

Synchronoss Technologies Announces Fourth Quarter and Full Year 2018 Results

March 12, 2019

BRIDGEWATER, N.J., March 12, 2019 (GLOBE NEWSWIRE) -- [Synchronoss Technologies Inc.](#) (NASDAQ: SNCR), a global leader and innovator in cloud, messaging, digital and IoT platforms and products, today announced financial results for fourth quarter and full year ended December 31, 2018.

Fourth quarter highlights include:

- Revenue was \$82.1 million, including 83 percent recurring revenue.
- GAAP net loss for the quarter was \$101.9 million, or \$2.56 per share, which included \$109.1 million of pretax non-cash asset impairments.
- Synchronoss delivered \$15.4 million of adjusted EBITDA, up 64.9 percent from \$9.4 million in the third quarter. Adjusted EBITDA margin in the fourth quarter reached 18.8 percent, up 67.3 percent from 11.2 percent in the third quarter.
- Cash flow provided by operations during the quarter was \$29.3 million.

Glenn Lurie, president and chief executive officer, stated, "Our fourth quarter financial results show that Synchronoss continues to meet its financial and operational commitments to shareholders. We delivered positive adjusted EBITDA for the second straight quarter and the third straight quarter of improvement, adjusted EBITDA margins reached their highest level of the year, and we delivered nearly \$30 million of cash flow from operations. In addition, thus far in early 2019 we are winning a growing number of new customers while expanding engagements with existing customers. Our success is being driven by the significant value our platforms deliver in solving some of the most complex challenges facing the Telecommunications Media and Technology (TMT) industry, including the risk of disintermediation from Over-The-Top (OTT) applications, managing the increasing complexity to deliver a true digital consumer experiences and journeys that end-users expect while reducing costs and driving incremental revenue."

Today, Synchronoss is announcing a new Cloud agreement with Assurant, Inc. which will white-label our Synchronoss cloud platform for its Pocket Geek solution which is offered in their device protection bundles.

This announcement builds on several important customer agreements and partnerships that the company won earlier in the quarter, including:

- A deal and partnership with Rackspace, which will utilize the DXP platform to enhance its internal operational efficiencies and journeys, as well as resell the entire Synchronoss DXP platform and product suite to its global customer portfolio.
- The renewal of its agreement to power the BT Cloud. BT has been a Synchronoss cloud services and storage partner since 2015, and the contract renewal signifies a deepening relationship between Synchronoss and BT.
- The continued expansion and development of our advanced messaging initiative with the 3 major Japanese mobile operators.

Full year financial highlights include:

- Synchronoss delivered \$325.8 million of revenue for the year. In addition, Synchronoss successfully migrated to over 79 percent recurring revenue in 2018, from 75 percent in 2017.
- GAAP net loss for the year was \$243.7 million, or \$6.05 per share, which included \$127.3 million of pretax non-cash asset impairments.
- Adjusted EBITDA for the full year was \$14.0 million.
- Synchronoss generated \$24.8 million of adjusted EBITDA in the second half of the year, after adjusting for \$4.9 million of first quarter expenses that were recognized in the third quarter.
- Synchronoss achieved \$20 million of annualized cost savings in 2018 with another \$25 million annualized run rate expected to be realized in 2019.
- Synchronoss retired over 50% of its convertible debt and paid its third and fourth-quarter dividend on its convertible preferred stock in cash instead of additional shares.

David Clark, chief financial officer, added, "During 2018, we stabilized and reset our core business, aligned the entire team towards our key priorities and core values, and evolved our platforms and product roadmaps to meet customer needs. As a result of those actions, we made a great deal of progress to improve operating leverage and profitability, drive free cash flow, and reduce debt. We believe there is additional cost savings opportunity, and going forward, we will continue to focus on delivering profitable revenue growth and cost efficiencies. Finally, demonstrating our confidence in our cash-generating abilities, in early 2019 we again paid the quarterly dividend on our preferred stock in cash instead of shares, and we repurchased an additional \$11.5 million of our convertible debt."

A reconciliation of GAAP to non-GAAP results has been provided in the financial statement tables included in this press release. An explanation of these measures is included below under the heading "Non-GAAP Financial Measures."

Conference Call Details

Synchronoss will host a conference call on Tuesday, March 12, 2019, at 5:00 p.m. (ET) to discuss the company's financial results. To access this call, dial 1-201-493-6784. Additionally, a live web cast of the conference call will be available on the Investor Relations page on the company's web site www.synchronoss.com.

