

ModernGraham Valuation

Company Name:

Company Ticker ICE
Date of Analysis

Intercontinental
Exchange Inc

7/1/2016



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$30,468,509,521	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.98	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	183.52%	Pass
5. Earnings Growth	PEmg < 20	24.75	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.02	Pass
7. Moderate Price to Assets			

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.98	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-4.36	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$10.21
MG Growth Estimate	9.45%
MG Value	\$279.74
MG Value based on 3% Growth	\$148.05
MG Value based on 0% Growth	\$86.79
Market Implied Growth Rate	8.13%

MG Opinion

Current Price	\$252.74
% of Intrinsic Value	90.35%
Opinion	Fairly Valued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$79.65
Graham Number	\$196.71
PEmg	24.75
Current Ratio	0.98
PB Ratio	2.02
Current Dividend	\$3.10
Dividend Yield	1.23%
Number of Consecutive Years of Dividend Growth	4

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$13.60	Next Fiscal Year Estimate	\$10.21
Dec2015	\$11.39	Dec2015	\$8.18
Dec2014	\$8.55	Dec2014	\$6.49
Dec2013	\$3.21	Dec2013	\$5.45
Dec2012	\$7.52	Dec2012	\$6.26
Dec2011	\$6.90	Dec2011	\$5.36
Dec2010	\$5.35	Dec2010	\$4.37
Dec2009	\$4.27	Dec2009	\$3.51
Dec2008	\$4.17	Dec2008	\$2.83
Dec2007	\$3.39	Dec2007	\$1.94
Dec2006	\$2.40	Dec2006	\$1.10
Dec2005	-\$0.39	Dec2005	\$0.45
Dec2004	\$1.64	Dec2004	\$0.75
Dec2003	\$0.37	Dec2003	\$0.27
Dec2002	\$0.37	Dec2002	\$0.19
Dec2001	\$0.26	Dec2001	\$0.09
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information 3/1/2016	
Dec1998	\$0.00	Total Current Assets	\$54,554,000,000
Dec1997	\$0.00	Total Current Liabilities	\$55,636,000,000
Dec1996	\$0.00	Long-Term Debt	\$4,718,000,000
		Total Assets	\$79,160,000,000
		Intangible Assets	\$22,734,000,000
		Total Liabilities	\$64,112,000,000
		Shares Outstanding (Diluted Average)	120,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

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