

# S&P Global Market Intelligence

spglobal.com/marketintelligence

## Data. Research. Analytics.

S&P Global Market Intelligence is a leading provider of actionable intelligence on the global financial markets and the companies and industries that make up those markets.

By integrating world news, comprehensive market and asset-level data, and industry insights with powerful analytics, S&P Global Market Intelligence's analytical solutions and data services help users understand market dynamics, identify investment opportunities, assess risk, perform valuations, and track performance.

Quality data from our S&P Global, S&P Capital IQ, SNL, and Compustat collections includes expansive global coverage and deep sector-specific metrics. Key capabilities include the Market Intelligence and S&P Capital IQ platforms, credit assessment tools, and enterprise data feeds with a range of delivery options.

The S&P Global Market Intelligence division was formed by the integration of S&P Capital IQ and SNL Financial LC, which was acquired in September 2015.

### Our Focus Forward

Leverage strong content heritage to expand core franchise

Streamline and enrich the customer experience across all delivery platforms

Harness new data sources and technology to extend into new geographies and growth areas such as ESG

*S&P Global Market Intelligence's revenue is 97% subscription-based with renewal rates at 96%*

## How S&P Global Market Intelligence Generates Revenue

### Desktop:

**S&P Capital IQ and Market Intelligence platforms, sector-focused news, and third-party research**

(subscription and non-subscription revenue)

### Credit Risk Solutions:

**RatingsDirect®, RatingsXpress®, and Credit Analytics and Scorecards**

(subscription and non-subscription revenue)

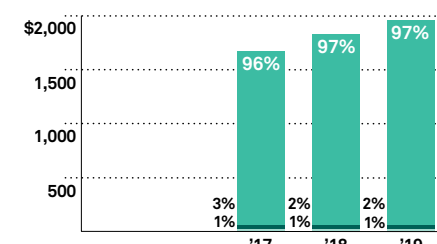
### Data Management Solutions:

**Xpressfeed™, CUSIP®, GICS®, and cross-reference data**

(subscription and non-subscription revenue)

### Revenue by Type

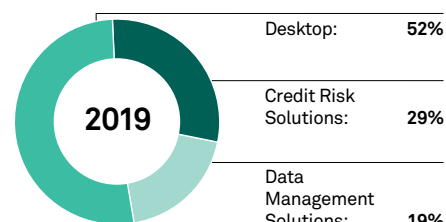
(dollars in millions)



|                      |                |                |                |
|----------------------|----------------|----------------|----------------|
| Subscription         | \$1,614        | \$1,773        | \$1,904        |
| Non-subscription     | 46             | 40             | 45             |
| Asset-linked fees    | 23             | 20             | 10             |
| <b>Total revenue</b> | <b>\$1,683</b> | <b>\$1,833</b> | <b>\$1,959</b> |

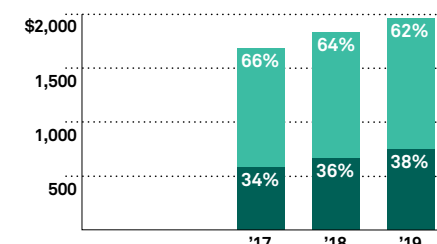
### Revenue Mix

(percentage of revenue)



### Revenue by Geography

(dollars in millions)



|                      |                |                |                |
|----------------------|----------------|----------------|----------------|
| U.S.                 | \$1,114        | \$1,180        | \$1,213        |
| Ex-U.S.              | 569            | 653            | 746            |
| <b>Total revenue</b> | <b>\$1,683</b> | <b>\$1,833</b> | <b>\$1,959</b> |

### Notes for pages 32 and 33:

2019 results reflect the acquisition of 451 Research, LLC and divestiture of Standard & Poor's Investment Advisory Services LLC

2018 results reflect the acquisitions of the RateWatch business and Panjiva, Inc.

2017 results reflect the divestiture of QuantHouse

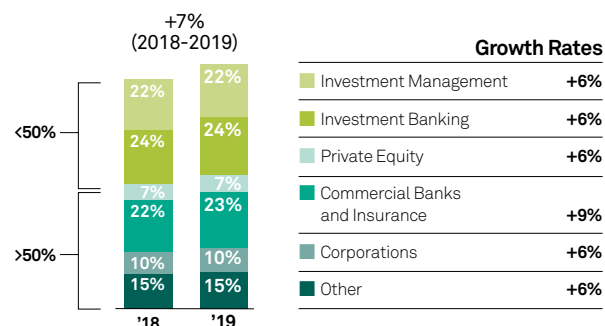
Division revenues do not include interdivision revenue elimination

# S&P Global Market Intelligence

## Revenue Is Diversified Across Customer Segments

Almost half of S&P Global Market Intelligence's revenue is from the investment banking and investment management segments, as shown in the chart below. The private equity, commercial banks and insurance, corporations, and other professional services firm segments compose the other half.

