

Intercontinental Exchange®

# 2Q20

## Earnings Supplement

July 30, 2020



## 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: conditions in global financial markets, the economy and political and social conditions; changes in domestic and foreign laws, regulations, rules or government policy with respect to financial markets, climate change or our businesses generally, including increased regulatory scrutiny or enforcement actions and our ability to comply with these requirements; volatility in our markets; our business environment and industry trends, including our competition; the success of our clearing houses and our ability to minimize the risks associated with operating multiple clearing houses in multiple jurisdictions; the success of our exchanges and their compliance with regulatory and oversight responsibilities; the resilience of our electronic platforms and soundness of our business continuity and disaster recovery plans; changes in renewal rates of subscription-based data revenues; our ability to execute our growth strategy, identify and effectively pursue, implement and integrate acquisitions and strategic alliances and realize the synergies and benefits of such transactions; performance and reliability of our technology and the technology of our third party service providers; our ability to keep pace with technological developments and client preferences; our ability to ensure that the technology we utilize is not vulnerable to cyber-attacks, hacking and other cybersecurity risks; our ability to identify trends and adjust our business to respond to such trends; our ability to evolve our benchmarks and indices in a manner that maintains or enhances their reliability and relevance; the accuracy of our 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 secure additional debt; our ability to maintain existing customers and attract new customers; our ability to offer new products and services, leverage our risk management capabilities and enhance our technology in a timely and cost-effective manner; our ability to attract and retain 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; potential adverse results of litigation and regulatory actions and proceedings; our ability to realize the expected benefits of our investment in Bakkt; and our ability to detect illegal activity through digital currency transactions that are easily exploited. In addition, we have updated our risk factors to include the risk that the COVID-19 pandemic could have an adverse effect on our business, results of operations and financial condition. 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, 2019, as filed with the SEC on February 6, 2020 and ICE’s most recent Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, as filed with the SEC on July 30, 2020. 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 Attributable to ICE, Adjusted Earnings Per Share, 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

Throughout this supplement:

- 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.
- Net revenues in constant currency (CC) are calculated holding both the pound sterling and euro at the average exchange rate from 2Q19, 1.2851 and 1.1237, respectively.
- References to Return on Invested Capital, or ROIC, are equal to  $\text{TTM (Operating Income} \times (1 - \text{Tax Rate}) \text{) } / (\text{Avg Debt} + \text{Avg Shareholders Equity} + \text{Avg Non-Controlling Interest} - \text{Avg Cash, Cash Equiv, \& ST Investments})$ . References to Weighted Average Cost of Capital, or WACC, are equal to  $(\text{Cost of Equity} \times \% \text{ of Equity}) + \{(\text{Cost of Debt} \times (1 - \text{Tax Rate})) \times \% \text{ of Debt}\}$ .

# ICE 2Q20 EARNINGS CALL PARTICIPANTS

## Management:



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



**Ben Jackson**  
President



**Scott Hill**  
Chief Financial Officer

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# 2Q20 HIGHLIGHTS

in millions except per share amounts

INCOME STATEMENT HIGHLIGHTS	2Q20	2Q19	% Chg
Net Revenues	\$1,395	\$1,298	8%
Adj. Op Expenses	\$575	\$540	6%
Adj. Op Income	\$820	\$758	8%
Adj. Op Margin	59%	58%	+1pt
Adj. EPS	\$1.07	\$0.94	14%
Adj. Effective Tax Rate	23%	24%	(1 pt)
CASH METRICS	YTD '20	YTD '19	% Chg
Op Cash Flow	\$1,378	\$1,382	—
Cap Ex & Cap Software	\$144	\$134	8%

## Strong operating performance

Net revenue **+8%** y/y, CC

Data revenue  
**+4%** y/y, CC

Trading & Clearing  
revenue  
**+13%** y/y, CC

Adj. op income **+8%** y/y

Adj. EPS, **+14%** y/y

## Strong capital return

Over **\$1.4 billion**  
returned to stockholders  
through 2Q20, **+31%** y/y

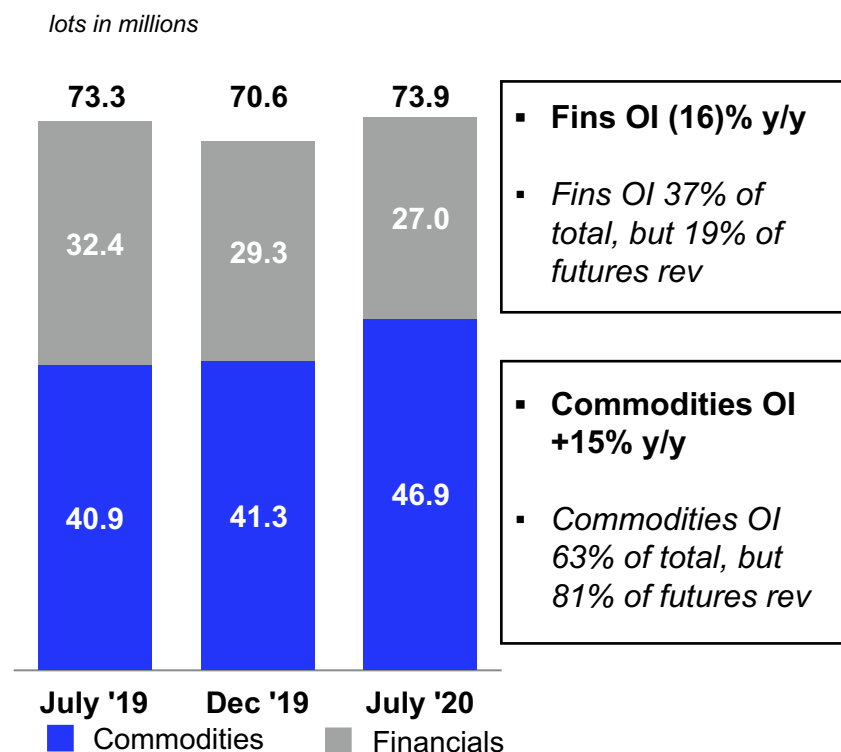
Adjusted figures represent non-GAAP measures. Please refer to slides in the appendix for reconciliations to the equivalent GAAP measures.

