



NEWS RELEASE

# SS&C Technologies Reports First Quarter 2018 Earnings

5/1/2018

Q1 2018 GAAP revenue \$421.9 million, up 3.5 percent, Fully Diluted GAAP Earnings Per Share \$0.24, up 4.3 percent Adjusted revenue \$434.6 million, up 6.1 percent, Adjusted Diluted Earnings Per Share \$0.53, up 20.5 percent WINDSOR, Conn., May 1, 2018 /PRNewswire/ -- SS&C Technologies Holdings, Inc. (NASDAQ: SSNC), a global provider of investment and financial software-enabled services and software, today announced its financial results for the first quarter ended March 31, 2018.



## GAAP Results

SS&C reported GAAP revenue of \$421.9 million for the first quarter of 2018, up 3.5 percent compared to \$407.7 million in the first quarter of 2017. GAAP operating income for the first quarter of 2018 was \$86.8 million, or 20.6 percent of GAAP revenue, compared to \$89.7 million, or 22.0 percent of GAAP revenue, in 2017's first quarter, representing a 3.2 percent decrease.

GAAP net income for the first quarter of 2018 was \$51.3 million, up 6.4 percent compared to \$48.1 million in 2017's first quarter. On a fully diluted GAAP basis, earnings per share in the first quarter of 2018 were \$0.24 per share, up 4.3 percent compared to \$0.23 per share on a fully diluted GAAP basis in the first quarter of 2017.

### Adjusted Non-GAAP Results (defined in Notes 1-4 below)

Adjusted revenue was \$434.6 million for the first quarter of 2018, up 6.1 percent compared to \$409.5 million in the first quarter of 2017. Adjusted operating income for the first quarter of 2018 was \$171.9 million, or 39.6 percent of adjusted revenue, compared to \$155.4 million, or 38.0 percent of adjusted revenue, in 2017's first quarter, representing a 10.6 percent increase.

Adjusted net income for the first quarter of 2018 was \$114.8 million, up 23.6 percent compared to \$92.9 million in 2017's first quarter. Adjusted diluted earnings per share in the first quarter of 2018 were \$0.53 per share, up 20.5 percent compared to \$0.44 per share in the first quarter of 2017.

### First Quarter Highlights:

- Adjusted net income was \$114.8 million for Q1 2018, increasing 23.6 percent from Q1 2017's adjusted net income of \$92.9 million.
- Q1 2018 net cash provided by operating activities was \$69.9 million, an increase of 20.8 percent.
- Adjusted consolidated EBITDA increased 10.5 percent to \$178.7 million in Q1 2018. Adjusted consolidated EBITDA margin was 41.1 percent for the quarter, up over 160 basis points from Q1 2017's 39.5 percent adjusted consolidated EBITDA margin.
- SS&C raised \$7.4 billion in cash from debt and \$1.4 billion in cash from the sale of our common stock to primarily fund the acquisition of DST Systems, which we closed on April 16, 2018, and refinance existing debt.

"SS&C had a great start to 2018. We announced the acquisition of DST Systems in January and closed on April 16, 2018. We grew adjusted revenue over 6 percent, confirming the strength of our global business" said Bill Stone, Chairman and Chief Executive Officer. "We are delighted with our results, which we accomplished alongside the announcement, financing, and ultimately closing of our largest acquisition to date."

### Operating Cash Flow

SS&C generated net cash from operating activities of \$69.9 million for the three months ended March 31, 2018, compared to \$57.9 million for the same period in 2017, representing a 20.8 percent increase. SS&C ended the first quarter with \$74.1 million in cash and cash equivalents and \$2,030.9 million in gross debt, for a net debt balance of \$1,956.8 million. SS&C's consolidated net leverage ratio as defined in our credit agreement stood at 2.74 times

consolidated EBITDA as of March 31, 2018.

## Guidance

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	Q2 2018	FY 2018
Adjusted Revenue (\$M)	\$895.0 – \$915.0	\$3,344.0 – \$3,404.0
Adjusted Net Income (\$M)	\$131.6 – \$140.8	\$546.7 – \$575.3
Cash from Operating Activities (\$M)	-	-
Capital Expenditures (% of revenue)	-	-
Diluted Shares (M)	249.4 – 248.6	243.5 – 243.0
Effective Income Tax Rate (%)	25%	25%

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.

## 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 to the attached Condensed Consolidated Financial Information 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 Q1 2018 earnings call will take place at 5:00 p.m. eastern time today, May 1, 2018. The call will discuss Q1 2018 results and our guidance and business outlook. Interested parties may dial 844-343-4183 (US and Canada) or 647-689-5128 (International), and request the "SS&C Technologies First Quarter 2018 Conference Call"; conference ID #8777697. A replay will be available after 8:00 p.m. eastern time on May 1, 2018, until midnight on May 8, 2018. The replay dial-in number is 800-585-8367 or 416-621-4642; access code #8777697. The call will also be available for replay on SS&C's website after May 1, 2018; 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 second quarter and full year of 2018 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", "anticipates", "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, the effect of the 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 person 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 investment and financial software-enabled services and software for the global financial services and healthcare industries. Founded in 1986, SS&C is headquartered in Windsor, Connecticut and has offices around the world. Some 13,000 financial services and healthcare organizations, from the world's largest institutions to local firms, manage and account for their investments using SS&C's products and services.

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For more information, Patrick Pedonti , Chief Financial Officer, Tel: 1-860-298-4738, E-mail: [InvestorRelations@sscinc.com](mailto:InvestorRelations@sscinc.com), Justine Stone, Investor Relations, Tel: 1-212-367-4705, E-mail: [InvestorRelations@sscinc.com](mailto:InvestorRelations@sscinc.com)