MSCI INC.

LINDA HUBER, CHIEF FINANCIAL OFFICER AND TREASURER

September 10, 2019

MSCI

FORWARD – LOOKING STATEMENTS

- This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation, MSCI's full-year 2019 guidance and long-term targets. 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, 2018 filed with the Securities and Exchange Commission ("SEC") on February 22, 2019 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 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 presentation may not sum due to rounding.
- Percentage changes refer to the comparable period in 2018, 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 two-thirds 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.

DRIVING THE GLOBAL INVESTMENT PROCESS

WHO WE ARE

7,000[1] Blue-Chip Clients in 85+ Countries

- Across investment and trading spectrum
- World's most sophisticated investors use our products and services

Must Have Products and Services

- Across asset classes for performance and risk
- $1.5B+ run rate as of June 30, 2019
- +10% YoY organic subscription run rate growth in 2Q19

3,250 Talented Employees in 20+ Countries

- 200 researchers
- 1,550 technologists & data scientists
- 700 coverage & marketing professionals
- Extensive knowledge of the investment process

Strong Performance and Inclusive Culture

- Global, multi-cultural workforce
- Driving innovation for industry leading solutions[2]

WHAT WE DO

Provide products and services that global investors can use to build **better portfolios** for a better world

[1]Number of clients based on the shipping address of the ultimate customer utilizing the product which counts affiliates, user locations, or business units within a single organization as separate clients; [2]Unless otherwise noted, solutions throughout this presentation refers to the usage of our products and / or services by our clients to help them achieve their objectives.

POWERING BETTER INVESTMENT DECISIONS

Client Portfolio Needs

Clients use our **Indexes** to Help them Build Portfolios	Clients use our **Performance and Risk Models and Analytics** as Building Blocks for Portfolios

MSCI Solutions

FOR PUBLIC ASSET CLASSES	*Equity Indexes*	*Factor Models and Analytics*	*ESG Ratings and Research*	*Performance and Risk Analytics*	*Content Enabling Platform*
FOR PRIVATE ASSET CLASSES	*Real Estate Benchmarks*		*Real Estate Performance Attribution*		*Private Equity, Real Estate and Private Credit Models and Risk Analytics*

HELPING CLIENTS ADAPT IN TRANSFORMING INDUSTRY

Investment Industry Trends

- Globalization
- Diversity
- Complexity
- Scalability
- Efficiency

MSCI

Client Transformation

From	*To*
Public Assets	Private Assets
Active Management	Index-enabled
Absolute Returns	Sustainable Returns
Developed Markets	Emerging Markets
Home Country	Global
Manager Selection	Internal Management
Products	Solutions

HOW & WHY WE WIN

01

Differentiated value proposition with actionable client solutions, unique content and flexible technology

02

Delivering actionable solutions to our clients that help them build portfolios

03

Research-driven content and insights underlying products and services to help power better investment decisions

04

Delivering next generation platform and technology to fully unlock value of MSCI content and help clients operate more efficiently

05

Well positioned as an all-weather franchise with a proven track record while continuing to innovate and increase the quality of execution

ROBUST FINANCIAL MODEL

RECURRING REVENUE & HIGH RETENTION

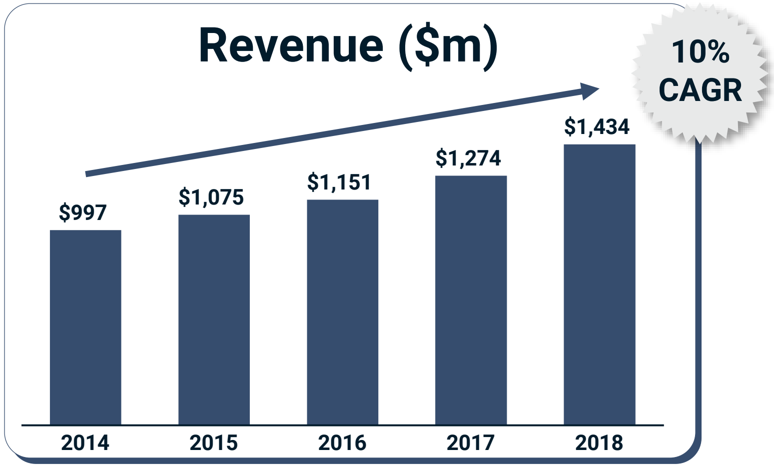
RECURRING REVENUE & HIGH RETENTION	Recurring, Visible Revenue Model	**98% recurring revenues[1] for 2Q19**
	Strong Historical Retention Rates	**>90% annually since 2013 and 95.5% in 2Q19**
OPERATIONAL EFFICIENCY	Scalable Cost Structure	**2Q19 Adjusted EBITDA margin / Operating margin 54.9% / 49.9%**
	Tax Structure in line with Operating Footprint	**2Q19 Effective Tax Rate 21.3%**
ATTRACTIVE CASH DYNAMICS	High Cash Generation	**2Q19 Free Cash Flow ("FCF") / Cash from Operations $177.1m / $189.5m**
	Robust Operating Model	**2Q19 FCF / Cash from Operations as % of Net Income 141% / 151%**

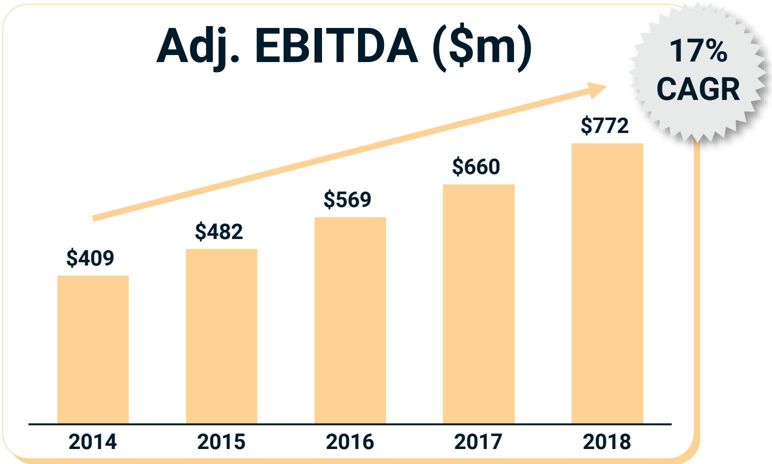
[1]Recurring Revenues include recurring subscription and asset-based fees revenues.

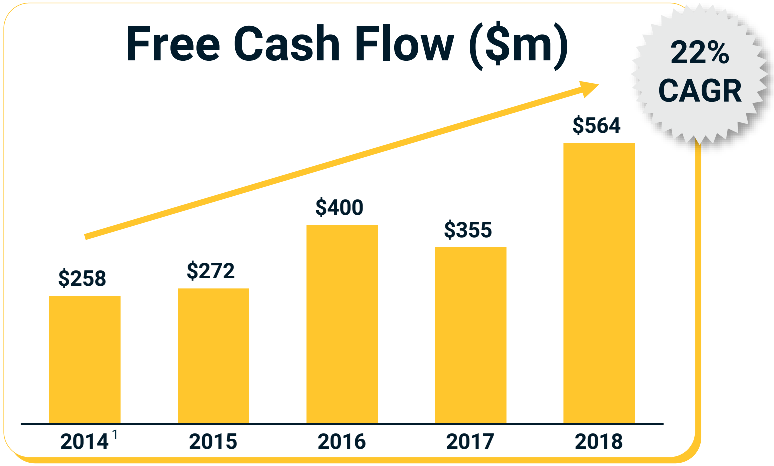
LONG-TERM TARGETS

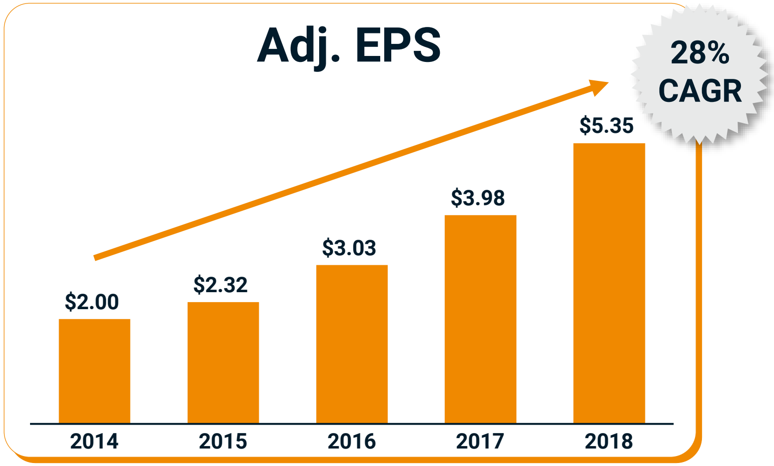
	Revenue Growth Rate (ex. ABF)	Adj. EBITDA Expense Growth Rate	Adj. EBITDA Growth Rate	Adj. EBITDA Margin %
Index	Low Double Digit	High Single Digit		
Analytics	High Single Digit to Low Double Digit	Mid to High Single Digit		
ESG	Mid Twenties	Low to Mid Teens		
Real Estate	Mid Teens			
MSCI	**Low Double Digit**	**High Single Digit**	**Mid Teens**	**Mid to High 50s**

DELIVERING GROWTH ACROSS KEY METRICS









World Class Financial Management Underpinned By

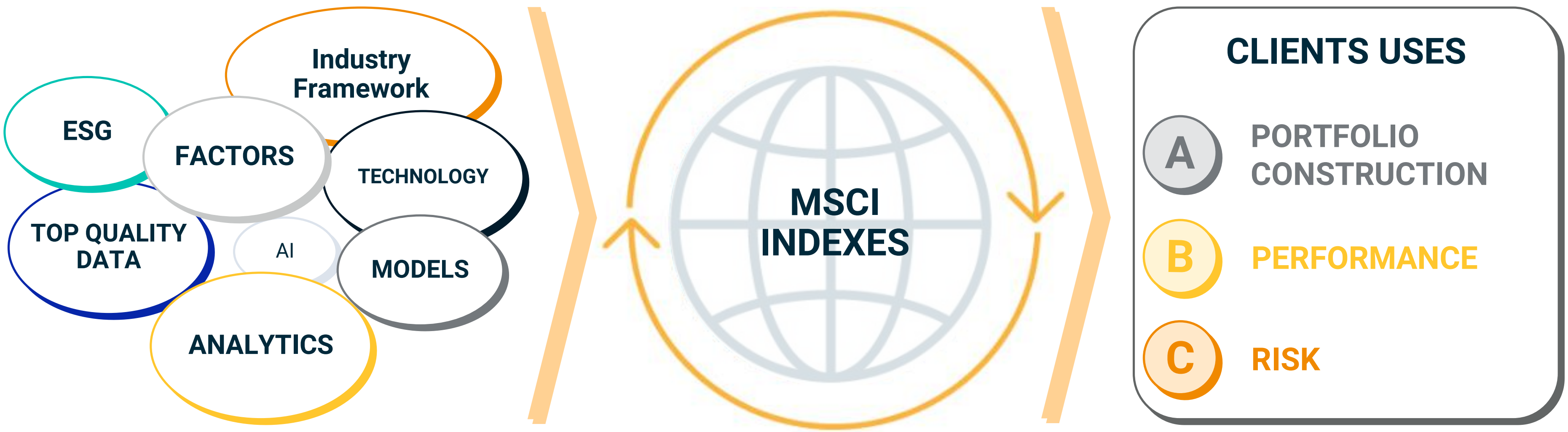
- Management by Metrics
- Financial discipline and rigor
- Culture of performance and accountability

[1]Adjusted to include $2.8 million of excess tax benefits to conform with current accounting guidance.

