

The Henry Fund

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Marsh & McLennan Companies, Inc. (MMC)

Financial Services – Insurance Brokerage and Consulting



September 29, 2025

Stock Rating: **SELL**

Investment Thesis

We are initiating a **SELL** rating on Marsh & McLennan (MMC) with a target price of \$185, implying an 7.7% downside. MMC remains a strong company in insurance brokerage and consulting, but we expect earnings growth to slow over the coming years. Both of its main segments, Marsh and Guy Carpenter, are facing weaker growth prospects as industry tailwinds moderate. Combined with limited opportunities for further margin expansion, we believe MMC's current valuation is exposed. Should earnings underperform expectations, investors could face meaningful downside.

Drivers of Thesis

- **Earnings Compression Ahead:** Forward EPS is projected to decline, reflecting weaker margins and reduced operating leverage.
- **Slowing Organic Growth in Core Segments:** Both Marsh and Guy Carpenter are experiencing decelerating revenue growth due to moderating industry tailwinds and pricing cycles.
- **Limited Margin Expansion:** MMC's operations are already efficient, leaving few levers for further meaningful improvements.

Risks to Thesis

- **Potential AI Upside:** MMC's massive proprietary data creates a moat that continuously improves its AI models. This scale and integration are difficult for competitors to replicate.
- **Stronger-than-Expected Pricing or Market Tailwinds:** A hardening insurance or reinsurance market could boost revenues in Marsh and Guy Carpenter.
- **M&A Synergies:** A strong cycle of acquisitions and integrations could revive growth and operating leverage.

Henry Fund DCF	\$185
Henry Fund DDM	\$169
Relative Multiple	\$243
HF % Upside	- 7.69%

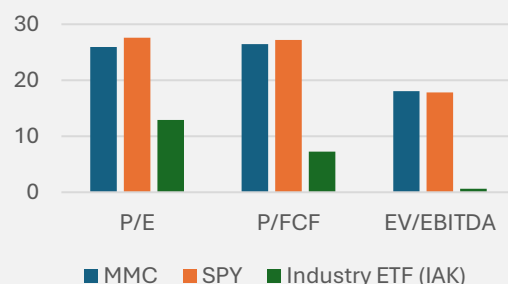
Price Data

Current Price	\$200
Date of Price	09/29/2025
52wk Range	\$195 – \$248
Consensus Price Target	\$235
Consensus % Upside	17.37%

Key Statistics

Market Cap (B)	99.36
Diluted Shares Out. (M)	491.62
Institutional Ownership	91.63%
Beta (3Y Adj.)	0.66
Dividend Yield	1.80%
LT Growth Rate	8.30%

MMC vs. SPY & Industry ETF



Earnings / EBITDA Estimates

Year	2022	2023	2024	2025e	2026e	2027e
HF EPS	6.04	7.53	8.19	8.52	9.13	9.75
% Growth	-20.53	24.67	8.76	4.03	7.15	6.76
Street EPS	6.04	7.53	8.19	8.52	9.61	10.68
% Growth	-20.35	24.67	8.76	4.03	12.79	11.13
HF EBITDA	5506	6417	6874	7407	7804	8046
% Growth	7.50	16.55	7.12	7.75	5.37	3.10
Street EBITDA	5506	6417	6874	7769	8341	8927
% Growth	7.50	16.55	7.12	13.02	7.36	7.03

Balance Sheet / Cash Flow Snapshot

Net Debt	10053	10105	17849	15502	13734	11837
Debt/Equity	1.07	1.09	1.47	1.12	1.02	0.93
FCF	2995	3842	3986	4666	4406	4731
CFO	3465	4258	4302	5176	4948	5293

Profitability

Gross Margin	20.66	23.23	23.78	23.40	23.37	23.36
Net Margin	14.72	16.52	16.60	15.56	15.69	16.13
ROA	9.12	10.09	8.98	9.42	9.60	9.79
ROE	28.37	30.36	30.00	28.09	27.19	26.30
ROIC	10.17	11.52	9.76	10.53	11.06	11.41

Price Performance

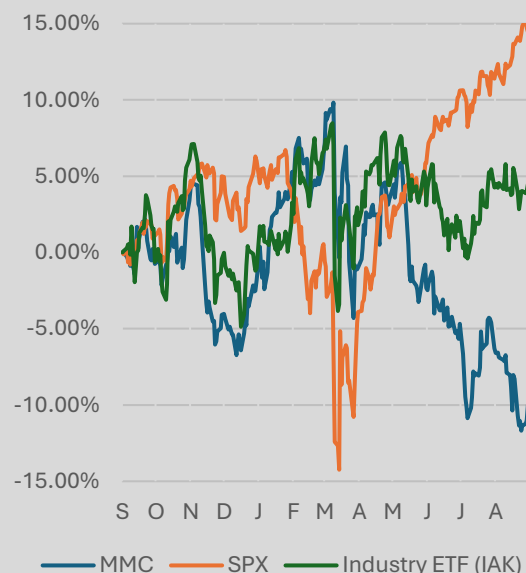
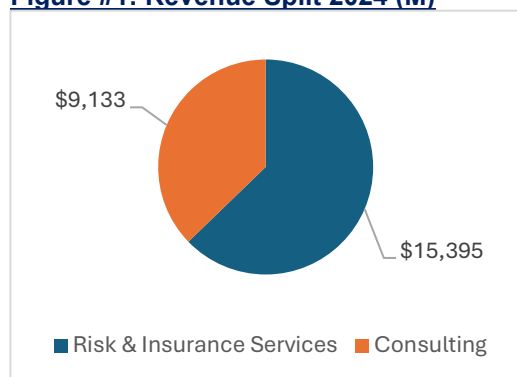


Figure #1: Revenue Split 2024 (M)



Source: MMC 10K¹

Company Description

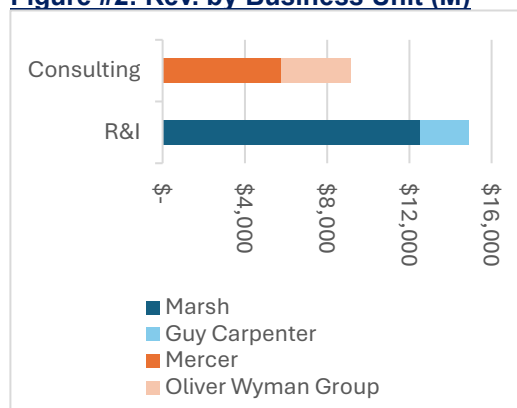
Marsh & McLennan Companies, Inc. (NYSE: MMC) is a global professional services firm, providing solutions in the areas of risk management, insurance and reinsurance broking, and consulting. Founded in 1871 and headquartered in New York City, the company operates through four main subsidiaries:

- Marsh – Insurance brokerage and risk advisory
- Guy Carpenter – Reinsurance brokerage and risk analytics
- Mercer – Human resources and investment consulting
- Oliver Wyman Group – Management consulting

With a presence in over 130 countries and a workforce exceeding 85,000 employees, Marsh & McLennan serves a diverse global client base including corporations, governments, and non-profit organizations. The company's revenue is primarily fee based, meaning MMC does not take on insurance or investment risk itself. Instead, it earns advisory or brokerage fees for the services which it offers.

While Marsh & McLennan remains a high-quality operator in the risk and consulting space, its growth trajectory has slowed. With much of its business tied to mature markets and incremental growth drivers, it may make more sense to look elsewhere in the financial services space for better upside potential.

Figure #2: Rev. by Business Unit (M)



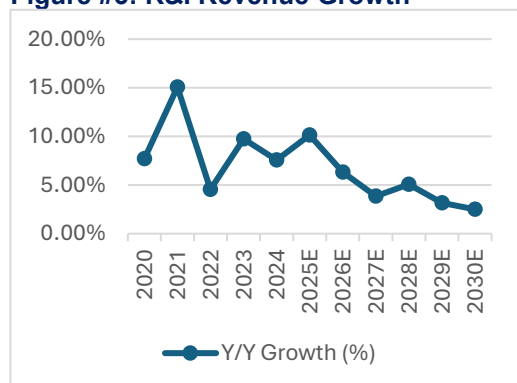
Source: MMC 10K¹

Risk & Insurance Services

The Risk & Insurance (R&I) Services segment is the foundation of Marsh & McLennan's business, accounting for about 63% of total revenues in FY2024. This segment combines insurance brokerage, risk advisory, and reinsurance brokerage services, representing the company's primary source of fee-based income. Our projections show strong near-term performance, with segment revenue expected to grow 14.71% in 2025, driven by continued growth in the Marsh and Guy Carpenter segments. After that, however, growth begins to normalize. We forecast an 8.52% increase in 2026, followed by a slowdown to 3-5% growth rates from 2027-2030.

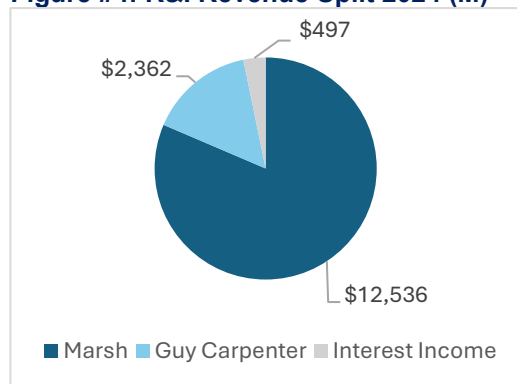
This gradual deceleration reflects several structural limitations. The markets MMC serves are already mature, which limits the pace of further expansion. Insurance pricing is beginning to stabilize, reducing the strong lift that higher rates provided in recent years. Digital-first brokers and automated platforms are also intensifying competitive pressure, and reinsurance demand is expected to level off rather than continue climbing.

Figure #3: R&I Revenue Growth



Source: MMC 10K¹, HF Research

Figure #4: R&I Revenue Split 2024 (M)



Source: MMC 10K¹

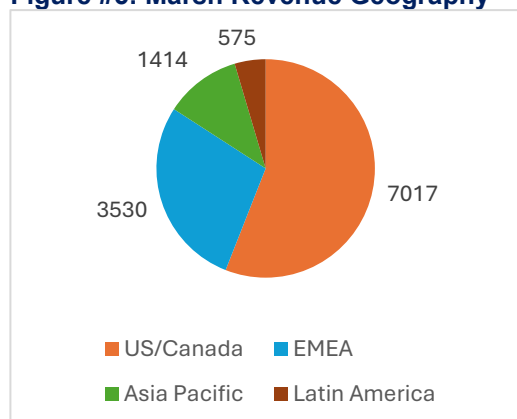
Although R&I will remain a dependable earnings driver for MMC, our forecast suggests that the segment's best growth years are behind it, reinforcing a more cautious long-term outlook for the company overall.

Below we analyze the segment's two key businesses, Marsh and Guy Carpenter, and outline the assumptions behind our outlook.

Marsh

Marsh is the largest and most important business within MMC, accounting for around 84% of the Risk and Insurance Services segment and 53% of total company revenue in FY2024. Marsh is a global leader in insurance broking and risk advisory services and has been a cornerstone of MMC's operations since inception in 1871. The business operates through three primary segments: Risk Management, Corporate, and Commercial & Consumer.

Figure #5: Marsh Revenue Geography

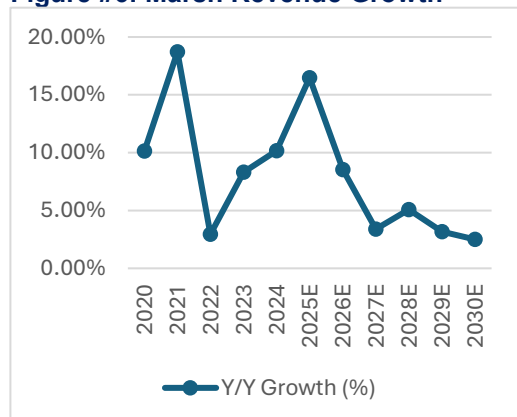


Source: MMC 10K¹

The Risk Management segment focuses on large multinational clients that require complex risk placement and advisory services. Within this segment, the subsidiary Marsh Specialty provides tailored solutions on deals that are hard to ensure, very large in value, and/or highly regulated industries. The Corporate segment targets fast-growing middle market businesses, primarily served through Marsh McLennan Agency (MMA), a U.S.-based broker acquired in 2009. Finally, the Commercial & Consumer segment serves smaller commercial businesses, affinity groups, and high-net-worth (HNW) individuals with less complex risk needs.

Geographically, Marsh's business remains heavily concentrated in the U.S. and Canada, which has consistently been the company's growth engine. We expect that trend to continue, with U.S./Canada revenue projected to grow by 21.37% in 2025, contributing to a total Marsh revenue increase of 16.5% for the year. However, like our overall revenue projections for Risk & Insurance Services, we expect growth to moderate significantly through 2030 as Marsh begins to hit a ceiling in their growth potential.

Figure #6: Marsh Revenue Growth



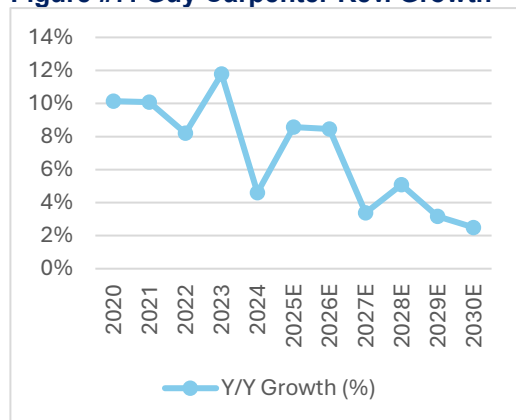
Source: MMC 10K¹, HF Research

International markets, including Asia-Pacific, Europe, the Middle East and Africa (EMEA), and Latin America have shown spikes of growth in recent years. We project 10.3% international growth in 2025 and 8.5% in 2026, but like in the U.S., international market revenue declines in later years, representing pressure from slower economic expansion, currency fluctuations, and growing competition in emerging markets.

Guy Carpenter

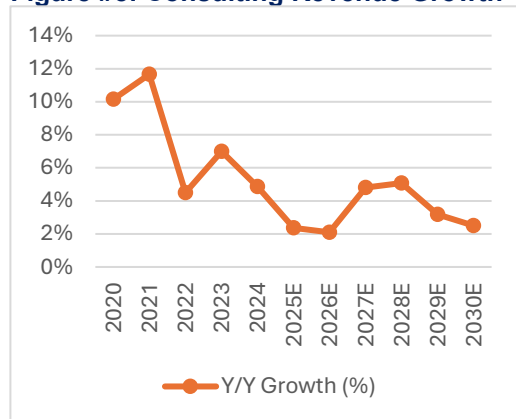
Guy Carpenter is MMC's dedicated reinsurance brokerage and advisory business, responsible for roughly 16% of the Risk and Insurance Services segment and 10% of total company revenue in FY 2024. The firm acts as an intermediary between insurers and

Figure #7: Guy Carpenter Rev. Growth



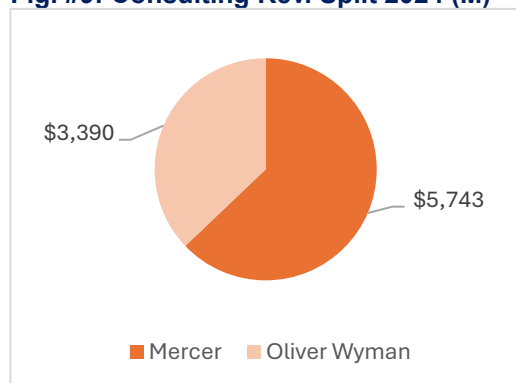
Source: MMC 10K¹, HF Research

Figure #8: Consulting Revenue Growth



Source: MMC 10K¹, HF Research

Fig. #9: Consulting Rev. Split 2024 (M)



Source: MMC 10K¹

reinsurers, helping clients manage capital and risk exposure through analytics-driven solutions

Guy Carpenter places both treaty reinsurance, which covers a portfolio of risks, and facultative reinsurance, which applies to individual or specific policies. Beyond broking, the firm offers data-driven services like catastrophe modeling, insurance product pricing and underwriting, and climate and emerging risk analytics. These tools have become increasingly important as clients navigate volatile climate changes, regulatory pressures, and overall market risks.

