



# Investor Presentation

Raymond James Institutional Investor Conference

March 2022

# Disclaimers

## Non-GAAP Information

In addition to disclosing results determined in accordance with U.S. GAAP, Nasdaq also discloses certain non-GAAP results of operations, including, but not limited to, non-GAAP net income attributable to Nasdaq, non-GAAP diluted earnings per share, non-GAAP operating income, non-GAAP operating expenses, and non-GAAP EBITDA, that include certain adjustments or exclude certain charges and gains that are described in the reconciliation table of U.S. GAAP to non-GAAP information provided at [ir.nasdaq.com/Income-Statement-Trend-Summary-and-GAAP-to-Non-GAAP-Reconciliation](http://ir.nasdaq.com/Income-Statement-Trend-Summary-and-GAAP-to-Non-GAAP-Reconciliation). Management uses this non-GAAP information internally, along with U.S. GAAP information, in evaluating our performance and in making financial and operational decisions. We believe our presentation of these measures provides investors with greater transparency and supplemental data relating to our financial condition and results of operations. In addition, we believe the presentation of these measures is useful to investors for period-to-period comparisons of results as certain items do not reflect ongoing operating performance.

These measures are not in accordance with, or an alternative to, U.S. GAAP, and may be different from non-GAAP measures used by other companies. In addition, other companies, including companies in our industry, may calculate such measures differently, which reduces their usefulness as a comparative measure. Investors should not rely on any single financial measure when evaluating our business. This information should be considered as supplemental in nature and is not meant as a substitute for our operating results in accordance with U.S. GAAP. We recommend investors review the U.S. GAAP financial measures included in this presentation. When viewed in conjunction with our U.S. GAAP results and the accompanying reconciliations, we believe these non-GAAP measures provide greater transparency and a more complete understanding of factors affecting our business than U.S. GAAP measures alone.

We understand that analysts and investors regularly rely on non-GAAP financial measures, such as those noted above, to assess operating performance. We use these measures because they highlight trends more clearly in our business that may not otherwise be apparent when relying solely on U.S. GAAP financial measures, since these measures eliminate from our results specific financial items that have less bearing on our ongoing operating performance.

*Organic revenue growth, organic change and organic impact* are non-GAAP measures that reflect adjustments for: (i) the impact of period-over-period changes in foreign currency exchange rates, and (ii) the revenues, expenses and operating income associated with acquisitions and divestitures for the twelve month period following the date of the acquisition or divestiture. Reconciliations of these measures can be found in the appendix to this presentation.

*Foreign exchange impact:* In countries with currencies other than the U.S. dollar, revenues and expenses are translated using monthly average exchange rates. Certain discussions in this presentation isolate the impact of year-over-year foreign currency fluctuations to better measure the comparability of operating results between periods. Operating results excluding the impact of foreign currency fluctuations are calculated by translating the current period's results by the prior period's exchange rates.

## Cautionary Note Regarding Forward-Looking Statements

Information set forth in this communication contains forward-looking statements that involve a number of risks and uncertainties. Nasdaq cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Such forward-looking statements include, but are not limited to (i) projections relating to our future financial results, total shareholder returns, growth, trading volumes, products and services, ability to transition to new business models, taxes and achievement of synergy targets, (ii) statements about the closing or implementation dates and benefits of certain acquisitions, divestitures and other strategic, restructuring, technology, de-leveraging and capital allocation initiatives, (iii) statements about our integrations of our recent acquisitions, (iv) statements relating to any litigation or regulatory or government investigation or action to which we are or could become a party, and (v) other statements that are not historical facts. Forward-looking statements involve a number of risks, uncertainties or other factors beyond Nasdaq's control. These factors include, but are not limited to, Nasdaq's ability to implement its strategic initiatives, economic, political and market conditions and fluctuations, government and industry regulation, interest rate risk, U.S. and global competition, the impact of the COVID-19 pandemic on our business, operations, results of operations, financial condition, workforce or the operations or decisions of our customers, suppliers or business partners, and other factors detailed in Nasdaq's filings with the U.S. Securities and Exchange Commission, including its annual reports on Form 10-K and quarterly reports on Form 10-Q which are available on Nasdaq's investor relations website at <http://ir.nasdaq.com> and the SEC's website at [www.sec.gov](http://www.sec.gov). Nasdaq undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

## Website Disclosure

Nasdaq intends to use its website, [ir.nasdaq.com](http://ir.nasdaq.com), as a means for disclosing material non-public information and for complying with SEC Regulation FD and other disclosure obligations.

# The Next Generation Nasdaq

## Positioned for Sustained Growth

Executing our strategic pivot to maximize our opportunity

- Tremendous progress executing on our transformation into a higher growth, more scalable platform answering clients' critical challenges

Strong competitive position in fast growing markets

- Significant and leading positions in large, high growth markets such as Anti Financial Crime, ESG, Index, and Investment Analytics

Clear growth strategy and long runway ahead

- Clear path to unlock growth potential and accelerate transition to a SaaS business model in our technology, data and analytics businesses

## Key Metrics for Success

Solutions Segments Organic Revenue CAGR<sup>1</sup> (3-5 years):