PRODUCT OVERVIEW

INDEX PRODUCTS

- We harness industry leading content from across our firm to develop MSCI Indexes
- Clients use our solutions across three core investment functions



Tools to empower portfolio construction, performance and risk management

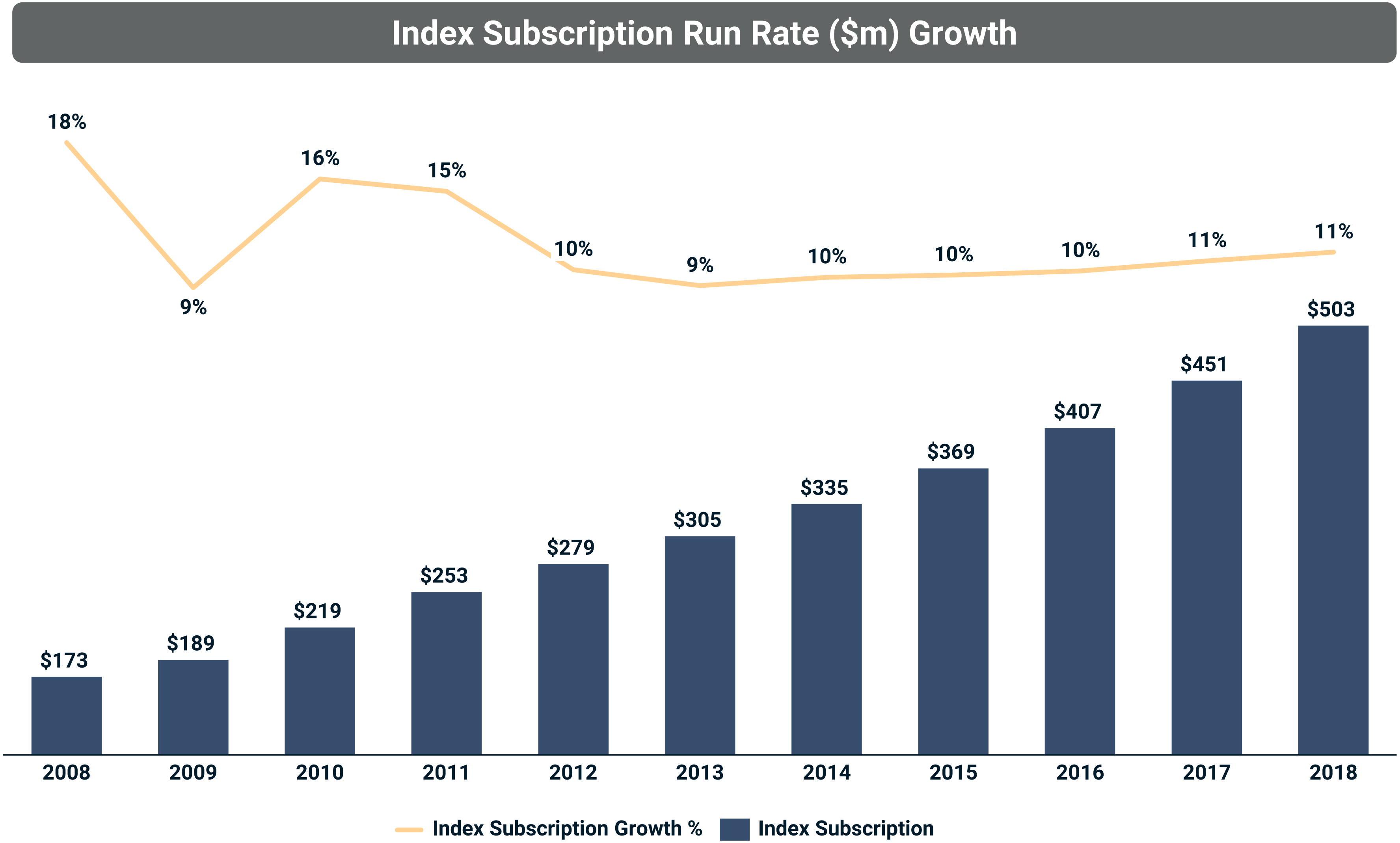
Our strength

- Market leading quality
- Track record of innovation
- Global standards
- Strong brand
- Proven execution

Well positioned for growth

- Global investing
- Multi-currency index derivatives
- ESG and Factor adoption
- New client segments

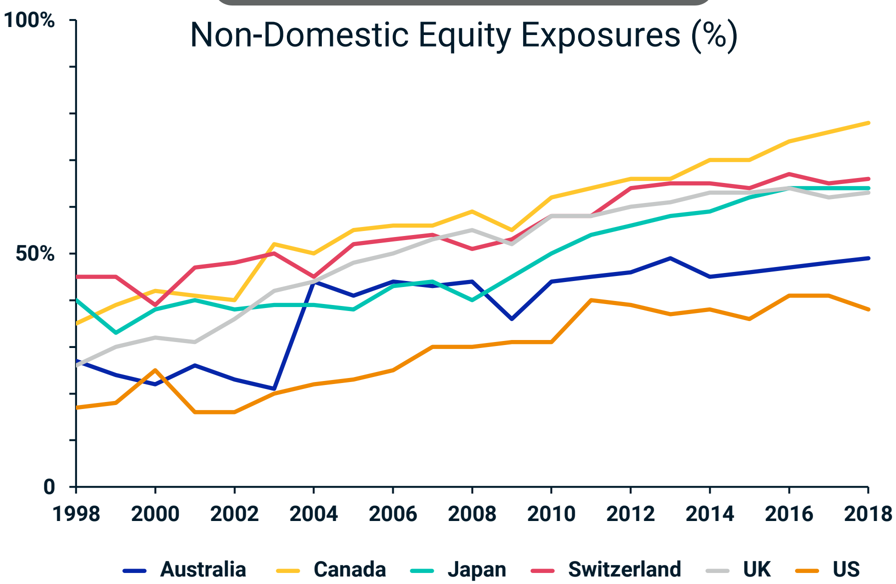
RESILIENT SUBSCRIPTION FRANCHISE



MSCI

THE INDUSTRY IS TRANSFORMING, CREATING NEW OPPORTUNITIES FOR SUSTAINED GROWTH

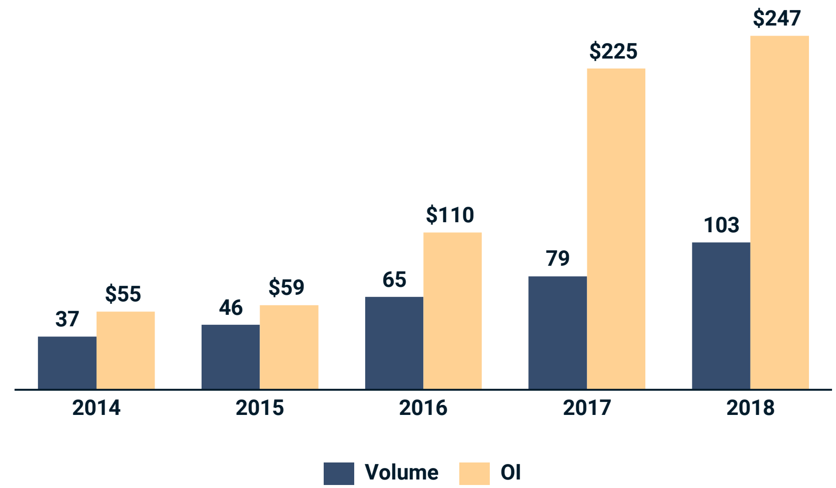
Global Investing



- The share of non-domestic investing has increased by ~3% p.a. over the past 20 years[1]
- Trend expected to continue as investors seek to benefit from global diversification

Multi-Currency Index Derivatives

MSCI Licensed Index Futures & Options Volume[2] and Open Interest[3]



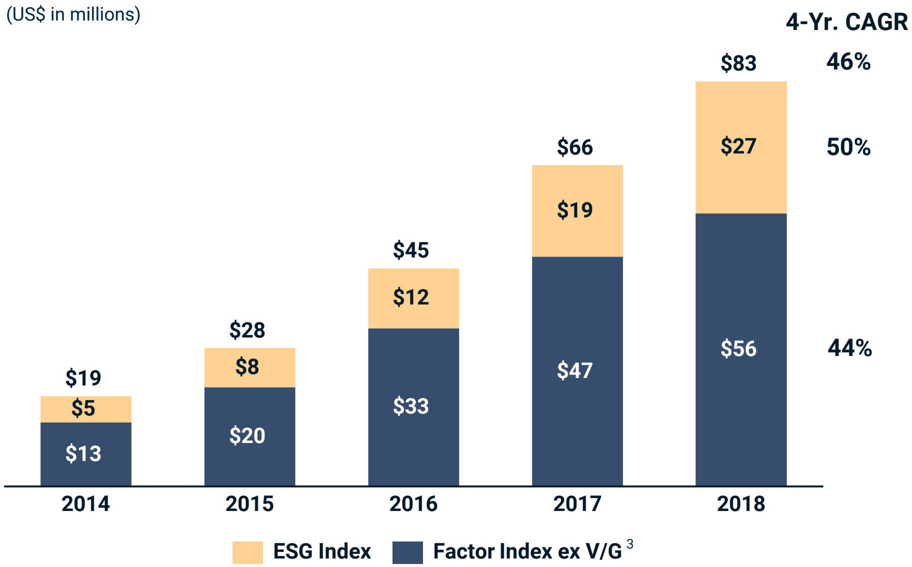
- Leading role in developing and licensing the indexes used for multi-currency, multi-market derivatives
- Strong structural growth opportunity to increase Futures and Options index licensing revenue

[1]Source:Willis Towers Watson, Global pension assets study 2019; [2]Volume stated as number of MSCI linked future and options contracts traded in millions; [3]Open interest stated as notional value of MSCI linked open interest in billions of dollars.

THE INDUSTRY IS TRANSFORMING, CREATING NEW OPPORTUNITIES FOR SUSTAINED GROWTH

Factor & ESG Adoption

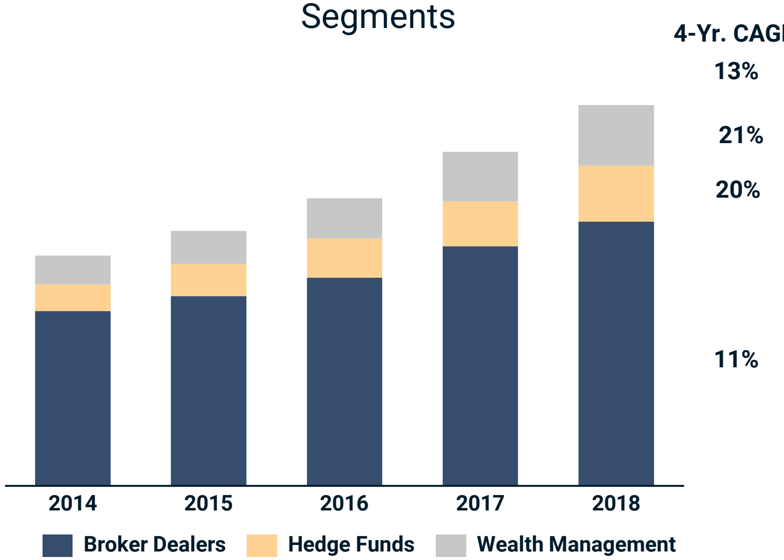
MSCI Factor[1] Index and ESG[2] Index Run Rate



- ESG and Factor adoption are still in early stages but have grown significantly

High-Growth Client Segments

Index Subscription Run Rate of High-Growth Client Segments



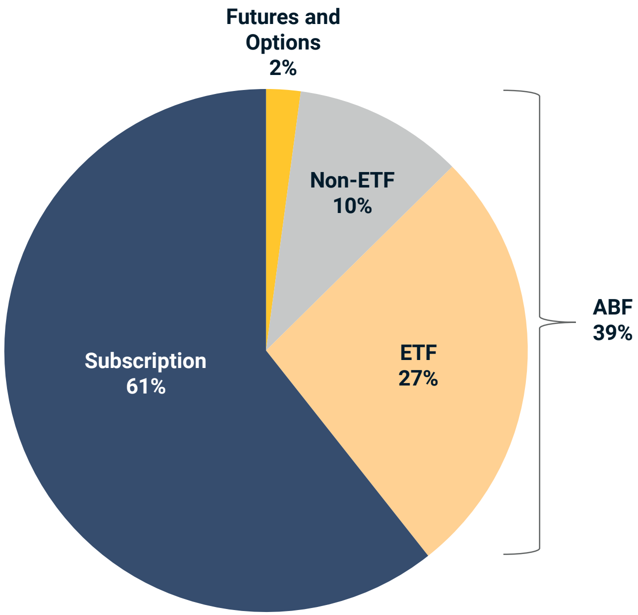
- Our solutions continue to benefit high growth client segments like Broker-Dealers, Hedge Funds, and Wealth Management

[1]Factor index run rate includes factor related index subscription and asset-based fees run rate; [2]ESG index run rate includes ESG related index subscription and asset-based fees run rate; [3]V/G: Traditional value and growth product run rate for indexes.

