Fourth Quarter 2022 Supplemental Presentation

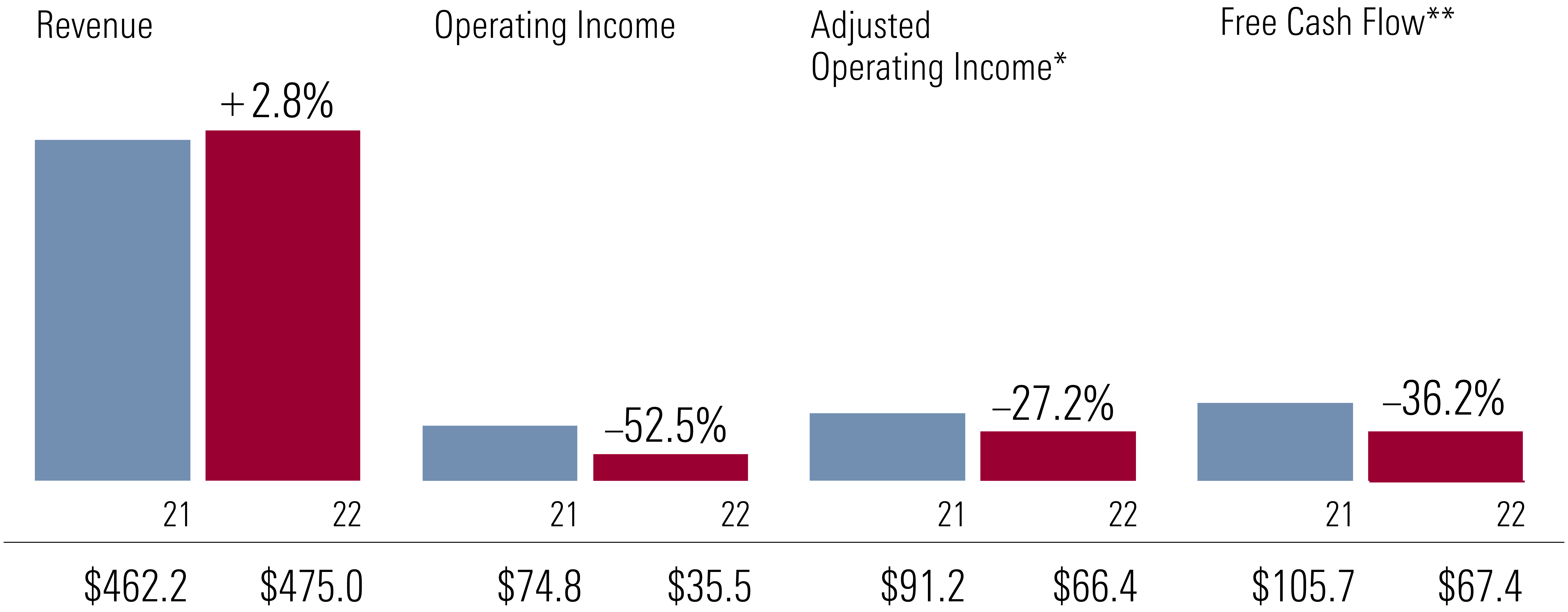
Feb. 23, 2023

MORNINGSTAR

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on our current expectations about future events or future financial performance. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, and often contain words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or “continue.” These statements involve known and unknown risks and uncertainties that may cause the events we discuss not to occur or to differ significantly from what we expect. More information about factors that could affect Morningstar’s business and financial results are in our filings with the SEC, including our most recent 8-K, 10-K and 10-Q. Morningstar undertakes no obligation to publicly update any forward-looking statements as a result of new information, future events, or otherwise, except as required by law.

In addition, this presentation references non-GAAP financial measures including, but not limited to, organic revenue, adjusted operating income, and free cash flow. These non-GAAP measures may not be comparable to similarly titled measures reported by other companies. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures is provided in the appendix to this presentation and in our filings with the SEC, including our most recent 8-K, 10-K and 10-Q.

Q4 2022 Financial Performance ($mil)



* Adjusted operating income is a non-GAAP measure and excludes intangible amortization expense, other merger and acquisition (M&A) related expenses and earn-outs, and items related to the significant reduction and shift of the Company's operations in China. ** Free cash flow is a non-GAAP measure and is defined as cash provided by or used for operating activities less capital expenditures.

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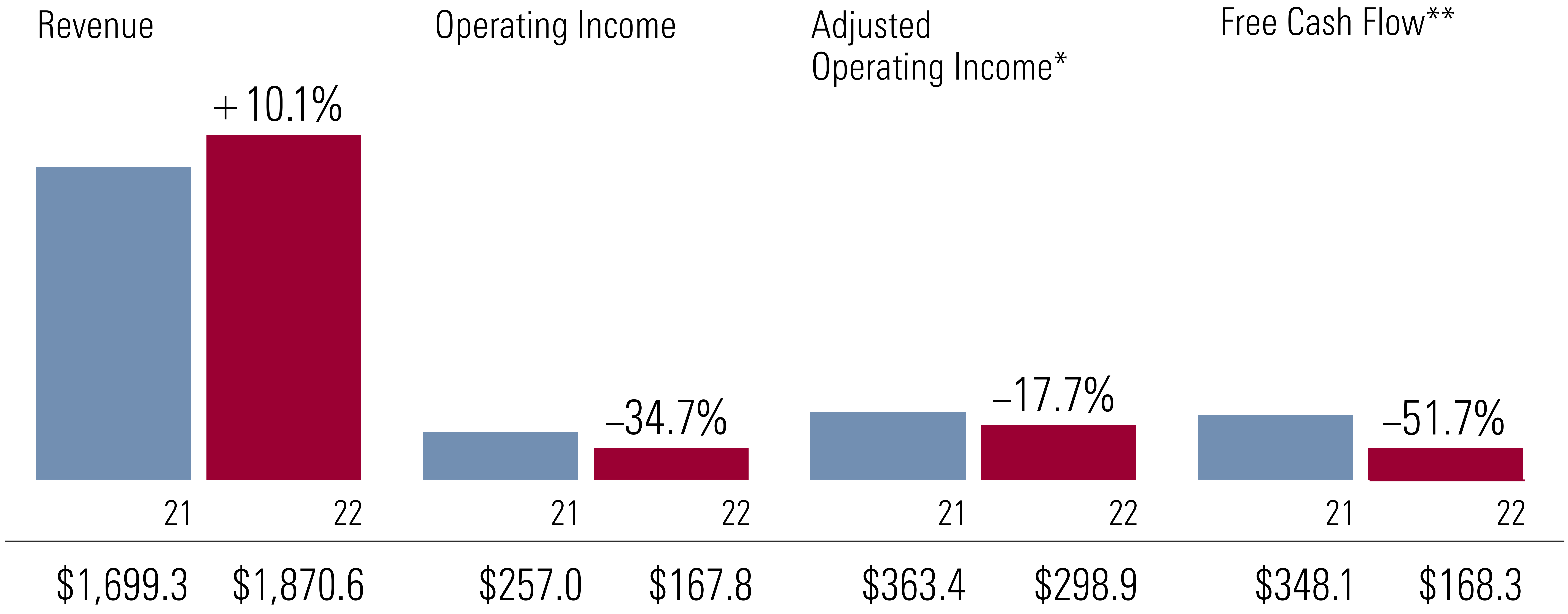
2022 Financial Performance ($mil)



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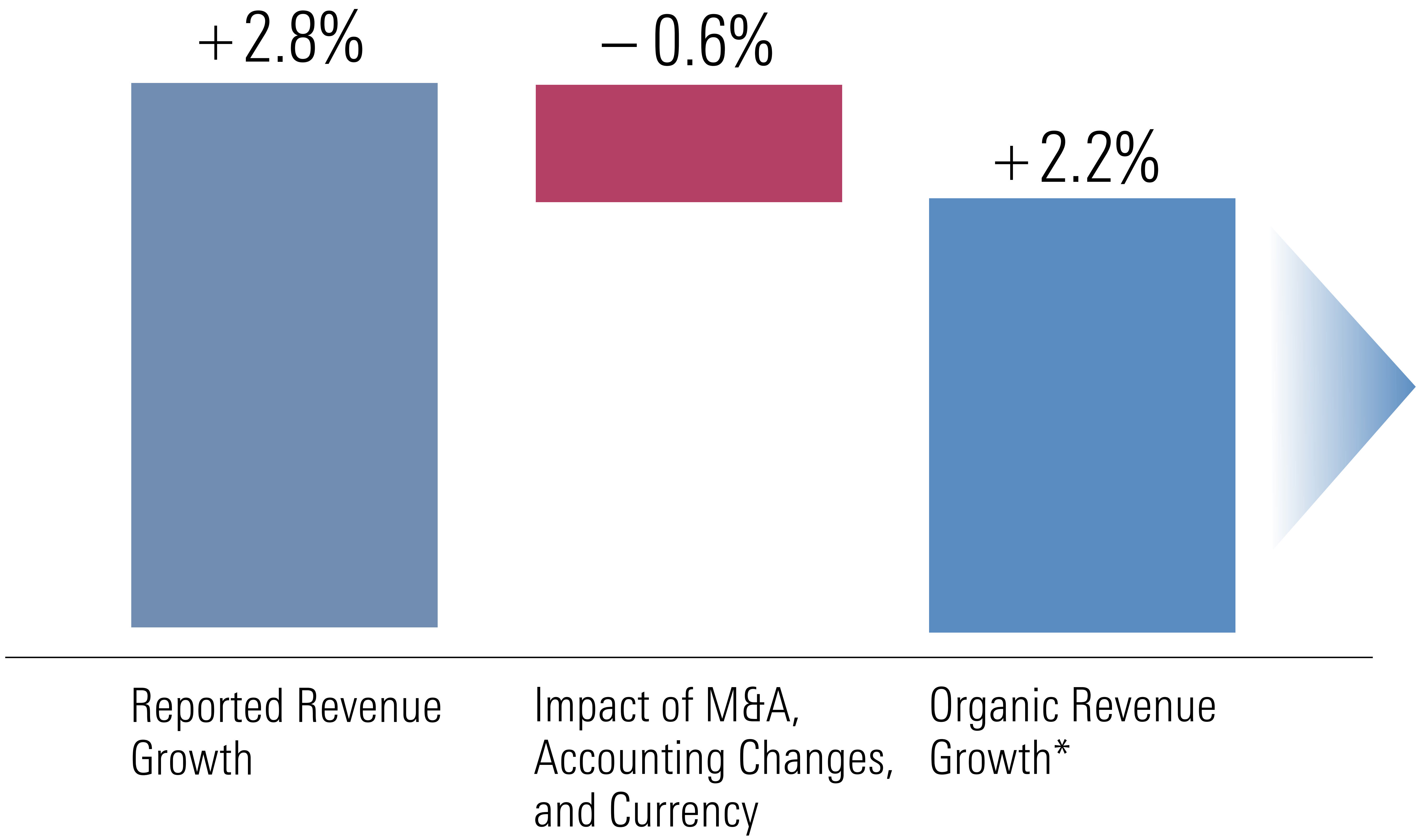
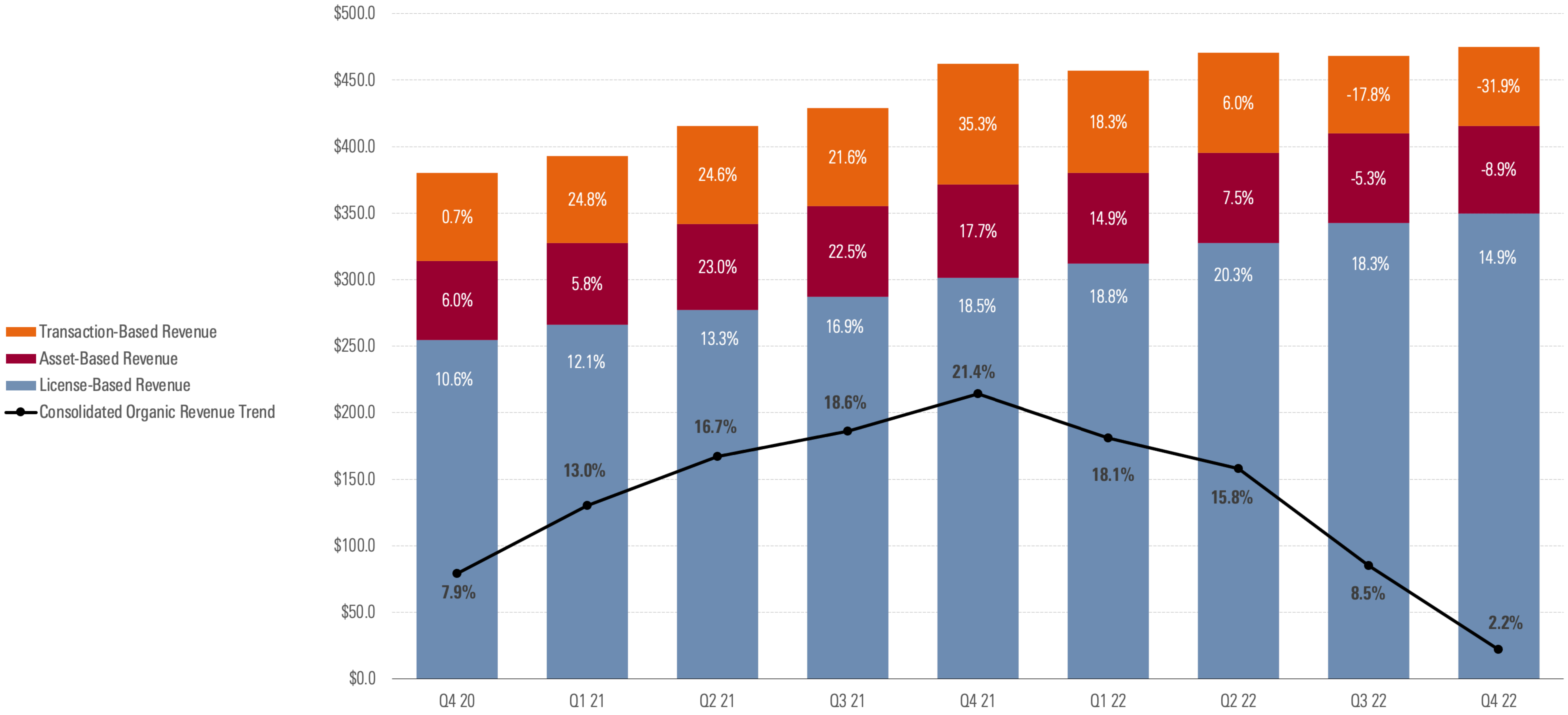
Q4 2022 Revenue Walk



