

S&P Global
Second Quarter Earnings Conference Call
Prepared Remarks
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Chip Merritt

Vice President, Investor Relations
S&P Global

Good morning. Thank you for joining us for S&P Global's earnings call. Presenting on this morning's call are Doug Peterson, President and CEO, and Ewout Steenberg, Executive Vice President and Chief Financial Officer. This morning we issued a news release with our second quarter 2017 results. If you need a copy of the release and financial schedules, they can be downloaded at investor.spglobal.com.

In today's earnings release and during the conference call, we're providing adjusted financial information. This information is provided to enable investors to make meaningful comparisons of the Corporation's operating performance between periods and to view the Corporation's business from the same perspective as management's. The earnings release contains exhibits that reconcile the difference between the non-GAAP measures and the comparable financial measures, calculated in accordance with U.S. GAAP.

Before we begin, I need to provide certain cautionary remarks about forward-looking statements. Except for historical information, the matters discussed in the teleconference may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including projections, estimates, and descriptions of future events. Any such statements are based on current expectations and current economic conditions and are subject to risks and uncertainties that may cause actual results to differ materially from results anticipated in these forward-looking statements. In this regard, we direct listeners to the cautionary statements contained in our Form 10-Ks, 10-Qs, and other periodic reports filed with the U.S. Securities and Exchange Commission.

I would also like to draw your attention to a European regulation. Any investor who has, or expects to obtain, ownership of 5% or more of S&P Global should give me a call to better understand the impact of this legislation on the investor, and potentially the Company.

We're aware that we do have some media representatives with us on the call. However, this call is intended for investors and we would ask that questions from the media be directed to Jason Feuchtwanger at (212) 438-1247.

At this time I would like to turn the call over to Doug Peterson.

Douglas L. Peterson
President and CEO
S&P Global

Good morning. Thank you, Chip. Welcome everyone to the call today.

Building on the first quarter of 2017, I'm pleased to report another solid quarter of revenue and earnings growth at S&P Global. Our benchmarks, data, analytics, and essential intelligence continue to be critical components of the global financial landscape.

Let me begin with the second quarter highlights:

- We attained strong organic revenue and adjusted operating profit growth in every segment;
- S&P Dow Jones Indices achieved outstanding revenue growth of 20%;
- We delivered 330 basis points of adjusted profit margin improvement and adjusted diluted EPS growth of 19%;
- As a result of our YTD performance and our expectations for the remainder of the year, we are increasing our adjusted diluted EPS guidance to a range of \$6.15 to \$6.30;
- We returned \$251 million through share repurchases and dividends;
- We are introducing a more in-depth disclosure of our capital management philosophy which Ewout will discuss in a moment;
- And we intend to launch a \$500 million ASR in the next few days that would be completed by the end of October. We continue to believe that reinvesting in our stock represents a great investment and a good use of our cash.

Looking more closely at the financial results:

- The Company reported 2% revenue growth, and on an organic basis, grew 10%.
- With a \$27 million increase in revenue, we were able to increase adjusted operating profit by \$63 million. This can be primarily attributed to the Market and Commodities segment where divestitures drove revenues down \$65 million, yet adjusted operating profit increased \$11 million.
- The Company achieved a 330 basis-point improvement in adjusted operating profit margin due to the sale of lower margin businesses, strong organic revenue growth, and productivity initiatives.
- Forex had an \$8 million unfavorable impact on revenue and a \$2 million favorable impact on adjusted operating profit.
- The strength of our business model continues to be reflected in our results. We were able to turn 10% organic revenue growth into 19% adjusted EPS growth through the inherent scalable nature of our businesses, productivity improvements, and share repurchases.

In a moment, Ewout is going to discuss the results of each of our businesses in more detail. What I would like to do is provide a bit more color on some of the current and future drivers of our businesses.