INDEX RUN RATE DIVERSIFIED ACROSS REGIONS AND CLIENT SEGMENTS

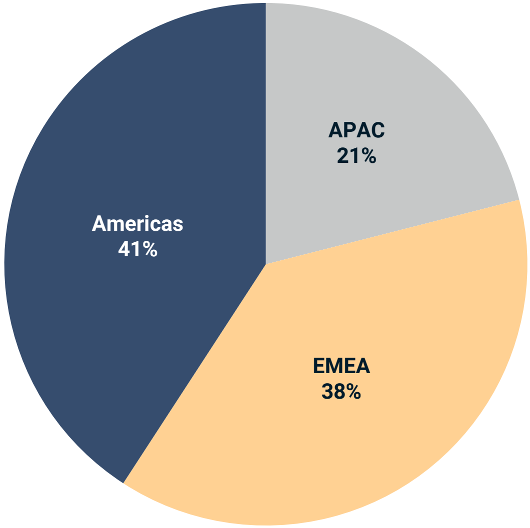
Asset managers, asset owners, broker-dealers and wealth managers globally use our solutions for portfolio construction, performance and risk management

$877m of Index Run Rate[1]

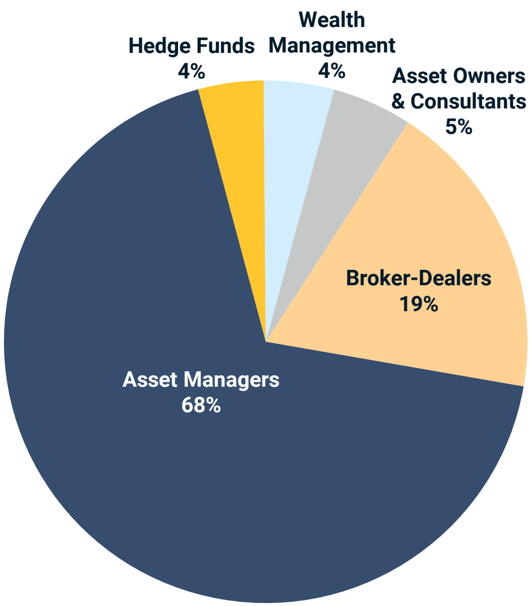


$532m of Index Subscription Run Rate[1] Across

Broad Footprint



Client Base



[1]Run Rate as of June 30, 2019.

MSCI

ANALYTICS PRODUCTS

- We serve the portfolio construction, performance and risk needs of investors across their entire organization

INVESTMENT TEAMS

WHAT
Asset allocation, portfolio construction, performance attribution and risk management

WHO
CIOs, PMs and quantitative research analysts

PRODUCT AND OPERATIONS TEAMS

WHAT
Enterprise risk management, performance attribution, and regulatory reporting

WHO
CROs, CTOs, COOs, risk managers and compliance officers

MARKETING AND DISTRIBUTION TEAMS

WHAT
Investor reporting and digital delivery of content to articulate their unique value proposition

WHO
IR teams and heads of sales and distribution

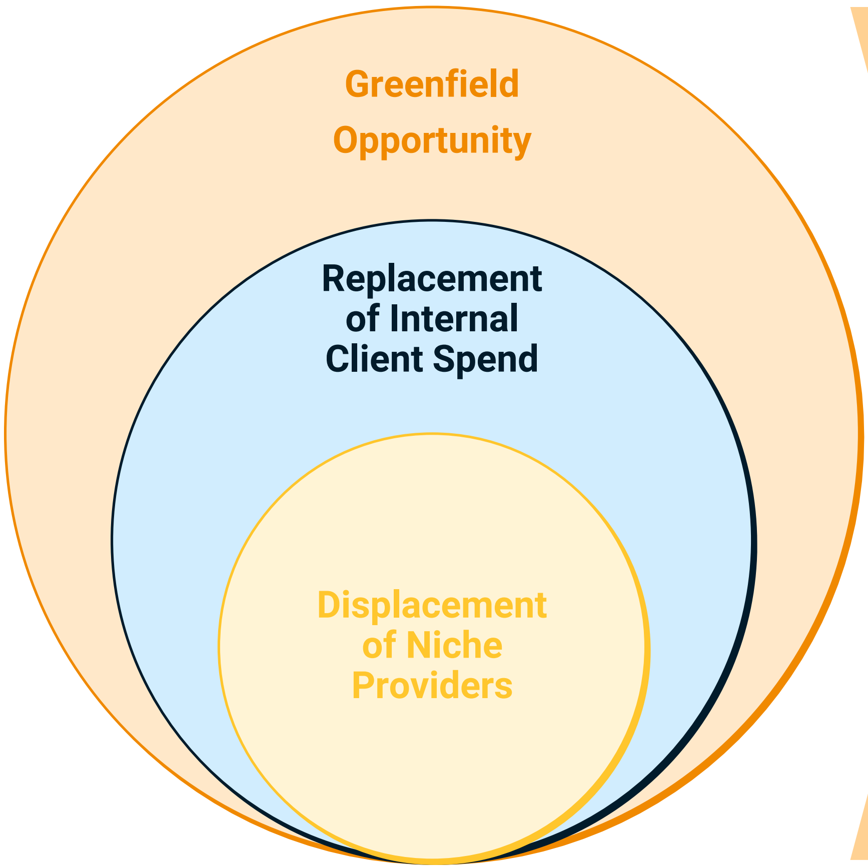
Capabilities across **data, models, analytics and technology** allow us to serve a very broad set of use cases

Investing in a next generation technology platform, research-driven content, and services to deliver enterprise solutions and capture wallet share

Well positioned to continue to deliver growth, with $20B+ TAM opportunity[1] globally

CIOs = Chief Investment Officers; PMs = Portfolio Managers; CROs = Chief Risk Officers; CTOs = Chief Technology Officers; COOs = Chief Operating Officers and IR = Investor Relations
[1]Number based on company estimates.

STRONGLY POSITIONED TO CAPITALIZE ON A LARGE OPPORTUNITY $20B+ IN TAM GLOBALLY

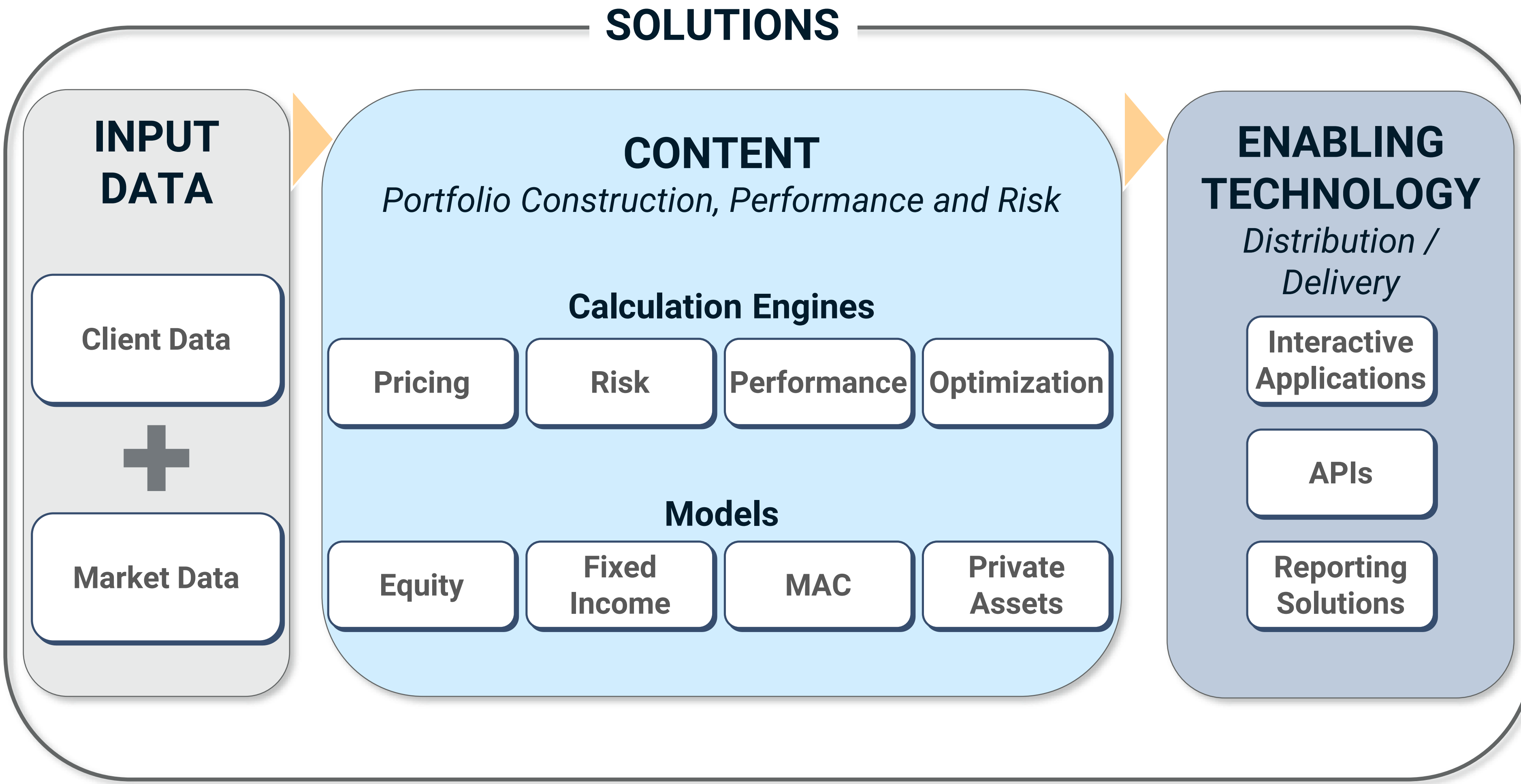


- **Greenfield Opportunities**
  - Investment innovation (e.g., factor investing, ESG)
  - Regulation (e.g., liquidity)
  - Increasing adoption of best practices and technology (e.g., asset owners becoming more sophisticated)
- **Replacement of Internal Client Spend**
  - Internal software developments
  - Outsourcing through managed services
- **Displacement of Niche Providers**
  - Offerings across single asset classes (e.g., equity only)
  - Narrow products to specific problems (e.g., performance attribution only)

