UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from____________to____________

Commission file number 001-33812

MSCI

MSCI INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**13-4038723**
(State or other jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**
7 World Trade Center **250 Greenwich Street, 49th Floor** **New York, New York**	**10007**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant’s telephone number, including area code: (212) 804-3900

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	MSCI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 24, 2023, there were 79,091,190 shares of the registrant’s common stock, par value $0.01, outstanding.

FOR THE QUARTER ENDED SEPTEMBER 30, 2023

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AVAILABLE INFORMATION

Our corporate headquarters is located at 7 World Trade Center, 250 Greenwich Street, 49th Floor, New York, New York, 10007, and our telephone number is (212) 804-3900. We maintain a website on the internet at www.msci.com. The contents of our website are not a part of or incorporated by reference in this Quarterly Report on Form 10-Q.

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the “SEC”). The SEC maintains a website that contains reports, proxy and information statements and other information that we file electronically with the SEC at www.sec.gov. We also make available free of charge, on or through our website, these reports, proxy statements and other information as soon as reasonably practicable following the time they are electronically filed with or furnished to the SEC. To access these, click on the “SEC Filings” link under the “Financial Information” tab found on our Investor Relations homepage (http://ir.msci.com).

We also use our Investor Relations homepage, Corporate Responsibility homepage and corporate X (formerly Twitter) account (@MSCI_Inc) as channels of distribution of Company information. The information we post through these channels may be deemed material.

Accordingly, investors should monitor these channels, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive email alerts and other information about us when you enroll your email address by visiting the “Email Alerts” section of our Investor Relations homepage at https://ir.msci.com/email-alerts. The contents of our website, including our Investor Relations homepage and Corporate Responsibility homepage, and our social media channels are not, however, a part of or incorporated by reference in this Quarterly Report on Form 10-Q.

FORWARD-LOOKING STATEMENTS

We have included in this Quarterly Report on Form 10-Q, and from time to time may make in our public filings, press releases or other public statements, certain statements that constitute forward-looking statements. In addition, our management may make forward-looking statements to analysts, investors, representatives of the media and others. These forward-looking statements are not historical facts and represent only MSCI’s beliefs regarding future events, many of which, by their nature, are inherently uncertain and beyond our control. These forward-looking statements 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. Statements concerning our financial position, business strategy and plans or objectives for future operations are forward-looking statements. 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 our control and that could materially affect our actual results, levels of activity, performance or achievements. Such risks and uncertainties include those set forth under “Risk Factors” in Part I, Item 1A of the 2022 Annual Report on Form 10-K filed with the SEC on February 10, 2023. 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 reflects our current views with respect to future events, levels of activity, performance or achievements and is subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. The forward-looking statements in this report speak only as of the time they are made and do not necessarily reflect our outlook at any other point in time. 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. Therefore, readers should carefully review the risk factors set forth in the Annual Report on Form 10-K and in other reports or documents we file from time to time with the SEC.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

MSCI INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(in thousands, except per share and share data)

	As of	
(unaudited)	September 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents (includes restricted cash of $3,839 and $368 at September 30, 2023 and December 31, 2022, respectively)	$ 928,552	$ 993,564
Accounts receivable (net of allowances of $3,030 and $2,652 at September 30, 2023 and December 31, 2022, respectively)	603,266	663,236
Prepaid income taxes	54,544	36,654
Prepaid and other assets	52,967	54,520
Total current assets	1,639,329	1,747,974
Property, equipment and leasehold improvements, net	58,036	53,853
Right of use assets	117,533	126,584
Goodwill	2,230,389	2,229,670
Intangible assets, net	536,129	558,517
Equity method investment	210,657	214,389
Deferred tax assets	34,790	29,207
Other non-current assets	38,631	37,341
Total assets	$ 4,865,494	$ 4,997,535
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 10,224	$ 15,039
Income taxes payable	19,536	8,058
Accrued compensation and related benefits	157,227	182,370
Current portion of long-term debt	8,719	8,713
Other accrued liabilities	171,458	153,461
Deferred revenue	837,479	882,886
Total current liabilities	1,204,643	1,250,527
Long-term debt	4,500,063	4,503,233
Long-term operating lease liabilities	121,941	131,575
Deferred tax liabilities	4,220	29,098
Other non-current liabilities	83,723	91,027
Total liabilities	5,914,590	6,005,460
Commitments and Contingencies (see Note 7)		
Shareholders' equity (deficit):		
Preferred stock (par value $0.01; 100,000,000 shares authorized; no shares issued)	—	—
Common stock (par value $0.01; 750,000,000 common shares authorized; 133,817,103 and 133,623,005 common shares issued and 79,091,098 and 79,959,989 common shares outstanding at September 30, 2023 and December 31, 2022, respectively)	1,338	1,336
Treasury shares, at cost (54,726,005 and 53,663,016 common shares held at September 30, 2023 and December 31, 2022, respectively)	(6,447,042)	(5,938,116)
Additional paid in capital	1,571,442	1,515,874
Retained earnings	3,886,188	3,473,192
Accumulated other comprehensive loss	(61,022)	(60,211)
Total shareholders' equity (deficit)	(1,049,096)	(1,007,925)
Total liabilities and shareholders' equity (deficit)	$ 4,865,494	$ 4,997,535

See Notes to Condensed Consolidated Financial Statements (Unaudited)

MSCI INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(unaudited)	**2023**	**2022**	**2023**	**2022**
Operating revenues	$ 625,439	$ 560,639	$ 1,838,814	$ 1,672,390
Operating expenses:				
Cost of revenues (exclusive of depreciation and amortization)	105,311	98,418	324,024	301,957
Selling and marketing	66,581	65,545	201,044	192,671
Research and development	31,438	25,941	92,901	78,179
General and administrative	36,826	30,702	113,527	112,993
Amortization of intangible assets	26,722	23,375	77,543	67,274
Depreciation and amortization of property, equipment and leasehold improvements	5,252	7,127	15,911	20,426
Total operating expenses	272,130	251,108	824,950	773,500
Operating income	353,309	309,531	1,013,864	898,890
Interest income	(10,314)	(3,938)	(31,079)	(5,160)
Interest expense	46,902	44,162	139,725	125,961
Other expense (income)	(935)	103	4,032	(90)
Other expense (income), net	35,653	40,327	112,678	120,711
Income before provision for income taxes	317,656	269,204	901,186	778,179
Provision for income taxes	57,997	52,612	155,974	122,577
Net income	$ 259,659	$ 216,592	$ 745,212	$ 655,602
Earnings per share:				
Basic	$ 3.28	$ 2.69	$ 9.36	$ 8.09
Diluted	$ 3.27	$ 2.68	$ 9.32	$ 8.05
Weighted average shares outstanding:				
Basic	79,116	80,500	79,580	81,001
Diluted	79,500	80,874	79,959	81,481

See Notes to Condensed Consolidated Financial Statements (Unaudited)

MSCI INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(unaudited)	**2023**	**2022**	**2023**	**2022**
Net income	$ 259,659	$ 216,592	$ 745,212	$ 655,602
Other comprehensive income (loss):				
Foreign currency translation adjustments	(5,832)	(10,978)	1,046	(25,724)
Income tax effect	771	1,453	(660)	3,921
Foreign currency translation adjustments, net	(5,061)	(9,525)	386	(21,803)
Pension and other post-retirement adjustments	756	293	(1,338)	7,779
Income tax effect	(72)	(79)	141	(1,193)
Pension and other post-retirement adjustments, net	684	214	(1,197)	6,586
Other comprehensive (loss) income, net of tax	(4,377)	(9,311)	(811)	(15,217)
Comprehensive income	$ 255,282	$ 207,281	$ 744,401	$ 640,385

See Notes to Condensed Consolidated Financial Statements (Unaudited)

MSCI INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(in thousands)

(unaudited)	Common Stock	Treasury Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2022	$ 1,336	$ (5,938,116)	$ 1,515,874	$ 3,473,192	$ (60,211)	$ (1,007,925)
Net income				238,728		238,728
Dividends declared ($1.38 per common share)				(111,986)		(111,986)
Dividends paid in shares			44			44
Other comprehensive income (loss), net of tax					2,775	2,775
Common stock issued	2					2
Shares withheld for tax withholding		(43,960)				(43,960)
Compensation payable in common stock			20,988			20,988
Common stock repurchased and held in treasury						—
Common stock issued to Directors and (held in)/released from treasury		(30)				(30)
Balance at March 31, 2023	1,338	(5,982,106)	1,536,906	3,599,934	(57,436)	(901,364)
Net income				246,825		246,825
Dividends declared ($1.38 per common share)				(110,383)		(110,383)
Dividends paid in shares			33			33
Other comprehensive income (loss), net of tax					791	791
Common stock issued						—
Shares withheld for tax withholding		(611)				(611)
Compensation payable in common stock			16,426			16,426
Common stock repurchased and held in treasury		(444,655)				(444,655)
Common stock issued to Directors and (held in)/released from treasury		(730)				(730)
Balance at June 30, 2023	1,338	(6,428,102)	1,553,365	3,736,376	(56,645)	(1,193,668)
Net income				259,659		259,659
Dividends declared ($1.38 per common share)				(109,847)		(109,847)
Dividends paid in shares			30			30
Other comprehensive income (loss), net of tax					(4,377)	(4,377)
Common stock issued						—
Shares withheld for tax withholding and exercises		(871)				(871)
Compensation payable in common stock			18,047			18,047
Common stock repurchased and held in treasury		(18,039)				(18,039)
Common stock issued to Directors and (held in)/released from treasury		(30)				(30)
Balance at September 30, 2023	$ 1,338	$ (6,447,042)	$ 1,571,442	$ 3,886,188	$ (61,022)	$ (1,049,096)

See Notes to Condensed Consolidated Financial Statements (Unaudited)

MSCI INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(in thousands)

(unaudited)	Common Stock	Treasury Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2021	$ 1,332	$ (4,540,144)	$ 1,457,623	$ 2,976,517	$ (58,795)	$ (163,467)
Net income				228,423		228,423
Dividends declared ($1.04 per common share)				(87,280)		(87,280)
Dividends paid in shares			77			77
Other comprehensive income (loss), net of tax					(2,022)	(2,022)
Common stock issued	4					4
Shares withheld for tax withholding and exercises		(105,000)				(105,000)
Compensation payable in common stock			22,754			22,754
Common stock repurchased and held in treasury		(772,657)				(772,657)
Common stock issued to Directors and (held in)/released from treasury		(21)				(21)
Balance at March 31, 2022	1,336	(5,417,822)	1,480,454	3,117,660	(60,817)	(879,189)
Net income				210,587		210,587
Dividends declared ($1.04 per common share)				(84,593)		(84,593)
Dividends paid in shares			22			22
Other comprehensive income (loss), net of tax					(3,884)	(3,884)
Common stock issued						—
Shares withheld for tax withholding and exercises		(3,862)				(3,862)
Compensation payable in common stock			11,858			11,858
Common stock repurchased and held in treasury		(276,994)				(276,994)
Common stock issued to Directors and (held in)/released from treasury		(391)				(391)
Balance at June 30, 2022	1,336	(5,699,069)	1,492,334	3,243,654	(64,701)	(1,026,446)
Net income				216,592		216,592
Dividends declared ($1.25 per common share)				(101,354)		(101,354)
Dividends paid in shares			27			27
Other comprehensive income (loss), net of tax					(9,311)	(9,311)
Common stock issued						—
Shares withheld for tax withholding and exercises		(3,741)				(3,741)
Compensation payable in common stock			11,913			11,913
Common stock repurchased and held in treasury		(165,044)				(165,044)
Common stock issued to Directors and (held in)/released from treasury		(27)				(27)
Balance at September 30, 2022	$ 1,336	$ (5,867,881)	$ 1,504,274	$ 3,358,892	$ (74,012)	$ (1,077,391)

See Notes to Condensed Consolidated Financial Statements (Unaudited)

MSCI INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

(unaudited)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Cash flows from operating activities		
Net income	$ 745,212	$ 655,602
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of intangible assets	77,543	67,274
Stock-based compensation expense	55,375	46,432
Depreciation and amortization of property, equipment and leasehold improvements	15,911	20,426
Amortization of right of use assets	17,484	18,555
Loss on impairment of right of use assets, net	—	705
Amortization of debt origination fees	3,791	3,868
Deferred taxes	(30,973)	59,324
Other adjustments	1,199	(3,654)
Changes in assets and liabilities:		
Accounts receivable	58,132	127,043
Prepaid income taxes	(17,654)	(77,908)
Prepaid and other assets	1,687	(1,678)
Other non-current assets	(4,837)	32,547
Accounts payable	(5,719)	(8,144)
Income taxes payable	11,425	(52,939)
Accrued compensation and related benefits	(25,599)	(58,042)
Other accrued liabilities	15,118	31,297
Deferred revenue	(43,571)	(66,982)
Long-term operating lease liabilities	(16,027)	(19,492)
Other non-current liabilities	(11,195)	6,105
Other	(226)	(397)
Net cash provided by operating activities	847,076	779,942
Cash flows from investing activities		
Capitalized software development costs	(50,080)	(44,425)
Capital expenditures	(18,942)	(8,012)
Other	(389)	24
Net cash used in investing activities	(69,411)	(52,413)
Cash flows from financing activities		
Repurchase of common stock held in treasury	(504,161)	(1,327,298)
Payment of dividends	(331,640)	(272,759)
Repayment of borrowings	(6,563)	(5,000)
Proceeds from borrowings, inclusive of premium	—	355,000
Payment of debt issuance costs in connection with debt	—	(2,559)
Payment of contingent consideration	—	(211)
Net cash (used in) provided by financing activities	(842,364)	(1,252,827)
Effect of exchange rate changes	(313)	(29,039)
Net (decrease) increase in cash, cash equivalents and restricted cash	(65,012)	(554,337)
Cash, cash equivalents and restricted cash, beginning of period	993,564	1,421,449
Cash, cash equivalents and restricted cash, end of period	$ 928,552	$ 867,112
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 125,068	$ 107,162
Cash paid for income taxes, net of refunds received	$ 197,746	$ 154,725
Supplemental disclosure of non-cash investing activities		
Property, equipment and leasehold improvements in other accrued liabilities	$ 4,734	$ 1,926
Supplemental disclosure of non-cash financing activities		
Cash dividends declared, but not yet paid	$ 1,453	$ 3,270

See Notes to Condensed Consolidated Financial Statements (Unaudited)

MSCI INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. INTRODUCTION AND BASIS OF PRESENTATION

MSCI Inc., together with its wholly owned subsidiaries (the "Company" or "MSCI") is a leading provider of critical decision support tools and solutions for the global investment community. Our mission-critical offerings help investors address the challenges of a transforming investment landscape and power better investment decisions. Leveraging our knowledge of the global investment process and our expertise in research, data and technology, we enable our clients to understand and analyze key drivers of risk and return and confidently and efficiently build more effective portfolios. Our products and services include indexes; portfolio construction and risk management tools; environmental, social and governance ("ESG") and climate solutions; and real estate market and transaction data and analysis.