# 2Q20 TRADING & CLEARING SEGMENT

- 2Q20 trading & clearing revenue +13% y/y, CC
  - 2Q20 average daily volume (ADV): energy +14% y/y, other crude & refined products +19% y/y, NA nat gas +44% y/y, EU nat gas +21% y/y, emissions +14% y/y, MSCI +15% y/y
- July open interest (OI): energy +17% y/y including Brent +3% y/y, nat gas +30% y/y and other crude & refined products +14% y/y
- 2Q20 NYSE cash equities ADV +61% y/y; equity options ADV +44% y/y

in millions	2Q20	2Q19	% Chg	Const Curr
Revenue, net:				
Energy	\$276	\$255	8%	9%
Ags & metals	59	72	(18)%	(17)%
Financials	76	78	(3)%	—
Cash equities & equity options	101	74	37%	37%
Fixed income & credit	111	80	38%	39%
OTC & other transaction	13	12	14%	14%
Other revenue	74	63	17%	18%
<b>Segment Revenue</b>	<b>\$710</b>	<b>\$634</b>	<b>12%</b>	<b>13%</b>
<b>Adj. Operating Expenses</b>	<b>\$256</b>	<b>\$226</b>	<b>14%</b>	
<b>Adj. Operating Margin</b>	<b>64%</b>	<b>64%</b>	<b>—</b>	

## Total Futures & Options Open Interest (OI)



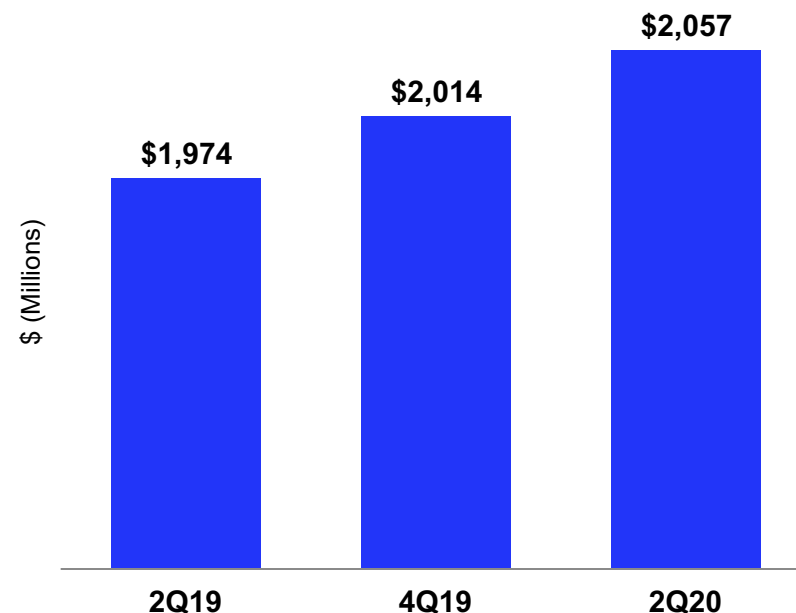
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# 2Q20 DATA & LISTINGS SEGMENT

- **2Q20 record data revenue +4% y/y, in constant currency** driven by strong growth in the ICE Global Network, ICE Data Indices and continued growth in pricing and reference data
- Annual subscription value (ASV)<sup>(1)</sup> +4.5% y/y CC<sup>(2)</sup> entering 3Q20, up from 4% y/y entering 2Q20
  - Pricing & Analytics ASV +4% y/y CC entering 3Q20, up from 3% y/y entering 2Q20
- The NYSE helped customers raise \$76B in capital YTD including \$19B via 40 IPOs

in millions	2Q20	2Q19	% Chg	Const Curr
Revenue:				
Pricing and Analytics	\$282	\$270	4%	5%
Exchange Data and Feeds	183	180	2%	2%
Desktops and Connectivity	109	103	6%	6%
<b>Data Total</b>	<b>\$574</b>	<b>\$553</b>	<b>4%</b>	<b>4%</b>
Listings	111	111	—	—
<b>Segment Revenue</b>	<b>\$685</b>	<b>\$664</b>	<b>3%</b>	<b>3%</b>
<b>Adj. Operating Expenses</b>	<b>\$319</b>	<b>\$314</b>	<b>1%</b>	
<b>Adj. Operating Margin</b>	<b>53%</b>	<b>53%</b>	<b>—</b>	

## Annual Subscription Value



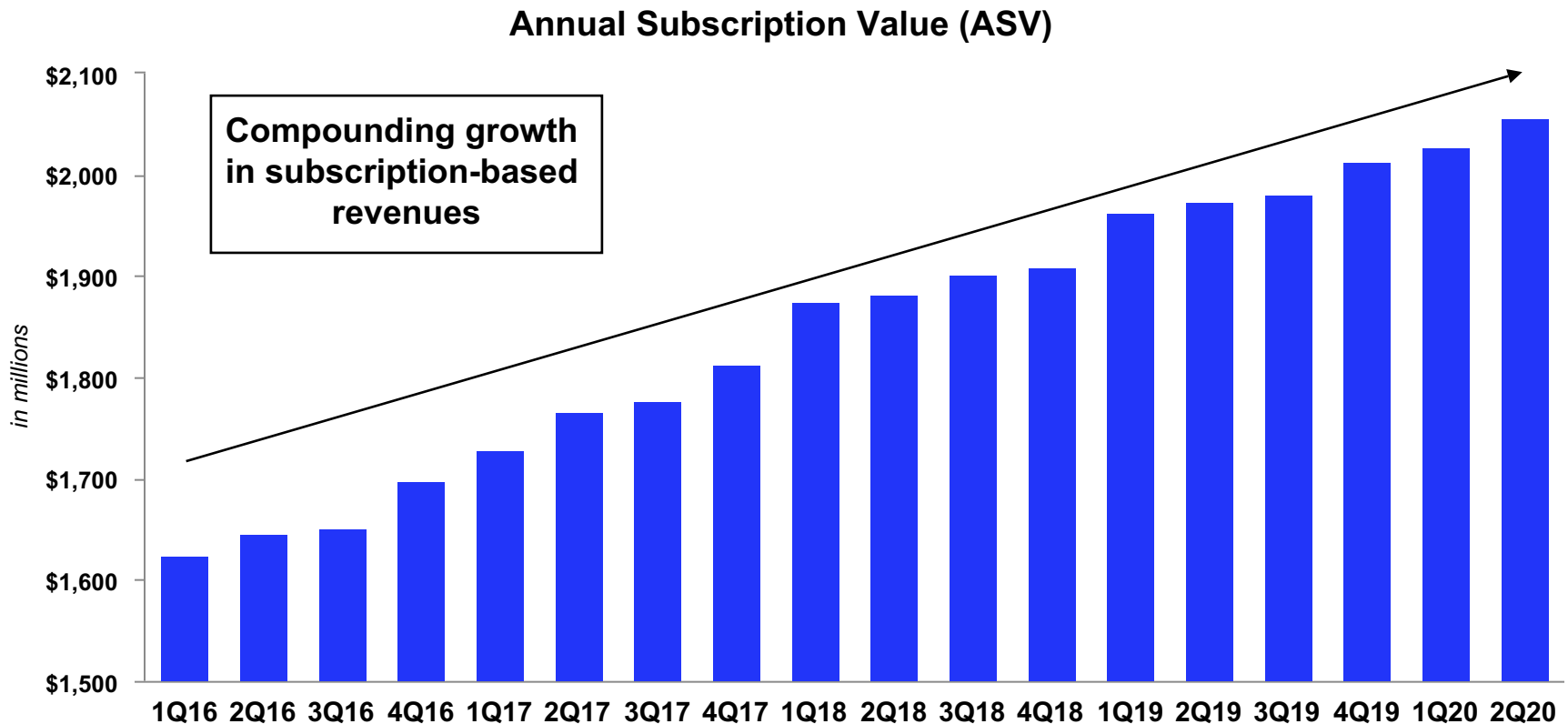
(1) Annual subscription value represents the value of subscriptions under contract for the succeeding 12 months. It does not include new sales, contract terminations or price changes that may occur during that 12 month period or certain data services that are not subscription-based.

