



# ICE Overview

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Transforming global markets

# A Global Market Infrastructure Provider

Synergies Between Data and Trading Drive a Virtuous Cycle

- World's deepest and broadest source of **mission-critical derived data & analytics critical to pre-trade workflows**

- **6 clearing houses across the globe;** comprehensive risk management solutions



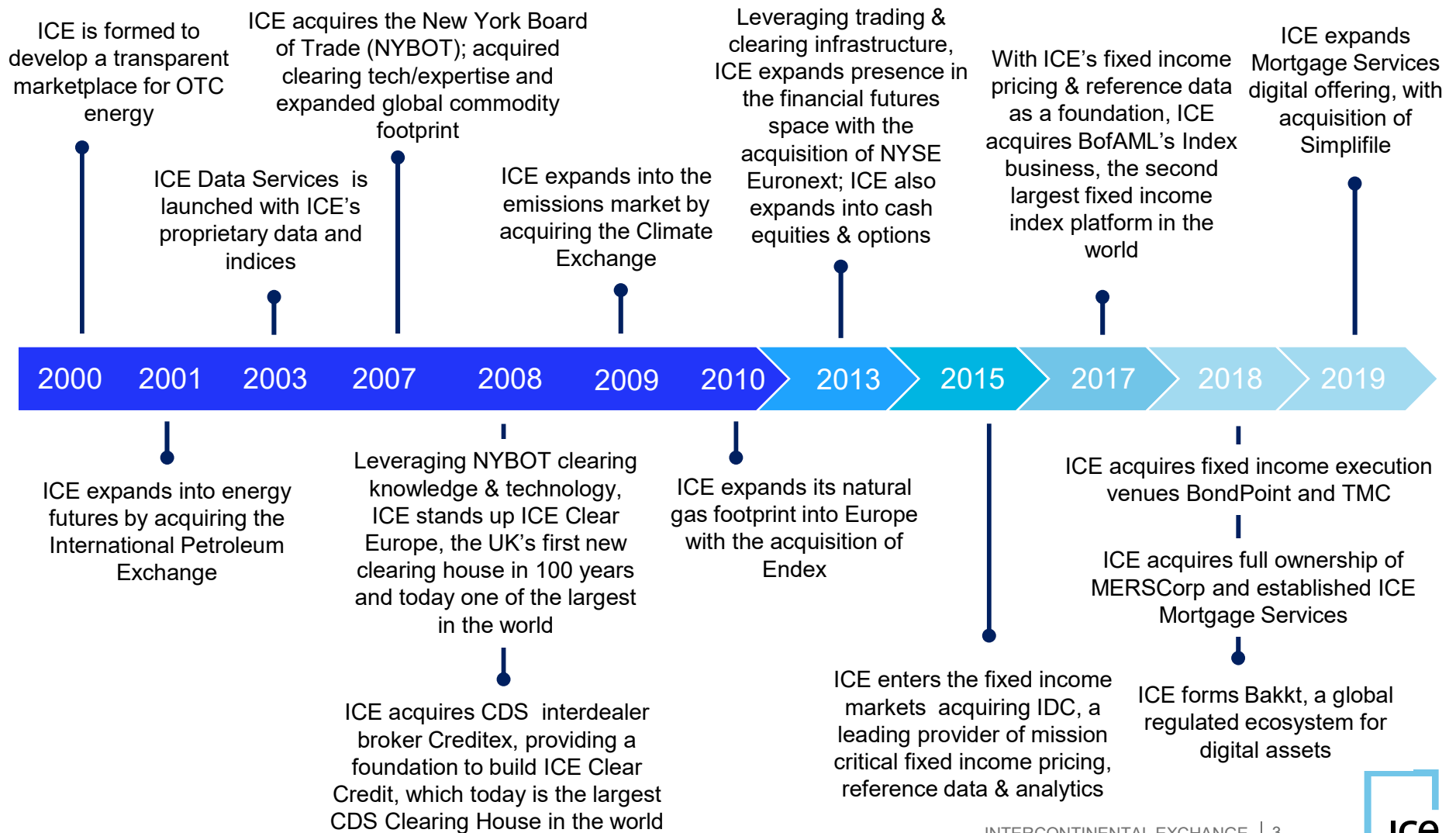
- **Global Markets**

- Energy, Ags & Metals
- Rates & FX
- Equities
- Fixed Income & Credit
- Digital Assets

- **Price, value & analyze:** index calculation, reporting & post-trade risk mgmt
- Flexible data delivery options through **ICE Global Network**

