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# Intercontinental Exchange, Inc. (ICE)

Q1 2026 Earnings Call

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## MANAGEMENT DISCUSSION SECTION

**Operator:** Hello, everyone, and thank you for joining us on today's ICE First Quarter 2020 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]

With that, it's my pleasure to hand over to Steve Eagerton to begin Head of Investor Relations. Please go ahead when you're ready.

### Steve Eagerton

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

Good morning. ICE's first quarter 2026 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, 2026 First Quarter 10-Q 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. 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 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; and Chris Edmonds, President of Fixed Income and 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. Good morning, everyone, and thank you for joining us today. I'll begin on slide 4 with our first quarter results, which represent the strongest quarter in ICE's history. First quarter adjusted earnings per share were \$2.35, up 37% year-over-year. Net revenues reached a record \$3 billion, up 18%. Adjusted operating income totaled a record \$1.9 billion, up 26%, with meaningful contributions from all three of our operating segments.

This is the product of a deliberate strategy, disciplined execution, and a platform built for precisely this environment. These results build on an already strong base. In the first quarter of 2025, we delivered 8% revenue growth and 16% adjusted EPS growth, which were both records at the time. That compounding dynamic is what distinguishes ICE. Our business deepens with use, our recurring revenues compound over time, and our expense discipline creates the capacity to invest in future organic growth by simultaneously delivering strong operating leverage and free cash flow.

On the topic of expenses, adjusted operating expenses totaled \$1.035 billion, in line with the midpoint of our updated guidance range. The update reflected performance-related items such as license fees and compensation directly tied to the strength of our results, with these costs more than offset by revenues. Looking to the second quarter, we expect adjusted operating expenses to remain consistent with the first quarter and be in the range of \$1.030 billion to \$1.040 billion. Adjusted free cash flow generation was a first quarter record \$1.2 billion, a figure that speaks to the quality of our earnings and the capital efficiency of our model.

In the first quarter, we repurchased approximately \$550 million of our own stock, including an incremental \$200 million executed during mid-February when the market price of our shares further disconnected from the fundamentals of our business. And in total, including dividends, we returned nearly \$850 million to shareholders during the quarter.

Let me now turn to exchange segment on slide 5. First quarter exchange net revenues reached a record \$1.8 billion, up 27% year-over-year. Critically, these results compound on top of 12% growth in 2025, 11% growth in 2024. Transaction revenues grew 33%. Our interest rate complex grew nearly 70% versus the year ago period, as investors and institutions increasingly seek to manage duration risk. In energy, our global oil complex increased 47% year-over-year, reflecting the continued primacy of ICE's energy benchmarks as a reference point for global capital flows. Natural gas and environmental products, which represent half of our energy revenues, grew 37%, a testament to the structure reality with the multi-decade evolution of the global energy mix is increasing the need for sophisticated risk management tools.

I want to offer some important context on our volume composition for those who may be wondering about sustainability. March was exceptional for energy business, but the underlying momentum was well established

before those events. In addition, energy open interest through April remains up 6%, and that persistence is what matters. Customers are not simply reacting to headlines. They're building long-term exposure.

Meanwhile, interest rate open interest stands 63% above year-ago levels, signaling structural expansion in the breadth of how our customers are managing rate risk. In fact, total futures and options open interest reached a new record just this week, up 23% year-over-year, further underscoring that the activity we saw in the first quarter is carrying forward.

Our recurring revenue streams, exchange data services and our NYSE listings franchise reached a record \$405 million, up 10% year-over-year, with exchange data and connectivity services growing 13%. These revenues grow as more participants embed ICE's data into their workflows, creating network effects that make us more valuable the more widely they are used.

At the NYSE, we continue to set the standard for quality listings globally. In the first quarter, we welcomed 25 new operating companies, facilitated the largest transfer in our history with AstraZeneca, and maintained a retention rate above 99%.

Turning to slide 6, and our fixed income and data services segment, we delivered another quarter of strong broad-based execution. First quarter revenues totaled a record \$657 million, up 9% year-over-year. Transaction revenues grew 14% to a record \$143 million. Performance was led by our CDS clearing business, where revenues increased 18%, driven by elevated global macroeconomic volatility, while recurring revenues reached a record \$514 million, growing 8%.

Within fixed income data and analytics, we achieved record revenues of \$322 million, up 7%, aided by strong net new business trends in our pricing and reference data offering and continued momentum in our index business, which ended the quarter with a record \$829 billion in ETF AUM, up 21% year-over-year. In total, there is now approximately \$2 trillion in assets benchmarked to ICE Indices, roughly double the amount tracking this franchise when we acquired the BofA Merrill Indices less than nine years ago, a trajectory that reflects the power of our data platform.

Data and network technology revenues increased 11% in the first quarter, reflecting strong demand for our ICE global network, consolidated fees and desktop solutions. Private global data center network connecting over 750 data sources and 150 trading venues across 24 countries is a physical infrastructure asset that cannot be replicated quickly or cheaply, and it continues to benefit from secular demand trends, including higher messaging activity and AI-driven demand for capacity.