### Organic Revenue by Customer Segment



**Note:** Revenue composition and growth rates exclude divested and acquired businesses during 2018–2019

Results exclude Trucost

See footnotes on pages 4 and 32

## Data Feed and API Products Are Growing and Represent ~20% of Revenue

Today's clients are looking for data and content to fuel a variety of processes. This is driving strong growth in S&P Global Market Intelligence's Data Management Solutions product category, which offers company fundamentals, cross-reference, Trucost data, alternative data, and other S&P Global content through Xpressfeed™, API, and cloud delivery. In addition, approximately half of Credit Risk Solutions revenue is from data feeds.

### Data Management Solutions Revenue

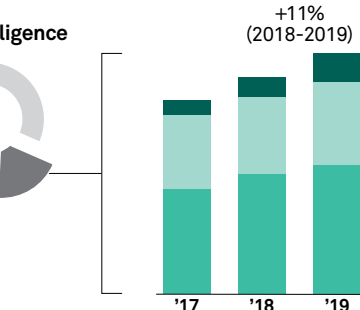
(dollars in millions)

#### S&P Global Market Intelligence

Desktop: 52%

Credit Risk Solutions: 29%

Data Management Solutions: 19%

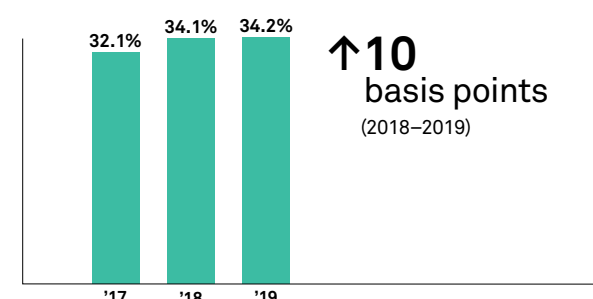


|                      |              |              |              |
|----------------------|--------------|--------------|--------------|
| Other                | \$ 22        | \$ 30        | \$ 45        |
| Fundamentals         | \$117        | \$122        | \$132        |
| Cross-Reference      | \$166        | \$189        | \$202        |
| <b>Total revenue</b> | <b>\$305</b> | <b>\$341</b> | <b>\$379</b> |

## Investment Spending Weighed on 2019 Margin Expansion

S&P Global Market Intelligence's planned investment activity associated with China, Marketplace, SME, and ESG increased as spending weighed on margin expansion.

### Adjusted Operating Profit Margin



↑10  
basis points  
(2018–2019)

*S&P Global Market Intelligence is orienting its commercial model to effectively address its customers' challenges and help them design solutions*

# Unifying Products and Platforms to Improve the Client Experience

S&P Global Market Intelligence is unifying our desktop platforms to create an integrated solution to distribute content and analytics in workflows tailored to meet the needs of clients.

## Integrated Data

The Market Intelligence platform integrates S&P Global, S&P Capital IQ, SNL, Compustat®, LCD, Ratings, CUSIP®, third-party data, and client-proprietary data in one solution.

## Easy to Use

Designed with a client-first approach, the platform is modeled after client workflows and is starting to incorporate Omnisearch from Kensho—reducing the need for training and the cost of implementation.

## Visual Analytics

Driven by next-generation machine intelligence, visual analytics provide purpose-specific analytics and presentation tools to help users arrive at answers and drive value for their clients.

## Accessible

With Market Intelligence, users can access content and analytics via a web browser or Microsoft Office on their desktop or mobile device, on the road or in their office.