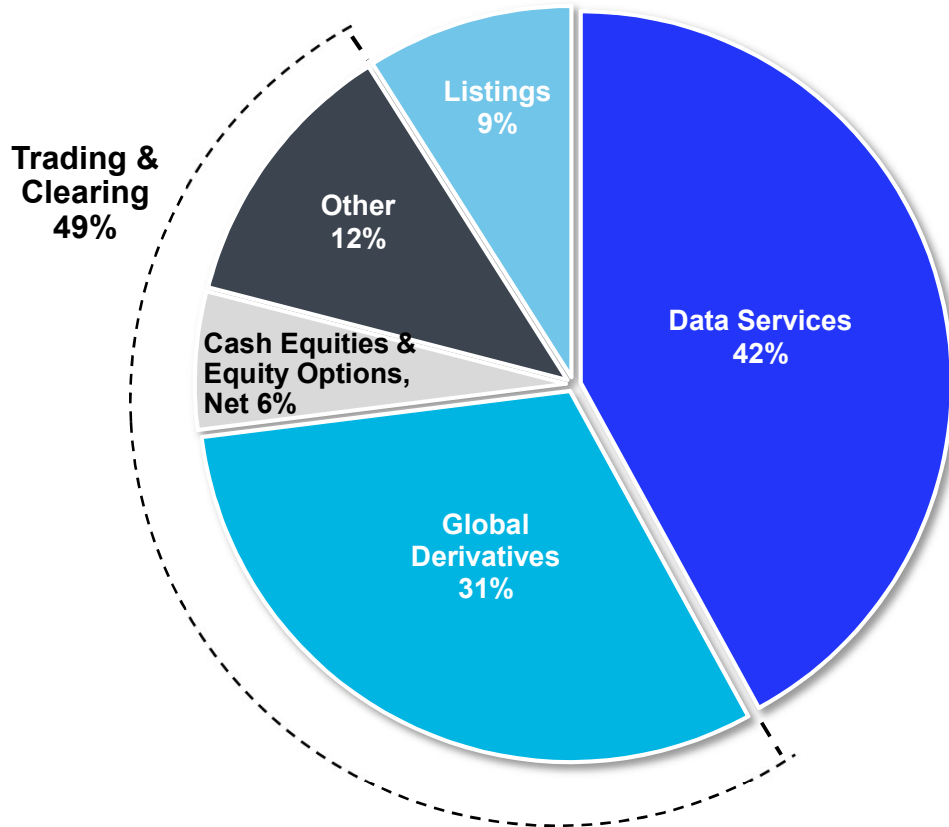
# A History of Innovation

## Evolution Through Organic Initiatives and Strategic Acquisitions



# Balanced Revenue Mix, Leading Margins, Consistent Growth

2019 Net Revenue<sup>(1)</sup>  
**\$5.2B, +5% y/y, cc**



**51%**

**Recurring Revenues**

**58%**

**Adjusted  
Operating Margins**

**14**

**Consecutive Years  
of EPS Growth**

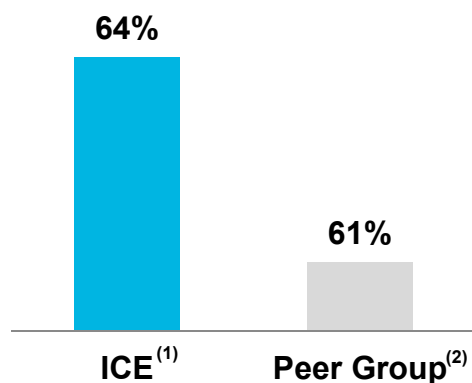
(1) Net of transaction-based expenses.  
Adjusted figures represent non-GAAP measures. Please refer to slides in the appendix for reconciliations to the equivalent GAAP measures.

# Trading & Clearing Built on Global Benchmarks

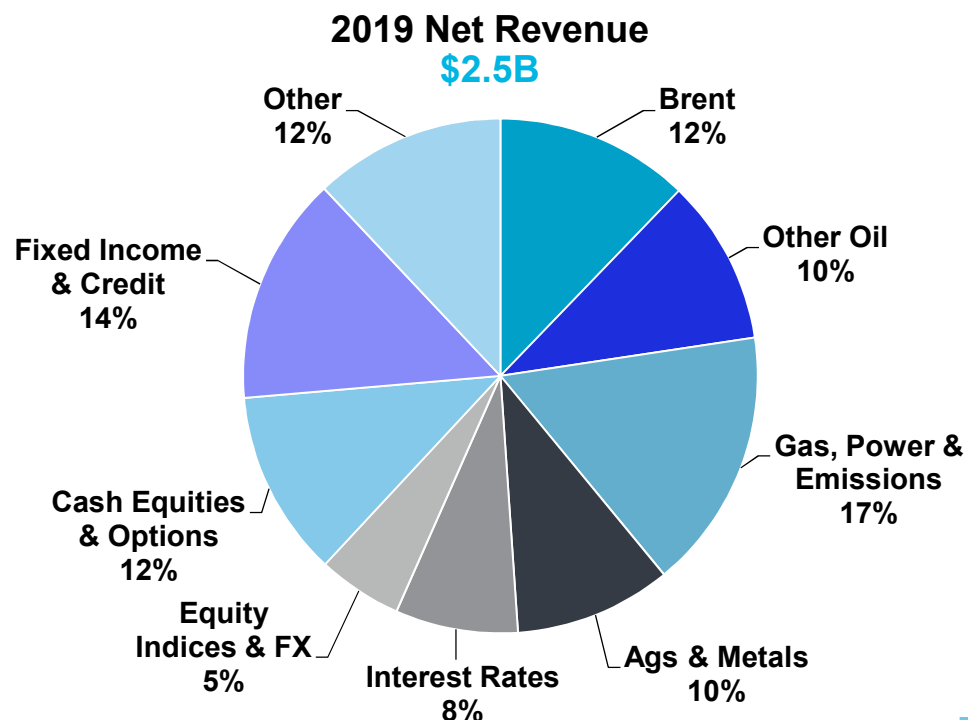
- Exchanges & clearing houses in the U.S., Canada, UK, EU and Singapore spanning major asset classes
- Flagship Brent, Gasoil, global natural gas, leading UK & European interest rates complex, MSCI and FX
- Scaled business with above-peer operating margins
- Commercial client base & unique data and clearing infrastructure facilitates organic product development

## High Margin Business

Trading & Clearing Adj Op Margin  
2019



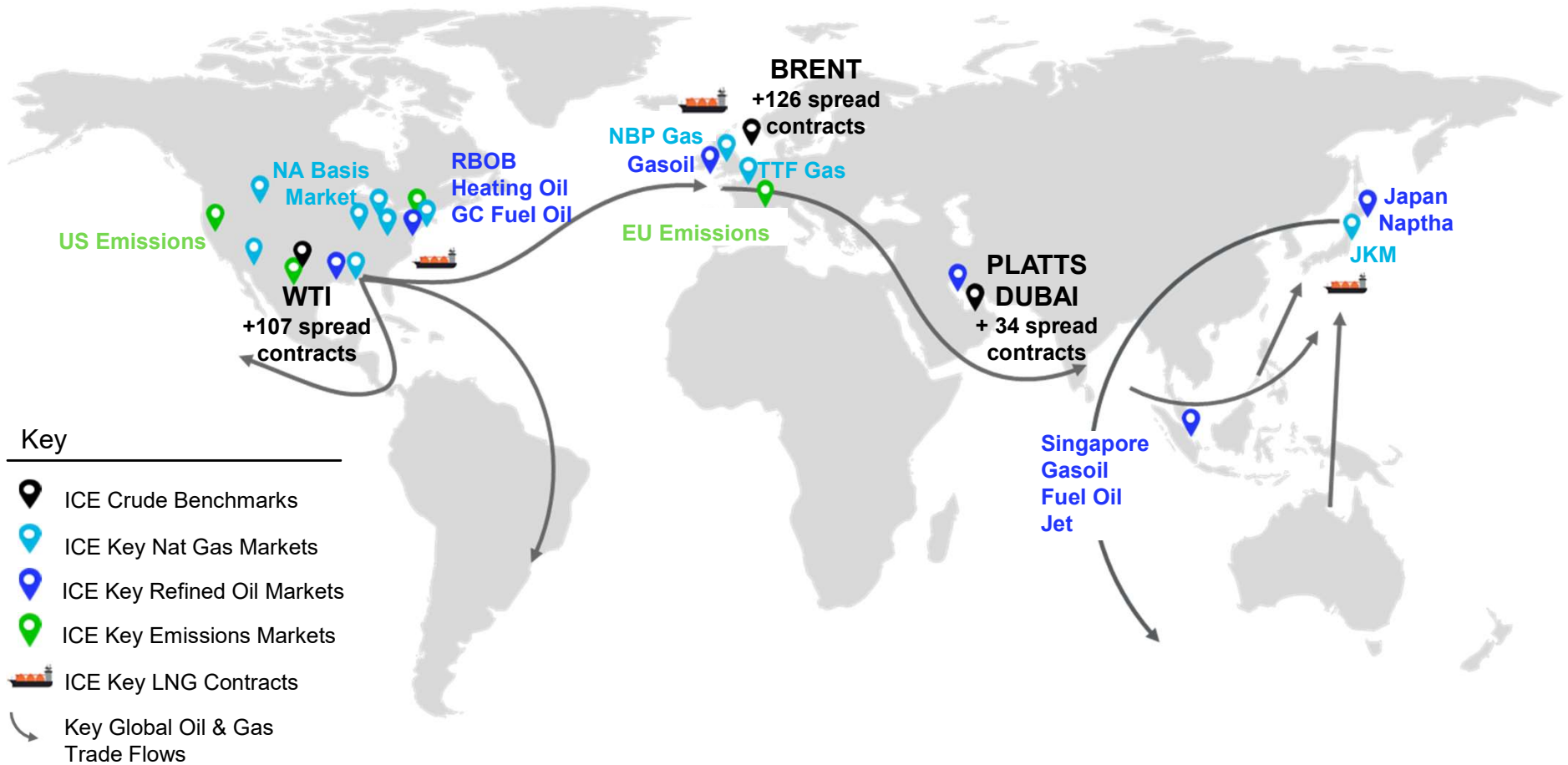
## Diversified Trading & Clearing Revenue Mix



