

# 4Q20 Earnings Presentation

January 27, 2021

# NASDAQ 4Q20 AND 2020 HIGHLIGHTS

Driving Accelerating Growth, Creating Sustainable Value

## Solutions Segments Organic Revenue Growth<sup>1</sup>

4Q20: +16% Y-o-Y

2020: 10% Y-o-Y

## Market Services Organic Revenue Growth<sup>1</sup>

4Q20: +27% Y-o-Y

2020: 21% Y-o-Y

## Non-GAAP EPS Growth<sup>2</sup>

4Q20: +24% Y-o-Y

2020: 24% Y-o-Y

## Free Cash Flow ex Section 31 fees<sup>3</sup>

\$1,007 million

+23% Y-o-Y

## Annualized Recurring Revenues<sup>4</sup>

\$1,577 million in 4Q20,

+9% Y-o-Y

## Software as a Service Revenues

\$114 million in 4Q20,

+11% Y-o-Y



<sup>1</sup> Please refer to slides 14 and 22-23 for a reconciliation of organic revenue growth.

<sup>2</sup> The 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>3</sup> Please refer to slide 13 for additional details on sources and uses of cash.

<sup>4</sup> Please refer to slide 21 for definition of annualized recurring revenue.

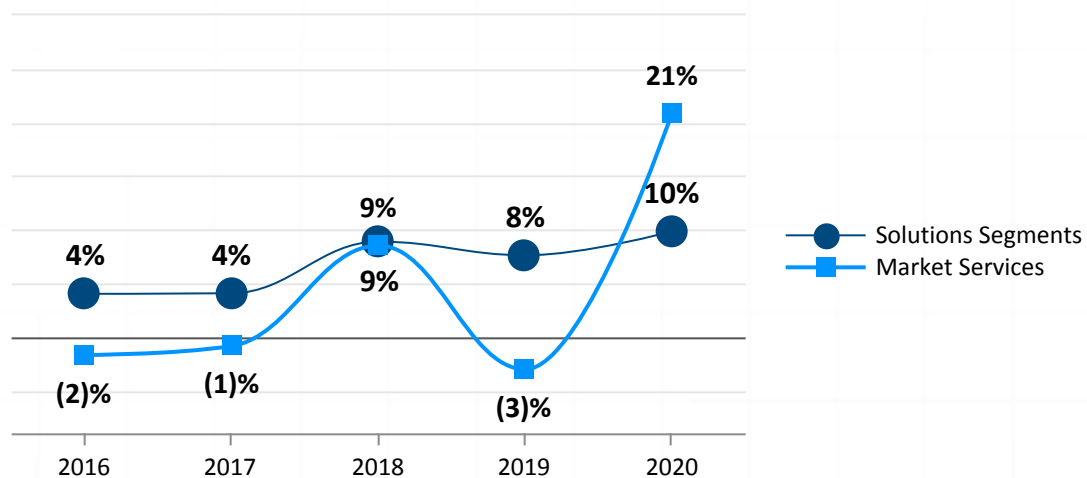
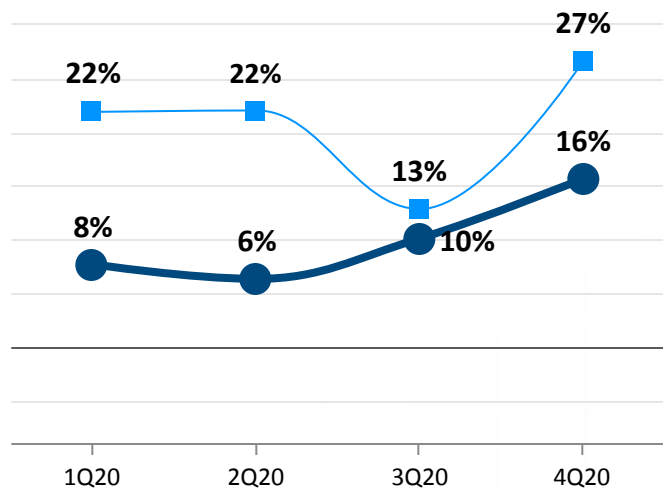
# 4Q20 AND 2020 NON-GAAP SUMMARY<sup>(1)</sup>

<i>(US\$ millions, except per share)</i>	4Q20	4Q19	% Δ		2020	2019	% Δ
Revenue from Solutions Segments <sup>(2)</sup>	\$497	\$421	18%		\$1,795	\$1,613	11%
Market Services Net Revenues <sup>(3)</sup>	\$291	\$225	29%		\$1,108	\$912	21%
Other Revenue	\$—	\$—	—%		\$—	\$10	(100)%
<b>Net Revenues<sup>(3)</sup></b>	<b>\$788</b>	<b>\$646</b>	<b>22%</b>		<b>\$2,903</b>	<b>\$2,535</b>	<b>15%</b>
Operating Expenses	\$406	\$335	21%		\$1,414	\$1,295	9%
Operating Income	\$382	\$311	23%		\$1,489	\$1,240	20%
Operating Margin	48%	48%	—		51%	49%	—
<b>Net Income</b>	<b>\$268</b>	<b>\$215</b>	<b>25%</b>		<b>\$1,031</b>	<b>\$835</b>	<b>23%</b>
<b>Diluted EPS</b>	<b>\$1.60</b>	<b>\$1.29</b>	<b>24%</b>		<b>\$6.18</b>	<b>\$5.00</b>	<b>24%</b>
Diluted Shares Outstanding	167.3	166.8	—%		166.9	167.0	—%

1. The non-GAAP reconciliations may be found 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).
2. Represents revenues from our Corporate Platforms, Investment Intelligence and Market Technology segments.
3. Represents revenues less transaction-based expenses.

# ORGANIC REVENUE AND OUTLOOK

## NASDAQ YEAR-OVER-YEAR REVENUE GROWTH EXCLUDING ACQUISITIONS AND DIVESTITURES, CONSTANT CURRENCY<sup>(1)</sup>



## NASDAQ MEDIUM-TERM (3-5 YR) ORGANIC REVENUE GROWTH OUTLOOK<sup>2</sup>

Investment Intelligence	Market Technology	Corporate Platforms	Solutions Segments
5% - 8%	8% - 11%	3% - 5%	5% - 7%

1. Please refer to slides 14 and 22-23 for a reconciliation of organic revenue growth.
2. The medium-term organic revenue growth outlook excludes the impact of the pending Verafin acquisition. Including the impact of Verafin, we expect the medium-term organic revenue growth outlook to be 13% - 16% in the Market Technology segment and 6% - 9% in the Solutions segments. Verafin will be included in organic revenue growth after the first 12 months following the close of the acquisition.

