Investor Questions and Answers: November 25, 2026

We encourage current shareholders, potential shareholders, and other interested parties to send questions to us in writing and we make written responses available on a periodic basis. The following answers respond to selected questions received through November 5, 2026. We retain the discretion to combine answers for duplicate or similar questions into one comprehensive response.

If you would like to submit a question, please send an e-mail to investors@morningstar.com or write us at the following address:

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Investor Relations
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Use of Non-GAAP Measures

These Investor Questions and Answers reference non-GAAP financial measures, including but not limited to, adjusted operating income, adjusted operating margin, and organic revenue. These non-GAAP measures may not be comparable to similarly titled measures reported by other companies. Reconciliation of non-GAAP financial measures can be found at https://shareholders.morningstar.com/financials-stock-info/key-financials/default.aspx.

Capital Allocation

1. **With the simultaneous expansion of balance sheet leverage alongside aggressive share repurchases, we'd encourage management and the Board of Directors to suspend share buybacks and direct all excess free cash flow to reduce outstanding debt. Is this something that you will pursue? If not, why not? We'd note that as of Q3 26 interest expense represented an annualized cash drag of more than $70M, and debt service consumed roughly 15% of quarterly net income. Additionally, cash deployed to reduce debt delivers guaranteed, risk-free pre-tax cash savings that ultimately transfer enterprise value to equity holders, while matching the per-share earnings accretion of buybacks without equity market risk. Lastly, given the growth deceleration in PitchBook, elevated debt introduces unnecessary downside risk to equity holders during a private market transaction downturn.**

We prioritize maintaining a strong balance sheet. As of Sept. 30, 2026, our ratio of consolidated funded indebtedness to consolidated EBITDA (earnings before interest, taxes, depreciation, and amortization) was approximately 1.8x, well within the 3.5x maximum under our debt covenants.

The way we think about capital allocation hasn't changed. In addition to maintaining a strong balance sheet, we prioritize investing in organic growth and value-creating acquisitions; growing our dividend over time; and accelerating share repurchases opportunistically when we believe that valuations are attractive relative to our assessment of intrinsic value. We will also pay down debt when we believe that is the best use of capital. We do not comment on future repurchase activity but continue to challenge our assumptions and assess the potential returns associated with share repurchases versus other opportunities to deploy capital.

2. **Morningstar has almost exhausted its current share repurchase authorization. Given that the business remains highly free-cash flow generative, what are management's capital allocation plans? Will the Board look to authorize another repurchase program, or does the firm intend to prioritize M&A or debt paydowns?**

We don't provide guidance on future share repurchase activity or board authorizations. As noted in a related question, our long-term capital allocation priorities remain consistent: preserve a strong balance sheet; invest in organic growth and value-creating acquisitions; grow our dividend over time; and repurchase shares opportunistically as you've seen us do over the past two years.

Margins and Expense Trends

3. **Expenses were well controlled in Q3, with margins notably higher. Were there any one-time factors that impacted expenses this quarter? Is the $6.9m increase in severance costs included or excluded from adjusted results?**

In Q3 26, adjusted operating margin increased 3.9 percentage points to 28.3% while adjusted operating income increased 26.1% to $189.9 million compared to the prior-year period. There were no significant one-time factors that impacted adjusted operating expense in the quarter.

Overall, compensation costs declined $7.9 million primarily due to lower headcount and bonus expense, partially offset by a $6.9 million increase in severance costs which was included in adjusted results. We don't generally adjust for severance in our calculation of adjusted operating income unless it is related to mergers and acquisitions activity or divestitures.

4. **Is the 4.9% YoY reduction in headcount largely complete, and how much of the savings are being reinvested in AI and cloud costs?**

We do not provide guidance on future headcount trends. We continue to manage our headcount to support profitable growth opportunities across the business. At the same time, we also invest in technology where we believe it can advance our product strategy of delivering insights essential to the investor workflow. More broadly, we do not think of our spending in these areas as a simple tradeoff between compensation costs and AI or cloud expenditures.

5. **Will the move to the Thompson Center save money? Please be as specific as possible, with numbers. If it doesn't save money, why do it? If it does save money, will you commit to return it to shareholders?**

While our current office location has served us well for close to two decades, we are excited to relocate to the Thompson Center. The move, which comes after a competitive and exhaustive site selection process, is expected to meet our facilities needs while supporting our talent strategy. We do not comment on costs associated with individual real estate decisions.

