratings business beginning in March Ad-sales softer

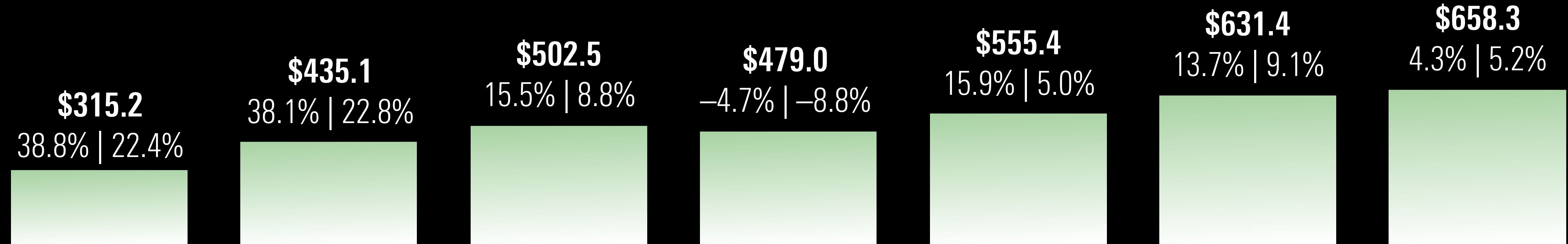
Looking Back at Last Downturn: Revenue Composition



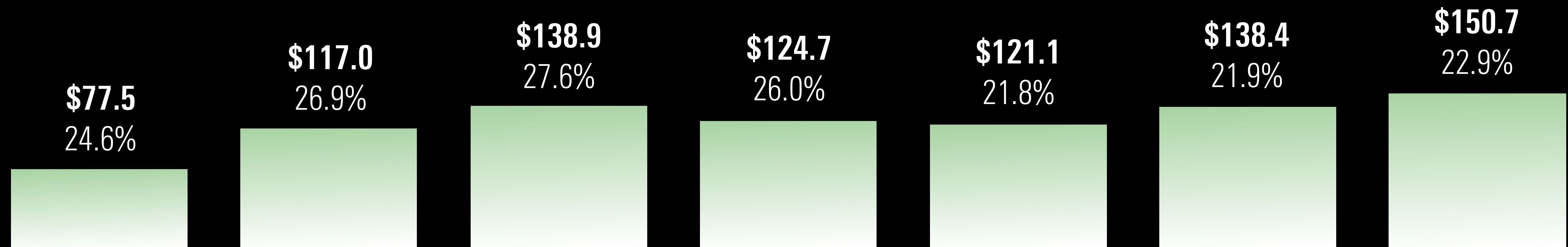
- Licensed-based
- Asset-based
- DBRS Morningstar
- Other Transaction-based

Looking Back at Last Downturn: Business Performance

Revenue (\$mil) and Reported | Organic Growth Rates



Operating Income (\$mil) and Operating Margin



06

07

08

09

10

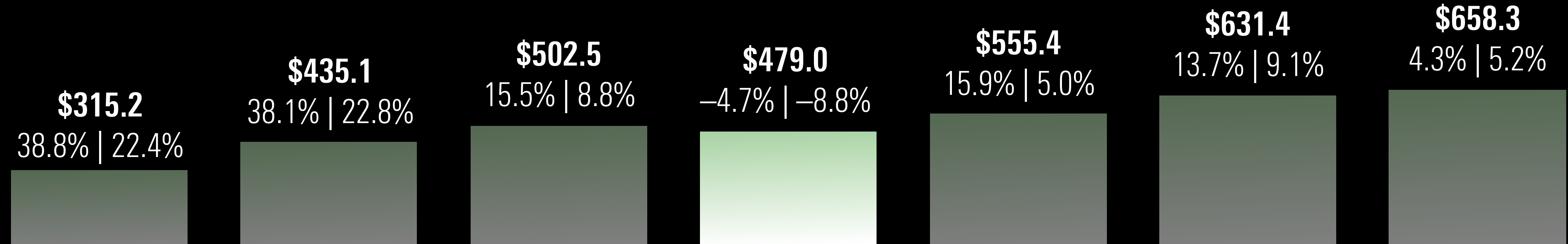
11

12

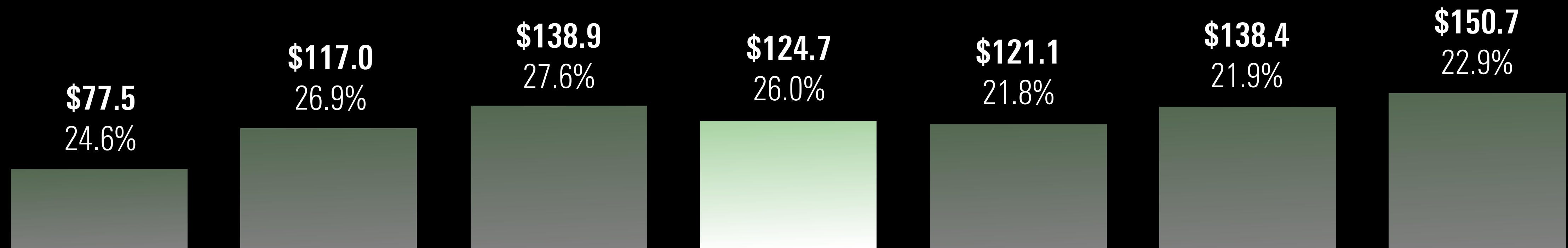
Organic revenue growth is a non-GAAP financial measure.

Looking Back at Last Downturn: Business Performance

Revenue (\$mil) and Reported | Organic Growth Rates



Operating Income (\$mil) and Operating Margin



06

07

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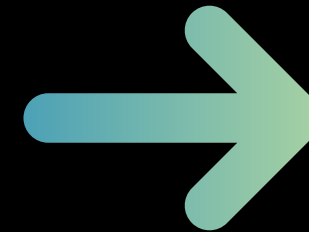
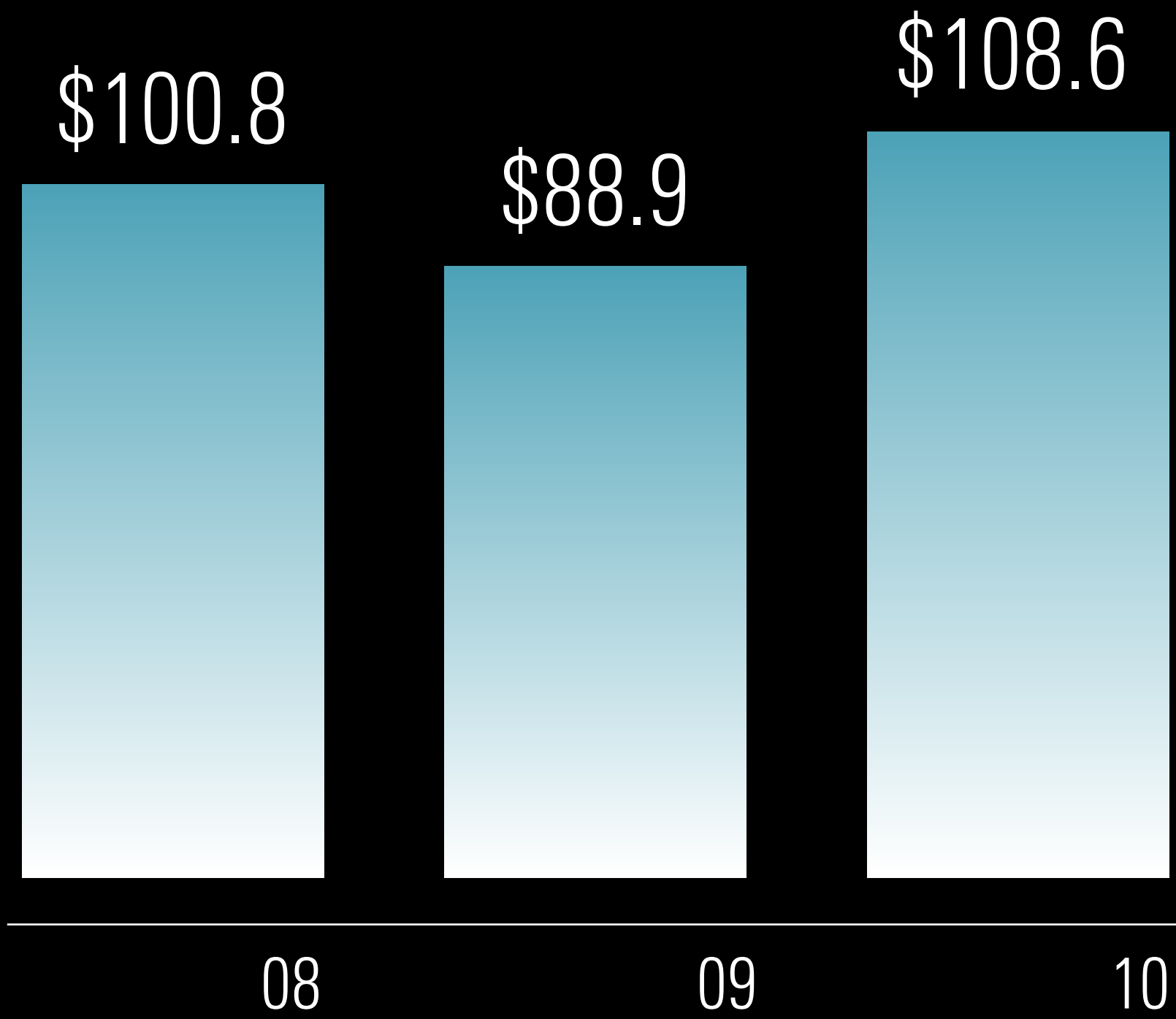
12

Organic revenue growth is a non-GAAP financial measure.

