

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

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Revenues:				
Software-enabled services	\$ 150,123	\$ 145,547	\$ 303,690	\$ 290,930
Software licenses	16,090	9,866	23,416	17,365
Maintenance	35,836	25,691	71,554	51,217
Professional services	10,719	7,618	19,843	15,020
Total revenues	<u>212,768</u>	<u>188,722</u>	<u>418,503</u>	<u>374,532</u>
Cost of revenues:				
Software-enabled services	88,548	86,040	177,150	171,731
Software licenses	1,390	806	2,780	1,657
Maintenance	11,969	10,077	25,770	20,008
Professional services	7,596	5,310	16,110	10,336
Total cost of revenues	<u>109,503</u>	<u>102,233</u>	<u>221,810</u>	<u>203,732</u>
Gross profit	<u>103,265</u>	<u>86,489</u>	<u>196,693</u>	<u>170,800</u>
Operating expenses:				
Selling and marketing	13,931	12,203	27,318	24,101
Research and development	17,520	13,939	37,128	27,526
General and administrative	13,463	14,958	30,763	26,759
Total operating expenses	<u>44,914</u>	<u>41,100</u>	<u>95,209</u>	<u>78,386</u>
Operating income	58,351	45,389	101,484	92,414
Interest expense, net	(5,419)	(6,569)	(11,019)	(13,667)
Other (expense) income, net	<u>(164)</u>	<u>(59)</u>	<u>(1,671)</u>	<u>(745)</u>
Income before income taxes	52,768	38,761	88,794	78,002
Provision for income taxes	<u>13,640</u>	<u>11,516</u>	<u>23,420</u>	<u>24,309</u>
Net income	<u>\$ 39,128</u>	<u>\$ 27,245</u>	<u>\$ 65,374</u>	<u>\$ 53,693</u>
Basic earnings per share	<u>\$ 0.46</u>	<u>\$ 0.33</u>	<u>\$ 0.77</u>	<u>\$ 0.65</u>
Basic weighted average number of common shares outstanding	<u>85,405</u>	<u>83,118</u>	<u>84,837</u>	<u>82,921</u>
Diluted earnings per share	<u>\$ 0.44</u>	<u>\$ 0.31</u>	<u>\$ 0.73</u>	<u>\$ 0.62</u>
Diluted weighted average number of common and common equivalent shares outstanding	<u>89,552</u>	<u>87,091</u>	<u>88,987</u>	<u>86,999</u>

See Notes to Condensed Consolidated Financial Information.

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

	June 30, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 729,808	\$ 109,577
Accounts receivable, net	94,733	94,359
Prepaid income taxes	5,090	11,857
Deferred income taxes	2,857	2,975
Prepaid expenses and other current assets	13,789	14,927
Restricted cash	1,478	1,477
Total current assets	847,755	235,172
Property and equipment, net	51,324	54,277
Deferred income taxes	1,892	1,135
Goodwill	1,558,785	1,573,227
Intangible and other assets, net	376,615	421,511
Total assets	\$ 2,836,371	\$ 2,285,322
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 17,224	\$ 20,470
Accounts payable	8,659	12,004
Income taxes payable	-	1,116
Accrued employee compensation and benefits	28,030	53,975
Deferred income taxes	-	110
Other accrued expenses	29,504	30,666
Deferred maintenance and other revenue	67,280	73,254
Total current liabilities	150,697	191,595
Long-term debt, net of current portion	448,382	618,435
Other long-term liabilities	25,086	26,446
Deferred income taxes	94,692	102,176
Total liabilities	718,857	938,652
Total stockholders' equity	2,117,514	1,346,670
Total liabilities and stockholders' equity	\$ 2,836,371	\$ 2,285,322

See Notes to Condensed Consolidated Financial Information.

