UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 29, 2019**

MORNINGSTAR, INC.
(Exact name of registrant as specified in its charter)

Illinois	**000-51280**	**36-3297908**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

22 West Washington Street **Chicago, Illinois**	**60602**
(Address of principal executive offices)	(Zip Code)

(312) 696-6000
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common stock, no par value	MORN	The Nasdaq Stock Market LLC

Item 7.01. Regulation FD Disclosure.

On May 29, 2019, Morningstar, Inc. issued a press release announcing that it has entered into a definitive agreement to acquire Ratings Acquisition Corp, the parent company of DBRS, a global credit ratings agency, for a purchase price of $669 million. A copy of the press release is filed as Exhibit 99.1. Morningstar also published a stakeholder letter regarding the transaction, a copy of which is filed as Exhibit 99.2.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Description
99.1	Press Release dated May 29, 2019.
99.2	Stakeholder Letter dated May 29, 2019.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MORNINGSTAR, INC.

Date: May 29, 2019	By:	/s/ Jason Dubinsky
	Name:	Jason Dubinsky
	Title:	Chief Financial Officer

Exhibit 99.1

Morningstar to Accelerate Credit Ratings Business with DBRS Acquisition
Both share vision for next generation of credit ratings with better technology, more transparency, and depth of analysis

CHICAGO, May 29, 2019 — Morningstar, Inc. (Nasdaq: MORN), a leading provider of independent investment research, today announced it has entered into a definitive agreement to acquire DBRS , the world's fourth-largest credit ratings agency, for a purchase price of $669 million. The combination of DBRS with Morningstar Credit Ratings' U.S. business will expand global asset class coverage and provide an enhanced platform for providing investors with leading fixed-income analysis and research.

"The chance to empower investors with the independent research and opinions they need across a multitude of securities first drove our decision to enter the credit ratings business," said Morningstar Chief Executive Officer Kunal Kapoor. "DBRS and Morningstar share research-centric cultures committed to rigor and independence. Together, we believe we can elevate the industry with the world's first fintech ratings agency backed by state-of-the-art models, modern technology, and expert research teams that issuers and investors can count on to deliver transparent and independent ratings."

For more than 40 years, DBRS has built a strong market presence across Europe, the U.S., and especially Canada. As the world's fourth-largest credit ratings agency, the company rates more than 2,400 issuer families and nearly 50,000 securities worldwide. The Carlyle Group and Warburg Pincus led the acquisition of DBRS in 2014.

DBRS reported $167 million [1] USD in revenue for the fiscal year ended November 30, 2018. The business generates strong cash flow with operating margins that are consistent with Morningstar's overall business. On a preliminary pro forma basis, if Morningstar owned DBRS as of Dec. 31, 2018, revenue from credit ratings would have represented approximately 17% of Morningstar's total revenue.

"DBRS's more than 40 years of experience and success coupled with Morningstar's proven capabilities will offer an even stronger global alternative to larger ratings agencies," said DBRS Chief Executive Officer Stephen Joynt. "Both DBRS and Morningstar are driven by similar core values that aim to bring more clarity, diversity, transparency, and responsiveness to the ratings process, which makes Morningstar a perfect fit for us."

Building on the strength of its equity research, Morningstar first began publishing non-Nationally Recognized Statistical Rating Organization (NRSRO) credit ratings on public companies in 2009 and in 2010 acquired Realpoint, a NRSRO with a specialty in commercial mortgage-backed securities (CMBS). As a long-term key product area for Morningstar, its credit

[1] Revenue translated to USD from CAD using an average exchange rate of 0.76372 for the period of November 30, 2017 to November 30, 2018.

rating activities have since expanded to include residential mortgage-backed securities (RMBS), agency risk transfers, single-family rentals, asset-backed securities (ABS), collateralized loan obligations (CLOs), corporate securities, financial institutions and real estate investment trusts (REITs). Morningstar Credit Ratings has also tripled its technology team, grown impressive talent, and moved to an all-new New York City headquarters at 4 World Trade Center.

DBRS has more than 500 people spread across seven locations and will continue to be led by its existing management team. Morningstar intends to name a leader of the combined businesses by the time the deal closes, and the companies plan to work together on decisions over time regarding the integration to ensure the combination is set up for long-term success.

Morningstar intends to fund the transaction with a mix of cash and debt, which will include the placement of a new credit facility at closing. The transaction is expected to be accretive to net income per share in the first fiscal year after completion with an estimated closing in the third quarter of 2019, subject to regulatory approval and customary closing conditions.