## Open & Extensible

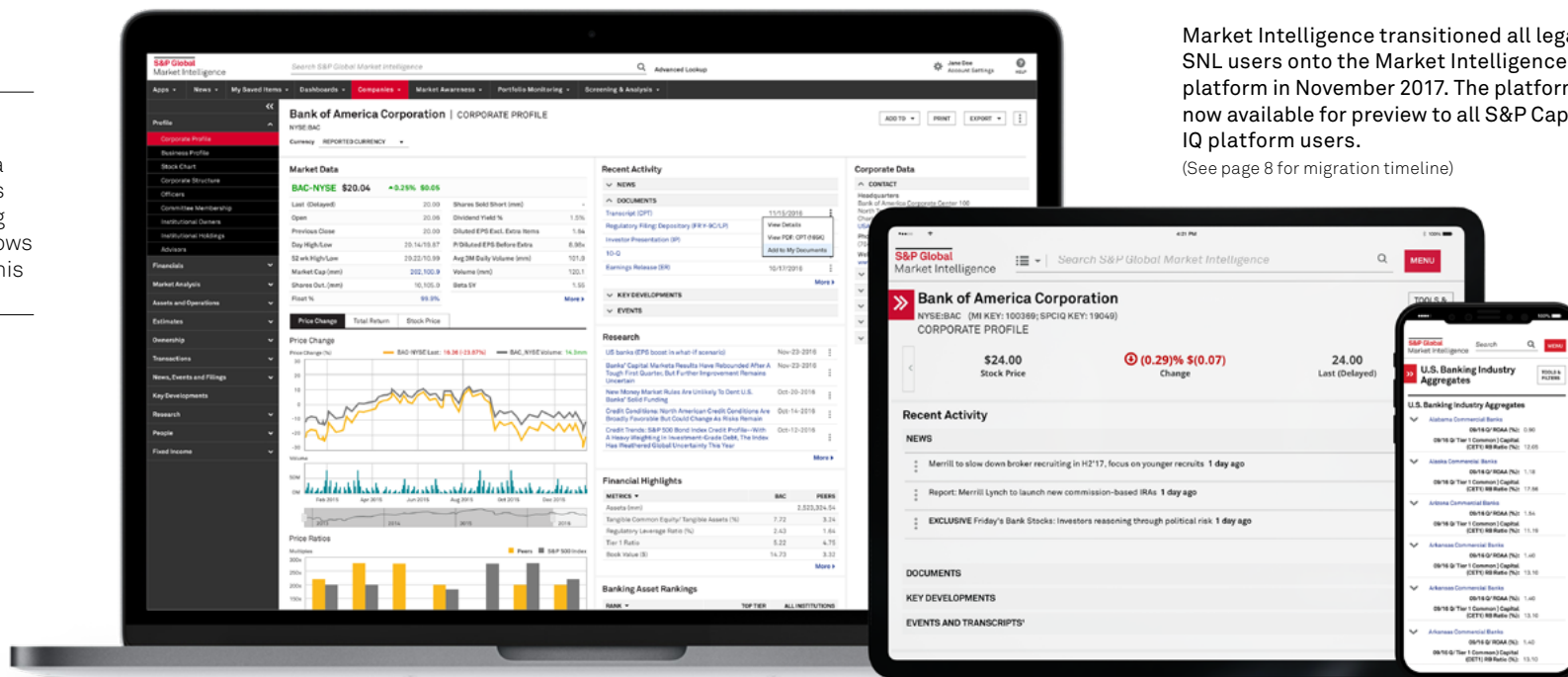
Built using an open architecture, the platform has been designed to let others seamlessly extend the content and analytics to their proprietary systems.

## Enterprise-Wide Pricing

New licenses take into account the usage, breadth, and needs of a firm and provide clients with a simpler licensing model that generally allows more users to access this subscription service.

Market Intelligence transitioned all legacy SNL users onto the Market Intelligence platform in November 2017. The platform is now available for preview to all S&P Capital IQ platform users.

(See page 8 for migration timeline)



# SME Initiative Launched with Core Data and Differentiated Analytics

S&P Global Market Intelligence is investing in its small- and medium-sized enterprises (SME) initiative to create a unique private-company intelligence service that clients can leverage to serve or do more business with SMEs.

**Core data and differentiated analytics are the cornerstone of the SME initiative, starting with Phase 1 in 2020:**

## Data

**Deeper coverage of private companies including:**

- U.S., European, and Chinese private-company data
- Profile, people, corporate structure, fundamentals, and trade payment scores

## Analytics

**New robust and transparent analytics that complement existing financial-based credit risk models**

and provide universal coverage relying on alternative data (trade payment, credit limit)

## Workflow

**Access standard mechanisms**

- SME content in S&P Global Market Intelligence Desktop and Xpressfeed
- Analytics via Credit Analytics

**SME launched with data on >85 million private companies, and growing**

Access to datasets is specific to each platform

**50M+** companies on RiskGauge for supply chain/ trade credit counterparty credit risk

**20M+** companies on China Credit Analytics Platform for domestic Chinese customers in the corporate and lending space

**15M+** companies on Market Intelligence desktop and feeds, including 500,000+ early-stage company data from Crunchbase

## How Customers Use SME Data

| Use Cases   | Customers  |
|---|--|
| <b>Counterparty Credit &amp; Supply Chain</b><br>Monitor risk of suppliers and counterparties             | <b>Nonfinancial corporates</b>                           |
| <b>Underwriting and Surveillance</b><br>Support underwriting new business and tracking existing exposures | <b>Financial corporates</b>                              |
| <b>New Business Development</b><br>Identify potential new customers                                       | <b>Nonfinancial and financial institution corporates</b> |
| <b>Deal Sourcing / Corporate Development / M&amp;A</b><br>Identify target companies and people            | <b>Capital markets</b>                                   |

## RiskGauge Reports Available on Credit Analytics

While data is available broadly to serve many use cases via our desktop and feeds, S&P Global Market Intelligence is also embedding data and insights into specific workflows. The first core workflow is credit risk, with the creation of RiskGauge Reports and new analytics in Credit Analytics.



