

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 19, 2022

Nasdaq, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38855
(Commission
File Number)

52-1165937
(I.R.S. Employer
Identification No.)

**151 W. 42nd Street,
New York, New York**
(Address of principal executive offices)

10036
(Zip code)

Registrant's telephone number, including area code: +1 212 401 8700

No change since last report
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u> | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|---|------------------------------|--|
| Common Stock, \$0.01 par value per share | NDAQ | The Nasdaq Stock Market |
| 0.900% Senior Notes due 2033 | NDAQ33 | The Nasdaq Stock Market |
| 0.875% Senior Notes due 2030 | NDAQ30 | The Nasdaq Stock Market |
| 1.75% Senior Notes due 2029 | NDAQ29 | The Nasdaq Stock Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On July 20, 2022, Nasdaq, Inc. (“Nasdaq”) issued a press release providing financial results for the second quarter of 2022. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

At Nasdaq’s 2022 annual meeting of shareholders on June 22, 2022, Nasdaq’s shareholders approved a certificate of amendment to Nasdaq’s Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock in connection with a three-for-one stock split of Nasdaq’s common stock in the form of a stock dividend (the “Charter Amendment”). As previously disclosed, the Charter Amendment was also subject to the approval of the Securities and Exchange Commission (the “SEC”). The Charter Amendment was approved by the SEC on June 15, 2022. The Charter Amendment became effective upon its filing with the Secretary of State of the State of Delaware on July 19, 2022.

Each Nasdaq shareholder of record at the close of business on August 12, 2022 (the “Stock Dividend Record Date”) will receive, after the close of business on August 26, 2022, two additional shares for every one share held as of the Stock Dividend Record Date. Trading is expected to begin on a split-adjusted basis on August 29, 2022.

This description of the Charter Amendment is not complete and is qualified in its entirety by reference to the text of the Charter Amendment, a copy of which is filed as Exhibit 3.1 to this Form 8-K.

Item 7.01. Regulation FD Disclosure.

On July 20, 2022, Nasdaq posted slides to be used in its earnings presentation for the second quarter of 2022 on its website at <http://ir.nasdaq.com/>.

Item 8.01. Other Events.

On July 20, 2022, Nasdaq issued a press release announcing the declaration of (i) a 3-for-1 stock split in the form of a stock dividend and (ii) a quarterly cash dividend. A copy of the press release is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Exhibit Description</u> |
|--------------------|---|
| 3.1 | Certificate of Amendment to Nasdaq’s Amended and Restated Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on July 19, 2022. |
| 99.1 | Press release dated July 20, 2022 relating to financial results for the second quarter of 2022. |
| 99.2 | Press release dated July 20, 2022 relating to the declaration of (i) a 3-for-1 stock split in the form of stock dividend and (ii) a quarterly cash dividend. |
| 104 | Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document. |

The information set forth under “Item 2.02 Results of Operations and Financial Condition” and “Item 7.01 Regulation FD Disclosure” is intended to be furnished pursuant to Item 2.02 and Item 7.01, respectively. Such information, including Exhibit 99.1, shall not be deemed “filed” for purposes of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference into any of Nasdaq’s filings under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: July 20, 2022

NASDAQ, INC.

By: /s/ John A. Zecca

Name: John A. Zecca

Title: Executive Vice President and Chief Legal Officer

**CERTIFICATE OF AMENDMENT
TO THE
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
NASDAQ, INC.**

Pursuant to Section 242 of the
General Corporation Law of the State of Delaware

NASDAQ, INC., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), does hereby certify that:

FIRST: Article Fourth, Paragraph A of the Amended and Restated Certificate of Incorporation is hereby amended in its entirety to read as follows:

“A. The total number of shares of Stock which Nasdaq shall have the authority to issue is Nine Hundred Thirty Million (930,000,000), consisting of Thirty Million (30,000,000) shares of Preferred Stock, par value \$.01 per share (hereinafter referred to as “Preferred Stock”), and Nine Hundred Million (900,000,000) shares of Common Stock, par value \$.01 per share (hereinafter referred to as “Common Stock”).”

SECOND: The foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be executed by its duly authorized officer this 19th day of July, 2022.

NASDAQ, INC.

By: /s/ Adena T. Friedman

Name: Adena T. Friedman

Title: President and Chief Executive Officer

Nasdaq Reports Second Quarter 2022 Results; Continues Strong Growth in Solutions Segments Revenue

NEW YORK, July 20, 2022 - Nasdaq, Inc. (Nasdaq: NDAQ) today reported financial results for the second quarter of 2022.