Please turn to slide 7 for our mortgage technology segment. First quarter revenues totaled \$539 million, up 6% year-over-year. On a pro forma basis, inclusive of Black Night, this represents our strongest quarterly performance since Q4 2022. The broader mortgage origination market remains well below its long-run normalized potential. And yet, we are growing, which speaks to the strategic value of what we have built. Recurring revenues totaled \$401 million, reflecting continued product adoption in the beginning of normalization and Encompass contract renewals. Recurring revenues also benefited from roughly \$4 million of onetime items. Accordingly, we anticipate second quarter recurring revenues will remain around current levels.

Transaction revenues totaled \$138 million, up an impressive 22% year-over-year, driven by a significant increase in Encompass closed loan revenues, which materially outpaced industry volumes as customers increasingly exceed their contractual minimums and by the double-digit growth in closing solutions supported by strong refinancing activity.

The strategic logic of the mortgage technology segment is increasingly evident. The integration of our Encompass Origination System with MSP has transformed what was once a collection of standalone products into a true end-to-end mortgage platform, processing a loan from initial contact through origination, servicing and secondary market execution, a unique offering in the industry. We have the cost structure, the customer base, and the network in place for when the market normalizes. We are investing through the cycle to ensure that opportunity is captured.

In closing, we operate at the intersection of markets that respond to different forces. By connecting those forces through our exchange infrastructure, our data network, and our mortgage platform, we have built a model that is designed to perform through cycles, not around them. This quarter demonstrates what this platform can deliver when all three segments are executing well simultaneously. But even when they are not all in sync, as has been the case in prior quarters, the model still compounds.

The forces that are driving our results are structural. The irreversible digitization of financial markets, the global expansion of risk management needs, the growing reliance on proprietary and institutional grade data by AI systems and human decision makers alike, and the analog-to-digital conversion underway in the US mortgage market. We are confident in our trajectory for the balance of 2026 and beyond, as the forward opportunity set remains as large as it has ever been.

I'll be happy to take your questions during Q&A, but for now, I'll hand the call 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 8. Across ICE's derivatives platform, we've built technology that evolves with our customers' needs, combining deep liquidity, global participation, and transparent price discovery into a single connected marketplace.

The first quarter was a clear validation of how we built and scaled our markets. In environments that test liquidity, capital efficiency, and operational resilience at the same time, the value of integrated global market technology becomes visible very quickly. This quarter, our platform was used exactly as intended to absorb complexity, facilitate price discovery, and allow customers to manage risk at scale. That translated into significant activity across our markets.

March marked the highest monthly volume in ICE's history, exceeding the prior record set just two months earlier by more than 70%. For the quarter, total average daily volume increased 45% year-over-year with records across interest rates, global commodities and energy.

In addition, looking forward into Q2, total open interest across futures and options hit new records over the past week alone, growing more than 20%. As we have consistently said, open interest is the leading health indicator of our markets and rising open interest alongside record volumes signals that customers are building and maintaining positions, not speculating and exiting.

As market shifts directly impacted inflation expectations, demand for interest rate risk transfer accelerated sharply. At the start of the year, SONIA futures were pricing two UK rate cuts. By mid-March, the outlook had reversed to rate hikes, driving a rapid reset in short-term pricing. Customers responded by turning to our markets in size, with SONIA ADV increasing more than 120% year-over-year and open interest more than doubling as participation broadened.

Similar dynamics played out across our European rates complex. Euribor futures and options delivered record volumes as expectations for ECB policy shifted. On March 3 alone, ICE traded over 9 million lots of Euribor futures underscoring the depth of liquidity our platform provides when markets shift materially.

Another contributor to our strong performance is the deliberate method that we have developed for our global energy franchise. Our approach has been consistent to establish a trusted benchmark with deep liquidity then surround it with differentials, spreads and regional contracts creating network effects and giving customers increasingly precise tools to manage exposure. We applied that blueprint to Brent in crude oil, ICE gas oil and refined products, and to TTF in global natural gas.

As participation grows, those network effects compound not only through new products and customers but also as existing participants deepen their activity across the platform. Historically participants who come onto our platform during periods of heightened volatility stay once conditions normalize and we expect this cycle to be no different.

Importantly, performance was already strong in January and February. Before the Iran conflict escalated in late February, energy ADV was up double digits and open interest was also up in both months. As disruptions to energy infrastructure and trade flows emerged, energy markets repriced rapidly and our platforms easily facilitated the global demand. In oil, record Brent ADV increased 60% year-over-year with record participation up 10%, positioning the benchmark as the primary venue customers turn to during periods of stress.

