

S&P Global
4th Quarter & FY 2016 Earnings Conference Call
Prepared Remarks
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Chip Merritt

Vice President, Investor Relations
S&P Global

Thank you and good morning. Thanks for joining us for S&P Global's earnings call. Presenting on this morning's call are Doug Peterson, President and CEO, and Ewout Steenberg, Executive Vice President and Chief Financial Officer. This morning we issued a news release with our fourth quarter and full-year 2016 results. If you need a copy of the release and financial schedules, they can be downloaded at investor.spglobal.com.

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

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

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

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

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

Douglas L. Peterson
President and CEO
S&P Global

Good morning. Thank you, Chip. Welcome everyone to the call. I would also like to welcome our new CFO, Ewout Steenbergen. Ewout joined us in November and is participating in his first earnings conference call with us. You'll hear more from him shortly.

2016 was a memorable year, with market uncertainty surrounding pivotal outcomes from Brexit, the U.S. elections, and the long-awaited increase in U.S. interest rates. Despite this uncertainty, spreads tightened, issuance was strong, equity markets ended the year up, and S&P Global delivered another solid performance.

Let me begin with the 2016 highlights:

- We finished the year with strong fourth-quarter results;
- We delivered another year of impressive financial performance with mid single-digit revenue growth and mid-teens adjusted EPS growth;
- We rebranded the Company as S&P Global with a new ticker: SPGI;
- We reshaped the portfolio with a number of divestitures and acquisitions, the most significant divestiture being J.D. Power;
- We successfully completed our 2014–2016 \$140 million cost-reduction initiative;
- We made substantial progress on our SNL integration synergies;
- We generated nearly \$1.5 billion in free cash flow; and
- We returned \$1.5 billion through share repurchases and dividends.

We also delivered excellent financial results.

- The Company reported 7% revenue growth. Of this growth, 89% was pulled-through to adjusted operating profit. This is a direct result of our continued focus on productivity. On an organic basis, revenue grew 6% and the pull-through to adjusted operating profit was also high.
- These achievements led to a 300 basis-point improvement in adjusted operating profit margin and continued a string of annual improvements in adjusted operating profit margin of more than 275 basis points for the third year in a row.
- While forex had a \$24 million unfavorable impact on revenue, it had a \$43 million favorable impact on adjusted operating profit with Market Intelligence realizing the majority of the gain.
- I am very pleased that we were able to leverage 7% revenue growth into 14% adjusted EPS growth through a combination of productivity improvements and share repurchase activity.

2016 was not an isolated year. Our revenue growth was consistent with the 7% annual growth over the past four years. And our 300 basis-point margin improvement caps 1,000 basis points of margin improvement over the past four years. Our focus on growth and performance has materially changed the earnings power of the Company.

This earnings power has translated into a substantial increase in adjusted earnings per share. In 2016, we almost doubled our 2012 EPS—delivering 18% compound annual growth over the last four years.

During 2016, we continued to add capabilities and reshape S&P Global. In Platts, we continued to build world-class supply/demand capabilities. With Bentek and Eclipse already in place providing U.S.

and European natural gas analytics, we purchased PIRA Energy Group, RigData, and Commodity Flow—adding a wealth of expertise in global energy market analysis, U.S. rig activity, and waterborne analytics. With our deep history of providing benchmark commodity prices, we believe providing the supply/demand analytics around these prices will be of great value to our customers.

S&P Dow Jones Indices purchased Trucost, a leader in carbon and environmental data and risk analysis. Not only will this acquisition enable the creation of unique new indices, but our Ratings business will leverage Trucost's capabilities in the creation of new ESG products such as green bond evaluations.

Ratings added to its international capabilities with the acquisition of a 49% stake in TRIS, Thailand's leading credit rating agency. Thailand is ASEAN's second-largest economy and third-largest bond market.

We reshaped our portfolio with the divestitures of J.D. Power, our pricing businesses, and our Equity and Fund Research business; and QuantHouse in January 2017. These moves left us with a stronger, more cohesive set of businesses.

