

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2021

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number 001-34675



SS&C TECHNOLOGIES HOLDINGS, INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

71-0987913

(I.R.S. Employer Identification No.)

80 Lamberton Road  
Windsor, CT 06095

(Address of principal executive offices, including zip code)

860-298-4500

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.01 per share	SSNC	The Nasdaq Global Select Market

There were 254,269,358 shares of the registrant's common stock outstanding as of October 31, 2021.

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SS&C Technologies Holdings, Inc., or "SS&C Holdings," is our top-level holding company. SS&C Technologies, Inc., or "SS&C," is our primary operating company and a wholly-owned subsidiary of SS&C Technologies Holdings, Inc. "We," "us," "our" and the "Company" mean SS&C Technologies Holdings, Inc. and its consolidated subsidiaries, including SS&C.

This Quarterly Report on Form 10-Q may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. 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. The important factors discussed under the caption "Risk Factors" in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the Securities and Exchange Commission on February 25, 2021, among others, could cause actual results to differ materially from those indicated by forward-looking statements made herein and presented elsewhere by management from time to time. We do not undertake an obligation to update its forward-looking statements to reflect future events or circumstances.

## PART I

## Item 1. Financial Statements

## SS&amp;C TECHNOLOGIES HOLDINGS, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except per share data) (Unaudited)

	September 30, 2021	December 31, 2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 351.1	\$ 209.3
Funds receivable and funds held on behalf of clients	2,493.1	1,227.4
Accounts receivable, net of allowance for doubtful accounts of \$18.3 and \$16.8, respectively	715.2	648.0
Contract asset	21.1	20.4
Prepaid expenses and other current assets	192.2	187.5
Restricted cash and cash equivalents	3.7	5.9
<b>Total current assets</b>	<b>3,776.4</b>	<b>2,298.5</b>
Property, plant and equipment, net (Note 2)	390.0	412.8
Operating lease right-of-use assets	307.4	350.8
Investments (Note 3)	179.4	183.5
Unconsolidated affiliates (Note 4)	219.7	225.6
Contract asset	81.4	82.0
Goodwill (Note 6)	8,041.9	8,078.7
Intangible and other assets, net of accumulated amortization of \$2,753.8 and \$2,655.6, respectively	3,937.8	4,291.7
<b>Total assets</b>	<b>\$ 16,934.0</b>	<b>\$ 15,923.6</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Current portion of long-term debt (Note 7)	\$ 91.3	\$ 53.9
Client funds obligations	2,493.1	1,227.4
Accounts payable	27.5	28.1
Income taxes payable	33.5	9.3
Accrued employee compensation and benefits	260.0	311.5
Interest payable	—	27.5
Other accrued expenses	340.7	293.1
Deferred revenues	325.8	332.5
<b>Total current liabilities</b>	<b>3,571.9</b>	<b>2,283.3</b>
Long-term debt, net of current portion (Note 7)	6,049.4	6,388.5
Operating lease liabilities	283.6	323.6
Other long-term liabilities	273.2	287.9
Deferred income taxes	840.5	923.8
<b>Total liabilities</b>	<b>11,018.6</b>	<b>10,207.1</b>
Commitments and contingencies (Note 13)		
Stockholders' equity (Note 8):		
Preferred stock, \$0.01 par value per share, 5.0 million shares authorized; no shares issued	—	—
Class A non-voting common stock, \$0.01 par value per share, 5.0 million shares authorized; no shares issued	—	—
Common stock, \$0.01 par value per share, 400.0 million shares authorized; 267.3 million shares and 263.9 million shares issued, respectively, and 254.2 million shares and 257.6 million shares outstanding, respectively	2.7	2.6
Additional paid-in capital	4,791.9	4,544.0
Accumulated other comprehensive loss	(245.9)	(201.0)
Retained earnings	2,093.2	1,667.0
	6,641.9	6,012.6
Less: cost of common stock in treasury, 13.1 and 6.3 million shares, respectively	(784.0)	(296.1)
<b>Total SS&amp;C stockholders' equity</b>	<b>5,857.9</b>	<b>5,716.5</b>
Noncontrolling interest	57.5	—
<b>Total stockholders' equity</b>	<b>5,915.4</b>	<b>5,716.5</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 16,934.0</b>	<b>\$ 15,923.6</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**SS&C TECHNOLOGIES HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(In millions, except per share data) (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>Revenues:</b>				
Software-enabled services	\$ 1,069.9	\$ 958.4	\$ 3,170.4	\$ 2,892.9
License, maintenance and related	194.5	194.4	586.4	571.6
Total revenues	1,264.4	1,152.8	3,756.8	3,464.5
<b>Cost of revenues:</b>				
Software-enabled services	563.7	551.6	1,742.0	1,685.0
License, maintenance and related	76.7	77.3	236.7	236.3
Total cost of revenues	640.4	628.9	1,978.7	1,921.3
Gross profit	624.0	523.9	1,778.1	1,543.2
<b>Operating expenses:</b>				
Selling and marketing	96.4	85.2	286.1	260.9
Research and development	97.7	97.0	306.4	298.7
General and administrative	89.8	84.7	263.5	266.5
Total operating expenses	283.9	266.9	856.0	826.1
Operating income	340.1	257.0	922.1	717.1
Interest expense, net	(50.2)	(54.7)	(152.6)	(192.6)
Other (expense) income, net	(44.9)	15.1	(20.4)	18.8
Equity in earnings of unconsolidated affiliates, net	2.0	0.2	1.9	(0.1)
(Loss) gain on extinguishment of debt	(1.7)	0.4	(3.5)	(2.2)
Income before income taxes	245.3	218.0	747.5	541.0
Provision for income taxes	60.6	58.6	198.1	112.9
Net income	184.7	159.4	549.4	428.1
Net income attributable to noncontrolling interest	(0.3)	—	(0.3)	—
Net income attributable to SS&C common stockholders	\$ 184.4	\$ 159.4	\$ 549.1	\$ 428.1
Basic earnings per share attributable to SS&C common stockholders	\$ 0.72	\$ 0.62	\$ 2.15	\$ 1.67
Diluted earnings per share attributable to SS&C common stockholders	\$ 0.69	\$ 0.60	\$ 2.05	\$ 1.61
Basic weighted-average number of common shares outstanding	254.7	256.7	255.8	256.3
Diluted weighted-average number of common and common equivalent shares outstanding	266.5	266.7	267.3	266.0
Net income	\$ 184.7	\$ 159.4	\$ 549.4	\$ 428.1
<b>Other comprehensive (loss) income, net of tax:</b>				
Change in unrealized (loss) gain on interest rate swaps	—	(0.1)	0.3	(2.8)
Foreign currency exchange translation adjustment	(55.7)	70.7	(45.4)	(45.9)
Change in defined benefit pension obligation	0.1	—	0.2	—
Total other comprehensive (loss) income, net of tax	(55.6)	70.6	(44.9)	(48.7)
Comprehensive income	129.1	230.0	504.5	379.4
Comprehensive income attributable to noncontrolling interest	(0.3)	—	(0.3)	—
Comprehensive income attributable to SS&C common stockholders	\$ 128.8	\$ 230.0	\$ 504.2	\$ 379.4

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**SS&C TECHNOLOGIES HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In millions) (Unaudited)

	<b>Nine Months Ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flow from operating activities:</b>		
Net income	\$ 549.4	\$ 428.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	500.2	544.1
Equity in earnings of unconsolidated affiliates, net	(1.9)	0.1
Cash distributions received from unconsolidated affiliates	10.0	8.0
Gain on bargain purchase	(3.2)	—
Stock-based compensation expense	82.7	65.9
Net gains on investments	(17.3)	(17.3)
Amortization and write-offs of loan origination costs and original issue discounts	10.0	10.4
Loss on extinguishment of debt, net	3.5	1.3
Loss on sale or disposition of property and equipment	0.6	4.0
Deferred income taxes	(82.5)	(115.9)
Provision for doubtful accounts	6.5	6.0
Changes in operating assets and liabilities, excluding effects from acquisitions:		
Accounts receivable	(72.6)	20.0
Prepaid expenses and other assets	15.8	(86.2)
Contract assets	(1.1)	(4.0)
Accounts payable	(3.3)	(9.5)
Accrued expenses and other liabilities	(49.9)	(80.9)
Income taxes prepaid and payable	33.8	38.9
Deferred revenue	(35.8)	(57.9)
Net cash provided by operating activities	<u>944.9</u>	<u>755.1</u>
<b>Cash flow from investing activities:</b>		
Cash paid for business acquisitions, net of cash acquired	7.3	(113.5)
Additions to property and equipment	(31.0)	(25.4)
Proceeds from sale of property and equipment	0.2	—
Additions to capitalized software	(65.2)	(54.6)
Investments in securities	(20.1)	(60.8)
Proceeds from sales / maturities of investments	42.3	50.8
Collection of other non-current receivables	8.3	7.6
Net cash used in investing activities	<u>(58.2)</u>	<u>(195.9)</u>
<b>Cash flow from financing activities:</b>		
Cash received from debt borrowings	370.0	286.0
Repayments of debt	(687.8)	(616.3)
Net increase (decrease) in client funds obligations	1,226.3	(949.2)
Proceeds from exercise of stock options	124.2	129.6
Withholding taxes paid related to equity award net share settlement	(5.8)	(8.1)
Purchases of common stock for treasury	(487.9)	(219.8)
Dividends paid on common stock	(122.8)	(99.9)
Proceeds from noncontrolling interests	67.3	—
Net cash provided by (used in) financing activities	<u>483.5</u>	<u>(1,477.7)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(4.2)	(2.0)
Net increase (decrease) in cash, cash equivalents and restricted cash	1,366.0	(920.5)
Cash, cash equivalents and restricted cash, beginning of period	1,337.9	1,789.4
<b>Cash, cash equivalents and restricted cash and cash equivalents, end of period</b>	<u>\$ 2,703.9</u>	<u>\$ 868.9</u>
<b>Reconciliation of cash, cash equivalents and restricted cash and cash equivalents:</b>		
Cash and cash equivalents	\$ 351.1	\$ 184.5
Restricted cash and cash equivalents	3.7	6.0
Restricted cash and cash equivalents included in funds receivable and funds held on behalf of clients	2,349.1	678.4
	<u>\$ 2,703.9</u>	<u>\$ 868.9</u>

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**SS&C TECHNOLOGIES HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(In millions) (Unaudited)

Three Months Ended September 30, 2021								
SS&C Stockholders								
Common Stock								
	Number of		Additional	Retained	Accumulated Other		Noncontrolling	Total
	Issued	Amount			Paid-in	Earnings		
	Shares		Capital	Capital	(Loss)	Income	Stock	Equity
Balance, at June 30, 2021	266.2	\$ 2.7	\$ 4,682.8	\$ 1,949.6	\$ (190.3)	\$ (621.1)	\$ —	\$ 5,823.7
Noncontrolling interest upon consolidation	—	—	46.8	—	—	—	57.2	104.0
Net income	—	—	—	184.4	—	—	0.3	184.7
Foreign exchange translation adjustment	—	—	—	—	(55.7)	—	—	(55.7)
Change in defined benefit plan obligation	—	—	—	—	0.1	—	—	0.1
Stock-based compensation expense	—	—	27.2	—	—	—	—	27.2
Exercise of options, net of withholding taxes	1.1	—	35.1	—	—	—	—	35.1
Purchases of common stock	—	—	—	—	—	(162.9)	—	(162.9)
Cash dividends declared - \$0.16 per share	—	—	—	(40.8)	—	—	—	(40.8)
Balance, at September 30, 2021	267.3	\$ 2.7	\$ 4,791.9	\$ 2,093.2	\$ (245.9)	\$ (784.0)	\$ 57.5	\$ 5,915.4

Three Months Ended September 30, 2020								
SS&C Stockholders								
Common Stock								
	Number of		Additional	Retained	Accumulated Other		Noncontrolling	Total
	Issued	Amount			Paid-in	Earnings		
	Shares		Capital	Capital	(Loss)	Income	Stock	Equity
Balance, at June 30, 2020	260.7	\$ 2.6	\$ 4,397.4	\$ 1,382.4	\$ (372.3)	\$ (96.3)	\$ —	\$ 5,313.8
Net income	—	—	—	159.4	—	—	—	159.4
Foreign exchange translation adjustment	—	—	—	—	70.7	—	—	70.7
Net change in interest rate swaps	—	—	—	—	(0.1)	—	—	(0.1)
Stock-based compensation expense	—	—	21.3	—	—	—	—	21.3
Exercise of options, net of withholding taxes	1.4	—	46.0	—	—	—	—	46.0
Purchases of common stock	—	—	—	—	—	(191.9)	—	(191.9)
Cash dividends declared - \$0.14 per share	—	—	—	(35.9)	—	—	—	(35.9)
Balance, at September 30, 2020	262.1	\$ 2.6	\$ 4,464.7	\$ 1,505.9	\$ (301.7)	\$ (288.2)	\$ —	\$ 5,383.3

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**S&C TECHNOLOGIES HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (Continued)**  
(In millions) (Unaudited)

Nine Months Ended September 30, 2021								
SS&C Stockholders								
Common Stock								
	Number of		Additional	Retained	Accumulated		Noncontrolling	Total
	Issued	Amount			Paid-in	Earnings		
	Shares		Capital	Loss	Income	Stock	Equity	
Balance, at December 31, 2020	263.9	\$ 2.6	\$ 4,544.0	\$ 1,667.0	\$ (201.0)	\$ (296.1)	\$ —	\$ 5,716.5
Noncontrolling interest upon consolidation	—	—	46.8	—	—	—	57.2	104.0
Net income	—	—	—	549.1	—	—	0.3	549.4
Foreign exchange translation adjustment	—	—	—	—	(45.4)	—	—	(45.4)
Net change in interest rate swaps	—	—	—	—	0.3	—	—	0.3
Change in defined benefit plan obligation	—	—	—	—	0.2	—	—	0.2
Stock-based compensation expense	—	—	82.7	—	—	—	—	82.7
Exercise of options, net of withholding taxes	3.4	0.1	118.3	—	—	—	—	118.4
Purchases of common stock	—	—	—	—	—	(487.9)	—	(487.9)
Cash dividends declared - \$0.48 per share	—	—	0.1	(122.9)	—	—	—	(122.8)
Balance, at September 30, 2021	<u>267.3</u>	<u>\$ 2.7</u>	<u>\$ 4,791.9</u>	<u>\$ 2,093.2</u>	<u>\$ (245.9)</u>	<u>\$ (784.0)</u>	<u>\$ 57.5</u>	<u>\$ 5,915.4</u>

