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Business & Education Services | North America

3Q26 Earnings Preview: Key Themes: AI, Rates, Energy

We provide our thoughts on our Business Services coverage ahead of earnings. Similar to prior quarters, we expect any organic growth weakness to be punished and attributed to AI. Guidance unlikely to be aggressive given rates and energy prices.

Key Takeaways

- Organic growth should again be the key focus metric across the group, with any weakness being punished for perceived AI disruption.
- Investors will be focused on forward commentary, which could err towards caution due to higher rates and higher energy prices.
- We remain OW on TRU, SPGI, MSCI, EFX, WCN, ROL, MH, PXED and UW on BFAM, KLC.

How are we thinking about the set-up into 3Q? While the AI debate has not materially changed from a fundamental standpoint, we believe that investors' AI-disruption views are largely factored into current share prices. Over the past several weeks, we have seen positive share price movement in our lower AI-resilient bucket (IT, FDS, TRI) as the AI trade saw some volatility and ACN's (covered by James Faucette) earnings lifted the consulting names in early October. Continued adoption of MCPs should help drive higher pricing and potentially more widespread adoption of respective companies' proprietary datasets, while investments in AI and new products are likely to remain constants in the current environment. Productivity gains are expected to help control margins in a period of elevated investment. Outside of AI, the rapidly rising rates in Sept and higher oil prices could lead to some caution in company outlooks.

We think the key topics in the quarter will revolve around: 1) AI, 2) Rates, and 3) Energy. We expect investors to continue to focus on organic growth and forward-looking KPIs in order to fend off the AI competition story. AI adoption and investment datapoints are increasingly important, as investors remain interested in understanding whether AI efficiencies will translate into margin expansion or if elevated levels of investment have become the new norm. We expect 3Q to bring more clarity to FY guide ranges and investors to react based on how they view the implied 4Q numbers to be. We expect signs of below-expected organic growth to be taken very negatively by the market as investors will be quick to point softness to AI disruption rather than other factors (timing, government weakness, one-timers, macroeconomic impacts to decision making and budgets)

Given the surge in interest rates (with the US 10-yr Treasury yield going from 4.4% in June to 4.75% in Sept and now 5.2%), we expect that management teams, particularly in credit-exposed industries (credit bureaus and credit rating agencies),

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BUSINESS & EDUCATION SERVICES

North America
Industry View **In-Line**

WHAT'S CHANGED

Equifax Inc (EFX.N)	**From**	**To**
Price Target	$225.00	**$205.00**
Waste Connections Inc. (WCN.N)	**From**	**To**
Price Target	$205.00	**$195.00**
Phoenix Education Partners, Inc. (PXED.N)	**From**	**To**
Price Target	$40.00	**$38.00**
Rollins Inc. (ROL.N)	**From**	**To**
Price Target	$45.00	**$43.00**
Republic Services Inc. (RSG.N)	**From**	**To**
Price Target	$232.00	**$219.00**
ADT Inc (ADT.N)	**From**	**To**
Price Target	$7.75	**$7.25**
Verisk Analytics, Inc. (VRSK.O)	**From**	**To**
Price Target	$235.00	**$215.00**
Thomson Reuters Corp. (TRI.O)	**From**	**To**
Price Target	$116.00	**$110.00**
MSCI Inc. (MSCI.N)	**From**	**To**
Price Target	$700.00	**$662.00**
Waste Management, Inc. (WM.N)	**From**	**To**
Price Target	$230.00	**$220.00**
TransUnion (TRU.N)	**From**	**To**
Price Target	$106.00	**$97.00**
Bright Horizons Family Solutions Inc (BFAM.N)	**From**	**To**
Price Target	$66.00	**$64.00**
BrightView Holdings Inc. (BV.N)	**From**	**To**
Price Target	$12.50	**$11.50**

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could be conservative on their guidance expectations for the remainder of the year.

While many of our companies that are exposed to energy prices are able to pass on these costs via fuel surcharges, timing can be a factor. Fuel surcharges, in waste, typically lag expenses by one month, potentially positioning fuel as a greater margin headwind in 3Q given the late-quarter increase in diesel prices. That said, OCC prices were sequentially strong in the quarter, up 23% seq, which could provide some relief.

AI Debate. While the AI debate is still a key factor in our industry, we believe that many investors have already chosen their respective sides of the debate and view AI risk as largely understood at this point. Within Info Services, we view the Rating Agencies, Credit Bureaus, and Index Providers are most defensible sub-industries with relation to AI risks. In Credit Ratings and Indices, we believe established brands and entrenched market positions create meaningful barriers to AI-driven disruption (i.e. the S&P 500). In Credit Bureaus, proprietary data assets, stringent regulatory requirements, and data protections similarly limit the potential for AI-driven n. Within the Diversified side of our coverage, we believe that the waste peers (WCN, RSG, WM) remain well insulated from AI risk and are an ideal defensive option in volatile or unstable markets. Commodities remain positive, however accelerated diesel prices may result in greater than initially guided margin headwinds given the timing gap with fuel surcharges. Longer term, we expect automation to offer cost benefits to the waste peers, which should help maintain strong price/cost spreads across any environment. We previously viewed physical services like ROL as insulated as well, however acknowledge the recent and potential near-term choppiness impacting organic growth from go-to-market differences between LLMs and more traditional digital search. We remain OW on SPGI, MSCI, EFX, TRU, WCN, ROL, MH, PXED and UW on BFAM, KLC.

Prior previews across the group:

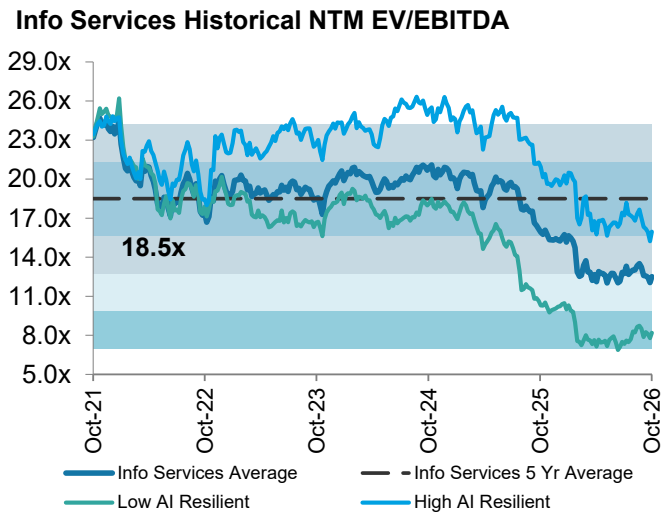
- See here for our **3Q Credit Ratings Preview** - S&P Global Inc: 3Q Preview: Rates, Comps Point to Tough Quarter (7 Oct 2026).
- See here for our **3Q Preview on IT**: Gartner Inc.: 3Q Preview: ACER Tracker Supports Sequential Step Up (8 Oct 2026).
- See here for our **3Q Preview on ARMK**: Aramark Inc.: 4Q26 Preview, Increasing Our DataCenter TAM (13 Oct 2026).

AlphaSignals Earnings Preview

Focus KPI	Focus KPI Surprise	Likely impact to consensus EPS*
ADT Inc ADT.N		
Revenue Growth	— In-line	— Largely unchanged
Andersen Group Inc. ANDG.N		
Organic revenue growth	— In-line	— Largely unchanged
Bright Horizons Family Solutions Inc BFAM.N		
Enrollment growth	— In-line	— Largely unchanged
BrightView Holdings Inc. BV.N		
Land maintenance revenue growth	— In-line	— Largely unchanged
Equifax Inc EFX.N		
Organic revenue growth	↓ Likely downside surprise	— Largely unchanged
Kindercare Learning Companies Inc KLC.N		
Enrollment Growth	— In-line	— Largely unchanged
McGraw Hill, Inc. MH.N		
K-12 & Higher Education Growth	— In-line	— Largely unchanged
MSCI Inc. MSCI.N		
Organic revenue growth	— In-line	— Largely unchanged
Republic Services Inc. RSG.N		
Adj. EBITDA margin	↓ Likely downside surprise	— Largely unchanged
Rollins Inc. ROL.N		
Organic revenue growth	— In-line	— Largely unchanged
Thomson Reuters Corp. TRI.O		
Legal organic revenue growth	— In-line	— Largely unchanged
TransUnion TRU.N		
Organic revenue growth	— In-line	— Largely unchanged
Verisk Analytics, Inc. VRSK.O		
Organic revenue growth	— In-line	— Largely unchanged
Waste Connections Inc. WCN.N		
Adj. EBITDA margin	— In-line	— Largely unchanged
Waste Management, Inc. WM.N		
Adj. EBITDA margin	— In-line	— Largely unchanged
Mobility Global Inc MBGL.N		
Organic revenue growth	— In-line	— Largely unchanged

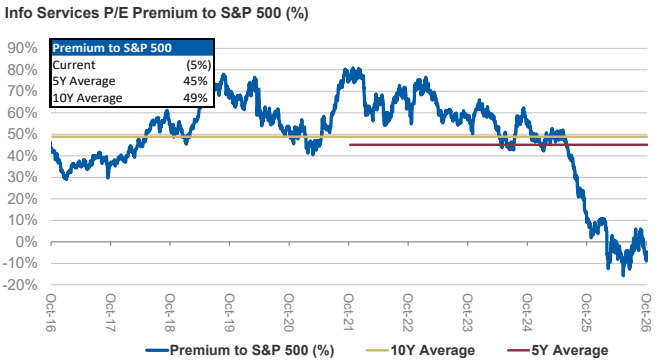
*Likely impact to consensus EPS is for the next 12 months
Source: Company data, Morgan Stanley Research

Exhibit 1: Info Services NTM EV/EBITDA



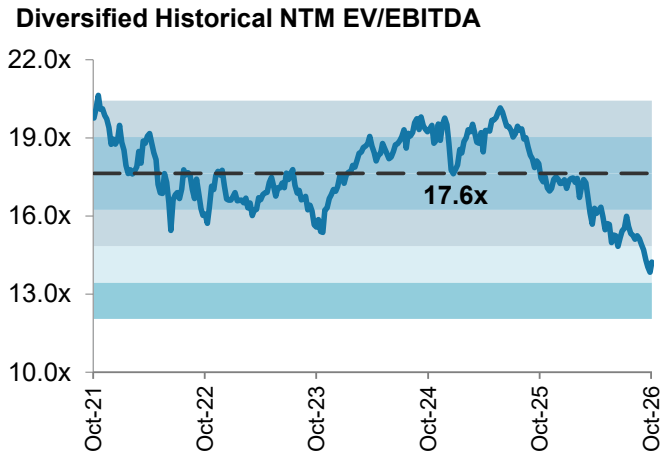
Source: Factset, Morgan Stanley Research

Exhibit 2: Info Services P/E



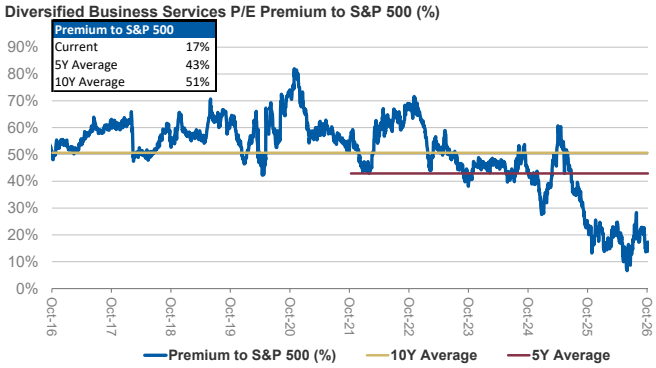
Source: Factset, Morgan Stanley Research

Exhibit 3: Diversified Services NTM EV/EBITDA



Source: Factset, Morgan Stanley Research

Exhibit 4: Diversified Services NTM P/E



Source: Factset, Morgan Stanley Research

Info Services - 3Q Expectations

Credit Rating Agencies

SPGI and MCO: Following a light quarter for issuance (-6% Y/Y), we expect a tempered Ratings outlook, though we think the low end of guidance remains achievable. We model 3Q Ratings revenue growth of -1% for both SPGI and MCO, below consensus of +3%, and expect SPGI to guide Ratings to 5-7% and MCO to MSD-HSD. The moderation would not be surprising given the move higher in rates (which could impact refinancing) and tougher 2H comps. Over the longer term, we remain constructive on the outlook for '26 issuance, supported by four key factors: 1) continued recovery in M&A, 2) AI/data-center financing, 3) healthy refinancing walls, and 4) stable economic growth. These continue to play out, but near-term higher rates are not constructive for refinancing and comps become challenging in 2H.

SPGI's Market Intelligence should again be the key focus during its earnings given investor concern over AI-driven disruption risk, and we expect MI organic growth of 4.75%, slightly below consensus of 5%, as 3Q marks the toughest MI comp of the year, plus last quarter's lighter growth from a longer sales cycle with larger customers around AI data-usage negotiations is still potentially ongoing. FactSet's F4Q organic ASV grew a strong 7% with a supportive capital markets backdrop, a read-across that points to a healthy end-market for SPGI's MI business, though we note that this was the case during 2Q as well. We expect SPGI to achieve its FY MI guidance at the lower end, and we expect no change to the MI guidance range, nor to its overall FY26 framework. For Indices, we see continued robust growth given current equity index levels. We expect Commodity Insights to grow mid-single-digits.

We expect MCO's Ratings segment to reflect the weaker issuance backdrop, with MIS revenue declining in the low-single-digit range Y/Y in 3Q against a tough comp while Moody's Analytics grows modestly, leaving net revenue roughly flat Y/Y and up ~3% organic. We expect adj. EBITDA margins to hold in the low-50s, consistent with typical seasonality and cost discipline, with ongoing investment and annual salary increases offset by cost containment. On the guidance framework, we expect MCO to temper its Ratings outlook to MSD-HSD, consistent with issuance declining -MSD Y/Y in the quarter and tougher comps through 2H.

See here for our 3Q Credit Ratings Preview - S&P Global Inc: 3Q Preview: Rates, Comps Point to Tough Quarter.

Exhibit 5: 3Q26 MSe vs Cons - MCO

MCO Estimates	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference	Guide Mdpt 2026E
Revenue	2,005	2,067	(3.0%)	8,171	8,277	(1.3%)	+HSD %
Total Revenue Growth	-0.1%	3.0%	-311 bps	5.9%	7.2%	-136 bps	
Adj EBITDA	1,072	1,102	(2.8%)	4,323	4,378	(1.3%)	
Adj EBITDA Margin	53.4%	53.3%	12 bps	52.9%	52.9%	0 bps	
Adj EPS	4.10	4.24	-13c	16.55	16.91	-36c	$16.40-$17.00

MCO Estimates Segment Growth	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference	Guide Mdpt 2026E
MIS Revenue	1,130	1,172	(3.5%)	4,633	4,690	(1.2%)	
MIS Revenue Growth	-1.5%	2.1%	-362 bps	7.3%	8.6%	-130 bps	+HSD %
MA Revenue	930	942	(1.3%)	3,756	3,772	(0.4%)	
MA Org Revenue Growth	8.0%	8.0%	5 bps	7.6%	7.4%	21 bps	~MSD% (Organic HSD%)

Source: Factset, Visible Alpha, Morgan Stanley Research

Exhibit 6: 3Q26 MSe vs Cons - SPGI

SPGI Estimates	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference	Guide Mdpt 2026E	MSe vs Guide	Cons vs Guide
Revenue	3,580	3,640	(1.6%)	15,514	14,649	5.9%	16,412	(5.5%)	(10.7%)
Total Revenue Growth	-7.9%	-6.4%	-152 bps	1.1%	-4.5%	564 bps	7.0%	-586 bps	-1150 bps
Organic Revenue Growth	4.3%	5.8%	-159 bps	7.1%	7.9%	-82 bps			
Adj Operating Income	1,897	1,910	(0.7%)	8,011	7,625	5.1%	8,394	(4.6%)	(9.2%)
AOI Margin	53.0%	52.5%	50 bps	51.6%	52.1%	-41 bps	51.1%	49 bps	90 bps
Adj EPS	4.26	4.43	-18c	17.56	17.82	-26c	$17.63	-7c	19c

SPGI Estimates Organic Growth	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference	Guide Mdpt 2026E	MSe vs Guide	Cons vs Guide
S&P Ratings Services	-0.9%	2.7%	-4 bps	6.5%	8.2%	-2 bps	6.5%	-2 bps	169 bps
S&P Dow Jones Indices	16.9%	15.7%	121 bps	15.6%	15.3%	38 bps	13.0%	264 bps	226 bps
Market Intelligence	4.8%	4.7%	2 bps	5.7%	6.4%	-76 bps	6.3%	-59 bps	17 bps
Commodity Insights	4.0%	4.8%	-80 bps	4.7%	4.4%	23 bps	6.3%	-159 bps	-182 bps

Source: Factset, Visible Alpha, Morgan Stanley Research

Credit Bureaus

The credit bureaus were two of the three worst performing stocks in our Info Services coverage during 3Q, with EFX and TRU underperforming the S&P 500 by 16% and 17% respectively. We attribute the to two key factors: higher rates and bi-merge fears. Rates have increased meaningfully and rapidly since 6/30: the 10 year has gone from 4.4% to 5.2%. This increase in rates could lead to slower consumer credit demand, and more caution on the outlook. Regarding bi-merge, currently loans sold to the GSEs must include a tri-merge report combining data from Equifax, Experian, and TransUnion. A shift to bi-merge would mean that only two of the three credit reports would need to be pulled. While this would be a potential negative, we believe this would have only limited impact, and that the impact is more than priced in already (for more information, please see: Credit Bureaus: Bi-Merge: Let's Get Over It Already (2 Oct 2026)).

EFX: We expect 3Q revenue to grow 8.4% organically, with total revenue of $1,672M, 1.4% below consensus and 1.3% below the guide midpoint. Adj. EBITDA of $547M implies margin of 32.7%, roughly in line with guidance and consensus. We expect USIS to grow 14.3% organically, and Workforce Solutions 5.3%. Internationally, we also expect organic growth of 5.3%. We hope to get an update on Government contract wins, following last quarter's $100M of new business and $200M of renewals disclosure, and clarity around

timing (how much of the new wins will impact '26 vs. '27).

TRU: We expect 3Q revenue to grow 8.3% organically, with total revenue of $1,312M, in line with consensus and 0.8% above the guide midpoint. Adj. EBITDA of $464M implies a margin of 35.3%, in line with guidance and 12 bps below consensus. We expect US Markets to grow 9.1% organically, driven by Financial Services at 16.1%, partly offset by Emerging Verticals at 5.0% and Consumer Interactive declining 3.0%. Internationally, we expect organic growth to be 5.6%, with India improving.

Exhibit 7: 3Q26 MSe vs Cons - EFX

EFX Estimates	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference	Guide Mdpt 3Q26E	MSe vs Guide	Cons vs Guide	Guide Mdpt 2026E	MSe vs Guide	Cons vs Guide
Revenue	1,672	1,696	(1.4%)	6,710	6,745	(0.5%)	1,695	(1.3%)	0.1%	6,745	(0.5%)	(0.0%)
Total Revenue Growth	8.2%	9.8%	-154 bps	10.5%	11.0%	-57 bps	9.7%	-147 bps	7 bps	11.0%	-57 bps	0 bps
Organic Revenue Growth	8.4%	9.6%		9.8%	11.0%		9.3%	-88 bps	35 bps	10.3%	-44 bps	79 bps
Adj EBITDA	547	556	(1.6%)	2,106	2,137	(1.4%)	556	(1.5%)	0.0%	2,128	(1.0%)	0.4%
Adj EBITDA Margin	32.7%	32.8%	-5 bps	31.4%	31.7%	-29 bps	32.8%	-6 bps	-1 bps	31.6%	-16 bps	13 bps
Adj EPS	2.20	2.22	-2c	8.46	8.55	-9c	$2.20	0c	2c	8.54	-8c	1c

EFX Estimates Segment Organic Growth	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference
US Information Solutions	14.3%	15.0%	-63 bps	16.3%	16.8%	-55 bps
Workforce Solutions	5.3%	7.8%	-247 bps	7.2%	8.1%	-90 bps
International	5.3%	4.6%	69 bps	4.8%	4.6%	28 bps

Source: Visible Alpha, Morgan Stanley Research

Exhibit 8: 3Q26 MSe vs Cons - TRU

TRU Estimates	Mse 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference	Guide Mdpt 3Q26E	MSe vs Guide	Cons vs Guide	Guide Mdpt 2026E	MSe vs Guide	Cons vs Guide
Revenue	1,312	1,310	0.1%	5,175	5,169	0.1%	1,301	0.8%	0.7%	5,145	0.6%	0.5%
Total Revenue Growth	12.2%	12.0%	12 bps	13.1%	12.9%	13 bps	11.2%	93 bps	81 bps	12.4%	66 bps	53 bps
Organic Revenue Growth	8.3%	7.8%		9.1%	8.9%		7.0%	128 bps	79 bps	8.5%	64 bps	37 bps
Adj EBITDA	464	465	(0.2%)	1,821	1,824	(0.2%)	459	1.0%	1.2%	1,817	0.2%	0.4%
Adj EBITDA Margin	35.3%	35.5%	-12 bps	35.2%	35.3%	-12 bps	35.3%	6 bps	17 bps	35.3%	-14 bps	-2 bps
Adj EPS	1.20	1.22	-1c	4.81	4.85	-4c	$1.20	1c	2c	4.79	2c	6c

TRU Estimates Segment Organic Growth	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference
US Markets	9.1%	8.5%	58 bps	10.4%	10.1%	33 bps
Financial Services	16.1%	13.6%	252 bps	18.3%	16.8%	152 bps
Emerging Verticals	5.0%	5.4%	-40 bps	5.7%	5.9%	-24 bps
Consumer Interactive	-3.0%	-2.1%	-95 bps	-2.0%	-1.8%	-11 bps
International	5.6%	6.0%	-34 bps	4.7%	5.5%	-83 bps

Source: Visible Alpha, Morgan Stanley Research

Other Info Services

IT: As new business dollars increase each quarter throughout the year, we expect 3Q to be a larger new business quarter than 2Q. CV should accelerate into year end as prior headwinds have largely lapped (government and peak tariff impact). Management guided 3Q adj. EBITDA to be at or above $315M, while MSe and Cons are both ahead of the guided estimate by $6M/$11M, which we attribute to historical guidance conservatism. Additionally, management had previously highlighted that Insights segment revenue will grow sequentially on an FX-neutral basis, though FX is expected to be a headwind.

See here for our preview on IT - Gartner Inc.: 3Q Preview: ACER Tracker Supports Sequential Step Up (8 Oct 2026).

Exhibit 9: 3Q26 MSe vs Cons - IT

IT Estimates	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference	Guide Mdpt 2026E	MSe vs Guide	Cons vs Guide
Revenue	1,492	1,487	0.4%	6,397	6,416	(0.3%)	6,375	1.9%	0.3%
Total Revenue Growth	-2.1%	-2.5%	37 bps	-1.5%	-1.3%	-29 bps	-1.9%	33 bps	63 bps
Adj EBITDA	321	326	(1.6%)	1,602	1,606	(0.3%)	1,570	2.6%	2.0%
Adj EBITDA Margin	21.5%	21.9%	-43 bps	25.0%	25.0%	1 bps	24.6%	41 bps	40 bps
Adj EPS	2.80	2.84	-4c	14.42	14.45	-3c	$14.00	42c	45c

IT Estimates Organic Growth	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference	Guide Mdpt 2026E	MSe vs Guide	Cons vs Guide
Research	1,289	1,286	0.3%	5,175	5,178	(0.1%)	5,170	(1.9%)	0.1%
Revenue Growth	1.5%	1.2%	28 bps	2.0%	2.1%	-5 bps	1.9%	11 bps	16 bps
Consulting	114	119	(4.3%)	503	512	(1.8%)	510	8.3%	(1.3%)
Revenue Growth	-8.0%	-3.9%		-8.9%	-7.3%		-7.7%		
Conferences	89	83	7.7%	718	706	1.7%	695	(7.2%)	3.3%
Revenue Growth	19.9%	11.3%		11.4%	9.5%		7.8%		
GTS CV	4,008	4,019	(0.3%)	4,135	4,130	0.1%			
Organic Change	1.5%	1.7%	-26 bps	2.2%	2.0%	12 bps			
GBS CV	1,305	1,308	(0.2%)	1,326	1,325	0.0%			
Organic Change	3.6%	3.8%	-21 bps	3.9%	3.8%	5 bps			
Total CV	5,314	5,331	(0.3%)	5,461	5,475	(0.3%)			
Organic Change	2.0%	2.3%	-33 bps	2.6%	2.8%	-27 bps			

Source: Factset, Visible Alpha, Morgan Stanley Research

MBGL: We expect 3Q revenue to grow 6.4% organically, with total revenue of $474M broadly stable sequentially. CARFAX, 65% of revenue, is expected to grow 8%, extending the deceleration from low-double-digit growth over the prior two years, while B2B is expected to grow low- to mid-single-digits. Adj. EBITDA of $192M represents a margin of 40.5%. We expect revenue growth improve modestly into 4Q as the a la carte sales strategy drives new sales. Margins should see a reset in 3Q from higher public-company costs. Higher oil prices and interest rates could lead to conservative commentary, though MBGL is >80% subscription, so these macro drivers should primarily impact the transactional business lines.

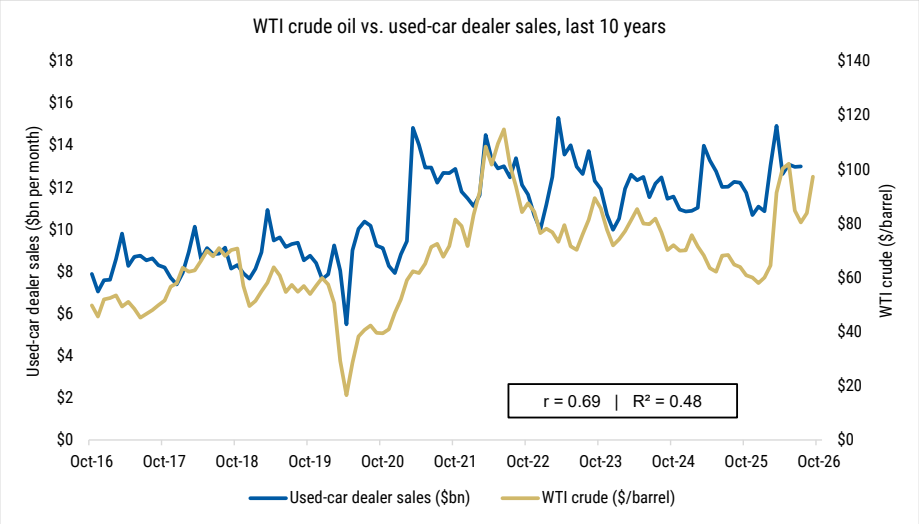
Exhibit 10: 3Q26 MSe vs Cons - MBGL

MBGL Estimates	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference
Revenue	474	475	(0.4%)	1,872	1,876	(0.2%)
Total Revenue Growth	6.4%	6.8%	-39 bps	7.0%	7.2%	-26 bps
Organic Revenue Growth	6.4%			6.6%		
Adj EBITDA	192	194	(1.2%)	745	751	(0.8%)
Adj EBITDA Margin	40.5%	40.8%	-34 bps	39.8%	40.0%	-23 bps
Adj EPS	0.38	0.38	0c	1.55	1.56	-2c

MBGL Estimates Segment Growth	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference
Carfax	314	316	(0.8%)	1,234	1,238	(0.3%)
B2B	160	159	0.5%	638	639	(0.1%)

Source: Factset, Visible Alpha, Morgan Stanley Research

Exhibit 11: Oil prices and Used Car Sales remain closely correlated



Source: Factset, FRED, Morgan Stanley Research

MSCI: Elevated severance should weigh on margins this quarter, and we are modeling 61.4% adj. EBITDA margins, which is 60 bps below consensus. The higher expense level was highlighted at a recent investor conference, so we believe it is well known to investors. Regarding top line, we expect 3Q organic revenue growth of 10% (relatively in line with cons), with Index revenue of $514M (slightly below consensus), Analytics revenue of $195M (0.5% above consensus), ESG & Climate and Private Assets revenue of $90M and $74M (3.0% and 2.7% below consensus, respectively). We expect net new recurring subscription sales of $42M, which is 1.3% below consensus, as the Index business laps tougher comps following 2Q.

Exhibit 12: 3Q26 MSe vs Cons - MSCI

MSCI Estimates	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference
Revenue	873	886	(1.5%)	3,488	3,514	(0.7%)
Total Revenue Growth	10.0%	11.7%	-171 bps	11.3%	12.1%	-83 bps
Organic Revenue Growth	10.0%			11.5%		
Adj EBITDA	535	549	(2.5%)	2,129	2,153	(1.1%)
Adj EBITDA Margin	61.4%	62.0%	-60 bps	61.0%	61.3%	-23 bps
Adj EPS	4.87	5.02	-15c	19.39	19.62	-23c

MSCI Estimates Segment Growth	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference
Index	514	524	(1.9%)	2,061	2,074	(0.6%)
Analytics	195	194	0.5%	769	769	0.0%
ESG & Climate	90	93	(3.0%)	363	371	(2.1%)
Private Assets	74	76	(2.7%)	295	300	(1.5%)
Total Subscription Run Rate	2,573	2,577	(0.2%)	2,638	2,641	(0.1%)
Total Run Rate Growth	7.8%	8.0%		7.7%	7.8%	
Net New Recurring Sub Sales	42	42	(1.3%)	194	193	0.6%

Source: Factset, Visible Alpha, Morgan Stanley Research

TRI: We expect 3Q organic revenue growth of ~8%, with an adj. EBITDA margin of ~36%. Severance is expected to have a $19M impact to adj. EBITDA, while impact from investments and M&A dilution are expected to act as a headwind as well. However,

severance and automation efforts are expected to be a $40M tailwind in 4Q as TRI turns its focus on 4Q fueling its FY26 margin expansion target of 100 bps. Government (grew 5% in 2Q) is not expected to see the same lift in 3Q due to certain transactional revenues not being anticipated to recur at the same elevated level. Legal could return back to 9% organic growth if government does slow down. With the release of next-gen CoCounsel picking up steam in 3Q (launched late Aug), we would expect Legal to accelerate in 4Q. TAP segment is expected to see accelerated revenue growth in 2H26 driven by rising contributions from US AI-driven offerings (planned release of agentic nex-gen CoCounsel for Tax and Audit in the fall), normalization of revenue recognition, and product line extension in Brazil+.

Exhibit 13: 3Q26 MSe vs Cons - TRI

TRI Estimates	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference	Guide Mdpt 2Q26E	MSe vs Guide	Cons vs Guide	Guide Mdpt 2026E	MSe vs Guide	Cons vs Guide
Revenue	1,920	1,918	0.1%	8,137	8,131	0.1%						
Total Revenue Growth	7.8%	7.6%	12 bps	8.8%	8.8%	8 bps						
Organic Revenue Growth	7.7%	7.9%	-22 bps	8.0%	8.1%	-6 bps	8.0%	-34 bps	-12 bps	8.0%	3 bps	9 bps
Adj EBITDA	693	696	(0.4%)	3,247	3,251	(0.1%)						
Adj EBITDA Margin	36.1%	36.3%	-18 bps	39.9%	40.0%	-8 bps	36.0%	11 bps	29 bps	40.2%	-30 bps	-22 bps
Adj EPS	0.89	0.90	-1c	4.47	4.46	1c						

TRI Estimates Organic Growth	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference
Legal	9.0%	9.0%	4 bps	9.4%	9.4%	0 bps
Corporate	9.0%	9.5%	-54 bps	9.2%	9.6%	-33 bps
Accounting/Tax/Audit	11.0%	11.0%	0 bps	10.4%	10.2%	24 bps
Print	-3.0%	-5.5%	250 bps	-3.5%	-4.6%	112 bps
Reuters News	2.0%	3.7%	-166 bps	3.4%	4.1%	-63 bps
Big 3 Organic Growth	9.7%	9.8%	-16 bps	9.7%	9.7%	-3 bps
Total Organic Growth	7.7%	7.9%	-22 bps	8.0%	8.1%	-6 bps

Source: Factset, Visible Alpha, Morgan Stanley Research

VRSK: 2H26 is expected to see gradual recovery in OCC growth given favorable comps, though transactional revenue benefits to ILS that occurred in 2Q are not expected to repeat in 3Q. Hurricane season appears to be off to a slower start, which could potentially pressure transactional revenue, though management considers weather when providing guidance ranges, acting as a driver between the low end or upper end of the guide. Additionally, the Federal work stoppage has been lifted for a 1-year term and is not expected to pose a negative impact in 2H.

Exhibit 14: 3Q26 MSe vs Cons - VRSK

VRSK Estimates	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference	Guide Mdpt 2026E	MSe vs Guide	Cons vs Guide
Revenue	805	807	(0.3%)	3,210	3,219	(0.3%)	3,215	(0.2%)	0.1%
Total Revenue Growth	4.7%	5.1%	-32 bps	4.5%	4.8%	-31 bps	4.6%	-16 bps	15 bps
Organic Revenue Growth	6.7%	6.6%	12 bps	6.1%	6.0%	3 bps			
Adj EBITDA	453	455	(0.3%)	1,814	1,816	(0.1%)	1,810	0.2%	0.3%
Adj EBITDA Margin	56.4%	56.3%	3 bps	56.5%	56.4%	11 bps	56.3%	27 bps	16 bps
Adj EPS	1.92	1.93	-1c	7.72	7.71	1c	$7.60	12c	11c

VRSK Estimates Organic Growth	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference
Underwriting Revenue	562	567	(0.8%)	2,257	2,272	(0.6%)
Underwriting Organic Growth	6.5%	6.7%	-21 bps	5.9%	6.2%	-27 bps
Claims Revenue	242	241	0.7%	953	949	0.4%
Claims Organic Growth	7.3%	6.7%	56 bps	6.5%	6.1%	34 bps

Source: Factset, Visible Alpha, Morgan Stanley Research

Diversified Services

Waste

RSG. Volume is expected to be negative for a second consecutive quarter, driven by difficult comps from strong landfill volumes in 3Q25 related to hurricane cleanup and the California wildfires. 3Q margins are expected to be flattish vs. last year, as landfill event volumes had a high flow-through to margin. We expect the late-3Q spike in diesel prices to be a margin headwind, as additional fuel surcharges come in at a 45-day lag, while prior guidance assumed diesel prices of <$4/gallon compared with $6.29/gallon in September and a 3Q26 average of $5.57/gallon. Commodities continued to recover in 3Q, with OCC pricing of $79/ton, up 43% Y/Y and 23% sequentially, while October kicked off 4Q with further momentum at $89/ton (+65% Y/Y). We believe elevated diesel prices could drive offer upside to prior revenue expectations.

WCN: As is typically the case in a given year, 3Q is expected to be the strongest quarter for margins, and we are expecting ~34% adj. EBITDA margins, though this will be dependent on fuel and commodity trends in the quarter. We believe commodities were a positive in 3Q, as OCC prices remained strong, though the recent increase in diesel prices could offset some of the commodity benefit. FY guidance incorporated commodity prices as of July, and OCC prices have increased by 22% since then. Fuel surcharges typically lag expenses by one month, potentially positioning fuel as a greater margin headwind in 3Q given the late-quarter increase in diesel prices. The impact is not expected to be as significant as it was in 2Q, given that surcharges are already in place, but rather a margin drag resulting from the timing mismatch. With fuel prices elevated, we are also keeping an eye on commentary around increased rig counts and drilling activity, which would benefit WCN's E&P business. 4Q margins typically step down sequentially by 50-60 bps vs. 3Q, though this did not occur last year due to benefits from risk management and disposal internalization. We believe elevated diesel prices could drive offer upside to prior revenue expectations.

WM: Wildfire volumes are expected to pose a headwind in 3Q, though to a lesser degree than in 2Q, as just $5-6M of EBITDA (>70% margin) flowed through in 3Q25. The decrease in FY guidance following 2Q implies C&D volumes will be flat in 2H. Additional benefits from commodities are expected to help offset some of the operational impact from a fire at a facility earlier in the year, making it less likely, in our view, that WM sees meaningful upside in its recycling processing business from better commodity prices. Management's view at the end of 2Q was that fuel prices would normalize (or even decline) during 2H, which has not been the case thus far, leaving room for further revenue upside but incremental margin pressure given the one-month lag in fuel surcharges. WM Healthcare is expected to see stronger revenue growth in 2H compared with 1H, primarily from pricing and the lapping of credits related to prior billing challenges, with 4Q more meaningfully lapping the prior volume losses. We believe elevated diesel prices could drive offer upside to prior revenue expectations.

Exhibit 15: 3Q26 MSe vs Cons - Waste Headline Estimates

					3Q26E			2026E			Guide Mdpt	MSe vs	Cons vs
RSG	3Q25	4Q25	1Q26	2Q26	Cons	MSe	MSe vs. Cons	Cons	MSe	MSe vs. Cons	2026E	Guide	Guide
Revenue	4,211	4,135	4,113	4,430	4,401	4,398	-0.1%	17,287	17,284	0.0%	17,250	0.2%	0.2%
Revenue Growth	3.3%	2.2%	2.6%	4.6%	4.5%	4.4%	-6 bps	4.2%	4.2%	-2 bps	4.0%	20 bps	22 bps
Adj EBITDA	1,382	1,294	1,320	1,423	1,436	1,433	-0.2%	5,550	5,546	-0.1%	5,538	0.2%	0.2%
Adj EBITDA Margin	32.8%	31.3%	32.1%	32.1%	32.6%	32.6%	-5 bps	32.1%	32.1%	-2 bps	32.1%	-1 bps	0 bps
Adj EPS	1.90	1.76	1.70	1.85	1.94	1.92	-2c	7.28	7.21	-7c	7.26	-4c	3c
WCN													
Revenue	2,458	2,373	2,371	2,562	2,603	2,605	0.1%	10,045	10,039	-0.1%	10,035	0.0%	0.1%
Revenue Growth	5.1%	5.0%	6.4%	6.4%	5.9%	6.0%	9 bps	6.1%	6.0%	-6 bps	6.0%	5 bps	11 bps
Adj EBITDA	830	796	770	840	886	886	0.0%	3,337	3,337	0.0%	3,335	0.1%	0.1%
Adj EBITDA Margin	33.8%	33.5%	32.5%	32.8%	34.0%	34.0%	-4 bps	33.2%	33.2%	2 bps	33.2%	1 bps	-1 bps
Adj EPS	1.44	1.29	1.23	1.50	1.52	1.54	2c	5.65	5.68	3c			
WM													
Revenue	6,443	6,313	6,227	6,684	6,797	6,815	0.3%	26,392	26,342	-0.2%	26,375	-0.1%	0.1%
Revenue Growth	14.9%	7.1%	3.5%	4.0%	5.5%	5.8%	28 bps	4.7%	4.5%	-20 bps	4.6%	-13 bps	7 bps
Adj EBITDA	1,970	1,974	1,853	2,067	2,160	2,142	-0.8%	8,207	8,183	-0.3%	8,200	-0.2%	0.1%
Adj EBITDA Margin	30.6%	31.3%	29.8%	30.9%	31.8%	31.4%	-35 bps	31.1%	31.1%	-3 bps	31.1%	-3 bps	1 bps
Adj EPS	1.98	1.93	1.81	2.02	2.19	2.14	-5c	8.17	8.01	-15c			

Source: Morgan Stanley Research

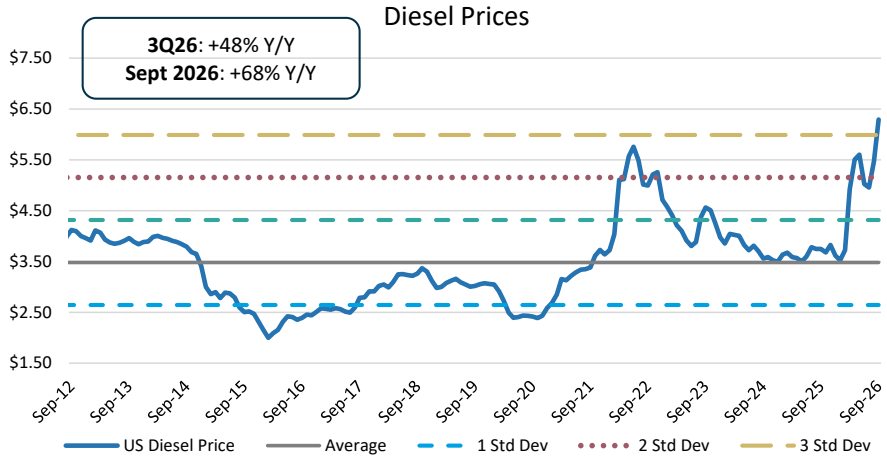
Exhibit 16: 3Q26 MSe vs Cons - Waste Key Metrics

					3Q26E			2026E		
RSG	3Q25	4Q25	1Q26	2Q26	Cons	MSe	MSe vs. Cons	Cons	MSe	MSe vs. Cons
Average Yield	4.0%	3.7%	3.4%	3.4%	3.3%	3.2%	-10 bps	3.3%	3.3%	-6 bps
Fuel fees	0.0%	0.2%	0.2%	1.8%	0.8%	1.1%	30 bps	0.9%	1.0%	15 bps
Volume	-0.3%	-1.0%	-0.8%	-1.6%	-1.3%	-1.2%	9 bps	-1.0%	-1.0%	2 bps
Recycled commodities	-0.2%	0.0%	0.0%	0.1%	0.2%	0.3%	14 bps	0.1%	0.3%	14 bps
Internal revenue growth	1.7%	0.9%	1.5%	3.5%	3.3%	3.4%	13 bps	3.1%	3.2%	6 bps
Environmental services	-1.4%	-2.0%	-1.3%	-0.2%	0.2%	0.0%	-19 bps	-0.2%	-0.3%	-12 bps
Acquisitions	1.6%	1.3%	1.1%	1.1%	1.1%	1.0%	-11 bps	1.1%	1.0%	-7 bps
WCN										
Core Price	6.3%	6.4%	6.0%	5.6%	5.2%	5.4%	18 bps	5.3%	5.5%	24 bps
Fuel fees	-0.1%	0.0%	-0.1%	1.1%	0.9%	1.1%	20 bps	0.7%	0.8%	9 bps
Volume	-2.7%	-2.7%	-1.5%	-1.9%	-1.8%	-1.5%	30 bps	-1.8%	-1.5%	30 bps
Recycled commodities	-0.8%	-0.6%	-0.5%	-0.2%	0.2%	0.2%	-2 bps	0.0%	0.0%	-3 bps
Internal revenue growth	1.8%	2.6%	4.4%	3.6%	4.0%	4.8%	73 bps	3.8%	4.7%	86 bps
Acquisitions	3.6%	2.8%	2.7%	2.1%	1.4%	1.8%	39 bps	1.6%	2.0%	33 bps
WM										
Collection & disposal	3.3%	2.9%	3.0%	2.8%	2.8%	3.1%	32 bps	2.8%	2.9%	11 bps
Average Yield	2.2%	2.3%	2.8%	4.3%	4.7%	5.6%	90 bps	4.0%	4.3%	37 bps
Fuel fees	0.2%	0.4%	0.3%	1.6%	1.0%	1.6%	55 bps	0.8%	1.0%	19 bps
Volume	0.8%	0.7%	0.2%	-0.3%	-0.1%	0.1%	15 bps	0.0%	0.0%	1 bps
Recycled commodities	-1.3%	-1.0%	-0.6%	-0.1%	0.6%	0.9%	31 bps	0.2%	0.4%	18 bps
Internal revenue growth	3.0%	3.1%	2.7%	3.5%	4.8%	5.4%	54 bps	4.0%	4.0%	-1 bps
Acquisitions	12.0%	4.3%	0.6%	0.5%	0.5%	0.3%	-19 bps	0.5%	0.4%	-11 bps

Source: Visible Alpha, Morgan Stanley Research

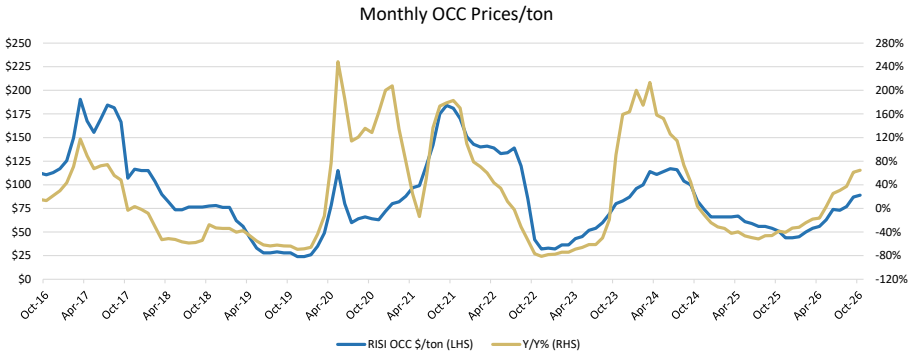
Elevated fuel prices are expected to further impact both revenue and margin. Fuel prices continued to rise in 3Q following a brief pullback in June and July, with 3Q26 diesel prices averaging $5.57, nearly 50% higher than last year and +4% sequentially. We expect elevated fuel prices to remain a margin headwind until crude prices decelerate or the higher fuel expense anniversaries. As of the 2Q26 print, both WM and RSG had expected fuel prices to normalize in 2H, with RSG's diesel estimate below $4/gal at the time versus a 3Q26 average of $5.57/gal and September average of $6.29/gal. This has clearly not been the case, creating potential revenue upside from increased fuel surcharges, offset by incremental margin pressure versus prior expectations. However, the waste peers already had fuel surcharges in place, so the gap between surcharge revenue and fuel costs - and therefore the incremental EBITDA impact - should be less significant than in prior quarters. Across the waste peers, fuel recovery fees and fuel expense have a 30-45 day lag, which varies depending on how customers are billed (weekly, monthly, or in real time), while WM Healthcare has a one-quarter lag. Given that the most recent spike occurred late in 3Q (Aug-Sept), the waste peers may experience softer margins in 3Q, as some of the associated revenue benefit is likely to be split between 3Q and 4Q due to the lag.

Exhibit 17: Diesel prices continued to soar in 3Q, with August and September experiencing surges with month-to-month increases of 10% and 15%.



Source: Energy Information Administration, Morgan Stanley Research

Exhibit 18: OCC prices rose 43% in 3Q26 and increased 23% sequentially.



Source: RISI, Morgan Stanley Research

Child Care

See here for our deep dive into the child care demand debate - Business & Education Services, Child Care: Child Care: Priced Out of Demand (23 Sep 2026).

BFAM: Revenue growth in 3Q is expected to be between 4-5%, with Full-Service growth of 0.5%-1.0% and Back-Up growth of 12-14%, based on management's outlook from the last earnings call. Full-Service revenue is expected to see a 225 bps headwind from net closings done over the past year, a 100 bps headwind from Australia, and a FX headwind of 25 bps (vs >100 bps tailwind in 2Q). Due to headwinds in Australia, overall enrollment is expected to be slightly down. Adj. operating margin for the Back-Up care segment tends to be highest in 3Q as the quarter sees more volume during the summer months. These higher-use quarters helps BFAM gain operating leverage, which is what supports the 28%-30% FY margin guide for the segment. We focus on September's back to school enrollment trends, which sets the pace for the upcoming school year's enrollment environment.

Exhibit 19: 3Q26 MSe vs Cons - BFAM

BFAM Estimates	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference	Guide Mdpt 3Q26E	MSe vs Guide	Cons vs Guide	Guide Mdpt 2026E	MSe vs Guide	Cons vs Guide
Full-Service Revenue	$518.6	$519.5	(0.2%)	$2,135.2	$2,136.5	(0.1%)	$519.4	(0.1%)	0.0%	$2,164.4	(1.3%)	(1.3%)
Full-Service Y/Y Growth	0.6%	0.8%		2.6%	2.7%		0.8%			4.0%		
Back-Up Care Revenue	$288.8	$288.5	0.1%	$830.6	$834.7	(0.5%)	$286.3	0.9%	0.8%	$815.3	1.9%	2.4%
Back-Up Care Y/Y Growth	14.0%	13.9%		14.1%	14.7%		13.0%			12.0%		
Educational Advisory Revenue	$34.1	$34.4	(1.0%)	$125.6	$126.1	(0.4%)	$35.6	(4.3%)	(3.4%)	$130.7	(3.9%)	(3.5%)
Education Advisory Y/Y Growth	0.5%	1.5%		0.9%	1.3%		MSD			MSD		
Total Revenue	$841.5	$842.3	(0.1%)	$3,091.4	$3,098.1	(0.2%)	$841.3	0.0%	0.1%	$3,100.0	(0.3%)	(0.1%)
Total Revenue Y/Y Growth	4.8%	4.9%		5.4%	5.6%		4.8%			5.7%		
Adj EBITDA	$160.6	$163.7	(1.9%)	$516.9	$519.1	(0.4%)						
Adj EBITDA Margin	19.1%	19.4%	-35 bps	16.7%	16.8%	-3 bps						
Full Service Operating Margin	3.5%	3.7%	-25 bps	5.5%	4.7%	81 bps						
Back-Up Operating Margin	35.1%	35.2%	-11 bps	29.3%	29.3%	-2 bps						
Ed. Advisory Operating Margin	23.8%	24.2%	-39 bps	20.8%	20.6%	22 bps						
Adj EPS	$1.70	$1.75	-5c	$5.07	$5.11	-4c	$1.76	-6c	0c	$5.10	-3c	1c

Source: Visible Alpha, Moran Stanley Research

KLC: 3Q Guidance for revenue and adj. EBITDA is for $660M to $680M and $44M to $48M, respectively, representing a revenue growth range of -2.5% to 0.5% and adj. EBITDA margin range of 6.7% to 7.1%. While KLC's footprint optimization efforts will impact 3Q, majority of the remaining center consolidation is expected to occur in 4Q. Marketing initiatives are expected to continue into 3Q as KLC incrementally added spend in effort to improve back to school enrollments. We focus on commentary surrounding September's back to school enrollment levels, which typically sets the pace for the upcoming school year's enrollment environment. While center closures to date (49) have resulted in an expected $8M of annualized net EBITDA benefit, that number is expected to increase as KLC closes more centers and trend toward the 80-85 closure mark by year-end. Management is expected to continuously provide updates with quarterly earnings on the expected annualized net EBITDA benefit from the center closures, indicating potential upside to EBITDA from near-term closures not yet completed.

Exhibit 20: 3Q26 MSe vs Cons - KLC

KLC Estimates	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference	Guide Mdpt 3Q26E	MSe vs Guide	Cons vs Guide	Guide Mdpt 2026E	MSe vs Guide	Cons vs Guide
Early Childhood Education Revenue	$612.8	$615.1	(0.4%)	$2,424.7	$2,438.2	(0.6%)						
ECE Y/Y Growth	-2.3%	-1.9%		-3.7%	-3.2%							
Before & After School Revenue	$55.4	$54.9	0.9%	$243.0	$241.5	0.6%						
Before/After Y/Y Growth	11.1%	10.2%		12.8%	12.1%							
Total Revenue	$668.2	$670.0	(0.3%)	$2,667.7	$2,679.5	(0.4%)	$670.0	(0.3%)	0.0%	$2,680.0	(0.5%)	(0.0%)
Total Revenue Y/Y Growth	-1.3%	-1.0%		-2.4%	-2.0%		-1.0%	-26 bps	0 bps	-2.0%	-45 bps	-2 bps
Adj EBITDA	$46.6	$46.7	(0.1%)	$206.1	$207.4	(0.6%)	$46.0	1.4%	1.5%	$210.0	(1.8%)	(1.2%)
Adj EBITDA Margin	7.0%	7.0%	1 bps	7.7%	7.7%	-2 bps	6.9%	12 bps	10 bps	7.8%	-11 bps	-9 bps
Adj EPS	$0.01	$0.00	1c	$0.13	$0.11	2c	$0.00	1c	0c	$0.10	3c	1c

Source: Visible Alpha, Morgan Stanley Research

Other

ADT: Management expects to continue to see higher growth in outright sales in both 3Q and 4Q. We expect 2H installation revenue to grow at an accelerated rate, similarly to the last few quarters, before meaningfully tapering off once the transition is complete. ADT Blu momentum could accelerate and provide a boost to subscriber growth (if successful) 3Q as its Amazon and Walmart presence scales. We look forward to hearing more about ADT products that utilize OriginAI software, which was expected to begin piloting in the fall.

Exhibit 21: 3Q26 MSe vs Cons - ADT

	3Q26E			2026E			Guide Mdpt
	MSe	Cons	Difference	MSe	Cons	Difference	2026E
Revenue	**1,332**	**1,322**		**5,244**	**5,224**		**5,129**
Y/Y Growth	*2.6%*	*1.8%*	*73 bps*	*2.3%*	*1.9%*	*40 bps*	*0.0%*
Monitoring Revenue	1,082	*1,087*		4,326	*4,335*		
Y/Y Growth	*-1.5%*	*-1.0%*	*-49 bps*	*-0.6%*	*-0.4%*	*-20 bps*	
Installation Revenue	250	*232*		918	*881*		
Y/Y Growth	*24.8%*	*15.8%*	*899 bps*	*18.5%*	*13.7%*	*473 bps*	
Adj EBITDA	**690**	**672**		**2,729**	**2,687**		**2,681**
Adj EBITDA Margin	*51.8%*	*50.8%*	*99 bps*	*52.0%*	*51.4%*	*60 bps*	*52.3%*
Y/Y Margin expansion	*-28 bps*	*-127 bps*		*-23 bps*	*-83 bps*		*0 bps*
Adj FCF (incl. swaps)	183	175	4.9%	1,109	1,095	1.2%	~+20%
Adj EPS	*0.24*	*0.22*	1c	*0.95*	*0.91*	4c	

Source: Visible Alpha, Morgan Stanley Research

ANDG: We expect 3Q revenue of $328M, representing total growth of 15.3%, adj. EBITDA of $143M, implying margin of 43.5%, ~300 bps above consensus, with adj. EPS of $1.23. Private Client Services is expected to grow 18.1% (42 bps above consensus) and Valuation Services 15.1% , while Business Tax Services and Alternative Investment Funds are expected to grow 11.1% and 14.1%. ANDG has announced 19 M&A transactions this year, representing $190M of annualized revenue, however not all of these have been completed thus far. We hope to get incremental commentary on how much revenue is related to completed vs. signed deals when the company reports.

Exhibit 22: 3Q26 MSe vs Cons - ANDG

ANDG Estimates	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference	Guide Mdpt 2026E	MSe vs Guide	Cons vs Guide
Revenue	328	332	(1.4%)	986	992	(0.6%)	990	(0.4%)	0.2%
Total Revenue Growth	15.3%	16.9%	-162 bps	17.6%	18.2%	-69 bps	18.0%	-48 bps	20 bps
Adj EBITDA	143	134	6.3%	248	249	(0.4%)	238	4.5%	4.9%
Adj EBITDA Margin	43.5%	40.4%	313 bps	25.2%	25.1%	5 bps	24.0%	118 bps	113 bps
Adj EPS	1.23	1.05	18c	1.90	1.86	4c			

ANDG Estimates Segment Growth	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference
Private Client Services	18.1%	17.2%	84 bps	18.3%	17.7%	62 bps
Business Tax Services	11.1%	13.4%	-236 bps	17.4%	18.0%	-60 bps
Alternative Investment Funds	14.1%	16.0%	-191 bps	15.2%	15.5%	-36 bps
Valuation Services	15.1%	15.9%	-85 bps	15.4%	13.9%	146 bps

Source: Visible Alpha, Morgan Stanley Research

ARMK: We expect investors to look towards the conference call for more color, quantitative details, and new potential customers for Aramark Nexus, which has transformed the stock into an AI-enabler. Nexus is expected to drive organic growth by 1% in 4Q, driven by the first site which began mobilization in late 3Q. Focus will be on the FY27 guide, which is expected to be above management's mid-term guided range of 5-8%, with strong retention (MSe/Cons of >9%), new business wins, and Nexus revenue as the main drivers. 4Q EBIT margin is expected to be accelerated driven by the contribution from Nexus and operating levers. On near-term EBIT margins, Nexus is expected to contribute to 30-40 bps of total margin expansion, above the company's steady state range of 20-30 bps. We highlight that 4Q has a few extra working days, which is expected to have a larger impact to the Education segment after an opposite effect in 3Q (the segment would have been up 7% but instead was down ~3%).

Please see here for our preview on ARMK and updated datacenter TAM model.
Aramark Inc.: 4Q26 Preview, Increasing Our DataCenter TAM (13 Oct 2026).

Exhibit 23: 4Q26 MSe vs Cons - ARMK

	4Q26E		
	MSe	Cons	Difference
B&I	$597	$584	2.2%
Education	$892	$888	0.5%
Healthcare	$495	$482	2.7%
Sports, Leisure, & Corrections	$1,357	$1,392	-2.5%
Facilities & Other	$398	$420	-5.4%
Total FSS US	$3,740	$3,766	-0.7%
FSS International	$1,559	$1,552	0.5%
Total Organic Revenue	$5,299	$5,310	-0.2%

	2026E			2027E		
	MSe	Cons	Difference	MSe	Cons	Difference
Total Revenue	20,096	20,108	-0.1%	21,963	21,875	0.4%
Organic Revenue Growth	*9.3%*	9.6%	-23 bps	*9.3%*	9.4%	-7 bps
Adj EBIT	1,116	1,135	-1.6%	1,311	1,329	-1.4%
Adj EBIT Margin	*5.6%*	*5.6%*	-9 bps	*6.0%*	*6.1%*	-11 bps
EPS	2.23	2.27	-4c	2.77	2.81	-4c

Source: Visible Alpha, Morgan Stanley Research

BV: Management expects Land Maintenance growth in 4Q between 3-6%, with Development segment revenue growth ranging from -3%-5%. The net fuel headwind in 3Q was $4M and represented a $1/gallon increase to the prior year, so an incremental $1/gallon of spend at the pump would likely equate to a similar net fuel headwind and impact to EBITDA in 4Q. Self-insurance adjustments ($16M headwind to adj. EBITDA in 3Q26) are expected to be largely behind us, though management remains active in seeking to get ahead of the potentially accruing expense. We expect investors to focus on the FY27 revenue guide, with Land Maintenance revenue growing being the center of attention, as usual.

Exhibit 24: 4Q26 MSe vs Cons - BV

BV	4Q26E			2026E			Guide Mdpt	MSe vs	Cons vs
	MSe	Cons	Difference	MSe	Cons	Difference	2026E	Guide	Guide
Land	495	499	-0.9%	1,710	1,715	-0.3%	1,722	-0.7%	-0.4%
Y/Y Growth	*3.0%*	*3.9%*	-93 bps	*1.8%*	*2.0%*	-27 bps	*2.5%*	-73 bps	-46 bps
Snow	0.1	0.1	-2.8%	294	294	0.0%	290	1.2%	1.2%
Y/Y Growth	*0.0%*	*2.9%*	-286 bps	*39.2%*	*39.2%*	0 bps	*37.5%*	166 bps	166 bps
Total Maintenance	495	499	-0.9%	2,004	2,008	-0.2%	2,012	-0.4%	-0.2%
Y/Y Growth	*3.0%*	*3.9%*	-93 bps	*5.9%*	*6.2%*	-24 bps	*6.4%*	-46 bps	-22 bps
Total Development	224	226	-0.8%	755	757	-0.2%	769	-1.9%	-1.7%
Y/Y Growth	*0.0%*	*0.8%*	-83 bps	*-4.3%*	*-4.1%*	-24 bps	*-2.5%*	-185 bps	-161 bps
Total Revenue	**717**	**723**	-0.9%	**2,752**	**2,759**	-0.2%	**2,782**	-1.1%	-0.8%
Y/Y Growth	***2.0%***	***2.9%***	-94 bps	***3.0%***	***3.2%***	-25 bps	***4.1%***	-111 bps	-86 bps
Maintenance Adj. EBITDA	74	72	1.9%	242	240	0.6%	269	-10.2%	-10.7%
Margin	*14.9%*	*14.5%*	41 bps	*12.1%*	*12.0%*	9 bps	*13.4%*	-132 bps	-141 bps
Development Adj. EBITDA	41	41	-0.6%	102	102	-0.2%	103	-1.8%	-1.6%
Margin	*18.2%*	*18.1%*	5 bps	*13.5%*	*13.4%*	1 bps	*13.4%*	1 bps	0 bps
Total Adj. EBITDA	**114**	**114**	0.4%	**343**	**342**	0.2%	**373**	-7.9%	-8.1%
Margin	***16.0%***	***15.7%***	**22 bps**	***12.5%***	***12.4%***	**6 bps**	***13.4%***	-93 bps	-98 bps
Adj EPS	0.26	0.25	1c	0.51	0.50	1c			

Source: Visible Alpha, Morgan Stanley Research

MH: As management prefers to view the business as a 1H vs 2H business rather than quarter to quarter, the FY27 guidance was previously reaffirmed despite a 3%/11% beat on revenue and adj. EBITDA compared to consensus. F2Q highlights a larger and important selling season as students head back to school, so we expect management to now have greater visibility on the remainder of the year. As a reminder, MH saw some K-12 materials deliveries occur in June versus July (1Q vs 2Q) in order to ensure students had their materials ahead of the school year. RPO is expected to increase sequentially, reflecting typical K-12 seasonality. We continue to listen for updates on CA math and TX.

Exhibit 25: 2Q27 MSe vs Cons - MH

MH Estimates	MSe 2Q27E	Cons 2Q27E	Difference	MSe 2027E	Cons 2027E	Difference	Guide Mdpt 2027E	MSe vs Guide	MSe vs Guide
Revenue	638	628	1.6%	2,116	2,147	(1.5%)	2,145	(1.4%)	0.1%
Total Revenue Growth	-4.7%	-6.2%	153 bps	0.6%	2.1%	-150 bps	2.0%	-140 bps	11 bps
Adj EBITDA	255	252	1.5%	758	772	(1.8%)	770	(1.5%)	0.3%
Adj EBITDA Margin	40.0%	40.1%	-5 bps	35.8%	35.9%	-10 bps	35.9%	-4 bps	6 bps
Adj EPS	0.76	0.69	6c	1.87	1.95	-8c			

MH Estimates Segment Growth	MSe 2Q27E	Cons 2Q27E	Difference	MSe 2027E	Cons 2027E	Difference
K-12	-9.4%	-10.7%	132 bps	-3.9%	-0.4%	-349 bps
Higher Education	3.7%	2.5%	118 bps	6.8%	6.7%	9 bps
Global Professional	-2.5%	-1.7%	-88 bps	-1.8%	-0.1%	-168 bps
International	5.4%	-2.7%	812 bps	-1.2%	-2.1%	94 bps

Source: Visible Alpha, Morgan Stanley Research

ROL: We think expectations for 3Q are fairly low, as management previously noted that some of the volatility seen in 2Q is continuing. Management recently attributed 50-60% of the demand slowdown to a shift in how LLMs recommend pest control providers. While we expect this to remain a near-term headwind, we are confident ROL can overcome it given its track record. On margins, 3Q faces a tougher comp, as 3Q25 benefited from insurance and claims, and management expects margin improvement to be weighted toward 4Q. Comps get easier as we head into 4Q, as inclement weather in 4Q25 was a headwind to results.

Please see our note on ROL for our view on the potential recent LLM headwind - Global Pest Control: Rentokil & Rollins: Caught in a Trap? (29 Sep 2026).

Exhibit 26: 3Q26 MSe vs Cons - ROL

ROL Estimates	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference
Revenue	1,106	1,109	(0.2%)	4,086	4,088	(0.1%)
Total Revenue Growth	7.8%	8.1%	-27 bps	8.6%	8.7%	-7 bps
Organic Revenue Growth	5.4%	5.8%	-42 bps	5.9%	6.2%	-28 bps
Adj EBITDA	257	263	(2.2%)	883	894	(1.3%)
Adj EBITDA Margin	23.2%	23.7%	-46 bps	21.6%	21.9%	-26 bps
Adj EPS	0.34	0.35	-1c	1.13	1.17	-4c

ROL Estimates Revenue Assumptions	MSe 3Q26E	Cons 3Q26E	Difference	MSe 2026E	Cons 2026E	Difference
Residential	506	508	(0.6%)	1,815	1,822	(0.4%)
Y/Y Change	6.1%	6.7%	-59 bps	7.2%	7.6%	-41 bps
Organic Y/Y Change	3.0%	3.6%	-64 bps	3.5%	3.9%	-40 bps
Commercial	363	364	(0.2%)	1,356	1,359	(0.2%)
Y/Y Change	8.5%	8.8%	-27 bps	8.9%	9.2%	-27 bps
Organic Y/Y Change	7.0%	7.5%	-46 bps	7.3%	7.5%	-12 bps
Termite/Ancillary	227	227	0.0%	874	870	0.5%
Y/Y Change	10.9%	10.9%	5 bps	11.8%	11.3%	52 bps
Organic Y/Y Change	8.5%	8.8%	-29 bps	9.3%	9.5%	-18 bps

Source: Visible Alpha, Morgan Stanley Research

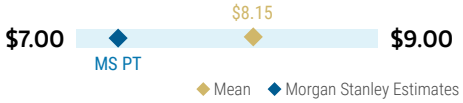
Risk Reward – ADT Inc (ADT.N)

Improving FCF offset by Muted Revenue Growth

PRICE TARGET $7.25

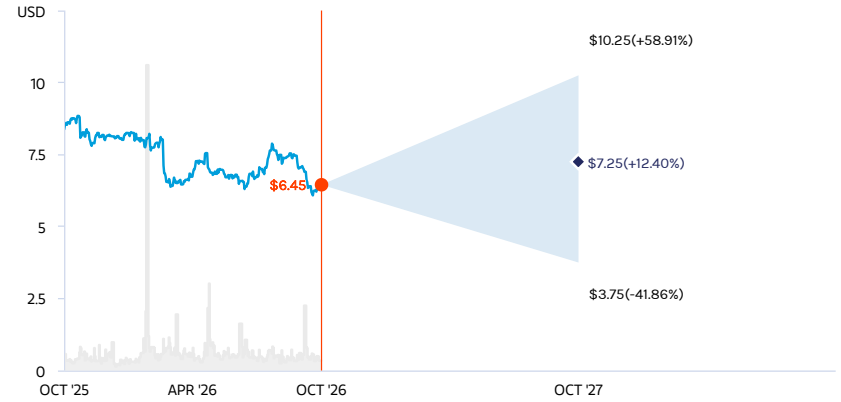
Our $7.25 PT is derived from our DCF model, which assumes a 9.7% WACC and a ~1% terminal growth rate (implying a 4x terminal EBITDA multiple).

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART



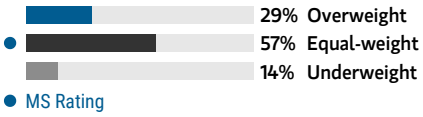
Key: Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- ADT's brand awareness and scale give it a leading position in the $27B security monitoring and services industry.
- While ADT has improved its FCF profile, subscriber growth remains muted and competition is stiff.
- Inflection in subscriber count trajectory and proving out an upward growth path is the key for ADT to re-rate higher.
- Demand for lower-priced DIY products is increasing, which could lead to cannibalization or share loss.
- We view valuation as appropriately balanced, and look for subscriber inflection to get more constructive.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Disruption: *Negative*

View descriptions of Risk Rewards Themes here

BULL CASE $10.25

12x FY27e Bull Case Unlev FCF

ADT benefits from above market growth from AI innovations near-term and as it gains share in the DIY and professional installation markets. ADT becomes the go-to player for sensor products and new DIY product provides a further reach of customers than intended, growing the opportunity. We forecast revenue growth CAGR of 4% and EBITDA CAGR of 5% from 2025-2028E.

BASE CASE $7.25

11x FY27e Base Case EV / Unlev FCF

ADT+, partnerships with Google, DIY rollout drive growth in CSB. Attrition increases from 13.1% in '25 given competition. We forecast a ~2% revenue CAGR from 2025-2028E, with roughly flat margins and EBITDA growing at a ~2% CAGR through 2028.

BEAR CASE $3.75

9x FY27e Bear Case Unlev FCF

ADT sees erosion in its core business due to continued competitive threats from tech and competition, and the strategic focus on leveraging AI into its products does not work as well as intended. We forecast revenue and adj EBITDA CAGRs from 2025-28E of-0%/-2%.

Risk Reward – ADT Inc (ADT.N)

KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
Gross Attrition (%)	13.1	13.3	13.5	13.7
Recurring Monthly Revenue (RMR) Growth (%)	0.0	0.5	0.5	1.0
Free Cash Flow ($, mm)	796	1,045	1,050	1,064
Net Leverage	2.8	2.8	2.5	2.3

CATALYST CALENDAR

Source: Refinitiv, Morgan Stanley

Date	Event
02 Nov 2026 - 06 Nov 2026	Q3 2026 ADT Inc Earnings Release
01 Mar 2027 - 05 Mar 2027	Q4 2026 ADT Inc Earnings Release

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



100% North America

Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

1/5 **BEST**	24 Month Horizon	3/5 **MOST**	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Subscriber count growth
- Lower priced DIY offerings gain traction
- SAC efficiency improves
- Suburbanization results in incremental sales
- Homebuilders shift focus to modernization and smart homes.

RISKS TO DOWNSIDE

- Increased competition from new tech/DIY offerings
- Share loss
- AI / automated monitoring solutions gain traction
- Shifting preferences away form traditional install packages
- Relocation drives turnover higher

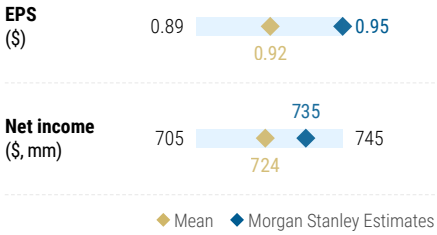
OWNERSHIP POSITIONING

Inst. Owners, % Active	49.6%
HF Sector Long/Short Ratio	1.8x
HF Sector Net Exposure	11.3%

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



Source: Refinitiv, Morgan Stanley Research

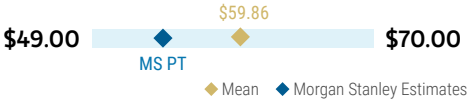
Risk Reward – Andersen Group Inc. (ANDG.N)

Strong Growth, but Taxing Valuation Keeps us EW

PRICE TARGET $54.00

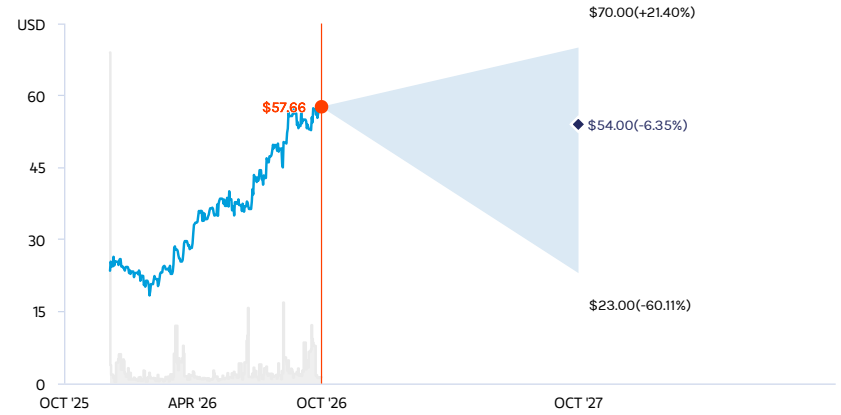
Derived from our DCF model, taking the average of our bull and base cases. Our DCF assumes a 8.2% WACC and a 2%/3% terminal growth rate in the base/bull case.

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART



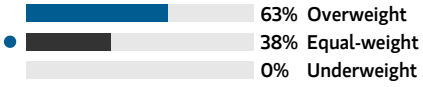
Key: Historical Stock Performance Current Stock Price Price Target

Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- Strong growth story above consulting peers, but priced into valuation
- Durable tailwinds from the growing family office and ultra-high-net-worth space
- Upside potential from M&A, Mobility, and Consulting practices, but need to be proven out
- Limited track record as a public company, but can build credibility over time
- EW given balanced risk/reward and lack of upside to PT

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Pricing Power: *Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $70.00

29x Base Case FY27e std. adj. EBITDA

ANDG maintains revenue growth in the low-to-mid-teens range as the company sees strong execution. Consulting and Mobility businesses ramp successfully. '25-'28E revenue CAGR of ~14%, and an adj. EBITDA CAGR of ~17%.

BASE CASE $37.00

17x Base Case FY27e std. adj. EBITDA

Revenue growth remains above industry peers as company continues to execute well, but growth moderates to ~11% (from mid-teens). '25-'28E revenue CAGR of ~12%, and an adj. EBITDA CAGR of ~12%.

BEAR CASE $23.00

12x Base Case FY27e std. adj. EBITDA

Revenue growth slows as ANDG faces industry competition and slowdown in consultant growth. '25-'28E revenue CAGR of ~10%, and an adj. EBITDA CAGR of ~5%.

Risk Reward – Andersen Group Inc. (ANDG.N)

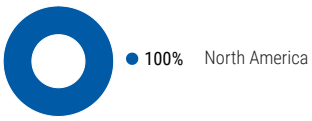
KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
Organic Revenue Growth (%)	14.6	17.6	9.9	8.3
Adj. EBITDA Margin (%)	27.0	26.0	26.9	27.4
Adj. EPS ($)	2.17	1.98	2.45	2.40

INVESTMENT DRIVERS

- Consistent organic growth
- Pricing power and adding tax consultants to Andersen platform
- Number of ultra-high-net-worth individuals and family offices
- Tax complexity and changes in U.S. tax code
- M&A opportunity

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

RISKS TO PT/RATING

RISKS TO UPSIDE

- Accretive M&A
- Mobility/Consulting ramp success
- Core tax business organic acceleration
- Increasing tax complexity

RISKS TO DOWNSIDE

- Organic growth slowdown
- Int'l M&A proves dilutive
- Seasonality or limited visibility could drive volatility
- Not successful in expanding into new verticals (Consulting/Mobility)

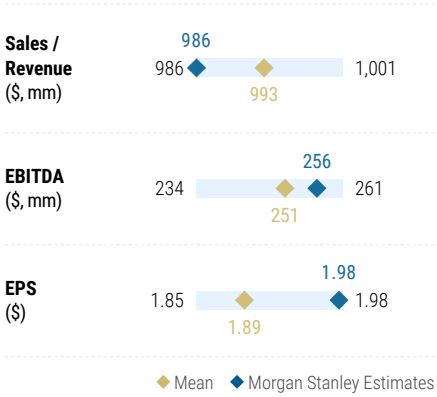
OWNERSHIP POSITIONING

Inst. Owners, % Active	87.5%
HF Sector Long/Short Ratio	1.4x
HF Sector Net Exposure	9.1%

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



Source: Refinitiv, Morgan Stanley Research

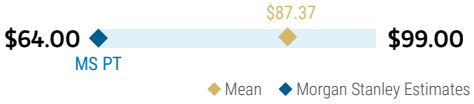
Risk Reward – Bright Horizons Family Solutions Inc (BFAM.N)

Weak enrollment, limited center growth, & stagnant utilization support our UW

PRICE TARGET $64.00

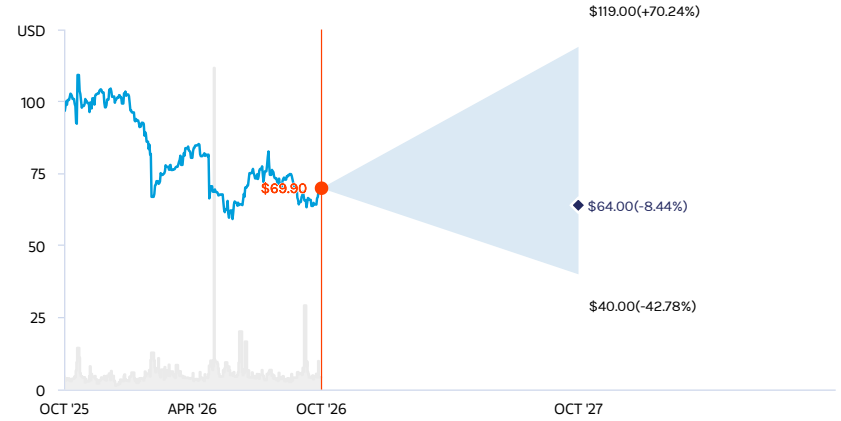
Our DCF includes a 9.3% WACC and a 1.0% terminal growth rate, implying a 7x terminal multiple.

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART



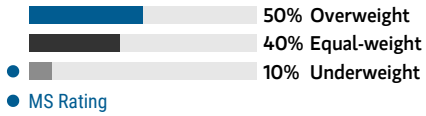
Key: Historical Stock Performance Current Stock Price Price Target

Source: Refinitiv, Morgan Stanley Research

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 a strong operator in the early childhood learning industry with a niche in B2B. However, slower enrollment, limited center growth, relatively stagnant utilization rates, childcare affordability, decelerating pricing, and increasing headcount reductions at clients pose headwinds.
- We see better opportunities elsewhere in our coverage in stocks that do not have the same headwinds such as MSCI, SPGI, TRU, EFX, WCN, MH, PXED, and ROL.

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 $119.00

11x 2027E Bull Case EBITDA

With COVID behind them, BFAM grows in the low DD. '26-'28 Full Service revenue accelerates as enrollments exceed expectations and employers expand childcare benefits to employees and increase back-up utilization. From '24-'28E, total BFAM revenue grows at a ~8% CAGR, with 650bps of AOI margin expansion and a ~16% adj. EBITDA CAGR.

BASE CASE $64.00

8x 2027E Base Case EBITDA

Recovery in Full Service business takes longer. BFAM's '25 Full Service revenue is well above 2019 levels but enrollment growth slows to the low end of the growth algo. Margins remain somewhat pressured, though improving, while utilization rates remain relatively stagnant. On a total company basis, we model an ~7% revenue CAGR between '24-'28E, a ~11% adj. EBITDA CAGR but '28 AOI margins similar to 2019 levels (13-14%%).

BEAR CASE $40.00

7x 2027E Bear Case EBITDA

Hybrid WFH model persists, AI drives layoffs, affordability pressures pricing and demand. A greater shift of permanent hybrid work schedules, and other negative trends impact the employer market, and/or headcount headwinds weighs on Full Service revenue. Total BFAM grows at a ~4% revenue CAGR between '24-28E, with adj. EBITDA growing at a ~7% CAGR over the same period and AOI staying below pre-COVID levels through '28 (11%).