(1) Adjusted figures represent non-GAAP measures. Please refer to slides in the appendix for reconciliations to the equivalent GAAP measures.

(2) Peer group consists of CME Group Inc., Deutsche Boerse Ag, and the transaction-based businesses of Nasdaq Inc. and London Stock Exchange Plc. Source: Company's public filings.

# A Leading Global Energy Ecosystem





# A Diversified Suite of Financial Products

## Fixed Income & Credit

- ~95% share of global CDS cleared
- Multiple electronic execution protocols serving the corporate, muni and UST fixed income markets
- Electronic solutions and products facilitating the digitization of the U.S. mortgage market

## Cash Equities & Options

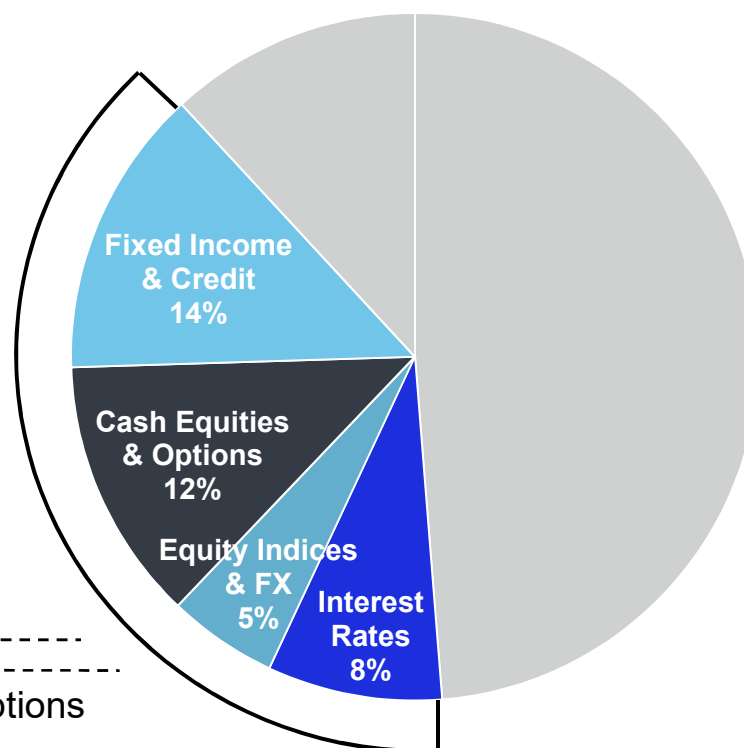
- 5 cash equity and 2 options exchanges
- Leading U.S. cash equity market share of 24%

## Equity Derivatives

- MSCI, FTSE & FAANG index futures & options
- MSCI Emerging Markets Futures one of the top 5 largest equity index contracts globally; MSCI volume +28% on average since 2014

## Interest Rate Derivatives

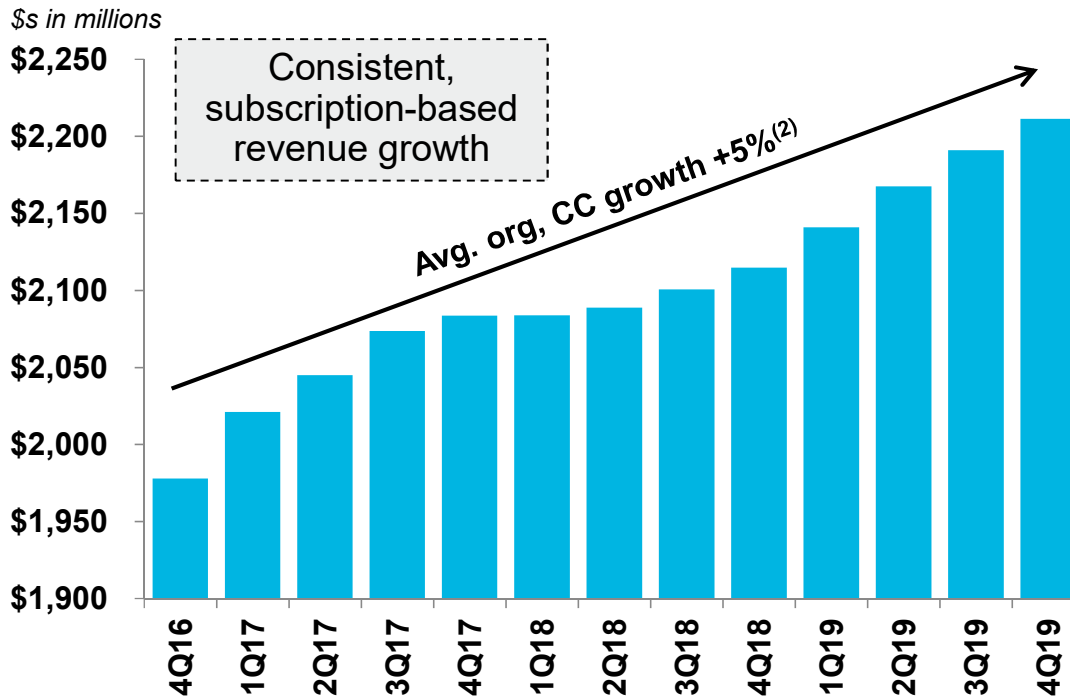
- Full UK interest rate curve from overnight to 30 years (Short Sterling & Gilts)
- Short-term European interest rates (Euribor), as well as a global suite of rate products including: Euroswiss, SONIA, SOFR, SARON & EONIA



