

## MSCI Inc. (MSCI)

**\$581.16** (Stock Price as of 01/09/2026)

Price Target (6-12 Months): **\$610.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

Neutral

(Since: 06/19/19)

Prior Recommendation: Outperform

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

**4-Sell**

Zacks Style Scores:

VGM: C

Value: F

Growth: B

Momentum: A

## Summary

MSCI shares have outperformed the industry in the past six months. It benefits from strong growth in recurring subscription revenues and asset-based fees. Strong ETF and non-ETF AUM linked to MSCI indices, along with growth in sustainability solutions, highlight its diverse and resilient business model. MSCI launches products such as a private credit factor model and the MSCI PACS global taxonomy for private assets, using AI to enhance its product offerings. AI-driven solutions contribute \$25M in sales year to date, with potential for future growth. However, challenging macroeconomic conditions, along with muted demand for sustainability and climate solutions, are a concern. Sluggish sales performance in the EMEA region, particularly among asset managers, poses a risk. Market dynamics and client budget constraints also challenge overall growth.

## Price, Consensus & Surprise<sup>(1)</sup>



## Data Overview

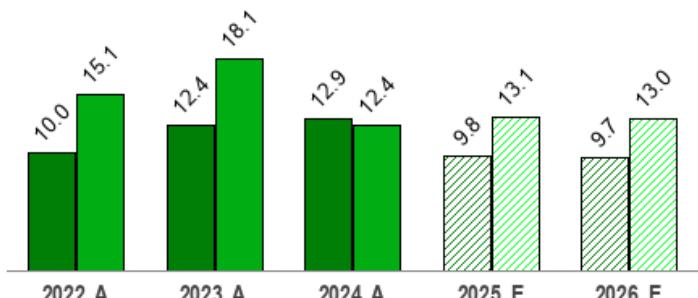
52 Week High-Low	<b>\$634.99 - \$486.74</b>
20 Day Average Volume (sh)	<b>486,154</b>
Market Cap	<b>\$43.7 B</b>
YTD Price Change	<b>1.3%</b>
Beta	<b>1.30</b>
Dividend / Div Yld	<b>\$7.20 / 1.2%</b>
Industry	<b>Financial - Investment Management</b>
Zacks Industry Rank	<b>Bottom 28% (175 out of 244)</b>

Last EPS Surprise	<b>2.3%</b>
Last Sales Surprise	<b>-0.7%</b>
EPS F1 Est- 4 week change	<b>0.2%</b>
Expected Report Date	<b>01/28/2026</b>
Earnings ESP	<b>0.0%</b>

P/E TTM	<b>34.6</b>
P/E F1	<b>33.8</b>
PEG F1	<b>-12.4</b>
P/S TTM	<b>14.3</b>

## Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>

Sales          EPS     



## Sales Estimates (millions of \$)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	829 E	851 E	867 E	891 E	3,439 E
2025	746 A	773 A	793 A	822 E	3,136 E
2024	680 A	708 A	725 A	744 A	2,856 A

## EPS Estimates<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	4.56 E	4.77 E	4.98 E	5.12 E	19.42 E
2025	4.00 A	4.17 A	4.47 A	4.58 E	17.19 E
2024	3.52 A	3.64 A	3.86 A	4.18 A	15.20 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 01/09/2026.

(2) The report's text and the price target are as of 12/24/2025.

## Overview

MSCI Inc. provides investment decision support tools, including indexes; portfolio construction and risk management products and services; Environmental, Social and Governance (ESG) research and ratings; and real estate research, reporting and benchmarking offerings.

MSCI reported operating revenues of \$2.85 billion in 2024. The company operates under four segments — Index (55.8% of operating revenues), Analytics (23.6%), ESG and Climate (11.4%) and All other- Private Assets (9%). During the year ended Dec 31, 2023, MSCI renamed The Burgiss Group, LLC operating segment to Private Capital Solutions.