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

KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
Revenue growth (%)	9.2	5.4	5.2	6.3
Full service center-based child care growth (%)	6.1	2.6	3.1	5.0
Adj. EBITDA Margin (%)	16.6	16.7	17.6	18.0
EPS Growth (%)	31.0	11.3	17.9	15.5

CATALYST CALENDAR

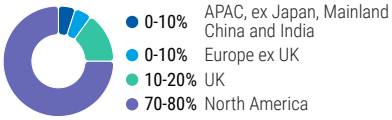
Source: Refinitiv, Morgan Stanley

Date	Event
28 Oct 2026 - 02 Nov 2026	Q3 2026 Bright Horizons Family Solutions Inc Earnings Release
10 Feb 2027 - 15 Feb 2027	Q4 2026 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

MS ALPHA MODELS

1/5 BEST	24 Month Horizon	3/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Higher than expected utilization or penetration
- BFAM benefits from re-skilling
- BFAM expands internationally beyond its current footprint of largely the UK and the Netherlands

RISKS TO DOWNSIDE

- Large job cuts & WFH continue to impact utilization/spend on benefits
- Rising costs lead to other benefits taking greater share of benefit pie
- Higher labor costs limit margin expansion
- Reputational risk
- Universal Pre-K expands

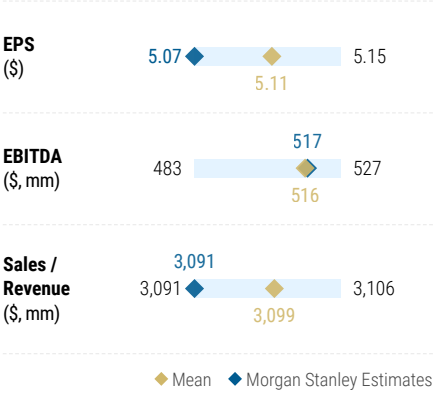
OWNERSHIP POSITIONING

Inst. Owners, % Active	53.7%
HF Sector Long/Short Ratio	1.8x
HF Sector Net Exposure	11.3%

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



Source: Refinitiv, Morgan Stanley Research

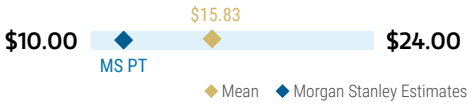
Risk Reward – BrightView Holdings Inc. (BV.N)

Prolonged Turnaround: Still Waiting for the Grass to Grow

PRICE TARGET $11.50

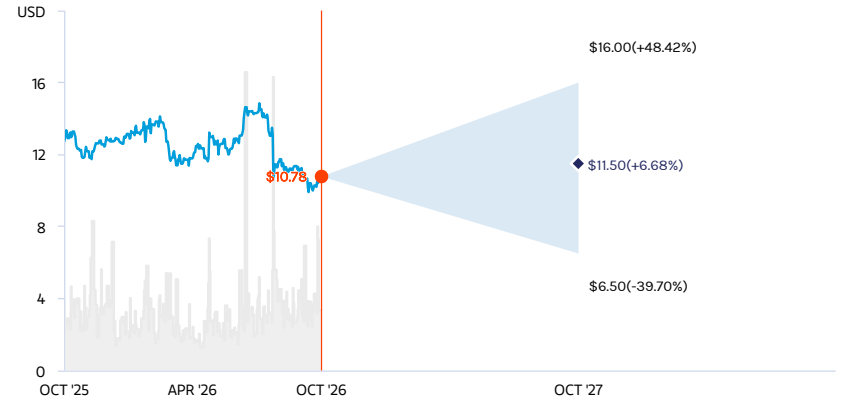
Derived from our DCF model, which assumes an 8.9% WACC and a 1.0% terminal growth rate implying a 5.5x terminal EBITDA multiple

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART



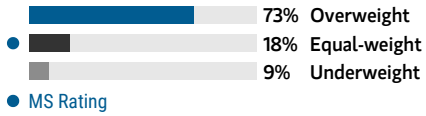
Key: Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- BV is the leading provider of commercial landscaping and snow removal with opportunity for growth and margin expansion, however, reacceleration has proved challenging.
- 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 scale, procurement, and route density.
- Macro factors and weather can drive volatility due to the nature of the business.
- We believe the potential for improving fundamentals is being offset by uncertainty of timing and magnitude of the turn-around.
- We see balanced risk-reward given the uncertainty around land maintenance acceleration near-term.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Self-help: *Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $16.00

8x Bull Case 27E Adj. EBITDA

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 3% (F'25-'29 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 35 bps on average (F'25-F'29), while adj. EBITDA grows at a 5% CAGR.

BASE CASE $11.50

7x Base Case 27E adj. EBITDA

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 1-2% (F'25-'29 CAGR) from flat historically. Growth comes from better conversion of development projects, higher retention, and price increases. Adj. EBITDA margins expand by ~20bps on average (F'25-F'29), while adj. EBITDA grows at a 3% CAGR.

BEAR CASE $6.50

6x Base Case 27E adj. EBITDA

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'25-'29 CAGR) produces limited operating leverage despite investments, leading to slightly negative adj. EBITDA margin growth on average (F'25-F'29), while adj. EBITDA declines at a -1% CAGR.

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

KEY EARNINGS INPUTS

Drivers	Sep 2025	Sep 2026e	Sep 2027e	Sep 2028e
Organic YoY Growth (%)	(2.4)	3.0	(1.0)	1.8
Adj. EBITDA Margin (%)	13.2	12.5	13.5	13.8
Adj. EPS Growth (%)	0.6	(33.1)	23.7	10.2

CATALYST CALENDAR

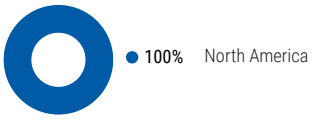
Source: Refinitiv, Morgan Stanley

Date	Event
17 Nov 2026 - 23 Nov 2026	Q4 2026 Brightview Holdings Inc Earnings Release
01 Feb 2027 - 05 Feb 2027	Q1 2027 Brightview Holdings Inc Earnings Release

INVESTMENT DRIVERS

- Operational improvements drives higher growth and margins
- 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

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

RISKS TO PT/RATING

RISKS TO UPSIDE

- Land maintenance acceleration
- Efficiency initiatives drive outsized margin expansion
- Improving customer retention
- 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
- Macro or weather delays impact recovery
- Loss of market share to regional/local players
- PE Overhang

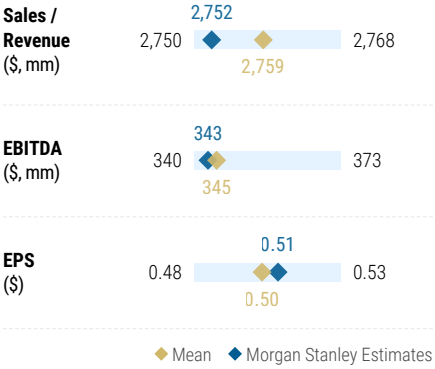
OWNERSHIP POSITIONING

Inst. Owners, % Active	71.4%
HF Sector Long/Short Ratio	1.4x
HF Sector Net Exposure	9.1%

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 2026e



Source: Refinitiv, Morgan Stanley Research

Risk Reward – Equifax Inc (EFX.N)

Significant Upside At An Attractive price

PRICE TARGET $205.00

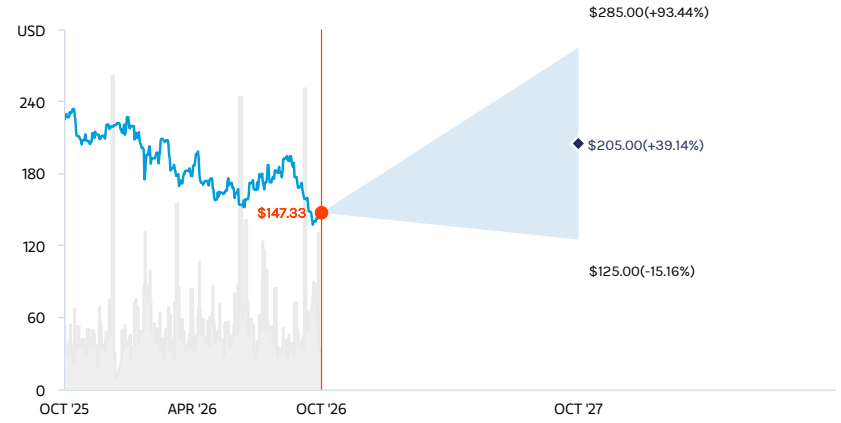
Derived from our DCF model, which assumes an 9.2% WACC and a 2.5% terminal growth rate (implying a 9x terminal EBITDA multiple).

Consensus Price Target Distribution $148.00 — $203.79 (MS PT) — $245.00

Source: Refinitiv, Morgan Stanley Research

◆ Mean ◆ Morgan Stanley Estimates

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

73%	Overweight
27%	Equal-weight
0%	Underweight

● MS Rating

Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Technology Diffusion: *Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $285.00

20x 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 ('25-'28) of 15%/20%/30%. Adj. EBITDA margins of 35% in '27.

BASE CASE $205.00

15x 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 ('25-'28) of 12%/13%/21%. Adj. EBITDA margins of 32% in '27.

BEAR CASE $125.00

10x 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 ('25-'28) of 8%/5%/10%. Adj. EBITDA margins of 28% in '27.

Risk Reward – Equifax Inc (EFX.N)

KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
USIS Organic Growth (%)	9.8	16.3	13.3	19.6
International Organic Growth (%)	6.1	4.8	6.1	6.1
Workforce Solutions Organic Growth (%)	6.2	7.2	10.0	15.0
Adj. EPS Growth (%)	5.0	10.6	24.6	28.4
Total Organic Growth (%)	7.3	9.8	10.3	14.8

CATALYST CALENDAR

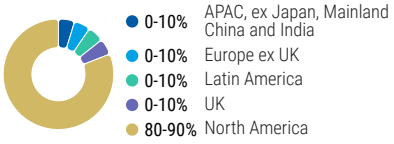
Source: Refinitiv, Morgan Stanley

Date	Event
20 Oct 2026	Q3 2026 Equifax Inc. Earnings Release
02 Feb 2027 - 08 Feb 2027	Q4 2026 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

MS ALPHA MODELS

1/5 BEST	24 Month Horizon	5/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

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

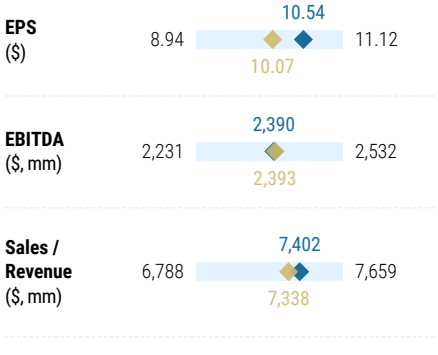
OWNERSHIP POSITIONING

Inst. Owners, % Active	58.3%
HF Sector Long/Short Ratio	1.4x
HF Sector Net Exposure	9.1%

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 2027e



Source: Refinitiv, Morgan Stanley Research

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

Tougher Enrollment Trends Prolong Turnaround

PRICE TARGET $2.00

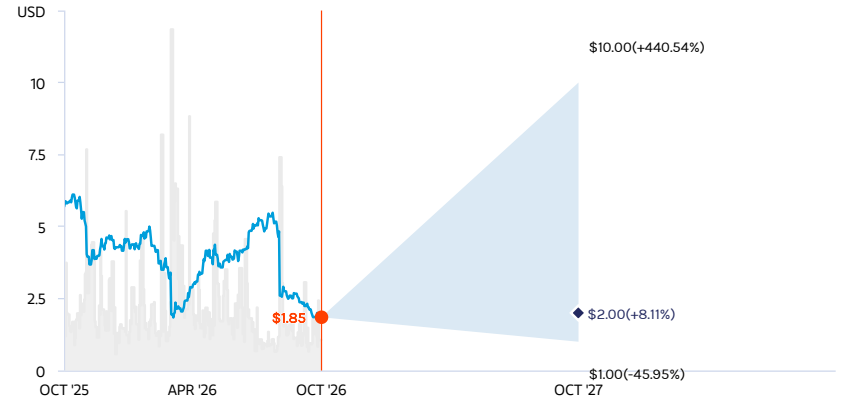
Our $2.00 PT assumes a 10.2% WACC and a ~1% terminal growth rate (implying a ~4x terminal EBITDA multiple).

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART



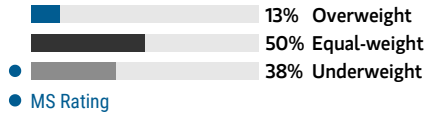
Key: Historical Stock Performance Current Stock Price Price Target

Source: Refinitiv, Morgan Stanley Research

UNDERWEIGHT THESIS

- KLC is the largest daycare center provider in the US, but has been struggling from macro and operational headwinds.
- Enrollment has been a recurring headwind over the past year and is expected to deteriorate further in 2026.
- Enrollment declines lead to lower utilization leading to reverse operating leverage (contracting margins) given the high fixed cost base.
- Growth should be limited in the near term as price increases are offset by lower enrollment and NCO growth offset by closures.
- We see limited catalysts for near-term improvement.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Secular Growth: *Negative*

View descriptions of Risk Rewards Themes here

BULL CASE $10.00

6x Bull Case 27 adj. EBITDA

KLC achieves M/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 6% and 10% ('25-'29). Adj. EBITDA margins of 13% in 2029. KLC multiple converges towards BFAM's as the company achieves strong financial metrics and successfully recovers enrollment. This scenario assumes a normal government funding environment.

BASE CASE $2.00

4x Base Case 27 adj. EBITDA

KLC achieves LSD organic growth, primarily from pricing, sluggish enrollment growth, and modest growth from ancillary opportunities such as B2B, premium, and before and after school sites. Revenue and adj. EBITDA CAGRs of 2-3% ('25-'29). Adj EBITDA margins of >10% in 2029. This scenario assumes a normal government funding environment but captures enrollment slowdown and weakening operating leverage.

BEAR CASE $1.00

5x Bear Case 27 adj. EBITDA

Government subsidy is cut and KLC achieves LSD organic growth (outside of FY26) as it finds it difficult to implement price increases following the higher than historical increases in recent inflationary years. Occupancy does not meaningfully improve 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 -5% and -9% ('25-'29). Adj. EBITDA margins of 9% in 2029.

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

KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
Revenue growth (%)	2.6	(2.4)	3.0	3.9
Full service center-based child care growth (%)	2.1	(3.7)	2.4	3.5
Adj. EBITDA Margin (%)	11.0	7.7	9.2	10.2
EPS Growth (%)	75.9	(80.9)	182.5	58.7

CATALYST CALENDAR

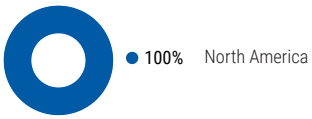
Source: Refinitiv, Morgan Stanley

Date	Event
10 Nov 2026 - 16 Nov 2026	Q3 2026 Kindercare Learning Companies Inc Earnings Release
10 Mar 2027 - 15 Mar 2027	Q4 2026 Kindercare Learning Companies Inc Earnings Release

INVESTMENT DRIVERS

- Enrollment trends
- Operating leverage
- Large addressable market due to high demand for childcare
- Government funding
- 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

- Operational turnaround driving stronger growth from pricing, occupancy, new centers
- Renewed govt funding for childcare
- Traction in B2B, premium, and before and after school markets
- Market share gains
- Strategic options

RISKS TO DOWNSIDE

- Continued enrollment weakness
- Cuts to govt funding (~35% of KLC's rev)
- Wage increases, turnover
- Lower price increases given strength in prior years, affordability
- Sponsor overhang

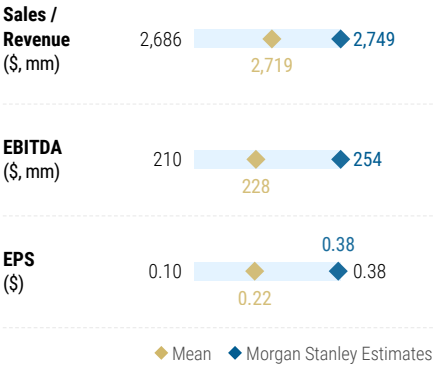
OWNERSHIP POSITIONING

Inst. Owners, % Active	91.7%
HF Sector Long/Short Ratio	1.8x
HF Sector Net Exposure	11.3%

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 2027e



Source: Refinitiv, Morgan Stanley Research

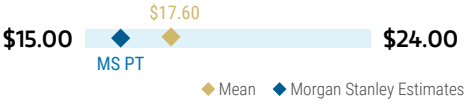
Risk Reward – McGraw Hill, Inc. (MH.N)

Leading Education Content Provider at an Attractive Price

PRICE TARGET $16.00

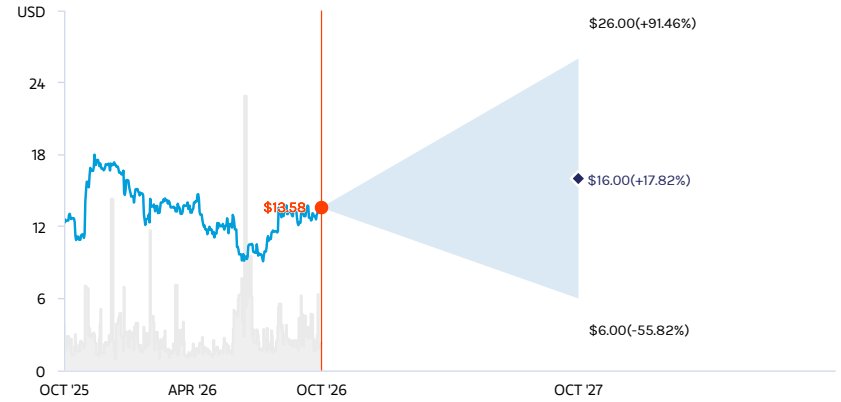
Derived from our DCF model. Our DCF includes a 9.7% WACC and a 2% terminal growth rate, implying an 6x terminal multiple.

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART



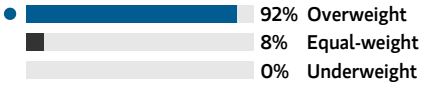
Key: Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

OVERWEIGHT THESIS

- McGraw Hill is a leading provider of education content and solutions across the learning continuum: K-12, higher education, and professional education
- We see a number of growth opportunities for McGraw Hill including utilizing technology to expand existing customer relationships and attract new customers
- MH currently trades at an attractive valuation, at a 1-turn discount to PSON-LN on CY'27 std. post-plate adj. EV/EBITDA

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

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

View descriptions of Risk Rewards Themes here

BULL CASE $26.00

9x Bull Case C'27e std. EV/MS Adj. EBITDA

Market share gains in core curriculum markets continue, upside from supplemental and intervention markets. MH establishes leading AI solution market share with leading content, and limited AI content disruption. Revenue and adj. EBITDA CAGRs ('25-'28) of 3%/7%. Adj. EBITDA margins of 38% in '28.

BASE CASE $16.00

8x Base Case C'27e std. EV/MS Adj. EBITDA

Stable market share in core curriculum markets, upside from supplemental and intervention markets. Revenue and adj. EBITDA CAGRs ('25-'28) of 1%/3%. Adj. EBITDA margins of 36% in '28.

BEAR CASE $6.00

6x Bear Case C'27e std. EV/MS Adj. EBITDA

AI content creation disrupts the core curriculum market. Core curriculum market headwinds and competition in supplemental and intervention markets drives share loss. Revenue and adj. EBITDA CAGRs ('25-'28) of -1%/-2%. Adj. EBITDA margins of 34% in '28.

Risk Reward – McGraw Hill, Inc. (MH.N)

KEY EARNINGS INPUTS

Drivers	Mar 2026	Mar 2027e	Mar 2028e	Mar 2029e
Revenue Growth (%)	0.1	0.6	3.3	3.1
Adj. EBITDA Margin (%)	35.4	35.8	36.5	37.0
Adj. EBITDA Growth (%)	2.4	1.9	5.1	4.8
Adj. EPS Growth (%)	56.8	(7.8)	(0.0)	7.1

CATALYST CALENDAR

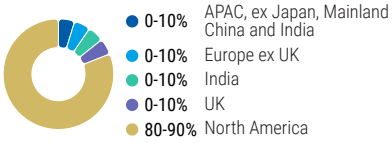
Source: Refinitiv, Morgan Stanley

Date	Event
05 Nov 2026	Q2 2027 McGraw Hill Inc Earnings Release
18 Nov 2026	McGraw Hill, Inc. Investor Day
15 Feb 2027 - 01 Mar 2027	Q3 2027 McGraw Hill Inc Earnings Release

INVESTMENT DRIVERS

- U.S. K-12 and Higher Ed market share gains
- Higher Ed enrollment
- K12 district penetration
- K12 Adoption cycle
- Digital penetration
- Supplemental and Intervention product adoption

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

RISKS TO PT/RATING

RISKS TO UPSIDE

- Better than expected share gains in K12 or higher ed
- Enrollment trends improve
- Significant wins in supplemental and intervention markets
- AI driven margin expansion

RISKS TO DOWNSIDE

- AI disrupts education content market
- Share loss
- Adoption cycles get pushed out
- State budgets for education content tighten
- Sponsor overhang

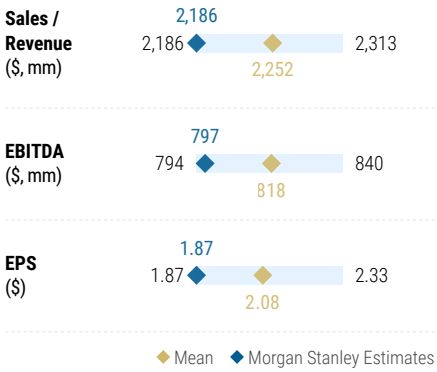
OWNERSHIP POSITIONING

Inst. Owners, % Active	94.6%
HF Sector Long/Short Ratio	1.8x
HF Sector Net Exposure	11.3%

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 Mar 2028e



Source: Refinitiv, Morgan Stanley Research

Risk Reward – MSCI Inc. (MSCI.N)

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

PRICE TARGET $662.00

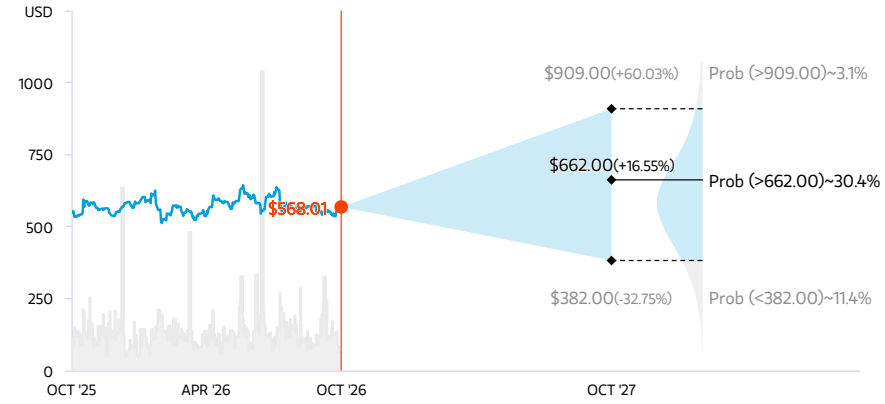
Derived from our DCF model. Our DCF includes a 8.0% WACC and a 3.0% terminal growth rate, implying a 16.1x terminal multiple.

Consensus Price Target Distribution $570.00 — $669.85 (MS PT) — $755.00

Source: Refinitiv, Morgan Stanley Research

◆ Mean ◆ Morgan Stanley Estimates

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 12 Oct 2026. 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

80%	Overweight
15%	Equal-weight
5%	Underweight

● 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 $909.00

30x Bull Case '27e 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 12% annual growth ('24-'28), driven by 20% growth in Asset-Based Fees (12% flows/8% appreciation), 11% growth in Index Subscription, 6% growth in ESG/Climate, and 10% in Private Assets. Strong growth in high-margin Index rev facilitates ~140bps of annual margin expansion.

BASE CASE $662.00

23x Base Case '27e 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 10% rev CAGR ('24-'28), driven by a 15% CAGR in Asset Based Fees (10% flows/6% appreciation), 10% growth in Index Subscription, 5% growth in ESG/Climate and 8% in Private Assets. High incremental margins on Index rev and favorable mix shift facilitate ~70bps of annual Adj. EBITDA margin expansion.

BEAR CASE $382.00

17x Bear Case '27e Adj. EBITDA

Industry cost cutting and a challenging market environment put pressure on top line growth. We model 4% annual growth ('24-'28), driven by a decline in annual growth in Asset Based Fees (3% flows/5% depreciation), 6% growth in Index Subscription, 1% growth in ESG/Climate, and 3% in Private Assets. Margins decline by ~25bps annually.

Risk Reward – MSCI Inc. (MSCI.N)

KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
Organic Revenue Growth (%)	9.4	11.5	9.2	8.8
Equity Index Subscriptions Run Rate Growth (%)	9.4	11.5	10.1	10.1
Analytics Organic Run Rate Growth (%)	8.4	6.1	6.7	6.6
Asset Based Fee Organic Revenue Growth (%)	17.2	21.5	11.6	11.7
ESG & Climate Organic Run Rate Growth (%)	10.0	0.9	2.1	2.2

CATALYST CALENDAR

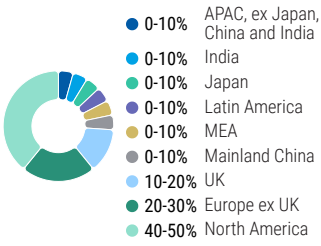
Date	Event
20 Oct 2026	Q3 2026 MSCI Inc Earnings Release
26 Jan 2027	Q4 2026 MSCI Inc Earnings Release

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

MS ALPHA MODELS

2/5 BEST	24 Month Horizon	2/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

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

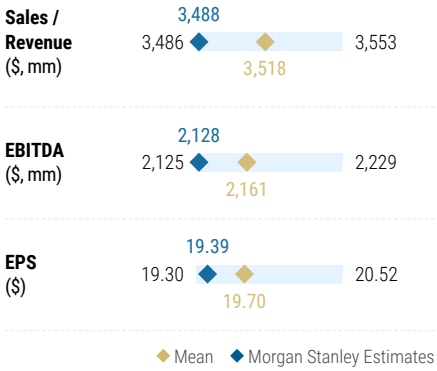
OWNERSHIP POSITIONING

Inst. Owners, % Active	57.7%
HF Sector Long/Short Ratio	1.5x
HF Sector Net Exposure	9.5%

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 2026e



Source: Refinitiv, Morgan Stanley Research

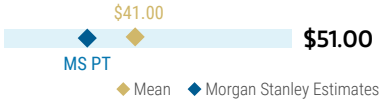
Risk Reward – Phoenix Education Partners, Inc. (PXED.N)

Leading Brand with Structural Tailwinds, Highly Attractive Valuation

PRICE TARGET $38.00

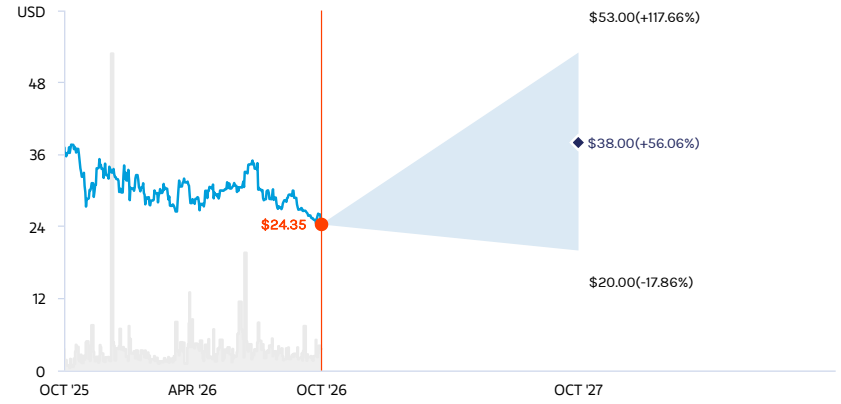
Derived from our DCF model. Our DCF includes an 11.6% WACC and a 1% terminal growth rate, implying a 5x terminal multiple.

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART



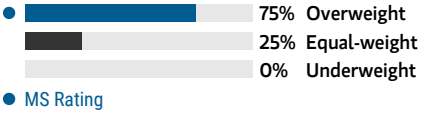
Key: Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

OVERWEIGHT THESIS

- **Large market with secular tailwinds.** ~121M adults with no college degree, shifting preferences away from traditional 4Y universities.
- **Strong FCF profile and balance sheet.** Mid-twenties adj. EBITDA, LSD capex % of revenue, no debt leads to solid 65-70% FCF conversion.
- **Leading brand.** As the pioneer of the adult/digital college space, PXED has the leading brand recognition.
- **Attractive valuation and risk-reward skew.** PXED is trading at ~4x '26 EV/EBITDA, significantly below primary U.S. for-profit peers at ~6x.
- Intense competition and regulatory overhang are primary downside risks.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Disruption:	*Positive*
Pricing Power:	*Negative*

View descriptions of Risk Rewards Themes here

BULL CASE $53.00

8x Bull Case CY '26 EV/ Adj. EBITDA

PXED delivers consistent +MSD enrollment growth as tailwinds from upskilling accelerate. Our bull case valuation implies re-rating towards higher growth, best-in-class for-profit peers at HSD-LDD EV/EBITDA. HSD revenue growth and PXED's scalable, virtual delivery model allows for significant operating leverage. Revenue and adj. EBITDA CAGRs ('26-'28) of 5%/9%. Adj. EBITDA margins of 27% in '28.

BASE CASE $38.00

6x Base Case CY '26 EV/ Adj. EBITDA

Normalized enrollment growth of LSD driven by upskilling tailwinds, with flat pricing. Our base case implies PXED trades in-line with primary for-profit education peers at ~6x '26 EV/EBITDA. Revenue and adj. EBITDA CAGRs ('26-'28) of 3%/4%. Adj. EBITDA margins of 25% in '28.

BEAR CASE $20.00

3x Bear Case CY '26 EV/ Adj. EBITDA

Stiff competition in the adult learning space and regulatory headwinds limit enrollment growth. PXED trades in-line with primary for-profit education peers average over the last 5 years at ~4.5x NTM adj. EBITDA. Revenue and adj. EBITDA CAGRs ('26-'28) of -1%/-6%. Adj. EBITDA margins of 22% in '28.

Risk Reward – Phoenix Education Partners, Inc. (PXED.N)

KEY EARNINGS INPUTS

Drivers	Aug 2025	Aug 2026e	Aug 2027e	Aug 2028e
Revenue Growth Y/Y (%)	6.0	1.4	2.5	2.5
Enrollment Growth Y/Y (%)	3.7	1.9	2.5	2.5
Revenue Per Student Growth Y/Y (%)	2.2	(0.5)	0.0	0.0
Adj. EBITDA Margin (%)	24.2	24.7	25.0	25.2
Adj. EPS ($)	4.27	4.49	4.58	4.91

CATALYST CALENDAR

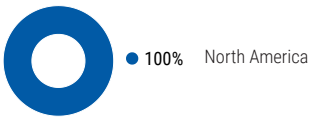
Source: Refinitiv, Morgan Stanley

Date	Event
16 Nov 2026 - 29 Nov 2026	Q4 2026 Phoenix Education Partners Inc Earnings Release
11 Jan 2027 - 23 Jan 2027	Q1 2027 Phoenix Education Partners Inc Earnings Release
05 Apr 2027 - 18 Apr 2027	Q2 2027 Phoenix Education Partners Inc Earnings Release

INVESTMENT DRIVERS

- Enrollment levels and course pricing
- B2B partnerships and tuition reimbursement
- U.S. post-secondary education market enrollment and adult learning share
- Higher education regulatory changes
- Adj. EBITDA margin expansion and FCF leverage

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

RISKS TO PT/RATING

RISKS TO UPSIDE

- Accelerating enrollment trends
- Secular shifts towards adult/digital college education
- Outsized B2B partnership wins
- Further operating leverage leading margins to low 30s
- Positive regulatory catalysts through litigation

RISKS TO DOWNSIDE

- Enrollment growth slows as competition intensifies
- Gainful employment or 90/10 create headwinds to growth
- Regulatory changes
- Non-profit universities shift into adult learning space

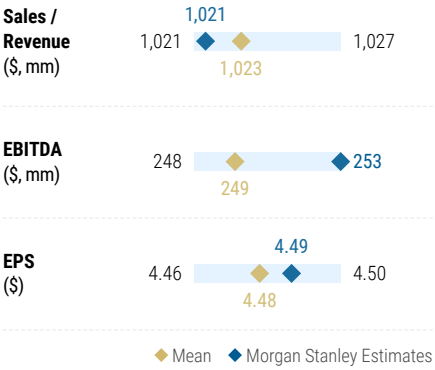
OWNERSHIP POSITIONING

Inst. Owners, % Active	95.5%
HF Sector Long/Short Ratio	1.8x
HF Sector Net Exposure	11.3%

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 Aug 2026e



Source: Refinitiv, Morgan Stanley Research

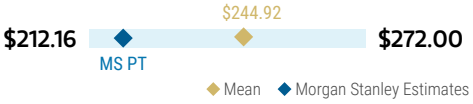
Risk Reward – Republic Services Inc. (RSG.N)

Executing Well, but Priced In

PRICE TARGET $219.00

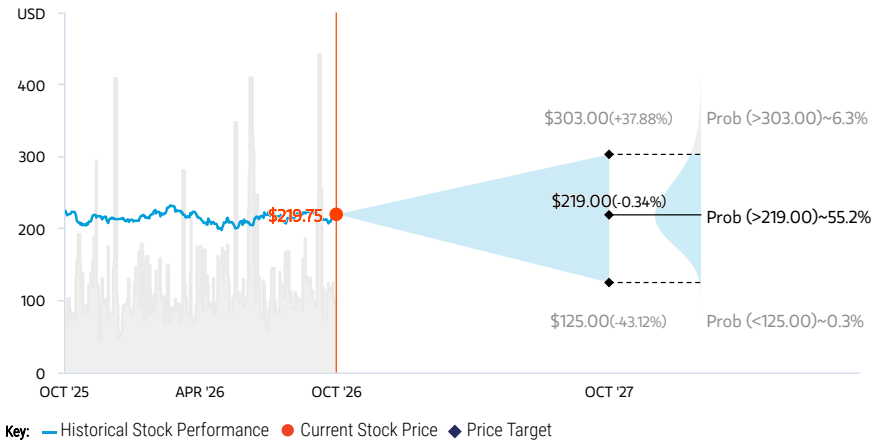
Our PT is derived from our DCF model using a 6.8% WACC and 2.5% terminal growth rate, and implies an 11x terminal multiple.

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



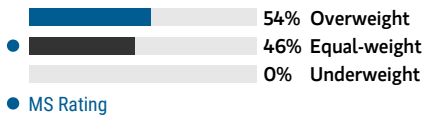
Key: Historical Stock Performance ● Current Stock Price ◆ Price Target

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 12 Oct 2026. 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

- 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

BULL CASE $303.00

16x '27 Bull Case Adj. EBITDA

Double digit growth driven by both pricing and volume. RSG grows at a ~7% revenue CAGR between '24-28E driven by ~4.5% pricing, ~1% volume growth, and ~2% from Environmental Services. Expense initiatives and operating leverage drive adj. EBITDA margins above 35% in the out year of our model, ~in-line with the leading peer. Adj. EPS grows at a ~15% CAGR over this period.

BASE CASE $219.00

14x '27 Base Case Adj. EBITDA

Mid-single digit growth driven by pricing and integration of US Ecology into Environmental Services. RSG grows at a ~4% revenue CAGR between '24-28E driven by ~4% pricing, flat volume growth while cost initiatives drive >200bps of margin expansion over this period. Adj. EPS grows at a ~8% CAGR.

BEAR CASE $125.00

10x '27 Bear Case Adj. EBITDA

LSD earnings growth as pricing and volumes come under pressure. RSG revenue grows at a 2% CAGR between '24-28E 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 decline of -77 bps and adj. EPS decline of 40 bps from '24-'28E.

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

KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
Average Yield (%)	4.1	3.3	3.1	2.9
Volume (%)	(0.8)	(1.0)	0.5	0.5
Total Internal Revenue Growth (%)	2.1	3.2	4.9	4.6
Adj. EBITDA Margin (%)	32.0	32.0	32.9	33.2
FCF Conversion (%)	45.9	45.1	44.7	46.4

CATALYST CALENDAR

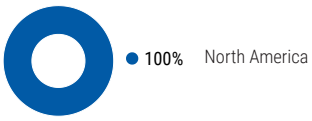
Source: Refinitiv, Morgan Stanley

Date	Event
29 Oct 2026	Q3 2026 Republic Services Inc Earnings Release
15 Feb 2027 - 19 Feb 2027	Q4 2026 Republic Services Inc Earnings Release

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

MS ALPHA MODELS

2/5 BEST	24 Month Horizon	5/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

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
- Recycled commodity headwinds persist
- Significant Cascade investment stake adds risk if liquidated

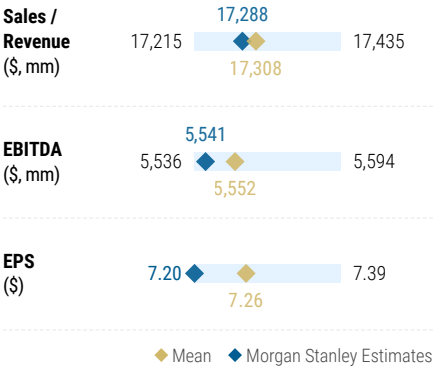
OWNERSHIP POSITIONING

Inst. Owners, % Active	54.4%
HF Sector Long/Short Ratio	1.4x
HF Sector Net Exposure	9.1%

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



Source: Refinitiv, Morgan Stanley Research

Risk Reward – Rollins Inc. (ROL.N)

Best of the Pest; Attractive Valuation for Structural Outperformer

PRICE TARGET $43.00

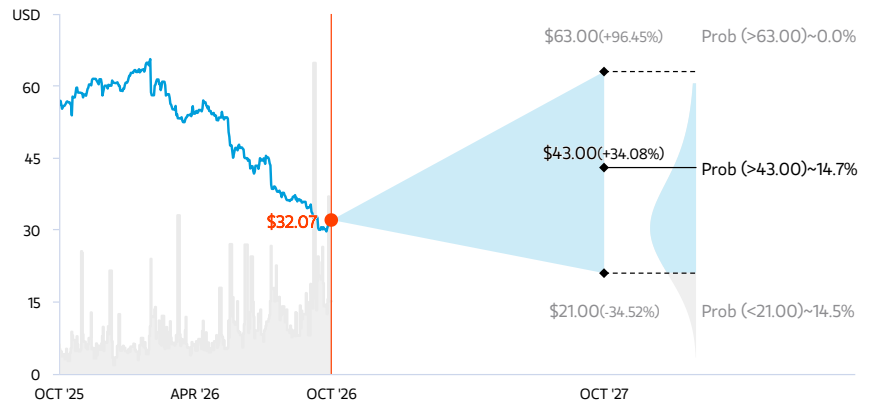
Derived from our DCF model, which assumes a 8.0% WACC and a 2% terminal growth rate.

Consensus Price Target Distribution $27.00 — $42.63 (MS PT) — $66.00

Source: Refinitiv, Morgan Stanley Research

◆ Mean ◆ Morgan Stanley Estimates

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 12 Oct 2026. 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

- ROL has shown excellent execution in the Pest Control industry, driving above-industry growth that is expected to continue in a defensive industry.
- HSD organic growth driven by strong pricing, durable underlying volume trends, and new services.
- High FCF generation and conversion provides ample opportunity for capex, investments, and potential M&A opportunities.
- Strong balance sheet supportive for potential accretive M&A in a highly fragmented pest services industry.
- Strong fundamentals and attractive risk/reward for long-term compounder.

Consensus Rating Distribution

30%	Overweight
55%	Equal-weight
15%	Underweight

● MS Rating

Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Contrarian:	*Positive*
Secular Growth:	*Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $63.00

26x '28 Adj. EBITDA

DD top-line growth as demand picks up due to increases in economic and home building activities. ROL grows revenue at an 8.5% organic CAGR from '25-'28e as demand for pest control services increase due to increased home building and buying activity along with increased consumer spending. Adj. EBITDA margins expands ~40bps annually to 24% from '25 to '28e and adj. EPS grows at a ~13% CAGR.

BASE CASE $43.00

20x '28 Adj. EBITDA

Consistent execution and cross-selling helps drive HSD top-line growth. ROL continues its trend of strong execution driving a ~7% organic top-line CAGR from '25-'28e. Topline growth is driven by pricing, strong secular volume trends, and increased cross selling. Adj. EBITDA margins expand ~30bps annually to 23% in '28e and adj. EPS grows at ~9% CAGR.

BEAR CASE $21.00

13x '28 Adj. EBITDA

Top-line growth returns to pre-pandemic avgs as Resi and Comm Real Estate activity declines. ROL's revenue growth drops to a 5% organic CAGR from '25-'28e as competition intensifies and less residential and CRE developments. Shrinking pool of labor force leads to increased wages as Adj. EBITDA margins decline ~70bps annually and adj. EPS grows at a ~2% CAGR ('25-'28).

Risk Reward – Rollins Inc. (ROL.N)

KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
Organic Growth (%)	6.9	5.9	6.8	6.8
Adj EBITDA Margin (%)	22.7	21.6	21.7	22.1
Adj EPS	1.13	1.13	1.26	1.41
Adj EPS Growth (%)	18.6	0.3	11.3	11.8

CATALYST CALENDAR

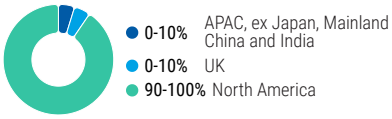
Date	Event
21 Oct 2026	Q3 2026 Rollins Inc Earnings Release
09 Feb 2027 - 15 Feb 2027	Q4 2026 Rollins Inc Earnings Release

Source: Refinitiv, Morgan Stanley

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

MS ALPHA MODELS

3/5 BEST	24 Month Horizon	3/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

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

RISKS TO DOWNSIDE

- LLM changes
- Competitive pressures
- 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

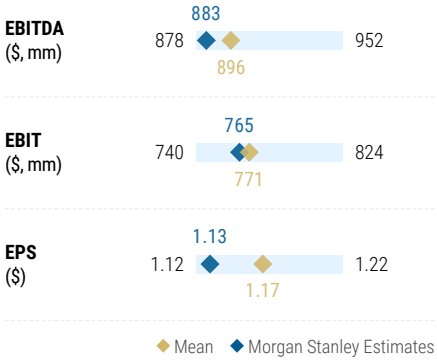
OWNERSHIP POSITIONING

Inst. Owners, % Active	51%
HF Sector Long/Short Ratio	1.4x
HF Sector Net Exposure	9.1%

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



Source: Refinitiv, Morgan Stanley Research

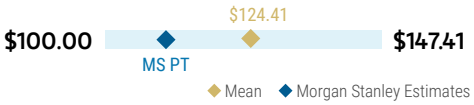
Risk Reward – Thomson Reuters Corp. (TRI.O)

Potential AI Disruption Risk Has Become the Key Focus for the Stock

PRICE TARGET $110.00

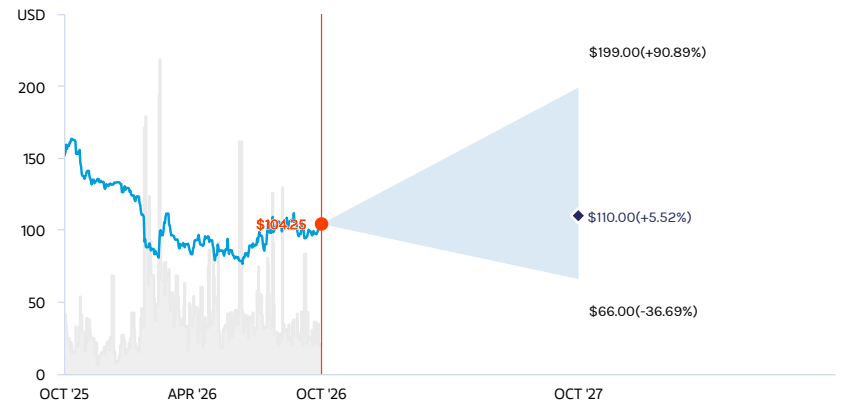
Our $110 PT is the midpoint of our base case and bear case DCF valuations. Our base case assumes a 8.0% WACC and a 2.5% terminal growth rate, while our bear case assumes a 0% terminal growth rate.

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART



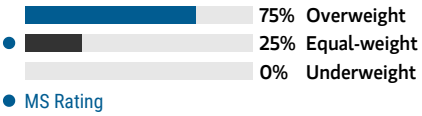
Key: Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- 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, potential for significant buybacks
- Potential risk from intensifying competition - largely from AI competitors is an overhang on the stock

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Disruption: *Negative*
Technology Diffusion: *Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $199.00

25x Bull Case '27e adj. EBITDA

Strong end markets, organic acceleration and acquisitions lead to strong growth and scale. Rev and adj. EBITDA CAGRs of 7.5% and 11% ('24-'28E) for ongoing businesses, and adjusted EBITDA margins of ~43% in 2028 as TRI benefits from scale, end market strength, and cost savings initiatives.

BASE CASE $153.00

20x Base Case '27e 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 8% ('24–'28E), and adjusted EBITDA margins expand to 42% by 2028.

BEAR CASE $66.00

9x Bear Case '26e adj. EBITDA

Weak employment in legal and tax & accounting industries with client budget tightening, limited or value-destroying M&A, AI risk. Rev and EBITDA CAGRs of 4.5% and 5% ('24–'28E), and adjusted EBITDA margins of 39% in '28.

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

KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
Organic Revenue Growth (%)	3.0	8.0	6.9	6.8
Legal Professionals Organic Revenue Growth (%)	8.5	9.4	7.9	7.5
Tax Professionals Organic Revenue Growth (%)	10.8	10.4	10.0	9.5
Corporates Organic Revenue Growth (%)	9.0	9.2	8.0	8.0
FCF Per Share ($)	4.34	4.90	5.15	5.73

CATALYST CALENDAR

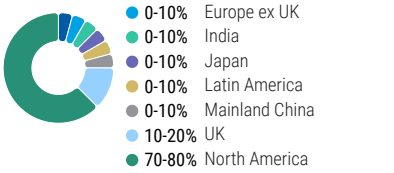
Source: Refinitiv, Morgan Stanley

Date	Event
03 Nov 2026	Q3 2026 Thomson Reuters Corp Earnings Release
03 Feb 2027 - 08 Feb 2027	Q4 2026 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: ~1.2% div yield
- Competition ramping in Legal AI market

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

1/5 BEST	24 Month Horizon	5/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- New product launches and traction
- Strengthening legal market demand
- Increased adoption of AI, 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
- Challenges in the legal market, print or otherwise
- Greater-than-expected reinvestment in the business pressuring margins

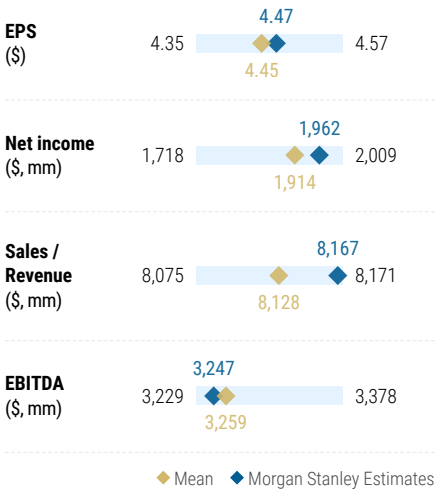
OWNERSHIP POSITIONING

Inst. Owners, % Active	60.1%
HF Sector Long/Short Ratio	1.4x
HF Sector Net Exposure	9.1%

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



Source: Refinitiv, Morgan Stanley Research

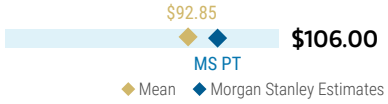
Risk Reward – TransUnion (TRU.N)

Innovative Credit Bureau with Attractive Valuation

PRICE TARGET $97.00

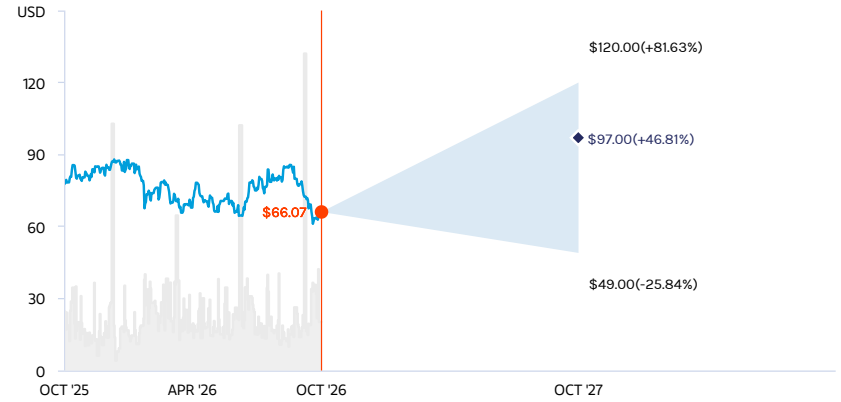
Derived from our DCF model. Our DCF includes an 9.0% WACC and a 2.75% terminal growth rate, implying an 11x terminal multiple.

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART



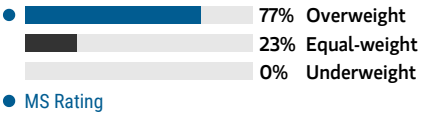
Key: Historical Stock Performance Current Stock Price Price Target

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 '26 following muted market growth over the past few years.
- Valuation looks attractive at a ~3-turn discount to Info Services and ~2-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 $120.00

14x Bull Case 27e 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 ('25-'28) of 16%/18%/24%. Adj. EBITDA margins of 38% in '28.

BASE CASE $97.00

13x Base Case 27e EV/MS Adj. EBITDA

Consumer credit acceleration as demand and new products facilitate high-single-digit organic growth in '25-'28. Revenue, adj. EBITDA, and adj. EPS CAGRs ('25-'28) of 12%/13%/19%. Adj. EBITDA margins of 37% in '28.

BEAR CASE $49.00

9x Bear Case 27e 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 ('25-'28) of 5%/4%/9%. Adj. EBITDA margins of 37% in '28.

Risk Reward – TransUnion (TRU.N)

KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
Total Organic Growth (%)	9.0	9.1	9.7	12.7
U.S. Markets Organic Growth (%)	10.3	10.4	10.6	14.2
International Organic Growth (%)	4.7	4.7	6.8	7.6
Consumer Organic Growth (%)	(3.3)	(2.0)	1.0	1.0
EPS Growth (%)	9.7	11.9	23.8	22.5

CATALYST CALENDAR

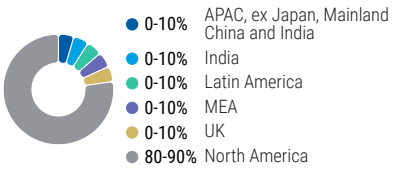
Date	Event
27 Oct 2026	Q3 2026 TransUnion Earnings Release
10 Feb 2027 - 15 Feb 2027	Q4 2026 TransUnion Earnings Release

Source: Refinitiv, Morgan Stanley

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 11% on average through '25

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

2/5 BEST	24 Month Horizon	5/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

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
- Regulatory changes
- Shift to bi-merge or single bureau

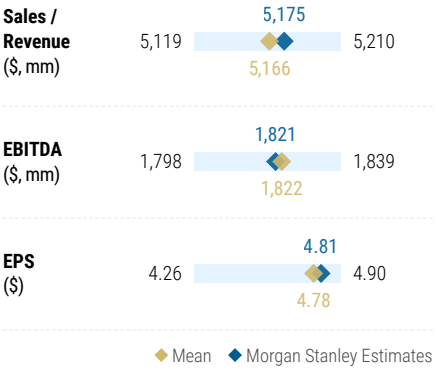
OWNERSHIP POSITIONING

Inst. Owners, % Active	68.9%
HF Sector Long/Short Ratio	1.4x
HF Sector Net Exposure	9.1%

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



Source: Refinitiv, Morgan Stanley Research

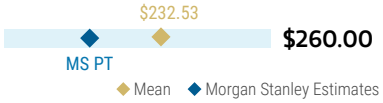
Risk Reward – Verisk Analytics, Inc. (VRSK.O)

High Quality Business at Appropriate Valuation

PRICE TARGET $215.00

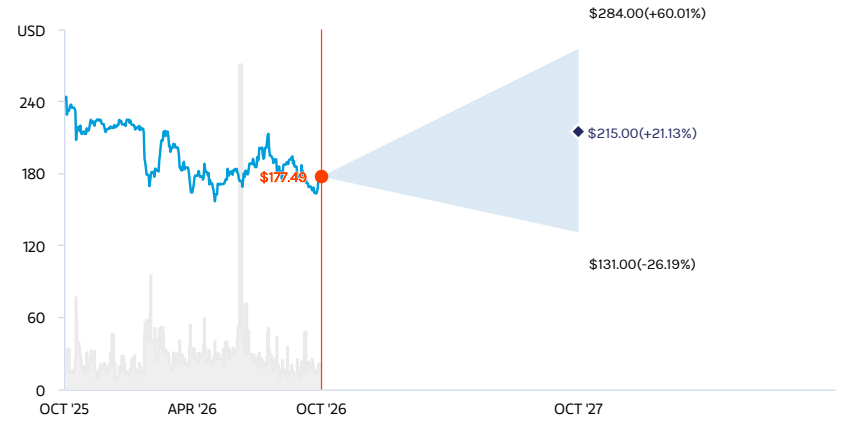
Our PT is based off a DCF with WACC of 7.8% and a 2.5% terminal growth rate in our base case (implied 13x multiple).

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART



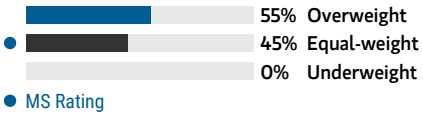
Key: Historical Stock Performance Current Stock Price Price Target

Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- 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 ('24-'28) of 6% for rev, adj. EBITDA margins of 57% in '28, and a 4-year adj. EPS CAGR of 9%

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Pricing Power: *Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $284.00

20x Bull Case 27e 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 F24-28 organic revenue and EBITDA CAGRs of 7-8% and 10%; adj. EBITDA margins nearing 60% in F28.

BASE CASE $215.00

17x Base Case 27e 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. F24-28 organic revenue and EBITDA CAGRs of 6% and 7%; adj. EBITDA margins of 57% in F28.

BEAR CASE $131.00

12x Bear Case 27e EBITDA

Stagnant end markets result in lower-than-anticipated growth and reinvestment required in the business puts pressure on margins. We assume F24-28 organic revenue and EBITDA CAGRs of 4% and 5%; adj. EBITDA margins nearing 56% in F28.

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

KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
Organic C/C Revenue Growth (%)	6.6	6.1	6.0	6.0
Adj. EBITDA Margin (%)	56.2	56.5	57.0	57.5
Adj. EPS Growth (%)	7.8	7.9	14.0	13.7
FCF Growth (%)	30.7	(6.0)	8.6	7.6

CATALYST CALENDAR

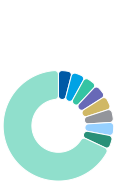
Source: Refinitiv, Morgan Stanley

Date	Event
05 Nov 2026	Q3 2026 Verisk Analytics Inc Earnings Release
16 Feb 2027 - 22 Feb 2027	Q4 2026 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



- 0-10% APAC, ex Japan, Mainland China and India
- 0-10% Europe ex UK
- 0-10% India
- 0-10% Japan
- 0-10% Latin America
- 0-10% MEA
- 0-10% Mainland China
- 0-10% UK
- 80-90% North America

Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

2/5 BEST	24 Month Horizon	4/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

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

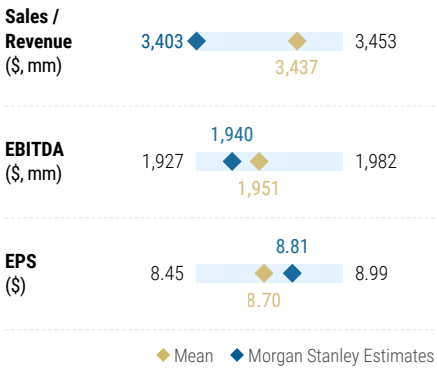
OWNERSHIP POSITIONING

Inst. Owners, % Active	59%
HF Sector Long/Short Ratio	1.4x
HF Sector Net Exposure	9.1%

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 2027e



Source: Refinitiv, Morgan Stanley Research

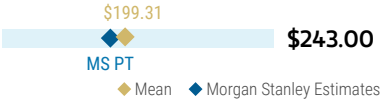
Risk Reward – Waste Connections Inc. (WCN.N)

Favored Name in Waste; Well-Positioned Price Leader

PRICE TARGET $195.00

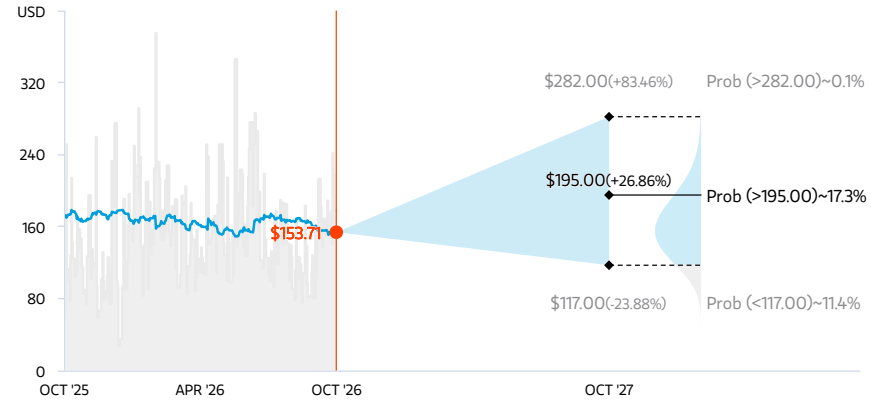
Our PT is derived from our DCF model using a 6.8% WACC and 2.75% terminal growth rate, and implies a terminal multiple of 17x

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



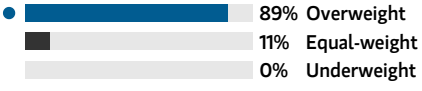
Key: Historical Stock Performance ● Current Stock Price ◆ Price Target

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 12 Oct 2026. 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

- 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



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Pricing Power:	*Positive*
Special Situation:	*Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $282.00

23x Bull Case '27 Adj. EBITDA

Near double digit growth driven by both pricing and volume. WCN grows at a ~7% revenue CAGR between '24-28E driven by ~6% core price, and positive volumes. Expense initiatives and operating leverage drive adj. EBITDA margins to 35% in '29 (from 32.5% in '24). Adj. EPS grows at a ~12% CAGR over this period.

BASE CASE $195.00

16x Base Case '27 Adj. EBITDA

High single digit growth driven by pricing better than peers. WCN grows at a ~5% revenue CAGR between '24-28E driven by ~6% pricing despite near-term negative 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 '24-28E, adj. EBITDA margins expand by ~140bps, while adj. EPS grows at ~9% CAGR over this period.

BEAR CASE $117.00

11x Bear Case '27 Adj. EBITDA

LSD growth as pricing and volumes both come under pressure. WCN revenue CAGR between '24-28E is 2%, driven by ~5% core pricing, and volume declines ~2-3% 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 with a LSD CAGR between '24-'28E.

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

KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
Core Price (%)	6.5	5.5	5.2	5.2
Volume (%)	(2.7)	(1.5)	(0.1)	0.5
Total Solid Waste Internal Revenue Growth (%)	2.2	4.7	5.5	6.1
Adj. EBITDA Margin (%)	33.0	33.2	33.6	33.9
FCF Conversion (%)	40.3	42.9	49.6	50.1

CATALYST CALENDAR

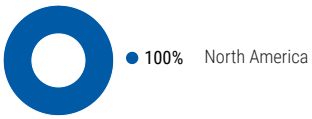
Source: Refinitiv, Morgan Stanley

Date	Event
21 Oct 2026	Q3 2026 Waste Connections, Inc Earnings Release
17 Nov 2026	Waste Connections, Inc at Scotiabank Transportation & Industrials Conference
09 Feb 2027 - 15 Feb 2027	Q4 2026 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

MS ALPHA MODELS

4/5 BEST	24 Month Horizon	5/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

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
- Return to strong FCF post-Chiquita outlays

RISKS TO DOWNSIDE

- Volumes are flat to negative given slower economic activity
- Higher corporate tax rates
- Increased gov't regulation makes it more costly to operate landfills
- Recycled commodity headwinds persist

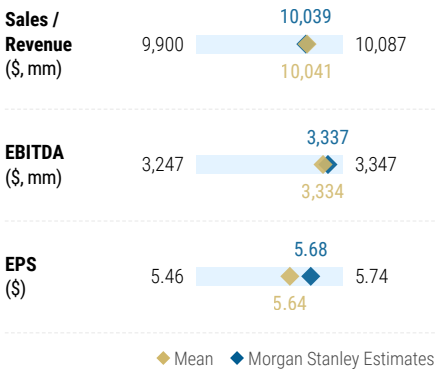
OWNERSHIP POSITIONING

Inst. Owners, % Active	67.7%
HF Sector Long/Short Ratio	1.4x
HF Sector Net Exposure	9.1%

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



Source: Refinitiv, Morgan Stanley Research

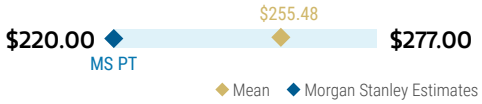
Risk Reward – Waste Management, Inc. (WM.N)

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

PRICE TARGET $220.00

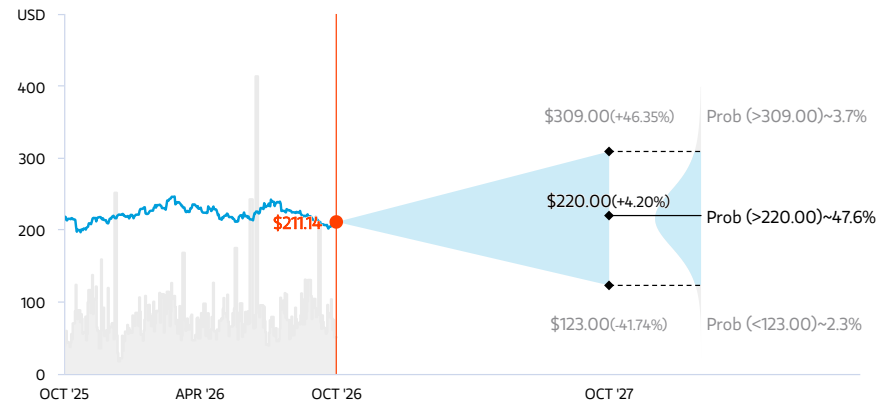
Our PT is derived from our DCF model using a 6.7% WACC and 2% terminal growth rate.

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



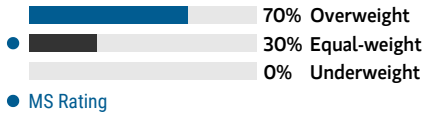
Key: Historical Stock Performance ● Current Stock Price ◆ Price Target

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 12 Oct 2026. 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

- 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



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Pricing Power:	*Positive*
Renewable Energy:	*Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $309.00

15x Bull Case '27 Adj. EBITDA

High single digit internal revenue growth driven by both pricing and volume. WM grows at an ~10% revenue CAGR between '24-28E driven by ~5% 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 ~34% in 2028, in-line with the leading peer. Adj. EPS grows at a ~13% CAGR over this period.

BASE CASE $220.00

13x Base Case '27 Adj. EBITDA

Mid single digit growth driven by pricing. WM grows 7% internal revenue CAGR between '24-28E driven by ~4% 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 ~165bps of margin expansion from '24-28E. Adj. EPS grows at an ~7% CAGR over this period.

BEAR CASE $123.00

10x Bear Case '27 Adj. EBITDA

Low-to-mid single digit growth as pricing and volumes both come under pressure. WM grows at a ~4% internal revenue CAGR between '24-28E driven by ~3% avg yield and flat 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 and adj. EPS negative between '24-28E.

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

KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
Collection and Disposal Average Yield (%)	3.3	2.9	2.9	2.9
Volume (%)	0.9	0.0	0.5	0.5
Total Internal Revenue Growth (%)	3.7	4.0	4.8	4.2
Adj. EBITDA Margin (%)	30.1	31.1	31.1	31.4
FCF Conversion (%)	38.7	46.3	44.9	45.2

CATALYST CALENDAR

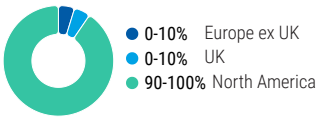
Source: Refinitiv, Morgan Stanley

Date	Event
27 Oct 2026	Q3 2026 Waste Management Inc Earnings Release
26 Jan 2027 - 01 Feb 2027	Q4 2026 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

MS ALPHA MODELS

1/5 BEST	24 Month Horizon	4/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

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
- Recycled commodity headwinds persist
- SRCL acquisition negatively impacts the business

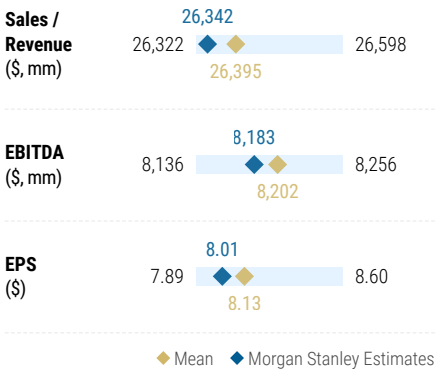
OWNERSHIP POSITIONING

Inst. Owners, % Active	50.3%
HF Sector Long/Short Ratio	1.4x
HF Sector Net Exposure	9.1%

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



Source: Refinitiv, Morgan Stanley Research

Financial Model

Exhibit 27: ADT Inc. (ADT): Annual Income Statement ($in M)

Fiscal Year Ending	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Revenues															
Monitoring and Related Services				**$3,891.0**	**$3,760.0**	**$3,873.0**	**$4,051.0**	**$4,178.0**	**$4,293.6**	**$4,354.1**	**$4,326.5**	**$4,352.4**	**$4,393.2**	**$4,437.1**	**$4,481.5**
YoY Growth					-3.4%	3.0%	4.6%	3.1%	2.8%	1.4%	-0.6%	0.6%	0.9%	1.0%	1.0%
EoP RMR (Incl. Wholesale)					315.0	328.0	341.0	353.0	359.0	359.0	360.8	362.6	366.2	369.9	373.6
YoY Growth						4.1%	4.0%	3.5%	1.7%	0.0%	0.5%	0.5%	1.0%	1.0%	1.0%
Avg RMR (Incl. Wholesale)						321.5	334.5	176.7	356.0	359.0	359.9	361.7	364.4	368.1	371.7
Installation and Other				**189.0**	**564.0**	**272.0**	**329.0**	**474.0**	**604.3**	**774.5**	**917.6**	**1,001.9**	**1,017.4**	**1,014.0**	**1,005.1**
YoY Growth					198.4%	-51.8%	21.0%	44.1%	27.5%	28.2%	18.5%	9.2%	1.5%	-0.3%	-0.9%
CSB Revenue	**$2,623.0**	**$3,896.0**	**$3,998.0**	**4,080.0**	**4,324.0**	**4,145.0**	**4,380.0**	**4,652.0**	**4,897.8**	**5,128.6**	**5,244.1**	**5,354.3**	**5,410.7**	**5,451.1**	**5,486.6**
YoY Growth		48.5%	2.6%	2.1%	6.0%	-4.1%	5.7%	6.2%	5.3%	4.7%	2.3%	2.1%	1.1%	0.7%	0.7%
Key Metrics															
Subsciber count (MM)		**7.0**	**6.9**	**6.3**	**6.3**	**6.4**	**6.4**	**6.4**	**6.4**	**6.1**	**6.1**	**6.0**	**5.9**	**5.8**	**5.7**
Gross Attrition %		14.1%	13.2%	13.7%	13.2%	13.5%	12.8%	12.9%	12.7%	13.1%	13.3%	13.5%	13.7%	13.9%	14.1%
Revenue Payback Period						2.4x	2.2x	2.1x	2.2x	2.2x					
Revenue Derived by RMR						0.1%	0.1%	45.6%	87.2%	84.0%	82.6%	81.1%	80.8%	81.0%	81.3%
Total Revenue	**$4,166.9**	**$4,315.5**	**$4,581.7**	**$5,125.4**	**$5,313.0**	**$5,306.0**	**$6,395.0**	**$5,666.0**	**$4,917.8**	**$5,128.6**	**$5,244.1**	**$5,354.3**	**$5,410.7**	**$5,451.1**	**$5,486.6**
YoY Growth	2.7%	3.6%	6.2%	11.9%	3.7%	-0.1%	20.5%	-11.4%	-13.2%	4.3%	2.3%	2.1%	1.1%	0.7%	0.7%
YoY Growth of Continuing Operations	*2.7%*	*3.6%*	*6.2%*	*11.9%*	*3.7%*	*-0.1%*	*20.5%*	*-1.5%*	*5.7%*	*4.3%*	*2.3%*	*2.1%*	*1.1%*	*0.7%*	*0.7%*
Expenses:															
Total cost of services	**869.7**	**895.7**	**1,041.3**	**1,390.6**	**1,514.0**	**1,549.0**	**2,040.0**	**1,464.0**	**888.1**	**983.1**	**976.8**	**981.6**	**1,013.6**	**1,043.0**	**1,071.7**
% of Total Revenue	20.9%	20.8%	22.7%	27.1%	28.5%	29.2%	31.9%	25.8%	18.1%	19.2%	18.6%	18.3%	18.7%	19.1%	19.5%
% growth	4.9%	-0.6%	9.5%	19.4%	5.0%	2.4%									
Selling, general and administrative	**1,238.9**	**1,209.2**	**1,247.0**	**1,406.8**	**1,722.9**	**1,790.0**	**1,929.0**	**1,680.0**	**1,515.5**	**1,468.6**	**1,517.9**	**1,549.7**	**1,566.1**	**1,577.8**	**1,588.1**
% of Total Revenue	29.7%	28.0%	27.2%	27.4%	32.4%	33.7%	30.2%	29.7%	30.8%	28.6%	28.9%	28.9%	28.9%	28.9%	28.9%
% growth	-6.9%	-2.4%	3.1%	12.8%	22.5%	3.9%	7.8%	-12.9%	-9.8%	-3.1%	3.4%	2.1%	1.1%	0.7%	0.7%
Merger, restructuring, integration, and other costs	86.2	64.8	84.6	143.0	120.9	38.0	22.0	72.0	57.6	-	-	-	-	-	-
Total Expenses	**2,194.8**	**2,169.8**	**2,372.9**	**2,940.5**	**3,357.8**	**3,377.0**	**3,991.0**	**3,216.0**	**2,461.2**	**2,451.7**	**2,494.7**	**2,531.3**	**2,579.7**	**2,620.7**	**2,659.8**
% of Total Revenue	52.7%	50.3%	51.8%	57.4%	63.2%	63.6%	62.4%	56.8%	50.0%	47.8%	47.6%	47.3%	47.7%	48.1%	48.5%
EBITDA	**1,972.1**	**2,145.7**	**2,208.8**	**2,184.9**	**1,955.2**	**1,929.0**	**2,404.0**	**2,450.0**	**2,456.6**	**2,676.9**	**2,749.4**	**2,823.0**	**2,831.0**	**2,830.4**	**2,826.9**
EBITDA Margin	47.3%	49.7%	48.2%	42.6%	36.8%	36.4%	37.6%	43.2%	50.0%	52.2%	52.4%	52.7%	52.3%	51.9%	51.5%
Year-over-Year Growth	4.6%	8.8%	2.9%	-1.1%	-10.5%	-1.3%	24.6%	1.9%	0.3%	9.0%	2.7%	2.7%	0.3%	0.0%	-0.1%
Adj. EBITDA	**$2,148.7**	**$2,348.5**	**$2,453.6**	**$2,483.1**	**$2,199.1**	**$2,212.0**	**$2,447.0**	**$2,458.0**	**$2,557.7**	**$2,681.0**	**$2,729.3**	**$2,786.8**	**$2,816.0**	**$2,837.1**	**$2,855.6**
Adj. EBITDA Margin	51.6%	54.4%	53.6%	48.4%	41.4%	41.7%	38.3%	43.4%	52.0%	52.3%	52.0%	52.0%	52.0%	52.0%	52.0%
Year-over-Year Growth	5.8%	9.3%	4.5%	1.2%	-11.4%	0.6%	10.6%	0.4%	4.1%	4.8%	1.8%	2.1%	1.1%	0.7%	0.7%
Margin Expansion (bps)	149.9	285.5	(83.8)	(706.6)	(705.5)	29.8	(342.4)	511.7	862.7	26.7	(23.0)	0.2	(0.1)	(0.0)	(0.0)
MS Adj. EBITDA	**$2,132.5**	**$2,332.2**	**$2,318.7**	**$2,396.9**	**$2,104.1**	**$2,151.0**	**$2,380.0**	**$2,412.0**	**$2,509.6**	**$2,625.5**	**$2,672.6**	**$2,728.8**	**$2,757.5**	**$2,778.1**	**$2,796.2**
Adj. EBITDA Margin	51.2%	54.0%	50.6%	46.8%	39.6%	40.5%	37.2%	42.6%	51.0%	51.2%	51.0%	51.0%	51.0%	51.0%	51.0%
Year-over-Year Growth	6.5%	9.4%	-0.6%	3.4%	-12.2%	2.2%	10.6%	1.3%	4.0%	4.6%	1.8%	2.1%	1.1%	0.7%	0.7%
Margin Expansion (bps)	183.0	286.5	(344.0)	(433.2)	(716.3)	93.6	(332.2)	535.3	846.1	16.2	(22.9)	0.1	(0.1)	(0.0)	(0.0)
Depreciation & Amortization	1,574.2	1,863.3	1,930.9	1,989.6	1,914.3	1,915.0	1,693.0	1,392.0	1,344.3	1,367.0	1,415.5	1,445.2	1,460.4	1,471.3	1,480.9
% of Total Revenue	37.8%	43.2%	42.1%	38.8%	36.0%	36.1%	26.5%	24.6%	27.3%	26.7%	27.0%	27.0%	27.0%	27.0%	27.0%
Total Operating Expenses	$3,769.0	$4,033.1	$4,303.8	$4,930.0	$5,272.1	$5,292.0	$5,684.0	$4,608.0	$3,805.5	$3,818.7	$3,910.2	$3,976.5	$4,040.1	$4,092.1	$4,140.7
Annual Growth	0.1%	7.0%	6.7%	14.5%	6.9%	0.4%	7.4%	-18.9%	-17.4%	0.3%	2.4%	1.7%	1.6%	1.3%	1.2%
Income from Operations	397.9	282.4	277.8	195.3	40.9	14.0	711.0	1,058.0	1,112.4	1,309.9	1,333.9	1,377.8	1,370.6	1,359.0	1,346.0
Operating Margin	9.5%	6.5%	6.1%	3.8%	0.8%	0.3%	11.1%	18.7%	22.6%	25.5%	25.4%	25.7%	25.3%	24.9%	24.5%
Interest Expense	(750.0)	(732.8)	(663.2)	(620.0)	(707.8)	(458.0)	(265.0)	(573.0)	(442.8)	(459.9)	(411.4)	(414.6)	(398.1)	(381.6)	(365.1)
Other Income/(Expense)	(51.7)	28.7	(247.3)	(97.3)	(111.9)	(27.0)	(260.0)	(507.0)	48.7	(14.9)	3.0	-	-	-	-
Income (loss) before income taxes	(403.8)	(421.7)	(632.6)	(521.9)	(778.8)	(471.0)	186.0	(22.0)	718.3	835.2	925.4	963.2	972.5	977.4	980.9
Provision for income taxes (benefit)	(118.9)	(764.3)	(23.5)	(97.6)	(146.7)	(130.0)	52.0	(62.0)	170.2	233.0	254.0	269.7	272.3	273.7	274.6
Tax rate	29.4%	181.3%	3.7%	18.7%	18.8%	27.6%	28.0%	281.8%	23.7%	27.9%	27.4%	28.0%	28.0%	28.0%	28.0%
Net income attributable to the noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Loss) income from discontinued operations, net of taxes	-	-	-	-	-	-	-	425.0	(46.9)	(6.2)	(2.0)	-	-	-	-
Net Income, GAAP	**($284.9)**	**$342.6**	**($609.2)**	**($424.4)**	**($632.1)**	**($341.0)**	**$134.0**	**$465.0**	**$501.2**	**$595.9**	**$669.4**	**$693.5**	**$700.2**	**$703.8**	**$706.2**
Avg. Diluted Shares Outstanding	641.0	641.0	757.0	743.0	816.0	787.0	912.3	900.5	908.8	841.0	774.0	730.3	696.0	662.9	633.0
Dividend per share			$0.10	$0.76	$0.13	$0.14	$0.14	$0.15	$0.22	$0.22	$0.22	$0.24	$0.26	$0.26	$0.26
EPS to Common Stockholders			($0.80)	($0.57)	($0.77)	($0.43)	$0.15	$0.52	$0.55	$0.71	$0.86	$0.95	$1.01	$1.06	$1.12
Adj. EPS			**$0.87**	**$1.07**	**$0.98**	**$0.43**	**$0.61**	**$0.52**	**$0.73**	**$0.89**	**$0.95**	**$1.01**	**$1.07**	**$1.13**	**$1.18**
EPS to Common Stockholders (before special items) - ADT Method				**($0.09)**	**($0.33)**	**($0.24)**	**$0.25**	**$0.62**	**$0.73**	**$0.89**	**$0.95**	**$1.01**	**$1.07**	**$1.13**	**$1.18**

Source: Company data, Morgan Stanley Research estimates

Exhibit 28: ADT Inc. (ADT): Annual Cash Flow Statement ($in M)

Fiscal Year Ending															
Cash Flows From Operations															
Net Income															
Adjustments to reconcile Net Income to OCF:															
Depreciation & Amortization	1,233.0	1,863.3	1,930.9	1,989.0	1,914.0	1,915.0	1,693.0	1,389.0	1,344.3	1,367.0	1,415.5	1,445.2	1,460.4	1,471.3	1,480.9
Amortization of Deferred Subscriber Acquisition Costs and Revenue, net	6.1	5.0	(19.2)	(27.0)	(28.0)	(45.0)	(80.0)	(113.0)	(120.9)	(106.5)	(100.6)	(94.2)	(73.6)	(52.3)	(30.7)
Amortization of Unearned Revenue Fair Value Adjustment	62.8	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-
Share-Based Compensation Expense	4.6	11.3	135.0	86.0	96.0	61.0	67.0	52.0	48.1	55.5	56.7	58.0	58.6	59.0	59.4
Deferred Income Taxes	(272.5)	(776.7)	(27.3)	(118.0)	(173.0)	(139.0)	19.0	125.0	140.0	141.0	17.0	-	-	-	-
Loss on Extinguishment of Debt	24.8	4.3	274.8	104.0	120.0	37.0	-	-	-	19.0	-	-	-	-	-
Provision for Losses on A/R and Inventory	-	56.7	61.0	55.0	120.0	38.0	114.0	151.0	215.0	202.0	118.0	-	-	-	-
Other Non-Cash items	60.0	43.1	108.0	245.0	206.0	10.0	93.0	31.0	50.0	162.0	51.0	-	-	-	-
Pension Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in Operating Assets and Liabilities	35.3	42.3	(66.7)	(37.0)	(257.0)	114.0	(149.0)	(442.0)	(292.0)	(552.0)	(100.8)	(104.8)	(123.0)	(125.6)	(125.0)
Accounts receivable, net		(60.1)	(60.7)	-	-	-	-	-	-	-	0.5	9.7	9.9	11.0	11.5
Inventories and work-in-progress		4.9	(2.6)	-	-	-	-	-	-	-	(4.8)	16.9	17.4	18.3	18.9
Accounts payable		(30.7)	9.0	-	-	-	-	-	-	-	(81.7)	7.1	(3.8)	(4.2)	(4.4)
Deferred subscriber acquisition costs		(165.1)	(184.7)	(190.0)	(240.0)	(324.0)	(394.0)	(386.0)	(366.0)	(381.0)	(396.2)	(374.8)	(378.7)	(381.6)	(384.1)
Deferred subscriber acquisition revenue		247.5	256.5	260.0	180.0	277.0	330.0	290.0	253.0	224.0	197.9	194.2	200.2	199.7	202.0
Other, net	-	45.8	(138.5)	(107.0)	(197.0)	161.0	(85.0)	(346.0)	(179.0)	(395.0)	183.6	42.0	31.9	31.2	31.1
Cash from Operating Activities														$2,056.3	$2,090.9
Capital Expenditure														($174.4)	($175.6)
ADT Dealer Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	7)	(1,235.9)	(1,269.8)	(1,212.1)	(799.0)	(1,370.0)	(1,356.0)	(1,219.0)	(1,110.0)	(993.0)	(886.7)	(856.7)	(865.7)	(872.2)	(877.9)
Dealer generated customer accounts and bulk account purchases					(381.0)	(675.0)	(622.0)	(589.0)	(586.0)	(597.0)	(239.0)				
Subscriber system asset expenditures					(418.0)	(695.0)	(735.0)	(631.0)	(523.0)	(396.0)	(170.0)				
Acquisitions / Proceeds from Sale of PP&E	-	-	-	-	-	-	-	-	-	-	(163.0)	-	-	-	-
Free Cash Flow															
Restructuring and Integration Payments/Management Fees/Other	-	69.0	133.4	51.0	186.0	146.0	186.0	175.0	46.0	81.0	(5.0)	80.0	80.0	80.0	80.0
Net proceeds from receivables facility	-	25.0	9.0	16.0	36.0	9.0	9.0	-	-	-	(10.0)	-	-	-	-
Other	-	84.0	5.8	21.0	43.0	198.0	4.0	4.0	1.0	-	8.0	-	-	-	-
Adj. Free Cash Flow (Co. Method)		**403.4**	**539.1**	**589.6**	**674.9**	**465.0**	**558.0**	**442.0**	**657.7**	**795.9**	**1,044.6**	**1,049.6**	**1,063.8**	**1,089.7**	**1,117.4**
Acquisition of Businesses	(8,501.5)	(63.5)	(352.8)	(109.0)	(225.0)	(164.0)	(13.0)	-	(21.0)	-	-	-	-	-	-
Proceeds Received from Settlement of Derivative Contracts, net	41.6	-	-	-	-	-	-	-	(2.0)	-	-	-	-	-	-
Divestitures of Businesses	-	-	-	496.0	(2.0)	2.0	27.0	1,609.0	3.0	51.0	-	-	-	-	-
Net ST investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	29.3	27.9	11.2	6.0	46.0	4.0	(14.0)	32.0	(1.0)	(1.0)	-	-	-	-	-
Cash from Investing Activities	($9,384.9)	($1,402.2)	($1,738.2)	($978.1)	($1,137.0)	($1,696.0)	($1,532.0)	$246.0	($1,296.0)	($1,119.0)	($1,237.7)	($1,028.0)	($1,038.8)	($1,046.6)	($1,053.4)
Proceeds from long-term borrowings	6,040.02	1,344.13	422.88	3,403.00	2,640.00	1,196.00	929.00	1,148.00	1,298.00	3,222.00	366.00	-	-	-	-
	55	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Repayment of long-term borrowings (Incl. make-whole)	(1,392.55)	(725.00)	(1,552.41)	(3,845.00)	(3,055.00)	(1,251.00)	(760.00)	(3,183.00)	(1,449.00)	(3,245.00)	(377.00)	(300.00)	(300.00)	(300.00)	(300.00)
Equity capital contribution	3,662.20	-	1,406.02	-	448.00	-	-	-	-	-	-	-	-	-	-
Repurchase of Common Stock										607.0)	($700.0)	($250.0)	($300.0)	($300.0)	($300.0)
Stock Options	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	(750.0)	(79.4)	(565.0)	(109.0)	(116.0)	(128.0)	(128.0)	(182.0)	(187.0)	(166.6)	(164.4)	(164.4)	(156.6)	(149.5)
Other	(139.4)	(12.2)	(4.0)	(57.0)	7.0	44.0	(36.0)	19.0	57.0	(42.5)	(17.0)	-	-	-	-
Cash from Financing Activities							.0)	($2,144.0)	($516.0)	($859.5)	($894.6)	($714.4)	($764.4)	($756.6)	($749.5)
										($94.5)	($6.0)	$255.2	$219.4	$253.1	$287.9
Cash and cash equivalents at beginning of period										203.7	$109.1	$103.1	$358.3	$577.7	$830.8
Cash and cash equivalents at end of period										$109.1	$103.1	$358.3	$577.7	$830.8	$1,118.7

