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**Intercontinental Exchange, Inc. (ICE)**

Q4 2025 Earnings Call

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## MANAGEMENT DISCUSSION SECTION

**Operator:** Good morning, everyone, and thank you for joining us on today's ICE Fourth Quarter 2025 Earnings Conference Call and Webcast. My name is Drew, and I'll be the operator on the call today. After the prepared remarks, we will have a Q&A session. [Operator Instructions]

And with that, I'll hand over to Steve Eagerton, VP of Investor Relations, to begin. Please go ahead when you're ready.

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### Steve Eagerton

*Vice President Investor Relations & Revenue Operations, Intercontinental Exchange, Inc.*

Good morning. ICE's fourth quarter 2025 earnings release and presentation can be found in the Investors section of ice.com. These items will be archived, and our call will be available for replay.

Today's call may contain forward-looking statements. These statements, which we undertake no obligation to update, represent our current judgment and are subject to risks, assumptions and uncertainties. For a description of the risks that could cause our results to differ materially from those described in forward-looking statements, please refer to our 2025 Form 10-K and other filings with the SEC.

In our earnings supplement, we refer to certain non-GAAP measures. We believe our non-GAAP measures are more reflective of our cash operations and core business performance. You will find a reconciliation to the equivalent GAAP term in the earnings materials.

When used on this call, net revenue refers to revenue net of transaction-based expenses, and adjusted earnings refers to adjusted diluted earnings per share. Throughout this presentation, unless otherwise indicated, references to revenue growth are on a constant currency basis. Please see the explanatory notes on the second page of the earnings supplement for additional details regarding the definition of certain items.

With us on the call today are Jeff Sprecher, Chair and CEO; Warren Gardiner, Chief Financial Officer; Ben Jackson, President; Lynn Martin, President of the NYSE; and Chris Edmonds, President of Fixed Income & Data Services.

I'll now turn over the call to Warren.

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### Warren Gardiner

*Chief Financial Officer, Intercontinental Exchange, Inc.*

Thanks, Steve. Welcome to the call, and glad to have you leading Investor Relations for us going forward.

Good morning, everyone, and thank you for joining us today. I'll begin on slide 4 with our exceptional full year 2025 results, which demonstrate the strength of our diversified business model and the consistency of our execution.

2025 was a landmark year for ICE. We delivered record adjusted earnings per share of \$6.95, a 14% increase year-over-year, marking the best performance in our company's history. This achievement reflects both the resilience of our franchise and our team's relentless focus on operational excellence.

Full year net revenues reached a record \$9.9 billion, up 6% year-over-year, with balanced growth across our platform, including 5% growth in recurring revenues, providing durability and visibility, and 8% growth in transaction revenues, which demonstrate robust customer engagement and growing demand for risk management tools.

Our disciplined approach to expense management continues to drive operating leverage. Adjusted operating expenses totaled \$3.9 billion, reflecting our commitment to cost discipline while also investing strategically.

I'm particularly pleased to report that annualized expense synergies from our 2023 Black Knight acquisition exited the year at an annualized rate of approximately \$230 million, exceeding the updated \$200 million target that we set early last year. Based on this momentum, we now expect total expense synergies to reach \$275 million by the end of 2028, a \$75 million increase.

We're nearly 40% above our initial commitment when we announced the transaction back in 2022. This outperformance underscores our integration capabilities and our proven ability to identify incremental value creation opportunities. These results drove record adjusted operating income of \$6 billion, up 9% year-over-year, demonstrating the quality and scalability of our business model.

Turning to capital allocation, our record operating performance generated \$4.2 billion in adjusted free cash flow, which we deployed strategically to enhance shareholder value. We repurchased \$1.3 billion of stock, increased our dividend by 6%, and reduced our leverage ratio from 3.3 at yearend 2024 to 3 times as we close 2025, all while funding strategic investments across our business. This balanced approach reflects our confidence in both our core operations and our ability to capitalize on future growth opportunities.

Moving to slide 5, let me walk you through our strong fourth quarter performance, which provides excellent momentum as we enter 2026. Fourth quarter adjusted earnings per share totaled \$1.71, up 13% versus the prior year. Fourth quarter net revenues of \$2.5 billion increased 7% year-over-year, with transaction revenues growing 8% and recurring revenues advancing 6%.

Fourth quarter adjusted operating expenses totaled \$1.010 billion, coming in at the midpoint of our guidance range and reflecting our continued focus on balancing cost discipline with investments in future profitable growth.

Now let's turn to slide 6 for our Exchange segment, which delivered outstanding results. Our Exchange business achieved record fourth quarter net revenues of \$1.4 billion, up 9% year-over-year. Notably, this compounds on 9% growth in 2024 and 14% growth in 2023, demonstrating sustained business momentum.

Transaction revenues grew 8%, led by our global oil complex, which increased 12% year-over-year. Our natural gas and environmental products, which represent nearly half of our energy revenues, grew 10% in the quarter and 15% for the full year, reflecting strong structural demand for energy risk management and the ongoing energy evolution.

Importantly, these positive trends accelerated into January. We saw record monthly volumes up 23% year-over-year, including a record month for energy ADV. Further supporting momentum into February is robust open interest, growing 19%, including 7% growth in global energy and 48% growth in our interest rate complex, reflecting heightened volatility, increased hedging demand, and the mission-critical nature of our markets.

Our recurring revenue streams, comprised of our exchange data services and our NYSE listings franchise, reached a record \$391 million, up 11% year-over-year. Growth was driven by a 16% expansion in exchange data and connectivity services. After adjusting for a one-time true-up in Q4 2024, exchange data services grew 11% in the quarter as customers increasingly rely on our comprehensive market data and technology.

