



# THIRD QUARTER 2016 EARNINGS SUPPLEMENT

NOVEMBER 1, 2016

Intercontinental Exchange



# Forward-Looking Statement and Legends

## CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This presentation may contain “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements regarding ICE’s business that are not historical facts are forward-looking statements that involve risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in these forward-looking statements are reasonable, these statements are not guarantees of future results, performance, levels of activity or achievements, and actual results may differ materially from what is expressed or implied in any forward-looking statement. The factors that might affect our performance include, but are not limited to: general economic conditions and conditions in global financial markets; volatility in commodity prices, equity prices, and price volatility of financial benchmarks and instruments such as interest rates, credit spreads, equity indexes and foreign exchange rates; our business environment and industry trends; continued high renewal rates of subscription-based data revenues; changes in domestic and foreign laws, regulations, rules or government policy with respect to financial markets, or our businesses generally, including increased regulatory scrutiny or enforcement actions and our ability to comply with these requirements; our ability to identify and effectively pursue acquisitions and strategic alliances and successfully integrate the companies we have acquired or acquire in the future; the success of our clearing houses and our ability to minimize the risks associated with operating multiple clearing houses in multiple jurisdictions; the resilience of our electronic platforms and soundness of our business continuity and disaster recovery plans; performance and reliability of our technology and the technology of our third party service providers; increasing competition and consolidation in our industry; our ability to keep pace with rapid technological developments and to ensure that the technology we utilize is not vulnerable to security risks, hacking and cyber-attacks; the accuracy of our cost estimates and expectations; our belief that cash flows from operations will be sufficient to service our current levels of debt and fund our working capital needs and capital expenditures for the foreseeable future; our ability to identify trends and adjust our business to respond to such trends; our ability to maintain existing market participants and attract new ones, and to offer additional products and services, leverage our risk management capabilities and enhance our technology; our ability to attract and retain our key talent; our ability to protect our intellectual property rights, including the costs associated with such protection, and our ability to operate our business without violating the intellectual property rights of others; and potential adverse results of litigation and regulatory actions and proceedings. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see ICE’s Securities and Exchange Commission (SEC) filings, including, but not limited to ICE’s most recent Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the SEC on February 4, 2016. These filings are available in the Investors section of our website. We caution you not to place undue reliance on these forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of an unanticipated event. New factors emerge from time to time, and it is not possible for management to predict all factors that may affect our business and prospects. Further, management cannot assess the impact of each factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

## GAAP AND NON-GAAP RESULTS

This presentation includes non-GAAP measures that exclude certain items we do not consider reflective of our cash operations and core business performance. We believe that the presentation of these non-GAAP measures provides investors with greater transparency and supplemental data relating to our financial condition and results of operations. These adjusted non-GAAP measures should be considered in context with our GAAP results. A reconciliation of Adjusted Net Income from Continuing Operations, Adjusted Earnings Per Share from Continuing Operations, Adjusted Operating Income, Adjusted Operating Margin and Adjusted Operating Expenses to the equivalent GAAP measure and an explanation of why we deem these non-GAAP measures meaningful appears in our Form 10-Q and in the appendix to this presentation. The reconciliation of Adjusted Effective Tax Rate and Adjusted Debt-to-EBITDA to the equivalent GAAP results appear in the appendix to this presentation. Our Form 10-Q, earnings press release and this presentation are available in the Investors and Media section of our website at [www.theice.com](http://www.theice.com).

## EXPLANATORY NOTES

All net revenue figures represent revenues less transaction based expenses for periods shown. All earnings per share figures represent diluted weighted average share count on continuing earnings.

# ICE Third Quarter 2016 Earnings Call

## Participants:



**Jeff Sprecher**  
Chairman & CEO  
Chairman, NYSE



**Chuck Vice**  
President & COO



**Scott Hill**  
Chief Financial Officer

## Investor Relations:

Kelly Loeffler, CFA

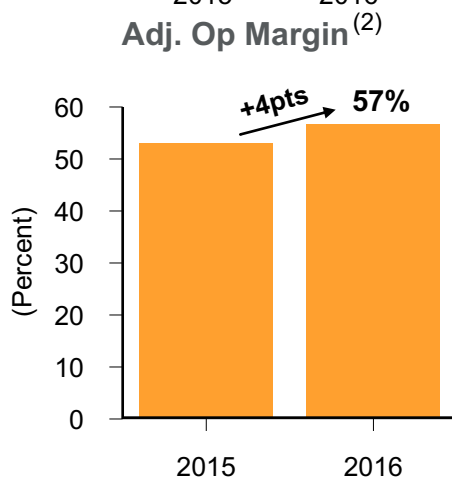
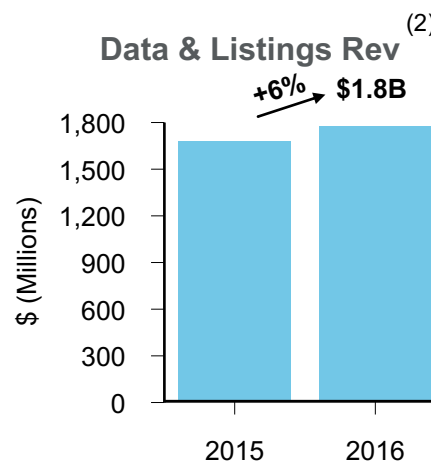
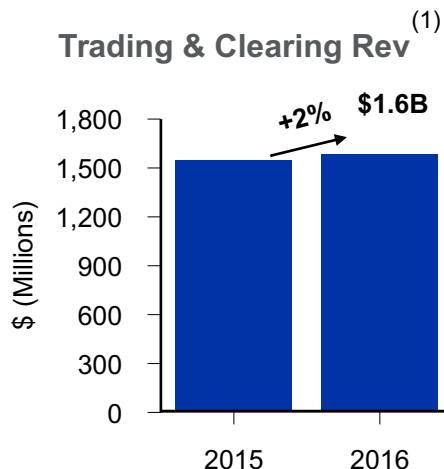
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# Year-to-Date September 2016 Highlights

- Revenue of \$3.4B<sup>(1)</sup>, +4% y/y<sup>(2)</sup>, accelerated synergies and margin expansion drove double digit earnings growth
- \$1.5B op cash flow, \$307MM in dividends and leverage down to 2.3x adj. debt to EBITDA<sup>(3)</sup>**



(1) Net of transaction-based expenses.

