



SS&C Technologies Holdings, Inc. (SSNC)

Updated May 3rd, 2025, by Ian Bezek

Key Metrics

Current Price:	\$78	5 Year CAGR Estimate:	14.5%	Market Cap:	\$19.2 B
Fair Value Price:	\$79	5 Year Growth Estimate:	13.0%	Ex-Dividend Date:	06/03/25 ¹
% Fair Value:	98%	5 Year Valuation Multiple Estimate:	0.3%	Dividend Payment Date:	06/17/25 ¹
Dividend Yield:	1.3%	5 Year Price Target	\$146	Years Of Dividend Growth:	8
Dividend Risk Score:	A	Sector:	Industrials	Rating:	Buy

Overview & Current Events

SS&C Technologies, short for Securities Software and Consultants, is a company which provides technology solutions to the financial services industry. Specifically, its core software platform offers various functions including accounting, portfolio management, trading, and lending to fund managers, financial advisors and institutional clients. The firm also has a smaller position in the healthcare software space. SS&C has thrived over the years thanks to shrewd mergers and acquisitions; it has made more than 50 purchases over the years. These deals have added numerous additional functions onto its core fund administration platform.

The company has enjoyed strong growth, both organically and from its relentless dealmaking. Revenues have skyrocketed from \$768 million in 2014 to \$5.9 billion in 2024. This has translated into strong growth in earnings per share and dividends as well. Earnings fell a bit in 2022 and 2023, in part due to weaker equity market conditions compared to the 2021 boom. But with the stock market hitting new highs up through Q1 of this year, fund managers have spent more liberally on software tools, and SS&C has returned to delivering record results.

The company's Q1 results, reported April 24th, 2025, have continued that favorable momentum. Revenues of \$1.51 billion grew 5.5% year-over-year and beat expectations. Meanwhile, GAAP earnings of \$0.84 soared 35% from the \$0.62 reported in the same period of 2024. Note that we are using GAAP earnings, rather than non-GAAP, as the basis for this report as SS&C spends heavily on recurring stock compensation expenses, and we believe that it is a real cost which investors should consider as part of the company's valuation. The company has been growing EPS more quickly than revenues recently due to effective cost-cutting measures. We expect a deceleration compared to 2024's tremendous results, but there is a clear path to another double-digit EPS increase this year even amid economic uncertainty.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$0.22	\$0.64	\$1.55	\$0.42	\$1.66	\$2.35	\$2.99	\$2.48	\$2.39	\$3.00	\$3.45	\$6.36
DPS	\$0.25	\$0.25	\$0.27	\$0.30	\$0.43	\$0.53	\$0.68	\$0.80	\$0.88	\$0.98	\$1.00	\$1.84
Shares²	191	206	212	244	264	267	262	255	255	255	253	247

SS&C has been a tremendous growth story over the past decade, and we expect more strength going forward. We model 13% per year, though this assumes the company will be able to find additional attractive M&A targets. Historically, SS&C has funded its growth through both share dilution and heavy debt issuance. However, as the company has grown its internal cash flows tremendously, it has reduced the need for outside funding. As a result, SS&C has been able to start buying back stock, though this has only been enough to offset share-based comp in recent years.

SS&C has grown its dividend tremendously, albeit off a small base. The dividend has increased at a blistering 16% annualized rate over the past decade, though the most recent hike, on August 21st, 2024, was a more modest 4.2% increase. We expect a 13% dividend growth rate going forward, though this could end up being significantly smaller if the company ramps up its share buyback program instead.

¹ Estimated date

² In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	156.9	44.3	25.4	109.6	35.6	30.0	26.2	20.1	24.8	23.0	22.6	23.0
Avg. Yld.	0.5%	0.7%	0.6%	0.5%	0.6%	0.7%	0.7%	1.2%	1.5%	1.4%	1.3%	1.3%

SS&C Technologies stock has traditionally traded at a high multiple of its GAAP earnings per share, averaging a 49.6x P/E ratio since 2015. This has come down to 24.8x over the past five years, and we continue to expect the P/E ratio to decline over time as the company becomes larger and more mature. We forecast a 23x P/E five years from now.

The company's average yield has risen over time as the company has devoted more of its profits to its dividend. We expect the yield to remain near 1.3% over the long-term.