MSCI

Winners Will Provide Flexible and Integrated Solutions Across Asset Classes

CLIENTS USE MSCI'S CONTENT AND TECHNOLOGY AS BUILDING BLOCKS FOR PORTFOLIOS



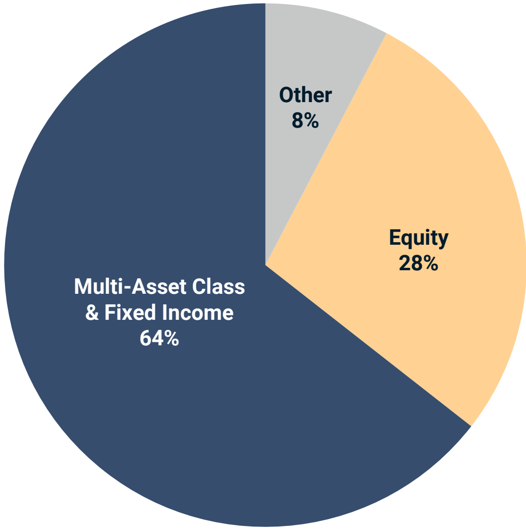
MSCI

Extensive Capabilities Allow Us to Offer Broad and Flexible Solutions

ANALYTICS GLOBAL BLUE-CHIP CLIENT BASE DIVERSIFIED ACROSS SEGMENTS AND ASSET CLASSES

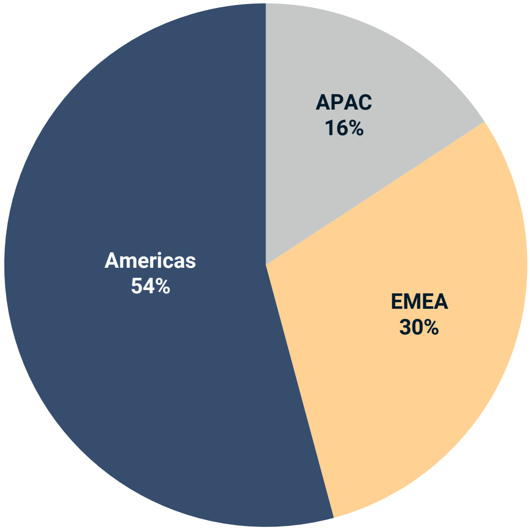
Our analytics solutions are extensively used by asset owners, asset managers and intermediaries globally to solve a broad range of investment problems

$504m of Analytics Run Rate[1] Across Equities and Multi-Asset Class

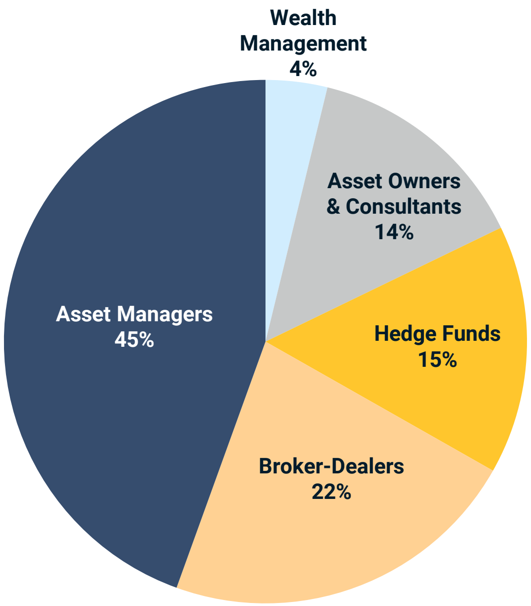


Analytics Run Rate[1] Across

Global Footprint



Diverse Client Base



[1]Run Rate as of June 30, 2019.

MSCI

ESG PRODUCTS

- MSCI's Ratings, Indexes and Analytics solutions enable ESG integration throughout the investment process

LEADING ESG RATINGS & RESEARCH[1]

INNOVATIVE EQUITY & FIXED INCOME INDEXES FOR VARIOUS ESG APPROACHES

MARKET-LEADING RISK ANALYTICS PLATFORM & ESG REPORTING

INTEGRATING ESG ACROSS ENTIRE INVESTMENT PROCESS

REPORTING › OBJECTIVES & APPROACH › INVESTMENT POLICY & BENCHMARKS

STEWARDSHIP & ENGAGEMENT ‹ RISK MANAGEMENT ‹ PORTFOLIO CONSTRUCTION

Unparalleled insights on ESG attributes of investments and tools to help build portfolios

High quality and deep data, broad coverage of securities and wide client adoption to continue to differentiate ourselves

Well positioned to become a standard as ESG has the potential to be a consideration in every investment decision

[1]ESG Ratings & Research are provided by MSCI ESG Research LLC. MSCI ESG Indexes and Analytics utilize information from, but are not provided by, MSCI ESG Research LLC.

ESG INCREASINGLY PART OF INVESTMENT DECISIONS

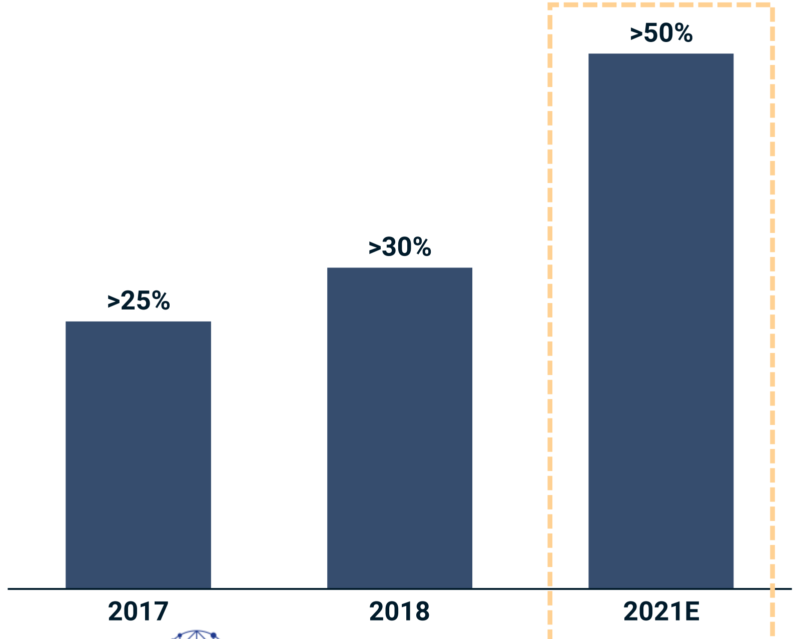
TWO GROWTH DRIVERS

1 New Clients

Penetration rate still low at 30%

- We expect revenue growth to be driven by increased penetration of asset managers globally

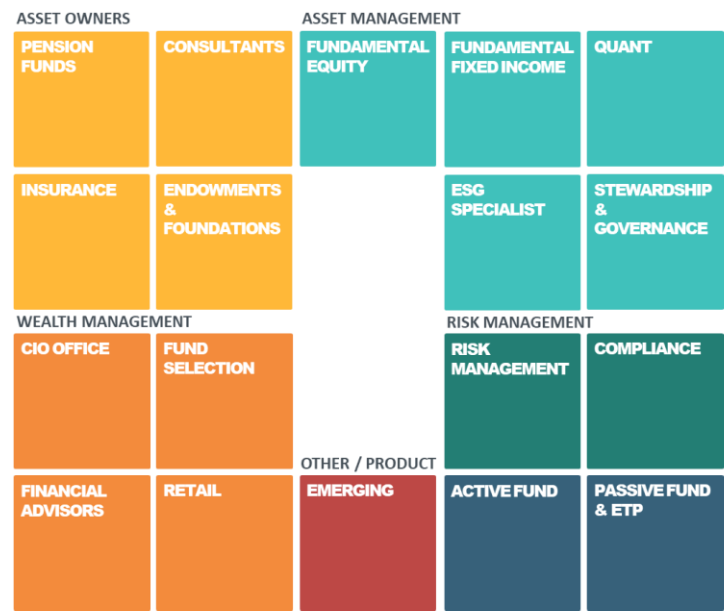
Large Asset Manager (>$20B) Ratings Penetration



2 New Use Cases

Most Clients Have Two, Leading Clients Have 4 or 5

- We expect our clients will expand the number of use cases within their organization as they scale up ESG integration efforts; continues to lead to upsell opportunities

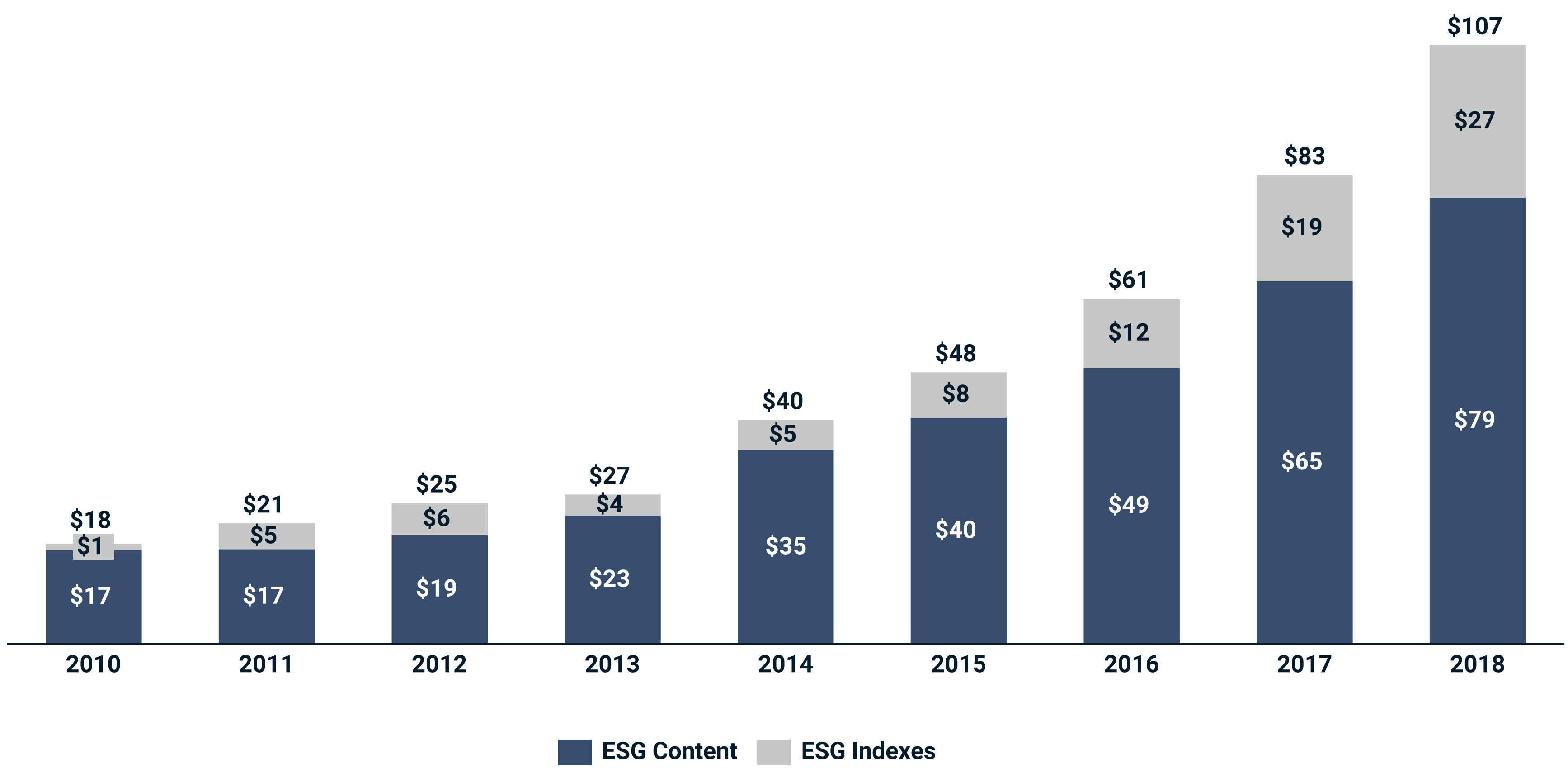


MSCI

ESG: CAPTURING THE UPSIDE

(US$ in millions)

MSCI's ESG Content and ESG Index Run Rate[1]



[1]ESG Content includes ESG segment run rate, and ESG Indexes includes ESG related index subscription and asset-based fees run rate.

