



# Full Year and Fourth Quarter 2021

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## EARNINGS PRESENTATION

January 27, 2022

# Forward-Looking Statements

- This earnings presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation, MSCI's full-year 2022 guidance. These forward-looking statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these statements. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential" or "continue," or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond MSCI's control and that could materially affect actual results, levels of activity, performance or achievements.
- Other factors that could materially affect actual results, levels of activity, performance or achievements can be found in MSCI's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 filed with the Securities and Exchange Commission ("SEC") on February 12, 2021 and in quarterly reports on Form 10-Q and current reports on Form 8-K filed or furnished with the SEC. If any of these risks or uncertainties materialize, or if MSCI's underlying assumptions prove to be incorrect, actual results may vary significantly from what MSCI projected. Any forward-looking statement in this earnings presentation reflects MSCI's current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to MSCI's operations, results of operations, growth strategy and liquidity. MSCI assumes no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise, except as required by law.

# Other Information

- Percentage changes and totals in this earnings presentation may not sum due to rounding.
- Percentage changes refer to the comparable period in 2020, unless otherwise noted.
- All financial figures for the three months and year ended December 31, 2021 are unaudited unless otherwise noted.
- Foreign currency exchange rate fluctuations reflect the difference between the current period results as reported compared to the current period results recalculated using the foreign currency exchange rates in effect for the comparable prior period. While operating revenues adjusted for the impact of foreign currency fluctuations includes asset-based fees that have been adjusted for the impact of foreign currency fluctuations, the underlying assets under management (“AUM”), which is the primary component of asset-based fees, is not adjusted for foreign currency fluctuations. Approximately three-fifths of the AUM are invested in securities denominated in currencies other than the U.S. dollar, and accordingly, any such impact is excluded from the disclosed foreign currency-adjusted variances.

# MSCI Fourth Quarter 2021 Earnings Call Participants



**Henry Fernandez**  
Chairman & CEO



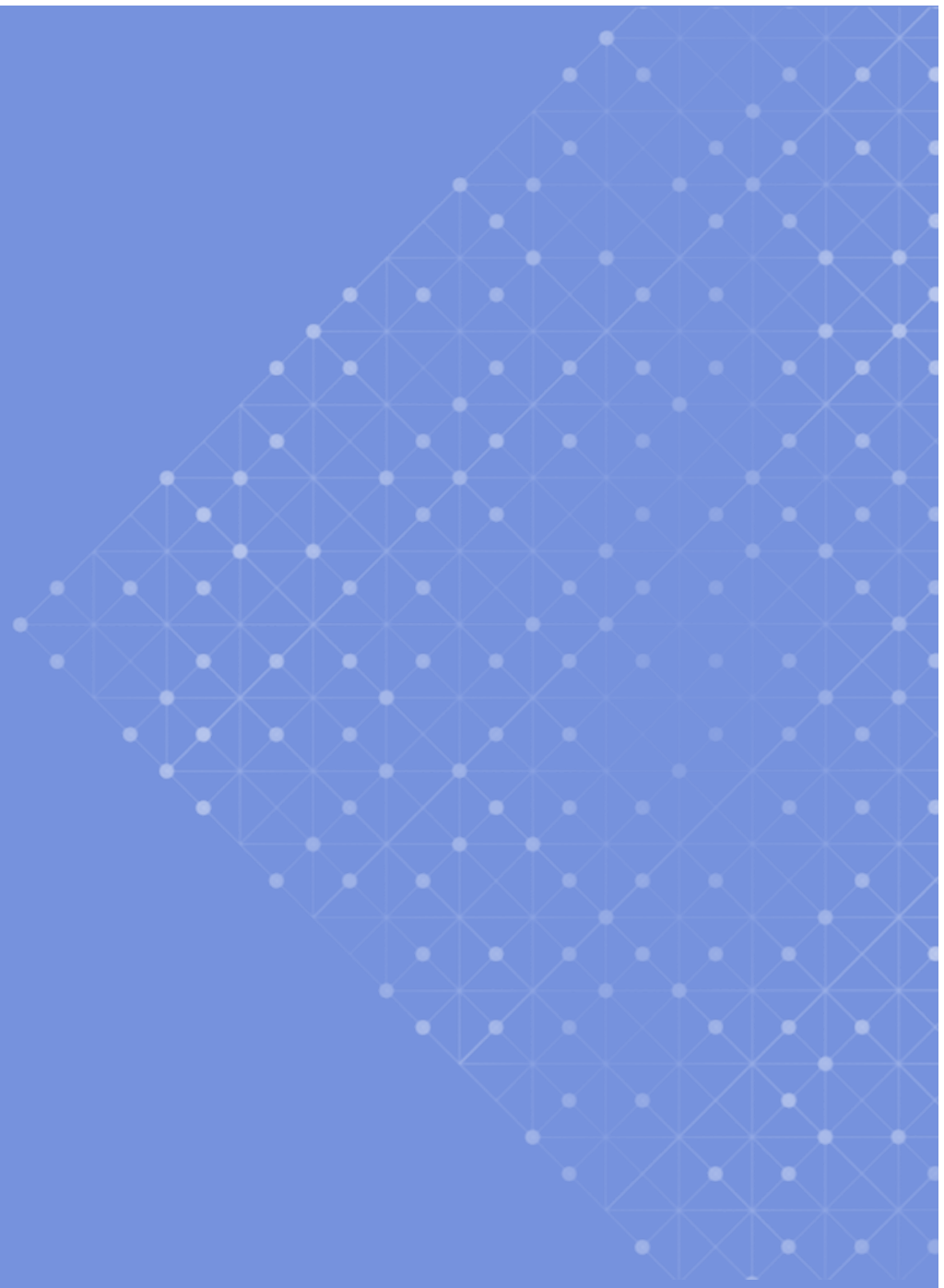
**Baer Pettit**  
President & COO



**Andy Wiechmann**  
Chief Financial Officer

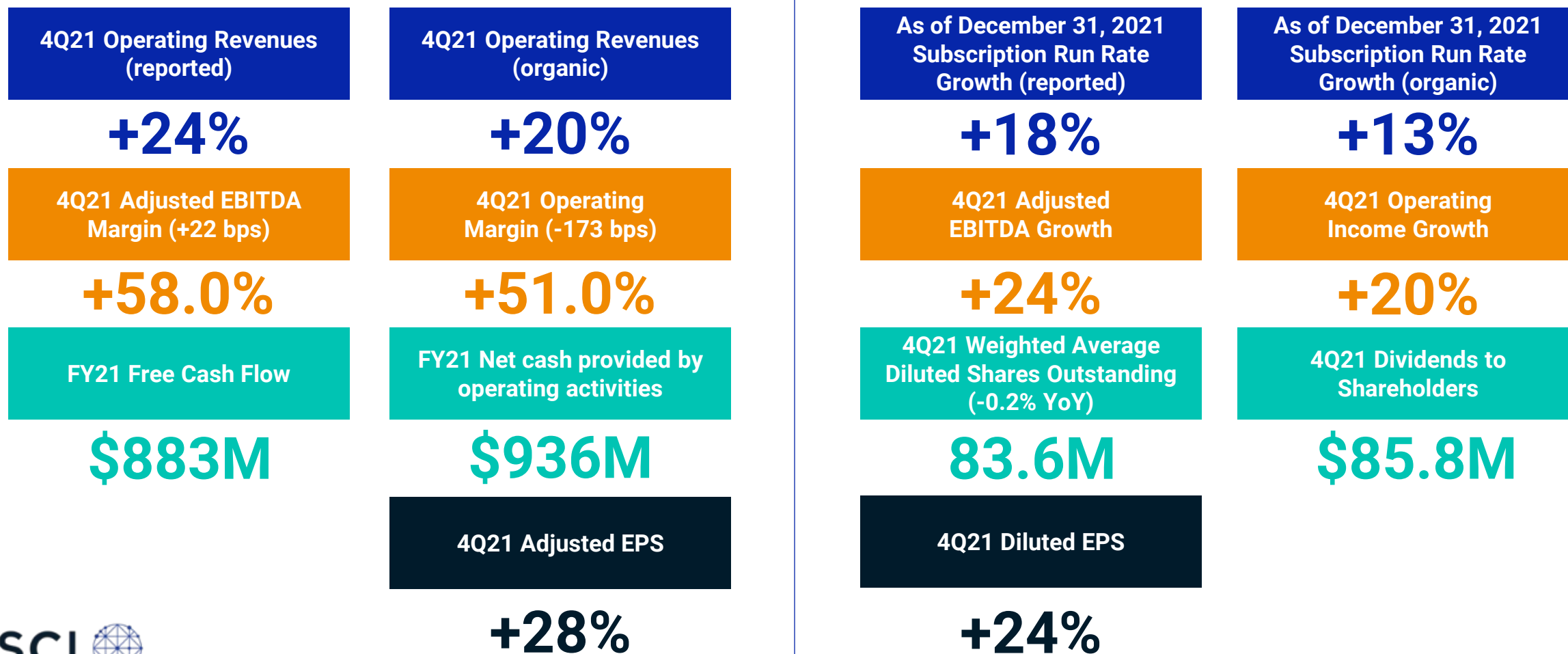
# Financial & Strategic Highlights

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# 4Q21 and FY21 Financial Results Snapshot

Robust earnings growth reflecting strong top-line growth with continued operating leverage



# Widespread Demand for MSCI's Offerings



## Clients

- Asset managers
- Asset owners
- Broker-dealers
- Wealth managers
- Corporates
- Insurance companies
- Private asset managers
- Regions (Americas, EMEA, APAC)



## Solutions for

- ESG and climate investing
- Customized Indexes
- Derivatives
- Factor Investing
- Private Asset Investing
- Fixed income and liquidity
- Investment Themes

