

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 28, 2015

**SYNCHRONOSS TECHNOLOGIES, INC.**

(Exact name of registrant as specified in its charter)

**DELAWARE**  
(State or other jurisdiction  
of incorporation)

**000-52049**  
(Commission File Number)

**06-1594540**  
(IRS Employer Identification No.)

**200 Crossing Boulevard, 8<sup>th</sup> Floor**  
**Bridgewater, New Jersey**  
(Address of principal executive offices)

**08807**  
(Zip Code)

Registrant's telephone number, including area code: **(866) 620-3940**

**N/A**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

On October 28, 2015, Synchronoss Technologies, Inc. issued a press release relating to its results of operations and financial condition for the quarter ended September 30, 2015. The full text of this press release is furnished as Exhibit 99.1 to this Current Report on form 8-K.

The information in Item 2.02 of this Form 8-K and the Exhibit attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

The following exhibit relating to Item 2.02 shall be deemed to be furnished, and not filed:

Exhibit 99.1 Press Release of Synchronoss Technologies, Inc. dated October 28, 2015.

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**SIGNATURES**

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 hereunto duly authorized.

**SYNCHRONOSS TECHNOLOGIES, INC.**

Date: October 28, 2015

By: /s/ Stephen G. Waldis  
Stephen G. Waldis  
*Chairman of the Board of Directors  
And Chief Executive Officer*

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200 Crossing Boulevard, Bridgewater, NJ 08807

**Press Release:**

**SYNCHRONOSS TECHNOLOGIES, INC. ANNOUNCES  
THIRD QUARTER 2015 FINANCIAL RESULTS**

- *Non-GAAP total revenue of \$151.3 million increases 21% year-over-year*
- *Cloud Services revenue of \$76.1 million increases 31% year-over-year*
- *Activation Services revenue of \$75.2 million increases 11% year-over-year*
- *Non-GAAP EPS of \$0.58 increases 26% year-over-year*

**BRIDGEWATER, NJ – October 28, 2015** – Synchronoss Technologies, Inc. (NASDAQ: SNCR), the mobile innovation leader that provides cloud solutions and software-based activation for mobile carriers, retailers and OEMs around the world, today announced financial results for the third quarter 2015.

“During the third quarter, Synchronoss passed the \$600 million annualized revenue run rate, and did so while delivering 21% top line growth and a non-GAAP operating margin of 29%,” said Stephen G. Waldis, Founder, Chairman and Chief Executive Officer of Synchronoss. “We are excited about the growth opportunities ahead of us. Adoption of our cloud and activation platforms continues to grow globally, and we recently introduced powerful new predicative analytic capabilities. In addition, we have significantly expanded our addressable market with the launch of our enterprise business and the Synchronoss Secure Mobility Suite.”

On a GAAP basis, Synchronoss reported net revenues of \$150.9 million, representing an increase of 21% compared to the third quarter of 2014. Gross profit was \$87.4 million and income from operations was \$22.3 million. Net income was \$9.6 million, leading to diluted earnings per share of \$0.21, compared to \$0.22 for the third quarter of 2014.

On a non-GAAP basis, Synchronoss reported net revenues, which adds back the purchase accounting adjustment related to revenues for certain acquisitions, of \$151.3 million, an increase of 21% compared to the third quarter of 2014. Gross profit was \$92.1 million, representing a gross margin of 61%. Income from operations was \$43.2 million representing a year-over-year increase of 36% and an operating margin of 29%. Net income was \$27.1 million, up from \$20.0 million in the year ago period. Diluted earnings per share were \$0.58, compared to \$0.46 for the third quarter of 2014, an increase of 26% compared to the third quarter of 2014.

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 also included below under the heading "Non-GAAP Financial Measures."

“We are pleased with our third quarter financial results that were highlighted by ongoing strong margin performance and increased earnings,” said Karen L. Rosenberger, Chief Financial Officer and Treasurer. “We are confident that our strategic customer relationships, combined with our growth investments and expansion into new market opportunities, position us well to scale Synchronoss to the next level and generate greater shareholder value over time.”