Nine Months Ended September 30, 2020								
SS&C Stockholders								
Common Stock								
	Number of		Additional	Retained	Accumulated		Noncontrolling	Total
	Issued	Amount			Paid-in	Earnings		
	Shares		Capital	Loss	Income	Stock	Equity	
Balance, at December 31, 2019	257.6	\$ 2.6	\$ 4,266.9	\$ 1,177.9	\$ (253.0)	\$ (78.3)	\$ —	\$ 5,116.1
Net income	—	—	—	428.1	—	—	—	428.1
Foreign exchange translation adjustment	—	—	—	—	(45.9)	—	—	(45.9)
Net change in interest rate swaps	—	—	—	—	(2.8)	—	—	(2.8)
Stock-based compensation expense	—	—	65.9	—	—	—	—	65.9
Exercise of options, net of withholding taxes	4.5	—	121.5	—	—	—	—	121.5
Non-cash purchase price consideration	—	—	10.2	—	—	9.9	—	20.1
Purchases of common stock	—	—	—	—	—	(219.8)	—	(219.8)
Cash dividends declared - \$0.39 per share	—	—	0.2	(100.1)	—	—	—	(99.9)
Balance, at September 30, 2020	<u>262.1</u>	<u>\$ 2.6</u>	<u>\$ 4,464.7</u>	<u>\$ 1,505.9</u>	<u>\$ (301.7)</u>	<u>\$ (288.2)</u>	<u>\$ —</u>	<u>\$ 5,383.3</u>

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**SS&C TECHNOLOGIES HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**Note 1—Basis of Presentation and Principles of Consolidation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). These accounting principles were applied on a basis consistent with those of the audited Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the Securities and Exchange Commission (the “SEC”) on February 25, 2021 (the “2020 Form 10-K”). The inputs into our judgments and estimates consider the economic implications of COVID-19 on our critical and significant accounting estimates. In the opinion of management, the accompanying unaudited Condensed Consolidated Financial Statements contain all adjustments (consisting of only normal recurring adjustments, except as noted elsewhere in the notes to the Condensed Consolidated Financial Statements) necessary for a fair statement of our financial position as of September 30, 2021, the results of our operations for the three and nine months ended September 30, 2021 and 2020, and our cash flows for the nine months ended September 30, 2021 and 2020. These statements do not include all of the information and footnotes required by GAAP for annual financial statements. The Condensed Consolidated Financial Statements contained herein should be read in conjunction with the audited Consolidated Financial Statements and footnotes as of and for the year ended December 31, 2020, which were included in the 2020 Form 10-K. The December 31, 2020 Consolidated Balance Sheet data were derived from audited financial statements but do not include all disclosures required by GAAP for annual financial statements. The results of operations for the three and nine months ended September 30, 2021 are not necessarily indicative of the expected results for any subsequent quarters or the full year.

The accompanying unaudited condensed consolidated financial statements include the accounts of SS&C Technologies Holdings, Inc. and its subsidiaries, including a variable interest entity (“VIE”) for which we are the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation.

*Recently Adopted Accounting Pronouncement*

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740)*. ASU 2019-12 simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in ASC 740 related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The standard also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. Certain amendments in this update must be applied on a prospective basis, certain amendments must be applied on a retrospective basis and certain amendments must be applied on a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the effective date. We adopted ASU 2019-12 effective January 1, 2021. The adoption of this standard did not have a material impact on our financial position, results of operations or cash flows.

*Recent Accounting Pronouncement Not Yet Effective*

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. ASU 2020-04 provides optional expedients and exceptions for applying U.S. GAAP if certain criteria are met to contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued. In January 2021, the FASB issued Update 2021-01, *Reference Rate Reform (Topic 848): Scope*. The update provides additional optional guidance on the transition from LIBOR to include derivative instruments that use an interest rate for margining, discounting or contract price alignment. The standard will ease, if warranted, the requirements for accounting for the future effects of the rate reform. An entity may elect to apply the amendments prospectively through December 31, 2022. A substantial portion of our indebtedness bears interest at variable interest rates, primarily based on USD-LIBOR. We continue to monitor the impact the discontinuance of LIBOR or another reference rate will have on our contracts, hedging relationships and other transactions. We are currently assessing the impact of this standard on our financial condition and results of operations.

**Note 2—Property, Plant and Equipment, net**

Property, plant and equipment and the related accumulated depreciation are as follows (in millions):

	September 30, 2021	December 31, 2020
Land	\$ 53.7	\$ 48.0
Building and improvements	310.3	307.4
Equipment, furniture, and fixtures	465.0	463.1
	829.0	818.5
Less: accumulated depreciation and amortization	(439.0)	(405.7)
Total property, plant and equipment, net	<u>\$ 390.0</u>	<u>\$ 412.8</u>

Depreciation expense for the three and nine months ended September 30, 2021 was \$18.1 million and \$62.6 million, respectively. Depreciation expense for the three and nine months ended September 30, 2020 was \$26.1 million and \$80.2 million, respectively.

**Note 3—Investments**

Investments are as follows (in millions):

	September 30, 2021	December 31, 2020
Non-marketable equity securities	\$ 84.5	\$ 84.5
Marketable equity securities	40.3	38.0
Seed capital investments	34.8	21.2
Partnership interests in private equity funds	19.8	39.8
Total investments	<u>\$ 179.4</u>	<u>\$ 183.5</u>

Realized and unrealized gains and losses for our equity securities are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Unrealized (losses) gains on equity securities held as of the end of the period	\$ (2.0)	\$ 4.9	\$ 6.9	\$ 4.1
Realized (losses) gains for equity securities sold during the period	(0.3)	6.2	9.0	14.8
Total (losses) gains recognized in other income, net	<u>\$ (2.3)</u>	<u>\$ 11.1</u>	<u>\$ 15.9</u>	<u>\$ 18.9</u>

*Fair Value Measurement*

Authoritative accounting guidance on fair value measurements establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of September 30, 2021 and December 31, 2020, we held certain investment assets and certain liabilities that are required to be measured at fair value on a recurring basis. These investments include money market funds and marketable equity securities where fair value is determined using quoted prices in active markets. Accordingly, the fair value measurements of these investments have been classified as Level 1 in the tables below. Investments for which we elected net asset value as a practical expedient for fair value and investments measured using the fair value measurement alternative are excluded from the tables below. Fair value for deferred compensation liabilities that are credited with deemed gains or losses of the underlying hypothetical investments, primarily equity securities, have been classified as Level 1 in the tables below.

The following tables present assets and liabilities measured at fair value on a recurring basis (in millions):

	September 30, 2021	Fair Value Measurements at Reporting Date Using		
		Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds (1)	\$ 1,889.9	\$ 1,889.9	\$ —	\$ —
Marketable equity securities (2)	40.3	40.3	—	—
Seed capital investments (2)	34.8	34.8	—	—
Deferred compensation liabilities (3)	(21.1)	(21.1)	—	—
<b>Total</b>	<b>\$ 1,943.9</b>	<b>\$ 1,943.9</b>	<b>\$ —</b>	<b>\$ —</b>

	December 31, 2020	Fair Value Measurements at Reporting Date Using		
		Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds (1)	\$ 698.9	\$ 698.9	\$ —	\$ —
Marketable equity securities (2)	38.0	38.0	—	—
Seed capital investments (2)	21.2	21.2	—	—
Deferred compensation liabilities (3)	(20.3)	(20.3)	—	—
<b>Total</b>	<b>\$ 737.8</b>	<b>\$ 737.8</b>	<b>\$ —</b>	<b>\$ —</b>

- (1) Included in Cash and cash equivalents and Funds receivable and funds held on behalf of clients on the Condensed Consolidated Balance Sheet.  
(2) Included in Investments on the Condensed Consolidated Balance Sheet.  
(3) Included in Other long-term liabilities on the Condensed Consolidated Balance Sheet.

We have partnership interests in various private equity funds that are not included in the tables above. Our investments in private equity funds were \$19.8 million and \$39.8 million at September 30, 2021 and December 31, 2020, respectively, of which \$14.4 million and \$35.7 million, respectively, were measured using net asset value as a practical expedient for fair value and \$5.4 million and \$4.1 million, respectively, were accounted for under the equity method of accounting. The investments in private equity funds represent underlying investments in domestic and international markets across various industry sectors.

Generally, our investments in private equity funds are non-transferable or are subject to long holding periods, and withdrawals from the private equity firm partnerships are typically not permitted. The maximum risk of loss related to our private equity fund investments is limited to the carrying value of its investments in the entities.

#### Note 4—Unconsolidated Affiliates

Investments in unconsolidated affiliates are as follows (in millions):

	Ownership Percentage	September 30, 2021		December 31, 2020	
		Carrying Value	Excess carrying value of investment over proportionate share of net assets	Carrying Value	Excess carrying value of investment over proportionate share of net assets
International Financial Data Services L.P.	50%	\$ 88.1	\$ 39.0	\$ 97.5	\$ 41.5
Pershing Road Development Company, LLC	50%	76.8	70.9	74.1	72.7
Broadway Square Partners, LLP	50%	53.7	29.4	52.6	29.6
Other unconsolidated affiliates		1.1	—	1.4	—
<b>Total</b>		<b>\$ 219.7</b>	<b>\$ 139.3</b>	<b>\$ 225.6</b>	<b>\$ 143.8</b>

Investments in unconsolidated affiliates are accounted for under the equity method of accounting. We record our proportionate share of the results of the unconsolidated affiliates and amortization expense related to basis differences in Equity in earnings of unconsolidated affiliates, net on the Condensed Consolidated Statement of Comprehensive Income. One of the unconsolidated affiliates is a party to an interest rate swap agreement. We record our proportionate share of the change in value of the interest rate

swap agreement in Accumulated other comprehensive loss. Amounts reclassified from Accumulated other comprehensive loss to Net income are recorded in Equity in earnings of unconsolidated affiliates, net on the Condensed Consolidated Statement of Comprehensive Income.

Equity in earnings of unconsolidated affiliates, net are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
International Financial Data Services L.P.	\$ (0.4)	\$ 1.2	\$ 1.7	\$ 2.9
Pershing Road Development Company, LLC	1.0	0.8	2.2	2.0
Broadway Square Partners, LLP	0.3	0.5	1.1	1.1
Other unconsolidated affiliates	1.1	(2.3)	(3.1)	(6.1)
Total	<u>\$ 2.0</u>	<u>\$ 0.2</u>	<u>\$ 1.9</u>	<u>\$ (0.1)</u>

## Note 5—Acquisitions

### Capita

On March 1, 2021, we purchased all of the outstanding stock of Capita Life & Pensions Services (Ireland) Limited (“Capita”) and certain related businesses. The acquisition of Capita resulted in a net receipt of approximately \$7.1 million in cash, as the amount of cash acquired exceeded the cash paid consideration. Capita provides business process management, technology and consultancy services to the international life and pensions sector. Services offered include financial and back-office administration, claims management, actuarial and financial reporting, investment administration, product and IT development and business transformation services.

The net assets and results of operations of Capita have been included in our Condensed Consolidated Financial Statements from March 1, 2021. The excess of fair values of the net assets over the purchase price was recorded as a gain on bargain purchase within other income, net on the Condensed Consolidated Statement of Comprehensive Income.

There are \$9.6 million and \$24.5 million in revenues from Capita’s operations included in the Condensed Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2021, respectively.

The following summarizes the preliminary allocation of the purchase price for the 2021 acquisition of Capita. The assets and liabilities pending finalization include the valuation of acquired tangible assets and the evaluation of taxes (in millions):

	Capita
Accounts receivable	\$ 3.8
Fixed assets	0.5
Other assets	5.5
Accounts payable	(3.5)
Deferred revenue	(3.1)
Other liabilities assumed	(7.1)
Gain on bargain purchase	(3.2)
Consideration paid, net of cash acquired	<u>\$ (7.1)</u>

We recorded severance expense related to personnel reductions in connection with the continued integration efforts associated with the acquisitions of DST and Algorithmics during the nine months ended September 30, 2021 and DST, Eze and Intralinks during the nine months ended September 30, 2020. The amount of severance expense recognized in our Condensed

Consolidated Statements of Comprehensive Income for the nine months ended September 30, 2021 and 2020 was as follows (in millions):

Consolidated Statements of Comprehensive Income Classification	Nine Months Ended September 30,	
	2021	2020
Cost of software-enabled services	\$ 12.3	\$ 20.9
Cost of license, maintenance and other related	1.1	1.2
Total cost of revenues	13.4	22.1
Selling and marketing	1.4	1.5
Research and development	5.8	5.2
General and administrative	2.2	3.2
Total operating expenses	9.4	9.9
Total severance expense	\$ 22.8	\$ 32.0

The following unaudited pro forma information is provided for illustrative purposes only and assumes that the acquisition of Capita occurred on January 1, 2020 and the acquisitions of Captricity and Innovest occurred on January 1, 2019, after giving effect to certain adjustments, including amortization of intangibles, interest, transaction costs and tax effects. This unaudited pro forma information (in millions, except per share data) should not be relied upon as being indicative of the historical results that would have been obtained if the acquisitions had actually occurred on those dates, nor of the results that may be obtained in the future.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenues	\$ 1,264.3	\$ 1,162.6	\$ 3,764.2	\$ 3,513.4
Net income	\$ 184.4	\$ 159.9	\$ 549.9	\$ 430.7

#### Note 6—Goodwill

The change in carrying value of goodwill as of and for the nine months ended September 30, 2021 is as follows (in millions):

Balance at December 31, 2020	\$ 8,078.7
Adjustments to prior acquisitions	(0.3)
Effect of foreign currency translation	(36.5)
Balance at September 30, 2021	\$ 8,041.9

#### Note 7—Debt

At September 30, 2021 and December 31, 2020, debt consisted of the following (in millions):

	September 30, 2021	December 31, 2020
Senior secured credit facilities, weighted-average interest rate of 1.83% and 1.90%, respectively	\$ 4,134.0	\$ 4,485.9
5.5% senior notes due 2027	2,000.0	2,000.0
Senior secured credit facilities revolving portion, interest rate of 4.25%	38.0	—
Other indebtedness	9.7	10.1
Unamortized original issue discount and debt issuance costs	(41.0)	(53.6)
	6,140.7	6,442.4
Less: current portion of long-term debt	91.3	53.9
Long-term debt	\$ 6,049.4	\$ 6,388.5

## Fair Value of Debt

The carrying amounts and fair values of financial instruments are as follows (in millions):

	September 30, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Senior secured credit facilities	\$ 4,134.0	\$ 4,091.3	\$ 4,485.9	\$ 4,426.0
5.5% senior notes due 2027	2,000.0	2,111.9	2,000.0	2,136.0
Senior secured credit facilities, revolving portion	38.0	37.3	—	—
Other indebtedness	9.7	9.8	10.1	10.2

The above fair values, which are Level 2 liabilities, were computed based on comparable quoted market prices. The fair values of cash, accounts receivable, net, short-term borrowings, and accounts payable approximate the carrying amounts due to the short-term maturities of these instruments.