To learn more, watch a video message from Kapoor here and read his letter to employees, partners, and shareholders here .

Lazard Frères & Co. LLC served as exclusive financial advisor to DBRS, and Wachtell , Lipton, Rosen & Katz served as legal counsel to DBRS. Winston & Strawn LLP served as legal counsel to Morningstar.

About Morningstar, Inc.
Morningstar, Inc. is a leading provider of independent investment research in North America, Europe, Australia, and Asia. The company offers an extensive line of products and services for individual investors, financial advisors, asset managers, retirement plan providers and sponsors, and institutional investors in the private capital markets. Morningstar provides data and research insights on a wide range of investment offerings, including managed investment products, publicly listed companies, private capital markets, and real-time global market data. Morningstar also offers investment management services through its investment advisory subsidiaries, with more than $210 billion in assets under advisement and management as of March 31, 2019. The company has operations in 27 countries. For more information, visit www.morningstar.com/company . Follow Morningstar on Twitter @MorningstarInc.

About DBRS
DBRS is an independent, privately held, globally recognized credit ratings agency with offices in Toronto, New York, Stamford, Chicago, London, Frankfurt and Madrid. Founded in 1976 in Canada, DBRS is growing rapidly internationally. DBRS's four decades of experience and strong track record are the foundation to seek out new opportunities and to make targeted investments aligned with its core ratings operations. As the world's fourth-largest ratings agency, DBRS's approach and size provide the agility to respond to customers' needs in their local markets, while being large enough to provide the necessary expertise and resources. For

more information, visit www.dbrs.com .

Caution Concerning Forward-Looking Statements

This press release contains forward-looking statements as that term is used in the Private Securities Litigation Reform Act of 1995. These statements are based on our current expectations about future events or future financial performance. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, and often contain words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “prospects,” or “continue.” These statements involve known and unknown risks and uncertainties that may cause the events we discuss not to occur or to differ significantly from what we expect. For us, these risks and uncertainties include, among others, liability for any losses that result from an actual or claimed breach of our fiduciary duties; failing to maintain and protect our brand, independence, and reputation; failing to differentiate our products and continuously create innovative, proprietary research tools; liability related to the storage of personal information related to individuals as well as portfolio and account-level information; inadequacy of our business continuity program in the event of a material emergency or adverse political or regulatory developments; failing to respond to technological change, keep pace with new technology developments, or adopt a successful technology strategy; trends in the asset management industry, including the decreasing popularity of actively managed investment vehicles and increased industry consolidation; an outage of our database, technology-based products and services, or network facilities or the movement of parts of our technology infrastructure to the public cloud; compliance failures, regulatory action, or changes in laws applicable to our investment advisory or credit rating operations; volatility in the financial sector, global markets, and global economy and its effect on our revenue from asset-based fees and credit ratings business; the failure of acquisitions and other investments to produce the results we anticipate; the failure to recruit, develop, and retain qualified employees; challenges faced by our non-U.S. operations, including the concentration of data and development work at our offshore facilities in China and India; liability relating to the acquisition or redistribution of data or information we acquire or errors included therein; and the failure to protect our intellectual property rights or claims of intellectual property infringement against us. A more complete description of these risks and uncertainties can be found in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2018. If any of these risks and uncertainties materialize, our actual future results may vary significantly from what we expected. We do not undertake to update our forward-looking statements as a result of new information or future events.

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Dear Morningstar colleagues, soon-to-be colleagues at DBRS, partners, and shareholders,

I am pleased to share with you that this morning we announced our agreement to acquire DBRS, the world's fourth-largest credit ratings agency, for $669 million. It is Morningstar's largest acquisition to date and a strong signal of our intent to develop a fintech ratings agency known for its robust analysis, technological innovation, and commitment to empowering investor success.

To everyone at DBRS, we are excited about joining together to improve the fixed-income ratings experience for both issuers and investors. We have watched admiringly as you have strengthened your influence and, much like Morningstar, brought a tradition of independence and transparency to an opaque corner of the financial markets. We're going to get along well.

We have a history of emphasizing organic growth, and when we pursue acquisitions, the bar is high. We see great potential in joining forces with DBRS, and I believe that this is the best investment we can make on behalf of our stakeholders at this time.

Mission and Culture

We are a mission-driven firm with a unique culture that prizes transparency, independence, and long-term thinking.

