Financials: S&P Global

Portfolio Manager:
Santo Romano

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S&P Global

Company Overview

S&P Global

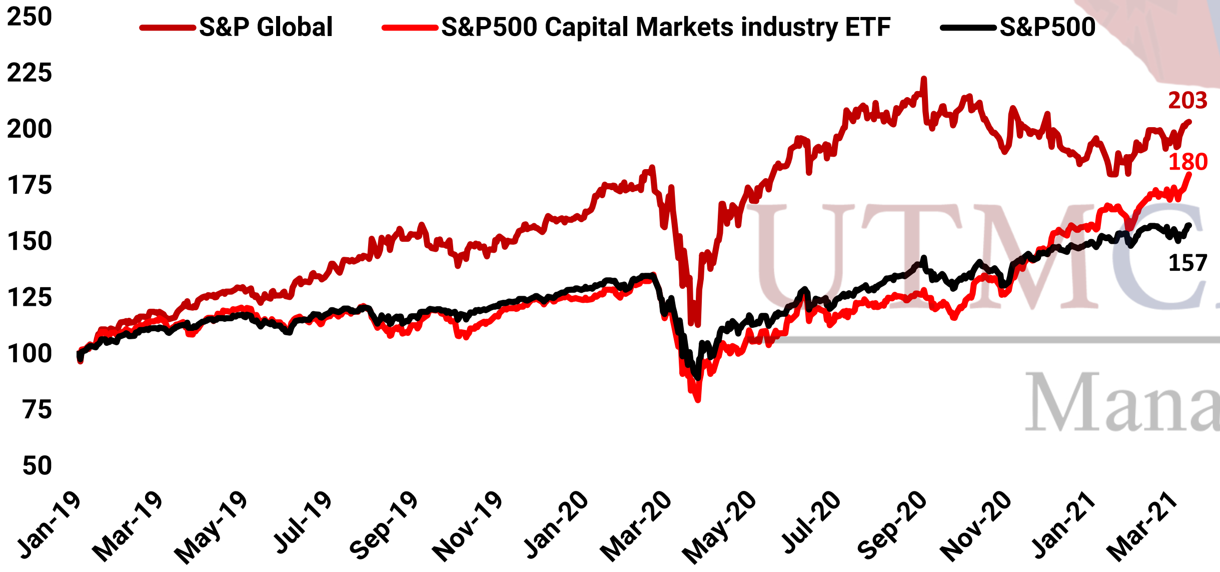
Highlights

- World leader in credit ratings for corporations and sovereigns
- Largest global index provider, with nearly $2T of AUM associated with its index offerings
- Leading provider of data and price solutions for commodity and energy markets
- Data oriented business which offers multi-asset class information and analytics for the financial services industry
- Excellent margins and profit growth

Important News

- Merging with IHS Markit, with the deal to close in 2021H2
  - Combined company with have Enterprise Value of ~ $130B, larger than Moody's, MSCI and NASAQ combined
  - Goal to return 85% of FCF to shareholders post merger
- Won Credit Risk Management Product of the Year award at the Asia Risk Awards 2020
- Commitment to net-zero emissions by 2040
- S&P Global Platts acquires PIRA Energy Group

Share Price Performance



Executive Management

CEO – Douglas Peterson
- President and CEO since November 2013
- Chairman for The US - Japan Business Council

CFO – Ewout. L. Steenbergen
- CFO since 2016

COO – Richard Edward Thornburgh
- Has been at the head of 5 different companies

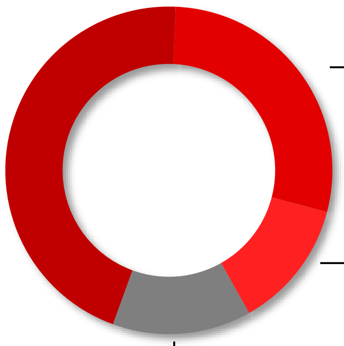
Core Business

S&P Global

Business Unit Performance

Relative to FY2019	Ratings	Market Intelligence	Platts	S&P Dow Jones Indices
Reported Revenue	+16%	+8%	+4%	+8%
Organic Revenue	+15%	+7%	+4%	+8%
Adjusted Operating Profit	+25%	+9%	+8%	+7%
2020 adjusted operating profit margin	62.4%	32.4%	54.7	69.1%
Adjusted operating profit margin change	+460 bps	+30 bps	+230 bps	-40 bps

Revenue Distribution

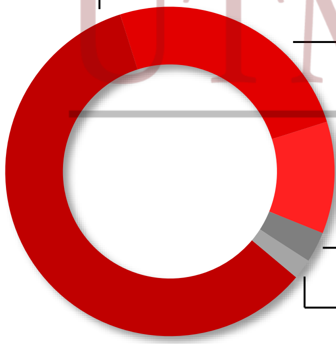


Ratings: $3,106 — 46%

Market Intelligence: $1,959 — 29%

Platts: $844 — 13%

Indices: $918 — 14%



US: $3,949 — 59%

EMEA: $1,681 — 25%

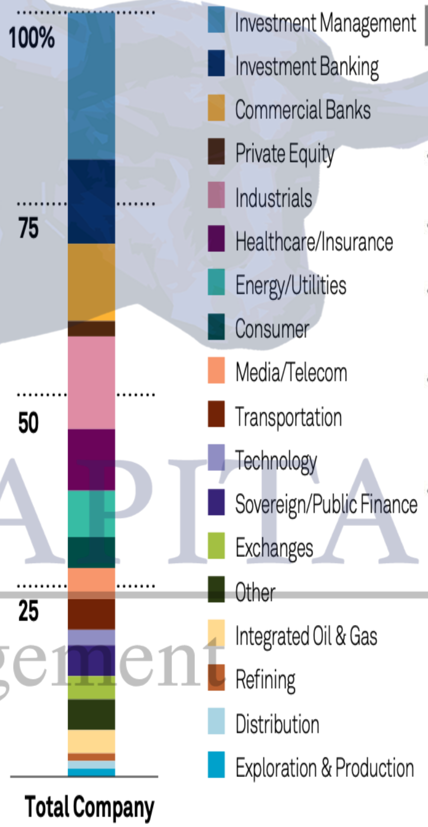
Asia: $715 — 11%

Canada: $918 — 3%

Latin America: $116 — 2%

Company Diversity

- Company revenue is widely diversified across numerous industries, with non-financial corporations representing almost 60% of revenue
- Ratings business is expanding into Asia in order to benefit from developing capital markets and geographic diversification



Research • Evaluation • Data • Analytics & Tools • Benchmarks

S&P Global Ratings

- **40 ESG evaluations** completed in 2020
- **24 Green evaluations** completed in 2020
- **76 SAM Benchmark Engagements** completed in 2020
- **220 new CSA's** added during 2020 bringing the total participating companies to 1,386
- **Expanded ESG evaluations** to cover U.S. public finance

S&P Global Market Intelligence

- Launched **S&P Global ESG Scores** covering 8,500 companies on the MI platform and Xpressfeed™
- **Trucost Climate Analytics and Environmental Data** launched and integrated in the MI Platform Xpressfeed™
- **Launched Climate Credit Analytics**

S&P Dow Jones Indices (A Division of S&P Global)

- Year-ending ESG ETF AUM of $20.2 billion, up more than 200% in 2020 including $8.4 billion of inflows.
- Launched the **Paris-Aligned Climate Transition** and **S&P GSCI Carbon Emission Allowance** indices
- New ESG indices used in new ETFs from Blackrock, DWS, Invesco, Lyxor, Norinchukin, State Street, and UBS and CBOE options

S&P Global Platts

- Numerous price assessments launched in 2020 including:
  - Battery metals
  - Biofuels
  - Hydrogen
  - Recycled plastics
  - Renewable diesel
  - Sustainable aviation fuel
- **Consolidated Energy Transition** product launched on Platts Platform
- Suite of **Marine fuels 0.5%** gaining marketplace acceptance

- Substantial progress on ESG market initiatives in 2020, with direct revenue of $65 million, which grew at a pace of 40% year-over-year

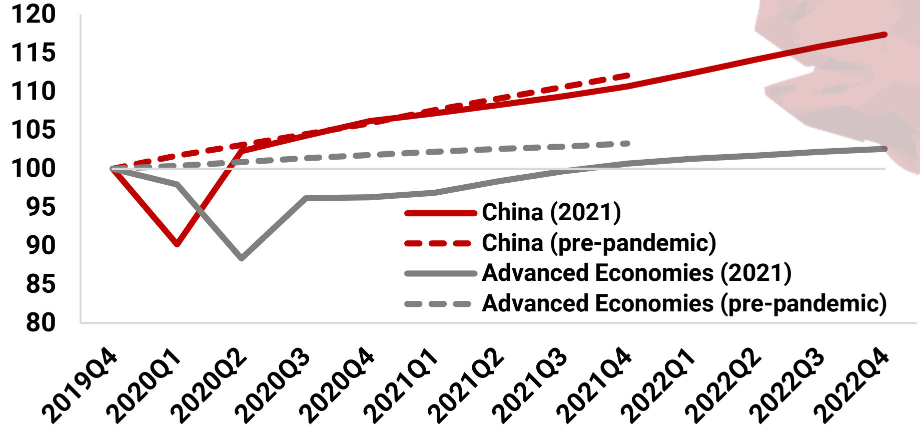
Source: S&P Global 2020Q4 Earnings Conference Call

Macro Outlook

S&P Global

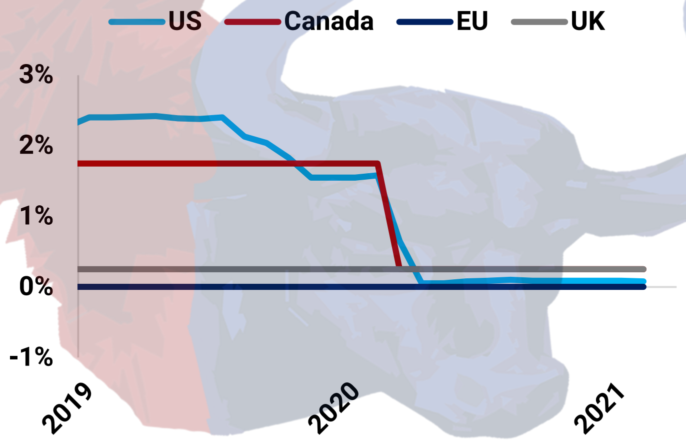
GDP in advanced economies is on track to exceed pre-pandemic levels by Q3 of 2021

IMF GDP Forecasts
(2019Q4 = 100)