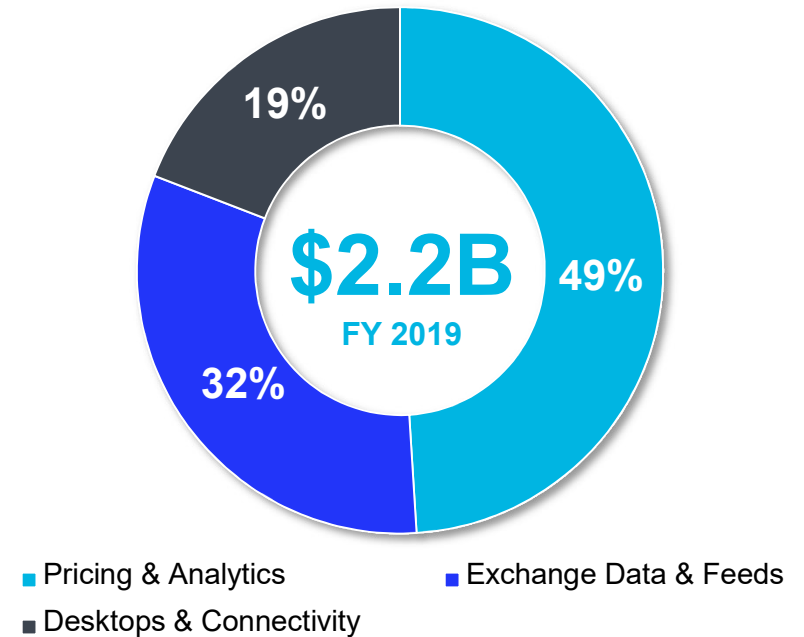
# Compounding Growth in Data Services

## Data & Analytics Across the Major Asset Classes

### Trailing 12 Month Data Services Revenues<sup>(1)</sup>



### ICE Data Services Revenue



(1) Revenue numbers in chart represent as-reported data services revenue, including businesses that have been acquired, divested or discontinued .

(2) Organic growth excludes businesses that have been acquired, divested or discontinued that significantly impact the comparable periods. Revenues in constant currency are calculated holding both the pound sterling and euro at the average exchange rate from the prior year period.



# Mission Critical Proprietary Content

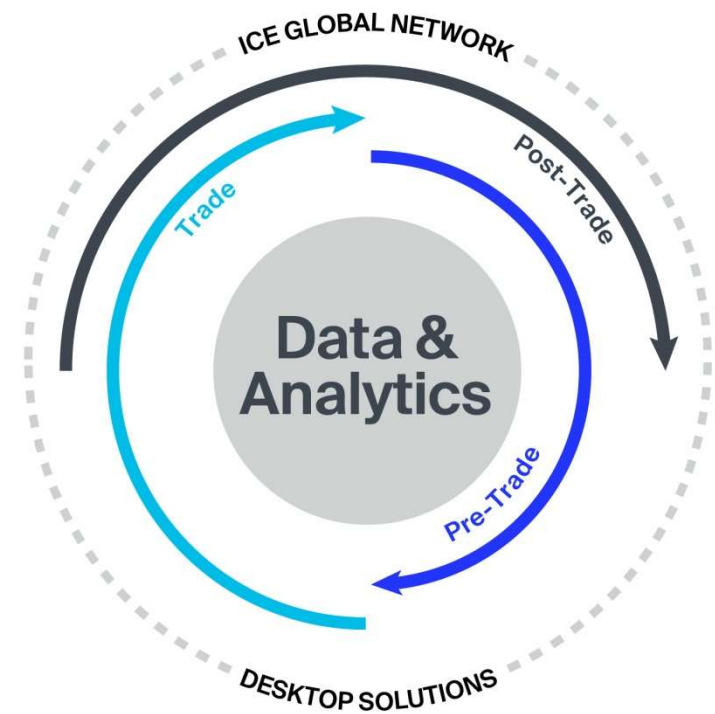
## Data & Analytics for Risk Management Workflows

### Pricing & Analytics

- **Evaluative Pricing:** real-time & end of day prices on nearly 3 million fixed income & other hard to value securities globally
- **Reference Data:** terms and conditions on 33 million instruments across 210 markets to inform an array of risk management & compliance functions, index construction and improved operational efficiency
- **Indices:** fixed income, equity, commodity and currency indices; Second largest fixed income index provider, with over \$1 trillion benchmarked AUM including \$200 billion of fixed income ETF AUM, ~20% of industry AUM
- **Analytics:** best execution services, ICE Liquidity Indicators™ and fixed income and equity portfolio analytics

### Exchange Data & Feeds

- **Exchange Data:** real-time, historical, and derived pricing data as well as order book and transaction information related to our trading venues, spanning global commodity and financial markets.
- **Consolidated Feeds:** data from a 150+ third-party trading venues and data/news feeds from 750 sources.



# Distributed Across A Global Network

Flexible & Secure Connectivity & Content Distribution

## Depth and Breadth of Content & Community

- Direct connectivity to **150+ global markets**
- Access to **750+** proprietary and other sources, including ICE Data Services content