(2) YTD Sep. '15 figures reflect pro forma results which include Interactive Data Corporation and Trayport as if we had owned them during that period. 2015 pro forma results by quarter are available in the Investor Relations section of our website.

(3) Adjusted debt-to-EBITDA reflects the ratio of adjusted debt to adjusted EBITDA for the trailing twelve months. This reflects a non-GAAP measure. Please refer to slides in the appendix for reconciliation to the equivalent GAAP measure.

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

# Third Quarter 2016 Performance

INCOME STATEMENT HIGHLIGHTS (in millions except per share amounts and percentages)	Adj. 3Q16	3Q15 Pro- forma <sup>(1)</sup>	% Chg
<b>Net revenues</b>	<b>\$1,078</b>	<b>\$1,073</b>	<b>-</b>
<b>Adj. Operating Expenses</b>	<b>\$484</b>	<b>\$500</b>	<b>(3)%</b>
<b>Adj. Operating Income</b>	<b>\$594</b>	<b>\$573</b>	<b>4%</b>
<b>Adj. Operating Margin</b>	<b>55%</b>	<b>53%</b>	<b>+2pts</b>
<b>Adj. Tax Rate</b>	<b>30%</b>	<b>28%</b>	<b>+2pts</b>
<b>Adj. Net Income attributable to ICE</b>	<b>\$385</b>	<b>\$389</b>	<b>(1)%</b>
<b>Adj. Diluted EPS</b>	<b>\$3.21</b>	<b>\$3.24</b>	<b>(1)%</b>

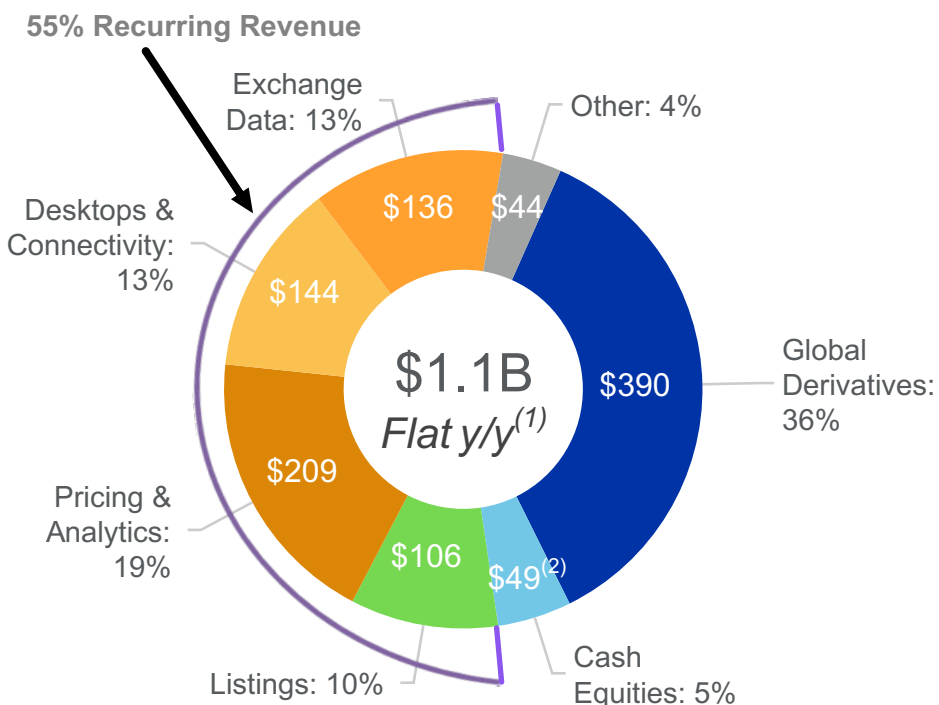
(1) 3Q15 figures reflect pro forma results which include Interactive Data Corporation and Trayport as if we had owned them during that period. 2015 pro forma results by quarter are available in the Investor Relations section of our website.

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

# Third Quarter 2016 Revenue

- Data & Listings revenue +5% y/y<sup>(1)</sup>; including pricing & analytics +3%<sup>(1)</sup>, adjusted for impact of Pound devaluation and 3Q15 billing true-up
- Trading & Clearing revenue -4% y/y; energy revenues +4%, and interest rate revenues -15% despite ADV +13%, due to currency impacts and customer mix
- Expect pro-forma data revenue growth of 6-7% in 2016; favorable trends entering 2017**

## Q3 2016 Consolidated Revenue (\$MM)



\$ (in millions)	Q3 '16	Q3 15 Pro Forma <sup>(1)</sup>	% Chg
<b>Data Services<sup>(1)</sup>:</b>			
Pricing and analytics	209	209	(1)%
Desktops and connectivity	144	141	3%
Exchange Data	136	116	17%
Listings	106	101	5%
<b>Data &amp; Listings Segment</b>	<b>595</b>	<b>567</b>	<b>5%</b>
<b>Trading &amp; Clearing, net:</b>			
Commodities	262	255	2%
Financials <sup>(2)</sup>	177	205	(14)%
Other	44	46	(2)%
<b>Trading &amp; Clearing Segment</b>	<b>483</b>	<b>506</b>	<b>(4)%</b>

