



IHS Markit™

Q4 2018 Earnings

Supplemental Financials

January 15, 2019

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 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: 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; 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, 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 also 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 presentation is based only on information currently available to our management and speaks only as of the date of this presentation. 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.

Non-GAAP measures

Non-GAAP financial information is presented only as a supplement to IHS Markit’s financial information based on GAAP. Non-GAAP financial information is provided to enhance the reader’s understanding of the financial performance of IHS Markit, 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 to the most directly comparable GAAP measures are provided with the schedules to the most recent IHS Markit quarterly earnings release and are available on IHS Markit’s website (www.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, and believes that it is useful to exclude certain items in order to focus on what it regards to be a more reliable indicator of the underlying operating performance of the business and its ability to generate cash flow from operations. As a result, internal management reports used during monthly operating reviews feature non-GAAP measures. IHS Markit also believes that investors may find non-GAAP financial measures for IHS Markit useful for the same reasons, although investors are cautioned that non-GAAP financial measures are not a substitute for GAAP disclosures.

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 it 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. Non-GAAP measures are not necessarily comparable to similarly titled measures used by 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, you should not consider such performance measures in isolation from, or as a substitute analysis for, results of operations as determined in accordance with GAAP.

We are reaffirming 2019 Guidance

\$ in millions, except for per share amounts	IHS Markit Excluding Ipreo	Ipreo	2019 IHS Markit Total		
			Low	Mid	High
Revenue	\$4,075 - \$4,130	\$350 - \$370	\$4,425	\$4,462	\$4,500
Organic growth %			5%	to	6% ⁽¹⁾
Adjusted EBITDA	\$1,635 - \$1,665	\$115	\$1,750	\$1,765	\$1,780
Margin %	40.1% - 40.3%	31.1% - 32.9%		39.6%	
Adjusted EPS			\$2.52	\$2.55	\$2.57

(1) Reflects reported organic growth % including Ipreo for the 4 month stub period. Including Ipreo for 12 months would increase total organic growth to 6-7%. Ipreo is expected to grow in the low - mid teen's.

Additional items of the following:

- Depreciation expense of \$220 - \$225 million
- Amortization (acquisition related intangibles) expense of \$370 - \$380 million
- Net interest expense of \$245 - \$250 million
- Stock-based compensation expense of \$215 - \$225 million
- Adjusted effective tax rate of 18% - 20%
- GAAP effective tax rate of 14% - 16%
- Weighted average diluted shares between 410 - 415 million
- Capital expenditures to be approximately 6.0% - 6.5% of revenue
- Free Cash Flow conversion (as a % of Adjusted EBITDA) in the mid 60%

Quarterly Revenue by Reported Segment

For the period ended:

	2017 Reported					2018 Reported				
	Feb	May	Aug	Nov	Nov	Feb	May	Aug	Nov	Nov
	Q1 17	Q2 17	Q3 17	Q4 17	FY 17	Q1 18	Q2 18	Q3 18	Q4 18	FY 18
Recurring										
Resources	177	177	177	181	712	183	183	184	187	738
Transportation	161	167	174	188	690	199	207	211	213	829
CMS	112	114	115	118	458	119	120	119	119	477
Financial Services	168	173	173	178	692	182	189	204	243	817
Total Recurring Fixed	617	631	638	665	2,550	683	698	718	762	2,862
Recurring Variable - Financial Services	106	116	110	117	449	117	126	125	139	506
Total IHS Markit Recurring Revenue	\$ 724	\$ 747	\$ 748	\$ 782	\$ 3,000	\$ 800	\$ 824	\$ 843	\$ 901	\$ 3,368
Non-Recurring										
Resources	20	47	25	36	128	22	54	27	36	138
Transportation	64	75	83	79	302	71	90	86	84	331
CMS	15	17	24	23	79	19	19	19	20	76
Financial Services	22	20	24	26	92	20	22	27	28	96
Total IHS Markit Non-Recurring Revenue	\$ 121	\$ 159	\$ 157	\$ 163	\$ 600	\$ 132	\$ 184	\$ 158	\$ 167	\$ 642
Total										
Resources	197	224	202	216	839	205	237	212	223	877
Transportation	225	242	257	267	992	270	296	297	297	1,160
CMS	127	131	139	140	536	138	139	137	139	553
Financial Services	296	309	307	321	1,233	319	336	355	409	1,420
Total IHS Markit Revenue	\$ 845	\$ 906	\$ 905	\$ 945	\$ 3,600	\$ 932	\$ 1,008	\$ 1,001	\$ 1,068	\$ 4,009