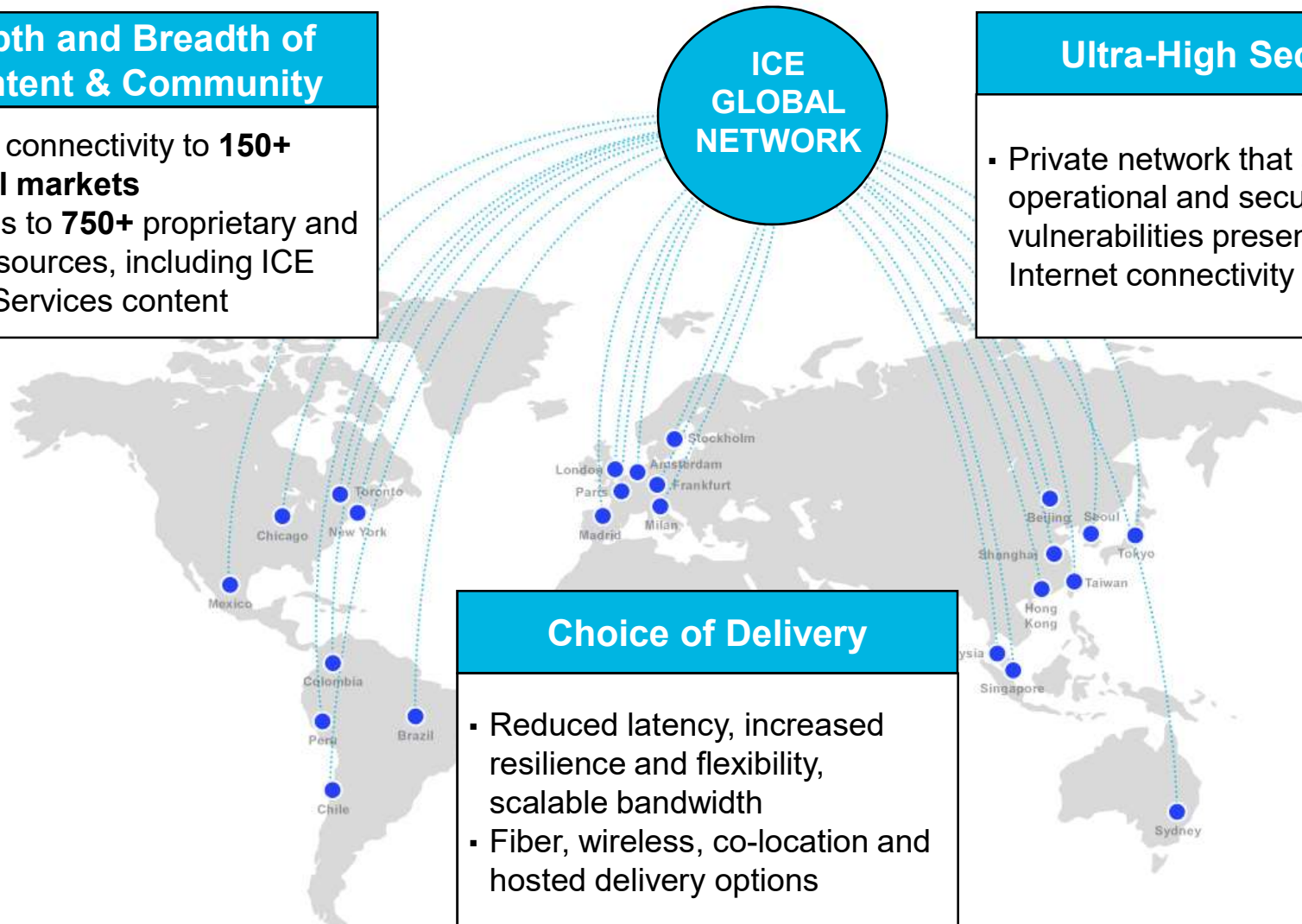
## ICE GLOBAL NETWORK

## Ultra-High Security

- Private network that avoids operational and security vulnerabilities present with Internet connectivity

## Choice of Delivery

- Reduced latency, increased resilience and flexibility, scalable bandwidth
- Fiber, wireless, co-location and hosted delivery options



# Applying Expertise to New & Evolving Markets

## Leveraging Core Infrastructure & Expertise to Drive Growth

### Fixed Income Electronification

- Leveraging core pricing & reference data, ICE is building new analytics, indices and other front-office tools to drive transparency across the fixed income workflow
- Launched ETF Hub, a platform that standardizes and brings efficiency to the ETF create redeem process
- ICE Bonds trading platforms now integrated with leading institutional order management systems (OMS), such as Aladdin & Charles River

### Digital Assets

- Partnering with Starbucks, Microsoft and others, Bakkt is building a trading, payment & storage ecosystem that serves the \$1 trillion digital asset marketplace
- Bolt-on acquisition of Bridge2Solutions, and launch of consumer app, expands ability to manage, convert and transact an array of digital assets on a single platform, ranging from crypto to air miles
- Physical Bitcoin futures & options trading launched in 2019

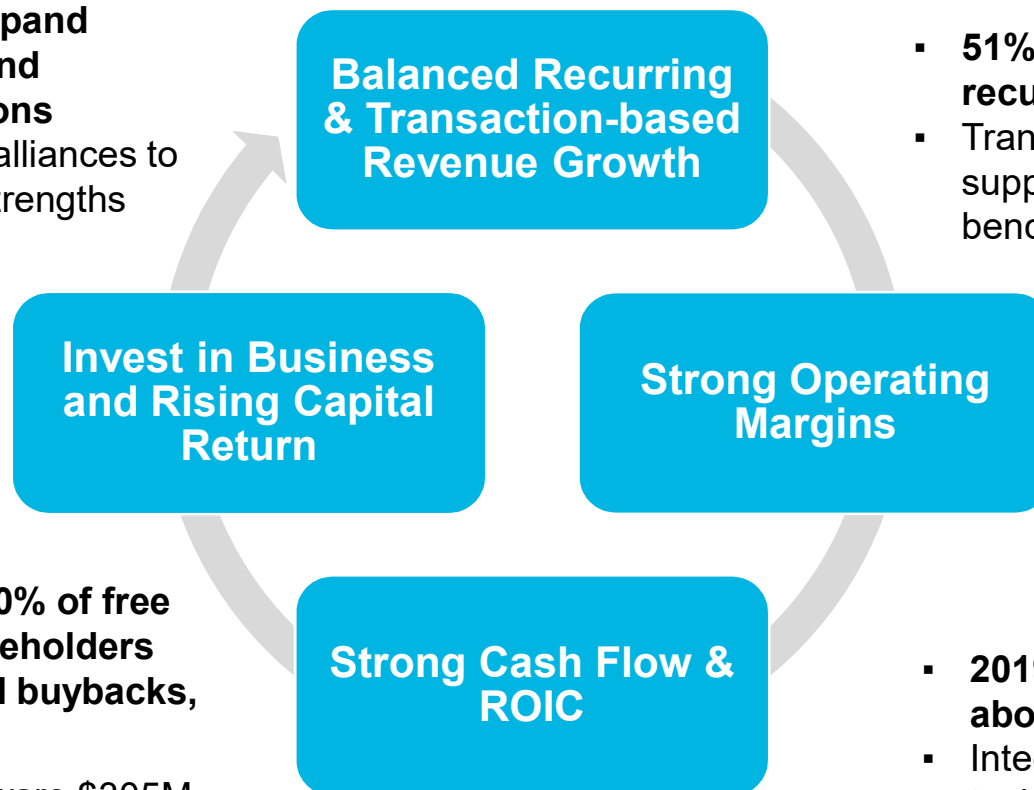
### Digital Mortgage Solutions

- Building solutions to streamline the mortgage workflow
- MERS database home to ~75% of newly originated U.S. mortgages
- Simplifile is one of the largest e-recording networks covering U.S. counties accounting for 80% of the population
- Adoption of digital mortgage solutions is expanding with record eNote and record eRecording volume in 2019