REAL ESTATE PRODUCTS

- Provide insights by leveraging one of the most extensive private real estate databases in the world

Collect Lease, Asset and Portfolio Data + Validate and Aggregate + Standardized Data Input to Products and Indexes

Enterprise Analytics
- Single integrated market information, analytics and risk platform

Global Intel
- One of the most extensive private real estate databases in the world
- Data contributed by clients

Indexes & Benchmarks
- Single, global framework
- Asset or fund level
- Customizable benchmarks

Research
- Leverages our unique database and analytics capabilities
- Provides actionable insights

Provide Insights by Leveraging Private Real Estate Databases

STANDARD INDEXES | MEASURES | CUSTOMIZED INDEXES

A leading provider of real estate investment tools, delivering critical business intelligence at both asset and fund levels to institutional investors and real estate owners, managers and brokers worldwide

Global coverage of real estate with investment tools and analytics for private real estate assets worldwide

Move from local franchises to global and expand model into other private asset classes

REAL ESTATE: CLIENT OPPORTUNITY

(US$ in millions, except percentages)

CLIENT OPPORTUNITY

Significant unmet demand for comprehensive Risk and Performance Benchmarking from Asset Owners (Limited Partners) and Asset Managers (General Partners)

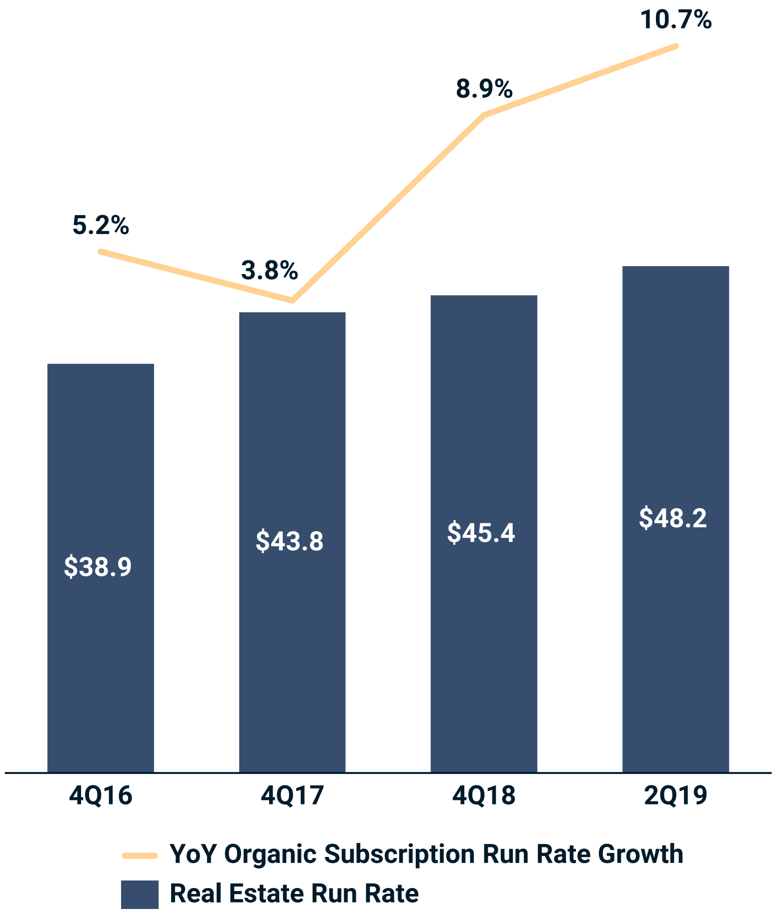
- Asset Owners continue to demand transparency, market information, analytics and co-investment from Asset Managers
- Increasing complexity triggering an urgent need to standardize calculations, metrics and reporting

Institutional investors are increasing allocations to Private Assets to achieve targeted outcomes

- Clear demand for integration of private asset portfolios into a multi-asset class platform
- Ability to select appropriate and meaningful benchmarks that align with investment strategy

End to End Process Management and Insight throughout the Investment Process

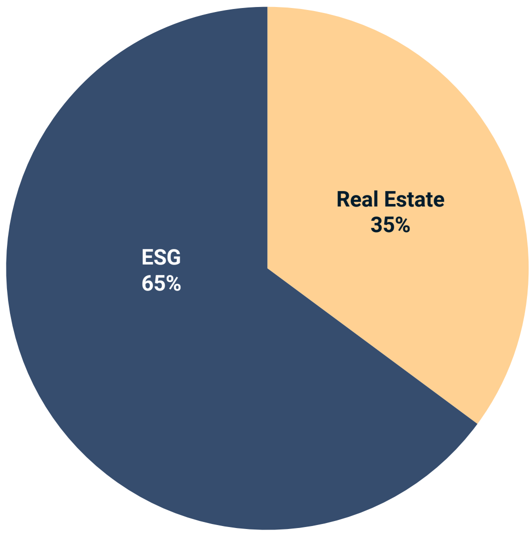
- Operations: efficient management and transfer of data
- Asset Management: seamless views into exposures and valuations
- Investment Management: need for global insight to guide the investment process



MSCI

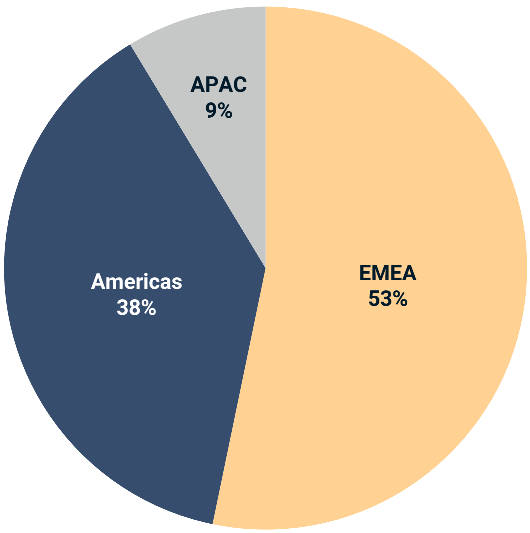
ALL OTHER PRODUCTS HIGHLIGHTS

$137m of All Other Run Rate[1] Across ESG and Real Estate

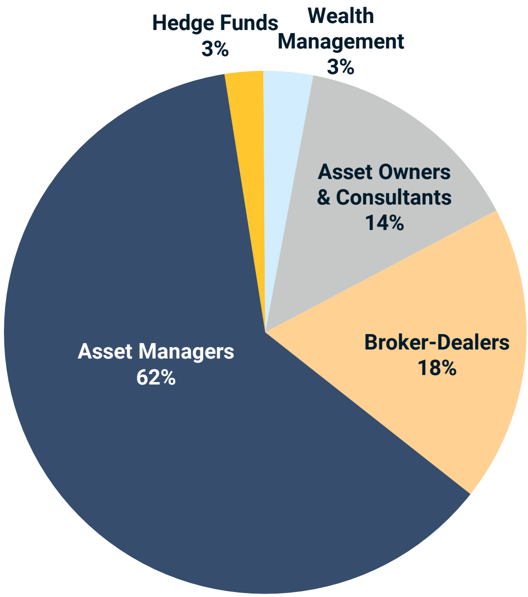


All Other Run Rate[1] Across

Global Footprint



Diverse Client Base



[1]Run Rate as of June 30, 2019.

FINANCIALS

STRONG AND FLEXIBLE BALANCE SHEET; ONGOING CAPITAL DISCIPLINE

(US$ in millions)

Capital Position (As of 06/30/19)	
Total Cash	**$771**
Total Debt[1]	**$2,600**
Net Debt[1]	**$1,829**
Total Debt / Adj. EBITDA	**3.3x**
Net Debt / Adj. EBITDA	**2.3x**

Capital Structure Policies		
Leverage	• Maintain optimum leverage to reduce cost of capital and optimize equity returns • Preserve financing capacity for potential acquisitions • Operate at a comfortable level of financial risk	3.0 – 3.5x Gross Debt / Adjusted EBITDA
Cash	• Maintain cash on hand to cover regional and seasonal working capital needs	\$200m - \$250m of min. cash (Grows with business)

[1]Excludes deferred financing fees of \$22.7 million as of June 30, 2019.

MSCI

DISCIPLINED CAPITAL ALLOCATION STRATEGY IS WORKING

Reinvest for Growth

Fund high return and strategic organic initiatives

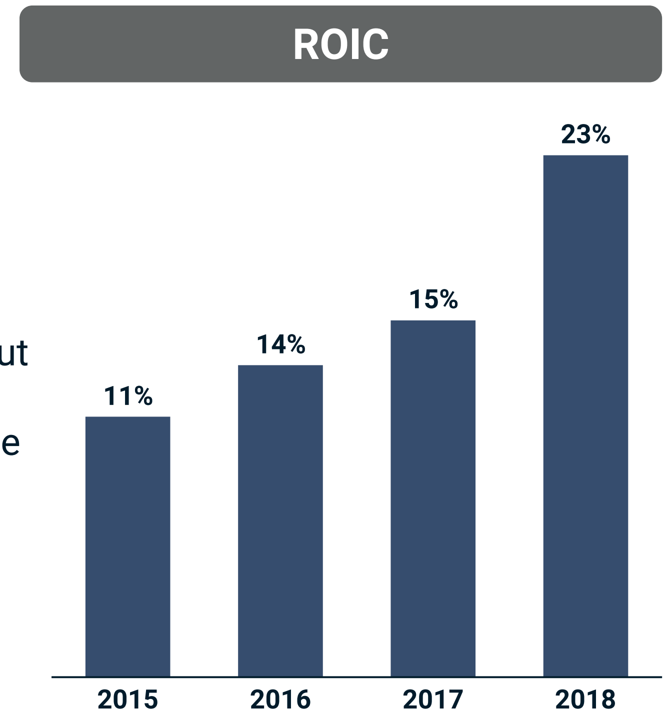
Pursue Mergers, Partnerships & Acquisitions

Actively pursue partnerships and evaluate potential acquisitions but pursue only those that are highly strategic and financially attractive

