

Edgar Filing: Intercontinental Exchange, Inc. - Form 10-Q

Intercontinental Exchange, Inc.
Form 10-Q
May 04, 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 March 31, 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 ☒

As of May 2, 2016, the number of shares of the registrant's Common Stock outstanding was 119,045,641 shares.

INTERCONTINENTAL EXCHANGE, INC.
Form 10-Q
Quarterly Period Ended March 31, 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 March 31, 2016	As of December 31, 2015
Assets:		
Current assets:		
Cash and cash equivalents	\$468	\$ 627
Short-term investments	25	29
Short-term restricted cash and investments	657	657
Customer accounts receivable, net of allowance for doubtful accounts of \$1 and \$2 at March 31, 2016 and December 31, 2015, respectively	941	700
Margin deposits and guaranty funds	52,329	51,169
Prepaid expenses and other current assets	134	131
Total current assets	54,554	53,313
Property and equipment, net	1,018	1,037
Other non-current assets:		
Goodwill	12,104	12,079
Other intangible assets, net	10,630	10,758
Long-term restricted cash and investments	262	263
Long-term investments	352	299
Other non-current assets	240	238
Total other non-current assets	23,588	23,637
Total assets	\$79,160	\$ 77,987
Liabilities and Equity:		
Current liabilities:		
Accounts payable and accrued liabilities	\$399	\$ 398
Section 31 fees payable	97	116
Accrued salaries and benefits	107	215
Deferred revenue	429	98
Short-term debt	2,048	2,591
Margin deposits and guaranty funds	52,329	51,169
Other current liabilities	227	156
Total current liabilities	55,636	54,743
Non-current liabilities:		
Non-current deferred tax liability, net	2,893	2,837
Long-term debt	4,718	4,717
Accrued employee benefits	470	478
Other non-current liabilities	329	337
Total non-current liabilities	8,410	8,369
Total liabilities	64,046	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 March 31, 2016 and December 31, 2015	—	—
Common stock, \$0.01 par value; 500 shares authorized; 126 shares issued at March 31, 2016 and December 31, 2015, and 119 shares outstanding at March 31, 2016 and December 31, 2015	1	1
Treasury stock, at cost; 7 shares at March 31, 2016 and December 31, 2015	(1,494)	(1,448)
Additional paid-in capital	12,334	12,295
Retained earnings	4,415	4,148
Accumulated other comprehensive loss	(208)	(188)
Total Intercontinental Exchange, Inc. shareholders' equity	15,048	14,808
Non-controlling interest in consolidated subsidiaries	32	32
Total equity	15,080	14,840
Total liabilities and equity	\$79,160	\$77,987

See accompanying notes.

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

Three
Months
Ended
March 31,
2016 2015

Revenues:

Transaction and clearing, net	\$929	\$836
Data services	477	200
Listings	103	101
Other revenues	45	