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**Recent Business Highlights:**

- Announced the launch of our enterprise business, which will offer secure mobility solutions to enterprise clients, initially in the financial services, life sciences and healthcare industries, and will be led by David Schuette, a seasoned enterprise executive.
- Established a new venture to develop advanced mobile solutions by leveraging proprietary secure mobility technology contributed by The Goldman Sachs Group, Inc. (NYSE: GS) that will address the challenges associated with enterprise mobility applications.
- Verizon reaffirmed its commitment to Synchronoss as a valued strategic partner.

**Conference Call Details**

In conjunction with this announcement, Synchronoss will host a conference call today, October 28, 2015, at 8:30 a.m. (ET) to discuss the company's financial results. To access this call, dial 877-930-7767 (domestic) or 253-336-7416 (international). The pass code for the call is 61520070. 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](http://www.synchronoss.com).

Following the conference call, a replay will be available for a limited time at 855-859-2056 (domestic) or 404-537-3406 (international). The replay pass code is 61520070. 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](http://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, net income, effective tax rate, earnings 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 the deferred revenue write-down associated with acquisitions, 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 Technologies, Inc. (NASDAQ:SNCR), is the mobile innovation leader that provides cloud solutions and software-based activation for connected devices across the globe. The company's proven and scalable technology solutions allow customers to connect, synchronize and activate connected devices and services that empower enterprises and consumers to live in a connected world. For more information visit us at: [www.synchronoss.com](http://www.synchronoss.com).

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## Forward-looking Statements

This document may include certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, plans, objectives, expectations and intentions and other statements contained in this press release that are not historical facts and statements identified by words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "outlook" or words of similar meanings. These statements are based on our current beliefs or expectations and are inherently subject to various risks and uncertainties, including those set forth under the caption "Risk Factors" in Synchronoss' Annual Report on Form 10-K for the year ended December 31, 2014 and other documents filed with the U.S. Securities and Exchange Commission. Actual results may differ materially from these expectations due to changes in global political, economic, business, competitive, market and regulatory factors. Synchronoss does not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

*The Synchronoss logo, Synchronoss and Synchronoss Integrated Life are trademarks of Synchronoss Technologies, Inc. All other trademarks are property of their respective owners.*

**SOURCE:** Synchronoss Technologies, Inc.

**CONTACT:** Synchronoss Technologies, Inc.

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or

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**SYNCHRONOSS TECHNOLOGIES, INC.**  
**BALANCE SHEETS**  
(in thousands, except per share data)  
(Unaudited)

|   | <u>September 30, 2015</u> | <u>December 31, 2014</u> |
|---|---------------------------|--------------------------|
| <b>ASSETS</b>   |                           |                          |
| Current assets:   |                           |                          |
| Cash and cash equivalents   | \$ 143,352                | \$ 235,967               |
| Marketable securities   | 67,452                    | 51,097                   |
| Accounts receivable, net of allowance for doubtful accounts of \$376 and \$88 at September 30, 2015 and December 31, 2014, respectively   | 157,166                   | 118,371                  |
| Prepaid expenses and other assets   | 32,515                    | 35,023                   |
| Deferred tax assets   | 3,899                     | 1,475                    |
| Total current assets  | <u>404,384</u>            | <u>441,933</u>           |
| Marketable securities   | 16,195                    | 3,313                    |
| Property and equipment, net   | 168,785                   | 151,171                  |
| Goodwill  | 186,973                   | 147,135                  |
| Intangible assets, net  | 119,408                   | 99,489                   |
| Deferred tax assets   | 7,754                     | 1,232                    |
| Other assets  | 18,140                    | 18,549                   |
| Total assets  | <u>\$ 921,639</u>         | <u>\$ 862,822</u>        |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |                           |                          |
| Current liabilities:  |                           |                          |
| Accounts payable  | \$ 14,814                 | \$ 25,059                |
| Accrued expenses  | 41,594                    | 42,679                   |
| Deferred revenues   | 14,039                    | 11,897                   |
| Contingent consideration obligation   | 170                       | 8,000                    |
| Total current liabilities   | <u>70,617</u>             | <u>87,635</u>            |
| Lease financing obligation - long term  | 13,886                    | 9,204                    |
| Convertible debt  | 230,000                   | 230,000                  |
| Deferred tax liability  | 8,440                     | 3,698                    |
| Other liabilities   | 2,970                     | 3,178                    |
| Stockholders' equity:   |                           |                          |
| Preferred stock, \$0.0001 par value; 10,000 shares authorized, 0 shares issued and outstanding at September 30, 2015 and December 31, 2014  | —                         | —                        |
| Common stock, \$0.0001 par value; 100,000 shares authorized, 47,757 and 46,444 shares issued; 44,078 and 42,711 outstanding at September 30, 2015 and December 31, 2014, respectively | 4                         | 4                        |
| Treasury stock, at cost (3,679 and 3,733 shares at September 30, 2015 and December 31, 2014, respectively)  | (65,651)                  | (66,336)                 |
| Additional paid-in capital  | 498,653                   | 454,740                  |
| Accumulated other comprehensive loss  | (33,353)                  | (20,014)                 |
| Retained earnings   | 196,073                   | 160,713                  |
| Total stockholders' equity  | <u>595,726</u>            | <u>529,107</u>           |
| Total liabilities and stockholders' equity  | <u>\$ 921,639</u>         | <u>\$ 862,822</u>        |