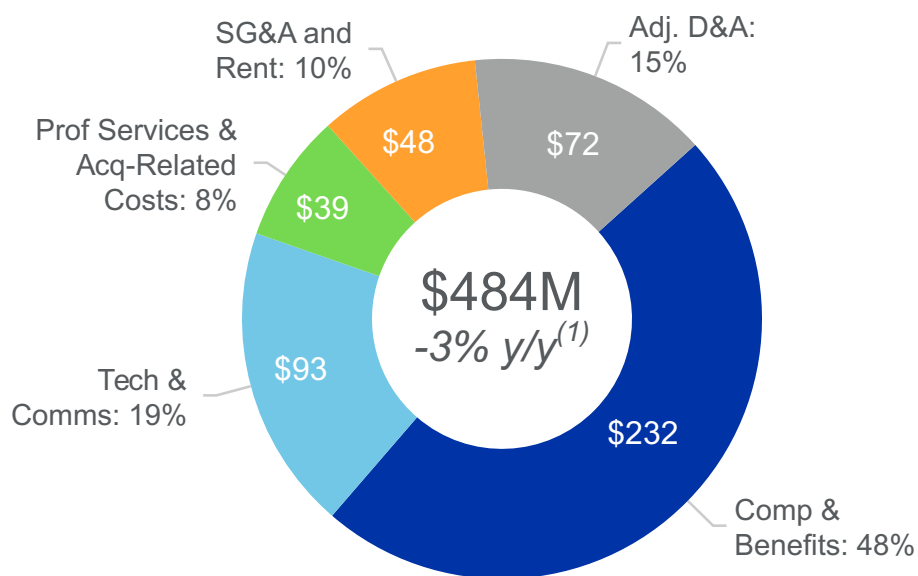
(1) QTD Sep. '15 figures reflect pro forma results which include Interactive Data Corporation and Trayport as if we had owned them during that period. 2015 pro forma results by quarter are available in the Investor Relations section of our website.

(2) Net of transaction based expenses.

# Third Quarter 2016 Adjusted Expense

- Adj. expense -3% y/y<sup>(1)</sup>; adj. margin +2 pts y/y<sup>(1)</sup> to 55%
- Expense discipline and synergy acceleration; increased 2016 expense synergies from \$75MM at beginning of year to ~\$115MM, including ~\$65MM related to Interactive Data acquisition
- Adj. op expense guidance of \$500-505MM for 4Q16, includes addition of Securities Evaluations and Credit Market Analysis

## Q3 2016 Adj. Operating Expense (\$MM)



\$ (in millions)	Adj. Q3 '16	Q3 15 Pro Forma <sup>(1)</sup>	% Chg
Data & Listings			
Other Operating <sup>(2)</sup>	253	254	— %
D&A	37	40	(10)%
M&A	6	—	1,117 %
<b>Data &amp; Listings</b>	<b>296</b>	<b>294</b>	<b>1 %</b>
<b>Operating Margin</b>	<b>50%</b>	<b>48%</b>	<b>+2pts</b>
Trading & Clearing			
Other Operating <sup>(2)</sup>	152	169	(10)%
D&A	35	35	2 %
M&A	1	2	(78)%
<b>Trading &amp; Clearing</b>	<b>188</b>	<b>206</b>	<b>(9)%</b>
<b>Operating Margin</b>	<b>61%</b>	<b>59%</b>	<b>+2pts</b>

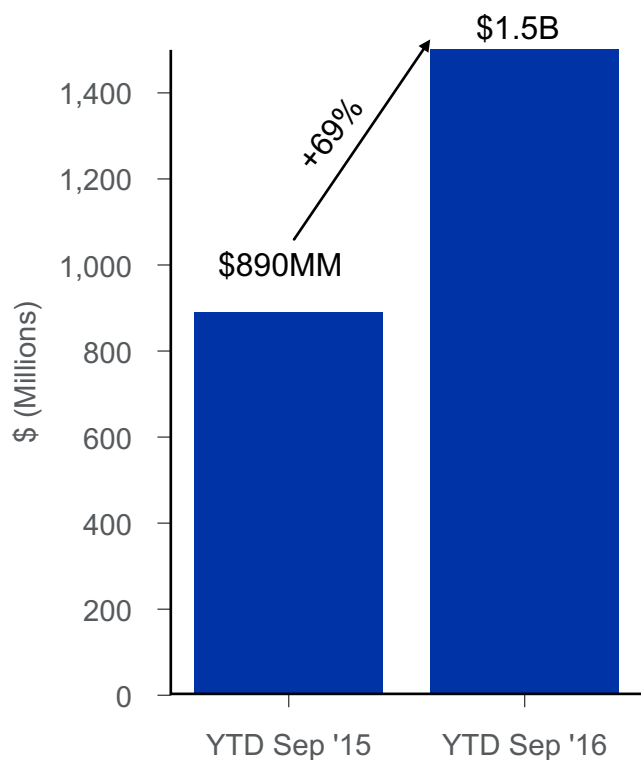
(1) QTD Sep. '15 figures reflect pro forma results which include Interactive Data Corporation and Trayport as if we had owned them during that period. 2015 pro forma results by quarter are available in the Investor Relations section of our website.

(2) Other operating includes SG&A, rent, professional services, technology and communications, and compensation and benefits. Adjusted figures represent non-GAAP measures. Please refer to slides in the appendix for reconciliations to the equivalent GAAP measures.

