

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

	Three Months Ended March 31,	
	2015	2014
Revenues:		
Software-enabled services	\$ 153,567	\$ 145,383
Software licenses	7,326	7,499
Maintenance	35,718	25,526
Professional services	9,124	7,402
Total revenues	<u>205,735</u>	<u>185,810</u>
Cost of revenues:		
Software-enabled services	88,602	85,691
Software licenses	1,390	851
Maintenance	13,801	9,931
Professional services	8,514	5,026
Total cost of revenues	<u>112,307</u>	<u>101,499</u>
Gross profit	<u>93,428</u>	<u>84,311</u>
Operating expenses:		
Selling and marketing	13,387	11,898
Research and development	19,608	13,587
General and administrative	17,300	11,801
Total operating expenses	<u>50,295</u>	<u>37,286</u>
Operating income	43,133	47,025
Interest expense, net	(5,600)	(7,098)
Other (expense) income, net	<u>(1,507)</u>	<u>(686)</u>
Income before income taxes	36,026	39,241
Provision for income taxes	<u>9,780</u>	<u>12,793</u>
Net income	<u>\$ 26,246</u>	<u>\$ 26,448</u>
Basic earnings per share	<u>\$ 0.31</u>	<u>\$ 0.32</u>
Basic weighted average number of common shares outstanding	<u>84,263</u>	<u>82,722</u>
Diluted earnings per share	<u>\$ 0.30</u>	<u>\$ 0.30</u>
Diluted weighted average number of common and common equivalent shares outstanding	<u>88,456</u>	<u>86,901</u>

See Notes to Condensed Consolidated Financial Information.

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

	<u>March 31, 2015</u>	<u>December 31, 2014</u>
ASSETS		
Current assets:		
Cash	\$ 88,330	\$ 109,577
Accounts receivable, net	103,802	94,359
Prepaid income taxes	11,912	11,857
Deferred income taxes	2,627	2,975
Prepaid expenses and other current assets	11,681	14,927
Restricted cash	1,478	1,477
Total current assets	<u>219,830</u>	<u>235,172</u>
Property and equipment, net	52,810	54,277
Deferred income taxes	1,298	1,135
Goodwill	1,541,768	1,573,227
Intangible and other assets, net	<u>391,033</u>	<u>421,511</u>
Total assets	<u>\$ 2,206,739</u>	<u>\$ 2,285,322</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 19,061	\$ 20,470
Accounts payable	12,144	12,004
Income taxes payable	-	1,116
Accrued employee compensation and benefits	18,970	53,975
Other accrued expenses	37,462	30,666
Deferred income taxes	151	110
Deferred maintenance and other revenue	<u>80,729</u>	<u>73,254</u>
Total current liabilities	168,517	191,595
Long-term debt, net of current portion	576,192	618,435
Other long-term liabilities	27,096	26,446
Deferred income taxes	<u>97,169</u>	<u>102,176</u>
Total liabilities	868,974	938,652
Total stockholders' equity	<u>1,337,765</u>	<u>1,346,670</u>
Total liabilities and stockholders' equity	<u>\$ 2,206,739</u>	<u>\$ 2,285,322</u>

See Notes to Condensed Consolidated Financial Information.

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

	Three Months Ended March 31,	
	2015	2014
Cash flow from operating activities:		
Net income	\$ 26,246	\$ 26,448
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	25,996	24,936
Stock-based compensation expense	4,106	2,975
Income tax benefit related to exercise of stock options	(2,839)	(2,453)
Amortization of loan origination costs	1,435	1,520
Loss (gain) on sale or disposition of property and equipment	209	53
Deferred income taxes	(2,131)	(1,441)
Provision for doubtful accounts	437	184
Changes in operating assets and liabilities, excluding effects from acquisitions:		
Accounts receivable	(12,058)	2,956
Prepaid expenses and other assets	4,744	1,165
Accounts payable	(333)	(1,765)
Accrued expenses	(25,283)	(26,343)
Income taxes prepaid and payable	1,517	7,986
Deferred maintenance and other revenue	9,121	2,333
Net cash provided by operating activities	<u>31,167</u>	<u>38,554</u>
Cash flow from investing activities:		
Additions to property and equipment	(2,249)	(2,758)
Additions to capitalized software	(928)	(856)
Net changes in restricted cash	-	983
Net cash used in investing activities	<u>(3,177)</u>	<u>(2,631)</u>
Cash flow from financing activities:		
Repayments of debt	(44,000)	(45,000)
Income tax benefit related to exercise of stock options	2,839	2,453
Proceeds from exercise of stock options	4,661	3,993
Purchase of common stock for treasury	-	(3,492)
Dividends paid on common stock	(10,539)	-
Payment of fees related to refinancing activities	-	(512)
Net cash used in financing activities	<u>(47,039)</u>	<u>(42,558)</u>
Effect of exchange rate changes on cash	<u>(2,198)</u>	<u>536</u>
Net decrease in cash	(21,247)	(6,099)
Cash, beginning of period	109,577	84,470
Cash, end of period	<u>\$ 88,330</u>	<u>\$ 78,371</u>

See Notes to Condensed Consolidated Financial Information.