When we make acquisitions, we start by getting comfortable with the cultural fit and evaluating whether any potential partner can embrace our mission of empowering investor success. In DBRS, we see a like-minded organization with great people who share our commitment to serve the entire spectrum of the fixed-income investment community—from the issuer seeking ratings to the advisor selecting the most suitable fixed-income instruments for a client's portfolio to the individual investor curious about bonds. Despite bonds being an important part of a well-diversified portfolio, the size and complexity of the fixed-income universe can be especially challenging for advisors and individual investors to navigate and comprehend. Together, DBRS and Morningstar will stand ready to serve as guides. And we'll do so with the transparency, independence, and long-term thinking that earns trust from all investors.

We also seek firms where key managers will see us as a partner of choice and want to continue building their careers with us. Just as others who have come to Morningstar by way of acquisition

have gone on to build long and successful careers with us, we're confident that DBRS employees will do the same.

Transparency, innovation, and responsiveness are the cornerstones of a differentiated approach that we believe will resonate with clients seeking alternatives. DBRS has adopted similar strategies as part of its own growth plans. Our combined opportunity to fulfill investor desire for full transparency into the credit ratings process is undoubtedly made possible by technological innovation. We're well positioned to leverage technology to provide fast and comprehensive surveillance of existing ratings and markets, including for private companies, and we're delving into the use of transformative approaches such as blockchain in the asset origination and bond issuance process.

We're also looking forward to additional collaboration between our credit ratings team and another one of our partners, Sustainalytics, to provide opinions on green bonds and environmental, social, and governance (ESG) risks among bond issuers. With ESG investing gaining traction across the globe, we believe this will be a differentiating factor that will take on increasing relevance over the long run. It's exciting to think about how, together, our thought leadership and innovation can shake up this industry.

Capital Allocation

The acquisition of DBRS represents a unique opportunity to allocate capital in pursuit of a terrific growth market with high future cash flow potential.

For some time now, we've identified Morningstar Credit Ratings (MCR) as a key investment area with outsized growth potential underpinned by a large, growing, global market. We entered the credit ratings market in 2009, acquired Realpoint in 2010, and accomplished much along the way, including establishing our status as a Nationally Recognized Statistical Rating Organization (NRSRO), developing top talent, improving our market position in esoteric asset classes, and opening our state-of-the-art MCR headquarters in New York City at 4 World Trade Center.

Today, we estimate a total addressable market of $8 billion in global credit ratings, which has grown at a compounded annual growth rate of approximately 7% over the past 10 years. While low interest rates continue to support corporate borrowing demand, the secular growth story here is also a good one. Bond issuances have increasingly displaced bank loans in the U.S. and Europe, and ratings activity hasn't kept pace with the proliferation of new structured product categories, particularly in esoteric asset-backed securities, where we believe we can improve transparency particularly in esoteric asset-backed securities, where we believe we can improve transparency.

Plus, DBRS has already created a highly profitable, cash-flow-generative business. We will use this cash flow to invest back in the business and build a compelling alternative to the competition.

Global Growth

DBRS's well-known, well-respected business in Canada has a wide economic moat, and we're also excited about our combined prospects in the U.S. and Europe.

Given the scarcity of great assets in the credit ratings industry, we moved quickly to secure one that dovetailed with our own ambitions. DBRS's wide-moat Canadian franchise embodies a storied brand, high switching costs, and long-term relationships with customers in key markets. Outside of Canada, DBRS also has strong positions in the U.S. and Europe in structured products. Furthermore, DBRS's European business possesses regulatory approvals that are difficult to obtain, accelerating our existing plans for geographic expansion in the space. Replicating these competitive advantages on our own would have been costly and time consuming.

Composition of the Combined Entity

DBRS ended fiscal 2018 with $167 million[1] USD in revenue, as compared with MCR's 2018 revenue of $36 million. On a preliminary pro forma basis, assuming we owned the entity as of December 31, 2018, revenue from credit ratings would have represented approximately 17% of Morningstar's total revenue.

