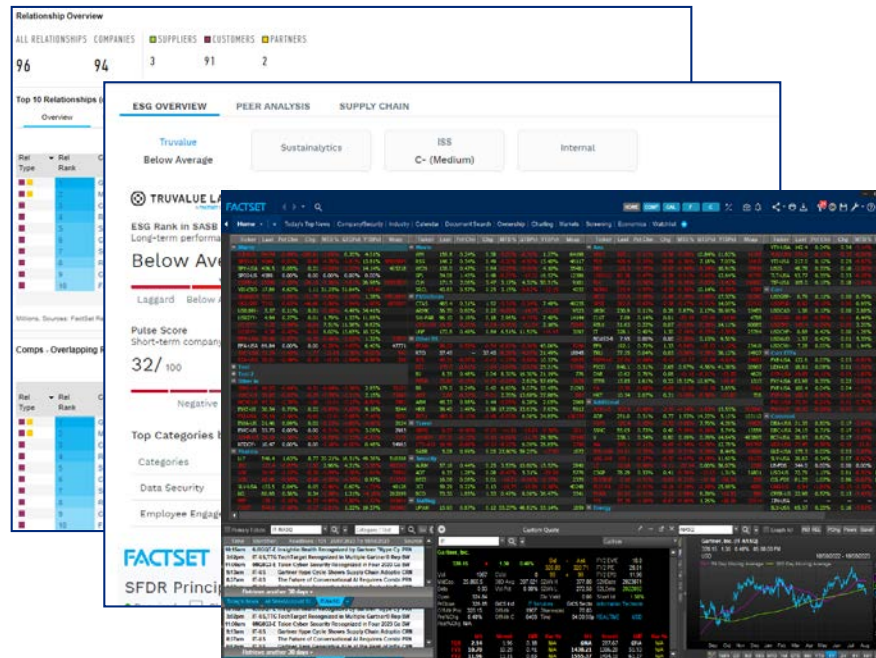


Business & Education Services



Source: Factset

Morgan Stanley does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section located at the end of this report.

MORGAN STANLEY RESEARCH

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Info Services

Stock	Rating	PT	Rank
MSCI	OW	671	1
SPGI	OW	587	2
TRU	OW	120	3
EFX	OW	295	4
VRSK	EW	317	5
TRI	EW	197	6
MCO	EW	493	7
IT	EW	490	8
CLVT	EW	5	9
FDS	UW	390	10

Diversified Business Services

Stock	Rating	PT
WCN	OW	227
KLC	OW	19
ADT	EW	9
ADV	EW	2.0
ARMK	EW	42
BV	EW	16
CTAS	EW	213
GBTG	EW	7
LRN	EW	148
ROL	EW	53
RSG	EW	245
WM	EW	235
BFAM	UW	106

Pricing in this report as of: May 14, 2025, unless otherwise noted

Source: Factset, Morgan Stanley Research

Business Services Risk / Reward

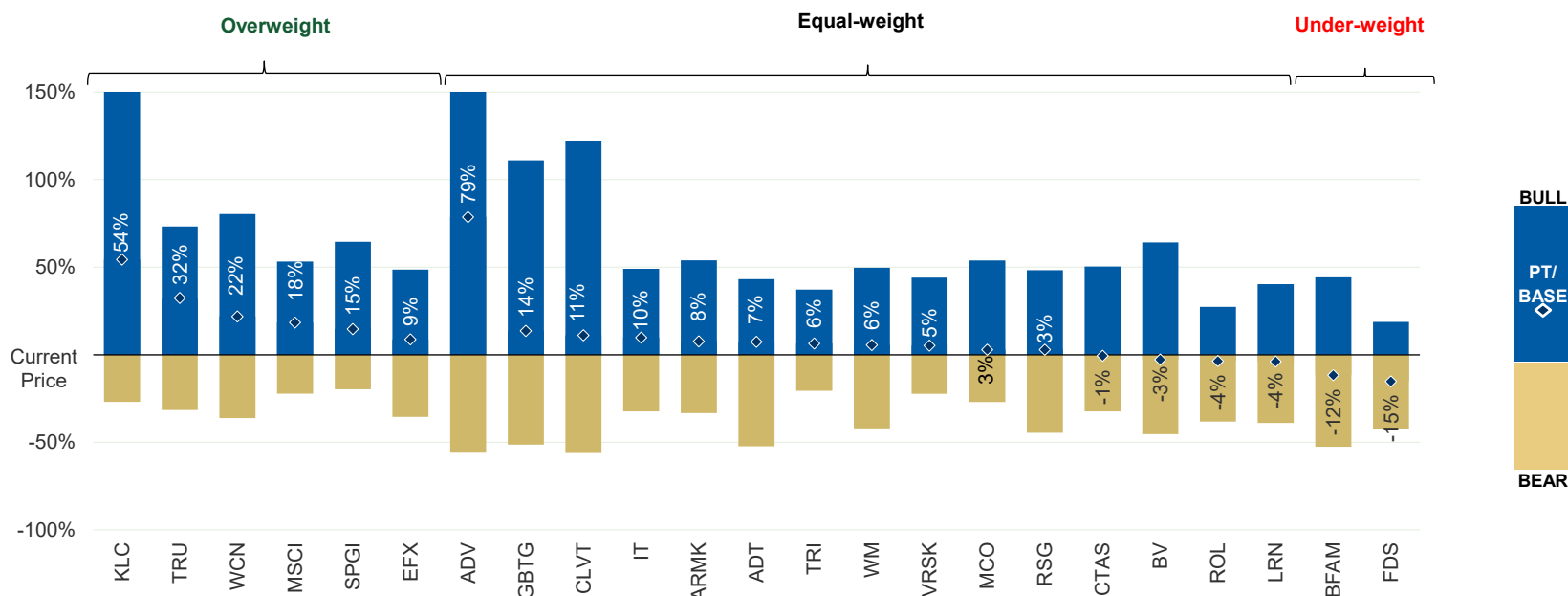
Key Stock Calls

Overweight

- **MSCI** (OW) Strong growth with long runway, resiliency, and reasonable valuation with one of the strongest moats
- **SPGI** (OW) Benefit from capital markets recovery, generate operating leverage, return capital, generate low teens EPS growth
- **TRU** (OW) Potential for accelerating growth given improving consumer credit conditions at an attractive valuation
- **EFX** (OW) Attractive entry point with improving conditions and mortgage upside, expect EPS to double through '28
- **KLC** (OW) Significantly undervalued MSD/LDD rev/EBITDA grower with ancillary growth opportunities
- **WCN** (OW) Preferred waste name due to its strong pricing power, leading FCF margins, and attractive relative valuation

Underweight

- **BFAM** (UW) Higher wages and lower utilization impacting margin, pricing and enrollment slower in '25, risks not fully priced in
- **FDS** (UW) Expect challenging conditions due to tight budgets, competitive environment, client consolidation; limited EPS growth



Information Services Comps

(\$ in millions, except per share data)

Morgan Stanley - Standardized Comps															
Information Services						EV / EBITDA						Price / Earnings			
						Organic		Consensus		Standardized		Consensus		Standardized	
						Revenue Growth		Method		Post-SBC		Method		Post-SBC	
Ticker	Company	Rating	Share Price	Market Cap	EV	'25E	'26E	'25E	'26E	'25E	'26E	'25E	'26E	'25E	'26E
CLVT.N	Clarivate PLC	EW	4.50	3,185	7,352	(0.1%)	1.4%	7.4x	7.3x	8.9x	7.9x	6.7x	6.4x	7.9x	7.4x
FDS.N	FactSet Research Systems Inc.	UW	459.87	17,710	19,014	4.7%	5.6%	20.7x	19.5x	20.7x	19.5x	27.0x	25.6x	27.0x	25.6x
IT.N	Gartner, Inc.	EW	446.10	34,707	35,076	4.4%	7.4%	22.0x	20.3x	24.7x	22.8x	35.1x	31.7x	35.2x	31.7x
MSCI.N	MSCI Inc.	OW	566.58	44,400	48,502	7.4%	7.9%	26.2x	24.1x	26.2x	24.1x	33.6x	29.8x	33.6x	29.8x
TRI.O	Thomson Reuters Corporation	EW	185.10	83,449	84,891	7.1%	6.9%	29.3x	27.2x	29.3x	27.2x	48.2x	43.6x	48.2x	43.6x
VRSK.O	Verisk Analytics, Inc.	EW	301.27	42,266	44,908	6.8%	6.9%	26.2x	24.3x	26.2x	24.3x	42.4x	37.9x	42.4x	37.9x
MCO.N	Moody's Corporation	EW	479.05	86,564	91,344	4.5%	7.6%	25.2x	23.0x	25.2x	23.0x	35.1x	30.5x	35.1x	30.5x
SPGI.N	S&P Global, Inc.	OW	511.94	158,138	172,204	5.2%	6.9%	23.2x	21.6x	23.2x	21.6x	30.1x	27.3x	30.1x	27.3x
Average - Subscription-Based Info Services						5.0%	6.3%	22.5x	20.9x	23.0x	21.3x	32.3x	29.1x	32.4x	29.2x
Average ex. CLVT						5.7%	7.0%	24.7x	22.9x	25.1x	23.2x	35.9x	32.3x	35.9x	32.3x
EXP.N	Experian PLC	OW	51.47	47,455	52,102	8.0%	8.8%	18.3x	16.6x	18.3x	16.6x	30.4x	26.8x	30.4x	26.8x
EFX.N	Equifax Inc.	OW	271.07	33,911	38,811	6.5%	11.8%	19.8x	17.1x	19.8x	17.1x	35.2x	27.9x	35.2x	27.9x
TRU.N	TransUnion	OW	90.63	17,881	22,509	5.1%	11.1%	14.3x	12.4x	15.3x	13.3x	22.2x	17.5x	25.7x	19.8x
FICO.N	Fair Isaac Corporation	NC	2125.90	52,478	54,880	15.4%	16.0%	47.1x	37.7x	47.1x	37.7x	68.7x	54.8x	68.7x	54.8x
DNB.N	Dun & Bradstreet Holdings Inc	NC	8.97	3,887	7,236	3.6%	4.8%	7.5x	7.1x	7.5x	7.1x	8.6x	7.8x	8.6x	7.8x
ADP.O	Automatic Data Processing, Inc.	EW	309.41	126,394	128,080	5.9%	5.4%	21.0x	19.7x	21.0x	19.7x	29.7x	27.3x	29.7x	27.3x
PAYX.O	Paychex, Inc.	EW	152.01	55,028	54,241	4.7%	5.6%	20.9x	19.7x	20.9x	19.7x	29.4x	27.6x	29.4x	27.6x
FA.O	First Advantage Corp.	NC	17.88	3,089	5,067	77.7%	6.7%	12.2x	10.9x	13.3x	11.9x	19.1x	15.9x	23.4x	18.1x
Average - Credit & Processors						15.9%	8.8%	20.1x	17.6x	20.4x	17.9x	30.4x	25.7x	31.4x	26.3x
Average - Information Services						10.4%	7.5%	21.3x	19.3x	21.7x	19.6x	33.7x	29.7x	34.0x	29.9x
Legend:															
Notes: EXP.N is covered by Annelies Vermeulen with an industry view of Attractive, ADP.O and PAYX.O are covered by James Faucette with an industry view of Attractive;															
Cons estimates used for non-covered companies															
Pricing as of: May 14, 2025															
Source: Morgan Stanley Research, Company Data, and Factset															

Information Services Comps: Additional Metrics

(\$ in millions, except per share data)

Morgan Stanley - Standardized Comps																
Analytics Comps - Additional Metrics																
Ticker	Company	Rating	Revenue Growth		Adj. EPS Growth		Adj. EBITDA	EV / Sales		Unlevered EV/FCF		Levered P/FCF		Net Lev	PEG	
			'25E	'26E	'25E	'26E	Margin	'25E	'26E	'25E	'26E	'25E	'26E	LTM	'25E	'26E
CLVT.N	Clarivate PLC	EW	(6.9%)	1.4%	(7.9%)	5.5%	41.7%	3.1x	3.0x	6.5x	5.3x	10.2x	7.6x	3.9x	NA	1.1x
FDS.N	FactSet Research Systems Inc.	UW	5.0%	5.8%	3.4%	5.6%	39.1%	8.1x	7.6x	24.4x	24.8x	21.9x	22.9x	1.5x	7.9x	4.5x
IT.N	Gartner, Inc.	EW	5.0%	7.4%	(9.7%)	10.7%	24.3%	5.3x	5.0x	32.4x	29.3x	28.7x	25.8x	0.2x	NA	3.0x
MSCI.N	MSCI Inc.	OW	7.4%	7.9%	10.7%	12.9%	60.3%	15.8x	14.7x	33.9x	30.9x	31.1x	28.5x	2.3x	3.2x	2.3x
TRIO	Thomson Reuters Corporation	EW	2.7%	6.9%	2.5%	10.5%	38.7%	11.3x	10.6x	44.3x	39.9x	43.2x	41.6x	0.5x	18.9x	4.2x
VRSK.O	Verisk Analytics, Inc.	EW	6.9%	6.9%	6.9%	11.9%	55.6%	14.6x	13.6x	40.0x	36.8x	34.3x	35.9x	1.6x	6.2x	3.2x
MCO.N	Moody's Corporation	EW	4.0%	7.6%	9.5%	15.1%	49.3%	12.4x	11.5x	38.8x	31.1x	35.5x	28.9x	1.3x	3.7x	2.0x
SPGL.N	S&P Global, Inc.	OW	5.2%	6.9%	8.5%	10.1%	49.7%	11.5x	10.8x	31.0x	26.4x	27.5x	24.5x	1.3x	3.5x	2.7x
Average - Subscription-Based Info Services			3.7%	6.3%	3.0%	10.3%	44.8%	10.3x	9.6x	31.4x	28.1x	29.1x	27.0x	1.6x	7.2x	2.9x
Average ex. CLVT			5.2%	7.1%	4.6%	11.0%	45.3%	11.3x	10.5x	34.9x	31.3x	31.7x	29.7x	1.3x	7.2x	3.1x
EXP.N.L	Experian PLC	OW	8.0%	8.8%	10.7%	13.1%	35.6%	6.5x	6.0x	29.9x	27.0x	30.0x	26.3x	1.7x	2.8x	2.0x
EFX.N	Equifax Inc.	OW	5.6%	11.8%	5.9%	25.9%	32.7%	6.5x	5.8x	35.8x	28.7x	33.8x	26.6x	2.6x	6.0x	1.1x
TRU.N	TransUnion	OW	4.7%	11.1%	4.2%	26.8%	36.0%	5.1x	4.6x	29.4x	20.9x	34.8x	16.0x	2.9x	5.2x	0.7x
FICO.N	Fair Isaac Corporation	NC	15.4%	16.0%	23.2%	25.4%	56.5%	26.6x	23.0x	38.8x	31.1x	66.1x	50.4x	2.4x	3.0x	NA
DNB.N	Dun & Bradstreet Holdings Inc	NC	3.6%	4.8%	6.9%	10.0%	38.9%	2.9x	2.8x	6.9x	6.3x	10.1x	8.6x	3.6x	1.2x	0.8x
ADP.O	Automatic Data Processing, Inc.	EW	5.9%	5.4%	8.7%	8.6%	29.0%	6.1x	5.8x	22.6x	19.9x	24.0x	20.8x	0.3x	3.4x	3.2x
PAYX.O	Paychex, Inc.	EW	4.7%	5.6%	5.7%	6.4%	45.7%	9.6x	9.1x	26.8x	24.7x	26.8x	24.7x	-0.3x	5.1x	4.3x
FA.O	First Advantage Corp.	NC	77.7%	6.7%	13.9%	20.1%	27.2%	3.3x	3.1x	14.2x	9.5x	32.6x	14.3x	6.7x	1.4x	0.8x
Average - Credit & Processors			15.7%	8.8%	9.9%	17.0%	37.7%	8.3x	7.5x	25.5x	21.0x	32.3x	23.5x	2.5x	3.5x	1.8x
Average - Information Services			9.7%	7.6%	6.4%	13.7%	41.3%	9.3x	8.6x	28.5x	24.5x	30.7x	25.2x	2.0x	5.1x	2.4x
Legend:																
Notes: EXP.N.L is covered by Annelies Vermeulen with an industry view of Attractive, ADP.O and PAYX.O are covered by James Faucette with an industry view of Attractive;																
Cons estimates used for non-covered companies																
Pricing as of: May 14, 2025																
Source: Morgan Stanley Research, Company Data, and Factset																

Diversified Business Services Comps

(\$ in millions, except per share data)

Morgan Stanley - Standardized Comps															
Diversified Business Services Comps															
Ticker	Company	Rating	Share Price	Equity Value	Enterprise Value	Organic Revenue Growth		EV / EBITDA				Price / Earnings			
						'25E (%)	'26E (%)	Consensus Method		Unadjusted Post-SBC		Consensus Method		NI to Common Adj. for Amort, net	
								CY '25E (x)	CY '26E (x)	CY '25E (x)	CY '26E (x)	CY '25E (x)	CY '26E (x)	CY '25E (x)	CY '26E (x)
ARMK.N	Aramark	EW	38.99	10,427	16,053	8.0%	4.9%	11.1x	10.1x	12.3x	11.1x	19.5x	16.8x	16.1x	14.2x
CPG.L	Compass Group PLC	OW	33.80	57,694	63,036	6.4%	5.8%	13.6x	12.6x	14.5x	13.5x	25.3x	23.0x	25.3x	23.0x
EXHO.PA	Sodexo SA	EW	64.03	9,481	14,260	3.4%	2.1%	7.8x	7.4x	7.8x	7.4x	10.6x	10.8x	10.6x	10.8x
Food & Support Services						5.9%	4.2%	10.8x	10.1x	11.6x	10.7x	18.5x	16.9x	17.3x	16.0x
CTAS.O	Cintas Corporation	EW	214.19	87,884	90,118	7.3%	7.0%	30.0x	27.3x	30.0x	27.3x	45.9x	40.7x	42.5x	37.8x
UNF	UniFirst Corporation	NC	181.91	3,392	3,262	0.9%	3.7%	9.2x	8.7x	9.2x	8.7x	22.3x	20.6x	22.3x	20.6x
VSTS	Vestis Corporation	NC	6.10	804	2,178	(3.8%)	1.6%	8.1x	7.7x	8.1x	7.7x	21.2x	16.5x	21.2x	16.5x
Uniforms						1.5%	4.1%	15.8x	14.6x	15.8x	14.6x	29.8x	25.9x	28.7x	24.9x
RSG.N	Republic Services, Inc.	EW	238.07	74,587	87,649	4.4%	5.0%	16.5x	15.6x	16.5x	15.6x	34.7x	31.7x	33.8x	30.8x
WCN.N	Waste Connections, Inc.	OW	186.42	48,264	56,549	3.6%	5.5%	18.1x	16.9x	18.1x	16.9x	36.4x	31.4x	36.4x	31.4x
WM.N	Waste Management, Inc.	EW	222.47	89,856	113,478	4.9%	4.6%	15.0x	14.0x	15.0x	14.0x	28.5x	25.7x	28.5x	25.7x
GFL.TO	GFL Environmental Inc	NC	47.92	18,753	23,955	(13.9%)	7.4%	17.0x	15.5x	17.5x	15.9x	114.2x	64.1x	114.2x	64.1x
CWST.N	Casella Waste Systems, Inc.	NC	110.02	6,974	7,926	16.6%	7.0%	18.6x	17.2x	18.6x	17.2x	NM	NM	NM	NM
Waste						3.1%	5.9%	17.1x	15.8x	17.2x	15.9x	53.5x	38.2x	53.2x	38.0x
ADV.O	Advantage Solutions Inc	EW	1.12	371	1,928	-0.9%	1.6%	5.6x	5.5x	6.3x	6.1x	3.7x	3.0x	3.7x	3.0x
IPG.N	Interpublic Group of Companies, Inc.	++	25.09	9,409	11,855	(4.6%)	3.0%	9.1x	7.0x	9.1x	7.0x	9.7x	9.1x	9.7x	9.1x
OMC.N	Omnicom Group Inc	++	76.02	15,075	19,620	2.2%	3.4%	7.5x	7.1x	7.5x	7.1x	9.8x	9.0x	9.8x	9.0x
WPP.L	WPP Plc	EW	8.10	8,881	14,182	0.4%	1.7%	5.3x	5.1x	5.5x	5.4x	8.1x	7.7x	8.1x	7.7x
PUBP.PA	Publicis Groupe SA	OW	107.92	27,364	29,078	15.8%	5.2%	7.9x	7.5x	7.9x	7.5x	12.2x	11.6x	12.2x	11.6x
Media & CPG Services / Ad Agencies Comps						2.6%	3.0%	7.1x	6.4x	7.3x	6.6x	8.7x	8.1x	8.7x	8.1x
ADT.N	ADT, Inc.	EW	8.38	7,299	15,115	4.0%	3.0%	5.6x	5.4x	5.8x	5.6x	10.3x	9.4x	10.3x	9.4x
Home Security						4.0%	3.0%	5.6x	5.4x	5.8x	5.6x	10.3x	9.4x	10.3x	9.4x
CHTR.O	Charter Communications, Inc.	EW	413.86	59,834	157,606	0.1%	2.3%	7.1x	6.9x	7.1x	6.9x	10.8x	8.8x	10.8x	8.8x
ATUS.N	Altice USA, Inc.	EW	2.80	1,302	26,601	(3.7%)	(1.9%)	8.1x	7.8x	8.1x	7.8x	NM	NM	NM	NM
CMCSA.O	Comcast Corporation	EW	34.56	130,775	221,939	(1.1%)	3.0%	5.9x	5.8x	5.9x	5.8x	6.6x	6.0x	8.0x	7.2x
Cable						-1.6%	1.1%	7.0x	6.8x	7.0x	6.8x	8.7x	7.4x	9.4x	8.0x

Source: Morgan Stanley Research, Company Data, and Factset.

Notes: Fiscal year data used w here calendar year data was incomplete; Unadjusted EBITDA for ARMK and CPG penalizes for client contract amortization; ++ Rating, price target or estimates for this company have been removed from consideration in this report because, under applicable law and/or Morgan Stanley policy, Morgan Stanley may be precluded from issuing such information with respect to this company at this time.

KLC Organic Reveue Grow th rate represents total grow th estimates for '24.

*Denotes the use of 2024 consensus estimates w here estimates for 2025 are unavailable.

Coverage: CPG and EXHO covered by Jamie Rollo; RTO.L Annelies Vermeulen; CHTR, ATUS, IPG, OMC, and CMCSA Ben Swinburne; ADP and PAYX James Faucette; PSON Luke Holbrook; SABR Josh Baer; ECL Vincent Andrews; AMADY Adam Wood; CTD James Bales; WPP and PUBP Laura Metayer

Pricing as of: May 14, 2025

Diversified Business Services Comps: Additional Metrics

(\$ in millions, except per share data)

Morgan Stanley - Standardized Comps																	
Diversified Business Services Comps - Additional Metrics																	
			Revenue Growth		Adj. EPS Growth		Adj. EBITDA	EV / Sales		Unlevered		Levered		Net Levlg	Capex as	PEG	
			CY '25E	CY '26E	CY '25E	CY '26E	Margin	CY '25E	CY '26E	CY '25E	CY '26E	CY '25E	CY '26E	LTM	CY '24	CY '25E	CY '26E
Ticker	Company	Rating	(%)	(%)	(%)	(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
ARMK.N	Aramark	EW	7.6%	5.2%	21.3%	16.0%	8.0%	0.9x	0.8x	33.2x	20.5x	38.8x	17.9x	4.4x	2.3%	0.9x	1.1x
CPG.L	Compass Group PLC	OW	6.4%	5.8%	9.3%	10.0%	10.3%	1.4x	1.3x	23.1x	23.6x	23.5x	23.0x	1.3x	3.2%	2.7x	2.3x
EXHO.PA	Sodexo SA	EW	3.4%	2.1%	1.9%	(1.5%)	6.9%	0.5x	0.5x	13.6x	12.8x	9.8x	9.3x	2.7x	1.6%	5.7x	-7.2x
Food & Support Services			5.8%	4.4%	10.8%	8.2%	8.4%	0.9x	0.9x	23.3x	19.0x	24.0x	16.7x	2.8x	2.4%	3.1x	-1.3x
CTAS.O	Cintas Corporation	EW	7.2%	7.0%	86.4%	12.6%	29.0%	8.5x	7.9x	44.9x	39.9x	43.9x	38.8x	0.8x	4.1%	0.5x	3.2x
UNF	UniFirst Corporation	NC	0.9%	3.7%	1.8%	8.4%	14.7%	1.3x	1.3x	NA	NA	NA	NA	0.0x	6.3%	12.4x	2.4x
VSTS	Vestis Corporation	NC	(3.8%)	1.6%	(58.9%)	28.7%	10.2%	0.8x	0.8x	12.0x	11.2x	10.3x	8.3x	3.3x	2.7%	-0.4x	0.6x
Uniforms			1.4%	4.1%	9.8%	16.6%	18.0%	3.5x	3.3x	28.4x	25.6x	27.1x	23.5x	1.4x	4.3%	4.2x	2.1x
RSG.N	Republic Services, Inc.	EW	5.2%	5.0%	6.2%	9.6%	31.8%	5.2x	5.0x	34.0x	30.6x	31.6x	28.6x	2.6x	11.3%	5.6x	3.3x
WCN.N	Waste Connections, Inc.	OW	6.0%	4.7%	6.7%	16.2%	33.8%	6.0x	5.7x	39.9x	31.6x	36.5x	30.2x	2.8x	11.8%	5.4x	1.9x
WM.N	Waste Management, Inc.	EW	15.1%	4.8%	7.9%	10.9%	30.5%	4.5x	4.3x	35.5x	26.7x	33.0x	24.6x	3.5x	14.6%	3.6x	2.4x
GFL.TO	GFL Environmental Inc	NC	(13.9%)	7.4%	(25.9%)	78.1%	30.6%	5.1x	4.7x	15.5x	25.3x	21.0x	30.3x	3.5x	15.3%	-4.4x	0.8x
CWST.N	Casella Waste Systems, Inc.	NC	16.6%	7.0%	70.3%	24.4%	23.9%	4.4x	4.1x	43.6x	36.9x	61.0x	47.1x	2.6x	13.1%	NM	NM
Waste			5.8%	5.8%	13.0%	27.8%	30.1%	5.0x	4.8x	33.7x	30.2x	36.6x	32.2x	3.0x	13.2%	2.6x	2.1x
ADV.O	Advantage Solutions Inc	EW	(1.4%)	1.4%	35.4%	23.7%	9.8%	0.5x	0.5x	17.8x	7.3x	10.4x	2.1x	4.4x	1.5%	0.1x	0.1x
IPG.N	Interpublic Group of Companies, Inc.	++	(4.6%)	3.0%	(7.7%)	7.0%	16.1%	1.2x	1.1x	10.6x	10.1x	13.6x	8.7x	1.4x	1.8%	-1.3x	1.3x
OMC.N	Omnicom Group Inc	++	2.2%	3.4%	0.6%	9.1%	16.6%	1.2x	1.2x	10.1x	NA	8.4x	8.2x	1.4x	0.9%	15.8x	1.0x
WPP.L	WPP Plc	EW	0.4%	1.7%	11.2%	5.4%	19.1%	1.0x	1.0x	10.7x	8.5x	8.2x	6.2x	1.8x	1.9%	0.7x	1.4x
PUBP.PA	Publicis Groupe SA	OW	15.8%	5.2%	16.8%	5.0%	19.3%	1.5x	1.4x	9.8x	8.7x	10.5x	9.2x	0.5x	1.3%	0.7x	2.3x
Media & CPG Services / Ad Agencies Comps			2.5%	2.9%	11.3%	10.1%	16.2%	1.1x	1.1x	11.8x	8.7x	10.2x	6.9x	1.9x	1.5%	3.2x	1.2x
ADT.N	ADT, Inc.	EW	4.0%	3.0%	11.5%	9.0%	53.2%	3.0x	2.9x	13.0x	12.3x	10.3x	10.0x	3.0x	25.9%	0.9x	1.0x
Home Security			4.0%	3.0%	11.5%	9.0%	53.2%	3.0x	2.9x	13.0x	12.3x	10.3x	10.0x	3.0x	25.9%	0.9x	1.0x
CHTR.O	Charter Communications, Inc.	EW	0.1%	2.3%	10.0%	22.4%	40.6%	2.9x	2.8x	24.7x	17.9x	15.0x	10.0x	4.2x	20.5%	1.1x	0.4x
ATUS.N	Altice USA, Inc.	EW	(3.7%)	(1.9%)	NM	NM	40.4%	3.1x	3.1x	21.8x	19.7x	3.8x	4.8x	7.6x	16.0%	NM	NM
CMCSA.O	Comcast Corporation	EW	(1.1%)	3.0%	6.8%	9.6%	30.1%	1.8x	1.8x	12.7x	12.0x	8.8x	8.3x	2.4x	9.8%	1.0x	0.6x
Cable			-1.6%	1.1%	8.4%	16.0%	37.0%	2.0x	1.9x	19.7x	16.5x	9.2x	7.7x	4.7x	15.4%	1.0x	0.5x

Source: Morgan Stanley Research, Company Data, and Factset.

Notes: Fiscal year data used where calendar year data was incomplete; Unadjusted EBITDA for ARMK and CPG penalizes for client contract amortization; ++ Rating, price target or estimates for this company have been removed from consideration in this report because, under applicable law and/or Morgan Stanley policy, Morgan Stanley may be precluded from issuing such information with respect to this company at this time.

*Denotes the use of 2024 consensus estimates where estimates for 2025 are unavailable.

ADT's capex includes Subscriber System Assets and Dealer Generate Accounts including Deferred Subscriber Installation Costs

Coverage: CPG and EXHO covered by Jamie Rollo; RTO.L Annelies Vermeulen; CHTR, ATUS, IPG, OMC, and CMCSA Ben Swinburne; ADP and PAYX James Faucette; PSON Luke Holbrook; SABR Josh Baer;

ECL Vincent Andrews; AMADY Adam Wood; CTD James Bales; WPP and PUBP Laura Metayer

Pricing as of: May 14, 2025

Diversified Business Services Comps

(\$ in millions, except per share data)

Morgan Stanley - Standardized Comps															
Diversified Business Services Comps															
Ticker	Company	Rating	Share Price	Equity Value	Enterprise Value	Organic		EV / EBITDA				Price / Earnings			
						Revenue Growth		Consensus		Unadjusted		Consensus		NI to Common	
						'25E	'26E	Method		Post-SBC		Method		Adj. for Amort, net	
						(%)	(%)	CY '25E	CY '26E	CY '25E	CY '26E	CY '25E	CY '26E	CY '25E	CY '26E
						(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
LRN.N	Stride, Inc.	EW	153.93	7,338	7,083	13.4%	8.0%	11.9x	10.6x	12.6x	11.3x	19.6x	17.4x	19.6x	17.4x
PERSON.L	Pearson PLC	EW	15.79	10,773	12,034	9.1%	4.6%	10.5x	10.0x	10.5x	10.0x	19.0x	17.3x	19.0x	17.3x
WLY.N	John Wiley & Sons, Inc.	NC	42.94	2,317	3,201	(3.3%)	2.0%	7.7x	7.4x	7.7x	7.4x	11.5x	10.6x	11.5x	10.6x
LOPE.O	Grand Canyon Education, Inc.	NC	194.25	5,530	5,331	6.0%	6.7%	14.9x	13.8x	15.5x	14.3x	22.1x	20.0x	22.1x	20.0x
ATGE.K	Adtalem Global Education Inc.	NC	129.72	4,960	5,507	13.0%	5.9%	11.5x	10.6x	11.5x	10.6x	18.5x	16.2x	18.5x	16.2x
LAUR.O	Laureate Education, Inc.	EW	22.48	3,317	3,633	0.0%	4.1%	7.6x	7.3x	7.6x	7.3x	13.5x	12.9x	13.5x	12.9x
STRA.O	Strategic Education, Inc.	NC	88.24	2,123	2,048	3.7%	5.0%	8.0x	7.0x	8.8x	7.6x	15.7x	13.2x	15.7x	13.2x
APELO	American Public Education, Inc.	NC	27.57	508	559	5.4%	4.2%	6.9x	6.3x	6.9x	6.3x	13.4x	10.7x	14.6x	10.7x
Education						5.9%	5.1%	9.9x	9.1x	10.2x	9.4x	16.7x	14.8x	16.8x	14.8x
GBTG.N	Global Business Travel Group, Inc.	EW	6.16	2,949	3,759	7.0%	6.3%	7.5x	6.8x	9.1x	8.3x	43.4x	20.8x	31.8x	16.5x
SABR.O	Sabre Corporation	EW	2.99	1,361	5,834	5.1%	5.5%	8.8x	8.2x	8.8x	8.2x	14.3x	8.5x	14.3x	8.5x
AMADY.PK	Amadeus IT Group SA	OW	80.11	36,169	36,734	17.6%	9.1%	13.5x	12.3x	13.5x	12.3x	21.7x	19.6x	21.7x	19.6x
CTD.AX	Corporate Travel Management Limited	EW	8.65	1,238	1,223	6.9%	8.7%	12.6x	10.4x	12.6x	10.4x	23.6x	19.3x	23.6x	19.3x
Corporate Travel Services						9.2%	7.4%	10.6x	9.4x	11.0x	9.8x	25.8x	17.1x	22.9x	16.0x
BFAM.N	Bright Horizons Family Solutions, Inc.	UW	119.94	6,951	7,723	6.9%	6.9%	16.9x	15.2x	18.3x	16.4x	29.5x	25.8x	29.5x	25.8x
KLC.N	KinderCare Learning Companies Inc	OW	12.31	1,457	2,321	4.4%	5.5%	7.3x	6.4x	7.7x	6.8x	15.8x	13.2x	15.8x	13.2x
ADP	Automatic Data Processing, Inc.	EW	309.41	126,394	128,080	6.5%	5.4%	21.0x	19.7x	21.0x	19.7x	29.7x	27.1x	27.0x	25.6x
PAYX	Paychex, Inc.	EW	152.01	55,028	54,241	4.7%	5.6%	20.9x	19.7x	20.9x	19.7x	29.5x	27.6x	29.0x	27.2x
MAN	ManpowerGroup Inc.	NC	42.98	2,033	3,110	(4.0%)	2.5%	8.2x	6.6x	8.2x	6.6x	15.0x	9.9x	15.0x	9.9x
RHI	Robert Half Inc.	NC	47.33	4,781	4,681	(5.3%)	5.5%	15.2x	10.6x	15.2x	10.6x	25.4x	17.9x	25.4x	17.9x
ROL.N	Rollins, Inc.	EW	54.96	26,618	26,902	6.9%	6.7%	31.6x	29.1x	31.6x	29.1x	50.7x	47.5x	50.7x	47.5x
RTO.L	Rentokil Initial plc	EW	4.64	11,730	15,979	9.7%	3.6%	10.1x	9.5x	10.1x	9.5x	16.5x	15.3x	14.3x	13.3x
ECL.N	Ecolab Inc.	OW	250.15	71,368	78,591	3.5%	7.3%	20.2x	17.9x	20.2x	17.9x	32.8x	28.1x	32.8x	28.0x
FTDR	Frontdoor, Inc.	NC	54.07	4,126	4,835	11.6%	6.5%	9.5x	9.3x	9.5x	9.3x	15.8x	14.8x	15.8x	14.8x
BCO	Brink's Company	NC	87.14	3,791	6,440	3.0%	4.4%	6.8x	6.4x	7.1x	6.6x	11.6x	9.7x	11.6x	9.7x
BV.N	BrightView Holdings, Inc.	EW	16.45	2,464	3,121	1.6%	2.8%	8.7x	8.1x	9.2x	8.6x	18.2x	16.9x	18.2x	16.9x
ABM	ABM Industries Incorporated	NC	51.54	3,257	4,858	3.5%	2.9%	9.3x	8.8x	9.3x	8.8x	13.5x	12.3x	13.5x	12.3x
HCSG	Healthcare Services Group, Inc.	NC	14.29	1,057	921	5.5%	4.5%	8.4x	8.1x	8.4x	8.1x	17.2x	16.1x	16.7x	15.6x
Other						4.2%	5.0%	13.9x	12.5x	14.0x	12.7x	22.9x	20.2x	22.5x	19.8x

Source: Morgan Stanley Research, Company Data, and Factset.

Notes: Fiscal year data used where calendar year data was incomplete; Unadjusted EBITDA for ARMK and CPG penalizes for client contract amortization; ++ Rating, price target or estimates for this company have been removed from consideration in this report because, under applicable law and/or Morgan Stanley policy, Morgan Stanley may be precluded from issuing such information with respect to this company at this time.

KLC Organic Revenue Growth rate represents total growth estimates for '24.

*Denotes the use of 2024 consensus estimates where estimates for 2025 are unavailable.

Coverage: CPG and EXHO covered by **Jamie Rollo**; RTO.L **Annelies Vermeulen**; CHTR, ATUS, IPG, OMC, and CMCSA **Ben Swinburne**; ADP and PAYX **James Faucette**; PSN **Luke Holbrook**; SABR **Josh Baer**; ECL **Vincent Andrews**; AMADY **Adam Wood**; CTD **James Bales**; WPP and PUBP **Laura Metayer**

Pricing as of: May 14, 2025

Diversified Business Services Comps: Additional Metrics

(\$ in millions, except per share data)

Morgan Stanley - Standardized Comps																		
Diversified Business Services Comps - Additional Metrics																		
Ticker	Company	Rating	Revenue Growth		Adj. EPS Growth		Adj. EBITDA	EV / Sales		Unlevered		Levered		Net Levlg	% of Rev	Capex as		
			CY '25E	CY '26E	CY '25E	CY '26E	Margin	CY '25E	CY '26E	CY '25E	CY '26E	CY '25E	CY '26E			CY '25E	CY '26E	CY '24
			(%)	(%)	(%)	(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
LRN.N	Stride, Inc.	EW	13.2%	8.0%	14.6%	12.5%	24.9%	2.9x	2.6x	24.0x	19.7x	19.8x	17.7x	0.0x	2.9%	1.3x	1.4x	
PSON.L	Pearson PLC	EW	9.1%	4.6%	8.9%	9.9%	23.6%	2.5x	2.4x	12.0x	14.1x	11.9x	14.1x	1.0x	3.3%	2.1x	1.7x	
WLY.N	John Wiley & Sons, Inc.	NC	(3.3%)	2.0%	12.6%	9.4%	25.4%	1.9x	1.9x	NM	NM	NM	NM	2.2x	NA	0.9x	1.1x	
LOPE.O	Grand Canyon Education, Inc.	NC	6.0%	6.7%	9.4%	10.4%	33.3%	4.9x	4.6x	21.0x	20.0x	21.1x	20.1x	0.0x	3.6%	2.3x	1.9x	
ATGEK	Adtalem Global Education Inc.	NC	13.0%	5.9%	32.2%	14.4%	26.8%	3.0x	2.8x	16.6x	16.1x	16.8x	15.8x	1.3x	2.8%	0.6x	1.1x	
LAURO	Laureate Education, Inc.	EW	0.0%	4.1%	NM	4.6%	30.6%	2.3x	2.2x	16.4x	13.8x	15.8x	14.8x	0.7x	4.6%	NM	2.8x	
STRA.O	Strategic Education, Inc.	NC	3.7%	5.0%	16.4%	18.5%	21.9%	1.6x	1.5x	15.6x	11.8x	15.6x	11.9x	0.0x	3.3%	1.0x	0.7x	
APELO	American Public Education, Inc.	NC	5.4%	4.2%	89.0%	24.8%	13.1%	0.9x	0.8x	NA	NA	NA	NA	0.2x	NA	0.2x	0.4x	
Education			5.9%	5.1%	26.2%	13.1%	24.9%	2.5x	2.4x	17.6x	15.9x	16.9x	15.8x	0.7x	3.4%	1.2x	1.4x	
GBTG.N	Global Business Travel Group, Inc.	EW	0.9%	4.7%	NM	108.3%	21.5%	1.5x	1.5x	63.4x	17.0x	9.5x	4.7x	1.6x	4.4%	NM	0.2x	
SABRO	Sabre Corporation	EW	5.1%	5.5%	NM	68.5%	21.2%	1.8x	1.7x	10.0x	9.2x	7.4x	15.0x	10.3x	2.8%	NM	0.1x	
AMADY.PK	Amadeus IT Group SA	OW	17.6%	9.1%	15.3%	11.0%	36.8%	4.9x	4.5x	23.0x	21.1x	24.4x	22.5x	0.2x	12.6%	1.4x	1.8x	
CTD.AX	Corporate Travel Management Limited	EW	6.9%	8.7%	(11.0%)	22.1%	23.1%	2.6x	2.4x	19.0x	20.8x	19.7x	21.5x	0.0x	6.4%	-2.1x	0.9x	
Corporate Travel Services			7.6%	7.0%	2.2%	52.5%	25.6%	2.7x	2.5x	28.8x	17.0x	15.2x	15.9x	3.0x	6.6%	-0.4x	0.7x	
BFAMN	Bright Horizons Family Solutions, Inc.	UW	7.0%	6.9%	17.2%	14.4%	16.6%	2.7x	2.5x	34.2x	27.6x	29.5x	24.2x	1.8x	3.5%	1.7x	1.8x	
KLC.N	KinderCare Learning Companies Inc	OW	4.4%	5.5%	96.1%	19.5%	12.3%	0.8x	0.8x	17.9x	17.8x	15.9x	16.1x	2.9x	5.0%	0.2x	0.7x	
ADP	Automatic Data Processing, Inc.	EW	6.5%	5.4%	7.9%	9.6%	29.4%	6.1x	5.8x	34.2x	28.1x	34.1x	28.4x	0.3x	2.9%	3.8x	2.8x	
PAYX	Paychex, Inc.	EW	4.7%	5.6%	8.3%	7.2%	46.0%	9.6x	9.1x	25.0x	24.9x	25.2x	24.9x	0.0x	3.0%	3.6x	3.9x	
MAN	ManpowerGroup Inc.	NC	(4.0%)	2.5%	(37.0%)	51.7%	2.7%	0.2x	0.2x	11.6x	8.9x	8.6x	6.4x	2.5x	0.3%	-0.4x	0.2x	
RHI	Robert Half Inc.	NC	(5.3%)	5.5%	(24.6%)	41.4%	7.6%	0.9x	0.8x	19.9x	21.4x	19.7x	20.7x	0.0x	1.2%	-1.0x	0.4x	
ROL.N	Rollins, Inc.	EW	9.9%	6.7%	9.7%	6.7%	23.3%	7.2x	6.8x	40.6x	38.6x	39.6x	37.8x	0.4x	0.8%	5.2x	7.1x	
RTOL	Rentokil Initial plc	EW	9.7%	3.6%	(10.6%)	8.4%	21.8%	2.1x	2.1x	15.5x	13.3x	15.4x	12.7x	2.9x	3.9%	-1.6x	1.8x	
ECL.N	Ecolab Inc.	OW	3.5%	7.3%	14.6%	16.8%	25.0%	4.8x	4.5x	66.9x	63.0x	59.5x	56.0x	NA	6.2%	2.3x	1.7x	
FTDR	Frontdoor, Inc.	NC	11.6%	6.5%	10.4%	6.9%	23.8%	2.4x	2.2x	14.8x	13.8x	14.8x	14.0x	1.6x	2.1%	1.5x	2.2x	
BCO	Brink's Company	NC	3.0%	4.4%	14.6%	20.3%	18.7%	1.2x	1.2x	NA	NA	NA	NA	3.4x	4.4%	0.8x	0.5x	
BV.N	BrightView Holdings, Inc.	EW	1.6%	2.8%	17.2%	7.7%	13.4%	1.1x	1.1x	38.0x	25.9x	147.1x	68.9x	1.9x	3.9%	1.1x	2.2x	
ABM	ABM Industries Incorporated	NC	3.5%	2.9%	7.4%	9.4%	6.3%	0.6x	0.6x	15.8x	NA	13.4x	NA	3.0x	0.7%	1.8x	1.3x	
HCSG	Healthcare Services Group, Inc.	NC	5.5%	4.5%	18.8%	7.0%	6.0%	0.5x	0.5x	17.4x	16.8x	19.4x	18.6x	0.0x	1.1%	0.9x	2.3x	
Other			4.4%	5.0%	10.7%	16.2%	18.1%	2.9x	2.7x	27.1x	25.0x	34.0x	27.4x	1.6x	2.8%	1.4x	2.1x	

Source: Morgan Stanley Research, Company Data, and Factset.

Notes: Fiscal year data used w here calendar year data w as incomplete; Unadjusted EBITDA for ARMK and CPG penalizes for client contract amortization; ++ Rating, price target or estimates for this company have been removed from consideration in this report because, under applicable law and/or Morgan Stanley policy, Morgan Stanley may be precluded from issuing such information with respect to this company at this time.

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ADT's capex includes Subscriber System Assets and Dealer Generate Accounts including Deferred Subscriber Installation Costs

Coverage: CPG and EXHO covered by Jamie Rollo; RTOL Annelies Vermeulen; CHTR, ATUS, IPG, OMC, and CMCSA Ben Swinburne; ADP and PAYX James Faucette; PSOL Luke Holbrook; SABR Josh Baer;

ECL Vincent Andrew s; AMADY Adam Wood; CTD James Bales; WFP and FUBP Laura Metayer

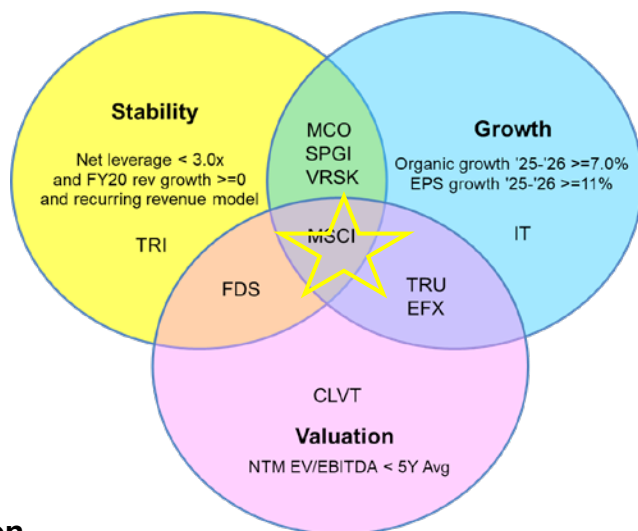
Pricing as of: May 14, 2025

Key Stock Calls

MSCI (OW): Best-in-Class Business, Strong Growth, Reasonable Valuation

MSCI Checks All the Boxes: Growth, Resiliency, Valuation

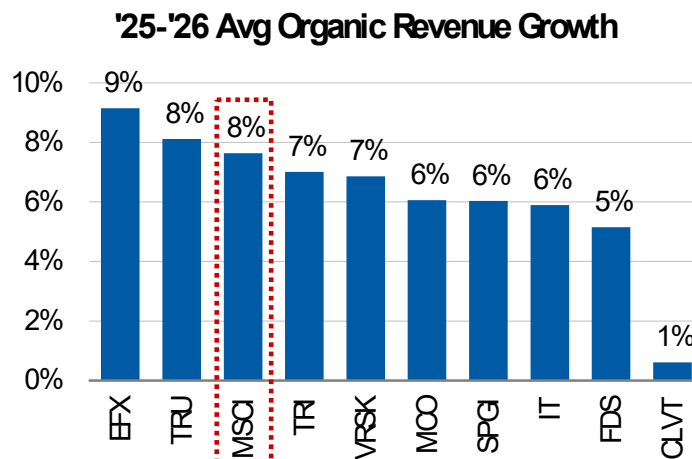
- 97% Recurring rev (74% subscription), 93% retention rate; resilient in downturns; low capital intensity
- Upside opportunities in Private Assets, Climate
- Op leverage and expense mgmt. to drive margin expansion
- Bought back \$5B of stock since 2018
- 22% adj. EPS growth L10Y (MSe 13% '24 - '27)



Valuation

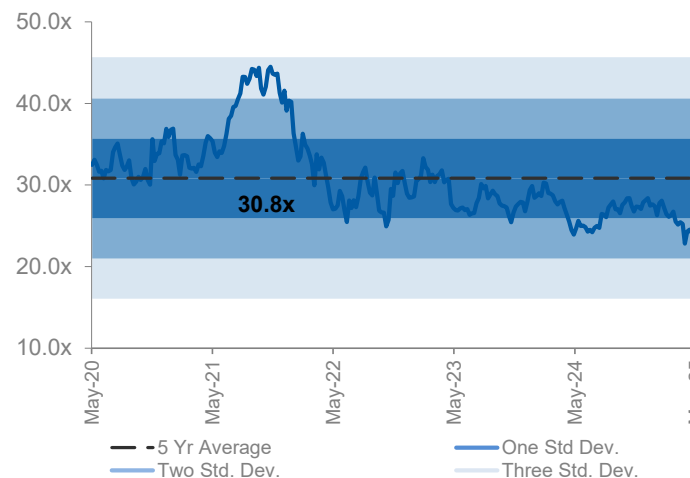
- MSCI is trading 1 std. dev below its historical premium to S&P 500 peers and 1 std dev below its own 5Y average
- Offers attractive upside to reach our DCF-based PT

MSCI Organic Growth at Higher-End of Coverage



MSCI is ~1 Std Dev Below its 5Y History

MSCI Historical NTM EV/EBITDA



SPGI (OW): Combination of High-Quality Assets

Strong Growth Tailwinds Across Businesses

- Ratings: Strong pricing power, issuance grows with GDP
- Index: Benefits from shift to passive
- Market Intelligence: Growing use of data
- Commodity Insights: Commodity pricing / data
- Exposure to fast growing markets of climate, private assets, supply chain, and alternative data

Long Track Record of Growth and Margin Expansion

- Grew adj. EPS at a 15% annual CAGR L10Y
- SPGI expanded margins at nearly ~200bps annually over the 10 years prior to IHS merger

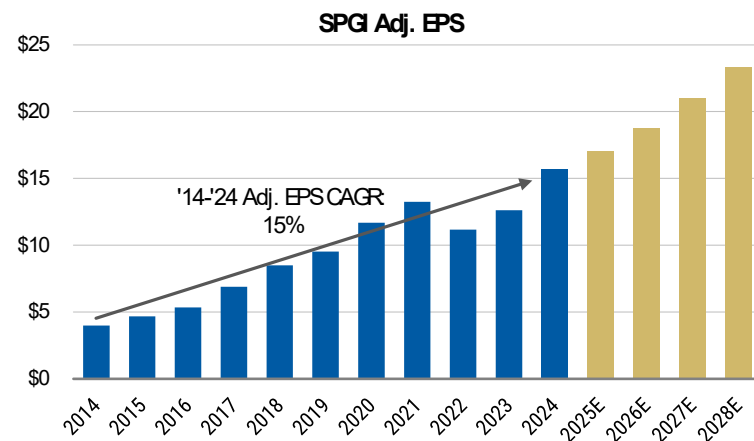
We See Sustained Strong EPS Growth through 2027

- ~7% organic revenue CAGR through '28, ~200 bps of adj. operating margin expansion, and low-teens adj. EPS CAGR in '24-'28E

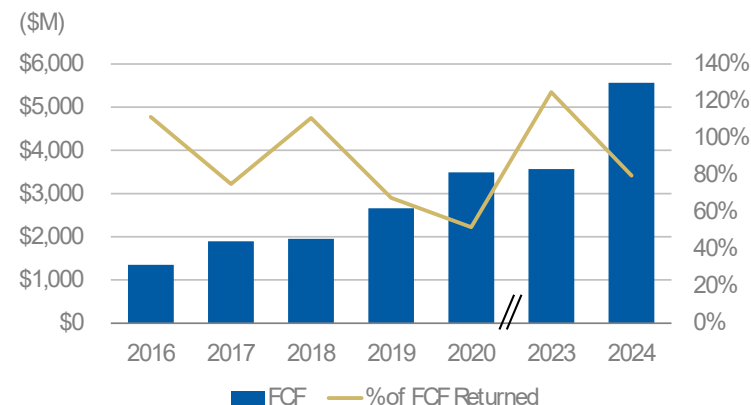
Attractive Valuation

- 4-turn discount on '25 P/Levered FCF to MCO
- Strong FCF conversion and capital return

Long Track Record of Consistent Earnings Growth



90% of FCF Returned Historically: PF Capital Return Target of 85% of FCF



EFX (OW) / TRU (OW): Bullish on The Bureaus

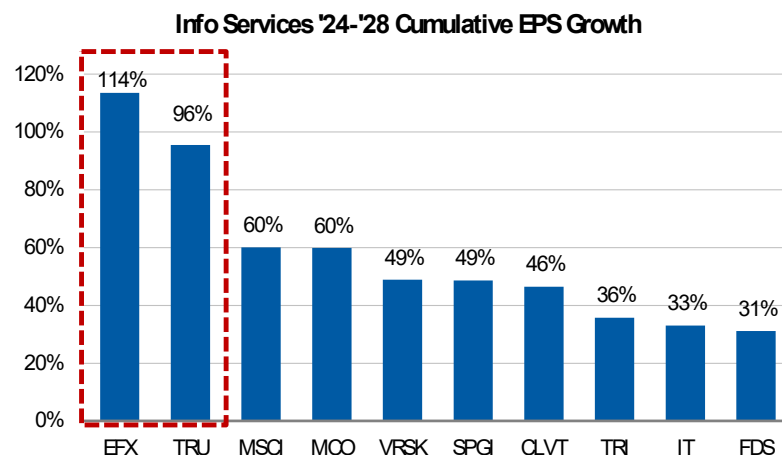
Expect Improvement in '25, EPS to Double Through '28

- Improving credit conditions, a more favorable regulatory environment, and mortgage upside
- We see a number of near-term catalysts, including rate cuts and mortgage volumes
- We model 21%/19% adj. EPS CAGR's through '28 for EFX/TRU

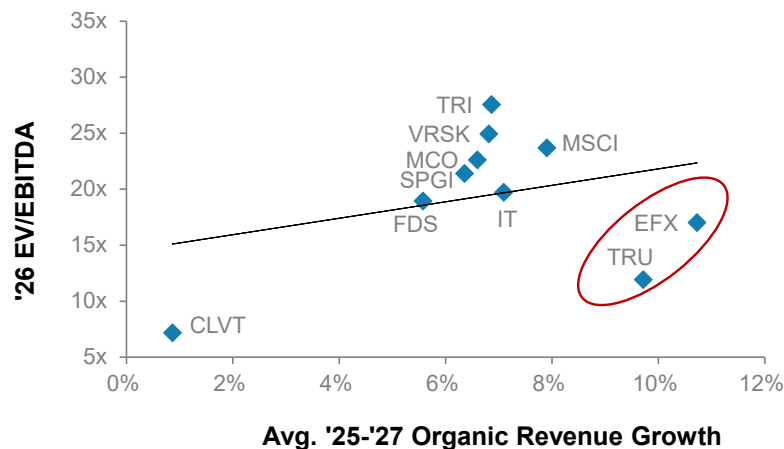
Attractive Valuation

- EFX/TRU are currently trading at 17x/13x '26 adj. EV/EBITDA, which is 6/10-turns below Analytics peers and 3/7-turns below the Info Services group average

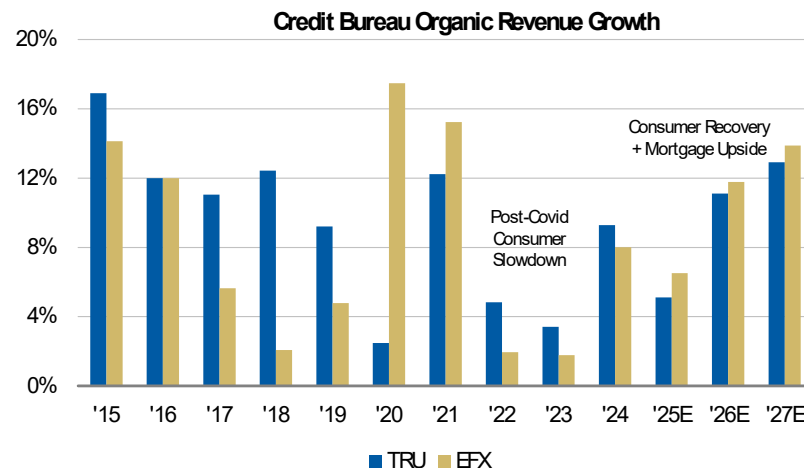
Expect Bureaus EPS to Double Through '28



'26 EV/EBITDA vs. Avg Org Rev Growth '25-'27



Expect Organic Revenue Growth to Reach Mid-Teens



WCN (OW): Strong pricing power, leading margins, value-creating M&A

Preferred name in Waste

Believe WCN's Price-Led Growth Will be Resilient

- Focus on exclusive & secondary markets drives price advantage
- WCN has historically had the highest FCF conversion among its peers and we expect it to continue
- Price is optimal growth driver given margin flow-through

