



IHS Markit™

Q3 2021 Earnings

Supplemental Financials

September 28, 2021

Forward-looking statements

This presentation 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 communication 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 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”). However, those factors should not 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 communication is based only on information currently available to our management and speaks only as of the date of this communication. 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. Please consult our public filings with the SEC or on our website at investor.ihsmarkit.com.

Non-GAAP measures

Non-GAAP financial information is presented only as a supplement to IHS Markit’s financial information based on U.S. generally accepted accounting principles (“GAAP”). Non-GAAP financial information is provided to enhance the reader’s understanding of IHS Markit’s financial performance, but none of these non-GAAP financial measures are recognized terms under GAAP and should not be considered in isolation from, or as a substitute for, financial measures calculated in accordance with GAAP. Definitions of IHS Markit non-GAAP measures and reconciliations to the most directly comparable GAAP measures are provided within the schedules attached to IHS Markit’s quarterly earnings releases on the Investor Relations section of the company’s website (investor.ihsmarkit.com). This presentation also includes certain forward-looking non-GAAP financial measures. IHS Markit is unable to present a reconciliation of this forward looking non-GAAP financial information because management cannot reliably predict all of the necessary components of such measures. Accordingly, investors are cautioned not to place undue reliance on this information.

IHS Markit uses non-GAAP measures in its operational and financial decision making. IHS Markit believes that such measures allow it to focus on what it deems to be more a reliable indicator of ongoing operating performance and its ability to generate cash flow from operations. IHS Markit also believes that investors may find these non-GAAP financial measures useful for the same reasons, although investors are cautioned that non-GAAP financial measures are not a substitute for GAAP financial measures or disclosures. None of these non-GAAP financial measures are recognized terms under GAAP and do not purport to be an alternative to any other GAAP measure.

Non-GAAP measures are frequently used by securities analysts, investors and other interested parties in their evaluation of companies comparable to IHS Markit, many of which present non-GAAP measures when reporting their results. These measures can be useful in evaluating IHS Markit’s performance against its peer companies because IHS Markit believes the measures provide users with valuable insight into key components of GAAP financial disclosures. However, non-GAAP measures have limitations as an analytical tool. Because not all companies use identical calculations, IHS Markit’s 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 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 GAAP or operating cash flows determined in accordance with 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 GAAP.

Updating guidance - increasing revenue by \$20m for operational strength and adjusting Q4 for MServ JV impact -\$45m and -\$10m due to lower FX benefit.

\$ in millions, except for per share amounts	2021 Updated Guidance (excludes MServ and FX decrease) IHS Markit Total			2021 Prior Guidance IHS Markit Total		
	Low	Mid	High	Low	Mid	High
Revenue	\$4,610	\$4,620	\$4,630	\$4,635	\$4,655	\$4,675
<i>Organic growth %</i>	<i>Approximately 7 to 8%</i>			<i>Approximately 7 to 8%</i>		
Adjusted EBITDA	\$2,020	\$2,025	\$2,030	\$2,020	\$2,025	\$2,030
<i>Margin %</i>	<i>Approximately 44%</i>			<i>Approximately 44%</i>		
Adjusted EPS	\$3.18	\$3.19	\$3.20	\$3.15	\$3.16	\$3.17
<i>Normalized EPS growth %</i>	<i>Approximately 12% -13%</i>			<i>Approximately 11%</i>		

Additional guidance items:

- Depreciation expense of **\$225 - \$230** million (*tightened and reduced range from \$240 - \$250*)
- Amortization (acquisition related intangibles) expense of **\$360 - \$365** million (*tightened and reduced range from \$370 - \$380*)
- Net interest expense of **\$220 - \$225** million
- Stock-based compensation expense of **\$225 - \$230** million (*tightened and reduced range from \$235 - \$245*)
- GAAP effective tax rate of **14% - 16%**
- Adjusted effective tax rate of **18% - 20%**
- Weighted average diluted shares between **400 - 403** million (Per merger agreement, we have paused share repurchases, which are limited to tax withholding requirements for share-based compensation)
- Capital expenditures to be approximately **6.0% - 6.5%** of revenue
- Free Cash Flow conversion (as a % of Adjusted EBITDA) of high **50's%** (*reduced from mid 60's due to Mserv impacts*)