(2) See appendix for detailed calculation.

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

# INVESTMENTS IN TECHNOLOGY AND CONTENT DRIVING GROWTH

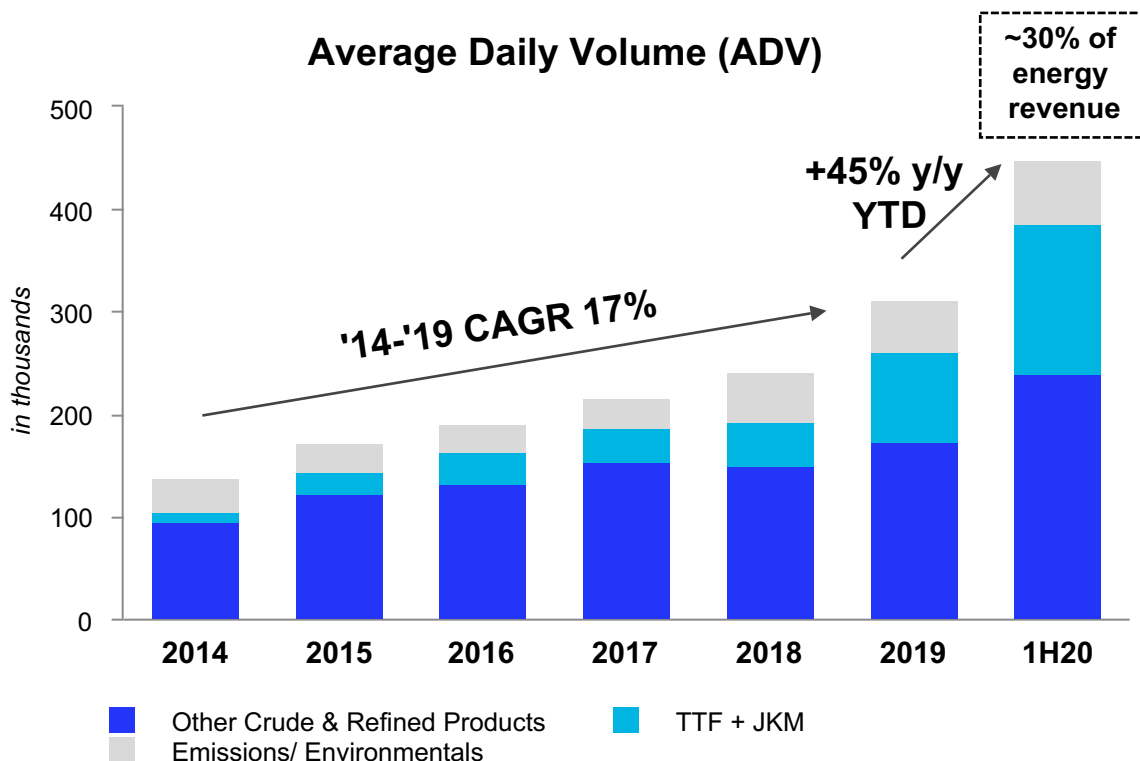
- Continued demand for ICE's **mission-critical data and delivery-agnostic solutions** as customers navigate volatile markets
- Increased sales driven by **new customers & increased consumption** of fixed income pricing, feeds, ESG analytics and regulatory products
- Record **ETF AUM of \$263 billion** tracking our indices





# LONG-TERM TAILWINDS DRIVING GROWTH ACROSS ENERGY MARKETS

- **600+ oil products** serving commercial customers demanding additional and more precise hedging tools
- Liberalization of natural gas and rise of LNG driving demand for ICE TTF & JKM contracts
- **Increased demand for environmental products** and regulatory emissions programs driving growth across our US & EU environmentals complex