6-9%

Serviceable Addressable Market<sup>2</sup>

~\$20B

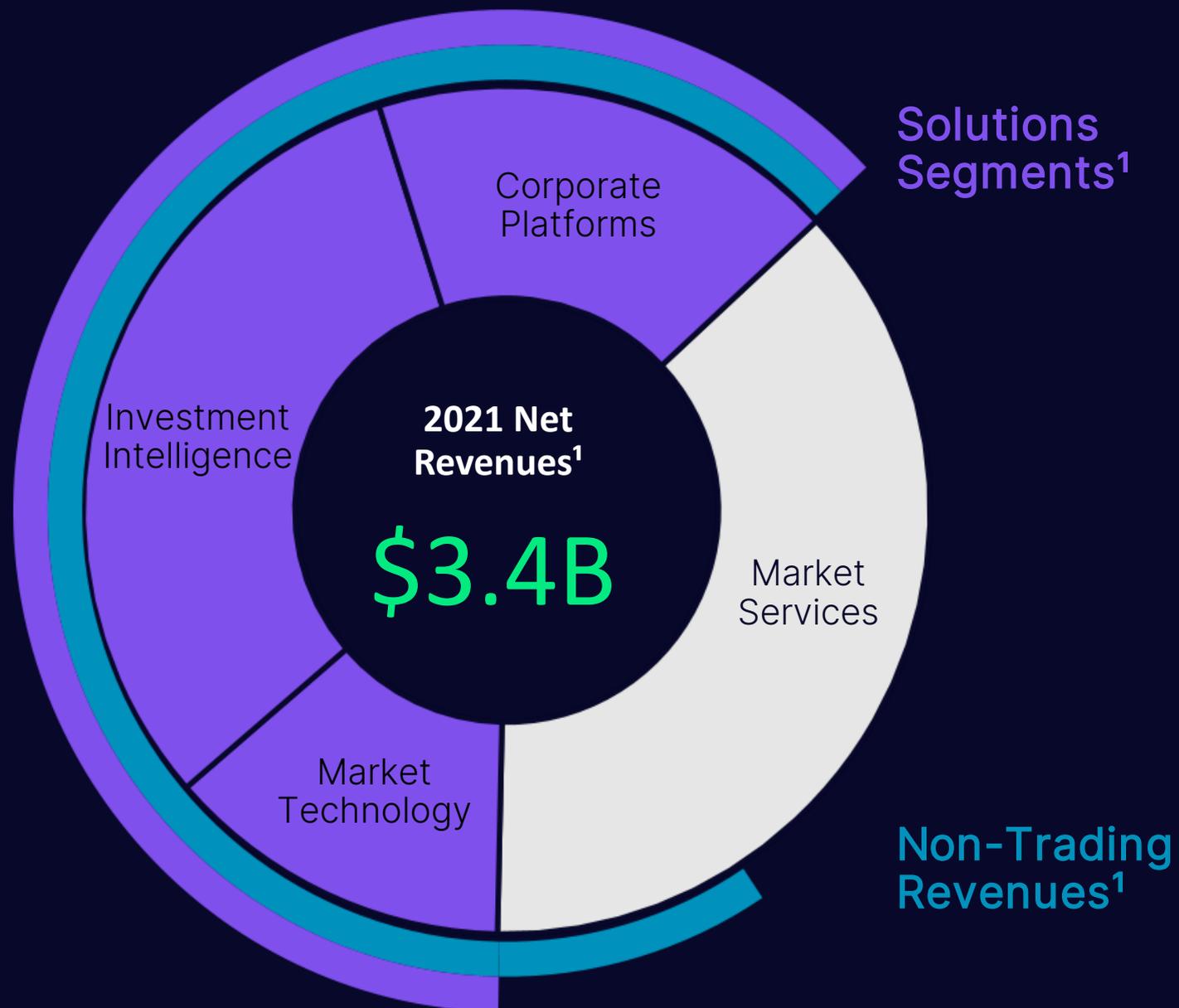
SaaS Revenue % ARR (2025):

40-50%

<sup>1</sup> Growth outlook assumes stable market backdrop. The medium-term organic revenue growth outlook of 6% - 9% in the Solutions segments includes the impact of Verafin, which will be included in organic revenue growth beginning the middle of the first quarter of 2022. Reconciliations of organic revenue growth can be found in the appendix to this presentation. Organic revenue growth is considered a non-GAAP metric.

<sup>2</sup> Serviceable addressable market (SAM) is based on internal estimates reflecting market opportunity relative to total addressable market. Refer to slide 15 for further details.

# Strong Financial And Competitive Position



## Key Highlights / Characteristics

% Non-Trading Revenues <sup>1</sup> (2021)	<b>72%</b>
Annualized Recurring Rev. <sup>2</sup> (4Q21)	<b>\$1.87B</b>
Non-GAAP EBITDA Margin <sup>3</sup> (2017 – 2021)	<b>&gt;50%</b>
Non-GAAP Diluted EPS CAGR <sup>3</sup> (2017-2021)	<b>18%</b>
Dividend payout / yield <sup>4</sup>	<b>29% / 1.3%</b>