In our global natural gas markets, TTF delivered record ADV up 61% year-over-year with record participation up 12%. TTF set a new single day volume record of 2 million lots on March 3 and by the end of March year-to-date volume was already at 46% of the full year 2025 total. In Asia, JKM hit both volume and open interest records as drone strikes on Qatar's facility representing 17% of the country's LNG exports reinforced the critical role of Asian gas benchmarks in managing supply disruption risk. JKM also achieved record participation up 9% from last year.

This strength extended to our environmental markets where record first quarter average daily volume grew 30% year-over-year and participation here has grown double digits on average over the last five years. Supporting markets at this scale requires more than liquidity, it requires margin frameworks designed for volatility. ICE Risk Model 2 is now deployed across more than 1,000 energy contracts improving portfolio margining efficiency, so volumes can scale while appropriately increasing capital requirements.

Even through recent periods of heightened volatility, margin calls were met without disruption, markets stayed orderly and risk managers have remained comfortable with the resilience of the system. Underpinning all this market activity is the data and connectivity infrastructure that allows participants to operate with confidence.

Please turn to slide 9. We built the fixed income and data services business with the understanding that high quality data, governance and secure distribution are foundational to how modern markets operate. That conviction matters even more today as workflows become increasingly automated and model driven. In the first quarter, FIDS delivered a record quarter with both total revenues and recurring revenues at their highest levels to-date up 9% and 8% year-over-year respectively. Pricing and reference data form the foundation of the business. Each day we evaluate approximately 3 million illiquid instruments across more than 150 countries.

It is important to highlight that only a small percentage of municipal and corporate bonds trade on any given day. Stated simply, this is not data that can be scraped, inferred or generated synthetically. Our evaluated pricing methodologies have been built and refined over more than three decades and are deeply proprietary. They feed directly into regulatory, compliance, valuation and risk processes across the global financial system. These data

sets are embedded in client workflows and switching providers typically requires a board-level decision for fund managers. That same pricing foundation supports our index franchise.

During the quarter, ETF assets under management tracking ICE Indices reached record levels, up more than 20% year-over-year. The indices business also achieved the record quarter with revenues growing at a double-digit rate. Because our indices are built on top of ICE's own evaluated pricing, the defensibility compounds over time.

Shifting from data advantage into delivery and access, our data and network technology business is an increasingly important growth driver within FIDS led primarily by the ICE global network. Demand across this business continues to be driven by client needs for reliable low latency connectivity to reference data, consolidated feeds and execution venues.

As clients scale their data consumption and deploy real-time valuation engines, proximity to reference data sources becomes critical. This favors ICE's owned and operated infrastructure where data, compute and connectivity sit together rather than in public cloud environments. ICE owns and operates its data centers, and we're building additional capacity as client demand accelerates delivering operational security, data protection, cost predictability and the low latency performance our clients workflows require.

Turning next to our CDS clearing business, it delivered a record revenue quarter with growth approaching 20% versus last year driven by elevated activity across index, option and sovereign CDS products which delivered a record of \$2.7 trillion in notional cleared on March 20. We invested in this business coming out of the Great Financial Crisis and continue to innovate as the market evolves. Treasury clearing is now operationally live following SEC approval in February and we are actively building the repo rulebook well ahead of the regulatory mandate.

A meaningful development during the quarter was the launch of ICE Private Credit Intelligence with Apollo as our anchor partner. This initiative builds directly on ICE's strength and fixed income data, analytics and market infrastructure extending those capabilities into the private credit market, one of the fastest growing asset classes. Private credit participants are increasingly operating alongside public fixed income markets in portfolios and risk systems, and ICE Private Credit Intelligence is designed to support that convergence. By leveraging our existing data science, analytics and secure distribution capabilities, we are positioning ICE to play a central role as private credit continues to institutionalize and scale.

Across FIDS, we continue to expand the breadth and relevance of our data sets to complement our traditional market data. During the quarter, we launched our Polymarket Signals and Sentiment product which normalized prediction market data for institutional workflows and is available exclusively through ICE feeds. We are also incorporating additional correlated data sets including Reddit and Dow Jones content to provide broader context around market sentiment and information flow.

As these data sets scale the ways in which clients use our data continue to expand. Whether powering automated workflows, AI models, or real-time decision-making, every use case requires high-quality proprietary inputs and we believe ICE controls the most comprehensive and institutionally trusted data sets across these markets. Importantly customers are embedding our proprietary and secure real-time data for inference in their workflows not simply consuming it to train models and then move on. As these use cases deepen, demand for ICE's proprietary data increases rather than decreases.

The dynamic of growing client engagement is also evident in our mortgage technology business where we continue to advance the platform to support clients across origination, servicing, and capital markets.

Please turn to slide 10. The opportunity in mortgage remains significant and our platform is positioned to capture it across market cycles. The business continues to execute against its core thesis helping clients automate, connect, and scale in a highly cyclical environment. In the quarter, revenues grew 6% year-over-year driven by double-digit growth in both origination technology and closing solutions. Manual intervention still exists across parts of the mortgage workflow and we see a long runway to continue automating and delivering real savings for our clients.

