



# 2020 Investor Day

NOVEMBER 10, 2020

# 2020 Nasdaq Investor Day Agenda

8:30 – 8:35	Introduction	<b>Ed Ditmire</b> , VP Investor Relations
8:35 – 9:00	Strategic Overview	<b>Adena Friedman</b> , President & CEO
9:00 – 9:20	Market Technology	<b>Lars Ottersgård</b> , EVP
9:20 – 9:35	Investment Intelligence	<b>Lauren Dillard</b> , EVP
9:35 – 9:55		Market Technology & Investment Intelligence Q&A
9:55 – 10:05		Break
10:05 – 10:20	Corporate Platforms	<b>Nelson Griggs</b> , EVP
10:20 – 10:40	Market Services	<b>Tal Cohen</b> , EVP; <b>Bjørn Sibbern</b> , EVP
10:40 – 11:00		Corporate Platforms & Market Services Q&A
11:00 – 11:10		Break
11:10 – 11:30	Financial Overview	<b>Michael Ptasznik</b> , EVP & CFO <b>Ann Dennison</b> , SVP Controller & Principal Accounting Officer
11:30 – 12:00		CEO & CFO Q&A

# Building the Next Generation Nasdaq: Leading Technology, Analytics, and Infrastructure Provider

Adena T. Friedman

President and Chief Executive Officer



 Nasdaq

 Nasdaq

The World's  
Largest  
Unboxing

TO WISHING  
PERFORMANCE

# 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 Index, Analytics, Market Technology, 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

# The Next Generation Nasdaq: Positioned for Sustained Growth

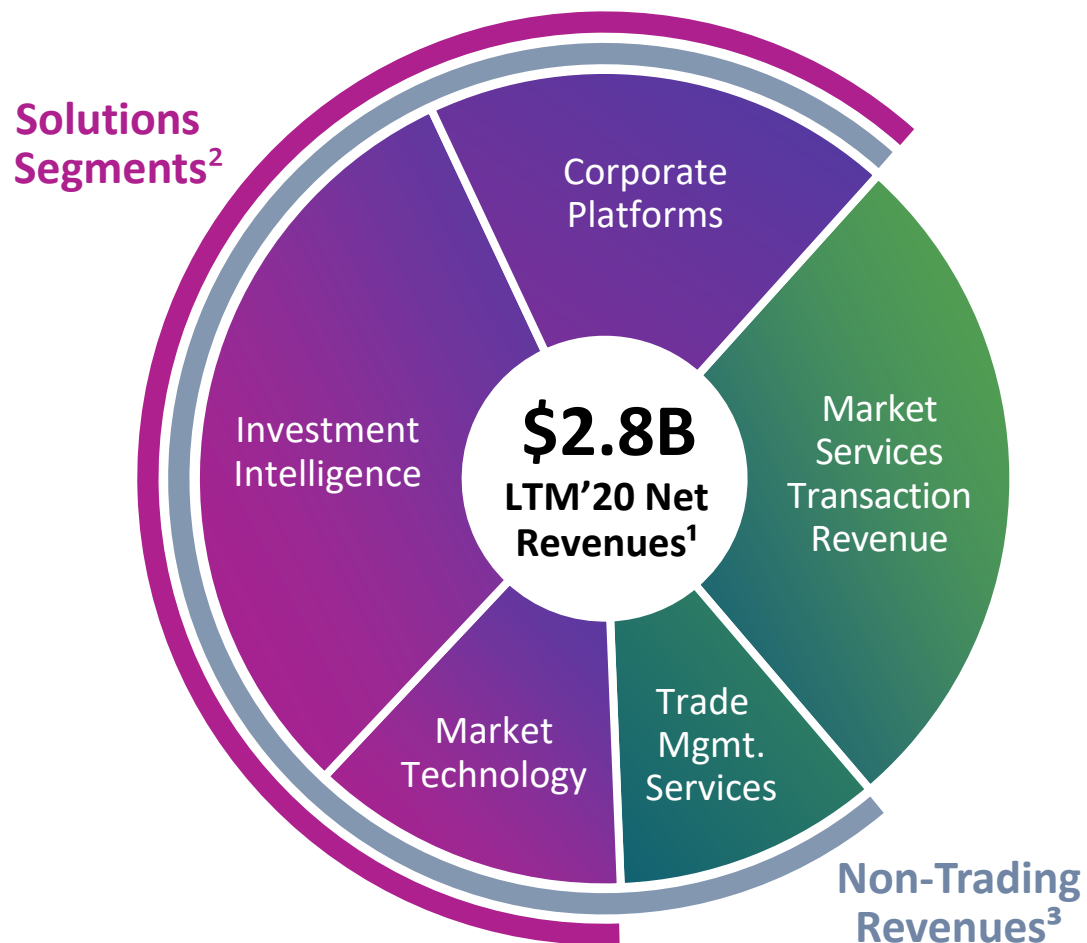
✓ **Successfully Progressing Our Strategic Pivot to a Technology, Analytics & Infrastructure Provider**

**Well Positioned in Attractive Markets**

**Clear Strategy to Drive Further Growth**



# The Premier Brand & Ecosystem for Global Capital Markets and Beyond



## Key Highlights / Characteristics

Non-Trading<sup>3</sup> Revenues  
(LTM'20)

73%

Annualized Recurring Rev. (ARR)<sup>4</sup>  
(3Q20)

\$1.5B

EBITDA Margin  
(2017 – 3Q20)

>50%

EPS CAGR  
(2016-LTM'20)

14%

Enterprise ROIC<sup>5</sup> / WACC  
(LTM'20)

11% / 6%

Total Shareholder Return CAGR  
(2017-11/6/20)

22%

<sup>1</sup> Represents revenues less transaction-based expenses.

<sup>2</sup> Represents last twelve months ending September 30, 2020 revenues from our Corporate Platforms, Investment Intelligence and Market Technology segments.

<sup>3</sup> Represents last twelve months ending September 30, 2020 revenues from our Corporate Platforms, Investment Intelligence and Market Technology segments plus our Trade Management Services business.

<sup>4</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.

<sup>5</sup> See appendix for reconciliation of return on invested capital.

# Nasdaq is Guided by Our Vision, Mission and Purpose

## VISION

To reimagine markets to realize the potential of tomorrow.

## MISSION

To provide the premier platform and ecosystem for global capital markets and beyond with unmatched technology, insights and markets expertise.

## PURPOSE

To champion inclusive growth and prosperity. We power stronger economies, create more equitable opportunities and contribute to a more sustainable world to help our communities, clients, employees and people of all backgrounds reach their full potential.





# Our Business Segments Reflect Our Broad Capabilities

## Market Technology



Operate and power the world's leading marketplaces

130+ MIOs and New Markets clients, and 170 Sell-side and Buy-side firms

## Investment Intelligence



Trusted data, index and analytics

2,100+ Asset Managers, 1,000+ Asset Owners and consultants, 900+ market data clients and 600+ Index clients

## Corporate Platforms



A leading position in listings and C-Suite offerings

8,500+ Corporate Platforms clients including ~4,300 listed companies

## Market Services













Diverse portfolio of North American and Nordic markets

Single largest market in U.S. equities and #1 market share in U.S. equity derivatives and Nordic equities

Technology & Intelligence Growth Platform

Foundational Marketplace Core

# Our Progress on Our Strategic Journey

Ambitions Articulated at 2018 Investor Day			Progress
<b>Profile</b>		Technology leader serving capital markets and beyond	
<b>Orientation</b>		Client-focused product innovation	
<b>Organic Growth</b>		Meaningful organic growth	
<b>Delivery Model</b>		Scalable platform as a service	
<b>Capital Deployment</b>		Disciplined and transparent	

# Significant Progress on Business Repositioning

**Market Technology**  
Significantly increased scale

**+45%**

Increase in revenues from 2016<sup>1</sup>

**Investment Intelligence**  
Radically repositioned for growth

**>50%**

% of Investment Intelligence LTM'20 revenues from Index and Analytics<sup>2</sup>

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

**>\$500M**

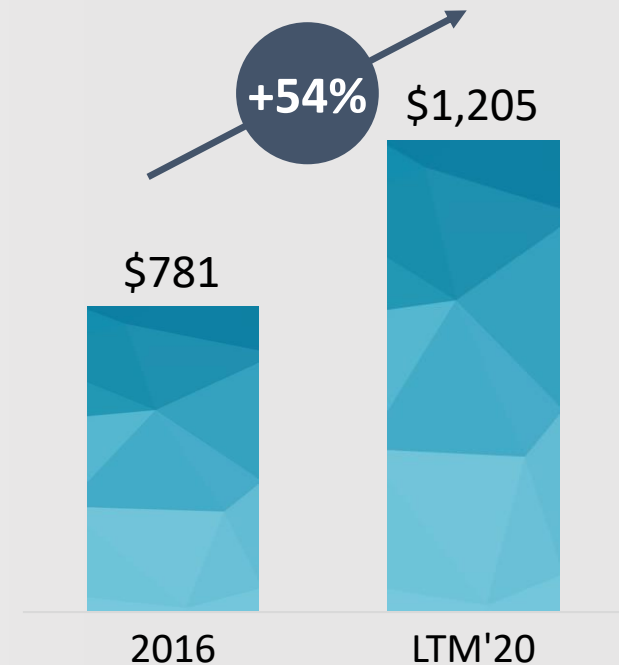
Divestiture proceeds

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

**2.3x**

Increase in R&D spend related to Market Technology and Investment Intelligence 2018-20 versus 2015-17

Revenues From Higher-Growth Market Technology and Investment Intelligence Segments



<sup>1</sup> Change in Market Technology revenues over last 12 months ended September 30, 2020 compared to 2016.

<sup>2</sup> Combined revenues from the Index and Analytics businesses represented 53% of Investment Intelligence revenues during the last 12 months ended September 30, 2020 and 34% during 2016.

# Strategic Pivot Has Accelerated Our Performance

## Solutions Segments Organic Revenue Growth



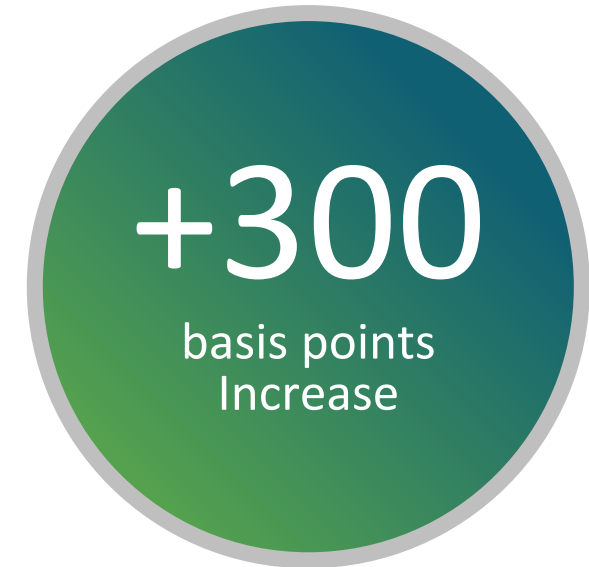
8% organic growth average  
2018-YTD'20 versus 4% average  
between 2016-17

## Non-GAAP Operating Margin



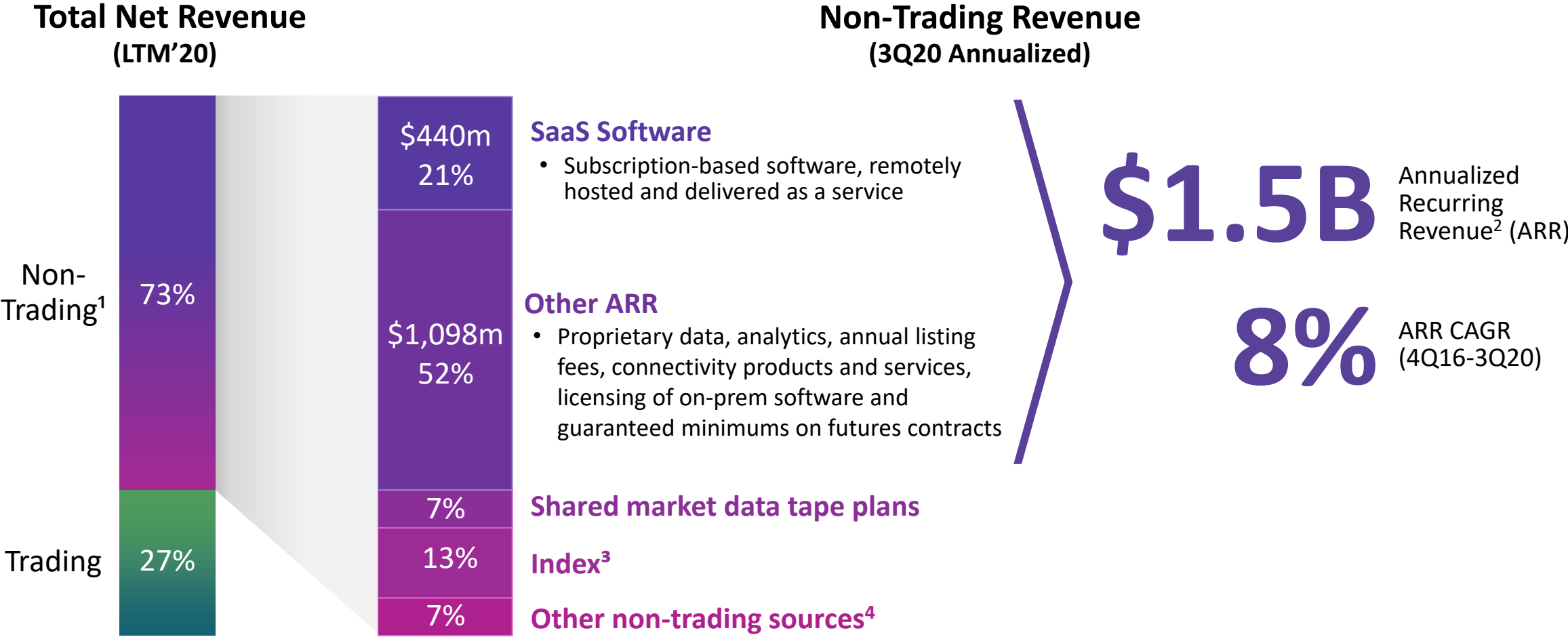
From 46% in 2016 to  
50% 2019-YTD'20

## Return on Invested Capital (ROIC)



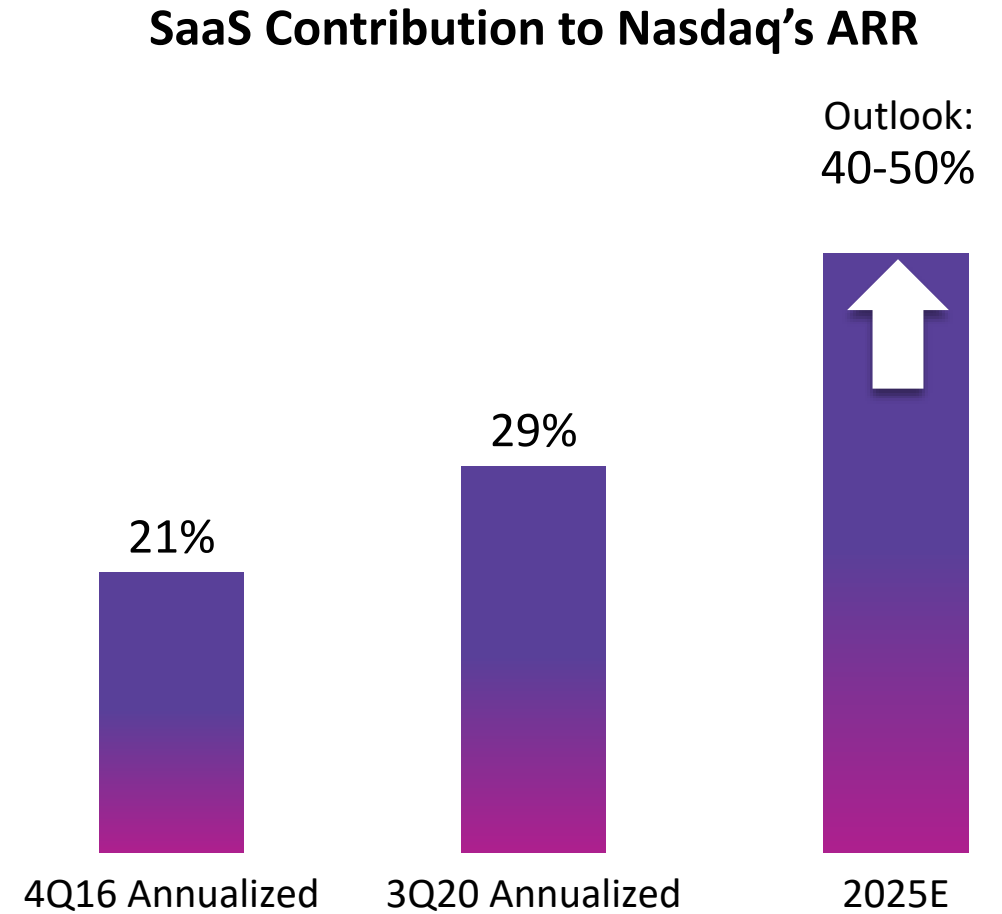
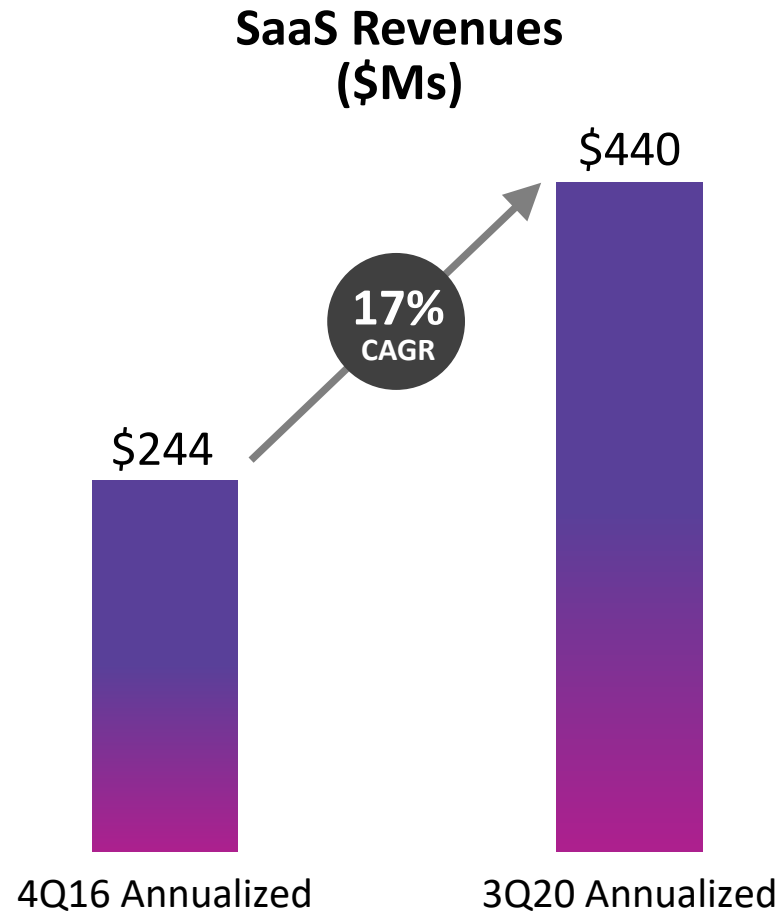
From 8% in 2016  
to 11% LTM'20

# Increasingly Managing Our Business With Next-Gen Metrics



<sup>1</sup> Represents last twelve months ending September 30, 2020 revenues from our Corporate Platforms, Investment Intelligence and Market Technology segments plus our Trade Management Services business  
<sup>2</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.  
<sup>3</sup> Excludes guaranteed minimum on futures contracts within Index business.  
<sup>4</sup> Includes initial listing fees, Market Technology implementation and change requests, and project-based advisory services.

# Our Evolution Is Driving Expanding Contribution From SaaS



# The Next Generation Nasdaq: Positioned for Sustained Growth

**Successfully Progressing Our Strategic Pivot to a Technology, Analytics & Infrastructure Provider**

✓ **Well Positioned in Attractive Markets**

**Clear Strategy to Drive Further Growth**



# Our Unique Combination of Businesses Enhance and Support Each Other in Critical Ways

- ✓ Listing Services success drives a more robust Market Services platform
- ✓ IR & ESG Services and Index offerings drive Listing Services value proposition
- ✓ Nasdaq's own marketplaces bolster credibility of Market Technology offerings
- ✓ Standard-setting Market Technology platform helps Market Services succeed
- ✓ Market Data business benefits from leading Market Services liquidity pools





# Capitalizing on Powerful Secular Tailwinds

## Capital Markets Megatrends

Digitalization of workflows and commercial transactions



Unlocking value through data capture and analysis



Changing dynamics of investment management



## Key Enabling Technologies

Cloud hosting

Software as a Service

Machine Learning

Robotic Process Automation

Mining of structured & unstructured data

Tokenization

## Highlight Secular Growth Offerings

Cloud Enabled Market Platforms

AML and Trade Surveillance Automation/Investigative Tools

Dynamic & Distinctive Index Suite

Analytics tools that help professional investors be more effective/efficient

ESG Solutions for Corporate Issuers

# Nasdaq Now Clearly Positioned in Large, Attractive Markets



	Market Technology	Analytics <sup>4</sup>	Index	IR & ESG Services
<b>Total Addressable Market<sup>1</sup> (TAM)</b>	\$26B	\$19B	\$3B	\$7B
<b>Key Nasdaq Offerings</b>	<ul style="list-style-type: none"> <li>Nasdaq Financial Framework</li> <li>Nasdaq Surveillance</li> </ul>	<ul style="list-style-type: none"> <li>eVestment</li> <li>Solovis</li> <li>Quandl</li> </ul>	<ul style="list-style-type: none"> <li>Nasdaq-100</li> <li>Nasdaq Biotech</li> <li>OMXS30</li> </ul>	<ul style="list-style-type: none"> <li>Boardvantage</li> <li>IR Insight</li> <li>OneReport</li> </ul>
<b>Serviceable Addressable Market<sup>2</sup> (SAM)</b>	\$7B	\$7B	\$1.6B	\$1.5B
<b>LTM'20 Revenues<sup>3</sup> (\$M)</b>	\$349M	\$171M	\$284M	\$210M
<b>Opportunity: SAM relative to LTM'20 Revenues</b>	~20x	~41x	~6x	~7x

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

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

<sup>3</sup> Refers to last twelve months revenues through 9/30/20.