Now I want to turn to our outlook for 2017 and discuss key themes that are shaping 2017 and beyond. These are topics I've discussed with our Board as well as the division presidents as we look to the next year and the next three to five years. We look forward to discussing these themes with you this quarter and during the year.

- **Global GDP**, though increasing this year, is running much lower than the past. Interest rates that have been declining since 1981, could continue to rise. Geopolitical considerations like Brexit, populist changes to governments, and threats to established trade deals create new risks.
- **Regulation** has become an unparalleled force for change. We count 22 ratings regulators worldwide today with the majority less than 5 years old. All of you have witnessed the rise of compliance within your own firms.
- **Our customers have changing expectations**, are feeling competitive pressure, and facing changing business models.
- **Technology continues to disrupt** every industry including ours. According to Citibank, there has been a 10-fold increase in FinTech companies in the past five years. It took 75 years for the telephone to reach 50 million users, radio – 38 years, TV – 13 years, Internet – 4 years, and Pokémon Go – 19 days.
- **Sustainability** is becoming ubiquitous among companies and investors. Climate change conferences and ESG investable funds all point to significant changes in behavior. We need to stay ahead of these trends and create products that address the changing needs of our clients and markets. Things like green bond evaluations, ESG indices, new credit tools, and new product platforms are opportunities that we are pursuing.

Our economists expect global GDP to grow 3.5% in 2017. The chart depicts their view for the next two years in which all world areas, except Europe, will experience accelerated GDP growth.

- In the U.S., low unemployment and increased consumer spending will underpin GDP growth;
- In Europe, recovery is on track and showing resilience but not enough to boost GDP;
- In Asia, we expect reasonable growth and little inflation, with India being the bright spot; and
- In Latin America, we expect improvement driven by continued recovery in commodity prices and stabilizing domestic demand.

Last week Ratings issued its annual Global Refinancing Study. This yearly study shows debt maturities for the upcoming five years. The chart on the left illustrates data from the 2016 and 2017 studies. The five-year period in the 2017 study shows a \$100 billion increase in the total debt maturing versus the 2016 study. We use this study along with other market-based data to forecast issuance.

Taking a closer look at data from the study reveals an important trend in high-yield maturities. Over the next five years, the level of high-yield debt maturing significantly increases each year which is a potential source of revenue in the coming years.

Last week Ratings also published their latest issuance forecast. Looking ahead to 2017, we expect an overall increase in global issuance of 3%. Positive global trends for issuance include the European Central Bank's quantitative easing program, continued strong issuance out of China, and expectations for slightly stronger GDP growth in the U.S. Global issuance is still likely to face headwinds, however, from global political uncertainties and a continued devaluation of most currencies relative to the U.S. dollar.

One item that seems very clear is that interest rates will continue to rise in the U.S. Rising rates have been an investor concern for several years now as the belief is that rising rates will impair debt issuance. Our fixed-income analytical team has explored this topic and published a report called "Recent Policy Proposals' Potential Impact On U.S. Corporate Bond Issuance." You can see it on Ratings Direct.

This chart shows U.S. corporate issuance and GDP since 1996. Both GDP and issuance increased over the period. We find a statistically significant relationship between U.S. corporate issuance and GDP.

This chart shows U.S. corporate issuance and the 10-year treasury yield since 1996. Our statisticians ran a number of tests including the Granger causality test, a statistical test used to determine whether one time series is useful in forecasting another time series. Their conclusion was that there is a weak negative correlation between interest rates and issuance.

We have seen a number of tax proposals since the recent election and we have been studying them. People from our tax, finance, economics, and public policy teams have been evaluating potential changes. The proposals remain in a state of flux and it is difficult to draw definitive conclusions. Never-the-less, I want to review our current thinking on the most commonly discussed potential tax changes.

First, on a **lower corporate tax rate** — as a Company with a relatively high tax rate, this would be very positive for the Company.