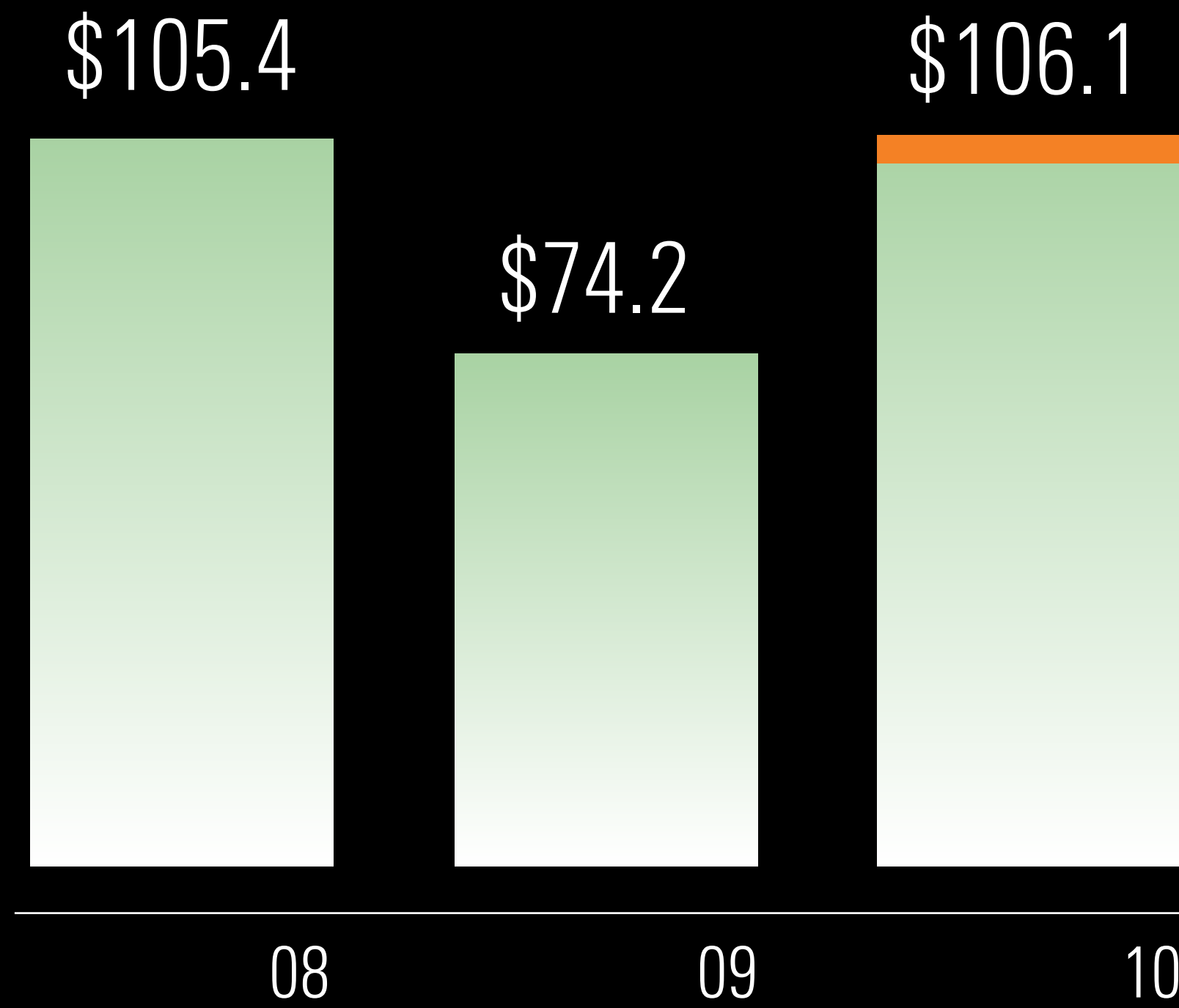
Looking Back at Last Downturn: Capital Deployment

(\$mil)

Free Cash Flow



Acquisitions and Share Repurchase



Share Repurchase

Free cash flow is a non-GAAP financial measure.

Actions in Current Environment

Near-term Actions

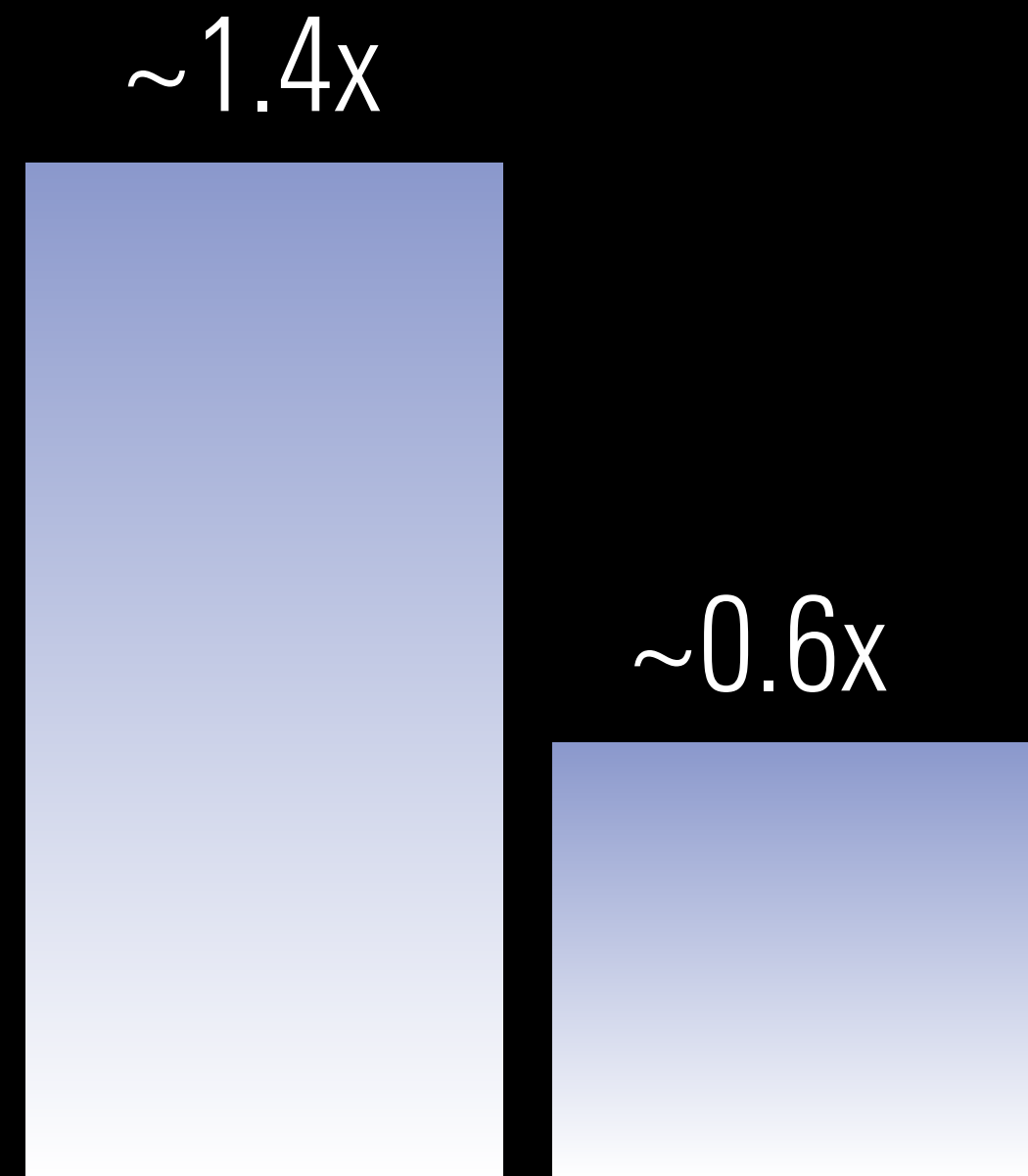
- ▶ Supporting business continuity with technology and infrastructure
- ▶ Hiring slow down with centralized governance
- ▶ Reduction in discretionary costs
- ▶ Review of compensation

Longer-term Focus

- ▶ Maintaining organic growth priorities
- ▶ Real estate and workforce strategy
- ▶ Mergers and acquisitions

