

## Nasdaq, Inc. (NDAQ)

**\$92.93** (Stock Price as of 12/16/2025)

Price Target (6-12 Months): **\$100.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 09/20/21)

Prior Recommendation: Outperform

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**3-Hold**

Zacks Style Scores:

VGM: D

Value: C

Growth: F

Momentum: A

## Summary

Nasdaq has been successful in maximizing opportunities as a technology and analytics provider and growing core marketplace business. Its focus on growth via acquisitions and organic initiatives, which aided entry into new markets and helped it gain cross-selling opportunities, bodes well. Also, its focus on Market Technology and Information Services businesses helps explore vast opportunities per its developmental strategies. A strong balance sheet and robust cash position help capitalize on growth opportunities. Nasdaq remains committed to deploying capital effectively by investing in organic growth initiatives. However, high expenses weigh on margin expansion. It expects 2025 non-GAAP operating expenses to be in the range of \$2,305-\$2,335 million. Poor return on equity is a concern. Hence, this stock warrants a cautious stance.

## Data Overview

|                            |  |
|----------------------------|--|
| 52 Week High-Low           | \$97.63 - \$64.84                        |
| 20 Day Average Volume (sh) | 3,255,730                                |
| Market Cap                 | \$53.1 B                                 |
| YTD Price Change           | 20.2%                                    |
| Beta                       | 1.02                                     |
| Dividend / Div Yld         | \$1.08 / 1.2%                            |
| Industry                   | <a href="#">Securities and Exchanges</a> |
| Zacks Industry Rank        | Top 7% (16 out of 243)                   |

|                           |            |
|---------------------------|------------|
| Last EPS Surprise         | 4.8%       |
| Last Sales Surprise       | 1.8%       |
| EPS F1 Est- 4 week change | 0.2%       |
| Expected Report Date      | 02/04/2026 |
| Earnings ESP              | 1.2%       |

|         |      |
|---------|------|
| P/E TTM | 28.3 |
| P/E F1  | 27.3 |
| PEG F1  | 1.8  |
| P/S TTM | 6.5  |

## Price, Consensus & Surprise<sup>(1)</sup>



## Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



## Sales Estimates (millions of \$)<sup>(2)</sup>

|      | Q1      | Q2      | Q3      | Q4      | Annual* |
|------|---------|---------|---------|---------|---------|
| 2026 | 1,342 E | 1,383 E | 1,380 E | 1,446 E | 5,551 E |
| 2025 | 1,237 A | 1,306 A | 1,315 A | 1,350 E | 5,208 E |
| 2024 | 1,117 A | 1,159 A | 1,146 A | 1,227 A | 4,649 A |

## EPS Estimates<sup>(2)</sup>

|      | Q1     | Q2     | Q3     | Q4     | Annual* |
|------|--------|--------|--------|--------|---------|
| 2026 | 0.90 E | 0.91 E | 0.93 E | 0.99 E | 3.73 E  |
| 2025 | 0.79 A | 0.85 A | 0.88 A | 0.88 E | 3.40 E  |
| 2024 | 0.63 A | 0.69 A | 0.74 A | 0.76 A | 2.82 A  |

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/16/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/11/2025.

## Overview

Founded in 1971 and headquartered in New York, Nasdaq Inc. is a leading provider of trading, clearing, marketplace technology, regulatory, securities listing, information and public and private company services.