- Second quarter 2022 net revenues¹ increased 6% compared to the second quarter of 2021. Solutions segments² revenues increased 10%, including 12% organic growth, partially offset by a negative 2% FX impact.
- Annualized Recurring Revenue (ARR)³ increased 9% compared to the second quarter of 2021. Annualized SaaS revenues increased 12% and represented 35% of ARR.
- Second quarter 2022 GAAP diluted earnings per share decreased 10% compared to the second quarter of 2021 primarily due to a gain on a divestiture in the prior year period. Second quarter 2022 non-GAAP⁴ diluted earnings per share increased 9% compared to the second quarter of 2021.
- During the first six months of 2022, the company returned \$819 million to shareholders, including \$633 million in share repurchases and \$186 million in dividends.
- After receiving the required regulatory and shareholder approvals, the Board declared a three-for-one stock split, with trading of NDAQ on a split-adjusted basis to begin on August 29, 2022.

Second Quarter 2022 Highlights

| <u>(US\$ millions, except per share)</u> | <u>2Q22</u> | <u>% Change (YoY)</u> |
|--|-------------|---------------------------|
| Solutions Segments Revenues | \$ 582 | 10% |
| Market Services Net Revenues | \$ 310 | 1% |
| Net Revenues | \$ 893 | 6% |
| ARR | \$1,965 | 9% |
| GAAP Diluted EPS | \$ 1.85 | (10)% |
| Non-GAAP Diluted EPS | \$ 2.07 | 9% |

Adena Friedman, President and CEO said, “Nasdaq’s robust second quarter results and continued top-line growth demonstrate the importance of our diverse and distinctive offerings to our clients, even during challenging market environments. I am proud of our ability to deliver consistently while positioning our company to capture future growth opportunities through focused investments.”

Ann Dennison, Executive Vice President and CFO said, “As we begin the second half of the year, our carefully calibrated investments are supporting our continued growth across Anti Financial Crime solutions, Analytics and ESG, while maintaining our strong margins and scalability.”

FINANCIAL REVIEW

- Second quarter 2022 net revenues were \$893 million, an increase of \$47 million, or 6%, from \$846 million in the prior year period. Net revenues reflected a \$76 million, or 9%, positive impact from organic growth, including positive contribution from all segments, partially offset by a \$19 million decrease from the impact of changes in FX rates and a \$10 million decrease from the net impact of acquisitions and divestitures.
- Solutions segments revenues were \$582 million in the second quarter of 2022, an increase of \$55 million, or 10%. The increase reflects a \$65 million, or 12%, positive impact from organic growth, partially offset by a \$10 million decrease from the impact of changes in FX rates.
- Market Services net revenues were \$310 million in the second quarter of 2022, an increase of \$2 million, or 1%. The increase reflects a \$11 million, or 4%, positive impact from organic growth, partially offset by a \$9 million decrease from the impact of changes in FX rates.
- Second quarter 2022 GAAP operating expenses increased \$11 million, or 2%, versus the prior year period. The increase primarily reflects higher general, administrative and other expense, compensation and benefits expense, and computer operations and data communications expense, partially offset by lower restructuring charges and professional and contract services expense.
- Second quarter 2022 non-GAAP operating expenses increased \$21 million, or 5% versus the prior year period. The increase reflects a \$42 million, or 11%, organic increase over the prior year period, partially offset by a \$17 million decrease from the impact of changes in FX rates and a \$4 million decrease from the net impact of acquisitions and divestitures. The organic increase primarily reflects higher compensation and benefits expense, general, administrative and other expense, and computer operations and data communications expense, partially offset by lower professional and contract services expense.
- The company repurchased \$166 million in shares of its common stock in the second quarter of 2022, including the completion of a share repurchase program to offset dilution related to the divestiture of our U.S. Fixed Income business. As of June 30, 2022, there was \$293 million remaining under the board authorized share repurchase program.
- The Board of Directors has approved and declared a three-for-one stock split in the form of a stock dividend on each share of common stock. The company's shareholders, and the SEC, approved the company's proposed charter amendment to increase the number of authorized shares of common stock, and trading on a split-adjusted basis is expected to take place on August 29, 2022.

2022 EXPENSE AND TAX GUIDANCE UPDATE⁵

- The company is narrowing its 2022 non-GAAP operating expense guidance to a range of \$1,710 to \$1,740 million. Nasdaq continues to expect its 2022 non-GAAP tax rate to be in the range of 24% to 26%.

