

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 10, 2021



SS&C TECHNOLOGIES HOLDINGS, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-34675
(Commission
File Number)

71-0987913
(IRS Employer
Identification No.)

80 Lambertson Road, Windsor, CT
(Address of Principal Executive Offices)

06095
(Zip Code)

Registrant's telephone number, including area code: (860) 298-4500

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.01 per share	SSNC	The Nasdaq Global Select Market

Item 2.02. Results of Operations and Financial Condition

On February 10, 2021, SS&C Technologies Holdings, Inc. (the “Company”) announced its financial results for the quarter and fiscal year ended December 31, 2020. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K. On February 10, 2021, the Company also posted a Q4 2020 and Full Year 2020 Earnings Results Presentation dated February 10, 2021, on the Company’s Investor Relations website at investor.ssctech.com.

The information in this Form 8-K (including Exhibit 99.1 and 99.2) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

The following exhibit relating to Item 2.02 shall be deemed to be furnished, and not filed:

- 99.1 [Press Release, issued by the Company on February 10, 2021.](#)
 - 99.2 [Q4 2020 and Full Year 2020 Earnings Presentation dated February 10, 2021.](#)
 - 104 The cover page from this Current Report on Form 8-K, formatted in Inline XBRL
-

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SS&C TECHNOLOGIES HOLDINGS, INC.

Date: February 10, 2021

By: /s/ Patrick J. Pedonti

Patrick J. Pedonti

Senior Vice President and Chief Financial Officer

SS&C Technologies Releases Q4 and Full Year 2020 Earnings Results

Q4 2020 GAAP revenue \$1,203.4 million, flat, Fully Diluted GAAP Earnings Per Share \$0.74, up 37.0%
Adjusted revenue \$1,206.1 million, down 0.5%, Adjusted Diluted Earnings Per Share \$1.13, up 4.6%

WINDSOR, CT, February 10, 2021 (PR Newswire) SS&C Technologies Holdings, Inc. (NASDAQ: SSNC), a global provider of investment, financial, and healthcare software-enabled services and software, today announced its financial results for the fourth quarter and full year ended December 31, 2020.

(in millions, except per share data):	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Change	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2019	Change
GAAP Results						
Revenue	\$1,203.4	\$1,203.5	(0.0)%	\$4,667.9	\$4,632.9	0.8%
Operating income	268.7	261.3	2.8%	985.8	914.4	7.8%
Operating income margin	22.3%	21.7%	60 bp	21.1%	19.7%	140 bp
Diluted earnings per share	\$0.74	\$0.54	37.0%	\$2.35	\$1.66	41.6%
Adjusted Non-GAAP Results (defined in Notes 1 - 4 below)						
Adjusted revenue	\$1,206.1	\$1,212.2	(0.5)%	\$4,681.1	\$4,668.8	0.3%
Adjusted operating income	458.8	470.0	(2.4)%	1,781.9	1,742.7	2.2%
Adjusted operating income margin	38.0%	38.8%	(80 bp)	38.1%	37.3%	80 bp
Adjusted diluted earnings per share	\$1.13	\$1.08	4.6%	\$4.30	\$3.83	12.3%

Fourth Quarter and Full Year 2020 Highlights:

- SS&C generated net cash from operating activities of \$1,184.7 million for the twelve months ended December 31, 2020.
- We paid down \$738.2 million in debt in 2020 to bring our net leverage ratio and net secured leverage ratio to 3.39 times and 2.31 times consolidated EBITDA, respectively.
- Repurchased 3.7 million shares of common stock in 2020 at an average price of \$60.99 per shares for \$227.7 million.
- SS&C spent \$471.0 million on research & development and capitalized software in 2020, and acquired three businesses for \$138.9 million, a total of over \$600 million.
- Launched SS&C's Blue Sky Portal, a dedicated cloud-based technology solution to help investment managers comply with state Blue Sky laws.
- SS&C Health completed the new COVAX Program, focused on ensuring the successful completion of the COVID Vaccine series for members receiving the vaccination from SS&C Health partner pharmacies.

"SS&C's 2020 financial results prove the resiliency of our business model, the stability of our client base, and the dedication of our workforce. Despite the many challenges this year presented, we were able to grow earnings in the double digits, hold margins steady, complete three acquisitions, while keeping our employees safe," says Bill Stone, Chairman and Chief Executive Officer. "SS&C generates nearly 25% of our revenue in operating cash which demonstrates the power of our business model. 2021 is the third year anniversary of our 2018 deployment of \$8.3



billion in capital to acquire DST Systems, Eze Software, and Intralinks. Our adjusted earnings per share have grown from \$1.93 in 2017, to \$2.92 in 2018, to \$3.83 in 2019 and \$4.30 in 2020. The 4 year compounded growth rate in adjusted earnings per share is 22.2%. We believe cash from operations and adjusted earnings per share are good proxies for the health of our business.”

“We have also been meeting with major shareholders and have begun a significant change to our executive compensation system and overall corporate governance. SS&C has a 35 year history of adapting to change and in February of 2021 we have never had more opportunity, more resources to pursue these opportunities, or a more talented workforce. I want to thank our employees, customers and suppliers for focusing, collaborating and accomplishing our 2020 goals. We look at 2021 with increased optimism.”

Operating Cash Flow

SS&C generated net cash from operating activities of \$1,184.7 million for the twelve months ended December 31, 2020, compared to \$1,328.3 million for the same period in 2019. SS&C ended the fourth quarter with \$209.3 million in cash and cash equivalents and \$6,504.9 million in gross debt, for a net debt balance of \$6,295.6 million. SS&C's consolidated net leverage ratio as defined in our credit agreement stood at 3.39 times consolidated EBITDA as of December 31, 2020. SS&C's net secured leverage ratio stood at 2.31 times consolidated EBITDA as of December 31, 2020.

SS&C's COVID-19 Response

SS&C is operating in a global public health crisis. Covid-19's impact is devastating to many and nations are being tested from human and economic perspectives. As long as the duration and scale of the pandemic and economic slowdown remains we expect markets to be volatile. The slowdown in the global economy will take time to recover.