Disciplined Return of Excess Capital

Opportunistically repurchase shares

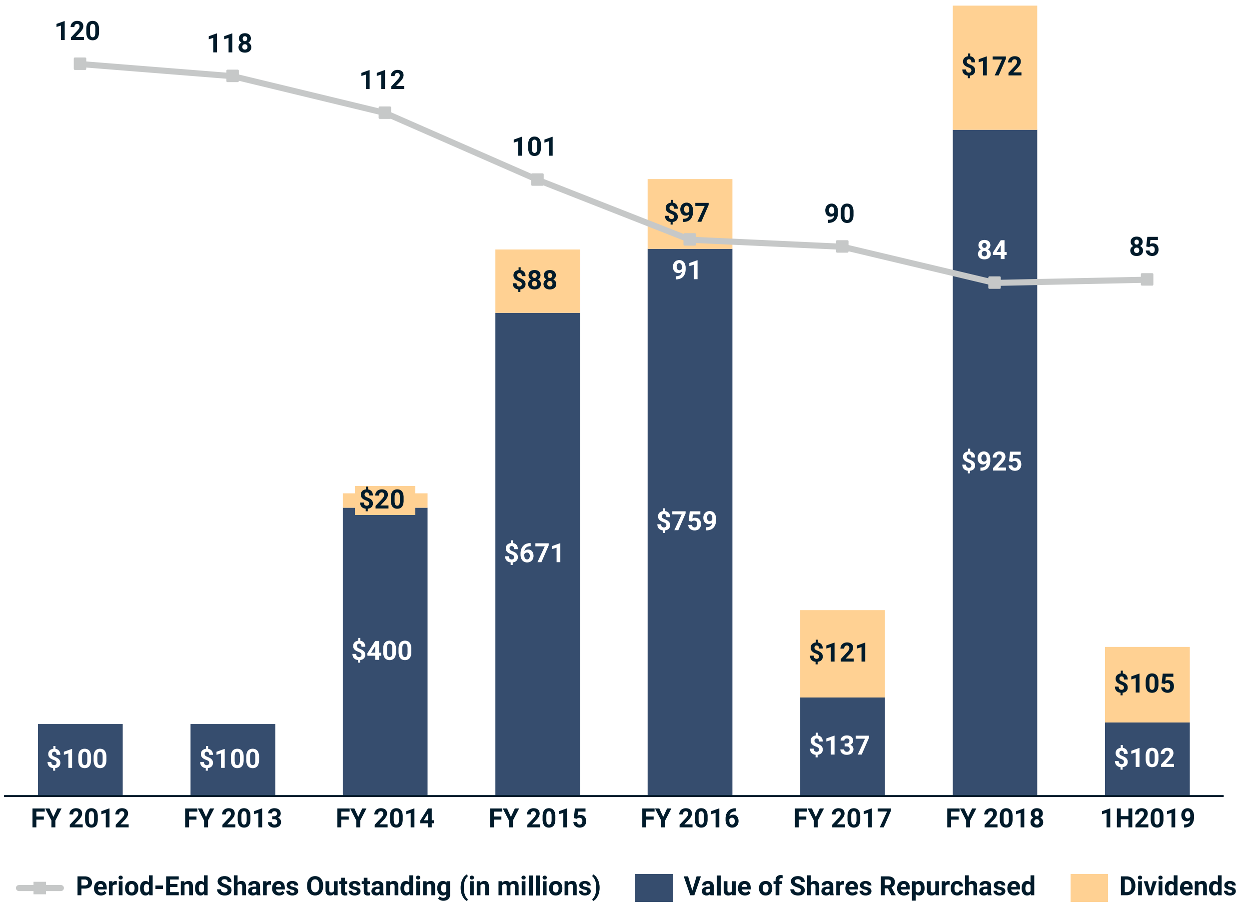
Regular return of capital through dividend at level that is meaningful and sustainable



Intense Focus on ROIC and Value Creation

STRONG TRACK RECORD OF RETURNING CAPITAL

(US$ in millions, except period-end shares)



Return of Capital Approach

Meaningful & Sustainable Dividend:
40% – 50% of Ad. EPS

Board approved 17% increase to quarterly dividend to $0.68 per share for 3Q19

Opportunistic Repurchases Driven by: Availability of Cash, Market Volatility

MSCI

$3.8B Capital Returned Since 2012

DISCIPLINED AND FOCUSED MERGERS PARTNERSHIPS & ACQUISITIONS APPROACH

Partnerships

Strategic Focus Areas
Content and Capabilities that Accelerate Current Strategy and Enhances Competitive Position

Unique Content
Private Assets, Fixed Income, ESG

Capabilities
Data or Technology that Enhance Operations or User Experience

Distribution
Enhance Access to Capabilities

Acquisitions

Operational Considerations
Thorough Understanding of Opportunities and Risks

Opportunities
Synergies, Talent, Capabilities

Risks
Dis-synergies, Costs, Culture, Systems, Competition

Integration
Rigorous Planning and Project Management

Key Financial Considerations
Commitment to Achieving Compelling Returns

Pro Forma Financial Impact
Accretive to Adj. EPS, Growth and Margins

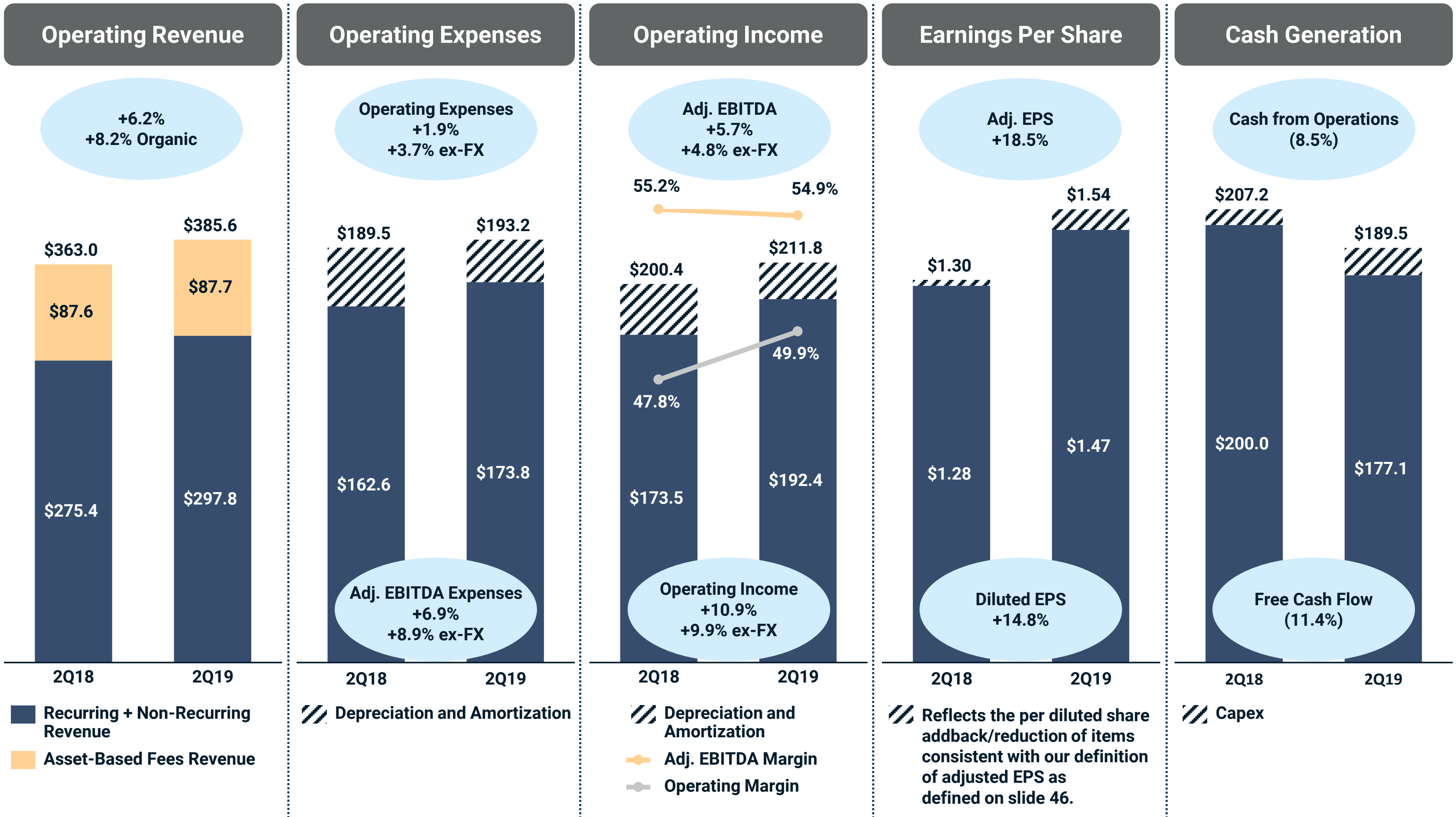
Cash ROIC > Cost of Capital within 5 years

IRR at Appropriate Risk-adjusted Hurdle Rate

Creating Value and Enhancing Competitive Advantage

2Q19 FINANCIAL SUMMARY

(US$ in millions, except per share data)



MSCI

Strong Performance with Growth Across All Metrics

FULL YEAR 2019 GUIDANCE

(US$ in millions)

	2018 Actual	2019 Guidance	YoY Variance
Operating Expenses	$747	$775 - $800	4% - 7%
Adjusted EBITDA Expenses[1]	$662	$685 - $705	3% - 6%
Interest Expense	$133	$144	$11
Effective Tax Rate[2]	19.4%	8.0% - 11.0%	(11.4%) - (8.4%)
Net Cash Provided by Operating Activities	$613	$600 - $630	($13) - $17
Capex	($49)	($55) - ($45)	($6) - $4
Free Cash Flow	$564	$545 - $585	($19) - $21

[1]Excludes the payroll tax impact from the vesting of the multi-year restricted stock units granted in 2016 to certain senior executives that are subject to the achievement of multi-year total shareholder return targets, which are performance targets with a market condition (the "Multi-Year PSUs"), in the three months ending March 31, 2019; [2]Includes the income tax windfall benefit related to the vesting of the Multi-Year PSUs which reduced the 2019 effective tax rate by ~11 percentage points.

DOWNTURN PLAYBOOK

Illustrative Example of Expense Levers to Mitigate ~10% Decline in ABF Revenue, or ~$30m Decline in Revenues

Self-Adjusting	• Metrics-based incentive plan	**~$10m Savings**
Timing & Discretionary	• Other bonus incentives • Delayed hiring • T&E • Training • Professional fees • Marketing	**~$20m Savings**
Pacing of Investments	• Reprioritization, pace of hiring • Headcount optimization • Client coverage spend (e.g. T&E)	