On **repatriation** — a one-time repatriation event would likely reduce issuance but would be unlikely to have major impact on long-term capital structures. In addition, much of the cash held overseas is by large technology companies like Apple and Oracle that have very little debt. For our Company specifically, we would reevaluate our investment strategies and that could lead to repatriating much of our overseas cash.

We believe that the **removal of interest expense deduction** could reduce the attractiveness of debt, particularly for high-yield issuers and likely reduce issuance. However, lower tax rates would provide greater borrowing capacity for companies, which could be positive. As for S&P Global, this would be a negative as we currently have \$3.6 billion of long-term debt.

The **removal of the municipal bond tax exemption** would reduce the attractiveness of muni bonds to investors requiring alternative funding of local projects. Therefore, it would likely hurt municipal bond issuance but infrastructure issuance could potentially increase to partially offset this.

The **border adjustment** could benefit our Company as a net exporter.

Please note our 2017 guidance does not consider any of these potential tax law changes.

Let me finish by sharing some of our most important initiatives in 2017.

As always, **delivering financial performance** is at the top of the list. We are introducing organic revenue guidance of mid single-digit growth, adjusted diluted EPS guidance of \$5.90 to \$6.15, and free cash flow guidance of approximately \$1.6 billion. Ewout will provide more color to the guidance in a moment.

Throughout the Company, I am stressing the need to **build excellence into all that we do**. To be competitive, nothing less is acceptable. Some of the more visible areas include:

- Launching a beta version of the new Market Intelligence platform in the fall,
- Leveraging recent acquisitions to create world-class supply/demand analytics for Platts customers,
- Continuing Index innovation and international partnerships, and
- Advancing Ratings' commercial discipline, analytical quality, and IT-driven productivity.

We continue to track and execute on our SNL synergy program and fund additional productivity initiatives and process improvements. And we remain committed to compliance control and risk management across the Company.

We're pleased with our progress, but we are working to make this Company even better.

With that, let me turn the call over to Ewout.

Ewout Steenbergen

Executive Vice President and CFO
S&P Global

Thank you, Doug, and good morning to everybody on the call.

This morning, I would like to discuss the fourth quarter results and then provide guidance for 2017.

Let's start with the consolidated fourth quarter income statement. Reported revenue increased 2%; however, organic revenue increased 11%. This was the strongest quarterly organic revenue growth of the year. Adjusted operating profit increased 17% and adjusted operating margin increased 530 basis points.

The adjusted operating margin improved primarily due to revenue growth, continued progress on productivity initiatives, and the sale of lower margin businesses.

The adjusted effective tax rate increased 500 basis points primarily because the fourth quarter 2015 tax rate was unusually low largely due to favorable tax benefits from the resolution of prior-year tax audits. In addition, the fourth quarter 2016 rate included the impact from dividends we received from foreign subsidiaries and a slight increase in the U.S. state income tax rate.

Adjusted diluted EPS increased 14% and we decreased our average diluted shares outstanding by 4%.

Both our fourth quarter and full-year results were impacted by changes in foreign exchange rates. In the fourth quarter of 2016, the two main impacts were a \$2 million unfavorable impact on Ratings adjusted operating profit primarily due to the weaker British pound, and a \$9 million favorable impact on Market and Commodities Intelligence adjusted operating profit primarily due to the weaker British pound and the weaker Indian rupee.

Now, let me turn to adjustments to earnings to help you better assess the underlying performance of the business. Pre-tax adjustments to earnings totaled to a gain of \$272 million in the quarter and included:

- a \$347 net gain on recent divestitures, predominantly from the sale of the pricing businesses, this also includes a \$31 million expense associated with the disposition of QuantHouse;
- a \$54 million expense associated with an increase in financial crisis legal reserves;
- and a \$21 million expense related to the early retirement of our 2017 debt.

In the fourth quarter, every business segment contributed to gains in organic revenue and adjusted operating profit. While this slide shows an 11% decline in reported revenue at Market and Commodities Intelligence, excluding the impact of asset sales, organic revenue increased 8%. Adjusted operating margins improved significantly in Ratings and Market and Commodities Intelligence but declined in S&P Dow Jones Indices. I will discuss these changes within each segment discussion.