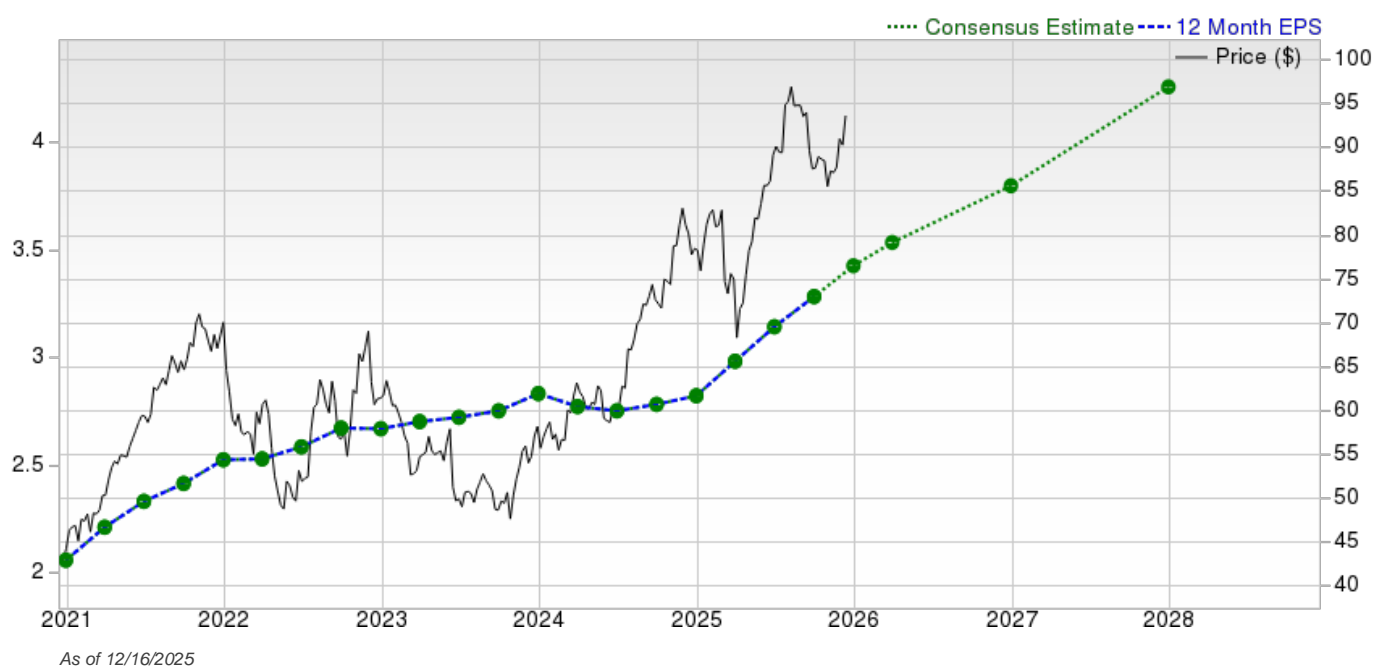
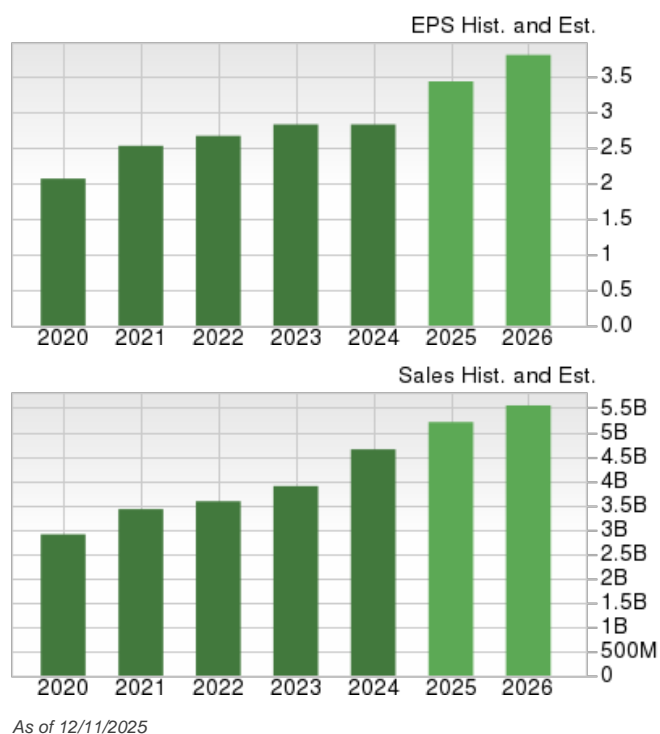
The company's global offerings are diverse and include trading and clearing across multiple asset classes, trade management services, data products, financial indexes, capital formation solutions, corporate solutions, and market technology products and services. Its technology powers markets across the globe, supporting equity derivative trading, clearing and settlement, cash equity trading, fixed income trading, trading surveillance and many other functions.

In the United States., the company operates The Nasdaq Stock Market, while in Europe, it operates exchanges in Sweden, Denmark, Finland, and Iceland as Nasdaq Nordic, and exchanges in Estonia, Latvia and Lithuania as Nasdaq Baltic.

Nasdaq aligned its business into three new divisions — Market Platforms, Capital Access Platforms and Anti-FinancialCrime. This should allow Nasdaq to capitalize on mega trends shaping the financial system in order to unlock new growth opportunities.

Market Platforms that includes Trading Services and Market Technology focuses on accelerating digitalization and moving toward cloud. Capital Access Platforms includes Data & Listing Services, Index and Workflow and Insights and focuses on improving intelligence, efficiency and access to capital markets. Anti-FinancialCrime focuses on protecting the financial system.

Nasdaq made a 3-for-1 stock split in the form of a stock dividend effective Aug 29, 2022.



