2021 Financial Performance

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis ("MD&A") provides a narrative of the results of operations and financial condition of S&P Global Inc. (together with its consolidated subsidiaries, the "Company," "we," "us" or "our") for the years ended December 31, 2021 and 2020, respectively. The MD&A provides information of factors that we believe are important in understanding our results of operations and comparability and certain other factors that may affect our future results. The MD&A should be read in conjunction with the consolidated financial statements and accompanying notes included in this Annual Report on Form 10-K for the year ended December 31, 2021, which have been prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP").

The MD&A includes the following sections:

- Overview
- Results of Operations
- Liquidity and Capital Resources
- Reconciliation of Non-GAAP Financial Information
- Critical Accounting Estimates
- Recent Accounting Standards

Certain of the statements below are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, any projections of future results of operations and cash flows are subject to substantial uncertainty. See Forward-Looking Statements on page 46 of this report.

Overview

We are a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide. The capital markets include asset managers, investment banks, commercial banks, insurance companies, exchanges, trading firms and issuers; and the commodity markets include producers, traders and intermediaries within energy, petrochemicals, metals and agriculture.

Our operations consist of four reportable segments: S&P Global Ratings ("Ratings"), S&P Global Market Intelligence ("Market Intelligence"), S&P Global Platts ("Platts") and S&P Dow Jones Indices ("Indices").

- Ratings is an independent provider of credit ratings, research and analytics, offering investors and other market participants information, ratings and benchmarks.
- Market Intelligence is a global provider of multi-asset-class data, research and analytical capabilities, which integrate cross-asset analytics and desktop services.
- Platts is the leading independent provider of information and benchmark prices for the commodity and energy markets.
- Indices is a global index provider maintaining a wide variety of valuation and index benchmarks for investment advisors, wealth managers and institutional investors.

Merger Agreement

In November of 2020, S&P Global and IHS Markit Ltd ("IHS Markit") entered into a merger agreement, pursuant to which, among other things, a subsidiary of S&P Global will merge with and into IHS Markit, with IHS Markit surviving the merger as a wholly owned subsidiary of S&P Global. Under the terms of the merger agreement, each share of IHS Markit issued and outstanding (other than excluded shares and dissenting shares) will be converted into the right to receive 0.2838 fully paid and nonassessable shares of S&P Global common stock (and, if applicable, cash in lieu of fractional shares, without interest), less any applicable withholding taxes. On March 11, 2021, S&P Global and IHS Markit shareholders voted to approve the merger agreement. As of December 31, 2021, IHS Markit had approximately 399.1 million shares outstanding. Subject to certain closing conditions, the merger is expected to be completed in the first quarter of 2022.

Shareholder Return

During the three years ended December 31, 2021, we have returned approximately $4.3 billion to our shareholders through a combination of share repurchases and our quarterly dividends: we completed share repurchases of approximately $2.4 billion and distributed regular quarterly dividends totaling approximately $1.9 billion. Also, on January 26, 2022, the Board of Directors approved a quarterly common stock dividend of $0.77 per share. Following the expected closing of the merger with IHS Markit, the Board of Directors will revisit the dividend policy of the combined Company.

Key Results

(in millions)	Year ended December 31, 2021	2020	2019	% Change[1] '21 vs '20	'20 vs '19
Revenue	**$8,297**	$7,442	$6,699	11%	11%
Operating profit[2]	**$4,221**	3,617	$3,226	17%	12%
% Operating margin	**51%**	49%	48%		
Diluted earnings per share from net income	**$12.51**	$9.66	$8.60	29%	12%

1 % changes in the tables throughout the MD&A are calculated off of the actual number, not the rounded number presented.

2 2021 includes IHS Markit merger costs of $249 million, employee severance charges of $19 million, gain on dispositions of $11 million, a lease impairment of $3 million, Kensho retention related expense of $2 million, acquisition-related costs of $4 million and recovery of lease-related costs of $2 million. 2020 includes lease impairments of $120 million, employee severance charges of $66 million, IHS Markit merger costs of $24 million, a gain on dispositions of $16 million, a technology-related impairment charge of $12 million, lease-related costs of $11 million and Kensho retention related expense of $11 million. 2019 includes a gain on the sale of RigData and SPIAS of $27 million and $22 million, respectively, employee severance charges of $25 million, Kensho retention related expense of $21 million, lease impairments of $11 million and acquisition-related costs of $4 million.

2021

Revenue increased 11% with an unfavorable impact of 1 percentage point from the net impact of recent acquisitions and dispositions, driven by increases at all of our reportable segments. Revenue growth at Ratings was driven by an increase in both transaction revenue and non-transaction revenue. Transaction revenue increased due to higher bank loan ratings revenue and structured finance revenue. Non-transaction revenue increased primarily due to an increase in surveillance, entity credit ratings, an increase in revenue at our CRISIL subsidiary and higher Ratings Evaluation Service ("RES") revenue. Revenue growth at Market Intelligence was driven by subscription revenue growth in Market Intelligence Desktop products, Credit Risk Solutions and Data Management Solutions. Revenue growth at Indices was due to higher average levels of assets under management for exchange traded funds ("ETFs") and mutual funds and higher data subscription revenue, partially offset by lower exchange-traded derivative revenue. The revenue increase at Platts was primarily due to continued demand for market data and market insights products. Foreign exchange rates had a favorable impact of less than 1 percentage point.

Operating profit increased 17%, with a favorable impact from foreign exchange rates of 1 percentage point. Excluding the unfavorable impact of IHS Markit merger costs in 2021 of 31 percentage points, partially offset by higher lease impairment charges in 2020 of 16 percentage points, higher employee severance charges in 2020 of 7 percentage points, higher amortization of intangibles from acquisitions in 2020 of 4 percentage points and higher technology-related impairment charges in 2020 of 2 percentage points, operating profit increased 15%. The increase was primarily due to revenue growth at all of our reportable segments combined with a decrease in occupancy costs, partially offset by higher incentive costs and an increase in compensation costs driven by additional headcount and annual merit increases.

2020

Revenue increased 11%, with a favorable benefit of 1 percentage point from the net impact of recent acquisitions and dispositions, driven by increases at all of our reportable segments. Revenue growth at Ratings was mainly driven by higher corporate bond ratings revenue, partially offset by a decrease in bank loan ratings revenue and structured finance transaction revenues. Revenue growth at Market Intelligence was driven by subscription revenue growth in Market Intelligence Desktop products, Credit Risk Solutions and Data Management Solutions. Revenue growth at Indices was due to higher assets under management for ETFs and mutual funds, an increase in exchange-traded derivatives revenue and higher data subscription revenue. The revenue increase at Platts was primarily due to continued demand for market data, price assessment and analytics products. Foreign exchange rates had a favorable impact of less than 1 percentage point.

Operating profit increased 12%, with a favorable impact from foreign exchange rates of 1 percentage point. Excluding the impact of a higher lease impairment charges in 2020 of 3 percentage points, higher employee severance charges in 2020 of 1 percentage point, a higher gain on dispositions in 2019 of 1 percentage point primarily related to the sale of RigData and Standard & Poor's Investment Advisory Services LLC ("SPIAS") and IHS Markit merger costs in 2020 of 1 percentage point, operating profit increased 18%. The increase was primarily due to revenue growth at all of our reportable segments combined with a decrease in travel and entertainment expenses from non-essential travel restrictions in response to the 2019 novel coronavirus ("COVID-19"), partially offset by an increase in incentive costs and higher compensation costs driven by annual merit increases and additional headcount.

We are continuing to closely monitor the impact of the outbreak of COVID-19 on all aspects of our business as the pandemic and associated macroeconomic impacts continue to evolve.

While COVID-19 did not have a material adverse effect on our reported results for the years ended December 31, 2021 and 2020, we are unable to predict the ultimate impact that it may have on our business, future results of operations, financial position or cash flows.

Our Strategy

We are a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide. Our purpose is to provide the intelligence that is essential for companies, governments and individuals to make decisions with conviction. We seek to deliver on this purpose in line with our core values of integrity, excellence and relevance.

In 2018, we announced the launch of Powering the Markets of the Future to provide a framework for our forward-looking business strategy. Through this framework, we seek to deliver an exceptional, differentiated customer experience by enhancing our foundational capabilities, evolving and growing our core businesses, and pursuing growth via adjacencies. In 2022, we will strive to deliver on our strategic priorities in the following key areas:

Finance

- Meeting or exceeding year 1 cost and revenue synergy targets from our merger commitments as well as our organic revenue growth and EBITA margin targets;
- Continuing to fund key growth areas – Environmental, Social and Governance ("ESG"), Energy Transition, China, Small and Medium-sized Enterprise/Private Markets, Credit and Risk Management, Distribution and Multi-asset, Thematic and Factor Indices – and support with disciplined organic, inorganic and partnership strategies; and
- Demonstrating active leadership in ESG disclosure through advocacy, best-in-class SPGI disclosure and meaningful progress against our stated environmental sustainability targets.

Customer

- Accelerating Sustainable1's growth and market position with a specific focus on Energy transition, Climate and on improving market share in ESG Data/Scores and ESG Indices;
- Continuing to grow and defend the core and delivering our key initiatives, while leveraging the combined company's extended capabilities; delivering our products across multiple channels, e.g., feeds and Application Programming Interfaces, aligned to our customer's needs;
- Responding to evolving customer needs and driving innovation leveraging our data, technology and deep industry expertise by developing a digital ecosystem strategy with collaboration across customers, vendors and technology partners;
- Differentiating through innovative solutions including data science, Artificial Intelligence, Machine Learning and next generation tools to unlock the power of our data and insights; and
- Growing S&P Global's brand through an integrated marketing and communications strategy while protecting our reputation.

Operations

- Delivering on the key integration projects that help transform the company and delivering on merger commitments;
- Enhancing the tools and processes our people use to better service our customers, expand intelligence and analytics capabilities, support data-driven decisions and improve end-user productivity;
- Reimagining and implementing the future hybrid office model by standardizing our technology to reshape where we work, how we work and how we serve;
- Advancing our technical capabilities, data transformation and building the next generation of products and services using the combined entity's data, technology & expertise; and
- Maintaining our commitment to risk management, control and compliance and strengthening engagement and partnership across the company.

People

- Rolling out and embedding our new purpose and values to unify and combine S&P Global;
- Encouraging career mobility and career development through career coaching and Thrive;
- Improving diverse representation through hiring, advancement and retention, while continuing to raise awareness through Diversity, Equity, and Inclusion education; and
- Attracting and retaining our people through recognition programs, learning opportunities and fair compensation.

There can be no assurance that we will achieve success in implementing any one or more of these strategies as a variety of factors could unfavorably impact operating results, including prolonged difficulties in the global credit markets and a change in the regulatory environment affecting our businesses. See Item 1A, *Risk Factors,* in this Annual Report on Form 10-K.

Further projections and discussion on our 2022 outlook for our segments can be found within " – Results of Operations".

Results of Operations

CONSOLIDATED REVIEW

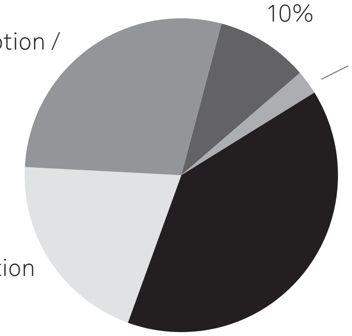
(in millions)	2021	2020	2019	'21 vs '20	'20 vs '19
	Year ended December 31,			% Change	
Revenue	**$8,297**	$7,442	$6,699	11%	11%
Expenses:					
Operating-related expenses	**2,195**	2,094	1,976	5%	6%
Selling and general expenses	**1,714**	1,541	1,342	11%	15%
Depreciation and amortization	**178**	206	204	(13)%	1%
Total expenses	**4,087**	3,841	3,522	6%	9%
Gain on dispositions	**(11)**	(16)	(49)	(30)%	(67)%
Operating profit	**4,221**	3,617	3,226	17%	12%
Other (income) expense, net	**(62)**	(31)	98	(96)%	N/M
Interest expense, net	**119**	141	141	(16)%	—%
Loss on extinguishment of debt	**—**	279	57	N/M	N/M
Provision for taxes on income	**901**	694	627	30%	11%
Net income	**3,263**	2,534	2,303	29%	10%
Less: net income attributable to noncontrolling interests	**(239)**	(195)	(180)	(22)%	(9)%
Net income attributable to S&P Global Inc.	**$3,024**	$2,339	$2,123	29%	10%

N/M- Represents a change equal to or in excess of 100% or not meaningful

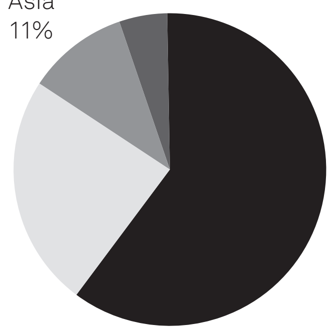
Revenue

(in millions)	2021	2020	2019	'21 vs '20	'20 vs '19
	Year ended December 31,			% Change	
Subscription revenue	**$3,253**	$3,036	$2,843	7%	7%
Non-subscription / transaction revenue	**2,322**	2,031	1,625	14%	25%
Non-transaction revenue	**1,698**	1,500	1,408	13%	7%
Asset-linked fees	**800**	648	623	23%	4%
Sales usage-based royalties	**224**	227	200	(1)%	14%
% of total revenue:					
Subscription revenue	**39%**	41%	43%		
Non-subscription / transaction revenue	**28%**	27%	24%		
Non-transaction revenue	**20%**	20%	21%		
Asset-linked fees	**10%**	9%	9%		
Sales usage-based royalties	**3%**	3%	3%		
U.S. revenue	**$5,012**	$4,504	$3,976	11%	13%
International revenue:					
European region	**1,995**	1,769	1,659	13%	7%
Asia	**874**	782	710	12%	10%
Rest of the world	**416**	387	354	7%	9%
Total international revenue	**$3,285**	$2,938	$2,723	12%	8%
% of total revenue:					
U.S. revenue	**60%**	61%	59%		
International revenue	**40%**	39%	41%		

2021 Revenue by Type



2021 Revenue by Geographic Area



2021

Revenue increased 11% as compared to 2020. Subscription revenue increased primarily from growth in Market Intelligence's average contract values and continued demand for Platts proprietary content. Higher data subscription revenue at Indices also contributed to subscription revenue growth. Non-subscription / transaction revenue increased due to an increase in bank loan ratings revenue and higher structured finance revenue at Ratings. Non-transaction revenue increased primarily due to an increase in surveillance, entity credit ratings, an increase in revenue at our CRISIL subsidiary and higher RES revenue at Ratings. Asset linked fees increased reflecting higher average levels of assets under management for ETFs and mutual funds at Indices. The decrease in sales usage-based royalties was primarily driven by lower exchange-traded derivative revenue at Indices. See "Segment Review" below for further information.

The favorable impact of foreign exchange rates increased revenue by less than 1 percentage point. This impact refers to constant currency comparisons estimated by recalculating current year results of foreign operations using the average exchange rate from the prior year.

2020

Revenue increased 11% as compared to 2019. Subscription revenue increased primarily from growth in Market Intelligence's average contract values and continued demand for Platts proprietary content. Higher data subscription revenue at Indices also contributed to subscription revenue growth. Non-subscription / transaction revenue increased due to an increase in corporate bond ratings revenue, partially offset by a decrease in bank loan ratings revenue and structured finance transaction revenues at Ratings. Non-transaction revenue increased primarily due to an increase in surveillance revenue, royalty revenue, and higher RES activity. Asset linked fees increased due to the impact of higher average levels of assets under management for ETFs and mutual funds at Indices. The increase in sales-usage based royalties was primarily driven by higher exchange-traded derivative volumes at Indices. See "Segment Review" below for further information.

The favorable impact of foreign exchange rates increased revenue by less than 1 percentage point. This impact refers to constant currency comparisons estimated by recalculating current year results of foreign operations using the average exchange rate from the prior year.

Total Expenses

The following tables provide an analysis by segment of our operating-related expenses and selling and general expenses for the years ended December 31, 2021 and 2020:

(in millions)	2021		2020		% Change	
	Operating-related expenses	**Selling and general expenses**	Operating-related expenses	Selling and general expenses	Operating-related expenses	Selling and general expenses
Ratings [1]	**$995**	**$433**	$950	$393	5%	10%
Market Intelligence [2]	**922**	**534**	905	523	2%	2%
Platts [3]	**214**	**207**	196	207	9%	—%
Indices [4]	**173**	**168**	146	168	18%	—%
Intersegment eliminations [5]	**(146)**	**—**	(137)	—	(6)%	N/M
Total segments	**2,158**	**1,342**	2,060	1,291	5%	4%
Corporate Unallocated expense [6]	**37**	**372**	34	250	7%	49%
	$2,195	**$1,714**	$2,094	$1,541	5%	11%

N/M - Represents a change equal to or in excess of 100% or not meaningful

1 In 2021, selling and general expenses include employee severance charges of $3 million and recovery of lease-related costs of $4 million. In 2020, selling and general expenses include a technology-related impairment charge of $11 million, lease-related costs of $5 million and employee severance charges of $4 million.

2 In 2021, selling and general expenses include employee severance charges of $3 million, acquisition-related costs of $2 million and lease-related costs of $1 million. In 2020, selling and general expenses include employee severance charges of $27 million and lease-related costs of $3 million.

3 In 2021, selling and general expenses include recovery of lease-related costs of $2 million. In 2020, selling and general expenses include employee severance charges of $11 million and lease-related costs of $2 million.

4 In 2021, selling and general expenses include recovery of lease-related costs of $1 million. In 2020, selling and general expenses include employee severance charges of $5 million, a lease impairment charge of $4 million, a technology-related impairment charge of $2 million and lease-related costs of $1 million.

5 Intersegment eliminations primarily relate to a royalty charged to Market Intelligence for the rights to use and distribute content and data developed by Ratings.

6 In 2021, selling and general expenses include IHS Markit merger costs of $249 million, employee severance charges of $13 million, lease-related costs of $4 million, a lease impairment of $3 million, Kensho retention related expenses of $2 million and acquisition-related costs of $2 million. In 2020, selling and general expenses include lease impairments of $116 million, IHS Markit merger costs of $24 million, employee severance charges of $19 million, Kensho retention related expense of $12 million and a gain related to an acquisition of $1 million.

Operating-Related Expenses

Operating-related expenses increased by 5% as compared to 2020. Increases at Ratings, Indices and Platts were primarily driven by higher incentive costs and an increase in compensation costs due to additional headcount and annual merit increases. The increase at Market Intelligence was primarily due to an increase in intersegment royalties tied to annualized contract value growth and higher incentive costs.

Intersegment eliminations primarily relate to a royalty charged to Market Intelligence for the rights to use and distribute content and data developed by Ratings.

Selling and General Expenses

Selling and general expenses increased 11%. Excluding the unfavorable impact of IHS Markit merger costs in 2021 of 2 percentage points, offset by higher lease impairments in 2020 of 1 percentage point, higher employee severance charges in 2020 of less than 1 percentage point and higher lease-related costs in 2020 of less than 1 percentage point, selling and general expenses increased 11%. Increases at Ratings, Platts and Indices were primarily driven by higher incentive costs and an increase in compensation costs due to additional headcount and annual merit increases. The increase at Market Intelligence was primarily due to an increase in technology costs and higher incentive costs, partially offset by a decrease in compensation costs due to reduced headcount. These increases were partially offset by lower occupancy costs and a decrease in legal related costs at Indices.

Depreciation and Amortization

Depreciation and amortization decreased $28 million, or 13%, compared to 2020 primarily due to a decrease in intangible asset amortization related to assets that became fully amortized, partially offset by an increase in amortization expense driven by the acquisitions of RobecoSAM and Greenwich Associates LLC in January 2020 and February 2020, respectively.

The following tables provide an analysis by segment of our operating-related expenses and selling and general expenses for the years ended December 31, 2020 and 2019:

(in millions)	2020		2019		% Change	
	Operating-related expenses	Selling and general expenses	Operating-related expenses	Selling and general expenses	Operating-related expenses	Selling and general expenses
Ratings [1]	$950	$393	$897	$392	6%	—%
Market Intelligence [2]	905	523	836	480	8%	9%
Platts [3]	196	207	197	196	(1)%	6%
Indices [4]	146	168	138	139	6%	20%
Intersegment eliminations [5]	(137)	—	(128)	—	(7)%	N/M
Total segments	2,060	1,291	1,940	1,207	6%	7%
Corporate Unallocated expense [6]	34	250	36	135	6%	86%
	$2,094	$1,541	$1,976	$1,342	6%	15%

N/M - Represents a change equal to or in excess of 100% or not meaningful

1 In 2020, selling and general expenses include a technology-related impairment charge of $11 million, lease-related costs of $5 million and employee severance charges of $4 million. In 2019, selling and general expenses include employee severance charges of $11 million.

2 In 2020, selling and general expenses include employee severance charges of $27 million and lease-related costs of $3 million. In 2019, selling and general expenses include employee severance charges of $6 million and acquisition-related costs of $4 million.

3 In 2020, selling and general expenses include employee severance charges of $11 million and lease-related costs of $2 million. In 2019, selling and general expenses include employee severance charges of $1 million.

4 In 2020, selling and general expenses include employee severance charges of $5 million, a lease impairment charge of $4 million, a technology-related impairment charge of $2 million and lease-related costs of $1 million.

5 Intersegment eliminations primarily relate to a royalty charged to Market Intelligence for the rights to use and distribute content and data developed by Ratings.

6 In 2020, selling and general expenses include lease impairments of $116 million, IHS Markit merger costs of $24 million, employee severance charges of $19 million, Kensho retention related expense of $12 million and a gain related to an acquisition of $1 million. In 2019, selling and general expenses include Kensho retention related expense of $21 million, lease impairments of $11 million and employee severance charges of $7 million.

Operating-Related Expenses

Operating-related expenses increased as compared to 2019 driven by increases at Market Intelligence and Ratings. The increase at Market Intelligence was primarily due to higher compensation costs driven by investments in growth initiatives and the acquisition of 451 Research, LLC, and higher incentive costs. The increase at Ratings was primarily driven by higher incentive costs. These increases were partially offset by a decrease in travel and entertainment expenses from non-essential travel restrictions in response to COVID-19.

Intersegment eliminations primarily relate to a royalty charged to Market Intelligence for the rights to use and distribute content and data developed by Ratings.

Selling and General Expenses

Selling and general expenses increased 15%. Excluding the impact of higher lease impairment charges in 2020 of 9 percentage points, higher employee severance charges in 2020 of 3 percentage costs, lease-related costs in 2020 of 1 percentage point, IHS Markit merger costs in 2020 of 1 percentage point and a technology-related impairment charge of 1 percentage point, partially offset by higher Kensho related retention expense in 2019 of 1 percentage point, selling and general expenses increased 1%. This increase was primarily driven by an increase at Market Intelligence due to higher compensation costs driven by investments in growth initiatives and the acquisition of 451 Research, LLC, and higher incentive costs, and an increase at Indices driven by an increase in legal related costs. These increases were partially offset by a decrease in travel and entertainment expenses from non-essential travel restrictions in response to COVID-19 and lower rental expense from a reduction in the Company's real estate footprint.

Depreciation and Amortization

Depreciation and amortization increased $2 million, or 1%, compared to 2019 due to an increase in depreciation expense related to assets that began being depreciated in the second half of 2019 and an increase in amortization expense driven by the acquisitions of RobecoSAM, Greenwich Associates LLC and 451 Research, LLC in January 2020, February 2020 and December 2019, respectively.

Gain on Dispositions

During the year ended December 31, 2021, we completed the following dispositions that resulted in a pre-tax gain of $11 million, which was included in Gain on dispositions in the consolidated statements of income:

- During the year ended December 31, 2021, we recorded a pre-tax gain of $8 million ($6 million after-tax) in Gain on dispositions in the consolidated statements of income related to the sale of office facilities in India.
- During the year ended December 31, 2021, we recorded a pre-tax gain of $3 million ($3 million after-tax) in Gain on dispositions in the consolidated statements of income related to the sale of Standard & Poor's Investment Advisory Services LLC ("SPIAS"), a business within our Market Intelligence segment, that occurred in July of 2019.

During the year ended December 31, 2020, we completed the following dispositions that resulted in a pre-tax gain of $16 million, which was included in Gain on dispositions in the consolidated statements of income:

- In January of 2020, Market Intelligence entered into a strategic alliance to transition S&P Global Market Intelligence's Investor Relations ("IR") webhosting business to Q4 Inc. ("Q4"). This alliance integrated Market Intelligence's proprietary data into Q4's portfolio of solutions, enabling further opportunities for commercial collaboration. In connection with transitioning its IR webhosting business to Q4, Market Intelligence received a minority investment in Q4. During the year ended December 31, 2020, we recorded a pre-tax gain of $11 million ($6 million after-tax), respectively, in Gain on dispositions in the consolidated statement of income related to the sale of IR.
- In September of 2020, we sold our facility at East Windsor, New Jersey. During the year ended December 31, 2020, we recorded a pre-tax gain of $4 million ($3 million after-tax) in Gain on dispositions in the consolidated statements of income related to the sale of East Windsor.
- During the year ended December 31, 2020, we recorded a pre-tax gain of $1 million ($1 million after-tax) in Gain on dispositions in the consolidated statements of income related to the sale of SPIAS, a business within our Market Intelligence segment, in July of 2019.

During the year ended December 31, 2019, we completed the following dispositions that resulted in a pre-tax gain of $49 million, which was included in Gain on dispositions in the consolidated statement of income:

- In July of 2019, we completed the sale of RigData, a business within our Platts segment, to Drilling Info, Inc. RigData is a provider of daily information on rig activity for the natural gas and oil markets across North America. During the year ended December 31, 2019, we recorded a pre-tax gain of $27 million ($26 million after-tax) in Gain on dispositions in the consolidated statement of income related to the sale of RigData.
- In March of 2019, we entered into an agreement to sell SPIAS to Goldman Sachs Asset Management ("GSAM"). SPIAS provides non-discretionary investment advice across institutional sub-advisory and intermediary distribution channels globally. On July 1, 2019, we completed the sale of SPIAS to GSAM. During the year ended December 31, 2019, we recorded a pre-tax gain of $22 million ($12 million after-tax) in Gain on dispositions in the consolidated statement of income related to the sale of SPIAS.

Operating Profit

We consider operating profit to be an important measure for evaluating our operating performance and we evaluate operating profit for each of the reportable business segments in which we operate.

We internally manage our operations by reference to operating profit with economic resources allocated primarily based on each segment's contribution to operating profit. Segment operating profit is defined as operating profit before Corporate Unallocated expense. Segment operating profit is not, however, a measure of financial performance under U.S. GAAP, and may not be defined and calculated by other companies in the same manner.

The table below reconciles segment operating profit to total operating profit:

	Year ended December 31,			% Change	
(in millions)	**2021**	2020	2019	'21 vs '20	'20 vs '19
Ratings [1]	**$2,629**	$2,223	$1,783	18%	25%
Market Intelligence [2]	**703**	589	566	19%	4%
Platts [3]	**517**	458	457	13%	—%
Indices [4]	**798**	666	632	20%	5%
Total segment operating profit	**4,647**	3,936	3,438	18%	14%
Corporate Unallocated expense [5]	**(426)**	(319)	(212)	(33)%	(50)%
Total operating profit	**$4,221**	$3,617	$3,226	17%	12%

1 2021 includes a gain on disposition of $6 million, employee severance charges of $3 million and recovery of lease-related costs of $4 million. 2020 includes a technology-related impairment charge of $11 million, lease-related costs of $5 million and employee severance charges of $4 million. 2019 includes employee severance charges of $11 million. 2021, 2020 and 2019 include amortization of intangibles from acquisitions of $10 million, $7 million and $2 million, respectively.