Balance Sheet and Liquidity as of March 31, 2020

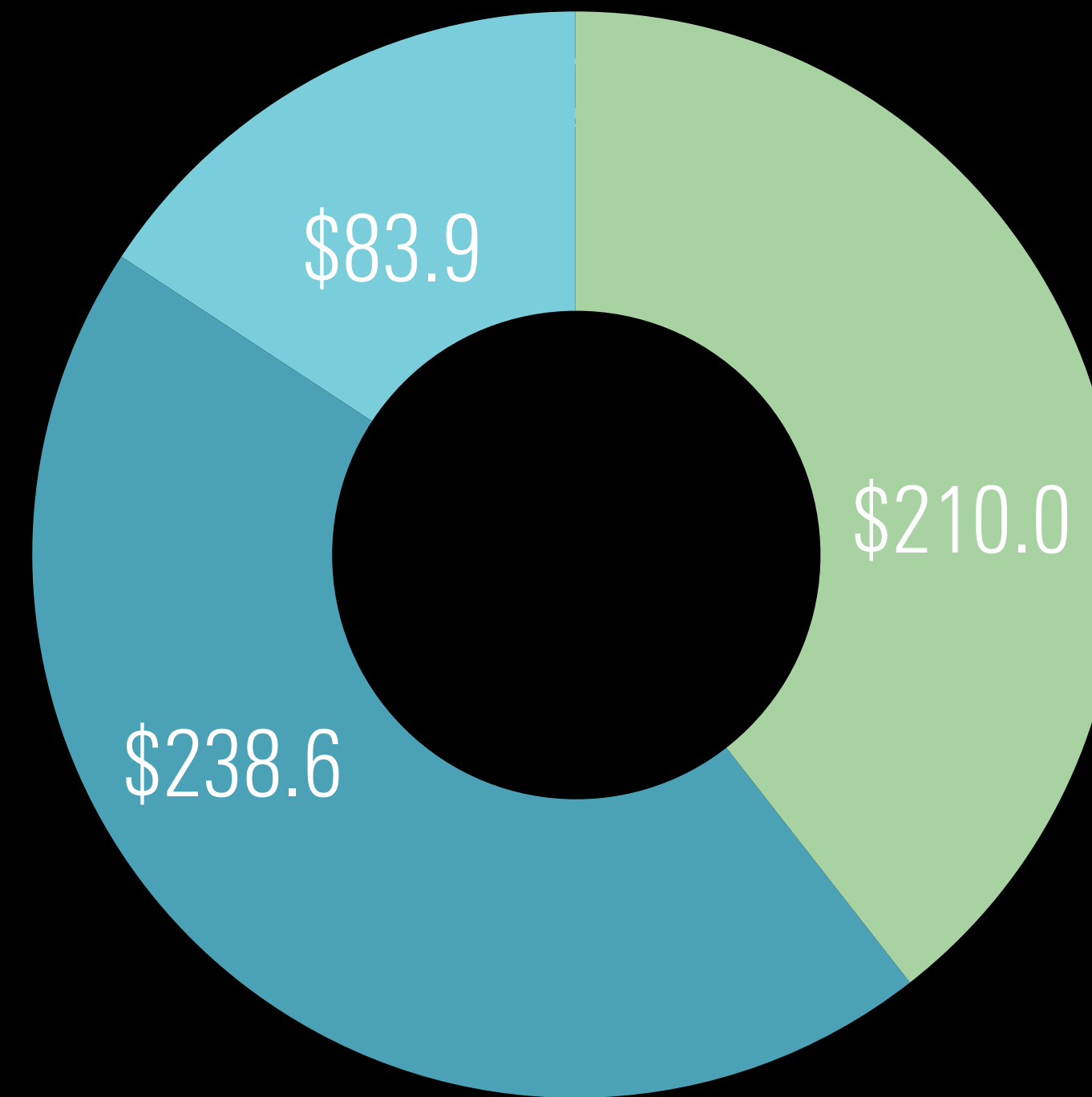
Leverage*



Gross
Leverage

Net
Leverage

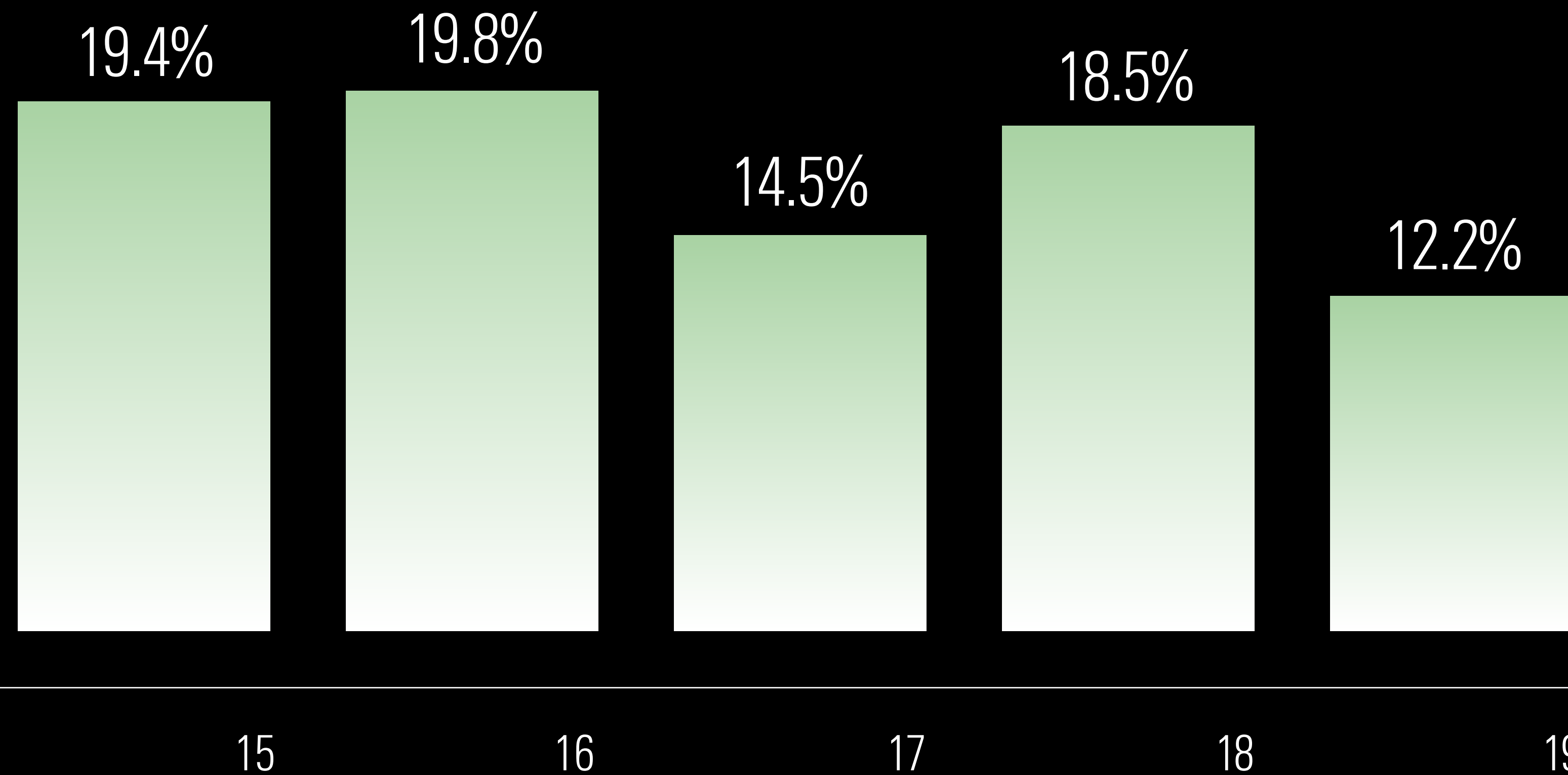
Cash and Credit Capacity (\$mil)



- Revolver Capacity
- Non-U.S. Cash / Cash Equivalents
- U.S. Cash / Cash Equivalents

*Consistent with credit facility definition.

ROIC: Return On Invested Capital*



*Return on invested capital is considered a non-GAAP measure. We calculate this measure based on return divided by invested capital. Please refer to the reconciliation at the end of the section.

MORN Total Return

	MORN	Annualized Morningstar US Market Total Return **
Since IPO (05/03/2005)*	15.3%	8.7%
10-year	12.7%	11.5%
5-year	15.5%	8.5%
3-year	28.7%	8.3%
1-year	8.7%	(0.6%)

*Calculated based on the offer price of \$18.50.

**Source: Morningstar Indexes. Peer group includes: ENV, FDS, MCO, MSCI, SEIC, SPGI, and TRI.
Returns as of May 1, 2020.

Consolidated Operating Income to Adjusted Operating Income

(\$mil)	Year Ended December 31			Three Months Ended March 31		
	2018	2019	Change	2019	2020	Change
Consolidated operating income	\$215.8	\$189.6	(12.1%)	\$49.5	\$44.5	(10.1%)
Add: intangible amortization expense	\$20.7	\$36.5	76.3%	\$4.9	\$14.0	185.7%
Add: acquisition and integration-related expenses	—	\$7.2	NMF	\$0.3	\$2.9	866.7%
Adjusted operating income	\$236.5	\$233.3	(1.4%)	\$54.7	\$61.4	12.2%

Free Cash Flow

(\$mil)	Twelve Months Ended December 31					Three Months Ended March 31	
	2015	2016	2017	2018	2019	Q1 2019	Q1 2020
Cash provided by operating activities	\$241.5	\$213.7	\$250.1	\$314.8	\$334.4	\$59.0	\$48.7
Capital expenditures	(\$57.3)	(\$62.8)	(\$66.6)	(\$76.1)	(\$80.0)	(\$18.7)	(\$15.1)
Free cash flow	\$184.2	\$150.9	\$183.5	\$238.7 ¹	\$254.4	\$40.3	\$33.6

1. Includes a \$10.5 million revenue benefit related to an amended license agreement and a corresponding favorable cash impact.

Consolidated Revenue to Organic Revenue

(\$mil)	Year Ended December 31			Three Months Ended March 31		
	2018	2019	Change	2019	2020	Change
Revenue	\$1,019.9	\$1,179.0	15.6%	\$258.9	\$324.0	25.1%
Less: acquisitions	(\$20.2)	(\$107.8)	433.7%	(\$9.5)	(\$47.7)	402.1%
Effect of foreign currency translations	—	\$12.3	NMF	—	\$2.0	NMF
Organic Revenue	\$999.7	\$1,083.5	8.4%	\$249.4	\$278.3	11.6%
Less: non-recurring license amendment	(\$10.5)	—	NMF	—	—	0
Organic revenue excluding the license amendment	\$989.2	\$1,083.5	9.5%	\$249.4	\$278.3	11.6%

Key Product and Investment Area Revenue

(\$mil)	2019	2020	\$	Three Months Ended March 31	
				Reported	Organic ²
Morningstar Data	\$47.7	\$51.4	\$3.7	7.8%	8.9%
Morningstar Direct	\$36.3	\$38.3	\$2.0	5.5%	6.5%
PitchBook Data	\$32.3	\$45.3	\$13.0	40.2%	40.2%
Investment Management	\$26.7	\$30.5	\$3.8	14.2%	16.0%
DBRS Morningstar ¹	\$9.5	\$46.7	\$37.2	391.6%	- %
Morningstar Advisor Workstation	\$22.4	\$21.8	(\$0.6)	(2.7)%	(2.4)%
Workplace Solutions	\$18.5	\$21.2	\$2.7	14.6%	14.6%

1. Revenue for the three months ended March 31, 2019 reflects Morningstar Credit Ratings. Revenue for the three months ended March 31, 2020 reflects DBRS Morningstar, the combined credit ratings operations. For the three months ended March 31, 2020, transaction-based revenue derived primarily from one-time ratings fees was 58.1% of such revenue while recurring revenue from surveillance, research, and other services comprised the remainder for the period.

2. Organic revenue excludes acquisitions, divestitures, adoption of new accounting changes, and the effect of foreign currency translation.

Key Product and Investment Area Revenue

(\$mil)	Twelve Months Ended December 31				
	2018	2019	\$	Reported	Organic ²
Morningstar Data	\$185.2	\$196.8	\$11.6	6.3%	8.4%
Morningstar Direct	\$137.9	\$148.6	\$10.7	7.8%	9.5%
PitchBook Data	\$99.6	\$148.4	\$48.8	49.0%	—%
Investment Management	\$111.2	\$115.9	\$4.7	4.2%	5.7%
DBRS Morningstar ¹	\$36.3	\$127.6	\$91.3	251.5%	—%
Morningstar Advisor Workstation	\$90	\$88.5	(\$1.5)	(1.7)%	(1.5%)
Workplace Solutions	\$75.3	\$78.4	\$3.1	4.1%	—%

1. Revenue for the twelve months ended December 31, 2018 reflects Morningstar Credit Ratings. Revenue for the first six months of 2019 includes revenue from Morningstar Credit Ratings while revenue for the third and fourth quarters of 2019 includes revenue from DBRS Morningstar, the newly combined credit ratings operations. For the six months ended 2019, transaction-based revenue derived primarily from one-time ratings fees was 63%. Recurring revenue from surveillance, research, and other services comprised the remainder in each respective period.

2. Organic revenue excludes acquisitions, divestitures, adoption of new accounting changes, and the effect of foreign currency translation.

Consolidated Operating Margin to Adjusted Operating Margin

	Year Ended December 31			Three Months Ended March 31		
(\$mil)	2018	2019	Change	2019	2020	Change
Consolidated operating margin	21.2%	16.1%	(5.1 pp)	19.1%	13.7%	(5.4 pp)
Add: intangible amortization expense	2.0%	3.1%	1.1	1.9%	4.3%	2.4
Add: acquisition and integration-related expenses	—%	0.6%	0.6	0.1%	0.9%	0.8
Adjusted operating margin	23.2%	19.8%	(3.4)	21.1%	19.0%	(2.2)

EBITDA

Twelve Months Ended December 31

(\$mil)	2019
Revenue	1,179
Operating Income	190
Operating Margin	16.1%
Adjusted:	
Operating Income	190
Add: Depreciation and amortization	118
EBITDA	307
EBITDA Margin	26.1%

ROIC

	Twelve Months Ended December 31				
(\$mil)	2015	2016	2017	2018	2019
Net income	\$132.6	\$161.0 ¹	\$136.9 ²	\$183.0 ³	\$152.0
Net interest expense (after tax)	-\$0.9	-\$0.2	\$2.7	\$1.4	\$6.7
Return	\$131.7	\$160.8	\$139.6	\$184.4	\$158.7
Shareholders' equity	\$640.6	\$696.8	\$804.9	\$934.7	\$1,083.6
Long-term debt	\$0.0	\$250.0	\$180.0	\$70.0	\$513.1
Short-term debt	\$35.0	\$0.0	\$0.0	\$0.0	\$0.0
Invested capital ⁴	\$680.0	\$811.2	\$965.9	\$994.8	\$1,300.7
ROIC ⁵	19.4%	19.8%	14.5%	18.5%	12.2%

1. Includes after-tax holding gain of \$37.1 million upon acquisition of additional ownership of equity method investment.