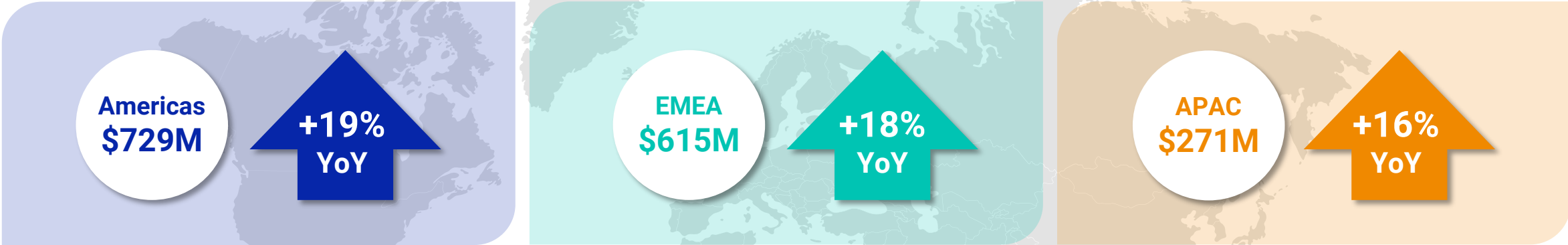


## Capabilities

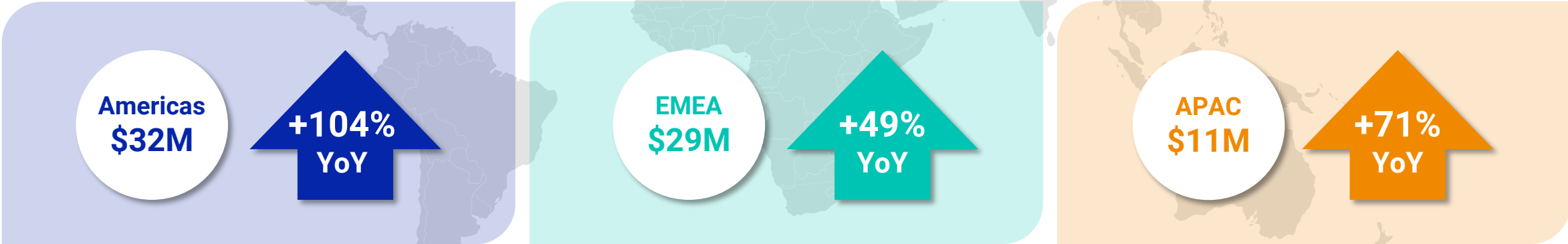
- Data
- Technology
- Talent

# Strong Performance Across Regions

## 4Q21 Subscription Run Rate by Region



## 4Q21 Recurring Net New Subscription Sales by Region

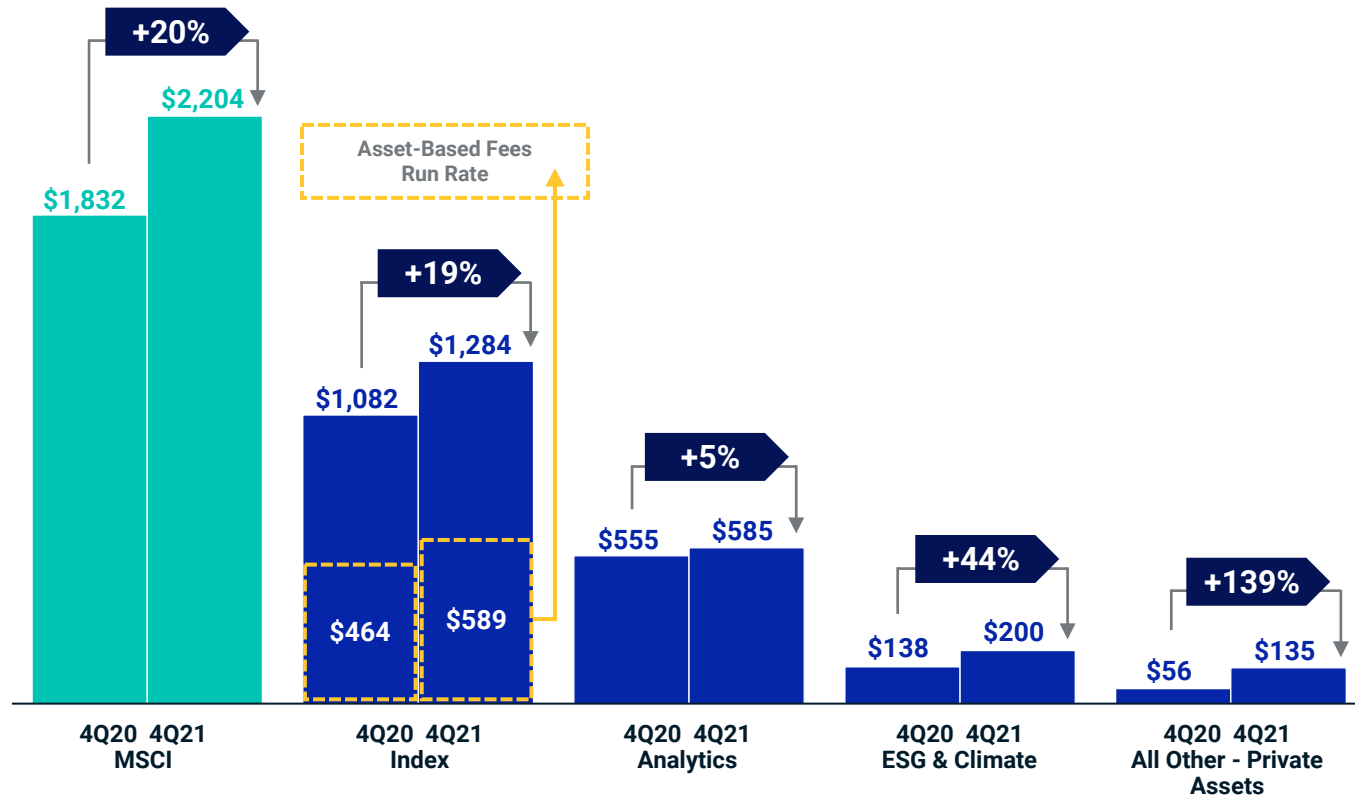




# 4Q21 Operating Highlights

(US\$ in millions)

## Total Run Rate



- **\$2.2B** of Total Run Rate across MSCI
- **Record** quarterly and full-year new recurring subscription sales and net new recurring subscription sales across MSCI
- **Index, Analytics, ESG & Climate and All Other – Private Assets** segments (including and excluding RCA) each recorded their highest quarter ever for new recurring subscription sales
- **Strong** double-digit new recurring subscription sales growth across all regions for the quarter (Americas +50%; EMEA +36%; APAC +44%)

# 4Q21 Summary Financial Results

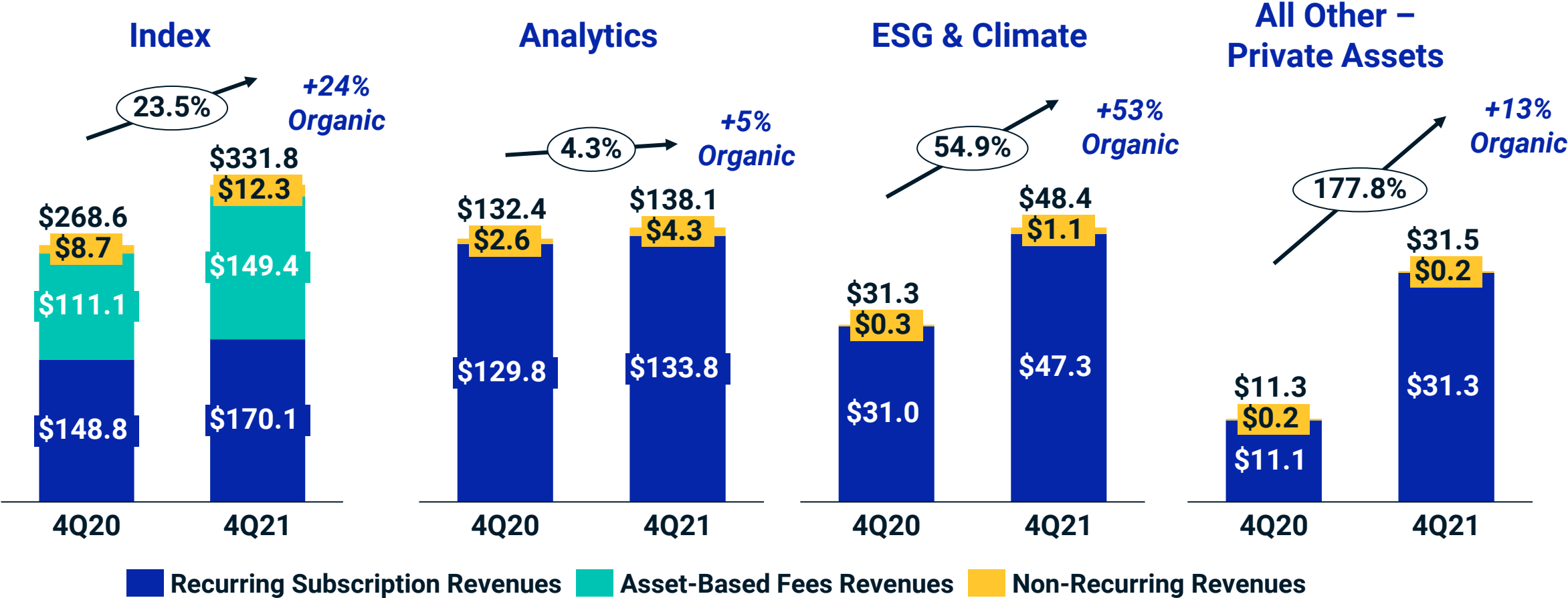
(US \$ in thousands, except per share data)

For the Three Months Ended  
December 31,

<b>(Unaudited)</b>	<b>2021</b>	<b>2020</b>	<b>YoY% Change</b>
<b>Operating revenues</b>	\$ 549,842	\$ 443,661	23.9%
<b>Operating income</b>	\$ 280,587	\$ 234,085	19.9%
<b>Operating margin %</b>	51.0%	52.8%	
<b>Net income</b>	\$ 193,865	\$ 156,216	24.1%
<b>Diluted EPS</b>	\$ 2.32	\$ 1.87	24.1%
<b>Adjusted EPS</b>	\$ 2.51	\$ 1.96	28.1%
<b>Adjusted EBITDA</b>	\$ 318,660	\$ 256,136	24.4%
<b>Adjusted EBITDA margin %</b>	58.0%	57.7%	

# 4Q21 Segment Operating Revenues

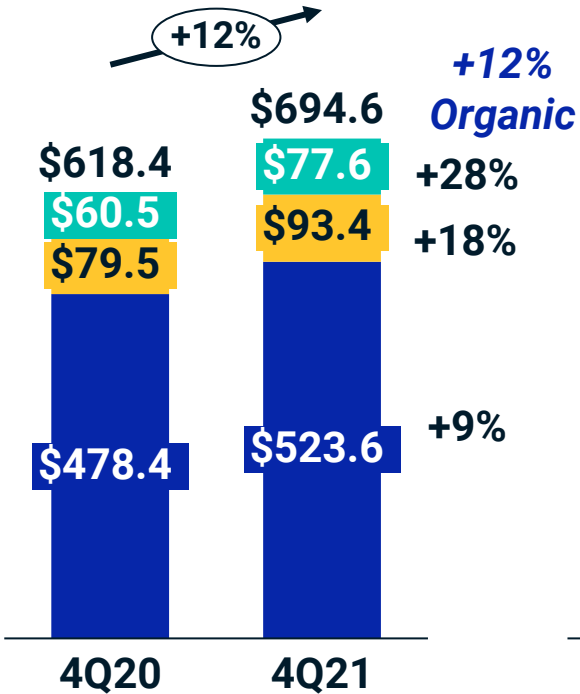
(US\$ in millions)



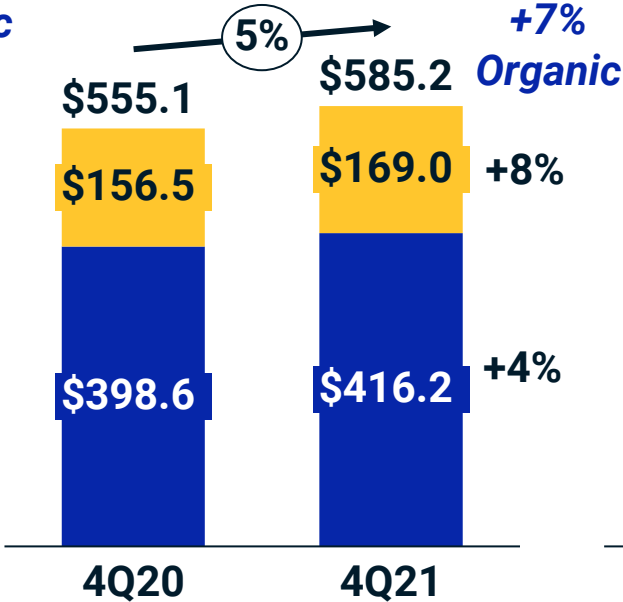
# 4Q21: Organic Subscription Run Rate Growth of 13%