## Note 8—Stockholders' Equity

### Stock repurchase program

In August 2019, our Board of Directors authorized the repurchase of up to \$500 million of our common stock on the open market or in privately negotiated transactions. In July 2020, our Board of Directors authorized the renewal and increase of our stock repurchase program, which enabled us to repurchase up to \$750 million in the aggregate of our outstanding common stock. In July 2021, our Board of Directors authorized a stock repurchase program, which enables us to repurchase up to \$1 billion in the aggregate of our outstanding common stock. Our authority to repurchase shares under the program will continue until the one-year anniversary of the Board's authorization, unless earlier terminated by the Board. During the three and nine months ended September 30, 2021, we repurchased 2.1 million and 6.8 million shares, respectively, of common stock for approximately \$162.9 million and \$487.9 million, respectively. During the three and nine months ended September 30, 2020, we repurchased 3.1 million and 3.6 million shares of common stock, respectively, for approximately \$191.9 million and \$219.8 million, respectively. We use the cost method to account for treasury stock purchases. Under the cost method, the price paid for the stock is charged to the treasury stock account.

### Dividends

We paid a quarterly cash dividend of \$0.16 per share of common stock in March, June and September of 2021 totaling \$122.8 million. We paid a quarterly cash dividend of \$0.125 per share of common stock in March and June of 2020 and \$0.14 per share of common stock in September 2020 totaling \$99.9 million.

### Variable Interest Entity

On July 15, 2021 (the "Effective Date"), we entered into an agreement whereby we obtained an 80.2% interest in DomaniRx, LLC ("DomaniRx"), a variable interest entity under GAAP. The purpose of DomaniRx is to develop a contemporary, cloud-native platform to support the operation of a full service pharmacy benefits manager. At formation, we contributed cash, a non-exclusive license of our claims processing platform known as RxNova and assigned a services agreement we have with one of the other parties in the agreement. The other parties contributed cash and other intangible assets at formation. We will perform development work, day-to-day management, services related to the fulfillment of the assigned services agreement and certain shared services under subcontract with DomaniRx in exchange for market-based fees.

In addition to the initial contributions, each member of the agreement is responsible for future additional cash capital contributions in accordance with each member's ownership interest in DomaniRx at the time of the call. Our additional cash capital contribution is \$240.6 million. We are then solely responsible for a further development cost overage of up to \$100.0 million for no additional ownership interest.

We have the power to direct the majority of the activities of DomaniRx that most significantly impact its economic performance, the obligation to absorb losses and the right to receive benefits from DomaniRx. Accordingly, we determined that we are the primary beneficiary of DomaniRx and will consolidate its results.

Upon the initial consolidation of DomaniRx in July 2021, we recorded a \$57.2 million noncontrolling interest. As of the Effective Date, DomaniRx held net assets of \$288.8 million, comprised of cash and cash equivalents of \$138.3 million, of which we contributed \$71.0 million, and intangible assets of \$150.5 million, of which we contributed \$113.8 million and is recorded on our

historical cost basis, in our condensed consolidated balance sheet. The carrying value of the assets associated with DomaniRx included in the condensed consolidated balance sheet, which are consistent with those disclosed above, are limited in use for its operations and do not have recourse against our general credit or our senior secured credit facilities. There were no liabilities related to DomaniRx in the condensed consolidated balance sheet as of the Effective Date.

#### Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss balances, net of tax, consists of the following (in millions):

	Interest Rate Swap	Foreign Currency Translation	Defined Benefit Obligation	Accumulated Other Comprehensive Loss
Balance, December 31, 2020	\$ (5.5)	\$ (192.3)	\$ (3.2)	\$ (201.0)
Net current period other comprehensive income (loss)	0.3	(45.4)	0.2	(44.9)
Balance, September 30, 2021	\$ (5.2)	\$ (237.7)	\$ (3.0)	\$ (245.9)

Adjustments to accumulated other comprehensive loss are as follows (in millions):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021		2020		2021		2020	
	Pretax	Tax Effect	Pretax	Tax Effect	Pretax	Tax Effect	Pretax	Tax Effect
<b>Interest Rate Swap</b>								
Unrealized (losses) gains on interest rate swaps	\$ (0.8)	\$ —	\$ (1.1)	\$ —	\$ 0.4	\$ (0.2)	\$ (3.8)	\$ 1.0
Reclassification of losses into net earnings on interest rate swaps	0.8	—	1.0	—	0.1	—	—	—
Net change in cash flow hedges	—	—	(0.1)	—	0.5	(0.2)	(3.8)	1.0
<b>Defined Benefit Pension</b>								
Unrealized net gain on defined benefit pension plan	0.1	—	—	—	0.2	—	—	—
Net change in defined benefit pension	0.1	—	—	—	0.2	—	—	—
<b>Foreign Currency Translation</b>								
Current period translation adjustments	(56.5)	0.8	69.6	1.1	(46.6)	1.2	(47.4)	1.5
Net cumulative translation adjustments	(56.5)	0.8	69.6	1.1	(46.6)	1.2	(47.4)	1.5
<b>Total other comprehensive (loss) income</b>	<b>\$ (56.4)</b>	<b>\$ 0.8</b>	<b>\$ 69.5</b>	<b>\$ 1.1</b>	<b>\$ (45.9)</b>	<b>\$ 1.0</b>	<b>\$ (51.2)</b>	<b>\$ 2.5</b>

#### Note 9—Revenues

We generate revenues primarily through our software-enabled services. Our software-enabled services are generally provided under contracts with initial terms of one to five years that require monthly or quarterly payments and are subject to automatic annual renewal at the end of the initial term unless terminated by either party. We also generate revenues by licensing our software to clients through either perpetual or term licenses and by selling maintenance services. We classify license revenues related to sales-based royalty arrangements as term license revenue. Maintenance services are generally provided under annually renewable contracts. Our pricing typically scales as a function of our clients' assets under management, the complexity of asset classes managed, the volume of transactions and the level of service the client requires. Revenues from professional services consist mostly of services provided on a time and materials basis.

Deferred revenues primarily represent unrecognized fees billed or collected for maintenance and professional services. Deferred revenues are recognized as (or when) we perform under the contract. Deferred revenues are recorded on a net basis with contract assets at the contract level. Accordingly, as of September 30, 2021 and December 31, 2020, approximately \$60.7 million and \$53.9 million, respectively, of deferred revenue is presented net within contract assets arising from the same contracts. The amount of revenues recognized in the period that was included in the opening deferred revenues balance was \$56.3 million and \$238.1 million for the three and nine months ended September 30, 2021, respectively. The amount of revenues recognized in the period that was included in the opening deferred revenue balance was \$58.3 million and \$246.2 million for the three and nine months ended September 30, 2020, respectively.

As of September 30, 2021, revenue of approximately \$543.1 million is expected to be recognized from remaining performance obligations for license, maintenance and related revenues, of which \$285.0 million is expected to be recognized over the next twelve months.

We record revenue net of any taxes assessed by governmental authorities.

## Revenue Disaggregation

The following table disaggregates our revenues by geography (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
United States	909.6	\$ 846.1	\$ 2,682.6	\$ 2,545.6
United Kingdom	143.9	132.2	449.4	430.1
Europe (excluding United Kingdom), Middle East and Africa	84.4	60.6	240.1	183.3
Asia-Pacific and Japan	57.8	52.1	183.2	144.6
Canada	48.3	40.6	141.6	103.6
Americas, excluding United States and Canada	20.4	21.2	59.9	57.3
Total	\$ 1,264.4	\$ 1,152.8	\$ 3,756.8	\$ 3,464.5

The following table disaggregates our revenues by source (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Software-enabled services	\$ 1,069.9	\$ 958.4	\$ 3,170.4	\$ 2,892.9
Maintenance and term licenses	167.3	168.7	497.0	492.0
Professional services	25.4	23.2	74.6	66.9
Perpetual licenses	1.8	2.5	14.8	12.7
Total	\$ 1,264.4	\$ 1,152.8	\$ 3,756.8	\$ 3,464.5

## Note 10—Stock Based Compensation

### Stock options, SARs and RSUs

The amount of stock-based compensation expense recognized in our Condensed Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2021 and 2020 was as follows (in millions):

Condensed Consolidated Statements of Comprehensive Income Classification	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Cost of software-enabled services	\$ 10.4	\$ 8.3	\$ 31.1	\$ 26.1
Cost of license, maintenance and other related	1.5	1.3	4.6	3.9
Total cost of revenues	11.9	9.6	35.7	30.0
Selling and marketing	4.6	3.3	14.3	10.2
Research and development	3.8	2.8	11.0	8.4
General and administrative	6.9	5.6	21.7	17.3
Total operating expenses	15.3	11.7	47.0	35.9
Total stock-based compensation expense	\$ 27.2	\$ 21.3	\$ 82.7	\$ 65.9

The following table summarizes stock option and stock appreciation rights (“SARs”), restricted stock units (“RSUs”) and performance stock units (“PSUs”) activity for the nine months ended September 30, 2021 (shares in millions):

	Stock Options and SARs	RSUs	PSUs
Outstanding at December 31, 2020	42.7	0.2	—
Granted	0.7	—	0.4
Cancelled/forfeited	(1.6)	—	—
Vested	—	(0.2)	—
Exercised	(3.4)	—	—
Outstanding at September 30, 2021	38.4	—	0.4

### Performance-Based Stock Unit Awards

In July 2021, we granted performance-based stock units that vest at the end of a 2-year performance period based on average annual growth in earnings per share over the period. The PSUs were issued at grant date fair value of \$75.03. These awards include annual performance growth targets and will measure performance against the target throughout the 2-year performance period. Performance is measured relative to a 2-year average annual growth rate that is established at the beginning of the cycle and held constant. Participants will only be entitled to receive any portion of the PSUs that are earned if they remain employed through the final determination of the satisfaction of these performance goals through June 30, 2023. The total number of units to be issued if we achieve the targeted growth rate during the measurement period is 0.4 million. The actual number of units that will be issued ranges from zero, if the threshold level of performance is not achieved, to 200% of the targeted number of options, if the annual growth rate meets or exceeds a specified level.

### Performance-Based Stock Option Awards

In March 2021, our named executive officers were granted performance-based stock options that vest at the end of a 3-year performance period based on average annual growth in earnings per share over the period and have a maximum term of 10 years. The performance-based stock options have an exercise price of \$68.52 per share and a grant date fair value of \$17.90 per share. These awards include annual performance growth targets and will measure performance against the target throughout the 3-year performance period. Performance is measured relative to a 3-year average annual growth rate that is established at the beginning of the cycle and held constant. Our executive officers will only be entitled to receive any portion of the performance stock option awards that are earned if they remain employed through the final determination of the satisfaction of these performance goals after the conclusion of our 2023 fiscal year. The total number of options to be issued if we achieve the targeted growth rate during the measurement period is 530,000. The actual number of options that will be issued ranges from zero, if the threshold level of performance is not achieved, to 200% of the targeted number of options, if the annual growth rate meets or exceeds a specified level.

### Note 11—Income Taxes

The effective tax rate was 24.7% and 26.9% for the three months ended September 30, 2021 and 2020, respectively, and 26.5% and 20.9% for the nine months ended September 30, 2021 and 2020, respectively. The change in the effective tax rate for the three months ended September 30, 2021 compared to the prior year was primarily due to recognition of tax expense related to a law change in the United Kingdom in the prior year, and a proportionate change in the composition of income before income taxes from foreign and domestic tax jurisdictions. The change in the effective tax rate for the nine months ended September 30, 2021 compared to the prior year was primarily due to recognition of tax expense related to a law change in the United Kingdom in both years, recognition of a state tax benefit related to a law change in the prior year, a decreased recognition of windfall tax benefits from stock awards in the current year, and a proportionate change in the composition of income before income taxes from foreign and domestic tax jurisdictions.

### Note 12—Earnings per Share

The following table sets forth the computation of basic and diluted EPS (in millions, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income attributable to SS&C common stockholders	\$ 184.4	\$ 159.4	\$ 549.1	\$ 428.1
Shares attributable to SS&C:				
Weighted-average common shares outstanding – used in calculation of basic EPS	254.7	256.7	255.8	256.3
Weighted-average common stock equivalents – stock options and restricted shares	11.8	10.0	11.5	9.7
Weighted-average common and common equivalent shares outstanding – used in calculation of diluted EPS	266.5	266.7	267.3	266.0
Earnings per share attributable to SS&C common stockholders – Basic	\$ 0.72	\$ 0.62	\$ 2.15	\$ 1.67
Earnings per share attributable to SS&C common stockholders – Diluted	\$ 0.69	\$ 0.60	\$ 2.05	\$ 1.61

Stock options, SARs and PSUs representing 8.3 million and 8.8 million shares were outstanding for the three and nine months ended September 30, 2021, respectively, but were not included in the computation of diluted EPS because the effect of including them would be anti-dilutive. Stock options and SARs representing 9.3 million and 12.1 million shares were outstanding for the three and

nine months ended September 30, 2020, respectively, but were not included in the computation of diluted EPS because the effect of including them would be anti-dilutive.