Looking ahead, we see the reinsurance market as closely linked with the broader insurance industry. As outlined in our Marsh projections, as growth in the primary insurance market slows, we expect a corresponding drag on reinsurance demand. We project revenue growth of 8.6% in 2025 and 8.5% in 2026, driven by short-term tailwinds like elevated risk and favorable pricing conditions in the first half of 2025. However, beginning in 2027, we expect growth to taper to 3.4%. With less new risk being written and pricing power fading, Guy Carpenter is unlikely to maintain the kind of growth it delivered in earlier years.

Consulting

MMC's Consulting segment made up 37% of total revenue in FY2024 and includes Mercer and Oliver Wyman Group, which provide human capital, health and benefits, wealth management, and strategy advisory services. While this segment adds diversification and tends to be less cyclical than insurance broking, its growth outlook appears muted.

Consulting revenue has risen steadily in recent years, but we do not see any catalysts that would drive meaningful acceleration going forward. Our projections show the segment growing by just 2.4% in 2025, with growth remaining subdued throughout the decade and ending at 2.5% in 2030. In other words, the segment is likely to continue expanding, but only at a slow, predictable pace that does little to shift MMC's overall revenue trajectory. Although its global reach and stable client base make Consulting a dependable part of the portfolio, we do not view it as a source of significant future upside for the company.

The sections below provide a closer look at Mercer and Oliver Wyman Group, their respective business lines, and our expectations going forward.

Mercer

Mercer is the largest contributor to MMC's Consulting segment, generating 62% of segment revenue and 23% of total company revenue in FY2024. Mercer provides advisory solutions in three key areas: Health, Wealth, and Career.

The Health business supports clients in designing and managing employee health and welfare programs. Services include fee-based consulting and commission-based brokerage, with additional actuarial and consulting to U.S. state governments to support the purchase of healthcare through state Medicaid programs. Internationally, this part of the business often operates under the brand name Mercer Marsh Benefits (MMB).

The Wealth segment focuses on the design, governance, and risk management of retirement plans and institutional investment portfolios. Mercer primarily uses manager-of-managers strategies, selecting and overseeing third-party investment managers to execute client strategies.

The Career business advises on employee engagement, design of executive compensation programs, people and workforce strategy, and HR effectiveness.

Looking forward, we expect Mercer to continue posting moderate growth, supported by recurring revenue from advisory services and long-standing client relationships within the space. After growing 2.8% in FY2024, we forecast Mercer revenue growth to remain mostly flat at 2.9% in 2025 and decrease slightly to 2.1% in 2026, driven by ongoing demand in health benefits consulting and steady expansion of the wealth segment of the business.

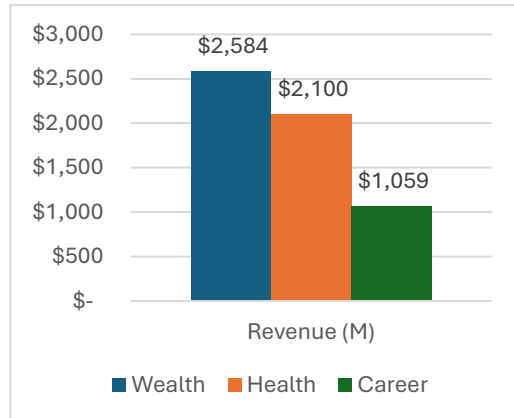
While not a breakout growth engine, Mercer remains a stable, fee-based business that helps anchor MMC's broader consulting platform.

Oliver Wyman Group

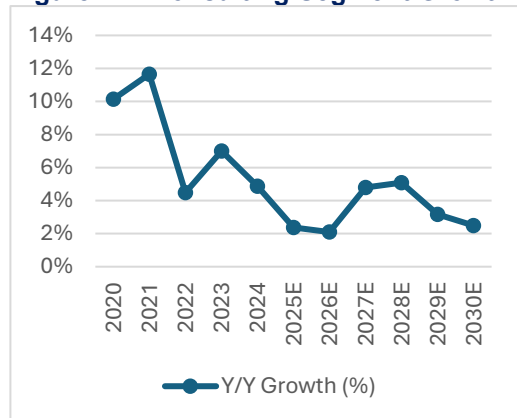
Oliver Wyman Group is the strategy and management consulting arm of MMC. It includes three main operating businesses: Oliver Wyman (management consulting), Lippincott (brand strategy and design consulting), and NERA Economic Consulting (economic and litigation advisory). Together, these units provide services across a wide range of sectors including financial services, energy, healthcare, transportation, and public policy.

The Group contributed roughly 37.2% of total consulting revenue and 13.8% of overall company revenue in FY2024, making it a meaningful part of MMC's business. Oliver Wyman Group has historically been a higher-growth unit within the company, benefiting

Figure #10: Mercer Rev. by Business Unit



Source: MMC 10K¹

Figure #11: Consulting Segment Growth

Source: MMC 10K¹, HF Research

from corporate transformation trends and post-COVID adjustments in global operations and supply chains.

Following 23.8% growth in 2021 and a strong double-digit run through 2024, we see Oliver Wyman Group entering a more normalized growth period. We project 1.5% revenue growth in 2025, and maintain this tapered growth into 2030 where we project 2.5% growth. This moderation reflects a more cautious corporate spending environment and increasing competition from other global consulting firms. That said, ongoing demand for organizational change, ESG advisory, and digital-first solutions should support continued stability for Oliver Wyman Group. We expect it to remain a steady contributor within MMC's consulting portfolio.

Cost Structure Analysis

MMC's operating cost base is relatively straightforward, with two primary line items: compensation and benefits, and other operating expenses. Together, these account for all the company's operating expenses and reflect the service-intensive nature of MMC's business model.

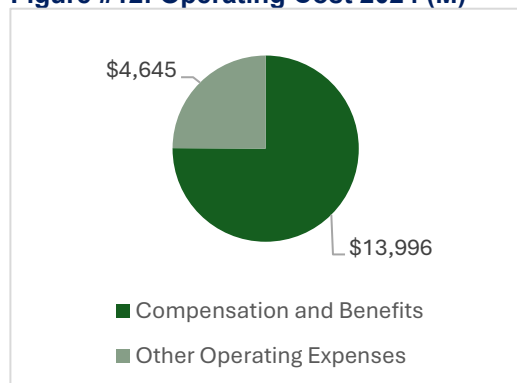
Compensation and Benefits

Compensation and benefits remain the largest component of MMC's cost structure, accounting for roughly three quarters of operating expenses and reflecting the company's reliance on human capital across its insurance, consulting, and advisory businesses. In FY2024, this expense totaled \$14.0 billion, increasing steadily to an estimated \$15.5 billion in 2025 and \$16.5 billion in 2026. We expect this line to continue growing gradually through the decade, reaching \$19.0 billion in 2030.

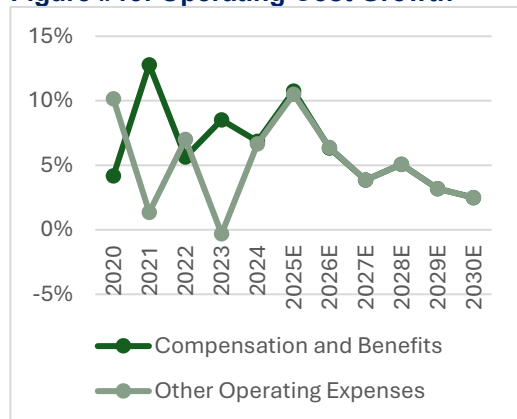
This outlook assumes continued wage inflation, stable headcount growth, and a limited impact from AI on labor needs. While AI and automation may streamline some lower-value tasks, MMC's work still relies heavily on specialized expertise, client-facing advisory roles, and regulatory knowledge. As a result, we do not anticipate any sharp reductions in compensation costs. Instead, we project a slow upward trajectory consistent with the company's historical pattern and the broader industry's salary trends.

Other Operating Expenses

Other operating expenses, which include technology costs, facilities, travel, marketing, and third-party services, have historically grown at a slower rate than compensation. FY2024 totaled \$4.6 billion, and we project this figure to rise to \$5.1 billion in 2025 and \$5.46 billion in 2026, followed by continued incremental increases through 2030. By the end of the forecast period, we estimate this line item will reach \$6.30 billion.

Figure #12: Operating Cost 2024 (M)

Source: MMC 10K¹

Figure #13: Operating Cost Growth

Source: MMC 10K¹, HF Research

This growth reflects ongoing investments in cloud infrastructure, data platforms, and AI-enabled productivity tools. While these technologies can reduce reliance on external vendors and improve efficiency, they also require continuous reinvestment, which limits the degree of cost savings in the near term. Ultimately, we expect other operating expenses to expand at a measured pace, tracking closely with overall revenue growth.

Debt Maturity Analysis

Figure #14: Debt Maturity Analysis

Fiscal Year	Coupon (%)	Payment (\$M)
2025	3.50	500
2026	3.75	1,178
2027	4.55	1,244
2028	-	22
2029	4.38	1,499
2030	4.65	2,299
Total	-	6,742

Source: MMC 10K¹

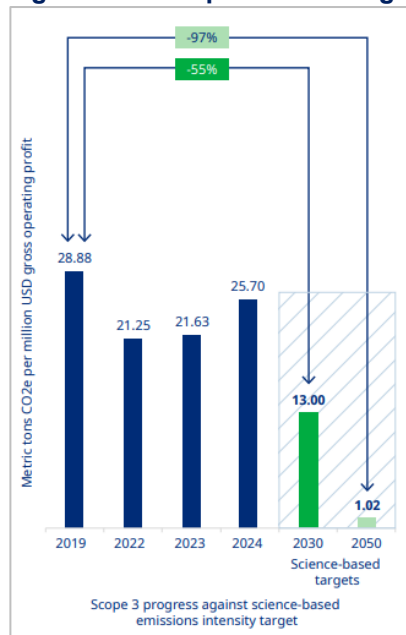
Marsh & McLennan has about \$6.7 billion in debt coming due between 2025 and 2030, with the largest maturities in 2029 (\$1.5B) and 2030 (\$2.3B). Most of the company's debt carries fixed coupons between 3.5% and 4.65%.

Given MMC's strong and steady cash flow generation, typically over \$5 billion a year, we don't see any risk around the company's ability to meet these obligations. Near-term maturities should be comfortably covered with projected operating cash flows of \$5.1B and \$4.9B in 2025 and 2026 respectively. That said, with interest rates starting to trend lower, management may take the opportunity to refinance some of the higher-coupon debt, especially the larger 2029 and 2030 tranches, to lock in better rates.

MMC currently holds investment-grade ratings from all three major agencies (A- from S&P and Fitch, A3 from Moody's), and we expect it to maintain this standing given its strong balance sheet and conservative approach to leverage.

ESG Analysis

Figure #15: Scope 3 GHG Progress



Source: MMC Business Responsibility²

Environmental (E)

Marsh and McLennan has committed to achieving net-zero emissions by 2050 and cutting Scope 1 and 2 emissions in half by 2030. These near-term targets were validated by the Science Based Targets initiative (SBTi) in 2024. Progress so far has been encouraging: 76% of company electricity now comes from renewable sources, and 30% of the company's fleet is hybrid or electric.²

One area to watch is Scope 3 greenhouse gas (GHG) emissions, which increased in 2024 due to a change in calculation methodology and process enhancements, assumedly from AI expansion in the business. Since Scope 3 accounts for over half of MMC's emissions, the company's ability to shift toward more sustainable solutions will be key in meeting longer-term climate targets.

Figure #16: Representation by Gender



Source: MMC Business Responsibility²

Figure #17: ESG Risk Rating



Source: Morningstar¹⁴

Social (S)

Marsh and McLennan appears strong on social responsibility. The firm reports a 98% employee training completion rate and has invested in leadership development, DEI programs, and fair pay practices. Its most recent pay equity analysis showed less than a 1% compensation gap across gender and race.²

Employee engagement scores remain high, with 82% favorability in the most recent company-wide survey. Marsh and McLennan also supports communities by offering their employees PTO specifically for volunteer time as well as donation-matching programs.

Governance (G)

Corporate governance is a clear area of strength for MMC. Topics like cybersecurity, climate, and human capital are regularly reviewed at the board level. Ethics and compliance are driven by the firm's Code of Conduct ("The Greater Good"), which was updated and re-trained across the workforce in 2024.

Marsh and McLennan also maintains strong cybersecurity and privacy programs. These include third-party audits, SOC 2 compliance, and mandatory training for all employees. The company is also leaning into responsible AI governance, requiring all AI tools to go through a risk framework, particularly in high-stakes areas like hiring or client services.²

Recent Developments

Earnings Announcements

Q2 2025 Earnings Recap (July 18, 2025)

Marsh and McLennan reported strong Q2 2025 results, with revenue rising 12% year-over-year to \$7.0 billion and adjusted EPS increasing 11% to \$2.72, both ahead of consensus estimates. The outperformance was driven by solid execution across Risk & Insurance Services, highlighted by international growth, as well as disciplined cost control that expanded operating margins by 50 bp. Consulting also contributed, though Mercer's U.S. career segment contracted due to softer project demand. Management highlighted continued investments in AI and analytics as key efficiency drivers going forward.³

Q3 Earnings Preview (October 16, 2025)

The Zacks Consensus Estimate projects EPS of \$1.61 and revenue of \$5.7 billion, up slightly from \$1.51 and \$5.697 billion, respectively, in the prior-year quarter. My model, however, forecasts EPS of \$1.62 on revenue of \$6.3 billion. This more optimistic outlook reflects an assumption of continued top-line strength in Risk & Insurance

Services and an earlier-than-expected stabilization in Mercer's career segment, particularly outside the U.S.⁴

Management Guidance

For FY2025, Marsh & McLennan reaffirmed expectations for mid-single-digit revenue growth, supported by continued demand across both the Risk & Insurance Services and Consulting segments. Management also reiterated its confidence in another year of adjusted operating margin expansion, which would mark the firm's eighteenth consecutive year of improvement. Additionally, MMC guided solid growth in adjusted EPS for the full year. This guidance sets the tone for what management believes will be a stable and profitable year despite softer premium trends in parts of the insurance market. CEO John Doyle emphasized that the company's performance reflects "consistent execution in a complex and dynamic environment" and expressed confidence in the outlook for the second half of the year, even amid ongoing macroeconomic uncertainty and moderating insurance rates.

Acquisitions

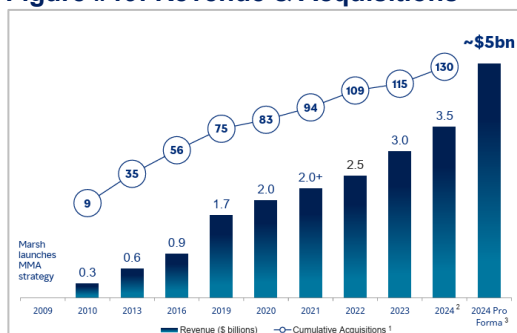
Figure #18: Value Creation from M&A



MMC was highly active in acquisitions in 2024, completing 17 transactions across its Risk & Insurance (R&I) Services and Consulting segments, totaling \$9.4 billion in expenditures. The R&I segment led the way with 10 acquisitions, primarily through Marsh McLennan Agency (MMA), which continues to expand in the U.S. via deals in key regions including Louisiana, Texas, New York, and Illinois. Notably, MMA's acquisition of McGriff, a major North Carolina-based insurance and risk management provider, contributed to revenue and scale, while strengthening MMC's presence in markets such as construction, energy, and public-sector employee benefits.

In the Consulting segment, Oliver Wyman and Mercer completed seven acquisitions targeting strategic growth areas. These included Veritas Total Solutions (commodity trading and AI advisory), Innopay (digital payments and open finance), and SeaTec (aerospace and defense consulting), supporting Oliver Wyman's expansion into tech-enabled consulting. Mercer bolstered its investment and talent advisory capabilities with acquisitions such as Vanguard's Institutional Advisory Services, The Talent Enterprise, and Cardano. These deals align with management's focus on scaling high-growth areas, diversifying revenue, and enhancing digital and analytical capabilities across the organization. While these acquisitions are expected to contribute incrementally to top-line growth and margins in the second half of 2025, integration costs and higher interest expenses have been factored into near-term forecasts.