Guidance

	Q1 2021	FY 2021
Adjusted Revenue (\$M)	\$1,158.0 – \$1,198.0	\$4,685.0 – \$4,875.0
Adjusted Net Income (\$M)	\$281.5 – \$298.5	\$1,185.0 – \$1,270.0
Adjusted Diluted Earnings per Share	\$1.05 – \$1.11	\$4.36 – \$4.64
Cash from Operating Activities (\$M)	–	\$1,240.0 – \$1,320.0
Capital Expenditures (% of revenue)	–	2.6% – 3.0%
Diluted Shares (M)	269.0 – 270.0	271.5 – 274.0
Effective Income Tax Rate (%)	26%	26%

SS&C does not provide reconciliations of guidance for Adjusted Revenues and Adjusted Net Income to comparable GAAP measures, in reliance on the unreasonable efforts exception provided under Item 10(e)(1)(i)(B) of Regulation S-K. SS&C is unable, without unreasonable efforts, to forecast certain items required to develop meaningful comparable GAAP financial measures. These items include acquisition transactions and integration, foreign exchange rate changes, as well as other non-cash and other adjustments as defined under the Company's Credit agreement, that are difficult to predict in advance in order to include in a GAAP estimate. The unavailable information could have a significant impact on Q1 2021 and FY 2021 GAAP financial results.

Non-GAAP Financial Measures

Adjusted revenue, adjusted operating income, adjusted consolidated EBITDA, adjusted net income and adjusted diluted earnings per share are non-GAAP measures. See the accompanying notes for the reconciliations and definitions for each of these non-GAAP measures and the reasons our management believes these measures provide useful information to investors regarding our financial condition and results of operations.



Earnings Call and Press Release

SS&C's Q4 2020 earnings call will take place at 5:00 p.m. eastern time today, February 10, 2021. The call will discuss Q4 2020 results and business outlook. Interested parties may dial 844-343-4183 (US and Canada) or 647-689-5128 (International), and request the "SS&C Technologies Fourth Quarter and Full Year 2020 Conference Call"; conference ID # 1458468. In connection with the earnings call, a presentation will be available on SS&C's website at <http://investor.ssctech.com/results.cfm>. A replay will be available after 10:00 p.m. eastern time on February 10, 2021, until midnight on February 17, 2021. The replay dial-in number is 800-585-8367 or 416-621-4642; access code # 1458468. The call will also be available for replay on SS&C's website after February 10, 2021; access: <http://investor.ssctech.com/results.cfm>.

Certain information contained in this press release relating to, among other things, the Company's financial guidance for the first quarter and full year of 2021 constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements concerning plans, objectives, goals, strategies, expectations, intentions, projections, developments, future events, performance, underlying assumptions, and other statements that are other than statements of historical facts. Without limiting the foregoing, the words "believes", "anticipates", "plans", "expects", "estimates", "projects", "forecasts", "may", "assume", "intend", "will", "continue", "opportunity", "predict", "potential", "future", "guarantee", "likely", "target", "indicate", "would", "could" and "should" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements are accompanied by such words. Such statements reflect management's best judgment based on factors currently known but are subject to risks and uncertainties, which could cause actual results to differ materially from those anticipated. Such risks and uncertainties include, but are not limited to, the state of the economy and the financial services industry and other industries in which the Company's clients operate, the Company's ability to realize anticipated benefits from its acquisitions, including DST Systems, Inc., the effect of customer consolidation on demand for the Company's products and services, the increasing focus of the Company's business on the hedge fund industry, the variability of revenue as a result of activity in the securities markets, the ability to retain and attract clients, fluctuations in customer demand for the Company's products and services, the intensity of competition with respect to the Company's products and services, the exposure to litigation and other claims, terrorist activities and other catastrophic events, disruptions, attacks or failures affecting the Company's software-enabled services, risks associated with the Company's foreign operations, privacy concerns relating to the collection and storage of personal information, evolving regulations and increased scrutiny from regulators, the Company's ability to protect intellectual property assets and litigation regarding intellectual property rights, delays in product development, investment decisions concerning cash balances, regulatory and tax risks, risks associated with the Company's joint ventures, changes in accounting standards, risks related to the Company's substantial indebtedness, the market price of the Company's stock prevailing from time to time, and the risks discussed in the "Risk Factors" section of the Company's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, which are on file with the Securities and Exchange Commission and can also be accessed on our website. Forward-looking statements speak only as of the date on which they are made and, except to the extent required by applicable securities laws, we undertake no obligation to update or revise any forward-looking statements.

About SS&C Technologies

SS&C is a global provider of services and software for the financial services and healthcare industries. Founded in 1986, SS&C is headquartered in Windsor, Connecticut, and has offices around the world. Some 18,000 financial services and healthcare organizations, from the world's largest companies to small and mid-market firms, rely on SS&C for expertise, scale, and technology.

Follow SS&C on Twitter, LinkedIn and Facebook.

For more information

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SS&C Technologies Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income
(in millions, except per share data)
(unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Revenues:				
Software-enabled services	\$ 998.4	\$ 974.5	\$ 3,891.3	\$ 3,869.2
License, maintenance and related	205.0	229.0	776.6	763.7
Total revenues	<u>1,203.4</u>	<u>1,203.5</u>	<u>4,667.9</u>	<u>4,632.9</u>
Cost of revenues:				
Software-enabled services	572.3	577.8	2,257.3	2,305.7
License, maintenance and related	80.5	80.2	316.8	306.0
Total cost of revenues	<u>652.8</u>	<u>658.0</u>	<u>2,574.1</u>	<u>2,611.7</u>
Gross profit	<u>550.6</u>	<u>545.5</u>	<u>2,093.8</u>	<u>2,021.2</u>
Operating expenses:				
Selling and marketing	95.4	92.6	356.3	353.9
Research and development	100.7	100.4	399.4	383.7
General and administrative	85.8	91.2	352.3	369.2
Total operating expenses	<u>281.9</u>	<u>284.2</u>	<u>1,108.0</u>	<u>1,106.8</u>
Operating income	<u>268.7</u>	<u>261.3</u>	<u>985.8</u>	<u>914.4</u>
Interest expense, net	(53.3)	(100.5)	(245.9)	(404.9)
Other income (expense), net	22.8	(1.4)	41.6	25.7
Equity in earnings of unconsolidated affiliates, net	(1.4)	1.5	(1.5)	3.6
Loss on extinguishment of debt	(2.0)	—	(4.2)	(7.1)
Income before income taxes	<u>234.8</u>	<u>160.9</u>	<u>775.8</u>	<u>531.7</u>
Provision for income taxes	37.7	19.3	150.6	93.2
Net income	<u>\$ 197.1</u>	<u>\$ 141.6</u>	<u>\$ 625.2</u>	<u>\$ 438.5</u>
Basic earnings per share	\$ 0.77	\$ 0.56	\$ 2.44	\$ 1.73
Diluted earnings per share	\$ 0.74	\$ 0.54	\$ 2.35	\$ 1.66
Basic weighted average number of common shares outstanding	256.7	253.5	256.4	252.9
Diluted weighted average number of common and common equivalent shares outstanding	268.1	264.4	266.6	264.2
Net income	\$ 197.1	\$ 141.6	\$ 625.2	\$ 438.5
Other comprehensive income, net of tax:				
Change in unrealized gain (loss) on interest rate swaps	0.1	0.5	(2.7)	(2.8)
Defined benefit pension adjustment	(3.2)	—	(3.2)	—
Foreign currency exchange translation adjustment	103.8	124.6	57.9	92.8
Total other comprehensive income, net of tax	<u>100.7</u>	<u>125.1</u>	<u>52.0</u>	<u>90.0</u>
Comprehensive income	<u>\$ 297.8</u>	<u>\$ 266.7</u>	<u>\$ 677.2</u>	<u>\$ 528.5</u>