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

	Six Months Ended	
	June 30, 2015	June 30, 2014
Cash flow from operating activities:		
Net income	\$ 65,374	\$ 53,693
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	52,103	49,832
Stock-based compensation expense	8,314	5,770
Income tax benefit related to exercise of stock options	(5,065)	(8,235)
Amortization of loan origination costs	2,874	2,956
Loss (gain) on sale or disposition of property and equipment	209	698
Deferred income taxes	(7,395)	(5,550)
Provision for doubtful accounts	299	473
Changes in operating assets and liabilities, excluding effects from acquisitions:		
Accounts receivable	(1,804)	1,532
Prepaid expenses and other assets	2,488	(1,403)
Accounts payable	(2,405)	789
Accrued expenses	(20,186)	(15,507)
Income taxes prepaid and payable	11,064	13,250
Deferred maintenance and other revenue	(5,148)	(5,478)
Net cash provided by operating activities	<u>100,722</u>	<u>92,820</u>
Cash flow from investing activities:		
Additions to property and equipment	(5,750)	(9,460)
Proceeds from sale of property and equipment	-	1
Cash paid for business acquisitions, net of cash acquired	(7,863)	-
Additions to capitalized software	(1,792)	(1,704)
Net changes in restricted cash	-	983
Net cash used in investing activities	<u>(15,405)</u>	<u>(10,180)</u>
Cash flow from financing activities:		
Repayments of debt	(174,000)	(107,000)
Proceeds from exercise of stock options	8,735	12,337
Proceeds from common stock issuance, net	717,866	-
Income tax benefit related to exercise of stock options	5,065	8,235
Payment of fees related to refinancing activities	-	(512)
Purchase of common stock for treasury	-	(7,386)
Dividends paid on common stock	(21,101)	-
Net cash provided by (used in) financing activities	<u>536,565</u>	<u>(94,326)</u>
Effect of exchange rate changes on cash	<u>(1,651)</u>	<u>736</u>
Net increase (decrease) in cash	620,231	(10,950)
Cash, beginning of period	109,577	84,470
Cash, end of period	<u>\$ 729,808</u>	<u>\$ 73,520</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 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.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
(in thousands)				
Revenue	\$ 212,768	\$ 188,722	\$ 418,503	\$ 374,532
Purchase accounting adjustments to deferred revenue	302	-	699	-
Adjusted revenue	<u>\$ 213,070</u>	<u>\$ 188,722</u>	<u>\$ 419,202</u>	<u>\$ 374,532</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 and 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.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
(in thousands)				
Operating income	\$ 58,351	\$ 45,389	\$ 101,484	\$ 92,414
Amortization of intangible assets	22,312	21,285	44,493	42,611
Stock-based compensation	4,208	2,795	8,314	5,770
Capital-based taxes	(636)	-	(636)	6
Unusual or non-recurring charges	994	4,511	8,579	5,839
Purchase accounting adjustments	302	-	699	(27)
Adjusted operating income	<u>\$ 85,531</u>	<u>\$ 73,980</u>	<u>\$ 162,933</u>	<u>\$ 146,613</u>

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 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 June 30,		Six Months Ended June 30,		Twelve Months Ended June 30,
	2015	2014	2015	2014	2015
Net income	\$ 39,128	\$ 27,245	\$ 65,374	\$ 53,693	\$ 142,808
Interest expense, net	5,419	6,569	11,019	13,667	22,824
Taxes	13,640	11,516	23,420	24,309	45,638
Depreciation and amortization	26,107	24,896	52,103	49,832	102,102
EBITDA	84,294	70,226	151,916	141,501	313,372
Stock-based compensation	4,208	2,795	8,314	5,770	14,027
Capital-based taxes	(636)	-	(636)	6	(636)
Unusual or non-recurring charges	1,158	4,570	10,250	6,584	8,542
Acquired EBITDA and cost savings	389	-	2,156	-	19,645
Purchase accounting adjustments	302	-	699	(27)	1,202
Other	47	132	142	83	374
Consolidated EBITDA	89,762	77,723	172,841	153,917	356,526
Less: acquired EBITDA	(389)	-	(2,156)	-	(19,645)
Adjusted Consolidated EBITDA	<u>\$ 89,373</u>	<u>\$ 77,723</u>	<u>\$ 170,685</u>	<u>\$ 153,917</u>	<u>\$ 336,881</u>

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 June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
GAAP – Net income	\$ 39,128	\$ 27,245	\$ 65,374	\$ 53,693
Plus: Amortization of intangible assets	22,312	21,285	44,493	42,611
Plus: Amortization of deferred financing costs and original issue discount	1,439	1,436	2,874	2,956
Plus: Stock-based compensation	4,208	2,795	8,314	5,770
Plus: Capital-based taxes	(636)	-	(636)	6
Plus: Unusual and non-recurring items	1,158	4,570	10,250	6,584
Plus: Purchase accounting adjustments	302	-	699	(27)
Income tax effect (1)	(9,194)	(7,761)	(19,920)	(13,743)
Adjusted net income	<u>\$ 58,717</u>	<u>\$ 49,570</u>	<u>\$ 111,448</u>	<u>\$ 97,850</u>
Adjusted diluted earnings per share	\$ 0.66	\$ 0.57	\$ 1.25	\$ 1.12
GAAP diluted earnings per share	\$ 0.44	\$ 0.31	\$ 0.73	\$ 0.62
Diluted weighted-average shares outstanding	89,552	87,091	88,987	86,999

(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.