Benefits from M&A

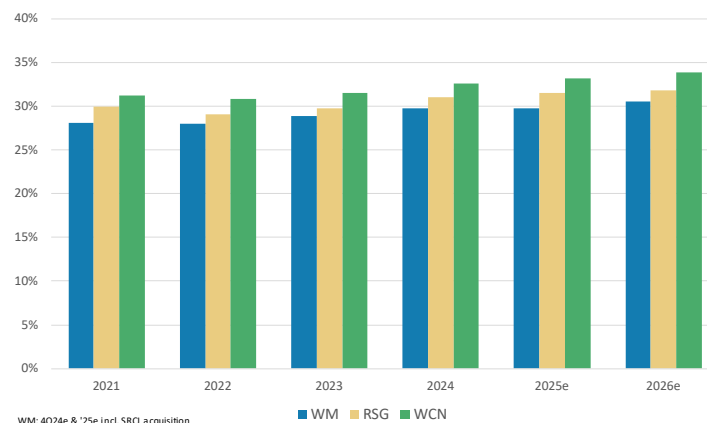
- M&A activity well above historical levels; closed \$125M of annualized M&A to date with \$50-\$100M+ expected by July
- Targeting M&A opportunities of \$3.5-\$4B in annual revenue
- We estimate multiple accretion can yield >20% value to WCN's market cap by realizing these opportunities

Waste Industry Normalizing, and like WCN's Position

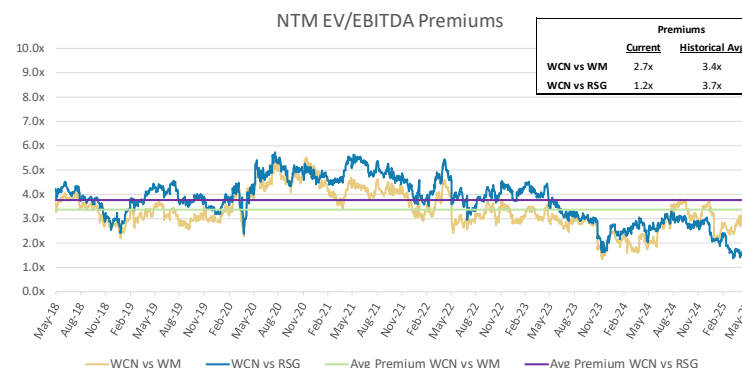
- We like the defensiveness of the waste industry
- Have a high degree of confidence in WCN's execution and price-led growth, strongest margins, and FCF conversion
- Guided revenue growth of 6.8% is ahead of RSG (5.4%) and WM (WM Legacy, 5.7%) with estimated ~6% pricing in 2025 after 7.1% in 2024

Highly Attractive Relative Valuation vs. History

Expect WCN to maintain Peer-Leading Margins



Attractive Relative Valuation vs Avg



KLC (OW): Significantly Oversold MSD Grower in Stable Market

Largest Daycare Center Provider in a Large, Growing Market

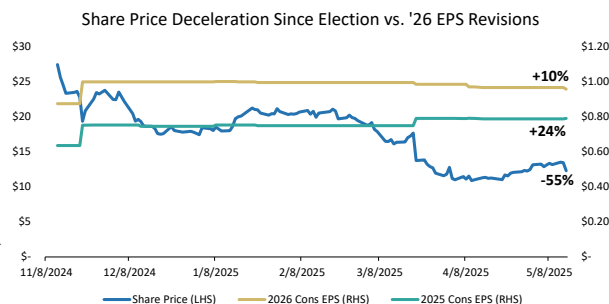
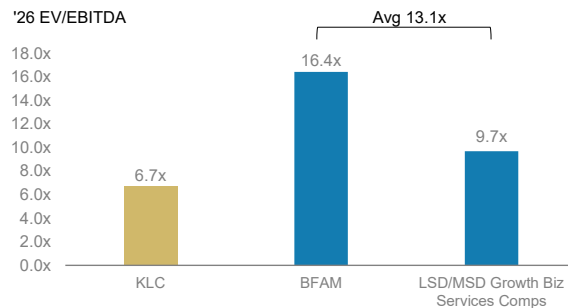
- Largest footprint of any childcare provider with ~1,520+ sites in 41 states; over 20% greater center capacity (>200K) than the next largest provider
- \$19B market for US private early childhood edu growing 6% ('23-'30)

Ancillary Growth Opportunities

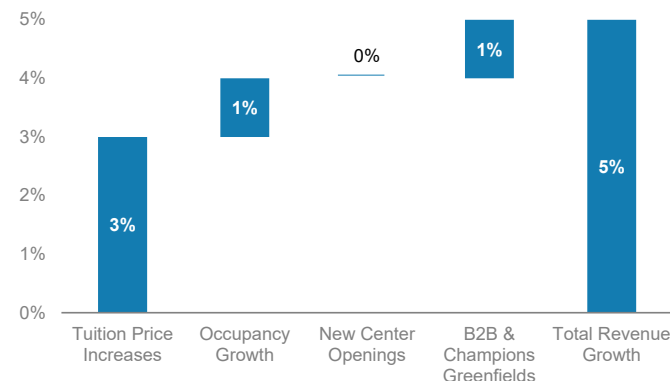
- Potential for M&A as government subsidies from COVID lapse
- B2B: ~20% of rev, 900 employer relationships vs 400 in '19
- Crème: ~5% of rev, premium offering of 40+ sites, greenfield opportunity
- Champions: ~7% of rev, 1,000+ sites vs 641 in '21 with massive opportunity of 90k+ schools in the US for a minimal expense segment

Significantly Undervalued

- KLC's '26 EV/EBITDA multiple of ~7x is below the ~13x avg of BFAM (~16x) and LSD-MSD Biz Services peers (~10x)
- Significant upside to reach our \$19 PT
- Sell-off of 55%+ since the election due to uncertainty as 35% of revenue stems from funding grants, however no sign of change to funding policies



KLC Growth Algo: MSD Top Line



Every 2% of Occupancy Improvement = 100 bps adj. EBITDA Margin Expansion

Quintile	Occupancy Rates by Center Profitability			'24 vs '19
	2019	2023	2024	
1 st	75%	87%	86%	↑ 11%
2 nd	73%	81%	81%	↑ 9%
3 rd	69%	75%	76%	↑ 7%
4 th	64%	66%	67%	↑ 4%
5 th	51%	49%	54%	↑ 3%

BFAM (UW): Utilization Stagnant with Higher Labor Expenses

Profitability of Full Service Still Under Pressure

- Industry wages are ~32% higher vs. pre-COVID while BFAM's utilization has not yet recovered
- Multiple pricing cycles required to offset labor inflation
- Margins have not recovered; L/MSD% in '24, +0.5% in '23 ex ARPA of \$33M vs +9.9% in 2019
- Utilization recovery remains slow, as occupancy levels will take years to return to pre-COVID levels assuming BFAM's 1-2% enrollment algo

WFH hybrid dynamics impacting employer-based daycare model

- Companies may be more hesitant to build on-site facilities (limiting new center growth) as they reduce real estate and employees work a hybrid schedule (~60% of BFAM's US centers are on-site)
- Mix shift of center types has tilted towards community centers
- Increased competition if employees look for centers closer to their homes

Valuation not pricing in underlying risks to the business model

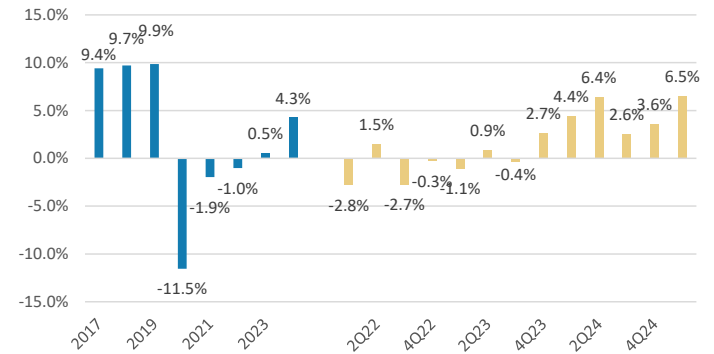
- BFAM's NTM EV/EBITDA multiple of ~18x is slightly above its 17x pre-COVID avg, suggesting risks to growth and margins are not being discounted considering margins are not near pre-COVID levels

BFAM NTM EV/EBITDA Multiple



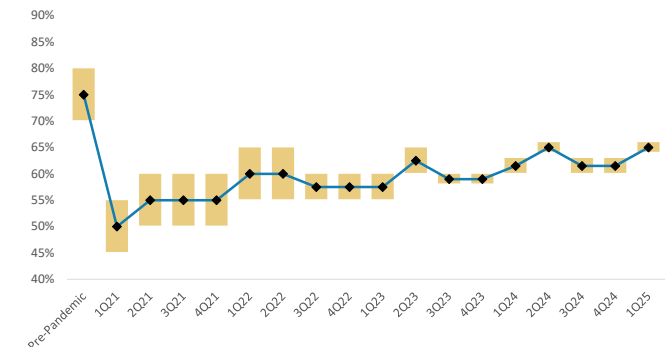
Full Service Margins Still Below Pre-COVID Levels...

Full Service Margins ex-ARPA



...As Utilization Rate has not meaningfully recovered

Utilization Rate Range



*1Q24 Utilization was said to be "over 60%"

*2Q24 Utilization was said to be "mid 60%"

*3Q24 Utilization was said to be "low 60%"

*4Q24 Utilization was said to be "low 60%"

*1Q25 Utilization was said to be "mid 60%"

FDS (UW): Stretched Valuation For Limited Growth Potential

Industry Headwinds

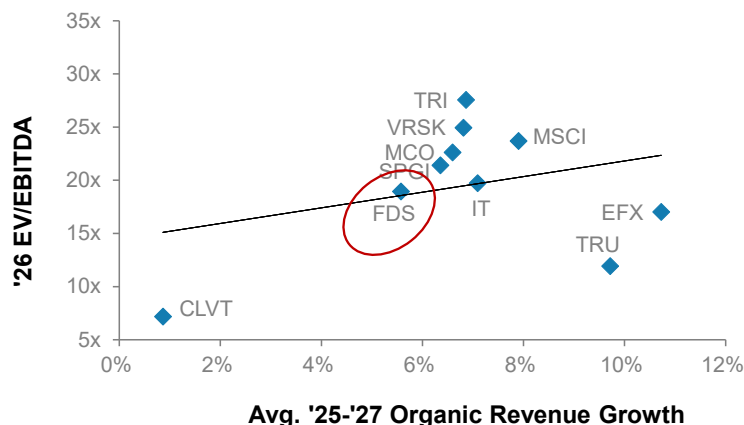
- Asset management industry continues to be challenged
- Active to passive shift is a negative for the client base
- Increasing fee pressure for active managers
- Challenging equities environment

Decelerating Top Line Growth and Low EPS Growth Not Discounted in Valuation

- Low end of adj. EPS growth and organic growth across Info Services coverage
- Valuation unwarranted on a growth-adjusted basis vs. peers given challenging end market

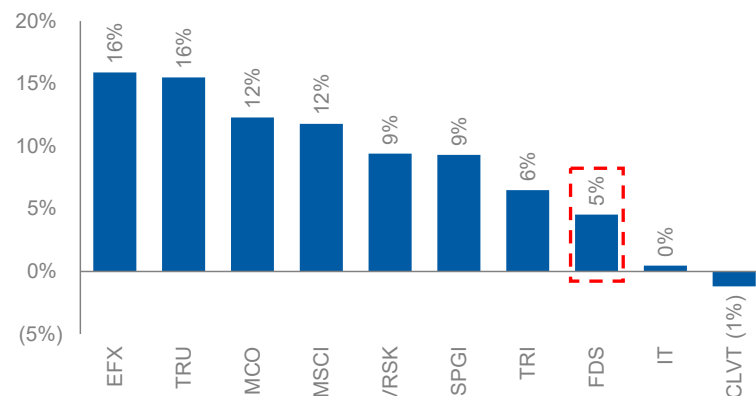
Valuation Not Discounted Despite Growth Challenges

'26 EV/EBITDA vs. Avg Org Rev Growth '25-'27



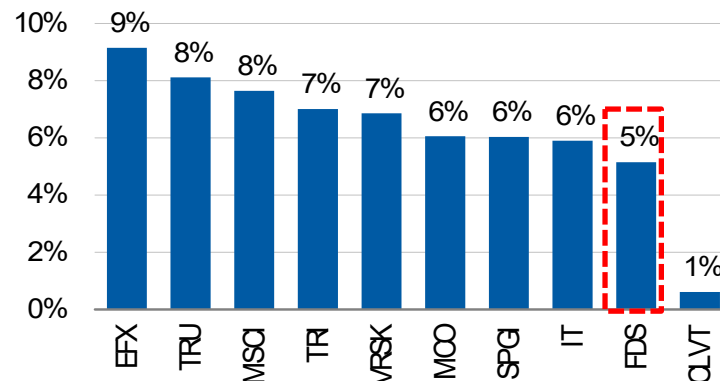
Adj. EPS Growth Towards The Bottom of Our Info Services Coverage

Adj. EPS Growth '25-'26 CAGR



Organic Growth Towards The Lower End of Our Info Services Coverage

'25-'26 Avg Organic Revenue Growth



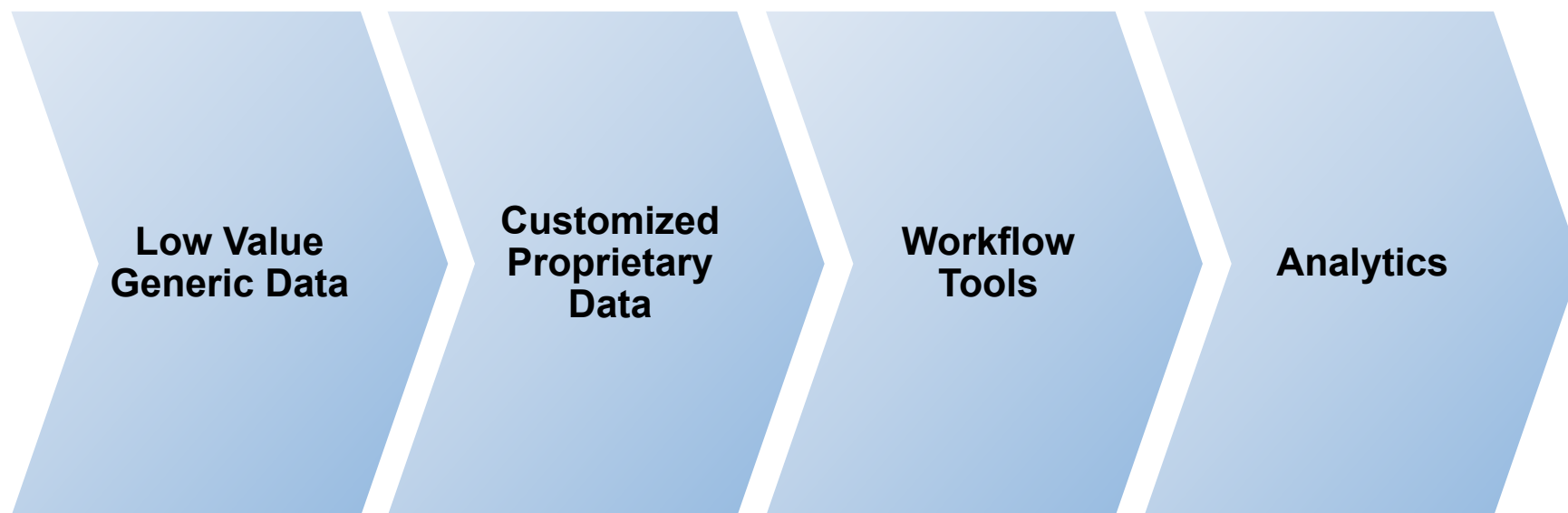
Information Services



Information Services Industry Segment	Market Size (\$B)	'24E Growth	'24-'27E	Key Competitors		
Financial Information & Solutions	\$105B	7%	6%	Bloomberg	LSEG	Factset
Marketing Research	\$50B	5%	4%	Nielsen	Comscore	Kantar
Legal & Regulatory Solutions	\$31B	5%	5%	Thomson Reuters	Relx	Wolders Kluwer
Governance, Risk & Compliance Solutions	\$27B	7%	8%	Relx	Verisk	
Tax & Accounting Solutions	\$27B	7%	7%	Intuit	Thomson Reuters	H&R Block
Credit Information & Solutions	\$19B	4%	4%	Experian	Equifax	Transunion
IT Research	\$9B	8%	7%	Gartner	IDC	Forrester
Total Info Services	\$2,315B	6%	5%			

Source: Outsell, Morgan Stanley Research

Evolution of Information Services / Analytics



Analytics Key Trends

Big Data / New Analytics Products

- AI and machine learning has allowed for the development of new tools, solutions, and analytics offerings
- Driven higher volume and pricing
- Usage of data-driven decisions increasing

Increased Adoption of Analytics

- Scale and cloud technology has allowed usage by longer tail clients
- Increased number of use cases
- Rise of alternative data applications

Key Trends Growth Drivers

Increasing Budget for Analytics/Usage

- Companies are spending more on data and analytics
- 3%+ price increases annually w/ high retention rates

Embedded Solutions

- Shift toward higher growth workflow solutions
- Embedded deeper within clients
- Stickier products

Industry Themes

Revenue Growth from Market Penetration and Share Gains

- Vast addressable markets
- Leading providers in respective industries with strong position to gain share

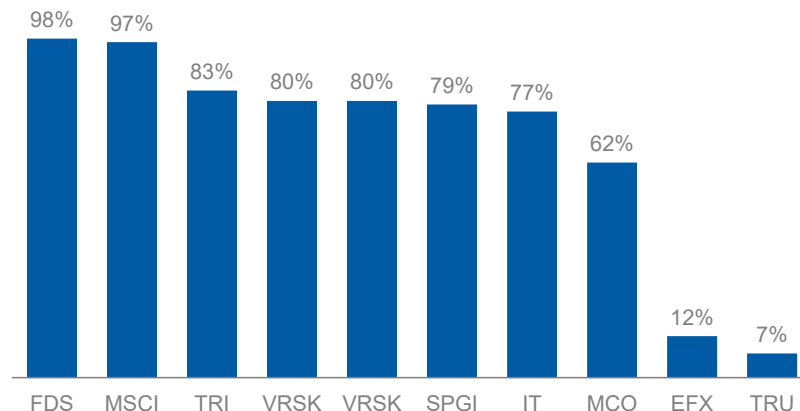
Attractive Business Models

- Top line visibility due to subscription-based models / defensiveness
- Scalable and inexpensive to add new customers – primarily only sales expenses after development is complete
- Typically, low capital requirements once the infrastructure has been built
- High levels of free cash flow generation

High Barriers to Entry for New Competitors

- Trusted brands lead to increased customer demand
- Significant investment required to replicate current products
- High switching costs lead to customer retention

Recurring Revenue as % of Total Revenue



Organic Revenue Growth Algorithm



Org Rev Growth:
Mid-HSD%

Adj. EBITDA
Margin: ~40%

Subs models
~80%+
recurring rev

CapEx % of
Rev: 6%

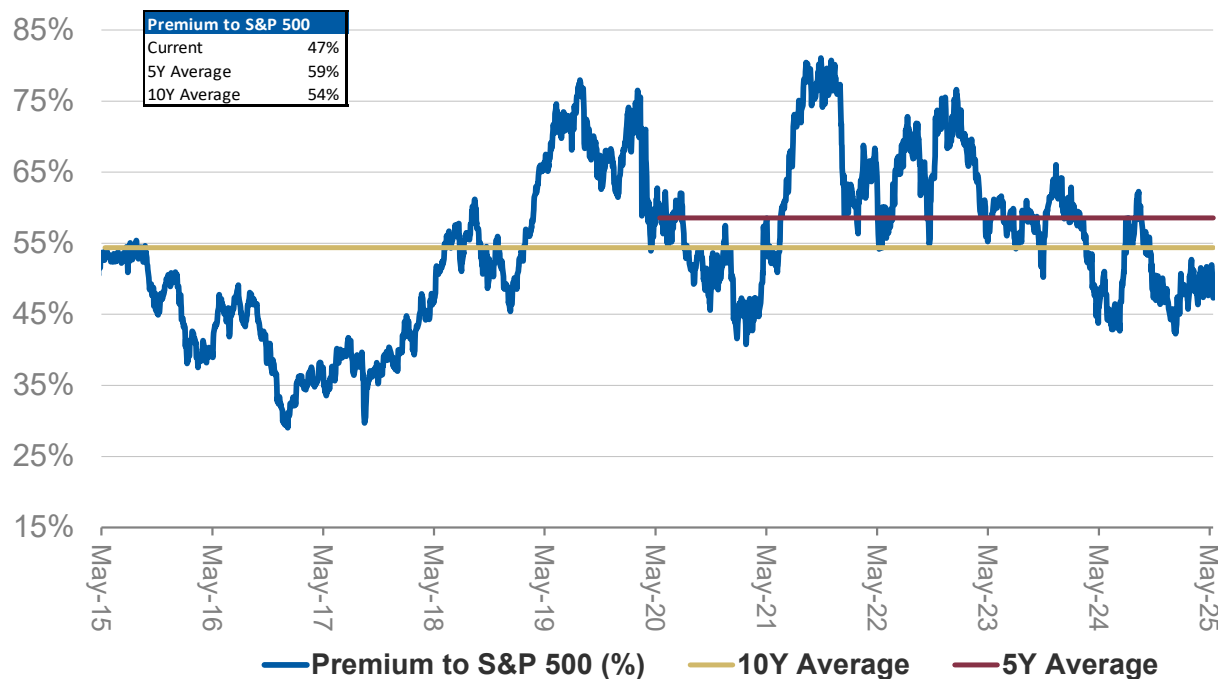
■ Price ■ New Products / Customers

Info Services Group Premium to S&P 500

Premium multiple to the market due to:

- Growing secular data/analytics trends
- Leading market positions
- Scalability typically results in margin expansion
- Defensiveness / high revenue visibility

Info Services P/E Premium to S&P 500 (%)



Source: Factset, Morgan Stanley Research.

Valuation vs. History / Info Services Average

	Current NTM P/E Multiple	5Y Avg	Std Dev Away From 5Y Avg	10Y Avg	Std Dev Away From 10Y Avg	Current P/E Prem/Disc vs. S&P 500	5Y Avg	Std Dev Away From 5Y Avg	10Y Avg	Std Dev Away From 10Y Avg	Current P/E Prem/Disc vs. Info Services	10Y Avg	Std Dev Away From 10Y Avg
CLVT	6.8x	18.4x	(0.98)	19.6x	(1.07)	-68%	-9%	(1.12)	-2%	(1.18)	-78%	-39%	(1.16)
TRU	20.9x	22.5x	(0.33)	23.2x	(0.57)	-2%	13%	(0.76)	28%	(1.28)	-31%	-18%	(0.99)
MSCI	32.3x	40.9x	(1.12)	34.8x	(0.28)	52%	106%	(1.59)	89%	(1.05)	7%	21%	(0.95)
FDS	25.6x	28.1x	(0.82)	26.0x	(0.09)	21%	43%	(1.20)	43%	(1.31)	-15%	-8%	(0.86)
IT	34.6x	37.0x	(0.56)	34.9x	(0.07)	63%	86%	(1.62)	92%	(1.64)	14%	24%	(1.00)
SPGI	28.9x	28.9x	0.01	25.5x	0.83	37%	46%	(0.96)	39%	(0.18)	-4%	-10%	0.82
TRI	45.9x	40.8x	1.09	40.6x	1.23	117%	106%	0.62	116%	0.02	52%	35%	1.34
MCO	33.6x	30.8x	0.73	26.3x	1.31	58%	56%	0.13	43%	0.78	11%	-7%	1.34
EFX	33.0x	28.0x	1.46	24.6x	1.88	56%	41%	1.19	34%	1.53	9%	-13%	2.35
VRSK	40.9x	35.1x	1.84	30.8x	1.89	93%	78%	0.99	68%	1.32	35%	8%	2.27
Average	30.3x	31.1x	0.1x	28.6x	0.51	43%	56%	-0.4x	55%	(0.30)	0%	-1%	0.32

Source: Company data, Factset, Morgan Stanley Research.

Valuation vs. History / Diversified Services Average

	Current NTM P/E Multiple	5Y Avg	Std Dev Away From 5Y Avg	10Y Avg	Std Dev Away From 10Y Avg	Current P/E Prem/Disc vs. S&P 500	5Y Avg	Std Dev Away From 5Y Avg	10Y Avg	Std Dev Away From 10Y Avg	Current P/E Prem/Disc vs. Info Services	10Y Avg	Std Dev Away From 10Y Avg
ADV	2.9x	7.9x	(1.27)	7.9x	(1.27)	-86%	-61%	(1.51)	-61%	(1.51)	-88%	-69%	(0.91)
KLC	14.4x	24.6x	(1.13)	24.6x	(1.13)	-32%	15%	(1.21)	15%	(1.21)	-41%	-5%	(1.29)
BFAM	27.5x	36.5x	(0.71)	33.9x	(0.66)	30%	81%	(1.01)	84%	(1.38)	12%	35%	(0.16)
LRN	20.5x	17.8x	0.37	24.2x	(0.38)	-3%	-11%	0.25	36%	(0.67)	-17%	-5%	(0.15)
ADT	9.6x	11.2x	(0.63)	10.0x	(0.15)	-55%	-42%	(0.73)	-46%	(0.50)	-61%	-56%	(0.05)
GBTG	21.8x	-3.2x	0.02	-3.2x	0.02	3%	195%	(0.13)	195%	(0.13)	-11%	-109%	0.04
ROL	47.6x	48.9x	(0.16)	46.0x	0.20	125%	147%	(0.63)	152%	(0.78)	93%	86%	0.03
ARMK	18.2x	16.1x	0.26	16.6x	0.27	-14%	-17%	0.07	-7%	(0.22)	-26%	-32%	0.07
WCN	34.1x	33.9x	0.10	30.7x	0.74	61%	71%	(0.79)	68%	(0.38)	38%	25%	0.08
WM	27.8x	26.9x	0.60	24.4x	1.10	31%	37%	(0.39)	34%	(0.21)	13%	0%	0.10
BV	17.9x	12.3x	1.72	12.5x	1.74	-16%	-39%	1.85	-34%	1.22	-27%	-50%	0.45
CTAS	44.4x	36.9x	1.59	31.0x	1.90	109%	86%	1.29	68%	1.72	80%	25%	0.32
RSG	33.3x	27.9x	2.26	25.6x	2.33	57%	42%	1.11	40%	1.37	35%	4%	0.22
Average	24.6x	22.9x	0.2x	21.9x	0.36	16%	39%	-0.1x	42%	(0.21)	0%	-12%	(0.10)

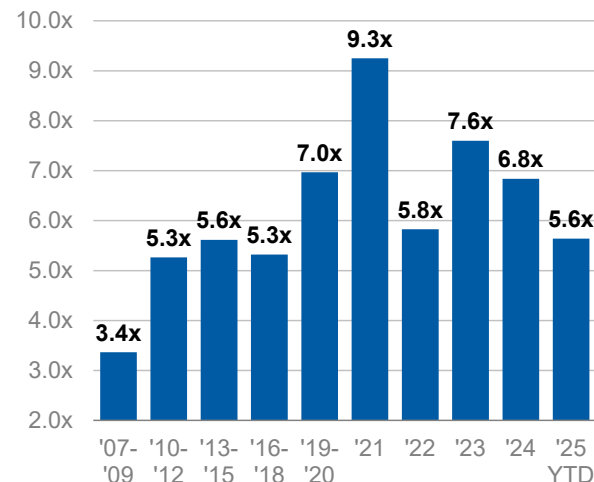
Source: Company data, Factset, Morgan Stanley Research.

Transaction Valuation Levels Have Increased

M&A

- Recent strategic deals have transacted at higher multiples like TRI buying Casetext for its AI capabilities, and MSCI buying Burgiss and Real Capital Analytics to build up its private assets content
- Large combinations in recent years such as LSE/Refinitiv and SPGI/INFO
- High level of synergies: cost synergies have averaged 17% of the target's expense base and revenue synergies have averaged 24% of the target's revenue base
- We expect M&A focus on tuck-ins, as companies seek to acquire differentiated content and technology assets in high-growth areas

Average Revenue Multiple

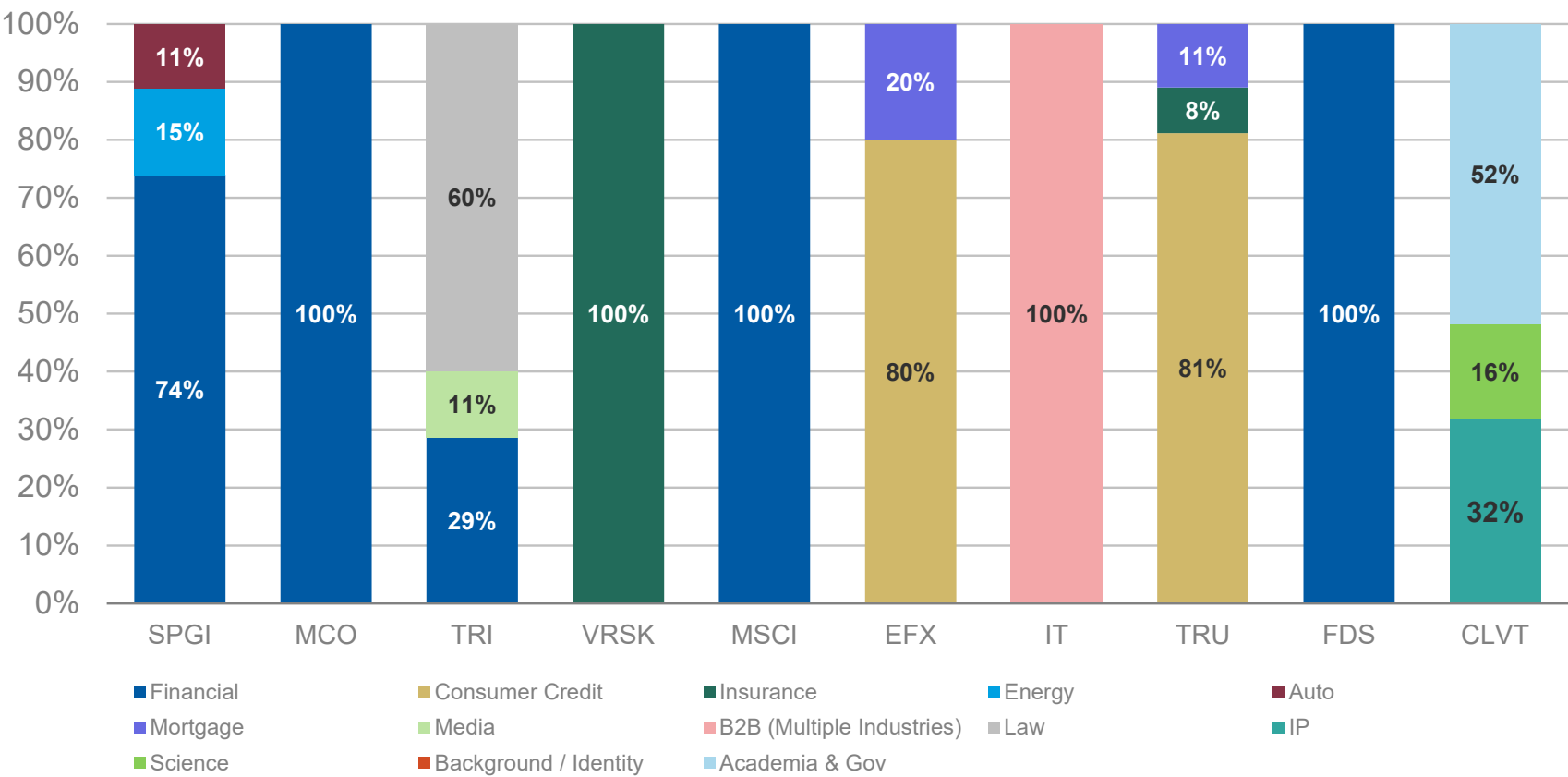


Target	INFO	SNL	MRKT	IPREO	Refinitiv	BvD	Callcredit	CEB	Kount	DRG	CPA Global	Pro Quest	RCA	RMS	Appriss	Neustar	Argus	STER
Acquirer	SPGI	SPGI	IHS	INFO	LSE	MCO	TRU	IT	EFX	CLVT	CLVT	CLVT	MSCI	MCO	EFX	TRU	TRU	FA
Revenue	\$4,288	\$255	\$1,113	\$370	\$6,250	\$281	\$167	\$1,017	\$60	\$207	\$564	\$875	\$70	\$320	\$150	\$575	\$143	\$720
Expenses	\$2,451	\$204	\$617	\$255	\$4,042	\$137	\$110	\$747	N/D	\$160	\$302	\$625	\$50	\$265	\$87	\$460	\$102	\$535
Adj. EBITDA	\$1,837	\$51	\$497	\$115	\$2,208	\$144	\$57	\$270	N/D	\$47	\$262	\$250	\$20	\$55	\$63	\$115	\$41	\$185
Deal Value	\$44,000	\$2,225	\$6,152	\$1,855	\$27,000	\$3,280	\$1,408	\$3,300	\$640	\$950	\$6,800	\$5,300	\$950	\$2,000	\$1,825	\$3,100	\$515	\$2,200
Adj. EBITDA Multiple	24.0x	43.6x	12.4x	16.1x	12.2x	22.8x	24.7x	12.2x	~37x	20.2x	26.0x	21.2x	46.8x	36.4x	29.0x	27.0x	12.6x	11.9x
Run Rate Cost Synergies	\$480	\$35	\$125	\$20	\$469	\$40	\$30	\$38	N/D	\$30	\$75	\$100	N/D	N/D	N/D	\$70	N/D	\$50
Run Rate Revenue Synergies	\$350	\$35	\$100	\$35	\$302	\$40	\$0	N/D	\$50	N/D	N/D	N/D	N/D	\$150	\$75	N/D	N/D	N/D
Cost Synergies % of Target Expense Base	20%	17%	20%	8%	12%	29%	27%	5%	N/A	19%	25%	16%	N/A	N/A	N/A	15%	N/A	9%
Rev Synergies % of Target Rev Base	8%	14%	9%	9%	5%	14%	0%	N/A	83%	N/A	N/A	N/A	N/A	47%	50%	N/A	N/A	N/A

Analytics: End Market Mix

(\$ in millions)

(% of Revenue FY24)



Note: TRI financial includes T&A, Corporates is split between Legal / Financial. Source: Company data, Morgan Stanley Research.

Analytics: Segment Mix

(% of Revenue FY24)



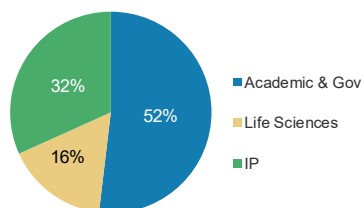
Source: Morgan Stanley Research, Company Data. VRSK mix is estimated.

Toni Kaplan, (212) 761-3620, Toni.Kaplan@morganstanley.com

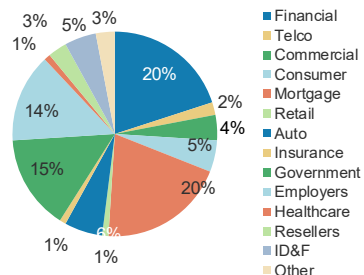
Analytics: Client Breakdown

(% of Revenue FY24)

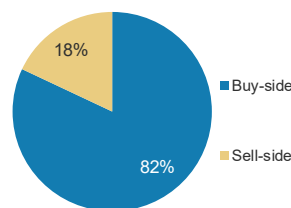
CLVT



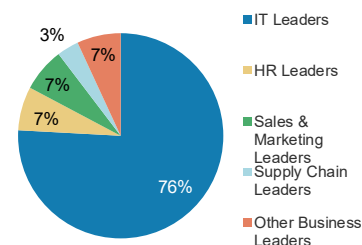
EFX



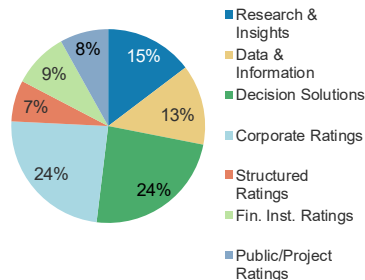
FDS



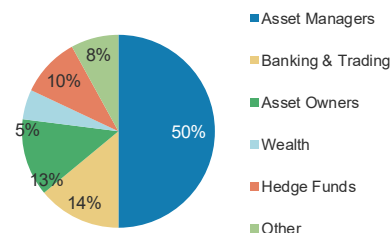
IT



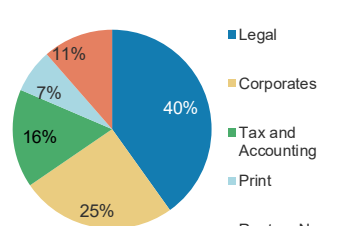
MCO



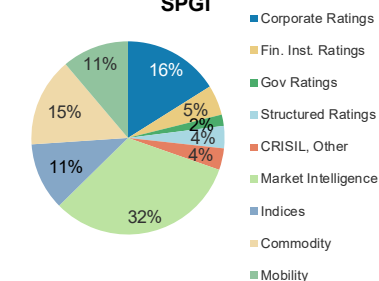
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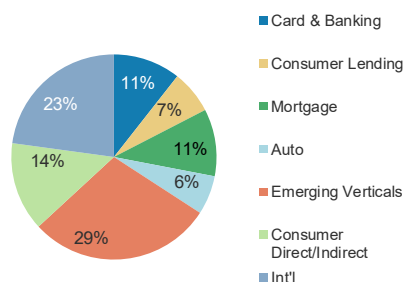
TRI



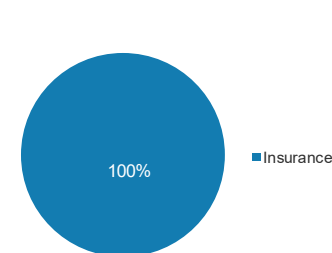
SPGI



TRU

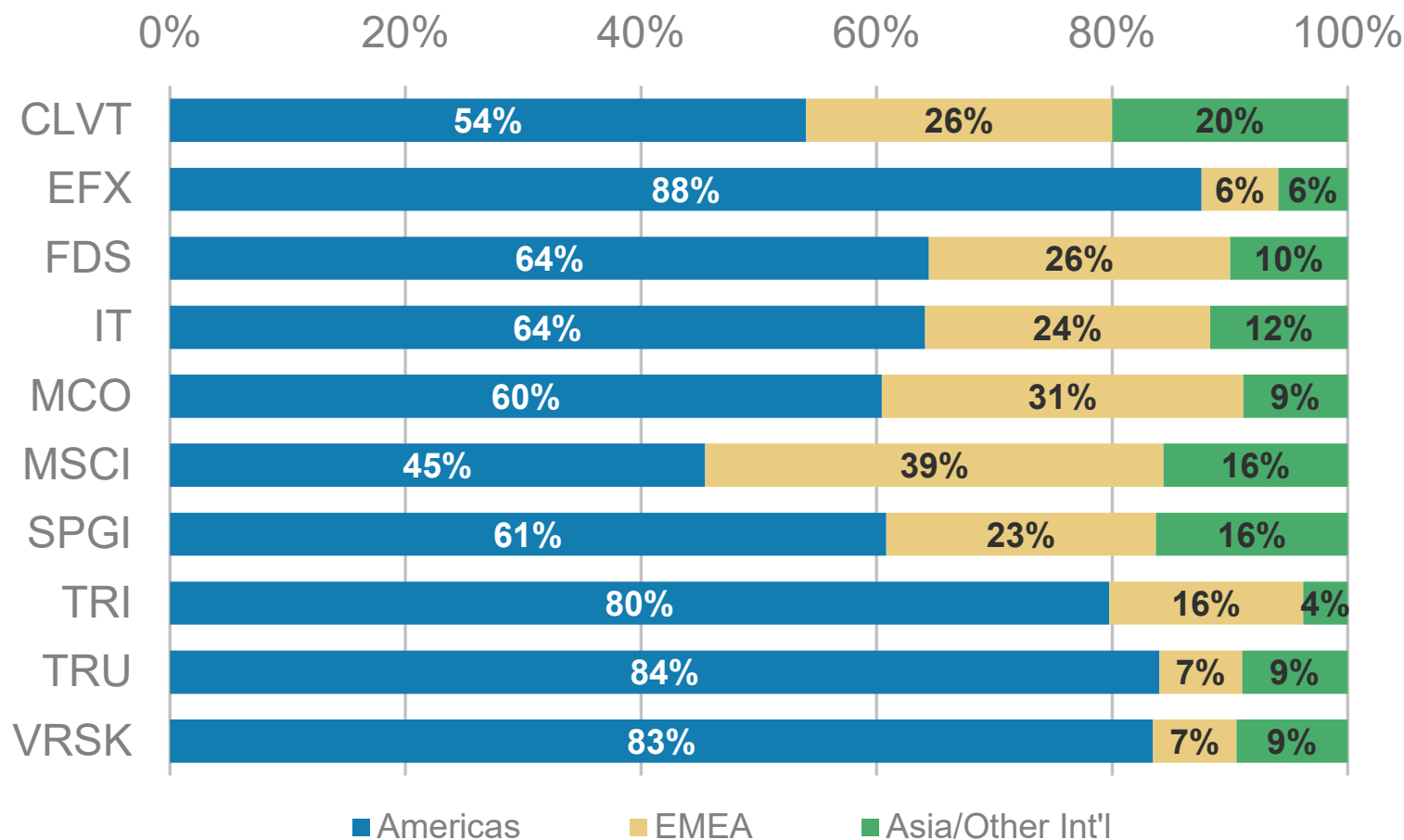


VRSK



Analytics: Revenue by Geography

(% of Revenue FY24)



Source: Company data, Morgan Stanley Research. Notes: VRSK is as of 2023 and Americas represents U.S., EMEA represents UK.

Drivers of Analytics Revenue Growth

Company	Sub Term	% Recur	% Retention	Primary Recurring Revenue Drivers*	Primary Non-Recurring Revenue Drivers
 Clarivate Analytics	Annual	80% / 64% Subs	92%	Subscription growth driven by client penetration from cross-selling, new client wins, geographic expansion	Backfile sales within Web of Science, search volumes within CompuMark, IP project-based work, and consulting
 EQUIFAX	Monthly/annual	~12%	ND	Number of consumer credit monitoring subs, ACA compliance product subs	Credit report volumes, custom data sets, Work Number requests, project-based credit marketing services
 FACTSET	Small Firms: Annual Larger Firms: 3Y+	98%	90%	Number of clients and users, adoption of premium portfolio analytics products	Workstations sold to summer interns, introducing brokerage services, implementations, publications, software license sales
 Gartner	70% Multi-year	77%	85%	Number of Research subscribers	Event exhibitors and attendees, consulting services (strategy, contract optimization, benchmarking work)
 MOODY'S	Annual	62%	MA: 95%	Debt surveillance fees, number of research and data subscribers	New credit issuance, software solutions and related risk management services
 MSCI	Annual	97% / 74% Subs	93%	Index subs based on access method/ breadth/depth of data received; variable fees collected on AUM linked	Customized reports, historical data sets, implementation consulting services
 S&P Global	Annual	79% / 52% Subs	Low-to-mid 90s (est)	Debt surveillance and frequent issuer fees, Market Intelligence subscriptions, asset based fees, Platt's	New credit issuance, trading fees, individual CARFAX vehicle history reports, one-time data sales, project/consulting work
 THOMSON REUTERS	Annual	83%	91%	Value based pricing of products across Legal and Tax & Accounting	Non-subscription software license sales, volume-based fees related to online search usage, professional and consulting fees
 TransUnion	Monthly/annual	~7%	ND	Number of consumer credit monitoring subs	Credit report volumes, custom data requests, project-based marketing services
 verisk Analytics	3 years	80%	98%	Some Underwriting & Rating contracts tied to P&C premium pricing, most other contracts primarily value based	Property-specific rating/underwriting info, media effectiveness projects

Source: FY24 where available; Note: Excludes price increases; MSCI and SPGI recurring includes asset-based fees.

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Key Metrics

(\$ in millions, except per share data)

	CLVT	EFX	FDS	IT	MCO	MSCI	SPGI	TRI	TRU	VRSK
Industry Focus	IP, Science, Aca & Gov	Credit Risk, HR Services	Financial	Technology, Other Industries	Financial	Financial	Financial, Energy, Auto	Legal, Tax, Acct	Credit Risk	Insurance
Revenue (FY24E, \$M)	\$2,381	\$6,000	\$2,306	\$6,580	\$7,374	\$3,067	\$14,945	\$7,482	\$4,381	\$3,080
Avg Organic Rev. Growth '25-'26	1%	10%	5%	6%	7%	8%	7%	7%	9%	7%
FY25E Adj. EBITDA Margin	41.7%	32.7%	39.9%	24.3%	49.3%	60.3%	49.7%	38.7%	36.0%	55.6%
% Recurring Rev	80%	12%	98%	77%	62%	97%	79%	81%	7%	80%
CapEx % of Sales (FY25E)	12.1%	8.5%	3.7%	1.5%	4.3%	3.8%	0.8%	8.1%	7.2%	7.3%
Non-Americas % of Sales (FY24)	46%	12%	36%	36%	40%	55%	39%	20%	16%	17%
Net Debt/LTM Adj. EBITDA	3.9x	2.6x	1.5x	0.2x	1.3x	2.3x	1.3x	0.5x	2.9x	1.6x
FCF (FY25E, \$M)	\$312	\$1,004	\$810	\$1,208	\$2,435	\$1,429	\$5,756	\$1,932	\$513	\$1,231
Std. EBITDA (CY25E \$M)	\$822	\$1,959	\$920	\$1,422	\$3,632	\$1,851	\$7,428	\$2,894	\$1,469	\$1,712
Std. EPS (CY25E)	\$0.57	\$7.71	\$17.01	\$12.66	\$13.66	\$16.84	\$17.03	\$3.84	\$3.53	\$7.10

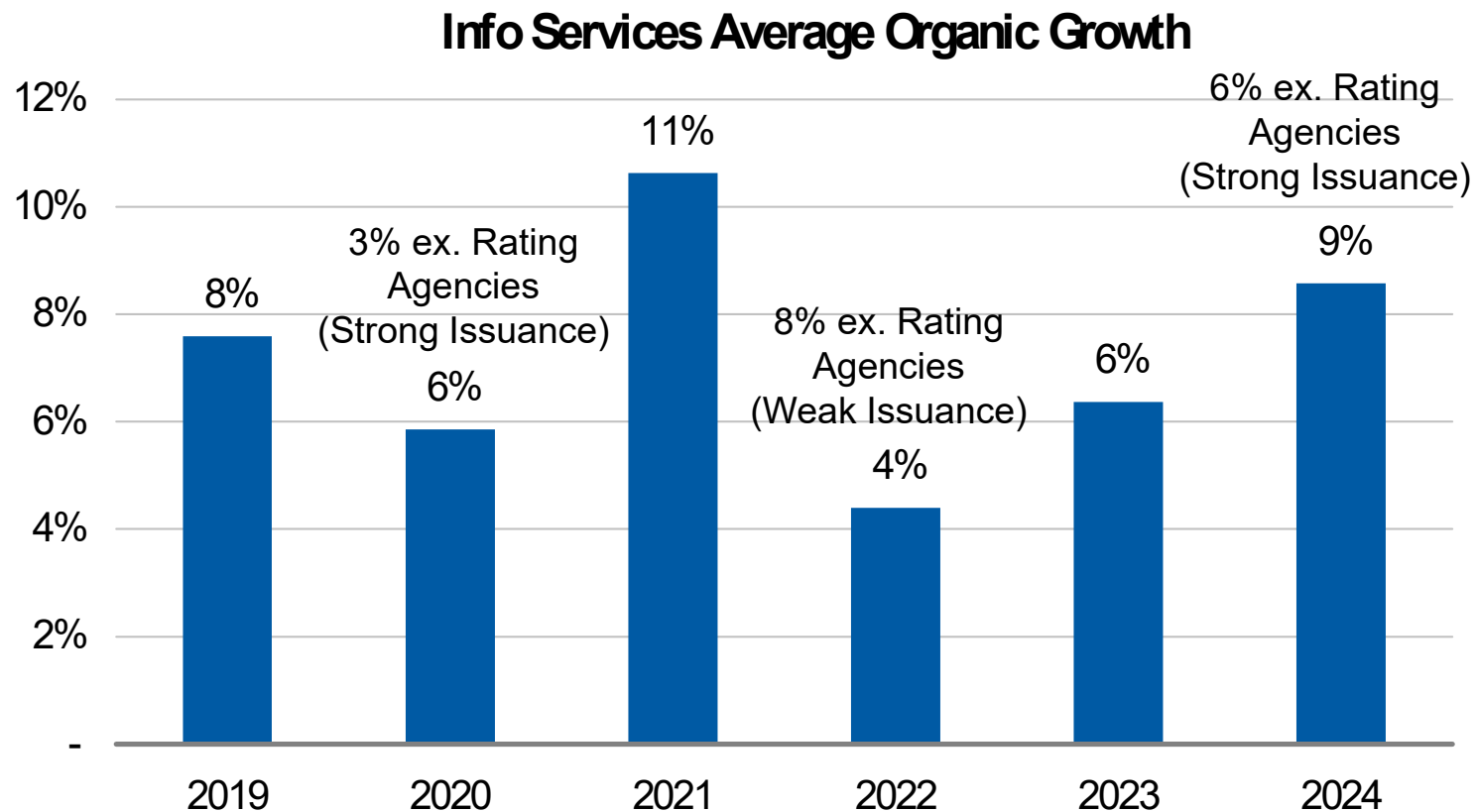
Notes:

Std. EBITDA is unadjusted post stock-based comp

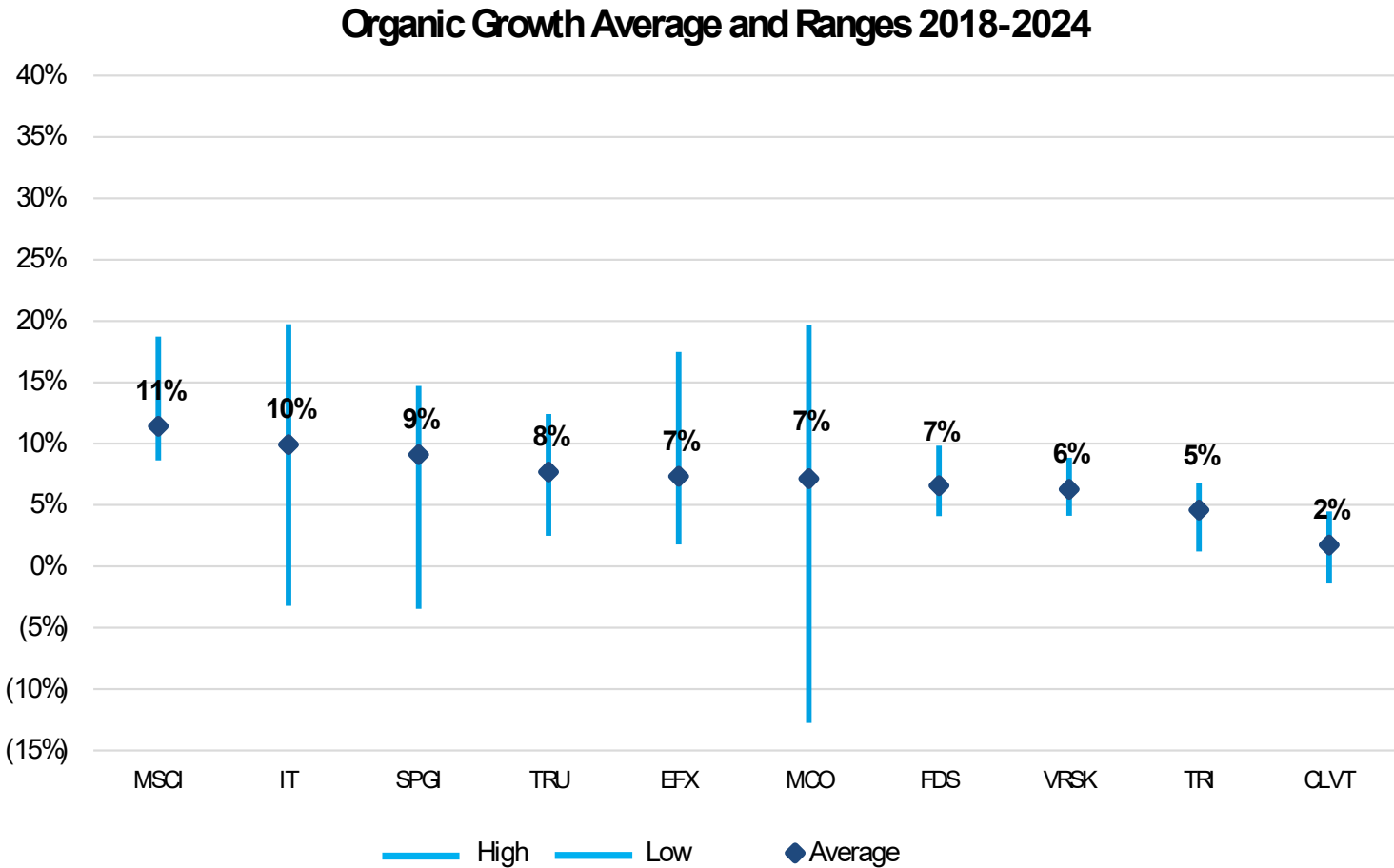
Std. EPS is defined as net income to common plus after-tax amortization

Source: Company Data, Morgan Stanley Research

Organic Growth – Info Services Average



Organic Growth Volatility



Source: Company Data, Morgan Stanley Research

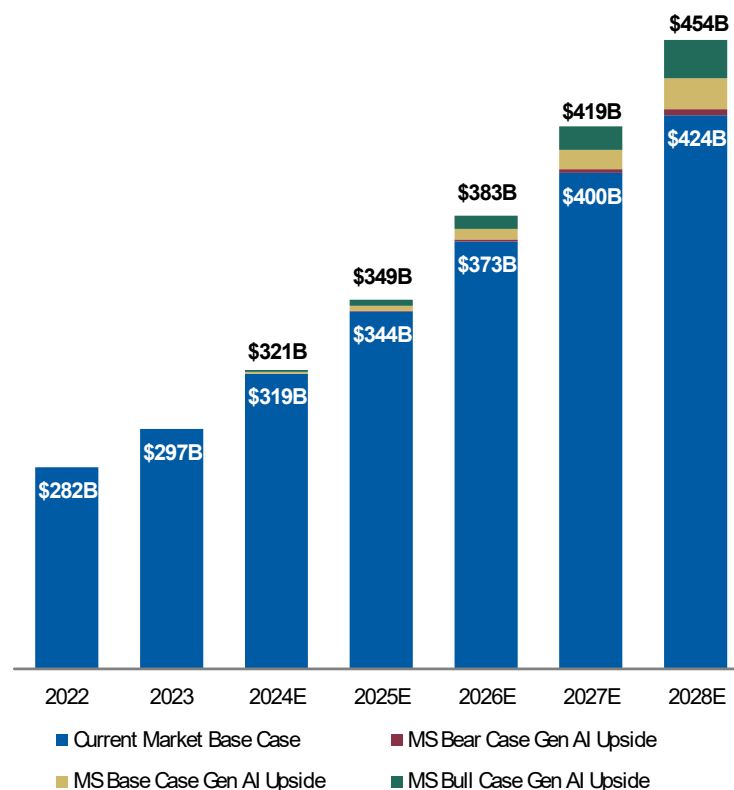
Generative AI in Info Services

Gen AI Upside Ranking

	Proprietary Data	Gen AI New Revenue Stream Opportunity	AI Focus / Willingness to Invest	Gen AI Upside
TRI	Medium	Very High	Very High	8.5
MCO	High	Medium	Very High	8.0
SPGI	High	Medium	High	7.5
VRSK	Very High	Low	Low	6.0
MSCI	Medium	Low	Medium	5.5
IT	Medium	Medium	Low	5.5
FDS	Low	Medium	Medium	5.5
EFX	High	Very Low	Medium	5.5
TRU	High	Very Low	Medium	5.5
CLVT	Low	Medium	Low	4.5

Gen AI Upside Revenue Scenarios

Gen AI Revenue Upside Scenarios



Analytics Scorecard

Ranking of Key Investment Factors

					Fundamental						Valuation	
					Org Rev	2025	'24-'26			Perform-		Prem to Info
Ticker		Overall		Prior	Growth '25-	EBITDA	EPS		Net Levgt	ance in	Upside to	Services v 5Y
		Rank		Rank	'26	Margin	CAGR	Moat	(TTM)	Downturn	PT	Average
MSCI	OW	1		1	3	1	4	1	7	5	2	2
SPGI	OW	2		2	7	3	5	3	4	7	3	5
TRU	OW	3		3	2	8	2	7	9	9	1	6
EFX	OW	4		4	1	9	1	6	8	6	6	8
VRSK	EW	5		5	5	2	6	1	6	1	8	10
TRI	EW	6		6	6	7	7	5	1	2	7	9
MCO	EW	7		7	4	4	3	3	3	10	9	7
IT	EW	8		8	8	10	10	8	2	8	5	3
CLVT	EW	9		9	10	5	9	9	10	*	4	4
FDS	UW	10		10	9	6	8	10	5	4	10	1

Note: Performance in Downturn reflects average relative performance vs. S&P 500 during 4 week corrections of 5% or greater since 2011. * CLVT and STER excluded given limited history.