Safety, Quality, Competitive Advantage, & Recession Resiliency

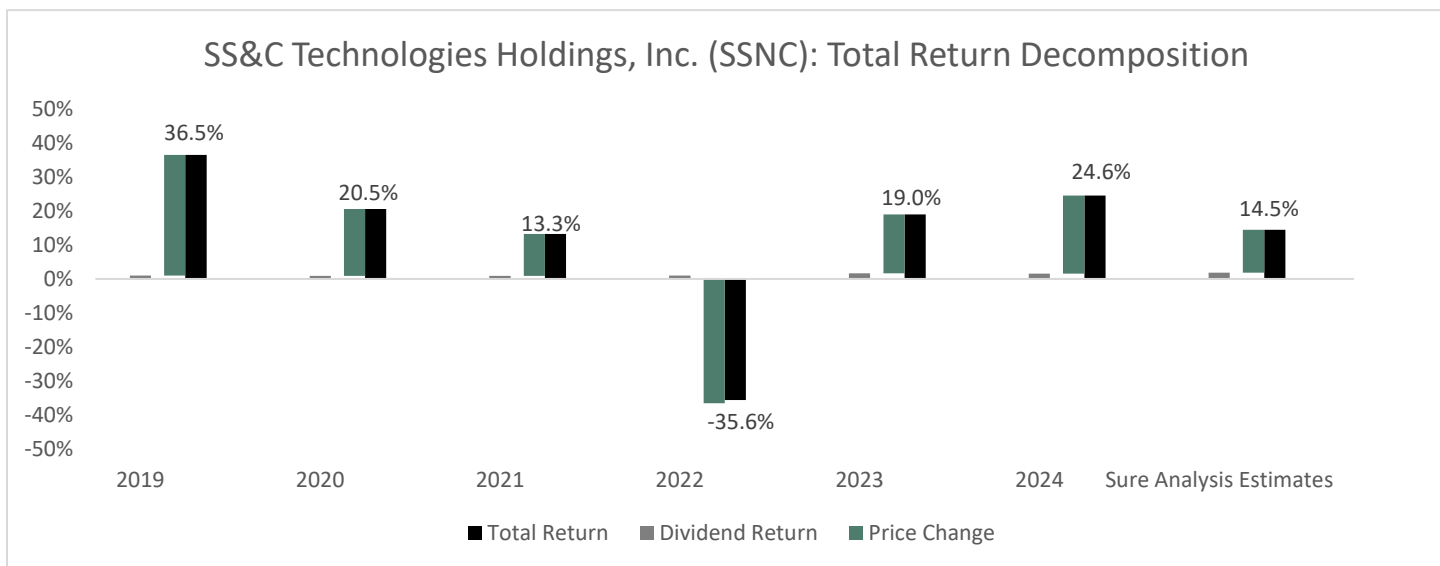
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	114%	39%	17%	71%	26%	23%	23%	32%	37%	33%	29%	29%

SS&C has had a variable but generally low dividend payout ratio. We believe the current dividend is easily covered out of earnings. That said, we'd note that the company has a debt/EBITDA ratio of 2.7x as of March 2025, which is fairly high for the software industry. And, in the past, SS&C has taken on large chunks of debt to fund major M&A deals. It's not inconceivable that SS&C could have to greatly limit dividend growth for a time if its industry experienced a downturn. SS&C has built a far-reaching ecosystem for fund managers and financial planners and it would be time-consuming and inconvenient for most of its customers to move away from SS&C's products. This should give it a fair bit of pricing power and help insulate it from near-term economic volatility.

Final Thoughts & Recommendation

SS&C has delivered tremendous results over the past year, driven by a strong environment for equity markets and thus the fund managers and institutions that provide money management services. This tailwind won't last forever, and SS&C could face a bit of multiple compression when equity market sentiment sours. That said, the company's growth rate is strong enough to account for current market volatility. Shares slipped a bit over the past quarter and now trade at fair value. We foresee 14.5% total annualized returns from here going forward, making SSNC stock a buy today.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,000	1,481	1,675	3,421	4,633	4,668	5,051	5,283	5,503	5,882
Gross Profit	468	681	789	1,370	2,021	2,094	2,409	2,515	2,652	2,864
Gross Margin	46.8%	46.0%	47.1%	40.0%	43.6%	44.9%	47.7%	47.6%	48.2%	48.7%
SG&A Exp.	193	240	238	525	723	709	752	925	969	1,002
D&A Exp.	151	229	237	519	775	725	667	672	670	680
Operating Profit	165	289	398	527	914	986	1,242	1,143	1,209	1,344
Op. Margin	16.5%	19.5%	23.7%	15.4%	19.7%	21.1%	24.6%	21.6%	22.0%	22.8%
Net Profit	43	131	329	103	439	625	800	650	607	761
Net Margin	4.3%	8.8%	19.6%	3.0%	9.5%	13.4%	15.8%	12.3%	11.0%	12.9%
Free Cash Flow	213	381	426	551	1,198	1,078	1,292	926	964	1,133
Income Tax	18	33	(46)	22	93	151	236	227	249	132

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	5,802	5,707	5,540	16,108	16,741	15,924	17,333	16,653	18,103	19,040
Cash & Equivalents	434	118	64	167	153	209	564	440	432	567
Acc. Receivable	130	173	179	516	489	479	522	594	621	677
Goodwill & Int.	5,039	5,185	5,062	12,862	12,455	12,113	11,609	12,796	12,551	12,740
Total Liabilities	3,697	3,448	2,853	11,528	11,625	10,207	11,110	10,550	11,705	12,440
Accounts Payable	12	16	27	41	37	28	29	50	80	70
Long-Term Debt	2,751	2,501	2,045	8,256	7,154	6,442	5,949	7,080	6,720	7,010
Total Equity	2,105	2,259	2,686	4,580	5,116	5,717	6,165	6,044	6,340	6,535
LTD/E Ratio	1.31	1.11	0.76	1.80	1.40	1.13	0.96	1.17	1.06	1.07

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.1%	2.3%	5.8%	1.0%	2.7%	3.8%	4.8%	3.8%	3.5%	4.1%
Return on Equity	2.5%	6.0%	13.3%	2.8%	9.0%	11.5%	13.4%	10.6%	9.7%	11.7%
ROIC	1.3%	2.7%	6.9%	1.2%	3.5%	5.1%	6.6%	5.1%	4.6%	5.7%
Shares Out.	191	206	212	244	264	267	262	255	255	254
Revenue/Share	5.24	7.20	7.92	14.04	17.54	17.51	18.90	20.16	21.62	23.18
FCF/Share	1.11	1.85	2.01	2.26	4.53	4.04	4.84	3.53	3.79	4.64

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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