SS&C Technologies Holdings, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Information

Note 1. Reconciliation of Revenue to Adjusted Revenue

Adjusted revenue represents revenue adjusted for one-time purchase accounting adjustments to fair value deferred revenue acquired in business combinations. Adjusted revenue is presented because we use this measure to evaluate the performance of our business against prior periods and believe it is a useful indicator of the underlying performance of the Company. Adjusted revenue is not a recognized term under generally accepted accounting principles (GAAP). Adjusted revenue does not represent revenue, as that term is defined under GAAP, and should not be considered as an alternative to revenue as an indicator of our operating performance. Adjusted revenue as presented herein is not necessarily comparable to similarly titled measures. The following is a reconciliation between adjusted revenue and revenue, the GAAP measure we believe to be most directly comparable to adjusted revenue.

(in thousands)	Three months ended March 31,	
	2015	2014
Revenue	\$ 205,735	\$ 185,810
Purchase accounting adjustments to deferred revenue	397	-
Adjusted revenue	\$ 206,132	\$ 185,810

Note 2. Reconciliation of Operating Income to Adjusted Operating Income

Adjusted operating income represents operating income adjusted for amortization of acquisition-related intangible assets and purchase accounting adjustments for deferred revenue and other expenses. Adjusted operating income is presented because we use this measure to evaluate the performance of our business and believe it is a useful indicator of the underlying performance of the Company. 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. 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 thousands)	Three months ended March 31,	
	2015	2014
Operating income	\$ 43,133	\$ 47,025
Amortization of intangible assets	22,181	21,326
Stock-based compensation	4,106	2,975
Capital-based taxes	-	6
Unusual or non-recurring charges	7,585	1,328
Purchase accounting adjustments	397	(27)
Adjusted operating income	\$ 77,402	\$ 72,633

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 March 2012, 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 and cost savings 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. The following is a reconciliation of EBITDA, consolidated EBITDA and adjusted consolidated EBITDA to net income.

(in thousands)	Three months ended March 31,		Twelve months ended
	2015	2014	March 31, 2015
Net income	\$ 26,246	\$ 26,448	\$ 130,925
Interest expense, net	5,600	7,098	23,974
Taxes	9,780	12,793	43,514
Depreciation and amortization	25,996	24,936	100,891
EBITDA	\$ 67,622	\$ 71,275	\$ 299,304
Stock-based compensation	4,106	2,975	12,614
Capital-based taxes	-	6	-
Acquired EBITDA and cost savings	1,767	-	21,325
Unusual or non-recurring charges	9,092	2,014	11,954
Purchase accounting adjustments	397	(27)	900
Other	95	(49)	459
Consolidated EBITDA	83,079	76,194	346,556
Less: acquired EBITDA and cost savings	(1,767)	-	(21,325)
Adjusted Consolidated EBITDA	\$ 81,312	\$ 76,194	\$ 325,231

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, capital-based taxes and other unusual and non-recurring items. Adjusted net income and adjusted diluted earnings per share are not recognized terms under GAAP, 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 are 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, capital-based taxes and other unusual and non-recurring items that are not operational in nature or comparable to those of our competitors. The following is a reconciliation between adjusted net income and adjusted diluted earnings per share and net income and diluted earnings per share.

(in thousands, except per share data)	Three months ended March 31,	
	2015	2014
GAAP – Net income	\$ 26,246	\$ 26,448
Plus: Amortization of intangible assets	22,181	21,326
Plus: Amortization of deferred financing costs and original issue discount	1,435	1,520
Plus: Stock-based compensation	4,106	2,975
Plus: Capital-based taxes	-	6
Plus: Unusual and non-recurring items	9,092	2,014
Plus: Purchase accounting adjustments	397	(27)
Income tax effect (1)	(10,726)	(5,982)
Adjusted net income	\$ 52,731	\$ 48,280
Adjusted diluted earnings per share	\$ 0.60	\$ 0.56
GAAP diluted earnings per share	\$ 0.30	\$ 0.30

Diluted weighted average shares outstanding	88,456	86,901
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(1) An estimated normalized effective tax rate of 28% has been used to adjust the provision for income taxes for the purpose of computing adjusted net income.