

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

| | <u>Three Months Ended December 31,</u> | | <u>Twelve Months Ended December 31,</u> | |
|--|--|------------|---|-------------|
| | 2016 | 2015 | 2016 | 2015 |
| Revenues: | | | | |
| Software-enabled services | \$ 257,700 | \$ 185,736 | \$ 956,791 | \$ 670,170 |
| Maintenance and term licenses | 109,273 | 87,373 | 414,710 | 246,422 |
| Total recurring revenues | 366,973 | 273,109 | 1,371,501 | 916,592 |
| Perpetual licenses | 9,317 | 8,941 | 23,960 | 31,467 |
| Professional services | 24,634 | 18,838 | 85,975 | 52,226 |
| Total non-recurring revenues | 33,951 | 27,779 | 109,935 | 83,693 |
| Total revenues | 400,924 | 300,888 | 1,481,436 | 1,000,285 |
| Cost of revenues: | | | | |
| Software-enabled services | 141,311 | 100,093 | 544,356 | 373,394 |
| Maintenance and term licenses | 45,298 | 43,969 | 184,162 | 113,865 |
| Total recurring cost of revenues | 186,609 | 144,062 | 728,518 | 487,259 |
| Perpetual licenses | 650 | 35 | 2,399 | 3,116 |
| Professional services | 18,040 | 14,579 | 69,572 | 41,975 |
| Total non-recurring cost of revenues | 18,690 | 14,614 | 71,971 | 45,091 |
| Total cost of revenues | 205,299 | 158,676 | 800,489 | 532,350 |
| Gross profit | 195,625 | 142,212 | 680,947 | 467,935 |
| Operating expenses: | | | | |
| Selling and marketing | 31,374 | 30,550 | 117,098 | 94,950 |
| Research and development | 37,714 | 35,898 | 152,689 | 110,415 |
| General and administrative | 31,226 | 27,462 | 122,465 | 97,832 |
| Total operating expenses | 100,314 | 93,910 | 392,252 | 303,197 |
| Operating income | 95,311 | 48,302 | 288,695 | 164,738 |
| Interest expense, net | (30,871) | (33,693) | (128,454) | (77,357) |
| Other income (expense), net | 2,555 | (1,404) | 3,375 | 3,878 |
| Loss on extinguishment of debt | — | — | — | (30,417) |
| Income before income taxes | 66,995 | 13,205 | 163,616 | 60,842 |
| Provision for income taxes | 9,972 | 1,107 | 32,620 | 17,980 |
| Net income | \$ 57,023 | \$ 12,098 | \$ 130,996 | \$ 42,862 |
| Basic earnings per share | \$ 0.28 | \$ 0.06 | \$ 0.65 | \$ 0.24 |
| Basic weighted average number of common shares outstanding | 202,895 | 195,320 | 200,252 | 182,196 |
| Diluted earnings per share | \$ 0.28 | \$ 0.06 | \$ 0.64 | \$ 0.22 |
| Diluted weighted average number of common and common equivalent shares outstanding | 207,207 | 203,906 | 205,793 | 190,896 |
| Net income | \$ 57,023 | \$ 12,098 | \$ 130,996 | \$ 42,862 |
| Other comprehensive loss, net of tax: | | | | |
| Foreign currency exchange translation adjustment | (26,371) | (16,633) | (55,903) | (68,049) |
| Total comprehensive loss, net of tax | (26,371) | (16,633) | (55,903) | (68,049) |
| Comprehensive income (loss) | \$ 30,652 | \$ (4,535) | \$ 75,093 | \$ (25,187) |

See Notes to Condensed Consolidated Financial Information.