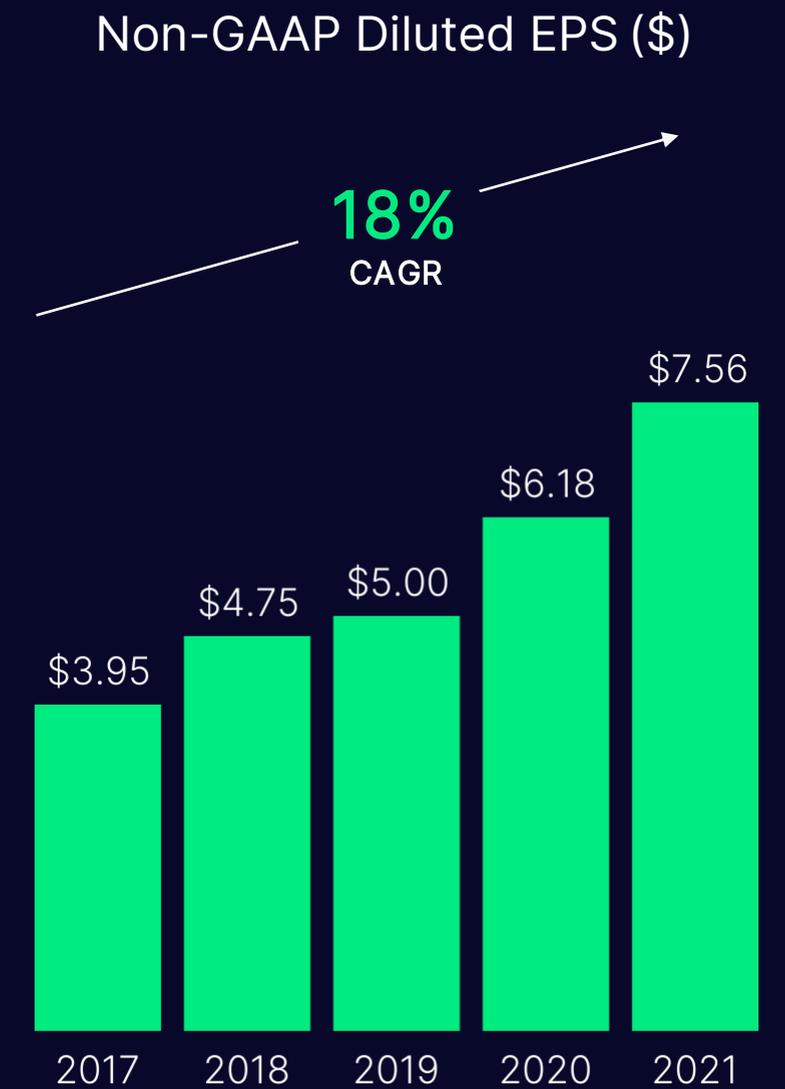
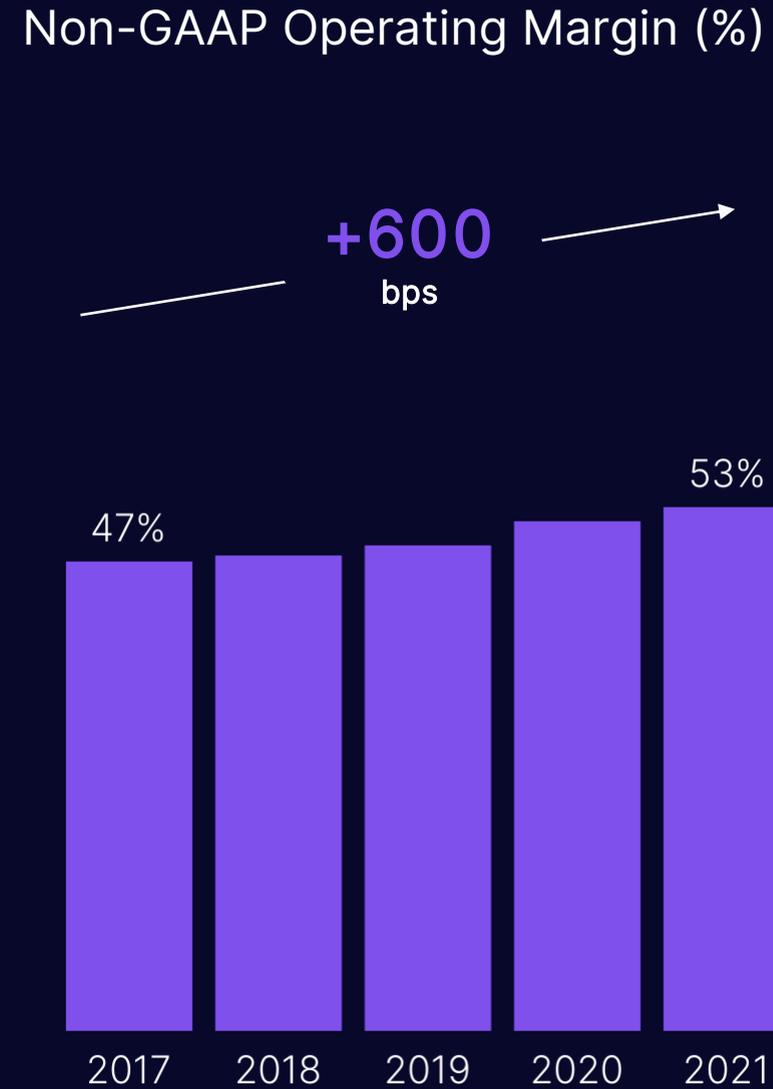
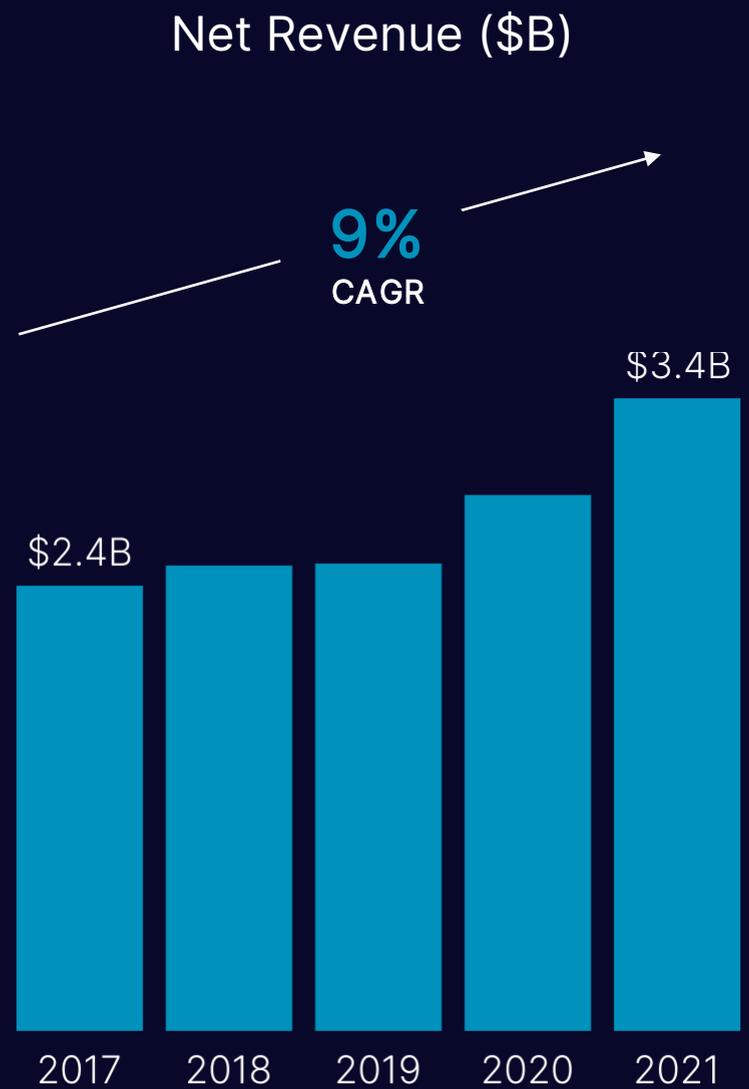
<sup>1</sup> 2021 net revenues represent last twelve months ending December 31, 2021 revenues less transaction-based expenses, excluding Other revenue. Solutions segments include Market Technology, Investment Intelligence and Corporate Platforms segments. Non-trading revenues include Solutions segments and Trade Management Services business.