(US\$ in millions)

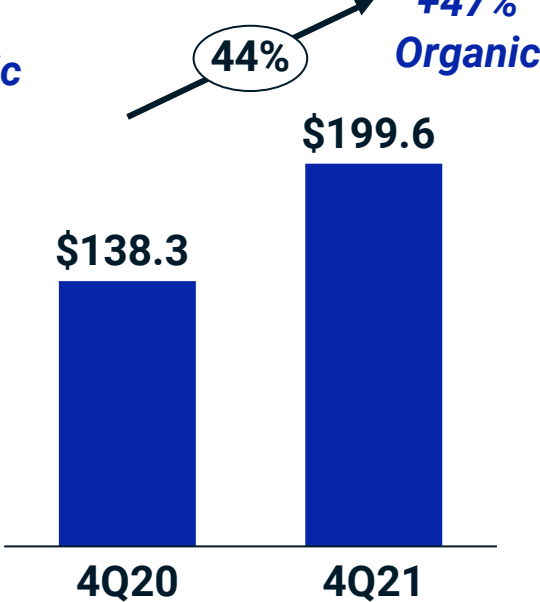
## Index Subscription



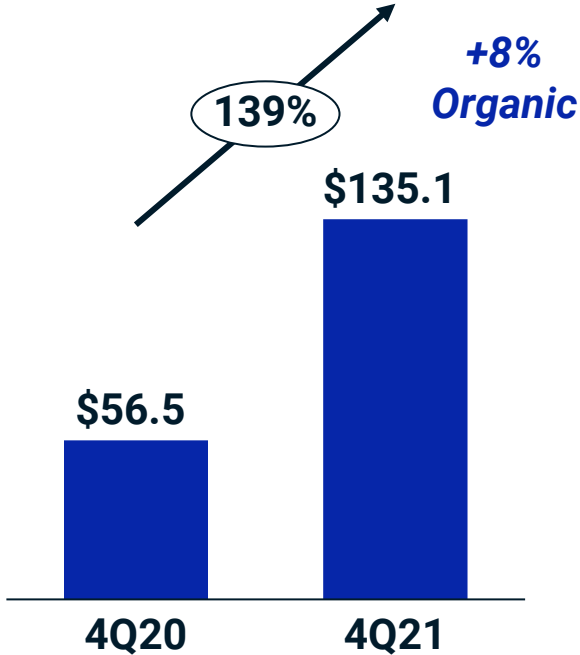
## Analytics



## ESG & Climate



## All Other – Private Assets

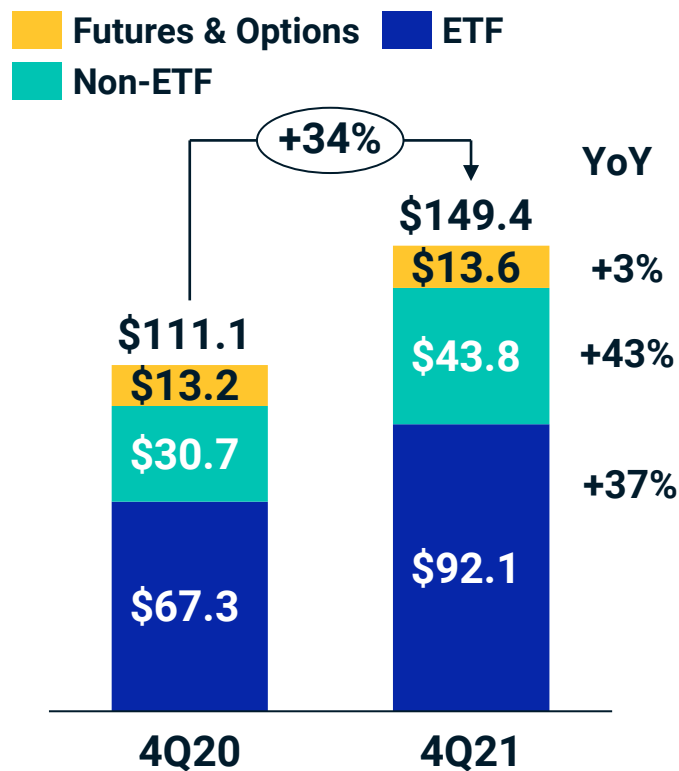


- Market Cap Weighted
- Custom & Specialized
- Factors & ESG & Climate
- Equity Analytics
- Multi-Asset Class Analytics

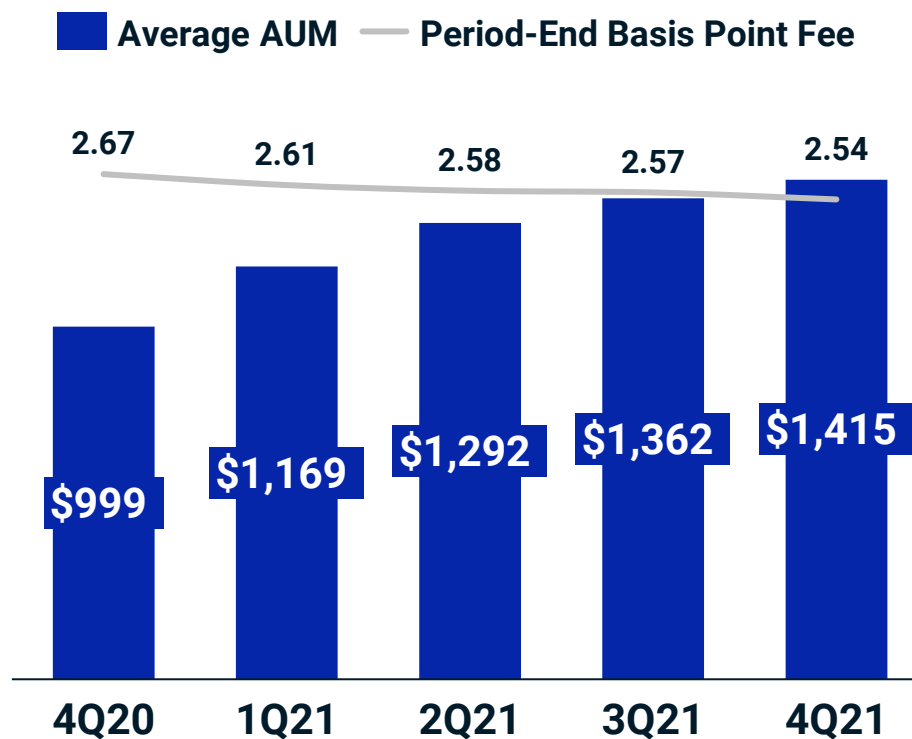
# Index Segment: Asset-Based Fees Details

(US\$ in millions, except AUM in billions and Average BPS)

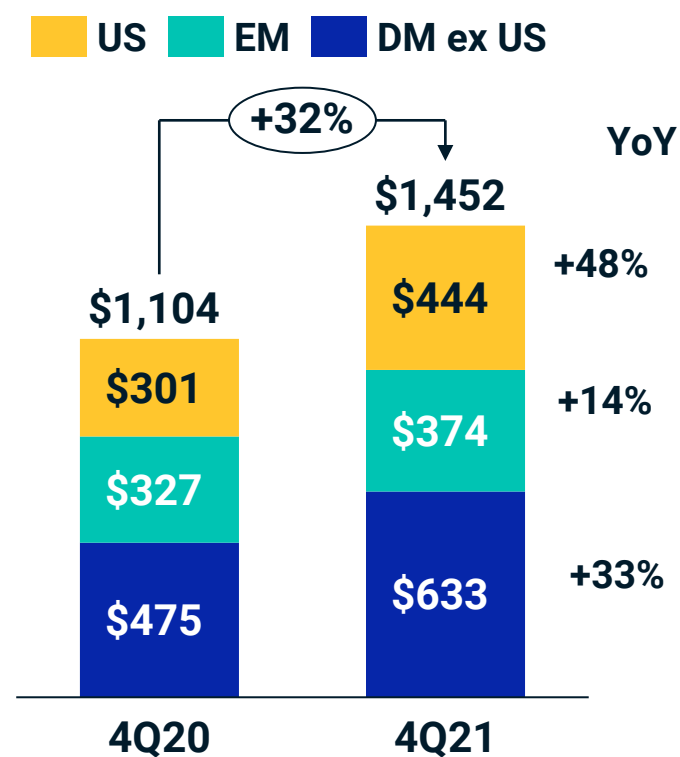
## Asset-based Fees (ABF) Revenue



## Quarterly Average AUM and Period-End Basis Point Fee<sup>1</sup> of ETFs linked to MSCI Equity Indexes



## Quarter-End AUM by Market Exposure<sup>2</sup> of ETFs linked to MSCI Equity Indexes



<sup>1</sup>Based on period-end Run Rate for ETFs linked to MSCI equity indexes using period-end AUM. Please refer to Table 7: AUM in ETFs Linked to MSCI equity Indexes (unaudited) of the press release reporting MSCI's financial results for fourth quarter 2021.

<sup>2</sup>US = ETFs linked to MSCI equity indexes, the majority of whose weight is comprised of securities in MSCI Developed Market (DM) countries, primarily or exclusively in the US; DM ex US = ETFs linked to MSCI equity indexes, the majority of whose weight is comprised of securities in MSCI DM countries other than the US; EM = ETFs linked to MSCI equity indexes, the majority of whose weight is comprised of securities that are not in MSCI DM countries. Prior periods have been reclassified to conform to the current period classification. Note: The AUM in equity ETFs also includes AUM in Exchange Traded Notes, the value of which is less than 1.0% of the AUM amounts presented.

