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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended August 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-36495

IHS MARKIT LTD.
(Exact name of registrant as specified in its charter)

Bermuda	**001-36495**	**98-1166311**
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(IRS Employer Identification Number)

4th Floor, Ropemaker Place
25 Ropemaker Street
London, England
EC2Y 9LY
(Address of Principal Executive Offices)

+44 20 7260 2000
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Shares, $0.01 par value per share	INFO	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ Smaller reporting company ☐
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of August 31, 2021, there were 398,841,378 Common Shares outstanding (excluding 25,219,470 outstanding common shares held by the Markit Group Holdings Limited Employee Benefit Trust).

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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. These statements, which express management’s current views concerning future business, events, trends, contingencies, financial performance, or financial condition, appear at various places in this report and use words like “aim,” “anticipate,” “assume,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “future,” “goal,” “intend,” “likely,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “see,” “seek,” “should,” “strategy,” “strive,” “target,” “will,” and “would” and similar expressions, and variations or negatives of these words. Examples of forward-looking statements include, among others, statements we make regarding: the completion of the merger with S&P Global Inc. (“S&P Global”) on anticipated terms and timing, including unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion, and growth of the combined company’s operations and other conditions to the completion of the merger; the ability of S&P Global and IHS Markit to integrate the business successfully and to achieve anticipated synergies; potential litigation relating to the proposed transaction that could be instituted against S&P Global, IHS Markit, or their respective directors; the risk that disruptions from the proposed transaction will harm S&P Global’s and IHS Markit’s business, including current plans and operations; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the merger; rating agency actions; potential business uncertainty, including changes to existing business relationships, during the pendency of the merger that could affect IHS Markit’s financial performance; certain restrictions during the pendency of the merger that may impact IHS Markit’s ability to pursue certain business opportunities or strategic transactions; guidance and predictions relating to expected operating results, such as revenue growth and earnings; strategic actions such as acquisitions, joint ventures, and dispositions, the anticipated benefits therefrom, and our success in integrating acquired businesses; anticipated levels of capital expenditures in future periods; anticipated levels of indebtedness, capital allocation, dividends, and share repurchases in future periods; our belief that we have sufficient liquidity to fund our ongoing business operations; expectations of the effect on our financial condition of claims, litigation, environmental costs, contingent liabilities, and governmental and regulatory investigations and proceedings; and our strategy for customer retention, growth, product development, market position, financial results, and reserves. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on management’s current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict and many of which are outside of our control. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: operating in competitive markets, economic and financial conditions, including volatility in interest and exchange rates; our ability to develop new products and services; our ability to manage system failures or capacity constraints; our ability to manage fraudulent or unpermitted data access or other cyber-security or privacy breaches; our ability to successfully manage risks associated with changes in demand for our products and services; our ability to manage our relationships with third-party service providers; legislative, regulatory, and economic developments, including any new or proposed U.S. Treasury rule changes; the extent to which we are successful in gaining new long-term relationships with customers or retaining existing ones and the level of service failures that could lead customers to use competitors' services; the anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion, and growth of our operations; our ability to retain and hire qualified personnel; our ability to satisfy our debt obligations and our other ongoing business obligations; the occurrence of any catastrophic events, including acts of terrorism or outbreak of war or hostilities; and risks related to public health and safety issues, including the COVID-19 pandemic, on our operations and the operations of our customers and suppliers. These risks, as well as other risks which would cause actual results to be significantly different from those expressed or implied by these forward-looking statements, are more fully discussed under the caption "Risk Factors" in our Annual Report on Form 10-K, along with our other filings with the U.S. Securities and Exchange Commission ("SEC"). While the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on our consolidated financial condition, results of operations, credit rating, or liquidity. Therefore, you should not rely on any of these forward-looking statements. Any forward-looking statement made by us in this Quarterly Report on Form 10-Q is based only on information currently available to our management and speaks only as of the date of this report. We do not assume any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.

Website and Social Media Disclosure

We use our website (www.ihsmarkit.com) and corporate Twitter account (@IHSMarkit) as routine channels of distribution of company information, including news releases, analyst presentations, and supplemental financial information, as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor our website and our corporate Twitter account in addition to following press releases, SEC filings and public conference calls and webcasts. Additionally, we provide notifications of news or announcements as part of our investor relations website. Investors and others can receive notifications of new information posted on our investor relations website in real time by signing up for email alerts.

None of the information provided on our website, in our press releases, public conference calls, and webcasts, or through social media channels is incorporated into, or deemed to be a part of, this quarterly report on Form 10-Q or in any other report or document we file with the SEC, and any references to our website or our social media channels are intended to be inactive textual references only.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

IHS MARKIT LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except par value)

	As of August 31, 2021 (Unaudited)	As of November 30, 2020 (Audited)
Assets		
Current assets:		
Cash and cash equivalents	$ 337.9	$ 125.6
Accounts receivable, net	857.8	891.7
Deferred subscription costs	85.3	84.3
Assets held for sale	1,259.9	—
Other current assets	118.1	131.7
Total current assets	2,659.0	1,233.3
Non-current assets:		
Property and equipment, net	689.2	724.8
Operating lease right-of-use assets, net	263.6	296.8
Intangible assets, net	3,142.4	3,846.1
Goodwill	9,445.3	9,908.7
Deferred income taxes	27.1	27.1
Other	269.9	98.4
Total non-current assets	13,837.5	14,901.9
Total assets	$ 16,496.5	$ 16,135.2
Liabilities and equity		
Current liabilities:		
Short-term debt	$ 236.2	$ 268.1
Accounts payable	35.4	48.2
Accrued compensation	188.6	206.1
Other accrued expenses	405.0	477.6
Income tax payable	40.3	29.1
Deferred revenue	939.7	886.2
Operating lease liabilities	55.7	63.5
Liabilities held for sale	147.6	—
Total current liabilities	2,048.5	1,978.8
Long-term debt, net	4,644.8	4,641.7
Deferred income taxes	441.2	543.4
Operating lease liabilities	268.0	297.7
Other liabilities	173.1	130.4
Commitments and contingencies		
Redeemable noncontrolling interests	12.9	13.8
Shareholders' equity:		
Common shares, $0.01 par value, 3,000.0 authorized, 483.5 and 480.4 issued, and 398.8 and 396.5 outstanding at August 31, 2021 and November 30, 2020, respectively	4.8	4.8
Additional paid-in capital	7,963.0	7,830.2
Treasury shares, at cost: 84.7 and 83.9 at August 31, 2021 and November 30, 2020, respectively	(3,131.5)	(3,039.8)
Retained earnings	4,069.0	3,842.1
Accumulated other comprehensive income (loss)	2.7	(107.9)
Total shareholders' equity	8,908.0	8,529.4
Total liabilities and equity	$ 16,496.5	$ 16,135.2

See accompanying notes.

IHS MARKIT LTD.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In millions, except for per-share amounts)

	Three months ended August 31,		Nine months ended August 31,	
	2021	2020	2021	2020
Revenue	$ 1,180.5	$ 1,073.2	$ 3,481.8	$ 3,180.6
Operating expenses:				
Cost of revenue	425.7	385.6	1,266.7	1,189.7
Selling, general and administrative	285.6	258.7	871.1	833.0
Depreciation and amortization	145.1	147.6	447.2	442.3
Restructuring and impairment charges	2.5	12.1	11.2	97.9
Acquisition-related costs	24.4	8.7	70.8	16.2
Other expense (income), net	6.4	(0.7)	15.0	(374.7)
Total operating expenses	889.7	812.0	2,682.0	2,204.4
Operating income	290.8	261.2	799.8	976.2
Interest income	0.1	0.2	0.2	0.8
Interest expense	(54.8)	(57.7)	(165.7)	(178.9)
Net periodic pension and postretirement expense	—	—	—	(30.4)
Non-operating expense, net	(54.7)	(57.5)	(165.5)	(208.5)
Income from continuing operations before income taxes and equity in loss of equity method investees	236.1	203.7	634.3	767.7
Provision for income taxes	(71.7)	(39.9)	(159.6)	(48.9)
Equity in loss of equity-method investees	(3.3)	(0.1)	(6.0)	(0.3)
Net income	161.1	163.7	468.7	718.5
Net loss (income) attributable to noncontrolling interest	0.2	(0.8)	0.9	1.1
Net income attributable to IHS Markit Ltd.	$ 161.3	$ 162.9	$ 469.6	$ 719.6
Basic earnings per share attributable to IHS Markit Ltd.	$ 0.40	$ 0.41	$ 1.18	$ 1.81
Weighted average shares used in computing basic earnings per share	399.0	397.8	398.4	396.8
Diluted earnings per share attributable to IHS Markit Ltd.	$ 0.40	$ 0.41	$ 1.17	$ 1.79
Weighted average shares used in computing diluted earnings per share	401.3	401.1	400.9	401.8

See accompanying notes.

IHS MARKIT LTD.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited, in millions)

	Three months ended August 31,		Nine months ended August 31,	
	2021	2020	2021	2020
Net income	$ 161.1	$ 163.7	$ 468.7	$ 718.5
Other comprehensive income (loss), net of tax:				
Net hedging activities [1]	—	1.5	—	1.9
Net pension liability adjustment [2]	—	—	—	15.6
Foreign currency translation adjustment	(140.1)	303.3	110.6	136.7
Total other comprehensive (loss) income	(140.1)	304.8	110.6	154.2
Comprehensive income	$ 21.0	$ 468.5	$ 579.3	$ 872.7
Comprehensive loss (income) attributable to noncontrolling interest	0.2	(0.8)	0.9	1.1
Comprehensive income attributable to IHS Markit Ltd.	$ 21.2	$ 467.7	$ 580.2	$ 873.8

[1] Net of tax expense of $0.3 million and $0.4 million for the three and nine months ended August 31, 2020, respectively.
[2] Net of tax expense of $5.0 million for the nine months ended August 31, 2020.

See accompanying notes.

IHS MARKIT LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in millions)

	Nine months ended August 31,	
	2021	2020
Operating activities:		
Net income	$ 468.7	$ 718.5
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization	447.2	442.3
Stock-based compensation expense	168.4	209.8
Gain on sale of assets, net	(0.2)	(370.5)
Impairment of assets	5.0	—
Payments for acquisition-related performance compensation	—	(75.9)
Net periodic pension and postretirement expense	—	30.4
Undistributed losses of affiliates, net	6.0	0.6
Pension and postretirement contributions	—	(33.2)
Deferred income taxes	(24.2)	(10.9)
Change in assets and liabilities:		
Accounts receivable, net	(11.5)	32.0
Other current assets	5.0	(61.2)
Accounts payable	(6.9)	(39.0)
Accrued expenses	(122.1)	(55.8)
Income tax	12.8	(42.1)
Deferred revenue	85.5	6.8
Other assets and liabilities	3.5	48.7
Net cash provided by operating activities	1,037.2	800.5
Investing activities:		
Capital expenditures on property and equipment	(220.0)	(211.8)
Acquisitions of businesses, net of cash acquired	(46.9)	(4.7)
Payments to acquire equity investments	(185.9)	(8.6)
Proceeds from sale of assets	—	470.0
Change in other assets	(0.1)	(2.0)
Settlements of forward contracts	7.9	12.7
Net cash (used in) provided by investing activities	(445.0)	255.6
Financing activities:		
Proceeds from borrowings	565.0	539.1
Repayment of borrowings	(597.0)	(712.8)
Contingent consideration payments	(1.4)	—
Dividends paid	(238.8)	(203.0)
Repurchases of common shares	—	(750.0)
Proceeds from the exercise of employee stock options	7.6	217.3
Payments related to tax withholding for stock-based compensation	(116.4)	(117.6)
Net cash used in financing activities	(381.0)	(1,027.0)
Foreign exchange impact on cash balance	1.1	16.2
Net increase in cash and cash equivalents	212.3	45.3
Cash and cash equivalents at the beginning of the period	125.6	111.5
Cash and cash equivalents at the end of the period	$ 337.9	$ 156.8

See accompanying notes.