Source: Company data, Morgan Stanley Research estimates

Exhibit 29: ADT Inc. (ADT): Annual Balance Sheet ($in M, except per-share amounts)

Fiscal Year Ending	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
ASSETS															
Current Assets															
Cash and cash equivalents	$75.9	$122.9	$363.3	$45.0	$208.0	$24.0	$373.0	$115.0	$95.7	$81.1	$79.1	$334.3	$553.7	$806.8	$1,094.7
Accounts Receivable	135.2	148.8	245.7	287.0	336.0	442.0	597.0	390.0	394.0	385.0	372.5	362.8	352.8	341.9	330.4
Inventories	108.9	85.7	89.2	104.0	175.0	277.0	329.0	230.0	197.0	202.0	188.8	171.9	154.4	136.1	117.2
Prepaid Expenses and Other Current Assets	53.4	94.6	155.9	185.0	251.0	249.0	422.0	255.0	211.0	250.0	253.8	216.2	191.3	165.6	139.3
Total Current Assets	$388.4	$455.9	$854.1	$621.0	$970.0	$992.0	$1,721.0	$1,005.0	$1,005.7	$946.1	$918.2	$1,109.1	$1,276.3	$1,474.4	$1,705.7
Property, plant and equipment, net	$343.0	$332.4	$326.6	$329.0	$326.0	$364.0	$376.0	$283.0	$247.0	$243.0	$277.7	$259.4	$252.3	$250.0	$249.9
Goodwill, net	5,013.4	5,070.6	5,081.9	4,960.0	5,236.0	5,943.0	5,767.0	4,904.0	4,904.0	4,886.0	4,992.0	4,992.0	4,992.0	4,992.0	4,992.0
Deferred Subscriber Acquisition Costs	179.1	282.5	430.0	513.0	654.0	850.0	1,080.0	1,176.0	1,324.0	1,452.0	1,585.9	1,713.0	1,846.9	1,987.3	2,134.1
Subscriber System Assets and Intangible Assets	11,145.5	10,749.5	10,395.9	9,409.0	8,570.0	8,281.0	8,153.0	7,883.0	7,835.0	7,609.0	7,355.4	6,956.6	6,542.1	6,119.7	5,692.4
Other Assets	107.2	124.0	120.2	248.0	361.0	464.0	724.0	713.0	735.0	683.0	688.0	688.0	688.0	688.0	688.0
Total Assets	$17,176.5	$17,014.8	$17,208.6	$16,080.0	$16,117.0	$16,894.0	$17,821.0	$15,964.0	$16,050.7	$15,819.1	$15,817.2	$15,718.1	$15,597.7	$15,511.4	$15,462.0
LIABILITIES AND SHAREHOLDERS' EQUITY															
Current Liabilities															
Current Maturities of LTD	$40.3	$48.1	$58.2	$58.0	$45.0	$118.0	$872.0	$321.0	$196.0	$310.0	$241.0	$241.0	$241.0	$241.0	$241.0
Accounts Payable	212.2	187.7	221.3	242.0	322.0	475.0	487.0	294.0	154.0	107.0	110.3	117.4	113.6	109.5	105.1
Deferred Revenue	313.3	309.2	334.9	342.0	346.0	374.0	403.0	264.0	248.0	244.0	252.8	255.3	257.8	259.7	261.4
Accrued Expenses and Other Current Liabilities	286.7	351.3	398.1	477.0	584.0	737.0	899.0	601.0	666.0	352.0	470.5	472.4	477.0	480.6	483.7
Total Current Liabilities	$852.5	$896.3	$1,012.5	$1,119.0	$1,297.0	$1,704.0	$2,661.0	$1,480.0	$1,264.0	$1,013.0	$1,074.6	$1,086.2	$1,089.5	$1,090.8	$1,091.1
Long Term Debt less Current Portion	$10,103.4	$10,803.6	$9,944.1	$9,634.0	$9,448.0	$9,575.0	$8,957.0	$7,523.0	$7,511.0	$7,379.0	$7,447.0	$7,147.0	$6,847.0	$6,547.0	$6,247.0
Deferred subscriber acquisition revenue	167.1	368.7	544.4	674.0	832.0	1,199.0	1,645.0	1,915.0	2,068.0	2,084.0	1,978.9	1,831.3	1,713.1	1,619.3	1,553.4
Deferred taxes	2,117.9	1,376.7	1,342.2	1,166.0	991.0	867.0	893.0	1,027.0	1,167.0	1,267.0	1,298.0	1,298.0	1,298.0	1,298.0	1,298.0
Other Liabilities	130.6	136.5	140.6	305.0	510.0	301.0	272.0	230.0	240.0	296.0	347.0	347.0	347.0	347.0	347.0
Total Liabilities	$13,371.5	$13,581.7	$12,983.8	$12,898.0	$13,078.0	$13,646.0	$14,428.0	$12,175.0	$12,250.0	$12,039.0	$12,145.5	$11,709.4	$11,294.6	$10,902.1	$10,536.5
Minority Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stockholders' Equity															
Common Stock	$0.0	$0.0	$7.7	$8.0	$8.0	$9.0	$9.0	$9.0	$8.9	$8.2	$7.3	$7.3	$7.3	$7.3	$7.3
Additional Paid-in Capital	-	4,435.3	5,969.3	5,977.0	6,641.0	7,261.3	7,381.0	7,425.1	7,117.1	6,679.2	6,128.7	6,186.7	6,245.2	6,304.3	6,363.7
Accumulated Other Comprehensive Income	-	(4.0)	(71.8)	(58.0)	(119.0)	(69.0)	(47.0)	(43.0)	(7.0)	(0.2)	33.1	33.1	33.1	33.1	33.1
Treasury Stock	-	-	-	-	-	-	-	-	-	-	(100.0)	(350.0)	(650.0)	(950.0)	(1,250.0)
Retained Earnings	-	(998.2)	(1,680.4)	(2,745.0)	(3,491.0)	(3,953.3)	(3,950.0)	(3,602.1)	(3,318.3)	(2,907.3)	(2,397.8)	(1,868.7)	(1,332.9)	(785.7)	(229.0)
Total Stockholders' Equity	$3,805.0	$3,433.1	$4,224.8	$3,182.0	$3,039.0	$3,248.0	$3,393.0	$3,789.0	$3,800.7	$3,780.0	$3,671.3	$4,008.4	$4,302.7	$4,609.0	$4,925.1
Total Liabilities and Stockholders' Equity	$17,176.5	$17,014.8	$17,208.6	$16,080.0	$16,117.0	$16,894.0	$17,821.0	$15,964.0	$16,050.7	$15,819.0	$15,816.8	$15,717.8	$15,597.3	$15,511.0	$15,461.6

Source: Company data, Morgan Stanley Research estimates

Exhibit 30: ADT Inc. (ADT): Discounted Cash Flow Valuation

ADT Inc. (USD mm)	Terminal Multiple				4.0x		WACC:	9.7%	Terminal Growth:			0.5%			
	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2040E
Operating profit	**711**	**1,058**	**1,112**	**1,310**	**1,334**	**1,378**	**1,371**	**1,359**	**1,416**	**1,459**	**1,503**	**1,548**	**1,578**	**1,608**	**1,679**
Tax rate	*3%*	*3%*	*2%*	*11%*	*27%*	*28%*	*28%*	*28%*	*28%*	*28%*	*28%*	*28%*	*28%*	*28%*	*28%*
=NOPAT	**688**	**1,022**	**1,090**	**1,167**	**968**	**992**	**987**	**979**	**1,019**	**1,050**	**1,082**	**1,114**	**1,136**	**1,158**	**1,209**
+Non-Cash Charges	1,693	1,392	1,344	1,367	1,416	1,445	1,460	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,168
Gross Cash Flow	**2,381**	**2,414**	**2,435**	**2,534**	**2,383**	**2,437**	**2,447**	**2,450**	**2,491**	**2,522**	**2,553**	**2,586**	**2,607**	**2,629**	**2,376**
+Changes in working capital	(149)	(442)	(292)	(552)	(284)	(147)	(155)	(157)	(160)	(162)	(165)	(167)	(169)	(171)	(175)
+Capital expenditures, asset purchases	(1,532)	(1,395)	(1,275)	(1,169)	(1,075)	(1,028)	(1,039)	(1,047)	(1,068)	(1,084)	(1,100)	(1,116)	(1,127)	(1,139)	(1,168)
= Gross investment	**(1,681)**	**(1,837)**	**(1,567)**	**(1,721)**	**(1,359)**	**(1,175)**	**(1,194)**	**(1,203)**	**(1,227)**	**(1,246)**	**(1,265)**	**(1,284)**	**(1,296)**	**(1,309)**	**(1,342)**
Free cash flow to firm	**700**	**577**	**868**	**813**	**1,024**	**1,262**	**1,253**	**1,246**	**1,263**	**1,276**	**1,289**	**1,302**	**1,311**	**1,320**	**1,034**
FCF growth	-181%	-18%	50%	-6%	26%	23%	-1%	-1%	1%	1%	1%	1%	1%	1%	-21%
Present value of cash flows					$12,421	$12,606	$12,571	$12,541	$12,515	$12,471	$12,409	$12,328	$12,226	$12,105	$11,194
-Minority Interest					$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
-Net Debt at PYE					$7,684	$7,684	$7,054	$6,534	$6,534	$6,534	$6,534	$6,534	$6,534	$6,534	$6,534
+ Preferred Equity					-	-	-	-	$0	$0	$0	$0	$0	$0	$0
Implied Market Cap					$4,738	$4,923	$5,517	$6,007	$5,981	$5,936	$5,874	$5,793	$5,691	$5,570	$4,660
Fully-diluted shares (BOP)					774m	730m	696m	663m	663m	663m	663m	663m	663m	663m	663m
Implied Value per Share					**$6**	**$7**	**$8**	**$9**	**$9**	**$9**	**$9**	**$9**	**$9**	**$8**	**$7**
Implied Value in 12-mo					**$7**	**$7**	**$9**	**$10**	**$10**	**$10**	**$10**	**$10**	**$10**	**$9**	**$8**
				Weights	17%	83%									
				Price Target	**$7.25**										

Source: Company data, Morgan Stanley Research estimates

Exhibit 31: ADT Inc. (ADT): Multiple Analysis

Share Price	Equity Value	EV	EV / Adj. EBITDA		Levered FCF		Unlevered FCF		EV / (Adj. EBITDA-Capex)	
			2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
$10.25	$7,841	$15,525	5.7x	5.6x	7.5x	7.5x	15.2x	12.3x	9.7x	9.1x
$9.25	$7,076	$14,760	5.5x	5.4x	8.9x	6.8x	14.4x	11.7x	9.2x	8.7x
$8.75	$6,694	$14,377	5.4x	5.3x	8.4x	6.4x	14.0x	11.4x	9.0x	8.5x
$8.25	$6,311	$13,995	5.2x	5.1x	7.9x	6.0x	13.7x	11.1x	8.8x	8.2x
$7.75	$5,929	$13,612	5.1x	5.0x	7.4x	5.7x	13.3x	10.8x	8.5x	8.0x
$7.25	$5,546	$13,230	4.9x	4.8x	7.0x	5.3x	12.9x	10.5x	8.3x	7.8x
$6.50	$4,973	$12,656	4.7x	4.6x	6.2x	4.8x	12.4x	10.0x	7.9x	7.4x
$5.75	$4,399	$12,082	4.5x	4.4x	5.5x	4.2x	11.8x	9.6x	7.6x	7.1x
$5.00	$3,825	$11,509	4.3x	4.2x	4.8x	3.7x	11.2x	9.1x	7.2x	6.8x
$4.25	$3,251	$10,935	4.1x	4.0x	4.1x	3.1x	10.7x	8.7x	6.8x	6.4x
$3.75	$2,869	$10,552	3.9x	3.9x	3.6x	2.7x	10.3x	8.4x	6.6x	6.2x

Source: Company data, Morgan Stanley Research estimates

Exhibit 32: ANDG Quarterly Income Statement ($ in M)

Fiscal Year Ending Dec. 31	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Total Revenue	$240.7	$217.7	$327.8	$199.8	$985.9	$270.5	$239.5	$356.5	$217.2	$1,083.7
Annual Growth	15.7%	23.7%	15.3%	17.3%	17.6%	12.4%	10.0%	8.8%	8.7%	9.9%
Cost of Revenues	$128.9	$137.5	$139.3	$159.2	$564.9	$142.1	$148.9	$148.0	$170.9	$609.9
Gross Margin	46.5%	36.8%	57.5%	20.3%	42.7%	47.5%	37.8%	58.5%	21.3%	43.7%
Selling General and Administrative	44.4	44.3	53.4	58.1	200.2	49.2	48.1	57.1	62.6	216.9
% of Total Revenue	18.5%	20.3%	16.3%	29.1%	20.3%	18.2%	20.1%	16.0%	28.8%	20.0%
Non-Recurring Stock-Based Compensation	41.1	42.3	42.3	42.3	167.9	42.3	42.3	42.3	42.3	169.1
Total Expenses	$214.4	$224.1	$235.0	$259.6	$933.0	$233.6	$239.3	$247.3	$275.8	$996.0
EBITDA	$27.2	($3.3)	$93.8	($58.8)	$66.2	$37.9	$1.3	$110.2	($57.6)	$100.4
EBITDA Margin	11.3%	-1.5%	28.6%	-29.4%	6.7%	14.0%	0.5%	30.9%	-26.5%	9.3%
Transaction Costs	4.0	0.9	0.0	0.0	5.0	0.0	0.0	0.0	0.0	0.0
Recurring SBC & Other	0.0	6.0	6.6	3.9	16.5	5.4	4.8	7.1	4.3	21.7
Non-Recurring SBC	41.1	42.3	42.3	42.3	167.9	42.3	42.3	42.3	42.3	169.1
Adj. EBITDA	**$72.3**	**$46.0**	**$142.6**	**($12.7)**	**$248.2**	**$85.6**	**$48.3**	**$159.6**	**($11.0)**	**$282.5**
Adj. EBITDA Margin	30.0%	21.1%	43.5%	-6.3%	25.2%	31.7%	20.2%	44.8%	-5.1%	26.1%
Year-over-Year Growth	26.4%	54.9%	9.7%	-234.9%	9.7%	18.4%	5.1%	11.9%	-13.3%	13.8%
- SBC (recurring)	0.0	(6.0)	(6.6)	(3.9)	(16.5)	(5.4)	(4.8)	(7.1)	(4.3)	(21.7)
MS Std. Adj. EBITDA	**$72.3**	**$39.9**	**$136.0**	**($16.6)**	**$231.7**	**$80.2**	**$43.5**	**$152.4**	**($15.3)**	**$260.8**
Std. Adj. EBITDA Margin	30.0%	18.4%	41.5%	-8.3%	23.5%	29.7%	18.2%	42.8%	-7.1%	24.1%
Year-over-Year Growth	26.4%	34.6%	10.5%	1881.0%	10.8%	10.9%	9.0%	12.0%	-7.5%	12.6%
Depreciation and Amortization	$2.3	$2.5	$2.5	$2.1	9.4	$2.3	$2.5	$2.5	$2.1	9.4
% of Total Revenue	0.9%	1.2%	0.8%	1.1%	1.0%	0.8%	1.1%	0.7%	1.0%	0.9%
GAAP Operating Income	$24.1	($8.9)	$90.3	($62.0)	$43.5	$34.7	($2.3)	$106.7	($60.7)	$78.3
Operating Margin %	10.0%	-4.1%	27.5%	-31.0%	4.4%	12.8%	-0.9%	29.9%	-28.0%	7.2%
Interest income	1.9	1.5	1.8	2.2	7.3	1.9	1.7	2.3	2.8	8.7
Interest expense	(6.2)	(5.9)	(5.6)	(5.3)	(23.0)	(3.2)	(4.8)	(4.7)	(4.4)	(17.1)
Other non-operating expense (gain)	0.8	3.1	1.0	1.0	6.0	1.0	1.0	1.0	1.0	4.0
Pretax Income	$20.6	($10.2)	$87.5	($64.1)	$33.8	$34.3	($4.4)	$105.3	($61.3)	$73.9
Income Tax Benefit (Expense)	(2.8)	0.1	8.7	(6.4)	(0.4)	6.9	(0.9)	21.1	(12.3)	14.8
Net Income	$17.7	($10.1)	$96.2	($70.5)	$33.4	$41.2	($5.2)	$126.3	($73.6)	$88.7
Y/Y Growth	(64.9%)	(89.5%)	(13.4%)	(64.0%)	(125.7%)	132.3%	(48.1%)	31.3%	4.4%	165.6%
Net Income Margin	7.4%	(4.6%)	29.4%	(35.3%)	3.4%	15.2%	(2.2%)	35.4%	(33.9%)	8.2%
Extraordinary (charges) / gains:										
Transaction Costs	4.0	0.9	0.0	0.0	5.0	0.0	0.0	0.0	0.0	0.0
SBC	41.1	48.3	48.8	46.2	184.3	47.7	47.1	49.4	46.6	190.7
Income Tax Effect	0.0	(0.1)	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Adj. Net Income	**$62.9**	**$39.0**	**$145.1**	**($24.3)**	**$222.6**	**$88.9**	**$41.8**	**$175.7**	**($27.0)**	**$279.5**
Avg. Diluted Shares Outstanding (Adjusted)	115.1	117.8	117.8	118.0	117.2	118.0	118.1	118.3	118.4	118.2
Diluted EPS	**$0.15**	**($0.09)**	**$0.82**	**($0.60)**	**$0.29**	**$0.35**	**($0.04)**	**$1.07**	**($0.62)**	**$0.75**
Adjusted EPS	**$0.55**	**$0.33**	**$1.23**	**($0.21)**	**$1.90**	**$0.75**	**$0.35**	**$1.49**	**($0.23)**	**$2.36**

Source: Company Data, Morgan Stanley Research.

Exhibit 33: ANDG Annual Income Statement ($ in M)

Fiscal Year Ending Dec. 31	2023	2024	2025	2026E	2027E	2028E
Total Revenue	639.1	731.6	838.6	985.9	1,083.7	1,174.2
Annual Growth	18.6%	14.5%	14.6%	17.6%	9.9%	8.3%
Cost of Revenues	399.9	461.8	595.0	564.9	609.9	655.0
Gross Margin	37.4%	36.9%	29.1%	42.7%	43.7%	44.2%
Selling General and Administrative	114.7	131.9	176.9	200.2	216.9	235.1
% of Total Revenue	17.9%	18.0%	21.1%	20.3%	20.0%	20.0%
Non-Recurring Stock-Based Compensation	0.0	0.0	193.2	167.9	169.1	169.1
Total Expenses	514.6	593.7	965.0	933.0	996.0	1059.1
EBITDA	128.8	145.6	(116.8)	66.2	100.4	129.0
EBITDA Margin	20.1%	19.9%	-13.9%	6.7%	9.3%	11.0%
Transaction Costs	0.0	1.6	7.4	5.0	0.0	0.0
Recurring SBC & Other	0.0	0.0	146.7	16.5	21.7	23.5
Adj. EBITDA	**$126.1**	**$142.7**	**$226.3**	**$248.2**	**$282.5**	**$311.6**
Adj. EBITDA Margin	19.7%	19.5%	27.0%	25.2%	26.1%	26.5%
Year-over-Year Growth	0.0%	13.1%	58.6%	9.7%	13.8%	10.3%
- SBC (recurring)	0.0	0.0	(17.1)	(16.5)	(21.7)	(23.5)
MS Std. Adj. EBITDA	**$126.1**	**$142.7**	**$209.2**	**$231.7**	**$260.8**	**$288.2**
Std. Adj. EBITDA Margin	19.7%	19.5%	24.9%	23.5%	24.1%	24.5%
Year-over-Year Growth	0.0%	13.1%	46.6%	10.8%	12.6%	10.5%
Depreciation and Amortization	7.7	8.3	9.0	9.4	9.4	9.4
% of Total Revenue	1.2%	1.1%	1.1%	1.0%	0.9%	0.8%
GAAP Operating Income	116.9	129.5	(135.3)	43.5	78.3	105.7
Operating Margin %	18.3%	17.7%	-16.1%	4.4%	7.2%	9.0%
Interest income	2.7	4.5	4.2	7.3	8.7	9.9
Interest expense	(0.1)	(0.1)	(1.4)	(23.0)	(17.1)	(13.9)
Other non-operating expense (gain)	1.6	3.2	5.4	6.0	4.0	4.0
Pretax Income	120.9	137.2	(127.2)	33.8	73.9	105.7
Income Tax Benefit (Expense)	(2.3)	(2.4)	(3.0)	(0.4)	14.8	(21.1)
Net Income	118.7	134.8	(130.2)	33.4	88.7	84.6
Extraordinary (charges) / gains:		0.0	0.0	0.0	0.0	0.0
Transaction Costs		1.6	7.4	5.0	0.0	0.0
SBC		0.0	339.9	184.3	190.7	192.6
Income Tax Effect		0.0	14.8	(0.1)	0.0	0.0
Adj. Net Income		**136.4**	**231.8**	**222.6**	**279.5**	**277.1**
Avg. Diluted Shares Outstanding (Adjusted)	105.2	105.2	106.6	117.2	118.2	118.6
Diluted EPS	**$1.13**	**$1.28**	**($1.22)**	**$0.29**	**$0.75**	**$0.71**
Adjusted EPS		**$1.30**	**$2.17**	**$1.90**	**$2.36**	**$2.34**

Source: Company Data, Morgan Stanley Research.

Exhibit 34: ANDG Annual Cash Flow Statement ($ in M)

Fiscal Year Ending Dec. 31	2023	2024	2025	2026E	2027E	2028E
Cash Flows From Operations						
Net income (loss) to Common Stockholders	118.7	134.8	(130.2)	33.4	88.7	84.6
Depreciation	7.1	7.6	8.5	8.9	8.9	8.9
Amortization	0.6	0.7	0.5	0.5	0.5	0.5
Non-cash lease expense	11.4	12.9	12.6	7.1	0.0	0.0
Provision for credit losses on accounts receivable	(0.3)	(0.9)	(1.2)	2.6	0.0	0.0
Amortization of discount on held to maturity debt securities	(0.7)	(1.1)	(0.4)	(0.0)	0.0	0.0
Deferred income tax	0.2	(0.1)	(0.5)	(0.1)	0.0	0.0
Provision for credit losses on loans and notes receivable from related p	0.5	3.7	2.7	0.0	0.0	0.0
Equity-based compensation	0.0	0.0	340.5	188.9	190.7	192.6
Other operating activities	0.7	(0.0)	(9.3)	(1.1)	0.0	0.0
Net Changes in Operating Assets and Liabilities						
Accounts receivable	(14.5)	(7.9)	(4.4)	(17.5)	(17.5)	(18.8)
Prepaid expenses and other assets	(2.3)	0.3	(12.7)	(4.5)	8.8	(2.2)
Accounts payable	4.4	6.4	2.2	2.9	1.1	1.2
Accrued payroll and benefits	(1.9)	9.8	12.0	7.0	4.7	4.9
Other current liabilities	2.5	0.2	(16.9)	0.7	0.0	0.0
Deferred revenues	(1.1)	1.3	(3.1)	22.1	0.0	0.0
Operating lease liabilities	(13.5)	(12.3)	(15.4)	(2.1)	0.0	0.0
Other liabilities	6.4	(3.1)	(0.4)	1.7	0.0	0.0
Net Cash provided by Op. Activities	118.1	152.3	184.6	250.3	286.0	271.8
Cash From Investing Activities						
Purchases of held to maturity debt securities	(37.0)	(28.2)	0.0	0.0	0.0	0.0
Proceeds from maturity of held to maturity debt securities .	30.3	23.1	22.8	6.1	0.0	0.0
Issuance of loans and notes receivable from related parties	(4.1)	(6.3)	(2.9)	(0.9)	0.0	0.0
Proceeds from loans and notes receivable from related parties	3.7	2.1	1.8	0.4	0.0	0.0
Payments for purchases of property and equipment	(4.9)	(8.6)	(10.3)	(18.0)	(10.8)	(11.7)
Payments for capitalized internal-use software costs	(0.6)	(0.6)	(0.7)	0.4	0.0	0.0
Net Cash provided by Invest. Activities from Cont. Ops.	(12.6)	(18.5)	10.6	(12.0)	(10.8)	(11.7)
Cash From Financing Activities						
Issuance of common stock	0.0	0.0	188.2	0.0	0.0	0.0
Debt issuance/(repayment)	0.0	0.0	0.0	(91.9)	(67.0)	(67.0)
Deferred consideration payments for business combination	(0.8)	(0.8)	(0.8)	0.0	0.0	0.0
Principal payments under finance lease obligations	(0.1)	(0.1)	(0.1)	(0.0)	0.0	0.0
Payments of deferred offering costs and other	0.0	(0.6)	(8.0)	(1.2)	0.0	0.0
Distributions	(90.3)	(116.1)	(212.2)	(138.1)	(132.3)	(149.1)
Net Cash provided by Financing Activities	(91.2)	(117.6)	(32.9)	(231.3)	(199.3)	(216.1)
Effects Of Exchange Rate On Cash	0.0	0.0	0.0	(0.1)	0.0	0.0
Net increase (decrease) in Cash and Cash Equivalents	14.2	16.3	162.3	7.0	75.9	43.9
Cash and cash equivalents, and restricted cash, beginning of period	57.5	71.7	88.0	250.3	257.3	333.2
Cash and cash equivalents, and restricted cash, end of period	71.7	88.0	250.3	257.3	333.2	377.1

Source: Company Data, Morgan Stanley Research.

Exhibit 35: ANDG Annual Balance Sheet ($ in M)

Fiscal Year Ending Dec. 31	2023	2024	2025	2026E	2027E	2028E
ASSETS						
Current Assets						
Cash and Cash Equivalents	71.7	88.0	250.3	257.3	333.2	377.1
Accounts receivable	109.1	117.8	123.4	144.8	162.2	181.0
Loans and notes receivable from related parties	0.5	0.4	0.5	0.3	0.3	0.3
Investments in held to maturity debt securities, current	18.6	22.5	8.2	2.1	2.1	2.1
Prepaid expenses and other current assets	17.4	17.6	29.7	34.8	26.1	28.2
Total Current Assets	217.3	246.4	412.1	439.3	523.9	588.7
Property and equipment, net	31.8	32.7	35.7	45.3	47.2	50.1
Operating lease right-of-use assets	80.4	76.9	82.1	79.9	79.9	79.9
Intangible assets, net	2.4	2.3	2.5	6.0	5.4	4.9
Investments in held to maturity debt securities	5.8	8.1	0.0	0.0	0.0	0.0
Goodwill	30.1	30.1	32.3	34.6	34.6	34.6
Total Assets	369.5	398.7	565.2	606.0	692.0	759.1
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current Liabilities						
Accounts payable	10.5	16.9	12.0	14.9	16.0	17.2
Accrued payroll and benefits	27.9	37.7	46.3	54.3	59.1	64.0
Deferred revenues	14.3	15.6	12.5	34.9	34.9	34.9
Operating lease liabilities	14.8	17.1	4.0	9.7	9.7	9.7
Other current liabilities	7.1	7.2	58.7	27.5	27.5	27.5
Current Portion of LT Debt	0.0	0.0	62.3	55.4	55.4	55.4
Total Current Liabilities	74.6	94.4	195.8	196.7	202.6	208.7
Operating lease liabilities	96.0	90.9	106.4	103.4	103.4	103.4
Other liabilities	21.4	17.1	3.5	5.4	5.4	5.4
Long-term debt	0.0	0.0	287.7	202.8	135.8	68.8
Total Liabilities	192.0	202.4	593.5	508.3	447.2	386.3
Stockholders' Equity						
Common Stock	6.8	6.8	106.4	6.2	6.2	6.2
Undistributed Earnings	170.7	189.5	(134.7)	91.4	238.6	366.6
Total Stockholders' Equity	177.5	196.2	(28.4)	97.7	244.8	372.8
Total Liabilities & Stockholders' Equity	369.5	398.7	565.1	606.0	692.0	759.1

Source: Company Data, Morgan Stanley Research.

Exhibit 36: ANDG Discounted Cash Flow Valuation

Andersen (USD mm)	Terminal Multiple:	9.8x	WACC:	9%		Terminal Growth:		2%						Terminal
		2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2040E
MS Std. Adj. EBITDA		**126**	**143**	**209**	**232**	**261**	**288**	**317**	**346**	**373**	**403**	**431**	**461**	**592**
Total D&A		8	8	9	9	9	9	9	9	9	9	9	9	24
Operating Profit		**118**	**134**	**200**	**222**	**251**	**279**	**308**	**336**	**364**	**394**	**422**	**452**	**568**
EBIT Growth		*NA*	*13%*	*49%*	*11%*	*13%*	*11%*	*10%*	*9%*	*8%*	*8%*	*7%*	*7%*	
Tax rate		*2%*	*2%*	*26%*	*26%*	*26%*	*26%*	*26%*	*26%*	*26%*	*26%*	*26%*	*26%*	*26%*
=NOPAT		**116**	**132**	**148**	**165**	**186**	**206**	**228**	**249**	**269**	**291**	**312**	**335**	**420**
Gross Cash Flow		**124**	**140**	**157**	**174**	**195**	**216**	**237**	**258**	**279**	**301**	**321**	**344**	**444**
+Changes in working capital		(20)	(5)	(39)	10	(3)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
+Capital expenditures		(5)	(9)	(10)	(18)	(11)	(12)	(13)	(14)	(15)	(16)	(18)	(19)	(24)
= Gross investment		**(25)**	**(14)**	**(49)**	**(8)**	**(14)**	**(27)**	**(28)**	**(29)**	**(30)**	**(31)**	**(32)**	**(34)**	**(39)**
Free cash flow from operations		**99**	**126**	**108**	**166**	**182**	**189**	**209**	**229**	**249**	**269**	**289**	**310**	**405**
FCF growth			28%	-14%	54%	9%	4%	11%	10%	8%	8%	7%	7%	3%
Present value of terminal value					$1,678	$1,822	$1,979	$2,149	$2,334	$2,535	$2,753	$2,990	$3,247	
Present value of cash flows					$3,829	$3,992	$4,154	$4,323	$4,486	$4,642	$4,793	$4,937	$5,072	
-Minority Interest					0	0	0	0	0	0	0	0	0	
-Net Debt					$1	$1	($253)	($462)	($691)	($940)	($1,209)	($1,498)	($1,809)	
+ Preferred Equity					0	0	0	0	0	0	0	0	0	
Implied Market Cap					3,828	3,992	4,407	4,785	5,177	5,582	6,003	6,435	6,881	
Fully-diluted shares					117.2m	118.2m	118.6m	118.6m	118.6m	118.6m	118.6m	118.6m	118.6m	
Implied Value per Share Beginning of Year					**$33**	**$34**	**$37**	**$40**	**$44**	**$47**	**$51**	**$54**	**$58**	
Implied Value per Share, 12-Months					**$36**	**$37**	**$40**	**$44**	**$47**	**$51**	**$55**	**$59**	**$63**	
			Weights:		**16.7%**	**83.3%**								

Weighted Avg (12-mo Forward) **$37**

Source: Company Data, Morgan Stanley Research.

Exhibit 37: ANDG Multiple Analysis

Share Price	EV	MS Std. EV / EBITDA Post SBC	EV / EBITDA	Price / Earnings	Price / FCF	
$70					3x	31.0x
$65					2x	28.8x
$60					1x	26.6x
$54					6x	23.9x
$50					9x	22.1x
$45					8x	19.9x
$40					7x	17.7x
$37					5x	16.4x
$35					6x	15.5x
$30					5x	13.3x
$25					x	11.1x
$23						10.2x

Source: Morgan Stanley Research.

Exhibit 38: Bright Horizons Family Solutions Inc. (BFAM): Quarterly income statement ($ in M)

Fiscal Year Ending December 31	2025	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Full service center-based child care	$ 2,081.1	$540.6	$557.3	$518.6	$518.7	$ 2,135.2	$551.4	$571.2	$539.3	$539.4	$ 2,201.4
Annual Growth	6.1%	5.9%	3.2%	0.6%	0.8%	2.6%	2.0%	2.5%	4.0%	4.0%	3.1%
Back-up dependent care	728.0	144.7	193.6	288.8	203.5	830.6	160.6	214.9	320.6	225.9	922.0
Annual Growth	19.3%	12.5%	19.0%	14.0%	11.0%	14.1%	11.0%	11.0%	11.0%	11.0%	11.0%
Educational advisory services	124.5	26.9	28.3	34.1	36.3	125.6	28.0	28.5	34.5	37.3	128.4
Annual Growth	9.1%	2.1%	-1.2%	0.5%	2.0%	0.9%	4.1%	0.8%	1.3%	2.8%	2.2%
Total Revenue	**$2,933.6**	**$712.2**	**$779.2**	**$841.5**	**$758.4**	**$3,091.4**	**$740.0**	**$814.6**	**$894.5**	**$802.6**	**$3,251.7**
Annual Growth	9.2%	7.0%	6.5%	4.8%	3.4%	5.4%	3.9%	4.6%	6.3%	5.8%	5.2%
Organic C/C	8.4%	4.3%	5.3%	5.0%	3.5%	4.6%	3.9%	4.6%	6.3%	5.8%	5.2%
Total Expenses	$2,612.8	$646.1	$698.2	$712.9	$659.1	$2,716.3	$668.3	$705.9	$749.1	$692.3	$2,815.6
EBITDA	$408.1	$88.2	$104.4	$152.7	$121.8	$467.1	$95.4	$134.0	$171.9	$137.0	$538.4
EBITDA Margin	13.9%	12.4%	13.4%	18.1%	16.1%	15.1%	12.9%	16.5%	19.2%	17.1%	16.6%
Year-over-Year Growth	18.4%	4.8%	-4.0%	5.4%	73.4%	14.5%	8.2%	28.4%	12.6%	12.5%	15.3%
Special items (Deferred Rent & SBC)	34.3	7.4	26.2	7.9	8.4	49.9	7.7	7.4	8.4	8.9	32.3
Special items (Transaction costs & Credit Agreement amendment)	45.1	-	-	-	-	-	-	-	-	-	-
Adj. EBITDA	$487.4	$95.6	$130.6	$160.6	$130.2	$516.9	$103.1	$141.4	$180.3	$145.9	$570.7
Adj. EBITDA Margin	16.6%	13.4%	16.8%	19.1%	17.2%	16.7%	13.9%	17.4%	20.2%	18.2%	17.6%
Year-over-Year Growth	19.1%	3.6%	12.9%	2.9%	5.4%	6.1%	7.9%	8.3%	12.3%	12.0%	10.4%
Margin Expansion (bps)	*138*	*(45)*	*95*	*(36)*	*34*	*11*	*51*	*60*	*107*	*101*	*83*
Depreciation and Amortization	***$93.4***	***$23.2***	***$24.6***	***$25.2***	***$25.6***	***$98.6***	***$24.9***	***$26.5***	***$27.7***	***$27.9***	***$106.9***
% of Total Revenue	3.2%	3.3%	3.2%	3.0%	3.4%	3.2%	3.4%	3.3%	3.1%	3.5%	3.3%
Income from Operations	$314.7	$64.9	$79.8	$127.5	$96.2	$368.5	$70.5	$107.5	$144.2	$109.1	$431.4
Operating Margin	10.7%	9.1%	10.2%	15.2%	12.7%	11.9%	9.5%	13.2%	16.1%	13.6%	13.3%
Annual Growth	27.6%	4.3%	-7.2%	5.5%	111.5%	17.1%	8.6%	34.7%	13.1%	13.4%	17.1%
Adjusted Income from Operations	$359.8	$64.9	$79.8	$127.5	$96.2	$368.5	$70.5	$107.5	$144.2	$109.1	$431.4
Operating Margin	12.3%	9.1%	10.2%	15.2%	12.7%	11.9%	9.5%	13.2%	16.1%	13.6%	13.3%
Annual Growth	29.5%	4.3%	-7.2%	5.5%	6.2%	2.4%	8.6%	34.7%	13.1%	13.4%	17.1%
Interest Expense, net	($44.8)	($12.0)	($14.0)	($16.8)	($16.7)	($59.5)	($16.7)	($16.6)	($16.6)	($16.6)	($66.5)
Other Income/Expense	-	-	-	-	-	-	-	-	-	-	-
Pretax Income	$269.9	$52.9	$65.8	$110.7	$79.5	$309.0	$53.8	$90.9	$127.6	$92.6	$365.0
Tax rate	28.5%	35.6%	38.2%	28.5%	28.5%	31.8%	28.5%	28.5%	28.5%	28.5%	28.5%
Income Tax Benefit (Expense)-Reported	(76.8)	(18.8)	(25.2)	(31.6)	(22.7)	(98.2)	(15.3)	(25.9)	(36.4)	(26.4)	(104.0)
Consolidated net income	193.1	34.1	40.6	79.2	56.8	210.8	38.5	65.0	91.3	66.2	260.9
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
Consolidated net income attributable to BFAM	**$193.1**	**$34.1**	**$40.6**	**$79.2**	**$56.8**	**$210.8**	**$38.5**	**$65.0**	**$91.3**	**$66.2**	**$260.9**
Earnings allocated to unvested participating shares	-	-	-	-	-	-	-	-	-	-	-
Adjusted earnings allocated to unvested participating shares	-	-	-	-	-	-	-	-	-	-	-
Accretion of Class L preference & Class L preference for vested opt	-	-	-	-	-	-	-	-	-	-	-
Net Income allocated to common stock	**$193.1**	**$34.1**	**$40.6**	**$79.2**	**$56.8**	**$210.8**	**$38.5**	**$65.0**	**$91.3**	**$66.2**	**$260.9**
Extraordinary items	88.3	8.6	27.3	9.0	11.5	56.4	8.9	8.5	9.6	10.0	37.0
Adjusted Net Income	**$261.5**	**$44.6**	**$66.3**	**$85.6**	**$65.0**	**$261.6**	**$44.9**	**$71.1**	**$98.1**	**$73.4**	**$287.4**
Basic Shares Outstanding	55.1	52.9	50.5	49.9	49.2	49.2	48.5	47.9	47.3	46.7	46.7
Average Basic Shares Outstanding	56.9	54.3	51.5	50.2	49.5	51.4	48.9	48.2	47.6	47.0	47.9
Average Diluted Shares Outstanding - Adjusted	57.4	54.7	51.8	50.4	49.7	51.7	49.1	48.4	47.8	47.2	48.1
Average Diluted Shares Outstanding	57.4	54.7	51.8	50.4	49.7	51.7	49.1	48.4	47.8	47.2	48.1
EPS to Common Stockholders	$3.36	$0.62	$0.79	$1.57	$1.14	$4.08	$0.78	$1.34	$1.91	$1.40	$5.42
Adj. Cash EPS	**$4.55**	**$0.82**	**$1.28**	**$1.70**	**$1.31**	**$5.07**	**$0.91**	**$1.47**	**$2.05**	**$1.56**	**$5.97**
Y/Y Growth	31.0%	5.7%	20.3%	8.1%	13.8%	11.3%	12.1%	14.6%	20.8%	18.9%	17.9%

Source: Company data, Morgan Stanley Research estimates

Exhibit 39: Bright Horizons Family Solutions Inc. (BFAM): Annual income statement ($ in M)

Fiscal Year Ending December 31	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Full service center-based child care	$1,457.8	$1,586.3	$1,684.0	$1,032.3	$1,297.2	$1,493.8	$1,780.6	$1,961.8	$2,081.1	$2,135.2	$2,201.4	$2,311.5
Annual Growth	10.3%	8.8%	6.2%	-38.7%	25.7%	15.2%	19.2%	10.2%	6.1%	2.6%	3.1%	5.0%
Back-up dependent care	$224.3	$245.5	$296.3	$388.3	$351.1	$409.6	$525.9	$610.1	$728.0	$830.6	$922.0	$1,014.2
Annual Growth	12.1%	9.5%	20.7%	31.0%	-9.6%	16.6%	28.4%	16.0%	19.3%	14.1%	11.0%	10.0%
Educational advisory services	$58.9	$71.4	$81.7	$94.5	$107.0	$117.2	$111.7	$114.1	$124.5	$125.6	$128.4	$131.5
Annual Growth	22.6%	21.2%	14.5%	15.7%	13.2%	9.5%	-4.6%	2.1%	9.1%	0.9%	2.2%	2.5%
Total Revenue	**$1,740.9**	**$1,903.2**	**$2,062.0**	**$1,515.1**	**$1,755.3**	**$2,020.5**	**$2,418.3**	**$2,686.0**	**$2,933.6**	**$3,091.4**	**$3,251.7**	**$3,457.2**
Annual Growth	10.9%	9.3%	8.3%	-26.5%	15.9%	15.1%	19.7%	11.1%	9.2%	5.4%	5.2%	6.3%
Organic C/C			7.5%	-26.9%	15.9%	14.8%	15.3%	10.2%	8.4%	4.6%	5.2%	6.3%
Total Expenses	$1,502.9	$1,631.5	$1,760.6	$1,430.1	$1,597.1	$1,831.0	$2,213.6	$2,421.1	$2,612.8	$2,716.3	$2,815.6	$2,984.7
EBITDA	$300.2	$340.0	$376.1	$165.0	$237.8	$263.7	$281.9	$344.5	$408.1	$467.1	$538.4	$587.0
EBITDA Margin	17.2%	17.9%	18.2%	10.9%	13.6%	13.1%	11.7%	12.8%	13.9%	15.1%	16.6%	17.0%
Year-over-Year Growth	6.3%	13.3%	10.6%	-56.1%	44.2%	10.9%	6.9%	22.2%	18.4%	14.5%	15.3%	9.0%
Special items (Deferred Rent & SBC)	16.4	15.1	18.1	21.0	23.1	28.1	28.8	33.6	34.3	49.9	32.3	34.4
Special items (Transaction costs & Credit Agreement amer	7.0	1.9	0.6	38.4	11.2	25.2	41.4	31.1	45.1	-	-	-
Adj. EBITDA	$323.6	$357.1	$394.9	$224.4	$272.1	$317.0	$352.1	$409.3	$487.4	$516.9	$570.7	$621.3
Adj. EBITDA Margin	18.6%	18.8%	19.1%	14.8%	15.5%	15.7%	14.6%	15.2%	16.6%	16.7%	17.6%	18.0%
Year-over-Year Growth	8.1%	10.4%	10.6%	-43.2%	21.2%	16.5%	11.1%	16.2%	19.1%	6.1%	10.4%	8.9%
Margin Expansion (bps)	(47)	18	39	(434)	69	19	(113)	68	138	11	83	42
Depreciation and Amortization	***$94.8***	***$100.9***	***$108.3***	***$111.7***	***$108.8***	***$106.1***	***$110.7***	***$97.9***	***$93.4***	***$98.6***	***$106.9***	***$117.1***
% of Total Revenue	5.4%	5.3%	5.3%	7.4%	6.2%	5.3%	4.6%	3.6%	3.2%	3.2%	3.3%	3.4%
Income from Operations	$205.4	$239.1	$267.8	$53.3	$129.0	$157.6	$171.2	$246.6	$314.7	$368.5	$431.4	$469.8
Operating Margin	11.8%	12.6%	13.0%	3.5%	7.4%	7.8%	7.1%	9.2%	10.7%	11.9%	13.3%	13.6%
Annual Growth	4.2%	16.4%	12.0%	-80.1%	141.9%	22.1%	8.7%	44.0%	27.6%	17.1%	17.1%	8.9%
Adjusted Income from Operations	$212.4	$241.0	$268.4	$91.7	$140.2	$182.7	$212.6	$277.8	$359.8	$368.5	$431.4	$469.8
Operating Margin	12.2%	12.7%	13.0%	6.1%	8.0%	9.0%	8.8%	10.3%	12.3%	11.9%	13.3%	13.6%
Annual Growth	6.3%	13.5%	11.4%	-65.8%	52.8%	30.4%	16.3%	30.6%	29.5%	2.4%	17.1%	8.9%
Interest Expense, net	($44.0)	($47.5)	($45.2)	($37.7)	($36.1)	($39.5)	($51.6)	($48.8)	($44.8)	($59.5)	($66.5)	($65.8)
Other Income/Expense	-	-	-	-	-	(5.9)	-	-	-	-	-	-
Pretax Income	$161.4	$191.6	$222.7	$15.7	$92.9	$112.2	$119.6	$197.9	$269.9	$309.0	$365.0	$404.1
Tax rate	2.7%	17.5%	19.0%	-72.5%	21.4%	28.1%	38.0%	29.1%	28.5%	31.8%	28.5%	28.5%
Income Tax Benefit (Expense)-Reported	(4.4)	(33.6)	(42.3)	11.3	(19.9)	(31.5)	(45.4)	(57.7)	(76.8)	(98.2)	(104.0)	(115.2)
Consolidated net income	157.0	158.0	180.4	27.0	73.0	80.6	74.2	140.2	193.1	210.8	260.9	288.9
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated net income attributable to BFAM	**$157.0**	**$158.0**	**$180.4**	**$27.0**	**$73.0**	**$80.6**	**$74.2**	**$140.2**	**$193.1**	**$210.8**	**$260.9**	**$288.9**
Earnings allocated to unvested participating shares	(1.0)	(0.9)	(0.8)	-	-	-	-	-	-	-	-	-
Adjusted earnings allocated to unvested participating shares	0.0	0.0	-	-	-	-	-	-	-	-	-	-
Accretion of Class L preference & Class L preference for ve	-	-	-	-	-	-	-	-	-	-	-	-
Net Income allocated to common stock	**$156.0**	**$157.1**	**$179.6**	**$27.0**	**$73.0**	**$80.6**	**$74.2**	**$140.2**	**$193.1**	**$210.8**	**$260.9**	**$288.9**
Extraordinary items	51.6	48.3	51.5	91.1	63.4	94.1	106.6	83.1	88.3	56.4	37.0	37.0
Adjusted Net Income	**$162.2**	**$189.5**	**$216.6**	**$93.5**	**$121.4**	**$152.4**	**$164.3**	**$203.2**	**$261.5**	**$261.6**	**$287.4**	**$315.4**
Basic Shares Outstanding	58.0	57.5	57.9	60.5	59.9	57.5	57.8	57.4	55.1	49.2	46.7	44.4
Average Basic Shares Outstanding	58.9	57.8	57.8	59.5	60.4	58.3	57.7	57.9	56.9	51.4	47.9	45.5
Average Diluted Shares Outstanding - Adjusted	60.3	59.0	58.9	60.1	60.9	58.5	57.9	58.5	57.4	51.7	48.1	45.7
Average Diluted Shares Outstanding	60.3	59.0	58.9	60.1	61.0	58.5	57.9	58.5	57.4	51.7	48.1	45.7
EPS to Common Stockholders	$2.59	$2.66	$3.05	$0.45	$1.20	$1.38	$1.28	$2.40	$3.36	$4.08	$5.42	$6.32
Adj. Cash EPS	**$2.69**	**$3.21**	**$3.67**	**$1.56**	**$1.99**	**$2.61**	**$2.84**	**$3.47**	**$4.55**	**$5.07**	**$5.97**	**$6.90**
Y/Y Growth	24.7%	19.4%	14.4%	-57.7%	28.2%	30.6%	8.8%	22.5%	31.0%	11.3%	17.9%	15.5%

Source: Company data, Morgan Stanley Research estimates

Exhibit 40: Bright Horizons Family Solutions Inc. (BFAM): Annual cash flow statement ($ in M)

Fiscal Year Ending December 31	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Cash Flows From Operations												
Net income	$157.0	$158.0	$180.4	$27.0	$73.0	$80.6	$74.2	$140.2	$193.1	$210.8	$260.9	$288.9
Depreciation and amortization	94.8	100.9	108.3	111.7	108.8	106.1	110.7	97.9	93.4	98.6	106.9	117.1
Amortization of original issue discount and deferred financ	1.8	1.9	1.9	-	-	-	-	-	-	-	-	-
Loss (gain) on foreign currency transactions and other	1.8	0.1	0.2	28.4	10.6	20.0	35.9	-	-	-	-	-
Loss on disposal of fixed assets	2.8	0.5	(2.3)	-	-	-	-	-	-	-	-	-
Stock-based compensation expense	12.1	13.8	17.3	21.0	23.1	28.1	28.8	33.6	30.6	30.7	32.3	34.4
Deferred income taxes	(37.6)	(5.5)	(11.3)	(12.3)	(5.0)	(9.6)	(11.7)	(9.9)	(2.3)	8.1	-	-
Deferred rent	4.3	1.3	-	-	-	-	-	-	-	-	-	-
Non-cash revenue and other	-	-	(0.4)	3.4	9.7	3.4	12.5	41.4	50.7	22.9	-	-
Changes in assets and liabilities, excluding effects of acquisi										-	-	-
Accounts receivable	($18.7)	($14.5)	($15.7)	($27.5)	$5.0	($4.9)	($64.5)	($1.0)	($8.8)	($10.1)	($17.7)	($20.3)
Prepaid expenses and other current assets	(3.5)	2.8	1.8	(10.7)	(1.8)	(6.1)	(11.3)	2.7	(2.0)	12.5	(4.2)	(4.8)
Income taxes	11.2	(3.3)	5.0	(4.2)	(19.9)	(8.4)	3.5	(7.3)	5.1	(14.5)	-	-
Accounts payable and accrued expenses	5.9	15.9	9.0	23.0	33.3	20.0	26.0	30.6	(1.7)	(33.4)	(17.4)	(9.6)
Deferred revenue	9.3	12.1	23.0	3.7	19.2	(37.9)	48.4	40.2	20.3	11.1	11.9	13.8
Accrued rent and related obligations	1.7	4.5	11.8	20.4	(2.1)	(0.9)	(2.1)	(16.6)	(11.4)	(11.7)	-	-
Other assets	(0.4)	0.1	(0.9)	3.2	3.1	11.1	(5.4)	(9.0)	(17.8)	(3.4)	-	-
Other current and long-term liabilities	5.7	6.1	2.3	22.5	(29.7)	(13.0)	11.1	(5.3)	1.5	15.8	-	-
Net cash provided by operating activities	$248.2	$294.7	$330.4	$209.6	$227.3	$188.5	$256.1	$337.5	$350.7	$337.2	$372.8	$419.5
Cash From Investing Activities												
Capital expenditures	($88.1)	($92.5)	($111.8)	($72.8)	($57.7)	($60.0)	($90.8)	($95.3)	($91.3)	($105.0)	($110.7)	($117.7)
Proceeds from the disposal of fixed assets	4.3	1.8	7.1	23.0	24.1	23.4	19.5	38.4	(19.7)	8.9	-	-
Purchase of long-term investments	-	(0.8)	(30.9)	(25.7)	(29.9)	(25.1)	(16.1)	(52.6)	14.0	(9.2)	-	-
Payments and settlements for acquisitions—net of cash ac	(21.5)	(67.1)	(53.4)	(8.3)	(53.9)	(216.3)	(39.6)	(8.3)	(6.8)	-	-	-
Net Cash provided by Investing Activities	($105.3)	($158.5)	($189.1)	($83.8)	($117.4)	($278.0)	($126.9)	($117.8)	($103.8)	($105.4)	($110.7)	($117.7)
Cash From Financing Activities												
Borrowings/Repayments under revolving credit facility	51.1	(8.9)	(117.9)	-	-	84.0	(84.0)	-	499.4	(31.1)	-	-
Principal payments of long-term debt	(8.1)	(10.8)	(10.8)	(10.8)	(8.1)	(16.0)	(16.0)	(17.0)	(501.0)	573.7	(12.0)	(12.0)
Payments for debt issuance costs	(1.7)	(0.3)	-	(2.8)	(2.1)	-	-	-	(3.0)	(0.3)	-	-
Borrowings/Extinguishment of long-term debt	-	-	-	-	(34.3)	-	-	-	-	-	-	-
Purchase of treasury stock	(162.2)	(126.7)	(31.6)	(32.7)	(213.8)	(182.6)	-	(84.6)	(225.4)	(571.5)	(200.0)	(200.0)
Taxes paid related to the net share settlement of stock opti	(29.8)	(7.5)	(11.3)	(12.2)	(8.7)	(6.1)	(2.6)	(5.4)	12.1	(7.8)	-	-
Proceeds from issuance of common stock upon exercise o	22.6	18.5	26.6	38.8	37.5	13.2	11.2	27.0	(15.5)	-	-	-
Proceeds from issuance of restricted stock	4.4	4.5	-	-	-	-	-	-	-	-	-	-
Tax benefits from stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-
Payments of contingent consideration for acquisitions	(0.2)	(3.0)	(4.2)	(1.2)	(0.6)	(13.9)	(0.2)	(103.9)	-	-	-	-
Others	-	-	-	249.8	-	-	-	-	-	-	-	-
Net Cash provided by Financing Activities	($123.9)	($134.2)	($149.1)	$229.0	($230.0)	($121.3)	($91.6)	($183.8)	($233.4)	($37.1)	($212.0)	($212.0)
Effects Of Exchange Rate On Cash	1.5	(0.1)	0.6	2.5	(3.0)	(2.7)	(0.0)	(1.6)	5.9	(1.7)	-	-
Restatement	(11.9)	(9.7)	19.7	(0.8)	(0.2)	(11.1)	15.7	-	-	-	-	-
Net increase (decrease) in Cash and Cash Equivalents	8.6	(7.8)	12.4	356.5	(123.4)	(224.8)	53.2	34.3	19.4	193.1	50.1	89.8
Cash & Equivalents - Beginning	14.6	23.2	15.4	27.9	384.3	261.0	36.2	89.5	123.7	143.2	336.2	386.4
Cash & Equivalents - End	$23.2	$15.4	$27.9	$384.3	$261.0	$36.2	$89.5	$123.7	$143.2	$336.2	$386.4	$476.2
Check	-	-	-	-	-	-	-	-	-	-	-	-

Source: Company data, Morgan Stanley Research estimates

Exhibit 41: Bright Horizons Family Solutions Inc. (BFAM): Annual balance sheet ($ in M)

Fiscal Year Ending December 31	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
ASSETS												
Current Assets												
Cash and Cash Equivalents	$23.2	$15.5	$27.9	$384.3	$261.0	$36.2	$71.6	$110.3	$140.1	$332.1	$382.3	$472.1
Restricted Cash					-	-	17.9	13.4	3.1	4.1	4.1	4.1
Accounts receivable	117.1	131.2	148.9	176.6	211.0	217.2	281.7	283.3	294.0	303.9	321.6	341.9
Prepaid expenses and other current assets	52.1	47.3	52.2	63.2	68.3	94.3	75.7	89.0	66.8	72.1	76.3	81.1
Current deferred income taxes, other	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	192.5	193.9	228.9	624.2	540.3	347.7	446.9	496.0	504.0	712.2	784.3	899.2
Property and Equipment, Net	$575.2	$597.1	$636.2	$628.8	$598.1	$571.5	$579.3	$572.9	$574.2	$579.1	$587.6	$590.8
Goodwill	$1,306.8	$1,347.6	$1,412.9	$1,432.0	$1,481.7	$1,727.9	$1,786.4	$1,762.7	$1,824.2	$1,818.9	$1,818.9	$1,818.9
Other intangibles—net	348.5	323.0	304.7	274.6	251.0	245.6	216.6	197.6	193.5	187.1	182.4	179.7
Deferred income taxes	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	45.7	62.6	747.8	767.1	768.9	906.3	867.0	821.1	793.8	755.0	755.0	755.0
Total Assets	**$2,468.6**	**$2,524.3**	**$3,330.4**	**$3,726.6**	**$3,640.0**	**$3,798.9**	**$3,896.1**	**$3,850.3**	**$3,889.6**	**$4,052.4**	**$4,128.2**	**$4,243.6**
LIABILITIES AND STOCKHOLDERS' EQUITY										-	-	-
Current Liabilities										-	-	-
Current portion of long-term debt	$10.8	$10.8	$10.8	$10.8	$16.0	$16.0	$18.5	$28.5	$0.0	$9.4	$9.4	$9.4
Borrowings under revolving credit facility	127.1	118.2	-	-	-	84.0	-	-	199.6	206.0	206.0	206.0
Accounts payable and accrued expenses	132.9	154.2	167.1	194.6	197.4	230.6	259.1	304.5	292.8	266.4	249.0	239.4
Deferred revenue	155.7	170.4	191.1	238.3	321.5	223.0	272.9	305.1	330.6	341.8	353.7	367.5
Other current liabilities	34.2	30.2	114.4	87.2	87.3	232.7	249.0	141.3	143.2	158.3	158.3	158.3
Total Current Liabilities	$460.7	$483.8	$483.3	$530.8	$622.2	$786.3	$799.4	$779.4	$966.2	$981.8	$976.3	$980.5
Long-Term Debt	1,046.0	1,036.9	1,028.0	1,020.1	976.4	961.6	944.3	918.4	747.6	1,272.0	1,260.0	1,248.0
Deferred rent and related obligations	66.5	71.8	685.9	729.8	703.9	810.4	796.7	743.6	702.8	657.0	657.0	657.0
Other long-term liabilities	64.2	75.4	92.9	116.2	109.8	109.4	109.9	110.2	118.8	122.1	122.1	122.1
Deferred revenue	8.2	5.7	10.1	-	-	-	-	-	-	-	-	-
Deferred income taxes	74.1	71.3	58.9	46.0	48.5	50.7	33.2	20.3	14.9	23.7	23.7	23.7
Total Liabilities	**$1,719.6**	**$1,744.8**	**$2,359.2**	**$2,442.9**	**$2,460.8**	**$2,718.4**	**$2,683.5**	**$2,571.9**	**$2,550.3**	**$3,056.6**	**$3,039.1**	**$3,031.3**
Stockholders' Equity										-	-	-
Common stock	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
Additional paid-in capital	747.2	648.7	648.0	910.3	845.9	598.9	645.9	622.6	425.0	(83.7)	(251.4)	(417.1)
Accumulated other comprehensive loss	(33.3)	(62.4)	(50.3)	(27.1)	(23.7)	(130.5)	(59.1)	(110.3)	(44.9)	(44.2)	(44.2)	(44.2)
Retained earnings	35.1	193.1	373.5	400.5	357.0	611.9	625.8	766.0	959.1	1,123.7	1,384.6	1,673.5
Total shareholders' equity	$749.1	$779.5	$971.3	$1,283.8	$1,179.3	$1,080.5	$1,212.7	$1,278.4	$1,339.3	$995.8	$1,089.1	$1,212.3
Noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-	-
Total Stockholders' Equity	**749.1**	**779.5**	**971.3**	**1,283.8**	**1,179.3**	**1,080.5**	**1,212.7**	**1,278.4**	**1,339.3**	**995.8**	**1,089.1**	**1,212.3**
Total Liabilities & Stockholders' Equity	**$2,468.6**	**$2,524.3**	**$3,330.4**	**$3,726.6**	**$3,640.0**	**$3,798.9**	**$3,896.1**	**$3,850.3**	**$3,889.6**	**$4,052.4**	**$4,128.2**	**$4,243.6**
Out-of-Balance	-	-	-	-	-	-	-	-	-	-	-	-

Source: Company data, Morgan Stanley Research estimates

Exhibit 42: Bright Horizons Family Solutions Inc. (BFAM): Discounted cash flow valuation

Bright Horizons Family Solutions, Inc. (USD mm)	**Terminal Multiple:**		**6.5x**		**WACC:**	**9.3%**		**Terminal Growth:**		**1.0%**	
	2021	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2040E**
Operating profit	**$129**	**$158**	**$171**	**$247**	**$315**	**$368**	**$431**	**$470**	**$506**	**$511**	**$564**
Tax rate	*21%*	*28%*	*38%*	*29%*	*28%*	*32%*	*29%*	*29%*	*29%*	*29%*	*29%*
=NOPAT	**101**	**113**	**106**	**175**	**225**	**251**	**308**	**336**	**361**	**365**	**403**
+Depreciation & amortization	109	106	111	98	93	99	107	117	128	129	139
Gross Cash Flow	**210**	**219**	**217**	**273**	**319**	**350**	**415**	**453**	**490**	**494**	**543**
+Changes in working capital	7	(40)	6	34	(15)	(34)	(27)	(21)	(24)	(24)	(24)
+Capital expenditures, asset purchases	(58)	(60)	(91)	(95)	(91)	(105)	(111)	(118)	(125)	(126)	(139)
= Gross investment	**(51)**	**(100)**	**(85)**	**(61)**	**(106)**	**(139)**	**(138)**	**(139)**	**(149)**	**(150)**	**(164)**
Free Cash Flow	**160**	**119**	**132**	**212**	**212**	**211**	**277**	**314**	**340**	**344**	**379**
FCF growth		-25%	11%	61%	0%	-1%	31%	13%	8%	1%	0%
Present value of cash flows						$3,799	$3,942	$4,032	$4,094	$4,135	$4,555
-Minority Interest						0	0	0	0	0	0
+ Net Debt						608	949	887	785	655	887
Implied Market Cap						3,191	2,993	3,145	3,308	3,480	3,668
Fully-diluted shares						57m	52m	48m	46m	44m	44m
Implied Value per Share Beginning of Year						$56	$58	$65	$72	$80	$84
Implied Value per Share in 12-Months						**$61**	**$64**	**$72**	**$80**	**$88**	**$93**
					Weights	17%	83%				
						Weighted Avg	**$64**				

Source: Company data, Morgan Stanley Research estimates

Exhibit 43: Bright Horizons Family Solutions Inc. (BFAM): Multiple analysis

Share Price	Market Cap	EV	EV / Adj. EBITDA		P/E - GAAP		Adj. P/E		P/FCF	
			2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
$119	$6,159	$7,279	14.1x	12.8x	29.2x	21.9x	23.5x	19.9x	26.5x	23.5x
$104	$5,383	$6,502	12.6x	11.4x	25.5x	19.2x	20.5x	17.4x	23.2x	20.5x
$94	$4,865	$5,985	11.6x	10.5x	23.0x	17.3x	18.6x	15.7x	21.0x	18.6x
$84	$4,348	$5,467	10.6x	9.6x	20.6x	15.5x	16.6x	14.1x	18.7x	16.6x
$74	$3,830	$4,950	9.6x	8.7x	18.1x	13.6x	14.6x	12.4x	16.5x	14.6x
$64	$3,312	$4,432	8.6x	7.8x	15.7x	11.8x	12.6x	10.7x	14.3x	12.6x
$59	$3,054	$4,173	8.1x	7.3x	14.5x	10.9x	11.6x	9.9x	13.2x	11.6x
$54	$2,795	$3,914	7.6x	6.9x	13.2x	10.0x	10.7x	9.0x	12.0x	10.7x
$49	$2,536	$3,656	7.1x	6.4x	12.0x	9.0x	9.7x	8.2x	10.9x	9.7x
$44	$2,277	$3,397	6.6x	6.0x	10.8x	8.1x	8.7x	7.4x	9.8x	8.7x
$40	$2,070	$3,190	6.2x	5.6x	9.8x	7.4x	7.9x	6.7x	8.9x	7.9x

Source: Company data, Morgan Stanley Research estimates

Exhibit 44: BrightView Holdings Inc. (BV): Quarterly Income Statement ($ in M)

	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26E	2026E
Revenues											
Maintenance Services	**$1,964.0**	**$409.3**	**$492.8**	**$508.8**	**$480.4**	**$1,891.3**	**$436.4**	**$554.6**	**$517.9**	**$494.8**	**$2,003.7**
YoY Growth	(5.0%)	-7.5%	-3.5%	-3.0%	-1.3%	(3.7%)	6.6%	12.5%	1.8%	3.0%	5.9%
Development Services	**$808.9**	**$191.8**	**$171.9**	**$201.3**	**$224.1**	**$789.1**	**$179.2**	**$149.6**	**$201.9**	**$224.1**	**$754.8**
YoY Growth	6.7%	3.5%	4.6%	-6.4%	-8.2%	(2.4%)	-6.6%	-13.0%	0.3%	0.0%	(4.3%)
Eliminations	**(5.8)**	**($1.9)**	**($2.1)**	**($1.8)**	**($1.7)**	**(7.5)**	**($0.9)**	**($1.3)**	**($2.2)**	**($2.0)**	**(6.4)**
Total Revenue	**$2,767.1**	**$599.2**	**$662.6**	**$708.3**	**$702.8**	**$2,672.9**	**$614.7**	**$702.9**	**$717.6**	**$716.9**	**$2,752.1**
YoY Growth	-1.7%	-4.4%	-1.5%	-4.1%	-3.6%	-3.4%	2.6%	6.1%	1.3%	2.0%	3.0%
Organic YoY Growth	*-0.1%*	*-1.2%*	*-0.3%*	*-4.1%*	*-3.6%*	*-2.4%*	*2.6%*	*6.1%*	*1.3%*	*2.0%*	*3.0%*
Cost Of Services	2,121.6	472.4	515.1	537.4	526.3	2,051.2	500.4	565.2	565.7	535.8	2,167.1
Gross Margin	23.3%	21.2%	22.3%	24.1%	25.1%	23.3%	18.6%	19.6%	21.2%	25.3%	21.3%
Selling General and Administrative	496.5	119.3	118.1	106.2	114.3	457.9	115.2	116.3	114.5	118.3	464.3
% of Total Revenue	17.9%	19.9%	17.8%	15.0%	16.3%	17.1%	18.7%	16.5%	16.0%	16.5%	16.9%
Total Expenses (ex. Amortization)	**$2,618.1**	**$591.7**	**$633.2**	**$643.6**	**$640.6**	**$2,509.1**	**$615.6**	**$681.5**	**$680.2**	**$654.1**	**$2,631.4**
EBITDA	$257.4	$37.9	$61.3	$103.6	$103.2	$306.0	$42.0	$68.8	$84.1	$109.4	$304.3
EBITDA Margin	9.3%	6.3%	9.3%	14.6%	14.7%	11.4%	6.8%	9.8%	11.7%	15.3%	11.1%
Year-over-Year Growth	2.7%	28.5%	15.4%	21.0%	15.7%	18.9%	10.8%	12.2%	-18.8%	6.0%	-0.5%
Total Adjustments	67.2	14.2	12.3	9.6	10.3	46.4	11.5	10.3	12.0	5.0	38.8
Adj. EBITDA	**$324.6**	**$52.1**	**$73.6**	**$113.2**	**$113.5**	**$352.4**	**$53.5**	**$79.1**	**$96.1**	**$114.4**	**$343.1**
Adj. EBITDA Margin %	11.7%	8.7%	11.1%	16.0%	16.1%	13.2%	8.7%	11.3%	13.4%	16.0%	12.5%
Margin expansion/contraction	112 bps	124 bps	148 bps	138 bps	171 bps	145 bps	1 bps	15 bps	-259 bps	-19 bps	-72 bps
Year-over-Year Growth	8.6%	11.6%	13.6%	4.9%	7.9%	8.6%	2.7%	7.5%	-15.1%	0.8%	-2.6%
Depreciation and Amortization	$144.2	$38.5	$39.0	$46.0	$48.0	$171.5	$49.1	$52.7	$51.8	$51.8	$205.4
D&A % of Total Revenue	5.2%	6.4%	5.9%	6.5%	5.1%	6.4%	8.0%	7.5%	7.2%	7.2%	7.5%
(Gain) Loss on divestiture	(43.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GAAP Operating Income	**$156.9**	**($0.6)**	**$22.3**	**$57.6**	**$55.2**	**$134.5**	**($7.1)**	**$16.1**	**$32.3**	**$57.7**	**$99.0**
Operating Margin %	5.7%	-0.1%	3.4%	8.1%	7.9%	5.0%	-1.2%	2.3%	4.5%	8.0%	3.6%
Other Income (Expense)	2.1	0.2	(0.8)	0.7	0.5	0.6	0.2	(0.1)	(9.0)	0.0	(8.9)
Interest expense, net	(62.5)	(14.2)	(12.8)	(13.4)	(13.4)	(53.8)	(13.5)	(13.7)	(14.9)	(15.0)	(57.1)
Pretax Income	$96.5	($14.6)	$8.7	$44.9	$42.3	$81.3	($20.4)	$2.3	$8.4	$42.7	$33.0
Income Tax Benefit (Expense)	(40.8)	(1.9)	(7.4)	(15.4)	(18.5)	(43.2)	0.7	(4.7)	(9.1)	(14.8)	(27.9)
Effective Tax Rate	*31.2%*	*28.8%*	*26.4%*	*28.1%*	*34.5%*	*31.1%*	*25.5%*	*26.1%*	*27.4%*	*28.0%*	*29.3%*
Net Income - GAAP	$66.4	($10.4)	$6.4	$32.3	$27.7	$56.0	($15.2)	$1.7	$6.1	$30.7	$23.3
Dividends on Series A convertible preferred shares	35.7	9.0	8.8	8.9	9.0	35.7	9.0	8.8	8.9	8.9	35.6
Net income (loss) attributable to common stockholders	**$30.7**	**($19.4)**	**($2.4)**	**$23.4**	**$18.7**	**$20.3**	**($24.2)**	**($7.1)**	**($2.8)**	**$21.8**	**($12.3)**
Income (loss) from Discontinued operations, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary (charges) / gains (incl. Amort)	81.8	16.0	15.1	13.2	12.9	57.2	13.0	11.6	19.3	7.3	51.2
Adj. Net Income	**$112.5**	**$5.6**	**$21.5**	**$45.5**	**$40.6**	**$113.2**	**($2.2)**	**$13.3**	**$25.4**	**$38.0**	**$74.5**
Avg. Diluted Shares Outstanding	121.9	149.4	149.8	149.5	149.0	149.4	148.9	148.2	147.3	146.5	147.7
GAAP Diluted EPS	$0.14	($0.13)	($0.02)	$0.16	$0.13	$0.14	($0.16)	($0.05)	($0.02)	$0.15	($0.08)
Adjusted EPS	**$0.76**	**$0.04**	**$0.14**	**$0.30**	**$0.27**	**$0.76**	**($0.01)**	**$0.09**	**$0.17**	**$0.26**	**$0.51**
YoY Growth	80.5%	85.2%	26.3%	-6.2%	-8.4%	0.6%	-139.4%	-37.5%	-43.4%	-4.8%	-33.1%

Source: Company data, Morgan Stanley Research estimates

Exhibit 45: BrightView Holdings Inc. (BV): Annual Income Statement ($ in M)

Fiscal Year Ending Sep 30.	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
Revenues													
Maintenance Services		**$1,775**	**$1,813**	**$1,729**	**$1,983**	**$2,082**	**$2,066**	**$1,964**	**$1,891**	**$2,004**	**$1,970**	**$1,997**	**$2,023**
YoY Growth			2.2%	(4.6%)	14.7%	5.0%	(0.7%)	(5.0%)	(3.7%)	5.9%	(1.7%)	1.3%	1.3%
Development Services		**$583**	**$595**	**$620**	**$575**	**$699**	**$758**	**$809**	**$789**	**$755**	**$761**	**$784**	**$816**
YoY Growth			2.1%	4.2%	(7.3%)	21.5%	8.5%	6.7%	(2.4%)	(4.3%)	0.9%	3.0%	4.0%
Eliminations		**(4)**	**(4)**	**(4)**	**(4)**	**(6)**	**(9)**	**(6)**	**(8)**	**(6)**	**(8)**	**(8)**	**(8)**
Total Revenue	**$2,226**	**$2,354**	**$2,405**	**$2,346**	**$2,554**	**$2,775**	**$2,816**	**$2,767**	**$2,673**	**$2,752**	**$2,724**	**$2,773**	**$2,831**
YoY Growth	0.0%	5.7%	2.2%	-2.4%	8.8%	8.7%	1.5%	-1.7%	-3.4%	3.0%	-1.0%	1.8%	2.1%
Organic YoY Growth	*0.0%*	*1.4%*	*-1.7%*	*-6.7%*	*3.4%*	*3.2%*	*-0.7%*	*-0.1%*	*-2.4%*	*3.0%*	*-1.0%*	*1.8%*	*2.1%*
Cost Of Services	1,630	1,728	1,766	1,751	1,903	2,100	2,137	2,122	2,051	2,167	2,139	2,174	2,215
Gross Margin	26.8%	26.6%	26.5%	25.4%	25.5%	24.3%	24.1%	23.3%	23.3%	21.3%	21.5%	21.6%	21.8%
Selling General and Administrative	435	481	453	527	508	535	533	497	458	464	423	433	443
% of Total Revenue	19.6%	20.4%	18.8%	22.5%	19.9%	19.3%	18.9%	17.9%	17.1%	16.9%	15.5%	15.6%	15.6%
Total Expenses (ex. Amortization)	**$2,065**	**$2,209**	**$2,219**	**$2,278**	**$2,411**	**$2,635**	**$2,671**	**$2,618**	**$2,509**	**$2,631**	**$2,563**	**$2,606**	**$2,658**
EBITDA	$238	$220	$266	$148	$228	$239	$251	$257	$306	$304	$349	$362	$377
EBITDA Margin	10.7%	9.4%	11.1%	6.3%	8.9%	8.6%	8.9%	9.3%	11.4%	11.1%	12.8%	13.1%	13.3%
Year-over-Year Growth	0.0%	-7.6%	20.8%	-44.2%	53.3%	4.9%	5.1%	2.7%	18.9%	-0.5%	14.7%	3.8%	4.1%
Total Adjustments	28	80	39	123	75	49	48	67	46	39	19	19	20
Adj. EBITDA	**$267**	**$300**	**$305**	**$272**	**$302**	**$288**	**$299**	**$325**	**$352**	**$343**	**$368**	**$382**	**$397**
Adj. EBITDA Margin %	12.0%	12.7%	12.7%	11.6%	11.8%	10.4%	10.6%	11.7%	13.2%	12.5%	13.5%	13.8%	14.0%
Margin expansion/contraction	0 bps	76 bps	-6 bps	-111 bps	26 bps	-146 bps	23 bps	112 bps	145 bps	-72 bps	105 bps	25 bps	25 bps
Year-over-Year Growth	0.0%	12.5%	1.7%	-11.0%	11.3%	-4.8%	3.8%	8.6%	8.6%	-2.6%	7.3%	3.7%	4.0%
Depreciation and Amortization	$204	$180	$136	$136	$137	$150	$150	$144	$172	$205	$203	$207	$211
D&A % of Total Revenue	9.1%	7.7%	5.7%	5.8%	5.4%	5.4%	5.3%	5.2%	6.4%	7.5%	7.5%	7.5%	7.5%
(Gain) Loss on divestiture	0	0	0	0	0	0	0	(44)	0	0	0	0	0
GAAP Operating Income	**$35**	**$40**	**$130**	**$12**	**$91**	**$88**	**$101**	**$157**	**$135**	**$99**	**$146**	**$156**	**$166**
Operating Margin %	1.6%	1.7%	5.4%	0.5%	3.5%	3.2%	3.6%	5.7%	5.0%	3.6%	5.4%	5.6%	5.9%
Other Income (Expense)	2	(24)	0	1	3	(15)	(7)	2	1	(9)	0	0	0
Interest expense, net	(98)	(98)	(73)	(65)	(42)	(53)	(98)	(63)	(54)	(57)	(59)	(59)	(59)
Pretax Income	($61)	($81)	$57	($51)	$51	$20	($3)	$97	$81	$33	$86	$96	$107
Income Tax Benefit (Expense)	(33)	(37)	(34)	(32)	(49)	(35)	(35)	(41)	(43)	(28)	(34)	(35)	(36)
Effective Tax Rate	*-53.2%*	*-45.6%*	*60.0%*	*-62.1%*	*96.3%*	*177.2%*	*-1084.4%*	*31.2%*	*31.1%*	*29.3%*	*28.0%*	*28.0%*	*27.0%*
Net Income - GAAP	($37)	($15)	$44	($42)	$46	$14	($8)	$66	$56	$23	$62	$69	$78
Dividends on Series A convertible preferred shares	0	0	0	0	0	0	3	36	36	36	36	36	36
Net income (loss) attributable to common stockholders	**($37)**	**($15)**	**$44**	**($42)**	**$46**	**$14**	**($11)**	**$31**	**$20**	**($12)**	**$27**	**$34**	**$42**
Income (loss) from Discontinued operations, net	0	0	0	0	0	0	0	0	0	0	0	0	0
Extraordinary (charges) / gains (incl. Amort)	96	105	74	136	80	87	72	82	57	51	25	22	20
Adj. Net Income	**$58**	**$90**	**$118**	**$95**	**$126**	**$101**	**$61**	**$113**	**$113**	**$74**	**$87**	**$91**	**$97**
Avg. Diluted Shares Outstanding	77	83	103	104	105	98	94	122	149	148	141	134	127
GAAP Diluted EPS	($0.49)	($0.18)	$0.43	($0.40)	$0.44	$0.14	($0.12)	$0.14	$0.14	($0.08)	$0.19	$0.25	$0.33
Adjusted EPS	**$0.75**	**$1.08**	**$1.15**	**$0.91**	**$1.20**	**$1.03**	**$0.42**	**$0.76**	**$0.76**	**$0.51**	**$0.63**	**$0.69**	**$0.79**
YoY Growth		42.7%	6.6%	-20.3%	31.3%	-14.3%	-59.4%	80.5%	0.6%	-33.1%	23.7%	10.2%	13.7%