<sup>4</sup> Refers to the Analytics business within the Investment Intelligence segment.

# Why We Are Confident We Will Win



# The Next Generation Nasdaq: Positioned for Sustained Growth

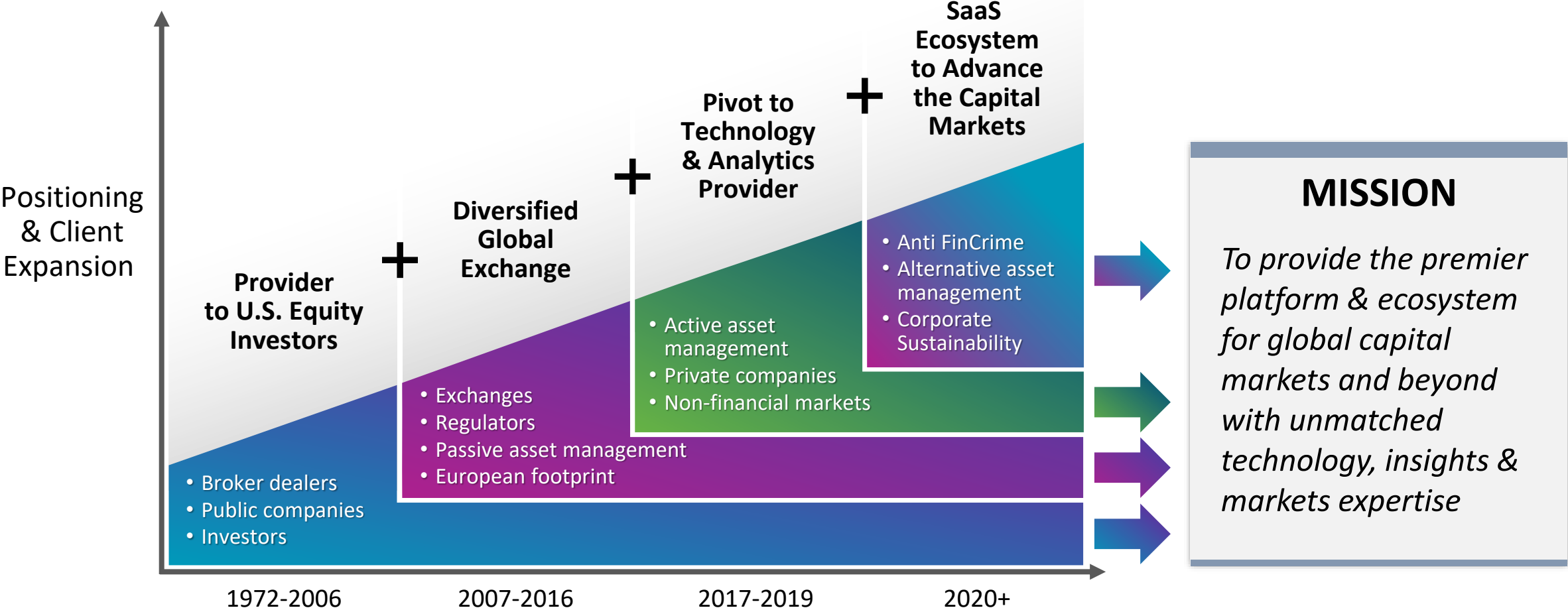
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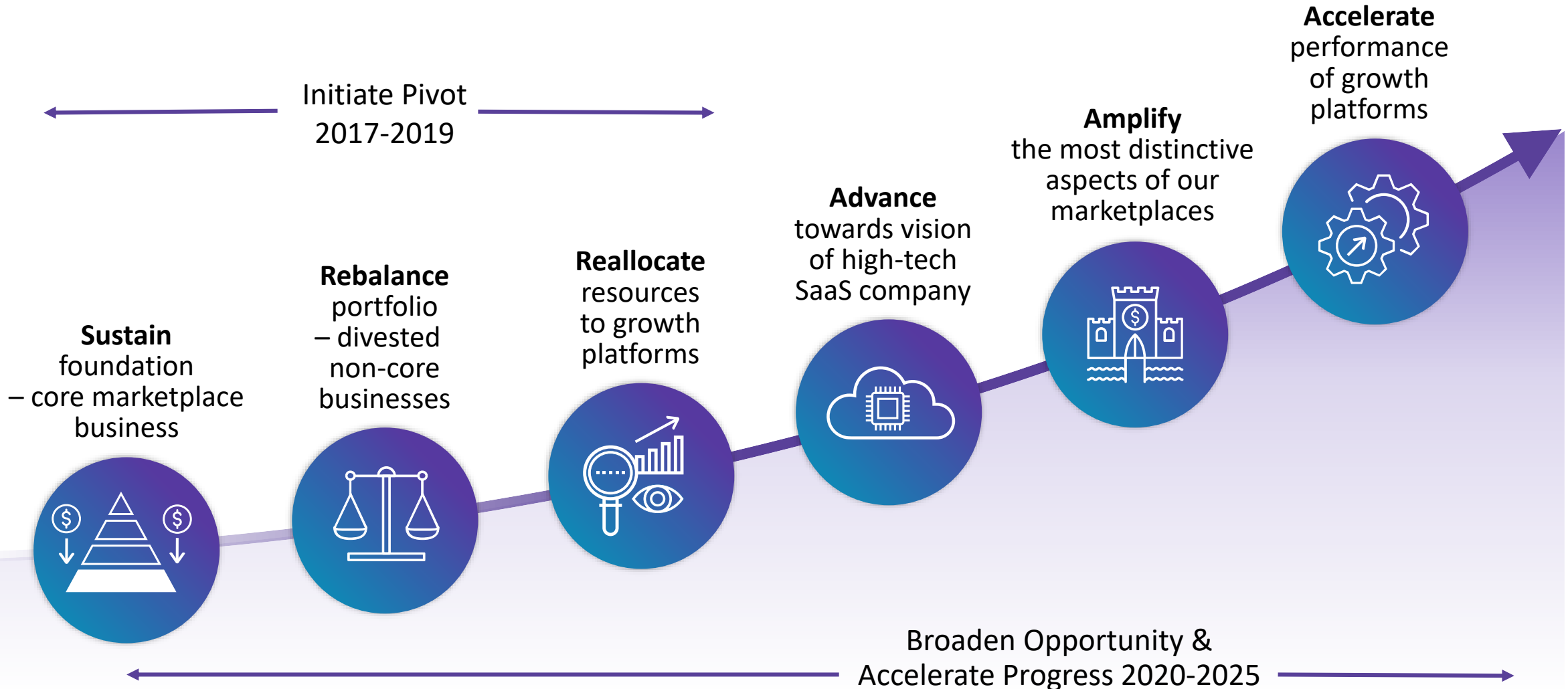
**✓ Clear Strategy to Drive Further Growth**







# Beginning The Next Chapter in Our Strategic Evolution



# Building Upon Our Strategic Pivot



# Business-Specific Ambitions to Capitalize on Market Dynamics

	Market Technology	Investment Intelligence	Corporate Platforms	Market Services
Positioning	 <p>Trusted Market Technology Partner</p>	 <p>Essential Partner to the Investment Community</p>	 <p>Leading Capital Market Corporate Platforms</p>	 <p>Preeminent Market Operator in U.S./Europe</p>
Initiatives	<p>Deploy and drive adoption of SaaS Market Technology solutions.</p> <p>Build a leading Anti FinCrime platform.</p>	<p>Offer a full-service alternatives workflow platform for asset managers and asset owners.</p> <p>Accelerate expansion of indices and data products to new clients and new geographies.</p>	<p>Expand Nasdaq’s share of U.S. corporate issuers</p> <p>Establish the leading end-to-end corporate ESG reporting workflow tool.</p>	<p>Migrate our own marketplaces to next-generation platform, increasingly leveraging cloud.</p> <p>Offer an enhanced suite of exchange trading capabilities for equities.</p>
Projected Investments	Primarily strategic acquisitions and organic investments		Primarily organic investments and bolt-on acquisitions	
Opportunity	Accelerate performance and profit generation through SaaS, workflow and analytics offerings		Strengthen leading positions of our core marketplace businesses	

# Our M&A Criteria Have Evolved to Better Support Enterprise Value Creation Objectives



## Tight Strategic and Cultural Alignment

Advancing our existing ambitions and accelerate our evolution as a SaaS technology, analytics, and infrastructure provider



## Enhances Our Performance and Valuation Potential

Will accrete to Nasdaq's organic potential across our key enterprise-wide performance metrics:

- Recurring revenue growth
- Scalability
- Total Shareholder Return (TSR)



## Clear/Consistent Financial Targets<sup>1</sup>

Creates economic value with attractive IRR,  $ROIC > WACC$ , and delivers Non-GAAP earnings accretion while being compatible with Nasdaq's enterprise  $ROIC > 10\%$



# The Next Generation Nasdaq: Positioned for Sustained Growth

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

Strong competitive position in fast growing markets

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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>:  
**5-7%**  
(3-5 years)

SaaS Revenue  
% ARR:  
**40-50%**  
(2025)

**Double-digit  
TSR**

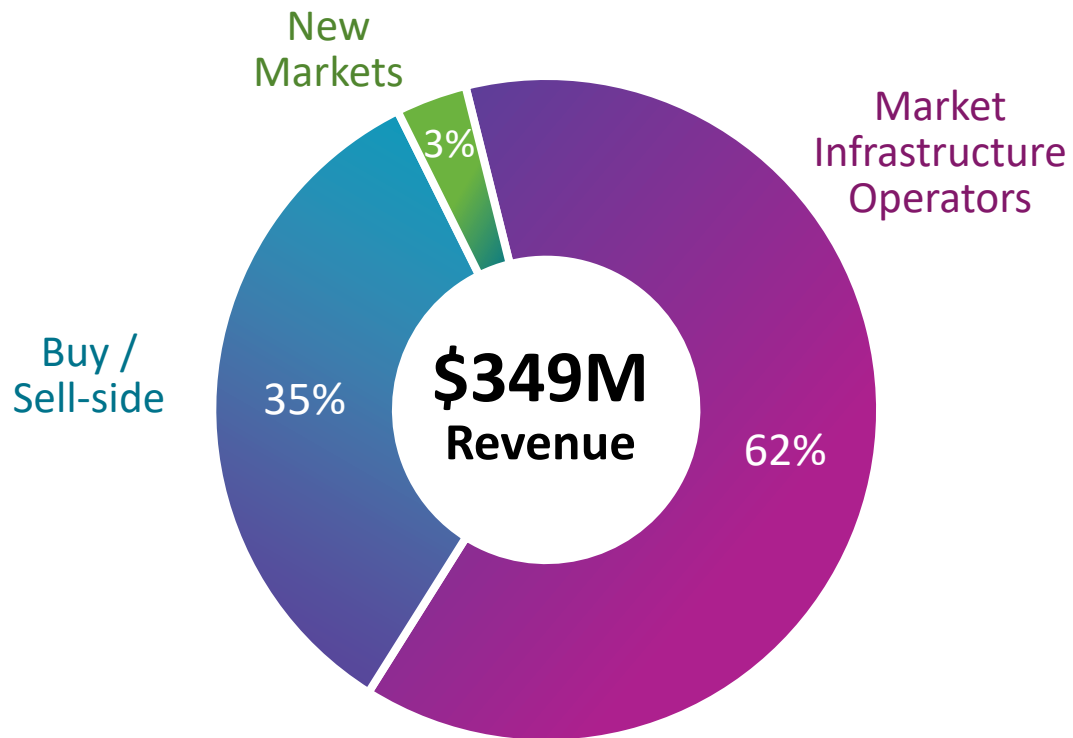
# Advancing Our SaaS Transformation: Unlocking Our Growth Potential

Lars Ottersgård

Executive Vice President, Market Technology

# At-A-Glance

## Market Technology Revenues (LTM'20)



## Key Metrics

Annualized Recurring Rev. (ARR)  
(3Q20)

\$278M

ARR CAGR  
(4Q17 – 3Q20)

+12%

SaaS % of revenue  
(3Q20 Annualized)

35%

MIO client base  
(9/30/20)

130

Buy / Sell-Side global clients  
(9/30/20)

170

# Servicing Broad Client Segments in Financial Industry and Beyond



## Market Infrastructure Operators (MIO)

- Category leader servicing Exchanges, Clearinghouses, Central Security Depositories and Regulators



## Buy-Side & Sell-Side

- Anti FinCrime – market surveillance leader
- Execution and risk management services for Sell-Side



## New Markets

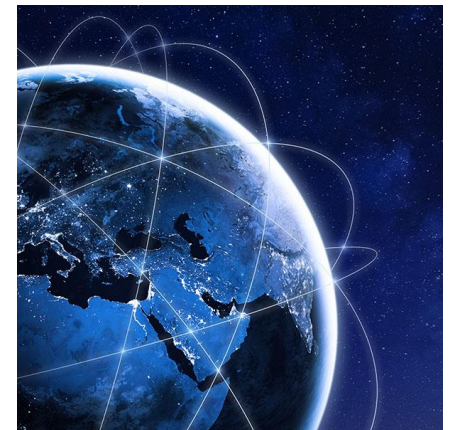
- Platform and capabilities to trade any asset globally in markets beyond the capital markets

# Advancing our SaaS Transformation: Unlocking Our Growth Potential

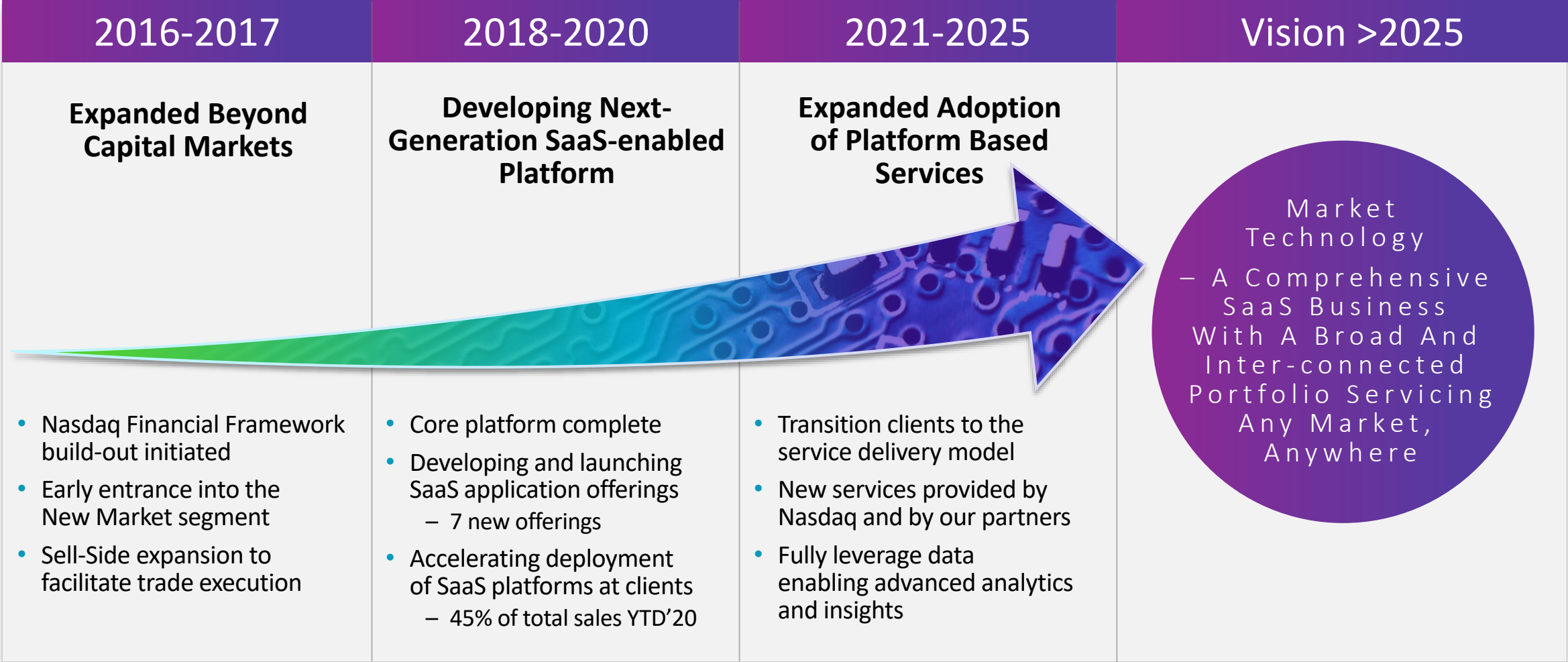
✓ Executing on Market Technology's Transformation

Leading Positioning in Attractive Markets

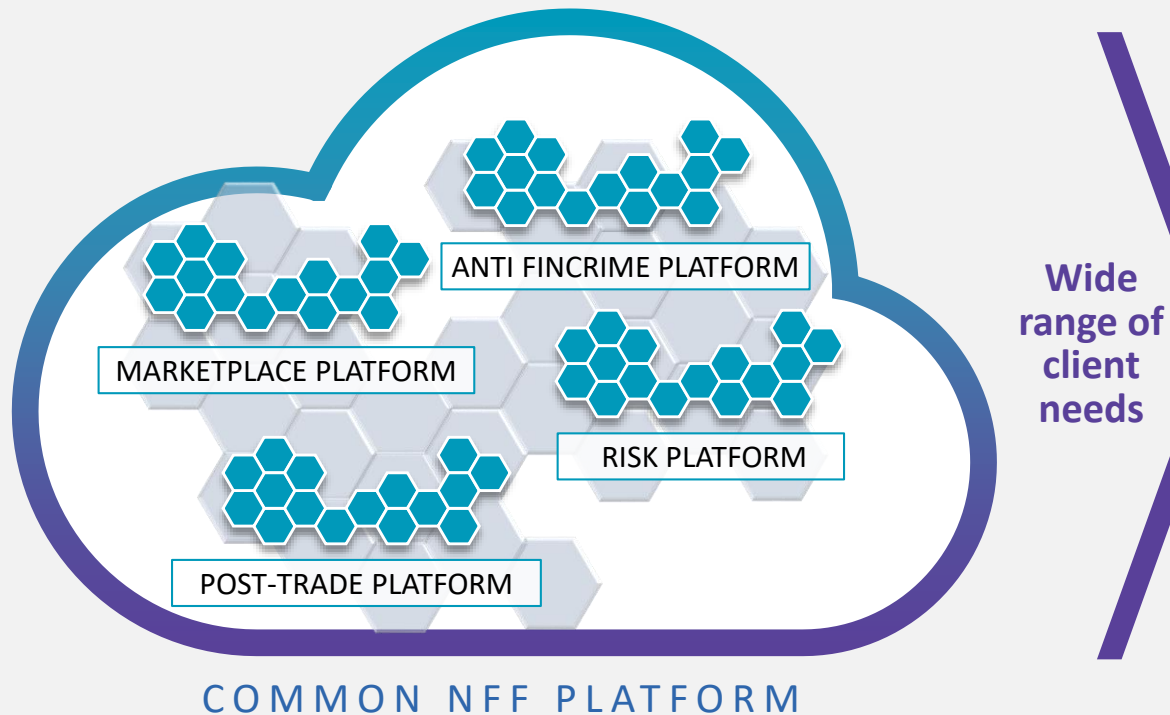
Growth Opportunities and Implications of Our SaaS/Services Transformation



# Maturing Our Shift to a Platform-Based SaaS Service Model



# Interoperable SaaS Platforms Benefitting Capital Markets and Beyond



## Market Infrastructure Operators (MIO)

- Global best practice for trade life cycle processing
- Increased flexibility and decrease time to market
- Transform how to transact with client network and serve them with new offerings



## Buy-Side / Sell-Side

- Strong capabilities for detection of misconduct
- Efficiencies through automation and advanced tools
- Increase risk coverage and workflow management across silos
- Strong trading and risk solutions for increased competitiveness



## New Markets

- Access to capital market technology, knowledge and know-how
- Capabilities to trade any asset globally, accommodating trading models suited for the industry specifics
- Flexible solutions with short time to market by adopting a cloud first model



# Key Achievements Since Last Investor Day



**New Clients:** Expanded client segments served, welcoming 70+ new client brands to the Nasdaq community



**New Markets:** Successfully established client traction in New Markets vertical with 15 signed clients



**Nasdaq Financial Framework Development:** Materially completed development of core NFF platform and moved to deployment phase



**Expanded Capabilities:** Expanding our Anti FinCrime area through AML capabilities, addressing ~5 times market SAM and positioning ourselves for additional opportunities



**Acquisition:** Completed acquisition and integration of Cinnober, expanding our client and capability footprint



# Delivered on Our Ambition and Projecting Continued Growth

Customer Segment	Organic Revenue Outlook <sup>1</sup>		Outlook Met or Exceeded
Market Infrastructure Operators	Mid-to-High Single Digit	▶	✓
Buy & Sell-Side	Double Digit	▶	✓
New Markets	High Growth (from small base)	▶	✓
Market Technology	8 – 11%	▶	✓

**Organic Revenue CAGR (2017 – YTD'20)**

**+9%**

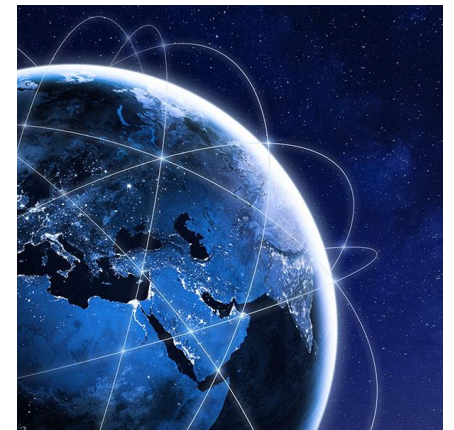
<sup>1</sup> As initiated at 2018 Investor Day.