Contributors of Organic Revenue Growth	
License-Based	14.9%
Asset-Based	–8.9%
Transaction-Based	–31.9%

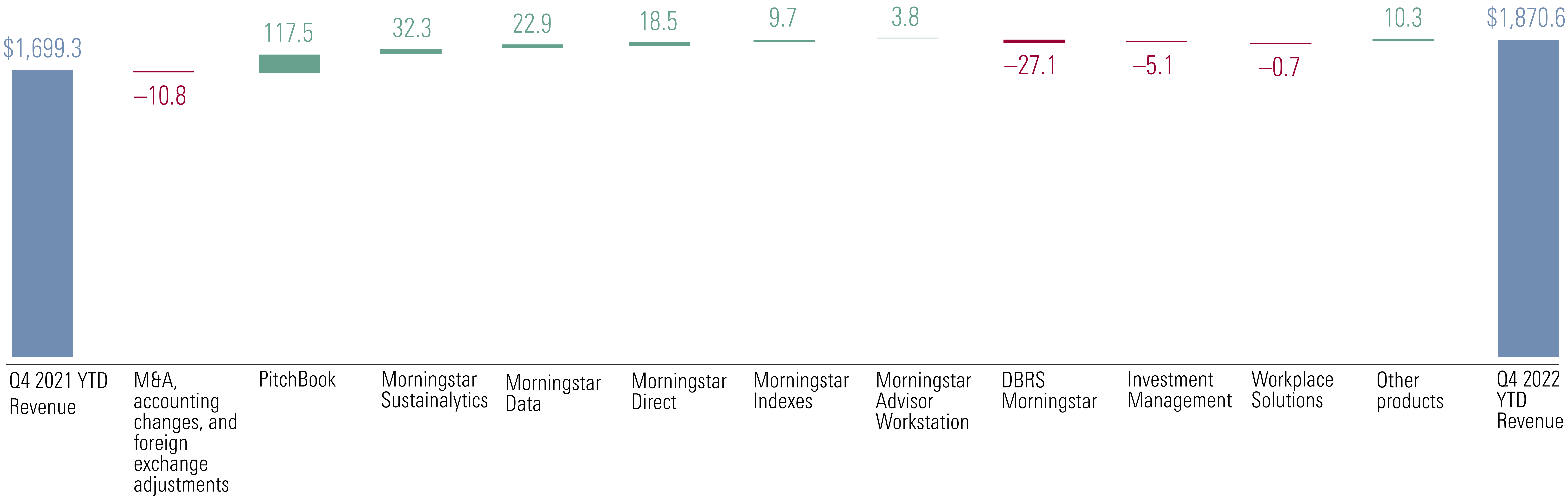
* Organic revenue, a non-GAAP measure, excludes revenue from acquisitions for a period of 12 months upon completion of the acquisition, accounting changes, and the effect of foreign currency translations.

Quarterly Revenue Trend ($mil)



Bars represent reported revenue. Percentages represent YOY organic revenue growth (decline), which is a non-GAAP measure.

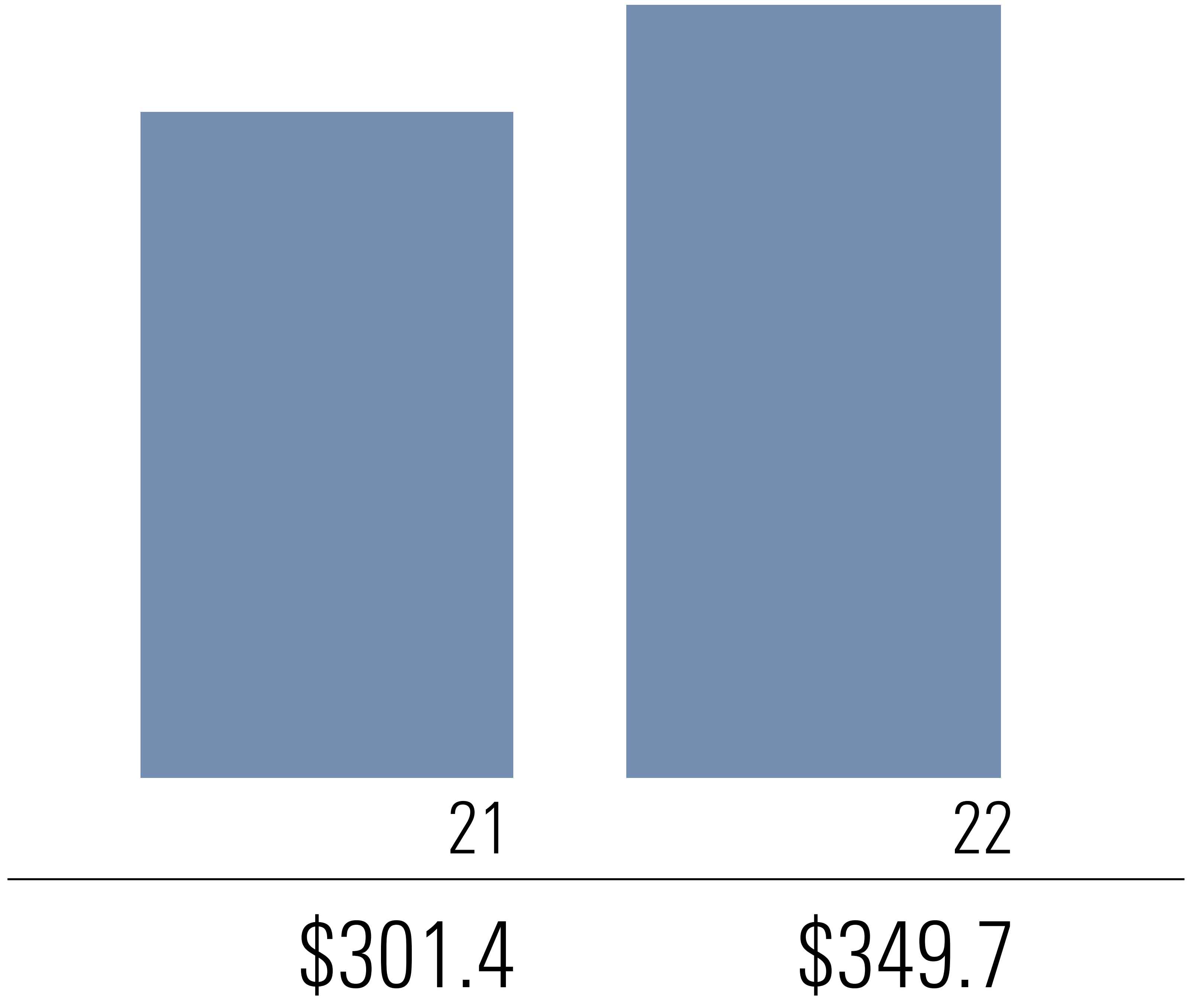
YTD Organic Revenue Walk* ($ mil)



* Organic revenue, a non-GAAP measure, excludes revenue from acquisitions for a period of 12 months upon completion of the acquisition, accounting changes, and the effect of foreign currency translations.

Q4 2022 Revenue Drivers:
License-Based Revenue Trend ($mil)

+16.0% Reported
+14.9% Organic



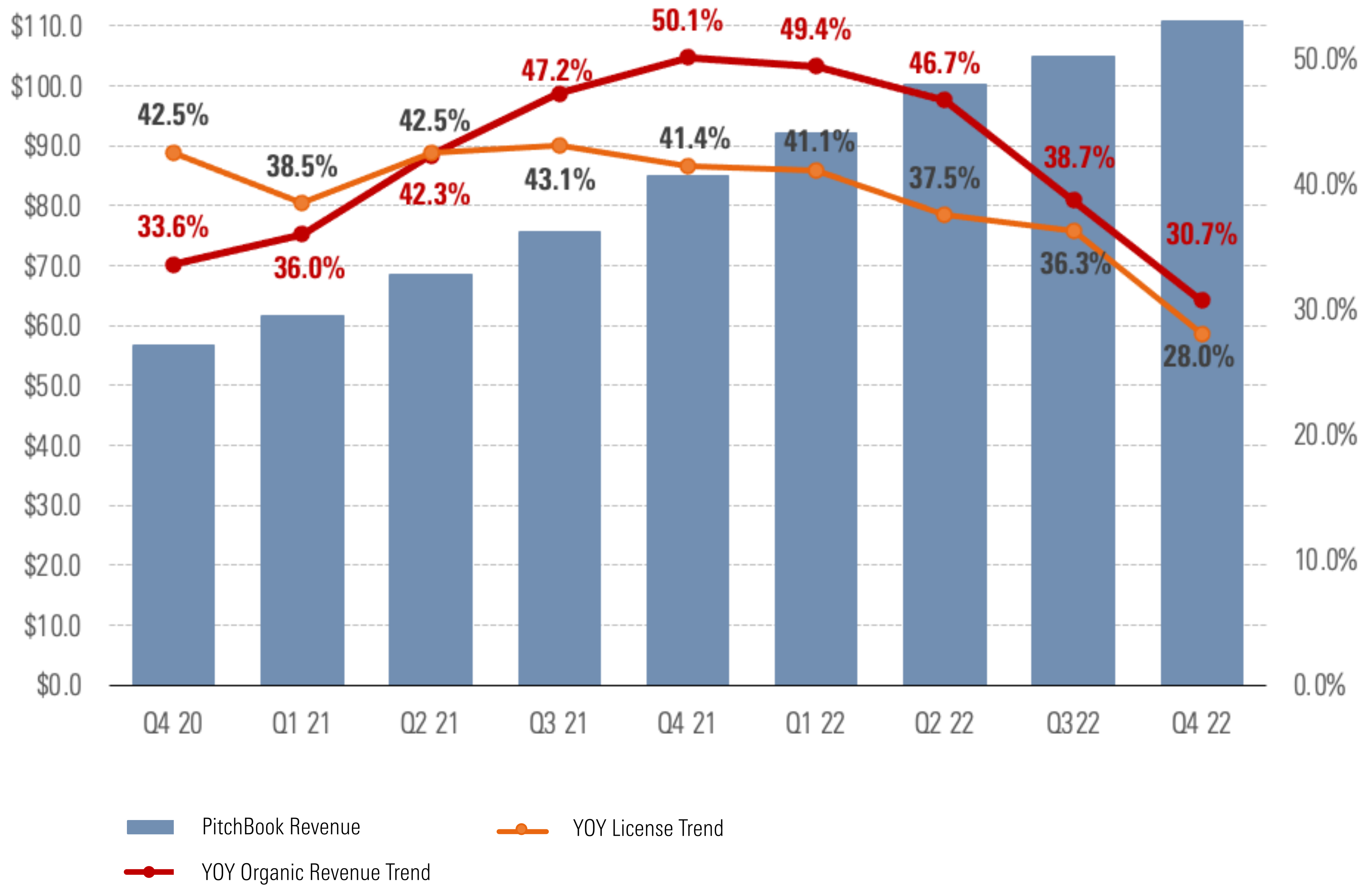
License-Based Organic Revenue Drivers:

- PitchBook (+30.7%), Morningstar Sustainalytics (+25.9%), Morningstar Direct (+12.1%), and Morningstar Data (+6.9%) were the primary contributors to organic revenue growth in Q4 2022.
- PitchBook continued to enhance its core data sets and improve the user experience. Morningstar Sustainalytics benefited from strength in its licensing business and demand for compliance and reporting solutions related to the EU Action Plan. That strength was partially offset by a sharp decline in revenue for second-party opinions.*

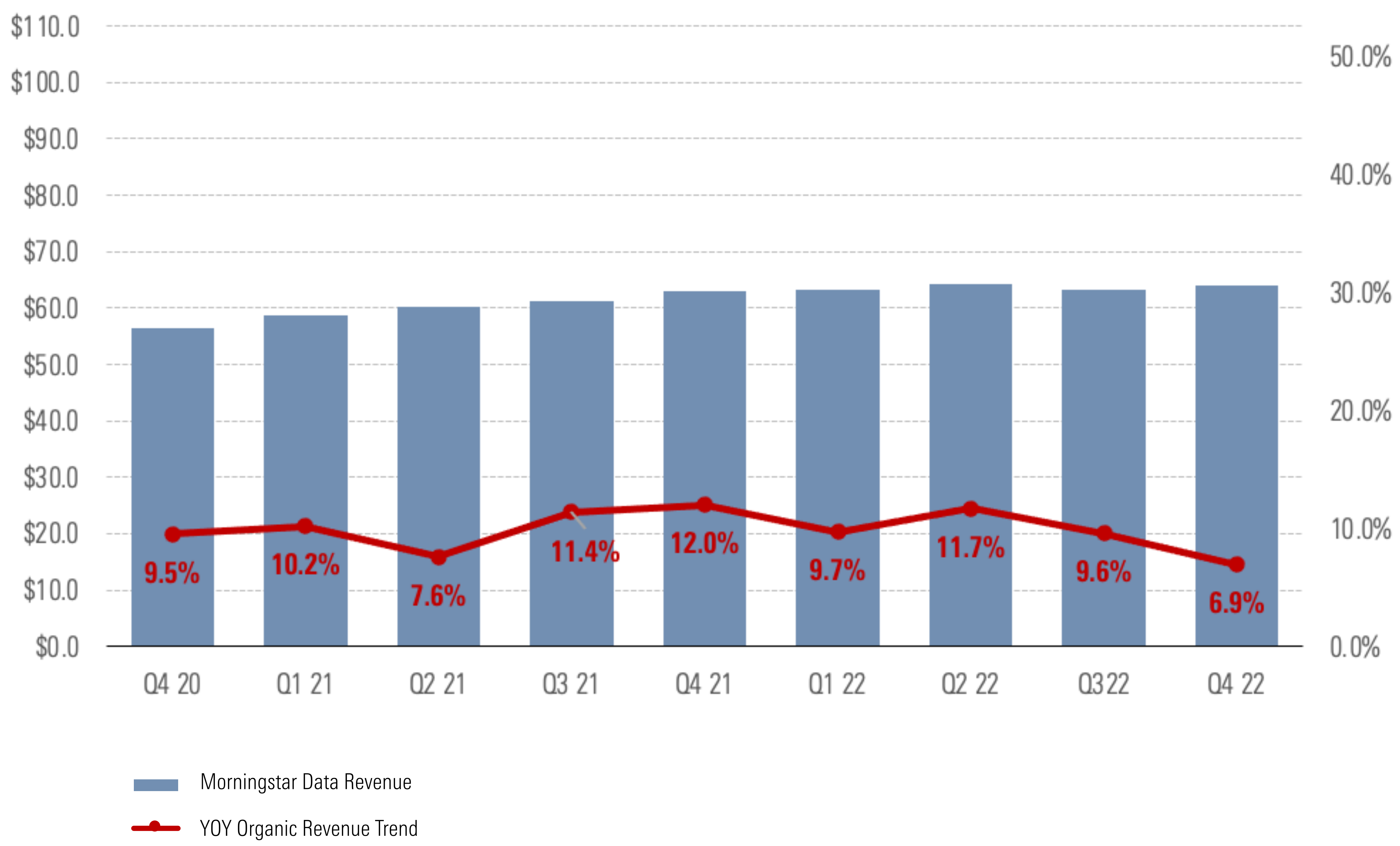
Bars represent reported revenue. Organic revenue is a non-GAAP measure.
* Revenues for the second-party opinion product are transactional, or one-time in nature, and are included with other Morningstar Sustainalytics products in license-based revenue.

Quarterly Product Trends

PitchBook ($mil)



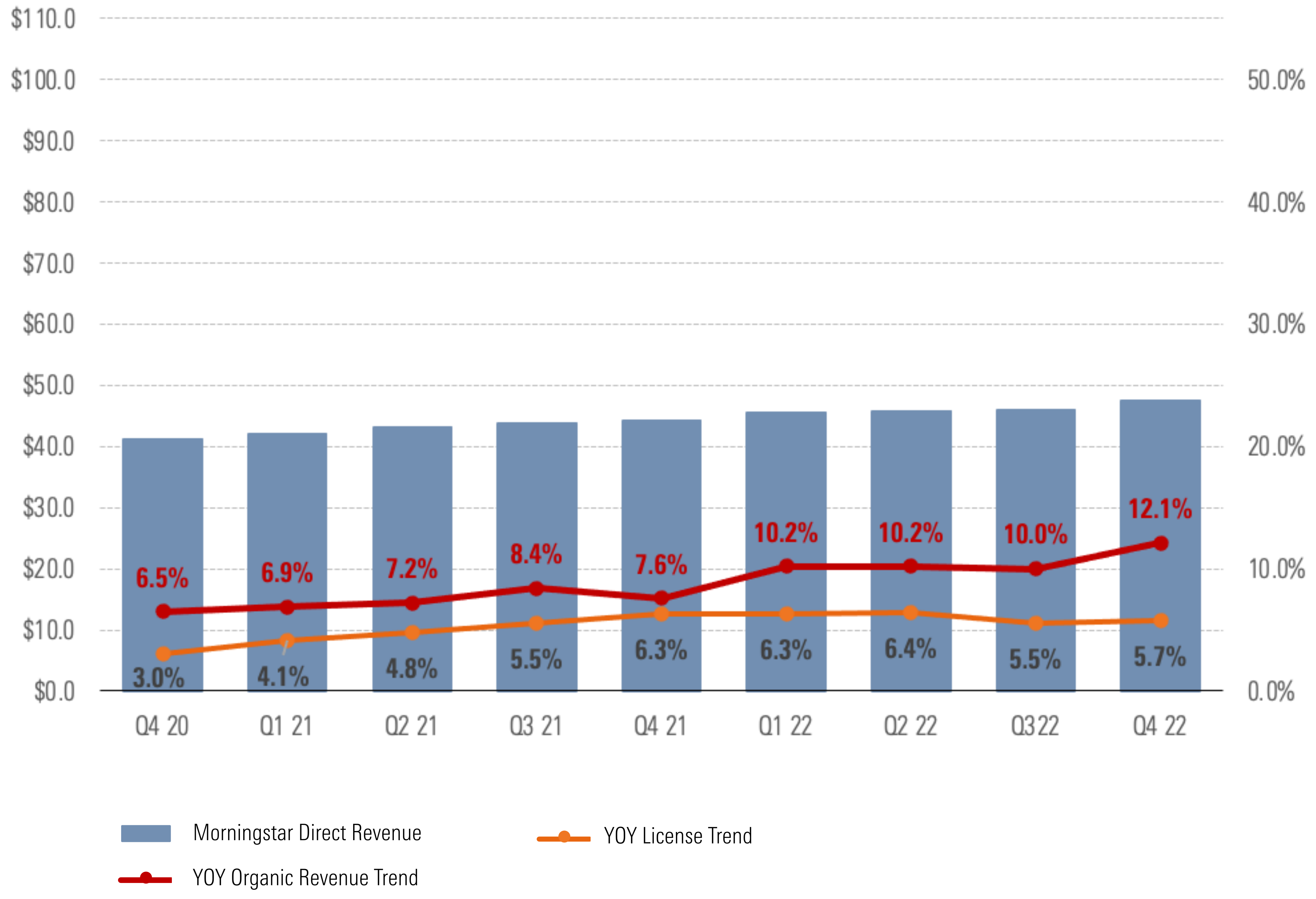
Morningstar Data ($mil)



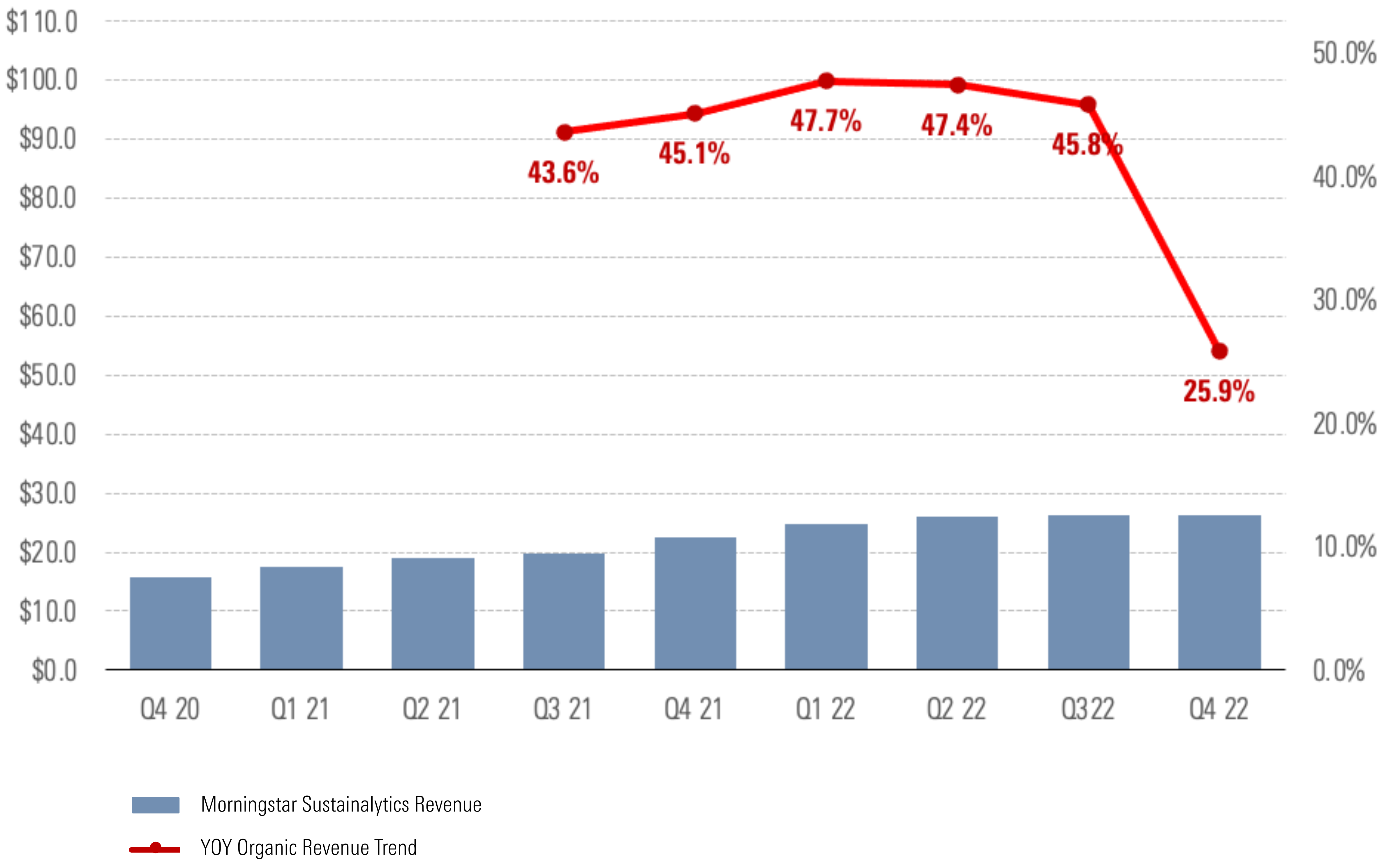
PitchBook licenses totaled 94,628 as of the fourth quarter of 2022, compared to 73,940 in the prior-year quarter.
Organic revenue is a non-GAAP measure.