SS&C Technologies Holdings, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in millions)
(unaudited)

	December 31, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 209.3	\$ 152.8
Funds receivable and funds held on behalf of clients	1,227.4	1,729.9
Accounts receivable, net	648.0	669.7
Contract asset	20.4	20.0
Prepaid expenses and other current assets	187.5	204.5
Restricted cash	5.9	9.0
Total current assets	2,298.5	2,785.9
Property, plant and equipment, net	412.8	466.4
Operating lease right-of-use assets	350.8	375.3
Investments	183.5	160.1
Unconsolidated affiliates	225.6	234.8
Contract asset	82.0	78.6
Goodwill	8,078.7	7,959.9
Intangible and other assets, net	4,291.7	4,680.1
Total assets	\$ 15,923.6	\$ 16,741.1
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$ 53.9	\$ 76.3
Client funds obligations	1,227.4	1,729.9
Accounts payable	28.1	36.9
Income taxes payable	9.3	13.3
Accrued employee compensation and benefits	311.5	290.6
Interest payable	27.5	27.6
Other accrued expenses	293.1	268.4
Deferred revenue	332.5	333.2
Total current liabilities	2,283.3	2,776.2
Long-term debt, net of current portion	6,388.5	7,077.8
Operating lease liabilities	323.6	348.6
Other long-term liabilities	287.9	333.7
Deferred income taxes	923.8	1,088.7
Total liabilities	10,207.1	11,625.0
Total stockholders' equity	5,716.5	5,116.1
Total liabilities and stockholders' equity	\$ 15,923.6	\$ 16,741.1

SS&C Technologies Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in millions)
(unaudited)

	Twelve Months Ended December 31,	
	2020	2019
Cash flow from operating activities:		
Net income	\$ 625.2	\$ 438.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	725.3	775.2
Equity in earnings of unconsolidated affiliates, net	1.5	(3.6)
Cash distributions received from unconsolidated affiliates	8.0	2.5
Stock-based compensation expense	87.8	72.4
Net gains on investments	(24.2)	(35.1)
Amortization and write-offs of loan origination costs and original issue discounts	13.8	28.4
Loss on extinguishment of debt, net	4.1	—
Loss on sale or disposition of property and equipment	4.6	2.6
Deferred income taxes	(155.4)	(87.1)
Provision for doubtful accounts	7.7	6.2
Changes in operating assets and liabilities, excluding effects from acquisitions:		
Accounts receivable	24.3	9.9
Prepaid expenses and other assets	(86.9)	49.1
Contract assets	(2.5)	(48.1)
Accounts payable	(13.1)	(0.7)
Accrued expenses and other liabilities	(8.2)	(43.2)
Income taxes prepaid and payable	31.4	(35.0)
Deferred revenue	(58.7)	196.3
Net cash provided by operating activities	<u>1,184.7</u>	<u>1,328.3</u>
Cash flow from investing activities:		
Cash paid for business acquisitions, net of cash acquired	(116.0)	(94.1)
Additions to property and equipment	(34.8)	(63.0)
Proceeds from sale of property and equipment	2.3	6.2
Additions to capitalized software	(71.6)	(67.4)
Investments in securities	(60.9)	(0.3)
Proceeds from sales / maturities of investments	60.3	65.1
(Contributions to) distributions received from unconsolidated affiliates	(0.1)	2.8
Collection of other non-current receivables	10.3	10.2
Net cash used in investing activities	<u>(210.5)</u>	<u>(140.5)</u>
Cash flow from financing activities:		
Cash received from debt borrowings	286.0	2,241.0
Repayments of debt	(1,024.2)	(3,364.8)
Fees paid for debt extinguishment and refinancing activities	—	(6.1)
Net (decrease) increase in client funds obligations	(504.9)	681.6
Proceeds from exercise of stock options	189.7	125.7
Withholding taxes paid related to equity award net share settlement	(10.9)	(22.8)
Purchases of common stock for treasury	(227.7)	(60.3)
Dividends paid on common stock	(136.1)	(107.7)
Net cash used in financing activities	<u>(1,428.1)</u>	<u>(513.4)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	2.4	1.7
Net decrease (increase) in cash, cash equivalents and restricted cash	(451.5)	676.1
Cash, cash equivalents and restricted cash, beginning of period	1,789.4	1,113.3
Cash, cash equivalents and restricted cash and cash equivalents, end of period	<u><u>\$ 1,337.9</u></u>	<u><u>\$ 1,789.4</u></u>
Reconciliation of cash, cash equivalents and restricted cash and cash equivalents:		
Cash and cash equivalents	\$ 209.3	\$ 152.8
Restricted cash and cash equivalents	5.9	9.0
Restricted cash and cash equivalents included in funds receivable and funds held on behalf of clients	1,122.7	1,627.6
	<u><u>\$ 1,337.9</u></u>	<u><u>\$ 1,789.4</u></u>

SS&C Technologies Holdings, Inc. and Subsidiaries
Disclosures Relating to Non-GAAP Financial Measures

Note 1. Reconciliation of Revenues to Adjusted Revenues

Adjusted revenues represents revenues adjusted to include a) amounts that would have been recognized if deferred revenue were not adjusted to fair value at the date of acquisition and b) amounts that would have been recognized if not for adjustments to deferred revenue and retained earnings related to the adoption of ASC 606. Adjusted revenues is presented because we use this measure to evaluate performance of our business against prior periods and believe it is a useful indicator of the underlying performance of our business. Adjusted revenues is not a recognized term under generally accepted accounting principles (“GAAP”). Adjusted revenues does not represent revenues, as that term is defined under GAAP, and should not be considered as an alternative to revenues as an indicator of our operating performance. Adjusted revenues as presented herein is not necessarily comparable to similarly titled measures presented by other companies. Below is a reconciliation of adjusted revenues to revenues, the GAAP measure we believe to be most directly comparable to adjusted revenues.

(in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Revenues	\$ 1,203.4	\$ 1,203.5	\$ 4,667.9	\$ 4,632.9
ASC 606 adoption impact	0.7	6.6	4.9	18.7
Purchase accounting adjustments impact on revenue	2.0	2.1	8.3	17.2
Adjusted revenues	\$ 1,206.1	\$ 1,212.2	\$ 4,681.1	\$ 4,668.8

The following is a breakdown of software-enabled services and license, maintenance and related revenues and adjusted software-enabled services and license, maintenance and related revenues.