IHS MARKIT LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited, in millions)

	Common Shares		Additional Paid-In Capital	Treasury Shares	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity	Redeemable Noncontrolling Interests
	Shares Outstanding	Amount						
Balance at May 31, 2021	398.6	$ 4.8	$ 7,918.4	$ (3,139.0)	$ 3,988.7	$ 142.8	$ 8,915.7	$ 13.1
Share-based award activity	0.2	—	39.2	7.5	—	—	46.7	—
Option exercises	—	—	5.4	—	—	—	5.4	—
Dividends and dividend equivalents					(81.0)		(81.0)	
Net income (loss)	—	—	—	—	161.3	—	161.3	(0.2)
Other comprehensive loss	—	—	—	—	—	(140.1)	(140.1)	—
Balance at August 31, 2021	398.8	$ 4.8	$ 7,963.0	$ (3,131.5)	$ 4,069.0	$ 2.7	$ 8,908.0	$ 12.9

	Common Shares		Additional Paid-In Capital	Treasury Shares	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity	Redeemable Noncontrolling Interests
	Shares Outstanding	Amount						
Balance at May 31, 2020	396.8	$ 4.8	$ 7,759.9	$ (2,921.9)	$ 3,677.8	$ (412.2)	$ 8,108.4	$ 13.2
Share-based award activity	—	—	(12.1)	69.8	(12.1)	—	45.6	—
Option exercises	1.6	—	40.1	—	—	—	40.1	—
Dividends and dividend equivalents	—	—	—	—	(68.9)	—	(68.9)	—
Net income (loss)	—	—	—	—	162.9	—	162.9	0.8
Other comprehensive income	—	—	—	—	—	304.8	304.8	—
Balance at August 31, 2020	398.4	$ 4.8	$ 7,787.9	$ (2,852.1)	$ 3,759.7	$ (107.4)	$ 8,592.9	$ 14.0

IHS MARKIT LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited, in millions)

	Common Shares							
	Shares Outstanding	Amount	Additional Paid-In Capital	Treasury Shares	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity	Redeemable Noncontrolling Interests
Balance at November 30, 2020 (Audited)	396.5	$ 4.8	$ 7,830.2	$ (3,039.8)	$ 3,842.1	$ (107.9)	$ 8,529.4	$ 13.8
Share-based award activity	2.3	—	125.2	(91.7)	(0.1)	—	33.4	—
Option exercises	—	—	7.6	—	—	—	7.6	—
Dividends and dividend equivalents					(242.6)		(242.6)	
Net income (loss)	—	—	—	—	469.6	—	469.6	(0.9)
Other comprehensive income	—	—	—	—	—	110.6	110.6	—
Balance at August 31, 2021	398.8	$ 4.8	$ 7,963.0	$ (3,131.5)	$ 4,069.0	$ 2.7	$ 8,908.0	$ 12.9

	Common Shares							
	Shares Outstanding	Amount	Additional Paid-In Capital	Treasury Shares	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity	Redeemable Noncontrolling Interests
Balance at November 30, 2019 (Audited)	398.3	$ 4.8	$ 7,769.4	$ (2,391.8)	$ 3,295.0	$ (261.6)	$ 8,415.8	$ 15.1
Repurchases of common shares	(10.5)	—	—	(750.0)	—	—	(750.0)	—
Share-based award activity	2.4	—	(198.8)	289.7	(48.2)	—	42.7	—
Option exercises	8.2	—	217.3	—	—	—	217.3	—
Dividends and dividend equivalents	—	—	—	—	(206.7)	—	(206.7)	—
Net income (loss)	—	—	—	—	719.6	—	719.6	(1.1)
Other comprehensive income	—	—	—	—	—	154.2	154.2	—
Balance at August 31, 2020	398.4	$ 4.8	$ 7,787.9	$ (2,852.1)	$ 3,759.7	$ (107.4)	$ 8,592.9	$ 14.0

See accompanying notes.

IHS MARKIT LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation and Significant Accounting Policies

The accompanying unaudited condensed consolidated financial statements of IHS Markit have been prepared on substantially the same basis as our annual consolidated financial statements and should be read in conjunction with our Annual Report on Form 10-K for the year ended November 30, 2020. In our opinion, these condensed consolidated financial statements reflect all adjustments necessary for a fair presentation of the financial position, results of operations, and cash flows for the periods presented, and such adjustments are of a normal, recurring nature.

Our business has seasonal aspects. Our first quarter generally has our lowest quarterly levels of revenue and profit. We also experience event-driven seasonality in our business. For instance, CERAWeek, an annual energy conference, is typically held in the second quarter of each year; however, this event was cancelled in 2020 due to the COVID-19 pandemic, and we held this conference virtually in March 2021. Another example is the biennial release of the Boiler Pressure Vessel Code (“BPVC”) engineering standard, which generates revenue for us predominantly in the third quarter of every other year. The most recent BPVC release was in the third quarter of 2021.

The preparation of financial statements in conformity with U.S. GAAP requires that we make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well the reported amounts of revenue and expense during the reporting period. We have considered the impact of the COVID-19 pandemic in determining our estimates. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In December 2019, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2019-12, which enhances and simplifies various aspects of the income tax accounting guidance, including requirements such as tax basis step-up in goodwill obtained in a transaction that is not a business combination, ownership changes in investments, and interim-period accounting for enacted changes in tax law. The standard will be effective for us in the first quarter of our fiscal year 2022, although early adoption is permitted. We do not expect that the adoption of this ASU will have a significant impact on our consolidated financial statements.

2. Business Combinations and Divestitures

S&P Global Inc. On November 29, 2020, we, S&P Global Inc., a New York corporation (“S&P Global”), and Sapphire Subsidiary, Ltd., a Bermuda exempted company limited by shares and a wholly-owned subsidiary of S&P Global (“Merger Sub”), entered into an agreement and plan of merger, which was subsequently amended on January 20, 2021, pursuant to which Merger Sub will merge with and into IHS Markit, with IHS Markit surviving such merger as a wholly-owned, direct subsidiary of S&P Global (the “merger”). The merger intends to bring together a unique portfolio of highly complementary assets, as well as innovation and technology capability to accelerate growth and enhance value creation. At the completion of the merger, each IHS Markit share that is issued and outstanding (other than dissenting shares and shares held by IHS Markit in treasury) will be converted into the right to receive 0.2838 fully paid and nonassessable shares of S&P Global common stock, and, if applicable, cash in lieu of fractional shares, without interest, and less any applicable withholding taxes. If the merger is completed, IHS Markit shares will cease to be listed on the New York Stock Exchange and IHS Markit shares will be deregistered under the Securities Exchange Act. The merger was approved by IHS Markit and S&P Global shareholders on March 11, 2021, but is still subject to antitrust and regulatory approval requirements, as well as other customary closing conditions.

OPIS group. In August 2021, we announced an agreement to sell our Oil Price Information Services; Coal, Metals and Mining; and Petrochem Wire businesses (collectively, “OPIS group”) to News Corp in a cash transaction valued at approximately $1.15 billion. The sale is expected to be completed at the close of the merger between IHS Markit and S&P Global. The sale is subject to antitrust and regulatory approval requirements, as well as other customary closing conditions. The following table provides the components of OPIS group assets and liabilities (previously included in our Resources segment) treated as held for sale as of August 31, 2021 (in millions):

Current assets	$	21.9
Property and equipment		9.6
Intangible assets		118.5
Goodwill		302.0
Other assets		3.9
Assets held for sale	$	455.9
Deferred revenue	$	(31.5)
Other liabilities		(9.5)
Liabilities held for sale	$	(41.0)

CME joint venture. In January 2021, we signed an agreement to enter into a 50/50 joint venture arrangement with shared control with CME Group to combine our post-trade services into a new joint venture. The new company will include trade processing and risk mitigation operations and will incorporate CME's optimization businesses (Traiana, TriOptima, and Reset) and our MarkitSERV business. Through the combination, we intend to increase operating efficiencies and be better able to service clients with enhanced platforms and services for OTC markets across interest rate, FX, equity, and credit asset classes. We closed the deal on September 1, 2021, contributing our MarkitSERV business and approximately $110 million in cash to buy up our ownership to 50 percent. The following table provides the components of MarkitSERV assets and liabilities (previously included in our Financial Services segment) treated as held for sale as of August 31, 2021 (in millions):

Current assets	$	29.3
Property and equipment		73.8
Intangible assets		394.1
Goodwill		306.8
Assets held for sale	$	804.0
Deferred revenue	$	(6.4)
Other current liabilities		(5.3)
Deferred income taxes		(94.9)
Liabilities held for sale	$	(106.6)

Gen II. In December 2020, we acquired a 13 percent interest in Gen II Fund Services for $150 million as part of a joint venture with General Atlantic and Hg Capital. We expect that this investment will drive revenue synergies between the joint venture and our Private Markets solutions across private credit, private equity, and data and analytics businesses. We are accounting for this investment using the equity method of accounting.

Cappitech. In December 2020, we acquired Cappitech Regulation Ltd., a Tel Aviv-based technology company providing regulatory reporting solutions on behalf of its clients to regulators, trade repositories, and affiliates, allowing customers to efficiently monitor the transaction reporting taking place across multiple jurisdictions. Cappitech's advanced technology provides a scalable platform that we expect to combine with our other offerings in the Financial Services segment. We acquired Cappitech for upfront consideration of $47 million, net of cash acquired, with an additional earnout based on a three-year performance period, which we currently estimate at $57 million. The earnout liability is recorded within other accrued expenses and other liabilities in the condensed consolidated balance sheets. The purchase price allocation for this acquisition is still preliminary and may change upon completion of the determination of fair value of assets acquired and liabilities assumed.

