

Nasdaq's Evolution

An Interview with Nelson Griggs,
Executive Vice President, Corporate Services, Nasdaq and President, Nasdaq Stock Exchange

EDITORS' NOTE *Nelson Griggs oversees Nasdaq's corporate services business. He is responsible for the overall management, business development and strategic direction of the exchange's global listings and capital market business, as well as supervision of Nasdaq's corporate solutions. Griggs also leads relationship management with the 3,900 listed companies globally, which collectively represent more than \$13 trillion in market value. Previously, he served as Nasdaq's Senior Vice President of New Listings and Capital Markets in the U.S. and Asia. Griggs joined Nasdaq in 2001 and has served in a broad range of leadership positions within its Listing Services unit.*



Nelson Griggs

COMPANY BRIEF *Nasdaq (nasdaq.com) began in 1971 as a primarily U.S.-based equities exchange. Today, it is recognized around the globe as a leading provider of financial technology, trading and information services to global capital markets, with over 3,500 employees serving businesses and investors from more than 50 offices in 26 countries across six continents and in every capital market.*

What have been the keys to the success of Nasdaq and how has the business evolved?

Over the years, Nasdaq has evolved from a U.S. cash equities exchange into an advanced technology company focused on many areas within the global capital market ecosystem.

There are four main areas Nasdaq is focused on. First are our corporate clients across the globe, which are my primary focus in my capacity as head of both listings and corporate solutions offerings for investor relations professionals. Second is our trading component, which is comprised of 26 different exchanges around the world that support trading in multiple asset classes, from equities and derivatives to commodities and fixed income products. Third, we also have a very robust data and analytics business and a market technology operation that powers more than 100 of the world's leading market infrastructure organizations, including exchanges, clearinghouses, central securities depositories and financial regulatory bodies. Finally, our overarching technology solutions team supports over 500 organizations, from buy- and sell-side financial firms to public and private entities.

Nasdaq's strength stems from a deliberate repositioning and refocusing of the business to

adapt to our customers' needs and goals, as well as from a strategic expansion of our product portfolio that we have implemented over the past 15 years.

Will you discuss the importance of innovation for Nasdaq and where it is taking place in the business?

For us, innovation applies not only to our own systems, but also to the systems we provide throughout the world. Being nearly perfect isn't good enough at Nasdaq – we need to be perfect.

Whether it is the exchange we run in the U.S., the markets we own and operate in Europe or the trading software we run for firms like the Singapore Stock Exchange, the Hong Kong Stock Exchange and the exchanges in the Middle East, the essential nature of what we deliver to those clients means perfection is a necessity. At the same time, we have to stay at the forefront of what we're doing to surveil trades, to ensure the markets have the highest integrity and transparency.

Innovation has always been at Nasdaq's core, but innovation has become even more important as we integrate technologies like blockchain, machine intelligence and the cloud into our systems and introduce them to our robust client bases.

The two areas where it is most profound are in our data and analytics business and machine intelligence, which provide clients with acute insight into what is going on in the marketplace.

While many of Nasdaq's original listed companies came from the technology sector, is there an effective understanding today of the breadth of industries represented on the exchange?

We embrace our technology heritage and the companies that helped put Nasdaq on the map. It's hard to find a chairman's letter that doesn't include the word "innovation," no matter what industry the company operates in. The theme of innovation is core to our brand and, as we continue to grow our listings business, technology companies represent our foundation and are inherent in our DNA – today's five largest companies in the world by market capitalization are Apple, Amazon, Microsoft, Alphabet and Facebook – all listed on Nasdaq.

Today, approximately 25 percent of our listed companies are technology firms, although we have certainly expanded into other significant sectors as well. Companies like Pepsi, Starbucks and American Airlines are also Nasdaq-listed. We are intimately aligned with companies based on their

current needs in an exchange partner and what we are able to offer them through a listing partnership. Since 2005, over \$1.3 trillion in market capitalization has transferred to Nasdaq. Through our corporate solutions business, we are proud to be the leading exchange for companies across different sectors and to provide them with intelligence, communications tools, technology services and advisory services to help them seamlessly engage the investment community and the public.

Will you highlight Nasdaq's blueprint to revitalize capital markets?

There is no question that our markets and our economy are fundamentally healthier than they were a decade ago. But even amidst steadily rising indexes and market tranquility, there is a growing need to address fundamental structural concerns.

The number of public companies and companies choosing to go public has declined, while more companies are choosing to stay private and have the ability to do so. There are a total of 5,100 U.S. public companies today, compared to 6,300 in 2005.

There are many factors contributing to this trend and one in particular is the increasing cost and complexity for issuers, especially for publicly-listed small and medium growth companies and for private companies that might consider public offerings.

We believe transparency is of the utmost importance and we are very diligent with our reporting and disclosure requirements. When it comes to issues like the proxy process and access, there are a handful of elements that impact how we maintain that transparency. While these are central to the strength of the U.S. markets, we need to ensure that we're not putting excessive and unnecessary burden on companies, especially smaller ones.

We view this as a team effort taking place not just at Nasdaq, but also among interested parties throughout the industry. Over the past year, we have seen many positive developments from Congress, federal agencies and the business community at large.

Through Nasdaq's blueprint to revitalize capital markets, we are working hand-in-hand with our listed companies, regulators and other industry affiliations to develop smart regulation and to open up a dialogue on other critical issues. We understand that this is a multi-year, long-term progression, but we will continue to lead efforts to guarantee that the U.S. capital markets remain welcoming for companies of all sizes and safeguard their position as the driver of the U.S. economic engine. ●