(in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Software-enabled services	\$ 998.4	\$ 974.5	\$ 3,891.3	\$ 3,869.2
License, maintenance and related	205.0	229.0	776.6	763.7
Total revenues	\$ 1,203.4	\$ 1,203.5	\$ 4,667.9	\$ 4,632.9
Software-enabled services	\$ 1,000.3	\$ 976.4	\$ 3,898.6	\$ 3,886.8
License, maintenance and related	205.8	235.8	782.5	782.0
Total adjusted revenues	\$ 1,206.1	\$ 1,212.2	\$ 4,681.1	\$ 4,668.8

Note 2. Reconciliation of Operating Income to Adjusted Operating Income

Adjusted operating income represents operating income adjusted for amortization of intangible assets, stock-based compensation, purchase accounting adjustments for deferred revenue and related costs, ASC 606 adoption impact and other expenses. Adjusted operating income is presented because we use this measure to evaluate performance of our business and believe it is a useful indicator of our underlying performance. Adjusted operating income is not a recognized term under GAAP. Adjusted operating income does not represent operating income, as that term is defined under GAAP, and should not be considered as an alternative to operating income as an indicator of our operating performance. Adjusted operating income as presented herein is not necessarily comparable to similarly titled measures by other companies. The following is a reconciliation between adjusted operating income and operating income, the GAAP measure we believe to be most directly comparable to adjusted operating income.

(in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Operating income	\$ 268.7	\$ 261.3	\$ 985.8	\$ 914.4
Amortization of intangible assets	155.8	162.2	619.7	652.0
Stock-based compensation	21.9	16.7	87.8	72.4
Purchase accounting adjustments (1)	10.2	11.2	40.3	52.1
ASC 606 adoption impact	0.8	6.7	5.2	19.0
Other (2)	1.4	11.9	43.1	32.8
Adjusted operating income	\$ 458.8	\$ 470.0	\$ 1,781.9	\$ 1,742.7

- (1) Purchase accounting adjustments include (a) an adjustment to increase revenues by the amount that would have been recognized if deferred revenue were not adjusted to fair value at the date of acquisition, (b) an adjustment to increase personnel and commissions expense by the amount that would have been recognized if prepaid commissions and deferred personnel costs were not adjusted to fair value at the date of the acquisitions and (c) an adjustment to decrease depreciation expense by the amount that would not have been recognized if property, plant and equipment were not adjusted to fair value at the date of acquisition.
- (2) Other includes expenses and income that are permitted to be excluded per the terms of our Credit Agreement from Consolidated EBITDA, a financial measure used in calculating our covenant compliance. These include expenses and income related to foreign currency transactions, facilities and workforce restructuring, legal settlements and business acquisitions.

Note 3. Reconciliation of Net Income to EBITDA, Consolidated EBITDA and Adjusted Consolidated EBITDA

EBITDA represents net income before interest expense, income taxes, depreciation and amortization. Consolidated EBITDA, defined under our Credit Agreement entered into in April 2018, as amended, is used in calculating covenant compliance, and is EBITDA adjusted for certain items. Consolidated EBITDA is calculated by subtracting from or adding to EBITDA items of income or expense described below. Adjusted Consolidated EBITDA is calculated by subtracting acquired EBITDA (as defined below) from Consolidated EBITDA. EBITDA, Consolidated EBITDA and Adjusted Consolidated EBITDA are presented because we use these measures to evaluate performance of our business and believe them to be useful indicators of an entity's debt capacity and its ability to service debt. EBITDA, Consolidated EBITDA and Adjusted Consolidated EBITDA are not recognized terms under GAAP and should not be considered in isolation or as alternatives to operating income, net income or cash flows from operating activities as indicators of our operating performance. These measures are not necessarily comparable to similarly titled measures by other companies. The following is a reconciliation of EBITDA, Consolidated EBITDA and Adjusted Consolidated EBITDA to net income.

(in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Net income	\$ 197.1	\$ 141.6	\$ 625.2	\$ 438.5
Interest expense, net	53.3	100.5	245.9	404.9
Provision for income taxes	37.7	19.3	150.6	93.2
Depreciation and amortization	181.2	192.4	725.3	775.2
EBITDA	469.3	453.8	1,747.0	1,711.8
Stock-based compensation	21.9	16.7	87.8	72.4
Acquired EBITDA and cost savings (1)	—	3.9	2.3	49.6
Non-cash portion of straight-line rent expense	0.1	(0.1)	(0.1)	0.1
Loss on extinguishment of debt	2.0	—	4.2	7.1
Equity in earnings of unconsolidated affiliates, net	1.4	(1.5)	1.5	(3.6)
Purchase accounting adjustments (2)	1.7	1.6	6.9	14.0
ASC 606 adoption impact	0.8	6.7	5.2	19.0
Other (3)	(21.4)	13.3	1.5	7.1
Consolidated EBITDA	\$ 475.8	\$ 494.4	\$ 1,856.3	\$ 1,877.5
Less: acquired EBITDA and cost savings (1)	—	(3.9)	(2.3)	(49.6)
Adjusted Consolidated EBITDA	\$ 475.8	\$ 490.5	\$ 1,854.0	\$ 1,827.9

- (1) Acquired EBITDA reflects the EBITDA impact of significant businesses that were acquired during the period as if the acquisition occurred at the beginning of the period, as well as cost savings enacted in connection with acquisitions.
- (2) Purchase accounting adjustments include (a) an adjustment to increase revenues by the amount that would have been recognized if deferred revenue were not adjusted to fair value at the date of acquisition and (b) an adjustment to increase personnel and commissions expense by the amount that would have been recognized if prepaid commissions and deferred personnel costs were not adjusted to fair value at the date of the acquisitions.
- (3) Other includes expenses and income that are permitted to be excluded per the terms of our Credit Agreement from Consolidated EBITDA, a financial measure used in calculating our covenant compliance. These include expenses and income related to foreign currency transactions, investment gains and losses, facilities and workforce restructuring, legal settlements, business acquisitions and other items.