Figure #19: Revenue & Acquisitions



MMC's acquisition activity reflects a broader trend of consolidation in the insurance brokerage and consulting industries, driven by the pursuit of scale, specialization, and geographic expansion. Private equity-backed brokers and advisory firms are also leveraging

acquisitions to accelerate growth. For Marsh & McLennan, M&A has become a core strategic tool, enabling expansion into niche markets and new service areas. However, we do not believe the company's reliance on continued deal flow is likely to be a sustainable growth driver over the long term.

Industry Trends

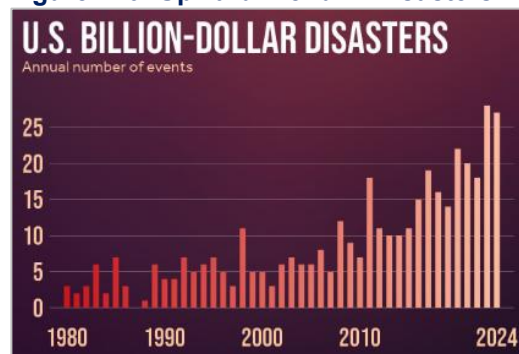
Slowed Growth in U.S. Insurance Rates

For several years Marsh & McLennan has benefited from historically high U.S. commercial insurance premiums, particularly in property and casualty lines. In 2024, premiums spiked more than 20% on average in many sectors, driven by inflation, rising claims costs, and climate-related losses, with insurers passing higher reinsurance costs onto clients.⁵ MMC's brokerage and advisory businesses capitalized on this environment, driving revenue growth across its Risk & Insurance Services segment. However, recent data indicates that U.S. commercial insurance rate growth is beginning to normalize. In Q2 2025, overall rates increased just 3.8%, down from 5.3% in Q1 2025 and 5.6% in Q4 2024, with certain lines, such as workers' compensation, directors' and officers' liability, and cyber insurance, actually seeing declining rates. Even commercial property recorded its first drop in several quarters, while growth in commercial auto and excess/umbrella liability persisted but at a more measured pace.⁸ This moderation suggests that MMC may face headwinds in maintaining the premium-driven growth it enjoyed in prior years.

Catastrophe Tailwinds that Did Not Materialize

Following two of the highest insured loss years on record in 2022 and 2024, investors entered 2025 expecting strong catastrophe-driven revenue for insurance stocks. The first half of the year appeared to confirm these expectations, with global insured losses reaching \$100 billion, largely driven by the Los Angeles wildfires and severe convective storms across the U.S.⁹ This surge created significant investor optimism, driving a strong inflow into insurance stocks and contributing to what now appears to have been an overvaluation of MMC, as market participants priced in the expectation that elevated catastrophe activity would continue throughout the year. However, the remainder of 2025 up to this point has proven relatively tame, highlighting that the outsized tailwinds from extreme events that fueled market excitement earlier in the year did not materialize as expected. While MMC remains well positioned to advise clients on risk management, the mismatch between early year expectations and actual catastrophe activity has already tempered the market's enthusiasm and pricing for the insurance market as a whole.

Figure #20: Upward Trend in Disasters



Source: Climate Central¹²

AI and Data Analytics Integration

AI, particularly generative and agentic AI, is beginning to reshape professional services across the insurance, risk, and consulting sectors. Firms are increasingly leveraging AI to streamline workflows, enhance decision-making, and scale insights across multiple business domains, from underwriting and claims to strategic advisory and workforce analytics. These technologies are enabling faster, more data-driven analysis, improving operational efficiency, and even personalizing client interactions in ways that were previously impossible. For Marsh & McLennan, this industry-wide shift is a double-edged sword. On one hand, competitors could theoretically use AI to replicate some of the advisory analyses traditionally provided by MMC. On the other hand, MMC possesses a uniquely integrated ecosystem of data and cross-disciplinary expertise that continuously improves its AI models, a self-reinforcing advantage that is difficult for rivals to match. While MMC still faces challenges like scaling AI safely and fully integrating it into its operations, the overall trends in the industry toward faster insights, smarter automation, and data-driven decision making could potentially work in the company's favor and make AI more of a net positive than a threat.

Markets and Competition

MMC's Peer Group

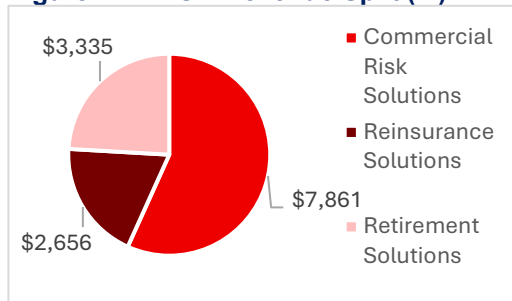
Marsh McLennan's competitive landscape is defined by a group of large, diversified insurance brokerage and consulting firms, including Aon plc (AON), Arthur J. Gallagher & Co. (AJG), Willis Towers Watson (WTW), and Brown & Brown, Inc. (BRO). These peers were selected based on their core business models, which are centered around risk and insurance services, human capital consulting, and reinsurance solutions. AON and WTW, like MMC, have significant international footprints and focus heavily on large corporate clients, while AJG and BRO are based more in the U.S., with a larger share of middle-market and retail brokerage business. Together, these firms make up the upper tier of the insurance brokerage industry in terms of revenue, profitability, and market influence.

The industry has undergone significant consolidation in recent years, leading to a relatively concentrated and mature market. Though, competition remains strong, especially in areas like large-account broking, employee benefits consulting, and specialty lines. While there is some variance in the clientele of each major player in this group, ongoing M&A activity suggests that the battle for market share is far from over.

Aon Plc (AON)



Figure #21: AON Revenue Split (M)



Source: FactSet²

	AON	MMC
Current Stock Price	\$354.62	\$200.23
Market Cap	\$76.5B	\$99.4B
P/E (LTM)	29.69	21.25

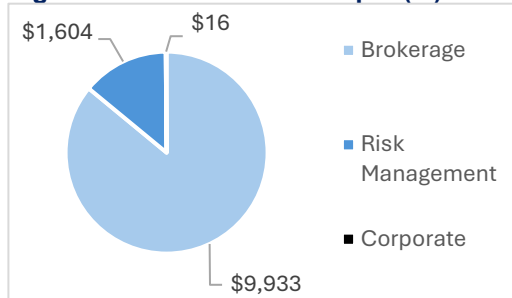
Source: FactSet²

Aon plc is a global professional services firm headquartered in Dublin, Ireland, with a focus on risk, health, and wealth solutions. The company's services span insurance brokerage, reinsurance, retirement, health benefits, and workforce analytics. Aon is particularly strong in risk capital advisory and reinsurance broking, often competing closely with MMC's Guy Carpenter segment. With a market cap of \$76.5B and a P/E ratio of 29.7, Aon is one of the largest players in the space. It maintains a diverse global presence, and its client base skews toward large corporations. While a blocked merger with Willis Towers Watson in 2021 was a setback, Aon continues to pursue growth through focused M&A and expanded consulting capabilities.

Arthur J. Gallagher & Co. (AJG)



Figure #22: AJG Revenue Split (M)



Source: FactSet²

	AJG	MMC
Current Stock Price	\$305.71	\$200.23
Market Cap	\$77.9B	\$99.4B
P/E (LTM)	45.85	21.25

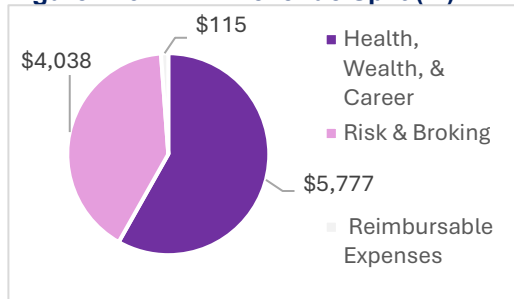
Source: FactSet²

Arthur J. Gallagher & Co., headquartered in Illinois, operates as a diversified insurance brokerage and risk management firm. Its business is structured into Brokerage, Risk Management, and Corporate segments, with the Brokerage arm being its core revenue driver. AJG has a strong position in the middle-market segment and is also a major player in wholesale broking and third-party claims administration. It stands out for its steady acquisition strategy, having completed hundreds of acquisitions over the past decade. With a market cap of \$78.0B and an elevated P/E at 45.9, Gallagher commands a growth premium, reflecting its consistent earnings performance and M&A-driven expansion.

Willis Towers Watson (WTW)



Figure #23: WTW Revenue Split (M)



Source: FactSet²

	WTW	MMC
Current Stock Price	\$342.20	\$200.23
Market Cap	\$33.4B	\$99.4B
P/E (LTM)	238.93	21.25

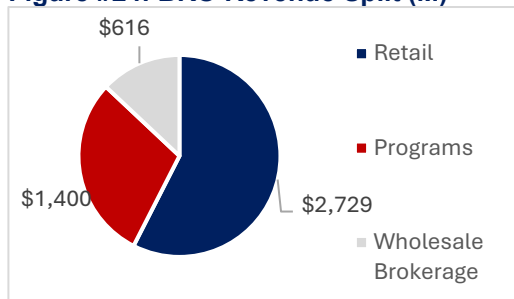
Source: FactSet²

Willis Towers Watson is a global advisory and brokerage firm headquartered in London, with deep roots going back to 1828. It operates through two primary business segments: Health, Wealth, and Career (HCW) and Risk and Broking (R&B). The company is known for its strengths in human capital consulting and actuarial services, alongside global insurance broking. WTW is smaller in scale compared to MMC and AON, with a market cap of \$33.3B, but remains influential in large-account broking and consulting. The firm carries a very high P/E ratio of 238.9, largely due to recent restructuring and one-time impacts following the failed merger with Aon. WTW is in a transitional phase, focused on regaining profitability and organic growth.

Brown & Brown, Inc. (BRO)



Figure #24: BRO Revenue Split (M)



Source: FactSet²

	BRO	MMC
Current Stock Price	\$93.02	\$200.23
Market Cap	\$30.9B	\$99.4B
P/E (LTM)	27.04	21.25

Source: FactSet²

Brown & Brown, based in Daytona Beach, Florida, is a fast-growing U.S.-focused insurance distributor, offering services through retail, wholesale, national programs, and insurance-related service segments. The firm is known for its decentralized model and strong presence in specialized niches, such as professional liability, flood insurance, and program business. BRO has grown steadily through acquisitions and expansion into underserved verticals, particularly in the U.S. mid-market. With a market cap of \$30.9B and a P/E of 27.0, Brown & Brown has the smallest scale among this peer set but has potential for plenty of growth.

Economic Outlook

Real GDP Growth

Real GDP growth is a key macroeconomic indicator that directly impacts corporate activity and, by extension, demand for Marsh and McLennan's consulting and brokerage services. For MMC, steady economic expansion typically supports growth in risk advisory, employee benefits consulting, and reinsurance brokerage, as businesses scale and face greater complexity in their operations.

Figure #25: US GDP Growth (Last 3Y)



Source: [TradingEconomics](#)¹³

However, in the current environment, much of this demand is already priced in, and there is little sign of an outsized growth inflection. Compared to other parts of the financial sector MMC's exposure to economic growth is relatively stable but limited in upside.

While the outlook is not negative, we are slightly bearish on MMC in this context because we believe there are better opportunities for growth and value creation within financials that are more sensitive to accelerating economic activity.

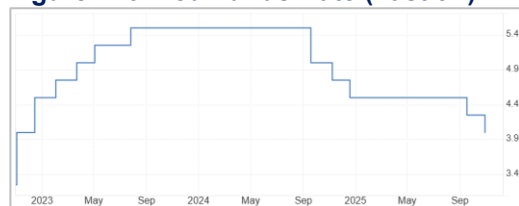
Henry Fund Projections

Time Frame	Current	Average	Median
6 Months	3.3%	2.53%	2.75%
2 Years	3.3%	3.08%	2.95%

According to the Henry Fund consensus projections, U.S. real GDP is expected to grow at an average rate of 2.53% over the next six months and 3.08% over the next two years, with medians of 2.75% and 2.95%, respectively. These figures suggest a resilient economy, but not one experiencing significant acceleration.

Fed Funds Rate

Figure #26: Fed Funds Rate (Last 3Y)



Source: [TradingEconomics](#)¹³

While MMC isn't directly exposed to net interest margin dynamics like banks or insurers, the federal funds rate still influences its client behavior, and in turn, MMC's growth prospects. For MMC, a gradual rate decline is a double-edged sword. On one hand, lower rates could ease pressure on corporate borrowing costs, potentially boosting investment and increasing demand for consulting and insurance services. On the other hand, lower rates may reduce investment income for insurers, possibly slowing demand for certain asset advisory and risk-transfer services.

This rate outlook doesn't meaningfully shift the growth trajectory for MMC. It's unlikely to see a dramatic benefit from falling rates, and it's also fairly insulated from the risks of sustained tightening. Other financial firms, especially those in lending, investment banking, or rate-sensitive trading, may benefit more directly from even a moderate rate cut cycle. This reinforces our slightly bearish view on MMC relative to its peers in the financials sector.

Henry Fund Projections

Time Frame	Current	Average	Median
6 Months	4.0 – 4.25%	3.95%	4.00%
2 Years	4.0 – 4.25%	3.38%	3.40%

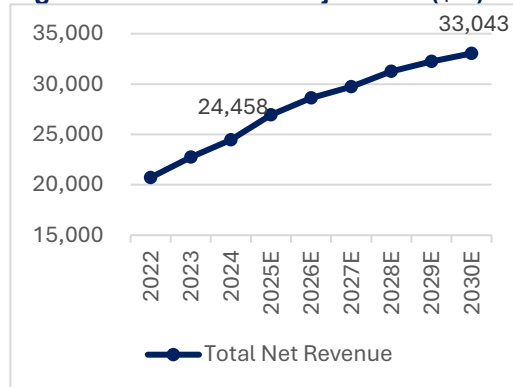
The Henry Fund consensus sees the federal funds rate declining moderately over time. Over the next six months, the average projected rate is 3.95%, with a median of 4.00%. Over the next two years, the average is expected to fall to 3.38%, with a median of 3.40%. These expectations imply a modest loosening of monetary policy, in accordance with street projections.

Valuation

Revenue Assumptions

Our revenue forecasts for Marsh & McLennan from 2025 through 2030 blend management guidance, historical performance, and a downward adjustment to reflect our more conservative industry outlook. Management reaffirmed full-year 2025 guidance for mid-single-digit underlying revenue growth and continued adjusted operating margin expansion³, which would represent the company's 18th consecutive year of margin gains. However, we believe the broader insurance market is entering a softening cycle as premium growth normalizes across property, casualty, and reinsurance lines. Because brokerage revenue is linked to premium levels, we adjust our projections to be roughly 5% below current FactSet consensus expectations.

Figure #27: Revenue Projections (\$M)



Source: MMC10k¹, HF Research

For 2025, we project total revenue of \$26.93 billion, or 10.1% growth, which includes full-year contributions from acquisitions completed in 2024 and early 2025. This front-loaded growth aligns with MMC's inorganic activity as well as reported underlying momentum in Marsh and Guy Carpenter, although we assume that pricing tailwinds begin to fade entering 2026. Beyond 2025, our model reflects a deceleration in organic growth toward levels more consistent with management's mid-single-digit guidance, eventually normalizing at 2.5% annually from 2028 onward.

At the segment level, the Risk & Insurance Services segment remains the primary growth engine. We project 14.7% growth in 2025, slowing to 8.5% in 2026 and mid-single-digit growth thereafter. These assumptions reflect slowing premium increases in the U.S. commercial market and the normalization of reinsurance pricing, even as Marsh McLennan continues to gain share in mid-market brokerage through Marsh McLennan Agency. Consulting revenues show a slower trajectory, consistent with the segment's historical pattern. We project low single-digit growth in both Mercer and Oliver Wyman, supported by steady demand for human capital, health, investment, and strategy advisory services. However, in line with management commentary that emphasizes stability rather than expansion, we do not model any significant acceleration in consulting revenue through 2030.