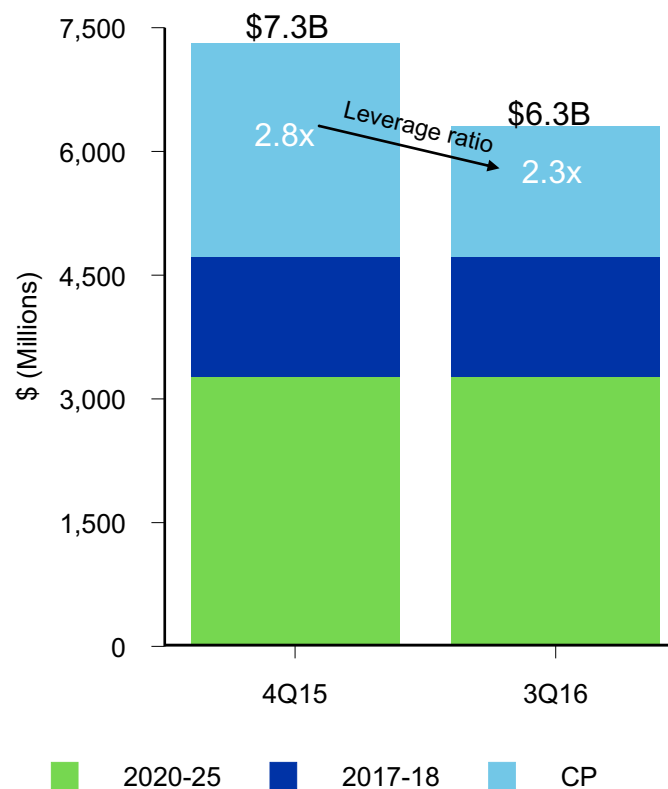
# Strong Cash Flow & Debt Reduction

- Generated \$1.5 billion in operating cash flow YTD
- YTD dividends of ~\$307MM; +28% y/y
- Restarted share repurchases in Oct. '16 under existing \$1B authorization
- Approved 5-for-1 stock split; with a record date of 10/27/16 and a distribution date of 11/3/16

## Operating Cash Flow



## Debt Profile <sup>(1)</sup>



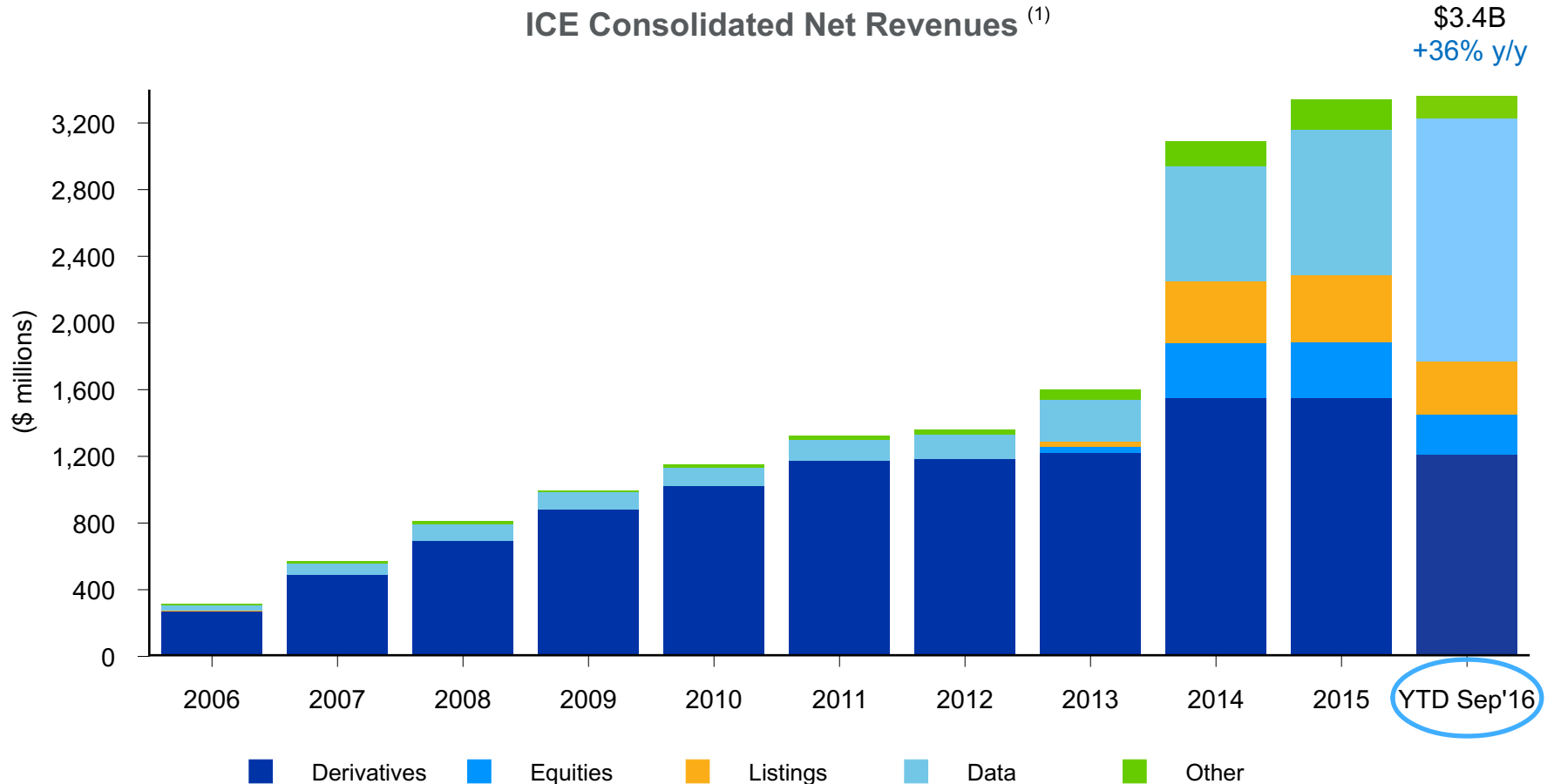
(1) Adjusted debt-to-EBITDA leverage ratio reflects the ratio of adjusted debt to adjusted EBITDA for the trailing twelve months. This reflects a non-GAAP measure. Please refer to slides in the appendix for reconciliation to the equivalent GAAP measure.