Note 4. Reconciliation of Net Income to Adjusted Net Income and Diluted Earnings Per Share to Adjusted Diluted Earnings Per Share

Adjusted net income and adjusted diluted earnings per share represent net income and earnings per share before amortization of intangible assets and deferred financing costs, stock-based compensation, purchase accounting adjustments and other items. We consider adjusted net income and adjusted diluted earnings per share to be important to management and investors because they

represent our operational performance exclusive of the effects of amortization of intangible assets and deferred financing costs, stock-based compensation, purchase accounting adjustments, loss on extinguishment of debt and other items, that are not operational in nature or comparable to those of our competitors. Adjusted net income and adjusted diluted earnings per share are not recognized terms under GAAP. Adjusted net income and adjusted diluted earnings per share do not represent net income or diluted earnings per share, as those terms are defined under GAAP, and should not be considered as alternatives to net income or diluted earnings per share as indicators of our operating performance. Adjusted net income and adjusted diluted earnings per share as presented herein are not necessarily comparable to similarly titled measures presented by other companies. Below is a reconciliation of adjusted net income and adjusted diluted earnings per share to net income and diluted earnings per share, the GAAP measures we believe to be most directly comparable to adjusted net income and adjusted diluted earnings per share.

(in millions, except per share data)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
GAAP – Net income	\$ 197.1	\$ 141.6	\$ 625.2	\$ 438.5
Plus: Amortization of intangible assets	155.8	162.2	619.7	652.0
Plus: Amortization of deferred financing costs and original issue discount	3.4	15.1	13.8	28.4
Plus: Stock-based compensation	21.9	16.7	87.8	72.4
Plus: Loss on extinguishment of debt	2.0	—	4.2	7.1
Plus: Purchase accounting adjustments (1)	10.2	11.2	40.3	52.1
Plus: ASC 606 adoption impact	0.8	6.7	5.2	19.0
Plus (Less): Equity in earnings of unconsolidated affiliates, net	1.4	(1.5)	1.5	(3.6)
(Less) Plus: Other (2)	(21.4)	13.3	1.5	7.1
Income tax effect (3)	(68.6)	(80.7)	(252.4)	(262.1)
Adjusted net income	\$ 302.6	\$ 284.6	\$ 1,146.8	\$ 1,010.9
Adjusted diluted earnings per share	\$ 1.13	\$ 1.08	\$ 4.30	\$ 3.83
GAAP diluted earnings per share	\$ 0.74	\$ 0.54	\$ 2.35	\$ 1.66
Diluted weighted-average shares outstanding	268.1	264.4	266.6	264.2

- (1) Purchase accounting adjustments include (a) an adjustment to increase revenues by the amount that would have been recognized if deferred revenue were not adjusted to fair value at the date of acquisition, (b) an adjustment to increase personnel and commissions expense by the amount that would have been recognized if prepaid commissions and deferred personnel costs were not adjusted to fair value at the date of the acquisitions and (c) an adjustment to decrease depreciation expense by the amount that would not have been recognized if property, plant and equipment were not adjusted to fair value at the date of acquisition.
- (2) Other includes expenses and income that are permitted to be excluded per the terms of our Credit Agreement from Consolidated EBITDA, a financial measure used in calculating our covenant compliance. These include expenses and income related to foreign currency transactions, investment gains and losses, facilities and workforce restructuring, legal settlements, business acquisitions and other items.
- (3) An estimated normalized effective tax rate of approximately 26% for the three and twelve months ended December 31, 2020 and 2019, respectively, has been used to adjust the provision for income taxes for the purpose of computing adjusted net income.

SS&C Technologies (NASDAQ:SSNC)

Q4 and Full Year 2020 Earnings Results



Safe Harbor Statement



This presentation contains forward-looking statements, as defined by federal and state securities laws, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements concerning plans, objectives, goals, strategies, expectations, intentions, projections, developments, future events, performance or products, underlying assumptions, and other statements which are other than statements of historical facts. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "hope," "expects," "intends," "plans," "anticipates," "contemplates," "believes," "estimates," "predicts," "projects," "potential," "continue," and other similar terminology or the negative of these terms. From time to time, we may publish or otherwise make available forward-looking statements of this nature. All such forward-looking statements, whether written or oral, and whether made by us or on our behalf, are expressly qualified by the cautionary statements described on this message including those set forth below. All statements contained in this presentation are made only as of the date of this presentation. In addition, except to the extent required by applicable securities laws, we undertake no obligation to update or revise any forward-looking statements to reflect events, circumstances, or new information after the date of the information or to reflect the occurrence or likelihood of unanticipated events, and we disclaim any such obligation.

Forward-looking statements are only predictions that relate to future events or our future performance and are subject to known and unknown risks, uncertainties, assumptions, and other factors that may cause actual results, outcomes, levels of activity, performance, developments, or achievements to be materially different from any future results, outcomes, levels of activity, performance, developments, or achievements expressed, anticipated, or implied by these forward-looking statements. Other factors that could affect actual results, outcomes, levels of activity, performance, developments or achievements can be found under the heading "Risk Factors" in SS&C Technologies Holdings, Inc.'s most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. As a result, we cannot guarantee future results, outcomes, levels of activity, performance, developments, or achievements, and there can be no assurance that our expectations, intentions, anticipations, beliefs, or projections will result or be achieved or accomplished.

SS&C's Response to the COVID-19 Pandemic



Maintaining Business Continuity, Operational capabilities, and Employee Safety

- We have instituted safety measures including work from home, work rotations for essential functions and closing of locations following the recommendations of regulators and health organizations around the world. The primary goal is to ensure our clients' and every SS&C employee's health and safety.
- 99% of our global workforce is working from home at this time.
- 9 international offices have reopened. Plan on reopening more locations in the next several months.

Supporting our Clients through this unprecedented time

- We have been reaching out to our customers offering our assistance, expertise and technological resources. The challenges of COVID-19 are proving the value of our investments in worldwide resiliency. We are providing capability via technology at scale and we are meeting our deliverables.
- Increased inbound interest for cloud hosting and outsourced services as firms in this remote working environment look to us to provide access to production systems, and augment their staff and processing capability.
- SS&C Health completed the new COVAX Program, focused on ensuring the successful completion of the COVID Vaccine series for members receiving the vaccination from SS&C Health partner pharmacies .
- Customer service levels remain high

Proven, resilient business model

- 95.7% revenue retention LTM as of December 31, 2020.
- SS&C has high contractually recurring revenue base. Less than 3.0% of 2020 revenues were from perpetual licenses and professional services.
- Cash flow provided by operations was \$1,184.7 million for the twelve months ended December 31, 2020
- Adjusted diluted earnings per share in Q4 2020 were \$1.13 per share, up 4.6%.