## Other crude & refined products:

- ADV +37% y/y YTD
- '14-'19 CAGR 13%

## TTF & JKM:

- ADV +80% y/y YTD
- '14-'19 CAGR 55%

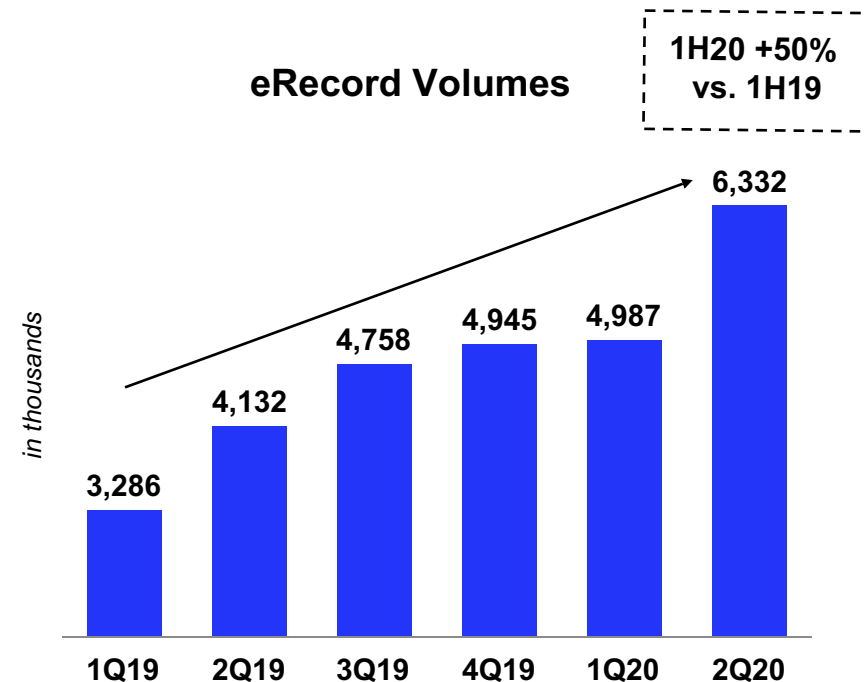
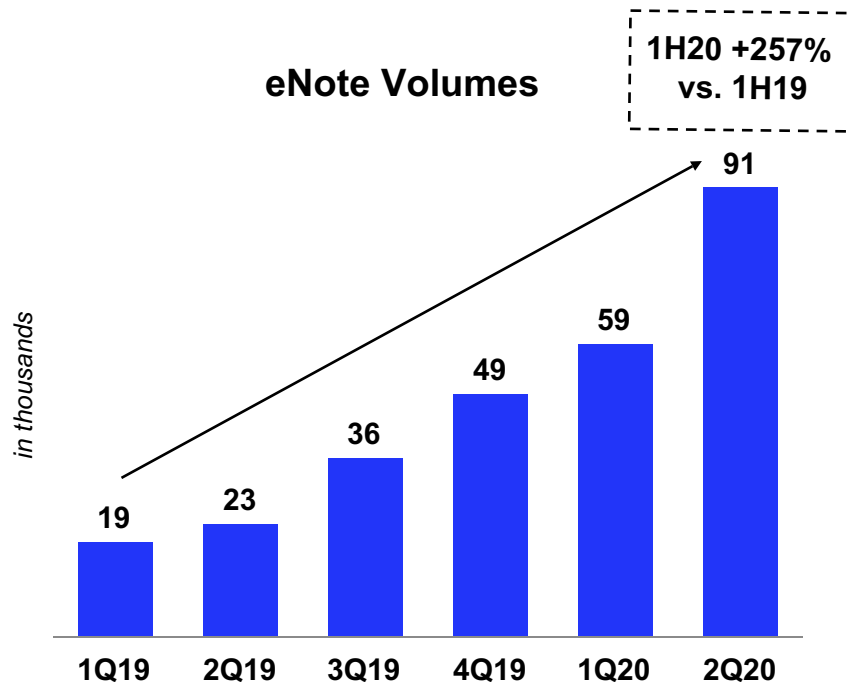
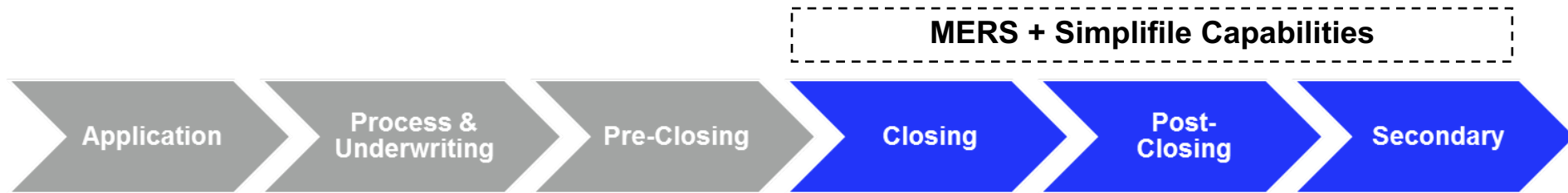
## Emissions/ Environmentals:

- US environmentals OI > 1M lots
- OI +4x from 5 years ago



# AUTOMATING THE MORTGAGE WORKFLOW

- Digital solutions becoming essential for mortgage industry participants
- ICE Mortgage Services brings digital solutions to the close, post-close and secondary market
- Additional tailwinds from **strong re-financing trends**