2 2021 includes acquisition-related costs of $2 million. 2021 and 2020 include employee severance charges of $3 million and $27 million, respectively, a gain on dispositions of $3 million and $12 million, respectively, and lease-related costs of $1 million and $3 million, respectively. 2019 includes a gain on the sale of SPIAS of $22 million, employee severance charges of $6 million and acquisition-related costs of $4 million. 2021, 2020 and 2019 includes amortization of intangibles from acquisitions of $65 million, $76 million and $75 million, respectively.

3 2021 includes recovery of lease-related costs of $2 million. 2020 includes employee severance charges of $11 million and lease-related costs of $2 million. 2019 includes a gain on the sale of RigData of $27 million and employee severance charges of $1 million. 2021, 2020 and 2019 includes amortization of intangibles from acquisitions of $8 million, $9 million, and $12 million.

4 2021 includes recovery of lease-related costs of $1 million. 2020 includes employee severance charges of $5 million, a lease impairment charge of $4 million, a technology-related impairment charge of $2 million and lease-related costs of $1 million. 2021, 2020 and 2019 includes amortization of intangibles from acquisitions of $6 million.

5 2021 and 2020 includes IHS Markit merger costs of $249 million and $24 million, respectively. 2021, 2020, and 2019 include employee severance charges of $13 million, $19 million and $7 million, respectively, lease impairments of $3 million, $116 million and $11 million, respectively, and Kensho retention related expenses of $2 million, $12 million, and $21 million, respectively. 2021 includes lease-related costs of $4 million, acquisition-related costs of $2 million and a gain on disposition of $2 million. 2020 includes a gain related to an acquisition of $1 million. Additionally, 2021, 2020 and 2019 include amortization of intangibles from acquisitions of $7 million, $26 million, and $28 million.

2021

Segment Operating Profit

Increased $711 million or 18% as compared to 2020. Excluding the impact of higher employee severance charges in 2020 of 2 percentage points and higher lease-related costs of 1 percentage point in 2020, segment operating profit increased 15%. The increase was primarily due to an increase in revenue at all of our reportable segments combined with a decrease in occupancy costs, partially offset by higher incentive costs and an increase in compensation costs driven by additional headcount and annual merit increases. See "Segment Review" below for further information.

Corporate Unallocated Expense

Corporate Unallocated expense includes costs for corporate functions, select initiatives, unoccupied office space and Kensho, included in selling and general expenses. Corporate Unallocated expense increased 33% compared to 2020. Excluding the unfavorable impact of IHS Markit merger costs in 2021 of 45 percentage points, higher lease-related costs in 2021 of 1 percentage point and higher acquisition-related costs in 2021 of 1 percentage point, partially offset by higher lease impairments in 2020 of 23 percentage points, higher amortization of intangibles in 2020 of 4 percentage points, higher Kensho retention related expense in 2020 of 2 percentage points and higher employee severance charges in 2020 of 1 percentage point, Corporate Unallocated expense increased 16% primarily due to higher incentive costs.

Foreign exchange rates had a favorable impact on operating profit of 1 percentage point. This impact refers to constant currency comparisons and the remeasurement of monetary assets and liabilities. Constant currency impacts are estimated by re-calculating current year results of foreign operations using the average exchange rate from the prior year. Remeasurement impacts are based on the variance between current-year and prior-year foreign exchange rate fluctuations on assets and liabilities denominated in currencies other than the individual businesses functional currency.

2020

Segment Operating Profit

Increased $498 million, or 14% as compared to 2019. Excluding the impact of higher employee severance charges in 2020 of 1 percentage point, a higher gain on dispositions in 2019 of 1 percentage point primarily related to the sale of RigData and SPIAS, a technology-related impairment charge in 2020 of less than 1 percentage point and lease-related costs in 2020 of less than 1 percentage point, segment operating profit increased 17%. The increase was primarily due to an increase in revenue at all of our reportable segments combined with a decrease in travel and entertainment expenses from non-essential travel restrictions in response to COVID-19, partially offset by an increase in incentive costs and higher compensation costs driven by annual merit increases and additional headcount.

Corporate Unallocated Expense

Corporate Unallocated expense includes costs for corporate center functions, select initiatives and unoccupied office space and Kensho, included in selling and general expenses. Corporate Unallocated expense increased by $107 million or 50% as compared to 2019. Excluding the impact of higher lease impairment charges in 2020 of 53 percentage points, IHS Markit merger costs in 2020 of 12 percentage points and higher employee severance charges in 2020 of 6 percentage points, partially offset by lower Kensho retention related expense in 2020 of 6 percentage points and a gain on disposition in 2020 of 2 percentage points, Corporate Unallocated expense decreased 12% primarily driven by lower rental expense from a reduction in the Company's real estate footprint, a decrease in travel and entertainment expenses and lower professional fees, partially offset by contributions to the S&P Global Foundation made in 2020.

Foreign exchange rates had a favorable impact on operating profit of 1 percentage point. The foreign exchange rate impact refers to constant currency comparisons and the remeasurement of monetary assets and liabilities. Constant currency impacts are estimated by recalculating current year results of foreign operations using the average exchange rate from the prior year. Remeasurement impacts are based on the variance between current-year and prior-year foreign exchange rate fluctuations on monetary assets and liabilities denominated in currencies other than the individual business' functional currency.

Other (Income) Expense, net

Other (income) expense, net primarily includes the net periodic benefit cost for our retirement and post retirement plans. Other income, net for 2021 and 2020 was $62 million and $31 million, respectively, and other expense, net for 2019 was $98 million. During the year ended December 31, 2020, lump sum withdrawals exceeded the combined total anticipated annual service and interest cost of our U.K. pension plan, triggering the recognition of a non-cash pre-tax settlement charge of $3 million. During the year ended December 31, 2019, the Company purchased a group annuity contract under which an insurance company assumed the Company's obligation to pay pension benefits to approximately 4,600 retirees and beneficiaries. This purchase eliminates all future investment or mortality risk associated with these retirees. The purchase of this group annuity contract was funded with pension plan assets. As a result, the Company's outstanding pension benefit obligation was reduced by approximately $370 million, representing approximately 24% of the total obligations of the Company's qualified pension plans. In connection with this transaction, the Company recorded a pre-tax settlement charge of $113 million, reflecting the accelerated recognition of a portion of unamortized actuarial losses in the plan. Excluding these charges, other income, net was $62 million, $34 million and $14 million for 2021, 2020 and 2019, respectively. The increase in other (income) expense, net in 2021 compared to 2020 was primarily due to a higher gain on investments in 2021 and the increase in 2020 compared to 2019 was primarily due to a higher loss on investments in 2019.

Interest Expense, net

Net interest expense for 2021 decreased $22 million or 16% compared to 2020, primarily due to lower interest expense resulting from the refinancing of a series of our senior notes in August of 2020. Net interest expense for 2020 remained relatively unchanged compared to 2019, increasing less than 1%.

Loss on Extinguishment of Debt

The year ended December 31, 2020 includes $279 million related to the redemption fee on the early retirement of our 4.4% senior notes due in 2026 and a portion of the 6.55% senior notes due in 2037 and 4.5% senior notes due in 2048 in the third quarter of 2020. The year ended December 31, 2019 includes $57 million of costs associated with the early repayment of our 3.3% Senior Notes and a portion of our 6.55% Senior Notes.

Provision for Income Taxes

Our effective tax rate was 21.6%, 21.5% and 21.4% for 2021, 2020 and 2019, respectively. The increase in 2021 was primarily due to a change in the mix of income by jurisdiction. The increase in 2020 was primarily due to a decrease in the recognition of excess tax benefits associated with share-based payments in the statement of income.

Segment Review

RATINGS

Ratings is an independent provider of credit ratings, research, and analytics to investors, issuers and other market participants. Credit ratings are one of several tools investors can use when making decisions about purchasing bonds and other fixed income investments. They are opinions about credit risk, and our ratings express our opinion about the ability and willingness of an issuer, such as a corporation or state or city government, to meet its financial obligations in full and on time. Our credit ratings can also relate to the credit quality of an individual debt issue, such as a corporate or municipal bond, and the relative likelihood that the issue may default.

Ratings disaggregates its revenue between transaction and non-transaction. Transaction revenue primarily includes fees associated with:

– ratings related to new issuance of corporate and government debt instruments, as well as structured finance debt instruments; and

– bank loan ratings.

Non-transaction revenue primarily includes fees for surveillance of a credit rating, annual fees for customer relationship-based pricing programs, fees for entity credit ratings and global research and analytics at CRISIL. Non-transaction revenue also includes an intersegment royalty charged to Market Intelligence for the rights to use and distribute content and data developed by Ratings. Royalty revenue for 2021, 2020 and 2019 was $136 million, $128 million and $118 million, respectively.

The following table provides revenue and segment operating profit information for the years ended December 31:

	Year ended December 31,			% Change	
(in millions)	**2021**	2020	2019	'21 vs '20	'20 vs '19
Revenue	**$4,097**	$3,606	$3,106	14%	16%
Transaction revenue [1]	**$2,253**	$1,969	$1,570	14%	25%
Non-transaction revenue [1]	**$1,844**	$1,637	$1,536	13%	7%
% of total revenue:					
Transaction revenue	**55%**	55%	51%		
Non-transaction revenue	**45%**	45%	49%		
U.S. revenue	**$2,398**	$2,110	$1,745	14%	21%
International revenue	**$1,699**	$1,496	$1,361	14%	10%
% of total revenue:					
U.S. revenue	**59%**	59%	56%		
International revenue	**41%**	41%	44%		
Operating profit [2]	**$2,629**	$2,223	$1,783	18%	25%
% Operating margin	**64%**	62%	57%		

1 In the first quarter of 2021, we reevaluated our transaction and non-transaction presentation for Ratings which resulted in a reclassification from transaction revenue to non-transaction revenue of $8 million and $7 million for the years ended December 31, 2020 and 2019, respectively.

2 2021 includes a gain on disposition of $6 million, recovery of lease-related costs of $4 million, and employee severance charges of $3 million. 2020 includes a technology-related impairment charge of $11 million, lease-related costs of $5 million and employee severance charges of $4 million. 2021, 2020 and 2019 include amortization of intangibles from acquisitions of $10 million, $7 million and $2 million, respectively.

2021

Revenue increased 14%, with a favorable impact from foreign exchange rates of 1 percentage point. Transaction revenue increased due to higher bank loan ratings revenue driven by increased M&A activity and an increase in structured finance revenue primarily driven by increased issuance of U.S. CLOs. Non-transaction revenue increased primarily due to an increase in surveillance, entity credit ratings, an increase in revenue at our CRISIL subsidiary and higher RES revenue driven by increased M&A activity. Transaction and non-transaction revenue also benefited from improved contract terms across product categories.

Operating profit increased 18%, with a favorable impact from foreign exchange rates of 1 percentage point. The impact of revenue growth and lower occupancy costs was partially offset by an increase in incentive costs and higher compensation costs due to annual merit increases, additional headcount and human capital investments, as well as the ramp up of technology and strategic initiatives.

2020

Revenue increased 16% including a favorable benefit of 1 percentage point from the impact of recent acquisitions. Transaction revenue grew due to an increase in corporate bond ratings revenue primarily driven by higher corporate bond issuance in the U.S. mainly resulting from borrowers' need for increased liquidity in light of the pandemic-related economic downturn, historically low borrowing costs, and central bank lending actions initially announced at the end of the first quarter of 2020, partially offset by a decrease in bank loan ratings revenue and structured finance revenues. Non-transaction revenue increased primarily due to an increase in surveillance revenue, royalty revenue, and higher RES activity driven by increased M&A activity in the fourth quarter of 2020. Transaction and non-transaction revenue also benefited from improved contract terms across product categories. Foreign exchange rates had a favorable impact of less than 1 percentage point. Revenue was favorably impacted by the acquisitions of the ESG Ratings Business from RobecoSAM and Greenwich Associates LLC in January of 2020 and February of 2020, respectively. See Note 2 - *Acquisitions and Divestitures* to the consolidated financial statements under Item 8, Consolidated Financial Statements and Supplementary Data, in this Annual Report on Form 10-K.

Operating profit increased 25%, with a 2 percentage point favorable impact from foreign exchange rates. Excluding the impact of a technology-related impairment charge in 2020 of less than 1 percentage point, lease-related costs in 2020 of less than 1 percentage point and higher amortization of intangible assets in 2020 of less than 1 percentage point, partially offset by higher employee severance charges in 2019 of less than 1 percentage point, operating profit increased 25%. The impact of revenue growth was partially offset by an increase in incentive costs and higher compensation costs due to annual merit increases and additional headcount, partially offset by a decrease in travel and entertainment expenses from non-essential travel restrictions in response to COVID-19.

Market Issuance Volumes

We monitor market issuance volumes regularly within Ratings. Market issuance volumes noted within the discussion that follows are based on where an issuer is located or where the assets associated with an issue are located. Structured Finance issuance includes amounts when a transaction closes, not when initially priced and excludes domestically rated Chinese issuance. The following tables depict changes in issuance levels as compared to the prior year based on data from SDC Platinum for Corporate bond issuance and based on a composite of external data feeds and Ratings' internal estimates for Structured Finance issuance.

	2021 Compared to 2020		
Corporate Bond Issuance *	U.S.	Europe	Global
High-yield issuance	12%	37%	18%
Investment-grade issuance	(23)%	(1)%	(2)%
Total issuance	(16)%	4%	—%

* Includes Industrials and Financial Services.

– High-yield issuance was up in both the U.S. and Europe as issuers were taking advantage of historically low borrowing costs. Investment-grade issuance was down in both the U.S. and Europe reflecting comparisons against a strong prior year period as a number of large financing transactions contributed to the increase in investment-grade issuance in the U.S. and Europe in 2020.

	2021 Compared to 2020		
Structured Finance	U.S.	Europe	Global
Asset-backed securities ("ABS")	43%	22%	43%
Structured credit (primarily CLOs)	241%	286%	250%
Commercial mortgage-backed securities ("CMBS")	90%	211%	94%
Residential mortgage-backed securities ("RMBS")	99%	43%	64%
Covered bonds	**	15%	22%
Total issuance	111%	62%	85%

** Represents no activity in 2021 and 2020.

– ABS issuance increased in the U.S. and Europe primarily driven by growth across all sub asset classes led by Credit Cards, Student Loans, Autos and Esoterics.

– CLO issuance increased in the U.S. and European structured credit markets driven by growth in leveraged loans due to strong M&A activity and investor demand for high risk adjusted yield.

– CMBS issuance was up in the U.S. reflecting increased market volume in large single-asset single-borrower (SASB) as market conditions improved from early in the pandemic. CMBS issuance in Europe was also up, although from a low 2020 base.

– RMBS issuance was up in the U.S. and Europe reflecting increased market volume due to an improved housing market.

– Covered bond (debt securities backed by mortgages or other high-quality assets that remain on the issuer's balance sheet) issuance in Europe increased in 2021 driven by improved market conditions.

Industry Highlights and Outlook

Revenue increased in 2021 primarily driven by an increase in bank loan ratings revenue, structured finance transaction revenues and non-transaction revenue. In 2021, Ratings continued to focus on developing key product offerings in ESG and launched new Social and Sustainability products. ESG initiatives and international expansion in China continue to be areas of focus for Ratings.

CRISIL revenue increased across all segments, primarily driven by Global Benchmarking Analytics and Global Research & Risk solutions from the recovery of the banking sector and increased focus on sustainability, credit risk and model validation projects. This growth is expected to extend into 2022 led by the financial research and research & analytics businesses.

Continued focus on maintaining an effective analytical workforce with targeted hiring and a competitive compensation structure. Technology investments from the expansion and improvements in the cloud infrastructure, as well as enhancements to the delivery and value add of the Ratings content to customers.

Legal and Regulatory Environment

General

Ratings and many of the securities that it rates are subject to extensive regulation in both the U.S. and in other countries, and therefore existing and proposed laws and regulations can impact the Company's operations and the markets in which it operates. Additional laws and regulations have been adopted but not yet implemented or have been proposed or are being considered. In addition, in certain countries, governments may provide financial or other support to locally based rating agencies. For example, governments may from time to time establish official rating agencies or credit ratings criteria or procedures for evaluating local issuers. We have reviewed the new laws, regulations and rules which have been adopted and we have implemented, or are planning to implement, changes as required. We do not believe that such new laws, regulations or rules will have a material adverse effect on our financial condition or results of operations. Other laws, regulations and rules relating to credit rating agencies are being considered by local, national, foreign and multinational bodies and are likely to continue to be considered in the future, including provisions seeking to reduce regulatory and investor reliance on credit ratings, remuneration and rotation of credit rating agencies, and liability standards applicable to credit rating agencies. The impact on us of the adoption of any such laws, regulations or rules remains uncertain, but could increase the costs and legal risks relating to Ratings' rating activities, or adversely affect our ability to compete and/or our remuneration, or result in changes in the demand for credit ratings.

In the normal course of business both in the U.S. and abroad, Ratings (or the legal entities comprising Ratings) are defendants in numerous legal proceedings and are often the subject of government and regulatory proceedings, investigations and inquiries. Many of these proceedings, investigations and inquiries relate to the ratings activity of Ratings and are or have been brought by purchasers of rated securities. In addition, various government and self-regulatory agencies frequently make inquiries and conduct investigations into Ratings' compliance with applicable laws and regulations. Any of these proceedings, investigations or inquiries could ultimately result in adverse judgments, damages, fines, penalties or activity restrictions, which could adversely impact our consolidated financial condition, cash flows, business or competitive position.

U.S.

The businesses conducted by our Ratings segment are, in certain cases, regulated under the Credit Rating Agency Reform Act of 2006 (the "Reform Act"), the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd Frank Act"), the Securities Exchange Act of 1934 (the "Exchange Act") and/or the laws of the states or other jurisdictions in which they conduct business. The financial services industry is subject to the potential for increased regulation in the U.S.

S&P Global Ratings is a credit rating agency that is registered with the SEC as a Nationally Recognized Statistical Rating Organization ("NRSRO"). The SEC first began informally designating NRSROs in 1975 for use of their credit ratings in the determination of capital charges for registered brokers and dealers under the SEC's Net Capital Rule. The Reform Act created a new SEC registration system for rating agencies that choose to register as NRSROs. Under the Reform Act, the SEC is given authority and oversight of NRSROs and can censure NRSROs, revoke their registration or limit or suspend their registration in certain cases. The rules implemented by the SEC pursuant to the Reform Act, the Dodd Frank Act and the Exchange Act address, among other things, prevention or misuse of material non-public information, conflicts of interest, documentation and assessment of internal controls, and improving transparency of ratings performance and methodologies. The public portions of the current version of S&P Global Ratings' Form NRSRO are available on S&P Global Ratings' website.

European Union

In the European Union ("EU"), the credit rating industry is registered and supervised through a pan-European regulatory framework which is a compilation of three sets of legislative actions. In 2009, the European Parliament passed a regulation ("CRA1") that established an oversight regime for the credit rating industry in the EU, which became effective in 2010. CRA1 requires the registration, formal regulation and periodic inspection of credit rating agencies operating in the EU. Ratings was granted registration in October of 2011. In January of 2011, the EU established the European Securities and Markets Authority ("ESMA"), which, among other things, has direct supervisory responsibility for the registered credit rating industry throughout the EU.

Additional rules augmenting the supervisory framework for credit rating agencies went into effect in 2013. Commonly referred to as CRA3, these rules, among other things:

- impose various additional procedural requirements with respect to ratings of sovereign issuers;

- require member states to adopt laws imposing liability on credit rating agencies for an intentional or grossly negligent failure to abide by the applicable regulations;
- impose mandatory rotation requirements on credit rating agencies hired by issuers of securities for ratings of resecuritizations, which may limit the number of years a credit rating agency can issue ratings for such securities of a particular issuer;
- impose restrictions on credit rating agencies or their shareholders if certain ownership thresholds are crossed; and
- impose additional procedural and substantive requirements on the pricing of services.

The financial services industry is subject to the potential for increased regulation in the EU.

Other Jurisdictions

Outside of the U.S. and the EU, regulators and government officials have also been implementing formal oversight of credit rating agencies. Ratings is subject to regulations in most of the foreign jurisdictions in which it operates and continues to work closely with regulators globally to promote the global consistency of regulatory requirements. This includes the UK, which has established a credit rating agencies oversight regime similar to that in place in the EU, and where Ratings was granted registration with the Financial Conduct Authority on January 1, 2021. Regulators in additional countries may introduce new regulations in the future.

For a further discussion of competitive and other risks inherent in our Ratings business, see Item 1A, Risk Factors, in this Annual Report on Form 10-K. For a further discussion of the legal and regulatory environment in our Ratings business, see Note 13 - *Commitments and Contingencies* to the consolidated financial statements under Item 8, Consolidated Financial Statements and Supplementary Data, in this Annual Report on Form 10-K.

MARKET INTELLIGENCE

Market Intelligence's portfolio of capabilities is designed to help investment professionals, government agencies, corporations and universities track performance, generate alpha, identify investment ideas, understand competitive and industry dynamics, perform valuations and assess credit risk.

In December of 2021, as part of our Sustainable1 investments, we completed the acquisition of The Climate Service, Inc. ("TCS"), which has developed a climate risk analytics platform assisting corporates, investors and governments with assessing physical climate risks. Sustainable1 is S&P Global's single source of essential sustainability intelligence, bringing together S&P Global's resources and full product suite of data, benchmarking, analytics, evaluations and indices that provide customers with a 360-degree view to help achieve their sustainability goals. The acquisition will add capabilities to S&P Global's leading portfolio of essential ESG insights and solutions for its customers. Through this acquisition, S&P Global will be able to offer its clients even more transparent, robust and comprehensive climate data, models and analytics. We accounted for the acquisition using the purchase method of accounting. The acquisition of The Climate Service, Inc. is not material to our consolidated financial statements.

In December of 2021, S&P Global entered into an agreement to sell CUSIP Global Services ("CGS") business, included in our Market Intelligence segment, to FactSet Research Systems for $1.925 billion, with the agreement subject to customary purchase price adjustments. The agreement represents continued progress toward completing the pending merger of S&P Global and IHS Markit, and the divestiture is dependent on expected closing of the merger with IHS Markit and other customary conditions. We have also pledged to divest our Leveraged Commentary and Data ("LCD") business, included in our Market Intelligence segment, along with a related family of leveraged loan indices as a condition for regulatory approval. Under the European Commission's conditional approval of the merger of S&P Global and IHS Markit, execution of an agreement to sell the LCD business can occur after the closing of the merger. The divestitures remain subject to further review and approval by antitrust regulators. Subject to certain closing conditions, the merger is expected to be completed in the first quarter of 2022.

In January of 2020, Market Intelligence entered into a strategic alliance to transition S&P Global Market Intelligence's IR webhosting business to Q4, a third party provider of investor relations related services. This alliance integrated Market Intelligence's proprietary data into Q4's portfolio of solutions, enabling further opportunities for commercial collaboration. In connection with transitioning its IR webhosting business to Q4, Market Intelligence received a minority investment in Q4. During the year ended December 31, 2020, we recorded a pre-tax gain of $11 million ($6 million after-tax), respectively, in Gain on dispositions in the consolidated statement of income related to the sale of IR.

In March of 2019, we entered into an agreement to sell SPIAS, a business within our Market Intelligence segment, to GSAM. SPIAS provides non-discretionary investment advice across institutional sub-advisory and intermediary distribution channels globally. On July 1, 2019, we completed the sale of SPIAS to GSAM. During 2019, we recorded a pre-tax gain of $22 million ($12 million after-tax) in Gain on dispositions in the consolidated statement of income related to the sale of SPIAS. During the years ended December 31, 2021 and 2020, we recorded a pre-tax gain of $3 million ($3 million after-tax) and $1 million ($1 million after-tax), respectively, in Gain on dispositions in the consolidated statement of income related to the sale of SPIAS in July of 2019.

See Note 2 - *Acquisitions and Divestitures* to the consolidated financial statements under Item 8, Consolidated Financial Statements and Supplementary Data, in this Annual Report on Form 10-K for further discussion.

Market Intelligence includes the following business lines:

- Desktop — a product suite that provides data, analytics and third-party research for global finance professionals, which includes the Market Intelligence Desktop (which are inclusive of the S&P Capital IQ and SNL Desktop products);
- Data Management Solutions — integrated bulk data feeds and application programming interfaces that can be customized, which includes Compustat, GICS, Point In Time Financials; and
- Credit Risk Solutions — commercial arm that sells Ratings' credit ratings and related data, analytics and research, which includes subscription-based offerings, RatingsDirect® and RatingsXpress®, and Credit Analytics.

Subscription revenue at Market Intelligence is primarily derived from distribution of data, analytics, third-party research, and credit ratings-related information primarily through web-based channels, including Market Intelligence Desktop, RatingsDirect®, RatingsXpress®, and Credit Analytics. Non-subscription revenue at Market Intelligence is primarily related to certain advisory, pricing and analytical services.

The following table provides revenue and segment operating profit information for the years ended December 31:

	Year ended December 31,			% Change	
(in millions)	**2021**	2020	2019	'21 vs '20	'20 vs '19
Revenue	**$2,247**	$2,106	$1,959	7%	8%
Subscription revenue	**$2,191**	$2,050	$1,904	7%	8%
Non-subscription revenue	**$56**	$55	$45	2%	21%
Asset-linked fees	**$—**	$1	$10	(83)%	(92)%
% of total revenue:					
Subscription revenue	**98%**	97%	97%		
Non-subscription revenue	**2%**	3%	2%		
Asset-linked fees	**—%**	—%	1%		
U.S. revenue	**$1,420**	$1,355	$1,240	5%	9%
International revenue	**$827**	$751	$719	10%	5%
% of total revenue:					
U.S. revenue	**63%**	64%	63%		
International revenue	**37%**	36%	37%		
Operating profit [1]	**$703**	$589	$566	19%	4%
% Operating margin	**31%**	28%	29%		

1 2021 includes employee severance charges of $3 million, a gain on disposition of $3 million, acquisition-related costs of $2 million and lease-related costs of $1 million. 2020 includes employee severance charges of $27 million, a gain on dispositions of $12 million and lease-related costs of $3 million. 2021, 2020 and 2019 includes amortization of intangibles from acquisitions of $65 million, $76 million and $75 million, respectively.

2021

Revenue increased 7% driven by subscription revenue growth for RatingsXpress®, RatingsDirect®, certain Market Intelligence Desktop products, and certain data feed products within Data Management Solutions. Excluding the impact of recent dispositions favorably impacting Desktop revenue growth by 1 percentage point, revenue growth at Data Management Solutions, Credit Risk Solutions and Desktop was 11%, 8% and 5%, respectively. Both U.S. revenue and international revenue increased compared to 2021. Foreign exchange rates had a favorable impact of less than 1 percentage point.

Operating profit increased 19%, with an unfavorable impact from foreign exchange rates of less than 1 percentage point. Excluding the impact from higher employee severance charges in 2020 of 6 percentage points and higher amortization of intangibles in 2020 of 3 percentage points, partially offset by the impact of a higher gain on the dispositions in 2020 of 3 percentage points, operating profit increased 13%. The impact of revenue growth and lower compensation costs due to reduced headcount was partially offset by an increase in cost of sales and intersegment royalties tied to annualized contract value growth, increased technology costs and higher incentive costs.

