

ModernGraham Valuation

Company Name:

Company Ticker ICE
Date of Analysis

Intercontinental
Exchange Inc

3/20/2018



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	\$43,328,515,117	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.99	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	199.94%	Pass
6. Moderate PEmg Ratio	PEmg < 20	23.82	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.60	Fail

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	0.99	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-7.01	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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.12
MG Growth Estimate	15.00%
MG Value	\$120.25
MG Value based on 3% Growth	\$45.29
MG Value based on 0% Growth	\$26.55
Market Implied Growth Rate	7.66%

MG Opinion

Current Price	\$74.41
% of Intrinsic Value	61.88%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$13.16
Graham Number	\$46.50
PEmg	23.82
Current Ratio	0.99
PB Ratio	2.60
Current Dividend	\$0.80
Dividend Yield	1.08%
Number of Consecutive Years of Dividend Growth	5

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.31	Next Fiscal Year Estimate	\$3.12
Dec2017	\$4.23	Dec2017	\$2.77
Dec2016	\$2.37	Dec2016	\$1.93
Dec2015	\$2.28	Dec2015	\$1.64
Dec2014	\$1.71	Dec2014	\$1.30
Dec2013	\$0.64	Dec2013	\$1.09
Dec2012	\$1.50	Dec2012	\$1.25
Dec2011	\$1.38	Dec2011	\$1.07
Dec2010	\$1.07	Dec2010	\$0.87
Dec2009	\$0.85	Dec2009	\$0.70
Dec2008	\$0.83	Dec2008	\$0.55
Dec2007	\$0.68	Dec2007	\$0.35
Dec2006	\$0.48	Dec2006	\$0.17
Dec2005	-\$0.08	Dec2005	\$0.02
Dec2004	\$0.08	Dec2004	\$0.07
Dec2003	\$0.07	Dec2003	\$0.05
Dec2002	\$0.07	Dec2002	\$0.04
Dec2001	\$0.05	Balance Sheet Information 12/1/2017	
Dec2000	\$0.00	Total Current Assets	\$53,562,000,000
Dec1999	\$0.00	Total Current Liabilities	\$54,171,000,000
Dec1998	\$0.00	Long-Term Debt	\$4,267,000,000
		Total Assets	\$78,264,000,000
		Intangible Assets	\$22,485,000,000
		Total Liabilities	\$61,340,000,000
		Shares Outstanding (Diluted Average)	591,000,000





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.

Recommended Reading:

Other ModernGraham posts about the company

- [Intercontinental Exchange Inc Valuation – July 2016 \\$ICE](#)
- [21 Companies in the Spotlight This Week – 5/9/15](#)
- [Intercontinental Exchange Inc. Annual Valuation – 2015 \\$ICE](#)
- [18 Companies in the Spotlight This Week – 5/17/14](#)
- [Intercontinental Exchange Group Inc. \(ICE\) Annual Valuation – 2014](#)

Other ModernGraham posts about related companies

- [H&R Block Inc Valuation – March 2018 \\$HRB](#)
- [Morgan Stanley Valuation – March 2018 \\$MS](#)
- [BlackRock Inc Valuation – March 2018 \\$BLK](#)
- [Ameriprise Financial Inc Valuation – March 2018 \\$AMP](#)
- [Navient Corp Valuation – March 2018 \\$NAVI](#)
- [Invesco Ltd Valuation – March 2018 \\$IVZ](#)
- [Capital One Financial Corp Valuation – March 2018 \\$COF](#)
- [Total System Services Inc Valuation – February 2018 \\$TSS](#)
- [Visa Inc Valuation – February 2018 \\$V](#)
- [Goldman Sachs Group Inc Valuation – February 2018 \\$GS](#)