



IHS Markit™

Q3 2018 Earnings

Supplemental Financials

September 25, 2018

Forward-looking statements

This presentation contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (“Exchange Act”). In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as “anticipate,” “intend,” “plan,” “goal,” “seek,” “aim,” “strive,” “believe,” “see,” “project,” “predict,” “estimate,” “expect,” “continue,” “strategy,” “future,” “likely,” “may,” “might,” “should,” “will,” “would,” “could,” “target,” similar expressions, and variations or negatives of these words and the use of future tense. Examples of forward-looking statements include, among others, statements we make regarding: guidance and predictions relating to expected financial and operating results, such as revenue growth and earnings; strategic plans, actions, and objectives, including acquisitions and dispositions, anticipated benefits from strategic plans, actions, and objectives, including acquisitions and dispositions and the merger between IHS Inc. and Markit Ltd., 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 our current beliefs, expectations, estimates, 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 risks 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. Other 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. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Any forward-looking statement made by us in this presentation is based only on information currently available to us 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 updating 2018 Guidance

\$ in millions, except for per share amounts

	2018 IHS Markit Guidance			
	Low	Mid	High	Additional Commentary
Revenue	\$4,000	\$4,010	\$4,020	Prior guidance updated to \$3,900 - \$3,910 Ipreo stub of \$100m - \$110m
<i>Total organic growth %</i>	6%			
Adjusted EBITDA	\$1,550	\$1,555	\$1,560	Prior guidance updated to \$1,525 - \$1,530 Ipreo stub of \$25m - \$30m
Adjusted EPS	\$2.25	\$2.26	\$2.27	

Additional items of the following:

- Depreciation expense of **\$180 - \$190** million
- Amortization (acquisition related intangibles) expense of **\$360 - \$370** million
- Interest expense, net of **\$215 - \$220** million
- Stock-based compensation expense of **\$225 - \$235** million
- Adjusted effective tax rate of **18% - 20%**
- Weighted average diluted shares between **405 - 410** million
- Capital expenditures to be approximately **6% to 7%** of revenue
- Free cash flow as a percentage of Adjusted EBITDA in the **mid-60's**

Quarterly Revenue by Reported Segment

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

Quarterly Organic Growth

For the period ended:		Reported					Normalized						
		2017					2018			2017 ⁽¹⁾			2018
		Feb	May	Aug	Nov	Nov	Feb	May	Aug	Feb	May	Aug	Aug
		Q1 17	Q2 17	Q3 17	Q4 17	FY 17	Q1 18	Q2 18	Q3 18	Q1 17	Q2 17	Q3 17	Q3 18
Recurring	Resources	-8%	-6%	-4%	-1%	-5%	3%	3%	4%				
	Transportation	9%	9%	11%	11%	10%	11%	12%	10%				
	CMS	1%	1%	1%	1%	1%	3%	3%	3%				
	Financial Services	2%	4%	3%	7%	4%	6%	7%	8%				
	Total Recurring Fixed	1%	2%	2%	5%	2%	6%	6%	7%				
	Recurring Variable - Financial Services	12%	14%	4%	8%	9%	7%	6%	8%				
	Total Recurring Organic Growth %	2%	3%	3%	5%	3%	6%	6%	7%				
Non-Recurring	Resources	-48%	54%	1%	10%	3%	8%	14%	8%	-13%	5%		
	Transportation	18%	1%	19%	4%	10%	10%	19%	6%	10%	6%		
	CMS	-20%	-13%	48%	13%	6%	21%	10%	-25%			-4%	13%
	Financial Services	30%	11%	28%	27%	24%	-9%	4%	4%				
	Total Non-Recurring Organic Growth %	-5%	12%	21%	10%	9%	8%	15%	1%	4%	4%	14%	6%
Total	Resources	-14%	3%	-4%	1%	-4%	3%	5%	5%	-8%	-4%		
	Transportation	11%	6%	13%	9%	10%	10%	14%	9%	9%	8%		
	CMS	-2%	-1%	7%	3%	2%	5%	4%	-2%			1%	4%
	Financial Services	7%	8%	5%	8%	7%	6%	7%	8%				
	Total Organic Growth %	1%	5%	5%	6%	4%	6%	8%	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
		Q1 17	Q2 17	Q3 17	Q4 17	FY 17	Q1 18	Q2 18	Q3 18
Product Offerings	Revenue \$								
	Information	133	138	140	146	557	147	156	149
	Processing	62	68	61	67	258	63	68	64
	Solutions	101	103	106	108	417	109	112	118
	Ipreo	-	-	-	-	-	-	-	25
	Total Financial Services Revenue	\$ 296	\$ 309	\$ 307	\$ 321	\$ 1,233	\$ 319	\$ 336	\$ 355
	Total revenue growth %	4%	5%	4%	10%	6%	8%	9%	16%
Organic Growth %	Organic Growth %								
	Information	4%	8%	5%	10%	7%	9%	11%	6%
	Processing	12%	14%	-3%	4%	6%	-2%	-3%	5%
	Solutions	10%	5%	10%	9%	8%	6%	7%	12%
	Total Organic Growth %	7%	8%	5%	8%	7%	6%	7%	8%
Category	Category Revenue \$								
	Recurring	168	173	173	178	692	182	189	204
	Recurring Variable	106	116	110	117	449	117	126	125
	Non-Recurring	22	20	24	26	92	20	22	27
	Total Financial Services Revenue	\$ 296	\$ 309	\$ 307	\$ 321	\$ 1,233	\$ 319	\$ 336	\$ 355

Quarterly Adjusted EBITDA View* by Reported Segment

For the period ended:

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

A adjusted EBITDA

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