2020

Revenue increased 8% and was favorably impacted by 1 percentage point from the net effect of the recent acquisition of 451 Research, LLC, offset by the disposition of SPIAS and the IR webhosting business. The increase in revenue was driven by growth in annualized contract values for RatingsXpress®, RatingsDirect®, our data feed products within Data Management Solutions and our Market Intelligence Desktop products. Excluding the impact of the acquisition and dispositions favorably impacting Desktop revenue growth by 3 percentage points, revenue growth at Credit Risk Solutions, Data Management Solutions and Desktop was 9%, 9% and 4%, respectively. Both U.S. revenue and international revenue increased compared to 2019. Foreign exchange rates had a favorable impact of 1 percentage point.

Operating profit increased 4%, with a 3 percentage point favorable impact from foreign exchange rates. Excluding the impact of higher employee severance charges in 2020 of 3 percentage points and a higher gain on dispositions in 2019 of 2 percentage points, operating profit increased 9%. The impact of revenue growth was partially offset by higher compensation costs primarily due to annual merit increases, an increase in incentive costs and higher technology costs, partially offset by a decrease in travel and entertainment expenses from non-essential travel restrictions in response to COVID-19.

Industry Highlights and Outlook

Market Intelligence continues to focus on developing key product offerings in growth areas such as ESG and growing new products and product features leveraging technology investments. Product launches and innovation continued at Market Intelligence in 2021 with the introduction of several new ESG related products and new products and product features leveraging technology investments.

Legal and Regulatory Environment

The market for research services is very competitive. Market Intelligence competes domestically and internationally on the basis of a number of factors, including the quality of its research and advisory services, client service, reputation, price, geographic scope, range of products and services, and technological innovation. For a further discussion of competitive and other risks inherent in our Market Intelligence business, see Item 1A, Risk Factors, in this Annual Report on Form 10-K.

European Union

The EU enacted a package of legislative measures known as MiFID II ("MiFID II"), which revises and updates the existing EU Markets in Financial Instruments Directive framework, and the substantive provisions became applicable in all EU Member States as of January 3, 2018. MiFID II includes provisions that, among other things, require the unbundling of investment research and direct how asset managers pay for research either out of a research payment account or from a firm's profits. Although the MiFID II package is "framework" legislation (meaning that much of the detail of the rules will be set out in subordinate measures, including some technical standards yet to be adopted by the European Commission), the introduction of the MiFID II package may result in changes to the manner in which Market Intelligence licenses certain products. MiFID II may impose regulatory burdens on Market Intelligence activities in the EU, although the exact impact and costs are not yet known.

For a further discussion of competitive and other risks inherent in our Market Intelligence business, see Item 1A, Risk Factors, in this Annual Report on Form 10-K. For a further discussion of the legal and regulatory environment in our Market Intelligence business, see Note 13 - *Commitments and Contingencies* to the consolidated financial statements under Item 8, Consolidated Financial Statements and Supplementary Data, in this Annual Report on Form 10-K.

PLATTS

Platts is the leading independent provider of information and benchmark prices for the commodity and energy markets. Platts provides essential price data, analytics, and industry insight enabling the commodity and energy markets to perform with greater transparency and efficiency.

On July 31, 2019, we completed the sale of RigData, a business within our Platts segment, to Drilling Info, Inc. RigData is a provider of daily information on rig activity for the natural gas and oil markets across North America. During the year ended December 31, 2019, we recorded a pre-tax gain of $27 million ($26 million after-tax) in Gain on dispositions in the consolidated statement of income related to the sale of RigData. See Note 2 - *Acquisitions and Divestitures* to the consolidated financial statements of this Form 10-K for further discussion.

Platts' revenue is generated primarily through the following sources:

- Subscription revenue — primarily from subscriptions to our market data and market insights (price assessments, market reports and commentary and analytics) along with other information products;
- Sales usage-based royalties — primarily from licensing of our proprietary market price data and price assessments to commodity exchanges; and
- Non-subscription revenue — conference sponsorship, consulting engagements, and events.

The following table provides revenue and segment operating profit information for the years ended December 31:

	Year ended December 31,			% Change	
(in millions)	**2021**	2020	2019	’21 vs ’20	’20 vs ’19
Revenue	**$950**	$878	$844	8%	4%
Subscription revenue	**$871**	$809	$774	8%	5%
Sales usage-based royalties	**$66**	$62	$60	7%	3%
Non-subscription revenue	**$13**	$7	$10	N/M	(39)%
% of total revenue:					
Subscription revenue	**92%**	92%	92%		
Sales usage-based royalties	**7%**	7%	7%		
Non-subscription revenue	**1%**	1%	1%		
U.S. revenue	**$310**	$283	$281	10%	–%
International revenue	**$640**	$595	$563	8%	6%
% of total revenue:					
U.S. revenue	**33%**	32%	33%		
International revenue	**67%**	68%	67%		
Operating profit [1]	**$517**	$458	$457	13%	–%
% Operating margin	**54%**	52%	54%		

N/M- Represents a change equal to or in excess of 100% or not meaningful

1 2021 includes recovery of lease-related costs of $2 million. 2020 includes employee severance charges of $11 million and lease-related costs of $2 million. 2021, 2020 and 2019 includes amortization of intangibles from acquisitions of $8 million, $9 million, and $12 million, respectively.

2021

Revenue increased 8% primarily due to continued demand for market data and market insights products driven by expanded product offerings to our existing customers under enterprise use contracts. An increase in sales usage-based royalties from the licensing of our proprietary market price data and price assessments to commodity exchanges mainly due to increased trading volumes in Petroleum and LNG also contributed to revenue growth. Both U.S. revenue and international revenue grew compared to 2021. Petroleum continues to be the most significant revenue driver, followed by natural gas, power & renewables, petrochemicals, metals & agriculture, and shipping also contributing to revenue growth.

Operating profit increased 13% with an unfavorable impact from foreign exchange rates of less than 1 percentage point. Excluding the impact of higher employee severance charges in 2020 of 3 percentage points and higher lease-related costs in 2020 of 1%, operating profit increased 9%. The increase was primarily due to revenue growth partially offset by an increase in operating costs to support business initiatives at Platts and an increase in incentive costs.

2020

Revenue increased 4% and was unfavorably impacted by less than 1 percentage point from the net effect of recent acquisitions of Enerdata and Live Rice Index and the disposition of RigData. Revenue increased primarily due to continued demand for market data and market insights products driven by both expanded product offerings to our existing customers combined with enhanced contract terms. Additionally, an increase in sales usage-based royalties from the licensing of our proprietary market price data and price assessments to commodity exchanges due to increased trading volumes in the first half of 2020 contributed to revenue growth. These increases were partially offset by a decrease in conference revenue as a result of cancellation and postponement of events due to COVID-19. International revenue grew and U.S. revenue remained relatively unchanged compared to 2019 with the U.S. revenue growth rate being unfavorably impacted by the disposition of RigData in July of 2019. Petroleum continues to be the most significant revenue driver, followed by natural gas, power & renewables, metals & agriculture and petrochemicals also contributing to revenue growth. Foreign exchange rates had a favorable impact of less than 1 percentage point.

Operating profit remained relatively unchanged with a favorable impact from foreign exchange rates of less than 1 percentage point. Excluding the unfavorable impact of the gain on disposition of RigData in 2019 of 6 percentage points and higher employee severance charges in 2020 of 2 percentage points, operating profit increased 8%. The increase was primarily due to revenue growth combined with a reduction in expenses. Expenses decreased primarily due to a decrease in travel and entertainment expenses from non-essential travel restrictions in response to COVID-19, lower costs as a result of cancellation and postponement of events due to COVID-19 and the favorable impact of a benefit resulting from one-time costs related to the discontinuation of a product line at Platts in 2019. These decreases were partially offset by an increase in operating costs to support business initiatives at Platts and higher incentive costs.

Industry Highlights and Outlook

In 2021, sustained demand for market data and market insight products, led by petroleum, continued to drive revenue growth. Platts introduced S&P Platts Dimension Pro in 2021 that provides a fully integrated user experience connecting pricing, market commentary, news and analytics. Additionally, Platts introduced several new ESG related products in 2021. Platts continues to focus on developing new product and product features leveraging technology investments and developing key product offerings in ESG.

Legal and Regulatory Environment

Platts' commodities price assessment and information business is subject to increasing regulatory scrutiny. As discussed below under the heading "Indices-Legal and Regulatory Environment", the benchmarks industry is subject to the new regulation in the EU (the "EU Benchmark Regulation") as well as potential increased regulation in other jurisdictions. Platts has obtained authorization and is now supervised by the Dutch Authority for the Financial Markets in the Netherlands under the EU Benchmark Regulation, will likely need to take similar steps in other jurisdictions including the United Kingdom when the transitional period under the EU Benchmark Regulation (and its UK equivalent) ends, as well as in jurisdictions outside of Europe if they pass similar legislation. For a further discussion of competitive and other risks inherent in our Platts business, see Item 1A, Risk Factors, in this Annual Report on Form 10-K.

European Union

The EU has enacted MiFID II, which revise and update the existing EU Markets in Financial Instruments Directive and the substantive provisions became applicable in all EU Member States as of January 3, 2018. MiFID II includes provisions that, among other things: (i) impose new conditions and requirements on the licensing of benchmarks and provide for non-discriminatory access to exchanges and clearing houses; (ii) modify the categorization and treatment of certain classes of derivatives; (iii) expand the categories of trading venue that are subject to regulation; (iv) require the unbundling of investment research and direct how asset managers pay for research either out of a research payment account or from a firm's profits; and (v) provide for the mandatory trading of certain derivatives on exchanges (complementing the mandatory derivative clearing requirements in the E.U. Market Infrastructure Regulation of 2011). Although the MiFID II package is "framework" legislation (meaning that much of the detail of the rules will be set out in subordinate measures, including some technical standards yet to be adopted by the European Commission), the introduction of the MiFID II package may result in changes to the manner in which Platts licenses its price assessments. MiFID II and the Market Abuse Regulation ("MAR") may impose additional regulatory burdens on Platts activities in the EU over time, but they have not yet resulted in increased substantive impact or costs.

In October of 2012, IOSCO issued its Principles for Oil Price Reporting Agencies ("PRA Principles"), which are intended to enhance the reliability of oil price assessments referenced in derivative contracts subject to regulation by IOSCO members. Platts has aligned its operations with the PRA Principles and, as recommended by IOSCO in its final report on the PRA Principles, has aligned to the PRA Principles for other commodities for which it publishes benchmarks.

For a further discussion of competitive and other risks inherent in our Platts business, see Item 1A, Risk Factors, in this Annual Report on Form 10-K. For a further discussion of the legal and regulatory environment in our Platts business, see Note 13 - *Commitments and Contingencies* to the consolidated financial statements under Item 8, Consolidated Financial Statements and Supplementary Data, in this Annual Report on Form 10-K.

INDICES

Indices is a global index provider maintaining a wide variety of indices to meet an array of investor needs. Indices' mission is to provide transparent benchmarks to help with decision making, collaborate with the financial community to create innovative products, and provide investors with tools to monitor world markets.

Indices derives revenue from asset-linked fees when investors direct funds into its proprietary designed or owned indexes, sales usage-based royalties of its indices, and to a lesser extent data subscription arrangements. Specifically, Indices generates revenue from the following sources:

- Investment vehicles — asset-linked fees such as ETFs and mutual funds, that are based on the S&P Dow Jones Indices' benchmarks that generate revenue through fees based on assets and underlying funds;
- Exchange traded derivatives — generate sales usage-based royalties based on trading volumes of derivatives contracts listed on various exchanges;
- Index-related licensing fees — fixed or variable annual and per-issue asset-linked fees for over-the-counter derivatives and retail-structured products; and
- Data and customized index subscription fees — fees from supporting index fund management, portfolio analytics and research.

The following table provides revenue and segment operating profit information for the years ended December 31:

(in millions)	2021	2020	2019	'21 vs '20	'20 vs '19
	Year ended December 31,			% Change	
Revenue	**$1,149**	$989	$918	16%	8%
Asset-linked fees	**$800**	$647	$613	24%	5%
Subscription revenue	**$191**	$177	$165	7%	8%
Sales usage-based royalties	**$158**	$165	$140	(4)%	18%
% of total revenue:					
Asset-linked fees	**69%**	65%	67%		
Subscription revenue	**17%**	18%	18%		
Sales usage-based royalties	**14%**	17%	15%		
U.S. revenue	**$959**	$826	$772	16%	7%
International revenue	**$190**	$163	$146	17%	12%
% of total revenue:					
U.S. revenue	**83%**	84%	84%		
International revenue	**17%**	16%	16%		
Operating profit [1]	**$798**	$666	$632	20%	5%
Less: net income attributable to noncontrolling interests	**$215**	$181	$170	19%	7%
Net operating profit	**$583**	$485	$462	20%	5%
% Operating margin	**70%**	67%	69%		
% Net operating margin	**51%**	49%	50%		

1 2021 includes recovery of lease-related costs of $1 million. 2020 includes employee severance charges of $5 million, a lease impairment charge of $4 million, a technology-related impairment charge of $2 million and lease-related costs of $1 million. 2021, 2020 and 2019 includes amortization of intangibles from acquisitions of $6 million.

2021

Revenue at Indices increased 16% primarily due to higher average levels of assets under management ("AUM") for ETFs and mutual funds and higher data subscription revenue, partially offset by lower exchange-traded derivative revenue. Average levels of AUM for ETFs increased 44% to $2.419 trillion and ending AUM for ETFs increased 40% to $2.796 trillion compared to 2020 while exchange-traded derivative activity was impacted by both lower average daily trading volume from reduced volatility and lower rates per trade from a shift in product mix in the first half of 2021. Foreign exchange rates had a favorable impact of less than 1 percentage point.

Operating profit increased 20%. Excluding the impact of employee severance charges in 2020 of 1 percentage point, a lease impairment charge in 2020 of 1 percentage point and higher lease-related costs in 2020 of less than 1 percentage point, operating profit increased 17%. The impact of revenue growth and lower legal related costs was partially offset by higher cost of sales, higher incentive costs and an increase in compensation costs driven by additional headcount and annual merit increases. Foreign exchange rates had an unfavorable impact of less than 1 percentage point.

2020

Revenue increased 8% primarily due to higher average levels of AUM for ETFs and mutual funds, an increase in exchange-traded derivatives revenue and higher data subscription revenue, partially offset by lower over-the-counter derivative revenue. Average levels of AUM for ETFs increased 12% to $1.681 trillion and ending AUM for ETFs increased 18% to $1.998 trillion compared to 2019.

Operating profit grew 5%. Excluding the impact of employee severance charges in 2020 of 1 percentage point and a lease impairment charge in 2020 of 1 percentage point, operating profit increased 7%. The impact of revenue growth was partially offset by an increase in compensation costs due to annual merit increases and additional headcount as well as professional costs, higher incentive costs and an increase in legal related costs, partially offset by a decrease in travel and entertainment expenses from non-essential travel restrictions in response to COVID-19 and lower cost of sales. Foreign exchange rates had a favorable impact of less than 1 percentage point.

Industry Highlights and Outlook

Indices continues to be the leading index provider for the ETF market space. In 2021, higher average levels of AUM for ETFs contributed to revenue growth. In 2021, Indices continued to launch new ESG ETFs and expand innovative index offerings with key index product launches. Indices continues to focus on developing key product offerings in ESG, multi-asset-class and factor indices and developing new product and product features leveraging technology investments.

Legal and Regulatory Environment

Over the past four years the financial benchmarks industry has been subject to specific benchmark regulation in the European Union (the "EU Benchmark Regulation") and Australia (the "Australia Benchmark Regulation"). Other jurisdictions are also considering new regulation for financial benchmarks.

The EU Benchmark Regulation was published June 30, 2016 and included provisions applicable to Indices and Platts. Both Indices and Platts have established separate benchmark administrators in connection with their benchmark activities in Europe. The Indices and Platts entities are both based in Amsterdam and are authorized by the Dutch Authority for Financial Markets (AFM). This legislation will likely cause additional operating obligations but they are not expected to be material at this time, although the exact impact remains unclear.

The Australian Benchmark Regulation was enacted in June of 2018 and included provisions applicable to Indices, designating the S&P ASX 200 a significant financial benchmark and therefore requiring Indices, as the administrator of the S&P ASX 200, to obtain a license from the Australian Securities and Investment Commission ("ASIC"). Indices has obtained the relevant license. Although narrower in scope, the requirements of the Australian Benchmark Regulation are similar to those of the EU Benchmark Regulation. This legislation will likely cause additional operating obligations but they are not expected to be material at this time, although the exact impact remains unclear.

In July of 2013, the IOSCO issued Financial Benchmark Principles (IOSCO Principles), intended to promote the reliability of financial benchmark determinations. The IOSCO Principles address governance, benchmark quality and accountability mechanisms, including with regard to the indices published by Indices. Even though the IOSCO Principles are not binding law, Indices has taken steps to align its governance regime and operations with the IOSCO Principles and engaged an independent auditor to perform an annual reasonable assurance review of such alignment.

The markets for index providers are very competitive. Indices competes domestically and internationally on the basis of a number of factors, including the quality of its benchmark indices, client service, reputation, price, range of products and services (including geographic coverage) and technological innovation. Our Indices business is impacted by market volatility, asset levels of investment products tracking indices, and trading volumes of certain exchange traded derivatives. Volatile capital markets, as well as changing investment styles, among other factors, may influence an investor's decision to invest in and maintain an investment in an index-linked investment product.

For a further discussion of competitive and other risks inherent in our Indices business, see Item 1A, Risk Factors, in this Annual Report on Form 10-K. For a further discussion of the legal and regulatory environment in our Indices business, see Note 13 - *Commitments and Contingencies* to the consolidated financial statements under Item 8, Consolidated Financial Statements and Supplementary Data, in this Annual Report on Form 10-K.

Liquidity and Capital Resources

We continue to maintain a strong financial position. Our primary source of funds for operations is cash from our businesses and our core businesses have been strong cash generators. In 2022, cash on hand, cash flows from operations and availability under our existing credit facility are expected to be sufficient to meet any additional operating and recurring cash needs into the foreseeable future. We use our cash for a variety of needs, including but not limited to: ongoing investments in our businesses, strategic acquisitions, share repurchases, dividends, repayment of debt, capital expenditures and investment in our infrastructure.

Cash Flow Overview

Cash, cash equivalents, and restricted cash were $6.5 billion as of December 31, 2021, an increase of $2.4 billion as compared to December 31, 2020.

	Year ended December 31,		
(in millions)	**2021**	2020	2019
Net cash provided by (used for):			
Operating activities	**$3,598**	$3,567	$2,776
Investing activities	**(120)**	(240)	(131)
Financing activities	**(1,013)**	(2,166)	(1,751)

In 2021 and 2020, free cash flow remained unchanged at $3.3 billion. Free cash flow is a non-GAAP financial measure and reflects our cash flow provided by operating activities less capital expenditures and distributions to noncontrolling interest holders. Capital expenditures include purchases of property and equipment and additions to technology projects. See "Reconciliation of Non-GAAP Financial Information" below for a reconciliation of cash flow provided by operating activities, the most directly comparable U.S. GAAP financial measure, to free cash flow.

Operating activities

Cash provided by operating activities remained unchanged at $3.6 billion compared to 2020 as higher operating results in 2021 were offset by the acceleration of payments to vendors, higher incentive compensation payments and higher income tax payments.

Cash provided by operating activities increased to $3.6 billion in 2020 as compared to $2.8 billion in 2019. The increase is mainly due to higher results from operations in 2020 and improved cash collections on accounts receivable in 2020.

Investing activities

Our cash outflows from investing activities are primarily for acquisitions and capital expenditures, while cash inflows are primarily proceeds from dispositions.

Cash used for investing activities decreased to $0.1 billion for 2021 as compared to $0.2 billion in 2020, primarily due to higher cash paid for acquisitions in 2020 for the ESG Ratings Business from RobecoSAM and Greenwich Associates LLC.

Cash used for investing activities increased to $0.2 billion for 2020 as compared to $0.1 billion in 2019, primarily due to cash used for the acquisitions of the ESG Ratings Business from RobecoSAM and Greenwich Associates LLC in 2020.

Refer to Note 2 – *Acquisitions and Divestitures* to the Consolidated Financial Statements and Supplementary Data, in the Annual Report on Form 10-K for further information.

Financing activities

Our cash outflows from financing activities consist primarily of share repurchases, dividends and repayment of short-term and long-term debt, while cash inflows are primarily inflows from long-term and short-term debt borrowings and proceeds from the exercise of stock options.

Cash used for financing activities decreased to $1.0 billion in 2021 from $2.2 billion in 2020. The decrease is primarily attributable to a decrease in cash used for share repurchases in 2021.

Cash used for financing activities increased to $2.2 billion in 2020 from $1.8 billion in 2019. The increase is primarily attributable to cash used for the redemption and extinguishment of the $900 million outstanding principal amount of our 4.4% senior notes due in 2026 and a portion of the outstanding principal amounts of our 6.55% senior notes due in 2037 and our 4.5% senior notes due in 2048 in 2020, partially offset by proceeds from the issuance of senior notes in 2020. See Note 5 — *Debt* to the Consolidated Financial Statements and Supplementary Data, in the Annual Report on Form 10-K for further discussion.

During 2021, we did not use cash to purchase any shares. We expect to resume share repurchases following the expected closing of the merger with IHS Markit.

During 2020, we used cash to repurchase 4.0 million shares for $1,164 million. We entered into two accelerated share repurchase ("ASR") agreements with a financial institution on February 11, 2020 to initiate share repurchases aggregating $500 million each. We repurchased a total of 1.7 million shares under each ASR agreement for an average purchase price of $292.13 per share.

During 2019, we received 5.9 million shares, including 0.4 million shares received in January of 2019 related to our October 29, 2018 ASR agreement, resulting in $1,240 million of cash used to repurchase shares. We entered into an ASR agreement with a financial institution on August 5, 2019 to initiate share repurchases aggregating $500 million. We repurchased a total of 2.0 million shares under the ASR agreement for an average purchase price of $253.36 per share. We entered into an ASR agreement with a financial institution on February 11, 2019 to initiate share repurchases aggregating $500 million. We repurchased a total of 2.3 million shares under the ASR agreement for an average purchase price of $214.65 per share.

On January 29, 2020, the Board of Directors approved a share repurchase program authorizing the purchase of 30 million shares (the "2020 Repurchase Program"), which was approximately 12% of the total shares of our outstanding common stock at that time. On December 4, 2013, the Board of Directors approved a share repurchase program authorizing the purchase of 50 million shares (the "2013 Repurchase Program"), which was approximately 18% of the total shares of our outstanding common stock at that time. Our purchased shares may be used for general corporate purposes, including the issuance of shares for stock compensation plans and to offset the dilutive effect of the exercise of employee stock options. As of December 31, 2021, 30 million shares remained available under the 2020 Repurchase Program and 0.8 million shares remained available under the 2013 repurchase program.

See Note 9 — *Equity* to the Consolidated Financial Statements and Supplementary Data, in the Annual Report on Form 10-K for further discussion related to our ASR agreements.

Additional Financing

On April 26, 2021, we entered into a revolving $1.5 billion five-year credit agreement (our "credit facility") that will terminate on April 26, 2026. This credit facility replaced our revolving $1.2 billion five-year credit facility (our "previous credit facility") that was scheduled to terminate on June 30, 2022. The previous credit facility was canceled immediately after the new credit facility became effective. There were no outstanding borrowings under the previous credit facility when it was replaced.

We have the ability to borrow a total of $1.5 billion through our commercial paper program, which is supported by our credit facility. As of December 31, 2021 and 2020, there was no commercial paper issued or outstanding, and we similarly did not draw or have any borrowings outstanding from the credit facility or the previous credit facility during the years ended December 31, 2021 and 2020.

Commitment fees for the unutilized commitments under the credit facility and applicable margins for borrowings thereunder are linked to the Company achieving three environmental sustainability performance indicators related to emissions, tested annually. We currently pay a commitment fee of 9 basis points. The credit facility also includes an accordion feature which allows the Company to increase the total commitments thereunder by up to an additional $500 million, subject to certain customary terms and conditions. The credit facility contains customary affirmative and negative covenants and customary events of default. The occurrence of an event of default could result in an acceleration of the obligations under the credit facility.

The only financial covenant required under our credit facility is that our indebtedness to cash flow ratio, as defined in our credit facility, was not greater than 4 to 1, and this covenant level has never been exceeded.

Merger-Related Financing

On November 16, 2021, we launched an offer (the "Exchange Offer") to exchange outstanding notes issued by IHS Markit for new notes issued by us and fully and unconditionally guaranteed by Standard & Poor's Financial Services LLC with the same interest rate, interest payment dates, maturity date and redemption terms as each corresponding series of exchanged IHS Markit notes and cash. The approximately $4.6 billion in aggregate principal amount of IHS Markit's notes subject to the Exchange Offer range in maturities from 2022 to 2029. The Exchange Offer is conditioned upon closing of the Merger and we expect to extend the Exchange Offer until closing of the Merger. As of January 26, 2022, 95.83% of the IHS Markit notes had been tendered.

In conjunction with the Exchange Offer, we successfully solicited consents to amend each of the indentures governing the IHS Markit notes to, among other things, eliminate certain covenants, restrictive provisions, events of default and the obligation to offer to repurchase the IHS Markit notes upon certain change of control transactions. These amendments become operative upon the settlement of the Exchange Offer.

Following the Merger, we expect to raise additional capital, including by issuing new senior notes of various maturities, potentially ranging from 5 years to 40 years, in an aggregate principal amount up to $6 billion, portions of which we expect to use to refinance existing indebtedness. We also expect to exercise the accordion feature under our existing credit facility to increase the total commitments thereunder by an additional $500 million.

Merger-Related Costs

In 2022, we will continue to incur costs associated with the anticipated merger with IHS Markit including certain transaction costs upon completion of the merger that is expected to close in the first quarter of 2022.

Dividends

On January 26, 2022, the Board of Directors approved a quarterly common stock dividend of $0.77 per share. Following the expected closing of the merger with IHS Markit, the Board of Directors will revisit the dividend policy of the combined Company.

Supplemental Guarantor Financial Information

The senior notes described below were issued by S&P Global Inc. and are fully and unconditionally guaranteed by Standard & Poor's Financial Services LLC, a 100% owned subsidiary of the Company. All senior notes have been registered with the SEC.

- On August 13, 2020, we issued $600 million of 1.25% senior notes due in 2030 and $700 million of 2.3% senior notes due in 2060.
- On November 26, 2019, we issued $500 million of 2.5% senior notes due in 2029 and $600 million of 3.25% senior notes due in 2049.
- On May 17, 2018, we issued $500 million of 4.5% senior notes due in 2048.
- On September 22, 2016, we issued $500 million of 2.95% senior notes due in 2027.
- On May 26, 2015, we issued $700 million of 4.0% senior notes due in 2025.
- On November 2, 2007, we issued $400 million of 6.55% senior notes due in 2037.

The notes above are unsecured and unsubordinated and rank equally and ratably with all of our existing and future unsecured and unsubordinated debt. The guarantees are the subsidiary guarantor's unsecured and unsubordinated debt and rank equally and ratably with all of the subsidiary guarantor's existing and future unsecured and unsubordinated debt.