Following the conference call, a replay will be available for a limited time at 1-412-317-6671. The replay pass code is 13687208. An archived web cast of this conference call will also be available on the Investor Relations page of the company's web site, www.synchronoss.com.

Non-GAAP Financial Measures

Synchronoss has provided in this release selected financial information that has not been prepared in accordance with GAAP. This information includes historical non-GAAP revenues, gross profit, operating income (loss), net income (loss), effective tax rate, earnings (loss) per share and cash flows from operating activities. Synchronoss uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to GAAP measures, in evaluating Synchronoss' ongoing operational performance. Synchronoss believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends, and in comparing its financial results with other companies in Synchronoss' industry, many of which present similar non-GAAP financial measures to investors. As noted, the non-GAAP financial results discussed above add back fair value stock-based compensation expense, acquisition-related costs which includes integration costs, changes in the contingent consideration obligation, deferred compensation expense related to earn outs and amortization of intangibles associated with acquisitions.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures as detailed above. As previously mentioned, a reconciliation of GAAP to non-GAAP results has been provided in the financial statement tables included in this press release.

About Synchronoss Technologies, Inc.

Synchronoss transforms the way companies create new revenue, reduce costs and delight their subscribers with cloud, messaging, digital and IoT products, supporting hundreds of millions of subscribers across the globe. Synchronoss' secure, scalable and groundbreaking new technologies, trusted partnerships, and talented people change the way TMT customers grow their businesses. For more information, visit us at www.synchronoss.com.

Forward-looking Statements

This press release includes statements concerning Synchronoss and its future expectations, plans and prospects that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. 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 "may," "should," "expects," "plans," "anticipates," "could," "intends," "believes," "potential" or "continue" or other similar expressions are intended to identify forward-looking statements. Synchronoss has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its business, financial condition and results of operations. These forward-looking statements speak only as of the date of this press release and are subject to a number of risks, uncertainties and assumptions including, without limitation, risks relating to the Company's ability to sustain or increase revenue from its larger customers and generate revenue from new customers, the Company's expectations regarding expenses and revenue, the sufficiency of the Company's cash resources and its ability to satisfy or refinance its existing debt obligations, the Company's growth strategies, the anticipated trends and challenges in the business and the market in which the Company operates, the Company's expectations regarding federal, state and foreign regulatory requirements, the pending lawsuits against the Company described in its most recent SEC filings, and other risks and factors that are described in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's Annual Report on Form 10-K/A for the year ended December 31, 2017 and Quarterly Report on Form 10-Q/A for the quarter ended September 30, 2018, which are on file with the SEC and available on the SEC's website at www.sec.gov. The company does not undertake any obligation to update any forward-looking statements contained in this press release as a result of new information, future events or otherwise.

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SYNCHRONOSS TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

December 31, 2018 **December 31, 2017**

ASSETS

Current assets:

Cash and cash equivalents	\$	103,771	\$	156,299
Restricted cash		6,089		89,826
Marketable securities, current		28,230		3,111
Accounts receivable, net of allowances of \$4,599 and \$3,107 at December 31, 2018 and December 31, 2017, respectively		102,798		78,186
Prepaid expenses		45,058		33,957
Other current assets		8,508		9,600

Total current assets	294,454	370,979
Marketable securities, non-current	6,658	—
Property and equipment, net	67,937	111,825
Goodwill	223,090	237,303
Intangible assets, net	98,706	132,167
Other assets	8,982	5,236
Note receivable from related party	—	73,984
Equity method investment	1,619	33,917
Total assets	<u>\$ 701,446</u>	<u>\$ 965,411</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 13,576	\$ 5,959
Accrued expenses	59,545	72,739
Deferred revenues, current	57,101	75,829
Short-term convertible debt, net of debt issuance costs	113,542	—
Mandatorily redeemable financial instrument	—	37,959
Total current liabilities	<u>243,764</u>	<u>192,486</u>
Lease financing obligation	9,494	11,183
Long-term convertible debt, net of debt issuance costs	—	227,704
Deferred tax liabilities	1,347	13,735
Deferred revenues, non-current	59,841	25,241
Other liabilities	10,797	6,195
Commitments and contingencies		
Redeemable noncontrolling interest	12,500	25,280
Series A Convertible Participating Perpetual Preferred Stock, \$0.0001 par value; 10,000 shares authorized; 195 shares issued and outstanding at December 31, 2018	176,603	—
Stockholders' equity:		
Common stock, \$0.0001 par value; 100,000 shares authorized, 49,836 and 52,024 shares issued; 42,674 and 46,965 outstanding at December 31, 2018 and December 31, 2017, respectively	5	5
Treasury stock, at cost (7,162 and 5,059 shares at December 31, 2018 and December 31, 2017, respectively)	(82,087)	(105,584)
Additional paid-in capital	534,673	597,553
Accumulated other comprehensive loss	(32,192)	(23,373)
Accumulated deficit	(233,299)	(5,014)
Total stockholders' equity	<u>187,100</u>	<u>463,587</u>
Total liabilities and stockholders' equity	<u>\$ 701,446</u>	<u>\$ 965,411</u>