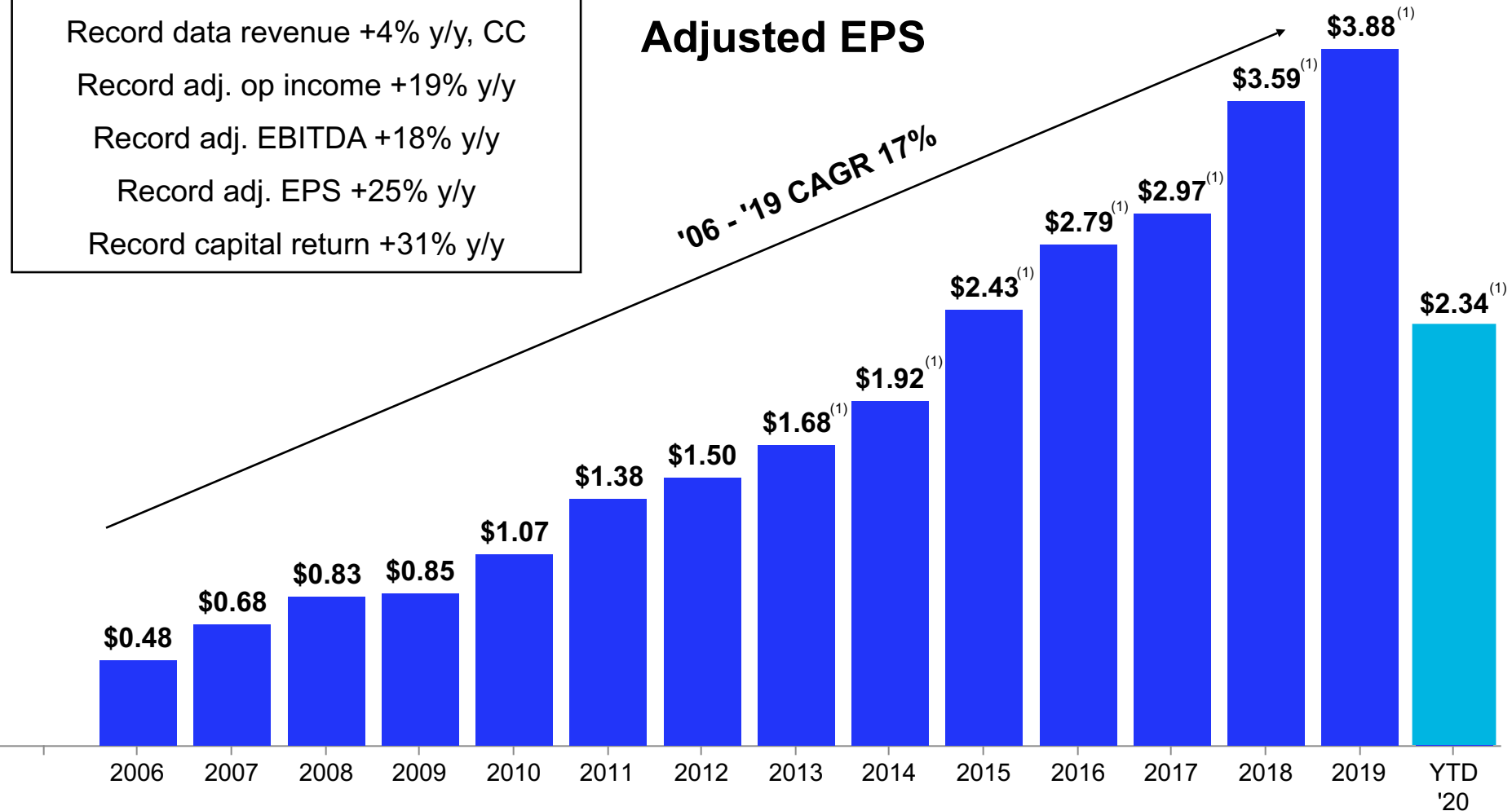
# CONSISTENT TRACK RECORD OF GROWTH

## 1H20 Highlights

- Record net revenues +15% y/y, CC
- Record trading & clearing rev +28% y/y
- Record data revenue +4% y/y, CC
- Record adj. op income +19% y/y
- Record adj. EBITDA +18% y/y
- Record adj. EPS +25% y/y
- Record capital return +31% y/y

## Adjusted EPS

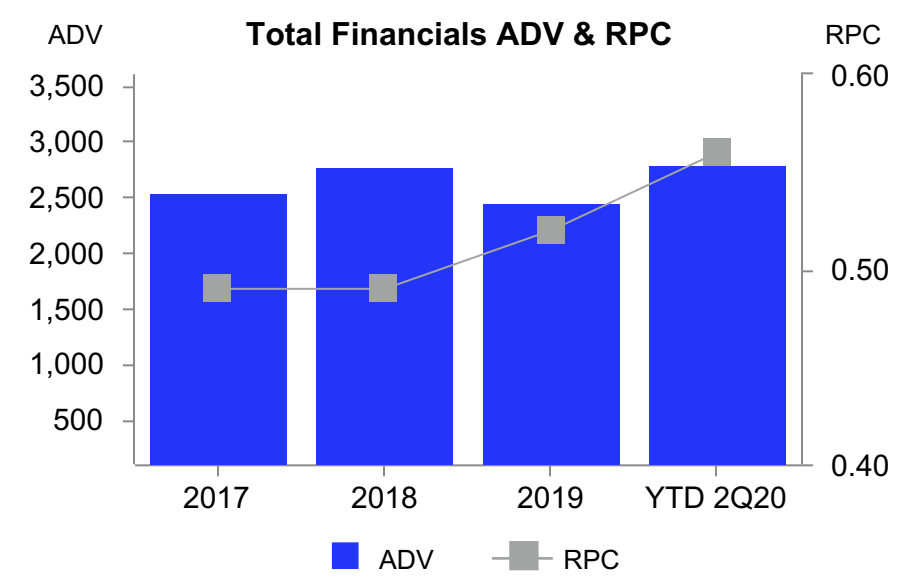
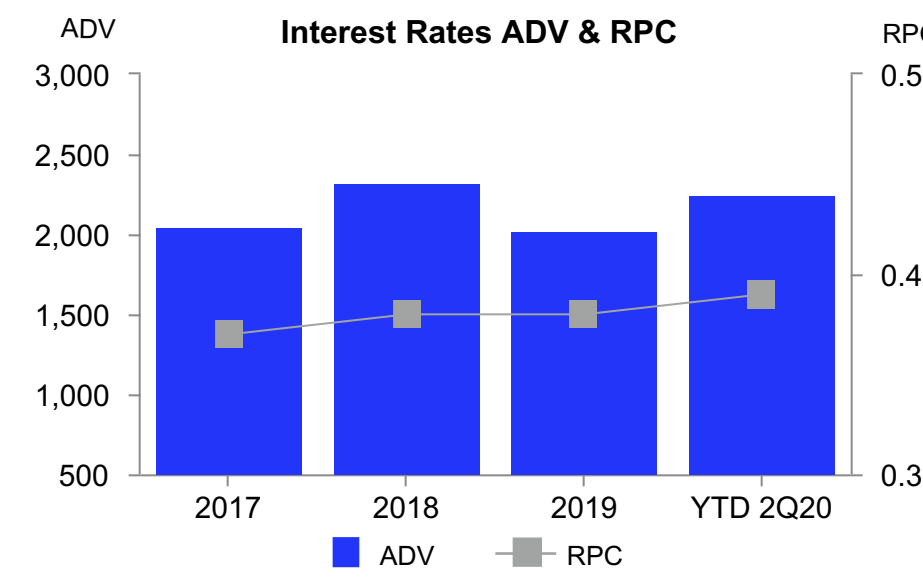
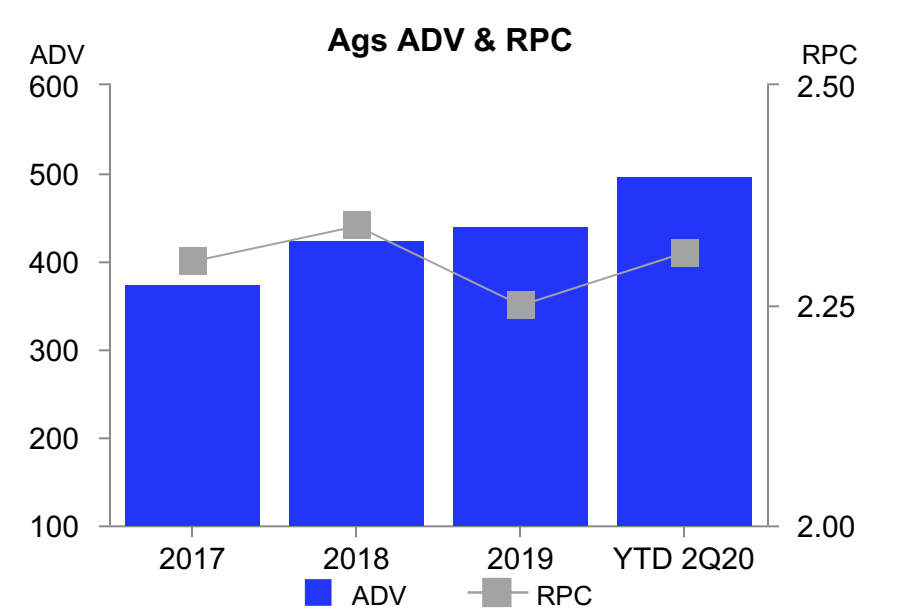
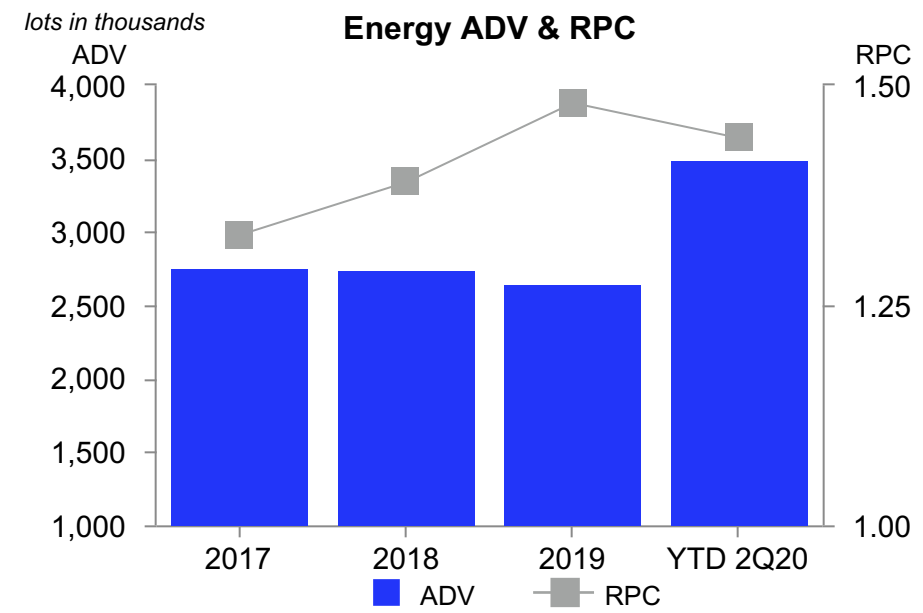
'06 - '19 CAGR 17%