Source: Factset, Company Data, Morgan Stanley Research

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Business Model Resiliency

Company	Moat (Limited Competitive Threat)	Factors in Our Determination	Risks
VRSK	High	Proprietary, must-have data in Insurance, particularly in commercial underwriting	Competition may emerge in claims, end market growth
MSCI	High - Index, Medium - Analytics	Brand and liquidity are important factors in index business (despite alternatives); competition within analytics	Customer concentration, competition (analytics), equity market exposure
SPGI	High - Index, Ratings, Mobility, Platts Medium - Resources (INFO) Low - Cap IQ	Strong brand in ratings, index, Platts, and Mobility (Carfax). INFO Resources moat mixed from upstream pressure. Cap IQ business has potential to be enhanced by SNL capabilities but terminals market could remain challenging	Distrust re-emerges in ratings biz, regulatory, competition
MCO	High - Ratings, Medium - Analytics	Strong brand in ratings, more competition in the analytics business	Distrust re-emerges in ratings biz, regulatory, competition in analytics
TRI	Medium	Leading position among competitors within Legal and Tax & Accounting markets with limited new entrants and high barriers to entry	AI, technology obsolescence, slow end market growth
EFX	High - Workforce Med/High - USIS Low - Consumer	Number one or two credit bureau in several key global markets, dominant position in employment/income verifications	Reliant on credit cycle, emerging competition in verification
TRU	Med/High - USIS Low - Cons Interact.	One of the top three credit bureaus globally but limited differentiation in core business; diversifying into high growth verticals where services are more differentiated	Growth sustainability, exposure to EM, credit cycle
IT	Med/High - Research Low - Consulting	Market leader in Technology Research, but less sticky vs. Info Services peers. Low on Consulting. Low EBITDA margins reflect high reinvestment required for growth (i.e. increasing sales headcount)	Competition including free alts, growth sustainability
CLVT	Medium	Competition exists within the Science and IP landscape, however Clarivate offers unique data sets within each market offering differentiated products (DWPI, JIF). Clarivate is one of the only providers of end-to-end solutions in its markets	AI, government funding, regulation, tech obsolescence
FDS	Low	Market data terminal substitutes, competitive environment in analytics and portfolio management solutions	Obsolescence; price war

Capital Deployment and Leverage

Leverage Comparison

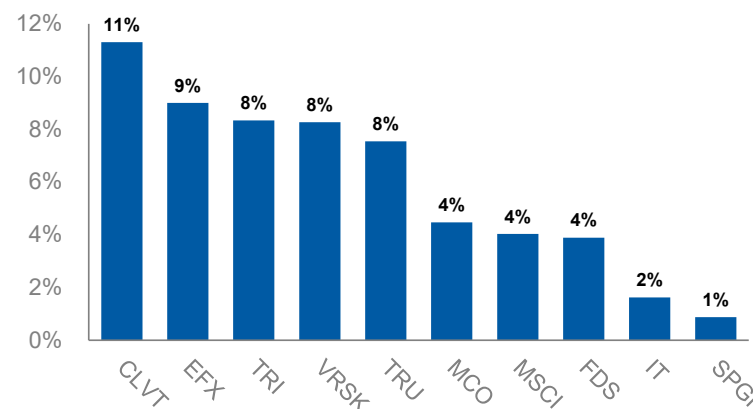
Company	Debt to TTM EBITDA		Target / Commentary
	Gross	Net	
Clarivate	4.3x	3.9x	Below 3x net
TransUnion	3.3x	2.9x	Below 3x net
Equifax	2.7x	2.6x	No target level
MSCI	2.6x	2.3x	3.0x - 3.5x gross
Verisk Analytics	2.3x	1.6x	2x-3x gross
Moody's	2.0x	1.3x	No target level
FactSet	1.9x	1.5x	2.0x-2.5x gross
S&P Global	1.6x	1.3x	2.0x-2.5x gross
Gartner	1.6x	0.2x	2.0x-2.5x gross
Thomson Reuters	1.0x	0.5x	2.5x net
Average	2.5x	2.0x	

Note: Shading represents management's leverage definition;

Repurchases (\$M)

Company	Actual	Actual	Dividend Yield	Dividend Policy
	FY23	FY24		
Thomson Reuters	\$3,124	\$639	1.4%	Annual increases, 50-60% payout ratio
MSCI	504	885	1.3%	Payout ratio of 40-50% of adjusted EPS
FactSet	139	151	0.9%	Annual increases
Moody's	561	1,383	0.7%	Target payout ratio of 25-30%
S&P Global Inc.	3,301	3,301	0.7%	Annual increases, repurchase + div payout >85% FCF
Equifax	0	0	0.6%	20-30% payout ratio of Adjusted Net Income
Verisk Analytics	3,262	1,005	0.5%	Expect dividend to grow over time
TransUnion	0	0	0.5%	Target payout ratio of 10-15% and 50 bps yield
Clarivate	100	0	-	N/A
Gartner	606	735	-	N/A

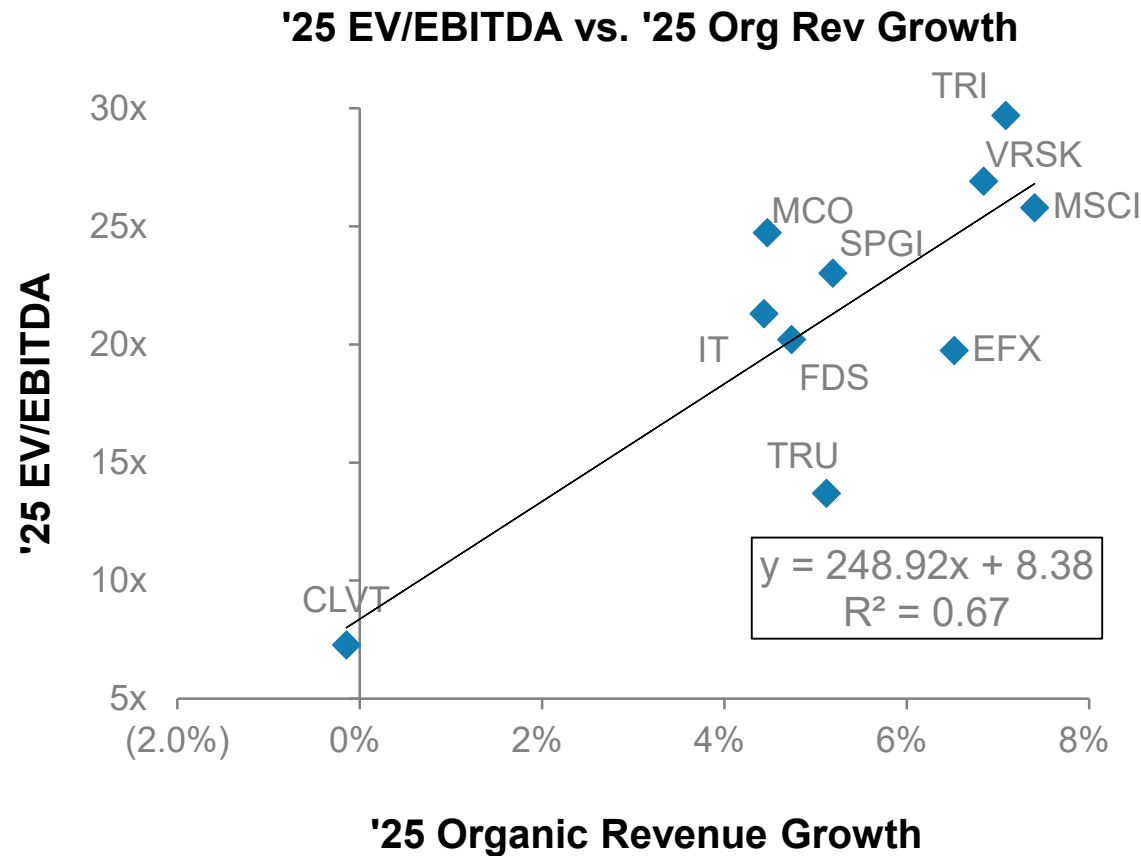
Capex as a % of Revenue (FY24)



Dividend Yield

Source: Company data, Factset, Morgan Stanley Research. Leverage is based on reported adj. EBITDA, which may vary from company disclosed covenant adj. leverage.

Valuation: Multiple Regression Analysis



Source: Factset, Morgan Stanley Research

Earnings L8Q Rev/EPS Surprise, Relative Stock Reaction

L8Q Beat/Miss, Reaction

Ticker	Metric	# Beats/ Outperf	# Misses/ Underperf	% Beat	Median Beat/ Miss	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024	3/31/2025
CLVT-US	Revenue	4	4	50%	0.5%	1.0%	(0.6%)	2.5%	(0.1%)	1.0%	(0.3%)	(2.9%)	0.4%	4.1%
	EPS	8	0	100%	9.8%	17.3%	8.6%	14.6%	9.2%	0.6%	10.4%	2.4%	3.7%	21.0%
	Reaction vs. S&P 500	3	5	38%	-12.3%	4.0%	(22.0%)	2.7%	(17.6%)	(11.4%)	(13.2%)	(29.7%)	(1.7%)	16.7%
FDS-US	Revenue	4	4	50%	0.0%	(0.1%)	0.4%	0.1%	0.3%	(0.2%)	(0.0%)	2.8%	0.6%	0.1%
	EPS	6	2	75%	3.9%	2.6%	4.5%	(16.4%)	(0.0%)	8.1%	10.1%	3.4%	2.2%	2.6%
	Reaction vs. S&P 500	3	5	38%	-3.8%	(5.8%)	(4.9%)	2.3%	(2.7%)	(8.0%)	3.9%	3.4%	3.6%	(1.5%)
IT-US	Revenue	7	1	88%	0.8%	0.9%	1.5%	1.5%	0.0%	(0.0%)	0.7%	0.6%	1.5%	(0.0%)
	EPS	8	0	100%	13.5%	40.1%	13.7%	30.9%	7.5%	13.2%	6.5%	5.6%	67.6%	8.9%
	Reaction vs. S&P 500	4	4	50%	-0.1%	(0.7%)	(2.5%)	13.6%	(2.0%)	(6.5%)	6.4%	0.4%	(0.8%)	2.2%
MSCI-US	Revenue	5	3	63%	1.3%	(0.3%)	3.1%	(0.0%)	4.1%	(0.8%)	1.7%	1.2%	(0.3%)	0.3%
	EPS	8	0	100%	3.5%	4.6%	4.8%	4.1%	11.9%	1.5%	2.5%	2.0%	5.6%	2.0%
	Reaction vs. S&P 500	4	4	50%	0.3%	(11.9%)	8.8%	(2.8%)	9.4%	(14.6%)	8.1%	(2.9%)	(5.1%)	(1.6%)
TRI-US	Revenue	4	4	50%	-0.2%	0.0%	(0.6%)	(1.0%)	(0.5%)	1.5%	(0.8%)	0.7%	0.2%	(1.8%)
	EPS	8	0	100%	9.3%	3.1%	10.7%	15.9%	7.8%	16.6%	3.1%	3.5%	4.3%	7.1%
	Reaction vs. S&P 500	6	2	75%	1.7%	0.1%	2.7%	0.9%	4.5%	6.7%	(0.5%)	2.5%	4.2%	(0.8%)
VRSK-US	Revenue	7	1	88%	1.4%	2.9%	3.1%	2.2%	0.6%	0.7%	(0.8%)	0.4%	0.4%	0.4%
	EPS	7	1	88%	6.5%	8.5%	7.1%	3.4%	(2.5%)	7.5%	6.0%	4.2%	4.2%	2.8%
	Reaction vs. S&P 500	5	3	63%	3.3%	8.6%	2.8%	(3.3%)	(4.5%)	7.2%	(10.1%)	4.9%	(3.9%)	4.2%
EFX-US	Revenue	4	4	50%	0.1%	1.5%	(0.6%)	(0.7%)	1.1%	(0.8%)	0.4%	(0.1%)	(1.4%)	1.8%
	EPS	7	1	88%	2.8%	4.7%	2.0%	(0.9%)	3.8%	3.9%	3.4%	0.2%	1.1%	8.9%
	Reaction vs. S&P 500	4	4	50%	-0.3%	4.4%	(8.2%)	3.0%	4.2%	(8.3%)	2.7%	(3.3%)	(8.8%)	11.3%
TRU-US	Revenue	6	2	75%	2.0%	2.9%	1.1%	(1.4%)	3.0%	4.4%	1.6%	2.4%	1.0%	2.3%
	EPS	6	2	75%	3.3%	7.9%	3.9%	(3.7%)	11.7%	13.4%	2.0%	2.6%	1.1%	7.4%
	Reaction vs. S&P 500	6	2	75%	3.2%	0.4%	2.7%	(24.0%)	5.5%	8.6%	8.5%	3.7%	6.2%	4.7%
MCO-US	Revenue	7	1	88%	2.7%	2.8%	2.7%	0.7%	(0.3%)	5.2%	5.3%	6.2%	(1.8%)	2.6%
	EPS	7	1	88%	10.0%	34.6%	2.4%	5.8%	(6.1%)	11.7%	8.4%	11.9%	0.8%	8.1%
	Reaction vs. S&P 500	6	2	75%	0.8%	2.8%	1.1%	4.3%	(6.6%)	0.0%	0.5%	(3.9%)	3.3%	1.5%
SPGI-US	Revenue	8	0	100%	2.1%	3.0%	1.6%	1.9%	0.6%	2.3%	3.7%	4.1%	2.7%	2.1%
	EPS	6	2	75%	6.2%	7.8%	(0.1%)	5.5%	(0.5%)	9.8%	10.9%	6.8%	8.7%	4.0%
	Reaction vs. S&P 500	5	3	63%	0.3%	2.6%	(7.0%)	5.1%	(5.1%)	1.0%	0.2%	(3.7%)	4.9%	2.0%

Source: Factset, Morgan Stanley Research.

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Earnings L8Q Rev/EPS Surprise, Relative Stock Reaction

L8Q Beat/Miss, Reaction

Ticker	Metric	# Beats/ Outperf	# Misses/ Underperf	% Beat	Median Beat/ Miss	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024	3/31/2025
ADT-US	Revenue	3	5	38%	-1.3%	(2.3%)	(3.5%)	(21.8%)	(3.6%)	1.8%	(0.4%)	1.7%	1.7%	1.8%
	EPS	6	2	75%	29.8%	42.5%	157.7%	131.8%	400.0%	7.5%	(0.6%)	17.2%	17.2%	10.4%
	Reaction vs. S&P 500	4	4	50%	1.3%	(13.1%)	2.9%	14.6%	10.3%	(0.3%)	(7.5%)	17.4%	9.4%	(4.0%)
ADV-US	Revenue	5	3	63%	0.7%	2.6%	(0.7%)	(0.1%)	(4.5%)	1.3%	16.0%	10.3%	10.3%	6.1%
	EPS	2	6	25%	-48.7%	(248.0%)	23.3%	(4.3%)	(34.6%)	72.1%	(384.6%)	(211.2%)	(211.2%)	(382.8%)
	Reaction vs. S&P 500	5	3	63%	2.7%	14.9%	(8.0%)	(13.8%)	0.3%	(12.7%)	5.1%	10.6%	(9.5%)	(21.3%)
ARMK-US	Revenue	8	0	100%	1.7%	4.8%	3.5%	2.0%	2.8%	1.1%	1.5%	0.8%	(1.4%)	(1.7%)
	EPS	7	1	88%	4.4%	7.0%	6.0%	0.5%	14.1%	7.1%	2.6%	2.9%	5.7%	3.9%
	Reaction vs. S&P 500	2	6	25%	-0.9%	5.3%	7.8%	(10.1%)	(0.6%)	(2.9%)	(0.6%)	(1.2%)	(2.8%)	10.8%
BFAM-US	Revenue	8	0	100%	1.3%	4.4%	1.4%	3.0%	4.0%	1.1%	0.6%	0.8%	0.3%	(0.0%)
	EPS	8	0	100%	8.3%	25.2%	5.1%	5.1%	13.0%	11.5%	20.6%	4.4%	8.1%	19.2%
	Reaction vs. S&P 500	7	1	88%	8.3%	11.2%	0.9%	7.2%	9.4%	5.4%	16.0%	(14.0%)	8.4%	(3.6%)
BV-US	Revenue	4	4	50%	-0.1%	2.7%	(1.6%)	(0.4%)	(2.9%)	(1.6%)	0.2%	0.8%	(2.0%)	2.7%
	EPS	5	3	63%	7.4%	37.0%	13.8%	(46.7%)	(35.1%)	54.7%	1.0%	(1.6%)	4.8%	27.9%
	Reaction vs. S&P 500	3	5	38%	-1.7%	17.4%	(1.1%)	(6.8%)	(2.3%)	10.4%	8.6%	(12.8%)	(6.9%)	7.9%
CTAS-US	Revenue	8	0	100%	1.0%	1.7%	1.3%	0.3%	1.5%	0.7%	0.1%	0.3%	(0.0%)	0.5%
	EPS	8	0	100%	4.1%	3.5%	4.6%	0.7%	3.5%	7.4%	5.2%	9.9%	7.5%	5.7%
	Reaction vs. S&P 500	6	2	75%	3.3%	3.4%	(0.6%)	(3.8%)	5.5%	7.4%	6.2%	1.3%	(10.5%)	6.9%
GBTG-US	Revenue	3	3	50%	1.1%		5.1%	2.8%	2.8%	(2.3%)	(0.6%)	(2.7%)	(2.7%)	(2.0%)
	EPS	0	3	0%	-251.9%		(157.2%)	NA	NA	(346.7%)	NA	(1,280.5%)	NA	33.7%
	Reaction vs. S&P 500	5	2	71%	2.1%	9.5%	7.5%	2.1%	0.5%	(4.5%)	15.7%	(0.6%)	(4.3%)	(9.7%)
LRN-US	Revenue	8	0	100%	3.3%	3.1%	4.9%	6.5%	1.4%	2.5%	1.6%	9.3%	3.1%	3.9%
	EPS	7	0	100%	16.2%	21.9%	16.2%	NA	17.6%	12.0%	11.7%	334.6%	4.3%	(1.6%)
	Reaction vs. S&P 500	7	1	88%	11.8%	13.5%	5.4%	19.5%	(2.1%)	8.6%	10.0%	40.0%	6.5%	(0.4%)
KLC-US	Revenue	1	0	1	0.3%							0.3%	0.3%	(1.9%)
	EPS	0	0	0	N/A							0.0%	0.0%	39.1%
	Reaction vs. S&P 500	0	1	0	-15.6%							(15.6%)	(22.3%)	(8.6%)
ROL-US	Revenue	7	1	88%	0.9%	2.6%	2.0%	2.0%	0.1%	1.2%	(0.3%)	0.6%	1.8%	0.7%
	EPS	5	3	63%	1.5%	6.2%	(6.2%)	5.3%	4.5%	(4.5%)	2.0%	(6.7%)	(5.5%)	0.1%
	Reaction vs. S&P 500	4	4	50%	-1.9%	3.8%	(8.2%)	5.2%	(6.3%)	3.7%	(5.9%)	(6.8%)	2.6%	(1.0%)
RSG-US	Revenue	5	3	63%	0.4%	4.2%	(0.2%)	0.5%	2.6%	(0.8%)	0.2%	(1.0%)	(0.7%)	(0.9%)
	EPS	8	0	100%	8.8%	10.1%	6.5%	8.1%	9.5%	7.5%	3.3%	12.4%	13.1%	3.2%
	Reaction vs. S&P 500	5	3	63%	0.7%	4.2%	0.9%	0.5%	0.9%	(2.6%)	(4.7%)	(2.4%)	3.1%	0.4%
WCN-US	Revenue	7	1	88%	0.6%	0.3%	0.3%	(0.0%)	0.0%	0.9%	1.2%	1.8%	0.7%	0.4%
	EPS	8	0	100%	3.0%	2.0%	0.9%	3.3%	2.7%	3.7%	6.3%	3.9%	(2.7%)	4.5%
	Reaction vs. S&P 500	2	6	25%	-0.8%	(4.3%)	(0.4%)	(5.8%)	3.9%	(0.1%)	(1.8%)	(1.2%)	(1.6%)	(1.5%)
WM-US	Revenue	3	5	38%	-0.8%	0.8%	(2.2%)	(1.4%)	0.5%	(1.1%)	(0.5%)	1.7%	1.0%	(1.5%)
	EPS	5	3	63%	1.5%	1.9%	(2.4%)	1.0%	13.7%	16.6%	(0.5%)	4.0%	(5.7%)	5.3%
	Reaction vs. S&P 500	4	4	50%	0.1%	(3.2%)	(3.9%)	7.5%	7.3%	1.5%	(7.5%)	5.0%	5.6%	(0.7%)

Source: Factset, Morgan Stanley Research.

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Government Exposure – Info Services

Info Services	% of Revenue	% US Federal	Exposure Type	Services
CLVT	52%	3%	Academic institutions / Patent offices	Academic & Government segment. IP segment also serves gov. patent offices
IT	19%	4%	Federal + Other	Research and Consulting
EFX	15%	6%	Gov. agencies, states administering social programs	Identity verification, Worknumber, redetermination
TRI	8%	3%	Federal + Other (State + Local)	CLEAR, Court Management Solutions, Westlaw, Practical Law, TRSS, Pondera
MCO	8%	<1%	PPIF (Sovereign, State & Local)	Ratings
VRSK	7%	<1%	Governments, Federal Contracts	Cat modeling, risk and emergency response information
SPGI	2%	<1%	Government	Ratings
TRU	1%	Not Disclosed	Federal + State + Local Agencies	Identity validation, witness/criminal tracking, entitlement and tax fraud
FDS	Not Disclosed	Not Disclosed	N/A	N/A
MSCI	Not Disclosed	Not Disclosed	N/A	Proprietary studies

Government Exposure – Diversified Services

Diversified Business Services	% of Revenue	% US Federal	Exposure Type	Services
LRN	99%	5%	State K12 Budgets	Managed virtual K12 public schools
KLC	35%	29%	CCDF (Federal + State)	Early Childhood Education Centers (majority community-based)
ARMK	23%	3%	National Parks Service (~2% of revenue, Federal), Universities + K-12 (~21% of revenue, Mostly State/Local)	University Dining, national parks, facilities mgmt, and concessions for 3M+ students
BV	7%	Small	Local Government + Universities	Landscape maintenance and snow removal for public places, education campuses, municipal offices
GBTG	2%	No Material Exposure	N/A	N/A
BFAM	1%	Small	Government	Early Childhood Education Centers (majority on-site with employers)
ADT	No Material Exposure	No Material Exposure	N/A	N/A
ADV	Not Disclosed	Not Disclosed	N/A	N/A
CTAS	Not Disclosed	Not Disclosed	State + Local Government	Uniform rentals with verticals that include education and local/state governments
ROL	Limited	Limited	N/A	N/A
RSG	Not Significant	Not Significant	Local Government (Municipal Contracts)	Waste collection and recycling programs for municipalities. Homeowner and businesses are often directly billed
WCN	Not Significant	Not Significant	Local Government (Municipal Contracts)	Waste collection and recycling programs for municipalities. Homeowner and businesses are often directly billed
WM	Not Significant	Not Significant	Local Government (Municipal Contracts)	Waste collection and recycling programs for municipalities. Homeowner and businesses are often directly billed

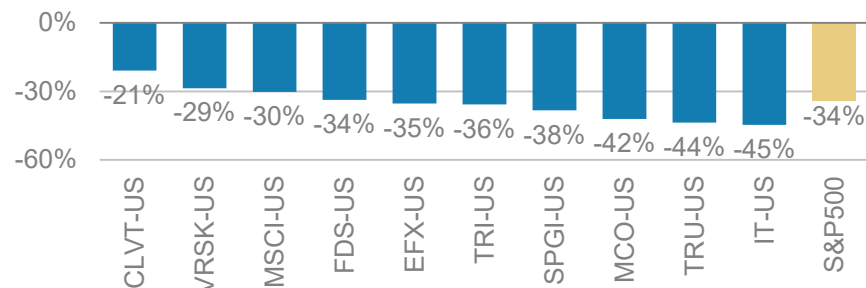
Source: Factset, Morgan Stanley Research.

Recession Resiliency

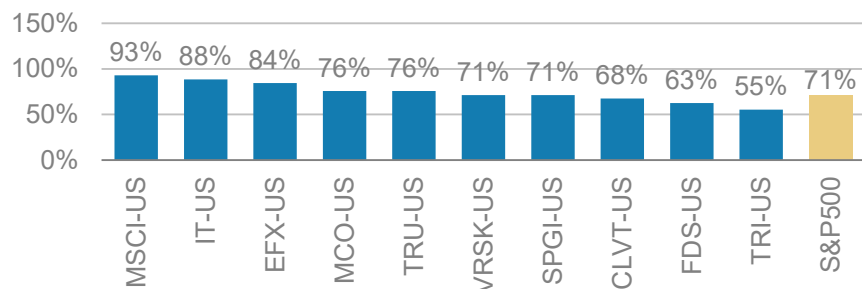
COVID-19 Performance

CLVT, MSCI, VRSK were the strongest outperformers during the COVID-crash

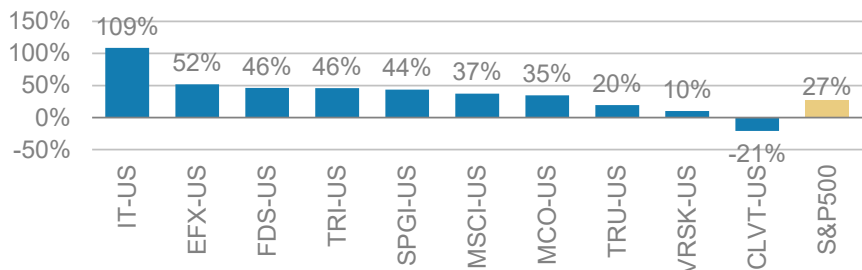
Performance During COVID Crash (2/19/20-3/23/20)



2020 Performance Post COVID Crash



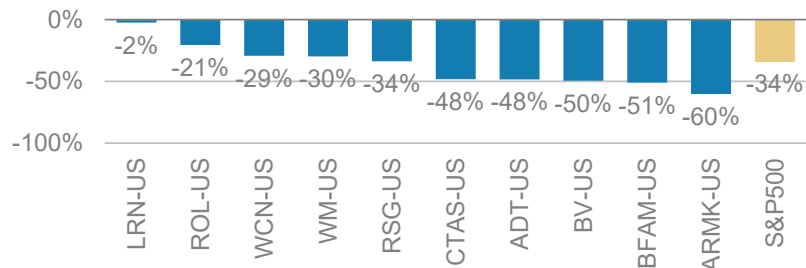
2021 Performance



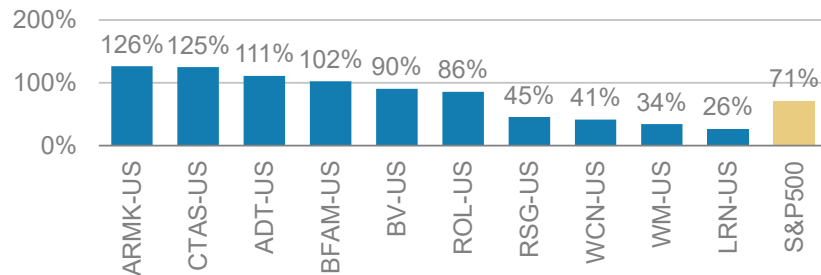
Source: Factset, Morgan Stanley Research

Waste Outperformed During COVID-crash, customer facing names (ARMK,BV, BFAM) performed worst, which led to outperformance post COVID Crash

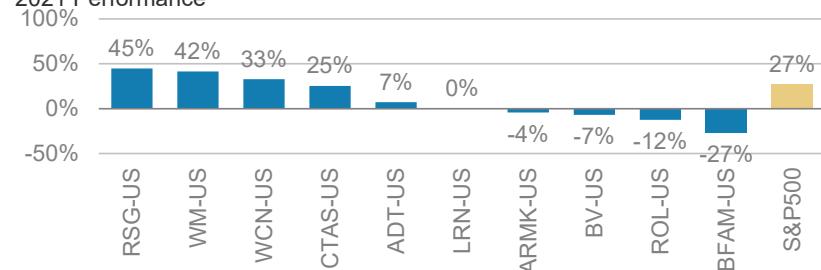
Performance During COVID Crash (2/19/20-3/23/20)



2020 Performance Post COVID Crash



2021 Performance



Recession Performance

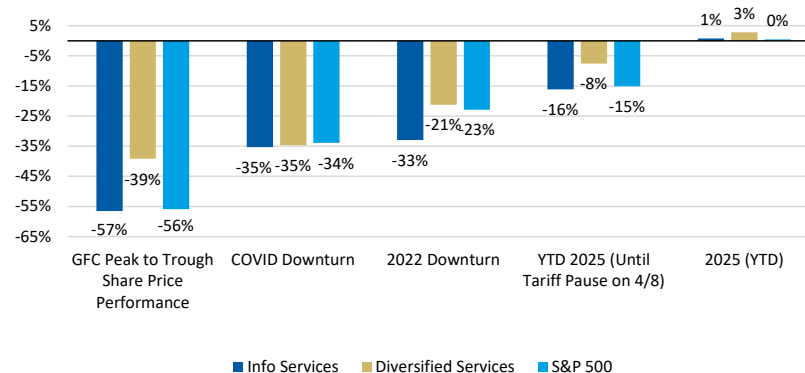
Organic Revenue Growth

Company	2008	2009
FDS	21%	8%
MSCI	17%	3%
ROL	14%	5%
VRSK	7%	11%
BFAM	5%	5%
TRI	6%	-1%
ADT	2%	-4%
WCN	3%	-6%
IT	8%	-11%
ARMK*	-4%	0%
EFX	-2%	-3%
RSG	3%	-11%
CTAS*	-4%	-6%
WM	1%	-12%
SPGI	-6%	-6%
TRU	N/A	-9%
MCO	-22%	2%

Adj. EBITDA and Adj. EPS Growth (2008-2010)

	Adj. EBITDA Growth			Adj. EPS Growth		
	2008	2009	2010	2008	2009	2010
FDS	17%	22%	(1%)	21%	16%	8%
IT	20%	(14%)	40%	34%	(11%)	26%
MSCI	23%	10%	66%	(13%)	3%	22%
TRI	N/A	(2%)	(5%)	N/A	(3%)	(5%)
EFX	20%	18%	20%	29%	25%	29%
MCO	(33%)	(8%)	12%	(27%)	(7%)	16%
SPGI	(13%)	(3%)	3%	(11%)	(11%)	14%
VRSK	8%	8%	8%	(73%)	6%	0%
ARMK	8%	(11%)	4%	N/A	N/A	N/A
CTAS	(4%)	(4%)	(13%)	3%	(15%)	(19%)
ROL	13%	12%	10%	8%	22%	8%
RSG	(1%)	N/A	0%	4%	(14%)	16%
WCN	6%	18%	15%	2%	1%	26%
BFAM	11%	4%	13%	N/A	N/A	N/A
TRU	N/A	(8%)	15%	N/A	N/A	N/A
WM	1%	(10%)	5%	7%	(10%)	5%
S&P 500	(14%)	(8%)	9%	(2%)	(12%)	1%

Performance During Recent Downturns



Source: Company data, Refinitiv, Factset, Morgan Stanley Research estimates. ¹ Downturns defined as periods where the S&P 500 contracted -9% or more. * Denotes FY.

Recession Matrix – Info Services

Company	End Market Cyclicality	% Recurring (Fixed) Rev	Performance During Downturns	Organic Growth Trajectory	Moat/ Limited Substitutes	High EBITDA Margin	Capital Intensity (Lower = Better)	Net Leverage (Lower = Better)	Average
 Verisk Analytics	5	4	5	3	5	5	1	4	4.0
 MSCI	3	2	4	4	5	5	4	3	3.8
 THOMSON REUTERS	5	4	4	3	3	3	1	5	3.5
 FACTSET	3	5	3	3	1	3	4	4	3.3
 S&P Global	2	2	1	3	4	4	5	4	3.1
 Gartner	2	4	1	4	2	1	5	5	3.0
 MOODY'S	2	2	1	3	4	4	3	4	2.9
 Clarivate Analytics	4	4	4	1	2	4	1	1	2.6
 EQUIFAX	1	1	3	5	3	3	1	2	2.4
 TransUnion	1	1	3	5	2	3	1	1	2.1

Source: Factset, Morgan Stanley Research.

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Recession Matrix – Diversified Business Services

Company	End Market Cyclicality	End Market Diversification	Performance During Downturns	Organic Growth Trajectory	High EBIT Margin	Cash Flow Conversion	Capital Intensity	Net Leverage	Average
 ROLLINS	5	4	4	4	4	5	5	5	4.5
 Stride	5	1	5	5	3	4	4	5	4.0
 CINTAS READY FOR THE WORKDAY™	2	5	1	4	4	4	4	5	3.6
 WASTE CONNECTIONS	5	5	3	3	4	3	2	3	3.5
 REPUBLIC SERVICES	5	5	3	3	4	3	2	3	3.5
 WM	5	5	3	3	4	2	2	2	3.3
 Bright Horizons	3	3	1	4	2	4	4	4	3.1
 KINDERCARE LEARNING COMPANIES	3	3	N/A	3	1	5	4	3	3.1
 aramark	2	5	1	4	2	2	4	1	2.6
 AMERICAN EXPRESS GLOBAL BUSINESS TRAVEL	1	1	3	3	2	3	4	4	2.6
 ADVANTAGE SOLUTIONS	3	2	N/A	1	1	5	5	1	2.6
 BrightView	1	3	3	1	2	4	4	3	2.6
 ADT	5	1	2	2	5	1	1	2	2.4

Source: Factset, Morgan Stanley Research.

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ESG

Industry Themes: ESG

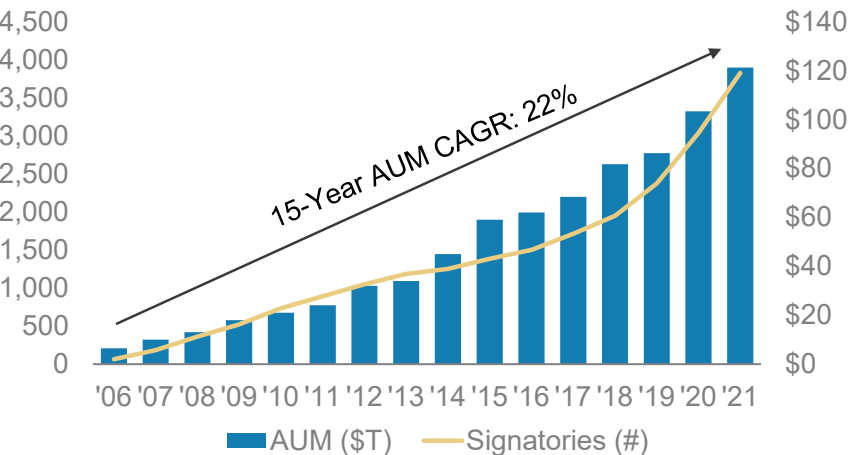
ESG is a Large Market

- UN PRI (Principles for Responsible Investment) AUM growing at a 22% CAGR since '06, 20% y/y
- MSCI estimates the current market opportunity is \$3.9B for existing ESG solutions
- 85% of the general population are at least somewhat interested in sustainable investing

ESG White Space Growth Opportunity for Info Services

- Opportunity to capture new revenues in a growing segment by providing ESG data, content, research and ratings
- Demand for sustainable data/new ESG products expected to remain strong as AUM shifts to sustainable funds
- Global assets invested sustainably expected to increase from 18% in 2020 to 37% in 2025, with EMEA at 47%,

UN PRI Signatories and AUM (\$T)

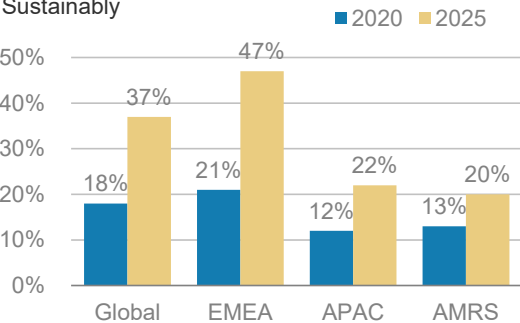


MSCI Estimated Market Size for ESG Solutions (\$B)

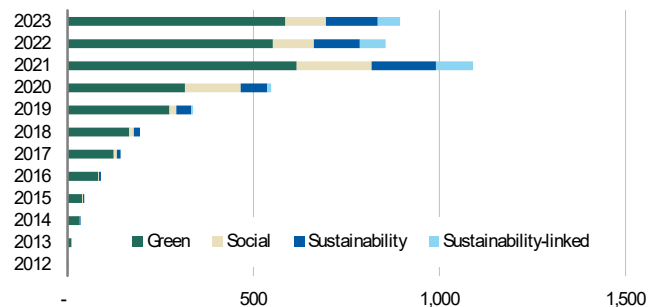
Total: \$3.9B



Percentage of Assets Invested Sustainably



Annual issuance by label type, full-year (\$bn)



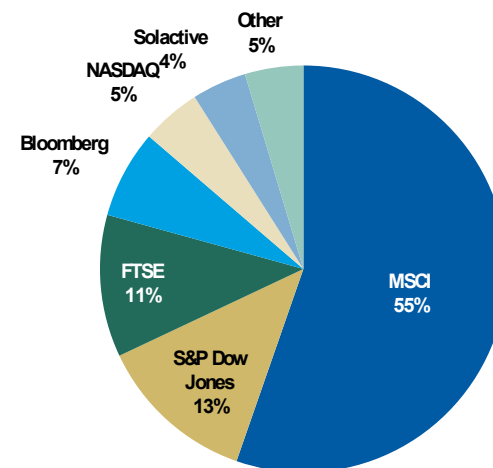
Source: Company data, UN PRI, MSCI, Moody's, BlackRock Global Client Sustainability Survey, Bloomberg, Morgan Stanley Research

Industry Themes: ESG

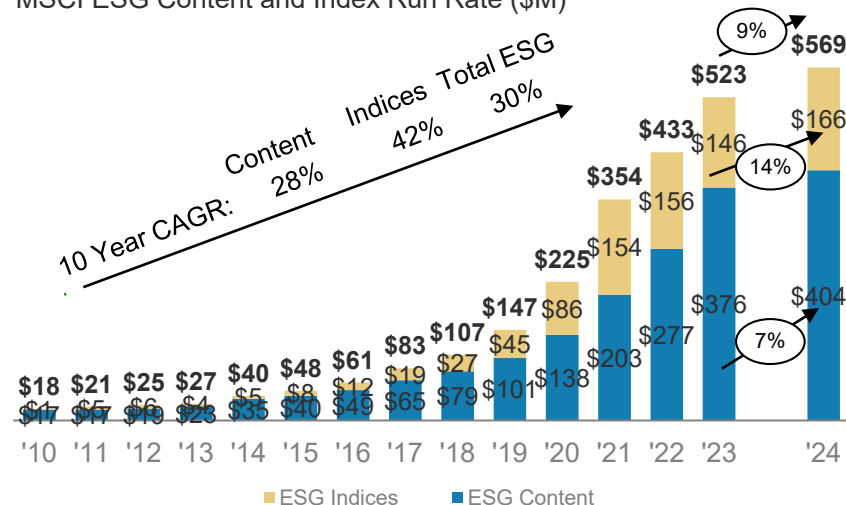
MSCI is the leader in ESG, but there can be multiple winners

- **MSCI** has a leading position in US ESG ETF's, content, and ratings with a total run rate of \$569M as of 2024 and 30% annual CAGR ('14-'24). ESG growth has decelerated, but we believe the ESG premium is now out of the stock. We expect MSCI to continue to be a leader in ESG data/indices.
- **SPGI's** ESG revenue grew 20% in 2024, reaching \$359M. SPGI expects to reach \$800M in the near future, though timing is now uncertain. SPGI has unique data, index capabilities, and 1,400 credit analysts who can collect data from companies. We expect this will lead to SPGI ultimately being a leader in the ESG space.
 - INFO brought a number of ESG related assets to SPGI, including ESG fixed income indices, environmental registry data, supply chain, ESG advisory, indices, and emissions compliance and electrification solutions.
- **VRSK** provides a number of climate and ESG-related solutions, including climate analytics, energy transition practice, and cyber insurance tools.
- **MCO**: \$200M+ of ESG & Climate revenue in 2023. ESG acquisitions include RMS, Vigeo Eiris and Four Twenty Seven, and a minority stake in SynTao.
- **FDS** offers 3rd party ESG datasets through its data platform Open:FDS, along with its own RepRisk ESG product. FDS acquired TruValue Labs, which uses AI-driven technology to take unstructured data and converting it to signals for evaluating positive and negative ESG behavior in companies.

US ESG ETF Market Share



MSCI ESG Content and Index Run Rate (\$M)



Source: Company data, Bloomberg, Morgan Stanley Research . ESG ETF market share data as of March, 2023.

Day Care: BFAM Helps Promote Gender Diversity and Availability of Childhood Education

BFAM's Offerings Positively Impact Employee Retention and Productivity for its Employer Customers

- On-site childcare is a unique benefit that drives retention, satisfaction, and productivity
- Back-up care users have been able to work, on average 6 more days than they would otherwise have without the service
- A Horizons Workforce Consulting survey showed:
 - 94% of respondents said the availability of employer-sponsored childcare was important in deciding whether to change employers
 - **84% of female managers say the childcare center has positively impacted their ability to pursue or accept a higher position**
 - Gender diverse companies outperformed less-gender diverse peers globally by ~2% in '21



Retention

94% report "the availability of employer-sponsored child care would be an important consideration when making a decision about changing employers"

90% report that the child care center was important in their decision to return to work after the birth or adoption of their child

4x Respondents are four times less likely to have seriously considered leaving their employer in the last six months when compared to a control group



Satisfaction

91% likely to recommend their employer to other working parents for job opportunities

84% of female managers say the child care center has positively impacted their ability to pursue or accept a higher position



Productivity

95% say employer-sponsored child care enables them to concentrate on the job

93% say employer-sponsored child care allows them to meet job performance expectations

Source: The Lasting Impact of Employer-Sponsored Child Care Centers, 2017, Horizons Workforce Consulting. Refinitiv, FactSet, Morgan Stanley Research. Note: Past performance is not indicative of future results.

Waste: Revenue Opportunities from ESG Initiatives, though Potential Volume Pressure

Waste Industry Focused on Sustainability Initiatives

- Companies are implementing waste-to-energy initiatives, converting their fleets to renewable alternative fuels, and recycling
- We see ESG revenue streams contributing at least \$1B for WM by '26, who we consider to be the leader in ESG projects among the waste companies

Corporates are putting a greater focus on zero waste

- 2021 corporate mentions of zero waste 27x as high as 2010
- Commercial represents 22-31% of mix at waste firms

Eur produces 35% less waste per capita than the US

- Given structure, Europe has more dis-incentives around waste than U.S.

ESG Initiatives Comparison

	Waste Management (WM)	Republic Services, Inc. (RSG)	Waste Connections (WCN)
RECYCLING			
Recycling/Organics Facilities	151	96	81
Single-stream	45	ND	ND
RENEWABLE ENERGY PROJECTS			
LFG-to-Energy Projects/Facilities	136	68	30
Landfill gas-to-natural-gas	34	31	16
Landfill gas-to-electricity	102	37	14
Landfill Gas Statistics			
Total MMBtus (MM) of LFG captured	130.2	78.4	25.3
Beneficially used %	43%	45%	58%
Beneficially used MMBtus (MM)	56.0	35.3	14.7
Active Solid Waste Landfills	263	208	106

Data as of 2022

LFG Sales Could Grow at a 50%+ CAGR

	Waste Management (WM)	Republic Services, Inc. (RSG)	Waste Connections (WCN)
2024			
Total Company Revenue (\$M)	\$22,063	\$16,032	\$8,920
LFG sales	\$318	ND	\$105
% of Revenue	1.4%	ND	1.2%
LFG EBITDA	\$142	ND	\$74
Margin	44.7%	50%	70.0%
Total Company Adj EBITDA	\$6,563	\$4,977	\$2,523
Margin	29.7%	31.0%	28.3%
2026e			
Guided Incremental LFG EBITDA	\$500	\$100*	\$200
LFG EBITDA	\$642	ND	\$274
Margin	66.9%	ND	70.0%
LFG sales	\$959	ND	\$391
'23-'26e Revenue CAGR	44.5%	ND	54.9%

Note: *For 2027; future LFG margin for WM is estimated; LFG figures for WCN are estimated.

ESG: Executive Comp – Info Services

Company	Revenue / CV	Operating Profit / EBITDA / Margin	EPS	FCF	Personal Objectives	Stock / TSR / Time Based
Information Services						
Clarivate						
Short Term		X	X			
Long Term	X					X
Equifax Inc.						
Short Term	X		X		X	
Long Term		X				X
FactSet Research Systems Inc.						
Short Term	X	X			X	
Long Term	X		X			X
Gartner Inc.						
Short Term	X	X				
Long Term	X					
Moody's Corp						
Short Term	X	X			X	
Long Term	X		X			X
MSCI Inc.						
Short Term	X		X	X	X	
Long Term	X		X			X
S&P Global Inc						
Short Term	X	X			X	
Long Term			X			X
Thomson Reuters Corp.						
Short Term	X			X		
Long Term	X			X		X
TransUnion						
Short Term	X	X	X		X	
Long Term	X	X				X
Verisk Analytics, Inc.						
Short Term	X	X			X	
Long Term		X				X

Source: Company data, Morgan Stanley Research. Data as of the 2024 annual proxy.

ESG: Executive Comp – Diversified Business Services

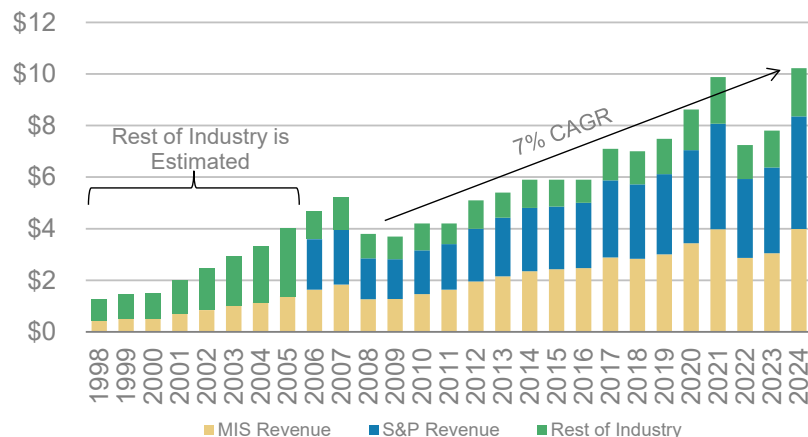
Company	Revenue / CV	Operating Profit / EBITDA / Margin	EPS	FCF	Personal Objectives	Stock / Time Based
Diversified Business Services						
ADT						
Short Term	X	X				
Long Term						
Advantage Solutions						
Short Term		X				
Long Term	X	X				X
Aramark Holdings Corporation						
Short Term	X	X		X		
Long Term	X		X			
Bright Horizons						
Short Term		X	X		X	
Long Term		X				
BrightView						
Short Term		X		X		
Long Term						X
Cintas Corp						
Short Term	X		X		X	
Long Term	X		X			
Republic Services						
Short Term			X	X		
Long Term				X		
Rollins						
Short Term	X	X				
Long Term						
Stride Inc.						
Short Term	X	X				
Long Term		X				X
Waste Management						
Short Term	X	X				
Long Term	X	X				
Waste Connections						
Short Term		X		X		
Long Term				X		

Source: Company data, Morgan Stanley Research. Data as of the 2024 annual proxy.

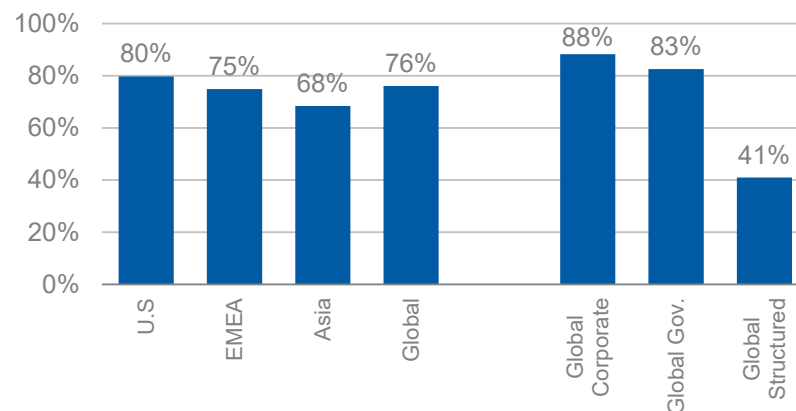
Credit Rating Agencies

Credit Rating Industry Overview

Industry Revenue (\$B)

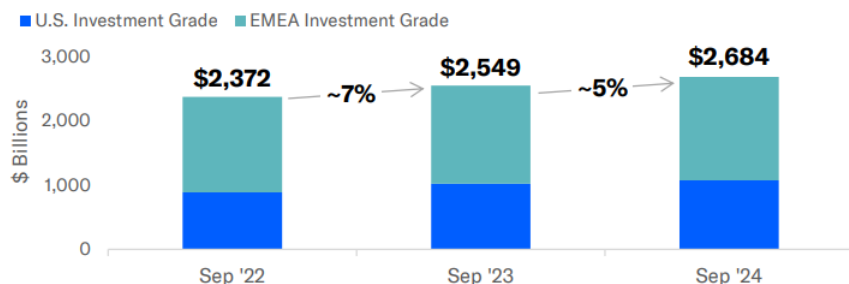


S&P 2023 Market Share (S&P Rated Volume as % of Total Rated Issuance)

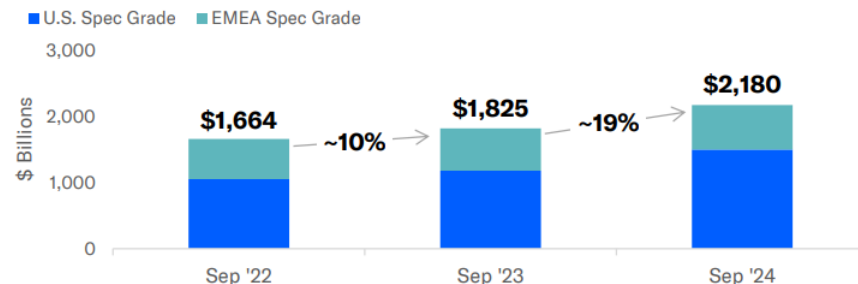


Next 4 Years US & EMEA Refunding Walls (\$T)

INVESTMENT GRADE 4-YEAR REFUNDING WALL STUDIES



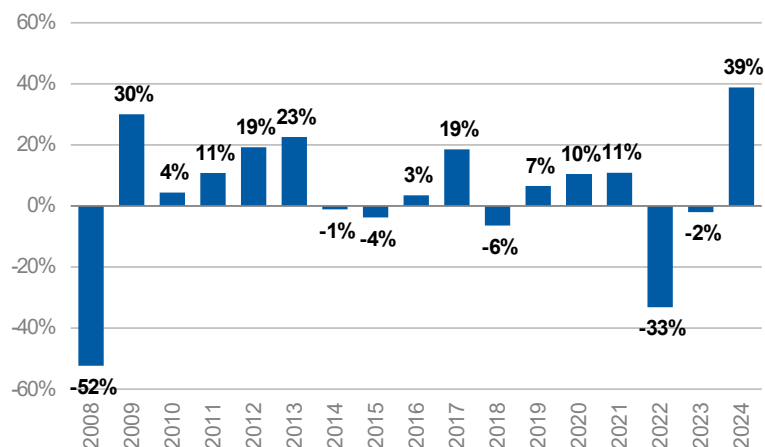
SPECULATIVE GRADE 4-YEAR REFUNDING WALL STUDIES



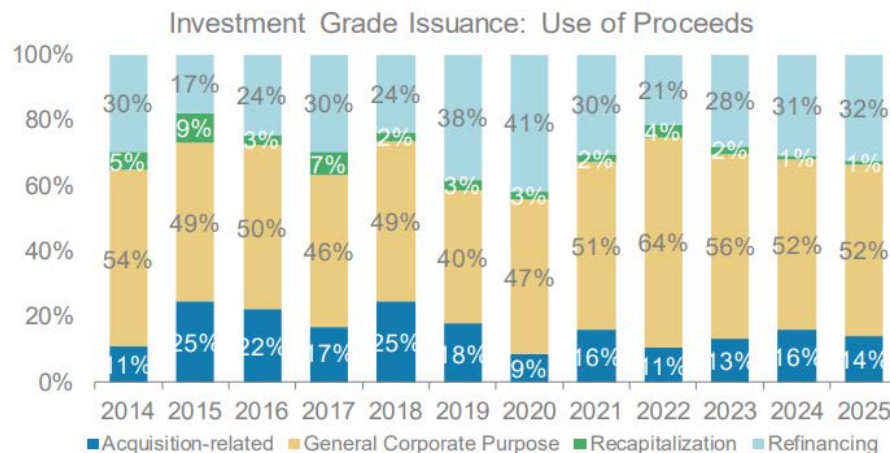
Source: NRSRO Annual Certifications, SEC, Dealogic, Company Reports, Moody's Investor Presentation, Morgan Stanley Research. Note: Upcoming Maturities are Ex-FIG. SPGI Market Share is 2023 Data. Refunding reflects total MIS-rated US/EMEA non-FIG corporate bond and loan maturities..

Issuance

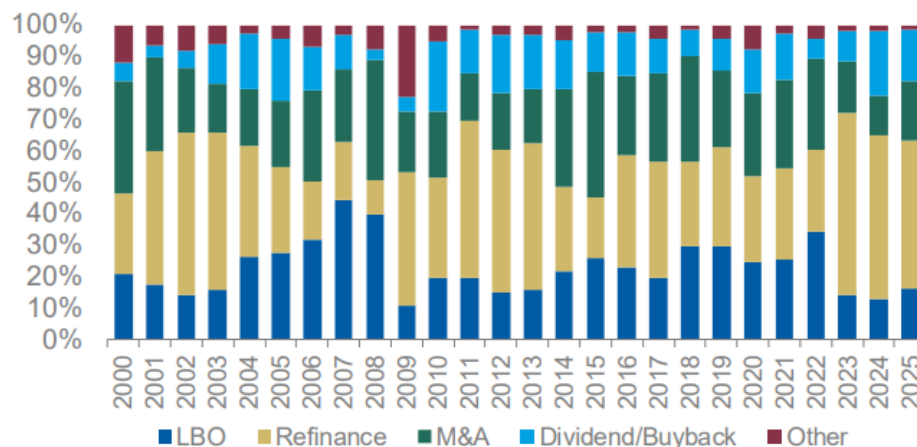
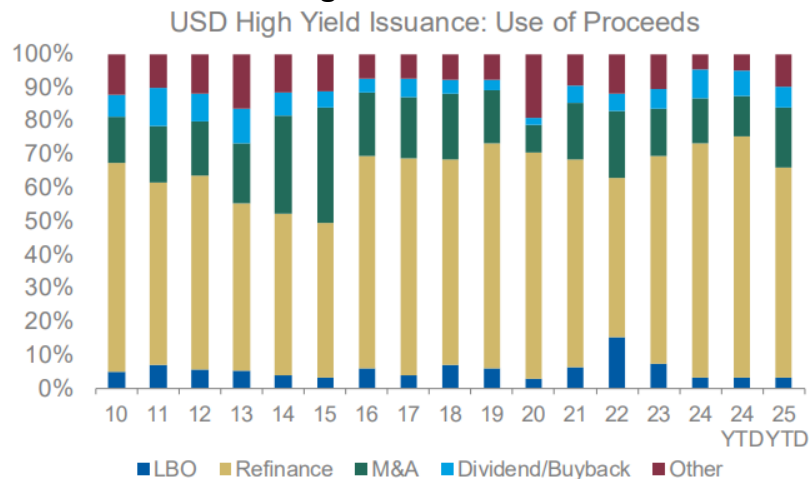
Annual Corporate/Structured Issuance



Issuance: U.S. IG Use of Proceeds



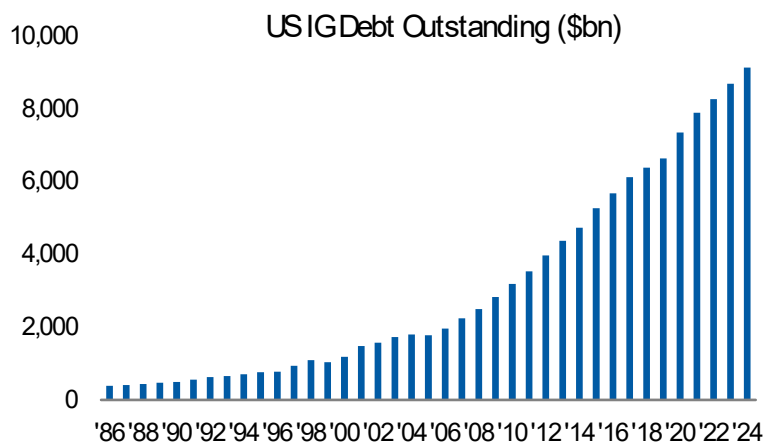
Issuance: U.S. Leveraged Credit Use of Proceeds



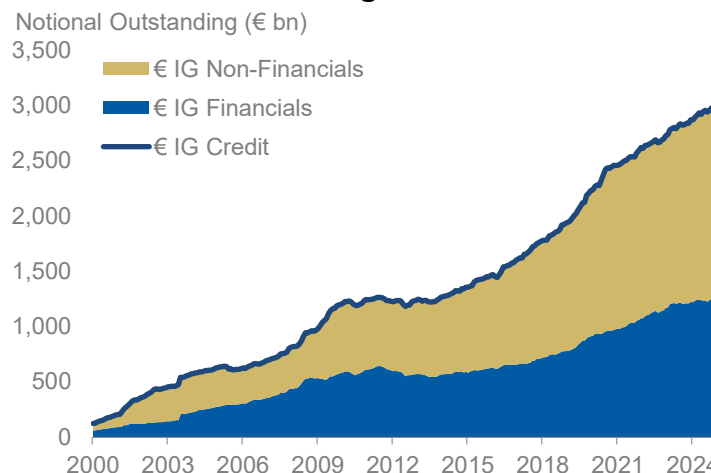
Note: Global issuance reflects non-financial IG and HY, leverage loans, ABS, CMBS, RMBS, Covered Bonds, and CLOs. Source: Morgan Stanley, Dealogic, LCD, AB Alert, CM Alert.

