

MSCI Inc. (MSCI) — One-Page Investment Report

As-of: Sep. 23, 2025

Ticker	MSCI	Industry / Sub-industry	Financial Services / Financial Data & Stock Exchanges
Current Price	\$568.06	Target Price / Stop Loss	\$640 / \$455.00
52-Week High / Low	\$642.45 / \$486.74	TTM P/E / Fwd P/E	37.8x / 33.4x (FY25E)
EPS (TTM) / Beta (Model)	\$15.09 / 1.08	Credit Rating / Outlook	BBB- (S&P) / Stable
Market Cap / Shares O/S	\$44.1B / 77.37mm (as of Jul 15, 2025, 10-Q)	Avg Vol (3M) / Dividend	0.66mm (3M avg) / 1.3%

Company Background

MSCI is a leading provider of investment decision-support tools. Segments include Index, Analytics, Sustainability & Climate, and Private Assets. Revenue is predominantly recurring subscriptions and asset-based fees tied to AUM tracking MSCI indexes. Clients span asset managers, owners, banks, brokers, and wealth platforms globally.

Industry Outlook

Secular adoption of index investing and custom/factor indexes; rotation to non-U.S. exposures; growth in climate and private-assets data; and rising regulatory reporting needs. Equity index ETF AUM linked to MSCI indices surpassed ~\$2T, with ~\$6T of total AUM benchmarked to MSCI.

Investment Thesis

Mission-critical benchmarks and analytics with high switching costs; capital-light model with superior margins and robust FCF; embedded growth via ETF flows, custom indexing, and Analytics cross-sell; expanding Climate and Private Assets franchises; disciplined capital returns (dividends and opportunistic buybacks).

Investment Risks

Q2'25 Earnings Call — Key Takeaways

- Record asset-based fee momentum; equity index ETF AUM linked to MSCI surpassed \$2T; total AUM benchmarked to MSCI ~ \$6T.
- Captured a leading share of indexed equity ETF inflows in Q2; non-U.S. exposures a key driver.
- Subscription run-rate growth across Index, Analytics, and Sustainability & Climate; Private Assets ~13% run-rate growth.
- Capital returns: ~\$286M YTD repurchases at ~ \$557/share; long-term capital return framework unchanged.

Financial Performance — DCF & Analyst Opinion

Model: CoE 8.19%, CoD 4.74%, Tax 18.0%, WACC (after-tax) 7.63%, Perpetuity growth 3.75%, Exit EV/EBITDA 26.79x. Target \$640; Stop-loss 20%.

Consensus: Rating ~ Outperform; Target ~ \$619; LT growth ~ 10.9%.

Financial Metrics (LTM/5Y, unless noted)

Avg Revenue Growth (5Y CAGR)	11.96%
EBITDA Margin (FY25E)	60.76%
Net Income Margin (LTM)	39.46%
Gross Margin (LTM)	82.18%
FCF Margin (LTM)	52.2%
Debt / Equity (book)	N/M (negative book equity)
Cost of Debt (pre-tax)	4.74%
Tax Rate (model)	18.0%
Cost of Equity (model)	8.19%
WACC (after-tax, model)	7.63%
Perpetuity Growth (model)	3.75%

• Market-linked asset-based fees sensitive to equity levels/flows.

• Competition (S&P DJI, FTSE Russell, Bloomberg, FactSet) may constrain pricing power.

• ESG/regulatory scrutiny and methodology changes could impact demand and cost base.

• Premium valuation vs. peers; execution risk in Sustainability/Private Assets; negative book equity.

• Budget pressure at clients could affect Analytics/Sustainability retention and seat expansion.

CSR/ESG Characteristics

• Net-zero by 2040; 100% renewable electricity for operations by 2025.

• Board-level oversight of climate strategy; expanding climate and ESG datasets to support client disclosures.

• ESG Rating: 14.0 (Low); MSCI Sustainability Institute and strong performance in business ethics, human capital, and data/cybersecurity.

Notes: Market snapshot and margins from S&P Global MI (Sep 22, 2025); shares outstanding from MSCI 10-Q (Jul 15, 2025). Model inputs (beta, CoE, CoD, tax, WACC, perp growth, exit multiple) from DCF dashboard; AUM milestones and Q2 highlights from MSCI Q2’25 earnings materials.

