

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

	Three Months Ended March 31,	
	2024	2023
Revenues:		
Software-enabled services	\$ 1,187.7	\$ 1,114.2
License, maintenance and related	247.3	248.5
Total revenues	<u>1,435.0</u>	<u>1,362.7</u>
Cost of revenues:		
Software-enabled services	633.8	631.0
License, maintenance and related	94.0	94.7
Total cost of revenues	<u>727.8</u>	<u>725.7</u>
Gross profit	<u>707.2</u>	<u>637.0</u>
Operating expenses:		
Selling and marketing	140.9	139.8
Research and development	120.9	118.2
General and administrative	112.5	98.9
Total operating expenses	<u>374.3</u>	<u>356.9</u>
Operating income	332.9	280.1
Interest expense, net	(116.0)	(111.9)
Other income, net	6.6	5.4
Equity in earnings of unconsolidated affiliates, net	2.3	5.7
Loss on extinguishment of debt	(1.1)	(0.6)
Income before income taxes	224.7	178.7
Provision for income taxes	66.7	52.5
Net income	158.0	126.2
Net income attributable to noncontrolling interest	(0.4)	(0.2)
Net income attributable to SS&C common stockholders	<u>\$ 157.6</u>	<u>\$ 126.0</u>
Basic earnings per share attributable to SS&C common stockholders	\$ 0.64	\$ 0.50
Diluted earnings per share attributable to SS&C common stockholders	\$ 0.62	\$ 0.49
Basic weighted-average number of common shares outstanding	247.0	250.4
Diluted weighted-average number of common and common equivalent shares outstanding	253.3	257.0
Net income	\$ 158.0	\$ 126.2
Other comprehensive (loss) income, net of tax:		
Foreign currency exchange translation adjustment	(47.6)	42.0
Change in defined benefit pension obligation	—	0.1
Total other comprehensive (loss) income, net of tax	<u>(47.6)</u>	<u>42.1</u>
Comprehensive income	110.4	168.3
Comprehensive income attributable to noncontrolling interest	(0.4)	(0.2)
Comprehensive income attributable to SS&C common stockholders	<u>\$ 110.0</u>	<u>\$ 168.1</u>

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

	March 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 412.5	\$ 432.2
Funds receivable and funds held on behalf of clients	2,027.0	2,615.6
Accounts receivable, net	879.9	799.4
Contract asset	43.2	36.1
Prepaid expenses and other current assets	142.8	165.8
Restricted cash	2.2	2.4
Total current assets	3,507.6	4,051.5
Property, plant and equipment, net	300.1	315.3
Operating lease right-of-use assets	213.5	221.4
Investments	183.7	184.7
Unconsolidated affiliates	346.7	345.2
Contract asset	100.2	99.7
Goodwill	8,933.2	8,969.5
Intangible and other assets, net	3,801.8	3,915.2
Total assets	\$ 17,386.8	\$ 18,102.5
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt	\$ 50.8	\$ 51.5
Client funds obligations	2,027.0	2,615.6
Accounts payable	38.3	80.3
Income taxes payable	65.3	22.3
Accrued employee compensation and benefits	168.9	270.2
Interest payable	2.8	29.4
Other accrued expenses	226.5	232.3
Deferred revenue	493.2	470.3
Total current liabilities	3,072.8	3,771.9
Long-term debt, net of current portion	6,593.5	6,668.5
Operating lease liabilities	191.7	199.1
Other long-term liabilities	256.2	248.7
Deferred income taxes	779.9	816.6
Total liabilities	10,894.1	11,704.8
SS&C stockholders' equity	6,434.2	6,339.6
Noncontrolling interest	58.5	58.1
Total equity	6,492.7	6,397.7
Total liabilities and equity	\$ 17,386.8	\$ 18,102.5