Basis of Presentation and Use of Estimates

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they should be read in conjunction with the audited consolidated financial statements and notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. If not materially different, certain note disclosures included therein have been omitted from these interim condensed consolidated financial statements.

In the opinion of management, all adjustments, which consist of normal recurring adjustments necessary for a fair statement of the interim consolidated financial statements, have been included. The results of operations for interim periods are not necessarily indicative of results for the entire year.

The Company's unaudited condensed consolidated financial statements are prepared in accordance with GAAP. The Company makes certain estimates and judgments that can affect the reported amounts of assets and liabilities as of the date of the unaudited condensed consolidated financial statements, as well as the reported amounts of operating revenues and expenses during the periods presented. Significant estimates and judgments made by management include such examples as assessment of impairment of goodwill and intangible assets and income taxes. The Company believes that estimates used in the preparation of these unaudited condensed consolidated financial statements are reasonable; however, actual results could differ materially from these estimates. Inter-company balances and transactions are eliminated in consolidation.

Concentrations

For the nine months ended September 30, 2023 and 2022, BlackRock, Inc. ("BlackRock") accounted for 10.1% and 10.5% of the Company's consolidated operating revenues, respectively. For the nine months ended September 30, 2023 and 2022, BlackRock accounted for 17.0% and 17.7% of the Index segment's operating revenues, respectively. No single customer represented 10.0% or more of operating revenues within the Analytics, ESG and Climate or All Other – Private Assets segments for the nine months ended September 30, 2023 and 2022.

Restricted Cash

Restricted cash primarily relates to security deposits for certain operating leases that are legally restricted and unavailable for our general operations.

Allowance for Credit Losses

Changes in the allowance for credit losses from December 31, 2021 to September 30, 2023 were as follows:

(in thousands)		Amount
Balance as of December 31, 2021	$	2,337
Addition (reduction) to credit loss expense		910
Write-offs, net of recoveries		(595)
Balance as of December 31, 2022	$	2,652
Addition (reduction) to credit loss expense		1,300
Write-offs, net of recoveries		(922)
Balance as of September 30, 2023	$	3,030

2. RECENT ACCOUNTING PRONOUNCEMENTS

There are no recently issued accounting standards updates that are currently expected to have a material impact on the Company.

3. REVENUE RECOGNITION

MSCI's operating revenues are reported by product type, which generally reflects the timing of recognition. The Company's operating revenue types are recurring subscriptions, asset-based fees and non-recurring revenues. The Company also disaggregates operating revenues by segment.

The tables that follow present the disaggregated operating revenues for the periods indicated:

	For the Three Months Ended September 30, 2023									
	Segments									
(in thousands)		Index		Analytics		ESG and Climate		All Other - Private Assets		Total
Operating Revenue Types										
Recurring subscriptions	$	206,453	$	151,269	$	71,744	$	35,531	$	464,997
Asset-based fees		141,066		—		—		—		141,066
Non-recurring		14,603		2,999		1,294		480		19,376
Total	$	362,122	$	154,268	$	73,038	$	36,011	$	625,439

	For the Nine Months Ended September 30, 2023									
	Segments									
(in thousands)		Index		Analytics		ESG and Climate		All Other - Private Assets		Total
Operating Revenue Types										
Recurring subscriptions	$	603,845	$	443,276	$	207,523	$	111,292	$	1,365,936
Asset-based fees		412,354		—		—		—		412,354
Non-recurring		47,621		7,943		3,792		1,168		60,524
Total	$	1,063,820	$	451,219	$	211,315	$	112,460	$	1,838,814

(in thousands)	For the Three Months Ended September 30, 2022 — Segments: Index	Analytics	ESG and Climate	All Other - Private Assets	Total
Operating Revenue Types					
Recurring subscriptions	$ 185,531	$ 142,751	$ 56,353	$ 35,581	$ 420,216
Asset-based fees	125,620	—	—	—	125,620
Non-recurring	11,089	2,164	1,242	308	14,803
Total	$ 322,240	$ 144,915	$ 57,595	$ 35,889	$ 560,639

(in thousands)	For the Nine Months Ended September 30, 2022 — Segments: Index	Analytics	ESG and Climate	All Other - Private Assets	Total
Operating Revenue Types					
Recurring subscriptions	$ 539,740	$ 420,047	$ 160,962	$ 106,276	$ 1,227,025
Asset-based fees	402,889	—	—	—	402,889
Non-recurring	31,319	6,349	3,790	1,018	42,476
Total	$ 973,948	$ 426,396	$ 164,752	$ 107,294	$ 1,672,390

The tables that follow present the change in accounts receivable, net of allowances, and current deferred revenue between the dates indicated:

(in thousands)	Accounts receivable, net of allowances	Deferred revenue
Opening (December 31, 2022)	$ 663,236	$ 882,886
Closing (September 30, 2023)	603,266	837,479
Increase/(decrease)	$ (59,970)	$ (45,407)

(in thousands)	Accounts receivable, net of allowances	Deferred revenue
Opening (December 31, 2021)	$ 664,511	$ 824,912
Closing (September 30, 2022)	525,360	735,710
Increase/(decrease)	$ (139,151)	$ (89,202)

The amounts of revenues recognized in the periods that were included in the opening current deferred revenue, which reflects contract liability amounts, were $171.8 million and $798.0 million for the three and nine months ended September 30, 2023, respectively and $149.4 million and $722.0 million for the three and nine months ended September 30, 2022, respectively. The difference between the opening and closing balances of the Company's deferred revenue is primarily driven by an increase in the amortization of deferred revenue to operating revenues, partially offset by an increase in billings. As of September 30, 2023 and December 31, 2022, the Company carried a long-term deferred revenue balance of $28.0 million and $29.4 million, respectively, in "Other non-current liabilities" on the Unaudited Condensed Consolidated Statement of Financial Condition.

For contracts that have a duration of one year or less, the Company has not disclosed either the remaining performance obligation as of the end of the reporting period or when the Company expects to recognize the revenue. The remaining performance obligations for contracts that have a duration of greater than one year and the periods in which they are expected to be recognized are as follows:

(in thousands)	As of September 30, 2023
First 12-month period	$ 695,027
Second 12-month period	420,056
Third 12-month period	182,375
Periods thereafter	135,442
Total	$ 1,432,900

4. EARNINGS PER COMMON SHARE

Basic earnings per share ("EPS") is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted EPS reflects the assumed conversion of all dilutive securities, including, when applicable, restricted stock units ("RSUs"), performance stock units ("PSUs") and performance stock options ("PSOs").

The following table presents the computation of basic and diluted EPS:

(in thousands, except per share data)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net income	$ 259,659	$ 216,592	$ 745,212	$ 655,602
Basic weighted average common shares outstanding	79,116	80,500	79,580	81,001
Effect of dilutive securities:				
PSUs, RSUs and PSOs	384	374	379	480
Diluted weighted average common shares outstanding	79,500	80,874	79,959	81,481
Earnings per common share:				
Basic	$ 3.28	$ 2.69	$ 9.36	$ 8.09
Diluted	$ 3.27	$ 2.68	$ 9.32	$ 8.05

5. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET

Property, equipment and leasehold improvements, net consisted of the following as of the dates indicated:

(in thousands)	As of September 30, 2023	As of December 31, 2022
Computer & related equipment	$ 193,113	$ 181,710
Furniture & fixtures	15,643	14,078
Leasehold improvements	58,019	54,040
Work-in-process	860	2,373
Subtotal	267,635	252,201
Accumulated depreciation and amortization	(209,599)	(198,348)
Property, equipment and leasehold improvements, net	$ 58,036	$ 53,853

Depreciation and amortization expense of property, equipment and leasehold improvements was $5.3 million and $7.1 million for the three months ended September 30, 2023 and 2022, respectively.

Depreciation and amortization expense of property, equipment and leasehold improvements was $15.9 million and $20.4 million for the nine months ended September 30, 2023 and 2022, respectively.

6. GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

The following table presents goodwill by reportable segment:

(in thousands)	Index	Analytics	ESG and Climate	All Other - Private Assets	Total
Goodwill at December 31, 2022	$ 1,201,622	$ 290,976	$ 48,047	$ 689,025	$ 2,229,670
Foreign exchange translation adjustment	445	—	—	274	719
Goodwill at September 30, 2023	$ 1,202,067	$ 290,976	$ 48,047	$ 689,299	$ 2,230,389

The Company completed its annual goodwill impairment test as of July 1, 2023 on its Index, Analytics, ESG and Climate, and Real Assets reporting units, which are also four of the Company's operating segments, and no impairments were noted. The Company determined that it was not more likely than not that the fair value of its reporting units is less than their respective carrying values. See Note 11, "Segment Information," for further descriptions of the Company's operating segments.

Intangible Assets, Net

The following table presents the amount of amortization expense related to intangible assets by category for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2023	2022	2023	2022
Amortization expense of acquired intangible assets	$ 15,748	$ 15,810	$ 47,430	$ 47,562
Amortization expense of internally developed capitalized software	10,974	7,565	30,113	19,712
Total amortization of intangible assets expense	$ 26,722	$ 23,375	$ 77,543	$ 67,274

The gross carrying and accumulated amortization amounts related to the Company's intangible assets were as follows:

	As of	
(in thousands)	September 30, 2023	December 31, 2022
Gross intangible assets:		
Customer relationships	$ 532,500	$ 532,500
Proprietary data	220,778	220,778
Acquired technology and software	209,220	209,220
Trademarks	208,190	208,190
Internally developed capitalized software	220,251	165,928
Subtotal	1,390,939	1,336,616
Foreign exchange translation adjustment	(12,478)	(13,214)
Total gross intangible assets	$ 1,378,461	$ 1,323,402
Accumulated amortization:		
Customer relationships	$ (331,275)	$ (308,437)
Proprietary data	(56,125)	(41,783)
Acquired technology and software	(182,920)	(179,833)
Trademarks	(169,207)	(162,044)
Internally developed capitalized software	(106,888)	(77,259)
Subtotal	(846,415)	(769,356)
Foreign exchange translation adjustment	4,083	4,471
Total accumulated amortization	$ (842,332)	$ (764,885)
Net intangible assets:		
Customer relationships	$ 201,225	$ 224,063
Proprietary data	164,653	178,995
Acquired technology and software	26,300	29,387
Trademarks	38,983	46,146
Internally developed capitalized software	113,363	88,670
Subtotal	544,524	567,260
Foreign exchange translation adjustment	(8,395)	(8,743)
Total net intangible assets	$ 536,129	$ 558,517

The following table presents the estimated amortization expense for the remainder of the year ending December 31, 2023 and succeeding years:

Years Ending December 31, (in thousands)	Amortization Expense
Remainder of 2023	$ 28,555
2024	109,796
2025	84,575
2026	49,965
2027	36,755
Thereafter	226,483
Total	$ 536,129

7. COMMITMENTS AND CONTINGENCIES

As of September 30, 2023, the Company had outstanding an aggregate of $4,200.0 million in senior unsecured notes (collectively, the "Senior Notes") and an aggregate of $341.3 million in senior unsecured tranche A term loans (the "Tranche A Term Loans") under the term loan A facility (the "TLA Facility"), as presented in the table below:

(in thousands)	Maturity Date	Principal Amount Outstanding at September 30, 2023	Carrying Value at September 30, 2023	Carrying Value at December 31, 2022	Fair Value at September 30, 2023	Fair Value at December 31, 2022
Debt						
4.000% senior unsecured notes due 2029	November 15, 2029	$ 1,000,000	$ 993,364	$ 992,546	$ 872,670	$ 876,240
3.625% senior unsecured notes due 2030	September 1, 2030	900,000	895,421	894,925	755,433	751,113
3.875% senior unsecured notes due 2031	February 15, 2031	1,000,000	991,887	991,067	867,600	833,130
3.625% senior unsecured notes due 2031	November 1, 2031	600,000	594,688	594,195	491,928	500,880
3.250% senior unsecured notes due 2033	August 15, 2033	700,000	693,364	692,862	537,551	542,696
Variable rate Tranche A Term Loans due 2027	February 16, 2027	341,250	340,057	346,352	339,544	346,073
Total debt(1)		$ 4,541,250	$ 4,508,781	$ 4,511,947	$ 3,864,726	$ 3,850,132

(1) Includes $8.7 million of current-portion of long-term debt.