And let me start with bank loan ratings, which have been a growing part of the Ratings business over the past few years, particularly in the U.S., but also, more recently, in Europe. Bank loan ratings are primarily issued on leveraged loans typically rated BB+ or lower. Both the volume of leveraged loans and the percent of leveraged loans rated by S&P have increased over the past few years. During the second quarter, bank loan revenue of approximately \$100 million was a key factor in the revenue growth of the Ratings segment.

As you see from the chart, the longer-term trend for loan ratings has been positive, but volatile. This is due to opportunistic loan activity and refinancing driven by attractive spreads for speculative-grade credits. I would encourage all of you who track issuance data not to overlook bank loan rating activity; otherwise you will have an incomplete picture of a key revenue component of the Ratings business.

When tracking issuance data, we always try to point out that where issuance takes place, which type of issuance, and the size of the deals, make a difference in the revenue we realize. Global issuance in the second quarter, excluding sovereign debt, decreased 2%. In the U.S. and Europe, our two most important markets, however, issuance remained flat or grew as a result of a sharp increase in structured finance.

Geographically, issuance in the United States increased 1% in the second quarter, with:

- Investment-grade decreasing 6%;
- High-yield declining 20%;
- Public finance down 17%; and
- Structured finance increasing 59% due primarily to strength in CLOs, RMBS, and CMBS.

In Europe, issuance increased 2% in the second quarter with:

- Investment-grade declining 10%;
- High-yield increasing 23%; and
- Structured finance increasing 32% with strength in RMBS, CLOs, and covered bonds.

In Asia, issuance decreased 10%. However, the vast majority of Asian issuance is made up of local China debt that we don't rate.

Ratings recently published its latest issuance forecast. For 2017, we expect an overall decrease in global issuance of 5%. This compares to the forecast of a 1% decrease that we issued about three months ago. Some of the key changes include:

- Industrials and Financial Services issuance have been reduced primarily due to expectations for lower Chinese issuance which is largely unrated.
- And Structured Finance issuance has been increased given year-to-date strength.

Most importantly, you can see that the categories most impactful to our revenue—namely nonfinancials, financial services, structured finance, and U.S. public finance—are collectively forecast to increase in 2017.

Here is a new chart that we think that you will find very informative. It depicts 20 years of outstanding U.S. debt as a percentage of U.S. GDP. Debt is defined as both bonds and bank loans. The light blue represents non-financial corporations and the dark blue represents financial corporations. For the past 20 years, total corporate debt has amounted to roughly 40% of GDP. That means that for every dollar of GDP, corporations raise about 40 cents of debt. This ratio is remarkably consistent.

The ratio of financial corporation debt to GDP increased rapidly to a peak of about 70% in 2008. Since that time, financial corporations have reined in their debt levels and for the past 5 years their ratio of debt to GDP has been approximately 40%.

We think that this chart supports our long-time contention that GDP growth is the fundamental factor correlated with debt levels and, thus, issuance.

Turning to S&P Dow Jones Indices, at the end of June we released the Annual Survey of Assets. This chart depicts the highlights of that survey. Most importantly, there are \$11.7 trillion in assets globally that track indices managed by SPDJI. This includes:

- \$7.5 trillion in active money that is benchmarked against our indices; and
- \$4.2 trillion in passive money that is invested in products indexed to our indices.

Numerous indices support the \$4.2 trillion. I would like to highlight three important categories that should be of interest:

- Clearly the S&P 500 is the largest of all products with \$3 trillion in assets. These assets increased 38% in the past calendar year;
- Smart Beta, which had \$184 billion in assets, is up 26%;
- And, Fixed Income, with \$41 billion in assets, is up 34%.

Next, I'd like to share with you several new products.