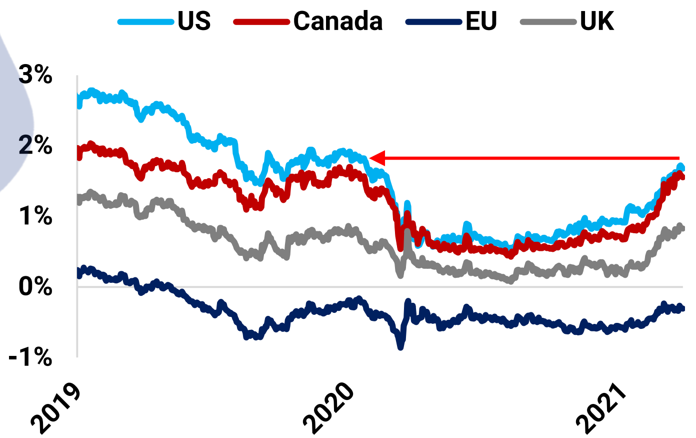


Monetary policy is very easy, and will be "low for long", though there are reflationary pressures which are pushing up benchmark yields to pre-pandemic levels

Policy Rates

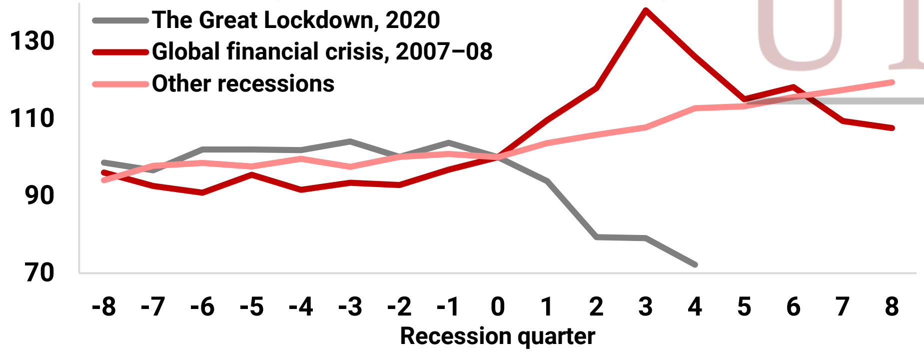


10yr Nominal Yields

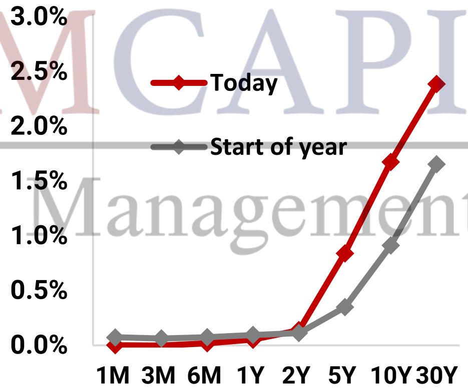


Bankruptcies are less frequent relative to past recessions due to coordinated policy

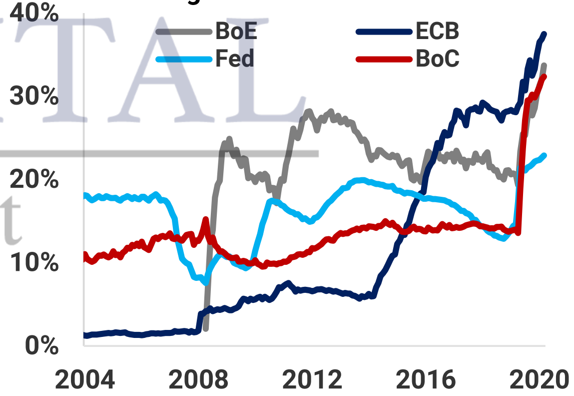
Bankruptcies
(Last pre-recession quarter = 100)



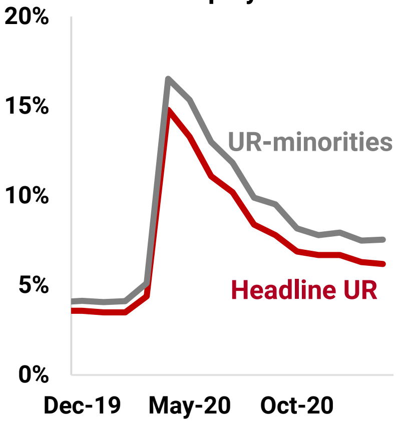
US Yield Curve



Central bank ownership of government debt



US Unemployment Rate



Source: IMF January 2021 World Economic Outlook

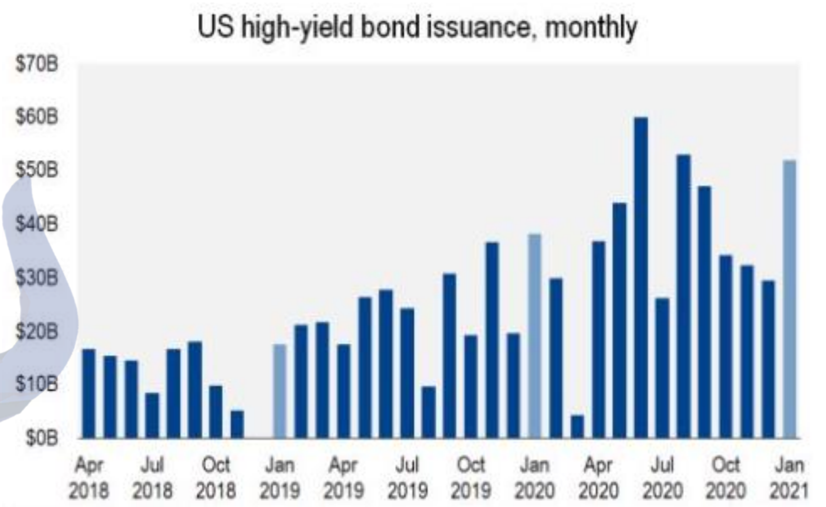
Industry Outlook

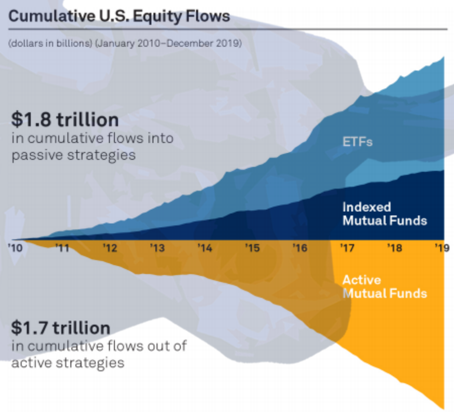
S&P Global

Secular trends paired with accommodative monetary policy are shaking up the financial services industry

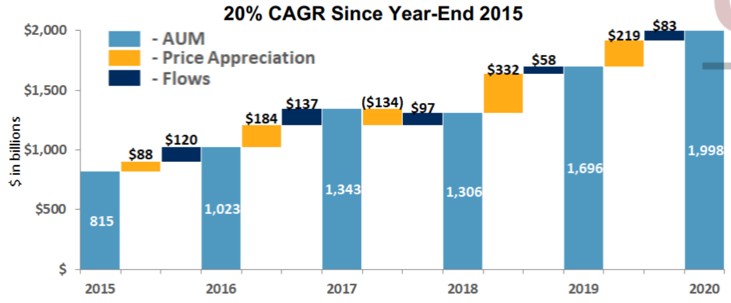
- Inflows into low-cost passive securities, which are often benchmarked to indices, far exceed inflows into actively managed funds
- Record low interest rates and easy monetary policy for the foreseeable future are making debt issuance and refinancing cheaper than ever
- Investors are increasingly incorporating ESG into their analysis, however there is no universal methodology to employ
- Domestic financial markets in emerging economies are still in their infancy, and global investors need reassurance that these markets are safe to invest in

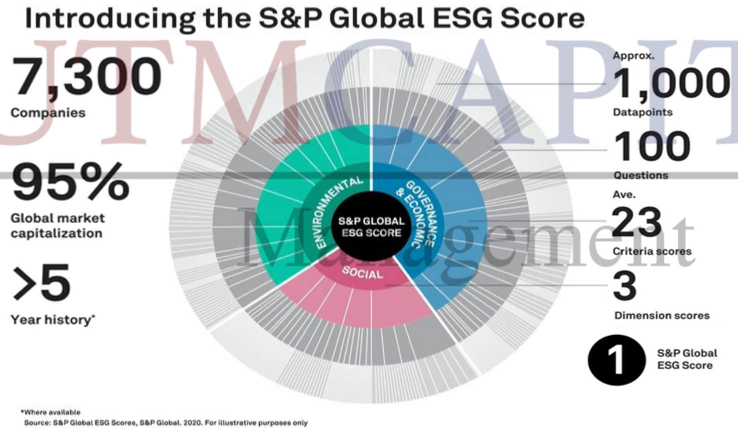
- Corporate bond issuance in 2021 has started strong, and will act as a tailwind for ratings agencies

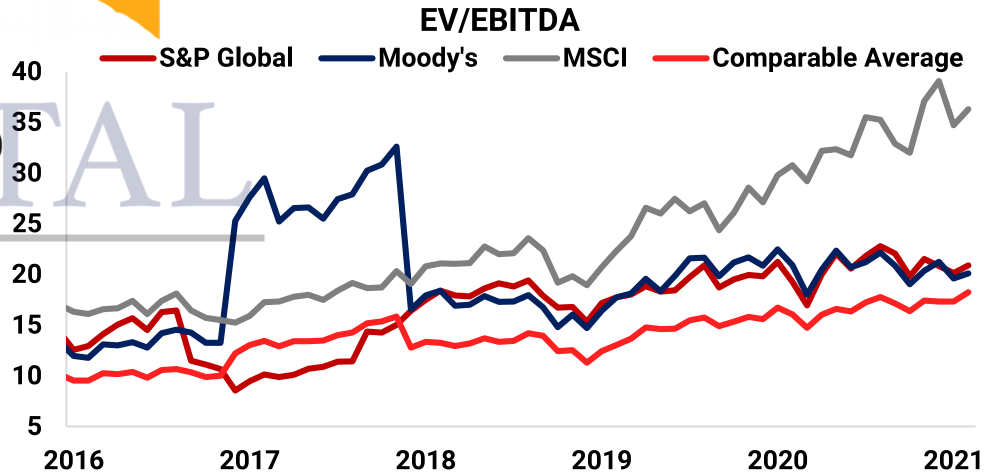




"ETF AUM associated with our indices increased almost 150% over past five years to $2 trillion"







Source: S&P Global 2020Q4 Earnings Conference Call, Goldman Sachs Global Investment Research

Competitor Analysis

S&P Global

- Core business' include Global Ratings, Market Intelligence (financial data), Indices (index benchmarking), and Platts (commodity data)
- The largest credit rating agency in the world, with a market share of 50% of all rated bonds
- Near $2tn in ETF AUM benchmarked to S&P/Dow Jones indices
  - YoY growth in this segment was 7.7%
- The upcoming merger with IHS Markit positions S&P to further increase its moat, with a focus on data driven solutions
  - Synergies should total near $830m
- Despite the merger which is set to close in 2021H2, S&P plans to continue returning cash to shareholders as soon as possible
  - S&P has returned on average 50% of its EBITDA over the past 5 years, and plans to return 85% of FCF of post-merger
- Ongoing growth opportunities include ratings expansion in Asia as well as ESG scoring and ETF benchmarking

