

Key Statistics (USD)

Price	155.93
Market Cap	89.53 B
Enterprise Value	110.29 B
PEG Ratio (5 yr. expected)	2.47
52 weeks high	167.99
52 weeks low	113.87
Beta (5Y-monthly)	1.09
Dividend yield %	1.15%
EPS (TTM)	4.21
1-Yr Stock performance	37.89%

Firm's Brief Description.

Intercontinental Exchange, Inc. (founded in 2000, headquartered in Atlanta, Georgia) provides market infrastructure, data services, and technology solutions for financial institutions, corporations, and governments globally, including the U.S., U.K., EU, and more. The firm operates through three segments: Exchanges, Fixed Income and Data Services, and Mortgage Technology, managing regulated marketplaces for trading and clearing derivatives, financial securities, and commodities. Moreover, the company offers data services, energy, agricultural, and metals futures, as well as equity and fixed-income solutions. Its mortgage platform facilitates residential loan origination and secure data exchange. Additionally, it provides analytics and Data as a Service for lenders.

Sector Overview

- Coinbase sealed a deal with APPLE Inc. enabling cryptocurrency purchases through Apple Pay in third-party apps, highlighting the reshaping in operations of the industry.
- The total market cap for the financial data and stock exchanges industry stands at \$686.7 billion, with revenue of \$66.01 billion and an average profit margin of 25.69%.
- ICE's leadership in environmental markets with a significant 28% year-over-year increase in open interest in its products, showing growth in emerging markets like carbon trading.

Fundamental Analysis

The stock has seen a strong 1-year price increase of 37.89%, supported by significant earnings growth of 63.76% YoY and an EPS of 4.21. However, the PEG ratio of 2.47 suggests potential overvaluation given the expected growth rate. Revenue growth has slowed to 2.77% YoY, below its 3-year average of 6.36%, while free cash flow declined by 1.32%, indicating reduced cash generation efficiency. The company's profitability shows mixed results- the gross profit margin of 80.66% exceeds its 3-year average and is much higher than the industry standard (65–70%), signaling strong operational performance. However, the operating margin (37.30%) and net profit margin (23.91%) are lower than their 3-year averages (42.65% and 27.73%, respectively), suggesting rising costs or challenges in managing profitability. Liquidity appears stable, with a Current Ratio of 1.00 meeting short-term obligations, and a Total Ratio of 1.23 indicating solid long-term financial health. Also, the ROE of 9.48% reflects moderate returns for shareholders, below its 3-year average, while the ROA of 2.40% indicates room for better asset utilization. Valuation metrics show the stock is trading at a premium with a Price-to-Earnings ratio of 36.94x (TTM) and Price-to-Book of 3.30x. This suggests growth potential but with limited upside if margins continue to decline.

Target Price (1 year forward): 179.94\$

Growth Rates	YoY	3-Yr Avg
Revenues	2.77%	6.36%
Earnings	63.76%	31.22%
Free Cash Flow	-1.32%	6.90%

Margins	Company	3-Yr Avg
Gross Profit Margin	80.66%	78.09%
Operating Margin	37.30%	42.65%
Net Profit Margin	23.91%	27.73%

Key Ratios	Company	3-Yr Avg
Current Ratio	1.00	1.02
Total Ratio	1.23	1.16
Financial Leverage	5.29	7.46
ROE	9.48%	11.33%
ROA	2.40%	2.18%
ROC	5.51%	5.84%

Valuation Metrics	TTM	FY 2023
Price to Sales	7.89	7.24
Price to Earnings	36.94	29.83
Price to Cash Flow	21.99	20.47
Price to Book Value	3.30	2.92

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