Maturities of the Company's principal debt payments as of September 30, 2023 are as follows:

Maturity of Principal Debt Payments (in thousands)	Amounts
Remainder of 2023	$ 2,187
2024	10,938
2025	19,687
2026	26,250
2027	282,188
Thereafter	4,200,000
Total debt	$ 4,541,250

Interest payments attributable to the Company's outstanding indebtedness are due as presented in the following table:

	Interest payment frequency	First interest payment date
Senior Notes and Tranche A Term Loans		
4.000% senior unsecured notes due 2029	Semi-Annual	May 15
3.625% senior unsecured notes due 2030	Semi-Annual	March 1
3.875% senior unsecured notes due 2031	Semi-Annual	June 1
3.625% senior unsecured notes due 2031	Semi-Annual	May 1
3.250% senior unsecured notes due 2033	Semi-Annual	February 15
Variable rate Tranche A Term Loans due 2027	Variable	July 11

The fair market value of the Company's debt obligations represent Level 2 valuations. The Company utilized the market approach and obtained security pricing from a vendor who used broker quotes and third-party pricing services to determine fair values.

Credit Agreement. Since November 20, 2014, the Company has maintained a revolving credit agreement with a syndicate of banks. On June 9, 2022, the Company, the guarantors party thereto and the lenders and agents party thereto, entered into an Amended and Restated Credit Agreement (the "Credit Agreement"), amending and restating in its entirety the Company's prior revolving credit agreement (the "Prior Revolving Credit Agreement"). The Credit Agreement makes available to the Company an aggregate of $500.0 million of revolving loan commitments, which may be drawn until February 16, 2027, and the TLA Facility. At September 30, 2023, the revolving loan commitments were undrawn. As noted above, at September 30, 2023, the commitments under the TLA Facility were drawn in full, and the resulting Tranche A Term Loans mature on February 16, 2027. The obligations under the Credit Agreement are general unsecured obligations of the Company and the guarantors.

Interest on the Tranche A Term Loans under the TLA Facility accrues, at a variable rate, based on the secured overnight funding rate ("SOFR") or the alternate base rate ("Base Rate"), plus, in each case, an applicable margin and will be due on each Interest Payment Date (as defined in the Credit Agreement). The applicable margin is calculated by reference to the Company's Consolidated Leverage Ratio (as defined in the Credit Agreement) and ranges between 1.50% to 2.00% for SOFR loans, and 0.50% to 1.00% for Base Rate loans. At September 30, 2023, the interest rate on the TLA Facility was 7.42%.

In connection with the closings of the Senior Notes offerings, entry into the Prior Revolving Credit Agreement and the subsequent amendments thereto and entry into the Credit Agreement, the Company paid certain financing fees which, together with the existing fees related to prior credit facilities, are being amortized over their related lives. At September 30, 2023, $34.2 million of the deferred financing fees and premium remain unamortized, $0.5 million of which is included in "Prepaid and other assets," $1.2 million of which is included in "Other non-current assets" and $32.5 million of which is included in "Long-term debt" on the Unaudited Condensed Consolidated Statement of Financial Condition.

8. LEASES

The components of lease expense (income) of the Company's operating leases are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2023**	**2022**	**2023**	**2022**
Operating lease expenses	$ 7,278	$ 7,308	$ 21,570	$ 22,439
Variable lease costs	1,022	808	2,843	2,411
Short-term lease costs	108	123	547	333
Sublease income	(1,276)	$ (1,251)	$ (3,827)	$ (3,354)
Total lease costs	$ 7,132	$ 6,988	$ 21,133	$ 21,829

Maturities of the Company's operating lease liabilities as of September 30, 2023 are as follows:

Maturity of Lease Liabilities (in thousands)	**Operating Leases**
Remainder of 2023	$ 6,098
2024	27,182
2025	24,202
2026	22,408
2027	17,691
Thereafter	67,096
Total lease payments	$ 164,677
Less: Interest	(20,632)
Present value of lease liabilities	$ 144,045
Other accrued liabilities	$ 22,104
Long-term operating lease liabilities	$ 121,941

Weighted-average remaining lease term and discount rate for the Company's operating leases are as follows:

	As of	
Lease Term and Discount Rate	**September 30, 2023**	**December 31, 2022**
Weighted-average remaining lease term (years)	7.30	7.86
Weighted-average discount rate	3.58 %	3.40 %

Other information related to the Company's operating leases are as follows:

Other Information (in thousands)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Operating cash flows used for operating leases	$ 22,918	$ 22,025
Right of use assets obtained in exchange for new operating lease liabilities	$ 8,896	$ 14,929

9. SHAREHOLDERS' EQUITY (DEFICIT)

Return of capital

On July 28, 2022, the Board of Directors authorized a stock repurchase program (the "2022 Repurchase Program") for the purchase of up to $1,000.0 million worth of shares of MSCI's common stock in addition to the $539.1 million of authorization then remaining under a previously existing share repurchase program that was replaced by, and incorporated into, the 2022 Repurchase Program for a total of $1,539.1 million of stock repurchase authorization available under the 2022 Repurchase Program.

Share repurchases made pursuant to the 2022 Repurchase Program may take place in the open market or in privately negotiated transactions from time to time based on market and other conditions. This authorization may be modified, suspended or terminated by the Board of Directors at any time without prior notice. As of September 30, 2023, there was $845.7 million of available authorization remaining under the 2022 Repurchase Program.

The following table provides information with respect to repurchases of the Company's common stock made on the open market:

Nine months ended (in thousands, except per share data)	Average Price Paid Per Share	Total Number of Shares Repurchased	Dollar Value of Shares Repurchased[(1)]
September 30, 2023	$ 468.26	980	$ 458,721
September 30, 2022	$ 473.26	2,567	$ 1,214,695

(1) As of January 1, 2023, the Company's share repurchases in excess of issuances are subject to a 1% excise tax enacted by the Inflation Reduction Act. The values in this column exclude the 1% excise tax incurred on share repurchases. Any excise tax incurred is recognized as part of the cost of the shares acquired in the Unaudited Condensed Consolidated Statement of Shareholders' Equity (Deficit)

The following table presents dividends declared per common share as well as total amounts declared, distributed and deferred for the periods indicated:

	Dividends			
(in thousands, except per share data)	Per Share	Declared	Distributed	(Released)/Deferred
2023				
Three Months Ended March 31,	$ 1.38	$ 111,986	$ 112,189	$ (203)
Three Months Ended June 30,	1.38	110,383	110,147	236
Three Months Ended September 30,	1.38	109,847	109,408	439
Total	$ 4.14	$ 332,216	$ 331,744	$ 472
2022				
Three Months Ended March 31,	$ 1.04	$ 87,280	$ 87,846	$ (566)
Three Months Ended June 30,	1.04	84,593	84,189	404
Three Months Ended September 30,	1.25	101,354	100,849	505
Total	$ 3.33	$ 273,227	$ 272,884	$ 343

Common Stock

The following table presents activity related to shares of common stock issued and repurchased during the nine months ended September 30, 2023:

	Common Stock Issued	Treasury Stock	Common Stock Outstanding
Balance at December 31, 2022	133,623,005	(53,663,016)	79,959,989
Dividend payable/paid	24	—	24
Common stock issued	181,875	—	181,875
Shares withheld for tax withholding	—	(78,844)	(78,844)
Shares repurchased under stock repurchase programs	—	—	—
Shares issued to directors	58	(58)	—
Balance at March 31, 2023	133,804,962	(53,741,918)	80,063,044
Dividend payable/paid	—	—	—
Common stock issued	2,698	—	2,698
Shares withheld for tax withholding	—	(1,270)	(1,270)
Shares repurchased under stock repurchase programs	—	(941,360)	(941,360)
Shares issued to directors	5,306	(1,515)	3,791
Balance at June 30, 2023	133,812,966	(54,686,063)	79,126,903
Dividend payable/paid	—	—	—
Common stock issued	4,081	—	4,081
Shares withheld for tax withholding	—	(1,623)	(1,623)
Shares repurchased under stock repurchase programs	—	(38,263)	(38,263)
Shares issued to directors	56	(56)	—
Balance at September 30, 2023	133,817,103	(54,726,005)	79,091,098

10. INCOME TAXES

The Company’s provision for income taxes was $156.0 million and $122.6 million for the nine months ended September 30, 2023 and 2022, respectively.

The effective tax rate of 17.3% for the nine months ended September 30, 2023 reflects the Company’s estimate of the effective tax rate for the period and was impacted by certain favorable discrete items totaling $19.8 million, related to $11.4 million of excess tax benefits recognized on share-based compensation vested during the period and $8.4 million related to prior-year items.

The effective tax rate of 15.8% for the nine months ended September 30, 2022 reflects the Company’s estimate of the effective tax rate for the period and was impacted by certain favorable discrete items totaling $28.2 million, primarily related to $28.4 million of excess tax benefits recognized on share-based compensation vested during the period.

The Company is under or open to examination by the IRS and other tax authorities in certain jurisdictions, including foreign jurisdictions, such as the United Kingdom, Switzerland and India, and states in the United States in which the Company has significant operations, such as New York and California. The tax years currently under or open to examination vary by jurisdiction but include years from 2008 onwards.

The Company regularly assesses the likelihood of additional assessments in each of the taxing jurisdictions in which it files income tax returns. The Company has established unrecognized tax benefits that the Company believes are adequate in relation to the potential for additional assessments. Once established, the Company adjusts unrecognized tax benefits only when more information is available or when an event occurs necessitating a change. Based on the current status of income tax audits, the Company believes it is reasonably possible that the total amount of unrecognized benefits may decrease by approximately $22.9 million in the next twelve months as a result of the resolution of prior-year items.

During the three and nine months ended September 30, 2023, the Company’s unrecognized tax benefits increased $0.4 million and decreased $4.4 million, respectively, principally due to the resolution of prior-year items.

11. SEGMENT INFORMATION

The Company has five operating segments: Index, Analytics, ESG and Climate, Real Assets and The Burgiss Group, LLC ("Burgiss"), which are presented as the following four reportable segments: Index, Analytics, ESG and Climate and All Other – Private Assets.

The Index operating segment offers equity and fixed income indexes. The indexes are used in many areas of the investment process, including for developing indexed financial products (e.g., Exchange Traded Funds ("ETFs"), mutual funds, annuities, futures, options, structured products and over-the-counter derivatives), performance benchmarking, portfolio construction and rebalancing, and asset allocation.

The Analytics operating segment offers risk management, performance attribution and portfolio management content, applications and services that provide clients with an integrated view of risk and return and tools for analyzing market, credit, liquidity, counterparty and climate risk across all major asset classes, spanning short-, medium- and long-term time horizons. Clients access Analytics tools and content through MSCI's proprietary applications and application programming interfaces, third-party applications or directly through their own platforms. Additionally, the Analytics operating segment also provides various managed services to help clients operate more efficiently, including consolidation of client portfolio data from various sources, review and reconciliation of input data and results, and customized reporting.

The ESG and Climate operating segment offers products and services that help institutional investors understand how ESG and climate considerations can impact the long-term risk and return of their portfolio and individual security-level investments. In addition, the ESG and Climate operating segment provides data, ratings, research and tools to help investors navigate increasing regulation, meet new client demands and better integrate ESG and climate elements into their investment processes.

The Real Assets operating segment offers data, benchmarks, return-analytics, climate assessments and market insights for tangible assets such as real estate and infrastructure. In addition, Real Assets performance and risk analytics range from enterprise-wide to property-specific analysis. The Real Assets operating segment also provides business intelligence products to real estate owners, managers, developers and brokers worldwide.

As of September 30, 2023, the Burgiss operating segment represents the Company's equity method investment in Burgiss, a global provider of investment decision support tools for private capital. See Note 12, "Subsequent Events" for additional information on the Company's acquisition of the remaining interest in Burgiss.

The Chief Operating Decision Maker ("CODM") measures and evaluates reportable segments based on segment operating revenues as well as Adjusted EBITDA and other measures. The Company excludes the following items from segment Adjusted EBITDA: provision for income taxes, other expense (income), net, depreciation and amortization of property, equipment and leasehold improvements, amortization of intangible assets and, at times, certain other transactions or adjustments, including certain non-recurring acquisition-related integration and transaction costs, that the CODM does not consider for the purposes of making decisions to allocate resources among segments or to assess segment performance. Although these amounts are excluded from segment Adjusted EBITDA, they are included in reported consolidated net income and are included in the reconciliation that follows.

The following table presents operating revenues by reportable segment for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2023**	**2022**	**2023**	**2022**
Operating revenues				
Index	$ 362,122	$ 322,240	$ 1,063,820	$ 973,948
Analytics	154,268	144,915	451,219	426,396
ESG and Climate	73,038	57,595	211,315	164,752
All Other - Private Assets	36,011	35,889	112,460	107,294
Total	$ 625,439	$ 560,639	$ 1,838,814	$ 1,672,390

The following table presents segment profitability and a reconciliation to net income for the periods indicated:

(in thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Index Adjusted EBITDA	$ 277,672	$ 245,967	$ 808,424	$ 737,012
Analytics Adjusted EBITDA	71,781	67,634	197,710	181,484
ESG and Climate Adjusted EBITDA	25,440	15,910	66,114	42,334
All Other - Private Assets Adjusted EBITDA	11,396	11,450	36,076	29,819
Total operating segment profitability	386,289	340,961	1,108,324	990,649
Amortization of intangible assets	26,722	23,375	77,543	67,274
Depreciation and amortization of property, equipment and leasehold improvements	5,252	7,127	15,911	20,426
Acquisition-related integration and transaction costs[1]	1,006	928	1,006	4,059
Operating income	353,309	309,531	1,013,864	898,890
Other expense (income), net	35,653	40,327	112,678	120,711
Provision for income taxes	57,997	52,612	155,974	122,577
Net income	$ 259,659	$ 216,592	$ 745,212	$ 655,602

(1) Represents transaction expenses and other costs directly related to the acquisition and integration of acquired businesses, including professional fees, severance expenses, regulatory filing fees and other costs, in each case that are incurred no later than 12 months after the close of the relevant acquisition.