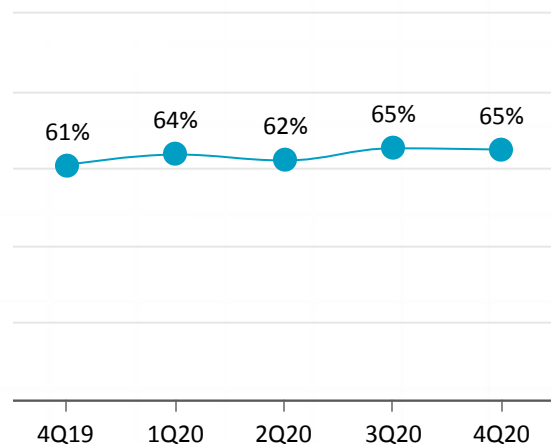


# INVESTMENT INTELLIGENCE

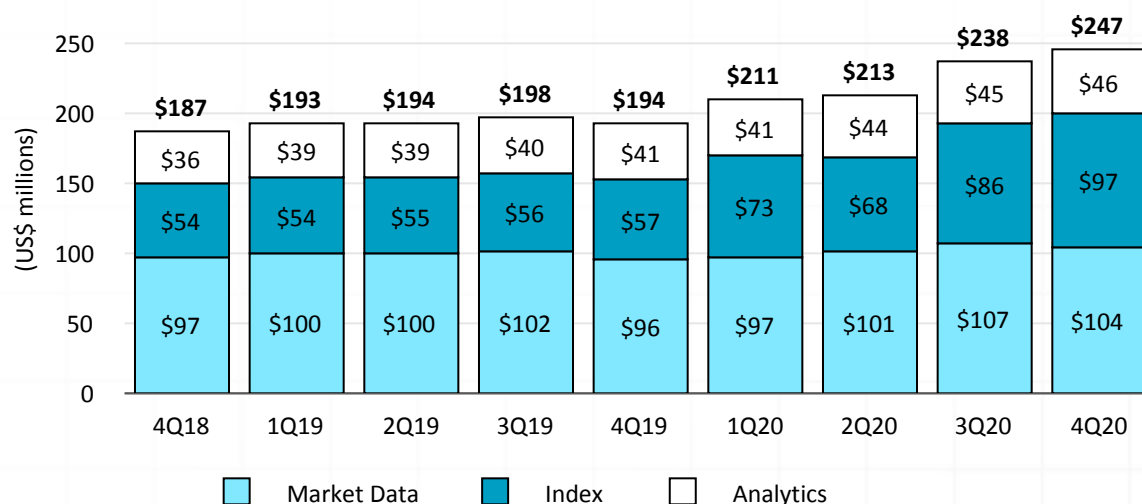
## Investment Intelligence Performance Summary

	4Q20	4Q19	% Δ	
<b>Net Revenue</b>	<b>\$247M</b>	<b>\$194M</b>	27%	<ul style="list-style-type: none"> <li>● <b>8% increase in Market Data revenues:</b> Primarily due to growth in U.S. proprietary products from new sales, including continued expansion geographically, and an increase in shared tape plan revenues.</li> <li>● <b>70% increase in Index revenues:</b> Primarily driven by higher licensing revenues from higher average assets under management (AUM) in exchange traded products (ETPs) linked to Nasdaq indexes and higher licensing revenues from futures trading linked to the Nasdaq 100 Index.</li> <li>● <b>12% increase in Analytics revenues:</b> Primarily due to the acquisition of Solovis and growth in eVestment.</li> <li>● Operating margin of 65% increased 4 percentage points compared to the prior year period.</li> </ul>
<b>Operating Income</b>	<b>\$160M</b>	<b>\$118M</b>	36%	
<b>Operating Margin<sup>1</sup></b>	65%	61%		

Operating Margin (1)



Net Revenue

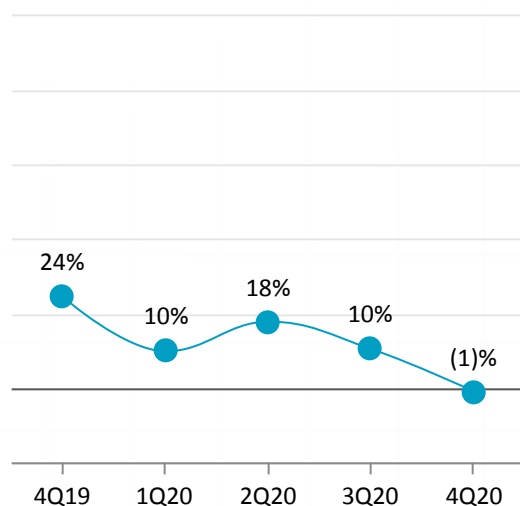


# MARKET TECHNOLOGY

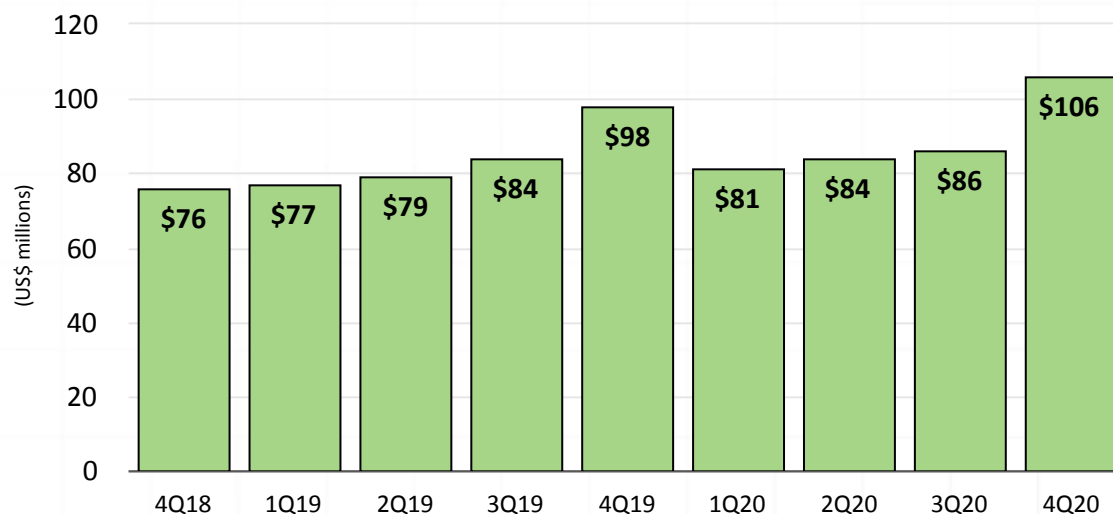
## Market Technology Performance Summary