STRATEGIC AND BUSINESS UPDATES

- **Nasdaq's annualized SaaS revenues in the second quarter of 2022 increased 12% year over year.** Annualized SaaS revenues totaled \$679 million in the second quarter of 2022, representing 35% of total company ARR, up from 33% in the second quarter of 2021. The 12% year over year increase in annualized SaaS revenues primarily reflects strong growth in our Anti Financial Crime and Analytics businesses.
- **Corporate Platforms delivered strong year over year growth from both Listing Services and IR and ESG Services, and Nasdaq has further expanded its ESG capabilities with the acquisition of Metrio.** Listing Services revenues rose 15% to \$107 million as the number of Nasdaq-listed corporate issuers increased 11% versus the prior year period. IR & ESG Services revenues in the second quarter of 2022 increased 9% and the number of clients increased 6%. Nasdaq also acquired Metrio, an ESG data collection, analytics and reporting services provider, which expands our platform of SaaS solutions.
- **Investment Intelligence continues to deliver strong revenue growth led by Index and Analytics.** The Analytics business led by eVestment saw continued strong user adoption across both asset owners and asset managers as annualized SaaS revenues increased 12% to \$215 million. In our Index business, revenue growth remained robust with a 16% year over year increase. The business continued to experience strong net inflows of \$71 billion over the last 12 months, helping to offset the impact of market depreciation. Additionally, the number of contracts traded on futures and options on futures tracking Nasdaq indexes increased 64% year over year.
- **Nasdaq led all exchanges in total multiply-listed options traded and set a record for the number of shares traded during the 2022 Russell U.S. indexes reconstitution.** In the second quarter and first six months of 2022, Nasdaq led all exchanges during the period in total volume traded for multiply-listed equity options. Nasdaq continues to see higher participation in our auctions as passive strategies become a larger share of investment assets. As a result, Nasdaq achieved a record day for rebalancing Nasdaq listed securities in the annual Russell reconstitution, with 3.31 billion shares representing \$63.8 billion, executed in 2.04 seconds.
- **Market Technology achieved strong new order intake.** New order intake totaled \$102 million in the second quarter of 2022, with nearly 60% coming from new customers, including a client agreement with Climate Impact X (CIX) to leverage Nasdaq's Marketplace Services Platform.

¹ Represents revenues less transaction-based expenses.

² Constitutes revenues from Market Technology, Investment Intelligence and Corporate Platforms segments.

³ Annualized Recurring Revenue (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.

⁴ Refer to our reconciliations of U.S. GAAP to non-GAAP net income, diluted earnings per share, operating income and operating expenses, included in the attached schedules.

⁵ U.S. 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.

ABOUT NASDAQ

Nasdaq (Nasdaq: NDAQ) is a global technology company serving the capital markets and other industries. Our diverse offering of data, analytics, software and 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 Twitter [@Nasdaq](#), or at www.nasdaq.com.

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, and non-GAAP operating expenses, 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 the end of this release. 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 the items described below in the reconciliation tables 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 earnings release. 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 and expense 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 are described within the body of this release.

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 release 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, including the proposed stock split, (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, geopolitical instability arising from the Russian invasion of Ukraine, 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. 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, as a means for disclosing material non-public information and for complying with SEC Regulation FD and other disclosure obligations.

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Nasdaq, Inc.
Condensed Consolidated Statements of Income
(in millions, except per share amounts)
(unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---------------------------|--------------------------|--------------------------|--------------------------|
| | June 30, 2022 | June 30, 2021 | June 30, 2022 | June 30, 2021 |
| Revenues: | | | | |
| Market Technology | \$ 131 | \$ 117 | \$ 255 | \$ 217 |
| Investment Intelligence | 283 | 261 | 567 | 516 |
| Corporate Platforms | 168 | 149 | 336 | 296 |
| Market Services | 969 | 874 | 1,927 | 2,010 |
| Other Revenues | 1 | 11 | 2 | 24 |
| Total revenues | 1,552 | 1,412 | 3,087 | 3,063 |
| Transaction-based expenses: | | | | |
| Transaction rebates | (529) | (517) | (1,111) | (1,170) |
| Brokerage, clearance and exchange fees | (130) | (49) | (191) | (196) |
| Revenues less transaction-based expenses | 893 | 846 | 1,785 | 1,697 |
| Operating Expenses: | | | | |
| Compensation and benefits | 247 | 231 | 501 | 470 |
| Professional and contract services | 29 | 38 | 64 | 65 |
| Computer operations and data communications | 50 | 46 | 101 | 90 |
| Occupancy | 25 | 26 | 52 | 55 |
| General, administrative and other | 34 | 12 | 55 | 24 |
| Marketing and advertising | 11 | 9 | 21 | 19 |
| Depreciation and amortization | 65 | 68 | 132 | 131 |
| Regulatory | 8 | 7 | 15 | 14 |
| Merger and strategic initiatives | 12 | 12 | 27 | 57 |
| Restructuring charges | — | 21 | — | 31 |
| Total operating expenses | 481 | 470 | 968 | 956 |
| Operating income | 412 | 376 | 817 | 741 |
| Interest income | — | — | 1 | 1 |
| Interest expense | (32) | (33) | (64) | (62) |
| Net gain on divestiture of business | — | 84 | — | 84 |
| Other income | 8 | — | 2 | 1 |
| Net income from unconsolidated investees | 9 | 27 | 15 | 84 |
| Income before income taxes | 397 | 454 | 771 | 849 |
| Income tax provision | 90 | 113 | 182 | 210 |
| Net income | 307 | 341 | 589 | 639 |
| Net loss attributable to noncontrolling interests | — | — | 1 | — |
| Net income attributable to Nasdaq | \$ 307 | \$ 341 | \$ 590 | \$ 639 |
| Per share information: | | | | |
| Basic earnings per share | \$ 1.87 | \$ 2.08 | \$ 3.59 | \$ 3.89 |
| Diluted earnings per share | \$ 1.85 | \$ 2.05 | \$ 3.55 | \$ 3.83 |
| Cash dividends declared per common share | \$ 0.60 | \$ 0.54 | \$ 1.14 | \$ 1.03 |
| Weighted-average common shares outstanding for earnings per share: | | | | |
| Basic | 164.1 | 164.1 | 164.6 | 164.4 |
| Diluted | 165.5 | 166.4 | 166.4 | 166.8 |