Our NYSE listings business continues to attract the highest quality companies from around the globe. While only about 40% of global IPOs met our rigorous listing standards in 2025, the NYSE facilitated \$25 billion in new IPO capital formation, welcoming 71 new operating companies, including 7 of the top 10 IPOs.

In addition, our retention rate remained above 99%. While we also welcomed several transfers, including Virtu, Etsy, and the largest transfer in NYSE history, AstraZeneca, who officially transferred to the NYSE this week. This performance reflects the enduring value proposition that combines the NYSE brand with our leading-edge technology.

Looking to 2026, we expect Exchange segment recurring revenues to grow in the mid-single-digit range, driven by continued growth in exchange data services and expansion in our listings franchise.

Turning to slide 7, our Fixed Income Data & Services (sic) [Fixed Income & Data Services] (00:07:37) segment delivered another quarter of strong execution. Fourth quarter revenues totaled \$608 million, including \$101 million in transaction revenues. Within ICE Bonds, continued growth in municipal bond revenue was offset by lower retail, corporate, and treasury activity, while strong CDS clearing results were offset by lower member interest income following the FOMC's rate reductions in 2025.

Importantly, recurring revenues reached a record \$507 million, growing 7% year-over-year. Our Fixed Income Data & Analytics business achieved record revenues of \$318 million, up 5%, driven by our pricing and reference data offering, which posted its best quarter for net new business since 2020. And our index business which ended the year with a record \$794 billion in ETF AUM tracking ICE indices, up over 20% versus last year. This growth reflects the increasing adoption of our data and indices as well as the quality of our benchmark products.

Data & Network Technology reached record revenues, increasing by 10% in the fourth quarter, reflecting strong demand for our ICE Global Network, consolidated feeds, and desktop solutions.

As customers integrate artificial intelligence into their workflows and require ever-increasing volumes of high-quality data, we're uniquely positioned as a critical technology provider.

For 2026, we anticipate Fixed Income & Data Services recurring revenue growth in the mid-single-digit range, with growth expected to trend towards the high end of that range, underpinned by another year of high-single-digit growth in our Data & Network Technology business.

Please turn to slide 8 for our Mortgage Technology segment results. Fourth quarter Mortgage Technology revenues totaled \$532 million, up 5% year-over-year. On a pro forma basis, including Black Knight, this represents our strongest quarterly performance since 3Q 2022.

Recurring revenues totaled \$391 million and were in line with our expectations. As we discussed in prior quarters, some customer renewals came in at lower minimums. Importantly, these renewals are paired with higher per-transaction pricing that becomes increasingly beneficial as origination volumes normalize.

The impact from lower minimums was largely offset by strong implementations and product expansions, particularly within origination technology.

Transaction revenues totaled \$141 million, up an impressive 20% year-over-year. This was driven by a significant increase in transaction revenues from Encompass closed loans, as customers increasingly exceed their minimums, an improving origination environment, along with double-digit growth in MERS registrations, which was supported by strong fourth quarter refinancing activity.

Turning to 2026 guidance, we expect total Mortgage Technology revenues to grow in the low- to -mid-single-digit range. The high end of our range assumes the number of loans originated across the industry grows in the low teens, while the low end assumes flat to modest growth.

Importantly, at both ends of this range, we anticipate continued growth in recurring revenues in 2026. Several factors underpin this confidence.

First, revenue synergies have nearly doubled from \$55 million at yearend 2024 to approximately \$100 million at yearend 2025, with further runway ahead. Second, we substantially worked through the 2020 to 2022 vintage contract renewals, reducing, but not yet eliminating the headwind from Encompass minimum adjustments. And third, we continue to see strong product adoption and implementation momentum. These positives will be partially offset by previously disclosed client attrition related to certain M&A activity in 2025.

Please return to slide 9 where I'll provide additional context on our 2026 guidance and outlook. We expect 2026 adjusted operating expenses to grow between 4% and 5%, between \$4.075 billion and \$4.140 billion. This includes approximately \$25 million in accelerated stock-based compensation related to adjustments to our compensation plan. As a result, we expect less incremental stock compensation expense in both 2027 and 2028.

Additionally, we currently expect appreciation in the euro and pound to add roughly \$15 million to \$20 million. So note, it's more than offset by incremental revenue.

Excluding these items, expense growth is expected to be in the 3% to 4% range, driven primarily by annual merit increases, reflecting our commitment to rewarding employees for their exceptional contributions and strategic technology investments across our platform.

Among several other initiatives, these investments include expanding our data center footprint to meet growing customer demand and developing new artificial intelligence tools that will drive future productivity and innovation.

Regarding capital expenditures, we expect 2026 investments to be between \$740 million and \$790 million. This includes installing AI infrastructure such as GPUs, storage, and network equipment designed to handle AI and data-intensive workloads.

Importantly, CapEx also includes elevated investment in real estate of approximately \$250 million, as we build revenue-generating data center capacity and new office space in Jacksonville, Dallas, Washington, DC, and India. These are all strategic, growth-enabling investments that position us for long-term success.

In closing, 2025 was an exceptional year for ICE. We delivered growth across all key metrics: revenues, adjusted operating income, free cash flow, and adjusted earnings per share. We exceeded our synergy targets, invested strategically in our infrastructure and technology, and returned significant capital to shareholders while also strengthening our balance sheet.

As we begin 2026, we have tremendous momentum. Our diversified business model, market-leading positions, recurring revenue base, and operational discipline give us confidence in our ability to deliver another year of profitable growth and shareholder value creation.