## Benefits

**Improved predictive power** on counterparty credit risk

**Gain Insight from RiskGauge score**, a holistic credit risk score comprising elements of a company's Probability of Default (PD) Fundamental, PD Model Market Signal, and CreditModel™ scores

**Ability to combine a client's proprietary data** with S&P Capital IQ financials and analytics

**RiskGauge Reports are being rolled out to existing users of Credit Analytics**

## New Models Available on S&P Global Market Intelligence Platform and Xpressfeed

### PaySense

Identifies potential delays of trade payables by leveraging historical trade payment data and macroeconomic factors (covers U.S. companies; expansion to come)

### Max Limit

Identifies maximum exposure limits for trade receivables based on analyses of a customer's Probability of Default, liquidity risk, and recovery and risk appetite

*SMEs account for approximately 90% of global businesses and more than 50% of worldwide employment*

# Trucost Climate-Risk Analysis

## Trucost ESG Analysis --- S&P Global

[trucost.com](https://www.trucost.com)

Trucost Practice Areas

**Capital Markets**

**Corporate Advisory**

**Policy & Academic  
Research**

Trucost, part of S&P Global, is a leader in carbon and environmental data and risk analysis. Trucost assesses risks relating to climate change, natural resource constraints, and broader environmental, social, and governance factors. Trucost climate intelligence helps corporations, financial institutions, and governments accelerate their alignment with global climate, environmental, and sustainability goals.

**Trucost data is also used to power additional S&P Global ESG offerings, including:**

**Portfolio Analytics**, enabling investment professionals to analyze ESG and climate factors that are robustly linked to financial and industry data, research, and news for an enhanced portfolio view.

**ESG Reporting**, enabling corporations and investment professionals to report their ESG performance in alignment with best-practice market standards, including the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

**ESG Indices**, including S&P Dow Jones Indices' S&P Paris-Aligned & Climate Transition Index series and Carbon Efficient Index series.

## Trucost Climate Intelligence: Assessing Company Exposure to Impacts of Climate Change

**Carbon footprinting:** Get rapid carbon footprints on multi-asset financial portfolios and company value chains

**Climate Change Physical Risks:** Pinpoint asset exposure to heat waves, cold waves, droughts, hurricanes, wildfires, river flooding, and sea-level rise

**Carbon pricing:** Assess financial exposure to >130 carbon pricing plans alongside future pricing scenarios

**Paris-alignment assessment:** Understand company alignment with Paris Agreement energy transition pathways

**Fossil-fuel reserves:** Understand standard asset risk from carbon emissions embedded in fossil-fuel reserves

**Energy transition:** Discover the energy mix of utilities and their "green vs. brown" share over time

**Metals and mining:** Compare the climate competitiveness of metals and mining companies

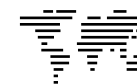
**Coal exposure:** Evaluate exposure to coal reserves, and extraction and power generation activities

## Trucost Climate Change Physical Risk Dataset

The Trucost Physical Risk dataset uses an asset-based approach to assess a company's exposure to the physical impacts of climate change under future climate change scenarios. The assessments are based on more than 500,000 assets mapped to 15,000+ listed-companies in the S&P Global Market Intelligence database.



Seven climate change physical risk indicators (heat waves, cold waves, droughts, hurricanes, wildfires, river flooding, and sea-level rise)



Low, moderate, and high future climate change scenarios based on the Intergovernmental Panel on Climate Change reports (IPCC) Representative Concentration Pathways



Estimates of climate change physical impacts in 2025, 2030, and 2050



Corporate asset-level physical risk exposure analysis and annual data subscription

*Trucost data underpins ESG indices, including the S&P 500 Carbon Efficient Index and S&P Paris-Aligned & Climate Transition Indices™*