Overall, this revenue framework incorporates management's guidance for mid single-digit underlying growth while embedding our more cautious view of insurance market conditions. The

resulting projections deliver total revenue rising from \$26.93 billion in 2025 to \$33.04 billion in 2030, representing a steady but moderating growth profile that reflects both MMC's competitive strengths and the emerging macro headwinds facing the industry.

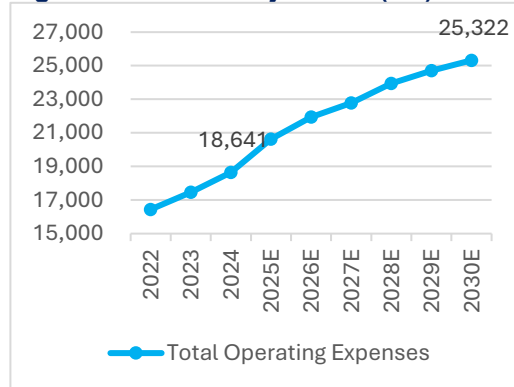
Cost Assumptions

Our cost assumptions build directly on the cost structure analysis presented earlier in this report. Compensation and benefits, MMC's largest expense category, is projected to grow in line with management's 2025 guidance for mid single-digit growth and continued margin expansion. In the model, these costs rise steadily from \$15.50 billion in 2025 to \$19.02 billion in 2030, reflecting moderate wage inflation, and ongoing investment in talent despite increased automation.

Other operating expenses, which include technology, occupancy, marketing, and professional services, are modeled to scale proportionally with revenue as well. These expenses grow from \$5.13 billion in 2025 to \$6.30 billion in 2030, incorporating management's stated commitment to investing in AI and analytics capabilities while still preserving operating leverage over time.

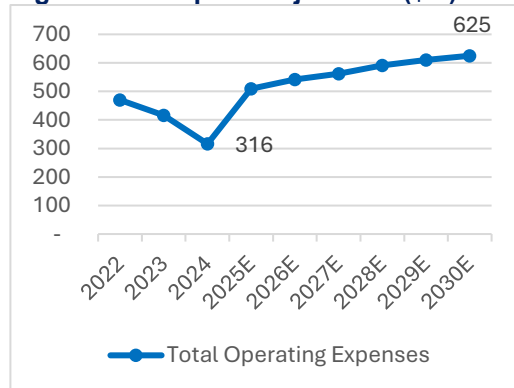
Depreciation and amortization follow the trajectory of historical spending and technology investment, while interest expense remains stable given MMC's investment-grade debt profile. The effective tax rate is held at 25%, consistent with the long-term range disclosed in filings. Overall, these assumptions reflect a disciplined cost base that supports gradual margin expansion while remaining conservative relative to our slightly below consensus revenue outlook.

Figure #28: Cost Projections (\$M)



Source: MMC10k¹, HF Research

Figure #29: CapEx Projections (\$M)



Source: MMC10k¹, HF Research

CapEx Assumptions

We project Marsh & McLennan's capital expenditures to grow modestly from \$509.5 million in 2025 to \$625.1 million in 2030. Capex is modeled as a stable percentage of revenue, reflecting MMC's business as a professional services firm, where investment needs are relatively predictable and primarily focused on technology, office infrastructure, and operational tools rather than heavy physical assets. Marsh & McLennan generally does not provide specific quarterly CapEx guidance in its earnings releases, instead reporting full-year CapEx and cash flow. For 2025, the company has not provided explicit forward-looking CapEx guidance in the available Q2 reports. That said, MMC management has stated that it continues to invest in AI and analytics as future growth drivers, and our projections include modest increases in CapEx to support these initiatives while maintaining operational efficiency.

WACC Calculation

To estimate MMC's WACC, we apply a cost of equity of 7.44%, based on a 4.14% risk-free rate, a 5.00% equity risk premium, and a 0.66 beta from FactSet. The cost of debt is derived by adding an implied 0.89% default premium to the risk-free rate, resulting in a 5.03% pre-tax cost of debt and a 3.79% after-tax cost using a 25% marginal tax rate. Using market value weights, MMC's equity totals \$98.5 billion (82.12% of capital) and its debt totals \$21.4 billion (17.88%). Combining these inputs yields a WACC of 6.79%, which we use as the discount rate in our valuation model.

DCF/EP

To value MMC, we relied on both a discounted cash flow model and an economic profit model, using consistent assumptions across both approaches. Our DCF model projects free cash flow growing from \$6.23B in 2025 to \$6.24B in 2030. We apply a 6.79% WACC as the discount rate and assume a 2.50% CV growth of NOPLAT, which is consistent with a mature professional services business. The continuing value is calculated using the formula:

$$CV = \text{NOPLAT} \times (1 - g/\text{ROIC}) / (\text{WACC} - g),$$

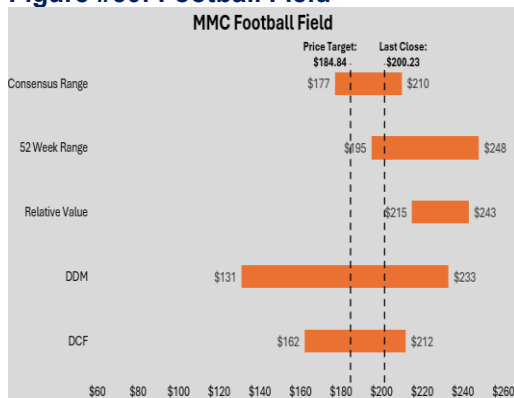
yielding a terminal value of \$118.9B. After discounting all projected cash flows, the present value of operating assets totals \$109.3B. Adjusting for non-operating items including excess cash, pension assets, debt obligations, lease liabilities, and non-controlling interests results in an equity value of \$87.1B, or \$176.94 per share at the last fiscal year-end, and \$184.84 per share as of today.

We validated this outcome using an Economic Profit model, which measures the spread between ROIC and the cost of capital. Economic profit rises from \$2.51B in 2025 to \$3.73B in 2030, and the continuing value is calculated at \$86.9B. Discounting these EP streams using the same 6.79% WACC produces an identical operating asset value of \$109.3B, leading to the same equity valuation of \$87.1B. Because both frameworks converge on the same intrinsic value, the analysis supports a fair value estimate of approximately \$185 per share, which is slightly below the current market price and reinforces our view that MMC offers limited upside from here.

Relative Multiple

To estimate a relative valuation price target for Marsh and McLennan, we used a peer comparison approach based on forward price-to-earnings (P/E) multiples. The peer group includes Aon Plc (AON), Arthur J. Gallagher & Co. (AJG), Willis Towers Watson (WTW), and Brown & Brown (BRO), all of which were discussed in the "Markets and Competition" section of this report. We calculated the average forward P/E multiples for 2025 and 2026 from this peer

Figure #30: Football Field



Source: FactSet², HF Research

set, resulting in an average P/E of 28.53x for 2025 and 23.57x for 2026.

After applying these average multiples to MMC's projected earnings per share (EPS) of \$8.52 for 2025 and \$9.13 for 2026, we could derive implied price targets of \$243.15 and \$215.21, respectively.

While these relative multiples suggest a higher valuation than our DCF and EP-based intrinsic value, we rely primarily on the DCF and EP models for our valuation. Peer-based approaches may not fully capture MMC's slowing growth, exposure to mature markets, and potential margin pressures, so the multiples likely reflect more optimistic assumptions. This reinforces our cautious view on the stock and supports a more conservative valuation.

Henry Fund vs. The Street

Our valuation framework intentionally diverges from Street expectations in several key areas, reflecting the Henry Fund's more conservative outlook on industry conditions and MMC's earnings trajectory. While consensus estimates incorporate a relatively smooth continuation of recent growth trends, our model takes the stance that the global insurance market is transitioning into a softer pricing environment that will moderate premium growth and slow MMC's revenue momentum through 2030.

Across our forecast horizon, the Henry Fund's revenue estimates are slightly below consensus but remain broadly aligned in direction. The differences arise from our quarterly projection methodology and the decision to haircut consensus full-year estimates by roughly 5% to account for anticipated softening in the global insurance cycle.

The most meaningful divergence appears in EPS assumptions. The Street's EPS estimates for 2026 and 2027 are materially higher than ours, which signals that consensus is expecting lower forward expenses and stronger margin expansion than we forecast. For 2026, our EPS estimate is \$9.13, while the Street is at \$10.61, a difference of more than 38%. A similar pattern appears in EBITDA, where consensus anticipates greater operating leverage and more pronounced margin gains. By 2027, our EPS of \$9.75 still trails the Street's \$10.68, reflecting the same underlying assumptions about cost efficiency and margin improvement.

Our forecast embeds more conservative margin expansion, driven by expectations for continued pressure on insurance premiums, sustained investment in technology and analytics, and a more measured pace of efficiency gains. As a result, although our revenue outlook closely resembles the Street's, our profitability outlook does not. The Henry Fund ultimately presents a more cautious view of operating leverage and cost tailwinds, which leads to lower EPS projections despite comparable revenue assumptions.

Figure #31: Henry Fund vs. The Street

Estimates			
	Rev	2025e EPS	EBITDA
HF	\$26.9B	\$8.52	\$7.4B
Street	\$27.0B	\$8.52	\$7.8B
% Diff.	0.07%	0.00%	4.66%

Estimates			
	Rev	2026e EPS	EBITDA
HF	\$28.6B	\$9.13	\$7.8B
Street	\$28.3B	\$6.61	\$8.3
% Diff.	1.12%	38.1%	6.44%

Estimates			
	Rev	2027e EPS	EBITDA
HF	\$29.7B	\$9.75	\$8.0B
Street	\$29.8B	\$10.7	\$8.9B
% Diff.	0.18%	8.71%	9.87%

Source: FactSet², HF Research

References

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4. [Zacks: MMC Pre-Q3 Earnings](#)
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**Marsh & McLennan Companies, Inc.***Sensitivity Tables*

Risk Free Rate	Beta							
	184.84	0.36	0.46	0.56	0.66	0.76	0.86	0.96
	3.84%	298.78	256.71	224.11	198.08	176.82	159.11	144.13
	3.94%	289.41	249.54	218.44	193.50	173.02	155.92	141.40
	4.04%	280.56	242.72	213.03	189.08	169.36	152.83	138.76
	4.14%	272.19	236.23	207.83	184.84	165.83	149.83	136.19
	4.24%	264.25	230.02	202.86	180.75	162.41	146.93	133.69
	4.34%	256.71	224.10	198.08	176.82	159.11	144.12	131.27
	4.44%	249.54	218.44	193.49	173.02	155.91	141.39	128.91

Pre Tax Cost of Debt	Marginal Tax Rate							
	184.84	23.20%	23.70%	24.20%	24.70%	25.20%	25.70%	26.20%
	2.03%	212.19	210.44	208.69	206.94	205.18	203.43	201.67
	3.03%	204.08	202.44	200.79	199.14	197.49	195.84	194.18
	4.03%	196.44	194.89	193.34	191.79	190.23	188.67	187.11
	5.03%	189.24	187.77	186.31	184.84	183.37	181.89	180.41
	6.03%	182.43	181.04	179.66	178.26	176.87	175.47	174.07
	7.03%	175.98	174.67	173.35	172.03	170.71	169.39	168.06
	8.03%	169.86	168.62	167.37	166.12	164.86	163.60	162.34

WACC	Cost of Equity							
	184.84	6.00%	6.50%	7.00%	7.44%	8.00%	8.50%	9.00%
	3.80%	691.23	693.69	696.15	698.31	701.06	703.51	705.95
	4.80%	374.26	375.59	376.92	378.09	379.58	380.90	382.23
	5.80%	249.26	250.14	251.03	251.81	252.80	253.68	254.56
	6.79%	182.81	183.46	184.11	184.69	185.41	186.06	186.71
	7.80%	140.53	141.03	141.53	141.97	142.53	143.03	143.53
	8.80%	111.97	112.37	112.77	113.12	113.56	113.96	114.36
	9.80%	91.19	91.51	91.84	92.12	92.48	92.81	93.13

CV Growth of EPS	Cost of Equity							
	169.18	6.75%	7.00%	7.25%	7.44%	7.75%	8.00%	8.25%
	1.75%	175.40	166.25	157.94	152.12	143.43	137.05	131.18
	2.00%	182.49	172.54	163.56	157.28	147.95	141.14	134.88
	2.25%	190.37	179.50	169.73	162.94	152.89	145.58	138.89
	2.50%	199.18	187.23	176.56	169.18	158.29	150.42	143.24
	2.75%	209.08	195.87	184.14	176.07	164.23	155.72	147.98
	3.00%	220.30	205.58	192.61	183.74	170.80	161.54	153.18
	3.25%	233.12	216.59	202.14	192.32	178.09	167.98	158.89

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
(in millions)											
Revenue by Segment											
RISK AND INSURANCE											
Marsh	8,595.00	10,203.00	10,505.00	11,378.00	12,536.00	14,601.09	15,846.99	16,382.74	17,214.82	17,761.31	18,205.35
growth	7.25%	18.71%	2.96%	8.31%	10.18%	16.47%	8.53%	3.38%	5.08%	3.17%	2.50%
Guy Carpenter	1,696.00	1,867.00	2,020.00	2,258.00	2,362.00	2,564.63	2,781.46	2,875.49	3,021.54	3,117.46	3,195.40
growth	14.59%	10.08%	8.19%	11.78%	4.61%	8.58%	8.45%	3.38%	5.08%	3.17%	2.50%
Fiduciary Interest Income	46.00	15.00	120.00	453.00	497.00	493.88	535.90	554.02	582.16	600.64	615.65
growth	-56.19%	-67.39%	700.00%	277.50%	9.71%	-0.63%	8.51%	3.38%	5.08%	3.17%	2.50%
Total Risk and Insurance	10,337.00	12,085.00	12,645.00	14,089.00	15,395.00	17,659.60	19,164.35	19,812.25	20,818.52	21,479.41	22,016.40
growth	7.69%	16.91%	4.63%	11.42%	9.27%	14.71%	8.52%	3.38%	5.08%	3.17%	2.50%
CONSULTING											
Mercer:											
Wealth	2,348.00	2,509.00	2,366.00	2,507.00	2,584.00	2,644.36	2,698.31	2,827.75	2,971.37	3,065.70	3,142.34
growth	-0.89%	6.86%	-5.70%	5.96%	3.07%	2.34%	2.04%	4.80%	5.08%	3.17%	2.50%
Health	1,793.00	1,855.00	2,017.00	2,061.00	2,100.00	2,208.70	2,250.29	2,358.24	2,478.01	2,556.68	2,620.59
growth	-0.17%	3.46%	8.73%	2.18%	1.89%	5.18%	1.88%	4.80%	5.08%	3.17%	2.50%
Career	787.00	890.00	962.00	1,019.00	1,059.00	1,055.89	1,082.70	1,134.63	1,192.26	1,230.11	1,260.86
growth	-8.06%	13.09%	8.09%	5.93%	3.93%	-0.29%	2.54%	4.80%	5.08%	3.17%	2.50%
Total Mercer	4,928.00	5,254.00	5,345.00	5,587.00	5,743.00	5,908.95	6,031.30	6,320.62	6,641.65	6,852.49	7,023.80
growth	-1.85%	6.62%	1.73%	4.53%	2.79%	2.89%	2.07%	4.80%	5.08%	3.17%	2.50%
Oliver Wyman	2,048.00	2,535.00	2,794.00	3,122.00	3,390.00	3,440.55	3,514.30	3,682.88	3,869.93	3,992.79	4,092.61
growth	-3.49%	23.78%	10.22%	11.74%	8.58%	1.49%	2.14%	4.80%	5.08%	3.17%	2.50%
Total Consulting	6,976.00	7,789.00	8,139.00	8,709.00	9,133.00	9,349.50	9,545.60	10,003.50	10,511.58	10,845.27	11,116.41
growth	-2.34%	11.65%	4.49%	7.00%	4.87%	2.37%	2.10%	4.80%	5.08%	3.17%	2.50%
Corporate Eliminations	(89.00)	(54.00)	(64.00)	(62.00)	(70.00)	(75.68)	(77.31)	(81.02)	(85.13)	(87.84)	(90.03)
growth	-1.11%	-39.33%	18.52%	-3.13%	12.90%	8.11%	2.15%	4.80%	5.08%	3.17%	2.50%
Total Revenue	17,224.00	19,820.00	20,720.00	22,736.00	24,458.00	26,933.42	28,632.64	29,734.73	31,244.97	32,236.85	33,042.77
growth	3.44%	15.07%	4.54%	9.73%	7.57%	10.12%	6.31%	3.85%	2.50%	2.50%	2.50%
Revenue by Geography											
Marsh:											
EMEA	2,575.00	2,946.00	2,997.00	3,262.00	3,530.00	3,920.10	4,254.12	4,397.95	4,621.32	4,768.02	4,887.22
growth	3.75%	14.41%	1.73%	8.84%	8.22%	11.05%	8.52%	3.38%	5.08%	3.17%	2.50%
Asia Pacific	1,059.00	1,462.00	1,215.00	1,295.00	1,414.00	1,544.74	1,676.59	1,733.28	1,821.31	1,879.13	1,926.11
growth	11.12%	38.05%	-16.89%	6.58%	9.19%	9.25%	8.54%	3.38%	5.08%	3.17%	2.50%
Latin America	424.00	453.00	502.00	559.00	575.00	620.04	672.94	695.69	731.03	754.23	773.09
growth	-7.83%	6.84%	10.82%	11.35%	2.86%	7.83%	8.53%	3.38%	5.08%	3.17%	2.50%
Total International	4,058.00	4,861.00	4,714.00	5,116.00	5,519.00	6,084.88	6,603.66	6,826.91	7,173.65	7,401.38	7,586.42
growth	4.18%	19.79%	-3.02%	8.53%	7.88%	10.25%	8.53%	3.38%	5.08%	3.17%	2.50%
US/Canada	4,537.00	5,342.00	5,791.00	6,262.00	7,017.00	8,516.21	9,243.33	9,555.83	10,041.17	10,359.93	10,618.93
growth	10.15%	17.74%	8.41%	8.13%	12.06%	21.37%	8.54%	3.38%	5.08%	3.17%	2.50%
Total Marsh	8,595.00	10,203.00	10,505.00	11,378.00	12,536.00	14,601.09	15,846.99	16,382.74	17,214.82	17,761.31	18,205.35
growth	7.25%	18.71%	2.96%	8.31%	10.18%	16.47%	8.53%	3.38%	5.08%	3.17%	2.50%