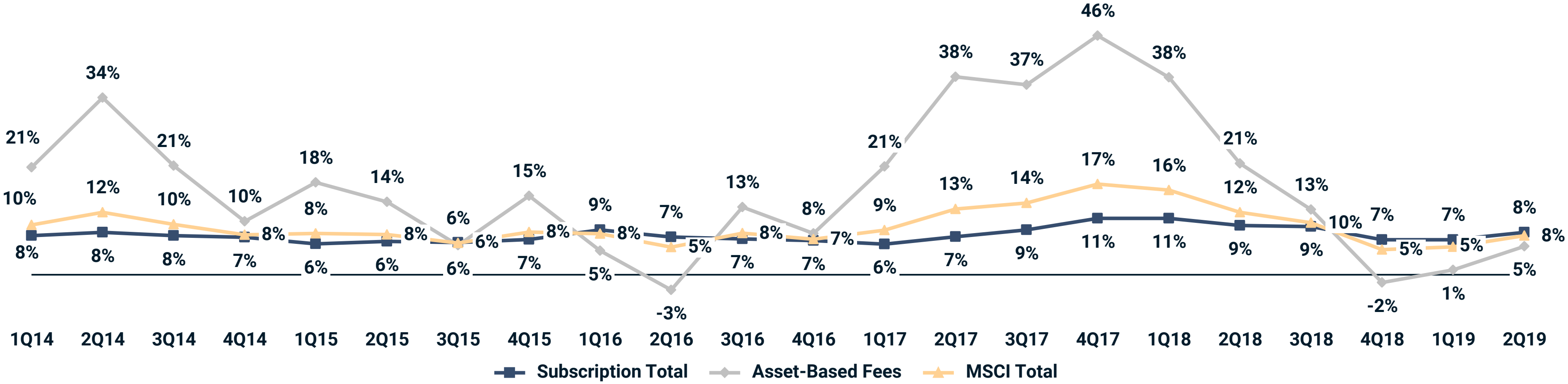
MSCI

Multiple Levers to Manage Market Downturns

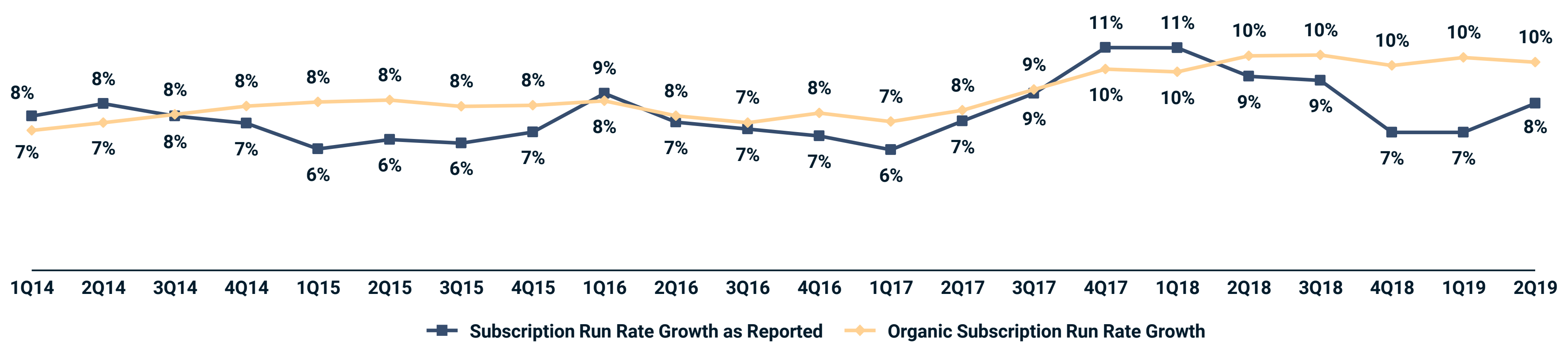
APPENDIX

1Q14 to 2Q19 YoY RUN RATE GROWTH

YoY Run Rate Growth as Reported

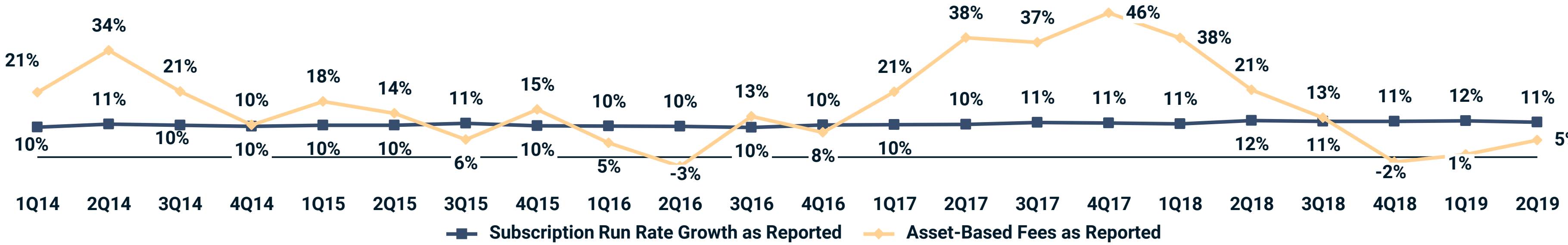


YoY Subscription Run Rate Growth as Reported vs. Organic Growth

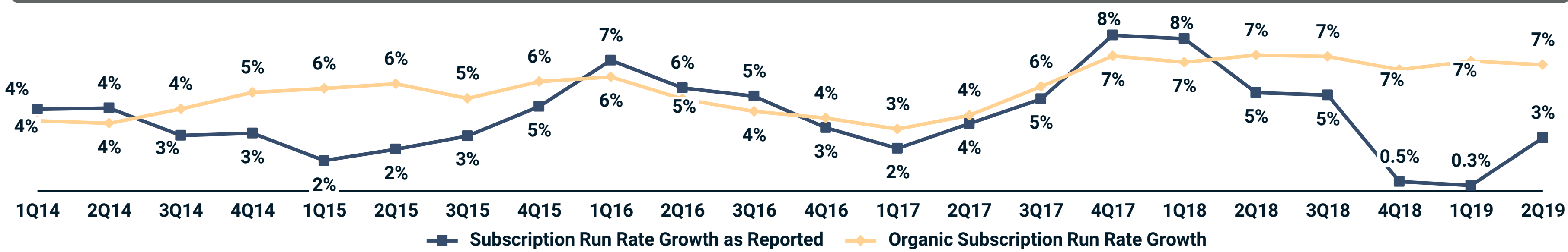


1Q14 to 2Q19 YoY SEGMENT RUN RATE GROWTH

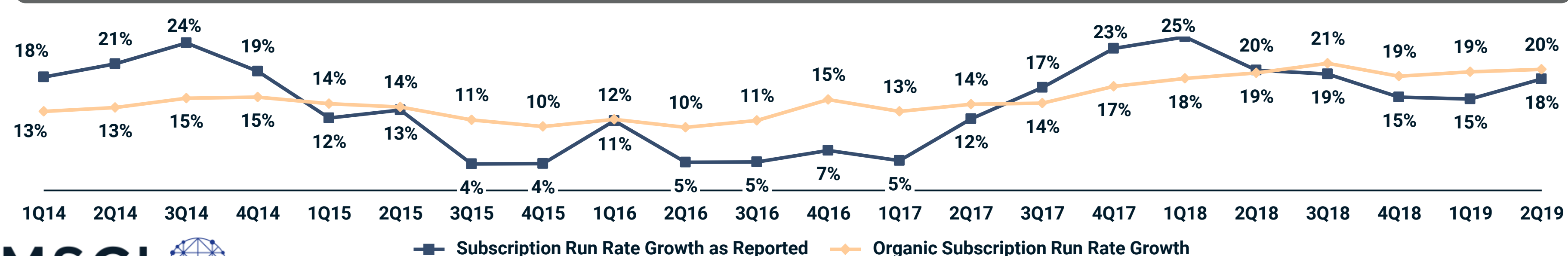
Index



Analytics



All Other



MSCI

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME *(UNAUDITED)*

In thousands	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Three Months Ended Mar. 31, 2019	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Index adjusted EBITDA	$ 163,915	$ 157,516	$ 152,211	$ 316,126	$ 303,446
Analytics adjusted EBITDA	39,071	36,327	36,398	75,469	69,920
All Other adjusted EBITDA	8,810	6,582	9,098	17,908	13,768
Consolidated adjusted EBITDA	**211,796**	**200,425**	**197,707**	**409,503**	**387,134**
Multi-Year PSU payroll tax expense	—	—	15,389	15,389	—
Amortization of intangible assets	12,013	19,537	11,793	23,806	30,875
Depreciation and amortization of property, equipment and leasehold improvements	7,405	7,377	7,850	15,255	15,582
Operating income	**192,378**	**173,511**	**162,675**	**355,053**	**340,677**
Other expense (income), net	32,633	17,188	34,383	67,016	44,916
Provision for income taxes	34,055	39,494	(49,900)	(15,845)	63,840
Net income	**$ 125,690**	**$ 116,829**	**$ 178,192**	**$ 303,882**	**$ 231,921**

In thousands	Year Ended Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2017[1]	Dec. 31, 2018
Index adjusted EBITDA	$ 349,685	$ 392,987	$ 431,478	$ 522,241	$ 607,853
Analytics adjusted EBITDA	72,173	95,468	128,507	125,624	143,645
All Other adjusted EBITDA	(13,104)	(6,758)	9,472	11,892	20,935
Consolidated adjusted EBITDA	**408,754**	**481,697**	**569,457**	**659,757**	**772,433**
Amortization of intangible assets	45,877	46,910	47,033	44,547	54,189
Depreciation and amortization of property, equipment and leasehold improvements	25,711	30,889	34,320	35,440	31,346
Operating income	**337,166**	**403,898**	**488,104**	**579,770**	**686,898**
Other expense (income), net	28,828	54,344	102,166	112,871	57,002
Provision for income taxes	109,396	119,516	125,083	162,927	122,011
Income from continuing operations	**198,942**	**230,038**	**260,855**	**303,972**	**507,885**
Income (loss) from discontinued operations, net of income taxes	85,171	(6,390)	—	—	—
Net Income	**$ 284,113**	**$ 223,648**	**$ 260,855**	**$ 303,972**	**$ 507,885**

MSCI

[1]As a result of the adoption of recent accounting guidance, the Company has restated its adjusted EBITDA by excluding $0.6 million of non-service related pension costs from adjusted EBITDA expenses for the full-year ended Dec. 31, 2017.

RECONCILIATION OF NET INCOME AND DILUTED EPS TO ADJUSTED NET INCOME AND ADJUSTED EPS *(UNAUDITED)*

	Three Months Ended			Six Months Ended	
In thousands, except per share data	**June 30, 2019**	**June 30, 2018**	**Mar. 31, 2019**	**June 30, 2019**	**June 30, 2018**
Net income	$ 125,690	$ 116,829	$ 178,192	$ 303,882	$ 231,921
Plus: Amortization of acquired intangible assets	8,663	17,029	8,716	17,379	26,236
Plus: Multi-Year PSU payroll tax expense	—	—	15,389	15,389	—
Less: Discrete excess tax benefit related to Multi-Year PSU vesting	—	—	(66,581)	(66,581)	—
Less: Gain on sale of FEA (not-tax effected)	—	(10,636)	—	—	(10,636)
Less: Tax Reform adjustments	—	—	—	—	(1,601)
Less: Income tax effect	(2,638)	(4,121)	(3,134)	(5,772)	(5,729)
Adjusted net income	**$ 131,715**	**$ 119,101**	**$ 132,582**	**$ 264,297**	**$ 240,191**
Diluted EPS	$ 1.47	$ 1.28	$ 2.08	$ 3.55	$ 2.52
Plus: Amortization of acquired intangible assets	0.10	0.19	0.10	0.20	0.28
Plus: Multi-Year PSU payroll tax expense	—	—	0.18	0.18	—
Less: Discrete excess tax benefit related to Multi-Year PSU vesting	—	—	(0.78)	(0.78)	—
Less: Gain on sale of FEA (not-tax effected)	—	(0.12)	—	—	(0.12)
Less: Tax Reform adjustments	—	—	—	—	(0.02)
Less: Income tax effect	(0.03)	(0.05)	(0.03)	(0.06)	(0.05)
Adjusted EPS	**$ 1.54**	**$ 1.30**	**$ 1.55**	**$ 3.09**	**$ 2.61**

