Nasdaq, Inc. (NDAQ)

Updated February 4th, 2026, by Sure Dividend Analyst

Key Metrics

Current Price:	$88	**5 Year Annual Expected Total Return:**	10.3%	**Market Cap:**	$51 B
Fair Value Price:	$85	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	03/16/26
% Fair Value:	104%	**5 Year Valuation Multiple Estimate:**	-0.7%	**Dividend Payment Date:**	03/30/26
Dividend Yield:	1.2%	**5 Year Price Target**	$136	**Years Of Dividend Growth:**	13
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Nasdaq, Inc. operates as a technology company that serves capital markets and other industries worldwide. Nasdaq is primarily known for its equity exchange with approximately 4,000 companies listed securities on The Nasdaq Stock Market, but in addition to its market-services business, the company sells and distributes market data as well as offers Nasdaq-branded indexes to asset managers and investors through its information-services segment. Nasdaq's corporate-services business offers listing services and related investor relations products to publicly traded companies. Non-trading revenues accounted for 76% of net revenues. Nasdaq is a $51 billion company and has about 7,800 employees.

On January 29th, 2026, Nasdaq reported its fourth quarter results for the period ending December 31st, 2025. For the quarter, the company reported net revenues of $1.392 billion, marking a 13% increase over the year-ago quarter. This revenue growth was bolstered by strong contributions from Financial Technology revenue of $498 million (+14% YoY) and Index revenue of $232 million (+23% YoY). Solutions revenue rose by 13% to $1.071 billion, driven by solid performance in the Index and Financial Technology sectors. Non-GAAP earnings per diluted share for the fourth quarter increased by 27%, from $0.76 to $0.96. Annualized Recurring Revenues (ARR), a key metric for Nasdaq's management, increased by 10% year-over-year to $3.051 billion, maintaining the company's position above the $3 billion milestone, reflecting the continued success of its transformation toward a recurring-revenue and SaaS-based business model. Annualized SaaS revenues grew 13% and now represent 38% of ARR. Market Services net revenues increased by 14% to $311 million, reflecting resilience in U.S. equity derivatives and other trading revenues. The company also reported continued strong IPO activity, welcoming operating companies that raised $10 billion in proceeds in Q4, highlighting its position as the top U.S. exchange for IPOs. Non-GAAP operating expenses increased to $609 million (+10% YoY), driven by ongoing investments in technology and people, partially offset by synergy benefits. The company reached an all-time high Index AUM of $882 billion in Q4 2025 and strengthened its balance sheet by paying down $100 million in debt, continuing to enhance its capital structure. For the full year 2025, Non-GAAP EPS rose 24% to $3.48 from $2.82 in 2024, while GAAP EPS increased 60% year-over-year to $3.09.

Nasdaq's management has outlined a mid-term strategy aimed at driving growth across its core business segments. Key metrics for success include organic revenue growth for the Total Solutions segment between 8% and 11% per year over the next 3 to 5 years. Within the Financial Technology segment, Adenza (AxiomSL and Calypso) is expected to achieve revenue growth of 13% to 17%, while the broader segment targets 10% to 13% growth. Annualized Recurring Revenue (ARR) for Financial Technology is projected to grow by 11% to 14%, with Adenza ARR also in the 13% to 17% range. Additionally, Capital Access Platforms is projected to grow by 5% to 8% annually.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.23	$1.35	$1.61	$1.67	$2.06	$2.52	$2.66	$2.82	$2.82	$3.48	***$3.85***	***$6.20***
DPS	$0.40	$0.49	$0.57	$0.62	$0.65	$0.70	$0.78	$0.88	$0.96	$1.08	***$1.08***	***$1.51***
Shares[1]	500	502	496	495	495	500	498	508	579	579	***580***	***585***

[1] In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Nasdaq has grown earnings by 12.2% per year since 2016 and 8.8% over the past five years. We expect earnings to increase by 10% per year for the next five years. The company has been able to increase its yearly dividend payout for 13 consecutive years. Over the last five years, the average annual dividend growth rate is above 9%. This takes into account the 3-for-1 stock split that occurred on August 29th, 2022. In April 2025, the company increased its quarterly dividend by 12.5% from $0.24 to $0.27 per share. The company repurchased $286 million of common stock during Q4 2025.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.8	17.8	18.0	19.0	19.2	23.2	21.1	20.0	27.1	25.5	***22.8***	***22.0***
Avg. Yld.	1.9%	2.0%	1.9%	1.9%	1.6%	1.2%	1.4%	1.4%	1.3%	1.3%	***1.2%***	***1.1%***

During the past decade shares of Nasdaq have traded with an average price-to-earnings ratio of 20.9 times earnings and today, it stands at 22.8. We are using 22 times earnings as a fair value baseline, implying the potential for a valuation headwind. The company's dividend yield is currently 1.2%, which is below the average yield of 1.6% for the past decade.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	33%	36%	35%	37%	32%	28%	29%	31%	34%	31%	***28%***	***24%***