Income Statement (in Bil, except ratios)	06/30/2025	12/2024	12/2023	12/2022	12/2021	12/2020
Revenue	2.99	2.86	2.53	2.25	2.04	1.70
Revenue Growth %	10.48%	12.94%	12.47%	10.03%	20.54%	8.83%
Gross Profit	2.45	2.34	2.08	1.84	1.68	1.40
Gross Profit Margin %	82.18%	81.99%	82.34%	82.02%	82.45%	82.79%
Operating Income	1.61	1.53	1.38	1.21	1.09	0.88
Operating Margin %	53.86%	53.52%	54.75%	53.71%	53.28%	52.19%
EBIT	1.60	1.52	1.52	1.20	1.02	0.84
EBIT Margin %	53.51%	53.23%	60.15%	53.53%	49.73%	49.40%
EBITDA	1.81	1.73	1.68	1.29	1.13	0.95
EBITDA Margin %	60.76%	60.45%	66.45%	57.58%	55.51%	55.93%
Net Income	1.18	1.11	1.15	0.87	0.73	0.60
Net Profit Margin %	39.46%	38.83%	45.42%	38.72%	35.53%	35.50%
Basic EPS	15.13	14.09	14.45	10.78	8.80	7.19
Diluted EPS	15.10	14.05	14.39	10.72	8.70	7.12
Normalized EPS	16.21	15.20	13.53	11.45	9.95	7.50
Total Dividends per Share	6.80	6.40	5.52	4.58	3.64	2.92

Relative Performance — Total Return

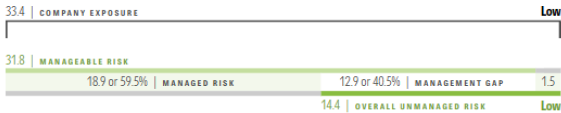
	YTD	1Y
MSCI	-5.56%	+2.82%
Financial Sector (XLF)	+11.84%	+19.01%
S&P 500 (SPY)	+12.55%	+16.18%

Relative Valuation

- MSCI: EV/EBITDA 26.79x; P/E (TTM) 39.60x (model comps).
- Market snapshot: FY25E EV/EBITDA ~25.6×; P/E ~33.4× (S&P MI).
- Peer averages (SPGI, MCO, FDS, MORN): EV/EBITDA ~23.22x; P/E ~35.3x.
- ROIC vs WACC: 19% vs 7.63% → spread +11.37% (value creation).

Company Name	Description	Market Cap (\$B)	EV (\$B)	EBITDA	EV/EBITDA	P/E TTM	SYR Avg. ROIC	Gross Margin %	Net Margin %	SYR Beta	Credit Rating
MSCI INC.	One of the top players in the financial services industry specifically within global indexes and ESG research. Their data is widely used by investors to accurately make decisions.	44.79	49.10	1.82	26.92	39.81	19%	82%	39%	1.08	BBB-
S&P Global Inc.	Biggest company within the industry that is best known for their SPY and DAI as their indexes which helps benchmark the entire US Stock market. Their top tier service in including extensive data throughout all industries	166.01	175.85	7.26	24.22	41.79	14%	70%	27%	1.21	A-
MOODY'S CORPORATION	Best known for their detailed credit ratings and analytic tools to understand the creditworthiness of another company all based on their specific rating scale.	92.15	97.25	3.39	28.73	44.13	18%	73%	29%	1.43	BBB+
FACTSET RESEARCH SYSTEMS INC.	Leader in providing integrated data and software that allows for investors to conduct their research in a single customizable interface both in public and private fields.	12.90	14.15	0.85	16.60	24.63	21%	60%	23%	0.83	BBB+
MORNINGSTAR, INC.	Well-known financial services company providing independent stock analysis, mutual funds and ETFs. Their iconic star ratings using historical performance against peers while also using analyst ratings for future growth.	10.50	10.99	0.55	19.87	26.57	8%	61%	17%	1.02	N/A
Statistics Summary		Market Cap (\$B)	EV (\$B)	EBITDA	EV/EBITDA	P/E TTM	ROIC	Gross Margin %	Net Margin %	SYR Beta	
High		166.01	175.85	7.26	28.73	44.13	21%	82%	39%	1.43	
Low		10.50	10.99	0.55	16.60	24.63	8%	60%	17%	0.83	
Average		65.27	69.47	2.77	23.27	35.39	16%	69%	27%	1.11	
Financial Data & Stock Exchanges					11.75	35.4	23.51%	33.82%	6.23%		

ESG Risk Rating Breakdown



Exposure

Exposure represents a company's vulnerability to ESG risks driven by their business model. Exposure is assessed at the subindustry level and then specified at the company level. Scoring ranges from 0-55+ with categories of low, medium, and high-risk exposure.

Management

Management measures a company's ability to manage ESG risks through its commitments and actions. Management assesses a company's efficiency on ESG programs, practices, and policies. Management score ranges from 0-100% showing how much manageable risk a company is managing.

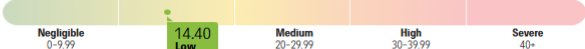
ESG Risk Rating Assessment



Highest Controversy Level (1 = Low, 5 = Severe)

Low
Incidents: Society & Community

ESG Risk Rating



Top Material ESG Issues

Business Ethics
Overall

Human Capital
Overall

Data Privacy &
Cybersecurity
Overall

ESG Risk Rating is as of Sep 03, 2025. Highest Controversy Level is as of Sep 08, 2025. Sustainability Subindustry: Financial Exchanges and Data Services. Sustainability provides Morningstar with company ESG ratings and metrics on a monthly basis and as such, the ratings in Morningstar may not necessarily reflect current Sustainability scores for the company. For the most up to date rating and more information, please visit: sustainability.com/esg-rating/.