Nasdaq, Inc.
Revenue Detail
(in millions)
(unaudited)

| | <u>Three Months Ended</u> | | <u>Six Months Ended</u> | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | <u>June 30,</u> <u>2022</u> | <u>June 30,</u> <u>2021</u> | <u>June 30,</u> <u>2022</u> | <u>June 30,</u> <u>2021</u> |
| MARKET TECHNOLOGY REVENUES | | | | |
| Anti Financial Crime Technology revenues | \$ 75 | \$ 58 | \$ 147 | \$ 101 |
| Marketplace Infrastructure Technology revenues | 56 | 59 | 108 | 116 |
| Total Market Technology revenues | <u>131</u> | <u>117</u> | <u>255</u> | <u>217</u> |
| INVESTMENT INTELLIGENCE REVENUES | | | | |
| Market Data revenues | 105 | 104 | 213 | 209 |
| Index revenues | 124 | 107 | 246 | 209 |
| Analytics revenues | 54 | 50 | 108 | 98 |
| Total Investment Intelligence revenues | <u>283</u> | <u>261</u> | <u>567</u> | <u>516</u> |
| CORPORATE PLATFORMS REVENUES | | | | |
| Listings Services revenues | 107 | 93 | 214 | 184 |
| IR & ESG Services revenues | 61 | 56 | 122 | 112 |
| Total Corporate Platforms revenues | <u>168</u> | <u>149</u> | <u>336</u> | <u>296</u> |
| MARKET SERVICES REVENUES | | | | |
| Equity Derivative Trading and Clearing revenues | 324 | 364 | 674 | 785 |
| Transaction-based expenses: | | | | |
| Transaction rebates | (206) | (255) | (438) | (550) |
| Brokerage, clearance and exchange fees | (15) | (6) | (21) | (26) |
| Total net equity derivative trading and clearing revenues | <u>103</u> | <u>103</u> | <u>215</u> | <u>209</u> |
| Cash Equity Trading revenues | 546 | 415 | 1,056 | 1,033 |
| Transaction-based expenses: | | | | |
| Transaction rebates | (323) | (262) | (673) | (620) |
| Brokerage, clearance and exchange fees | (115) | (43) | (170) | (170) |
| Total net cash equity trading revenues | <u>108</u> | <u>110</u> | <u>213</u> | <u>243</u> |
| Fixed Income and Commodities Trading and Clearing revenues | 12 | 14 | 26 | 31 |
| Trade Management Services revenues | 87 | 81 | 171 | 161 |
| Total Net Market Services revenues | <u>310</u> | <u>308</u> | <u>625</u> | <u>644</u> |
| OTHER REVENUES | <u>1</u> | <u>11</u> | <u>2</u> | <u>24</u> |
| REVENUES LESS TRANSACTION-BASED EXPENSES | <u>\$ 893</u> | <u>\$ 846</u> | <u>\$1,785</u> | <u>\$1,697</u> |

Nasdaq, Inc.
Condensed Consolidated Balance Sheets
(in millions)

| | June 30, 2022 (unaudited) | December 31, 2021 |
|--|---------------------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 454 | \$ 393 |
| Restricted cash and cash equivalents | 30 | 29 |
| Default funds and margin deposits | 8,688 | 5,911 |
| Financial investments | 161 | 208 |
| Receivables, net | 652 | 588 |
| Other current assets | 233 | 294 |
| Total current assets | 10,218 | 7,423 |
| Property and equipment, net | 514 | 509 |
| Goodwill | 8,151 | 8,433 |
| Intangible assets, net | 2,670 | 2,813 |
| Operating lease assets | 462 | 366 |
| Other non-current assets | 581 | 571 |
| Total assets | \$ 22,596 | \$ 20,115 |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 175 | \$ 185 |
| Section 31 fees payable to SEC | 175 | 62 |
| Accrued personnel costs | 161 | 252 |
| Deferred revenue | 512 | 329 |
| Other current liabilities | 140 | 115 |
| Default funds and margin deposits | 8,688 | 5,911 |
| Short-term debt | 1,020 | 1,018 |
| Total current liabilities | 10,871 | 7,872 |
| Long-term debt | 4,696 | 4,812 |
| Deferred tax liabilities, net | 464 | 406 |
| Operating lease liabilities | 470 | 386 |
| Other non-current liabilities | 244 | 234 |
| Total liabilities | 16,745 | 13,710 |
| Commitments and contingencies | | |
| Equity | | |
| Nasdaq stockholders' equity: | | |
| Common stock | 2 | 2 |
| Additional paid-in capital | 1,385 | 1,952 |
| Common stock in treasury, at cost | (509) | (437) |
| Accumulated other comprehensive loss | (1,905) | (1,587) |
| Retained earnings | 6,869 | 6,465 |
| Total Nasdaq stockholders' equity | 5,842 | 6,395 |
| Noncontrolling interests | 9 | 10 |
| Total equity | 5,851 | 6,405 |
| Total liabilities and equity | \$ 22,596 | \$ 20,115 |

