

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)

February 29, 2016

EBIX, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-15946
(Commission File Number)

77-0021975
(IRS Employer
Identification No.)

1 Ebix Way Johns Creek, GA
(Address of principal executive offices)

30097
(Zip Code)

Registrant's telephone number, including area code **(678) 281-2020**

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 (see General Instruction A.2. below):

- 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))

Item 2.02 Results of Operations and Financial Condition.

On February 29, 2016, Ebix, Inc. issued an earnings press release announcing its results of operations and financial condition for the most recent fiscal quarter ended December 31, 2015 and its entire 2015 fiscal year. A copy of the related press release is being filed as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference in its entirety.

The information in this Form 8-K and the exhibit attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

Exhibits

99.1 Press release, dated February 29, 2016, issued by Ebix, Inc.

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.

EBIX, INC.

By: /s/ Robert Kerris

Name: Robert Kerris

Executive Vice President and Chief Financial Officer
(principal financial and accounting officer)

Title:

Dated: March 1, 2016



Ebix Reports Record Q4 Revenues of \$70.2M and Diluted EPS of \$0.65; Full Year Revenues Rose 24% to \$265.5M and Diluted EPS Rose 36% to \$2.28

JOHNS CREEK, GA - February 29, 2016 - Ebix, Inc. (NASDAQ: EBIX), a leading international supplier of On-Demand software and E-commerce services to the insurance, financial and healthcare industries, today reported results for the fiscal fourth quarter (Q4 2015) and full year ended December 31, 2015. Ebix will host a conference call to review its results today at 11:00 a.m. EST (details below).

Ebix delivered the following results for the fourth quarter and full year of 2015:

Revenues: Total Q4 2015 revenue was \$70.2 million, an increase of 16% as compared to Q4 2014 revenue of \$60.6 million and a 5% increase over Q3 2015 revenue of \$66.8 million. On a constant currency basis, Ebix Q4 2015 revenue increased 20% to \$72.9 million as compared to \$60.6 million in Q4 of 2014.

For the full year, 2015 revenue was \$265.5 million, an increase of 24% as compared to 2014 revenue of \$214.3 million. Full year 2015 revenue increased 29% on a constant currency basis to \$276.2 million as compared to \$214.3 million in 2014.

The Exchange channel continued to be the largest channel for Ebix accounting for 72% of the Company's 2015 Revenues.

(dollar amounts in thousands)

| Channel | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
|---|------------------|------------------|-------------|-------------------|-------------------|-------------|
| Exchanges | \$ 51,034 | \$ 44,225 | +15% | \$ 190,746 | \$ 169,437 | +13% |
| Broker Systems | 3,414 | 4,086 | -16% | 14,481 | 17,948 | -19% |
| Risk Compliance Solutions (RCS) | 14,699 | 11,390 | +29% | 55,917 | 21,813 | +156% |
| Carrier Systems | 1,057 | 932 | +13% | 4,338 | 5,123 | -15% |
| Total Revenue | \$ 70,204 | \$ 60,633 | +16% | \$ 265,482 | \$ 214,321 | +24% |
| Total Revenue on Constant Currency Basis | \$ 72.9M | \$ 60.6M | +20% | \$ 276.2M | \$ 214.3M | +29% |

Earnings per Share: Q4 2015 diluted earnings per share increased 44% to \$0.65 as compared to \$0.45 in Q4 2014. Full year 2015 diluted earnings per share increased 36% to \$2.28 from \$1.67 in 2014. Reflecting the benefit of ongoing share repurchase activity, Ebix's weighted average diluted shares outstanding decreased to 33.9 million in Q4 2015 compared to 36.8 million in Q4 2014 and also decreased to 34.9 million in 2015 compared to 38.0 million in 2014.

Operating Cash: Cash generated from operations in Q4 2015 was \$23.0 million up 14% as compared to \$20.1 million in Q4 2014.

Operating cash flow totaled \$48.7 million in 2015, down 17% as compared to \$58.5 million in 2014. 2015 was negatively impacted by the one-time cash payment of \$20.5 million in January 2015 stemming from the resolution of the previously disclosed Internal Revenue Service's audit of Ebix's income tax returns for the taxable years 2008 through 2012.