	4Q20	4Q19	% Δ	
Net Revenue	\$106M	\$98M	8%	<ul style="list-style-type: none"> <li>• <b>8% growth in Market Technology revenues:</b> Primarily due to higher SaaS revenues as well as a \$4 million favorable impact from changes in foreign exchange rates.</li> <li>• The operating margin was (\$1) million primarily due to a \$25 million reserve related to an expected loss on a Market Technology implementation project.</li> <li>• New order intake totaled \$37 million in 4Q20.</li> <li>• Annualized recurring revenue, or ARR, totaled \$283 million, an increase of 9% from the prior year period.</li> </ul>
Operating (Loss) Income	\$(1)M	\$24M	(104)%	
Operating Margin	(1)%	24%		

Operating Margin



Net Revenue

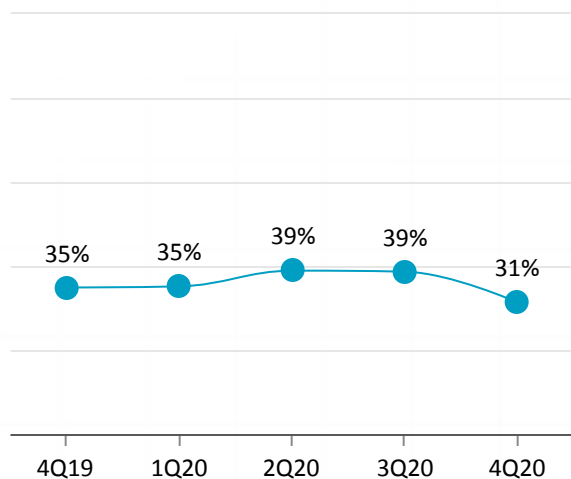


# CORPORATE PLATFORMS

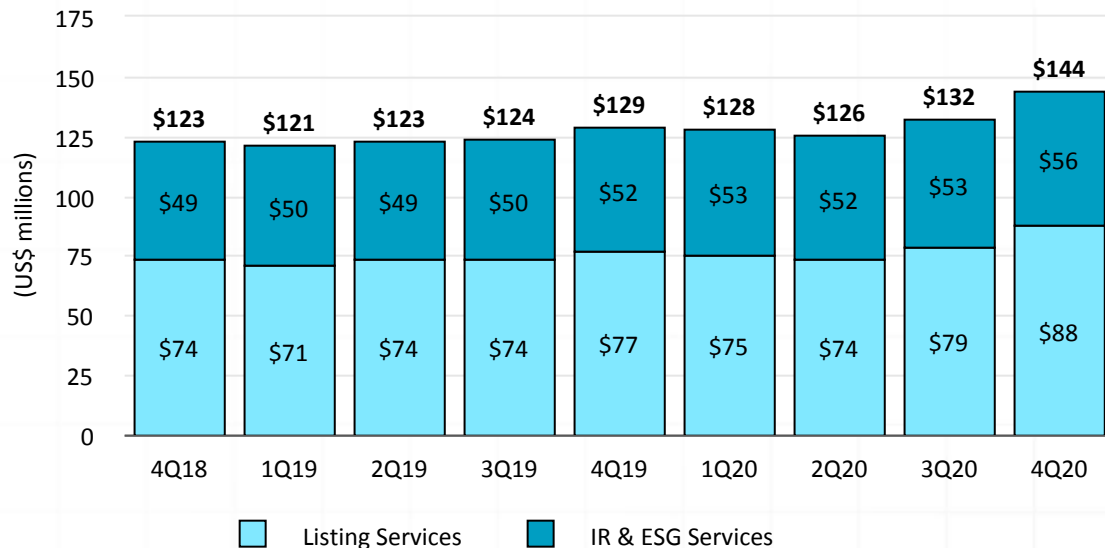
## Corporate Platforms Performance Summary

	4Q20	4Q19	% Δ	
<b>Net Revenue</b>	<b>\$144M</b>	<b>\$129M</b>	12%	<ul style="list-style-type: none"> <li>● <b>14% increase in Listing Services revenues:</b> Primarily reflecting higher U.S. listing revenues due to an increase in the overall number of listed companies, higher Nasdaq Private Market revenues and a \$2 million favorable impact from changes in foreign exchange rates.</li> <li>● <b>8% increase IR &amp; ESG Services revenues:</b> Primarily reflecting an increase in demand for governance and advisory services.</li> </ul>
<b>Operating Income</b>	<b>\$45M</b>	<b>\$45M</b>	—%	
<b>Operating Margin</b>	31%	35%		<ul style="list-style-type: none"> <li>● 199 new U.S. listings, including 142 IPOs in 4Q20, with a 68% U.S. IPO win rate and 86% IPO win rate among operating companies<sup>1</sup>. European new listings totaled 34.</li> </ul>

