



S&P Global (SPGI)

Updated February 13th, 2026, by Josh Arnold

Key Metrics

Current Price:	\$397	5 Year CAGR Estimate:	21.7%	Market Cap:	\$119 B
Fair Value Price:	\$590	5 Year Growth Estimate:	12.0%	Ex-Dividend Date:	02/25/26
% Fair Value:	67%	5 Year Valuation Multiple Estimate:	8.2%	Dividend Payment Date:	03/11/26
Dividend Yield:	1.0%	5 Year Price Target	\$1,039	Years Of Dividend Growth:	53
Dividend Risk Score:	A	Sector:	Financials	Rating:	Hold

Overview & Current Events

S&P Global is a worldwide provider of financial services and business information with a market capitalization of \$119 billion and revenue of about \$16.5 billion. Through its various segments, it provides credit ratings, benchmarks and indices, analytics, and other data to commodity market participants, capital markets, and automotive markets. S&P Global has paid dividends continuously since 1937 and has increased its payout for 53 consecutive years, and it is one of the newest members of the prestigious Dividend Kings.

S&P posted fourth quarter and full-year earnings on February 10th, 2026, and results were mixed. The company beat revenue estimates slightly, with the top line rising 9.2% year-over-year to \$3.92 billion, \$10 million better than expected. Earnings, however, came to \$4.30 per share on an adjusted basis, missing estimates by four cents.

Management noted top line growth was strong in all divisions, as revenue from subscription products rose 8% year-over-year. Earnings were off from \$4.73 per share in Q3, but higher year-over-year from \$3.77 in last year's Q4.

Expenses were \$2.51 billion, much higher from Q3 and the year-ago period, which were \$2.22 billion and \$2.33 billion, respectively. Still, that was good enough for operating margin to expand to 47.3% of revenue from 43.6% a year earlier.

Guidance for this year was set at a midpoint of \$19.53 in earnings-per-share, missing consensus of \$19.96. Shares were sharply lower following the announcement as a result.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$5.35	\$6.89	\$8.50	\$9.53	\$11.69	\$13.70	\$11.19	\$12.60	\$15.70	\$17.83	\$19.65	\$34.63
DPS	\$1.44	\$1.64	\$2.00	\$2.28	\$2.68	\$3.08	\$3.32	\$3.60	\$3.64	\$3.84	\$3.88	\$4.95
Shares¹	258	254	248	246	241	241	322	314	308	297	288	260

S&P Global's business has benefited from a series of favorable secular trends. Since the Great Recession in 2009, total corporate debt has been on a steady rise, which means more ratings are needed. Lower global interest rates have continued to lead to more and more issuances of debt. However, this tailwind could unwind as rates in the US especially have risen quite a lot. In addition, the company has three other strong segments that aren't as dependent upon rates remaining low, should they rise again in the future. The company continues to see higher margins while revenue grows, but there is building fear that AI tools will render parts of S&P's business less relevant over time.

Investors are also becoming increasingly sophisticated and thus demand more real-time data and analytics. Moreover, there is an accelerating demand for index-related investments, such as ETFs.

S&P Global has grown consistently since the financial crisis, boosting revenue and operating margins on a regular basis, with recent results showing a continuation of this trend. We think S&P Global will see a tailwind from its buyback, as well as high-single digit revenue gains, and some measure of margin expansion to get to our target of 12% earnings-per-share growth annually in the coming years. That is lower than the company's historical rate of growth but given the immense growth the company has already seen it is prudent to temper one's expectations. We think S&P Global has a

¹ Share count in millions

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very bright outlook. S&P Global has shown it can continue to raise operating margins and boost the top line organically and via acquisitions. Growth remains very strong heading into 2026.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	20.3	20.9	22.6	24.2	27.1	29.4	29.9	35.0	31.7	29.3	20.2	30.0
Avg. Yld.	1.3%	1.1%	1.0%	1.0%	0.8%	0.8%	1.0%	0.8%	0.7%	0.7%	1.0%	0.5%

S&P Global's 5-year average price-to-earnings ratio is 31.1, and we're assessing fair value at 30 times earnings given the sustained, outstanding performances the company has produced. The stock is currently trading at a price-to-earnings ratio of 20.2, and thus is very far below our estimate of fair value. The stock is one of the most undervalued in our coverage universe at just 67% of fair value.