Because this is a highly regulated market that requires deep understanding of risk, audit, and governance before deployment, we embed AI directly into the systems of record reinforcing ICE's role as a neutral trusted platform that does not compete with its customers. That approach is especially relevant as the GSEs publish updated guidelines around AI usage. Our clients should take comfort in the fact that ICE mortgage technology operates under one of the most comprehensive risk and compliance frameworks in the industry.

This includes enterprise technology risk assessments built for multiple regulators, annual GLBA reviews, independently audited SOC reports shared with clients, application-level compliance and data privacy assessments, and former quarterly risk reports to an independent risk committee. Our AI capabilities are deployed within that same framework not outside of it which means the governance, auditability, and controls our customers rely on extend fully to every automation we deliver.

How clients interact with our platforms continues to evolve and what we're seeing is not displacement but deeper integration. In March alone, our servicing business processed approximately 4 billion API and web services calls, up nearly 20% year-over-year driven by increased use of our AI and business intelligence tools, a signal that our infrastructure is becoming more embedded in client operations, not less. On the product side, platform modernization remains a core priority. In February, we launched our enhanced MSP user experience and the efficiency gains are already measurable.

Take escrow as an example. What was previously a 46 touch point process spanning 10 days now requires just six touch points over two days. At our ICE Experience Conference in March, we unveiled AI powered voice and chat agents for mortgage servicing that handle routine borrower inquiries, execute common loan management actions, and help servicers manage fluctuating call volumes. We also launched 16 exception-based automation agents for complex servicing workflows including escrow management, investor reporting, and disaster-related processes.

Our MERS eRegistry surpassed 3 million registered e-notes in the quarter which are the work product of a fully digital closing. Leading lenders are now registering between 30% and 80% of their originations digitally. I'm also excited to announce that this month we signed an Encompass deal with a large super regional bank that is also an existing MSP customer, a great example of the cross-sell flywheel between origination, servicing, and data that continues to drive growth across the business.

Stepping back, what ties together ICE's best quarter in our history is the breadth of our model and the discipline behind it. Each of our businesses contributed whether through record exchange and clearing activity or continued momentum in data and workflows that compounds over time. The integration across our segments remains a competitive advantage, one that we will continue to execute on.

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 11. 25 years ago, ICE started with a single idea that opacity and inefficiency in markets were not inevitable conditions. They were problems that technology could solve. That conviction is the foundation upon which our technology rests and it's never been more relevant than it is today. This was a record quarter, in fact the strongest quarter in our company's history. This milestone is not the product of one favorable market environment, it's the compounding output of an all-weather business model that's been deliberately constructed, one that's designed to grow in all conditions.

Since inception, ICE has built markets that bring efficiency and transparency to an increasingly complex, regulated and constantly evolving world. A reality that is intensifying, not receding. Global systems are more interconnected, capital moves faster, and expectations for oversight and transparency continue to rise. Our role has never been to forecast which scenario will emerge but to build the technology that allows markets to function across all of them. Essentially a picks and shovels strategy.

This is why we've intentionally placed ICE at the intersection of markets influenced by both physical dynamics or the acts of God and those shaped by policy and human decisions or the acts of man. During periods of volatility, we see participants turning to our futures platforms to manage risk with increasing demand for trusted fixed income data and evaluated pricing. At the same time, our mortgage technology business benefits from structural tailwinds as the digital modernization continues to advance.

We do not build point solutions for moments in time. We build mission critical systems that operate through cycles across jurisdictions and under regulatory oversight. Artificial intelligence fits squarely within that strategy. It accelerates the way regulated workflows are processed by embedding intelligence directly into our systems of record, preserving governance and audibility, and while improving speed and insight. Importantly as automation increases, value shifts towards workflow outcomes rather than seat pricing. We recognize that early on that pricing on workflow outcomes would be the preferred pricing model. As AI is incorporated into these workflows, that pricing model remains durable and stands to benefit us.

Internally, we're already deploying AI in production across our organization. Teams are using it to undertake code writing, enhance pricing workflows, accelerate index calculations, support client interactions, and earlier identify loan servicing issues. These are not experiments. Our data team is actively transforming our proprietary and non-proprietary financial, market and commodity data into AI-ready formats and they themselves are internally integrating AI technologies into ICE to enhance data utility, extraction, and analysis for our clients.

ICE now offers an AI model control protocol server, or MCP server, located in our data center and available on the ICE proprietary cloud to ease access to ICE's non-proprietary data and we are actively engaged with major AI model vendors to explore the development of additional server protocols and topology for further access to and the protection of ICE's proprietary data. The non-proprietary data in ICE's MCP server recently launched and is being offered under existing license agreements to some of our customers to see if this type of delivery has benefits versus traditional data connectivity methods. And you can see from our quarterly results that the revenue from ICE's data and data infrastructure showed very strong growth.