# 4Q21 QoQ AUM Drivers: MSCI-Linked Equity ETFs

Continued cash inflows in market cap weighted and ESG & Climate products and across all regions

## By Geographic Exposure

(US\$ in billions)

Cash inflows / (outflows): \$58.5



## By Product

Cash inflows / (outflows): \$58.5



# 4Q21 YoY AUM Drivers: MSCI-Linked Equity ETFs

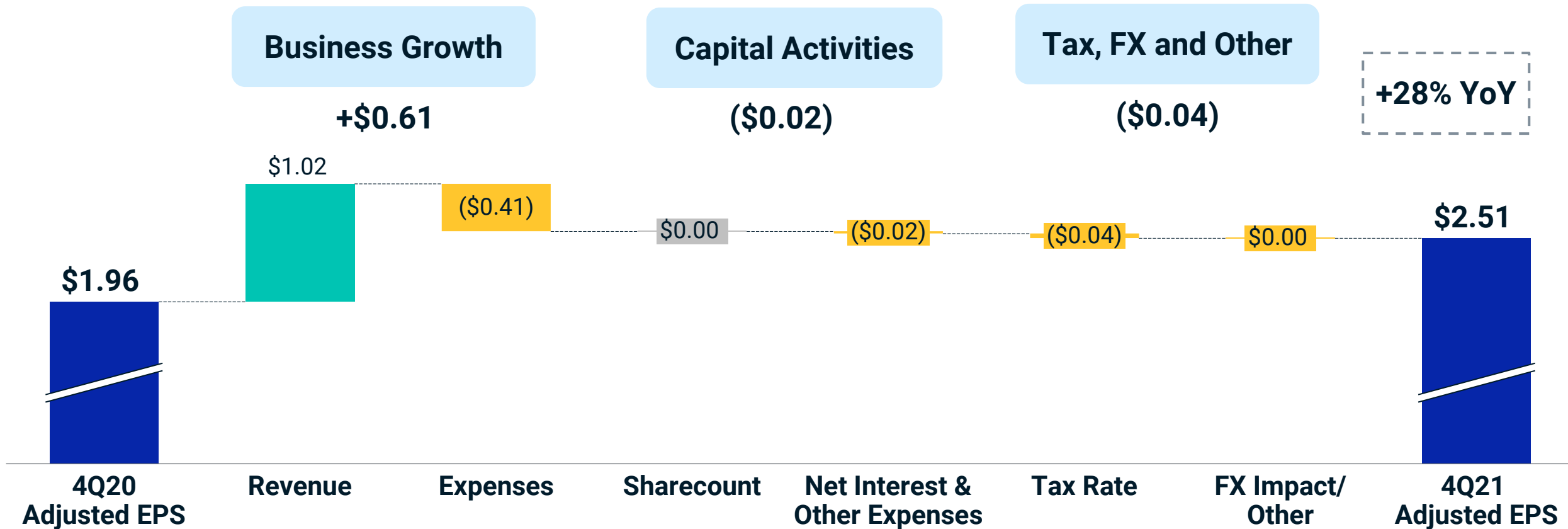
(US\$ in billions)

Cash inflows / (outflows):  
\$205.3



# Adjusted Earnings Per Share Growth Drivers

(US\$ in per share amounts)





# MSCI Completes Acquisition of Real Capital Analytics (RCA)

## Financial Overview

- As of December 31, 2021, RCA had **~\$76 million of Run Rate**
- In **4Q21**, **revenue** contributions from RCA were **\$18.7 million**
- Expect annualized **Adjusted EBITDA margin for the All Other segment** likely **closer to the mid-teens in 2022**, taking into account:
  - Investments in near-term to integrate the business
  - Employee retention expenses that are included in Adjusted EBITDA
  - The allocation of certain internal costs to the segment
- RCA's results are presented within MSCI's All Other – Private Assets reportable segment
- Certain transaction-related and integration costs are excluded from MSCI's Adjusted EBITDA Expenses, Adjusted EBITDA and Adjusted EPS (refer to reconciliation tables in Appendix)

## Transaction Overview

- Purchase price of \$949.0 million, funded with cash on hand
- Transaction announced on August 3, 2021 and completed on September 13, 2021

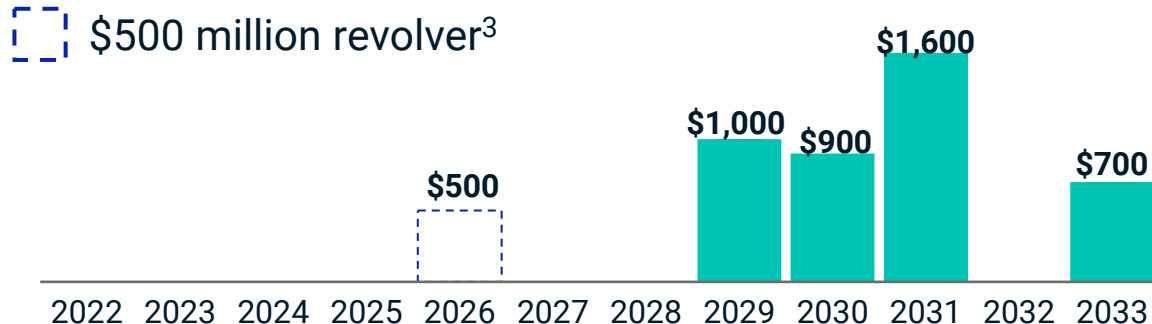
# Strong Balance Sheet Provides Optionality

(US\$ in millions, unless otherwise noted)

## Cash<sup>1</sup> and Debt as of 12/31/2021

Total Cash	\$1,421M
Total Debt <sup>2</sup>	\$4,161M
Net Debt (total Debt less total cash)	\$2,740M
Total Debt / 2021 Adjusted EBITDA	3.5x
Net Debt / 2021 Adjusted EBITDA	2.3x

## Unsecured Debt Maturity Profile<sup>2</sup>



- In 4Q21, returned \$91M to shareholders through quarterly dividends of \$85.8M and \$5.2M of share repurchases during 4Q21
  - YTD through trade date of 1/25/2022, share repurchases of \$474 million; continued opportunistic approach to MP&A and buybacks
- Strong balance sheet provides optionality
  - Next maturity not until 2029
- Disciplined and consistent approach to deployment
  - Triple-Crown framework to evaluate internal opportunities and MP&A (mergers, partnerships and acquisitions)

## Credit Ratings as of 1/27/2022:

	Moody's	S&P	Fitch
Outlook	Stable	Stable	Stable
Long-term issuer rating	Ba1	BB+	BBB-
Senior unsecured	Ba1	BB+	BBB-

Note: Credit ratings reflect the views of the different agencies and are not a recommendation to buy, sell or hold any security including our common stock or debt securities. These ratings are subject to periodic review and may be raised upward, downward or revoked at the sole discretion of the agencies.



<sup>1</sup>MSCI typically seeks to maintain minimum cash balances globally of approximately \$200.0 million to \$250.0 million for general operating purposes

<sup>2</sup>Reflects gross debt, inclusive of deferred financing fees and premium.

<sup>3</sup>Aggregate commitments of \$500.0 million until November 2024, at which point the aggregate commitments will be reduced to \$467.5 million until March 2026

# Full-Year 2022 Guidance

Guidance Item	Current Guidance for Full-Year 2022
Operating Expense	\$1,075 to \$1,115 million
Adjusted EBITDA Expense	\$975 to \$1,005 million
Interest Expense (including amortization of financing fees) <sup>1</sup>	~\$162 million
Depreciation & Amortization Expense	\$100 to \$110 million
Effective Tax Rate	15.5% to 18.5%
Capital Expenditures	\$60 to \$70 million
Net Cash Provided by Operating Activities	\$1,120 to \$1,160 million
Free Cash Flow	\$1,050 to \$1,100 million

Note: MSCI's guidance for 2022 is based on assumptions about a number of macroeconomic and capital market factors, in particular related to equity markets. These assumptions are subject to uncertainty, and actual results for the year could differ materially from our current guidance, including as a result of ongoing uncertainty related to the duration, magnitude and impact of the COVID-19 pandemic.

The guidance provided above assumes, among other things, that MSCI maintains its current debt levels. On January 26, 2022, the MSCI Board of Directors authorized management to opportunistically explore financing options that would increase the Company's leverage ratio and interest expense. Any potential financing is subject to market and other conditions, and there can be no assurance as to the timing or certainty of a transaction.

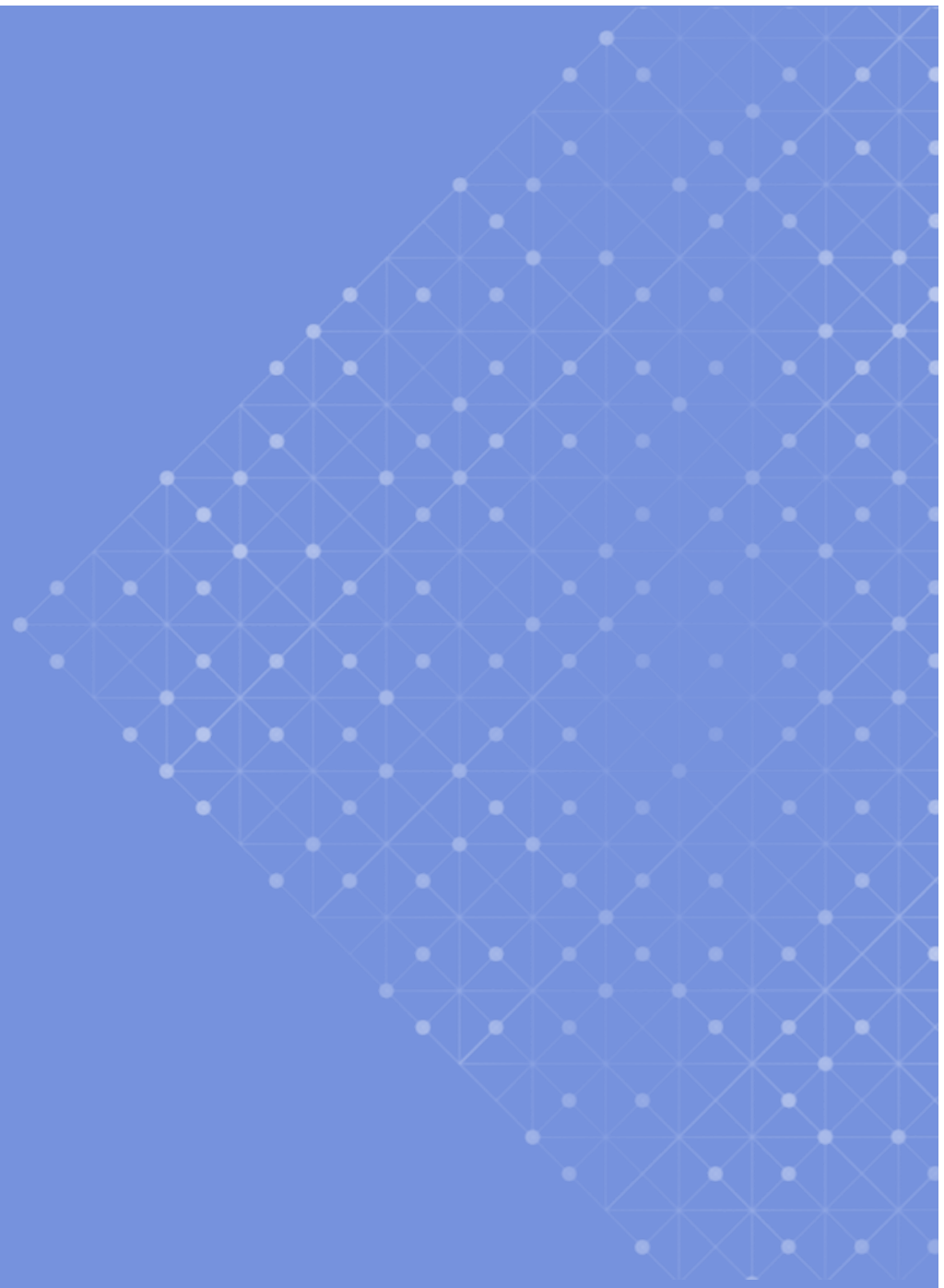
(1) Interest income will continue to be impacted by the lower rates available on cash balances.