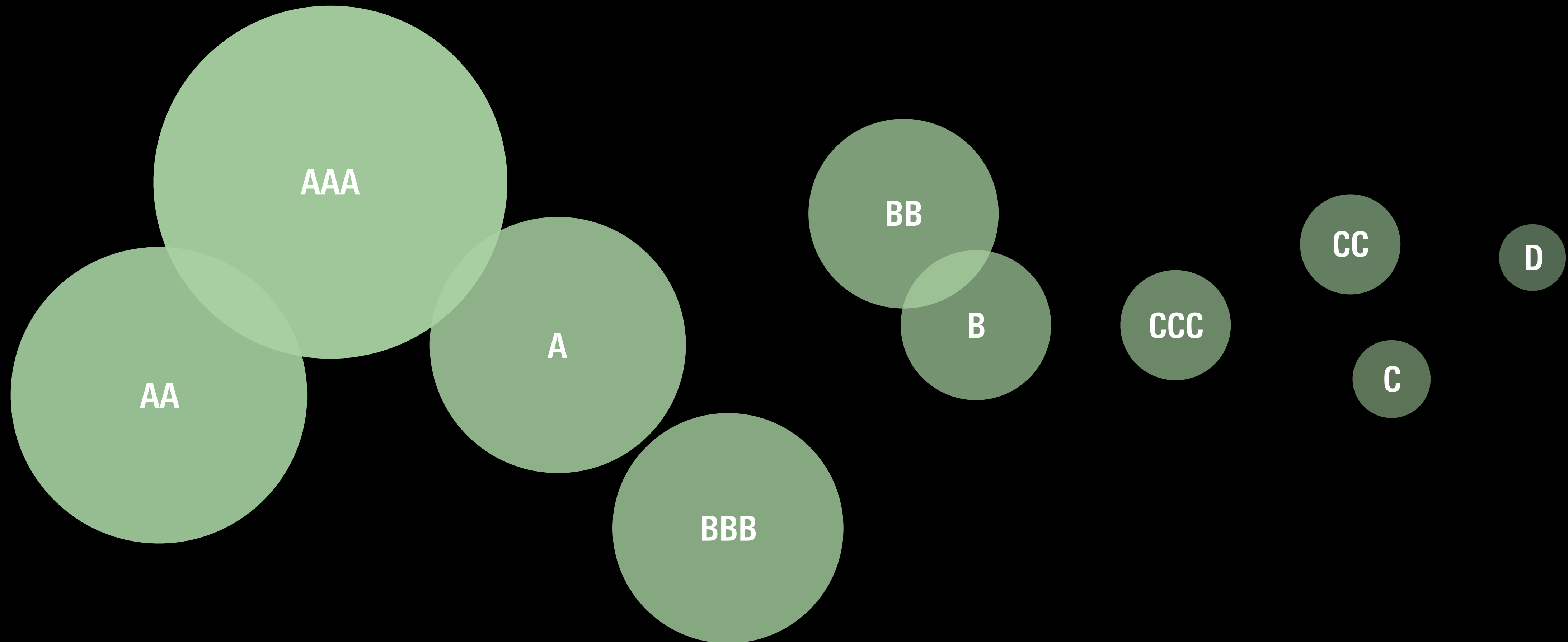
2. Includes after-tax gain of \$17.9 million on sale of business and after-tax impairment charge of \$3.0 million for certain software licenses.

3. Includes after-tax gain of \$7.8 million on sale of business, an after-tax gain of \$4.1 million on sale of equity investments, and an after-tax revenue benefit of \$7.8 million related to a license agreement.

4. All items included in invested capital reflect average of 12/31 balance for current and previous year.

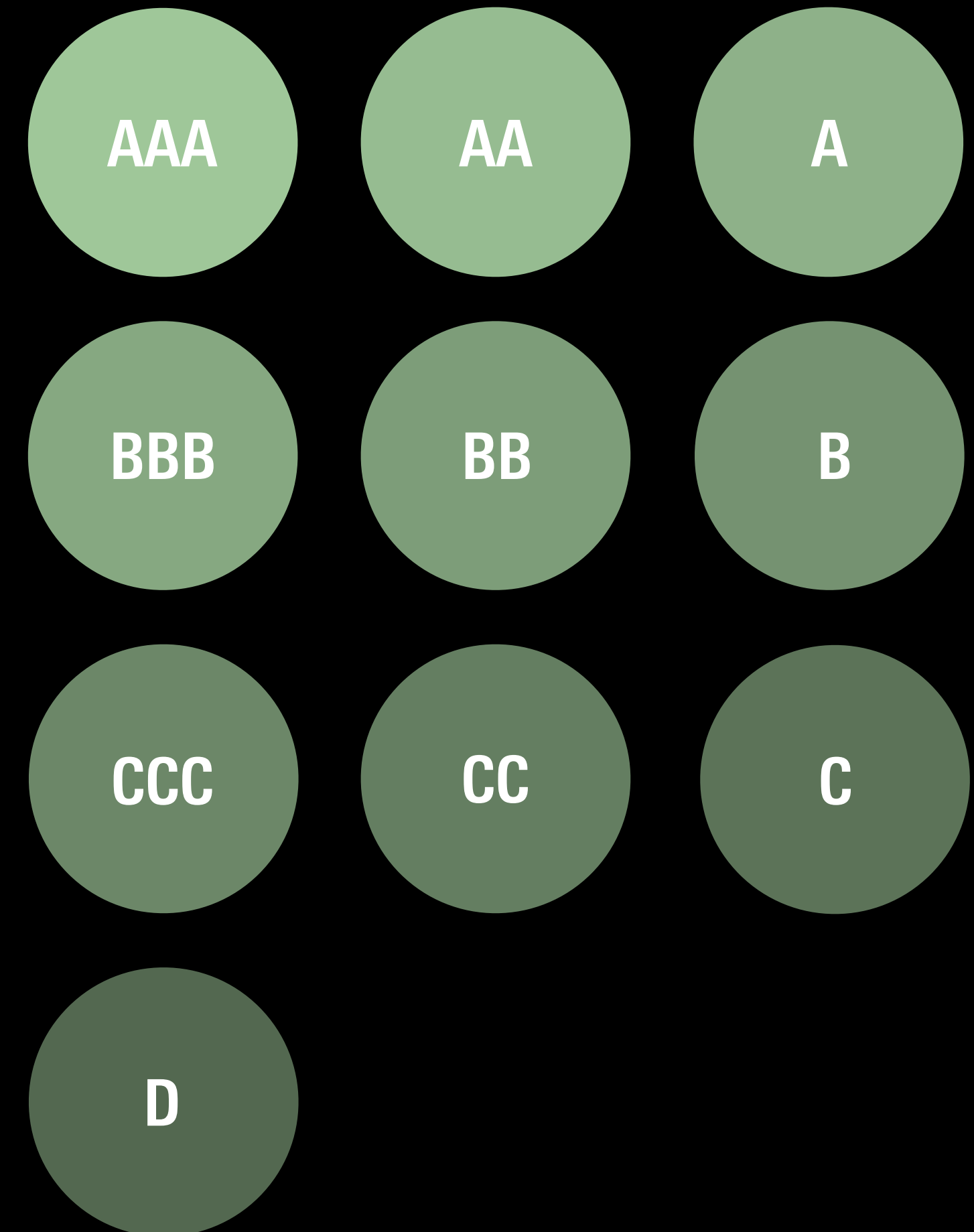
5. We calculate this measure based on based on return divided by invested capital.

Credit Ratings Business Model

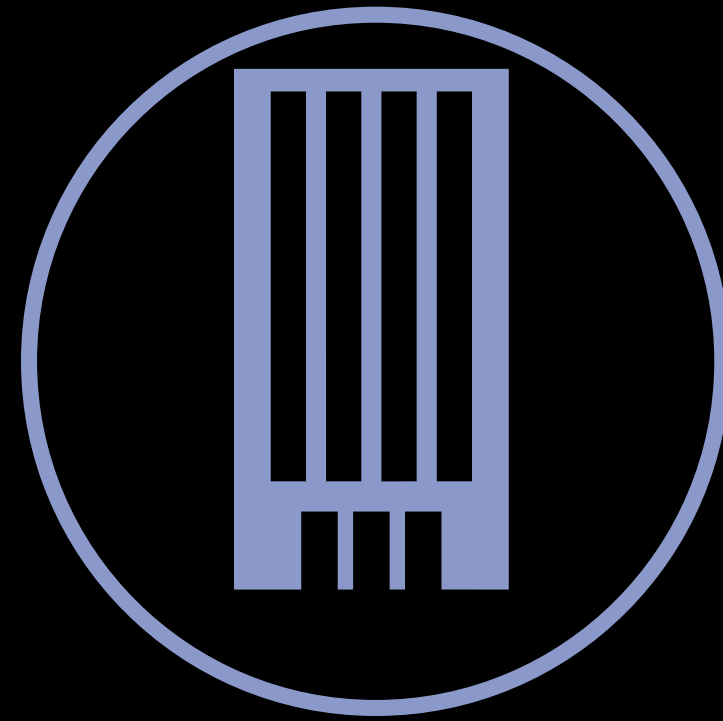


Credit Ratings Business Model

- ▶ Significant barriers to global operations
- ▶ Long-term track record essential for credibility
- ▶ Issuer-pay business model