# Product Diversity Enables Consistent Growth

- Strategic approach delivering growth amid dynamic regulatory, economic and volatility environments
- Consistent evolution of model by focusing on secular growth, including clearing and data

ICE Consolidated Net Revenues <sup>(1)</sup>



(1) Net of Transaction Based Expenses

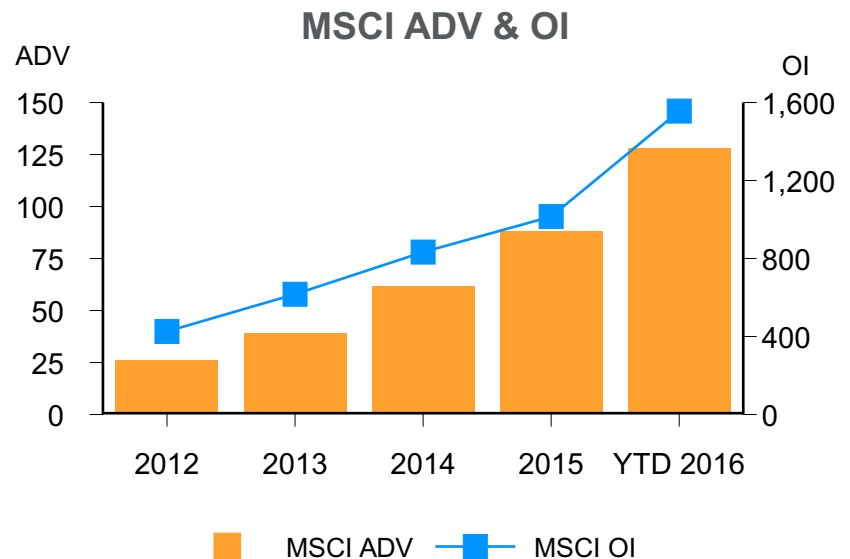
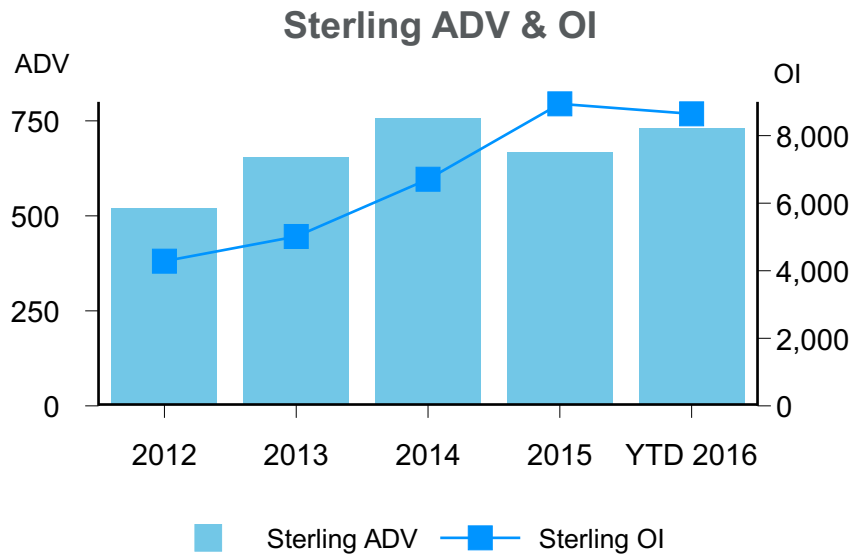
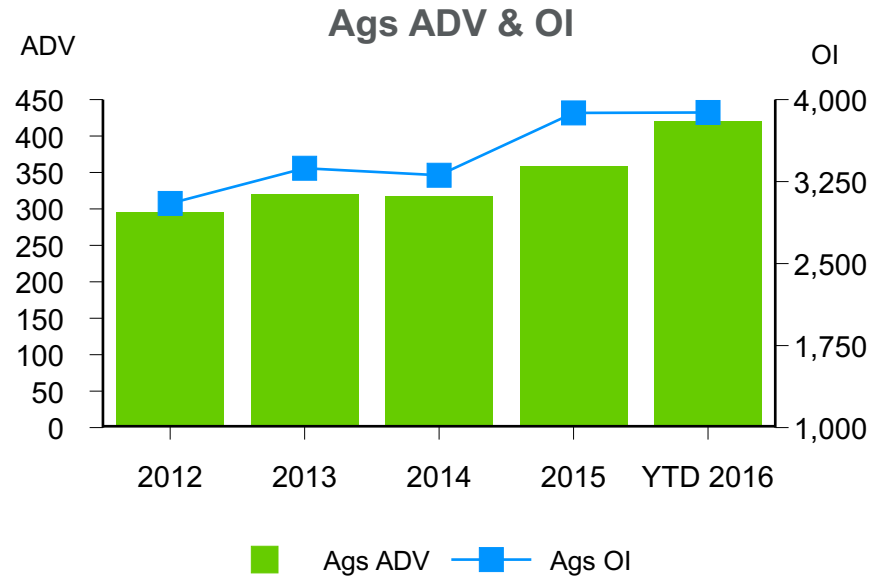
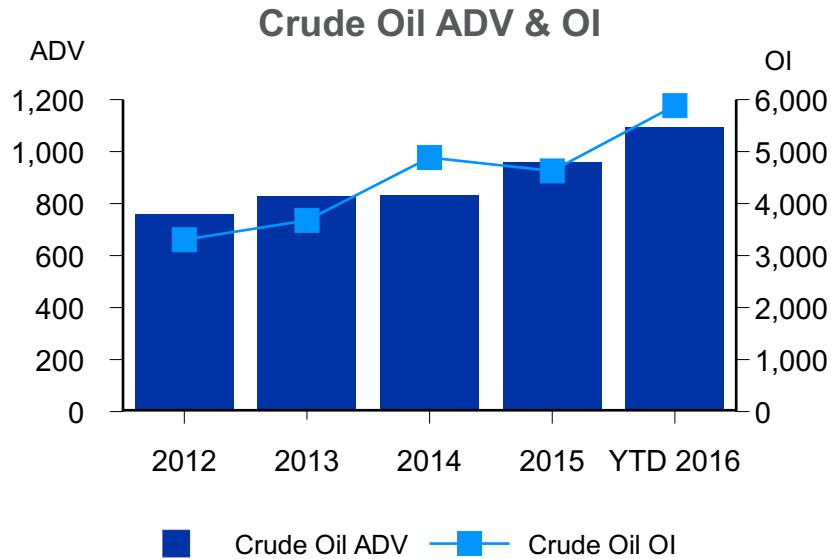
# Virtuous Cycle Driving Consistent Earnings Growth