New technologies such as tokenization and prediction markets are drawing increased attention. We approach these developments from first principles. How is risk managed? How does settlement function? From where does trusted data originate? And how do participants gain regulated access? Those questions matter regardless of the form that risk transfer takes and there are questions that ICE has spent decades learning how to answer.

At the New York Stock Exchange, we're putting this into practice. We're building a tokenized securities platform that combines our high velocity pillar matching engine with blockchain-based distribution and settlement designed for 24/7 trading. We are pursuing regulatory approval under existing federal law and this initiative is not dependent on any pending legislation. We've also signed a Memorandum of Understanding with Securitize naming them as the first digital transfer agent to support the tokenized security issuance and lifecycle management on our platform.

Our partnerships with Polymarket and OKX reinforce these initiatives from different angles. Polymarket continues to deliver strategic value through differentiated event-driven data that we've begun distributing to our institutional clients, and Polymarket's engineering team is collaborating with us concerning on-chain settlement and 24/7 capital movement.

OKX, which serves more than 120 million users globally, is working with us to connect its crypto native audience to ICE's regulated markets including US futures and NYSE tokenized equities while giving us a pathway to launch regulated crypto futures tied to OKX spot crypto prices. These initiatives complement our core franchises as our center of gravity remains the technology that supports global risk transfer, price discovery and capital formation.

Last month with Apollo as our anchor partner, we announced the launch of ICE Private Credit Intelligence. The private credit asset class has grown into one of the largest in the world, yet it still operates without the standardized reference data framework that is foundational to the transparency in traditional fixed income markets. No consistent reference data layer currently exists and there is no common foundation for assessing risk across portfolios. We're beginning with the data layer establishing common reference data, governance and permissioning from the outset. This is the same playbook we follow with publicly listed fixed income instruments where reference data, evaluated pricing and indices became essential market utilities over time.

The objective is to introduce comparability and consistency into workflows that it increasingly requires. We've navigated similar development cycles before. European natural gas once lacked benchmarks holding broad participation and confidence. We invested early, built the foundational capabilities and today our European TTF natural gas market serves as the cornerstone of a global natural gas franchise. This Private Credit Intelligence initiative follows a similar playbook and the intent is to build upon our reputation as one of the leading providers of pricing, reference data and indices to bring greater transparency to an asset class currently in need of such industry standards.

To close, this was a record quarter for ICE with adjusted earnings per share growing 37% year-over-year. More importantly, our performance reflects choices we made years ago, investments that were deliberate, integrated and built for durability. The world is more complex and more volatile than when we started. That complexity is not a headwind for ICE. It's a condition that our business is designed for and this perspective continues to guide how we think about the next phase of growth.

I'd like to conclude today's prepared remarks thanking our customers for their continued business and their trust, and I'd like to thank my colleagues at ICE for their execution and commitment that made another exceptional quarter possible.

I'll now turn the call back to our moderator and we'll conduct a 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 Chris Allen from KBW. Your line is now open. Please go ahead with your question.

**Chris Allen**

*Analyst, KBW*

Q

Yeah, morning, everyone. I wanted to dig a bit deeper on the health of the energy marketplace. OI is holding in growing year-over-year. We recognize that but given the recent pullback in volumes, we're getting a lot of questions on whether we've tilted into bad volatility territory, are now in a period of market exhaustion or some major deaths are sidelined post meaningful losses to start the year. So I was hoping you could provide some additional color to address these concerns in the energy marketplace.

**Benjamin R. Jackson**

*President, Intercontinental Exchange, Inc.*

A

Thanks, Chris. Hey, it's Ben. So as you alluded to in the way you framed your question, our markets were doing and performing very well even before the Iran conflict broke out. Obviously there's a confluence of major issues around the world that clients are managing risk around even prior to this with trade and tariffs, geopolitical issues, weather sensitivity, concerns around energy supply security, tight energy supplies and growing demand for energy and power. And throughout all that, last year and even at the start of this year, OI market data subscriptions and market participants all remained strong.

Then the Iran war broke out and obviously there's new risks that people need to manage. And the key things that we look at for the health of the market are and you highlighted one of them is that our open interest right now is higher than where it was at year end for futures and options, for energy, for oil, for Brent, for gas TTF. And even over the past week, open interest hit all-time records across futures and options.

At the same time when you said our deaths are sidelined, et cetera, we're seeing market participation across a whole bunch of our markets in particular across energy as well as data subscriptions are all at or near all-time records and highs. So we're seeing more and more participation coming into the market. And we've also seen some particularly strong growth in our options market with options OI up 40% across our options franchise. And for oil, gas and environmentals, all are up about 25%. And as many people know, options tend to be the most capital-efficient way to hedge and manage risk around the range of outcomes as well as tail risks.