EV/EBIDTA	P/E	Shareholder Yield
20.9x	30.7x	2.27%

Moody's

- Core business' include Investor Services (ratings) and Analytics
- Market share in the ratings space is 32%
- Recent acquisitions include expansions in AML and Know-Your-Customer services
- Plan to return near 100% of FCF to shareholders in 2021; more than double what was returned in 2020
- Future growth will be focused on becoming an integrated risk assessment business

EV/EBIDTA	P/E	Shareholder Yield
21.2x	29.9x	1.61%

MSCI

- Core business' include Indices, Analytics, ESG and Real Estate
- Just over $1.1T in ETF AUM benchmarked to MSCI indices
  - YoY growth was 10.3% in this segment
- Future strategy focuses on advancing relationships and utilizing AI/ML for data analysis in order to support the investment industry

EV/EBIDTA	P/E	Shareholder Yield
38.9x	55.1x	2.78%

Note: Shareholder Yield = cash returned to shareholders divided by market capitalization

Porter's Five Forces

S&P Global

Threats of New Entrants:

- Threat of new entrants are **low**
- Mature industry with high barriers to entry

Bargaining Power of Customers:

- Power of customers is **medium**
- Products are highly unique, which allows for pricing-power

Bargaining Power of Substitutes:

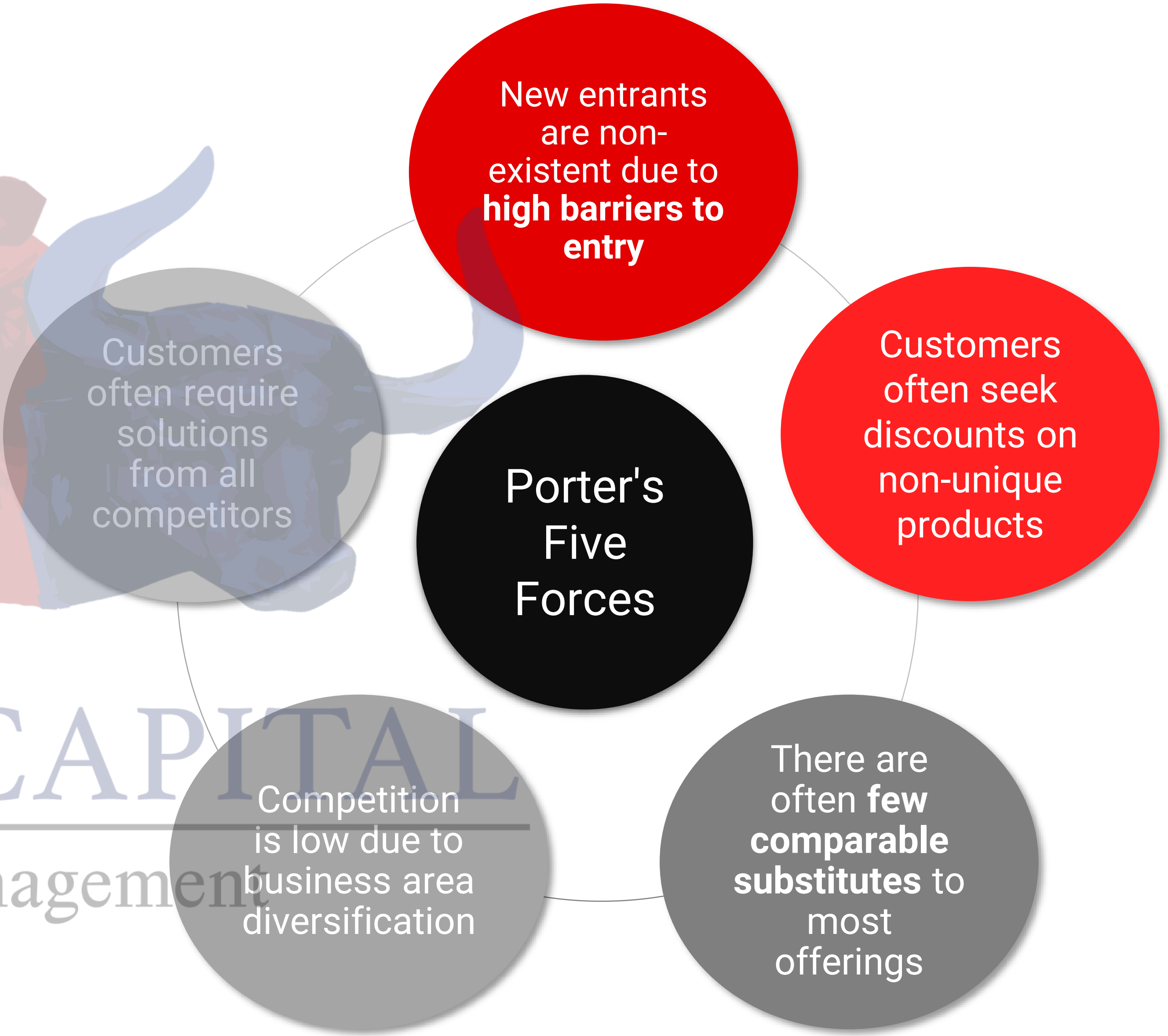
- Power of substitutes is **medium**
- The industry is highly concentrated, though with product differentiation

Competitive Rivalry:

- Intensity of rivalry is **low**
- Ability to offer cheaper services does not mean competition increases

Threat of Substitutes

- Threat of substitutes is **low**
- Use of competitors is not mutually exclusive with losing business



M&A: IHS Markit

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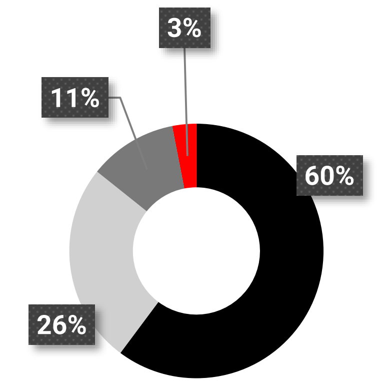
Combined Company Overview

IHS Markit Revenue Breakdown



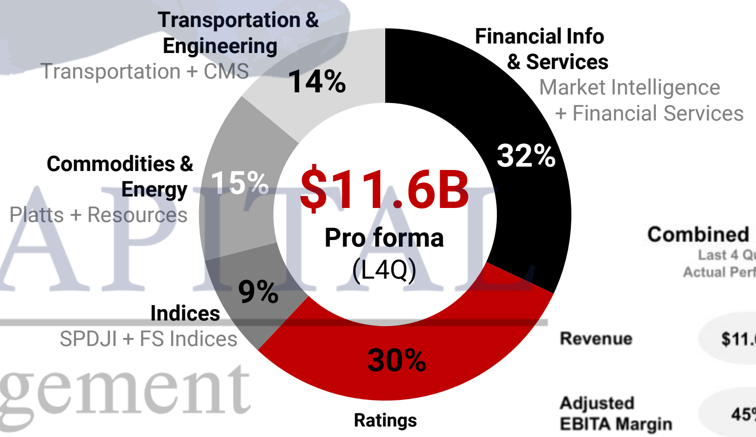
- U.S.: $3,949
- EMEA: $1,681
- Asia: $715
- Canada: $238

- **Best-in-Class talent**: the combined company will benefit from two superior workforces:
  - Deep expertise, strong complementary cultures
- **Greater scale and business mix:** balanced earnings across major industry segments with a resilient portfolio
- **Increased customer markets:** serve diverse customer segments across financial services, corporates, and governments
- **Create high-growth adjacencies**: continue to deploy well above $1 billion annually on technology

- 75% of revenue will be recurring, with EBITDA synergies at $680m
  - A Value Capture Office will be formed, where specific people will be held accountable for achieving the desired synergies
- The combined company will have expanded ESG, DCM and index products, while also offering new private markets and supply chain solutions
  - As the later are more specialized, S&P will be able to maintain its existing pricing power

IHS Markit Valuation Analysis

- All-stock transaction (0.2838 exchange ratio) implying approximately 32.25% ownership for IHS Markit shareholders after the transaction
- Valued fairly* at EV of $44B, including $4.8B net debt
  - 28.2x LTM EBITDA pre-synergies, 19.6x post-synergies
- Pro forma annual organic revenue growth of 6.5-8.0% from 2021-2023
- Free cash flow of over $5B by 2023, with a target of 85% being returned to shareholders



Combined Company Last 4 Quarters Actual Performance	
Revenue	$11.6B
Adjusted EBITA Margin	45%
Free Cash Flow	$4B

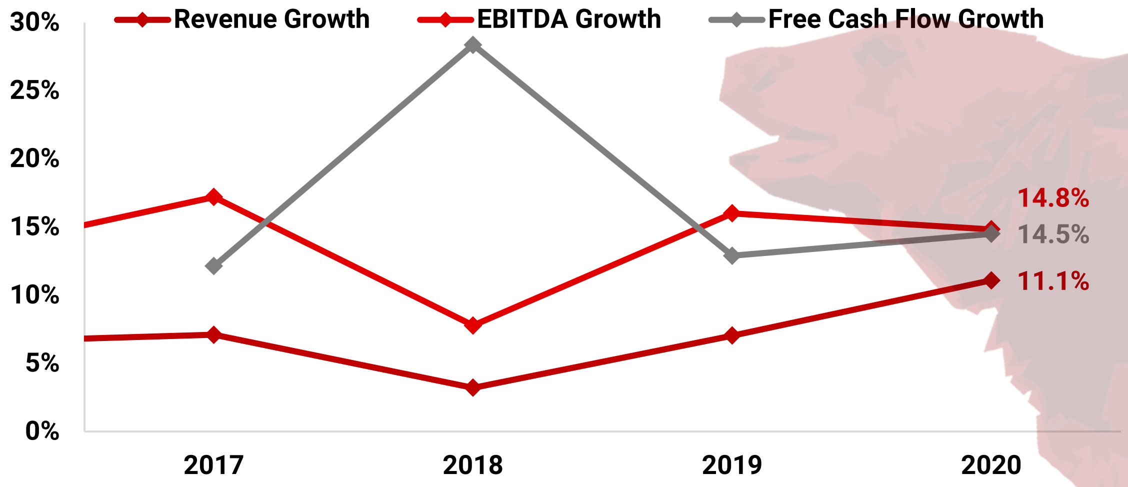
	Combined Company 2021-2023	
Annual Organic Revenue Growth 2021-2023	6.5-8.0%	
Annual Margin Expansion 2022, 2023	~200bps per year	
Adjusted Diluted EPS Growth	Mid-Single Digit 2022	Mid-teens 2023
Cumulative Free Cash Flow 2021-2023	~$14B	