Index segment includes MSCI Global Equity Indexes, MSCI Custom Indexes, MSCI Factor Indexes, MSCI ESG Indexes, MSCI Real Assets Indexes and Thematic Indexes. Global Industry Classification Standard (GICS) and GICS Direct were developed and are maintained jointly by MSCI and Standard & Poor's Financial Services.

Analytics segment includes Equity Factor Models, Fixed Income Factor Models, Multi-Asset Class Factor Models, Multi-Asset Class Risk Analytics and Performance Analytics.

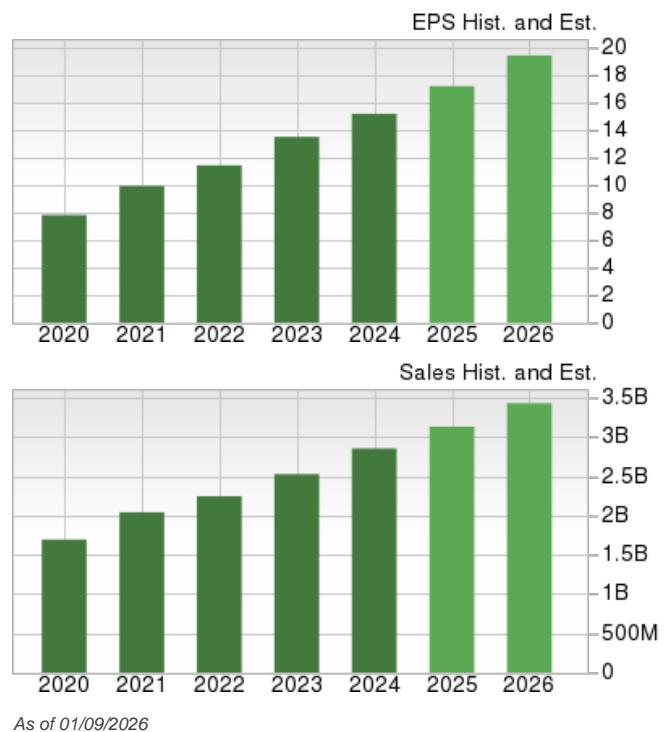
MSCI's major application offerings include RiskMetrics RiskManager, BarraOne, Barra Portfolio Manager, WealthBench & CreditManager, and MSCI Analytics Platform. Through the Analytics segment, MSCI also provides Managed Services, HedgePlatform and InvestorForce solutions.

MSCI's ESG Research analyzes more than 10,000 entities worldwide. Offerings include MSCI ESG Ratings and MSCI ESG Business Involvement Screening Research.

MSCI generates revenues primarily through subscription fees, which, in most of the cases, is paid in advance. Clients using the company's indexes as the basis for index-linked investment products (ETFs) or as the basis for passively managed funds also pay license fee, typically in arrears, based on the assets under management ("AUM") in their investment products.

The company's clientele includes pension funds, endowments, foundations, central banks, sovereign wealth funds, family offices, insurance companies, mutual funds, hedge funds, ETFs, private wealth, private banks, REITs, broker-dealers, exchanges, custodians, trust companies and wealth managers.

As of Dec. 31, 2024, MSCI served more than 7,100 clients across 100 countries worldwide.