If you expand out and just look at it from a longer term perspective, there's no doubt that global energy supply chains today can continue to be rewired. And virtually every leg of that rewiring runs through our global energy franchise and through our contracts. And if you use just one particular example of many would be that Asian buyers right now are already lining up for alternative sources of fuel, refined products and LNG all of which are primarily our markets where we have the most deep illiquid markets. But it also means there's going to be longer haul trade routes, more demand for freight, fuel oil, marine fuels, all markets where we hold near 100% share.

So there's no doubt that there's more hydrocarbons that are in demand around the world, more supply routes that are being established. All of this means there's more risks for people to manage long term. And this isn't a single event. It's a multi-year structural repricing across energy. And our franchise is no doubt the only one that can truly support this for our clients. We also have the most diversified franchise where, as supply and demand dynamics

change, as volatility increases, what we see is that it brings in more participants into the market. And when those market participants come in, they tend to stay which is another really good sign.

And then lastly we've talked about our portfolio margining capabilities with ICE Risk Model 2. That enables us – the combination of the things I said before as well as the portfolio optimization that we're able to provide and the capital efficiencies that we're able to provide to clients to manage these risks is another thing that we point to as a long-term sign positive side for the growth of these markets and risk management tools for our customers.

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

**Kenneth B. Worthington**

*Analyst, JPMorgan Securities LLC*

Q

Hi, good morning. I wanted to build on Chris' question on the cyclical to one on the secular. Can you talk about the energy trading business and how Gulf oil is posed to expand? Maybe you start by sharing or highlighting your share in Gulf oil and talk about the transition the market is seeing in the physical delivery from Cushing to physical delivery of Midland. And then lastly what is happening in the capacity to ship to Asia and what this all means for ICE?

**Benjamin R. Jackson**

*President, Intercontinental Exchange, Inc.*

A

Thanks, Ken. It's Ben again. You hit on a very interesting part in the way you asked that question. Because the thing I would start with when you think about market share in the Gulf, to us what's most important is the commercial use of these commercials that are in there using these markets for the core utility that they provide which is risk management. And I've alluded to this on prior calls that the physical delivery is the number of barrels that are actually going into delivery into these futures contracts on HOU versus our peer at Cushing. HOU has been anywhere from two to three times the number of deliveries that Cushing has seen.

And if you look back at just March alone of this year, our HOU contract had 9 million barrels that went into delivery and Cushing had 1.6 million barrels. So I think that tells you that the commercials and the commercial interest in what we've developed as a risk management tool with HOU is an important development for the – and important sign for the future development of that market.

The other thing to point out is that within Brent, some time ago now, WTI oil is flowing into that specification. And that WTI oil that's flowing into that is based in Houston. So our HOU contract is the best price point for people to manage that risk and really think about oil that's hitting the water and going into the Brent spec. And if you expand out even further into what is the spot market, the spot market is dated Brent. And that is the spot price for the pricing of oil moving around the world. And that is 100% ICE's market.

And then when you think about the Iran situation that's going on with the effective closing of the Straits of Hormuz, we see that as, again, a rewiring of supply chains that I just referred to in the answer to Chris' question a minute ago. And that should lead to a tremendous amount of more opportunities for us to help clients manage risk. And another perfect example is that Asian buyers right now are lining up for alternative sources of crude, refined products, and LNG. All of those are on us. And as I mentioned before, longer haul trade routes, demand for freight, fuel oil, and marine fuels, these are 100% of our markets. So we see this as a development that's going to – that's a multi-year restructural repricing across the energy supply chain. And that our end-to-end solution is the one that clients are going to go to.

**Kenneth B. Worthington***Analyst, JPMorgan Securities LLC*

Great. Thank you.

**Operator:** Thank you. Our next question comes from Michael Cyprys from Morgan Stanley. Your line is now open. Please proceed.

**Michael J. Cyprys***Analyst, Morgan Stanley & Co. LLC*

Oh, hey. Good morning. Thanks for taking the question. I wanted to ask about tokenization. Just curious to get your latest views there and if blockchain-based settlements reduce settlement times to near instant. Just curious how you think about that impacting clearing revenues and collateral economics across your platform. And more broadly, curious your views on any sort of gating factors, regulatory technology, or client readiness as you think about what determines whether tokenized security scale over the next couple of years versus more of a 10-plus-year timeframe.

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

Michael, that's a very good question. This is Jeff. So, I think embedded in your question is the view that we have, which is the main benefit of tokenization is going to be a rewiring of the movement of money and value and that essentially it's going to allow that to happen on the Internet as opposed to the conventional banking wires. And as your question suggests, it's going to allow that to happen quickly with bearer instruments and will change your ability to custody – self-custody or work with third-parties very quickly to provide custodial services.

And all that to us means that there'll be more volume of trading and transactions. When you make something easier, people do more of it. And as you've probably seen from the equity markets, when the equity markets simply went from T-plus-two-day to T-plus-one-day settlement, look at the volume growth in equities. I attribute much of the volume growth over the last year-plus because it's been cheaper for people to trade equities.