Morningstar

6. **Can you explain why you don't adjust organic growth for the sunsetting products given the 100bp impact in 3Q26 and impacts in prior quarters?**

Our definition of organic revenue does not adjust for products that we sunset. We adjust our product portfolio from time to time and generally consider these adjustments to be part of our ordinary course of business, unless there is a formal divestiture. We specifically called out the impact of the sunsetting of Morningstar Office in Morningstar Wealth and the second-party opinions business in Morningstar Sustainalytics on organic revenue growth given the scale of the impact and to help investors better understand our ongoing operations. As a reminder, Morningstar's definition of organic revenue is revenue before (1) acquisitions and divestitures, (2) adoption of new accounting standards or revisions to accounting practices (accounting changes), and (3) the effect of foreign currency translations.

Morningstar Credit

7. **Recurring transaction revenue grew just 0.5% YoY while new issuance grew 28.5%. What explains flat surveillance revenue given the growth in outstanding ratings?**

In general, increased ratings volume should result in increased surveillance revenue (which we report as recurring transaction-based revenue). The relatively flat trend you observe in recurring transaction revenue in Q3 26 compared to Q3 25 was primarily driven by a short-term spike in surveillance revenue in the prior-year comparable quarter (Q3 25) related to our legacy Morningstar Credit Ratings (MCR) business, which predated the 2019 acquisition of DBRS. Outside of this spike, MCR-related revenue has generally been declining as we get further out from the initial rating of the associated transactions. In Q3 26, the decline in MCR-related recurring revenue from a relatively high comparable mostly offset the increase in our core Morningstar Credit business. For the year-to-date through Sept. 30, recurring transaction-related revenue increased 7.6%.

8. **Morningstar Credit has delivered strong revenue and margin growth in 2025–2026. How much of the growth do you view as structural, driven by market share gains, private ratings and geographic expansion, versus cyclical due to favorable debt issuance volumes? Do you believe the current revenue and margin levels provide a sustainable base for growth over the next 3–5 years, or could they normalize materially as issuance conditions change? What share of unpublished-ratings revenue and pipeline comes from AI infrastructure and data-center financings? Given the midterm results and some incoming Democratic governors' calls for tighter data-center permitting, development moratoria, and reduced subsidies, if projects are delayed/cancelled, how much ratings revenue would be impacted and what would that imply for the sustainability of Credit's recent growth and margins?**

There are both cyclical and structural drivers of Morningstar Credit's recent growth. Morningstar Credit has benefited from strong issuance trends but also from the investments we've made to expand our capabilities into new asset classes and geographies over the past four years. Building on our strong market position in Canada and in US structured finance, we've expanded our capabilities in US and European private and middle market corporates, asset-backed securities, and infrastructure ratings, including digital infrastructure projects to support AI expansion, which helped drive revenue in 2025 and year-to-date in 2026. This has included significant growth in the rapidly expanding private credit markets across multiple asset classes, with unpublished ratings accounting for roughly 30% of total credit ratings-related revenue for the year-to-date 2026 through Sept. 30.

The credit ratings business is a cyclical one and issuance trends matter. At the same time, we believe that the business is better diversified today than it was five years ago and the investments we've made should support the long-term growth of the business and help mitigate some of the short-term volatility that comes with issuance cycles, including those specific to certain sectors. For example, in recent months we've heard from corporates in a range of sectors who are interested in using hybrid public-private credit financings that, until now, have been used primarily to support data center construction. Increased interest in these structures presents potential growth opportunities for Morningstar Credit.

We don't provide forward-looking guidance or disclose revenue below the asset class level.

Morningstar Direct Platform

9. Kunal's letter noted the release of Direct AI. Is Direct AI a distinct product sold by Morningstar, or is it an incremental functionality for existing Direct license holders? Why is Direct AI a superior agentic workflow tool compared to what a client could build internally?

Direct AI is available as part of the overall Direct license, but is a completely new, integrated capability which we intend to make the front door to Morningstar Direct. Direct AI provides clients with a purpose-built solution that embeds Morningstar's investment expertise directly into client workflows. We curated the experience based on our understanding of the complex use cases that our proprietary research, ratings, data, and analytics can help solve. We leveraged the experience of our teams, including our roughly 130-person (as of Dec. 31, 2025) manager research analyst team to develop proprietary agents to help go beyond what's available in general purpose AI tools. We believe that the combination of conversational AI and our purpose-built agents can help clients unlock value and solve problems faster and more easily.

We've found that manager research workflows have been the most common use cases to date: For example, with a simple prompt, an analyst at a wealth management firm reviewing an underperforming manager can use the Manager Research Agent to compare the fund to its benchmark across different market conditions, supplemented by context provided by our analyst team's research where available. Additionally, in November we introduced new flexibility to customize agents, allowing clients to codify and scale their own investment processes. Taken together, we expect these enhancements to add significant value while further embedding Morningstar content into clients' day-to-day research and investment decision-making processes.

With the launch of Direct AI, we see a clear opportunity to price for the value we're delivering, including consumption-based and enterprise-wide arrangements. We look forward to sharing more in the months ahead.