Source: Company data, Morgan Stanley Research estimates



Exhibit 46: BrightView Holdings Inc. (BV): Annual Cash Flow Statement ($ in M)

Fiscal Year Ending Sep 30.	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
Cash Flows From Operations													
Net income (loss)	($37)	($15)	$44	($42)	$46	$14	($8)	$66	$56	$23	$62	$69	$78
Depreciation	78	75	80	81	85	99	105	108	142	184	188	196	204
Amortization	126	105	56	56	52	52	45	36	29	22	15	11	7
Amortization of financing costs and original issue discount	10	10	4	4	4	4	4	3	3	2	0	0	0
Deferred Taxes	(51)	(63)	(2)	(27)	29	(7)	(22)	2	21	(4)	0	0	0
Goodwill Impairment	0	0	0	16	0	0	0	0	0	0	0	0	0
Equity-based compensation	3	29	16	24	20	19	22	20	18	18	19	19	20
Provision for doubtful accounts	3	1	0	0	0	0	0	0	0	0	0	0	0
Realized (gain) on hedges	15	10	7	19	5	(1)	(15)	(11)	(5)	(3)	0	0	0
Loss on debt extinguishment	0	25	0	0	0	13	8	0	1	10	0	0	0
Gain on divestiture	0	0	0	0	0	0	0	(44)	0	0	0	0	0
Other non-cash activities	(1)	1	(0)	6	(4)	(2)	(5)	(8)	(14)	(8)	0	0	0
Net Changes in Operating Assets and Liabilities													
Accounts receivable, net of reserves	(26)	25	(13)	19	(42)	(6)	(53)	20	12	(3)	3	1	(0)
Unbilled and deferred revenue	(14)	3	(35)	21	(26)	(7)	(5)	22	28	5	(0)	(0)	(0)
Inventories	7	2	(2)	1	0	0	0	0	0	0	0	0	0
Other operating assets	(4)	(17)	17	(5)	(28)	(11)	17	11	(8)	3	(1)	(2)	(2)
Accounts payable and other operating liabilities	16	(10)	(2)	74	8	(60)	37	(20)	8	10	(7)	(5)	(5)
Net Cash provided by Op. Activities from Cont. Ops.	**$124**	**$180**	**$170**	**$245**	**$148**	**$107**	**$130**	**$206**	**$292**	**$259**	**$278**	**$288**	**$301**
Cash From Investing Activities													
Purchase of property and equipment	(61)	(86)	(90)	(53)	(61)	(107)	(71)	(78)	(254)	(202)	(183)	(157)	(149)
Proceeds from sale of property and equipment	7	12	7	5	10	7	22	18	28	20	17	17	17
Acquisition of businesses, net of cash acquired	(54)	(104)	(64)	(90)	(110)	(93)	(14)	0	0	0	0	0	0
Proceeds from divestiture	0	0	0	29	3	0	0	51	0	0	0	0	0
Other investing activities	3	(1)	2	1	1	(0)	2	4	3	0	0	0	0
Net Cash provided by Invest. Activities from Cont. Ops.	**($105)**	**($179)**	**($146)**	**($109)**	**($159)**	**($194)**	**($61)**	**($6)**	**($224)**	**($182)**	**($166)**	**($140)**	**($132)**
Cash From Financing Activities													
Repayments of finance lease obligations	(5)	(6)	(6)	(10)	(21)	(27)	(28)	(36)	(48)	(41)	0	0	0
Debt issuance/(repayment)	(185)	(646)	(13)	(10)	(10)	169	(461)	(3)	(1)	(10)	0	0	0
Repayments of receivables financing agreement	0	0	(120)	(80)	(25)	(374)	(555)	(87)	(29)	(13)	0	0	0
Repayments of revolving credit facility	0	0	(10)	(70)	0	(165)	(34)	0	0	0	0	0	0
Proceeds from receivables financing agreement, net of issuance cos	150	115	120	80	35	392	550	1	15	105	0	0	0
Proceeds from revolving credit facility	0	60	10	70	0	165	34	0	0	0	0	0	0
Proceeds from issuance of Series A preferred stock, net of share iss	0	0	0	0	0	0	495	0	(36)	(27)	0	0	0
Proceeds from issuance of common stock, net of share issuance co:	0	501	0	2	2	2	1	3	3	1	0	0	0
Repurchase of common stock	(3)	(3)	(1)	(2)	(2)	(164)	(2)	(3)	(24)	(58)	(80)	(80)	(100)
Contingent business acquisition payments	0	0	0	0	0	0	(22)	(5)	(1)	0	0	0	0
Other financing activities	0	0	(0)	2	(2)	(14)	(0)	4	(12)	6	0	0	0
Net Cash provided by Financing Activities	**($42)**	**$21**	**($20)**	**($18)**	**($23)**	**($17)**	**($22)**	**($127)**	**($134)**	**($38)**	**($80)**	**($80)**	**($100)**
Effects Of Exchange Rate On Cash	0	0	0	0	0	0	0	0	0	0	0	0	0
Net increase (decrease) in Cash and Cash Equivalents	($23)	$22	$4	$118	($33)	($104)	$47	$73	($66)	$38	$32	$69	$69
Cash restatement	(0)	0	(0)	0	0	0	0	0	0	0	0	0	0
Cash & Equivalents - Beginning	36	13	35	39	157	124	20	67	140	74	113	145	214
Cash & Equivalents - End	**$13**	**$35**	**$39**	**$157**	**$124**	**$20**	**$67**	**$140**	**$74**	**$113**	**$145**	**$214**	**$282**

Source: Company data, Morgan Stanley Research estimates

Exhibit 47: BrightView Holdings Inc. (BV): Annual Balance Sheet ($ in M)

Fiscal Year Ending Sep 30.	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
ASSETS													
Current Assets													
Cash and Cash Equivalents	$13	$35	$39	$157	$124	$20	$67	$140	$74	$113	$145	$214	$282
Restricted Cash	0	0	0	0	0	0	0	0	(0)	0	0	0	0
Accounts receivable, net of reserves	330	317	334	319	379	398	442	415	393	393	390	390	390
Unbilled revenue	89	100	108	95	111	130	144	138	113	115	117	119	122
Inventories	25	24	27	7	0	0	0	0	0	0	0	0	0
Other Current Assets	45	55	45	56	97	129	89	87	86	82	83	84	86
Total Current Assets	$503	$531	$551	$633	$711	$677	$742	$780	$666	$703	$735	$807	$881
Property, equipment and leasehold improvements, net	246	257	272	252	264	328	315	392	542	584	563	507	435
Intangible assets, net	371	290	252	221	198	174	132	96	67	45	30	18	11
Goodwill	1,704	1,767	1,810	1,859	1,951	2,009	2,021	2,016	2,016	2,016	2,016	2,016	2,016
Operating lease assets	0	0	0	59	70	82	86	81	72	75	75	75	75
Other assets	36	47	43	47	45	35	55	27	30	48	48	48	48
Total Assets	**$2,859**	**$2,892**	**$2,929**	**$3,071**	**$3,238**	**$3,306**	**$3,352**	**$3,392**	**$3,392**	**$3,470**	**$3,465**	**$3,470**	**$3,466**
LIABILITIES AND STOCKHOLDERS' EQUITY													
Current Liabilities													
Accounts payable	$76	$94	$100	$117	$144	$151	$136	$144	$138	$128	$130	$132	$135
Current portion of long-term debt	15	13	10	12	10	12	0	0	0	7	7	7	7
Deferred revenue	58	72	49	57	48	59	68	84	88	95	96	98	101
Current portion of self-insurance reserves	56	35	37	48	50	46	55	53	52	53	54	55	56
Accrued expenses and other current liabilities	137	118	136	197	221	194	180	238	212	204	194	186	177
Current portion of operating lease liabilities	0	0	0	18	22	27	27	25	25	26	26	26	26
Total Current Liabilities	$342	$331	$333	$450	$496	$488	$467	$543	$515	$514	$508	$504	$502
Long-term debt	1,575	1,141	1,134	1,128	1,131	1,331	888	803	790	875	875	875	875
Deferred tax liabilities	125	67	64	39	71	69	51	44	64	64	64	64	64
Self-insurance reserves	67	93	87	103	105	101	105	113	123	131	131	131	131
Long-term operating lease liabilities	0	0	0	48	54	61	65	63	54	55	55	55	55
Other non-current liabilities	54	31	26	33	39	39	35	44	47	69	69	69	69
Total Liabilities	**$2,162**	**$1,665**	**$1,645**	**$1,800**	**$1,895**	**$2,089**	**$1,611**	**$1,609**	**$1,592**	**$1,708**	**$1,702**	**$1,698**	**$1,696**
Series A convertible preferred shares	0	0	0	0	0	0	498	507	507	507	507	507	507
Stockholders' Equity													
Preferred stock	0	0	0	0	0	0	0	0	0	0	0	0	0
Common Stock	1	1	1	1	1	1	1	1	1	1	1	1	1
Treasury Stock	0	0	(1)	(3)	(4)	(168)	(170)	(174)	(198)	(256)	(336)	(416)	(516)
Additional Paid in Capital	894	1,426	1,442	1,468	1,489	1,510	1,531	1,518	1,504	1,496	1,515	1,535	1,554
Retained Earnings	(178)	(190)	(146)	(188)	(142)	(128)	(135)	(69)	(13)	10	73	142	220
Accumulated other comprehensive income	(21)	(10)	(12)	(7)	(2)	2	17	(2)	(1)	4	4	4	4
Total Stockholders' Equity	$696	$1,227	$1,284	$1,272	$1,343	$1,217	$1,243	$1,275	$1,293	$1,255	$1,257	$1,265	$1,263
Total Liabilities & Stockholders' Equity	**$2,859**	**$2,892**	**$2,929**	**$3,071**	**$3,238**	**$3,306**	**$3,352**	**$3,392**	**$3,392**	**$3,470**	**$3,465**	**$3,470**	**$3,466**

Source: Company data, Morgan Stanley Research estimates

Exhibit 48: BrightView Holdings Inc. (BV): Discounted Cash Flow Valuation

BrightView Holdings (USD mm)		WACC:	8.9%		Terminal Growth:		1.0%								Terminal
	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2040E
EBIT (pre exceptionals)	**88**	**101**	**157**	**135**	**99**	**146**	**156**	**166**	**179**	**192**	**203**	**214**	**222**	**231**	**251**
Tax rate	*29%*	*-141%*	*42%*	*53%*	*29%*	*28%*	*28%*	*27%*	*27%*	*27%*	*27%*	*27%*	*27%*	*27%*	*27%*
=NOPAT	**63**	**243**	**91**	**63**	**70**	**105**	**112**	**121**	**131**	**140**	**148**	**156**	**162**	**169**	**183**
Gross Cash Flow	**213**	**393**	**235**	**235**	**275**	**308**	**319**	**332**	**350**	**367**	**382**	**396**	**407**	**418**	**367**
+Changes in working capital	(83)	(4)	33	41	15	(6)	(7)	(8)	0	0	0	0	0	0	0
+Capital expenditures, asset purchases	(107)	(71)	(78)	(254)	(202)	(183)	(157)	(149)	(155)	(161)	(166)	(170)	(173)	(177)	(183)
= Gross investment	**(191)**	**(75)**	**(45)**	**(213)**	**(188)**	**(190)**	**(164)**	**(157)**	**(155)**	**(161)**	**(166)**	**(170)**	**(173)**	**(177)**	**(183)**
Free cash flow from operations	**22**	**318**	**189**	**21**	**88**	**119**	**155**	**175**	**195**	**206**	**217**	**226**	**234**	**242**	**183**
FCF growth	-68%	1323%	-40%	-89%	312%	35%	31%	13%	11%	6%	5%	4%	3%	3%	-29%
Present value of terminal value						$718	$782	$851	$927	$1,009	$1,098	$1,195	$1,301	$1,416	
Present value of cash flows						$2,292	$2,377	$2,433	$2,473	$2,497	$2,511	$2,517	$2,514	$2,503	
-Minority Interest						0	0	0	0	0	0	0	0	0	
-Net Debt						$763	$730	$662	$662	$662	$662	$662	$662	$662	
+ Preferred Equity						0	0	0	0	0	0	0	0	0	
Implied Market Cap						1,530	1,646	1,771	1,811	1,835	1,849	1,855	1,852	1,841	
Fully-diluted shares						147.7m	141.3m	134.4m	134.4m	134.4m	134.4m	134.4m	134.4m	134.4m	
Implied Value per Share Beginning of Year						**$10**	**$12**	**$13**	**$13**	**$14**	**$14**	**$14**	**$14**	**$14**	
Implied Value per Share, 12-Months						**$11**	**$13**	**$14**	**$15**	**$15**	**$15**	**$15**	**$15**	**$15**	
						92%	8%								
					Price Target	**$11.50**									

Source: Company data, Morgan Stanley Research estimates

Exhibit 49: BrightView Holdings Inc. (BV): Multiple Analysis

Share Price	Market Cap	EV	EV / Adj EBITDA		Price / Earnings		Unlevered FCF Yield		Levered FCF Yield	
			2027E	2028E	2027E	2028E	2027E	2028E	2027E	2028E
$14.50	$2,149	$2,963	8.0x	7.8x	23.1x	20.9x	25.0x	19.1x	26.4x	19.9x
$13.75	$2,038	$2,851	7.7x	7.5x	21.9x	19.8x	24.0x	18.4x	25.4x	19.2x
$13.00	$1,927	$2,740	7.4x	7.2x	20.7x	18.8x	23.1x	17.7x	24.5x	18.4x
$12.25	$1,816	$2,629	7.1x	6.9x	19.5x	17.7x	22.2x	17.0x	23.5x	17.7x
$11.50	$1,705	$2,518	6.8x	6.6x	18.3x	16.6x	21.2x	16.3x	22.5x	16.9x
$10.50	$1,556	$2,370	6.4x	6.2x	16.7x	15.1x	20.0x	15.3x	21.1x	15.9x
$9.50	$1,408	$2,221	6.0x	5.8x	15.1x	13.7x	18.7x	14.3x	19.8x	14.9x
$8.50	$1,260	$2,073	5.6x	5.4x	13.5x	12.3x	17.5x	13.4x	18.5x	13.9x
$7.50	$1,112	$1,925	5.2x	5.0x	11.9x	10.8x	16.2x	12.4x	17.2x	12.9x
$6.50	$963	$1,777	4.8x	4.7x	10.3x	9.4x	15.0x	11.5x	15.9x	12.0x

Source: Company data, Morgan Stanley Research estimates

Exhibit 50: Equifax Quarterly Income Statement

Fiscal Year Ending December 31	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
U.S. Information Solutions	$605.6	$611.6	$606.3	$595.7	$ 2,419.1	$691.2	$694.0	$686.3	$669.1	$ 2,740.6
Annual Growth	21.1%	17.3%	14.3%	13.1%	16.4%	14.1%	13.5%	13.2%	12.3%	13.3%
Organic growth	21.0%	17.0%	14.3%	13.1%	16.3%	14.1%	13.5%	13.2%	12.3%	13.3%
International	360.2	383.1	382.2	390.4	1,515.9	382.2	406.5	405.5	414.3	1,608.5
Annual Growth	11.3%	8.4%	4.6%	5.1%	7.2%	6.1%	6.1%	6.1%	6.1%	6.1%
Organic c/c	4.5%	4.0%	5.3%	5.6%	4.8%	6.1%	6.1%	6.1%	6.1%	6.1%
Workforce Solutions	683.1	705.4	683.9	702.8	2,775.3	751.0	776.6	752.1	772.9	3,052.7
Annual Growth	10.4%	6.5%	5.3%	7.8%	7.5%	9.9%	10.1%	10.0%	10.0%	10.0%
Organic c/c	10.0%	6.0%	5.3%	7.8%	7.2%	9.9%	10.1%	10.0%	10.0%	10.0%
Total Revenue	**$1,648.9**	**$1,700.1**	**$1,672.4**	**$1,688.9**	**$6,710.3**	**$1,824.5**	**$1,877.2**	**$1,843.8**	**$1,856.4**	**$7,401.9**
Annual Growth	14.3%	10.6%	8.2%	8.9%	10.5%	10.6%	10.4%	10.3%	9.9%	10.3%
Organic c/c	13.0%	9.0%	8.4%	9.0%	9.8%	10.6%	10.4%	10.3%	9.9%	10.3%
Total Expenses	$1,178.1	$1,196.2	$1,124.9	$1,159.7	$4,658.9	$1,280.1	$1,250.4	$1,224.0	$1,257.7	$5,012.2
EBITDA	$470.8	$503.9	$547.5	$529.2	$2,051.4	$544.4	$626.8	$619.9	$598.7	$2,389.7
EBITDA Margin	28.6%	29.6%	32.7%	31.3%	30.6%	29.8%	33.4%	33.6%	32.2%	32.3%
Year-over-Year Growth	14.7%	3.2%	22.3%	13.0%	13.0%	15.6%	24.4%	13.2%	13.1%	16.5%
Special items	6.6	48.2	-	-	54.8	-	-	-	-	-
Adj. EBITDA	$477.4	$552.1	$547.5	$529.2	$2,106.2	$544.4	$626.8	$619.9	$598.7	$2,389.7
Adj. EBITDA Margin	29.0%	32.5%	32.7%	31.3%	31.4%	29.8%	33.4%	33.6%	32.2%	32.3%
Year-over-Year Growth	12.8%	10.6%	8.5%	4.1%	8.8%	14.0%	13.5%	13.2%	13.1%	13.5%
Margin Expansion (bps)	(39)	(1)	6	(144)	(47)	89	91	88	91	90
Depreciation and Amortization	$183.1	$189.7	$191.7	$194.0	$758.4	$188.4	$194.8	$196.9	$198.8	$778.9
% of Total Revenue	11.1%	11.2%	11.5%	11.5%	11.3%	10.3%	10.4%	10.7%	10.7%	10.5%
Income from Operations	$287.7	$314.2	$355.8	$335.3	$1,293.0	$356.0	$431.9	$422.9	$399.9	$1,610.8
Operating Margin	17.4%	18.5%	21.3%	19.9%	19.3%	19.5%	23.0%	22.9%	21.5%	21.8%
Annual Growth	22.0%	1.1%	34.6%	18.0%	18.1%	23.8%	37.5%	18.9%	19.3%	24.6%
Adjusted Income from Operations	$294.3	$362.4	$355.8	$335.3	$1,347.8	$356.0	$431.9	$422.9	$399.9	$1,610.8
Operating Margin	17.8%	21.3%	21.3%	19.9%	20.1%	19.5%	23.0%	22.9%	21.5%	21.8%
Annual Growth	18.4%	12.6%	10.7%	3.5%	10.9%	21.0%	19.2%	18.9%	19.3%	19.5%
Interest Expense	($55.7)	($59.8)	($57.0)	($57.0)	($229.5)	($57.0)	($57.0)	($57.0)	($57.0)	($228.1)
Other Income (Expense)	3.8	2.5	3.2	2.8	12.3	-	-	-	-	-
Special items	-	-	-	-	-	-	-	-	-	-
Pretax Income	$235.8	$256.9	$302.0	$281.1	$1,075.8	$299.0	$374.9	$365.9	$342.9	$1,382.7
Tax rate	26.5%	27.9%	28.0%	26.0%	27.1%	25.0%	25.0%	25.0%	25.0%	25.0%
Income Tax Benefit (Expense)-Reported	(62.5)	(71.8)	(84.6)	(73.1)	(291.9)	(74.8)	(93.7)	(91.5)	(85.7)	(345.7)
Consolidated income from continuing operations	173.3	185.1	217.4	208.0	783.8	224.3	281.2	274.4	257.2	1,037.1
Discontinued operations, net of tax	-	-	-	-	-	-	-	-	-	-
Consolidated net income	**$173.3**	**$185.1**	**$217.4**	**$208.0**	**$783.8**	**$224.3**	**$281.2**	**$274.4**	**$257.2**	**$1,037.1**
Noncontrolling interests	(1.8)	(1.2)	(1.2)	(1.2)	(5.4)	(1.2)	(1.2)	(1.2)	(1.2)	(4.8)
Net Income to Equifax	**$171.5**	**$183.9**	**$216.2**	**$206.8**	**$778.4**	**$223.1**	**$280.0**	**$273.2**	**$256.0**	**$1,032.3**
Acquisition-related amortization expense, other	53.6	84.7	45.1	46.4	229.8	47.0	47.0	47.0	47.0	188.0
Adjusted Net Income	**$225.1**	**$268.6**	**$261.4**	**$253.2**	**$1,008.2**	**$270.1**	**$327.0**	**$320.2**	**$303.0**	**$1,220.3**
Average Diluted Shares Outstanding	120.8	119.2	118.8	118.1	119.2	117.2	116.3	115.4	114.4	115.8
EPS to Common Stockholders	$1.42	$1.54	$1.82	$1.75	$6.53	$1.90	$2.41	$2.37	$2.24	$8.91
Adj. Cash EPS	**$1.86**	**$2.25**	**$2.20**	**$2.14**	**$8.46**	**$2.30**	**$2.81**	**$2.78**	**$2.65**	**$10.54**

Source: Company Data, Morgan Stanley Research

Exhibit 51: Equifax Quarterly USIS Segment Key Metrics

U.S. Information Solutions	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Revenue										
Online Information Solutions (restated for 2015 realign)	$553.7	$545.4	$542.9	$514.3	$2,156.3	$637.3	$625.2	$620.4	$584.5	$2,467.3
Annual Growth	23.6%	19.1%	16.1%	14.8%	18.4%	15.1%	14.6%	14.3%	13.6%	14.4%
Inorganic										
Organic Growth	24.0%	19.0%	16.1%	14.8%	18.5%	15.1%	14.6%	14.3%	13.6%	14.4%
EFX Mortgage Inquiries Y/Y Growh	2.0%	1.0%	-4.0%	-4.0%	-1.2%	10.0%	10.0%	10.0%	10.0%	10.0%
Financial Marketing	$51.9	$66.2	$63.3	$81.4	$262.8	$54.0	$68.8	$65.9	$84.6	$273.3
Annual Growth	0.2%	3.9%	1.0%	3.0%	2.2%	4.0%	4.0%	4.0%	4.0%	4.0%
Organic Growth	0.0%	4.0%	1.0%	3.0%	2.2%	4.0%	4.0%	4.0%	4.0%	4.0%
Total U.S. Information Solutions revenue (restated for 2015	**$605.6**	**$611.6**	**$606.3**	**$595.7**	**$2,419.1**	**$691.2**	**$694.0**	**$686.3**	**$669.1**	**$2,740.6**
Annual Growth	21.1%	17.3%	14.3%	13.1%	16.4%	14.1%	13.5%	13.2%	12.3%	13.3%
Organic c/c	21.0%	17.0%	14.3%	13.1%	16.3%	14.1%	13.5%	13.2%	12.3%	13.3%
U.S. Information Solutions Operating Income (restated for	**$122.7**	**$137.8**	**$138.5**	**$139.5**	**$538.6**	**$150.4**	**$167.6**	**$167.1**	**$166.8**	**$651.9**
Special items, adjustments, other income, NCI	-	0.7	-	-	0.7	-	-	-	-	-
Adjusted Operating Income	122.7	138.5	138.5	139.5	539.3	150.4	167.6	167.1	166.8	651.9
Operating Margin	20.3%	22.5%	22.8%	23.4%	22.3%	21.8%	24.1%	24.3%	24.9%	23.8%
Depreciation and amortization	$60.9	$61.9	$62.9	$63.0	$248.6	$66.1	$66.8	$67.7	$67.4	$268.0
% of segment revenue	10.1%	10.1%	10.4%	10.6%	10.3%	9.6%	9.6%	9.9%	10.1%	9.8%
Adj. EBITDA	**$183.6**	**$200.4**	**$201.4**	**$202.5**	**$787.9**	**$216.5**	**$234.3**	**$234.9**	**$234.2**	**$919.8**
Adj. EBITDA Margin	**30.3%**	**32.8%**	**33.2%**	**34.0%**	**32.6%**	**31.3%**	**33.8%**	**34.2%**	**35.0%**	**33.6%**
Incremental Margin	12.2%	20.0%	19.5%	16.4%	16.7%	38.4%	41.2%	41.8%	43.1%	41.0%

Source: Company Data, Morgan Stanley Research

Exhibit 52: Equifax Quarterly International Segment Key Metrics

International	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Latin America	$102.7	$109.0	$106.2	$114.2	$432.1	$110.9	$117.7	$114.7	$123.3	$466.7
Annual Growth	-1.2%	-1.5%	4.1%	6.2%	7.1%	8.0%	8.0%	8.0%	8.0%	8.0%
Organic c/c	4.0%	3.0%	7.0%	8.0%	5.5%	8.0%	8.0%	8.0%	8.0%	8.0%
Total c/c	4.0%	3.0%	7.0%	8.0%	5.5%	8.0%	8.0%	8.0%	8.0%	8.0%
Inorganic										
Europe	$94.0	$101.1	$104.1	$110.9	$410.1	$98.7	$106.2	$109.3	$116.5	$430.6
Annual Growth	9.2%	2.0%	1.8%	2.0%	3.4%	5.0%	5.0%	5.0%	5.0%	5.0%
Organic c/c	1.0%	1.0%	4.0%	4.0%	2.5%	5.0%	5.0%	5.0%	5.0%	5.0%
Total c/c	1.0%	1.0%	4.0%	4.0%	2.5%	5.0%	5.0%	5.0%	5.0%	5.0%
Canada	$70.9	$73.3	$71.7	$69.1	$285.1	$74.4	$77.0	$75.3	$72.6	$299.3
Annual Growth	11.9%	5.6%	1.3%	1.5%	5.1%	5.0%	5.0%	5.0%	5.0%	5.0%
Organic c/c	8.0%	6.0%	4.0%	4.0%	5.5%	5.0%	5.0%	5.0%	5.0%	5.0%
Total c/c	8.0%	6.0%	4.0%	4.0%	5.5%	5.0%	5.0%	5.0%	5.0%	5.0%
Asia Pacific	$92.6	$99.7	$100.1	$96.2	$388.6	$98.2	$105.7	$106.1	$101.9	$411.9
Annual Growth	14.1%	14.3%	11.1%	10.3%	13.5%	6.0%	6.0%	6.0%	6.0%	6.0%
Organic c/c	6.0%	7.0%	6.0%	6.0%	6.3%	6.0%	6.0%	6.0%	6.0%	6.0%
Total c/c	6.0%	7.0%	6.0%	6.0%	6.3%	6.0%	6.0%	6.0%	6.0%	6.0%
Total International (restated for 2015 realign)	**$360.2**	**$383.1**	**$382.2**	**$390.4**	**$1,515.9**	**$382.2**	**$406.5**	**$405.5**	**$414.3**	**$1,608.5**
Annual Growth	11.3%	8.4%	4.6%	5.1%	7.2%	6.1%	6.1%	6.1%	6.1%	6.1%
Organic c/c	4.5%	4.0%	5.3%	5.6%	4.8%	6.1%	6.1%	6.1%	6.1%	6.1%
Total c/c	4.0%	4.0%	5.3%	5.6%	4.8%	6.1%	6.1%	6.1%	6.1%	6.1%
International Operating Income (restated for 2015 realign)	**$34.1**	**$46.3**	**$67.5**	**$67.9**	**$215.7**	**$44.4**	**$59.7**	**$75.6**	**$76.2**	**$255.8**
Special items, adjustments, other income, NCI	$4.1	$6.1			10.2					-
Adjusted Operating Income	38.2	52.4	67.5	67.9	225.9	44.4	59.7	75.6	76.2	255.8
Operating Margin	10.6%	13.7%	17.6%	17.4%	14.2%	11.6%	14.7%	18.6%	18.4%	15.9%
Depreciation and amortization	$51.7	$53.5	$54.1	$54.3	$213.7	$52.9	$54.7	$55.4	$55.6	$218.7
D&A % of segment revenue	14.4%	14.0%	14.2%	13.9%	14.1%	13.9%	13.5%	13.7%	13.4%	13.6%
Adj. EBITDA	**$89.9**	**$105.9**	**$121.6**	**$122.2**	**$439.6**	**$97.3**	**$114.4**	**$131.0**	**$131.7**	**$474.5**
Adj. EBITDA Margin	**25.0%**	**27.6%**	**31.8%**	**31.3%**	**29.0%**	**25.5%**	**28.1%**	**32.3%**	**31.8%**	**29.5%**

Source: Company Data, Morgan Stanley Research

Exhibit 53: Equifax Quarterly Workforce Solutions Segment Key Metrics

Workforce Solutions	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Verification Services	$571.4	$607.6	$591.0	$610.5	$2,380.5	$636.0	$675.9	$656.3	$677.8	$2,646.1
Annual Growth	13.8%	7.1%	6.8%	9.6%	9.2%	11.3%	11.2%	11.1%	11.0%	11.2%
Inorganic										
Organic	10.0%	7.0%	6.8%	9.6%	8.3%	11.3%	11.2%	11.1%	11.0%	11.2%
Employer Services	$111.7	$97.8	$92.9	$92.3	$394.8	$115.1	$100.7	$95.7	$95.1	$406.6
Annual Growth	-4.0%	2.9%	-3.0%	-3.0%	-1.9%	3.0%	3.0%	3.0%	3.0%	3.0%
Inorganic										
Organic	(4.0%)	3.0%	(3.0%)	(3.0%)	(1.9%)	3.0%	3.0%	3.0%	3.0%	3.0%
Total Workforce Solutions	**$683.1**	**$705.4**	**$683.9**	**$702.8**	**$2,775.3**	**$751.0**	**$776.6**	**$752.1**	**$772.9**	**$3,052.7**
Annual Growth	10.4%	6.5%	5.3%	7.8%	7.5%	9.9%	10.1%	10.0%	10.0%	10.0%
Organic c/c	10.0%	6.0%	5.3%	7.8%	7.2%	9.9%	10.1%	10.0%	10.0%	10.0%
Workforce Solutions Operating Income	**$309.4**	**$316.7**	**$304.1**	**$302.0**	**$1,232.2**	**$352.0**	**$361.7**	**$345.7**	**$343.8**	**$1,403.1**
Special items, adjustments, other income, NCI	$0.5	$1.2	$0.0	$0.0	$1.7	$0.0	$0.0	$0.0	$0.0	$0.0
Adjusted Operating Income	**$309.9**	**$317.9**	**$304.1**	**$302.0**	**$1,233.9**	**$352.0**	**$361.7**	**$345.7**	**$343.8**	**$1,403.1**
Operating Margin	45.4%	45.1%	44.5%	43.0%	44.5%	46.9%	46.6%	46.0%	44.5%	46.0%
Depreciation and amortization	$47.4	$49.6	$47.9	$49.6	$194.5	$48.4	$50.7	$48.9	$50.7	$198.7
% of segment revenue	6.9%	7.0%	7.0%	7.1%	7.0%	6.4%	6.5%	6.5%	6.6%	6.5%
Adj. EBITDA	**$357.3**	**$367.5**	**$352.0**	**$351.7**	**$1,428.5**	**$400.3**	**$412.4**	**$394.6**	**$394.5**	**$1,601.8**
Adj. EBITDA Margin	**52.3%**	**52.1%**	**51.5%**	**50.0%**	**51.5%**	**53.3%**	**53.1%**	**52.5%**	**51.0%**	**52.5%**
Incremental Margin	73.0%	33.3%	55.8%	33.9%	50.8%	63.4%	63.0%	62.5%	61.1%	62.5%

Source: Company Data, Morgan Stanley Research

Exhibit 54: Equifax Annual Income Statement

Fiscal Year Ending December 31	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
U.S. Information Solutions	$1,262.7	$1,247.2	$1,297.4	$1,711.3	$1,786.8	$1,657.6	$1,720.4	$1,893.0	$2,078.5	$2,419.1	$2,740.6	$3,279.1
Annual Growth	2.1%	-1.2%	4.0%	31.9%	4.4%	-7.2%	3.8%	10.0%	9.8%	16.4%	13.3%	19.6%
Organic growth	2.1%	-1.2%	1.8%	13.8%	4.3%	-8.2%	1.9%	9.7%	9.8%	16.3%	13.3%	19.6%
International	$932.2	$966.2	$920.5	$954.5	$1,101.8	$1,139.1	$1,229.0	$1,354.3	$1,413.7	$1,515.9	$1,608.5	$1,707.1
Annual Growth	16.0%	3.6%	-4.7%	3.7%	15.4%	3.4%	7.9%	10.2%	4.4%	7.2%	6.1%	6.1%
Organic c/c	11.6%	6.8%	3.0%	-4.0%	10.6%	10.8%	5.4%	9.0%	6.1%	4.8%	6.1%	6.1%
Workforce Solutions	$764.3	$826.8	$949.7	$1,461.7	$2,035.4	$2,325.5	$2,315.8	$2,433.8	$2,582.3	$2,775.3	$3,052.7	$3,509.4
Annual Growth	8.8%	8.2%	14.9%	53.9%	39.2%	14.3%	-0.4%	5.1%	6.1%	7.5%	10.0%	15.0%
Organic c/c	8.8%	8.2%	14.9%	53.9%	34.8%	5.9%	-0.9%	4.9%	6.2%	7.2%	10.0%	15.0%
Total Revenue	**$3,362.2**	**$3,412.1**	**$3,527.6**	**$4,127.5**	**$4,924.0**	**$5,122.2**	**$5,265.2**	**$5,681.1**	**$6,074.5**	**$6,710.3**	**$7,401.9**	**$8,495.6**
Annual Growth	6.9%	1.5%	3.4%	17.0%	19.3%	4.0%	2.8%	7.9%	6.9%	10.5%	10.3%	14.8%
Organic c/c	5.6%	2.1%	4.8%	17.5%	15.2%	2.0%	1.8%	8.0%	7.3%	9.8%	10.3%	14.8%
Total Expenses	$2,249.8	$2,653.7	$3,512.0	$3,059.9	$3,305.5	$3,506.1	$3,720.9	$3,969.1	$4,259.8	$4,658.9	$5,012.2	$5,669.9
EBITDA	$1,112.4	$758.4	$15.6	$1,067.6	$1,618.5	$1,616.1	$1,544.3	$1,712.0	$1,814.7	$2,051.4	$2,389.7	$2,825.6
EBITDA Margin	33.1%	22.2%	0.4%	25.9%	32.9%	31.6%	29.3%	30.1%	29.9%	30.6%	32.3%	33.3%
Year-over-Year Growth	2.7%	-31.8%	-97.9%	6743.6%	51.6%	-0.1%	-4.4%	10.9%	6.0%	13.0%	16.5%	18.2%
Special items	126.6	391.6	1,162.0	427.0	51.4	105.4	149.3	124.1	120.7	54.8	-	-
Adj. EBITDA	$1,239.0	$1,150.0	$1,177.6	$1,494.6	$1,669.9	$1,721.5	$1,693.6	$1,836.1	$1,935.4	$2,106.2	$2,389.7	$2,825.6
Adj. EBITDA Margin	36.9%	33.7%	33.4%	36.2%	33.9%	33.6%	32.2%	32.3%	31.9%	31.4%	32.3%	33.3%
Year-over-Year Growth	9.9%	-7.2%	2.4%	26.9%	11.7%	3.1%	-1.6%	8.4%	5.4%	8.8%	13.5%	18.2%
Margin Expansion (bps)	100	(315)	(32)	283	(230)	(30)	(144)	15	(46)	(47)	90	98
Depreciation and Amortization	$287.7	$310.4	$331.1	$391.0	$480.4	$560.1	$610.5	$669.9	$719.6	$758.4	$778.9	$824.6
% of Total Revenue	8.6%	9.1%	9.4%	9.5%	9.8%	10.9%	11.6%	11.8%	11.8%	11.3%	10.5%	9.7%
Income from Operations	$824.7	$448.0	($315.5)	$676.6	$1,138.1	$1,056.0	$933.8	$1,042.1	$1,095.1	$1,293.0	$1,610.8	$2,001.0
Operating Margin	24.5%	13.1%	-8.9%	16.4%	23.1%	20.6%	17.7%	18.3%	18.0%	19.3%	21.8%	23.6%
Annual Growth	0.8%	-45.7%	-170.4%	-314.5%	68.2%	-7.2%	-11.6%	11.6%	5.1%	18.1%	24.6%	24.2%
Adjusted Income from Operations	$951.3	$839.6	$846.5	$1,103.6	$1,189.5	$1,161.4	$1,083.1	$1,166.2	$1,215.8	$1,347.8	$1,610.8	$2,001.0
Operating Margin	28.3%	24.6%	24.0%	26.7%	24.2%	22.7%	20.6%	20.5%	20.0%	20.1%	21.8%	23.6%
Annual Growth	10.4%	-11.7%	0.8%	30.4%	7.8%	-2.4%	-6.7%	7.7%	4.3%	10.9%	19.5%	24.2%
Interest Expense	($92.9)	($103.5)	($111.6)	($141.6)	($145.6)	($183.0)	($241.4)	($229.1)	($212.3)	($229.5)	($228.1)	($228.1)
Other Income (Expense)	14.8	11.8	14.0	150.2	(43.2)	56.6	25.4	(2.4)	12.1	12.3	-	-
Special items	-	-	(20.0)	-	-	-	-	-	-	-	-	-
Pretax Income	$746.6	$356.3	($433.1)	$685.2	$949.3	$929.6	$717.8	$810.6	$894.9	$1,075.8	$1,382.7	$1,772.9
Tax rate	19.9%	14.1%	9.3%	23.2%	21.2%	24.7%	23.1%	25.1%	25.8%	27.1%	25.0%	25.0%
Income Tax Benefit (Expense)-Reported	(148.7)	(50.1)	40.3	(159.0)	(200.8)	(229.4)	(166.1)	(203.2)	(230.6)	(291.9)	(345.7)	(443.2)
Consolidated income from continuing operations	597.9	306.2	(392.8)	526.2	748.5	700.2	551.7	607.4	664.3	783.8	1,037.1	1,329.7
Discontinued operations, net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated net income	**$597.9**	**$306.2**	**($392.8)**	**$526.2**	**$748.5**	**$700.2**	**$551.7**	**$607.4**	**$664.3**	**$783.8**	**$1,037.1**	**$1,329.7**
Noncontrolling interests	(10.6)	(6.5)	(6.0)	(6.1)	(4.2)	(3.9)	(6.4)	(3.3)	(3.9)	(5.4)	(4.8)	(4.8)
Net Income to Equifax	**$587.3**	**$299.7**	**($398.8)**	**$520.1**	**$744.3**	**$696.3**	**$545.3**	**$604.1**	**$660.4**	**$778.4**	**$1,032.3**	**$1,324.9**
Acquisition-related amortization expense, other	137.5	402.3	1,084.5	336.0	200.0	236.4	286.6	306.2	288.6	229.8	188.0	188.0
Adjusted Net Income	**$724.8**	**$702.0**	**$685.7**	**$856.1**	**$944.3**	**$932.7**	**$831.9**	**$910.3**	**$949.0**	**$1,008.2**	**$1,220.3**	**$1,512.9**
Average Diluted Shares Outstanding	121.6	121.4	122.1	122.9	123.6	123.4	123.9	125.0	124.1	119.2	115.8	111.8
EPS to Common Stockholders	$4.83	$2.47	($3.27)	$4.23	$6.02	$5.64	$4.40	$4.83	$5.32	$6.53	$8.91	$11.85
Adj. Cash EPS	**$5.96**	**$5.78**	**$5.62**	**$6.97**	**$7.64**	**$7.56**	**$6.71**	**$7.28**	**$7.65**	**$8.46**	**$10.54**	**$13.53**
Y/Y Growth	8.0%	-3.0%	-2.8%	24.0%	9.7%	-1.1%	-11.2%	8.5%	5.0%	10.6%	24.6%	28.4%
Dividend Per share	$1.56	$1.56	$1.56	$1.56	$1.56	$1.56	$1.56	$1.56	$1.89	$2.24	$2.35	$2.47
Dividend payout ratio	32.3%	63.2%	-47.7%	36.8%	25.9%	27.6%	35.4%	32.3%	35.5%	34.3%	26.4%	20.8%

Source: Company Data, Morgan Stanley Research

Exhibit 55: Equifax Annual Statement of Cash Flows

Fiscal Year Ending June 30	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Cash Flows From Operations												
Net income	$597.9	$306.2	($392.8)	$526.2	$748.5	$700.2	$551.7	$607.4	$664.3	$783.8	$1,037.1	$1,329.7
Loss (gain) on divestiture	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	290.9	315.9	337.3	399.3	489.6	568.6	619.8	680.6	726.9	761.8	778.9	824.6
Stock-based compensation	38.3	42.5	49.7	54.7	54.9	62.6	71.8	81.6	78.4	100.8	88.8	101.9
Excess tax benefits from stock-based compensation plan	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income taxes	(44.1)	(2.3)	(87.2)	66.5	9.3	88.1	(70.2)	(66.9)	30.2	38.0	-	-
Others	-	-	-	(149.5)	58.8	(36.8)	(13.8)	-	(1.2)	-	-	-
Changes in assets and liabilities, excluding effects of acquis												
Accounts receivable, net	($1.3)	($37.4)	($61.3)	($93.7)	($66.2)	($138.6)	($32.3)	($66.3)	($40.9)	($43.3)	($73.8)	($122.1)
Prepaid expenses and other current assets	(120.1)	(15.4)	(78.8)	35.8	16.4	-	-	-	-	(109.9)	(15.6)	(24.0)
Other assets	-	-	-	-	-	(22.4)	(13.0)	(29.5)	42.6	-	-	-
Current liabilities, excluding debt	54.3	62.6	546.9	106.9	23.5	(464.6)	2.8	117.7	115.4	164.5	74.6	116.6
Other long-term liabilities, excluding debt	-	-	-	-	-	-	-	(0.1)	-	-	-	-
Net cash provided by operating activities	$815.9	$672.1	$313.8	$946.2	$1,334.8	$757.1	$1,116.8	$1,324.5	$1,615.7	$1,695.8	$1,890.0	$2,226.7
Cash From Investing Activities												
Capital expenditures	($218.2)	($321.9)	($399.6)	($421.3)	($469.0)	($624.5)	($601.3)	($511.5)	($481.4)	($524.3)	($518.1)	($594.7)
Acquisitions, net of cash acquired	(139.9)	(138.3)	(272.9)	(61.4)	(2,930.7)	(433.8)	(283.8)	-	(74.1)	-	-	-
Cash received from divestitures	8.6	5.6	-	-	-	98.8	6.9	-	1.2	-	-	-
Dividends from (investment in) unconsolidated affiliates	-	(6.9)	(25.0)	(10.0)	1.5	-	-	-	-	-	-	-
Net Cash provided by Investing Activities	($349.5)	($461.5)	($697.5)	($492.7)	($3,398.2)	($959.5)	($878.2)	($511.5)	($554.3)	($524.3)	($518.1)	($594.7)
Cash From Financing Activities												
Net short-term borrowings (repayments)	$252.4	($959.2)	($1.8)	($0.7)	$323.4	$242.2	($371.2)	$91.2	$474.7	$275.5	$0.0	$0.0
Net repayments under long-term revolving credit facilities	-	-	-	-	-	-	-	-	-	-	-	-
Net long-term borrowings (repayments)	(222.5)	894.5	748.3	998.3	596.9	249.3	293.6	(795.8)	(398.5)	(278.1)	-	-
Treasury stock purchases	(77.1)	-	-	-	(69.9)	-	-	-	(927.5)	(860.0)	(800.0)	(1,000.0)
Dividends paid to Equifax shareholders	(187.4)	(187.9)	(188.7)	(189.5)	(190.0)	(191.1)	(191.8)	(193.2)	(232.8)	(264.9)	(269.5)	(273.0)
Dividends paid to noncontrolling interests	(8.4)	(10.3)	(6.6)	(4.6)	(6.5)	(3.1)	(45.6)	(4.6)	(6.1)	(5.6)	-	-
Proceeds from exercise of stock options	19.2	11.8	22.3	41.7	46.8	16.9	32.3	78.2	46.4	16.8	-	-
Excess tax benefits from stock-based compensation plans	-	(19.7)	(10.5)	-	-	(33.9)	(17.3)	(16.8)	(15.0)	(15.4)	-	-
Other	(39.9)	(40.2)	(5.1)	(34.4)	(83.0)	(6.6)	(6.2)	(5.2)	(0.9)	(8.6)	-	-
Net Cash provided by Financing Activities	($263.7)	($311.0)	$557.9	$810.8	$617.7	$273.7	($306.2)	($846.2)	($1,059.7)	($1,140.3)	($1,069.5)	($1,273.0)
Effects Of Exchange Rate On Cash	4.3	(12.5)	3.7	19.0	(14.1)	(10.9)	(0.8)	(13.5)	9.2	(2.1)	-	-
Restatement	-	-	-	-	-	-	-	(0.2)	-	-	-	-
Net increase (decrease) in Cash and Cash Equivalents	207.0	(112.9)	177.9	1,283.3	(1,459.8)	60.4	(68.4)	(46.9)	10.9	29.1	302.4	359.0
Cash & Equivalents - Beginning	129.3	336.3	223.4	401.3	1,684.6	224.8	285.2	216.8	169.9	180.8	209.9	512.3
Cash & Equivalents - End	$336.3	$223.4	$401.3	$1,684.6	$224.8	$285.2	$216.8	$169.9	$180.8	$209.9	$512.3	$871.3

Source: Company Data, Morgan Stanley Research

Exhibit 56: Equifax Annual Balance Sheet

Fiscal Year Ending December 31	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
ASSETS												
Current Assets												
Cash and Cash Equivalents	$336.3	$223.4	$401.3	$1,684.6	$224.8	$285.2	$216.8	$169.9	$180.8	$209.9	$512.3	$871.3
Trade receivable	444.8	469.1	532.1	630.6	727.6	857.7	917.2	957.6	1,012.7	1,056.1	1,129.9	1,252.0
Prepaid expenses	94.3	100.0	88.1	104.1	108.4	134.3	142.5	134.9	144.2	157.1	172.6	196.7
Other current assets	122.9	109.6	187.9	59.0	60.2	93.3	88.8	98.2	74.5	140.7	140.7	140.7
Total Current Assets	998.3	902.1	1,209.4	2,478.3	1,121.0	1,370.5	1,365.3	1,360.6	1,412.2	1,563.8	1,955.5	2,460.7
PPE:												
Property and Equipment, Net	$567.0	$764.8	$947.6	$1,139.4	$1,315.9	$1,587.0	$1,834.0	$1,891.9	$1,932.4	$1,966.8	$2,017.6	$2,117.5
Goodwill	$4,184.0	$4,129.7	$4,308.3	$4,495.8	$6,258.1	$6,383.9	$6,829.9	$6,547.8	$6,745.7	$6,792.8	$6,792.8	$6,792.8
Indefinite-lived intangible assets	95.0	94.8	94.9	94.9	94.9	94.8	94.8	94.7	94.8	94.7	94.7	94.7
Purchased intangible assets, net	1,247.0	1,099.2	1,044.6	997.8	1,898.0	1,818.5	1,858.8	1,521.0	1,331.3	1,070.0	758.4	428.6
Prepaid pension asset	-	-	-	-	-	-	-	-	-	-	-	-
Other noncurrent assets	142.0	162.6	304.2	405.6	353.1	293.2	306.2	343.4	347.8	359.6	359.6	359.6
Total Assets	**$7,233.3**	**$7,153.2**	**$7,909.0**	**$9,611.8**	**$11,041.0**	**$11,547.9**	**$12,289.0**	**$11,759.4**	**$11,864.2**	**$11,847.6**	**$11,978.6**	**$12,253.8**
LIABILITIES AND STOCKHOLDERS' EQUITY												
Current Liabilities												
Short-term debt and current maturities of long-term debt	$965.3	$4.9	$3.1	$1,101.1	$824.8	$967.2	$963.4	$687.7	$1,038.0	$1,038.0	$1,038.0	$1,038.0
Accounts Payable	110.3	175.7	148.3	159.1	211.6	250.8	197.6	138.2	206.4	221.2	239.9	269.4
Accrued expenses	160.9	213.2	163.5	251.8	237.5	229.0	245.1	251.1	276.3	296.1	321.1	360.6
Accrued salaries and bonuses	119.4	131.0	156.1	250.3	257.9	138.7	168.7	215.8	286.1	311.6	342.5	390.2
Deferred revenue	108.4	98.0	104.0	108.3	121.3	132.9	118.5	115.5	101.2	101.2	101.2	101.2
Other current liabilities	209.2	204.0	784.1	612.5	638.2	296.6	334.7	403.2	427.4	490.5	490.5	490.5
Total Current Liabilities	$1,673.5	$826.8	$1,359.1	$2,483.1	$2,291.3	$2,015.2	$2,028.0	$1,811.5	$2,335.4	$2,458.6	$2,533.2	$2,649.9
Long-Term Debt	1,739.0	2,630.6	3,379.5	3,277.3	4,470.1	4,820.1	4,747.8	4,322.8	4,055.3	4,055.1	4,055.1	4,055.1
Deferred income tax liabilities, net	305.1	316.2	248.0	332.3	358.2	460.3	474.9	351.6	390.8	424.5	424.5	424.5
Long-term pension and other postretirement benefit liabilities	175.8	139.3	118.9	130.7	130.1	100.4	100.1	106.7	103.4	101.8	101.8	101.8
Other long-term liabilities	101.0	84.6	180.6	178.1	190.0	178.6	250.7	247.2	241.1	253.3	253.3	253.3
Total Liabilities	**$3,994.4**	**$3,997.5**	**$5,286.1**	**$6,401.5**	**$7,439.7**	**$7,574.6**	**$7,601.5**	**$6,839.8**	**$7,126.0**	**$7,293.3**	**$7,367.9**	**$7,484.6**
Stockholders' Equity												
Common stock	236.6	236.6	236.6	236.6	236.6	236.6	236.6	236.6	236.6	236.6	236.6	236.6
Paid-in capital	1,332.7	1,356.6	1,405.1	1,470.7	1,536.7	1,594.2	1,761.3	1,915.2	2,023.4	2,123.0	2,211.9	2,313.8
Retained earnings	4,600.6	4,717.8	4,131.8	4,185.4	4,751.6	5,256.0	5,608.6	6,018.6	6,445.1	6,957.9	7,720.7	8,772.5
AOCI	(412.0)	(626.3)	(631.6)	(171.4)	(295.4)	(473.7)	(431.2)	(722.7)	(517.1)	(460.1)	(460.1)	(460.1)
Treasury stock	(2,577.6)	(2,571.0)	(2,557.4)	(2,547.0)	(2,639.2)	(2,650.7)	(2,635.3)	(2,644.9)	(3,577.8)	(4,439.4)	(5,239.4)	(6,239.4)
Stock held by employee benefits trusts	(5.9)	(5.9)	(5.9)	(5.9)	(5.9)	(5.9)	(5.9)	(5.9)	(5.9)	(5.9)	(5.9)	(5.9)
Total Equifax shareholders' equity	$3,174.4	$3,107.8	$2,578.6	$3,168.4	$3,584.4	$3,956.5	$4,534.1	$4,796.9	$4,604.3	$4,412.2	$4,463.7	$4,617.5
Noncontrolling interests	64.5	47.9	44.3	41.9	16.8	16.8	153.4	122.7	133.9	142.1	146.9	151.7
Total Stockholders' Equity	**3,238.9**	**3,155.7**	**2,622.9**	**3,210.3**	**3,601.2**	**3,973.3**	**4,687.5**	**4,919.6**	**4,738.2**	**4,554.3**	**4,610.6**	**4,769.2**
Total Liabilities & Stockholders' Equity	**$7,233.3**	**$7,153.2**	**$7,909.0**	**$9,611.8**	**$11,040.9**	**$11,547.9**	**$12,289.0**	**$11,759.4**	**$11,864.2**	**$11,847.6**	**$11,978.6**	**$12,253.8**

Source: Company Data, Morgan Stanley Research

Exhibit 57: Equifax Discounted Cash Flow Analysis

Equifax, Inc.			**WACC:**	**9.2%**			**Terminal Growth:**		**2.5%**						
(USD mm)															
	2021	**2022**	**2023**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**	**2040E**
Operating profit	**$1,138**	**$1,056**	**$934**	**$1,042**	**$1,095**	**$1,293**	**$1,611**	**$2,001**	**$2,201**	**$2,377**	**$2,520**	**$2,621**	**$2,699**	**$2,780**	**$3,296**
Tax rate	*21%*	*25%*	*23%*	*25%*	*26%*	*27%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*
=NOPAT	**897**	**795**	**718**	**781**	**813**	**942**	**1,208**	**1,501**	**1,651**	**1,783**	**1,890**	**1,965**	**2,024**	**2,085**	**2,472**
+Depreciation & amortization	480	560	611	670	720	758	779	825	866	901	928	946	960	975	979
Gross Cash Flow	**1,378**	**1,356**	**1,328**	**1,451**	**1,533**	**1,701**	**1,987**	**2,325**	**2,517**	**2,683**	**2,817**	**2,912**	**2,985**	**3,060**	**3,451**
+Changes in working capital	(26)	(281)	(43)	22	117	11	(15)	(30)	0	0	0	0	0	0	0
+Capital expenditures, asset purchases	(469)	(625)	(601)	(511)	(481)	(524)	(518)	(595)	(654)	(706)	(749)	(779)	(802)	(826)	(979)
= Gross investment	**(495)**	**(905)**	**(644)**	**(490)**	**(364)**	**(513)**	**(533)**	**(624)**	**(654)**	**(706)**	**(749)**	**(779)**	**(802)**	**(826)**	**(979)**
Free cash flow from operations	**882**	**450**	**684**	**961**	**1,168**	**1,188**	**1,454**	**1,701**	**1,863**	**1,977**	**2,069**	**2,133**	**2,182**	**2,234**	**2,472**
FCF growth		-49%	52%	40%	22%	2%	22%	17%	9%	6%	5%	3%	2%	2%	-1%
Present value of cash flows						$25,623	$26,791	$27,800	$28,655	$29,427	$30,156	$30,860	$31,564	$32,284	$36,924
-Minority Interest						134	142	147	147	147	147	147	147	147	147
+ Net Debt						4,913	4,883	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581
- Less Legal Impact						0	0	0	0	0	0	0	0	0	0
Implied Market Cap						20,576	21,766	23,072	23,927	24,699	25,428	26,132	26,836	27,556	32,196
Fully-diluted shares						119m	116m	112m	112m	112m	112m	112m	112m	112m	112m
Implied Value per Share Beginning of Year						$173	$188	$206	$214	$221	$227	$234	$240	$246	$288
Implied Value per Share in 12-Months						**$190**	**$207**	**$228**	**$236**	**$244**	**$251**	**$258**	**$265**	**$272**	**$318**
						17%	83%								
					Weighted Avg	**$205**									

Source: Company Data, Morgan Stanley Research

Exhibit 58: Equifax Multiple Analysis

Share Price	EV	EV / Adj. EBITDA			Adj. P/E			FCF Multiple		
		2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
$285	$39,553	20.4x	18.8x	16.6x	37.3x	33.7x	27.1x	30.4x	29.4x	25.1x
$213	$30,855	15.9x	14.6x	12.9x	27.9x	25.2x	20.2x	22.7x	22.0x	18.8x
$211	$30,614	15.8x	14.5x	12.8x	27.6x	25.0x	20.0x	22.5x	21.8x	18.6x
$209	$30,372	15.7x	14.4x	12.7x	27.3x	24.7x	19.8x	22.3x	21.6x	18.4x
$207	$30,130	15.6x	14.3x	12.6x	27.1x	24.5x	19.6x	22.0x	21.3x	18.2x
$205	$29,889	15.4x	14.2x	12.5x	26.8x	24.2x	19.5x	21.8x	21.1x	18.1x
$195	$28,681	14.8x	13.6x	12.0x	25.5x	23.1x	18.5x	20.8x	20.1x	17.2x
$185	$27,473	14.2x	13.0x	11.5x	24.2x	21.9x	17.6x	19.7x	19.1x	16.3x
$175	$26,265	13.6x	12.5x	11.0x	22.9x	20.7x	16.6x	18.6x	18.0x	15.4x
$165	$25,057	12.9x	11.9x	10.5x	21.6x	19.5x	15.7x	17.6x	17.0x	14.5x
$125	$20,225	10.4x	9.6x	8.5x	16.3x	14.8x	11.9x	13.3x	12.9x	11.0x

Source: Morgan Stanley Research estimates

Exhibit 59: KinderCare Learning Companies (KLC): Quarterly Income Statement ($ in M)

Fiscal Year Saturday Closest to December 31	2025	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Revenue:											
Early Childhood Education Centers Revenue	$2,517.9	$610.2	$638.0	$612.8	$563.7	$2,424.7	$615.7	$642.5	$643.4	$581.2	$2,482.9
YoY Growth	2.1%	-0.8%	-1.5%	-2.3%	-10.3%	-3.7%	0.9%	0.7%	5.0%	3.1%	2.4%
Before & After School Sites Revenue	215.5	62.4	59.5	55.4	65.8	243.0	68.6	65.3	60.4	71.4	265.7
YoY Growth	9.5%	17.1%	13.5%	11.1%	9.6%	12.8%	10.0%	9.8%	9.0%	8.6%	9.3%
Incremental Stimulus Revenue (COVID)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
YoY Growth	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Total Revenue	**$2,733.4**	**$672.5**	**$697.5**	**$668.2**	**$629.4**	**$2,667.7**	**$684.4**	**$707.9**	**$703.8**	**$652.6**	**$2,748.6**
YoY Growth	2.6%	0.6%	-0.4%	-1.3%	-8.5%	-2.4%	1.8%	1.5%	5.3%	3.7%	3.0%
	0.7%										
Expenses:											
Total Cost of Services	**$2,125.5**	**$550.9**	**$567.4**	**$554.6**	**$521.3**	**$2,194.3**	**$553.8**	**$567.0**	**$570.1**	**$527.4**	**$2,218.3**
As % of total Revenue	*77.8%*	*81.9%*	*81.3%*	*83.0%*	*82.8%*	*82.3%*	*80.9%*	*80.1%*	*81.0%*	*80.8%*	*80.7%*
Total Gross Profit	***$607.9***	***$121.6***	***$130.1***	***$113.6***	***$108.1***	***$473.4***	***$130.6***	***$140.9***	***$133.7***	***$125.2***	***$530.4***
Gross Margin	*22.2%*	*18.1%*	*18.7%*	*17.0%*	*17.2%*	*17.7%*	*19.1%*	*19.9%*	*19.0%*	*19.2%*	*19.3%*
S-1 Total G&A Expenses	**299.8**	**72.9**	**69.7**	**69.8**	**65.3**	**277.7**	**72.9**	**73.2**	**73.7**	**69.0**	**288.8**
As % of total Revenue	11.0%	10.8%	10.0%	10.4%	10.4%	10.4%	10.7%	10.3%	10.5%	10.6%	10.5%
Total Operating Expenses	**$2,425.4**	**$623.8**	**$637.1**	**$624.4**	**$586.6**	**$2,471.9**	**$626.7**	**$640.2**	**$643.8**	**$596.5**	**$2,507.1**
As % of total Revenue	88.7%	92.8%	91.3%	93.4%	93.2%	92.7%	91.6%	90.4%	91.5%	91.4%	91.2%
EBITDA incl. stimulus	**$308.0**	**$48.7**	**$60.4**	**$43.8**	**$42.8**	**$195.8**	**$57.7**	**$67.7**	**$60.0**	**$56.1**	**$241.5**
EBITDA Margin	11.3%	7.2%	8.7%	6.6%	6.8%	7.3%	8.4%	9.6%	8.5%	8.6%	8.8%
Other (Income) Expense	(5.9)	(0.8)	(1.0)	-	-	(1.8)	-	-	-	-	0.0
Impairment Losses	204.1	291.5	22.9	3.3	2.0	319.7	2.0	12.9	3.3	2.0	20.2
EBITDA	**$109.8**	**($241.9)**	**$38.4**	**$40.5**	**$40.8**	**($122.1)**	**$55.7**	**$54.8**	**$56.7**	**$54.1**	**$221.3**
EBITDA Margin	5.2%	-43.9%	6.8%	7.3%	7.8%	-5.6%	10.1%	9.7%	9.9%	10.3%	10.0%
Total Adjustments	190.3	294.0	24.6	6.1	3.6	328.2	5.1	16.1	6.5	4.9	32.6
Adj EBITDA, expensing stimulus	**$300.1**	**$52.1**	**$63.0**	**$46.6**	**$44.4**	**$206.1**	**$60.8**	**$70.9**	**$63.2**	**$59.1**	**$253.9**
Adjusted EBITDA Margin, expensing stimulus	*11.0%*	*7.7%*	*9.0%*	*7.0%*	*7.1%*	*7.7%*	*8.9%*	*10.0%*	*9.0%*	*9.1%*	*9.2%*
Year-over-Year Growth	0.7%	-37.7%	-23.6%	-29.8%	-34.5%	-31.3%	16.7%	12.5%	35.5%	33.1%	23.2%
MS Adj. EBITDA expensing Stimulus and SBC	**$288.1**	**$49.6**	**$61.4**	**$43.8**	**$42.8**	**$197.6**	**$57.7**	**$67.7**	**$60.0**	**$56.1**	**$241.5**
MS Adj. EBITDA Margin expensing Stimulus and SBC	*10.5%*	*7.4%*	*8.8%*	*6.6%*	*6.8%*	*7.4%*	*8.4%*	*9.6%*	*8.5%*	*8.6%*	*8.8%*
Depreciation & Amortization	124.0	31.1	31.7	30.7	29.2	122.6	33.3	33.9	34.0	31.9	133.2
% Revenue, ex-Stim	4.5%	4.6%	4.5%	4.6%	4.6%	4.6%	4.9%	4.8%	4.8%	4.9%	4.8%
Income from Operations	**($20.0)**	**($273.8)**	**$5.8**	**$9.9**	**$11.6**	**($246.6)**	**$22.3**	**$20.8**	**$22.7**	**$22.2**	**$88.1**
Operating Margin	-0.7%	-40.7%	0.8%	1.5%	1.8%	-9.2%	3.3%	2.9%	3.2%	3.4%	3.2%
YoY Growth	-123.5%	-660.6%	-91.6%	-62.5%	-107.1%	1133.1%	-108.2%	261.0%	129.5%	91.3%	-135.7%
Interest (expense), net	(79.1)	(17.4)	(17.3)	(17.2)	(17.2)	(69.1)	(17.1)	(17.0)	(17.0)	(16.9)	(68.0)
Income (loss) before income taxes	**($93.3)**	**($290.4)**	**($10.5)**	**($7.4)**	**($5.6)**	**($313.8)**	**$5.2**	**$3.8**	**$5.7**	**$5.3**	**$20.1**
Tax (Expense), Benefit	(19.5)	0.5	1.8	2.0	1.5	5.8	(1.4)	(1.0)	(1.5)	(1.4)	(5.4)
Tax Rate	*-20.9%*	*0.2%*	*16.8%*	*27.0%*	*27.0%*	*1.8%*	*27.0%*	*27.0%*	*27.0%*	*27.0%*	*27.0%*
Net Income , GAAP	**($112.8)**	**($289.8)**	**($8.8)**	**($5.4)**	**($4.1)**	**($308.0)**	**$3.8**	**$2.8**	**$4.2**	**$3.9**	**$14.6**
Adjustments											
Adjusted Income Tax (Expense) Benefit	(9.2)	(0.9)	(8.0)	(2.2)	(1.5)	(12.6)	(1.9)	(4.9)	(2.4)	(1.9)	(11.1)
Total Adjustments	195.4	$295.1	$18.7	$6.0	$4.0	323.8	$5.2	$13.3	$6.4	$5.1	30.0
Adjusted net (loss) income:	**$82.6**	**$5.3**	**$9.9**	**$0.6**	**($0.0)**	**$15.8**	**$9.1**	**$16.1**	**$10.5**	**$9.0**	**$44.6**
Avg. Diluted Shares Outstanding	118.4	118.5	118.8	118.8	118.8	118.7	118.8	118.8	118.8	118.8	118.8
EPS to Common Stockholders	($0.95)	($2.45)	($0.07)	($0.05)	($0.03)	($2.59)	$0.03	$0.02	$0.04	$0.03	$0.12
Adj. EPS (ex-Stimulus)	**$0.70**	**$0.04**	**$0.08**	**$0.01**	**($0.00)**	**$0.13**	**$0.08**	**$0.14**	**$0.09**	**$0.08**	**$0.38**
Year-over-Year Growth	75.9%	-80.5%	-62.1%	-95.8%	-100.3%	-80.9%	71.0%	62.4%	1528.0%	-21227.6%	182.5%

Source: Company data, Morgan Stanley Research estimates

Exhibit 60: KinderCare Learning Companies (KLC): Annual Income Statement ($ in M)

Fiscal Year Saturday Closest to December 31	2021	2022	2023	2024	2025	2026E	2027E	2028E
Revenue:								
Early Childhood Education Centers Revenue	$1,736	$2,052	$2,345	$2,466	$2,518	$2,425	$2,483	$2,570
YoY Growth	32.8%	18.2%	14.3%	5.2%	2.1%	-3.7%	2.4%	3.5%
Before & After School Sites Revenue	66	112	162	197	216	243	266	286
YoY Growth	58.8%	69.0%	45.5%	21.1%	9.5%	12.8%	9.3%	7.7%
Incremental Stimulus Revenue (COVID)	6	2	3	0	0	0	0	0
YoY Growth	-65.4%	-68.1%	51.1%	-96.9%	NM	NM	NM	NM
Total Revenue	**$1,808**	**$2,166**	**$2,510**	**$2,663**	**$2,733**	**$2,668**	**$2,749**	**$2,857**
YoY Growth	32.3%	19.8%	15.9%	6.1%	2.6%	-2.4%	3.0%	3.9%
					0.7%			
Expenses:								
Total Cost of Services	**$1,302**	**$1,425**	**$1,824**	**$2,028**	**$2,126**	**$2,194**	**$2,218**	**$2,280**
As % of total Revenue	72.0%	65.8%	72.7%	76.2%	77.8%	82.3%	80.7%	79.8%
Total Gross Profit	***$506***	***$741***	***$686***	***$635***	***$608***	***$473***	***$530***	***$576***
Gross Margin	*28.0%*	*34.2%*	*27.3%*	*23.8%*	*22.2%*	*17.7%*	*19.3%*	*20.2%*
S-1 Total G&A Expenses	**204**	**248**	**288**	**427**	**300**	**278**	**289**	**297**
As % of total Revenue	11.3%	11.4%	11.5%	16.0%	11.0%	10.4%	10.5%	10.4%
Total Operating Expenses	**$1,506**	**$1,672**	**$2,112**	**$2,456**	**$2,425**	**$2,472**	**$2,507**	**$2,577**
As % of total Revenue	83.3%	77.2%	84.1%	92.2%	88.7%	92.7%	91.2%	90.2%
EBITDA incl. stimulus	**$302**	**$493**	**$398**	**$207**	**$308**	**$196**	**$242**	**$280**
EBITDA Margin	16.7%	22.8%	15.9%	7.8%	11.3%	7.3%	8.8%	9.8%
Other (Income) Expense	(1)	3	(1)	(6)	(6)	(2)	0	0
Impairment Losses	7	15	14	11	204	320	20	15
EBITDA	**$295**	**$475**	**$386**	**$203**	**$110**	**($122)**	**$221**	**$264**
EBITDA Margin	20.2%	27.6%	19.6%	9.7%	5.2%	-5.6%	10.0%	11.6%
Total Adjustments	(134)	(267)	(119)	96	190	328	33	28
Adj EBITDA, expensing stimulus	**$161**	**$208**	**$266**	**$298**	**$300**	**$206**	**$254**	**$292**
Adjusted EBITDA Margin, expensing stimulus	*8.9%*	*9.6%*	*10.6%*	*11.2%*	*11.0%*	*7.7%*	*9.2%*	*10.2%*
Year-over-Year Growth	-1215.5%	29.0%	27.9%	11.9%	0.7%	-31.3%	23.2%	15.2%
MS Adj. EBITDA expensing Stimulus and SBC	**$161**	**$201**	**$265**	**$298**	**$288**	**$198**	**$242**	**$280**
MS Adj. EBITDA Margin expensing Stimulus and SBC	*8.9%*	*9.3%*	*10.5%*	*11.2%*	*10.5%*	*7.4%*	*8.8%*	*9.8%*
Depreciation & Amortization	82	89	109	118	124	123	133	137
% Revenue, ex-Stim	4.6%	4.1%	4.3%	4.4%	4.5%	4.6%	4.8%	4.8%
Income from Operations	**$213**	**$386**	**$277**	**$85**	**($20)**	**($247)**	**$88**	**$127**
Operating Margin	11.8%	17.8%	11.0%	3.2%	-0.7%	-9.2%	3.2%	4.4%
YoY Growth	-406.9%	81.3%	-28.4%	-69.3%	-123.5%	1133.1%	-135.7%	44.2%
Interest (expense), net	(97)	(99)	(147)	(163)	(79)	(69)	(68)	(67)
Income (loss) before income taxes	**$116**	**$288**	**$130**	**($78)**	**($93)**	**($314)**	**$20**	**$60**
Tax (Expense), Benefit	(28)	(69)	(27)	(15)	(20)	6	(5)	(16)
Tax Rate	*24.1%*	*23.8%*	*21.1%*	*-18.7%*	*-20.9%*	*1.8%*	*27.0%*	*27.0%*
Net Income , GAAP	**$88**	**$219**	**$103**	**($93)**	**($113)**	**($308)**	**$15**	**$44**
Adjustments								
Adjusted Income Tax (Expense) Benefit	30	61	22	26	(9)	(13)	(11)	(10)
Total Adjustments	(95)	(197)	(88)	131	195	324	30	27
Adjusted net (loss) income:	**($6)**	**$22**	**$15**	**$38**	**$83**	**$16**	**$45**	**$71**
Avg. Diluted Shares Outstanding	758	783	757	96	118	119	119	119
EPS to Common Stockholders	$0.12	$0.28	$0.14	($0.96)	($0.95)	($2.59)	$0.12	$0.37
Adj. EPS (ex-Stimulus)	**($0.01)**	**$0.03**	**$0.02**	**$0.40**	**$0.70**	**$0.13**	**$0.38**	**$0.60**
Year-over-Year Growth				NM	75.9%	-80.9%	182.5%	58.7%

Source: Company data, Morgan Stanley Research estimates

Exhibit 61: KinderCare Learning Companies (KLC): Annual Cash Flow Statement ($ in M)

Fiscal Year Ending December 31	2021	2022	2023	2024	2025	2026E	2027E	2028E
Cash Flows From Operations								
Net income (loss)	$88	$219	$103	($93)	($113)	($308)	$15	$44
Adjustments to reconcile Net Income to OCF:								
Depreciation and amortization	82	89	109	118	124	123	133	137
Impairment of long-lived assets	7	15	14	11	204	320	20	15
Change in deferred taxes	20	26	(17)	(30)	7	(3)	-	-
Loss on extinguishment of debt	-	(0)	4	26	5	-	-	-
Loss on extinguishment indebtedness to related party	-	-	0	-	-	-	-	-
Amortization of debt issuance costs	5	5	8	7	6	3	-	-
Equity-based compensation	1	10	13	144	12	9	12	13
Realized and unrealized (gains) losses from investments in trust	-	5	(3)	(2)	(3)	(2)	-	-
Interest paid-in-kind	4	-	-	-	-	-	-	-
Gain on disposal of property and equipment	(1)	0	2	(3)	(0)	-	-	-
Other adjustments	(27)	(39)	17	(0)	-	(2)	1	1
Changes in assets and liabilities, net of acquisition:								
Accounts receivable	(13)	4	(18)	(16)	(14)	10	(4)	(4)
Prepaid expenses and other current assets	(31)	2	22	(7)	(60)	(3)	9	(4)
Other assets	(4)	(30)	(1)	(2)	8	1	-	-
Accounts payable and accrued liabilities	34	(2)	(1)	(9)	4	(7)	(10)	(7)
Leases	(7)	(14)	1	1	2	2	-	-
Deferred revenue	4	(18)	1	1	23	(4)	2	2
Other current liabilities	8	19	21	(15)	32	(6)	4	4
Other long-term liabilities	(11)	13	49	(15)	1	3	-	-
Related party payables	(4)	0	(2)	0	(0)	-	-	-
Other	27	39	(17)	0				
Cash From Operating Activities	**$183**	**$342**	**$304**	**$116**	**$239**	**$134**	**$182**	**$202**
Cash From Investing Activities								
Purchases of property and equipment	($67)	($139)	($129)	($132)	($128)	($125)	($129)	($143)
Payment for acquisitions, net of cash proceeds	(14)	(158)	(10)	(11)	(23)	(1)	-	-
Proceeds from the disposal of property and equipment	1	(3)	23	3	0	-	-	-
Proceeds from sales and leaseback, net	-	-	-	-	-	-	-	-
Investments in deferred compensation asset trusts	-	-	(3)	(9)	(7)	(4)	-	-
Proceeds from deferred compensation asset trust redemptions	-	-	1	2	4	4	-	-
Cash Used in Investing Activities	**($80)**	**($300)**	**($118)**	**($147)**	**($154)**	**($126)**	**($129)**	**($143)**
Cash From Financing Activities								
Issuance of long-term debt, net of issuance costs	$26	$1	$1,251	$264	$0	$0	$0	$0
Repayments of long-term debt		(33)	(1,368)	(608)	(0)	(13)	(16)	(16)
Net IPO Proceeds	-	-	-	626	-	-	-	-
Borrowing under revolving credit facility	-	-	-	-	-	-	-	-
Repayment under revolving credit facility	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	(11)	(1)	-	-	-
Principal payments of long-term debt	(12)	(12)	(6)	(12)	(10)	(0)	-	-
Repurchase of Common Stock	-	(73)	-	-				
Contribution from KC Parent, LLC	23	-	-	(320)	-	-	-	-
Payments of capital and financing lease obligations and other	(2)	(2)	(2)	(2)	(3)	(1)	-	-
Payments of contingent consideration for acquistions	(15)	-	(10)	-	-	-	-	-
Cash From Financing Activity	**$21**	**($118)**	**($135)**	**($63)**	**($13)**	**($14)**	**($16)**	**($16)**
Net increase (decrease) in Cash	124	(76)	51	(94)	71	(5)	37	43
Cash, cash equivalents, and restricted cash - Beginning	57	181	105	156	62	133	128	165
Cash, cash equivalents, and restricted cash - End	**$181**	**$105**	**$156**	**$62**	**$133**	**$128**	**$165**	**$208**
Restricted cash included within other assets	4	0	0	0	0	0	0	0
Cash and cash equivalents	**$177**	**$105**	**$156**	**$62**	**$133**	**$128**	**$165**	**$208**

Source: Company data, Morgan Stanley Research estimates

Exhibit 62: KinderCare Learning Companies (KLC): Annual Balance Sheet ($ in M)

Fiscal Year Ending December 31	2021	2022	2023	2024	2025	2026E	2027E	2028E
ASSETS								
Current Assets								
Cash and cash equivalents	$177	$105	$156	$62	$133	$128	$165	$208
Accounts receivable, net	74	70	88	104	119	108	112	117
Prepaid expenses and other current assets	53	58	39	48	106	110	101	105
Total Current Assets	**$304**	**$234**	**$283**	**$215**	**$358**	**$346**	**$378**	**$430**
Property, plant and equipment, net	$308	$407	$396	$419	$418	$398	$382	$381
Goodwill, net	992	1,103	1,111	1,120	965	692	692	692
Other intangibles, net	434	448	439	430	421	413	404	395
Operating lease right-of-use assets	1,394	1,411	1,352	1,373	1,501	1,474	1,474	1,474
Other assets	37	63	73	90	86	86	86	86
Total Assets	**$3,470**	**$3,665**	**$3,653**	**$3,645**	**$3,748**	**$3,410**	**$3,418**	**$3,459**
LIABILITIES AND STOCKHOLDERS' EQUITY								
Current Liabilities								
Accounts payable and accrued liabilities	$149	$170	$154	$153	$163	$155	$145	$138
Related party payables	1	2	-	0	-	-	-	-
Current portion of long-term debt	12	12	13	7	10	10	10	10
Operating lease liabilities—current	127	139	133	145	147	165	165	165
Deferred revenue	39	25	26	26	50	45	47	49
Other current liabilities	52	63	100	81	116	106	110	114
Total Current Liabilities	**$380**	**$410**	**$427**	**$413**	**$485**	**$481**	**$476**	**$476**
Long-term debt, net	$1,320	$1,292	$1,237	$919	$918	$908	$892	$876
Long-term indebtedness to related party, net	55	56	-	-	-	-	-	-
Operating lease liabilities—long-term	1,354	1,351	1,302	1,316	1,448	1,421	1,421	1,421
Deferred income taxes, net	47	77	61	31	35	32	34	35
Other long-term liabilities	58	71	120	103	107	106	106	106
Total Liabilities	**$3,214**	**$3,257**	**$3,146**	**$2,781**	**$2,993**	**$2,949**	**$2,930**	**$2,914**
Stockholders' Equity								
Common stock	0	0	0	1	1	1	1	1
Additional Paid-In Capital	454	389	384	830	841	845	845	845
Retained Earnings	(199)	21	123	30	(83)	(386)	(359)	(303)
Accumulated other comprehensive loss	-	(2)	(0)	3	(5)	1	1	1
Total Stockholders' Equity	**$256**	**$408**	**$507**	**$865**	**$755**	**$461**	**$488**	**$545**
Total Liabilities & Stockholders' Equity	**$3,470**	**$3,665**	**$3,653**	**$3,645**	**$3,748**	**$3,410**	**$3,418**	**$3,459**

Source: Company data, Morgan Stanley Research estimates

Exhibit 63: KinderCare Learning Companies (KLC): Discounted Cash Flow Valuation

KinderCare Education (USD mm)	WACC:	10.2%			Terminal Growth:		0.8%						
	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2040E
Operating profit	**65**	**-69**	**213**	**386**	**277**	**85**	**-20**	**-247**	**88**	**127**	**139**	**145**	**175**
Tax rate	*22%*	*23%*	*24%*	*24%*	*21%*	*26%*	*26%*	*26%*	*27%*	*27%*	*27%*	*27%*	*27%*
=NOPAT	**51**	**-53**	**162**	**294**	**218**	**63**	**-15**	**-182**	**64**	**93**	**102**	**106**	**128**
+Non-Cash Charges	101	70	54	49	128	115	124	120	134	139	145	151	188
Gross Cash Flow	**152**	**17**	**216**	**343**	**347**	**178**	**109**	**-62**	**199**	**231**	**247**	**257**	**315**
+Changes in working capital	28	72	3	12	54	(61)	(4)	(4)	1	(9)	(9)	(9)	(9)
+Capital expenditures, asset purchases	(94)	(48)	(80)	(300)	(117)	(140)	(151)	(126)	(129)	(143)	(149)	(155)	(188)
= Gross investment	**(67)**	**23**	**(77)**	**(287)**	**(63)**	**(201)**	**(155)**	**(131)**	**(129)**	**(152)**	**(159)**	**(165)**	**(197)**
Free cash flow to firm	**85**	**40**	**139**	**56**	**284**	**-24**	**-46**	**-193**	**70**	**79**	**88**	**92**	**118**
FCF growth		-53%	245%	-60%	408%	-108%	94%	318%	-136%	13%	11%	4%	5%
Present value of cash flows	$766	$759	$797	$739	$759	$553	$633	$744	$1,013	$1,046	$1,074	$1,096	$1,248
-Minority Interest	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
-Net Debt at PYE		$1,319	$1,337	$1,210	$1,254	$864	$864	$794	$790	$736	$678	$678	$678
+ Preferred Equity		0	0	0	0	0	0	0	0	$0	$0	$0	$0
Implied Market Cap		($560)	($540)	($471)	($495)	($311)	($231)	($50)	$223	$310	$396	$418	$570
Fully-diluted shares (BOP)								118m	119m	119m	119m	119m	119m
Implied Value per Share Beginning of Year								**$0**	**$2**	**$3**	**$3**	**$4**	**$5**
Implied Value per Share in 12-Months								**$0**	**$2**	**$3**	**$4**	**$4**	**$5**

Weighted Avg (12-mo Forward) **$2**

Source: Company data, Morgan Stanley Research estimates

Exhibit 64: KinderCare Learning Companies (KLC): Multiple Analysis

Share Price	Equity Value	EV	Adj. EV/ EBITDA 2026E	Adj. EV/ EBITDA 2027E	Adj. P/E 2026E	Adj. P/E 2027E	P / Unlev. FCF 2026E	P / Unlev. FCF 2027E
$10.00	$1,188	$2,009	9.7x	7.9x	75.2x	26.6x	-10.4x	28.6x
$9	$1,069	$1,890	9.2x	7.4x	67.7x	24.0x	-9.8x	26.9x
$8	$950	$1,771	8.6x	7.0x	60.2x	21.3x	-9.2x	25.2x
$7	$832	$1,652	8.0x	6.5x	52.7x	18.6x	-8.6x	23.5x
$5	$594	$1,415	6.9x	5.6x	37.6x	13.3x	-7.3x	20.2x
$4	$475	$1,296	6.3x	5.1x	30.1x	10.6x	-6.7x	18.5x
$3	$356	$1,177	5.7x	4.6x	22.6x	8.0x	-6.1x	16.8x
$2.00	$238	$1,058	5.1x	4.2x	15.0x	5.3x	-5.5x	15.1x
$1.50	$178	$999	4.8x	3.9x	11.3x	4.0x	-5.2x	14.2x
$1	$119	$940	4.6x	3.7x	7.5x	2.7x	-4.9x	13.4x

Source: Company data, Morgan Stanley Research estimates

Exhibit 65: MH Quarterly Income Statement ($ in M)

Fiscal Year Ending Mar. 31	2025	1Q26	2Q26	3Q26	4Q26	2026	1Q27	2Q27E	3Q27E	4Q27E	2027E
Total Revenue	$2,101.3	$535.7	$669.2	$434.2	$463.7	$2,102.8	$549.9	$638.1	$451.4	$476.2	$2,115.6
Annual Growth	7.2%	2.4%	-2.8%	4.2%	-2.0%	0.1%	2.6%	-4.7%	4.0%	2.7%	0.6%
Cost of sales	$422.3	$123.4	$139.1	$63.8	$74.8	$401.1	$110.7	$131.0	$64.1	$74.5	$380.3
Gross Margin	79.9%	77.0%	79.2%	85.3%	83.9%	80.9%	79.9%	79.5%	85.8%	84.4%	82.0%
Operating and administrative expenses	1,066.5	241.5	299.5	257.2	282.0	1,080.3	255.1	280.5	255.1	281.6	1,072.2
% of Total Revenue	50.8%	45.1%	44.8%	59.2%	60.8%	51.4%	46.4%	44.0%	56.5%	59.1%	50.7%
Depreciation	66.7	17.2	17.7	27.3	19.8	82.0	16.3	16.9	19.2	20.3	72.7
Amortization of intangibles	239.0	57.4	56.4	55.4	54.5	223.6	53.5	53.9	53.9	54.4	215.7
Impairment of long-lived assets	0.0	0.0	0.0	0.0	39.0	39.0	0.0	0.0	0.0	0.0	0.0
Transaction costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses	$1,794.5	$439.5	$512.7	$403.8	$470.1	$1,826.0	$435.6	$482.3	$392.3	$430.7	$1,741.0
GAAP Operating Income	$306.8	$96.2	$156.5	$30.4	($6.4)	$276.8	$114.3	$155.8	$59.1	$45.6	$374.7
Operating Margin %	14.6%	18.0%	23.4%	7.0%	-1.4%	13.2%	20.8%	24.4%	13.1%	9.6%	17.7%
D&A	$362.4	$87.9	$92.8	$95.7	$85.6	$365.4	$83.5	$90.0	$86.7	$88.9	$349.0
EBITDA	**$666.4**	**$184.1**	**$233.0**	**$117.9**	**$78.0**	**$612.9**	**$197.8**	**$245.7**	**$145.7**	**$134.5**	**$723.7**
EBITDA Margin	31.7%	34.4%	34.8%	27.2%	16.8%	29.1%	36.0%	38.5%	32.3%	28.2%	34.2%
Adj. EBITDA	**$726.8**	**$191.4**	**$286.4**	**$135.9**	**$130.6**	**$744.3**	**$207.0**	**$255.4**	**$153.5**	**$142.5**	**$758.4**
Adj. EBITDA Margin %	34.6%	35.7%	42.8%	31.3%	28.2%	35.4%	37.7%	40.0%	34.0%	29.9%	35.8%
Year-over-Year Growth	10.7%	7.2%	-1.4%	7.7%	-0.8%	2.4%	8.2%	-10.8%	13.0%	9.1%	1.9%
Stock-Based Compensation	0.0	0.0	31.1	0.7	2.0	33.7	3.9	6.4	4.5	4.8	19.5
Amortization of product development costs	56.7	13.3	18.7	12.9	11.3	56.3	13.6	19.1	13.5	14.3	60.6
MS Std. Adj. EBITDA Post-SBC & Post-Plate	**$670.1**	**$178.1**	**$236.6**	**$122.3**	**$117.2**	**$654.2**	**$189.5**	**$229.8**	**$135.5**	**$123.5**	**$678.3**
Adj. EBITDA Margin %	31.9%	33.2%	35.4%	28.2%	25.3%	31.1%	34.5%	36.0%	30.0%	25.9%	32.1%
Year-over-Year Growth	12.0%	7.7%	-12.9%	7.8%	-2.1%	-2.4%	6.4%	-2.9%	10.8%	5.3%	3.7%
Other Income (Expense)	(2.7)	0.0	(16.4)	(8.2)	(1.2)	(25.8)	0.0	0.0	0.0	0.0	0.0
Interest Expense, Net (Expense)	(293.4)	(58.8)	(55.9)	(47.4)	(45.2)	(207.2)	(45.8)	(45.3)	(43.6)	(42.5)	(177.2)
Pretax Income	$10.6	$37.5	$84.2	($25.1)	($52.7)	$43.8	$68.5	$110.4	$15.5	$3.0	$197.5
Income Tax Benefit (Expense)	(96.5)	(36.9)	21.1	5.0	2.5	(8.5)	(10.7)	(17.2)	(7.5)	(7.5)	(42.8)
Net Income - GAAP	($85.8)	$0.5	$105.3	($20.2)	($50.3)	$35.3	$57.9	$93.3	$8.0	($4.5)	$154.7
Adj. Net Income	**$202.3**	**$0.3**	**$261.0**	**$53.0**	**$61.2**	**$375.5**	**$112.8**	**$145.2**	**$58.5**	**$46.5**	**$359.5**
Avg. Diluted Shares Outstanding	156.4	166.6	185.8	191.0	191.1	185.1	191.3	191.6	192.1	192.6	192.1
Diluted EPS	**($0.55)**	**$0.00**	**$0.57**	**($0.11)**	**($0.26)**	**$0.19**	**$0.30**	**$0.49**	**$0.04**	**($0.02)**	**$0.81**
Extraord items, per share	$1.84	($0.00)	$0.84	$0.38	$0.58	$1.84	$0.29	$0.27	$0.26	$0.26	$1.07
Non-GAAP EPS	**$1.29**	**$0.00**	**$1.40**	**$0.28**	**$0.32**	**$2.03**	**$0.59**	**$0.76**	**$0.30**	**$0.24**	**$1.87**

Source: Company Data, Morgan Stanley Research estimates.