**SYNCHRONOSS TECHNOLOGIES, INC.**  
**STATEMENT OF INCOME**  
(in thousands, except per share data)  
(Unaudited)

|  | <b>Three Months Ended September 30,</b> |                 | <b>Nine Months Ended September 30,</b> |                  |
|--|---|-----------------|--|------------------|
|  | <b>2015</b>                             | <b>2014</b>     | <b>2015</b>                            | <b>2014</b>      |
| Net revenues   | \$ 150,874                              | \$ 125,175      | \$ 421,620                             | \$ 327,103       |
| Costs and expenses:  |   |                 |  |                  |
| Cost of services (1)(2)(3)*  | 63,438                                  | 50,496          | 172,013                                | 131,766          |
| Research and development (1)(2)(3)   | 23,986                                  | 21,056          | 68,472                                 | 53,902           |
| Selling, general and administrative (1)(2)(3)  | 21,003                                  | 21,382          | 60,603                                 | 55,656           |
| Net change in contingent consideration obligation                                    | —                                       | 355             | —                                      | 1,680            |
| Restructuring charges  | 399                                     | —               | 5,090                                  | —                |
| Depreciation and amortization  | 19,754                                  | 16,268          | 51,221                                 | 42,292           |
| Total costs and expenses   | <u>128,580</u>                          | <u>109,557</u>  | <u>357,399</u>                         | <u>285,296</u>   |
| Income from operations   | 22,294                                  | 15,618          | 64,221                                 | 41,807           |
| Interest income  | 546                                     | 358             | 1,483                                  | 867              |
| Interest expense   | (1,448)                                 | (1,164)         | (4,208)                                | (2,258)          |
| Other income (4)   | (1,030)                                 | 3               | (601)                                  | 1,052            |
| Income before income tax expense   | 20,362                                  | 14,815          | 60,895                                 | 41,468           |
| Income tax expense   | (10,717)                                | (5,488)         | (25,535)                               | (16,193)         |
| Net income   | <u>\$ 9,645</u>                         | <u>\$ 9,327</u> | <u>\$ 35,360</u>                       | <u>\$ 25,275</u> |
| Net income attributable to Synchronoss   | 9,645                                   | 9,327           | 35,360                                 | 25,275           |
| Add: After-tax interest on convertible debt  | 377                                     | 247             | 1,366                                  | 247              |
| Net income for diluted EPS calculation**   | <u>\$ 10,022</u>                        | <u>\$ 9,574</u> | <u>\$ 36,726</u>                       | <u>\$ 25,522</u> |
| Net income per common share:   |   |                 |  |                  |
| Basic  | <u>\$ 0.23</u>                          | <u>\$ 0.23</u>  | <u>\$ 0.84</u>                         | <u>\$ 0.63</u>   |
