

Intercontinental Exchange, Inc.
Form 10-Q
November 01, 2016

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2016

Or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number 001-36198

INTERCONTINENTAL EXCHANGE, INC.
(Exact name of registrant as specified in its charter)

Delaware 46-2286804
(State or other jurisdiction of (IRS Employer
incorporation or organization) Identification Number)
5660 New Northside Drive, 30328
Atlanta, Georgia (Zip Code)
(Address of principal executive offices)
(770) 857-4700
Registrant's telephone number, including area code

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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As of October 28, 2016, the number of shares of the registrant's Common Stock outstanding was 119,135,216 shares.

INTERCONTINENTAL EXCHANGE, INC.
 Form 10-Q
 Quarterly Period Ended September 30, 2016
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PART I. Financial Statements

Item 1. Consolidated Financial Statements (Unaudited)

Intercontinental Exchange, Inc. and Subsidiaries

Consolidated Balance Sheets

(In millions, except per share amounts)

(Unaudited)

	As of September 30, 2016	As of December 31, 2015
Assets:		
Current assets:		
Cash and cash equivalents	\$ 458	\$ 627
Short-term investments	24	29
Short-term restricted cash and investments	629	657
Customer accounts receivable, net of allowance for doubtful accounts of \$5 and \$2 at September 30, 2016 and December 31, 2015, respectively	789	700
Margin deposits and guaranty funds	49,832	51,169
Prepaid expenses and other current assets	112	131
Total current assets	51,844	53,313
Property and equipment, net	1,080	1,037
Other non-current assets:		
Goodwill	12,009	12,079
Other intangible assets, net	10,359	10,758
Long-term restricted cash and investments	262	263
Long-term investments	416	299
Other non-current assets	326	238
Total other non-current assets	23,372	23,637
Total assets	\$ 76,296	\$ 77,987
Liabilities and Equity:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 383	\$ 398
Section 31 fees payable	33	116
Accrued salaries and benefits	182	215
Deferred revenue	217	98
Short-term debt	1,585	2,591
Margin deposits and guaranty funds	49,832	51,169
Other current liabilities	122	156
Total current liabilities	52,354	54,743
Non-current liabilities:		
Non-current deferred tax liability, net	2,841	2,837
Long-term debt	4,720	4,717
Accrued employee benefits	454	478
Other non-current liabilities	349	337
Total non-current liabilities	8,364	8,369
Total liabilities	60,718	63,112
Commitments and contingencies		
Redeemable non-controlling interest	34	35

Equity:

Intercontinental Exchange, Inc. shareholders' equity:

Preferred stock, \$0.01 par value; 100 shares authorized; no shares issued or outstanding at September 30, 2016 and December 31, 2015	—	—
Common stock, \$0.01 par value; 500 shares authorized; 126 shares issued at September 30, 2016 and December 31, 2015, and 119 shares outstanding at September 30, 2016 and December 31, 2015	1	1
Treasury stock, at cost; 7 shares at September 30, 2016 and December 31, 2015	(1,499)	(1,448)
Additional paid-in capital	12,415	12,295
Retained earnings	4,911	4,148
Accumulated other comprehensive loss	(316)	(188)
Total Intercontinental Exchange, Inc. shareholders' equity	15,512	14,808
Non-controlling interest in consolidated subsidiaries	32	32
Total equity	15,544	14,840
Total liabilities and equity	\$76,296	\$77,987

See accompanying notes.

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

	Nine Months		Three Months	
	Ended		Ended	
	September 30,		September 30,	
	2016	2015	2016	2015

Revenues:

Transaction and clearing, net	\$2,566	\$2,414		
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