



NEWS RELEASE

SS&C Technologies Reports Record Fourth Quarter and Full Year 2017 Earnings

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Q4 2017 GAAP revenue \$438.4 million, up 9.3 percent, Fully Diluted GAAP Earnings Per Share \$0.77, up 175.0 percent

Adjusted revenue \$439.4 million, up 8.6 percent, Adjusted Diluted Earnings Per Share \$0.54, up 17.4 percent

WINDSOR, Conn., Feb. 15, 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 fourth quarter and full year ended December 31, 2017.



GAAP Results

SS&C reported GAAP revenue of \$438.4 million for the fourth quarter of 2017, up 9.3 percent compared to \$400.9

million in the fourth quarter of 2016. GAAP revenue for the year ended December 31, 2017 was \$1,675.3 million, increasing 13.1 percent from \$1,481.4 million in 2016. GAAP operating income for the fourth quarter of 2017 was \$113.3 million, or 25.8 percent of GAAP revenue, compared to \$95.3 million, or 23.8 percent of GAAP revenue, in 2016's fourth quarter, representing an 18.9 percent increase. GAAP operating income for the year ended December 31, 2017 was \$396.9 million, or 23.7 percent of GAAP revenue, compared to \$288.7 million, or 19.5 percent of GAAP revenue, for 2016, representing a 37.5 percent increase.

GAAP net income for the fourth quarter of 2017 was \$165.3 million, up 190.0 percent compared to \$57.0 million in 2016's fourth quarter. GAAP net income for the year ended December 31, 2017 was \$328.9 million, up 151.0 percent compared to \$131.0 million in 2016. On a fully diluted GAAP basis, earnings per share in the fourth quarter of 2017 were \$0.77 per share, up 175.0 percent compared to \$0.28 per share on a fully diluted GAAP basis in the fourth quarter of 2016. On a fully diluted GAAP basis, earnings per share for the year ended December 31, 2017 were \$1.55, up 142.2 percent from 2016's \$0.64 per share.

Net income for the fourth quarter of fiscal year 2017 includes a benefit for the estimated impact from the enactment of the Tax Cuts and Jobs Act in December 2017 related to the transition tax on accumulated overseas profits and the revaluation of our U.S. deferred tax assets and liabilities, resulting in a net total tax benefit of \$88.0 million. The impacts of U.S. tax reform may differ from this estimate, and the estimated charges may accordingly be adjusted over the course of 2018.

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

Adjusted revenue was \$439.4 million for the fourth quarter of 2017, up 8.6 percent compared to \$404.6 million in the fourth quarter of 2016. Adjusted revenue for the year ended December 31, 2017 was \$1,682.5 million, increasing 10.4% from \$1,524.0 million in 2016. Adjusted operating income for the fourth quarter of 2017 was \$182.4 million, or 41.5 percent of adjusted revenue, compared to \$160.4 million, or 39.6 percent of adjusted revenue, in 2016's fourth quarter, representing a 13.7 percent increase. Adjusted operating income for the year ended December 31, 2017 was \$665.3 million, or 39.5 percent of adjusted revenue, compared to \$586.6 million, or 38.5 percent of adjusted revenue, for 2016, representing a 13.4 percent increase.

Adjusted net income for the fourth quarter of 2017 was \$114.5 million, up 20.3 percent compared to \$95.2 million in 2016's fourth quarter. Adjusted net income for the year ended December 31, 2017 was \$409.2 million, up 21.2 percent compared to \$337.5 million in 2016. Adjusted diluted earnings per share in the fourth quarter of 2017 were \$0.54 per share, up 17.4 percent compared to \$0.46 per share in the fourth quarter of 2016. Adjusted diluted earnings per share for the year ended December 31, 2017 were \$1.93, up 17.7 percent from 2016's \$1.64 per share.

