



Nasdaq Outlines Strategy to Deliver Next Phase of Resilient and Scalable Growth

Mar 5, 2024

Highlights enhanced value-creation opportunity following strategic pivot to a platform business with a more scalable, recurring, and profitable revenue profile

Reaffirms medium-term outlook and provides 2024 priorities, including progress made to achieve synergy and deleveraging targets associated with Adenza integration

Expects to action approximately 70% of targeted \$80 million in net expense synergies ahead of plan, by the end of 2024

Details accelerated deleveraging plan with intent to reach a 4.0x leverage ratio nine to twelve months before – and a 3.3x leverage ratio at least six months before – previously announced targets

NEW YORK, March 05, 2024 (GLOBE NEWSWIRE) -- Nasdaq (Nasdaq: NDAQ) today will host its Investor Day at 8:00 AM ET, where Adena Friedman, Chair and CEO, Sarah Youngwood, Executive Vice President and CFO, and other members of the senior leadership team will detail the company's plans to deliver its next phase of resilient and scalable growth.

Nasdaq has reaffirmed its medium-term financial outlook and will outline its key 2024 priorities. Additionally, the company will discuss its financial framework and capital allocation strategy as well as highlight the benefits of its divisional structure, unified with a One Nasdaq go-to-market approach.

"Nasdaq is the trusted fabric of the global financial system, providing market-leading platforms that enhance the liquidity, transparency, and integrity of the global economy. Over the past several years, we have continuously invested to create an integrated and durable growth platform with mission-critical capabilities to serve our clients even more holistically," said **Adena Friedman, Chair and CEO**. "Across our divisions, we are uniquely positioned to grow our share of a \$31 billion serviceable addressable market opportunity and further reinforce our position as a trusted partner to the industry. We are confident this will unlock a new chapter of scalable, durable, and profitable growth that delivers significant value for our clients and shareholders."

Executing 2024 Strategic Priorities

Nasdaq will discuss its 2024 strategic priorities, which are designed to deliver performance in line with its medium-term outlook target ranges. The three key priorities are:

Integrate: Execute Adenza Integration

Following the completion of the acquisition, Adenza has already accelerated Nasdaq's growth story by expanding Nasdaq's total pro forma revenue, Solutions revenue, and non-GAAP operating margin. Nasdaq will continue to successfully integrate Adenza to expand its growth opportunities, unlock synergies, and drive operating leverage. The company expects to action approximately 70% of the targeted \$80 million in net expense synergies ahead of plan, by the end of 2024, with a portion realized in 2024 and fully realized in 2025.

Innovate: Leverage Technology Infrastructure to Drive Innovation

Nasdaq's longstanding focus on embracing cloud workflows throughout its market infrastructure and software solutions, coupled with years of investment in AI, positions the company to benefit from the next wave of technology innovation. Nasdaq's modern, cloud-native applications and its unique, proprietary data, create a strong foundation to introduce generative AI capabilities that will enhance the value that the company can provide to its clients and can further Nasdaq's competitive position.

Accelerate: Unlock the Value of the Divisional Structure to Drive Incremental Revenue

The company will continue to accelerate the impact of its divisional structure and leverage its One Nasdaq strategy to create and deliver on new growth and revenue opportunities. Within its Financial Technology division, Nasdaq expects to achieve at least \$100 million in incremental revenue through cross-sell opportunities by year-end 2027.

Enhancing Shareholder Value via a Disciplined Capital Allocation Strategy

Nasdaq will also provide details on its financial framework and capital allocation strategy. This strategy, which is fueled by strong free cash flow generation and capital discipline, will focus on four key actions:

- Utilizing a disciplined ROIC-based framework to allocate investment capital to drive organic growth.
- Accelerating its deleveraging plan, now targeting an estimated leverage ratio of 4.0x, nine to twelve months before Nasdaq's previously stated goal. Nasdaq expects to reach 3.3x, at least six months ahead of its previously stated goal.
- Growing the dividend and progressing towards an annualized payout ratio of 35% to 38% by 2027. This includes raising the 2024 quarterly dividend by \$0.02 per share, to \$0.24 per share, which will be reflected in the June 2024 dividend

payment.

- Offsetting dilution from employee vesting and mitigating dilution from the Adenza acquisition equity issuance over time, both through the company's previously announced Board authorized share repurchase program.

Reiterating Medium-Term Financial Outlook

Nasdaq will reaffirm its previously stated medium-term financial outlook:

- Capital Access Platforms Revenue growth of 5% to 8%.
- Financial Technology Revenue growth of 10% to 14%.
- Total Solutions Revenue growth of 8% to 11%.
- Non-GAAP Operating Expense growth of 5% to 8%.

This outlook reflects a three-to-five-year period and assumes a stable market backdrop. The company will also reaffirm its 2024 non-GAAP operating expense guidance with a range of \$2,105 million to \$2,185 million and its 2024 non-GAAP tax rate guidance with a range of 24.5% to 26.5%.

Reconciliations of U.S. GAAP to non-GAAP operating expense and tax rate guidance are not provided due to the inherent difficulty in quantifying certain amounts due to a variety of factors including the unpredictability in the movement in foreign currency rates, as well as future charges or reversals outside of the normal course of business.

Webcast and Materials

The agenda, slide presentation, and a live webcast are available on Nasdaq's investor relations website: <http://ir.nasdaq.com>.

About Nasdaq

Nasdaq (Nasdaq: NDAQ) is a leading global technology company serving corporate clients, investment managers, banks, brokers, and exchange operators as they navigate and interact with the global capital markets and the broader financial system. We aspire to deliver world-leading platforms that improve the liquidity, transparency, and integrity of the global economy. Our diverse offering of data, analytics, software, exchange capabilities, and client-centric services enables clients to optimize and execute their business vision with confidence. To learn more about the company, technology solutions, and career opportunities, visit us on [LinkedIn](#), on X [@Nasdaq](#), or at www.nasdaq.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Information set forth in this press release 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. These forward-looking statements can often be identified by the use of words such as "will," "expect," "designed," "outlook," "target," "plan," "estimate," and "can," as well as variations of such words and similar expressions. Such forward-looking statements include, but are not limited to (i) management's vision for the future of Nasdaq, projections relating to our future financial results, growth, dividend program, products and services, ability to transition to new business models or implement our new corporate structure, taxes and achievement of synergy targets related to the acquisition of Adenza, (ii) statements about the benefits of certain acquisitions and other strategic, restructuring, technology, de-leveraging, share repurchase and capital allocation commitments and initiatives, (iii) statements about the integration of our recent Adenza acquisition, (iv) our medium-term growth outlook 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, geopolitical instability, government and industry regulation, interest rate risk, U.S. and global competition.

Further information on these and other factors are 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. Nasdaq undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. The forward-looking statements in this release do not include the potential impact of any acquisitions or divestitures that may be announced and/or completed after the date hereof.

WEBSITE DISCLOSURE

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

Nasdaq Media Relations Contact:

David Lurie
+1.914.538.0533
David.Lurie@Nasdaq.com

Nick Jannuzzi
+1.973.760.1741
Nicholas.Jannuzzi@Nasdaq.com

Nasdaq Investor Relations Contact:

Ato Garrett
+1.212.401.8737
Ato.Garrett@Nasdaq.com

