

# CEO's Letter

## Dear Fellow Shareholder:

I'm pleased to report 2023 was a year of significant achievement across our company. It was a year marked by strong financial performance, excellent operating results, valuable product innovation, greater collaboration across our teams and with our clients, growing excitement about our unified culture, and deeper commitments to the communities in which we live and work.

This performance reinforces our belief in our vision of Powering Global Markets, and it's a testament to the principle that in times of market volatility and macro uncertainty, portfolio managers, treasurers, auto manufacturers, risk managers, strategic planners, and other market participants rely on S&P Global for clarity and insights. Simply put: In an uncertain world, we help our customers discover opportunity. This idea was proven not just in 2023, but also during the pandemic and other periods of economic disruption throughout our long history.

## Well Equipped to Navigate a World of Uncertainty

Despite a resilient global economy, the world today is fragmented, uncertain. Policy makers, business leaders, investors, employees, and the heads of nongovernmental organizations are contending with two wars, the polarization of politics, energy transition, and regional divergence in inflation and monetary policy.

I'm optimistic about the future generally and our company specifically even with the uneven state of global affairs. I'm hopeful because I still believe in the power of partnership, data and analytics, and innovation and technology to propel markets forward, and because these are qualities that are deeply embedded in the culture and operations of S&P Global.

## 2023 Financial Performance<sup>1</sup>

In 2023, our:

- Revenue rose 8% excluding the impact of divestitures,
- Adjusted net income grew 7%, and
- Adjusted diluted earnings per share increased 13%.

<sup>1</sup> All financials other than revenue refer to non-GAAP adjusted metrics in the current period and non-GAAP pro forma adjusted metrics in the year-ago period. Revenue growth refers to reported revenue in the current period compared to non-GAAP pro forma adjusted revenue in the year-ago period.

# In an uncertain world, we help our customers discover opportunity.

Last year's financial performance, the trust of our clients, and the secular trends in our markets provide a solid foundation on which to continue growing our business.

Our confidence in the future has never been greater because our vision of Powering Global Markets has never been clearer. At S&P Global, we have the unique ability to link data and to deliver completely new ways to offer insights into markets. These insights and our opinions are built into customers' workflows. And that helps them make critical decisions, which in turn, allow economies to grow and markets to expand.

## **Investing to Accelerate Growth and Innovation**

Our vision of Powering Global Markets requires continual investments in innovation and strategic initiatives. These investments paid dividends last year and continue to do so.

In 2022, we introduced the Vitality Index as a measure of our innovation. The Vitality revenue metric consists of revenue derived from new or enhanced products. These products contributed 11% of revenue and they grew at a rate of 18% in 2023, excluding Engineering Solutions.

One notable way our teams are enhancing products comes from our Commodity Insights division and is the result of our merger with IHS Markit. Last year's launch of a new single unified platform showcases the product integration of both Platts and IHS Connect. The new platform, Platts Connect, gives customers access to a comprehensive range of products, benchmarks, data, and insights from one easy-to-use interface.

Another way we've enhanced our solutions is through the introduction of multiple data sets from our Mobility division to Market Intelligence Marketplace. In this case, we're making crucial vehicle forecast and registration data available via both Xpressfeed and Snowflake.



## Integrating AI

Generative AI was one of the biggest global news stories last year. It's really a game changer. We've been steadily leveraging AI since we acquired Kensho, our AI innovation hub, in 2018. Last year we piloted ChatIQ, which will make it easier for customers to derive more useful insights from our S&P Capital IQ Pro platform, and we established an AI Accelerator to fast-track priority AI initiatives and build more common capabilities across the company.

To further accelerate progress on our AI initiatives, at the end of last year we made two critical leadership appointments. First, we named CIO Swamy Kocherlakota as Chief Digital Solutions Officer, which includes executive sponsorship of AI and Kensho. In addition, Kensho CEO Bhavesh Dayalji expanded his role to serve as Chief Artificial Intelligence Officer of S&P Global. Swamy, Bhavesh, and their teams are making great progress in 2024.

## Secular Trends Help Drive Strategic Growth Areas

Secular trends continue to serve as strong tailwinds for our company, while cyclical trends can impact different parts of the business in different ways. S&P Global remains committed to delivering value in all market conditions.