# Advancing Our SaaS Transformation: Unlocking Our Growth Potential

**Executing On Market Technology's Transformation**

✓ **Leading Positioning in Attractive Markets**

**Growth Opportunities and Implications of Our SaaS/Services Transformation**



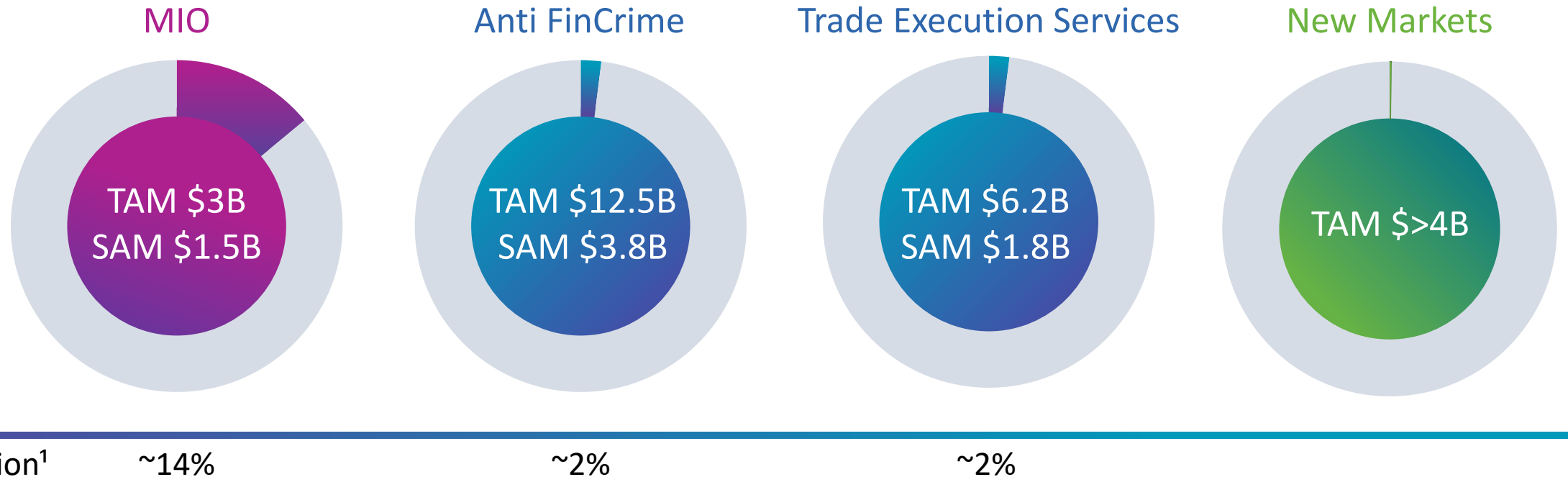
# Conscious Business Evolution for Extended Value Creation



# Well-Positioned in Large and Growing Market

**>\$26B / >\$7B**  
Market Technology TAM / SAM

**~5%**  
SAM Penetration<sup>1</sup>



Sources: MIO & Anti FinCrime – Oliver Wyman; Sell-Side Trade Execution services – TAM Celent and Oliver Wyman, SAM Oliver Wyman and Nasdaq analysis, New Markets - TAM estimates for selected industries; Sports & Gaming, Transportation & Logistics and Digital Assets, Nasdaq analysis based on research from The Boston Consulting Group, Global Betting & Gaming Consultants and The World Economic Forum

# Why We Win

## Key '19-'20 New Clients

- | Dubai Gold & Commodities Exchange |
- | Jamaica Stock Exchange |
- | Options Clearing Corporation |
- | Bitstamp | Tradeweb |
- | Football Index | LEX Markets |

## Leading the Way

**300+**

Technology Clients

**130+**

MIO & New Markets

**170+**

Buy-Side & Sell-Side Firms

## Award-Winning Technology

**Risk**  
Markets Technology  
Awards  
2020

Nasdaq  
CCP clearing  
support product  
of the year

**Risk**  
Markets Technology  
Awards  
2019

Nasdaq  
Trading systems  
FICC



Buy-Side Technology  
Awards Winner 2019  
Best buy-side market surveillance tool/platform  
Nasdaq



Sell-Side Technology  
Awards Winner 2019  
Best Sell-Side Market Surveillance  
Product  
Nasdaq



## Trust

Proven long term  
technology partner



## Products

Best in class in market  
technology



## Innovation

Investing in next gen  
technologies



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The World's Largest Unboxing

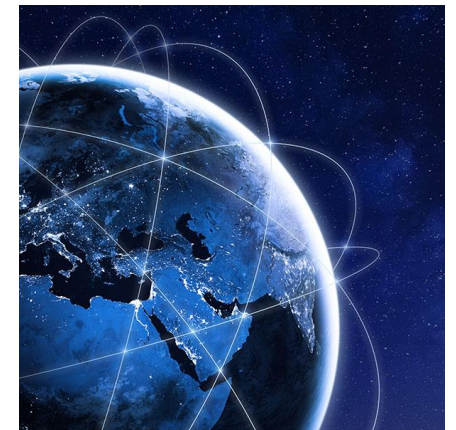
TO WISHING  
PERFORMANCE

# Advancing Our SaaS Transformation: Unlocking Our Growth Potential

Executing on Market Technology's Transformation

Leading Positioning in Attractive Markets

✓ Growth Opportunities and Implications of Our SaaS/Services Transformation



# Key Opportunities to Drive Growth

1

MIOs – Migrate to SaaS, grow share of wallet



2

Sell and Buy-Side – Expand offerings and address larger TAM/SAM



3

New Markets – High growth in untapped market





# MIOs – Migrate to SaaS Offerings and Increase Share of Wallet

Revenue  
LTM'20

Key Initiatives

Organic Revenue Growth  
3-5 Year Outlook<sup>1</sup>

**\$215M**

- Client adoption of platform & SaaS to drive efficiency and margin expansion across the MIO customer base
- Continue introducing new product applications, expanding relationships and attract a larger share of customer wallets
- Selectively address new client sub-segments that will benefit our product and services

**Mid-Single  
Digit CAGR**



# Sell and Buy-Side – Expand Offerings and Address Significantly Larger TAM/SAM

Revenue  
LTM'20

Key Initiatives

Organic Revenue Growth  
3-5 Year Outlook<sup>1</sup>

\$122M

- A SaaS business today expanding the surveillance offering into OTC markets and data analytics
- Establish a larger traction in Anti FinCrime by entering into the Anti Money Laundering area
- Accelerate adoption of trade execution solutions by broadening asset class coverage and extend capabilities to a broader client base

Double  
Digit CAGR



# New Markets: Building a Strong Base in Non-Traditional Exchanges and New Marketplaces

Revenue  
LTM'20

\$12M

## Key Initiatives

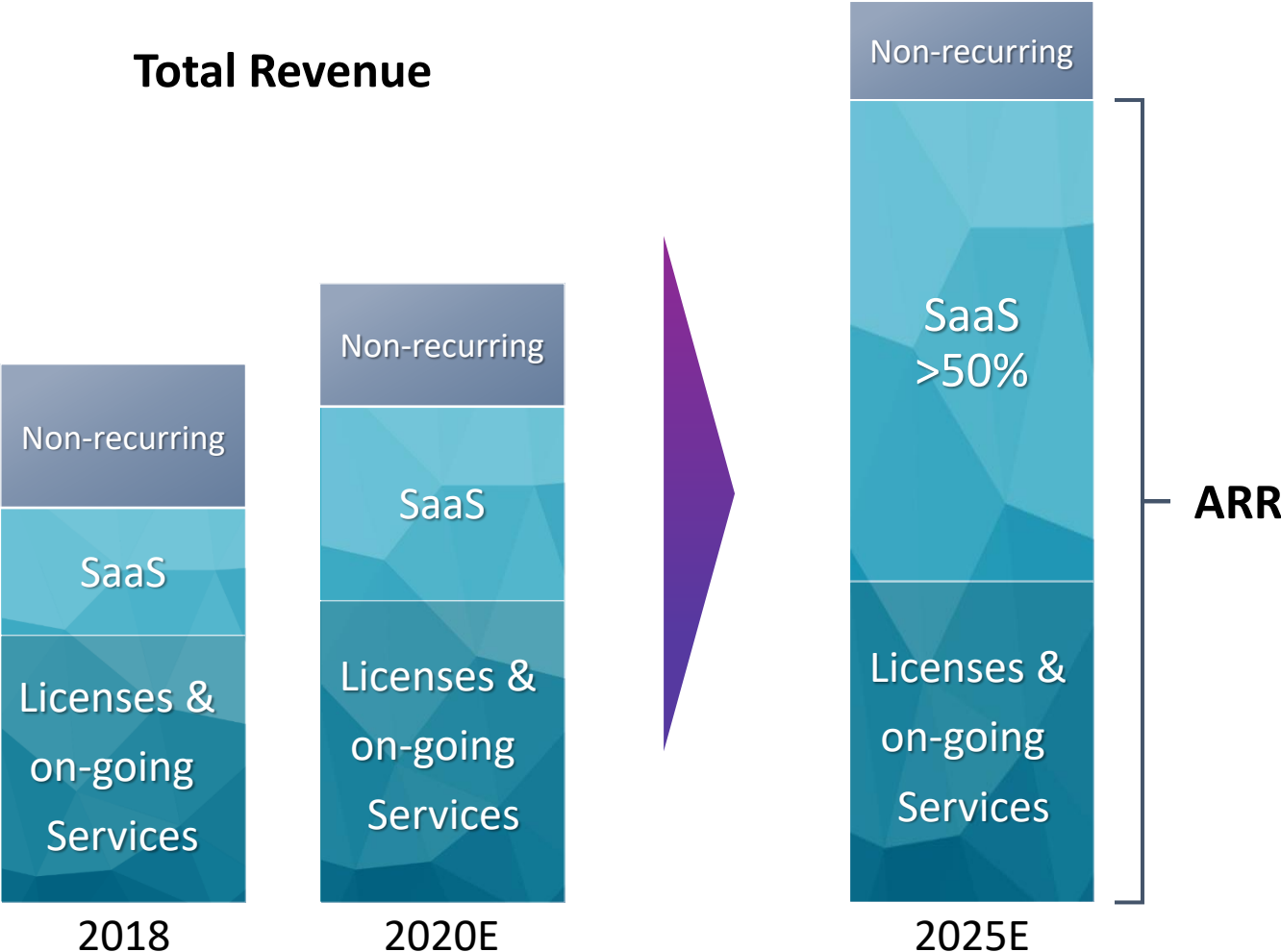
- Establish a leadership position in delivering to new, innovative and transformational markets
- Strategic partnerships to create broader channel and segment distribution (e.g. R3, MSFT and AMZN)
- Combining the best of Nasdaq for our New Market customers with comprehensive technology combined with business expertise and know-how

Organic Revenue Growth  
3-5 Year Outlook<sup>1</sup>

High Growth  
CAGR  
(from a low base)



# Looking Forward: A Strong and Sustainable Business Model



- ### 5-Year Objectives
- **8-11% organic revenue CAGR<sup>1</sup>**
  - Continued growth of **ARR at or above organic revenue CAGR**
  - **SaaS becoming majority of total Market Technology revenue**
  - **Advance margins** so that segment increasingly meets "**Rule of 40**"<sup>2</sup>
  - **Continue world class retention** rate of 95-98%

<sup>1</sup> Growth outlook assumes stable market backdrop.

<sup>2</sup> "Rule of 40" (growth + EBITDA margin = ~40).

# Advancing Our SaaS Transformation: Unlocking Our Growth Potential



Leveraging our strong market position in broad client segments



Expanding our SAM by extending our capabilities, addressing large and partially untapped market needs



A future state characterized by being a predominantly SaaS business with continued high growth and expanding margins

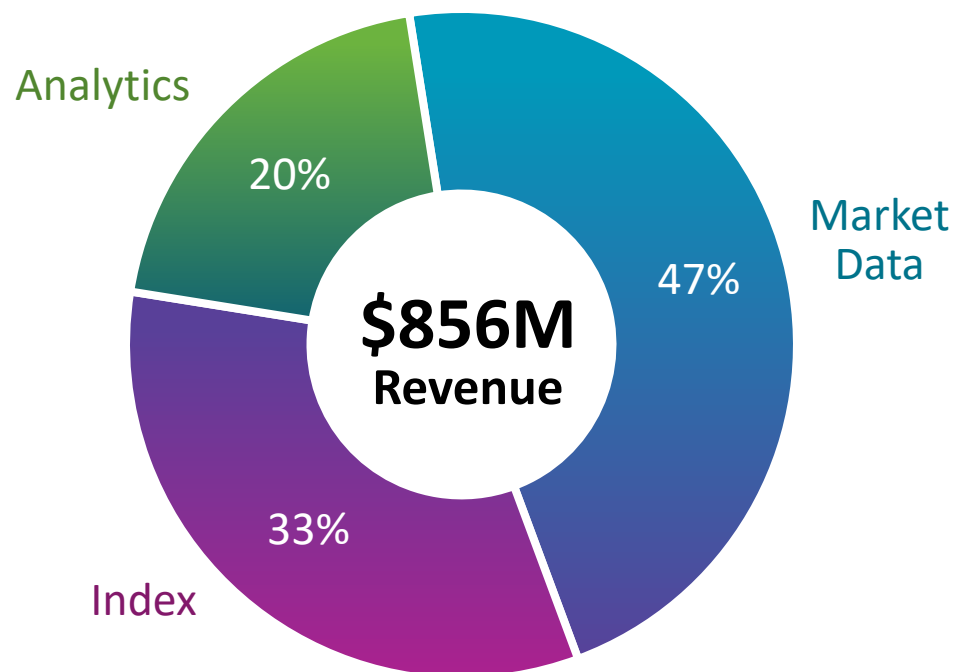
# A High-Growth Intelligence Business Serving the Investment Management Community

Lauren Dillard

Executive Vice President, Investment Intelligence

# At-A-Glance

## Investment Intelligence (LTM'20)



## Key Characteristics

Annualized Recurring Rev. (ARR)<sup>1</sup>  
(3Q20)

\$507M

Revenue CAGR  
(2016-LTM'20)

13%

Operating Margin  
(LTM'20)

63%

Index ETP AUM  
(9/30/20)

\$313B

Asset Manager clients  
(9/30/20)

2,100+

Asset Owner / Consultant clients  
(9/30/20)

1,000+

# Empowering the Global Investment Community to Make Smarter Decisions With Powerful Intelligence



## Innovative Index Franchise

- Distinctive index franchise used to create ETPs and other instruments
- Full ETP life cycle: ideation, listing, marketing, launch, research & distribution
- Strong Nasdaq-100 products, smart beta, derivatives and broad thematic suite



## Differentiated Market Data

- Gold source real-time and historical data created by our leading markets
- New cloud data delivery unlocks new use cases while ensuring consistent quality
- Global reach to power a range of trading and investment functions



## Actionable Investment Insights

- Leading source for institutional investment research and intelligence
- Workflow solutions helping investment managers, asset owners and consultants
- Insights and capabilities extend across public and private markets

Well-known brand



Broad and trusted relationships



Strong offerings and suite of capabilities



# A Differentiated High Growth Intelligence Business

✓ **A Transforming Business**

**Capitalizing on Powerful Market Trends**

**Positioned to Deliver Sustainable Growth**



# Key Investments

## Acquired Key Capabilities

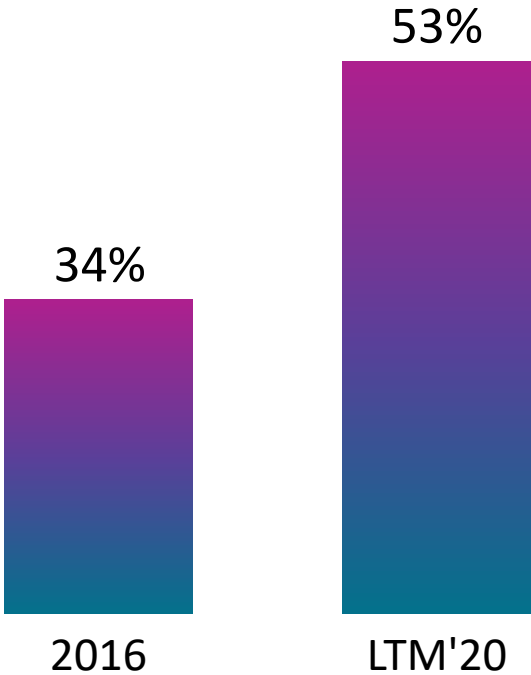
- eVestment, October 2017  
*institutional investment data, analytics and market intelligence covering public and private markets*
- Quandl, December 2018  
*marketplace for financial, economic and alternative data*
- Solovis, March 2020  
*a multi-asset class portfolio management platform devoted to limited partners*

## Targeted Organic Investments

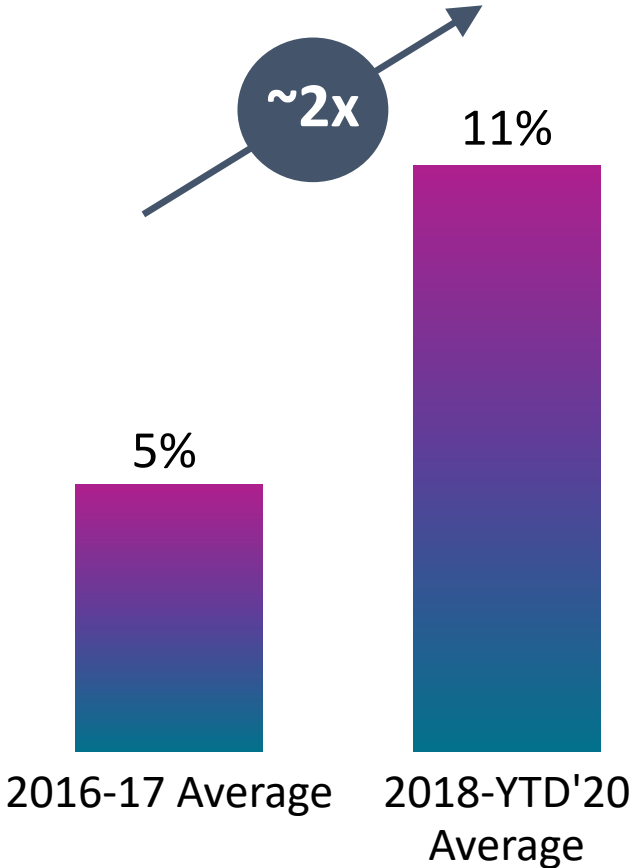
- Analytics including private markets insights
- Expanded the reach of the Nasdaq family of index products
- Cloud data service and dissemination

# Repositioning is Driving Higher Organic Growth

**Index and Analytics Revenue Contribution Rising**  
(% of revenues from Index and Analytics)



**Resulting in Improving Organic Revenue Growth<sup>1</sup>**



<sup>1</sup> Please see appendix for reconciliation of organic revenue growth.

# Our Business Features a Diverse and Powerful Client Base





Nasdaq

The World's Largest Unboxing

TO WISHING  
PERFORMANCE

# A Differentiated High Growth Intelligence Business

**A Transforming Business**

✓ **Capitalizing on Powerful Market Trends**

**Positioned to Deliver Sustainable Growth**



# Key Market Trends Changing the Dynamics of the Investment Management Community

Continued growth in passive investing

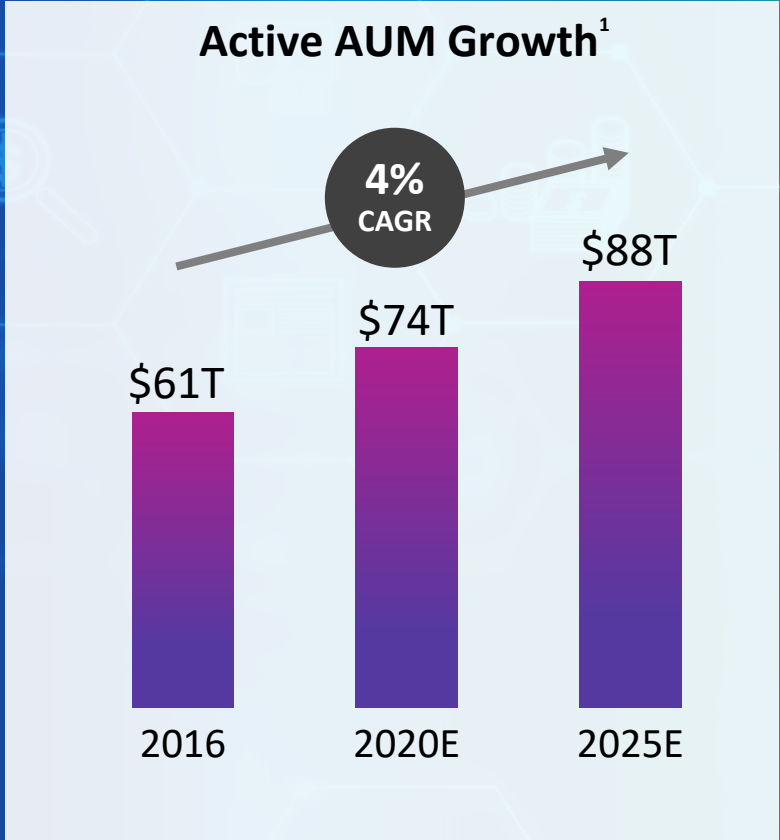
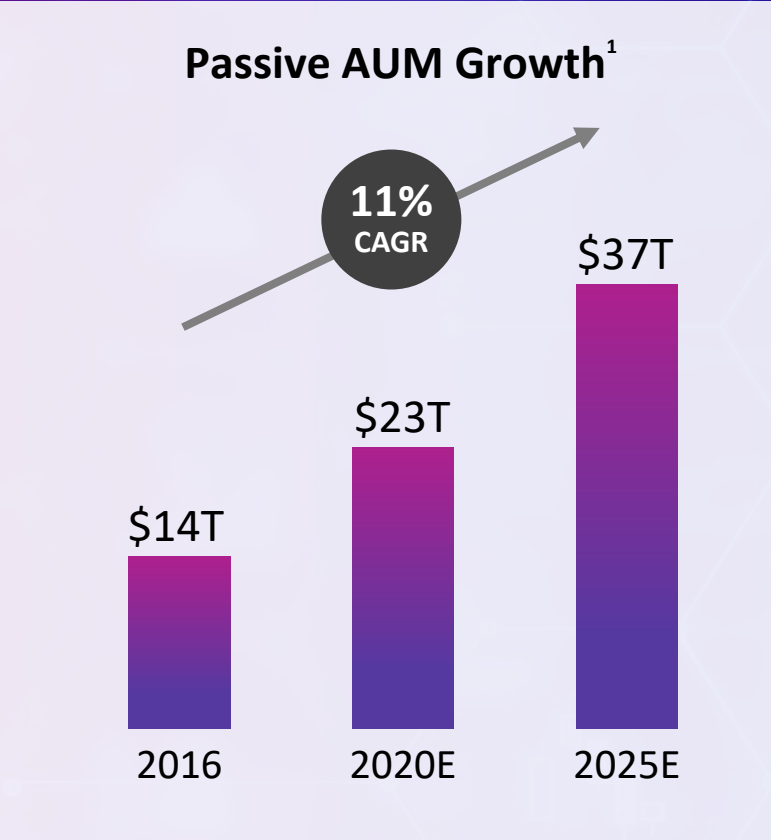
Increased allocation to alternative asset classes

Accelerated digitization leveraging analytics

Rising global demand for transparency of data

# Positioned to Leverage Favorable Global Trends

6% Global AUM Growth CAGR (2016 - '25E)<sup>1</sup>



<sup>1</sup> PWC, "Asset & Wealth Management Revolution: Embracing Exponential Change". Alternative investment category includes: private equity, hedge funds, real estate and institutional loans.