Operating Income and Margins: Operating margins for the quarter were strong at 37%. Operating income for Q4 2015 rose 23% to \$25.8 million as compared to \$21.1 million in Q4 2014.

Full year 2015 operating margins were at 33%. Operating income for 2015 rose 11% to \$88.7 million as compared to \$79.7 million in 2014.

Net Income: Q4 2015 net income was \$21.9 million, up 33% as compared to Q4 2014 net income of \$16.5 million. Net income increased \$16.0 million or 25%, to \$79.5 million in 2015 compared to \$63.6 million in 2014.

Share Repurchases: During 2015, the Company repurchased 2,924,306 shares of its outstanding common stock for aggregate cash consideration of \$82.5 million. In Q4 2015, the Company repurchased 411,000 shares of its outstanding common stock for aggregate cash consideration of \$13.7 million. Subsequent to December 31 and through February 29, 2016 the Company has repurchased an additional 466,000 shares for aggregate cash consideration of \$14.0 million.

Q1 2016 Diluted Share Count: As of today, the Company expects the diluted share count for Q1 2016 to be approximately 33.3 million.

Dividend: Ebix paid its regularly quarterly dividend of \$0.075 per share in Q4 2015 for a total of \$2.5 million.

Ebix Chairman, President and CEO Robin Raina said, "We are clearly excited with the momentum that we have generated in the business and pleased to finish 2015 on a strong note. Record Q4 revenues of \$70.2 million bring us a step closer to our goal of an annualized top-line run rate of \$300 million discussed a few months back. Our Q4 2015 EBITDA plus non-cash stock based compensation translates into an annualized run rate of approximately \$116 million, confirming our focus on cash generation."

"With our revenues and operating margins headed in the right direction, and the Company evaluating a number of material deals at present, we feel that we are well positioned for a record 2016." Robin added, "Our team remains very focused on balancing revenue growth with delivering strong operating margins and cash flows."

"While M&A should continue to play an important role in accelerating the pace of our growth, we remain extremely disciplined in our acquisition criteria and are never shy in abandoning a prospective acquisition, whatever the stage, if we develop any doubts regarding the synergies, valuation, fit, risk profile or the underlying financing structure. In the case of the Xchanging transaction, while we liked the economics very much, the uncertainty of the debt markets where we intended to fund the bulk of the transaction, proved to be too great a risk to proceed." Robin said, "Nonetheless, between our cash reserves, available credit, ongoing cash generation and the strong backing of our bank syndicate, we believe that we are well positioned today to fund much larger accretive acquisitions than we have made in the past, as well as to continue the opportunistic repurchases of our common stock in 2016."

Robert Kerris, Ebix's EVP and CFO said "The Company continues to produce robust operating cash flows, generating \$23.0 million during Q4 of 2015. Amongst other initiatives targeted at maximizing shareholder value, Ebix utilized \$16.2 million of cash during Q4 2015, on re-purchasing 411,000 shares of Ebix common stock for \$13.7 million and paying \$2.5 million in quarterly dividends."

Robert added, "Our financial position remains strong with \$58.7 million in aggregate cash, cash equivalents, and short-term cash deposit investments, working capital/short-term liquidity of \$65.6 million, and an accounts receivable DSO of 61 days as of 31st December 2015. Ebix presently has access to approximately \$92.2 million of readily available cash resources from its financing facility with its Bank Syndicate, combined with cash on hand to support continued organic and acquisitive growth."

Conference Call Details:

| | |
|---------------------|--|
| Call Date/Time: | Monday, February 29, 2016 at 11:00 a.m. EST |
| Call Dial-In: | +1-877-837-3909 or 1-973-409-9690; Call ID #48661833 |
| Live Audio Webcast: | www.ebix.com/webcast |
| Audio Replay URL: | www.ebix.com/result_15_q4 after 2:00 p.m. EST on Feb 29 th |

About Ebix, Inc.

A leading international supplier of On-Demand software and E-commerce services to the insurance, financial and healthcare industries, Ebix, Inc., (NASDAQ: EBIX) provides end-to-end solutions ranging from infrastructure exchanges, carrier systems, agency systems and risk compliance solutions to custom software development for all entities involved in the insurance industry.