US/EU Debt Outstanding

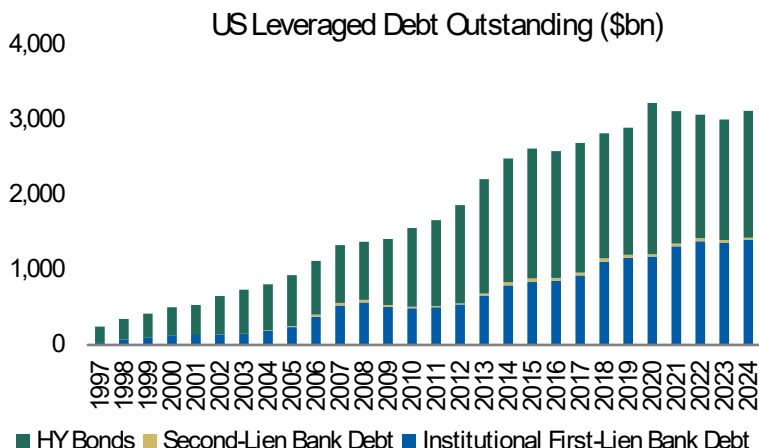
US IG Debt Outstanding \$B



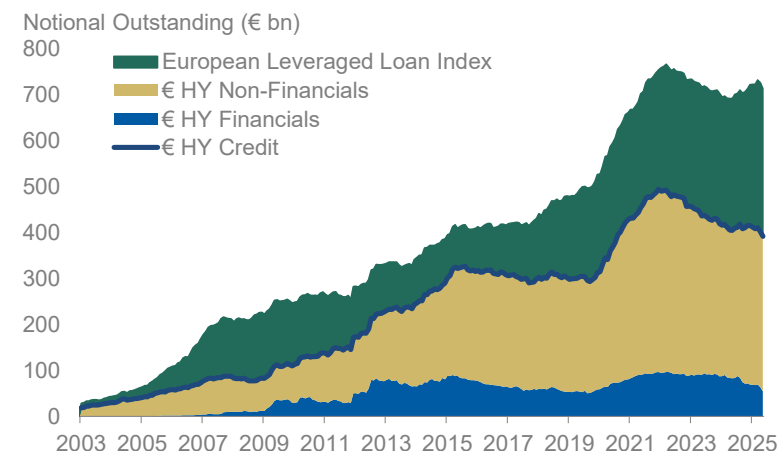
EU IG Debt Outstanding €B



US HY / LevLoans Debt Outstanding \$B



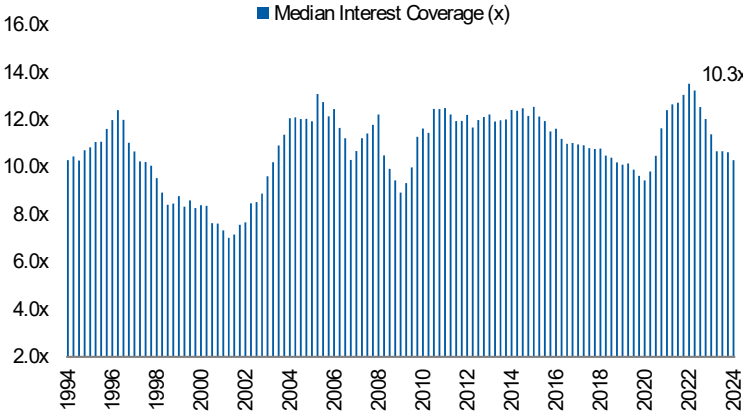
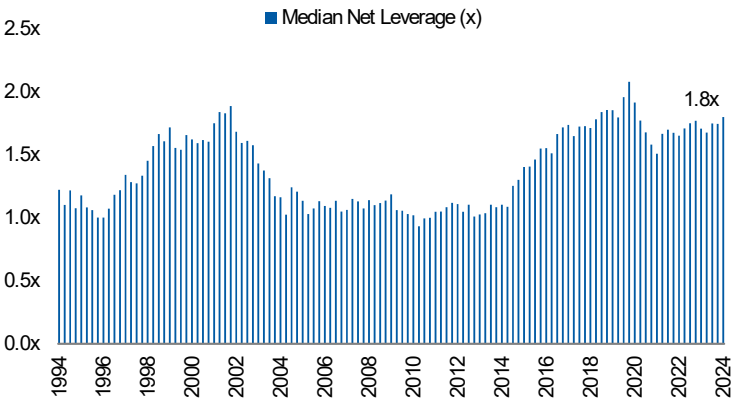
EU HY / LevLoans Debt Outstanding €B



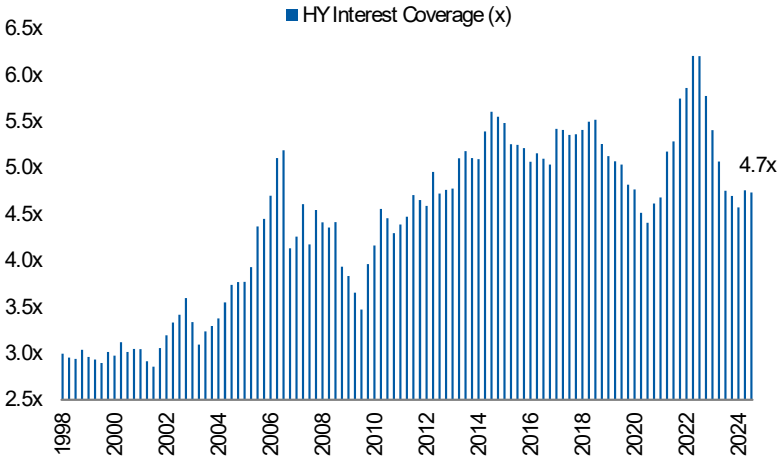
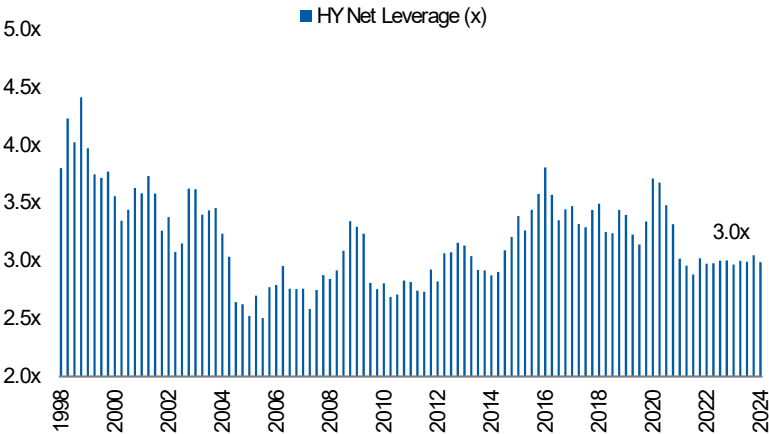
Source: Morgan Stanley, Dealogic, LCD, AB Alert, CM Alert, IHS Markit, ICE, Bloomberg.

US Credit Fundamentals

IG Credit Metrics



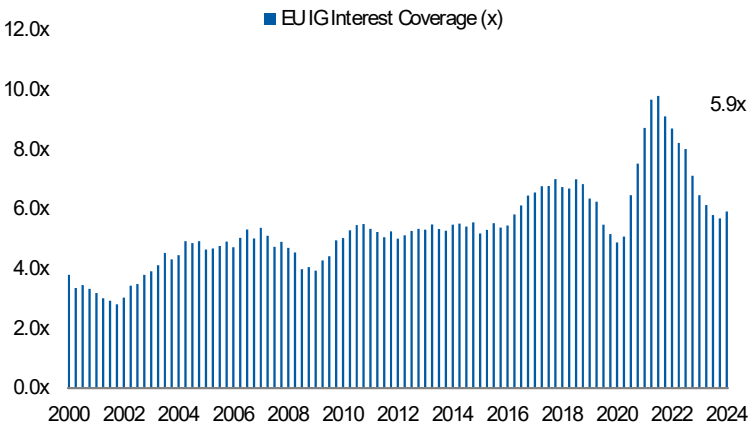
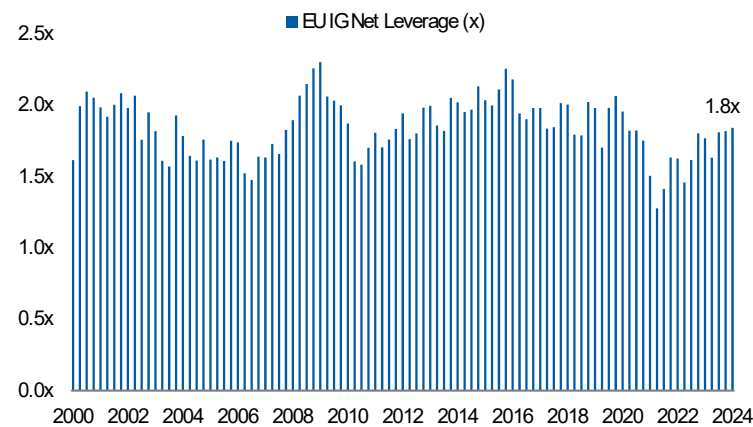
HY Credit Metrics



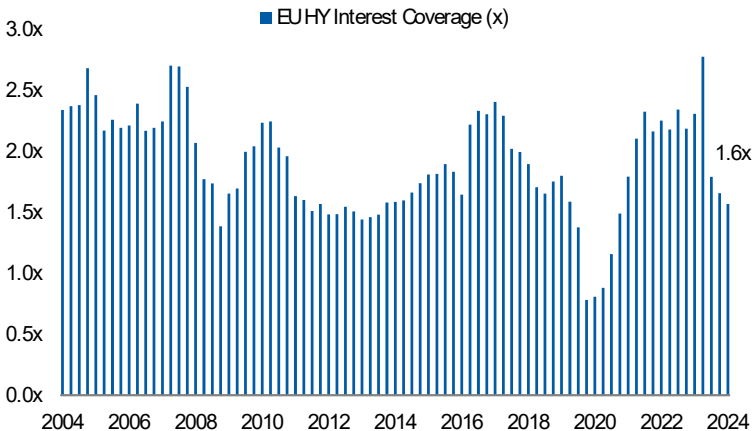
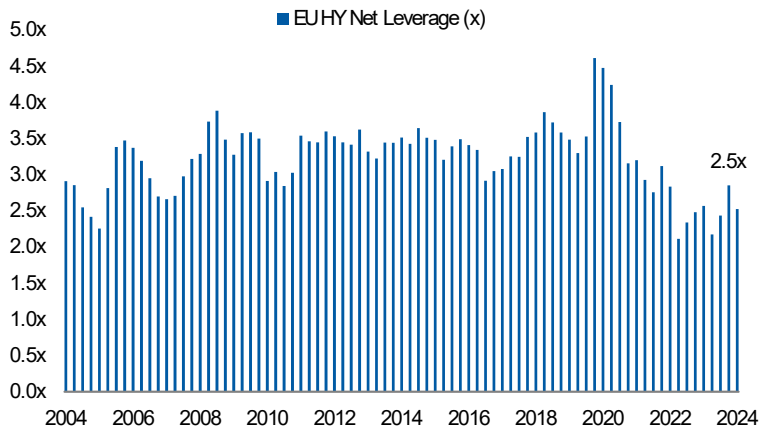
Source: Morgan Stanley, Bloomberg, S&P Global, FTSE.

EU Credit Fundamentals

IG Credit Metrics



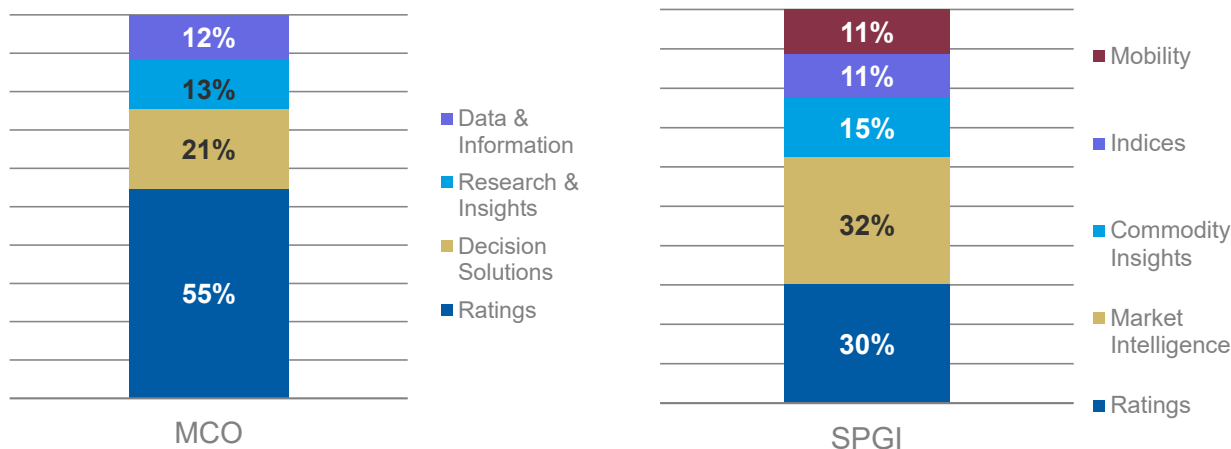
HY Credit Metrics



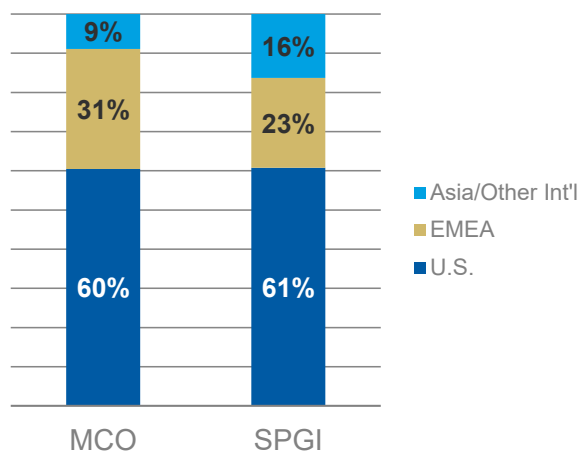
Source: Morgan Stanley, Bloomberg, S&P Global, FTSE.

Credit Rating Agencies: FY24 Revenue Comparison

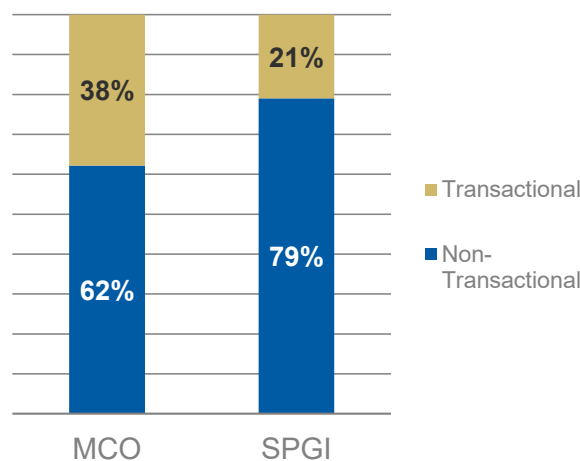
Revenue by Segment



Revenue by Geography



Revenue by Model



Source: Company filings, company presentation, Morgan Stanley Research. Note: SPGI recurring rev includes asset-based fees.

SPGI (OW): Intention to Separate Mobility Division

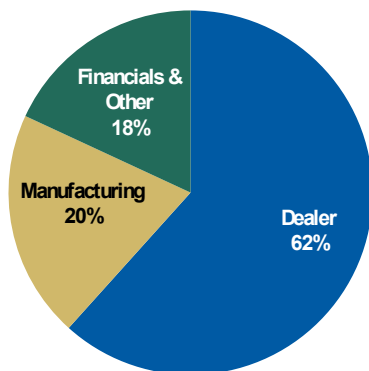
Separation of Mobility

- SPGI intends to separate Mobility into standalone public company in a tax-free transaction, expected to be completed within 12-18 months from 1Q25
- Mobility is non-core with limited synergies across SPGI; SPGI's remaining 4 divisions are core to LT vision

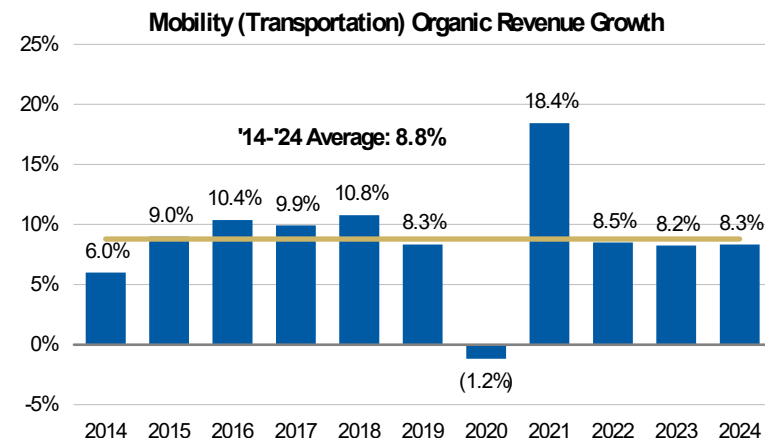
High Quality Assets and Long Track Record of Growth

- Mobility averaged 9% organic revenue growth since 2014
- 81% subscription revenue with ~40% margin profile
- High quality assets in the auto space, including CARFAX and POLK automotive insights, 2/3 used car 1/3 new car exposure

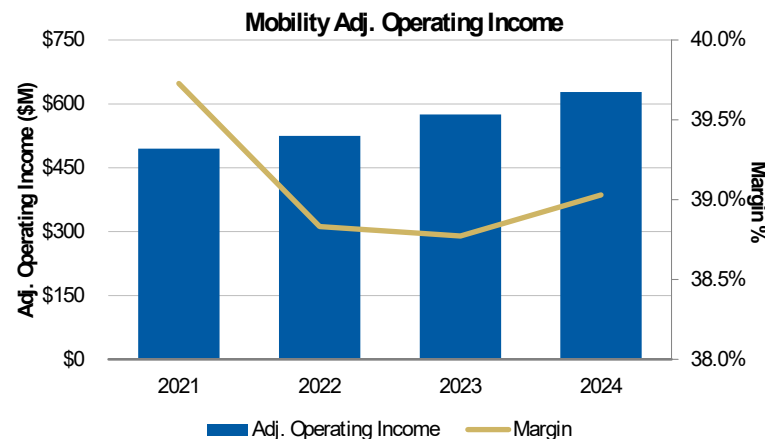
Mobility Sub-Segment Breakdown



Long Track Record of Consistent Revenue Growth



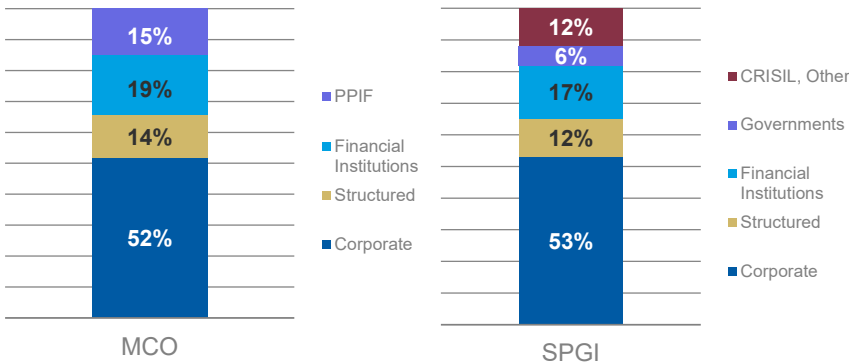
Strong ~40% Margin Profile



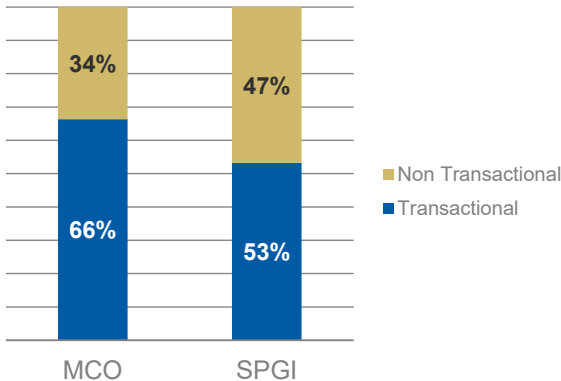
Credit Ratings FY24 Segment Comparison

Ratings

Revenue by Type



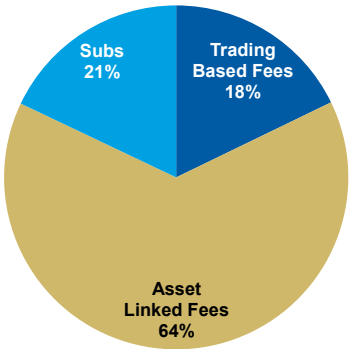
Ratings Revenue Model



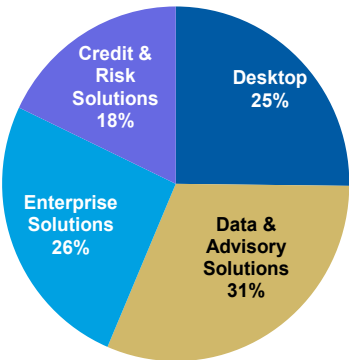
* Other includes intersegment royalty, Taiwan Ratings Corporation, and adjustments

S&P Non-Ratings Segments

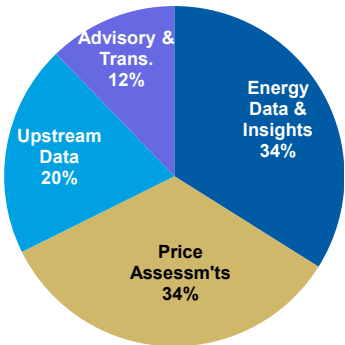
S&P Indices



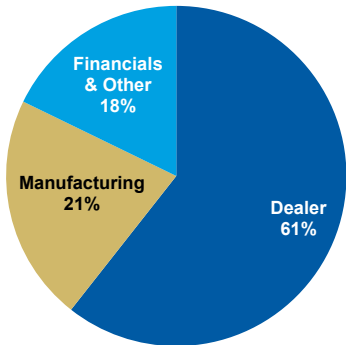
Market Intelligence



Commodity Insights



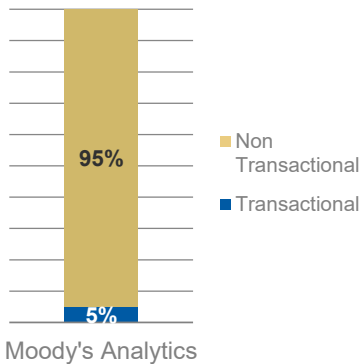
Mobility



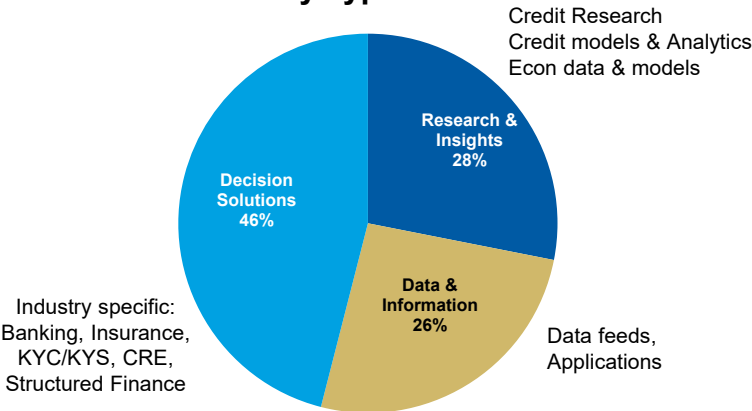
Credit Rating Agency Segment Comparison FY24

Moody's Analytics

Revenue Model

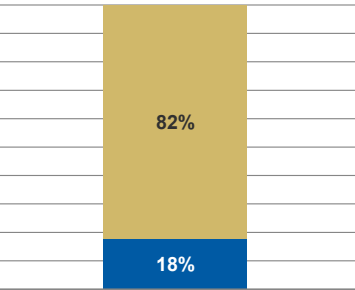


Revenue by Type

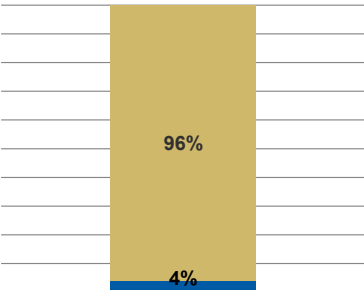


S&P Non-Ratings Segments

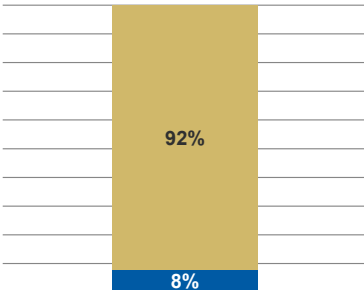
S&P Indices



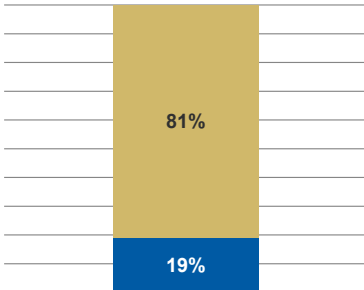
Market Intelligence



Commodity Insights



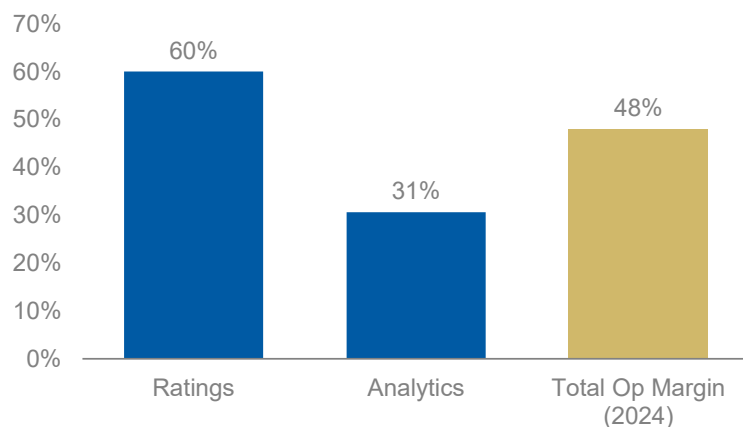
Mobility



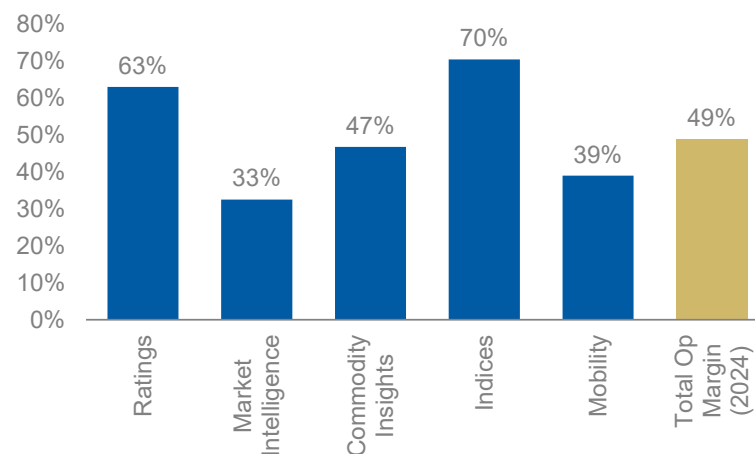
■ Non Transactional ■ Transactional

Credit Rating Agencies: Operating Margin Comparison

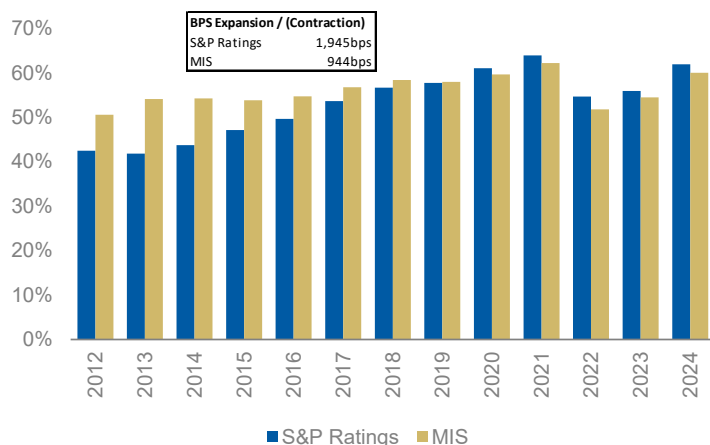
Moody's Adj. Operating Margin



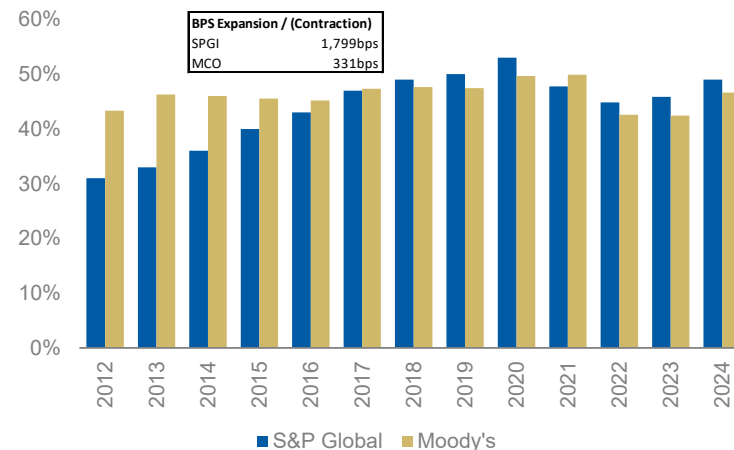
S&P Global Adj. Operating Margin



Historical Ratings Operating Margins



Historical Consolidated Operating Margins



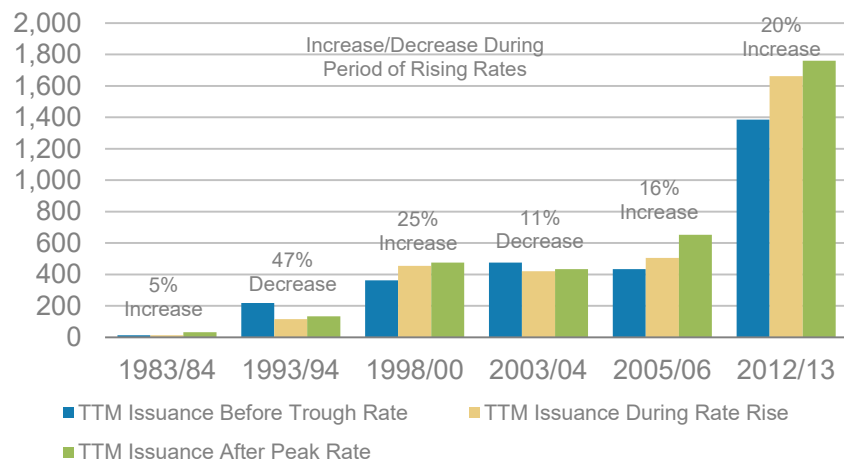
Source: Company data, Morgan Stanley Research. Note: SPGI adj. operating margins adds back deal amort, MCO adds back D&A.

Risk from Rising Rates

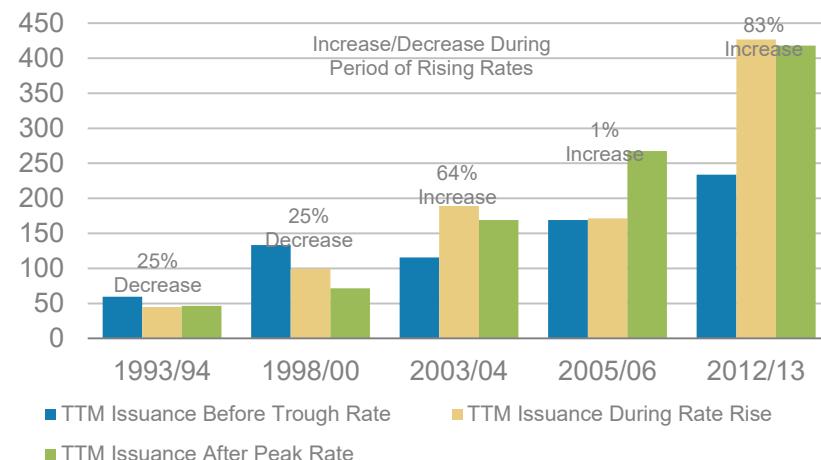
Issuance volumes varied significantly across historical periods of rising rates

- Looked at ten rising rate scenarios
- Periods last 10 months on average with ~150bps increase

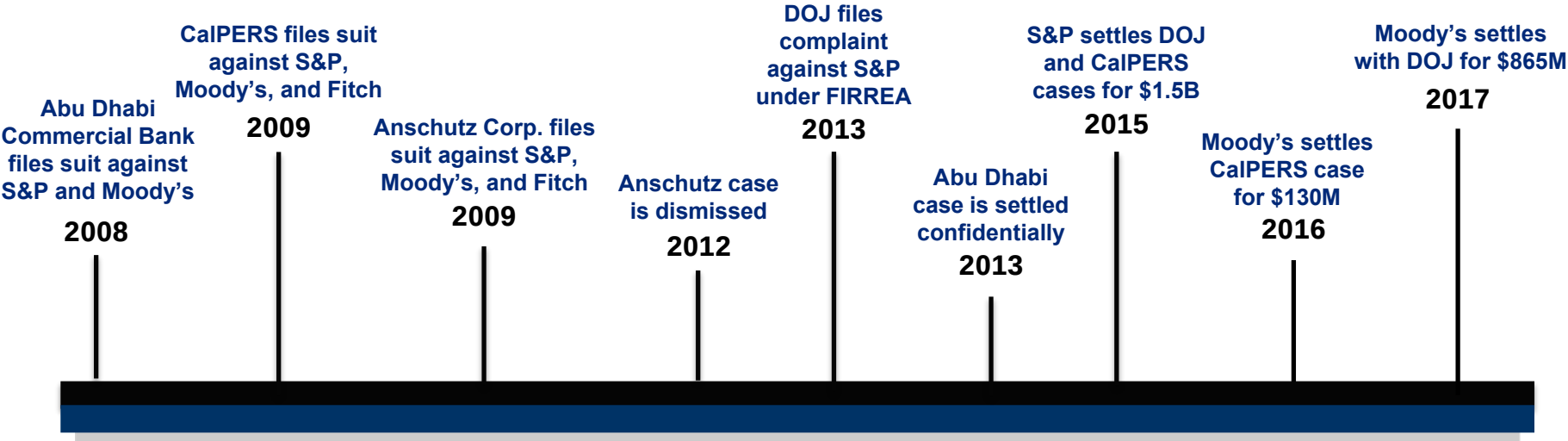
Investment Grade Issuance (\$B)



High Yield Issuance (\$B)



Historical Legal Developments

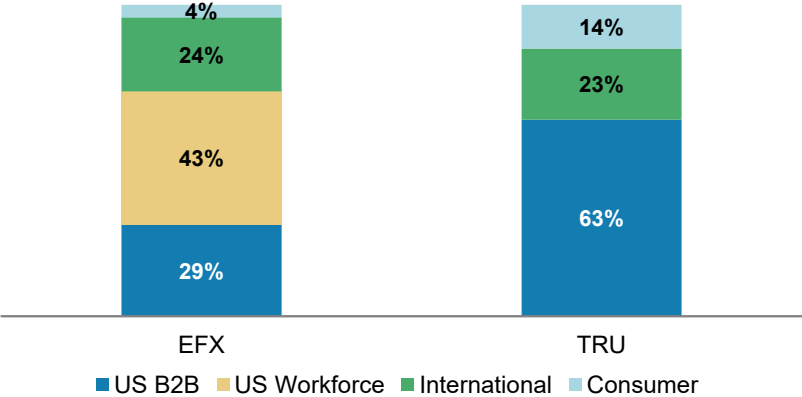


Source: Morgan Stanley Research

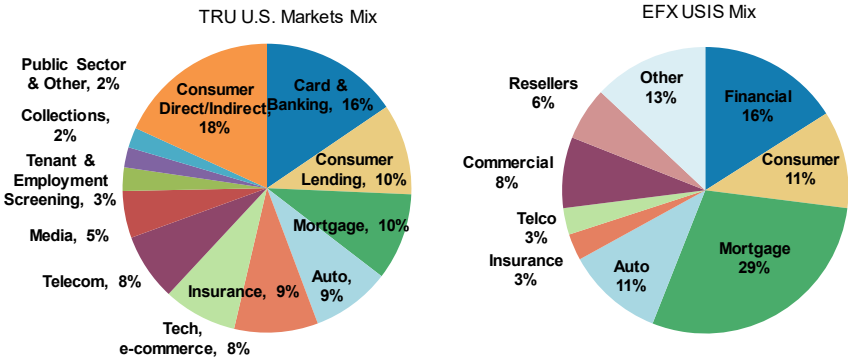
Credit Bureaus

Credit Bureaus: Revenue Comparison, 2024

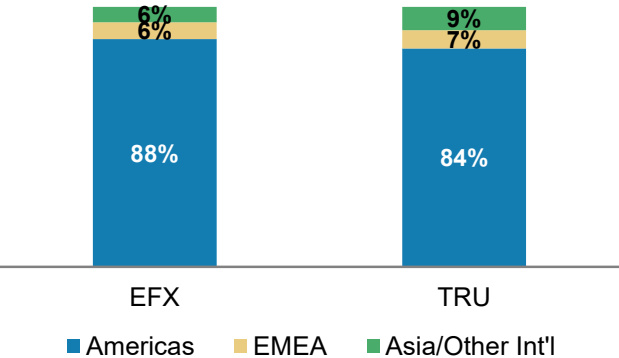
Revenue by Segment



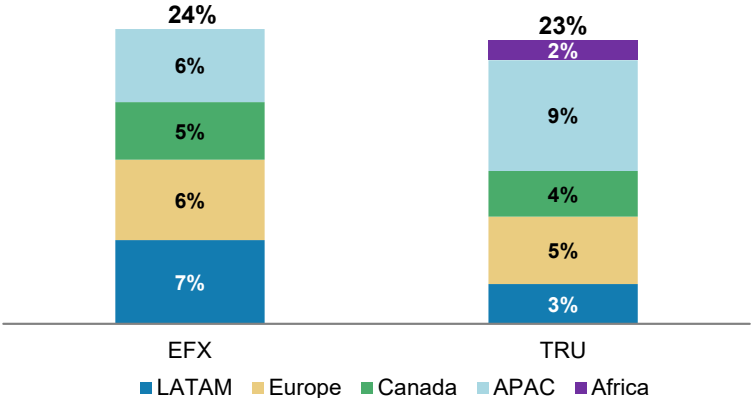
US Markets Rev Breakdown



Revenue by Geography



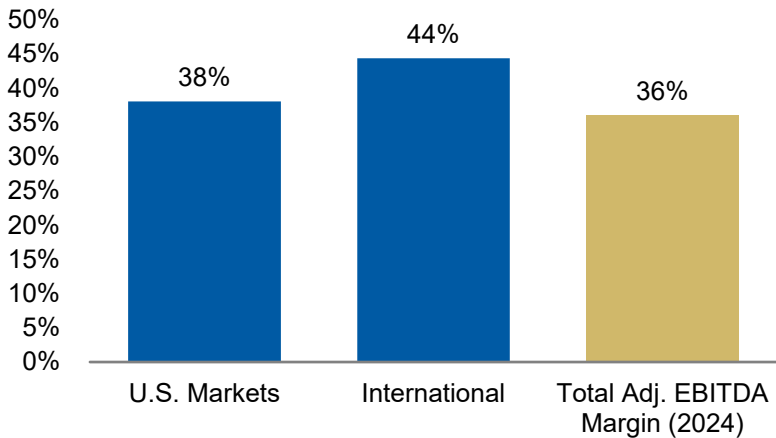
International Rev Breakdown



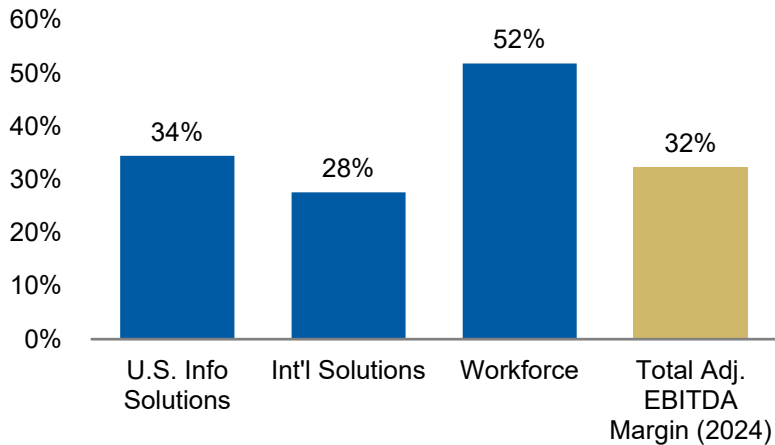
Source: Company filings, company presentation, Morgan Stanley Research.

Credit Bureaus: Operating Margin Comparison

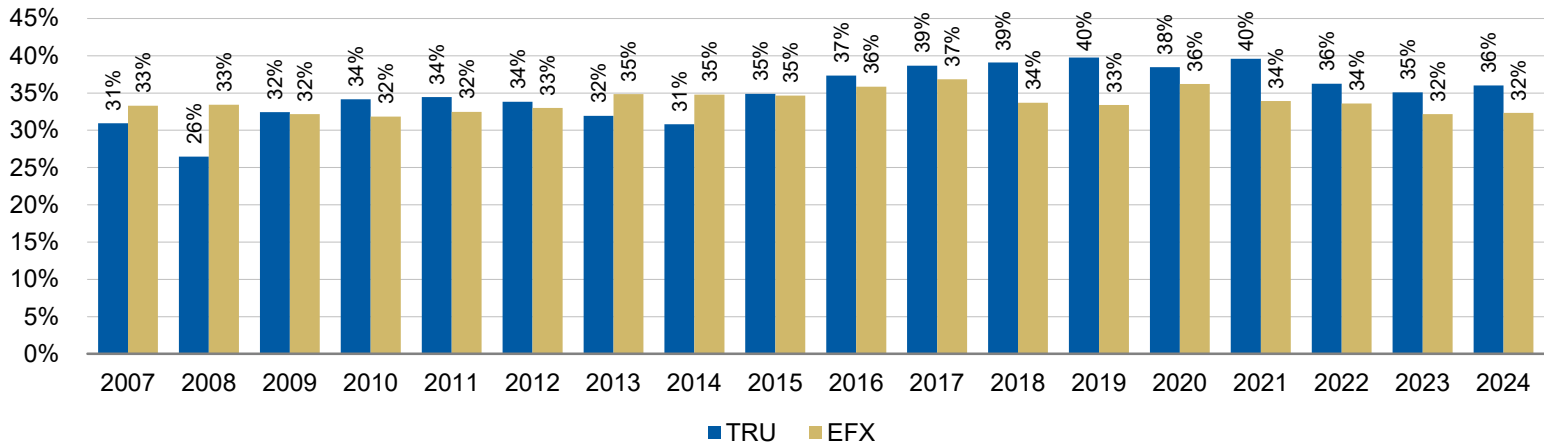
TRU



EFX



Adj. EBITDA Margin

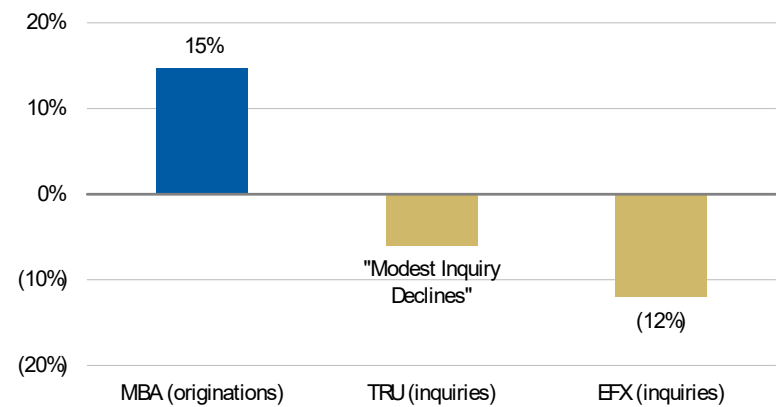


Source: Company data, Morgan Stanley Research.

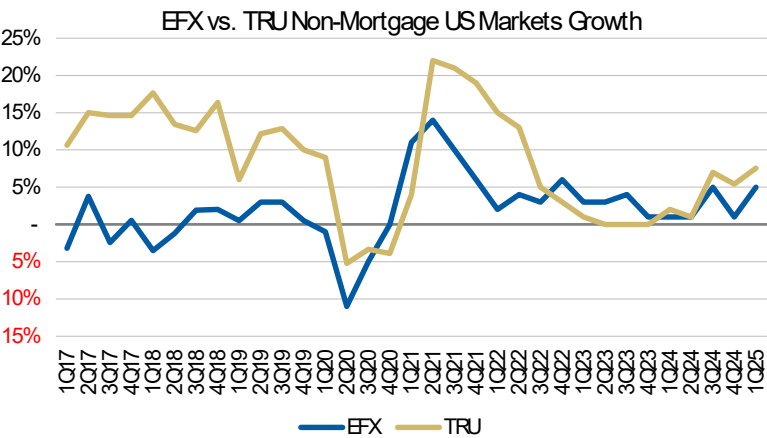
Credit Bureaus: Mortgage vs. Non-Mortgage

Mortgage Forecast

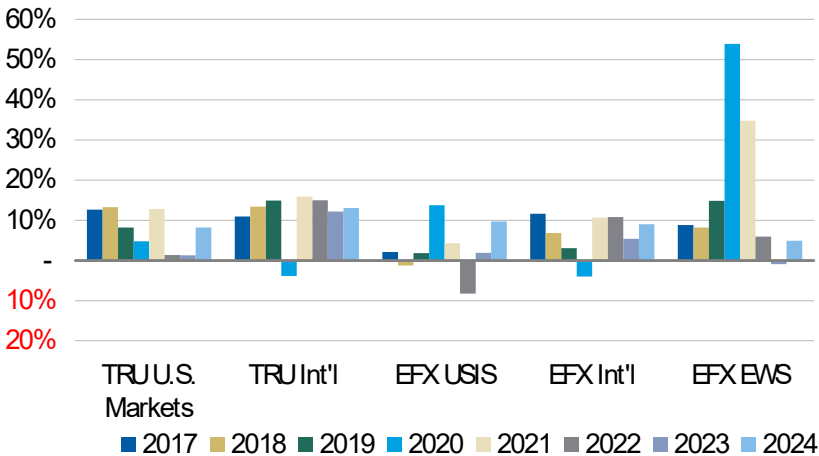
2025 Mortgage Forecast



Non-Mortgage USIS Growth

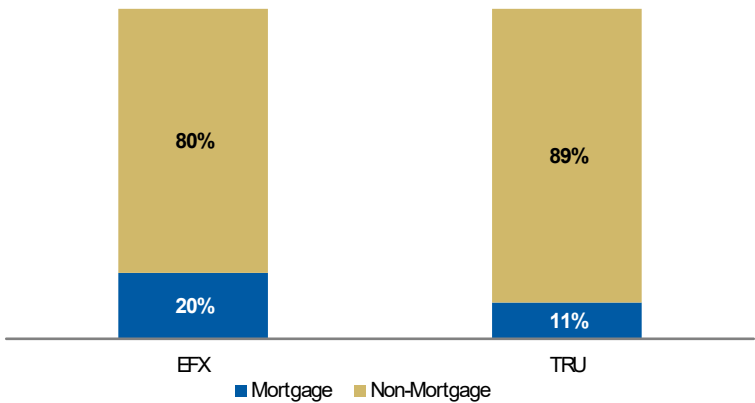


Segment Growth Rates...



% Mortgage 2024

Mortgage vs. Non-Mortgage Total Revenue

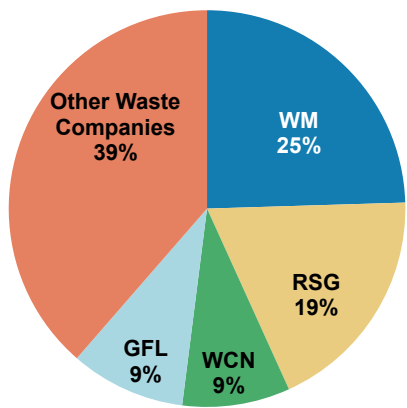


Source: Company data, MBA, Morgan Stanley Research.

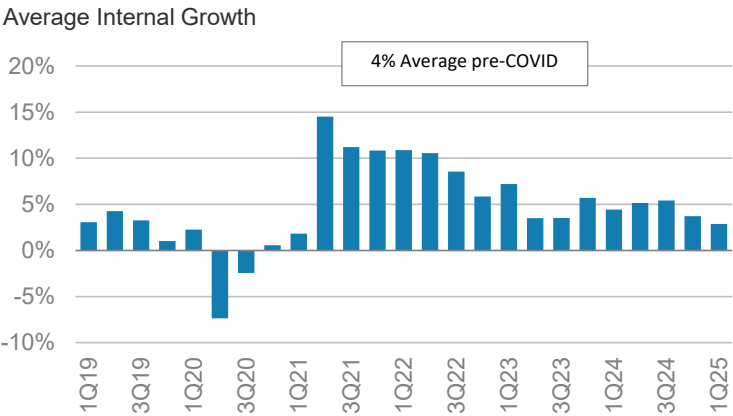
Waste Services – WM, RSG, WCN

Industry Overview

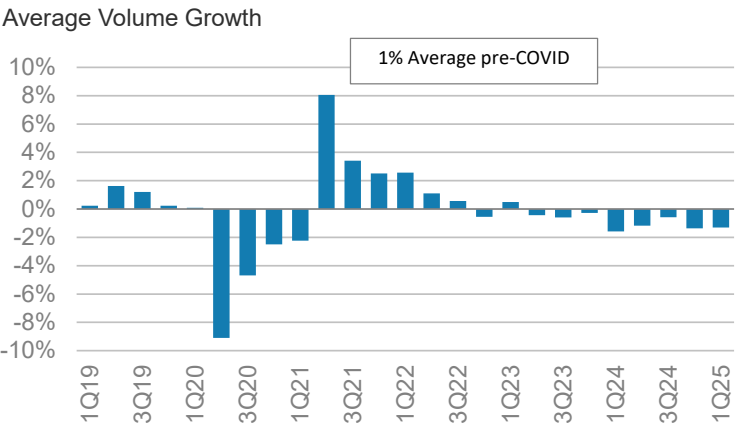
Big 4 operators make up ~61% of the estimated ~\$80B Domestic Waste Industry in 2024



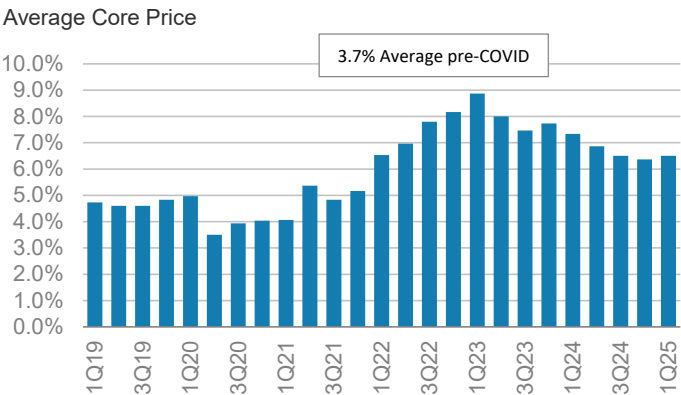
Waste Industry is Rightfully Seen as a Stable and Defensive Grower



While Volume Has Been Negative Recently...



...The Industry Has Experienced Core Pricing Deceleration From Post-COVID Highs



Source: Waste Business Journal, Company Reports, Morgan Stanley Research. Note: Internal growth reflects average of WM, RSG, and WCN. Internal revenue growth includes average yield, volume, recycling, and fuel surcharges at WM and RSG. Internal revenue growth includes core price, volume, recycling, and fuel surcharges at WCN.

Big 4 Key Metrics Summary

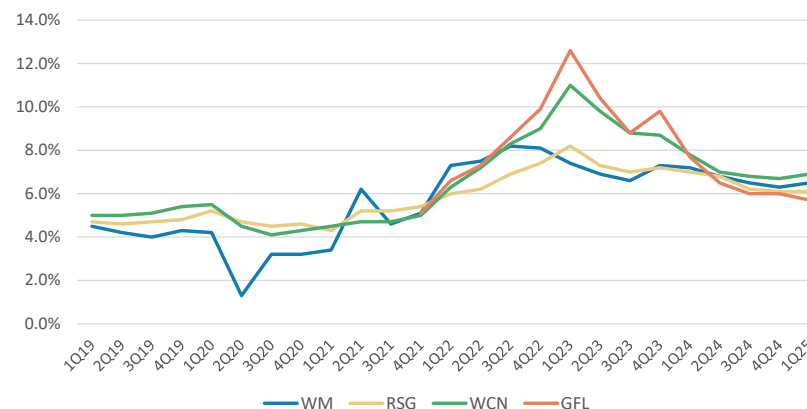
	WM	RSG	WCN	GFL
Fundamentals				
Internal Revenue Growth %	5.3%	4.6%	4.3%	3.4%
Core Price	6.7%	6.5%	7.1%	6.5%
Volume %	0.4%	-1.0%	-2.9%	-0.8%
Exclusive + Secondary % (est)	N/D	~60%	90%	73%
			"Single	
Churn rate %	~9.0%	6.0%	Digits"	N/D
US Market Share (est)	25%	19%	9%	7%
EBITDA Margins %	29.7%	31.0%	32.5%	28.6%
FCF Conversion	35.3%	43.9%	41.9%	36.4%
FCF Margins	10.5%	13.6%	13.7%	10.4%
Capex % of Revenue	14.6%	11.6%	11.8%	15.2%
Leverage	3.6x	2.5x	2.8x	4.1x
Dividend Yield	1.5%	1.1%	0.7%	0.1%
M&A Transactions (2024)	N/D	N/D	24	11
M&A \$ Spent (2024)	\$7,488	\$753	\$2,199	\$590
Valuation based on 2026e				
EV/EBITDA Multiple	14.5x	16.2x	17.6x	16.3x
P/E Multiple	26.9x	32.2x	32.9x	66.1x
Levered FCF Yield	3.9%	3.3%	3.2%	3.2%
Infrastructure				
Geographies (% US/CAN)	96/4	100/0	87/13	68/32
States	50	41	46	18
Collection Operations	N/D	367	364	N/D
# Landfills	263	208	106	90+
Avg Landfill Remaining Useful Life	~38	~56	~34	~25
Transfer Stations	332	248	163	175+
Material Recovery Facilities	102	75	89	30+
Recycling mix	8.6%	1.9%	2.6%	N/D
Employees	48,000	42,000	23,850	15,000
Landfill Gas-to-Energy Projects	136	79	58	19
% Internalized	69%	67%	55%	N/D
Automation/Efficiency				
Automated Trucks	N/D	77%	N/D	50%
CNG %	66%	20%	10%	23%

*GFL fundamental data from 2023

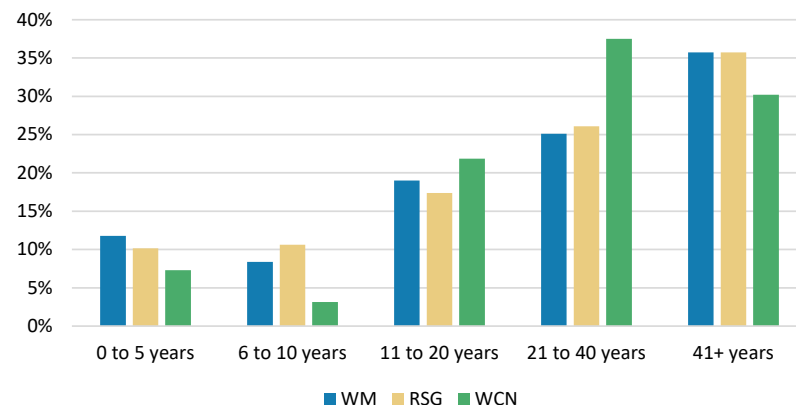
Source: Company data, Factset, Morgan Stanley Research.

