

October 24, 2024

Comments from Third Quarter 2024 Results

We are publishing a summary of certain comments that we provided on October 24, 2024 in our 3Q24 earnings materials regarding our 3Q24 earnings results, including the additional commentary we provided about 2024 and other go-forward expectations. The below comments summarize historical statements and are not updates to previously made disclosures. Our 3Q24 earnings materials can be found at <https://ir.nasdaq.com/financials/quarterly-results>.

	FY24 Commentary	FY25 & Other Commentary
Capital Access Platforms	- "Our expectation for full-year Capital Access Platforms revenue growth remains unchanged. We expect to exceed our medium-term growth outlook range."	
Index	- "Index expected to come in above its [medium-term growth outlook] range."	
Data and Listings	- "Data and Listings essentially flat year-on-year." - "Looking ahead, we continue to expect the quarterly impact from initial listings fees to be about \$3 million [year-over-year] for the next three quarters."	- "Looking ahead, we continue to expect the quarterly impact from initial listings fees to be about \$3 million [year-over-year] for the next three quarters." - "We have seen roughly 20% fewer de-listings year-to-date through the 3rd quarter versus the prior year period, suggesting that de-listings should be less of a revenue headwind in 2025."
Workflow and Insights	- "Workflow & Insights expected to come in below its [medium-term growth outlook] range."	
Financial Technology		
Financial Crime Mgmt	- "For Financial Crime Management Technology, given revenue growth rates of 23% for the first half and 20% in Q3, we may end up a bit below 23% for the full year."	
Capital Markets Tech	- "For Capital Markets Technology, we expect full-year growth to come in towards the low-end of our medium-term growth outlook due to a shift in the expected timing of a Calypso renewal from the 4th quarter of 2024 to the first half of 2025." - "The market infrastructure client [within Market Technology] that contributed the \$11 million of ARR this quarter had \$27 million of professional services fees in the full year of 2023. This year-over-year headwind will abate in Q4 of this year."	- "For Capital Markets Technology, we expect full-year growth to come in towards the low-end of our medium-term growth outlook due to a shift in the expected timing of a Calypso renewal from the 4th quarter of 2024 to the first half of 2025." - "And we also feel like we've got good momentum going into next year that we think should be able to show you that we can get back to a growth certainty in the professional services and hopefully better growth across the whole business."
Regulatory Tech	- "We maintain our expectation for Regulatory Technology to come in towards the low-end of our medium-term growth outlook."	
AxiomSL & Calypso	- "As a reminder, we maintain our expectation for combined AxiomSL and Calypso ARR growth in 2024 to come in within its medium-term outlook range."	- "...[For AxiomSL] we've had really good sales this year, so that should accrue to the benefit of professional services fees as we go through next year, because we had a decline in professional services fees this year versus last year. We do see the opportunity for that to recover as we've had a strong sales year in AxiomSL...And so, as we look at how we've progressed through the year with sales and upsells, as you're talking about kind of renewing, renewing contracts, those things can be beneficial to us. And we see that as an opportunity for next year to have a better professional services year-over-year versus this year."
Market Services		
U.S. Tape Plans	- "US tape plan revenue increased \$4 million sequentially, with \$3 million reflecting cumulative audit and other one-time benefits."	
Expenses & Synergies	- "We are tightening our non-GAAP expense guidance for the year from \$2.145 to \$2.185 billion to \$2.150 to 2.180 billion." - "We have actioned more than 80 percent of our net expense synergies through the third quarter. The synergies we have actioned so far have resulted in a 2 percentage point reduction in our expense growth so far this year, and we expect the 2 percentage point to remain for the full year."	
Cost of Debt	- 3.9% pre-tax weighted average cost of debt at 3Q24-end. This is prior to the cumulative impact of accretion of debt issuance costs and debt discount & Other fees. This was \$3M in 3Q24.	
Non-GAAP Tax Rate	- "We now expect a 2024 non-GAAP tax rate that is 1 to 2 percentage points lower than prior expectations, at 23.5-24.5% versus 24.5-26.5% previously."	- "Under the current tax regime, we expect tax rates to remain generally in line with 2024 in future years."
Capital Allocation Priorities	- "We will continue to focus on deleveraging in the 4th quarter"	

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