## Reasons To Buy:

- ▲ **Inorganic Growth:** Nasdaq has grown meaningfully over the years through a number of strategic expansions. These acquisitions have helped the company gain direct access to the Canadian equities market, expand its technology offering, and improve its market surveillance techniques. The Adenza acquisition in the fourth quarter of 2023, positions Nasdaq as a financial technology powerhouse of anti-financial crime, surveillance, market technology, and risk and regulatory reporting solutions, thus making it a key risk management partner in the global financial system. The company expects Adenza's revenue growth to be in low to mid-teens, consistent with the medium to long-term outlook. Adenza expands Nasdaq's serviceable addressable market by approximately 40% by adding a solidly expanding market opportunity with powerful secular growth drivers across regulatory and market reforms, digitization and modernization and vendor simplification as financial institutions move from in-house to trusted-partner solutions. Nasdaq continues to make progress on the successful integration of AxiomSL and Calypso, which has enabled NDAQ to action more than 80% of net expense synergies target and the strong free cash flow generation has enabled NDAQ to continue to deliver, which resulted in 3.8 times leverage ratio in the quarter.
- Nasdaq remains focused on growth through acquisitions as well as organic initiatives that enable entry and cross-selling opportunities into new markets at a low-cost and highly-flexible platform.
- ▲ **Organic Growth:** Nasdaq also remains focused on improving growth via organic means. The company thus expects growth from its index and analytics businesses followed by moderate growth in its exchange data products across U.S. and Nordic equities. In fact, the company is on track regarding its goals of maximizing opportunities as an innovative analytics and technology partner in the capital markets, develop and deploy marketplace economy technology strategy and consolidate competitive edge in its core businesses. Banking on a compelling portfolio and operational expertise, NDAQ has a 72% share in the cash equities market in the Nordics. It also maintains a leading position in the U.S. equities and options markets. Nasdaq continues to expect 2025 revenue growth within the medium-term outlook for both Capital Access Platforms and Financial Technology, with Capital Access Platforms at or slightly above the high end of the range, coming from continuous trends in index growth and slightly better than expected performance in data and listings within FinTech. NDAQ closed two cross-sell deals in the first quarter of 2025, and cross-sells continue to represent more than 15% of the Financial Technology division's pipeline with strength across all three subdivisions. It also expects Financial Crime Management Technology in the range of mid-20s, Regulatory Technology at the High single/low double digits and with Capital Markets Technology within its range of high single to low double digits. It expects data and listings to grow within the medium-term outlook of low-single digits in 2025 and Index revenues to grow above medium-term outlook of mid-to-high single digits in 2025.
- ▲ **Strategic Reviews:** Nasdaq reviews its operations to expedite the growth plans. As a result, Nasdaq intensified its focus toward Market Technology and Information Services businesses, offering the biggest growth opportunities per the company's developmental strategies. The company sets sights on its core special marketplace platform businesses but intends to lower capital resources for investment in business that do not offer considerable growth for Nasdaq. Also, technology expansion with SMARTS surveillance in nonfinancial markets testifies the company's focus to capitalize on emerging opportunities in the cryptocurrency markets. It remains focused on expansion of Trade Surveillance, data analytics and integrity solutions.
- ▲ **Improving non-trading revenue:** Nasdaq's organic growth has been also aided by its strategy of accelerating its non-trading revenue base, which includes Trading Services and Marketplace Technology businesses, Data & Listing Services, Index and Workflow & Insights businesses and Anti-Financial Crime business, thereby infusing dynamism in its business profile. Growth in non-trading segments was driven by Index revenue growth, demand for IR and ESG solutions and steady analytics solutions sales to asset managers and growth in recurring data revenues. Anti-Financial Crime revenues should continue to gain from solid demand for fraud detection and anti-money laundering solutions as well as our SaaS-based surveillance solutions.
- ▲ **Solid Balance Sheet:** Nasdaq boasts a healthy balance sheet and cash position along with modest operating cash flow from its diverse business model. Nasdaq generated free cash flow of \$516 million in the third quarter and \$2.1 billion in free cash flow over the last 12 months at a strong conversion ratio of 110%. A healthy balance sheet ensures the distribution of wealth to shareholders in the form of dividend hikes and share repurchases. With the 13% hike in April 2025, the company has raised dividends each year since 2012. Its current dividend yield is 1.5%. In the third quarter of 2025, Nasdaq repurchased \$115 million of shares. As of Sept 30, 2025, the remaining aggregate authorized amount under the existing share repurchase program was \$1.4 billion. Per its growth strategy, Nasdaq will bring payout ratio of 35% to 38% by 2027 and resume share buyback to offset dilution due to the Adenza buyout.
- Nasdaq remains committed to deploy capital effectively by de-leveraging, investing in organic growth initiatives, pursuing strategic acquisitions, increasing dividend and engaging in buybacks.
- ▲ **Lower Debt:** Nasdaq's debt levels have decreased in the past few years. Long-term debt was \$8.7 billion as of Sept. 30, 2025, a decrease of 4.6% from the end of 2024. As of Sept. 31, 2025, the debt-to-total capital ratio of 41.9 improved 290 bps from the 2024-end level. The company's times interest earned increased to 6.3 from 4.5 at the end of 2024, implying that the company can comfortably service its debt.

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## Reasons To Sell:

▼ **Rising Expenses:** Nasdaq witnessed a rise in expenses due to the development and diversification of its business, compensation and benefits, merger and strategic initiatives, restructuring charges, general, administrative and other expenses, which weighed on operating margin expansion. Operating expenses increased in the quarter due to higher compensation and benefits costs, merger and strategic initiative costs, and increased investments in technology and people. For 2025, NDAQ expects non-GAAP operating expenses to be in the range of \$2,305-\$2,335 million compared with \$2,295-\$2,325 million guided earlier.

▼ **Competition:** Nasdaq has been facing intense competition with the wave of mergers and acquisitions (M&A) in the stock exchange industry. This includes both product and price competition that has continued to increase as a result of the creation of new execution and listing venues in the U.S. and Europe. While exchange operators across the globe are expanding their operating efficiencies through significant M&A, Nasdaq also seeks to diversify beyond product and geography. The addition of rival trading platforms over the recent years have not only cut the market share held by the exchange operator, but have also been pressurizing fees generated from handling trades and volumes, thereby directly hampering the liquidity.

▼ **Unfavorable Return on Equity (ROE)** - Return on equity is a profitability metric that measures how effectively the company is utilizing its shareholders' funds. The company's trailing 12-month ROE of 15.4% contracted 160 basis points year over year. This shows the company's inefficiency in managing shareholders' funds.

Escalating costs due to due to the development and diversification of its business weighing on the operating margin expansion, stiff competition and regulatory issues remain key concerns for Nasdaq.

## Last Earnings Report

### NDAQ Q3 Earnings & Revenues Top Estimates, Expense View Tweaked

Nasdaq, Inc, reported third-quarter 2025 adjusted earnings per share of 88 cents, which beat the Zacks Consensus Estimate by 4.8%. The bottom line improved 18.9% year over year. The improvement was mainly driven by higher revenues across three divisions and organic growth, partially offset by higher expenses.

#### Performance in Detail

Nasdaq's net revenues of \$1.3 billion increased 15% year over year. Organic net revenue growth was 11%. The top line beat the Zacks Consensus Estimate by 1.7%. Annualized Recurring Revenue (ARR) increased 10% year over year to \$3 billion. Organic growth was 9%. Annualized SaaS revenues increased 12% and represented 38% of ARR. Capital Access Platforms' revenues, adjusted, were \$546 million, up 9% year over year. The increase was primarily driven by higher revenues from all business lines. Our estimate was \$531.1 million.