Operating revenues by geography are primarily based on the shipping address of the ultimate customer utilizing the product. The following table presents operating revenues by geographic area for the periods indicated:

(in thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Operating revenues				
Americas:				
United States	$ 246,089	$ 233,196	$ 740,939	$ 696,284
Other	28,243	24,450	83,353	70,559
Total Americas	274,332	257,646	824,292	766,843
Europe, the Middle East and Africa ("EMEA"):				
United Kingdom	105,036	88,681	296,388	264,854
Other	142,826	125,607	420,996	379,695
Total EMEA	247,862	214,288	717,384	644,549
Asia & Australia:				
Japan	24,956	21,784	75,258	67,817
Other	78,289	66,921	221,880	193,181
Total Asia & Australia	103,245	88,705	297,138	260,998
Total	$ 625,439	$ 560,639	$ 1,838,814	$ 1,672,390

Long-lived assets consist of property, equipment and leasehold improvements, right of use assets and internally developed capitalized software, net of accumulated depreciation and amortization. The following table presents long-lived assets by geographic area on the dates indicated:

	As of	
(in thousands)	**September 30, 2023**	**December 31, 2022**
Long-lived assets		
Americas:		
United States	$ 201,309	$ 179,453
Other	11,974	11,971
Total Americas	213,283	191,424
EMEA:		
United Kingdom	18,346	19,674
Other	21,808	23,099
Total EMEA	40,154	42,773
Asia & Australia:		
Japan	1,268	652
Other	33,017	32,962
Total Asia & Australia	34,285	33,614
Total	$ 287,722	$ 267,811

12. SUBSEQUENT EVENTS

On October 30, 2023, the Board of Directors declared a quarterly cash dividend of $1.38 per share for the three months ending December 31, 2023 (“fourth quarter 2023”). The fourth quarter 2023 dividend is payable on November 30, 2023 to shareholders of record as of the close of trading on November 9, 2023.

On October 2, 2023, the Company acquired the remaining 66.4% interest in Burgiss for $696.8 million in cash. The Company’s existing 33.6% interest had a fair value at acquisition date of $353.2 million which resulted non-taxable gain of approximately $140 million, to be recorded during the three months ending December 31, 2023. The results of Burgiss will be included in the Company’s All Other - Private Assets reportable segment.

The acquisition of Burgiss will provide the Company with comprehensive data and deep expertise in all private assets, enabling investors to evaluate fundamental information, measure and compare performance, understand exposures, manage risk, and conduct robust analytics. The acquisition will also expand the Company’s robust suite of multi-asset class technology solutions with the industry leading Burgiss Caissa Platform, developed exclusively for institutional investors and providing a comprehensive view of the drivers of performance and risk in both public and private investments in total portfolios.

Due to the proximity of the closing date of the acquisition of the remaining interest in Burgiss to the date of this filing, the initial accounting for the business combination is incomplete. As a result, the Company is unable to disclose certain information including the provisional fair value estimates of the identifiable net assets acquired and goodwill at this time.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and related notes included elsewhere in this Form 10-Q and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (the "Form 10-K"). This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in "Item 1A.—Risk Factors," in our Form 10-K.

Except as the context otherwise indicates, the terms "MSCI," the "Company," "we," "our" and "us" refer to MSCI Inc., together with its subsidiaries.

Overview

We are a leading provider of critical decision support tools and solutions for the global investment community. Our mission-critical offerings help investors address the challenges of a transforming investment landscape and power better investment decisions. Leveraging our knowledge of the global investment process and our expertise in research, data and technology, we enable our clients to understand and analyze key drivers of risk and return and confidently and efficiently build more effective portfolios. We operate in four reportable segments as follows: Index, Analytics, ESG and Climate, and All Other – Private Assets. The operating segments of Real Assets and The Burgiss Group, LLC ("Burgiss") do not individually meet the segment reporting thresholds and have been combined and presented as part of the All Other – Private Assets reportable segment.

Our growth strategy includes: (a) extending leadership in research-enhanced content across asset classes, (b) leading the enablement of ESG and climate investment integration, (c) enhancing distribution and content-enabling technology, (d) expanding solutions that empower client customization, (e) strengthening client relationships and growing into strategic partnerships with clients and (f) executing strategic relationships and acquisitions with complementary content and technology companies. For more information about our Company's operations, see "*Item 1: Business*" in our Form 10-K.

As of September 30, 2023, we served approximately 6,500[1] clients in more than 95 countries.

Our principal business model is generally to license annual, recurring subscriptions for the majority of our Index, Analytics and ESG and Climate products and services for a fee due in advance of the service period. Real Assets products are also licensed annually through subscriptions, which are generally recurring, for a fee which is paid in advance when products are generally delivered ratably over the subscription period or in arrears after the product is delivered. A portion of our fees comes from clients who use our indexes as the basis for index-linked investment products. Such fees are primarily based on a client's assets under management ("AUM"), trading volumes and fee levels.

In evaluating our financial performance, we focus on revenue and profit growth, including results accounted for under generally accepted accounting principles in the United States ("GAAP") as well as non-GAAP measures, for the Company as a whole and by operating segment.

We present revenues disaggregated by types and by segments, which represent our major product lines. We also review expenses by activity, which provides more transparency into how resources are being deployed. In addition, we utilize operating metrics including Run Rate, subscription sales and Retention Rate to manage and assess performance and to provide deeper insights into the recurring portion of our business.

In the discussion that follows, we provide certain variances excluding the impact of foreign currency exchange rate fluctuations and acquisitions. 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 AUM, which is the primary component of asset-based fees, is not adjusted for foreign currency fluctuations. Approximately three-fifths of the AUM is 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.

For the nine months ended September 30, 2023, our largest client organization by revenue, BlackRock, accounted for 10.1% of our consolidated operating revenues, with 95.4% of the operating revenues from BlackRock coming from fees based on the assets in BlackRock's ETFs and non-ETFs that are based on our indexes.

[1] Represents the aggregate of all related clients under their respective parent entity.

The discussion of our results of operations for the three and nine months ended September 30, 2023 and 2022 are presented below. The results of operations for interim periods may not be indicative of future results.

Recent Developments

Burgiss Acquisition

On October 2, 2023, MSCI acquired the remaining 66.4% interest in Burgiss for $696.8 million in cash. Prior to the acquisition, we held a 33.6% interest in Burgiss and accounted for Burgiss as an equity-method investment. The acquisition of Burgiss will provide MSCI with comprehensive data and deep expertise in all private assets, enabling investors to evaluate fundamental information, measure and compare performance, understand exposures, manage risk, and conduct robust analytics. The acquisition will also expand MSCI's robust suite of multi-asset class technology solutions with the industry leading Burgiss Caissa Platform, developed exclusively for institutional investors and providing a comprehensive view of the drivers of performance and risk in both public and private investments in total portfolios.

Our existing 33.6% interest had a fair value at acquisition date of $353.2 million which resulted in a pre-tax gain of approximately $140 million, to be recorded during the three months ending December 31, 2023. We used available cash to fund the acquisition of the remaining interest in Burgiss. The results of Burgiss will be included in our All Other - Private Assets reportable segment.

Results of Operations

Operating Revenues

Our operating revenues are grouped by the following types: recurring subscriptions, asset-based fees and non-recurring. We also group operating revenues by major product or reportable segment as follows: Index, Analytics, ESG and Climate and All Other – Private Assets, which includes the Real Assets operating segment.

The following table presents operating revenues by type for the periods indicated:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	**2023**	**2022**	**% Change**	**2023**	**2022**	**% Change**
Recurring subscriptions	$ 464,997	$ 420,216	10.7 %	$ 1,365,936	$ 1,227,025	11.3 %
Asset-based fees	141,066	125,620	12.3 %	412,354	402,889	2.3 %
Non-recurring	19,376	14,803	30.9 %	60,524	42,476	42.5 %
Total operating revenues	$ 625,439	$ 560,639	11.6 %	$ 1,838,814	$ 1,672,390	10.0 %

Total operating revenues increased 11.6% for the three months ended September 30, 2023. Adjusting for the impact of foreign currency exchange rate fluctuations, total operating revenues would have increased 10.9%.

Operating revenues from recurring subscriptions increased 10.7% for the three months ended September 30, 2023, primarily driven by strong growth in Index products, which increased $20.9 million, or 11.3%, ESG and Climate products, which increased $15.4 million, or 27.3%, and Analytics products, which increased $8.5 million, or 6.0%. Adjusting for the impact of foreign currency exchange rate fluctuations, operating revenues from recurring subscriptions would have increased 9.8%.

Operating revenues from asset-based fees increased 12.3% for the three months ended September 30, 2023, mainly driven by growth in revenues from ETFs linked to MSCI equity indexes and non-ETF indexed funds linked to MSCI indexes, partially offset by a decrease in revenues from exchange traded futures and options contracts linked to MSCI indexes. Operating revenues from ETFs linked to MSCI equity indexes increased by 15.3%, primarily driven by increases in average AUM. Operating revenues from non-ETF indexed funds linked to MSCI indexes increased by 16.3%, primarily driven by increases in average AUM and average basis point fees. Operating revenues from exchange traded futures and options contracts linked to MSCI indexes decreased by 12.1%, driven by volume decreases.

Total operating revenues increased 10.0% for the nine months ended September 30, 2023. Adjusting for the impact of foreign currency exchange rate fluctuations, total operating revenues would have increased 10.3%.

Operating revenues from recurring subscriptions increased 11.3% for the nine months ended September 30, 2023, primarily driven by strong growth in Index products, which increased $64.1 million, or 11.9%, ESG and Climate products, which increased

$46.6 million, or 28.9%, and Analytics products, which increased $23.2 million, or 5.5%. Adjusting for the impact of foreign currency exchange rate fluctuations, operating revenues from recurring subscriptions would have increased 11.7%.

Operating revenues from asset-based fees increased 2.3% for the nine months ended September 30, 2023, mainly driven by growth in revenues from ETFs linked to MSCI equity indexes, partially offset by a decrease in revenues from exchange traded futures and options contracts linked to MSCI indexes. Operating revenues from ETFs linked to MSCI equity indexes increased by 5.0%, primarily driven by increases in average AUM and average basis point fees. Operating revenues from exchange traded futures and options contracts linked to MSCI indexes decreased by 9.3%, driven by volume decreases.

Operating revenues from non-recurring revenues increased 42.5% for the nine months ended September 30, 2023, primarily driven by one-time license fees related to prior periods, as well as non-recurring licensed data products.

The following table presents the value of AUM in ETFs linked to MSCI equity indexes and the sequential change of such assets as of the end of each of the periods indicated:

	Period Ended						
	2022				**2023**		
(in billions)	**March 31,**	**June 30,**	**September 30,**	**December 31,**	**March 31,**	**June 30,**	**September 30,**
AUM in ETFs linked to MSCI equity indexes[(1), (2)]	$ 1,389.3	$ 1,189.5	$ 1,081.2	$ 1,222.9	$ 1,305.4	$ 1,372.5	$ 1,322.8
Sequential Change in Value							
Market Appreciation/(Depreciation)	$ (89.7)	$ (207.3)	$ (105.7)	$ 118.8	$ 75.1	$ 48.4	$ (56.1)
Cash Inflows	27.4	7.5	(2.6)	22.9	7.4	18.7	6.4
Total Change	$ (62.3)	$ (199.8)	$ (108.3)	$ 141.7	$ 82.5	$ 67.1	$ (49.7)

The following table presents the average value of AUM in ETFs linked to MSCI equity indexes for the periods indicated:

	2022				**2023**		
(in billions)	**March**	**June**	**September**	**December**	**March**	**June**	**September**
AUM in ETFs linked to MSCI equity indexes[(1), (2)]							
Quarterly average	$ 1,392.5	$ 1,285.4	$ 1,208.9	$ 1,182.1	$ 1,287.5	$ 1,333.8	$ 1,376.5
Year-to-date average	$ 1,392.5	$ 1,338.9	$ 1,295.6	$ 1,267.2	$ 1,287.5	$ 1,310.7	$ 1,332.6

(1) The historical values of the AUM in ETFs linked to our equity indexes as of the last day of the month and the monthly average balance can be found under the link "AUM in ETFs Linked to MSCI Equity Indexes" on our Investor Relations homepage at *http://ir.msci.com*. This information is updated mid-month each month. Information contained on our website is not deemed part of or incorporated by reference into this Quarterly Report on Form 10-Q or any other report filed with the SEC. The AUM in ETFs also includes AUM in Exchange Traded Notes, the value of which is less than 1.0% of the AUM amounts presented.

(2) The value of AUM in ETFs linked to MSCI equity indexes is calculated by multiplying the equity ETF net asset value by the number of shares outstanding.