With 40+ offices across Brazil, Singapore, Australia, the US, UK, New Zealand, India and Canada, Ebix powers multiple exchanges across the world in the field of life, annuity, health and property & casualty insurance while conducting in excess of \$100 billion in insurance premiums on its platforms. Through its various SaaS-based software platforms, Ebix employs hundreds of insurance and technology professionals to provide products, support and consultancy to thousands of customers on six continents. For more information, visit the Company's website at www.ebix.com

SAFE HARBOR REGARDING FORWARD-LOOKING STATEMENTS

As used herein, the terms "Ebix," "the Company," "we," "our" and "us" refer to Ebix, Inc., a Delaware corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Ebix, Inc.

The information contained in this Press Release contains forward-looking statements and information within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. This information includes assumptions made by, and information currently available to management, including statements regarding future economic performance and financial condition, liquidity and capital resources, acceptance of the Company's products by the market, and management's plans and objectives. In addition, certain statements included in this and our future filings with the Securities and Exchange Commission ("SEC"), in press releases, and in oral and written statements made by us or with our approval, which are not statements of historical fact, are forward-looking statements. Words such as "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "seeks," "plan," "project," "continue," "predict," "will," "should," and other words or expressions of similar meaning are intended by the Company to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements are found at various places throughout this report and in the documents incorporated herein by reference. These statements are based on our current expectations about future events or results and information that is currently available to us, involve assumptions, risks, and uncertainties, and speak only as of the date on which such statements are made.

Our actual results may differ materially from those expressed or implied in these forward-looking statements. Factors that may cause such a difference, include, but are not limited to those discussed in our Annual Report on Form 10-K and subsequent reports filed with the SEC, as well as: the risk of an unfavorable outcome of the pending governmental investigations or shareholder class action lawsuits, reputational harm caused by such investigations and lawsuits, the willingness of independent insurance agencies to outsource their computer and other processing needs to third parties; pricing and other competitive pressures and the

Company's ability to gain or maintain share of sales as a result of actions by competitors and others; changes in estimates in critical accounting judgments; changes in or failure to comply with laws and regulations, including accounting standards, taxation requirements (including tax rate changes, new tax laws and revised tax interpretations) in domestic or foreign jurisdictions; exchange rate fluctuations and other risks associated with investments and operations in foreign countries (particularly in Australia and India wherein we have significant operations); equity markets, including market disruptions and significant interest rate fluctuations, which may impede our access to, or increase the cost of, external financing; and international conflict, including terrorist acts.

Except as expressly required by the federal securities laws, the Company undertakes no obligation to update any such factors, or to publicly announce the results of, or changes to any of the forward-looking statements contained herein to reflect future events, developments, changed circumstances, or for any other reason.

Readers should carefully review the disclosures and the risk factors described in the documents we file from time to time with the SEC, including future reports on Forms 10-Q and 8-K, and any amendments thereto.

You may obtain our SEC filings at our website, www.ebix.com under the "Investor Information" section, or over the Internet at the SEC's web site, www.sec.gov.

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Catalyst Global - 212-924-9800 or ebix@catalyst-ir.com

Ebix, Inc. and Subsidiaries
Consolidated Statements of Income
(In thousands, except per share data)