Morningstar Retirement

10. What drove the take-rate step-up to ~5.15bps in 3Q? We calculate the take-rate as $41.5M of 3Q segment revenue divided by the average of $333.9B and $311.0B of retirement assets under management and advisement (AUMA). Is it sustainable?

We would not recommend reading too much into short-term fluctuations in the relationship between revenue and AUMA. The change that you observed was due in large part to the timing of client AUMA reporting for Morningstar Retirement. Asset-based revenue is calculated on average client asset levels during each quarter, which clients report to us on a lag. As a result, we estimate revenue each quarter using the most recent information available and adjust that estimate when actual asset reporting is received. During the third quarter of 2026, we received client reporting for the second quarter of 2026, a period of particularly strong equity market performance, during which the Morningstar US Market Index increased 15.5%. Reported asset levels were higher than our prior estimates, and, consistent with our accounting policy, we recognized the resulting change in estimate in the third quarter of 2026. The increase in reported AUMA also had an impact on third quarter 2026 revenue. Together, these factors contributed to the increase in revenue relative to average AUMA in the period. In general, the timing of client asset reporting can result in a lag between market movements and the impact on revenue.

That's why we think the annual relationship between AUMA and revenue is more informative than any single quarter. We'd also note that even over longer periods, there is not a direct linear relationship between AUMA levels and revenue for several reasons, including the small portion of revenue in Morningstar Retirement that is flat fee and does not increase with AUMA, tiered fee structures that result in lower fees on higher balances, and variation in fee structures across different accounts.

MORN Stock Price Performance

11. Since the CEO of Morningstar was appointed in January 2017 through Sept. 30 of 2026, the MORN return is below the median for your peers and well below that of the Morningstar US Total Market Index. What gives you confidence that the future looks brighter?

From January 2017 through Nov. 19, 2026, annualized returns for MORN and the Morningstar US Market Index were 13.3% and 13.9%, respectively. Our returns have been affected by the broad sell-off in software and data stocks over the past year, driven by investor concerns about AI disruption. Within our peer group, we've seen pure play index and credit ratings providers outperform firms with larger data and software businesses such as Morningstar.

We remain confident in the value we continue to build, with trailing 12-month revenue and adjusted operating income through September reaching new highs. As the convergence of public and private markets reshapes the investment landscape, we're drawing on our 40-year-plus track record of informing how investors and advisors think about the markets and broad reach across the investment ecosystem to

help investors navigate these changes. Meanwhile, as AI rapidly changes workflows, we are moving quickly to embed our trusted data, independent research, and proprietary intellectual property where decisions are made. We are seeing growing evidence that AI is driving demand for our data, research, and ratings.

With the recent pressure on our share price, we've been able to repurchase shares at a price that we believe is discounted to our intrinsic value. As our CEO Kunal Kapoor noted in a recent letter to shareholders, it's a silver lining that these buybacks allow our continuing shareholders to own a greater share of Morningstar.

For more on where we're seeing opportunities across the business, we'd encourage you to review our Annual Shareholders' Meeting materials as well as Kunal's recent quarterly shareholder letters which are available with our Financial Results on our Investor Relations website.

Morningstar Wealth

12. **Can you shed some more light on the non-Investment Management, non-Morningstar Office products within Wealth? Revenues here appear to be declining and are dragging on the segment's organic growth.**

With the retirement of Morningstar Office, the largest product areas within Morningstar Wealth are Investment Management and our individual investor lineup, which includes Morningstar.com, our primary media site which generates revenue via ad sales, and Morningstar Investor, a subscription-based software product that provides access to our research and tools.

For the year-to-date through Sept. 30, 2026, ad sales declined due to a reduction in traffic in the Europe, Middle East, and Africa (EMEA) region, offsetting strength in the Investment Management product area. The reduction in site traffic followed changes to the digital experience in EMEA as we consolidated from separate sites to a single global domain in Q3 25. Site traffic has rebounded more recently, following adjustments to content, the launch of a free registered account, and increased promotion activity.

PitchBook

13. **Based on PitchBook's 3Q26 report on U.S. VC fund formation, annualized fund formation is down 15% year-over-year in 2026E – do you think this is an accurate characterization of the market or are you seeing a recovery / inflection that's not yet visible in the data (whether expected revisions or otherwise)? To what extent is PitchBook pressured by new fund formation versus benefiting from tailwinds in total U.S. VC fundraising dollar growth? Are the aggregate fundraising dollars and expansion at bigger VC firms enough to offset headwinds in smaller VCs, or are the bigger VCs doing more with the same number of PitchBook licenses / headcount / spending at PitchBook? Which is a better indicator of PitchBook's net new revenue: fundraising dollars or fund formation?**

