MSCI Inc. (MSCI)

Updated July 22nd, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$571	**5 Year CAGR Estimate:**	14.0%	**Market Cap:**	$41 B
Fair Value Price:	$630	**5 Year Growth Estimate:**	12.0%	**Ex-Dividend Date:**	08/14/2026
% Fair Value:	91%	**5 Year Valuation Multiple Estimate:**	0.7%	**Payment Date:**	08/28/2026
Dividend Yield:	1.4%	**5 Year Price Target**	$1,110	**Years of Dividend Growth:**	12
Dividend Risk Score:	A	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

MSCI Inc. (MSCI), short for Morgan Stanley Capital International, is a global financial information and data solutions provider for the investment community. The company is split into four segments: Index, Analytics, ESG and Climate, and All Other – Private Assets. Virtually all (97%) of the company's revenue are recurring. Furthermore, it operates globally, with 45% of its most recent quarterly subscription run rate earned in the Americas, 38% in Europe, Middle East, and Africa (EMEA), and the remaining 17% in Asia–Pacific (APAC). MSCI was spun off from Morgan Stanley in 2007. It is headquartered in New York, New York, and trades on the NYSE. MSCI is well known for its stock indexes, such as the MSCI Emerging Market Index, MSCI Frontier Markets Index, and MSCI All Country World Index. It serves nearly 7,000 clients in more than 100 countries.

On January 28th, 2026, the company announced a 14% increase to the dividend to $2.05 per share quarterly, which marked the 12th consecutive annual dividend increase.

MSCI reported second quarter 2026 results on July 21st, 2026, for the period ending June 30th, 2026. For the quarter, operating revenue grew 12% to $867 million. MSCI saw revenues improve across all its segments, with Index, Analytics, Sustainability and Climate, and All Other – Private Assets rising 18%, 7%, 3%, and 5%, respectively. The company's adjusted EPS jumped 19% over the prior-year quarter to $4.94 per share.

MSCI increased its guidance for 2026, now forecasting net cash provided by operating activities to be $1,655 million to $1,705 million and free cash flow of $1,485 million to $1,545 million.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.70	$3.31	$5.66	$6.59	$7.12	$8.86	$10.72	$14.39	$15.20	$17.28	***$19.68***	***$34.68***
DPS	$1.00	$1.32	$1.92	$2.52	$2.92	$3.64	$4.58	$5.52	$6.40	$7.20	***$8.20***	***$14.45***
Shares[1]	96.5	91.9	89.7	85.5	84.5	83.5	81.2	79.8	77.7	73.6	***72.0***	***68.0***

MSCI has produced tremendous growth since it was spun off from Morgan Stanley. More recently, it has generated a 5- and 9-year EPS CAGR of 19.4% and 22.9%, respectively.

MSCI's industry is being reshaped by secular trends, including portfolio indexation and customization, private assets growth, and the global sustainability revolution. MSCI expects to benefit from these developments through its long-term growth strategy, which includes acquisitions. Due primarily to recent acquisitions, MSCI's headcount grew 1.9% in the last one year, up to 6,327 employees. Furthermore, 71% of its workforce is located in emerging markets, with the remaining 29% in developed markets.

The company implements its triple-crown framework to determine its capital deployment strategy and aims to generate low double digit revenue growth over the long-term, and achieve an adjusted EBITDA margin percentage in the high 50s.

[1] In millions

Share repurchases are also likely to contribute to the bottom line. In fact, MSCI has repurchased more than $9.5 billion of its own stock since 2012. It also recently (October 25th, 2025) authorized a new $3.0 billion share repurchase program, of which $1.6 billion remains available as of July 20, 2026.

Going forward, growth becomes more difficult as the company becomes larger, but we believe MSCI still has a long runway of double-digit EPS growth. We expect that MSCI could increase its EPS by 12% annually through 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	29.2	38.1	26.4	39.2	62.7	70.4	43.4	39.3	36.2	32.7	***29.0***	***30.0***
Avg. Yld.	1.3%	1.0%	1.3%	1.0%	0.7%	0.6%	1.0%	1.0%	1.1%	1.2%	***1.4%***	***1.3%***

MSCI has traded at a high multiple in its recent past. Over the last ten and five years, MSCI has averaged a PE ratio of 41.8 and 44.4, respectively. This high valuation has compressed in the last year due to the rise of AI. Furthermore, MSCI has produced an impressive EPS growth track record, which is expected to moderate going forward. Currently, MSCI's PE ratio of 29.0 is just below our fair value estimate. The dividend is likely to grow at a strong rate, but the stock price is expected to keep up with this, resulting in a dividend yield of approximately 1.3%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	37%	40%	34%	38%	41%	41%	43%	38%	42%	42%	***42%***	***42%***

MSCI's primary competitive advantage is its research and reputation in the investment community. It boasts an in-house team comprising of over 150 researchers who innovate and differentiate its product offerings and risk models. Its MSCI indexes have become the leaders in benchmarking for many different markets.