I'll be happy to address your questions during Q&A, but for now, I'll turn it over to Ben.

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**Benjamin R. Jackson**

*President, Intercontinental Exchange, Inc.*

Thank you, Warren, and thank you all for joining us this morning. Please turn to slide 10.

Across ICE's derivatives platform, we've built technology that scales with our customers' needs, combining deep liquidity, global participation, and transparent price discovery into a single, connected marketplace.

2025 was another record year for our global derivatives markets, with 2.3 billion futures and options contracts traded, surpassing the prior record set in 2024 by 13% and record average daily volumes of 9.3 million contracts, up 14% year-over-year.

This momentum translated into our 13th consecutive year of record futures revenue in 2025, which grew 11% for the year and 8% in the fourth quarter. Performance was broad-based across our multi-asset and geographically diverse platform, reflecting the depth of liquidity and participation on our platform.

Building on that breadth, our energy complex continued to lead in 2025 with strength across oil and gas. Volumes increased year-over-year in Brent, up 11%; WTI, up 9%; and Gasoil, up 8%, each setting full year records in 2025.

While our global natural gas markets advanced with record TTF and Japan/Korea Marker, or JKM, volumes up 21% and 36%, respectively. This strength has continued into 2026 as January marked the strongest month for trading activity in our history. And trading in energy achieved record average daily volume, up 27% year-over-year.

At the core of this strength in our energy business is our oil complex, which gives customers precise tools to manage exposure across grades, regional flows, and the spread relationships between them.

In crude oil, ICE operates the most liquid futures benchmarks across every major producing region in the world from west to east, that includes the only Canadian crude futures market, ICE WTI at Cushing; the only physically deliverable Midland WTI contract in Houston, which itself is deliverable into the Brent benchmark; and our two leading Middle Eastern benchmarks, ICE Murban and ICE Dubai.

Surrounding these benchmarks is a deep set of differential contracts allowing market participants to price dislocations across grades and locations globally, in an environment shaped by Iran-related tensions, uncertainty around Venezuelan production, ongoing Russian sanctions, and broader geopolitical flash points. This global network has proven essential for managing supply risk, arbitrage flows, and price volatility.

Second, in refined products, ICE provides an equally integrated global complex. US heating oil and gasoline link directly into ICE gasoil, the most liquid middle distillate futures contract in the world, with further connections into Asia and the Middle East. These markets spanning diesel, jet fuel, gasoline, and petrochemicals are tied back to

crude through our refining margin and crack-spread futures, enabling refiners to lock in margins amid volatile feedstock and product demand.

Third, as the energy mix evolves, ICE continues to lead in renewable fuels and renewable credit markets. As regulatory frameworks broaden and renewable adoption accelerates, our ability to offer a unified risk-management ecosystem across traditional and renewable energy remains a powerful structural growth driver.

Turning to natural gas, our blueprint has built a benchmark-led complex where TTF's deep liquidity and price transparency attract a diverse mix of physical and financial participants, providing reliable price signals and serving as the leading benchmark for global gas pricing that influences LNG contracts and hedging strategies.

Against that backdrop, December was the strongest month of the quarter for TTF, with ADV up 30% and OI up 18% year-over-year. That strength has carried into 2026, with elevated January participation evident as OI was up 16% year-over-year and average daily volumes doubled versus 2024.

Finally, with global energy demand rising, driven in part by the rapid expansion of data centers, electrification, and AI infrastructure, capital-efficient risk management is critical. Thus, we delivered another significant milestone last year through the rollout of our ICE Risk Model 2 margin methodology across more than 1,000 energy contracts, extending a VaR-based portfolio approach that captures relationships across oil, natural gas, power, emissions, and freight.

IRM2 is designed to be resilient against stress events and correlation breakdown, as well as adjusting for seasonality where appropriate, which in turn allows us to offer customers greater margining benefits when the portfolio is diversified or hedged. As a result, customers have seen collateral efficiencies across hedged portfolios.

In combination, these factors: geopolitical complexity, rising demand, and the need for sophisticated risk management continue to play to the strength of our energy franchise for sustained growth in the years ahead.

Beyond commodities, our global interest rate franchise also delivered strong results in 2025, as participants responded to shifting policy paths and cross-market signals. Activity across our rates complex reached record levels in 2025, in which ADV was up 19% and OI was up 54% at the close of the year, reinforcing how customers use a single technology platform to align exposures across assets.

The output of our markets, high-quality price signals and liquidity also become inputs in our Fixed Income & Data Services segment. The platform's compounding engine, where proprietary data, indices, and network connectivity power customer decision-making and automation.

Moving now to our Fixed Income & Data Services segment on slide 11. 2025 was a milestone year. Pricing and reference data remains our foundation and our index franchise continued to scale alongside ETF adoption and customization, driving record index AUM of \$794 billion at the end of 2025.

We continue to expand our differentiated offering through new data partnerships, including our recent deal with Reddit. Here, we are now offering real-time historical signals and sentiment scores integrated with our data sets to enhance market insights and risk management capabilities, in turn uncovering new investment opportunities for clients.

Our fixed income workflows, electronic execution, and clearing set new records in 2025, validating our role helping clients manage risk. On execution, ICE Bonds saw record revenue, with our secondary MBS trading growing well year-over-year. And in clearing, CDS volumes reached record levels across index, single name, and options.

Underpinning this is our ICE Global Network, which provides secure, low-latency connectivity and data distribution that customers rely on as they modernize their trading workflows. Demand for connectivity and colocation also remains strong, as we've more than doubled capacity since 2020 as client demand continues to grow.