Exhibit 66: MH Annual Income Statement ($ in M)

Fiscal Year Ending Mar. 31	2023	2024	2025	2026	2027E	2028E	2029E
Total Revenue	1,947.8	1,960.5	2,101.3	2,102.8	2,115.6	2,186.2	2,255.0
Annual Growth	8.8%	0.7%	7.2%	0.1%	0.6%	3.3%	3.1%
Cost of sales	464.6	420.3	422.3	401.1	380.3	387.5	394.0
Gross Margin	76.1%	78.6%	79.9%	80.9%	82.0%	82.3%	82.5%
Operating and administrative expenses	1,044.6	1,027.4	1,066.5	1,080.3	1,072.2	1,097.3	1,129.7
% of Total Revenue	53.6%	52.4%	50.8%	51.4%	50.7%	50.2%	50.1%
Depreciation	44.6	53.0	66.7	82.0	72.7	69.7	66.3
Amortization of intangibles	270.2	254.9	239.0	223.6	215.7	204.9	194.7
Impairment of long-lived assets	312.0	49.5	0.0	39.0	0.0	0.0	0.0
Transaction costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses	2135.9	1805.2	1794.5	1826.0	1741.0	1759.4	1784.6
GAAP Operating Income	(188.2)	155.3	306.8	276.8	374.7	426.8	470.4
Operating Margin %	-9.7%	7.9%	14.6%	13.2%	17.7%	19.5%	20.9%
D&A	371.9	366.4	362.4	365.4	349.0	342.7	336.8
EBITDA	**196.3**	**525.1**	**666.4**	**612.9**	**723.7**	**769.6**	**807.2**
EBITDA Margin	10.1%	26.8%	31.7%	29.1%	34.2%	35.2%	35.8%
Adj. EBITDA	618.0	656.6	726.8	744.3	758.4	796.9	835.4
EBITDA Margin	31.7%	33.5%	34.6%	35.4%	35.8%	36.5%	37.0%
Year-over-Year Growth	0.0%	6.3%	10.7%	2.4%	1.9%	5.1%	4.8%
Stock-Based Compensation	0.0	0.0	0.0	33.7	19.5	27.3	28.2
Amortization of product development costs	57.1	58.5	56.7	56.3	60.6	68.1	75.9
MS Std. Adj. EBITDA Post-SBC & Post-Plate	**560.8**	**598.2**	**670.1**	**654.2**	**678.3**	**701.5**	**731.4**
EBITDA Margin	28.8%	30.5%	31.9%	31.1%	32.1%	32.1%	32.4%
Year-over-Year Growth	0.0%	6.7%	12.0%	-2.4%	3.7%	3.4%	4.3%
Other Income (Expense)	12.6	3.4	(2.7)	(25.8)	0.0	0.0	0.0
Interest Expense, Net (Expense)	(278.2)	(326.4)	(293.4)	(207.2)	(177.2)	(163.1)	(148.6)
Pretax Income	(453.8)	(167.7)	10.6	43.8	197.5	263.7	321.8
Income Tax Benefit (Expense)	49.7	(25.3)	(96.5)	(8.5)	(42.8)	(90.0)	(110.0)
Net Income - GAAP	(404.1)	(193.0)	(85.8)	35.3	154.7	173.7	211.8
Adj. Net Income	**184.0**	**179.9**	**202.3**	**375.5**	**359.5**	**363.7**	**394.1**
Avg. Diluted Shares Outstanding	156.3	156.4	156.4	185.1	192.1	194.4	196.7
Diluted EPS	**-2.58**	**-1.23**	**-0.55**	**0.19**	**0.81**	**0.89**	**1.08**
Extraord items, per share	3.76	2.38	1.84	1.84	1.07	0.98	0.93
Non-GAAP EPS	**$1.18**	**$1.15**	**$1.29**	**$2.03**	**$1.87**	**$1.87**	**$2.00**

Source: Company Data, Morgan Stanley Research estimates.

Exhibit 67: MH Annual Cash Flow Statement ($ in M)

Fiscal Year Ending Mar. 31	2023	2024	2025	2026	2027E	2028E	2029E
Cash Flows From Operations							
Net income (loss)	(404.1)	(193.0)	(85.8)	35.3	154.7	173.7	211.8
Depreciation	44.6	53.0	66.7	82.0	72.7	69.7	66.3
Amortization	270.2	254.9	239.0	223.6	215.7	204.9	194.7
Amortization of pre-publication costs	57.1	58.5	56.7	56.3	60.6	68.1	75.9
Amortization of inventory purchase, deferred royalities, commission costs	46.5	18.1	0.0	98.6	45.7	0.0	0.0
(Gain) Loss on extinguishment of debt	(4.6)	(3.4)	2.7	25.8	0.0	0.0	0.0
(Gain) Loss on disposition	0.0	(1.9)	0.0	0.0	0.0	0.0	0.0
Credit losses on accounts receivable	0.9	10.6	2.8	2.3	(1.3)	0.0	0.0
Unrealized (Gain) Loss on interest rate cap	(2.8)	2.6	0.2	0.0	0.0	0.0	0.0
Deferred income taxes	(59.5)	(30.4)	(1.5)	(1.1)	0.3	0.0	0.0
Stock-based compensation	0.0	0.0	0.0	33.7	19.5	27.3	28.2
Amortization of debt discount	15.0	15.5	20.7	13.0	9.2	8.0	8.0
Amortization of deferred financing costs	5.5	5.5	10.5	4.9	1.2	0.0	0.0
Impairment charges / Inventory obsolescence	312.0	49.5	0.0	48.2	4.0	0.0	0.0
Net Changes in Operating Assets and Liabilities							
Accounts receivable, net of reserves	(52.3)	(42.8)	(12.5)	(22.9)	(54.8)	(14.6)	(14.1)
Inventories	(69.4)	16.9	39.3	(29.5)	(3.0)	(3.6)	(3.2)
Prepaid expenses and other assets	(98.7)	(87.5)	(99.6)	(128.0)	(16.4)	0.0	0.0
Accounts payable and accrued expenses	56.8	42.5	180.6	(21.3)	(1.5)	5.9	5.1
Deferred revenue	176.0	61.4	166.6	(6.2)	(69.3)	36.7	33.3
Other working capital accounts, net	(38.2)	(23.0)	46.9	(84.2)	42.3	0.0	0.0
Other assets/liabilities	1.5	29.2	13.1	0.4	(0.5)	0.0	0.0
Total Source / (Use) from Working Capital	(24.2)	(3.2)	334.3	(291.6)	(103.1)	24.3	21.2
Net Cash provided by Op. Activities from Cont. Ops.	256.6	236.2	646.3	331.2	479.2	576.1	606.0
Cash From Investing Activities							
Acquisition of businesses, net of cash acquired	(21.8)	0.0	(6.0)	0.0	0.0	0.0	0.0
Pre-publication expenditure	(70.5)	(74.7)	(90.0)	(119.0)	(129.2)	(143.1)	(158.9)
Proceeds from disposition	0.0	20.5	0.0	0.0	0.0	0.0	0.0
Other Investing Activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed Asset Capex	(70.0)	(82.0)	(71.1)	(84.9)	(90.8)	(96.0)	(101.3)
Net Cash provided by Invest. Activities from Cont. Ops.	(162.3)	(136.1)	(167.1)	(203.9)	(220.0)	(239.2)	(260.3)
Cash From Financing Activities							
Dividend payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repurchase of common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Issuance of common stock	13.3	0.0	0.0	394.4	0.0	0.0	0.0
Debt issuance/(repayment)	(112.3)	(65.7)	(285.5)	(645.5)	(163.2)	(213.2)	(213.2)
Proceeds from employee stock plans	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Financing Items	(105.6)	(11.5)	(9.2)	(13.8)	0.1	0.0	0.0
Net Cash provided by Financing Activities	(204.6)	(77.2)	(294.7)	(264.9)	(163.0)	(213.2)	(213.2)
Effects Of Exchange Rate On Cash	(4.6)	(0.7)	1.7	1.3	1.0	0.0	0.0
Net increase (decrease) in Cash and Cash Equivalents	(114.9)	22.1	186.2	(136.3)	97.1	123.8	132.6
Cash & Equivalents - Beginning	296.4	181.5	203.6	389.8	253.5	350.7	474.4
Cash & Equivalents - End	181.5	203.6	389.8	253.5	350.7	474.4	607.0

Source: Company Data, Morgan Stanley Research estimates.

Exhibit 68: MH Annual Balance Sheet ($ in M)

Fiscal Year Ending Mar. 31	2023	2024	2025	2026	2027E	2028E	2029E
ASSETS							
Current Assets							
Cash and Cash Equivalents	181.5	203.6	389.8	253.5	350.7	474.4	607.0
Accounts receivable, net	307.6	340.4	338.4	362.5	414.6	429.2	443.3
Inventories, net	248.3	213.9	174.0	195.0	194.1	197.7	200.9
Prepaid Expenses and Other Current Assets	166.1	146.0	150.4	162.6	133.3	133.3	133.3
Total Current Assets	903.4	903.9	1,052.6	973.7	1,092.7	1,234.7	1,384.5
Pre-publication costs, net	178.1	189.5	222.2	286.0	354.6	429.6	512.7
Property, equipment and leasehold improvements, net	112.6	100.5	95.2	90.4	103.0	129.3	164.3
Goodwill	2,598.1	2,557.6	2,557.6	2,522.6	2,522.6	2,522.6	2,522.6
Intangible assets, net	1,955.1	1,692.4	1,454.2	1,227.3	1,011.7	806.8	612.1
Operating lease right-of-use assets	64.5	61.5	49.7	44.8	43.2	43.2	43.2
Deferred taxes	6.7	6.3	8.0	8.6	8.5	8.5	8.5
Other assets	253.1	296.3	318.3	332.2	343.1	343.1	343.1
Total Assets	6,071.7	5,808.2	5,757.8	5,485.5	5,479.4	5,517.8	5,591.1
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities							
Accounts payable and accrued expenses	148.8	110.0	146.7	126.7	126.1	128.4	130.5
Accrued Royalties	65.3	71.2	71.5	81.4	81.0	82.6	83.9
Accrued Comp	90.8	77.9	125.0	108.4	107.9	109.9	111.7
Deferred revenue	688.4	736.4	794.0	835.4	800.8	819.1	835.7
Current Portion of LT Debt	21.3	21.3	13.2	13.2	13.2	13.2	13.2
Operating lease liabilities	11.5	9.2	8.0	8.4	7.6	7.6	7.6
Other current liabilities	123.3	117.0	172.0	93.1	138.6	138.6	138.6
Total Current Liabilities	1,149.3	1,143.1	1,330.4	1,266.5	1,275.1	1,299.3	1,321.1
Deferred taxes	46.2	15.4	15.7	15.2	15.4	15.4	15.4
Long-term deferred revenue	760.1	774.6	882.2	836.0	801.4	819.8	836.5
Operating lease liabilities	82.0	76.5	64.7	57.3	55.9	55.9	55.9
Other non-current liabilities	12.1	15.6	20.0	23.5	23.2	23.2	23.2
Long-term debt	3,463.9	3,414.2	3,164.6	2,560.7	2,407.4	2,202.2	1,997.1
Total Liabilities	5,513.5	5,439.4	5,477.5	4,759.3	4,578.5	4,415.9	4,249.2
Stockholders' Equity							
Class A Common Stock	1.6	1.6	1.6	1.9	1.9	1.9	1.9
Class B Common Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional Paid in Capital	1,562.3	1,562.3	1,562.3	1,972.7	1,994.1	2,021.4	2,049.6
Retained Earnings	(1,002.3)	(1,195.4)	(1,281.2)	(1,245.9)	(1,091.2)	(917.5)	(705.7)
AOCI	(3.4)	0.2	(2.4)	(2.5)	(3.9)	(3.9)	(3.9)
Total Stockholders' Equity	558.1	368.8	280.2	726.2	900.9	1,101.9	1,341.9
Total Liabilities & Stockholders' Equity	6,071.7	5,808.2	5,757.8	5,485.5	5,479.4	5,517.8	5,591.1

Source: Company Data, Morgan Stanley Research estimates.

Exhibit 69: MH Discounted Cash Flow Valuation

McGraw Hill (USD mm)	Terminal Multiple:	5.9x	WACC:	9.7%		Terminal Growth:		2%						
														Terminal
		2023	2024	2025	2026	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2040E
EBITDA		**196**	**525**	**666**	**613**	**724**	**770**	**807**	**840**	**865**	**891**	**913**	**931**	**1,023**
Total D&A		372	366	362	365	349	343	337	320	305	292	280	269	229
Operating Profit		**(176)**	**159**	**304**	**248**	**375**	**427**	**470**	**519**	**559**	**599**	**633**	**662**	**794**
EBIT Growth		*NA*	*NA*	*92%*	*-19%*	*51%*	*14%*	*10%*	*10%*	*8%*	*7%*	*6%*	*5%*	
Tax rate		*28%*	*16%*	*32%*	*3%*	*11%*	*21%*	*23%*	*26%*	*26%*	*26%*	*26%*	*26%*	*26%*
=NOPAT		**-126**	**133**	**208**	**239**	**332**	**337**	**360**	**384**	**414**	**443**	**468**	**490**	**588**
Gross Cash Flow		**246**	**500**	**570**	**604**	**681**	**680**	**697**	**705**	**719**	**735**	**748**	**759**	**817**
+Changes in working capital		(26)	(32)	321	(292)	(103)	24	(84)	0	0	0	0	0	0
+Capital expenditures, capitalized dev.		(141)	(157)	(161)	(204)	(220)	(239)	(260)	(271)	(279)	(287)	(294)	(300)	(330)
= Gross investment		**(166)**	**(189)**	**160**	**(496)**	**(323)**	**(215)**	**(344)**	**(271)**	**(279)**	**(287)**	**(294)**	**(300)**	**(330)**
Free cash flow from operations		**80**	**311**	**730**	**109**	**358**	**465**	**353**	**434**	**440**	**448**	**454**	**459**	**487**
FCF growth			290%	135%	-85%	230%	30%	-24%	23%	2%	2%	1%	1%	1%
Present value of terminal value						$1,652	$1,812	$1,988	$2,181	$2,392	$2,624	$2,878	$3,157	
Present value of cash flows						$4,915	$5,034	$5,057	$5,193	$5,263	$5,332	$5,401	$5,471	
-Minority Interest						0	0	0	0	0	0	0	0	
-Net Debt						$2,320	$2,070	$2,052	$1,619	$1,178	$730	$276	($182)	
+ Preferred Equity						0	0	0	0	0	0	0	0	
Implied Market Cap						2,595	2,964	3,004	3,575	4,084	4,602	5,125	5,653	
Fully-diluted shares						192.1m	194.4m	195.5m	195.5m	195.5m	195.5m	195.5m	195.5m	
Implied Value per Share Beginning of Year						**$14**	**$15**	**$15**	**$18**	**$21**	**$24**	**$26**	**$29**	
Implied Value per Share, 12-Months						**$15**	**$17**	**$17**	**$20**	**$23**	**$26**	**$29**	**$32**	
				Weights:		**50.0%**	**50.0%**							
					Weighted Avg (12-mo Forward)	**$16**								

Source: Company Data, Morgan Stanley Research estimates.

Exhibit 70: MH Multiple Analysis

Assumptions as of CY	EV	EV / EBITDA		Std. EV / EBITDA Post SBC, Prod		Price / Earnings		Price / FCF	
Share Price		2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
$26	$7,355	9.9x	9.3x	10.9x	10.6x	13.2x	13.7x	22.7x	14.3x
$24	$6,972	9.3x	8.8x	10.4x	10.0x	12.2x	12.6x	20.9x	13.2x
$23	$6,781	9.1x	8.6x	10.1x	9.7x	11.7x	12.1x	20.1x	12.6x
$22	$6,590	8.8x	8.4x	9.8x	9.5x	11.2x	11.6x	19.2x	12.1x
$20	$6,207	8.3x	7.9x	9.2x	8.9x	10.1x	10.5x	17.4x	11.0x
$18	$5,824	7.8x	7.4x	8.7x	8.4x	9.1x	9.5x	15.7x	9.9x
$16	$5,442	7.3x	6.9x	8.1x	7.8x	8.1x	8.4x	14.0x	8.8x
$14	$5,059	6.8x	6.4x	7.5x	7.3x	7.1x	7.4x	12.2x	7.7x
$12	$4,676	6.3x	5.9x	7.0x	6.7x	6.1x	6.3x	10.5x	6.6x
$10	$4,294	5.8x	5.4x	6.4x	6.2x	5.1x	5.3x	8.7x	5.5x
$9	$4,103	5.5x	5.2x	6.1x	5.9x	4.6x	4.7x	7.8x	4.9x
$8	$3,911	5.2x	5.0x	5.8x	5.6x	4.1x	4.2x	7.0x	4.4x
$6	$3,529	4.7x	4.5x	5.3x	5.1x	3.0x	3.2x	5.2x	3.3x

Source: Company Data, Morgan Stanley Research estimates.

Exhibit 71: MSCI Quarterly Income Statement

Fiscal Year Ending Dec. 31	2025	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Revenue											
Equity index subscriptions	$957.9	$254.2	$263.0	$267.3	$273.1	$1,057.6	$282.1	$291.1	$295.2	$300.8	$1,169.3
Equity index asset based fees	$770.7	224.5	233.1	234.9	244.2	$936.7	251.3	257.4	263.2	273.7	$1,045.5
Index non-recurring	$58.2	17.6	14.9	11.6	22.1	$66.2	19.4	16.4	12.8	24.3	$72.9
Equity indices total	$1,786.8	496.3	511.0	513.9	539.4	$2,060.6	552.8	564.9	571.2	598.8	$2,287.7
Analytics subscriptions	$697.5	183.2	185.9	190.8	192.3	$752.2	195.0	197.7	203.1	205.3	$801.0
Analytics non-recurring	$16.9	6.8	3.5	3.9	2.7	$16.9	6.8	3.5	3.9	2.7	$16.9
Analytics total	$714.4	190.0	189.4	194.6	195.0	$769.1	201.8	201.2	207.0	208.0	$817.9
ESG & Climate (All Other) subscriptions	$346.4	90.9	90.5	89.0	86.2	$356.6	96.9	94.3	93.2	90.9	$375.3
ESG & Climate (All Other) non-recurring	$7.5	1.0	1.4	1.4	2.3	$6.1	1.0	1.4	1.4	2.3	$6.1
ESG & Climate (All Other) total	$353.9	91.9	91.9	90.4	88.5	$362.8	97.9	95.7	94.7	93.2	$381.5
Private Assets subscriptions	$276.9	71.9	74.0	73.1	73.7	$292.7	77.1	78.6	80.2	81.9	$317.8
Private Assets non-recurring	$2.4	0.7	0.7	0.4	0.6	$2.4	0.7	0.7	0.4	0.6	$2.4
Private Assets total	$279.3	72.6	74.7	73.6	74.3	$295.1	77.8	79.3	80.7	82.5	$320.2
Total Revenue	**$3,134.5**	**$850.8**	**$867.0**	**$872.5**	**$897.2**	**$3,487.5**	**$930.3**	**$941.0**	**$953.5**	**$982.5**	**$3,807.2**
Annual Growth	9.7%	14.1%	12.2%	10.0%	9.1%	11.3%	9.3%	8.5%	9.3%	9.5%	9.2%
Organic ex-FX Annual Growth	9.4%	14.8%	12.6%	10.0%	9.1%	11.5%	9.3%	8.5%	9.3%	9.5%	9.2%
Cost of Revenue	$550.4	$141.8	$149.9	$145.7	$155.9	$593.4	$152.7	$160.3	$156.9	$168.3	$638.3
Gross Margin	82.4%	83.3%	82.7%	83.3%	82.6%	83.0%	83.6%	83.0%	83.5%	82.9%	83.2%
y/y growth	7.0%	3.7%	8.9%	10.0%	8.8%	7.8%	7.7%	7.0%	7.6%	7.9%	7.6%
SG&A Expenses	677.6	204.3	179.6	191.4	191.3	766.5	204.8	191.2	206.2	206.5	808.7
% of Total Revenue	21.6%	24.0%	20.7%	21.9%	21.3%	22.0%	22.0%	20.3%	21.6%	21.0%	21.2%
y/y growth	7.2%	11.4%	11.8%	15.0%	14.4%	13.1%	0.2%	6.4%	7.8%	8.0%	5.5%
Total Expenses	$1,228.0	$346.1	$329.5	$337.1	$347.2	$1,359.9	$357.5	$351.5	$363.1	$374.8	$1,447.0
Expense increase	7%	8%	10%	13%	12%	11%	3%	7%	8%	8%	6%
Adj. EBITDA (ex. non recurring comp)	**$1,906.5**	**$504.7**	**$538.5**	**$535.4**	**$550.0**	**$2,128.6**	**$572.8**	**$589.5**	**$590.4**	**$607.6**	**$2,360.3**
Adj. EBITDA Margin	60.8%	59.3%	62.1%	61.4%	61.3%	61.0%	61.6%	62.6%	61.9%	61.8%	62.0%
Year-over-Year Growth	11.1%	18.6%	13.5%	8.3%	7.4%	11.7%	13.5%	9.5%	10.3%	10.5%	10.9%
Total Depreciation & Amortization	$192.9	$47.8	$50.0	$50.0	$50.2	$198.1	$48.2	$48.3	$48.4	$48.6	$193.5
% of Total Revenue	6.2%	5.6%	5.8%	5.7%	5.6%	5.7%	5.2%	5.1%	5.1%	4.9%	5.1%
Founders Grant/Performance Awards	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Income from Operations	$1,713.6	$456.9	$487.5	$485.4	$499.7	$1,929.5	$524.6	$541.2	$542.0	$559.0	$2,166.8
Operating Margin	54.7%	53.7%	56.2%	55.6%	55.7%	55.3%	56.4%	57.5%	56.8%	56.9%	56.9%
Interest Income	$16.0	$2.8	$2.5	$3.0	$4.0	$12.3	$4.3	$4.3	$4.6	$5.0	$18.2
Interest Expense	(209.9)	(69.1)	(71.0)	(70.9)	(70.9)	(281.8)	(71.5)	(71.5)	(71.5)	(71.5)	(285.8)
Other, Net	(25.4)	(1.4)	(1.7)	0.0	0.0	(3.1)	0.0	0.0	0.0	0.0	0.0
Pretax Income	$1,494.3	$389.2	$417.3	$417.6	$432.9	$1,656.9	$457.4	$474.1	$475.1	$492.6	$1,899.1
Effective Tax rate	19.5%	-4.3%	18.0%	19.4%	19.8%	13.6%	17.0%	18.0%	19.4%	19.8%	18.6%
Net Income from Operations	$1,202.3	$406.0	$342.0	$336.4	$347.2	$1,431.6	$379.5	$388.5	$382.7	$395.1	$1,545.8
Income from discontinued operations, net	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Net Income - GAAP	$1,202.3	$406.0	$342.0	$336.4	$347.2	$1,431.6	$379.5	$388.5	$382.7	$395.1	$1,545.8
Adjusted Net Income	$1,324.6	$334.0	$360.0	$353.2	$364.0	$1,411.2	$395.9	$404.8	$398.7	$411.0	$1,610.5
Avg. Diluted Shares Outstanding	76.7	73.4	72.9	72.5	72.2	72.8	71.8	71.4	71.0	70.6	71.2
EPS from Continuing Ops	$15.68	$5.53	$4.69	$4.64	$4.81	$19.67	$5.29	$5.44	$5.39	$5.60	$21.71
EPS to Common Stockholders	$15.68	$5.53	$4.69	$4.64	$4.81	$19.67	$5.29	$5.44	$5.39	$5.60	$21.71
Adjusted EPS	**$17.27**	**$4.55**	**$4.94**	**$4.87**	**$5.04**	**$19.39**	**$5.52**	**$5.67**	**$5.62**	**$5.82**	**$22.62**
Annual Growth	13.5%					12.3%					16.6%

Source: Company Data, Morgan Stanley Research

Exhibit 72: MSCI Quarterly Segment Revenue and Adj. EBITDA

›venue by Segment	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Index	$496.3	$511.0	$513.9	$539.4	$2,060.6	$552.8	$564.9	$571.2	$598.8	$2,287.7
y/y change	17.7%	17.5%	13.9%	12.6%	15.3%	11.4%	10.5%	11.2%	11.0%	11.0%
Analytics	$190.0	$189.4	$194.6	$195.0	$769.1	$201.8	$201.2	$207.0	$208.0	$817.9
y/y change	10.3%	6.6%	6.8%	7.0%	7.7%	6.2%	6.2%	6.3%	6.6%	6.3%
ESG & Climate	$91.9	$91.9	$90.4	$88.5	$362.8	$97.9	$95.7	$94.7	$93.2	$381.5
y/y change	8.6%	3.4%	0.4%	-1.9%	2.5%	6.6%	4.1%	4.7%	5.3%	5.1%
Private Assets	$72.6	$74.7	$73.6	$74.3	$295.1	$77.8	$79.3	$80.7	$82.5	$320.2
y/y change	7.9%	4.9%	5.1%	4.8%	5.6%	7.1%	6.2%	9.6%	11.0%	8.5%
Total	$850.8	$867.0	$872.5	$897.2	$3,487.5	$930.3	$941.0	$953.5	$982.5	$3,807.2
	14.1%	12.2%	10.0%	9.1%	11.3%	9.3%	8.5%	9.3%	9.5%	9.2%
lj. EBITDA										
Index (Prior Long-Term Target 68-72%)	$375.2	$397.8	$397.9	$420.0	$1,591.0	$430.4	$440.0	$443.5	$468.2	$1,782.1
Margin %	75.6%	77.8%	77.4%	77.9%	77.2%	77.8%	77.9%	77.6%	78.2%	77.9%
y/y change	20.4%	20.5%	13.6%	12.3%	16.5%	14.7%	10.6%	11.5%	11.5%	12.0%
Margin change (bps)	172	192	(20)	(20)	76	225	5	21	32	69
Analytics (Prior Long-Term Target 30-35%)	$82.8	$88.0	$94.3	$87.6	$352.7	$89.2	$94.0	$100.7	$94.0	$377.9
Margin %	43.6%	46.5%	48.4%	44.9%	45.9%	44.2%	46.7%	48.7%	45.2%	46.2%
y/y change	8.9%	-5.0%	4.7%	4.5%	3.0%	7.8%	6.8%	6.9%	7.2%	7.2%
Margin change (bps)	(58)	(565)	(100)	(105)	(209)	65	25	25	25	35
ESG & Climate	$33.0	$35.6	$34.0	$36.6	$139.2	$37.1	$37.3	$35.9	$38.7	$149.0
Margin %	35.9%	38.7%	37.6%	41.3%	38.4%	37.9%	39.0%	37.9%	41.5%	39.1%
y/y change	38.5%	12.4%	-2.2%	-4.2%	8.3%	12.5%	4.8%	5.4%	5.9%	7.0%
Margin change (bps)	776	311	(100)	(100)	206	200	25	25	25	69
Private Assets	$13.7	$17.1	$16.3	$12.6	$59.7	$16.2	$18.4	$18.0	$14.2	$66.9
Margin %	18.9%	22.9%	22.1%	17.0%	20.2%	20.9%	23.1%	22.4%	17.3%	20.9%
y/y change	-3.7%	-14.2%	-15.8%	-20.8%	-14.0%	18.5%	7.3%	10.9%	12.7%	12.0%
Margin change (bps)	(226)	(510)	(550)	(550)	(463)	200	25	25	25	65
›tal Adj. EBITDA (Current Long-Term Target Mid to High 50's)	**$504.7**	**$538.5**	**$542.5**	**$556.8**	**$2,142.5**	**$573.0**	**$589.6**	**$598.1**	**$615.2**	**$2,375.9**
Margin %	59.3%	62.1%	62.2%	62.1%	61.4%	61.6%	62.7%	62.7%	62.6%	62.4%

Source: Company Data, Morgan Stanley Research

Exhibit 73: MSCI Annual Income Statement

Fiscal Year Ending Dec. 31	2013R	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
Revenue																	
Equity index subscriptions	$292.2	$320.1	$353.1	$389.3	$427.3	$477.6	$531.0	$580.4	$650.6	$729.7	$814.6	$882.4	$957.9	$1,057.6	$1,169.3	$1,285.2	$1,413.0
Equity index asset based fees	149.5	177.1	198.0	210.2	276.0	336.5	361.9	399.8	554.0	528.1	557.5	657.5	770.7	936.7	1045.5	1167.8	1284.4
Index non-recurring		6.7	7.8	14.0	15.6	21.3	28.0	36.3	47.1	45.4	79.7	56.3	58.2	66.2	72.9	80.1	88.2
Equity indices total	448.4	503.9	558.9	613.5	718.9	835.4	920.9	1016.5	1251.8	1303.2	1451.8	1596.1	1786.8	2060.6	2287.7	2533.2	2785.5
Analytics subscriptions	393.7	409.8	426.7	439.9	452.3	474.3	486.3	506.3	533.2	567.0	603.3	658.6	697.5	752.2	801.0	856.0	914.0
Analytics non-recurring	3.5	4.4	6.7	8.5	6.0	5.6	10.6	7.5	11.1	9.1	12.7	16.5	16.9	16.9	16.9	16.9	16.9
Analytics total	397.2	414.2	433.4	448.4	458.3	479.9	496.9	513.8	544.3	576.1	616.0	675.1	714.4	769.1	817.9	872.8	930.8
ESG & Climate (All Other) subscriptions	62.7	71.3	77.7	84.5	93.5	114.6	89.6	109.9	162.6	223.2	282.4	318.8	346.4	356.6	375.3	383.4	391.9
ESG & Climate (All Other) non-recurring	5.1	7.3	5.0	4.3	3.5	4.0	1.1	1.4	3.6	5.2	5.2	7.8	7.5	6.1	6.1	6.1	6.1
ESG & Climate (All Other) total	67.8	78.6	82.7	88.8	96.9	118.6	90.7	111.4	166.2	228.3	287.6	326.6	353.9	362.8	381.5	389.5	398.1
Private Assets subscriptions						44.3	47.2	51.5	79.6	139.6	171.1	254.6	276.9	292.7	317.8	345.1	376.3
Private Assets non-recurring						2.9	2.0	2.2	1.7	1.3	2.5	3.7	2.4	2.4	2.4	2.4	2.4
Total Revenue	**$913.4**	**$996.7**	**$1,075.0**	**$1,150.6**	**$1,274.1**	**$1,433.9**	**$1,557.8**	**$1,695.4**	**$2,043.5**	**$2,248.6**	**$2,528.9**	**$2,856.1**	**$3,134.5**	**$3,487.5**	**$3,807.2**	**$4,143.1**	**$4,493.1**
Annual Growth		9.1%	7.9%	7.0%	10.7%	12.5%	8.6%	8.8%	20.5%	10.0%	12.5%	12.9%	9.7%	11.3%	9.2%	8.8%	8.4%
		9.1%	7.9%	7.0%	10.7%	12.4%	10.3%	8.6%	18.7%	8.9%	11.4%	9.6%	9.4%	11.5%	9.2%	8.8%	8.4%
Cost of Revenue	$275.4	$308.6	$289.8	$252.1	$273.9	$287.3	$295.0	$291.7	$358.7	$404.3	$446.6	$514.4	$550.4	$593.4	$638.3	$684.2	$730.8
Gross Margin	69.8%	69.0%	73.0%	78.1%	78.5%	80.0%	81.1%	82.8%	82.4%	82.0%	82.3%	82.0%	82.4%	83.0%	83.2%	83.5%	83.7%
y/y growth		12.0%	-6.1%	-13.0%	8.6%	4.9%	2.7%	-1.1%	23.0%	12.7%	10.4%	15.2%	7.0%	7.8%	7.6%	7.2%	6.8%
SG&A Expenses	232.2	279.4	303.5	329.1	341.1	374.2	427.7	432.2	502.6	518.6	562.3	632.2	677.6	766.5	808.7	867.6	927.5
% of Total Revenue	25.4%	28.0%	28.2%	28.6%	26.8%	26.1%	27.5%	25.5%	24.6%	23.1%	22.2%	22.1%	21.6%	22.0%	21.2%	20.9%	20.6%
y/y growth		20.3%	8.6%	8.4%	3.6%	9.7%	14.3%	1.0%	16.3%	3.2%	8.4%	12.4%	7.2%	13.1%	5.5%	7.3%	6.9%
Total Expenses	$507.6	$587.9	$593.3	$581.2	$615.0	$661.6	$722.7	$723.9	$861.3	$923.0	$1,008.9	$1,146.6	$1,228.0	$1,359.9	$1,447.0	$1,551.8	$1,658.2
Expense increase		15.8%	0.9%	-2.0%	5.8%	7.6%	9.2%	0.2%	19.0%	7.2%	9.3%	13.7%	7.1%	10.7%	6.4%	7.2%	6.9%
Adj. EBITDA (ex. non recurring comp)	**$405.4**	**$408.8**	**$481.7**	**$569.5**	**$659.1**	**$772.4**	**$850.5**	**$971.5**	**$1,196.8**	**$1,329.7**	**$1,523.0**	**$1,716.5**	**$1,906.5**	**$2,128.6**	**$2,360.3**	**$2,591.3**	**$2,834.9**
Adj. EBITDA Margin	44.4%	41.0%	44.8%	49.5%	51.7%	53.9%	54.6%	57.3%	58.6%	59.1%	60.2%	60.1%	60.8%	61.0%	62.0%	62.5%	63.1%
Year-over-Year Growth	0.0%	0.8%	17.8%	18.2%	15.7%	17.2%	10.1%	14.2%	23.2%	11.1%	14.5%	12.7%	11.1%	11.7%	10.9%	9.8%	9.4%
Total Depreciation & Amortization	$65.2	$71.6	$77.8	$81.4	$80.0	$85.5	$79.4	$86.7	$109.5	$118.0	$135.4	$181.0	$192.9	$198.1	$193.5	$187.5	$182.1
% of Total Revenue	7.1%	7.2%	7.2%	7.1%	6.3%	6.0%	5.1%	5.1%	5.4%	5.2%	5.4%	6.3%	6.2%	5.7%	5.1%	4.5%	4.1%
Founders Grant/Performance Awards	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Income from Operations	$340.6	$337.2	$403.9	$488.1	$579.1	$686.8	$755.7	$884.8	$1,072.7	$1,207.6	$1,384.6	$1,528.5	$1,713.6	$1,929.5	$2,166.8	$2,403.7	$2,652.8
Operating Margin	37.3%	33.8%	37.6%	42.4%	45.5%	47.9%	48.5%	52.2%	52.5%	53.7%	54.8%	53.5%	54.7%	55.3%	56.9%	58.0%	59.0%
Interest Income	$0.9	$0.9	$1.2	$3.3	$6.3	$19.7	$16.4	$5.0	$1.5	$11.8	$34.5	$21.3	$16.0	$12.3	$18.2	$20.7	$24.5
Interest Expense	(26.3)	(31.8)	(62.4)	(101.7)	(116.1)	(133.1)	(148.0)	(156.3)	(159.6)	(171.6)	(186.7)	(185.5)	(209.9)	(281.8)	(285.8)	(285.8)	(285.8)
Other, Net	(2.1)	2.1	6.9	(3.4)	(2.5)	56.4	(20.7)	(47.2)	(56.5)	(4.0)	136.7	(8.1)	(25.4)	(3.1)	0.0	0.0	0.0
Pretax Income	$313.1	$308.3	$349.6	$386.3	$466.8	$629.8	$603.3	$686.2	$858.1	$1,043.8	$1,369.1	$1,356.2	$1,494.3	$1,656.9	$1,899.1	$2,138.6	$2,391.5
Effective Tax rate	36.1%	35.5%	34.2%	32.4%	34.9%	19.4%	6.6%	12.3%	15.4%	16.6%	16.1%	18.2%	19.5%	13.6%	18.6%	18.6%	18.6%
Net Income from Operations	$199.9	$198.9	$230.0	$261.2	$303.9	$507.8	$563.6	$601.8	$726.0	$870.6	$1,148.6	$1,109.1	$1,202.3	$1,431.6	$1,545.8	$1,740.8	$1,946.6
Income from discontinued operations, net	$22.6	$85.2	($6.4)	$0.0	$0.0	($0.0)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Net Income - GAAP	$222.6	$284.1	$223.6	$261.2	$303.9	$507.8	$563.6	$601.8	$726.0	$870.6	$1,148.6	$1,109.1	$1,202.3	$1,431.6	$1,545.8	$1,740.8	$1,946.6
Adjusted Net Income	$227.0	$233.7	$254.6	$292.6	$366.1	$480.4	$550.8	$661.4	$830.4	$930.3	$1,079.5	$1,200.3	$1,324.6	$1,411.2	$1,610.5	$1,802.2	$2,005.0
Avg. Diluted Shares Outstanding	121.1	116.7	109.9	96.6	91.9	90.8	85.8	84.5	83.5	81.2	79.7	78.9	76.7	72.8	71.2	69.5	67.8
EPS from Continuing Ops	$1.65	$1.70	$2.09	$2.71	$3.31	$5.60	$6.57	$7.12	$8.70	$10.72	$14.40	$14.06	$15.68	$19.67	$21.71	$25.06	$28.71
EPS to Common Stockholders	$1.84	$2.43	$2.04	$2.71	$3.31	$5.60	$6.57	$7.12	$8.70	$10.72	$14.40	$14.06	$15.68	$19.67	$21.71	$25.06	$28.71
Adjusted EPS	**$1.87**	**$2.00**	**$2.32**	**$3.03**	**$3.98**	**$5.29**	**$6.44**	**$7.83**	**$9.95**	**$11.45**	**$13.54**	**$15.22**	**$17.27**	**$19.39**	**$22.62**	**$25.94**	**$29.57**
	(4.3%)	6.8%	15.8%	30.8%	31.4%	32.9%	21.7%	21.5%	27.1%	15.1%	18.2%	12.4%	13.5%	12.3%	16.6%	14.7%	14.0%

Source: Company Data, Morgan Stanley Research

Exhibit 74: MSCI Annual Statement of Cash Flows

Fiscal Year Ending Dec 31	2013R	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
Cash Flows From Operations																	
Net Income	$222.6	$284.1	$223.6	$260.8	$304.0	$507.9	$563.6	$601.8	$726.0	$870.6	$1,148.6	$1,109.1	$1,202.3	$1,431.6	$1,545.8	$1,740.8	$1,946.6
Depreciation of prop., equipt. & leasehold improvements	22.3	25.9	30.9	34.3	35.4	31.3	30.0	29.8	28.9	26.9	21.0	17.0	23.4	24.8	27.0	29.4	31.9
Amortization of intangibles	58.2	48.6	46.9	47.0	44.5	54.2	49.4	56.9	80.6	91.1	114.4	164.0	169.5	173.3	166.4	158.1	150.2
Foreign currency loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss on sale of property	0.0	(84.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Stock-based compensation expense	25.0	26.6	28.6	32.0	36.6	38.9	41.2	51.1	54.9	58.1	71.7	95.2	111.3	125.8	137.4	149.5	162.1
Provision for bad debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of debt origination fees	3.3	7.7	2.1	3.1	3.4	3.7	4.1	4.4	0.0	5.1	5.1	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of discount of debt / right of use assets	1.1	2.2	0.0	0.0	0.0	0.0	16.8	0.0	0.0	24.5	23.8	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes and other	(18.1)	(5.9)	(27.6)	(23.8)	(18.2)	(62.4)	2.8	15.1	(14.5)	38.5	(150.9)	43.5	105.9	(65.2)	0.0	0.0	0.0
Net Changes in Operating Assets and Liabilities																	
Inc(Dec) in Accounts receivable	(16.4)	(26.8)	(30.9)	(18.5)	(105.6)	(153.9)	(25.9)	(57.6)	(99.2)	(6.6)	(149.5)	10.2	(164.2)	(102.1)	(103.2)	(102.0)	(109.3)
Inc(Dec) in Due from related parties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inc(Dec) in Prepaid and other assets	3.5	(24.9)	(3.2)	42.0	(7.5)	(6.1)	(20.9)	11.2	11.0	(35.5)	(21.9)	1.1	(28.4)	(41.9)	(8.0)	(7.9)	(8.4)
Inc(Dec) in Accounts payable	(2.1)	2.1	(0.3)	(1.9)	1.0	2.3	2.6	7.5	(2.2)	1.3	(6.0)	5.0	0.6	(4.8)	1.4	1.3	1.4
Inc(Dec) in Payable to related parties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inc(Dec) in Deferred revenue	11.4	42.3	8.0	21.8	38.6	185.1	35.4	98.3	116.9	72.8	172.0	46.1	96.4	122.6	95.9	88.8	91.6
Inc(Dec) in Accrued comp. and related benefits	7.1	0.1	5.1	13.1	8.7	8.5	25.2	(2.6)	42.7	(22.4)	23.2	6.4	20.6	13.7	24.3	24.0	25.8
Inc(Dec) in Income taxes payable	0.0	0.0	0.0	0.0	0.0	(2.9)	(2.2)	9.6	33.9	(49.3)	14.7	16.2	28.6	(34.2)	0.0	0.0	0.0
Inc(Dec) in Other accrued liabilities	(0.3)	8.4	17.2	19.7	15.9	29.1	3.7	1.7	(9.2)	10.7	3.5	9.6	61.6	26.8	26.6	26.3	28.2
Inc(Dec) in Other	2.9	(0.2)	5.6	5.1	47.4	(23.0)	(16.2)	(16.1)	(33.7)	9.6	(33.5)	(21.8)	(39.2)	(8.6)	0.0	0.0	0.0
Cash From Operating Activities	$320.4	$305.7	$306.0	$434.7	$404.2	$612.8	$709.5	$811.1	$936.1	$1,095.4	$1,236.0	$1,501.6	$1,588.4	$1,661.7	$1,913.7	$2,108.3	$2,320.1
Cash From Investing Activities																	
Capital Expenditures	($43.5)	($50.9)	($49.1)	($42.6)	($48.8)	($49.0)	($71.9)	($51.0)	($52.8)	($79.4)	($92.0)	($115.1)	($130.0)	($157.8)	($177.3)	($186.6)	($195.7)
Acquisitions/ Disposals	($23.3)	$347.9	($6.5)	$0.6	$0.0	$83.8	$0.0	($190.8)	($982.9)	$0.0	($727.3)	($27.5)	$0.0	($69.8)	$0.0	$0.0	$0.0
Purch of inv and proceeds from redempt of securities	70.9	0.0	6.7	(0.1)	0.8	0.0	0.0	0.0	0.0	0.0	0.0	(1.7)	(0.0)	0.0	0.0	0.0	0.0
Cash Used in Investing Activities	$4.1	$297.0	($48.9)	($42.1)	($48.0)	$34.9	($71.9)	($241.8)	($1,035.7)	($79.3)	($819.4)	($144.3)	($130.1)	($227.6)	($177.3)	($186.6)	($195.7)
Cash From Financing Activities																	
Proceeds from Notes Payable & issuance of LT debt	$0.0	$800.0	$800.0	$500.0	$0.0	$500.0	$1,000.0	$1,405.0	$1,803.8	$355.0	$0.0	$556.9	$2,806.0	$575.0	$0.0	$0.0	$0.0
Repayment of Long Term Debt	(48.0)	(810.0)	0.0	0.0	0.0	0.0	(513.1)	(1,142.4)	(1,051.8)	(7.2)	(8.8)	(559.1)	(1,101.9)	(400.0)	0.0	0.0	0.0
Proceeds from Stock Options	11.7	9.7	3.6	5.0	2.6	0.6	3.2	0.0	0.0	0.0	0.0	0.0	2.7	16.5	16.5	16.5	16.5
Sale of common Stock/ IPO, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repurchase of common stock	(112.2)	(409.7)	(700.7)	(774.6)	(150.5)	(949.9)	(292.1)	(778.5)	(198.4)	(1,397.5)	(504.2)	(885.3)	(2,484.3)	(983.2)	(1,000.0)	(1,200.0)	(1,200.0)
Expenses related to IPO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	2.6	(12.0)	15.3	7.6	0.0	0.0	0.0	(16.7)	0.0	(0.2)	0.0	(5.7)	(7.8)	0.0	0.0	0.0	0.0
Payment of issuance costs for LT debt	0.0	0.0	(10.5)	(7.2)	0.0	(6.3)	(11.8)	0.0	(21.6)	(2.6)	0.0	0.0	(20.1)	(9.5)	0.0	0.0	0.0
Payment of cash dividends	0.0	(20.4)	(87.7)	(96.2)	(119.7)	(170.9)	(222.9)	(246.4)	(302.4)	(372.9)	(441.0)	(509.1)	(556.5)	(596.3)	(641.2)	(688.4)	(738.9)
Cash From Financing Activities	($145.8)	($442.3)	$20.0	($365.3)	($267.5)	($626.5)	($36.7)	($779.0)	$229.5	($1,425.4)	($953.9)	($1,402.3)	($1,362.0)	($1,397.6)	($1,624.8)	($1,871.9)	($1,922.5)
Effect of FX Rate Changes on Cash & Other	($3.6)	($10.0)	($8.2)	($13.2)	$9.1	($6.5)	$1.5	$3.7	($8.9)	($18.5)	$5.4	($7.4)	$9.6	($0.6)	$0.0	$0.0	$0.0
Net increase (decrease) in Cash and Cash Equivalents	$175.1	$150.4	$268.9	$14.1	$97.7	$14.7	$602.4	($206.0)	$120.9	($427.9)	($531.9)	($52.3)	$106.0	$36.0	$111.6	$49.8	$201.9
Cash & Equivalents - Beginning	$183.3	$358.4	$508.8	$777.7	$791.8	$889.5	$904.2	$1,506.6	$1,300.5	$1,421.5	$993.6	$461.7	$409.4	$515.3	$551.3	$663.0	$712.8
Cash & Equivalents - End	$358.4	$508.8	$777.7	$791.8	$889.5	$904.2	$1,506.6	$1,300.5	$1,421.5	$993.6	$461.7	$409.4	$515.3	$551.3	$663.0	$712.8	$914.7

Source: Company Data, Morgan Stanley Research

Exhibit 75: MSCI Annual Balance Sheet

Fiscal Year Ending Dec 31	2013R	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
ASSETS																	
Current Assets																	
Cash and Cash Equivalents	$358.4	$508.8	$777.7	$791.8	$889.5	$904.2	$1,506.6	$1,300.5	$1,421.5	$993.6	$461.7	$409.4	$515.3	$551.3	$663.0	$712.8	$914.7
Short-term investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivables, net	169.5	178.7	208.2	221.5	327.6	473.4	499.3	558.6	664.5	663.2	839.6	820.7	986.7	1,086.2	1,189.5	1,291.5	1,400.8
Due from related parties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	52.9	22.2	0.0	0.0	0.0	19.3	31.6	20.1	6.0	36.7	59.0	48.2	69.3	104.0	104.0	104.0	104.0
Prepaid Expenses & Other	43.5	60.9	77.3	42.3	50.0	38.2	44.4	46.4	51.5	54.5	57.9	65.8	73.4	83.7	91.7	99.5	107.9
Total Current Assets	$624.3	$770.7	$1,063.3	$1,055.6	$1,267.1	$1,435.1	$2,081.8	$1,925.6	$2,143.4	$1,748.0	$1,418.2	$1,344.0	$1,644.8	$1,825.3	$2,048.1	$2,207.8	$2,527.4
Property & Equip. - Net	$85.6	$94.1	$98.9	$95.6	$94.4	$90.9	$90.7	$80.4	$66.7	$53.9	$55.9	$70.9	$87.3	$176.1	$326.3	$483.6	$647.4
Investment in unconsolidated companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill - Net	1,813.2	1,564.9	1,565.6	1,555.9	1,560.6	1,545.8	1,562.9	1,566.0	2,236.4	2,229.7	2,887.7	2,915.2	2,923.4	2,974.2	2,974.2	2,974.2	2,974.2
Intangible Assets	595.7	433.6	391.5	347.6	321.8	280.8	261.5	234.7	593.3	558.5	956.2	907.6	832.5	768.3	601.9	443.7	293.5
Other Assets	17.4	30.9	27.7	27.8	31.6	35.4	207.6	391.8	466.9	407.5	200.2	207.8	214.5	243.0	243.0	243.0	243.0
Total Assets	$3,136.1	$2,894.2	$3,147.0	$3,082.5	$3,275.7	$3,388.0	$4,204.4	$4,198.6	$5,506.7	$4,997.5	$5,518.2	$5,445.4	$5,702.5	$5,986.9	$6,193.5	$6,352.3	$6,685.5
LIABILITIES AND STOCKHOLDERS' EQUITY																	
Current Liabilities																	
Accounts payable	$1.2	$2.8	$2.5	$0.6	$1.6	$3.9	$6.5	$14.3	$13.4	$15.0	$9.8	$14.5	$15.3	$17.2	$18.5	$19.8	$21.2
Payable to related parties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes Payable	0.0	0.0	0.0	0.0	0.0	16.3	14.2	26.2	59.6	8.1	24.7	38.0	74.4	40.3	40.3	40.3	40.3
Accrued Payroll & Benefits	121.1	111.4	116.6	119.1	131.2	137.0	166.3	161.6	207.6	182.4	219.5	217.5	242.9	256.0	280.4	304.4	330.2
Other Accrued Liabilities	41.2	47.9	61.4	82.5	100.5	113.8	139.1	143.9	145.3	153.5	168.3	192.2	265.3	280.4	307.0	333.3	361.5
Current Maturities of LT Debt	19.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.7	10.9	0.0	0.0	0.0	0.0	0.0	0.0
Deferred revenue	319.7	310.8	317.6	334.4	374.4	538.0	574.7	675.9	824.9	882.9	1,083.9	1,123.4	1,231.8	1,353.5	1,449.4	1,538.2	1,629.8
Total Current Liabilities	$503.0	$472.9	$498.1	$536.6	$607.7	$809.0	$900.8	$1,021.8	$1,250.9	$1,250.5	$1,517.0	$1,585.7	$1,829.7	$1,947.4	$2,095.6	$2,236.1	$2,383.0
Long term debt, net of current portion	$788.0	$800.0	$1,579.4	$2,075.2	$2,078.1	$2,575.5	$3,071.9	$3,366.8	$4,161.4	$4,503.2	$4,496.8	$4,510.8	$6,202.3	$6,380.4	$6,380.4	$6,380.4	$6,380.4
Deferred tax liabilities	234.6	137.8	110.9	94.1	78.0	82.0	66.6	12.8	3.7	29.1	27.0	47.6	101.6	28.2	28.2	28.2	28.2
Other non-current liabilities	46.1	50.6	57.0	59.1	110.9	87.9	241.8	240.6	254.2	222.6	217.1	241.3	223.4	277.7	277.7	277.7	277.7
Total Liabilities	$1,558.2	$1,461.3	$2,245.5	$2,765.0	$2,874.7	$3,554.4	$4,281.2	$4,641.9	$5,670.2	$6,005.5	$6,258.0	$6,385.4	$8,357.0	$8,633.7	$8,781.9	$8,922.4	$9,069.3
Common stock	$1.3	$1.3	$1.3	$1.3	$1.3	$1.3	$1.3	$1.3	$1.3	$1.3	$1.3	$1.3	$1.3	$1.3	$1.3	$1.3	$1.3
Treasury shares	(268.4)	(588.4)	(1,395.7)	(2,170.7)	(2,322.0)	(3,272.8)	(3,565.8)	(4,342.5)	(4,540.1)	(5,938.1)	(6,447.1)	(7,334.3)	(9,834.4)	(10,800.0)	(11,800.0)	(13,000.0)	(14,200.0)
Add'l Paid in Capital	1,073.2	1,022.2	1,173.2	1,225.6	1,264.8	1,306.4	1,351.0	1,402.5	1,457.6	1,515.9	1,587.7	1,683.7	1,802.5	1,945.3	2,099.1	2,265.1	2,443.7
Retained Earnings	759.0	1,022.7	1,158.5	1,322.2	1,505.2	1,857.0	2,199.3	2,554.3	2,976.5	3,473.2	4,179.7	4,780.3	5,427.6	6,264.0	7,168.5	8,220.9	9,428.6
Accumulated Other Comprehensive Loss	(0.7)	(25.0)	(35.7)	(60.7)	(48.3)	(58.4)	(62.6)	(58.9)	(58.8)	(60.2)	(61.4)	(71.0)	(51.6)	(57.4)	(57.4)	(57.4)	(57.4)
Total Stockholders' Equity	$1,564.3	$1,432.8	$901.5	$317.6	$401.0	($166.5)	($76.7)	($443.2)	($163.5)	($1,007.9)	($739.8)	($940.0)	($2,654.5)	($2,646.8)	($2,588.4)	($2,570.1)	($2,383.8)
Total Liabilities & Stockholders' Equity	$3,136.1	$2,894.2	$3,147.0	$3,082.6	$3,275.7	$3,388.0	$4,204.4	$4,198.6	$5,506.7	$4,997.5	$5,518.2	$5,445.4	$5,702.5	$5,986.8	$6,193.5	$6,352.3	$6,685.5

Source: Company Data, Morgan Stanley Research

Exhibit 76: MSCI Discounted Cash Flow Analysis

MSCI (USD mm)	WACC:	8.6%		Terminal Growth:		3.0%							
	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2040E
EBITDA	**972**	**1197**	**1330**	**1523**	**1716**	**1906**	**2129**	**2360**	**2591**	**2835**	**3090**	**3368**	**5847**
-Depreciation & amortization	87	109	118	135	181	193	198	193	188	182	177	173	283
Operating Profit	**885**	**1,087**	**1,212**	**1,388**	**1,535**	**1,714**	**1,931**	**2,167**	**2,404**	**2,653**	**2,913**	**3,195**	**5,564**
Tax rate	*12%*	*15%*	*17%*	*16%*	*18%*	*20%*	*14%*	*19%*	*19%*	*19%*	*19%*	*19%*	*19%*
=NOPAT	**776**	**920**	**1,011**	**1,164**	**1,256**	**1,379**	**1,668**	**1,764**	**1,957**	**2,159**	**2,371**	**2,600**	**4,529**
+Depreciation & amortization	87	109	118	135	181	193	198	193	188	182	177	173	283
Gross Cash Flow	**863**	**1,029**	**1,129**	**1,300**	**1,437**	**1,572**	**1,866**	**1,957**	**2,144**	**2,341**	**2,548**	**2,774**	**4,812**
+Changes in working capital	52	60	(19)	2	73	(24)	(29)	37	31	29	29	29	29
+Capital expenditures, asset purchases	(51)	(53)	(79)	(92)	(115)	(130)	(158)	(177)	(187)	(196)	(204)	(214)	(283)
= Gross investment	**1**	**7**	**(99)**	**(90)**	**(42)**	**(154)**	**(186)**	**(140)**	**(156)**	**(166)**	**(175)**	**(184)**	**(254)**
Free cash flow from operations	**864**	**1,037**	**1,030**	**1,210**	**1,394**	**1,418**	**1,680**	**1,817**	**1,988**	**2,175**	**2,373**	**2,589**	**4,559**
FCF growth	18%	20%	-1%	17%	15%	2%	18%	8%	9%	9%	9%	9%	4%
Present value of terminal value							$24,160	$26,243	$28,505	$30,963	$33,632	$36,532	$76,897
Present value of cash flows							$46,844	$49,203	$51,628	$54,092	$56,580	$59,085	$81,094
-Minority Interest							-	-	-	-	-	-	-
-Est. Net Debt at PYE							$5,687	$5,829	$5,717	$5,668	$5,668	$5,668	$5,668
+ Preferred Equity							-	-	-	-	-	-	-
Implied Market Cap							$41,157	$43,374	$45,911	$48,424	$50,912	$53,417	$75,426
Fully-diluted shares							72m	71m	69m	67m	67m	67m	67m
Implied Value per Share Beginning of Year							**$570**	**$614**	**$667**	**$721**	**$758**	**$795**	**$1,122**
Implied Value in 12-mo							**$621**	**$670**	**$727**	**$786**	**$826**	**$867**	**$1,224**
						Price Target	**$662**						

Source: Company Data, Morgan Stanley Research

Exhibit 77: MSCI Multiples Analysis

Share Price	EV	EV / Adj. EBITDA		P/E - GAAP		Adj. P/E		FCF Yield	
		2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
$909	$72,290	34.0x	30.6x	46.2x	41.9x	46.9x	40.2x	2.3%	2.7%
$692	$56,471	26.5x	23.9x	35.2x	31.9x	35.7x	30.6x	3.0%	3.5%
$682	$55,742	26.2x	23.6x	34.7x	31.4x	35.2x	30.1x	3.0%	3.6%
$672	$55,013	25.8x	23.3x	34.2x	30.9x	34.6x	29.7x	3.1%	3.6%
$662	$54,284	25.5x	23.0x	33.6x	30.5x	34.1x	29.3x	3.1%	3.7%
$652	$53,555	25.2x	22.7x	33.1x	30.0x	33.6x	28.8x	3.2%	3.7%
$642	$52,826	24.8x	22.4x	32.6x	29.6x	33.1x	28.4x	3.2%	3.8%
$632	$52,097	24.5x	22.1x	32.1x	29.1x	32.6x	27.9x	3.3%	3.9%
$382	$33,872	15.9x	14.4x	19.4x	17.6x	19.7x	16.9x	5.4%	6.4%

Source: Company Data, Morgan Stanley Research

Exhibit 78: Republic Services Group (RSG) Quarterly Income Statement

Fiscal Year Ending December 31	2025	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Total Revenues	**$16,588.6**	**$4,112.7**	**$4,430.3**	**$4,400.1**	**$4,345.0**	**$17,288.0**	**$4,343.0**	**$4,662.8**	**$4,597.0**	**$4,537.2**	**$18,140.1**
Annual Growth	3.5%	2.6%	4.6%	4.5%	5.1%	4.2%	5.6%	5.3%	4.5%	4.4%	4.9%
Cost of Operations	9,574.0	2,366.0	2,563.0	2,534.1	2,517.5	9,980.6	2,499.1	2,635.4	2,606.9	2,605.5	10,346.9
% of Total Revenue	57.7%	57.5%	57.9%	57.6%	57.9%	57.7%	57.5%	56.5%	56.7%	57.4%	57.0%
Selling and General Expenses	1,711.0	427.0	444.0	438.8	457.0	1,766.8	444.4	460.3	451.5	470.4	1,826.7
% of Total Revenue	10.3%	10.4%	10.0%	10.0%	10.5%	10.2%	10.2%	9.9%	9.8%	10.4%	10.1%
Total Expenses	$11,285.0	$2,793.0	$3,007.0	$2,972.9	$2,974.5	$11,747.4	$2,943.5	$3,095.7	$3,058.5	$3,075.9	$12,173.6
Adj. EBITDA	**$5,303.6**	**$1,319.7**	**$1,423.3**	**$1,427.2**	**$1,370.5**	**$5,540.7**	**$1,399.5**	**$1,567.1**	**$1,538.6**	**$1,461.3**	**$5,966.5**
EBITDA Margin	32.0%	32.1%	32.1%	32.4%	31.5%	32.0%	32.2%	33.6%	33.5%	32.2%	32.9%
Year-over-Year Growth	6.6%	4.1%	4.6%	3.3%	5.9%	4.5%	6.0%	10.1%	7.8%	6.6%	7.7%
Depreciation, Amortization and Depletion	$1,814.0	$461.0	$488.0	$473.0	$474.7	$1,896.8	$482.5	$509.0	$489.6	$491.2	$1,972.2
% of Total Revenue	10.9%	11.2%	11.0%	10.8%	10.9%	11.0%	11.1%	10.9%	10.7%	10.8%	10.9%
Accretion	114.0	30.0	30.0	31.3	33.1	124.4	32.7	36.6	37.6	39.3	146.2
Adj. Operating Profit	3,375.6	828.7	905.3	922.9	862.7	3,519.5	884.3	1,021.5	1,011.4	930.8	3,848.1
Operating Margin	20.3%	20.1%	20.4%	21.0%	19.9%	20.4%	20.4%	21.9%	22.0%	20.5%	21.2%
Interest Expense	($574.0)	($151.0)	($151.0)	($152.2)	($152.4)	($606.7)	($152.6)	($152.8)	($152.9)	($153.1)	($611.4)
Interest Income	8.0	2.0	2.0	2.0	2.2	8.1	2.1	3.1	6.5	7.3	18.9
Other (expense) income, net	(140.0)	(23.0)	(52.0)	(52.0)	(52.0)	(179.0)	(52.0)	(52.0)	(52.0)	(52.0)	(208.0)
Pretax Income, Adjusted	$2,669.6	$656.7	$704.3	$720.6	$660.5	$2,742.0	$681.8	$819.8	$812.9	$733.1	$3,047.6
Income Tax Benefit (Expense)- Reported	(454.0)	(131.0)	(133.0)	(136.9)	(128.8)	(529.7)	(131.7)	(158.4)	(157.0)	(141.6)	(588.7)
Income Tax Benefit (Expense)- Extraordinary income (expen	(25.0)	0.0	(1.0)	0.0	0.0	(1.0)	0.0	0.0	0.0	0.0	0.0
Income from Continuing Operations	$2,190.6	$525.7	$570.3	$583.7	$531.7	$2,211.3	$550.1	$661.4	$655.9	$591.4	$2,458.8
Less: Net Income Attributable to Noncontrolling Interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted Net Income	2,190.6	525.7	570.3	583.7	531.7	2,211.3	550.1	661.4	655.9	591.4	2,458.8
Income (loss) from Discontinued Operations, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary (charges) / gains	(51.2)	(1.0)	(3.0)	0.0	0.0	(4.0)	0.0	0.0	0.0	0.0	0.0
Net Income to Republic Services, Inc.	$2,139.4	$524.7	$567.3	$583.7	$531.7	$2,207.3	$550.1	$661.4	$655.9	$591.4	$2,458.8
Avg. Diluted Shares Outstanding	312.2	309.3	307.6	306.8	305.5	307.3	306.5	305.9	305.3	304.6	305.6
Common Dividend Per Share	$2.37	$0.62	$0.62	$0.63	$0.63	$2.50	$0.66	$0.66	$0.66	$0.67	$2.65
Diluted GAAP EPS Reported	$6.85	$1.70	$1.84	$1.90	$1.74	$7.18	$1.79	$2.16	$2.15	$1.94	$8.05
Adj. Diluted EPS	**$7.02**	**$1.70**	**$1.85**	**$1.90**	**$1.74**	**$7.20**	**$1.79**	**$2.16**	**$2.15**	**$1.94**	**$8.05**
Year-over-Year Growth	8.7%	7.7%	4.5%	0.0%	-1.2%	2.5%	5.6%	16.6%	12.9%	11.5%	11.8%

Source: Company data, Morgan Stanley Research estimates

Exhibit 79: Republic Services Group (RSG) Annual Income Statement

Fiscal Year Ending December 31	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
Total Revenues	$10,041.5	$10,040.9	$10,299.4	$10,153.7	$11,296.0	$13,509.9	$14,964.5	$16,032.1	$16,588.6	$17,288.0	$18,140.1	$18,983.1	$19,827.6
Annual Growth	7.0%	0.0%	2.6%	-1.4%	11.3%	19.6%	10.8%	7.1%	3.5%	4.2%	4.9%	4.6%	4.4%
Cost of Operations	6,206.4	6,172.3	6,297.8	6,108.8	6,738.9	8,201.0	8,942.5	9,380.7	9,574.0	9,980.6	10,346.9	10,792.1	11,244.3
% of Total Revenue	61.8%	61.5%	61.1%	60.2%	59.7%	60.7%	59.8%	58.5%	57.7%	57.7%	57.0%	56.9%	56.7%
Selling and General Expenses	1,057.4	1,059.5	1,091.9	1,047.1	1,177.7	1,379.5	1,575.2	1,674.6	1,711.0	1,766.8	1,826.7	1,883.0	1,937.0
% of Total Revenue	10.5%	10.6%	10.6%	10.3%	10.4%	10.2%	10.5%	10.4%	10.3%	10.2%	10.1%	9.9%	9.8%
Total Expenses	$7,263.8	$7,231.8	$7,389.7	$7,155.9	$7,916.6	$9,580.5	$10,517.7	$11,055.3	$11,285.0	$11,747.4	$12,173.6	$12,675.2	$13,181.4
Adj. EBITDA	$2,777.7	$2,809.1	$2,909.7	$2,997.8	$3,379.4	$3,929.4	$4,446.8	$4,976.8	$5,303.6	$5,540.7	$5,966.5	$6,307.9	$6,646.3
EBITDA Margin	27.7%	28.0%	28.3%	29.5%	29.9%	29.1%	29.7%	31.0%	32.0%	32.0%	32.9%	33.2%	33.5%
Year-over-Year Growth	4.7%	1.1%	3.6%	3.0%	12.7%	16.3%	13.2%	11.9%	6.6%	4.5%	7.7%	5.7%	5.4%
Depreciation, Amortization and Depletion	$1,036.3	$1,033.4	$1,040.5	$1,075.9	$1,185.4	$1,351.7	$1,501.3	$1,677.2	$1,814.0	$1,896.8	$1,972.2	$2,045.0	$2,116.3
% of Total Revenue	10.3%	10.3%	10.1%	10.6%	10.5%	10.0%	10.0%	10.5%	10.9%	11.0%	10.9%	10.8%	10.7%
Accretion	79.8	80.7	81.9	82.9	82.9	89.6	97.9	107.0	114.0	124.4	146.2	168.6	191.8
Adj. Operating Profit	1,661.6	1,695.0	1,787.3	1,839.0	2,111.1	2,488.1	2,847.6	3,192.6	3,375.6	3,519.5	3,848.1	4,094.3	4,338.3
Operating Margin	16.5%	16.9%	17.4%	18.1%	18.7%	18.4%	19.0%	19.9%	20.3%	20.4%	21.2%	21.6%	21.9%
Interest Expense	($361.9)	($383.8)	($392.0)	($355.2)	($314.6)	($395.6)	($508.1)	($539.8)	($574.0)	($606.7)	($611.4)	($613.3)	($614.4)
Interest Income	1.0	1.6	6.4	5.2	2.6	3.4	6.5	9.4	8.0	8.1	18.9	45.6	76.5
Other (expense) income, net	(24.7)	(32.4)	(105.8)	(114.2)	(189.0)	(168.4)	(89.9)	(244.5)	(140.0)	(179.0)	(208.0)	(208.0)	(208.0)
Pretax Income, Adjusted	$1,276.0	$1,280.4	$1,295.9	$1,374.8	$1,610.1	$1,927.5	$2,256.1	$2,417.7	$2,669.6	$2,742.0	$3,047.6	$3,318.6	$3,592.4
Income Tax Benefit (Expense)- Reported	(3.1)	(283.3)	(222.0)	(173.1)	(282.8)	(343.9)	(460.0)	(388.1)	(454.0)	(529.7)	(588.7)	(641.1)	(694.0)
Income Tax Benefit (Expense)- Extraordinary income (expen	(450.1)	18.5	1.7	(55.2)	0.8	(20.7)	(21.0)	3.2	(25.0)	(1.0)	0.0	0.0	0.0
Income from Continuing Operations	$822.8	$1,015.6	$1,075.6	$1,146.5	$1,328.1	$1,562.9	$1,775.1	$2,032.8	$2,190.6	$2,211.3	$2,458.8	$2,677.5	$2,898.4
Less: Net Income Attributable to Noncontrolling Interests	(0.6)	(0.7)	(0.5)	(2.3)	(1.9)	0.0	0.0	(0.5)	0.0	0.0	0.0	0.0	0.0
Adjusted Net Income	822.2	1,014.9	1,075.1	1,144.2	1,326.2	1,562.9	1,775.1	2,032.3	2,190.6	2,211.3	2,458.8	2,677.5	2,898.4
Income (loss) from Discontinued Operations, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary (charges) / gains	456.2	22.0	(1.8)	(176.9)	(12.8)	(67.9)	(44.0)	10.7	(51.2)	(4.0)	0.0	0.0	0.0
Net Income to Republic Services, Inc.	$1,278.4	$1,036.9	$1,073.3	$967.3	$1,313.4	$1,495.0	$1,731.1	$2,043.0	$2,139.4	$2,207.3	$2,458.8	$2,677.5	$2,898.4
Avg. Diluted Shares Outstanding	339.0	328.4	322.1	319.9	319.4	317.1	316.9	314.8	312.2	307.3	305.6	304.0	302.5
Common Dividend Per Share	$1.33	$1.44	$1.56	$1.64	$1.73	$1.87	$2.02	$2.19	$2.37	$2.50	$2.65	$2.80	$2.95
Diluted GAAP EPS Reported	$3.77	$3.16	$3.33	$3.02	$4.11	$4.71	$5.46	$6.49	$6.85	$7.18	$8.05	$8.81	$9.58
Adj. Diluted EPS	$2.43	$3.09	$3.34	$3.58	$4.15	$4.93	$5.60	$6.46	$7.02	$7.20	$8.05	$8.81	$9.58
Year-over-Year Growth	9%	27%	8%	7%	16%	19%	14%	15%	9%	3%	12%	9%	9%

Source: Company data, Morgan Stanley Research estimates

Exhibit 80: Republic Services Group (RSG) Annual Revenue Drivers

Fiscal Year Ending December 31	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**2029E**
Total Revenue	**$10,041.5**	**$10,040.9**	**$10,299.4**	**$10,153.7**	**$11,296.0**	**$13,509.9**	**$14,964.5**	**$16,032.1**	**$16,588.6**	**$17,288.0**	**$18,140.1**	**$18,983.1**	**$19,827.6**
y/y chg	*7.0%*	*0.0%*	*2.6%*	*-1.4%*	*11.3%*	*19.6%*	*10.8%*	*7.1%*	*3.5%*	*4.2%*	*4.9%*	*4.6%*	*4.4%*
Change in Components of Revenue (% of Total Revenue)													
Average yield	2.5%	2.4%	2.8%	2.6%	2.9%	5.2%	6.1%	5.1%	4.1%	3.3%	3.1%	2.9%	2.7%
Fuel recovery fees	0.4%	0.6%	0.0%	-0.7%	0.9%	2.6%	-0.2%	-0.4%	-0.1%	1.0%	0.3%	0.3%	0.3%
Total price	**2.9%**	**3.0%**	**2.8%**	**1.9%**	**3.7%**	**7.8%**	**5.9%**	**4.7%**	**3.9%**	**4.3%**	**3.4%**	**3.1%**	**2.9%**
Workday impact	0.0%	0.0%	0.0%	-0.1%	-0.1%	-0.1%	0.0%	0.2%	-0.2%	0.0%	0.0%	0.0%	0.0%
Volume	1.8%	0.4%	-0.4%	-3.1%	3.8%	2.4%	0.6%	-1.0%	-0.6%	-1.0%	0.5%	0.5%	0.5%
Total volume	**1.8%**	**0.4%**	**-0.4%**	**-3.2%**	**3.6%**	**2.3%**	**0.5%**	**-0.8%**	**-0.8%**	**-1.0%**	**0.5%**	**0.5%**	**0.5%**
Recycled commodities	0.9%	-1.1%	-0.3%	0.3%	1.1%	-0.7%	-0.4%	0.5%	0.0%	0.3%	0.8%	0.8%	0.8%
Environmental Services	0.6%	0.2%	-0.3%	-0.9%	-0.1%	0.5%	0.0%	0.2%	-1.0%	-0.3%	0.2%	0.2%	0.2%
Total internal growth	**6.2%**	**2.5%**	**1.8%**	**-1.9%**	**8.4%**	**10.0%**	**6.0%**	**4.6%**	**2.1%**	**3.2%**	**4.9%**	**4.6%**	**4.4%**
Acquisitions / divestitures, net	0.8%	1.5%	0.8%	0.4%	2.9%	9.6%	4.7%	2.6%	1.3%	1.0%	0.0%	0.0%	0.0%
Adoption of the new revenue recognition st	0.0%	-4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	**7.0%**	**0.0%**	**2.6%**	**-1.5%**	**11.3%**	**19.6%**	**10.8%**	**7.1%**	**3.5%**	**4.2%**	**4.9%**	**4.6%**	**4.4%**
Core price	4.1%	3.9%	4.7%	4.8%	5.0%	6.7%	7.4%	6.5%	5.9%				