History of Credit Ratings at Morningstar



Commercial mortgage-backed securities



Residential mortgage-backed securities



Single-family rental securities



Asset-backed securities



Financial institution ratings



Corporate credit ratings



Operational risk assessments

History of Credit Ratings at Morningstar



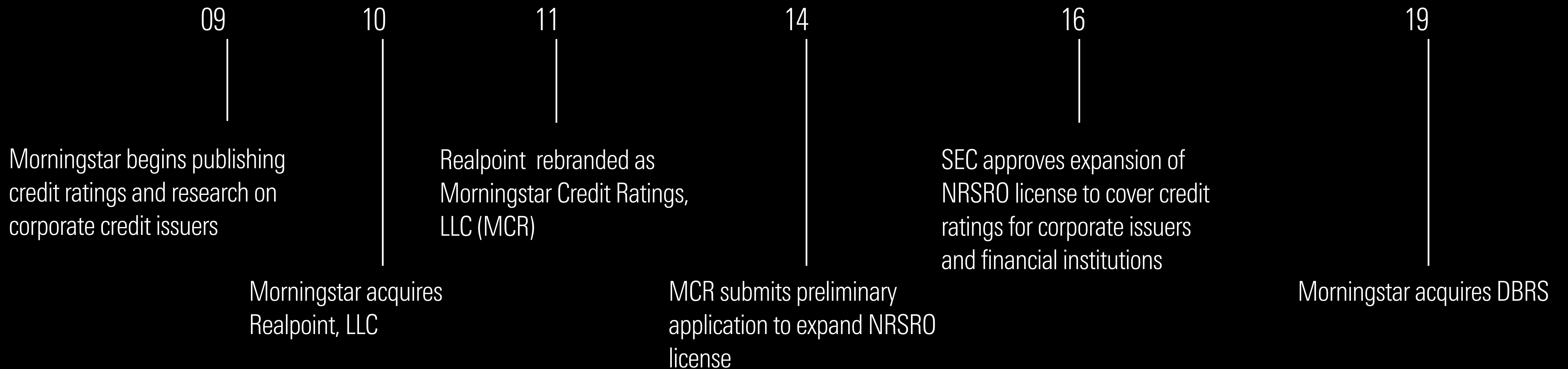
Residential mortgage-backed securities

Single-family rental securities

Asset-backed securities

MORNINGSTAR

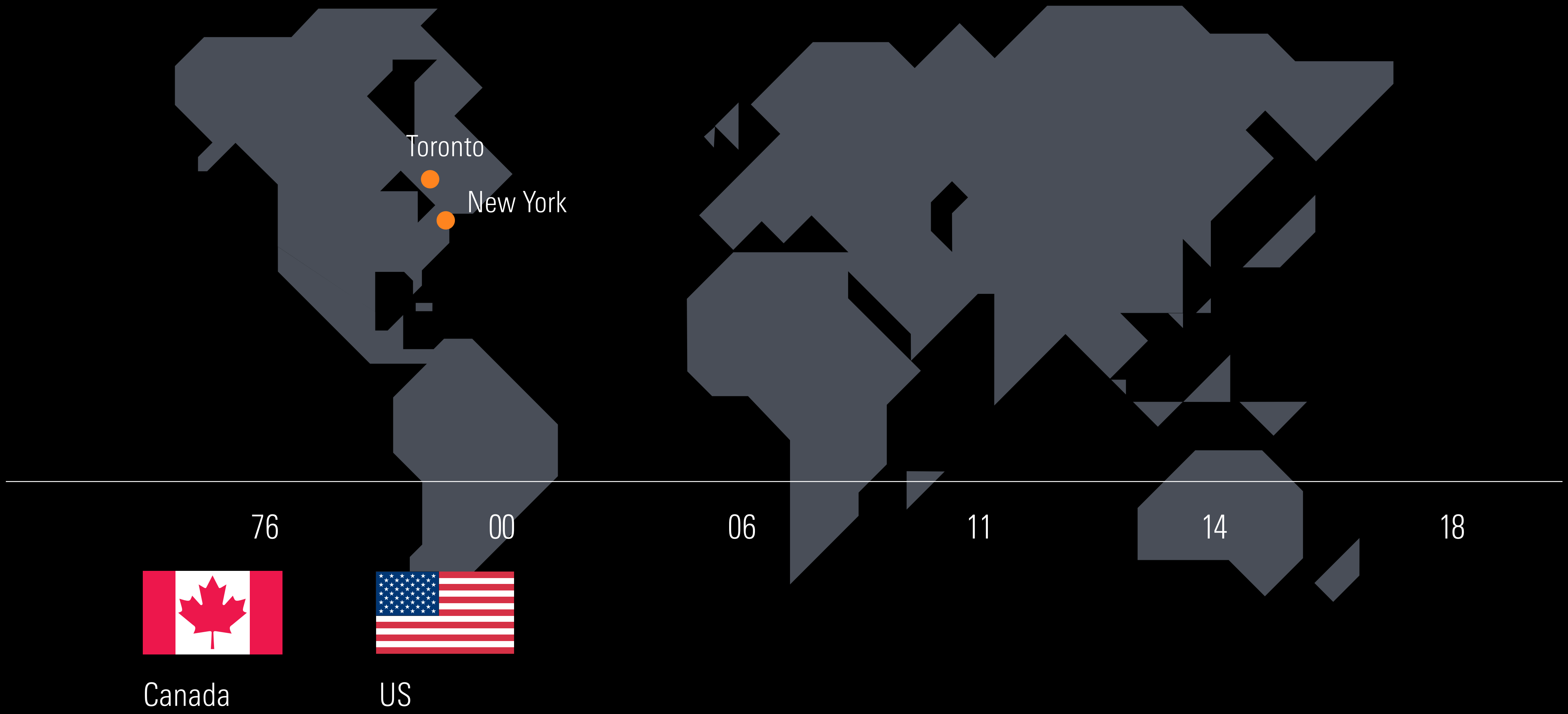
DBRS



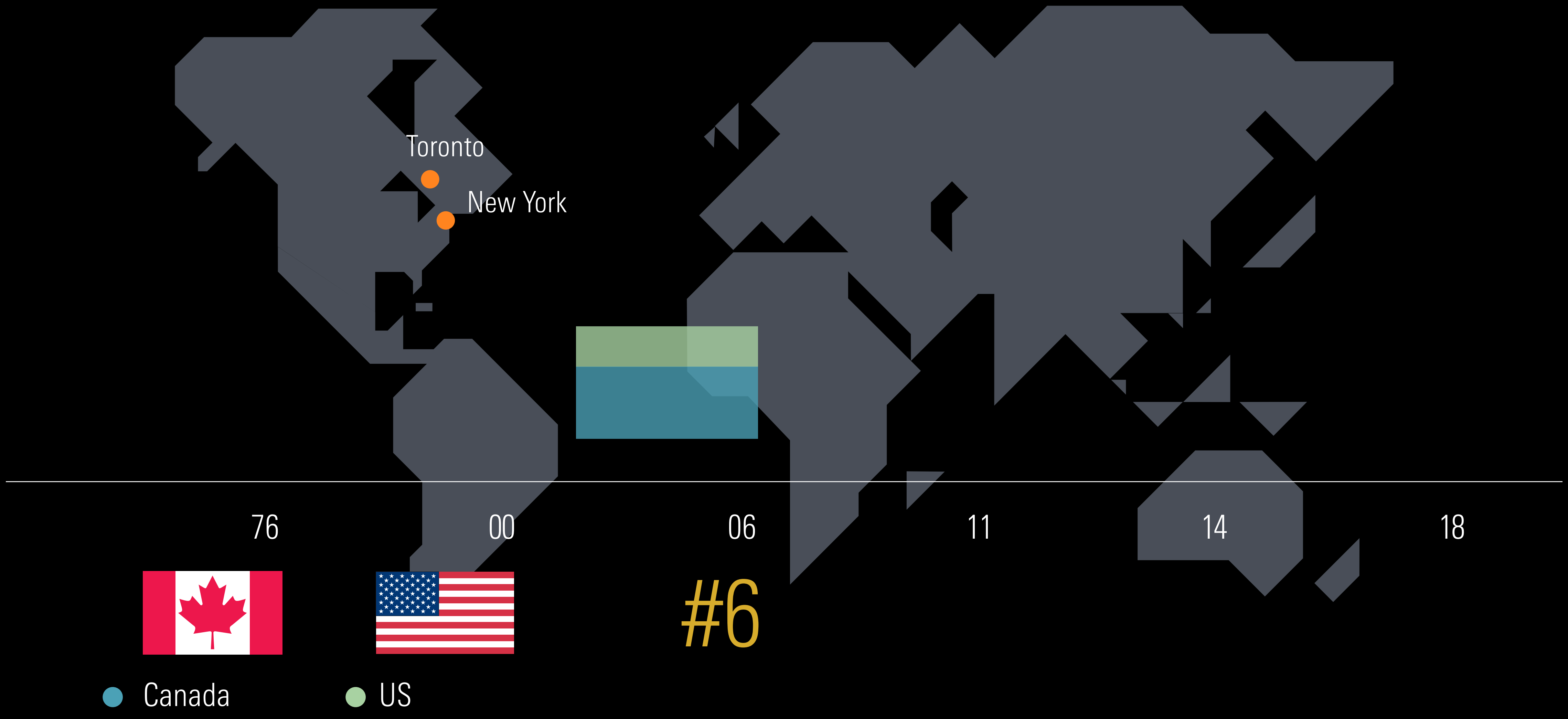
DBRS History



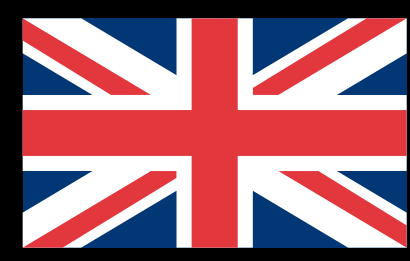
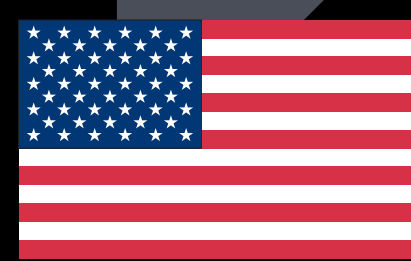
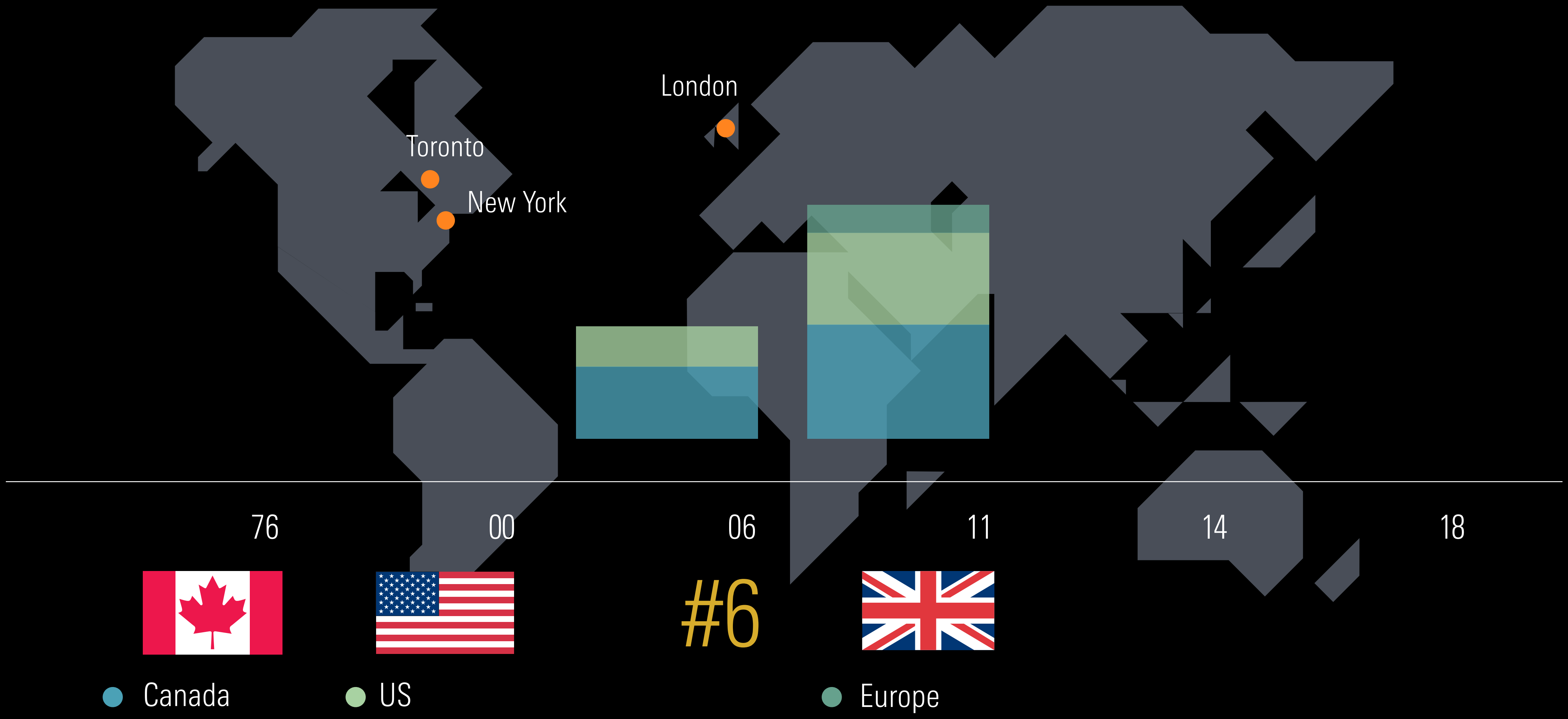
DBRS History