### **Note 13—Commitments and Contingencies**

From time to time, we are subject to legal proceedings and claims. In our opinion, we are not involved in any litigation or proceedings that would have a material adverse effect on us or our business.

#### *Legal Proceedings*

A putative representative action suit was filed against DST, the Compensation Committee of DST's Board of Directors, the Advisory Committee of DST Systems, Inc. 401(k) Profit Sharing Plan (the "Plan") and certain of DST's present and/or former officers and directors, alleging breach of fiduciary duties and other violations of the Employee Retirement Income Security Act ("ERISA"). On September 1, 2017, a complaint was filed purportedly on behalf of the Plan in the United States District Court for the Southern District of New York, captioned *Ferguson, et al v. Ruane Cunniff & Goldfarb Inc.*, et al. ("Ferguson"), naming as defendants DST, the Compensation Committee of DST's Board of Directors, the Advisory Committee of the Plan and certain of DST's present and/or former officers and directors (collectively the "DST Defendants"). On September 18, 2019, the United States District Court for the Southern District of New York granted a partial dismissal related to certain claims against the DST Defendants concerning the 401k portion of the Plan. On October 31, 2019, the DST Defendants filed an answer to the amended complaint and asserted crossclaims for contribution and/or indemnification against Ruane, Cunniff & Goldfarb Inc. ("Ruane"). On January 9, 2020, Ruane filed an amended answer to the amended complaint asserting crossclaims for contribution and/or indemnification against DST. Both DST and Ruane have filed answers denying the crossclaims asserted against them. On April 10, 2020, Plaintiffs filed a motion for leave to file a third amended complaint as well as a motion to certify a class. The DST Defendants did not oppose those motions. The Court ordered supplemental briefing on Plaintiffs' motion for class certification, which was completed on July 29, 2020. On March 8, 2021, the Court entered an order denying without prejudice Plaintiffs' motions for leave to file a third amended complaint and for class certification, ordering that the parties address the effect, if any, on Plaintiffs' motions of the March 4, 2021 decision by the United States Court of Appeals for the Second Circuit Court in *Cooper v. Ruane Cunniff & Goldfarb Inc.* Plaintiffs renewed their motions for leave to file a third amended complaint and for class certification on April 5, 2021. Those motions were fully briefed on May 10, 2021. On August 17, 2021, the Court entered an order certifying a mandatory non-opt-out class under Federal Rule of Civil Procedure 23(b)(1) that includes all plan participants other than certain plan fiduciaries. Arbitration Claimants and the Canfield and Mendon Plaintiffs, as defined below, filed petitions under Federal Rule of Civil Procedure 23(f) with the Second Circuit on August 30, 2021, and August 31, 2021, respectively, seeking interlocutory review of the Ferguson class certification order. Plaintiffs and the DST Defendants filed oppositions to those Rule 23(f) petitions. The Rule 23(f) petitions remain pending. On August 23, 2021, DST moved for a temporary restraining order and preliminary injunction as against other proceedings, including the arbitrations, arising out of or relating to the allegations in Ferguson. On August 31, 2021, the Court denied DST's motion for a temporary restraining order and ordered Arbitration Claimants to show cause as to why the Court should not issue a preliminary injunction. The show-cause order was fully briefed on October 12, 2021 and remains pending.

On July 10, 2020, Plaintiffs and the DST Defendants reached an agreement in principle to settle the putative class claims for \$27 million, subject to the occurrence of certain conditions, including: Court certification of a "non-opt-out" class in the case that includes as class members all participants of the Plan, Court approval of the settlement in accordance with applicable law (i.e., including finding there was adequacy of class representation, fairness, adequacy of relief and equal treatment of class members) and the satisfactory resolution of claims made by certain other litigants. On September 18, 2020, the Parties submitted a letter to the Court disclosing that Plaintiffs and Ruane also had reached a settlement in principle, subject to Court approval. Plaintiffs and the DST Defendants entered into a settlement agreement dated January 8, 2021 memorializing the terms of their proposed settlement, which was filed by Plaintiffs with the Court on the same date. On January 12, 2021, Plaintiffs moved for preliminary approval of the settlement with the DST Defendants, as well as preliminary approval of a separate settlement reached between Plaintiffs and Ruane. The Arbitration Claimants, as defined below, and the U.S. Department of Labor ("DOL") objected to various aspects of those settlements in filings dated January 15, 2021, January 27, 2021, and February 5, 2021. On February 11, 2021, Plaintiffs and the DST Defendants filed responses in support of preliminary approval of the settlement. On August 17, 2021, the Court denied Plaintiffs' motion for preliminary approval of the settlement.

On September 28, 2018, a complaint was filed in the United States District Court for the Southern District of New York captioned *Robert Canfield, et al. v. SS&C Technologies Holdings, Inc., et al.*, on behalf of five individual plaintiffs (the "Canfield Plaintiffs"). On November 5, 2018, a similar complaint was filed in the United States District Court for the Southern District of New York captioned *Mark Mendon, et al. v. SS&C Technologies Holdings, Inc., et al.*, on behalf of two individual plaintiffs (the "Mendon Plaintiffs"). These complaints name as defendants SS&C, DST, the Advisory Committee of the Plan, the Compensation Committee of DST's Board of Directors, and Ruane. The underlying claim in each complaint is the same as in the above-described Ferguson matter, with the exception that these actions purport to be brought as individual actions and not putative class actions. On February 18, 2020, the DST Defendants moved to disqualify plaintiffs' counsel in these actions and in nearly all of the arbitrations described below.

Those motions were fully briefed on March 24, 2020. On July 6, 2020, plaintiffs filed a notice of voluntary dismissal, in which they sought to dismiss claims against Ruane with prejudice. On July 10, 2020, the Court entered an order granting the DST Defendants' motion to disqualify plaintiffs' counsel from the U.S. federal court cases (the "Cases"). On July 24, 2020, the parties filed memoranda of law addressing the Court's authority to disqualify plaintiffs' counsel from the arbitrations described below, in addition to the Cases. On July 24, 2020, plaintiffs moved for reconsideration of the Court's July 10, 2020 order disqualifying plaintiffs' counsel in the Cases. On March 17, 2021, the Court issued an opinion and order denying the DST Defendants' motion to disqualify plaintiffs' counsel from the arbitrations described below. On March 17, 2021, the Court also issued an opinion and order denying plaintiffs' motion for reconsideration of the July 10, 2020 order disqualifying plaintiffs' counsel in the Cases. On April 8, 2021, the Court held a conference and directed the DST Defendants to file any motion to dismiss these actions by April 22, 2021. On April 12, 2021, plaintiffs filed a new notice of voluntary dismissal dismissing their claims against Ruane with prejudice, which was entered by the Court on April 13, 2021. On April 22, 2021, the DST Defendants filed motions to dismiss the Canfield and Mendon actions. Those motions were fully briefed on May 28, 2021 and remain pending.

On October 8, 2019, a substantially similar action to the above-described Ferguson, Canfield, Mendon and below-described arbitration matters captioned *Scalia v. Ruane, Cunniff & Goldfarb Inc.* was filed by the DOL in the United States District Court for the Southern District of New York naming as defendants DST, the Advisory Committee of the Plan, the Compensation Committee of DST's Board of Directors and certain of DST's former officers and directors ("DST DOL Defendants"), and alleging that the DST DOL Defendants breached fiduciary duties in violation of ERISA in connection with the Plan. The complaint also names as defendants Ruane and its former Chairman and Chief Executive Officer Robert D. Goldfarb. In the complaint, the DOL seeks disgorgement, damages and any other appropriate injunctive or equitable relief. The DST DOL Defendants moved to dismiss the complaint on December 4, 2020 on the ground that the DOL's complaint is time-barred. Other defendants also filed motions to dismiss on the same and other grounds. Briefing on the motions to dismiss was completed on February 5, 2021. All defendants' motions to dismiss remain pending.

On June 25, 2020, a complaint was filed against DST in the Circuit Court of Jackson County, Missouri, captioned *Ostrander et al. v. DST Systems, Inc.*, on behalf of five individual plaintiffs. The underlying claim was the same as in the above-described Canfield and Mendon matters. DST removed the action to the United States District Court for the Western District of Missouri on December 10, 2020. On December 28, 2020, DST moved to dismiss the case or, in the alternative, transfer it to the United States District Court for the Southern District of New York. Plaintiffs opposed that motion on January 21, 2021. DST's motion was fully briefed on February 4, 2021. On September 3, 2021, the Court granted DST's motion to dismiss.

DST, the Advisory Committee of the Plan, and the Compensation Committee of DST's Board of Directors have been named in 579 substantially similar individual demands for arbitration through October 27, 2021, by former and current DST employees demanding arbitration under the DST Employee Arbitration Program and Agreement (the "Arbitration Claimants"). The underlying claim in each is the same as in the above-described Ferguson matter, with the exception that the arbitrations purport to be brought as individual actions and not putative class actions. As of October 27, 2021, 557 demands for arbitration have been submitted to the American Arbitration Association (the "AAA"). The individual arbitrations are at various stages depending on the particular proceeding. Certain of the arbitrations have resulted in awards against DST and others have resulted in decisions finding no liability as against DST. Many of these decisions are subject to further appeal within the AAA. Certain of the arbitration proceedings have been resolved in whole or in part by settlement. On August 20, 2021, counsel for Arbitration Claimants began filing in the Western District of Missouri motions to confirm certain arbitration awards. Counsel for Arbitration Claimants have filed 154 motions to confirm between August 20, 2021 and October 27, 2021. DST has filed responses to 91 of those motions. Between October 4 and October 21, 2021, the Western District of Missouri issued orders confirming 70 of the arbitration awards and entering judgments against DST. Those judgments are subject to appeal to the Eighth Circuit.

We continue to vigorously defend these matters. During the third quarter, in connection with the ongoing DST ERISA matters and associated legal proceedings, including the arbitration awards discussed above, we recorded an accrued liability and expense of \$43.4 million to Other (expense) income, net on the Condensed Consolidated Statement of Comprehensive Income. Due to the inherent uncertainties associated with the resolution of this litigation, including the arbitration matters, the ultimate resolution of and any additional potential exposure related to these matters is uncertain at this time.

On November 11, 2020, DST, the Compensation Committee of DST's Board of Directors, and the Advisory Committee of the Plan (collectively the "DST Plaintiffs") filed a complaint in the United States District Court for the Southern District of New York against Ruane, certain of its related entities, and certain of its current and former employees. The complaint asserts claims for contribution, indemnification, and breach of contract arising out of Ruane's management of the Plan's investments. The complaint also asserts claims for actual and constructive fraudulent conveyances. On May 24, 2021, Defendant Robert Goldfarb filed an answer to the complaint. On September 17, 2021, the remaining defendants filed a pre-motion letter requesting permission to file a motion to dismiss the complaint. On September 22, 2021, the DST Plaintiffs responded to the remaining defendants' pre-motion letter.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

This Management’s Discussion and Analysis of Financial Condition and Results of Operations, or MD&A, is intended to provide readers of our Condensed Consolidated Financial Statements with the perspectives of management. It presents, in narrative form, information regarding our financial condition, results of operations, liquidity and certain other factors that may affect our future results. It should be read in conjunction with our 2020 Form 10-K and the Condensed Consolidated Financial Statements included in this Form 10-Q. We use the term organic to refer to the businesses and operations that are included in the comparable prior year period on a constant currency basis. Organic excludes the impact of any business which we acquired for the time period which would impact the comparable prior year period.

The impacts of COVID-19 and related economic conditions on our results are uncertain and, in many respects, outside our control. While we have experienced some client delays in committing to services and products, to date we have experienced no direct material negative effects on our business and results of operations as a result of the COVID-19 pandemic. The situation remains dynamic and subject to rapid and possibly material change, which ultimately could result in material negative effects on our business and results of operations. We will continue to evaluate the nature and extent of the potential impacts to our business, consolidated results of operations, liquidity and capital resources.

### Critical Accounting Policies

Certain of our accounting policies require the application of significant judgment by our management, and such judgments are reflected in the amounts reported in our Condensed Consolidated Financial Statements. In applying these policies, our management uses its judgment to determine the appropriate assumptions to be used in the determination of estimates. Those estimates are based on our historical experience, terms of existing contracts, management’s observation of trends in the industry, information provided by our clients and information available from other outside sources, as appropriate. Actual results may differ significantly from the estimates contained in our Condensed Consolidated Financial Statements. There have been no material changes to our critical accounting estimates and assumptions or the judgments affecting the application of those estimates and assumptions since the filing of our 2020 Form 10-K. Our critical accounting policies are described in the 2020 Form 10-K and include:

- Investments
- Long-Lived Assets, Intangible Assets and Goodwill
- Software Capitalization
- Acquisition Accounting
- Revenue Recognition
- Depreciation of Fixed Assets
- Stock-based Compensation
- Income Taxes

### Results of Operations

#### Revenues

We derive our revenues from two sources: software-enabled services revenues and license, maintenance and related revenues. As a general matter, fluctuations in our software-enabled services revenues are attributable to the number of new software-enabled services clients as well as total assets under management in our clients’ portfolios and the number of outsourced transactions provided to our existing clients. Software-enabled services revenues also fluctuate as a result of reimbursements received for “out-of-pocket” expenses, such as postage and telecommunications charges, which are recorded as revenues on an accrual basis. Because these additional revenues are offset by the reimbursable expenses incurred, there is no impact on gross profit, operating income and net income, however the reimbursements billed and expenses incurred can lead to fluctuations in revenues, cost of revenues and gross margin percentage each period. License, maintenance and related revenues consist primarily of term and perpetual license fees, maintenance fees and professional services. Maintenance revenues vary based on customer retention and on the annual increases in fees, which are generally tied to the consumer price index. License and professional services revenues tend to fluctuate based on the number of new licensing clients, the timing and terms of contract renewals and demand for consulting services.