Nasdaq, Inc.
Reconciliation of U.S. GAAP Net Income, Diluted Earnings Per Share, Operating Income and
Operating Expenses to Non-GAAP Net Income, Diluted Earnings Per Share, Operating Income, and Operating Expenses
(in millions, except per share amounts)
(unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---------------------------|--------------------------|--------------------------|--------------------------|
| | June 30, 2022 | June 30, 2021 | June 30, 2022 | June 30, 2021 |
| U.S. GAAP net income attributable to Nasdaq | \$ 307 | \$ 341 | \$ 590 | \$ 639 |
| Non-GAAP adjustments: | | | | |
| Amortization expense of acquired intangible assets ⁽¹⁾ | 39 | 40 | 78 | 76 |
| Merger and strategic initiatives expense ⁽²⁾ | 12 | 12 | 27 | 57 |
| Restructuring charges ⁽³⁾ | — | 21 | — | 31 |
| Net gain on divestiture of business ⁽⁴⁾ | — | (84) | — | (84) |
| Net income from unconsolidated investees ⁽⁵⁾ | (9) | (26) | (14) | (83) |
| Extinguishment of debt ⁽⁶⁾ | 16 | — | 16 | — |
| Other | (8) | 5 | 2 | 7 |
| Total non-GAAP adjustments | 50 | (32) | 109 | 4 |
| Non-GAAP adjustment to the income tax provision ⁽⁷⁾ | (15) | 7 | (29) | — |
| Total non-GAAP adjustments, net of tax | 35 | (25) | 80 | 4 |
| Non-GAAP net income attributable to Nasdaq | \$ 342 | \$ 316 | \$ 670 | \$ 643 |
| U.S. GAAP diluted earnings per share | \$ 1.85 | \$ 2.05 | \$ 3.55 | \$ 3.83 |
| Total adjustments from non-GAAP net income above | 0.22 | (0.15) | 0.48 | 0.02 |
| Non-GAAP diluted earnings per share | \$ 2.07 | \$ 1.90 | \$ 4.03 | \$ 3.85 |
| Weighted-average diluted common shares outstanding for earnings per share: | 165.5 | 166.4 | 166.4 | 166.8 |

- (1) We amortize intangible assets acquired in connection with various acquisitions. Intangible asset amortization expense can vary from period to period due to episodic acquisitions completed, rather than from our ongoing business operations.
- (2) We have pursued various strategic initiatives and completed acquisitions and divestitures in recent years which have resulted in expenses which would not have otherwise been incurred. These expenses generally include integration costs, as well as legal, due diligence and other third party transaction costs. The frequency and amount of such expenses vary significantly based on the size, timing and complexity of the transaction.
- (3) In September 2019, we initiated the transition of certain technology platforms to advance the company's strategic opportunities as a technology and analytics provider and continue the realignment of certain business areas. Charges associated with this plan represented a fundamental shift in our strategy and technology as well as executive realignment and were excluded for purposes of calculating non-GAAP measures as they are not reflective of ongoing operating performance or comparisons in Nasdaq's performance between periods. The restructuring charges primarily consisted of non-cash items such as asset impairment charges primarily related to capitalized software that was retired, and accelerated depreciation expense on certain assets as a result of a decrease in their useful life as well as third party consulting costs. The restructuring program ended as of June 30, 2021.
- (4) For the three and six months ended June 30, 2021, we recorded a pre-tax net gain of \$84 million on the sale of our U.S. Fixed Income business, which is included in net gain on divestiture of business in the Condensed Consolidated Statements of Income.
- (5) Represents the earnings recognized from our equity interest in the Options Clearing Corporation, or OCC. We will continue to exclude the earnings and losses related to our share of OCC's earnings for purposes of calculating non-GAAP measures as our income on this investment may vary significantly period to period. This provides a more meaningful analysis of Nasdaq's ongoing operating performance or comparisons in Nasdaq's performance between periods.
- (6) For the three and six months ended June 30, 2022, we recorded a loss on early extinguishment of debt. The charge for all periods is recorded in general, administrative and other expense in our Condensed Consolidated Statements of Income.
- (7) The non-GAAP adjustment to the income tax provision primarily includes the tax impact of each non-GAAP adjustment.