# Panjiva: Supply Chain Intelligence

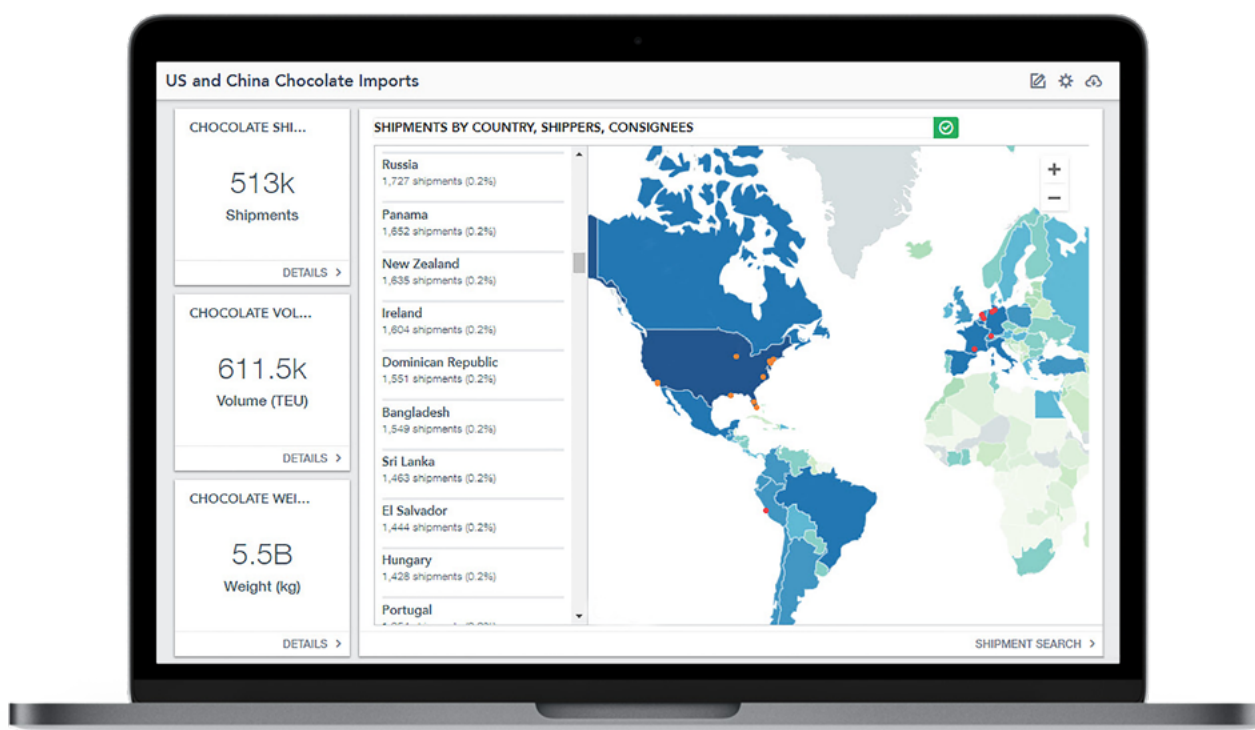
In 2018, S&P Global acquired Panjiva, a global supply chain content provider, to enhance S&P Global Market Intelligence's robust data and analytical offerings. More than 20,000 users worldwide—including buyers, suppliers, governments, and analysts—turn to Panjiva for global supply chain insights, competitive intelligence, sourcing, sales and lead generation, risk analysis, and investment management.

## Using Data Science and Technology to Make Sense of Large, Unstructured Datasets

Panjiva tracks supply chain data encompassing over 1 billion transaction records across a variety of industries and commodities. Leveraging proprietary machine-learning technologies, Panjiva helps customers reveal key insights from unstructured supply chain data and transforms a massive dataset into a supply chain graph, mapping trade relationships between companies.

### Primary Customer Segments

|                                 |
|---------------------------------|
| Global operating companies      |
| Freight service providers       |
| Investment managers             |
| Banks                           |
| Consultants                     |
| Insurance companies             |
| Government enforcement agencies |
| Academic libraries              |



### 20,000+ Users Leverage Panjiva to:

**Learn about competitors** by viewing total import/export volumes and supplier/customer networks

**Find trustworthy suppliers** for new or existing product lines

**Identify and qualify sales leads** in a certain region, trade lane, or product category

**Detect risk in supply chain activity**, such as companies transacting with potential high-risk counterparties

**Understand market signals** by mapping company supply chain data to stock price movements

### Panjiva's Global Coverage

More than 1 billion transaction details of goods traded across borders, including company names, product descriptions, and values

Data from 15 country sources including USA, Mexico, Brazil, India, Pakistan, Philippines, and nine additional countries in Latin America

9 million companies profiled in more than 190 countries

13 million company-to-company relationships

*Panjiva leverages machine learning to surface key insights from unstructured supply chain data*