← Scalable Technology & Global Distribution →

# A Proven Model for Long-Term Growth

- Invest in new product development to expand range of content and distribution solutions
- Strategic M&A and alliances to leverage our core strengths and drive growth



- **51% of total revenue is recurring**
- Transaction business supported by leading global benchmarks and liquidity pools

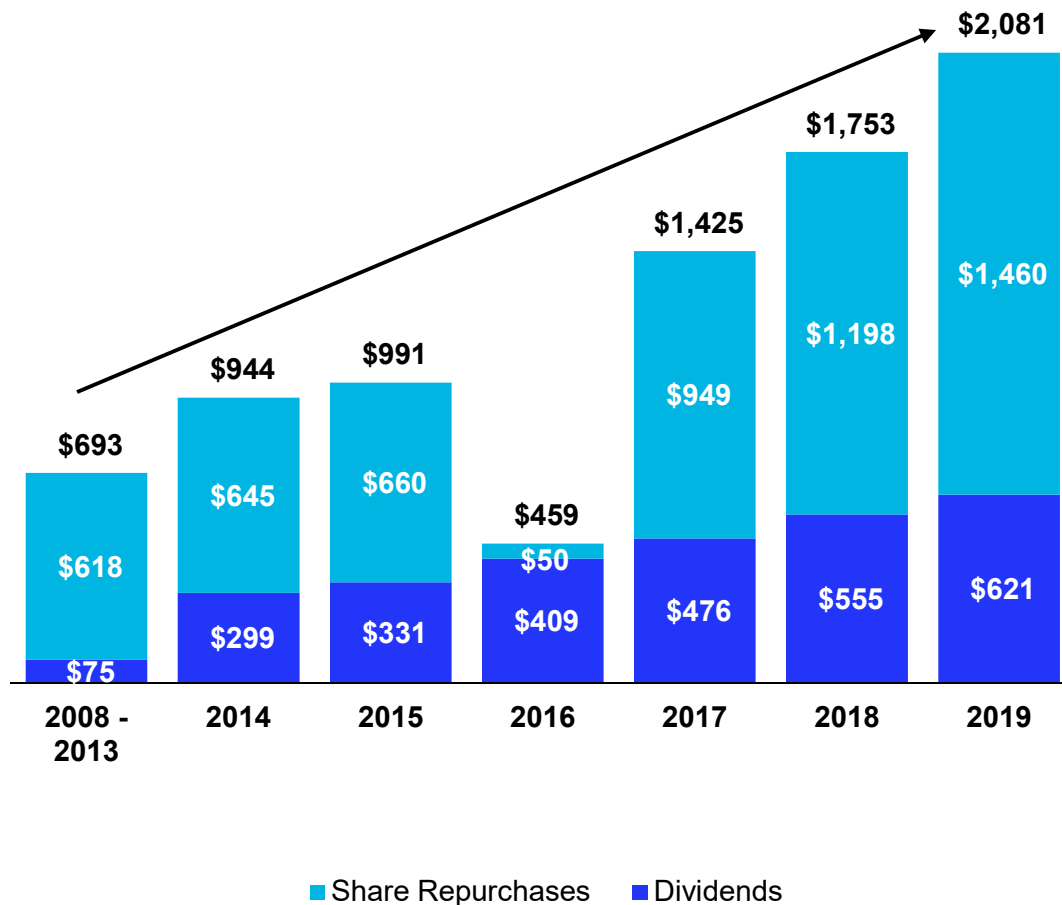
- **Goal to return 100% of free cash flow to shareholders via dividends and buybacks, net of M&A**
- 2019 Cap Ex/Software \$305M
- Record capital return of nearly \$2.1B in 2019, +19% y/y

- **\$2.7B operating cash flow in 2019**

- **2019 adj. op margin of 58%, above peer group average<sup>(1)</sup>**
- Integrated and innovative technology platform supports cost-efficient business expansion

(1) Peer group consists of CME Group Inc., Deutsche Boerse Ag, Nasdaq Inc., London Stock Exchange Plc., S&P Global Inc., MSCI Inc., IHS Markit Ltd  
Adjusted figures represent non-GAAP measures. Please refer to slides in the appendix for reconciliations to the equivalent GAAP measures.

# Rising Capital Return



## Capital Return Philosophy

### Dividend Growth

- Grow the dividend as the company grows
- Double-digit increase on avg. since 2013

### Share Repurchases

- 100% of excess FCF, net of strategic M&A & dividends, allocated to share repurchases

### Rising Capital Return

- Nearly \$2.1B returned to shareholders in 2019, +19% y/y
- 2.3x gross leverage – within target range to maintain A / A2 rating