DBRS History



DBRS History



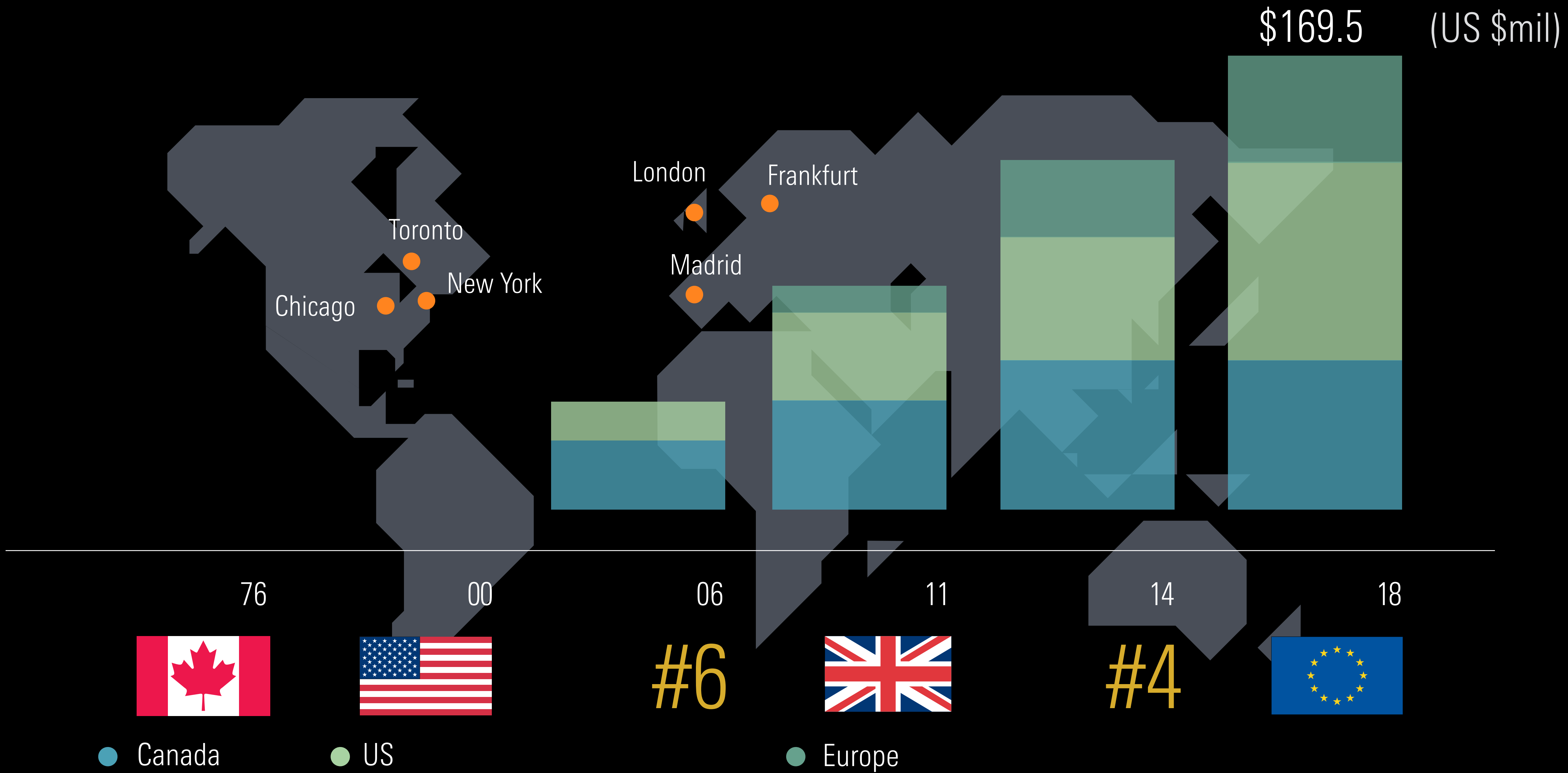
● Canada

● US

● Europe

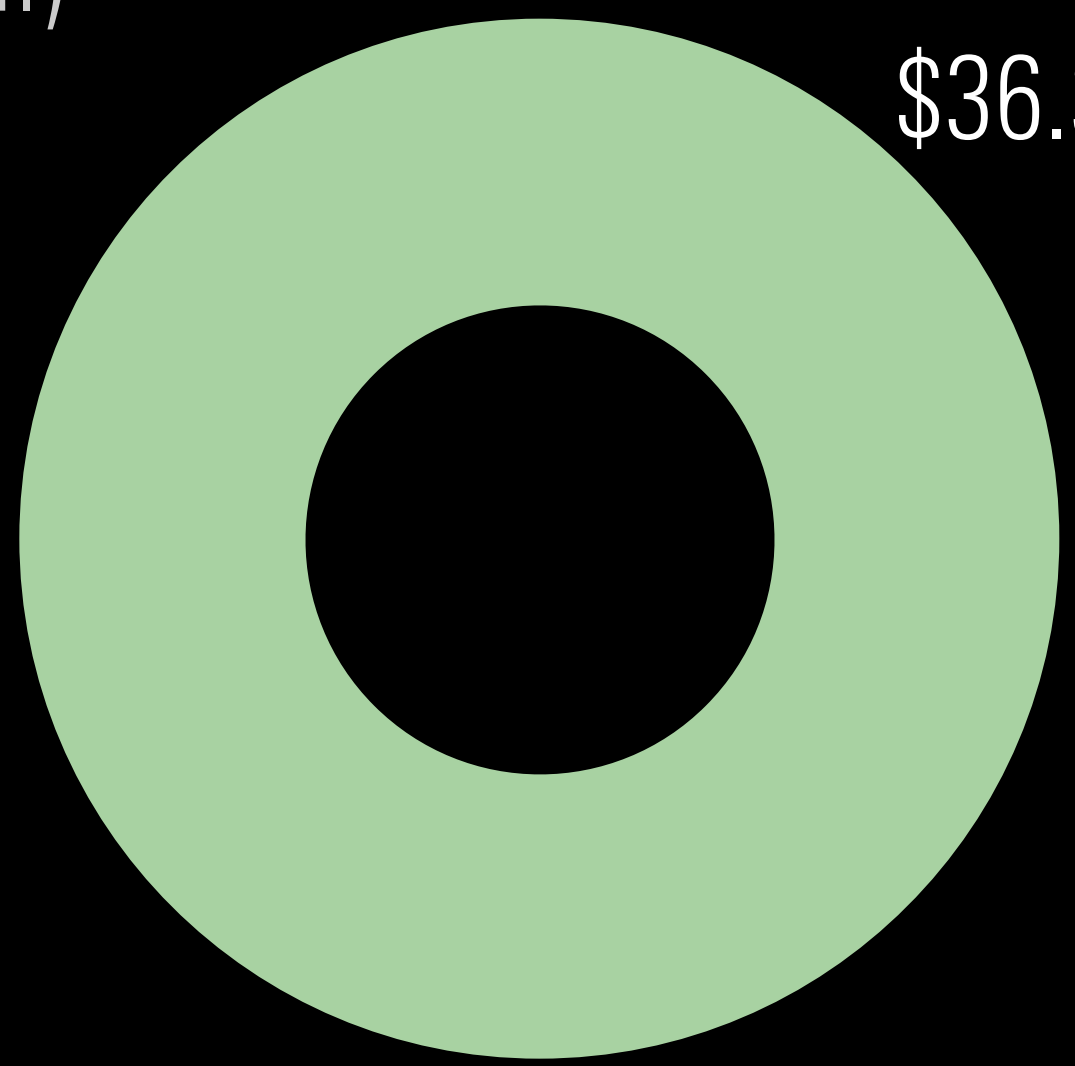
#6

DBRS History



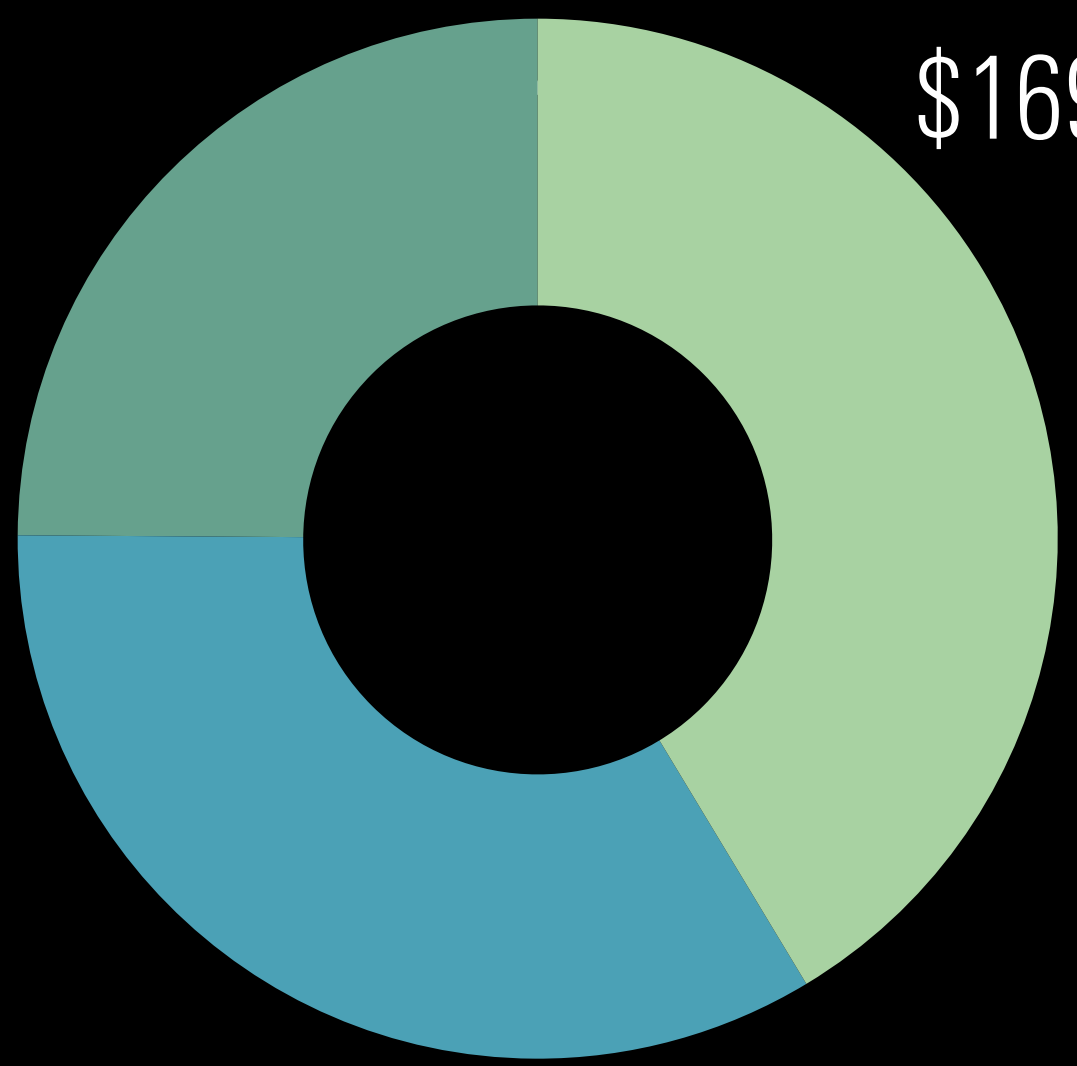
2018 DBRS and Morningstar

(US \$mil)