Our results of operations below include the results of our recent acquisitions from the date which they were acquired, including Captricity in March 2020, Innovest in May 2020, Millennium in December 2020 and Capita in March 2021.

The following table sets forth the percentage of our total revenues represented by each of the following sources of revenues for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Software-enabled services	84.6 %	83.1 %	84.4 %	83.5 %
License, maintenance and related	15.4 %	16.9 %	15.6 %	16.5 %
Total revenues	100.0 %	100.0 %	100.0 %	100.0 %

The following table sets forth revenues (dollars in millions) and percent change in revenues for the periods indicated:

	Three Months Ended September 30,		Percent Change from Prior Period	Nine Months Ended September 30,		Percent Change from Prior Period
	2021	2020		2021	2020	
Software-enabled services	\$ 1,069.9	\$ 958.4	11.6 %	\$ 3,170.4	\$ 2,892.9	9.6 %
License, maintenance and related	194.5	194.4	0.1 %	586.4	571.6	2.6 %
Total revenues	\$ 1,264.4	\$ 1,152.8	9.7 %	\$ 3,756.8	\$ 3,464.5	8.4 %

*Three Months Ended September 30, 2021 and 2020.* Our revenues increased \$111.6 million, or 9.7%, primarily due to an increase of \$91.3 million in organic revenues driven by strength in the SS&C GlobeOp fund administration, Black Diamond, Geneva, Retirement Solutions, ALPS Advisors and virtual data room services products. Our revenues also increased due to acquisitions, which contributed \$10.0 million in revenues as well as the favorable impact from foreign currency translation of \$10.3 million. Software-enabled services revenues increased \$111.5 million, or 11.6%, primarily due to an increase in organic revenues of \$92.9 million, and acquisitions, which added \$10.0 million in revenues, as well as the favorable impact from foreign currency translation of \$8.6 million. License, maintenance and related revenues increased \$0.1 million, or 0.1%, due to the favorable impact from foreign currency translation of \$1.7 million partially offset by a decrease in organic revenues of \$1.6 million.

*Nine Months Ended September 30, 2021 and 2020.* Our revenues increased \$292.3 million, or 8.4%, primarily due to an increase of \$193.2 million in organic revenues driven by strength in the SS&C GlobeOp fund administration, Black Diamond, Geneva Retirement Solutions, Global Investor and Distribution Solutions, ALPS Advisors, Healthcare and virtual data room services products. Our revenues also increased due to acquisitions, which added \$46.4 million in revenues, as well as the favorable impact from foreign currency translation of \$52.7 million. Software-enabled services revenue increased \$277.5 million, or 9.6%, primarily due to an increase in organic revenues of \$187.8 million, and acquisitions, which added \$46.4 million, as well as the favorable impact from foreign currency translation of \$43.3 million. License, maintenance and related revenues increased \$14.8 million, or 2.6%, due to an increase in organic revenues of \$5.4 million and the favorable impact from foreign currency translation of \$9.4 million.

#### Cost of Revenues

Cost of software-enabled services revenues consists primarily of costs related to personnel utilized in providing our software-enabled services and amortization of intangible assets. Cost of license, maintenance and other related revenues consists primarily of the costs related to personnel utilized in servicing our maintenance contracts and to provide implementation, conversion and training services to our software licensees, as well as system integration and custom programming consulting services and amortization of intangible assets.

The following tables set forth each of the following cost of revenues as a percentage of their respective revenue source for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Cost of software-enabled services	52.7 %	57.6 %	54.9 %	58.2 %
Cost of license, maintenance and related	39.4 %	39.8 %	40.4 %	41.3 %
Total cost of revenues	50.6 %	54.6 %	52.7 %	55.5 %
Gross margin percentage	49.4 %	45.4 %	47.3 %	44.5 %

The following table sets forth cost of revenues (dollars in millions) and percent change in cost of revenues for the periods indicated:

	Three Months Ended September 30,		Percent Change from Prior Period	Nine Months Ended September 30,		Percent Change from Prior Period
	2021	2020		2021	2020	
	Cost of software-enabled services	\$ 563.7		\$ 551.6	2.2 %	
Cost of license, maintenance and related	76.7	77.3	(0.8)%	236.7	236.3	0.2 %
Total cost of revenues	\$ 640.4	\$ 628.9	1.8 %	\$ 1,978.7	\$ 1,921.3	3.0 %

*Three Months Ended September 30, 2021 and 2020.* Our total cost of revenues increased by \$11.5 million, or 1.8%, primarily due to acquisitions, which added \$7.4 million in costs, as well as the unfavorable impact from foreign currency translation of \$6.9 million. Total costs of revenue, excluding the impact of acquisitions and foreign currency translation, decreased by \$2.8 million primarily due to a decrease in depreciation and amortization. These decreases were partially offset by an increase in costs to support organic growth. Cost of software-enabled services revenues increased \$12.1 million, or 2.2%, primarily due to acquisitions, which added \$7.2 million in costs, as well as the unfavorable impact from foreign currency translation of \$6.1 million, offset by a decrease in organic costs of \$1.2 million. Cost of license, maintenance and related revenues decreased \$0.6 million, or 0.8%, primarily due to a decrease in organic costs of \$1.6 million partially offset by the unfavorable impact from foreign currency translation of \$0.8 million and acquisitions, which added \$0.2 million in costs.

*Nine Months Ended September 30, 2021 and 2020.* Our total cost of revenues increased by \$57.4 million, or 3.0%, primarily due to the unfavorable impact from foreign currency translation of \$33.7 million, as well as acquisitions, which added \$33.3 million in costs. Total costs of revenue, excluding the impact of acquisitions and foreign currency translation, decreased by \$9.6 million, primarily due to a decrease in costs such as travel, entertainment, out-of-pocket expenses and depreciation and amortization. These decreases were partially offset by an increase in costs to support organic revenue growth and an increase in severance expense related to personnel reductions in connection with continued integration efforts within our recently acquired businesses. Cost of software-enabled services revenues increased \$57.0 million, or 3.4%, primarily due to acquisitions, which added \$33.0 million in costs, as well as the unfavorable impact from foreign currency translation of \$28.8 million, partially offset by a decrease in organic cost of revenues of \$4.8 million. Cost of license, maintenance and related revenues increased \$0.4 million, or 0.2% primarily due to the unfavorable impact from foreign currency translation of \$4.9 million, as well as acquisitions, which added \$0.3 million, partially offset by a decrease in organic cost of license, maintenance and related revenues of \$4.8 million.

#### Operating Expenses

Selling and marketing expenses consist primarily of the personnel costs associated with the selling and marketing of our products, including salaries, commissions and travel and entertainment. Such expenses also include amortization of intangible assets, the cost of branch sales offices, trade shows and marketing and promotional materials. Research and development expenses consist primarily of personnel costs attributable to the enhancement of existing products and the development of new software products. General and administrative expenses consist primarily of personnel costs related to management, accounting and finance, information management, human resources and administration and associated overhead costs, as well as fees for professional services.

The following table sets forth the percentage of our total revenues represented by each of the following operating expenses for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	Selling and marketing	7.6 %	7.4 %	7.6 %
Research and development	7.7 %	8.4 %	8.2 %	8.6 %
General and administrative	7.1 %	7.4 %	7.0 %	7.7 %
Total operating expenses	22.4 %	23.2 %	22.8 %	23.8 %

The following table sets forth operating expenses (dollars in millions) and percent change in operating expenses for the periods indicated:

	Three Months Ended September 30,		Percent Change from Prior Period	Nine Months Ended September 30,		Percent Change from Prior Period
	2021	2020		2021	2020	
Selling and marketing	\$ 96.4	\$ 85.2	13.1 %	\$ 286.1	\$ 260.9	9.7 %
Research and development	97.7	97.0	0.7 %	306.4	298.7	2.6 %
General and administrative	89.8	84.7	6.0 %	263.5	266.5	(1.1) %
Total operating expenses	<u>\$ 283.9</u>	<u>\$ 266.9</u>	6.4 %	<u>\$ 856.0</u>	<u>\$ 826.1</u>	3.6 %

*Three Months Ended September 30, 2021 and 2020.* Operating expenses increased \$17.0 million, or 6.4%, primarily due to an increase in organic operating expenses of \$10.3 million, acquisitions, which added \$3.8 million in expenses, and the unfavorable impact from foreign currency translation of \$2.9 million. Total operating expenses, excluding the impact of acquisitions and foreign currency translation, primarily increased due to an increase in personnel costs and technology related expenses, partially offset by a decrease in professional fees.

*Nine Months Ended September 30, 2021 and 2020.* Operating expenses increased \$29.9 million, or 3.6%, primarily due the unfavorable impact from foreign currency translation of \$17.0 million, as well as acquisitions, which added \$11.9 million in expenses. Total operating expenses, excluding the impact of acquisitions and foreign currency translation, increased by \$1.0 million primarily due to severance expense related to personnel reductions in connection with continued integration efforts within our recently acquired businesses as well as increases in technology related expenses, partially offset by decreases in professional fees and decreases in expenses such as travel and entertainment and amortization of intangible assets.

*Comparison of the Three and Nine Months Ended September 30, 2021 and 2020 for Interest, Taxes and Other*

*Interest expense, net.* We had net interest expense of \$50.2 million and \$152.6 million for the three and nine months ended September 30, 2021, respectively compared to \$54.7 million and \$192.6 million for the three and nine months ended September 30, 2020, respectively. The decrease in interest expense, net for 2021 as compared to 2020 relates primarily to lower average debt balances for the three months ended and a combination of lower average interest rates and lower average debt balances for the nine months ended. These facilities are discussed further in “Liquidity and Capital Resources”.

*Other (expense) income, net.* We had other expense, net of \$44.9 million and \$20.4 million for the three and nine months ended September 30, 2021, respectively. During the three and nine months ended September 30, 2021, other expense, net included an expense of \$43.4 million relating to a legal accrual recorded in connection with the DST ERISA litigation discussed in Note 13 – Commitments and Contingencies of the Notes to the Condensed Consolidated Financial Statement. During the three and nine months ended September 30, 2021, other expense, net also included investment gains of \$0.1 million and \$17.3 million, respectively, and dividend income of \$0.5 million and \$9.4 million, respectively. The remaining portion of other expense, net consisted primarily of foreign currency translation gains and losses. We had other income, net of \$15.1 million and \$18.8 million for the three and nine months ended September 30, 2020, respectively. During the three and nine months ended September 30, 2020, other income, net included investment gains of \$11.8 million and \$17.3 million, respectively. The remaining portion of other income, net consisted primarily of foreign currency transaction gains and losses.

*Equity in earnings of unconsolidated affiliates, net.* We had equity in earnings of unconsolidated affiliates, net of \$2.0 million and \$1.9 million for the three and nine months ended September 30, 2021, respectively, compared to \$0.2 million and \$(0.1) million for the three and nine months ended September 30, 2020, respectively.

*(Loss) gain on extinguishment of debt.* In the three and nine months ended September 30, 2021, we made additional principal payments on our term loans prior to their scheduled maturity, which resulted in a loss on extinguishment of debt of \$1.7 million and \$3.5 million, respectively, due to the write-off of a portion of the unamortized capitalized financing fees and the unamortized original issue discount. During the three and nine months ended September 30, 2020 we purchased \$60.0 million and \$110.0 million principal amount of our Term Loans in privately negotiated transactions, which resulted in a net gain on extinguishment of debt of \$0.4 million and \$0.6 million, respectively. These gains were offset by a \$2.8 million loss on extinguishment of debt in the nine months ended September 30, 2020 primarily related to the amendment to our secured credit agreement. The loss on extinguishment of debt includes the write-off of a portion of the unamortized capitalized financing fees related to the senior secured credit agreement for amounts accounted for as a debt extinguishment, as well as new financing fees related to amounts accounted for as a debt modification.

*Provision for income taxes.* The following table sets forth the provision for income taxes (dollars in millions) and effective tax rates for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Provision for income taxes	\$ 60.6	\$ 58.6	\$ 198.1	\$ 112.9
Effective tax rate	24.7%	26.9%	26.5%	20.9%

Our effective tax rates for the three and nine months ended September 30, 2021 and 2020 differ from the statutory rate of 21.0% primarily due to the composition of income before income taxes from foreign and domestic tax jurisdictions, foreign income that is being taxed in the U.S. offset by foreign tax credits that are being limited and the recognition of windfall tax benefits from stock awards. The change in the effective tax rate for the three months ended September 30, 2021 compared to the prior year was primarily due to recognition of tax expense related to a law change in the United Kingdom in the prior year, and a proportionate change in the composition of income before income taxes from foreign and domestic tax jurisdictions. The change in the effective tax rate for the nine months ended September 30, 2021 compared to the prior year was primarily due to recognition of tax expense related to a law change in the United Kingdom in both years, recognition of a state tax benefit related to a law change in the prior year, decreased recognition of windfall tax benefits from stock awards in the current year, and a proportionate change in the composition of income before income taxes from foreign and domestic tax jurisdictions. While we have income from multiple foreign sources, the majority of our non-U.S. operations are in the United Kingdom and India, where we anticipate the statutory tax rates to be 19.0% and, on a blended basis, approximately 31.0%, respectively, in 2021. A future change in the composition of income before income taxes from foreign and domestic tax jurisdictions could impact our periodic effective tax rate.

### Liquidity and Capital Resources

Our principal cash requirements are to finance the costs of our operations pending the billing and collection of client receivables, to fund payments with respect to our indebtedness, to invest in research and development, to acquire complementary businesses or assets, to repurchase shares of our common stock and to pay dividends on our common stock. We expect our cash on hand, cash flows from operations and cash available under our Credit Agreement to provide sufficient liquidity to fund our current obligations, projected working capital requirements and capital spending for at least the next twelve months. We continue to evaluate and take action, as necessary, to preserve adequate liquidity. This includes limiting discretionary spending across the organization and re-prioritizing our capital projects amid the COVID-19 pandemic.