More broadly, the growth of AI continues to be an enabler. Our ICE Aurora platform, paired with our high-quality proprietary data with controlled, secure distribution into customer workflows, is where ICE differentiates. We provide fit-for-purpose data sets, delivered securely and integrated directly with customer decisioning tools.

In practice, that includes ICE Aurora AI-assisted capture and validation of reference data, enhancements to evaluated pricing, and secure, entitlement-based access into valuation, risk, and regulatory systems. This way customers can adopt AI with confidence in the quality and permitted use of the data powering their models. Where FIDS turns market data into workflow intelligence, mortgage technology applies those capabilities across the life of a loan.

Moving to our Mortgage business on slide 12. Mortgage Technology is another expression of ICE's core capability, automating complex, regulated workflows through high-quality data, secure delivery, and governed automation.

In 2025, we continued to execute on reducing inefficiencies across the mortgage workflow. Automating legacy workflows for our customers through applying state-of-the-art technology and innovation has been foundational to ICE since inception.

The application of AI with agents that automate multi-step manual workflows is driving our engagement with our clients across ICE Mortgage Technology. So here, just as in FIDS, AI is an enabler and an accelerator to deliver workflow efficiencies.

Both Encompass and MSP, as core systems of record for lending and servicing of mortgages today, support modern access and data delivery options that are plugged into the AI layer. These systems of record understand the data ontology and orchestrate highly regulated, compliance-laden business processes in a trusted manner, as errors have a near-zero level of tolerance.

Applying our ICE Aurora platform and agents to workflow automation remains the most effective lever, moving manual stare-and-compare tasks to exception-based workflows where people focus only on what needs human judgment. This enables us to deliver efficiencies to maximize productivity per full-time employee, reduce cost per loan, and enable scale without proportional head count increases. We are in the process of rolling out the following ICE Aurora AI-enabled agents for our IMT business in the first half of this year.

First, we've extended our ICE Business Intelligence capabilities by accelerating cycle times and improving loan quality, with our agents analyzing data, identifying errors, and highlighting bottlenecks and inefficiencies in our clients' workflows.

Second is the launch of our virtual and text-based agents in servicing, capable of executing real actions such as payment scheduling, so borrowers can self-service within our Servicing Digital application, as well as resolving

issues, answering questions, and interfacing directly with borrowers to reduce the need for a call. This capability is already in beta with a handful of clients.

Third, AI-powered customer service agents that shorten turnarounds, improve customer satisfaction, and lower costs by summarizing notes, predicting call context, and responding to questions to help representatives resolve inquiries and close tickets faster.

Fourth, business intelligence and exception-handling agents used by processors, underwriters, and servicers that can respond to ad hoc queries in natural language in real time and facilitate exception handling with approved steps and guardrails.

These capabilities also permit executives and line-of-business owners to derive actionable insights from their data in real time rather than using ad hoc queries, thus reducing overhead associated with research and reporting.

We continue to see strong customer adoption with wins and implementations that reflect the value of standardizing data and automating workflows across origination and servicing. In Q4, we had our best quarter of the year, with 32 new Encompass logos signed.

Moving to servicing, our focus on driving client efficiency helped lead to two new MSP wins, including a cross-sell into an existing Encompass client. Last month, United Wholesale Mortgage went live on MSP, approximately nine months after signing. We are proud of the focus from our internal teams as well as the collaboration from UWM to deliver a rapid implementation.

In summary, as ICE continues to enhance our leading technology, we do so with both the client and end consumer in mind. We're delivering solutions that automate legacy, manual workflows throughout each stage of the mortgage life cycle, resulting in raising workforce productivity, improving loan quality, and expanding team capacity, all of which lowers the cost to originate and service loans and can be passed on to the end consumer.

Before I close, I'm pleased to share that my longtime colleague Bob Hart has been appointed President of ICE Mortgage Technology. Bob's 20-plus years of mortgage and real estate experience will help us accelerate this strategy as we continue to modernize mortgage workflows and deliver value for our customers.

With that, I'll hand it over to Jeff.

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## Jeffrey Craig Sprecher

*Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.*

Thank you, Ben. Good morning, everyone, and thank you for joining us. Please turn to slide 13.

For over two decades, ICE has been built around the simple idea that markets function best when their infrastructure is trusted, neutral, and engineered to work in all environments. Our job has never been to predict outcomes or to direct capital, it's been to build and operate the systems that allow capital to move efficiently, allow risk to be transferred, and allow price discovery to occur regardless of market conditions.

As a result, we've deliberately placed ICE at the intersection of markets that respond to different forces. Some react to acts of God, such as weather events or energy supply disruptions. Others react to acts of man, including central bank policy and regulatory frameworks. By operating across both and by connecting them through technology and clearing infrastructure, we've built an all-weather model that performs through cycles rather than around them.

In 2025, that model once again proved its resilience. Market participants across asset classes continued to turn to ICE to manage risk, allocate capital, and access trusted data as they navigated geopolitical tensions, rate uncertainty, and evolving regulatory landscapes.

While the macro environment remains dynamic, our performance reflects the value of our mission-critical networks that customers rely upon. Over time, we've consistently invested in areas where markets were operating with friction, opacity, or manual workflows.

We did this in energy markets where global pricing lacked transparency; in fixed income markets by building institutional-grade data and analytics that brought structure to historically fragmented markets. And again in consumer credit markets by digitizing core workflows throughout the home mortgage ecosystem. Across each of these, the common thread has been the same, combining technology, data, and operating expertise to rewire critical financial infrastructures that customers can rely upon.