Financial Technology revenues, adjusted, were \$457 million, up 23.2%, also driven by higher revenues from all business lines. Our estimate was \$421.8 million. Revenues at the Solutions business increased 15% year over year to \$1 billion, reflecting strong growth from Index and Financial Technology. Market Services' net revenues increased 7.4% year over year to \$303 million. Our estimate was \$294 million.

Adjusted operating expenses were \$583 million, up 7.4% from the year-ago period or 5% growth on an organic basis. The organic increase for the quarter reflected increased investments in technology and people to drive innovation and long-term growth, partially offset by the benefit of synergies. Our estimate for operating expenses was \$581.6 million.

Adjusted operating income of \$732 million was up 14.9% year over year. Our estimate was \$674.4 million. The company's operating margin of 56% expanded 200 basis points year over year. The Nasdaq stock market welcomed 205 new company listings, including 76 initial public offerings. The number of listed companies was 4,359 at the end of the quarter.

#### Financial Update

Nasdaq had cash and cash equivalents of \$697 million as of Sept. 30, 2025, which increased 11.9% from the end of 2024. Long-term debt was \$8.7 billion as of Sept. 30, 2025, a decrease of 4.6% from the end of 2024. Nasdaq generated \$221 million in cash flow from operations in the reported quarter.

#### Capital Deployment

Nasdaq returned \$155 million to shareholders through dividends, repurchased \$115 million of common stock, and repurchased \$69 million of senior unsecured notes in the third quarter of 2025. The board of directors approved a dividend of 27 cents per share. The dividend will be paid out on Dec. 19, 2025, to shareholders of record at the close of business on Dec. 5, 2025. As of Sept. 30, 2025, \$1.4 billion remained under the board-authorized share repurchase program.

#### 2025 Guidance

Nasdaq expects 2025 non-GAAP operating expenses to be in the range of \$2,305-\$2,335 million compared with \$2,295-\$2,325 million guided earlier.

Nasdaq forecasts the 2025 non-GAAP tax rate to be in the range of 22.5-23.5%.

**FY Quarter Ending** **12/31/2024**

| Earnings Reporting Date | Oct 21, 2025 |
|-------------------------|--------------|
| Sales Surprise          | 1.75%        |
| EPS Surprise            | 4.76%        |
| Quarterly EPS           | 0.88         |
| Annual EPS (TTM)        | 3.28         |

Recent News

Nasdaq Declares Quarterly Dividend — Oct 21, 2025

The board of directors of Nasdaq declared a regular quarterly dividend of 27 cents per share. The dividend will be paid out on Dec 19 to shareholders of record as of Dec 5.

Valuation

Nasdaq’s shares are up 21.9% and up 17.6% in year to date and over the trailing 12-month period, respectively. Stocks in the Zacks sub-industry and the Zacks Finance sector are up 6.5% and up 16.2% year to date, respectively. Over the past year, the Zacks sub-industry and sector are up 3.7% and up 13.3%, respectively.

The S&P 500 index is up 19.5% year to date and up 16.1% in the past year.

The stock is currently trading at 24.36X forward 12-month price to earnings, which compares with 23.57X for the Zacks sub-industry, 17.29X for the Zacks sector and 23.61X for the S&P 500 index.

Over the past five years, the stock has traded as high as 28.07X and as low as 17.21X, with a 5-year median of 22.39X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$93 price target reflects 25.182

The table below shows the summary of valuation data for NDAQ.

| Valuation Multiples - NDAQ |               |       |              |        |         |
|----------------------------|---------------|-------|--------------|--------|---------|
|                            |               | Stock | Sub-Industry | Sector | S&P 500 |
| P/E F12M                   | Current       | 24.36 | 23.57        | 17.29  | 23.61   |
|                            | 5-Year High   | 28.07 | 29.62        | 18.28  | 23.78   |
|                            | 5-Year Low    | 17.21 | 20.4         | 12.37  | 15.73   |
|                            | 5-Year Median | 22.39 | 25.04        | 16.12  | 21.21   |
| P/S F12M                   | Current       | 9.42  | 11.4         | 9.07   | 5.34    |
|                            | 5-Year High   | 10.41 | 14.36        | 10.06  | 5.5     |
|                            | 5-Year Low    | 5.81  | 9.01         | 6.68   | 3.83    |
|                            | 5-Year Median | 8.06  | 11.4         | 8.39   | 5.05    |
| P/B TTM                    | Current       | 4.36  | 4.33         | 4.26   | 8.57    |
|                            | 5-Year High   | 5.76  | 5.5          | 4.37   | 9.16    |
|                            | 5-Year Low    | 2.95  | 2.8          | 2.87   | 6.6     |
|                            | 5-Year Median | 4.21  | 4.2          | 3.52   | 8.05    |

As of 12/10/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 7% (16 out of 243)



## Top Peers<sup>(1)</sup>

| Company (Ticker)              | Rec        | Rank |
|-------------------------------|------------|------|
| Cboe Global Markets,...(CBOE) | Outperform | 2    |
| OTC Markets Group In...(OTCM) | Outperform | 2    |
| CME Group Inc. (CME)          | Neutral    | 3    |
| Coinbase Global, Inc...(COIN) | Neutral    | 3    |
| Cantaloupe, Inc. (CTLP)       | Neutral    | 3    |
| Deutsche Boerse AG (DBOEW)    | Neutral    | 2    |
| Intercontinental Exc...(ICE)  | Neutral    | 3    |
| MarketAxess Holdings...(MKTX) | Neutral    | 3    |