- The first is the launch of the Ivy ProShares S&P 500 Bond Index Fund. This fund is designed to track the index of corporate bonds issued by S&P 500 companies.
- Ivy ProShares S&P 500 Dividend Aristocrats Index Fund was also launched. This fund invests in S&P 500 companies with at least 25 years of consecutive dividend growth.
- We also published the S&P Dow Jones Indices Carbon Scorecard. This Scorecard assesses the carbon efficiency and energy mix alignment of a 2° centigrade climate scenario for major S&P DJI equity benchmarks around the world. The scorecard comes at a turning point in the integration of climate risk and investment opportunities. As countries limit the rise in global temperatures, market participants are looking for benchmarks most suited to the future economy.
- And last, we launched the Dow Jones/BM&F Commodity Index. It's the first index designed to be a broad measure of the Brazilian commodity futures market. This launch, in conjunction with B3, is part of our development strategy for the commodity derivatives market in Brazil.

As you can see, we are actively pursuing our Indices growth objectives in fixed income, ESG, and global products.

This quarter, Platts celebrated the 10th anniversary of eWindow. eWindow is an online data-entry and communications tool that brings greater speed, transparency, and efficiency to Platts' price assessments. eWindow was constructed by combining Platts Market-On-Close methodology with exchange technology licensed from the Intercontinental Exchange. Today, eWindow operates in more than 100 markets across oil, refined products, petrochemicals, and agriculture involving more than 2,000 traders.

Last quarter we highlighted our efforts in Black Sea wheat. Adding to our growing presence in wheat, today I want to share with you a launch earlier this week of Australian Wheat Futures by CME. These contracts will be cash-settled without physical delivery and priced in relation to Platts' daily assessment of Australian Premium White (APW) wheat.

Market Intelligence is also extending its capabilities. In May, we formed a strategic data agreement to provide transcripts to users of Thomson Reuters desktop platforms. The transcript service includes earnings calls, guidance calls, investor days, and annual shareholder meetings. This extends our industry-leading transcript coverage and allows us to better scale this product.

In addition, we launched portfolio analytics, a new tool for the small- to mid-sized investment management market. This product integrates S&P Global Market Intelligence's point-in-time data,

with clients' own proprietary content. Clients can design custom reports that measure how their selection decisions impact performance compared to benchmarks. Clients can quickly assess and compare their performance relative to peer funds, exchange-traded funds, and indices.

And we expanded risk and credit analytics on RatingsDirect to enhance portfolio monitoring and added non-rated entity credit analytics and scores to Xpressfeed.

With that color, let me turn the call over to Ewout who will provide specifics on our business results during the quarter.

Ewout Steenbergen

Executive Vice President and CFO
S&P Global

Thank you, Doug, and good morning to everyone on the call. This morning, I would like to discuss the second quarter results, introduce our updated capital management philosophy, and then provide specifics on our increased 2017 guidance.

Doug already discussed the changes in revenue, organic revenue, and adjusted operating margin for the Company. I would like to point out that the tax rate of 28.9% is below the anticipated full-year run rate range of 30% to 31% due primarily to the resolution of tax audits and the discrete tax benefit from stock option exercises. In addition, our ongoing share repurchase program led to a 6.8 million decrease, or 3% decline, in average diluted shares outstanding.

Net of hedges, foreign exchange rates had a modest negative impact on the Company's revenue and adjusted operating profit in the second quarter. The bulk of the impact was in the Ratings segment with a \$6 million unfavorable impact on revenue. There was hardly any impact to adjusted operating profit from weakness year-over-year in the British Pound and Euro.

Now, let me turn to adjustments to earnings to help you better assess the underlying performance of the business. Pre-tax adjustments to earnings totaled to a loss of \$13 million in the quarter and included:

- \$8 million from write-offs of a PIRA office lease and certain Platts software that was discontinued and replaced using Market Intelligence technology;
- \$5 million of employee severance costs in Market and Commodities Intelligence related to synergy realization.

Together, these actions will result in annual savings of approximately \$9 million for the next 2 years, and then \$7 million per year thereafter. In addition, we excluded \$25 million in deal-related amortization expense.

There is another item that I would like to discuss that is not likely to have an impact on our financial statements, but in the spirit of transparency, we would like to bring to your attention now and it will also be included in our 10Q.