Quarterly Organic Growth

	Reported										Normalized				
	2017					2018					2017 ⁽¹⁾			2018	
	Feb	May	Aug	Nov	Nov	Feb	May	Aug	Nov	Nov	Feb	May	Aug	Aug	
	Q1 17	Q2 17	Q3 17	Q4 17	FY 17	Q1 18	Q2 18	Q3 18	Q4 18	FY 18	Q1 17	Q2 17	Q3 17	Q3 18	
For the period ended:															
Recurring	Resources	-8%	-6%	-4%	-1%	-5%	3%	3%	4%	4%	4%				
	Transportation	9%	9%	11%	11%	10%	11%	12%	10%	10%	11%				
	CMS	1%	1%	1%	1%	1%	3%	3%	3%	2%	3%				
	Financial Services	2%	4%	3%	7%	4%	6%	7%	8%	7%	7%				
	Total Recurring Fixed	1%	2%	2%	5%	2%	6%	6%	7%	6%	6%				
	Recurring Variable - Financial Services	12%	14%	4%	8%	9%	7%	6%	8%	3%	6%				
	Total Recurring Organic Growth %	2%	3%	3%	5%	3%	6%	6%	7%	6%	6%				
Non-Recurring	Resources	-48%	54%	1%	10%	3%	8%	14%	8%	1%	8%	-13%	5%		
	Transportation	18%	1%	19%	4%	10%	10%	19%	6%	9%	11%	10%	6%		
	CMS	-20%	-13%	48%	13%	6%	21%	10%	-25%	-11%	-5%			-4%	13%
	Financial Services	30%	11%	28%	27%	24%	-9%	4%	4%	-12%	-4%				
	Total Non-Recurring Organic Growth %	-5%	12%	21%	10%	9%	8%	15%	1%	1%	6%	4%	4%	14%	6%
Total	Resources	-14%	3%	-4%	1%	-4%	3%	5%	5%	4%	4%	-8%	-4%		
	Transportation	11%	6%	13%	9%	10%	10%	14%	9%	10%	11%	9%	8%		
	CMS	-2%	-1%	7%	3%	2%	5%	4%	-2%	0%	2%			1%	4%
	Financial Services	7%	8%	5%	8%	7%	6%	7%	8%	4%	6%				
	Total Organic Growth %	1%	5%	5%	6%	4%	6%	8%	6%	5%	6%	2%	3%	4%	7%

(1) Reflects 2017 normalization for event timing between Q1 and Q2 (CERAWEEK in Resources and TPM annual maritime conference in Transportation) and for the exclusion of Q3 2017 BPVC revenue within CMS, of approximately \$8 million.

Quarterly Financial Services Revenue

For the period ended:

		2017					2018				
		Feb	May	Aug	Nov	Nov	Feb	May	Aug	Nov	Nov
		Q1 17	Q2 17	Q3 17	Q4 17	FY 17	Q1 18	Q2 18	Q3 18	Q4 18	FY 18
Product Offerings	Revenue \$										
	Information	133	138	140	146	557	147	156	149	149	601
	Processing	62	68	61	67	258	63	68	64	63	259
	Solutions	101	103	106	108	417	109	112	118	119	457
	lpreo								25	78	102
	Total Financial Services Revenue	\$ 296	\$ 309	\$ 307	\$ 321	\$ 1,233	\$ 319	\$ 336	\$ 355	\$ 409	\$ 1,420
	Total revenue growth %	4%	5%	4%	10%	6%	8%	9%	16%	27%	15%
Organic Growth %	Organic Growth %										
	Information	4%	8%	5%	10%	7%	9%	11%	6%	3%	7%
	Processing	12%	14%	-3%	4%	6%	-2%	-3%	5%	-5%	-1%
	Solutions	10%	5%	10%	9%	8%	6%	7%	12%	10%	9%
	Total Organic Growth %	7%	8%	5%	8%	7%	6%	7%	8%	4%	6%
Category	Category Revenue \$										
	Recurring	168	173	173	178	692	182	189	204	243	817
	Recurring Variable	106	116	110	117	449	117	126	125	139	506
	Non-Recurring	22	20	24	26	92	20	22	27	28	96
	Total Financial Services Revenue	\$ 296	\$ 309	\$ 307	\$ 321	\$ 1,233	\$ 319	\$ 336	\$ 355	\$ 409	\$ 1,420

Quarterly Adjusted EBITDA View* by Reported Segment

For the period ended:

	2017 Reported					2018 Reported				
	Feb Q1 17	May Q2 17	Aug Q3 17	Nov Q4 17	Nov FY 17	Feb Q1 18	May Q2 18	Aug Q3 18	Nov Q4 18	Nov FY 18
Total Adjusted EBITDA										
Resources	80	100	89	92	360	85	101	85	99	369
Transportation	90	98	110	110	408	110	125	128	117	479
CMS	29	32	32	33	125	32	30	30	35	127
Financial Services	129	139	138	148	554	145	156	156	179	637
Shared services	(7)	(16)	(18)	(17)	(58)	(13)	(13)	(9)	(13)	(48)
Total IHS Markit Adjusted EBITDA	\$ 320	\$ 353	\$ 351	\$ 366	\$ 1,390	\$ 359	\$ 398	\$ 391	\$ 417	\$ 1,565
Adjusted EBITDA Margin %										
Resources	40.6%	44.5%	43.8%	42.6%	42.9%	41.4%	42.4%	40.2%	44.4%	42.1%
Transportation	39.9%	40.5%	42.8%	41.4%	41.2%	40.7%	42.1%	43.1%	39.3%	41.3%
CMS	22.6%	24.3%	23.1%	23.4%	23.4%	23.1%	21.5%	22.1%	25.5%	23.0%
Financial Services	43.7%	44.9%	45.0%	46.0%	44.9%	45.5%	46.4%	44.0%	43.9%	44.9%
Total Adjusted EBITDA Margin %	37.9%	38.9%	38.8%	38.7%	38.6%	38.6%	39.5%	39.0%	39.1%	39.0%
Total margin expansion (bps)	510	480	170	0	250	70	60	20	40	40

Adjusted EBITDA

* Refer to financial earnings releases on www.investor.IHSMarkit.com for Adjusted EBITDA definition and reconciliations to the nearest GAAP reported measure