# Q&A



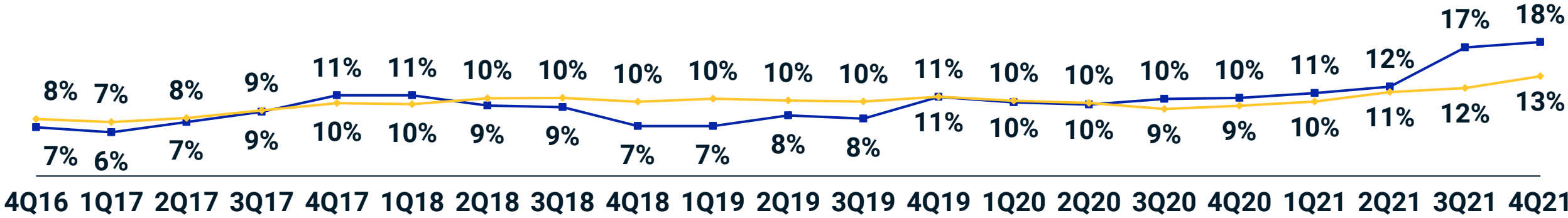
# Additional Information

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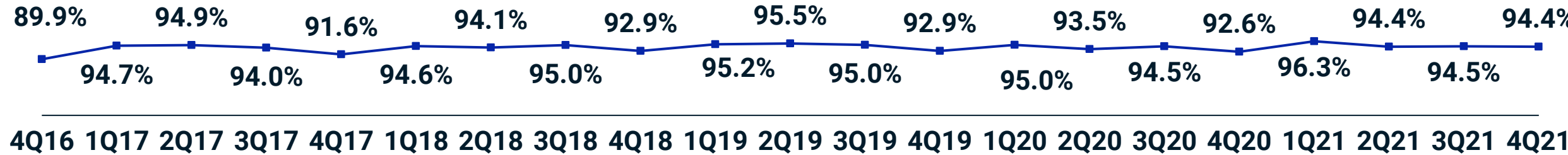
# Continued Resilient Key Operating Metrics

YoY Subscription Run Rate Growth (as Reported and Organic)



Subscription Run Rate Growth as Reported Organic Subscription Run Rate Growth

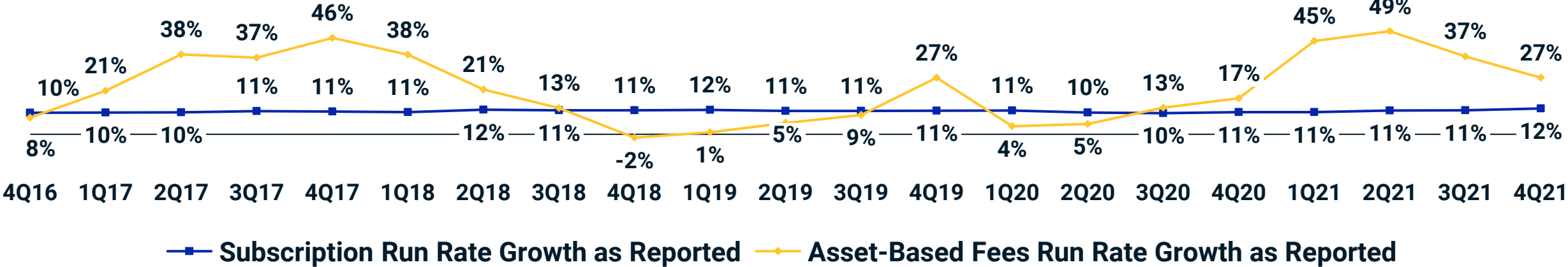
Quarterly Retention Rate Trends



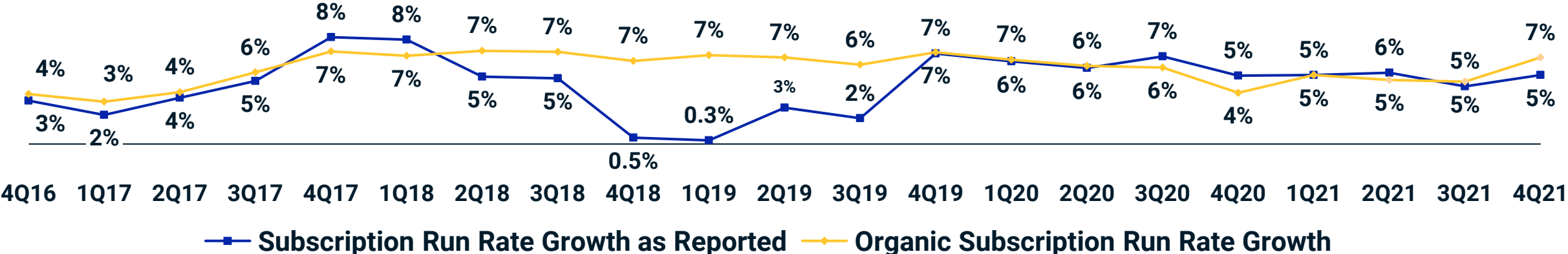


# 4Q16 to 4Q21 YoY Segment Run Rate Growth

## Index

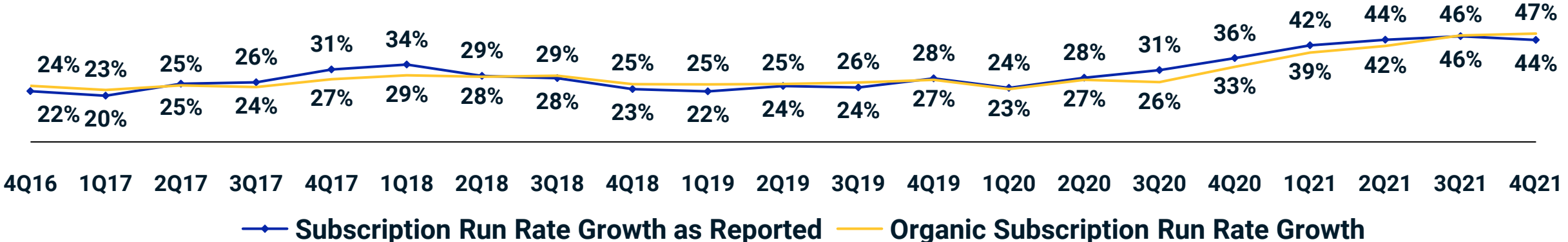


## Analytics

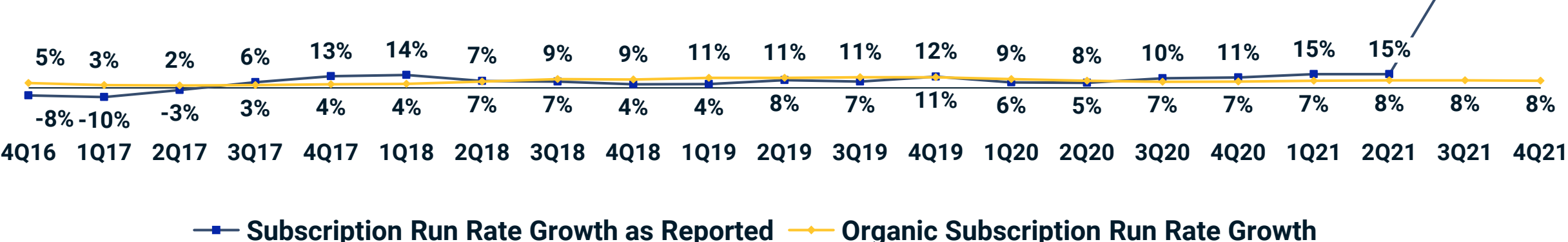


# 4Q16 to 4Q21 YoY Segment Run Rate Growth

## ESG & Climate



## All Other - Private Assets





# Listed Futures & Options Linked to MSCI Indexes

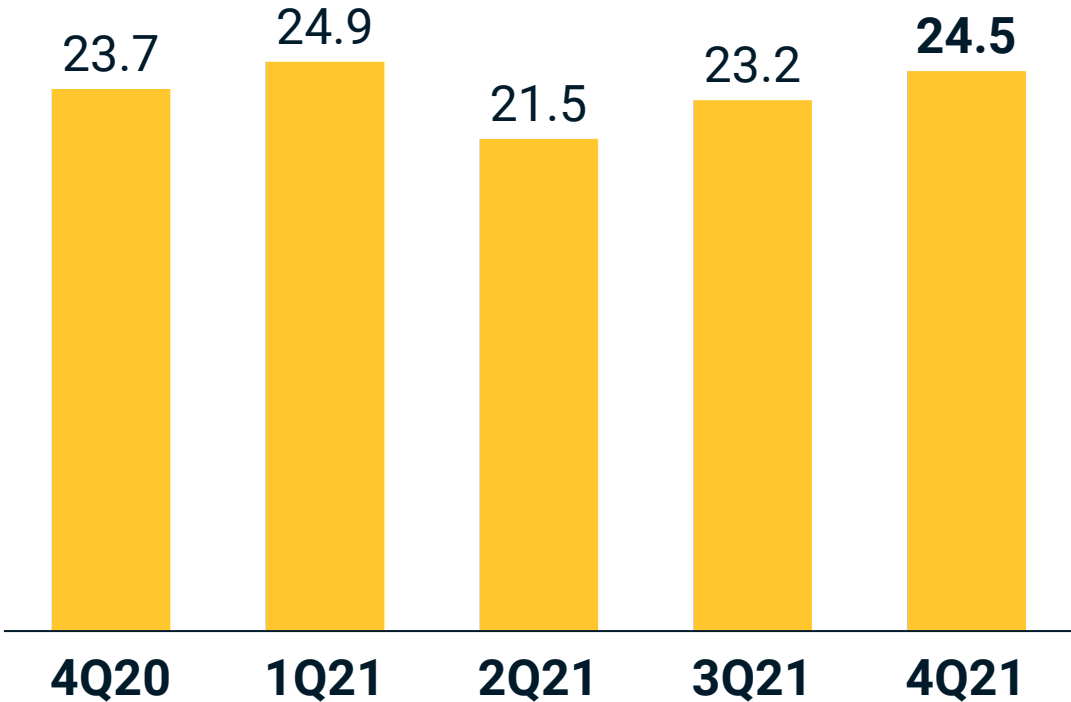
## Run Rate From Listed Futures & Options Linked to MSCI Indexes

(US\$ in millions)