As of 01/09/2026



As of 01/09/2026

## Reasons To Buy:

- ▲ MSCI's solutions helps asset owners and managers make better investment decisions and build stronger portfolios. This helps it to win customers on a regular basis. MSCI expects revenues to grow at low double-digit rate over the long term. Index, Analytics, ESG & Climate and All Other-Private Assets revenues are expected to grow at low double-digit, high-single digit, mid-to-high 20s rate and high teens, respectively, in the long haul.
- ▲ MSCI benefits from acceleration in the growth of index-based products, equity-ETFs, non-ETF passive investing, exchange-traded futures and options products, custom and factor index modules, and the growing adoption of its ESG solution. It is gaining from strong traction in client segments like wealth management, and banks and broker dealers. An increasing run-rate (annualized value of the recurring revenues under client license agreements) reflects solid growth in clientele.
- ▲ MSCI is riding on a strong recurring revenue base. It has a diversified customer base that provides significant competitive advantage. As of Dec 31, 2024, MSCI served more than 7,100 clients across 100 countries worldwide. Growing passive and index-based investing are driving demand for MSCI's Index products, which have gained strong traction among client segments like wealth management, banks and broker dealers, and hedge funds. The increasing adoption bodes well for the company's index subscription business, roughly 96% of which is recurring in nature.
- ▲ MSCI's ESG product line has expanded over time. It provides climate data on about 73,000 companies and issuers under subsidiaries, including more than 55,000 private companies, along with more than 7,000 private equity and private debt funds. MSCI also provide location data on about one million asset locations through MSCI GeoSpatial. MSCI's Net Zero tracker illustrates how listed companies align with different temperature rise scenarios. The availability of new equity factor models, including the first models to offer sustainability, crowding and machine learning factors, is a key catalyst. The sustainability factor includes both ESG and carbon efficiency components, which are expected to boost demand for MSCI's solutions. The partnership with Snowflake expands MSCI's distribution capabilities in this regard.
- ▲ MSCI has a strong balance sheet with a cash balance of \$400.1 million as of Sept. 30, 2025. Total debt was \$5.6 billion as of Sept. 30, 2025. The total debt-to-adjusted EBITDA ratio (based on trailing 12-month-adjusted EBITDA) was 3 times. Free cash flow was \$423.3 million. Strong liquidity and steady cash flow reflect that MSCI is making investments in the right direction. A strong cash position is expected to support dividend payout in the near term. The company paid out dividends worth \$137.4 million in the third quarter of 2025.

Acceleration in the growth of index-based products, strong customer base, partnerships, solid ESG demand and aggressive share repurchase are key catalysts.

## Reasons To Sell:

- ▼ Equity market turmoil doesn't bode well for MSCI as the company earns a majority of revenues from AUMs linked to its indexes. The ongoing war between Russia and Ukraine, rising interest rates and elevated inflation has increased volatility in equity markets globally.
- ▼ MSCI revenues are expected to hurt from lower fee products from other index providers that are targeting new inflows. Management expects a continued decline in average basis point fee level. Moreover, higher cancellations in both Index and Analytics segment don't bode well for top-line growth. Index subscription cancellations rose by 41.6% in 2024 compared to 2023, and Analytics subscription cancellations increased by 12.8% year over year.
- ▼ Moreover, increasing pricing pressure is a major concern, primarily due to the growing availability of free indices from the likes of Morningstar. Self-indexing and lower spending by asset managers on gathering data are other headwinds.
- ▼ MSCI generates more than 56.5% of revenues from the international markets. Hence, adverse foreign currency exchange rates, owing to the strengthening of the U.S. dollar compared with the Euro and other foreign currencies, remains a concern.

Growing demand for lower fee products from other index providers and leveraged balance sheet are major concerns.

## Last Earnings Report

### MSCI Q3 Earnings Beat Estimates, Revenues Rise Y/Y

MSCI's third-quarter 2025 adjusted earnings of \$4.47 per share beat the Zacks Consensus Estimate by 2.29% and increased 15.8% year over year.

MSCI's revenues rose 9.5% year over year to \$793.4 million, missing the consensus estimate by 0.72%. The year-over-year improvement was driven by strong growth in recurring subscription revenues and asset-based fees. Organic operating revenues grew 9% year over year.

Recurring subscriptions of \$579.1 million increased 7.9% year over year and contributed 73% to revenues. Asset-based fees of \$197.5 million jumped 17.1% year over year and contributed 24.9% to revenues. Non-recurring revenues of \$16.9 million decreased 13.4% year over year and contributed 2.1% to revenues.

At the end of the reported quarter, average assets under management were \$2.211 trillion in ETFs linked to MSCI equity indexes. The total retention rate was 94.7% in the reported quarter.