Fourth Quarter Highlights:

- Adjusted diluted earnings per share were \$0.54 for Q4 2017, increasing 17.4 percent from Q4 2016's \$0.46 adjusted diluted earnings per share.
- Adjusted consolidated EBITDA increased 14.7 percent to \$191.3 million in Q4 2017. Adjusted consolidated EBITDA margin was 43.5 percent for the quarter.
- For the year ended December 31, 2017, net cash provided by operating activities was \$470.4 million, an increase of 12.4 percent.
- SS&C paid off \$467.5 million of debt during the year ended December 31, 2017, bringing our net debt to consolidated EBITDA leverage ratio to 2.90x.
- SS&C entered into a definitive agreement to acquire DST Systems and is expected to close in Q2 or Q3 2018.

"SS&C had a strong fourth quarter in both revenue and earnings. Our growth came on the back of robust sales, completed implementations, and large new clients moving to full run-rate revenue. We also continued delivering acquisition synergies," says Bill Stone, Chairman and Chief Executive Officer of SS&C Technologies. "We are pleased with the fourth quarter and now look forward to capitalizing on new products and services, and opportunities at DST."

Annual Run Rate Basis

Annual Run Rate Basis (ARRB) recurring revenue, defined as adjusted recurring revenue on an annualized basis, was \$1,638.4 million based on adjusted recurring revenue \$409.6 million for the fourth quarter of 2017. This represents an increase of 11.2 percent from \$1,473.8 million and \$368.5 million run-rate in the same period in 2016 and an increase of 3.7 percent from an annual run rate of \$1,580.1 million and \$395.0 million for the third quarter of 2017. We believe ARRB of our recurring revenue is a good indicator of visibility into future revenue.

Operating Cash Flow

SS&C generated net cash from operating activities of \$470.4 million for the twelve months ended December 31, 2017, compared to \$418.4 million for the same period in 2016, representing a 12.4 percent increase. SS&C ended the fourth quarter with \$64.1 million in cash and cash equivalents and \$2,092.2 million in gross debt, for a net debt balance of \$2,028.1 million. SS&C's consolidated net leverage ratio as defined in our credit agreement stood at 2.90 times consolidated EBITDA as of December 31, 2017.

Guidance

	Q1 2018	FY 2018
Adjusted Revenue (\$M)	\$427.0 – \$437.0	\$1,755.0 – \$1,785.0
Adjusted Net Income (\$M)	\$113.0 – \$117.5	\$480.0 – \$502.0
Cash from Operating Activities (\$M)	–	\$570.0 – \$590.0
Capital Expenditures (% of revenue)	–	2.7% – 3.1%
Diluted Shares (M)	215.2 – 214.8	217.5 – 216.5
Effective Income Tax Rate (%)	23%	23%

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 Q4 2017 and Full Year 2017 earnings call will take place at 5:00 p.m. eastern time today, February 15, 2018. The call will discuss Q4 2017 and Full Year 2017 results and our guidance and business outlook. Interested parties may dial 877-312-8798 (US and Canada) or 253-237-1193 (International), and request the "SS&C Technologies Fourth Quarter and Full Year 2017 Conference Call"; conference ID #95952330. A replay will be available after 8:00 p.m. eastern time on February 15, 2018, until midnight on February 22, 2018. The dial-in number is 855-859-2056 (US and Canada) or 404-537-3406 (International); access code #95952330. The call will also be available for replay on SS&C's website after February 15, 2018; access: <http://investor.ssctech.com/results.cfm>.

Certain information contained in this press release relating to, among other things, our financial guidance for the

first 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, the Company's ability to finalize large client contracts, fluctuations in customer demand for the Company's products and services, intensity of competition from application vendors, delays in product development, the Company's ability to control expenses, terrorist activities, exposure to litigation, the Company's ability to integrate acquired businesses, the effect of the acquisitions on customer demand for the Company's products and services, the market price of the Company's stock prevailing from time to time, the Company's cash flow from operations, general economic conditions, and those risks discussed in the "Risk Factors" section of the Company's most recent Annual Report on Form 10-K, which is 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 focused exclusively on the global financial services industry. Founded in 1986, SS&C has its headquarters in Windsor, Connecticut and offices around the world. Some 11,000 financial services organizations, from the world's largest institutions to local firms, manage and account for their investments using SS&C's products and services. These clients in the aggregate manage over \$44 trillion in assets.

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