As you would expect, we are continuously subject to tax examinations in various jurisdictions. In May 2017, the IRS issued a 30-Day Letter proposing to increase the Company's federal income tax for the 2015 tax year by approximately \$242 million. The proposed increase relates primarily to the IRS's proposed disallowance of claimed tax deductions for certain amounts paid in 2015 to settle lawsuits by nineteen states and the District of Columbia. We vigorously disagree with the proposed adjustment and have filed a formal protest with the IRS to contest the matter before the IRS Appeals Office. This development does not materially change our initial assessment of the deductibility of our settlement payments. And since we believe that the likelihood is remote that we will have to make this adjustment, we have not recorded a tax accrual for the state settlements as a result of this letter.

In the second quarter, every business segment contributed to gains in organic revenue; however, the gains in Indices were outstanding. The reported revenue decline in Market and Commodities Intelligence was due to several divestitures. Each business segment reported gains in adjusted operating profit growth. I find it very impressive that despite the loss of earnings associated with asset divestitures, Market and Commodities Intelligence reported a 5% gain in adjusted operating profit as organic growth and synergies more than made up for the lost profitability associated with the divestitures.

While Market and Commodities Intelligence delivered remarkable adjusted operating margin improvement, we recorded declines in Ratings and Indices. Declines in operating margin are not something that we take lightly. The primary reason for the decline is the timing of incentive compensation accruals. Due to our outsized financial performance in the first half of the year, our incentive accruals were much higher in the second quarter of 2017 than in the second quarter of 2016. In 2016, incentive accruals were weighted more toward the back half of the year. Excluding this difference in second quarter accruals, the adjusted operating margin of both Ratings and Indices would have increased.

Let me now turn to the individual segment's performance and start with S&P Dow Jones Indices.

S&P Dow Jones Indices

Revenue increased 20% mostly as ETF assets under management continue to surge. Adjusted operating profit increased 18%, as a result of increased revenue. Adjusted operating margin decreased 90 basis points to 65.1% as revenue gains were partially offset by increased headcount in commercial and operations to support future growth and the timing of incentive accruals I just discussed.

- Asset-linked fees, which are principally derived from ETFs, mutual funds, and certain OTC derivatives, experienced the greatest growth in the second quarter, rising 24% driven by a 34% increase in average ETF AUM.
- Subscription revenue increased 16% due to growth in data subscriptions, custom indices, and the addition of Trucost.
- Exchange-traded derivative revenue rose 12% with gains in S&P 500 index options and VIX futures and options activity and mix.

The trend of assets moving into passive investments was again very strong in the second quarter with the exchange-traded products industry reaching net inflows of \$148 billion. Year-to-date, these industry net inflows are almost triple the net inflows in the first half of 2016.

The quarter-ending ETF AUM tied to our indices totaled \$1,156 billion, up 35% versus the second quarter of 2016. As the chart shows, this was the result of \$175 billion of net inflows and \$126 billion of market gains over the last 12 months. The \$1,156 billion was a new record—surpassing the previous quarterly record of \$1,116 billion set on March 31, 2017.

The second-quarter average AUM associated with our indices increased 34% year-over-year. This is a better proxy for revenue changes than the quarter-end figures.

Transaction revenue from exchange-traded derivatives improved 12% with increased S&P 500 index options and VIX futures and options activity and favorable mix more than offsetting declines in activity at the CME equity complex.

Let me now turn to Market and Commodities Intelligence.

Market and Commodities Intelligence

This segment includes S&P Global Market Intelligence and S&P Global Platts.

In the second quarter, reported revenue declined 10% due to recent divestitures. Excluding these divestitures, organic revenue increased 8%. Despite the loss of earnings associated with divestitures, adjusted operating profit improved 5% due to organic growth and synergies realization. Adjusted operating margin improved 530 basis points primarily due to the sale of lower margin businesses, strong organic revenue growth, and SNL integration synergies.

