



Nasdaq Implements AxiomSL Revenue Recognition Change

Sep 6, 2024

Reaffirms Medium-Term Growth Outlook

NEW YORK, Sept. 06, 2024 (GLOBE NEWSWIRE) -- Nasdaq, Inc. (Nasdaq: NDAQ) today announced that it has implemented a change to the accounting treatment of the revenues associated with AxiomSL on-premises subscription contracts. This change was previously referenced during Nasdaq's second quarter earnings and is related to the finalization of the U.S. GAAP purchase accounting in connection with the Adenza acquisition.

The accounting change reflects the frequent and ongoing mandatory updates to AxiomSL's regulatory reporting software, which are critical to the utility and value of the product for its clients. Going forward, Nasdaq will recognize 100% of AxiomSL on-premises subscription revenue ratably over the contract term, whereas Adenza previously recognized approximately 50% of AxiomSL's total contract revenue upfront and the remainder over the contract term.

Beginning in the third quarter of 2024, Nasdaq's financial and operational results will reflect the new accounting treatment. In its third quarter 2024 results, Nasdaq will record a net \$32 million one-time, non-cash GAAP revenue reduction for the period November 1, 2023 through June 30, 2024, reflecting the net impact of the accounting change on AxiomSL subscription revenue since the close of the acquisition. This \$32 million net reduction consists of a decrease of \$34 million related to the November and December 2023 periods, which will be excluded from our non-GAAP third quarter 2024 results, partially offset by a net increase of \$2 million related to the January through June 2024 period.

This change enhances Nasdaq's financial reporting, as AxiomSL's revenues will more closely align with the annualized recurring revenue (ARR) and cash economics of its on-premises subscription contracts. There are no changes to professional services revenues or to AxiomSL's cloud-delivered license revenues, which are already recognized as ratably over the life of the contract. This change also does not impact AxiomSL's historical ARR or cash flows.

2024 Expectations and Medium-Term Growth Outlook

Nasdaq reaffirms its medium-term growth outlook for all divisions, sub-divisions, and AxiomSL and Calypso combined. Nasdaq also reaffirms all 2024 expectations shared in its second quarter 2024 earnings call and expects the Regulatory Technology sub-division to grow within its medium-term revenue growth outlook range for full-year 2024. Nasdaq will provide additional details in the accompanying presentation and publicly announced conference call on this topic.

Conference Call

As previously announced, Nasdaq will host a conference call today, September 6, 2024, at 8:00 AM ET to discuss this announcement in more detail. All participants can access the conference via webcast and related materials through the Nasdaq Investor Relations website at <http://ir.nasdaq.com/>.

About Nasdaq

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Information set forth in this press release contains forward-looking statements that involve a number of risks and uncertainties. Nasdaq cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. When used in this communication, words such as "believe," "expects," "enables," "will," "plans," "pro forma," "target," "outlook," "estimates," and similar expressions and any other statements that are not historical facts are intended to identify forward-looking statements. Such forward-looking statements include, but are not limited to (i) projections relating to our future financial results, growth, products and services, and achievement of synergy targets, (ii) statements about the accounting treatment of future events, including the accounting treatment of revenues associated with AxiomSL on-premises subscription contracts, and (iii) other statements that are not historical facts. Forward-looking statements involve a number of risks, uncertainties or other factors beyond Nasdaq's control. These factors include, but are not limited to, Nasdaq's ability to implement its strategic initiatives, economic, political and market conditions and fluctuations, geopolitical instability, government and industry regulation, interest rate risk, U.S. and global competition. Further information on these and other factors are detailed in Nasdaq's filings with the U.S. Securities and Exchange Commission, including its annual reports on Form 10-K and quarterly reports on Form 10-Q which are available on Nasdaq's investor relations website at <http://ir.nasdaq.com> and the SEC's website at www.sec.gov. Nasdaq undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Website Disclosure

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

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