During the nine months ended September 30, 2021, we paid quarterly cash dividends of \$0.16 per share of common stock for each quarter totaling \$122.8 million in the aggregate. During the nine months ended September 30, 2020, we paid quarterly cash dividends of \$0.125 per share of common stock in March and June of 2020 and \$0.14 per share of common stock in September of 2020, totaling \$99.9 million.

Client funds obligations include our transfer agency client balances invested overnight as well as our contractual obligations to remit funds to satisfy client pharmacy claim obligations and are recorded on the Condensed Consolidated Balance Sheet when incurred, generally after a claim has been processed by us. Our contractual obligations to remit funds to satisfy client obligations are primarily sourced by funds held on behalf of clients. We had \$2,493.1 million of client funds obligations at September 30, 2021.

Cash flows from operating, investing and financing activities, as reflected in our Condensed Consolidated Statements of Cash Flows, are summarized in the following table (in millions):

Net cash, cash equivalents and restricted cash provided by (used in):	Nine Months Ended September 30,		Change From Prior Year
	2021	2020	
Operating activities	\$ 944.9	\$ 755.1	\$ 189.8
Investing activities	(58.2)	(195.9)	137.7
Financing activities	483.5	(1,477.7)	1,961.2
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(4.2)	(2.0)	(2.2)
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ 1,366.0	\$ (920.5)	\$ 2,286.5

### 2021 versus 2020

Net cash provided by operating activities was \$944.9 million for the nine months ended September 30, 2021. Cash provided by operating activities primarily resulted from net income of \$549.4 million adjusted for non-cash items of \$508.6 million, partially offset by changes in our working capital accounts (excluding the effect of acquisitions) totaling \$113.1 million. The changes in our working

capital accounts were driven by an increase in accounts receivable, a decrease in accrued expenses and other liabilities, a decrease in deferred revenue and a decrease in accounts payable, partially offset by changes in income tax prepaid and payable and a decrease in prepaid expenses and other assets. The increase in accounts receivable was primarily due to an increase in days' sales outstanding. The decrease in accrued expenses and other liabilities was primarily due to the payment of annual employee bonuses in the first quarter of 2021. The decrease in deferred revenue was primarily due to the recognition of revenue associated with multi-year license agreements where we received payment in 2020 as well as the revenue associated with annual maintenance fees. The change in income taxes prepaid and payable is primarily driven by the timing of tax payments. The decrease in prepaid expenses and other assets was primarily due to the timing of payments.

Investing activities used net cash of \$58.2 million for the nine months ended September 30, 2021, primarily related to \$65.2 million in capitalized software development costs, \$31.0 million in capital expenditures and \$20.1 million in investments in securities, partially offset by proceeds from sales and maturities of investments of \$42.3 million, collection of other non-current receivables of \$8.3 million and net cash acquired for business acquisitions of \$7.3 million.

Financing activities provided net cash of \$483.5 million for the nine months ended September 30, 2021, primarily representing a net increase in client funds obligations of \$1,226.3 million, proceeds of \$124.2 million from stock option exercises and proceeds from noncontrolling interests of \$67.3 million. These proceeds were partially offset by \$487.9 million of purchases of common stock for treasury, net repayments of debt of \$317.8 million, \$122.8 million in quarterly dividends paid and \$5.8 million in withholding taxes paid related to equity award net share settlements.

#### *2020 versus 2019*

Our cash, cash equivalents and restricted cash and cash equivalents, including amounts held on behalf of clients, were \$868.9 million at September 30, 2020, a decrease of \$920.5 million from \$1,789.4 million at December 31, 2019.

Net cash provided by operating activities was \$755.1 million for the nine months ended September 30, 2020. Cash provided by operating activities primarily resulted from net income of \$428.1 million adjusted for non-cash items of \$506.6 million, offset by changes in our working capital accounts (excluding the effect of acquisitions) totaling \$179.6 million. The changes in our working capital accounts were driven by an increase in prepaid expenses and other assets, decreases in accrued expenses and other liabilities, a decrease in deferred revenues, a decrease in accounts payable and an increase in contract assets, partially offset by changes in income taxes prepaid and payable and a decrease in accounts receivable. The increase in prepaid expenses and other assets was primarily due to an incentive payment made in connection with a client contract extension during the three months ended September 30, 2020. The decrease in accounts payable was primarily due to the timing of payments. The decrease in accrued expenses and other liabilities was primarily due to the payment of annual employee bonuses in the first quarter of 2020. The decrease in deferred revenue was primarily due to the recognition of revenue associated with a multi-year license agreement where we received payment in 2019 as well as the revenue associated with annual maintenance fees. The change in income taxes prepaid and payable is primarily driven by the timing of tax payments. The decrease in accounts receivable was primarily due to a decrease in days' sales outstanding.

Investing activities used net cash of \$195.9 million for the nine months ended September 30, 2020, primarily related to \$113.5 million in cash paid for business acquisitions (net of cash acquired), \$60.8 million in investments in securities, \$54.6 million in capitalized software development costs and \$25.4 million in capital expenditures, partially offset by proceeds from sales and maturities of investments of \$50.8 million and the collection of other non-current receivables of \$7.6 million.

Financing activities used net cash of \$1,477.7 million for the nine months ended September 30, 2020, representing a net decrease in client funds obligations of \$949.2 million, net repayments of debt of \$330.3 million, \$219.8 million of purchases of common stock for treasury, \$99.9 million in quarterly dividends paid and \$8.1 million in withholding taxes paid related to equity award net share settlements. These payments were partially offset by proceeds of \$129.6 million from stock option exercises.

We have made a permanent reinvestment determination in certain non-U.S. operations that have historically generated positive operating cash flows. At September 30, 2021, we held approximately \$140.9 million in cash and cash equivalents at non-U.S. subsidiaries where we had made such a determination and in turn, no provision for foreign withholding, foreign local, or U.S. state income taxes had been made. At September 30, 2021, we held approximately \$68.9 million in cash that was available to our foreign borrowers under our senior secured credit facility and will be used to facilitate debt servicing of those entities.

#### ***Off-Balance Sheet Arrangements***

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

### **Senior Secured Credit Facilities**

As of September 30, 2021, there was \$1,359.4 million in principal amount outstanding under the Term B-3 Loan, \$1,029.4 million in principal amount outstanding under the Term B-4 Loan and \$1,745.2 million in principal amount outstanding under the Term B-5 Loan. In addition, the amended senior secured credit facility has a revolving credit facility with a five-year term available for borrowings by SS&C with \$250 million in available commitments (“Revolving Credit Facility”), of which \$209.3 million was available as of September 30, 2021. The Revolving Credit Facility also contains a \$25 million letter of credit sub-facility, of which \$2.7 million was utilized as of September 30, 2021.

We are required to make scheduled quarterly payments of 0.25% of the original principal amount of the Term B-3 Loan, Term B-4 Loan and Term B-5 Loan, with the balance due and payable on April 16, 2025. No amortization is required under the Revolving Credit Facility. We may also, from time to time in our sole discretion, purchase, redeem, or retire our existing term loans, through tender offers, in privately negotiated or open market transactions, or otherwise.

Our obligations under the Term Loans are guaranteed by (i) our existing and future U.S. wholly-owned restricted subsidiaries, in the case of the Term B-3 Loan, Term B-5 Loan and the Revolving Credit Facility and (ii) our existing and future wholly-owned restricted subsidiaries, in the case of the Term B-4 Loan.

The obligations of the U.S. loan parties under the amended senior secured credit facility are secured by substantially all of the assets of such persons (subject to customary exceptions and limitations), including a pledge of all of the capital stock of substantially all of the U.S. wholly-owned restricted subsidiaries of such persons (with customary exceptions and limitations) and 65% of the capital stock of certain foreign restricted subsidiaries of such persons (with customary exceptions and limitations). All obligations of the non-U.S. loan parties under the amended senior secured credit facility are secured by substantially all of our and the other guarantors’ assets (subject to customary exceptions and limitations), including a pledge of all of the capital stock of substantially all of our wholly-owned restricted subsidiaries (with customary exceptions and limitations).

The amended senior secured credit facility includes negative covenants that, among other things and subject to certain thresholds and exceptions, limit our ability and the ability of our restricted subsidiaries to incur debt or liens, make investments (including in the form of loans and acquisitions), merge, liquidate or dissolve, sell property and assets, including capital stock of our subsidiaries, pay dividends on our capital stock or redeem, repurchase or retire our capital stock, alter the business we conduct, amend, prepay, redeem or purchase subordinated debt, or engage in transactions with our affiliates. The amended senior secured credit facility also contains customary representations and warranties, affirmative covenants and events of default, subject to customary thresholds and exceptions. In addition, the amended senior secured credit facility contains a financial covenant for the benefit of the Revolving Credit Facility requiring us to maintain a minimum consolidated net secured leverage ratio. In addition, under the amended senior secured credit facility, certain defaults under agreements governing other material indebtedness could result in an event of default under the amended senior secured credit facility, in which case the lenders could elect to accelerate payments under the amended senior secured credit facility and terminate any commitments they have to provide future borrowings.

### **Senior Notes**

On March 28, 2019, we issued \$2,000.0 million aggregate principal amount of 5.5% Senior Notes due 2027 (“Senior Notes”), the proceeds of which were used to repay a portion of the outstanding Term B-3 Loan under our existing senior secured credit facilities. The Senior Notes are guaranteed, jointly and severally, by SS&C Holdings and all of its existing and future domestic restricted subsidiaries that guarantee our existing senior secured credit facilities or certain other indebtedness. The Senior Notes are unsecured senior obligations that are equal in right of payment to all of our existing and future senior unsecured indebtedness. Interest on the Senior Notes is payable on March 30 and September 30 of each year.

At any time prior to March 30, 2022, we may, at our option, redeem the Senior Notes, in whole or in part, at a price equal to 100% of the principal amount of the Senior Notes, plus an applicable “make-whole” premium, plus accrued and unpaid interest to the redemption date. At any time on or after March 30, 2022, we may redeem some or all of the Senior Notes, in whole or in part, at the redemption prices set forth in the indenture governing the Senior Notes plus accrued and unpaid interest to the redemption date. In addition, at any time on or before March 30, 2022, we may redeem up to 40% of the aggregate principal amount of the Senior Notes at a redemption price equal to 105.5% of the principal amount thereof, plus accrued and unpaid interest to the redemption date, with the net proceeds of one or more equity offerings.

The indenture governing the Senior Notes contains a number of covenants that restrict, subject to certain thresholds and exceptions, our ability and the ability of our domestic restricted subsidiaries to incur debt or liens, make certain investments, pay dividends, dispose of certain assets, or enter into transactions with its affiliates. Any event of default under the amended senior secured credit facility that leads to an acceleration of those amounts due also results in a default under the indenture governing the Senior Notes.

As of September 30, 2021, there was \$2,000.0 million in principal amount of Senior Notes outstanding.

### **Covenant Compliance**

Under the Revolving Credit Facility portion of the amended senior secured credit facility, we are required to satisfy and maintain a specified financial ratio at the end of each fiscal quarter if the sum of (i) outstanding amount of all loans under the Revolving Credit Facility and (ii) all non-cash collateralized letters of credit issued under the Revolving Credit Facility in excess of \$20 million is equal to or greater than 30% of the total commitments under the Revolving Credit Facility. Our ability to meet this financial ratio can be affected by events beyond our control, and we cannot assure you that we will meet this ratio. Any breach of this covenant could result in an event of default under the amended senior secured credit facility. Upon the occurrence of any event of default under the amended senior secured credit facility, the lenders could elect to declare all amounts outstanding under the amended senior secured credit facility to be immediately due and payable and terminate all commitments to extend further credit. Any default and subsequent acceleration of payments under the amended senior secured credit facility would have a material adverse effect on our results of operations, financial position and cash flows. Additionally, under the amended senior secured credit facility, our ability to engage in activities such as incurring additional indebtedness, making investments and paying dividends is also tied to baskets and ratios based on Consolidated EBITDA.

Consolidated EBITDA is a non-GAAP financial measure used in key financial covenants contained in the amended senior secured credit facility, which is the material facility supporting our capital structure and providing liquidity to our business. Consolidated EBITDA is defined as earnings before interest, taxes, depreciation and amortization ("EBITDA"), further adjusted to exclude unusual items and other adjustments permitted in calculating covenant compliance under the amended senior secured credit facility. We believe that the inclusion of supplementary adjustments to EBITDA applied in presenting Consolidated EBITDA is appropriate to provide additional information to investors to demonstrate compliance with the specified financial ratio and other financial condition tests contained in the amended senior secured credit facility.

Management uses Consolidated EBITDA to gauge the costs of our capital structure on a day-to-day basis when full financial statements are unavailable. Management further believes that providing this information allows our investors greater transparency and a better understanding of our ability to meet our debt service obligations and make capital expenditures.

Consolidated EBITDA does not represent net income or cash flow from operations as those terms are defined by generally accepted accounting principles, or GAAP, and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. Further, the amended senior secured credit facility requires that Consolidated EBITDA be calculated for the most recent four fiscal quarters. As a result, the measure can be disproportionately affected by a particularly strong or weak quarter. Further, it may not be comparable to the measure for any subsequent four-quarter period or any complete fiscal year.

Consolidated EBITDA is not a recognized measurement under GAAP and investors should not consider Consolidated EBITDA as a substitute for measures of our financial performance and liquidity as determined in accordance with GAAP, such as net income, operating income or net cash provided by operating activities. Because other companies may calculate Consolidated EBITDA differently than we do, Consolidated EBITDA may not be comparable to similarly titled measures reported by other companies. Consolidated EBITDA has other limitations as an analytical tool, when compared to the use of net income, which is the most directly comparable GAAP financial measure, including:

- Consolidated EBITDA does not reflect the significant interest expense we incur as a result of our debt leverage;
- Consolidated EBITDA does not reflect the provision of income tax expense in our various jurisdictions;
- Consolidated EBITDA does not reflect any attribution of costs to our operations related to our investments and capital expenditures through depreciation and amortization charges;
- Consolidated EBITDA does not reflect the cost of compensation we provide to our employees in the form of stock-based awards;
- Consolidated EBITDA does not reflect the equity in earnings of unconsolidated affiliates; and
- Consolidated EBITDA excludes expenses and income that are permitted to be excluded per the terms of our amended senior secured credit facility, but which others may believe are normal expenses for the operation of a business.