Source: Company data, Morgan Stanley Research estimates

Exhibit 81: Republic Services Group (RSG) Annual Statement of Cash Flows

Fiscal Year Ending December 31	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
Cash Flows from Operations													
Net Income	$1,279.0	$1,037.6	$1,073.8	$969.6	$1,292.3	$1,487.6	$1,731.4	$2,044.0	$2,139.4	$2,207.3	$2,458.8	$2,677.5	$2,898.4
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities													
Depreciation	639.3	643.5	652.8	692.9	734.0	811.8	846.8	1,003.2	1,068.0	1,108.7	1,139.7	1,181.7	1,222.9
Landfill Depletion and Amortization	326.0	325.6	333.0	323.0	377.5	433.7	470.9	514.0	547.0	563.0	605.2	633.7	661.5
Amortization of Intangible and Other Assets	71.0	64.3	54.7	60.0	73.8	106.1	183.8	160.0	199.0	225.1	227.3	229.6	231.9
Accretion	79.8	80.7	81.9	82.9	82.9	89.6	97.9	107.0	114.0	124.4	146.2	168.6	191.8
Non-cash Interest Expense	43.6	41.2	48.8	61.7	70.5	71.6	85.8	71.0	75.0	78.0	76.0	76.0	76.0
Restructuring Related Charges	17.6	26.4	14.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Stock-based Compensation	34.6	39.0	39.5	37.3	57.0	38.8	40.9	42.0	44.0	47.0	49.3	51.6	54.0
Deferred Tax Benefit	(379.0)	152.1	166.1	60.8	(15.5)	181.1	101.7	87.0	269.0	61.0	0.0	0.0	0.0
Provision for Doubtful Accounts, Net of Adjustments	30.6	34.8	34.0	27.8	19.9	41.5	53.2	27.0	40.0	0.0	0.0	0.0	0.0
Asset impairments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss on Extinguishment of Debt	0.8	0.3	0.0	101.9	0.0	0.0	0.2	2.4	163.0	110.0	0.0	0.0	0.0
Gain on Disposition of Assets, Net and Asset Impairme	(29.5)	(58.9)	(13.8)	75.5	0.4	(9.2)	(1.2)	(19.0)	1.0	0.0	0.0	0.0	0.0
Withdrawal Liability - Central States Pension and Other	1.2	0.0	0.0	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Environmental Adjustments	0.4	5.0	(11.9)	5.1	0.5	2.9	2.0	7.0	0.0	0.0	0.0	0.0	0.0
Excess Income Tax Benefit from Stock Option Exercise	(1.2)	0.6	(5.6)	(2.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	27.4	35.8	112.2	113.0	187.4	165.5	92.7	268.3	(2.5)	130.0	208.0	208.0	208.0
Changes in Operating Assets and Liabilities, Net of Effect of Acquisitions and Dispositions													
Accounts Receivable	(118.9)	(29.6)	(38.3)	13.8	(135.4)	(198.8)	(71.3)	(76.0)	(87.0)	(111.2)	(63.0)	(60.6)	(57.9)
Prepaid and Other Current Assets	(36.4)	(152.5)	(109.7)	6.5	(57.0)	(83.8)	(29.8)	(171.0)	(174.0)	(109.9)	(61.9)	(64.9)	(67.7)
Accounts Payable	21.7	85.9	6.4	(46.7)	113.8	106.4	82.8	(27.0)	(14.0)	121.9	166.1	188.0	197.2
Restructuring Expenditures	(18.6)	(24.7)	(10.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capping, Closure and Post-Closure Expenditures	(62.7)	(71.9)	(78.2)	(58.6)	(59.6)	(64.6)	(60.8)	(56.0)	(70.0)	(70.0)	(70.0)	(70.0)	(70.0)
Remediation Expenditures	(54.8)	(48.8)	(49.1)	(63.5)	(57.1)	(54.7)	(54.9)	(62.0)	(54.0)	(54.0)	(54.0)	(54.0)	(54.0)
Other Liabilities	38.8	56.4	51.9	7.2	101.3	64.5	45.8	14.0	40.0	112.1	(4.4)	(10.2)	(15.6)
Cash Provided by Operating Activities	$1,910.7	$2,242.8	$2,352.1	$2,471.6	$2,786.7	$3,190.0	$3,617.9	$3,935.9	$4,297.9	$4,543.2	$4,823.4	$5,155.2	$5,476.4
Cash Flows from Investing Activities													
Purchases of Property and Equipment	(989.8)	(1,071.8)	(1,207.1)	(1,194.6)	(1,316.3)	(1,454.0)	(1,631.1)	(1,855.0)	(1,887.0)	(1,941.6)	(2,028.5)	(2,098.6)	(2,167.8)
Proceeds from Sales of Property and Equipment	6.1	31.6	21.7	30.1	19.5	32.8	29.2	47.0	13.0	7.0	0.0	0.0	0.0
Cash used in Business Acquisitions and Development I	(351.8)	(277.3)	(575.1)	(769.5)	(1,221.7)	(3,038.5)	(2,065.3)	(753.0)	(1,430.0)	(945.0)	(160.0)	(160.0)	(160.0)
Cash Proceeds from Divestitures, Net of Cash Divestec	4.7	89.2	42.8	32.9	46.3	50.6	6.4	2.0	11.0	2.0	0.0	0.0	0.0
Change in Restricted Cash and Marketable Securities	(0.4)	(0.5)	(1.2)	(21.7)	7.1	0.1	(15.8)	(2.0)	(15.0)	0.0	0.0	0.0	0.0
Other	1.0	(0.3)	(0.1)	0.0	(1.0)	(14.0)	9.8	0.0	(5.0)	(3.0)	0.0	0.0	0.0
Cash Provided by Investing Activities	($1,330.2)	($1,229.1)	($1,719.0)	($1,922.8)	($2,466.1)	($4,423.0)	($3,666.8)	($2,561.0)	($3,313.0)	($2,880.6)	($2,188.5)	($2,258.6)	($2,327.8)
Cash From Financing Activities													
Proceeds from Notes Payable and Long-Term Debt	4,791.1	4,347.6	4,746.5	2,625.5	5,154.3	16,446.3	2,172.3	889.0	0.0	0.0	0.0	0.0	0.0
Net Proceeds from (Payments on) Revolving Credit Fa	0.0	0.0	0.0	0.0	0.0	0.0	39,221.1	24,020.0	37,715.0	25,683.0	0.0	0.0	0.0
Proceeds from Issuance of Senior Notes, Net of Discou	641.5	781.8	891.1	2,716.1	692.3	0.0	0.0	0.0	1,183.0	1,185.0	0.0	0.0	0.0
Payments from Notes Payable and Long-Term Debt	(4,922.8)	(5,000.7)	(5,327.9)	(5,221.4)	(5,304.5)	(14,281.7)	(40,410.8)	(25,109.0)	(38,206.0)	(26,394.0)	0.0	0.0	0.0
Premiums Paid on Extinguishment of Debt	0.0	0.0	0.0	(99.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fees Paid to Issue Notes Payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Issuances of Common Stock	36.9	23.2	9.3	3.9	(12.0)	(13.6)	(1.2)	(14.0)	(5.0)	1.0	1.0	1.0	1.0
Excess Income Tax Benefit from Stock Option Exercise	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchases of Common Stock for Treasury	(610.7)	(736.9)	(399.4)	(98.8)	(252.2)	(203.5)	(261.8)	(482.0)	(870.0)	(1,259.0)	(600.0)	(600.0)	(600.0)
Cash Dividends Paid	(440.5)	(461.8)	(491.2)	(522.5)	(552.6)	(592.9)	(638.1)	(687.0)	(738.0)	(769.0)	(810.6)	(851.1)	(893.7)
Distributions Paid to Noncontrolling Interests	(0.7)	(0.6)	(0.2)	(0.2)	(33.2)	(0.8)	0.0	(0.4)	(1.0)	0.0	0.0	0.0	0.0
Other	(9.2)	(12.1)	(17.2)	(15.5)	(21.3)	(9.6)	(19.6)	(14.9)	(16.0)	(17.0)	0.0	0.0	0.0
Cash Provided by Financing Activities	($514.4)	($1,059.5)	($589.0)	($612.0)	($329.2)	$1,344.2	$61.9	($1,398.3)	($938.0)	($1,570.0)	($1,409.6)	($1,450.1)	($1,492.7)
Net increase (decrease) in Cash and Cash Equivalents	$66.1	($45.8)	$44.1	($63.2)	($8.6)	$111.2	$13.0	($23.4)	$46.9	$92.7	$1,225.3	$1,446.5	$1,656.0
Cash, cash equivalents and restricted cash equivalents - Be	67.8	179.1	133.3	177.4	114.2	105.6	214.3	227.5	202.1	249.0	341.7	1,567.0	3,013.5
Change in Cash due to Restatement / FX	45.2	0.0	0.0	0.0	0.0	(2.5)	0.2	(2.0)	1.0	(1.0)	0.0	0.0	0.0
Cash, cash equivalents and restricted cash equivalents - En	$179.1	$133.3	$177.4	$114.2	$105.6	$214.3	$227.5	$202.1	$250.0	$340.7	$1,567.0	$3,013.5	$4,669.5

Source: Company data, Morgan Stanley Research estimates

Exhibit 82: Republic Services Group (RSG) Annual Balance Sheet

Fiscal Year Ending December 31	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
ASSETS													
Current Assets													
Cash and Cash Equivalents	$83.3	$70.5	$47.1	$38.2	$29.0	$143.4	$140.0	$74.0	$76.0	$141.8	$1,367.1	$2,813.6	$4,469.5
Accounts Receivable, Net	1,105.9	1,102.7	1,125.9	1,091.3	1,271.4	1,677.2	1,768.4	1,821.0	1,897.0	1,993.2	2,056.2	2,116.8	2,174.7
Prepaid and Other Current Assets	247.6	391.2	433.0	392.3	410.4	536.5	472.6	511.0	550.0	577.9	639.8	704.6	772.4
Deferred Tax Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Current Assets	$1,436.8	$1,564.4	$1,606.0	$1,521.8	$1,710.8	$2,357.1	$2,381.0	$2,406.0	$2,523.0	$2,712.9	$4,063.1	$5,635.1	$7,416.6
Restricted Cash	$95.8	$62.8	$130.3	$76.0	$76.6	$70.9	$87.5	$128.1	$173.0	$199.9	$199.9	$199.9	$199.9
Marketable Securities	45.3	45.3	49.1	73.1	62.4	56.7	76.0	79.9	86.0	85.1	85.1	85.1	85.1
Property and Equipment, Net	7,777.4	8,020.1	8,383.5	8,726.2	9,232.1	10,743.2	11,350.9	11,877.0	12,639.0	13,124.5	13,341.9	13,536.4	13,708.1
Goodwill	11,315.4	11,400.1	11,633.4	12,046.4	12,826.0	14,451.5	15,834.5	15,982.0	16,715.0	17,198.0	17,222.0	17,246.0	17,270.0
Other Intangible Assets, net	141.1	106.5	133.9	173.1	259.5	347.2	496.2	546.0	655.0	681.5	623.8	565.0	505.1
Other Assets	335.2	417.8	747.6	817.4	787.6	1,024.3	1,184.0	1,383.0	1,575.0	1,448.5	1,334.8	1,220.0	1,104.1
Total Assets	$21,147.0	$21,617.0	$22,683.8	$23,434.0	$24,955.0	$29,050.9	$31,410.1	$32,402.0	$34,366.0	$35,450.3	$36,870.6	$38,487.5	$40,288.9
LIABILITIES AND STOCKHOLDERS' EQUITY													
Current Liabilities													
Accounts Payable	$598.1	$761.5	$777.9	$779.0	$910.0	$1,221.8	$1,411.5	$1,345.0	$1,374.0	$1,438.9	$1,605.0	$1,793.0	$1,990.2
Notes Payable and Current Maturities of Long-Term Del	706.7	690.7	929.9	168.1	8.2	455.9	932.3	862.0	596.0	548.0	548.0	548.0	548.0
Deferred Revenue	312.1	338.7	336.0	345.6	381.3	443.0	467.3	485.0	496.0	538.5	529.1	513.9	493.3
Accrued Landfill and Environmental Costs, Current Porti	135.2	130.6	132.6	114.5	124.5	132.6	141.6	159.0	148.0	156.0	156.0	156.0	156.0
Accrued Interest	74.5	68.5	74.0	54.6	62.1	79.0	104.1	101.0	109.0	114.5	119.6	124.7	129.7
Other Accrued Liabilities	808.2	728.6	814.2	820.2	929.5	1,056.0	1,171.5	1,176.0	1,205.0	1,242.0	1,242.0	1,242.0	1,242.0
Total Current Liabilities	$2,634.8	$2,718.6	$3,064.6	$2,282.0	$2,415.6	$3,388.3	$4,228.3	$4,128.0	$3,928.0	$4,037.9	$4,199.6	$4,377.5	$4,559.1
Long-Term Debt, Net of Current Maturities	$7,480.7	$7,646.8	$7,758.6	$8,766.1	$9,546.2	$11,328.8	$11,887.1	$11,851.0	$12,985.0	$13,521.0	$13,521.0	$13,521.0	$13,521.0
Accrued Landfill and Environmental Costs, Net of Curre	1,686.5	1,701.6	1,703.2	1,694.7	1,837.7	2,141.3	2,281.0	2,432.0	2,608.0	2,571.0	2,447.0	2,323.0	2,199.0
Deferred Income Taxes and Other Long-Term Tax Liabil	796.4	1,028.3	1,180.6	1,238.8	1,229.5	1,528.8	1,526.8	1,594.0	1,884.0	1,963.0	1,963.0	1,963.0	1,963.0
Self-Insurance Reserves, Net of Current Portion	275.4	270.8	276.5	281.8	303.9	315.1	348.8	402.0	436.0	457.0	457.0	457.0	457.0
Other Long-Term Liabilities	312.1	321.4	579.4	681.8	642.4	661.8	594.6	588.0	556.0	705.0	989.0	1,273.0	1,557.0
Total Liabilities	$13,185.9	$13,687.5	$14,562.9	$14,945.2	$15,975.3	$19,364.1	$20,866.6	$20,995.0	$22,397.0	$23,254.9	$23,576.6	$23,914.5	$24,256.1
Stockholders' Equity :													
Preferred Stock	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Common Stock	3.5	3.5	3.5	3.2	3.2	3.2	3.2	3.2	3.2	3.0	3.0	3.0	3.0
Additional Paid-In Capital	4,839.6	4,924.9	4,994.8	2,741.4	2,789.5	2,843.2	2,900.8	1,767.0	1,833.0	1,881.0	1,882.0	1,883.0	1,884.0
Deferred compensation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retained Earnings	4,152.5	4,750.5	5,317.3	5,751.8	6,475.6	7,356.3	8,433.9	9,774.0	11,161.0	12,598.4	14,246.6	16,073.0	18,077.8
Treasury Stock, at Cost	(1,059.4)	(1,782.6)	(2,199.6)	(0.1)	(274.8)	(504.6)	(783.5)	(113.0)	(1,000.0)	(2,277.0)	(2,877.0)	(3,477.0)	(4,077.0)
Accumulated Other Comprehensive Loss	22.6	30.8	2.2	(12.4)	(14.6)	(12.1)	(12.1)	(26.0)	(29.0)	(11.0)	38.3	90.0	144.0
Total Equity — Controlling Interests	7,958.8	7,927.1	8,118.2	8,483.9	8,978.9	9,686.0	10,542.3	11,405.2	11,968.2	12,194.4	13,293.0	14,572.0	16,031.7
Total Equity — NonControlling Interests	2.3	2.4	2.7	4.9	0.8	0.8	1.2	1.8	0.8	1.0	1.0	1.0	1.0
Total Equity	$7,961.1	$7,929.5	$8,120.9	$8,488.8	$8,979.7	$9,686.8	$10,543.5	$11,407.0	$11,969.0	$12,195.4	$13,294.0	$14,573.0	$16,032.7
Total Liabilities and Stockholders' Equity	$21,147.0	$21,617.0	$22,683.8	$23,434.0	$24,955.0	$29,050.9	$31,410.1	$32,402.0	$34,366.0	$35,450.3	$36,870.6	$38,487.5	$40,288.9

Source: Company data, Morgan Stanley Research estimates

Exhibit 83: Republic Services Group (RSG) Discounted Cash Flow Valuation

Republic Services, Inc. (USD mm)	WACC:	6.8%			Terminal Growth:		2.5%		Terminal Multiple:		11.4x				
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2040E
Operating profit	**1,662**	**1,695**	**1,787**	**1,839**	**2,111**	**2,488**	**2,848**	**3,193**	**3,376**	**3,520**	**3,848**	**4,094**	**4,338**	**4,460**	**5,602**
Tax rate	*0%*	*22%*	*17%*	*13%*	*18%*	*18%*	*20%*	*16%*	*17%*	*19%*	*19%*	*19%*	*19%*	*19%*	*19%*
=NOPAT	**1,658**	**1,320**	**1,481**	**1,607**	**1,740**	**2,044**	**2,267**	**2,680**	**2,801**	**2,840**	**3,105**	**3,303**	**3,500**	**3,598**	**4,520**
+Non-Cash Charges	1,087	1,055	1,109	1,234	1,269	1,432	1,598	1,765	1,929	2,021	2,118	2,214	2,308	2,446	3,722
Gross Cash Flow	**2,744**	**2,375**	**2,590**	**2,842**	**3,009**	**3,476**	**3,865**	**4,445**	**4,730**	**4,861**	**5,223**	**5,517**	**5,808**	**6,045**	**8,242**
+Changes in working capital	(231)	(185)	(228)	(141)	(94)	(231)	(88)	(378)	(359)	(111)	(87)	(72)	(68)	(54)	0
+Capital expenditures, asset purchases	(990)	(1,072)	(1,207)	(1,195)	(1,316)	(1,454)	(1,631)	(1,855)	(1,887)	(1,942)	(2,029)	(2,099)	(2,168)	(2,298)	(3,722)
= Gross investment	**(1,221)**	**(1,257)**	**(1,435)**	**(1,336)**	**(1,410)**	**(1,685)**	**(1,719)**	**(2,233)**	**(2,246)**	**(2,053)**	**(2,116)**	**(2,170)**	**(2,236)**	**(2,352)**	**(3,722)**
Free cash flow to firm	**1,523**	**1,118**	**1,155**	**1,506**	**1,599**	**1,791**	**2,146**	**2,212**	**2,484**	**2,808**	**3,107**	**3,347**	**3,572**	**3,693**	**4,520**
FCF growth	44%	-27%	3%	30%	6%	12%	20%	3%	12%	13%	11%	8%	7%	3%	0%
Present value of cash flows	$51,782	$53,805	$56,372	$59,077	$61,618	$64,239	$66,848	$69,280	$71,813	$74,246	$76,523	$78,657	$80,697	$82,651	$103,937
-Minority Interest	$2	$2	$3	$5	$1	$1	$1	$2	$1	$1	$1	$1	$1	$1	$1
-Net Debt at PYE	$7,546	$8,059	$8,222	$8,592	$8,823	$9,463	$11,585	$12,603	$12,559	$13,419	$13,842	$12,617	$11,170	$11,170	$11,170
+ Preferred Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	$0	$0
Implied Market Cap	$44,234	$45,744	$48,147	$50,480	$52,794	$54,775	$55,262	$56,675	$59,253	$60,826	$62,680	$66,039	$69,526	$71,480	$92,765.90
Fully-diluted shares (BOP)	339m	328m	322m	320m	319m	317m	317m	315m	312m	307m	306m	304m	303m	303m	303m
Implied Value per Share Beginning of Year	**$130**	**$139**	**$149**	**$158**	**$165**	**$173**	**$174**	**$180**	**$190**	**$198**	**$205**	**$217**	**$230**	**$236**	**$307**
Implied Value per Share in 12-Months	**$140**	**$149**	**$160**	**$169**	**$177**	**$185**	**$187**	**$193**	**$204**	**$212**	**$220**	**$233**	**$247**	**$254**	**$329**
									Weighted DCF PT	$219					

Source: Company data, Morgan Stanley Research estimates

Exhibit 84: Republic Services Group (RSG) Multiple Analysis

Share Price	EV	Market Cap	EV / Adj. EBITDA	Adj. P/E	Unlevered FCF Yield	PEG Ratio	Levered FCF Yield	
$303						x	2.7%	2.9%
$279							2.9%	3.1%
$264							3.1%	3.3%
$249							3.3%	3.5%
$234							3.5%	3.7%
$219							3.7%	4.0%
$185							4.4%	4.7%
$170							.8%	5.1%
$155							.3%	5.6%
$140							8%	6.2%
$125							%	6.9%

Source: Company data, Morgan Stanley Research estimates

Exhibit 85: Rollins Inc. (ROL): Quarterly Income Statement ($ in M)

Fiscal Year Ending December 31	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26E	4Q26E	2026E
Revenue											
Residential Pest Control	**$1,535.1**	***356.3***	***455.7***	***476.3***	***405.0***	**$1,693.2**	**$389.5**	**$485.8**	**$505.6**	**$434.2**	**$1,815.1**
y/y change	8.9%	8.2%	11.6%	11.2%	9.7%	10.3%	9.3%	6.6%	6.1%	7.2%	7.2%
Organic Residential Pest Control	*1,472.1*	*347.9*	*428.5*	*450.7*	*385.4*	*1,612.5*	*371.4*	*472.0*	*490.6*	*419.2*	*1,753.0*
organic y/y change	*4.4%*	*5.7%*	*4.9%*	*5.2%*	*4.4%*	*5.0%*	*4.2%*	*3.6%*	*3.0%*	*3.5%*	*3.5%*
Commercial Pest Control	**1,126.0**	**284.4**	**320.5**	**335.0**	**304.9**	**1,244.7**	**311.7**	**347.9**	**363.4**	**332.8**	**1,355.8**
y/y change	9.9%	10.2%	11.4%	11.8%	8.7%	10.5%	9.6%	8.6%	8.5%	9.1%	8.9%
Organic Commercial Pest Control	*1,101.5*	*277.3*	*311.8*	*324.4*	*298.5*	*1,212.0*	*306.4*	*343.4*	*358.4*	*327.8*	*1,336.0*
organic y/y change	*7.6%*	*7.4%*	*8.4%*	*8.3%*	*6.4%*	*7.6%*	*7.7%*	*7.2%*	*7.0%*	*7.5%*	*7.3%*
Termite and Ancillary service	**688.2**	**172.1**	**211.9**	**204.7**	**192.9**	**781.5**	**195.4**	**234.2**	**227.1**	**217.2**	**873.8**
y/y change	13.6%	13.2%	13.9%	15.2%	11.9%	13.6%	13.5%	10.5%	10.9%	12.6%	11.8%
Organic Termite and Ancillary service	*679.9*	*169.0*	*205.2*	*196.8*	*185.5*	*756.4*	*189.1*	*230.8*	*222.1*	*212.2*	*854.1*
organic y/y change	*12.3%*	*11.1%*	*10.3%*	*10.8%*	*7.6%*	*9.9%*	*9.8%*	*8.9%*	*8.5%*	*10.0%*	*9.3%*
Franchise	16.9	3.8	3.9	4.3	4.0	16.0	3.7	2.9	4.4	4.1	15.1
y/y change	2.8%	-4.8%	-12.1%	0.7%	-4.8%	-5.3%	-3.1%	-25.6%	2.0%	2.0%	-5.9%
Other	22.5	5.9	7.6	5.9	6.1	25.5	6.1	7.8	6.0	6.2	26.1
y/y change	30.8%	21.7%	44.5%	-7.7%	1.2%	13.2%	3.1%	2.0%	2.0%	2.0%	2.3%
Total Company Revenue	**$3,388.7**	**$822.5**	**$999.5**	**$1,026.1**	**$912.9**	**$3,761.1**	**$906.4**	**$1,078.6**	**$1,106.4**	**$994.4**	**$4,085.9**
y/y change	*10.3%*	*9.9%*	*12.1%*	*12.0%*	*9.7%*	*11.0%*	*10.2%*	*7.9%*	*7.8%*	*8.9%*	*8.6%*
Organic Growth	*7.2%*	*7.4%*	*7.3%*	*7.2%*	*5.7%*	*6.9%*	*6.6%*	*5.7%*	*5.4%*	*6.2%*	*5.9%*
Operating Expenses											
Cost of Services Provided	$1,603.2	$400.1	$461.9	$467.5	$447.6	$1,777.0	$445.5	$508.6	$516.9	$484.8	$1,955.9
y/y chg	*9.1%*	*9.5%*	*12.6%*	*10.8%*	*10.4%*	*10.8%*	*11.3%*	*10.1%*	*10.6%*	*8.3%*	*10.1%*
% of Total Revenue	*47.3%*	*48.6%*	*46.2%*	*45.6%*	*49.0%*	*47.2%*	*49.2%*	*47.2%*	46.7%	48.7%	*47.9%*
Selling and General Expenses (includes SBC)	1,015.1	250.5	307.6	301.4	273.7	1,133.2	282.9	335.0	332.7	299.2	1,249.8
y/y chg	*10.9%*	*12.3%*	*13.3%*	*9.6%*	*11.5%*	*11.6%*	*12.9%*	*8.9%*	*10.4%*	*9.3%*	*10.3%*
% of Total Revenue	*30.0%*	*30.5%*	*30.8%*	*29.4%*	*30.0%*	*30.1%*	*31.2%*	*31.1%*	30.1%	30.1%	*30.6%*
Total Expenses	**$2,618.3**	**$650.6**	**$769.5**	**$768.9**	**$721.3**	**$2,910.2**	**$728.4**	**$843.6**	**$849.7**	**$783.9**	**$3,205.7**
EBITDA	$770.4	$171.9	$230.1	$257.3	$191.6	$850.8	$178.4	$232.8	$256.8	$210.5	$880.2
EBITDA Margin	22.7%	20.9%	23.0%	25.1%	21.0%	22.6%	19.7%	21.6%	23.2%	21.2%	21.5%
Y/y Growth	12.0%	7.6%	9.5%	17.2%	5.8%	10.4%	3.8%	1.2%	-0.2%	9.9%	3.5%
Special Items and Adjustments											
Acquisition/Amortization related & Other expenses	1.0	0.0	1.1	1.1	1.1	3.2	1.1	1.3	0.0	0.0	2.4
Other Income, Net	0.0	0.0	0.0	(0.4)	1.1	0.7	(0.1)	2.2	0.0	0.0	2.1
Company Adj. EBITDA	**$771.5**	**$171.9**	**$231.2**	**$258.3**	**$193.8**	**$855.1**	**$179.5**	**$236.3**	**$256.8**	**$210.5**	**$883.0**
Adj. EBITDA Margin	22.8%	20.9%	23.1%	25.2%	21.2%	22.7%	19.8%	21.9%	23.2%	21.2%	21.6%
Incremental Margin	***24.8%***	***14.9%***	***19.6%***	***35.4%***	***15.7%***	***22.5%***	***9.1%***	***6.5%***	***-2.0%***	***20.5%***	***8.6%***
Margin expansion	21 bps	(59)bps	(43)bps	122 bps	(54)bps	(3)bps	(109)bps	(122)bps	(197)bps	(6)bps	(113)bps
y/y Growth	11.3%	6.9%	10.0%	17.7%	7.0%	10.8%	4.4%	2.2%	-0.6%	8.6%	3.3%
Depreciation and Amortization	$113.2	$29.2	$31.7	$32.2	$31.6	$124.7	$32.5	$33.6	$33.2	$31.8	$131.1
% of Total Revenue	3.3%	3.6%	3.2%	3.1%	3.5%	3.3%	3.6%	3.1%	3.0%	3.2%	3.2%
Operating Profit	***657.2***	***142.6***	***198.3***	***225.0***	***160.1***	***726.1***	***145.5***	***201.4***	***223.6***	***178.7***	***749.1***
Operating Margin	19.4%	17.3%	19.8%	21.9%	17.5%	19.3%	16.1%	18.7%	20.2%	18.0%	18.3%
Other adjustments	*17.9*	*4.2*	*7.6*	*7.0*	*7.3*	*26.1*	*7.3*	*8.6*	*0.0*	*0.0*	*15.9*
Adj Operating Profit	**675.1**	**146.9**	**205.9**	**232.1**	**167.4**	**752.2**	**152.8**	**209.9**	**223.6**	**178.7**	**765.0**
Adj Operating Margin	19.9%	17.9%	20.6%	22.6%	18.3%	20.0%	16.9%	19.5%	20.2%	18.0%	18.7%
Incremental Margin	***24.2%***	***12.4%***	***17.9%***	***32.8%***	***15.5%***	***20.7%***	***7.1%***	***5.1%***	***-10.6%***	***13.9%***	***3.9%***
Margin expansion	44 bps	(54)bps	(32)bps	122 bps	(27)bps	8 bps	(100)bps	(114)bps	(241)bps	(36)bps	(128)bps
y/y Growth	12.7%	6.7%	10.3%	18.4%	8.1%	11.4%	4.0%	2.0%	-3.7%	6.8%	1.7%
Interest (Expense) Gain, Net	(27.7)	(5.8)	(7.4)	(7.9)	(7.4)	(28.6)	(8.9)	(9.4)	(8.8)	(8.8)	(35.8)
Other Income, Net	(0.1)	0.7	0.3	0.4	2.1	3.4	0.5	(2.2)	0.0	0.0	(1.8)
Pretax Income	**$629.5**	**137.5**	**191.2**	**217.4**	**154.7**	**$700.9**	**137.1**	**189.8**	**214.8**	**169.9**	**$711.5**
Income Tax Benefit (Expense)	(168.2)	(32.3)	(49.8)	(53.9)	(38.3)	(174.2)	(29.3)	(45.8)	(52.6)	(41.6)	(169.3)
Income from Continuing Operations	***$461.3***	***105.2***	***141.5***	***163.5***	***116.4***	***$526.7***	***107.8***	***143.9***	***162.2***	***128.3***	***$542.2***
Income (loss) from Discontinued Operations, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary (charges) / gains	(12.8)	2.6	5.4	5.0	4.7	17.7	5.4	8.0	0.0	0.0	0.0
Adjusted Net Income to Rollins Inc.	**$448.5**	**$107.9**	**$146.9**	**$168.5**	**$121.1**	**$544.4**	**$113.2**	**$151.9**	**$162.2**	**$128.3**	**$542.2**
Avg. Diluted Shares Outstanding	485.4	484.4	484.7	484.7	482.8	483.2	481.4	481.4	479.7	478.6	479.9
Common Dividend Per Share	*$0.62*	*$0.17*	*$0.17*	*$0.17*	*$0.18*	*$0.68*	*$0.18*	*$0.18*	*$0.18*	*$0.20*	*$0.75*
Diluted GAAP EPS Reported	$0.92	$0.22	$0.30	$0.35	$0.25	$1.13	$0.24	$0.32	$0.34	$0.27	$1.13
Adj. Diluted EPS	**$0.95**	**$0.22**	**$0.30**	**$0.35**	**$0.25**	**$1.13**	**$0.24**	**$0.32**	**$0.34**	**$0.27**	**$1.13**
Y/y growth	***7.4%***	***15.8%***	***14.7%***	***24.4%***	***16.0%***	***18.6%***	***5.6%***	***4.1%***	***-2.8%***	***6.8%***	***0.3%***

Source: Company data, Morgan Stanley Research estimates

Exhibit 86: Rollins Inc. (ROL): Annual Income Statement ($ in M)

Fiscal Year Ending December 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025.0	2026E	2027E	2028E
Revenue															0.0
Residential Pest Control	**$579.9**	**$618.2**	**$663.3**	**$705.8**	**$773.9**	**$861.6**	**$977.5**	**$1,103.7**	**$1,211.7**	**$1,409.9**	**$1,535.1**	**$1,693.2**	**$1,815.1**	**$1,963.9**	**$2,122.1**
y/y change	4.5%	6.6%	7.3%	6.4%	9.7%	11.3%	13.4%	12.9%	9.8%	16.8%	8.9%	10.3%	7.2%	8.2%	8.1%
Organic Residential Pest Control	*579.4*	*616.3*	*662.6*	*698.8*	*748.4*	*819.3*	*937.7*	*1,075.6*	*1,165.6*	*1,284.6*	*1,472.1*	*1,612.5*	*1,753.0*	*1,903.9*	*2,062.1*
organic y/y change								*10.0%*	*5.6%*	*6.2%*	*4.4%*	*5.0%*	*3.5%*	*4.9%*	*5.0%*
Commercial Pest Control	**588.0**	**607.5**	**634.2**	**666.5**	**694.8**	**756.7**	**752.3**	**829.4**	**915.8**	**1,024.2**	**1,126.0**	**1,244.7**	**1,355.8**	**1,481.1**	**1,619.6**
y/y change	6.7%	3.3%	4.4%	5.1%	4.2%	8.9%	-0.6%	10.2%	10.4%	11.2%	9.9%	10.5%	8.9%	9.2%	9.4%
Organic Commercial Pest Control	*585.4*	*612.7*	*629.3*	*657.7*	*690.3*	*716.4*	*726.1*	*808.6*	*901.1*	*1,004.2*	*1,101.5*	*1,212.0*	*1,336.0*	*1,461.1*	*1,599.6*
organic y/y change								*7.5%*	*8.6%*	*9.7%*	*7.6%*	*7.6%*	*7.3%*	*7.8%*	*8.0%*
Termite and Ancillary service	**243.6**	**259.6**	**276.0**	**295.0**	**332.6**	**371.3**	**406.8**	**465.1**	**536.6**	**605.5**	**688.2**	**781.5**	**873.8**	**977.1**	**1,085.0**
y/y change	5.0%	4.6%	6.3%	9.7%	12.7%	11.6%	9.6%	14.3%	15.4%	13.1%	13.6%	13.6%	11.8%	11.8%	11.0%
Organic Termite and Ancillary service	*235.2*	*251.9*	*273.4*	*292.0*	*310.7*	*353.6*	*399.2*	*455.3*	*516.0*	*591.1*	*679.9*	*756.4*	*854.1*	*957.1*	*1,065.0*
organic y/y change								*11.9%*	*10.9%*	*10.2%*	*12.3%*	*9.9%*	*9.3%*	*9.5%*	*9.0%*
Franchise					12.6	13.6	14.4	15.5	15.7	16.5	16.9	16.0	15.1	15.4	15.7
y/y change						8.2%	5.6%	8.1%	0.9%	5.2%	2.8%	-5.3%	-5.9%	2.0%	2.0%
Other					7.7	12.2	10.3	10.6	16.0	17.2	22.5	25.5	26.1	26.6	27.1
y/y change					15.1%	59.5%	-16.2%	3.7%	50.2%	7.8%	30.8%	13.2%	2.3%	2.0%	2.0%
Total Company Revenue	**$1,411.6**	**$1,485.3**	**$1,573.5**	**$1,674.0**	**$1,821.6**	**$2,015.5**	**$2,161.2**	**$2,424.3**	**$2,695.8**	**$3,073.2**	**$3,388.7**	**$3,761.1**	**$4,085.9**	**$4,464.0**	**$4,869.5**
y/y change	*5.5%*	*5.2%*	*5.9%*	*6.4%*	*8.8%*	*10.6%*	*7.2%*	*12.2%*	*11.2%*	*14.0%*	*10.3%*	*11.0%*	*8.6%*	*9.3%*	*9.1%*
Organic Growth	4.9%	3.9%	3.5%	4.4%	*5.2%*	*4.9%*	*3.8%*	*9.5%*	*7.8%*	*8.1%*	*7.2%*	*6.9%*	*5.9%*	*6.8%*	*6.8%*
Operating Expenses															
Cost of Services Provided	$707.7	$736.0	$772.3	$819.9	$894.4	$993.6	$1,048.6	$1,162.6	$1,307.9	$1,469.9	$1,603.2	$1,777.0	$1,955.9	$2,131.9	$2,315.9
y/y chg	*4.3%*	*4.0%*	*4.9%*	*6.2%*	*9.1%*	*11.1%*	*5.5%*	*10.9%*	*12.5%*	*12.4%*	*9.1%*	*10.8%*	*10.1%*	*9.0%*	*8.6%*
% of Total Revenue	50.1%	49.6%	49.1%	49.0%	49.1%	49.3%	48.5%	48.0%	48.5%	47.8%	47.3%	47.2%	47.9%	47.8%	47.6%
Selling and General Expenses (includes SBC)	441.4	463.7	490.5	503.4	550.7	673.3	656.2	727.5	803.2	915.2	1,015.1	1,133.2	1,249.8	1,362.3	1,478.8
y/y chg	*3.1%*	*5.1%*	*5.8%*	*2.6%*	*9.4%*	*22.3%*	*-2.5%*	*10.9%*	*10.4%*	*14.0%*	*10.9%*	*11.6%*	*10.3%*	*9.0%*	*8.5%*
% of Total Revenue	31.3%	31.2%	31.2%	30.1%	30.2%	33.4%	30.4%	30.0%	29.8%	29.8%	30.0%	30.1%	30.6%	30.5%	30.4%
Total Expenses	**$1,149.1**	**$1,199.7**	**$1,262.9**	**$1,323.4**	**$1,445.1**	**$1,666.9**	**$1,704.8**	**$1,890.1**	**$2,111.1**	**$2,385.1**	**$2,618.3**	**$2,910.2**	**$3,205.7**	**$3,494.2**	**$3,794.7**
EBITDA	$262.4	$285.6	$310.6	$350.6	$376.4	$348.6	$456.4	$534.2	$584.7	$688.1	$770.4	$850.8	$880.2	$969.8	$1,074.8
EBITDA Margin	18.6%	19.2%	19.7%	20.9%	20.7%	17.3%	21.1%	22.0%	21.7%	22.4%	22.7%	22.6%	21.5%	21.7%	22.1%
Y/y Growth	13.8%	8.8%	8.8%	12.9%	7.4%	-7.4%	30.9%	17.0%	9.5%	17.7%	12.0%	10.4%	3.5%	10.2%	10.8%
Special Items and Adjustments															
Acquisition/Amortization related & Other expenses	0.0	0.0	0.0	0.0	0.0	61.5	0.0	(31.1)	0.0	3.1	1.0	3.2	2.4	0.0	0.0
Other Income, Net	0.3	2.0	0.8	0.2	0.9	0.6	(1.6)	35.7	8.2	1.9	0.0	0.7	2.1	0.0	0.0
Company Adj. EBITDA	**$262.7**	**$287.5**	**$311.4**	**$350.8**	**$377.3**	**$410.7**	**$454.8**	**$538.8**	**$592.9**	**$693.1**	**$771.5**	**$855.1**	**$883.0**	**$969.8**	**$1,074.8**
Adj. EBITDA Margin	18.6%	19.4%	19.8%	21.0%	20.7%	20.4%	21.0%	22.2%	22.0%	22.6%	22.8%	22.7%	21.6%	21.7%	22.1%
Incremental Margin	***43.1%***	***33.6%***	***27.0%***	***39.3%***	***17.9%***	***17.2%***	***30.3%***	***31.9%***	***19.9%***	***26.6%***	***24.8%***	***22.5%***	***8.6%***	***22.9%***	***25.9%***
Margin expansion	136 bps	75 bps	43 bps	117 bps	(24)bps	(33)bps	67 bps	118 bps	(23)bps	56 bps	21 bps	(3)bps	(113)bps	11 bps	35 bps
y/y Growth	13.8%	9.4%	8.3%	12.7%	7.5%	8.9%	10.7%	18.5%	10.0%	16.9%	11.3%	10.8%	3.3%	9.8%	10.8%
Depreciation and Amortization	$43.5	$44.5	$50.9	$56.6	$66.8	$81.1	$88.3	$94.2	$96.5	$99.8	$113.2	$124.7	$131.1	$143.3	$155.8
% of Total Revenue	3.1%	3.0%	3.2%	3.4%	3.7%	4.0%	4.1%	3.9%	3.6%	3.2%	3.3%	3.3%	3.2%	3.2%	3.2%
Operating Profit	***218.9***	***241.1***	***259.7***	***294.0***	***309.6***	***267.5***	***368.1***	***440.0***	***488.2***	***588.3***	***657.2***	***726.1***	***749.1***	***826.5***	***919.0***
Operating Margin	15.5%	16.2%	16.5%	17.6%	17.0%	13.3%	17.0%	18.1%	18.1%	19.1%	19.4%	19.3%	18.3%	18.5%	18.9%
Other adjustments	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*61.5*	*0.0*	*0.0*	*0.0*	*10.5*	*17.9*	*26.1*	*15.9*	*0.0*	*0.0*
Adj Operating Profit	**218.9**	**241.1**	**259.7**	**294.0**	**309.6**	**329.0**	**368.1**	**440.0**	**488.2**	**598.8**	**675.1**	**752.2**	**765.0**	**826.5**	**919.0**
Adj Operating Margin	15.5%	16.2%	16.5%	17.6%	17.0%	16.3%	17.0%	18.1%	18.1%	19.5%	19.9%	20.0%	18.7%	18.5%	18.9%
Incremental Margin	***37.6%***	***30.0%***	***21.1%***	***34.1%***	***10.6%***	***10.0%***	***26.8%***	***27.3%***	***17.8%***	***29.3%***	***24.2%***	***20.7%***	***3.9%***	***16.3%***	***22.8%***
Margin expansion	122 bps	72 bps	27 bps	106 bps	(56)bps	(67)bps	71 bps	112 bps	(4)bps	138 bps	44 bps	8 bps	(128)bps	(21)bps	36 bps
y/y Growth	14.6%	10.1%	7.7%	13.2%	5.3%	6.3%	11.9%	19.5%	11.0%	22.7%	12.7%	11.4%	1.7%	8.0%	11.2%
Interest (Expense) Gain, Net	0.3	0.2	0.2	0.3	0.2	(6.9)	(5.1)	(0.8)	(2.6)	(19.1)	(27.7)	(28.6)	(35.8)	(35.2)	(35.2)
Other Income, Net	0.3	2.0	0.8	0.2	0.9	0.6	(1.6)	4.6	8.2	1.9	(0.1)	3.4	(1.8)	0.0	0.0
Pretax Income	**219.5**	**243.2**	**260.6**	**294.5**	**310.7**	**322.7**	**361.4**	**443.8**	**493.7**	**581.7**	**629.5**	**700.9**	**711.5**	**791.4**	**883.8**
Income Tax Benefit (Expense)	(81.8)	(91.0)	(93.3)	(108.1)	(79.4)	(84.3)	(93.9)	(116.3)	(130.3)	(146.2)	(168.2)	(174.2)	(169.3)	(189.9)	(212.1)
Income from Continuing Operations	***137.7***	***152.1***	***167.4***	***186.4***	***231.3***	***238.4***	***267.5***	***327.5***	***363.4***	***435.5***	***461.3***	***526.7***	***542.2***	***601.4***	***671.7***
Income (loss) from Discontinued Operations, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary (charges) / gains	0.0	0.0	0.0	(7.3)	0.3	(35.1)	(6.7)	23.2	0.0	0.0	(12.8)	17.7	0.0	0.0	0.0
Adjusted Net Income to Rollins Inc.	**$137.7**	**$152.1**	**$167.4**	**$179.1**	**$231.7**	**$203.3**	**$260.8**	**$350.7**	**$363.4**	**$435.5**	**$448.5**	**$544.4**	**$542.2**	**$601.4**	**$671.7**
Avg. Diluted Shares Outstanding	145.8	218.6	218.2	218.0	327.3	327.5	492.1	492.1	492.4	492.2	485.4	483.2	479.9	478.2	477.7
Common Dividend Per Share	*$0.53*	*$0.42*	*$0.50*	*$0.56*	*$0.47*	*$0.47*	*$0.33*	*$0.42*	*$0.43*	*$0.54*	*$0.62*	*$0.68*	*$0.75*	*$0.83*	*$0.91*
Diluted GAAP EPS Reported	$0.94	$0.70	$0.77	$0.82	$0.71	$0.62	$0.53	$0.71	$0.74	$0.88	$0.92	$1.13	$1.13	$1.26	$1.41
Adj. Diluted EPS	**$0.94**	**$0.70**	**$0.77**	**$0.86**	**$0.71**	**$0.73**	**$0.54**	**$0.67**	**$0.74**	**$0.88**	**$0.95**	**$1.13**	**$1.13**	**$1.26**	**$1.41**
Y/y growth	***11.8%***	***10.6%***	***10.2%***	***11.5%***	***24.0%***	***3.0%***	***12.1%***	***22.4%***	***10.9%***	***19.9%***	***7.4%***	***18.6%***	***0.3%***	***11.3%***	***11.8%***

Source: Company data, Morgan Stanley Research estimates

Exhibit 87: Rollins Inc. (ROL): Annual Cash Flow Statement ($ in M)

Fiscal Year Ending December 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Cash Flows From Operations															
Net Income	**$137.7**	**$152.1**	**$167.4**	**$179.1**	**$231.7**	**$203.3**	**$260.8**	**$350.7**	**$363.4**	**$435.0**	**$466.4**	**$526.7**	**$542.2**	**$601.4**	**$671.7**
Depreciation and Amortization	42.3	42.1	49.9	55.5	64.7	79.5	89.4	94.2	91.3	99.8	113.2	124.7	131.1	143.3	155.8
Pension Settlement	0.0	0.0	0.0	0.0	0.0	49.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provision for Deferred Income Taxes	8.4	3.5	(3.2)	18.6	7.6	(7.2)	(1.2)	1.7	1.6	(7.6)	0.0	19.2	2.1	0.0	0.0
Provision for Bad Debts	11.2	10.1	11.3	10.5	13.6	15.1	17.5	15.3	19.4	26.9	24.9	35.9	17.4	0.0	0.0
Stock-based Compensation	10.6	12.1	12.4	12.4	13.7	14.2	20.9	14.9	21.2	24.6	30.0	39.7	43.1	47.0	51.3
(Gain)/loss on Sales/Impairments of Assets, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excess Tax Benefits from Share-based Payments	(4.7)	(1.9)	(3.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Gain)/losses on sale of assets, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(35.7)	(8.2)	(22.1)	(1.4)	(2.3)	2.1	0.0	0.0
Other, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.8)	1.8	0.0	0.0
Changes in operating assets and liabilities	**(11.3)**	**(21.7)**	**(7.5)**	**(40.8)**	**(45.0)**	**(45.7)**	**48.3**	**(39.2)**	**(28.1)**	**(28.1)**	**(25.5)**	**(65.0)**	**(32.0)**	**7.7**	**8.4**
Cash From Operating Activities	**194.1**	**196.4**	**226.5**	**235.4**	**286.3**	**309.2**	**435.8**	**401.8**	**460.7**	**528.4**	**607.7**	**678.1**	**707.7**	**799.4**	**887.2**
Cash From Investing Activities															
Cash Used for Acquisitions of Companies, Net of Cash	($63.3)	($33.5)	($46.3)	($130.2)	($76.8)	($430.6)	($147.6)	($146.1)	($119.2)	($366.9)	($157.5)	($309.5)	($235.3)	($200.0)	($200.0)
Purchases of Equipment and Property	(28.7)	(39.5)	(33.1)	(24.7)	(27.2)	(27.1)	(23.2)	(27.2)	(30.6)	(32.5)	(27.6)	(28.1)	(27.9)	(28.3)	(28.4)
Cash from Sales of Franchises	0.6	0.8	0.7	0.5	0.3	0.6	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sales/(purchases) of Marketable Securities, net	2.0	2.8	1.7	0.4	1.8	1.8	7.7	74.4	14.6	28.4	6.4	0.0	0.0	0.0	0.0
Others	0.0	(0.5)	0.2	(0.2)	0.4	0.2	0.3	(0.1)	1.1	(2.0)	2.4	10.9	2.6	0.0	0.0
Cash Used in Investing Activities	**($89.5)**	**($69.9)**	**($76.8)**	**($154.2)**	**($101.4)**	**($455.1)**	**($162.4)**	**($99.0)**	**($134.1)**	**($372.9)**	**($176.2)**	**($326.7)**	**($260.6)**	**($228.3)**	**($228.4)**
Cash From Financing Activities															
Repayment of Term Loan	0.0	0.0	0.0	0.0	0.0	(148.5)	(54.0)	(88.0)	(245.0)	(55.0)	0.0	203.6	101.5	0.0	0.0
Borrowings under Term Loan	0.0	0.0	0.0	0.0	0.0	250.0	0.0	0.0	252.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowings Under Line of Credit Agreement, net	$0.0	$0.0	$0.0	$0.0	$0.0	$190.0	($34.5)	$40.0	($107.0)	$493.0	($96.0)	$0.0	$0.0	$0.0	$0.0
Changes in Cash Overdraft Position, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds Received Upon Exercise of Stock Options	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal Payments on Capital Lease Obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excess Tax Benefits from Share-based Payments	4.7	1.9	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends Paid	(75.8)	(91.8)	(109.0)	(122.0)	(152.7)	(153.8)	(160.5)	(208.7)	(211.6)	(264.3)	(298.0)	(327.9)	(360.2)	(397.0)	(434.8)
Cash Paid for Common Stock Purchased	(35.5)	(7.4)	(31.1)	(8.2)	(9.5)	(10.0)	(8.3)	(10.7)	(7.1)	(315.0)	(11.5)	(216.9)	(162.8)	(80.0)	(80.0)
Others	0.0	0.0	0.0	0.0	0.0	0.0	(24.0)	(22.8)	(17.3)	(8.1)	(35.2)	(2.4)	(19.1)	(11.0)	(12.0)
Cash From Financing Activity	**($106.5)**	**($97.2)**	**($136.4)**	**($130.3)**	**($162.3)**	**$127.7**	**($281.3)**	**($290.2)**	**($336.0)**	**($149.4)**	**($440.7)**	**($343.6)**	**($440.7)**	**($488.0)**	**($526.8)**
Effect of Exchange Rate Changes on Cash	(8.0)	(3.0)	(5.1)	13.3	(14.2)	(2.9)	12.1	(5.9)	(5.7)	2.4	(4.9)	2.5	(0.9)	0.0	0.0
Cash adjustments	(3.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.2	0.0	0.0	0.0	0.0	0.0	0.0
Net increase (decrease) in Cash	($9.8)	$26.2	$8.2	($35.7)	$8.4	($21.2)	$4.2	$6.8	($10.0)	$8.5	($14.2)	$10.4	$5.5	$83.2	$132.0
Cash & Equivalents - Beginning	118.2	108.4	134.6	142.8	107.1	115.5	94.3	98.5	105.3	95.3	103.8	89.6	100.0	105.5	188.7
Cash & Equivalents - End	**$108.4**	**$134.6**	**$142.8**	**$107.1**	**$115.5**	**$94.3**	**$98.5**	**$105.3**	**$95.3**	**$103.8**	**$89.6**	**$100.0**	**$105.5**	**$188.7**	**$320.7**

Source: Company data, Morgan Stanley Research estimates

Exhibit 88: Rollins Inc. (ROL): Annual Balance Sheet ($ in M)

Fiscal Year Ending December 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023.0	2024.0	2025.0	2026E	2027E	2028E
ASSETS															
Current Assets															
Cash and Cash Equivalents	$108.4	$134.6	$142.8	$107.1	$115.5	$94.3	$98.5	$105.3	$95.3	$103.8	$89.6	$100.0	$105.5	$188.7	$320.7
Trade Receivables	77.9	79.9	88.5	97.8	104.0	122.8	126.3	139.6	155.8	178.2	196.1	202.5	220.6	240.9	263.0
Financed Receivables, Short-term, net	12.2	13.8	16.0	17.3	18.5	22.3	23.7	26.2	33.6	37.0	40.3	44.7	48.7	53.2	58.1
Materials and Supplies	14.1	12.8	13.7	15.0	15.8	19.5	30.8	28.9	29.7	33.4	39.5	43.0	48.4	52.7	57.3
Deferred Income Taxes, net	42.8	44.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Current Assets	28.7	28.4	29.2	25.7	32.3	51.0	35.4	52.4	34.2	54.2	77.1	82.5	89.8	98.1	107.1
Total Current Assets	**$284.0**	**$313.9**	**$290.2**	**$262.8**	**$286.0**	**$309.8**	**$314.8**	**$352.4**	**$348.6**	**$406.6**	**$442.6**	**$472.7**	**$513.1**	**$633.5**	**$806.1**
Equipment and Property, net	$101.7	$121.4	$133.5	$134.1	$136.9	$195.5	$178.1	$133.3	$128.0	$126.7	$124.8	$126.2	$133.6	$138.6	$136.2
Goodwill	255.6	249.9	255.7	346.5	368.5	572.8	653.2	721.8	846.7	1,070.3	1,161.1	1,374.7	1,484.4	1,554.4	1,624.4
Customer Contracts and Other Intangible Assets, net	133.5	138.9	161.8	214.4	243.3	386.8	418.8	446.6	418.7	545.7	541.6	582.4	608.9	619.0	624.0
Operating lease right-of-use assets	0.0	0.0	0.0	0.0	0.0	200.7	212.3	244.8	277.4	323.4	414.5	424.5	408.1	408.1	408.1
Financed Receivables, Long-Term, net	11.8	13.6	16.7	20.4	28.2	30.8	38.2	47.1	63.5	75.9	89.9	110.1	119.9	130.9	142.9
Other Assets	13.8	14.7	16.8	19.4	19.1	45.7	30.6	34.9	39.0	46.8	45.2	50.0	54.5	59.5	65.0
Total Assets	**$808.2**	**$852.4**	**$916.5**	**$1,033.7**	**$1,094.1**	**$1,744.4**	**$1,845.9**	**$1,980.9**	**$2,122.0**	**$2,595.5**	**$2,819.7**	**$3,140.5**	**$3,322.5**	**$3,544.0**	**$3,806.7**
LIABILITIES AND STOCKHOLDERS' EQUITY															
Current Liabilities															
Accounts Payable	$22.9	$24.9	$30.3	$26.2	$27.2	$35.2	$64.6	$44.6	$42.8	$49.2	$49.6	$44.4	$48.3	$52.8	$57.6
Accrued Insurance	24.2	24.9	26.2	28.0	27.7	30.4	31.7	36.4	39.5	46.8	54.8	44.1	48.1	52.5	57.3
Accrued Compensation and Related Liabilities	74.1	73.6	75.8	73.0	77.7	81.9	91.0	97.9	99.3	114.4	122.9	128.3	131.8	143.9	157.1
Unearned Revenues	94.1	96.2	99.8	109.0	116.0	122.8	131.3	145.1	158.1	172.4	180.9	187.7	204.4	223.2	243.7
Operating lease liabilities - current	0.0	0.0	0.0	0.0	0.0	66.1	73.2	75.2	84.5	92.2	121.3	137.4	138.7	138.7	138.7
Current portion of long-term debt	0.0	0.0	0.0	0.0	0.0	12.5	17.2	18.8	15.0	0.0	0.0	123.7	215.9	215.9	215.9
Other Current Liabilities	37.5	33.4	44.8	58.3	50.4	61.0	63.5	73.2	54.6	101.7	115.7	120.0	110.8	121.0	132.1
Total Current Liabilities	**$252.7**	**$253.0**	**$277.0**	**$294.6**	**$299.0**	**$410.0**	**$472.5**	**$491.2**	**$493.8**	**$576.7**	**$645.2**	**$785.5**	**$898.0**	**$948.0**	**$1,002.4**
Accrued Insurance, less current portion	$30.9	$30.4	$32.0	$34.2	$33.9	$34.9	$36.1	$31.5	$38.4	$48.1	$61.9	$79.2	$92.4	$92.4	$92.4
Operating lease liabilities - less current portion	0.0	0.0	0.0	0.0	0.0	135.7	140.9	172.5	196.9	233.4	295.9	290.8	273.6	273.6	273.6
Long-Term Debt	0.0	0.0	0.0	0.0	0.0	279.0	185.8	136.3	39.9	490.8	395.3	486.1	487.1	487.1	487.1
Accrued Pension	29.6	9.7	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Income Taxes, net	0.0	3.8	0.0	0.0	0.0	9.9	10.6	13.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term accrued and other liabilities	32.3	31.5	36.1	50.9	49.3	59.1	58.6	54.1	85.9	91.0	90.8	124.6	134.1	134.1	134.1
Total Liabilities	**$345.5**	**$328.4**	**$348.0**	**$379.7**	**$382.2**	**$928.6**	**$904.5**	**$898.8**	**$854.8**	**$1,439.9**	**$1,489.1**	**$1,766.2**	**$1,885.3**	**$1,935.2**	**$1,989.6**
Stockholders' Equity															
Common Stock	$145.7	$218.8	$217.8	$218.0	$327.3	$327.4	$491.6	$491.9	$492.4	$484.1	$484.4	$481.2	$481.1	$481.1	$481.1
Common Stock In Treasury	(0.2)	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(120.0)	(200.0)	(280.0)
Additional Paid-In Capital	62.8	69.8	77.5	81.4	85.4	89.4	101.8	105.6	119.2	131.8	155.2	179.4	(138.1)	(488.0)	(871.5)
Accumulated Other Comprehensive Income (Loss)	(65.5)	(71.2)	(70.1)	(46.0)	(71.1)	(21.1)	(10.9)	(16.4)	(31.6)	(26.8)	(43.6)	(25.2)	(25.2)	(25.2)	(25.2)
Retained Earnings	319.8	306.9	343.4	400.5	370.3	420.0	358.9	500.9	687.1	566.4	734.7	738.9	1,239.5	1,840.9	2,512.6
Total Stockholders' Equity	**462.7**	**524.0**	**568.5**	**653.9**	**711.9**	**815.8**	**941.4**	**1,082.0**	**1,267.2**	**1,155.6**	**1,330.6**	**1,374.3**	**1,437.3**	**1,608.8**	**1,817.1**
Total Liabilities and Stockholders' Equity	**$808.2**	**$852.4**	**$916.5**	**$1,033.7**	**$1,094.1**	**$1,744.4**	**$1,845.9**	**$1,980.9**	**$2,122.0**	**$2,595.5**	**$2,819.7**	**$3,140.5**	**$3,322.5**	**$3,544.0**	**$3,806.7**

Source: Company data, Morgan Stanley Research estimates

Exhibit 89: Rollins Inc. (ROL): Discounted Cash Flow Valuation

Rollins, Inc. (USD mm)	Terminal Multiple:	13.1x			WACC:	8.0%				Terminal Growth Rate		2.0%					Terminal
	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2040E
EBIT	267	368	440	488	588	657	726	749	827	919	1,002	1,092	1,179	1,273	1,375	1,472	1,934
Tax rate	*26%*	*30%*	*26%*	*26%*	*25%*	*27%*	*25%*	*24%*	*24%*	*24%*	*24%*	*24%*	*24%*	*24%*	*24%*	*24%*	*24%*
=NOPAT	198	256	325	359	440	482	546	571	628	698	761	830	896	968	1,045	1,118	1,470
+Depreciation & Amortization	81	88	94	96	100	113	125	131	143	156	170	185	200	216	233	250	321
Gross Cash Flow	279	344	419	456	540	595	670	702	771	854	931	1,015	1,096	1,184	1,279	1,368	1,791
+Changes in working capital	(46)	48	(39)	(28)	(28)	(25)	(65)	(32)	8	8	0	0	0	0	0	0	0
+Capital expenditures, asset purchases	(27)	(23)	(27)	(31)	(32)	(28)	(28)	(28)	(28)	(28)	(31)	(34)	(36)	(39)	(43)	(45)	(46)
= Gross investment	(72)	26	(66)	(59)	(61)	(53)	(93)	(60)	(21)	(20)	(31)	(34)	(36)	(39)	(43)	(45)	(46)
Free cash flow to firm	206	370	352	397	480	542	577	642	751	834	900	981	1,060	1,144	1,236	1,322	1,745
FCF growth	-7%	79%	-5%	13%	21%	13%	7%	11%	17%	11%	8%	9%	8%	8%	8%	7%	2%
Present value of cash flows								$18,763	$19,628	$20,455	$21,264	$22,072	$22,864	$23,642	$24,397	$25,121	
-Minority Interest								0	0	0	0	0	0	0	0	0	
-Net Debt at PYE								$510	$598	$514	$514	$514	$514	$514	$514	$514	
+ Preferred Equity								0	0	0	0	0	0	0	0	0	
Implied Market Cap								18,253	19,031	19,940	20,749	21,558	22,350	23,127	23,882	24,606	
Fully-diluted shares (BOP)								479.9m	479.9m	478.2m	478.2m	478.2m	478.2m	478.2m	478.2m	478.2m	
Implied Value per Share Beginning of Year								$38	$40	$42	$43	$45	$47	$48	$50	$51	
Implied Value per Share, 12-Months								$41	$43	$45	$47	$49	$51	$53	$54	$56	
							Weights	17%	83%								
							Price Target	$43									

Source: Company data, Morgan Stanley Research estimates

Exhibit 90: Rollins Inc. (ROL): Multiple Analysis

Share Price	Market Cap	EV	EV / Adj. EBITDA		P/E		Unlevered FCF Yield		Levered FCF Yield	
			2027E	2028E	2027E	2028E	2027E	2028E	2027E	2028E
$63	$30,328	$30,921	31.9x	28.8x	50.1x	44.8x	41.2x	37.1x	39.3x	35.3x
$58	$27,921	$28,515	29.4x	26.5x	46.1x	41.2x	38.0x	34.2x	36.2x	32.5x
$53	$25,514	$26,108	26.9x	24.3x	42.1x	37.7x	34.8x	31.3x	33.1x	29.7x
$48	$23,107	$23,701	24.4x	22.1x	38.2x	34.1x	31.6x	28.4x	30.0x	26.9x
$43	$20,700	$21,294	22.0x	19.8x	34.2x	30.6x	28.4x	25.5x	26.8x	24.1x
$40	$19,256	$19,850	20.5x	18.5x	31.8x	28.4x	26.4x	23.8x	25.0x	22.4x
$37	$17,811	$18,405	19.0x	17.1x	29.4x	26.3x	24.5x	22.1x	23.1x	20.7x
$34	$16,367	$16,961	17.5x	15.8x	27.0x	24.2x	22.6x	20.3x	21.2x	19.1x
$31	$14,923	$15,517	16.0x	14.4x	24.6x	22.0x	20.7x	18.6x	19.4x	17.4x
$21	$10,109	$10,703	11.0x	10.0x	16.7x	14.9x	14.3x	12.8x	13.1x	11.8x

Source: Company data, Morgan Stanley Research estimates

Exhibit 91: Thomson Reuters Quarterly Income Statement

Fiscal Year Ending Dec. 31	2025	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Revenue											
Legal Professionals	2843	756	772	787	800	3115	815	833	850	860	3359
Corporate	2023	608	537	534	552	2231	656	580	576	596	2408
Tax Professionals	1291	410	311	274	461	1457	451	342	302	508	1602
Print	490	112	111	120	132	475	106	105	114	125	451
Reuters News	853	212	229	211	237	889	216	234	215	241	907
Eliminations	-24	-11	-6	-6	-7	-30	-11	-6	-6	-7	-30
Total Revenue	**$7,476**	**$2,087**	**$1,954**	**$1,920**	**$2,176**	**$8,137**	**$2,234**	**$2,088**	**$2,052**	**$2,324**	**$8,698**
Annual Growth	3.0%	9.8%	9.5%	7.8%	8.3%	8.8%	7.0%	6.9%	6.8%	6.8%	6.9%
Annual Growth, constant currency	3.0%	8.0%	8.0%	7.7%	8.2%	8.0%	7.1%	6.9%	6.8%	6.8%	6.9%
Annual Growth, organic C/C	7.2%	8.1%	8.2%	7.7%	8.2%	8.0%	7.1%	6.9%	6.8%	6.8%	6.9%
Legal Professionals Adjusted EBITDA	1354	365	371	374	386	1496	400	407	419	415	1640
Corporates Adjusted EBITDA	727	243	200	189	203	835	267	220	213	219	919
Tax Professionals Adjusted EBITDA	614	221	120	80	267	688	246	135	93	294	768
Print Adjusted EBITDA	185	43	42	43	53	181	41	40	41	50	172
Reuters News Adjusted EBITDA	174	34	48	39	54	176	35	49	43	56	182
Core corporate expenses	(118)	(25)	(36)	(32)	(36)	(128)	(35)	(33)	(32)	(37)	(137)
Integration program costs / Change Program	0	0	0	0	0	0	0	0	0	0	0
Adjusted EBITDA	**2,936**	**881**	**745**	**693**	**927**	**3,247**	**953**	**817**	**776**	**997**	**3,543**
% margin	*39.3%*	*42.2%*	*38.1%*	*36.1%*	*42.6%*	*39.9%*	*42.7%*	*39.1%*	*37.8%*	*42.9%*	*40.7%*
D&A	(832)	(221)	(228)	(228)	(235)	(912)	(231)	(238)	(239)	(245)	(953)
Net interest expense	(143)	(39)	(47)	(51)	(50)	(187)	(49)	(50)	(49)	(49)	(197)
Share of post tax earnings in equity method investees	(28)	(7)	(4)	(13)	(5)	(29)	(7)	(4)	(13)	(5)	(29)
Adj. Pre tax Income	1,961	621	470	414	643	2,147	673	529	488	703	2,393
Tax rate	*21%*	*24%*	*20%*	*20%*	*17%*	*20%*	*20%*	*20%*	*20%*	*20%*	*20%*
Tax expense (TR Proforma)	(408)	(151)	(94)	(85)	(109)	(439)	(131)	(103)	(95)	(137)	(467)
Tax benefit (expense) (GAAP)	(423)	(125)	(71)	(85)	(109)	(390)	(131)	(103)	(95)	(137)	(467)
Non-controlling Interest (-)	0	0	0	0	0	0	0	0	0	0	0
Dividends declared on preference shares	(4)	(1)	(1)	(1)	(1)	(4)	(1)	(1)	(1)	(1)	(4)
Tax adjustments from sale of F&R											
Adj. Net Income	**1,760**	**547**	**433**	**388**	**594**	**1,962**	**601**	**487**	**454**	**629**	**2,172**
Dividend per share	$2.38	$0.66	$0.66	$0.66	$0.66	$2.62	$0.68	$0.68	$0.68	$0.68	$2.70
Avg. Diluted Shares Outstanding	449.3	444.7	438.6	437.8	436.2	439.0	435.6	434.6	431.7	428.9	431.7
Adj. Diluted EPS	**3.92**	**1.23**	**0.99**	**0.89**	**1.36**	**4.47**	**1.38**	**1.12**	**1.05**	**1.47**	**5.03**

Source: Company Data, Morgan Stanley Research

Exhibit 92: Thomson Reuters Quarterly Segment Revenue

Fiscal Year Ending December 31	2025	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Revenue											
Legal Professionals	$2,843	$756	$772	$787	$800	$3,115	$815	$833	$850	$860	$3,359
YoY Change	-2.0%	9.9%	9.7%	9.2%	9.7%	9.6%	7.8%	8.0%	8.0%	7.5%	7.8%
Corporates	$2,023	608	537	534	552	$2,231	656	580	576	596	$2,408
YoY Change	7.9%	10.9%	11.9%	9.2%	9.2%	10.3%	7.8%	8.0%	8.0%	8.0%	7.9%
Tax Professionals	$1,291	410	311	274	461	$1,457	451	342	302	508	$1,602
YoY Change	11.9%	14.5%	13.5%	11.0%	12.0%	12.8%	10.0%	10.0%	10.0%	10.0%	10.0%
Reuters News	853	212	229	211	237	889	216	234	215	241	907
YoY Change	2.5%	8.2%	5.0%	2.0%	2.0%	4.2%	2.0%	2.0%	2.0%	2.0%	2.0%
Print	490	112	111	120	132	475	106	105	114	125	451
YoY Change	-5.6%	-3.4%	-2.6%	-3.0%	-3.0%	-3.0%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%
Eliminations	(24)	(11)	(6)	(6)	(7)	(30)	(11)	(6)	(6)	(7)	(30)
Revenue from ongoing businesses	**$7,476**	**$2,087**	**$1,954**	**$1,920**	**$2,176**	**$8,137**	**$2,234**	**$2,088**	**$2,052**	**$2,324**	**$8,698**
YoY Change	2.7%	9.8%	9.5%	7.8%	8.3%	8.8%	7.0%	6.9%	6.8%	6.8%	6.9%
Organic c/c growth	7.2%	8.1%	8.2%	7.7%	8.2%	8.0%	7.1%	6.9%	6.8%	6.8%	6.9%

Source: Company Data, Morgan Stanley Research

Exhibit 93: Thomson Reuters Quarterly Segment Adj. EBITDA

Adjusted EBITDA	2025	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Legal	$1,354	$365	$371	$374	$386	$1,496	$400	$407	$419	$415	$1,640
Margin (gradual expansion)	47.6%	48.3%	48.1%	47.5%	48.2%	48.0%	49.0%	48.8%	49.3%	48.2%	48.8%
Corporates	727	243	200	189	203	835	267	220	213	219	919
Margin (targeting margin expan)	35.9%	40.0%	37.2%	35.4%	36.7%	37.4%	40.7%	38.0%	36.9%	36.7%	38.2%
Tax Professionals	614	221	120	80	267	688	246	135	93	294	768
Margin (gradual expansion)	47.6%	53.8%	38.7%	29.1%	57.9%	47.2%	54.6%	39.5%	30.9%	57.9%	47.9%
Reuters News	174	34	48	39	54	176	35	49	43	56	182
Margin	20.4%	16.1%	20.8%	18.7%	23.0%	19.8%	16.1%	20.8%	19.9%	23.0%	20.1%
Print	185	43	42	43	53	181	41	40	41	50	172
Margin	37.8%	38.6%	37.7%	35.6%	40.1%	38.0%	38.6%	37.7%	35.6%	40.1%	38.0%
Corporate & Other (incl Media)	(118)	(25)	(36)	(32)	(36)	(128)	(35)	(33)	(32)	(37)	(137)
% of Revenue	-1.6%	-1.2%	-1.8%	-1.6%	-1.6%	-1.6%	-1.6%	-1.6%	-1.6%	-1.6%	-1.6%
Change Program Costs											
Adjusted EBITDA	**$2,936**	**$881**	**$745**	**$693**	**$927**	**$3,247**	**$953**	**$817**	**$776**	**$997**	**$3,543**
Margin	39.3%	42.2%	38.1%	36.1%	42.6%	39.9%	42.7%	39.1%	37.8%	42.9%	40.7%

Source: Company Data, Morgan Stanley Research

Exhibit 94: Thomson Reuters Annual Income Statement

Fiscal Year Ending Dec. 31	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
Revenue											
Legal Professionals	2433	2535	2712	2803	2807	2922	2843	3115	3359	3611	3864
Corporate	1308	1367	1440	1536	1620	1844	2023	2231	2408	2601	2809
Tax Professionals	843	836	915	986	1058	1165	1291	1457	1602	1754	1912
Print	693	620	609	592	562	519	490	475	451	429	407
Corporate & Other (incl. Media)	630	628	694	733	769	832	853	889	907	925	943
Eliminations	0	0	0	-23	-22	-24	-24	-30	-30	-30	-30
Total Revenue	**$5,906**	**$5,984**	**$6,348**	**$6,627**	**$6,794**	**$7,258**	**$7,476**	**$8,137**	**$8,698**	**$9,290**	**$9,906**
Annual Growth	7.4%	1.3%	6.1%	4.4%	2.5%	6.8%	3.0%	8.8%	6.9%	6.8%	6.6%
Annual Growth, constant currency	8.3%	2.0%	5.2%	6.0%	2.8%	6.9%	3.0%	8.0%	6.9%	6.8%	6.6%
Annual Growth, organic C/C											
Legal Professionals Adjusted EBITDA	895	1,001	1,091	1,227	1,299	1,302	1,354	1,496	1,640	1,790	1,935
Corporates Adjusted EBITDA	412	460	496	578	619	671	727	835	919	1,012	1,107
Tax Professionals Adjusted EBITDA	318	330	379	451	490	527	614	688	768	854	940
Print Adjusted EBITDA	295	242	226	212	213	188	185	181	172	163	155
Reuters News Adjusted EBITDA	68	73	103	154	172	196	174	176	182	185	194
Core corporate expenses	(494)	(131)	(142)	(122)	(115)	(105)	(118)	(128)	(137)	(146)	(156)
Integration program costs / Change Program	0	0	(183)	(171)	0	0	0	0	0	0	0
Adjusted EBITDA	**1,494**	**1,975**	**1,970**	**2,329**	**2,678**	**2,779**	**2,936**	**3,247**	**3,543**	**3,858**	**4,175**
% margin	25.3%	33.0%	31.0%	35.1%	39.4%	38.3%	39.3%	39.9%	40.7%	41.5%	42.1%
D&A	(603)	(669)	(651)	(625)	(628)	(731)	(832)	(912)	(953)	(995)	(1,036)
Net interest expense	(163)	(195)	(196)	(196)	(152)	(125)	(143)	(187)	(197)	(192)	(184)
Share of post tax earnings in equity method investees	(571)	(544)	6,240	(432)	1,075	40	(28)	(29)	(29)	(29)	(29)
Adj. Pre tax Income	728	1,111	1,123	1,508	1,898	1,923	1,961	2,147	2,393	2,671	2,955
Tax expense (TR Proforma)	(78)	(190)	(156)	(266)	(329)	(378)	(408)	(439)	(467)	(521)	(576)
Tax benefit (expense) (GAAP)	1,191	(71)	(1,607)	(195)	(417)	123	(423)	(390)	(467)	(521)	(576)
Non-controlling Interest (-)	0	0	0	0	0	0	0	0	0	0	0
Dividends declared on preference shares	(3)	(2)	(2)	(3)	(5)	(3)	(4)	(4)	(4)	(4)	(4)
Adj. Net Income	**647**	**919**	**965**	**1,270**	**1,631**	**1,692**	**1,760**	**1,962**	**2,172**	**2,406**	**2,646**
Dividend per share	1.44	1.52	1.62	1.78	1.96	2.22	2.38	2.62	2.70	2.78	2.86
Avg. Diluted Shares Outstanding	502.3	498.2	494.0	484.7	463.9	451.4	449.3	439.0	431.7	425.0	418.7
Adj. Diluted EPS	**1.29**	**1.84**	**1.95**	**2.62**	**3.52**	**3.75**	**3.92**	**4.47**	**5.03**	**5.66**	**6.32**

Source: Company Data, Morgan Stanley Research

Exhibit 95: Thomson Reuters Annual Statement of Cash Flows

Fiscal Year Ending December 31	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
Cash Flows From Operations											
Net income (loss) to Common Stockholders	$1,591	$1,149	$5,687	$1,455	$2,646	$2,192	$1,483	$1,713	$1,800	$2,023	$2,252
Depreciation	154	184	177	140	116	113	111	110	113	118	123
Amortization of computer software	449	485	474	485	512	618	721	802	840	877	913
Amortization of other intangible assets	114	123	119	99	97	91	98	98	98	98	98
Net losses (gains) on disposals	3	(471)	-	(188)	(337)	(193)	(163)	-	-	-	-
Impairment of assets held for sale	-	-	-	-	-	-	-	-	-	-	-
Loss from redemption of debt securities/ Net losses (gains)	-	-	-	-	-	-	-	-	-	-	-
Deferred tax	(1,388)	(231)	662	(144)	(388)	(640)	60	48	-	-	-
Embedded derivatives fair value adjustments	-	-	-	-	-	-	-	3	-	-	-
Other non-operating charge	-	50	(6,240)	432	(505)	-	-	7	22	22	22
Other	351	371	130	(305)	(271)	112	298	58	-	-	-
Changes in working capital and other items	(408)	102	832	8	457	176	43	26	51	44	50
Net Changes in Operating Assets and Liabilities	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	146	16	94	(12)	(53)	35	(56)	(47)	(30)	(28)	(24)
Prepaid expenses and other current assets	(112)	121	(85)	41	34	35	(80)	47	(20)	(21)	(21)
Other financial assets	(457)	(79)	504	(96)	138	31	(59)	5	-	-	-
Payables, accruals and provisions	(196)	37	(47)	(141)	(108)	(23)	(1)	(26)	23	11	11
Deferred revenue	38	33	8	12	106	70	189	91	78	82	84
Other financial liabilities	339	(58)	(32)	792	(381)	(445)	22	(19)	-	-	-
Income taxes	(143)	(28)	(1,161)	101	98	79	76	57	-	-	-
Increase in Other Assets/Liabilities	(23)	60	1,551	(689)	623	394	(48)	(82)	-	-	-
Operating cash flows from continuing operations	866	1,762	1,841	1,982	2,327	2,469	2,651	2,866	2,924	3,182	3,458
Operating cash flows from discontinued operations	(164)	(17)	(68)	(67)	14	(12)	-	(2)	-	-	-
Net cash provided by operating activities	$702	$1,745	$1,773	$1,915	$2,341	$2,457	$2,651	$2,864	$2,924	$3,182	$3,458
Cash From Investing Activities											
Acquisitions, less cash acquired	(998)	(167)	(18)	(191)	(1,220)	(284)	(589)	(241)	-	-	-
Proceeds from other disposals, net of taxes paid	74	529	28	216	5,559	1,854	-	1	-	-	-
Capital expenditures, less proceeds from disposals	(505)	(504)	(487)	(595)	(544)	(607)	(634)	(679)	(696)	(743)	(792)
Other investing activities	16	4	225	124	(281)	(271)	(61)	-	-	-	-
Investing cash flows from continuing operations	(1,413)	(138)	(252)	(446)	3,514	692	(1,284)	(919)	(696)	(743)	(792)
Investing cash flows from discontinued operations	29	-	(252)	(16)	(1)	-	-	-	-	-	-
Net cash used in investing activities	($1,384)	($138)	($504)	($462)	$3,513	$692	($1,284)	($919)	($696)	($743)	($792)
Cash From Financing Activities											
Proceeds from debt	$0	$2,019	$0	$0	$0	$0	$0	$0	$0	$0	$0
Repayments of debt	(35)	(1,645)	-	-	(2,175)	(290)	(999)	(500)	-	-	-
Net borrowings (repayments) under ST loan facilities	(16)	(2)	-	1,042	619	(139)	290	1,305	-	-	-
Share repurchases	(488)	(200)	(1,400)	(1,282)	(3,124)	(639)	(1,000)	(1,267)	(1,000)	(1,000)	(1,000)
Dividends paid on preference shares	(3)	(1)	(2)	(3)	(5)	(5)	(4)	(4)	(4)	(4)	(4)
Dividends paid on common shares	(698)	(730)	(773)	(834)	(887)	(944)	(1,035)	(1,126)	(1,139)	(1,143)	(1,148)
Dividend payable assumed from Reuters Group PLC	-	-	-	-	-	-	-	-	-	-	-
Other financing activities	39	(85)	(98)	(79)	(54)	(442)	(80)	(66)	-	-	-
Net Cash provided by (used in) Financing Activities	($1,201)	($644)	($2,273)	($1,156)	($5,626)	($2,459)	($2,828)	($1,658)	($2,143)	($2,147)	($2,152)
Effects Of Exchange Rate On Cash and other	14	(1)	(5)	(6)	1	(20)	4	(1)	-	-	-
Net increase (decrease) in Cash and Cash Equivalents	($1,869)	$962	($1,009)	$291	$229	$670	($1,457)	$287	$86	$292	$513
Cash & Equivalents - Beginning	2,694	825	1,787	778	1,069	1,298	1,968	511	798	883	1,175
Cash & Equivalents - End	$825	$1,787	$778	$1,069	$1,298	$1,968	$511	$798	$883	$1,175	$1,689