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

	<u>Three Months Ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Cash flow from operating activities:		
Net income	\$ 158.0	\$ 126.2
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	165.5	165.9
Equity in earnings of unconsolidated affiliates, net	(2.3)	(5.7)
Distributions received from unconsolidated affiliates	—	15.0
Stock-based compensation expense	45.1	41.9
Net gains on investments	(0.3)	(1.0)
Amortization and write-offs of loan origination costs and original issue discounts	3.3	3.5
Loss on extinguishment of debt	1.1	0.6
Loss on sale or disposition of property and equipment	—	6.4
Deferred income taxes	(31.4)	(30.2)
Provision for credit losses	5.1	5.0
Changes in operating assets and liabilities, excluding effects from acquisitions:		
Accounts receivable	(89.7)	(35.3)
Prepaid expenses and other assets	7.9	38.7
Contract assets	(8.6)	0.1
Accounts payable	(40.6)	(9.3)
Accrued expenses and other liabilities	(133.9)	(155.7)
Income taxes prepaid and payable	70.1	59.6
Deferred revenue	31.2	29.1
Net cash provided by operating activities	<u>180.5</u>	<u>254.8</u>
Cash flow from investing activities:		
Cash paid for business acquisitions, net of cash acquired and asset acquisitions	(0.7)	—
Additions to property and equipment	(5.8)	(10.5)
Proceeds from sale of property and equipment	3.3	—
Additions to capitalized software	(50.0)	(42.6)
Proceeds from sales / maturities of investments	0.1	0.9
Collection of other non-current receivables	2.5	2.4
Net cash used in investing activities	<u>(50.6)</u>	<u>(49.8)</u>
Cash flow from financing activities:		
Cash received from debt borrowings, net of original issue discount	15.0	145.0
Repayments of debt	(94.9)	(189.6)
Net decrease in client funds obligations	(690.0)	(541.9)
Proceeds from exercise of stock options	53.4	15.3
Withholding taxes paid related to equity award net share settlement	(6.8)	(0.1)
Purchases of common stock for treasury	(52.9)	(133.3)
Dividends paid on common stock	(59.7)	(50.7)
Net cash used in financing activities	<u>(835.9)</u>	<u>(755.3)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(3.8)	0.9
Net decrease in cash, cash equivalents and restricted cash	(709.8)	(549.4)
Cash, cash equivalents and restricted cash, beginning of period	2,998.6	1,337.6
Cash, cash equivalents and restricted cash and cash equivalents, end of period	<u>\$ 2,288.8</u>	<u>\$ 788.2</u>

Reconciliation of cash, cash equivalents and restricted cash and cash equivalents:

Cash and cash equivalents	\$ 412.5	\$ 433.3
Restricted cash and cash equivalents	2.2	2.5
Restricted cash and cash equivalents included in funds receivable and funds held on behalf of clients	1,874.1	352.4
	<u>\$ 2,288.8</u>	<u>\$ 788.2</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 March 31,	
	2024	2023
Revenues	\$ 1,435.0	\$ 1,362.7
ASC 606 adoption impact	(0.8)	(0.8)
Purchase accounting adjustments impact on revenue	1.6	1.5
Adjusted revenues	<u>\$ 1,435.8</u>	<u>\$ 1,363.4</u>

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 March 31,	
	2024	2023
Software-enabled services	\$ 1,187.7	\$ 1,114.2
License, maintenance and related	247.3	248.5
Total revenues	<u>\$ 1,435.0</u>	<u>\$ 1,362.7</u>
Software-enabled services	\$ 1,188.5	\$ 1,114.9
License, maintenance and related	247.3	248.5
Total adjusted revenues	<u>\$ 1,435.8</u>	<u>\$ 1,363.4</u>

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 March 31,	
	2024	2023
Operating income	\$ 332.9	\$ 280.1
Amortization of intangible assets	147.6	146.8
Stock-based compensation	45.1	41.9
Purchase accounting adjustments (1)	3.0	4.8
ASC 606 adoption impact	(0.7)	(0.7)
Acquisition related (2)	0.8	2.3
Facilities and workforce restructuring	12.2	17.8
Other (3)	0.2	0.6
Adjusted operating income	\$ 541.1	\$ 493.6
Adjusted operating income attributable to noncontrolling interest (4)	(1.1)	(0.6)
Adjusted operating income attributable to SS&C common stockholders	\$ 540.0	\$ 493.0

- (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) Acquisition related includes costs related to both current acquisitions and the resolution of pre-acquisition matters for prior period acquisitions.
- (3) Other includes additional 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.
- (4) In 2021, we entered into a joint venture named DomaniRx, LLC in which we are the majority interest holder and primary beneficiary. As such, we consolidate DomaniRx, LLC as a variable interest entity. Adjusted operating income attributable to noncontrolling interest represents adjusted operating income based on the ownership interest retained by the respective noncontrolling parties.