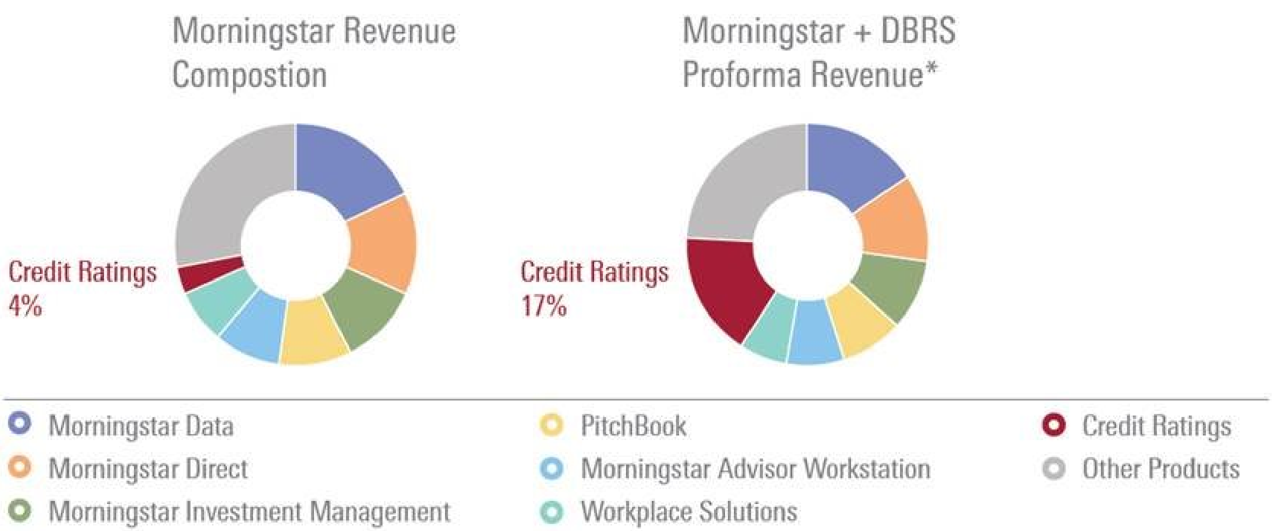

*Chart represents DBRS as a portion of Morningstar's overall revenue on a preliminary historical pro forma basis, as if Morningstar owned the entity as of December 31, 2018. The proforma analysis factors in some estimated product overlap, which reduces the combined revenue by an immaterial amount.

(1) Revenue translated to USD from CAD using an average exchange rate of 0.76372 for the period of November 30, 2017 to November 30, 2018.

The addition of DBRS increases the portion of Morningstar's revenue that is transactional, or non-recurring, in nature and heightens the influence of new-issue market conditions on our financial performance. However, the combination gives us greater ability to build scale and diversification in credit ratings across markets and asset classes. This strengthens our ability to compete and capitalize on the meaningful long-term opportunity in the market.

In the U.S., DBRS and Morningstar will have an established and growing presence. DBRS's leadership in asset-backed securities (ABS) and financial institution (FI) ratings will round out Morningstar's fixed-income product portfolio in the U.S. market. Furthermore, the combination represents minimal product overlap in only four U.S. categories: commercial mortgage-backed securities (CMBS) single-asset/single-borrower; CMBS conduit; residential mortgage-backed securities (RMBS) agency; and RMBS non-qualified mortgage (Non-QM).