Operating Margin



Net Revenue

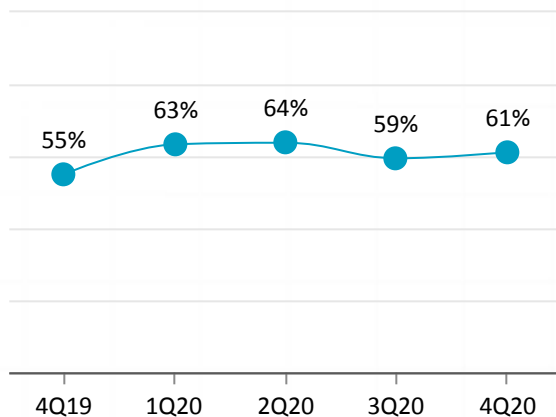


# MARKET SERVICES

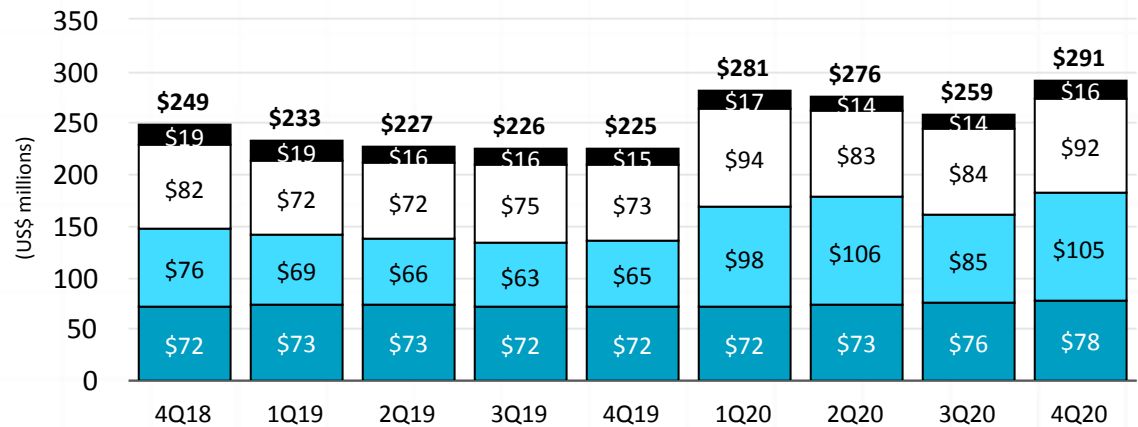
## Market Services Performance Summary

	4Q20	4Q19	% Δ	
Net Revenue	\$291M	\$225M	29%	<ul style="list-style-type: none"> <li>• <b>26% increase in Equity Derivative Trading and Clearing revenues:</b> Primarily reflects higher U.S. industry trading volumes, partially offset by a lower U.S. net capture rate.</li> <li>• <b>62% increase in Cash Equity Trading revenues:</b> Primarily reflects higher U.S. industry trading volumes, a higher U.S. net capture rate, higher European value traded and higher European market share, partially offset by lower overall U.S. matched market share.</li> <li>• <b>7% increase in Fixed Income and Commodities Trading and Clearing revenues:</b> Primarily reflecting a \$1 million favorable impact from changes in foreign exchange rates.</li> <li>• <b>8% increase in Trade Management Services revenues.</b> Reflecting increased demand for connectivity services.</li> <li>• The operating margin of 61% for the segment increased six percentage points from 55% in the prior year period, reflecting strong operating leverage on higher trading revenues.</li> </ul>
Operating Income	\$178M	\$124M	44%	
Operating Margin	61%	55%		

Operating Margin



Net Revenue





# NON-GAAP OPERATING EXPENSES<sup>1</sup>

(US\$ millions)

Total Non-GAAP operating expenses	4Q20	3Q20	4Q19
Compensation and benefits <sup>(2)</sup>	205	198	189
Professional and contract services <sup>(2)</sup>	40	35	27
Computer operations and data communications <sup>(2)</sup>	42	39	35
Occupancy <sup>(2)</sup>	23	24	23
General, administrative and other <sup>(2)</sup>	43	11	22
Marketing and advertising	19	7	10
Depreciation and amortization <sup>(2)</sup>	26	24	21
Regulatory <sup>(2)</sup>	8	8	8
<b>Total non-GAAP operating expenses</b>	<b>406</b>	<b>346</b>	<b>335</b>

1. The non-GAAP reconciliations may be found 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).
2. Occupancy and depreciation and amortization expense in all periods were adjusted from GAAP expense. Regulatory expense was adjusted in 3Q20. Professional and contract services and general, administrative and other expense expense was adjusted for 3Q20 and 4Q19.

# 2021 NON-GAAP EXPENSE AND TAX GUIDANCE<sup>1</sup>

Nasdaq Non-GAAP Operating Expense Guidance		
	January 27, 2021 Guidance	Comments
Non-GAAP Operating Expenses	<i>\$1,440-\$1,500 Million</i>	
R&D Expenses	<i>\$110-\$120 Million</i>	
<b>Total Non-GAAP Operating Expenses</b>	<i>\$1,550-\$1,620 Million</i>	<ul style="list-style-type: none"> <li>◦ Guidance midpoint reflects a 3% increase due to organic growth, as well as the impacts of foreign exchange rates and merger and acquisition activity, including the Verafin acquisition, which is expected to close in the first quarter of 2021.</li> </ul>
<b>Non-GAAP Tax Rate</b>	<i>25.0% - 27.0%</i>	

<sup>1</sup>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.

# DEBT OVERVIEW

## Debt Key Highlights

- 4Q20 debt increased by \$1,970M vs. 3Q20 primarily due to bond issuances of \$1,883M for the Verafin acquisition and an \$89M increase in Euro bonds book values caused by a stronger Euro.
  - Verafin bonds issued at coupons of 0.445%, 1.65% and 2.50% for 2-year, 10-year and 20-year maturities, respectively
- 4Q20 Total Debt to non-GAAP EBITDA increased to 3.5x, compared to 2.4x at 3Q20.
- 4Q20 net interest expense was \$24M, \$2M lower than in 4Q19, primarily due to refinancing the 3.88% €600M bond with a new 0.875% €600M bond in 1Q20.

## Leverage Ratios

Net Debt to non-GAAP EBITDA <sup>(1)</sup> = 1.8x

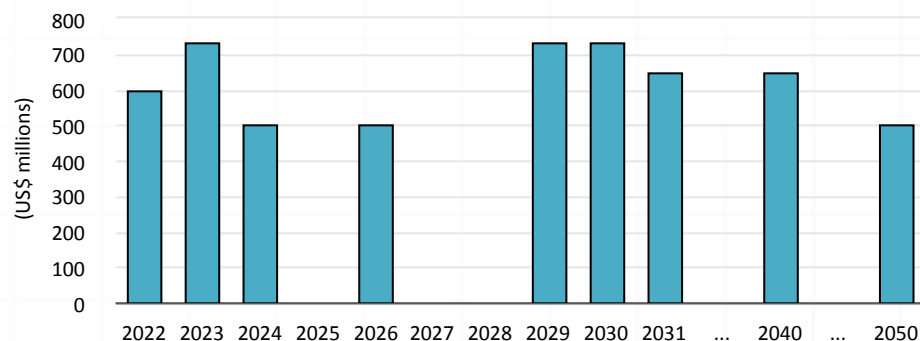
Total Debt to non-GAAP EBITDA <sup>(1)</sup> = 3.5x

Pro forma LTM non-GAAP EBITDA <sup>(1)</sup> = \$1,583M

## \$2.8B Net Debt

(US\$ millions)	12/31/2020	9/30/2020	Maturity Date
0.445% Notes	597	—	Dec 2022
1.75% Euro Notes	730	700	May 2023
4.25% Notes	498	498	Jun 2024
Revolver (Libor + 105 bps) <sup>(2)</sup>	(4)	(2)	Dec 2025
3.85% Notes	497	497	Jun 2026
1.75% Euro Notes	726	697	Mar 2029
0.875% Euro Notes	726	696	Feb 2030
1.65% Notes	643	—	Jan 2031
2.50% Notes	643	—	Dec 2040
3.25% Notes	485	485	Apr 2050
<b>Total Debt Obligations</b>	<b>\$5,541</b>	<b>\$3,571</b>	
Less Cash and Cash Equivalents <sup>(3)</sup>	(2,745)	(584)	
<b>Net Debt</b>	<b>\$2,796</b>	<b>\$2,987</b>	

## Well Laddered Debt Maturities



- The non-GAAP reconciliations may be found 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). Pro forma LTM non-GAAP EBITDA of \$1,583M includes (\$2M) related to pre-acquisition EBITDA of Solovis.
- Includes debt issuance costs of \$4M at 12/31/2020 and \$2M at 9/30/2020.
- Excludes \$37M of restricted cash at 12/31/2020 and \$33M at 9/30/2020.