## Industry Comparison<sup>(1)</sup> Industry: Securities And Exchanges

|   | NDAQ      | X Industry | S&P 500   | CME       | COIN      | ICE       |
|---|-----------|------------|-----------|-----------|-----------|-----------|
| <b>Zacks Recommendation (Long Term)</b> | Neutral   | -          | -         | Neutral   | Neutral   | Neutral   |
| <b>Zacks Rank (Short Term)</b>          | 3         | -          | -         | 3         | 3         | 3         |
| <b>VGM Score</b>                        | D         | -          | -         | F         | F         | D         |
| Market Cap                              | 53.06 B   | 56.87 B    | 38.58 B   | 98.43 B   | 68.11 B   | 91.26 B   |
| # of Analysts                           | 10        | 8          | 22        | 10        | 7         | 9         |
| Dividend Yield                          | 1.16%     | 1.16%      | 1.42%     | 1.83%     | 0.00%     | 1.20%     |
| <b>Value Score</b>                      | C         | -          | -         | D         | D         | C         |
| Cash/Price                              | 0.01      | 0.04       | 0.04      | 0.03      | 0.19      | 0.02      |
| EV/EBITDA                               | 24.63     | 19.26      | 14.55     | 19.70     | 19.20     | 17.51     |
| PEG Ratio                               | 1.83      | 2.17       | 2.20      | 4.07      | NA        | 2.48      |
| Price/Book (P/B)                        | 4.41      | 4.04       | 3.33      | 3.49      | 4.25      | 3.18      |
| Price/Cash Flow (P/CF)                  | 23.80     | 21.72      | 15.10     | 24.08     | 29.06     | 18.25     |
| P/E (F1)                                | 27.44     | 23.84      | 19.71     | 24.52     | 31.72     | 23.18     |
| Price/Sales (P/S)                       | 6.50      | 6.76       | 3.09      | 15.39     | 8.88      | 7.28      |
| Earnings Yield                          | 3.68%     | 4.20%      | 5.06%     | 4.08%     | 3.15%     | 4.31%     |
| Debt/Equity                             | 0.72      | 0.31       | 0.57      | 0.12      | 0.37      | 0.61      |
| Cash Flow (\$/share)                    | 3.90      | 6.34       | 8.99      | 11.34     | 8.69      | 8.77      |
| <b>Growth Score</b>                     | F         | -          | -         | F         | D         | F         |
| Hist. EPS Growth (3-5 yrs)              | 7.25%     | 7.59%      | 8.16%     | 14.00%    | NA        | 7.59%     |
| Proj. EPS Growth (F1/F0)                | 20.57%    | 16.63%     | 8.57%     | 8.48%     | 4.74%     | 13.67%    |
| Curr. Cash Flow Growth                  | 27.79%    | 14.06%     | 6.75%     | 8.58%     | 532.36%   | 14.62%    |
| Hist. Cash Flow Growth (3-5 yrs)        | 16.97%    | 12.82%     | 7.43%     | 6.99%     | 177.72%   | 12.00%    |
| Current Ratio                           | 0.99      | 1.01       | 1.18      | 1.02      | 2.40      | 1.01      |
| Debt/Capital                            | 41.88%    | 23.62%     | 38.01%    | 10.82%    | 27.02%    | 37.74%    |
| Net Margin                              | 19.90%    | 25.24%     | 12.78%    | 58.84%    | 41.99%    | 25.24%    |
| Return on Equity                        | 16.28%    | 16.28%     | 17.00%    | 14.61%    | 15.70%    | 13.79%    |
| Sales/Assets                            | 0.27      | 0.25       | 0.53      | 0.04      | 0.31      | 0.09      |
| Proj. Sales Growth (F1/F0)              | 12.00%    | 7.02%      | 5.79%     | 6.50%     | 11.70%    | 6.50%     |
| <b>Momentum Score</b>                   | A         | -          | -         | D         | D         | A         |
| Daily Price Chg                         | 0.00%     | 0.05%      | -0.24%    | 0.28%     | 0.87%     | -0.84%    |
| 1 Week Price Chg                        | 3.71%     | 0.50%      | -0.59%    | 0.99%     | -0.84%    | 3.42%     |
| 4 Week Price Chg                        | 8.64%     | 1.95%      | 2.76%     | -2.27%    | -3.51%    | 4.76%     |
| 12 Week Price Chg                       | 5.08%     | 0.62%      | 2.15%     | 4.20%     | -21.08%   | -4.78%    |
| 52 Week Price Chg                       | 16.73%    | 8.35%      | 12.39%    | 15.66%    | -18.94%   | 4.75%     |
| 20 Day Average Volume                   | 3,255,730 | 977,343    | 2,743,646 | 1,912,930 | 8,875,469 | 3,456,709 |
| (F1) EPS Est 1 week change              | 0.03%     | 0.00%      | 0.00%     | 0.00%     | 0.00%     | 0.02%     |
| (F1) EPS Est 4 week change              | 0.24%     | 0.06%      | 0.00%     | 0.11%     | 0.00%     | 0.49%     |
| (F1) EPS Est 12 week change             | 3.13%     | 3.26%      | 0.69%     | -0.24%    | 6.84%     | -1.25%    |
| (Q1) EPS Est Mthly Chg                  | 1.02%     | 0.47%      | 0.00%     | 0.47%     | -1.74%    | 0.56%     |