## Futures & Options Volume Linked to MSCI Indexes

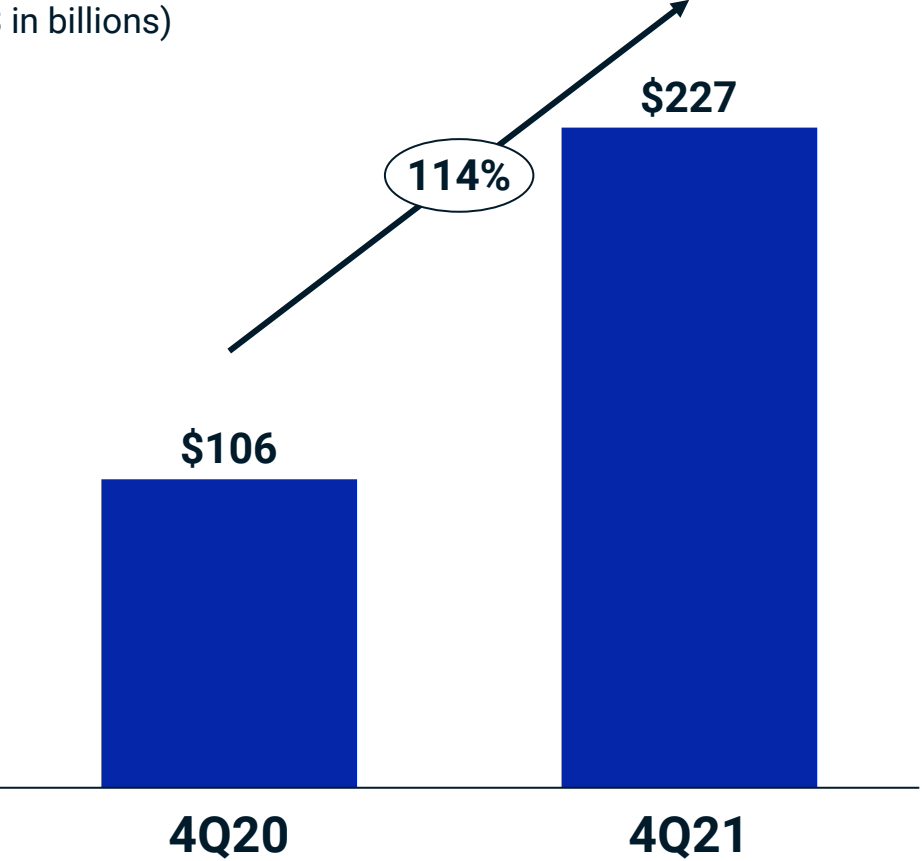
(in millions of contracts traded)



# Significant Growth Across ESG and Climate Franchise

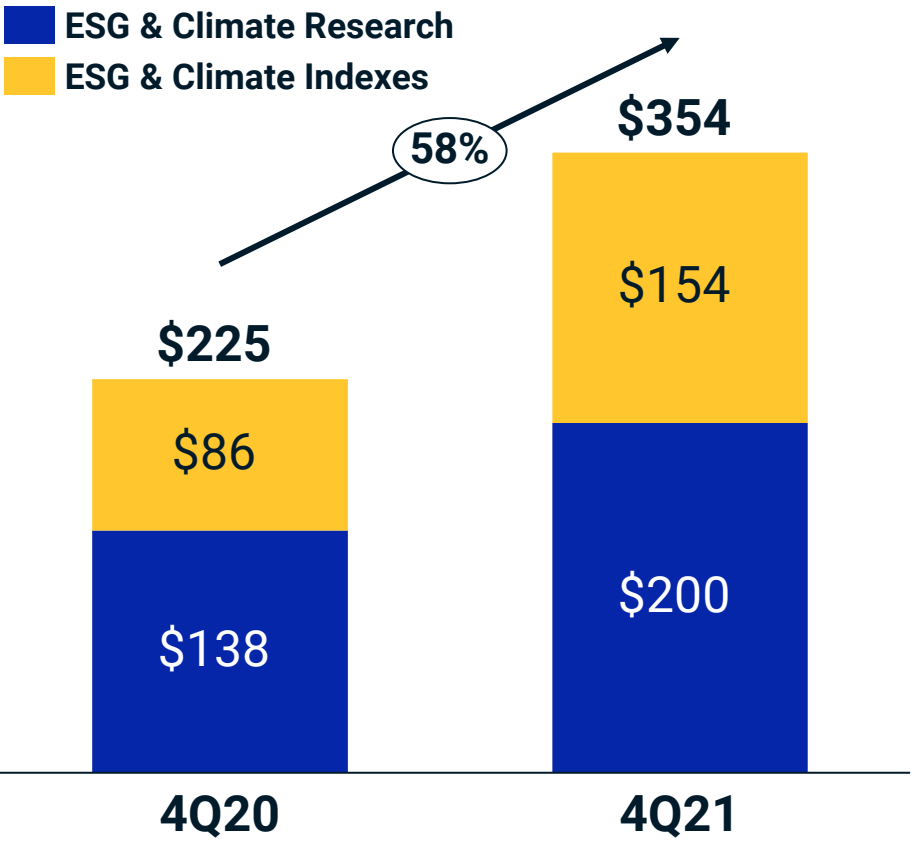
## AUM in ETFs linked to MSCI ESG and Climate Equity Indexes

(US\$ in billions)



## Firmwide ESG and Climate Run Rate<sup>1</sup>

(US\$ in millions)

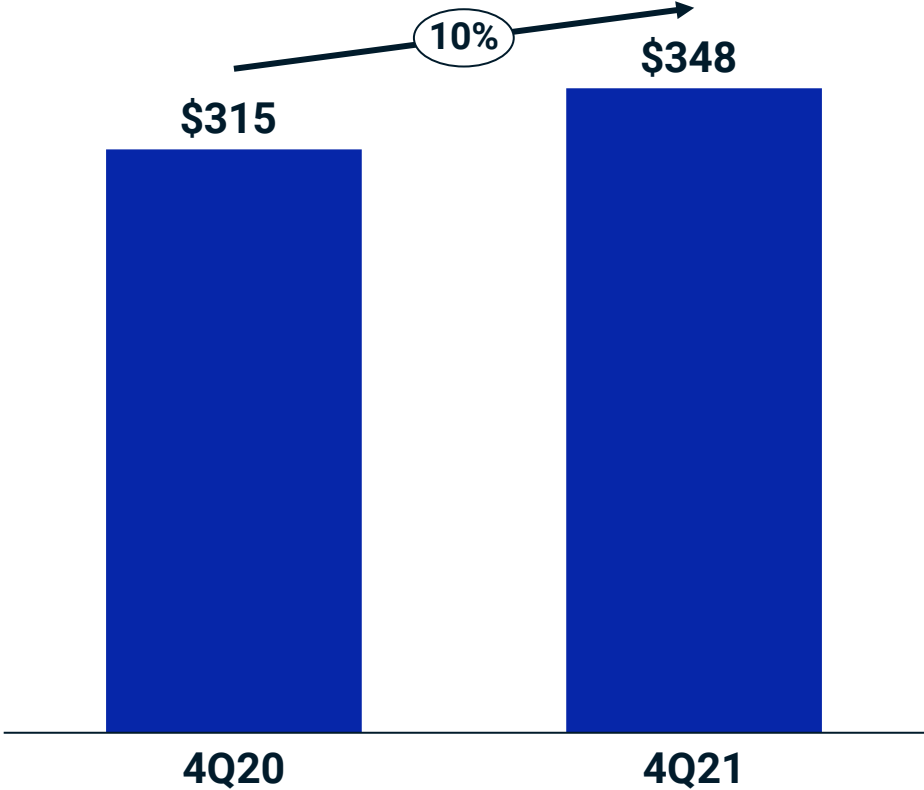


<sup>1</sup>Includes ESG & Climate Research Run Rate, reported in the ESG & Climate segment, and ESG & Climate related Index subscription and asset-based fees Run Rate reported in the Index segment.

# Continued Growth in Firmwide Factor Franchise

(US\$ in millions)

## Integrated Factors<sup>1</sup> Run Rate



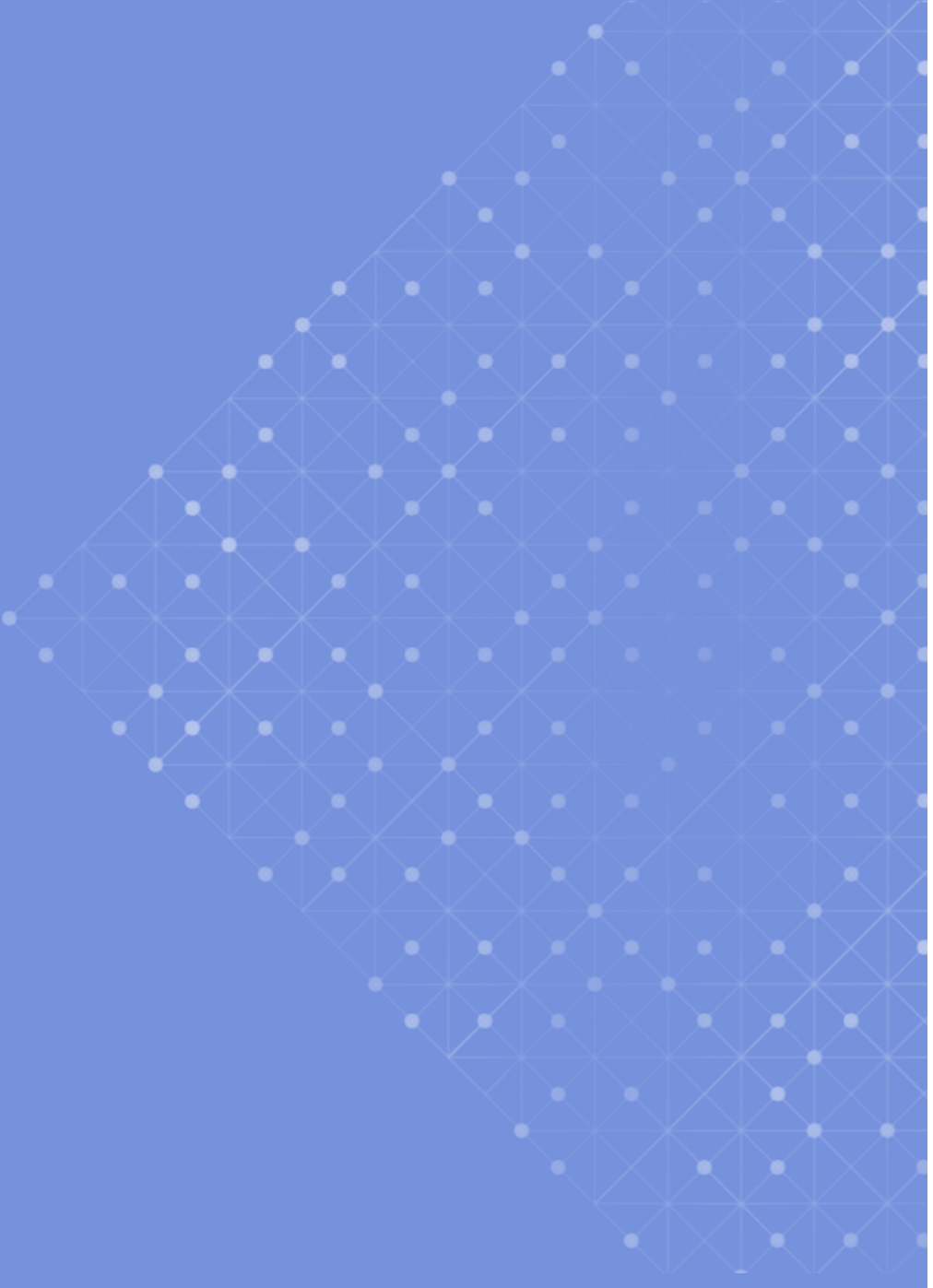
<sup>1</sup>Integrated Factors Run Rate includes Factors module Run Rate in the Analytics segment, and Factors-related Index subscription and asset-based fees Run Rate, including traditional value and growth products Run Rate for Indexes. Beginning in 4Q21, we have revised our methodology for reporting our Factors franchise to include traditional value and growth products Run Rate for Indexes. As a result, 4Q20 Run Rate figures have been recast to conform to the current methodology.