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 March 31,		Twelve Months Ended March 31,
	2024	2023	2024
Net income	\$ 158.0	\$ 126.2	\$ 640.4
Interest expense, net	116.0	111.9	473.9
Provision for income taxes	66.7	52.5	263.3
Depreciation and amortization	165.5	165.9	670.1
EBITDA	506.2	456.5	2,047.7
Stock-based compensation	45.1	41.9	162.6
Acquired EBITDA and cost savings (1)	—	—	—
Loss on extinguishment of debt	1.1	0.6	2.7
Equity in earnings of unconsolidated affiliates, net	(2.3)	(5.7)	(96.6)
Purchase accounting adjustments (2)	1.9	2.0	9.1
ASC 606 adoption impact	(0.7)	(0.7)	(3.0)
Foreign currency translation losses (gains)	4.7	(0.5)	4.9
Investment gains (3)	(10.6)	(11.2)	(18.4)
Facilities and workforce restructuring	12.2	17.8	51.2
Acquisition related (4)	0.8	2.3	(1.6)
Other (5)	(0.5)	6.6	0.3
Consolidated EBITDA	\$ 557.9	\$ 509.6	\$ 2,158.9
Acquired EBITDA and cost savings (1)	—	—	—
Adjusted Consolidated EBITDA	\$ 557.9	\$ 509.6	\$ 2,158.9
Adjusted Consolidated EBITDA attributable to noncontrolling interest (6)	(1.1)	(0.6)	(3.4)
Adjusted Consolidated EBITDA attributable to SS&C common stockholders	\$ 556.8	\$ 509.0	\$ 2,155.5

- (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 acquisitions (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 increase or decrease rent expense by the amount that would have been recognized if lease obligations were not adjusted to fair value at the date of acquisitions.
- (3) Investment gains includes unrealized fair value adjustments of investments and dividend income received on investments.
- (4) Acquisition related includes costs related to both current acquisitions and the resolution of pre-acquisition matters for prior period acquisitions.
- (5) Other includes additional 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.
- (6) In 2021, we entered into a joint venture named DomaniRx, LLC in which we are the majority interest holder and primary beneficiary. As such, we consolidate DomaniRx, LLC as a variable interest entity. Adjusted Consolidated EBITDA attributable to noncontrolling interest represents adjusted Consolidated EBITDA based on the ownership interest retained by the respective noncontrolling parties.

Note 4. Reconciliation of Net Income to Adjusted Net Income and Diluted Earnings Per Share Attributable to SS&C to Adjusted Diluted Earnings Per Share Attributable to SS&C

Adjusted net income and adjusted diluted earnings per share attributable to SS&C represent net income and earnings per share attributable to SS&C 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 attributable to SS&C 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 attributable to SS&C 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 attributable to SS&C to net income and diluted earnings per share attributable to SS&C, 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 March 31,	
	2024	2023
GAAP – Net income	\$ 158.0	\$ 126.2
Amortization of intangible assets	147.6	146.8
Amortization of deferred financing costs and original issue discount	3.3	3.5
Stock-based compensation	45.1	41.9
Loss on extinguishment of debt	1.1	0.6
Purchase accounting adjustments (1)	3.0	4.8
ASC 606 adoption impact	(0.7)	(0.7)
Equity in earnings of unconsolidated affiliates, net	(2.3)	(5.7)
Foreign currency translation losses (gains)	4.7	(0.5)
Investment gains (2)	(0.1)	(1.0)
Facilities and workforce restructuring	12.2	17.8
Acquisition related (3)	0.8	2.3
Other (4)	(0.7)	6.8
Income tax effect (5)	(47.3)	(50.3)
Adjusted net income	<u>\$ 324.7</u>	<u>\$ 292.5</u>
Adjusted net income attributable to noncontrolling interest (6)	(1.1)	(0.6)
Adjusted net income attributable to SS&C common stockholders	<u>\$ 323.6</u>	<u>\$ 291.9</u>
Adjusted diluted earnings per share attributable to SS&C common stockholders	\$ 1.28	\$ 1.14
GAAP diluted earnings per share attributable to SS&C common stockholders	\$ 0.62	\$ 0.49
Diluted weighted-average shares outstanding	253.3	257.0

- (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) Investment gains includes unrealized fair value adjustments of investments. In prior periods, investment gains also included dividend income received on investments. Prior period amounts have been revised for consistent presentation.
- (3) Acquisition related includes costs related to both current acquisitions and the resolution of pre-acquisition matters for prior period acquisitions.
- (4) Other includes additional 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.
- (5) An estimated normalized effective tax rate of approximately 26% for the three months ended March 31, 2024 has been used to adjust the provision for income taxes for the purpose of computing adjusted net income.
- (6) In 2021, we entered into a joint venture named DomaniRx, LLC in which we are the majority interest holder and primary beneficiary. As such, we consolidate DomaniRx, LLC as a variable interest entity. Adjusted net income attributable to noncontrolling interest represents adjusted net income based on the ownership interest retained by the respective noncontrolling parties.