We're taking the same approach into the next phase of market evolution. Last month, we announced the development of a tokenized securities platform for NYSE following our investment and distribution partnership with Polymarket. While tokenization has attracted significant attention across the industry, our approach is grounded in the same principles that have guided ICE since our inception.

We are not pursuing tokenization as a novelty or as a substitution for how markets operate today. We're exploring tokenization as a potential evolution of existing market infrastructure, one that could further improve capital efficiencies, broaden access, and advance settlement processes, such as our recent announcements with BNY and Citi to accept tokenized collateral. All while preserving the safeguards, governance, and neutrality that institutional markets require and that ICE is known for.

In fact, ICE plans to apply for regulatory approval for NYSE tokenization from the US Securities and Exchange Commission under existing federal law and existing SEC authorities. And ICE plans to seek foreign distribution under our existing securities passporting relationships. This NYSE tokenization initiative is not dependent on the passage of the US CLARITY Act or any other foreign legislation. Our intent is to tokenize regulated securities that attach contractual rights and interests to their holders just as they occur under existing securities laws, such as ownership rights, dividends, and voting privilege. Importantly, tokenization is not a standalone initiative. It sits alongside the infrastructure that we already operate across exchanges, clearinghouses, data platforms, and our networks.

Our experience running global markets, managing collateral, and supporting trillions of dollars in daily notional activity gives us a clear view on how new technologies may be integrated into the financial system. We believe this approach positions us well to support innovation while maintaining the stability that customers and regulators expect from ICE operated venues.

Just last week, ICE received approval from the US Securities and Exchange Commission to launch a new clearing service for US cash treasuries, almost a year in advance of the January 2027 Treasury Clearing Mandate. This is another example of our ability to position ourselves to meet the needs of an evolving market. Importantly, this approval is accretive to our existing fixed income clearing services where we've provided global leadership since the great financial crisis. We're excited about the fixed income market evolution and the choice that this initiative will provide to our clients.

Looking ahead, we continue to see secular forces reshaping global markets. The digitization of financial markets is ongoing. Regulatory frameworks continue to evolve. Capital moves globally even as policy is set locally. Against this backdrop, the need for trusted infrastructure that can perform under stress becomes more important. ICE's role is to remain a trusted operator through this change. Investing in technology where it removes friction, expanding our networks where it creates efficiency, and maintaining discipline in how we allocate capital. That consistency is what has allowed us to grow through every business cycle, and it's what underpins our confidence as we look forward.

I'd like to conclude today's prepared remarks by thanking our customers for their business and for their continued trust. And I want to thank my colleagues at ICE for their efforts that contributed to yet another record year at ICE.

I'll now turn the call back to our moderator, Drew, to conduct the question-and-answer session until 9:30 Eastern time.

## QUESTION AND ANSWER SECTION

**Operator:** Thank you. We'll now start today's Q&A session. [Operator Instructions] Our first question today comes from Craig Siegenthaler from Bank of America. Please go ahead when you're ready.

**Craig Siegenthaler**

*Analyst, BofA Securities, Inc.*

Q

Hey, good morning everyone. Hope you're doing well. Our question is on the mortgage technology outlook and it's actually a two-parter. But first one is, can you update us on the health of the mortgage industry and how the recent rebound in refi activity is influencing demand trends? And we're especially looking beyond 2026 because you already provided us some guidance for this year. And just as a follow-up on the tech side, can you update us on the opportunities to modernize your mortgage technology tech stack whether through blockchain-enabled capabilities at MERS or even AI tools that could improve efficiency at Encompass or MSP. Thank you, guys.

**Benjamin R. Jackson**

*President, Intercontinental Exchange, Inc.*

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Thanks, Craig. It's Ben. So, I'll hit both of these. In terms of the overall mortgage, the backdrop on the health of the overall mortgage market, we feel good on how it's improving. And I'll pack it in a couple of different areas. So, one, in terms of just the refinance market, if you look at where rates are today, we obviously had a nice pop in volumes and refis in the fourth quarter last year.

If you look at where rates are today, there's approximately 4 million loans that are in the money to refi, which means that the rates that they were set at, at the time, the rates today are 75 basis points lower than where a customer's rate is locked now. And if you get just another 25-basis point move from where we are now, that number goes up to 5.5 million. And if you get a 50-basis point move, it goes up to 7.5 million to 8 million loans in the money. So, that's a good sign. And then obviously the backdrop now is also encouraging a rate environment that would continue to come down. So that's positive.

On the purchase market, affordability from the metrics we've been looking at is better than it's been in approximately four years. So, that's improving. And obviously the administration's been very vocal about stimulating housing starts to get that going and even there's policies that are out there potentially being discussed

around increasing capital gains exemptions et cetera. So, we see looking into 2026, 2027, beyond that the overall health of the market is showing signs of improvement.

In terms of – the second part of your question was around the technology opportunity and I deliberately talked about in my prepared remarks that both Encompass and MSP, one of the first things we did with both of those deals is made sure that we in a very secured way opened access to both of those platforms to be able to tap into newer technologies and AI, artificial intelligence, agentic AI, et cetera. And we have been accelerating – bringing to market different solutions in and around those tech stacks.

We have – and I went through a bunch of the agents and agentic AI initiatives that we have coming into this year. Those are the result of initiatives that we had this year and solutions that we brought to market both across Encompass as well as in servicing and in Encompass we've been automating things like data capture, document automation, automating certain parts of the underwriting process. And as we brought those solutions to bear, we're bringing time efficiencies and lowering the cost for our clients.