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

| | December 31, 2016 | December 31, 2015 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 117,558 | \$ 434,159 |
| Accounts receivable, net | 241,307 | 169,951 |
| Prepaid expenses and other current assets | 31,119 | 27,511 |
| Prepaid income taxes | 23,012 | 40,627 |
| Restricted cash | 2,116 | 2,818 |
| Total current assets | 415,112 | 675,066 |
| Property, plant and equipment, net | 80,395 | 67,143 |
| Deferred income taxes | 2,410 | 2,199 |
| Goodwill | 3,652,733 | 3,549,212 |
| Intangible and other assets, net | 1,556,321 | 1,508,622 |
| Total assets | <u>\$ 5,706,971</u> | <u>\$ 5,802,242</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Current portion of long-term debt | \$ 126,144 | \$ 32,281 |
| Accounts payable | 16,490 | 11,957 |
| Income taxes payable | 3,473 | 1,428 |
| Accrued employee compensation and benefits | 104,118 | 83,894 |
| Interest payable | 21,470 | 28,903 |
| Other accrued expenses | 53,708 | 36,231 |
| Deferred revenue | 235,222 | 222,024 |
| Total current liabilities | 560,625 | 416,718 |
| Long-term debt, net of current portion | 2,374,986 | 2,719,070 |
| Other long-term liabilities | 59,227 | 51,434 |
| Deferred income taxes | 453,555 | 509,574 |
| Total liabilities | 3,448,393 | 3,696,796 |
| Total stockholders' equity | 2,258,578 | 2,105,446 |
| Total liabilities and stockholders' equity | <u>\$ 5,706,971</u> | <u>\$ 5,802,242</u> |

See Notes to Condensed Consolidated Financial Information.

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

| | For the Year Ended December 31, | |
|---|--|-------------------|
| | 2016 | 2015 |
| Cash flow from operating activities: | | |
| Net income | \$ 130,996 | \$ 42,862 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 228,683 | 150,834 |
| Stock-based compensation expense | 50,564 | 44,079 |
| Income tax benefit related to exercise of stock options | (46,207) | (32,960) |
| Amortization and write-offs of loan origination costs | 10,680 | 8,126 |
| Loss on extinguishment of debt | — | 3,954 |
| Loss on sale or disposition of property and equipment | 162 | 336 |
| Deferred income taxes | (47,836) | (39,806) |
| Provision for doubtful accounts | 3,486 | 1,137 |
| Changes in operating assets and liabilities, excluding effects from acquisitions: | | |
| Accounts receivable | (10,850) | (12,160) |
| Prepaid expenses and other assets | (2,844) | (6,019) |
| Accounts payable | (1,300) | (5,586) |
| Accrued expenses | 20,679 | 4,073 |
| Income taxes prepaid and payable | 65,117 | 11,514 |
| Deferred revenue | 17,077 | 60,240 |
| Net cash provided by operating activities | 418,407 | 230,624 |
| Cash flow from investing activities: | | |
| Additions to property and equipment | (27,926) | (13,600) |
| Proceeds from sale of property and equipment | 71 | 64 |
| Cash paid for business acquisitions, net of cash acquired | (457,511) | (2,730,956) |
| Additions to capitalized software | (9,621) | (4,273) |
| Purchase of long-term investment | (1,000) | — |
| Net changes in restricted cash | 700 | 453 |
| Net cash used in investing activities | (495,287) | (2,748,312) |
| Cash flow from financing activities: | | |
| Cash received from debt borrowings, net of original issue discount | 120,000 | 3,068,075 |
| Repayments of debt | (383,436) | (903,448) |
| Proceeds from exercise of stock options | 39,239 | 30,092 |
| Withholding taxes related to equity award net share settlement | (7,430) | (6,939) |
| Income tax benefit related to exercise of stock options | 46,207 | 32,960 |
| Proceeds from common stock issuance, net | — | 717,802 |
| Purchase of common stock for treasury | (15) | — |
| Payment of fees related to refinancing activities | (519) | (46,025) |
| Dividends paid on common stock | (50,140) | (45,451) |
| Net cash (used in) provided by financing activities | (236,094) | 2,847,066 |
| Effect of exchange rate changes on cash and cash equivalents | (3,627) | (4,796) |
| Net (decrease) increase in cash and cash equivalents | (316,601) | 324,582 |
| Cash and cash equivalents, beginning of period | 434,159 | 109,577 |
| Cash and cash equivalents, end of period | \$ 117,558 | \$ 434,159 |

See Notes to Condensed Consolidated Financial Information.