Toni Kaplan, (212) 761-3620, Toni.Kaplan@morganstanley.com

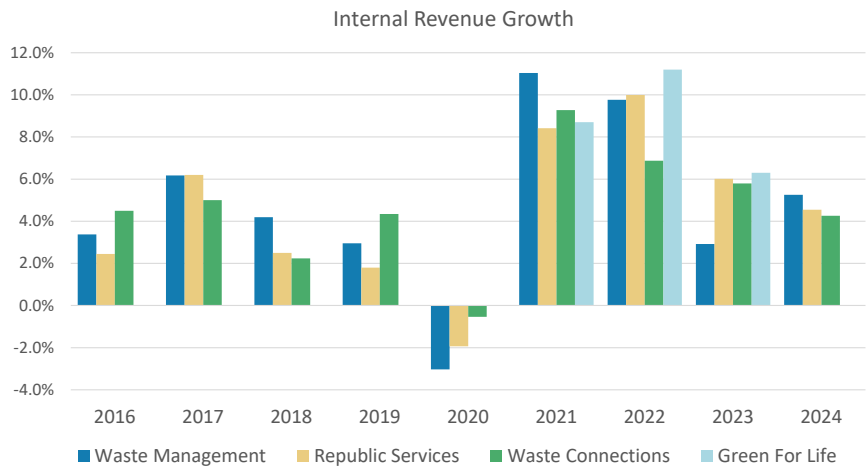
Core Price Growth



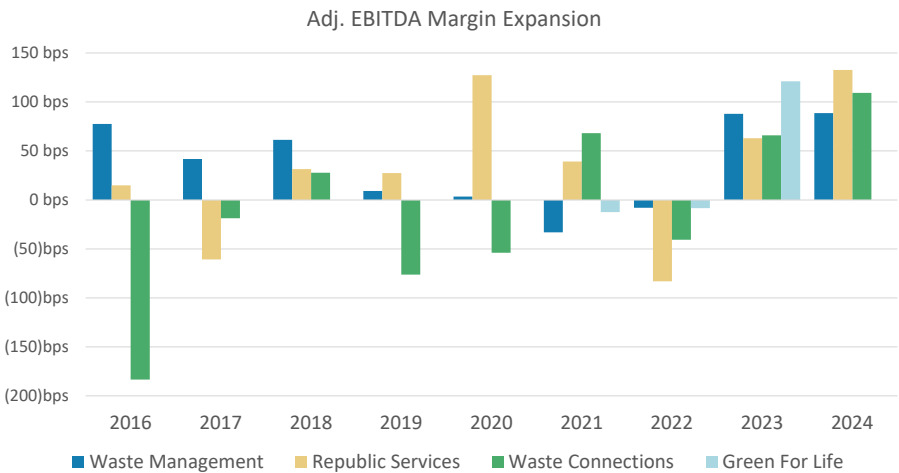
Remaining Landfill Useful Life



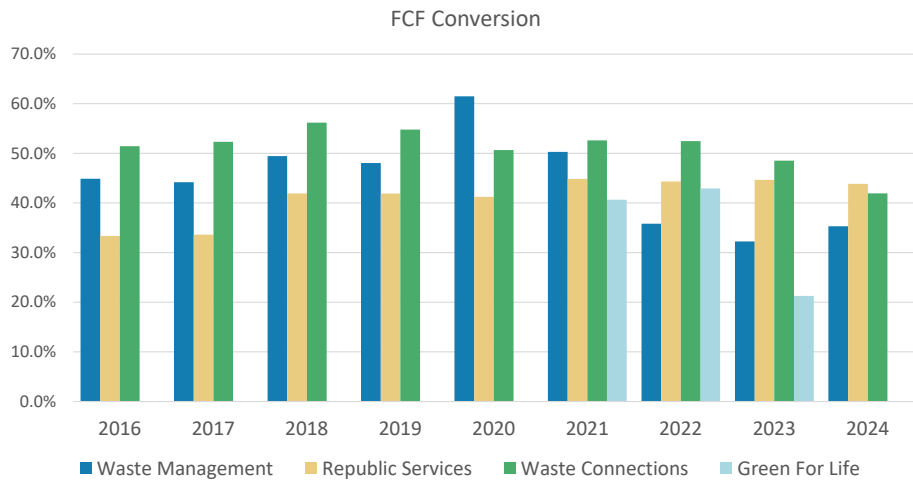
Big Four Key Metrics



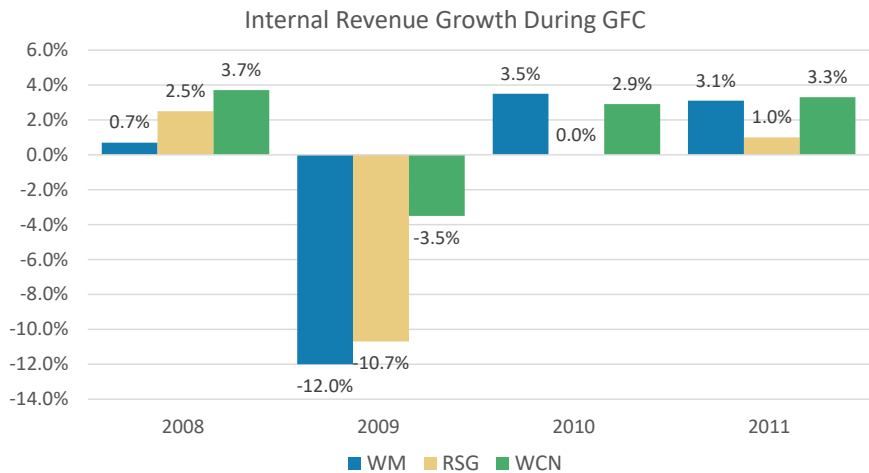
Source: Company data, Morgan Stanley Research



Source: Company data, Morgan Stanley Research



Source: Company data, Morgan Stanley Research

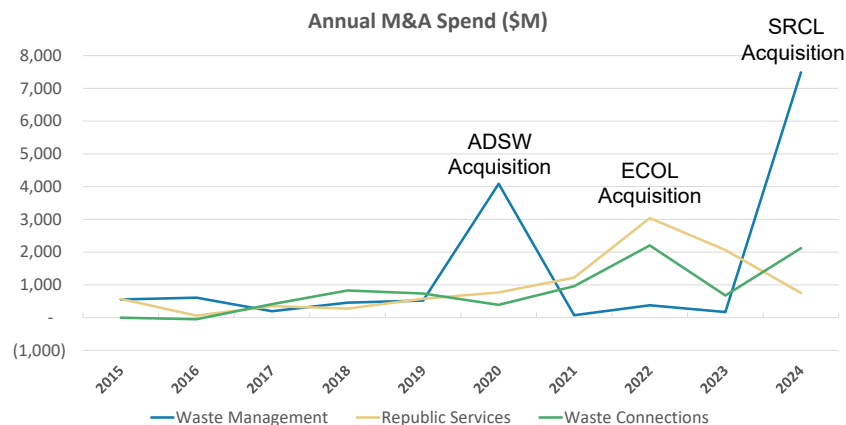


Source: Company data, Morgan Stanley Research

Waste Industry Transactions

M&A

- M&A and consolidation within the Waste industry makes sense due to density
- A typical tuck-in acquisition is estimated to be 6-7x adj. EBITDA, ~5-7x for smaller tuck-ins and ~7-14x+ for larger scale deals, dependent upon perceived synergies



Target	GFL Environmental Services* (#s in CAD)	SRCL	Secure Energy Services	ECOL	ADSW	WCA Waste Corp.	Waste Industries Inc.	GFL	BIN	TFII (Waste Management segment)	Deffenbaugh Disposal, Inc.	Veolia ES Solid Waste, Inc.	WCA Waste Corp.	Waste Services, Inc.	AW
Acquirer	Apollo & BC Partners	WM	WCN	RSG	WM	GFL	GFL	BC Partners & Ontario Teachers	WCN	GFL	WM	ADSW (private)	Macquarie Infrastructure Partners II	IESI-BFC Ltd.	RSG
Date	January 2025	November 2024	Feb 2024	May 2022	Oct 2020	Oct 2020	Oct 2018	April 2018	Jan 2016	Oct 2015	Oct 2014	July 2012	Dec 2011	Nov 2009	June 2008
Revenue	\$1,621	\$2,659	\$300	\$988	\$1,623	N/D	N/D	N/D	N/D	N/D	\$176	N/D	N/D	N/D	N/D
Expenses	\$1,207	\$2,239	N/D	\$833	\$1,198	N/D	N/D	N/D	N/D	N/D	\$124	N/D	N/D	N/D	N/D
Adj. EBITDA	\$414	\$420	N/D	\$155	\$425	N/D	N/D	N/D	N/D	N/D	\$52	N/D	N/D	N/D	N/D
Deal Value	\$8,000	\$7,200	\$1,075	\$2,200	\$4,600	\$1,210	\$2,825	\$5,125	\$2,700	\$800	\$405	\$1,910	\$526	\$370	\$6,240
Adj. EBITDA Multiple	19.3x	17.1x	N/D	14.2x	10.8x	N/D	13.1x	12.9x	10.1x	8.0x	7.8x	8.0x	9.1x	7.6x	7.8x
Run Rate Cost Synergies	N/D	\$125	N/D	\$40	\$150	N/D	N/D	N/D	\$115	N/D	N/D	N/D	N/D	N/D	\$150
Run Rate Revenue Synergies	N/D	N/D	N/D	\$88	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D

Source: Company data, Refinitiv, Morgan Stanley Research, ADSW 14A filing

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Big Four Revenue Breakdown

	2024 Revenue by Source			
	WM	RSG	WCN	GFL*
Residential Collection	16%	16%	22%	20%
Commercial Collection	24%	26%	26%	33%
Industrial Collection	14%	17%	14%	--
Other Collection	13%	0%	0%	0%
Transfer	6%	10%	13%	9%
Landfill	16%	16%	15%	11%
Recycling	7%	2%	2%	5%
Other	3%	12%	7%	23%

Temp. Roll-off / Const.	
WM	LSD%
RSG	~7%
WCN	~15%
GFL	ND

*As % of Revenue

What's included in Other?

WM: In plant services, sustainability projects, renting portable restrooms, WM Healthcare

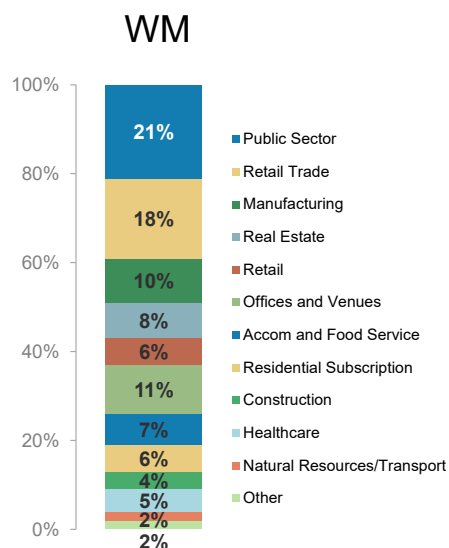
RSG: Primarily from national accounts of markets outside their operating areas

WCN: Intermodal revenue and sale of methane & RINs

GFL: Includes infrastructure & soil remediation, liquid waste, etc.

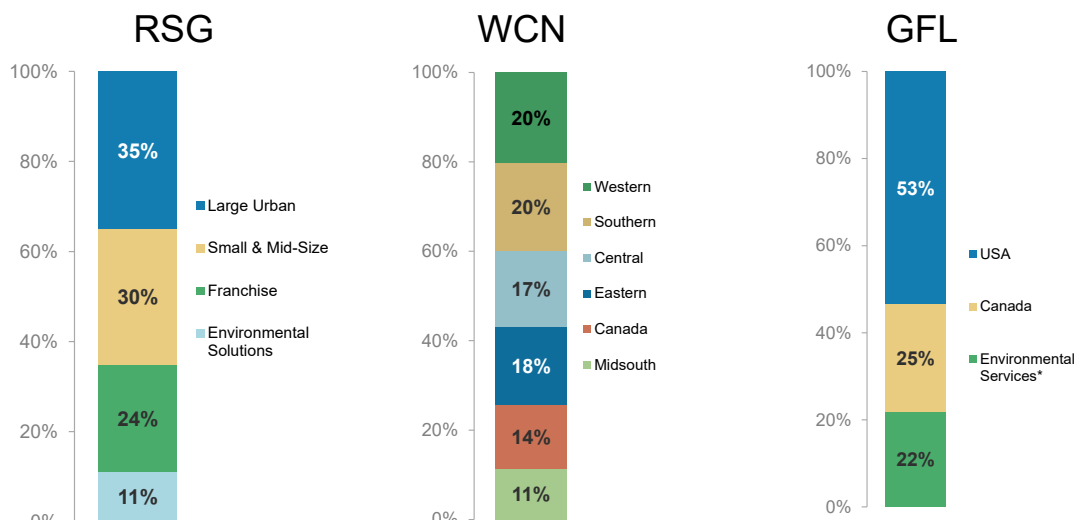
*GFL aggregates Commercial & Industrial collection as one revenue source. GFL data (above) as of 2023.

Revenue by Customer Type



Source: Company data, Morgan Stanley Research

Revenue by Market Type (2024)

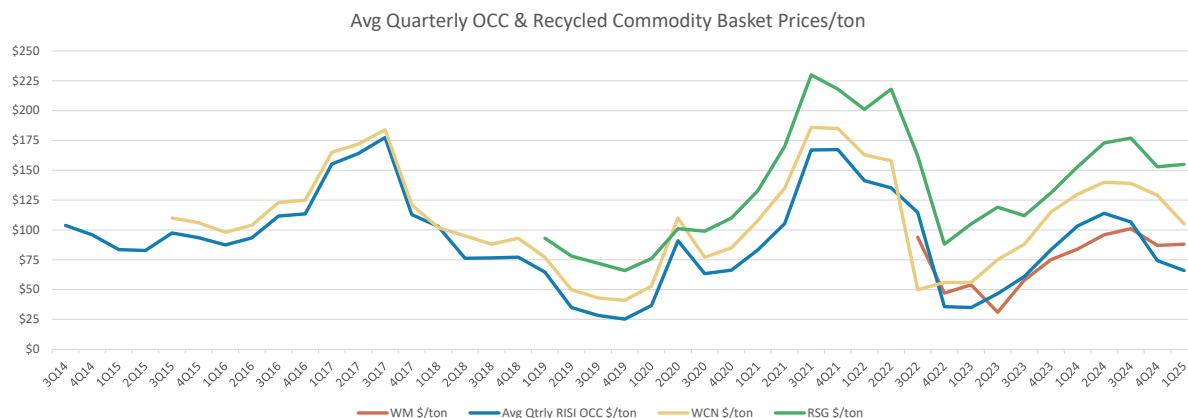
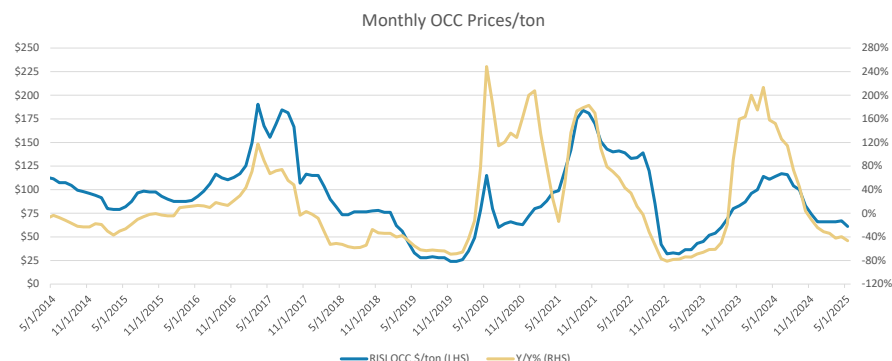


*GFL's Environmental Services business was sold to Apollo & BC Partners in 1Q25 and retained 44% equity ownership in the business

OCC (Old Corrugated Cardboard) Impact

Affects from changes in commodity prices

- **WCN:** For every 10% move in prices, a change of ~\$14M in annual revenue in 2023; high flow through to EBITDA
- **RSG:** For every \$10/ton move, both annual revenue and operating income would change by ~\$10 million. OCC is ~70% of recycled commodities basket
- **WM:** For every \$10 per ton change in the blended average single-stream commodity price, total operating EBITDA changes by approximately \$25M



*WCN 4Q24 est \$/ton

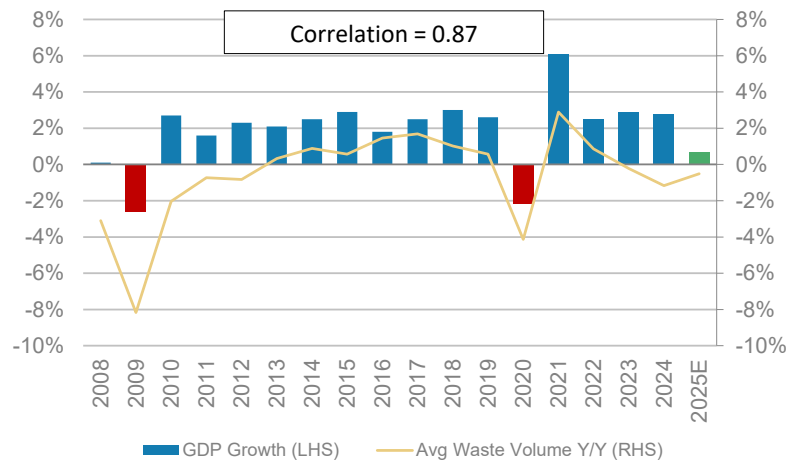
1Q25 Results by the Big 3

- **WCN:** \$105/ton in 1Q25, down 20% y/y with little sequential movement between 1Q and 2Q thus far
- **RSG:** \$155/ton in 1Q25 up slightly from \$153/ton a year ago; current commodity prices are \$160/ton
- **WM:** \$88/ton in 1Q25 up from \$84/ton a year ago, \$85/ton outlook for FY25

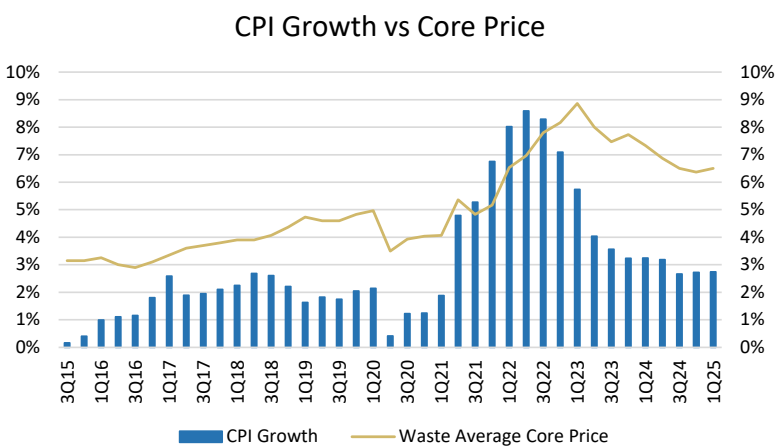
Source: Company data, Morgan Stanley Research

Macro Relationship With Waste Metrics

Waste Volumes Track Well to US GDP Rates

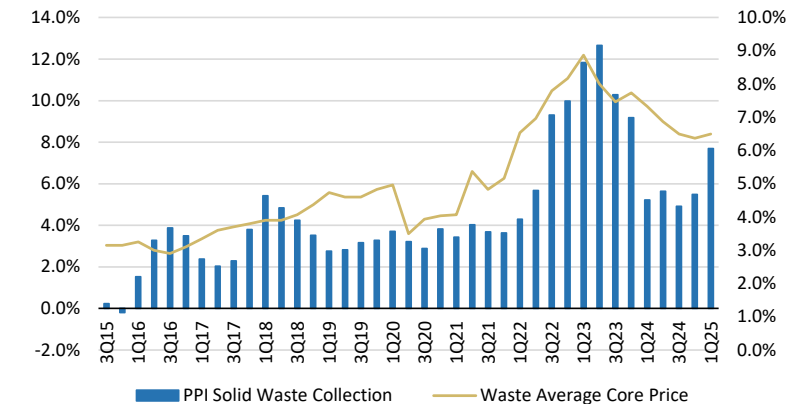


CPI Growth and Core Price Follow Similar Trends



Solid Waste PPI & Core Price Are Highly Correlated

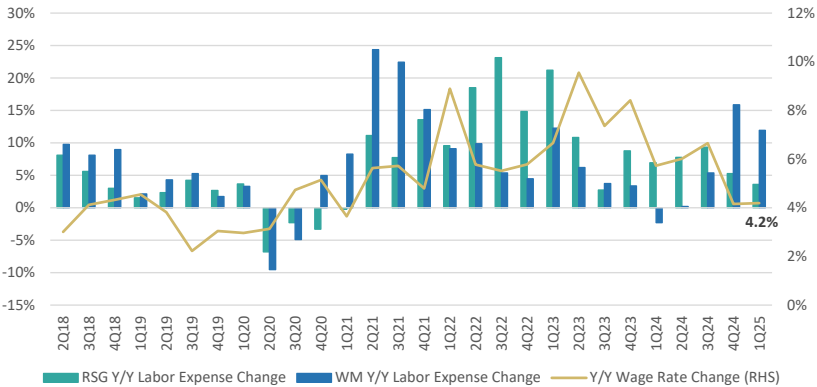
PPI Solid Waste Collection vs Core Price



WM	70.1%	RSG	83.0%	WCN	89.5%	Average	86.0%
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Wage Growth Has Begun To Settle After Elevated Levels

Waste Wage Rate vs. Labor Expense



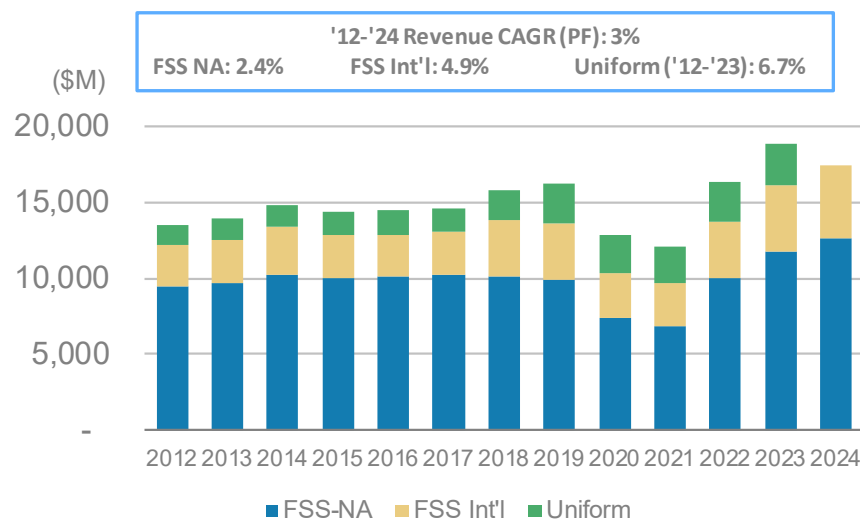
Source: BLS, Bureau of Economic Analysis, Company data, Morgan Stanley Research

Uniforms & Catering – Aramark, Cintas

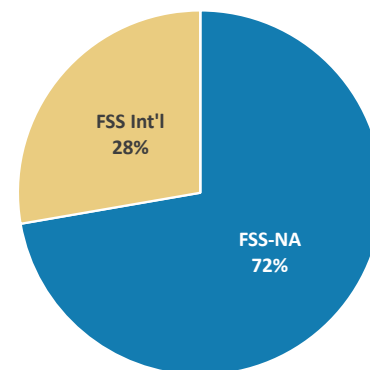
ARMK Company Overview

ARMK is a leading provider of food and facilities services

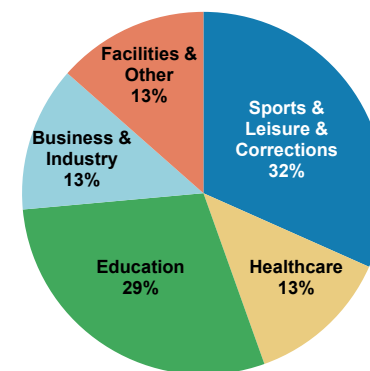
- #2 position in North America in food and facilities services
- Internationally, hold a top 3 position in food and facilities services
- Food and support services clients include school districts, universities, healthcare facilities, businesses, sports venues, etc.
- Mid-single-digit organic growth profile with margin expansion.
- The company spun off its Uniform business in 2023.



F2024 Revenue by Segment



Revenue by Sector (FSS US)



ARMK FSS US by Sector

Vertical	Market Size	% Self-op or Outsourced to Smaller Players	Aramark's Penetration Of % of NA Sales Total Market		Outsourcing Opportunities	Description
Business & Industry	\$25B	~65%	13%	7%	Moderate in Facilities and Refreshments, Slower in Food Services	Services include Business Dining, Business Facilities, and Management & Refreshment Services
Education	\$32B	~65%	29%	15%	Significant	Serving Higher Education and K-12 Food & Facilities
Healthcare	\$28B	~65%	13%	6%	Significant	Hospitality & Facility Services (mostly hospitals), Clinical Equipment Maintenance, Senior Living
Sports, Leisure & Corrections	\$8B	~15%	32%	16%	High in Corrections, Moderate in Sports & Leisure	Includes Sports & Entertainment, National & State Parks, Amusement Parks, and Corrections Food & Commissary
Facilities & Other	\$180B	NA	13%	7%	Significant	Includes: Housekeeping, Plant Operations and Maintenance, Custodial, Groundskeeping, Transportation, etc.

*Data as of 2019 except for % of NA Sales, est.

Source: Company documents, Morgan Stanley Research

Toni Kaplan, (212) 761-3620, Toni.Kaplan@morganstanley.com

Industry and Competition

Food and support services market is highly fragmented with the three largest competitors capturing only ~15% of the food market, and less than 10% of total \$1T market.

FSS United States

Key Competitors

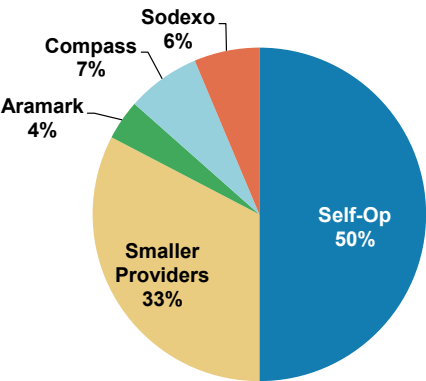


FSS International

Key Competitors



Global Food Service Market (\$330B)

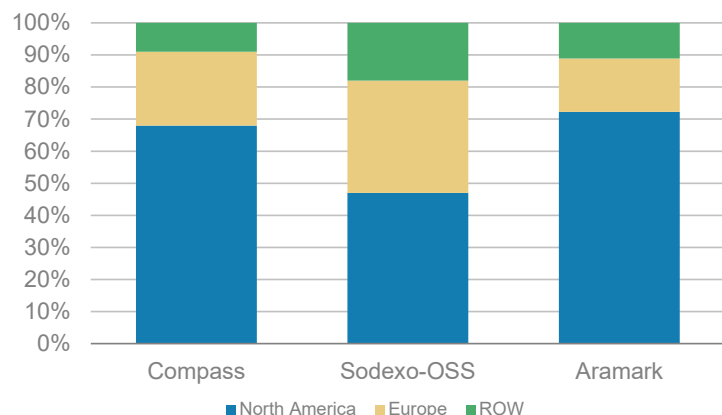


Business & Industry	Education Group	Healthcare	Sports, Leisure & Corrections
 	 	   SIEMENS	     

Source: Company documents, Morgan Stanley Research

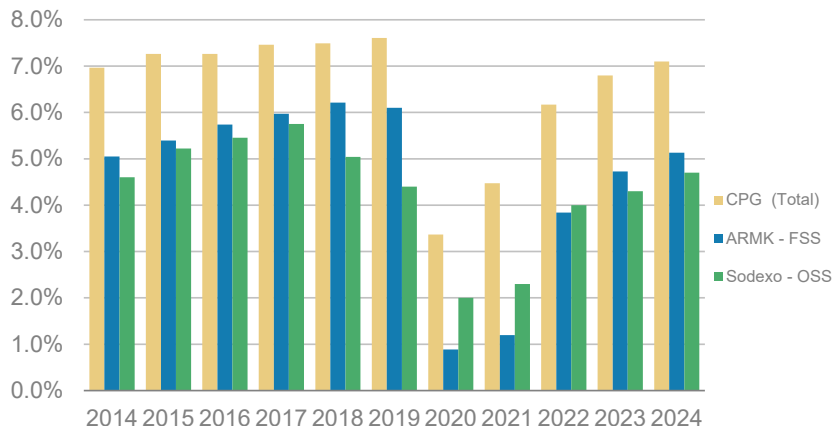
Competition (continued)

Geographic Exposure



Note: Aramark N. America reflects FSS US and Uniform segments

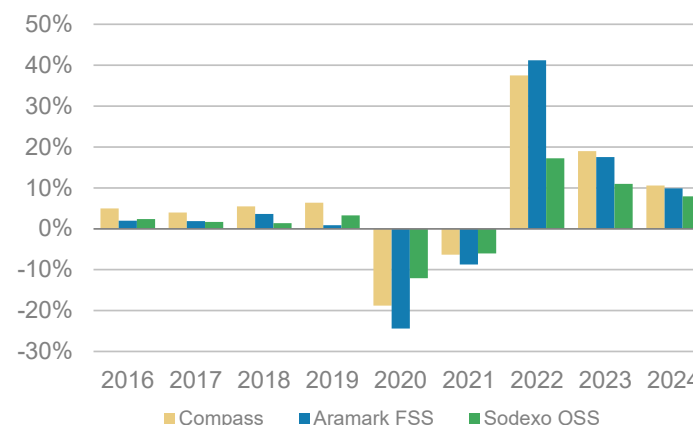
Food Service Operating Margins (Total)



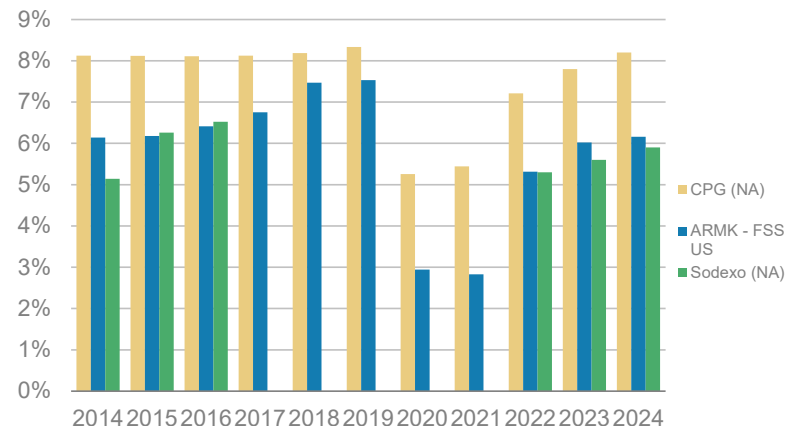
Source: Company documents, Morgan Stanley Research

Note: FYE ARMK & CPG Sep 30; Sodexo Aug 31

Food Service Sales Growth



Food Service Op Margins (N. America/U.S.)

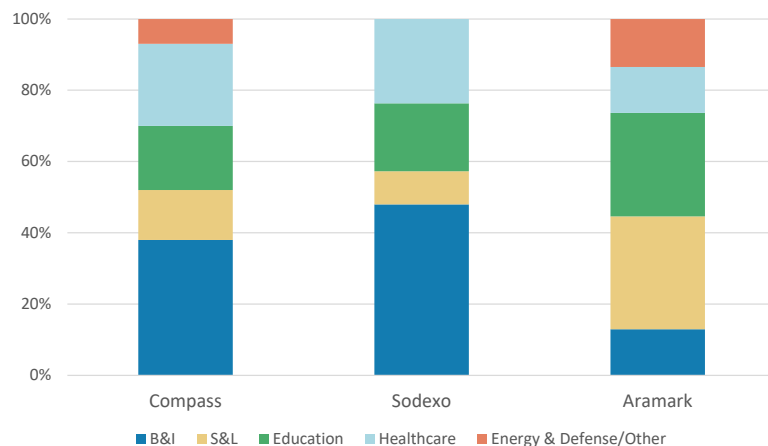


Note: Sodexo stopped reporting geographic op. income in FY17 but recently provided 2022 & 2023

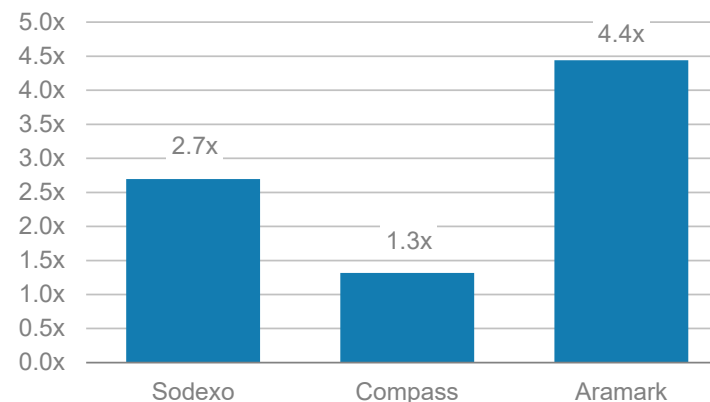
Competition (continued)

Food Service Sales by Vertical

Sales Exposure



Total Leverage of Big 3 Operators



ARMK FSS US Growth & Recovery by Vertical

Vertical	F2022 (Sept) Growth vs. '19	F1Q23 (Dec) Growth vs. '19	F2Q23 (Mar) Growth vs. '19	F3Q23 (Jun) Growth vs. '19	F4Q23 (Sept) Growth vs. '19	F2023 (Sept) Growth vs. '19	F1Q24 (Dec) Growth vs. '19	F2Q24 (Mar) Growth vs. '19	F3Q24 (Jun) Growth vs. '19	F4Q24 (Sept) Growth vs. '19	F2024 (Sept) Growth vs. '19	F1Q25 (Dec) Growth vs. '19	F2Q25 (Mar) Growth vs. '19
B&I	-32%	-17%	-13%	-9%	-6%	-11%	-4%	0%	6%	8%	3%	8%	14%
Education	-2%	-1%	9%	3%	20%	6%	9%	15%	10%	19%	13%	12%	12%
Healthcare*	10%	23%	52%	47%	46%	41%	52%	83%	84%	80%	74%	54%	86%
Sports, Leisure, & Corrections**	3%	20%	21%	33%	44%	28%	52%	51%	59%	58%	56%	60%	58%
Facilities & Other	15%	23%	28%	29%	28%	27%	7%	11%	12%	-3%	7%	-4%	-2%

*F2022 adjusts for NextLevel revenue; Quarterly numbers include NextLevel revenue

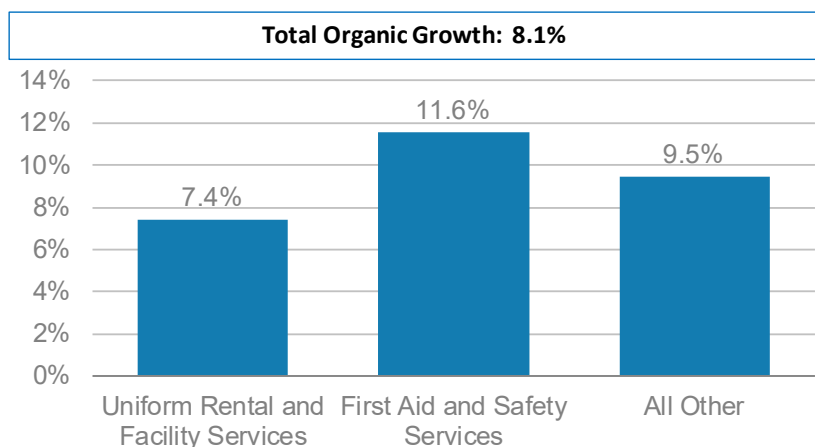
**Adjusted for Union Supply Group revenue in F2023

CTAS Company Overview

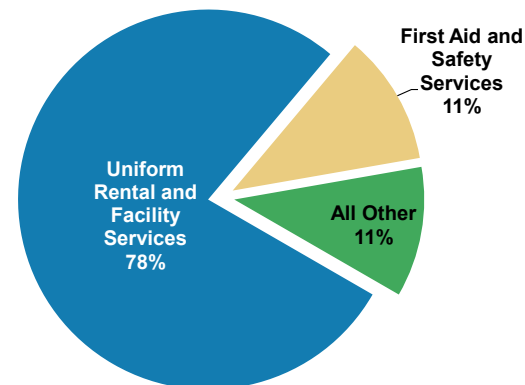
CTAS is the best-in-class uniform and ancillary products provider

- Serves over one million businesses and clothes more than 5 million people every work-day
- Operates 11,700 local delivery routes and has 467 operational facilities
- Products include uniform rental, first aid, fire protection, restroom & hygiene solutions, tile & carpet cleaning, etc.
- Contracts generally last 5 years
- Organic revenue growth has averaged 6.4% since 2011

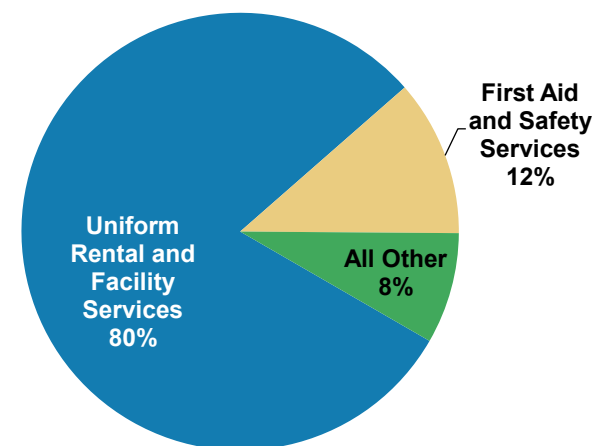
FY24 Organic Growth by Segment



FY24 Revenue by Segment



FY24 Op Profit by Segment

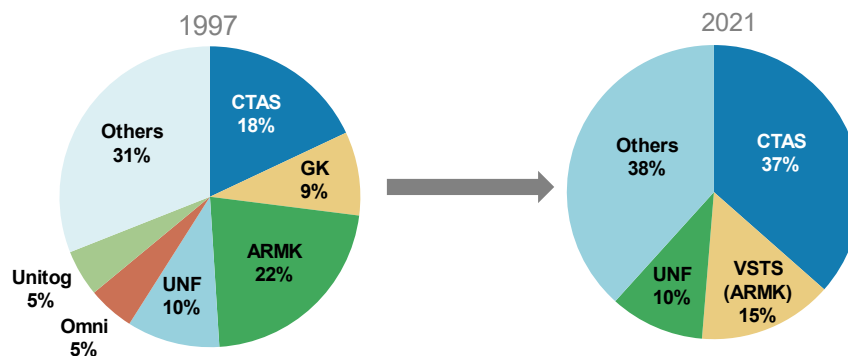


Industry Overview

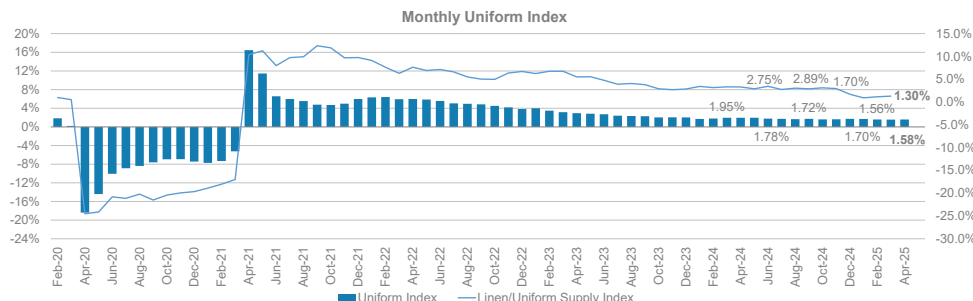
Key Industry Drivers

- **Fragmented industry with concentration at the top** – Leading 3 players make up ~62% of the industry, up from ~55% in 2017
- **Economies of scale occur at processing center level** – Dense network of customers drives higher margins
- **Pricing is important, but not primary focus** –service and efficiency are key factors

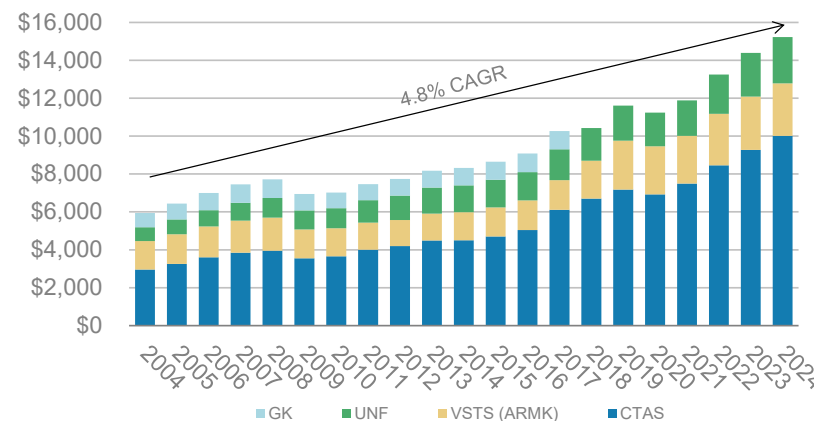
Market Concentration



MS Uniform Index at Pre-COVID Levels



Big 3 Uniform Providers Have Grown at ~5% CAGR Since 2004



Key Statistics vs. Comparables



Based on CY2024	CTAS	VSTS (fka ARMK AUS)	UNF
Revenue	\$10,008M	\$2,772M	\$2,443M
Adj Operating Margins	22.6%	4.8%	7.9%
Total Employees	46,500	19,600	16,000
% of Employees Represented by Unions	2.2%	51.4%	1.0%
# Local Delivery Routes	11,700	3,400	ND
# of Facilities	461	350	>270
# of Clients	~Over 1 million	ND	~Over 300,000

Source: Company documents, Morgan Stanley Research.

Note: Aramark Uniforms segment was spun out into a public company, Vestis, on September 30, 2023

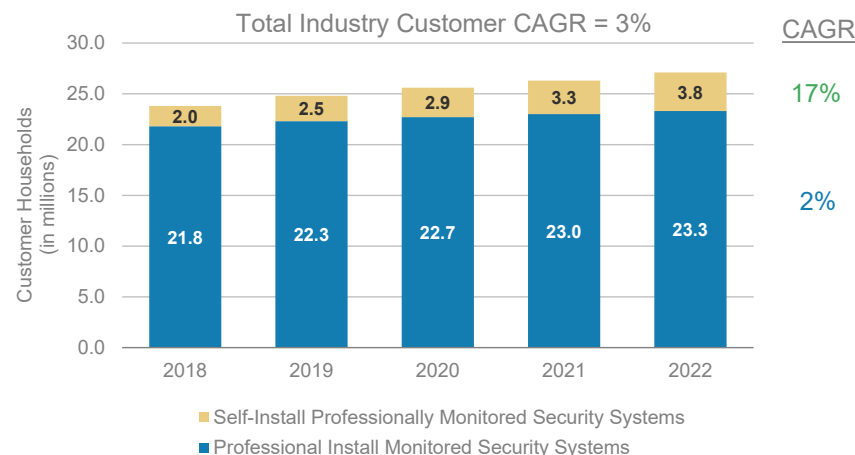
Monitored Security - ADT Inc.

Industry Overview

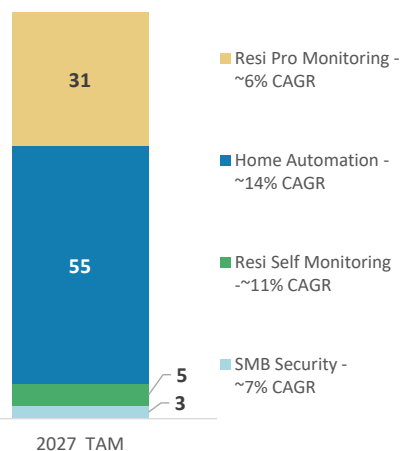
US Home Security Market to Grow at a 6% CAGR '22-'27

- ADT is the #1 Smart Home Security Provider in the US, with 6.4M subscribers; 2x more preferred than the next provider
- Security penetration expected to increase from 20% to 23% due to smart home and DIY offerings
- DIY growing at a 46% CAGR from '16-'21
- Contractual revenue, recurring nature of industry revenue
- With ADT's Commercial and Solar Exits, remaining TAM for the company is estimated at \$91B-\$94B

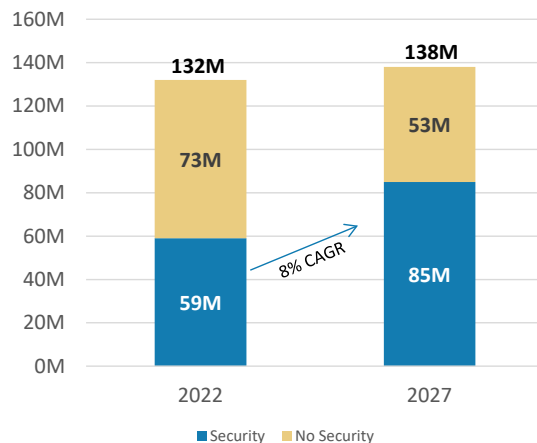
Pro Install vs. Self Install Growth (HHs)



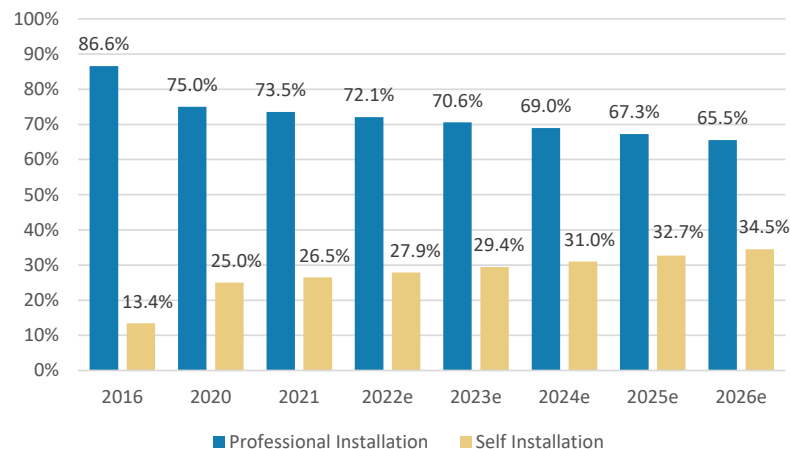
2027 TAM



U.S. Households Est. Security Trends



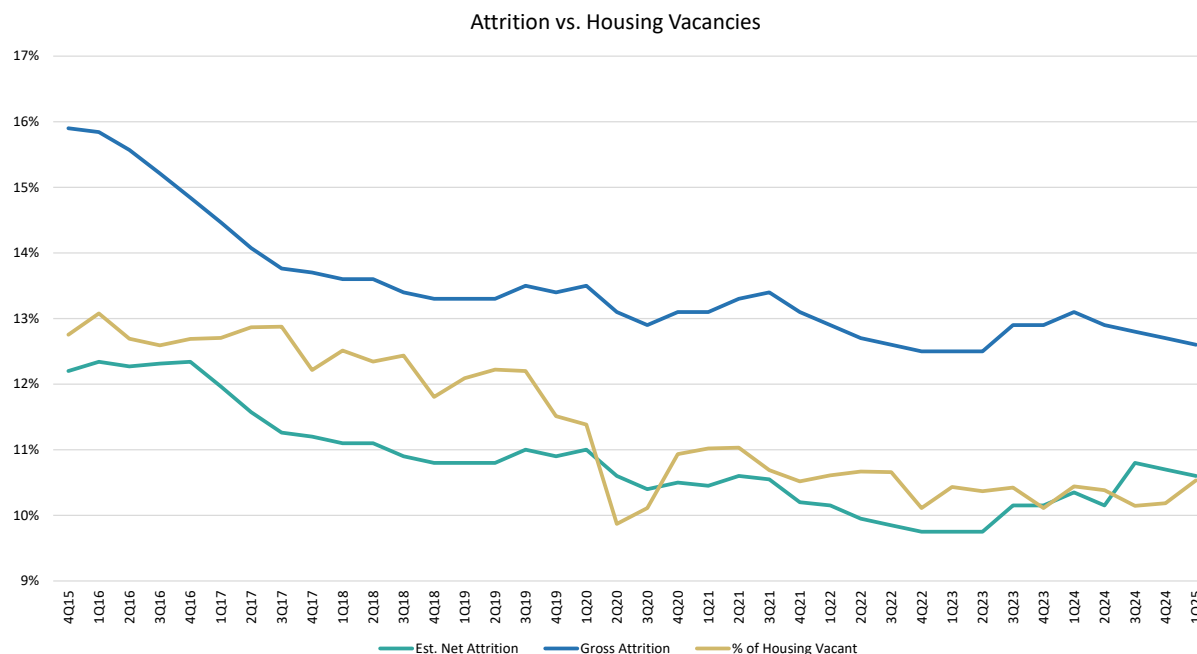
Service Type as a % of Market



Consumer Behavior

Attrition Levels Decline During Economic Slowdowns

- Voluntary attrition features household relocations and cancelations due to lack of adequate value from products
 - Record attrition of 12.6% in 1Q25 as ADT makes progress in value reception
- Historically, ~40% of attrition is tied to moving, but net attrition would be ~1-2% lower if moving-related cancelations were replaced by the new homeowner or the re-adds but those relocating



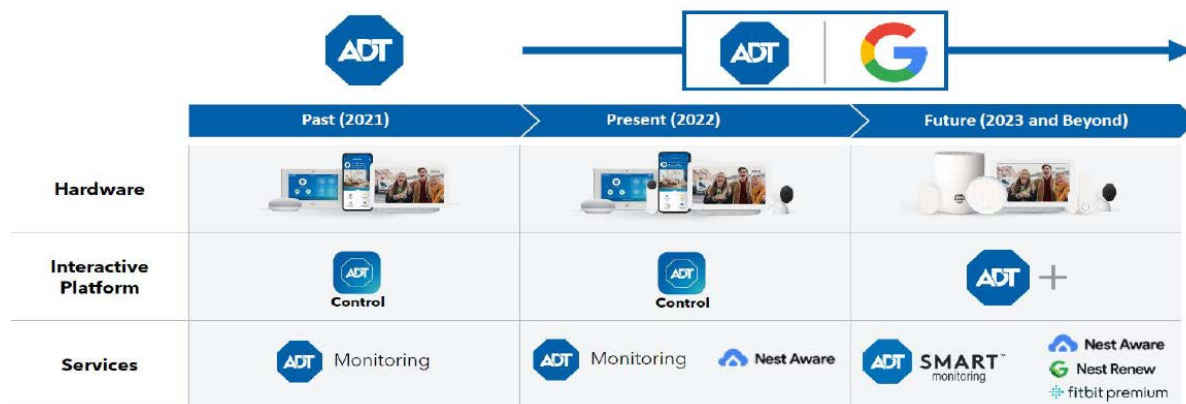
Correlation Between Attrition and Housing	
Est. Net Attrition	90%
Gross Attrition	80%

Partnerships

ADT + Google

- ADT received a \$450M common equity investment from Google
- Both companies making \$150M investment in co-marketing, new product development, and employee training
- 7-year partnership with 3-year lock-up on the equity
- Transaction closed 9/17/20

Google Partnership Could Increase Growth Prospects



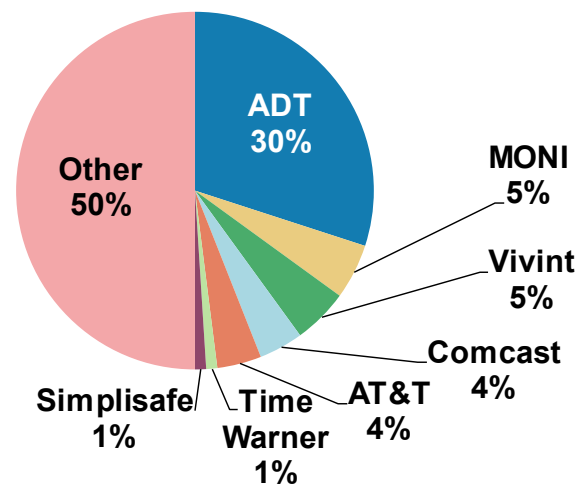
State Farm Adds Another Dimension to Potential Growth



- \$1.2B common equity investment for ~15% ownership and a seat on Board
- State Farm will invest up to \$300M in an opportunity fund for innovation, technology and marketing
- State Farm's 19,400 agents may facilitate sales of ADT's products, bundling with home insurance
- Has sold 18K State Farm products in 2024 within 17 states vs 5.5K products in 2023

Competitive Landscape

Residential Market Share



*Data as of 2017

Recent Business developments

- Commercial segment was sold in 3Q23 for \$1.6B, or an 11x EBITDA
- ADT exited the Solar segment in January 2024, after ~2 years of operating in the segment after the SunPro acquisition
- As of 3Q24, Solar has been re-categorized as disc. operations

Competition



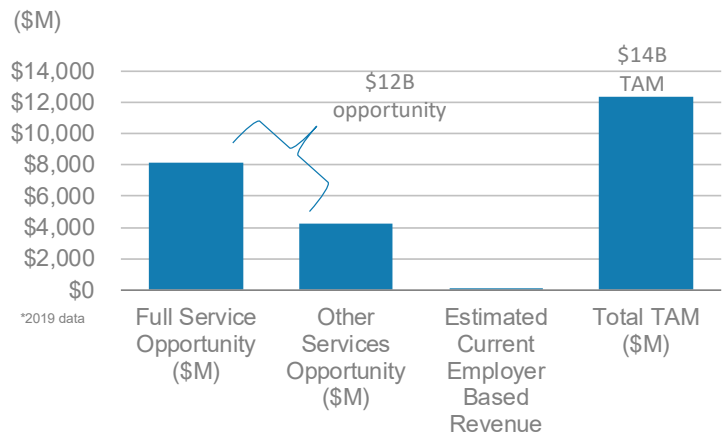
*ADT sold their Commercial business in late 2023

Source: Company documents, Morgan Stanley Research

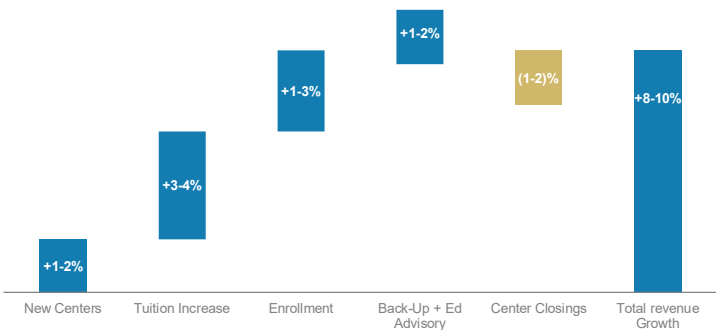
Child Care and Early Education – BFAM, KLC

TAM, Historical Growth Algorithm

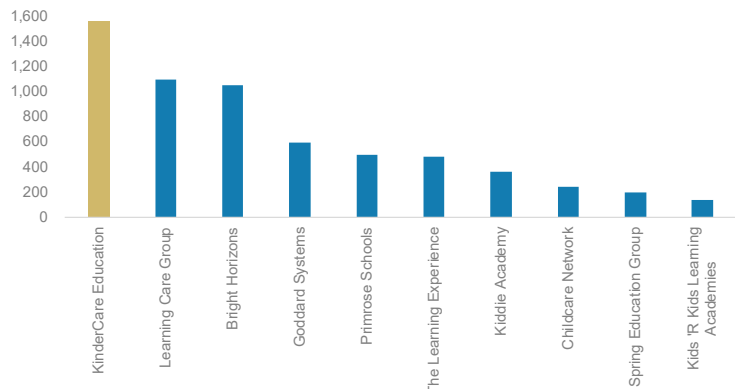
BFAM is ~6x the Size of Next On-Site Competitor, But Limited Market Share in Eligible Employers (1,000+ Employees)



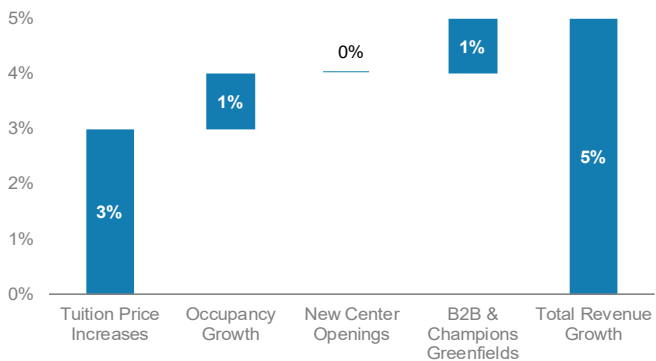
BFAM Pre-COVID LT Growth Algorithm



KLC has the largest footprint of any childcare provider with 1,520+ centers across 41 states