The average value of AUM in ETFs linked to MSCI equity indexes for the three months ended September 30, 2023, was up $167.6 billion, or 13.9%. For the nine months ended September 30, 2023, it was up $37.0 billion, or 2.9%.

The following table presents operating revenues by reportable segment and revenue type for the periods indicated:

(in thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	% Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	% Change
Operating revenues:						
Index						
Recurring subscriptions	$ 206,453	$ 185,531	11.3 %	$ 603,845	$ 539,740	11.9 %
Asset-based fees	141,066	125,620	12.3 %	412,354	402,889	2.3 %
Non-recurring	14,603	11,089	31.7 %	47,621	31,319	52.1 %
Index total	362,122	322,240	12.4 %	1,063,820	973,948	9.2 %
Analytics						
Recurring subscriptions	151,269	142,751	6.0 %	443,276	420,047	5.5 %
Non-recurring	2,999	2,164	38.6 %	7,943	6,349	25.1 %
Analytics total	154,268	144,915	6.5 %	451,219	426,396	5.8 %
ESG and Climate						
Recurring subscriptions	71,744	56,353	27.3 %	207,523	160,962	28.9 %
Non-recurring	1,294	1,242	4.2 %	3,792	3,790	0.1 %
ESG and Climate total	73,038	57,595	26.8 %	211,315	164,752	28.3 %
All Other - Private Assets						
Recurring subscriptions	35,531	35,581	(0.1 %)	111,292	106,276	4.7 %
Non-recurring	480	308	55.8 %	1,168	1,018	14.7 %
All Other - Private Assets total	36,011	35,889	0.3 %	112,460	107,294	4.8 %
Total operating revenues	$ 625,439	$ 560,639	11.6 %	$ 1,838,814	$ 1,672,390	10.0 %

Refer to the section titled "Segment Results" that follows for further discussion of segment revenues.

Operating Expenses

We group our operating expenses into the following activity categories:

- Cost of revenues;
- Selling and marketing;
- Research and development ("R&D");
- General and administrative ("G&A");
- Amortization of intangible assets; and
- Depreciation and amortization of property, equipment and leasehold improvements.

Costs are assigned to these activity categories based on the nature of the expense or, when not directly attributable, an estimated allocation based on the type of effort involved. Cost of revenues, selling and marketing, R&D and G&A all include both compensation as well as non-compensation related expenses.

The following table presents operating expenses by activity category for the periods indicated:

(in thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	% Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	% Change
Operating expenses:						
Cost of revenues	$ 105,311	$ 98,418	7.0 %	$ 324,024	$ 301,957	7.3 %
Selling and marketing	66,581	65,545	1.6 %	201,044	192,671	4.3 %
Research and development	31,438	25,941	21.2 %	92,901	78,179	18.8 %
General and administrative	36,826	30,702	19.9 %	113,527	112,993	0.5 %
Amortization of intangible assets	26,722	23,375	14.3 %	77,543	67,274	15.3 %
Depreciation and amortization of property, equipment and leasehold improvements	5,252	7,127	(26.3 %)	15,911	20,426	(22.1 %)
Total operating expenses	$ 272,130	$ 251,108	8.4 %	$ 824,950	$ 773,500	6.7 %

Total operating expenses increased 8.4% for the three months ended September 30, 2023. Adjusting for the impact of foreign currency exchange rate fluctuations, the increase would have been 6.4%.

Total operating expenses increased 6.7% for the nine months ended September 30, 2023. Adjusting for the impact of foreign currency exchange rate fluctuations, the increase would have been 7.1%.

Cost of Revenues

Cost of revenues expenses consist of costs related to the production and servicing of our products and services and primarily includes related information technology costs, including data center, cloud service, platform and infrastructure costs; costs to acquire, produce and maintain market data information; costs of research to support and maintain existing products; costs of product management teams; costs of client service and consultant teams to support customer needs; as well as other support costs directly attributable to the cost of revenues including certain human resources, finance and legal costs.

Cost of revenues increased 7.0% for the three months ended September 30, 2023, primarily reflecting increases across the Analytics and Index reportable segments, partially offset by decreases in the All Other – Private Assets reportable segment. The change was driven by increases in compensation and benefits costs, primarily relating to higher wages and salaries, incentive compensation and benefits costs.

Cost of revenues increased 7.3% for the nine months ended September 30, 2023, reflecting increases across the Index, Analytics and ESG and Climate reportable segments, partially offset by decreases in the All Other – Private Assets reportable segment. The change was driven by increases in compensation and benefits costs, primarily relating to higher wages and salaries and incentive compensation, as well as increases in non-compensation costs, primarily reflecting higher market data and recruiting costs.

Selling and Marketing

Selling and marketing expenses consist of costs associated with acquiring new clients or selling new products or product renewals to existing clients and primarily includes the costs of our sales and marketing teams, as well as costs incurred in other departments associated with acquiring new business, including product management, research, technology and sales operations.

Selling and marketing expenses increased 1.6% for the three months ended September 30, 2023, reflecting increases across the Analytics, ESG and Climate and All Other – Private Assets reportable segments, partially offset by decreases in the Index reportable segment. The change was driven by increases in compensation and benefits costs, primarily relating to higher incentive compensation and wages and salaries, partially offset by lower benefits costs.

Selling and marketing expenses increased 4.3% for the nine months ended September 30, 2023, reflecting increases across all reportable segments. The change was driven by increases in compensation and benefits costs, primarily relating to higher wages and salaries and incentive compensation costs, partially offset by lower benefits costs, as well as increases in non-compensation costs, primarily reflecting increased marketing costs and travel and entertainment expenses.

Research and Development

R&D expenses consist of costs to develop new or enhanced products and the costs to develop new or enhanced technologies and service platforms for the delivery of our products and services and primarily include the costs of development, research, product management, project management and the technology support directly associated with these activities.

R&D expenses increased 21.2% for the three months ended September 30, 2023, reflecting increases across the ESG and Climate, Index and All Other - Private Assets reportable segments, partially offset by decreases in the Analytics reportable segment. The change was driven by increases in compensation and benefits costs, primarily relating to higher wages and salaries and incentive compensation costs, partially offset by increased capitalization of costs related to internally developed software projects. The change was also driven by increases in non-compensation costs, primarily relating to higher information technology costs.

R&D expenses increased 18.8% for the nine months ended September 30, 2023, reflecting increases across the ESG and Climate, Index and All Other - Private Assets reportable segments, partially offset by decreases in the Analytics reportable segment. The change was driven by increases in compensation and benefits costs, primarily relating to higher wages and salaries and incentive compensation costs, partially offset by increased capitalization of costs related to internally developed software projects. The change was also driven by increases in non-compensation costs, primarily relating to higher information technology costs.

General and Administrative

G&A expenses consist of costs primarily related to finance operations, human resources, office of the CEO, legal, corporate technology, corporate development and certain other administrative costs that are not directly attributed, but are instead allocated, to a product or service.

G&A expenses increased 19.9% for the three months ended September 30, 2023, reflecting increases across the Index, ESG and Climate and Analytics reportable segments, partially offset by decreases in the All Other - Private Assets reportable segment. The change was driven by increases in compensation and benefits costs primarily related to higher incentive compensation and wages and salaries. The change was also driven by higher non-compensation costs, primarily relating to higher non-income tax expenses due to the absence of favorable settlements reached in the prior period, partially offset by a decrease in professional fees.

G&A expenses increased 0.5% for the nine months ended September 30, 2023, primarily reflecting increases across the ESG and Climate and Index reportable segments, partially offset by decreases in the All Other - Private Assets reportable segment. The change was primarily driven by increases in compensation and benefits costs, primarily relating to higher incentive compensation and wages and salaries. The change was offset by the absence of non-recurring transaction and integration costs related to the September 2021 acquisition of Real Capital Analytics, Inc. (“RCA”).

The following table presents operating expenses using compensation and non-compensation categories, rather than using activity categories, for the periods indicated:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	**2023**	**2022**	**% Change**	**2023**	**2022**	**% Change**
Compensation and benefits	$ 171,815	$ 155,447	10.5 %	$ 527,566	$ 489,527	7.8 %
Non-compensation expenses	68,341	65,159	4.9 %	203,930	196,273	3.9 %
Amortization of intangible assets	26,722	23,375	14.3 %	77,543	67,274	15.3 %
Depreciation and amortization of property, equipment and leasehold improvements	5,252	7,127	(26.3 %)	15,911	20,426	(22.1 %)
Total operating expenses	$ 272,130	$ 251,108	8.4 %	$ 824,950	$ 773,500	6.7 %

Compensation and Benefits

A significant portion of the incentive compensation component of operating expenses is based on the achievement of a number of financial and operating metrics. In a scenario where operating revenue growth and profitability moderate, incentive compensation would be expected to decrease accordingly.

We had 5,005 employees as of September 30, 2023, compared to 4,767 employees as of September 30, 2022, reflecting a 5.0% growth in the number of employees. Continued growth of our emerging market centers around the world is an important factor in our ability to manage and control the growth of our compensation and benefits costs. As of September 30, 2023, 66.5% of our employees were located in emerging market centers compared to 65.0% as of September 30, 2022.

Compensation and benefits costs increased 10.5% and 7.8%, for the three and nine months ended September 30, 2023, respectively, driven by an increase in wages and salaries and incentive compensation costs, partially offset by increased capitalization of expenses related to internally developed software projects. Adjusting for the impact of foreign currency exchange rate fluctuations, compensation and benefits costs would have increased by 7.9% and 8.5%, respectively, for the three and nine months ended September 30, 2023.

Non-Compensation Expenses

Fixed costs constitute a significant portion of the non-compensation component of operating expenses. The discretionary non-compensation component of operating expenses could, however, be reduced in the near-term in a scenario where operating revenue growth moderates.

Non-compensation expenses increased 4.9% for the three months ended September 30, 2023, primarily driven by higher non-income tax expenses due to the absence of favorable settlements reached in the prior period and higher information technology costs and market data costs, partially offset by a decrease in professional fees.

Non-compensation expenses increased 3.9% for the nine months ended September 30, 2023, primarily driven by higher information technology costs, market data costs, non-income tax expenses due to the absence of favorable settlements reached in the prior period, and marketing costs, partially offset by lower professional fees and by the absence of non-recurring transaction and integration costs related to the September 2021 acquisition of RCA.

Amortization of Intangible Assets

Amortization of intangible assets expense relates to definite-lived intangible assets arising from past acquisitions and capitalization of internally developed software projects recognized over their estimated useful lives.

Amortization of intangible assets expense increased 14.3% and 15.3% for the three and nine months ended September 30, 2023, respectively, primarily driven by higher amortization of internal use software.

Depreciation and Amortization of Property, Equipment and Leasehold Improvements

Depreciation and amortization of property, equipment and leasehold improvements consists of expenses related to depreciating or amortizing the cost of computer and related equipment, leasehold improvements, software and furniture and fixtures over the estimated useful life of the assets.

Depreciation and amortization of property, equipment and leasehold improvements decreased 26.3% and 22.1% for the three and nine months ended September 30, 2023, respectively, primarily driven by lower depreciation on computer and related equipment.

Total Other Expense (Income), Net

The following table shows our other expense (income), net for the periods indicated:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	**2023**	**2022**	**% Change**	**2023**	**2022**	**% Change**
Interest income	$ (10,314)	$ (3,938)	161.9 %	$ (31,079)	$ (5,160)	502.3 %
Interest expense	46,902	44,162	6.2 %	139,725	125,961	10.9 %
Other expense (income)	(935)	103	(1007.8 %)	4,032	(90)	(4580.0 %)
Total other expense (income), net	$ 35,653	$ 40,327	(11.6 %)	$ 112,678	$ 120,711	(6.7 %)

Total other expense (income), net decreased 11.6% for the three months ended September 30, 2023, primarily driven by higher interest income, reflecting higher yields, and the impact of favorable foreign currency exchange rate fluctuations, partially offset by higher interest expense due to higher interest rates.

Total other expense (income), net decreased 6.7% for the nine months ended September 30, 2023, primarily driven by higher interest income, reflecting higher yields and cash balances, partially offset by higher interest expense, due to higher debt levels and interest rates, and the impact of unfavorable foreign currency exchange rate fluctuations.

Income Taxes

The following table shows our income tax provision and effective tax rate for the periods indicated:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	2023	2022	% Change	2023	2022	% Change
Provision for income taxes	$ 57,997	$ 52,612	10.2 %	$ 155,974	$ 122,577	27.2 %
Effective tax rate	18.3 %	19.5 %	(6.2)%	17.3 %	15.8 %	9.5 %

The effective tax rate of 18.3% for the three months ended September 30, 2023 reflects the Company's estimate of the effective tax rate for the period and was impacted by certain favorable discrete items totaling $3.4 million, primarily related to $3.2 million of prior-year items.

The effective tax rate of 19.5% for the three months ended September 30, 2022 reflects the Company's estimate of the effective tax rate for the period. The level of discrete items was not impactful to the effective tax rate for the period.

The effective tax rate of 17.3% for the nine months ended September 30, 2023 reflects the Company's estimate of the effective tax rate for the period and was impacted by certain favorable discrete items totaling $19.8 million, related to $11.4 million of excess tax benefits recognized on share-based compensation vested during the period and $8.4 million related to prior-year items.

The effective tax rate of 15.8% for the nine months ended September 30, 2022 reflects the Company's estimate of the effective tax rate for the period and was impacted by certain favorable discrete items totaling $28.2 million, primarily related to $28.4 million of excess tax benefits recognized on share-based compensation vested during the period.