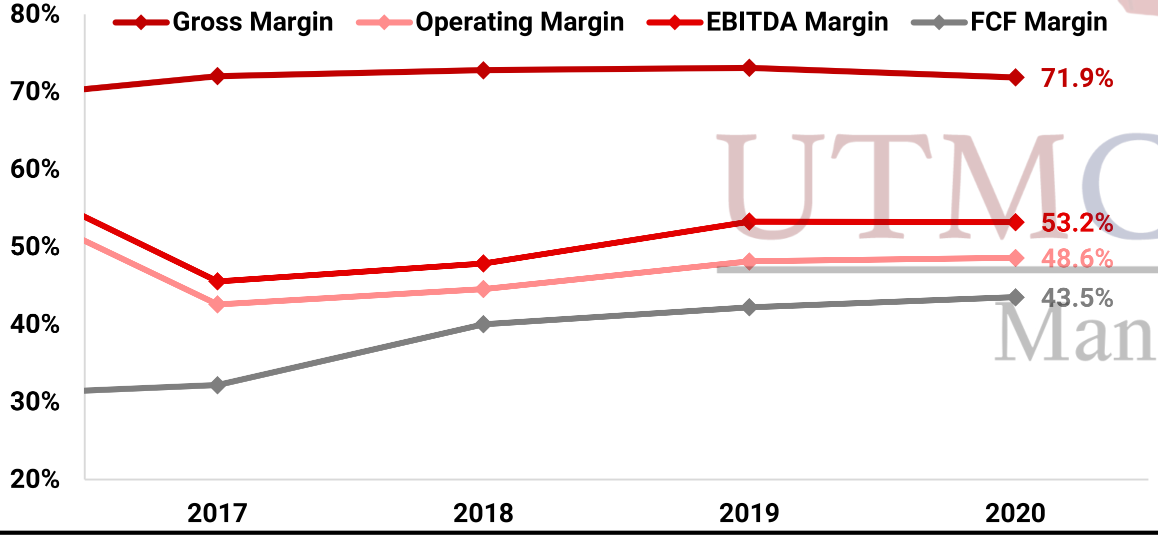
*Note: Based on comparable company analysis

Financial Summary

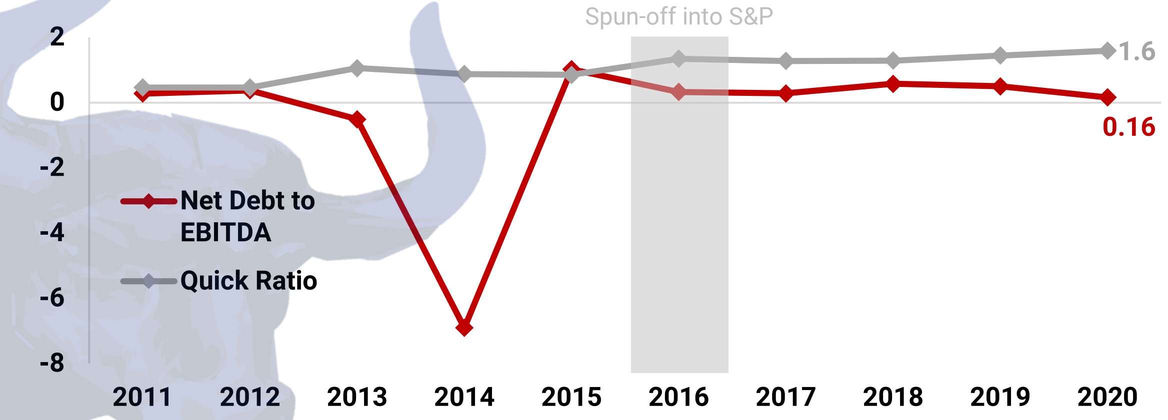
S&P Global

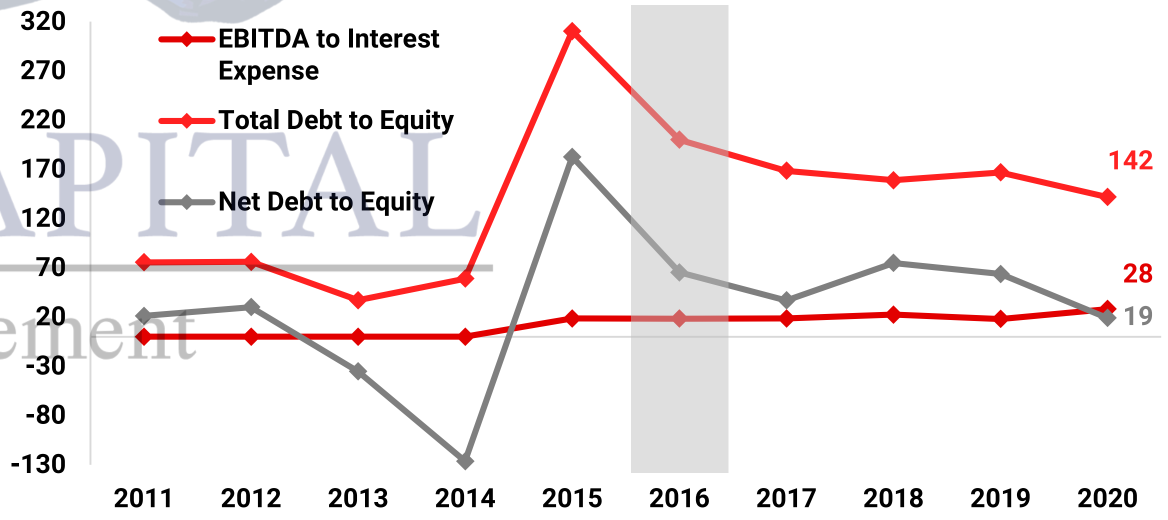
S&P has drastically improved both the top and bottom line





With new management in 2013, S&P began using debt to its advantage, and was able to increase profitability, without over-leveraging itself





Investment Thesis

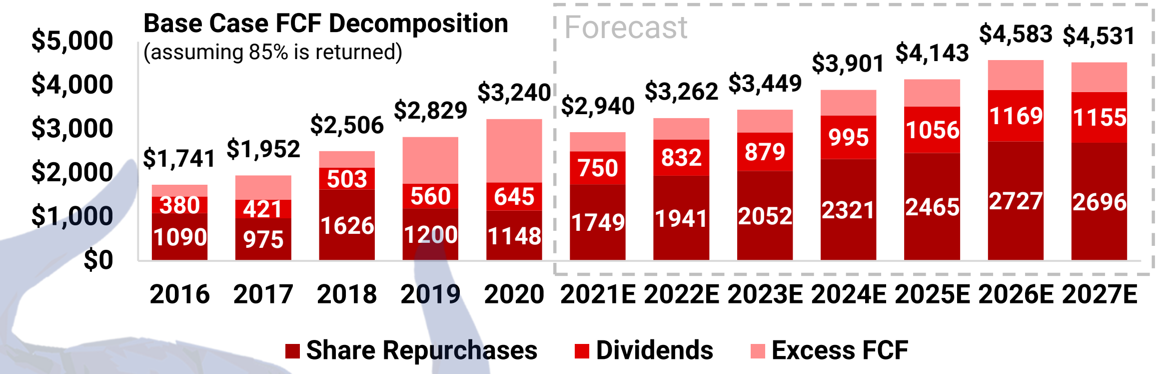
S&P Global

Stable Profitability, Shareholder-Friendly

- S&P Global is a mature company which delivers very strong cash flow generation and margins
  - Free cash flow has nearly tripled since 2015 (on an adjusted basis)
    - Post-merger, FCF should exceed $5B with a target of 85% being returned to shareholders
  - Gross margins have exceeded 70% since 2017, while FCF margins have steadily increased to near 45%
- Since the company's transformation in 2016, it has returned $8.6B to shareholders (75% of FCF)

Economic Moat, Accretive Merger with IHS Markit

- S&P Global "owns" nearly half of the ratings market, but is also more diversified and overarching than any competitor
- In terms of the Indices business, many fund's are benchmarked to the S&P500, while the largest segment of the ETF market is linked to US equities (S&P's niche)
- Once the IHS merger is complete, the combined company will have an enterprise value of approximately $130B
  - Management believes that the merger will be accretive to shareholders, with synergies of ~20% of 2020 EBITDA
  - ROIC will be greater than cost of capital post-synergies