# Long-term Targets

- Index
- Analytics
- ESG & Climate
- All Other - Private Assets
- MSCI

	Revenue Growth Rate <sup>1</sup>	Adj. EBITDA Expense Growth Rate	Adj. EBITDA Growth Rate	Adj. EBITDA Margin %
Index	Low Double Digit	Low Double Digit		
Analytics	High Single Digit	Mid Single Digit		
ESG & Climate	Mid to High 20s	Mid to High 20s		
All Other - Private Assets	High Teens	Mid Teens		
MSCI	Low Double Digit	High Single Digit to Low Double Digit		

# Appendix



# Use of Non-GAAP Financial Measures

- MSCI has presented supplemental non-GAAP financial measures as part of this earnings presentation. Reconciliations are provided in the following slides that reconcile each non-GAAP financial measure with the most comparable GAAP measure. The non-GAAP financial measures presented in this earnings presentation should not be considered as alternative measures for the most directly comparable GAAP financial measures. The non-GAAP financial measures presented in this earnings presentation are used by management to monitor the financial performance of the business, inform business decision-making and forecast future results.
- “Adjusted EBITDA” is defined as net income before (1) provision for income taxes, (2) other expense (income), net, (3) depreciation and amortization of property, equipment and leasehold improvements, (4) amortization of intangible assets and, at times, (5) certain other transactions or adjustments, including impairment related to sublease of leased property and certain non-recurring acquisition related integration and transaction costs.
- “Adjusted EBITDA expenses” is defined as operating expenses less depreciation and amortization of property, equipment and leasehold improvements and amortization of intangible assets and, at times, certain other transactions or adjustments, including impairment related to sublease of leased property and certain non-recurring acquisition-related integration and transaction costs.
- “Adjusted net income” and “adjusted EPS” are defined as net income and diluted EPS, respectively, before the after-tax impact of: the amortization of acquired intangible assets, including the amortization of the basis difference between the cost of the equity method investment and MSCI’s share of the net assets of the investee at historical carrying value, the impact related to costs associated with debt extinguishment, the impact related to certain non-recurring acquisition-related integration and transaction costs, the impact from impairment related to sublease of leased property, the impact related to gain from changes in ownership interest of equity method investee, and, at times, certain other transactions or adjustments. We also exclude the tax impact of adjustments for the Tax Cuts and Jobs Act that was enacted on December 22, 2017 (“Tax Reform”), except for certain amounts associated with active tax planning implemented as a result of Tax Reform.
- “Adjusted tax rate” is defined as the effective tax rate excluding the impact of Tax Reform adjustments (except for certain amounts associated with active tax planning implemented as a result of Tax Reform).
- “Capex” is defined as capital expenditures plus capitalized software development costs.
- “Free cash flow” is defined as net cash provided by operating activities, less Capex.
- “Organic operating revenue growth” is defined as operating revenue growth compared to the prior year period excluding the impact of acquired businesses, divested businesses and foreign currency exchange rate fluctuations.
- Asset-based fees ex-FX does not adjust for the impact from foreign currency exchange rate fluctuations on the underlying AUM.
- We believe adjusted EBITDA and adjusted EBITDA expenses are meaningful measures of the operating performance of MSCI because they adjust for significant one-time, unusual or non-recurring items as well as eliminate the accounting effects of certain capital spending and acquisitions that do not directly affect what management considers to be our ongoing operating performance in the period.
- We believe adjusted net income and adjusted EPS are meaningful measures of the performance of MSCI because they adjust for the after-tax impact of significant one-time, unusual or non-recurring items as well as eliminate the impact of any transactions that do not directly affect what management considers to be our ongoing operating performance in the period. We also exclude the after-tax impact of the amortization of acquired intangible assets and amortization of the basis difference between the cost of the equity method investment and MSCI’s share of the net assets of the investee at historical carrying value, as these non-cash amounts are significantly impacted by the timing and size of each acquisition and therefore not meaningful to the ongoing operating performance in the period.
- We believe that adjusted tax rate is useful to investors because it increases the comparability of period-to-period results by adjusting for the estimated net impact of Tax Reform.
- We believe that free cash flow is useful to investors because it relates the operating cash flow of MSCI to the capital that is spent to continue and improve business operations, such as investment in MSCI’s existing products. Further, free cash flow indicates our ability to strengthen MSCI’s balance sheet, repay our debt obligations, pay cash dividends and repurchase shares of our common stock.
- We believe organic operating revenue growth is a meaningful measure of the operating performance of MSCI because it adjusts for the impact of foreign currency exchange rate fluctuations and excludes the impact of operating revenues attributable to acquired and divested businesses for the comparable prior year period, providing insight into our ongoing operating performance for the period(s) presented.
- We believe that the non-GAAP financial measures presented in this earnings presentation facilitate meaningful period-to-period comparisons and provide a baseline for the evaluation of future results.
- Adjusted EBITDA expenses, adjusted EBITDA, adjusted net income, adjusted EPS, adjusted tax rate, Capex, free cash flow and organic operating revenue growth are not defined in the same manner by all companies and may not be comparable to similarly-titled non-GAAP financial measures of other companies. These measures can differ significantly from company to company depending on, among other things, long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. Accordingly, the Company’s computation of these measures may not be comparable to similarly-titled measures computed by other companies.

# Use of Operating Metrics

- MSCI has presented supplemental key operating metrics as part of this earnings presentation, including Retention Rate, Run Rate, subscription sales, subscription cancellations and non-recurring sales.
- Retention Rate is an important metric because subscription cancellations decrease our Run Rate and ultimately our operating revenues over time. The annual Retention Rate represents the retained subscription Run Rate (subscription Run Rate at the beginning of the fiscal year less actual cancels during the year) as a percentage of the subscription Run Rate at the beginning of the fiscal year. The Retention Rate for a non-annual period is calculated by annualizing the cancellations for which we have received a notice of termination or for which we believe there is an intention not to renew or discontinue the subscription during the non-annual period, and we believe that such notice or intention evidences the client's final decision to terminate or not renew the applicable agreement, even though such notice is not effective until a later date. This annualized cancellation figure is then divided by the subscription Run Rate at the beginning of the fiscal year to calculate a cancellation rate. This cancellation rate is then subtracted from 100% to derive the annualized Retention Rate for the period. Retention Rate is computed by operating segment on a product/service-by-product/service basis. In general, if a client reduces the number of products or services to which it subscribes within a segment, or switches between products or services within a segment, we treat it as a cancellation for purposes of calculating our Retention Rate except in the case of a product or service switch that management considers to be a replacement product or service. In those replacement cases, only the net change to the client subscription, if a decrease, is reported as a cancel. In the Analytics and the ESG and Climate operating segments, substantially all product or service switches are treated as replacement products or services and netted in this manner, while in our Index and Real Estate operating segments, product or service switches that are treated as replacement products or services and receive netting treatment occur only in certain limited instances. In addition, we treat any reduction in fees resulting from a down-sale of the same product or service as a cancellation to the extent of the reduction. We do not calculate Retention Rate for that portion of our Run Rate attributable to assets in index-linked investment products or futures and options contracts, in each case, linked to our indexes.
- Run Rate estimates at a particular point in time the annualized value of the recurring revenues under our client license agreements ("Client Contracts") for the next 12 months, assuming all Client Contracts that come up for renewal, or reach the end of the committed subscription period, are renewed and assuming then-current currency exchange rates, subject to the adjustments and exclusions described below. For any Client Contract where fees are linked to an investment product's assets or trading volume/fees, the Run Rate calculation reflects, for ETFs, the market value on the last trading day of the period, for futures and options, the most recent quarterly volumes and/or reported exchange fees, and for other non-ETF products, the most recent client-reported assets. Run Rate does not include fees associated with "one-time" and other non-recurring transactions. In addition, we add to Run Rate the annualized fee value of recurring new sales, whether to existing or new clients, when we execute Client Contracts, even though the license start date, and associated revenue recognition, may not be effective until a later date. We remove from Run Rate the annualized fee value associated with products or services under any Client Contract with respect to which we have received a notice of termination, non-renewal or an indication the client does not intend to continue their subscription during the period and have determined that such notice evidences the client's final decision to terminate or not renew the applicable products or services, even though such notice is not effective until a later date.
- "Organic subscription Run Rate growth" is defined as the period over period Run Rate growth, excluding the impact of changes in foreign currency and the first year impact of any acquisitions, including the acquisition of RCA completed on September 13, 2021. It is also adjusted for divestitures. Changes in foreign currency are calculated by applying the currency exchange rate from the comparable prior period to current period foreign currency denominated Run Rate.
- Sales represents the annualized value of products and services clients commit to purchase from MSCI and will result in additional operating revenues. Non-recurring sales represent the actual value of the customer agreements entered into during the period and are not a component of Run Rate. New recurring subscription sales represent additional selling activities, such as new customer agreements, additions to existing agreements or increases in price that occurred during the period and are additions to Run Rate. Subscription cancellations reflect client activities during the period, such as discontinuing products and services and/or reductions in price, resulting in reductions to Run Rate. Net new recurring subscription sales represent the amount of new recurring subscription sales net of subscription cancellations during the period, which reflects the net impact to Run Rate during the period.
- Total gross sales represent the sum of new recurring subscription sales and non-recurring sales. Total net sales represent the total gross sales net of the impact from subscription cancellations.

# Reconciliation of Adjusted EBITDA to Net Income *(UNAUDITED)*

<b>In thousands</b>	Three Months Ended		Year Ended	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Index adjusted EBITDA	\$ 252,378	\$ 204,930	\$ 951,312	\$ 766,493
Analytics adjusted EBITDA	52,963	45,384	198,799	172,924
ESG and Climate adjusted EBITDA	9,163	6,068	29,748	22,851
All Other - Private Assets adjusted EBITDA	4,156	(246)	16,931	9,242
<b>Consolidated adjusted EBITDA</b>	<b>318,660</b>	<b>256,136</b>	<b>1,196,790</b>	<b>971,510</b>
Amortization of intangible assets	21,023	14,770	80,592	56,941
Depreciation and amortization of property, equipment and leasehold improvements	7,929	7,281	28,901	29,805
Impairment related to sublease of leased property	7,702	—	7,702	—
Acquisition-related integration and transaction costs <sup>(1)</sup>	1,419	—	6,870	—
<b>Operating income</b>	<b>280,587</b>	<b>234,085</b>	<b>1,072,725</b>	<b>884,764</b>
Other expense (income), net	34,824	38,919	214,589	198,539
Provision for income taxes	51,898	38,950	132,153	84,403
<b>Net income</b>	<b>\$ 193,865</b>	<b>\$ 156,216</b>	<b>\$ 725,983</b>	<b>\$ 601,822</b>

<sup>1</sup>Incremental and non-recurring costs attributable to acquisitions directly related to the execution of the transaction and integration of the acquired business that have occurred no later than 12 months after the close of the transaction.