If you just look at ICE launching our IRM 2 clearing model and look at the volumes of trade that we just reported, I don't think it's coincidental that making it better, faster, and cheaper to move capital against trading positions results in increased volumes. So I think over time, people – and it's partly why we're doing this, people that are adopting settlement and capital movement on-chain will benefit from increased activity. The one wrench that may be thrown in that is that none of us may want to put our worth on the Internet if somehow the encryption can be broken by quantum computing or hacking or any other technology that would suggest, hey, we should stay on a private banking network.

I do think that the incumbent participants in the market, including not just exchanges but banks and brokerages and other third-parties, will all benefit. They'll obviously be new actors. There are new actors, and there will be new actors that will embrace these technologies faster that can take share. But I think the reality is we're going to probably end up with tokenized bank deposits, tokenized trades on ICE and our peers, and that we, ICE, are in a good position. You heard us talk about we built an MCP server that is there for AI, whether or not that becomes an oracle for reference data, which will be in demand for people trading on-chain. Obviously, in our data center now, we settle and transfer title in conventional ways.

I suspect that we will become a validator on-chain and similarly have that business. And as we've talked about right now, our model is to hook our conventional trading platforms to the chain so that – because our platforms

are so high-velocity and have so much interconnectivity with the market that we do think that matching will still happen on conventional technology, but title transfer and custody and capital movement will move via the Internet through encrypted tokens. Anyway, that's at a high level how we're thinking about it and embracing it because I think it's coming. And as long as we can get the encryption right, this will open up new opportunities for higher volumes and more activity on our conventional platforms.

**Operator:** Our next question comes from Brian Bedell from Deutsche Bank. Your line is now open. Please go ahead.

**Brian Bedell**

*Analyst, Deutsche Bank Securities, Inc.*

Q

Great. Thanks. Good morning, folks. Thanks for taking my question. Maybe switching over to fixed income data and data and tech, just noticing the really straight-line improvement in growth here, FIDS overall recurring revenue going up 5%, 6%, 7%, 8%, and now 9% on a year-over-year basis the last five quarters, and looks like that contribution is coming both from FIDS and data and network technology with data and tech obviously now in the double digits. So can you just talk about what have been the two or three or so biggest drivers organically for that and outlook throughout 2026? I assume the Polymarket initiative is going to be included in this area. And then I guess just – overall, I guess the punchline is just the mid-single-digit revenue growth guidance in FIDS. Recurring revenues seem conservative given the really strong momentum here.

**Christopher S. Edmonds**

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

A

Hi, it's Chris. I'll take the first part of that and then kick it to Warren for your last part of your question. Certainly, the appetite for data across the entire segment was some of the comments that Jeff made around AI and things that were doing that. There are three real components that we have in the portfolio, a very large segment of proprietary data that is very well-versed in the regulatory community. What I mean by that, folks – customers across the entire space depend on this data in order to meet certain regulatory requirements they have in their business.

So, as the market continues to grow and the proprietary data that we produce continues to be used in more fashions, whether it be coming across an MCP server in the future or things of that nature, that opportunity at the end of the day gives us a much broader path of engagement with the clients.

The delivery mechanisms of choice with the flexibility for you to consume that data across the portfolio is also something that we are, one, proud of and, two, continue to expand upon along the way, so we can meet the customer exactly where they are. And so, really, it's a confluence of these events of a greater need, a greater portfolio that we continue to invest in on a consistent basis based on specific client demand. I'll point to part of your question around Polymarket and the other sentiment pieces that we have out there as a prime example of that interest and further demand and our ability to deliver that in a way that is not disruptive to the current operations of the clients that depend on us daily for that activity.

So, it's really those three things working together and providing that protection, that intellectual property that gives us the opportunity to continue to expand with our clients as their needs continue to develop over time as market changes.

**Warren Gardiner**

*Chief Financial Officer, Intercontinental Exchange, Inc.*

A

Hey, Brian, it's Warren. And then on your question around the guidance, it was obviously a really good start to the year, and so that gives us a lot of incremental confidence in the targets that we set, which were towards the higher end of the mid-single-digit range for the full year.

I think two things I would just point out around that is one of the benefits we've had over the last couple of quarters and showed through the first half of this year was selling Hall 5 in our data center, within our Mahwah Data Center. We've largely done that and filled out that hall. And so, as we get to the second half of this year, those comps do get a little bit tougher. But that said, Hall 6 is coming right behind it next year and Hall 7 behind that. And so that's really just – it's nothing structural there. That's just timing. But that will probably lead to a little bit lighter growth on the data network technology line as you get to the second half of this year.

And then, again, it is still a little bit early in the year, but the one thing I can't predict is what markets are going to do. So, some of the AUM revenues within our index business could fluctuate, of course, as we move through the year. They've obviously had a great start to the year, but that's just one thing we can't really predict. So, maybe being a little conservative around that. So, ultimately, I think the quarter just gives us a lot more confidence so we can hit those targets that we set for you guys back in February.