## Analyst Earnings Model<sup>(2)</sup>

### Nasdaq, Inc. (NDAQ)

In \$MM, except per share data

|  | 2023A     | 2024A     | 2025E     |           | 1QE       | 2QE       | 2026E     | 3QE       | 4QE       | FY        | 2027E |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------|
|  | FY        | FY        | 4QE       | FY        | 1QE       | 2QE       | 3QE       | 4QE       | FY        | FY        |       |
| FY Ends December 31st                                      | Dec-23    | Dec-24    | 31-Dec-25 | Dec-25    | 31-Mar-26 | 30-Jun-26 | 30-Sep-26 | 31-Dec-26 | Dec-26    | Dec-27    |       |
| Income Statement   |           |           |           |           |           |           |           |           |           |           |       |
| Net Revenues - GAAP  | \$3,895.0 | \$4,649.0 | \$1,350.4 | \$5,208.4 | \$1,341.7 | \$1,383.4 | \$1,379.5 | \$1,446.4 | \$5,551.0 | \$5,980.7 |       |
| YoY % Chng   | 8.7%      | 19.4%     | 10.1%     | 12.0%     | 8.5%      | 5.9%      | 4.9%      | 7.1%      | 6.6%      | 7.7%      |       |
| Net Revenues - Non-GAAP                                    | \$3,895.0 | \$4,683.0 | \$1,350.4 | \$5,208.4 | \$1,341.7 | \$1,383.4 | \$1,379.5 | \$1,446.4 | \$5,551.0 | \$5,980.7 |       |
| YoY % Chng   | 8.7%      | 19.4%     | 10.1%     | 12.0%     | 8.5%      | 5.9%      | 4.9%      | 7.1%      | 6.6%      | 7.7%      |       |
| Compensation and Benefits - Non-GAAP                       | \$1,073.0 | \$1,301.0 | \$355.9   | \$1,389.9 | \$355.4   | \$368.3   | \$357.4   | \$355.5   | \$1,436.7 | \$1,501.0 |       |
| YoY % Chng   | 7.0%      | 21.2%     | 9.8%      | 6.8%      | 8.0%      | 4.6%      | 1.2%      | (0.1)%    | 3.4%      | 4.5%      |       |
| Compensation and Benefits - GAAP                           | \$1,082.0 | \$1,324.0 | \$346.7   | \$1,380.7 | \$349.5   | \$350.3   | \$342.5   | \$346.6   | \$1,388.9 | \$1,595.1 |       |
| YoY % Chng   | 7.9%      | 22.4%     | 7.0%      | 4.3%      | 6.2%      | (0.0)%    | (3.0)%    | (0.0)%    | 0.6%      | 14.8%     |       |
| Professional & Contract Services - Non-GAAP                | \$129.0   | \$139.0   | \$42.6    | \$149.6   | \$33.9    | \$37.1    | \$36.3    | \$43.5    | \$150.8   | \$167.1   |       |
| YoY % Chng   | (2.3)%    | 7.8%      | 6.4%      | 7.6%      | 5.9%      | (2.0)%    | (1.8)%    | 2.1%      | 0.8%      | 10.8%     |       |
| Professional & Contract Services - GAAP                    | \$128.0   | \$152.0   | \$52.0    | \$165.0   | \$42.3    | \$44.2    | \$42.9    | \$51.4    | \$180.8   | \$193.7   |       |
| YoY % Chng   | (8.6)%    | 18.8%     | 18.2%     | 8.6%      | 17.0%     | 13.4%     | 12.9%     | (1.2)%    | 9.6%      | 7.1%      |       |
| Technology & Communication Infrastructure                  | \$233.0   | \$281.0   | \$83.3    | \$319.3   | \$82.8    | \$85.4    | \$85.1    | \$89.2    | \$342.5   | \$369.0   |       |
| YoY % Chng   | 12.6%     | 20.6%     | 11.1%     | 13.6%     | 7.5%      | 8.0%      | 6.4%      | 7.1%      | 7.3%      | 7.7%      |       |
| Occupancy - Non-GAAP                                       | \$108.0   | \$111.0   | \$32.3    | \$119.3   | \$32.0    | \$31.5    | \$32.6    | \$33.8    | \$129.9   | \$138.5   |       |
| YoY % Chng   | 4.9%      | 2.8%      | 15.0%     | 7.5%      | 14.3%     | 8.5%      | 8.6%      | 4.6%      | 8.8%      | 6.6%      |       |
| Occupancy - GAAP   | \$129.0   | \$112.0   | \$37.0    | \$127.0   | \$40.4    | \$37.3    | \$36.1    | \$37.2    | \$151.0   | \$150.5   |       |
| YoY % Chng   | 24.0%     | (13.2)%   | 32.3%     | 13.4%     | 44.3%     | 24.3%     | 12.9%     | 0.4%      | 18.9%     | (0.4)%    |       |
| General & Administrative & Other - Non-GAAP                | \$93.0    | \$105.0   | \$26.7    | \$97.7    | \$30.9    | \$30.1    | \$27.2    | \$26.7    | \$114.9   | \$118.0   |       |
| YoY % Chng   | 4.5%      | 12.9%     | 27.0%     | (7.0)%    | 18.9%     | 30.8%     | 23.6%     | (0.0)%    | 17.6%     | 2.7%      |       |
| General & Administrative & Other - GAAP                    | \$113.0   | \$109.0   | \$44.6    | \$95.6    | \$20.1    | \$30.1    | \$27.2    | \$38.1    | \$115.4   | \$117.1   |       |