Quarterly Product Trends

Morningstar Direct ($mil)



Morningstar Sustainalytics ($mil)



Morningstar Direct licenses totaled 18,421 as of the fourth quarter of 2022, compared to 17,421 in the prior-year quarter.
Organic revenue is a non-GAAP measure.

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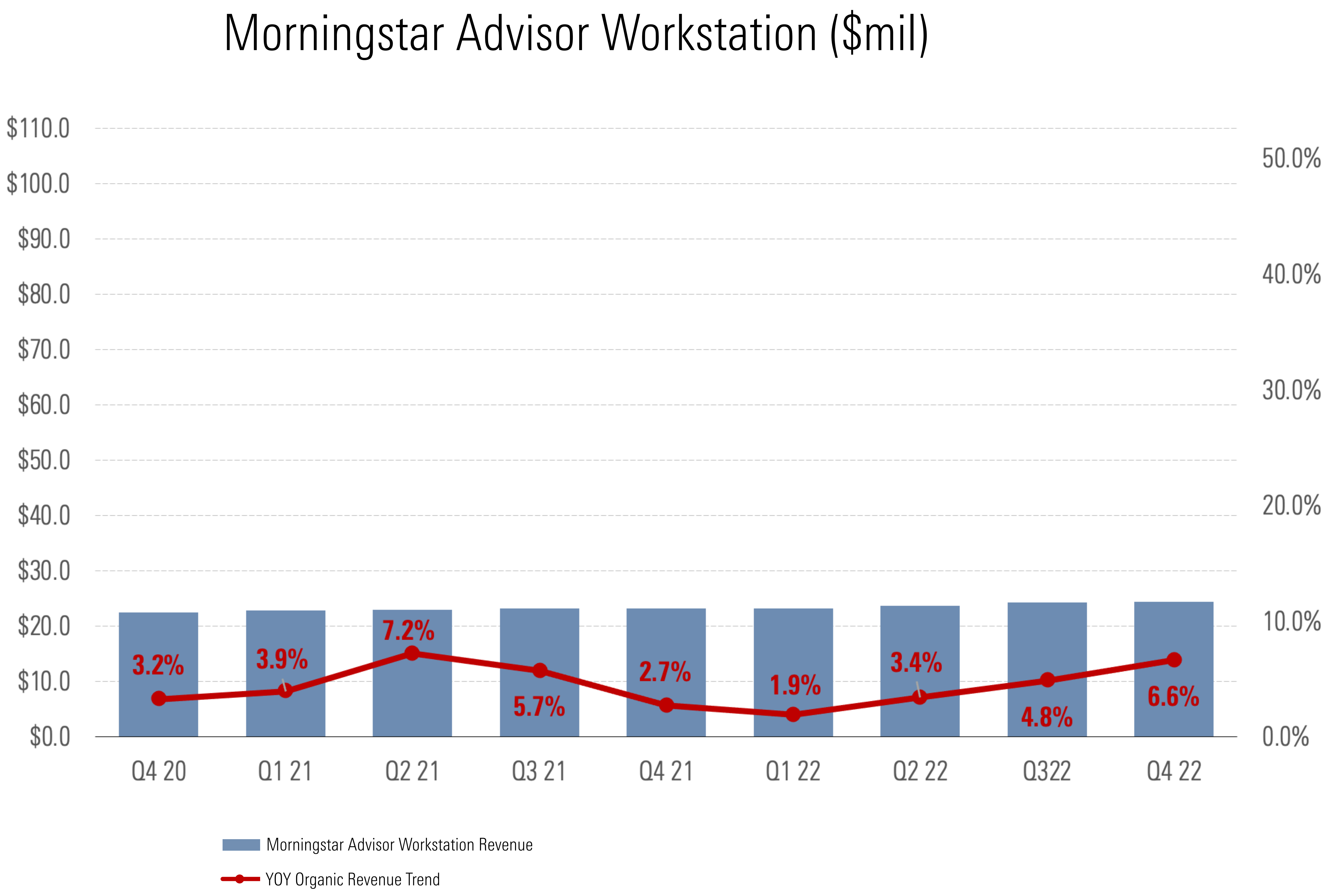
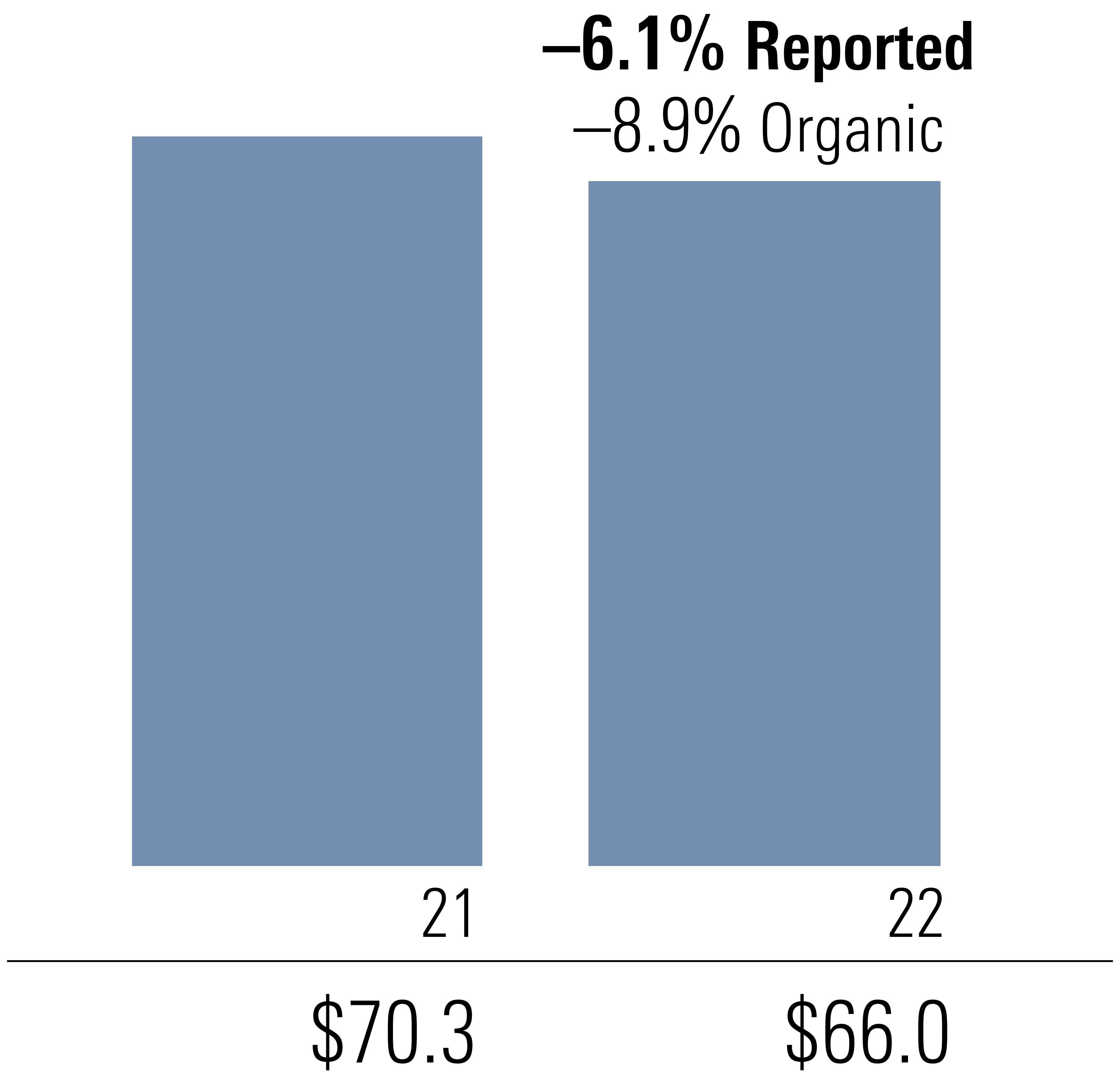
Quarterly Product Trends



Organic revenue is a non-GAAP measure.

Q4 2022 Revenue Drivers:
Asset-Based Revenue Trend ($mil)

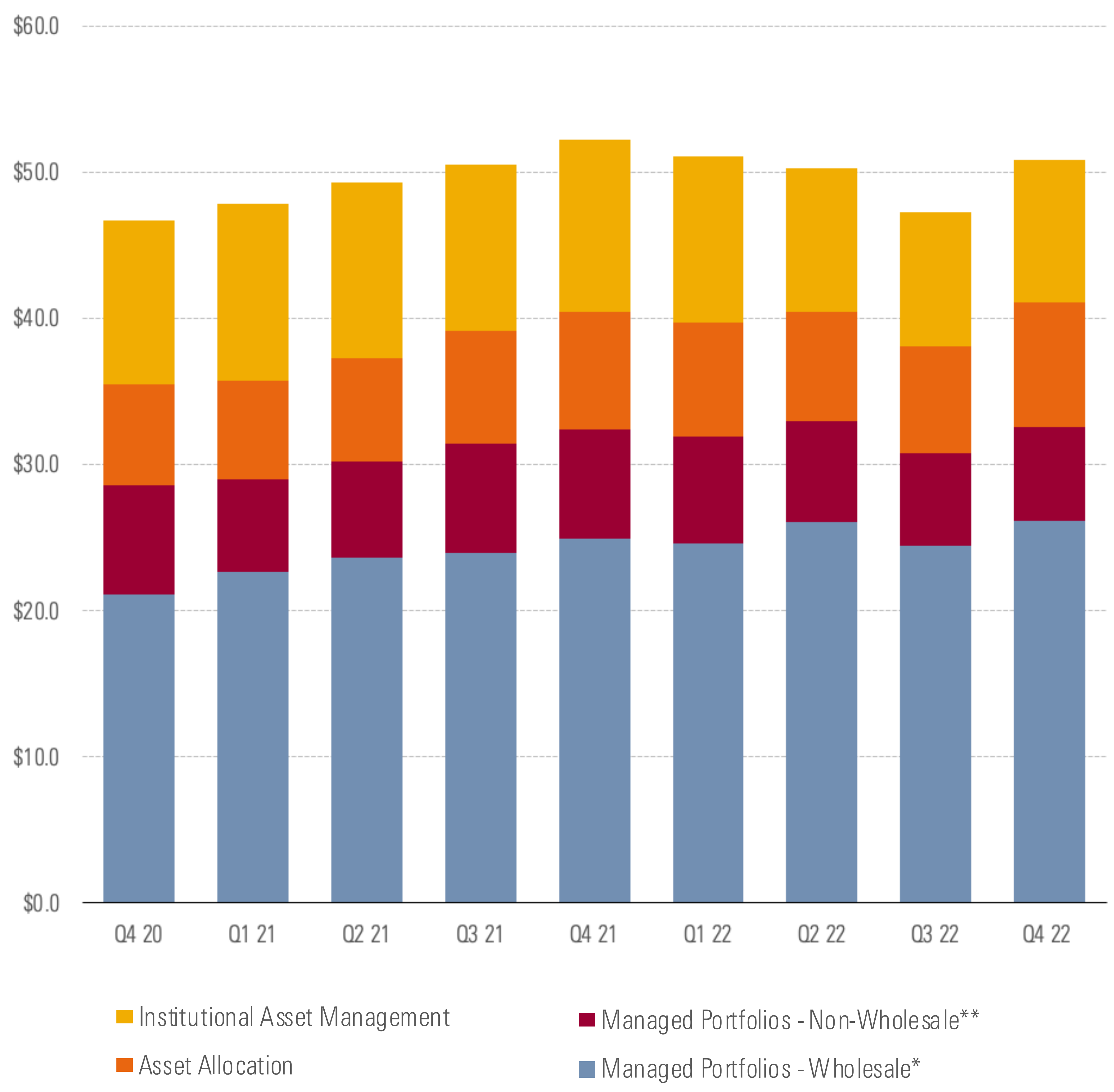


Asset-Based Organic Revenue Drivers:

- Downturns in global markets drove organic revenue declines for Investment Management (-18.9%) and Workplace Solutions (-4.4%).
- Organic growth in Morningstar Indexes (+8.0%) partially offset these declines, due primarily to strength in licensed data products.

Bars represent reported revenue. Organic revenue is a non-GAAP measure.

Quarterly Product Trends: Investment Management ($bil)

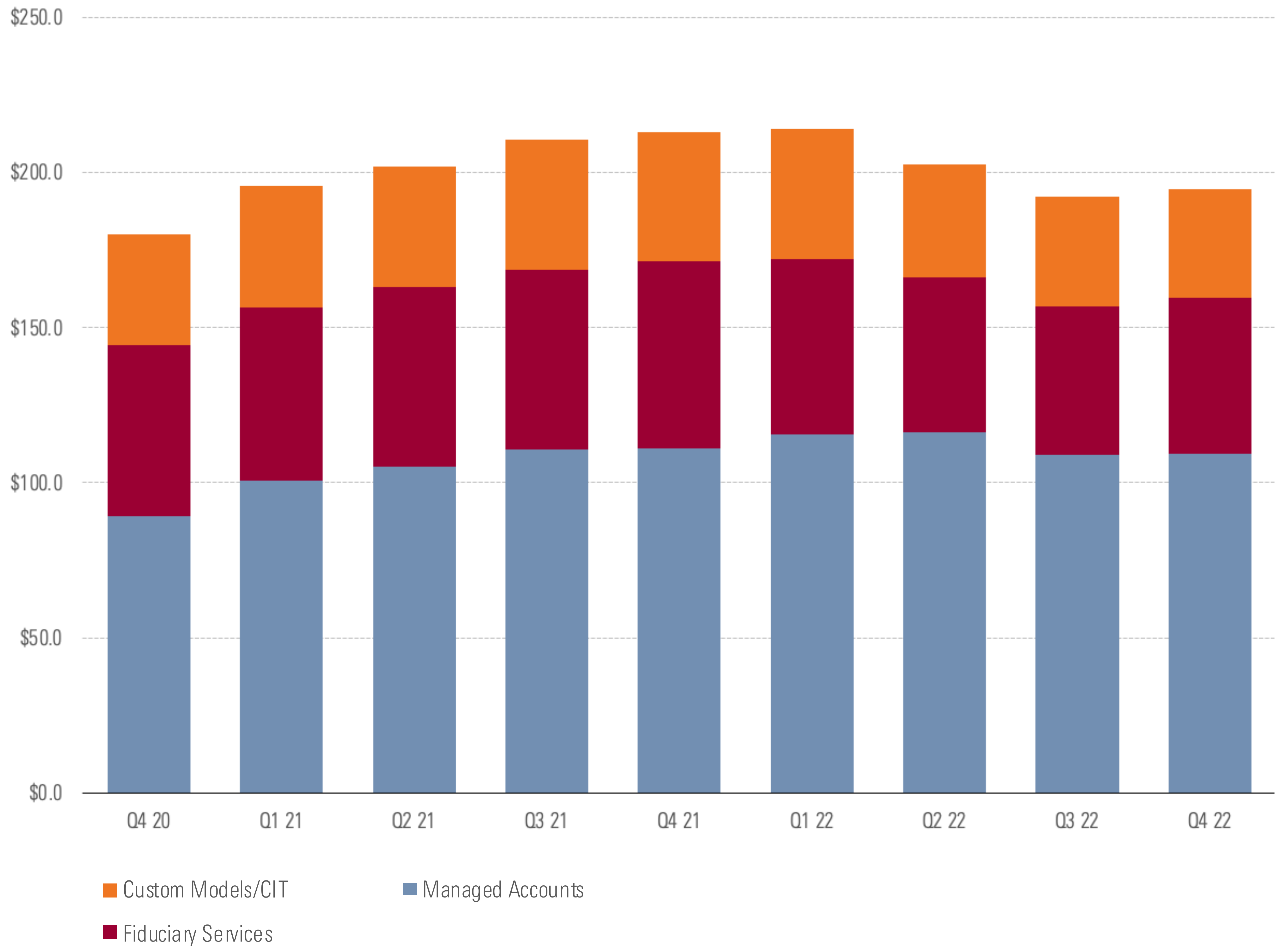


Investment Management Q4 2022 AUM/A:

Investment Management assets declined 2.5% versus the prior-year period, reflecting the downturn in global markets and softer net flows. Excluding the $4.4 billion in assets related to the second quarter acquisition of Praemium's UK and international business, assets would have declined 10.9% compared with the prior-year period.

* Managed Portfolios – Wholesale: Through our distribution sales team, we offer investment strategies and services directly to financial advisors in bank, broker dealers with a corporate RIA, who have a corporate RIA, insurance, and RIA channels that offer our investment strategies and services to their clients (the end investor). This remains our strategic focus. **Managed Portfolios – Non-Wholesale: We sell services directly to financial institutions such as broker dealers, discount brokers, and wirehouses. Our distribution sales team is not involved with the advisers of these firms.

Quarterly Product Trends:
Workplace Solutions ($bil)

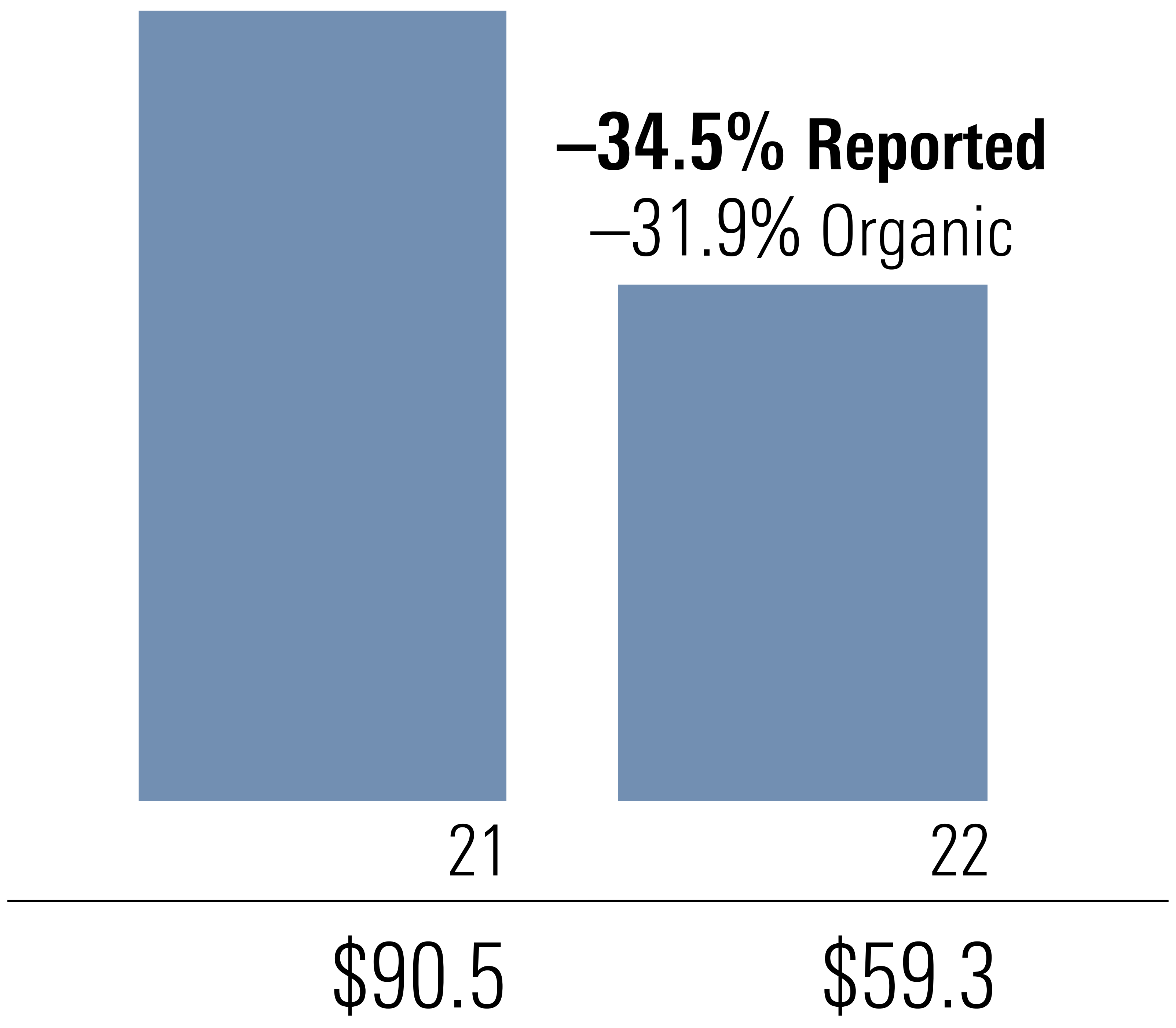


Workplace Solutions Q4 2022 AUM/A:

Workplace Solutions assets under management and advisement declined 8.6% versus the prior-year period, reflecting the downturn in global markets.

* Managed Accounts includes Retirement Manager and Advisor Managed Accounts. **Fiduciary Services helps retirement plan sponsors build appropriate investment lineups for their participants.
*** Custom Models/CIT offer customized investment lineups for clients based on plan participant demographics or other specific factors.