Let me now turn to the individual segment's performance.

S&P Global Ratings

Ratings had a strong quarter, leading the Company in both revenue and operating profit growth.

Revenue increased 14% including a 1% unfavorable impact from forex. Considering normal seasonality in the fourth quarter, U.S. bond issuance was robust, despite U.S. election uncertainty which only constrained bond market activity for a few days. Adjusted operating margin increased 360 basis points due to strong revenue growth, reduced legal and outside services spending, partially offset by increased incentives. While not shown on the slide, full-year adjusted operating profit margin reached 49.8%, an increase of 240 basis points, aided by a modest boost from forex.

Strong transaction revenue underscores Ratings' fourth-quarter revenue growth.

- Non-transaction revenue increased 5% from growth in surveillance fees, increased intersegment royalties from Market Intelligence, and growth at CRISIL.

- Transaction revenue increased 26% as a result of improved contract terms; growth in structured, U.S. public finance, and corporate issuance; as well as increased bank loan ratings.

This slide is a new quarterly disclosure that illustrates Ratings revenue by its various markets. First, note that corporates and financials make up the majority of revenue. Second, U.S. public finance is the largest component of governments. In the fourth quarter, there were broad gains in every market with the exception of financials which was negatively impacted by concerns about the U.S. election and an interest rate increase.

If we look more closely at the largest markets, fourth-quarter issuance in the U.S. was up 14%, with:

- Investment-grade decreasing 2%;
- High-yield climbing 12%;
- Public finance growing 19%; and
- Structured finance soaring 45% due primarily to a 143% increase in CLOs in advance of the implementation of risk-retention regulations which took place on Dec. 24 and a 40% increase in ABS.

In Europe, issuance decreased 11% with:

- Investment-grade declining 18%;
- High-yield decreasing 1%; and
- Structured finance increasing 5%.

In Asia, issuance increased 1%. However; excluding issuance that we do not rate, notably domestic China issuance, Asian issuance increased 8%.

S&P Global Market and Commodities Intelligence

Let me now turn to Market and Commodities Intelligence. This segment includes S&P Global Market Intelligence and S&P Global Platts.

In the fourth quarter, reported revenue declined 11% due to recent divestitures. Excluding these divestitures, organic revenue increased 8%. Despite disposing of businesses that contributed more than \$100 million of quarterly revenue, adjusted operating profit increased 8%. This puts into perspective the enormous improvement that has taken place in this segment. Adjusted operating margin improved 600 basis points primarily due to SNL integration synergies, Platts expense control, the divestiture of lower margin businesses, and forex.

Let me add a bit more color on fourth quarter revenue growth in Market Intelligence. The most significant items in the quarter were the divestitures of the SPSE and CMA pricing businesses and Equity and Fund Research. In addition, in January we divested QuantHouse. Due to the fourth-quarter divestitures, revenue remained unchanged. However, organic revenue increased 10% with growth across all major products.

Another highlight was the progress we made in the \$100 million synergy target as illustrated on this slide. Successful integration of SNL and delivery of synergies was a top priority for the Company in 2016. We made tremendous progress, as evident in the margin improvement, and remain committed to achieving our integration synergy targets and delivering on our expected return on investment in SNL.

We estimate that two thirds of the \$100 million synergy target was achieved at year-end 2016, on a run-rate basis. We estimate that approximately one-half of the \$100 million is reflected in our full-year 2016 results.

We are particularly pleased to have achieved about \$10 million in run-rate revenue synergies. About one-half of the revenue synergies came from utilizing Capital IQ relationships to sell the SNL global Financial Institutions product, about one-quarter from using SNL relationships to sell the Capital IQ desktop, and one-quarter from new business combining Cap IQ Risk Scorecards with SNL bank data.

