

Intercontinental Exchange, Inc. and Subsidiaries
Consolidated Balance Sheets
(In millions, except per share amounts)

	As of December 31,	
	2019	2018
Assets:		
Current assets:		
Cash and cash equivalents	\$ 841	\$ 724
Short-term restricted cash and cash equivalents	943	818
Customer accounts receivable, net of allowance for doubtful accounts of \$8 and \$7, respectively	988	953
Margin deposits, guaranty funds and delivery contracts receivable	64,987	63,955
Prepaid expenses and other current assets	220	242
Total current assets	67,979	66,692
Property and equipment, net	1,536	1,241
Other non-current assets:		
Goodwill	13,342	13,085
Other intangible assets, net	10,258	10,462
Long-term restricted cash and cash equivalents	404	330
Other non-current assets	974	981
Total other non-current assets	24,978	24,858
Total assets	<u>\$ 94,493</u>	<u>\$ 92,791</u>
Liabilities and Equity:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 505	\$ 521
Section 31 fees payable	138	105
Accrued salaries and benefits	291	280
Deferred revenue	129	135
Short-term debt	2,569	951
Margin deposits, guaranty funds and delivery contracts payable	64,987	63,955
Other current liabilities	197	161
Total current liabilities	68,816	66,108
Non-current liabilities:		
Non-current deferred tax liability, net	2,314	2,337
Long-term debt	5,250	6,490
Accrued employee benefits	198	204
Non-current operating lease liability	281	—
Other non-current liabilities	270	350
Total non-current liabilities	8,313	9,381
Total liabilities	77,129	75,489
Commitments and contingencies:		
Redeemable non-controlling interest in consolidated subsidiaries	78	71
Equity:		
Intercontinental Exchange, Inc. stockholders' equity:		
Preferred stock, \$0.01 par value; 100 authorized; none issued or outstanding	—	—
Common stock, \$0.01 par value; 1,500 authorized; 607 and 554 shares issued and outstanding at December 31, 2019, respectively, and 604 and 569 shares issued and outstanding at December 31, 2018, respectively	6	6
Treasury stock, at cost; 53 and 35 shares, respectively	(3,879)	(2,354)
Additional paid-in capital	11,742	11,547
Retained earnings	9,629	8,317
Accumulated other comprehensive loss	(243)	(315)
Total Intercontinental Exchange, Inc. stockholders' equity	17,255	17,201

Non-controlling interest in consolidated subsidiaries	31	30
Total equity	17,286	17,231
Total liabilities and equity	<u>\$ 94,493</u>	<u>\$ 92,791</u>

See accompanying notes.

Intercontinental Exchange, Inc. and Subsidiaries
Consolidated Statements of Income
(In millions, except per share amounts)

	Year Ended December 31,		
	2019	2018	2017
Revenues:			
Transaction and clearing, net	\$ 3,627	\$ 3,483	\$ 3,131
Data services	2,211	2,115	2,084
Listings	449	444	426
Other revenues	260	234	202
Total revenues	6,547	6,276	5,843
Transaction-based expenses:			
Section 31 fees	379	357	372
Cash liquidity payments, routing and clearing	966	940	833
Total revenues, less transaction-based expenses	5,202	4,979	4,638
Operating expenses:			
Compensation and benefits	1,042	994	946
Professional services	125	131	121
Acquisition-related transaction and integration costs	2	34	36
Technology and communication	469	432	397
Rent and occupancy	68	68	69
Selling, general and administrative	161	151	155
Depreciation and amortization	662	586	535
Total operating expenses	2,529	2,396	2,259
Operating income	2,673	2,583	2,379
Other income (expense):			
Interest income	35	22	8
Interest expense	(285)	(244)	(187)
Other income, net	58	159	326
Other income (expense), net	(192)	(63)	147
Income before income tax expense (benefit)	2,481	2,520	2,526
Income tax expense (benefit)	521	500	(28)
Net income	\$ 1,960	\$ 2,020	\$ 2,554
Net income attributable to non-controlling interest	(27)	(32)	(28)
Net income attributable to Intercontinental Exchange, Inc.	\$ 1,933	\$ 1,988	\$ 2,526
Earnings per share attributable to Intercontinental Exchange, Inc. common stockholders:			
Basic	\$ 3.44	\$ 3.46	\$ 4.29
Diluted	\$ 3.42	\$ 3.43	\$ 4.25
Weighted average common shares outstanding:			
Basic	561	575	589
Diluted	565	579	594

See accompanying notes.