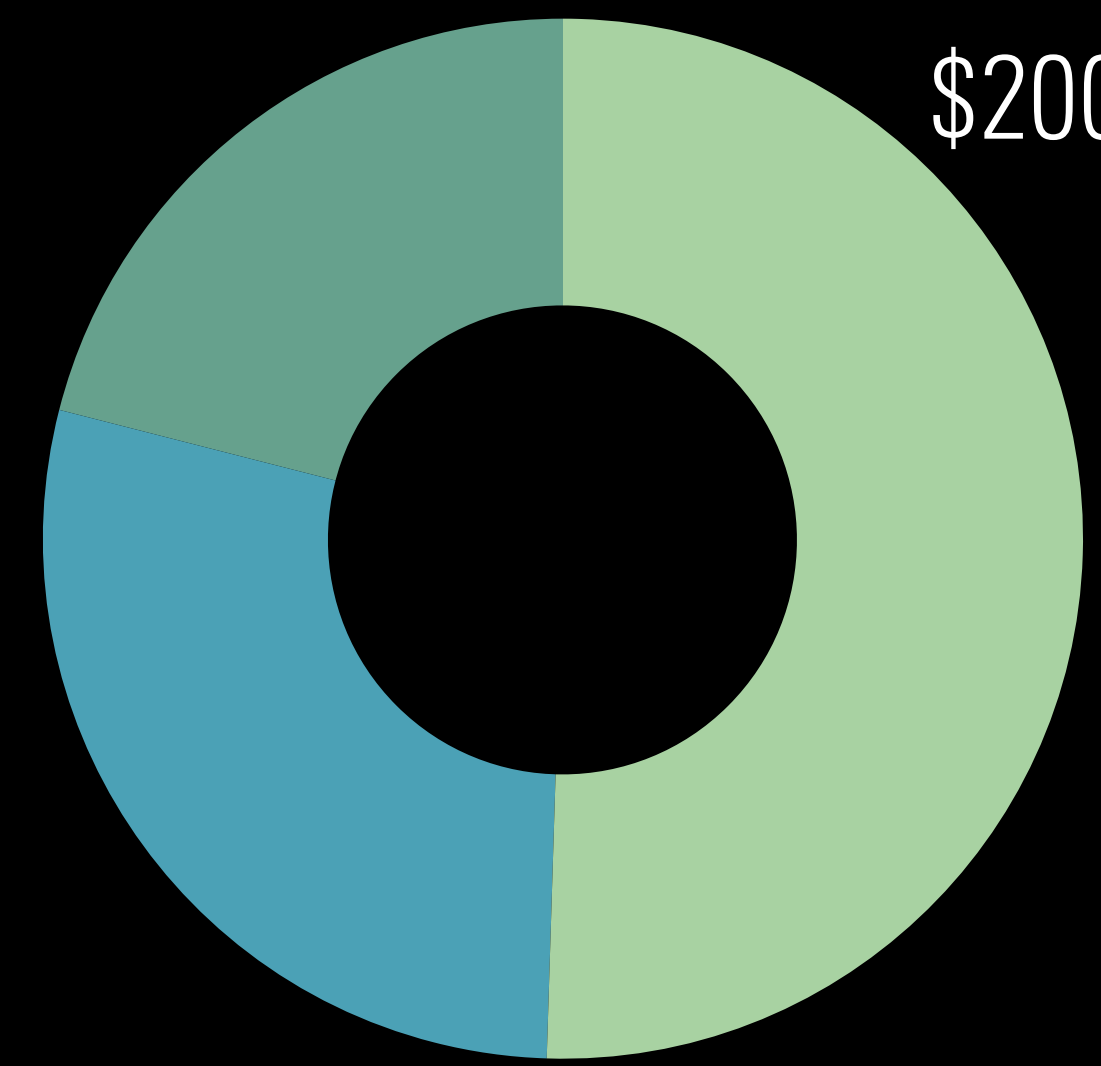
\$36.3

Morningstar Credit Ratings



\$169.5

DBRS

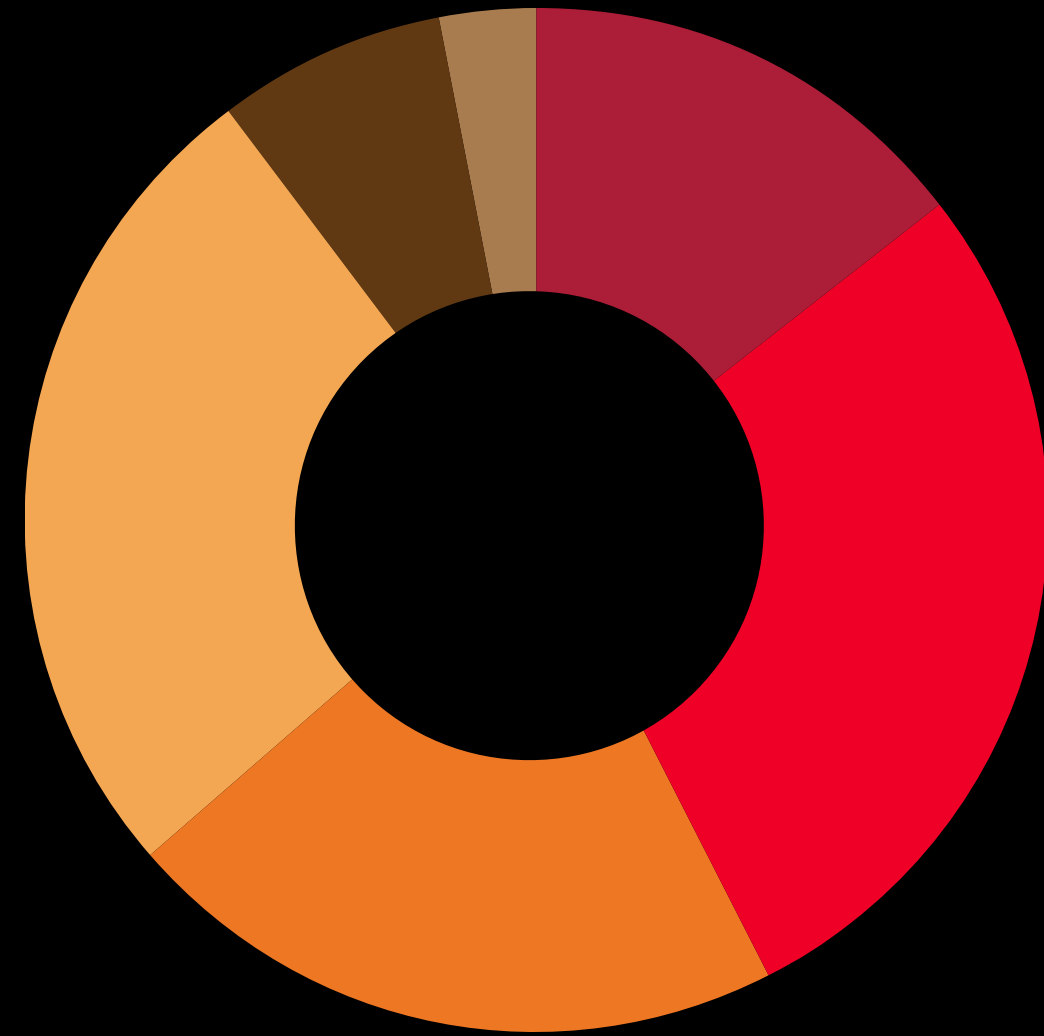


\$200.8

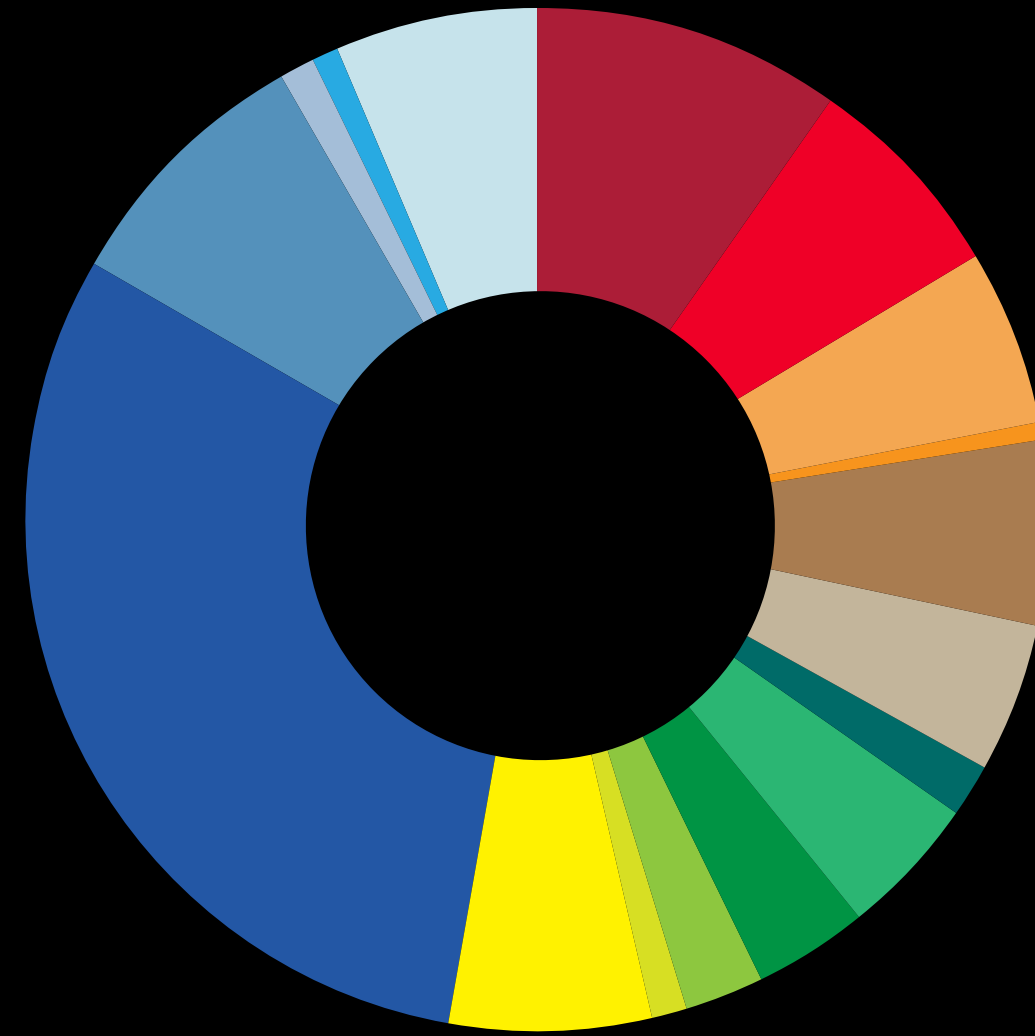
DBRS Morningstar

- US
- Canada
- Europe

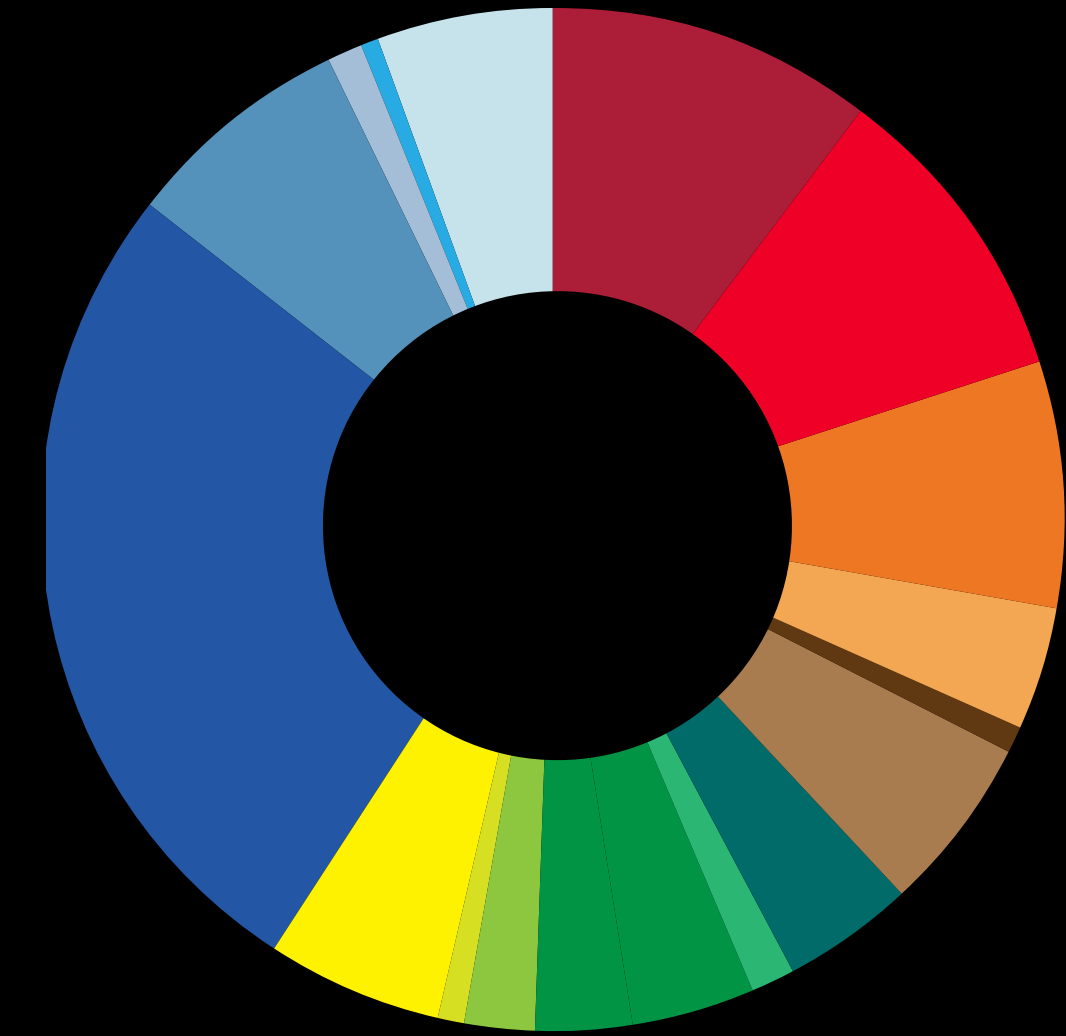
Diversification in Asset Classes



Morningstar Credit Ratings



DBRS



DBRS Morningstar

- US ABS
- US RMBS
- US CMBS
- US CDO/CLO
- US SFR
- US Corp/REIT
- US FI
- EU Corp/REIT
- EU ABS
- EU RMBS
- EU CMBS
- EU CDO/CLO
- EU FI
- CA Corp/REIT
- CA ABS
- CA RMBS
- CA CMBS
- CA CDO/CLO
- CA FI

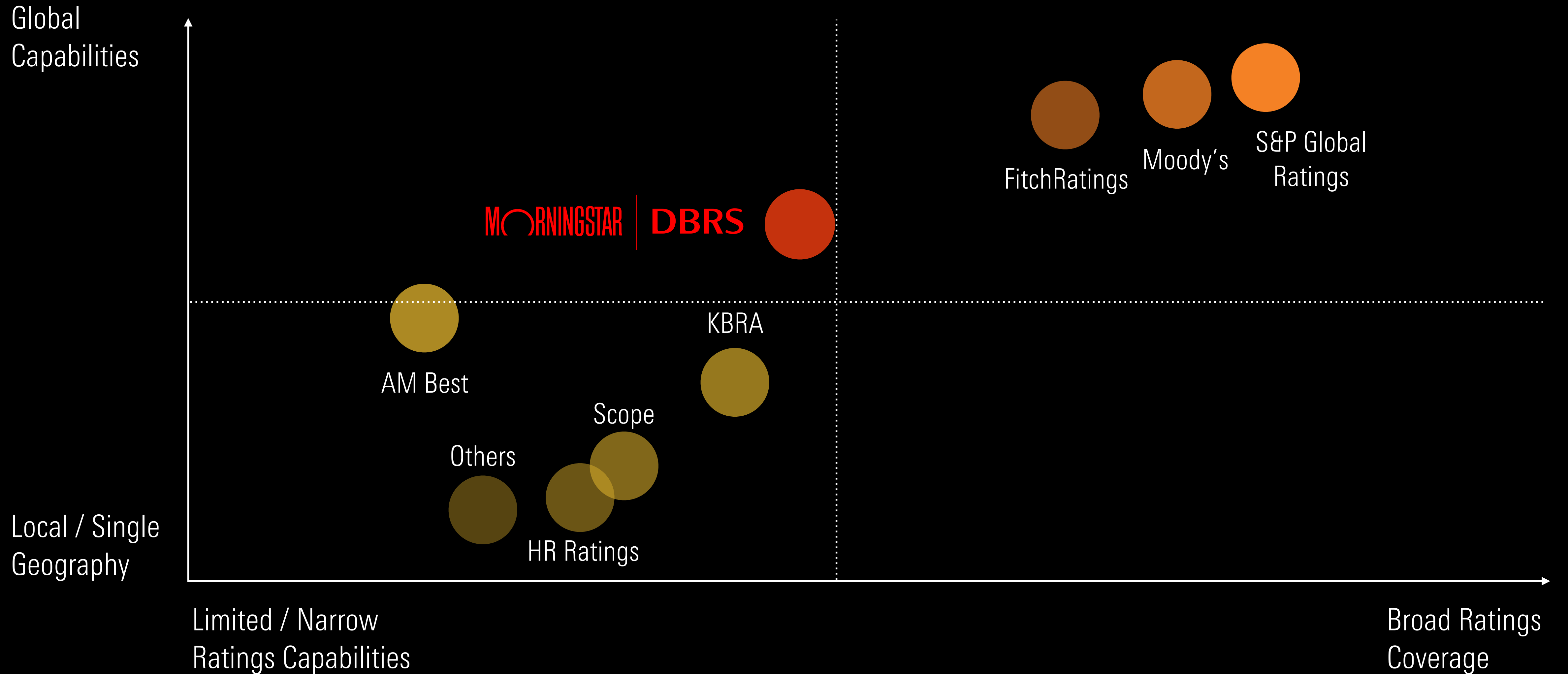
Note: charts represent active issuer relationships per segment.

OUR MISSION

Empowering investor success

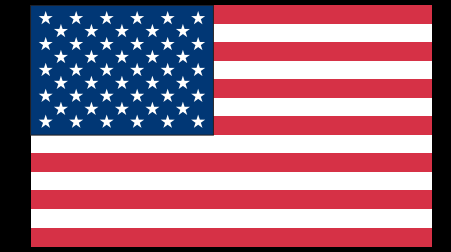


Competitive Landscape



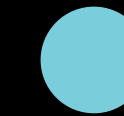
Moat, Strategy, Opportunity

MORNINGSTAR | DBRS

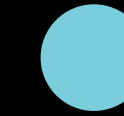


Structured Finance

Corporate Ratings



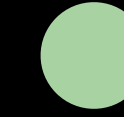
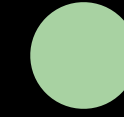
Financial Institutions



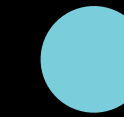
Sovereign



ABS



RMBS



CMBS



Structured Credit



Data Products



● Leading ● Established ● Developing

Target Market and Our Opportunities



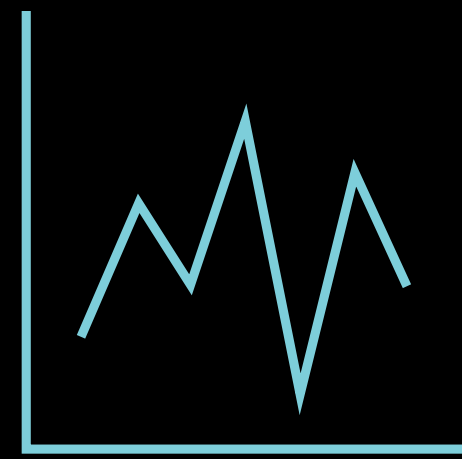
Total Addressable Market Opportunity

Global Ratings Revenue (US \$bil)



Source: DBRS Morningstar Estimates

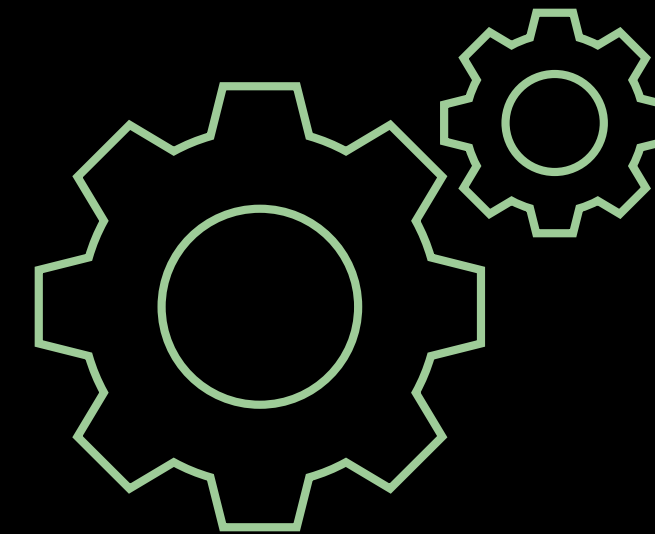
Periods of Market Volatility Highlight Opportunities



Credit market
volatility



COVID-19 emergency
government response



DBRS Morningstar
tech stack/operations



DBRS stronger
post-2008 crisis

- DBRS Viewpoint
- CMBS
- Explorer
- Commentary
- Surveillance
- COVID-19
- Research
- COVID-19
- Pool Comps
- Deals
- Exposure
- Analytics