| | Three Months Ended | | Twelve Months Ended | |
|---|--------------------|------------------|---------------------|-------------------|
| | December 31, | | December 31, | |
| | 2015 | 2014 | 2015 | 2014 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| Operating revenue | \$ 70,204 | \$ 60,633 | \$ 265,482 | \$ 214,321 |
| Operating expenses: | | | | |
| Cost of services provided | 16,444 | 17,537 | 72,437 | 47,388 |
| Product development | 8,029 | 6,630 | 30,702 | 26,860 |
| Sales and marketing | 4,122 | 3,196 | 14,917 | 13,840 |
| General and administrative (net) | 13,083 | 9,963 | 48,078 | 36,880 |
| Amortization and depreciation | 2,702 | 2,239 | 10,634 | 9,681 |
| | <u>44,380</u> | <u>39,565</u> | <u>176,768</u> | <u>134,649</u> |
| Total operating expenses | | | | |
| Operating income | 25,824 | 21,068 | 88,714 | 79,672 |
| Interest income | 64 | 53 | 231 | 379 |
| Interest expense | -1,909 | -2,184 | -4,311 | -3,034 |
| Non-operating income - put options | 0 | 0 | 0 | 296 |
| Non-operating expense - securities litigation | 0 | -340 | 0 | -690 |
| Foreign currency exchange gain (loss) | -354 | 297 | 2,005 | 829 |
| Income before income taxes | 23,625 | 18,894 | 86,639 | 77,452 |
| Income tax expense | -1,696 | -2,347 | -7,106 | -13,894 |
| Net income | \$ 21,929 | \$ 16,547 | \$ 79,533 | \$ 63,558 |
| Basic earnings per common share | \$ 0.65 | \$ 0.45 | \$ 2.29 | \$ 1.68 |
| Diluted earnings per common share | \$ 0.65 | \$ 0.45 | \$ 2.28 | \$ 1.67 |
| Basic weighted average shares outstanding | 33,678 | 36,588 | 34,668 | 37,809 |
| Diluted weighted average shares outstanding | 33,931 | 36,801 | 34,901 | 38,040 |

Ebix, Inc. and Subsidiaries
Consolidated Balance Sheets

| | December 31, 2015 | December 31, 2014 |
|---|---|----------------------------------|
| | (In thousands, except share and per share amounts) | |
| | Unaudited | Audited |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 57,179 | \$ 52,300 |
| Short-term investments | 1,538 | 281 |
| Trade accounts receivable, less allowances of \$3,388 and \$1,619, respectively | 47,171 | 41,100 |
| Other current assets | 10,942 | 8,067 |
| Total current assets | 116,830 | 101,748 |
| Property and equipment, net | 34,088 | 24,661 |
| Goodwill | 402,259 | 402,220 |
| Intangibles, net | 51,848 | 49,371 |
| Indefinite-lived intangibles | 30,887 | 30,887 |
| Capitalized software development costs, net | 3,489 | 0 |
| Deferred tax asset, net | 23,732 | 20,871 |
| Other assets | 12,856 | 4,553 |
| Total assets | \$ 675,989 | \$ 634,311 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 23,043 | \$ 40,121 |
| Accrued payroll and related benefits | 4,932 | 5,280 |
| Contingent liability for accrued earn-out acquisition consideration | 1,706 | 887 |
| Current portion of long term debt and capital lease obligation, net of discount of \$3 and \$7, respectively | 606 | 936 |
| Deferred revenue | 20,519 | 22,192 |
| Current deferred rent | 232 | 268 |
| Other current liabilities | 228 | 102 |
| Total current liabilities | 51,266 | 69,786 |
| Revolving line of credit | 206,465 | 120,465 |
| Other long term debt and capital lease obligation, less current portion, net of discount of \$0 and \$7, respectively | 35 | 593 |
| Contingent liability for accrued earn-out acquisition consideration | 2,571 | 4,480 |
| Deferred revenue | 1,968 | 2,496 |
| Long term deferred rent | 1,381 | 2,091 |
| Other liabilities | 3,332 | 2,179 |
| Total liabilities | 267,018 | 202,090 |
| Stockholders' equity: | | |
| Convertible Series D Preferred stock, \$.10 par value, 500,000 shares authorized, no shares issued and outstanding at December 31, 2015 and 2014 | 0 | 0 |
| Common stock, \$.10 par value, 60,000,000 shares authorized, 33,416,110 issued and outstanding at December 31, 2015 and 36,232,074 issued and 36,191,565 outstanding at December 31, 2014 | 3,342 | 3,619 |
| Additional paid-in capital | 57,120 | 137,101 |
| Treasury stock (no shares as of December 31, 2015 and 40,509 shares December 31, 2014) | 0 | -76 |
| Retained earnings | 378,787 | 309,726 |

| | | |
|---|-------------------|-------------------|
| Accumulated other comprehensive loss | -30,278 | -18,149 |
| Total stockholders' equity | 408,971 | 432,221 |
| Total liabilities, temporary equity and stockholders' equity | \$ 675,989 | \$ 634,311 |