### MSCI's Top-Line Details

In third-quarter 2025, Index revenues of \$451.2 million increased 11.4% year over year. Recurring subscriptions and asset-based fees rose 8.3% and 17.1% on a year-over-year basis, respectively. Non-recurring revenues declined 10.1% year over year. Organically, Index operating revenue growth was 11.4%.

The uptick in recurring subscription revenues was driven by strong growth from market-cap-weighted Index products and ETFs linked to MSCI equity indexes.

Analytics' operating revenues of \$182.2 million increased 5.7% year over year. Recurring subscription revenues jumped 6% and non-recurring revenues decreased 8.2% on a year-over-year basis. Organically, Analytics' operating revenue growth was 5.6%.

The Sustainability and Climate segment's (previously titled "ESG and Climate") operating revenues were \$90.1 million, rising 7.7% year over year. While recurring subscriptions increased 8.8% year over year, non-recurring revenues declined 31.2% on a year-over-year basis. Organically, Sustainability and Climate operating revenue growth was 5.1%.

All Other – Private Assets operating revenues, which primarily comprise the Real Assets operating segment and the Private Capital Solutions (formerly known as Burgiss), were \$70 million, up 9.7% year over year. Organic operating revenue growth for All Other – Private Assets was 8.3%.

### MSCI's Q3 Operating Details

Adjusted EBITDA increased 9.7% year over year to \$494.4 million in the reported quarter. The adjusted EBITDA margin in the third quarter of 2025 was 62.3% compared with 62.2% in the third quarter of 2024.

Adjusted EBITDA expenses were \$298.9 million, up 9.1% year over year, reflecting higher compensation and benefits costs due to higher headcount, as well as elevated severance costs.

Total operating expenses increased 6.9% on a year-over-year basis to \$345.7 million due to higher compensation costs from a 2.2% increase in headcount.

Operating income improved 11.6% year over year to \$447.7 million. The operating margin expanded 100 bps on a year-over-year basis to 56.4%.

### MSCI's Balance Sheet & Cash Flow

Total cash and cash equivalents, as of Sept. 30, 2025, were \$400.1 million compared with \$347.3 million as of June 30, 2025.

Total debt was \$5.6 billion as of Sept. 30, 2025, compared with \$4.5 billion as of June 30, 2025. The total debt-to-adjusted EBITDA ratio (based on trailing 12-month-adjusted EBITDA) was 3 times. Management targets total debt to adjusted EBITDA of 3-3.5 times.

As of Sept. 30, 2025, the free cash flow was \$423.3 million, up 7.4% year over year from \$301.6 million as of June 30, 2025.

As of Oct. 25, 2025, the MSCI board of directors authorized a new \$3.0 billion share repurchase program.

The company paid out dividends worth \$137.4 million in the third quarter of 2025.

### MSCI Maintains 2025 Guidance

For 2025, MSCI expects total operating expenses of \$1.415-\$1.445 billion.

Adjusted EBITDA expenses are anticipated to be between \$1.230 billion and \$1.250 billion.

FY Quarter Ending	12/31/2025
Earnings Reporting Date	Oct 28, 2025
Sales Surprise	-0.72%
EPS Surprise	2.29%
Quarterly EPS	4.47
Annual EPS (TTM)	16.82

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Interest expenses are expected to be between \$205 million and \$209 million.

Net cash provided by operating activities and the free cash flow are expected to be \$1.54-\$1.59 billion and \$1.41-\$1.47 billion, respectively.

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## Recent News

### 2025

On April 25, 2025, MSCI launched two All-Country Venture-Backed Private Company Indexes, offering transparent insights into the performance of private assets based on secondary market data.

On April 21, 2025, MSCI and Moody's Corporation announced a joint initiative to create a unique solution for independent risk assessments in private credit investments, combining MSCI's private credit data with Moody's EDF-X credit models.

### 2024

On July 22, MSCI announced the launch of MSCI Private Capital Indexes to enhance transparency and performance measurement across the global private markets landscape.