Source: Company Data, Morgan Stanley Research

Exhibit 96: Thomson Reuters Annual Balance Sheet

Fiscal Year Ending December 31	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
ASSETS											
Current Assets											
Cash and Cash Equivalents	$825	$1,787	$778	$1,069	$1,298	$1,968	$511	$798	$883	$1,175	$1,689
Trade and other receivables	1,167	1,151	1,057	1,069	1,122	1,087	1,143	1,190	1,219	1,247	1,271
Other financial assets	533	612	108	204	66	35	94	116	116	116	116
Other Assets	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other current assets	546	425	510	469	435	400	480	433	453	474	495
Total Current Assets	$3,071	$3,975	$2,453	$2,811	$2,921	$3,490	$2,228	$2,536	$2,671	$3,013	$3,571
Computer hardware and other property, net	$615	$545	$502	$414	$447	$386	$361	$402	$521	$651	$793
Computer software, net	900	830	822	922	1,236	1,453	1,645	1,533	1,157	775	390
Other identifiable intangible assets, net	3,518	3,427	3,331	3,219	3,165	3,134	3,102	3,009	2,911	2,813	2,715
Goodwill	5,853	5,976	5,940	5,882	6,719	7,262	7,913	8,094	8,094	8,094	8,094
Other financial assets	-	-	-	-	-	-	-	-	-	-	-
Other non-current assets	2,162	1,924	6,736	6,199	2,030	625	680	705	705	705	705
Deferred tax	1,176	1,204	2,365	2,264	2,166	2,087	2,011	1,900	1,900	1,900	1,900
Total Assets	$17,295	$17,881	$22,149	$21,711	$18,684	$18,437	$17,940	$18,179	$17,959	$17,951	$18,168
Current Liabilities											
Current indebtedness	$579	$0	$0	$1,647	$372	$973	$795	$1,618	$1,618	$1,618	$1,618
Payables, accruals and provisions	1,373	1,410	1,363	1,222	1,114	1,091	1,090	1,064	1,087	1,098	1,109
Deferred revenue	833	866	874	886	992	1,062	1,251	1,342	1,419	1,502	1,586
Other financial liabilities	434	376	344	1,136	755	310	332	558	558	558	558
Total Current Liabilities	$3,219	$2,652	$2,581	$4,891	$3,233	$3,436	$3,468	$4,582	$4,682	$4,776	$4,870
Long-Term Debt	$2,676	$3,772	$3,786	$3,114	$2,905	$1,847	$1,328	$1,323	$1,323	$1,323	$1,323
Provisions and other non-current liabilities	1,264	1,083	943	924	692	675	656	604	626	648	670
Other financial liabilities	-	-	-	-	237	232	210	206	206	206	206
Deferred tax	576	394	1,005	833	553	241	364	382	382	382	382
Total Liabilities	$7,735	$7,901	$8,315	$9,762	$7,620	$6,431	$6,026	$7,097	$7,220	$7,335	$7,452
Stockholders' Equity											
Capital	$5,377	$5,458	$5,496	$5,398	$3,405	$3,498	$3,597	$2,731	$1,731	$731	($269)
Retained earnings	4,965	5,211	9,149	7,706	8,680	9,699	9,220	9,270	9,927	10,803	11,903
Accumulated other comprehensive income (loss)	(782)	(689)	(811)	(1,155)	(1,021)	(1,191)	(903)	(953)	(953)	(953)	(953)
Total Shareholders Equity	9,560	9,980	13,834	11,949	11,064	12,006	11,914	11,048	10,705	10,581	10,681
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Total Stockholders' Equity	$9,560	$9,980	$13,834	$11,949	$11,064	$12,006	$11,914	$11,048	$10,705	$10,581	$10,681
Total Liabilities & Stockholders' Equity	$17,295	$17,881	$22,149	$21,711	$18,684	$18,437	$17,940	$18,144	$17,924	$17,916	$18,133

Source: Company Data, Morgan Stanley Research

Exhibit 97: Thomson Reuters DCF Analysis

Thomson Reuters (USD mm)	WACC:	8.0%		Terminal Growth:	2.5%						
Operating Profit								,627	3,845	4,076	4,320	6,357
Cash tax rate							*20%*	*20%*	*20%*	*20%*	*20%*	*20%*
=NOPAT								,920	3,095	3,281	3,478	5,117
+Depreciation & amortization	651	625	628	731	832	923						
Gross Cash Flow								,354	4,616	4,893	5,186	6,154
+Changes in working capital	832	8					*50*	*50*	*50*	*50*	*50*	*50*
+Capital expenditures, asset purchases							(824)	(853)	(879)	(905)	(932)	(1,037)
= Gross investment	**345**											
Free cash flow from operations								,551	3,787	4,037	4,303	5,167
FCF growth		-31%	55%	-13%	-2%							-2%
Present value of terminal value										2,574	$56,758	$61,276
Present value of cash flows										9,585	$81,882	$66,062
-Minority Interest, PYE						0						
-Est. Net Debt, PYE						1,612	2,143					
- Preferred Equity						0						
Implied Market Cap											116	64,296
Fully-diluted shares, PYE						449m	439m	432m	425m	425m	425m	425m	425m	425m	425m	425m
Implied Value per Share Beginning of Year												
Implied Value per Share in 12-Months												

DCF Valuation	**153**
Base	153
Bear	66
Price Target	**110**

Source: Morgan Stanley Research

Exhibit 98: Thomson Reuters Multiple Analysis

Share Price	EV	EV / Adj. EBITDA			Adj. P/E			Levered P/FCF		
		2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
$199	$89,648	27.6x	25.3x	23.2x	44.5x	39.6x	35.1x	40.6x	39.2x	35.8x
$193	$87,016	26.8x	24.6x	22.6x	43.2x	38.4x	34.1x	39.4x	38.1x	34.8x
$183	$82,630	25.4x	23.3x	21.4x	40.9x	36.4x	32.3x	37.3x	36.1x	33.0x
$173	$78,244	24.1x	22.1x	20.3x	38.7x	34.4x	30.6x	35.3x	34.1x	31.2x
$163	$73,858	22.7x	20.8x	19.1x	36.5x	32.4x	28.8x	33.2x	32.1x	29.4x
Base Case $153	$69,472	21.4x	19.6x	18.0x	34.2x	30.4x	27.0x	31.2x	30.2x	27.6x
$143	$65,086	20.0x	18.4x	16.9x	32.0x	28.4x	25.3x	29.2x	28.2x	25.8x
$133	$60,699	18.7x	17.1x	15.7x	29.8x	26.4x	23.5x	27.1x	26.2x	24.0x
Price Target $110	$50,611	15.6x	14.3x	13.1x	24.6x	21.9x	19.4x	22.4x	21.7x	19.8x
$86	$40,085	12.3x	11.3x	10.4x	19.2x	17.1x	15.2x	17.5x	17.0x	15.5x
$66	$31,312	9.6x	8.8x	8.1x	14.8x	13.1x	11.7x	13.5x	13.0x	11.9x

Source: Morgan Stanley Research

Exhibit 99: TRU Quarterly Income Statement ($M, except per share items)

Fiscal Year Ending December 31	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
U.S. Markets	$975.1	$992.7	$995.7	$991.6	$3,955.1	$1,082.8	$1,094.4	$1,104.8	$1,093.3	$4,375.3
YoY Growth	13.8%	11.5%	9.1%	7.9%	10.5%	11.0%	10.2%	11.0%	10.3%	10.6%
International	274.0	320.8	320.1	319.6	1,234.5	333.0	343.5	342.6	341.8	1,361.0
YoY Growth	13.2%	26.8%	23.1%	24.9%	22.1%	21.5%	7.1%	7.0%	6.9%	10.2%
FX Neutral	9.8%	6.3%	5.6%	6.2%	6.9%	6.6%	6.6%	7.0%	6.9%	6.8%
Intersegment eliminations	(3.4)	(3.9)	(3.9)	(3.9)	(15.1)	(4.2)	(4.3)	(4.3)	(4.3)	(17.0)
YoY Growth	9.7%	11.4%	14.9%	14.5%	12.7%	23.6%	9.5%	10.0%	9.4%	12.8%
Revenues, net	**1,245.7**	**1,309.6**	**1,311.9**	**1,307.3**	**5,174.5**	**1,411.7**	**1,433.7**	**1,443.1**	**1,430.8**	**5,719.3**
YoY Growth	13.7%	14.9%	12.2%	11.6%	13.1%	13.3%	9.5%	10.0%	9.4%	10.5%
FX Neutral Organic	10.7%	10.1%	8.3%	7.5%	9.1%	10.0%	9.4%	10.0%	9.4%	9.7%
Total Expenses	$848.6	$891.1	$884.8	$880.8	$3,505.2	$933.9	$958.8	$954.2	$945.0	$3,791.9
% of Total Revenue	68.1%	68.0%	67.4%	67.4%	67.7%	66.2%	66.9%	66.1%	66.0%	66.3%
EBITDA	$397.1	$418.5	$427.1	$426.6	$1,669.3	$477.7	$474.9	$488.9	$485.9	$1,927.4
EBITDA Margin	31.9%	32.0%	32.6%	32.6%	32.3%	33.8%	33.1%	33.9%	34.0%	33.7%
Year-over-Year Growth	1.0%	25.0%	20.9%	21.5%	16.6%	20.3%	13.5%	14.5%	13.9%	15.5%
Share-based compensation expense	$37.5	$39.1	$39.2	$39.0	$154.8	$33.9	$34.4	$34.6	$34.3	$137.3
Other income/ (expense), net	231.7	1.5	-	-	233.2	-	-	-	-	-
Earnings from equity method investments	6.5	0.9	0.9	0.9	9.2	2.3	2.3	2.3	2.3	9.2
Net income attributable to the noncontrolling interests	(3.3)	(3.3)	(3.6)	(3.5)	(13.7)	(3.3)	(3.3)	(3.6)	(3.5)	(13.7)
Mergers and acquisitions, divestitures and business optimi	(232.3)	(1.3)	-	-	(233.6)	-	-	-	-	-
Technology transformation	-	-	-	-	-	-	-	-	-	-
Other	0.7	0.7	-	-	1.4	-	-	-	-	-
Adj. EBITDA	**$437.9**	**$456.1**	**$463.6**	**$463.0**	**$1,820.6**	**$510.6**	**$508.3**	**$522.2**	**$519.0**	**$2,060.1**
Adj. EBITDA Margin	35.2%	34.8%	35.3%	35.4%	35.2%	36.2%	35.5%	36.2%	36.3%	36.0%
Year-over-Year Growth	10.3%	12.1%	9.0%	11.1%	10.6%	16.6%	11.4%	12.7%	12.1%	13.2%
Margin Expansion (bps)	(109)	(88)	(101)	(16)	(78)	102	62	85	86	84
Less :Stock Based Compensation	37.5	39.1	39.2	39.0	154.8	33.9	34.4	34.6	34.3	137.3
MS Adjusted EBITDA	**$400.4**	**$417.0**	**$424.4**	**$424.0**	**$1,665.8**	**$476.7**	**$473.9**	**$487.6**	**$484.7**	**$1,922.9**
MS Adj. EBITDA Margin	32.1%	31.8%	32.4%	32.4%	32.2%	33.8%	33.1%	33.8%	33.9%	33.6%
Depreciation & Amortization	$152.3	$160.5	$159.4	$160.8	$633.0	$162.7	$165.7	$165.2	$166.0	$659.6
% of Total Revenue	12.2%	12.3%	12.1%	12.3%	12.2%	11.5%	11.6%	11.4%	11.6%	11.5%
Total Operating Expenses	$1,000.9	$1,051.6	$1,044.1	$1,041.6	$4,138.2	$1,096.6	$1,124.5	$1,119.4	$1,111.0	$4,451.5
Annual Growth	19.0%	11.0%	8.5%	7.6%	11.3%	9.6%	6.9%	7.2%	6.7%	7.6%
Income from Operations	$244.8	$258.0	$267.7	$265.8	$1,036.3	$315.0	$309.2	$323.7	$319.9	$1,267.8
Operating Margin	19.7%	19.7%	20.4%	20.3%	20.0%	22.3%	21.6%	22.4%	22.4%	22.2%
Interest expense	($62.0)	($65.9)	($66.0)	($65.3)	($259.2)	($64.7)	($64.0)	($63.3)	($62.7)	($254.7)
Interest income	7.2	7.0	7.5	7.0	28.7	8.7	10.6	12.4	12.4	44.1
Other income/ (expense), net	231.7	1.5	-	-	233.2	-	-	-	-	-
Earnings from equity method investments	6.5	0.9	0.9	0.9	9.2	2.3	2.3	2.3	2.3	9.2
Income (loss) before income taxes	$428.2	$201.5	$210.1	$208.3	$1,048.1	$261.4	$258.0	$275.1	$271.9	$1,066.4
Provision for income taxes	(27.6)	(54.8)	(56.7)	(56.2)	(195.4)	(62.7)	(61.9)	(66.0)	(65.3)	(255.9)
Tax Rate	6.4%	27.2%	27.0%	27.0%	18.6%	24.0%	24.0%	24.0%	24.0%	24.0%
Net income attributable to the noncontrolling interests	(3.3)	(3.3)	(3.6)	(3.5)	(13.7)	(3.3)	(3.3)	(3.6)	(3.5)	(13.7)
(Loss) income from discontinued operations, net of taxes	-	-	-	-	-	-	-	-	-	-
Net Income , GAAP	**$397.3**	**$143.4**	**$149.8**	**$148.6**	**$839.1**	**$195.3**	**$192.8**	**$205.4**	**$203.2**	**$796.8**
Stock-based compensation	37.5	39.1	39.2	39.0	154.8	33.9	34.4	34.6	34.3	137.3
Mergers and acquisitions	(232.3)	(1.3)	-	-	(233.6)	-	-	-	-	-
Technology transformation	-	-	-	-	-	-	-	-	-	-
Other	1.6	(0.5)	-	-	1.1	-	-	-	-	-
Amortization of intangible assets	76.5	82.9	71.7	71.6	302.8	75.0	81.2	70.3	70.2	296.7
Change in provision for income taxes	(50.4)	(26.0)	(29.9)	(29.9)	(136.2)	(26.1)	(27.8)	(25.2)	(25.1)	(104.2)
Adjusted Net Income, recurring	**$230.2**	**$237.6**	**$230.7**	**$229.4**	**$927.9**	**$278.1**	**$280.7**	**$285.2**	**$282.6**	**$1,126.6**

Source: Company Data, Morgan Stanley Research

Exhibit 100: TRU Annual Income Statement ($M, except per share items)

Fiscal Year Ending December 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
U.S. Markets	$811.6	$924.5	$1,044.9	$1,204.0	$1,446.7	$1,609.8	$1,696.5	$1,931.7	$2,939.2	$2,992.9	$3,237.8	$3,578.9	$3,955.1	$4,375.3	$4,998.5
YoY Growth	8.4%	13.9%	13.0%	15.2%	20.2%	11.3%	5.4%	13.9%	52.2%	1.8%	8.2%	10.5%	10.5%	10.6%	14.2%
International	257.7	269.5	313.9	362.1	498.4	629.2	582.7	701.9	782.9	850.3	958.4	1,011.0	1,234.5	1,361.0	1,465.0
YoY Growth	6.9%	4.6%	16.5%	15.4%	37.6%	26.2%	-7.4%	20.5%	11.5%	8.6%	12.7%	5.5%	22.1%	10.2%	7.6%
FX Neutral	6.9%	17.6%	22.7%	11.8%	39.9%	35.4%	-4.7%	15.5%	15.0%	11.3%	13.0%	5.7%	6.9%	6.8%	7.6%
Intersegment eliminations	(58.6)	(57.1)	(61.2)	(64.3)	(75.8)	(74.8)	(75.8)	(78.4)	(12.0)	(11.9)	(12.5)	(13.4)	(15.1)	(17.0)	(19.2)
YoY Growth	455.2%	-2.6%	7.2%	5.1%	17.9%	-1.3%	1.3%	3.4%	-84.7%	-0.8%	5.0%	7.2%	12.7%	12.8%	12.7%
Revenues, net	**1,304.7**	**1,506.8**	**1,704.7**	**1,933.9**	**2,345.2**	**2,662.1**	**2,716.5**	**3,101.1**	**3,710.1**	**3,831.3**	**4,183.7**	**4,576.5**	**5,174.5**	**5,719.3**	**6,444.3**
YoY Growth	10.3%	15.5%	13.1%	13.4%	21.3%	13.5%	2.0%	14.2%	19.6%	3.3%	9.2%	9.4%	13.1%	10.5%	12.7%
FX Neutral Organic	3.9%	16.9%	12.0%	11.0%	12.4%	9.2%	2.5%	12.2%	4.8%	3.4%	9.3%	9.0%	9.1%	9.7%	12.7%
Total Expenses	$935.1	$1,031.3	$1,139.2	$1,231.3	$1,526.0	$1,692.4	$1,781.0	$2,007.7	$2,562.3	$2,746.8	$2,979.1	$3,144.3	$3,505.2	$3,791.9	$4,219.5
% of Total Revenue	71.7%	68.4%	66.8%	63.7%	65.1%	63.6%	65.6%	64.7%	69.1%	71.7%	71.2%	68.7%	67.7%	66.3%	65.5%
EBITDA	$369.6	$475.5	$565.5	$702.6	$819.2	$969.7	$935.5	$1,093.4	$1,147.8	$1,579.5	$1,204.6	$1,432.2	$1,669.3	$1,927.4	$2,224.8
EBITDA Margin	28.3%	31.6%	33.2%	36.3%	34.9%	36.4%	34.4%	35.3%	30.9%	41.2%	28.8%	31.3%	32.3%	33.7%	34.5%
Year-over-Year Growth	3.8%	28.6%	18.9%	24.2%	16.6%	18.4%	-3.5%	16.9%	5.0%	37.6%	-23.7%	18.9%	16.6%	15.5%	15.4%
Share-based compensation expense	$8.0	$21.7	$31.3	$47.7	$61.3	$58.1	$48.4	$72.7	$81.1	$100.6	$121.3	$145.6	$154.8	$137.3	$154.7
Other income/ (expense), net	44.0	(49.1)	(22.8)	(19.3)	(46.9)	(14.4)	(0.4)	(43.1)	(30.0)	(535.2)	(47.1)	(32.5)	233.2	-	-
Earnings from equity method investments	12.5	8.9	8.6	9.1	9.9	13.2	9.0	12.0	12.9	16.3	18.2	20.5	9.2	9.2	9.2
Net income attributable to the noncontrolling interests	(8.1)	(9.3)	(10.8)	(10.5)	(11.0)	(5.1)	(12.3)	(15.0)	(15.2)	(15.4)	(18.0)	(14.6)	(13.7)	(13.7)	(13.7)
Mergers and acquisitions, divestitures and business optimization	(17.8)	8.1	18.4	8.4	38.8	1.6	9.7	46.6	50.7	34.5	26.6	30.1	(233.6)	-	-
Technology transformation	10.2	26.9	23.3	-	-	-	19.3	42.3	51.4	70.6	178.8	116.7	-	-	-
Other	(16.6)	43.2	23.1	9.9	45.4	35.7	35.6	19.2	46.1	92.8	22.0	(52.1)	1.4	-	-
Adj. EBITDA	**$401.8**	**$525.9**	**$636.6**	**$747.9**	**$916.7**	**$1,058.8**	**$1,044.8**	**$1,228.1**	**$1,344.8**	**$1,343.7**	**$1,506.4**	**$1,645.9**	**$1,820.6**	**$2,060.1**	**$2,375.0**
Adj. EBITDA Margin	30.8%	34.9%	37.3%	38.7%	39.1%	39.8%	38.5%	39.6%	36.2%	35.1%	36.0%	36.0%	35.2%	36.0%	36.9%
Year-over-Year Growth	6.3%	30.9%	21.1%	17.5%	22.6%	15.5%	-1.3%	17.5%	9.5%	-0.1%	12.1%	9.3%	10.6%	13.2%	15.3%
Margin Expansion (bps)	(114.2)	410.3	244.4	132.9	41.5	68.5	(131.2)	114.1	(335.5)	(117.5)	93.5	(4.2)	(78.1)	83.8	83.3
Less :Stock Based Compensation	8.0	21.7	31.3	47.7	61.3	58.1	48.4	72.7	81.1	100.6	121.3	145.6	154.8	137.3	154.7
MS Adjusted EBITDA	**$393.8**	**$504.2**	**$605.3**	**$700.2**	**$855.4**	**$1,000.7**	**$996.4**	**$1,155.4**	**$1,263.7**	**$1,243.1**	**$1,385.1**	**$1,500.3**	**$1,665.8**	**$1,922.9**	**$2,220.3**
MS Adj. EBITDA Margin	30.2%	33.5%	35.5%	36.2%	36.5%	37.6%	36.7%	37.3%	34.1%	32.4%	33.1%	32.8%	32.2%	33.6%	34.5%
Depreciation & Amortization	$241.2	$278.4	$265.2	$237.9	$306.9	$362.1	$367.8	$392.0	$519.1	$524.4	$537.8	$574.8	$633.0	$659.6	$698.1
% of Total Revenue	18.5%	18.5%	15.6%	12.3%	13.1%	13.6%	13.5%	12.6%	14.0%	13.7%	12.9%	12.6%	12.2%	11.5%	10.8%
Total Operating Expenses	$1,176.3	$1,309.7	$1,404.4	$1,469.2	$1,832.9	$2,054.5	$2,148.8	$2,399.7	$3,081.4	$3,271.2	$3,516.9	$3,719.1	$4,138.2	$4,451.5	$4,917.6
Annual Growth	16.0%	11.3%	7.2%	4.6%	24.8%	12.1%	4.6%	11.7%	28.4%	6.2%	7.5%	5.7%	11.3%	7.6%	10.5%
Income from Operations	$128.4	$197.1	$300.3	$464.7	$512.3	$607.6	$567.7	$701.4	$628.7	$560.1	$666.8	$857.4	$1,036.3	$1,267.8	$1,526.7
Operating Margin	9.8%	13.1%	17.6%	24.0%	21.8%	22.8%	20.9%	22.6%	16.9%	14.6%	15.9%	18.7%	20.0%	22.2%	23.7%
Interest expense	($190.0)	($134.3)	($85.4)	($87.6)	($137.5)	($173.7)	($126.3)	($112.6)	($230.9)	($288.1)	($265.2)	($235.8)	($259.2)	($254.7)	($244.1)
Interest income	3.3	3.9	4.5	5.5	5.5	7.6	5.6	3.6	4.7	20.8	28.5	33.2	28.7	44.1	68.4
Other income/ (expense), net	44.0	(49.1)	(22.8)	(19.3)	(46.9)	(14.4)	(0.4)	(43.1)	(30.0)	(535.2)	(47.1)	(32.5)	233.2	-	-
Earnings from equity method investments	12.5	8.9	8.6	9.1	9.9	13.2	9.0	12.0	12.9	16.3	18.2	20.5	9.2	9.2	9.2
Income (loss) before income taxes	($1.8)	$26.5	$205.2	$372.4	$343.3	$440.3	$455.6	$561.3	$385.4	($226.1)	$401.2	$642.8	$1,048.1	$1,066.4	$1,360.2
Provision for income taxes	(2.6)	(11.2)	(74.0)	79.2	(54.4)	(83.9)	(100.3)	(145.3)	(120.0)	(44.7)	(98.8)	(173.0)	(195.4)	(255.9)	(326.4)
Tax Rate	-144.7%	42.3%	36.1%	-21.3%	15.8%	19.1%	22.0%	25.9%	31.1%	-19.8%	24.6%	26.9%	18.6%	24.0%	24.0%
Net income attributable to the noncontrolling interests	(8.1)	(9.3)	(10.8)	(10.5)	(11.0)	(5.1)	(12.3)	(15.0)	(15.2)	(15.4)	(18.0)	(14.6)	(13.7)	(13.7)	(13.7)
(Loss) income from discontinued operations, net of taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income , GAAP	**($12.5)**	**$6.0**	**$120.4**	**$441.1**	**$277.9**	**$351.3**	**$343.0**	**$401.0**	**$250.2**	**($286.2)**	**$284.4**	**$455.3**	**$839.1**	**$796.8**	**$1,020.1**
Stock-based compensation	8.0	21.7	31.3	47.7	61.3	58.1	48.4	72.7	81.1	100.6	121.3	145.6	154.8	137.3	154.7
Mergers and acquisitions	(17.8)	8.1	18.4	8.4	38.8	1.6	9.7	46.6	50.7	34.5	26.6	30.1	(233.6)	-	-
Technology transformation	10.2	26.9	23.3	-	-	-	19.3	42.3	51.4	70.6	178.8	116.7	-	-	-
Other	(24.6)	41.4	21.8	9.2	45.1	38.4	34.1	17.6	26.5	587.0	20.2	(55.9)	1.1	-	-
Amortization of intangible assets	161.8	175.4	154.8	135.7	181.0	206.5	193.9	197.1	306.7	293.5	286.1	290.3	302.8	296.7	290.8
Change in provision for income taxes	(41.6)	(97.8)	(92.5)	(286.0)	(125.7)	(115.5)	(71.5)	(64.7)	(86.2)	(144.1)	(148.5)	(136.7)	(136.2)	(104.2)	(106.9)
Adjusted Net Income, recurring	**$83.5**	**$181.7**	**$277.5**	**$356.1**	**$478.4**	**$540.4**	**$576.9**	**$712.6**	**$680.4**	**$655.9**	**$768.9**	**$845.4**	**$927.9**	**$1,126.6**	**$1,358.6**
Avg. Diluted Shares Outstanding	147.3	165.6	184.6	189.6	190.8	191.6	192.3	192.9	193.2	193.9	196.2	196.7	192.8	189.2	186.2
Dividends					0.2	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6
EPS to Common Stockholders	($0.08)	$0.04	$0.65	$2.33	$1.46	$1.83	$1.78	$2.08	$1.30	($1.48)	$1.45	$2.32	$4.35	$4.21	$5.48
Adj. Cash EPS	**$0.57**	**$1.10**	**$1.50**	**$1.88**	**$2.51**	**$2.82**	**$3.00**	**$3.69**	**$3.52**	**$3.38**	**$3.92**	**$4.30**	**$4.81**	**$5.96**	**$7.30**

Source: Company Data, Morgan Stanley Research

Exhibit 101: TRU Annual Balance Sheet ($M, except per share items)

Fiscal Year Ending December 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Cash and cash equivalents	$77.9	$133.2	$182.2	$115.8	$187.4	$274.1	$493.0	$1,842.4	$585.3	$479.9	$679.5	$853.6	$974.9	$1,585.3	$2,407.9
Trade accounts receivable, net	200.4	228.3	277.9	326.7	456.8	443.9	453.7	558.0	602.2	721.5	798.9	905.0	1,098.2	1,159.0	1,247.1
Other current assets	122.7	66.0	89.9	146.2	197.3	170.2	159.5	231.6	262.7	275.9	323.4	257.7	313.8	329.1	351.7
Total Current Assets	$401.0	$427.5	$550.0	$588.7	$841.5	$888.2	$1,106.2	$2,632.0	$1,450.2	$1,477.3	$1,801.8	$2,016.3	$2,386.8	$3,073.4	$4,006.7
Property, plant and equipment, net	$181.4	$183.0	$197.5	$198.6	$220.3	$219.0	$223.2	$247.7	$218.2	$199.3	$203.5	$258.4	$251.2	$231.5	$210.9
Goodwill, net	2,023.9	1,983.4	2,173.9	2,368.8	3,293.6	3,377.8	3,461.5	5,525.7	5,551.4	5,176.0	5,144.3	5,259.5	5,811.8	5,811.8	5,811.8
Other intangibles, net	1,939.6	1,770.1	1,762.3	1,825.8	2,548.1	2,391.9	2,284.6	3,770.6	3,675.5	3,515.3	3,257.5	3,098.5	3,377.0	3,080.3	2,789.5
Marketable securities and other investments	29.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	90.2	82.7	97.5	136.6	136.3	236.3	236.1	459.0	771.0	739.4	577.7	480.2	408.8	408.8	408.8
Total Assets	$4,665.8	$4,446.7	$4,781.2	$5,118.5	$7,039.8	$7,113.2	$7,311.6	$12,635.0	$11,666.3	$11,107.3	$10,984.8	$11,112.9	$12,235.7	$12,605.8	$13,227.7
LIABILITIES AND STOCKHOLDERS' EQUITY															
Current Liabilities															
Trade accounts payable	$106.5	$105.4	$114.2	$131.3	$169.9	$176.2	$193.2	$270.2	$250.4	$253.5	$294.6	$349.9	$373.2	$410.9	$464.9
Short-term debt and current portion of LTD	74.0	43.9	50.4	119.3	71.7	58.7	55.5	114.6	114.6	89.6	70.6	196.9	213.1	213.1	213.1
Other current liabilities	149.4	146.7	208.7	207.8	306.9	336.5	415.8	972.2	540.5	661.8	694.4	607.6	528.1	528.1	528.1
Total Current Liabilities	$329.9	$296.0	$373.3	$458.4	$548.5	$571.4	$664.5	$1,357.0	$905.5	$1,004.9	$1,059.6	$1,154.4	$1,114.4	$1,152.1	$1,206.1
Long-term debt	$2,865.9	$2,164.6	$2,325.2	$2,345.3	$3,976.4	$3,598.3	$3,398.7	$6,251.3	$5,555.5	$5,250.8	$5,076.6	$4,906.9	$5,272.2	$5,072.2	$4,872.2
Deferred taxes	676.8	588.4	579.0	419.4	478.0	439.1	396.8	787.6	762.0	592.9	415.3	389.8	539.2	539.2	539.2
Other liabilities	22.1	27.8	30.7	70.8	54.7	165.0	215.5	232.9	173.9	153.2	114.5	116.5	133.8	133.8	133.8
Total Liabilities	$3,894.7	$3,076.8	$3,308.2	$3,293.9	$5,057.6	$4,773.8	$4,675.5	$8,628.8	$7,396.9	$7,001.8	$6,666.0	$6,567.6	$7,059.6	$6,897.3	$6,751.3
Redeemable noncontrolling interests	23.4	2.9	-	-	-	-	-	-	-	-	-	-	-	-	-
Stockholders' Equity															
Preferred stock	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Common stock	1.5	1.8	1.8	1.9	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.0	1.9	1.9	1.9
Additional paid-in capital	1,137.6	1,850.3	1,844.9	1,863.5	1,947.3	2,022.3	2,088.1	2,188.9	2,290.3	2,412.9	2,558.9	2,424.0	2,469.1	2,606.4	2,761.0
Treasury stock	(4.3)	(4.6)	(5.3)	(138.8)	(139.9)	(179.2)	(215.2)	(252.0)	(284.5)	(302.9)	(334.6)	(370.3)	(552.5)	(852.5)	(1,152.5)
Retained Earnings	(430.2)	(424.3)	(303.8)	137.4	363.1	652.0	937.4	2,254.6	2,446.6	2,157.1	2,357.9	2,723.7	3,471.4	4,180.1	5,107.1
Accumulated other comprehensive loss	(117.5)	(191.8)	(174.8)	(135.3)	(282.7)	(251.6)	(272.1)	(285.4)	(284.5)	(260.9)	(367.2)	(340.2)	(362.3)	(362.3)	(362.3)
Noncontrolling interests	160.6	135.6	110.2	95.9	92.5	94.0	95.9	98.1	99.5	97.3	101.8	106.1	148.6	134.9	121.2
Total Stockholders' Equity	$747.7	$1,367.0	$1,473.0	$1,824.6	$1,982.2	$2,339.4	$2,636.1	$4,006.2	$4,269.4	$4,105.5	$4,318.8	$4,545.3	$5,176.2	$5,708.5	$6,476.5
Total Liabilities & Stockholders' Equity	$4,665.8	$4,446.7	$4,781.2	$5,118.5	$7,039.8	$7,113.2	$7,311.6	$12,635.0	$11,666.3	$11,107.3	$10,984.8	$11,112.9	$12,235.8	$12,605.8	$13,227.7

Source: Company Data, Morgan Stanley Research

Exhibit 102: TRU Statement of Cash Flows ($M, except per share items)

Fiscal Year Ending December 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Cash Flows From Operations															
Net income	($4.4)	$15.3	$131.2	$451.6	$288.9	$356.4	$355.3	$416.0	$265.4	($270.8)	$302.4	$469.9	$852.8	$810.5	$1,033.8
Adjustments to reconcile Net Income to OCF:															
Depreciation and amortization	241.2	278.4	265.2	238.0	306.9	362.1	367.9	377.0	519.0	524.4	537.8	574.8	633.1	659.6	698.1
Net loss (gain) on refinancing transactions	(33.1)	37.6	-	10.5	12.0	15.0	-	17.9	9.4	7.6	7.4	-	-	-	-
Gain on investments	(22.2)	-	-	-	-	-	(7.5)	(11.9)	-	-	40.5	-	-	-	-
Impairment of Goodwill	4.1	-	2.0	-	1.5	(17.5)	-	-	-	414.0	-	-	-	-	-
Stock-based compensation	8.0	9.0	24.4	33.1	57.9	51.0	46.9	69.2	82.8	100.3	121.2	145.6	154.8	137.3	154.7
Deferred taxes	(20.8)	(17.3)	(22.0)	(212.8)	(69.0)	(22.5)	(35.3)	(17.2)	(88.9)	(162.7)	(157.3)	(28.8)	(21.3)	-	-
Amortization of financial instruments	(5.8)	1.2	2.4	-	(0.7)	-	-	-	-	-	-	-	-	-	-
Other	1.3	1.4	(5.1)	(3.4)	3.9	(3.7)	5.9	4.8	22.6	26.0	-	-	(225.5)	-	-
Other current and long-term liabilities	6.4	(1.6)	31.9	37.5	20.6	36.3	46.7	(33.5)	(435.3)	80.4	34.3	43.6	(10.5)	-	-
Changes in assets and liabilities, net of acquisition:															
Trade accounts receivable	($36.3)	($39.2)	($42.5)	($44.7)	($113.8)	$7.3	($23.6)	($36.2)	($37.5)	($133.6)	($105.6)	($119.4)	($195.1)	($60.8)	($88.1)
Other current and long-term assets	2.0	13.8	(5.9)	(59.8)	17.1	(26.5)	(0.7)	(20.9)	(17.7)	(12.7)	46.0	(1.9)	(42.6)	(15.3)	(22.6)
Trade accounts payable	6.1	1.3	2.9	9.7	20.7	5.7	18.7	45.7	(20.7)	(4.3)	39.2	31.3	12.3	37.7	54.0
Other current and long-term liabilities										-	(33.4)	(127.6)	(99.8)	-	-
Cash From Operating Activities	$154.3	$309.1	$389.9	$468.0	$559.3	$776.7	$787.4	$808.3	$295.5	$568.6	$832.5	$987.4	$1,058.2	$1,568.9	$1,829.7
Cash From Investing Activities															
Capital expenditures	($155.2)	($132.2)	($124.0)	($135.3)	($180.1)	($198.5)	($214.1)	($224.2)	($298.2)	($310.7)	($315.8)	($326.0)	($291.6)	($343.2)	($386.7)
Proceeds from sale of trading securities	1.5	1.0	0.9	3.0	1.8	-	-	-	143.5	82.3	-	72.0	-	-	-
Purchases of trading securities	(2.1)	(1.5)	(1.5)	(1.8)	(2.1)	-	-	-	(146.1)	(53.5)	-	-	-	-	-
Proceeds from sale of other investments	9.7	12.4	58.2	59.2	24.3	35.9	90.6	36.3	-	-	-	-	-	-	-
Purchases of other investments	(14.1)	(15.5)	(64.6)	(50.2)	(31.8)	(31.4)	(73.5)	(66.9)	(16.2)	-	-	(81.3)	-	-	-
Acquisitions and purchases of NCI, net of cash	(119.9)	(70.4)	(356.6)	(342.6)	(1,828.4)	(46.3)	(71.7)	(1,964.7)	(508.1)	-	-	-	(603.6)	-	-
Acquisition-related deposits	4.1	9.1	(6.2)	(13.5)	-	40.3	1.6	-	-	-	-	-	-	-	-
Other	-	-	(2.0)	0.4	(5.0)	(3.9)	(0.1)	(1.1)	101.2	(37.0)	8.4	3.6	57.1	-	-
Cash Used in Investing Activities	($276.0)	($197.1)	($495.8)	($480.8)	($2,021.3)	($203.9)	($267.2)	($2,220.6)	($723.9)	($318.9)	($307.4)	($331.7)	($838.1)	($343.2)	($386.7)
Cash From Financing Activities															
Proceeds from term loan	$1,895.3	$2,231.0	$205.0	$33.4	$1,800.0	$3,750.0	$0.0	$3,740.0	$0.0	$655.8	$1,793.1	$0.0	$0.0	$0.0	$0.0
Extinguishment of term loan	(1,120.5)	(1,881.0)	-	-	-	(3,759.1)	-	(640.0)	-	-	(1,786.1)	-	-	-	-
Extinguishment of 11.375% senior unsecured notes	(645.0)	(1,000.0)	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from senior secured line of credit	78.5	35.0	145.0	215.0	125.0	-	-	-	-	-	-	-	520.0	-	-
Payments of senior secured revolving line of credit	(28.5)	(85.0)	(145.0)	(130.0)	(210.0)	-	-	-	-	-	-	-	-	-	-
Repayments of debt	(25.6)	(38.2)	(49.3)	(32.5)	(114.3)	(389.0)	(208.8)	(209.6)	(714.6)	(997.7)	(198.9)	(78.5)	(140.8)	(200.0)	(200.0)
Proceeds from initial public offering	-	764.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Underwriter fees and IPO costs	-	(49.8)	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of common stock	9.6	2.8	6.0	27.1	26.2	24.4	22.9	21.9	18.7	23.1	24.9	22.5	-	-	-
Debt financing fees	(61.5)	(18.2)	(3.7)	(12.6)	(33.8)	(11.2)	-	-	-	-	(16.5)	-	(0.7)	-	-
Treasury stock purchases	(0.2)	(0.3)	(0.7)	(133.5)	-	-	-	-	-	-	-	(302.0)	(265.8)	(300.0)	(300.0)
Dividends	-	-	-	-	(41.6)	(56.8)	(57.6)	(69.8)	(77.8)	(81.8)	(82.7)	(90.5)	(98.5)	(101.7)	(106.8)
Distributions to noncontrolling interests	(10.4)	(10.8)	(9.3)	(10.3)	(10.1)	(3.9)	(10.9)	(11.0)	(11.5)	(16.5)	(10.8)	(10.4)	(13.5)	(13.7)	(13.7)
Other	0.2	(1.3)	5.8	(10.5)	(1.2)	(41.1)	(42.5)	(69.2)	(35.3)	(21.7)	(31.7)	(35.7)	(87.2)	-	-
Cash From Financing Activity	$91.9	($51.3)	$153.8	($53.9)	$1,540.2	($486.7)	($296.9)	$2,762.3	($820.5)	($438.8)	($308.7)	($494.6)	($86.5)	($615.4)	($620.5)
Effect of Exchange Rate Changes on Cash	(3.5)	(5.4)	1.1	0.3	(6.6)	0.6	(4.4)	(0.6)	(9.9)	3.2	(13.1)	12.9	(12.3)	-	-
Cash Restatement	-	-	-	-	-	-	-	-	-	80.8	(2.3)	-	-	-	-
Net increase (decrease) in Cash	(33.3)	55.3	49.0	(66.4)	71.6	86.7	218.9	1,349.4	(1,258.8)	(105.1)	201.0	174.0	121.4	610.3	822.6
Cash & Equivalents - Beginning	111.2	77.9	133.2	182.2	115.8	187.4	274.1	493.0	1,842.4	583.6	478.5	679.5	853.6	975.0	1,585.3
Cash & Equivalents - End	$77.9	$133.2	$182.2	$115.8	$187.4	$274.1	$493.0	$1,842.4	$583.6	$478.5	$679.5	$853.6	$975.0	$1,585.3	$2,407.9

Source: Company Data, Morgan Stanley Research

Exhibit 103: TRU Discounted Cash Flow Analysis

TransUnion		**WACC:**	**9.0%**		**Terminal Growth:**		**2.8%**									
(USD mm)																
	2020	**2021**	**2022**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**	**2040E**
Operating profit	**568**	**701**	**629**	**560**	**667**	**857**	**1,036**	**1,268**	**1,527**	**1,644**	**1,747**	**1,829**	**1,886**	**1,931**	**1,976**	**2,530**
Tax rate	*22%*	*26%*	*31%*	*-20%*	*25%*	*27%*	*19%*	*24%*	*24%*	*26%*	*26%*	*26%*	*26%*	*26%*	*26%*	*26%*
=NOPAT	**443**	**520**	**433**	**671**	**503**	**627**	**843**	**964**	**1,160**	**1,217**	**1,293**	**1,353**	**1,396**	**1,429**	**1,463**	**1,872**
+Non-Cash Charges	368	392	519	524	538	575	633	660	698	733	762	785	801	813	825	638
Gross Cash Flow	**811**	**912**	**952**	**1,195**	**1,040**	**1,202**	**1,476**	**1,623**	**1,858**	**1,950**	**2,055**	**2,138**	**2,197**	**2,242**	**2,288**	**2,510**
+Changes in working capital	(6)	(11)	(76)	(151)	(20)	(90)	(225)	(38)	(57)	0	0	0	0	0	0	0
+Capital expenditures, asset purchases	(214)	(224)	(298)	(311)	(316)	(326)	(292)	(343)	(387)	(425)	(459)	(487)	(506)	(522)	(537)	(638)
= Gross investment	**(220)**	**(236)**	**(374)**	**(461)**	**(336)**	**(416)**	**(517)**	**(382)**	**(443)**	**(425)**	**(459)**	**(487)**	**(506)**	**(522)**	**(537)**	**(638)**
Free cash flow to firm	**591**	**676**	**578**	**734**	**704**	**786**	**959**	**1,242**	**1,415**	**1,525**	**1,596**	**1,651**	**1,690**	**1,720**	**1,750**	**1,872**
FCF growth		14%	-15%	27%	-4%	12%	22%	29%	14%	8%	5%	4%	2%	2%	2%	7%
Present value of cash flows							$20,968	$21,896	$22,626	$23,247	$23,815	$24,363	$24,904	$25,456	$26,027	$29,948
-Minority Interest							$106	$149	$135	$135	$135	$135	$135	$135	$135	$135
-Net Debt at PYE							$4,379	$4,510	$3,700	$3,700	$3,700	$3,700	$3,700	$3,700	$3,700	$3,700
+ Preferred Equity							-	-	-	$0	$0	$0	$0	$0	$0	$0
Implied Market Cap							$16,483	$17,237	$18,791	$19,412	$19,980	$20,528	$21,070	$21,621	$22,192	$26,113
Fully-diluted shares (BOP)							197m	193m								
Implied Value per Share Beginning of Year							**$84**	**$89**								
Implied Value per Share in 12-Months							**$92**	**$98**								
						Weights	17%	83%								
						Weighted DCF PT	**$97**									

Source: Company Data, Morgan Stanley Research

Exhibit 104: TRU Multiple Analysis

Share Price	EV	EV / Adj. EBITDA		Adj. P/E		FCF Yield	
		2026E	2027E	2026E	2027E	2026E	2027E
$120	$27,638	16.6x	14.4x	24.9x	20.1x	3.5%	3.5%
$105	$24,715	14.8x	12.9x	21.8x	17.6x	3.9%	3.9%
$103	$24,325	14.6x	12.7x	21.4x	17.3x	3.9%	3.9%
$101	$23,935	14.4x	12.4x	21.0x	17.0x	4.0%	4.0%
$99	$23,545	14.1x	12.2x	20.6x	16.6x	4.1%	4.1%
$97	$23,156	13.9x	12.0x	20.2x	16.3x	4.1%	4.1%
$95	$22,766	13.7x	11.8x	19.7x	16.0x	4.2%	4.2%
$93	$22,376	13.4x	11.6x	19.3x	15.6x	4.3%	4.3%
$91	$21,986	13.2x	11.4x	18.9x	15.3x	4.4%	4.4%
$89	$21,596	13.0x	11.2x	18.5x	14.9x	4.4%	4.4%
$49	$13,800	8.3x	7.2x	10.2x	8.2x	7.0%	7.0%

Exhibit 105: Verisk Analytics Quarterly Income Statement

Fiscal Year Ending Dec. 31	2025	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Total Revenue	$3,072.7	$782.6	$806.3	$804.7	$816.3	$3,209.9	$830.0	$854.4	$853.0	$865.4	$3,402.8
Annual Growth (2016 from continuing operations)	6.6%	3.9%	4.4%	4.7%	4.8%	4.5%	6.1%	6.0%	6.0%	6.0%	6.0%
Organic C/C Growth	6.6%	4.7%	5.8%	6.7%	7.0%	6.1%	6.0%	6.0%	6.0%	6.0%	6.0%
Cost Of Revenues	$943.9	$236.6	$233.4	$236.2	$218.9	$925.1	$246.6	$223.5	$247.0	$228.6	$945.6
Gross Margin	69.3%	69.8%	71.1%	70.6%	73.2%	71.2%	70.3%	73.8%	71.0%	73.6%	72.2%
Selling General and Administrative	$458.2	109.5	128.6	115.0	137.8	$490.9	115.3	135.4	121.1	145.2	$517.0
% of Total Revenue	14.9%	14.0%	15.9%	14.3%	16.9%	15.3%	13.9%	15.8%	14.2%	16.8%	15.2%
Total Expenses	$1,402.1	$346.1	$362.0	$351.2	$356.6	$1,416.0	$361.9	$358.9	$368.1	$373.7	$1,462.6
Adj. EBITDA	**$1,727.1**	**$437.5**	**$463.6**	$453.4	$459.7	**$1,814.2**	$468.2	$495.5	$484.9	$491.6	**$1,940.3**
Adj. EBITDA Margin	56.2%	55.9%	57.5%	56.4%	56.3%	56.5%	56.4%	58.0%	56.9%	56.8%	57.0%
Year-over-Year Growth	9.5%	5.0%	4.2%	5.7%	5.3%	5.0%	7.0%	6.9%	6.9%	6.9%	6.9%
Depreciation and Amortization	$326.7	$84.3	$80.6	$83.2	$84.7	$332.8	$82.1	$84.1	$84.0	$85.0	$335.2
% of Total Revenue	10.6%	10.8%	10.0%	10.3%	10.4%	10.4%	9.9%	9.8%	9.8%	9.8%	9.9%
Income from Operations	$1,343.9	$352.2	$363.7	$370.2	$375.0	$1,461.1	$386.1	$411.4	$401.0	$406.6	$1,605.1
Operating Margin	43.7%	45.0%	45.1%	46.0%	45.9%	45.5%	46.5%	48.2%	47.0%	47.0%	47.2%
Interest Income / Other Income	(15.0)	$0.0	$0.0	$0.0	$0.0	0.0	$0.0	$0.0	$0.0	$0.0	0.0
Net Interest (Expense)	(170.9)	($43.2)	($52.8)	($52.8)	($52.8)	(201.6)	($52.8)	($52.8)	($52.8)	($52.8)	(211.2)
Other Income (Expense)	13.3	(0.5)	(7.5)	0.0	0.0	(8.0)	0.0	0.0	0.0	0.0	0.0
Pretax Income	$1,171.3	$308.5	$303.4	$317.4	$322.2	$1,251.5	$333.3	$358.6	$348.2	$353.8	$1,393.9
Income Tax Benefit (Expense)	(263.0)	(74.3)	(74.8)	(77.8)	(74.1)	(301.0)	(76.7)	(82.5)	(80.1)	(81.4)	(320.6)
Net Income from Continuing Operations	$908.3	$234.2	$228.6	$239.7	$248.1	$950.6	$256.6	$276.2	$268.1	$272.4	$1,073.3
Income (loss) from Discontinued operations, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary (charges) / gains	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income to Common Stockholders	$908.3	$234.2	$228.6	$239.7	$248.1	$950.6	$256.6	$276.2	$268.1	$272.4	$1,073.3
Adj. Net Income (excl. ESOP & extraordinary items)	$908.3	$234.2	$228.6	$239.7	$248.1	$950.6	$256.6	$276.2	$268.1	$272.4	$1,073.3
Adjustments	$94.6	$11.8	$30.7	$10.9	$11.3	$64.8	$10.4	$10.4	$10.4	$10.4	$41.5
Adjusted Net Income	**$1,002.9**	**$246.0**	**$259.3**	**$250.6**	**$259.4**	**$1,015.3**	**$267.0**	**$286.5**	**$278.5**	**$282.8**	**$1,114.8**
Avg. Diluted Shares Outstanding	140.1	135.2	130.9	130.4	129.6	131.5	128.6	127.3	126.0	124.7	126.6
Diluted GAAP EPS (Continuing Ops.)	$6.48	$1.73	$1.75	$1.84	$1.91	$7.23	$2.00	$2.17	$2.13	$2.18	$8.48
Diluted GAAP EPS Reported	$6.48	$1.73	$1.75	$1.84	$1.91	$7.23	$2.00	$2.17	$2.13	$2.18	$8.48
Adj. EPS (excl. ESOP & extraordinary items)	$6.48	$1.73	$1.75	$1.84	$1.91	$7.23	$2.00	$2.17	$2.13	$2.18	$8.48
Adjusted, Cont EPS	$7.16	$1.82	$1.98	$1.92	$2.00	$7.72	$2.08	$2.25	$2.21	$2.27	$8.81

Source: Company Data, Morgan Stanley Research

Exhibit 106: Verisk Analytics Quarterly Segment Detail

	2025	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Insurance:											
Underwriting & rating	2,180.0	552	569	562	574	2,257.1	585	603	596	608	2,392.8
YoY Change	7.7%	3.8%	3.5%	3.7%	3.2%	3.5%	6.0%	6.0%	6.0%	6.0%	6.0%
Organic Growth C/C	7.0%	5.3%	5.6%	6.5%	6.3%	5.9%	6.0%	6.0%	6.0%	6.0%	6.0%
Inorganic Revenue		(8.2)	(11.8)	(15.0)	(17.0)	(52.0)					
Claims	893.0	231	237	242	243	952.9	245	251	257	257	1,010.1
YoY Change	4.2%	4.5%	6.3%	7.3%	8.8%	6.7%	6.0%	6.0%	6.0%	6.0%	6.0%
Organic Growth C/C	5.7%	3.7%	6.1%	7.3%	8.8%	6.5%	6.0%	6.0%	6.0%	6.0%	6.0%
Inorganic revenue		1.8	0.4								
Rounding		-0.4	0.3								
Insurance Revenue	3,072.7	782.6	806.3	805	816	3,209.9	830	854	853	865	3,402.8
YoY Change	6.6%	3.9%	4.4%	4.7%	4.8%	4.5%	6.1%	6.0%	6.0%	6.0%	6.0%
Organic Growth C/C	6.6%	4.7%	5.8%	6.7%	7.0%	6.1%	6.0%	6.0%	6.0%	6.0%	6.0%
Subscription Revenue OCC Growth	9.1%	7.0%	8.0%								
Transactional Revenue OCC Growth	(4.3%)	(6.1%)	(4.2%)								
Total OCC Growth calc	6.6%	4.8%	5.8%								
		-0.1%	0.0%								
International		16.0%	19.0%								
Subscription		84.0%	81.0%								
Adj. EBITDA	1,727.1	437.5	463.6	453.4	459.7	1,814.2	468.2	495.5	484.9	491.6	1,940.3
Adj. EBITDA Margin	56.2%	55.9%	57.5%	56.4%	56.3%	56.5%	56.4%	58.0%	56.9%	56.8%	57.0%
Margin expan/(contraction)	148 bps	58 bps	(7) bps	50 bps	25 bps	31 bps	50 bps	50 bps	50 bps	50 bps	50 bps

Source: Company Data, Morgan Stanley Research

Exhibit 107: Verisk Analytics Annual Income Statement

Fiscal Year Ending Dec. 31	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
Total Revenue	$2,395.1	$2,607.1	$2,784.6	$2,998.6	$2,897.5	$2,681.4	$2,881.7	$3,072.7	$3,209.9	$3,402.8	$3,607.3	$3,823.9
Annual Growth (2016 from continuing operations)	11.6%	8.9%	6.8%	7.7%	-3.4%	-7.5%	7.5%	6.6%	4.5%	6.0%	6.0%	6.0%
Organic C/C Growth	6.1%	6.9%	4.1%	5.0%	5.9%	8.9%	7.1%	6.6%	6.1%	6.0%	6.0%	6.0%
Cost Of Revenues	$886.8	$976.8	$994.0	$1,057.8	$978.5	$876.5	$901.1	$943.9	$925.1	$945.6	$988.0	$1,032.0
Gross Margin	63.0%	62.5%	64.3%	64.7%	66.2%	67.3%	68.7%	69.3%	71.2%	72.2%	72.6%	73.0%
Selling General and Administrative	378.2	603.5	413.9	422.7	467.8	391.8	420.8	458.2	490.9	517.0	544.4	573.3
% of Total Revenue	15.8%	23.1%	14.9%	14.1%	16.1%	14.6%	14.6%	14.9%	15.3%	15.2%	15.1%	15.0%
Total Expenses	$1,265.0	$1,580.3	$1,407.9	$1,480.5	$1,446.3	$1,268.3	$1,321.9	$1,402.1	$1,416.0	$1,462.6	$1,532.4	$1,605.3
Adj. EBITDA	**$1,132.5**	**$1,224.0**	**$1,376.5**	**$1,470.1**	**$1,455.6**	**$1,433.5**	**$1,577.0**	**$1,727.1**	**$1,814.2**	**$1,940.3**	**$2,074.9**	**$2,218.6**
Adj. EBITDA Margin	47.3%	46.9%	49.4%	49.0%	50.2%	53.5%	54.7%	56.2%	56.5%	57.0%	57.5%	58.0%
Year-over-Year Growth	8.0%	8.1%	12.5%	6.8%	-1.0%	-1.5%	10.0%	9.5%	5.0%	6.9%	6.9%	6.9%
Depreciation and Amortization	$296.0	$323.8	$358.0	$383.6	$332.1	$281.4	$305.9	$326.7	$332.8	$335.2	$334.3	$340.2
% of Total Revenue	12.4%	12.4%	12.9%	12.8%	11.5%	10.5%	10.6%	10.6%	10.4%	9.9%	9.3%	8.9%
Income from Operations	$834.1	$703.0	$1,018.7	$1,134.5	$1,119.1	$1,131.7	$1,253.9	$1,343.9	$1,461.1	$1,605.1	$1,740.5	$1,878.4
Operating Margin	34.8%	27.0%	36.6%	37.8%	38.6%	42.2%	43.5%	43.7%	45.5%	47.2%	48.3%	49.1%
Interest Income / Other Income	$15.3	($7.8)	($2.2)	$1.9	$0.9	$0.0	$103.4	($15.0)	$0.0	$0.0	$0.0	$0.0
Net Interest (Expense)	(129.5)	(123.6)	(135.5)	(129.9)	(138.8)	(115.5)	(124.6)	(170.9)	(201.6)	(211.2)	(211.2)	(211.2)
Other Income (Expense)	0.0	0.0	19.4	(134.0)	356.4	11.0	(4.1)	13.3	(8.0)	0.0	0.0	0.0
Pretax Income	$719.6	$568.4	$897.5	$875.4	$1,337.6	$1,027.2	$1,228.6	$1,171.3	$1,251.5	$1,393.9	$1,529.3	$1,667.2
Income Tax Benefit (Expense)	(120.9)	(118.5)	(184.8)	(209.1)	(228.7)	(258.8)	(277.9)	(263.0)	(301.0)	(320.6)	(351.8)	(383.5)
Net Income from Continuing Operations	$598.7	$449.9	$712.7	$666.3	$1,108.9	$768.4	$950.7	$908.3	$950.6	$1,073.3	$1,177.6	$1,283.8
Income (loss) from Discontinued operations, net	0.0	0.0	0.0	(2.5)	(154.9)	(154.0)	6.9	0.0	0.0	0.0	0.0	0.0
Extraordinary (charges) / gains	0.0	0.0	0.0	0.0	(0.1)	0.2	0.6	0.0	0.0	0.0	0.0	0.0
Net Income to Common Stockholders	$598.7	$449.9	$712.7	$663.8	$953.9	$614.6	$958.2	$908.3	$950.6	$1,073.3	$1,177.6	$1,283.8
Adj. Net Income (excl. ESOP & extraordinary items)	$601.1	$459.5	$712.8	$617.2	$953.5	$651.1	$964.1	$908.3	$950.6	$1,073.3	$1,177.6	$1,283.8
Adjustments	($38.0)	$131.5	($44.8)	$70.9	($158.7)	$211.0	($15.3)	$94.6	$64.8	$41.5	$40.5	$39.5
Adjusted Net Income	**$693.8**	**$729.0**	**$833.8**	**$864.8**	**$915.8**	**$841.3**	**$948.8**	**$1,002.9**	**$1,015.3**	**$1,114.8**	**$1,218.1**	**$1,323.2**
Avg. Diluted Shares Outstanding	168.3	166.6	165.3	163.3	159.1	147.3	142.9	140.1	131.5	126.6	121.7	117.2
Diluted GAAP EPS (Continuing Ops.)	$3.56	$2.70	$4.31	$4.08	$6.97	$5.22	$6.66	$6.48	$7.23	$8.48	$9.67	$10.95
Diluted GAAP EPS Reported	$3.56	$2.70	$4.31	$4.06	$6.00	$4.17	$6.71	$6.48	$7.23	$8.48	$9.67	$10.95
Adj. EPS (excl. ESOP & extraordinary items)	$3.57	$2.76	$4.31	$3.78	$5.96	$4.46	$6.75	$6.48	$7.23	$8.48	$9.68	$10.96
Adjusted, Cont EPS	$4.12	$4.38	$5.04	$5.31	$5.76	$5.72	$6.64	$7.16	$7.72	$8.81	$10.01	$11.29

Source: Company Data, Morgan Stanley Research

Exhibit 108: Verisk Analytics Annual Statement of Cash Flows

Fiscal Year Ending December 31	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
Cash Flows From Operations												
Net income (loss) to Common Stockholders	$598.7	$449.9	$712.7	$666.3	$954.3	$614.4	$957.6	$908.3	$950.6	$1,073.3	$1,177.6	$1,283.8
Depreciation	165.3	185.8	192.2	206.9	197.1	206.8	233.6	259.2	274.0	279.0	279.6	286.8
Amortization of intangible assets	130.8	138.0	165.8	177.0	142.9	75.2	72.3	67.5	58.8	56.2	54.8	53.4
KSOP compensation expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Stock-based Compensation	38.5	42.7	47.6	55.7	56.5	54.0	47.9	54.2	65.5	68.1	72.1	76.5
Employee Compensation Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Taxes	18.3	(29.3)	31.1	49.8	(261.0)	52.7	(20.7)	41.3	9.7	0.0	0.0	0.0
Tax benefit on stock options exercised	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss (Gain) on disposal of assets	0.3	6.3	(19.1)	3.2	(393.2)	135.0	16.7	18.4	0.0	0.0	0.0	0.0
Gain/Losses on Securities	0.1	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill Impairment	0.0	0.0	0.0	0.0	303.7	0.0	8.3	0.0	0.0	0.0	0.0	0.0
Other	(2.5)	10.6	15.2	150.0	82.2	(4.0)	(88.4)	51.0	17.3	0.0	0.0	0.0
Net Changes in Operating Assets and Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts Receivable	(17.4)	(70.3)	1.8	(29.7)	(57.7)	(83.0)	(116.6)	(1.3)	(11.6)	(25.5)	(27.0)	(28.6)
Income Tax Receivables/Payable	(2.9)	12.3	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid Expenses and Other Assets	(28.2)	7.4	(66.5)	(33.6)	(8.4)	(56.9)	10.9	(2.9)	(8.1)	(1.8)	(1.7)	(1.6)
Accounts Payable and Accrued Liabilities	67.8	140.2	24.3	(80.8)	(21.2)	46.5	(60.8)	47.9	(12.6)	13.2	13.8	14.3
Deferred revenues	0.8	11.4	21.2	32.4	64.5	81.2	73.1	(2.0)	49.6	29.6	31.4	33.3
Acquisition related liabilities	0.0	74.8	(77.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase in Other Assets/Liabilities	(35.2)	(23.2)	19.3	(41.5)	(0.7)	(61.2)	1.6	(5.6)	(6.8)	5.4	6.2	7.0
Net Cash provided by Op. Activities from Cont. Ops.	$934.4	$956.4	$1,068.1	$1,155.7	$1,059.0	$1,060.7	$1,135.5	$1,436.0	$1,386.4	$1,497.5	$1,606.7	$1,724.7
Cash From Investing Activities												
Capital Expenditures	($231.0)	($240.7)	($246.8)	($268.4)	($274.7)	($230.0)	($223.9)	($244.1)	($265.8)	($280.7)	($297.6)	($315.5)
Disposals/(Acquisitions)	(153.1)	(675.3)	(316.5)	(314.8)	580.5	2,981.7	(26.9)	(6.5)	(0.9)	0.0	0.0	0.0
Purchase of Securities	(0.1)	(0.1)	0.0	0.0	0.0	0.0	3.7	(184.8)	0.0	0.0	0.0	0.0
Proceeds from Sale of Securities	121.9	0.6	0.0	0.0	0.0	0.0	118.5	80.0	0.0	0.0	0.0	0.0
Issuance/Proceeds of Notes rec. From Stockholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	(3.1)	(12.4)	(32.5)	(8.8)	(4.4)	(5.2)	3.8	(2.7)	0.5	0.0	0.0	0.0
Net Cash provided by Invest. Activities from Cont. Ops.	($265.4)	($927.9)	($595.8)	($592.0)	$301.4	$2,746.5	($124.8)	($358.1)	($266.2)	($280.7)	($297.6)	($315.5)
Cash From Financing Activities												
Borrowing on Short-term Debt	$0.0	$425.0	$70.0	$610.0	$940.0	$495.2	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Payments on Short-term or Long-Term Debt	(300.0)	(599.1)	(515.0)	(500.0)	(510.0)	(1,390.0)	(402.0)	972.5	(1,265.3)	0.0	0.0	0.0
Borrowing on Long-term Debt	0.0	619.7	489.2	0.0	0.0	0.0	590.2	698.3	999.0	0.0	0.0	0.0
Issuance of Common Stock, Net of Issuance Costs	0.0	(1.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repurchase of Common Stock	(438.6)	(300.0)	(348.8)	(475.0)	(1,662.5)	(3,262.3)	(1,005.0)	(624.0)	(2,127.0)	(1,000.0)	(1,000.0)	(1,000.0)
Excess Tax benefit on stock options exercised	0.0	0.0	19.2	5.6	15.8	(13.6)	(2.3)	0.0	0.0	0.0	0.0	0.0
Proceeds from stock options	83.6	47.3	65.1	70.9	116.7	141.9	112.2	30.2	1.3	0.0	0.0	0.0
Dividends Paid	0.0	(163.5)	(175.8)	(188.2)	(195.2)	(196.8)	(221.3)	(251.1)	(260.2)	(264.5)	(267.0)	(269.9)
Other	(14.8)	(17.5)	(49.1)	(22.2)	(35.0)	439.1	(91.8)	(30.7)	(24.0)	0.0	0.0	0.0
Net Cash provided by Financing Activities	($669.8)	$10.9	($445.2)	($498.9)	($1,330.2)	($3,786.5)	($1,020.0)	$795.2	($2,676.2)	($1,264.5)	($1,267.0)	($1,269.9)
Effects Of Exchange Rate On Cash	(2.0)	5.7	7.1	(3.3)	(17.8)	(10.7)	(2.2)	13.9	(3.8)	0.0	0.0	0.0
Net increase (decrease) in Cash and Cash Equivalents	($2.8)	$45.1	$34.2	$61.5	$12.4	$10.0	($11.5)	$1,887.0	($1,559.9)	($47.7)	$42.1	$139.4
Cash & Equivalents - Beginning	142.3	139.5	184.6	218.8	280.3	292.7	302.7	291.2	2,178.2	618.3	570.6	612.7
Cash & Equivalents - End	$139.5	$184.6	$218.8	$280.3	$292.7	$302.7	$291.2	$2,178.2	$618.3	$570.6	$612.7	$752.1

Source: Company Data, Morgan Stanley Research

Exhibit 109: Verisk Analytics Annual Balance Sheet

Fiscal Year Ending December 31	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
ASSETS												
Current Assets												
Cash and Cash Equivalents	$139.5	$184.6	$218.8	$280.3	$292.7	$302.7	$291.2	$2,178.2	$618.3	$570.6	$612.7	$752.1
Securities Available for Sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts Receivable, Net of Allowance	356.4	441.6	432.4	446.3	290.1	334.2	434.4	422.2	424.4	449.9	476.9	505.6
Notes Receivable From Stockholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid Expenses and Other Receivables	63.9	60.9	81.2	102.6	83.7	84.5	72.8	86.4	87.3	89.1	90.8	92.3
Deferred Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Tax Receivable	34.0	25.9	25.4	36.7	44.2	23.5	83.3	48.6	56.3	56.3	56.3	56.3
Other Current Assets	50.7	31.9	36.4	36.7	214.4	65.2	29.9	30.0	24.9	19.5	13.3	6.3
Total Current Assets	$644.5	$744.9	$794.2	$902.6	$925.1	$810.1	$911.6	$2,765.4	$1,211.3	$1,185.4	$1,250.0	$1,412.6
Property and Equipment, Net	$555.9	$548.1	$632.3	$658.2	$541.5	$604.9	$605.9	$582.8	$576.5	$578.2	$596.3	$625.0
Goodwill, Net	3,361.5	3,864.3	4,108.1	4,331.2	4,404.6	1,760.8	1,726.6	1,878.2	1,859.2	1,859.2	1,859.2	1,859.2
Other Intangibles, Net	1,227.8	1,398.9	1,384.8	1,225.9	504.8	471.7	392.4	346.6	283.4	227.2	172.5	119.1
Notes Receivable From Stockholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Taxes	11.1	9.8	9.1	6.6	31.7	30.8	34.3	36.6	36.2	36.2	36.2	36.2
Income Tax Receivable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Assets	99.5	489.2	633.3	683.6	553.4	687.8	593.9	585.9	584.0	584.0	584.0	584.0
Total Assets	$5,900.3	$7,055.2	$7,561.8	$7,808.1	$6,961.1	$4,366.1	$4,264.7	$6,195.5	$4,550.6	$4,470.3	$4,498.2	$4,636.1
LIABILITIES AND STOCKHOLDERS' EQUITY												
Current Liabilities												
Accounts Payable	$263.5	$375.0	$406.7	$320.7	$292.8	$340.8	$249.8	$319.1	$299.2	$312.5	$326.2	$340.5
Acquisition Related Liabilities	0.0	111.2	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short Term Debt	672.8	499.4	514.3	971.3	1,392.9	14.5	514.2	1,508.9	257.7	257.7	257.7	257.7
Pension and postretirement benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fees received in advance	383.1	440.1	466.7	501.0	321.7	375.1	447.2	444.2	492.8	522.4	553.8	587.1
Income Tax Payable	5.2	6.8	3.8	9.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Liabilities	0.0	59.3	38.7	41.2	311.8	41.0	27.7	28.1	30.4	30.4	30.4	30.4
Total Current Liabilities	$1,324.6	$1,491.8	$1,430.8	$1,843.2	$2,319.2	$771.4	$1,238.9	$2,300.3	$1,080.1	$1,123.0	$1,168.1	$1,215.6
Long-Term Debt	$2,050.5	$2,651.6	$2,699.6	$2,342.8	$2,343.2	$2,852.2	$2,546.9	$3,228.3	$4,215.8	$4,215.8	$4,215.8	$4,215.8
Pension benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postretirement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Taxes and Other Long Term Liabilities	454.6	651.0	733.2	779.6	531.0	420.3	373.9	357.1	352.8	352.8	352.8	352.8
Total Liabilities	$3,829.7	$4,794.4	$4,863.6	$4,965.6	$5,193.4	$4,043.9	$4,159.7	$5,885.7	$5,648.7	$5,691.6	$5,736.7	$5,784.2
Stockholders' Equity												
Common Stock Class A	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1
Class A unearned common stock KSOP shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Stock Class B	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional Paid in Capital	2,283.0	2,369.1	2,490.9	2,608.7	2,720.8	2,872.3	2,994.0	3,113.2	2,920.2	2,988.3	3,060.4	3,136.9
Notes Receivable From Stockholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Treasury Stock	(3,563.2)	(3,849.9)	(4,179.3)	(4,638.1)	(6,239.5)	(9,037.5)	(10,062.4)	(10,721.8)	(12,601.7)	(13,601.7)	(14,601.7)	(15,601.7)
Retained Earnings	3,942.6	4,228.4	4,762.2	5,240.4	5,999.1	6,416.9	7,153.4	7,810.5	8,501.1	9,309.9	10,220.5	11,234.4
AOCI	(591.9)	(486.9)	(375.7)	(394.6)	(731.2)	58.2	15.0	107.0	82.1	82.1	82.1	82.1
Total Stockholders' Equity	$2,070.6	$2,260.8	$2,698.2	$2,816.5	$1,749.3	$310.0	$100.1	$309.0	($1,098.2)	($1,221.3)	($1,238.6)	($1,148.2)
Noncontrolling interests	$0.0	$0.0	$0.0	$26.0	$18.4	$12.2	$4.9	$0.8	$0.0	$0.0	$0.0	$0.0
Total Liabilities & Stockholders' Equity	$5,900.3	$7,055.2	$7,561.8	$7,808.1	$6,961.1	$4,366.1	$4,264.7	$6,195.5	$4,550.6	$4,470.2	$4,498.1	$4,636.0

Source: Company Data, Morgan Stanley Research

Exhibit 110: Verisk Analytics DCF

EBITDA (pre exceptionals)											,219	2,352	3,365
-Depreciation & amortization													
EBIT	**703**											,991	2,999
Tax rate												23%	23%
=NOPAT													
+Depreciation & amortization													
Gross Cash Flow	**880**											,894	2,675
+Changes in working capital	153	(77)	(153)	(24)	(73)	(92)	36	11	21	23	24	0	0
+Capital expenditures, asset purchases													
= Gross investment													
Free cash flow from operations													
FCF growth		6%	-2%	16%	-14%								
Present value of terminal value													
Present value of cash flows													
+Minority Interest/Other								-	-	-	-	-	-
-Net Debt @ PYE								$2,559	$3,855	$3,903	$3,861	$3,861	$3,861
+ Preferred Equity								-	-	-	-	-	-
Implied Market Cap													
Fully-diluted shares								140m	132m	127m	122m	122m	122m
Implied Value per Share, Beginning of Year													
Implied Value per Share, End of Year													
								Price Target	**$215**				

Source: Company Data, Morgan Stanley Research.

Exhibit 111: Verisk Analytics Multiple Analysis

Share Price	Market Cap	EV	EV / EBITDA			Price / Adj. Earnings			Price / FCF		
			2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
$284	$37,162	$41,084	22.9x	21.2x	19.8x	36.8x	32.2x	28.4x	33.2x	30.5x	28.4x
$275	$35,984	$39,906	22.2x	20.6x	19.2x	35.6x	31.2x	27.5x	32.1x	29.6x	27.5x
$265	$34,675	$38,597	21.5x	19.9x	18.6x	34.3x	30.1x	26.5x	30.9x	28.5x	26.5x
$255	$33,367	$37,289	20.8x	19.2x	18.0x	33.0x	29.0x	25.5x	29.8x	27.4x	25.5x
$235	$30,750	$34,672	19.3x	17.9x	16.7x	30.4x	26.7x	23.5x	27.4x	25.3x	23.5x
$215	$28,133	$32,055	17.9x	16.5x	15.4x	27.8x	24.4x	21.5x	25.1x	23.1x	21.5x
$195	$25,516	$29,438	16.4x	15.2x	14.2x	25.2x	22.1x	19.5x	22.8x	21.0x	19.5x
$175	$22,899	$26,821	15.0x	13.8x	12.9x	22.7x	19.9x	17.5x	20.4x	18.8x	17.5x
$155	$20,282	$24,204	13.5x	12.5x	11.7x	20.1x	17.6x	15.5x	18.1x	16.7x	15.5x
$135	$17,665	$21,587	12.0x	11.1x	10.4x	17.5x	15.3x	13.5x	15.8x	14.5x	13.5x
$131	$17,141	$21,063	11.7x	10.9x	10.2x	17.0x	14.9x	13.1x	15.3x	14.1x	13.1x

Source: Company Data, Morgan Stanley Research.