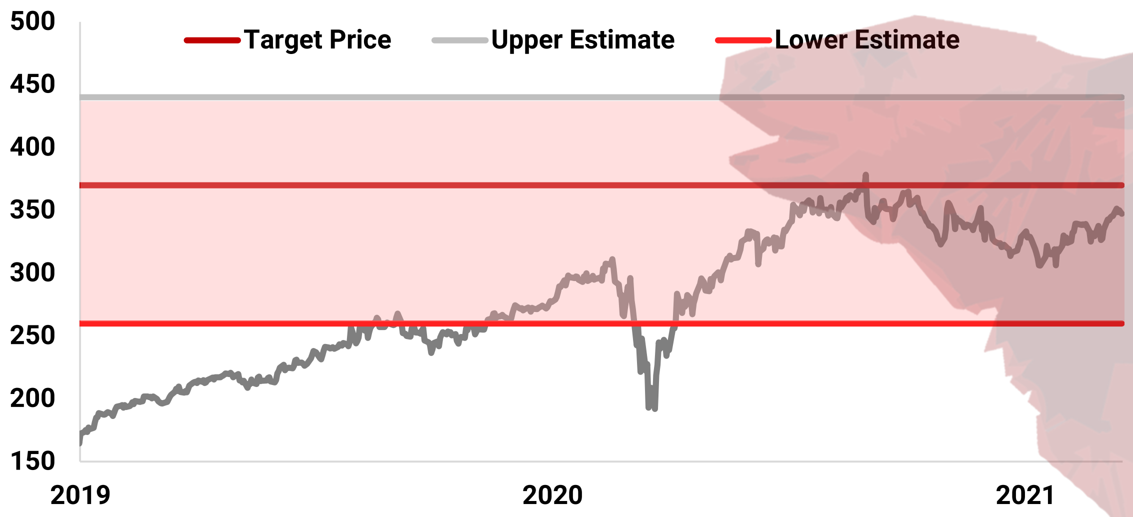
Exposure to Secular Growth Trends

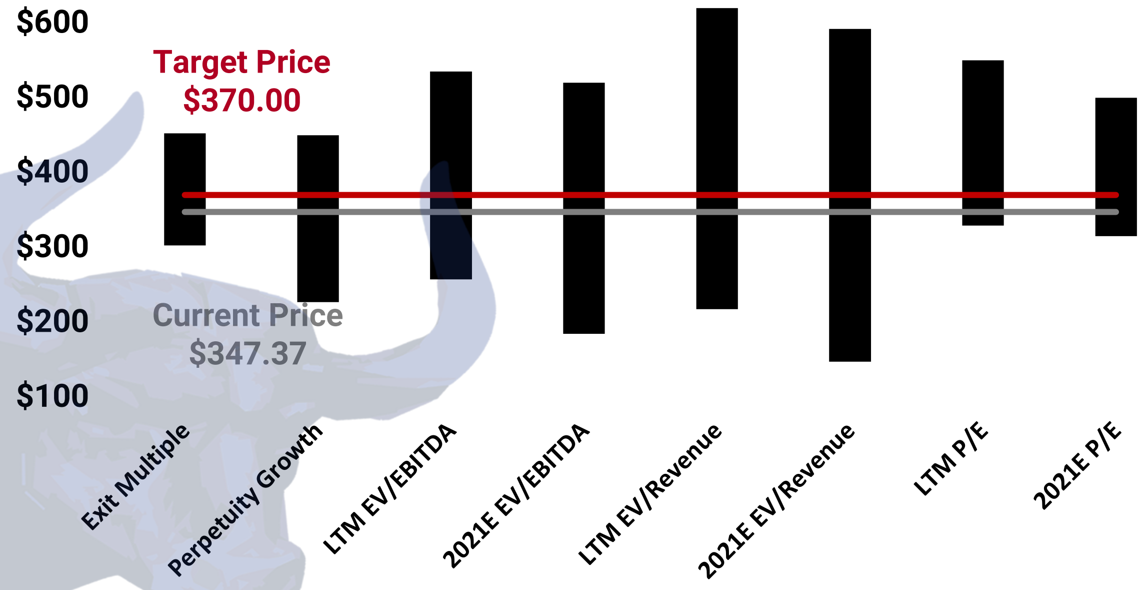
- Every aspect of S&P's business is exposed to secular trends:
  - As debt markets expand in developing economies (notably China and India), S&P is positioned to be the leader in rating services in these markets
    - Notably, regulators in China are interested in quality, objective ratings, which S&P is the premier source of
  - Market Intelligence is setup to benefit from advancements in data analytics such as ML and AI
  - ESG investing is still in its infancy, and S&P can capitalize on it through Ratings (ESG Scores) as well as Indices (AUM linked to ESG products)
  - The global energy transition is a prime area of focus for Platts, as well as the potential commodities supercycle
  - Ongoing shifts to passive investing and ETFs will only increase AUM-linked revenues for S&P Global

Valuation Summary

S&P Global

Target Price: $370





Recommendation

- The target price is based on the base case of Bloomberg consensus estimates for revenue growth and margins, with historical growth and margin expansion*
  - In-line with managements guidance, 85% of FCF is returned to shareholders; equivalent to 6.5x 2020 EBITDA over the forecast period
- The recommendation is to buy the stock, and hold indefinitely, or until there is a material change which compromises the investment thesis

Sensitivity Analysis

Implied Share Price

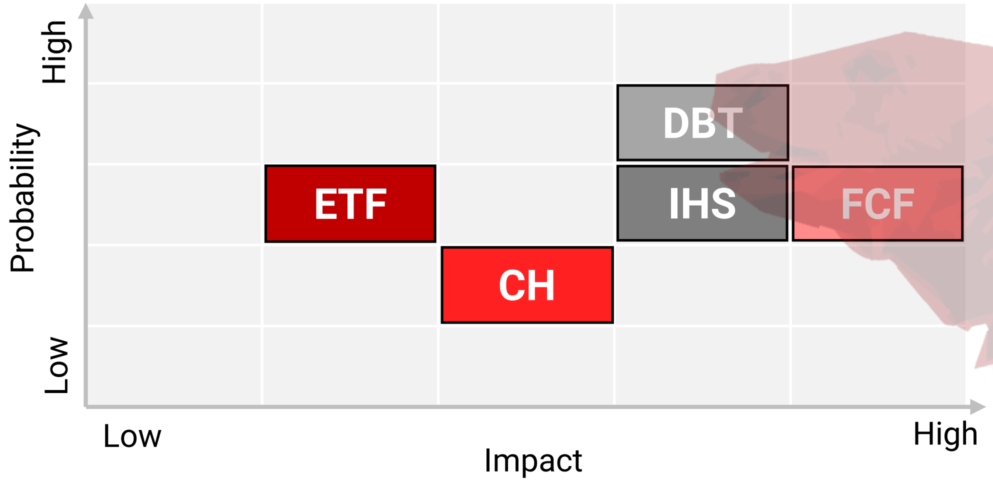
		Exit Multiple				
		18.9x	19.9x	20.9x	21.9x	22.9x
EBITDA Margin	53.0%	$321.67	$335.35	$349.03	$362.71	$376.39
	55.0%	$331.40	$345.59	$359.79	$373.99	$388.18
	57.0%	$341.13	$355.84	$370.55	$385.27	$399.98
	59.0%	$350.86	$366.09	$381.32	$396.55	$411.77
	61.0%	$360.59	$376.34	$392.08	$407.83	$423.57

*Note: Based on non-merged company; separate valuation performed for merged company with minor assumption changes

Risks and Mitigants

S&P Global

Risks



Operational Risks	IHS	Merger with IHS does not proceed, transition is not smooth, or planned synergies are not realized
	FCF	Future profitability, revenue and free cash flow growth are far below historical levels
Industry Risks	CH	Growth in China is not as expected, or other forces interfere with S&P's ability to conduct its business
	ETF	Inefficiencies associated with passive investing may cause a substitution away from indexed products
Economic Risks	DBT	Risk free rates continue to rise, causing an unfavorable environment for debt issuance

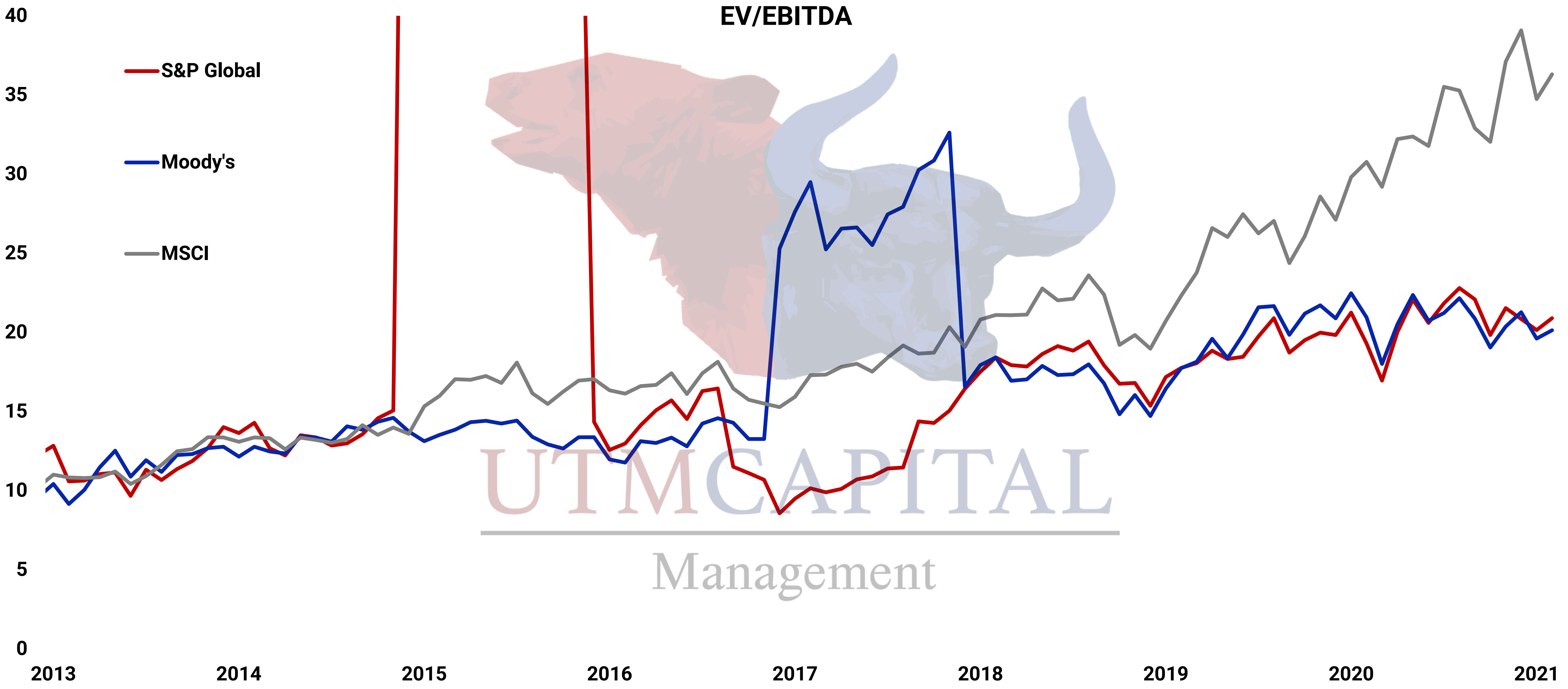
Mitigants

IHS	Both management teams are collaborating so that on day-one the merged company can operate smoothly
FCF	The management team is very competent, and will ensure that measures are taken to understand where the shortfalls are
CH	S&P has exposure to other emerging markets, namely India, which still offer high growth potential
ETF	Outflows from indexed products will not occur suddenly, so that the effect on revenue will not be acute, but protracted
DBT	S&P is very diversified, and other business areas such as ESG which are purely secular can offset the impact of weak debt markets

