

MSCI to Acquire Real Capital Analytics

August 2, 2021

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Today's Participants



Henry Fernandez
Chairman & CEO



Baer Pettit
President & COO



Andy Wiechmann
Chief Financial Officer



Salli Schwartz
Head of IR & Treasurer

MSCI to Acquire Real Capital Analytics (RCA)

Reinforces MSCI's commitment to improve transparency across the global private asset investment process by accelerating and expanding the use of data, analytics and other investment decision support tools

Accelerates our Global Private Asset Strategy with Real Estate as One of the Key Building Blocks

- ✓ Enables MSCI to create the global “go-to” reference data set of institutional real estate fund and asset information, as well as market capital transaction information
- ✓ Adds due diligence, deal sourcing and investor profiles capabilities to MSCI's global real estate offerings
- ✓ Expands MSCI's global client base to all types of real estate investment managers and owners
- ✓ Amplifies MSCI's ESG & Climate reach in real estate

Advances our Global Private Asset Data Capabilities

- ✓ Combination results in the most extensive global commercial real estate database and analytics in the industry
 - RCA's comprehensive database of \$20 trillion of property transactions across all property types spanning 170+ countries linked to 200K+ investor and lender profiles
 - MSCI's leading commercial real estate benchmarks and analytics with unique global coverage
- ✓ Ability to create index and data products
- ✓ SaaS-based platform integrated into clients' daily workflows

Complements our Global Client Footprint

- ✓ RCA has more than 2,000 clients, including asset managers, asset owners, lenders and originators, brokers and agents, and government agencies and advisors
- ✓ Amplified global client network effects enhances ability to drive standards

Raises MSCI's long-term target for Real Estate revenue growth to high-teens, from mid-teens

Transaction Overview

Purchase Price

- Purchase price of \$950 million
- Funded with cash on hand
- MSCI had \$1.97 billion of total cash as of June 30, 2021

Financial Detail

- As of June 30, 2021, RCA had approximately \$70 million of annual recurring revenue¹ growing in the double-digit percent range and a high 20s percentage² EBITDA margin³
- Post-closing, MSCI corporate allocations will be redistributed across MSCI's segments
- Certain transaction-related and integration costs will be excluded from MSCI's Adjusted EBITDA Expenses, Adjusted EBITDA and Adjusted EPS
- Revenue base is almost entirely recurring subscriptions with attractive retention rates

Timing / Conditions / Reporting

- Expected to close at the end of third quarter 2021 or early in the fourth quarter 2021, subject to regulatory reviews and customary closing conditions
- RCA will be presented within MSCI's All Other – Private Assets reportable segment
- Expect to update guidance after transaction close to reflect transaction and integration costs and purchase accounting adjustments including but not limited to deferred revenue adjustments and acquired intangibles amortization

¹Annual Recurring Revenue (ARR) is an operating metric representing estimated expected revenues to be recognized over the following twelve months as of a specified point in time. The amount is based on fees from agreements with clients as of the date of the metric and is a measure RCA's management deems useful to predict future revenues. The metric is prepared based on expected fees from agreements with customers, but could vary from actual revenue recognized including but not limited to fluctuations in revenues associated with new sales, modifications cancellations and non-renewals of existing client contracts subject to specified notice requirement and fluctuations in foreign currency exchange rates. The basis of the amount included in ARR may differ from the actual revenues and timing of recognition in accordance with US GAAP.

²Operating income margin for the comparable period was in the low teens, with the difference from EBITDA margin primarily attributable to amortization of acquired intangibles and depreciation and amortization of capitalized assets

³EBITDA margin represents Earnings Before Interest, Income Taxes, Depreciation and Amortization (EBITDA) divided by revenues. EBITDA is defined by RCA 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 (5) certain other transactions or adjustments.