- ✓ **Data, trading and risk management infrastructure** brings unparalleled efficiency as an enterprise solution
- ✓ **Secular trends driving demand** for data include passive investing, market fragmentation, automation, clearing, reporting, requirements for independent valuation and reporting data
- ✓ **Compliance with regulation and best practices** are driving firms towards greater independence, reporting, transparency & systems testing
- ✓ **Enterprise service platform** is a complete solution across front, middle and back office workflows
  - Covers pricing & evaluations, benchmarks, indices, reference data and exchange data delivered via desktops, secure infrastructure and direct feeds
  - SPSE/CMA acquisitions offer expanded evaluations services and in-depth credit market analytics
  - New data products support automation, liquidity and transparency in fixed income markets

# Diverse Global Portfolio Driving Growth in ADV & OI

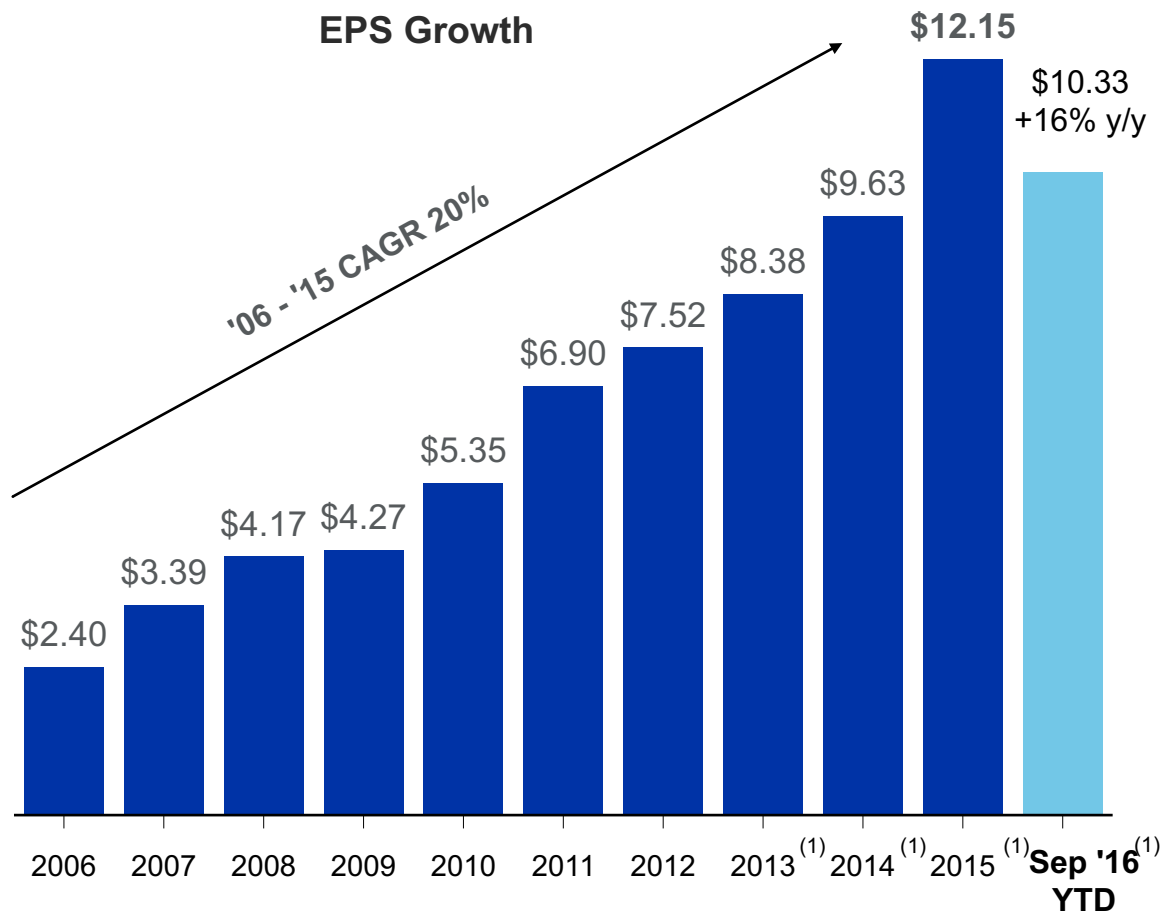
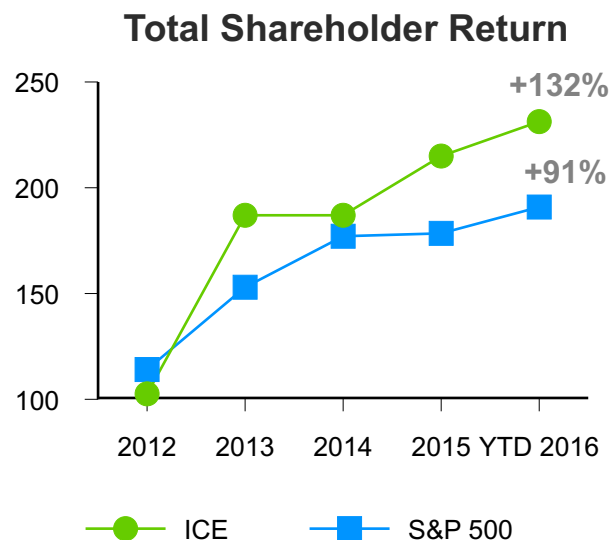
All figures in thousands