Net Income

The following table shows our net income for the periods indicated:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	2023	2022	% Change	2023	2022	% Change
Net income	$ 259,659	$ 216,592	19.9 %	$ 745,212	$ 655,602	13.7 %

As a result of the factors described above, net income increased 19.9% for the three months ended September 30, 2023, and increased 13.7% for the nine months ended September 30, 2023.

Weighted Average Shares and Common Shares Outstanding

The following table shows our weighted average shares outstanding for the periods indicated:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	2023	2022	% Change	2023	2022	% Change
Weighted average shares outstanding:						
Basic	79,116	80,500	(1.7 %)	79,580	81,001	(1.8 %)
Diluted	79,500	80,874	(1.7 %)	79,959	81,481	(1.9 %)

The following table shows our common shares outstanding for the periods indicated:

	As of		
(in thousands)	September 30, 2023	December 31, 2022	% Change
Common shares outstanding	79,091	79,960	(1.1 %)

The decrease in weighted average shares and common shares outstanding for the three and nine months ended September 30, 2023 primarily reflects the impact of share repurchases made pursuant to the Company's stock repurchase program.

Adjusted EBITDA

"Adjusted EBITDA," a non-GAAP measure used by management to assess operating performance, 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, when applicable, certain acquisition-related integration and transaction costs.

"Adjusted EBITDA expenses," a non-GAAP measure used by management to assess operating performance, 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, when applicable, certain acquisition-related integration and transaction costs.

"Adjusted EBITDA margin" is defined as Adjusted EBITDA divided by operating revenues.

Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EBITDA expenses are believed to be meaningful measures for management to assess the operating performance of the Company 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 the Company's ongoing operating performance in the period. All companies do not calculate adjusted EBITDA, adjusted EBITDA margin and adjusted EBITDA expenses in the same way. 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 the Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EBITDA expenses measures may not be comparable to similarly titled measures computed by other companies.

The following table presents non-GAAP Adjusted EBITDA for the periods indicated:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	**2023**	**2022**	**% Change**	**2023**	**2022**	**% Change**
Operating revenues	$ 625,439	$ 560,639	11.6 %	$ 1,838,814	$ 1,672,390	10.0 %
Adjusted EBITDA expenses	239,150	219,678	8.9 %	730,490	681,741	7.2 %
Adjusted EBITDA	$ 386,289	$ 340,961	13.3 %	$ 1,108,324	$ 990,649	11.9 %
Operating margin %	56.5 %	55.2 %		55.1 %	53.7 %	
Adjusted EBITDA margin %	61.8 %	60.8 %		60.3 %	59.2 %	

The change in Adjusted EBITDA margin reflects changes in the rate of growth of Adjusted EBITDA expenses as compared to the rate of growth of operating revenues, driven by the factors previously described.

Reconciliation of Net Income to Adjusted EBITDA and Operating Expenses to Adjusted EBITDA Expenses

The following table presents the reconciliation of net income to Adjusted EBITDA for the periods indicated:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	2023	2022	% Change	2023	2022	% Change
Net income	$ 259,659	$ 216,592	19.9 %	$ 745,212	$ 655,602	13.7 %
Provision for income taxes	57,997	52,612	10.2 %	155,974	122,577	27.2 %
Other expense (income), net	35,653	40,327	(11.6 %)	112,678	120,711	(6.7 %)
Operating income	353,309	309,531	14.1 %	1,013,864	898,890	12.8 %
Amortization of intangible assets	26,722	23,375	14.3 %	77,543	67,274	15.3 %
Depreciation and amortization of property, equipment and leasehold improvements	5,252	7,127	(26.3 %)	15,911	20,426	(22.1 %)
Acquisition-related integration and transaction costs (1)	1,006	928	8.4 %	1,006	4,059	(75.2 %)
Consolidated Adjusted EBITDA	$ 386,289	$ 340,961	13.3 %	$ 1,108,324	$ 990,649	11.9 %
Index Adjusted EBITDA	277,672	245,967	12.9 %	808,424	737,012	9.7 %
Analytics Adjusted EBITDA	71,781	67,634	6.1 %	197,710	181,484	8.9 %
ESG and Climate Adjusted EBITDA	25,440	15,910	59.9 %	66,114	42,334	56.2 %
All Other - Private Assets Adjusted EBITDA	11,396	11,450	(0.5 %)	36,076	29,819	21.0 %
Consolidated Adjusted EBITDA	$ 386,289	$ 340,961	13.3 %	$ 1,108,324	$ 990,649	11.9 %

(1) Represents transaction expenses and other costs directly related to the acquisition and integration of acquired businesses, including professional fees, severance expenses, regulatory filing fees and other costs, in each case that are incurred no later than 12 months after the close of the relevant acquisition.

The following table presents the reconciliation of operating expenses to Adjusted EBITDA expenses for the periods indicated:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	2023	2022	% Change	2023	2022	% Change
Total operating expenses	$ 272,130	$ 251,108	8.4 %	$ 824,950	$ 773,500	6.7 %
Amortization of intangible assets	26,722	23,375	14.3 %	77,543	67,274	15.3 %
Depreciation and amortization of property, equipment and leasehold improvements	5,252	7,127	(26.3 %)	15,911	20,426	(22.1 %)
Acquisition-related integration and transaction costs (1)	1,006	928	8.4 %	1,006	4,059	(75.2 %)
Consolidated Adjusted EBITDA expenses	$ 239,150	$ 219,678	8.9 %	$ 730,490	$ 681,741	7.2 %
Index Adjusted EBITDA expenses	84,450	76,273	10.7 %	255,396	236,936	7.8 %
Analytics Adjusted EBITDA expenses	82,487	77,281	6.7 %	253,509	244,912	3.5 %
ESG and Climate Adjusted EBITDA expenses	47,598	41,685	14.2 %	145,201	122,418	18.6 %
All Other - Private Assets Adjusted EBITDA expenses	24,615	24,439	0.7 %	76,384	77,475	(1.4 %)
Consolidated Adjusted EBITDA expenses	$ 239,150	$ 219,678	8.9 %	$ 730,490	$ 681,741	7.2 %

(1) Represents transaction expenses and other costs directly related to the acquisition and integration of acquired businesses, including professional fees, severance expenses, regulatory filing fees and other costs, in each case that are incurred no later than 12 months after the close of the relevant acquisition.

The discussion of the segment results is presented below.

Segment Results

Index Segment

The following table presents the results for the Index segment for the periods indicated:

(in thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	% Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	% Change
Operating revenues:						
Recurring subscriptions	$ 206,453	$ 185,531	11.3 %	$ 603,845	$ 539,740	11.9 %
Asset-based fees	141,066	125,620	12.3 %	412,354	402,889	2.3 %
Non-recurring	14,603	11,089	31.7 %	47,621	31,319	52.1 %
Operating revenues total	362,122	322,240	12.4 %	1,063,820	973,948	9.2 %
Adjusted EBITDA expenses	84,450	76,273	10.7 %	255,396	236,936	7.8 %
Adjusted EBITDA	$ 277,672	$ 245,967	12.9 %	$ 808,424	$ 737,012	9.7 %
Adjusted EBITDA margin %	76.7 %	76.3 %		76.0 %	75.7 %	

Index operating revenues increased 12.4% for the three months ended September 30, 2023, primarily driven by strong growth from both recurring subscriptions and asset-based fees. Adjusting for the impact of foreign currency exchange rate fluctuations, Index operating revenues would have increased 12.5%.

Operating revenues from recurring subscriptions increased 11.3% for the three months ended September 30, 2023, primarily driven by strong growth from market cap-weighted Index products.

Operating revenues from asset-based fees increased 12.3% for the three months ended September 30, 2023, mainly driven by growth in revenues from ETFs linked to MSCI equity indexes and non-ETF indexed funds linked to MSCI indexes, partially offset by a decrease in revenues from exchange traded futures and options contracts linked to MSCI indexes. Operating revenues from ETFs linked to MSCI equity indexes increased by 15.3%, primarily driven by an increase in average AUM. Operating revenues from non-ETF indexed funds linked to MSCI indexes increased by 16.3%, primarily driven by increases in average AUM and average basis point fees. Operating revenues from exchange traded futures and options contracts linked to MSCI indexes decreased by 12.1%, driven by volume decreases.

Index segment Adjusted EBITDA expenses increased 10.7% for the three months ended September 30, 2023, primarily driven by higher compensation expenses across all expense categories. The increase reflects higher incentive compensation and wages and salaries. Adjusting for the impact of foreign currency exchange rate fluctuations, Index segment Adjusted EBITDA expenses would have increased by 8.4%.

Index operating revenues increased 9.2% for the nine months ended September 30, 2023, primarily driven by strong growth from both recurring subscriptions and non-recurring revenues. Adjusting for the impact of foreign currency exchange rate fluctuations, Index operating revenues would have increased 9.4%.

Operating revenues from recurring subscriptions increased 11.9% for the nine months ended September 30, 2023, primarily driven by strong growth from both market cap-weighted and factor, ESG and climate Index products.

Operating revenues from asset-based fees increased 2.3% for the nine months ended September 30, 2023, mainly driven by growth in revenues from ETFs linked to MSCI equity indexes, partially offset by a decrease in revenues from exchange traded futures and options contracts linked to MSCI indexes. Operating revenues from ETFs linked to MSCI equity indexes increased by 5.0%, primarily driven by increases in average AUM and average basis point fees. Operating revenues from exchange traded futures and options contracts linked to MSCI indexes decreased by 9.3%, driven by volume decreases.

Operating revenues from non-recurring revenues increased 52.1% for the nine months ended September 30, 2023, primarily driven by one-time license fees related to prior periods, as well as non-recurring licensed data products.

Index segment Adjusted EBITDA expenses increased 7.8% for the nine months ended September 30, 2023, driven by higher compensation and non-compensation expenses across all expense categories. The increase reflects higher wages and salaries and incentive compensation costs, partially offset by lower benefits costs. Adjusting for the impact of foreign currency exchange rate fluctuations, Index segment Adjusted EBITDA expenses would have increased by 8.2%.

Analytics Segment

The following table presents the results for the Analytics segment for the periods indicated:

(in thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	% Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	% Change
Operating revenues:						
Recurring subscriptions	$ 151,269	$ 142,751	6.0 %	$ 443,276	$ 420,047	5.5 %
Non-recurring	2,999	2,164	38.6 %	7,943	6,349	25.1 %
Operating revenues total	154,268	144,915	6.5 %	451,219	426,396	5.8 %
Adjusted EBITDA expenses	82,487	77,281	6.7 %	253,509	244,912	3.5 %
Adjusted EBITDA	$ 71,781	$ 67,634	6.1 %	$ 197,710	$ 181,484	8.9 %
Adjusted EBITDA margin %	46.5 %	46.7 %		43.8 %	42.6 %	

Analytics operating revenues increased 6.5% for the three months ended September 30, 2023, primarily driven by growth from recurring subscriptions related to both Equity Analytics and Multi-Asset Class products. Adjusting for the impact of foreign currency exchange rate fluctuations, Analytics operating revenues would have increased 6.6%.

Analytics segment Adjusted EBITDA expenses increased 6.7% for the three months ended September 30, 2023, primarily driven by higher compensation expenses across the cost of revenues, G&A and selling and marketing expense activity categories, partially offset by lower compensation expenses in the R&D expense activity category. The increase reflects higher incentive compensation and wages and salaries. Adjusting for the impact of foreign currency exchange rate fluctuations, Analytics segment Adjusted EBITDA expenses would have increased 4.7%.

Analytics operating revenues increased 5.8% for the nine months ended September 30, 2023, primarily driven by growth from recurring subscriptions related to both Equity Analytics and Multi-Asset Class products. Adjusting for the impact of foreign currency exchange rate fluctuations, Analytics operating revenues would have increased 6.2%.

Analytics segment Adjusted EBITDA expenses increased 3.5% for the nine months ended September 30, 2023, primarily driven by higher compensation expenses across the cost of revenues, selling and marketing and G&A expense activity categories, partially offset by lower compensation expenses in the R&D expense activity category. The increase reflects higher incentive compensation and wages and salaries. Adjusting for the impact of foreign currency exchange rate fluctuations, Analytics segment Adjusted EBITDA expenses would have increased 3.8%.

ESG and Climate Segment

The following table presents the results for the ESG and Climate segment for the periods indicated:

(in thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	% Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	% Change
Operating revenues:						
Recurring subscriptions	$ 71,744	$ 56,353	27.3 %	$ 207,523	$ 160,962	28.9 %
Non-recurring	1,294	1,242	4.2 %	3,792	3,790	0.1 %
Operating revenues total	73,038	57,595	26.8 %	211,315	164,752	28.3 %
Adjusted EBITDA expenses	47,598	41,685	14.2 %	145,201	122,418	18.6 %
Adjusted EBITDA	$ 25,440	$ 15,910	59.9 %	$ 66,114	$ 42,334	56.2 %
Adjusted EBITDA margin %	34.8 %	27.6 %		31.3 %	25.7 %	

ESG and Climate operating revenues increased 26.8% for the three months ended September 30, 2023, primarily driven by strong growth from recurring subscriptions related to Ratings, Climate and Screening products. Adjusting for the impact of foreign currency exchange rate fluctuations, ESG and Climate operating revenues would have increased 20.3%.

ESG and Climate segment Adjusted EBITDA expenses increased 14.2% for the three months ended September 30, 2023, primarily driven by higher compensation expenses across all expense activity categories. The increase reflects higher wages and salaries and incentive compensation. The increase was partially offset by increased capitalization of expenses related to internally developed software projects. Adjusting for the impact of foreign currency exchange rate fluctuations, ESG and Climate segment Adjusted EBITDA expenses would have increased 12.1%.