| Diluted  | <u>\$ 0.21</u>                          | <u>\$ 0.22</u>  | <u>\$ 0.77</u>                         | <u>\$ 0.61</u>   |
| Weighted-average common shares outstanding:  |   |                 |  |                  |
| Basic  | <u>42,491</u>                           | <u>40,833</u>   | <u>42,077</u>                          | <u>40,173</u>    |
| Diluted  | <u>47,692</u>                           | <u>44,265</u>   | <u>47,505</u>                          | <u>41,795</u>    |
| * Cost of services excludes depreciation and amortization which is shown separately. |   |                 |  |                  |
| ** Includes an add back for the convertible debt interest                            |   |                 |  |                  |
| (1) Amounts include fair value stock-based compensation as follows:                  |   |                 |  |                  |
| Cost of services   | \$ 1,884                                | \$ 1,575        | \$ 4,969                               | \$ 4,286         |
| Research and development   | 1,986                                   | 1,657           | 5,113                                  | 4,303            |
| Selling, general and administrative  | 4,277                                   | 4,556           | 11,152                                 | 11,881           |
| Total fair value stock-based compensation expense                                    | <u>\$ 8,147</u>                         | <u>\$ 7,788</u> | <u>\$ 21,234</u>                       | <u>\$ 20,470</u> |
| (2) Amounts include acquisition costs as follows:                                    |   |                 |  |                  |
| Cost of services   | \$ 2,304                                | \$ —            | \$ 3,202                               | \$ 31            |
| Research and development   | 2,289                                   | —               | 4,932                                  | 77               |
| Selling, general and administrative  | 134                                     | 1,932           | 449                                    | 2,285            |
| Total acquisition costs  | <u>\$ 4,727</u>                         | <u>\$ 1,932</u> | <u>\$ 8,583</u>                        | <u>\$ 2,393</u>  |
| (3) Amounts include fair value earn-out cash and stock compensation as follows:      |   |                 |  |                  |
| Cost of services   | \$ —                                    | \$ —            | \$ —                                   | \$ 16            |
| Research and development   | —                                       | —               | —                                      | —                |
| Selling, general and administrative  | —                                       | 400             | —                                      | 1,232            |
| Total fair value earn-out cash and stock compensation expense                        | <u>\$ —</u>                             | <u>\$ 400</u>   | <u>\$ —</u>                            | <u>\$ 1,248</u>  |
| (4) Amounts include Fx change of the contingent consideration obligation as follows: |   |                 |  |                  |
| Other (expense) income   | \$ —                                    | \$ 41           | \$ —                                   | \$ 41            |



**SYNCHRONOSS TECHNOLOGIES, INC.**  
**Reconciliation of GAAP to Non-GAAP Financial Measures**  
**(in thousands, except per share data)**  
**(Unaudited)**