Financials, Ags and US Cash Equities shows volumes as if we owned NYSE prior to the November 2013 acquisition.

# Consistent Track Record of Growth Continues

- Disciplined integrator with consistent operational execution; delivering on strategic growth to drive excess Return On Invested Capital (ROIC) and double-digit earnings growth over the long term
- **Rising cash flow, declining leverage, growing dividends, stock split and buyback underway**



(1) These represent non-GAAP measures. Adjusted EPS refers to adjusted earnings per share from continuing operations. Please refer to slides in the appendix for reconciliations to the equivalent GAAP measures. The GAAP results for 2013, 2014 and 2015 were \$3.84, \$8.46 and \$11.39, respectively and the GAAP results for YTD Sep. '16 were \$8.93.

# APPENDIX

# Third Quarter and Year-to-Date Sep. 2016 GAAP Results

INCOME STATEMENT HIGHLIGHTS (in millions except per share amounts)	GAAP 3Q16	GAAP 3Q15	% Chg	GAAP YTD Sep. '16	GAAP YTD Sep. '15	% Chg
Net revenues	\$1,078	\$816	32%	\$3,361	\$2,463	36%
Operating Expenses	\$604	\$376	60%	\$1,752	\$1,131	55%
Operating Income	\$474	\$440	8%	\$1,609	\$1,332	21%
Operating Margin	44%	54%	(10 pts)	48%	54%	(6 pts)
Net Income attributable to ICE	\$344	\$306	12%	\$1,070	\$904	18%
Diluted EPS	\$2.86	\$2.76	4%	\$8.93	\$8.10	10%

# ICE Summary Balance Sheet

In millions

BALANCE SHEET	09/30/2016	12/31/2015	CHANGE
<b>Assets</b>			
Unrestricted Cash	\$458	\$627	\$(169)
Other Current Assets	51,386	52,686	(1,300)
Current Assets	51,844	53,313	(1,469)
PPE (net)	1,080	1,037	43
Other Assets	23,372	23,637	(265)
<b>Total Assets</b>	<b>\$ 76,296</b>	<b>\$ 77,987</b>	<b>\$(1,691)</b>
<b>Liabilities &amp; Equity</b>			
Short-Term Debt	1,585	2,591	(1,006)
Other Current Liabilities	\$50,769	\$52,152	\$(1,383)
Long-Term Debt	4,720	4,717	3
Other Long-Term Liabilities	3,644	3,652	(8)
Total Liabilities	60,718	63,112	(2,394)
Redeemable Noncontrolling Int	34	35	(1)
Total Equity	15,544	14,840	704
<b>Total Liabilities &amp; Equity</b>	<b>\$ 76,296</b>	<b>\$ 77,987</b>	<b>\$(1,691)</b>

- \$458MM unrestricted cash
- Total debt of \$6.3B; Adj. Debt-to-EBITDA<sup>(1)</sup> of 2.3x
- \$254MM YTD 2016 capex
  - Op capex & cap software \$200MM
  - Real estate capex \$54MM
- TTM ROIC<sup>(2)</sup> of 7.8%

(1) This is a non-GAAP measure. Please refer to slides in the appendix for reconciliation to the equivalent GAAP measure.

(2) ROIC = LTM (Operating Income x (1-Tax Rate)) / (Avg Debt + Avg Shareholders Equity + Avg Minority Interest - Avg Cash, Cash Equiv, & ST Investments).

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

In millions (except per share amounts)

	<b>3 Months Ended 9/30/16</b>	<b>3 Months Ended 9/30/15</b>	<b>9 Months Ended 9/30/16</b>	<b>9 Months Ended 9/30/15</b>
Income from continuing operations	\$350	\$310	\$1,090	\$922
Add: NYSE and Interactive Data transaction and integration costs	7	6	31	31
Add: Amortization of acquisition-related intangibles	76	33	230	99
Add: Employee severance costs related to Creditex U.K. brokerage operations	4	—	4	—
Add: Creditex customer relationship intangible asset impairment	33	—	33	—
Add/(Less): Litigation settlements and accruals, net of insurance proceeds	—	(4)	—	15
Less: Income tax effect related to the items above	(45)	(18)	(111)	(52)
Add/(Less): Deferred tax adjustments on acquisition-related intangibles	—	—	14	(14)
Add/(Less): Other tax adjustments	(34)	—	(34)	7
Less: Net income from continuing operations attributable to non-controlling interest	(6)	(4)	(20)	(18)
Adjusted net income attributable to ICE	<u>\$385</u>	<u>\$323</u>	<u>\$1,237</u>	<u>\$990</u>
Diluted EPS from continuing operations	<u>\$2.86</u>	<u>\$2.76</u>	<u>\$ 8.93</u>	<u>\$ 8.10</u>
Adjusted Diluted EPS from continuing operations	<u>\$3.21</u>	<u>\$2.91</u>	<u>\$10.33</u>	<u>\$8.87</u>
Diluted weighted average common shares outstanding	<u>120</u>	<u>111</u>	<u>120</u>	<u>112</u>