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

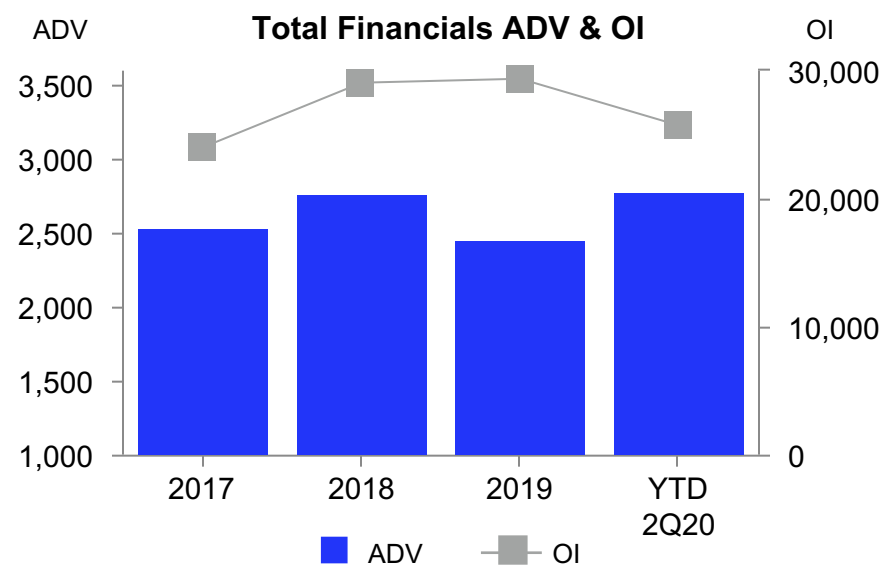
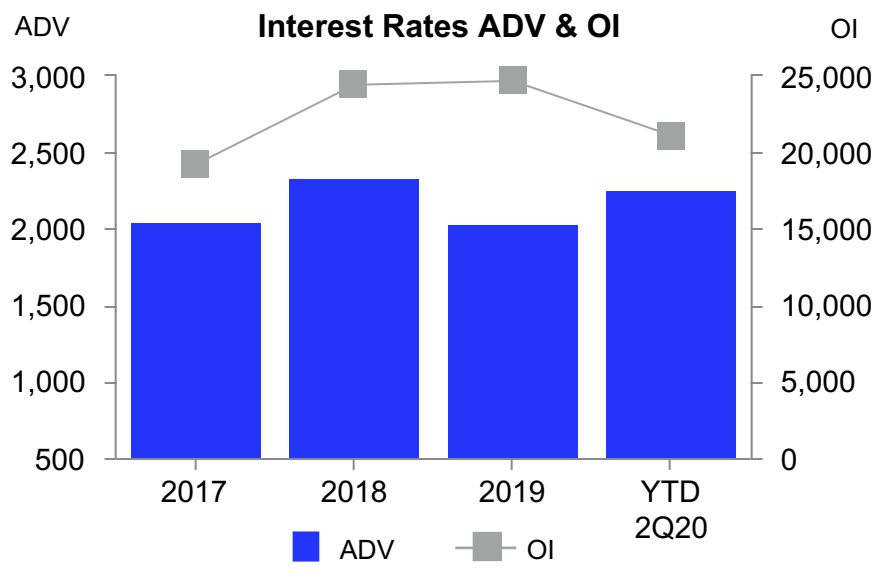
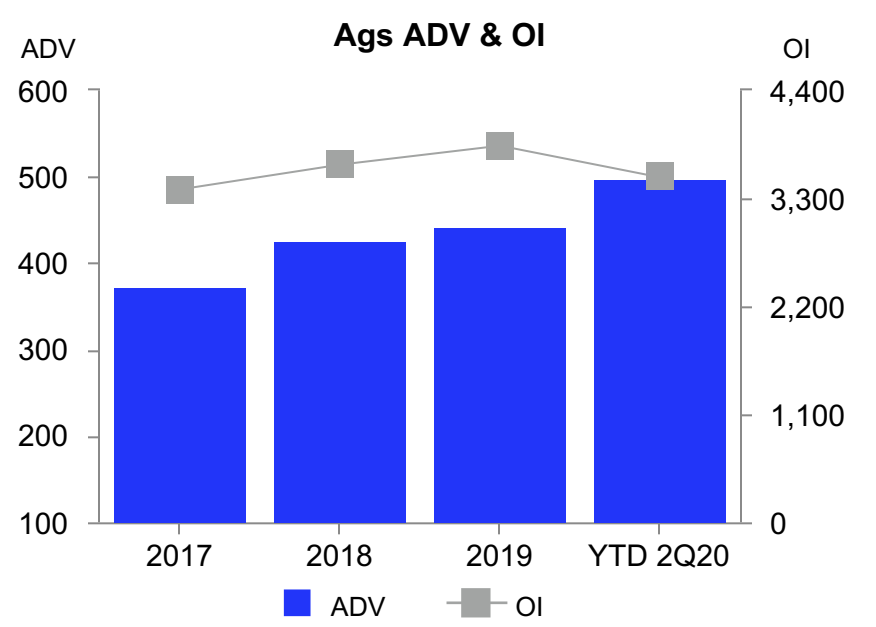
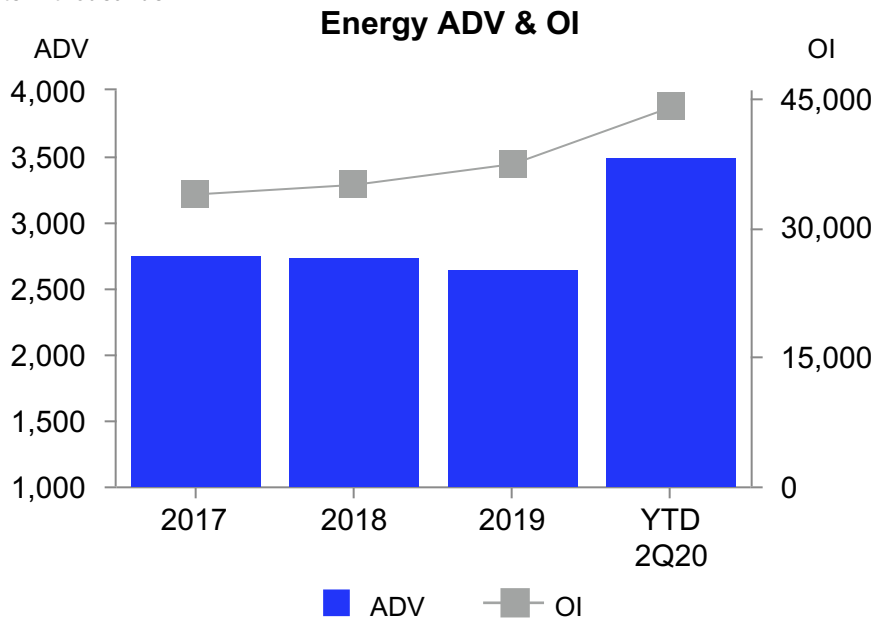
# APPENDIX