RECONCILIATION OF NET INCOME AND DILUTED EPS TO ADJUSTED NET INCOME AND ADJUSTED EPS *(UNAUDITED)*

	Year Ended				
In thousands, except per share data	**Dec. 31, 2014**	**Dec. 31, 2015**	**Dec. 31, 2016**	**Dec. 31, 2017**	**Dec. 31, 2018**
Net income	$ 284,113	$ 223,648	$ 260,855	$ 303,972	$ 507,885
Less: Income (loss) from discontinued operations, net of income taxes	$ 85,171	$ (6,390)	$ –	$ –	$ –
Income from continuing operations	$ 198,942	$ 230,038	$ 260,855	$ 303,972	$ 507,885
Plus: Amortization of acquired intangible assets	45,877	46,910	47,033	39,157	43,981
Plus: Debt repayment and refinancing expenses	7,944	–	–	–	–
Less: Gain on sale of Alacra (not-tax effected)	–	(6,300)	–	(771)	–
Less: Gain on sale of FEA (not-tax effected)	–	–	–	–	(10,646)
Less: Gain on sale of InvestorForce	–	–	–	–	(46,595)
Less: Valuation Allowance released related to InvestorForce disposition	–	–	–	–	(7,758)
Less: Tax Reform adjustments	–	–	–	34,500	(8,272)
Less: Income tax effect	(19,096)	(16,039)	(15,243)	(10,772)	1,678
Adjusted net income	**$ 233,667**	**$ 254,609**	**$ 292,645**	**$ 366,086**	**$ 480,273**
Diluted EPS	$ 2.43	$ 2.03	$ 2.70	$ 3.31	$ 5.66
Less: Earnings per diluted common share from discontinued operations	$ 0.73	$ (0.06)	$ –	$ –	$ –
Earnings per diluted common share from continuing operations	$ 1.70	$ 2.09	$ 2.70	$ 3.31	$ 5.66
Plus: Amortization of acquired intangible assets	0.39	0.43	0.49	0.43	0.49
Plus: Debt repayment and refinancing expenses	0.07	–	–	–	–
Less: Gain on sale of Alacra (not-tax effected)	–	(0.06)	–	(0.01)	–
Less: Gain on sale of FEA (not-tax effected)	–	–	–	–	(0.12)
Less: Gain on sale of InvestorForce	–	–	–	–	(0.52)
Less: Valuation Allowance released related to InvestorForce disposition	–	–	–	–	(0.09)
Plus: Tax Reform adjustments	–	–	–	0.38	(0.09)
Less: Income tax effect	(0.16)	(0.14)	(0.16)	(0.13)	0.02
Adjusted EPS	**$ 2.00**	**$ 2.32**	**$ 3.03**	**$ 3.98**	**$ 5.35**

MSCI

RECONCILIATION OF ADJUSTED EBITDA EXPENSES TO OPERATING EXPENSES *(UNAUDITED)*

In thousands	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Three Months Ended Mar. 31, 2019	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Full-Year 2019 Outlook[1]
Index adjusted EBITDA expenses	$ 61,635	$ 55,418	$ 62,562	$ 124,197	$ 111,402	
Analytics adjusted EBITDA expenses	84,610	82,792	85,037	169,647	168,186	
All Other adjusted EBITDA expenses	27,517	24,411	26,075	53,592	47,640	
Consolidated adjusted EBITDA expenses	**173,762**	**162,621**	**173,674**	**347,436**	**327,228**	**$685,000 - $705,000**
Multi-Year PSU payroll tax expense	—	—	15,389	15,389	—	15,389
Amortization of intangible assets	12,013	19,537	11,793	23,806	30,875	75,000 - 85,000
Depreciation and amortization of property, equipment and leasehold improvements	7,405	7,377	7,850	15,255	15,582	
Total operating expenses	**$ 193,180**	**$ 189,535**	**$ 208,706**	**$ 401,886**	**$ 373,685**	**$775,389 - $ 800,389**

In thousands	Year Ended Dec. 31 2018
Index adjusted EBITDA expenses	$ 227,622
Analytics adjusted EBITDA expenses	336,294
All Other adjusted EBITDA expenses	97,635
Consolidated adjusted EBITDA expenses	**661,551**
Amortization of intangible assets	54,189
Depreciation and amortization of property, equipment and leasehold improvements	31,346
Total operating expenses	**$ 747,086**

[1]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.

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW *(UNAUDITED)*

In thousands	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Three Months Ended Mar. 31, 2019	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Full-Year 2019 Outlook[1]
Net cash provided by operating activities	$ 189,470	$ 207,165	$ 87,875	$ 277,345	$ 295,762	$600,000 - $630,000
Capital expenditures	(6,278)	(2,967)	(3,156)	(9,434)	(4,479)	
Capitalized software development costs	(6,113)	(4,238)	(4,990)	(11,103)	(8,598)	
Capex	(12,391)	(7,205)	(8,146)	(20,537)	(13,077)	(55,000 - 45,000)
Free cash flow	**$ 177,079**	**$ 199,960**	**$ 79,729**	**$ 256,808**	**$ 282,685**	**$545,000 - $585,000**

In thousands	Year Ended Dec. 31, 2014	Year Ended Dec. 31, 2015	Year Ended Dec. 31, 2016	Year Ended Dec. 31, 2017	Year Ended Dec. 31, 2018
Net cash provided by operating activities[2]	$ 308,508	$ 321,247	$ 442,363	$ 404,158	$ 612,762
Capital expenditures	(42,659)	(40,652)	(32,284)	(33,177)	(30,257)
Capitalized software development costs	(8,216)	(8,500)	(10,344)	(15,640)	(18,704)
Capex	(50,875)	(49,152)	(42,628)	(48,817)	(48,961)
Free cash flow	**$ 257,633**	**$ 272,095**	**$ 399,735**	**$ 355,341**	**$ 563,801**

[1]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; [2]2014 adjusted to include $2.8 million of excess tax benefits that was reported as a component of cash flows from financing activities prior to the adoption of accounting guidance that required this to be reflected as a component of cash flows from operating activities.

RECONCILIATION OF EFFECTIVE TAX RATE TO ADJUSTED TAX RATE *(UNAUDITED)*

	Three Months Ended			Six Months Ended	
	June 30, 2019	June 30, 2018	Mar. 31, 2019	June 30, 2019	June 30, 2018
Effective tax rate	21.32%	25.26%	(38.90%)	(5.50%)	21.59%
Tax Reform impact on effective tax rate	—%	—%	—%	—%	0.54%
Multi-Year PSU impact on effective tax rate	—%	—%	51.90%	23.11%	—%
Adjusted tax rate	21.32%	25.26%	13.00%	17.61%	22.13%

RECONCILIATION OF OPERATING REVENUE GROWTH TO ORGANIC OPERATING REVENUE GROWTH *(UNAUDITED)*

	Comparison of the Three Months Ended June 30, 2019 and 2018			
	Total	**Recurring Subscription**	**Asset-Based Fees**	**Non-Recurring Revenues**
Index	Change Percentage	Change Percentage	Change Percentage	Change Percentage
Operating revenue growth	5.9%	10.5%	0.1%	—%
Impact of acquisitions and divestures	—%	—%	—%	—%
Impact of foreign currency exchange rate fluctuations	0.1%	—%	0.1%	—%
Organic operating revenue growth	6.0%	10.5%	0.2%	—%
	Total	**Recurring Subscription**	**Asset-Based Fees**	**Non-Recurring Revenues**
Analytics	Change Percentage	Change Percentage	Change Percentage	Change Percentage
Operating revenue growth	3.8%	3.5%	—%	24.6%
Impact of acquisitions and divestures	4.7%	4.5%	—%	32.7%
Impact of foreign currency exchange rate fluctuations	0.1%	—%	—%	0.7%
Organic operating revenue growth	8.6%	8.0%	—%	58.0%
	Total	**Recurring Subscription**	**Asset-Based Fees**	**Non-Recurring Revenues**
All Other	Change Percentage	Change Percentage	Change Percentage	Change Percentage
Operating revenue growth	17.2%	19.3%	—%	(27.5%)
Impact of acquisitions and divestures	—%	—%	—%	—%
Impact of foreign currency exchange rate fluctuations	4.7%	4.8%	—%	3.8%
Organic operating revenue growth	21.9%	24.1%	—%	(23.7%)
	Total	**Recurring Subscription**	**Asset-Based Fees**	**Non-Recurring Revenues**
Consolidated	Change Percentage	Change Percentage	Change Percentage	Change Percentage
Operating revenue growth	6.2%	8.4%	0.1%	—%
Impact of acquisitions and divestures	1.5%	2.0%	—%	4.0%
Impact of foreign currency exchange rate fluctuations	0.5%	0.6%	0.1%	0.8%
Organic operating revenue growth	8.2%	11.0%	0.2%	4.8%

RECONCILIATION OF OPERATING REVENUE GROWTH TO ORGANIC OPERATING REVENUE GROWTH *(UNAUDITED)*

	Comparison of the Six Months Ended June 30, 2019 and 2018			
	Total	**Recurring Subscription**	**Asset-Based Fees**	**Non-Recurring Revenues**
Index	Change Percentage	Change Percentage	Change Percentage	Change Percentage
Operating revenue growth	6.1%	11.6%	(2.1%)	23.2%
Impact of acquisitions and divestures	—%	—%	—%	—%
Impact of foreign currency exchange rate fluctuations	0.1%	—%	0.1%	0.1%
Organic operating revenue growth	6.2%	11.6%	(2.0%)	23.3%
	Total	**Recurring Subscription**	**Asset-Based Fees**	**Non-Recurring Revenues**
Analytics	Change Percentage	Change Percentage	Change Percentage	Change Percentage
Operating revenue growth	2.9%	2.6%	—%	41.7%
Impact of acquisitions and divestures	5.9%	5.6%	—%	35.8%
Impact of foreign currency exchange rate fluctuations	0.1%	0.1%	—%	1.3%
Organic operating revenue growth	8.9%	8.3%	—%	78.8%
	Total	**Recurring Subscription**	**Asset-Based Fees**	**Non-Recurring Revenues**
All Other	Change Percentage	Change Percentage	Change Percentage	Change Percentage
Operating revenue growth	16.4%	18.5%	—%	(34.3%)
Impact of acquisitions and divestures	—%	—%	—%	—%
Impact of foreign currency exchange rate fluctuations	5.0%	5.1%	—%	3.7%
Organic operating revenue growth	21.4%	23.6%	—%	(30.6%)
	Total	**Recurring Subscription**	**Asset-Based Fees**	**Non-Recurring Revenues**
Consolidated	Change Percentage	Change Percentage	Change Percentage	Change Percentage
Operating revenue growth	6.0%	8.3%	(2.1%)	16.0%
Impact of acquisitions and divestures	1.9%	2.6%	—%	4.2%
Impact of foreign currency exchange rate fluctuations	0.5%	0.7%	0.1%	0.9%
Organic operating revenue growth	8.4%	11.6%	(2.0%)	21.1%

MSCI

USE OF NON-GAAP FINANCIAL MEASURES

- MSCI has presented supplemental non-GAAP financial measures as part of this presentation. Reconciliations are provided in slides 38-45 above that reconcile each non-GAAP financial measure with the most comparable GAAP measure. The non-GAAP financial measures presented in this presentation should not be considered as alternative measures for the most directly comparable GAAP financial measures. The non-GAAP financial measures presented in this 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 the impact related to the vesting of the Multi-Year PSUs.
- "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 the impact related to the vesting of the Multi-Year PSUs.
- "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, the impact of divestitures, the impact of adjustments for the Tax Cuts and Jobs Act that was enacted on December 22, 2017 ("Tax Reform"), except for amounts associated with active tax planning implemented as a result of Tax Reform, and, at times, certain other transactions or adjustments, including the impact related to the vesting of the Multi-Year PSUs.
- "Adjusted tax rate" is defined as the effective tax rate excluding the impact of Tax Reform adjustments (except for amounts associated with active tax planning implemented as a result of Tax Reform) and the impact related to the vesting of the Multi-Year PSUs.
- "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 excluding the impact of foreign currency exchange rate fluctuations ("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 capital spending and acquisitions that do not directly affect what management considers to be our core 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 accounting effects of acquisitions that do not directly affect what management considers to be our core 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 and the impact related to the vesting of the Multi-Year PSUs.
- 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 that free cash flow as % of Net Income indicates our ability to convert accrual-based accounting earnings that the business generates to actual cash that is available to return to investors and reinvest in new opportunities.
- 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 core operating performance for the period(s) presented.
- We believe that the non-GAAP financial measures presented in this 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 presentation, including Run Rate, subscription sales and cancellations, non-recurring sales and Retention Rate.
- 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 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 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 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 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 or non-renewal 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. 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.