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

In millions (except per share amounts)

	12 Months Ended 12/31/15	12 Months Ended 12/31/14	12 Months Ended 12/31/13
Income from continuing operations	\$1,295	\$1,005	\$320
Add: NYSE and Interactive Data transaction and integration costs and acquisition related success fees	83	124	140
Add: Amortization of acquisition-related intangibles	140	131	56
Add: Litigation settlements and accruals, net of insurance proceeds	15	—	—
Add: Pre-acquisition interest expense on debt issued for Interactive Data acquisition	5	—	—
Add: Cetip impairment loss	—	—	190
Add: Duplicate rent expense and lease termination costs	—	—	7
Add: Early payoff of outstanding debt	—	—	51
Less: Income from OCC equity investment	—	(26)	—
Less: Net gain of sale of 6% remaining ownership in Euronext	—	(4)	—
Less: Income tax effect related to the items above	(83)	(89)	(85)
Less: Deferred tax adjustments on acquisition-related intangibles	(82)	(14)	—
Add: Other tax adjustments	7	12	—
Less: Net income from continuing operations attributable to non-controlling interest	(21)	(35)	(16)
Adjusted net income attributable to ICE	<u>\$1,359</u>	<u>\$1,104</u>	<u>\$663</u>
Diluted EPS from continuing operations	<u>\$ 11.39</u>	<u>\$ 8.46</u>	<u>\$ 3.84</u>
Adjusted Diluted EPS from continuing operations	<u>\$12.15</u>	<u>\$9.63</u>	<u>\$8.38</u>
Diluted weighted average common shares outstanding	<u>112</u>	<u>115</u>	<u>79</u>

# Adjusted Operating Income, Operating Margin & Operating Expense Reconciliation

In millions

	3 Months Ended 9/30/16	3 Months Ended 9/30/15	9 Months Ended 9/30/16	9 Months Ended 9/30/15
Total revenues, less transaction-based expenses	\$1,078	\$816	\$3,361	\$2,463
Total operating expenses	604	376	1,752	1,131
Less: NYSE and Interactive Data transaction and integration costs	7	6	31	31
Less: Employee severance costs related to Creditex U.K. brokerage operations	4	—	4	—
Less: Creditex customer relationship intangible asset impairment	33	—	33	—
Less: Amortization of acquisition-related intangibles	76	33	230	99
<b>Adjusted total operating expenses</b>	<b>\$484</b>	<b>\$337</b>	<b>\$1,454</b>	<b>\$1,001</b>
<b>Adjusted operating income</b>	<b>\$594</b>	<b>\$479</b>	<b>\$1,907</b>	<b>\$1,462</b>
Operating margin	44%	54%	48%	54%
<b>Adjusted operating margin</b>	<b>55%</b>	<b>59%</b>	<b>57%</b>	<b>59%</b>

# Adjusted EBITDA Reconciliation

In millions

	<b>Trailing 12 Months Ended 9/30/16</b>
<b>Adjusted net income</b>	\$1,606
Add: Income tax expense	427
Add: Income tax expense adjustment on Non-GAAP Items	230
Less: Other income, net <sup>(1)</sup>	(27)
Add: Interest expense <sup>(1)</sup>	159
Add: Depreciation and amortization <sup>(1)</sup>	264
<b>Adjusted EBITDA from Continuing Ops</b>	<b>\$2,659</b>
<b>Adjusted EBITDA - Interactive Data Corp. &amp; Trayport (pre acquisition)<sup>(2)</sup></b>	<b>\$101</b>
<b>Combined Adjusted EBITDA</b>	<b>\$2,760</b>
<b>Debt, as reported</b>	<b>6,305</b>
Add: Balance of unamortized premiums/discounts and debt issuance costs, net	31
<b>Principal amount of debt outstanding (Adjusted Debt)</b>	<b>\$6,336</b>
<b>Adjusted Debt-to-EBITDA leverage ratio</b>	<b>2.3x</b>

(1) Excludes adjustments already included in Non-GAAP financial measures.

(2) Represents pro forma EBITDA for the pre acquisition period covering 10/1/15-12/10/15 for Trayport and 10/1/15-12/11/15 for Interactive Data Corporation.

# Adjusted Effective Tax Rate Reconciliation

In millions

	<u>3 Months Ended 9/30/16</u>	<u>3 Months Ended 9/30/15</u>
Income before income tax expense	\$443	\$423
Less: Income tax expense	93	113
Net Income	\$350	\$310
Effective tax rate	21%	27%
Income before income tax expense	\$443	\$423
Add: NYSE and Interactive Data transaction and integration costs	7	6
Add: Amortization of acquisition-related intangibles	76	33
Add: Employee severance costs related to Creditex U.K. Brokerage operation	4	—
Add: Creditex customer relationship intangible asset impairment	33	—
Add: Litigation accruals	—	(4)
Adjusted Income before income taxes	\$563	\$458
Income tax expense	\$93	\$113
Add: Income tax effect for the above items	45	18
Add: Other tax adjustments	34	—
Adjusted income tax expense	\$172	\$131
Adjusted Income before income tax expense	\$563	\$458
Adjusted income tax expense	172	131
Adjusted Net Income	\$391	\$327
Adjusted effective tax rate	30%	28%