<sup>2</sup> Please see page 49 for more information on Annualized Recurring Revenue, or ARR.

<sup>3</sup> Non-GAAP operating margin and non-GAAP diluted EPS are non-GAAP measures. The U.S. GAAP to non-GAAP reconciliations may be found at: [ir.nasdaq.com/Income-Statement-Trend-Summary-and-GAAP-to-Non-GAAP-Reconciliation](https://ir.nasdaq.com/Income-Statement-Trend-Summary-and-GAAP-to-Non-GAAP-Reconciliation).

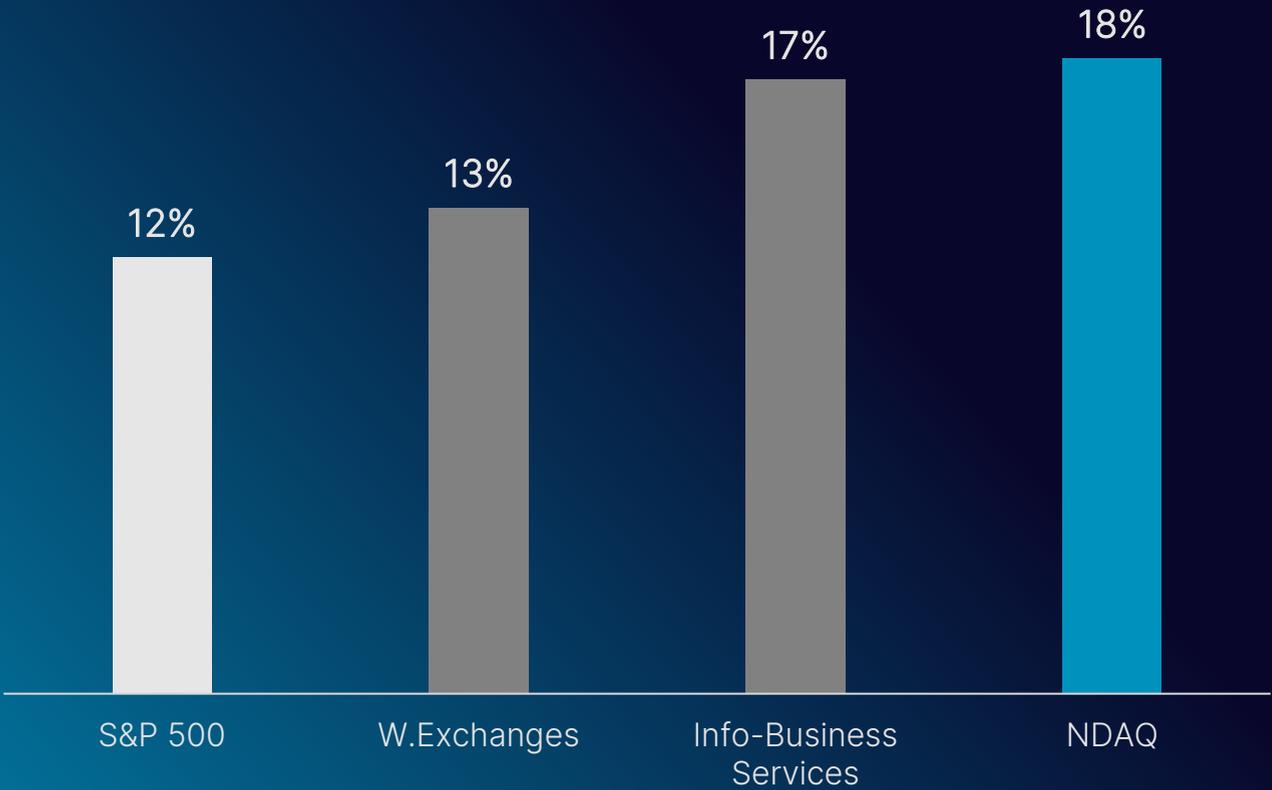
<sup>4</sup> Dividend payout based on annualizing the 4Q21 quarter dividend of \$0.54 per share divided by 2021 non-GAAP EPS of \$7.56. Dividend yield calculated on 1/26/22 annualizing the 4Q21 quarterly dividend and using a \$169.50 stock price.