Turning to Market Intelligence, recent divestitures cloud solid organic revenue growth of 9%. This growth was due, in part, to an 11% increase in the number of SNL, S&P Capital IQ, and RatingsDirect desktop users. As evidenced by continued adjusted margin improvement, we are on track to achieve more than \$75 million in run-rate synergies by year-end.

In addition to strong financial results, we made great progress on product enhancements as well. Some examples include:

- Advanced towards a beta release of the new Market Intelligence desktop to the Investment Banking sector this fall;
- Added SNL asset-level data to Xpressfeed to complement SNL fundamental data;
- Added private company data for 77,000 Japanese and 2,000 Chinese companies.

Looking more deeply at Market Intelligence revenue, all three components delivered strong revenue growth.

- Desktop products grew 11% as the growth of the former SNL and S&P Capital IQ desktop products continues to roll out as one commercial offering.
- Enterprise Solutions revenue increased 9% as the demand for data feeds continues to be robust.
- Risk Services grew 7% thanks to low-teens growth of RatingsXpress and high single-digit growth of RatingsDirect.
- And finally, note that there was \$37 million of revenue in the second quarter of 2016 from businesses that were divested.

Platts delivered reasonable organic revenue growth despite difficult commodity markets. Second-quarter revenue increased 10%; however, excluding revenue from recent acquisitions, organic

revenue increased 4% due to modest growth in subscriptions bolstered by strong growth in Global Trading Services.

The core subscription business delivered low single-digit revenue growth with gains in Petroleum. Global Trading Services' mid-teens revenue increase was primarily due to timing of revenue and strong trading volumes in petroleum, partially offset by weakness in metals.

If we look at Platts revenue by its four primary markets, you can see that Petroleum and Power & Gas make up the majority of the business. Platts growth this quarter came from Petroleum which benefited from strong global trading activity. In addition, Petrochemicals contributed 6% growth, while both Power & Gas and Metals & Agriculture declined 1%. However, gains in Agriculture revenue were offset by declines in Metals. Please note that there was \$11 million of revenue in the second quarter of 2017 from recent acquisitions.

S&P Global Ratings

Turning to Ratings, revenue increased 10% against the toughest quarterly comparison in 2016, including a 1% unfavorable impact from forex. Adjusted operating profit increased 8%, while the adjusted operating margin declined 80 basis points to 53.3% due to increased headcount, incentive compensation, and investments in productivity. As we have said in the past, we manage the Ratings business on a rolling 4-quarters basis and you can see, on that basis, the adjusted operating margin increased 320 basis points.

Strong transaction revenue led Ratings' second quarter revenue growth.

- Non-transaction revenue increased 4% from growth in surveillance fees, entity fees, intersegment royalties from Market Intelligence, and CRISIL.
- Transaction revenue increased 15% primarily from gains in corporate bonds, robust bank loan ratings activity, and structured products.

If we look at Ratings revenue by its various markets, you can see the greatest gains were in corporates and structured finance. Bank loan ratings are part of corporates and boosted results in this market. The only market that declined was governments due to the 17% decline in U.S. public issuance that Doug mentioned.

Now, turning to our capital position, there was little change from the end of the fourth quarter. We continued to have \$2.4 billion of cash, and \$3.6 billion of long-term debt. \$1.9 billion of this cash was held outside the United States at the end of the second quarter. Our debt coverage, as measured by adjusted gross leverage to adjusted EBITDA, was 2.0 times versus 2.1 times at the end of 2016. This is a new metric that I will discuss in a moment.

Year-to-date free cash flow was \$564 million. However, to get a better sense of our underlying cash generation from operations, it is important to exclude activity associated with divestitures and the after-tax impact of legal settlements. On that basis, year-to-date free cash flow was \$635 million.

As for return of capital, the Company returned \$251 million to shareholders in the second quarter: \$145 million through repurchasing 1.1 million shares and \$106 million in dividends.

At this time I would like to outline our new capital management philosophy. Let me start with a few broad points:

- We are continuously analyzing a wide range of internal investments and acquisitions, allocating capital to the highest returning projects and holding our management team accountable;
- We will continue to return excess capital to shareholders in the form of share buybacks and dividends, while maintaining a strong balance sheet.