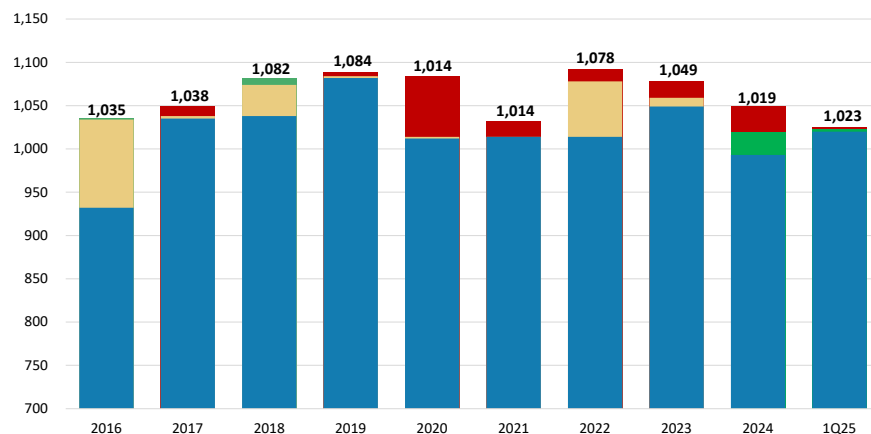


KLC LT Growth Algorithm (MSe)



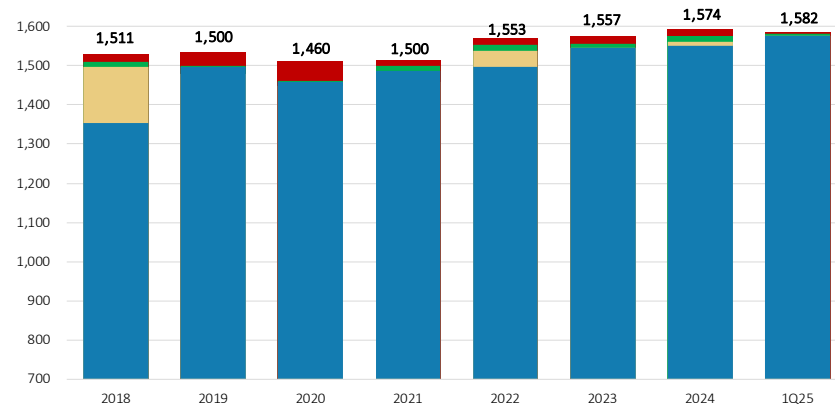
Organic Center Growth Has Been Stagnant

BFAM



	2016	2017	2018	2019	2020	2021	2022	2023	2024	1Q25
BOP Centers	932	1,035	1,038	1,082	1,084	1,014	1,014	1,078	1,049	1,019
Acquired Centers	102	14	36	7	2	18	78	10	0	0
Organic Openings	26	26	30	30	16	26	17	10	26	6
Closed Centers	(25)	(37)	(22)	(35)	(88)	(44)	(31)	(49)	(56)	(2)
EOP Centers	1,035	1,038	1,082	1,084	1,014	1,014	1,078	1,049	1,019	1,023
Organic Net Change	1	(11)	8	(5)	(72)	(18)	(14)	(39)	(30)	4

KLC



	2018	2019	2020	2021	2022	2023	2024	1Q25
BOP Centers	1,358	1,511	1,500	1,460	1,500	1,553	1,557	1,574
Acquired Centers	158	3	2	12	55	11	23	5
Organic Openings	14	22	11	42	14	11	12	5
Closed Centers	(19)	(36)	(53)	(14)	(16)	(18)	(18)	(2)
EOP Centers	1,511	1,500	1,460	1,500	1,553	1,557	1,574	1,582
Organic Net Change	(5)	(14)	(42)	28	(2)	(7)	(6)	3

Source: Company documents, Morgan Stanley Research

Child Daycare Industry Risks

Universal Pre-K Implementation

- President Biden previously proposed publicly funded universal preschool for all three- and four-year-olds in partnerships with the states, though progress has stalled
- If offered primarily or exclusively through public schools or nonprofit entities, this could reduce demand at private centers
- If funding rates offered by the government are uneconomical, it could result in private sector not participating, and limit potential future growth

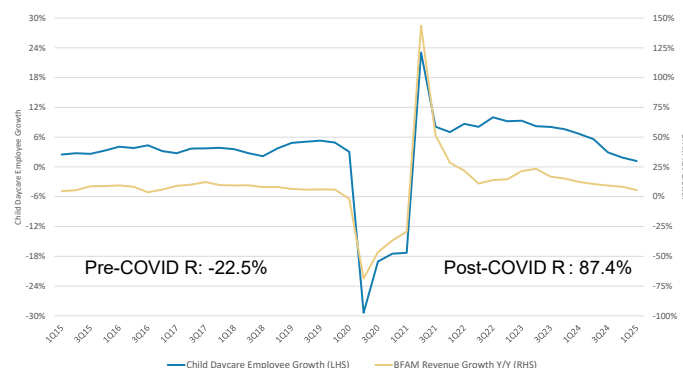
Labor Pressures

- Historically, turnover for child care workers is high (~15%, which is 65% higher than turnover in a typical occupation)
- Staffing shortages were an issue during the pandemic
 - Utilization rates have been impacted as states have strict teacher to child ratios that must be adhered to
- Raising wage rates (currently ~32% higher than pre-pandemic rates at \$21.38/hr in 1Q25) pressure margins

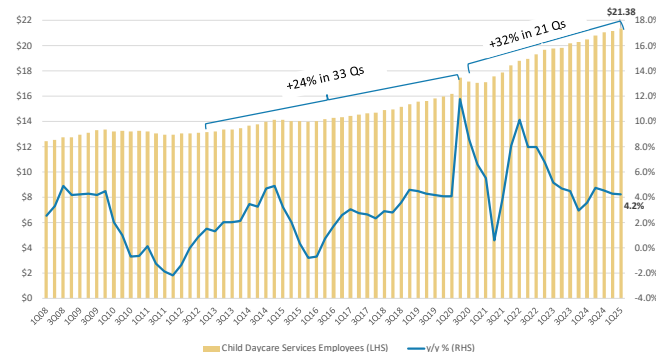
Reputational Risk

- Because of sensitive nature of work, there could be heightened focus on any incidents related to children, and could have longer term impact on enrollments, new business, and employee retention

Daycare Employment vs BFAM Full Service Rev Growth



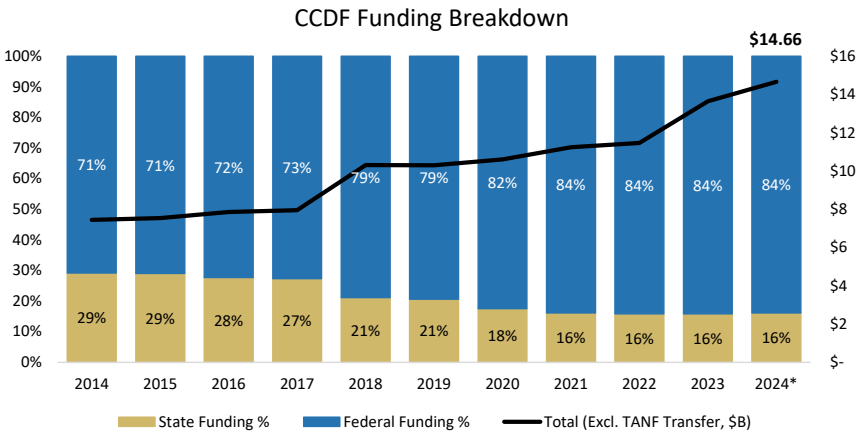
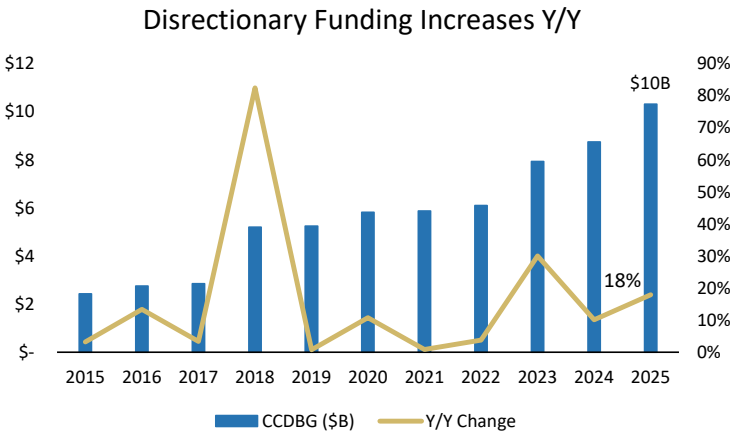
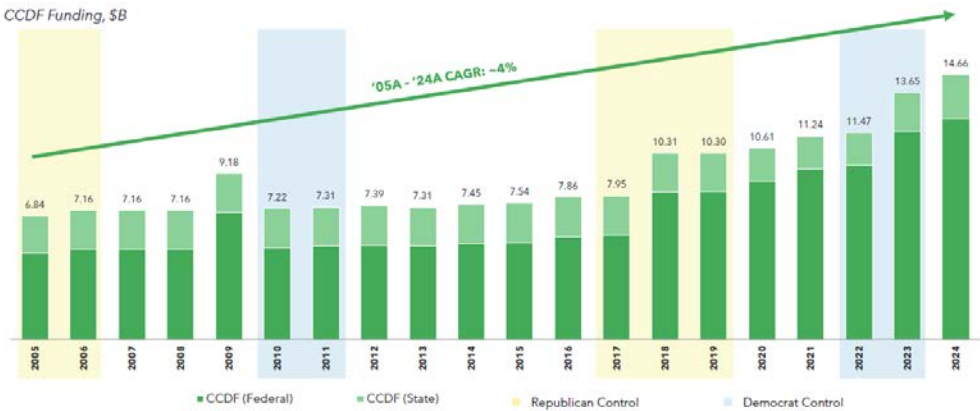
Note: BFAM FS Revenue growth excludes revenue for OAC acquisition



Child Day Care Industry Risks (cont) - Child Care Development Block Grant

Changes in Government Funding of Child Care

- 35% of KLC’s revenue is supported by CCDBG public subsidies (**29% from Federal grants**) and can be subject to budget cuts, change in eligibility, or volatility during commentary under the new administration
- DOGE is expected to review government spending on federal grants and loans, which is where CCDF is categorized
- The CCDF is funded via two sources: mandatory funding and discretionary funding.
- **Mandatory funding** (Federal + State CCES funding - est. **42%** of CCDF) refers to funding required by existing law that does not go through the annual appropriations process and would require new legislation to change the rules.
- **Discretionary funding** (CCDBG funding – est **58%** of CCDF) is decided by the annual appropriations process. The mandatory and discretionary funding of the CCDF is not set by the Executive branch, rather Congress. Utilizing a pre-determined formula set by Congress, the funds are then disbursed to states by the Treasury.



Corporate Travel – GBTG

Business Travel Recovering

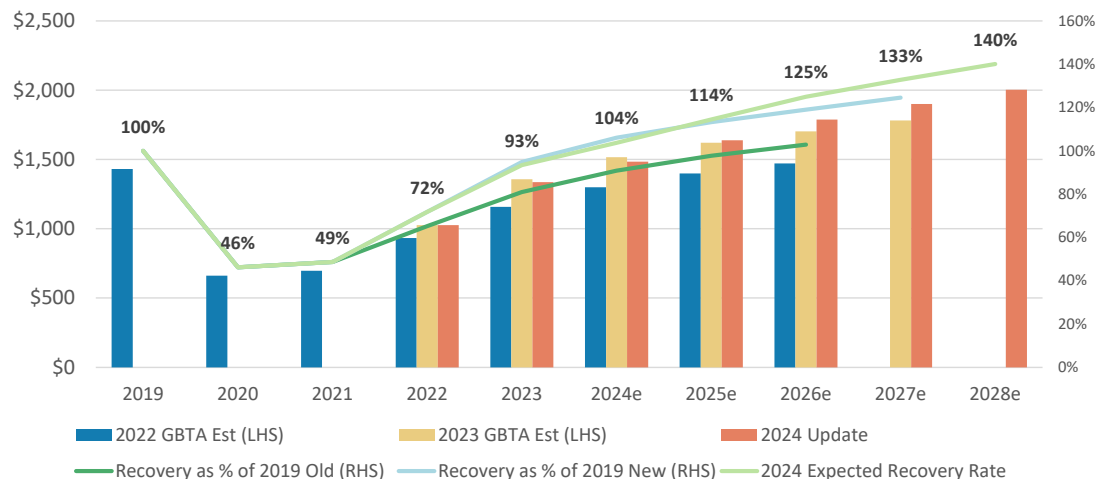
\$1.4T Addressable Market (pre-COVID), volume expected have recovered in 2024 (previously '26)

- Market grew at a 4.4% CAGR from 2000-2019, and expected to grow at a ~8% CAGR from 2023-2028
- Business travel transactions value recovery estimated at ~94% of 2019 levels in 2024
- Economic slowdown risks hurt the corporate travel industry as GBTG lowered '25 growth guidance to flat

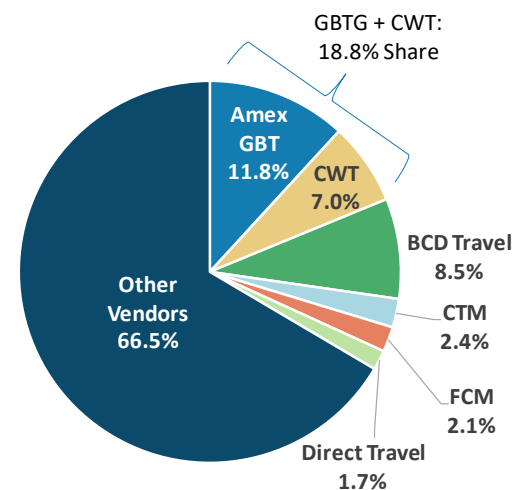
American Express Global Business Travel (GBTG) is the market share leader

- GBTG is the #1 player with ~12% share of the managed corporate travel market
 - The company announced it would be acquiring CWT (subject to DoJ review), further increasing market share
- Has < 3% share of the total addressable market
- 39% larger than the next largest competitor on 2019 total transaction value (TTV)
- In '23, SME transaction growth grew faster than GMN (20% vs. 17%), while International grew faster than Domestic (21% vs. 13%)

Expected Global Business Travel Spend Recovery (\$Bn)



GBTG is the Market Share Leader



GBT Growth and Margin Opportunities

Normalized Organic Growth of Mid-Single-Digit

- Comprised of GDP growth (~2%) + upsell (1-2%) + share gain (2-3%) = 6%.
- Significant opportunity within the SME market: only 6% share within managed SME market of \$270B.
- Egencia doubled GBT's SME footprint to ~45% of '19 revenue.

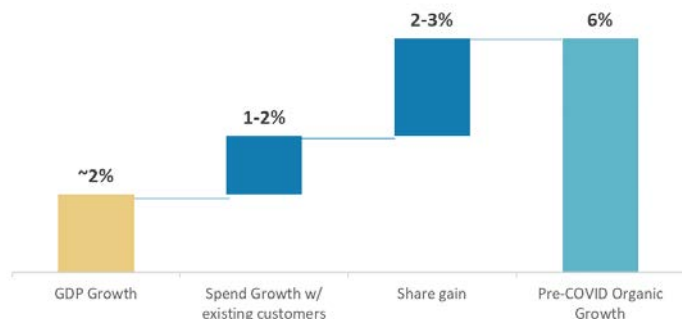
Synergies and Cost Savings to Benefit Margins

- \$109M in Egencia synergies from revenue harmonization and real estate, with \$45M achieved in '22 and over \$60M in '23.
- \$235M of permanent cost savings: productivity/efficiency (\$160M), vendor mgmt (\$32M), real estate (\$24M), other (\$19M).
 - \$47M of cost savings will be realized as volumes return to 100%, which we est. is ~81% of pro-forma 2019.

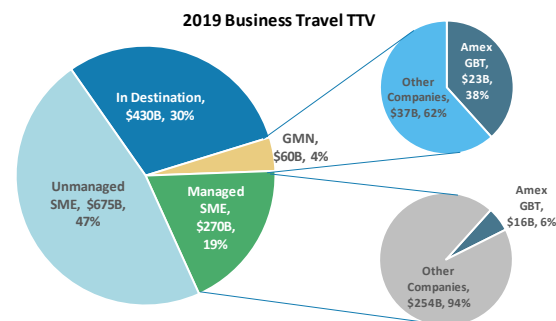
CWT Acquisition

- GBTG announced plans to acquire competitor, CWT, for \$540M in cash and equity. We est. GBTG's 2024 market share of the managed travel space to increase from ~9% to ~13% based on TTV as a result.
 - Deal awaiting U.S. DOJ clearance in Fall 2025; was cleared by UK's CMA in February, 2025
- Cost synergies of \$155M were identified, resulting in a post-synergy transaction multiple of 2.5x '24 adj. EBITDA.
- Revenue synergies were not disclosed, which could provide additional upside.

Pre-Pandemic Organic Growth Algorithm



Significant Opportunity Within SME



Business Travel Companies – Key Stats

				
Core Capabilities	Manage end-to-end logistics of corporate travel; provide access to content between clients, travel suppliers and network partners; aggregate demand and supply of travel between parties for economic efficiencies and cost savings	Travel management expertise - offers travel program solutions, proprietary technology, local travel experts, strategic events management	Provides GDS to distribute content from airlines to travel agents and provides Software and IT systems for airlines and hotel chains	Software and IT systems provider for the travel industry. They connect the travel ecosystem at each stage of the journey and allow travel players to manage their operations.
2019 Market Share (TTV) Of Managed	11.8%	2.4%	ND	ND
2024 TTV	\$30,477M	ND	ND	NA
% of 2019	79%	ND	ND	NA
2024 Revenue	\$2,423M	\$705M (AUD)	\$3,030M	€6,142M
2024 Rev Growth	5.8%	0.7%	4.2%	12.9%
Largest Industry Verticals	IT & Financial Services (16% each)	Gov't & Universities	Travel & Hospitality (100%)	Travel/Hospitality
% of Rev International	~52%	~55%	~57%	72%
2024 Adj. EBITDA Margin	20%	24%	17%	38%
2024 Net Debt/TTM Adj EBITDA	10.3x	3.2x	1.0x	0.0x
Clients	~19,000	> 7,000	ND	Client types: travel providers and online travel companies & buyers. Serves 400+ airlines and 1MM+ hotels.
Clients Concentration	No single supplier/customer > 2% of revenue	No single customer > 5% of revenue	ND	"Low"
Digital Transactions (2023)	81%	>68% (2021)	ND	ND
# Employees	18,000	2,300	7,500	21,500
2024 Retention Rate	97%	97%	ND	> 90% recurring revenue
Average Tenure of Clients (Top 100)	15 years	10 years	ND	ND

Source: Company filings and presentations, Morgan Stanley Research estimates. Note: CTD.AX (CTM) is covered by James Bales; SABR is covered by Josh Baer; & AMA.MC is covered by Adam Wood. CTD figures have been calendarized as FYE is June 30

* % is skewed due to M&A

Pest Control - Rollins

Pest Control Industry

Large, Defensive, Growing Market

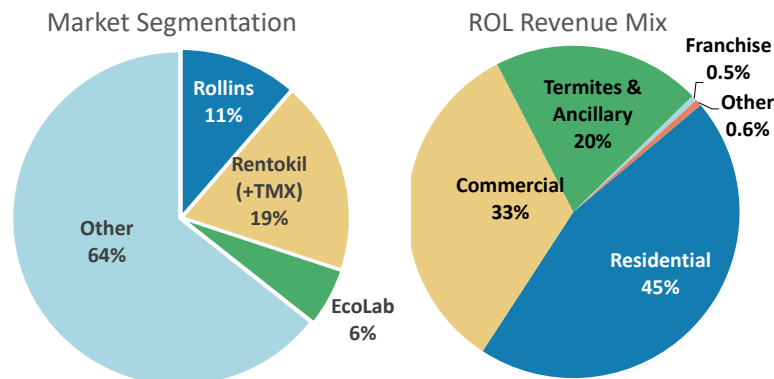
- \$24B Global pest control industry expected to grow at a 6% CAGR through '27
- Service is seen as nearly essential, especially for commercial clients
 - Food-oriented clients (CPGs, food packaging, restaurants, etc.) risk reputational and economic damage if pest control is not maintained
- ROL had MSD organic growth in last 3 downturns
 - Great Recession ('08-'09): 5.2%; Industrial Recession ('15-'16): 5.9%; & COVID ('19-'20): 7.2%

Industry Consolidation

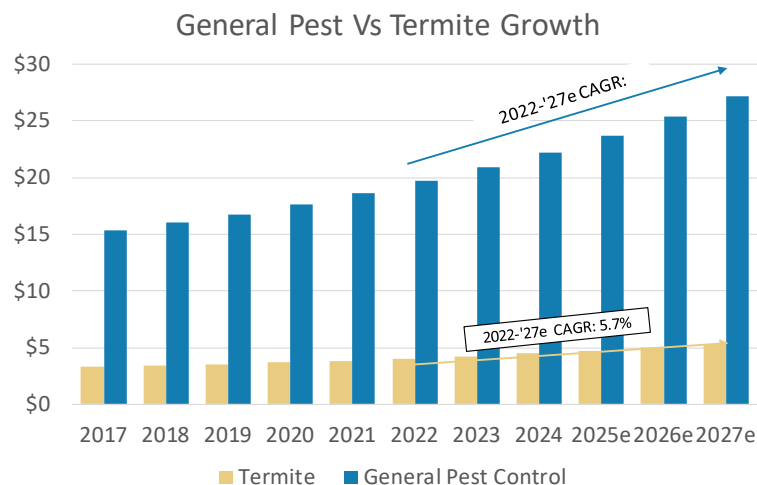
- Rentokil acquired Terminix in late 2022
- Tuck-in acquisitions are common
- Synergies from route density, bulk buying, sales and marketing, technology, and sharing best practices

Highly Competitive and Fragmented Industry

- Industry has low barriers to entry with low capital requirements
- Competition for workers is competitive
- Strict federal, state and local environmental regulations must be adhered to
- Adverse weather could impact financial results
- Improper service/inspection could lead to higher litigation expenses and losses

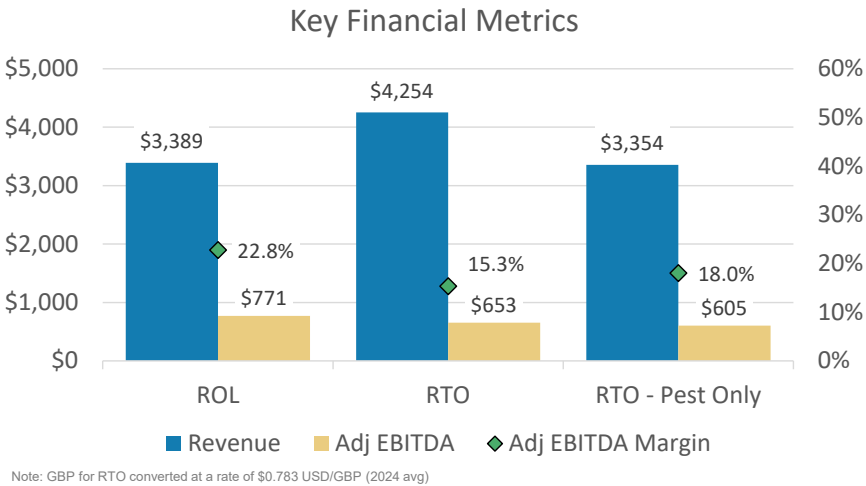
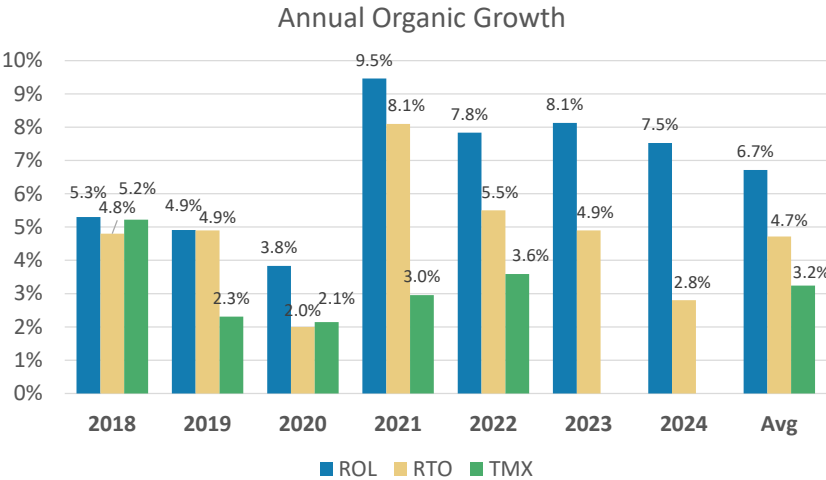


Source: Company data, Morgan Stanley Research

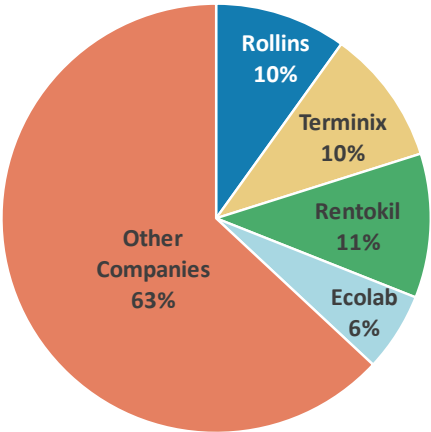


Source: Company data, Morgan Stanley Research

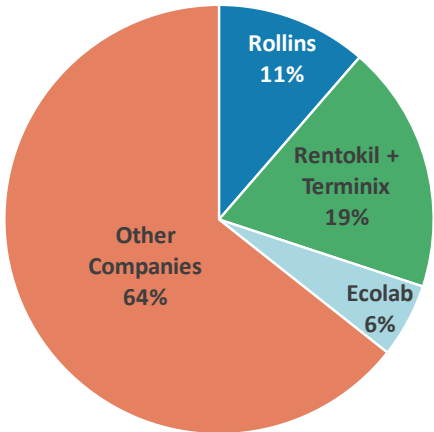
Key Metrics



2019 Pest Control Market Share

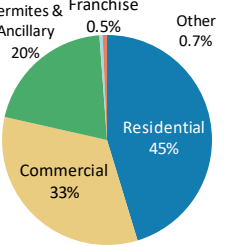
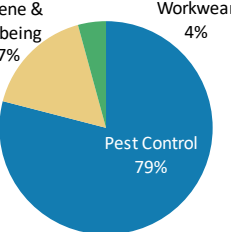
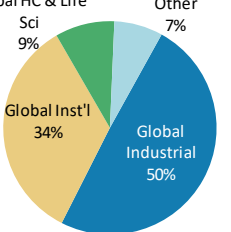


2022 Pest Control Market Share



Source: Company documents, Morgan Stanley Research

Pest Competitive Landscape

Company			
Industry	Pest Control	Pest Control	Chemicals
Cyclicality	Defensive	Defensive	Cyclical
Business Model	Route-based ~80% recurring revenue	Route-based ~80% from annual contracts	eROI/Route-based 90% Recurring
Customers	>2M	4.9M	"Millions"
Retention	~84% (calculated)	82.8%	>90%
CY2024 Revenue (\$MM)	\$3,389	£5,436	\$15,741
Revenue by Segment			
US-based revenue	93%	60%	53%
<u>Financial KPIs - 5 Yr Avg</u>			<u>Pest Segment</u>
Organic Growth	M-HSD% (7.4%)	L-MSD% (3.6%)	MSD% (6.5%)
Adj. EBITDA Margin	22.1%	22.1%	NA
AOI Margin	18.5%	12.1%	16.3%

Source: Company documents, Morgan Stanley Research

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Commercial Landscaping - BrightView

Commercial Landscaping Industry, BrightView Turnaround Opportunity

Significant Scale in Large, Fragmented Market

- \$130B commercial landscaping, development and snow removal markets are expected to grow at a 2% CAGR through '29.
- BrightView is the largest service provider in the market, ~2x the next largest player or 5x ex. residential/lawn-care companies.
- Landscape maintenance is recurring and largely defensive except for ancillary services (tree care, irrigation, project work).
 - ~10% of maintenance work is considered discretionary

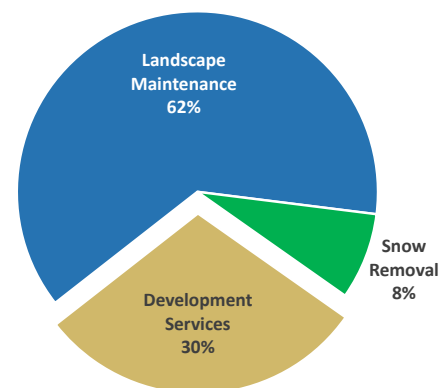
Weather Volatility

- Landscaping development can see timing delays from weather.
- Snow removal can be volatile as revenue is based on the frequency, amount, timing, and location of snowfall. Management is trying to move back to fixed contracts & changed the way they predict snowfall.

BV is a Turnaround Story

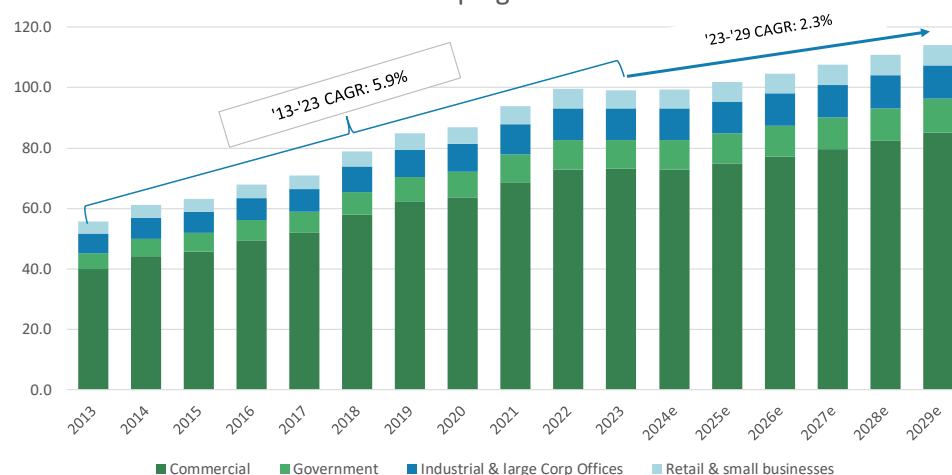
- Opportunity to drive LSD rev growth driven by increasing retention, conversion, pricing.
- BV generates ~\$800M in revenue from development projects. 5-10% should be able to be converted into maintenance contracts, or ~\$60M, compared to ~\$5M conversion currently, implying a \$55M rev opportunity.
- New management has restructured incentive programs to a common profit-sharing pool, thus incentivizing collaboration.
- Leverage of ~2.0x with strong FCF generation and low capital requirements allows for inorganic optionality.
- Management's 2030 estimates include a 4.2% organic revenue CAGR and 16% adj EBITDA margins, with 40%+ FCF conversion (25% in '24).

BV Segment Revenue



Source Company data, Morgan Stanley Research

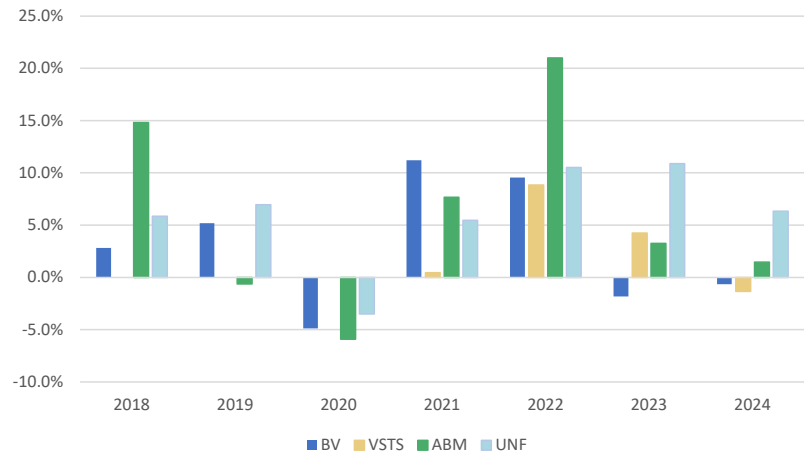
US Commercial Landscaping & Snow Removal Market



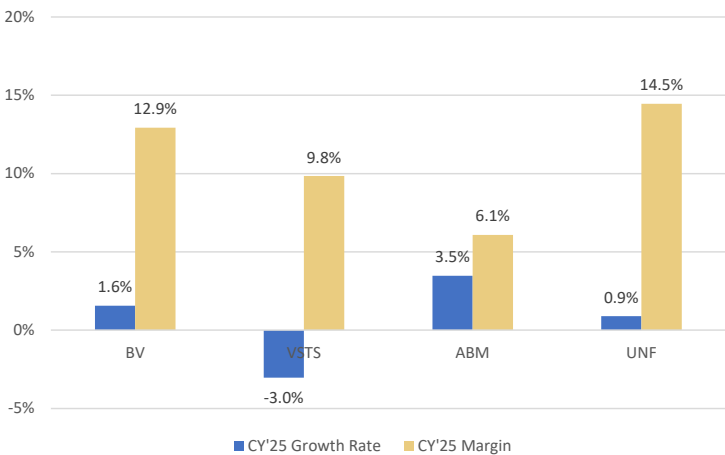
Source: IBIS, Technavio, Morgan Stanley Research

Key Metrics

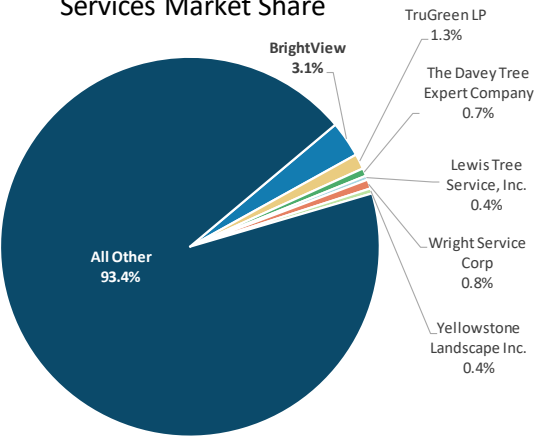
Annual Revenue Growth (CY)



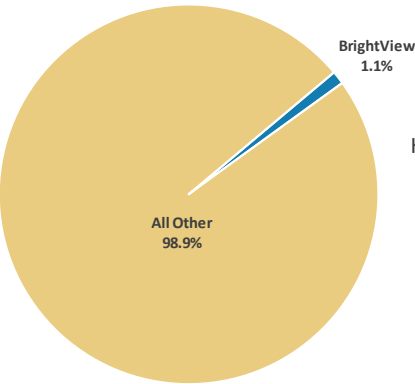
Key Metrics



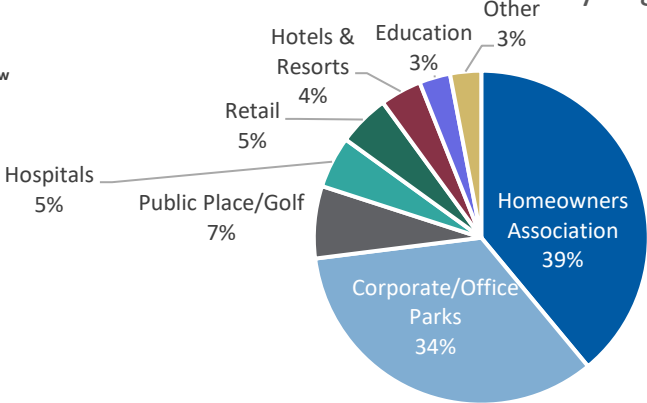
US Commercial Landscaping Services Market Share



US Commercial Snow Removal Services Market Share



Customer Breakdown by Segment



Low-Growth Diversified Business Services Peers

Company				
Industry	Commercial Landscaping	Uniforms	Facility Services	Uniforms
Business Model	Route-based, recurring rev	Route-based, recurring rev	Route-based, recurring rev	Route-based, recurring rev
Employees	22,000	19,600	117,000	16,000
Customer Concentration	Top 10:~12%, no single >3%	Top 10: <10%	No client >10%	No client >10% in Core biz
Retention F'24	81.0%	91.9%	Est. low-90s in '21	99% for Nat'l Acct Custs
F'24 Revenue (\$MM)	\$2,768	\$2,804	\$8,228	\$2,447
Rev Growth % F'24	-0.7%	-1.3%	1.5%	6.3%
Adj. EBITDA Margin % '24	11.7%	12.6%	6.0%	13.7%
Capex % of Revenue '24	4%	3%	1%	6%
Net Leverage (LTM)	1.9x	3.3x	3.0x	0.0x

Source: Company documents, Morgan Stanley Research

Diversified Business Services: Capital Deployment

Capital Deployment and Leverage – Diversified Business Services

Leverage Comparison

Company	Debt to TTM EBITDA		Target / Commentary
	Gross	Net	
Aramark	5.2x	4.4x	3.0x by F2025
Advantage Solutions	4.8x	4.2x	< 3.5x net leverage
ADT	3.0x	3.0x	< 3.0x
Bright Horizons	2.1x	1.8x	2.5x-3.5x target
BrightView	2.4x	1.9x	1.2x-1.5x 2030 target
Republic Services	2.6x	2.6x	2.5x-3.0x target
Waste Connections	2.8x	2.8x	2.5x-3.0x target
Waste Management	3.5x	3.5x	2.5x-3.0x target
Stride	1.3x	-0.7x	No target level
Rollins	0.6x	0.4x	No target level
KinderCare	3.3x	2.9x	2.5x-3.0x target
Cintas	0.9x	0.8x	Target of 2.0x
Global Business Travel Group	2.8x	1.6x	1.5x-2.5x target
Average	2.5x	2.1x	

Note: Shading represents management's leverage definition.

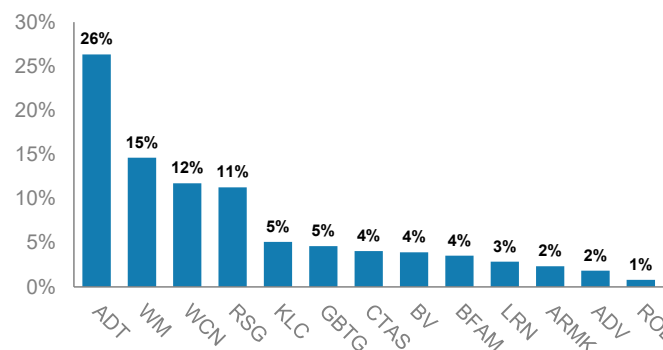
Repurchases (\$M)

	2019	2020	2021	2022	2023	2024
Cintas	\$1,016	\$465	\$554	\$1,526	\$399	\$700
Republic Services	\$399	\$99	\$252	\$204	\$262	\$482
Waste Management	\$248	\$402	\$1,350	\$1,500	\$1,302	\$262
ADT	\$150	\$0	\$0	\$20	\$0	\$240
Bright Horizons	\$32	\$33	\$214	\$183	\$0	\$85
Global Business Travel Group	\$0	\$0	\$0	\$0	\$0	\$55
Rollins	\$10	\$8	\$11	\$7	\$315	\$12
BrightView	\$1	\$2	\$2	\$164	\$2	\$3
Waste Connections	\$0	\$106	\$339	\$425	\$0	\$0
Aramark	\$50	\$7	\$0	\$0	\$0	\$0
KinderCare	\$0	\$0	\$0	\$73	\$0	\$0

Source: Company data, Factset, Morgan Stanley Research

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Capex + Intangibles as a % of Revenue (FY24)



Dividend Yield

Dividend Yield	Dividend Policy
ADT	2.9% N/A, +57% increase since Jan 2024
Waste Management	1.4% Distributed for 22 years straight. Annual increases consistent with LT view of FCF expectations
Rollins	1.3% Dividend has increased 65% since beginning of FY22. Requires board approval and sufficient capital needs
Aramark	1.2% No firm policy; has provided dividends since 2014
Republic Services	1.0% No firm policy; paid every quarter for 21+ straight years. 5yr CAGR 6.4% of growth
Cintas	0.8% Has increased 41 straight years. Future dividend amounts are at the discretion of the Board of Directors
Waste Connections	0.7% N/A, Dividend is reviewed periodically by the Board of Directors
Global Business Travel Group	N/A N/A
Bright Horizons	N/A N/A
BrightView	N/A N/A
KinderCare	N/A Do not intend to declare or pay dividends for the foreseeable future

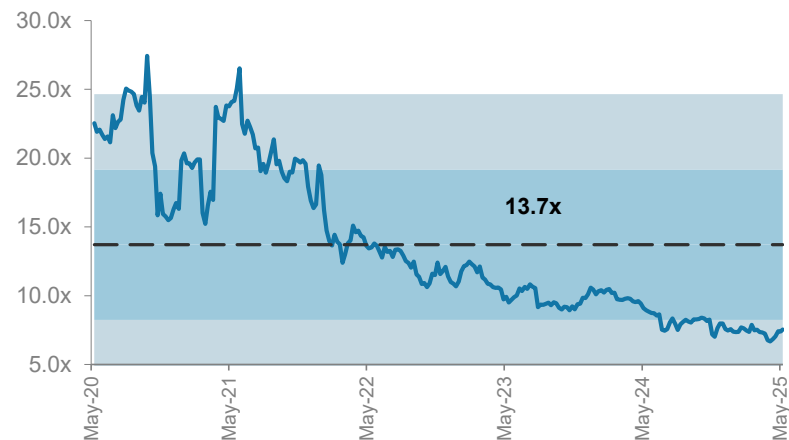
Methodology: Last quarterly dividend per share, annualized.

CTAS & LRN figures are for FY2024 and FY2025e. GBTG, ADT, ADV FY2024 are MSE.

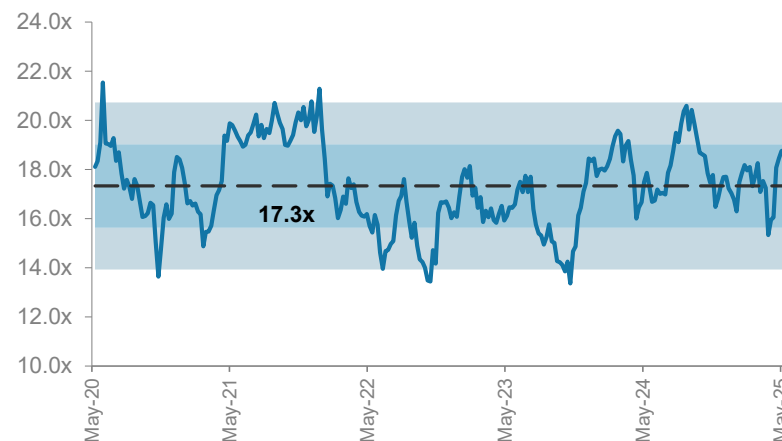
Valuation

Valuation: NTM EV/EBITDA History

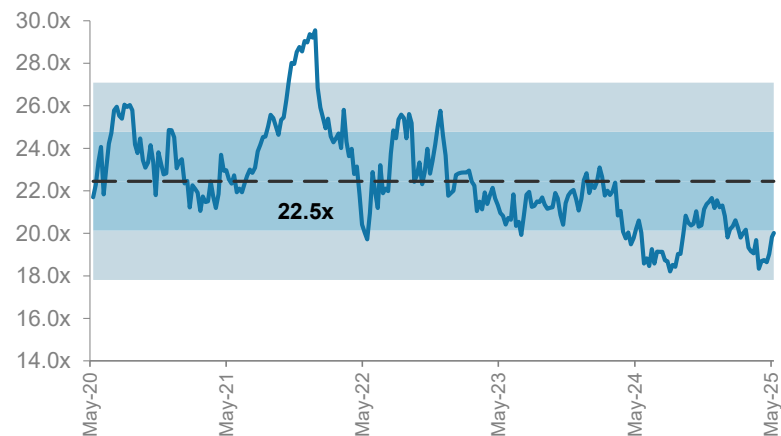
CLVT Historical NTM EV/EBITDA



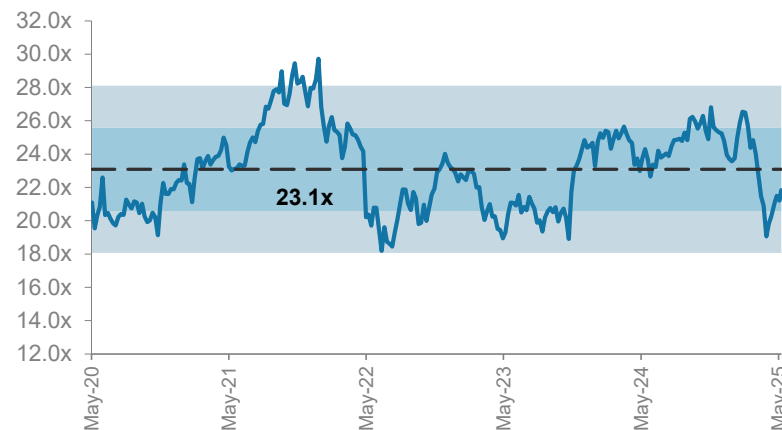
EFX Historical NTM EV/EBITDA



FDS Historical NTM EV/EBITDA



IT Historical NTM EV/EBITDA

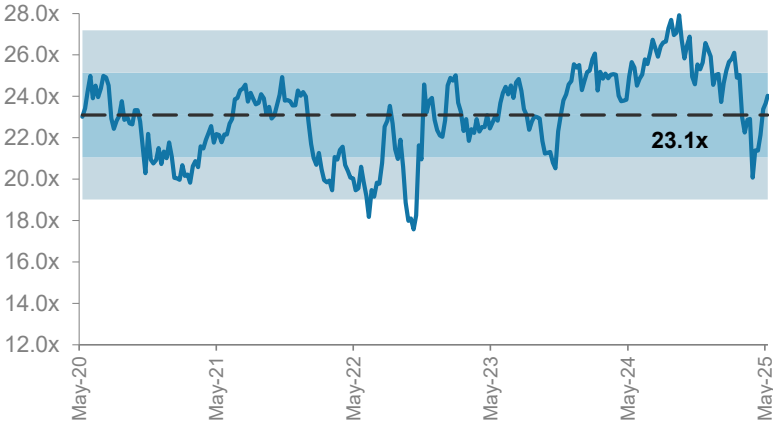


1 Standard Deviation 2 Standard Deviations 5 Yr Average Historical Multiple

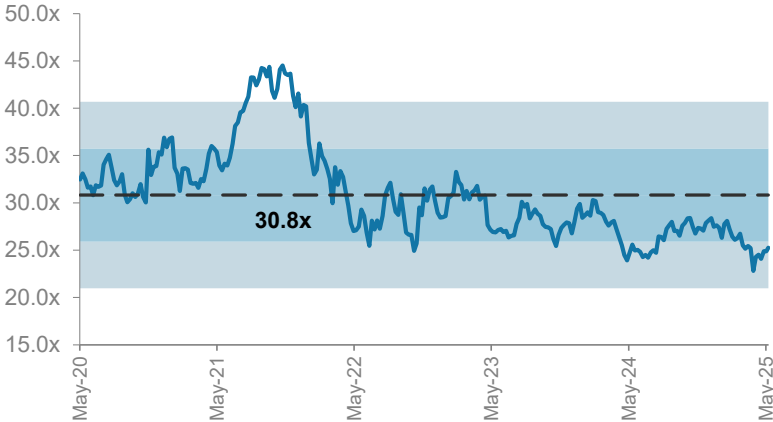
Source: Factset, Morgan Stanley Research; 5-year average and standard deviation shown, when available

Valuation: NTM EV/EBITDA History

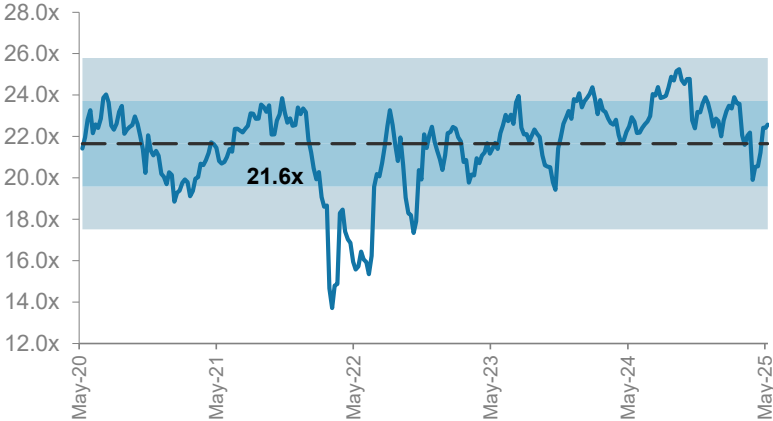
MCO Historical NTM EV/EBITDA



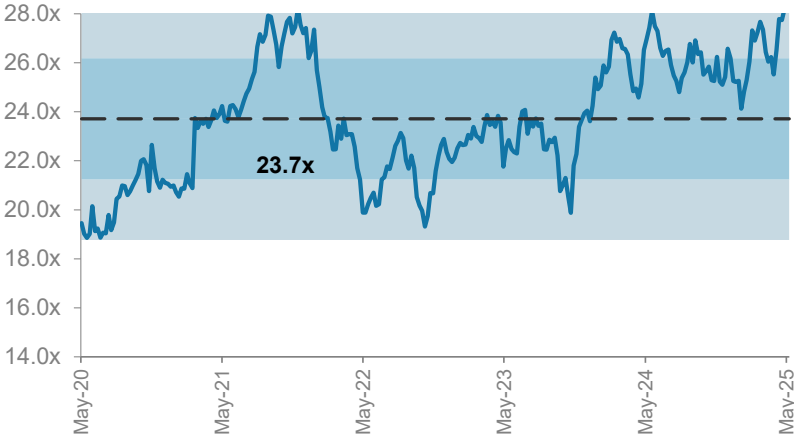
MSCI Historical NTM EV/EBITDA



SPGI Historical NTM EV/EBITDA



TRI Historical NTM EV/EBITDA

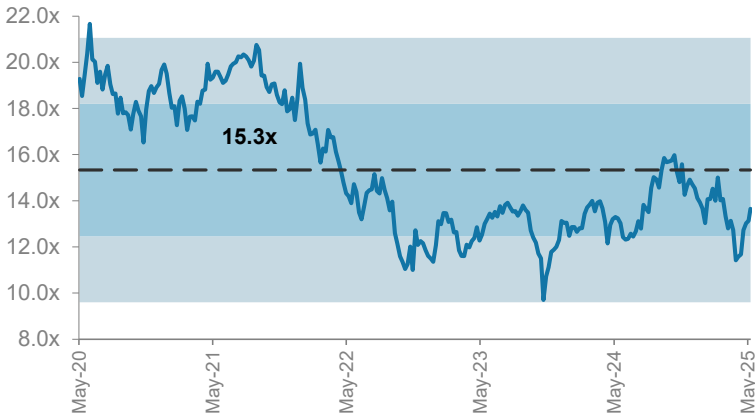


1 Standard Deviation 2 Standard Deviations — 5 Yr Average Historical Multiple

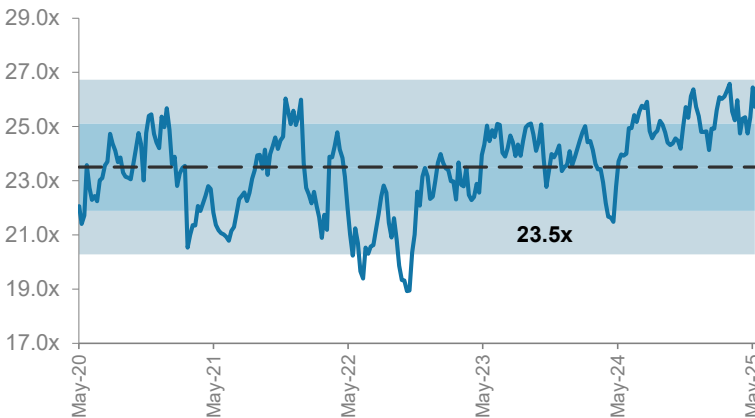
Source: Factset, Morgan Stanley Research; 5-year average and standard deviation shown, when available

Valuation: NTM EV/EBITDA History

TRU Historical NTM EV/EBITDA



VRSK Historical NTM EV/EBITDA

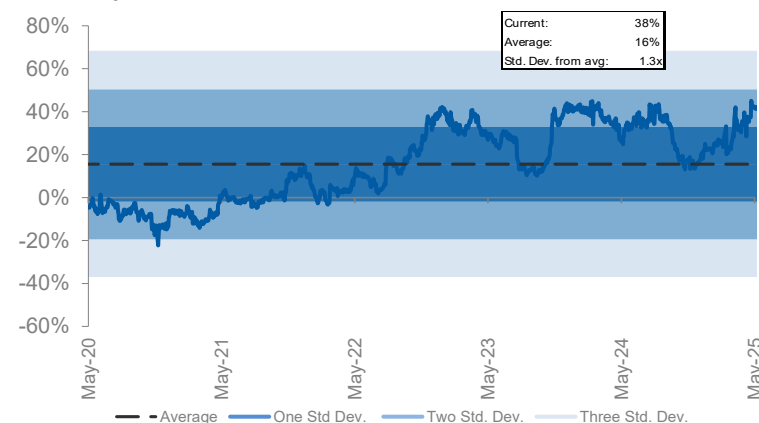


1 Standard Deviation 2 Standard Deviations 5 Yr Average Historical Multiple

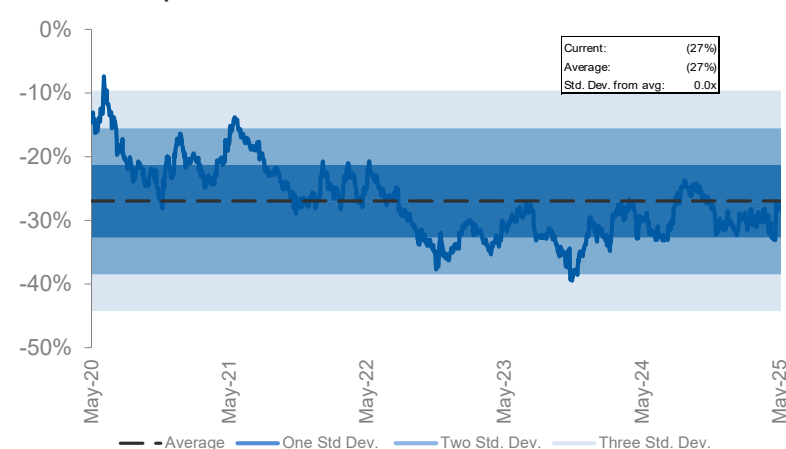
Source: Factset, Morgan Stanley Research; 5-year average and standard deviation shown, when available

Valuation: Bureaus and Rating Agency Comparison

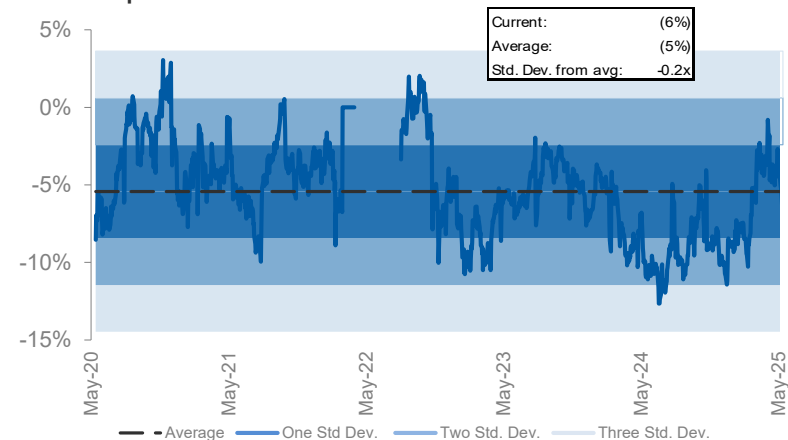
EFX Multiple Premium/Discount to TRU



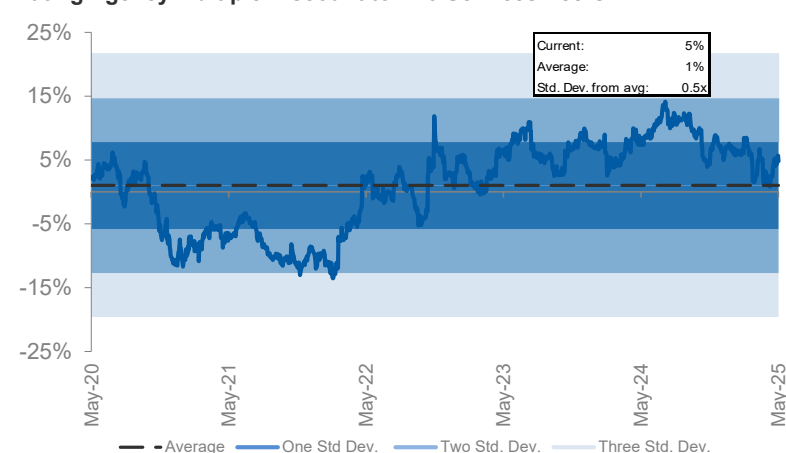
Bureaus Multiple Discount to Info Services Peers



SPGI Multiple Premium/Discount to MCO

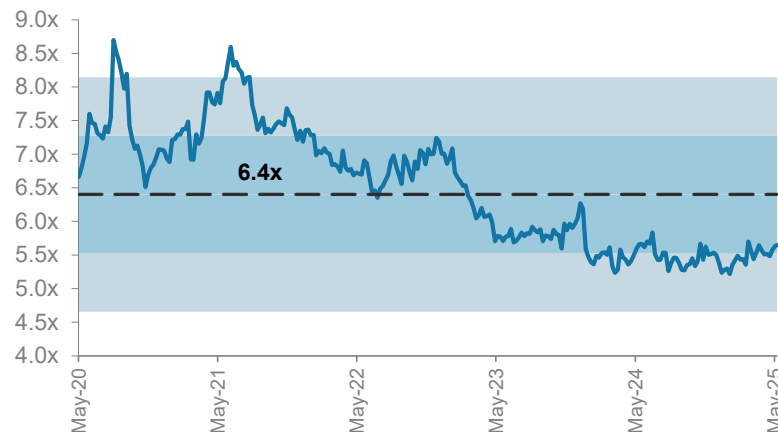


Rating Agency Multiple Discount to Info Services Peers

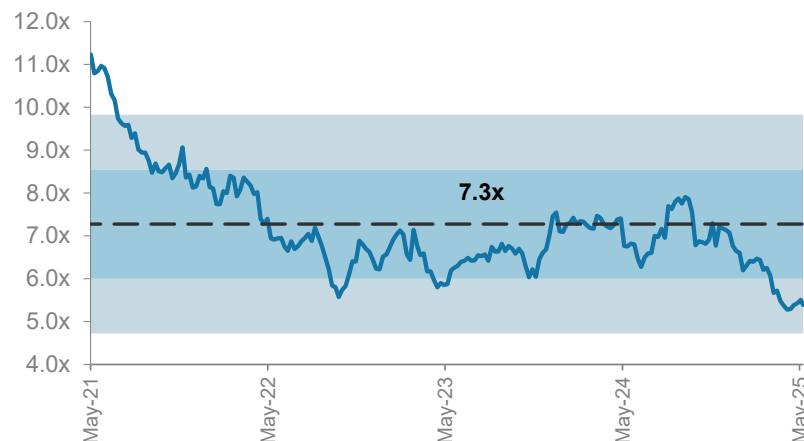


Valuation: NTM EV/EBITDA History

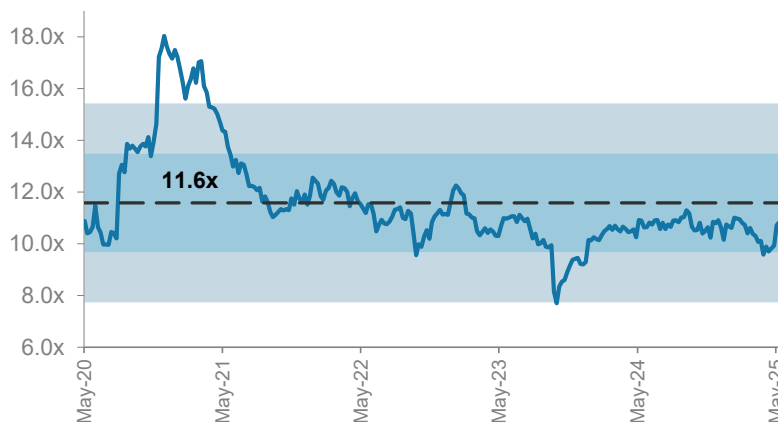
ADT Historical NTM EV/EBITDA



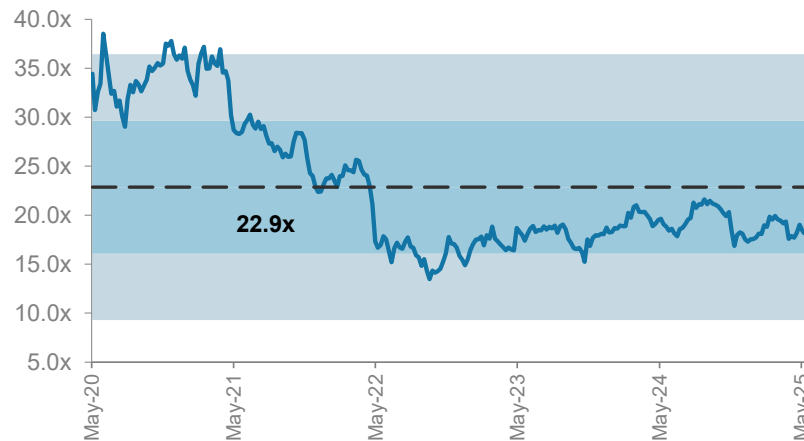
ADV Historical NTM EV/EBITDA



ARMK Historical NTM EV/EBITDA



BFAM Historical NTM EV/EBITDA



— 1 Standard Deviation — 2 Standard Deviations — 5 Yr Average Historical Multiple

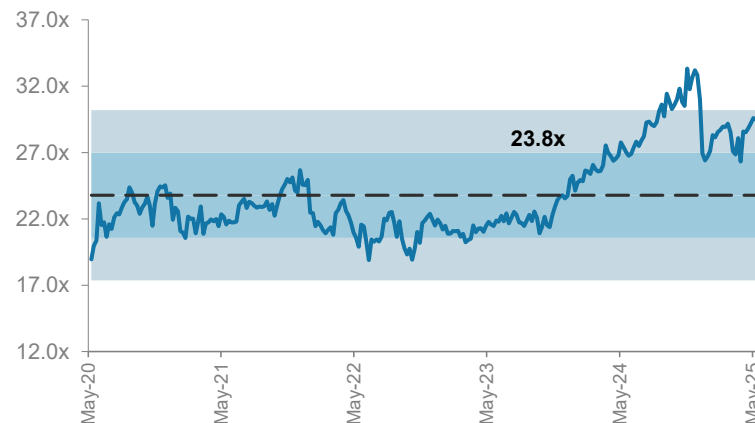
Source: Factset, Morgan Stanley Research; 5-year average and standard deviation shown, when available.