Marsh & McLennan Companies, Inc. Income Statement (Quarterly)	2023					Total	2024					Total	20 25					Total
	Mar	Jun	Sep	Dec	Mar		Jun	Sep	Dec	Mar	Jun		Sep	Dec				
	1Q	2Q	3Q	4Q	1Q		2Q	3Q	4Q	1Q	2Q		3Q	4Q				
Fiscal Years Ending Dec 31 (in millions, except per share data)																		
Revenue	\$ 5,924.00	\$ 5,876.00	\$ 5,382.00	\$ 5,554.00	\$22,736.00	\$ 6,473.00	\$ 6,221.00	\$ 5,697.00	\$ 6,067.00	\$24,458.00	\$ 7,061.00	\$ 6,974.00	\$ 6,312.94	\$ 6,585.48	\$ 26,933.42			
Expense:																		
Compensation and benefits	3,207.00	3,337.00	3,287.00	3,268.00	13,099.00	3,470.00	3,454.00	3,442.00	3,630.00	13,996.00	3,850.00	3,895.00	3,814.14	3,940.21	15,499.35			
Other operating expenses	991.00	1,082.00	1,099.00	1,183.00	4,355.00	1,078.00	1,125.00	1,147.00	1,295.00	4,645.00	1,206.00	1,250.00	1,271.01	1,405.67	5,132.68			
Operating expenses	4,198.00	4,419.00	4,386.00	4,451.00	17,454.00	4,548.00	4,579.00	4,589.00	4,925.00	18,641.00	5,056.00	5,145.00	5,085.15	5,345.88	20,632.03			
Operating income	1,726.00	1,457.00	996.00	1,103.00	5,282.00	1,925.00	1,642.00	1,108.00	1,142.00	5,817.00	2,005.00	1,829.00	1,227.79	1,239.59	6,301.39			
Other net benefits credits	58.00	60.00	62.00	59.00	239.00	67.00	66.00	68.00	67.00	268.00	43.00	48.00	75.35	72.73	239.08			
Interest income	14.00	10.00	16.00	38.00	78.00	37.00	12.00	12.00	22.00	83.00	19.00	5.00	24.82	24.82	73.64			
Interest expense	(136.00)	(146.00)	(145.00)	(151.00)	(578.00)	(159.00)	(156.00)	(154.00)	(231.00)	(700.00)	(245.00)	(243.00)	(244.31)	(244.31)	(976.61)			
Investment (loss) income	2.00	3.00	1.00	(1.00)	5.00	1.00	1.00	1.00	9.00	12.00	5.00	7.00	1.11	9.77	22.88			
Income before income taxes	1,664.00	1,384.00	930.00	1,048.00	5,026.00	1,871.00	1,565.00	1,035.00	1,009.00	5,480.00	1,827.00	1,646.00	1,084.77	1,102.60	5,660.37			
Income tax expense	(412.00)	(337.00)	(192.00)	(283.00)	(1,224.00)	(447.00)	(425.00)	(283.00)	(208.00)	(1,363.00)	(415.00)	(415.00)	(284.06)	(284.06)	(1,398.11)			
Net income before non-controlling interests	1,252.00	1,047.00	738.00	765.00	3,802.00	1,424.00	1,140.00	752.00	801.00	4,117.00	1,412.00	1,231.00	800.71	818.55	4,262.26			
Less: Net income attributable to non-controlling interests	17.00	12.00	8.00	9.00	46.00	24.00	15.00	5.00	13.00	57.00	31.00	20.00	5.54	14.11	70.65			
Net income attributable to the Company	\$ 1,235.00	\$ 1,035.00	\$ 730.00	\$ 756.00	\$ 3,756.00	\$ 1,400.00	\$ 1,125.00	\$ 747.00	\$ 788.00	\$ 4,060.00	\$ 1,381.00	\$ 1,211.00	\$ 795.17	\$ 804.43	\$ 4,191.60			
Net income per share attributable to the Company																		
— Basic	\$ 2.50	\$ 2.09	\$ 1.48	\$ 1.53	\$ 7.60	\$ 2.84	\$ 2.28	\$ 1.52	\$ 1.62	\$ 8.26	\$ 2.81	\$ 2.46	\$ 1.62	\$ 1.64	\$ 8.52			
Average number of shares outstanding																		
— Basic	495.00	495.00	494.00	494.00	494.00	492.00	492.00	492.00	492.00	492.00	492.00	492.00	492.00	492.00	492.00			
Dividends per share	\$ 1.18	\$ -	\$ 1.42	\$ -	\$ 2.60	\$ 1.42	\$ -	\$ 1.63	\$ -	\$ 3.05	\$ 1.63	\$ -	\$ 0.92	\$ 0.92	\$ 3.42			

2026						2027						2028						2029						2030					
Mar	Jun	Sep	Dec			Mar	Jun	Sep	Dec			Mar	Jun	Sep	Dec			Mar	Jun	Sep	Dec			Mar	Jun	Sep	Dec		
1Q	2Q	3Q	4Q	Total		1Q	2Q	3Q	4Q	Total		1Q	2Q	3Q	4Q	Total		1Q	2Q	3Q	4Q	Total		1Q	2Q	3Q	4Q	Total	
\$ 7,444.45	\$ 7,371.95	\$ 6,760.50	\$ 7,055.73	\$ 28,632.64		\$ 7,728.57	\$ 7,654.29	\$ 7,022.07	\$ 7,329.80	\$ 29,734.73		\$ 8,121.11	\$ 8,043.05	\$ 7,378.72	\$ 7,702.08	\$ 31,244.97		\$ 8,378.92	\$ 8,298.38	\$ 7,612.96	\$ 7,946.59	\$ 32,236.85		\$ 8,588.39	\$ 8,505.84	\$ 7,803.28	\$ 8,145.25	\$ 33,042.77	
4,059.08	4,117.26	4,084.55	4,221.57	16,482.46		4,213.99	4,274.94	4,242.58	4,385.56	17,117.07		4,428.02	4,492.07	4,458.06	4,608.30	17,986.45		4,568.59	4,634.67	4,599.58	4,754.59	18,557.44		4,682.81	4,750.54	4,714.57	4,873.46	19,021.37	
1,271.49	1,321.33	1,361.12	1,506.04	5,459.98		1,320.02	1,371.93	1,413.78	1,564.54	5,670.28		1,387.06	1,441.61	1,485.59	1,644.01	5,958.27		1,431.10	1,487.38	1,532.75	1,696.20	6,147.42		1,466.87	1,524.56	1,571.07	1,738.60	6,301.11	
5,330.57	5,438.59	5,445.67	5,727.62	21,942.44		5,534.01	5,646.88	5,656.36	5,950.10	22,787.35		5,815.09	5,933.68	5,943.65	6,252.31	23,944.72		5,999.69	6,122.05	6,132.33	6,450.79	24,704.86		6,149.68	6,275.10	6,285.64	6,612.06	25,322.48	
2,113.88	1,933.37	1,314.84	1,328.11	6,690.20		2,194.56	2,007.41	1,365.71	1,379.70	6,947.38		2,306.02	2,109.37	1,435.08	1,449.77	7,300.24		2,379.23	2,176.33	1,480.63	1,495.80	7,531.99		2,438.71	2,230.74	1,517.65	1,533.19	7,720.29	
45.34	50.74	80.69	77.92	254.69		47.07	52.68	83.82	80.95	264.51		49.46	55.36	88.07	85.06	277.94		51.03	57.12	90.87	87.76	286.77		52.30	58.54	93.14	89.95	293.94	
12.03	12.03	12.03	12.03	48.11		32.04	32.04	32.04	32.04	128.14		52.79	52.79	52.79	52.79	211.18		76.95	76.95	76.95	76.95	307.79		102.53	102.53	102.53	102.53	410.11	
(238.02)	(238.02)	(238.02)	(238.02)	(952.08)		(223.21)	(223.21)	(223.21)	(223.21)	(892.83)		(207.56)	(207.56)	(207.56)	(207.56)	(830.25)		(207.29)	(207.29)	(207.29)	(207.29)	(829.15)		(188.44)	(188.44)	(188.44)	(188.44)	(753.75)	
5.27	7.40	1.19	10.47	26.32		5.47	7.68	1.23	10.87	25.26		5.75	8.07	1.30	11.43	26.54		5.93	8.33	1.34	11.79	27.39		6.08	8.54	1.37	12.08	28.07	
1,938.50	1,765.51	1,170.73	1,190.50	6,065.24		2,055.93	1,876.61	1,259.59	1,280.35	6,472.47		2,206.46	2,018.03	1,369.67	1,391.49	6,985.65		2,305.85	2,111.44	1,442.50	1,465.00	7,324.79		2,411.18	2,211.91	1,526.25	1,549.32	7,698.67	
(478.81)	(436.08)	(289.17)	(294.05)	(1,498.11)		(507.81)	(463.52)	(311.12)	(316.25)	(1,598.70)		(545.00)	(498.45)	(338.31)	(343.70)	(1,725.46)		(569.54)	(521.53)	(356.30)	(361.86)	(1,809.22)		(595.56)	(546.34)	(376.98)	(382.68)	(1,901.57)	
1,459.69	1,329.43	881.56	896.45	4,567.12		1,548.11	1,413.09	948.47	964.10	4,873.77		1,661.46	1,519.58	1,031.36	1,047.79	5,260.20		1,736.30	1,589.91	1,086.20	1,103.15	5,515.56		1,815.62	1,665.57	1,149.27	1,166.64	5,797.10	
32.68	21.14	5.93	15.12	74.88		33.93	21.95	6.16	15.71	77.75		35.65	23.07	6.48	16.50	81.70		36.79	23.80	6.68	17.03	84.29		37.71	24.39	6.85	17.45	86.40	
\$1,427.00	\$1,308.29	\$ 875.62	\$ 881.33	\$ 4,492.25		\$1,514.18	\$1,391.13	\$ 942.31	\$ 948.40	\$ 4,796.02		\$1,625.81	\$1,496.53	\$1,024.89	\$1,031.29	\$ 5,178.50		\$1,699.52	\$1,566.11	\$1,079.52	\$1,086.12	\$ 5,431.27		\$1,777.92	\$1,641.18	\$1,142.42	\$1,149.18	\$ 5,710.70	
\$ 2.90	\$ 2.66	\$ 1.78	\$ 1.79	\$ 9.13		\$ 3.08	\$ 2.83	\$ 1.92	\$ 1.93	\$ 9.75		\$ 3.30	\$ 3.04	\$ 2.08	\$ 2.10	\$ 10.53		\$ 3.45	\$ 3.18	\$ 2.19	\$ 2.21	\$ 11.04		\$ 3.61	\$ 3.34	\$ 2.32	\$ 2.34	\$ 11.61	
492.00	492.00	492.00	492.00	492.00		492.00	492.00	492.00	492.00	492.00		492.00	492.00	492.00	492.00	492.00		492.00	492.00	492.00	492.00	492.00		492.00	492.00	492.00	492.00	492.00	
\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 3.67		\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 3.85		\$ 1.02	\$ 1.02	\$ 1.02	\$ 1.02	\$ 4.09		\$ 1.07	\$ 1.07	\$ 1.07	\$ 1.07	\$ 4.26		\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 4.41	



Marsh & McLennan Companies, Inc.
Income Statement (Yearly)

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
<i>(in millions, except per share data)</i>											
Revenue	\$17,224.00	\$19,820.00	\$20,720.00	\$22,736.00	\$24,458.00	\$ 26,933.42	\$ 28,632.64	\$ 29,734.73	\$ 31,244.97	\$ 32,236.85	\$ 33,042.77
Expense:											
Compensation and benefits	10,129.00	11,425.00	12,071.00	13,099.00	13,996.00	15,499.35	16,482.46	17,117.07	17,986.45	18,557.44	19,021.37
Other operating expenses	4,029.00	4,083.00	4,369.00	4,355.00	4,645.00	5,132.68	5,459.98	5,670.28	5,958.27	6,147.42	6,301.11
Operating expenses	14,158.00	15,508.00	16,440.00	17,454.00	18,641.00	20,632.03	21,942.44	22,787.35	23,944.72	24,704.86	25,322.48
Operating income	3,066.00	4,312.00	4,280.00	5,282.00	5,817.00	6,301.39	6,690.20	6,947.38	7,300.24	7,531.99	7,720.29
Other net benefits credits	257.00	277.00	235.00	239.00	268.00	239.08	254.69	264.51	277.94	286.77	293.94
Interest income	7.00	2.00	15.00	78.00	83.00	73.64	48.11	128.14	211.18	307.79	410.11
Interest expense	(515.00)	(444.00)	(469.00)	(578.00)	(700.00)	(976.61)	(952.08)	(892.83)	(830.25)	(829.15)	(753.75)
Investment (loss) income	(22.00)	61.00	21.00	5.00	12.00	22.88	24.32	25.26	26.54	27.39	28.07
Income before income taxes	2,793.00	4,208.00	4,082.00	5,026.00	5,480.00	5,660.37	6,065.24	6,472.47	6,985.65	7,324.79	7,698.67
Income tax expense	(747.00)	(1,034.00)	(995.00)	(1,224.00)	(1,363.00)	(1,398.11)	(1,498.11)	(1,598.70)	(1,725.46)	(1,809.22)	(1,901.57)
Net income before non-controlling interests	2,046.00	3,174.00	3,087.00	3,802.00	4,117.00	4,262.26	4,567.12	4,873.77	5,260.20	5,515.56	5,797.10
Less: Net income attributable to non-controlling interests	30.00	31.00	37.00	46.00	57.00	70.65	74.88	77.75	81.70	84.29	86.40
Net income attributable to the Company	\$ 2,016.00	\$ 3,143.00	\$ 3,050.00	\$ 3,756.00	\$ 4,060.00	\$ 4,191.60	\$ 4,492.25	\$ 4,796.02	\$ 5,178.50	\$ 5,431.27	\$ 5,710.70
Net income per share attributable to the Company											
– Basic	\$ 3.98	\$ 6.20	\$ 6.11	\$ 7.60	\$ 8.26	\$ 8.52	\$ 9.13	\$ 9.75	\$ 10.53	\$ 11.04	\$ 11.61
Average number of shares outstanding											
– Basic	506.00	507.00	499.00	494.00	492.00	492.00	492.00	492.00	492.00	492.00	492.00
Dividends per share	\$ 1.84	\$ 2.00	\$ 2.25	\$ 2.60	\$ 3.05	\$ 3.42	\$ 3.67	\$ 3.85	\$ 4.09	\$ 4.26	\$ 4.41