# A Differentiated High Growth Intelligence Business

**A Transforming Business**

**Capitalizing on Powerful Market Trends**

**✓ Positioned to Deliver Sustainable Growth**



# Clear Vision Defining Our Path Forward

Leading provider of data  
and technology to power  
**intelligence** for the  
**investment community**

# Executing on Clear Priorities for Continuing Growth

**1**

## Index

Expand geographical footprint and suite of offerings

**2**

## Market Data

Reach new global clients and grow cloud delivery service

**3**

## Analytics

Offer new insights and technology solutions to meet evolving investor needs in both public and private markets

# Index: Expand Geographical Footprint and Suite of Offerings

## Capitalizing on Rising Demand for Passive Investing



## Organic Revenue Growth 3-5 Year Outlook<sup>1</sup>

**High Single  
to  
Double Digit**

### Recent New Products



Invesco “Innovation Suite”  
builds on QQQ in new ways



Localized APAC ETPs to meet  
rising demand for NDX



Water, volatility,  
options, crypto

# Market Data: Reach New Global Clients and Grow Cloud Delivery Service



Delivering data in the cloud

- Flexible and efficient delivery through Nasdaq Cloud Data Service (NCDS)
- Reduces time to market and lowers infrastructure costs for clients



Global expansion

- Growth in demand across multiple geographical regions
- 13% revenue CAGR in APAC (2016 – Sept 2020)



Continue growth of new customers

- Technology is driving evolution of service to online retail brokers and demand for our market data
- New users such as FinTech and media

**Organic Revenue Growth 3-5 Year Outlook<sup>1</sup>**

**Low Single Digit**

# Analytics: New Insights and Technology Solutions to Meet Evolving Investor Needs

## What we do for Investors



## Powerful Attributes of our Analytics Business

Strong and Growing Customer Base

Workflow Solutions

Insights Applicable Across Asset Classes

## Clear Strategy To Continue Strong Growth

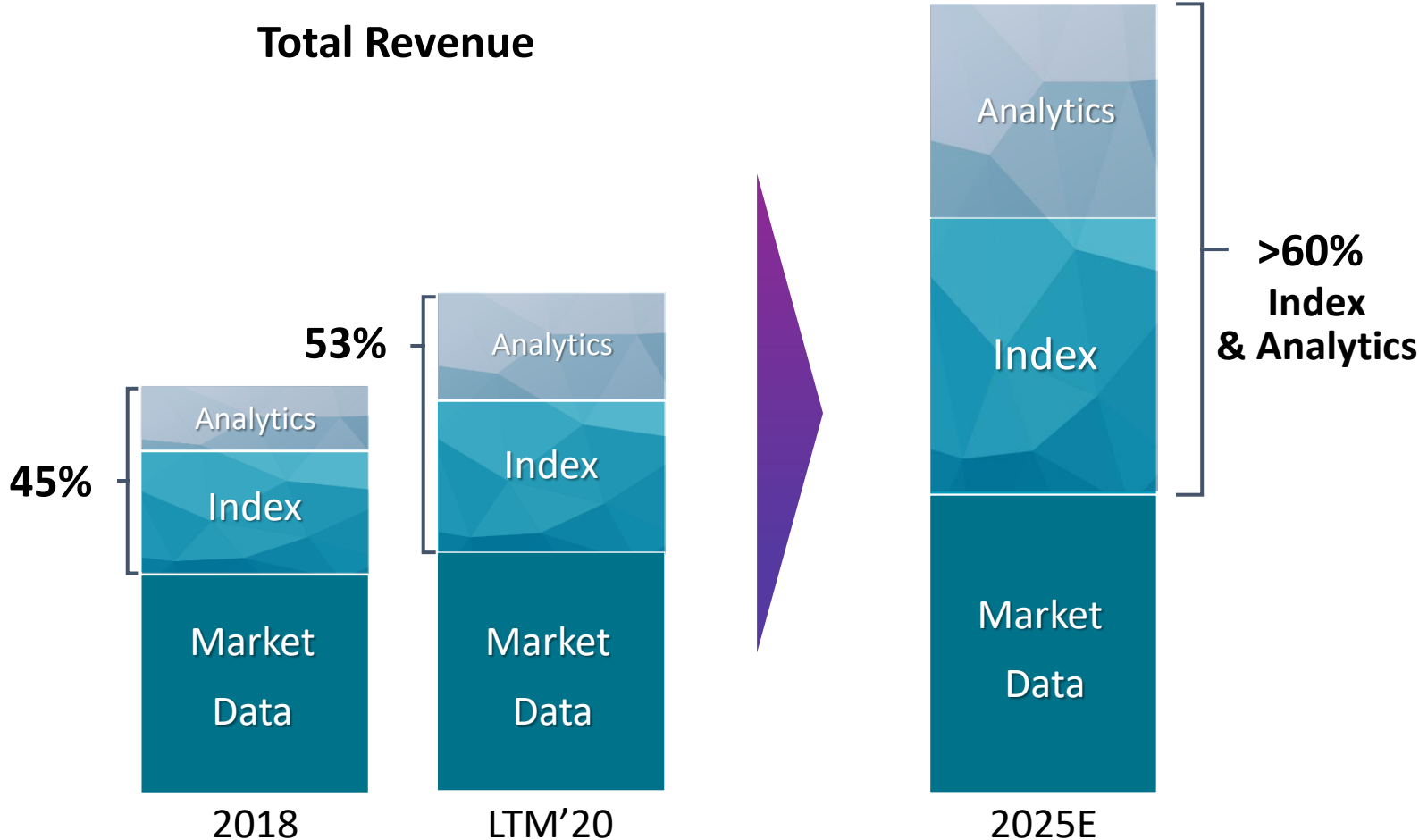
- 1. Deepen existing client relationships:** Offer our expanded solution set for multi asset class portfolio management that delivers pre and post investment data, analytics and reporting
- 2. Expand our Private Market capabilities:** Build on our existing analytics offerings, adding data and workflow tools
- 3. Extend asset class coverage and add data content:** across all offerings, including alternative data

Organic Revenue Growth 3-5 Year Outlook<sup>1</sup>



High Single to Double Digit

# Looking Forward: Strong Growth and Evolving Revenue Mix



### 5-Year Objectives

- **5 - 8% organic revenue CAGR<sup>1</sup>**  
 – Revised from 5-7% prior
- Raise **Index & Analytics** revenue contribution **>60% of segment**
- **Consistent growth of ARR**
- Expand **private market offerings**
- **Continue structural expansion of index** through geographic and product line expansion

<sup>1</sup> Growth outlook assumes stable market backdrop.

# A Scaled, High Growth Investment Intelligence Business



Repositioned business with majority and increasing contribution from Index and Analytics



Strong interest in our unique and diversified index franchise enables the launch of new products and continued globalization



Scalable market data platform allows us to serve new clients and enter new geographies



New insights and workflow solutions to serve the broadening needs of investors across public and private markets



# Market Technology & Investment Intelligence Q&A

Program will resume at 10:05 a.m.



Nasdaq

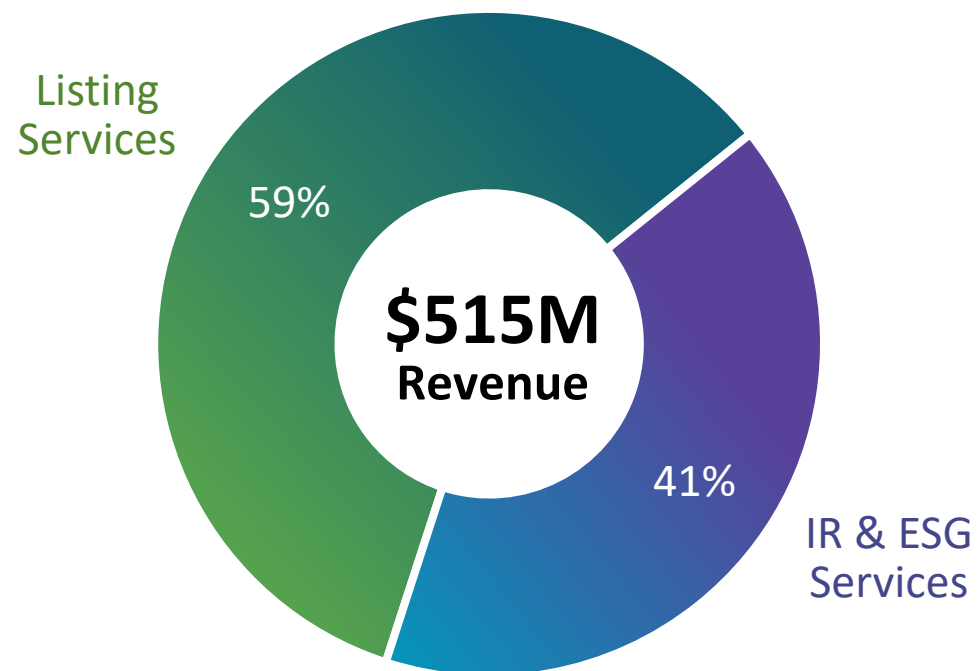
# Advancing Our Unique Capabilities To Serve Evolving Corporate Needs

Nelson Griggs

Executive Vice President, Corporate Platforms

# At-A-Glance

## Corporate Platforms (LTM'20)



## Key Metrics

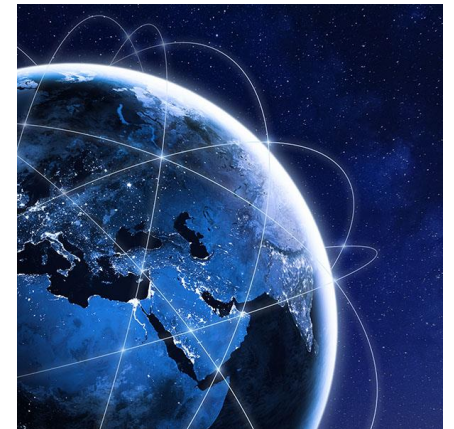
Annualized Recurring Rev. (ARR) <sup>1</sup> (3Q20)	\$453M
Revenue CAGR (2017 – LTM'20)	4%
Operating Margin (LTM'20)	37%
# Corporate Platforms clients (9/30/20)	8,500+
# Listed companies (9/30/20)	~4,300

# Advancing Unique Capabilities to Serve Corporate Needs

✓ **Uniquely Positioned to Deliver in Attractive Markets**

**Successfully Repositioned Business**

**Clear Priorities to Continue Growth**



# Unmatched Solutions for Corporate Decision Makers



## Unmatched Solutions

### Governance Solutions

- Nasdaq Boardvantage (NBV)
- Center for Board Excellence (CBE)
- OneReport






### Listing Services

- U.S. and European Listing Venues
- Nasdaq Private Market (NPM)

### Investor Relations

- IR Insight
- Stock Surveillance
- Strategic Capital Intelligence
- ESG Advisory

# Unique Ability to Serve Clients Throughout the Corporate Lifecycle

	Private Companies	Companies Going Public	Public Companies
 Private Market Liquidity	✓	✓	
 Public Market Listings		✓	✓
 Corporate Governance Tools	✓	✓	✓
 IR Intelligence		✓	✓
 ESG Solutions	✓	✓	✓

# Winning Listing Value Proposition that Resonates with Issuers

- ✓ Synergies with our IR & ESG Services
- ✓ Nasdaq-listed indexes
- ✓ Favorable pricing differential for larger companies
- ✓ Marketing and visibility assets
- ✓ Reputation for technology and innovation

**77%**

U.S. win rate among all operating company IPOs (2018-YTD)<sup>1</sup>

**54%**

Of total capital raised among operating companies (2018-YTD)<sup>2</sup>

**50%**

U.S. win rate among operating company IPOs \$500M or larger (2018-YTD)

**\$1T**

Aggregate market capitalization of transfers from NYSE in the past five years



# Leading Solutions to Enhance Value Proposition for Corporate Clients



Purpose-built **IR Insight** Investor Relations platform



**Advisory Services** for enhanced capital intelligence, investor targeting and perception



**Nasdaq Boardvantage** portal to power secure boardroom collaboration



**Board engagement** services to support Governance best practices



**Advisory and workflow** services to help companies meet their **ESG** objectives

**4%**

IR & ESG Services organic revenue growth over the last twelve months<sup>1</sup>

**#1**

Market-leading Investor Relations Intelligence business

**250K**

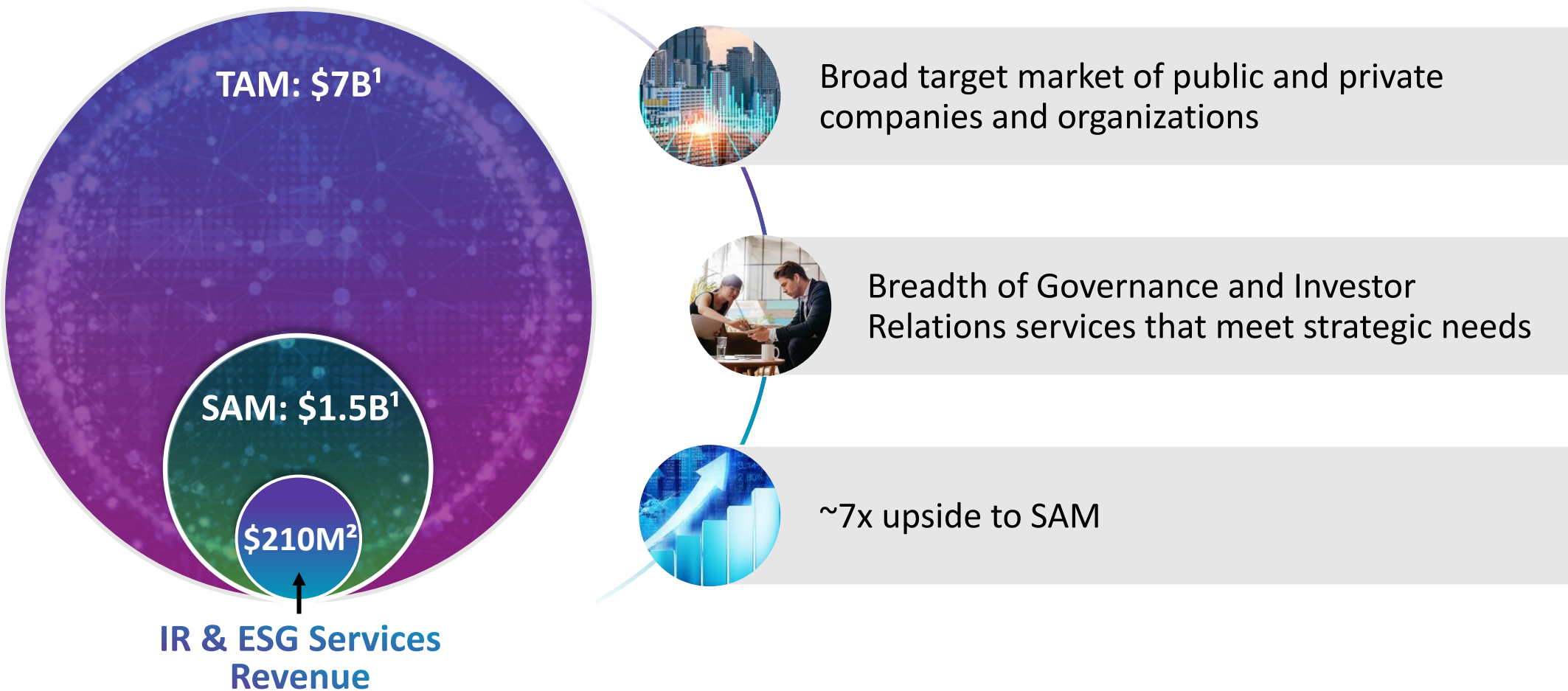
Governance solutions users

**>55%**

Of Nasdaq's publicly traded IR & ESG Services clients are listed on other exchanges

<sup>1</sup>IR & ESG Services revenues were \$210 million in the 12-month period ended September 30, 2020, up \$12 million compared to the 12-month period ended September 30, 2019. The increase is due to organic revenue growth of \$8 million, or 4%, and a \$4 million, or 2%, increase due to acquisitions.

# IR & ESG Services Well-Positioned in Attractive Markets



<sup>1</sup> Reflects size of addressable market for Nasdaq's Investor Relations Intelligence, Governance and ESG-focused solutions. Source: Verdantix "EHS Software Market Size and Forecast 2019-2024 (Global) February 2019" and Nasdaq estimates.

<sup>2</sup> LTM '20 revenues ended September 30, 2020.

# Advancing Unique Capabilities to Serve Corporate Needs

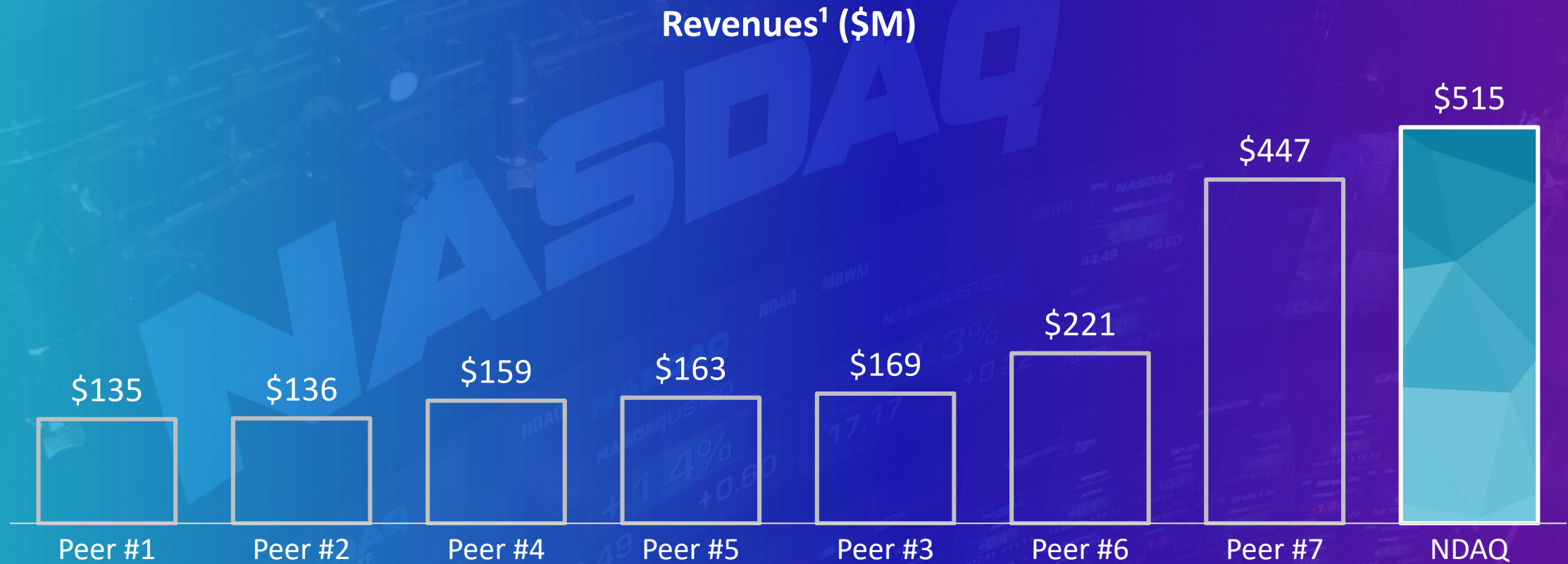
**Uniquely Positioned to Deliver in Attractive Markets**

**✓ Successfully Repositioned Business**

**Clear Priorities to Continue Growth**



# Special Focus in Serving Corporates Among Public Exchanges



# Our Corporate Platforms Segment Has Been Deliberately Repositioned...

## Actions Taken

2018

- Combined Listings & Corporate Solutions management
- Sale of press distribution, webhosting and webcasting businesses

2019

- Acquired Center for Board Excellence (CBE)
- Launched ESG Advisory service
- Sale of B Wise (enterprise governance, risk and compliance)

2020

- Acquired OneReport (ESG data management and reporting)
- Established team dedicated to providing ESG solutions

# ...To Maximize Growth and Expand Value Proposition for Clients

## Unified

Combined team to better engage with key buyers maximizing cross-selling opportunities



## Focused

Invested in providing a superior issuer experience to improve win rate and serve clients' strategic needs



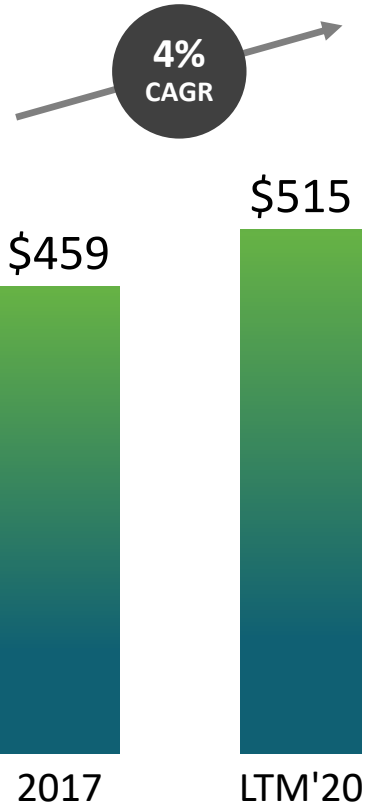
## Aligned

Positioned to capitalize on powerful secular trends, such as the rising demands brought by ESG

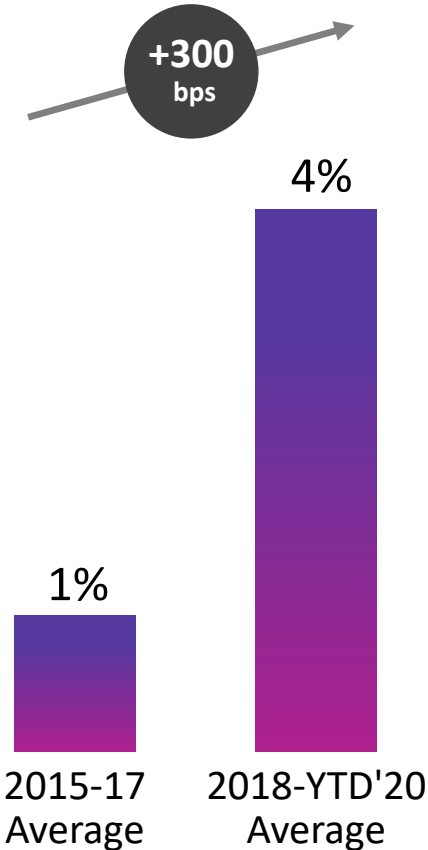


# Early Results Show We Are Delivering

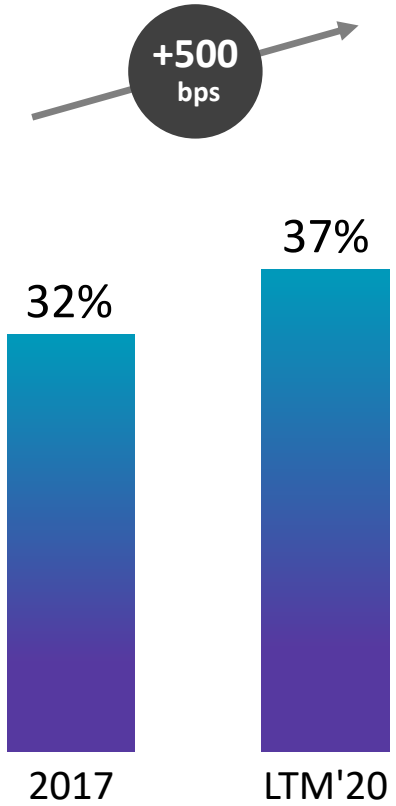
## Corporate Platforms Revenue (\$M)



## Organic Revenue Growth<sup>1</sup> (%)



## Operating Margin (%)



<sup>1</sup> See appendix for reconciliation of organic revenue growth.