Q4 2020 financial highlights



Metric	Q4 2020	Q4 2019	\$ +/-	% +/-
Adjusted Revenues (\$M)	\$1,206.1	\$1,212.2	(\$6.1)	(0.5%)
Adjusted Operating Income (\$M)	\$458.8	\$470.0	(\$11.2)	(2.4%)
Adjusted Consolidated EBITDA (\$M)	\$475.8	\$490.5	(\$14.7)	(3.0%)
Adjusted Net Income (\$M)	\$302.6	\$284.6	\$18.0	6.3%
Adjusted Diluted Earnings Per Share	\$1.13	\$1.08	\$0.05	4.6%
Operating Cash Flow for twelve months ended December 31, 2020 (\$M)	\$1,184.7	\$1,328.3	(\$143.6)	(10.8%)

Note: See appendix for reconciliation of non-GAAP financial measures



Debt review and capital allocation

- Operating cash flow was \$1,184.7 M for the twelve months ended December 31, 2020
- Debt
 - Net leverage ratio is 3.39x LTM consolidated EBITDA, secured net leverage ratio is 2.31x LTM consolidated EBITDA of \$1,856.3 M
- Shareholder Returns
 - Repurchased 3.7 million shares of common stock in 2020 at an average price of \$60.99 per shares for \$227.7 M.
 - Paid \$136.1 M in dividends in 2020
- Acquisitions
 - Acquired Millennium Consulting Services and Millennium Seminar Services in December 2020

Organic Growth Calculations 2020



	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Total Adjusted Revenues (\$M)	1,178.0	1,140.8	1,156.2	1,206.1	4,681.1
Fx (\$M)	5.5	7.2	(6.5)	(6.1)	0.1
Acquisitions (\$M)	(18.3)	(25.1)	(29.8)	(27.3)	(100.5)
Organic Revenues (\$M)	1,165.2	1,122.9	1,119.9	1,172.7	4,580.7
Adjustments (\$M)	16.3 ¹	16.9 ²	14.6 ³	15.7 ⁴	63.5
Adjusted Organic Revenues (\$M)	1,181.5	1,139.8	1,134.5	1,188.4	4,644.2
Adjusted Organic Revenue Growth Rate (%)	2.8%	(1.4)%	(1.4)%	(2.0)%	(0.5)%

¹Adjustments include \$1.3 M for out-of-pocket expense reimbursements, and \$15.0 M for DST clients that terminated pre-acquisition.

²Adjustments include \$5.7 M for out-of-pocket expense reimbursements, and \$11.2 M for DST clients that terminated pre-acquisition.

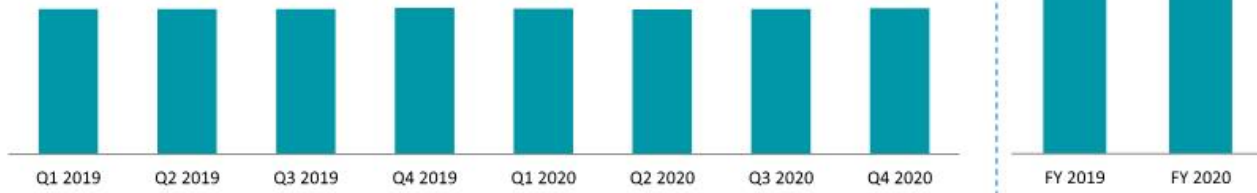
³Adjustments include \$4.6 M for out-of-pocket expense reimbursements, and \$10.0 M for DST clients that terminated pre-acquisition.

⁴Adjustments include \$6.1 M for out-of-pocket expense reimbursements, and \$9.6 M for DST clients that terminated pre-acquisition.

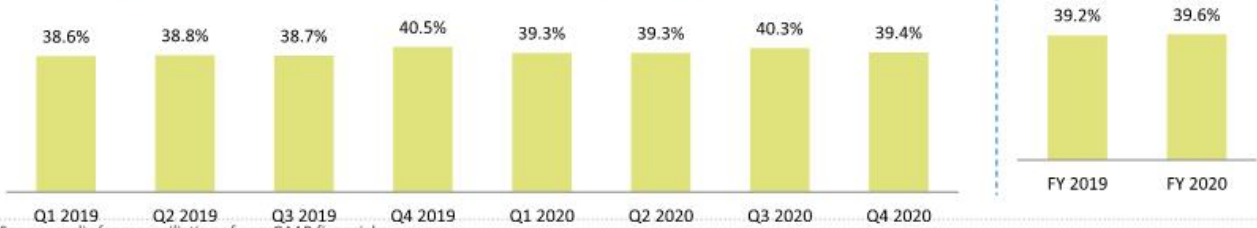


Adjusted revenue and margins

Adjusted revenue (\$M)



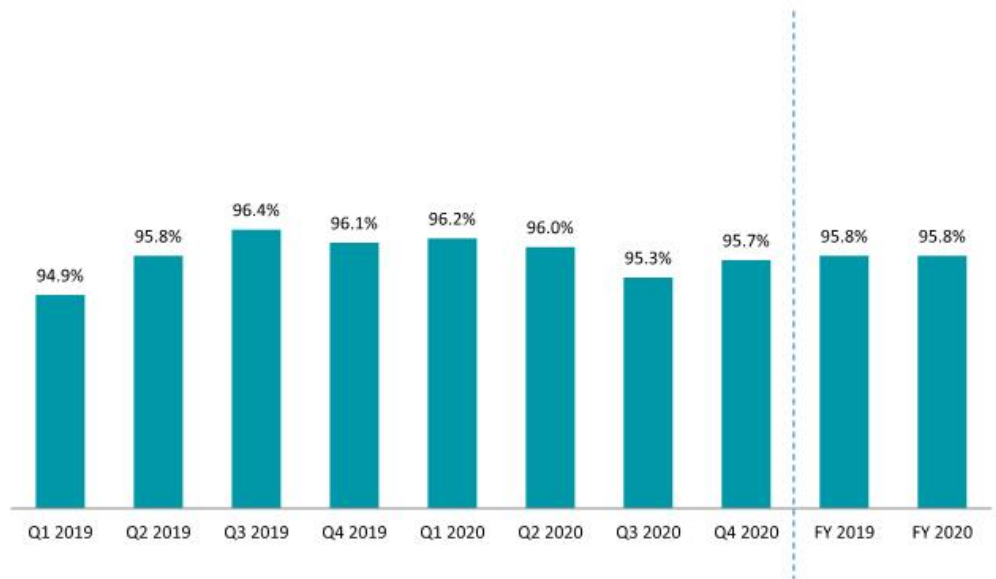
Adjusted consolidated EBITDA margin (%)



Note: See appendix for reconciliation of non-GAAP financial measures

Revenue retention rates

- Quarterly retention rate is based on a rolling prior twelve months.
- Yearly retention is the average of four quarters.
- Acquisitions are not included in retention rate calculation until one year post-acquisition.