# APPENDIX

# HISTORICAL CASH FLOW/ USES OF CASH FLOW

Free Cash Flow Calculation (US\$ millions)	2017	2018	2019	2020	2017-2020
Cash flow from operations	\$909	\$1,028	\$963	\$1,252	\$4,152
Capital expenditure	(144)	(111)	(127)	(188)	(570)
<b>Free cash flow</b>	<b>765</b>	<b>917</b>	<b>836</b>	<b>1,064</b>	<b>3,582</b>
Section 31 fees, net <sup>(1)</sup>	(9)	9	(14)	(57)	(71)
<b>Free cash flow ex. Section 31 fees</b>	<b>\$756</b>	<b>\$926</b>	<b>\$822</b>	<b>\$1,007</b>	<b>\$3,511</b>
<b>Uses of cash flow</b>					
Share repurchases	\$203	\$394	\$200	\$222	\$1,019
Net repayment/(borrowing) of debt	(411)	320	430	(1,912)	(1,573)
Acquisitions, net of dispositions and other	776	(380)	63	157	616
Dividends paid	243	280	305	320	1,148
<b>Total uses of cash flow</b>	<b>\$811</b>	<b>\$614</b>	<b>\$998</b>	<b>\$(1,213)</b>	<b>\$1,210</b>

1. Net of change in Section 31 fees receivables of \$11 million in 2017; \$(10) million in 2018; \$9 million in 2019; \$35 million in 2020; and \$45 million in 2017-2020.



# TOTAL VARIANCE NET IMPACTS: 4Q20 AND 2020

<i>All figures in US\$ Millions</i>	4Q20	4Q19	Total Variance		Organic Impact		Acquisition Impact <sup>1</sup>		FX Impact	
			\$M	%	\$M	%	\$M	%	\$M	%
Market Services	\$291	\$225	\$66	29 %	\$60	27 %	\$—	— %	\$6	3 %
Corporate Platforms	144	129	15	12 %	13	10 %	—	— %	2	2 %
Investment Intelligence	247	194	53	27 %	49	25 %	3	2 %	1	1 %
Market Technology	106	98	8	8 %	4	4 %	—	— %	4	4 %
<b>Total Solutions Segments Revenue</b>	<b>497</b>	<b>421</b>	<b>76</b>	<b>18 %</b>	<b>66</b>	<b>16 %</b>	<b>3</b>	<b>1 %</b>	<b>7</b>	<b>2 %</b>
<b>Total Revenue less transaction expenses</b>	<b>788</b>	<b>646</b>	<b>142</b>	<b>22 %</b>	<b>126</b>	<b>20 %</b>	<b>3</b>	<b>— %</b>	<b>13</b>	<b>2 %</b>
<b>Non-GAAP Operating Expenses<sup>3</sup></b>	<b>406</b>	<b>335</b>	<b>71</b>	<b>21 %</b>	<b>53</b>	<b>16 %</b>	<b>6</b>	<b>2 %</b>	<b>12</b>	<b>4 %</b>
<b>Non-GAAP Operating Income<sup>3</sup></b>	<b>382</b>	<b>311</b>	<b>71</b>	<b>23 %</b>	<b>73</b>	<b>23 %</b>	<b>(3)</b>	<b>(1)%</b>	<b>1</b>	<b>— %</b>
<b>Non-GAAP Operating Margin<sup>3</sup></b>	<b>48 %</b>	<b>48 %</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

<i>All figures in US\$ Millions</i>	2020	2019	Total Variance		Organic Impact		Net Acquisition & Divestiture Impact <sup>2</sup>		FX Impact	
			\$M	%	\$M	%	\$M	%	\$M	%
Market Services	\$1,108	\$912	\$196	21 %	\$191	21 %	\$—	— %	\$5	1 %
Corporate Platforms	530	496	34	7 %	29	6 %	3	1 %	2	— %
Investment Intelligence	908	779	129	17 %	118	15 %	10	1 %	1	— %
Market Technology	357	338	19	6 %	12	4 %	1	— %	6	2 %
Other	—	10	(10)	(100)%	—	—	(10)	(100)%	—	— %
<b>Total Solutions Segments Revenue</b>	<b>1,795</b>	<b>1,613</b>	<b>182</b>	<b>11 %</b>	<b>159</b>	<b>10 %</b>	<b>14</b>	<b>1 %</b>	<b>9</b>	<b>1 %</b>
<b>Total Revenue less transaction expenses</b>	<b>2,903</b>	<b>2,535</b>	<b>368</b>	<b>15 %</b>	<b>350</b>	<b>14 %</b>	<b>4</b>	<b>— %</b>	<b>14</b>	<b>1 %</b>
<b>Non-GAAP Operating Expenses<sup>3</sup></b>	<b>1,414</b>	<b>1,295</b>	<b>119</b>	<b>9 %</b>	<b>91</b>	<b>7 %</b>	<b>17</b>	<b>1 %</b>	<b>11</b>	<b>1 %</b>
<b>Non-GAAP Operating Income<sup>3</sup></b>	<b>1,489</b>	<b>1,240</b>	<b>249</b>	<b>20 %</b>	<b>259</b>	<b>21 %</b>	<b>(13)</b>	<b>(1)%</b>	<b>3</b>	<b>— %</b>

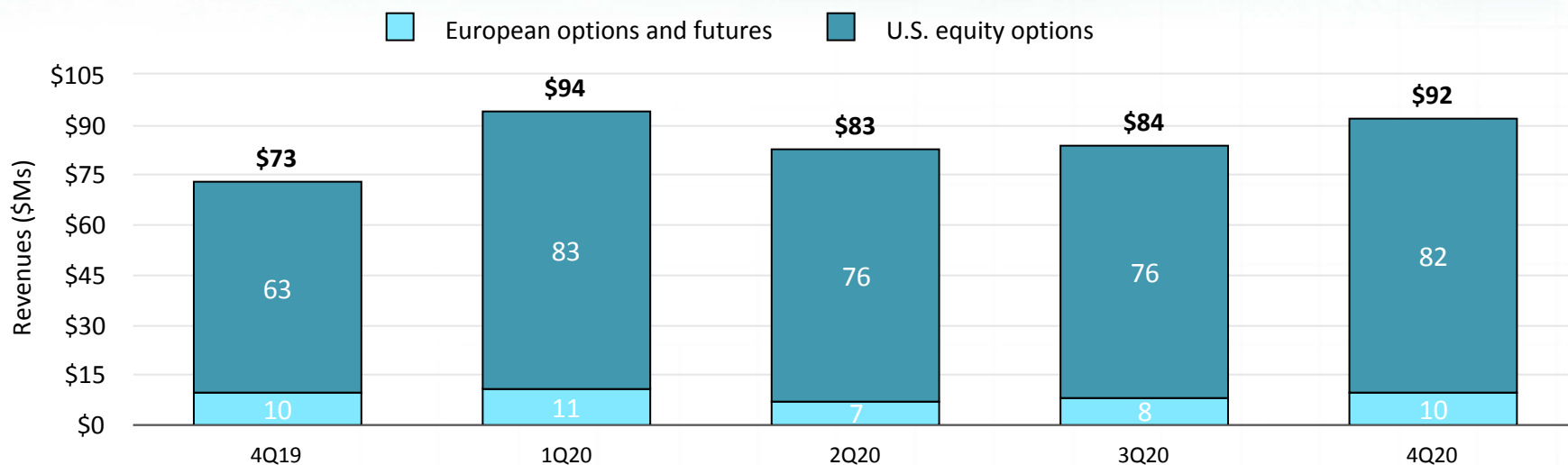
Note: The sum of the percentage changes may not tie to the percent change in total variance due to rounding.