Aerospace & Defense divestiture. In December 2019, we completed the sale of our Aerospace & Defense ("A&D") business line to Montagu Private Equity for approximately $466 million. The A&D assets were previously included in our Transportation segment. We recognized a gain of approximately $372 million on the sale in the first quarter of 2020. The gain is included in other expense (income), net, in the condensed consolidated statements of operations.

automotiveMastermind equity interests acquisition. In September 2017, we acquired automotiveMastermind ("aM"), a leading provider of predictive analytics and marketing automation software for the automotive industry. We purchased approximately 78 percent of aM at that time. In exchange for the remaining 22 percent of aM, we issued equity interests in aM's immediate parent holding company to aM's founders and certain employees. We agreed to pay cash to acquire the interests over the next five years based on put/call provisions that tie the valuation to underlying adjusted EBITDA performance of aM. Since the purchase of the remaining 22 percent of the business requires continued service of the founders and employees, we are accounting for the arrangement as compensation expense that is remeasured based on changes in the fair value of the equity interests. We have classified this expense as acquisition-related costs within the condensed consolidated statements of operations and we have classified the associated accrued liability within other liabilities in the condensed consolidated balance sheets. In November 2019, the option holders exercised the put provision on 62.5 percent of their remaining 22 percent interest in the business for $75.9 million in cash, which we paid in December 2019. We estimate the compensation expense associated with the remaining equity interests to be approximately $60 to $65 million, of which approximately $48.3 million has been recognized as of August 31, 2021, with the remaining amount to be recognized through September 2022.

3. Revenue

We disaggregate our revenue by segment (as described in Note 16) and by transaction type according to the following categories:

- *Recurring fixed revenue* represents revenue generated from contracts specifying a relatively fixed fee for services delivered over the life of the contract. The initial term of these contracts is typically annual (with some longer-term arrangements) and non-cancellable for the term of the subscription, and may contain provisions for minimum monthly payments. The fixed fee is typically paid annually or more periodically in advance. These contracts typically consist of subscriptions to our various information offerings and software maintenance, which provide continuous access to our platforms and associated data over the contract term. Subscription revenue is usually recognized ratably over the contract term or, for term-based software license arrangements, annually on renewal.

- *Recurring variable revenue* represents revenue from contracts that specify a fee for services, which is typically not fixed. The variable fee is usually paid monthly in arrears. Recurring variable revenue is based on, among other factors, the number of trades processed, assets under management, or the number of positions we value, and revenue is recognized based on the specific factor used (e.g., for usage-based contracts, we recognize revenue in line with usage in the period). Most of these contracts have an initial term ranging from one to five years, with auto-renewal periods thereafter. Recurring variable revenue was derived entirely from the Financial Services segment for all periods presented.

- *Non-recurring revenue* represents consulting, services, single-document product sales, perpetual license sales and associated services, conferences and events, and advertising. Revenue for services and other non-recurring revenue is recognized upon completion of the associated performance obligation.

The following table presents our revenue by transaction type (in millions):

	Three months ended August 31,		Nine months ended August 31,	
	2021	2020	2021	2020
Recurring fixed revenue	$ 860.0	$ 796.2	$ 2,521.6	$ 2,355.5
Recurring variable revenue	170.0	153.0	525.5	457.8
Non-recurring revenue	150.5	124.0	434.7	367.3
Total revenue	$ 1,180.5	$ 1,073.2	$ 3,481.8	$ 3,180.6

Our customer contracts may include multiple performance obligations; for example, we typically sell software licenses with maintenance and other associated services. For these transactions, we recognize revenue based on the relative fair value to the customer of each performance obligation as each performance obligation is completed.

We record a receivable when a customer is billed or when revenue is recognized prior to billing a customer. Contract assets include unbilled amounts for multi-year customer contracts where payment is not yet due and where services have been provided up-front but have not yet been billed. Contract assets were approximately $7.8 million as of August 31, 2021 and $19.3 million as of November 30, 2020, and are recorded in accounts receivable, net, in the condensed consolidated balance sheets.

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Contract liabilities primarily include our obligations to transfer goods or services for which we have received consideration (or an amount of consideration is due) from the customer. Billings represent amounts that were paid in advance or due from customers. We record our contract liabilities as deferred revenue in the condensed consolidated balance sheets.

The following table provides a reconciliation of our contract liabilities as of August 31, 2021 (in millions):

Balance at November 30, 2020	$	886.2
Billings		2,708.9
Revenue recognized		(2,617.5)
Divestiture activity		(37.9)
Balance at August 31, 2021	$	939.7

We recognize an asset for the incremental costs of obtaining a contract with a customer if we expect the benefit of those costs to exceed one year. Certain sales commission programs are designed to promote the sale of products and services to new customers, and we therefore defer the incremental costs related to these programs over the expected customer life related to those products underlying the contracts. We record these expenses as selling, general and administrative expense within the condensed consolidated statements of operations.

4. Leases

We utilize operating leases for our various workplaces worldwide, and we also utilize operating leases for our data centers. These leases have remaining terms ranging from one to 12 years, many of which include renewal and early termination options. As of August 31, 2021, we have not considered extension and early termination options in our calculation of the right-of-use ("ROU") assets and lease liabilities because we do not believe that it is reasonably certain that we will exercise those options. We do not have any significant finance leases.

We determine if an arrangement is a lease at inception. We consider any contract where there is an identified asset that we have the right to control in determining whether the contract contains a lease. ROU assets represent our right to use the underlying assets for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As our operating leases do not provide an implicit rate, we use an incremental borrowing rate based on the information available on the commencement date in determining the present value of lease payments. We calculate our incremental borrowing rates by extrapolating our current unsecured bond portfolio across the maturity ladder and adjusting the resultant corporate rate for the estimated spread for a secured borrowing and for foreign currencies, as appropriate. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Operating lease transactions are included in operating lease right-of-use assets, net, and current and non-current operating lease liabilities in the condensed consolidated balance sheets.

The following table presents lease cost, cash paid for amounts included in the measurement of lease liabilities, the weighted-average remaining lease term, and the weighted-average discount rate for our operating leases for the three and nine months ended August 31, 2021 and August 31, 2020 (in millions):

	Three months ended August 31,		Nine months ended August 31,	
	2021	2020	2021	2020
Lease cost:				
Operating lease cost	$ 13.9	$ 16.7	$ 43.6	$ 50.3
Variable lease cost	$ 0.8	$ 1.7	$ 4.5	$ 4.9
Other information:				
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash outflows from operating leases	$ 16.3	$ 16.3	$ 50.8	$ 49.1
Weighted-average remaining lease term	7.5 years	7.9 years	7.5 years	7.9 years
Weighted-average discount rate	1.9 %	1.9 %	1.9 %	1.9 %

As of August 31, 2021, maturities of operating lease liabilities under non-cancellable arrangements were as follows (in millions):

Year	Amount
Remainder of 2021	$ 16.4
2022	57.9
2023	51.7
2024	46.2
2025	39.1
Thereafter	136.9
Total future minimum operating lease payments	348.2
Imputed interest	(24.5)
Total operating lease liability	$ 323.7

5. Intangible Assets

The following table presents details of our intangible assets, other than goodwill, as of August 31, 2021 and November 30, 2020 (in millions):

	As of August 31, 2021			As of November 30, 2020		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Intangible assets subject to amortization:						
Customer relationships	$ 3,028.1	$ (801.6)	$ 2,226.5	$ 3,507.0	$ (805.1)	$ 2,701.9
Developed technology	845.9	(299.6)	546.3	965.9	(290.1)	675.8
Information databases	567.4	(392.9)	174.5	597.1	(368.2)	228.9
Trademarks	485.1	(293.7)	191.4	490.2	(258.6)	231.6
Developed computer software	69.4	(68.2)	1.2	68.9	(62.9)	6.0
Other	6.9	(4.4)	2.5	4.1	(2.2)	1.9
Total intangible assets	$ 5,002.8	$ (1,860.4)	$ 3,142.4	$ 5,633.2	$ (1,787.1)	$ 3,846.1

Intangible assets amortization expense was $90.3 million and $277.0 million for the three and nine months ended August 31, 2021, compared to $93.1 million and $280.3 million for the three and nine months ended August 31, 2020. The following table presents the estimated future amortization expense related to intangible assets held as of August 31, 2021 (in millions):

Year	Amount
Remainder of 2021	$ 85.0
2022	$ 329.7
2023	$ 317.2
2024	$ 298.3
2025	$ 268.5
Thereafter	$ 1,843.7

Goodwill, gross intangible assets, and net intangible assets are all subject to foreign currency translation effects. The change in goodwill and intangible assets from November 30, 2020 to August 31, 2021 was primarily due to current year amortization of intangible assets and the reclassification of MarkitSERV and OPIS group goodwill and intangible assets to held-for-sale, as well as foreign currency translation effects.

6. Debt

The following table summarizes total indebtedness, including unamortized premiums, as of August 31, 2021 and November 30, 2020 (in millions):

	Maturity Date	August 31, 2021 Carrying Amount	August 31, 2021 Fair Value	November 30, 2020 Carrying Amount	November 30, 2020 Fair Value
Credit Facilities:					
2019 revolving facility	November 2024	$ 235.0	$ 235.0	$ 17.0	$ 17.0
2019 credit agreement	April 2021	—	—	250.0	250.0
Senior Unsecured Notes:					
5.00% senior notes due 2022	November 1, 2022	748.2	778.6	748.2	802.6
4.125% senior notes due 2023	August 1, 2023	499.4	531.1	499.2	545.2
3.625% senior notes due 2024	May 1, 2024	399.3	426.4	399.3	436.8
4.75% senior notes due 2025	February 15, 2025	808.1	890.3	809.7	916.2
4.00% senior notes due 2026	March 1, 2026	500.0	553.8	500.0	573.9
4.75% senior notes due 2028	August 1, 2028	748.1	887.4	747.9	906.8
4.25% senior notes due 2029	May 1, 2029	969.7	1,100.5	971.4	1,135.5
Debt issuance costs		(31.6)		(38.5)	
Finance leases		4.8		5.6	
Total debt		$ 4,881.0		$ 4,909.8	
Current portion		(236.2)		(268.1)	
Total long-term debt		$ 4,644.8		$ 4,641.7	

2019 revolving facility. On November 29, 2019, we entered into a $1.25 billion senior unsecured revolving credit agreement ("2019 revolving facility"). Subject to certain conditions, the 2019 revolving facility may be expanded by up to an aggregate of $750 million in additional commitments. Borrowings under the 2019 revolving facility mature in November 2024. The interest rates for borrowings under the 2019 revolving facility are the applicable LIBOR plus a spread of 1.00 percent to 1.625 percent, depending upon our corporate credit rating. A commitment fee on any unused balance is payable periodically and ranges from 0.10 percent to 0.25 percent based upon our corporate credit rating. We had approximately $1.1 million of outstanding letters of credit under the 2019 revolving facility as of August 31, 2021, which reduced the available borrowing under the facility by an equivalent amount.

2019 credit agreement. In September 2019, we entered into a 364-day credit agreement (the "2019 credit agreement") for a term loan credit facility in an aggregate principal amount of $250.0 million. In April 2020, we amended the 2019 credit agreement to extend the term through April 2021. In April 2021, we repaid the 2019 credit agreement using borrowings under the 2019 revolving facility. The interest rate for borrowing under the 2019 credit agreement was the applicable LIBOR plus a spread of 1.00 percent.