# AVERAGE DAILY VOLUME AND RATE PER CONTRACT (RPC) TRENDS



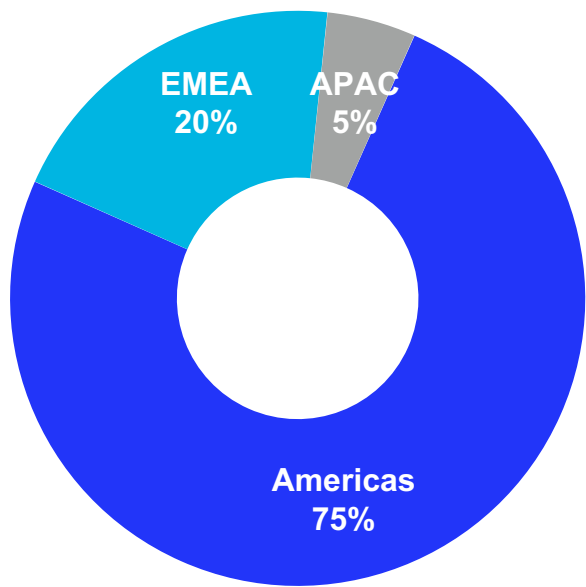
# AVERAGE DAILY VOLUME AND OI TRENDS

lots in thousands



# DATA & LISTINGS SUPPLEMENTAL DATA

2Q20 Data Revenue by Region,  
Constant Currency



Annual Subscription Value (ASV)  
FX Impact

in millions	2Q20	2Q19
ASV <sup>(1)</sup>	\$2,057	\$1,974
Adjusted for:		
FX	—	(5)
ASV, CC	2,057	1,969

(1) ASV is defined as the annual value of subscriptions under contract for the succeeding 12 months. ASV does not include new sales, contract terminations or price changes that may occur during that 12 month period or certain data services that are not subscription-based.

# 2Q20 GAAP RESULTS

INCOME STATEMENT HIGHLIGHTS in millions except per share amounts	GAAP 2Q20	GAAP 2Q19	% Chg
<b>Net revenues</b>	\$1,395	\$1,298	8%
<b>Operating Expenses</b>	\$651	\$618	5%
<b>Operating Income</b>	\$744	\$680	10%
<b>Operating Margin</b>	53%	52%	+1pt
<b>Net Income attributable to ICE</b>	\$523	\$472	11%
<b>Diluted EPS</b>	\$0.95	\$0.84	13%



# 2Q20 BALANCE SHEET

in millions	06/30/2020	12/31/2019	CHANGE
<b>Assets</b>			
Unrestricted Cash	\$880	\$841	\$39
Other Current Assets	96,555	67,138	29,417
Current Assets	97,435	67,979	29,456
PPE (net)	1,510	1,536	(26)
Other Non-Current Assets	25,115	24,978	137
<b>Total Assets</b>	<b>\$124,060</b>	<b>\$94,493</b>	<b>\$29,567</b>
<b>Liabilities &amp; Equity</b>			
Short-Term Debt	\$705	\$2,569	\$(1,864)
Other Current Liabilities	95,488	66,247	29,241
Long-Term Debt	7,703	5,250	2,453
Other Long-Term Liabilities	3,075	3,063	12
Total Liabilities	106,971	77,129	29,842
Redeemable Non-Controlling Interest	95	78	17
Total Equity	16,994	17,286	(292)
<b>Total Liabilities &amp; Equity</b>	<b>\$124,060</b>	<b>\$94,493</b>	<b>\$29,567</b>

- \$880 million unrestricted cash
- Total debt of \$8.4 billion; Adj. Debt-to-EBITDA<sup>(1)</sup> of 2.3x
- \$144M YTD 2Q20 capex & cap software
- ROIC of 10%;  
Weighted Average Cost of Capital 6%

(1) Adjusted debt-to-EBITDA reflects the ratio of reported 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 NET INCOME ATTRIBUTABLE TO ICE AND EPS

	Three Months Ended June 30, 2020		Three Months Ended June 30, 2019		Six Months Ended June 30, 2020		Six Months Ended June 30, 2019	
Net income attributable to ICE	\$	523	\$	472	\$	1,173	\$	956
Add: Amortization of acquisition-related intangibles		71		78		141		155
Add: Extinguishment of 2020 Senior Notes		14		—		14		—
Add: Acquisition-related success fee		—		—		10		—
Add: Accruals related to investigations and inquiries		5		—		5		—
Add: Impairment of CAT promissory notes		2		—		2		—
Less: Income tax effect for the above items		(22)		(20)		(43)		(40)
Add / (Less): Deferred tax adjustments on acquisition-related intangibles		(9)		4		(10)		(13)
Add: Other tax adjustments		—		—		—		3
Adjusted net income attributable to ICE	\$	584	\$	534	\$	1,292	\$	1,061
Diluted earnings per share attributable to ICE	\$	0.95	\$	0.84	\$	2.13	\$	1.68
Adjusted diluted earnings per share attributable to ICE	\$	1.07	\$	0.94	\$	2.34	\$	1.87