PitchBook's research analysts see strength in parts of the venture market, but we have not yet seen a broad-based recovery. Fundraising dollars have increased, while liquidity remains constrained and fund formation is subdued, reflecting a market in which capital and activity are increasingly concentrated among larger, established managers:

- According to the third-quarter 2026 PitchBook-NVCA Venture Monitor, U.S. venture capital funds raised $108.5 billion across 699 funds for the year-to-date through Sept. 30, compared with $78.3 billion across 1,094 funds in full-year 2025.
- Funds of $500 million or more accounted for just 6% of funds closed but 78.1% of capital raised.
- At the same time, deal activity has remained strong, with an estimated 5,012 U.S. venture deals closed in the third quarter, the second-most of any quarter in the Venture Monitor dataset, and first-time company financings through the third quarter are already above the full-year 2021 record.

Overall, the venture capital market environment remains challenging, but we wouldn't call out either fundraising dollars or fund formation alone as more important or as a primary driver of PitchBook's net new revenue. Market activity across our key client segments matters, but it is only one of several drivers. Client mix, product and pricing decisions, and growth in direct data are also important factors.

As we noted at the 2026 Annual Shareholders' Meeting, we have been focused on enhancements to our product to better meet the needs of venture investors, particularly earlier in the investment cycle. In early November, we launched PitchBook Origin, a tailored experience built for early-stage venture deal sourcing covering roughly 25 million companies and 250 million people profiles at launch.

14. How many standalone users for the PitchBook Data Premium Connector were added? Can you provide the license count for PitchBook excluding data connectors, i.e. on a comparable basis to the prior disclosures?

The addition of standalone licensed users of the PitchBook Data Premium Connector in Q3 26 accounted for roughly a quarter of the increase in the PitchBook licensed user count compared to the prior-year period. This is a new category of PitchBook licensed user; there were not any licensed users of the Premium Connector prior to Q3 26.

We only offer standalone access to the Premium Connector to PitchBook platform clients. We expect that this commercial model will become more common with our larger clients. In these cases, a client has licensed users with access to both the PitchBook platform and the Premium Connector, and additional licensed users who can only access the Premium Connector. Going forward, we plan to provide a combined count for the PitchBook platform and standalone Connector licensed users and do not plan to break these out further.

15. How are PitchBook Data Premium Connectors monetized and what is the fee rate compared to PitchBook platform subscribers? How does revenue per connector license compare to revenue per platform license/seat? Can clients choose to only have MCP access to PitchBook data as opposed to the platform subscription? Is one more cost efficient to support and maintain relative to the other?

We view access to the PitchBook Data Premium Connector as complementary to the PitchBook platform, which offers additional access to proprietary intellectual property including the VC Exit Predictor, Manager

Scores, and Valuation Estimates that are not available via the Premium Connector. We only offer standalone access to the Premium Connector to PitchBook platform clients (all PitchBook licensed users also have access to the Premium Connector). Pricing for these combined contracts is at the firm-level rather than on a per-license basis, so there is no specific fee rate or revenue attributable per license. The PitchBook Data Essential Connector MCP does offer a limited data set via large language models and enterprise partners without requiring a platform license. In this case, Morningstar is paid by the third-party AI platform.

We do not comment on margins and expense trends below the reportable segment level.

16. **PitchBook organic growth continues to decelerate for similar reasons cited in Q3 as in prior quarters. Compared to H1, what has changed? Are gross sales better or worse? Is customer churn better or worse, and how much higher was churn among corporate and VC clients? Why did organic growth slow despite the large increase in license count (when including data connectors)? What share of PitchBook revenue now comes from direct data?**

Year-over-year organic growth rates slowed from 4.8% and 4.9% in Q1 26 and Q2 26, respectively, to 4.0% in Q3 26, down from 8.5% organic growth in 2025 compared to 2024. The overall drivers of the deceleration in growth remained consistent over this period. We've seen slower revenue growth in the PitchBook platform (especially in Q3 26), with particular softness in the venture capital and corporate client segments, driven both by increased churn and weaker gross bookings. We'd note that the majority of PitchBook revenue is based on annual contracts. As a result, quarterly revenue trends reflect gross bookings and churn activity over the trailing 12 months rather than just the most recent quarter.

As you note, PitchBook licensed users grew at a slightly higher year-over-year rate in Q3 26 (4.6%) than organic revenue growth. There are multiple reasons that license growth and revenue growth diverge. A significant (and growing) share of our revenue comes from clients with contracts that are priced on a firmwide basis rather than on a per licensed-user basis and these clients can add licensed users at any point during the length of their contract without an immediate impact on revenue. In addition, when licensed users are added as part of a contract renewal or a new contract, the full revenue impact may not be felt until the following quarter. Finally, we do not have licensed users associated with our growing direct data business, which represented roughly 10% of PitchBook revenue in Q3 26.