Q4 2022 Revenue Drivers:
Transaction-Based Revenue Trend ($mil)

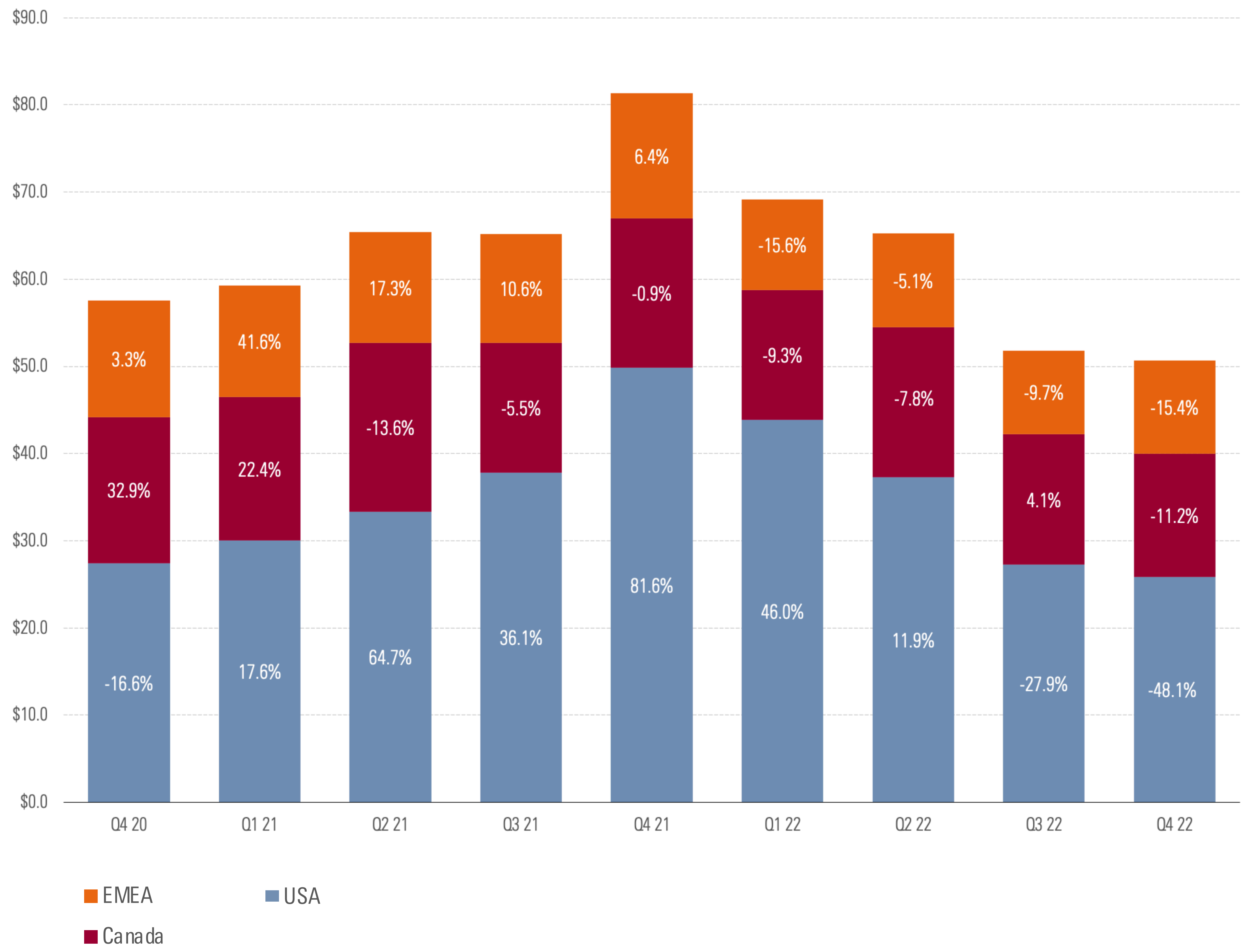


Transaction-Based Organic Revenue Drivers:

DBRS Morningstar revenue declined 35.3% on an organic basis, reflecting depressed levels of global credit issuance activity due to uncertainty related to the macro-economic environment and the future path of interest rates. Revenue declined across all geographies and most product areas during the quarter.

Bars represent reported revenue. Organic revenue growth (decline) is a non-GAAP measure.

Quarterly Product Trends:
DBRS Morningstar Revenue Trend by Geography ($mil)

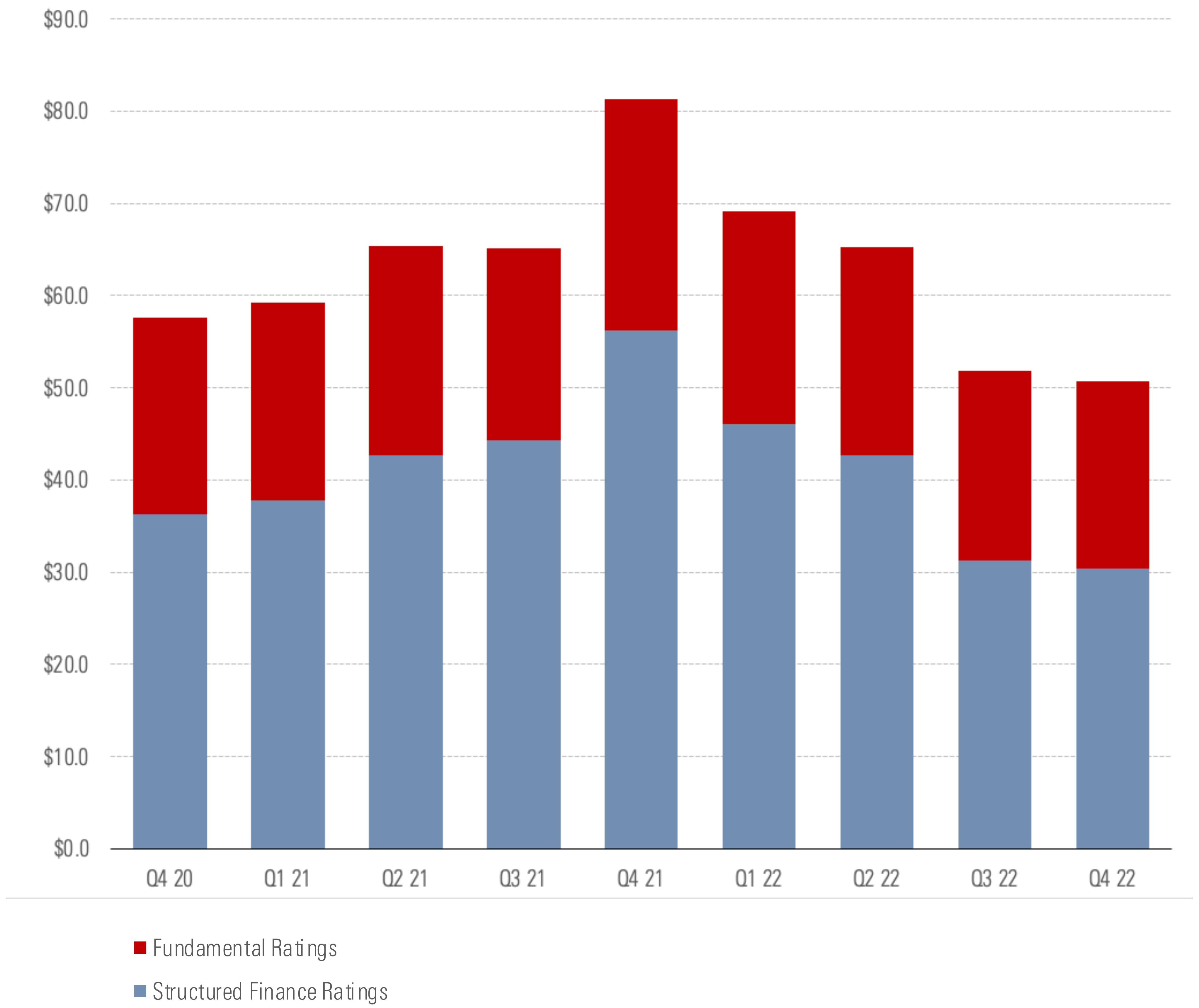


DBRS Morningstar Q4 2022 Organic Revenue Drivers:

- Organic revenue declined 48.1% in the U.S. due to a sharp decrease in ratings of commercial- and residential-mortgage-backed securities.
- Organic revenue declined 11.2% in Canada due to weakness across most product groups, including financial institution and corporate ratings, partially offset by revenue growth in asset-backed securities ratings.
- Organic revenue declined 15.4% in EMEA due to the weakness in commercial-mortgage-backed securities, asset-backed securities, and corporate ratings.

Bars represent reported revenue. Percentages represent organic revenue growth (decline). Organic revenue is a non-GAAP measure.

Quarterly Product Trends:
DBRS Morningstar Revenue by Asset Class ($mil)

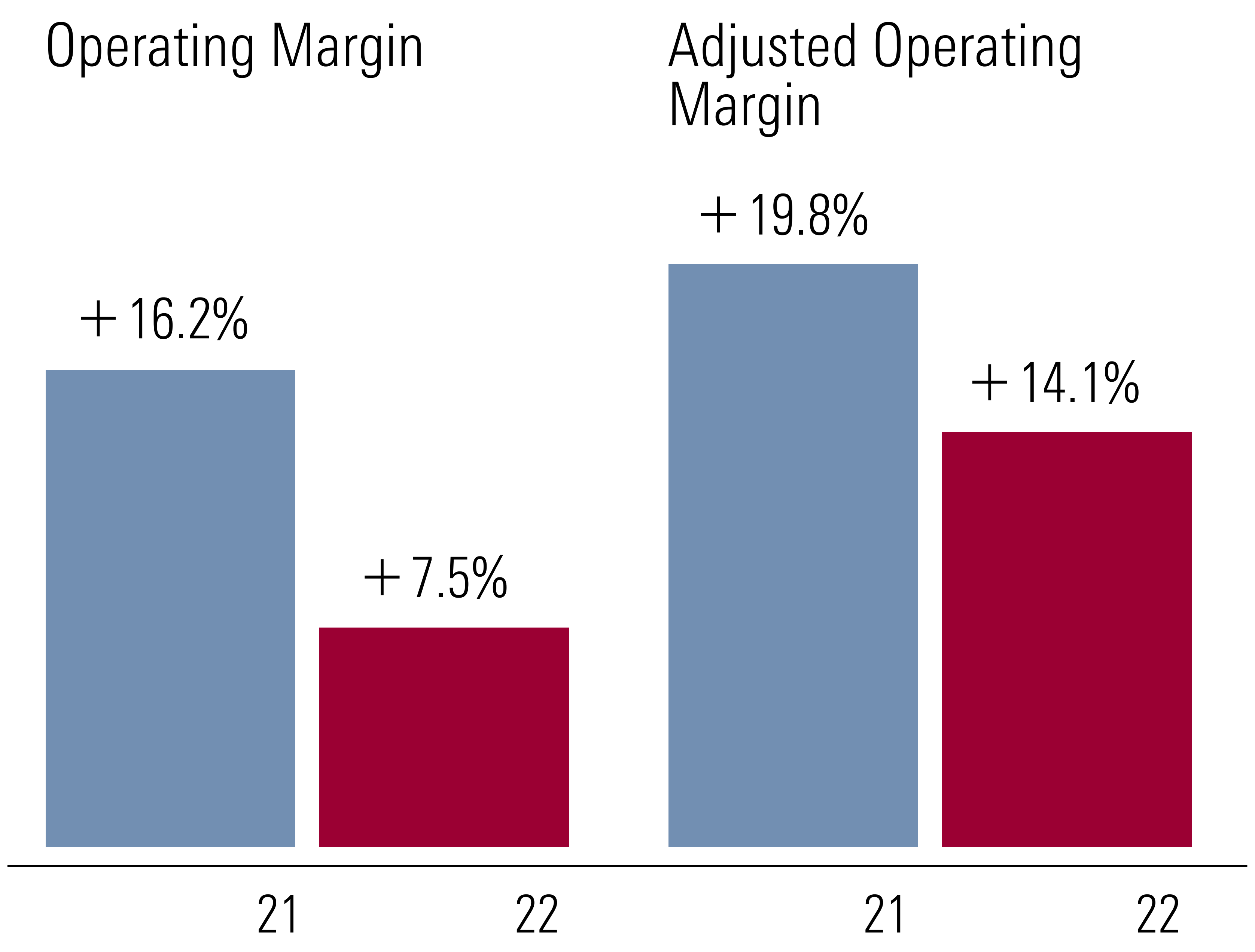


DBRS Morningstar Q4 2022 Organic Revenue Drivers:

- Category mix in Q4 2022 was 60% Structured Finance v. 40% Fundamental Ratings.
- Recurring revenue, which is derived primarily from surveillance, research, and other transaction-related services, represented 50.1% of total DBRS Morningstar revenue.