Nasdaq, Inc.
Reconciliation of U.S. GAAP Net Income, Diluted Earnings Per Share, Operating Income and
Operating Expenses to Non-GAAP Net Income, Diluted Earnings Per Share, Operating Income, and Operating Expenses
(in millions)
(unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|------------------|------------------|------------------|
| | June 30, 2022 | June 30, 2021 | June 30, 2022 | June 30, 2021 |
| U.S. GAAP operating income | \$ 412 | \$ 376 | \$ 817 | \$ 741 |
| Non-GAAP adjustments: | | | | |
| Amortization expense of acquired intangible assets ⁽¹⁾ | 39 | 40 | 78 | 76 |
| Merger and strategic initiatives expense ⁽²⁾ | 12 | 12 | 27 | 57 |
| Restructuring charges ⁽³⁾ | — | 21 | — | 31 |
| Extinguishment of debt ⁽⁴⁾ | 16 | — | 16 | — |
| Other | 1 | 5 | 5 | 7 |
| Total non-GAAP adjustments | <u>68</u> | <u>78</u> | <u>126</u> | <u>171</u> |
| Non-GAAP operating income | <u>\$ 480</u> | <u>\$ 454</u> | <u>\$ 943</u> | <u>\$ 912</u> |
| Revenues less transaction-based expenses | <u>\$ 893</u> | <u>\$ 846</u> | <u>\$ 1,785</u> | <u>\$ 1,697</u> |
| U.S. GAAP operating margin ⁽⁵⁾ | 46% | 44% | 46% | 44% |
| Non-GAAP operating margin ⁽⁶⁾ | 54% | 54% | 53% | 54% |

- (1) We amortize intangible assets acquired in connection with various acquisitions. Intangible asset amortization expense can vary from period to period due to episodic acquisitions completed, rather than from our ongoing business operations.
- (2) We have pursued various strategic initiatives and completed acquisitions and divestitures in recent years which have resulted in expenses which would not have otherwise been incurred. These expenses generally include integration costs, as well as legal, due diligence and other third party transaction costs. The frequency and amount of such expenses vary significantly based on the size, timing and complexity of the transaction.
- (3) In September 2019, we initiated the transition of certain technology platforms to advance the company's strategic opportunities as a technology and analytics provider and continue the realignment of certain business areas. Charges associated with this plan represented a fundamental shift in our strategy and technology as well as executive realignment and were excluded for purposes of calculating non-GAAP measures as they are not reflective of ongoing operating performance or comparisons in Nasdaq's performance between periods. The restructuring charges primarily consisted of non-cash items such as asset impairment charges primarily related to capitalized software that was retired, and accelerated depreciation expense on certain assets as a result of a decrease in their useful life as well as third party consulting costs. The restructuring program ended as of June 30, 2021.
- (4) For the three and six months ended June 30, 2022, we recorded a loss on early extinguishment of debt. The charge for all periods is recorded in general, administrative and other expense in our Condensed Consolidated Statements of Income.
- (5) U.S. GAAP operating margin equals U.S. GAAP operating income divided by revenues less transaction-based expenses.
- (6) Non-GAAP operating margin equals non-GAAP operating income divided by revenues less transaction-based expenses.

Nasdaq, Inc.
Reconciliation of U.S. GAAP Net Income, Diluted Earnings Per Share, Operating Income and
Operating Expenses to Non-GAAP Net Income, Diluted Earnings Per Share, Operating Income, and Operating Expenses
(in millions)
(unaudited)

| | <u>Three Months Ended</u> | | <u>Six Months Ended</u> | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | <u>June 30,</u> <u>2022</u> | <u>June 30,</u> <u>2021</u> | <u>June 30,</u> <u>2022</u> | <u>June 30,</u> <u>2021</u> |
| U.S. GAAP operating expenses | \$ 481 | \$ 470 | \$ 968 | \$ 956 |
| Non-GAAP adjustments: | | | | |
| Amortization expense of acquired intangible assets ⁽¹⁾ | (39) | (40) | (78) | (76) |
| Merger and strategic initiatives expense ⁽²⁾ | (12) | (12) | (27) | (57) |
| Restructuring charges ⁽³⁾ | — | (21) | — | (31) |
| Extinguishment of debt ⁽⁴⁾ | (16) | — | (16) | — |
| Other | (1) | (5) | (5) | (7) |
| Total non-GAAP adjustments | <u>(68)</u> | <u>(78)</u> | <u>(126)</u> | <u>(171)</u> |
| Non-GAAP operating expenses | <u>\$ 413</u> | <u>\$ 392</u> | <u>\$ 842</u> | <u>\$ 785</u> |

- (1) We amortize intangible assets acquired in connection with various acquisitions. Intangible asset amortization expense can vary from period to period due to episodic acquisitions completed, rather than from our ongoing business operations.
- (2) We have pursued various strategic initiatives and completed acquisitions and divestitures in recent years which have resulted in expenses which would not have otherwise been incurred. These expenses generally include integration costs, as well as legal, due diligence and other third party transaction costs. The frequency and amount of such expenses vary significantly based on the size, timing and complexity of the transaction.
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- (4) For the three and six months ended June 30, 2022, we recorded a loss on early extinguishment of debt. The charge for all periods is recorded in general, administrative and other expense in our Condensed Consolidated Statements of Income.