Intercontinental Exchange, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
(In millions)

	Year Ended December 31,		
	2019	2018	2017
Net income	\$ 1,960	\$ 2,020	\$ 2,554
Other comprehensive income (loss):			
Foreign currency translation adjustments, net of tax expense (benefit) of \$1, (\$1) and (\$6) for 2019, 2018 and 2017, respectively, and net impact of \$1 from adoption of ASU 2018-02 in 2018	50	(91)	133
Change in fair value of available-for-sale securities	—	—	68
Reclassification of realized gain on available-for-sale investment to other income	—	—	(176)
Change in equity method investment	(1)	—	—
Reclassification of foreign currency translation loss on sale of Trayport to other expense	—	—	76
Employee benefit plan net gains (losses), net of tax expense of \$9, \$9 and \$8 in 2019, 2018 and 2017, respectively, and net impact of \$25 from adoption of ASU 2018-02 in 2018	23	(1)	20
Other comprehensive income (loss)	72	(92)	121
Comprehensive income	\$ 2,032	\$ 1,928	\$ 2,675
Comprehensive income attributable to non-controlling interest	(27)	(32)	(28)
Comprehensive income attributable to Intercontinental Exchange, Inc.	\$ 2,005	\$ 1,896	\$ 2,647

See accompanying notes.

Intercontinental Exchange, Inc. and Subsidiaries
Consolidated Statements of Changes in Equity and Redeemable Non-Controlling Interest
(In millions)

	Intercontinental Exchange, Inc. Stockholders' Equity							Non-Controlling Interest in Consolidated Subsidiaries	Total Equity	Redeemable Non-controlling Interest
	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)			
	Shares	Value	Shares	Value						
Balance, as of January 1, 2017	596	6	(1)	(40)	11,306	4,810	(344)	37	15,775	36
Other comprehensive income	—	—	—	—	—	—	121	—	121	—
Exercise of common stock options	—	—	—	—	17	—	—	—	17	—
Repurchases of common stock	—	—	(15)	(949)	—	—	—	—	(949)	—
Payments relating to treasury shares	—	—	(1)	(88)	—	—	—	—	(88)	—
Stock-based compensation	—	—	—	—	152	—	—	—	152	—
Issuance of restricted stock	4	—	—	1	(1)	—	—	—	—	—
Acquisition of non-controlling interest	—	—	—	—	(82)	—	—	(10)	(92)	—
Distributions of profits	—	—	—	—	—	—	—	(26)	(26)	—
Dividends paid to stockholders	—	—	—	—	—	(476)	—	—	(476)	—
Redeemable non-controlling interest	—	—	—	—	—	(2)	—	—	(2)	(37)
Net income attributable to non-controlling interest	—	—	—	—	—	(28)	—	27	(1)	1
Net income	—	—	—	—	—	2,554	—	—	2,554	—
Balance, as of December 31, 2017	600	6	(17)	(1,076)	11,392	6,858	(223)	28	16,985	—
Other comprehensive loss	—	—	—	—	—	—	(66)	—	(66)	—
Exercise of common stock options	1	—	—	—	32	—	—	—	32	—
Repurchases of common stock	—	—	(16)	(1,198)	—	—	—	—	(1,198)	—
Payments relating to treasury shares	—	—	(2)	(80)	—	—	—	—	(80)	—
Stock-based compensation	—	—	—	—	146	—	—	—	146	—
Issuance of restricted stock	3	—	—	—	—	—	—	—	—	—
Changes in non-controlling interest	—	—	—	—	(23)	—	—	(2)	(25)	—
Distributions of profits	—	—	—	—	—	—	—	(28)	(28)	—
Dividends paid to stockholders	—	—	—	—	—	(555)	—	—	(555)	—
Redeemable non-controlling interest	—	—	—	—	—	—	—	—	—	71
Impact of adoption of ASU 2018-02 to reclassify items stranded in other comprehensive income	—	—	—	—	—	26	(26)	—	—	—
Net income attributable to non-controlling interest	—	—	—	—	—	(32)	—	32	—	—
Net income	—	—	—	—	—	2,020	—	—	2,020	—
Balance, as of December 31, 2018	604	6	(35)	(2,354)	11,547	8,317	(315)	30	17,231	71
Other comprehensive income	—	—	—	—	—	—	72	—	72	—
Exercise of common stock options	1	—	—	—	23	—	—	—	23	—
Repurchases of common stock	—	—	(17)	(1,460)	—	—	—	—	(1,460)	—
Payments relating to treasury shares	—	—	(1)	(65)	—	—	—	—	(65)	—
Stock-based compensation	—	—	—	—	143	—	—	—	143	11
Issuance under the employee stock purchase plan	—	—	—	—	29	—	—	—	29	—
Issuance of restricted stock	2	—	—	—	—	—	—	—	—	—
Distributions of profits	—	—	—	—	—	—	—	(29)	(29)	—
Dividends paid to stockholders	—	—	—	—	—	(621)	—	—	(621)	—
Net income attributable to non-controlling interest	—	—	—	—	—	(27)	—	30	3	(4)
Net income	—	—	—	—	—	1,960	—	—	1,960	—
Balance, as of December 31, 2019	607	\$ 6	(53)	\$ (3,879)	\$ 11,742	\$ 9,629	\$ (243)	\$ 31	\$ 17,286	\$ 78