As we're bringing those to bear, the clients have an insatiable demand for us to deliver more and we're doing that. The same is true on servicing where within the servicing side of the business, we've been looking at the customer service area in particular and how can we help provide efficiencies there. We did that last year through the launch of call prediction capabilities, call summarization, automated call routing to help take costs out of the process there.

And now this year, we are already in pilot with a number of different initiatives that I mentioned in my prepared remarks. We're looking at consumer chatbots that would automate – that would auto-populate basically a loan application for either a HELOC or a refinance. So, we're helping customers identify automatically based on the servicing data we have, this is the opportunity, auto-populate the loan and then streamline the process of completing that transaction. We have a new chatbot on Ask Encompass, which is an always on loan status recommending the most efficient way for an underwriter to advance and close on a loan.

We have advanced our compliance chatbot capabilities, which is looking through millions and millions of pages of regulations that as a loan's getting underwritten to ensure that the underwriter has the right belts and suspenders on making sure that the loan is highly compliant as it's being originated and then taking our servicing chatbots even further with our servicing digital application and automating payments and then an intelligent virtual agent that we're also launching this year. So, we feel really good about the technology opportunity and our ability to execute on it.

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**Operator:** Our next question today comes from Benjamin Budish from Barclays. Your line is now open. Please go ahead.

**Benjamin Budish**

*Analyst, Barclays Capital, Inc.*



Hi, good morning and thank you for taking the question. I wanted to ask about the FIDS business. One of the themes that's sort of re-emerged quickly this week has been this AI disruptive fear across all things software. Just for you guys I think the question that we get the most is on the data and analytics businesses, where is there potential risk. So, just curious if you could address that concern: where do you see or how would you describe sort of the moats of that business; where is there proprietary data versus software that could potentially be replicable; how do you think about the defensibility there? Thank you very much.

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## Christopher S. Edmonds

*President-Fixed Income & Data Services, Intercontinental Exchange, Inc.*

Hey Ben, thanks for the questions. Chris Edmonds. One, I'd like to go back to both Jeff and Ben's comments around being a trusted source over the years. And if I look at the pipeline of opportunity that we have in front of us, there are really three key components if I look at the data business. One, we generate a lot of proprietary mission-critical content on all of our activities that we have within the exchange and clearing space that goes in to drive models around there and we license that data effectively to the client base around there.

Second, we have the data center opportunity where folks needing that data along the way want to be as close to that data and become part of that virtuous feedback loop as they possibly can be at all times. And then third, we have things on the, we call it the alpha generation side like what Ben talked about with the Reddit deal that we announced, we're continuing to add correlated data sets to that. The culmination of all of that is something that you can't get anywhere else.

And if you look at – and prime example of that is what we have in our fixed income business around PRD. And then when we look at price and reference data and the valuations that come off that and how they drive our index growth that we're seeing there, those things are looked at over 1-year, 3-year, 10-year, sometimes 30-year history and we have more than that in the history. And that piece of it is not a formulaic conversation. That piece is much more comprehensive at the end of the day. And that trusted source piece that I referenced earlier that Jeff and Ben touched on becomes most important.

If I look at the pipeline on a go-forward basis, I believe that's driving most of the conversations that we have. What more can you give us? How can you deliver it? It's not a one-dimensional play that's out there of just exhaust data. It's actually the context of how it's being used in their decision-making process. And that's what we're excited about coming this year, working closer with our clients of both the breadth and depth.

If you look at our energy business and what Ben went through in the prepared remarks, you look at all of the thousands of contracts we created in energy – created ecosystem you can't get anywhere else. That continues to build for us in the FIDS statement and I look forward to seeing that become a bigger reality even as decisions become more real-time where other agents are coming online within our client base.

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**Operator:** Our next question today is from Patrick Moley from Piper Sandler. Your line's now open. Please proceed.

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Q

## Patrick Moley

*Analyst, Piper Sandler & Co.*

Yes, good morning. Thanks for taking the question. Wanted to ask about the outlook for the futures business. Ben, you touched on it in your prepared remarks. But January you finished at record open interest in both energy and financials and it really took off in the fourth quarter, has continued into this year. So, can you talk about some of the drivers of that a little bit more? How sustainable you think it is? And then what impact either positive or negative do you expect some of the recent [indiscernible] (00:43:24) volatility you've seen in the markets to have on customer activity levels and open interest? Thanks.

A

## Benjamin R. Jackson

*President, Intercontinental Exchange, Inc.*

Thanks, Patrick. It's Ben. Yeah, as we've alluded to on prior calls around our energy business, customers now more than ever are looking for a truly global provider of the most accurate, deep, liquid places that people can

manage their risks. And today, you have geopolitical flash points, you've got supply chain evolution, you have the energy evolution, you've got trade and tariff issues, people concerns around energy security and this confluence of issues that's going on around the world. And that's what's really led to our energy business being up. Year-to-date here it's up 30%.

Our Brent business, which is the cornerstone of our global oil complex, is up 25% year-over-year. Our crude business overall is up 15% year-over-year. And more importantly in those, we have open interest continuing to grow, which you alluded to in your question as well. Brent's up 35% to start off this year. It's an unbelievable start to the year. So, you had this backdrop of a bunch of issues and now you pile on top of it new dynamics that have taken place. You have escalating issues in Iran, which is obviously one big issue. A second issue that you have out there which is a good resolution is the – you take the trade deal now with India. And in that trade deal with India it looks like India is agreeing to no longer import Russian crude. Well, what's going to be the substitute to that Russian crude? It's more likely than not to be Middle Eastern grades as well as US grades of crude going into India. Well, that bodes very well because those grades of crude are priced via the Brent benchmark, number one.