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
(In millions, except share data)											
ASSETS											
Current assets:											
Cash and cash equivalents	2,089.0	1,752.0	1,442.0	3,358.0	2,398.0	1,161.97	3,095.26	5,100.86	7,434.50	9,906.13	12,558.89
Receivables											
Commissions and fees	4,679.0	5,093.0	5,293.0	5,806.0	6,533.0	7,037.97	7,422.74	7,722.00	8,140.71	8,432.53	8,606.79
Advanced premiums and claims	112.0	136.0	103.0	103.0	84.0	92.50	98.34	102.12	107.31	110.72	113.48
Other	677.0	523.0	616.0	660.0	706.0	777.45	826.50	858.32	901.91	930.54	953.81
	5,468.0	5,752.0	6,012.0	6,569.0	7,323.0	7,907.92	8,347.59	8,582.44	9,149.93	9,473.79	9,674.08
Less – allowance for credit losses	(142.0)	(142.0)	(166.0)	(160.0)	(151.0)	(167.00)	(195.50)	(203.00)	(204.00)	(210.00)	(212.00)
Net receivables	5,326.0	5,586.0	5,852.0	6,418.0	7,156.0	7,744.02	8,152.09	8,479.41	8,936.59	9,253.67	9,462.47
Other current assets	840.0	926.0	1,005.0	1,178.0	1,287.0	1,417.26	1,506.67	1,564.67	1,644.14	1,696.33	1,738.74
Total current assets	7,155.0	8,264.0	8,299.0	10,954.0	10,841.0	10,303.25	12,754.01	15,144.93	18,015.22	20,856.13	23,746.10
Goodwill	15,517.0	16,317.0	16,251.0	17,231.0	23,306.0	23,306.00	23,306.00	23,306.00	23,306.00	23,306.00	23,306.00
Other intangible assets	2,699.0	2,810.0	2,537.0	2,630.0	4,820.0	4,309.00	3,821.00	3,369.00	2,938.00	2,521.00	2,104.00
Fixed assets, net	856.0	847.0	871.0	882.0	859.0	866.20	873.85	885.50	890.75	898.77	907.60
Pension related assets	1,768.0	2,270.0	2,127.0	2,051.0	1,914.0	2,017.93	2,127.50	2,243.00	2,364.82	2,493.23	2,628.62
Right of use assets	1,894.0	1,868.0	1,852.0	1,541.0	1,498.0	1,579.34	1,665.10	1,751.81	1,850.84	1,951.34	2,057.30
Deferred tax assets	702.0	551.0	358.0	357.0	237.0	225.56	213.31	203.23	186.12	171.32	155.77
Other assets	1,458.0	1,461.0	1,449.0	1,590.0	1,730.0	1,905.10	2,025.29	2,102.24	2,210.07	2,280.23	2,337.23
Total assets	\$33,049.0	\$34,388.0	\$33,454.0	\$37,236.0	\$45,205.0	\$ 44,512.38	\$ 46,786.06	\$ 49,003.75	\$ 51,761.22	\$ 54,478.02	\$ 57,242.61
LIABILITIES AND EQUITY											
Current liabilities:											
Short-term debt	517.0	17.0	268.0	1,619.0	519.0	729.48	770.27	801.11	834.14	873.89	892.51
Accounts payable and accrued liabilities	3,050.0	3,165.0	3,278.0	3,403.0	3,402.0	4,221.76	4,371.69	4,498.30	4,683.50	4,833.61	5,026.12
Accrued compensation and employee benefits	2,400.0	2,942.0	3,095.0	3,346.0	3,620.0	3,986.38	4,237.88	4,401.00	4,624.53	4,771.34	4,890.62
Current lease liabilities	342.0	332.0	310.0	312.0	325.0	308.35	325.09	342.74	361.35	380.97	401.66
Accrued income taxes	247.0	198.0	221.0	321.0	376.0	358.58	384.23	410.03	442.54	464.02	487.70
Total current liabilities	6,556.0	6,654.0	7,172.0	9,001.0	8,242.0	9,604.55	10,089.16	10,453.18	10,956.06	11,323.83	11,698.62
Fiduciary liabilities	8,585.0	9,622.0	10,660.0	10,794.0	11,276.0	12,417.26	13,200.66	13,708.76	14,405.03	14,862.32	15,233.88
Cash and investments held in a fiduciary capacity	(8,585.0)	(9,622.0)	(10,660.0)	(10,794.0)	(11,276.0)	(12,417.26)	(13,200.66)	(13,708.76)	(14,405.03)	(14,862.32)	(15,233.88)
Long-term debt	10,796.0	10,933.0	11,227.0	11,844.0	19,428.0	15,934.54	16,059.66	16,137.62	16,293.41	16,383.53	16,424.63
Pension, post-retirement and post-employment benefits	2,662.0	1,632.0	921.0	779.0	840.0	672.00	537.60	430.08	344.06	275.25	220.20
Long-term lease liabilities	1,924.0	1,880.0	1,667.0	1,661.0	1,590.0	1,651.60	1,741.29	1,835.84	1,935.52	2,040.62	2,151.43
Liability for errors and omissions	366.0	355.0	355.0	314.0	305.0	335.87	357.06	370.80	389.64	402.01	410.02
Other liabilities	1,485.0	1,712.0	1,363.0	1,267.0	1,265.0	1,193.03	1,480.92	1,537.92	1,616.03	1,667.33	1,709.02
Total liabilities	23,789.0	23,166.0	22,705.0	24,866.0	31,670.0	29,591.60	30,265.68	30,765.44	31,534.73	32,092.57	32,615.95
Equity:											
Preferred stock, \$ 1 par value											
Common equity	1,504.0	1,673.0	1,740.0	1,803.0	1,931.0	2,070.32	2,209.64	2,348.96	2,488.28	2,627.60	2,641.53
Retained earnings	16,272.0	18,389.0	20,301.0	22,759.0	25,306.0	27,814.81	30,508.21	33,401.07	36,568.23	39,903.57	43,444.45
Accumulated other comprehensive loss	(5,110.0)	(4,575.0)	(5,214.0)	(5,295.0)	(6,240.0)	(6,240.00)	(6,240.00)	(6,240.00)	(6,240.00)	(6,240.00)	(6,240.00)
	156.0	213.0	229.0	179.0	193.0	263.65	338.53	416.08	497.98	582.27	668.67
Non-controlling interests	12,822.0	15,700.0	16,956.0	19,446.0	21,190.0	23,908.78	26,808.38	29,926.31	33,144.49	36,873.45	40,511.56
	(1,562.0)	(4,478.0)	(6,207.0)	(7,076.0)	(7,655.0)	(8,988.00)	(10,288.00)	(11,688.00)	(13,088.00)	(14,488.00)	(15,888.00)
Less – treasury shares, at cost	9,260.0	11,222.0	10,749.0	12,370.0	13,535.0	14,920.78	16,520.38	18,238.31	20,226.49	22,385.45	24,626.66
Total equity	33,049.0	34,388.0	33,454.0	37,236.0	45,205.0	44,512.38	46,786.06	49,003.75	51,761.22	54,478.02	57,242.61
Total liabilities and equity	33,049.0	34,388.0	33,454.0	37,236.0	45,205.0	44,512.38	46,786.06	49,003.75	51,761.22	54,478.02	57,242.61
CHECK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024
<i>(In millions)</i>					

OPERATING CASH FLOWS:

Net income before non-controlling interests	\$ 2,046.00	\$ 3,174.00	\$ 3,087.00	\$ 3,802.00	\$ 4,117.00
Adjustments to reconcile net income provided by operations:					
Depreciation and amortization of fixed assets and capitalized software	390.00	382.00	381.00	370.00	369.00
Amortization of intangible assets	351.00	365.00	338.00	343.00	377.00
Non-cash lease expense	355.00	327.00	404.00	288.00	280.00
Adjustments and payments related to contingent consideration assets and liabilities	(22.00)	27.00	11.00	(11.00)	(77.00)
Deconsolidation of Russian businesses	-	-	39.00	-	-
Gain on consolidation of entity	-	(267.00)	(2.00)	-	-
Net (gain) on investments	22.00	(61.00)	(21.00)	(5.00)	(9.00)
Net (gain) loss on disposition of assets	24.00	(33.00)	(127.00)	16.00	(48.00)
Share-based compensation expense	290.00	348.00	367.00	363.00	368.00
Changes in assets and liabilities:					
Net receivables	412.00	(570.00)	(492.00)	(467.00)	(467.00)
Other assets	255.00	(354.00)	(122.00)	(154.00)	(217.00)
Accrued compensation and employee benefits	171.00	574.00	171.00	195.00	92.00
Provision for taxes, net of payments and refunds	63.00	(33.00)	(54.00)	105.00	123.00
Contributions to pension and other benefit plans in excess of current year credit	(356.00)	(372.00)	(385.00)	(335.00)	(352.00)
Other liabilities	(268.00)	358.00	193.00	64.00	55.00
Operating lease liabilities	(351.00)	(349.00)	(323.00)	(316.00)	(309.00)
Net cash provided by operations	3,382.00	3,516.00	3,465.00	4,258.00	4,302.00

FINANCING CASH FLOWS:

Purchase of treasury shares	-	(1,159.00)	(1,950.00)	(1,150.00)	(900.00)
Issuance of commercial paper with maturity greater than 90 days	-	-	-	146.00	-
Repayment of commercial paper with maturity greater than 90 days	-	-	-	(146.00)	-
Borrowings from term-loan and credit facilities	1,000.00	-	-	-	-
Proceeds from issuance of debt	737.00	743.00	984.00	2,169.00	8,170.00
Repayments of debt	(2,515.00)	(1,016.00)	(365.00)	(266.00)	(1,617.00)
Payment of bridge loan commitment fees	-	-	-	-	(23.00)
Purchase of non-controlling interests	(3.00)	-	(7.00)	(139.00)	(7.00)
Shares withheld for taxes on vested units – treasury shares	(132.00)	(101.00)	(198.00)	(148.00)	(180.00)
Issuance of common stock from treasury shares	132.00	161.00	126.00	199.00	264.00
Payments of deferred and contingent consideration for acquisitions	(122.00)	(117.00)	(158.00)	(202.00)	(113.00)
Receipts of deferred and contingent consideration for dispositions	-	71.00	3.00	2.00	3.00
Distributions of non-controlling interests	(34.00)	(36.00)	(27.00)	(31.00)	(40.00)
Dividends paid	(943.00)	(1,026.00)	(1,138.00)	(1,298.00)	(1,513.00)
Change in fiduciary liabilities	955.00	1,183.00	1,684.00	(255.00)	411.00
Net cash provided by (used for) financing activities	(925.00)	(1,297.00)	(1,046.00)	(1,119.00)	4,455.00

INVESTING CASH FLOWS:

Capital expenditures	(348.00)	(406.00)	(470.00)	(416.00)	(316.00)
Purchases of long-term investments	(23.00)	(28.00)	(22.00)	(57.00)	(108.00)
Sales of long-term investments	130.00	41.00	86.00	38.00	55.00
Dispositions	98.00	84.00	119.00	(17.00)	89.00
Acquisitions, net of cash and cash held in a fiduciary capacity acquired	(647.00)	(859.00)	(572.00)	(976.00)	(8,542.00)
Other, net	(3.00)	4.00	9.00	11.00	1.00
Net cash used for investing activities	(793.00)	(1,164.00)	(850.00)	(1,417.00)	(8,821.00)
Effect of exchange rate changes on cash, cash equivalents, and cash and cash equivalents held in a fiduciary capacity	511.00	(355.00)	(841.00)	328.00	(414.00)
Decrease in cash, cash equivalents, and cash and cash equivalents held in a fiduciary capacity	2,175.00	700.00	728.00	2,050.00	(478.00)
Cash, cash equivalents, and cash and cash equivalents held in a fiduciary capacity at beginning of year	8,499.00	10,674.00	11,374.00	12,102.00	14,152.00
Cash, cash equivalents, and cash and cash equivalents held in a fiduciary capacity at end of year	\$10,674.00	\$11,374.00	\$12,102.00	\$14,152.00	\$13,674.00

RECONCILIATION OF CASH, CASH EQUIVALENTS, AND CASH AND CASH EQUIVALENTS HELD IN A FIDUCIARY CAPACITY TO THE CONSOLIDATED BALANCE SHEETS:

Cash and cash equivalents	2,089.00	1,752.00	1,442.00	3,358.00	2,398.00
Cash and cash equivalents held in a fiduciary capacity	8,585.00	9,622.00	10,660.00	10,794.00	11,276.00
Total cash, cash equivalents, and cash and cash equivalents held in a fiduciary capacity	10,674.00	11,374.00	12,102.00	14,152.00	13,674.00