<sup>1</sup> Reflects the impact of the Solovis and OneReport acquisitions.

<sup>2</sup> Reflects the impact of the Cinnober, Center for Board Excellence, Solovis and OneReport acquisitions as well as the sale of the Bwise enterprise governance, risk and compliance software platform in March 2019.

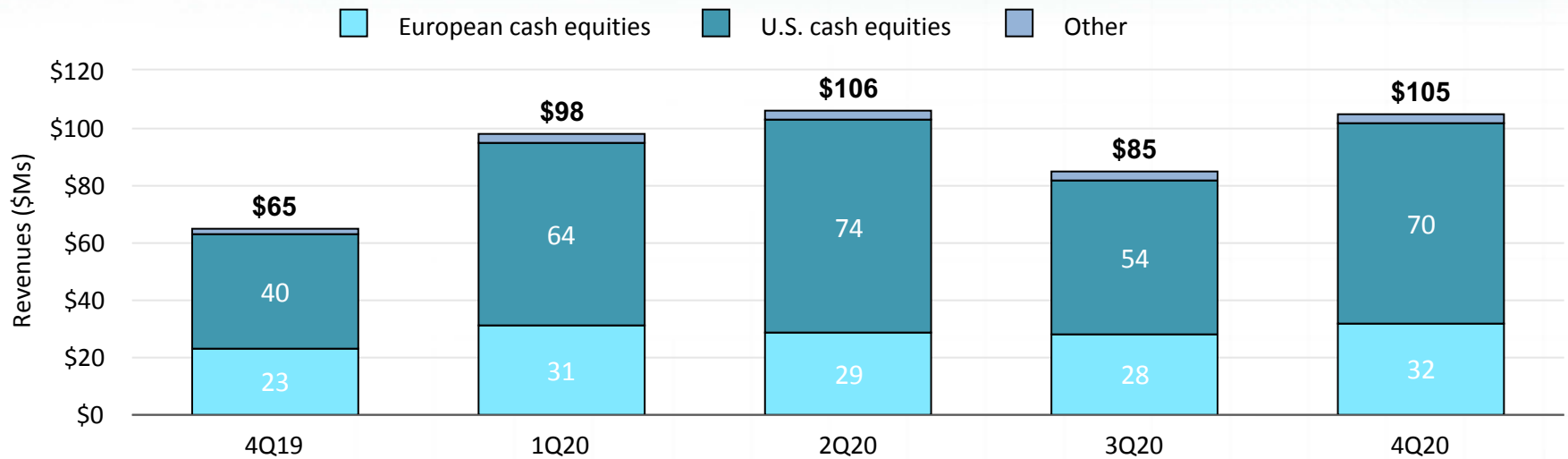
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# EQUITY DERIVATIVE TRADING AND CLEARING



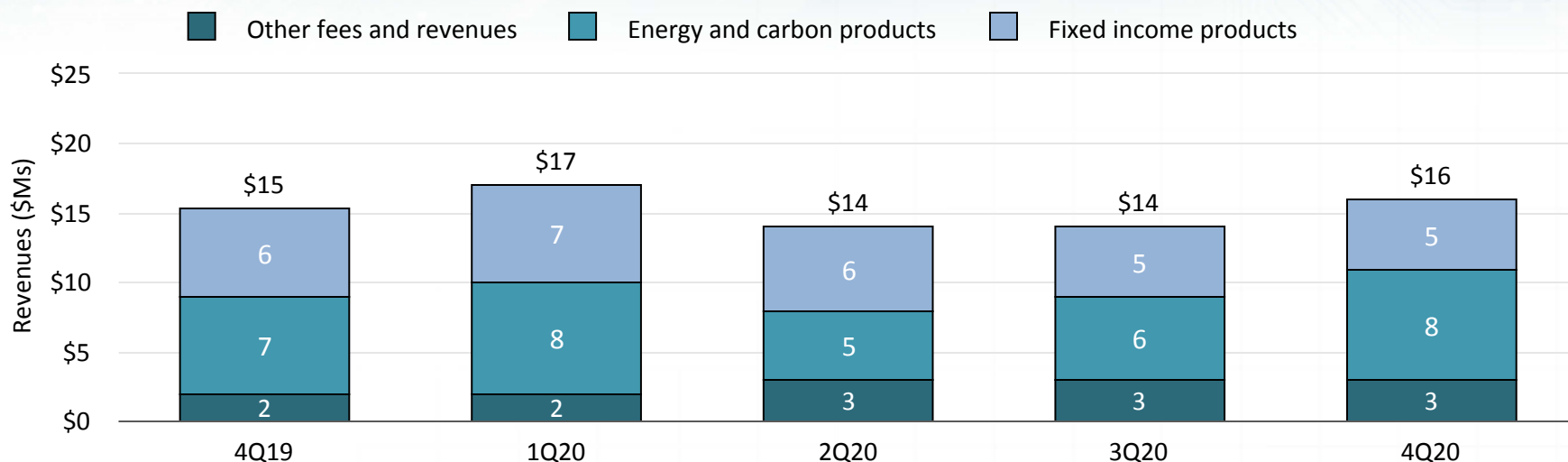
	4Q19	1Q20	2Q20	3Q20	4Q20
<b>Net Revenues (US\$ in Millions)</b>					
U.S. equity options	63	83	76	76	82
European options and futures	10	11	7	8	10
<b>Equity Derivatives</b>	<b>73</b>	<b>94</b>	<b>83</b>	<b>84</b>	<b>92</b>
<b>Nasdaq Volumes</b>					
U.S. equity options (millions of contracts)	434	568	612	660	741
European options and futures (millions of contracts)	24.8	28.8	17.6	16.9	17.4
<b>Revenue Capture</b>					
U.S. equity options (RPC)	\$ 0.14	\$ 0.15	\$ 0.12	\$ 0.12	\$ 0.11
European options and futures (RPC)	\$ 0.40	\$ 0.39	\$ 0.44	\$ 0.48	\$ 0.56
<i>SEK/US\$ average</i>	\$ 0.104	\$ 0.103	\$ 0.103	\$ 0.113	\$ 0.116
<i>Euro/US\$ average</i>	\$ 1.107	\$ 1.102	\$ 1.101	\$ 1.170	\$ 1.193