If you take a long-term view of the themes shaping our world, you see that our prospects are excellent. There is a strong and enduring need for data, benchmarks, and analytics to understand the evolving nature of capital markets, private markets, sustainability, energy transition, and supply chains.

We've been making solid progress in these strategic growth areas. For example:

- Sustainability and energy transition revenue, excluding Engineering Solutions, grew 24% to approximately \$301 million in 2023, driven by strong demand for climate and physical risk products and our energy transition products. This performance reconfirms our continued optimism about the long-term potential of this important part of our growth.
- In our private market solutions business, excluding Engineering Solutions, we saw revenue increase by 10% year-over-year to \$430 million in 2023, driven by robust growth in Market Intelligence private market software solutions, including iLEVEL, and a return to strong growth in Ratings' private market revenue as bond issuance and private credit estimate activity both improved last year. We're also encouraged by the demand we're seeing for our private market valuation and benchmark offerings.

# S&P Global remains committed to delivering value in all market conditions.

## Progress on Mid-term Financial Targets

A little over a year ago at our Investor Day, we announced mid-term targets for revenue, adjusted operating margins, and adjusted EPS. In addition, we have a target to return at least 85% of free cash flow to investors through dividends and share repurchases. Based on our 2023 results and our 2024 outlook, we are well on our way to achieving by 2025-2026:

- 7% to 9% organic annual revenue growth,
- An adjusted operating margin in the range of 48% to 50%, and
- Low- to mid-teens annual adjusted diluted EPS growth.

## Our Strong People-First Culture

The success we achieved in 2023 reflects the talent and commitment of our people. They do an amazing job. I thank them for everything they do.

Last year, we continued to invest in the people and resources necessary for a world-class culture. As a result, in 2023 more of our people felt engaged and proud to work for S&P Global.

Our shared values, purpose, and vision are essential elements of our culture, and over the last year, we had several opportunities to focus on these topics.

For example, the Board of Directors and Executive Committee hosted a town hall meeting for our New York-area employees to talk about the most exciting ways in which we're serving markets. This event was an opportunity for the Board to meet our people and see some of our most promising commercial capabilities, and it was a great reminder of the value of bringing people together to network.

We also hosted a special virtual program focused on our purpose, which we express as "Accelerate Progress." We explored and celebrated our purpose, dove into our values, and examined how they help us realize our vision. It was a fabulous dialogue—one we'll continue in 2024.

# It's a privilege to work alongside the people of S&P Global.

Creating a great culture is also about giving our people opportunities to support their communities, and to feel welcomed and motivated about their careers. In 2023, the number of employees volunteering in their communities increased, as did the funds granted to nonprofits by way of our employee matching gift program. And our team of full-time career coaches engaged with more of their coworkers than ever last year, demonstrating our commitment to personalized professional development support for anyone at S&P Global who wants it.

It's a privilege to work alongside the people of S&P Global. I especially want to thank Ewout Steenbergen. Over the last seven years, Ewout has done an outstanding job as our CFO, leading the way on many critical initiatives. As previously announced, Ewout left the company recently to pursue another professional opportunity. He's been a fantastic partner, and we wish him well.

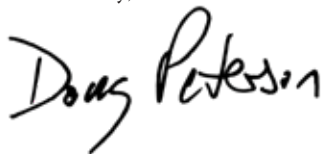
We've named Chris Craig, our Chief Accounting Officer, as Interim CFO, and we expect to have an update soon on Ewout's permanent successor.

## **Opportunity in Sharp Focus**

S&P Global continues its pursuit of providing the data and solutions—the clarity—to help our customers uncover opportunity in a world of uncertainty. I'm confident about our company's future because of an enormously talented workforce, best-in-class technology, and the ongoing need for insights that will drive our business in the months and years to come.

I thank you for your ongoing support of our company.

Sincerely,

A handwritten signature in black ink that reads "Douglas L. Peterson". The signature is written in a cursive, slightly slanted style.

**Douglas L. Peterson**  
President and CEO



S&P Global CEO Doug Peterson addresses New York City-area employees in October 2023.