On July 1, MSCI announced a partnership with Moody's. The partnership will leverage MSCI's robust sustainability data and models, widely utilized by major asset managers worldwide, to bolster Moody's offerings across banking, insurance, and corporate sectors. Moody's will also integrate MSCI's industry-leading ESG ratings and content into its solutions, gradually replacing its own ESG data offerings. The agreement also entails MSCI gaining access to Moody's extensive Orbis database, paving the way for expanded private company ESG coverage and exploration into advanced solutions for the private credit market.

On April 17, MSCI completed the acquisition of Foxberry as announced on Feb 7. Foxberry is a London-based provider of front-office index technology. The acquisition enhances MSCI's suite of index customization solutions.

On Feb 6, MSCI launched MSCI Private Company Data Connect, a centralized hub providing general partners access to private companies' sustainability and climate data. The launch will facilitate due diligence, risk management and sustainable value creation strategies in private markets.

On Jan 3, 2024, MSCI completed the previously announced acquisition of Fabric, a wealth technology platform, to enhance wealth managers portfolio design capabilities and meet evolving trends. This will help the company provide institutional-quality tools for personalized client portfolios at scale.

## Valuation

MSCI shares have increased 2% in the past six-month period and declined 4.4% over the trailing 12-month period. Stocks in the Zacks sub-industry declined 3.3%, while the Zacks Finance sector has increased 10.3% in the past six-month period. Over the past year, the Zacks sub-industry is down 13.1% and the sector has been up 16.9%.

The S&P 500 index is up 16.2% in the past six-month period and 16.3% in the past year.

The stock is currently trading at 30X forward 12-month earnings, which compares to 14.97X for the Zacks sub-industry, 17.47X for the Zacks sector, and 23.38X for the S&P 500 index.

Over the past five years, the stock has traded as high as 62.11X and as low as 27.85X, with a 5-year median of 36.42X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$610 price target reflects 31.50X forward 12-month earnings.

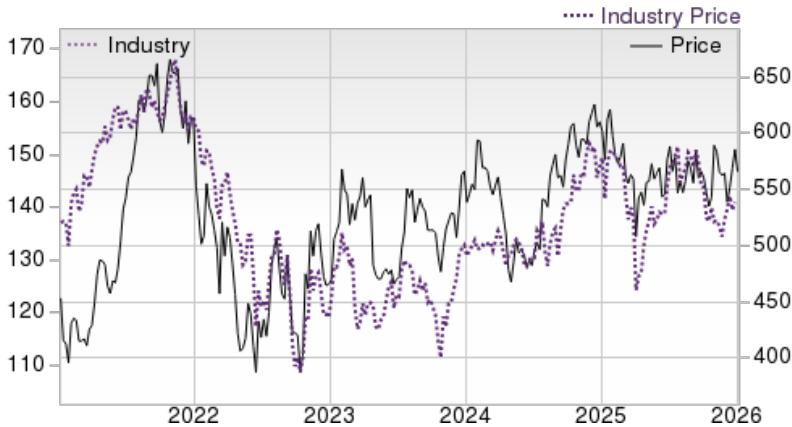
The table below shows summary valuation data for MSCI

Valuation Multiples - MSCI					
	Stock	Sub-Industry	Sector	S&P 500	
P/E F12M	Current	30	14.97	17.47	23.38
	5-Year High	62.11	19.30	18.28	23.78
	5-Year Low	27.85	11.29	12.36	15.73
	5-Year Median	36.42	15	16.12	21.22
P/S F12M	Current	12.72	10.4	9.08	5.29
	5-Year High	25.43	12.82	10.06	5.50
	5-Year Low	11.8	5.52	6.69	3.82
	5-Year Median	15.31	9.47	8.4	5.04

As of 12/23/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 28% (175 out of 244)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
CME Group Inc. (CME)	Neutral	2
Donnelley Financial ... (DFIN)	Neutral	3
FactSet Research Sys... (FDS)	Neutral	3
Guidewire Software, ... (GWRE)	Neutral	3
Moody's Corporation (MCO)	Neutral	2
ePlus inc. (PLUS)	Neutral	3
S&P Global Inc. (SPGI)	Neutral	2
Tyler Technologies, ... (TYL)	Neutral	2