The 2019 revolving facility and the 2019 credit agreement are subject to certain financial and other covenants, including a maximum Leverage Ratio and a minimum Interest Coverage Ratio, which is defined as the ratio of Consolidated EBITDA to Consolidated Interest Expense, as such terms are defined in the agreements.

As of August 31, 2021, we had approximately $235.0 million of outstanding borrowings under the 2019 revolving facility at a current annual interest rate of 1.33 percent.

Senior Unsecured Notes. All of our senior unsecured notes ("Senior Notes") are unsecured and bear interest at a fixed rate payable semiannually. The Senior Notes were issued in registered offerings under the Securities Act or in offerings not subject to the registration requirements of the Securities Act, and all the Senior Notes have been admitted for trading to the official list of The International Stock Exchange in the Channel Islands. The indentures governing the Senior Notes all provide that, at the option of the respective holders of the Senior Notes, we may be required to purchase all or a portion of such Senior Notes upon occurrence of a change of control triggering event as defined in the respective indentures, at a price equal to 101 percent of the principal amount thereof, plus accrued and unpaid interest to the date of purchase. All the indentures also contain (i) covenants that limit our ability to, among other things, incur or create liens and enter into sale and leaseback transactions, (ii) covenants that limit our ability to consolidate or merge with another entity or to sell all or substantially all of our assets to another entity, and (iii) customary default provisions.

As of August 31, 2021, we were in compliance with all of our debt covenants. We have classified short-term debt based on scheduled loan payments and intended repayments on our revolving facility based on expected cash availability over the next 12 months.

The carrying value of our variable rate debt instruments approximate their fair value because of the variable interest rates associated with those instruments. The fair values of the senior notes were measured using observable inputs in markets that are not active; consequently, we have classified those notes within Level 2 of the fair value hierarchy.

7. Derivatives

Our business is exposed to various market risks, primarily foreign currency risk. We utilize derivative instruments to help us manage this risk. We do not hold or issue derivatives for speculative purposes.

To mitigate foreign currency exposure, we utilize short-term foreign currency forward contracts that manage market risks associated with fluctuations in balances that are denominated in currencies other than the local functional currency. We account for these forward contracts at fair value and recognize the associated realized and unrealized gains and losses in other expense (income), net, since we have not designated these contracts as hedges for accounting purposes. The notional amount of these outstanding foreign currency forward contracts was $456.7 million and $342.3 million as of August 31, 2021 and November 30, 2020, respectively.

Since our derivative instruments are not listed on an exchange, we have evaluated fair value by reference to similar transactions in active markets; consequently, we have classified all of our derivative instruments within Level 2 of the fair value measurement hierarchy. As of August 31, 2021 and November 30, 2020, we had assets of $0.7 million and $2.5 million, respectively, which were classified within other current assets, and we had liabilities of $2.9 million and $0.4 million, respectively, which were classified within other accrued expenses and other liabilities.

8. Restructuring and Impairment Charges

The following table provides a reconciliation of our restructuring liability, recorded in other accrued expenses, as of August 31, 2021 (in millions):

	Employee Severance and Other Termination Benefits	Contract Termination and Other Costs	Total
Balance at November 30, 2020	$ 54.3	$ 10.8	$ 65.1
Add: Restructuring costs incurred	8.3	0.5	8.8
Revision to prior estimates	(2.3)	(0.3)	(2.6)
Less: Amount paid	(52.9)	(4.2)	(57.1)
Balance at August 31, 2021	$ 7.4	$ 6.8	$ 14.2

As of August 31, 2021, approximately $4.2 million of the remaining restructuring liability was in Resources, $1.6 million in Transportation, $6.9 million in Shared Services, $1.6 million in CMS, and the remainder in Financial Services.

As part of our effort to moderate the impact of the COVID-19 pandemic, we continue to evaluate our office facilities to determine where we can exit, consolidate, or otherwise optimize our use of office space throughout the company. For the nine months ended August 31, 2021, we recorded approximately $5.0 million of impairment charges.

9. Acquisition-Related Costs

During the nine months ended August 31, 2021, we incurred approximately $70.8 million in costs associated with acquisitions and divestitures, primarily related to legal, consulting, and other professional services associated with recently announced merger and divestiture activities, as well as aM acquisition-related performance compensation.

The following table provides a reconciliation of the acquisition-related costs accrued liability, recorded in other accrued expenses and other liabilities, as of August 31, 2021 (in millions):

	Contract Termination Costs	Other	Total
Balance at November 30, 2020	$ 1.3	$ 67.0	$ 68.3
Add: Costs incurred	—	70.8	70.8
Less: Amount paid	(0.4)	(36.3)	(36.7)
Balance at August 31, 2021	$ 0.9	$ 101.5	$ 102.4

As of August 31, 2021, approximately $48.3 million of the remaining liability is associated with the aM acquisition-related performance compensation liability described in Note 2, with the remainder primarily related to costs associated with the S&P Global merger and acquisition and divestiture activity within the Financial Services and Resources segments.

10. Stock-Based Compensation

Stock-based compensation expense for the three and nine months ended August 31, 2021 and August 31, 2020 was as follows (in millions):

	Three months ended August 31,		Nine months ended August 31,	
	2021	2020	2021	2020
Cost of revenue	$ 16.3	$ 17.4	$ 52.2	$ 62.0
Selling, general and administrative	36.4	38.6	116.2	147.8
Total stock-based compensation expense	$ 52.7	$ 56.0	$ 168.4	$ 209.8

No stock-based compensation cost was capitalized during the three and nine months ended August 31, 2021 and August 31, 2020.

As of August 31, 2021, there was $248.0 million of unrecognized stock-based compensation cost, adjusted for estimated forfeitures, related to unvested stock-based awards that will be recognized over a weighted-average period of approximately 1.6 years. Total unrecognized stock-based compensation cost will be adjusted for future changes in estimated forfeitures and expected performance achievement.

Restricted Stock Units (RSUs). The following table summarizes RSU activity, including awards with performance and market conditions, during the nine months ended August 31, 2021:

	Shares	Weighted-Average Grant Date Fair Value
	(in millions)	
Balance at November 30, 2020	6.8	$ 61.57
Granted	2.3	$ 90.15
Vested	(3.3)	$ 54.35
Forfeited	(0.2)	$ 80.73
Balance at August 31, 2021	5.6	$ 76.88

The total fair value of RSUs that vested during the nine months ended August 31, 2021 was $297.1 million.

11. Income Taxes

Our effective tax rate for the three and nine months ended August 31, 2021 was 30 percent and 25 percent, compared to 20 percent and 6 percent for the three and nine months ended August 31, 2020. The higher 2021 tax rates are primarily due to the change in U.K. tax rates described below, as well as U.S. minimum tax impacts of approximately $16 million and $50 million for the three and nine months ended August 31, 2021, respectively. The 2021 tax rates are partially reduced by tax benefits associated with R&D tax credits of approximately $19 million and $19 million, and excess tax benefits on stock-based compensation of approximately $4 million and $28 million, for the same respective periods.

On June 10, 2021, the U.K. enacted an increase in corporation tax rate from the current 19 percent to 25 percent, effective from April 1, 2023. Due to our fiscal year end, the higher tax rate will be phased in, resulting in a U.K. statutory rate of 23 percent for our fiscal year ending November 30, 2023 and 25 percent for subsequent fiscal years. Accounting Standards Codification ("ASC") Topic 740, "Income Taxes," requires that we remeasure our deferred tax assets and liabilities and recognize the effect of the tax law change in the period of enactment. We recorded a tax expense of approximately $26 million and $26 million for the three and nine months ended August 31, 2021 to remeasure our U.K. deferred taxes for the tax rate change.

The varying 2020 rates are primarily due to excess tax benefits on stock-based compensation of approximately $13 million and $89 million and the tax-efficient divestiture of the A&D business line (U.K. share sales are exempt from tax) of approximately $10 million and $48 million, respectively, partially offset by U.S. tax reform impacts of approximately $6 million and $38 million and a 2020 U.K. tax rate change that resulted in incremental tax of approximately $23 million and $23 million for the three and nine months ended August 31, 2020.

12. Pensions and Postretirement Benefits

During the first quarter of 2020, we incurred settlement expense of approximately $11.6 million related to lump-sum distributions to participants in our U.S. Retirement Income Plan ("U.S. RIP"), Supplemental Income Plan, and U.K. Retirement Income Plan ("U.K. RIP") plans. We also converted to termination accounting for our U.K. RIP at the end of the first quarter, which resulted in an expense recognition of actuarial loss in excess of corridor of approximately $9.6 million.

During the second quarter of 2020, we transferred our U.S. RIP annuity liability and our U.K. RIP liability to third-party insurers, which resulted in additional settlement expense of approximately $8.9 million.

13. Commitments and Contingencies

From time to time, in the ordinary course of our business, we are involved in various legal, regulatory or administrative proceedings, lawsuits, government investigations, and other claims, including employment, commercial, intellectual property, and environmental, safety, and health matters. In addition, we may receive routine requests for information from governmental agencies in connection with their regulatory or investigatory authority or from private third parties pursuant to valid court orders or subpoenas. We review such proceedings, lawsuits, investigations, claims, and requests for information and take appropriate action as necessary. At the present time, we can give no assurance as to the outcome of any such pending proceedings, lawsuits, investigations, claims, or requests for information and we are unable to determine the ultimate resolution of or provide a reasonable estimate of the range of possible loss attributable to these matters or the effect they may have on us. However, other than the matters described below, we do not expect the outcome of such proceedings, lawsuits, claims, or requests for information to have a material adverse effect on our results of operations or financial condition. We have defended and will continue to vigorously defend ourselves in all matters. As of August 31, 2021, we have accrued approximately $11 million for all outstanding litigation contingencies.

CDS Auction Antitrust Litigation. On June 30, 2021, a class action lawsuit captioned *New Mexico State Investment Council v. Bank of America Corp., et al*, 1:21-cv-00606 (D.N.M.), was filed against nine dealers, ISDA, Creditex, and IHS Markit, alleging a conspiracy to manipulate the final CDS auction price used to value CDS contracts following a credit event. The complaint alleges that the defendants adopted rules or practices to limit participation in the auctions, and that the defendants exchanged competitively sensitive information relating to CDS auctions in violation of Section 1 of the Sherman Act, the Commodities and Exchange Act, and state tort law. The plaintiff seeks to represent a class of "all persons or entities who, during the period of June 1, 2005 through the present, settled a credit default swap … by reference to the ISDA credit default swap auction protocol or the auction process that became the ISDA credit default swap auction process." Plaintiffs seek treble damages in an unspecified amount, restitution, attorney's fees, pre- and post- judgment interest, injunctive relief, and other remedies. The deadline for IHS Markit to respond to the complaint has not yet occurred, and discovery has not yet begun.