# Advancing Unique Capabilities to Serve Corporate Needs

**Uniquely Positioned to Deliver in Attractive Markets**

**Successfully Repositioned Business**

**✓ Clear Priorities to Continue Growth**





# Expanding Our Opportunities to Continue Growth

**1**

Continue market share gains in Listing Services

**2**

Extend IR & board collaboration services to reach new markets and grow wallet share

**3**

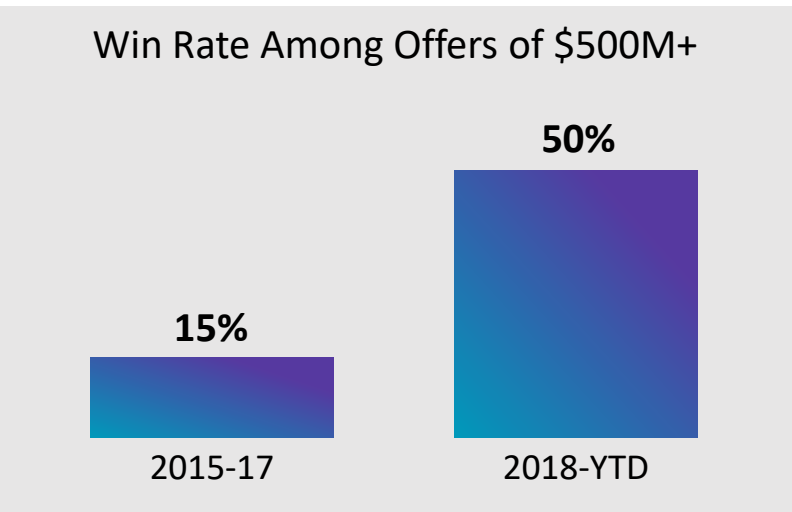
Serve the expanding ESG needs of corporates through new product offerings

**Ongoing focus**

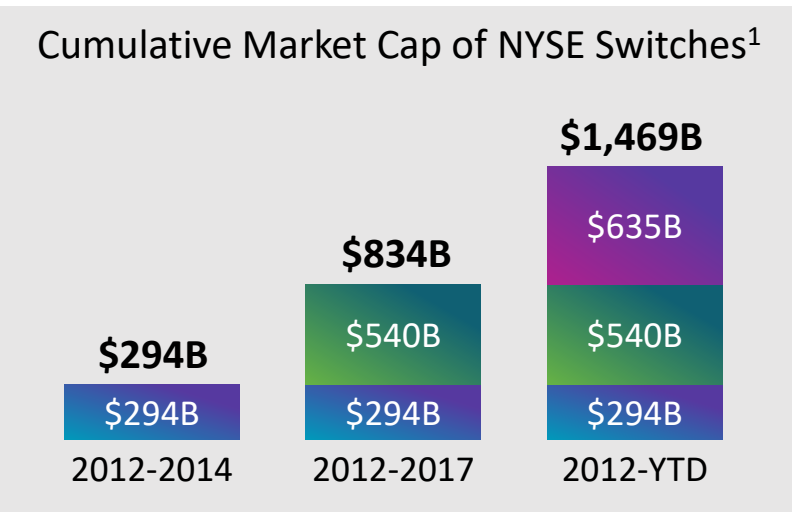
**New/enhanced focus**

# Continue Market Share Gains in Listing Services

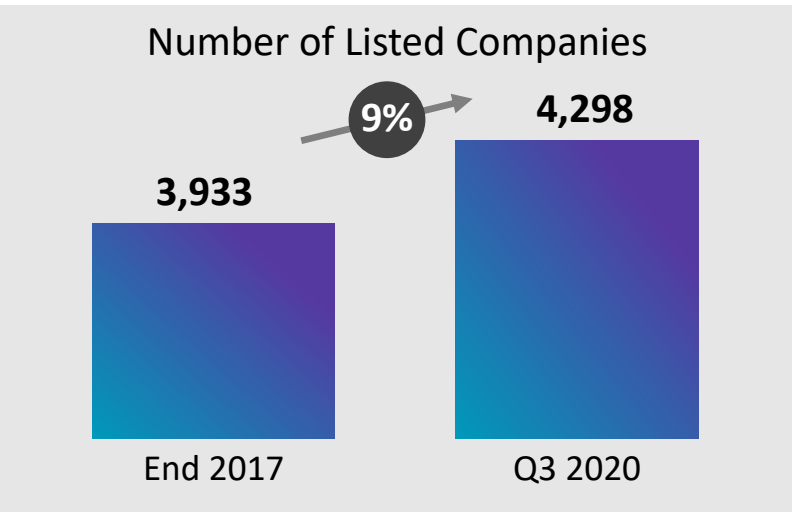
**Focus on the Largest IPOs**



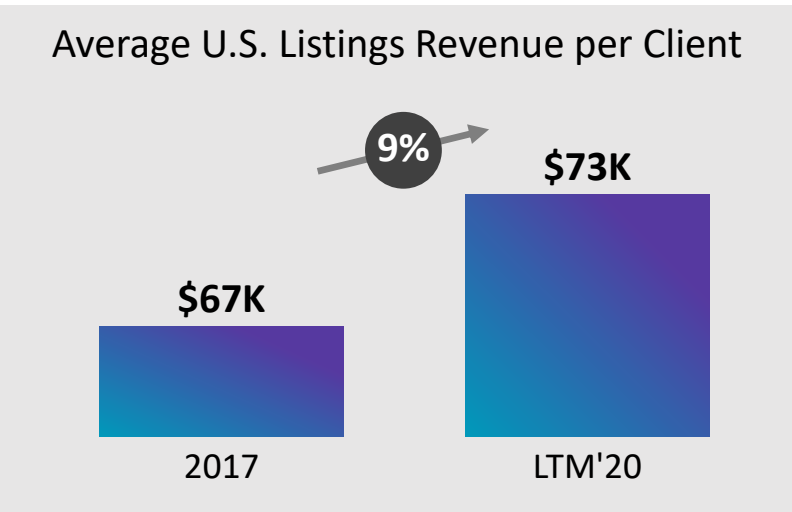
**Target Switches**



**Continue Growth Globally**



**Sell the Value of the Nasdaq Platform**



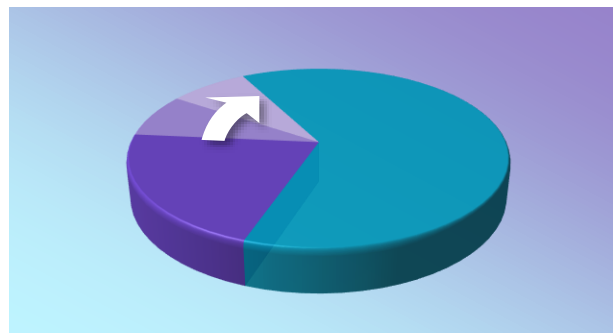
<sup>1</sup> Based on Market Cap at the time of switch

# Extend Offerings to Reach New Markets and Grow Wallet Share



## Retain and Expand our Client Base

- ✓ Leverage our Listings franchise relationships and customer success framework to maximize retention of existing customers
- ✓ Continually invest in our core IR Insight and Boardvantage products to drive competitive wins and expansion



## Expand Wallet Share with Existing Clients

- ✓ Maximize cross-sell opportunities between Listings, IR Intelligence and ESG
- ✓ Capture upsell opportunities with solutions that address evolving needs in Buy-Side engagement, investor targeting and social responsibility



## Extend Capabilities and Reach

- ✓ Address the under-served needs of corporates in adapting to the rise of ESG
- ✓ Leverage knowledge of both the Buy-Side and corporates to deliver the products companies need to succeed
- ✓ Extend our influence with emerging decision makers such as Sustainability Officers



 Nasdaq

 Nasdaq

*The World's  
Largest  
Unboxing*

TO WISHING  
PERFORMANCE

# Capitalize on the ESG opportunity with Corporates



## Issuer Challenges

1. Need to provide **transparency** for **sustainability-focused stakeholders**
2. Seek to **satisfy ESG-focused investors** to **compete successfully** for **capital**
3. **Multiplying and competing demands** for ESG information
4. Need to **manage and improve sustainability performance**



## Nasdaq is a Preferred Partner

- ✓ Nasdaq has **critical expertise** on the **sustainable investing** discipline
- ✓ **Established provider** on **governance, investor engagement & sentiment**
- ✓ **Invested in adding and/or productizing critical ESG capabilities**
- ✓ Enjoys **broad connectivity to both issuers and investors**

# ESG Services to Meet Issuer Needs at Each Stage of Their Journey

## ESG Advisory

Help companies analyze, assess and action best-practices ESG to attract long-term capital and enhance value

- ESG program building
- Benchmarking & prioritization
- Stakeholder identification & engagement
- Ongoing ESG program monitoring & guidance

## Board Engagement

Expertise to assist issuers in accelerating progress toward leading governance practices

- Board evaluations & assessments
- CEO evaluations
- Director self assessments & peer assessments
- Code of conduct & conflict of interest

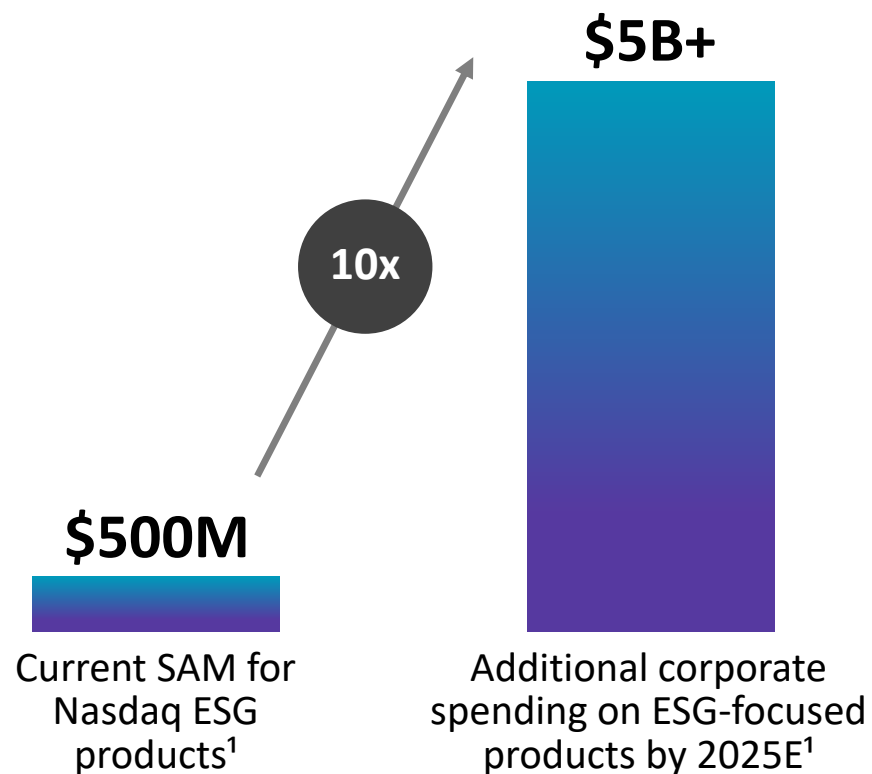
## OneReport

Technology enabling issuers to organize critical ESG data and report efficiently to an expanding list of recipients

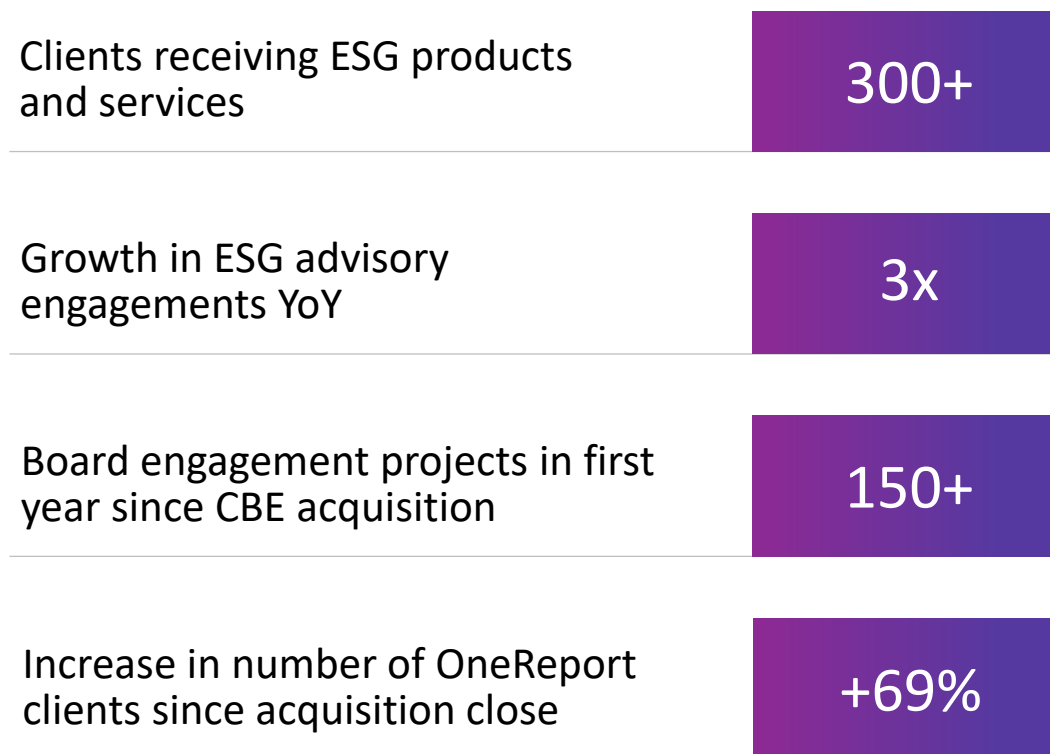
- Workflow for ESG data collection & management
- Guidance on completion of surveys & questionnaires
- Mapping of data points to multiple frameworks

# Targeted ESG Product Offerings Met by Rising Demand

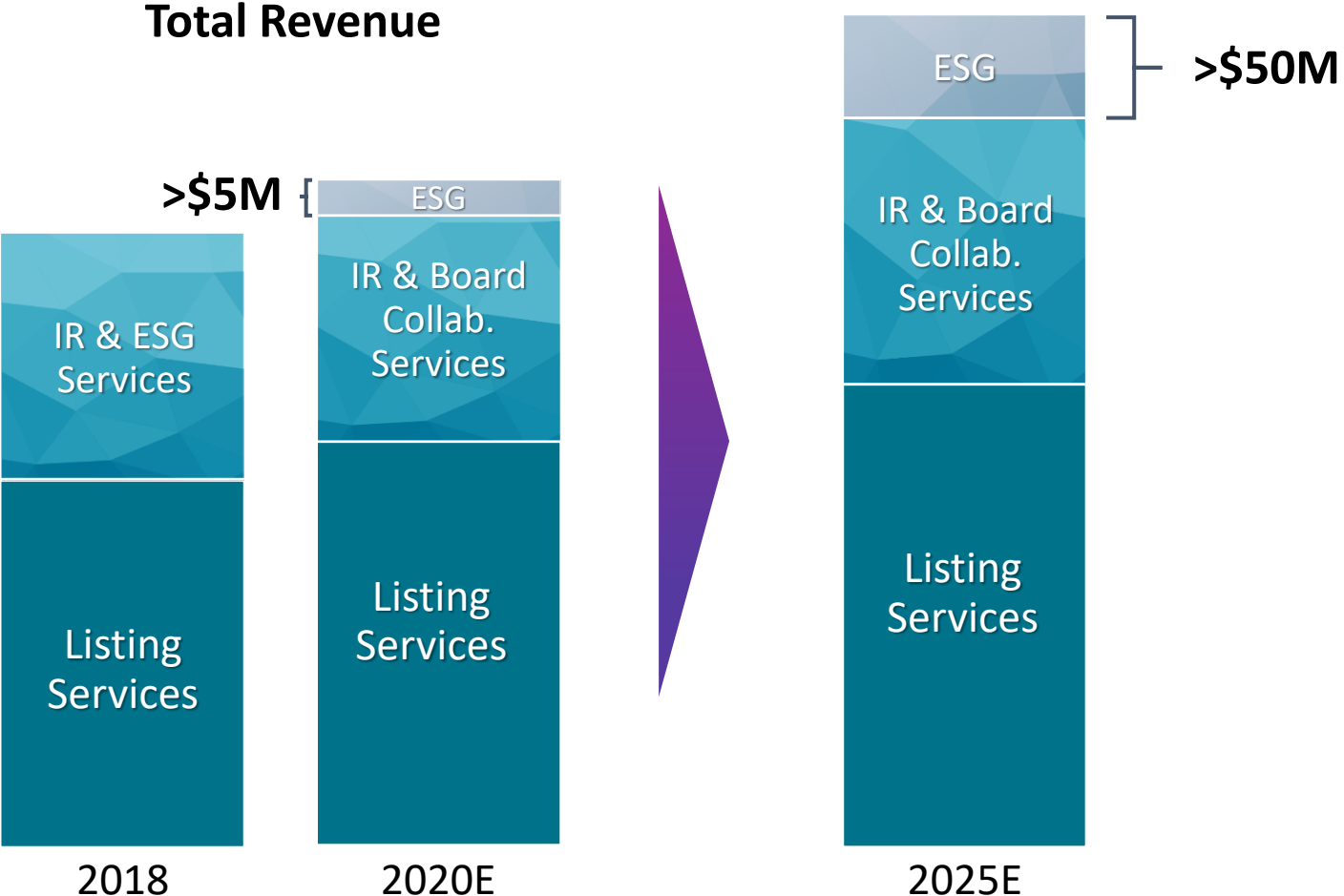
## Growing Opportunity



## Early Progress



# Looking Forward: Consistent Growth and ESG Contribution



### 5-Year Objectives

- **3-5% organic revenue CAGR<sup>1</sup>**
- Continue to **gain share** of U.S.-listed **corporate issuers**
- **Increase ESG** to be a key component of segment revenue, with **2025 objective of ~\$50M**
- **Maintain or enhance** IR & ESG Services **client retention >90%**

<sup>1</sup> Growth outlook assumes stable market backdrop.



# Advancing Our Unique Capabilities to Serve Evolving Corporate Needs



Nasdaq is a leading corporate partner among exchanges



Our results since 2018 show we are executing as a unified team



Compelling product suite and deep relationships across the corporate lifecycle will continue to drive retention and growth



Alignment of our services to clients' ESG needs will yield new opportunities for growth over the next five years

# Building the Preeminent Market Operator

Tal Cohen

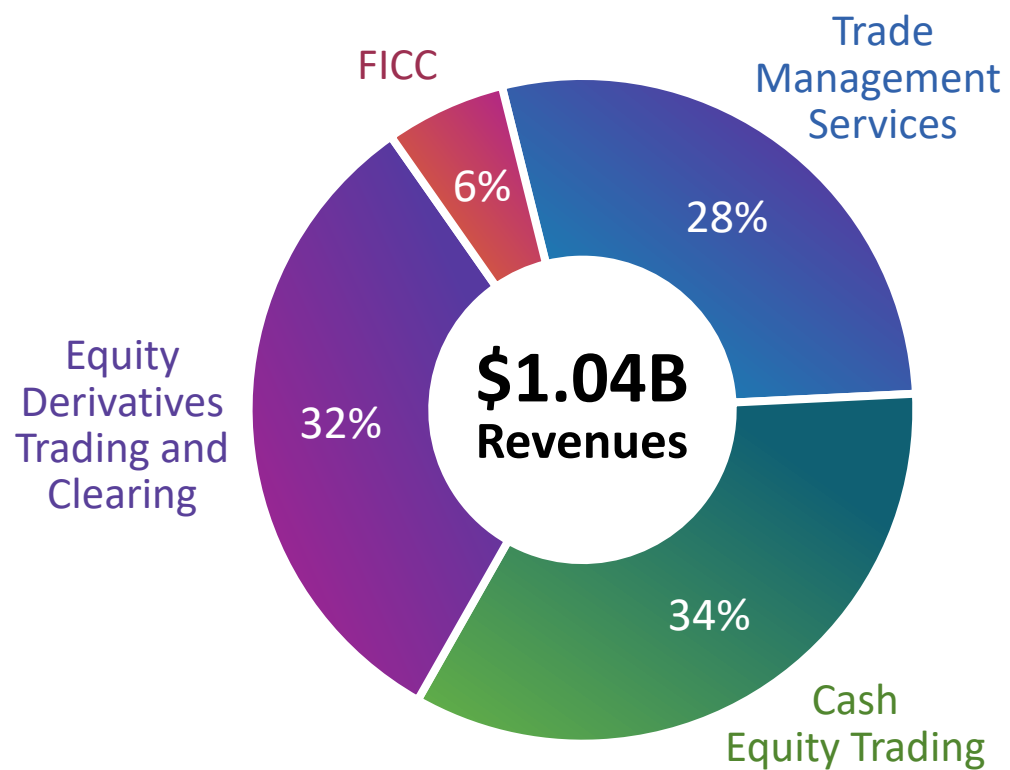
Executive Vice President, North American Market Services

Bjørn Sibbern

Executive Vice President, European Market Services

# At-A-Glance

## Market Services Revenues (LTM'20)



## Key Metrics

Annualized Recurring Rev. (ARR)<sup>1</sup>  
(3Q20)

\$300M

Operating Margin  
(LTM'20)

61%

U.S. equities options market  
share<sup>2</sup> (LTM'20)

37%

U.S. equities market share<sup>2</sup>  
(LTM'20)

19%

Nordic equities market share<sup>2</sup>  
(LTM'20)

77%

<sup>1</sup> Annualized recurring revenue (ARR) only includes Trade Management Services.