# CASH EQUITY TRADING



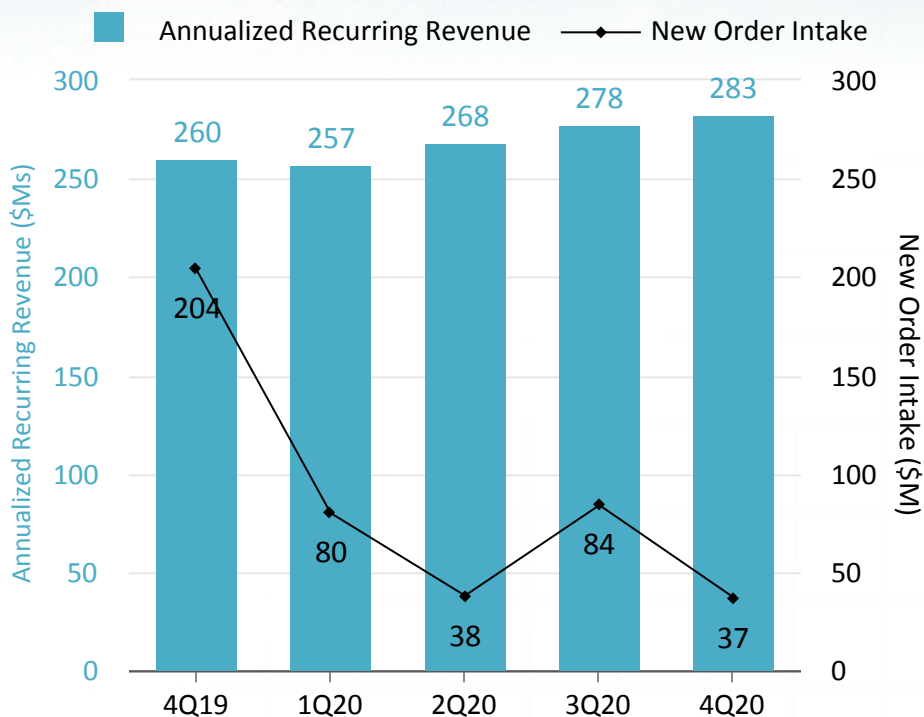
	4Q19	1Q20	2Q20	3Q20	4Q20
<b>Net Revenues (US\$ in Millions)</b>					
U.S. cash equities	40	64	74	54	70
European cash equities	23	31	29	28	32
Other	2	3	3	3	3
<b>Cash Equity Trading</b>	<b>65</b>	<b>98</b>	<b>106</b>	<b>85</b>	<b>105</b>
<b>Nasdaq Volumes</b>					
U.S. cash equities (billions of shares)	79.5	126.8	142.7	123.7	115.4
European cash equities value shares traded (\$B)	202	301.5	253	237	281
<b>Revenue Capture</b>					
U.S. cash equities revenue capture per 1000 shares	\$ 0.50	\$ 0.50	\$ 0.52	\$ 0.44	\$ 0.60
European cash equities revenue capture per \$1000 traded	\$ 0.11	\$ 0.10	\$ 0.11	\$ 0.12	\$ 0.11
<i>SEK/US\$ average</i>	\$ 0.104	\$ 0.103	\$ 0.103	\$ 0.113	\$ 0.116
<i>Euro/US\$ average</i>	\$ 1.107	\$ 1.102	\$ 1.101	\$ 1.170	\$ 1.193

# FIXED INCOME AND COMMODITIES TRADING & CLEARING



	4Q19	1Q20	2Q20	3Q20	4Q20
<b>Net Revenues (US\$ in Millions)</b>					
Fixed income products	6	7	6	5	5
Energy and carbon products	7	8	5	6	8
Other fees and revenues	2	2	3	3	3
<b>Fixed Income and Commodities Trading and Clearing</b>	<b>15</b>	<b>17</b>	<b>14</b>	<b>14</b>	<b>16</b>
<b>Nasdaq Volumes</b>					
U.S. Fixed income trading volume (billions of \$ notional)	1,796	2,067	1,246	1,206	1,650
European Fixed income products (millions of contracts)	6.5	7.3	7.1	5.8	6.0
Energy trading and clearing (TWh)	341	451	279	301	446
<b>Revenue Capture</b>					
European Fixed Income (RPC)	\$ 0.52	\$ 0.65	\$ 0.59	\$ 0.60	\$ 0.57
Energy trading and clearing (\$1000 per TWh traded and cleared)	\$ 19.0	\$ 17.5	\$ 17.5	\$ 19.4	\$ 18.5
<i>SEK/US\$ average</i>	\$ 0.104	\$ 0.103	\$ 0.103	\$ 0.113	\$ 0.116
<i>Euro/US\$ average</i>	\$ 1.107	\$ 1.102	\$ 1.101	\$ 1.170	\$ 1.193

# MARKET TECHNOLOGY



## Annualized Recurring Revenue<sup>1</sup> (ARR)

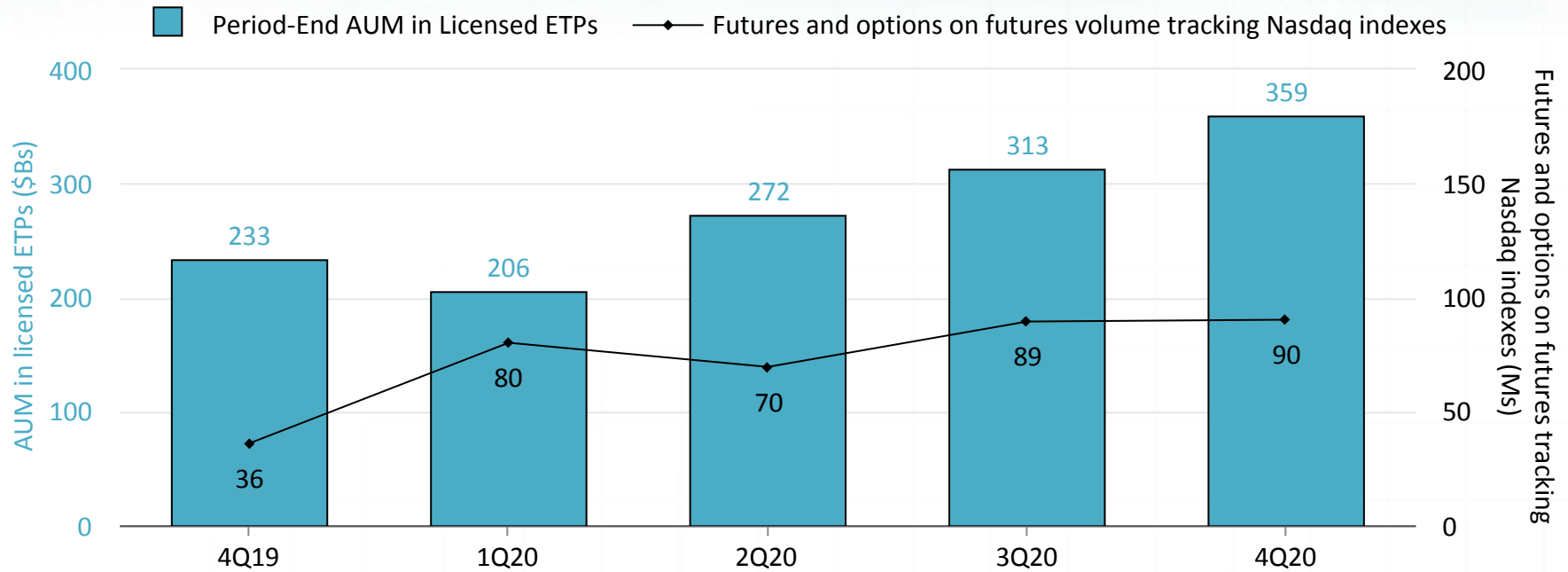
- ARR is the total annualized revenue of active software support and SaaS subscription revenues.
- ARR represented 67% of Market Technology annualized revenues in 4Q20.
- The company believes ARR is a key performance metric to assess the trajectory of the business as it captures the growth in SaaS revenues.
- ARR increased 9% in 4Q20 versus the prior year period.