Synaps Loans LLC Litigation. On May 31, 2019, Symbiont.io, Inc. ("Symbiont") filed a complaint against IHS Markit and various of its subsidiaries, including two Ipreo subsidiaries ("Ipreo"), in the Delaware Court of Chancery. The complaint alleged, among other things, that IHS Markit's acquisition of Ipreo in August 2018 breached a non-compete provision in a joint venture agreement between Ipreo and Symbiont regarding a joint venture called Synaps Loans LLC ("Synaps"). On June 24, 2019, IHS Markit counterclaimed, alleging, among other things, that Symbiont breached the joint venture agreement by failing to develop Synaps's technology as it was contractually obligated to do. A trial was held from December 7, 2020, to December 10, 2020. On August 13, 2021, the court issued an opinion, finding, among other things, that Ipreo had breached the joint venture agreement's non-compete provision and awarding "equitable accounting" damages in the amount of approximately half of the profits that IHS Markit's competing business allegedly generated as a result of the breach. On September 17, 2021, the court entered a partial final judgment, based upon which the final damages award payable to Symbiont is expected to be no greater than $78.9 million, exclusive of pre- and post-judgment interest. We currently intend to appeal the judgment.

14. Common Shares and Earnings per Share

Weighted-average shares outstanding for the three and nine months ended August 31, 2021 and August 31, 2020 were calculated as follows (in millions):

	Three months ended August 31,		Nine months ended August 31,	
	2021	2020	2021	2020
Weighted-average shares outstanding:				
Shares used in basic EPS calculation	399.0	397.8	398.4	396.8
Effect of dilutive securities:				
RSUs/RSAs	2.1	2.3	2.3	2.5
Stock options	0.2	1.0	0.2	2.5
Shares used in diluted EPS calculation	401.3	401.1	400.9	401.8

Share Repurchase Programs

In October 2019, our Board of Directors authorized a share repurchase program of up to $2.5 billion of IHS Markit common shares from October 17, 2019 through November 30, 2021, to be funded using our existing cash, cash equivalents, marketable securities, and future cash flows, or through the incurrence of short- or long-term indebtedness, at management's discretion. This October 2019 share repurchase program does not obligate us to repurchase any set dollar amount or number of shares and may be modified, suspended, or terminated at any time without prior notice. Under the repurchase program, we are authorized to repurchase our common shares on the open market from time to time, in privately negotiated transactions, or through accelerated share repurchase agreements, subject to availability of common shares, price, market conditions, alternative uses of capital, and applicable regulatory requirements, at management's discretion. As of August 31, 2021, we had $1.6 billion remaining available to repurchase under the program. The merger agreement with S&P Global restricts our ability to purchase our shares and therefore our share repurchase program is currently suspended through November 2021, other than for the repurchase of shares associated with tax withholding requirements for share-based compensation.

In August 2016, our Board of Directors separately authorized, subject to applicable regulatory requirements, the repurchase of our common shares surrendered by employees in an amount equal to the exercise price, if applicable, and statutory tax liability associated with the vesting of their equity awards, for which we pay the statutory tax on behalf of the employee and forgo receipt of the exercise price of the award from the employee, if applicable.

In December 2019, we funded a $500 million accelerated share repurchase ("ASR") agreement, which terminated in February 2020. We received a total of 6.491 million shares in connection with the ASR.

Dividends

Our Board of Directors approved a quarterly cash dividend of $0.20 per share in each of the first three quarters of 2021, compared to a quarterly cash dividend of $0.17 per share in each of the first three quarters of 2020.

Employee Benefit Trust (EBT) Shares

We have approximately 25.2 million outstanding common shares that are held by the Markit Group Holdings Limited Employee Benefit Trust. The trust is under our control using the variable interest entity model criteria; consequently, we have consolidated and classified the trust shares as treasury shares within our condensed consolidated balance sheets.

15. Accumulated Other Comprehensive Income (Loss)

The following table summarizes the changes in AOCI by component (net of tax) for the three months ended August 31, 2021 and August 31, 2020 (in millions):

	Foreign currency translation	Net pension and OPEB liability	Unrealized losses on hedging activities	Total
Balance at May 31, 2021	$ 142.8	$ —	$ —	$ 142.8
Other comprehensive income	(140.1)	—	—	(140.1)
Balance at August 31, 2021	$ 2.7	$ —	$ —	$ 2.7

	Foreign currency translation	Net pension and OPEB liability	Unrealized losses on hedging activities	Total
Balance at May 31, 2020	$ (408.9)	$ —	$ (3.3)	$ (412.2)
Other comprehensive income (loss) before reclassifications	303.3	—	(0.1)	303.2
Reclassifications from AOCI to income	—	—	1.6	1.6
Balance at August 31, 2020	$ (105.6)	$ —	$ (1.8)	$ (107.4)

The following table summarizes the changes in AOCI by component (net of tax) for the nine months ended August 31, 2021 and August 31, 2020 (in millions):

	Foreign currency translation	Net pension and OPEB liability	Unrealized losses on hedging activities	Total
Balance at November 30, 2020	$ (107.9)	$ —	$ —	$ (107.9)
Other comprehensive income	110.6	—	—	110.6
Balance at August 31, 2021	$ 2.7	$ —	$ —	$ 2.7

	Foreign currency translation	Net pension and OPEB liability	Unrealized losses on hedging activities	Total
Balance at November 30, 2019	$ (242.3)	$ (15.6)	$ (3.7)	$ (261.6)
Other comprehensive income (loss) before reclassifications	136.7	0.8	(1.5)	136.0
Reclassifications from AOCI to income	—	14.8	3.4	18.2
Balance at August 31, 2020	$ (105.6)	$ —	$ (1.8)	$ (107.4)

16. Segment Information

We prepare our financial reports and analyze our business results within our four operating segments: Financial Services, Transportation, Resources, and CMS. We evaluate revenue performance at the segment level and by transaction type. No single customer accounted for 10 percent or more of our total revenue for the three and nine months ended August 31, 2021 and August 31, 2020. There are no material inter-segment revenues for any period presented. Our shared services function includes corporate transactions that are not allocated to the reportable segments, including net periodic pension and postretirement expense, as well as certain corporate functions such as investor relations, procurement, corporate development, and portions of finance, legal, and marketing.

We evaluate segment operating performance at the Adjusted EBITDA level for each of our four segments. We define Adjusted EBITDA as net income before net interest, provision for income taxes, depreciation and amortization, stock-based compensation expense, restructuring charges, acquisition-related costs and performance compensation, exceptional litigation, net other gains and losses, pension mark-to-market and settlement expense, the impact of equity-method investments and noncontrolling interests, and discontinued operations. Information about the operations of our four segments is set forth below (in millions).

	Three months ended August 31,		Nine months ended August 31,	
	2021	2020	2021	2020
Revenue				
Financial Services	$ 489.7	$ 445.6	$ 1,467.6	$ 1,325.1
Transportation	347.4	298.9	1,003.2	839.3
Resources	207.9	208.2	631.4	652.8
CMS	135.5	120.5	379.6	363.4
Total revenue	$ 1,180.5	$ 1,073.2	$ 3,481.8	$ 3,180.6
Adjusted EBITDA				
Financial Services	$ 240.7	$ 225.9	$ 711.4	$ 662.6
Transportation	167.1	153.6	484.5	373.2
Resources	83.6	86.4	249.2	272.8
CMS	37.5	31.0	92.3	95.4
Shared services	(13.3)	(10.7)	(37.6)	(32.2)
Total Adjusted EBITDA	$ 515.6	$ 486.2	$ 1,499.8	$ 1,371.8
Reconciliation to the condensed consolidated statements of operations:				
Interest income	0.1	0.2	0.2	0.8
Interest expense	(54.8)	(57.7)	(165.7)	(178.9)
Provision for income taxes	(71.7)	(39.9)	(159.6)	(48.9)
Depreciation	(54.8)	(54.5)	(170.2)	(162.0)
Amortization related to acquired intangible assets	(90.3)	(93.1)	(277.0)	(280.3)
Stock-based compensation expense	(52.7)	(56.0)	(168.4)	(209.8)
Restructuring and impairment charges	(2.5)	(12.1)	(11.2)	(97.9)
Acquisition-related costs	(20.7)	(3.8)	(59.3)	(6.6)
Acquisition-related performance compensation	(3.7)	(4.9)	(11.5)	(9.6)
(Loss) gain on sale of assets	—	(0.4)	0.2	370.5
Pension mark-to-market and settlement expense	—	—	—	(30.0)
Adjusted EBITDA impacts from equity-method investments and noncontrolling interest	(3.2)	(1.1)	(7.7)	0.5
Net income attributable to IHS Markit Ltd.	$ 161.3	$ 162.9	$ 469.6	$ 719.6

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand the financial condition and results of operations of IHS Markit Ltd. ("IHS Markit," "we," "us," or "our") as of and for the periods presented. The following discussion should be read in conjunction with our 2020 Annual Report on Form 10-K and the Condensed Consolidated Financial Statements and accompanying notes included in this Quarterly Report on Form 10-Q. References to 2021 are to our fiscal year 2021, which began on December 1, 2020 and ends on November 30, 2021.

Executive Summary

Business Overview

We are a world leader in critical information, analytics, and solutions for the major industries and markets that drive economies worldwide. We deliver next-generation information, analytics, and solutions to customers in business, finance, and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. We have more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, we are committed to sustainable, profitable growth.

To best serve our customers, we are organized into the following four industry-focused segments:

- *Financial Services*, which includes our financial Information, Solutions, and Processing product offerings;
- *Transportation*, which includes our Automotive and Maritime & Trade product offerings;
- *Resources*, which includes our Upstream and Downstream product offerings; and
- *Consolidated Markets & Solutions*, which includes our Product Design, Economics & Country Risk, and TMT benchmarking product offerings.

Our recurring revenue streams represented approximately 88 percent of our total revenue for the nine months ended August 31, 2021. Our recurring revenue is generally stable and predictable, and we have long-term relationships with many of our customers.

For the nine months ended August 31, 2021, we focused our efforts on the following actions:

- *Increase in geographic, product, and customer penetration.* We believe there are continued opportunities to add new customers and to increase the use of our products and services by existing customers. We plan to add new customers and build our relationships with existing customers by leveraging our existing sales channels, broad product portfolio, global footprint, and industry expertise to anticipate and respond to the changing demands of our end markets.

- *Introduce innovative offerings and enhancements.* In recent years, we have launched several new product offerings addressing a wide array of customer needs, and we expect to continue innovating using our existing data sets and industry expertise, converting core information to higher value advanced analytics. We also intend to continue to invest across our business to increase our customer value proposition.

- *Improve efficiency, productivity, and financial strength.* We are striving to strengthen our operational excellence by consistently improving productivity and efficiency, particularly as we continue to work through the effects of the COVID-19 pandemic. We also continue to build on our strong financial foundation, balancing capital allocation between returning capital to shareholders (targeting an annual capital return of 50 to 75 percent of our annual capital capacity through share repurchases and cash dividends) and completing mergers and acquisitions, focused primarily on targeted transactions in our core end markets that will allow us to continue to build out our strategic position. The merger agreement with S&P Global restricts our ability to purchase our shares and therefore our share repurchase program is currently suspended through November 2021, other than for the repurchase of shares associated with tax withholding requirements for share-based compensation; consequently, our cash balance is higher than we would typically strive to maintain.