<sup>2</sup> See supplemental information for additional details on market share.

# Building the Preeminent Market Operator

✓ **A Comprehensive Marketplace  
with Leading Positions**

**Strong Foundation and Growth Focus**

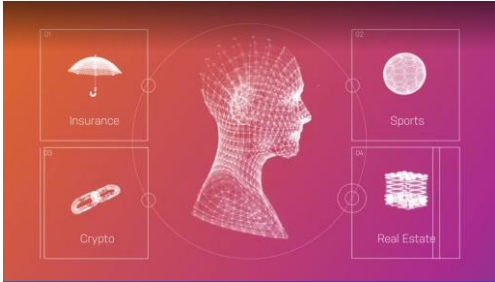


# Market Services Contributes to Nasdaq's Strategic Priorities



Capital generator fueling Nasdaq's transformational investments

+



Robust and scalable global trading platform

+



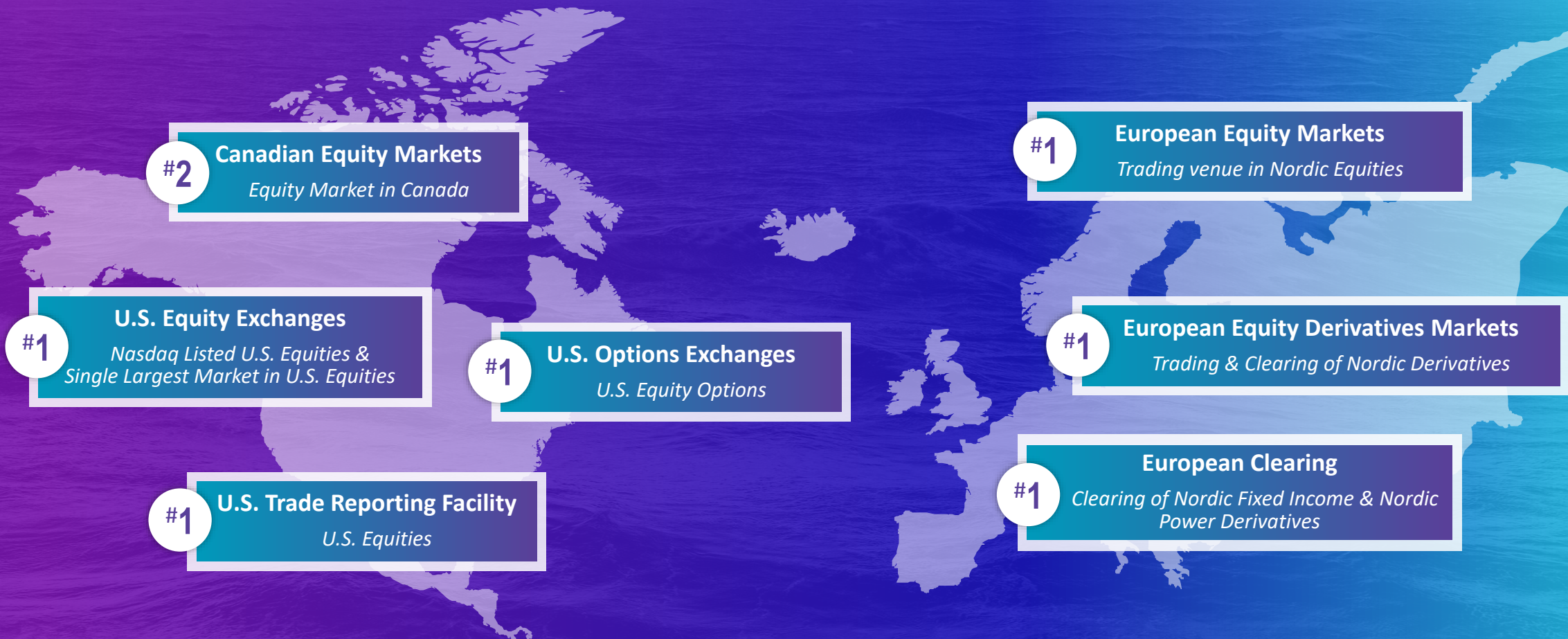
Operating high performing and resilient marketplaces bolsters Nasdaq's reputation as a technology partner

+



Drives enterprise success for investors and issuers

# Diverse Market Complex Across North America and Europe



# Our Leadership is Built on Five Pillars

## Client-focused markets



Providing execution solutions for the Buy-Side and Sell-Side

## Innovative, resilient technology platform



Investing in new technologies to drive markets forward

## Proven, trusted ESG partner



Serving our clients with a growing suite of ESG solutions

## Successful listing business



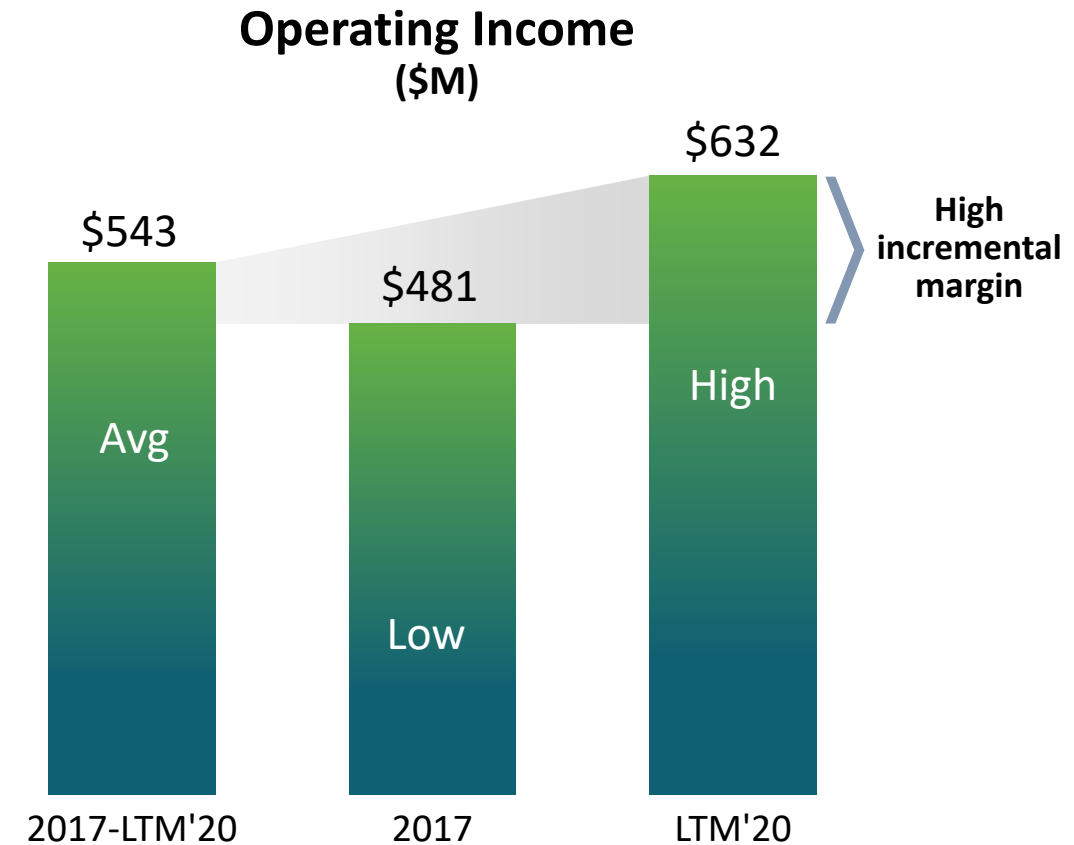
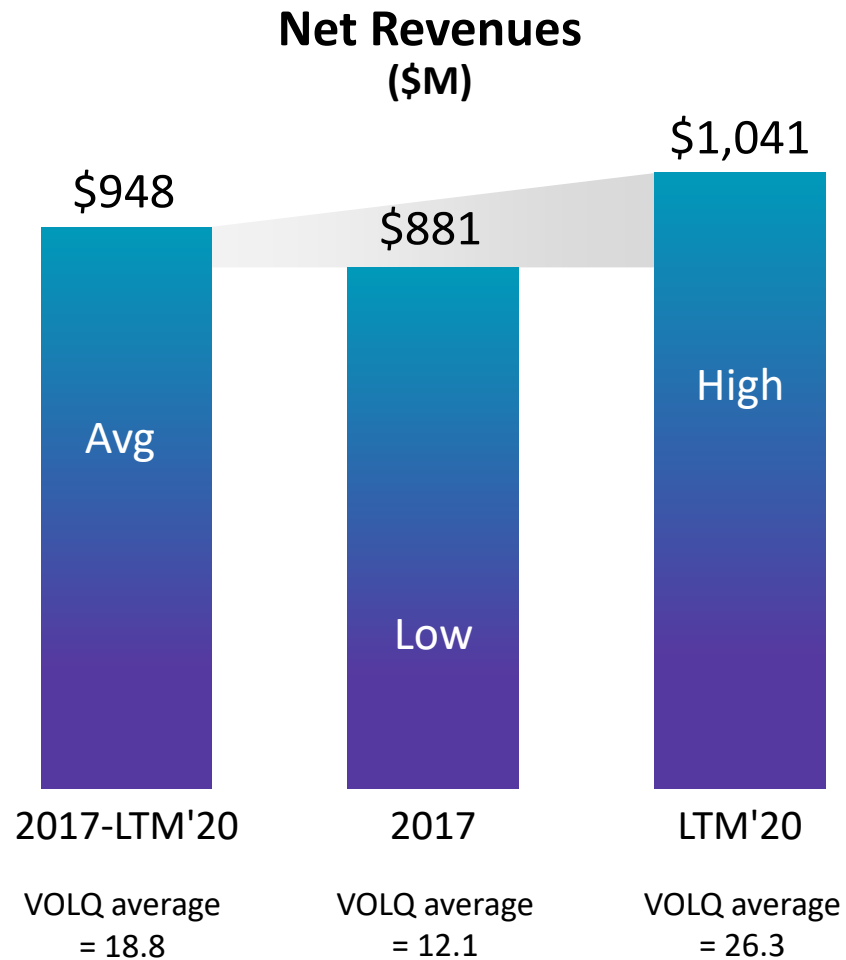
Fueling growth in equities trading franchise

## Unique benchmarks



Expanding Nasdaq-100 and OMXS30 proprietary product suite

# Resilient Financial Performance With Significant Upside Potential





# Building the Preeminent Market Operator

**A Comprehensive Marketplace with  
Leading Positions**

**✓ Strong Foundation and Growth Focus**



# Well Positioned for Continued Growth

## Flexible and broad offering



- 3 U.S. equity markets
- Cross product relationship to derivatives
- Leading multi asset market in Europe

## Best-in-class performance



- Strong performance levels despite 2.5x to 3.0x increase in message traffic during mid-February to end of March<sup>1</sup>

## Superior market quality



- Leading (#1) market at quoting best prices in U.S. and Nordic stocks<sup>2</sup>

## Successful listing market



- Nasdaq U.S. equity opening / closing crosses now a larger part of market (8-10%) and important to investors and issuers.
- +20% of Nasdaq Nordics trading volume is done in the closing auction

## Purpose built innovation



- Equities: Midpoint extended life order
- Options: Request for price improvement

<sup>1</sup> Refers to U.S. options, U.S. equities and Nordic equities markets

<sup>2</sup> Based on average time at market wide BBO for U.S. equities and Nordic equities.

# Priorities to Advance the Business Forward

**1** Advance the market ecosystem of the future

**2** Expand market leading positions in North America and Europe

**3** Execute on ESG opportunities

**Strengthen our market position and catalyze secular growth**

# Advance the Market Ecosystem of the Future

1

## Adopting the Nasdaq Financial Framework in Nasdaq's own markets



Proven cloud-enabled technology



Designed efficiently to drive scale, and resiliency



Common code base improves agility and new product deployments



BX Options completed, clear roadmap for remaining derivatives markets

2

## Enhancing market and client experience by utilizing cloud technology



Enable client access to Nasdaq's markets



Accelerate innovation and reduce risks



Empowering client choice and flexibility



Cost optimization benefit for Nasdaq and clients

### Leading Market Infrastructure of Tomorrow

- ✓ Optimizes segment performance
- ✓ Serves as example of technology capabilities

# Strengthen Leading Market Positions in North America and Europe



Introducing new unique market models

- Expand execution capabilities we offer the Buy-Side by partnering with innovative market players



Growing suite of proprietary products

- Broaden suite of proprietary index derivatives products, leveraging key unique benchmarks globally



Expand product portfolio in Europe

- Offer new solutions such as Large-In-Scale block services for equities and futurization of OTC derivatives
- Microwave services to broadly enable low latency access

# Execute on ESG Opportunities



# Continue to Be A Preeminent Market Operator and Thought Leader

1

Maintain #1 position in key markets and market segments

2

Migrate all Nasdaq's derivatives markets to the Nasdaq Financial Framework by 2025

3

5% to 8% of revenues generated from new trading offerings and products by 2025

Continue to be  
preeminent market  
operator

# Enhancing Nasdaq As the Preeminent Market Operator



**Foundational role:** Supports Nasdaq's broader business strategy



**Further strengthening core equities franchise:** With innovative solutions and the adoption of new technologies



**Significant opportunities:** To develop the marketplace for sustainable investments and funding





# Corporate Platforms & Market Services Q&A

Program will resume at 11:10 a.m.



Nasdaq

# Continuing to Drive Disciplined Growth

**Michael Ptasznik**

Executive Vice President, Corporate Strategy and Chief Financial Officer

**Ann Dennison**

Senior Vice President, Controller and Principal Accounting Officer

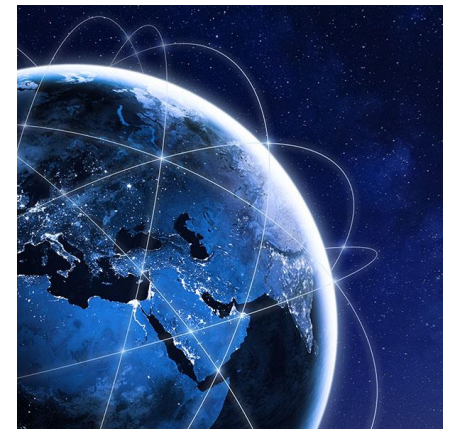
# Continuing to Drive Disciplined Growth

✓ **Strong Track Record of Performance**

**Durable Operating Model Provides Stability and Fuels Growth**

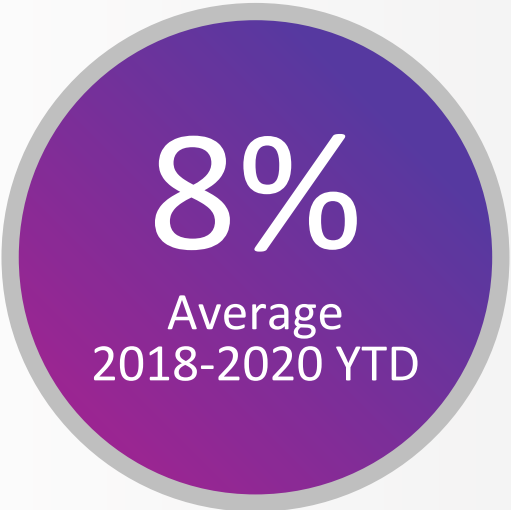
**Clear Performance Objectives and Consistent Capital Allocation Strategy**

**Significant Valuation Opportunity**

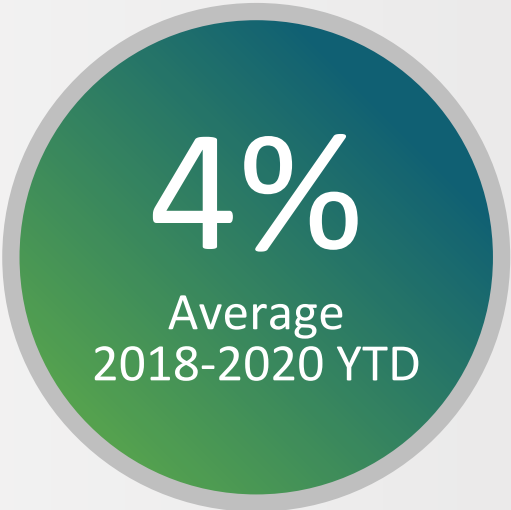


# Meeting or Exceeding Our Performance Targets

**Solutions Segments  
Organic Growth**



**Organic Expense  
Growth**



**Enterprise  
ROIC**



**Outlook  
established  
at 2018  
Investor Day**

**5%-7%**

**~3%**

**Improve on  
Enterprise-wide  
ROIC**

# Deliberate Actions to Enhance Our ESG Performance

## Areas of Focus



### Environment

- Achieved and committed to maintain carbon neutrality
- Commitment to reduce emissions, source renewable energy and minimize consumable waste products



### Social

- Committed to advancing gender parity at all levels of organization and increased disclosure of diversity metrics
- Increased philanthropy and volunteerism through the Nasdaq Foundation and Nasdaq GoodWorks



### Governance

- Diverse, engaged and independent Board
- Expanded responsibilities and renamed Nominating & ESG Committee to add environmental and social oversight

## Notable Recognition



Sustainalytics ESG Risk Rating 15.1 (top 7<sup>th</sup> percentile globally)



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



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

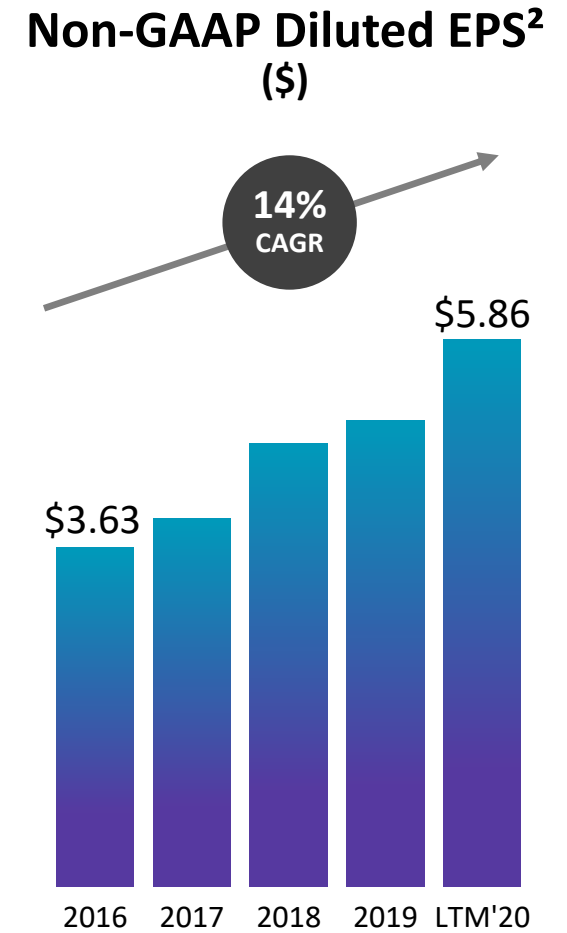
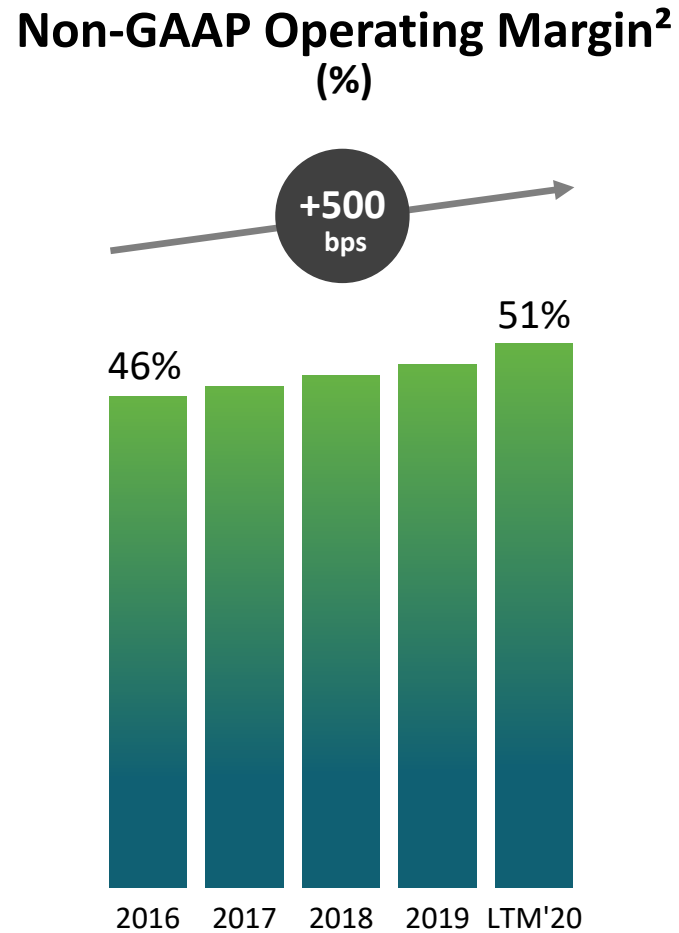
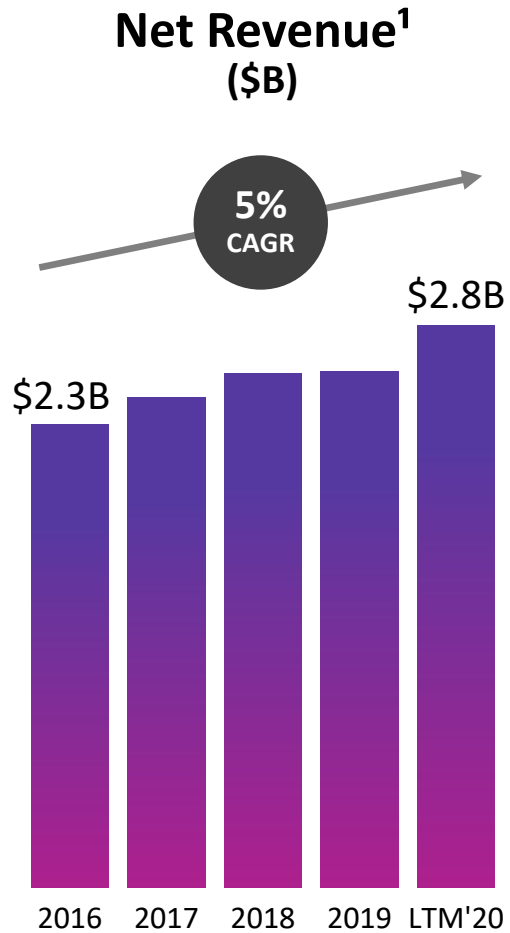