| YoY % Chng   | (9.6)%    | (3.5)%    | 86.0%     | (12.3)%   | 234.0%    | 30.8%     | 23.6%     | (14.8)%   | 20.7%     | 1.4%      |       |
| Marketing & Advertising                                    | \$47.0    | \$54.0    | \$23.7    | \$64.7    | \$13.9    | \$14.2    | \$14.8    | \$23.2    | \$66.1    | \$71.7    |       |
| YoY % Chng   | (7.8)%    | 14.9%     | 18.6%     | 19.9%     | (0.9)%    | 1.5%      | 14.1%     | (2.1)%    | 2.2%      | 8.4%      |       |
| Depreciation & Amortization - Non-GAAP                     | \$111.0   | \$125.0   | \$34.6    | \$140.6   | \$37.7    | \$37.6    | \$37.5    | \$36.2    | \$149.0   | \$161.0   |       |
| YoY % Chng   | 6.7%      | 12.6%     | 15.5%     | 12.5%     | 10.8%     | 4.4%      | 4.3%      | 4.6%      | 5.9%      | 8.1%      |       |
| Depreciation & Amortization - GAAP                         | \$323.0   | \$613.0   | \$159.2   | \$631.2   | \$177.7   | \$175.0   | \$175.0   | \$174.9   | \$702.5   | \$740.9   |       |
| YoY % Chng   | 25.2%     | 89.8%     | 4.7%      | 3.0%      | 13.9%     | 10.8%     | 10.7%     | 9.8%      | 11.3%     | 5.5%      |       |
| Regulatory - Non-GAAP                                      | \$36.0    | \$46.0    | \$12.0    | \$53.0    | \$12.0    | \$12.0    | \$12.0    | \$12.0    | \$48.0    | \$48.0    |       |
| YoY % Chng   | 12.5%     | 27.8%     | (33.3)%   | 15.2%     | (20.0)%   | (14.3)%   | 0.0%      | 0.0%      | (9.4)%    | 0.0%      |       |
| Regulatory - GAAP  | \$34.0    | \$55.0    | \$12.0    | \$53.0    | \$12.0    | \$12.0    | \$12.0    | \$12.0    | \$48.0    | \$48.0    |       |
| YoY % Chng   | 3.0%      | 61.8%     | (33.3)%   | (3.6)%    | (20.0)%   | (14.3)%   | 0.0%      | 0.0%      | (9.4)%    | 0.0%      |       |
| Merger and Strategic Initiatives                           | \$148.0   | \$35.0    | \$65.2    | \$118.2   | \$18.4    | \$10.7    | \$42.0    | \$84.2    | \$113.6   | \$113.6   |       |
| YoY % Chng   | 80.5%     | (76.4)%   | 44.3%     | 237.8%    | (23.2)%   | (35.1)%   | 19.3%     | (35.6)%   | (28.8)%   | 35.0%     |       |
| Total Operating Expenses, Non-GAAP                         | \$1,830.0 | \$2,162.0 | \$611.1   | \$2,334.1 | \$598.5   | \$616.1   | \$603.0   | \$620.2   | \$2,437.8 | \$2,574.3 |       |
| YoY % Chng   | 6.3%      | 18.1%     | 9.9%      | 8.0%      | 7.8%      | 5.3%      | 3.4%      | 1.5%      | 4.4%      | 5.6%      |       |
| Total Operating Expenses, GAAP                             | \$2,317.0 | \$2,851.0 | \$823.9   | \$2,980.9 | \$757.0   | \$761.5   | \$746.3   | \$814.6   | \$3,079.4 | \$3,399.5 |       |
| YoY % Chng   | 14.8%     | 23.0%     | 16.0%     | 4.6%      | 9.7%      | 3.2%      | 2.4%      | (1.1)%    | 3.3%      | 10.4%     |       |
| Operating Income, Non-GAAP                                 | \$2,065.0 | \$2,521.0 | \$739.3   | \$2,874.3 | \$743.2   | \$767.3   | \$776.5   | \$826.2   | \$3,113.2 | \$3,406.5 |       |
| YoY % Chng   | 11.0%     | 22.1%     | 10.2%     | 14.0%     | 9.0%      | 6.4%      | 6.1%      | 11.8%     | 8.3%      | 9.4%      |       |
| Operating Income, GAAP                                     | \$1,578.0 | \$1,798.0 | \$526.5   | \$2,227.5 | \$584.7   | \$621.9   | \$633.2   | \$631.9   | \$2,471.6 | \$2,581.2 |       |
| YoY % Chng   | 0.9%      | 13.9%     | 1.8%      | 23.9%     | 6.9%      | 9.0%      | 8.1%      | 20.0%     | 11.0%     | 4.4%      |       |
| Interest Income  | \$115.0   | \$28.0    | \$8.8     | \$39.8    | \$8.7     | \$9.0     | \$9.0     | \$9.4     | \$36.2    | \$39.0    |       |
| YoY % Chng   | 1,542.9%  | (75.7)%   | 10.1%     | 42.2%     | (20.5)%   | (24.8)%   | 12.4%     | 7.1%      | (9.1)%    | 7.7%      |       |
| Net Interest Expense - Non-GAAP                            | \$158.0   | \$385.0   | \$75.3    | \$322.3   | \$74.9    | \$91.0    | \$90.8    | \$92.3    | \$348.9   | \$370.8   |       |
| YoY % Chng   | 29.5%     | 144.3%    | (18.0)%   | (16.0)%   | (11.9)%   | 9.7%      | 14.9%     | 22.8%     | 8.2%      | 6.3%      |       |