Fiscal Years Ending Dec. 31 (in millions)	2025E	2026E	2027E	2028E	2029E	2030E	Notes
OPERATING CASH FLOWS:							
Net income before non-controlling interests	\$ 4,191.60	\$ 4,492.25	\$ 4,796.02	\$ 5,178.50	\$ 5,431.27	\$ 5,710.70	
Depreciation and amortization of fixed assets and capitalized software	502.32	534.01	554.57	582.74	601.24	616.27	
Changes in commissions and fees	(504.97)	(384.78)	(299.25)	(418.71)	(291.82)	(174.26)	
Changes in advanced premiums and claims	(8.50)	(5.84)	(3.79)	(5.19)	(3.41)	(2.77)	
Changes in other receivables	(71.45)	(49.05)	(31.81)	(43.59)	(28.63)	(23.26)	
Changes in allowance for credit losses	16.90	11.60	7.53	10.31	6.77	5.50	
Changes in other current assets	(130.26)	(89.41)	(57.99)	(79.47)	(52.19)	(42.41)	
Changes in accounts payable and accrued liabilities	819.76	149.55	126.61	185.20	150.11	192.51	
Changes in accrued compensation and employee benefits	366.38	251.50	163.32	223.53	146.81	119.28	
Changes in accrued income taxes	(17.42)	25.65	25.80	32.51	21.48	23.68	
Changes in deferred tax assets	11.44	12.25	13.08	14.11	14.80	15.55	
Net cash provided by operations	5,175.81	4,948.12	5,293.87	5,679.94	5,996.43	6,440.79	
FINANCING CASH FLOWS:							
Changes in long term debt	(3,493.46)	125.12	77.96	155.79	90.12	41.10	
Changes in short term debt	210.48	40.79	30.84	43.03	29.75	18.62	
Changes in current lease liabilities	(16.65)	16.74	17.65	18.61	19.62	20.69	
Changes in post retirement benefits	(168.00)	(134.40)	(107.52)	(86.02)	(68.81)	(55.05)	
Changes in long-term lease liabilities	61.60	89.68	94.55	99.69	105.10	110.81	
Changes in liability for errors and omissions	30.87	21.19	13.74	18.83	12.37	10.05	
Changes in other liabilities	128.03	87.89	57.00	78.11	51.30	41.68	
Dividends paid	(1,682.79)	(1,806.85)	(1,895.16)	(2,011.33)	(2,095.93)	(2,169.81)	
Changes in non-controlling interests	70.65	74.88	77.75	81.70	84.29	86.40	
Share repurchases	(1,333.00)	(1,300.00)	(1,400.00)	(1,400.00)	(1,400.00)	(1,400.00)	FactSet estimates through 2027, then held constant
Proceeds from issuance of common stock	139.32	139.32	139.32	139.32	139.32	13.93	
Net cash provided by (used for) financing activities	(6,052.95)	(2,645.64)	(2,893.86)	(2,862.26)	(3,032.88)	(3,281.58)	
INVESTING CASH FLOWS:							
Capital expenditures	(509.52)	(541.67)	(562.52)	(591.09)	(609.85)	(625.10)	Projected as a % of revenue on inputs page (this avoids circular loop of using PPE and depreciation)
Changes in other intangible assets	511.00	488.00	452.00	431.00	417.00	417.00	
Changes in pension related assets	(103.93)	(109.57)	(115.52)	(121.80)	(128.41)	(135.38)	
Changes in right of use assets	(81.34)	(85.76)	(90.41)	(95.32)	(100.50)	(105.96)	
Changes in other assets	(175.10)	(120.19)	(77.95)	(106.82)	(70.16)	(57.01)	
Changes in fiduciary liabilities	1,141.26	783.40	508.10	696.27	457.29	371.56	
Changes in cash and investments held in a fiduciary capacity	(1,141.26)	(783.40)	(508.10)	(696.27)	(457.29)	(371.56)	
Net cash used for investing activities	(358.89)	(369.19)	(394.41)	(484.03)	(491.92)	(506.44)	
Increase in cash and cash equivalents	(1,236.03)	1,933.28	2,005.60	2,333.64	2,471.63	2,652.76	
Cash and cash equivalents at beginning of year	2,398.00	1,161.97	3,095.26	5,100.86	7,434.50	9,906.13	
Cash and cash equivalents at end of year	\$ 1,161.97	\$ 3,095.26	\$ 5,100.86	\$ 7,434.50	\$ 9,906.13	\$12,558.89	



Marsh & McLennan Companies, Inc.
Common Size Income Statement

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
<i>(as a % of total revenue)</i>											
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Expense:											
Compensation and benefits	58.81%	57.64%	58.26%	57.61%	57.22%	57.55%	57.57%	57.57%	57.57%	57.57%	57.57%
Other operating expenses	23.39%	20.60%	21.09%	19.15%	18.99%	19.06%	19.07%	19.07%	19.07%	19.07%	19.07%
Operating expenses	82.20%	78.24%	79.34%	76.77%	76.22%	76.60%	76.63%	76.64%	76.64%	76.64%	76.64%
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating income	17.80%	21.76%	20.66%	23.23%	23.78%	23.40%	23.37%	23.36%	23.36%	23.36%	23.36%
Other net benefits credits	1.49%	1.40%	1.13%	1.05%	1.10%	0.89%	0.89%	0.89%	0.89%	0.89%	0.89%
Interest income	0.04%	0.01%	0.07%	0.34%	0.34%	0.27%	0.17%	0.43%	0.68%	0.95%	1.24%
Interest expense	-2.99%	-2.24%	-2.26%	-2.54%	-2.86%	-3.63%	-3.33%	-3.00%	-2.66%	-2.57%	-2.28%
Investment (loss) income	-0.13%	0.31%	0.10%	0.02%	0.05%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
Income before income taxes	16.22%	21.23%	19.70%	22.11%	22.41%	21.02%	21.18%	21.77%	22.36%	22.72%	23.30%
Income tax expense	-4.34%	-5.22%	-4.80%	-5.38%	-5.57%	-5.19%	-5.23%	-5.38%	-5.52%	-5.61%	-5.75%
Net income before non-controlling interests	11.88%	16.01%	14.90%	16.72%	16.83%	15.83%	15.95%	16.39%	16.84%	17.11%	17.54%
Less: Net income attributable to non-controlling interests	0.17%	0.16%	0.18%	0.20%	0.23%	0.26%	0.26%	0.26%	0.26%	0.26%	0.26%
Net income attributable to the Company	11.70%	15.86%	14.72%	16.52%	16.60%	15.56%	15.69%	16.13%	16.57%	16.85%	17.28%

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	Notes
<i>(as a % of total revenue)</i>												
ASSETS												
Current assets:												
Cash, cash equivalents, and cash and cash equivalents held in a fiduciary capacity	12.13%	8.84%	6.96%	14.77%	9.80%	4.31%	10.81%	17.15%	23.79%	30.73%	38.01%	
Receivables												
Commissions and fees	27.17%	25.70%	25.55%	25.54%	26.71%	26.13%	25.92%	25.97%	26.05%	26.16%	26.05%	Average of last 5 years
Advanced premiums and claims	0.65%	0.69%	0.50%	0.45%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	Held constant
Other	3.93%	2.64%	2.97%	2.90%	2.89%	2.89%	2.89%	2.89%	2.89%	2.89%	2.89%	Held constant
	31.75%	29.02%	29.02%	28.89%	29.94%	29.36%	29.15%	29.20%	29.28%	29.39%	29.28%	
Less – allowance for credit losses	-0.82%	-0.84%	-0.77%	-0.66%	-0.68%	-0.68%	-0.68%	-0.68%	-0.68%	-0.68%	-0.68%	Held constant
Net receivables	30.92%	28.18%	28.24%	28.23%	29.26%	28.68%	28.47%	28.52%	28.60%	28.71%	28.59%	
Other current assets	4.30%	4.67%	4.85%	5.18%	5.26%	5.26%	5.26%	5.26%	5.26%	5.26%	5.26%	Held constant
Total current assets	47.35%	41.70%	40.05%	48.18%	44.32%	38.25%	44.54%	50.93%	57.66%	64.70%	71.86%	
Goodwill	90.09%	82.33%	78.43%	75.79%	95.29%	95.29%	95.29%	95.29%	95.29%	95.29%	95.29%	Held constant
Other intangible assets	15.67%	14.18%	12.24%	11.57%	19.71%	16.00%	13.34%	11.33%	9.40%	7.82%	6.37%	
Fixed assets, net	4.97%	4.27%	4.20%	3.88%	3.51%	3.22%	3.05%	2.97%	2.85%	2.79%	2.75%	
Pension related assets	10.26%	11.45%	10.27%	9.02%	7.83%	7.49%	7.43%	7.54%	7.57%	7.73%	7.96%	
Right of use assets	11.00%	9.42%	7.54%	6.78%	6.12%	5.86%	5.82%	5.90%	5.92%	6.05%	6.23%	
Deferred tax assets	4.08%	2.78%	1.73%	1.57%	0.97%	0.84%	0.74%	0.67%	0.60%	0.53%	0.47%	
Other assets	8.46%	7.37%	6.99%	6.99%	7.07%	7.07%	7.07%	7.07%	7.07%	7.07%	7.07%	Held constant
Total assets	191.88%	173.50%	161.46%	163.78%	184.83%	165.27%	163.40%	164.80%	165.66%	168.99%	173.24%	
LIABILITIES AND EQUITY												
Current liabilities:												
Short-term debt	3.00%	0.09%	1.29%	7.12%	2.12%	2.71%	2.69%	2.69%	2.70%	2.71%	2.70%	
Accounts payable and accrued liabilities	17.71%	15.97%	15.82%	14.97%	13.91%	15.67%	15.27%	15.13%	14.99%	14.99%	15.21%	Average of last 5 years
Accrued compensation and employee benefits	13.93%	14.84%	14.94%	14.72%	14.80%	14.80%	14.80%	14.80%	14.80%	14.80%	14.80%	Held constant
Current lease liabilities	1.99%	1.68%	1.50%	1.37%	1.33%	1.14%	1.14%	1.15%	1.16%	1.18%	1.22%	
Accrued income taxes	1.43%	1.00%	1.07%	1.41%	1.54%	1.33%	1.34%	1.38%	1.42%	1.44%	1.48%	
Total current liabilities	38.06%	33.57%	34.61%	39.59%	33.70%	35.66%	35.24%	35.15%	35.07%	35.13%	35.40%	
Fiduciary liabilities	49.84%	48.55%	51.45%	47.48%	46.10%	46.10%	46.10%	46.10%	46.10%	46.10%	46.10%	Held constant
Cash and investments held in a fiduciary capacity	-49.84%	-48.55%	-51.45%	-47.48%	-46.10%	-46.10%	-46.10%	-46.10%	-46.10%	-46.10%	-46.10%	Held constant
Long-term debt	62.68%	55.16%	54.18%	52.09%	79.43%	59.16%	56.09%	54.27%	52.15%	50.82%	49.71%	
Pension, post-retirement and post-employment benefits	15.46%	8.23%	4.44%	3.43%	3.43%	2.50%	1.88%	1.45%	1.10%	0.85%	0.67%	
Long-term lease liabilities	11.17%	9.49%	8.05%	7.31%	6.50%	6.13%	6.08%	6.17%	6.19%	6.33%	6.51%	
Liability for errors and omissions	2.12%	1.79%	1.71%	1.38%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	Held constant
Other liabilities	8.62%	8.64%	6.58%	5.57%	5.17%	5.17%	5.17%	5.17%	5.17%	5.17%	5.17%	Held constant
Total liabilities	138.12%	116.88%	109.58%	109.37%	129.49%	109.87%	105.70%	103.47%	100.93%	99.55%	98.71%	
Equity:												
Preferred stock, \$ 1 par value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Held constant
Common equity	8.73%	8.44%	8.40%	7.93%	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%	Held constant
Retained earnings	94.47%	92.78%	97.98%	100.10%	103.47%	103.27%	106.52%	112.33%	117.04%	123.78%	131.48%	From 'Inputs' row 61
Accumulated other comprehensive loss	-29.67%	-23.08%	-25.65%	-23.29%	-25.51%	-23.17%	-21.79%	-20.99%	-19.97%	-19.36%	-18.88%	
Non-controlling interests	0.91%	1.07%	1.11%	0.79%	0.79%	0.98%	1.18%	1.40%	1.59%	1.81%	2.02%	
	74.44%	79.21%	81.83%	85.53%	86.64%	88.77%	93.63%	100.64%	106.62%	114.38%	122.61%	
Less – treasury shares, at cost	-20.68%	-22.59%	-29.96%	-31.12%	-31.30%	-31.30%	-31.30%	-31.30%	-31.30%	-31.30%	-31.30%	Held constant
Total equity	53.76%	56.62%	51.88%	54.41%	55.34%	55.40%	57.70%	61.34%	64.74%	69.44%	74.53%	
Total liabilities and equity	191.88%	173.50%	161.46%	163.78%	184.83%	165.27%	163.40%	164.80%	165.66%	168.99%	173.24%	

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
NOPLAT:											
EBIT:											
Revenue	17,224.00	19,820.00	20,720.00	22,736.00	24,458.00	26,933.42	28,632.64	29,734.73	31,244.97	32,236.85	33,042.77
Compensation and benefits	(10,129.00)	(11,425.00)	(12,071.00)	(13,099.00)	(13,996.00)	(15,499.35)	(16,482.46)	(17,117.07)	(17,986.45)	(18,557.44)	(19,021.37)
Depreciation	(390.00)	(382.00)	(381.00)	(370.00)	(369.00)	(502.32)	(534.01)	(554.57)	(582.74)	(601.24)	(616.27)
Amortization	(351.00)	(365.00)	(338.00)	(343.00)	(377.00)	(511.00)	(488.00)	(452.00)	(431.00)	(417.00)	(417.00)
Other operating expenses	(3,288.00)	(3,336.00)	(3,650.00)	(3,642.00)	(3,899.00)	(4,119.36)	(4,437.97)	(4,663.71)	(4,944.54)	(5,129.19)	(5,267.84)
Plus: Implied operating interest on leases	106.00	105.21	101.76	91.61	92.20	92.20	92.20	92.20	92.20	92.20	92.20
EBIT	3,172.00	4,417.21	4,381.76	5,373.61	5,909.20	6,393.58	6,782.40	7,039.58	7,392.44	7,624.19	7,812.49
					6,655.20	7,406.91	7,804.41	8,046.15			
Adjusted Taxes:											
Provision for income tax	747.00	1,034.00	995.00	1,224.00	1,363.00	1,398.11	1,498.11	1,598.70	1,725.46	1,809.22	1,901.57
Less: Taxes on other net benefit credit	(63.48)	(68.42)	(58.05)	(59.03)	(66.20)	(59.05)	(62.91)	(65.33)	(68.65)	(70.83)	(72.60)
Less: Taxes on interest income	(1.73)	(0.49)	(3.71)	(19.27)	(20.50)	(18.19)	(11.88)	(31.65)	(52.16)	(76.02)	(101.30)
Less: Taxes on investment income	5.43	(15.07)	(5.19)	(1.24)	(2.96)	(5.65)	(6.01)	(6.24)	(6.56)	(6.76)	(6.93)
Plus: Taxes on interest expense	127.21	109.67	115.84	142.77	172.90	241.22	235.16	220.53	205.07	204.80	186.18
Plus: Taxes on interest on operating leases	26.18	25.99	25.14	22.63	22.77	22.77	22.77	22.77	22.77	22.77	22.77
Total Adjusted Taxes	840.61	1,085.68	1,069.04	1,309.86	1,469.01	1,579.22	1,675.25	1,738.78	1,825.93	1,883.17	1,929.68
Deferred tax asset (net)	702.00	551.00	358.00	357.00	237.00	225.56	213.31	200.23	186.12	171.32	155.77
Change in deferred tax assets		151.00	193.00	1.00	120.00	11.44	12.25	13.08	14.11	14.80	15.55
NOPLAT	2,331.39	3,482.54	3,505.72	4,064.75	4,560.18	4,825.80	5,119.40	5,313.88	5,580.62	5,755.81	5,898.36
INVESTED CAPITAL (IC):											
Operating Current Assets:											
Normal cash	2,089.00	1,752.00	1,442.00	3,358.00	2,398.00	1,874.42	1,992.68	2,069.38	2,174.48	2,243.51	2,299.60
Plus: Commissions and fees	4,679.00	5,093.00	5,293.00	5,806.00	6,533.00	7,037.97	7,422.74	7,722.00	8,140.71	8,432.53	8,606.79
Plus: Advanced premiums and claims	112.00	136.00	103.00	103.00	84.00	92.50	98.34	102.12	107.31	110.72	113.48
Plus: Other receivables	677.00	523.00	616.00	660.00	706.00	777.45	826.50	858.32	901.91	930.54	953.81
Plus: Allowance for credit losses	(142.00)	(166.00)	(160.00)	(151.00)	(167.00)	(183.90)	(195.50)	(203.03)	(213.34)	(220.11)	(225.62)
Plus: Other current assets	740.00	926.00	1,005.00	1,178.00	1,287.00	1,417.26	1,506.67	1,564.67	1,644.14	1,696.33	1,738.74
Operating Current Liabilities:											
Less: Accounts payable and accrued liabilities	(3,050.00)	(3,165.00)	(3,278.00)	(3,403.00)	(3,402.00)	(4,221.76)	(4,371.69)	(4,498.30)	(4,683.50)	(4,833.61)	(5,026.12)
Less: Accrued compensation and benefits	(2,400.00)	(2,942.00)	(3,095.00)	(3,346.00)	(3,620.00)	(3,986.38)	(4,237.88)	(4,401.00)	(4,624.53)	(4,771.34)	(4,890.62)
Less: Accrued income taxes	(247.00)	(198.00)	(221.00)	(321.00)	(376.00)	(358.58)	(384.23)	(410.03)	(442.54)	(464.02)	(487.70)
Net Operating Working Capital (NOWC)	2,458.00	1,959.00	1,705.00	3,884.00	3,443.00	2,448.97	2,657.63	2,804.12	3,004.64	3,124.54	3,082.36
Plus: Fixed assets, net	856.00	847.00	871.00	882.00	859.00	866.20	873.85	881.80	890.15	898.77	907.60
Plus: Other intangible assets	18,216.00	19,127.00	18,788.00	19,861.00	28,126.00	27,615.00	27,127.00	26,675.00	26,244.00	25,827.00	25,410.00
Plus: Right of use assets	1,894.00	1,868.00	1,562.00	1,541.00	1,498.00	1,579.34	1,665.10	1,755.51	1,850.84	1,951.34	2,057.30
Plus: Other assets	1,458.00	1,461.00	1,449.00	1,590.00	1,730.00	1,905.10	2,025.29	2,103.24	2,210.07	2,280.23	2,337.23
Less: Liabilities for errors and omissions	(366.00)	(355.00)	(355.00)	(314.00)	(305.00)	(335.87)	(357.06)	(370.80)	(389.64)	(402.01)	(412.06)
Less: Other liabilities	(1,485.00)	(1,712.00)	(1,363.00)	(1,267.00)	(1,265.00)	(1,393.03)	(1,480.92)	(1,537.92)	(1,616.03)	(1,667.33)	(1,709.02)
Invested Capital (IC)	23,031.00	23,195.00	22,657.00	26,177.00	34,086.00	32,685.71	32,510.89	32,310.95	32,194.02	32,012.54	31,673.41
FREE CASH FLOW (FCF):											
NOPLAT	-	3,482.54	3,505.72	4,064.75	4,560.18	4,825.80	5,119.40	5,313.88	5,580.62	5,755.81	5,898.36
Change in IC	-	164.00	(538.00)	3,520.00	7,909.00	(1,400.29)	(174.82)	(199.94)	(116.93)	(181.49)	(339.13)
FCF	-	3,318.54	4,043.72	544.75	(3,348.82)	6,226.10	5,294.22	5,513.82	5,697.55	5,937.30	6,237.48
RETURN ON INVESTED CAPITAL (ROIC):											
NOPLAT	-	3,482.54	3,505.72	4,064.75	4,560.18	4,825.80	5,119.40	5,313.88	5,580.62	5,755.81	5,898.36
Beginning IC	-	23,031.00	23,195.00	22,657.00	26,177.00	34,086.00	32,685.71	32,510.89	32,310.95	32,194.02	32,012.54
ROIC	-	15.12%	15.11%	17.94%	17.42%	14.16%	15.66%	16.34%	17.27%	17.88%	18.43%
ECONOMIC PROFIT (EP):											
Beginning IC	-	23,031.00	23,195.00	22,657.00	26,177.00	34,086.00	32,685.71	32,510.89	32,310.95	32,194.02	32,012.54
x (ROIC - WACC)	-	8.33%	8.33%	11.15%	10.63%	7.37%	8.88%	9.56%	10.48%	11.09%	11.64%
EP	-	1,919.41	1,931.46	2,527.01	2,783.54	2,512.37	2,901.00	3,107.35	3,387.66	3,570.78	3,725.65