The following is a reconciliation of net income to Consolidated EBITDA attributable to SS&C common stockholders as defined in our amended senior secured credit facility.

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended September 30,
	2021	2020	2021	2020	2021
Net income	\$ 184.7	\$ 159.4	\$ 549.4	\$ 428.1	\$ 746.5
Interest expense, net	50.2	54.7	152.6	192.6	206.0
Provision for income taxes	60.6	58.6	198.1	112.9	235.8
Depreciation and amortization	165.0	180.0	500.2	544.1	681.3
EBITDA	460.5	452.7	1,400.3	1,277.7	1,869.6
Stock-based compensation	27.2	21.3	82.7	65.9	104.6
Acquired EBITDA and cost savings (1)	—	—	1.3	2.3	1.8
Non-cash portion of straight-line rent expense	(0.7)	0.1	(1.4)	(0.2)	(1.3)
Loss (gain) on extinguishment of debt, net	1.7	(0.4)	3.5	2.2	5.5
Equity in earnings of unconsolidated affiliates, net	(2.0)	(0.2)	(1.9)	0.1	(0.5)
Purchase accounting adjustments (2)	1.6	1.5	4.8	5.2	6.5
ASC 606 adoption impact	0.3	1.5	0.7	4.4	1.5
Other (3)	51.2	(10.2)	54.1	22.9	32.7
Consolidated EBITDA	\$ 539.8	\$ 466.3	\$ 1,544.1	\$ 1,380.5	\$ 2,020.4
Consolidated EBITDA attributable to noncontrolling interest (4)	(0.9)	—	(0.9)	—	(0.9)
Consolidated EBITDA attributable to SS&C common stockholders	\$ 538.9	\$ 466.3	\$ 1,543.2	\$ 1,380.5	\$ 2,019.5

- (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) 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, (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 and (c) an adjustment to increase or decrease rent expense by the amount that would have been recognized if lease obligations were not adjusted to fair value at the date of acquisitions.
- (3) Other includes expenses and income that are permitted to be excluded per the terms of our amended senior secured credit facility from Consolidated EBITDA, a financial measure used in calculating our covenant compliance. These include expenses and income related to foreign currency transactions, investment gains and losses, facilities and workforce restructuring, legal settlements, business combinations and other items.
- (4) Consolidated EBITDA attributable to noncontrolling interest represents Consolidated EBITDA based on the ownership interest retained by the noncontrolling parties of DomaniRx.

Our covenant requirement for consolidated net secured leverage ratio and the actual ratio as of September 30, 2021 are as follows:

	Covenant Requirement	Actual Ratio
Maximum consolidated net secured leverage to Consolidated EBITDA ratio <sup>(1)</sup>	6.25x	1.97x

- (1) Calculated as the ratio of consolidated net secured funded indebtedness, net of cash and cash equivalents, excluding \$138.8 million of cash and cash equivalents held at DomaniRx, to Consolidated EBITDA, as defined by the amended senior secured credit facility, for the period of four consecutive fiscal quarters ended on the measurement date. Consolidated net secured funded indebtedness is comprised of indebtedness for borrowed money, letters of credit, deferred purchase price obligations and capital lease obligations, all of which is secured by liens on our property.

#### Recently Adopted Accounting Pronouncement

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740)*. ASU 2019-12 simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in ASC 740 related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The standard also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. Certain amendments in this update must be applied on a prospective basis, certain amendments must be applied on a retrospective basis and

certain amendments must be applied on a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the effective date. We adopted ASU 2019-12 effective January 1, 2021. The adoption of this standard did not have a material impact on our financial position, results of operations or cash flows.

#### *Recent Accounting Pronouncement Not Yet Effective*

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. ASU 2020-04 provides optional expedients and exceptions for applying U.S. GAAP if certain criteria are met to contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued. In January 2021, the FASB issued Update 2021-01, *Reference Rate Reform (Topic 848): Scope*. The update provides additional optional guidance on the transition from LIBOR to include derivative instruments that use an interest rate for margining, discounting or contract price alignment. The standard will ease, if warranted, the requirements for accounting for the future effects of the rate reform. An entity may elect to apply the amendments prospectively through December 31, 2022. A substantial portion of our indebtedness bears interest at variable interest rates, primarily based on USD-LIBOR. We continue to monitor the impact the discontinuance of LIBOR or another reference rate will have on our contracts, hedging relationships and other transactions. We are currently assessing the impact of this standard on our financial condition and results of operations.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We do not use derivative financial instruments for trading or speculative purposes. We have generally invested our available cash in short-term, highly liquid financial instruments, having initial maturities of three months or less. When necessary, we have borrowed to fund acquisitions.

#### ***Interest Rate Risk***

We derive service revenues from investment earnings related to cash balances maintained in bank accounts on which we are the agent for clients. The balances maintained in the bank accounts will fluctuate. For the nine months ended September 30, 2021, we had average daily cash balances of approximately \$2,493.8 million maintained in such accounts. We estimate that a 100 basis point change in the interest earnings rate would equal approximately \$9.4 million of net income, net of income taxes, on an annual basis. The effect of changes in interest rates attributable to earnings derived from cash balances we hold for clients is offset by changes in interest rates on our variable debt.

At September 30, 2021, we had total variable interest rate debt of approximately \$4,172.0 million. As of September 30, 2021, a 1% increase in interest rates would result in an increase in interest expense of approximately \$41.7 million per year.

#### ***Equity Price Risk***

We have exposure to equity price risk as a result of our investments in equity securities. Equity price risk results from changes in the level or volatility of equity prices which affect the value of equity securities or instruments that derive their value from such securities or indexes. The fair value of our investments that are subject to equity price risk as of September 30, 2021 was approximately \$73.8 million. The impact of a 10% change in fair value of these investments would have been approximately \$5.5 million to net income, net of income taxes. Changes in equity values of our investments could have a material effect on our results of operations and our financial position.

#### ***Foreign Currency Exchange Rate Risk***

During the nine months ended September 30, 2021, approximately 28% of our revenues were from clients located outside the United States. A portion of the revenues from clients located outside the United States is denominated in foreign currencies, the majority being the British pound. While revenues and expenses of our foreign operations are primarily denominated in their respective local currencies, some subsidiaries do enter into certain transactions in currencies that are different from their local currency. These transactions consist primarily of cross-currency intercompany balances and trade receivables and payables. As a result of these transactions, we have exposure to changes in foreign currency exchange rates that result in foreign currency transaction gains and losses, which we report in other (expense) income. These amounts were not material for the nine months ended September 30, 2021. The amount of these balances can fluctuate in the future as we bill customers and buy products or services in currencies other than our functional currency, which could increase our exposure to foreign currency exchange rates. We continue to monitor our exposure to foreign exchange rates because of our acquisitions and changes in our operations. We do not enter into any market risk sensitive instruments for trading purposes.

The foregoing risk management discussion and the effect thereof are forward-looking statements. Actual results in the future may differ materially from these projected results due to actual developments in global financial markets. The analytical methods used by us to assess and minimize risk discussed above should not be considered projections of future events or losses.

#### **Item 4. Controls and Procedures**

##### ***Evaluation of Disclosure Controls and Procedures***

Our management, with the participation of our chief executive officer and chief financial officer (our principal executive officer and principal financial officer, respectively), evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2021. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of September 30, 2021, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

##### ***Changes in Internal Control Over Financial Reporting***

There have not been any changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings

The information regarding certain legal proceedings in which we are involved as set forth in Note 13 – Commitments and Contingencies of the Notes to the Condensed Consolidated Financial Statements (Part I, Item 1 of this Quarterly Report on Form 10-Q) is incorporated by reference into this Item 1.

In addition, we are involved in various other legal proceedings arising in the normal course of our businesses. At this time, we do not believe any material losses under these claims to be probable. While the ultimate outcome of such legal proceedings cannot be predicted with certainty, it is in the opinion of management, after consultation with legal counsel, that the final outcome in such proceedings, in the aggregate, would not have a material adverse effect on our consolidated financial condition, results of operations or cash flows.

### Item 1A. Risk Factors

As of the date of this report, there have been no material changes to the risk factors we previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2020.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following is a summary of the repurchases of our common stock in the third quarter of 2021 (in millions, except average price per share):

Period (1)	(a) Total Number of Shares Purchased (2)	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (3)	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under Plans or Programs (3)
July 1, 2021 – July 31, 2021	—	\$ —	—	\$ 1,000.0
August 1, 2021 – August 31, 2021	1.7	\$ 76.57	1.7	\$ 870.5
September 1, 2021 – September 30, 2021	0.5	\$ 73.70	0.5	\$ 837.1
Total	<u>2.2</u>		<u>2.2</u>	

(1) Information is based on trade dates of repurchase transactions.

(2) Represents shares repurchased in open market transactions pursuant to the Common Stock Repurchase Program.

(3) Share repurchases were made pursuant to our Common Stock Repurchase Program authorized by our Board of Directors in July 2021. The program allows for the purchase of up to \$1 billion of outstanding common stock in one or more transactions on the open market or in privately negotiated purchases.

**Item 6. Exhibits**

The exhibits listed in the Exhibit Index immediately preceding such exhibits are filed as part of this Report.

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
10.1	<a href="#">Separation and Release Agreement, dated as of August 27, 2021, between SS&amp;C Technologies Holdings, Inc. and Joseph J. Frank</a>
31.1	<a href="#">Certification of the Registrant's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2	<a href="#">Certification of the Registrant's Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32	<a href="#">Certification of the Registrant's Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished and not filed for purposes of sections 11 or 12 of the Securities Act and section 18 of the Exchange Act)</a>
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document.
101.LAB	Inline XBRL Taxonomy Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SS&C TECHNOLOGIES HOLDINGS, INC.

By: /s/ Patrick J. Pedonti

Patrick J. Pedonti  
Senior Vice President and Chief Financial Officer  
(Duly Authorized Officer, Principal Financial and Accounting  
Officer)

Date: November 5, 2021

Mr. Joseph J. Frank  
c/o SS&C Technologies Holdings, Inc.  
80 Lambertson Road  
Windsor, Connecticut 06095

August 27, 2021

Dear Joseph:

This letter agreement (this “**Agreement**”) sets forth our mutual agreement concerning your resignation as an executive officer and employee of SS&C Technologies Holdings, Inc., a Delaware corporation (together with any successor thereto, the “**Company**”), and SS&C Technologies, Inc., a Delaware corporation (together with any successor thereto, “**SS&C**”), and their subsidiaries and affiliates (collectively, the “**Company Group**”).

1. *Resignation.* Your employment with the Company Group will terminate in all capacities as of August 31, 2021 (the “**Effective Date**”). In that regard, you hereby resign, effective as of the Effective Date, from (a) your position as Senior Vice President, Chief Legal Officer and Secretary of the Company and (b) all other officer positions, committee memberships, directorships and other positions that you hold with the Company Group. You agree that you will cooperate with the Company Group in connection with any such resignation. You agree that on and after the Effective Date, you will not, subject to Section 6, represent yourself as being an employee, officer, director, agent or representative of the Company Group for any purpose.

2. *Salary and Benefits Prior to the Effective Date.* During the period commencing on the date of this Agreement and ending on the Effective Date (or, if earlier, the date of any termination of your employment) (the “**Continuation Period**”), you will continue to receive your current base salary at the rate of \$750,000 (the “**Base Salary**”) and you will continue to participate as an employee in the Company’s health and welfare plans and programs in accordance with their terms.

3. *Payments and Benefits.* Subject to your execution of and continuing compliance with your obligations under this Agreement and in consideration of the covenants referenced herein and the waiver and release set forth below, and provided that you do not revoke this Agreement in accordance with Section 17(h), the Company will (i) pay to you, as promptly as practicable after the Effective Date, a cash payment in the amount of \$1,300,000 and (ii) reimburse you for the employer portion (for active employees) of insurance premiums for

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eighteen (18) months with respect to your COBRA continuation (if elected by you) under the Company's group medical, dental and vision benefit plans.

4. *Retirement Plans.* You will be entitled to receive your vested accrued benefits, if any, under the Company's 401(k) plan in accordance with the terms and conditions of such plan.

5. *Business Expenses.* As promptly as practicable after the Effective Date, the Company will pay you any unreimbursed business expenses incurred through the Effective Date to which you are entitled to reimbursement pursuant to Section 4(b) of the Employment Agreement, dated as of February 9, 2018 (the "**Employment Agreement**"), by and between you and the Company.

6. Consulting Services.

a. Subject to your execution of and continuing compliance with your obligations under this Agreement and in consideration of the covenants referenced herein and the waiver and release set forth below, and provided that you do not revoke this Agreement in accordance with Section 17(h), commencing on the Effective Date and ending on October 31, 2021 (such date, the "**Consulting End Date**," and the period from the Effective Date through the Consulting End Date, the "**Consulting Period**"), you will serve as a consultant to the Company. During the Consulting Period, you will provide such consulting and advisory services for the Company Group as may reasonably be determined from time to time by the Company, which services will include transition-related services and advice for the Company and its new General Counsel (such services collectively being referred to as the "**Services**"). Your performance of the Services will not be required for more than 20 hours per month and will be performed on a non-exclusive basis.

b. During the Consulting Period, as compensation for the Services, you will be paid a fee of \$200,000 in the aggregate, to be paid within thirty (30) days following the Consulting End Date subject to your timely ratification and confirmation as of the Consulting End Date of the release and representation contained in Sections 14(a), 14(b) and 14(c) as set forth in the signature page below.

c. It is understood and agreed that you will perform the Services as an independent contractor, and this Section 6 is not intended by the parties to establish a continuation of your employment relationship. During the Consulting Period, you will not be entitled to any benefits provided by the Company to its employees.