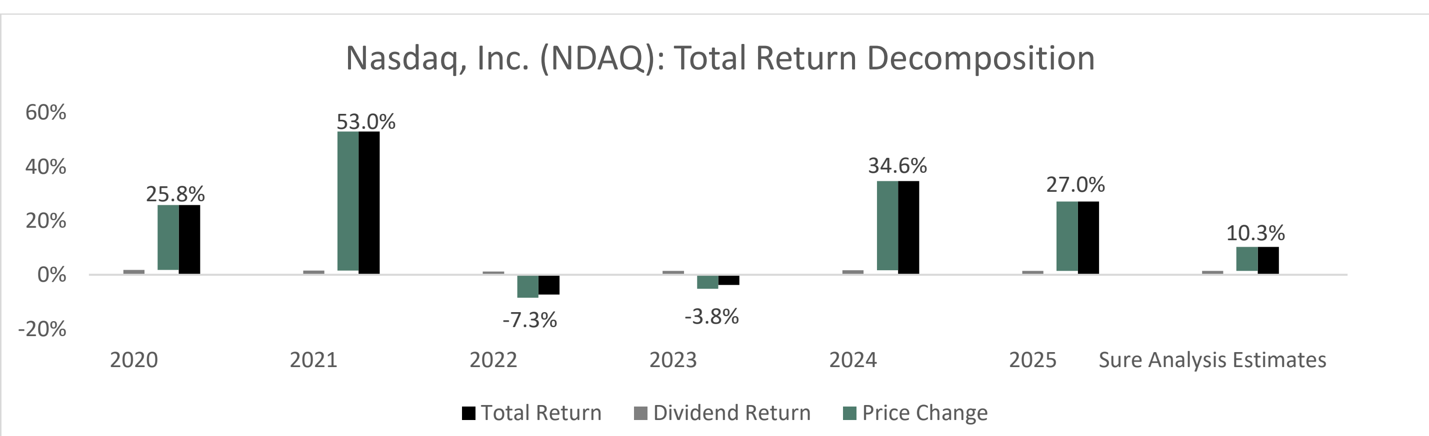
During the past five years, the company's dividend payout ratio has averaged around 31%. Nasdaq's dividend is comfortably covered by earnings. Given the expected earnings growth, there is room for the dividend to continue to grow at least at the same pace and keep the payout ratio around the same levels which we believe to be safe.

Nasdaq is a global technology company providing data, analytics, software, and services, including the popular Nasdaq Stock Market. To maintain its leading position, Nasdaq is executing on its 2026 strategic priorities — Integrate, Innovate, Accelerate — and continues to invest in AI-driven innovation and platform modernization across its businesses. These efforts are aimed at enhancing client engagement and expanding capabilities across regulatory, trading, and financial crime management technologies. The company and its management are demonstrating strong execution, backed by robust cash flows and a healthy balance sheet, providing ample flexibility to fund these strategic investments and drive sustainable, long-term growth.

Final Thoughts & Recommendation

Nasdaq is a technology stock in the financial services sector with a strong earnings-per-share track record and a modest dividend yield. We estimate total return potential of 10.3% per year for the next five years based on an 10% earnings-per-share growth, a 1.2% dividend yield, and a valuation headwind. The shares earn a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	3,403	3,704	3,948	4,277	4,258	5,625	5,886	6,226	6,064	7,400
Gross Profit	1,500	1,611	1,741	1,814	1,828	2,117	2,482	2,579	2,546	2,989
Gross Margin	44.1%	43.5%	44.1%	42.4%	42.9%	37.6%	42.2%	41.4%	42.0%	40.4%
SG&A Exp.	460	488	518	555	552	600	645	627	417	427
D&A Exp.	138	170	188	210	190	202	278	258	323	613
Operating Profit	902	953	1,035	1,049	1,086	1,315	1,559	1,661	1,806	1,949
Op. Margin	26.5%	25.7%	26.2%	24.5%	25.5%	23.4%	26.5%	26.7%	29.8%	26.3%
Net Profit	428	106	729	458	774	933	1,187	1,125	1,059	1,117
Net Margin	12.6%	2.9%	18.5%	10.7%	18.2%	16.6%	20.2%	18.1%	17.5%	15.1%
Free Cash Flow	594	642	765	917	836	1,064	920	1,554	1,538	1,732
Income Tax	203	27	143	606	245	279	347	352	344	334

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	11,861	14,150	15,354	15,700	13,924	17,979	20,115	20,870	32,290	30,400
Cash & Equivalents	301	403	377	545	332	2,745	393	502	453	592
Acc. Receivable	316	429	356	384	422	566	588	677	929	1,022
Goodwill & Int.	7,354	8,121	9,054	8,663	8,615	9,105	11,246	10,680	21,560	20,860
Total Liabilities	6,252	8,720	9,474	10,251	8,285	11,543	13,710	14,700	21,470	19,200
Accounts Payable	158	175	177	198	148	175	185	185	332	269
Long-Term Debt	2,364	3,603	4,207	3,831	3,387	5,541	5,830	5,399	10,450	9,480
Total Equity	5,609	5,430	5,880	5,449	5,639	6,433	6,395	6,151	10,820	11,190
LTD/E Ratio	0.42	0.66	0.72	0.70	0.60	0.86	0.91	0.88	0.97	0.85

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	3.6%	0.8%	4.9%	2.9%	5.2%	5.8%	6.2%	5.5%	4.0%	3.6%
Return on Equity	7.5%	1.9%	12.9%	8.1%	14.0%	15.5%	18.5%	17.9%	12.5%	10.1%
ROIC	5.3%	1.2%	7.6%	4.7%	8.5%	8.9%	9.8%	9.5%	6.5%	5.3%
Shares Out.	164	167	167	165	165	165	167	498	508	579
Revenue/Share	19.87	21.94	23.28	25.51	25.50	33.70	34.96	12.51	11.93	12.78
FCF/Share	3.47	3.80	4.51	5.47	5.01	6.37	5.46	3.12	3.03	2.99

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.