Internally, we need to focus on the following key points:

- Ensure that we are responsible stewards of shareholder capital;
- Maintain a rigorous capital allocation framework;
- Demand business line accountability;
- Perpetuate a culture where businesses compete for capital to optimize our portfolio and continue maximizing organic growth prospects;
- Maintain a capital light, cash flow generative business model;
- And, utilize our experience to continue to be disciplined acquirers.

As we think about our capital allocation framework more specifically, we routinely explore and analyze internal and inorganic growth opportunities in order to deliver upon our strategic goals and enhance our competitive positioning. Management conducts an in-depth review of each potential opportunity within a consistent framework. Strategic fit is paramount to all decisions. This framework includes the following key financial metrics: NPV, cash ROIC, IRR, and earnings contribution. Afterwards, each project is followed up with a rigorous post-acquisition review process. We expect our normal course business capital expenditures to be approximately \$125 million annually.

For long-term capital return guidance, we expect total payout to shareholders in the form of share repurchases and dividends to be at least 75% of annual free cash flow excluding certain items. We intend to continue our 44-year track record of steady annual dividend growth and repurchase shares in a disciplined manner.

It is important to us that we maintain a prudent financial profile. To that end, I want to share three key points:

- We are committed to remain investment-grade rated;
- We target an average minimum U.S. cash balance of \$200 million;
- Within our current business mix, we target an adjusted gross leverage to adjusted EBITDA ratio of 1.75 to 2.25. Adjusted gross leverage includes debt, the unfunded portion of pension liabilities, the SPDJI put option, and the expected NPV of operating leases. We are moving to this new metric to be consistent with the way that our primary rating agency evaluates our leverage.

Finally, I want to review our acquisition philosophy. From a strategic priorities perspective, we will continue to pursue both scale-driven and tuck-in acquisitions. We are interested in opportunities that augment our benchmark, proprietary data, and tools & analytics capabilities, provide geographic diversification, bolster recurring revenues, and/or provide synergies. Potential areas of strategic interest by division include:

- In Ratings: Non-U.S. opportunities;
- In Market Intelligence: Expand Risk Services and new technologies;
- In Platts: Supply/demand analytics and additional commodity capabilities;
- And in Index: Fixed income, ESG, and international indices.

Our specific financial criteria include:

- Cash ROIC in excess of hurdle rate upon full synergy realization;
- Desire to become EPS accretive within a reasonable timeframe; and
- In the event that adjusted leverage exceeds 2.25 times, we would expect to return to our stated range within 18–24 months.

Now, I will review our updated 2017 guidance. Based upon a strong first half, and our expectations for the remainder of 2017, we have made several changes to our 2017 guidance. This slide depicts our GAAP guidance and the changes that we have made. Please keep in mind that our guidance reflects current spot market forex rates.

This slide shows our updated adjusted guidance. The changes are highlighted on this slide. I am going to discuss the changes to our adjusted guidance which were as follows:

- We have increased our organic revenue growth from mid-to-high single-digit growth to high single-digit growth, with contributions by every business segment;
- We have lowered our unallocated expense from a range of \$130 to \$140 million, down to a range of \$130 to \$135 million, driven by continued cost discipline and our ability to tighten the range as the year has progressed;
- We have increased our operating profit margin guidance from a range of 44.5% to 45.5% to a range of 45% to 46%;
- We have lowered interest expense by \$5 million to \$150 million; and
- We have increased diluted EPS, which excludes deal-related amortization, from a prior range of \$6.00 to \$6.20 to a new range of \$6.15 to \$6.30.

Overall, this guidance reflects our expectation that 2017 will be another strong year for the Company.

With that, let me turn the call back over to Chip for your questions.