See accompanying notes.

Intercontinental Exchange, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(In millions)

	Year Ended December 31,		
	2019	2018	2017
Operating activities:			
Net income	\$ 1,960	\$ 2,020	\$ 2,554
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	662	586	535
Stock-based compensation	139	130	135
Deferred taxes	(33)	27	(654)
Cetip realized investment gain, net	—	—	(114)
Trayport gain, net	—	—	(110)
Gain on acquisition of remaining MERS interest	—	(110)	—
Other	(40)	(24)	(22)
Changes in assets and liabilities:			
Customer accounts receivable	(30)	(44)	(135)
Other current and non-current assets	(17)	(45)	(24)
Section 31 fees payable	34	(33)	(2)
Deferred revenue	(18)	1	8
Other current and non-current liabilities	2	25	(86)
Total adjustments	699	513	(469)
Net cash provided by operating activities	2,659	2,533	2,085
Investing activities:			
Capital expenditures	(153)	(134)	(220)
Capitalized software development costs	(152)	(146)	(137)
Proceeds from sale of Cetip, net	—	—	438
Cash paid for acquisitions, net of cash acquired	(352)	(1,246)	(423)
Return of capital from equity method investment	60	—	—
Cash received from divestitures	—	—	761
Purchases of equity investments	—	(306)	(327)
Proceeds from investments, net	9	77	—
Other	(6)	—	—
Net cash provided by (used in) investing activities	(594)	(1,755)	92
Financing activities:			
Proceeds from debt facilities, net	10	2,213	984
Repayments of debt facilities	—	(600)	(850)
Proceeds from/(repayments of) commercial paper, net	360	(283)	(409)
Repurchases of common stock	(1,460)	(1,198)	(949)
Dividends to stockholders	(621)	(555)	(476)
Payments relating to treasury shares received for restricted stock tax payments and stock option exercises	(65)	(80)	(88)
Acquisition of non-controlling interest and redeemable non-controlling interest	—	(35)	(174)
Proceeds from issuance of redeemable non-controlling interest	—	71	—
Other	23	4	(9)
Net cash used in financing activities	(1,753)	(463)	(1,971)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash and cash equivalents	4	(11)	12
Net increase in cash, cash equivalents, and restricted cash and cash equivalents	316	304	218
Cash, cash equivalents, and restricted cash and cash equivalents at beginning of year	1,872	1,568	1,350
Cash, cash equivalents, and restricted cash and cash equivalents at end of year	\$ 2,188	\$ 1,872	\$ 1,568
Supplemental cash flow disclosures:			
Cash paid for income taxes	\$ 557	\$ 533	\$ 594
Cash paid for interest	\$ 280	\$ 202	\$ 171

See accompanying notes.