|  | <u>Three Months Ended September 30,</u> |                   | <u>Nine Months Ended September 30,</u> |                   |
|--|---|-------------------|--|-------------------|
|  | <u>2015</u>                             | <u>2014</u>       | <u>2015</u>                            | <u>2014</u>       |
| Non-GAAP financial measures and reconciliation:                          |   |                   |  |                   |
| <b>GAAP Revenue</b>  | \$ 150,874                              | \$ 125,175        | \$ 421,620                             | \$ 327,103        |
| Add: Deferred revenue write-down   | 475                                     | 315               | 692                                    | 648               |
| <b>Non-GAAP Revenue</b>  | <u>\$ 151,349</u>                       | <u>\$ 125,490</u> | <u>\$ 422,312</u>                      | <u>\$ 327,751</u> |
| <b>GAAP Revenue</b>  | \$ 150,874                              | \$ 125,175        | \$ 421,620                             | \$ 327,103        |
| Less: Cost of services   | 63,438                                  | 50,496            | 172,013                                | 131,766           |
| <b>GAAP Gross Margin</b>   | 87,436                                  | 74,679            | 249,607                                | 195,337           |
| Add: Deferred revenue write-down   | 475                                     | 315               | 692                                    | 648               |
| Add: Fair value stock-based compensation                                 | 1,884                                   | 1,575             | 4,969                                  | 4,286             |
| Add: Acquisition and restructuring costs                                 | 2,304                                   | —                 | 3,202                                  | 31                |
| Add: Deferred compensation expense - earn-out                            | —                                       | —                 | —                                      | 16                |
| <b>Non-GAAP Gross Margin</b>   | <u>\$ 92,099</u>                        | <u>\$ 76,569</u>  | <u>\$ 258,470</u>                      | <u>\$ 200,318</u> |
| <b>Non-GAAP Gross Margin %</b>   | 61%                                     | 61%               | 61%                                    | 61%               |
| <b>GAAP income from operations</b>                                       | \$ 22,294                               | \$ 15,618         | \$ 64,221                              | \$ 41,807         |
| Add: Deferred revenue write-down   | 475                                     | 315               | 692                                    | 648               |
| Add: Fair value stock-based compensation                                 | 8,147                                   | 7,788             | 21,234                                 | 20,470            |
| Add: Acquisition and restructuring costs                                 | 5,126                                   | 1,932             | 13,673                                 | 2,393             |
| Add: Net change in contingent consideration obligation                   | —                                       | 355               | —                                      | 1,680             |
| Add: Deferred compensation expense - earn-out                            | —                                       | 400               | —                                      | 1,248             |
| Add: Amortization expense  | 7,184                                   | 5,353             | 18,509                                 | 13,650            |
| <b>Non-GAAP income from operations</b>                                   | <u>\$ 43,226</u>                        | <u>\$ 31,761</u>  | <u>\$ 118,329</u>                      | <u>\$ 81,896</u>  |
| <b>GAAP net income attributable to common stockholders</b>               | \$ 9,645                                | \$ 9,327          | \$ 35,360                              | \$ 25,275         |
| Add: Deferred revenue write-down, net of tax                             | 365                                     | 208               | 513                                    | 432               |
| Add: Fair value stock-based compensation, net of tax                     | 6,799                                   | 5,047             | 15,730                                 | 13,662            |
| Add: Acquisition and restructuring costs, net of taxes                   | 4,297                                   | 1,284             | 10,129                                 | 1,597             |
| Add: Net change in contingent consideration obligation, net of Fx change | —                                       | 395               | —                                      | 1,721             |
| Add: Deferred compensation expense - earn-out, net of tax                | —                                       | 257               | —                                      | 833               |
| Add: Amortization expense, net of tax                                    | 5,983                                   | 3,476             | 13,711                                 | 9,110             |
| <b>Non-GAAP net income</b>   | <u>\$ 27,089</u>                        | <u>\$ 19,994</u>  | <u>\$ 75,443</u>                       | <u>\$ 52,630</u>  |
| Net income attributable to Synchronoss                                   | 27,089                                  | 19,994            | 75,443                                 | 52,630            |
| Add: After-tax interest on convertible debt                              | 516                                     | 253               | 1,544                                  | 253               |
| <b>Net income for diluted EPS calculation</b>                            | <u>\$ 27,605</u>                        | <u>\$ 20,247</u>  | <u>\$ 76,987</u>                       | <u>\$ 52,883</u>  |
| Diluted non-GAAP net income per share                                    | \$ 0.58                                 | \$ 0.46           | \$ 1.62                                | \$ 1.27           |
| Weighted shares outstanding - Diluted                                    | <u>47,692</u>                           | <u>44,265</u>     | <u>47,505</u>                          | <u>41,795</u>     |