To access the accompanying slides online, go to:

<http://investor.spqglobal.com/CustomPage/Index?KeyGenPage=1073751596&event=1073749365>

“Safe Harbor” Statement Under the Private Securities Litigation Reform Act of 1995

This document 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 events, trends, contingencies or results, appear at various places in this report and use words like “anticipate,” “assume,” “believe,” “continue,” “estimate,” “expect,” “forecast,” “future,” “intend,” “plan,” “potential,” “predict,” “project,” “strategy,” “target” and similar terms, and future or conditional tense verbs like “could,” “may,” “might,” “should,” “will” and “would.” For example, management may use forward-looking statements when addressing topics such as: the outcome of contingencies; future actions by regulators; changes in the Company’s business strategies and methods of generating revenue; the development and performance of the Company’s services and products; the expected impact of acquisitions and dispositions; the Company’s effective tax rates; and the Company’s cost structure, dividend policy, cash flows or liquidity.

Forward-looking statements are subject to inherent risks and uncertainties. Factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements include, among other things:

- worldwide economic, financial, political and regulatory conditions, including economic conditions and regulatory changes that may result from the United Kingdom’s likely exit from the European Union;

- the rapidly evolving regulatory environment, in the United States and abroad, affecting S&P Global Ratings, S&P Global Platts, S&P Dow Jones Indices, and S&P Global Market Intelligence, including new and amended regulations and the Company's compliance therewith;
- our ability to make acquisitions and dispositions and successfully integrate the businesses we acquire
- the outcome of litigation, government and regulatory proceedings, investigations and inquiries, and the outcome of any review by controlling tax authorities of the Company's tax positions;
- the health of debt and equity markets, including credit quality and spreads, the level of liquidity and future debt issuances;
- the demand and market for credit ratings in and across the sectors and geographies where the Company operates;
- concerns in the marketplace affecting the Company's credibility or otherwise affecting market perceptions of the integrity or utility of independent credit ratings;
- the effect of competitive products and pricing, including the level of success of new product developments and global expansion and the introduction of competing products or technologies by other companies;
- consolidation in the Company's end-customer markets;
- the impact of cost-cutting pressures across the financial services industry;
- a decline in the demand for credit risk management tools by financial institutions;
- the level of merger and acquisition activity in the United States and abroad;
- the volatility of the energy marketplace;
- the health of the commodities markets;
- the impact of cost-cutting pressures and reduced trading in oil and other commodities markets;
- our ability to incentivize and retain key employees;
- the Company's ability to maintain adequate physical, technical and administrative safeguards to protect the security of confidential information and data, and the potential of a system or network disruption that results in regulatory penalties, remedial costs or improper disclosure of confidential information or data;
- the Company's ability to successfully recover should it experience a disaster or other business continuity problem from a hurricane, flood, earthquake, terrorist attack, pandemic, security breach, cyber-attack, power loss, telecommunications failure or other natural or man-made event;
- changes in applicable tax or accounting requirements;
- the level of the Company's future cash flows and capital investments;
- the impact on the Company's revenue and net income caused by fluctuations in foreign currency exchange rates; and
- the Company's exposure to potential criminal sanctions or civil penalties if it fails to comply with foreign and U.S. laws and regulations that are applicable in the domestic and international jurisdictions in which it operates, including sanctions laws relating to countries such as Iran, Russia, Sudan and Syria, anti-corruption laws such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act of 2010, and local laws prohibiting corrupt payments to government officials, as well as import and export restrictions.

The factors noted above are not exhaustive. The Company and its subsidiaries operate in a dynamic business environment in which new risks emerge frequently. Accordingly, the Company cautions readers not to place undue reliance on any forward-looking statements, which speak only as of the dates on which they are made. The Company undertakes no obligation to update or revise any forward-looking statement to reflect events or circumstances arising after the date on which it is made, except as required by applicable law. Further information about the Company's businesses, including information about factors that could materially affect its results of operations and financial condition, is contained in the Company's filings with the SEC, including the "Risk Factors" section in the Company's most recently filed Annual Report on Form 10-K.