Quarterly Revenue by Reported Segment

For the period ended:

		2020					2021		
		Feb	May	Aug	Nov	Nov	Feb	May	Aug
		Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21	Q2 21	Q3 21
Recurring	Financial Services	267	262	270	274	1,073	285	278	292
	Transportation	228	187	227	238	879	247	262	268
	Resources	200	197	190	188	776	183	183	185
	CMS	109	109	109	110	437	111	113	116
	Total Recurring Fixed	804	755	796	810	3,165	826	836	860
	Recurring Variable - Financial Services	147	158	153	159	616	173	183	170
	Total IHS Markit Recurring Revenue	\$ 951	\$ 913	\$ 949	\$ 968	\$ 3,782	\$ 999	\$ 1,019	\$ 1,030
Non-Recurring	Financial Services	22	23	23	27	94	26	32	28
	Transportation	69	56	72	75	273	65	83	80
	Resources	25	22	18	22	87	20	37	23
	CMS	13	12	11	15	52	10	10	20
	Total IHS Markit Non-Recurring Revenue	\$ 130	\$ 113	\$ 124	\$ 139	\$ 506	\$ 121	\$ 163	\$ 151
Total	Financial Services	436	444	446	459	1,784	484	493	490
	Transportation	297	243	299	312	1,152	312	344	347
	Resources	226	219	208	210	863	203	221	208
	CMS	122	121	121	126	489	121	123	136
	Total IHS Markit Revenue	\$ 1,081	\$ 1,027	\$ 1,073	\$ 1,107	\$ 4,288	\$ 1,120	\$ 1,181	\$ 1,181

Quarterly Organic Growth

For the period ended:		2020					2021		
		Feb	May	Aug	Nov	Nov	Feb	May	Aug
		Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21	Q2 21	Q3 21
Recurring	Financial Services	10%	4%	4%	5%	6%	5%	5%	7%
	Transportation	12%	-10%	5%	6%	3%	8%	38%	17%
	Resources	1%	1%	-5%	-8%	-3%	-9%	-8%	-4%
	CMS	1%	2%	2%	2%	2%	2%	2%	5%
	Total Recurring Fixed	7%	-1%	2%	1%	2%	2%	9%	7%
	Recurring Variable - Financial Services	8%	10%	6%	7%	7%	17%	11%	8%
	Total Recurring Organic Growth %	7%	1%	2%	2%	3%	4%	10%	7%
Non-Recurring	Financial Services	-27%	-33%	-13%	9%	-18%	18%	36%	19%
	Transportation ⁽¹⁾	-1%	-31%	-12%	-9%	-14%	-8%	41%	8%
	Resources ⁽²⁾	2%	-15%	-39%	-32%	-23%	-20%	73%	30%
	CMS ⁽³⁾	15%	0%	-12%	-13%	-3%	-25%	-10%	14%
	Total Non-Recurring Organic Growth % ⁽⁴⁾	-5%	-26%	-18%	-11%	-15%	-7%	41%	14%
Total	Financial Services	7%	3%	4%	6%	5%	10%	9%	8%
	Transportation ⁽¹⁾	9%	-16%	0%	2%	-2%	4%	39%	15%
	Resources ⁽²⁾	1%	-1%	-9%	-11%	-5%	-10%	0%	-1%
	CMS ⁽³⁾	3%	2%	1%	0%	1%	-1%	1%	5%
	Total Organic Growth % ⁽⁴⁾	6%	-3%	0%	0%	0%	3%	13%	8%