Nasdaq, Inc.
Quarterly Key Drivers Detail
(unaudited)

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|------------------|------------------|------------------|
| | June 30, 2022 | June 30, 2021 | June 30, 2022 | June 30, 2021 |
| Market Technology | | | | |
| Order intake (in millions) ⁽¹⁾ | \$ 102 | \$ 119 | \$ 150 | \$ 160 |
| Annualized recurring revenues (in millions) ⁽²⁾ | \$ 451 | \$ 428 | \$ 451 | \$ 428 |
| Investment Intelligence | | | | |
| Number of licensed exchange traded products (ETPs) | 374 | 359 | 374 | 359 |
| Period end ETP assets under management (AUM) tracking Nasdaq indexes (in billions) | \$ 321 | \$ 415 | \$ 321 | \$ 415 |
| TTM ⁽³⁾ net inflows ETP AUM tracking Nasdaq indexes (in billions) | \$ 71 | \$ 47 | \$ 71 | \$ 47 |
| TTM ⁽³⁾ net (depreciation) / appreciation ETP AUM tracking Nasdaq indexes (in billions) | \$ (90) | \$ 113 | \$ (90) | \$ 113 |
| Annualized recurring revenues (in millions) ⁽²⁾ | \$ 586 | \$ 547 | \$ 586 | \$ 547 |
| Corporate Platforms | | | | |
| <i>Initial public offerings</i> | | | | |
| The Nasdaq Stock Market ⁽⁴⁾ | 38 | 135 | 108 | 410 |
| Exchanges that comprise Nasdaq Nordic and Nasdaq Baltic | 17 | 62 | 30 | 86 |
| <i>Total new listings</i> | | | | |
| The Nasdaq Stock Market ⁽⁴⁾ | 84 | 192 | 194 | 511 |
| Exchanges that comprise Nasdaq Nordic and Nasdaq Baltic ⁽⁵⁾ | 25 | 72 | 44 | 104 |
| <i>Number of listed companies</i> | | | | |
| The Nasdaq Stock Market ⁽⁶⁾ | 4,269 | 3,817 | 4,269 | 3,817 |
| Exchanges that comprise Nasdaq Nordic and Nasdaq Baltic ⁽⁷⁾ | 1,260 | 1,152 | 1,260 | 1,152 |
| Annualized recurring revenues (in millions) ⁽²⁾ | \$ 586 | \$ 509 | \$ 586 | \$ 509 |
| Market Services | | | | |
| Equity Derivative Trading and Clearing | | | | |
| <i>U.S. equity options</i> | | | | |
| Total industry average daily volume (in millions) | 36.7 | 34.6 | 38.3 | 37.3 |
| Nasdaq PHLX matched market share | 11.7% | 12.7% | 11.6% | 12.8% |
| The Nasdaq Options Market matched market share | 8.2% | 8.4% | 8.3% | 8.1% |
| Nasdaq BX Options matched market share | 2.1% | 1.1% | 2.1% | 0.9% |
| Nasdaq ISE Options matched market share | 5.4% | 6.1% | 5.6% | 7.0% |
| Nasdaq GEMX Options matched market share | 2.4% | 6.1% | 2.4% | 6.0% |
| Nasdaq MRX Options matched market share | 1.6% | 1.5% | 1.7% | 1.4% |
| Total matched market share executed on Nasdaq's exchanges | 31.4% | 35.9% | 31.7% | 36.2% |
| <i>Nasdaq Nordic and Nasdaq Baltic options and futures</i> | | | | |
| Total average daily volume of options and futures contracts ⁽⁸⁾ | 277,008 | 262,890 | 322,390 | 311,016 |

Cash Equity TradingTotal U.S.-listed securities

| | | | | |
|--|-------|-------|-------|-------|
| Total industry average daily share volume (in billions) | 12.6 | 10.6 | 12.7 | 12.6 |
| Matched share volume (in billions) | 139.0 | 114.2 | 281.2 | 266.8 |
| The Nasdaq Stock Market matched market share | 16.5% | 15.8% | 16.4% | 15.8% |
| Nasdaq BX matched market share | 0.5% | 0.7% | 0.5% | 0.6% |
| Nasdaq PSX matched market share | 0.8% | 0.7% | 0.8% | 0.7% |
| Total matched market share executed on Nasdaq's exchanges | 17.8% | 17.2% | 17.7% | 17.1% |
| Market share reported to the FINRA/Nasdaq Trade Reporting Facility | 34.3% | 35.3% | 33.9% | 35.3% |
| Total market share ⁽⁹⁾ | 52.1% | 52.5% | 51.6% | 52.4% |