Adjusted net income and adjusted diluted EPS



Adjusted net income (\$M)

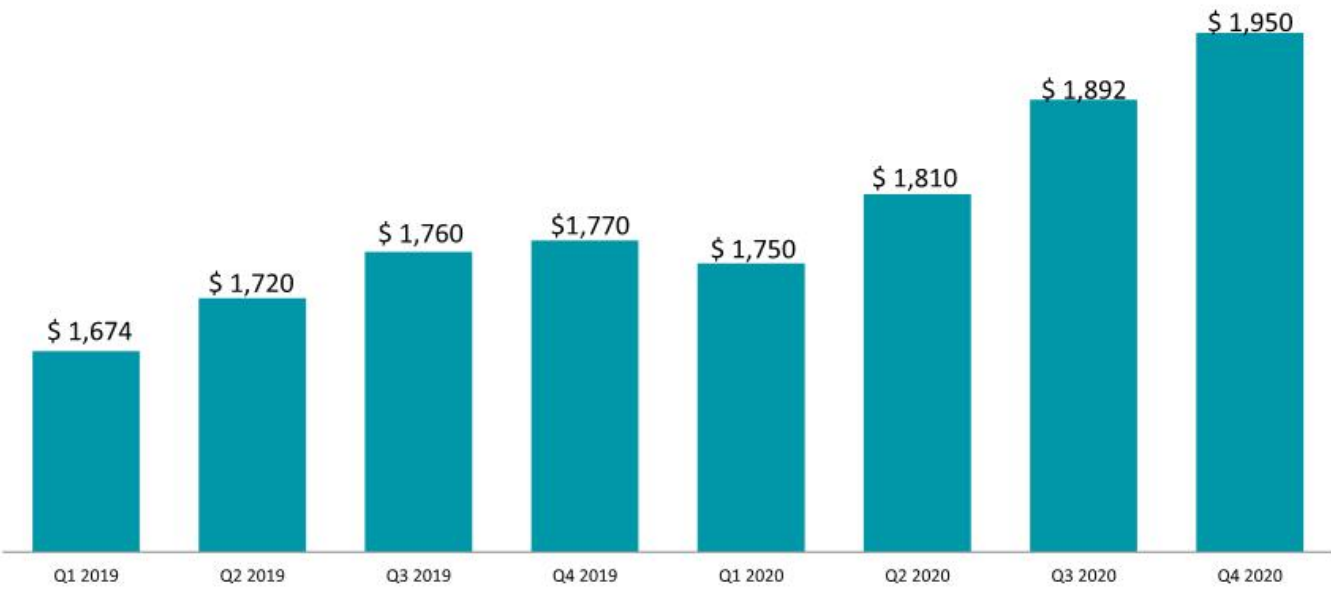


Adjusted diluted EPS



Note: See appendix for reconciliation of non-GAAP financial measures

Alternative Assets under Administration (\$B)



Guidance



	Q1 2021	FY 2021
Adjusted Revenues (\$M)	\$1,158.0 – \$1,198.0	\$4,685.0 – \$4,875.0
Adjusted Net Income (\$M)	\$281.5 – \$298.5	\$1,185.0 – \$1,270.0
Adjusted Diluted Earnings Per Share	\$1.05 – \$1.11	\$4.36 – \$4.64
Cash from Operating Activities (\$M)	–	\$1,240.0 – \$1,320.0
Capital Expenditures (% of revenue)	–	2.6% – 3.0%
Diluted Shares (M)	269.0 – 270.0	271.5 – 274.0
Effective Income Tax Rate (%)	26%	26%

Revenue Assumptions

- Revenue retention remains consistent with historical levels, 95.0% - 96.0%
- Some reopening and return to work in 2nd half of 2021
- Expect customer appetite and buying behavior to improve throughout the year
- Fund services business continues to perform
- Large scale outsourcing deals and license sales continue at moderate levels
- Capita and any future acquisitions are not incorporated in our guidance and would be additive to revenue and earnings

Expense Assumptions

- Incremental expenses are managed
- Reduced hiring
- Marketing reductions
- Travel and expense remains low for 2021
- Interest rates stay at current levels

SS&C does not provide reconciliations of guidance for Adjusted Revenues and Adjusted Net Income to comparable GAAP measures, in reliance on the unreasonable efforts exception provided under Item 10(e)(1)(ii)(B) of Regulation S-K. SS&C is unable, without unreasonable efforts, to forecast certain items required to develop meaningful comparable GAAP financial measures. These items include acquisition transactions and integration, foreign exchange rate changes, as well as other non-cash and other adjustments as defined under the Company's Credit agreement, that are difficult to predict in advance in order to include in a GAAP estimate. The unavailable information could have a significant impact on Q1 2021 and FY 2021 GAAP financial results.

Appendix

Disclosures relating to non-GAAP financial measures



Reconciliation of revenues to adjusted revenues

Adjusted revenues represents revenues adjusted to include a) amounts that would have been recognized if deferred revenue were not adjusted to fair value at the date of acquisition and b) amounts that would have been recognized if not for adjustments to deferred revenue and retained earnings related to the adoption of ASC 606. Adjusted revenues is presented because we use this measure to evaluate performance of our business against prior periods and believe it is a useful indicator of the underlying performance of our business. Adjusted revenues is not a recognized term under generally accepted accounting principles ("GAAP"). Adjusted revenues does not represent revenues, as that term is defined under GAAP, and should not be considered as an alternative to revenues as an indicator of our operating performance. Adjusted revenues as presented herein is not necessarily comparable to similarly titled measures presented by other companies. Below is a reconciliation of adjusted revenues to revenues, the GAAP measure we believe to be most directly comparable to adjusted revenues.

(in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Revenues	\$ 1,203.4	\$ 1,203.5	\$ 4,667.9	\$ 4,632.9
ASC 606 adoption impact	0.7	6.6	4.9	18.7
Purchase accounting adjustments impact on revenue	2.0	2.1	\$ 3	17.2
Adjusted revenues	\$ 1,206.1	\$ 1,212.2	\$ 4,681.1	\$ 4,668.8

The following is a breakdown of software-enabled services and license, maintenance and related revenues and adjusted software-enabled services and license, maintenance and related revenues.

(in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Software-enabled services	\$ 998.4	\$ 974.5	\$ 3,891.3	\$ 3,869.2
License, maintenance and related	205.0	229.0	776.6	763.7
Total revenues	\$ 1,203.4	\$ 1,203.5	\$ 4,667.9	\$ 4,632.9
Software-enabled services	\$ 1,000.3	\$ 976.4	\$ 3,898.6	\$ 3,886.8
License, maintenance and related	205.8	235.8	782.5	782.0
Total adjusted revenues	\$ 1,206.1	\$ 1,212.2	\$ 4,681.1	\$ 4,668.8

Reconciliation of operating income to adjusted operating income

Adjusted operating income represents operating income adjusted for amortization of intangible assets, stock-based compensation, purchase accounting adjustments for deferred revenue and related costs, ASC 606 adoption impact and other expenses. Adjusted operating income is presented because we use this measure to evaluate performance of our business and believe it is a useful indicator of our underlying performance. Adjusted operating income is not a recognized term under GAAP. Adjusted operating income does not represent operating income, as that term is defined under GAAP, and should not be considered as an alternative to operating income as an indicator of our operating performance. Adjusted operating income as presented herein is not necessarily comparable to similarly titled measures by other companies. The following is a reconciliation between adjusted operating income and operating income, the GAAP measure we believe to be most directly comparable to adjusted operating income.