- (1) Q2 20 and FY20 Transportation non-recurring organic revenue growth including impact of cancelled events is -37% and -16% respectively and total organic revenue growth is -18% and -2% respectively.
- (2) Q2 20 and FY20 Resources non-recurring organic revenue growth including impact of cancelled events is -62% and -40% respectively and total organic revenue growth is -14% and -9% respectively.
- (3) Q3 20 and FY20 CMS non-recurring organic revenue growth including BPVC is -41% and -14% respectively and total organic revenue growth is -5% and 0% respectively. Q3 21 CMS non-recurring organic revenue growth including BPVC is 76% and total organic revenue growth is 11%.
- (4) Q2 20 total non-recurring organic revenue growth including impact of cancelled events is -40% and total organic revenue growth is -7%. Q3 20 total non-recurring revenue including BPVC is -22% and total organic revenue growth is -1%. FY 2020 total non-recurring revenue growth including events and BPVC is -21% and total organic growth is -1%. Q3 21 total non-recurring revenue including BPVC is 20% and total organic revenue growth is 9%.

Quarterly Financial Services Revenue

For the period ended:

		2020					2021		
		Feb	May	Aug	Nov	Nov	Feb	May	Aug
		Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21	Q2 21	Q3 21
Product Offerings	Revenue \$								
	Information	195	201	199	199	794	210	216	215
	Solutions	177	174	189	196	736	206	202	207
	Processing	63	69	58	64	254	68	75	68
	Total Financial Services Revenue	\$ 436	\$ 444	\$ 446	\$ 459	\$ 1,784	\$ 484	\$ 493	\$ 490
	Total revenue growth %	7%	2%	4%	7%	5%	11%	11%	10%
	Organic Growth %								
Information	6%	7%	4%	4%	5%	6%	5%	6%	
Solutions	7%	-3%	7%	10%	5%	15%	15%	9%	
Processing	6%	8%	-8%	1%	2%	6%	6%	12%	
Total Organic Growth %	7%	3%	4%	6%	5%	10%	9%	8%	
Category	Category Revenue \$								
	Recurring	267	262	270	274	1,073	285	278	292
	Recurring Variable	147	158	153	159	616	173	183	170
	Non-Recurring	22	23	23	27	94	26	32	27
	Total Financial Services Revenue	\$ 436	\$ 444	\$ 446	\$ 459	\$ 1,784	\$ 484	\$ 493	\$ 490

Quarterly Adjusted EBITDA View* by Reported Segment

Adjusted EBITDA

For the period ended:

	2020					2021		
	Feb	May	Aug	Nov	Nov	Feb	May	Aug
	Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21	Q2 21	Q3 21
Total Adjusted EBITDA								
Financial Services	206	231	226	223	886	233	238	241
Transportation	118	102	154	141	515	147	171	167
Resources	90	96	86	85	357	74	91	84
CMS	29	35	31	31	127	26	29	38
Shared services	(11)	(10)	(11)	(16)	(48)	(13)	(11)	(13)
Total IHS Markit Adjusted EBITDA	\$ 432	454	\$ 486	\$ 465	\$ 1,837	\$ 467	\$ 517	\$ 516
Adjusted EBITDA Margin %								
Financial Services	47.1%	52.2%	50.7%	48.7%	49.7%	48.1%	48.2%	49.2%
Transportation	39.7%	41.8%	51.4%	45.3%	44.7%	47.1%	49.6%	48.1%
Resources	40.0%	43.9%	41.5%	40.2%	41.4%	36.6%	41.4%	40.2%
CMS	24.1%	28.9%	25.7%	24.7%	25.9%	21.6%	23.3%	27.7%
Total Adjusted EBITDA Margin %	39.9%	44.2%	45.3%	42.0%	42.8%	41.7%	43.8%	43.7%
Total margin expansion reported (bps)	90	320	460	160	250	180	(40)	(160)

*Refer to financial earnings releases on investor.ihsmarkit.com for definitions and reconciliations to the nearest GAAP reported measures