*Fundamental Ratings (Corporate, Financial Institutions, Sovereign) & Other **Structured Finance (Asset-Backed Securities, Commercial Mortgage-Backed Securities, Residential Mortgage-Backed Securities)

Q4 2022 Operating Margins



Operating Margin Drivers:

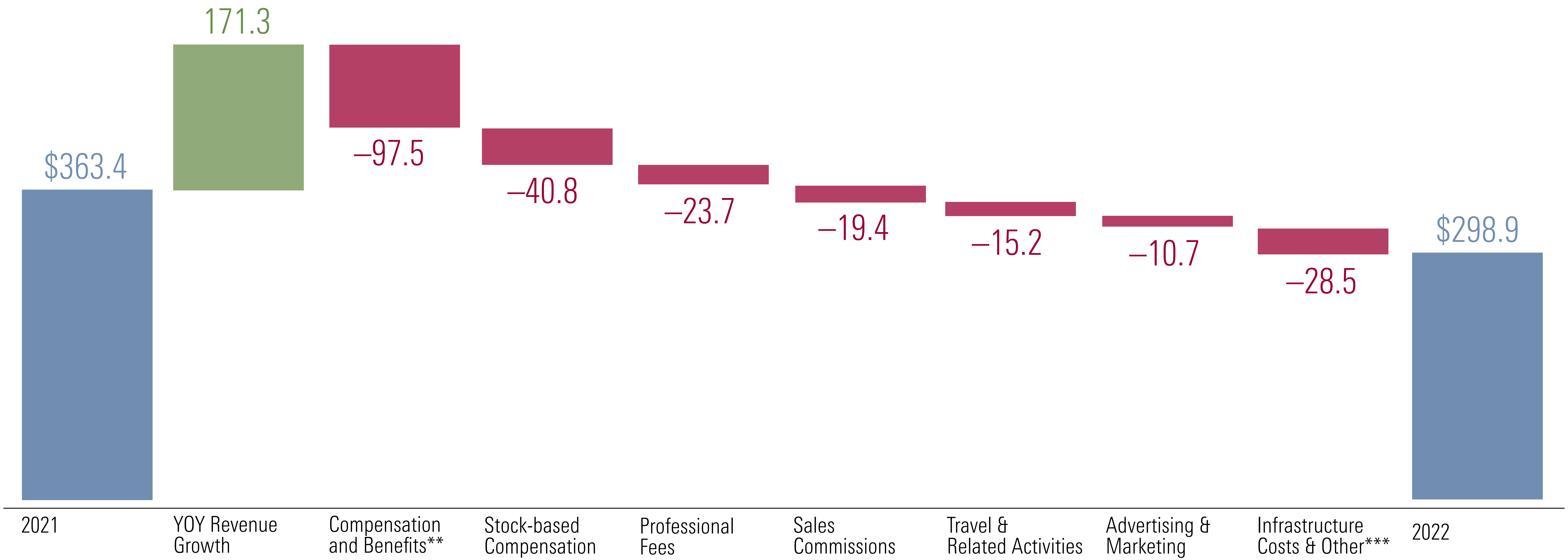
Operating expense included $5.6 million of costs related to the Company's significant reduction and shift of its China operations, which are excluded from adjusted operating income.

Key drivers of expense growth included:

- Compensation costs increased $16.3 million reflecting growth in headcount across key product areas, merit increases, and transformation costs associated with the shift of the Company's China operations.
- Stock-based compensation increased $14.2 million primarily due to the overachievement of targets under the PitchBook management bonus plan.
- The revaluation of contingent consideration related to the Leveraged Commentary & Data (LCD) acquisition accounted for $3.6 million, reflecting an adjustment to the future payment due to S&P Global for the successful separation of LCD customer contracts previously bundled with other services.
- Travel and related expenses increased $3.3 million as travel continued to rebound to support the business compared to the lower levels earlier in the COVID-19 pandemic.

Adjusted operating margin is a non-GAAP measure.

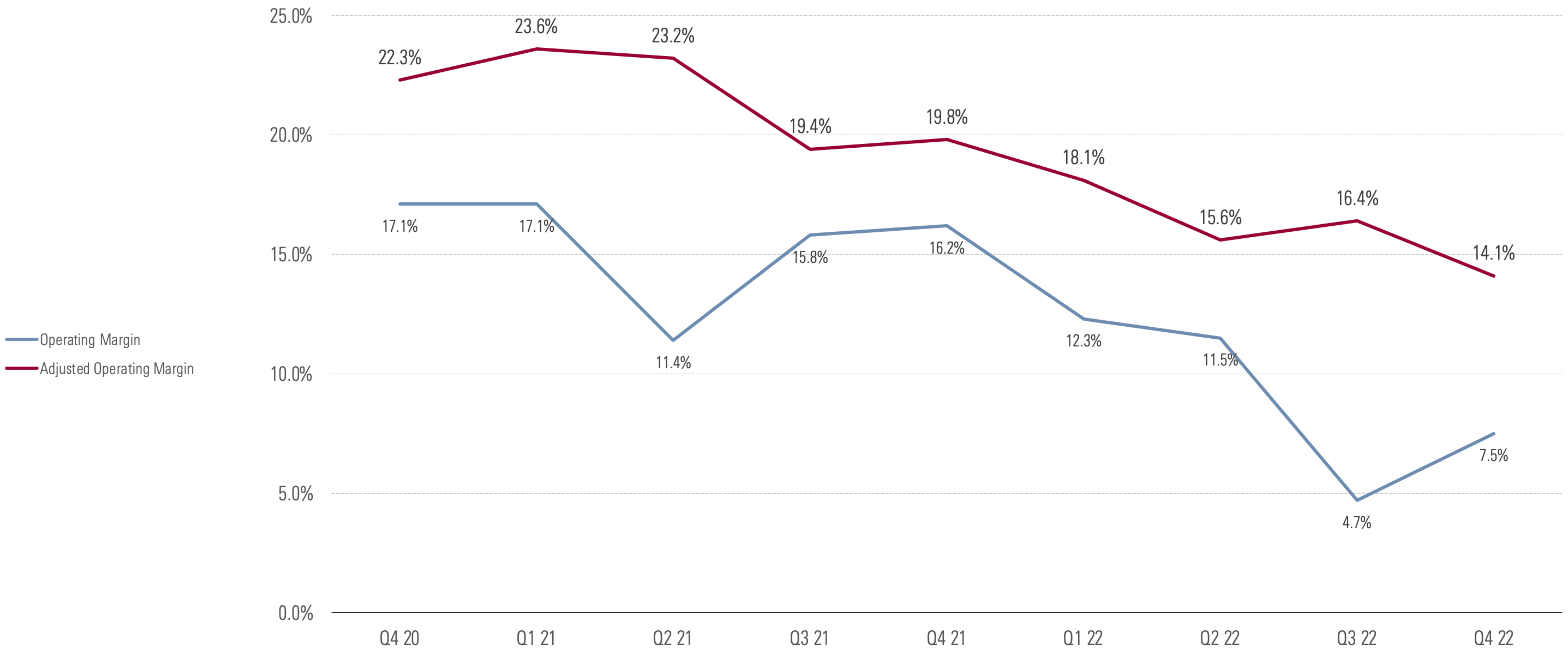
Adjusted Operating Income Walk
2021 to 2022* ($ mil)



* Adjusted operating income, a non-GAAP measure, excludes intangible amortization expenses, all mergers and acquisitions (M&A)-related expenses (including M&A earn-outs), and items related to the significant reduction and shift of the Company's operations in China. **Includes salaries, cash bonus, and company-sponsored benefits. This line also includes severance-related expenses.

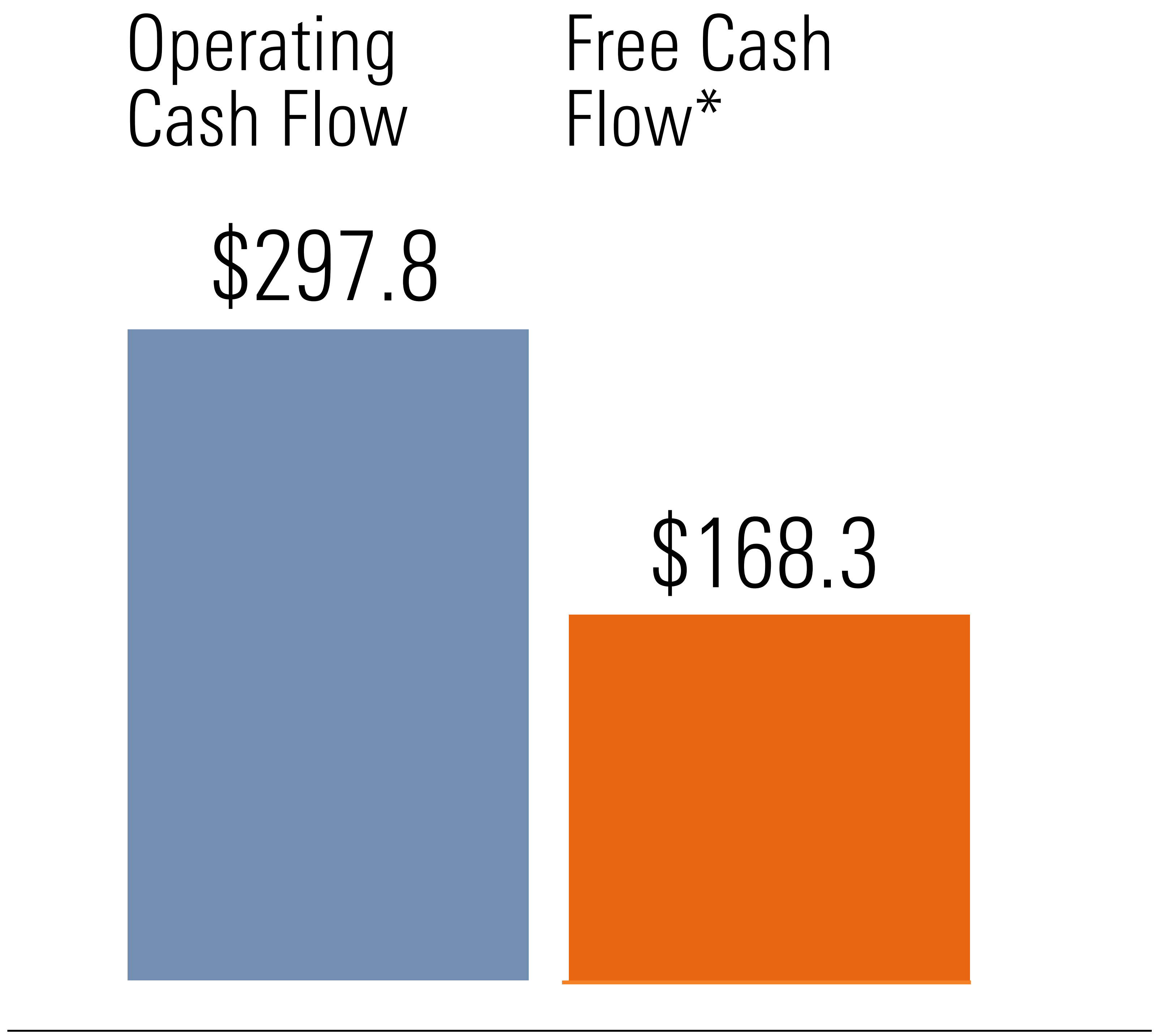
*** Includes infrastructure costs, (including third party contracts with data providers, AWS cloud costs to house data collection and products, and subscriptions to SaaS-based software), facilities, depreciation/amortization, and capitalized labor.