MSCI's Current Real Estate Offerings



MSCI Property Indexes and Property Fund Indexes

Enable investors to measure performance and risk of direct real estate investments and the underlying assets

- MSCI Global Property Index (GPI)
- Asia Pacific, North America, EMEA regional indexes plus sub-regional composites
- MSCI Property Indexes – 46 markets

70+ headlined indexes



Enterprise Analytics and Global Intel Products

One of the most extensive private real estate databases representing \$2T of coverage with country and regional indexes plus headline performance, market fundamentals and investment metrics

Enterprise Analytics spanning portfolio and fund analysis, asset analysis and tenancy analysis

900+ clients



Real Estate Climate Value-at-Risk (Climate VaR)

Helps real estate investors measure climate-related risks and opportunities, including the warming potential of their portfolios

- Forward-looking and return-based valuation assessment
- Automated, streamlined report creation
- Systematic tools for disclosure

30+ countries

Introducing Real Capital Analytics (RCA)

Global Authority in Commercial Real Estate Capital Markets Data

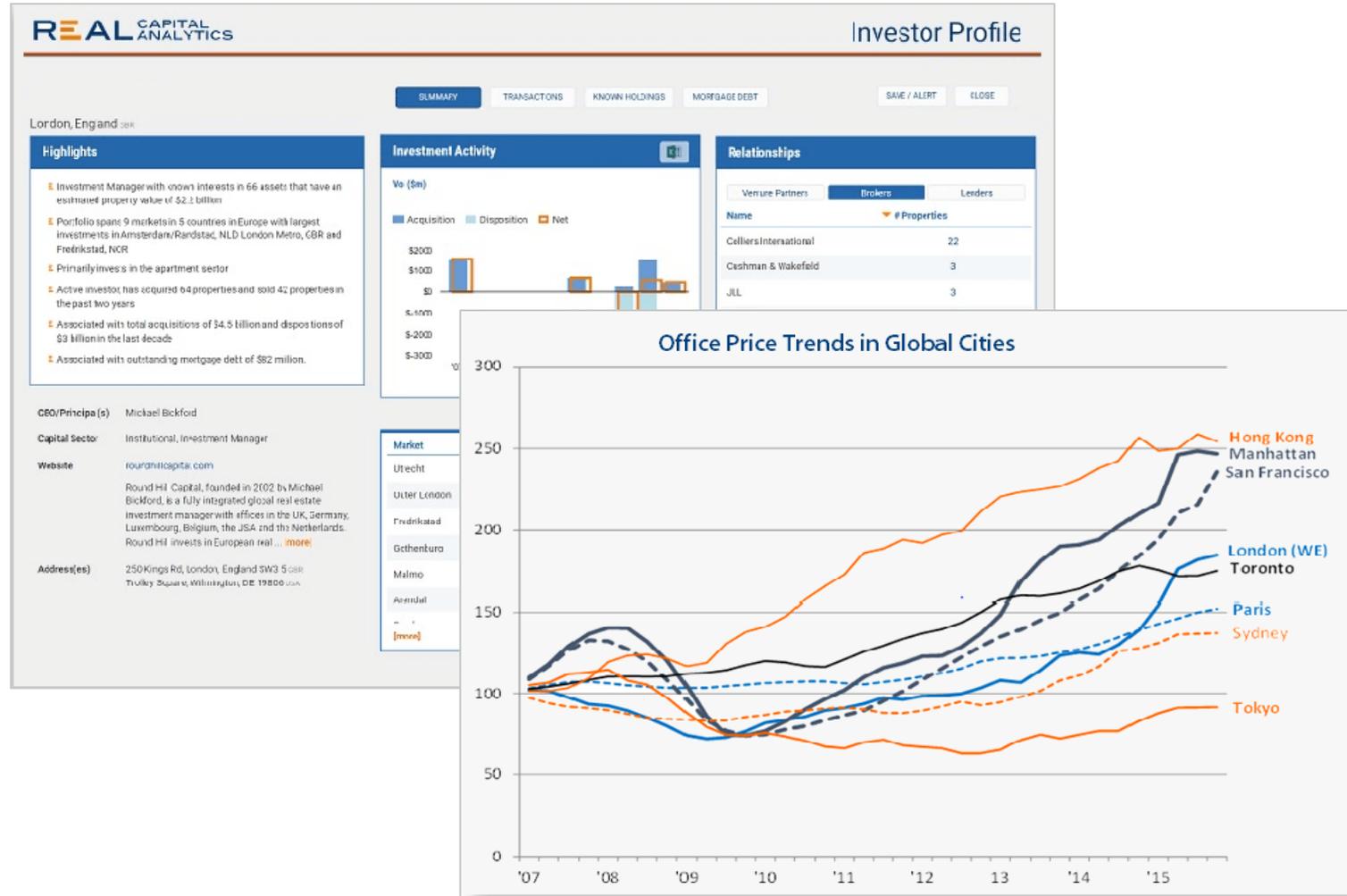
Go-to data and analytics provider on the properties, transactions and participants that drive the commercial real estate capital markets