# Reconciliation of Net Income and Diluted EPS to Adjusted Net Income and Adjusted EPS *(UNAUDITED)*

	Three Months Ended		Year Ended	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
<b>In thousands, except per share data</b>				
Net income	\$ 193,865	\$ 156,216	\$ 725,983	\$ 601,822
Plus: Amortization of acquired intangible assets and equity method investment basis difference	17,086	9,528	47,001	37,413
Plus: Debt extinguishment costs associated with the 2024, 2025, 2026 and 2027 Senior Notes Redemptions	—	—	59,104	44,930
Plus: Write-off of internally developed capitalized software	—	—	16,013	—
Plus: Impairment related to sublease of leased property(1)	8,702	—	8,702	—
Plus: Acquisition-related integration and transaction costs(2)(3)	1,590	—	7,041	—
Less: Gain from changes in ownership interest of equity method investee	(6,972)	—	(6,972)	—
Less: Tax Reform adjustments	—	—	—	(6,256)
Less: Income tax effect	(4,497)	(2,007)	(26,462)	(16,490)
<b>Adjusted net income</b>	<b>\$ 209,774</b>	<b>\$ 163,737</b>	<b>\$ 830,410</b>	<b>\$ 661,419</b>
Diluted EPS	\$ 2.32	\$ 1.87	\$ 8.70	\$ 7.12
Plus: Amortization of acquired intangible assets and equity method investment basis difference	0.20	0.11	0.56	0.44
Plus: Debt extinguishment costs associated with the 2024, 2025, 2026 and 2027 Senior Notes Redemptions	—	—	0.71	0.53
Plus: Write-off of internally developed capitalized software	—	—	0.19	—
Plus: Impairment related to sublease of leased property(1)	0.10	—	0.10	—
Plus: Acquisition-related integration and transaction costs(2)(3)	0.02	—	0.08	—
Less: Gain from changes in ownership interest of equity method investee	(0.08)	—	(0.08)	—
Less: Tax Reform adjustments	—	—	—	(0.07)
Less: Income tax effect	(0.05)	(0.02)	(0.31)	(0.19)
<b>Adjusted EPS</b>	<b>\$ 2.51</b>	<b>\$ 1.96</b>	<b>\$ 9.95</b>	<b>\$ 7.83</b>

<sup>1</sup>Right-of-use impairment of \$7.7 million related to sublease of leased property is presented within "General and administrative" expenses and the write-off of leasehold improvements of \$1.0 million is presented within "Depreciation and amortization of property, equipment and leasehold improvements" expenses.

<sup>2</sup>Acquisition-related integration and transaction costs of \$1.4 million are presented within "General and administrative" expenses and \$0.2 million are presented within "Depreciation and amortization of property, equipment and leasehold improvements" expenses.

<sup>3</sup>Incremental and non-recurring costs attributable to acquisitions directly related to the execution of the transaction and integration of the acquired business that have occurred no later than 12 months after the close of the transaction.

# Reconciliation of Adjusted EBITDA Expenses to Operating Expenses *(UNAUDITED)*

In thousands	Three Months Ended		Year Ended		Full-Year
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020	2022 Outlook(1)
Index adjusted EBITDA expenses	\$ 79,429	\$ 63,710	\$ 300,452	\$ 250,002	
Analytics adjusted EBITDA expenses	85,119	87,016	345,500	340,884	
ESG and Climate adjusted EBITDA expenses	39,280	25,210	136,444	88,513	
All Other - Private Assets adjusted EBITDA expenses	27,354	11,589	64,358	44,481	
<b>Consolidated adjusted EBITDA expenses</b>	<b>231,182</b>	<b>187,525</b>	<b>846,754</b>	<b>723,880</b>	<b>\$975,000 - \$1,005,000</b>
Amortization of intangible assets	21,023	14,770	80,592	56,941	
Depreciation and amortization of property, equipment and leasehold improvements	7,929	7,281	28,901	29,805	\$100,000 - \$110,000
Impairment related to sublease of leased property	7,702	—	7,702	—	
Acquisition-related integration and transaction costs(2)	1,419	—	6,870	—	
<b>Total operating expenses</b>	<b>\$ 269,255</b>	<b>\$ 209,576</b>	<b>\$ 970,819</b>	<b>\$ 810,626</b>	<b>\$1,075,000 - \$1,115,000</b>

<sup>1</sup>We have not provided a line-item reconciliation for adjusted EBITDA expenses to total operating expenses for this future period because we do not provide guidance on the individual reconciling items between total operating expenses and adjusted EBITDA expenses.

<sup>2</sup> Incremental and non-recurring costs attributable to acquisitions directly related to the execution of the transaction and integration of the acquired business that have occurred no later than 12 months after the close of the transaction.

# Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow *(UNAUDITED)*

	Three Months Ended		Year Ended		Full-Year
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020	2022 Outlook(1)
In thousands					
Net cash provided by operating activities	\$ 279,664	\$ 235,928	\$ 936,069	\$ 811,109	\$1,120,000 - \$1,160,000
Capital expenditures	(6,390)	(9,674)	(13,509)	(21,826)	
Capitalized software development costs	(10,207)	(7,218)	(39,285)	(29,149)	
Capex	(16,597)	(16,892)	(52,794)	(50,975)	(\$70,000 - \$60,000)
<b>Free cash flow</b>	<b>\$ 263,067</b>	<b>\$ 219,036</b>	<b>\$ 883,275</b>	<b>\$ 760,134</b>	<b>\$1,050,000 - \$1,100,000</b>

<sup>1</sup>We have not provided a line-item reconciliation for free cash flow to net cash from operating activities for this future period because we do not provide guidance on the individual reconciling items between net cash from operating activities and free cash flow.

# Reconciliation of Effective Tax Rate to Adjusted Tax Rate

(UNAUDITED)

	Three Months Ended		Year Ended	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Effective tax rate	21.1%	20.0%	15.4%	12.3%
Tax Reform impact on effective tax rate	—%	—%	—%	0.9%
Adjusted tax rate	21.1%	20.0%	15.4%	13.2%

# Fourth Quarter 2021 Reconciliation of Operating Revenue Growth to Organic Operating Revenue Growth *(UNAUDITED)*

## Comparison of the Three Months Ended December 31, 2021 and 2020

### Index

Operating revenue growth
Impact of acquisitions and divestitures
Impact of foreign currency exchange rate fluctuations
Organic operating revenue growth

Total	Recurring Subscription	Asset-Based Fees	Non-Recurring Revenues
Change Percentage	Change Percentage	Change Percentage	Change Percentage
23.5%	14.4%	34.4%	40.2%
—%	—%	—%	—%
0.2%	0.2%	0.2%	—%
23.7%	14.6%	34.6%	40.2%

### Analytics

Operating revenue growth
Impact of acquisitions and divestitures
Impact of foreign currency exchange rate fluctuations
Organic operating revenue growth

Total	Recurring Subscription	Asset-Based Fees	Non-Recurring Revenues
Change Percentage	Change Percentage	Change Percentage	Change Percentage
4.3%	3.1%	—%	63.7%
—%	—%	—%	—%
0.5%	0.5%	—%	0.9%
4.8%	3.6%	—%	64.6%

### ESG and Climate

Operating revenue growth
Impact of acquisitions and divestitures
Impact of foreign currency exchange rate fluctuations
Organic operating revenue growth

Total	Recurring Subscription	Asset-Based Fees	Non-Recurring Revenues
Change Percentage	Change Percentage	Change Percentage	Change Percentage
54.9%	52.7%	—%	285.4%
—%	—%	—%	—%
(1.9%)	(2.0%)	—%	12.2%
53.0%	50.7%	—%	297.6%

### All Other - Private Assets

Operating revenue growth
Impact of acquisitions and divestitures
Impact of foreign currency exchange rate fluctuations
Organic operating revenue growth

Total	Recurring Subscription	Asset-Based Fees	Non-Recurring Revenues
Change Percentage	Change Percentage	Change Percentage	Change Percentage
177.8%	180.8%	—%	15.3%
(165.7%)	(168.7%)	—%	—%
0.8%	0.7%	—%	2.4%
12.9%	12.8%	—%	17.7%

### Consolidated

Operating revenue growth
Impact of acquisitions and divestitures
Impact of foreign currency exchange rate fluctuations
Organic operating revenue growth

Total	Recurring Subscription	Asset-Based Fees	Non-Recurring Revenues
Change Percentage	Change Percentage	Change Percentage	Change Percentage
23.9%	19.3%	34.4%	51.0%
(4.2%)	(5.9%)	—%	—%
0.1%	0.2%	0.2%	0.6%
19.8%	13.6%	34.6%	51.6%

# Full-Year 2021 Reconciliation of Operating Revenue Growth to Organic Operating Revenue Growth *(UNAUDITED)*

## Comparison of the Years Ended December 31, 2021 and 2020

### Index

Operating revenue growth
Impact of acquisitions and divestitures
Impact of foreign currency exchange rate fluctuations
Organic operating revenue growth

Total	Recurring Subscription	Asset-Based Fees	Non-Recurring Revenues
Change Percentage	Change Percentage	Change Percentage	Change Percentage
23.1%	12.1%	38.6%	29.8%
—%	—%	—%	—%
0.1%	0.1%	(0.1%)	—%
23.2%	12.2%	38.5%	29.8%

### Analytics

Operating revenue growth
Impact of acquisitions and divestitures
Impact of foreign currency exchange rate fluctuations
Organic operating revenue growth

Total	Recurring Subscription	Asset-Based Fees	Non-Recurring Revenues
Change Percentage	Change Percentage	Change Percentage	Change Percentage
5.9%	5.3%	—%	48.1%
—%	—%	—%	—%
0.2%	0.2%	—%	(0.1%)
6.1%	5.5%	—%	48.0%

### ESG and Climate

Operating revenue growth
Impact of acquisitions and divestitures
Impact of foreign currency exchange rate fluctuations
Organic operating revenue growth

Total	Recurring Subscription	Asset-Based Fees	Non-Recurring Revenues
Change Percentage	Change Percentage	Change Percentage	Change Percentage
49.2%	47.9%	—%	152.5%
—%	—%	—%	—%
(5.8%)	(5.9%)	—%	(1.9%)
43.4%	42.0%	—%	150.6%

### All Other - Private Assets

Operating revenue growth
Impact of acquisitions and divestitures
Impact of foreign currency exchange rate fluctuations
Organic operating revenue growth

Total	Recurring Subscription	Asset-Based Fees	Non-Recurring Revenues
Change Percentage	Change Percentage	Change Percentage	Change Percentage
51.3%	54.5%	—%	(23.9%)
(41.3%)	(43.1%)	—%	—%
(6.0%)	(6.0%)	—%	(3.6%)
4.0%	5.4%	—%	(27.5%)

### Consolidated

Operating revenue growth
Impact of acquisitions and divestitures
Impact of foreign currency exchange rate fluctuations
Organic operating revenue growth

Total	Recurring Subscription	Asset-Based Fees	Non-Recurring Revenues
Change Percentage	Change Percentage	Change Percentage	Change Percentage
20.5%	14.3%	38.6%	33.9%
(1.3%)	(1.8%)	—%	—%
(0.5%)	(0.7%)	(0.1%)	(0.3%)
18.7%	11.8%	38.5%	33.6%