The guarantees of the subsidiary guarantor may be released and discharged upon (i) a sale or other disposition (including by way of consolidation or merger) of the subsidiary guarantor or the sale or disposition of all or substantially all the assets of the subsidiary guarantor (in each case other than to the Company or a person who, prior to such sale or other disposition, is an affiliate of the Company); (ii) upon defeasance or discharge of any applicable series of the notes, as described above; or (iii) at such time as the subsidiary guarantor ceases to guarantee indebtedness for borrowed money, other than a discharge through payment thereon, under any Credit Facility of the Company, other than any such Credit Facility of the Company the guarantee of which by the subsidiary guarantor will be released concurrently with the release of the subsidiary guarantor's guarantees of the notes.

Other subsidiaries of the Company do not guarantee the registered debt securities of either S&P Global Inc. or Standard & Poor's Financial Services LLC (the "Obligor Group") which are referred to as the "Non-Obligor Group".

The following tables set forth the summarized financial information of the Obligor Group on a combined basis. This summarized financial information excludes the Non-Obligor Group. Intercompany balances and transactions between members of the Obligor Group have been eliminated. This information is not intended to present the financial position or results of operations of the Obligor Group in accordance with U.S. GAAP.

Summarized results of operations for the year ended December 31 is as follows:

(in millions)	**2021**
Revenue	**$3,410**
Operating Profit	**2,079**
Net Income	**1,010**
Net income attributable to S&P Global Inc.	**1,010**

Summarized balance sheet information as of December 31 is as follows:

(in millions)	**2021**	2020
Current assets (excluding intercompany from Non-Obligor Group)	**$6,124**	$3,093
Noncurrent assets	**846**	1,055
Current liabilities (excluding intercompany to Non-Obligor Group)	**1,307**	1,179
Noncurrent liabilities	**5,242**	4,936
Intercompany payables to Non-Obligor Group	**4,851**	3,893

CONTRACTUAL OBLIGATIONS

We typically have various contractual obligations, which are recorded as liabilities in our consolidated balance sheets, while other items, such as certain purchase commitments and other executory contracts, are not recognized, but are disclosed herein. For example, we are contractually committed to contracts for information-technology outsourcing, certain enterprise-wide information-technology software licensing and maintenance.

We believe that the amount of cash and cash equivalents on hand, cash flows expected from operations and availability under our credit facility will be adequate for us to execute our business strategy and meet anticipated requirements for lease obligations, capital expenditures, working capital and debt service for 2022.

The following table summarizes our significant contractual obligations and commercial commitments as of December 31, 2021, over the next several years. Additional details regarding these obligations are provided in the notes to our consolidated financial statements, as referenced in the footnotes to the table:

(in millions)	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Debt: [1]					
Principal payments	$—	$—	$696	$3,418	$4,114
Interest payments	130	261	215	1,765	2,371
Operating leases [2]	114	169	130	269	682
Purchase obligations and other [3]	131	116	54	17	318
Total contractual cash obligations	$375	$546	$1,095	$5,469	$7,485

1 Our debt obligations are described in Note 5 – *Debt* to our consolidated financial statement.

2 See Note 13 – *Commitments and Contingencies* to our consolidated financial statements for further discussion on our operating lease obligations.

3 Other consists primarily of commitments for unconditional purchase obligations in contracts for information-technology outsourcing and certain enterprise-wide information-technology software licensing and maintenance.

As of December 31, 2021, we had $147 million of liabilities for unrecognized tax benefits. We have excluded the liabilities for unrecognized tax benefits from our contractual obligations table because, until formal resolutions are reached, reasonable estimates of the timing of cash settlements with the respective taxing authorities are not practicable.

As of December 31, 2021, we have recorded $3,429 million for our redeemable noncontrolling interest in our S&P Dow Jones Indices LLC partnership discussed in Note 9 – *Equity* to our consolidated financial statements. Specifically, this amount relates to the put option under the terms of the operating agreement of S&P Dow Jones Indices LLC, whereby, after December 31, 2017, CME Group and CME Group Index Services LLC ("CGIS") has the right at any time to sell, and we are obligated to buy, at least 20% of their share in S&P Dow Jones Indices LLC. We have excluded this amount from our contractual obligations table because we are uncertain as to the timing and the ultimate amount of the potential payment we may be required to make.

We make contributions to our pension and postretirement plans in order to satisfy minimum funding requirements as well as additional contributions that we consider appropriate to improve the funded status of our plans. During 2021, we contributed $11 million to our retirement plans. Expected employer contributions in 2022 are $11 million and $3 million for our retirement and postretirement plans, respectively. In 2022, we may elect to make additional non-required contributions depending on investment performance and the pension plan status. See Note 7 – *Employee Benefits* to our consolidated financial statements for further discussion.

Reconciliation of Non-GAAP Financial Information

Free cash flow is a non-GAAP financial measure and reflects our cash flow provided by operating activities less capital expenditures and distributions to noncontrolling interest holders. Capital expenditures include purchases of property and equipment and additions to technology projects. Our cash flow provided by operating activities is the most directly comparable U.S. GAAP financial measure to free cash flow.

We believe the presentation of free cash flow allows our investors to evaluate the cash generated from our underlying operations in a manner similar to the method used by management. We use free cash flow to conduct and evaluate our business because we believe it typically presents a more conservative measure of cash flows since capital expenditures and distributions to noncontrolling interest holders are considered a necessary component of ongoing operations. Free cash flow is useful for management and investors because it allows management and investors to evaluate the cash available to us to prepay debt, make strategic acquisitions and investments and repurchase stock.

The presentation of free cash flow is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. Free cash flow, as we calculate it, may not be comparable to similarly titled measures employed by other companies. The following table presents a reconciliation of our cash flow provided by operating activities to free cash flow:

	Year ended December 31,			% Change	
(in millions)	**2021**	2020	2019	’21 vs ’20	’20 vs ’19
Cash provided by operating activities	**$3,598**	$3,567	$2,776	1%	28%
Capital expenditures	**(35)**	(76)	(115)		
Distributions to noncontrolling interest holders, net	**(227)**	(194)	(143)		
Free cash flow	**$3,336**	$3,297	$2,518	1%	31%

(in millions)	**2021**	2020	2019	’21 vs ’20	’20 vs ’19
Cash used for investing activities	**(120)**	(240)	(131)	(50)%	(75)%
Cash used for financing activities	**(1,013)**	(2,166)	(1,751)	(53)%	(23)%

Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities.

On an ongoing basis, we evaluate our estimates and assumptions, including those related to revenue recognition, allowance for doubtful accounts, valuation of long-lived assets, goodwill and other intangible assets, pension plans, incentive compensation and stock-based compensation, income taxes, contingencies and redeemable noncontrolling interests. We base our estimates on historical experience, current developments and on various other assumptions that we believe to be reasonable under these circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that cannot readily be determined from other sources. There can be no assurance that actual results will not differ from those estimates.

Management considers an accounting estimate to be critical if it required assumptions to be made that were uncertain at the time the estimate was made and changes in the estimate or different estimates could have a material effect on our results of operations. Management has discussed the development and selection of our critical accounting estimates with the Audit Committee of our Board of Directors. The Audit Committee has reviewed our disclosure relating to them in this MD&A.

We believe the following critical accounting policies require us to make significant judgments and estimates in the preparation of our consolidated financial statements:

Revenue recognition

Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. See Note 1 - *Accounting Policies* to our consolidated financial statements for further information.

Allowance for doubtful accounts

The allowance for doubtful accounts reserve methodology is based on historical analysis, a review of outstanding balances and current conditions, and by incorporating data points that provide indicators of future economic conditions including forecasted industry default rates and industry index benchmarks. In determining these reserves, we consider, amongst other factors, the financial condition and risk profile of our customers, areas of specific or concentrated risk as well as applicable industry trends or market indicators. The impact on operating profit for a one percentage point change in the allowance for doubtful accounts is approximately $17 million.

During the year ended December 31, 2021, we incorporated the forecasted impact of future economic conditions into our allowance for doubtful accounts measurement process including the expected adverse impact of COVID-19 on the global economy. Based on our current outlook these assumptions are not expected to significantly change in 2022.

Accounting for the impairment of long-lived assets (including other intangible assets)

We evaluate long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Upon such an occurrence, recoverability of assets to be held and used is measured by comparing the carrying amount of an asset to current forecasts of undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized equal to the amount by which the carrying amount of the asset exceeds the fair value of the asset. For long-lived assets held for sale, assets are written down to fair value, less cost to sell. Fair value is determined based on market evidence, discounted cash flows, appraised values or management's estimates, depending upon the nature of the assets.

Goodwill and indefinite-lived intangible assets

Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible and identifiable intangible assets of businesses acquired. As of December 31, 2021 and 2020, the carrying value of goodwill and other indefinite-lived intangible assets was $4.4 billion and $4.6 billion, respectively. Goodwill and other intangible assets with indefinite lives are not amortized, but instead are tested for impairment annually during the fourth quarter each year or more frequently if events or changes in circumstances indicate that the asset might be impaired.

Goodwill

As part of our annual impairment test of our four reporting units, we initially perform a qualitative analysis evaluating whether any events and circumstances occurred that provide evidence that it is more likely than not that the fair value of any of our reporting units is less than its carrying amount. Reporting units are generally an operating segment or one level below an operating segment. Our qualitative assessment included, but was not limited to, consideration of macroeconomic conditions, industry and market conditions, cost factors, cash flows, changes in key Company personnel and our share price. If, based on our evaluation of the events and circumstances that occurred during the year we do not believe that it is more likely than not that the fair value of any of our reporting units is less than its carrying amount, no quantitative impairment test is performed. Conversely, if the results of our qualitative assessment determine that it is more likely than not that the fair value of any of our reporting units is less than its respective carrying amount we perform a quantitative impairment test. If the fair value of the reporting unit is less than the carrying value, the difference is recognized as an impairment charge. For 2021, based on our qualitative assessments, we determined that it is more likely than not that our reporting units' fair values were greater than their respective carrying amounts.

Indefinite-Lived Intangible Assets

We evaluate the recoverability of indefinite-lived intangible assets by first performing a qualitative analysis evaluating whether any events and circumstances occurred that provide evidence that it is more likely than not that the indefinite-lived asset is impaired. If, based on our evaluation of the events and circumstances that occurred during the year we do not believe that it is more likely than not that the indefinite-lived asset is impaired, no quantitative impairment test is performed. Conversely, if the results of our qualitative assessment determine that it is more likely than not that the indefinite-lived asset is impaired, a quantitative impairment test is performed. If necessary, an impairment analysis is performed using the income approach to estimate the fair value of the indefinite-lived intangible asset. If the intangible asset carrying value exceeds its fair value, an impairment charge is recognized in an amount equal to that excess. Significant judgments inherent in these analyses include estimating the amount and timing of future cash flows and the selection of appropriate discount rates, royalty rates and long-term growth rate assumptions. Changes in these estimates and assumptions could materially affect the determination of fair value for this indefinite-lived intangible asset and could result in an impairment charge, which could be material to our financial position and results of operations.

We performed our impairment assessment of goodwill and indefinite-lived intangible assets and concluded that no impairment existed for the years ended December 31, 2021, 2020 and 2019.

Retirement plans and postretirement healthcare and other benefits

Our employee pension and other postretirement benefit costs and obligations are dependent on assumptions concerning the outcome of future events and circumstances, including compensation increases, long-term return on pension plan assets, discount rates and other factors. In determining such assumptions, we consult with outside actuaries and other advisors where deemed appropriate. In accordance with relevant accounting standards, if actual results differ from our assumptions, such differences are deferred and amortized over the estimated remaining lifetime of the plan participants. While we believe that the assumptions used in these calculations are reasonable, differences in actual experience or changes in assumptions could affect the expense and liabilities related to our pension and other postretirement benefits.

The following is a discussion of some significant assumptions that we make in determining costs and obligations for pension and other postretirement benefits:

- Discount rate assumptions are based on current yields on high-grade corporate long-term bonds.
- The expected return on assets assumption is calculated based on the plan's asset allocation strategy and projected market returns over the long-term.

Our discount rate and return on asset assumptions used to determine the net periodic pension and postretirement benefit cost on our U.S. retirement plans are as follows:

	Retirement Plans			Postretirement Plans		
January 1	2022	2021	2020	2022	2021	2020
Discount rate	3.05%	2.75%	3.45%	2.72%	2.20%	3.08%
Return on assets	4.00%	5.00%	5.50%			

As of December 31, 2021, the Company had $1.5 billion in pension benefit obligation. A 0.25 percentage point increase or decrease in the discount rate would result in an estimated decrease or increase to the accumulated benefit obligation of approximately $50 million and an increase or decrease in 2022 pension expense of approximately $1 million. An increase or decrease of 1 percentage point in the expected rate of return on plan assets would result in a decrease or increase of approximately $15 million to 2022 pension expense.

Stock-based compensation

Stock-based compensation expense is measured at the grant date based on the fair value of the award and is recognized over the requisite service period, which typically is the vesting period. Stock-based compensation is classified as both operating-related expense and selling and general expense in our consolidated statements of income. There were no stock options granted in 2021, 2020 and 2019.

Income taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. We recognize liabilities for uncertain tax positions taken or expected to be taken in income tax returns. Accrued interest and penalties related to unrecognized tax benefits are recognized in interest expense and operating expense, respectively.

Judgment is required in determining our provision for income taxes, deferred tax assets and liabilities and unrecognized tax benefits. In determining the need for a valuation allowance, the historical and projected financial performance of the operation that is recording a net deferred tax asset is considered along with any other pertinent information.

We file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions, and we are routinely under audit by many different tax authorities. We believe that our accrual for tax liabilities is adequate for all open audit years based on an assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. It is possible that tax examinations will be settled prior to December 31, 2022. If any of these tax audit settlements do occur within that period, we would make any necessary adjustments to the accrual for unrecognized tax benefits.

As of December 31, 2021, we have approximately $2.9 billion of undistributed earnings of our foreign subsidiaries, of which $0.8 billion is reinvested indefinitely in our foreign operations.

Contingencies

We are subject to a number of lawsuits and claims that arise in the ordinary course of business. We recognize a liability for such contingencies when both (a) information available prior to issuance of the financial statements indicates that it is probable that a liability had been incurred at the date of the financial statements and (b) the amount of loss can reasonably be estimated. We continually assess the likelihood of any adverse judgments or outcomes to our contingencies, as well as potential amounts or ranges of probable losses, and recognize a liability, if any, for these contingencies based on an analysis of each matter with the assistance of outside legal counsel and, if applicable, other experts. Because many of these matters are resolved over long periods of time, our estimate of liabilities may change due to new developments, changes in assumptions or changes in our strategy related to the matter. When we accrue for loss contingencies and the reasonable estimate of the loss is within a range, we record its best estimate within the range. We disclose an estimated possible loss or a range of loss when it is at least reasonably possible that a loss may have been incurred.

Redeemable Noncontrolling Interest

The fair value component of the redeemable noncontrolling interest in Indices business is based on a combination of an income and market valuation approach. Our income and market valuation approaches may incorporate Level 3 fair value measures for instances when observable inputs are not available. The more significant judgmental assumptions used to estimate the value of the S&P Dow Jones Indices LLC joint venture include an estimated discount rate, a range of assumptions that form the basis of the expected future net cash flows (e.g., the revenue growth rates and operating margins), and a company specific beta. The significant judgmental assumptions used that incorporate market data, including the relative weighting of market observable information and the comparability of that information in our valuation models, are forward-looking and could be affected by future economic and market conditions.

As of December 31, 2021, the Company had $3.4 billion in redeemable noncontrolling interest on the Consolidated Balance Sheet. The ultimate amount paid for the redeemable noncontrolling interest in Indices business could be significantly different because the redemption amount depends on the future results of operations of the business.

As of December 31, 2021, the weighted average cost of capital used in the Company's income analysis to estimate the fair value of the redeemable noncontrolling interest was 9%. A 0.25 percentage point increase or decrease in the weighted average cost of capital would decrease or increase the redemption value by approximately $80 million. As of December 31, 2021, the terminal growth rate used in the Company's income analysis to estimate the fair value of the redeemable noncontrolling interest was 2.2%. A 0.25 percentage point increase or decrease in the terminal growth rate would increase or decrease the redemption value by approximately $50 million.

Recent Accounting Standards

See Note 1 – *Accounting Policies* to our consolidated financial statements for a detailed description of recent accounting standards. We do not expect these recent accounting standards to have a material impact on our results of operations, financial condition or liquidity in future periods.

Forward-Looking Statements

This report contains "forward-looking statements," as defined in the Private Securities Litigation Reform Act of 1995. These statements, including statements about COVID-19 and the merger (the "Merger") between a subsidiary of the Company and IHS Markit Ltd. ("IHS Markit"), 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, and factors that contribute to uncertainty and volatility, natural and man-made disasters, civil unrest, pandemics (e.g., COVID-19 and its variants), geopolitical uncertainty, and conditions that may result from legislative, regulatory, trade and policy changes;
- the satisfaction of the conditions precedent to consummation of the Merger, including the ability to secure regulatory approvals and consummate related dispositions on the terms expected at all or in a timely manner;
- the occurrence of events that may give rise to a right of one or both of the parties to terminate the merger agreement;
- uncertainty relating to the impact of the Merger, divestitures and liability management transactions on the businesses of the Company and IHS Markit, including potential adverse reactions or changes to the market price of the Company's common stock and IHS Markit shares resulting from the announcement or completion of the Merger and changes to existing business relationships and increased cyber risks during the pendency of the acquisition that could affect the Company's and/or IHS Markit's financial performance;
- risks relating to the value of the Company's stock to be issued in the Merger, significant transaction costs and/or unknown liabilities;
- the ability of the Company to successfully integrate IHS Markit's operations and retain and hire key personnel of both companies;
- the ability of the Company to retain customers and to implement its plans, forecasts and other expectations with respect to IHS Markit's business after the consummation of the Merger and realize expected synergies;
- business disruption following the Merger;
- the possibility that the Merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events;
- the Company's and IHS Markit's ability to meet expectations regarding the accounting and tax treatments of the Merger;
- 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, data breach, power loss, telecommunications failure or other natural or man-made event, including the ability to function remotely during long-term disruptions such as the ongoing COVID-19 pandemic;
- the Company's ability to maintain adequate physical, technical and administrative safeguards to protect the security of confidential information and data, and the potential for a system or network disruption that results in regulatory penalties and remedial costs or improper disclosure of confidential information or data;
- the outcome of litigation, government and regulatory proceedings, investigations and inquiries;
- the health of debt and equity markets, including credit quality and spreads, the level of liquidity and future debt issuances, demand for investment products that track indices and assessments and trading volumes of certain exchange traded derivatives;
- 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, benchmarks and indices;
- the effect of competitive products and pricing, including the level of success of new product developments and global expansion;
- the Company's exposure to potential criminal sanctions or civil penalties for noncompliance 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, Syria and Venezuela, 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 continuously evolving regulatory environment, in Europe, the United States and elsewhere around the globe, affecting S&P Global Ratings, S&P Global Platts, S&P Dow Jones Indices, S&P Global Market Intelligence and the products those business divisions offer including our ESG products, and the Company's compliance therewith;

- the Company's ability to make acquisitions and dispositions and successfully integrate the businesses we acquire;
- consolidation in the Company's end-customer markets;
- the introduction of competing products or technologies by other companies;
- the impact of customer cost-cutting pressures, including in the financial services industry and the commodities markets;
- 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 and health of the energy and commodities markets;
- our ability to attract, incentivize and retain key employees, especially in today's competitive business environment;
- 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;
- the Company's ability to adjust to changes in European and United Kingdom markets following the United Kingdom's departure from the European Union, and the impact of such departure on our credit rating activities and other offerings in the European Union and United Kingdom; and
- the impact of changes in applicable tax or accounting requirements on the Company.

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 Item 1A, Risk Factors, in this Annual Report on Form 10-K.

Consolidated Statements of Income

(in millions, except per share data)	Year Ended December 31, 2021	2020	2019
Revenue	**$8,297**	$7,442	$6,699
Expenses:			
Operating-related expenses	**2,195**	2,094	1,976
Selling and general expenses	**1,714**	1,541	1,342
Depreciation	**82**	83	82
Amortization of intangibles	**96**	123	122
Total expenses	**4,087**	3,841	3,522
Gain on dispositions	**(11)**	(16)	(49)
Operating profit	**4,221**	3,617	3,226
Other (income) expense, net	**(62)**	(31)	98
Interest expense, net	**119**	141	141
Loss on extinguishment of debt	**—**	279	57
Income before taxes on income	**4,164**	3,228	2,930
Provision for taxes on income	**901**	694	627
Net income	**3,263**	2,534	2,303
Less: net income attributable to noncontrolling interests	**(239)**	(195)	(180)
Net income attributable to S&P Global Inc.	**$3,024**	$2,339	$2,123
Earnings per share attributable to S&P Global Inc. common shareholders:			
Net income:			
Basic	**$12.56**	$9.71	$8.65
Diluted	**$12.51**	$9.66	$8.60
Weighted-average number of common shares outstanding:			
Basic	**240.8**	241.0	245.4
Diluted	**241.8**	242.1	246.9
Actual shares outstanding at year end	**241.0**	240.6	244.0

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Comprehensive Income

	Year Ended December 31,		
(in millions)	**2021**	2020	2019
Net income	**$3,263**	$2,534	$2,303
Other comprehensive income:			
Foreign currency translation adjustments	**11**	(24)	10
Income tax effect	**(24)**	22	8
	(13)	(2)	18
Pension and other postretirement benefit plans	**33**	(31)	141
Income tax effect	**(10)**	8	(39)
	23	(23)	102
Unrealized (loss) gain on cash flow hedges	**(282)**	17	(2)
Income tax effect	**68**	(5)	—
	(214)	12	(2)
Comprehensive income	**3,059**	2,521	2,421
Less: comprehensive income attributable to nonredeemable noncontrolling interests	**(24)**	(14)	(10)
Less: comprehensive income attributable to redeemable noncontrolling interests	**(215)**	(181)	(170)
Comprehensive income attributable to S&P Global Inc.	**$2,820**	$2,326	$2,241

See accompanying notes to the consolidated financial statements.

Consolidated Balance Sheets

(in millions)	December 31, 2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	**$6,497**	$4,108
Restricted cash	**8**	14
Short-term investments	**11**	9
Accounts receivable, net of allowance for doubtful accounts: 2021- $26 ; 2020 - $30	**1,650**	1,593
Prepaid and other current assets	**323**	264
Assets held for sale	**321**	—
Total current assets	**8,810**	5,988
Property and equipment:		
Buildings and leasehold improvements	**346**	364
Equipment and furniture	**515**	507
Total property and equipment	**861**	871
Less: accumulated depreciation	**(620)**	(587)
Property and equipment, net	**241**	284
Right of use assets	**426**	494
Goodwill	**3,506**	3,735
Other intangible assets, net	**1,285**	1,352
Asset for pension benefits	**359**	297
Other non-current assets	**399**	387
Total assets	**$15,026**	$12,537
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	**$205**	$233
Accrued compensation and contributions to retirement plans	**607**	551
Income taxes currently payable	**90**	84
Unearned revenue	**2,217**	2,168
Other current liabilities	**547**	551
Liabilities held for sale	**149**	—
Total current liabilities	**3,815**	3,587
Long-term debt	**4,114**	4,110
Lease liabilities – non-current	**492**	544
Pension and other postretirement benefits	**262**	291
Other non-current liabilities	**807**	653
Total liabilities	**9,490**	9,185
Redeemable noncontrolling interest	**3,429**	2,781
Commitments and contingencies (Note 13)		
Equity:		
Common stock, $1 par value: authorized - 600 million shares; issued: 294 million shares in 2021 and 2020	**294**	294
Additional paid-in capital	**1,031**	946
Retained income	**15,017**	13,367
Accumulated other comprehensive loss	**(841)**	(637)
Less: common stock in treasury - at cost: 53 million shares in 2021 and 2020	**(13,469)**	(13,461)
Total equity – controlling interests	**2,032**	509
Total equity – noncontrolling interests	**75**	62
Total equity	**2,107**	571
Total liabilities and equity	**$15,026**	$12,537

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Cash Flows

(in millions)	Year Ended December 31, 2021	2020	2019
Operating Activities:			
Net income	**$3,263**	$2,534	$2,303
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation	**82**	83	82
Amortization of intangibles	**96**	123	122
Provision for losses on accounts receivable	**14**	17	18
Deferred income taxes	**13**	(31)	46
Stock-based compensation	**122**	90	78
Gain on dispositions	**(11)**	(16)	(49)
Accrued legal settlements	**—**	9	—
Pension settlement charge, net of taxes	**—**	2	85
Loss on extinguishment of debt	**—**	279	57
Lease impairment charges	**31**	120	11
Other	**58**	110	25
Changes in operating assets and liabilities, net of effect of acquisitions and dispositions:			
Accounts receivable	**(144)**	18	(135)
Prepaid and other current assets	**(86)**	(85)	(81)
Accounts payable and accrued expenses	**38**	132	73
Unearned revenue	**198**	220	256
Other current liabilities	**(45)**	(15)	(57)
Net change in prepaid/accrued income taxes	**(36)**	(2)	(41)
Net change in other assets and liabilities	**5**	(21)	(17)
Cash provided by operating activities	**3,598**	3,567	2,776
Investing Activities:			
Capital expenditures	**(35)**	(76)	(115)
Acquisitions, net of cash acquired	**(99)**	(201)	(91)
Proceeds from dispositions	**16**	18	85
Changes in short-term investments	**(2)**	19	(10)
Cash used for investing activities	**(120)**	(240)	(131)
Financing Activities:			
Proceeds from issuance of senior notes, net	**—**	1,276	1,086
Payments on senior notes	**—**	(1,394)	(868)
Dividends paid to shareholders	**(743)**	(645)	(560)
Distributions to noncontrolling interest holders, net	**(227)**	(194)	(143)
Repurchase of treasury shares	**—**	(1,164)	(1,240)
Exercise of stock options	**13**	16	40
Employee withholding tax on share-based payments and other	**(56)**	(61)	(66)
Cash used for financing activities	**(1,013)**	(2,166)	(1,751)
Effect of exchange rate changes on cash	**(82)**	75	34
Net change in cash, cash equivalents, and restricted cash	**2,383**	1,236	928
Cash, cash equivalents, and restricted cash at beginning of year	**4,122**	2,886	1,958
Cash, cash equivalents, and restricted cash at end of year	**$6,505**	$4,122	$2,886
Cash paid during the year for:			
Interest	**$130**	$159	$162
Income taxes	**$883**	$683	$659

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Equity

(in millions)	Common Stock $1 par	Additional Paid-in Capital	Retained Income	Accumulated Other Comprehensive Loss	Less: Treasury Stock	Total SPGI Equity	Non-controlling Interests	Total Equity
Balance as of December 31, 2018	$294	$833	$11,284	$(742)	$11,041	$628	$56	$684
Comprehensive income [1]			2,123	118		2,241	10	2,251
Dividends (Dividend declared per common share — $2.28 per share)			(560)			(560)	(10)	(570)
Share repurchases		75			1,315	(1,240)		(1,240)
Employee stock plans		(5)			(57)	52		52
Capital contribution from noncontrolling interest			(36)			(36)		(36)
Change in redemption value of redeemable noncontrolling interest			(608)			(608)		(608)
Other			2			2	1	3
Balance as of December 31, 2019	$294	$903	$12,205	$(624)	$12,299	$479	$57	$536
Comprehensive income [1]			2,339	(13)		2,326	14	2,340
Dividends (Dividend declared per common share — $2.68 per share)			(645)			(645)	(11)	(656)
Share repurchases					1,164	(1,164)		(1,164)
Employee stock plans		43			(2)	45		45
Change in redemption value of redeemable noncontrolling interest			(532)			(532)		(532)
Other						—	2	2
Balance as of December 31, 2020	$294	$946	$13,367	$(637)	$13,461	$509	$62	$571
Comprehensive income [1]			3,024	(204)		2,820	24	2,844
Dividends (Dividend declared per common share — $3.08 per share)			(743)			(743)	(13)	(756)
Employee stock plans		85			8	77		77
Change in redemption value of redeemable noncontrolling interest			(631)			(631)		(631)
Other						—	2	2
Balance as of December 31, 2021	**$294**	**$1,031**	**$15,017**	**(841)**	**$13,469**	**$2,032**	**$75**	**$2,107**

1 Excludes $215 million, $181 million and $170 million in 2021, 2020 and 2019, respectively, attributable to redeemable noncontrolling interest.