Quarterly Operating Margin Trends

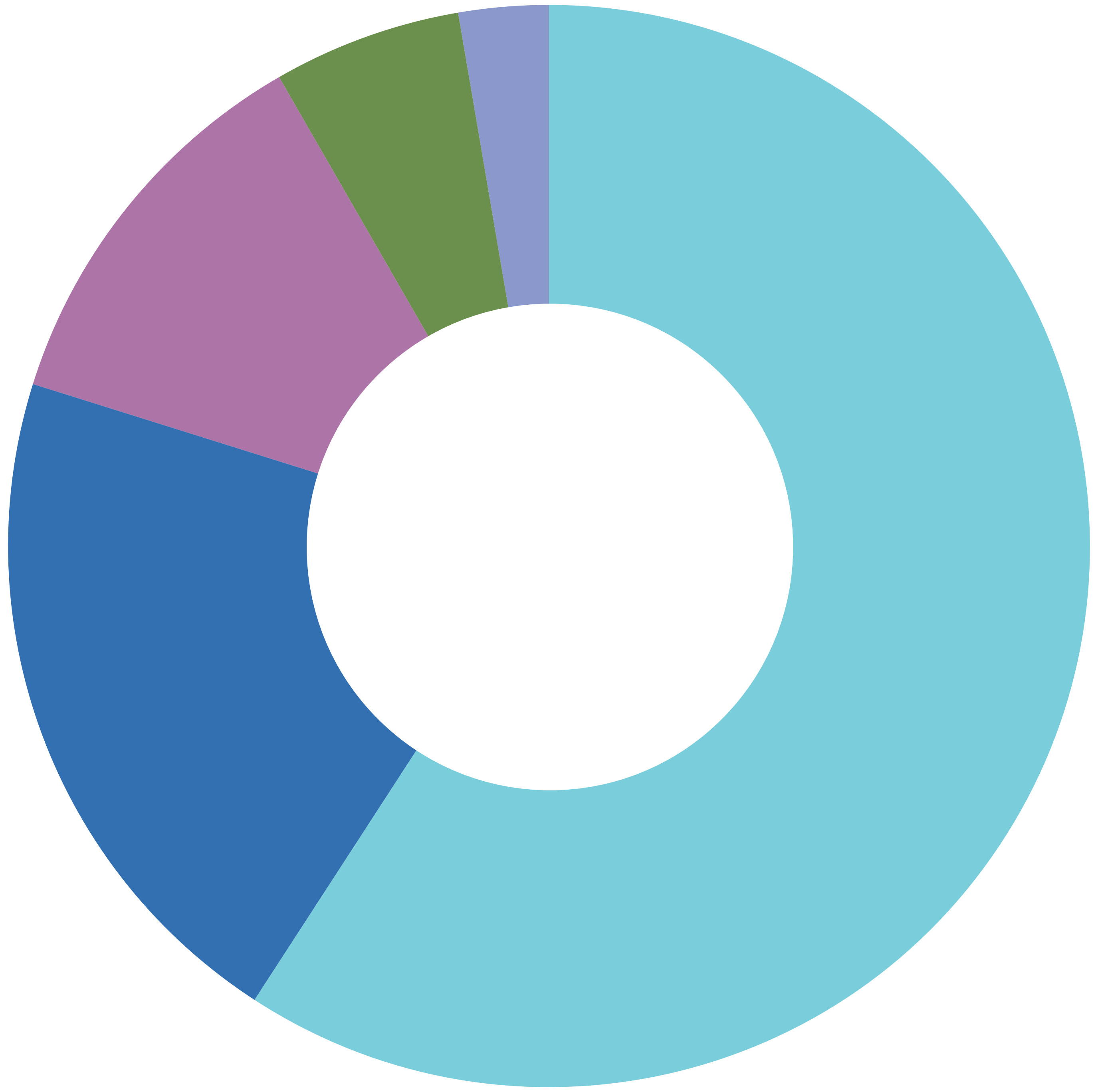


Adjusted operating margin is a non-GAAP measure.

2022 Cash Flow and Capital Allocation ($mil)



Capital Allocation**



	($mil)
Acquisitions, Net of Cash	646.7
Share Repurchases	226.0
Capital Expenditures	129.5
Dividends Paid	61.5
Investments in Unconsolidated Entities	29.4

* Free cash flow, a non-GAAP measure, is defined as cash provided by or used for operating activities less capital expenditures. ** Total capital deployed in 2022 was higher than operating cash flow due to use of excess cash on hand and the increase in debt. The company's outstanding debt increased by a net of $750.2 million in 2022 compared to the end of 2021.

Appendix

Reconciliation from Reported to Organic Revenue Change by Revenue Type

Consolidated	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Reported Change in Revenue	14.4%	21.2%	26.7%	20.1%	21.5%	16.3%	13.2%	9.2%	2.8%
less: M&A, accounting changes, and currency	6.5%	8.2%	10.0%	1.5%	0.1%	-1.8%	-2.6%	0.7%	0.6%
M&A and accounting changes								4.1%	3.6%
Currency								-3.4%	-3.0%
Organic Revenue Change	7.9%	13.0%	16.7%	18.6%	21.4%	18.1%	15.8%	8.5%	2.2%

License-Based	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Reported Change in Revenue	20.4%	23.2%	25.4%	18.2%	18.3%	17.2%	18.1%	19.4%	16.0%
less: M&A, accounting changes, and currency	9.8%	11.1%	12.1%	1.3%	-0.2%	-1.6%	-2.2%	1.1%	1.1%
M&A and accounting changes								5.0%	4.6%
Currency								-3.9%	-3.5%
Organic Revenue Change	10.6%	12.1%	13.3%	16.9%	18.5%	18.8%	20.3%	18.3%	14.9%

Organic revenue is a non-GAAP measure. Going forward, the Company will provide a reconciliation of reported to organic revenue that details the impact from M&A and accounting changes and from currency effects.

Reconciliation from Reported to Organic Revenue Change by Revenue Type

Asset-Based	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Reported Change in Revenue	6.6%	7.3%	25.1%	23.5%	18.4%	11.6%	4.3%	-1.6%	-6.1%
less: M&A, accounting changes, and currency	0.6%	1.5%	2.1%	1.0%	0.7%	-3.3%	-3.2%	3.7%	2.8%
M&A and accounting changes								5.0%	3.9%
Currency								-1.3%	-1.1%
Organic Revenue Change	6.0%	5.8%	23.0%	22.5%	17.7%	14.9%	7.5%	-5.3%	-8.9%

Transaction-Based	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Reported Change in Revenue	1.8%	28.5%	33.5%	24.8%	36.7%	17.3%	2.6%	-20.7%	-34.5%
less: M&A, accounting changes, and currency	1.1%	3.7%	8.9%	3.2%	1.4%	-1.0%	-3.4%	-2.9%	-2.6%
M&A and accounting changes								0.0%	0.0%
Currency								-2.9%	-2.6%
Organic Revenue Change	0.7%	24.8%	24.6%	21.6%	35.3%	18.3%	6.0%	-17.8%	-31.9%

Organic revenue is a non-GAAP measure. Going forward, the Company will provide a reconciliation of reported to organic revenue that details the impact from M&A and accounting changes and from currency effects.

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Reconciliation from Reported to Organic Revenue Change by Product Area

Morningstar Data	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Reported Change in Revenue	11.7%	14.4%	13.1%	13.5%	11.9%	7.7%	6.6%	3.3%	1.6%
less: M&A, accounting changes, and currency	2.2%	4.2%	5.5%	2.1%	-0.1%	-2.0%	-5.1%	-6.3%	-5.3%
M&A and accounting changes								0.0%	0.0%
Currency								-6.3%	-5.3%
Organic Revenue Change	9.5%	10.2%	7.6%	11.4%	12.0%	9.7%	11.7%	9.6%	6.9%

Morningstar Direct	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Reported Change in Revenue	8.1%	9.9%	11.6%	9.8%	7.0%	8.3%	6.0%	4.8%	7.7%
less: M&A, accounting changes, and currency	1.6%	3.0%	4.4%	1.4%	-0.6%	-1.9%	-4.2%	-5.2%	-4.4%
M&A and accounting changes								0.0%	0.0%
Currency								-5.2%	-4.4%
Organic Revenue Change	6.5%	6.9%	7.2%	8.4%	7.6%	10.2%	10.2%	10.0%	12.1%

Organic revenue is a non-GAAP measure. Going forward, the Company will provide a reconciliation of reported to organic revenue that details the impact from M&A and accounting changes and from currency effects.

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Reconciliation from Reported to Organic Revenue Change by Product Area

Investment Management	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Reported Change in Revenue	-1.3%	-3.6%	13.6%	6.9%	8.3%	4.8%	-3.2%	-10.2%	-15.3%
less: M&A, accounting changes, and currency	1.0%	2.5%	3.0%	0.9%	0.3%	-8.3%	-7.6%	3.0%	3.6%
M&A and accounting changes								4.5%	5.4%
Currency								-1.5%	-1.8%
Organic Revenue Change	-2.3%	-6.1%	10.6%	6.0%	8.0%	13.1%	4.4%	-13.2%	-18.9%

Morningstar Advisor Workstation	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Reported Change in Revenue	3.2%	4.6%	8.0%	6.0%	3.1%	1.8%	3.1%	4.8%	5.6%
less: M&A, accounting changes, and currency	0.0%	0.7%	0.8%	0.3%	0.4%	-0.1%	-0.3%	0.0%	-1.0%
M&A and accounting changes								0.0%	0.0%
Currency								0.0%	-1.0%
Organic Revenue Change	3.2%	3.9%	7.2%	5.7%	2.7%	1.9%	3.4%	4.8%	6.6%

Morningstar Sustainalytics	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Reported Change in Revenue	45.6%	43.0%	42.0%	36.3%	32.3%	15.9%
less: M&A, accounting changes, and currency	2.0%	-2.1%	-5.7%	-11.1%	-13.5%	-10.0%
M&A and accounting changes					0.0%	0.0%
Currency					-13.5%	-10.0%
Organic Revenue Change	43.6%	45.1%	47.7%	47.4%	45.8%	25.9%

Organic revenue is a non-GAAP measure. Going forward, the Company will provide a reconciliation of reported to organic revenue that details the impact from M&A and accounting changes and from currency effects.

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Reconciliation from Reported to Organic Revenue Change by Product Area

DBRS Morningstar Canada	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Reported Change in Revenue	34.6%	29.4%	-2.4%	0.0%	2.4%	-9.4%	-11.2%	-0.5%	-17.6%
less: M&A, accounting changes, and currency	1.7%	7.0%	11.2%	5.5%	3.3%	-0.1%	-3.4%	-4.6%	-6.4%
M&A and accounting changes								0.0%	0.0%
Currency								-4.6%	-6.4%
Organic Revenue Change	32.9%	22.4%	-13.6%	-5.5%	-0.9%	-9.3%	-7.8%	4.1%	-11.2%

DBRS Morningstar EMEA	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Reported Change in Revenue	6.7%	52.0%	31.3%	17.6%	7.2%	-18.5%	-15.4%	-22.8%	-25.4%
less: M&A, accounting changes, and currency	3.4%	10.4%	14.0%	7.0%	0.8%	-2.9%	-10.3%	-13.1%	-10.0%
M&A and accounting changes								0.0%	0.0%
Currency								-13.1%	-10.0%
Organic Revenue Change	3.3%	41.6%	17.3%	10.6%	6.4%	-15.6%	-5.1%	-9.7%	-15.4%

Organic revenue is a non-GAAP measure. Going forward, the Company will provide a reconciliation of reported to organic revenue that details the impact from M&A and accounting changes and from currency effects.

Reconciliation from Operating Margin to Adjusted Operating Margin

	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Operating Margin	17.1%	17.1%	11.4%	15.8%	16.2%	12.3%	11.5%	4.7%	7.5%
Add: intangible amortization and all M&A-related expenses (including M&A-related earn-outs), and items related to the significant reduction and shift in the Company's operations in China	5.2%	6.5%	11.8%	3.6%	3.6%	5.8%	4.1%	11.7%	6.6%
Adjusted Operating Margin	22.3%	23.6%	23.2%	19.4%	19.8%	18.1%	15.6%	16.4%	14.1%

Adjusted operating margin is a non-GAAP measure.

Key Contributors to Effective Tax Rate
Q4 22 and FY 2022

	Q4 2022	FY 2022
Effective tax rate	**88.9%**	**44.5%**
Contributors to 2022 effective tax rate		
Recording of tax reserves, pending approval from tax authorities to recognize certain tax benefits	46.5%	10.8%
Impairment of deferred tax assets related to the reduction and shift of the Company's China operations	14.1%	3.3%
M&A related earn-outs not deductible for tax purposes	-	1.4%
Tax rate excluding above items	**28.3%**	**29.0%**

Tax rate excluding above items is a non-GAAP measure. Reconciliation to reported effective tax rate is shown above.

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