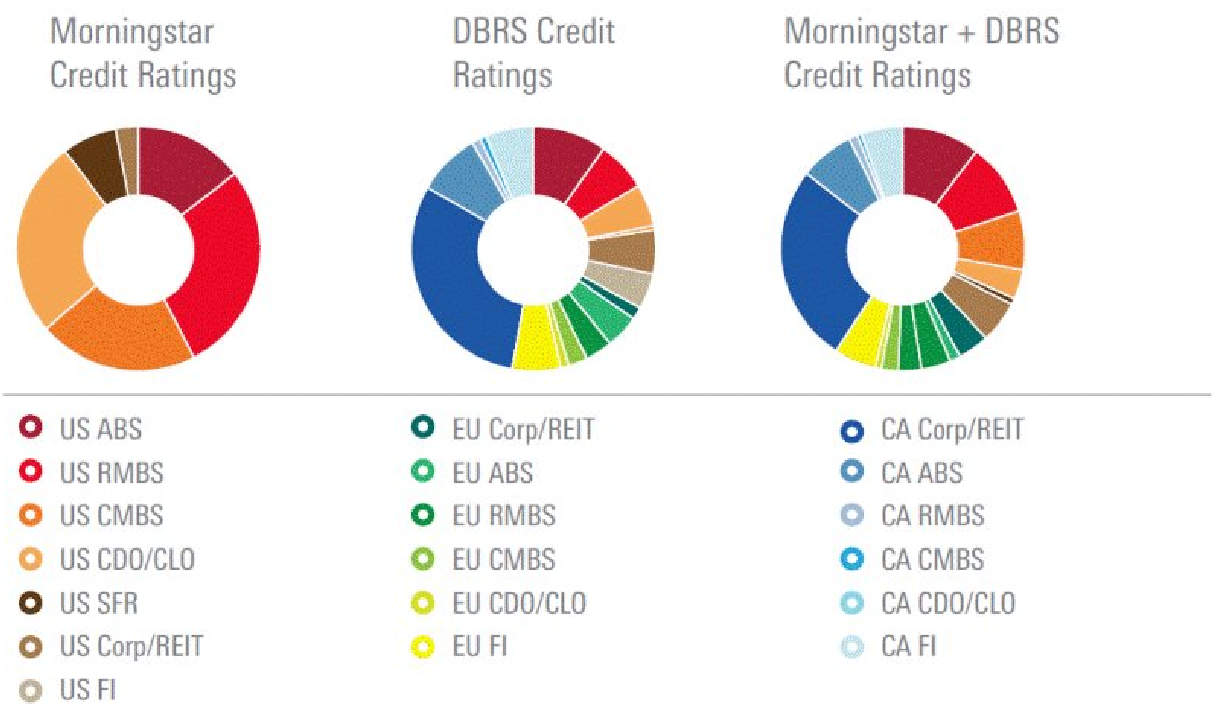

Chart combines DBRS's 2018 deal counts with Morningstar's to represent product portfolio diversity, as if Morningstar owned the entity in 2018.

DBRS's presence in Europe and Canada further enhances our product diversity. For example, DBRS brings meaningful exposure in both corporate and ABS ratings in Canada and adds a well-balanced portfolio of ratings across asset classes in Europe. Since MCR's revenue profile had been historically concentrated in the U.S., adding these product categories to the portfolio will also result in a broader revenue profile. Assuming Morningstar owned DBRS as of December 31, 2018, approximately 50% of the combined entity's credit ratings revenue would have come from the U.S., 28% from Canada, and the remainder from Europe.

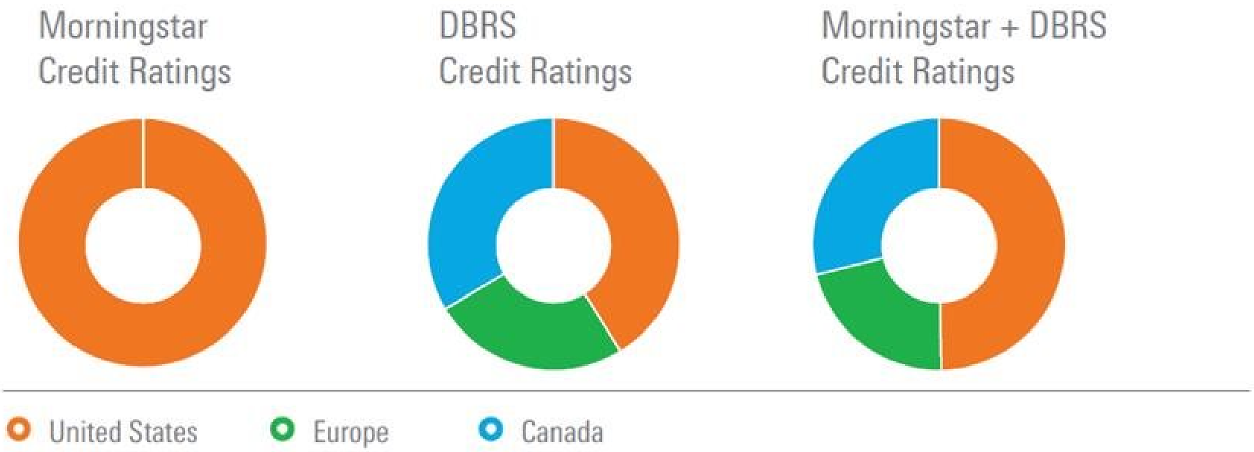

Chart includes DBRS's geographic revenue on a preliminary historical pro forma basis, as if Morningstar owned the entity as of December 31, 2018.

Together, DBRS and Morningstar can fulfill growing demand for differentiated fixed-income data, research, and analytics, a powerful secular trend that could serve as the backbone for change in the industry. Despite increased calls for transparency since the financial crisis, we do not believe there has been adequate change to restore investor trust. Dominant competitors remain entrenched and fail to innovate on behalf of investors while delivering ratings in much the same manner as they had before the crisis.

We are looking forward to welcoming the highly respected, seasoned, and global DBRS team to the Morningstar family. We expect they will be inspired by our own successful history of influencing change on behalf of issuers and investors. Together, we will pursue an attractive opportunity for growth that will translate first into a great outcome for issuers and investors, while also resulting in value creation for our broader stakeholder groups.

Best regards,
Kunal