ESG and Climate operating revenues increased 28.3% for the nine months ended September 30, 2023, primarily driven by strong growth from recurring subscriptions related to Ratings, Climate and Screening products. Adjusting for the impact of foreign currency exchange rate fluctuations, ESG and Climate operating revenues would have increased 28.8%.

ESG and Climate segment Adjusted EBITDA expenses increased 18.6% for the nine months ended September 30, 2023, primarily driven by higher compensation and non-compensation expenses across all expense activity categories. The increase reflects higher wages and salaries, incentive compensation, benefits and information technology costs. The increase was partially offset by increased capitalization of expenses related to internally developed software projects. Adjusting for the impact of foreign currency exchange rate fluctuations, ESG and Climate segment Adjusted EBITDA expenses would have increased 19.5%.

All Other – Private Assets Segment

The following table presents the results for the All Other – Private Assets segment for the periods indicated:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	**2023**	**2022**	**% Change**	**2023**	**2022**	**% Change**
Operating revenues:						
Recurring subscriptions	$ 35,531	$ 35,581	(0.1 %)	$ 111,292	$ 106,276	4.7 %
Non-recurring	480	308	55.8 %	1,168	1,018	14.7 %
Operating revenues total	36,011	35,889	0.3 %	112,460	107,294	4.8 %
Adjusted EBITDA expenses	24,615	24,439	0.7 %	76,384	77,475	(1.4 %)
Adjusted EBITDA	$ 11,396	$ 11,450	(0.5 %)	$ 36,076	$ 29,819	21.0 %
Adjusted EBITDA margin %	31.6 %	31.9 %		32.1 %	27.8 %	

All Other – Private Assets operating revenues increased 0.3% for the three months ended September 30, 2023, primarily driven by growth from recurring subscriptions related to Index Intel, Property Intel and Climate Insights products, as well as favorable foreign currency exchange rate fluctuations, offset by a one-time revenue catch-up in the prior period. Adjusting for the impact of foreign currency exchange rate fluctuations, All Other – Private Assets operating revenues would have decreased 1.3%.

All Other – Private Assets segment Adjusted EBITDA expenses were relatively flat across expense activity categories for the three months ended September 30, 2023. Adjusting for the impact of foreign currency exchange rate fluctuations, All Other - Private Assets segment Adjusted EBITDA expenses would have decreased 1.1%.

All Other – Private Assets operating revenues increased 4.8% for the nine months ended September 30, 2023, primarily driven by growth from recurring subscriptions related to Index Intel, Property Intel and Climate Insights products, partially offset by a one-time revenue catch-up in the prior period and unfavorable foreign currency exchange rate fluctuations. Adjusting for the impact of foreign currency exchange rate fluctuations, All Other – Private Assets operating revenues would have increased 6.2%.

All Other – Private Assets segment Adjusted EBITDA expenses decreased 1.4% for the nine months ended September 30, 2023, primarily driven by lower compensation expenses across the cost of revenues and G&A expense activity categories, partially offset by higher compensation expenses in the R&D expense activity category. The decrease reflects higher capitalization of expenses related to internally developed software projects and lower incentive compensation and wages and salaries. Non-compensation expenses increased, mainly driven by higher expenses in the R&D expense activity category, partially offset by lower expenses in the G&A expense activity category. Adjusting for the impact of foreign currency exchange rate fluctuations, All Other - Private Assets segment Adjusted EBITDA expenses would have decreased 0.1%.

Operating Metrics

Run Rate

"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.

Changes in our recurring revenues typically lag changes in Run Rate. The actual amount of recurring revenues we will realize over the following 12 months will differ from Run Rate for numerous reasons, including:

- fluctuations in revenues associated with new recurring sales;
- modifications, cancellations and non-renewals of existing Client Contracts, subject to specified notice requirements;
- differences between the recurring license start date and the date the Client Contract is executed due to, for example, contracts with onboarding periods or fee waiver periods;
- fluctuations in asset-based fees, which may result from changes in certain investment products' total expense ratios, market movements, including foreign currency exchange rates, or from investment inflows into and outflows from investment products linked to our indexes;
- fluctuations in fees based on trading volumes of futures and options contracts linked to our indexes;
- price changes or discounts;
- revenue recognition differences under U.S. GAAP, including those related to the timing of implementation and report deliveries for certain of our products and services;
- fluctuations in the number of hedge funds for which we provide investment information and risk analysis to hedge fund investors;
- fluctuations in foreign currency exchange rates; and
- the impact of acquisitions and divestitures.

The following table presents Run Rates by reportable segment as of the dates indicated and the growth percentages over the periods indicated:

(in thousands)	As of September 30, 2023	As of September 30, 2022	% Change
Index:			
Recurring subscriptions	$ 835,334	$ 750,818	11.3 %
Asset-based fees	545,548	479,399	13.8 %
Index total	1,380,882	1,230,217	12.2 %
Analytics	639,462	597,752	7.0 %
ESG and Climate	297,297	237,930	25.0 %
All Other - Private Assets	150,749	137,401	9.7 %
Total Run Rate	$ 2,468,390	$ 2,203,300	12.0 %
Recurring subscriptions total	$ 1,922,842	$ 1,723,901	11.5 %
Asset-based fees	545,548	479,399	13.8 %
Total Run Rate	$ 2,468,390	$ 2,203,300	12.0 %

Total Run Rate increased 12.0%, driven by an 11.5% increase from recurring subscriptions and a 13.8% increase from asset-based fees. Adjusting for the impact of foreign currency exchange rate fluctuations, recurring subscriptions Run Rate would have increased 10.7%.

Run Rate from Index recurring subscriptions increased 11.3%, primarily driven by growth from market cap-weighted products and custom Index products and special packages. The increase reflected growth across all regions and client segments.

Run Rate from Index asset-based fees increased 13.8%, driven by higher AUM in ETFs linked to MSCI equity indexes.

Run Rate from Analytics products increased 7.0%, primarily driven by growth in Multi-Asset Class and Equity Analytics products, and reflected growth across all regions. Adjusting for the impact of foreign currency exchange rate fluctuations, Analytics Run Rate would have increased 6.2%.

Run Rate from ESG and Climate products increased 25.0%, driven by strong growth in Ratings, Climate and Screening products. Adjusting for the impact of foreign currency exchange rate fluctuations, ESG and Climate Run Rate would have increased 21.9%.

Run Rate from All Other - Private Assets increased 9.7%, primarily driven by growth in Index Intel, RCA and Performance Insights products, and reflected growth across all regions. Adjusting for the impact of foreign currency exchange rate fluctuations, All Other - Private Assets Run Rate would have increased 7.5%.

Sales

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.

The following table presents our recurring subscription sales, cancellations and non-recurring sales by reportable segment for the periods indicated:

	Three Months Ended			Nine Months Ended		
(in thousands)	**September 30, 2023**	**September 30, 2022**	**% Change**	**September 30, 2023**	**September 30, 2022**	**% Change**
New recurring subscription sales						
Index	$ 23,978	$ 24,130	(0.6 %)	$ 80,156	$ 74,493	7.6 %
Analytics	18,787	17,568	6.9 %	50,751	50,391	0.7 %
ESG and Climate	12,124	14,270	(15.0 %)	38,497	55,617	(30.8 %)
All Other - Private Assets	4,788	5,218	(8.2 %)	14,746	16,490	(10.6 %)
New recurring subscription sales total	59,677	61,186	(2.5 %)	184,150	196,991	(6.5 %)
Subscription cancellations						
Index	(7,402)	(5,388)	37.4 %	(22,617)	(18,468)	22.5 %
Analytics	(7,543)	(6,029)	25.1 %	(24,094)	(22,523)	7.0 %
ESG and Climate	(2,639)	(1,303)	102.5 %	(7,331)	(3,315)	121.1 %
All Other - Private Assets	(3,153)	(1,744)	80.8 %	(8,634)	(5,080)	70.0 %
Subscription cancellations total	(20,737)	(14,464)	43.4 %	(62,676)	(49,386)	26.9 %
Net new recurring subscription sales						
Index	16,576	18,742	(11.6 %)	57,539	56,025	2.7 %
Analytics	11,244	11,539	(2.6 %)	26,657	27,868	(4.3 %)
ESG and Climate	9,485	12,967	(26.9 %)	31,166	52,302	(40.4 %)
All Other - Private Assets	1,635	3,474	(52.9 %)	6,112	11,410	(46.4 %)
Net new recurring subscription sales total	38,940	46,722	(16.7 %)	121,474	147,605	(17.7 %)
Non-recurring sales						
Index	14,679	13,375	9.7 %	54,365	41,357	31.5 %
Analytics	3,206	2,505	28.0 %	8,734	8,412	3.8 %
ESG and Climate	1,532	1,375	11.4 %	4,066	3,553	14.4 %
All Other - Private Assets	262	83	215.7 %	1,069	690	54.9 %
Non-recurring sales total	19,679	17,338	13.5 %	68,234	54,012	26.3 %
Gross sales						
Index	$ 38,657	$ 37,505	3.1 %	$ 134,521	$ 115,850	16.1 %
Analytics	21,993	20,073	9.6 %	59,485	58,803	1.2 %
ESG and Climate	13,656	15,645	(12.7 %)	42,563	59,170	(28.1 %)
All Other - Private Assets	5,050	5,301	(4.7 %)	15,815	17,180	(7.9 %)
Total gross sales	$ 79,356	$ 78,524	1.1 %	$ 252,384	$ 251,003	0.6 %
Net sales						
Index	$ 31,255	$ 32,117	(2.7 %)	$ 111,904	$ 97,382	14.9 %
Analytics	14,450	14,044	2.9 %	35,391	36,280	(2.5 %)
ESG and Climate	11,017	14,342	(23.2 %)	35,232	55,855	(36.9 %)
All Other - Private Assets	1,897	3,557	(46.7 %)	7,181	12,100	(40.7 %)
Total net sales	$ 58,619	$ 64,060	(8.5 %)	$ 189,708	$ 201,617	(5.9 %)

A significant portion of MSCI's operating revenues are derived from subscriptions or licenses of products and services, which are provided over contractually-agreed periods of time that are subject to renewal or cancellation at the end of current contract terms.

Retention Rate

The following table presents our Retention Rate by reportable segment for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Index	96.2%	96.9%	96.1%	96.5%
Analytics	95.1%	95.9%	94.8%	94.9%
ESG and Climate	96.0%	97.4%	96.3%	97.8%
All Other - Private Assets	91.3%	94.8%	92.1%	95.0%
Total	95.4%	96.4%	95.4%	95.9%

Retention Rate is an important metric because subscription cancellations decrease our Run Rate and ultimately our future 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 Assets 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-sell 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.

Retention Rate is generally higher during the first three quarters and lower in the fourth quarter, as the fourth quarter is traditionally the largest renewal period in the year.

Critical Accounting Policies and Estimates

We describe our significant accounting policies in Note 1, "Introduction and Basis of Presentation," of the Notes to Consolidated Financial Statements included in our Form 10-K. There have been no significant changes in our accounting policies since the end of the fiscal year ended December 31, 2022 or critical accounting estimates applied in the fiscal year ended December 31, 2022.

Liquidity and Capital Resources

We require capital to fund ongoing operations, internal growth initiatives and acquisitions. Our primary sources of liquidity are cash flows generated from our operations, existing cash and cash equivalents and credit capacity under our existing credit facility. In addition, we believe we have access to additional funding in the public and private markets. We intend to use these sources of liquidity to, among other things, service our existing and future debt obligations, fund our working capital requirements for capital expenditures, investments, acquisitions and dividend payments, and make repurchases of our common stock. In connection with our business strategy, we regularly evaluate acquisition and strategic partnership opportunities, including our acquisition of Burgiss on October 2, 2023. The Company used available cash to fund the acquisition of the remaining interest in Burgiss. We believe our liquidity, along with other financing alternatives, will provide the necessary capital to fund these transactions and achieve our planned growth.

Senior Notes and Credit Agreement

As of September 30, 2023, we had an aggregate of $4,200.0 million in Senior Notes outstanding. In addition, under the Credit Agreement, we had as of September 30, 2023: (i) an aggregate of $341.3 million in Tranche A Term Loans outstanding under the TLA Facility and (ii) $500 million of undrawn borrowing capacity under the revolving credit facility. See Note 7, "Commitments and Contingencies," of the Notes to Condensed Consolidated Financial Statements (Unaudited) included herein for additional information on our outstanding indebtedness and revolving credit facility.

The Senior Notes and the Credit Agreement are fully and unconditionally, and jointly and severally, guaranteed by our direct or indirect wholly owned domestic subsidiaries that account for more than 5% of our and our subsidiaries' consolidated assets, other than certain excluded subsidiaries (the "subsidiary guarantors"). Amounts due under the Credit Agreement are our and the subsidiary guarantors' senior unsecured obligations and rank equally with the Senior Notes and any of our other unsecured, unsubordinated debt, senior to any of our subordinated debt and effectively subordinated to our secured debt to the extent of the assets securing such debt.

The indentures governing our Senior Notes (the "Indentures") among us, each of the subsidiary guarantors, and Computershare, National Association, as trustee and successor to Wells Fargo Bank, National Association, contain covenants that limit our and our subsidiaries' ability to, among other things, incur liens, enter into sale/leaseback transactions and consolidate, merge or sell all or substantially all of our assets. In addition, the Indentures restrict our non-guarantor subsidiaries' ability to create, assume, incur or guarantee additional indebtedness without such non-guarantor subsidiaries guaranteeing the Senior Notes on a *pari passu* basis. The Credit Agreement governing the TLA Facility and the revolving credit facility also contains covenants that limit our and our subsidiaries' ability to, among other things, incur additional indebtedness, incur liens, pay dividends or make other distributions in respect of capital stock or engage in certain types of stock repurchases, redemptions and other restricted payments, enter into sale/leaseback transactions and consolidate, merge or sell all or substantially all of our assets.