SYNCHRONOSS TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	<u>Twelve Months Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net revenues	\$ 325,839	\$ 402,361	\$ 426,294
Costs and expenses:			
Cost of revenues	158,802	181,453	194,684
Research and development	79,172	90,850	114,493
Selling, general and administrative	122,112	154,037	126,228
Net change in contingent consideration obligation	—	—	1,194

Restructuring charges	12,375	10,739	6,333
Depreciation and amortization	117,654	94,884	105,966
Total costs and expenses	490,115	531,963	548,898
Loss from continuing operations	(164,276)	(129,602)	(122,604)
Interest income	7,770	12,502	1,907
Interest expense	(4,911)	(55,771)	(7,414)
Gain (loss) on extinguishment of debt	1,760	(29,413)	—
Other (expense) income, net	(74,917)	(17,678)	1,022
Equity method investment loss, net	(28,600)	(9,125)	—
Loss from continuing operations, before taxes	(263,174)	(229,087)	(127,089)
Benefit for income taxes	17,894	34,863	33,220
Net loss from continuing operations	(245,280)	(194,224)	(93,869)
Net income from discontinued operations, net of tax	18,288	75,495	90,560
Net loss	(226,992)	(118,729)	(3,309)
Net loss attributable to redeemable noncontrolling interests	8,837	9,291	15,203
Preferred stock dividend	(25,593)	—	—
Net loss attributable to Synchronoss	\$ (243,748)	\$ (109,438)	\$ 11,894

Basic:

Continuing operations	\$ (6.51)	\$ (4.14)	\$ (1.81)
Discontinued operations	0.46	1.69	2.08
	\$ (6.05)	\$ (2.45)	\$ 0.27

Diluted:

Continuing operations	\$ (6.51)	\$ (4.14)	\$ (1.81)
Discontinued operations	0.46	1.69	2.08
	\$ (6.05)	\$ (2.45)	\$ 0.27

Weighted-average common shares outstanding:

Basic	40,277	44,669	43,551
Diluted	40,277	44,669	43,551

SYNCHRONOSS TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(Unaudited)

Three Months Ended December 31,

	2018	2017
Net revenues	\$ 82,102	\$ 106,259
Costs and expenses:		
Cost of revenues	31,014	42,067
Research and development	19,383	23,616
Selling, general and administrative	22,744	50,988
Restructuring charges	3,950	(976)
Depreciation and amortization	47,324	23,786
Total costs and expenses	124,415	139,481
Loss from continuing operations	(42,313)	(33,222)
Interest income	252	3,345
Interest expense	(976)	(7,755)
Gain (loss) on extinguishment of debt	1,760	(29,413)
Other expense, net	(65,737)	(20,052)

Equity method investment loss, net	(28,671)	(10,751)
Loss from continuing operations, before taxes	(135,685)	(97,848)
Benefit for income taxes	16,290	16,890
Net loss from continuing operations	(119,395)	(80,958)
Net income from discontinued operations, net of tax	18,288	89,562
Net (loss) income	(101,107)	8,604
Net loss attributable to redeemable noncontrolling interests	6,715	2,311
Preferred stock dividend	(7,517)	—
Net (loss) income attributable to Synchronoss	<u>\$ (101,909)</u>	<u>\$ 10,915</u>

Basic:

Continuing operations	\$ (3.01)	\$ (1.75)
Discontinued operations	0.45	1.99
	<u>\$ (2.56)</u>	<u>\$ 0.24</u>

Diluted:

Continuing operations	\$ (3.01)	\$ (1.75)
Discontinued operations	0.45	1.99
	<u>\$ (2.56)</u>	<u>\$ 0.24</u>

Weighted-average common shares outstanding:

Basic	39,885	45,039
Diluted	39,885	45,039

SYNCHRONOSS TECHNOLOGIES, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In thousands, except per share data)
(Unaudited)

	Twelve Months Ended December 31,	
	2018	2017
Non-GAAP financial measures and reconciliation:		
GAAP Revenue	\$ 325,839	\$ 402,361
Less: Cost of revenues	158,802	181,453
Gross Profit	167,037	220,908
Add / (Less):		
Stock-based compensation expense	4,370	4,602
Acquisition costs	—	(2)
Integration	—	1,744
Adjusted Gross Profit	\$ 171,407	\$ 227,252
Adjusted Gross Margin	52.6%	56.5%
GAAP Net loss from continuing operations	(164,276)	(129,602)
Add / (Less):		
Stock-based compensation expense	27,604	22,495
Acquisition costs	258	13,023
Restructuring	12,375	10,739
Amortization expense	53,717	34,695
Integration	—	7,804
One-Time Expenses due to Restatement, etc.	20,408	37,197
Non-GAAP Net loss from continuing operations	\$ (49,914)	\$ (3,649)
GAAP Net loss attributable to Synchronoss	\$ (243,748)	\$ (109,438)
Less: Net income from discontinued operations, net of taxes	(18,288)	(75,495)

Net loss from continuing operations attributable to Synchronoss	(262,036)	(184,933)
Add / (Less):		
Stock-based compensation expense	27,604	22,495
Acquisition costs	258	13,023
Restructuring	12,375	10,739
Amortization expense	53,717	34,695
Loss on Extinguishment of Debt	—	29,413
Non-GAAP Expenses attributable to Non-Controlling Interest	(8,673)	(1,955)
One-Time Expenses due to Restatement, etc.	20,408	37,197
Integration	—	7,804
Income Tax Effect at Statutory Tax Rates	(17,894)	(34,863)
Non-GAAP Net loss from continuing operations attributable to Synchronoss	\$ (174,241)	\$ (66,385)
Diluted Non-GAAP Net loss from continuing operations per share	<u>\$ (4.33)</u>	<u>\$ (1.49)</u>
Weighted shares outstanding - Basic	<u>40,277</u>	<u>44,669</u>

SYNCHRONOSS TECHNOLOGIES, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In thousands, except per share data)
(Unaudited)

	Twelve Months Ended December 31,	
	2018	2017
Net loss attributable to Synchronoss	\$ (243,748)	\$ (109,438)
Add / (Less):		
Restructuring	12,375	10,739
Depreciation and amortization	117,654	94,884
Interest income	(7,770)	(12,502)
Interest Expense	4,911	55,771
Loss on Extinguishment of debt	(1,760)	29,413
Other Income (expense), net	74,917	17,678
Equity method investment income (loss), net	28,600	9,125
Benefit for income taxes	(17,894)	(34,863)
Net (loss) income attributable to noncontrolling interests	(8,837)	(9,291)
Preferred dividend	25,593	—
Stock-based compensation expense	27,604	22,495
Acquisition costs	258	13,023
Integration	—	7,804
One-Time Expenses due to Restatement, etc.	20,408	37,197
Net income from discontinued operations, net of taxes	(18,288)	(75,495)
Adjusted EBITDA (non-GAAP)	\$ 14,023	\$ 56,540

SYNCHRONOSS TECHNOLOGIES, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In thousands, except per share data)
(Unaudited)

	Three Months Ended December 31,	
	2018	2017
Non-GAAP financial measures and reconciliation:		
GAAP Revenue	\$ 82,102	\$ 106,259
Less: Cost of revenues	31,014	42,067
Gross Profit	51,088	64,192