Number two, it bodes well for our HOU contract, which is the contract we launched three years ago to price Midland WTI barrels basis Houston that are hitting the water. So, it's a great opportunity there. We've had a well-established Dubai contract which is doing extraordinarily well, up 20% to start this year. It should bode well for that contract. And then also three years ago on our ICE Futures Abu Dhabi exchange we launched our Murban contract, which is another contract that should benefit from that dynamic for some period of time.

And then you take on top of that the US involvement in Venezuela and the Venezuelan markets, if that Venezuelan oil starts to flow into the US, starts to flow into Europe, that bodes well further for Brent, for the foreseeable future and if in the US, US Gulf Coast starts to take on some of these Venezuelan barrels into processing. You're going to have Canadian barrels that are looking for a new home, and we could see that flowing into Asia as well as Europe. That bodes well for our Brent benchmark.

And then also in my prepared remarks I mentioned our – we're the only place that prices crude – Canadian crude oil futures. So those are just some examples of where we see some sustainable growth opportunities and obviously our TTF contracts [indiscernible] (00:46:58) quickly is off to an incredible start. Obviously, there's a ton of demand for power, LNG moving around the world and our TTF contract started off the year up 100% off of a great year last year. So, all signs are very positive.

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**Operator:** Thank you. Our next question comes from Ashish Sabadra from RBC Capital. Your line's now open. Please go ahead.

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**Ashish Sabadra**

*Analyst, RBC Capital Markets LLC*

Q

Thanks for taking my question. I just wanted to ask a follow-up question on the mortgage. You laid out some of the puts and takes for mortgage recurring revenue growth in 2026. My question there was just around when do we expect that headwind from the lower minimums to come off? Is it mostly 2026 and as we get into 2027 should we think some of those headwinds to start to come off? So that will be one, and then just on the transaction just wanted to confirm how should we think about when we do get a mortgage market going back to a normalized level. How should we think about the incremental transaction revenues? Thanks.

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**Warren Gardiner**

*Chief Financial Officer, Intercontinental Exchange, Inc.*

A

Sure Ashish. So, I'll take both of those. So, on the recurring side, the minimums – we've seen improvement in the minimums and sort of the headwind for the minimums over the last several years. And so, as we head into 2026, we still do expect there to be some from that, but better than what we saw last year, better than the year before that. And so, at this point, we've actually worked through all of the 2020 vintage contracts. We do have 2021 this year and that will largely be complete this year once we get through those. And those were the two boom years if you remember.

And so, again, largely work through all that in terms of the headwind perspective on the recurring revenue growth and that's of course baked into the guidance that we gave you today. So the ability to grow despite that is really going to be driven by the implementations that we see. Included in that is some of the revenue synergies that are going to be coming online that we spoke to you about. So, we're heading in the right direction on that front. Feel pretty good about it as we head into next year and beyond that as well.

On the transaction side, I think the way to really think about that, a normal environment we define is about 7 million to 10 million loans at an industry level. 10 million has been the average over the last 30 years. 7 million, 8 million has kind of been the median if you will. And so, if we get into those kinds of environment, we gave you guys some stats last year where we thought 2024 revenues in that scenario or those two scenarios would be a couple hundred to call it half billion dollars of incremental revenue.

We obviously made a little bit of progress towards that this year because the market improved a little bit, but I think you're still in a good range to be thinking about that because of course we've added new customers and we've got a solid pipeline of customers that are coming in over the next couple years as well. So, feel good about the trajectory on that front as we head in again this year and into next year as well.

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**Operator:** Our next question today is from Dan Fannon from Jefferies. Your line's now open. Please proceed.

**Daniel T. Fannon**

*Analyst, Jefferies LLC*



Thanks. So you guys are talking to exchange recurring revenues in the mid-single digits after growing I think low double digits or 11% in 2025. So wanted to just talk about the difference as you think about next year – or I'm sorry, this year versus last year and the strengths across the recurring side of the exchange business.

**Warren Gardiner**

*Chief Financial Officer, Intercontinental Exchange, Inc.*



Yeah, Dan, it's Warren again. So, it's a good question. I think look, as you get to the second half of next year, those are going to be some difficult compares given we were double digits in both of those quarters as well. I think what you saw this year and what we expect to see next year – or sorry, last year and expect to see this year as well is continued growth from new customers coming on the platform. That's not only futures but also on the equity side as well.

We saw a little bit of benefit last year from the pool size on SIP data that helped us as well. That can be a little bit difficult to predict. So, maybe a little bit conservative on that, but it's a bit of an unknown on that front. And then we don't see a ton of erosion as well. So, you pull all that together and then of course we do and we've done so this year and we did so last year, we'll capture a little bit of price for the value that we brought to those products as well.

So you bring all of those things together and again I think it sets up for another really strong year for the exchange data business and recurring revenue overall. To be clear, the guidance was for total recurring revenue, not just exchange data. I think exchange data could probably be a little bit better than the guidance we gave for overall recurring.

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**Operator:** Our next question comes from the line of Ken Worthington from JPMorgan. Your line's now open. Please go ahead.

**Kenneth B. Worthington**

*Analyst, JPMorgan Securities LLC*



Hi, good morning. You experienced the highest number of Encompass new customer wins in a year. I think it's 32. Can you talk about sort of what sort of customers you're winning? Are you in dialogue still with some of the largest potential new customers for Encompass? Or is that sales cycle extending? And then maybe lastly, how does the 32 new customers compare to attrition figures?