# Track Record of Strong Financial Performance

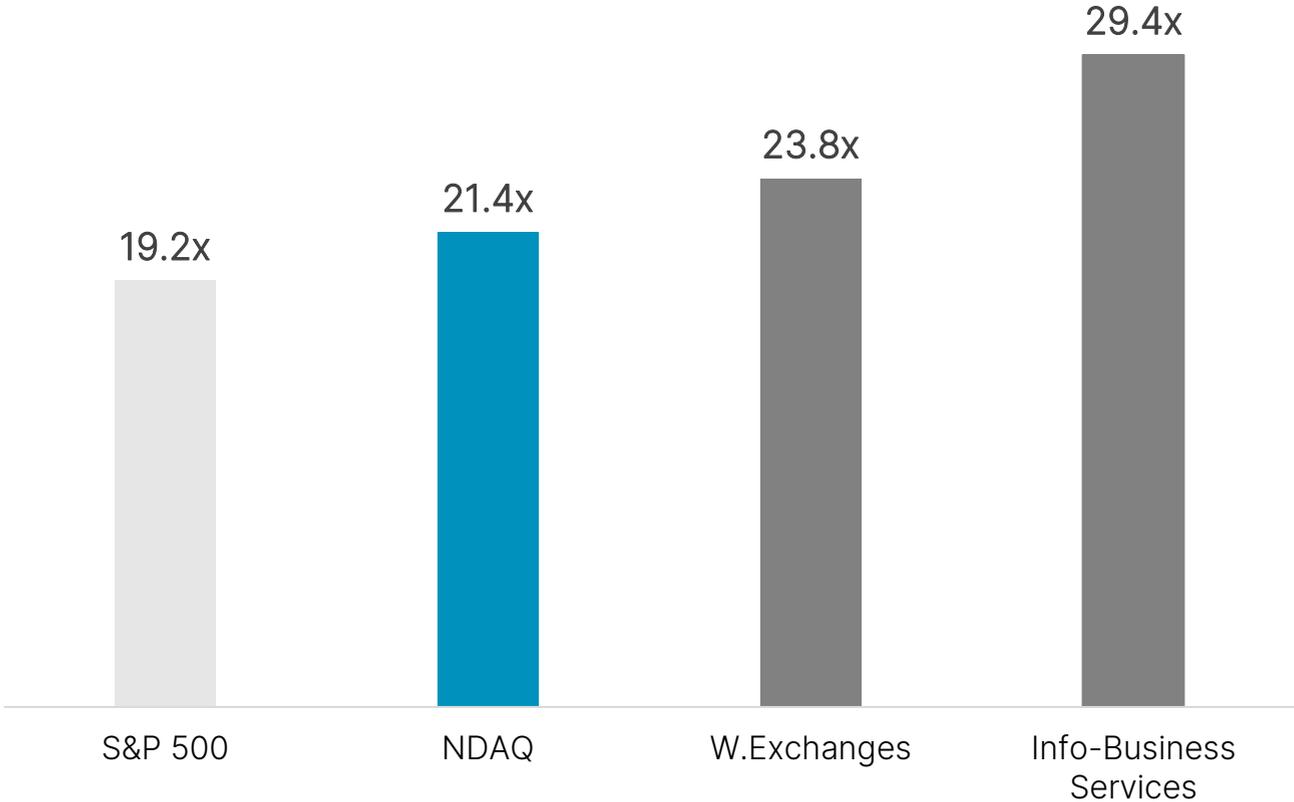


# Nasdaq's Strong Growth Stands Out Vs. Relative Valuation

EPS CAGR 2017-21



P/E Valuation (NTM)



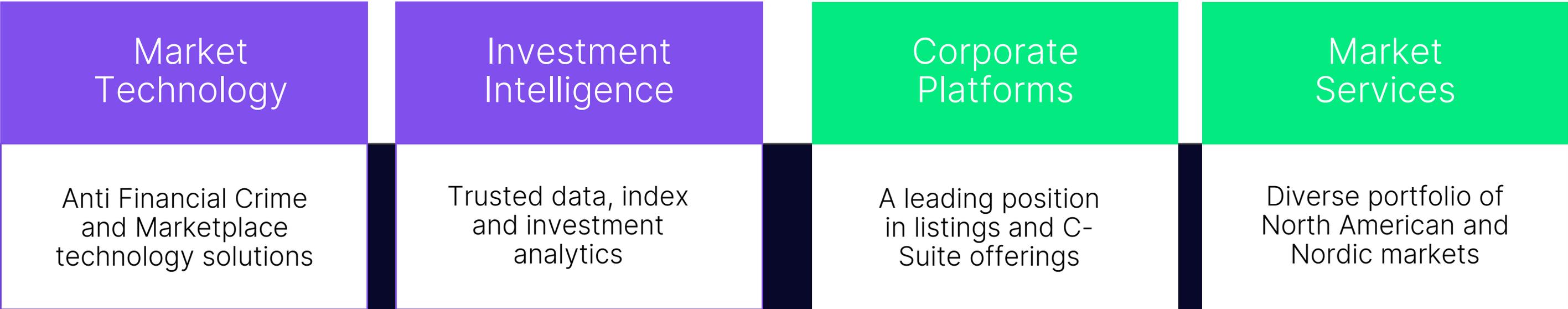
Source: FactSet as of 3/4/2022  
Western Exchange composite includes: BR, FDS, INTU, MSCI, MCO, SPGI, SSNC and VRSK. Information-Business Services composite includes: CBOE, CME, DB1-DE, ENX-FR, ICE, LSEG-GB, and X-CA.



# Our Business Segments Reflect Our Broad Capabilities

## Technology & Analytics Growth Platform

## Foundational Marketplace Core



**130+** MIOs and New Markets clients

**170+** Sell-side and Buy-side firms

**2,000+** Banks and credit unions

**2,100+** Asset managers

**1,000+** Asset owners and consultants, market data clients and index clients

**8,500+** Corporate Platforms clients

**4,900+** Listed companies

**#1 market share**  
 Single U.S. equities venue  
 U.S. equity derivatives  
 Nordic equities

# Significant Progress on Business Repositioning

**Market Technology**  
Repositioned and Upscaled

**~2x**

Increase in 2021 revenues<sup>1</sup>  
compared to 2016

**Investment Intelligence**  
Repositioned for growth

**62%**

% of Investment Intelligence 2021  
revenues from Index and Analytics

**Divested Non-Core Assets**  
PR & Multimedia businesses, NFI,  
Bwise, and LCH minority interest

**>\$700M**

Divestiture proceeds

**Reallocated R&D Spend**  
Shifted towards higher growth  
products

**2.3x**

R&D spend in Market Technology and  
Investment Intelligence '18-'20 versus '15-'17

## Revenues From Higher-Growth Market Technology and Investment Intelligence Segments



<sup>1</sup> Adjusted for the \$28 million impact in 2021 from the purchase price adjustment on deferred revenues related to the closing of the Verafin transaction.