ISS Governance QualityScore 1 (1<sup>st</sup> decile)



Included in the Dow Jones Sustainability Index for 4<sup>th</sup> consecutive year

# Strong Track Record of Financial Performance

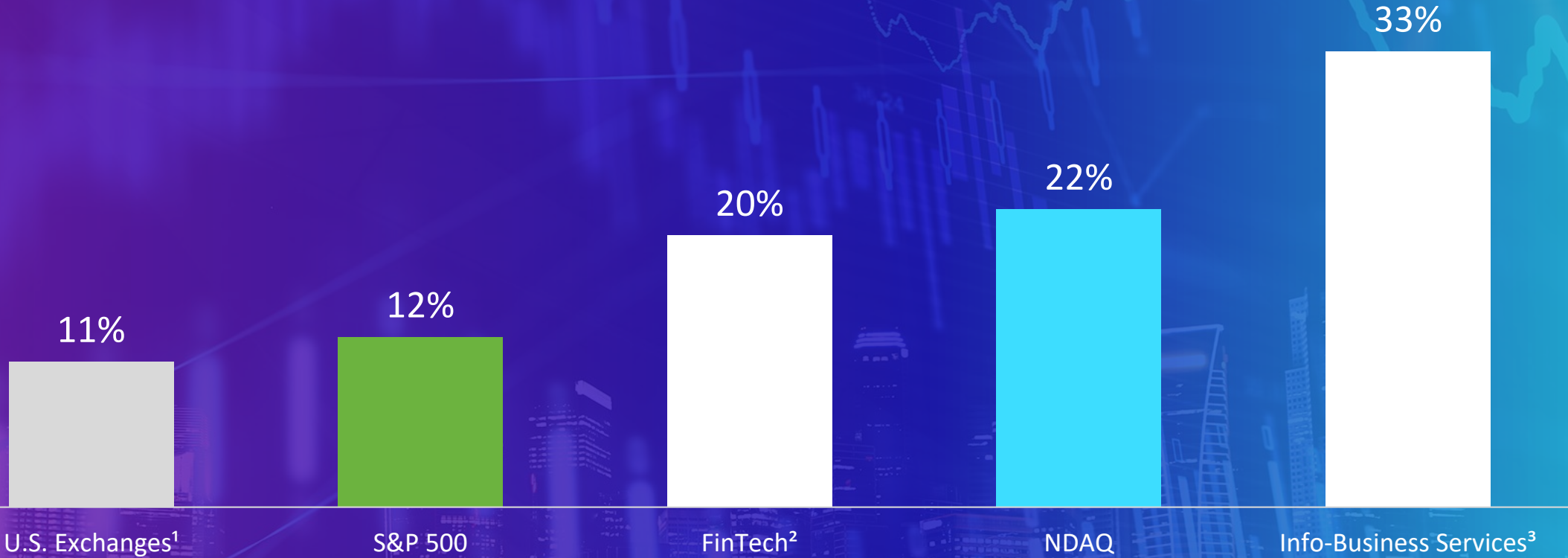


<sup>1</sup> Represents total revenues less transaction-based expenses.

<sup>2</sup> Non-GAAP operating margin and non-GAAP diluted EPS are non-GAAP measures. 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).

# Resulting In Strong Returns to Shareholders

## Annualized Total Shareholder Return (2017 – Present)



Note: Annualized total shareholder return, or TSR, calculated from the start of 2017 to 11/6/20. Source: FactSet

<sup>1</sup> U.S. Exchange peers include equal weighted average of ICE, CME and CBOE.

<sup>2</sup> FinTech reflects equal weighted average of the constituents in the Nasdaq KBW FinTech Index. See <https://indexes.nasdaqomx.com/Index/Overview/KFTX> for more information.

<sup>3</sup> Info-Business Services reflects equal weighted average of BR, FDS, INFO, MSCI, MCO, SPGI, SSNC and VRSK.



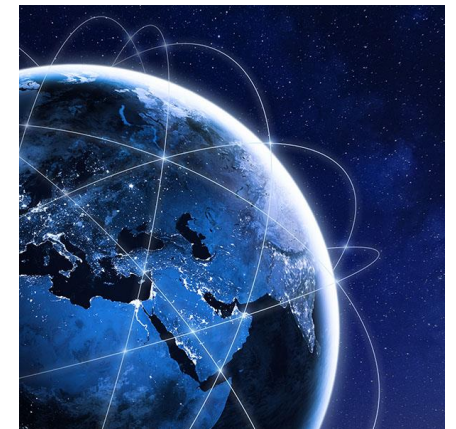
# Continuing to Drive Disciplined Growth

**Strong Track Record of Performance**

✓ **Durable Operating Model Provides Stability and Fuels Growth**

**Clear Performance Objectives and Consistent Capital Allocation Strategy**

**Significant Valuation Opportunity**



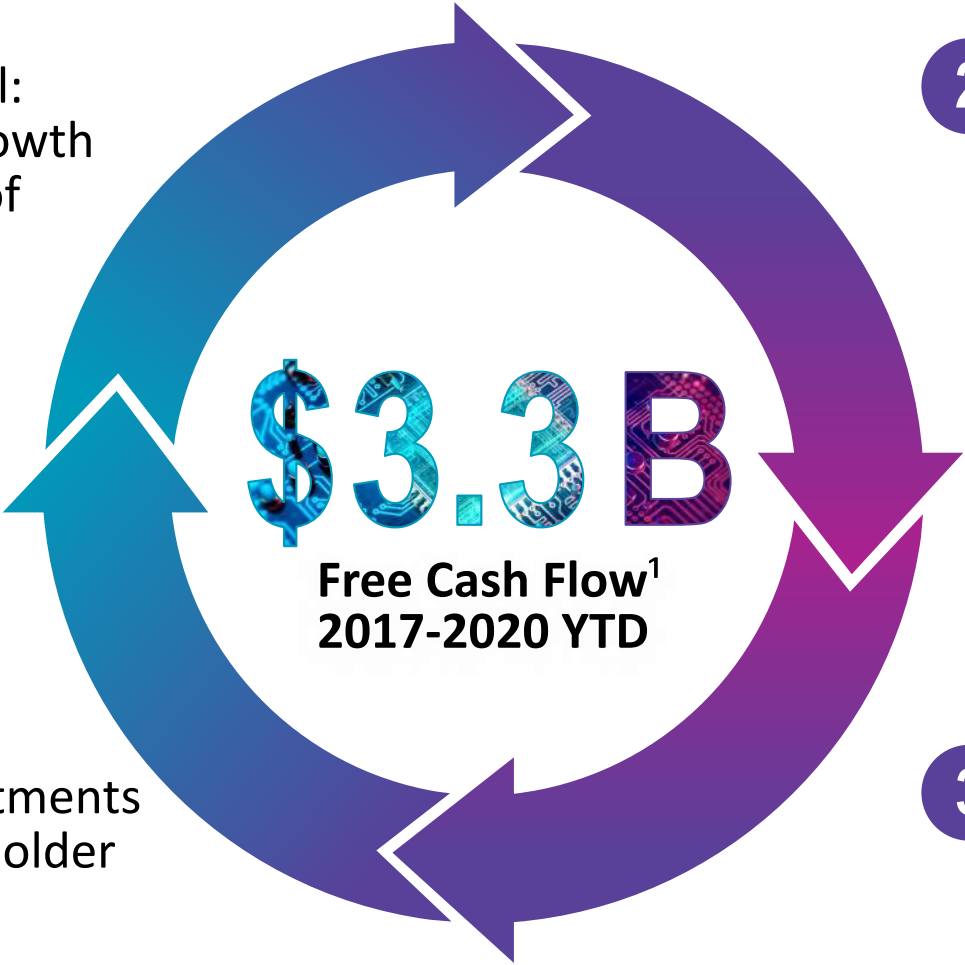
# Durable Operating Model Drives Stability and Fuels Growth

1

Diversified model:  
resiliency and growth  
across a variety of  
backdrops

2

Strong and sustainable  
cash generation



4

Disciplined investments  
delivering shareholder  
value

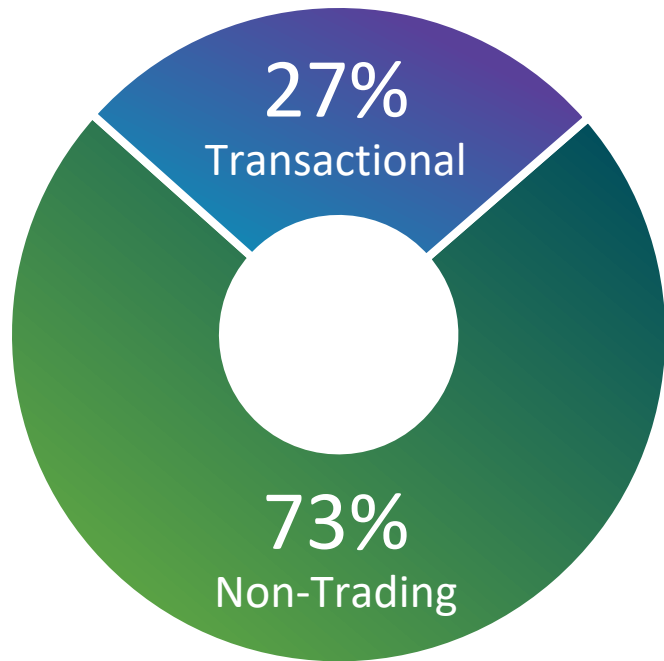
3

Reallocating capital  
to higher growth  
opportunities

<sup>1</sup> Free cash flow defined as cash flow from operations less capital expenditures, net of the change in Section 31 fees receivables. Please see the appendix for a reconciliation of cash flows.

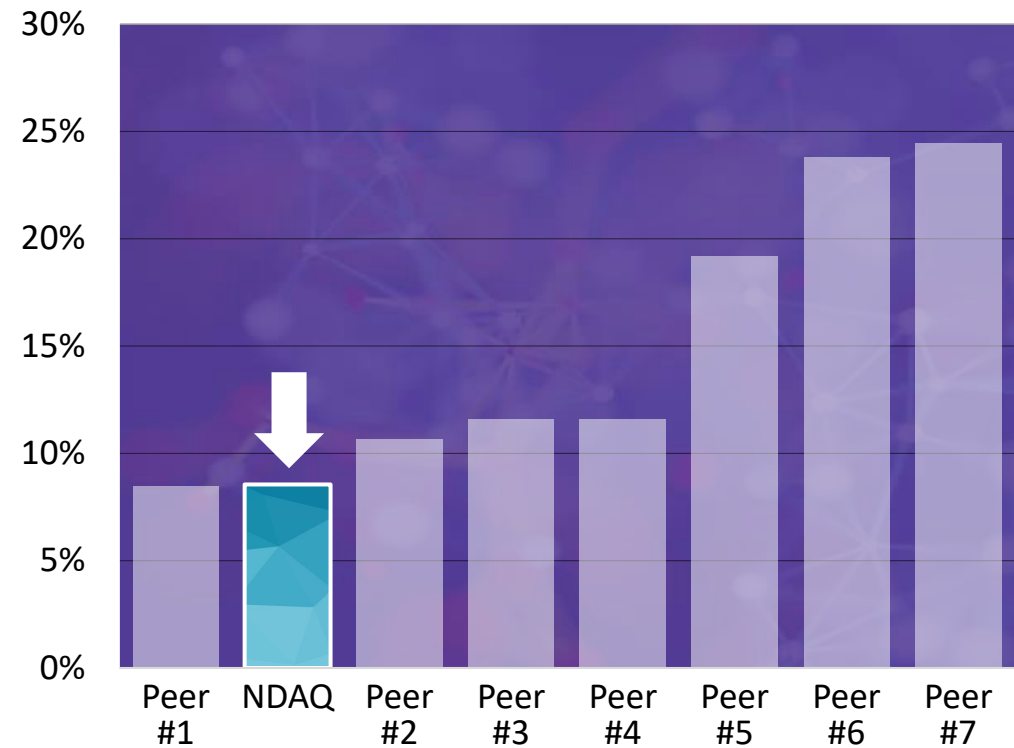
# 1 Diversified Model: Resiliency and Growth

**High Recurring Revenues**  
(Average since Jan. 1, 2017)



Beta-sensitive 12%

**Low EBITDA Volatility<sup>1</sup> Versus Western Exchanges<sup>2</sup>**

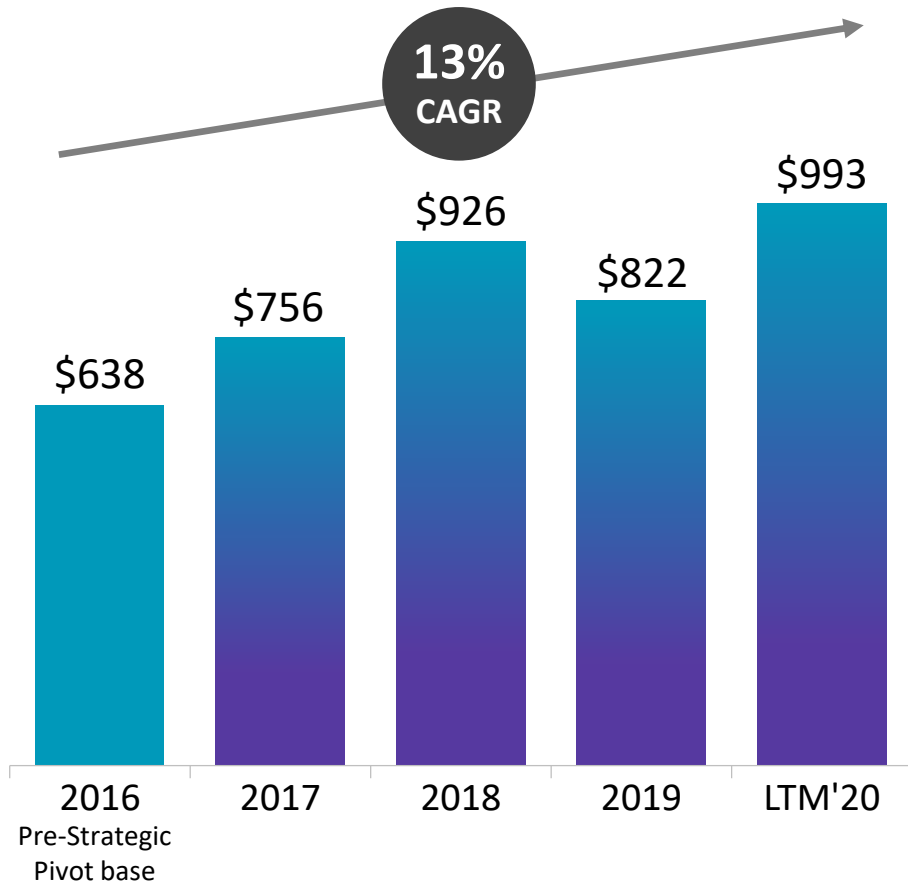


<sup>1</sup> EBITDA standard deviation reflects the trailing eight semi-annual fiscal reporting periods, divided by the absolute value of the average of EBITDA over the same period. EBITDA reflects operating income plus depreciation and amortization. Source: Bloomberg and company reports as of last disclosed period.

<sup>2</sup> Western exchanges include: CBOE, CME, DB1, ENX, ICE, LSE and TMX.

## 2 Strong and Sustainable Cash Generation Engine

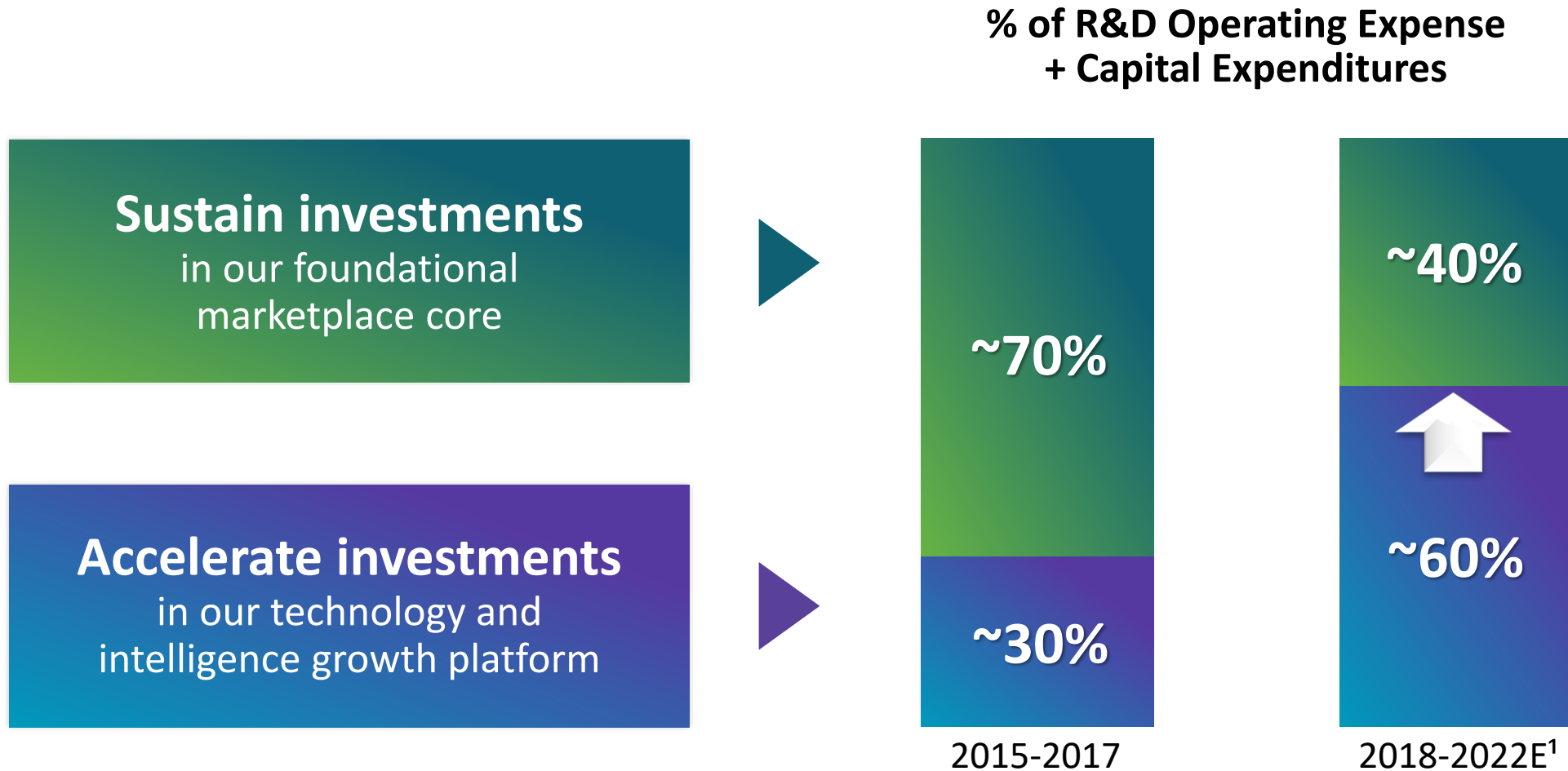
**Free Cash Flow<sup>1</sup>**  
(Ex. Sec 31 Fees) in millions



**Uses of Capital 2017-3Q20**



### 3 Reallocating Capital to Higher Growth Opportunities




# 4 Disciplined Investments Delivering Shareholder Returns

## 2017-2020 YTD Developments

## Results

<b>1</b>  <b>Fund Organic Growth</b>	<b>Growth initiatives including:</b> <ul style="list-style-type: none"><li>• SaaS Transformation / Cloud</li><li>• Private Markets</li><li>• Banks and Brokers; New Markets</li><li>• ESG Advisory capabilities and ESG products</li></ul>
<b>2</b>  <b>Tactical &amp; Strategic Acquisitions</b>	<b>Inorganic investments in:</b> <ul style="list-style-type: none"><li>• eVestment + Solovis + Quandl</li><li>• Cinnober + Sybenetix</li><li>• OneReport + Center for Board Excellence</li></ul>
<b>3</b>  <b>Venture Investing</b>	<b>14 minority investments totalling \$63M with thematic focus including:</b> <ul style="list-style-type: none"><li>• Data and analytics</li><li>• RegTech/Compliance</li><li>• Marketplaces everywhere</li></ul>

 Contributing to improving organic revenue growth
 Accelerated repositioning of Investment Intelligence
 Delivered scale in our unique Market Technology business
 Foundation for developing key ESG capabilities

# Continuing to Drive Disciplined Growth

**Strong Track Record of Performance**

**Durable Operating Model Provides Stability and Fuels Growth**

**✓ Clear Performance Objectives and Consistent Capital Allocation Strategy**

**Significant Valuation Opportunity**



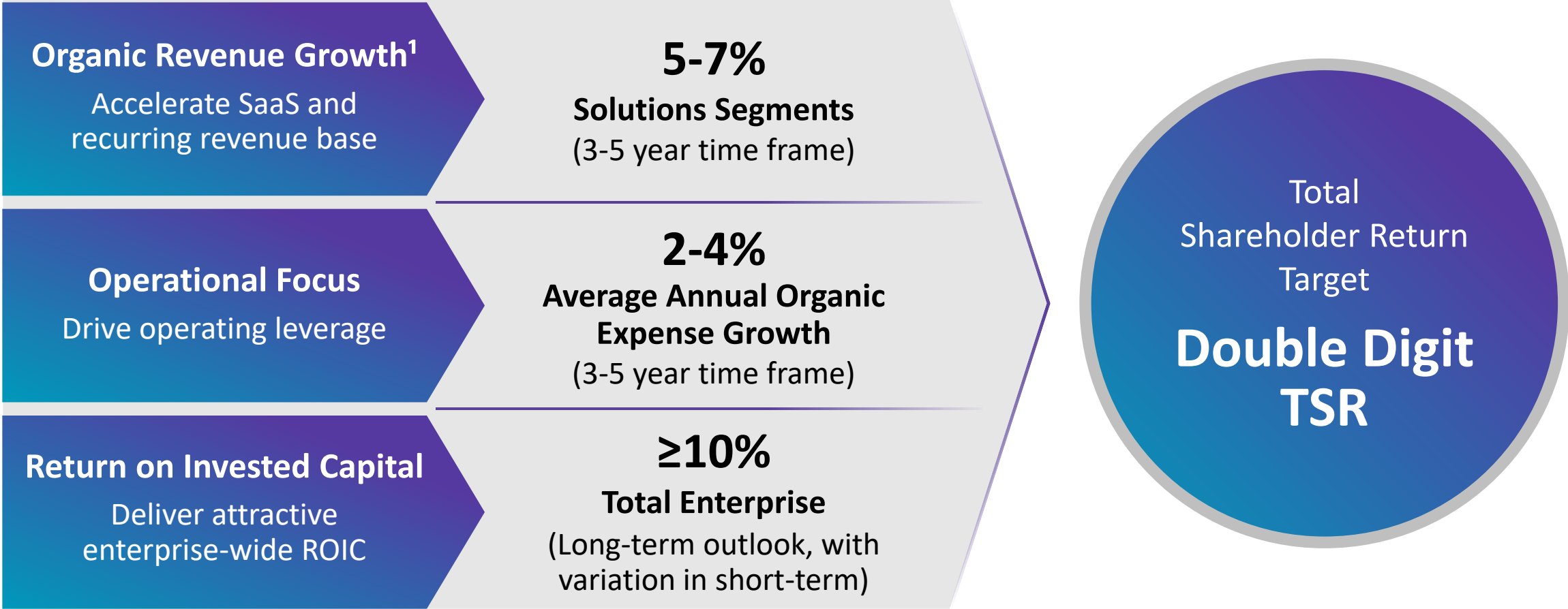
# Our Organic Growth and SaaS Contribution Outlooks

Business Segment	Organic Revenue Outlook <sup>1</sup> (3-5 years)
Market Technology	8 - 11%
Investment Intelligence	5 - 8%
Corporate Platforms	3 - 5%
Solutions Segments	5 - 7%
Market Services	Variable with market activity





# How We Measure Effective Execution of Strategy



<sup>1</sup> Growth outlook assumes stable market backdrop.