**Benjamin R. Jackson**

*President, Intercontinental Exchange, Inc.*



Hi, Ken, it's Ben. I'll take this. We had a great year this past year with Encompass sales. You look across the entire year, we had 90 deals done. So that's a, to me, a great sign and testament to the quality of the technology that we're bringing out to the market, the innovation that we're bringing to the market, the leverage that we have with accelerating modernizing workflows with all of the adoption of AI and as we continue to release more things for our customers, our customers are pointing us in the direction of other things that we can do to drive efficiencies for them. So that's a great start to the year.

And many of these clients are already customers of ours across our IMT segment and many of those Encompass clients are also on MSP or sub-serviced through an MSP, sub-servicer that are taking advantage of the opportunity for us to provide that complete front-to-back automated workflow for them, so that's a great sign.

In terms of the strength of the – or the types of deals that we did last year. They're across all segments. We've done deals across the largest players in the segment as well as down to startups. So, we've had success across the different segments of the marketplace. Give you an example: in the fourth quarter alone, we closed one of the largest home equity line of credit lenders in the United States. So, that was a great sign and testament to our capabilities within that specific channel, expanding that footprint with this client.

In the third quarter, we closed one of the largest correspondent lenders in the United States. Another good testament. So, we're having success in each channel, whether it's HELOC, correspondent, retail and then also across the variety of customer types. So, we feel really good about our positioning and then looking forward to the funnel that we have, the largest players in the market are as engaged as ever with us on looking for ways to automate and provide them more efficiencies based on – for the most part homegrown technology that they have in place.

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**Operator:** Our next question today is from Simon Clinch from Redburn Atlantic. Your line's now open. Please proceed.

**Simon Aistair Vaughan Clinch**

*Analyst, Redburn (Europe) Ltd.*



Hi. Thanks for taking my question. I just wanted to – again on mortgage side. Could you update us on the transition from SDKs and – because that's been a relatively lengthy process, and I think there's a lot of clients that are still sort of wedded to the old ways, I guess, and I was just wondering how much disruption or how much window of opportunity that opens up for competition in this space and how you're sort of managing that. Thank you.

**Benjamin R. Jackson**

*President, Intercontinental Exchange, Inc.*

A

Thanks Simon. It's Ben again. The transition to SDK, what that's about is just really providing more efficiency in supporting the connectivity that our clients have in either plugins and bespoke things that they build around our solution or the way that they connect to third-party vendors and based on our clients looking at and adopting a lot of the other innovations that we've been providing them, we've enabled Encompass and have spent a lot of time innovating on Encompass to move it from a smart client technology to the web. We successfully have done that.

We've enabled Encompass to be able to in a secure way be able to adopt ICE Aurora-based agents and AI technology. We're enabling that across the workflow and giving them savings and providing time and resource towards the SDK thing has just been – for some of the clients has been something that has been a lower priority. So, we gave them more time to do it because we know it wasn't slowing down our pace of innovation in other areas. And we have not seen it in any way, shape, or form as a hindrance to our sales success, nor have we seen it impacting any kind of attrition or changing the competitive landscape.

**Operator:** Our final question today comes from Alex Kramm from UBS. Your line's now open. Please go ahead.

**Alex Kramm**

*Analyst, UBS Securities LLC*

Q

Hey. Good morning everyone. Just since you mentioned – Warren, since you mentioned pricing on data earlier, can you maybe broaden that answer for pricing in general since you obviously just went through the budget process, anything we should be aware of across all the businesses, also on the transaction side and maybe related to that in January you actually saw nice pick up in pricing on the energy RPC. So maybe is it just mix or anything to point to and how sustainable is that? Thank you.

**Warren Gardiner**

*Chief Financial Officer, Intercontinental Exchange, Inc.*

A

Yes. So, thanks for the question. So yeah, we took a very similar approach to what we've done in the last several years in terms of how we've approached pricing, and on the futures side and that includes data and things of that nature. We again took a very similar approach in that we picked our spots. We looked at some areas where we think we've created some value for customers. And so, we did do some price increases on the futures contracts particularly within financials.

We also did some price increases within the data business – the exchange data business that will be helpful on that front similar to what we did last year. And so again, I think in aggregate the total amount was pretty similar to what you've seen us do over the last couple years, but just in some different areas as we said we would do. And again, areas that we think we brought value to people on that front.

And then in some of the other businesses, it's really – those tend to be a little bit more similar products at similar rates. And so, we saw similar kind of price increases that we've done in prior years across the FIDS business. We do pick our spots a little bit in some areas of theirs as well and then of course in mortgage too as well too. So, I

would say really no much – no change really versus the approach we've taken. And again, across the business, we really just look for areas that we think we've created value for our customers and then go capture that value.

In terms of the RPC for the month of January, that wasn't related to any kind of contract change that happened. That was actually really just the mix. And really did happen in January and Ben talked about it a little bit, but a lot of what that is is TTF and the mix of TTF within the energy complex obviously being very, very strong in the quarter and that of course has a higher RPC than a lot of the other contracts within that business. So really it was a mix shift benefit that really was a little bit in December but also in January as well more than anything.

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**Operator:** Thank you. That concludes the Q&A portion of today's call. With that I'll hand back over to Jeff Sprecher for some closing comments.

### Jeffrey Craig Sprecher

*Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.*

Well thank you Drew for moderating the call and thank you all for joining us this morning and we'll look forward to updating you again as we continue to innovate for our customers. We're building an all-weather business model and we're working to generate growth on top of growth. With that, I hope you'll have a great day and thanks for attending our call.

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**Operator:** Thank you for joining. That concludes today's call. You may disconnect your line.

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