# Strategic Pivot Has Accelerated Our Performance

Solutions Segments  
Organic Revenue Growth

> 2x

Acceleration

10% organic growth average  
2018-2021 versus 4% average between  
2016-17

Non-GAAP  
Operating Margin

400+

Basis Points Increase

From 47% in 2017 to 51%  
average 2019-2021

Return on Invested Capital  
(ROIC)

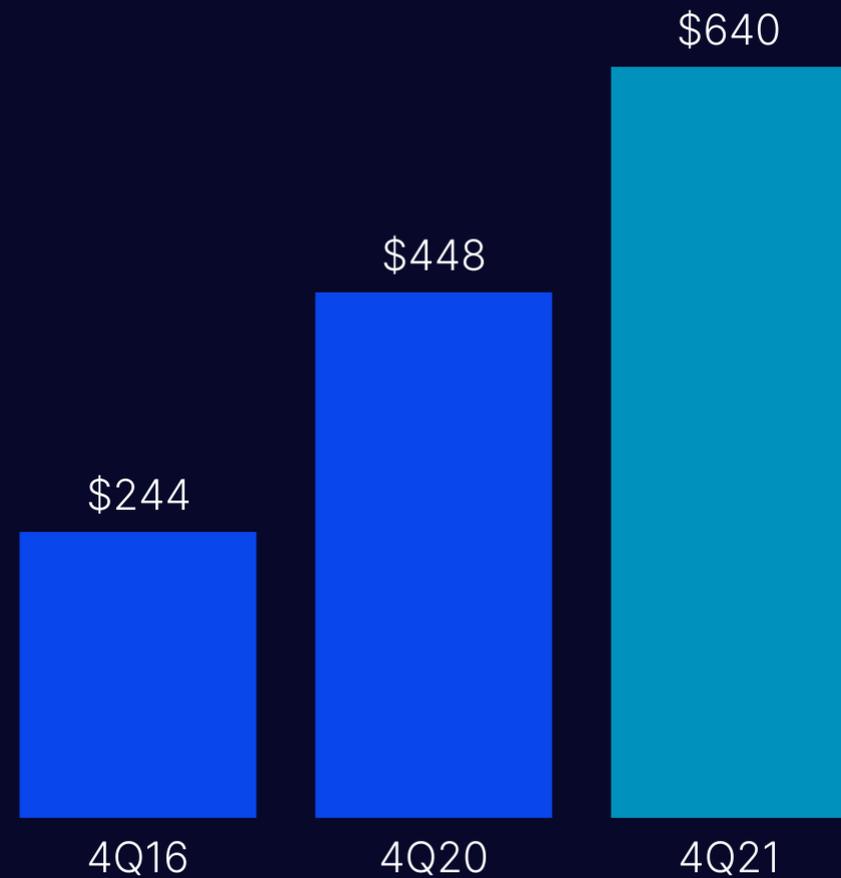
300+

Basis Points Increase

From 8% in 2016  
to 11% 2021

# Our Evolution Is Driving Expanding SaaS Contribution

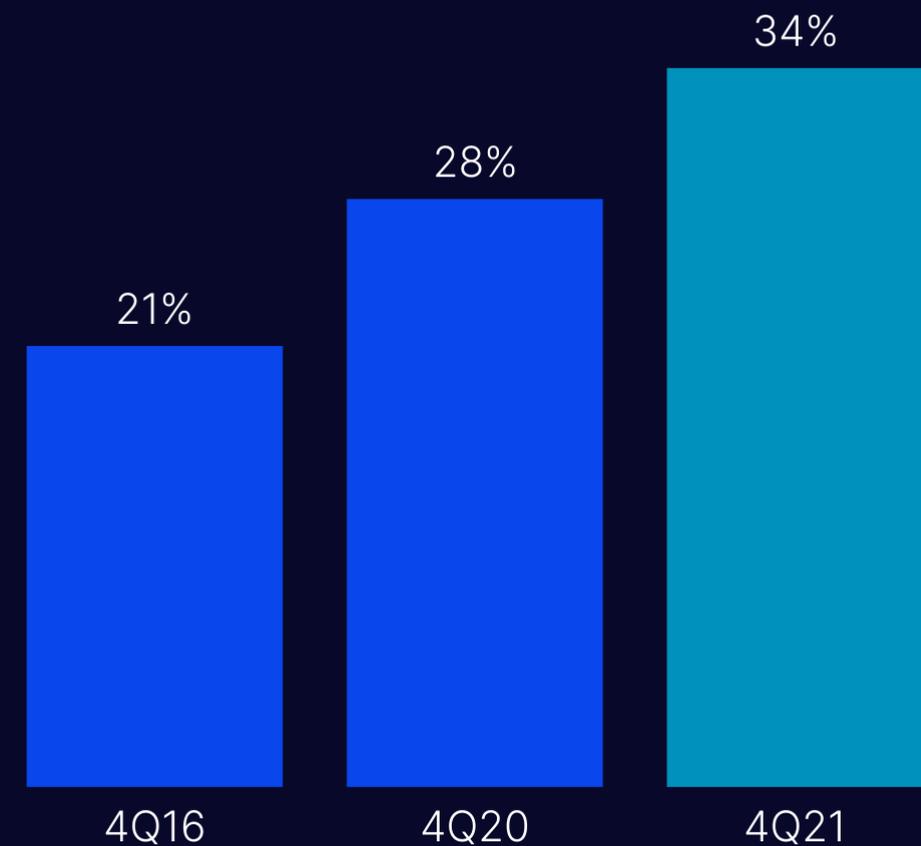
Annualized SaaS Revenues (\$Ms)



4Q16 - 4Q21 CAGR:

21%

SaaS as % of ARR



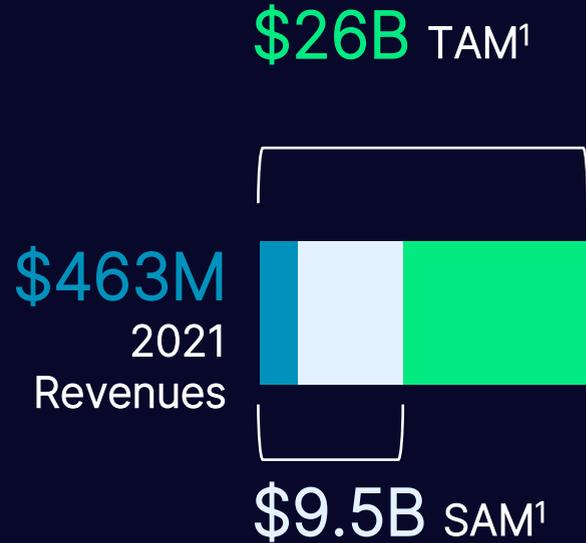
2025 Objective:

40%-50%

# Well Positioned Against Sizeable, Growing Opportunities

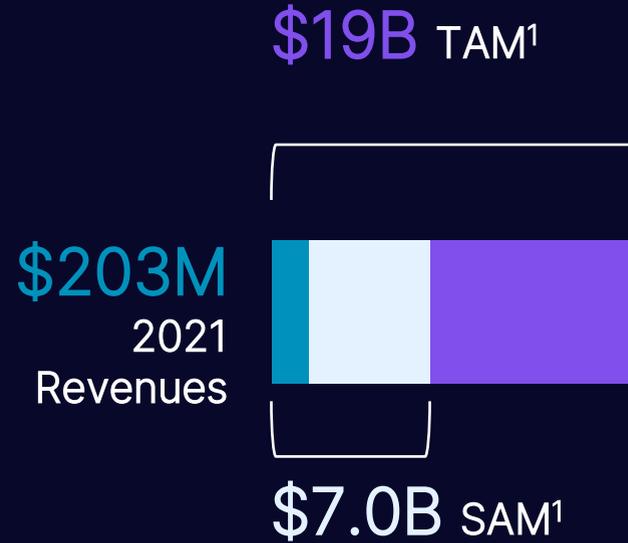
## Market Technology

- Verafin Fraud & AML (FRAML)
- Nasdaq Surveillance
- Nasdaq Financial Framework



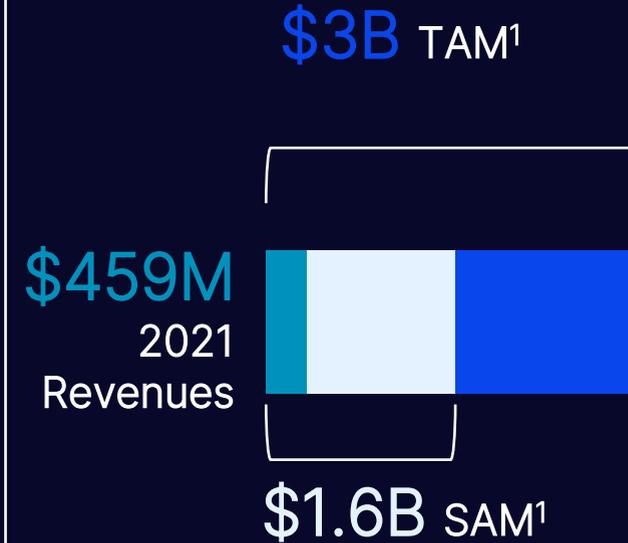
## Analytics

- eVestment<sup>2</sup>
- Nasdaq Data Link
- Nasdaq Fund Network



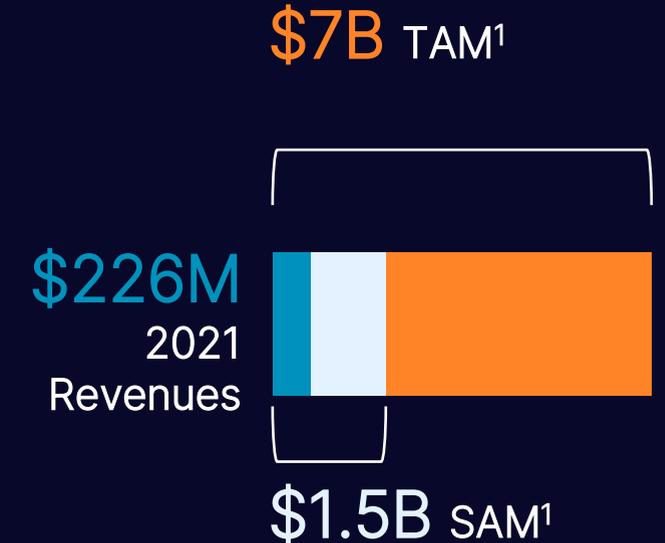
## Index

- Nasdaq-100
- Thematics
- SmartBeta



## IR & ESG Services

- IR Insight & Advisory Services
- Boardvantage
- ESG Advisory, OneReport



Opportunity: SAM relative to LTM'21 Revenues

**~21x**

**~34x**

**~3x**

**~7x**

<sup>1</sup> Total addressable market (TAM) based on consulting reports, including from Oliver Wyman, TABB, Chartis, Forestar and Nasdaq analysis. Serviceable addressable market (SAM) is based on internal estimates reflecting market opportunity relative to total addressable market. Refer to slide 50 for further details.

<sup>2</sup> eVestment includes Solovis and the combined eVestment/Solovis offerings of Nasdaq Asset Owner Solutions.

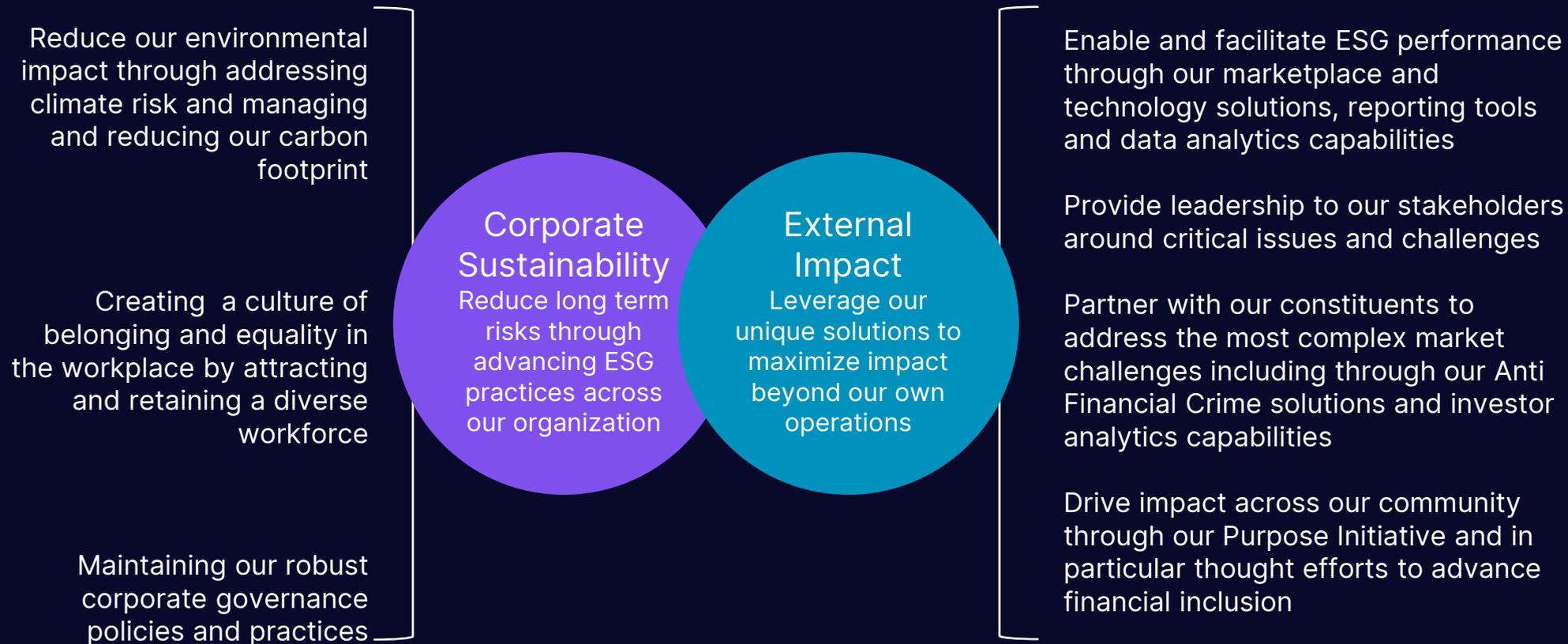
# Clear Objectives to Measure Strategy's Success