See accompanying notes to the consolidated financial statements.

1. Accounting Policies

Nature of operations

S&P Global Inc. (together with its consolidated subsidiaries, the "Company," the "Registrant," "we," "us" or "our") is a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide. The capital markets include asset managers, investment banks, commercial banks, insurance companies, exchanges, trading firms and issuers; and the commodity markets include producers, traders and intermediaries within energy, petrochemicals, metals and agriculture.

Our operations consist of four reportable segments: S&P Global Ratings ("Ratings"), S&P Global Market Intelligence ("Market Intelligence"), S&P Global Platts ("Platts") and S&P Dow Jones Indices ("Indices").

- Ratings is an independent provider of credit ratings, research and analytics, offering investors and other market participants information, ratings and benchmarks.
- Market Intelligence is a global provider of multi-asset-class data, research and analytical capabilities, which integrate cross-asset analytics and desktop services.
- Platts is the leading independent provider of information and benchmark prices for the commodity and energy markets.
- Indices is a global index provider that maintains a wide variety of valuation and index benchmarks for investment advisors, wealth managers and institutional investors.

Revenue Recognition

Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services.

Subscription revenue

Subscription revenue at Market Intelligence is primarily derived from distribution of data, analytics, third party research, and credit ratings-related information primarily through web-based channels including Market Intelligence Desktop, RatingsDirect®, RatingsXpress®, and Credit Analytics. Subscription revenue at Platts is generated by providing customers access to commodity and energy-related price assessments, market data, and real-time news, along with other information services. Subscription revenue at Indices is derived from the contracts for underlying data of our indexes to support our customers' management of index funds, portfolio analytics, and research.

For subscription products and services, we generally provide continuous access to dynamic data sets and analytics for a defined period, with revenue recognized ratably as our performance obligation to provide access to our data and analytics is progressively fulfilled over the stated term of the contract.

Non-transaction revenue

Non-transaction revenue at Ratings is primarily related to surveillance of a credit rating, annual fees for customer relationship-based pricing programs, fees for entity credit ratings and global research and analytics at CRISIL. Non-transaction revenue also includes an intersegment revenue elimination of $146 million, $137 million and $128 million for the years ended December 31, 2021, 2020, and 2019 respectively, mainly consisting of the royalty charged to Market Intelligence for the rights to use and distribute content and data developed by Ratings.

For non-transaction revenue related to Ratings' surveillance services, we continuously monitor factors that impact the creditworthiness of an issuer over the contractual term with revenue recognized to the extent that our performance obligation is progressively fulfilled over the term contract. Because surveillance services are continuously provided throughout the term of the contract, our measure of progress towards fulfillment of our obligation to monitor a rating is a time-based output measure with revenue recognized ratably over the term of the contract.

Non-subscription / Transaction revenue

Transaction revenue at our Ratings segment primarily includes fees associated with:

- ratings related to new issuance of corporate and government debt instruments; as well as structured finance instruments; and
- bank loan ratings.

Transaction revenue is recognized at the point in time when our performance obligation is satisfied by issuing a rating on our customer's instruments and when we have a right to payment and the customer can benefit from the significant risks and rewards of ownership.

Non-subscription revenue at Market Intelligence is primarily related to certain advisory, pricing and analytical services. Non-subscription revenue at Platts is primarily related to conference sponsorship, consulting engagements and events.

Asset-linked fees

Asset-linked fees at Indices and Market Intelligence are primarily related to royalties payments based on the value of assets under management in our customers exchange-traded funds and mutual funds.

For asset-linked products and services, we provide licenses conveying continuous access to our index and benchmark-related intellectual property during a specified contract term. Revenue is recognized when the extent that our customers have used our licensed intellectual property can be quantified. Recognition of revenue for our asset-linked fee arrangements is subject to the "recognition constraint" for usage-based royalty payments because we cannot reasonably predict the value of the assets that will be invested in index funds structured using our intellectual property until it is either publicly available or when we are notified by our customers. Revenue derived from an asset-linked fee arrangement is measured and recognized when the certainty of the extent of its utilization of our index products by our customers is known.

Sales usage-based royalties

Sales usage-based royalty revenue at our Indices segment is primarily related to trading based fees from exchange-traded derivatives. Sales and usage-based royalty revenue at our Platts segment is primarily related to licensing of its proprietary market price data and price assessments to commodity exchanges.

For sales usage-based royalty products and services, we provide licenses conveying the right to continuous access to our intellectual property over the contract term, with revenue recognized when the extent of our license's utilization can be quantified, or more specifically, when trading volumes are known and publicly available to us or when we are notified by our customers. Recognition of revenue of fees tied to trading volumes is subject to the recognition constraint for a usage-based royalty promised by our customers in exchange for the license of our intellectual property, with revenue recognized when trading volumes are known.

Arrangements with Multiple Performance Obligations

Our contracts with customers may include multiple performance obligations. Revenue relating to agreements that provide for more than one performance obligation is recognized based upon the relative fair value to the customer of each service component as each component is earned. The fair value of the service components is determined using an analysis that considers cash consideration that would be received for instances when the service components are sold separately. If the fair value to the customer for each service is not objectively determinable, we make our best estimate of the services' stand-alone selling price and record revenue as it is earned over the service period.

Receivables

We record a receivable when a customer is billed or when revenue is recognized prior to billing a customer. For multi-year agreements, we generally invoice customers annually at the beginning of each annual period.

Contract Assets

Contract assets include unbilled amounts from when the Company transfers service to a customer before a customer pays consideration or before payment is due. As of December 31, 2021 and 2020, contract assets were $9 million and $7 million, respectively, and are included in accounts receivable in our consolidated balance sheets.

Unearned Revenue

We record unearned revenue when cash payments are received in advance of our performance. The increase in the unearned revenue balance for the year ended December 31, 2021 is primarily driven by cash payments received in advance of satisfying our performance obligations, offset by $2.1 billion of revenues recognized that were included in the unearned revenue balance at the beginning of the period.

Remaining Performance Obligations

Remaining performance obligations represent the transaction price of contracts for work that has not yet been performed. As of December 31, 2021, the aggregate amount of the transaction price allocated to remaining performance obligations was $2.7 billion. We expect to recognize revenue on approximately half and three-quarters of the remaining performance obligations over the next 12 and 24 months, respectively, with the remainder recognized thereafter.

We do not disclose the value of unfulfilled performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts where revenue is a usage-based royalty promised in exchange for a license of intellectual property.

Costs to Obtain a Contract

We recognize an asset for the incremental costs of obtaining a contract with a customer if we expect the benefit of those costs to be longer than one year. We have determined that the costs associated with certain sales commission programs are incremental to the costs to obtain contracts with customers and therefore meet the criteria to be capitalized. Total capitalized costs to obtain a contract were $137 million and $129 million as of December 31, 2021 and December 31, 2020, respectively, and are included in prepaid and other current assets and other non-current assets on our consolidated balance sheets. The capitalized asset will be amortized over a period consistent with the transfer to the customer of the goods or services to which the asset relates, calculated based on the customer term and the average life of the products and services underlying the contracts which has been determined to be approximately 5 years. The expense is recorded within selling and general expenses.

We expense sales commissions when incurred if the amortization period would have been one year or less. These costs are recorded within selling and general expenses.

Other (Income) Expense, net

The components of other (income) expense, net for the year ended December 31 are as follows:

(in millions)	**2021**	2020	2019
Other components of net periodic benefit cost[1]	**$(45)**	$(32)	$79
Net (income) loss from investments	**(17)**	1	19
Other (income) expense, net	**$(62)**	$(31)	$98

1 The net periodic benefit cost for our retirement and post retirement plans for the year ended December 31, 2020 includes a non-cash pre-tax settlement charge of $3 million. During the year ended December 31, 2019, the Company purchased a group annuity contract under which an insurance company assumed a portion of the Company's obligation to pay pension benefits to the plan's beneficiaries. The net periodic benefit cost for our retirement and post retirement plans for the year ended December 31, 2019 includes a non-cash pre-tax settlement charge of $113 million reflecting the accelerated recognition of a portion of unamortized actuarial losses in the plan.

Assets and Liabilities Held for Sale and Discontinued Operations

Assets and Liabilities Held for Sale

We classify a disposal group to be sold as held for sale in the period in which all of the following criteria are met: management, having the authority to approve the action, commits to a plan to sell the disposal group; the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such disposal group; an active program to locate a buyer and other actions required to complete the plan to sell the disposal group have been initiated; the sale of the disposal group is probable, and transfer of the disposal group is expected to qualify for recognition as a completed sale within one year, except if events or circumstances beyond our control extend the period of time required to sell the disposal group beyond one year; the disposal group is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

A disposal group that is classified as held for sale is initially measured at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized on the sale of a disposal group until the date of sale.

The fair value of a disposal group less any costs to sell is assessed each reporting period it remains classified as held for sale and any subsequent changes are reported as an adjustment to the carrying value of the disposal group, as long as the new carrying value does not exceed the carrying value of the disposal group at the time it was initially classified as held for sale. Upon determining that a disposal group meets the criteria to be classified as held for sale, the Company reports the assets and liabilities of the disposal group as held for sale in the current period in our consolidated balance sheets.

Discontinued Operations

In determining whether a disposal of a component of an entity or a group of components of an entity is required to be presented as a discontinued operation, we make a determination whether the disposal represents a strategic shift that had, or will have, a major effect on our operations and financial results. A component of an entity comprises operations and cash flows that can be clearly distinguished both operationally and for financial reporting purposes. If we conclude that the disposal represents a strategic shift, then the results of operations of the group of assets being disposed of (as well as any gain or loss on the disposal transaction) are aggregated for separate presentation apart from our continuing operating results in the consolidated financial statements.

Principles of consolidation

The consolidated financial statements include the accounts of all subsidiaries and our share of earnings or losses of joint ventures and affiliated companies under the equity method of accounting. All significant intercompany accounts and transactions have been eliminated.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include ordinary bank deposits and highly liquid investments with original maturities of three months or less that consist primarily of money market funds with unrestricted daily liquidity and fixed term time deposits. Such investments and bank deposits are stated at cost, which approximates market value, and were $6.5 billion and $4.1 billion as of December 31, 2021 and 2020, respectively. These investments are not subject to significant market risk.

Restricted cash

Cash that is subject to legal restrictions or is unavailable for general operating purposes is classified as restricted cash. Restricted cash included in our consolidated balance sheets was $8 million and $14 million as of December 31, 2021 and December 31, 2020, respectively. Restricted cash primarily consisted of cash required to be on deposit under contractual agreements in connection with certain acquisitions and dispositions.

Short-term investments

Short-term investments are securities with original maturities greater than 90 days that are available for use in our operations in the next twelve months. The short-term investments, primarily consisting of certificates of deposit and mutual funds, are classified as held-to-maturity and therefore are carried at cost. Interest and dividends are recorded in income when earned.

Accounts receivable

Credit is extended to customers based upon an evaluation of the customer's financial condition. Accounts receivable, which include billings consistent with terms of contractual arrangements, are recorded at net realizable value.

Allowance for doubtful accounts

The allowance for doubtful accounts reserve methodology is based on historical analysis, a review of outstanding balances and current conditions, and by incorporating data points that provide indicators of future economic conditions including forecasted industry default rates and industry index benchmarks. In determining these reserves, we consider, amongst other factors, the financial condition and risk profile of our customers, areas of specific or concentrated risk as well as applicable industry trends or market indicators.

Capitalized technology costs

We capitalize certain software development and website implementation costs. Capitalized costs only include incremental, direct costs of materials and services incurred to develop the software after the preliminary project stage is completed, funding has been committed and it is probable that the project will be completed and used to perform the function intended. Incremental costs are expenditures that are out-of-pocket to us and are not part of an allocation or existing expense base. Software development and website implementation costs are expensed as incurred during the preliminary project stage. Capitalized costs are amortized from the year the software is ready for its intended use over its estimated useful life, three to seven years, using the straight-line method. Periodically, we evaluate the amortization methods, remaining lives and recoverability of such costs. Capitalized software development and website implementation costs are included in other non-current assets and are presented net of accumulated amortization. Gross capitalized technology costs were $216 million and $209 million as of December 31, 2021 and 2020, respectively. Accumulated amortization of capitalized technology costs was $173 million and $150 million as of December 31, 2021 and 2020, respectively.

Fair Value

Certain assets and liabilities are required to be recorded at fair value and classified within a fair value hierarchy based on inputs used when measuring fair value. We have foreign exchange forward contracts, cross currency and interest rate swaps that are adjusted to fair value on a recurring basis.

Other financial instruments, including cash and cash equivalents and short-term investments, are recorded at cost, which approximates fair value because of the short-term maturity and highly liquid nature of these instruments. The fair value of our long-term debt borrowings were $4.4 billion and $4.6 billion as of December 31, 2021 and 2020, respectively, and was estimated based on quoted market prices.

Accounting for the impairment of long-lived assets (including other intangible assets)

We evaluate long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Upon such an occurrence, recoverability of assets to be held and used is measured by comparing the carrying amount of an asset to current forecasts of undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized equal to the amount by which the carrying amount of the asset exceeds the fair value of the asset. For long-lived assets held for sale, assets are written down to fair value, less cost to sell. Fair value is determined based on market evidence, discounted cash flows, appraised values or management's estimates, depending upon the nature of the assets.

Leases

We determine whether an arrangement meets the criteria for an operating lease or a finance lease at the inception of the arrangement. We have operating leases for office space and equipment. Our leases have remaining lease terms of 1 year to 12 years, some of which include options to extend the leases for up to 12 years, and some of which include options to terminate the leases within 1 year. We consider these options in determining the lease term used to establish our right-of-use ("ROU") assets and associated lease liabilities. We sublease certain real estate leases to third parties which mainly consist of operating leases for space within our offices.

Leases with an initial term of 12 months or less are not recorded on the balance sheet; we recognize lease expenses for these leases on a straight line-basis over the lease term in operating-related expenses and selling and general expenses.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of future minimum lease payments over the lease term at commencement date. Our future minimum based payments used to determine our lease liabilities include minimum based rent payments and escalations. As most of our leases do not provide an implicit rate, we use our estimated incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

Goodwill and other indefinite-lived intangible assets

Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible and identifiable intangible assets of businesses acquired. Goodwill and other intangible assets with indefinite lives are not amortized, but instead are tested for impairment annually during the fourth quarter each year, or more frequently if events or changes in circumstances indicate that the asset might be impaired. We have four reporting units with goodwill that are evaluated for impairment.

We initially perform a qualitative analysis evaluating whether any events and circumstances occurred or exist that provide evidence that it is more likely than not that the fair value of any of our reporting units is less than its carrying amount. If, based on our evaluation we do not believe that it is more likely than not that the fair value of any of our reporting units is less than its carrying amount, no quantitative impairment test is performed. Conversely, if the results of our qualitative assessment determine that it is more likely than not that the fair value of any of our reporting units is less than their respective carrying amounts, we perform a quantitative impairment test.

When conducting our impairment test to evaluate the recoverability of goodwill at the reporting unit level, the estimated fair value of the reporting unit is compared to its carrying value including goodwill. Fair value of the reporting units are estimated using the income approach, which incorporates the use of the discounted free cash flow ("DCF") analyses and are corroborated using the market approach, which incorporates the use of revenue and earnings multiples based on market data. The DCF analyses are based on the current operating budgets and estimated long-term growth projections for each reporting unit. Future cash flows are discounted based on a market comparable weighted average cost of capital rate for each reporting unit, adjusted for market and other risks where appropriate. In addition, we analyze any difference between the sum of the fair values of the reporting units and our total market capitalization for reasonableness, taking into account certain factors including control premiums. If the fair value of the reporting unit is less than the carrying value, the difference is recognized as an impairment charge.

We evaluate the recoverability of indefinite-lived intangible assets by first performing a qualitative analysis evaluating whether any events and circumstances occurred that provide evidence that it is more likely than not that the indefinite-lived asset is impaired. If, based on our evaluation of the events and circumstances that occurred during the year we do not believe that it is more likely than not that the indefinite-lived asset is impaired, no quantitative impairment test is performed. Conversely, if the results of our qualitative assessment determine that it is more likely than not that the indefinite-lived asset is impaired, a quantitative impairment test is performed. If necessary, an impairment analysis is performed using the income approach to estimate the fair value of the indefinite-lived intangible asset. If the intangible asset carrying value exceeds its fair value, an impairment charge is recognized in an amount equal to that excess.

Significant judgments inherent in these analyses include estimating the amount and timing of future cash flows and the selection of appropriate discount rates, royalty rates and long-term growth rate assumptions. Changes in these estimates and assumptions could materially affect the determination of fair value for each reporting unit and indefinite-lived intangible asset and could result in an impairment charge, which could be material to our financial position and results of operations.

We performed our impairment assessment of goodwill and indefinite-lived intangible assets and concluded that no impairment existed for the years ended December 31, 2021, 2020 and 2019.

Foreign currency translation

We have operations in many foreign countries. For most international operations, the local currency is the functional currency. For international operations that are determined to be extensions of the parent company, the United States ("U.S.") dollar is the functional currency. For local currency operations, assets and liabilities are translated into U.S. dollars using end of period exchange rates, and revenue and expenses are translated into U.S. dollars using weighted-average exchange rates. Foreign currency translation adjustments are accumulated in a separate component of equity.

Depreciation

The costs of property and equipment are depreciated using the straight-line method based upon the following estimated useful lives: buildings and improvements from 15 to 40 years and equipment and furniture from 2 to 10 years. The costs of leasehold improvements are amortized over the lesser of the useful lives or the terms of the respective leases.

Advertising expense

The cost of advertising is expensed as incurred. We incurred $39 million, $29 million and $34 million in advertising costs for the years ended December 31, 2021, 2020 and 2019, respectively.

Stock-based compensation

Stock-based compensation expense is measured at the grant date based on the fair value of the award and is recognized over the requisite service period, which typically is the vesting period. Stock-based compensation is classified as both operating-related expense and selling and general expense in the consolidated statements of income. There were no stock options granted in 2021, 2020 and 2019.

Income taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. We recognize liabilities for uncertain tax positions taken or expected to be taken in income tax returns. Accrued interest and penalties related to unrecognized tax benefits are recognized in interest expense and operating expense, respectively.

Judgment is required in determining our provision for income taxes, deferred tax assets and liabilities and unrecognized tax benefits. In determining the need for a valuation allowance, the historical and projected financial performance of the operation that is recording a net deferred tax asset is considered along with any other pertinent information.

We file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions, and we are routinely under audit by many different tax authorities. We believe that our accrual for tax liabilities is adequate for all open audit years based on an assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. It is possible that tax examinations will be settled prior to December 31, 2022. If any of these tax audit settlements do occur within that period we would make any necessary adjustments to the accrual for unrecognized tax benefits.

As of December 31, 2021, we have approximately $2.9 billion of undistributed earnings of our foreign subsidiaries, of which $0.8 billion is reinvested indefinitely in our foreign operations.

Redeemable Noncontrolling Interest

The agreement with the minority partners of our S&P Dow Jones Indices LLC joint venture contains redemption features whereby interests held by our minority partners are redeemable either (i) at the option of the holder or (ii) upon the occurrence of an event that is not solely within our control. Since redemption of the noncontrolling interest is outside of our control, this interest is presented on our consolidated balance sheets under the caption "Redeemable noncontrolling interest." If the interest were to be redeemed, we would generally be required to purchase the interest at fair value on the date of redemption. We adjust the redeemable noncontrolling interest each reporting period to its estimated redemption value, but never less than its initial fair value, using both income and market valuation approaches. Our income and market valuation approaches incorporate Level 3 measures for instances when observable inputs are not available. The more significant judgmental assumptions used to estimate the value of the S&P Dow Jones Indices LLC joint venture include an estimated discount rate, a range of assumptions that form the basis of the expected future net cash flows (e.g., the revenue growth rates and operating margins), and a company specific beta. The significant judgmental assumptions used that incorporate market data, including the relative weighting of market observable information and the comparability of that information in our valuation models, are forward-looking and could be affected by future economic and market conditions. Any adjustments to the redemption value will impact retained income. See Note 9 – *Equity* for further detail.

Contingencies

We accrue for loss contingencies when both (a) information available prior to issuance of the consolidated financial statements indicates that it is probable that a liability had been incurred at the date of the financial statements and (b) the amount of loss can reasonably be estimated. We continually assess the likelihood of any adverse judgments or outcomes to our contingencies, as well as potential amounts or ranges of probable losses, and recognize a liability, if any, for these contingencies based on an analysis of each matter with the assistance of outside legal counsel and, if applicable, other experts. Because many of these matters are resolved over long periods of time, our estimate of liabilities may change due to new developments, changes in assumptions or changes in our strategy related to the matter. When we accrue for loss contingencies and the reasonable estimate of the loss is within a range, we record our best estimate within the range. We disclose an estimated possible loss or a range of loss when it is at least reasonably possible that a loss may be incurred.

Recent Accounting Standards

In October of 2021, the Financial Accounting Standards Board ("FASB") issued guidance that amends the acquirer's accounting for contract assets and contract liabilities from contracts with customers in a business combination in accordance with Topic 606. The guidance is effective for reporting periods beginning after December 15, 2022; however, early adoption is permitted. We do not expect this guidance to have a significant impact on our consolidated financial statements.

In August of 2020, the FASB issued guidance that amends the accounting for convertible instruments and the derivatives scope exception for contracts in an entity's own equity. The guidance was effective on January 1, 2021, and the adoption of this guidance did not have a significant impact on our consolidated financial statements.

In March of 2020, the FASB issued accounting guidance to provide temporary optional expedients and exceptions to the current contract modifications and hedge accounting guidance in light of the expected market transition from London Interbank Offered Rate ("LIBOR") to alternative rates. The new guidance provides optional expedients and exceptions to transactions affected by reference rate reform if certain criteria are met. The transactions primarily include (1) contract modifications, (2) hedging relationships, and (3) sale or transfer of debt securities classified as held-to-maturity. The amendments were effective immediately upon issuance of the update. The Company may elect to adopt the amendments prospectively to transactions existing as of or entered into from the date of adoption through December 31, 2022. The FASB further issued guidance in January of 2021, to clarify the scope of Topic 848. We do not expect this guidance to have a significant impact on our consolidated financial statements.

In January of 2020, the FASB intended to clarify the interaction of the accounting for equity securities under Accounting Standards Codification ("ASC") 321, investments accounted for under the equity method of accounting under ASC 323, and the accounting for certain forward contracts and purchased options accounted for under ASC 815. The guidance clarifies how to account for the transition into and out of the equity method of accounting when considering observable transactions under the measurement alternative. The guidance was effective on January 1, 2021, and the adoption of this guidance did not have a significant impact on our consolidated financial statements.

In December of 2019, the FASB issued guidance to simplify the accounting for income taxes, which eliminates certain exceptions to the general principles of Topic 740. The guidance is effective for reporting periods after December 15, 2020. Our adoption of this guidance on January 1, 2021 did not have a significant impact on our consolidated financial statements.

Reclassification

Certain prior year amounts have been reclassified for comparability purposes.

2. Acquisitions and Divestitures

ACQUISITIONS

Merger Agreement

In November of 2020, S&P Global and IHS Markit Ltd ("IHS Markit") entered into a merger agreement, pursuant to which, among other things, a subsidiary of S&P Global will merge with and into IHS Markit, with IHS Markit surviving the merger as a wholly owned subsidiary of S&P Global. Under the terms of the merger agreement, each share of IHS Markit issued and outstanding (other than excluded shares and dissenting shares) will be converted into the right to receive 0.2838 fully paid and nonassessable shares of S&P Global common stock (and, if applicable, cash in lieu of fractional shares, without interest), less any applicable withholding taxes. On March 11, 2021, S&P Global and IHS Markit shareholders voted to approve the merger agreement. As of December 31, 2021, IHS Markit had approximately 399.1 million shares outstanding. Subject to certain closing conditions, the merger is expected to be completed in the first quarter of 2022.

2021

For the year ended December 31, 2021, we paid cash for acquisitions of $99 million, net of cash acquired, funded with cash from operations. None of our acquisitions were material either individually or in the aggregate, including the pro forma impact on earnings. Acquisitions completed during the year ended December 31, 2021 included:

– In December of 2021, as part of our Sustainable1 investments, we completed the acquisition of The Climate Service, Inc. ("TCS"), which has developed a climate risk analytics platform assisting corporates, investors and governments with assessing physical climate risks. Sustainable1 is S&P Global's single source of essential sustainability intelligence, bringing together S&P Global's resources and full product suite of data, benchmarking, analytics, evaluations and indices that provide customers with a 360-degree view to help achieve their sustainability goals. The acquisition will add capabilities to S&P Global's leading portfolio of essential environmental, social, and governance ("ESG") insights and solutions for its customers. Through this acquisition, S&P Global will be able to offer its clients even more transparent, robust and comprehensive climate data, models and analytics. We accounted for the acquisition using the purchase method of accounting. The acquisition of The Climate Service, Inc. is not material to our consolidated financial statements.

For acquisitions during 2021 that were accounted for using the purchase method, the excess of the purchase price over the fair value of the net assets acquired is allocated to goodwill and other intangibles. The goodwill recognized on our acquisitions is largely attributable to anticipated operational synergies and growth opportunities as a result of the acquisition. The intangible assets, excluding goodwill and indefinite-lived intangibles, will be amortized over their anticipated useful lives between 3 and 5 years which will be determined when we finalize our purchase price allocations.

2020

For the year ended December 31, 2020, we paid cash for acquisitions of $201 million, net of cash acquired, funded with cash from operations. None of our acquisitions were material either individually or in the aggregate, including the pro forma impact on earnings. Acquisitions completed during the year ended December 31, 2020 included:

– In February of 2020, CRISIL, included within our Ratings segment, completed the acquisition of Greenwich Associates LLC ("Greenwich"), a leading provider of proprietary benchmarking data, analytics and qualitative, actionable insights that helps financial services firms worldwide measure and improve business performance. The acquisition will complement CRISIL's existing portfolio of products and expand offerings to new segments across financial services including commercial banks and asset and wealth managers. We accounted for this acquisition using the purchase method of accounting. The acquisition of Greenwich is not material to our consolidated financial statements.