Transaction Database

Industry's most comprehensive database with \$20T of commercial property transactions, including sales, financings, refinancings and construction starts linked to 200K+ investor and lender profiles

Pricing Data

Most complete pricing data from cap rates on the most recent deals to historical analysis on trends, including pricing averages and distribution



RCA's Long Tenured and Diversified Client Base

Client use cases include developing investment strategies, researching investment opportunities, assessing property values, researching investors and owners and tracking market trends

RCA Key Client Segments

Select Use Cases

<p>Asset Managers & Asset Owners (51% of ARR)</p>	<ul style="list-style-type: none"> • Develop investment strategies • Monitor market trends to evaluate buying and selling opportunities • Value potential offerings and opportunities and existing holdings
<p>Lenders & Originators (17% of ARR)</p>	<ul style="list-style-type: none"> • Track competitive landscape; monitor trends and market conditions; assess and mitigate risk • Research property owners' holdings, mortgage and transaction history; identify refinancing targets • Understand transaction history and assess property value
<p>Government Agencies & Advisors (15% of ARR)</p>	<ul style="list-style-type: none"> • View macro trends and market statistics across relevant regions and historical periods • Access reliable property transaction details including sold and pending • Monitor commercial real estate risk and regulatory compliance
<p>Brokers & Agents (14% of ARR)</p>	<ul style="list-style-type: none"> • Compile extensive marketing lists of all investors buying or owning similar properties • Generate broker rankings to show market position compared to peers • Understand current financing terms and identify active lenders

Combination with RCA expands MSCI's ability to help ALL participants in the Real Estate investment process



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Powerful Combination Accelerates MSCI's Opportunities

Establishes the Most Comprehensive Dataset in Real Estate, Facilitating Development of Additional Analytics, Indexes and Other Tools

Broadens Presence with the Real Estate Investment Community, Working Across Front and Middle Offices

Create new data products, including evaluated pricing indexes and enhanced real estate climate risk model

Launch new analytics solutions, potentially including:

- Due diligence, combining historic, current and forward-looking data for performance, price, climate and income risk
- Portfolio performance and risk monitoring, tracking portfolio and properties relative to market indicators and transaction activity
- Fund intelligence for asset owners searching for and evaluating real estate funds and managers based on investment and activity characteristics

Cross-sell existing data and services, including transaction prices, climate risk data and performance measurement



Key Takeaways

01

Enables Most Comprehensive Dataset in Real Estate to Drive Standards

The combination of MSCI, Burgiss and RCA is well-positioned to deliver the highest quality data and insights on commercial real estate market activity, performance and risk

02

Facilitates Development of Additional Indexes and Analytics, Including Climate Risk Tools

Significant database spanning investment, transaction and pricing data enhances MSCI's ability to build new solutions to measure performance and risk; model cash flows and liquidity; and evaluate asset allocation

03

Extends Client Base, Amplifying MSCI's Reach and Cross-Selling Opportunities

Improves sales reach to opportunistic fund managers and owners; expands client base to include lenders and originators; brokers and agents; and government agencies and advisors

04

Accelerates MSCI's Agenda of Transforming Private Asset Investing

Further embeds MSCI as a mission critical provider of private asset investment data and tools, with commercial real estate as one of the key building blocks