- My Portfolios
- How To
- Credit Model



LOANS [108.2 K] DEALS [1.8 K] PROPERTIES [146.8 K] PRELIM

Displaying **128,449** loan pieces (none selected) View Loans Create Portfolio Add to Remove Export All

	PUBLISHED	COMMENTARY	LOAN NAME	DEAL NAME	DEAL TYPE	MARKET RANK	MSA RANK	BAL (CUR.)	PROPERTY TYPE	LTV (ISS.)	INTEREST RATE	LOSS	STATUS
<input type="checkbox"/>	✓ Rated	2020-04-30	2020-01-17	Project Atlas	Helios Finance DAC	Single Borrower	N/A	0	£350,000,000	Limited Service Hotel	64.42%	2.75%	●
<input type="checkbox"/>	✓ Rated	2020-04-30	2020-03-27	Project Mauve	Magenta 2020 PLC	Single Borrower	N/A	0	£274,749,064	Full Service Hotel	61.49%	2.78%	●
<input type="checkbox"/>	✓ Rated	2020-04-30	2019-10-23	Intu Derby	Deco Ram 2019 DAC	Single Borrower	N/A	0	€142,500,000	Regional Mall	42.74%	3.65%	●
<input type="checkbox"/>	✓ Rated	2020-04-30	2019-07-03	Franciacorta Outlet Village	Deco 2019 Vivaldi Srl	Conduit	N/A	0	€131,300,000	Anchored Retail	68.33%	2.50%	●
<input type="checkbox"/>	✓ Rated	2020-04-30	2019-12-06	Term Loan	Emerald Italy 2019 SRL	Single Borrower	N/A	0	€105,794,000	Anchored Retail	62.23%	4.05%	●
<input type="checkbox"/>	✓ Rated	2020-04-30	2019-07-03	Palmanova Outlet Village	Deco 2019 Vivaldi Srl	Conduit	N/A	0	€66,690,000	Anchored Retail	63.05%	2.50%	●
<input type="checkbox"/>	✓ Rated	2020-04-30		MOMA Fund	Deco 2019 Vivaldi Srl	Conduit	N/A	0	€0	Anchored Retail	65.00%	2.50%	●
<input type="checkbox"/>	✓ Rated	2020-04-14	2020-04-15	Art Plaza	FREMF 2020-K107	Agency CMBS	6	2	\$142,000,000	Multifamily	52.99%	3.39%	\$0 ●

The Next Generation of Credit Ratings

DBRS Morningstar brings more analytical **transparency**, much-needed **diversity** of opinion, and customer-service **responsiveness** to the marketplace.

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