– In January of 2020, we completed the acquisition of the ESG Ratings Business from RobecoSAM, which includes the widely followed SAM* Corporate Sustainability Assessment, an annual evaluation of companies' sustainability practices. The acquisition will bolster our position as the premier resource for ESG insights and product solutions for our customers. Through this acquisition, we will be able to offer our customers even more transparent, robust and comprehensive ESG solutions. We accounted for this acquisition using the purchase method of accounting. The acquisition of the ESG Ratings Business is not material to our consolidated financial statements.

For acquisitions during 2020 that were accounted for using the purchase method, the excess of the purchase price over the fair value of the net assets acquired is allocated to goodwill and other intangibles. The goodwill recognized on our acquisitions is largely attributable to anticipated operational synergies and growth opportunities as a result of the acquisition. The intangible assets, excluding goodwill and indefinite-lived intangibles, are being amortized over their anticipated useful lives between 3 and 10 years. The goodwill for Greenwich and ESG Ratings Business is deductible for tax purposes.

2019

For the year ended December 31, 2019, we paid cash for acquisitions of $91 million, net of cash acquired, funded with cash from operations. None of our acquisitions were material either individually or in aggregate, including the pro forma impact on earnings. Acquisitions completed during the year ended December 31, 2019 included:

- In December of 2019, Market Intelligence acquired 451 Research, LLC ("451 Research"), a privately-held research and advisory firm that provides intelligence, expertise and data covering high-growth emerging technology segments. This acquisition will expand and strengthen Market Intelligence's research coverage, adding differentiated expertise and intelligence with comprehensive offerings in technologies. We accounted for this acquisition using the purchase method of accounting. The acquisition of 451 Research is not material to our consolidated financial statements.
- In September of 2019, Platts acquired Canadian Enerdata Ltd. ("Enerdata"), an independent provider of energy data and information in Canada, to further enhance Platts' North American natural gas offering. We accounted for the acquisition using the purchase method of accounting. The acquisition of Enerdata is not material to our consolidated financial statements.
- In August of 2019, Platts acquired Live Rice Index ("LRI"), a global provider of information and benchmark price assessments for the rice industry. The purchase expands Platts portfolio of agricultural price assessments while extending its data and news coverage in key export regions for international grains. We accounted for the acquisition using the purchase method of accounting. The acquisition of LRI is not material to our consolidated financial statements.
- In July of 2019, we completed the acquisition of the Orion technology center from Ness Technologies. Orion was developed to become our center of excellence for technology talent to focus on innovation by providing employees with access to the latest technologies and global communications infrastructure, as well as physical spaces that enable highly collaborative teams. We accounted for the acquisition using the purchase method of accounting. The acquisition of Orion is not material to our consolidated financial statements.

For acquisitions during 2019 that were accounted for using the purchase method, the excess of the purchase price over the fair value of the net assets acquired is allocated to goodwill and other intangibles. The goodwill recognized on our acquisitions is largely attributable to anticipated operational synergies and growth opportunities as a result of the acquisition. The intangible assets, excluding goodwill and indefinite-lived intangibles, are being amortized over their anticipated useful lives between 3 and 10 years. The goodwill for 451 Research and Orion is deductible for tax purposes.

Non-cash investing activities

Liabilities assumed in conjunction with our acquisitions are as follows:

	Year ended December 31,		
(in millions)	**2021**	2020	2019
Fair value of assets acquired	**$110**	$219	$110
Cash paid (net of cash acquired)	**99**	201	91
Liabilities assumed	$11	$18	$19

DIVESTITURES

2021

In December of 2021, S&P Global entered into an agreement to sell CUSIP Global Services ("CGS") business, included in our Market Intelligence segment, to FactSet Research Systems for $1.925 billion, with the agreement subject to customary purchase price adjustments. The agreement represents continued progress toward completing the pending merger of S&P Global and IHS Markit, and the divestiture is dependent on expected closing of the merger with IHS Markit and other customary conditions. We have also pledged to divest our Leveraged Commentary and Data ("LCD") business, included in our Market Intelligence segment, along with a related family of leveraged loan indices as a condition for regulatory approval. Under the European Commission's conditional approval of the merger of S&P Global and IHS Markit, execution of an agreement to sell the LCD business can occur after the closing of the merger. The divestitures remain subject to further review and approval by antitrust regulators. Subject to certain closing conditions, the merger is expected to be completed in the first quarter of 2022.

During the year ended December 31, 2021, we completed the following dispositions that resulted in a pre-tax gain of $11 million, which was included in Gain on dispositions in the consolidated statement of income:

- During the year ended December 31, 2021, we recorded a pre-tax gain of $8 million ($6 million after-tax) in Gain on dispositions in the consolidated statements of income related to the sale of office facilities in India.
- During the year ended December 31, 2021, we recorded a pre-tax gain of $3 million ($3 million after-tax) in Gain on dispositions in the consolidated statements of income related to the sale of Standard & Poor's Investment Advisory Services LLC ("SPIAS"), a business within our Market Intelligence segment, that occurred in July of 2019.

2020

During the year ended December 31, 2020, we completed the following dispositions that resulted in a pre-tax gain of $16 million, which was included in Gain on dispositions in the consolidated statement of income:

- In January of 2020, Market Intelligence entered into a strategic alliance to transition S&P Global Market Intelligence's Investor Relations ("IR") webhosting business to Q4 Inc. ("Q4"). This alliance integrated Market Intelligence's proprietary data into Q4's portfolio of solutions, enabling further opportunities for commercial collaboration. In connection with transitioning its IR webhosting business to Q4, Market Intelligence received a minority investment in Q4. During the year ended December 31, 2020, we recorded a pre-tax gain of $11 million ($6 million after-tax) in Gain on dispositions in the consolidated statements of income related to the sale of IR.
- In September of 2020, we sold our facility at East Windsor, New Jersey. During the year ended December 31, 2020, we recorded a pre-tax gain of $4 million ($3 million after-tax) in Gain on dispositions in the consolidated statements of income related to the sale of East Windsor.
- During the year ended December 31, 2020, we recorded a pre-tax gain of $1 million ($1 million after-tax) in Gain on dispositions in the consolidated statements of income related to the sale of Standard & Poor's Investment Advisory Services LLC ("SPIAS"), a business within our Market Intelligence segment, in July of 2019.

2019

During the year ended December 31, 2019, we completed the following dispositions that resulted in a pre-tax gain of $49 million, which was included in Gain on dispositions in the consolidated statement of income:

- On July 31, 2019, we completed the sale of RigData, a business within our Platts segment, to Drilling Info, Inc. RigData is a provider of daily information on rig activity for the natural gas and oil markets across North America. During the year ended December 31, 2019, we recorded a pre-tax gain of $27 million ($26 million after-tax) in Gain on dispositions in the consolidated statement of income related to the sale of RigData.
- In March of 2019, we entered into an agreement to sell SPIAS to Goldman Sachs Asset Management ("GSAM"). SPIAS provides non-discretionary investment advice across institutional sub-advisory and intermediary distribution channels globally. On July 1, 2019, we completed the sale of SPIAS to GSAM. During the year ended December 31, 2019, we recorded a pre-tax gain of $22 million ($12 million after-tax) in Gain on dispositions in the consolidated statement of income related to the sale of SPIAS.

The components of assets and liabilities held for sale in the consolidated balance sheet consist of the following:

	December 31,
(in millions)	**2021** [1]
Accounts Receivable, net	**$59**
Goodwill	**255**
Other assets	**7**
Assets of businesses held for sale	**$321**
Accounts payable and accrued expenses	**$11**
Unearned revenue	**138**
Liabilities of businesses held for sale	**$149**

1 Assets and liabilities held for sale as of December 31, 2021 relate to CGS and LCD.

The operating profit of our businesses that were held for sale or disposed of for the years ending December 31, 2021, 2020, and 2019 is as follows:

	Year ended December 31,		
(in millions)	**2021**	2020	2019
Operating profit [1]	**$172**	$162	$162

1 The operating profit presented includes the revenue and recurring direct expenses associated with businesses held for sale. The year ended December 31, 2021 excludes a pre-tax gain on the sale of SPIAS of $3 million. The year ended December 31, 2020 excludes a pre-tax gain on the sale of the IR webhosting business of $11 million. The year ended December 31, 2019 excludes a pre-tax gain on the sale of RigData and SPIAS of $27 million and $22 million, respectively.

3. Goodwill and Other Intangible Assets

GOODWILL

Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible and identifiable intangible assets of businesses acquired.

The change in the carrying amount of goodwill by segment is shown below:

(in millions)	Ratings	Market Intelligence	Platts	Indices	Corporate	Total
Balance as of December 31, 2019	$115	$2,062	$521	$376	$501	$3,575
Acquisitions	138	—	—	—	—	138
Dispositions	—	(2)	—	—	—	(2)
Other [1]	10	11	6	—	(3)	24
Balance as of December 31, 2020	263	2,071	527	376	498	3,735
Acquisitions	—	—	—	—	54	54
Reclassifications [2]	—	(255)	—	—	—	(255)
Other [1]	(18)	(8)	(2)	—	—	(28)
Balance as of December 31, 2021	$245	$1,808	$525	$376	$552	$3,506

1 Primarily relates to the impact of foreign exchange and valuation adjustments for prior period acquisitions. 2021 includes adjustments related to RobecoSAM and 2020 includes adjustments related to Investor Relations.

2 Relates to CGS and LCD, which are classified as assets held for sale in our consolidated balance sheet as of December 31, 2021.

Goodwill additions and dispositions in the table above relate to transactions discussed in Note 2 – *Acquisitions and Divestitures*.

OTHER INTANGIBLE ASSET

Other intangible assets include both indefinite-lived assets not subject to amortization and definite-lived assets subject to amortization. We have indefinite-lived assets with a carrying value of $846 million as of December 31, 2021 and 2020.

- 2021 and 2020 both include $380 million and $90 million for Dow Jones Indices intellectual property and the Dow Jones tradename, respectively, that we recorded as part of the transaction to form S&P Dow Jones Indices LLC in 2012.
- 2021 and 2020 both include $185 million within our Market Intelligence segment for the SNL tradename.
- 2021 and 2020 both include $132 million within our Indices segment for the balance of the IP rights in a family of indices derived from the S&P 500, solidifying Indices IP in and to the S&P 500 index family.
- 2021 and 2020 both include $59 million within our Indices segment for the Goldman Sachs Commodity Index intellectual property and the Broad Market Indices intellectual property.

The following table summarizes our definite-lived intangible assets:

(in millions)	Databases and software	Content	Customer relationships	Tradenames	Other intangibles	Total
COST						
Balance as of December 31, 2019	$629	$139	$355	$54	$130	$1,307
Acquisitions	14	—	—	—	40	54
Other (primarily Fx) [1]	2	—	1	1	7	11
Balance as of December 31, 2020	645	139	356	55	177	1,372
Acquisitions	—	—	—	—	18	18
Other [1]	—	—	(1)	—	11	10
Balance as of December 31, 2021	**$645**	**$139**	**$355**	**$55**	**$206**	**$1,400**
ACCUMULATED AMORTIZATION						
Balance as of December 31, 2019	$331	$129	$153	$48	$68	$729
Current year amortization	73	10	21	2	17	123
Acquisitions	—	—	—	—	10	10
Other (primarily Fx) [1]	2	—	1	—	1	4
Balance as of December 31, 2020	406	139	175	50	96	866
Current year amortization	52	—	21	2	21	96
Reclassifications [2]	8	—	—	—	(8)	—
Other [1]	1	—	—	—	(2)	(1)
Balance as of December 31, 2021	**$467**	**$139**	**$196**	**$52**	**$107**	**$961**
NET DEFINITE-LIVED INTANGIBLES:						
December 31, 2020	$239	—	$181	$5	$81	$506
December 31, 2021	**$178**	**—**	**$159**	**$3**	**$99**	**$439**

1 Primarily relates to the impact of foreign exchange and valuation adjustments for prior period acquisitions. 2021 includes adjustments related to RobecoSAM and 2020 includes adjustments related to 451 Research.

2 The reclassification in 2021 is related to RobecoSAM.

Definite-lived intangible assets are being amortized on a straight-line basis over periods of up to 21 years. The weighted-average life of the intangible assets as of December 31, 2021 is approximately 12 years.

Amortization expense was $96 million, $123 million and $122 million for the years ended December 31, 2021, 2020 and 2019, respectively. Expected amortization expense for intangible assets over the next five years for the years ended December 31, assuming no further acquisitions or dispositions, is as follows:

(in millions)	2022	2023	2024	2025	2026
Amortization expense [1]	$91	$85	$82	$65	$34

1 Amortization expense does not include the expected merger with IHS Markit which is expected to be completed in the first quarter of 2022.

4. Taxes on Income

Income before taxes on income resulting from domestic and foreign operations is as follows:

(in millions)	2021	2020	2019
	Year ended December 31,		
Domestic operations	**$2,874**	$2,226	$2,068
Foreign operations	**1,290**	1,002	862
Total income before taxes	**$4,164**	$3,228	$2,930

The provision for taxes on income consists of the following:

(in millions)	2021	2020	2019
	Year ended December 31,		
Federal:			
Current	**$438**	$349	$303
Deferred	**(9)**	1	13
Total federal	**429**	350	316
Foreign:			
Current	**295**	246	201
Deferred	**23**	(9)	14
Total foreign	**318**	237	215
State and local:			
Current	**153**	111	93
Deferred	**1**	(4)	3
Total state and local	**154**	107	96
Total provision for taxes	**$901**	$694	$627

A reconciliation of the U.S. federal statutory income tax rate to our effective income tax rate for financial reporting purposes is as follows:

	2021	2020	2019
	Year ended December 31,		
U.S. federal statutory income tax rate	**21.0%**	21.0%	21.0%
State and local income taxes	**3.3**	3.0	2.6
Foreign operations	**(0.2)**	(0.3)	(0.3)
Stock-based compensation	**(0.8)**	(0.7)	(1.4)
S&P Dow Jones Indices LLC joint venture	**(1.1)**	(1.2)	(1.2)
Tax credits and incentives	**(2.3)**	(2.2)	(1.7)
Other, net	**1.7**	1.9	2.4
Effective income tax rate	**21.6%**	21.5%	21.4%

The increase in the effective income tax rate in 2021 was primarily due to a change in the mix of income by jurisdiction. The increase in the effective income tax rate in 2020 was primarily due to a decrease in the recognition of excess tax benefits associated with share-based payments in the statement of income.

We have elected to recognize the tax on Global Intangible Low Taxed Income ("GILTI") as a period expense in the year the tax is incurred. GILTI expense is included in Other, net above.

The principal temporary differences between the accounting for income and expenses for financial reporting and income tax purposes are as follows:

(in millions)	2021	2020
	December 31,	
Deferred tax assets:		
Employee compensation	**$57**	64
Accrued expenses	**54**	41
Postretirement benefits	**28**	12
Unearned revenue	**74**	28
Forward exchange contracts	**71**	—
Loss carryforwards	**204**	217
Lease liabilities	**142**	186
Other	**32**	53
Total deferred tax assets	**662**	601
Deferred tax liabilities:		
Goodwill and intangible assets	**(394)**	(347)
Right of use asset	**(101)**	(138)
Postretirement benefits	**(46)**	—
Fixed assets	**(6)**	(7)
Total deferred tax liabilities	**(547)**	(492)
Net deferred income tax asset before valuation allowance	**115**	109
Valuation allowance	**(206)**	(219)
Net deferred income tax liability	**$(91)**	$(110)
Reported as:		
Non-current deferred tax assets	**$56**	$67
Non-current deferred tax liabilities	**(147)**	(177)
Net deferred income tax liability	**$(91)**	$(110)

We record valuation allowances against deferred income tax assets when we determine that it is more likely than not that such deferred income tax assets will not be realized based upon all the available evidence. The valuation allowance is primarily related to operating losses.

As of December 31, 2021, we have approximately $2.9 billion of undistributed earnings of our foreign subsidiaries, of which $0.8 billion is reinvested indefinitely in our foreign operations. We have not recorded deferred income taxes applicable to undistributed earnings of foreign subsidiaries that are indefinitely reinvested in foreign operations. Quantification of the deferred tax liability, if any, associated with indefinitely reinvested earnings is not practicable.

We made net income tax payments totaling $883 million in 2021, $683 million in 2020, and $659 million in 2019. As of December 31, 2021, we had net operating loss carryforwards of $761 million, of which a significant portion has an unlimited carryover period under current law.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Year ended December 31,		
(in millions)	**2021**	2020	2019
Balance at beginning of year	**$121**	$124	$147
Additions based on tax positions related to the current year	**35**	24	21
Additions for tax positions of prior years	**9**	1	11
Reduction for tax positions of prior years	**—**	(13)	(15)
Reduction for settlements	**(8)**	(4)	(33)
Expiration of applicable statutes of limitations	(10)	(11)	(7)
Balance at end of year	**$147**	$121	$124

The total amount of federal, state and local, and foreign unrecognized tax benefits as of December 31, 2021, 2020 and 2019 was $147 million, $121 million and $124 million, respectively, exclusive of interest and penalties. During the year ended December 31, 2021, the change in unrecognized tax benefits resulted in a net increase of tax expense of $31 million.

We recognize accrued interest and penalties related to unrecognized tax benefits in interest expense and operating-related expense, respectively. Based on the current status of income tax audits, we believe that the total amount of unrecognized tax benefits on the balance sheet may be reduced by up to approximately $16 million in the next twelve months as a result of the resolution of local tax examinations. In addition to the unrecognized tax benefits, we had $24 million as of both December 31, 2021 and 2020 of accrued interest and penalties associated with unrecognized tax benefits.

The U.S. federal income tax audits for 2017 through 2021 are in process. During 2021, we completed state and foreign tax audits and, with few exceptions, we are no longer subject to federal, state, or foreign income tax examinations by tax authorities for the years before 2013. The impact to tax expense in 2021, 2020 and 2019 was not material.

We file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions, and we are routinely under audit by many different tax authorities. We believe that our accrual for tax liabilities is adequate for all open audit years based on an assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. It is possible that tax examinations will be settled prior to December 31, 2022. If any of these tax audit settlements do occur within that period, we would make any necessary adjustments to the accrual for unrecognized tax benefits.

5. Debt

A summary of long-term debt outstanding is as follows:

	December 31,	
(in millions)	**2021**	2020
4.0% Senior Notes, due 2025 [1]	**$696**	$695
2.95% Senior Notes, due 2027 [2]	**496**	495
2.5% Senior Notes, due 2029 [3]	**496**	495
1.25% Senior Notes, due 2030 [4]	**593**	592
6.55% Senior Notes, due 2037 [5]	**290**	290
4.5% Senior Notes, due 2048 [6]	**273**	273
3.25% Senior Notes, due 2049 [7]	**589**	589
2.3% Senior Notes, due 2060 [8]	**681**	681
Long-term debt	**$4,114**	$4,110

1 Interest payments are due semiannually on June 15 and December 15, and as of December 31, 2021, the unamortized debt discount and issuance costs total $4 million.

2 Interest payments are due semiannually on January 22 and July 22, and as of December 31, 2021, the unamortized debt discount and issuance costs total $4 million.

3 Interest payments are due semiannually on June 1 and December 1, and as of December 31, 2021, the unamortized debt discount and issuance costs total $4 million.

4 Interest payments are due semiannually on February 15 and August 15, and as of December 31, 2021, the unamortized debt discount and issuance costs total $7 million.

5 Interest payments are due semiannually on May 15 and November 15, and as of December 31, 2021, the unamortized debt discount and issuance costs total $3 million.

6 Interest payments are due semiannually on May 15 and November 15, and as of December 31, 2021, the unamortized debt discount and issuance costs total $10 million.

7 Interest payments are due semiannually on June 1 and December 1, and as of December 31, 2021, the unamortized debt discount and issuance costs total $11 million.

8 Interest payments are due semiannually on February 15 and August 15, and as of December 31, 2021, the unamortized debt discount and issuance costs total $19 million.

Annual debt maturities are scheduled as follows based on book values as of December 31, 2021: no amounts due in 2022, 2023, or 2024; $696 million due in 2025; no amounts due in 2026; and $3.4 billion due thereafter.

On April 26, 2021, we entered into a revolving $1.5 billion five-year credit agreement (our "credit facility") that will terminate on April 26, 2026. This credit facility replaced our revolving $1.2 billion five-year credit facility (our "previous credit facility") that was scheduled to terminate on June 30, 2022. The previous credit facility was canceled immediately after the new credit facility became effective. There were no outstanding borrowings under the previous credit facility when it was replaced.

On August 13, 2020, we issued $600 million of 1.25% senior notes due in 2030 and $700 million of 2.3% senior notes due in 2060. The notes are fully and unconditionally guaranteed by our wholly-owned subsidiary, Standard & Poor's Financial Services LLC. In the third quarter of 2020, we used the net proceeds to fund the redemption and extinguishment of the $900 million outstanding principal amount of our 4.4% senior notes due in 2026 and a portion of the outstanding principal amount of our 6.55% senior notes due in 2037 and our 4.5% senior notes due in 2048.

On November 26, 2019, we issued $500 million of 2.5% senior notes due in 2029 and $600 million of 3.25% senior notes due in 2049. The notes are fully and unconditionally guaranteed by our wholly-owned subsidiary, Standard & Poor's Financial Services LLC. In the fourth quarter of 2019, we used the net proceeds to fund the redemption of the $700 million outstanding principal amount of our 3.3% senior notes due in August of 2020 and a portion of the $400 million outstanding principal amount of our 6.55% senior notes due in October of 2037.

We have the ability to borrow a total of $1.5 billion through our commercial paper program, which is supported by our credit facility. As of December 31, 2021 and 2020, there was no commercial paper issued or outstanding, and we similarly did not draw or have any borrowings outstanding from the credit facility or the previous credit facility during the years ended December 31, 2021 and 2020.

Commitment fees for the unutilized commitments under the credit facility and applicable margins for borrowings thereunder are linked to the Company achieving three environmental sustainability performance indicators related to emissions, tested annually. We currently pay a commitment fee of 9 basis points. The credit facility also includes an accordion feature which allows the Company to increase the total commitments thereunder by up to an additional $500 million, subject to certain customary terms and conditions. The credit facility contains customary affirmative and negative covenants and customary events of default. The occurrence of an event of default could result in an acceleration of the obligations under the credit facility.

The only financial covenant required under our credit facility is that our indebtedness to cash flow ratio, as defined in our credit facility, was not greater than 4 to 1, and this covenant level has never been exceeded.

6. Derivative Instruments

Our exposure to market risk includes changes in foreign exchange rates and interest rates. We have operations in foreign countries where the functional currency is primarily the local currency. For international operations that are determined to be extensions of the parent company, the U.S. dollar is the functional currency. We typically have naturally hedged positions in most countries from a local currency perspective with offsetting assets and liabilities. As of December 31, 2021 and December 31, 2020, we have entered into foreign exchange forward contracts to mitigate or hedge the effect of adverse fluctuations in foreign exchange rates and cross currency swap contracts to hedge a portion of our net investment in a foreign subsidiary against volatility in foreign exchange rates. During the twelve months ended December 31, 2021, we entered into a series of interest rate swaps to mitigate or hedge the adverse fluctuations in interest rates on our future debt refinancing. These contracts are recorded at fair value that is based on foreign currency exchange rates and interest rates in active markets; therefore, we classify these derivative contracts within Level 2 of the fair value hierarchy. We do not enter into any derivative financial instruments for speculative purposes.

Undesignated Derivative Instruments

During the twelve months ended December 31, 2021, 2020 and 2019 we entered into foreign exchange forward contracts in order to mitigate the change in fair value of specific assets and liabilities in the consolidated balance sheet. These forward contracts do not qualify for hedge accounting. As of December 31, 2021 and 2020, the aggregate notional value of these outstanding forward contracts was $376 million and $460 million, respectively. The changes in fair value of these forward contracts are recorded in prepaid and other assets or other current liabilities in the consolidated balance sheet with their corresponding change in fair value recognized in selling and general expenses in the consolidated statement of income. The amount recorded in prepaid and other current assets as of December 31, 2021 and 2020 was $5 million and $2 million, respectively. The amount recorded in other current liabilities was less than $1 million as of December 31, 2021 and $2 million as of December 31, 2020. The amount recorded in selling and general expense for the twelve months ended December 31, 2021 and 2020 related to these contracts was a net loss of $9 million and a net gain of $9 million, respectively.

Net Investment Hedges

During the twelve months ended December 31, 2021 and 2020, we entered into cross currency swaps to hedge a portion of our net investment in one of our European subsidiaries against volatility in the Euro/U.S. dollar exchange rate. These swaps are designated and qualify as a hedge of a net investment in a foreign subsidiary and are scheduled to mature in 2024, 2029, 2030. The notional value of our outstanding cross currency swaps designated as a net investment hedge was $1 billion as of December 31, 2021 and 2020, respectively. The changes in the fair value of swaps are recognized in foreign currency translation adjustments, a component of other comprehensive income (loss), and reported in accumulated other comprehensive loss in our consolidated balance sheet. The gain or loss will be subsequently reclassified into net earnings when the hedged net investment is either sold or substantially liquidated. We have elected to assess the effectiveness of our net investment hedges based on changes in spot exchange rates. Accordingly, amounts related to the cross currency swaps recognized directly in net income represent net periodic interest settlements and accruals, which are recognized in interest expense, net. We recognized net interest income of $20 million and $10 million during the twelve months ended December 31, 2021 and 2020, respectively.

Cash Flow Hedges

Foreign Exchange Forward Contracts

During the twelve months ended December 31, 2021, 2020 and 2019, we entered into a series of foreign exchange forward contracts to hedge a portion of the Indian rupee, British pound, and Euro exposures through the fourth quarter of 2023, 2022 and 2020 respectively. These contracts are intended to offset the impact of movement of exchange rates on future revenue and operating costs and are scheduled to mature within twenty-four months. The changes in the fair value of these contracts are initially reported in accumulated other comprehensive loss in our consolidated balance sheet and are subsequently reclassified into revenue and selling and general expenses in the same period that the hedged transaction affects earnings.

As of December 31, 2021, we estimate that $6 million of pre-tax gain related to foreign exchange forward contracts designated as cash flow hedges recorded in other comprehensive income is expected to be reclassified into earnings within the next twelve months.

As of December 31, 2021 and December 31, 2020, the aggregate notional value of our outstanding foreign exchange forward contracts designated as cash flow hedges was $498 million and $489 million, respectively.

Interest Rate Swaps

During the twelve months ended December 31, 2021, we entered into a series of interest rate swaps. These contracts are intended to mitigate or hedge the adverse fluctuations in interest rates on our future debt refinancing and are scheduled to mature beginning in the first quarter of 2027. These interest rate swaps are designated as cash flow hedges. The changes in the fair value of these contracts are initially reported in accumulated other comprehensive loss in our consolidated balance sheet and will be subsequently reclassified into interest expense, net in the same period that the hedged transaction affects earnings.

As of December 31, 2021, the aggregate notional value of our outstanding interest rate swaps designated as cash flow hedges was $2.3 billion.