Add / (Less):		
Stock-based compensation expense	923	1,276
Integration	—	253
Adjusted Gross Profit	\$ 52,011	\$ 65,721
Adjusted Gross Margin	63.3 %	61.8 %
GAAP Net loss from continuing operations	(42,313)	(33,222)
Add / (Less):		
Stock-based compensation expense	5,566	8,067
Acquisition costs	109	10,499
Restructuring	3,950	(976)
Amortization expense	28,595	8,634
Integration	—	944
One-Time Expenses due to Restatement, etc.	800	21,920
Non-GAAP Net (loss) income from continuing operations	\$ (3,293)	\$ 15,866
GAAP Net (loss) income attributable to Synchronoss	\$ (101,909)	\$ 10,915
Less: Net income from discontinued operations, net of taxes	(18,288)	(89,562)
Net loss from continuing operations attributable to Synchronoss	(120,197)	(78,647)
Add / (Less):		
Stock-based compensation expense	5,566	8,067
Acquisition costs	109	10,499
Restructuring	3,950	(976)
Amortization expense	28,595	8,634
Loss on Extinguishment of Debt	—	29,413
Non-GAAP Expenses attributable to Non-Controlling Interest	(7,404)	(465)
One-Time Expenses due to Restatement, etc.	800	21,920
Integration	—	944
Income Tax Effect at Statutory Tax Rates	(10,655)	(16,619)
Non-GAAP Net loss from continuing operations attributable to Synchronoss	\$ (99,236)	\$ (17,230)
Diluted Non-GAAP Net loss from continuing operations per share	\$ (2.49)	\$ (0.38)
Weighted shares outstanding - Basic	39,885	45,039

SYNCHRONOSS TECHNOLOGIES, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In thousands, except per share data)
(Unaudited)

	Three Months Ended December 31,	
	2018	2017
Net (loss) income attributable to Synchronoss	\$ (101,909)	\$ 10,915
Add / (Less):		
Restructuring	3,950	(976)
Depreciation and amortization	47,324	23,786
Interest income	(252)	(3,345)
Interest Expense	976	7,755
Loss on Extinguishment of debt	(1,760)	29,413
Other Income (expense), net	65,737	20,052
Equity method investment income (loss), net	28,671	10,751
Benefit for income taxes	(16,290)	(16,890)

Net (loss) income attributable to noncontrolling interests	(6,715)	(2,311)
Preferred dividend	7,517	—
Stock-based compensation expense	5,566	8,067
Acquisition costs	109	10,499
Integration	—	944
One-Time Expenses due to Restatement, etc.	800	21,920
Net income from discontinued operations, net of taxes	(18,288)	(89,562)
Adjusted EBITDA (non-GAAP)	\$ 15,436	\$ 31,018

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In thousands, except per share data)
(Unaudited)

Three Months Ended September 30,

	<u>2018</u>	<u>2017</u>
Net (loss) income attributable to Synchronoss	\$ (54,529)	\$ (35,088)
Add / (Less):		
Restructuring	4,539	2,312
Depreciation and amortization	23,658	23,459
Interest income	(203)	(3,274)
Interest Expense	1,370	25,555
Other Income (expense), net	13,439	256
Equity method investment income (loss), net	(283)	(645)
Benefit for income taxes	(2,308)	(12,825)
Net (loss) income attributable to noncontrolling interests	422	(1,276)
Preferred dividend	7,463	—
Stock-based compensation expense	7,216	3,678
Acquisition costs	38	30
Integration	—	1,569
One-Time Expenses due to Restatement, etc.	3,638	9,438
Net income from discontinued operations, net of taxes	—	(8,842)
Adjusted EBITDA (non-GAAP)	\$ 4,460	\$ 4,347

SYNCHRONOSS TECHNOLOGIES, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In thousands, except per share data)
(Unaudited)

Twelve Months Ended December 31,

	<u>2018</u>	<u>2017</u>
Net Cash (used in) provided by operating activities	\$ (31,369)	\$ (18,248)
Add / (Less):		
Software Capitalization	(14,372)	(9,119)
Fixed Assets	(11,656)	(12,151)
Free Cashflow	\$ (57,397)	\$ (39,518)
Add: One-Time Restatement Expenses	20,408	37,197
Adjusted Free Cashflow	\$ (36,989)	\$ (2,321)

Three Months Ended December 31,

	<u>2018</u>	<u>2017</u>
Net Cash (used in) provided by operating activities	\$ 29,293	\$ (17,155)

Add / (Less):		
Software Capitalization	(3,360)	(1,271)
Fixed Assets	(3,091)	(1,836)
Free Cashflow	<u>\$ 22,842</u>	<u>\$ (20,262)</u>
Add: One-Time Restatement Expenses	800	21,920
Adjusted Free Cashflow	<u>\$ 23,642</u>	<u>\$ 1,658</u>