Nasdaq Nordic and Nasdaq Baltic securities

| | | | | |
|--|---------|-----------|-----------|-----------|
| Average daily number of equity trades executed on Nasdaq's exchanges | 948,874 | 1,019,162 | 1,043,461 | 1,056,726 |
| Total average daily value of shares traded (in billions) | \$ 5.7 | \$ 6.6 | \$ 6.4 | \$ 6.8 |
| Total market share executed on Nasdaq's exchanges | 72.2% | 77.3% | 72.6% | 77.9% |

Fixed Income and Commodities Trading and ClearingFixed Income

| | | | | |
|--|---------|---------|---------|---------|
| Total average daily volume of Nasdaq Nordic and Nasdaq Baltic fixed income contracts | 124,727 | 119,198 | 125,246 | 122,606 |
|--|---------|---------|---------|---------|

Commodities

| | | | | |
|---|-----|-----|-----|-----|
| Power contracts cleared (TWh) ⁽¹⁰⁾ | 115 | 206 | 250 | 456 |
|---|-----|-----|-----|-----|

- (1) Total contract value of orders signed during the period, excluding Verafin.
- (2) Annualized Recurring Revenue, or ARR, for a given period is the annualized revenue of support services and SaaS subscription contracts. 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 during the reporting period used in calculating ARR may or may not be extended or renewed by our customers.
- (3) Trailing 12-months (net inflows excludes ETP sponsor switches of \$75 billion during such trailing 12-month period).
- (4) New listings include IPOs, including issuers that switched from other listing venues, closed-end funds and separately listed ETPs. For the three months ended June 30, 2022 and 2021, IPOs included 16 and 47 SPACs, respectively. For the six months ended June 30, 2022 and 2021, IPOs included 59 and 243 SPACs, respectively.
- (5) New listings include IPOs and represent companies listed on the Nasdaq Nordic and Nasdaq Baltic exchanges and companies on the alternative markets of Nasdaq First North.
- (6) Number of total listings on The Nasdaq Stock Market at period end, includes 465 ETPs as of June 30, 2022 and 419 as of June 30, 2021.
- (7) Represents companies listed on the Nasdaq Nordic and Nasdaq Baltic exchanges and companies on the alternative markets of Nasdaq First North.
- (8) Includes Finnish option contracts traded on Eurex for which Nasdaq and Eurex have a revenue sharing arrangement.
- (9) Includes transactions executed on The Nasdaq Stock Market's, Nasdaq BX's and Nasdaq PSX's systems plus trades reported through the Financial Industry Regulatory Authority/Nasdaq Trade Reporting Facility.
- (10) Transactions executed on Nasdaq Commodities or OTC and reported for clearing to Nasdaq Commodities measured by Terawatt hours (TWh).



NEWS RELEASE

Nasdaq Announces 3-For-1 Stock Split and Quarterly Dividend of \$0.20 Per Share

NEW YORK, July 20, 2022 – The Board of Directors of Nasdaq, Inc. (Nasdaq: NDAQ) has approved and declared both a 3-for-1 stock split of the company's common stock in the form of a stock dividend, along with a regular quarterly dividend of \$0.20 per share on the company's outstanding common stock, which on a split-adjusted basis is economically equivalent to the pre-split dividend amount of \$0.60 per share paid in the preceding quarter.

Stock Dividend:

- Nasdaq announced on April 20, 2022 that its Board approved pursuing a three-for-one stock split in the form a stock dividend, subject to the approval by both its shareholders and the Securities and Exchange Commission ("SEC") of the adoption of an amendment to the company's Amended and Restated Certificate of Incorporation to increase Nasdaq's authorized shares of common stock.
- In June, Nasdaq's shareholders, and the SEC, approved the proposed amendment to increase the authorized shares of common stock in order to effect the stock split in the form of a stock dividend.
- The Board declared a 3-for-1 stock split in the form of a stock dividend, entitling each shareholder of record to receive two additional shares of common stock for every one share owned.
- The record date for the stock dividend is August 12, 2022, with a distribution date for the new shares of August 26, 2022. Trading will begin on a split-adjusted basis on August 29, 2022.

Quarterly dividend:

- The Board has declared a regular quarterly dividend of \$0.20 per share on the company's outstanding common stock. On a split-adjusted basis, the dividend is economically equivalent to the pre-split quarterly dividend of \$0.60 per share paid in the preceding quarter.
- The dividend is payable on September 30, 2022, to shareholders of record at the close of business on September 16, 2022.
- Future declarations of quarterly dividends and the establishment of future record and payment dates are subject to approval by the Board of Directors.

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, statements about the stock split. 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 arising from the Russian invasion of Ukraine, 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. Nasdaq undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

About Nasdaq

Nasdaq (Nasdaq: NDAQ) is a global technology company serving the capital markets and other industries. Our diverse offering of data, analytics, software and 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 Twitter @Nasdaq, or at www.nasdaq.com.

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