The following table provides information on the location and fair value amounts of our cash flow hedges and net investment hedges as of December 31, 2021 and December 31, 2020:

		December 31,	
(in millions)		**2021**	2020
Balance Sheet Location			
Derivatives designated as cash flow hedges:			
Prepaid and other current assets	Foreign exchange forward contracts	**$7**	$23
Other current liabilities	Foreign exchange forward contracts	**$—**	$2
Other non-current liabilities	Interest rate swap contracts	**$270**	$—
Derivatives designated as net investment hedges:			
Other non-current liabilities	Cross currency swaps	**$17**	$107

The following table provides information on the location and amounts of pre-tax gains (losses) on our cash flow hedges and net investment hedges for the years ended December 31:

	Gain (Loss) Recognized in Accumulated Other Comprehensive Loss (effective portion)			Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income (effective portion)	Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income (effective portion)		
(in millions)	**2021**	2020	2019		**2021**	2020	2019
Cash flow hedges - designated as hedging instruments							
Foreign exchange forward contracts	**$(11)**	$17	$(2)	Revenue, Selling and general expenses	**$19**	$2	$5
Interest rate swap contracts	**$(270)**	**$—**	**$—**	Interest expense, net	**$—**	**$—**	**$—**
Net investment hedges - designated as hedging instruments							
Cross currency swaps	**$84**	$97	$(10)	Interest expense, net	**$(5)**	$—	$—

The activity related to the change in unrealized gains (losses) in accumulated other comprehensive loss was as follows for the years ended December 31:

	Year ended December 31,		
(in millions)	**2021**	2020	2019
Cash Flow Hedges			
Foreign exchange forward contracts			
Net unrealized gains on cash flow hedges, net of taxes, beginning of period	**$14**	$2	$4
Change in fair value, net of tax	**11**	14	3
Reclassification into earnings, net of tax	**(19)**	(2)	(5)
Net unrealized gains on cash flow hedges, net of taxes, end of period	**$6**	$14	$2
Interest rate swap contracts			
Net unrealized losses on cash flow hedges, net of taxes, beginning of period	$—	$—	$—
Change in fair value, net of tax	**(203)**	—	—
Reclassification into earnings, net of tax	**—**	—	—
Net unrealized losses on cash flow hedges, net of taxes, end of period	**$(203)**	$—	$—
Net Investment Hedges			
Net unrealized losses on net investment hedges, net of taxes, beginning of period	**$(81)**	$(8)	$—
Change in fair value, net of tax	**59**	(73)	(8)
Reclassification into earnings, net of tax	**5**	—	—
Net unrealized losses on net investment hedges, net of taxes, end of period	**$(17)**	$(81)	$(8)

7. Employee Benefits

We maintain a number of active defined contribution retirement plans for our employees. The majority of our defined benefit plans are frozen. As a result, no new employees will be permitted to enter these plans and no additional benefits for current participants in the frozen plans will be accrued.

We also have supplemental benefit plans that provide senior management with supplemental retirement, disability and death benefits. Certain supplemental retirement benefits are based on final monthly earnings. In addition, we sponsor a voluntary 401(k) plan under which we may match employee contributions up to certain levels of compensation as well as profit-sharing plans under which we contribute a percentage of eligible employees' compensation to the employees' accounts.

We also provide certain medical, dental and life insurance benefits for active and retired employees and eligible dependents. The medical and dental plans and supplemental life insurance plan are contributory, while the basic life insurance plan is noncontributory. We currently do not prefund any of these plans.

We recognize the funded status of our retirement and postretirement plans in the consolidated balance sheets, with a corresponding adjustment to accumulated other comprehensive loss, net of taxes. The amounts in accumulated other comprehensive loss represent net unrecognized actuarial losses and unrecognized prior service costs. These amounts will be subsequently recognized as net periodic pension cost pursuant to our accounting policy for amortizing such amounts.

Net periodic benefit cost for our retirement and postretirement plans other than the service cost component are included in other (income) expense, net in our consolidated statements of income.

Benefit Obligation

A summary of the benefit obligation and the fair value of plan assets, as well as the funded status for the retirement and postretirement plans as of December 31, 2021 and 2020, is as follows (benefits paid in the table below include only those amounts contributed directly to or paid directly from plan assets):

	RETIREMENT PLANS		POSTRETIREMENT PLANS	
(in millions)	**2021**	2020	**2021**	2020
Net benefit obligation at beginning of year	**$2,220**	$1,945	**$36**	$38
Service cost	**4**	4	**—**	—
Interest cost	**40**	52	**1**	1
Plan participants' contributions	**—**	—	**2**	2
Actuarial (gain) loss [1]	**(55)**	269	**(2)**	1
Gross benefits paid	**(77)**	(76)	**(5)**	(6)
Foreign currency effect	**(10)**	26	**—**	—
Other adjustments [2]	**—**	—	**(4)**	—
Net benefit obligation at end of year	**2,122**	2,220	**28**	36
Fair value of plan assets at beginning of year	**2,243**	1,960	**9**	13
Actual return on plan assets	**58**	327	**—**	—
Employer contributions	**11**	12	**—**	—
Plan participants' contributions	**—**	—	**2**	2
Gross benefits paid	**(77)**	(76)	**(5)**	(6)
Foreign currency effect	**(4)**	20	**—**	—
Fair value of plan assets at end of year	**2,231**	2,243	**6**	9
Funded status	**$109**	$23	**$(22)**	$(27)
Amounts recognized in consolidated balance sheets:				
Non-current assets	**$359**	$297	**$—**	$—
Current liabilities	**(10)**	(10)	**—**	—
Non-current liabilities	**(240)**	(264)	**(22)**	(27)
	$109	$23	**$(22)**	$(27)
Accumulated benefit obligation	**$2,110**	$2,204		
Plans with accumulated benefit obligation in excess of the fair value of plan assets:				
Projected benefit obligation	**$250**	$274		
Accumulated benefit obligation	**$238**	$258		
Fair value of plan assets	**$—**	$—		
Amounts recognized in accumulated other comprehensive loss, net of tax:				
Net actuarial loss (gain)	**$350**	$373	**$(36)**	$(37)
Prior service credit	**2**	2	**(14)**	(12)
Total recognized	**$352**	$375	**$(50)**	$(49)

1 The actuarial gain in 2021 compared to the actuarial loss in 2020 was primarily due to an increase in the discount rate.

2 Relates to the impact of a plan amendment in 2021.

Net Periodic Benefit Cost

For purposes of determining annual pension cost, prior service costs are being amortized straight-line over the average expected remaining lifetime of plan participants expected to receive benefits.

A summary of net periodic benefit cost for our retirement and postretirement plans for the years ended December 31, is as follows:

	RETIREMENT PLANS			POSTRETIREMENT PLANS		
(in millions)	**2021**	2020	2019	**2021**	2020	2019
Service cost	**$4**	$4	$3	**$—**	$—	$—
Interest cost	**40**	52	64	**1**	1	1
Expected return on assets	**(104)**	(102)	(108)	**—**	—	—
Amortization of:						
Actuarial loss (gain)	**21**	17	12	**(2)**	(2)	(2)
Prior service credit	**—**	—	—	**(1)**	(1)	(1)
Net periodic benefit cost	**(39)**	(29)	(29)	**(2)**	(2)	(2)
Settlement charge	**3**[1]	3[1]	113[2]	**—**	—	—
Total net periodic benefit cost	**$(36)**	(26)	$84	**$(2)**	$(2)	$(2)

1 During the years ended December 31, 2021 and 2020, lump sum withdrawals exceeded the combined total anticipated annual service and interest cost of our U.K. pension plan, triggering the recognition of non-cash pre-tax settlement charges of $3 million.

2 Relates to the impact of a retiree annuity purchase in 2019. The Company purchased a group annuity contract under which an insurance company assumed a portion of the Company's obligation to pay pension benefits to the plan's beneficiaries. The purchase of this group annuity contract was funded by pension plan assets. The non-cash pretax settlement charge reflects the accelerated recognition of a portion of unamortized actuarial losses in the plan.

Our U.K. retirement plan accounted for a benefit of $22 million in 2021, $17 million in 2020 and $14 million in 2019 of the net periodic benefit cost attributable to the funded plans.

Other changes in plan assets and benefit obligations recognized in other comprehensive income, net of tax for the years ended December 31, are as follows:

	RETIREMENT PLANS			POSTRETIREMENT PLANS		
(in millions)	**2021**	2020	2019	**2021**	2020	2019
Net actuarial loss (gain)	**$(6)**	$28	$(10)	**$(1)**	$1	$—
Recognized actuarial (gain) loss	**(15)**	(9)	(10)	**1**	2	1
Prior service cost	**—**	—	—	**(1)**	1	1
Settlement charge	**(2)**[1]	(2)[1]	(85)[2]	**—**	—	—
Total recognized	**$(23)**	$17	$(105)	**$(1)**	$4	$2

1 During the years ended December 31, 2021 and 2020, lump sum withdrawals exceeded the combined total anticipated annual service and interest cost of our U.K. pension plan, triggering the recognition of non-cash pre-tax settlement charges of $3 million.

2 Relates to the impact of a retiree annuity purchase in 2019. The Company purchased a group annuity contract under which an insurance company assumed a portion of the Company's obligation to pay pension benefits to the plan's beneficiaries. The purchase of this group annuity contract was funded by pension plan assets. The non-cash after tax settlement charge reflects the accelerated recognition of a portion of unamortized actuarial losses in the plan.

The total cost for our retirement plans was $93 million for 2021, $91 million for 2020 and $187 million for 2019. The total cost for our retirement plans in 2019 includes the $113 million settlement charge related to the retiree annuity purchase in 2019. Included in the total retirement plans cost are defined contribution plans cost of $86 million for 2021, $80 million for 2020 and $73 million for 2019.

Assumptions

	RETIREMENT PLANS			POSTRETIREMENT PLANS		
	2021	2020	2019	**2021**	2020	2019
Benefit obligation:						
Discount rate [2]	**3.05%**	2.75%	3.45%	**2.72%**	2.20%	3.08%
Net periodic cost:						
Weighted-average healthcare cost rate [1]				**N/A**	6.00%	6.50%
Discount rate - U.S. plan [2]	**2.75%**	3.45%	4.40%	**2.20%**	3.08%	4.15%
Discount rate - U.K. plan [2]	**1.36%**	1.92%	2.72%			
Return on assets [3]	**5.00%**	5.50%	6.00%			

1 The health care cost trend rate no longer applies since all subsidized benefits subject to trend were eliminated in 2021.

2 Effective January 1, 2021, we changed our discount rate assumption on our U.S. retirement plans to 2.75% from 3.45% in 2020 and changed our discount rate assumption on our U.K. plan to 1.36% from 1.92% in 2020.

3 The expected return on assets assumption is calculated based on the plan's asset allocation strategy and projected market returns over the long-term. Effective January 1, 2022, our return on assets assumption for the U.S. plan was reduced to 4.00% from 5.00% and the U.K. plan was reduced to 5.00% from 5.50%.

Cash Flows

In December of 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act") was enacted. The Act established a prescription drug benefit under Medicare, known as "Medicare Part D", and a federal subsidy to sponsors of retiree healthcare benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. Our benefits provided to certain participants are at least actuarially equivalent to Medicare Part D, and, accordingly, we are entitled to a subsidy. Effective January 1, 2021, we elected to no longer file for Medicare Part D subsidy.

Expected employer contributions in 2022 are $11 million and $3 million for our retirement and postretirement plans, respectively.

In 2022, we may elect to make non-required contributions depending on investment performance and the pension plan status. Information about the expected cash flows for our retirement and postretirement plans is as follows:

(in millions)	Retirement Plans [1]	Postretirement Plans [2]
2022	$70	3
2023	73	3
2024	75	3
2025	79	3
2026	82	2
2027-2031	447	8

1 Reflects the total benefits expected to be paid from the plans or from our assets including both our share of the benefit cost and the participants' share of the cost.

2 Reflects the total benefits expected to be paid from our assets.

Fair Value of Plan Assets

In accordance with authoritative guidance for fair value measurements certain assets and liabilities are required to be recorded at fair value. Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value hierarchy has been established which requires us to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair value of our defined benefit plans assets as of December 31, 2021 and 2020, by asset class is as follows:

	December 31, 2021			
(in millions)	**Total**	**Level 1**	**Level 2**	**Level 3**
Cash and short-term investments	$6	$6	$—	$—
Equities:				
U.S. indexes [1]	6	6	—	—
Fixed income:				
Long duration strategy [2]	1,376	—	1,376	—
Intermediate duration securities	59	—	59	—
Real Estate:				
U.K. [3]	44	—	—	44
Infrastructure:				
U.K. [4]	81	—	81	—
Total	**$1,572**	**$12**	**$1,516**	**$44**
Common collective trust funds measured at net asset value as a practical expedient				
Collective investment funds [5]	**$659**			
Total	**$2,231**			

(in millions)	Total	Level 1	Level 2	Level 3
	December 31, 2020			
Cash and short-term investments	$4	$4	$—	$—
Equities:				
U.S. indexes [1]	9	9	—	—
U.S. growth and value	41	41	—	—
Fixed income:				
Long duration strategy [2]	1,339	—	1,339	—
Intermediate duration securities	57	—	57	—
Real Estate:				
U.K. [3]	38	—	—	38
Infrastructure:				
U.K. [4]	$78	$—	$78	—
Total	**$1,566**	**$54**	**$1,474**	**$38**
Common collective trust funds measured at net asset value as a practical expedient:				
Collective investment funds [5]	**$677**			
Total	**$2,243**			

1 Includes securities that are tracked in the S&P Smallcap 600 index.

2 Includes securities that are mainly investment grade obligations of issuers in the U.S.

3 Includes a fund which holds real estate properties in the U.K.

4 Includes funds that invest in global infrastructure for the U.K. Pension.

5 Includes the Standard & Poor's 500 Composite Stock Index, the Standard & Poor's MidCap 400 Composite Stock Index, a short-term investment fund which is a common collective trust vehicle, and other various asset classes.

For securities that are quoted in active markets, the trustee/custodian determines fair value by applying securities' prices obtained from its pricing vendors. For commingled funds that are not actively traded, the trustee applies pricing information provided by investment management firms to the unit quantities of such funds. Investment management firms employ their own pricing vendors to value the securities underlying each commingled fund. Underlying securities that are not actively traded derive their prices from investment managers, which in turn, employ vendors that use pricing models (e.g., discounted cash flow, comparables). The domestic defined benefit plans have no investment in our stock, except through the S&P 500 commingled trust index fund.

The trustee obtains estimated prices from vendors for securities that are not easily quotable and they are categorized accordingly as Level 3. The following table details further information on our plan assets where we have used significant unobservable inputs:

(in millions)	**Level 3**
Balance as of December 31, 2020	$38
Distributions	(2)
Gain (loss)	8
Balance as of December 31, 2021	$44

Pension Trusts' Asset Allocations

There are two pension trusts, one in the U.S. and one in the U.K.

– The U.S. pension trust had assets of $1,600 million and $1,630 million as of December 31, 2021 and 2020 respectively, and the target allocations in 2021 include 92% fixed income, 4% domestic equities, 2% international equities and 2% cash and cash equivalents.

– The U.K. pension trust had assets of $631 million and $613 million as of December 31, 2021 and 2020, respectively, and the target allocations in 2021 include 55% fixed income, 15% diversified growth funds, 15% infrastructure, 8% equities and 7% real estate.

The pension assets are invested with the goal of producing a combination of capital growth, income and a liability hedge. The mix of assets is established after consideration of the long-term performance and risk characteristics of asset classes. Investments are selected based on their potential to enhance returns, preserve capital and reduce overall volatility. Holdings are diversified within each asset class. The portfolios employ a mix of index and actively managed equity strategies by market capitalization, style, geographic regions and economic sectors. The fixed income strategies include U.S. long duration securities, opportunistic fixed income securities and U.K. debt instruments. The short-term portfolio, whose primary goal is capital preservation for liquidity purposes, is composed of government and government-agency securities, uninvested cash, receivables and payables. The portfolios do not employ any financial leverage.

U.S. Defined Contribution Plan

Assets of the defined contribution plan in the U.S. consist primarily of investment options, which include actively managed equity, indexed equity, actively managed equity/bond funds, target date funds, S&P Global Inc. common stock, stable value and money market strategies. There is also a self-directed mutual fund investment option. The plan purchased 107,651 shares and sold 160,415 shares of S&P Global Inc. common stock in 2021 and purchased 296,921 shares and sold 331,088 shares of S&P Global Inc. common stock in 2020. The plan held approximately 1.2 million and 1.3 million shares of S&P Global Inc. common stock as of December 31, 2021 and 2020, respectively, with market values of $567 million and $414 million, respectively. The plan received dividends on S&P Global Inc. common stock of $3.8 million and $3 million during the years ended December 31, 2021 and December 31, 2020, respectively.

8. Stock-Based Compensation

We issue stock-based incentive awards to our eligible employees under the 2019 Employee Stock Incentive Plan and to our eligible non-employee Directors under a Director Deferred Stock Ownership Plan. No further awards may be granted under the 2002 Employee Stock Incentive Plan (the "2002 Plan"), although awards granted under the 2002 Plan prior to the adoption of the new 2019 Plan in June of 2019 remain outstanding in accordance with their terms.

- **2019 Employee Stock Incentive Plan (the "2019 Plan")**
  The 2019 Plan permits the granting of incentive stock options, nonqualified stock options, stock appreciation rights, performance stock, restricted stock and other stock-based awards.
- **Director Deferred Stock Ownership Plan**
  Under this plan, common stock reserved may be credited to deferred stock accounts for eligible Directors. In general, the plan requires that 50% of eligible Directors' annual compensation plus dividend equivalents be credited to deferred stock accounts. Each Director may also elect to defer all or a portion of the remaining compensation and have an equivalent number of shares credited to the deferred stock account. Recipients under this plan are not required to provide consideration to us other than rendering service. Shares will be delivered as of the date a recipient ceases to be a member of the Board of Directors or within five years thereafter, if so elected. The plan will remain in effect until terminated by the Board of Directors or until no shares of stock remain available under the plan.

The number of common shares reserved for issuance are as follows:

	December 31,	
(in millions)	**2021**	2020
Shares available for granting [1]	**19.5**	19.7
Options outstanding	**0.3**	0.5
Total shares reserved for issuance [2]	**19.8**	20.2

1 Shares available for granting at December 31, 2021 and 2020 are under the 2019 Plan.

2 Shares reserved for issuance under the Director Deferred Stock Ownership Plan are not included in the total, but are less than 1.0 million at both December 31, 2021 and 2020.

We issue treasury shares upon exercise of stock options and the issuance of restricted stock and unit awards. To offset the dilutive effect of the exercise of employee stock options, we periodically repurchase shares. See Note 9 – *Equity* for further discussion.

Stock-based compensation expense and the corresponding tax benefit are as follows:

	Year ended December 31,		
(in millions)	**2021**	2020	2019
Stock option expense	**$—**	$—	$1
Restricted stock and unit awards expense	**122**	90	77
Total stock-based compensation expense	**$122**	$90	$78
Tax benefit	**$20**	$15	$13

Stock Options

Stock options may not be granted at a price less than the fair market value of our common stock on the date of grant. Stock options granted vest over a four year service period and have a maximum term of 10 years. Stock option compensation costs are recognized from the date of grant, utilizing a four-year graded vesting method. Under this method, more than half of the costs are recognized over the first twelve months, approximately one-quarter of the costs are recognized over a twenty-four month period starting from the date of grant, approximately one-tenth of the costs are recognized over a thirty-six month period starting from the date of grant, and the remaining costs recognized over a forty-eight month period starting from the date of grant.

There were no stock options granted in 2021, 2020, and 2019.

Stock option activity is as follows:

(in millions, except per award amounts)	Shares	Weighted-average exercise price	Weighted-average remaining years of contractual term	Aggregate intrinsic value
Options outstanding as of December 31, 2020	0.5	$60.46		
Exercised	(0.2)	$283.56		
Forfeited and expired [1]	—	$39.94		
Options outstanding as of December 31, 2021	**0.3**	**$67.14**	**1.99**	**$113**
Options exercisable as of December 31, 2021	**0.3**	**$67.14**	**1.99**	**$113**

1 There are less than 0.1 million shares forfeited and expired.

(in millions, except per award amounts)	Shares	Weighted-average grant-date fair value
Nonvested options outstanding as of December 31, 2020	—	$111.96
Vested [1]	—	$111.96
Nonvested options outstanding as of December 31, 2021 [2]	**—**	**—**
Total unrecognized compensation expense related to nonvested options	**$—**	
Weighted-average years to be recognized over	**0.0**	

1 There are less than 0.1 million shares vested.

2 There are no nonvested options outstanding as of December 31, 2021.

The total fair value of our stock options that vested during the years ended December 31, 2021, 2020 and 2019 was less than $1 million, $2 million and $3 million, respectively.

Information regarding our stock option exercises is as follows:

	Year ended December 31,		
(in millions)	**2021**	2020	2019
Net cash proceeds from the exercise of stock options	**$13**	$16	$40
Total intrinsic value of stock option exercises	**$41**	$60	$110
Income tax benefit realized from stock option exercises	**$11**	$13	$33

Restricted Stock and Unit Awards

Restricted stock and unit awards (performance and non-performance) have been granted under the 2002 Plan and 2019 Plan. Performance unit awards will vest only if we achieve certain financial goals over the performance period. Restricted stock non-performance awards have various vesting periods (generally three years), with vesting beginning on the first anniversary of the awards. Recipients of restricted stock and unit awards are not required to provide consideration to us other than rendering service.

The stock-based compensation expense for restricted stock and unit awards is determined based on the market price of our stock at the grant date of the award applied to the total number of awards that are anticipated to fully vest. For performance unit awards, adjustments are made to expense dependent upon financial goals achieved.

Restricted stock and unit activity for performance and non-performance awards is as follows:

(in millions, except per award amounts)	**Shares**	**Weighted-average grant-date fair value**
Nonvested shares as of December 31, 2020	**0.6**	$227.67
Granted	**0.4**	$296.49
Vested	**(0.5)**	$219.85
Forfeited	**—**	$263.18
Nonvested shares as of December 31, 2021	**0.5**	$299.28
Total unrecognized compensation expense related to nonvested awards	**$101**	
Weighted-average years to be recognized over	**1.7**	

	Year ended December 31,		
	2021	2020	2019
Weighted-average grant-date fair value per award	**$296.49**	$232.92	$187.40
Total fair value of restricted stock and unit awards vested	**$243**	$134	$153
Tax benefit relating to restricted stock activity	**$48**	$26	$29

9. Equity

Capital Stock

Two million shares of preferred stock, par value $1 per share, are authorized; none have been issued.

On January 26, 2022, the Board of Directors approved a quarterly common stock dividend of $0.77 per share. Following the expected closing of the merger with IHS Markit, the Board of Directors will revisit the dividend policy of the combined Company.

	Year ended December		
	2021	2020	2019
Quarterly dividend rate	**$0.77**	$0.67	$0.57
Annualized dividend rate	**$3.08**	$2.68	$2.28
Dividends paid (in millions)	**$743**	$645	$560

Stock Repurchases

On January 29, 2020, the Board of Directors approved a share repurchase program authorizing the purchase of 30 million shares (the “2020 Repurchase Program”), which was approximately 12% of the total shares of our outstanding common stock at that time. On December 4, 2013, the Board of Directors approved a share repurchase program authorizing the purchase of 50 million shares (the “2013 Repurchase Program”), which was approximately 18% of the total shares of our outstanding common stock at that time.

Our purchased shares may be used for general corporate purposes, including the issuance of shares for stock compensation plans and to offset the dilutive effect of the exercise of employee stock options. As of December 31, 2021, 30 million shares remained available under the 2020 Repurchase Program and 0.8 million shares remained available under the 2013 repurchase program. Our 2020 Repurchase Program and 2013 Repurchase Program have no expiration date and purchases under these programs may be made from time to time on the open market and in private transactions, depending on market conditions.

We have entered into accelerated share repurchase (“ASR”) agreements with financial institutions to initiate share repurchases of our common stock. Under an ASR agreement, we pay a specified amount to the financial institution and receive an initial delivery of shares. This initial delivery of shares represents the minimum number of shares that we may receive under the agreement. Upon settlement of the ASR agreement, the financial institution delivers additional shares. The total number of shares ultimately delivered, and therefore the average price paid per share, is determined at the end of the applicable purchase period of each ASR agreement based on the volume weighted-average share price, less a discount. We account for our ASR agreements as two transactions: a stock purchase transaction and a forward stock purchase contract. The shares delivered under the ASR agreements resulted in a reduction of outstanding shares used to determine our weighted average common shares outstanding for purposes of calculating basic and diluted earnings per share. The repurchased shares are held in Treasury. The forward stock purchase contracts were classified as equity instruments. The ASR agreements were executed under our 2013 Repurchase Program, approved on December 4, 2013.

The terms of each ASR agreement entered into for the years ended December 31, 2021, 2020 and 2019, structured as outlined above, are as follows:

(in millions, except average price)

ASR Agreement Initiation Date	ASR Agreement Completion Date	Initial Shares Delivered	Additional Shares Delivered	Total Number of Shares Purchased	Average Price Paid Per Share	Total Cash Utilized
February 11, 2020 [1]	July 27, 2020	1.3	0.4	1.7	$292.13	$500
February 11, 2020 [2]	July 27, 2020	1.4	0.3	1.7	$292.13	$500
August 5, 2019 [3]	October 1, 2019	1.7	0.3	2.0	$253.36	$500
February 11, 2019 [4]	July 31, 2019	2.2	0.1	2.3	$214.65	$500

1 The ASR agreement was structured as a capped ASR agreement in which we paid $500 million and received an initial delivery of 1.3 million shares and an additional amount of 0.2 million in February 2020, representing a minimum number of shares of our common stock to be repurchased based on a calculation using a specified capped price per share. We completed the ASR agreement on July 27, 2020 and received an additional 0.2 million shares.

2 The ASR agreement was structured as an uncapped ASR agreement in which we paid $500 million and received an initial delivery of 1.4 million shares, representing 85% of the $500 at a price equal to the then market price of the Company. We completed the ASR agreement on July 27, 2020 and received an additional 0.3 million shares.

3 The ASR agreement was structured as a capped ASR agreement in which we paid $500 million and received an initial delivery of 1.7 million shares, and an additional amount of 0.2 million in August 2019, representing a minimum number of shares of our common stock to be repurchased based on a calculation using a specified capped price per share. We completed the ASR agreement on October 1, 2019 and received an additional 0.1 million shares.

4 The ASR agreement was structured as an uncapped ASR agreement in which we paid $500 million and received an initial delivery of 2.2 million shares, representing 85% of the $500 at a price equal to the then market price of the Company. We completed the ASR agreement on July 31, 2019 and received an additional 0.1 million shares.

Additionally, we purchased shares of our common stock in the open market as follows:

(in millions, except average price) Year Ended	Total number of shares purchased	Average price paid per share	Total cash utilized
December 31, 2020	0.5	$295.40	$161
December 31, 2019	1.2	$208.83	$240

During the year ended December 31, 2021, we did not use cash to purchase any shares. During the year ended December 31, 2020, we purchased a total of 4.0 million shares for $1,161 million of cash. During the fourth quarter of 2019, we repurchased shares for $3 million, which settled in the first quarter of 2020, resulting in $1,164 million of cash used to repurchase shares. During the year ended December 31, 2019, we received 5.9 million shares, including 0.4 million shares received in January of 2019 related to our October 29, 2018 ASR agreement, resulting in $1,240 million of cash used to repurchase shares.

Redeemable Noncontrolling Interests

The agreement with the minority partners that own 27% of our S&P Dow Jones Indices LLC joint venture contains redemption features whereby interests held by minority partners are redeemable either (i) at the option of the holder or (ii) upon the occurrence of an event that is not solely within our control. Specifically, under the terms of the operating agreement of S&P Dow Jones Indices LLC, CME Group and CME Group Index Services LLC ("CGIS") has the right at any time to sell, and we are obligated to buy, at least 20% of their share in S&P Dow Jones Indices LLC. In addition, in the event there is a change of control of the Company, for the 15 days following a change in control, CME Group and CGIS will have the right to put their interest to us at the then fair value of CME Group's and CGIS' minority interest.