SYNCHRONOSS TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Twelve Months Ended December		
	31,		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operating activities:			
Net loss from continuing operations	\$ (245,280)	\$ (194,224)	\$ (93,869)
Net income from discontinued operations	—	75,495	90,560
Gain (loss) on sale of discontinued operations, net of tax	18,288	(122,842)	(113,129)
Adjustments to reconcile Net Loss to net cash used in operating activities:			
Depreciation and amortization expense	97,092	93,924	94,911
Goodwill impairment	9,100	—	—
Impairment of long-lived assets and capitalized software	11,462	960	11,055
Change in fair value of financial instruments	(3,849)	4,367	—
Amortization of debt issuance costs	1,294	12,771	1,607
(Gain) loss on extinguishment of debt	(1,760)	29,413	—
Accrued PIK interest	(7,037)	(12,090)	(34)
Allowance for loan losses	84,314	14,562	—
(Earnings) loss from equity method investments	28,600	9,125	—
Loss (Gain) on disposals	277	(4,947)	(122)
Discontinued operations non-cash and working capital adjustments	—	48,647	371
Amortization of bond premium	107	244	1,416
Deferred income taxes	(12,350)	19,243	17,148
Non-cash interest on leased facility	—	1,203	1,392
Stock-based compensation	27,604	22,495	34,178
Contingent consideration obligation	—	(2,711)	1,194
Changes in operating assets and liabilities:			
Accounts receivable, net of allowance for doubtful accounts	(21,521)	29,283	(13,650)
Prepaid expenses and other current assets	(5,315)	(5,513)	31,648
Other assets	973	3,237	8,880
Accounts payable	6,846	(9,098)	(10,089)
Accrued expenses	(18,068)	(4,949)	(7,523)
Other liabilities	(4,675)	(3,337)	(6,558)
Deferred revenues	2,529	(23,506)	55,173
Net cash used in operating activities	<u>(31,369)</u>	<u>(18,248)</u>	<u>104,559</u>
Investing activities:			
Purchases of fixed assets	(11,656)	(12,151)	(42,570)
Purchases of intangible assets and capitalized software	(14,372)	(9,119)	(7,677)
Proceeds from the sale of SpeechCycle	—	13,500	—
Purchases of marketable securities available for sale	(36,789)	(219)	(13,445)

Maturity of marketable securities available for sale	4,865	12,371	82,904
Proceeds from the sale of discontinued operations	—	928,171	27,335
Equity investment distributions	404	608	—
Investing in discontinued operations	—	(13,721)	—
Investment in note receivable	—	(6,187)	—
Business acquired, net of cash	(9,734)	(815,008)	(86,322)
Net cash used in investing activities	(67,282)	98,245	(39,775)
Financing activities:			
Proceeds from the exercise of stock options	—	2,584	13,633
Taxes paid on withholding shares	—	(442)	—
Payments on contingent consideration	—	(122)	—
Debt issuance costs related to the Credit Facility	—	(3,692)	(1,346)
Debt issuance cost related to amendment	—	(16,776)	—
Debt issuance costs related to long-term debt	—	(19,887)	—
Extinguishment of outstanding Convertible Senior Notes	(113,696)	—	—
Proceeds from issuance of long-term debt	—	900,000	—
Repayment of long-term debt	—	(900,000)	—
Borrowings on revolving line of credit	—	—	144,000
Repayment of revolving line of credit	—	(29,000)	(115,000)
Excess tax benefits from stock option exercises	—	17	—
Repurchase of common stock	—	—	(40,025)
Proceeds from the sale of treasury stock in connection with an employee stock purchase plan	—	1,047	2,183
Proceeds from issuance of preferred stock	86,220	—	—
Preferred dividend payment	(7,075)	—	—
Proceeds from mandatorily redeemable financial instruments	—	33,592	—
Payments on capital obligations	(1,334)	(2,985)	(3,815)
Net cash provided by financing activities	(35,885)	(35,664)	(370)
Effect of exchange rate changes on cash	(1,729)	(9,641)	(853)
Net decrease in cash, restricted cash and cash equivalents	(136,265)	34,692	63,561
Cash, restricted cash and cash equivalents, beginning of period	246,125	211,433	147,872
Cash, restricted cash and cash equivalents, end of period	\$ 109,860	\$ 246,125	\$ 211,433



Source: Synchronoss Technologies, Inc.