If we look at the markets within Market Intelligence more closely, within Financial Data and Analytics, S&P Capital IQ Desktop & Enterprise Solutions revenue increased 7% with high-single digit growth in S&P Capital IQ Desktop. In addition, SNL revenue increased 14% over the fourth quarter of 2015. SNL and S&P Capital IQ Desktop experienced year-over-year user percentage growth of 11% and 8%, respectively.

Risk Services' revenue increased 10%, led by growth in RatingsXpress®.

Platts delivered solid organic revenue growth in an improving commodity environment. Oil prices rallied around the OPEC agreement to cut production. PIRA forecasts 2017 oil prices in a range of \$60 to \$70 a barrel if OPEC members comply with the agreement. While the OPEC agreement provides support for the oil prices, RigData has reported that the weekly U.S. rig count reached 782 in January — and that's the highest level in over a year — creating downward pressure on pricing. Never-the-less, the outlook for many of our customers is better now than at the start of 2016.

Fourth-quarter revenue increased 12%; however, excluding revenue from recent acquisitions, organic revenue increased 5% due to growth in subscriptions, and double-digit growth in Global Trading Services. The core subscription business delivered mid single-digit revenue growth led by the Petroleum and Petrochemical sectors. Global Trading Services' double-digit revenue increase was primarily due to strong trading volumes.

S&P Dow Jones Indices

Now let's turn to S&P Dow Jones Indices.

Revenue increased 13% mostly due to ETF assets under management growth and increased data subscriptions. Adjusted operating profit increased 10%, primarily as a result of increased revenue.

Adjusted operating margin declined 200 basis points to 61.6% due primarily to the Trucost acquisition, investments in a third data center, increased marketing costs, and higher cost of sales from growth in OTC derivatives activity.

The highlight of the quarter was ETF AUM tied to our indices topping \$1 trillion in December. We celebrated the \$500 billion mark in 2013 and three years later we doubled that milestone. Clearly, the trend from active to passive investing has been an advantage for the index business.

Asset-linked fee revenue increased 10% during the quarter. The exchange-traded funds industry recorded enormous inflows for the second straight quarter amassing \$133 billion in the fourth quarter, driving yearly inflows of \$380 billion — a new annual record.

Average ETF AUM associated with our indices increased 19% year-over-year. As mentioned, 2016 ending ETF AUM associated with our indices reached a new record of \$1 trillion — increasing 25% over year-end 2015 with inflows of 15% and market appreciation of 10%.

Transaction revenue from exchange-traded derivatives increased primarily due to an 8% increase in average daily volume of products based on our indices. S&P 500® Index Options led growth with a 22% increase in volume. The VIX options and futures and CME equity complex contracts increased mid single-digit.

Subscription revenue, which consists primarily of data subscriptions and custom indices, increased 24% due to growth in data subscription revenue and the timing of subscription revenue. During the quarter, the Company launched 88 new indices and our partners launched 23 new ETFs based on our indices.

Our capital position is strong. As we look at the net debt of the Company, we ended the year with \$2.4 billion of cash, of which approximately \$1.7 billion was held outside the U.S. and \$3.6 billion of long-term debt. Our debt coverage improved year-over-year as measured by gross debt to adjusted EBITDA from 1.6 times to 1.4 times.

Free cash flow during the year was approximately \$1.2 billion. However, to get a better sense of our underlying cash generation from operations, it is important to exclude activity associated with divestitures and the after-tax impact of legal and regulatory settlements and related insurance recoveries. On that basis, free cash flow in 2016 was nearly \$1.5 billion.

As for return of capital, the Company returned \$1.5 billion to shareholders in 2016: \$1.1 billion through share repurchases as we completed our \$750 million accelerated share repurchase plan in December and \$380 million in dividends.

Now lastly, I will review our 2017 guidance.