Exhibit 112: Waste Connections (WCN) Quarterly Income Statement

Fiscal Year Ending December 31 ($mm, except per share)	2025	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Revenue:											
Total Revenue	**$9,466.9**	**$2,370.6**	**$2,561.6**	**$2,604.9**	**$2,502.3**	**$10,039.4**	**$2,535.1**	**$2,721.5**	**$2,748.5**	**$2,639.3**	**$10,644.4**
Y/Y Change	*6.1%*	*6.4%*	*6.4%*	*6.0%*	*5.4%*	*6.0%*	*6.9%*	*6.2%*	*5.5%*	*5.5%*	*6.0%*
Revenue Growth Analysis											
Core price	6.5%	6.0%	5.6%	5.4%	5.3%	5.5%	5.7%	5.3%	5.1%	5.0%	5.2%
Surcharge	(0.1%)	(0.1%)	1.1%	1.1%	1.0%	0.8%	0.8%	(0.5%)	(0.5%)	(0.5%)	(0.2%)
Volume	(2.7%)	(1.5%)	(1.9%)	(1.5%)	(1.3%)	(1.5%)	(0.5%)	(0.1%)	0.0%	0.3%	(0.1%)
Recycling	(0.5%)	(0.5%)	(0.2%)	0.2%	0.3%	(0.0%)	0.6%	0.5%	0.5%	0.5%	0.5%
Foreign Exchange Impact and Other	(1.0%)	0.5%	0.0%	(0.4%)	(0.4%)	(0.1%)	0.0%	0.0%	0.0%	0.0%	0.0%
Total Solid Waste Internal Revenue Growth	**2.2%**	**4.4%**	**3.6%**	**4.8%**	**4.9%**	**4.7%**	**6.6%**	**5.2%**	**5.1%**	**5.2%**	**5.5%**
Inorganic Revenue	377.3	55.3	45.8	40.8	28.3	170.2	19.0	9.4	0.0	0.0	28.4
E&P Waste Treatment, Recovery and Disposal	657.9	179.6	201.0	206.0	177.6	764.1	188.5	211.0	216.3	186.4	802.3
y/y growth	32.1%	24.2%	18.3%	15.0%	8.0%	16.1%	5.0%	5.0%	5.0%	5.0%	5.0%
Intermodal and Other	173.2	48.9	51.3	46.2	53.7	200.1	75.2	104.5	94.1	96.0	369.8
y/y growth	(9.0%)	6.1%	18.3%	10.0%	28.8%	15.6%	53.8%	103.8%	103.8%	78.8%	84.8%
Total Revenue	**$9,466.9**	**$2,370.6**	**$2,561.6**	**$2,604.9**	**$2,502.3**	**$10,039.4**	**$2,535.1**	**$2,721.5**	**$2,748.5**	**$2,639.3**	**$10,644.4**
Y/Y Change	*6.1%*	*6.4%*	*6.4%*	*6.0%*	*5.4%*	*6.0%*	*6.9%*	*6.2%*	*5.5%*	*5.5%*	*6.0%*
Cost of operations	5,455.4	1,361.1	1,479.2	1,481.6	1,433.4	5,755.3	1,449.2	1,564.7	1,556.4	1,505.2	6,075.6
% of Total Revenue	*57.6%*	*57.4%*	*57.7%*	*56.9%*	*57.3%*	*57.3%*	*57.2%*	*57.5%*	*56.6%*	*57.0%*	*57.1%*
Gross Profit	**$4,011.5**	**$1,009.5**	**$1,082.4**	**$1,123.3**	**$1,068.9**	**$4,284.2**	**$1,085.9**	**$1,156.8**	**$1,192.1**	**$1,134.0**	**$4,568.8**
% Margin	*42.4%*	*42.6%*	*42.3%*	*43.1%*	*42.7%*	*42.7%*	*42.8%*	*42.5%*	*43.4%*	*43.0%*	*42.9%*
Selling, General and Administrative Expenses	959.5	251.1	260.5	248.0	237.5	997.0	264.1	272.0	256.8	245.8	1,038.8
% of Total Revenue	*10.1%*	*10.6%*	*10.2%*	*9.5%*	*9.5%*	*9.9%*	*10.4%*	*10.0%*	*9.3%*	*9.3%*	*9.8%*
Depreciation and amortization:											
Total Depreciation and amortization:	1,232.1	314.7	325.9	332.8	335.3	1,308.7	335.7	349.0	351.8	351.1	1,387.6
% of Total Revenue	*13.0%*	*13.3%*	*12.7%*	*12.8%*	*13.4%*	*13.0%*	*13.2%*	*12.8%*	*12.8%*	*13.3%*	*13.0%*
Loss on disposal of assets, Impairments and other operating items	109.7	79.6	58.5	-	-	138.1	-	-	-	-	-
Total operating costs and expenses	7,756.7	2,006.6	2,124.1	2,062.4	2,006.1	8,199.1	2,049.0	2,185.7	2,165.0	2,102.2	8,501.9
% of Total Revenue	*81.9%*	*84.6%*	*82.9%*	*79.2%*	*80.2%*	*81.7%*	*80.8%*	*80.3%*	*78.8%*	*79.7%*	*79.9%*
Operating Income (loss)	**$1,710.2**	**$364.1**	**$437.6**	**$542.5**	**$496.2**	**$1,840.4**	**$486.1**	**$535.8**	**$583.5**	**$537.1**	**$2,142.4**
Operating Margin	*18.1%*	*15.4%*	*17.1%*	*20.8%*	*19.8%*	*18.3%*	*19.2%*	*19.7%*	*21.2%*	*20.3%*	*20.1%*
Interest Expense	(334.6)	(87.7)	(91.2)	(90.2)	(89.2)	(358.3)	(89.2)	(89.2)	(89.2)	(89.2)	(356.8)
Foreign currency transaction loss	-	-	-	-	-	-	-	-	-	-	-
Other Income (Expense), net	42.3	7.2	37.4	-	-	44.6	-	-	-	-	-
Pre-tax Income	**1,417.9**	**283.6**	**383.7**	**452.3**	**407.0**	**1,526.6**	**396.9**	**446.6**	**494.3**	**447.9**	**1,785.6**
Income Tax Benefit (Expense)	(341.4)	(64.2)	(87.3)	(104.5)	(94.8)	(350.9)	(87.3)	(98.2)	(108.7)	(98.5)	(392.8)
Effective Tax Rate (benefit)	24.1%	22.6%	22.8%	23.1%	23.3%	23.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Income from continuing operations	**$1,076.6**	**$219.3**	**$296.4**	**$347.8**	**$312.2**	**$1,175.7**	**$309.6**	**$348.3**	**$385.6**	**$349.3**	**$1,392.8**
(Loss)Income from Discontinued Operations, net of taxes	-	-	-	-	-	-	-	-	-	-	-
GAAP Net Income	**$1,076.6**	**$219.3**	**$296.4**	**$347.8**	**$312.2**	**$1,175.7**	**$309.6**	**$348.3**	**$385.6**	**$349.3**	**$1,392.8**
Less: noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-
GAAP Net Income to Common Shareholders	**$1,076.6**	**$219.3**	**$296.4**	**$347.8**	**$312.2**	**$1,175.7**	**$309.6**	**$348.3**	**$385.6**	**$349.3**	**$1,392.8**
GAAP EPS - Basic	**$4.18**	**$0.86**	**$1.17**	**$1.39**	**$1.25**	**$4.66**	**$1.25**	**$1.41**	**$1.56**	**$1.42**	**$5.64**
GAAP EPS - Diluted	**$4.17**	**$0.86**	**$1.17**	**$1.38**	**$1.25**	**$4.65**	**$1.24**	**$1.41**	**$1.56**	**$1.42**	**$5.63**
Period End Basic Shares Outstanding	255.6	254.2	252.2	249.7	248.8	248.8	247.9	247.1	246.3	245.5	245.5
Weighted avg Basic Shares Outstanding	257.3	255.3	253.5	250.9	249.2	252.2	248.4	247.5	246.7	245.9	247.1
Weighted avg Diluted Shares Outstanding	258.0	255.9	253.9	251.3	249.6	252.7	248.8	247.9	247.1	246.2	247.5
Cash dividend per share	1.26	0.35	0.35	0.35	0.44	1.49	0.44	0.44	0.44	0.50	1.81
EBITDA from continuing operations	**$2,984.6**	**$686.0**	**$800.8**	**$875.4**	**$831.5**	**$3,193.6**	**$821.8**	**$884.8**	**$935.3**	**$888.2**	**$3,530.0**
EBITDA % of GAAP Revenue	31.5%	28.9%	31.3%	33.6%	33.2%	31.8%	32.4%	32.5%	34.0%	33.7%	33.2%
EBITDA adjustments:											
Closure and post-closure accretion	48.0	10.3	10.3	10.3	10.3	41.3	10.3	10.3	10.3	10.3	41.3
Acquisition related transaction expenses	24.2	2.4	7.6	-	-	9.9	-	-	-	-	-
Changes in share-based grants and equity awards	0.4	(1.5)	0.3	-	-	(1.3)	-	-	-	-	-
Adjusted EBITDA from continuing operations	**$3,124.6**	**$769.5**	**$840.1**	**$885.7**	**$841.8**	**$3,337.1**	**$832.1**	**$895.1**	**$945.6**	**$898.5**	**$3,571.4**
Adj. EBITDA % of GAAP Revenue	33.0%	32.5%	32.8%	34.0%	33.6%	33.2%	32.8%	32.9%	34.4%	34.0%	33.6%
Margin Expansion	46bps	50bps	12bps	22bps	12bps	23bps	36bps	9bps	40bps	40bps	31bps
Y/Y Growth	7.6%	8.0%	6.8%	6.7%	5.8%	6.8%	8.1%	6.5%	6.8%	6.7%	7.0%
Reported Net Income	**1,076.6**	**219.3**	**296.4**	**347.8**	**312.2**	**1,175.7**	**309.6**	**348.3**	**385.6**	**349.3**	**1,392.8**
Tax effect	(84.1)	(32.1)	(28.6)	(11.7)	(12.0)	(84.4)	(10.9)	(11.7)	(11.9)	(11.4)	(45.9)
Adjusted Net Income	**$1,328.3**	**$314.9**	**$381.7**	**$386.7**	**$351.6**	**$1,434.8**	**$348.3**	**$389.9**	**$427.6**	**$389.7**	**$1,555.5**
Adjusted EPS	**$5.15**	**$1.23**	**$1.50**	**$1.54**	**$1.41**	**$5.68**	**$1.40**	**$1.57**	**$1.73**	**$1.58**	**$6.29**
% y/y growth	7%	9%	17%	7%	9%	10%	14%	5%	12%	12%	11%

Source: Company data, Morgan Stanley Research estimates

Exhibit 113: Waste Connections (WCN) Annual Income Statement

Fiscal Year Ending December 31 ($mm, except per share)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Revenue:														
Total Revenue	**$3,952.7**	**$3,375.9**	**$4,630.5**	**$4,922.9**	**$5,388.7**	**$5,446.0**	**$6,151.4**	**$7,211.9**	**$8,022.0**	**$8,919.6**	**$9,466.9**	**$10,039.4**	**$10,644.4**	**$11,150.9**
Y/Y Change	*90.1%*	*(14.6%)*	*37.2%*	*6.3%*	*9.5%*	*1.1%*	*13.0%*	*17.2%*	*11.2%*	*11.2%*	*6.1%*	*6.0%*	*6.0%*	*4.8%*
Revenue Growth Analysis (Solid Waste)														
Core price	2.8%	2.8%	3.2%	4.1%	5.1%	4.6%	4.7%	7.8%	9.5%	7.1%	6.5%	5.5%	5.2%	5.3%
Surcharge	(0.2%)	(0.3%)	0.0%	0.4%	0.1%	(0.3%)	0.3%	1.5%	(0.5%)	(0.4%)	(0.1%)	0.8%	(0.2%)	(0.1%)
Volume	2.2%	1.9%	1.1%	(0.6%)	(0.2%)	(4.8%)	1.7%	(1.1%)	(2.0%)	(2.9%)	(2.7%)	(1.5%)	(0.1%)	0.5%
Recycling	(0.6%)	0.1%	0.6%	(1.6%)	(0.7%)	0.1%	1.8%	(0.8%)	(0.7%)	0.7%	(0.5%)	(0.0%)	0.5%	0.5%
Total Solid waste Internal Revenue Growth	**4.2%**	**4.5%**	**5.0%**	**2.2%**	**4.3%**	**(0.5%)**	**9.3%**	**6.9%**	**5.8%**	**4.3%**	**2.2%**	**4.7%**	**5.5%**	**6.1%**
Inorganic Revenue	57.7	1,266.6	1,003.0	153.1	291.9	197.2	215.4	552.0	407.3	529.2	377.3	170.2	28.4	0.0
E&P Waste Treatment, Recovery and Disposal	215.4	120.2	192.0	244.6	256.0	144.0	125.1	196.8	218.2	498.2	657.9	764.1	802.3	842.4
y/y growth	(31%)	(44%)	60%	27%	5%	(44%)	(13%)	57%	11%	128%	32%	16%	5%	5%
Intermodal and Other	66.3	105.7	145.3	136.8	119.7	118.1	149.2	180.3	171.1	190.2	173.2	200.1	369.8	390.2
y/y growth	46%	59%	37%	(6%)	(13%)	(1%)	26%	21%	(5%)	11%	(9%)	16%	85%	5%
Total Revenue	**$2,117.3**	**$3,375.9**	**$4,630.5**	**$4,922.9**	**$5,388.7**	**$5,446.0**	**$6,151.4**	**$7,211.9**	**$8,022.0**	**$8,919.6**	**$9,466.9**	**$10,039.4**	**$10,644.4**	**$11,150.9**
Y/Y Change	*1.8%*	*59.4%*	*37.2%*	*6.3%*	*9.5%*	*1.1%*	*13.0%*	*17.2%*	*11.2%*	*11.2%*	*6.1%*	*6.0%*	*6.0%*	*4.8%*
Cost of operations	1,177.4	1,957.7	2,704.8	2,865.7	3,198.8	3,276.8	3,654.1	4,336.0	4,744.5	5,191.7	5,455.4	5,755.3	6,075.6	6,336.8
% of Total Revenue	*29.8%*	*58.0%*	*58.4%*	*58.2%*	*59.4%*	*60.2%*	*59.4%*	*60.1%*	*59.1%*	*58.2%*	*57.6%*	*57.3%*	*57.1%*	*56.8%*
Gross Profit	**$939.9**	**$1,418.2**	**$1,925.7**	**$2,057.2**	**$2,189.9**	**$2,169.2**	**$2,497.3**	**$2,875.8**	**$3,277.4**	**$3,727.9**	**$4,011.5**	**$4,284.2**	**$4,568.8**	**$4,814.1**
% Margin	*44.4%*	*42.0%*	*41.6%*	*41.8%*	*40.6%*	*39.8%*	*40.6%*	*39.9%*	*40.9%*	*41.8%*	*42.4%*	*42.7%*	*42.9%*	*43.2%*
Selling, General and Administrative Expenses	237.5	474.3	509.6	524.4	546.3	537.6	612.3	696.5	799.1	883.4	959.5	997.0	1,038.8	1,077.0
% of Total Revenue	*6.0%*	*14.0%*	*11.0%*	*10.7%*	*10.1%*	*9.9%*	*10.0%*							
Depreciation and amortization:														
Total Depreciation and amortization:	269.4	463.9	632.5	680.5	743.9	752.4	813.0	919.0	1,003.2	1,163.8	1,232.1	1,308.7	1,387.6	1,453.6
% of Total Revenue	*6.8%*	*13.7%*	*13.7%*	*13.8%*	*13.8%*	*13.8%*	*13.2%*	*12.7%*	*12.5%*	*13.0%*	*13.0%*	*13.0%*	*13.0%*	*13.0%*
Loss on disposal of assets, Impairments and other operating it	494.5	27.7	156.5	20.1	61.9	466.7	32.3	18.2	238.8	613.0	109.7	138.1	-	-
Total operating costs and expenses	2,178.8	2,923.6	4,003.4	4,090.7	4,550.9	5,033.6	5,111.7	5,969.7	6,785.6	7,851.9	7,756.7	8,199.1	8,501.9	8,867.3
% of Total Revenue	*55.1%*	*86.6%*	*86.5%*	*83.1%*	*84.5%*	*92.4%*	*83.1%*	*82.8%*	*84.6%*	*88.0%*	*81.9%*	*81.7%*	*79.9%*	*79.5%*
Operating Income (loss)	**$1,773.9**	**$452.3**	**$627.1**	**$832.2**	**$837.8**	**$412.4**	**$1,039.6**	**$1,242.2**	**$1,236.3**	**$1,067.7**	**$1,710.2**	**$1,840.4**	**$2,142.4**	**$2,283.5**
Operating Margin	*44.9%*	*13.4%*	*13.5%*	*16.9%*	*15.5%*	*7.6%*	*16.9%*	*17.2%*	*15.4%*	*12.0%*	*18.1%*	*18.3%*	*20.1%*	*20.5%*
Interest Expense	(64.2)	(92.7)	(125.3)	(132.1)	(147.4)	(162.4)	(162.8)	(202.3)	(274.6)	(326.8)	(334.6)	(358.3)	(356.8)	(356.8)
Foreign currency transaction loss	-	1.1	(2.2)	(0.2)	1.2	-	-	-	-	-	-	-	-	-
Other Income (Expense), net	(0.5)	0.7	8.9	7.2	14.3	3.9	(106.1)	9.1	21.8	22.1	42.3	44.6	-	-
Pre-tax Income	**1,709.1**	**361.4**	**508.5**	**707.1**	**705.9**	**253.9**	**770.7**	**1,049.0**	**983.5**	**762.9**	**1,417.9**	**1,526.6**	**1,785.6**	**1,926.7**
Income Tax Benefit (Expense)	31.6	(114.0)	68.9	(160.0)	(139.2)	(49.9)	(152.3)	(213.0)	(220.7)	(146.4)	(341.4)	(350.9)	(392.8)	(423.9)
Effective Tax Rate (benefit)	25.0%	31.6%	(13.6%)	22.6%	19.7%	19.7%	19.8%	20.3%	22.4%	19.2%	24.1%	23.0%	22.0%	22.0%
Income from continuing operations	**$1,740.7**	**$247.3**	**$577.4**	**$547.2**	**$566.7**	**$204.0**	**$618.5**	**$836.0**	**$762.8**	**$616.6**	**$1,076.6**	**$1,175.7**	**$1,392.8**	**$1,502.8**
(Loss)Income from Discontinued Operations, net of taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GAAP Net Income	**$1,740.7**	**$247.3**	**$577.4**	**$547.2**	**$566.7**	**$204.0**	**$618.5**	**$836.0**	**$762.8**	**$616.6**	**$1,076.6**	**$1,175.7**	**$1,392.8**	**$1,502.8**
Less: noncontrolling interests	(1.1)	(0.8)	(0.6)	(0.3)	0.2	0.7	(0.4)	(0.3)	(0.0)	1.0	-	-	-	-
GAAP Net Income to Common Shareholders	**$1,739.7**	**$246.5**	**$576.8**	**$546.9**	**$566.8**	**$204.7**	**$618.0**	**$835.7**	**$762.8**	**$617.6**	**$1,076.6**	**$1,175.7**	**$1,392.8**	**$1,502.8**
GAAP EPS - Basic	**$9.39**	**$1.07**	**$2.19**	**$2.07**	**$2.15**	**$0.78**	**$2.37**	**$3.24**	**$2.96**	**$2.39**	**$4.18**	**$4.66**	**$5.64**	**$6.16**
GAAP EPS - Diluted	**$9.39**	**$1.07**	**$2.18**	**$2.07**	**$2.14**	**$0.78**	**$2.36**	**$3.24**	**$2.95**	**$2.39**	**$4.17**	**$4.65**	**$5.63**	**$6.15**
Period End Basic Shares Outstanding	183.6	262.8	263.5	263.1	263.6	262.8	259.9	256.1	257.6	258.0	255.6	248.8	245.5	242.3
Weighted avg Basic Shares Outstanding	185.2	230.3	263.7	263.7	263.8	263.2	261.2	257.6	257.6	258.0	257.3	252.2	247.1	243.9
Weighted avg Diluted Shares Outstanding	185.2	231.1	264.3	264.4	264.5	263.6	261.7	258.3	258.2	258.3	258.0	252.7	247.5	244.3
Cash dividend per share	0.36	0.41	0.50	0.58	0.67	0.76	0.85	0.92	1.05	1.17	1.26	1.49	1.81	2.03
EBITDA from continuing operations	**$207.4**	**$918.0**	**$1,266.3**	**$1,519.7**	**$1,597.2**	**$1,168.7**	**$1,746.5**	**$2,170.3**	**$2,261.4**	**$2,253.5**	**$2,984.6**	**$3,193.6**	**$3,530.0**	**$3,737.1**
EBITDA % of GAAP Revenue	9.8%	27.2%	27.3%	30.9%	29.6%	21.5%	28.4%	30.1%	28.2%	25.3%	31.5%	31.8%	33.2%	33.5%
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA adjustments:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closure and post-closure accretion	4.0	8.9	11.8	13.0	14.5	15.1	14.5	16.3	19.6	29.8	48.0	41.3	41.3	41.3
Acquisition related transaction expenses	4.2	47.8	5.7	8.6	12.3	9.8	11.3	24.9	10.7	26.1	24.2	9.9	-	-
Pre-existing Progressive Waste share-based grants	-	14.3	16.0	9.2	3.1	5.5	8.4	0.1	(0.7)	2.5	0.4	(1.3)	-	-
Adjusted EBITDA from continuing operations	**$710.6**	**$1,071.1**	**$1,460.5**	**$1,566.4**	**$1,673.6**	**$1,662.0**	**$1,919.2**	**$2,220.7**	**$2,523.0**	**$2,902.8**	**$3,124.6**	**$3,337.1**	**$3,571.4**	**$3,778.4**
Adj. EBITDA % of GAAP Revenue	33.6%	31.7%	31.5%	31.8%	31.1%	30.5%	31.2%	30.8%	31.5%	32.5%	33.0%	33.2%	33.6%	33.9%
Reported Net Income	**(95.8)**	**246.5**	**576.8**	**546.9**	**566.8**	**204.7**	**618.0**	**835.7**	**762.8**	**617.6**	**1,076.6**	**1,175.7**	**1,392.8**	**1,502.8**
Tax effect	(180.2)	(69.6)	(297.3)	(26.3)	(50.2)	(122.3)	(78.0)	(49.3)	(102.9)	(208.7)	(84.1)	(84.4)	(45.9)	(48.1)
Adjusted Net Income	**$244.8**	**$395.2**	**$571.0**	**$669.0**	**$719.6**	**$695.8**	**$846.6**	**$985.3**	**$1,081.3**	**$1,239.3**	**$1,328.3**	**$1,434.8**	**$1,555.5**	**$1,673.3**
Adjusted EPS	**$1.32**	**$1.71**	**$2.16**	**$2.53**	**$2.72**	**$2.64**	**$3.23**	**$3.81**	**$4.19**	**$4.80**	**$5.15**	**$5.68**	**$6.29**	**$6.85**
% y/y growth			*26%*	*17%*	*7%*	*-3%*	*23%*	*18%*	*10%*	*15%*	*7%*	*10%*	*11%*	*9%*

Source: Company data, Morgan Stanley Research estimates

Exhibit 114: Waste Connections (WCN) Annual Statement of Cash Flows

Fiscal Year Ending December 31 ($mm, except per share)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Cash Flows from Operations														
Net Income	-$94.7	$247.3	$577.4	$547.2	$566.7	$204.0	$618.5	$836.0	$762.8	$616.6	$1,076.6	$1,175.7	$1,392.8	$1,502.8
Adjustments:														-
Loss on Disposal of Assets and Impairment	518.7	26.7	134.5	10.2	60.6	445.6	27.7	9.5	38.9	122.6	113.6	7.2	-	-
Depreciation	240.4	393.6	530.2	572.7	618.4	621.1	673.7	763.3	845.6	974.0	1,030.6	1,111.9	1,179.0	1,235.0
Amortization of Intangibles	29.1	70.3	102.3	107.8	125.5	131.3	139.3	155.7	157.6	189.8	201.5	196.8	208.6	218.6
Amortization of leases	-	-	-	-	24.1	-	-	-	-	-	-	-	-	-
Foreign Currency Transaction Loss	-	(1.1)	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Taxes, Net of Acquisitions	(132.5)	42.3	(153.3)	77.9	54.6	(50.5)	14.6	93.5	6.3	(57.3)	116.7	37.2	-	-
Amortization of Debt Issuance Costs	3.1	4.8	4.3	4.2	5.0	7.5	5.1	5.5	6.5	10.0	8.4	4.5	-	-
Share Based Compensation	20.3	44.8	39.4	43.8	42.7	45.8	58.2	63.5	70.4	77.9	79.4	83.7	94.1	104.1
Interest Accretion	6.8	10.5	13.8	14.9	16.4	17.2	16.0	17.7	22.7	36.0	51.5	22.2	-	-
Payment of Contingent Consideration Recorded in Earni	-	(0.5)	(10.0)	(0.0)	-	(10.4)	(0.5)	(3.0)	-	(35.0)	(0.4)	-	-	-
Adjustments to Contingent Considerations	(22.2)	(2.6)	17.8	0.3	1.5	18.4	3.0	(1.0)	30.4	(0.0)	(6.2)	(1.3)	-	-
Excess Tax Benefit associated with Equity-based Compe	(2.1)	(5.2)	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income on Restricted Assets	(0.4)	(0.5)	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	1.6	0.9	(2.2)	2.4	123.7	9.1	173.0	503.7	6.6	142.7	-	-
								-	-	-	-	-	-	-
Net Change in Operating assets and liabilities, net of Acq	**10.6**	**(35.2)**	**(70.7)**	**31.4**	**27.3**	**(24.0)**	**19.0**	**72.8**	**12.5**	**(209.3)**	**(264.2)**	**(117.5)**	**40.4**	**37.2**
Net Cash Used in Operating Activities	**577.0**	**795.3**	**1,187.3**	**1,411.2**	**1,540.5**	**1,408.5**	**1,698.2**	**2,022.5**	**2,126.8**	**2,228.9**	**2,414.1**	**2,663.1**	**2,914.8**	**3,097.8**
Cash from Investing Activities														
Cash (Payments)for acquisitions	(230.5)	48.6	(410.7)	(830.1)	(736.6)	(388.8)	(960.4)	(2,206.9)	(676.8)	(2,120.9)	(817.6)	(309.6)	-	-
Capital expenditures for property and equipment	(238.8)	(344.7)	(479.3)	(546.1)	(634.4)	(597.1)	(744.3)	(912.7)	(934.0)	(1,056.0)	(1,179.2)	(1,255.9)	(1,145.2)	(1,205.3)
Capital expenditure for purchase of greenfield landfill site	-	-	-	-	(31.7)	(67.5)	-	-	-	-	(15.1)	(51.0)	-	-
Investment in noncontrolling interest	-	-	-	-	(25.0)	-	(25.0)	-	-	-	-	-	-	-
Proceeds from disposal of assets	2.9	4.6	28.4	5.4	3.6	19.1	42.8	30.7	31.6	7.9	10.1	2.9	-	-
Change in Restricted Assets, net of Interest Income	(2.2)	(0.4)	-	-	(2.2)	-	-	-	-	-	-	-	-	-
Other	(1.8)	(4.5)	0.6	(1.0)	0.3	(11.8)	(6.5)	1.7	(1.9)	9.8	(21.4)	(5.2)	-	-
Net Cash Used in Investing Activities	**(470.5)**	**(296.4)**	**(860.9)**	**(1,371.8)**	**(1,426.0)**	**(1,046.0)**	**(1,693.5)**	**(3,087.2)**	**(1,581.1)**	**(3,159.2)**	**(2,023.2)**	**(1,618.9)**	**(1,145.2)**	**(1,205.3)**
Cash from Financing Activities														
Proceeds from Long-Term Debt	1,489.5	3,469.3	973.8	1,022.7	1,575.8	1,815.6	2,112.2	4,816.1	1,818.8	4,564.5	2,674.4	1,703.6	-	-
Principal payments on notes payable and long-term debt	(1,429.2)	(3,714.0)	(770.1)	(970.8)	(1,470.7)	(1,543.0)	(1,893.1)	(3,074.0)	(2,052.2)	(3,245.4)	(2,130.0)	(1,366.1)	-	-
Payment of Contingent Consideration Recorded at Acquisit	(2.2)	(16.3)	(17.2)	(6.1)	(3.2)	(12.6)	(12.9)	(16.9)	(13.3)	(27.7)	(34.3)	(4.7)	-	-
Changes in Book Overdraft	(0.1)	(1.3)	8.2	(0.8)	(2.6)	1.1	(0.4)	(1.1)	(0.8)	(0.2)	0.0	14.2	-	-
Payments for Repurchase of Common Shares	(91.2)	-	-	(58.9)	-	(105.7)	(339.0)	(425.0)	-	-	(505.5)	(914.5)	(600.0)	(600.0)
Payment for Cash Dividends	(66.0)	(92.5)	(132.0)	(152.6)	(175.1)	(199.9)	(220.2)	(243.0)	(270.6)	(302.3)	(333.8)	(373.4)	(446.3)	(494.9)
Tax Withholdings related to net Share Settlements of Restr	(6.4)	(11.5)	(14.0)	(15.0)	(17.7)	(23.4)	(18.6)	(18.4)	(31.0)	(32.9)	(31.8)	(25.0)	-	-
Debt Issuance costs	(6.9)	(13.5)	(3.7)	(8.6)	(6.0)	(11.1)	(18.5)	(13.3)	-	(13.4)	(4.9)	(5.7)	-	-
Proceeds from Option and Warrant exercises	0.6	-	-	-	-	-	-	3.3	3.9	4.5	5.5	3.0	-	-
Excess Tax Benefit associated with Equity-based Compens	2.1	5.2	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Issuance of Shares held in Trust	-	19.9	10.8	2.7	4.0	0.7	1.7	0.7	0.8	2.0	0.3	-	-	-
Distributions to Noncontrolling Interests	(0.0)	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	0.9	(0.1)	(0.6)	-	(110.6)	-	-	(4.0)	-	-	-	-
Net cash used by Financing Activities	**(109.8)**	**(354.9)**	**56.8**	**(187.6)**	**(95.9)**	**(78.2)**	**(499.5)**	**1,028.5**	**(544.4)**	**944.9**	**(360.0)**	**(968.5)**	**(1,046.3)**	**(1,094.9)**
Effect of exchange rate changes on cash and equivalents	-	(0.6)	1.8	(1.3)	0.6	6.9	(0.0)	(2.0)	1.3	(0.6)	0.6	(2.4)	-	-
Net increase/(decrease) in Cash Equivalents	(3.4)	143.5	384.9	(149.5)	19.3	291.2	(494.8)	(38.3)	2.7	14.1	31.4	73.2	723.3	797.7
Cash & Equivalents - Beginning	14.4	11.0	154.4	553.2	404.0	423.2	714.4	219.6	181.4	184.0	198.2	229.6	302.8	1,026.1
Less: Change in Cash held for Sale	-	(0.0)	(0.2)	0.2	-	-	-	-	-	-	-	-	-	-
Change in Cash due to Restatement	-	-	14.1	-	-	-	-	-	-	-	-	-	-	-
Cash, Cash Equivalents & Restricted Cash - End	**$11.0**	**$154.4**	**$553.2**	**$404.0**	**$423.2**	**$714.4**	**$219.6**	**$181.4**	**$184.0**	**$198.2**	**$229.6**	**$302.8**	**$1,026.1**	**$1,823.7**

Source: Company data, Morgan Stanley Research estimates

Exhibit 115: Waste Connections (WCN) Annual Balance Sheet

Fiscal Year Ending December 31 ($mm, except per share)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Assets														
Current Assets														
Cash and Cash Equivalents	$11.0	$154.4	$433.8	$319.3	$326.7	$617.3	$147.4	$78.6	$78.4	$62.4	$46.0	$139.4	$862.7	$1,660.3
Accounts Receivable, net	255.2	485.1	554.5	609.5	662.8	630.3	709.6	833.9	857.0	935.0	1,025.0	1,052.9	1,110.5	1,164.6
Prepaid Expenses and Other Current Assets	46.5	97.5	187.0	164.1	141.1	160.7	175.7	205.1	206.4	229.5	240.6	253.7	267.6	280.6
Deferred Income Taxes	49.7	89.2	-	-	-	-	-	-	-	-	-	-	-	-
Current Assets Held for Sale	-	6.3	1.6	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	**362.4**	**832.6**	**1,176.9**	**1,092.9**	**1,130.6**	**1,408.3**	**1,032.8**	**1,117.6**	**1,141.8**	**1,226.9**	**1,311.6**	**1,445.9**	**2,240.8**	**3,105.5**
	-	-	119.4	84.7	96.5	97.1	72.2	102.7	105.6	135.8	183.6	163.4	163.4	163.4
Restricted Assets	46.2	63.4	47.6	47.5	51.2	57.5	59.0	68.1	70.4	78.1	80.8	72.8	72.8	72.8
Property and Equipment, net	2,738.3	4,738.1	4,820.9	5,169.0	5,516.3	5,284.5	5,721.9	6,950.9	7,228.3	8,035.9	8,733.3	9,055.8	9,022.1	8,992.3
Operating lease right-of-use assets	-	-	-	-	183.2	170.9	160.6	192.5	261.8	308.2	312.5	315.7	315.7	315.7
Goodwill, net	1,422.8	4,390.3	4,681.8	5,031.7	5,510.9	5,726.7	6,187.6	6,902.3	7,404.4	7,950.4	8,392.2	8,388.1	8,388.1	8,388.1
Intangible Assets, net	511.3	1,067.2	1,087.4	1,128.6	1,163.1	1,155.1	1,350.6	1,673.9	1,603.5	1,991.6	2,006.2	1,871.6	1,662.9	1,444.4
Long-term Assets Held for Sale	-	34.0	12.6	-	-	-	-	-	-	-	-	-	-	-
Other Assets, net	40.7	67.7	68.0	73.0	86.0	92.3	115.2	126.5	100.0	90.8	109.1	121.9	121.9	121.9
Total Assets	**5,121.8**	**11,193.1**	**12,014.7**	**12,627.3**	**13,737.7**	**13,992.4**	**14,699.9**	**17,134.6**	**17,915.9**	**19,817.8**	**21,129.4**	**21,435.2**	**21,987.6**	**22,604.0**
Liabilities and Stockholders' Equity														
Current Liabilities														
Accounts Payable	115.2	251.3	330.5	360.0	437.0	290.8	392.9	638.7	642.5	637.4	765.2	819.9	861.0	899.0
Book Overdraft	12.4	11.0	19.2	18.5	16.0	17.1	16.7	15.6	14.9	14.6	14.7	28.9	28.9	28.9
Accrued Liabilities	136.0	269.4	278.0	289.5	281.3	404.9	442.6	431.2	521.4	736.8	810.4	854.4	901.2	945.0
Current portion of operating lease liabilities	-	-	-	-	29.9	30.7	38.0	35.2	32.5	40.5	44.3	46.9	46.9	46.9
Current portion of Contingent Consideration	22.2	21.5	15.8	11.6	26.2	43.3	62.8	60.1	95.0	59.2	65.0	61.4	61.4	61.4
Deferred Revenue	90.3	134.1	145.2	179.3	216.4	233.6	273.7	325.0	355.2	382.5	416.0	438.6	462.6	485.2
Current Portion of Long-Term Debt and Notes Payable	2.1	1.7	11.7	1.8	0.5	8.3	6.0	6.8	26.5	7.9	8.7	8.4	8.4	8.4
Current Liabilities Held for Sale	-	3.4	2.2	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	**378.3**	**692.2**	**802.6**	**860.7**	**1,007.2**	**1,028.7**	**1,232.7**	**1,512.6**	**1,687.9**	**1,878.8**	**2,124.3**	**2,258.5**	**2,370.4**	**2,474.7**
Long-Term Debt and Notes Payable	2,147.1	3,616.8	3,899.6	4,153.5	4,353.8	4,708.7	5,040.5	6,890.1	6,724.8	8,072.9	8,811.1	9,093.8	9,093.8	9,093.8
Long-term portion of operating lease liabilities	-	-	-	-	160.0	147.2	129.6	165.5	238.4	272.1	267.0	270.9	270.9	270.9
Long-term Portion of Contingent Consideration	27.2	30.4	31.5	43.0	42.8	28.4	31.5	21.3	20.0	28.0	19.7	19.6	19.6	19.6
Deferred Income Taxes	452.5	867.8	690.8	760.0	818.6	760.0	850.9	1,013.7	1,022.5	958.3	1,085.6	1,121.5	1,121.5	1,121.5
Other Long-Term Liabilities	124.9	331.1	316.2	349.9	416.9	455.9	421.1	417.6	524.4	747.3	576.3	543.7	543.7	543.7
Long-term Liabilities Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	**3,130.0**	**5,538.2**	**5,740.6**	**6,167.1**	**6,799.3**	**7,128.9**	**7,706.4**	**10,021.0**	**10,218.1**	**11,957.5**	**12,884.0**	**13,308.0**	**13,419.9**	**13,524.2**
Stockholders' Equity														
Common Stock	1.2	4,174.8	4,187.6	4,131.3	4,135.3	4,030.4	3,693.0	3,272.0	3,276.7	3,283.2	2,783.4	2,172.0	2,172.0	2,172.0
Additional Paid-in Capital	736.7	102.2	115.7	133.6	154.9	170.6	199.5	244.1	284.3	325.9	373.2	431.7	525.8	629.9
Accumulated Other Comprehensive Loss	(12.2)	(43.0)	108.4	(74.8)	(11.0)	(0.7)	39.6	(56.8)	(9.8)	(205.7)	(111.0)	(178.6)	(178.6)	(178.6)
Treasury Shares	-	-	-	-	-	-	-	-	-	-	-	(300.0)	(900.0)	(1,500.0)
Retained Earnings	1,259.5	1,413.5	1,856.9	2,264.5	2,654.2	2,659.0	3,056.8	3,649.5	4,141.7	4,457.0	5,199.8	6,002.1	6,948.6	7,956.5
Owner's Equity	1,985.2	5,647.5	6,268.7	6,454.6	6,933.5	6,859.3	6,988.9	7,108.7	7,692.8	7,860.4	8,245.4	8,127.1	8,567.7	9,079.7
Noncontrolling Interest in Subsidiaries	6.6	7.4	5.4	5.6	4.9	4.2	4.6	4.9	5.0	-	-	-	-	-
Total stockholders' equity	**1,991.8**	**5,654.9**	**6,274.1**	**6,460.2**	**6,938.4**	**6,863.4**	**6,993.5**	**7,113.6**	**7,697.8**	**7,860.4**	**8,245.4**	**8,127.1**	**8,567.7**	**9,079.7**
Total liabilities & equity	**$5,121.8**	**$11,193.1**	**$12,014.7**	**$12,627.3**	**$13,737.7**	**$13,992.4**	**$14,699.9**	**$17,134.6**	**$17,915.9**	**$19,817.8**	**$21,129.4**	**$21,435.2**	**$21,987.6**	**$22,604.0**

Source: Company data, Morgan Stanley Research estimates

Exhibit 116: Waste Connections (WCN) Discounted Cash Flow Valuation

Waste Connections Inc. (USD mm)	**WACC:**	**6.8%**		**Terminal Growth:**		**2.8%**		**Terminal Multiple:**		**17.4x**			
	2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2040E**
Operating profit	**838**	**412**	**1,040**	**1,242**	**1,236**	**1,068**	**1,710**	**1,840**	**2,142**	**2,284**	**2,432**	**2,578**	**4,130**
Tax rate	*20%*	*20%*	*20%*	*20%*	*22%*	*19%*	*24%*	*23%*	*22%*	*22%*	*22%*	*22%*	*22%*
=NOPAT	**673**	**331**	**834**	**990**	**959**	**863**	**1,298**	**1,417**	**1,671**	**1,781**	**1,897**	**2,011**	**3,221**
+Non-Cash Charges	829	1,198	841	928	1,042	1,286	1,346	1,316	1,388	1,454	1,522	1,614	1,979
Gross Cash Flow	**1,501**	**1,529**	**1,675**	**1,918**	**2,001**	**2,149**	**2,644**	**2,733**	**3,059**	**3,235**	**3,420**	**3,625**	**5,200**
+Changes in working capital	27	(24)	19	73	13	(209)	(264)	(118)	40	37	38	0	0
+Capital expenditures, asset purchases	(666)	(665)	(744)	(913)	(934)	(1,056)	(1,194)	(1,307)	(1,145)	(1,205)	(1,268)	(1,344)	(1,979)
= Gross investment	**(639)**	**(689)**	**(725)**	**(840)**	**(921)**	**(1,265)**	**(1,459)**	**(1,425)**	**(1,105)**	**(1,168)**	**(1,230)**	**(1,344)**	**(1,979)**
Free cash flow to firm	**862**	**841**	**950**	**1,079**	**1,080**	**884**	**1,186**	**1,309**	**1,954**	**2,067**	**2,189**	**2,281**	**3,221**
FCF growth	5%	-2%	13%	14%	0%	-18%	34%	10%	49%	6%	6%	4%	-1%
Present value of cash flows								$53,040	$55,335	$57,141	$58,957	$60,773	$79,646
-Minority Interest								$0	$0	$0	$0	$0	$0
-Net Debt at PYE								$8,774	$8,963	$8,239	$7,442	$7,442	$7,442
+ Preferred Equity								$0	$0	$0	$0	$0	$0
Implied Market Cap								$44,266	$46,372	$48,901	$51,515	$53,331	$72,204
Fully-diluted shares (BOP)								258m	253m	247m	244m	244m	244m
Implied Value per Share Beginning of Year								**$172**	**$184**	**$198**	**$211**	**$218**	**$296**
Implied Value per Share in 12-Months								**$184**	**$197**	**$212**	**$226**	**$234**	**$317**
							Weighted DCF PT	**$195**					

Source: Company data, Morgan Stanley Research estimates

Exhibit 117: Waste Connections (WCN) Multiple Analysis

Share Price	EV	Market Cap	EV / Adj. EBITDA	Adj. P/E	Unlevered FCF Yield	PEG Ratio	Levered FCF Yield
$282							.0% 2.5%
$255							.2% 2.7%
$240							.3% 2.9%
$225							.5% 3.1%
$210							.7% 3.3%
$195							.9% 3.6%
$180							.1% 3.9%
$165							.4% 4.2%
$150							.8% 4.6%
$135							.2% 5.2%
$117							.8% 6.0%

Source:: Company data, Morgan Stanley Research estimates

Exhibit 118: Waste Management (WM) Quarterly Income Statement

Fiscal Year Ending December 31	2025	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Collection	$17,569.0	$4,410.0	$4,639.0								
Landfill	5,347.0	1,246.0	1,433.0								
Transfer	2,629.0	619.0	710.0								
Recycling	1,866.0	455.0	491.0								
WM Healthcare	2,744.0	721.0	742.0								
Other	533.0	174.0	172.0								
Intercompany	(5,484.0)	(1,398.0)	(1,503.0)								
Total Revenue	$25,204.0	$6,227.0	$6,684.0	$6,814.8	$6,616.1	$26,341.9	$6,563.4	$7,006.0	$7,145.2	$6,916.8	$27,631.4
YoY Growth	14.2%	3.5%	4.0%	5.8%	4.8%	4.5%	5.4%	4.8%	4.8%	4.5%	4.9%
Labor and related benefits	$4,476.0	$1,115.0	$1,150.0	$1,197.9	$1,181.8	$4,644.7	$1,175.2	$1,205.4	$1,256.0	$1,235.5	$4,872.2
Transfer and disposal costs	1,399.0	326.0	363.0	373.5	356.5	1,419.1	339.7	376.3	387.3	368.6	1,471.9
Maintenance and repairs	2,227.0	546.0	586.0	608.7	561.0	2,301.7	575.5	614.2	638.2	586.5	2,414.4
Subcontractor costs	2,514.0	617.0	689.0	693.2	654.4	2,653.6	647.0	718.7	723.2	680.7	2,769.7
COGS	924.0	212.0	225.0	239.6	219.0	895.7	223.5	235.8	251.2	229.0	939.5
Fuel	521.0	142.0	171.0	163.5	140.2	616.6	146.4	175.7	167.8	143.1	633.0
Disposal and franchise fees and taxes	803.0	188.0	218.0	223.2	205.4	834.6	198.2	228.5	234.0	214.7	875.4
Landfill operating costs	549.0	101.0	119.0	101.7	109.0	430.6	104.8	123.0	104.8	112.2	444.8
Risk management	373.0	114.0	97.0	76.2	116.1	403.3	115.2	122.9	125.4	121.4	484.9
Other	1,226.0	323.0	337.0	323.5	281.1	1,264.6	337.2	349.7	335.7	290.4	1,313.0
Operating Expenses	$14,996.0	$3,684.0	$3,955.0	$4,000.9	$3,824.5	$15,464.5	$3,862.6	$4,150.3	$4,223.7	$3,982.1	$16,218.7
Gross Margin	40.5%	40.8%	40.8%	41.3%	42.2%	41.3%	41.1%	40.8%	40.9%	42.4%	41.3%
Selling, General, and Admin. Expenses	$2,626.0	$690.0	$662.0	$671.6	$670.8	$2,694.4	$724.0	$690.4	$700.6	$697.9	$2,812.8
% of Total Revenue	10.4%	11.1%	9.9%	9.9%	10.1%	10.2%	11.0%	9.9%	9.8%	10.1%	10.2%
Total Expenses	$17,622.0	$4,374.0	$4,617.0	$4,672.5	$4,495.4	$18,158.9	$4,586.6	$4,840.7	$4,924.2	$4,680.0	$19,031.5
Adjusted Operating EBITDA	$7,582.0	$1,853.0	$2,067.0	$2,142.3	$2,120.7	$8,183.0	$1,976.8	$2,165.3	$2,221.0	$2,236.8	$8,599.8
Adjusted EBITDA Margin	30.1%	29.8%	30.9%	31.4%	32.1%	31.1%	30.1%	30.9%	31.1%	32.3%	31.1%
Year-over-Year Growth	15.5%	8.0%	7.5%	8.7%	7.4%	7.9%	6.7%	4.8%	3.7%	5.5%	5.1%
Depreciation & Amortization	$2,863.0	$735.0	$777.0	$757.2	$793.0	$2,979.3	$711.4	$752.1	$772.6	$807.9	$3,044.0
D&A (landfill airspace) as % of revenue	9.7%	9.6%	9.6%	9.7%	10.5%	9.9%	9.7%	9.6%	9.7%	10.6%	9.9%
Total D&A % of Total Revenue	11.4%	11.8%	11.6%	11.1%	12.0%	11.3%	10.8%	10.7%	10.8%	11.7%	11.0%
Accretion		$39.0	$39.0	$39.8	$38.6	$156.4	$38.3	$40.9	$41.7	$40.4	$161.2
Income from Operations	$4,719.0	$1,118.0	$1,290.0	$1,345.3	$1,289.1	$5,047.3	$1,227.1	$1,372.3	$1,406.7	$1,388.6	$5,394.6
Operating Margin	18.7%	18.0%	19.3%	19.7%	19.5%	19.2%	18.7%	19.6%	19.7%	20.1%	19.5%
Interest Expense	($912.0)	($225.0)	($233.0)	($235.3)	($235.3)	($928.7)	($235.3)	($235.3)	($235.3)	($235.3)	($941.4)
Interest Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity in income (loss) of affiliates	10.0	0.0	0.0	4.0	(1.0)	3.0	0.0	0.0	4.0	(1.0)	3.0
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other, net	20.0	3.0	4.0	0.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0
Income before Income taxes	$3,837.0	$896.0	$1,061.0	$1,113.9	$1,052.7	$4,128.7	$991.8	$1,136.9	$1,175.4	$1,152.2	$4,456.3
Income Tax Benefits (Expense)	(805.0)	(165.0)	(247.0)	(256.2)	(242.1)	(910.3)	(228.1)	(261.5)	(270.3)	(265.0)	(1,024.9)
Net Income	$3,032.0	$731.0	$814.0	$857.7	$810.6	$3,218.3	$763.6	$875.4	$905.0	$887.2	$3,431.3
Extraordinary Income (Expense)	($323.0)	($8.0)	($28.0)	$0.0	$0.0	($36.0)	$0.0	$0.0	$0.0	$0.0	$0.0
Net Income, reported	$2,709.0	$723.0	$786.0	$857.7	$810.6	$3,182.3	$763.6	$875.4	$905.0	$887.2	$3,431.3
Avg. Diluted Shares Outstanding	404.3	404.4	402.4	401.1	398.5	401.6	396.9	396.4	395.8	395.3	396.1
Net Income (Loss) per Share	$6.70	$1.79	$1.95	$2.14	$2.03	$7.92	$1.92	$2.21	$2.29	$2.24	$8.66
Recur. Net Inc. / Share Avail. to Com.	$7.50	$1.81	$2.02	$2.14	$2.03	$8.01	$1.92	$2.21	$2.29	$2.24	$8.66
Year-over-Year Growth	3.7%	8.5%	5.1%	7.9%	5.5%	6.9%	6.4%	9.2%	6.9%	10.3%	8.1%

Source: Company Data, Morgan Stanley Research

Exhibit 119: Waste Management (WM) Annual Income Statement

Fiscal Year Ending December 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
Collection	$8,507.0	$8,439.0	$8,802.0	$9,264.0	$9,724.0	$10,240.0	$10,053.0	$11,675.0	$13,169.0	$14,464.0	$16,801.0					
Landfill	2,849.0	2,919.0	3,110.0	3,370.0	3,560.0	3,846.0	3,667.0	4,153.0	4,600.0	4,871.0	5,044.0					
Transfer	1,353.0	1,377.0	1,512.0	1,591.0	1,711.0	1,820.0	1,855.0	2,072.0	2,143.0	2,293.0	2,448.0					
Recycling	1,370.0	1,163.0	1,221.0	1,432.0	1,293.0	1,040.0	1,127.0	1,681.0	1,701.0	1,515.0	1,890.0					
WM Healthcare											413.0					
Other	1,561.0	1,452.0	1,601.0	1,713.0	1,736.0	1,758.0	1,776.0	2,112.0	2,405.0	2,033.0	369.0					
Intercompany	(2,461.0)	(2,389.0)	(2,637.0)	(2,885.0)	(3,110.0)	(3,249.0)	(3,260.0)	(3,762.0)	(4,320.0)	(4,750.0)	(4,902.0)					
Total Revenue	$13,262.0	$12,961.0	$13,609.0	$14,485.0	$14,914.0	$15,455.0	$15,218.0	$17,931.0	$19,698.0	$20,426.0	$22,063.0	$25,204.0	$26,341.9	$27,631.4	$28,804.5	$30,027.5
YoY Growth	-5.2%	-2.3%	5.0%	6.4%	3.0%	3.6%	-1.5%	17.8%	9.9%	3.7%	8.0%	14.2%	4.5%	4.9%	4.2%	4.2%
Labor and related benefits	$2,355.0	$2,326.0	$2,410.0	$2,489.0	$2,700.0	$2,791.0	$2,746.0	$3,223.0	$3,452.0	$3,669.0	$3,845.0	$4,476.0	$4,644.7	$4,872.2	$5,079.1	$5,294.7
Transfer and disposal costs	878.1	939.0	974.0	996.0	1,105.0	1,160.0	1,135.0	1,161.0	1,215.0	1,273.0	1,331.0	1,399.0	1,419.1	1,471.9	1,517.1	1,563.5
Maintenance and repairs	992.9	1,022.0	1,076.0	1,170.0	1,255.0	1,355.0	1,331.0	1,596.0	1,835.0	1,978.0	2,079.0	2,227.0	2,301.7	2,414.4	2,516.9	2,623.8
Subcontractor costs	1,223.0	1,137.0	1,193.0	1,236.0	1,375.0	1,532.0	1,523.0	1,766.0	2,006.0	2,185.0	2,240.0	2,514.0	2,653.6	2,769.7	2,872.8	2,979.8
COGS	887.4	791.0	858.0	969.0	783.0	553.0	553.0	936.0	973.0	769.0	1,048.0	924.0	895.7	939.5	979.4	1,021.0
Fuel	553.0	361.0	300.0	375.0	409.0	336.0	265.0	393.0	592.0	501.0	437.0	521.0	616.6	633.0	645.5	657.9
Disposal and franchise fees and taxes	669.0	662.0	702.0	753.0	598.0	627.0	606.0	698.0	720.0	736.0	744.0	803.0	834.6	875.4	912.6	951.3
Landfill operating costs	266.0	255.0	352.0	328.0	331.0	379.0	394.0	412.0	421.0	453.0	524.0	549.0	430.6	444.8	456.4	468.3
Risk management	219.0	221.0	192.0	219.0	235.0	267.0	269.0	344.0	348.0	320.0	351.0	373.0	403.3	484.9	505.5	526.9
Other	463.7	474.0	435.0	476.0	454.0	484.0	532.0	582.0	732.0	722.0	784.0	1,226.0	1,264.6	1,313.0	1,354.3	1,396.9
Operating Expenses	$8,507.0	$8,188.0	$8,492.0	$9,011.0	$9,245.0	$9,484.0	$9,354.0	$11,111.0	$12,294.0	$12,606.0	$13,383.0	$15,012.0	$15,464.5	$16,218.7	$16,839.7	$17,484.2
Gross Margin	35.9%	36.8%	37.6%	37.8%	38.0%	38.6%	38.5%	38.0%	37.6%	38.3%	39.3%	40.4%	41.3%	41.3%	41.5%	41.8%
Selling, General, and Admin. Expenses	$1,411.0	$1,343.0	$1,410.0	$1,468.0	$1,453.0	$1,588.0	$1,543.0	$1,788.0	$1,892.0	$1,925.0	$2,118.0	$2,626.0	$2,694.4	$2,812.8	$2,917.9	$3,026.8
% of Total Revenue	10.6%	10.4%	10.4%	10.1%	9.7%	10.3%	10.1%	10.0%	9.6%	9.4%	9.6%	10.4%	10.2%	10.2%	10.1%	10.1%
Total Expenses	$9,918.0	$9,531.0	$9,902.0	$10,479.0	$10,698.0	$11,072.0	$10,897.0	$12,899.0	$14,186.0	$14,531.0	$15,501.0	$17,638.0	$18,158.9	$19,031.5	$19,757.6	$20,511.0
Adjusted Operating EBITDA	$3,344.0	$3,430.0	$3,707.0	$4,006.0	$4,216.0	$4,383.0	$4,321.0	$5,032.0	$5,512.0	$5,895.0	$6,562.0	$7,566.0	$8,183.0	$8,599.8	$9,046.9	$9,516.5
Adjusted EBITDA Margin	25.2%	26.5%	27.2%	27.7%	28.3%	28.4%	28.4%	28.1%	28.0%	28.9%	29.7%	30.0%	31.1%	31.1%	31.4%	31.7%
Year-over-Year Growth	-1.9%	2.6%	8.1%	8.1%	5.2%	4.0%	-1.4%	16.5%	9.5%	6.9%	11.3%	15.3%	8.2%	5.1%	5.2%	5.2%
Depreciation & Amortization	$1,256.0	$1,245.0	$1,301.0	$1,376.0	$1,477.0	$1,574.0	$1,671.0	$1,999.0	$2,038.0	$2,071.0	$2,267.0	$2,863.0	$2,979.3	$3,044.0	$3,138.5	$3,227.2
Total D&A % of Total Revenue	9.5%	9.6%	9.6%	9.5%	9.9%	10.2%	11.0%	11.1%	10.3%	10.1%	10.3%	11.4%	11.3%	11.0%	10.9%	10.7%
Accretion	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*156.4*	*161.2*	*168.1*	*175.2*
Income from Operations	$2,088.0	$2,185.0	$2,406.0	$2,630.0	$2,739.0	$2,809.0	$2,650.0	$3,033.0	$3,474.0	$3,824.0	$4,295.0	$4,703.0	$5,203.7	$5,555.9	$5,908.4	$6,289.3
Operating Margin	15.7%	16.9%	17.7%	18.2%	18.4%	18.2%	17.4%	16.9%	17.6%	18.7%	19.5%	18.7%	19.8%	20.1%	20.5%	20.9%
Interest Expense	($466.0)	($385.0)	($376.0)	($363.0)	($374.0)	($411.0)	($425.0)	($365.0)	($378.0)	($500.0)	($598.0)	($912.0)	($928.7)	($941.4)	($941.4)	($941.4)
Interest Income	0.0	0.0	0.0	0.0	0.0	0.0	(1.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity in income (loss) of affiliates	(53.0)	(38.0)	(44.0)	(43.0)	(41.0)	(55.0)	(68.0)	(36.0)	(67.0)	(60.0)	4.0	10.0	3.0	3.0	3.0	3.0
Minority Interest	(40.0)	1.0	2.0	0.0	2.0	(1.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other, net	89.0	(7.0)	(13.0)	4.0	2.0	16.0	13.0	0.0	(5.0)	14.0	(2.0)	20.0	7.0	0.0	0.0	0.0
Income before Income taxes	$1,618.0	$1,756.0	$1,975.0	$2,228.0	$2,328.0	$2,358.0	$2,169.0	$2,632.0	$3,024.0	$3,278.0	$3,699.0	$3,821.0	$4,285.0	$4,617.5	$4,970.0	$5,350.9
Income Tax Benefits (Expense)	(547.0)	(568.0)	(679.0)	(803.0)	(515.0)	(477.0)	(456.0)	(585.0)	(704.0)	(751.0)	(783.0)	(805.0)	(910.3)	(1,024.9)	(1,104.5)	(1,190.4)
Net Income	$1,071.0	$1,188.0	$1,296.0	$1,425.0	$1,813.0	$1,881.0	$1,713.0	$2,047.0	$2,320.0	$2,527.0	$2,916.0	$3,016.0	$3,374.7	$3,592.5	$3,865.6	$4,160.5
Extraordinary Income (Expense)	$227.0	($435.0)	($114.0)	$524.0	$112.0	($211.0)	($217.0)	($230.0)	($82.0)	($224.0)	($171.0)	($323.0)	($36.0)	$0.0	$0.0	$0.0
Net Income, reported	$1,298.0	$753.0	$1,182.0	$1,949.0	$1,925.0	$1,670.0	$1,496.0	$1,817.0	$2,238.0	$2,303.0	$2,745.0	$2,693.0	$3,338.7	$3,592.5	$3,865.6	$4,160.5
Avg. Diluted Shares Outstanding	465.6	455.9	446.5	441.9	432.2	427.5	425.0	422.6	415.0	406.7	403.4	404.3	401.6	396.1	394.1	392.3
Net Income (Loss) per Share	$2.79	$1.65	$2.65	$4.41	$4.45	$3.91	$3.52	$4.30	$5.39	$5.66	$6.81	$6.66	$8.31	$9.07	$9.81	$10.61
Recur. Net Inc. / Share Avail. to Com.	$2.30	$2.61	$2.90	$3.22	$4.19	$4.40	$4.03	$4.84	$5.59	$6.21	$7.23	$7.46	$8.40	$9.07	$9.81	$10.61
Year-over-Year Growth	7%	13%	11%	11%	30%	5%	-8%	20%	15%	11%	16%	4%	7%	8%	8%	8%

Source: Company Data, Morgan Stanley Research

Exhibit 120: Waste Management (WM) Quarterly Revenue Drivers

Fiscal Year Ending December 31	2025	1Q26	2Q26	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
As a % of Total Company											
Collection and disposal	3.3%	3.0%	2.8%	3.1%	2.8%	2.9%	3.0%	2.8%	3.1%	2.8%	2.9%
Recycling commodities	-0.7%	-0.6%	-0.1%	0.9%	1.1%	0.4%	1.0%	0.9%	0.8%	0.8%	0.8%
Fuel surcharges and mandated fees & RNG	0.2%	0.3%	1.6%	1.6%	0.6%	1.0%	0.7%	0.5%	0.5%	0.5%	0.5%
Total average yield	2.8%	2.8%	4.3%	5.6%	4.5%	4.3%	4.7%	4.2%	4.3%	4.0%	4.3%
Volume	0.9%	0.2%	-0.3%	0.1%	0.2%	0.0%	0.5%	0.5%	0.5%	0.5%	0.5%
Internal revenue growth	**3.7%**	**2.7%**	**3.5%**	**5.4%**	**4.5%**	**4.0%**	**5.2%**	**4.7%**	**4.8%**	**4.5%**	**4.8%**
WM Healthcare	0.0%	-0.2%	-0.5%	-0.3%	-0.3%	-0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Acquisitions	10.7%	0.6%	0.5%	0.3%	0.3%	0.4%	0.2%	0.1%	0.0%	0.0%	0.1%
Divestitures	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Foreign currency translation	-0.1%	0.2%	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	14.2%	3.5%	4.0%	5.8%	4.8%	4.5%	5.4%	4.8%	4.8%	4.5%	4.9%

Source: Company Data, Morgan Stanley Research

Exhibit 121: Waste Management (WM) Annual Revenue Drivers

Fiscal Year Ending December 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
As a % of Total Company																
Collection and disposal			2.1%	1.8%	2.0%	2.4%	1.9%	3.1%	5.7%	4.6%	4.0%	3.3%	2.9%	2.9%	2.9%	2.9%
Recycling commodities			0.4%	1.7%	-1.9%	-1.7%	0.5%	3.5%	0.1%	-1.9%	1.3%	-0.7%	0.4%	0.8%	0.5%	0.5%
Fuel surcharges and mandated fees & RNG			-0.5%	0.5%	0.8%	-0.1%	-1.0%	1.2%	2.6%	-0.5%	-0.5%	0.2%	1.0%	0.5%	0.5%	0.5%
Total average yield			1.9%	4.0%	0.9%	0.6%	1.4%	7.8%	8.4%	2.2%	4.8%	2.8%	4.3%	4.3%	3.9%	3.9%
Volume			1.4%	2.1%	3.3%	2.3%	-4.5%	3.3%	1.3%	0.8%	0.4%	0.9%	0.0%	0.5%	0.5%	0.5%
Internal revenue growth			**3.4%**	**6.2%**	**4.2%**	**3.0%**	**-3.0%**	**11.0%**	**9.8%**	**2.9%**	**5.3%**	**3.7%**	**4.0%**	**4.8%**	**4.2%**	**4.2%**
WM Healthcare																
Acquisitions			2.1%	0.4%	1.4%	1.5%	1.6%	6.8%	0.3%	0.9%	2.9%	10.7%	0.4%	0.1%	0.0%	0.0%
Divestitures			-0.2%	-0.2%	-0.9%	-0.7%	-0.1%	-0.3%	-0.1%	0.0%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%
Foreign currency translation			-0.2%	0.1%	-1.7%	-0.1%	-0.1%	0.3%	-0.2%	-0.1%	-0.1%	-0.1%	0.1%	0.0%	0.0%	0.0%
Total			5.0%	6.4%	3.0%	3.6%	-1.5%	17.8%	9.9%	3.7%	8.0%	14.2%	4.5%	4.9%	4.2%	4.2%

Source: Company Data, Morgan Stanley Research

Exhibit 122: Waste Management (WM) Annual Statement of Cash Flows

Fiscal Year Ending December 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
Cash Flows From Operations																
Net Income	$1,338.0	$752.0	$1,180.0	$1,949.0	$1,923.0	$1,671.0	$1,496.0	$1,817.0	$2,238.0	$2,276.0	$2,745.0	$2,709.0	$3,177.3	$3,431.3	$3,697.5	$3,985.3
Depreciation & Amortization (landfill airspace)	1,214.0	1,169.0	1,201.0	1,280.0	1,376.0	1,468.0	1,564.0	1,856.0	1,909.0	1,941.0	2,087.0	2,442.0	2,597.3	2,737.0	2,867.5	3,004.2
Amortization of Intangible assets	78.0	76.0	100.0	96.0	101.0	106.0	107.0	143.0	129.0	130.0	180.0	421.0	387.0	307.0	271.0	223.0
Deferred income taxes provision	(118.0)	30.0	73.0	(251.0)	25.0	100.0	165.0	(77.0)	49.0	83.0	124.0	363.0	143.0	0.0	0.0	0.0
Interest accretion on liabilities	88.0	89.0	91.0	92.0	95.0	98.0	103.0	111.0	112.0	130.0	133.0	142.0	156.0	156.0	156.0	156.0
Interest accretion on and discount rate adjustments to	14.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provision for bad debts	42.0	36.0	42.0	43.0	54.0	39.0	54.0	37.0	50.0	56.0	51.0	93.0	69.0	0.0	0.0	0.0
Equity-based compensation expense	65.0	72.0	90.0	101.0	89.0	86.0	94.0	108.0	84.0	93.0	118.0	169.0	190.0	184.0	184.0	184.0
Net gain from disposal of assets	(35.0)	(18.0)	(24.0)	(20.0)	(47.0)	(27.0)	(9.0)	(25.0)	(21.0)	(42.0)	(102.0)	(21.0)	(6.0)	0.0	0.0	0.0
(Income) expense from divestitures, asset impairments	(137.0)	87.0	110.0	49.0	(58.0)	113.0	43.0	(16.0)	62.0	243.0	82.0	248.0	(16.0)	0.0	0.0	0.0
Equity in net losses of unconsolidated entities	42.0	42.0	44.0	39.0	41.0	55.0	60.0	38.0	67.0	60.0	(4.0)	(10.0)	(3.0)	(3.0)	(3.0)	(3.0)
Tax benefits associated with equity-based comp.	(5.0)	(15.0)	(28.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss on early extinguishment of debt	0.0	555.0	4.0	0.0	0.0	85.0	53.0	220.0	0.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0
Other	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Changes in Operating Assets & Liabilities																
Receivables	($268.0)	($178.0)	($78.0)	($271.0)	($16.0)	($53.0)	($179.0)	$28.0	($329.0)	($161.0)	($313.0)	($511.0)	($402.4)	($167.0)	($159.2)	($165.8)
Other current assets	(19.0)	16.0	(12.0)	50.0	(16.0)	(23.0)	10.0	(39.0)	(35.0)	(2.0)	33.0	(49.0)	(0.8)	(10.7)	(10.2)	(10.6)
Other assets	22.0	(7.0)	78.0	(66.0)	(14.0)	10.0	53.0	34.0	42.0	61.0	181.0	225.0	127.0	0.0	0.0	0.0
Accounts Payable & Accrued liabilities	117.0	(112.0)	174.0	126.0	203.0	243.0	(37.0)	206.0	393.0	90.0	281.0	41.0	76.7	87.2	71.3	70.8
Deferred revenues and other liabilities	(117.0)	(97.0)	(85.0)	(37.0)	(186.0)	(97.0)	(174.0)	(103.0)	(216.0)	(239.0)	(213.0)	(219.0)	(122.0)	0.0	0.0	0.0
Net Cash provided by Operating Activities	$2,331.0	$2,498.0	$2,960.0	$3,180.0	$3,570.0	$3,874.0	$3,403.0	$4,338.0	$4,534.0	$4,719.0	$5,390.0	$6,043.0	$6,373.1	$6,721.8	$7,074.9	$7,443.9
Cash From Investing Activities																
Acquisition of business, net of cash acquired	($35.0)	($554.0)	($611.0)	($198.0)	($460.0)	($521.0)	($4,085.0)	($75.0)	($377.0)	($170.0)	($7,488.0)	($395.0)	($85.0)	$0.0	$0.0	$0.0
Capital expenditure	(1,151.0)	(1,233.0)	(1,339.0)	(1,509.0)	(1,694.0)	(1,818.0)	(1,632.0)	(1,904.0)	(2,587.0)	(2,895.0)	(3,231.0)	(3,227.0)	(2,663.6)	(2,863.1)	(2,984.7)	(3,111.4)
Proceeds from divestitures of businesses and other as	2,253.0	145.0	43.0	99.0	208.0	49.0	885.0	96.0	27.0	78.0	158.0	121.0	77.0	0.0	0.0	0.0
Purchases of short-term investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net receipts from restricted and escrow accounts	19.0	51.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments in unconsolidated entities	(33.0)	(20.0)	(21.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investing activities	(58.0)	3.0	(4.0)	(12.0)	(223.0)	(86.0)	(15.0)	(11.0)	(124.0)	(104.0)	(40.0)	(65.0)	(139.0)	0.0	0.0	0.0
Net Cash used in Investing Activities	$995.0	($1,608.0)	($1,932.0)	($1,620.0)	($2,169.0)	($2,376.0)	($4,847.0)	($1,894.0)	($3,061.0)	($3,091.0)	($10,601.0)	($3,566.0)	($2,810.6)	($2,863.1)	($2,984.7)	($3,111.4)
Cash From Financing Activities																
New Borrowings	$2,817.0	$2,337.0	$3,057.0	$1,479.0	$359.0	$4,683.0	$5,790.0	$7,948.0	$8,688.0	$21,306.0	$24,578.0	$20,414.0	$12,823.0	$0.0	$0.0	$0.0
Debt repayments	(3,568.0)	(2,764.0)	(2,682.0)	(1,907.0)	(499.0)	(533.0)	(7,807.0)	(8,404.0)	(7,328.0)	(20,394.0)	(17,870.0)	(21,747.0)	(12,484.0)	0.0	0.0	0.0
Net commercial paper borrowings	0.0	0.0	0.0	513.0	453.0	(1,001.0)	1,808.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Premiums paid on early extinguishment of debt	0.0	(555.0)	(2.0)	0.0	0.0	(84.0)	(30.0)	(211.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock repurchase program	(600.0)	(600.0)	(725.0)	(750.0)	(1,004.0)	(248.0)	(402.0)	(1,350.0)	(1,500.0)	(1,302.0)	(262.0)	0.0	(2,203.0)	(500.0)	(500.0)	(500.0)
Cash dividends	(693.0)	(695.0)	(726.0)	(750.0)	(802.0)	(876.0)	(927.0)	(970.0)	(1,077.0)	(1,136.0)	(1,210.0)	(1,334.0)	(1,522.0)	(1,617.0)	(1,697.9)	(1,782.7)
Exercise of common stock options and warrants	93.0	77.0	63.0	95.0	52.0	67.0	63.0	66.0	44.0	44.0	53.0	61.0	32.0	0.0	0.0	0.0
Tax payments associated with equity-based compensa	5.0	15.0	28.0	(47.0)	(29.0)	(33.0)	(34.0)	(28.0)	(39.0)	(31.0)	(52.0)	(51.0)	(40.0)	0.0	0.0	0.0
Minority interest distributions paid	(125.0)	(1.0)	(1.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financing activities	(1.0)	31.0	(47.0)	6.0	(38.0)	(11.0)	(20.0)	49.0	(4.0)	(11.0)	(82.0)	(16.0)	(16.0)	0.0	0.0	0.0
Net Cash used in Financing Activities	($2,072.0)	($2,155.0)	($1,035.0)	($1,361.0)	($1,508.0)	$1,964.0	($1,559.0)	($2,900.0)	($1,216.0)	($1,524.0)	$5,155.0	($2,673.0)	($3,410.0)	($2,117.0)	($2,197.9)	($2,282.7)
Effect of exchange rate changes on cash equiv.	($5.0)	($3.0)	$0.0	$0.0	($3.0)	$2.0	$4.0	$2.0	($6.0)	$3.0	($9.0)	$6.0	($7.0)	$0.0	$0.0	$0.0
Change in Cash flow due to restatement	0.0	0.0	0.0	62.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Increase (Decrease) in Cash & Equiv.	$1,249.0	($1,268.0)	($7.0)	$261.0	($110.0)	$3,464.0	($2,999.0)	($454.0)	$251.0	$107.0	($65.0)	($190.0)	$145.6	$1,741.7	$1,892.4	$2,049.7
Cash, Cash Equivalents and Restricted Cash - Beginning	58.0	1,307.0	39.0	32.0	293.0	183.0	3,647.0	648.0	194.0	445.0	552.0	487.0	297.0	442.6	2,184.3	4,076.7
Cash, Cash Equivalents and Restricted Cash - End	$1,307.0	$39.0	$32.0	$293.0	$183.0	$3,647.0	$648.0	$194.0	$445.0	$552.0	$487.0	$297.0	$442.6	$2,184.3	$4,076.7	$6,126.4

Source: Company Data, Morgan Stanley Research

Exhibit 123: Waste Management (WM) Annual Balance Sheet

Fiscal Year Ending December 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E
ASSETS																
Current Assets																
Cash and Cash Equivalents	$1,307.0	$39.0	$32.0	$22.0	$61.0	$3,561.0	$553.0	$118.0	$351.0	$458.0	$414.0	$201.0	$361.6	$2,103.3	$3,995.7	$6,045.4
Accounts Receivables, Net	1,587.0	1,549.0	1,700.0	1,805.0	1,931.0	1,949.0	2,097.0	2,278.0	2,461.0	2,633.0	3,272.0	3,435.0	3,673.4	3,840.4	3,999.6	4,165.4
Other Receivables	350.0	545.0	432.0	569.0	344.0	370.0	527.0	268.0	291.0	237.0	415.0	620.0	711.0	711.0	711.0	711.0
Parts and Supplies	106.0	92.0	90.0	96.0	102.0	106.0	124.0	135.0	164.0	173.0	206.0	225.0	235.8	246.5	256.7	267.4
Deferred Income Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other assets	176.0	120.0	122.0	132.0	207.0	223.0	239.0	270.0	284.0	303.0	467.0	429.0	402.0	402.0	402.0	402.0
Total Current Assets	$3,526.0	$2,345.0	$2,376.0	$2,624.0	$2,645.0	$6,209.0	$3,540.0	$3,069.0	$3,551.0	$3,804.0	$4,774.0	$4,910.0	$5,383.8	$7,303.3	$9,365.1	$11,591.2
Property and Equipment, Net	$10,657.0	$10,665.0	$10,950.0	$11,559.0	$11,942.0	$12,893.0	$14,148.0	$14,419.0	$15,719.0	$16,968.0	$19,340.0	$20,378.0	$20,467.3	$20,593.3	$20,710.4	$20,817.6
Goodwill	5,740.0	5,984.0	6,215.0	6,247.0	6,430.0	6,532.0	8,994.0	9,028.0	9,323.0	9,254.0	13,438.0	13,880.0	14,001.0	14,001.0	14,001.0	14,001.0
Other Intangible assets, net	440.0	477.0	591.0	547.0	572.0	521.0	1,024.0	898.0	827.0	759.0	4,188.0	3,767.0	3,447.0	3,140.0	2,869.0	2,646.0
Restricted Cash	0.0	0.0	0.0	271.0	122.0	86.0	95.0	76.0	94.0	94.0	73.0	96.0	81.0	81.0	81.0	81.0
Restricted trust and escrow accounts	0.0	0.0	0.0	118.0	223.0	242.0	252.0	272.0	254.0	328.0	340.0	417.0	567.0	567.0	567.0	567.0
Investments in unconsolidated entities	408.0	360.0	320.0	269.0	406.0	483.0	426.0	432.0	578.0	606.0	846.0	779.0	738.0	738.0	738.0	738.0
Other assets	526.0	536.0	407.0	194.0	310.0	777.0	866.0	903.0	1,021.0	1,010.0	1,568.0	1,608.0	1,579.0	1,582.0	1,585.0	1,588.0
Total Assets	$21,297.0	$20,367.0	$20,859.0	$21,829.0	$22,650.0	$27,743.0	$29,345.0	$29,097.0	$31,367.0	$32,823.0	$44,567.0	$45,835.0	$46,264.1	$48,005.6	$49,916.5	$52,029.9
LIABILITIES AND STOCKHOLDERS' EQUITY																
Current Liabilities																
Accounts Payable	$740.0	$721.0	$799.0	$1,040.0	$1,037.0	$1,065.0	$1,121.0	$1,375.0	$1,766.0	$1,709.0	$2,046.0	$1,867.0	$1,849.6	$1,925.8	$1,997.4	$2,071.7
Accrued liabilities	1,180.0	1,064.0	1,085.0	980.0	1,117.0	1,327.0	1,342.0	1,428.0	1,625.0	1,605.0	2,180.0	2,211.0	2,199.2	2,210.2	2,209.8	2,206.3
Deferred Revenue	475.0	472.0	493.0	503.0	522.0	534.0	539.0	571.0	589.0	578.0	673.0	735.0	767.0	767.0	767.0	767.0
Current portion of long-term debt	1,090.0	253.0	417.0	739.0	432.0	218.0	551.0	708.0	414.0	334.0	1,359.0	711.0	1,075.0	1,075.0	1,075.0	1,075.0
Total Current Liabilities	$3,485.0	$2,510.0	$2,794.0	$3,262.0	$3,108.0	$3,144.0	$3,553.0	$4,082.0	$4,394.0	$4,226.0	$6,258.0	$5,524.0	$5,890.7	$5,977.9	$6,049.2	$6,120.0
Long-term debt, less current portion	$8,345.0	$8,676.0	$8,893.0	$8,752.0	$9,594.0	$13,280.0	$13,259.0	$12,697.0	$14,570.0	$15,895.0	$22,541.0	$22,196.0	$22,281.0	$22,281.0	$22,281.0	$22,281.0
Deferred income taxes	1,338.0	1,391.0	1,482.0	1,248.0	1,291.0	1,407.0	1,806.0	1,694.0	1,733.0	1,826.0	2,815.0	3,160.0	3,307.0	3,307.0	3,307.0	3,307.0
Landfill and environmental remediation liabilities	1,531.0	1,584.0	1,675.0	1,770.0	1,828.0	1,930.0	2,222.0	2,373.0	2,700.0	2,888.0	3,048.0	3,278.0	3,403.0	3,559.0	3,715.0	3,871.0
Other long-term liabilities	709.0	839.0	695.0	755.0	553.0	912.0	1,051.0	1,125.0	1,106.0	1,092.0	1,651.0	1,686.0	1,654.0	1,654.0	1,654.0	1,654.0
Total Liabilities	$15,408.0	$15,000.0	$15,539.0	$15,787.0	$16,374.0	$20,673.0	$21,891.0	$21,971.0	$24,503.0	$25,927.0	$36,313.0	$35,844.0	$36,535.7	$36,778.9	$37,006.2	$37,233.0
Minority interest in subs and variable interest entities	$23.0	$22.0	$23.0	$23.0	$1.0	$2.0	$2.0	$2.0	$15.0	($7.0)	$2.0	$1.0	$1.0	$1.0	$1.0	$1.0
Common Stock	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0
Additional paid-in capital	4,585.0	4,827.0	4,850.0	4,933.0	4,993.0	5,049.0	5,129.0	5,169.0	5,314.0	5,351.0	5,496.0	5,676.0	5,956.0	6,140.0	6,324.0	6,508.0
Retained earnings	6,888.0	6,939.0	7,388.0	8,588.0	9,797.0	10,592.0	11,159.0	12,004.0	13,167.0	14,334.0	15,858.0	17,232.0	18,887.3	20,701.7	22,701.3	24,903.8
Accum. other comprehensive Income (loss)	23.0	(127.0)	(80.0)	8.0	(87.0)	(8.0)	39.0	17.0	(69.0)	(37.0)	(115.0)	(10.0)	(71.0)	(71.0)	(71.0)	(71.0)
Restricted stock unearned compensation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Treasury stock	(5,636.0)	(6,300.0)	(6,867.0)	(7,516.0)	(8,434.0)	(8,571.0)	(8,881.0)	(10,072.0)	(11,569.0)	(12,751.0)	(12,993.0)	(12,914.0)	(15,051.0)	(15,551.0)	(16,051.0)	(16,551.0)
Total Stockholders' Equity	$5,866.0	$5,345.0	$5,297.0	$6,019.0	$6,275.0	$7,068.0	$7,452.0	$7,124.0	$6,849.0	$6,903.0	$8,252.0	$9,990.0	$9,727.3	$11,225.7	$12,909.3	$14,795.8
Total Liabilities & Stockholders' Equity	$21,297.0	$20,367.0	$20,859.0	$21,829.0	$22,650.0	$27,743.0	$29,345.0	$29,097.0	$31,367.0	$32,823.0	$44,567.0	$45,835.0	$46,264.1	$48,005.6	$49,916.5	$52,029.9

Source: Company Data, Morgan Stanley Research

Exhibit 124: Waste Management (WM) Discounted Cash Flow Valuation

Waste Management, Inc (USD mm)			**Terminal Growth:**		**2.0%**		**Terminal Multiple:**		**11.0x**						
	2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2040E**
Operating profit	**2,809**	**2,650**	**3,033**	**3,474**	**3,824**	**4,295**	**4,703**	**5,204**	**5,556**	**5,908**	**6,289**	**6,604**	**6,835**	**8,249**
Tax rate	*20%*	*21%*	*22%*	*23%*	*23%*	*21%*	*21%*	*22%*	*23%*	*23%*	*23%*	*23%*	*23%*	*23%*
=NOPAT	**2,241**	**2,093**	**2,359**	**2,665**	**2,948**	**3,386**	**3,716**	**4,056**	**4,278**	**4,549**	**4,843**	**5,085**	**5,263**	**6,351**
+Non-Cash Charges	1,680	1,778	2,142	2,167	2,201	2,447	3,284	3,366	3,351	3,410	3,450	3,623	3,750	4,081
Gross Cash Flow	**3,921**	**3,871**	**4,501**	**4,832**	**5,149**	**5,833**	**7,000**	**7,423**	**7,629**	**7,959**	**8,293**	**8,708**	**9,012**	**10,432**
+Changes in working capital	80	(327)	126	(145)	(251)	(31)	(513)	(321)	(91)	(98)	(106)	(106)	(106)	(106)
+Capital expenditures, asset purchases	(1,818)	(1,632)	(1,904)	(2,587)	(2,895)	(3,231)	(3,227)	(2,664)	(2,863)	(2,985)	(3,111)	(3,267)	(3,381)	(4,081)
= Gross investment	**(1,738)**	**(1,959)**	**(1,778)**	**(2,732)**	**(3,146)**	**(3,262)**	**(3,740)**	**(2,985)**	**(2,954)**	**(3,083)**	**(3,217)**	**(3,373)**	**(3,487)**	**(4,186)**
Free cash flow to firm	**2,183**	**1,912**	**2,723**	**2,100**	**2,003**	**2,571**	**3,260**	**4,438**	**4,675**	**4,876**	**5,076**	**5,335**	**5,525**	**6,246**
FCF growth	10%	-12%	42%	-23%	-5%	28%	27%	36%	5%	4%	4%	5%	4%	-5%
Present value of cash flows	$77,851	$80,882	$84,386	$87,315	$91,062	$95,157	$98,958	$102,325	$104,740	$107,079	$109,373	$111,622	$113,762	$132,980
-Minority Interest	$2	$2	$2	$15	($7)	$2	$1	$1	$1	$1	$1	$1	$1	$1
-Net Debt at PYE	$9,965	$13,257	$13,257	$13,287	$14,633	$23,486	$23,486	$22,706	$22,994	$21,253	$19,360	$19,360	$19,360	$19,360
+ Preferred Equity	-	-	-	-	-	-	-	-	-	-	-	$0	$0	$0
Implied Market Cap	$67,884	$67,623	$71,127	$74,013	$76,436	$71,669	$75,471	$79,618	$81,745	$85,825	$90,012	$92,261	$94,401	$113,618
Fully-diluted shares (BOP)	428m	425m	423m	415m	407m	403m	404m	402m	396m	394m	392m	392m	392m	392m
Implied Value per Share Beginning of Year	**$159**	**$159**	**$168**	**$178**	**$188**	**$178**	**$187**	**$198**	**$206**	**$218**	**$229**	**$235**	**$241**	**$290**
Implied Value per Share in 12-Months	**$170**	**$171**	**$181**	**$191**	**$202**	**$191**	**$200**	**$213**	**$221**	**$234**	**$246**	**$252**	**$258**	**$311**
							Weighted DCF PT	**$220**						

Source: Company Data, Morgan Stanley Research

Exhibit 125: Waste Management Multiple Analysis

Share Price	Market Cap	EV	EV / Adj. EBITDA	Adj. P/E	Unlevered FCF Yield	PEG Ratio	Levered FCF Yield	
$309						x	3.0%	3.1%
$280						x	3.4%	3.4%
$265						x	3.6%	3.6%
$250						x	3.8%	3.8%
$235							4.0%	4.1%
$220							4.3%	4.4%
$205							4.6%	4.7%
$190							.0%	5.0%
$175							.4%	5.5%
$160							.9%	6.0%
$123							%	7.8%

Source: Morgan Stanley Research

Morgan Stanley is acting as financial advisor to Cintas Corporation ("Cintas"), in connection with its definitive agreement to acquire UniFirst Corporation ("UniFirst"), as announced on March 11, 2026. The proposed transaction is subject to customary closing conditions and approvals, including the approval by UniFirst shareholders. This report and the information provided herein is not intended to (i) provide voting advice, (ii) serve as an endorsement of the proposed transaction, or (iii) result in the procurement, withholding or revocation of a proxy or any other action by a security holder. Cintas has agreed to pay fees to Morgan Stanley for its financial services. Please refer to the notes at the end of the report.

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - Options_Probabilities_Exhibit_Link.pdf

2. View descriptions of Risk Rewards Themes - RR_Themes_Exhibit_Link.pdf

3. View explanation of regional hierarchies - GEG_Exhibit_Link.pdf

4. View explanation of Theme/Exposure methodology - ESG_Sustainable_Solutions_External_Link.pdf

5. View explanation of HERS methodology - ESG_HERS_External_Link.pdf

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(as of September 30, 2026)

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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	1599	43%	455	48%	28%	783	44%
Equal-weight/Hold	1563	42%	394	42%	25%	763	43%
Not-Rated/Hold	2	0%	1	0%	50%	1	0%
Underweight/Sell	570	15%	96	10%	17%	227	13%
Total	3,734		946			1774	

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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INDUSTRY COVERAGE: Business & Education Services

COMPANY (TICKER)	RATING (AS OF)	PRICE* (10/12/2026)
Greg Parrish, CFA		
ADT Inc (ADT.N)	E (10/31/2022)	$6.45
Advantage Solutions Inc (ADV.O)	E (04/01/2021)	$30.80
BrightView Holdings Inc. (BV.N)	E (08/22/2024)	$10.78
Phoenix Education Partners, Inc. (PXED.N)	O (11/03/2025)	$24.35
Rollins Inc. (ROL.N)	O (12/17/2025)	$32.07
Mauricio I Cepeda		
Laureate Education Inc (LAUR.O)	U (07/27/2026)	$39.59
Toni Kaplan		
Andersen Group Inc. (ANDG.N)	E (01/12/2026)	$57.66
Aramark Holdings Corporation (ARMK.N)	E (08/10/2016)	$54.76
Bright Horizons Family Solutions Inc (BFAM.N)	U (04/07/2021)	$69.90
Cintas Corp (CTAS.O)	++	$205.23
Clarivate Plc. (CLVT.N)		$1.61
Equifax Inc (EFX.N)	O (12/12/2024)	$147.33
FactSet Research Systems Inc. (FDS.N)	E (12/17/2025)	$288.67

Gartner Inc. (IT.N)	E (11/03/2021)	$194.10
Kindercare Learning Companies Inc (KLC.N)	U (03/12/2026)	$1.85
McGraw Hill, Inc. (MH.N)	O (08/18/2025)	$13.58
Mobility Global Inc (MBGL.N)	E (10/09/2026)	$18.11
Moody's Corp (MCO.N)	E (01/07/2020)	$470.50
MSCI Inc. (MSCI.N)	O (12/13/2023)	$568.01
Republic Services Inc. (RSG.N)	E (03/15/2024)	$219.75
S&P Global Inc (SPGI.N)	O (03/18/2021)	$412.19
Thomson Reuters Corp. (TRI.O)	E (02/02/2021)	$104.25
TransUnion (TRU.N)	O (01/04/2023)	$66.07
Verisk Analytics, Inc. (VRSK.O)	E (11/08/2022)	$177.49
Waste Connections Inc. (WCN.N)	O (10/13/2020)	$153.71
Waste Management, Inc. (WM.N)	E (10/13/2020)	$211.14

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* Historical prices are not split adjusted.

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