Marsh & McLennan Companies, Inc.
Weighted Average Cost of Capital (WACC) Estimation

Cost of Equity:

Risk-Free Rate	4.14%
Beta	0.66
Equity Risk Premium	5.00%
Cost of Equity	7.44%

ASSUMPTIONS:

U.S. Department of the Treasury (10Y)
Factset (3Y Adj.)
Henry Fund Estimate

Cost of Debt:

Risk-Free Rate	4.14%
Implied Default Premium	0.89%
Pre-Tax Cost of Debt	5.03%
Marginal Tax Rate	25%
After-Tax Cost of Debt	3.79%

U.S. Department of the Treasury (10Y)
Factset

Market Value of Common Equity:

Total Shares Outstanding	492.00
Current Stock Price	\$200.23
MV of Equity	\$ 98,513.16

MV Weights

82.12%

Market Value of Debt:

Short-Term Debt	519.00
Long-Term Debt	19,428.00
PV of Operating Leases	1,498.00
MV of Total Debt	21,445.00

17.88%

Market Value of the Firm

#####

100.00%

Estimated WACC

6.79%



Key Inputs:

CV Growth of NOPLAT	2.50%
CV Year ROIC	18.43%
WACC	6.79%
Cost of Equity	7.44%

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E
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DCF Model:

Free Cash Flow (FCF)	6,226.10	5,294.22	5,513.82	5,697.55	5,937.30	6,237.48
Continuing Value (CV)						118,917.08
PV of FCF	5,830.38	4,642.63	4,527.90	4,381.41	4,275.59	85,634.97

$$CV = NOPLAT * (1 - (g / ROIC)) / (WACC - g)$$

Value of Operating Assets:	109,292.88
Non-Operating Adjustments:	
Add: Excess cash	(1,236.03)
Add: Pension related assets	2,017.93
Less: Long term debt	(19,428.00)
Less: Short term debt	(519.00)
Less: Long term lease liability	(1,651.60)
Less: Pension related debt	(672.00)
Less: ESOP	(488.41)
Less: Non-controlling interests	(263.65)
Value of Equity	87,052.11
Shares Outstanding	492.00
Intrinsic Value of Last FYE	176.94
Implied Price as of Today	\$ 184.84

EP Model:

Economic Profit (EP)	2,512.37	2,901.00	3,107.35	3,387.66	3,570.78	3,725.65
Continuing Value (CV)						86,904.54
PV of EP	2,352.69	2,543.96	2,551.72	2,605.10	2,571.41	62,582.00

$$CV = (EP / WACC) + (NOPLAT * (g / ROIC) * (ROIC - WACC)) / (WACC * (WACC - g))$$

Total PV of EP	75,206.88
Invested Capital (last FYE)	34,086.00
Value of Operating Assets:	109,292.88
Non-Operating Adjustments	
Add: Excess cash	(1,236.03)
Add: Pension related assets	2,017.93
Less: Long term debt	(19,428.00)
Less: Short term debt	(519.00)
Less: Long term lease liability	(1,651.60)
Less: Pension related debt	(672.00)
Less: ESOP	(488.41)
Less: Non-controlling interests	(263.65)
Value of Equity	87,052.11
Shares Outstanding	492.00
Intrinsic Value of Last FYE	176.94
Implied Price as of Today	\$ 184.84

DCF & EP Prices Match? TRUE



Fiscal Years Ending	2025E	2026E	2027E	2028E	2029E	2030E
EPS	\$ 8.52	\$ 9.13	\$ 9.75	\$ 10.53	\$ 11.04	\$ 11.61
Key Assumptions						
CV growth of EPS	2.50%					
CV Year ROE	23.19%					
Cost of Equity	7.44%					
Future Cash Flows						
P/E Multiple (CV Year)						18.06
EPS (CV Year)						\$ 11.61
Future Stock Price						\$ 209.63
Dividends Per Share	\$ 3.42	\$ 3.67	\$ 3.85	\$ 4.09	\$ 4.26	
Discounted Cash Flows	3.18	3.18	3.11	3.07	2.98	146.43
Intrinsic Value as of Last FYE	\$ 161.94					
Implied Price as of Today	\$ 169.18					

<= P/E = (1-(g/ROE))/(Re-g)

<= Discount future stock price by 1 period less.

**Marsh & McLennan Companies, Inc.***Relative Valuation Models*

Ticker	Company	Price	EPS		P/E 25	P/E 26
			2025E	2026E		
AON	Aon Plc	\$351.32	\$12.83	\$15.79	27.38	22.25
AJG	Arthur J. Gallagher & Co.	\$299.65	\$8.00	\$10.29	37.46	29.12
WTW	Willis Towers Watson Public Limited Company	\$336.71	\$15.66	\$17.53	21.50	19.21
BRO	Brown & Brown, Inc.	\$91.73	\$3.30	\$3.87	27.80	23.70
Average					28.53	23.57

MMC	Marsh & McLennan Companies, Inc.	\$200.23	\$ 8.52	\$ 9.13	23.5	21.9
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Implied Relative Value:

P/E (EPS25)	\$ 243.15
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P/E (EPS26)	\$ 215.21
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Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Liquidity Ratios:											
Current Ratio (Current Assets/Current Liabilities)	124.39%	124.20%	115.71%	121.70%	131.53%	107.27%	126.41%	144.88%	164.43%	184.18%	202.98%
Cash Ratio (Cash/Current Liabilities)	31.86%	26.33%	20.11%	37.31%	29.09%	12.10%	30.68%	48.80%	67.86%	87.48%	107.35%
Quick Ratio (Cash & Receivables/Current Liabilities)	113.10%	110.28%	101.70%	108.61%	115.92%	92.52%	111.48%	129.92%	149.42%	169.20%	188.12%
Asset-Management Ratios:											
Receivables Turnover (Revenue/Accounts Receivable)	3.23	3.55	3.54	3.54	3.42	3.49	3.51	3.51	3.50	3.48	3.50
Average Collection Period (365/(Revenue/Accounts Receivable))	112.87	102.87	103.09	103.03	106.79	104.68	103.92	104.09	104.40	104.77	104.37
Total Asset Turnover (Revenue/Total Assets)	0.52	0.58	0.62	0.61	0.54	0.61	0.61	0.61	0.60	0.59	0.58
Financial Leverage Ratios:											
Debt to Asset Ratio (Total Debt/Total Assets)	0.34	0.32	0.34	0.36	0.44	0.37	0.36	0.35	0.33	0.32	0.30
Debt to Capital Ratio (Total Debt/Total Liabilities & Equity)	0.34	0.32	0.34	0.36	0.44	0.37	0.36	0.35	0.33	0.32	0.30
Debt to EBIT Ratio (Total Debt/Operating Income)	3.69	2.54	2.69	2.55	3.43	2.64	2.52	2.44	2.35	2.29	2.24
Debt to Equity Ratio (Total Debt/Total Equity)	1.22	0.98	1.07	1.09	1.47	1.12	1.02	0.93	0.85	0.77	0.70
Profitability Ratios:											
Return on Equity (Net Income/Beg TSE)	21.77%	28.01%	28.37%	30.36%	30.00%	28.09%	27.19%	26.30%	25.60%	24.26%	23.19%
Profit Margin (Net Income/Revenue)	11.70%	15.86%	14.72%	16.52%	16.60%	15.56%	15.69%	16.13%	16.57%	16.85%	17.28%
Return on Assets (Net Income/Total Assets)	6.10%	9.14%	9.12%	10.09%	8.98%	9.42%	9.60%	9.79%	10.00%	9.97%	9.98%
Gross Margin ((Revenue-Operating Expenses)/Revenue)	17.80%	21.76%	20.66%	23.23%	23.78%	23.40%	23.37%	23.36%	23.36%	23.36%	23.36%
ROIC ((Operating Income * (1 - Tax rate)) / (Operating assets - Operating liabilities))	7.59%	10.37%	10.17%	11.52%	9.76%	10.53%	11.06%	11.41%	11.84%	12.14%	12.48%
Payout Policy Ratios:											
Dividend Payout Ratio (Dividend/EPS)	-	-	-	34.23%	37.08%	40.14%	40.22%	39.52%	38.84%	38.59%	38.00%
Total Payout Ratio ((Divs. + Repurchases)/NI)	46.78%	69.52%	101.25%	65.18%	59.43%	71.95%	69.16%	68.71%	65.87%	64.37%	62.51%
Retention Ratio (1-Total Payout Ratio)	53.22%	30.48%	-1.25%	34.82%	40.57%	28.05%	30.84%	31.29%	34.13%	35.63%	37.49%



Marsh & McLennan Companies, Inc.
Present Value of Operating Lease Obligations

Fiscal Years Ending Dec. 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Year 1	317.0	325.0	326.0	314.0	329.0	413.0	410.0	389.0	362.0	372.0	382.0
Year 2	286.0	297.0	303.0	282.0	309.0	359.0	380.0	350.0	324.0	345.0	355.0
Year 3	248.0	269.0	261.0	260.0	265.0	335.0	331.0	307.0	291.0	319.0	313.0
Year 4	216.0	224.0	230.0	223.0	242.0	288.0	288.0	276.0	268.0	280.0	239.0
Year 5	177.0	192.0	194.0	206.0	205.0	241.0	256.0	253.0	232.0	199.0	197.0
Thereafter	974.0	842.0	859.0	772.0	721.0	974.0	905.0	924.0	751.0	722.0	700.0
Total Minimum Payments	2218.0	2149.0	2173.0	2057.0	2071.0	2610.0	2570.0	2499.0	2228.0	2237.0	2186.0
Less: Cumulative Interest	475.3	425.6	432.5	395.3	384.2	502.5	478.3	475.9	406.6	404.1	389.4
PV of Minimum Payments	1742.7	1723.4	1740.5	1661.7	1686.8	2107.5	2091.7	2023.1	1821.4	1832.9	1796.6
Implied Interest in Year 1 Payment		87.7	86.7	87.5	83.6	84.8	106.0	105.2	101.8	91.6	92.2
Pre-Tax Cost of Debt	5.03%	5.03%	5.03%	5.03%	5.03%	5.03%	5.03%	5.03%	5.03%	5.03%	5.03%
Years Implied by Year 6 Payment	5.5	4.4	4.4	3.7	3.5	4.0	3.5	3.7	3.2	3.6	3.6
Expected Obligation in Year 6 & Beyond	177	192	194	206	205	241	256	253	232	199	197
Present Value of Lease Payments											
PV of Year 1	301.8	309.4	310.4	299.0	313.2	393.2	390.4	370.4	344.7	354.2	363.7
PV of Year 2	259.3	269.2	274.7	255.6	280.1	325.4	344.5	317.3	293.7	312.7	321.8
PV of Year 3	214.0	232.2	225.3	224.4	228.7	289.1	285.7	265.0	251.2	275.3	270.1
PV of Year 4	177.5	184.1	189.0	183.3	198.9	236.7	236.7	226.8	220.2	230.1	196.4
PV of Year 5	138.5	150.2	151.8	161.2	160.4	188.6	200.3	197.9	181.5	155.7	154.1
PV of 6 & beyond	651.6	578.3	589.4	538.3	505.5	674.4	634.2	645.8	530.1	504.9	490.4
Capitalized PV of Payments	1742.7	1723.4	1740.5	1661.7	1686.8	2107.5	2091.7	2023.1	1821.4	1832.9	1796.6

**Marsh & McLennan Companies, Inc.***Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding*

Number of Options Outstanding (shares):	5.61
Average Time to Maturity (years):	5.10
Expected Annual Number of Options Exercised:	1.10

Current Average Strike Price:	\$ 126.64
Cost of Equity:	7.44%
Current Stock Price:	\$200.23

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E
Increase in Shares Outstanding:	1.10	1.10	1.10	1.10	1.10	0.11
Average Strike Price:	\$ 126.64	\$ 126.64	\$ 126.64	\$ 126.64	\$ 126.64	\$ 126.64
Increase in Common Stock Account:	139.32	139.32	139.32	139.32	139.32	13.93
Share Repurchases (\$)	1,333.00	1,300.00	1,400.00	1,400.00	1,400.00	1,400.00
Expected Price of Repurchased Shares:	\$ 200.23	\$ 212.32	\$ 225.15	\$ 238.75	\$ 253.17	\$ 268.46
Number of Shares Repurchased:	6.66	6.12	6.22	5.86	5.53	5.21
Shares Outstanding (beginning of the year)	492.00	486.44	481.42	476.30	471.54	467.11
Plus: Shares Issued Through ESOP	1.10	1.10	1.10	1.10	1.10	0.11
Less: Shares Repurchased in Treasury	6.66	6.12	6.22	5.86	5.53	5.21
Shares Outstanding (end of the year)	486.44	481.42	476.30	471.54	467.11	462.00



Marsh & McLennan Companies, Inc.
Valuation of Options Granted under ESOP

Current Stock Price	\$200.23
Risk Free Rate	4.14%
Current Dividend Yield	1.40%
Annualized St. Dev. of Stock Returns	20.95%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Balance at December 31, 2024	5.61	\$ 126.64	5.10 yrs	\$ 87.05	\$ 488

Total	5.61	\$ 126.64	5.10	\$ 99.93	\$ 488.41
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