Based upon modestly improving global GDP and issuance growth, we introduce 2017 adjusted guidance as follows:

- Mid single-digit organic revenue growth with contributions by every business segment;
- Unallocated expense of \$145 million to \$150 million, a modest increase over 2016 due to investments in Asia and up front investments in office consolidation;
- Deal-related amortization of about \$100 million;
- Operating margin increase of roughly 100 basis points;
- Interest expense of approximately \$155 million;
- Tax rate of about 30-31%;
- Diluted EPS, which excludes deal-related amortization, of \$5.90 to \$6.15. The range is wider than prior years due to recent FASB guidance for accounting for stock payments to employees which we estimate could increase EPS by 10 to 15 cents depending on SPGI's share price development and option exercise activity;
- Capital expenditures is a range of \$125 million to \$140 million as we anticipate increased investments in technology, data, and efficient real estate solutions;
- Free cash flow, excluding after-tax legal settlements and insurance recoveries, of \$1.6 billion;
- And, we expect an annual dividend of \$1.64 per share.

Our guidance does not take into consideration any potential policy changes from the new U.S. administration. Overall, this guidance reflects our expectation that 2017 will be another strong year for the Company.

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

To access the accompanying slides online, go to:

<http://investor.spglobal.com/CustomPage/Index?KeyGenPage=1073751596&event=18712>

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

These remarks contain “forward-looking statements,” as defined in the Private Securities Litigation Reform Act of 1995. These statements, which express management’s current views concerning future events, trends, contingencies or results, appear at various places in this report and use words like “anticipate,” “assume,” “believe,” “continue,” “estimate,” “expect,” “forecast,” “future,” “intend,” “plan,” “potential,” “predict,” “project,” “strategy,” “target” and similar terms, and future or conditional tense verbs like “could,” “may,” “might,” “should,” “will” and “would.” For example, management may use forward-looking statements when addressing topics such as: the outcome of contingencies; future actions by regulators; changes in the Company’s business strategies and methods of generating revenue; the development and performance of the Company’s services and products; the expected impact of acquisitions and dispositions; the Company’s effective tax rates; and the Company’s cost structure, dividend policy, cash flows or liquidity.

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

- worldwide economic, political and regulatory conditions, including conditions that may result from legislative, regulatory and policy changes associated with the current U.S. administration or the United Kingdom’s likely exit from the European Union;
- the rapidly evolving regulatory environment, in the United States and abroad, affecting Ratings, Market and Commodities Intelligence and Indices, including new and amended regulations and the Company’s compliance therewith;
- 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 unauthorized access to our systems or a system or network disruption that results in improper disclosure of confidential information or data, regulatory penalties and remedial costs;
- our ability to make acquisitions and dispositions and successfully integrate the businesses we acquire;
- the outcome of litigation, government and regulatory proceedings, investigations and inquiries;
- the health of debt and equity markets, including credit quality and spreads, the level of liquidity and future debt issuances;
- the demand and market for credit ratings in and across the sectors and geographies where the Company operates;
- concerns in the marketplace affecting the Company’s credibility or otherwise affecting market perceptions of the integrity or utility of independent credit ratings;
- the effect of competitive products and pricing, including the level of success of new product developments and global expansion;
- consolidation in the Company’s end-customer markets;
- the impact of customer cost-cutting pressures, including in the financial services industry and 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 of the energy marketplace and the health of the commodities markets;
- our ability to attract, incentivize and retain key employees;

- the Company's ability to successfully recover should it experience a disaster or other business continuity problem from a hurricane, flood, earthquake, terrorist attack, pandemic, security breach, cyber-attack, power loss, telecommunications failure or other natural or man-made event;
- changes in applicable tax or accounting requirements, including potential tax reform under the current U.S. administration;
- the level of the Company's future cash flows and capital investments;
- the impact on the Company's revenue and net income caused by fluctuations in foreign currency exchange rates; and
- the Company's exposure to potential criminal sanctions or civil penalties if it fails to comply with foreign and U.S. laws and regulations that are applicable in the domestic and international jurisdictions in which it operates, including sanctions laws relating to countries such as Iran, Russia, Sudan and Syria, anti-corruption laws such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act of 2010, and local laws prohibiting corrupt payments to government officials, as well as import and export restrictions.

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