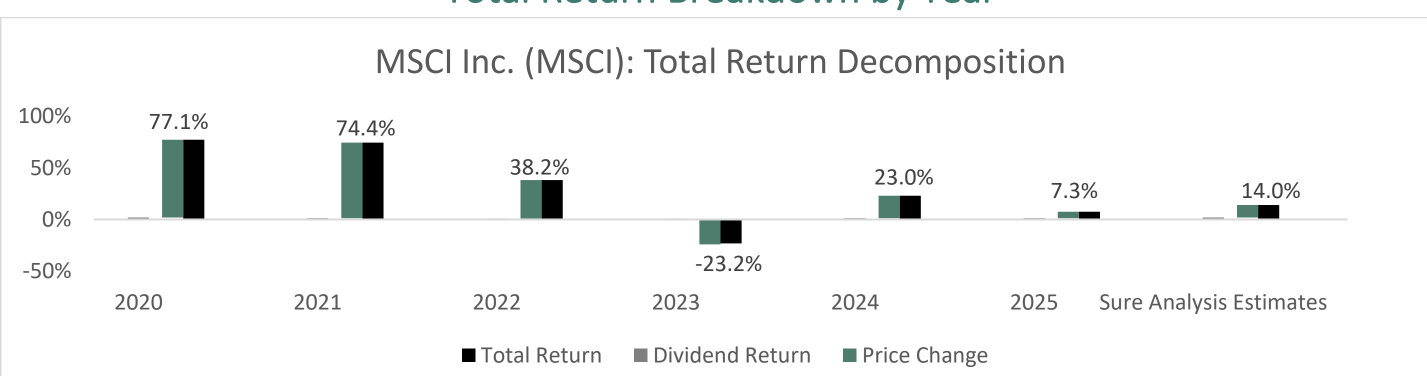
MSCI aims to maintain a total debt to adjusted EBITDA ratio of 3.0X to 3.5X. As of June 30th, 2026, the company had total debt of $6.4 billion and a leverage ratio of 3.1X, within its target. Furthermore, MSCI has no debt maturing until 2029. The company has received a Baa3 credit rating from Moody's, and BBB- from S&P and Fitch.

MSCI's business has downside protection, as nearly all of its revenue is derived from subscriptions. For many of the firm's clients, MSCI's products are key to success. The pandemic did not have a negative impact on the business, and the company continued earning record profits during that time.

Final Thoughts & Recommendation

We are forecasting total annual returns for MSCI of 14.0%, stemming from 12% EPS growth, the 1.4% dividend yield, and 0.7% P/E multiple expansion. MSCI has produced incredible returns over the last decade, and the stock appears to be slightly undervalued currently. MSCI earns a buy rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,151	1,274	1,434	1,558	1,695	2,044	2,249	2,529	2,856	3,134
Gross Profit	899	1,000	1,147	1,263	1,404	1,685	1,844	2,082	2,342	2,391
D&A Exp.	81	80	86	102	111	134	142	159	206	76.3%
Operating Profit	488	580	687	756	885	1,089	1,208	1,385	1,529	219
Op. Margin	42.4%	45.5%	47.9%	48.5%	52.2%	53.3%	53.7%	54.8%	53.5%	54.7%
Net Profit	261	304	508	564	602	726	871	1,149	1,109	1,714
Net Margin	22.7%	23.9%	35.4%	36.2%	35.5%	35.5%	38.7%	45.4%	38.8%	54.7%
Free Cash Flow	400	355	564	656	760	883	1,022	1,145	1,387	1,202
Income Tax	125	163	122	40	84	132	173	220	247	292

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	3,083	3,276	3,388	4,204	4,199	5,507	4,998	5,518	5445	5,702
Cash & Equivalents	792	890	904	1,507	1,301	1,421	993	458	406	515.33
Acc. Receivable	222	328	473	499	559	665	663	840	821	986.71
Goodwill & Int.	1,903	1,882	1,827	1,824	1,801	2,830	2,788	3,844	3823	3,756
Total Liabilities	2,765	2,875	3,554	4,281	4,642	5,670	6,005	6,258	6385	8,357
Accounts Payable	1	2	4	6	14	13	15	10	15	15
Long-Term Debt	2,075	2,078	2,576	3,072	3,367	4,161	4,512	4,508	4511	6,310
Total Equity	318	401	(166)	(77)	(443)	(163)	(1,008)	(740)	(940)	(2,655)
LTD/E Ratio	6.53	5.18	---	---	---	---	---	---	---	---

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	7.4%	8.4%	9.6%	15.2%	14.8%	14.3%	15.0%	16.6%	21.8%	21.6%
Return on Equity	19.2%	42.8%	---	---	---	---	---	---	---	---
ROIC	9.5%	10.7%	12.5%	20.8%	20.9%	20.3%	21.0%	23.2%	31.6%	32.6%
Shares Out.	109.9	96.5	91.9	89.7	85.5	84.5	83.5	81.2	79.8	76.64
Revenue/Share	9.78	11.92	13.86	15.99	18.21	20.06	24.48	27.69	31.67	40.90
FCF/Share	2.48	4.14	3.87	6.29	7.67	8.99	10.58	12.59	14.34	18.77

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