	4Q19	1Q20	2Q20	3Q20	4Q20
<b>New Order Intake (\$M)</b>	204	80	38	84	37
<b>Annualized Recurring Revenue<sup>1</sup> (\$M)</b>	260	257	268	278	283
<b>Net Revenue (\$M)</b>	98	81	84	86	106

<sup>1</sup>Annualized Recurring Revenue (ARR) for a given quarter is the annualized revenue of active Market Technology support and SaaS subscription contracts. ARR is currently one of our key performance metrics to assess the health and trajectory of our 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.



# INDEX



	4Q19	1Q20	2Q20	3Q20	4Q20
<b>Period-End # of Licensed ETPs</b>	<b>332</b>	<b>325</b>	<b>323</b>	<b>335</b>	<b>339</b>
<b>Period-End AUM in Licensed ETPs (\$B)</b>	<b>233</b>	<b>206</b>	<b>272</b>	<b>313</b>	<b>359</b>
<b>Futures and options on futures volume tracking Nasdaq indexes<sup>1</sup> (in millions)</b>	<b>36.0</b>	<b>80.1</b>	<b>69.5</b>	<b>89.4</b>	<b>90.2</b>
<b>Index Revenues (\$M)</b>	<b>57</b>	<b>73</b>	<b>68</b>	<b>86</b>	<b>97</b>

# SUPPLEMENTAL INFORMATION

Additional 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).

# ANNUALIZED RECURRING REVENUE AND SAAS REVENUE

Annualized Recurring Revenue (ARR) <sup>(1)</sup>	4Q19	1Q20	2Q20	3Q20	4Q20
Market Services	\$284	\$283	\$288	\$300	\$308
Corporate Platforms	430	434	438	453	470
Investment Intelligence	472	478	491	507	516
Market Technology	260	257	268	278	283
<b>Total</b>	<b>\$1,446</b>	<b>\$1,452</b>	<b>\$1,485</b>	<b>\$1,538</b>	<b>\$1,577</b>
SaaS Revenues	4Q19	1Q20	2Q20	3Q20	4Q20
Corporate Platforms	34	35	35	35	36
Investment Intelligence	41	41	44	45	46
Market Technology	28	28	31	31	32
<b>Total</b>	<b>\$103</b>	<b>\$104</b>	<b>\$110</b>	<b>\$111</b>	<b>\$114</b>

<sup>1</sup>Annualized recurring revenue, or ARR, for a given period is the annualized revenues derived from contracted termed subscription contracts. This excludes contracts that are not recurring and are one-time in nature. ARR is one of our key performance metrics to assess the health and trajectory of our 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 ORGANIC REVENUE GROWTH

Solutions Segments			Total Variance		Organic Impact		Other Impact <sup>(1)</sup>		
	<i>All figures in US\$ Millions</i>	Current Period	Prior-year Period	\$	%	\$	%	\$	%
4Q20		\$497	\$421	76	18 %	66	16 %	10	2 %
3Q20		456	406	50	12 %	41	10 %	9	2 %
2Q20 <sup>2</sup>		423	396	27	7 %	25	6 %	2	1 %
1Q20 <sup>2</sup>		420	391	29	7 %	30	8 %	(1)	— %
2020 <sup>2</sup>		\$1,795	\$1,613	182	11 %	159	10 %	23	1 %
2019 <sup>2</sup>		1,613	1,471	142	10 %	112	8 %	30	2 %
2018 <sup>2</sup>		1,471	1,294	177	14 %	115	9 %	62	5 %
2017		1,530	1,449	81	6 %	59	4 %	22	2 %
2016		1,449	1,319	130	10 %	53	4 %	77	6 %

Note: The sum of the percentage changes may not tie to the percent change in total variance due to rounding.

1. Other impact includes acquisitions, divestitures, and changes in FX rates.

2. Revenues from the B Wise enterprise governance, risk and compliance software platform, which was sold in March 2019, and the Public Relations Solutions and Digital Media Services businesses, which were sold in mid-April 2018, are included in Other Revenues for these periods and therefore not reflected above.

# MARKET SERVICES ORGANIC REVENUE GROWTH

<u>Market Services Segment</u>			Total Variance		Organic Impact		Other Impact <sup>(1)</sup>	
<i>All figures in US\$ Millions</i>	Current Period	Prior-year Period	\$	%	\$	%	\$	%
4Q20	\$291	\$225	66	29 %	60	27 %	6	3 %
3Q20	259	226	33	15 %	29	13 %	4	2 %
2Q20	276	227	49	22 %	50	22 %	(1)	— %
1Q20	281	233	48	21 %	51	22 %	(3)	(1)%
2020	\$1,108	\$912	196	21 %	191	21 %	5	1 %
2019	912	958	(46)	(5)%	(29)	(3)%	(17)	(2)%
2018	958	881	77	9 %	75	9 %	2	— %
2017	881	827	54	7 %	(7)	(1)%	61	7 %
2016	827	771	56	7 %	(13)	(2)%	69	9 %

Note: The sum of the percentage changes may not tie to the percent change in total variance due to rounding.

1. Other impact includes acquisitions, divestitures, and changes in FX rates.



# 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](https://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 non-GAAP net income attributable to Nasdaq, non-GAAP diluted earnings per share, non-GAAP operating income and non-GAAP operating expenses 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.

*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.

# DISCLAIMERS

## **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 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.