## Industry Comparison<sup>(1)</sup> Industry: Financial - Investment Management

	MSCI	X Industry	S&P 500	CME	SPGI	TYL
<b>Zacks Recommendation (Long Term)</b>	Neutral	-	-	Neutral	Neutral	Neutral
<b>Zacks Rank (Short Term)</b>	4	-	-	2	2	2
<b>VGM Score</b>	C	-	-	F	D	D
Market Cap	43.68 B	1.17 B	40.73 B	96.15 B	163.98 B	19.51 B
# of Analysts	4	4	22	10	9	8
Dividend Yield	1.24%	1.57%	1.37%	1.88%	0.71%	0.00%
<b>Value Score</b>	F	-	-	F	F	D
Cash/Price	0.01	0.13	0.04	0.03	0.01	0.05
EV/EBITDA	27.83	9.45	15.01	19.25	25.63	39.78
PEG Ratio	-12.39	1.08	2.04	3.44	2.31	2.41
Price/Book (P/B)	NA	1.69	3.44	3.41	4.93	5.41
Price/Cash Flow (P/CF)	32.27	12.48	15.54	23.52	27.68	40.27
P/E (F1)	33.82	11.11	18.81	22.96	27.36	36.15
Price/Sales (P/S)	14.30	3.63	3.07	15.03	10.92	8.49
Earnings Yield	3.35%	8.64%	5.30%	4.35%	3.65%	2.77%
Debt/Equity	-2.87	0.08	0.57	0.12	0.34	0.00
Cash Flow (\$/share)	18.01	1.96	8.98	11.34	19.57	11.26
<b>Growth Score</b>	B	-	-	F	D	B
Hist. EPS Growth (3-5 yrs)	16.36%	2.01%	8.24%	14.00%	6.59%	13.21%
Proj. EPS Growth (F1/F0)	13.09%	12.68%	9.21%	8.77%	13.06%	19.48%
Curr. Cash Flow Growth	13.50%	5.00%	7.00%	8.58%	17.61%	15.04%
Hist. Cash Flow Growth (3-5 yrs)	16.54%	6.62%	7.49%	6.99%	18.89%	14.61%
Current Ratio	0.88	1.70	1.19	1.02	0.97	1.03
Debt/Capital	NA%	14.82%	38.14%	10.82%	32.28%	0.00%
Net Margin	40.03%	18.37%	12.77%	58.84%	28.10%	13.72%
Return on Equity	-110.94%	12.32%	17.03%	14.61%	15.90%	10.57%
Sales/Assets	0.57	0.23	0.53	0.04	0.25	0.43
Proj. Sales Growth (F1/F0)	9.80%	7.89%	5.30%	6.80%	7.70%	9.70%
<b>Momentum Score</b>	A	-	-	A	A	F
Daily Price Chg	0.46%	1.06%	0.01%	-0.08%	0.76%	1.15%
1 Week Price Chg	-3.37%	0.00%	1.11%	-2.55%	-3.17%	-5.47%
4 Week Price Chg	5.77%	0.91%	0.30%	-2.12%	8.84%	-0.07%
12 Week Price Chg	9.00%	3.40%	4.41%	1.57%	14.73%	-8.69%
52 Week Price Chg	-3.47%	2.89%	16.95%	16.28%	9.22%	-21.18%
20 Day Average Volume	486,154	150,907	2,445,854	1,528,575	1,334,691	337,430
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.08%	0.57%	0.00%
(F1) EPS Est 4 week change	0.15%	0.00%	0.00%	0.12%	0.77%	-0.06%
(F1) EPS Est 12 week change	1.33%	0.44%	0.47%	1.23%	3.22%	-0.83%
(Q1) EPS Est Mthly Chg	0.32%	0.00%	0.00%	0.75%	0.78%	0.00%

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	F
Growth Score	B
Momentum Score	A
VGM Score	C

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

### Disclosures

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