7. *Outstanding Options.* You hereby acknowledge that the options to purchase shares of the exchange-traded common stock of the Company ("**Options**") that have been granted to you under the Company's Amended and Restated 2014 Stock Incentive Plan or Second Amended and Restated 2014 Stock Incentive Plan, as applicable, pursuant to the option award agreements dated as of February 10, 2018, December 17, 2018, December 23, 2019, December 22, 2020 and March 17, 2021 (the "**Award Agreements**") that are vested as of the Effective Date will be treated in accordance with the terms of the applicable Award Agreements and any Options that are not vested as of the Effective Date will, in accordance with the terms of

the Award Agreements, be forfeited and cancelled in their entirety as of the Effective Date. In addition, you acknowledge and agree that except for the Options, you do not hold and are you not entitled to receive any other equity or equity-based awards in respect of the Company. For the avoidance of doubt, you will not be entitled to any additional vesting with respect to the Options during the Consulting Period. In addition, for the avoidance of doubt, the post-termination exercise period for your vested Options under the applicable Award Agreements will commence as of the Consulting End Date.

8. *No Other Compensation or Benefits.* Except as otherwise specifically provided herein or as required by COBRA or other applicable law, you will not be entitled to any compensation or benefits or to participate in any past, present or future employee benefit programs or arrangements of the Company Group on or after the Effective Date.

9. *Cooperation.* Following the Effective Date, including during the Consulting Period, you agree to cooperate fully with the Company and its counsel with respect to any matter (including, without limitation, any litigation, investigation or government proceeding) that relates to matters with which you are or were involved or about which you had knowledge during your employment with the Company.

10. *Covenants and Agreements.* You acknowledge and agree that you remain subject to the restrictive covenants set forth in Sections 6 through 9 of the Employment Agreement and in any other agreement with any member of the Company Group, which are incorporated herein by reference as if such provisions were set forth herein in full. Notwithstanding anything set forth in the Employment Agreement, you hereby agree that the Non-Compete Period set forth in the Employment Agreement will conclude on the eighteen (18) month anniversary of the Consulting End Date.

11. *Non-disparagement.* You and the Company hereby agree that the non-disparagement covenant set forth in Section 7(e) of the Employment Agreement will conclude on the twelve (12) month anniversary of the Consulting End Date.

12. *Return of Property.* No later than seven (7) days following the Effective Date, you will deliver to the Company (or, if requested by any member of the Company Group, destroy) all property made available to you in connection with your employment by any member of the Company Group, including, without limitation, any and all records, manuals, customer lists, notebooks, cellphones, electronic devices, computers, computer programs, credit cards, and files, papers, electronically stored information and documents kept or made by you in connection with your employment.

13. *Employee Protections.* As described further in Section 16, you have the right under federal law to certain protections for cooperating with or reporting legal violations to the Securities Exchange Commission (the “SEC”) and/or its Office of the Whistleblower, as well as certain other governmental entities and self-regulatory organizations. As such, nothing in this Agreement or otherwise is intended to prohibit you from disclosing this Agreement to, or from cooperating with or reporting violations to, the SEC or any other such governmental entity or self-regulatory organization, and you may do so without notifying the Company. The Company may not retaliate against you for any of these activities, and nothing in this Agreement or

otherwise would require you to waive any monetary award or other payment that you might become entitled to from the SEC or any other governmental entity. Moreover, nothing in this Agreement or otherwise prohibits you from notifying the Company that you are going to make a report or disclosure to law enforcement.

14. Release.

a. *General Release.* In consideration of the Company's obligations under this Agreement and for other valuable consideration, you hereby release and forever discharge the Company, each other member of the Company Group and each of their respective direct or indirect shareholders, officers, employees, directors and agents (collectively, the "**Released Parties**") from any and all claims, actions and causes of action (collectively, "**Claims**"), including, without limitation, any Claims arising under (A) the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1514; Sections 748(h)(i), 922(h)(i) and 1057 of the Dodd-Frank Wall Street and Consumer Protection Act (the "**Dodd Frank Act**"), 7 U.S.C. § 26(h), 15 U.S.C. § 78u-6(h)(i) and 12 U.S.C. § 5567(a) but excluding from this release any right you may have to receive a monetary award from the SEC as an SEC Whistleblower, pursuant to the bounty provision under Section 922(a)-(g) of the Dodd Frank Act, 7 U.S.C. Sec. 26(a)-(g), or directly from any other federal or state agency pursuant to a similar program, or (B) any applicable federal, state, local or foreign law, that you may have, or in the future may possess arising out of (x) your employment relationship with and service as a director, employee, officer or manager of the Company or any other member of the Company Group, and the termination of such relationship or service, or (y) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof; *provided, however*, that the release set forth in this Section 14(a) will not apply to (i) the obligations of the Company under this Agreement and (ii) the obligations of the Company to continue to provide officer indemnification to you as provided in the Company's governing documents and Section 4(c) of the Employment Agreement. You further agree that the payments and benefits described in this Agreement will be in full satisfaction of any and all claims for payments or benefits, whether express or implied, that you may have against the Company or any other member of the Company Group arising out of your employment relationship, your service as a director, employee, officer or manager of the Company or any other member of the Company Group and the termination thereof. The provision of the payments and benefits described in this Agreement will not be deemed an admission of liability or wrongdoing by the Company or any other member of the Company Group. This Section 14(a) does not apply to any Claims that you may have as of the date you sign this Agreement arising under the Federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder ("**ADEA**"). Claims arising under ADEA are addressed in Section 14(b) of this Agreement.

b. *Specific Release of ADEA Claims.* In consideration of the payments and benefits provided to you under this Agreement, you hereby release and forever discharge the Company, each other member of the Company Group and each of their respective direct or indirect shareholders, officers, employees, directors and agents from any and all Claims that you may have as of the date you sign this Agreement arising under ADEA. By signing this Agreement, you hereby acknowledge and confirm the

following: (i) you were advised by the Company in connection with your termination to consult with an attorney of your choice prior to signing this Agreement and to have such attorney explain to you the terms of this Agreement, including, without limitation, the terms relating to your release of claims arising under ADEA; (ii) you have been given a period of not fewer than 21 days to consider the terms of this Agreement and to consult with an attorney of your choosing with respect thereto; and (iii) you are providing the release and discharge set forth in this Section 14(b) only in exchange for consideration in addition to anything of value to which you are already entitled.

c. *Representation.* You hereby represent that you have not instituted, assisted or otherwise participated in connection with, any action, complaint, claim, charge, grievance, arbitration, lawsuit or administrative agency proceeding, or action at law or otherwise against the Company or any other member of the Company Group or any of their respective shareholders, officers, employees, directors, shareholders or agents.

d. *Re-execution of Release and Representation.* You hereby agree to re-execute the release and representation set forth in this Section 14 as of the Consulting End Date by signing below.

15. *Cessation of Payments.* In the event that you (a) file any charge, claim, demand, action or arbitration with regard to your employment, compensation or termination of employment under any federal, state, local or foreign law, or an arbitration under any industry regulatory entity, except in either case for a claim for breach of this Agreement or failure to honor the obligations set forth herein or (b) breach any of the covenants contained or referenced in this Agreement, the Company will be entitled to immediately cease making any payments due pursuant to Section 3 or Section 6.

16. *Certain Exceptions.* Notwithstanding anything in this Agreement or anywhere else in this Agreement or in any other agreement between you and any member of the Company Group, or in any Company code of conduct, employee manual, confidentiality policy or similar document, you have the right to:

- i. report possible violations of state or federal law or regulation that have occurred, are occurring, or are about to occur to any governmental agency or entity, or self-regulatory organization;
- ii. cooperate voluntarily with, or respond to any inquiry from, or provide testimony before any self-regulatory organization or any other federal, state or local regulatory or law enforcement authority;
- iii. make reports or disclosures to law enforcement or a regulatory authority without prior notice to, or authorization from, the Company; and
- iv. respond truthfully to a valid subpoena.

b. In addition, the Company wants you to be aware that:

i. you have the right to not be retaliated against for reporting, either internally to the Company or to any governmental agency or entity or self-regulatory organization, information which you reasonably believe relates to a possible violation of law, it is a violation of federal law to retaliate against anyone who has reported such potential misconduct either internally or to any governmental agency or entity or self-regulatory organization (retaliatory conduct includes discharge, demotion, suspension, threats, harassment, and any other manner of discrimination in the terms and conditions of employment because of any lawful act you may have performed) and it is unlawful for the Company to retaliate against you for reporting possible misconduct either internally or to any governmental agency or entity, or self-regulatory organization;

ii. notwithstanding anything contained in this Agreement or otherwise, you may, to the extent contemplated by Section 13, disclose confidential Company information, including the existence and terms of any confidential agreements between you and the Company (including employment or severance agreements), to any governmental agency or entity or self-regulatory organization;

iii. the Company cannot require you to withdraw reports or filings alleging possible violations of federal, state or local law or regulation, and may not offer you any kind of inducement, including payment, to do so;

iv. your rights and remedies as a whistleblower protected under applicable whistleblower laws, including a monetary award, if any, may not be waived by any agreement, policy, form, or condition of employment, including by a predispute arbitration agreement; and

v. even if you have participated in a possible violation of law, you may be eligible to participate in the confidentiality and retaliation protections afforded under applicable whistleblower laws, and may also be eligible to receive an award under such laws.

17. Miscellaneous.

a. *Entire Agreement.* This Agreement sets forth the entire agreement and understanding of the parties hereto with respect to the matters covered hereby and supersedes and replaces any express or implied prior agreement with respect to the terms of your employment and the termination thereof which you may have had with the Company Group (including, without limitation, the Employment Agreement (except for Sections 6, 7, 8, 9, 10, 11, 12, 14, 16, 18, 19 and 20 thereof, which shall remain in full force and effect)). This Agreement may be amended only by a written document signed by the parties hereto.

b. *Governing Law.* This Agreement will be governed by, and construed in accordance with, the laws of the State of Delaware (determined without regard to the choice of law provisions thereof).

c. *Tax Matters.* Any payments made to you under this Agreement will be reduced by any applicable withholding taxes or other amounts required to be withheld by law or contract. You will be solely responsible for paying any state and local taxes imposed with respect to any exercise of your Options, and will defend, indemnify and hold the Company Group harmless against any claim or assessment by any taxing authority relating to such taxes.

d. *Voluntary Assent.* You affirm that you have read this Agreement, and understand all of its terms, including the full and final release of claims set forth in Section 14. You further acknowledge that you have voluntarily entered into this Agreement; that you have not relied upon any representation or statement, written or oral, not set forth in this Agreement; that the only consideration for signing this Agreement is as set forth herein; and that this document gives you the opportunity and encourages you to have this Agreement reviewed by your attorney and/or tax advisor.

e. *Waiver.* The failure of either party to this Agreement to enforce any of its terms, provisions or covenants will not be construed as a waiver of the same or of the right of such party to enforce the same. Any waiver, alteration, amendment, or modification of any of the terms of this Agreement will be valid only if made in writing and signed by each of the parties hereto. Waiver by either party hereto of any breach or default by the other party of any term or provision of this Agreement will not operate as a waiver of any other breach or default.

f. *Severability.* In the event that any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of this Agreement will not in any way be affected or impaired thereby. If any provision of this Agreement is held to be excessively broad as to duration, activity or subject, such provision will be construed by limiting and reducing it so as to be enforceable to the maximum extent allowed by applicable law.

g. *Counterparts.* This Agreement may be executed in one or more counterparts, which together will constitute one and the same agreement.

h. *Revocation.* This Agreement may be revoked by you within the seven-day period commencing on the date you sign this Agreement (the “**Revocation Period**”). In the event of any such revocation by you, all obligations of the Company and you under this Agreement will terminate and be of no further force and effect as of the date of such revocation. No such revocation by you will be effective unless it is in writing and signed by you and received by the Company prior to the expiration of the Revocation Period.

i. *Notices.* All notices, demands, requests or other communications which may be or are required to be given, served, or sent by a party pursuant to this Agreement shall be in writing and shall be hand delivered (including delivery by courier), mailed by

first-class, registered or certified mail, return-receipt requested, postage prepaid, or transmitted by telegram, telex or facsimile transmission, addressed as follows:

If to the Company:

SS&C Technologies Holdings, Inc.  
80 Lambertson Road  
Windsor, Connecticut 06095  
Attention: William C. Stone

If to you:

At your address on file with the Company.

Each party may designate by notice in writing a new address to which any notice, demand, request or communication may thereafter be so given, served or sent.

*[The rest of this page is intentionally blank]*

SS&C Technologies Holdings, Inc.

By: /s/ William C. Stone  
Name: William C. Stone  
Title: Chief Executive Officer

**YOU HEREBY ACKNOWLEDGE THAT YOU HAVE READ THIS AGREEMENT, THAT YOU FULLY KNOW, UNDERSTAND AND APPRECIATE ITS CONTENTS, AND THAT YOU HEREBY ENTER INTO THIS AGREEMENT VOLUNTARILY AND OF YOUR OWN FREE WILL.**

ACCEPTED AND AGREED:

/s/ Joseph J. Frank  
Joseph J. Frank

Date: August 28, 2021

The release and representations contained in Sections 14(a), (b) and (c) above are ratified and confirmed with respect to any Claims, acts or omissions through the Consulting End Date.

ACCEPTED AND AGREED:

/s/ Joseph J. Frank  
Joseph J. Frank

Date: October 31, 2021

## CERTIFICATION

I, William C. Stone, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SS&C Technologies Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2021

/s/ William C. Stone

William C. Stone  
Chairman of the Board and Chief Executive Officer  
(Principal Executive Officer)

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## CERTIFICATION

I, Patrick J. Pedonti, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SS&C Technologies Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2021

/s/ Patrick J. Pedonti

Patrick J. Pedonti

Senior Vice President and Chief Financial Officer  
(Principal Financial Officer)

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CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of SS&C Technologies Holdings, Inc. (the “Company”) for the period ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned officers of the Company hereby certify to their knowledge, pursuant to 18 U.S.C. Section 1350, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2021

By: /s/ William C. Stone  
William C. Stone  
Chairman of the Board and Chief Executive Officer  
(Principal Executive Officer)

Date: November 5, 2021

By: /s/ Patrick J. Pedonti  
Patrick J. Pedonti  
Senior Vice President and Chief Financial Officer  
(Principal Financial Officer)

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