

SS&C Technologies Releases Q3 2024 Earnings Results

Q3 2024 GAAP revenue \$1,465.8 million, up 7.3%, Fully Diluted GAAP Earnings Per Share \$0.65, up 6.6%
Record Adjusted revenue \$1,466.8 million, up 7.3%, Adjusted Diluted Earnings Per Share \$1.29, up 10.3%

WINDSOR, CT, October 24, 2024 (PR Newswire) SS&C Technologies Holdings, Inc. (NASDAQ: SSNC), a global provider of investment, financial and healthcare software and software-enabled services, today announced its financial results for the third quarter ended September 30, 2024.

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions, except per share data):	2024	2023	Change	2024	2023	Change
GAAP Results						
Revenue	\$1,465.8	\$1,365.9	7.3%	\$4,352.3	\$4,091.2	6.4%
Operating income	325.1	306.4	6.1%	985.6	874.7	12.7%
Operating income margin	22.2%	22.4%	-20 bps	22.6%	21.4%	120 bps
Diluted earnings per share attributable to SS&C	\$0.65	\$0.61	6.6%	\$2.02	\$1.62	24.7%
Net income attributable to SS&C	164.4	156.0	5.4%	512.3	412.7	24.1%
Adjusted Non-GAAP Results (defined in Notes 1 - 4 below)						
Adjusted revenue	\$1,466.8	\$1,366.7	7.3%	\$4,355.0	\$4,093.5	6.4%
Adjusted operating income attributable to SS&C	548.8	517.4	6.1%	1,630.5	1,496.2	9.0%
Adjusted operating income margin	37.4%	37.9%	-50 bps	37.4%	36.6%	80 bps
Adjusted diluted earnings per share attributable to SS&C	\$1.29	\$1.17	10.3%	\$3.83	\$3.39	13.0%
Adjusted consolidated EBITDA attributable to SS&C	566.2	533.9	6.0%	1,681.9	1,545.2	8.8%
Adjusted consolidated EBITDA margin	38.6%	39.1%	-50 bps	38.6%	37.7%	90 bps

Third Quarter 2024 Highlights:

- Q3 2024 GAAP Revenue growth and Adjusted Revenue growth were 7.3 percent
- Adjusted Organic Revenue Growth was 6.4 percent, Financial Services Recurring Revenue Growth was 7.2 percent.
- Q3 2024 we bought back 1.2 million shares for \$89.4 million, at an average price of \$72.72 per share.
- SS&C reported GAAP net income attributable to SS&C of \$164.4 million, up 5.4 percent and adjusted consolidated EBITDA attributable to SS&C of \$566.2 million for Q3 2024, up 6.0 percent.
- GAAP operating income margin for Q3 2024 was 22.2 percent. Adjusted consolidated EBITDA margin for Q3 2024 was 38.6 percent.
- SS&C completed its acquisition of Battea-Class Action Services on September 27, 2024 for a purchase price of approximately \$670 million.

"SS&C reported strong results for Q3 2024, with organic revenue up 6.4 percent, accompanied by \$1.29 in adjusted earnings per share, up 10.1 percent," says Bill Stone, Chairman and Chief Executive Officer. "A few weeks ago we hosted over 1,000 clients, prospects, and partners in New Orleans for our annual SS&C Deliver Conference. We showcased SS&C's strengths in emerging technology, best practice operational solutions, and deep industry expertise. Feedback has been overwhelmingly positive and we look forward to another great event in Scottsdale, AZ in 2025."

Operating Cash Flow

SS&C generated net cash from operating activities of \$902.0 million for the nine months ended September 30, 2024, compared to \$826.7 million for the same period in 2023, a 9.1% increase. SS&C ended the third quarter with \$694.7 million in cash and cash equivalents and \$7,243.1 million in gross debt. SS&C's net debt balance as defined in our credit agreement, which excludes cash and cash equivalents of \$159.0 million held at DomaniRx, LLC was \$6,707.3 million as of September 30, 2024. SS&C's consolidated net leverage ratio as defined in our credit agreement stood at 2.94 times consolidated EBITDA attributable to SS&C as of September 30, 2024. SS&C's net secured leverage ratio stood at 1.74 times consolidated EBITDA attributable to SS&C as of September 30, 2024.

Guidance

	Q4 2024	FY 2024
Adjusted Revenue (\$M)	\$1,460.0 – \$1,500.0	\$5,815.0 – \$5,855.0
Adjusted Net Income attributable to SS&C (\$M)	\$329.0 – \$345.0	\$1,299.0 – \$1,315.0
Interest Expense ¹ (\$M)	\$110.0 – \$112.0	\$442.0 – \$444.0
Adjusted Diluted Earnings per Share attributable to SS&C	\$1.29 – \$1.35	\$5.12 – \$5.18
Cash from Operating Activities (\$M)	–	\$1,330.0 – \$1,370.0
Capital Expenditures (% of revenue)	–	4.1% – 4.5%
Diluted Shares (M)	254.6 – 255.6	253.6 – 253.8
Effective Income Tax Rate (%)	26%	26%

¹Interest expense is net of deferred financing cost amortization and original issue discount

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. The unavailable information could have a significant impact on Q4 2024 and FY 2024 GAAP financial results.

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 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 third quarter 2024 earnings call will take place at 5:00 p.m. eastern time today, October 24, 2024. The call will discuss third quarter 2024 results. Interested parties may dial 888-210-4650 (US and Canada) or 646-960-0327 (International), and request the "SS&C Technologies Third Quarter 2024 Earnings Conference Call"; conference ID #4673675. In connection with the earnings call, a presentation will be available on SS&C's website at www.ssctech.com. The call will be available for replay via the webcast on SS&C's website; access: <https://investor.ssctech.com/financials/quarterly-results/default.aspx>

Certain information contained in this press release relating to, among other things, the Company's financial guidance for the fourth quarter and full year of 2024 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", "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, Inc., the effect of 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 personal 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 services and software for the financial services and healthcare industries. Founded in 1986, SS&C is headquartered in Windsor, Connecticut, and has offices around the world. Some 20,000 financial services and healthcare organizations, from the world's largest companies to small and mid-market firms, rely on SS&C for expertise, scale, and technology.

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