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

Note 1. Reconciliation of Revenues to Adjusted Revenues

Adjusted revenues represents revenues adjusted for one-time purchase accounting adjustments to fair value deferred revenue acquired in business combinations. Adjusted revenues are 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 the Company. 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. Below is a reconciliation between adjusted revenues and revenues, the GAAP measure we believe to be most directly comparable to adjusted revenues.

| (in thousands) | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|------------------------------------|-------------------|-------------------------------------|---------------------|
| | 2016 | 2015 | 2016 | 2015 |
| Revenues | \$ 400,924 | \$ 300,888 | \$ 1,481,436 | \$ 1,000,285 |
| Purchase accounting adjustments to deferred revenue | 3,723 | 24,923 | 42,603 | 56,154 |
| Adjusted revenues | <u>\$ 404,647</u> | <u>\$ 325,811</u> | <u>\$ 1,524,039</u> | <u>\$ 1,056,439</u> |

The following is a breakdown of recurring and non-recurring revenues and adjusted recurring and non-recurring revenues.

| (in thousands) | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---------------------------------------|------------------------------------|-------------------|-------------------------------------|---------------------|
| | 2016 | 2015 | 2016 | 2015 |
| Software-enabled services | \$ 257,700 | \$ 185,736 | \$ 956,791 | \$ 670,170 |
| Maintenance and term licenses | 109,273 | 87,373 | 414,710 | 246,422 |
| Total recurring revenues | <u>366,973</u> | <u>273,109</u> | <u>1,371,501</u> | <u>916,592</u> |
| Perpetual licenses | 9,317 | 8,941 | 23,960 | 31,467 |
| Professional services | 24,634 | 18,838 | 85,975 | 52,226 |
| Total non-recurring revenues | <u>33,951</u> | <u>27,779</u> | <u>109,935</u> | <u>83,693</u> |
| Total revenues | <u>\$ 400,924</u> | <u>\$ 300,888</u> | <u>\$ 1,481,436</u> | <u>\$ 1,000,285</u> |
| Software-enabled services | \$ 257,706 | \$ 186,151 | \$ 957,064 | \$ 670,585 |
| Maintenance and term licenses | 110,744 | 108,849 | 443,545 | 295,796 |
| Total adjusted recurring revenues | <u>368,450</u> | <u>295,000</u> | <u>1,400,609</u> | <u>966,381</u> |
| Perpetual licenses | 9,317 | 8,941 | 23,960 | 31,467 |
| Professional services | 26,880 | 21,870 | 99,470 | 58,591 |
| Total adjusted non-recurring revenues | <u>36,197</u> | <u>30,811</u> | <u>123,430</u> | <u>90,058</u> |
| Total adjusted revenues | <u>\$ 404,647</u> | <u>\$ 325,811</u> | <u>\$ 1,524,039</u> | <u>\$ 1,056,439</u> |

Note 2. Reconciliation of Operating Income to Adjusted Operating Income

Adjusted operating income represents operating income adjusted for amortization of acquisition-related intangible assets, stock-based compensation, purchase accounting adjustments for deferred revenue 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 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 December 31, | | Twelve Months Ended December 31, | |
|--------------------------------------|------------------------------------|-------------------|-------------------------------------|-------------------|
| | 2016 | 2015 | 2016 | 2015 |
| Operating income | \$ 95,311 | \$ 48,302 | \$ 288,695 | \$ 164,738 |
| Amortization of intangible assets | 51,731 | 44,131 | 204,945 | 131,913 |
| Stock-based compensation | 10,162 | 12,644 | 50,564 | 44,079 |
| Capital-based taxes | 10 | 1,464 | 1,482 | 828 |
| Unusual or non-recurring charges (1) | 1,381 | 4,776 | 9,266 | 30,027 |
| Purchase accounting adjustments (2) | 1,788 | 21,954 | 31,619 | 49,927 |
| Adjusted operating income | <u>\$ 160,383</u> | <u>\$ 133,271</u> | <u>\$ 586,571</u> | <u>\$ 421,512</u> |

- (1) Unusual or non-recurring charges include proceeds from legal and other settlements, severance expenses, transaction costs and other one-time expenses, such as expenses associated with facilities consolidations and 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 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.