Valuation: NTM EV/EBITDA History

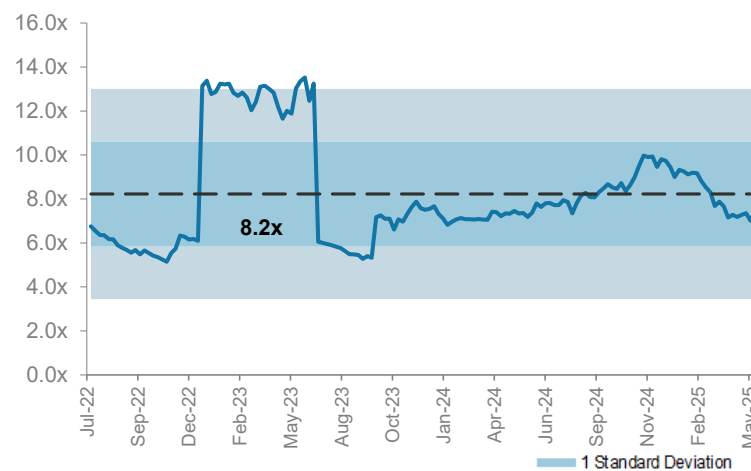
BV Historical NTM EV/EBITDA



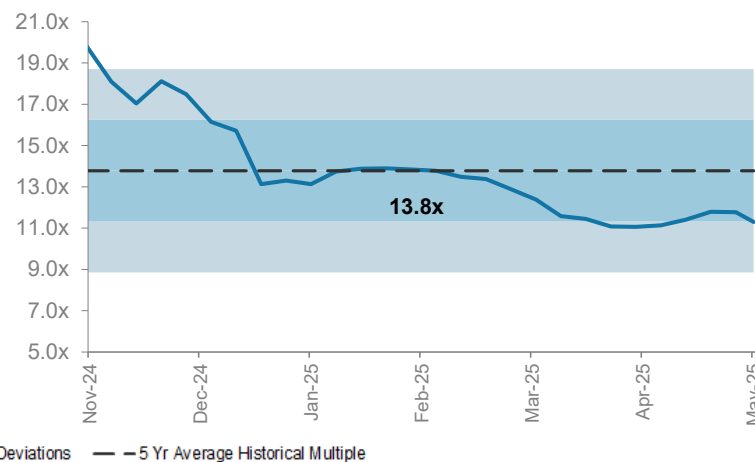
CTAS Historical NTM EV/EBITDA



GBTG Historical NTM EV/EBITDA



KLC Historical NTM EV/EBITDA

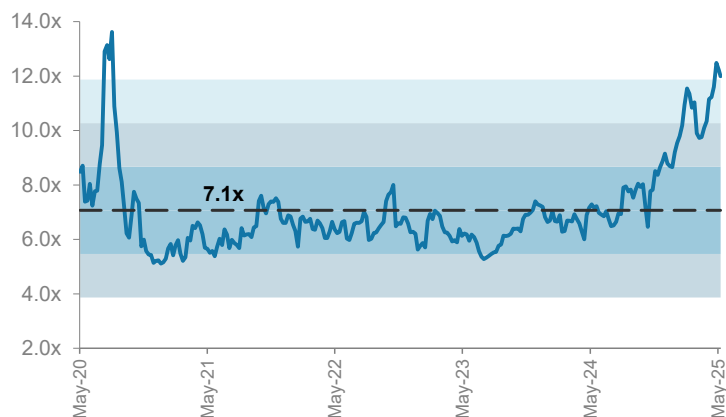


1 Standard Deviation 2 Standard Deviations — 5 Yr Average Historical Multiple

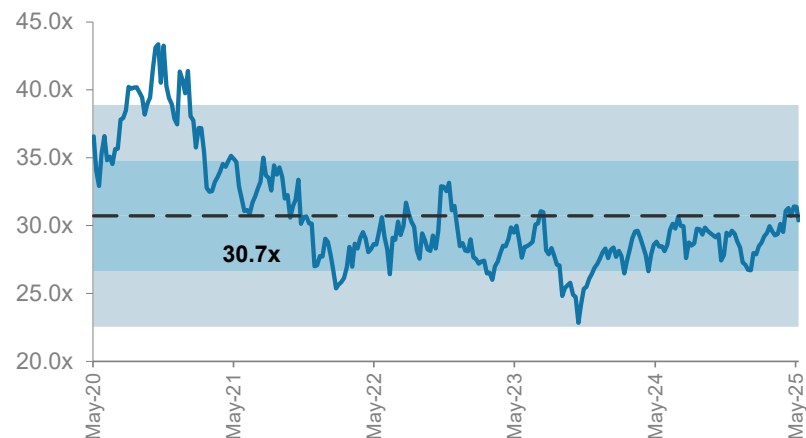
Source: Factset, Morgan Stanley Research; 5-year average and standard deviation shown, when available.

Valuation: NTM EV/EBITDA History

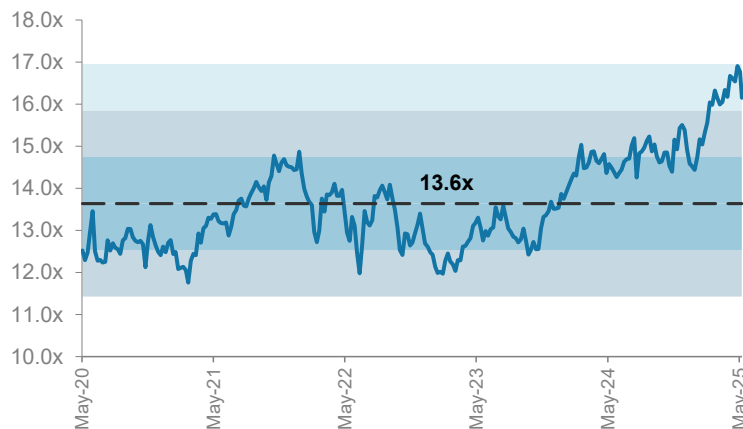
LRN Historical NTM EV/EBITDA



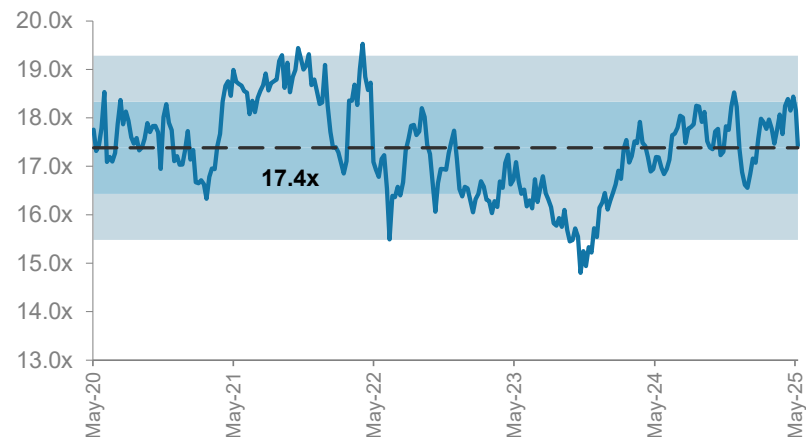
ROL Historical NTM EV/EBITDA



RSG Historical NTM EV/EBITDA



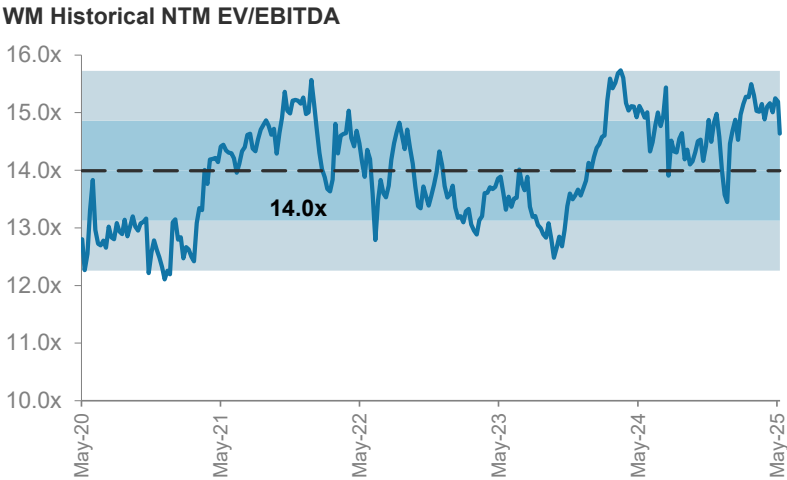
WCN Historical NTM EV/EBITDA



1 Standard Deviation 2 Standard Deviations — 5 Yr Average Historical Multiple

Source: Factset, Morgan Stanley Research; 5-year average and standard deviation shown, when available.

Valuation: NTM EV/EBITDA History



1 Standard Deviation 2 Standard Deviations — 5 Yr Average Historical Multiple

Source: Factset, Morgan Stanley Research; 5-year average and standard deviation shown, when available.

Risk Rewards

Risk Reward – ADT Inc (ADT.N)

Looking for FCF Consistency

PRICE TARGET \$9.00

Our \$9 PT is derived from our DCF model, which assumes an 9.2% WACC and a 1% terminal growth rate (implying a ~5.1x terminal EBITDA multiple).

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART



Key: — Historical Stock Performance • Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- ADT's brand awareness and significant scale give it a leading position in the \$27B security monitoring and services industry.
- Partnerships (with Google and State Farm) have potential to enhance ADT's sales reach, product/technology development, and operational efficiency.
- Demand for lower-priced DIY products is increasing, which could lead to cannibalization.
- ADT's exit from Solar could prove positive, as we viewed issues with the segment were a distraction.
- Our FCF growth ests have come down meaningfully as costs for acquiring subscribers have been above expectations.
- We view valuation as attractive at 13x '25 unlevered EV/FCF, but look for FCF consistency to become more constructive.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Disruption: Negative
Self-help: Positive

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

\$12.00

7.1% FY26e Bull Case Unlev FCF Yield

ADT benefits from above market growth from its partnership with Google as it gains share in the DIY and professional installation markets. In Addition, the State Farm partnership provides a further reach of customers than intended, growing the opportunity. We forecast CSB revenue growth CAGR and EBITDA CAGR of ~6% from 2023-2028E.

BASE CASE

\$9.00

7.8% FY26e Base Case Unlev FCF Yield

ADT's partnership with Google & State Farm helps to drive growth in CSB as the distraction of Solar ends. Attrition falls modestly from 13.1% in '21 to 12.9% at the end of '28E. We forecast a ~4% revenue CAGR in CSB from 2023-2028E, while EBITDA grows at a ~4% CAGR through 2028.

BEAR CASE

\$4.00

9.1% FY26e Bear Case Unlev FCF Yield

ADT sees erosion in its core business due to continued competitive threats from tech and competition, with no other areas of the business to leverage with the sale of Commercial and closure of the struggling solar segment. We forecast CSB revenue and adj EBITDA CAGRs from 2023-28E as 1% and flat, respectively.

Risk Reward – ADT Inc (ADT.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Gross Attrition (%)	12.7	12.7	12.7	12.7
Recurring Monthly Revenue (RMR) Growth (%)	1.7	2.2	2.2	2.3
Free Cash Flow (\$, mm)	658	711	729	783
Net Leverage	3.0	2.8	2.6	2.4

CATALYST CALENDAR

Date	Event
30 Jul 2025 - 04 Aug 2025	Q2 2025 ADT Inc Earnings Release
22 Oct 2025 - 27 Oct 2025	Q3 2025 ADT Inc Earnings Release

Source: Refinitiv, Morgan Stanley

INVESTMENT DRIVERS

- Attrition and net adds
- Subscriber acquisition costs
- Expanding further into commercial/multi-site organically or through M&A
- Ancillary product expansion (wearables, cybersecurity)

GLOBAL REVENUE EXPOSURE


Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- Google and State Farm partnerships result in share gains and/or SAC efficiency
- Suburbanization results in incremental sales
- Homebuilders shift focus to modernization and smart homes.

RISKS TO DOWNSIDE

- Increased competition from new tech/DIY offerings
- State Farm partnership stalls with lack of interest in ADT's home security products
- Deflationary industry pricing
- Additional private equity secondaries

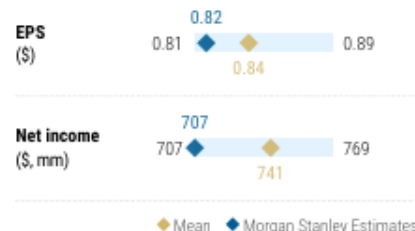
OWNERSHIP POSITIONING

Inst. Owners, % Active	81.5%	
HF Sector Long/Short Ratio	1.6x	
HF Sector Net Exposure	13.1%	

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2025e



Source: Refinitiv, Morgan Stanley Research

Risk Reward – Advantage Solutions Inc (ADV.O)

Waiting For An Advantage

PRICE TARGET \$2.00

Our PT is based off a DCF with WACC of 11.1% and a 0.5% terminal growth rate in our base case (implied 6x multiple).

RISK REWARD CHART



Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- Attractive valuation balanced by wide range of equity outcomes due to competition, inability to offset labor inflation, and high leverage
- Reducing leverage is key to unlocking equity value over the near/medium term
- Advantage Solutions is a leading provider of outsourced sales and experiential marketing
- ADV has 10+ year relationships with 9 of its top 15 clients and averaged 98% retention over the last 10 years
- We model -0.9% organic growth in '25, and then an organic growth CAGR of ~0.7% from '24-'28, just below its 1.2% historical average

Risk Reward Themes

Disruption: *Negative*
Pricing Power: *Negative*
Self-help: *Positive*

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

\$4.50

7.8x Bull Case 26e EBITDA

Share gains, development of digital solutions leads to mid-single digit organic growth. We assume '24-'28 organic revenue and EBITDA CAGRs of 3% and 7%; adj. EBITDA margins of 13% in F28.

BASE CASE

\$2.00

6.3x Base Case 26e EBITDA

Stable end markets and market leadership leads to low single digit growth in-line with the CPG industry over time. Labor cost headwinds slowly alleviate by '26. We assume '24-'28 organic revenue and EBITDA CAGRs of 2% and 3%; adj. EBITDA margins of 12% in F28.

BEAR CASE

\$0.50

5.6x Bear Case 26e EBITDA

Continued labor market and wage pressures lead to further margin deterioration. Competitive pressures lead to pricing pressure and share losses. We assume '24-'28 organic revenue and EBITDA CAGRs of +0.1% and -5%; adj. EBITDA margins of 9% in F28.

Risk Reward – Advantage Solutions Inc (ADV.O)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Sales Organic Growth (%)	(4.4)	(5.3)	1.0	1.0
Marketing Organic Growth (%)	11.6	3.4	3.0	3.0
Total Revenue Organic Growth (%)	0.0	0.0	0.0	0.0
Adj. EBITDA Margin (%)	11.7	11.4	11.5	11.6
Adj. EPS Growth (%)	1.1	(3.3)	2.3	2.3

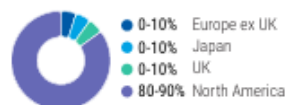
CATALYST CALENDAR

Date	Event	Source: Refinitiv, Morgan Stanley
05 Aug 2025 - 11 Aug 2025	Q2 2025 Advantage Solutions Inc Earnings Release	
05 Nov 2025 - 10 Nov 2025	Q3 2025 Advantage Solutions Inc Earnings Release	

INVESTMENT DRIVERS

- Defensive CPG end market
- Advantage's long-term relationships and 98% average retention
- Leading provider of outsourced sales and experiential marketing with the #1 market share in each of its markets

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- New client wins, share gains vs. competitors leads to organic growth acceleration
- Development and adoption of digital solutions
- Accretive acquisitions

RISKS TO DOWNSIDE

- Disruption from the shift to ecommerce leads to deterioration of sampling and merchandising business
- Loss of share from competition
- CPG industry headwinds leads to further cost cutting, pressuring ADV's growth
- Concentrated shareholder base

OWNERSHIP POSITIONING

Inst. Owners, % Active	76.2%	
HF Sector Long/Short Ratio	2.3x	
HF Sector Net Exposure	13.5%	

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2025e

Sales / Revenue (\$, mm) ◆ 3,534
Note: There are not sufficient brokers supplying consensus data for this metric

EBITDA (\$, mm) ◆ 344
Note: There are not sufficient brokers supplying consensus data for this metric

EPS (\$) ◆ 0.30
Note: There are not sufficient brokers supplying consensus data for this metric

◆ Mean ◆ Morgan Stanley Estimates

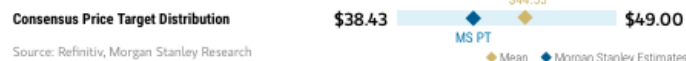
Source: Refinitiv, Morgan Stanley Research

Risk Reward – Aramark Holdings Corporation (ARMK.N)

All eyes on Food Service, Fair Valuation in a Post COVID World

PRICE TARGET \$42.00

Our \$40 PT is derived from our DCF model using a 7.8% WACC and 2% terminal growth rate.



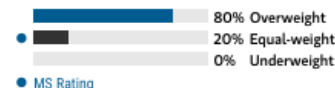
RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



EQUAL-WEIGHT THESIS

- Aramark is a leading provider of food and facilities services across the globe, with a #2 in North America and top-three position in most markets in which it operates
- Management has had success signing new business, which supports higher-than-historical growth.
- Potential benefit from more focus on the core business with the completed spin-off of the Uniform business.
- ARMK is more levered vs peers, which can add volatility to the stock price

Consensus Rating Distribution



Risk Reward Themes

Special Situation: Positive
Self-help: Positive

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

\$60.00

14.7x bull case std F2026e adj. EBITDA

Memories of COVID fade with growth at the top end of the range. Aramark AOI margins return to near pre-pandemic levels in F2026 excluding the uniforms business. F2023-28e average organic revenue growth of 7%-8%, with out year at 6.6%. Margins in the out year of our model reach ~9% due to growth along with benefits from supply chain, GPO growth, and above unit efficiencies.

BASE CASE

\$42.00

12.1x base case std F2026e adj. EBITDA

Growth moves near algorithm range, focus now on Core Business. Organic growth moves into the 5%-6% range as provided in their algorithm at the company's 2021 Investor day, with ~7% in F25, despite spinning off the uniforms business. Avg organic growth of ~6% during F25e-F27e, while AOI margin remains firmly in the MSDs during the period.

BEAR CASE

\$26.00

9.7x bear case std F2026e adj. EBITDA

Net new business slows, outsourcing reverses, negatively impacting the industry. Aramark margins are down and revenue growth skews to L-MSD% as net new business growth slows and clients start in-housing food service, weighing on the top-line. 2025-27e organic revenue averages ~4%. We factor economic slowdown concerns into our bear case assumptions.

Risk Reward – Aramark Holdings Corporation (ARMK.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
FSS U.S. Organic Growth (%)	7.3	6.5	4.4	4.5
FSS International Organic Growth (%)	16.9	11.0	7.3	5.0
Uniform Organic Growth (%)	0.0	0.0	0.0	0.0
Total Organic Growth (%)	9.9	7.8	5.2	4.6
EPS Growth (%)	(8.9)	24.1	15.0	15.8

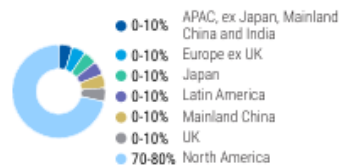
CATALYST CALENDAR

Date	Event	Source: Refinitiv, Morgan Stanley
04 Aug 2025 - 09 Aug 2025	Q3 2025 Aramark Earnings Release	
10 Nov 2025 - 14 Nov 2025	Q4 2025 Aramark Earnings Release	

INVESTMENT DRIVERS

- New business wins and revenue upside from improving retention drive progress towards 5-7% organic growth target
- Operating leverage as revenue accelerates though partially offset by labor/food inflation

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- Rev growth outpaces industry levels
- New initiatives (i.e. decentralization, brand strategy) yield results
- More focus and emphasis on core business operations increases valuation

RISKS TO DOWNSIDE

- Economic slowdown amid recession fears
- Permanent impairment to business verts are far worse than expected
- Higher cost of food, min wage, energy prices persists
- Retention decreases/competition increases
- Outsourcing stalls

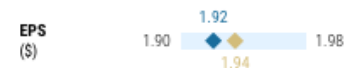
OWNERSHIP POSITIONING

Inst. Owners, % Active	68.3%	
HF Sector Long/Short Ratio	1.6x	
HF Sector Net Exposure	13.1%	

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Sep 2025e



◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

Risk Reward – Bright Horizons Family Solutions Inc (BFAM.N)

Utilization remains pressured along with FS margins, risks not priced in

PRICE TARGET \$106.00

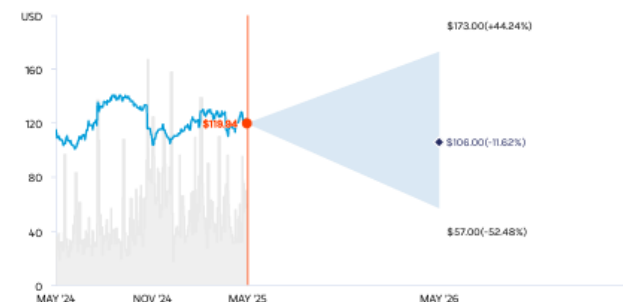
Our DCF includes a 8.1% WACC and a 2.0% terminal growth rate, implying a 9.9x terminal multiple.

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART



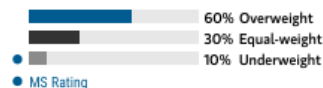
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

UNDERWEIGHT THESIS

- Bright Horizons has a differentiated operating model of providing full service child care (74% of revenue), back-up care (20% of rev), and educational advisory (6% of rev) under multi-year contracts with employers.
- We view BFAM as the best-in-class operator in the early childhood learning industry. However, with the changing on-site work dynamics post COVID, we think this could result in slower top-line growth, and limit multiple appreciation.
- With BFAM trading above pre-pandemic levels, we believe the market is not pricing in the structural changes associated with continued margin pressure and relatively stagnant utilization. We see better opportunities elsewhere in our coverage.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Contrarian: Negative
Secular Growth: Negative

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

\$173.00

17.4x 2026E Bull Case EBITDA

With COVID behind them, BFAM grows in the low to mid teens. '25/'26 Full Service revenue leaves thoughts of the pandemic behind as employers largely return to in-office work at pre-COVID levels. From '23-'28E, total BFAM revenue grows at a ~10% CAGR, with 760bps of AOI margin expansion and a ~17% adj. EBITDA CAGR.

BASE CASE

\$106.00

13.6x 2026E Base Case EBITDA

Margin in recovery in Full Service business takes longer. BFAM '25 Full Service revenue is well above 2019 levels but margins remained pressured, though improving, while utilization rates remain relatively stagnant. On a total company basis, we model an ~8% revenue CAGR between '23-'28E, a ~12% adj. EBITDA CAGR but '28 AOI margins in-line with 2019 levels (13%).

BEAR CASE

\$57.00

9.6x 2026E Bear Case EBITDA

A shift to working from home and/or increased competition causes headwinds. A greater shift of permanent hybrid work schedules, increased competition in the attractive employer market, and/or implementation of U Pre-K weights on Full Service revenue. Total BFAM grows at a ~6% revenue CAGR between '23-'28E, with adj. EBITDA growing at a ~9% CAGR over the same period and AOI at a ~8% CAGR.

Risk Reward – Bright Horizons Family Solutions Inc (BFAM.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Revenue growth (%)	11.1	7.0	6.9	7.7
Full service center-based child care growth (%)	10.2	5.6	6.0	7.0
Adj. EBITDA Margin (%)	15.2	15.9	16.6	17.2
EPS Growth (%)	22.5	17.2	14.4	15.6

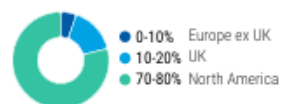
CATALYST CALENDAR

Date	Event	Source: Refinitiv, Morgan Stanley
30 Jul 2025 - 04 Aug 2025	Q2 2025 Bright Horizons Family Solutions Inc Earnings Release	
03 Nov 2025 - 07 Nov 2025	Q3 2025 Bright Horizons Family Solutions Inc Earnings Release	
TBD	Updates Around Re-Opening	

INVESTMENT DRIVERS

- Large and growing addressable market driven by increasing two working parent homes and increasing employer benefits to retain and attract employees.
- Increased hybrid work models could lead to lower new center openings and reduced enrollment demand.

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- BFAM re-accelerates occupancy quickly following COVID-19 slowdown
- BFAM achieves greater than expected penetration of employer market
- BFAM expands internationally beyond its current footprint of largely the UK and the Netherlands

RISKS TO DOWNSIDE

- Labor shortages and WFH continue to impact utilization
- Higher labor costs limit margin expansion
- Reputational risk
- Universal Pre-K results in unfavorable economics

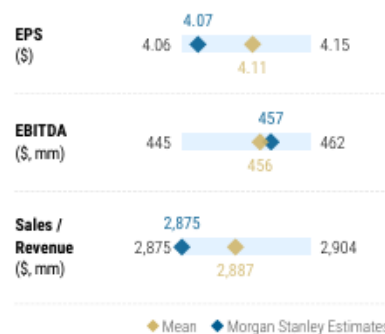
OWNERSHIP POSITIONING

Inst. Owners, % Active	74.3%
HF Sector Long/Short Ratio	1.6x
HF Sector Net Exposure	13.1%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2025e



Source: Refinitiv, Morgan Stanley Research

Risk Reward – BrightView Holdings Inc. (BV.N)

The Grass is Getting Greener, but Already Priced In

PRICE TARGET \$16.00

Derived from our DCF model, which assumes an 8.5% WACC and a 1.0% terminal growth rate implying a 5.6x terminal EBITDA multiple

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART

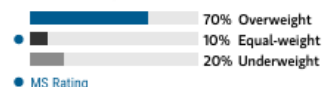


Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- BV is the leading provider of commercial landscaping and snow removal with ample opportunity for growth and margin expansion, however, historical performance has been rocky.
- Management is executing a turn-around, and we expect LSD organic growth over the next 5 years, which would be an improvement from flat growth historically.
- We expect margin expansion as a result of growth, scale, procurement, and route density.
- Macro factors and weather can drive volatility due to the nature of the business.
- After significant outperformance vs. the S&P 500 YTD, we believe improving fundamentals are priced in.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Self-help: Positive

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

\$27.00

10.5x Bull Case '26 Adj. EBITDA of \$448M
Successful turnaround leading to strong top line growth and operating leverage. BrightView is able to execute on its plan in generating profitable growth, accelerating revenue to 4% (F'24-'28 CAGR). In addition to higher conversion of development projects, higher customer retention, and price increases, the company is able to take market share and upsell services. Adj. EBITDA margins expand by 130+bps on average (F'24-F'28), while adj. EPS grows at a 22% CAGR.

BASE CASE

\$16.00

8.0x Base Case '26 adj. EBITDA of \$383M
Management drives operational improvement leading to LSD rev CAGR and margin expansion. BV management's initiatives driving employee and customer retention result in acceleration of revenue to 2% (F'24-'28 CAGR) from flat historically. Growth comes from better conversion of development projects, higher retention, and price increases. Adj. EBITDA margins expand by ~63bps on average (F'24-F'28), while adj. EPS grows at a 11% CAGR.

BEAR CASE

\$9.00

6.4x Base Case '26 adj. EBITDA of \$314M
Turnaround is unsuccessful; organic growth remains challenged and margins see minimal improvement. Increased competition, along with lower inflation drive lower pricing power, while initiatives to convert development projects prove fruitless. Revenue CAGR of ~0% (F'24-'28 CAGR) produces limited operating leverage despite investments, leading to adj. EBITDA margin growth flat on average (F'24-F'28), while adj. EPS grows at a ~1% CAGR.

Risk Reward – BrightView Holdings Inc. (BV.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Organic YoY Growth (%)	(1.9)	(0.1)	2.8	2.8
Adj. EBITDA Margin (%)	11.7	12.8	13.3	13.8
Adj. EPS Growth (%)	80.5	13.3	12.1	7.2

CATALYST CALENDAR

Date	Event
28 May 2025	Brightview Holdings Inc at Craig-Hallum Institutional Investor Conference
29 Jul 2025 - 04 Aug 2025	Q3 2025 Brightview Holdings Inc Earnings Release
11 Nov 2025 - 17 Nov 2025	Q4 2025 Brightview Holdings Inc Earnings Release

Source: Refinitiv, Morgan Stanley

INVESTMENT DRIVERS

- Large scale capabilities to drive share growth
- Development project conversions to maintenance contracts
- Geographic density and expansion
- M&A presents long term opportunity for accretive growth in highly fragmented industry

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- Efficiency initiatives drive outsized margin expansion
- Customer retention goes beyond mid-80s
- Conversion of Development contracts to Maintenance goes as planned but at a much higher success rate
- Accretive M&A

RISKS TO DOWNSIDE

- New management's initiatives fail to achieve meaningful results
- Loss of market share to regional/local players
- Adverse weather conditions impact Development or snow removal
- PE Overhang

OWNERSHIP POSITIONING

Inst. Owners, % Active	77.2%
HF Sector Long/Short Ratio	1.3x
HF Sector Net Exposure	7.3%

Refinitiv, MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Sep 2025e



◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

Risk Reward – Cintas Corp (CTAS.O)

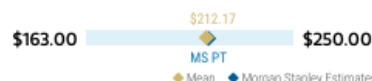
High Quality Company With a Premium Valuation

PRICE TARGET \$213.00

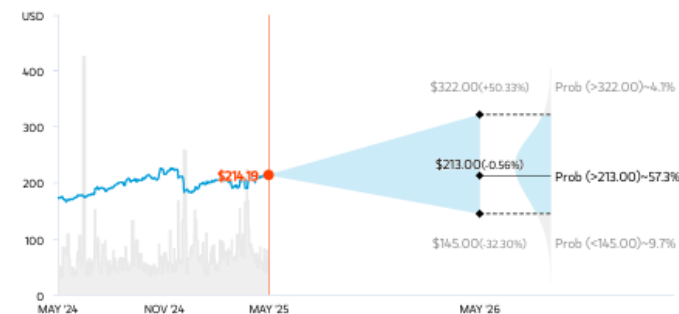
Derived from our DCF model, which assumes a 7.2% WACC and a 3% terminal growth rate (implying a 16.5x terminal EBITDA multiple).

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



Key: — Historical Stock Performance • Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 14 May 2025. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology [here](#).

EQUAL-WEIGHT THESIS

- CTAS has had excellent execution driving above-industry growth, however, if macro conditions worsen, we would expect volumes to be impacted
- Price increases reverting to more normal levels now (vs. elevated in prior quarters)
- With a strong balance sheet, potential M&A could be accretive to CTAS earnings
- We view valuation as fair at current levels

Consensus Rating Distribution



MS Rating

Source: Refinitiv, Morgan Stanley Research

BULL CASE

\$322.00

39.0x Bull Case FY26e adj. EBITDA

Economy remains robust. Margins expand as employment accelerates and customers add more employees at high incremental margins. CTAS continues to grow its geographic footprint and add products through innovation. 2023-2028E revenue CAGR of ~10%, and an EPS CAGR of ~19%.

BASE CASE

\$213.00

28.5x Base Case FY26e adj. EBITDA

Revenue growth remains above industry peers as company continues to execute well, however, economic growth modestly slows driving some top line deceleration. 2023-2028E revenue CAGR of ~7%, and an adj. EPS CAGR of ~14%.

BEAR CASE

\$145.00

21.2x Bear Case FY26e adj. EBITDA

Economic contraction and clients reduce hiring. Uniform wearing jobs decline and competition increases, causing revenue to increase at a ~5% CAGR and EPS to increase at a ~10% CAGR from 2023-2028E.

Risk Reward – Cintas Corp (CTAS.O)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Uniform Rental and Facility Services Org Growth (%)	7.4	6.9	7.0	7.0
First Aid and Safety Services Org Growth (%)	11.6	12.9	8.0	8.0
All Other Org Growth (%)	9.5	6.4	6.0	6.0
Total Organic Growth (%)	8.1	7.6	7.0	7.0
EPS Growth (%)	16.6	16.5	12.2	12.9

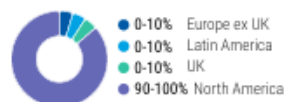
CATALYST CALENDAR

Date	Event	Source: Refinitiv, Morgan Stanley
16 Jul 2025 - 21 Jul 2025	Q4 2025 Cintas Corp Earnings Release	
23 Sep 2025 - 29 Sep 2025	Q1 2026 Cintas Corp Earnings Release	

INVESTMENT DRIVERS

- Labor market growth
- Innovation into new product offerings
- Customer add/stops (employees added/removed per customer site)
- Geographic expansion
- Accretive acquisitions

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- Economic/employment growth remains strong
- SAP implementation provides better-than-expected cost savings
- New cross-selling opportunities
- Further geographic expansion within First Aid segment
- Accretive M&A

RISKS TO DOWNSIDE

- Major economic downturn leading to significant decline in uniform employment
- Acquisitions outside of core competency

OWNERSHIP POSITIONING

Inst. Owners, % Active	47.9%	
HF Sector Long/Short Ratio	1.3x	
HF Sector Net Exposure	7.3%	

Refinitiv, MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY May 2025e



◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

Risk Reward – Clarivate Plc. (CLVT.N)

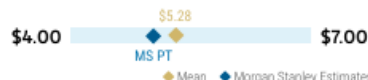
Stock Performance Will Depend on Turnaround Success

PRICE TARGET \$5.00

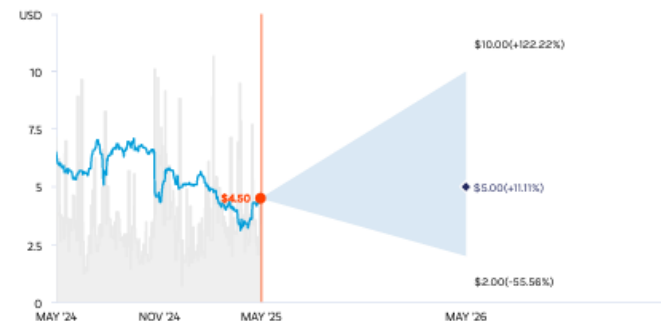
Our \$5 PT is derived from our DCF model, which assumes a 8.7% WACC and a 1.0% terminal growth rate (implying an 7x terminal EBITDA multiple).

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART



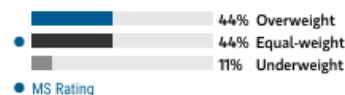
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- CLVT is a leading provider of solutions to the IP and scientific research community with well-known brands and highly respected in its respective end markets
- Growth of IP, trademark, and scientific provides favorable tailwinds
- Scalable business model offers attractive margin expansion opportunity
- Conceptually, CLVT should have predictable earnings with highly recurring subscription revenue and high retention
- CLVT is a turn-around story where new management will need to prove it can accelerate growth to mid-single-digits
- Fair valuation

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Self-help: Positive

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

\$10.00

11x Bull Case '26e std. EBITDA

CLVT is able to execute a successful turnaround and accelerate growth. CLVT achieves 3% organic revenue growth ('23-'27) driven by better-than-expected execution of selling new products, market expansion, increasing pricing, salesforce initiatives, and increased cross-selling. Adj. EPS CAGR of 8% from '23-'27. Adj. EBITDA margins expand to 45% by 2027.

BASE CASE

\$5.00

8x Base Case '26e standardized EBITDA

CLVT's growth stays relatively in line with historical rates at LSD. CLVT achieves flat organic revenue growth ('23-'27) driven by competition headwinds and challenging macro conditions in the IP, science, and academic space. EPS CAGR of 1% from '23-'27. Adj. EBITDA margins flat at 42% through 2027.

BEAR CASE

\$2.00

7x Base Case '26e std. EBITDA

Turnaround is unsuccessful. CLVT's organic growth underperforms expectations as it loses market share to competitors and its new solutions are unable to gain traction. Organic revenue growth averages -2% ('23-'27) with adj. EPS CAGR of -8% from '23-'27. Adj. EBITDA margins of 37% in 2027.

Risk Reward – Clarivate Plc. (CLVT.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Total Organic Revenue Growth (%)	(1.4)	(0.1)	1.4	1.4
Intellectual Property Group Organic Growth (%)	(2.7)	(0.4)	1.0	1.0
Science Group Organic Growth (%)	0.0	0.0	0.0	0.0
Adj. EBITDA Margin (%)	41.5	41.7	41.6	41.8
Adj. EPS (\$)	0.73	0.67	0.71	0.84

CATALYST CALENDAR

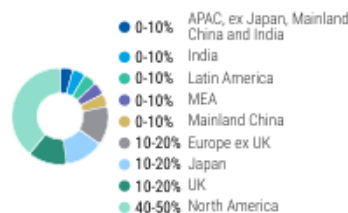
Date	Event
04 Aug 2025 - 08 Aug 2025	Q2 2025 Clarivate PLC Earnings Release
04 Nov 2025 - 10 Nov 2025	Q3 2025 Clarivate PLC Earnings Release

Source: Refinitiv, Morgan Stanley

INVESTMENT DRIVERS

- Growth of IP, trademark, and scientific research
- Developing new analytic solutions and products
- M&A activity
- Improving organic growth and margin profiles
- Deleveraging

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- Organic growth acceleration
- Margin expansion
- Accretive acquisitions
- Geographic expansion (APAC)
- Launch and adoption of new products

RISKS TO DOWNSIDE

- Organic growth underperforms expectations
- High financial leverage
- Regulatory consolidation
- Technology obsolescence (from AI or otherwise)
- Value impairing acquisitions
- Potential secondary offerings by PE owners

OWNERSHIP POSITIONING

Inst. Owners, % Active	88.4%			
HF Sector Long/Short Ratio	1.3x			
HF Sector Net Exposure	7.3%			

Refinitiv, MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2025e



◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

Risk Reward – Equifax Inc (EFX.N)

EPS to Double by '28 at an attractive price

PRICE TARGET \$295.00

Derived from our DCF model, which assumes a 8.9% WACC and a 2.75% terminal growth rate (implying an 10x terminal EBITDA multiple).

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART



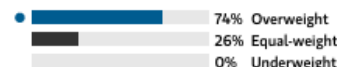
Key: — Historical Stock Performance • Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

OVERWEIGHT THESIS

- Equifax is a leading provider of information solutions in the credit risk space
- We expect EFX revenue growth to accelerate in 2026 and enter a multi-year upcycle trend, growing revenue low-to-mid teens through 2028
- We expect mortgage recovery to add over \$4 to EPS upside over the next few years
- We expect improving consumer credit conditions and a more favorable regulatory environment over the next few years
- We view valuation as attractive at significant discount to Info Services peers

Consensus Rating Distribution



MS Rating

Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Technology Diffusion: Positive

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

\$403.00

21x Bull Case '26e EV/Adj. EBITDA

Rapid economic recovery fosters high-single-digit USIS growth and double-digit EWS growth. EFX benefits from rapid acceleration in consumer lending, continues recent outperformance vs. the mortgage market, and realizes margin benefits from the shift to the cloud. Revenue, adj. EBITDA, and adj. EPS CAGRs ('24-'27) of 14%/20%/27%. Adj. EBITDA margins of 38% in '27.

BASE CASE

\$295.00

18x Base Case '26e EV/Adj. EBITDA

Expect top-line growth to be driven by mortgage upside, consumer recovery, and Verification Services as EFX adds records and finds new areas of penetration. Revenue, adj. EBITDA, and adj. EPS CAGRs ('24-'27) of 10%/14%/19%. Adj. EBITDA margins of 35% in '27.

BEAR CASE

\$175.00

14x Bear Case '26e EV/Adj. EBITDA

Slow economic recovery and minimal outperformance relative to underlying mortgage market drives limited growth. Revenue, adj. EBITDA, and adj. EPS CAGRs ('24-'27) of 6%/6%/9%. Adj. EBITDA margins of 32% in '27.

Risk Reward – Equifax Inc (EFX.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
USIS Organic Growth (%)	9.7	5.8	14.3	18.8
International Organic Growth (%)	9.0	7.2	6.1	6.1
Workforce Solutions Organic Growth (%)	4.9	6.8	12.9	14.0
Adj. EPS Growth (%)	8.5	5.9	25.9	27.7
Total Organic Growth (%)	8.0	6.5	11.8	13.9

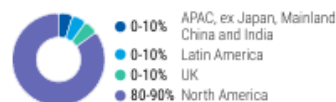
CATALYST CALENDAR

Date	Event	Source: Refinitiv, Morgan Stanley
28 May 2025	Equifax Inc at Bernstein Strategic Decisions Conference	
17 Jun 2025	Equifax Inc To Host Investor Day	
15 Jul 2025 - 21 Jul 2025	Q2 2025 Equifax Inc Earnings Release	
14 Oct 2025 - 20 Oct 2025	Q3 2025 Equifax Inc Earnings Release	

INVESTMENT DRIVERS

- Mortgage recovery
- Consumer credit cycle
- Regulatory environment at the CFPB
- Verification expansion into new verticals
- Mortgage verification market share
- Margin expansion/growth opportunities from recent cloud investments

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

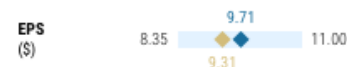
- Faster-than-expected consumer credit recovery
- Mortgage recovery greater/quicker than expected
- More favorable regulatory environment
- Additional govt verification contracts

RISKS TO DOWNSIDE

- Rates and housing affordability limit mortgage recovery
- Slower consumer credit recovery
- Competition in EWS limits pricing power/growth
- Cutting of govt programs leads to loss of biz or limits opportunity
- Employment slowdown

MS ESTIMATES VS. CONSENSUS

FY Dec 2026e



◆ Mean ◆ Morgan Stanley Estimates
Source: Refinitiv, Morgan Stanley Research

OWNERSHIP POSITIONING

Inst. Owners, % Active	65.3%
HF Sector Long/Short Ratio	1.3x
HF Sector Net Exposure	7.3%

Refinitiv, MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

Risk Reward – FactSet Research Systems Inc. (FDS.N)

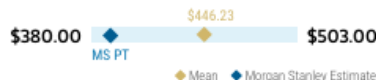
Prefer Other Analytics Stocks With Higher Forward Growth

PRICE TARGET \$390.00

Derived from our DCF model with a WACC of 8.1% and a 2.5% terminal growth rate in our base case (implied 14x terminal EBITDA multiple).

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART



Key: — Historical Stock Performance • Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

UNDERWEIGHT THESIS

- We prefer other stocks in our Info Services coverage given our outlook for lower-than-average growth at FDS
- Market conditions remain challenging in F24 with notable consolidation, lower bank hiring, tight client budget, and elongated sales cycles
- We assume average organic ASV growth ('24-'27E) of 5.9% with adj. operating margins of ~37% in 2027

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Secular Growth: *Negative*

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

\$546.00

21x Bull Case '26e Standardized Adj. EBITDA

Our bull case valuation assumes an average organic ASV of 8.4% ('24-'27), driven by strong end market hiring, share gains, and sales of premium analytics offerings. Adj. op margins of ~39% in FY27 as acquisitions scale and gross margins improve.

BASE CASE

\$390.00

16x Base Case '26e Standardized Adj. EBITDA

Our base case valuation assumes an organic ASV average of 5.9% in ('24-'27): growth stabilizes in the mid-single-digit range, led by low-single-digit financial market employment and modest share gains. We forecast adj. operating margins of ~37% in FY27.

BEAR CASE

\$266.00

13x Bear Case '26e Standardized Adj. EBITDA

Our bear case valuation assumes the financial industry is pressured by macro weakness, leading clients to resist price increases and trade down to cheaper offerings. FDS is able to grow modestly and gain share. Organic ASV average of 2.3% ('24-'27). Adj. operating margins contract to 34.4% in FY27 as FDS continues to invest in solutions. Terminal growth rate of 0%.

Risk Reward – FactSet Research Systems Inc. (FDS.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Organic ASV Growth (Excl. Professional Services) (%)	4.7	4.3	5.8	6.2
Client Retention (%)	91	91	91	91
User Count	216,381	229,364	243,126	260,144
Adj. EBITDA Margin (%)	38.5	39.9	40.1	40.6
Adj. EPS Growth (%)	13.3	3.4	5.6	9.6

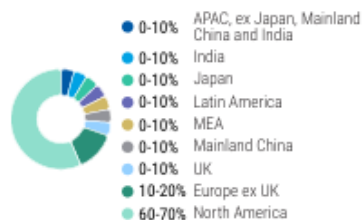
CATALYST CALENDAR

Date	Event	Source: Refinitiv, Morgan Stanley
19 Jun 2025 - 23 Jun 2025	Q3 2025 Factset Research Systems Inc Earnings Release	
17 Sep 2025 - 22 Sep 2025	Q4 2025 Factset Research Systems Inc Earnings Release	

INVESTMENT DRIVERS

- Mid-single-digit ASV growth
- Regular price increases
- Market share gains
- Return of capital: 1% div yield

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- New contract wins in Wealth
- Improvement in asset managers' budgets
- Further margin expansion
- Market share gains

RISKS TO DOWNSIDE

- Growth deceleration
- Competition drives pricing pressure or share loss
- Continued pressure in asset management industry
- Client consolidation

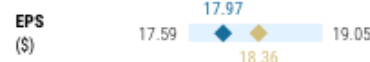
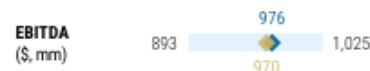
OWNERSHIP POSITIONING

Inst. Owners, % Active	55.6%
HF Sector Long/Short Ratio	1.5x
HF Sector Net Exposure	11.2%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Aug 2026e



◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

Risk Reward – Global Business Travel Group Inc (GBTG.N)

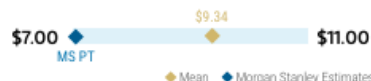
Time-line to 2019 Levels Pushed Out, Caution Remains

PRICE TARGET \$7.00

Our PT is based off of a DCF with WACC of 9.4% and a 2% terminal growth rate in our base case (implied 7.4x EBITDA terminal multiple).

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART



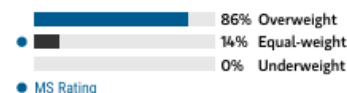
Key: — Historical Stock Performance • Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- GBTG is a leading provider of business travel services
- We expect it to gain market share
- Large market opportunity, particularly in the SME space
- Exposure to cyclical business travel trends
- Risk from economic slowdown prevalent to revenue performance
- We find valuation appropriate vs. travel peers

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

BULL CASE

\$13.00

11.2x Bull Case std. 26e adj EBITDA

GBTG grows at a ~8% rev CAGR from '23-'28e driven by the continued business travel recovery. Longer-term sustainable organic growth is ~8%, above pre-COVID levels, driven by GDP, upsell, share gains, and faster growth in the underpenetrated SME space. Adj. EBITDA margins of ~28% by 2028.

BASE CASE

\$7.00

9.2x Base Case std. 26e adj EBITDA

GBTG grows at 4% rev CAGR from '23-'28e driven by the continued business travel recovery. Longer-term sustainable organic growth is ~5%, in line with pre-COVID levels, driven by GDP, upsell, share gains, and penetration of SME. Adj. EBITDA margins of ~24% by 2028e.

BEAR CASE

\$3.00

4.9x Bear Case std 26e adj EBITDA

Rev CAGR from '23-'28 is flat, driven by a prolonged business travel recovery along with an uncertain macroeconomic environment. Longer-term sustainable organic growth is lower, as a result of lower-than-normal GDP, economic slowdown, tighter client budgets, share losses, and minimal ability to penetrate the SME space. Adj. EBITDA margins of ~20% by 2028.

Risk Reward – Global Business Travel Group Inc (GBTG.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Revenue (\$, mm)	2,423	2,446	2,561	2,683
Adj. EBITDA (\$, mm)	478	504	550	627
Diluted EPS (\$)	(0.29)	0.14	0.30	0.37

CATALYST CALENDAR

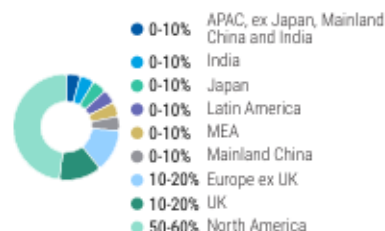
Date	Event
04 Aug 2025 - 08 Aug 2025	Q2 2025 Global Business Travel Group Inc Earnings Release
03 Nov 2025 - 07 Nov 2025	Q3 2025 Global Business Travel Group Inc Earnings Release

Source: Refinitiv, Morgan Stanley

INVESTMENT DRIVERS

- Cyclical business travel end market
- Amex GBT's long-term relationships and 95% customer retention
- Leading provider of business travel services, ~40% larger than the next competitor
- Untapped SME opportunity

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- Business travel recovery is faster than expected
- New client wins, share gains vs. competitors leads to organic growth acceleration
- Stronger-than-expected adoption in the SME space
- Accretive acquisitions, including CWT

RISKS TO DOWNSIDE

- Business travel recovery is below expectations or takes longer than expected
- Economic slowdown reduces corporate travel budgets & travel
- Competitive losses
- Sponsor overhang

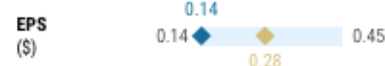
OWNERSHIP POSITIONING

Inst. Owners, % Active	81.2%
HF Sector Long/Short Ratio	1.6x
HF Sector Net Exposure	13.1%

Refinitiv, MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2025e



◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

Risk Reward – Gartner Inc. (IT.N)

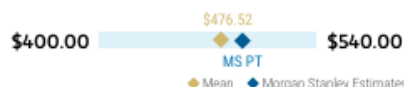
Potential for Accelerating Growth, but Priced In

PRICE TARGET \$490.00

Derived from our DCF model. Our DCF includes an 8.1% WACC, .99 beta, and a 3.0% terminal growth rate.

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART



Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- Gartner is the market leader in technology research, and is expanding into new functional areas (marketing, supply chain, finance, legal, sales, and HR)
- IT tends to have one of the highest top line growth rates in the Info Services peer group
- Global Business Sales (GBS) growth has been strong, which we expect to continue due to its large TAM
- Appetite for technology research and secular growth in IT continue to provide solid backdrop
- We find valuation fair at current levels vs. peers

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Secular Growth: Positive

Pricing Power: Positive

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

\$665.00

30x Bull Case '26e EV/MS Adj. EBITDA

Salesperson productivity accelerates, driving contract value growth and adj. EBITDA margin expansion. Revenue and adj. EBITDA CAGRs of 12% and 13% ('24-'27); adj. EBITDA margins expand to 26% in '27; adj. EPS CAGR of 11% ('24-'27).

BASE CASE

\$490.00

25x Base Case '26e EV/MS Adj. EBITDA

Sales force expansion drives top-line growth and modest margin expansion. Revenue and adj. EBITDA CAGRs of 7%/6% ('24-'27); adj. EBITDA margins expand to 24% in '27; adj. EPS CAGR of 3%.

BEAR CASE

\$302.00

18x Bear Case '26e EV/MS Adj. EBITDA

Revenue growth decelerates as macro environment becomes more challenged and margin expansion is limited. Revenue and adj. EBITDA grow at 5% and 2% CAGRs through '27; adj. EBITDA margins of 23% in '27; adj. EPS CAGR of -1% through '27.