# Strong Balance Sheet Provides for Continued Growth

## Strong Capital Position

No long term debt maturities until 2023

**2.4x**

Debt / LTM'20 EBITDA at 9/30/20

**2.5%**

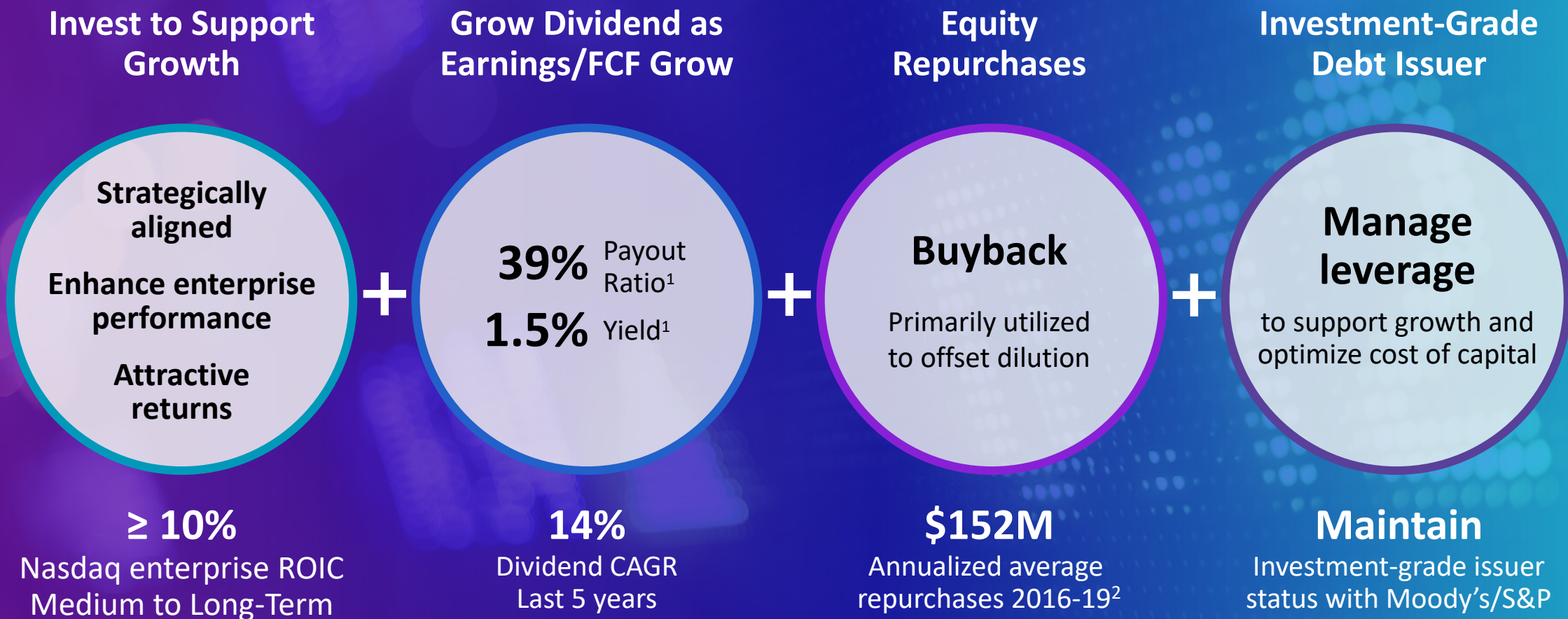
Weighted average cost of debt (3Q20)

Low leverage versus 10-year historical range of 2.2x to 3.4x

Low cost of debt currently versus 10-year average of 3.8%

Flexibility to accelerate strategic progress through additional capabilities and access to new customers

# Clear and Transparent Capital Strategy



<sup>1</sup> Dividend payout based on annualizing quarter dividend of \$0.49 per share divided by 2019 adjusted non-GAAP EPS of \$5.00. Dividend yield calculated on 10/21/20 annualizing the quarterly dividend of \$0.49 per share and using a \$130 stock price.

<sup>2</sup> Excludes \$290 million in repurchases funded by sale of the Public Relations Solutions & Digital Media Services businesses.

# Continuing to Drive Disciplined Growth

**Strong Track Record of Performance**







**Durable Operating Model Provides Stability and Fuels Growth**

**Clear Performance Objectives and Consistent Capital Allocation Strategy**

**✓ Significant Valuation Opportunity**

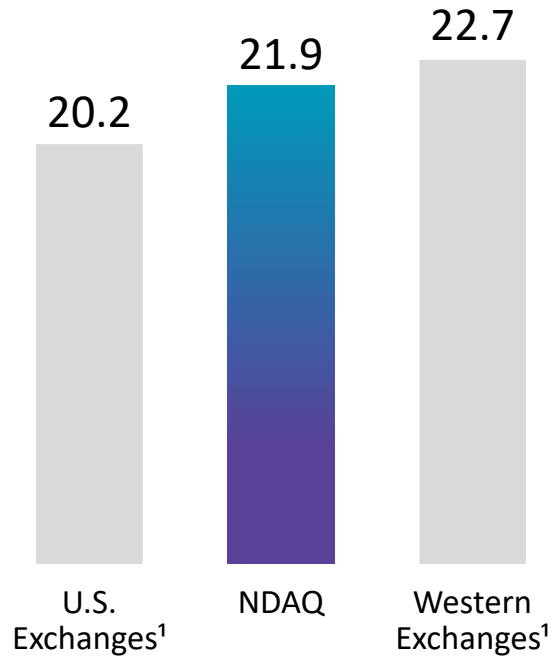


# Improving Valuation Drivers

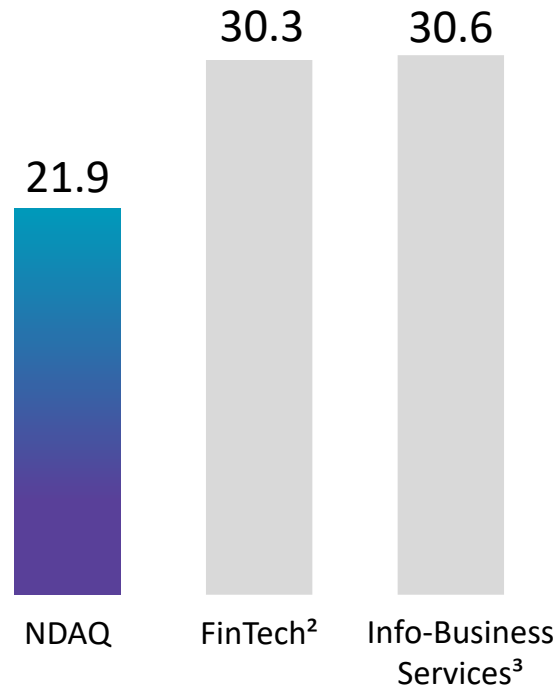
Metric	LTM'20 Compared to 2017 <sup>1</sup>	Improved
Organic revenue growth	+700 basis points	
Market Technology and Investment Intelligence as a % of Total Revenues	+900 basis points	
Non-GAAP Operating Margin	+400 basis points	
Return on Invested Capital	+200 basis points	
SaaS as a % of ARR <sup>1</sup>	+800 basis points	
ARR as a % of total revenues <sup>1</sup>	+500 basis points	

# Strategy Focused On Driving Value

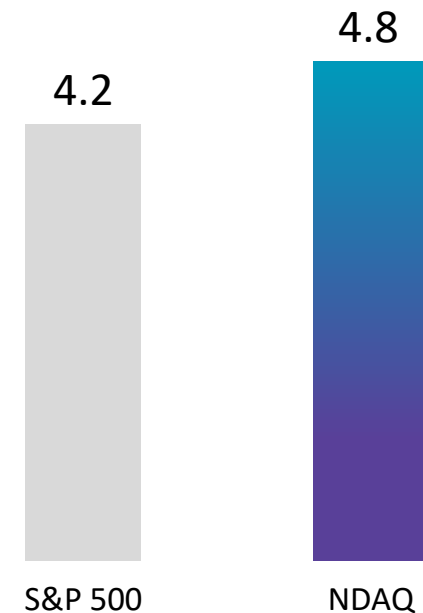
**Mid-Sector Valuation Versus Western Exchanges...**  
(Next 12 months P/E Ratio)



**But Low Valuation Compared to Peers in Growth Segments**  
(Next 12 months P/E Ratio)



**... with Superior FCF Yield**  
(Next 12 months)



Note: All figures calculated as of 11/6/20. Source: FactSet.

<sup>1</sup> U.S. Exchanges reflect equal weighted average of CBOE, CME and ICE. Western Exchanges reflect equal weighted average of BME, CBOE, CME, DB, ENX, ICE, LSE and TMX.

<sup>2</sup> Fintech reflects equal weighted average of the constituents in the Nasdaq KBW FinTech Index. See <https://indexes.nasdaqomx.com/Index/Overview/KFTX> for more information.

<sup>3</sup> Information-Business Services reflects equal weighted average of BR, FDS, INFO, MSCI, MCO, SPGI, SSNC and VRSK.

# Continuing to Drive Disciplined Growth



Strong track record of performance across a variety of market backdrops



Durable operating model provides strong cash flow deployment opportunities



Consistent capital allocation strategy



New targets well aligned with technology focus

# CEO & CFO Q&A



Nasdaq



# 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).

# Summary Of Historical Financial Results

<b>NON-GAAP RESULTS <sup>(1)</sup></b> <b>(US\$ Millions, except EPS)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>LTM'20</b>
<b>Net Revenues</b>	<b>\$2,276</b>	<b>\$2,411</b>	<b>\$2,526</b>	<b>\$2,535</b>	<b>\$2,761</b>
Operating Expenses	1,224	1,271	1,320	1,295	1,344
<b>Operating Income</b>	<b>1,052</b>	<b>1,140</b>	<b>1,206</b>	<b>1,240</b>	<b>1,417</b>
<i>Operating Margin <sup>(2)</sup></i>	46%	47%	48%	49%	51%
EBITDA	1,140	1,236	1,306	1,328	1,508
<i>EBITDA Margin <sup>(3)</sup></i>	50%	51%	52%	52%	55%
Net Income	613	670	797	835	978
<b>DILUTED EPS</b>	<b>\$3.63</b>	<b>\$3.95</b>	<b>\$4.75</b>	<b>\$5.00</b>	<b>\$5.86</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. Operating margin equals operating income divided by net revenues.
3. EBITDA margin equals EBITDA divided by net revenues.

# Historical Cash Flow/ Uses Of Cash Flow

Free Cash Flow Calculation (US\$ millions)	2016	2017	2018	2019	2020 YTD	2016-2020 YTD
Cash flow from operations	\$776	\$909	\$1,028	\$963	\$817	\$4,493
Capital expenditure	(134)	(144)	(111)	(127)	(128)	(644)
<b>Free cash flow</b>	<b>642</b>	<b>765</b>	<b>917</b>	<b>836</b>	<b>689</b>	<b>3,849</b>
Section 31 fees, net <sup>(1)</sup>	(4)	(9)	9	(14)	90	72
<b>Free cash flow ex. Section 31 fees</b>	<b>\$638</b>	<b>\$756</b>	<b>\$926</b>	<b>\$822</b>	<b>\$779</b>	<b>\$3,921</b>
<b>Uses of cash flow</b>						
Share repurchases	\$100	\$203	\$394	\$200	\$186	\$1,083
Net repayment/(borrowing) of debt	(1,300)	(411)	320	430	(31)	(992)
Acquisitions, net of dispositions and other	1,460	776	(380)	63	157	2,076
Dividends	200	243	280	305	239	1,267
<b>Total uses of cash flow</b>	<b>\$460</b>	<b>\$811</b>	<b>\$614</b>	<b>\$998</b>	<b>\$551</b>	<b>\$3,434</b>

1. Net of change in Section 31 fees receivables of \$1 million in 2016; \$11 million in 2017; \$(10) million in 2018; \$9 million in 2019; \$22 million in 2020 YTD and \$33 million in 2016-2020 YTD.

# Organic Revenue Growth

<b>Solutions Segments</b>			<b>Total Variance</b>		<b>Organic Impact</b>		<b>Other Impact <sup>(1)</sup></b>	
<i>All figures in US\$ Millions</i>	<b>Current Period</b>	<b>Prior-year Period</b>	<b>\$M</b>	<b>%</b>	<b>\$M</b>	<b>%</b>	<b>\$M</b>	<b>%</b>
2020 YTD	1,298	1,192	106	9%	95	8%	11	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%
<b>Market Services Segment</b>			<b>Total Variance</b>		<b>Organic Impact</b>		<b>Other Impact <sup>(1)</sup></b>	
<i>All figures in US\$ Millions</i>	<b>Current Period</b>	<b>Prior-year Period</b>	<b>\$M</b>	<b>%</b>	<b>\$M</b>	<b>%</b>	<b>\$M</b>	<b>%</b>
2020 YTD	817	687	130	19%	131	19%	(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%
<b>Total Company</b>			<b>Total Variance</b>		<b>Organic Impact</b>		<b>Other Impact <sup>(1)</sup></b>	
<i>All figures in US\$ Millions</i>	<b>Current Period</b>	<b>Prior-year Period</b>	<b>\$M</b>	<b>%</b>	<b>\$M</b>	<b>%</b>	<b>\$M</b>	<b>%</b>
2020 YTD	2,115	1,889	226	12%	226	12%	—	—%
2019 <sup>2</sup>	2,535	2,526	9	—%	83	3%	(74)	(3)%
2018 <sup>2</sup>	2,526	2,411	115	5%	188	8%	(73)	(3)%
2017	2,411	2,276	135	6%	52	2%	83	4%
2016	2,276	2,090	186	9%	40	2%	146	7%

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

<sup>1</sup> Other impact includes acquisitions, divestitures and changes in FX rates.

<sup>2</sup> Revenues from the Bwise 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.

# Organic Revenue Growth

<u>Market Technology</u>			Total Variance		Organic Impact		Other Impact <sup>(1)</sup>	
<i>All figures in US\$ Millions</i>	Current Period	Prior-year Period	\$M	%	\$M	%	\$M	%
2020 YTD	251	239	12	5%	9	4%	3	1%
2019	338	270	68	25%	30	11%	38	14%
2018	270	247	23	9%	25	10%	(2)	1%
2017 <sup>4</sup>	289	275	14	5%	24	9%	(10)	(4)%
2016 <sup>4</sup>	275	245	30	12%	28	11%	2	1%
<u>Investment Intelligence</u>			Total Variance		Organic Impact		Other Impact <sup>(1)</sup>	
<i>All figures in US\$ Millions</i>	Current Period	Prior-year Period	\$M	%	\$M	%	\$M	%
2020 YTD	661	585	76	13%	70	12%	6	1%
2019	779	714	65	9%	67	9%	(2)	-%
2018	714	588	126	21%	63	11%	63	11%
2017	588	540	48	9%	36	7%	12	2%
2016	540	512	28	5%	16	3%	12	2%
<u>Corporate Platforms</u>			Total Variance		Organic Impact		Other Impact <sup>(1)</sup>	
<i>All figures in US\$ Millions</i>	Current Period	Prior-year Period	\$M	%	\$M	%	\$M	%
2020 YTD	386	368	18	5%	16	4%	2	1%
2019	496	487	9	2%	15	3%	(6)	(1)%
2018 <sup>2</sup>	528	501	27	5%	25	5%	2	-%
2017 <sup>3</sup>	653	635	18	3%	(1)	-%	19	3%
2016 <sup>3</sup>	635	562	73	13%	9	2%	64	11%

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) Reflects the impact of our divestiture of the Public Relations Solutions and Digital Media Services businesses.

(3) Does not reflect the impact of our divestiture of the Public Relations Solutions and Digital Media Services businesses and the realignment of BWise.

(4) Does not reflect the realignment of BWise.

# Organic Expense Growth

Non-GAAP Expense <i>All figures in US\$ Millions</i>	Current Period	Prior-year Period	Total Variance		Organic Impact		Other Impact <sup>(1)</sup>	
			\$M	%	\$M	%	\$M	%
2020 YTD	1,009	960	49	5%	41	4%	8	1%
2019	1,295	1,320	(25)	(2)%	28	2%	(53)	(4)%
2018	1,320	1,271	49	4%	75	6%	(26)	(2)%

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.

# Return on Invested Capital

## Return on invested capital

We define return on invested capital, or ROIC, as net operating profit after tax divided by invested capital. Operating income after tax reflects GAAP operating income less tax based on our effective tax rate during the period. Invested capital is defined as the aggregate of the average of debt and equity, less average of cash & equivalents and financial investments. ROIC is not a measure of financial performance under U.S. GAAP and should not be considered a substitute for return on assets, net earnings or total assets as determined in accordance with GAAP and may not be comparable to similarly titled measures reported by other companies.

<i>(US\$ millions)</i>	2016	2017	LTM'20 <sup>1</sup>
Net operating profit after tax	\$666	\$828	\$894
Average invested capital	7,928	8,929	8,446
<b>Return on Invested Capital</b>	<b>8%</b>	<b>9%</b>	<b>11%</b>

<i>(US\$ millions)</i>	2016	2017	LTM'20 <sup>1</sup>
GAAP operating profit	\$836	\$991	\$1,176
GAAP tax rate	20%	16%	24%
Income tax adjustment	170	163	282
<b>Net operating profit after tax</b>	<b>666</b>	<b>828</b>	<b>894</b>
<b>Invested Capital</b>			
Average debt	2,984	3,905	3,637
Average equity	5,519	5,654	5,702
Average cash & cash equivalents	(352)	(390)	(661)
Average investments	(223)	(240)	(232)
<b>Average Invested Capital</b>	<b>7,928</b>	<b>8,929</b>	<b>8,446</b>

<sup>1</sup>LTM'20 average invested capital reflects the average of the trailing four quarters ended September 30, 2020.

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

<i>(US\$ millions)</i>	4Q16	4Q17	4Q18	4Q19	3Q20
Market Services	\$274	\$281	\$284	\$284	\$300
Corporate Platforms	384	392	420	430	453
Investment Intelligence	298	348	433	472	507
Market Technology	198	206	222	260	278
<b>Total</b>	<b>\$1,154</b>	<b>\$1,227</b>	<b>\$1,359</b>	<b>\$1,446</b>	<b>\$1,538</b>

Segment	Included in Annualized Recurring Revenue (ARR)
Market Services	Trade Management Services business, excluding one-time service requests.
Corporate Platforms	U.S. and Nordic annual listing fees, IR and ESG products, including subscription contracts for IR Insight, Boardvantage and OneReport, and IR advisory services.
Investment Intelligence	Proprietary market data and index data subscriptions as well as subscription contracts for eVestment, Solovis, DWA tools and services, Nasdaq Fund Network and Quandl. Also includes guaranteed minimum on futures contracts within the Index business.
Market Technology	Active Market Technology support and SaaS subscription contracts.

<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.



# Market Share

*U.S. equities market share:* Includes transactions executed on Nasdaq's three equity exchanges. Trades reported through Nasdaq Trade Reporting Facility are not included.

- For the last 12 months ending September 30, 2020: Nasdaq (17%), BX (1%), PSX (1%).

*U.S. options market share:* Includes U.S. Equity Options contracts executed on Nasdaq's six exchanges

- For the last 12 months ending September 30, 2020: PHLX (13%), NOM (10%), BX Options (<1%), ISE (8%), GEMX (5%) and MRX (1%).

*Nordic equities market share:* Includes the share of auction and lit order trading in Nordic-listed securities (Stockholm, Helsinki and Copenhagen).

# 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, and non-GAAP operating expenses, that include certain adjustments or exclude certain charges and gains that are described in the reconciliation tables 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 presentation 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 (v) the potential 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 (vi) 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, 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.