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 July 2016, 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 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 December 31, | | Twelve Months Ended December 31, | |
|--------------------------------------|------------------------------------|------------|-------------------------------------|------------|
| | 2016 | 2015 | 2016 | 2015 |
| Net income | \$ 57,023 | \$ 12,098 | \$ 130,996 | \$ 42,862 |
| Interest expense, net | 30,871 | 33,693 | 128,454 | 77,357 |
| Income tax provision | 9,972 | 1,107 | 32,620 | 17,980 |
| Depreciation and amortization | 57,773 | 49,994 | 228,683 | 150,834 |
| EBITDA | 155,639 | 96,892 | 520,753 | 289,033 |
| Stock-based compensation | 10,162 | 12,644 | 50,564 | 44,079 |
| Capital-based taxes | 10 | 1,464 | 1,482 | 828 |
| Acquired EBITDA and cost savings (1) | 726 | 3,175 | 9,094 | 109,492 |
| Unusual or non-recurring charges (2) | (1,174) | 6,179 | 5,891 | 26,148 |
| Loss on extinguishment of debt | — | — | — | 30,417 |
| Purchase accounting adjustments (3) | 1,788 | 21,954 | 31,619 | 49,927 |
| Other (4) | 376 | 630 | 2,198 | 1,529 |
| Consolidated EBITDA | \$ 167,527 | \$ 142,938 | \$ 621,601 | \$ 551,453 |
| Less: acquired EBITDA | (726) | (3,175) | (9,094) | (109,492) |
| Adjusted Consolidated EBITDA | \$ 166,801 | \$ 139,763 | \$ 612,507 | \$ 441,961 |

- (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) Unusual or non-recurring charges include foreign currency gains and losses, proceeds from legal and other settlements, severance expenses, transaction costs and other one-time expenses, such as expenses associated with the facilities consolidations, acquisitions and the sale of fixed assets.
- (3) 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 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.
- (4) Other includes the non-cash portion of straight-line rent expense.

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, other unusual and non-recurring items, purchase accounting adjustments, and loss on extinguishment of debt 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 December 31, | | Twelve Months Ended December 31, | |
|--|------------------------------------|-----------|-------------------------------------|------------|
| | 2016 | 2015 | 2016 | 2015 |
| GAAP – Net income | \$ 57,023 | \$ 12,098 | \$ 130,996 | \$ 42,862 |
| Plus: Amortization of intangible assets | 51,731 | 44,131 | 204,945 | 131,913 |
| Plus: Amortization of deferred financing costs and original issue discount | 2,686 | 2,653 | 10,680 | 8,126 |
| Plus: Stock-based compensation | 10,162 | 12,644 | 50,564 | 44,079 |
| Plus: Capital-based taxes | 10 | 1,464 | 1,482 | 828 |
| Plus: Unusual and non-recurring items (1) | (1,174) | 6,179 | 5,891 | 26,148 |
| Plus: Loss on extinguishment of debt | — | — | — | 30,417 |
| Plus: Purchase accounting adjustments (2) | 1,788 | 21,954 | 31,619 | 49,927 |
| Income tax effect (3) | (27,043) | (27,517) | (98,643) | (80,657) |
| Adjusted net income | \$ 95,183 | \$ 73,606 | \$ 337,534 | \$ 253,643 |
| Adjusted diluted earnings per share | \$ 0.46 | \$ 0.36 | \$ 1.64 | \$ 1.33 |
| GAAP diluted earnings per share | \$ 0.28 | \$ 0.06 | \$ 0.64 | \$ 0.22 |
| Diluted weighted-average shares outstanding | 207,207 | 203,906 | 205,793 | 190,896 |

- (1) Unusual or non-recurring charges include foreign currency gains and losses, proceeds from legal and other settlements, severance expenses, transaction costs and other one-time expenses, such as expenses associated with the facilities consolidations, acquisitions and the sale of fixed assets.
- (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 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) 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.