On November 29, 2020, we, S&P Global Inc., and Merger Sub entered into an agreement and plan of merger, which was subsequently amended on January 20, 2021, pursuant to which Merger Sub will merge with and into IHS Markit, with IHS Markit surviving such merger as a wholly-owned, direct subsidiary of S&P Global. The merger intends to bring together a unique portfolio of highly complementary assets, as well as innovation and technology capability to accelerate growth and enhance value creation. At the completion of the merger, each IHS Markit share that is issued and outstanding (other than dissenting shares and shares held by IHS Markit in treasury) will be converted into the right to receive 0.2838 fully paid and nonassessable shares of S&P Global common stock, and, if applicable, cash in lieu of fractional shares, without interest, and less any applicable withholding taxes. If the merger is completed, IHS Markit shares will cease to be listed on the New York Stock Exchange and IHS Markit shares will be deregistered under the Securities Exchange Act. The merger was approved by IHS Markit and S&P Global shareholders on March 11, 2021, but is still subject to antitrust and regulatory approval requirements, as well as other customary closing conditions. As a result of regulatory feedback, we decided to sell our Oil Price Information Services; Coal, Metals and Mining; and Petrochem Wire businesses (collectively, “OPIS group”) and have entered into an agreement to sell the OPIS group to News Corp for approximately $1.15 billion in cash. The sale is expected to be completed at the close of the merger between IHS Markit and S&P Global. We currently anticipate closing the merger with S&P Global during the calendar fourth quarter of 2021.

Key Performance Indicators

We believe that revenue growth, Adjusted EBITDA (both in dollars and margin), and free cash flow are key financial measures of our success. Adjusted EBITDA and free cash flow are financial measures that are not prepared in accordance with U.S. generally accepted accounting principles (“non-GAAP”).

Revenue growth. We review year-over-year revenue growth in our segments as a key measure of our success in addressing customer needs. We measure revenue growth in terms of organic, acquisitive, and foreign currency impacts. We define these components as follows:

- *Organic* – We define organic revenue growth as total revenue growth from continuing operations for all factors other than acquisitions and foreign currency movements. We drive this type of revenue growth through value realization (pricing), expanding wallet share of existing customers through up-selling and cross-selling efforts, securing new customer business, and the sale of new or enhanced product offerings.

- *Acquisitive* – We define acquisitive revenue as the revenue generated from acquired products and services from the date of acquisition to the first anniversary date of that acquisition. This type of growth comes as a result of our strategy to purchase, integrate, and leverage the value of assets we acquire. We also include the impact of divestitures in this metric.

- *Foreign currency* – We define the foreign currency impact on revenue as the difference between current revenue at current exchange rates and current revenue at the corresponding prior period exchange rates. Due to the significance of revenue transacted in foreign currencies, we believe that it is important to measure the impact of foreign currency movements on revenue.

In addition to measuring and reporting revenue by segment, we also measure and report revenue by transaction type. Understanding revenue by transaction type helps us identify and address broad changes in product mix. We summarize our transaction type revenue into the following three categories:

- *Recurring fixed revenue* represents revenue generated from contracts specifying a relatively fixed fee for services delivered over the life of the contract. The initial term of these contracts is typically annual (with some longer-term arrangements) and non-cancellable for the term of the subscription, and may contain provisions for minimum monthly payments. The fixed fee is typically paid annually or more periodically in advance. These contracts typically consist of subscriptions to our various information offerings and software maintenance, which provide continuous access to our platforms and associated data over the contract term. Subscription revenue is usually recognized ratably over the contract term or, for term-based software license arrangements, annually on renewal.

- *Recurring variable revenue* represents revenue from contracts that specify a fee for services, which is typically not fixed. The variable fee is usually paid monthly in arrears. Recurring variable revenue is based on, among other factors, the number of trades processed, assets under management, or the number of positions we value. Most of these contracts have an initial term ranging from one to five years, with auto-renewal periods thereafter. Recurring variable revenue was derived entirely from the Financial Services segment for all periods presented.

- *Non-recurring revenue* represents consulting, services, single-document product sales, perpetual license sales and associated services, conferences and events, and advertising. Our non-recurring products and services are an important part of our business because they complement our recurring business in creating strong and comprehensive customer relationships.

Non-GAAP measures. We use non-GAAP financial measures such as EBITDA, Adjusted EBITDA, and free cash flow in our operational and financial decision-making. We believe that such measures allow us to focus on what we deem to be more reliable indicators of ongoing operating performance (Adjusted EBITDA) and our ability to generate cash flow from operations (free cash flow). We also believe that investors may find these non-GAAP financial measures useful for the same reasons, although we caution readers that non-GAAP financial measures are not a substitute for U.S. GAAP financial measures or disclosures. None of these non-GAAP financial measures are recognized terms under U.S. GAAP and do not purport to be an alternative to net income or operating cash flow as an indicator of operating performance or any other U.S. GAAP measure. Throughout this MD&A, we provide reconciliations of these non-GAAP financial measures to the most directly comparable U.S. GAAP measures.

- *EBITDA and Adjusted EBITDA*. EBITDA and Adjusted EBITDA are used by securities analysts, investors, and other interested parties to assess our operating performance. For example, a measure similar to Adjusted EBITDA is required by the lenders under our revolving credit agreement. We define EBITDA as net income plus or minus net interest, plus provision for income taxes, depreciation, and amortization. Our definition of Adjusted EBITDA further excludes primarily non-cash items and other items that we do not consider to be useful in assessing our operating performance (e.g., stock-based compensation expense, restructuring charges, acquisition-related costs and performance compensation, exceptional litigation, net other gains and losses, pension mark-to-market, settlement, and other expense, the impact of equity-method investments and noncontrolling interests, and discontinued operations).

- *Free Cash Flow*. We define free cash flow as net cash provided by operating activities less payments for acquisition-related performance compensation and capital expenditures.

Non-GAAP measures are frequently used by securities analysts, investors, and other interested parties in their evaluation of companies comparable to us, many of which present non-GAAP measures when reporting their results. These measures can be useful in evaluating our performance against our peer companies because we believe the measures provide users with valuable insight into key components of U.S. GAAP financial disclosures. For example, a company with higher U.S. GAAP net income may not be as appealing to investors if its net income is more heavily comprised of gains on asset sales. Likewise, excluding the effects of interest income and expense moderates the impact of a company's capital structure on its performance. However, non-GAAP measures have limitations as an analytical tool. Because not all companies use identical calculations, our presentation of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. They are not presentations made in accordance with U.S. GAAP, are not measures of financial condition or liquidity, and should not be considered as an alternative to profit or loss for the period determined in accordance with U.S. GAAP or operating cash flows determined in accordance with U.S. GAAP. As a result, these performance measures should not be considered in isolation from, or as a substitute analysis for, results of operations as determined in accordance with U.S. GAAP.

Global Operations

Approximately 40 percent of our revenue is transacted outside of the United States; however, only about 20 percent of our revenue is transacted in currencies other than the U.S. dollar. As a result, a strengthening U.S. dollar relative to certain currencies has historically resulted in a negative impact on our revenue; conversely, a weakening U.S. dollar has historically resulted in a positive impact on our revenue. Our largest foreign currency exposures for revenue are the British Pound, Euro, and Canadian Dollar.

Results of Operations

Total Revenue

Revenue for the three and nine months ended August 31, 2021, increased 10 percent and 9 percent compared to the three and nine months ended August 31, 2020. The table below displays the percentage change in revenue due to organic, acquisitive, and foreign currency factors when comparing the three and nine months ended August 31, 2021 to the three and nine months ended August 31, 2020.

	Change in Total Revenue		
	Organic	Acquisitive	Foreign Currency
Third quarter 2021 vs. Third quarter 2020	9 %	— %	1 %
Year-to-date 2021 vs. Year-to-date 2020	8 %	— %	1 %

Organic revenue growth for the three and nine months ended August 31, 2021, compared to the three and nine months ended August 31, 2020, was led by strong performance in the Transportation segment as the economic environment continues to recover from the pandemic. Financial Services segment organic revenue growth continued to be solid. We continue to experience negative organic revenue growth in the Resources segment, albeit very minimal in the three months ended August 31, 2021, and CMS segment organic revenue growth benefited from Boiler Pressure Vessel Code ("BPVC") sales associated with the BPVC release in the third quarter of 2021.

Foreign currency had a slight positive effect on revenue growth for the three and nine months ended August 31, 2021, compared to the three and nine months ended August 31, 2020. Due to the extent of our global operations, foreign currency movements could positively or negatively affect our results in the future.

Revenue by Segment

(In millions, except percentages)	Three months ended August 31, 2021	Three months ended August 31, 2020	Percentage Change	Nine months ended August 31, 2021	Nine months ended August 31, 2020	Percentage Change
Revenue:						
Financial Services	$ 489.7	$ 445.6	10 %	$ 1,467.6	$ 1,325.1	11 %
Transportation	347.4	298.9	16 %	1,003.2	839.3	20 %
Resources	207.9	208.2	— %	631.4	652.8	(3)%
CMS	135.5	120.5	12 %	379.6	363.4	4 %
Total revenue	$ 1,180.5	$ 1,073.2	10 %	$ 3,481.8	$ 3,180.6	9 %

The percentage change in revenue for each segment was due to the factors described in the following table.

	Change in revenue					
	Third quarter 2021 vs. Third quarter 2020			Year-to-date 2021 vs. Year-to-date 2020		
	Organic	Acquisitive	Foreign Currency	Organic	Acquisitive	Foreign Currency
Financial Services	8 %	1 %	1 %	9 %	1 %	1 %
Transportation	15 %	— %	1 %	18 %	— %	2 %
Resources	(1)%	— %	1 %	(4)%	— %	1 %
CMS	11 %	— %	1 %	4 %	(1)%	1 %

Financial Services revenue for the three and nine months ended August 31, 2021, compared to the three and nine months ended August 31, 2020, experienced broad-based organic growth. Within our Information product offerings, organic revenue growth was led by strong demand for our pricing, reference data, and valuation offerings, as well as continued growth in our equities regulatory reporting and trading analytics platforms. Within our Solutions product offerings, organic growth continued to benefit from robust market activity in equities and loan markets, combined with a broad-based rebound of investment by our customers in our software solutions and our corporate actions and regulatory and compliance offerings. Within our Processing product offerings, organic revenue growth was driven by steady market activity in loan markets versus the same period last year.

Transportation revenue for the three and nine months ended August 31, 2021, compared to the three and nine months ended August 31, 2020, experienced very strong organic revenue growth. The dealer-facing portion of our automotive offerings experienced strong growth across CARFAX and automotiveMastermind, as we built back from the effects of the pandemic in 2020. Other parts of our automotive offerings, such as products supporting OEMs, parts manufacturers, and banking and insurance clients contributed organic revenue growth, albeit at a more stable pace. Our automotive product offerings continue to provide the largest contribution to Transportation revenue, and our diversification in used and new car product offerings allows for balanced opportunities for growth.