If interests were to be redeemed under this agreement, we would generally be required to purchase the interest at fair value on the date of redemption. This interest is presented on the consolidated balance sheets outside of equity under the caption "Redeemable noncontrolling interest" with an initial value based on fair value for the portion attributable to the net assets we acquired, and based on our historical cost for the portion attributable to our S&P Index business. We adjust the redeemable noncontrolling interest each reporting period to its estimated redemption value, but never less than its initial fair value, using both income and market valuation approaches. Our income and market valuation approaches may incorporate Level 3 fair value measures for instances when observable inputs are not available. The more significant judgmental assumptions used to estimate the value of the S&P Dow Jones Indices LLC joint venture include an estimated discount rate, a range of assumptions that form the basis of the expected future net cash flows (e.g., the revenue growth rates and operating margins), and a company specific beta. The significant judgmental assumptions used that incorporate market data, including the relative weighting of market observable information and the comparability of that information in our valuation models, are forward-looking and could be affected by future economic and market conditions. Any adjustments to the redemption value will impact retained income.

Noncontrolling interests that do not contain such redemption features are presented in equity.

Changes to redeemable noncontrolling interest during the year ended December 31, 2021 were as follows:

(in millions)	
Balance as of December 31, 2020	$2,781
Net income attributable to redeemable noncontrolling interest	215
Distributions to noncontrolling interest	(198)
Redemption value adjustment	631
Balance as of December 31, 2021	$3,429

Accumulated Other Comprehensive Loss

The following table summarizes the changes in the components of accumulated other comprehensive loss for the year ended December 31, 2021:

(in millions)	Foreign Currency Translation Adjustments [1,3]	Pension and Postretirement Benefit Plans [2]	Unrealized Gain (Loss) on Cash Flow Hedges [3]	Accumulated Other Comprehensive Loss
Balance as of December 31, 2020	$(323)	$(328)	$14	$(637)
Other comprehensive (loss) income before reclassifications	(18)	8	(195)	(205)
Reclassifications from accumulated other comprehensive income (loss) to net earnings	5	15	(19)	1
Net other comprehensive gain (loss) income	(13)	23	(214)	(204)
Balance as of December 31, 2021	$(336)	$(305)	$(200)	$(841)

1 Includes an unrealized gain related to our cross currency swaps. See note 6 – *Derivative Instruments* for additional detail of items recognized in accumulated other comprehensive loss.

2 Reflects amortization of net actuarial losses and is net of a tax benefit of $3 million for the year ended December 31, 2021. See Note 7 — *Employee Benefits* for additional details of items reclassed from accumulated other comprehensive loss to net earnings.

3 See Note 6 – *Derivative Instruments* for additional details of items reclassified from accumulated other comprehensive loss to net earnings.

10. Earnings per Share

Basic earnings per common share ("EPS") is computed by dividing net income attributable to the common shareholders of the Company by the weighted-average number of common shares outstanding. Diluted EPS is computed in the same manner as basic EPS, except the number of shares is increased to include additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. Potential common shares consist primarily of stock options and restricted performance shares calculated using the treasury stock method.

The calculation for basic and diluted EPS is as follows:

	Year ended December 31,		
(in millions, except per share data)	**2021**	2020	2019
Amount attributable to S&P Global Inc. common shareholders:			
Net income	**$3,024**	$2,339	$2,123
Basic weighted-average number of common shares outstanding	**240.8**	241.0	245.4
Effect of stock options and other dilutive securities	**1.0**	1.1	1.5
Diluted weighted-average number of common shares outstanding	**241.8**	242.1	246.9
Earnings per share attributable to S&P Global Inc. common shareholders:			
Net income:			
Basic	**$12.56**	$9.71	$8.65
Diluted	**$12.51**	$9.66	$8.60

We have certain stock options and restricted performance shares that are potentially excluded from the computation of diluted EPS. The effect of the potential exercise of stock options is excluded when the average market price of our common stock is lower than the exercise price of the related option during the period or when a net loss exists because the effect would have been antidilutive. Additionally, restricted performance shares are excluded because the necessary vesting conditions had not been met or when a net loss exists. As of December 31, 2021, 2020 and 2019, there were no stock options excluded. Restricted performance shares outstanding of 0.5 million as of December 31, 2021 and 0.4 million as of December 31, 2020 and 2019, respectively, were excluded.

11. Restructuring

We continuously evaluate our cost structure to identify cost savings associated with streamlining our management structure. Our 2021 and 2020 restructuring plans consisted of company-wide workforce reductions of approximately 30 and 830 positions, respectively, and are further detailed below. The charges for each restructuring plan are classified as selling and general expenses within the consolidated statements of income and the reserves are included in other current liabilities in the consolidated balance sheets.

In certain circumstances, reserves are no longer needed because employees previously identified for separation resigned from the Company and did not receive severance or were reassigned due to circumstances not foreseen when the original plans were initiated. In these cases, we reverse reserves through the consolidated statements of income during the period when it is determined they are no longer needed. There were approximately $8 million of reserves from the 2020 restructuring plan that we have reversed in 2021, which offset the initial charge of $65 million recorded for the 2020 restructuring plan. There were approximately $7 million of reserves from the 2019 restructuring plan that we reversed in 2020, which offset the initial charge of $25 million recorded for the 2019 restructuring plan.

The initial restructuring charge recorded and the ending reserve balance as of December 31, 2021 by segment are as follows:

	2021 Restructuring Plan		2020 Restructuring Plan	
(in millions)	**Initial Charge Recorded**	**Ending Reserve Balance**	**Initial Charge Recorded**	**Ending Reserve Balance**
Ratings	$3	$3	$4	$1
Market Intelligence	3	3	27	4
Platts	—	—	10	4
Indices	—	—	5	—
Corporate	13	13	19	4
Total	**$19**	**$19**	**$65**	**$13**

For the year ended December 31, 2021, we have made no reductions to the reserve for the 2021 restructuring plan. For the years ended December 31, 2021 and 2020, we have reduced the reserve for the 2020 restructuring plan by $45 million and $7 million, respectively. The reductions primarily related to cash payments for employee severance charges.

12. Segment and Geographic Information

As discussed in Note 1 – *Accounting Policies*, we have four reportable segments: Ratings, Market Intelligence, Platts and Indices.

Our Chief Executive Officer is our chief operating decision-maker and evaluates performance of our segments and allocates resources based primarily on operating profit. Segment operating profit does not include Corporate Unallocated expense, other (income) expense, net, interest expense, net, or loss on extinguishment of debt as these are amounts that do not affect the operating results of our reportable segments. We use the same accounting policies for our segments as those described in Note 1 – *Accounting Policies*.

A summary of operating results for the years ended December 31 is as follows:

Revenue

(in millions)	**2021**	2020	2019
Ratings	**$4,097**	$3,606	$3,106
Market Intelligence	**2,247**	2,106	1,959
Platts	**950**	878	844
Indices	**1,149**	989	918
Intersegment elimination [1]	**(146)**	(137)	(128)
Total revenue	**$8,297**	$7,442	$6,699

Operating Profit

(in millions)	**2021**	2020	2019
Ratings [2]	**$2,629**	$2,223	$1,783
Market Intelligence [3]	**703**	589	566
Platts [4]	**517**	458	457
Indices [5]	**798**	666	632
Total reportable segments	**4,647**	3,936	3,438
Corporate Unallocated expenses [6]	**(426)**	(319)	(212)
Total operating profit	**$4,221**	$3,617	$3,226

1 Revenue for Ratings and expenses for Market Intelligence include an intersegment royalty charged to Market Intelligence for the rights to use and distribute content and data developed by Ratings.

2 Operating profit for the year ended December 31, 2021 includes a gain on disposition of $6 million, recovery of lease-related costs of $4 million and employee severance charges of $3 million. Operating profit for the year ended December 31, 2020 includes a technology-related impairment charge of $11 million, lease-related costs of $5 million and employee severance charges of $4 million. Operating profit for the year ended December 31, 2019 includes employee severance charges of $11 million. Additionally, operating profit includes amortization of intangibles from acquisitions of $10 million, $7 million and $2 million for the years ended December 31, 2021, 2020 and 2019, respectively.

3 Operating profit for the year ended December 31, 2021 includes employee severance charges of $3 million, a gain on disposition of $3 million, acquisition-related costs of $2 million and lease-related costs of $1 million. Operating profit for the year ended December 31, 2020 includes employee severance charges of $27 million, a gain on dispositions of $12 million and lease-related costs of $3 million. As of July 1, 2019, we completed the sale of SPIAS and the results are included in Market Intelligence results through that date. Operating profit for the year ended December 31, 2019 includes a gain on the sale of SPIAS of $22 million, employee severance charges of $6 million and acquisition-related costs of $4 million. Additionally, operating profit includes amortization of intangibles from acquisitions of $65 million, $76 million, and $75 million for the years ended December 31, 2021, 2020, and 2019, respectively.

4 Operating profit for the year ended December 31, 2021 includes recovery of lease-related costs of $2 million. Operating profit for the year ended December 31, 2020 includes severance charges of $11 million and lease-related costs of $2 million. As of July 31, 2019, we completed the sale of RigData and the results are included in Platts results through that date. Operating profit for the year ended December 31, 2019 includes a gain on the sale of RigData of $27 million and employee severance charges of $1 million. Additionally, Operating profit includes amortization of intangibles from acquisitions of $8 million, $9 million, and $12 million for the years ended December 31, 2021, 2020, and 2019, respectively.

5 Operating profit for the year ended December 31, 2021 includes recovery of lease-related costs of $1 million. Operating profit for the year ended December 31, 2020 includes employee severance charges of $5 million, a lease impairment charge of $4 million, a technology-related impairment charge of $2 million and lease-related costs of $1 million. Operating profit includes amortization of intangibles from acquisitions of $6 million for the years ended December 31, 2021, 2020, and 2019.

6 Corporate Unallocated expense for the year ended December 31, 2021 includes IHS Markit merger costs of $249 million, employee severance charges of $13 million, lease-related costs of $4 million, a lease impairment of $3 million, Kensho retention related expenses of $2 million, acquisition-related costs of $2 million and a gain on disposition of $2 million. Corporate Unallocated expense for the year ended December 31, 2020 includes lease impairments of $116 million, IHS Markit merger costs of $24 million, employee severance charges of $19 million, Kensho retention related expense of $12 million and a gain related to an acquisition of $1 million. Corporate Unallocated expense for the year ended December 31, 2019 includes Kensho retention related expenses of $21 million, lease impairments of $11 million and employee severance charges of $7 million. Additionally, Corporate Unallocated expense includes amortization of intangibles from acquisitions of $7 million, $26 million, and $28 million for the years ended December 31, 2021, 2020, and 2019, respectively.

The following table presents our revenue disaggregated by revenue type for the years ended December 31:

(in millions)	Ratings	Market Intelligence	Platts	Indices	Intersegment Elimination[1]	Total
		2021				
Subscription	$—	$2,191	$871	$191	$—	$3,253
Non-subscription / Transaction	2,253	56	13	—	—	2,322
Non-transaction	1,844	—	—	—	(146)	1,698
Asset-linked fees	—	—	—	800	—	800
Sales usage-based royalties	—	—	66	158	—	224
Total revenue	**$4,097**	**$2,247**	**$950**	**$1,149**	**$(146)**	**$8,297**
Timing of revenue recognition						
Services transferred at a point in time	$2,253	$56	$13	$—	$—	$2,322
Services transferred over time	1,844	2,191	937	1,149	(146)	5,975
Total revenue	**$4,097**	**$2,247**	**$950**	**$1,149**	**$(146)**	**$8,297**

(in millions)	Ratings	Market Intelligence	Platts	Indices	Intersegment Elimination[1]	Total
		2020[2]				
Subscription	$—	$2,050	$809	$177	$—	$3,036
Non-subscription / Transaction	1,969	55	7	—	—	2,031
Non-transaction	1,637	—	—	—	(137)	1,500
Asset-linked fees	—	1	—	647	—	648
Sales usage-based royalties	—	—	62	165	—	227
Total revenue	**$3,606**	**$2,106**	**$878**	**$989**	**$(137)**	**$7,442**
Timing of revenue recognition						
Services transferred at a point in time	$1,969	$55	$7	$—	$—	$2,031
Services transferred over time	1,637	2,051	871	989	(137)	5,411
Total revenue	**$3,606**	**$2,106**	**$878**	**$989**	**$(137)**	**$7,442**

(in millions)	Ratings	Market Intelligence	Platts	Indices	Intersegment Elimination[1]	Total
		2019[2]				
Subscription	$—	$1,904	$774	$165	$—	$2,843
Non-subscription / Transaction	1,570	45	10	—	—	1,625
Non-transaction	1,536	—	—	—	(128)	1,408
Asset-linked fees	—	10	—	613	—	623
Sales usage-based royalties	—	—	60	140	—	200
Total revenue	**$3,106**	**$1,959**	**$844**	**$918**	**$(128)**	**$6,699**
Timing of revenue recognition						
Services transferred at a point in time	$1,570	$45	$10	$—	$—	$1,625
Services transferred over time	1,536	1,914	834	918	(128)	5,074
Total revenue	**$3,106**	**$1,959**	**$844**	**$918**	**$(128)**	**$6,699**

1 Intersegment eliminations mainly consists of a royalty charged to Market Intelligence for the rights to use and distribute content and data developed by Ratings.

2 In the first quarter of 2021, we reevaluated our transaction and non-transaction presentation for Ratings which resulted in a reclassification from transaction revenue to non-transaction revenue of $8 million and $7 million for the years ended December 31, 2020 and 2019, respectively.

Segment information for the years ended December 31 is as follows:

	Depreciation & Amortization			Capital Expenditures		
(in millions)	**2021**	2020	2019	**2021**	2020	2019
Ratings	**$46**	$40	$34	**$18**	$33	$41
Market Intelligence	**91**	101	99	**12**	28	44
Platts	**12**	17	21	**2**	7	13
Indices	**10**	9	8	**2**	4	5
Total reportable segments	**159**	167	162	**34**	72	103
Corporate	**19**	39	42	**1**	4	12
Total	**$178**	$206	$204	**$35**	$76	$115

Segment information as of December 31 is as follows:

	Total Assets	
(in millions)	**2021**	2020
Ratings	**$1,248**	$1,088
Market Intelligence	**3,368**	3,762
Platts	**891**	913
Indices	**1,501**	1,443
Total reportable segments	**7,008**	7,206
Corporate [1]	**7,697**	5,331
Assets of businesses held for sale [2]	**321**	—
Total	**$15,026**	$12,537

1 Corporate assets consist principally of cash and cash equivalents, goodwill and other intangible assets, assets for pension benefits and deferred income taxes.

2 Includes CGS and LCD as of December 31, 2021. See Note 2 – *Acquisitions and Divestitures* for further discussion.

We do not have operations in any foreign country that represent more than 7% of our consolidated revenue. Transfers between geographic areas are recorded at agreed upon prices and intercompany revenue and profit are eliminated. No single customer accounted for more than 10% of our consolidated revenue.

The following provides revenue and long-lived assets by geographic region:

	REVENUE			LONG-LIVED ASSETS	
	Year ended December 31,			December 31,	
(in millions)	**2021**	2020	2019	**2021**	2020
U.S.	**$5,012**	$4,504	$3,976	**$4,733**	$4,787
European region	**1,995**	1,769	1,659	**463**	496
Asia	**874**	782	710	**85**	102
Rest of the world	**416**	387	354	**42**	44
Total	**$8,297**	$7,442	$6,699	**$5,323**	$5,429

	REVENUE			LONG-LIVED ASSETS	
	Year ended December 31,			December 31,	
(in millions)	**2021**	2020	2019	**2021**	2020
U.S.	**60%**	61%	59%	**89%**	88%
European region	**24**	24	25	**9**	9
Asia	**11**	10	11	**2**	2
Rest of the world	**5**	5	5	**—**	1
Total	**100%**	100%	100%	**100%**	100%

See Note 2 – *Acquisitions and Divestitures* and Note 11 – *Restructuring*, for actions that impacted the segment operating results.

13. Commitments and Contingencies

Leases

During the years ended December 31, 2021 and 2020, we recorded a pre-tax impairment charge of $31 million and $120 million, respectively, related to the impairment and abandonment of operating lease related ROU assets. The pre-tax impairment charge recorded during the year ended December 31, 2021 is associated with consolidating our real estate facilities following the expected merger with IHS Markit. The impairment charges are included in selling and general expenses within the consolidated statements of income.

The following table provides information on the location and amounts of our leases on our consolidated balance sheets as of December 31, 2021 and 2020:

(in millions)		**2021**	2020
Balance Sheet Location			
Assets			
Right of use assets	Lease right-of-use assets	**$426**	$494
Liabilities			
Other current liabilities	Current lease liabilities	**96**	100
Lease liabilities — non-current	Non-current lease liabilities	**492**	544

The components of lease expense for the years ended December 31 are as follows:

(in millions)	**2021**	2020
Operating lease cost	**$124**	$144
Sublease income	**(2)**	(6)
Total lease cost	**$122**	$138

Supplemental information related to leases for the years ended December 31 are as follows:

(in millions)	**2021**	2020
Cash paid for amounts included in the measurement for operating lease liabilities		
Operating cash flows for operating leases	**$127**	$137
Right of use assets obtained in exchange for lease obligations		
Operating leases	**29**	8

Weighted-average remaining lease term and discount rate for our operating leases as of December 31 are as follows:

	2021	2020
Weighted-average remaining lease term (years)	**8.3**	8.5
Weighted-average discount rate	**3.59%**	3.78%

Maturities of lease liabilities for our operating leases are as follows:

(in millions)	
2022	$114
2023	94
2024	75
2025	67
2026	63
2027 and beyond	269
Total undiscounted lease payments	$682
Less: Imputed interest	94
Present value of lease liabilities	$588

Related Party Agreement

In June of 2012, we entered into a license agreement (the "License Agreement") with the holder of S&P Dow Jones Indices LLC noncontrolling interest, CME Group, which replaced the 2005 license agreement between Indices and CME Group. Under the terms of the License Agreement, S&P Dow Jones Indices LLC receives a share of the profits from the trading and clearing of CME Group's equity index products. During the years ended December 31, 2021, 2020 and 2019, S&P Dow Jones Indices LLC earned $139 million, $149 million and $114 million of revenue under the terms of the License Agreement, respectively. The entire amount of this revenue is included in our consolidated statement of income and the portion related to the 27% noncontrolling interest is removed in net income attributable to noncontrolling interests.

Legal & Regulatory Matters

In the normal course of business both in the United States and abroad, the Company and its subsidiaries are defendants in a number of legal proceedings and are often subjected to government and regulatory proceedings, investigations and inquiries.

S&P Global Ratings has been cooperating with an SEC investigation into possible violations of Section 15E of the Exchange Act and Rule 17g-5(c)(8) thereunder in connection with a 2017 credit rating analysis by S&P Global Ratings. S&P Global Ratings is currently in active discussions to resolve the SEC's inquiry. S&P Global Ratings has not yet reached a definitive settlement agreement with the SEC on this matter but in the fourth quarter of 2021, accrued for potential monetary penalties based on discussions to date. While we cannot predict with certainty whether we will reach agreement, or the terms of any such agreement, at this time, we do not believe that the resolution of this matter will have a material adverse effect on our business, financial condition or results of operations.

On May 17, 2021, Indices reached a settlement with the SEC relating to the operation of a then undisclosed quality assurance mechanism and its impact on certain real-time values of the S&P 500 VIX Short-Term Futures Index ER on a single business day, February 5, 2018 (the "VIX Matter"), which was the subject of a previously disclosed Wells Notice. Indices neither admitted nor denied the SEC's allegations. The SEC found that Indices acted negligently in violation of Section 17(a)(3) of the Securities Act of 1933 with respect to the VIX Matter. The SEC acknowledged Indices' cooperation with the SEC staff. The Company agreed to pay a penalty of $9 million that was previously reserved for in 2020 and to cease and desist from committing or causing any violations and any future violations of Section 17(a)(3) of the Securities Act of 1933.

A class action lawsuit was filed in Australia on August 7, 2020 against the Company and a subsidiary of the Company. A separate lawsuit was filed against the Company and a subsidiary of the Company in Australia on February 2, 2021 by two entities within the Basis Capital investment group. The lawsuits both relate to alleged investment losses in collateralized debt obligations rated by Ratings prior to the financial crisis. We can provide no assurance that we will not be obligated to pay significant amounts in order to resolve these matters on terms deemed acceptable.

From time to time, the Company receives customer complaints, particularly, though not exclusively, in its Ratings and Indices segments. The Company believes it has strong contractual protections in the terms and conditions included in its arrangements with customers. Nonetheless, in the interest of managing customer relationships, the Company from time to time engages in dialogue with such customers in an effort to resolve such complaints, and if such complaints cannot be resolved through dialogue, may face litigation regarding such complaints. The Company does not expect to incur material losses as a result of these matters.

Moreover, various government and self-regulatory agencies frequently make inquiries and conduct investigations into our compliance with applicable laws and regulations, including those related to ratings activities and antitrust matters. For example, as a nationally recognized statistical rating organization registered with the SEC under Section 15E of the Exchange Act, S&P Global Ratings is in ongoing communication with the staff of the SEC regarding compliance with its extensive obligations under the federal securities laws. Although S&P Global seeks to promptly address any compliance issues that it detects or that the staff of the SEC or another regulator raises, there can be no assurance that the SEC or another regulator will not seek remedies against S&P Global for one or more compliance deficiencies. Any of these proceedings, investigations or inquiries could ultimately result in adverse judgments, damages, fines, penalties or activity restrictions, which could adversely impact our consolidated financial condition, cash flows, business or competitive position.

In view of the uncertainty inherent in litigation and government and regulatory enforcement matters, we cannot predict the eventual outcome of such matters or the timing of their resolution, or in most cases reasonably estimate what the eventual judgments, damages, fines, penalties or impact of activity (if any) restrictions may be. As a result, we cannot provide assurance that such outcomes will not have a material adverse effect on our consolidated financial condition, cash flows, business or competitive position. As litigation or the process to resolve pending matters progresses, as the case may be, we will continue to review the latest information available and assess our ability to predict the outcome of such matters and the effects, if any, on our consolidated financial condition, cash flows, business or competitive position, which may require that we record liabilities in the consolidated financial statements in future periods.

Report of Management

To the Shareholders of S&P Global Inc.

Management's Annual Report on Its Responsibility for the Company's Financial Statements and Internal Control Over Financial Reporting

The financial statements in this report were prepared by the management of S&P Global Inc., which is responsible for their integrity and objectivity.

These statements, prepared in conformity with accounting principles generally accepted in the United States and including amounts based on management's best estimates and judgments, present fairly S&P Global Inc.'s financial condition and the results of the Company's operations. Other financial information given in this report is consistent with these statements.

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company as defined under the U.S. Securities Exchange Act of 1934. It further assures the quality of the financial records in several ways: a program of internal audits, the careful selection and training of management personnel, maintaining an organizational structure that provides an appropriate division of financial responsibilities, and communicating financial and other relevant policies throughout the Company.

S&P Global Inc.'s Board of Directors, through its Audit Committee, composed entirely of outside directors, is responsible for reviewing and monitoring the Company's financial reporting and accounting practices. The Audit Committee meets periodically with management, the Company's internal auditors and the independent registered public accounting firm to ensure that each group is carrying out its respective responsibilities. In addition, the independent registered public accounting firm has full and free access to the Audit Committee and meet with it with no representatives from management present.

Management's Report on Internal Control Over Financial Reporting

As stated above, the Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's management has evaluated the system of internal control using the Committee of Sponsoring Organizations of the Treadway Commission 2013 framework ("COSO 2013 framework"). Management has selected the COSO 2013 framework for its evaluation as it is a control framework recognized by the Securities and Exchange Commission and the Public Company Accounting Oversight Board that is free from bias, permits reasonably consistent qualitative and quantitative measurement of the Company's internal controls, is sufficiently complete so that relevant controls are not omitted and is relevant to an evaluation of internal controls over financial reporting.

Based on management's evaluation under this framework, we have concluded that the Company's internal controls over financial reporting were effective as of December 31, 2021. There are no material weaknesses in the Company's internal control over financial reporting that have been identified by management.

The Company's independent registered public accounting firm, Ernst & Young LLP, has audited the consolidated financial statements of the Company for the year ended December 31, 2021, and has issued their reports on the financial statements and the effectiveness of internal controls over financial reporting.

Other Matters

There have been no changes in the Company's internal controls over financial reporting during the most recent quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Douglas L. Peterson
President and Chief Executive Officer

Ewout L. Steenbergen
Executive Vice President and Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of S&P Global Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of S&P Global Inc. (the Company) as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 8, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosures to which it relates.

Valuation of redeemable noncontrolling interest in S&P Dow Jones Indices LLC

DESCRIPTION OF THE MATTER

As described in Notes 1 and 9 to the financial statements, the Company has an agreement with the minority partners of its S&P Dow Jones Indices LLC joint venture that contains redemption features outside of the control of the Company. This arrangement is reported as a redeemable noncontrolling interest at fair value of $3,429 million at December 31, 2021. The Company adjusts the redeemable noncontrolling interest each reporting period to its estimated redemption value, but never less than its initial fair value, using both income and market valuation approaches.

Auditing the Company's valuation of its redeemable noncontrolling interest was complex due to the estimation uncertainty in determining the fair value. The estimation uncertainty was primarily due to the sensitivity of the fair value to underlying assumptions about the future performance of the business. The more significant judgmental assumptions used to estimate the value of the S&P Dow Jones Indices LLC joint venture include an estimated discount rate, a range of assumptions that form the basis of the expected future net cash flows (e.g., revenue growth rates and operating margins), a company specific beta and earnings and transaction multiples for comparable companies and similar acquisitions, respectively. These significant judgmental assumptions that incorporate market data are forward-looking and could be affected by future economic and market conditions.

HOW WE ADDRESSED THE MATTER IN OUR AUDIT

We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company's controls over the accounting for its redeemable noncontrolling interest, including controls over management's judgments and evaluation of the underlying assumptions with regard to the valuation models applied and the estimation process supporting the determination of the fair value of S&P Dow Jones Indices LLC joint venture.

To test the valuation of redeemable noncontrolling interest, we evaluated the Company's selection of the valuation methodology and the methods and significant assumptions used by inspecting available market data and performing sensitivity analyses. For example, when evaluating the assumptions related to the revenue growth rate and operating profit margins, we compared the assumptions to the past performance of S&P Dow Jones Indices LLC joint venture in addition to current observable industry, market and economic trends. We involved valuation specialists to assist in our evaluation of the methodology and significant assumptions used by the Company, including the discount rate, company specific beta and earnings for comparable companies and transaction multiples for similar acquisitions. We also tested the completeness and accuracy of the underlying data supporting the significant assumptions and estimates.

/s/ ERNST & YOUNG LLP

We have served as the Company's auditor since 1969.

New York, New York
February 8, 2022

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of S&P Global Inc.

Opinion on Internal Control Over Financial Reporting

We have audited S&P Global Inc.'s internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, S&P Global Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and our report dated February 8, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ ERNST & YOUNG LLP

New York, New York
February 8, 2022