# A Disciplined Approach to Strategic M&A

Systematic, repeatable process for evaluating and valuing acquisitions

## Proactive Approach to Identifying Potential Targets

Leverage deep relationships with customers to gain insights

Monitor emerging technology

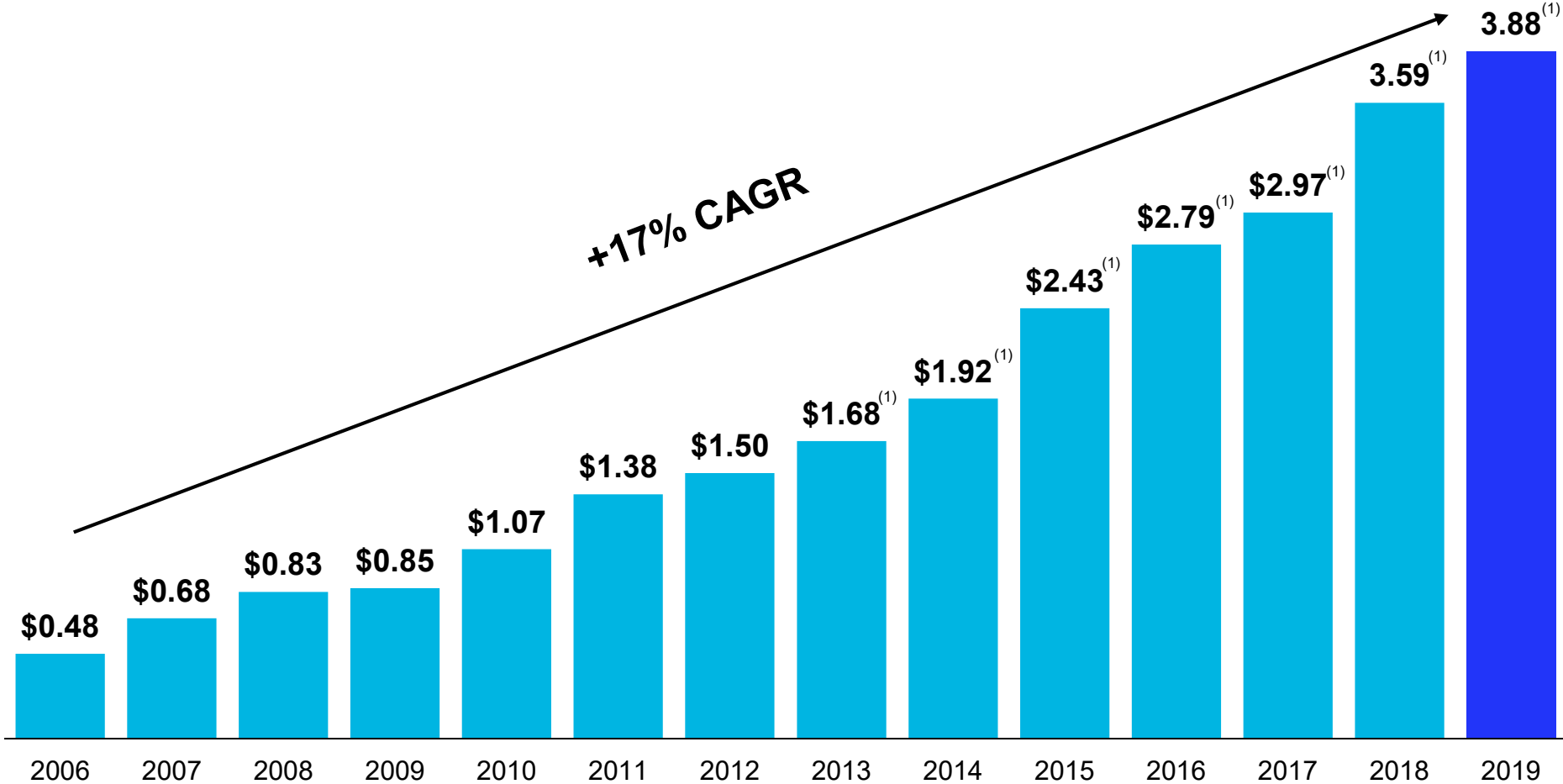
Conduct independent research on sector trends

## Disciplined Analytical Process

- **Rigorous Financial Criteria & Strict Valuation Principles**
  - Target returns greater than 10%
  - ROIC above the cost of capital, with consistent growth after year 1
  - 90%+ synergies achieved in first 3 years
  - Accelerate growth of target company
- **Strategic Benefits Requirements**
  - Deepen moats
  - Gain intellectual property
  - Increase customer wallet-share
  - Possess technology opportunity at its core
  - Expand content / distribution

# Consistent Track Record of Growth

Adj. EPS Growth Every Year as a NYSE-listed Company



(1) Adjusted figures represent non-GAAP measures. Please refer to slides in the appendix for reconciliations to the equivalent GAAP measures.





# For Additional Information

## Investor Relations website:

[www.ir.theice.com](http://www.ir.theice.com)

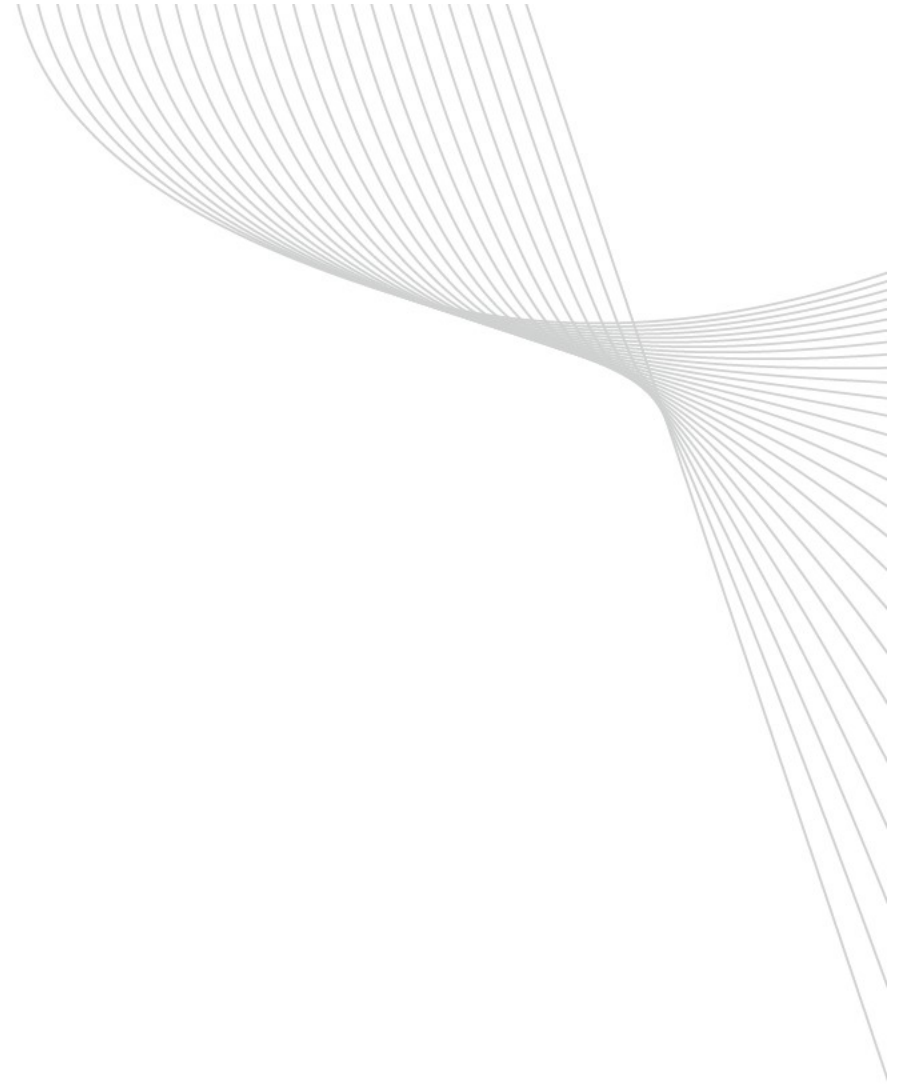
## Investor Relations contacts:

Warren Gardiner, CFA  
Vice President, Investor Relations  
[warren.gardiner@theice.com](mailto:warren.gardiner@theice.com)

Mary Caroline O'Neal, CPA  
Manager, Investor Relations  
[marycaroline.oneal@theice.com](mailto:marycaroline.oneal@theice.com)

[investors@theice.com](mailto:investors@theice.com)

# Appendix



# Adjusted Net Income From Continuing Ops and EPS From Continuing Ops

	Twelve Months Ended 12/31/2019	Twelve Months Ended 12/31/2018
Net income attributable to ICE common stockholders	\$ 1,933	\$ 1,988
Add: Interactive Data transaction and integration costs and acquisition-related success fees	—	30
Add: Amortization of acquisition-related intangibles	309	287
Add: Impairment of CAT promissory notes	16	—
Add: Impairment of exchange registration intangible assets on ICE Futures Singapore	31	—
Less: Gain on acquisition of MERS	—	(110)
Add: Impairment of exchange registration intangible assets on closure of ICE Futures Canada and ICE Clear Canada	—	4
Add: Employee severance costs related to ICE Futures Canada and ICE Clear Canada operations	—	4
Add: Gain on divestiture of Trayport, net	—	1
Less: Income tax effect for the above items	(90)	(98)
Add/(Less): Tax adjustments from U.S. tax reform	—	(11)
Add/(Less): Deferred tax adjustments on acquisition-related intangibles	(8)	(5)
Add/(Less): Other tax adjustments	3	(13)
Adjusted net income attributable to ICE	<u>\$ 2,194</u>	<u>\$ 2,077</u>
Diluted earnings per share attributable to ICE	<u>\$ 3.42</u>	<u>\$ 3.43</u>
Adjusted diluted earnings per share attributable to ICE	<u>\$ 3.88</u>	<u>\$ 3.59</u>
Diluted weighted average common shares outstanding	<u>565</u>	<u>579</u>

# Adjusted Net Income From Continuing Ops and EPS From Continuing Ops

in millions except per share amounts	Twelve Months Ended 12/31/17	Twelve Months Ended 12/31/16	Twelve Months Ended 12/31/15	Twelve Months Ended 12/31/14	Twelve Months Ended 12/31/13
Net income attributable to ICE	\$2,526	\$1,429	\$1,274	\$981	\$254
Add: Interactive Data and NYSE transaction and integration costs and acquisition-related success fees	31	46	83	124	140
Add: Impairment on divestiture of NYSE Governance Services	6	—	—	—	—
Add: Accruals relating to investigations and inquiries	14	—	—	—	—
Add: Employee severance costs related to Creditex U.K. brokerage operations	—	4	—	—	—
Add: Creditex customer relationship intangible asset impairment	—	33	—	—	—
Add: Litigation settlements and accruals, net of insurance proceeds	—	—	15	—	—
Add: Amortization of acquisition-related intangibles	261	302	140	131	56
Less: Gain on divestiture of Trayport, net	(110)	—	—	—	—
Add / (Less): Cetip impairment loss / investment gain, net	(167)	—	—	—	190
Add: Duplicate rent expense and lease termination costs	—	—	—	—	7
Add: Early payoff of outstanding debt	—	—	—	—	51
Add: Pre-acquisition interest expense on debt issued for Interactive Data acquisition	—	—	5	—	—
Less: Income from OCC equity investment	—	—	—	(26)	—
Less: Net gain of sale of 6% remaining ownership in Euronext	—	—	—	(4)	—
Less: Income tax effect for the above items	(43)	(143)	(83)	(89)	(85)
Less: Deferred tax adjustment from U.S. tax rate reduction	(764)	—	—	—	—
Add / (Less): Deferred tax adjustment on acquisition-related intangibles	10	(22)	(82)	(14)	—
Add: Other tax adjustments	—	23	7	12	—
Add/(Less): Income (loss) from discontinued operations, net of tax	—	—	—	(11)	50
Adjusted net income attributable to ICE	\$1,764	\$1,672	\$1,359	\$1,104	\$663
Diluted EPS	\$ 4.25	\$ 2.39	\$ 2.28	\$ 1.69	\$ 0.77
Adjusted Diluted EPS	\$2.97	\$2.79	\$2.43	\$1.92	\$1.68
Diluted weighted average common shares outstanding	594	599	559	573	396

# Adjusted Operating Income, Operating Margin & Operating Expense Reconciliation

	Trading and Clearing Segment		Data and Listings Segment		Consolidated	
	Twelve Months Ended December 31,		Twelve Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	2019	2018	2019	2018
Total revenues, less transaction-based expenses	\$2,542	\$2,420	\$2,660	\$2,559	\$5,202	\$4,979
Operating expenses	\$1,033	\$911	\$1,496	\$1,485	\$2,529	\$2,396
Less: Interactive Data transaction and integration costs and acquisition-related success fees	—	6	—	24	—	30
Less: Amortization of acquisition-related intangibles	94	73	215	214	309	287
Less: Impairment of exchange registration intangible assets on ICE Futures Singapore	31	—	—	—	31	—
Less: Impairment of exchange registration intangible assets on closure of ICE Futures Canada and ICE Clear Canada	—	4	—	—	—	4
Less: Employee severance costs related to ICE Futures Canada and ICE Clear Canada operations	—	4	—	—	—	4
Adjusted operating expenses	\$908	\$824	\$1,281	\$1,247	\$2,189	\$2,071
Operating income	\$1,509	\$1,509	\$1,164	\$1,074	\$2,673	\$2,583
Adjusted operating income	\$1,634	\$1,596	\$1,379	\$1,312	\$3,013	\$2,908
Operating margin	59%	62%	44%	42%	51%	52%
Adjusted operating margin	64%	66%	52%	51%	58%	58%

# Free Cash Flow Calculation

in millions	Twelve Months Ended 12/31/2019	Twelve Months Ended 12/31/2018
Cash flow from operations	\$2,659	\$2,533
Less: Capital expenditures and capitalized software development costs	(305)	(280)
Add/(Less): Section 31 fees, net	(34)	33
Free cash flow	\$2,320	\$2,286

# About Intercontinental Exchange

[Intercontinental Exchange](#) (NYSE: ICE) is a Fortune 500 company formed in the year 2000 to modernize markets. ICE serves customers by operating the [exchanges](#), [clearing houses](#) and information services they rely upon to invest, trade and manage risk across global financial and commodity markets. A leader in market data, [ICE Data Services](#) serves the information and connectivity needs across virtually all asset classes. As the parent company of the [New York Stock Exchange](#), the company raises more capital than any other exchange in the world, driving economic growth and transforming markets.

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