<sup>1</sup> Revenue growth outlook assumes a stable market backdrop. The medium-term organic revenue growth outlook of 6% - 9% in the Solutions segments includes the impact of Verafin, which will be included in organic revenue growth beginning the middle of the first quarter of 2022.

# Our ESG Strategy

At the epicenter of capital markets and technology, we are uniquely positioned to lead the acceleration of ESG excellence both in how we operate internally and by empowering our communities with strategic solutions that have measurable and lasting impact.



## Notable Recognition

### 11.7 "Low Risk" Sustainalytics

ESG Risk Rating (top 3rd percentile of global issuers)

Included in the **Dow Jones Sustainability Index** and **Bloomberg Gender-Equality Index**

**QualityScore 1 ISS Governance** (1<sup>st</sup> decile)

**100% Human Rights Campaign** (HRC) Corporate LGBTQ Equality Index score

**Rated Best Places for Women to Advance** by Parity.org and Best Place to Work by HRC

# The Next Generation Nasdaq

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Executing our strategic pivot to maximize our opportunity

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Strong competitive position in fast growing markets

- Significant and leading positions in large, high growth markets such as Anti Financial Crime, Index, Analytics, and IR & ESG Services

Clear growth strategy and long runway ahead

- Clear path to unlock growth potential and accelerate transition to a SaaS business model in our technology, data and analytics businesses

## Key Metrics for Success

Solutions Segments  
Organic Revenue CAGR<sup>1</sup>  
(3-5 years):

6-9%

Serviceable Addressable  
Market<sup>2</sup>

~\$20B

SaaS Revenue % ARR  
(2025):

40-50%

<sup>1</sup> Growth outlook assumes stable market backdrop. The medium-term organic revenue growth outlook of 6% - 9% in the Solutions segments includes the impact of Verafin, which will be included in organic revenue growth beginning the middle of the first quarter of 2022. Reconciliations of organic revenue growth can be found in the appendix to this presentation. Organic revenue growth is considered a non-GAAP metric.

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# TAM/SAM

	Market Technology	Analytics	Index	IR & ESG Services
<b>Total Addressable Market<sup>1</sup></b>	<b>\$26B</b>	<b>\$19B</b>	<b>\$3B</b>	<b>\$7B</b>
Categories included:	Trading; Clearing/Risk; CSD; Trade execution services; AML; Fraud; KYC; Screening, Surveillance; eCommunications; and New Markets <sup>3</sup>	Analytics and work flow tools serving the investment management community	Asset-based and subscription-based index licensing	IR software and advisory services; board and leadership workflow solutions and services; ESG consulting and advisory services; ESG software including reporting, disclosure, sustainability management, environmental health & safety, supply chain and product stewardship
<b>Serviceable Addressable Market<sup>2</sup></b>	<b>\$9.5B</b>	<b>\$7B</b>	<b>\$1.6B</b>	<b>\$1.5B</b>
Categories included:	Trading, Clearing/Risk; CSD; Trade execution services; AML; Fraud; Surveillance	Data, analytics and portfolio management solutions sold to asset managers, asset owners and their advisors and private markets	Asset-based index licensing	IR software and advisory services within developed, applicable markets; board portal software and assessments; ESG advisory services; ESG reporting and disclosure software

<sup>1</sup> Total addressable market (TAM) based on consulting reports, including from Oliver Wyman, TABB, Chartis, Forestar and Nasdaq analysis.

<sup>2</sup> Serviceable addressable market (SAM) is based on internal estimates reflecting market opportunity relative to total addressable market.

<sup>3</sup> New Markets reflects selected industries including Sports & Gaming, Transportation & Logistics, and Digital Assets.

# Defined Terms

**ARR:** ARR for a given period is the annualized revenue derived from subscription contracts with a defined contract value. This excludes contracts that are not recurring, are one-time in nature, or where the contract value fluctuates based on defined metrics. ARR is currently one of our key performance metrics to assess the health and trajectory of our recurring business. ARR does not have any standardized definition and is therefore unlikely to be comparable to similarly titled measures presented by other companies. ARR should be viewed independently of revenue and deferred revenue and is not intended to be combined with or to replace either of those items. ARR is not a forecast and the active contracts at the end of a reporting period used in calculating ARR may or may not be extended or renewed by our customers.

**Solutions Segments:** Revenues from our Corporate Platforms, Investment Intelligence and Market Technology segments.

**Net Revenues:** Revenues less transaction-based expenses.

**AUM:** Assets Under Management.

**ETP:** Exchange Traded Product.

**NFI:** Nasdaq's U.S. Fixed Income business.

**New Logo Clients:** New clients that have not previously transacted with Nasdaq.