Risk Reward – Gartner Inc. (IT.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Organic C/C Revenue Growth (%)	6.4	4.4	7.4	9.5
Global Technology Sales Organic C/C CV Growth (%)	6.5	3.2	8.0	10.0
Global Business Sales Organic C/C CV Growth (%)	12.6	10.5	13.5	13.0
Conferences Organic C/C Growth (%)	15.5	7.3	4.7	4.8
Consulting Organic C/C Growth (%)	8.5	2.6	3.0	4.0

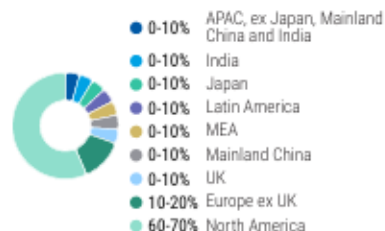
CATALYST CALENDAR

Date	Event	Source: Refinitiv, Morgan Stanley
20 May 2025 - 21 May 2025	Gartner Inc Announces The CFO & Finance Executive Conference	
28 Jul 2025 - 01 Aug 2025	Q2 2025 Gartner Inc Earnings Release	
03 Nov 2025 - 07 Nov 2025	Q3 2025 Gartner Inc Earnings Release	

INVESTMENT DRIVERS

- Strong track record of organic growth
- Highly recurring revenue streams: >70% of revenue is contractually recurring
- History of effective cross-selling

GLOBAL REVENUE EXPOSURE



RISKS TO PT/RATING

RISKS TO UPSIDE

- Increased IT spending driving higher Global Technology Sales growth
- Global Business Sales revenue acceleration
- Margin expansion / operational leverage

RISKS TO DOWNSIDE

- Lower cyclical IT spending
- Margin pressure
- Market share loss
- Structural shift to virtual events

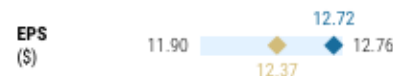
OWNERSHIP POSITIONING

Inst. Owners, % Active	60.3%
HF Sector Long/Short Ratio	1.8x
HF Sector Net Exposure	20.8%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2025e



Source: Refinitiv, Morgan Stanley Research

Risk Reward – Kindercare Learning Companies Inc (KLC.N)

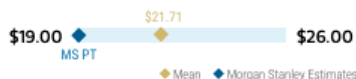
Solid, Stable Growth with Ancillary Opportunities at an Attractive Valuation

PRICE TARGET \$19.00

Our \$19 PT is the midpoint of our base case and bear case DCF valuations. Our base case assumes a 7.7% WACC and a 2.0% terminal growth rate (implying an 7.5x terminal EBITDA multiple), while our bear case assumes a 1.5% terminal growth rate (implying a 6.7x terminal EBITDA multiple).

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART



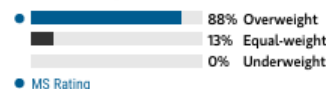
Key: — Historical Stock Performance • Current Stock Price ♦ Price Target

Source: Refinitiv, Morgan Stanley Research

OVERWEIGHT THESIS

- KLC is the largest daycare center provider in the US, in an industry with strong pricing advantages
- Given KLC's scale, it is well-positioned to provide care in convenient locations
- M&A could drive upside if KLC purchases struggling operators at low multiples
- Growth should come from price increases, occupancy improvement, and ancillary opportunities (B2B, premium, before and after school)
- We find valuation attractive vs. BFAM and low to mid-single digit growth Diversified Business Services companies

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Pricing Power: Positive
Secular Growth: Positive

View descriptions of Risk Rewards Themes [here](#)

BULL CASE \$43.00

14.2x Bull Case '26 adj. EBITDA

KLC achieves HSD organic growth from continued above-historical price increases, significant enrollment growth, and strong traction in B2B, premium offerings, and before and after school sites. Revenue and adj. EBITDA CAGRs of 8% and 16% ('23-'28). Adj. EBITDA margins of 14.7% in 2028. KLC multiple converges with BFAM's as the company achieves strong financial metrics. This scenario assumes a normal government funding environment.

BASE CASE \$28.00

11.6x Base Case '26 adj. EBITDA

KLC achieves MSD organic growth, primarily from pricing, enrollment growth, and ancillary opportunities such as B2B, premium, and before and after school sites. Revenue and adj. EBITDA CAGRs of 5% and 10% ('23-'28). Adj. EBITDA margins of 13.6% in 2028. This scenario assumes a normal government funding environment.

BEAR CASE \$9.00

8.2x Bear Case '26 adj. EBITDA

Government subsidy is cut and KLC achieves LSD organic growth as it finds it difficult to implement price increases following the higher than historical increases in recent inflationary years. Occupancy improvement is limited as the macro backdrop is challenging, and underperforming centers do not improve. Ancillary growth opportunities do not gain significant traction. Revenue and adj. EBITDA CAGRs of -3% and flat ('23-'28). Adj. EBITDA margins of 12.5% in 2028.

Risk Reward – Kindercare Learning Companies Inc (KLC.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Revenue growth (%)	6.1	4.4	5.5	4.9
Full service center-based child care growth (%)	5.2	4.1	5.1	4.6
Adj. EBITDA Margin (%)	11.2	11.5	12.3	12.8
EPS Growth (%)	NM	96.1	19.5	12.2

INVESTMENT DRIVERS

- Large, growing addressable market due to increasing demand for childcare given favorable demographic shifts
- Government funding
- Large center footprint
- Opportunities in B2B, premium, before & after school
- M&A
- Delevering/refinancing

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- Stronger organic growth from pricing, occupancy, new center openings
- Traction in B2B, premium, and before and after school markets
- Accretive M&A
- Market share gains

RISKS TO DOWNSIDE

- Cuts to govt funding (35% of KLC's revenue)
- Wage increases, turnover
- Lower price increases given strength in prior years
- Limited occupancy improvement as KLC is already > pre-COVID
- Sponsor overhang

OWNERSHIP POSITIONING

Inst. Owners, % Active	97.7%	
HF Sector Long/Short Ratio	1.6x	
HF Sector Net Exposure	13.1%	

Refinitiv, MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2026e



◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

Risk Reward – Stride Inc (LRN.N)

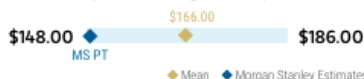
Strong Growth Story, but Balanced by Enrollment Risk

PRICE TARGET \$148.00

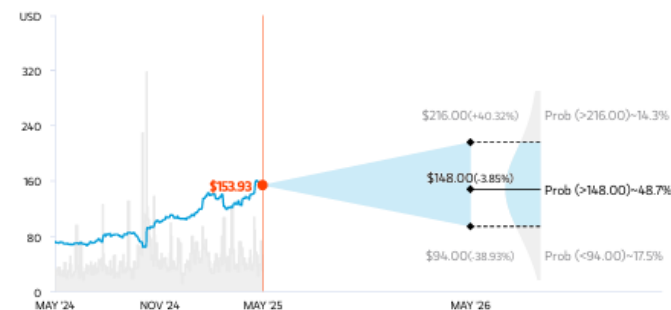
Our price target utilizes a 9.0x NTM adj. EBITDA multiple rolled 1Y forward, in-line with ATGE, traditional education, and consumer discretionary names on a growth-adjusted basis.

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



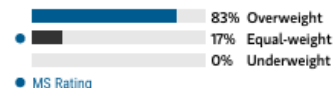
RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



EQUAL-WEIGHT THESIS

- Stride has structurally improved its growth profile post pandemic, but upside offset by low visibility, high churn, and regulatory risks
- Ultimate TAM of virtual K12 market will depend on proving consistent positive student outcomes vs. traditional classroom format
- We model 8% revenue CAGR from '25-'28, significantly above Stride's historical LSD level
- Wide bull-bear skew, with bear case centering around historical growth levels or regulatory pushback to the virtual model
- Enrollment slowdown, churn, and regulatory risk balance the upside case
- LRN is highly macro resilient due to its primarily state funded K12 revenue, low leverage, and low capital intensity

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Disruption: Positive

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

\$216.00

12.0x bull case NTM adj. EBITDA (1 year forward)

We model a 12% organic revenue CAGR from FY25-28E, which is driven by HSD enrollment growth and LSD funding growth, and 105bps of average annual margin expansion, netting to 18% operating income growth.

BASE CASE

\$148.00

9.0x base case NTM adj. EBITDA (1 year forward)

We model a 8% organic revenue CAGR from FY25-28E, which is driven by MSD enrollment growth and LSD funding growth, and 84bps of average annual margin expansion, netting to 12% operating income growth.

BEAR CASE

\$94.00

6.5x bear case NTM adj. EBITDA (1 year forward)

We model a 3% organic revenue CAGR from FY25-28E, which is driven by LSD enrollment growth and LSD funding growth, and 28bps of average annual margin expansion, netting to 4% operating income growth. Our 3% revenue CAGR is in-line with Stride's historical average of 2% from '14-'20.

Risk Reward – Stride Inc (LRN.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Total Organic Growth (%)	11.0	16.9	8.8	7.2
General Education Enrollment	121	136	145	150
Middle-High School Career Learning Enrollment	72	96	103	109
Adj. EBITDA Growth (%)	31.9	44.1	13.9	9.4
EPS Growth (%)	57.1	45.4	8.4	12.0

CATALYST CALENDAR

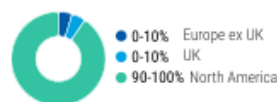
Date	Event
04 Aug 2025 - 08 Aug 2025	Q4 2025 Stride Inc Earnings Release
20 Oct 2025 - 24 Oct 2025	Q1 2026 Stride Inc Earnings Release

Source: Refinitiv, Morgan Stanley

INVESTMENT DRIVERS

- Enrollment growth
- State funding for K12 education
- Penetration of K12 virtual learning
- New state entries
- Career prep adoption
- Increased adoption of virtual learning across school districts
- Student outcomes in the virtual K12 format

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- Student enrollment exceeds expectations
- Entries into new states
- Increased visibility into achieving LT targets
- Increased adoption and acceptance of virtual K12 learning
- Improved student outcomes in the virtual classroom format

RISKS TO DOWNSIDE

- Enrollment slowdown
- Pushback to the virtual model by regulators and state legislatures
- Share Loss
- New regulations on virtual schools
- Underperforming LT targets

MS ESTIMATES VS. CONSENSUS

FY Jun 2025e



Note: There are not sufficient brokers supplying consensus data for this metric

◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

OWNERSHIP POSITIONING

Inst. Owners, % Active	57.4%
HF Sector Long/Short Ratio	1.6x
HF Sector Net Exposure	13.1%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

Risk Reward – Moody's Corp (MCO.N)

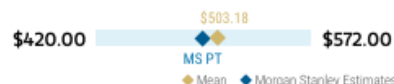
Wide Moat But Valuation Fair

PRICE TARGET \$493.00

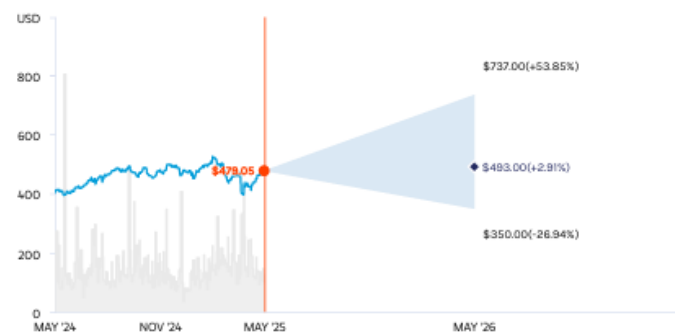
Derived from our discounted cash flow valuation, with a WACC of 8.0% and a terminal growth rate of 2.75% for our base case.

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART



Key: — Historical Stock Performance • Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- With ~50% of revs and ~60% of profits coming from its rating agency business, MCO shares will be levered to the issuance environment.
- We expect 6-9% Ratings revenue growth across the cycle
- MCO trades in-line with Info Services peers ex. CLVT, which we view as fair.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Pricing Power: Positive
Secular Growth: Positive

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

\$737.00

31x Bull Case 2025e EBITDA

Issuance accelerates in FY24 driven by additional M&A, strong GDP growth, elevated maturities and disintermediation. Innovative structured products drive growth in 2024 and beyond leading to a '23-'27E rev CAGR of 15%. EBITDA margins expand to ~52% in 2027E and EPS grows at an ~21% CAGR.

BASE CASE

\$493.00

24x Base Case 2026e EBITDA

Ratings revenue continue to benefit from low single digit GDP growth, upcoming maturities, and pricing gains. Total Moody's rev grows at a ~11% CAGR from 2023-2027E, with EBITDA CAGR of 16% over this period, and EPS increasing at a ~16% CAGR.

BEAR CASE

\$350.00

20x Bear Case 2025e EBITDA

Global issuance gradually declines as widening spreads move issuers to the sidelines. Moody's Analytics provides growth and stability, while Moody's Investor Services grows at a 7% CAGR. Total rev grows at a ~6% CAGR from 2023-'27E and EPS increases at an ~9% CAGR.

Risk Reward – Moody's Corp (MCO.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
MIS Revenue Growth (%)	30.9	0.8	6.3	6.3
MA Revenue Growth (%)	7.8	7.9	8.9	8.9
Total Organic Growth (%)	19.7	4.5	7.6	7.7
EPS Growth (%)	25.9	9.5	15.1	12.6
EBITDA Margins (%)	46.6	47.9	50.0	50.8

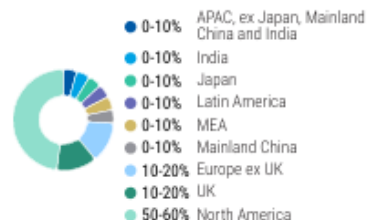
CATALYST CALENDAR

Date	Event	Source: Refinitiv, Morgan Stanley
21 Jul 2025 - 25 Jul 2025	Q2 2025 Moody's Corp Earnings Release	
20 Oct 2025 - 24 Oct 2025	Q3 2025 Moody's Corp Earnings Release	

INVESTMENT DRIVERS

- Growth in global corporate and structured products issuance
- Potential to expand in China Ratings market either via CCI JV or standalone
- Pricing Power
- Margin expansion
- Increasing demand for Moody's Analytics products

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- Better-than-expected debt issuance due to rapid economic recovery
- Counter-cyclicality of non-transaction revenue and ERS business could offset weaker issuance
- Higher-than-expected growth within fast growing KYC vertical

RISKS TO DOWNSIDE

- Greater-than-expected issuance decline due to pull forward and wider spreads
- Additional industry regulation
- Increased share loss to smaller agencies in both structured and corporate

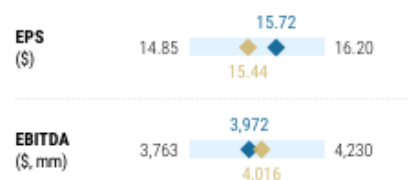
OWNERSHIP POSITIONING

Inst. Owners, % Active	64.8%
HF Sector Long/Short Ratio	1.5x
HF Sector Net Exposure	11.2%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2026e



Source: Refinitiv, Morgan Stanley Research

Risk Reward – MSCI Inc. (MSCI.N)

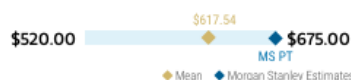
Best-in-Class Business with Upside Opportunities at an Attractive Valuation

PRICE TARGET \$671.00

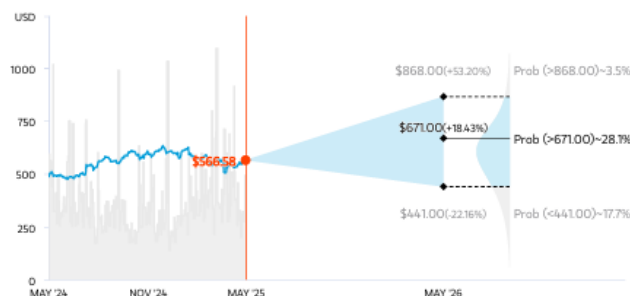
Derived from our DCF model. Our DCF includes an 8.0% WACC and a 3.0% terminal growth rate, implying a 16x terminal multiple.

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



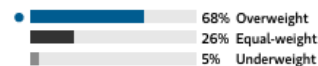
Key: — Historical Stock Performance • Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 14 May 2025. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology [here](#).

OVERWEIGHT THESIS

- MSCI is a leading provider of equity indices, portfolio analytics, and ESG and real-estate solutions for the investment industry
- Long term organic growth is at the high-end of our Info Services coverage
- Business model has high operational leverage, which has led to best-in-class margins
- Subscription-based model provides high visibility with retention in the mid-90's
- The index industry has substantial switching costs and barriers to entry
- Increased adoption of ESG/climate, and private asset solutions are key drivers for top-line growth
- We find the stock attractively valued

Consensus Rating Distribution



● MS Rating

Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Secular Growth: Positive
Pricing Power: Positive

View descriptions of Risk Rewards Themes [here](#)

BULL CASE \$868.00

33x Bull Case '26e Adj. EBITDA

Passive investing gains further traction, and MSCI capitalizes on ESG, Climate, and Private Assets opportunities driving outsized growth with strong operating leverage. We model 11% annual growth ('24-'27), driven by 14% growth in Asset-Based Fees (12% flows/8% appreciation), 12% growth in Index Subscription, 12% growth in ESG/Climate, and 11% in Private Assets. Strong growth in high-margin Index rev facilitates ~130bps of annual margin expansion.

BASE CASE \$671.00

29x Base Case '26e Adj. EBITDA

Passive investing continues to gain share, Index subscriptions sustainably grow at 9%, and MSCI sees strong growth from Climate and Private Assets. We model an 8% rev CAGR ('24-'27), driven by a 10% CAGR in Asset Based Fees (10% flows/6% appreciation), 9% growth in Index Subscription, 9% growth in ESG/Climate and 7% in Private Assets. High incremental margins on Index rev and favorable mix shift facilitate ~40bps of annual Adj. EBITDA margin expansion.

BEAR CASE \$441.00

22x Bear Case '26e Adj. EBITDA

Industry cost cutting and a challenging market environment put pressure on top line growth. We model 1% annual growth ('24-'27), driven by a decline in annual growth in Asset Based Fees (3% flows/5% depreciation), 1% growth in Index Subscription, 2% growth in ESG/Climate, and 0% in Private Assets. Margins decline by ~60bps annually.

Risk Reward – MSCI Inc. (MSCI.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Organic Revenue Growth (%)	9.6	7.4	7.9	8.4
Equity Index Subscriptions Run Rate Growth (%)	8.5	8.7	9.0	9.1
Analytics Organic Run Rate Growth (%)	5.5	7.2	6.4	6.2
Asset Based Fee Organic Revenue Growth (%)	17.9	6.1	8.2	10.7
ESG & Climate Organic Run Rate Growth (%)	7.6	9.9	7.5	7.4

CATALYST CALENDAR

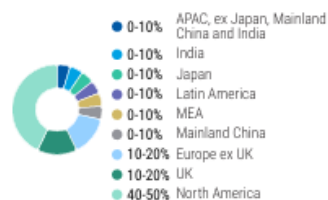
Date	Event
30 May 2025	MSCI Inc at Bernstein Strategic Decisions Conference
21 Jul 2025 - 25 Jul 2025	Q2 2025 MSCI Inc Earnings Release
27 Oct 2025 - 31 Oct 2025	Q3 2025 MSCI Inc Earnings Release

Source: Refinitiv, Morgan Stanley

INVESTMENT DRIVERS

- Favorably aligned for growth in passive investing
- Subscription-based business model supported by high retention rates
- Market performance drives asset based fee revenues
- Growth in high incremental-margin Index rev drives overall margin expansion

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- Market movements, flows in MSCI-linked products
- Adoption of ESG/Climate in investment process
- Expansion of private assets
- Market share gains

RISKS TO DOWNSIDE

- Equity market risk directly pressures asset-based fees, and indirectly, subscription retention
- Deceleration of flows into passive investment products
- Slowdown in ESG/Climate investing or share loss
- Self-indexing
- Customer concentration: BlackRock is 10% of rev

MS ESTIMATES VS. CONSENSUS

FY Dec 2025e



◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

OWNERSHIP POSITIONING

Inst. Owners, % Active	62.6%
HF Sector Long/Short Ratio	1.5x
HF Sector Net Exposure	11.2%

Refinitiv, MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

Risk Reward – Rollins Inc. (ROL.N)

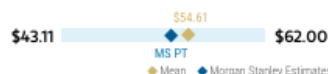
Best of the Pest: Premium Valuation Backed by Consistent Execution

PRICE TARGET \$53.00

Derived from our DCF model, which assumes a 7.5% WACC and a 2.5% terminal growth rate (implying a 15.4x terminal EBITDA multiple).

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 14 May 2025. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months or one-years' time. View explanation of Options Probabilities methodology [here](#)

EQUAL-WEIGHT THESIS

- ROL has shown excellent execution in the Pest Control industry, driving above-industry growth that is expected to continue in a defensive industry.
- Organic growth of M-HSD driven by pricing of CPH+ and volume of ~GDP+ (driven by new customers, adding services like mosquito or tick).
- High FCF generation and conversion provides ample opportunity for capex, investments, and potential M&A opportunities.
- With a strong balance sheet, potential M&A could be accretive.
- Strong fundamentals are already reflected in the price, and risk/reward seems balanced at current levels.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

BULL CASE	\$70.00	BASE CASE	\$53.00	BEAR CASE	\$34.00
35.0x '26 Adj. EBITDA		28.0x '26 Adj. EBITDA		19.6x '26 Adj. EBITDA	
DD top-line growth as demand picks up due to increases in economic and home building activities. ROL grows revenue at an 10% CAGR from '23-'28e with average annual organic growth near ~9% during the period as demand for pest control services increase due to increased home building and buying activity along with increased consumer spending. Adj. EBITDA margins expands ~225bps to 25% from '23 to '28e and adj. EPS grows at a ~12% CAGR.		Consistent execution and cross-selling helps drive HSD top-line growth. ROL continues its trend of strong execution in the coming years, driving a ~8% top-line CAGR from '23-'28e with annual organic growth averaging ~7% during the period driven by pricing, volume growth and increased cross selling. Adj. EBITDA margins expand 175bps to 24.3% from '23 to '28e and adj. EPS grows at ~10% CAGR.		Top-line growth returns to pre-pandemic avgs as Resi and Comm Real Estate activity steeply declines. ROL's revenue growth drops to a 6% CAGR from '23-'28e, below its 5-year pre-COVID avg of 7.7%, and drops further to ~5% in the out year of our model as recessionary fears leads to a cut consumer spending and home buying/building and less CRE developments. Shrinking pool of labor force leads to increased wages as Adj. EBITDA margins increase 83bps and adj. EPS grows at a ~7% CAGR ('23-'28).	

Risk Reward – Rollins Inc. (ROL.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Organic Growth (%)	7.5	6.9	6.7	6.6
Adj EBITDA Margin (%)	22.8	22.9	23.3	23.8
Adj EPS	0.99	1.08	1.16	1.27
Adj EPS Growth (%)	11.6	9.7	6.7	9.8

CATALYST CALENDAR

Date	Event	Source: Refinitiv, Morgan Stanley
22 Jul 2025 - 28 Jul 2025	Q2 2025 Rollins Inc Earnings Release	
21 Oct 2025 - 27 Oct 2025	Q3 2025 Rollins Inc Earnings Release	

INVESTMENT DRIVERS

- Attractive, growing, yet defensive industry
- Geographic density and expansion
- M&A presents long term opportunity for accretive growth

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- New product introductions
- Cross-selling drives high growth
- Efficiency program drives faster growth and margin expansion
- Accretive M&A

RISKS TO DOWNSIDE

- Termite or pest issue that results in outsized damage or litigation
- Loss of market share
- Labor inflation or higher insurance claims lead to higher opex
- Exposure to weather
- Rollins family owns ~35% of the stock, and could do further stock sales

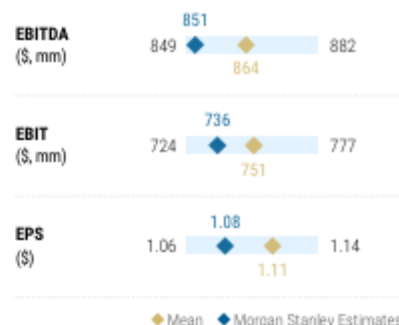
OWNERSHIP POSITIONING

Inst. Owners, % Active	55.7%
HF Sector Long/Short Ratio	1.3x
HF Sector Net Exposure	7.3%

Refinitiv, MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2025e



Source: Refinitiv, Morgan Stanley Research

Risk Reward – Republic Services Inc. (RSG.N)

Executing Well, but Priced In

PRICE TARGET \$245.00

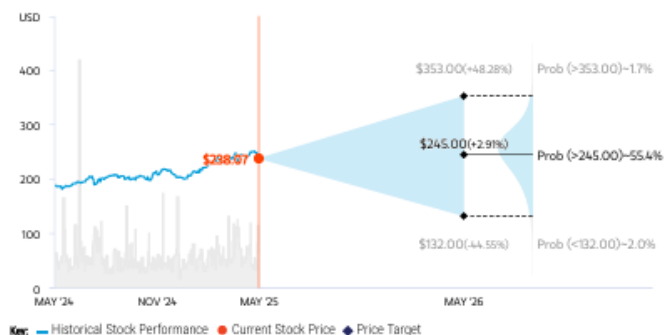
Our PT is derived from our DCF model using a 6.5% WACC and 2.75% terminal growth rate, and implies an 12.8x terminal multiple.

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 14 May 2025. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology [here](#)

BULL CASE \$353.00

19.0x '26 Bull Case Adj. EBITDA

Double digit growth driven by both pricing and volume. RSG grows at a ~9% revenue CAGR between '23-28E driven by ~5% pricing, ~1% volume growth, and ~2% from Environmental Services. Expense initiatives and operating leverage drive adj. EBITDA margins to over 34% in the out year of our model, ~in-line with the leading peer. Adj. EPS grows at a ~17% CAGR over this period.

BASE CASE \$245.00

16.0x '26 Base Case Adj. EBITDA

Mid-single digit growth driven by pricing and integration of US Ecology into Environmental Services. RSG grows at a ~6% revenue CAGR between '23-28E driven by ~4% pricing, ~0.3% volume growth and their successful integration of ECOL. Pricing and cost initiatives drive ~260bps of margin expansion over this period. Adj. EPS grows at a ~10% CAGR.

BEAR CASE \$132.00

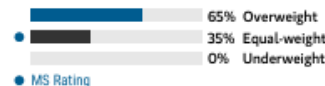
11.4x '26 Bear Case Adj. EBITDA

LSD earnings growth as pricing and volumes come under pressure. RSG revenue grows at a 2-3% CAGR between '23-28E driven by 3% pricing, and -1% volume CAGR. In the out year of our model, pricing falls below 3% and only modestly keeps up with inflation as there is more competition for declining volumes (we model a 50bps volume decline in the out year). Adj. EBITDA growth and adj. EPS growth are both ~2% from '23-28E.

EQUAL-WEIGHT THESIS

- As the second largest player in the waste industry, RSG has a large and broad asset network that is hard to duplicate.
- RSG is differentiated vs. peers given its higher than average capital return, longest useful life of its landfill base, and stable earnings stream.
- The successful integration of ECOL has added an additional dynamic to the business which is showing to be advantageous thus far.
- We believe RSG's current valuation is fair and its risk/reward is balanced.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Pricing Power: Positive

View descriptions of Risk Rewards Themes [here](#)

Risk Reward – Republic Services Inc. (RSG.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Average Yield (%)	5.1	4.2	4.0	3.8
Volume (%)	(0.8)	(0.3)	(0.3)	0.5
Total Internal Revenue Growth (%)	4.6	4.4	5.0	5.6
Adj. EBITDA Margin (%)	31.0	31.5	31.8	32.1
FCF Conversion (%)	43.9	43.6	45.5	48.2

CATALYST CALENDAR

Date	Event
22 Jul 2025 - 28 Jul 2025	Q2 2025 Republic Services Inc Earnings Release
27 Oct 2025 - 31 Oct 2025	Q3 2025 Republic Services Inc Earnings Release

Source: Refinitiv, Morgan Stanley

INVESTMENT DRIVERS

- Pricing power is resilient and drives sustained growth and margin expansion
- Macro recovery drives strong volume growth
- M&A opportunities drive sustained accretive inorganic growth

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- Strong economy drives larger than expected volume growth
- Achieves EBITDA margin and FCF conversion targets faster than expected
- Higher OCC pricing

RISKS TO DOWNSIDE

- A weaker economy could drive lower volumes
- Higher corporate tax rates
- Increased gov't regulation
- Significant Cascade investment stake adds risk if liquidated

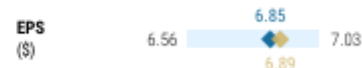
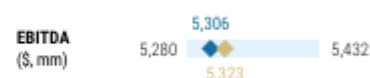
OWNERSHIP POSITIONING

Inst. Owners, % Active	75.4%
HF Sector Long/Short Ratio	1.3x
HF Sector Net Exposure	7.3%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2025e



◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

Risk Reward – S&P Global Inc (SPGI.N)

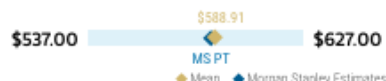
High Quality Assets, Mid-Teens EPS Growth, and Strong Capital Return

PRICE TARGET \$587.00

We derive our price target from our SPGI DCF, with a WACC of 8.1% and a terminal growth rate of 2.75%.

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



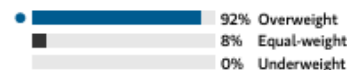
Key: — Historical Stock Performance • Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 14 May 2025. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology [here](#).

OVERWEIGHT THESIS

- S&P Global has a wide moat, strong market share, and high margins.
- We expect SPGI's pricing power, potential for product innovation, global expansion, and cross enterprise opportunities will drive a mid-teens EPS CAGR through 2027.
- We believe SPGI will continue to be an AI beneficiary, and scores the highest, out of our Info Services coverage, on our AI framework.
- The company targets 85% of FCF return of capital to shareholders (through dividends and buybacks), and has a strong balance sheet.
- Attractive valuation for best-in-class Info Services business

Consensus Rating Distribution



MS Rating

Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Pricing Power: Positive
Secular Growth: Positive
Technology Diffusion: Positive

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

\$842.00

31x Bull Case 2026e EBITDA

Accelerating ongoing issuance and growth in the financial sector drives an 12% organic revenue CAGR from '23-27E. SPGI achieves greater revenue and cost synergies than initial anticipated. Adj. EPS grows at a 22% CAGR over this period.

BASE CASE

\$587.00

24x Base Case 2026e EBITDA

SPGI achieves 9% revenue CAGR from '23-27, while adj. EPS increases at a 15% CAGR from '23-27E. Operating leverage drives ~500bps of adj. operating margin expansion to ~51% in 2027.

BEAR CASE

\$411.00

20x Bear Case 2026e EBITDA

Total revenue grows at a 5% CAGR from '23-27E as issuance slows due to weaker GDP, weaker equity markets impact index revenue, and revenue synergies from IHS Market do not materialize. EPS CAGR is 6% over this period.

Risk Reward – S&P Global Inc (SPGI.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Ratings Revenue Growth (%)	31.1	1.4	6.5	6.5
Market Intelligence Revenue Growth (%)	5.7	5.6	6.8	6.7
Index Revenue Growth (%)	15.9	6.7	5.5	7.6
Commodities Insights Organic Growth (%)	10.1	8.4	7.5	6.5
Total Organic Revenue Growth (%)	14.7	5.2	6.9	7.0

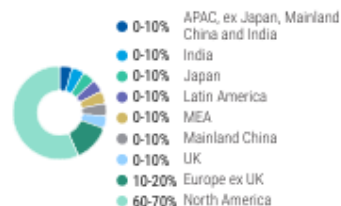
CATALYST CALENDAR

Date	Event	Source: Refinitiv, Morgan Stanley
28 Jul 2025 - 01 Aug 2025	Q2 2025 S&P Global Inc Earnings Release	
22 Oct 2025 - 27 Oct 2025	Q3 2025 S&P Global Inc Earnings Release	

INVESTMENT DRIVERS

- INFO cost and revenue synergies
- Growth in global corporate and structured products issuance
- Expansion into China Ratings market
- Margin expansion
- Continued shift to passive investing
- Pricing power

GLOBAL REVENUE EXPOSURE



RISKS TO PT/RATING

RISKS TO UPSIDE

- Strong debt issuance
- Higher margin expansion
- Better-than-expected synergies from INFO deal
- Market strength drives higher asset-based fees (ABFs)
- Faster-than-expected ramp in China
- Kensho drives revenue or cost optimization

RISKS TO DOWNSIDE

- Muted economic growth and/or capping interest deductibility leads to lower issuance
- Execution risk from INFO deal
- Share loss in MI
- Market decline impacts ABFs
- Gov't regulation

OWNERSHIP POSITIONING

Inst. Owners, % Active	63.3%
HF Sector Long/Short Ratio	1.5x
HF Sector Net Exposure	11.2%

Refinitiv, MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2026e

Sales / Revenue (\$, mm)	15,553	15,973	16,191
		15,982	

EBITDA (\$, mm)	7,799	7,983	8,208
		7,996	

EPS (\$)	18.10	18.75	19.54
		18.90	

◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

Risk Reward – Thomson Reuters Corp. (TRI.O)

Opportunity to Accelerate Growth but Priced In

PRICE TARGET \$197.00

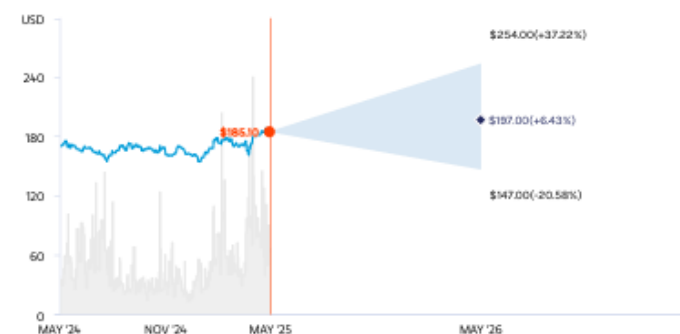
Derived from our discounted cash flow valuation, with a WACC of 6.9% and a terminal growth rate of 2.5% for our base case.

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART



Key: — Historical Stock Performance • Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- Potential for top line growth to accelerate from new product launches, increasing adoption of AI products, growth accretive acquisitions, improving the sales process, focusing on high growth markets, increasing cross selling, improvement in the legal market, and increasing retention through better customer service.
- Margins can expand driven by scale and simplifying the operational structure and technology architecture.
- Strong balance sheet, room for tuck in acquisitions in high growth areas
- Growth-adjusted valuation appears fair vs. peers on '25 adj. EBITDA

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Self-help: Positive

View descriptions of Risk Rewards Themes: [here](#)

BULL CASE

\$254.00

35x Bull Case '26e adj. EBITDA

Strong end markets, organic acceleration and acquisitions lead to strong growth and scale. Rev and adj. EBITDA CAGRs of 7% and 9% ('23-'27E) for ongoing businesses, and adjusted EBITDA margins of ~41% in 2027 as TRI benefits from scale, end market strength, and cost savings initiatives.

BASE CASE

\$197.00

29x Base Case '26e adj. EBITDA

Potential for top-line growth to accelerate from new product introductions, improving end markets, and M&A. Rev and EBITDA CAGRs of 6% and 6% ('23-'27E), and adjusted EBITDA margins expand to ~39% by 2027.

BEAR CASE

\$147.00

23x Bear Case '26e adj. EBITDA

Weak employment in legal and tax & accounting industries with client budget tightening, limited or value-destroying M&A. Rev and EBITDA CAGRs of 5% and 5% ('23-'27E), and adjusted EBITDA margins of ~39% in '27.

Risk Reward – Thomson Reuters Corp. (TRI.O)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Organic Revenue Growth (%)	6.9	3.1	6.9	6.6
Legal Professionals Organic Revenue Growth (%)	7.0	8.0	7.0	6.5
Tax Professionals Organic Revenue Growth (%)	10.1	11.0	10.0	9.5
Corporates Organic Revenue Growth (%)	10.1	9.7	9.7	9.0
FCF Per Share (\$)	4.05	4.18	4.46	4.92

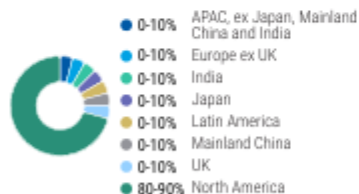
CATALYST CALENDAR

Date	Event	Source: Refinitiv, Morgan Stanley
30 Jul 2025 - 04 Aug 2025	Q2 2025 Thomson Reuters Corp Earnings Release	
03 Nov 2025 - 07 Nov 2025	Q3 2025 Thomson Reuters Corp Earnings Release	

INVESTMENT DRIVERS

- Gen AI product penetration
- Capital deployment
- Reinvestment in businesses
- Shift to a SaaS model within Legal
- Inorganic growth from M&A (not modeled)
- Return of capital: ~12% div yield

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- New product launches and traction
- Strengthening legal market demand
- Increased adoption of analytics and technology tools within legal/tax industry
- Cross-selling increases organic growth

RISKS TO DOWNSIDE

- Competitive pressures could drive market share losses or pricing pressure
- Continued challenges in the legal market, print or otherwise
- Greater-than-expected reinvestment in the business pressuring margins

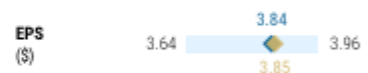
OWNERSHIP POSITIONING

Inst. Owners, % Active	73.8%
HF Sector Long/Short Ratio	1.3x
HF Sector Net Exposure	7.3%

Refinitiv, MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2025e



◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

Risk Reward – TransUnion (TRU.N)

Innovative Credit Bureau with Attractive Valuation

PRICE TARGET \$120.00

Derived from our DCF model. Our DCF includes an 8.6% WACC and a 2.75% terminal growth rate, implying a 10.7x terminal multiple.

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART



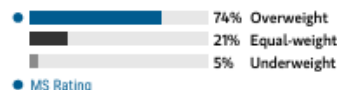
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

OVERWEIGHT THESIS

- TRU is a best in class credit bureau that has an ample runway for growth driven by innovation, expanding in attractive markets, extending its consumer reach, and leveraging its global operating model (expanding its solutions to additional markets).
- We expect revenue to accelerate in '25 following muted market growth over the past few years.
- Valuation looks attractive at a ~6-turn discount to Info Services and ~4-turn to EFX on '26 EV/EBITDA.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Self-help: Positive

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

\$157.00

19x Bull Case 26e EV/MS Adj. EBITDA

Strong and rapid snapback in consumer credit, while acquisitions exceed expectations. Global credit growth and newer verticals like rental screening, insurance & media contribute to top-line strength. Strong growth in EM drives Int'l revenue growth and margin expansion. Revenue, adj. EBITDA, and adj. EPS CAGRs ('24-'27) of 17%/21%/27%. Adj. EBITDA margins of 40% in '27.

BASE CASE

\$120.00

17x Base Case 26e EV/MS Adj. EBITDA

Consumer credit acceleration as demand and new products facilitate high-single-digit organic growth in '25-'27. Revenue, adj. EBITDA, and adj. EPS CAGRs ('24-'27) of 10%/12%/28%. Adj. EBITDA margins of 38% in '27. Mortgage revenue growth of 28% in '25.

BEAR CASE

\$62.00

12x Bear Case 26e EV/MS Adj. EBITDA

Increased competition and global macro environment pressure top-line growth; acquisitions disappoint. TRU is unable to convert slow-growth acquisitions to targeted double-digit growth rates, leading to disappointing revenue and margin expansion. Revenue, adj. EBITDA, and adj. EPS CAGRs ('24-'27) of 7%/10%/15%. Adj. EBITDA margins of 38% in '27.

Risk Reward – TransUnion (TRU.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Total Organic Growth (%)	9.3	5.1	11.1	12.9
U.S. Markets Organic Growth (%)	8.2	4.8	11.5	13.8
International Organic Growth (%)	13.1	6.2	9.6	10.0
Consumer Organic Growth (%)	1.5	(5.9)	2.3	2.3
EPS Growth (%)	15.9	4.2	26.8	23.1

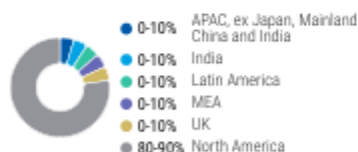
CATALYST CALENDAR

Date	Event	Source: Refinitiv, Morgan Stanley
23 Jul 2025 - 28 Jul 2025	Q2 2025 TransUnion Earnings Release	
21 Oct 2025 - 27 Oct 2025	Q3 2025 TransUnion Earnings Release	

INVESTMENT DRIVERS

- TRU grew 12% on an organic c/c basis in '21, above most Analytics peers, driven by new products and verticals
- We expect international to grow at 17% on average through '25

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- Greater than expected recovery in consumer credit, mortgage, and emerging verticals
- Favorable regulatory environment
- Product innovation drives stronger-than-expected growth
- Deleveraging drives greater investor demand

RISKS TO DOWNSIDE

- Prolonged consumer credit slowdown
- India slowdown is longer than expected
- Competition in Emerging verticals limits opportunity

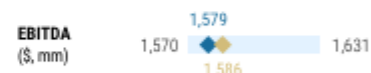
OWNERSHIP POSITIONING

Inst. Owners, % Active	74.4%	
HF Sector Long/Short Ratio	1.3x	
HF Sector Net Exposure	7.3%	

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2025e



◆ Mean ◆ Morgan Stanley Estimates
Source: Refinitiv, Morgan Stanley Research

Risk Reward – Verisk Analytics, Inc. (VRSK.O)

High Quality Business at Appropriate Valuation

PRICE TARGET \$317.00

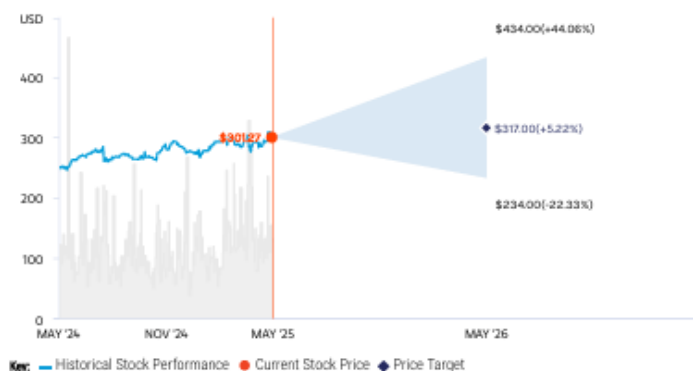
Our PT is based off a DCF with WACC of 6.7% and a 2.75% terminal growth rate in our base case (implied 17x multiple).

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART



Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- VRSK is a high quality Information Services business, but appropriately valued
- VRSK's Insurance business has among the strongest moats in Analytics with mid-to-high revenue growth potential and high margins
- The business has strong visibility with ~82% of rev from subscriptions/long-term contracts
- Customer retention is high, and there are significant switching costs
- Our model calls for a 4-year CAGR ('23-'27) of 7% for rev, adj. EBITDA margins of 56% in '27, and a 4-year adj. EPS CAGR of 13%

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Pricing Power: Positive
Secular Growth: Positive

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

\$434.00

32x Bull Case 26e EBITDA

Increased automation adoption and international wins drive revenue growth, lifting organic growth. Strong growth in the analytics verticals drives higher margins and multiple expansion. We assume F23-27 organic revenue and EBITDA CAGRs of 9% and 12%; adj. EBITDA margins of 59% in F27.

BASE CASE

\$317.00

25x Base Case 26e EBITDA

Continued rev growth; VRSK achieves the mid-point of its margin expansion target. High single-digit organic top line growth, driven by high renewal rates and cross-selling. F23-27 organic revenue and EBITDA CAGRs of 7% and 8%; adj. EBITDA margins of 56% in F27.

BEAR CASE

\$234.00

20x Bear Case 26e EBITDA

Stagnant end markets result in lower-than-anticipated growth and reinvestment required in the business puts pressure on margins. We assume F23-27 organic revenue and EBITDA CAGRs of 5% and 6%; adj. EBITDA margins of 55% in F27.

Risk Reward – Verisk Analytics, Inc. (VRSK.O)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Organic C/C Revenue Growth (%)	7.1	6.8	6.9	6.7
Adj. EBITDA Margin (%)	54.7	55.6	56.1	56.6
Adj. EPS Growth (%)	16.2	6.9	11.9	11.6
FCF Growth (%)	9.7	35.1	(4.4)	8.3

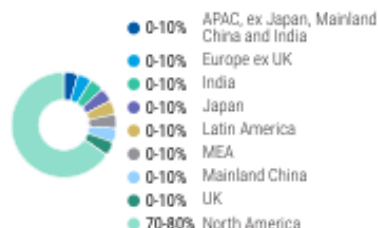
CATALYST CALENDAR

Date	Event	Source: Refinitiv, Morgan Stanley
29 Jul 2025 - 04 Aug 2025	Q2 2025 Verisk Analytics Inc Earnings Release	
28 Oct 2025 - 03 Nov 2025	Q3 2025 Verisk Analytics Inc Earnings Release	

INVESTMENT DRIVERS

- Strong moat, must-have data sets, pricing power, and high operational leverage
- 82% of revenue is recurring with high retention
- Growth opportunities from automation and increased analytics usage
- Growth from client penetration / cross-selling

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- Further demand for data and automation in P&C drives upselling of VRSK's products
- Strong P&C premium growth
- New products (cyber, telematics) begin to gain traction

RISKS TO DOWNSIDE

- Stagnant or declining premium growth in the P&C industry
- Organic growth decelerates to MSD
- Fall short of margin expansion objectives
- Investments prove to have low ROI and limit margin expansion

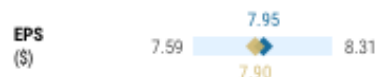
OWNERSHIP POSITIONING

Inst. Owners, % Active	58.2%
HF Sector Long/Short Ratio	1.3x
HF Sector Net Exposure	7.3%

Refinitiv, MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2026e



◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

Risk Reward – Waste Connections Inc. (WCN.N)

Favored Name in Waste; Well-Positioned Price Leader

PRICE TARGET \$227.00

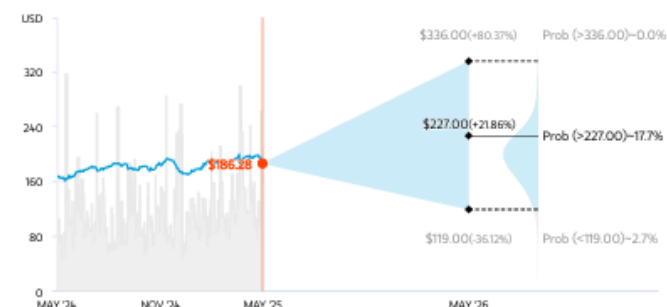
Our PT is derived from our DCF model using a 6.3% WACC and 3% terminal growth rate, and implies a terminal multiple of 21.7x

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



Key: — Historical Stock Performance • Current Stock Price ♦ Price Target

Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 14 May 2025. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology [here](#)

BULL CASE \$336.00

26.7x Bull Case '26 Adj. EBITDA

Near double digit growth driven by both pricing and volume. WCN grows at a ~8% revenue CAGR between '23-28E driven by ~6% core price, and positive volumes. Expense initiatives and operating leverage drive adj. EBITDA margins to 35% in '28 (from 31.5% in '23). Adj. EPS grows at a ~14% CAGR over this period.

BASE CASE \$227.00

20.0x Base Case '26 Adj. EBITDA

High single digit growth driven by pricing better than peers. WCN grows at a ~6% revenue CAGR between '23-28E driven by ~6% pricing despite flattish volumes where it moves to 0.5% in the out year of our model, similar to peers. We believe WCN's pricing will remain resilient (est 5% in '28E). Between '23-28E, adj. EBITDA margins expand by ~305bps, while adj. EPS grows at ~11% CAGR over this period.

\$227.00

BEAR CASE

13.6x Bear Case '26 Adj. EBITDA

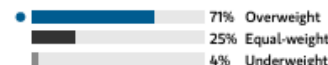
LSD growth as pricing and volumes both come under pressure. WCN grows at ~2% revenue CAGR between '23-28E driven by ~4% core pricing, and volume declines ~2% as the economy enters a pro-longed slow down. In 2028, core pricing decelerates to +3.0% as there is more competition for declining volumes. Adj. EBITDA and adj. EPS both grow at a ~2% CAGR between '23-28E.

\$119.00

OVERWEIGHT THESIS

- Favored name in our Waste coverage due to strong pricing power, leading FCF margins, and potential for accretive M&A
- WCN's focus on exclusive and secondary markets gives it the most defensible price advantage in the waste space
- Best-in-class operator with highest industry growth, margins, and FCF conversion
- Given its relative size, M&A will provide a long runway of accretive inorganic growth
- Attractive relative valuation vs. peers

Consensus Rating Distribution



MS Rating

Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Pricing Power: Positive

Special Situation: Positive

View descriptions of Risk Rewards Themes [here](#)

Risk Reward – Waste Connections Inc. (WCN.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Core Price (%)	7.1	6.3	5.0	5.0
Volume (%)	(2.9)	(1.7)	0.0	0.5
Total Solid Waste Internal Revenue Growth (%)	4.3	3.6	5.5	6.0
Adj. EBITDA Margin (%)	32.5	33.1	33.8	34.2
FCF Conversion (%)	41.9	42.3	47.6	48.5

CATALYST CALENDAR

Date	Event	Source: Refinitiv, Morgan Stanley
22 Jul 2025 - 28 Jul 2025	Q2 2025 Waste Connections Inc Earnings Release	
21 Oct 2025 - 27 Oct 2025	Q3 2025 Waste Connections Inc Earnings Release	

INVESTMENT DRIVERS

- Pricing power is more resilient than peers given focus on exclusive and secondary markets, driving sustained growth and margin expansion
- Macro recovery drives strong volume growth
- M&A presents long term material opportunity for accretive growth

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

- WCN generates significant value through M&A opportunities
- Sustainability projects provide higher than expected returns
- WCN accelerates buybacks driving upside to EPS

RISKS TO DOWNSIDE

- Volumes are flat to negative given growing focus on zero waste initiatives
- Higher corporate tax rates
- Increased gov't regulation makes it more costly to operate landfills
- Lower energy pricing puts pressure on oil and gas industry

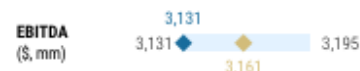
OWNERSHIP POSITIONING

Inst. Owners, % Active	72.4%
HF Sector Long/Short Ratio	1.3x
HF Sector Net Exposure	7.3%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2025e



◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

Risk Reward – Waste Management, Inc. (WM.N)

Leveraging Scale, Brand, and Sustainability Investments Is Key to Outperformance

PRICE TARGET \$235.00

Our PT is derived from our DCF model using a 6.3% WACC and 2% terminal growth rate.

Consensus Price Target Distribution

\$193.44 \$247.50 \$271.00

Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



EQUAL-WEIGHT THESIS

- WM's size and scale gives it a unique advantage as its asset network gives it a wide moat relative to other players within the waste industry.
- We view WM as a leader in sustainability and recycling initiatives amongst the large waste companies that could appeal to a growing ESG investor base as WM grows the business with continuing investments.
- Similar to other waste players, we think WM could outperform in a mid-cycle environment, but prefer WCN on their price-led strategy and execution.

Consensus Rating Distribution



MS Rating

Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Pricing Power: Positive

Renewable Energy: Positive

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

\$333.00

17.1x Bull Case '26 Adj. EBITDA

High single digit internal revenue growth driven by both pricing and volume. WM grows at an ~7-8% internal revenue CAGR between '23-28E driven by ~6% avg yield and ~1% volume growth, with upside from recent sustainability based investments - Recycling MRFs and RNG facilities. Expense initiatives and operating leverage drive adj. EBITDA margins to ~33% in 2028, in-line with the leading peer. Adj. EPS grows at a ~17% CAGR over this period.

BASE CASE

\$235.00

14.6x Base Case '26 Adj. EBITDA

Mid single digit growth driven by pricing. WM grows 8% internal revenue CAGR between '23-28E driven by ~5% avg yield and ~0.5% volume growth, with the remainder from benefits from its ongoing recycling and renewable energy investments. Pricing, expense and sustainability initiatives drive ~154bps of margin expansion from '23-28E. Adj. EPS grows at an ~9-10% CAGR over this period.

BEAR CASE

\$129.00

11.1x Bear Case '26 Adj. EBITDA

Low-to-mid single digit growth as pricing and volumes both come under pressure. WM grows at a ~4-5% internal revenue CAGR between '23-28E driven by ~3% avg yield and negative volumes. Pricing has difficulty keeping up with inflation as there is more competition for declining volumes (we model a 0.5% volume decline in the out year). Adj. EBITDA grows at ~3% CAGR, while margin expansion is negative and adj. EPS increases at a ~2% CAGR between '23-28E.

Risk Reward – Waste Management, Inc. (WM.N)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Collection and Disposal Average Yield (%)	4.0	3.3	3.3	3.3
Volume (%)	0.4	0.4	(0.5)	0.5
Total Internal Revenue Growth (%)	5.3	4.9	4.6	4.8
Adj. EBITDA Margin (%)	29.7	29.7	30.5	30.8
FCF Conversion (%)	35.3	36.1	44.9	45.9

CATALYST CALENDAR

Date	Event	Source: Refinitiv, Morgan Stanley
Tue 24 Jun 25 14:00 - 17:00	Waste Management Inc Investor Day	
22 Jul 2025 - 28 Jul 2025	Q2 2025 Waste Management Inc Earnings Release	
27 Oct 2025 - 31 Oct 2025	Q3 2025 Waste Management Inc Earnings Release	

INVESTMENT DRIVERS

- Pricing power is resilient and drives sustained growth and margin expansion
- Sustainability initiatives prove successful and adds to profitability
- M&A opportunities drive sustained accretive inorganic growth

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

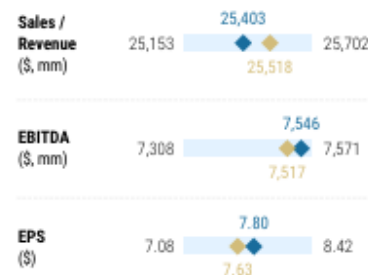
- Investments in LFG to energy projects and recycling add top line growth and margin expansion
- Recovering OCC and recycled commodity pricing benefits recycling
- M&A drives efficiencies

RISKS TO DOWNSIDE

- Volumes are flat to negative given growing focus on sustainability and zero waste initiatives
- Higher corporate tax rates
- SRCL acquisition negatively impacts the business

MS ESTIMATES VS. CONSENSUS

FY Dec 2025e



◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

OWNERSHIP POSITIONING

Inst. Owners, % Active	50.6%
HF Sector Long/Short Ratio	1.3x
HF Sector Net Exposure	7.3%

Refinitiv, MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

Valuation Methodology And Risks

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(as of April 30, 2025)

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Coverage Universe			Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1501	40%	377	46%	25%	691	40%
Equal-weight/Hold	1667	44%	375	45%	22%	796	46%
Not-Rated/Hold	3	0%	0	0%	0%	1	0%
Underweight/Sell	603	16%	76	9%	13%	229	13%
Total	3,774		828			1717	

Disclosure Section (cont'd)

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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COMPANY (TICKER)	RATING (AS OF)	PRICE* (05/14/2025)
Greg Parrish, CFA		
Advantage Solutions Inc (ADV.O)	E (04/01/2021)	\$1.12
Stride Inc (LRN.N)	E (03/10/2023)	\$153.93
Mauricio I Cepeda		
Laureate Education Inc (LAUR.O)	E (07/25/2024)	\$22.48
Toni Kaplan		
ADT Inc (ADT.N)	E (10/31/2022)	\$8.38
Aramark Holdings Corporation (ARMK.N)	E (08/10/2016)	\$38.99
Bright Horizons Family Solutions Inc (BFAM.N)	U (04/07/2021)	\$119.94
BrightView Holdings Inc. (BV.N)	E (08/22/2024)	\$16.45
Cintas Corp (CTAS.O)	E (01/06/2021)	\$214.19
Clarivate Plc. (CLVT.N)	E (02/06/2023)	\$4.50
Equifax Inc (EFX.N)	O (12/12/2024)	\$271.07
FactSet Research Systems Inc. (FDS.N)	U (07/16/2019)	\$459.87
Gartner Inc. (IT.N)	E (11/03/2021)	\$446.10
Global Business Travel Group Inc (GBTG.N)	E (09/14/2022)	\$6.16
Kindercare Learning Companies Inc (KLC.N)	O (11/25/2024)	\$12.31
Moody's Corp (MCO.N)	E (01/07/2020)	\$479.05
MSCI Inc. (MSCI.N)	O (12/13/2023)	\$566.58
Republic Services Inc. (RSG.N)	E (03/15/2024)	\$238.07
Rollins Inc. (ROL.N)	E (12/21/2023)	\$54.96
S&P Global Inc (SPGL.N)	O (03/18/2021)	\$511.94
Thomson Reuters Corp. (TRIO)	E (02/02/2021)	\$185.10
TransUnion (TRU.N)	O (01/04/2023)	\$90.63
Verisk Analytics, Inc. (VRSK.O)	E (11/08/2022)	\$301.27
Waste Connections Inc. (WCN.N)	O (10/13/2020)	\$186.28
Waste Management, Inc. (WM.N)	E (10/13/2020)	\$222.47

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