Safety, Quality, Competitive Advantage, & Recession Resiliency

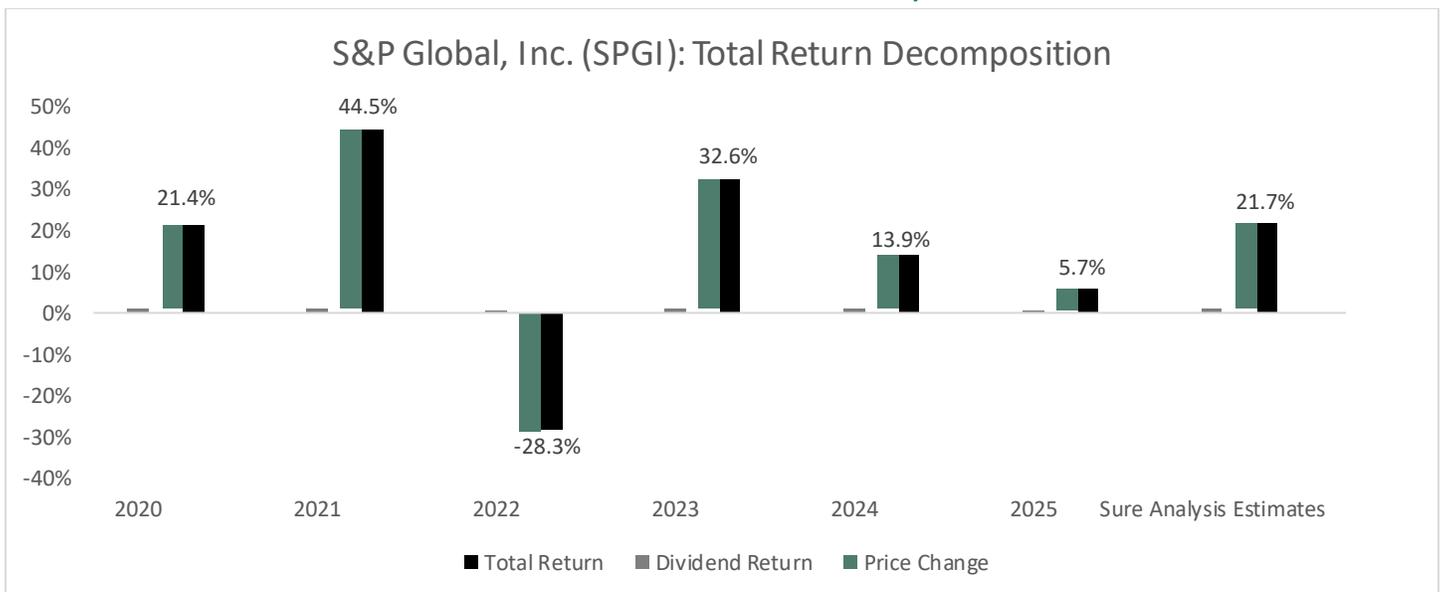
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	27%	24%	24%	24%	23%	22%	30%	29%	23%	22%	20%	14%

The most important feature of S&P Global is its strong competitive position. It operates in the highly concentrated financial ratings industry where the three well-known rating agencies control over 90% of global financial debt ratings. On the other hand, S&P Global is vulnerable to recessions, as companies, countries and individuals become much more conservative during such periods, and thus their interest in financial services and debt issuance greatly decreases. This was evident in the Great Recession, when S&P Global's earnings-per-share fell 21%, from \$2.94 in 2007 to \$2.33 in 2009. However, given that it was a financial crisis and most companies saw their earnings collapse, the performance of S&P Global was solid overall. To its credit, S&P Global's earnings thrived in 2020 despite a sharp recessionary period.

Final Thoughts & Recommendation

S&P Global enjoys the advantage of an oligopoly in the ratings industry and has ample room to keep growing at a rapid pace in all its segments for years. With earnings growth of 12%, we expect 21.7% average annual returns over the next five years after accounting for the 1% yield and an 8.2% valuation tailwind. S&P Global is a Dividend King, and given strong prospective total returns, we're at a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	5,661	6,063	6,258	6,699	7,442	8,297	11,181	12,497	14,208	15,336
Gross Profit	3,888	4,369	4,420	4,723	5,348	6,102	7,415	8,356	9,817	9,594
Gross Margin	68.7%	72.1%	70.6%	70.5%	71.9%	73.5%	66.3%	66.9%	69.1%	62.6%
SG&A Exp.	1,467	1,606	1,424	1,342	1,541	1,714	3,383	3,159	3,166	---
D&A Exp.	181	180	206	204	206	178	1,013	1,143	1,173	1,179
Operating Profit	2,240	2,583	2,790	3,177	3,601	4,210	3,019	4,054	5,478	6,430
Operating Margin	39.6%	42.6%	44.6%	47.4%	48.4%	50.7%	27.0%	32.4%	38.6%	41.9%
Net Profit	2,106	1,496	1,958	2,123	2,339	3,024	3,248	2,626	3,852	4,820
Net Margin	37.2%	24.7%	31.3%	31.7%	31.4%	36.4%	29.0%	21.0%	27.1%	31.4%
Free Cash Flow	1,445	1,893	1,951	2,661	3,491	3,563	2,514	3,567	5,565	5,456
Income Tax	960	823	560	627	694	901	1,180	778	1,141	1,407

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	8,669	9,425	9,441	11,348	12,537	15,026	61,784	60,589	60,221	61,200
Cash & Equivalents	2,392	2,777	1,917	2,866	4,108	6,497	1,286	1,290	1,666	1,801
Accounts Receivable	1,122	1,319	1,449	1,577	1,593	1,650	2,494	2,826	2,867	3,441
Goodwill & Int. Ass.	4,455	4,377	5,059	4,999	5,087	4,791	52,851	52,248	51,473	0
Total Liabilities	6,888	7,307	7,137	8,544	9,185	9,490	22,040	22,489	22,713	52,746
Accounts Payable	183	195	211	190	233	205	450	557	553	25,048
Long-Term Debt	3,564	3,569	3,662	3,948	4,110	4,114	10,956	11,459	11,398	610
Shareholder's Equity	650	709	628	479	509	2,032	36,388	34,200	33,159	12,864
LTD/E Ratio	5.48	5.03	5.83	8.24	8.07	2.02	0.30	0.34	0.34	31,127

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	25.0%	16.5%	20.8%	20.4%	19.6%	21.9%	8.5%	4.3%	6.4%	7.9%
Return on Equity	499%	220%	293%	384%	474%	238%	16.9%	6.7%	10.2%	13.1%
ROIC	41.6%	27.1%	33.6%	33.4%	32.9%	35.3%	10.8%	5.2%	7.8%	9.7%
Shares Out.	258	254	248	246	241	241	319	319	312	305
Revenue/Share	21.35	23.42	24.72	27.13	30.74	34.31	35.11	39.19	45.55	50.27
FCF/Share	5.45	7.31	7.71	10.78	14.42	14.74	7.89	11.19	17.84	17.88

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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