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**Operator:** Our next question today comes from Alex Blostein from Goldman Sachs. Your line is now open. Please proceed.

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**Alexander Blostein**

*Analyst, Goldman Sachs*

Q

Hi. Good morning. Thank you for the question. Wanted to touch on mortgage, seeing a decent improvement here recently. Obviously, the overall base is still relatively low, but the momentum seems to be building a bit. So, I was hoping you could speak to what you're seeing with respect to, I guess, the recurring revenue improvement sequentially, where that's sort of coming from, and as you think about the opportunity to start charging on overages if volume picks up, where you guys are in that process, kind of how far away are we to start to see some of those benefits?

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**Benjamin R. Jackson**

*President, Intercontinental Exchange, Inc.*

A

Thanks, Alex. This is Ben. So, what you see is a combination of different factors. So, we did have, as we've talked about many times, some headwinds on subscription revenues with clients that have renewed or signed onto the platform back in 2020 and 2021. And we've worked through the vast majority of those renewals.

But recall that when we were doing those renewals, anytime that we had pressure on subscription, we were increasing the foreclosed loan fee on those loans, which would put us in a position to benefit from the volume environment when it returns with getting higher per transaction fees. And we've seen that come through this past quarter on the legacy Encompass business and closing business alone. We're up approximately 30% in terms of our transaction revenues there. So, that's really good. And we'll continue to work through. And as I said, we've worked through a lot of the cohorts that came in that high volume environment. So, very well positioned there.

You're also seeing the benefit of clients, all the sales success that I've mentioned in past calls. We have more and more clients that are going live on the platform, both across our servicing business as well as on the Encompass business. And we continue to have great sales success. If you look at MSP alone, we're at a record number of clients that are on the platform. We have more that are implementing. We closed six new MSP deals last year.

We closed another one here in the first quarter. We obviously now have UWM, United Wholesale Mortgage, now live on the platform and building loans.

And then also on the servicing side, from a macro perspective, there was a lot of fear from a lot of our banking clients around how the Basel rules were going to be implemented and that there would be a potential for punitive capital treatment for holding MSRs on their books. And all signs are that that's going to change substantially. And we're already seeing and that there'll be incentives for banks to get back into the MSR business. And we're already seeing a lot of that activity with some of the banks starting to step in and buy MSR portfolios. So that's a positive.

And then on the Encompass side, we closed 90 deals last year. 90 deals on Encompass last year, 30 in the fourth quarter. Some of the deals that we closed late last year, one of them is with one of the largest correspondent lenders in the United States that's already on MSP and they're now implementing. We closed one of the largest HELOC lenders in the US that is on MSP that's now implementing. And as I mentioned in the prepared remarks, the large super regional bank that we've closed here in April is Huntington Bank. So they're already on MSP and one that we're going to be in the process of implementing. And we've had a number of clients go live. So you have JPMorgan that continues to ramp. We've had M&T go live. We've had Howard Hanna go live and a number of others. So to me, it's all those things that are feeding into a lot of the tailwinds we're seeing now on the mortgage side.

**Operator:** Our next question comes from Dan Fannon from Jefferies. Your line is now open. Please go ahead.

**Daniel T. Fannon**

*Analyst, Jefferies LLC*

Q

Thanks. Good morning. So, Jeff, I was hoping you could talk about your appetite for M&A currently and how that weighs against via share repurchases here in the short and medium term.

**Jeffrey Craig Sprecher**

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

A

Sure. This is Jeff. I would refer you a little bit to Warren's prepared remarks that one of the big M&A transactions that we did in the quarter was to buy back our own stock, which we think had disconnected from the fundamentals of the company. And we had the flexibility and obviously cash flow generation to do that. We continue to generate tremendous cash flow – free cash flow. And if you look at us today, we're buying back more stock.

Our dividend is at an all-time high. We've been able to reinvest in the business with many of the initiatives that Warren and Ben talked about in their prepared remarks and invest in things like Polymarket and OKX and a few other AI-related investments that we've been making. So we're in a very good spot right now. We always look for should we buy versus build if we need to in terms of moving forward. Valuations are complicated right now. Some people look to be undervalued. Other people seem to be massively overvalued.

And so as you probably are aware, when we do look at M&A, we're looking at the terminal value and whether or not there's something that ICE can do to some third-party business that would – that management team is not able to do on their own. And if we find those opportunities, we'll weigh those against the M&A of buying our own shares back and whether or not the ROI is better in that case versus – and would accelerate future cash flow faster than us continuing to buy back our stock.

**Operator:** Thank you. With that, unfortunately, we have run out of time. So I'll hand back over for closing remarks.

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## Jeffrey Craig Sprecher

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

Well, thank you, Drew, and thanks for moderating the call. And I appreciate all of you joining us this morning. We'll be back to update you again soon. And meanwhile, we're going to continue to innovate to build an all-weather business model to generate growth on top growth. And with that, we appreciate your participation in the call and hope you have a great day.

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

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