Appendix

EV/EBITDA

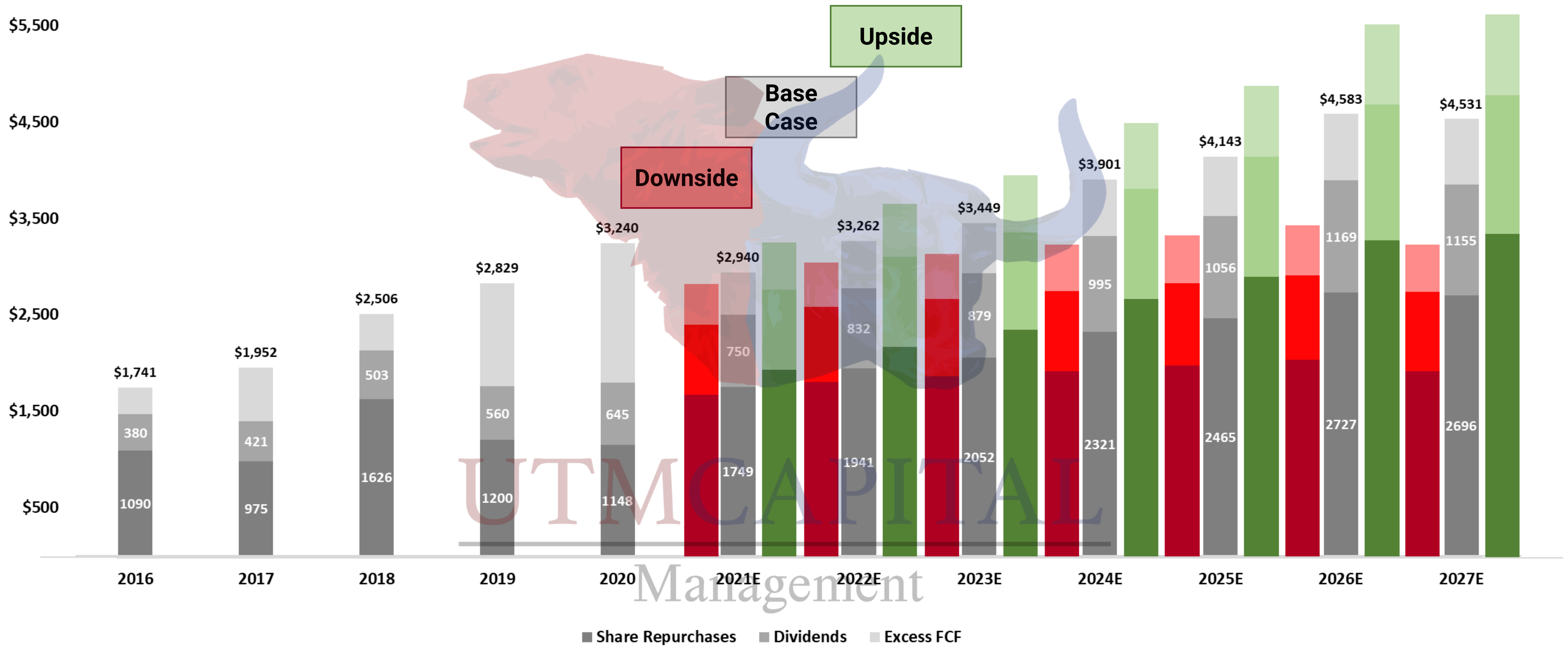
S&P Global



Note: Unadjusted 2015 EBITDA for S&P Global

Free Cash Flow Breakdown

S&P Global



DCF Analysis (without IHS)

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Discounted Cash Flow Analysis
(Millions of Dollars)

Calculation of FCFF	Units	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
		Historical					Projected						
Operating Scenario	1 Base												
Revenue		5,661.0	6,063.0	6,258.0	6,699.0	7,442.0	$7,814	$8,283	$8,780	$9,351	$9,958	$10,606	$11,295
% Growth		6.5%	7.1%	3.2%	7.0%	11.1%	5.0%	6.0%	6.0%	6.5%	6.5%	6.5%	6.5%
Cost of Goods Sold		1,773.0	1,695.0	1,701.0	1,801.0	2,092.0	2,187.9	2,319.2	2,458.4	2,524.7	2,688.8	2,757.5	2,936.7
Gross Profit		3,888.0	4,368.0	4,557.0	4,898.0	5,350.0	5,626.2	5,963.7	6,321.5	6,826.0	7,269.6	7,848.2	8,358.4
% Margin		68.7%	72.0%	72.8%	73.1%	71.9%	72.0%	72.0%	72.0%	73.0%	73.0%	74.0%	74.0%
Selling, General & Administrative (Excl. D&A)		1,401.0	1,453.0	1,415.0	1,392.0	1,337.0	1,562.8	1,656.6	1,756.0	1,683.1	1,792.5	1,803.0	1,920.2
EBITDA		2,487	2,915	3,142	3,645*	4,186*	4,063	4,307	4,566	5,143	5,477	6,045	6,438
% Margin		43.9%	48.1%	50.2%	54.4%	56.2%	52.0%	52.0%	52.0%	55.0%	55.0%	57.0%	57.0%
Depreciation & Amortization		181.0	180.0	206.0	204.0	206.0	234.4	248.5	263.4	280.5	298.8	318.2	338.9
EBIT		2,306	2,735	2,936	3,441	3,980	3,829	4,059	4,302	4,862	5,178	5,727	6,099
% Margin		40.7%	45.1%	46.9%	51.4%	53.5%	49.0%	49.0%	49.0%	52.0%	52.0%	54.0%	54.0%
Income Taxes		631.5	840.2	523.5	701.1	870.5	957.2	1,014.7	1,075.5	1,215.6	1,294.6	1,431.8	1,524.8
EBIAT		1,675	1,895	2,413	2,740	3,110	2,872	3,044	3,227	3,647	3,884	4,295	4,575
Free Cash Flow Adjustments:													
Plus: Depreciation & Amortization		181.0	180.0	206.0	204.0	206.0	234.4	248.5	263.4	280.5	298.8	318.2	338.9
Less: Capital Expenditures		115.0	123.0	113.0	115.0	76.0	117	124	132	140	149	159	169
Less: Increase in NWC							(49)	94	91	114	109	128	(213)
Free Cash Flow to Firm		$1,740.5	$1,951.8	$2,505.5	$2,828.9	$3,239.5	$2,940.3	$3,262.3	$3,448.9	$3,900.9	$4,142.6	$4,582.8	$4,530.9
Weighted Average Cost of Capital		8.92%											
Discount Period							1.0	2.0	3.0	4.0	5.0	6.0	7.0
Discount Factor							0.92	0.84	0.77	0.71	0.65	0.60	0.55
Present Value of FCFFs							$2,699.6	$2,750.1	$2,669.4	$2,772.1	$2,702.9	$2,745.4	$2,492.1

Perpetuity Growth Method

Enterprise Value	
Present Value of Projected FCF	$18,831.6
Terminal Value	
Terminal Year FCF	$4,530.9
Perptual FCF Growth Rate	6.0%
Terminal Value	$155,426.8
Discount Factor	0.55
Present Value of Terminal Value	$85,488.6
% of Enterprise Value	82%
Enterprise Value	$104,320.3

Implied Equity Value	
Enterprise Value	$104,320.3
Less: Total Debt	$4,754.0
Less: Preferred Securities	$2,843.0
Less: Non-Controlling Interest	$0.0
Plus: Cash & Equivalents	$4,117.0
Implied Equity Value	$100,840.3
Shares Outstanding	240.7
Implied Share Price	$418.95

Exit Multiple Method

Enterprise Value	
Present Value of Projected FCF	$18,831.6
Terminal Value	
Terminal Year EBITDA	$6,438.2
Exit Multiple	20.9x
Terminal Value	$134,246.8
Discount Factor	0.55
Present Value of Terminal Value	$73,839.1
% of Enterprise Value	80%
Enterprise Value	$92,670.7

Implied Equity Value	
Enterprise Value	$92,670.7
Less: Total Debt	$4,754.0
Less: Preferred Securities	$2,843.0
Less: Non-Controlling Interest	$0.0
Plus: Cash & Equivalents	$4,117.0
Implied Equity Value	$89,190.7
Shares Outstanding (millions)	240.7
Implied Share Price	$370.55

DCF (without IHS) Assumptions

S&P Global

Assumptions Part 1 - Income Statement and Cash Flow Statement

	Historical Period						Projection Period							
	Year 1	Year 2	Year 3	Year 4	Year 5		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Historical
	2016	2017	2018	2019	2020		2021	2022	2023	2024	2025	2026	2027	Average
Income Statement Assumptions														
Sales (% growth)	6.5%	7.1%	3.2%	7.0%	11.1%		5.0%	6.0%	6.0%	6.5%	6.5%	6.5%	6.5%	7.0%
Base						1	5.0%	6.0%	6.0%	6.5%	6.5%	6.5%	6.5%	
Upside						2	6.0%	7.0%	8.0%	9.0%	9.0%	9.0%	9.0%	
Downside						3	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Cost of Goods Sold (% sales)	31.3%	28.0%	27.2%	26.9%	28.1%		28.0%	28.0%	28.0%	27.0%	27.0%	26.0%	26.0%	28.3%
Base						1	28.0%	28.0%	28.0%	27.0%	27.0%	26.0%	26.0%	
Upside						2	26.0%	26.0%	26.0%	25.0%	25.0%	24.0%	24.0%	
Downside						3	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	
SG&A (% sales)	24.7%	24.0%	22.6%	20.8%	18.0%		20.0%	20.0%	20.0%	18.0%	18.0%	17.0%	17.0%	22.0%
Base						1	20.0%	20.0%	20.0%	18.0%	18.0%	17.0%	17.0%	
Upside						2	18.0%	18.0%	18.0%	17.0%	17.0%	16.0%	16.0%	
Downside						3	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	
Depreciation & Amortization (% sales)	3.2%	3.0%	3.3%	3.0%	2.8%		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.1%
Base						1	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Upside						2	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Downside						3	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
Cash Flow Statement Assumptions														
Capital Expenditures (% of sales)	2.0%	2.0%	1.8%	1.7%	1.0%		1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.7%
Base						1	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
Upside						2	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
Downside						3	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	

DCF (without IHS) Assumptions

S&P Global

Assumptions Part 2 - Balance Sheet

	Historical Period						Projection Period							
	Year 1	Year 2	Year 3	Year 4	Year 5		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
	2016	2017	2018	2019	2020		2021	2022	2023	2024	2025	2026	2027	
Current Assets														
Days Sales Outstanding (DSO)	72.3	79.4	84.5	85.9	78.1		80.1	80.1	80.1	80.1	80.1	80.1	80.1	80.1
Base						1	80.1	80.1	80.1	80.1	80.1	80.1	80.1	
Upside						2	80.1	80.1	80.1	80.1	80.1	80.1	80.1	
Downside						3	80.1	80.1	80.1	80.1	80.1	80.1	80.1	
Prepaid and Other Current Assets (% of sales)	2.6%	3.6%	3.2%	3.6%	3.7%		3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Base						1	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	
Upside						2	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	
Downside						3	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	
Current Liabilities														
Days Payable Outstanding (DPO)	37.7	42.0	45.3	38.5	40.7		40.8	40.8	40.8	40.8	40.8	40.8	40.8	40.8
Base						1	40.8	40.8	40.8	40.8	40.8	40.8	40.8	
Upside						2	40.8	40.8	40.8	40.8	40.8	40.8	40.8	
Downside						3	40.8	40.8	40.8	40.8	40.8	40.8	40.8	
Accrued Liabilities (% of sales)	8.9%	9.1%	6.8%	7.7%	8.5%		8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%
Base						1	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	
Upside						2	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	
Downside						3	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	
Other Current Liabilities (% of sales)	34.0%	34.2%	31.8%	34.0%	35.2%		33.8%	33.8%	33.8%	33.8%	33.8%	33.8%	33.8%	33.8%
Base						1	33.8%	33.8%	33.8%	33.8%	33.8%	33.8%	33.8%	
Upside						2	33.8%	33.8%	33.8%	33.8%	33.8%	33.8%	33.8%	
Downside						3	33.8%	33.8%	33.8%	33.8%	33.8%	33.8%	33.8%	