The Credit Agreement and the Indentures also contain customary events of default, including those relating to non-payment, breach of representations, warranties or covenants, cross-default and cross-acceleration, and bankruptcy and insolvency events, and, in the case of the Credit Agreement, invalidity or impairment of loan documentation, change of control and customary ERISA defaults in addition to the foregoing. None of the restrictions detailed above are expected to impact our ability to effectively operate the business.

The Credit Agreement also requires us and our subsidiaries to achieve financial and operating results sufficient to maintain compliance with the following financial ratios on a consolidated basis through the termination of the Credit Agreement: (1) the maximum Consolidated Leverage Ratio (as defined in the Credit Agreement) measured quarterly on a rolling four-quarter basis not to exceed 4.25:1.00 (or 4.50:1.00 for two fiscal quarters following a material acquisition) and (2) the minimum Consolidated Interest Coverage Ratio (as defined in the Credit Agreement) measured quarterly on a rolling four-quarter basis of at least 4.00:1.00. As of September 30, 2023, our Consolidated Leverage Ratio was 2.77:1.00 and our Consolidated Interest Coverage Ratio was 8.46:1.00.

Our non-guarantor subsidiaries under the Senior Notes and the Credit Agreement consist of: (i) domestic subsidiaries of the Company that account for 5% or less of consolidated assets of the Company and its subsidiaries and (ii) any foreign or domestic subsidiary of the Company that is deemed to be a controlled foreign corporation within the meaning of Section 957 of the Internal Revenue Code of 1986, as amended. Our non-guarantor subsidiaries accounted for approximately $1,498.8 million, or 62.1%, of our total revenue for the trailing 12 months ended September 30, 2023, approximately $656.6 million, or 49.6%, of our consolidated operating income for the trailing 12 months ended September 30, 2023, and approximately $853.5 million, or 17.5%, of our consolidated total assets (excluding intercompany assets) and $848.9 million, or 14.4%, of our consolidated total liabilities, in each case as of September 30, 2023.

Share Repurchases

The following table provides information with respect to repurchases of the Company's common stock pursuant to open market repurchases:

Nine months ended (in thousands except per share data)	**Average Price Paid Per Share**	**Total Number of Shares Repurchased**	**Dollar Value of Shares Repurchased[(1)]**
September 30, 2023	$ 468.26	980	$ 458,721
September 30, 2022	$ 473.26	2,567	$ 1,214,695

(1) As of January 1, 2023, the Company's share repurchases in excess of issuances are subject to a 1% excise tax enacted by the Inflation Reduction Act. The values in this column exclude the 1% excise tax incurred on share repurchases. Any excise tax incurred is recognized as part of the cost of the shares acquired in the Unaudited Condensed Consolidated Statement of Shareholders' Equity (Deficit)

As of September 30, 2023, there was $845.7 million of available authorization remaining under the 2022 Repurchase Program. This authorization may be modified, suspended or terminated by the Board of Directors at any time without prior notice.

Cash Dividends

On October 30, 2023, the Board of Directors declared a quarterly cash dividend of $1.38 per share for the three months ending December 31, 2023. The fourth quarter 2023 dividend is payable on November 30, 2023 to shareholders of record as of the close of trading on November 9, 2023.

Cash Flows

The following table presents the Company's cash and cash equivalents, including restricted cash, as of the dates indicated:

	As of	
(in thousands)	**September 30, 2023**	**December 31, 2022**
Cash and cash equivalents (includes restricted cash of $3,839 and $368 at September 30, 2023 and December 31, 2022, respectively)	$ 928,552	$ 993,564

We typically seek to maintain minimum cash balances globally of approximately $225.0 million to $275.0 million for general operating purposes. As of September 30, 2023 and December 31, 2022, $181.8 million and $344.5 million, respectively, of the Company's cash and cash equivalents were held by foreign subsidiaries. Repatriation of some foreign cash may be subject to certain withholding taxes in local jurisdictions and other distribution restrictions. We believe the global cash and cash equivalent balances that are maintained will be available to meet our global needs whether for general corporate purposes or other needs, including acquisitions or expansion of our products.

We believe that global cash flows from operations, together with existing cash and cash equivalents and funds available under our existing revolving credit facility and our ability to access bank debt, private debt and the capital markets for additional funds, will continue to be sufficient to fund our global operating activities and cash commitments for investing and financing activities, such as material capital expenditures and share repurchases, for at least the next 12 months and for the foreseeable future thereafter. In addition, we expect that foreign cash flows from operations, together with existing cash and cash equivalents, will continue to be sufficient to fund our foreign operating activities and cash commitments for investing activities, such as material capital expenditures, for at least the next 12 months and for the foreseeable future thereafter.

Net Cash Provided by (Used In) Operating, Investing and Financing Activities

	Nine Months Ended September 30,	
(in thousands)	**2023**	**2022**
Net cash provided by operating activities	$ 847,076	$ 779,942
Net cash (used in) investing activities	(69,411)	(52,413)
Net cash (used in) provided by financing activities	(842,364)	(1,252,827)
Effect of exchange rate changes	(313)	(29,039)
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (65,012)	$ (554,337)

Cash Flows From Operating Activities

Cash flows from operating activities consist of net income adjusted for certain non-cash items and changes in assets and liabilities. The year-over-year change was primarily driven by higher cash collections from customers, partially offset by higher income tax payments.

Our primary uses of cash from operating activities are for the payment of cash compensation expenses, income taxes, interest expenses, technology costs, professional fees, market data costs and office rent. Historically, the payment of cash for compensation and benefits is at its highest level in the first quarter when we pay discretionary employee compensation related to the previous fiscal year.

Cash Flows From Investing Activities

The year-over-year change was primarily driven by higher capital expenditures and capitalized software development costs.

Cash Flows From Financing Activities

The year-over-year change was primarily driven by lower share repurchases, partially offset by the absence of proceeds from borrowings and by higher dividend payments..

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Foreign Currency Risk

We are subject to foreign currency exchange fluctuation risk. Exchange rate movements can impact the U.S. dollar-reported value of our revenues, expenses, assets and liabilities denominated in non-U.S. dollar currencies or where the currency of such items is different than the functional currency of the entity where these items were recorded.

We generally invoice our clients in U.S. dollars; however, we invoice a portion of our clients in Euros, British pounds sterling, Japanese yen and a limited number of other non-U.S. dollar currencies. For the nine months ended September 30, 2023 and 2022, 17.0% and 15.8%, respectively, of our revenues are subject to foreign currency exchange rate risk and primarily included clients billed in foreign currency as well as U.S. dollar exposures on non-U.S. dollar foreign operating entities. Of the 17.0% of non-U.S. dollar exposure for the nine months ended September 30, 2023, 41.7% was in Euros, 32.5% was in British pounds sterling and 17.6% was in Japanese yen. Of the 15.8% of non-U.S. dollar exposure for the nine months ended September 30, 2022, 40.8% was in Euros, 30.2% was in British pounds sterling and 19.2% was in Japanese yen.

Revenues from asset-based fees represented 22.4% and 24.1% of operating revenues for the nine months ended September 30, 2023 and 2022, respectively. While a substantial portion of our asset-based fees are invoiced in U.S. dollars, the fees are based on the assets in investment products, of which approximately three-fifths are invested in securities denominated in currencies other than the U.S. dollar. Accordingly, declines in such other currencies against the U.S. dollar will decrease the fees payable to us under such licenses. In addition, declines in such currencies against the U.S. dollar could impact the attractiveness of such investment products resulting in net fund outflows, which would further reduce the fees payable under such licenses.

We are exposed to additional foreign currency risk in certain of our operating costs. Approximately 43.4% and 42.9% of our operating expenses for the nine months ended September 30, 2023 and 2022, respectively, were denominated in foreign currencies, the significant majority of which were denominated in British pounds sterling, Indian rupees, Euros, Hungarian forints, Mexican pesos and Swiss francs.

We have certain monetary assets and liabilities denominated in currencies other than local functional amounts and when these balances are remeasured into their local functional currency, either a gain or a loss results from the change of the value of the functional currency as compared to the originating currencies. We manage foreign currency exchange rate risk, in part, through the use of derivative financial instruments comprised principally of forward contracts on foreign currency which are not designated as hedging instruments for accounting purposes. The objective of the derivative instruments is to minimize the impact on the income statement of the volatility of amounts denominated in certain foreign currencies. We recognized total foreign currency exchange losses of $2.9 million and gains of $2.7 million for the nine months ended September 30, 2023 and 2022, respectively.

Item 4. Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have evaluated our disclosure controls and procedures, as defined in Rule 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”), as of September 30, 2023, and have concluded that these disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time specified in the SEC’s rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Various lawsuits, claims and proceedings have been or may be instituted or asserted against the Company in the ordinary course of business. While the amounts claimed could be substantial, the ultimate liability cannot now be determined because of the considerable uncertainties that exist. Therefore, it is possible that MSCI's business, operating results, financial condition or cash flows in a particular period could be materially affected by certain contingencies. However, based on facts currently available, management believes that the disposition of matters that are currently pending or asserted will not, individually or in the aggregate, have a material effect on MSCI's business, operating results, financial condition or cash flows.

Item 1A. Risk Factors

For a discussion of the risk factors affecting the Company, see "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for fiscal year ended December 31, 2022.

There have been no material changes to the risk factors and uncertainties known to the Company and disclosed in the Company's Form 10-K for the fiscal year ended December 31, 2022, that, if they were to materialize or occur, would, individually or in the aggregate, have a material effect on MSCI's business, operating results, financial condition or cash flows.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

There were no unregistered sales of equity securities during the three months ended September 30, 2023.

The table below presents information with respect to purchases made by or on behalf of the Company of its shares of common stock during the three months ended September 30, 2023.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased[(1)]	Average Price Paid Per Share[(2)]	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[(3)]
July 1, 2023 - July 31, 2023	39,178	$ 468.65	38,263	$ 845,668,000
August 1, 2023 - August 31, 2023	487	$ 544.39	—	$ 845,668,000
September 1, 2023 - September 30, 2023	277	$ 535.25	—	$ 845,668,000
Total	39,942	$ 470.04	38,263	$ 845,668,000

(1) Includes, when applicable, (i) shares purchased by the Company on the open market under the stock repurchase program; (ii) shares withheld to satisfy tax withholding obligations on behalf of employees that occur upon vesting and delivery of outstanding shares underlying restricted stock units; and (iii) shares held in treasury under the MSCI Inc. Non-Employee Directors Deferral Plan. The value of shares withheld to satisfy tax withholding obligations was determined using the fair market value of the Company's common stock on the date of withholding, using a valuation methodology established by the Company.

(2) Excludes 1% excise tax incurred on share repurchases.

(3) See Note 9, "Shareholders' Equity (Deficit)," of the Notes to the Unaudited Condensed Consolidated Financial Statements included herein for further information regarding our stock repurchase program.

Item 5. Other Information

During the three months ended September 30, 2023, none of the Company's directors or officers, as defined in Section 16 of the Exchange Act, adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K of the Exchange Act.

Item 6. Exhibits

EXHIBIT INDEX

	Exhibit Number	Description
	3.1	Third Amended and Restated Certificate of Incorporation (filed as Exhibit 3.1 to the Company’s Form 10-Q (File No. 001-33812), filed with the SEC on May 4, 2012 and incorporated by reference herein)
	3.2	Amended and Restated Bylaws (filed as Exhibit 3.1 to the Company’s Form 8-K (File No. 001-33812), filed with the SEC on January 11, 2021 and incorporated by reference herein)
*	31.1	Rule 13a-14(a) Certification of the Chief Executive Officer
*	31.2	Rule 13a-14(a) Certification of the Chief Financial Officer
**	32.1	Section 1350 Certification of the Chief Executive Officer and the Chief Financial Officer
*	101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
*	101.SCH	Inline XBRL Taxonomy Extension Schema Document
*	101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
*	101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
*	101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
*	101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
*	104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.
** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: October 31, 2023

MSCI INC.
(Registrant)

By: /s/ Andrew C. Wiechmann

Andrew C. Wiechmann
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

SECTION 302 CERTIFICATION

I, Henry A. Fernandez, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MSCI Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 31, 2023

/s/ Henry A. Fernandez

Henry A. Fernandez
Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

SECTION 302 CERTIFICATION

I, Andrew C. Wiechmann, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MSCI Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2023

/s/ Andrew C. Wiechmann

Andrew C. Wiechmann
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Henry A. Fernandez, Chairman and Chief Executive Officer of MSCI Inc. (the "Registrant") and Andrew C. Wiechmann, Chief Financial Officer of the Registrant, each hereby certifies that, to the best of his/her knowledge:

1. The Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2023 (the "Periodic Report"), to which this Certification is attached as Exhibit 32.1, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition of the Registrant at the end of the period covered by the Periodic Report and results of operations of the Registrant for the periods covered by the Periodic Report.

Date: October 31, 2023

/s/ Henry A. Fernandez	/s/ Andrew C. Wiechmann
Henry A. Fernandez	Andrew C. Wiechmann
Chairman and Chief Executive Officer	Chief Financial Officer
(Principal Executive Officer)	(Principal Financial Officer and Principal Accounting Officer)