Resources revenue declined for the three and nine months ended August 31, 2021, compared to the three and nine months ended August 31, 2020, respectively, with our Upstream product offerings continuing to be negatively impacted by constrained industry capital expenditure spend. The Upstream declines have been partially offset by the return of our CERAWeek energy conference, which we held virtually in March 2021, and organic growth from our Downstream offerings. We believe our Resources annual contract value ("ACV"), which represents the annualized value of recurring revenue contracts, bottomed in the first quarter of 2021, and we expect growth throughout the rest of 2021. ACV increased $7 million in the quarter and has declined 3 percent on a trailing annual basis.

CMS revenue for the three and nine months ended August 31, 2021, compared to the three and nine months ended August 31, 2020, increased largely due to sales associated with the biennial release of the BPVC in the third quarter of 2021 and recurring organic growth.

Revenue by Transaction Type

(in millions, except percentages)	Three months ended August 31,		Percentage change		Nine months ended August 31,		Percentage change	
	2021	2020	Total	Organic	2021	2020	Total	Organic
Revenue:								
Recurring fixed	$ 860.0	$ 796.2	8 %	7 %	$ 2,521.6	$ 2,355.5	7 %	6 %
Recurring variable	170.0	153.0	11 %	8 %	525.5	457.8	15 %	12 %
Non-recurring	150.5	124.0	21 %	20 %	434.7	367.3	18 %	17 %
Total revenue	$ 1,180.5	$ 1,073.2	10 %	9 %	$ 3,481.8	$ 3,180.6	9 %	8 %
As a percent of total revenue:								
Recurring fixed	73 %	74 %			72 %	74 %		
Recurring variable	14 %	14 %			15 %	14 %		
Non-recurring	13 %	12 %			12 %	12 %		

Recurring fixed revenue organic growth increased 7 percent and 6 percent for the three and nine months ended August 31, 2021, respectively, compared to the three and nine months ended August 31, 2020, largely due to our Transportation and Financial Services recurring offerings, partially offset by a decline in our Resources recurring offerings. Recurring variable revenue was composed entirely of Financial Services revenue, which continued to experience strong performance.

The non-recurring organic revenue increases for the three and nine months ended August 31, 2021, compared to the three and nine months ended August 31, 2020, were primarily driven by continuing strength in our Financial Services Solutions offerings, more normal activity in our Transportation offerings, the return of our annual conference events, and the BPVC release. These increases were partially offset by lower transactional content purchases for Resources Upstream offerings for the nine months ended August 31, 2021.

Operating Expenses

The following table shows our operating expenses and the associated percentages of revenue.

(In millions, except percentages)	Three months ended August 31, 2021	Three months ended August 31, 2020	Percentage Change	Nine months ended August 31, 2021	Nine months ended August 31, 2020	Percentage Change
Operating expenses:						
Cost of revenue	$ 425.7	$ 385.6	10 %	$ 1,266.7	$ 1,189.7	6 %
SG&A expense	285.6	258.7	10 %	871.1	833.0	5 %
Total cost of revenue and SG&A expense	$ 711.3	$ 644.3	10 %	$ 2,137.8	$ 2,022.7	6 %
Depreciation and amortization expense	$ 145.1	$ 147.6	(2)%	$ 447.2	$ 442.3	1 %
As a percent of revenue:						
Total cost of revenue and SG&A expense	60 %	60 %		61 %	64 %	
Depreciation and amortization expense	12 %	14 %		13 %	14 %	

Cost of Revenue and SG&A Expense

In managing our business, we evaluate our costs by type (e.g., salaries and benefits, facilities, IT) rather than by income statement classification. The increases in cost of revenue and SG&A expense were largely due to the normalization of our business activities in 2021, compared to the strict cost control measures we employed in 2020 at the onset of the COVID-19 pandemic.

Within our cost of revenue and SG&A expense, stock-based compensation expense decreased by approximately $3 million and $41 million for the three and nine months ended August 31, 2021, respectively, compared to the three and nine months ended August 31, 2020, which was largely due to lower employer tax impacts associated with the lower level of stock option exercises in 2021.

Depreciation and Amortization Expense

For the three and nine months ended August 31, 2021, compared to the three and nine months ended August 31, 2020, depreciation and amortization expense changed nominally, but decreased as a percentage of revenue due to our strong revenue growth.

Restructuring and Impairment Charges

Please refer to Note 8 to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for a discussion of costs associated with our cost-reduction initiatives. During the three and nine months ended August 31, 2021, we recorded approximately $2.5 million and $11.2 million, respectively, of direct and incremental costs associated with restructuring and impairment charges, compared to $12.1 million and $97.9 million, respectively, of restructuring and impairment charges for the three and nine months ended August 31, 2020. The 2020 charges included employee severance and the abandonment or partial abandonment of various office locations around the world.

Acquisition-Related Costs

Please refer to Note 9 to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for a discussion of costs associated with our integration and other acquisition-related activities. During the three and nine months ended August 31, 2021, we recorded approximately $24.4 million and $70.8 million, respectively, of direct and incremental costs associated with acquisition and divestiture activities.

Other Expense (Income), Net

Other income for the nine months ended August 31, 2020 includes an approximate $372 million gain on sale related to the A&D business line divestiture in December 2019. Please refer to Note 2 to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for additional discussion about the divestiture.

Segment Adjusted EBITDA

(In millions, except percentages)	Three months ended August 31, 2021	Three months ended August 31, 2020	Percentage Change	Nine months ended August 31, 2021	Nine months ended August 31, 2020	Percentage Change
Adjusted EBITDA:						
Financial Services	$ 240.7	$ 225.9	7 %	$ 711.4	$ 662.6	7 %
Transportation	167.1	153.6	9 %	484.5	373.2	30 %
Resources	83.6	86.4	(3)%	249.2	272.8	(9)%
CMS	37.5	31.0	21 %	92.3	95.4	(3)%
Shared services	(13.3)	(10.7)		(37.6)	(32.2)	
Total Adjusted EBITDA	$ 515.6	$ 486.2	6 %	$ 1,499.8	$ 1,371.8	9 %
As a percent of segment revenue:						
Financial Services	49 %	51 %		48 %	50 %	
Transportation	48 %	51 %		48 %	44 %	
Resources	40 %	41 %		39 %	42 %	
CMS	28 %	26 %		24 %	26 %	

For the three and nine months ended August 31, 2021, compared to the three and nine months ended August 31, 2020, Adjusted EBITDA increased primarily due to strong Transportation revenue performance and solid Financial Services revenue growth, as well as our continued cost containment efforts in the current COVID-19 pandemic environment, although all segment margins have been impacted as certain temporary cost containment measures have ended. We continue to focus our efforts on organic revenue growth and cost management to improve overall margins. Financial Services segment Adjusted EBITDA continued to increase due to organic revenue growth, although the associated margin declined because of increased investment in segment product offerings. The increase in Adjusted EBITDA for the Transportation segment was primarily due to organic revenue growth, which improved substantially compared to the prior year, when it was negatively impacted by the pandemic. Resources Adjusted EBITDA and associated margin decreased due to the organic revenue decline as a result of the COVID-19 pandemic, and CMS Adjusted EBITDA and margin increased for the three months ended August 31, 2021 as a result of in-quarter organic revenue growth and BPVC sales, while Adjusted EBITDA and margin for the nine months ended August 31, 2021 was negatively impacted by mix shift.

Provision for Income Taxes

Our effective tax rate for the three and nine months ended August 31, 2021 was 30 percent and 25 percent, compared to 20 percent and 6 percent for the three and nine months ended August 31, 2020. The higher 2021 tax rates are primarily due to the change in U.K. tax rates described below, as well as U.S. minimum tax impacts of approximately $16 million and $50 million for the three and nine months ended August 31, 2021, respectively. The 2021 tax rates are partially reduced by tax benefits associated with R&D tax credits of approximately $19 million and $19 million, and excess tax benefits on stock-based compensation of approximately $4 million and $28 million, for the same respective periods.

On June 10, 2021, the U.K. enacted an increase in corporation tax rate from the current 19 percent to 25 percent, effective from April 1, 2023. Due to our fiscal year end, the higher tax rate will be phased in, resulting in a U.K. statutory rate of 23 percent for our fiscal year ending November 30, 2023 and 25 percent for subsequent fiscal years. Accounting Standards Codification ("ASC") Topic 740, "Income Taxes," requires that we remeasure our deferred tax assets and liabilities and recognize the effect of the tax law change in the period of enactment. We recorded a tax expense of approximately $26 million for the three and nine months ended August 31, 2021 to remeasure our U.K. deferred taxes for the tax rate change.

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The varying 2020 rates are primarily due to excess tax benefits on stock-based compensation of approximately $13 million and $89 million and the tax-efficient divestiture of the A&D business line (U.K. share sales are exempt from tax) of approximately $10 million and $48 million, respectively, partially offset by U.S. tax reform impacts of approximately $6 million and $38 million and a 2020 U.K. tax rate change that resulted in incremental tax of approximately $23 million for the three and nine months ended August 31, 2020.

EBITDA and Adjusted EBITDA (non-GAAP measures)

The following table provides reconciliations of our net income to EBITDA and Adjusted EBITDA for the three and nine months ended August 31, 2021 and August 31, 2020.

(In millions, except percentages)	Three months ended August 31, 2021	Three months ended August 31, 2020	Percentage Change	Nine months ended August 31, 2021	Nine months ended August 31, 2020	Percentage Change
Net income attributable to IHS Markit Ltd.	$ 161.3	$ 162.9	(1)%	$ 469.6	$ 719.6	(35)%
Interest income	(0.1)	(0.2)		(0.2)	(0.8)	
Interest expense	54.8	57.7		165.7	178.9	
Provision for income taxes	71.7	39.9		159.6	48.9	
Depreciation	54.8	54.5		170.2	162.0	
Amortization	90.3	93.1		277.0	280.3	
EBITDA	$ 432.8	$ 407.9	6 %	$ 1,241.9	$ 1,388.9	(11)%
Stock-based compensation expense	52.7	56.0		168.4	209.8	
Restructuring and impairment charges	2.5	12.1		11.2	97.9	
Acquisition-related costs	20.7	3.8		59.3	6.6	
Acquisition-related performance compensation	3.7	4.9		11.5	9.6	
Loss (gain) on sale of assets	—	0.4		(0.2)	(370.5)	
Pension mark-to-market and settlement expense	—	—		—	30.0	
Adjusted EBITDA impacts from equity-method investments and noncontrolling interest	3.2	1.1		7.7	(0.5)	
Adjusted EBITDA	$ 515.6	$ 486.2	6 %	$ 1,499.8	$ 1,371.8	9 %
Adjusted EBITDA as a percentage of revenue	43.7 %	45.3 %		43.1 %	43.1 %	

Our Adjusted EBITDA performance for the three and nine months ended August 31, 2021, compared to the three and nine months ended August 31, 2020, increased primarily because of organic revenue growth without proportionate growth in expense as we continue to focus on cost management activities as a result of COVID-19 and the current economic environment. Adjusted EBITDA margin decreased slightly for the three months ended August 31, 2021, compared to the prior year period, as our business activities began normalizing from the effects of the pandemic and certain temporary cost containment measures have ended, as well as a slight shift in product offering mix. Adjusted EBITDA margin for the nine months ended August 31, 2021, compared to the prior year period, is largely unchanged.