# ADJUSTED NET INCOME ATTRIBUTABLE TO ICE AND EPS

in millions except per share amounts	12 Months Ended 12/31/19	12 Months Ended 12/31/18	12 Months Ended 12/31/17	12 Months Ended 12/31/16	12 Months Ended 12/31/15	12 Months Ended 12/31/14	12 Months Ended 12/31/13
Net income attributable to ICE	\$1,933	\$1,988	\$2,526	\$1,429	\$1,274	\$981	\$254
Add: Interactive Data and NYSE transaction and integration costs and acquisition-related success fees	—	30	31	46	83	124	140
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: 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: Impairment of CAT promissory notes	16	—	—	—	—	—	—
Add: Impairment of exchange registration intangible assets on ICE Futures Singapore	31	—	—	—	—	—	—
Add: Amortization of acquisition-related intangibles	309	287	261	302	140	131	56
Add / (Less): Gain on divestiture of Trayport, net	—	1	(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	(90)	(98)	(43)	(143)	(83)	(89)	(85)
Less: Deferred tax adjustment from U.S. tax rate reduction	—	(11)	(764)	—	—	—	—
Add / (Less): Deferred tax adjustment on acquisition-related intangibles	(8)	(5)	10	(22)	(82)	(14)	—
Add / (Less): Other tax adjustments	3	(13)	—	23	7	12	—
Add/(Less): Income (loss) from discontinued operations, net of tax	—	—	—	—	—	(11)	50
Adjusted net income attributable to ICE	\$2,194	\$2,077	\$1,764	\$1,672	\$1,359	\$1,104	\$663
Diluted EPS	\$3.42	\$3.43	\$4.25	\$2.39	\$2.28	\$1.69	\$0.77
Adjusted Diluted EPS	\$3.88	\$3.59	\$2.97	\$2.79	\$2.43	\$1.92	\$1.68
Diluted weighted average common shares outstanding	565	579	594	599	559	573	396

# ADJUSTED OPERATING INCOME, OPERATING MARGIN & OPERATING EXPENSE RECONCILIATION

	Trading and Clearing Segment		Data and Listings Segment		Consolidated	
	Six Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019	2020	2019
Total revenues, less transaction-based expenses	\$1,593	\$1,247	\$1,361	\$1,321	\$2,954	\$2,568
Operating expenses	592	477	736	746	1,328	1,223
Less: Amortization of acquisition-related intangibles	51	46	90	109	141	155
Less: Acquisition-related success fee	10	—	—	—	10	—
Less: Accruals related to investigations and inquiries	—	—	5	—	5	—
Adjusted operating expenses	\$531	\$431	\$641	\$637	\$1,172	\$1,068
Operating income	\$1,001	\$770	\$625	\$575	\$1,626	\$1,345
Adjusted operating income	\$1,062	\$816	\$720	\$684	\$1,782	\$1,500
Operating margin	63 %	62 %	46 %	44 %	55 %	52 %
Adjusted operating margin	67 %	65 %	53 %	52 %	60 %	58 %

# ADJUSTED OPERATING INCOME, OPERATING MARGIN & OPERATING EXPENSE RECONCILIATION

	Trading and Clearing Segment		Data and Listings Segment		Consolidated	
	Three Months Ended June 30,		Three Months Ended June 30,		Three Months Ended June 30,	
	2020	2019	2020	2019	2020	2019
Total revenues, less transaction-based expenses	\$710	\$634	\$685	\$664	\$1,395	\$1,298
Total operating expenses	282	249	369	369	651	618
Less: Amortization of acquisition-related intangibles	26	23	45	55	71	78
Less: Accruals related to investigations and inquiries	—	—	5	—	5	—
Adjusted total operating expenses	\$256	\$226	\$319	\$314	\$575	\$540
Operating income	\$428	\$385	\$316	\$295	\$744	\$680
Adjusted operating income	\$454	\$408	\$366	\$350	\$820	\$758
Operating margin	60 %	61 %	46 %	44 %	53 %	52 %
Adjusted operating margin	64 %	64 %	53 %	53 %	59 %	58 %

# ADJUSTED EBITDA RECONCILIATION

in millions	Trailing Twelve Months Ended 6/30/20
<b>Adjusted net income</b>	<b>\$2,425</b>
Add: Adjusted interest expense <sup>(1)</sup>	285
Add: Adjusted income tax expense <sup>(1)</sup>	658
Add: Adjusted depreciation and amortization <sup>(1)</sup>	335
<b>Adjusted EBITDA from Continuing Ops</b>	<b>\$3,703</b>
<b>Pro forma EBITDA (pre acquisition)<sup>(2)</sup></b>	<b>\$10</b>
<b>Combined Adjusted EBITDA</b>	<b>\$3,713</b>
<b>Debt, as reported</b>	<b>\$8,408</b>
<b>Adjusted Debt-to-EBITDA leverage ratio</b>	<b>2.3x</b>

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

(2) Represents pro forma EBITDA for the pre acquisition period of ICE's share of Bridge2 Solutions adjusted EBITDA (7/1/19-2/20/20).

# ADJUSTED EFFECTIVE TAX RATE RECONCILIATION

in millions	Three Months Ended 6/30/20	Three Months Ended 6/30/19
<b>Income before income taxes</b>	\$673	\$628
<b>Income tax expense</b>	145	150
<b>Effective tax rate</b>	<b>22 %</b>	<b>24 %</b>
<b>Income before income taxes</b>	673	628
Add: Amortization of acquisition-related intangibles	71	78
Add: Extinguishment of 2020 Senior Notes	14	—
Add: Accruals related to investigations and inquiries	5	—
Add: Impairment of CAT promissory notes	2	—
<b>Adjusted income before income taxes</b>	<b>\$765</b>	<b>\$706</b>
<b>Income tax expense</b>	<b>\$145</b>	<b>\$150</b>
Add: Income tax effect for the above items	22	20
Add/ (Less): Deferred tax adjustments on acquisition-related intangibles	9	(4)
<b>Adjusted income tax expense</b>	<b>\$176</b>	<b>\$166</b>
<b>Adjusted effective tax rate</b>	<b>23 %</b>	<b>24 %</b>