DCF (without IHS) Sensitivity Analysis

S&P Global

Implied Share Price						
		Exit Multiple				
		18.9x	19.9x	20.9x	21.9x	22.9x
WACC	10.9%	$302.56	$315.51	$328.46	$341.41	$354.37
	9.9%	$321.17	$334.97	$348.77	$362.57	$376.37
	8.9%	$341.13	$355.84	$370.55	$385.27	$399.98
	7.9%	$362.56	$378.25	$393.95	$409.64	$425.33
	6.9%	$385.58	$402.33	$419.08	$435.83	$452.58

Implied Share Price						
		Long Term FCF Growth Rate				
		5.50%	5.75%	6.00%	6.25%	6.50%
WACC	10.9%	$226.71	$234.86	$243.84	$253.77	$264.84
	9.9%	$280.98	$294.18	$309.07	$325.99	$345.39
	8.9%	$366.95	$390.90	$418.95	$452.27	$492.48
	7.9%	$524.01	$576.81	$643.40	$729.98	$847.16
	6.9%	$902.81	$1,081.54	$1,357.93	$1,842.09	$2,909.39

DCF Analysis (with IHS)

S&P Global

Discounted Cash Flow Analysis
(Millions of Dollars)

Calculation of FCFF	Units	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
		Historical					Projected						
Operating Scenario	1	Base											
Revenue		5,661.0	6,063.0	6,258.0	6,699.0	7,442.0	$7,814	$13,157	$14,012	$14,993	$16,042	$17,165	$18,367
% Growth		*6.5%*	*7.1%*	*3.2%*	*7.0%*	*11.1%*	*5.0%*	*68.4%*	*6.5%*	*7.0%*	*7.0%*	*7.0%*	*7.0%*
Cost of Goods Sold		1,773.0	1,695.0	1,701.0	1,801.0	2,092.0	2,187.9	5,797.1	4,343.6	4,497.8	4,812.6	5,149.5	5,510.0
Gross Profit		3,888.0	4,368.0	4,557.0	4,898.0	5,350.0	5,626.2	7,359.4	9,668.1	10,494.8	11,229.4	12,015.5	12,856.6
% Margin		*68.7%*	*72.0%*	*72.8%*	*73.1%*	*71.9%*	*72.0%*	*55.9%*	*69.0%*	*70.0%*	*70.0%*	*70.0%*	*70.0%*
Selling, General & Administrative (Excl. D&A)		1,401.0	1,453.0	1,415.0	1,392.0	1,337.0	1,562.8	2,894.4	3,082.6	3,148.4	3,368.8	3,604.6	3,857.0
EBITDA		2,487	2,915	3,142	3,645*	4,186*	4,063	5,145	6,586	7,346	7,861	8,411	9,000
% Margin		*43.9%*	*48.1%*	*50.2%*	*54.4%*	*56.2%*	*52.0%*	*39.1%*	*47.0%*	*49.0%*	*49.0%*	*49.0%*	*49.0%*
Depreciation & Amortization		181.0	180.0	206.0	204.0	206.0	234.4	657.8	980.8	1,049.5	1,122.9	1,201.5	1,285.7
EBIT		2,306	2,735	2,936	3,441	3,980	3,829	4,487	5,605	6,297	6,738	7,209	7,714
% Margin		*40.7%*	*45.1%*	*46.9%*	*51.4%*	*53.5%*	*49.0%*	*34.1%*	*40.0%*	*42.0%*	*42.0%*	*42.0%*	*42.0%*
Income Taxes		631.5	840.2	523.5	701.1	870.5	957.2	1,121.8	1,401.2	1,574.2	1,684.4	1,802.3	1,928.5
EBIAT		1,675	1,895	2,413	2,740	3,110	2,872	3,365	4,204	4,723	5,053	5,407	5,785
Free Cash Flow Adjustments:													
Plus: Depreciation & Amortization		181.0	180.0	206.0	204.0	206.0	234.4	657.8	980.8	1,049.5	1,122.9	1,201.5	1,285.7
Less: Capital Expenditures		115.0	123.0	113.0	115.0	76.0	117	197	210	225	241	257	275
Less: Increase in NWC							(49)	94	91	114	109	128	(213)
Free Cash Flow to Firm		$1,740.5	$1,951.8	$2,505.5	$2,828.9	$3,239.5	$2,940.3	$3,919.9	$5,064.8	$5,661.1	$6,045.0	$6,479.4	$6,582.6
Weighted Average Cost of Capital		8.92%	12.14%	28.37%	12.91%	14.52%	-9.24%	33.32%	29.21%	11.77%	6.78%	7.19%	1.59%
Discount Period							1.0	2.0	3.0	4.0	5.0	6.0	7.0
Discount Factor							0.92	0.84	0.77	0.71	0.65	0.60	0.55
Present Value of FCFFs							$2,699.6	$3,304.4	$3,920.1	$4,023.0	$3,944.1	$3,881.6	$3,620.6

Perpetuity Growth Method

Enterprise Value	
Present Value of Projected FCF	$25,393.5
Terminal Value	
Terminal Year FCF	$6,582.6
Perptual FCF Growth Rate	6.0%
Terminal Value	$225,807.0
Discount Factor	0.55
Present Value of Terminal Value	$124,199.5
% of Enterprise Value	83%
Enterprise Value	$149,592.9

Implied Equity Value	
Enterprise Value	$149,592.9
Less: Total Debt	$4,754.0
Less: Preferred Securities	$2,843.0
Less: Non-Controlling Interest	$0.0
Plus: Cash & Equivalents	$4,117.0
Implied Equity Value	$146,112.9
Shares Outstanding	363.4
Implied Share Price	$402.08

Exit Multiple Method

Enterprise Value	
Present Value of Projected FCF	$25,393.5
Terminal Value	
Terminal Year EBITDA	$8,999.6
Exit Multiple	20.9x
Terminal Value	$187,656.1
Discount Factor	0.55
Present Value of Terminal Value	$103,215.5
% of Enterprise Value	80%
Enterprise Value	$128,609.0

Implied Equity Value	
Enterprise Value	$128,609.0
Less: Total Debt	$4,754.0
Less: Preferred Securities	$2,843.0
Less: Non-Controlling Interest	$0.0
Plus: Cash & Equivalents	$4,117.0
Implied Equity Value	$125,129.0
Shares Outstanding (millions)	363.4
Implied Share Price	$344.33

Note: Assumes IHS starts to contribute to revenue in 2022 (based on FY22), EBITDA Synergies of $680m are realized in 2022, margins are weighted average of joint company

DCF (with IHS) Assumptions & WACC

S&P Global

Assumptions Summary	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Sales (% growth)	NA	7.1%	3.2%	7.0%	11.1%	5.0%	6.0%	6.5%	7.0%	7.0%	7.0%	7.0%
COGS (% sales)	31.3%	28.0%	27.2%	26.9%	28.1%	28.0%	31.0%	31.0%	30.0%	30.0%	30.0%	30.0%
SG&A (% sales)	24.7%	24.0%	22.6%	20.8%	18.0%	20.0%	22.0%	22.0%	21.0%	21.0%	21.0%	21.0%
Depreciation & Amortization (% sales)	3.2%	3.0%	3.3%	3.0%	2.8%	3.0%	5.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Capital Expenditures (% sales)	2.0%	2.0%	1.8%	1.7%	1.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Tax Rate	27.4%	30.7%	17.8%	20.4%	21.9%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Working Capital (% sales)						-20.1%	-20.1%	-20.0%	-20.0%	-19.8%	-19.8%	-16.7%

S&P Global
Capital Structure

Common Equity	
Share Price	$347.37
Shares Outstanding (Millions)	240.7
Market Capitalization	**$83,610**
Debt	
Short-Term Debt	$100.0
Long-Term Debt	$4,654.0
Total Debt	**$4,754**
Preferred Equity	
Preferrence Shares ($ Millions)	**$2,843**
Debt-to-Total Capitalization	5.2%
Common Equity-to-Total Capitalization	91.7%
Preferred Equity-to-Total Capitalization	3.1%

S&P Global
WACC Calculation

Cost of Debt	
Pre-Tax Cost of Debt	3.12%
Income Tax Rate	21.00%
After Tax Cost of Debt	**2.47%**
Cost of Common Equity	
Risk-Free Interest Rate	1.72%
Levered Beta	0.98
Market Risk Premium	8.00%
Cost of Common Equity	**9.59%**
WACC	**8.92%**

Comparable Company Analysis

S&P Global

S&P Global Comparable Companies Analysis		Current Share Price	% of 52-Week. High	(millions) Equity Value	(millions) Enterprise Value	Enterprise Value LTM Sales	2021E Sales	2022E Sales	LTM EBITDA	2021E EBITDA	2022E EBITDA	Price LTM Earnings	2021E Earnings	2022E Earnings
Company	Ticker													
S&P Global	SPGI US Equity	$347.37	91.4%	$83,610.42	$87,090.42	11.1x	11.2x	10.5x	20.9x	20.2x	18.9x	30.7x	28.0x	25.5x
Moody's Corp	MCO US Equity	$287.79	94.1%	$53,859.84	$56,770.84	10.7x	10.1x	9.4x	21.2x	20.3x	18.8x	29.9x	27.1x	24.4x
MSCI Inc	MSCI US Equity	$410.36	90.0%	$33,957.89	$36,199.18	23.1x	18.7x	17.0x	38.9x	31.8x	28.6x	55.1x	44.3x	39.2x
FactSet Research System Inc	FDS US Equity	$311.44	85.6%	$11,828.06	$12,135.95	8.6x	7.7x	7.3x	25.7x	21.8x	20.7x	29.1x	27.9x	26.4x
Morningstar Inc	MORN US Equity	$237.45	92.8%	$10,187.36	$10,349.86	7.3x			25.4x			54.5x		
Thomson Reuters Corp	TRI US Equity	$87.38	97.1%	$43,275.40	$45,370.40	7.1x	7.3x	7.0x	15.7x	24.0x	20.5x	44.5x	48.5x	37.1x
London Stock Exchange Group	LSEG LN Equity	$7,218.00	72.1%	$35,256.86	$35,744.86	13.1x	5.0x	4.6x	28.4x	11.1x	10.1x	60.0x	25.4x	22.5x

	LTM Sales	2021E Sales	2022E Sales	LTM EBITDA	2021E EBITDA	2022E EBITDA	LTM Earnings	2021E Earnings	2022E Earnings
Mean	11.6x	10.0x	9.3x	25.2x	21.5x	19.6x	43.4x	33.5x	29.2x
Median	10.7x	8.9x	8.4x	25.4x	21.1x	19.7x	44.5x	28.0x	25.9x
(Excludes Morningstar)									
High	23.1x	18.7x	17.0x	38.9x	31.8x	28.6x	60.0x	48.5x	39.2x
Low	7.1x	5.0x	4.6x	15.7x	11.1x	10.1x	29.1x	25.4x	22.5x