Financial Condition

(In millions, except percentages)	As of August 31, 2021	As of November 30, 2020	Dollar change	Percentage change
Accounts receivable, net	$ 857.8	$ 891.7	$ (33.9)	(4)%
Accrued compensation	$ 188.6	$ 206.1	$ (17.5)	(8)%
Deferred revenue	$ 939.7	$ 886.2	$ 53.5	6 %

The decrease in accounts receivable was primarily due to the reclassification of MarkitSERV and OPIS group accounts receivable to assets held for sale, while the deferred revenue increase was primarily due to year-over-year organic revenue growth. Accrued compensation decreased primarily due to the 2020 bonus payout made in the first quarter of 2021, partially offset by the current year accrual.

Liquidity and Capital Resources

As of August 31, 2021, we had cash and cash equivalents of $337.9 million. Our principal sources of liquidity include cash generated by operating activities, cash and cash equivalents on the balance sheet, and amounts available under a revolving credit facility. We had approximately $4.88 billion of debt as of August 31, 2021, consisting primarily of $235.0 million of revolving facility debt and $4.67 billion of senior notes. As of August 31, 2021, we had approximately $1.01 billion available under our revolving credit facility. Subject to certain exceptions, the merger agreement with S&P Global restricts our ability to borrow more than $500 million in the aggregate without the prior consent of S&P Global. We do not believe this restriction will impact our liquidity to meet our ongoing working capital and capital expenditure needs.

Our interest expense for the three and nine months ended August 31, 2021, compared to the three and nine months ended August 31, 2020, decreased primarily because of lower floating interest rates in 2021 compared to the prior year, as well as decreased borrowings on our revolving facility debt.

Our Board of Directors approved a quarterly cash dividend of $0.20 per share in each of the first three quarters of 2021, which resulted in approximately $238.8 million of cash payouts in the nine months ended August 31, 2021. Our Board of Directors approved quarterly cash dividends of $0.17 per share in each of the first three quarters of 2020, which resulted in approximately $203.0 million of cash payouts during 2020.

Our Board of Directors has authorized a share repurchase program of up to $2.5 billion of IHS Markit common shares through November 30, 2021, to be funded using our existing cash, cash equivalents, marketable securities, and future cash flows, or through the incurrence of short- or long-term indebtedness, at management's discretion. This repurchase program does not obligate us to repurchase any set dollar amount or number of shares and may be modified, suspended, or terminated at any time without prior notice. Under this program, we are authorized to repurchase our common shares on the open market from time to time, in privately negotiated transactions, or through accelerated share repurchase agreements, subject to availability of common shares, price, market conditions, alternative uses of capital, and applicable regulatory requirements, at management's discretion. The merger agreement with S&P Global restricts our ability to purchase our shares and therefore our share repurchase program is currently suspended through November 2021, other than for the repurchase of shares associated with tax withholding requirements for share-based compensation.

Our Board of Directors has separately authorized, subject to applicable regulatory requirements, the repurchase of our common shares surrendered by employees in an amount equal to the exercise price, if applicable, and statutory tax liability associated with the vesting of their equity awards, for which we pay the statutory tax on behalf of the employee and forgo receipt of the exercise price of the award from the employee, if applicable. Such repurchases have been authorized in addition to the share repurchase program described above.

Based on our cash, debt, and cash flow positions, we believe that we will have sufficient liquidity to meet our ongoing working capital and capital expenditure needs. Our future capital requirements will depend on many factors, including the number and magnitude of future acquisitions, amount of share repurchases and dividends, the need for additional facilities or facility improvements, the timing and extent of spending to support product development efforts, information technology infrastructure investments, investments in our internal business applications, and the continued market acceptance of our offerings. Given current market conditions as a result of COVID-19, we are focused on maintaining higher levels of liquidity and capital structure flexibility. We maintain a solid balance sheet, investor grade rating, a well-positioned debt maturity ladder, and a strong diversified bank group. We expect to continue to operate within our capital policy target range of 2.0x-3.0x gross leverage.

Cash Flows

(In millions, except percentages)	Nine months ended August 31, 2021	Nine months ended August 31, 2020	Dollar change	Percentage change
Net cash provided by operating activities	$ 1,037.2	$ 800.5	$ 236.7	30 %
Net cash (used in) provided by investing activities	$ (445.0)	$ 255.6	$ (700.6)	(274) %
Net cash used in financing activities	$ (381.0)	$ (1,027.0)	$ 646.0	(63) %

The increase in net cash provided by operating activities was primarily due to the negative impact of 2020 cash payouts for acquisition-related performance compensation associated with the aM acquisition described in Note 2, pension contributions associated with the distribution and transfer of pension liabilities, payroll tax payments on stock option exercises, and tax payments associated with divestiture activities. Improved working capital in 2021 also contributed to the growth in net cash provided by our operating activities.

The decrease in net cash provided by investing activities was primarily due to the sale of the A&D business line in the first quarter of 2020, as well as the current year acquisition of Cappitech and investment in Gen II.

The decrease in net cash used in financing activities is primarily due to the decrease in share repurchases in 2021, compared to 2020, of $750 million, partially offset by higher proceeds from stock option exercises in 2020 and higher dividend payouts in 2021.

Free Cash Flow (non-GAAP measure)

The following table reconciles our non-GAAP free cash flow measure to net cash provided by operating activities.

(In millions, except percentages)	Nine months ended August 31, 2021	Nine months ended August 31, 2020	Dollar change	Percentage change
Net cash provided by operating activities	$ 1,037.2	$ 800.5		
Payments for acquisition-related performance compensation	—	75.9		
Capital expenditures on property and equipment	(220.0)	(211.8)		
Free cash flow	$ 817.2	$ 664.6	$ 152.6	23 %

The increase in free cash flow was primarily due to increased operating performance and working capital balances, as well as the absence of one-time pension and tax payments that were paid in the prior year. The payments for acquisition-related performance compensation are associated with the exercise of put provisions by aM equity interest holders, as further described in Note 2. Our free cash flow has historically been positive due to the robust cash generation attributes of our business model, and we expect that it will continue to be a significant source of funding for our business strategy of growth through organic and acquisitive means.

Credit Facility and Other Debt

Please refer to Note 6 to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for a discussion of the current status of our debt arrangements.

Share Repurchase Programs

Please refer to Note 14 to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q and to Part II, Item 2 in this Quarterly Report on Form 10-Q for a discussion of our share repurchase programs.

Off-Balance Sheet Transactions

We have no off-balance sheet transactions.

Critical Accounting Policies

Our management makes a number of significant estimates, assumptions, and judgments in the preparation of our financial statements. See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates” in our 2020 Annual Report on Form 10-K for a discussion of the estimates and judgments necessary in our accounting for revenue recognition, business combinations, goodwill and other intangible assets, income taxes, and stock-based compensation.

Recent Accounting Pronouncements

Please refer to Note 1 to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for a discussion of recent accounting pronouncements and their anticipated effect on our business.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For information regarding our exposure to certain market risks, see “Item 7A. Quantitative and Qualitative Disclosures About Market Risk,” in our 2020 Annual Report on Form 10-K.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act, as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act are effective at a reasonable assurance level to ensure that information required to be disclosed in the reports required to be filed or submitted under the Securities Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

(b) Changes in internal control over financial reporting.

There were no changes in our internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Please refer to Note 13 to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for information about legal proceedings.

Item 1A. Risk Factors

There have been no material changes to the risk factors associated with our business previously disclosed in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the period ended November 30, 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides detail about our share repurchases during the three months ended August 31, 2021.

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (in millions)
June 1 - June 30, 2020:				
Employee transactions	5,978	$ 109.53	N/A	N/A
July 1 - July 31, 2021:				
Employee transactions	22,791	$ 113.36	N/A	N/A
August 1 - August 31, 2021:				
Employee transactions	37	$ 119.40	N/A	N/A
Total share repurchases	28,806	$ 112.57		

For the third quarter of 2021, we repurchased approximately $3.2 million of common shares related to employee transactions. This amount represents common shares repurchased from employees in an amount equal to the statutory tax liability associated with the vesting of their equity awards. We then pay the statutory tax on behalf of the employee. Our Board of Directors has approved this program in an effort to reduce the dilutive effects of employee equity grants.

Item 5. Other Information

Iran Threat Reduction and Syria Human Rights Act Disclosure

Under the Iran Threat Reduction and Syrian Human Rights Act of 2012, which added Section 13(r) of the Securities Exchange Act, we are required to include certain disclosures in our periodic reports if we or any of our affiliates knowingly engaged in certain specified activities during the period covered by the report. Disclosure is generally required even if the transactions or dealings were conducted in compliance with applicable law and regulations. During the third quarter of 2014, we acquired Global Trade Information Services, a Virginia corporation ("GTIS"). GTIS publishes the Global Trade Atlas (the "GTA"), an online trade data system offering global merchandise trade statistics such as import and export data from official sources in more than 90 countries. Included in the GTA from June 1, 2021 is certain trade data sourced from Iran for which GTIS pays an annual fee of approximately $41,800. The procurement of this information is exempt from applicable economic sanctions laws and regulations as a funds transfer related to the exportation or importation of information and informational materials. Sales attributable to this Iranian trade data represented approximately $45,000 in gross revenue for GTIS in the third quarter of 2021 and would have represented less than 0.01 percent of our third quarter 2021 consolidated revenues and approximately 0.02 percent of our third quarter 2021 gross profits. Subject to any changes in the exempt status of such activities, we intend to continue these business activities as permissible under applicable export control and economic sanctions laws and regulations.

Item 6. Exhibits

(a) Index of Exhibits

Exhibit Number	Description
31.1*	Certification of the Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act
31.2*	Certification of the Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act
32*	Certification of the Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from this Quarterly Report on Form 10-Q, formatted as Inline XBRL

* Filed herewith.

+ Compensatory plan or arrangement

SIGNATURE

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, thereunto duly authorized, on September 28, 2021.

IHS MARKIT LTD.

By:	/s/ Michael Easton	
	Name:	Michael Easton
	Title:	Senior Vice President and Chief Accounting Officer

Exhibit 31.1

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT, AS AMENDED**

I, Lance Uggla, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of IHS Markit Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 28, 2021

/s/ Lance Uggla

Lance Uggla
Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT, AS AMENDED

I, Jonathan Gear, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of IHS Markit Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 28, 2021

/s/ Jonathan Gear

Jonathan Gear
Executive Vice President and Chief Financial Officer

Exhibit 32

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Each of the undersigned hereby certifies, for the purposes of section 1350 of chapter 63 of title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his capacity as an officer of IHS Markit Ltd. (the “Company”), that, to his knowledge, the Quarterly Report on Form 10-Q of the Company for the period ended August 31, 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company. This written statement is being furnished to the Securities and Exchange Commission as an exhibit to such report. A signed original of this statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: September 28, 2021

/s/ Lance Uggla

Lance Uggla
Chairman and Chief Executive Officer

/s/ Jonathan Gear

Jonathan Gear
Executive Vice President and Chief Financial Officer