| Other (Loss) Income - Non-GAAP                             | \$2.0     | \$3.0     | \$2.0     | \$4.0     | \$2.0     | \$2.0     | \$2.0     | \$2.0     | \$8.0     | \$8.0     |       |
| YoY % Chng   | 200.0%    | 50.0%     | 100.0%    | 33.3%     | 300.0%    | 100.0%    | 0.0%      | 0.0%      | 100.0%    | 0.0%      |       |
| Net (Expenses)/Income from Unconsolidated Investees - GAAP | \$(7.0)   | \$16.0    | \$24.0    | \$96.0    | \$24.0    | \$24.0    | \$24.0    | \$24.0    | \$96.0    | \$96.0    |       |
| YoY % Chng   | (122.6)%  | 329.6%    | 166.7%    | 512.5%    | (11.1)%   | 4.3%      | 0.0%      | 0.0%      | (2.0)%    | 0.0%      |       |
| Pre-Tax Income, Non-GAAP                                   | \$1,909.0 | \$2,138.0 | \$665.9   | \$2,555.9 | \$670.3   | \$678.3   | \$687.8   | \$735.9   | \$2,772.3 | \$3,043.6 |       |
| YoY % Chng   | 9.7%      | 12.0%     | 13.1%     | 19.5%     | 12.0%     | 6.1%      | 5.0%      | 10.5%     | 8.5%      | 9.8%      |       |
| Pre-Tax Income, GAAP                                       | \$1,401.0 | \$1,449.0 | \$483.5   | \$2,048.5 | \$536.5   | \$566.7   | \$568.7   | \$572.9   | \$2,244.9 | \$2,327.9 |       |
| YoY % Chng   | (5.0)%    | 3.4%      | 9.9%      | 41.4%     | 9.9%      | 3.4%      | 7.5%      | 18.0%     | 9.6%      | 3.7%      |       |
| Income Tax, Non-GAAP                                       | \$476.0   | \$509.0   | \$156.5   | \$587.5   | \$154.1   | \$155.9   | \$158.1   | \$169.2   | \$637.2   | \$699.6   |       |
| Income Tax, GAAP   | \$344.0   | \$334.0   | \$113.6   | \$408.6   | \$123.3   | \$130.3   | \$130.7   | \$131.7   | \$516.0   | \$535.1   |       |
| Net Income, Non-GAAP                                       | \$1,433.0 | \$1,631.0 | \$509.4   | \$1,968.4 | \$516.2   | \$522.4   | \$529.7   | \$566.8   | \$2,135.1 | \$2,344.0 |       |
| YoY % Chng   | 8.2%      | 13.8%     | 16.3%     | 20.7%     | 13.2%     | 6.2%      | 3.7%      | 11.3%     | 8.5%      | 9.8%      |       |
| Net Income, GAAP   | \$1,059.0 | \$1,117.0 | \$369.9   | \$1,639.9 | \$413.2   | \$436.5   | \$438.0   | \$441.2   | \$1,728.9 | \$1,792.8 |       |
| YoY % Chng   | (5.9)%    | 5.5%      | 4.2%      | 46.8%     | 4.6%      | (3.4)%    | 3.5%      | 19.3%     | 5.4%      | 3.7%      |       |
| Basic Shares Outstanding                                   | 504.9     | 575.4     | 571.5     | 573.5     | 569.6     | 567.8     | 566.0     | 564.1     | 568.9     | 559.6     |       |
| Diluted Shares Outstanding                                 | 508.4     | 579.2     | 577.2     | 578.8     | 575.3     | 573.5     | 571.7     | 569.8     | 572.6     | 565.3     |       |
| Basic EPS  | \$2.10    | \$1.94    | \$0.65    | \$2.87    | \$0.73    | \$0.77    | \$0.77    | \$0.78    | \$3.05    | \$3.20    |       |
| YoY % Chng   | (7.9)%    | (7.6)%    | 4.4%      | 47.5%     | 5.1%      | (2.7)%    | 4.6%      | 20.8%     | 6.4%      | 5.1%      |       |
| Diluted EPS, Non-GAAP                                      | \$2.82    | \$2.82    | \$0.88    | \$3.40    | \$0.90    | \$0.91    | \$0.93    | \$0.99    | \$3.73    | \$4.15    |       |
| YoY % Chng   | 6.0%      | 0.0%      | 16.1%     | 20.7%     | 13.6%     | 7.2%      | 5.3%      | 12.7%     | 9.6%      | 11.2%     |       |
| Diluted EPS, GAAP  | \$2.08    | \$1.93    | \$0.64    | \$2.83    | \$0.72    | \$0.76    | \$0.77    | \$0.77    | \$3.02    | \$3.17    |       |
| YoY % Chng   | (8.0)%    | (7.2)%    | 5.1%      | 46.7%     | 5.6%      | (2.4)%    | 5.0%      | 20.8%     | 6.7%      | 5.0%      |       |
| Dividend Per Share   | \$0.86    | \$0.94    | \$0.27    | \$1.05    | \$0.27    | \$0.27    | \$0.27    | \$0.27    | \$1.08    | \$1.08    |       |
| YoY % Chng   | 10.3%     | 9.3%      | 12.8%     | 11.7%     | 12.5%     | 0.0%      | 0.0%      | 0.0%      | 2.8%      | 0.0%      |       |



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## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

|                |   |
|----------------|---|
| Value Score    | C |
| Growth Score   | F |
| Momentum Score | A |
| VGM Score      | D |

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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