**SYNCHRONOSS TECHNOLOGIES, INC.**  
**STATEMENT OF CASH FLOWS**  
(in thousands)  
(Unaudited)

|   | <b>Nine Months Ended September 30,</b> |                   |
|---|--|-------------------|
|   | <b>2015</b>                            | <b>2014</b>       |
| <b>Operating activities:</b>  |  |                   |
| Net income  | \$ 35,360                              | \$ 25,275         |
| Adjustments to reconcile net income to net cash provided by operating activities:           |  |                   |
| Depreciation and amortization expense   | 51,221                                 | 42,292            |
| Amortization of debt issuance costs   | 1,125                                  | 242               |
| Amortization of bond premium  | 1,261                                  | 263               |
| Deferred income taxes   | (11,772)                               | (2,407)           |
| Non-cash interest on leased facility  | 694                                    | 709               |
| Stock-based compensation  | 21,234                                 | 20,470            |
| Changes in operating assets and liabilities:  |  |                   |
| Accounts receivable, net of allowance for doubtful accounts                                 | (40,442)                               | (40,795)          |
| Prepaid expenses and other current assets   | 8,020                                  | (4,434)           |
| Other assets  | (670)                                  | (2,804)           |
| Accounts payable  | 106                                    | 8,331             |
| Accrued expenses  | (4,975)                                | (1,570)           |
| Contingent consideration obligation   | (1,532)                                | 2,881             |
| Excess tax benefit from the exercise of stock options                                       | (4,710)                                | (754)             |
| Other liabilities   | (138)                                  | 1,228             |
| Deferred revenues   | 1,610                                  | (3,925)           |
| Net cash provided by operating activities   | <u>56,392</u>                          | <u>45,002</u>     |
| <b>Investing activities:</b>  |  |                   |
| Purchases of fixed assets   | (53,461)                               | (24,796)          |
| Purchases of intangible assets  | (1,200)                                | —                 |
| Purchases of marketable securities available-for-sale                                       | (105,817)                              | (27,657)          |
| Maturities of marketable securities available-for-sale                                      | 75,370                                 | 1,990             |
| Businesses acquired, net of cash  | (83,592)                               | (38,085)          |
| Net cash used in investing activities   | <u>(168,700)</u>                       | <u>(88,548)</u>   |
| <b>Financing activities:</b>  |  |                   |
| Proceeds from the exercise of stock options   | 16,752                                 | 20,727            |
| Payments on contingent consideration obligation   | (4,468)                                | —                 |
| Debt issuance costs related to convertible notes  | —                                      | (6,561)           |
| Proceeds from issuance of convertible notes   | —                                      | 230,000           |
| Borrowings on revolving line of credit  | —                                      | 40,000            |
| Repayment of revolving line of credit   | —                                      | (40,000)          |
| Excess tax benefit from the exercise of stock options                                       | 4,710                                  | 754               |
| Proceeds from the sale of treasury stock in connection with an employee stock purchase plan | 1,902                                  | 1,677             |
| Repayments of capital obligations   | (1,772)                                | (1,129)           |
| Net cash provided by financing activities   | <u>17,124</u>                          | <u>245,468</u>    |
| Effect of exchange rate changes on cash   | 2,569                                  | 189               |
| Net (decrease) increase in cash and cash equivalents  | (92,615)                               | 202,111           |
| Cash and cash equivalents at beginning of period  | 235,967                                | 63,512            |
| Cash and cash equivalents at end of period  | <u>\$ 143,352</u>                      | <u>\$ 265,623</u> |

**SYNCHRONOSS TECHNOLOGIES, INC.**  
**Reconciliation of GAAP to Non-GAAP Cash Provided by Operating Activities**  
**(in thousands)**  
**(Unaudited)**

|   | <b>Nine Months Ended September 30,</b> |                  |
|---|--|------------------|
|   | <b>2015</b>                            | <b>2014</b>      |
| Non-GAAP cash provided by operating activities and reconciliation:    |  |                  |
| <b>Net cash provided by operating activities (GAAP)</b>               | \$ 56,392                              | \$ 45,002        |
| Add: Tax benefits from stock options exercised                        | 4,710                                  | 754              |
| Add: Cash payments on settlement of earn-out                          | 3,532                                  | —                |
| <b>Adjusted cash flow provided by operating activities (Non-GAAP)</b> | <b>\$ 64,634</b>                       | <b>\$ 45,756</b> |

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