Implied Enterprise Value

	LTM Sales	2021E Sales	2022E Sales	LTM EBITDA	2021E EBITDA	2022E EBITDA	LTM Earnings	2021E Earnings	2022E Earnings
Mean	$90,727.5	$77,953.4	$77,168.1	$105,096.7	$92,987.3	$90,241.69	$118,057.56	$100,012.31	$95,616.13
Median	$83,613.99	$69,362.4	$69,389.6	$106,193.6	$91,036.7	$90,813.9	$120,956.5	$83,380.4	$85,018.3
High	$181,081.5	$145,953.4	$140,773.3	$162,660.3	$137,191.7	$131,728.7	$163,212.2	$144,678.1	$128,418.5
Low	$55,870.4	$38,956.9	$38,455.5	$65,380.8	$47,889.0	$46,535.9	$79,208.8	$75,788.4	$73,754.4

Implied Equity Value

	LTM Sales	2021E Sales	2022E Sales	LTM EBITDA	2021E EBITDA	2022E EBITDA	LTM Earnings	2021E Earnings	2022E Earnings
Mean	$87,247.5	$74,473.4	$73,688.1	$101,616.7	$89,507.3	$86,761.7	$118,057.6	$100,012.3	$95,616.1
Median	$80,134.0	$65,882.4	$65,909.6	$102,713.6	$87,556.7	$87,333.9	$120,956.5	$83,380.4	$85,018.3
High	$177,601.5	$142,473.4	$137,293.3	$159,180.3	$133,711.7	$128,248.7	$163,212.2	$144,678.1	$128,418.5
Low	$52,390.4	$35,476.9	$34,975.5	$61,900.8	$44,409.0	$43,055.9	$79,208.8	$75,788.4	$73,754.4

Implied Share Price

	LTM Sales	2021E Sales	2022E Sales	LTM EBITDA	2021E EBITDA	2022E EBITDA	LTM Earnings	2021E Earnings	2022E Earnings
Mean	$362.48	$309.41	$306.15	$422.18	$371.87	$360.46	$490.48	$415.51	$397.25
Median	$332.93	$273.72	$273.83	$426.74	$363.77	$362.84	$502.53	$346.41	$353.22
High	$737.87	$591.92	$570.40	$661.33	$555.52	$532.83	$678.09	$601.08	$533.53
Low	$217.66	$147.39	$145.31	$257.17	$184.50	$178.88	$329.08	$314.87	$306.42

IHS Comparable Company Analysis

S&P Global

IHS Markit Ltd.

Comparable Companies Analysis

Company	Ticker	Current Share Price	% of 52-Week. High	(millions) Equity Value	(millions) Enterprise Value
IHS Markit Ltd.	INFO	$95.34	94.0%	$37,811.07	$42,970.27
Clarivate PLC	CLVT	$25.91	77.2%	$15,755.22	$19,123.77
Experian PLC	EXPN	£24.25	76.0%	£22,245.00	£25,511.00
Wolters Kluwer	WKL	€ 70.52	107.1%	€ 18,865.24	€ 20,699.00

	Enterprise Value						Price		
Company	LTM Sales	2021E Sales	2022E Sales	LTM EBITDA	2021E EBITDA	2022E EBITDA	LTM Earnings	2021E Earnings	2022E Earnings
IHS Markit Ltd.	10.4x	9.5x	8.9x	28.4x	21.3x	19.7x	46.0x	30.0x	26.9x
Clarivate PLC	17.0x	8.0x	7.5x	57.0x	23.8x	21.6x		34.7x	28.0x
Experian PLC	7.1x	7.3x	6.2x	20.5x	19.5x	17.5x	51.1x	39.8x	30.4x
Wolters Kluwer	4.5x	4.5x	4.3x	14.5x	14.4x	14.0x	26.1x	22.8x	21.3x
Mean	9.7x	7.3x	6.7x	30.1x	19.8x	18.2x	41.1x	31.8x	26.6x
Median	8.8x	7.7x	6.9x	24.5x	20.4x	18.6x	46.0x	32.4x	27.5x
High	17.0x	9.5x	8.9x	57.0x	23.8x	21.6x	51.1x	39.8x	30.4x
Low	4.5x	4.5x	4.3x	14.5x	14.4x	14.0x	26.1x	22.8x	21.3x

Implied Enterprise Value

	LTM Sales	2021E Sales	2022E Sales	LTM EBITDA	2021E EBITDA	2022E EBITDA	LTM Earnings	2021E Earnings	2022E Earnings
Mean	$40,238.6	$33,082.1	$32,461.8	$45,543.9	$39,862.0	$39,680.40	$20,479.14	$24,342.17	$22,732.17
Median	$36,152.87	$34,602.4	$33,072.6	$36,993.8	$41,154.6	$40,570.9	$22,947.9	$24,745.5	$23,417.1
High	$70,239.9	$42,970.3	$42,970.3	$86,243.2	$48,013.7	$47,114.6	$25,492.1	$30,444.2	$25,933.7
Low	$18,408.8	$20,153.3	$20,731.9	$21,944.8	$29,124.9	$30,465.1	$12,997.4	$17,433.4	$18,160.7

Implied Equity Value

	LTM Sales	2021E Sales	2022E Sales	LTM EBITDA	2021E EBITDA	2022E EBITDA	LTM Earnings	2021E Earnings	2022E Earnings
Mean	$35,079.4	$27,922.9	$27,302.6	$40,384.7	$34,702.8	$34,521.2	$20,479.1	$24,342.2	$22,732.2
Median	$30,993.7	$29,443.2	$27,913.4	$31,834.6	$35,995.4	$35,411.7	$22,947.9	$24,745.5	$23,417.1
High	$65,080.7	$37,811.1	$37,811.1	$81,084.0	$42,854.5	$41,955.4	$25,492.1	$30,444.2	$25,933.7
Low	$13,249.6	$14,994.1	$15,572.7	$16,785.6	$23,965.7	$25,305.9	$12,997.4	$17,433.4	$18,160.7

Implied Share Price

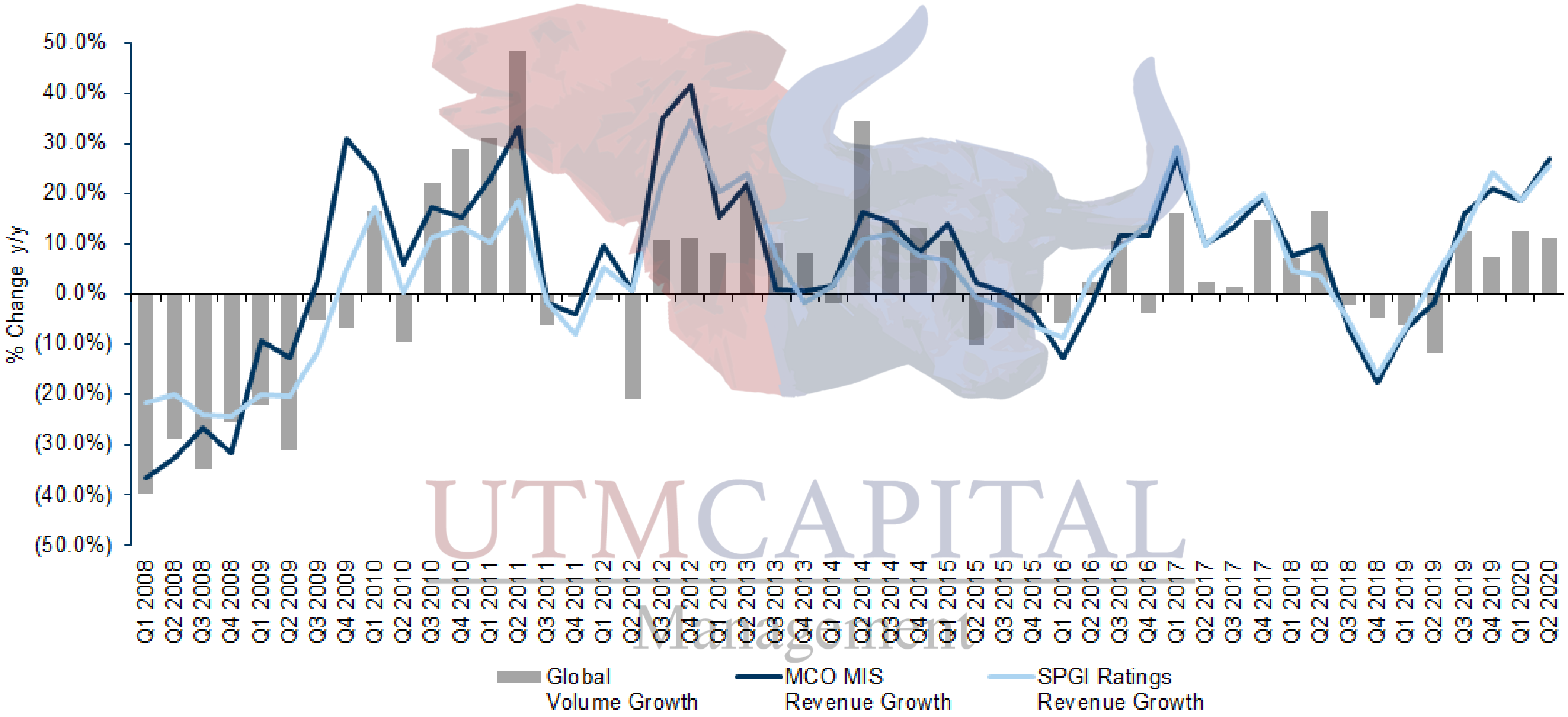
	LTM Sales	2021E Sales	2022E Sales	LTM EBITDA	2021E EBITDA	2022E EBITDA	LTM Earnings	2021E Earnings	2022E Earnings
Mean	$88.45	$70.41	$68.84	$101.83	$87.50	$87.04	$51.64	$61.38	$57.32
Median	$78.15	$74.24	$70.38	$80.27	$90.76	$89.29	$57.86	$62.39	$59.04
High	$164.10	$95.34	$95.34	$204.45	$108.05	$105.79	$64.28	$76.76	$65.39
Low	$33.41	$37.81	$39.27	$42.32	$60.43	$63.81	$32.77	$43.96	$45.79

Ratings Revenue Growth

S&P Global

Exhibit 1: MIS and S&P Ratings Exhibit A Strong Correlation with Debt Issuance Volumes

Moody's and S&P Ratings Revenue Growth vs Global Debt Issuance Volume Growth



Source: Goldman Sachs Global Investment Research