(in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Operating income	\$ 268.7	\$ 261.3	\$ 985.8	\$ 914.4
Amortization of intangible assets	155.8	162.2	619.7	652.0
Stock-based compensation	21.9	16.7	87.8	72.4
Purchase accounting adjustments (1)	10.2	11.2	40.3	52.1
ASC 606 adoption impact	0.8	6.7	5.2	19.0
Other (2)	1.4	11.9	43.1	32.8
Adjusted operating income	\$ 458.8	\$ 470.0	\$ 1,781.9	\$ 1,742.7

- 1) Purchase accounting adjustments include (a) an adjustment to increase revenues by the amount that would have been recognized if deferred revenue were not adjusted to fair value at the date of acquisition, (b) an adjustment to increase personnel and commissions expense by the amount that would have been recognized if prepaid commissions and deferred personnel costs were not adjusted to fair value at the date of the acquisitions and (c) an adjustment to decrease depreciation expense by the amount that would not have been recognized if property, plant and equipment were not adjusted to fair value at the date of acquisition.
- 2) Other includes expenses and income that are permitted to be excluded per the terms of our Credit Agreement from Consolidated EBITDA, a financial measure used in calculating our covenant compliance. These include expenses and income related to foreign currency transactions, facilities and workforce restructuring, legal settlements and business acquisitions.

Reconciliation of net income to EBITDA, consolidated EBITDA and adjusted consolidated EBITDA

EBITDA represents net income before interest expense, income taxes, depreciation and amortization. Consolidated EBITDA, defined under our Credit Agreement entered into in April 2018, as amended, is used in calculating covenant compliance, and is EBITDA adjusted for certain items. Consolidated EBITDA is calculated by subtracting from or adding to EBITDA items of income or expense described below. Adjusted Consolidated EBITDA is calculated by subtracting acquired EBITDA (as defined below) from Consolidated EBITDA. EBITDA, Consolidated EBITDA and Adjusted Consolidated EBITDA are presented because we use these measures to evaluate performance of our business and believe them to be useful indicators of an entity's debt capacity and its ability to service debt. EBITDA, Consolidated EBITDA and Adjusted Consolidated EBITDA are not recognized terms under GAAP and should not be considered in isolation or as alternatives to operating income, net income or cash flows from operating activities as indicators of our operating performance. These measures are not necessarily comparable to similarly titled measures by other companies. The following is a reconciliation of EBITDA, Consolidated EBITDA and Adjusted Consolidated EBITDA to net income.

(in millions)	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Net income	\$ 197.1	\$ 141.6	\$ 625.2	\$ 438.5
Interest expense, net	53.3	100.5	245.9	404.9
Provision for income taxes	37.7	19.3	150.6	93.2
Depreciation and amortization	181.2	192.4	725.3	775.2
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Consolidated EBITDA	\$ 475.8	\$ 494.4	\$ 1,856.3	\$ 1,877.5
Less: acquired EBITDA and cost savings (1)	—	(3.9)	(2.3)	(49.6)
Adjusted Consolidated EBITDA	\$ 475.8	\$ 490.5	\$ 1,854.0	\$ 1,827.9

Reconciliation of net income to EBITDA, consolidated EBITDA and adjusted consolidated EBITDA



- 1) Acquired EBITDA reflects the EBITDA impact of significant businesses that were acquired during the period as if the acquisition occurred at the beginning of the period, as well as cost savings enacted in connection with acquisitions.
- 2) Purchase accounting adjustments include (a) an adjustment to increase revenues by the amount that would have been recognized if deferred revenue were not adjusted to fair value at the date of acquisition and (b) an adjustment to increase personnel and commissions expense by the amount that would have been recognized if prepaid commissions and deferred personnel costs were not adjusted to fair value at the date of the acquisitions.
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Reconciliation of net income to adjusted net income and diluted earnings per share to adjusted diluted earnings per share

Adjusted net income and adjusted diluted earnings per share represent net income and earnings per share before amortization of intangible assets and deferred financing costs, stock-based compensation, purchase accounting adjustments and other items. We consider adjusted net income and adjusted diluted earnings per share to be important to management and investors because they represent our operational performance exclusive of the effects of amortization of intangible assets and deferred financing costs, stock-based compensation, purchase accounting adjustments, loss on extinguishment of debt and other items, that are not operational in nature or comparable to those of our competitors. Adjusted net income and adjusted diluted earnings per share are not recognized terms under GAAP. Adjusted net income and adjusted diluted earnings per share do not represent net income or diluted earnings per share, as those terms are defined under GAAP, and should not be considered as alternatives to net income or diluted earnings per share as indicators of our operating performance. Adjusted net income and adjusted diluted earnings per share as presented herein are not necessarily comparable to similarly titled measures presented by other companies. Below is a reconciliation of adjusted net income and adjusted diluted earnings per share to net income and diluted earnings per share, the GAAP measures we believe to be most directly comparable to adjusted net income and adjusted diluted earnings per share.

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Adjusted diluted earnings per share	\$ 1.13	\$ 1.08	\$ 4.30	\$ 3.83
GAAP diluted earnings per share	\$ 0.74	\$ 0.54	\$ 2.35	\$ 1.66
Diluted weighted-average shares outstanding	268.1	264.4	266.6	264.2



Reconciliation of net income to adjusted net income and diluted earnings per share to adjusted diluted earnings per share

- 1) Purchase accounting adjustments include (a) an adjustment to increase revenues by the amount that would have been recognized if deferred revenue were not adjusted to fair value at the date of acquisition, (b) an adjustment to increase personnel and commissions expense by the amount that would have been recognized if prepaid commissions and deferred personnel costs were not adjusted to fair value at the date of the acquisitions and (c) an adjustment to decrease depreciation expense by the amount that would not have been recognized if property, plant and equipment were not adjusted to fair value at the date of acquisition.
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- 3) An estimated normalized effective tax rate of approximately 26% for the three and twelve months ended December 31, 2020 and 2019, respectively, has been used to adjust the provision for income taxes for the purpose of computing adjusted net income.



SMART PEOPLE
SUPERB TECHNOLOGY