Ebix, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
|---|---|---|
| | Unaudited | Audited |
| Cash flows from operating activities: | | |
| Net income | \$ 79,533 | \$ 63,558 |
| Adjustments to reconcile net income to cash provided by operating activities: | | |
| Depreciation and amortization | 10,634 | 9,681 |
| Provision for doubtful accounts | 3,111 | 1,600 |
| Provision for deferred taxes, net of acquisitions and effects of currency translation | -10,143 | -1,966 |
| Unrealized foreign exchange gain | -1,743 | -741 |
| Unrealized gain on put option | 0 | -296 |
| Share-based compensation | 1,821 | 1,792 |
| Debt discount amortization on convertible debt | 17 | 35 |
| Reduction of acquisition earn-out contingent liability | -1,533 | -10,237 |
| Changes in current assets and liabilities, net of acquisitions: | | |
| Accounts receivable | -7,320 | -1,530 |
| Other assets | -3,834 | -4,765 |
| Accounts payable and accrued expenses | -19,895 | 14,670 |
| Accrued payroll and related benefits | -60 | 1,811 |
| Deferred rent | -656 | -324 |
| Reserve for potential uncertain income tax return positions | 95 | -9,723 |
| Liability - securities litigation settlement | -690 | -3,528 |
| Other liabilities | 1,111 | -221 |
| Deferred revenue | -1,762 | -1,306 |
| Net cash provided by operating activities | 48,686 | 58,510 |
| Cash flows from investing activities: | | |
| Investment in Via Media Health, net of cash acquired | -1,000 | 0 |
| Investment in P.B. Systems, net of cash acquired | -11,475 | 0 |
| Investment in Ebix Health Solutions, LLC Joint Venture | -6,000 | 0 |
| Investment in CurePet, net of cash acquired | 0 | 3 |
| Investment in Healthcare Magic, net of cash acquired | 0 | -5,856 |
| Investment in Vertex, net of cash acquired | 0 | -27,547 |
| Investment in Oakstone, net of cash acquired | 0 | -23,791 |
| Investment in I3, net of cash acquired | 0 | -2,000 |
| Payment of acquisition earn-out contingency, Taimma | 0 | -2,250 |
| Payment of acquisition earn-out contingency, Trisystems | 0 | -563 |
| Purchases of marketable securities | -1,435 | 0 |
| Maturities of marketable securities | 0 | 495 |
| Capitalized software development costs | -3,489 | 0 |
| Capital expenditures | -13,994 | -16,277 |
| Net cash used in investing activities | -37,393 | -77,786 |
| Cash flows from financing activities: | | |
| Proceeds from line of credit, net | 86,000 | 97,625 |
| Principal payments on term loan obligation | -642 | -31,938 |
| Repurchase of common stock | -81,653 | -31,854 |

| | | |
|---|------------------|------------------|
| Payments of long term debt | 0 | -345 |
| Payments for capital lease obligations | -10 | -231 |
| Excess tax benefit from share-based compensation | 463 | -3,200 |
| Proceeds from exercise of common stock options | 2,209 | 788 |
| Forfeiture of certain shares to satisfy exercise costs and the recipients income tax obligations related to stock options exercised and restricted stock vested | -2,202 | -41 |
| Shares reacquired in connection with put option | 0 | -3,535 |
| Dividends paid | -10,472 | -11,406 |
| Net cash provided (used) by financing activities | -6,307 | 15,863 |
| Effect of foreign exchange rates on cash and cash equivalents | \$ -107 | \$ -961 |
| Net change in cash and cash equivalents | 4,879 | -4,374 |
| Cash and cash equivalents at the beginning of the year | \$ 52,300 | \$ 56,674 |
| Cash and cash equivalents at the end of the year | \$ 57,179 | \$ 52,300 |
| Supplemental disclosures of cash flow information: | | |
| Interest paid | 5,379 | 1,290 |
| Income taxes paid | 28,637 | 11,433 |