



## **Supplemental Financial Data Workbook**

**First Quarter 2019**

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## Explanation of Non-GAAP Financial Measures

Allscripts reports its financial results in accordance with U.S. generally accepted accounting principles, or GAAP. To supplement this information, Allscripts presents in this supplemental data package non-GAAP revenue, gross profit and gross margin, which are considered non-GAAP financial measures under Section 101 of Regulation G under the Securities Exchange Act of 1934, as amended. The definitions of non-GAAP financial measures used throughout this document are presented below:

- Non-GAAP revenue consists of GAAP revenue as reported and adds back recognized deferred revenue from the EIS business, Practice Fusion, HealthGrid, NantHealth's provider/patient solutions business and non-material consolidated affiliates that is eliminated for GAAP purposes due to purchase accounting adjustments.
- Non-GAAP gross profit consists of GAAP gross profit, as reported, and excludes acquisition-related deferred revenue adjustments, acquisition-related amortization, stock-based compensation expense, and transaction, legal and other costs. Non-GAAP gross margin consists of non-GAAP gross profit as a percentage of non-GAAP revenue in the applicable period.

Management believes that non-GAAP revenue, gross profit and gross margin provide useful supplemental information to management and investors regarding the underlying performance of Allscripts business operations. Acquisition accounting adjustments made in accordance with GAAP can make it difficult to make meaningful comparisons of the underlying operations of the business without considering the non-GAAP adjustments provided and discussed herein. Management also uses this information internally for forecasting and budgeting, as it believes that these measures are indicative of core operating results. In addition, management may use non-GAAP gross profit to measure achievement under Allscripts stock and cash incentive compensation plans. Note, however, that non-GAAP gross profit is a performance measure only, and it does not provide any measure of cash flow or liquidity. Non-GAAP financial measures are not in accordance with, or an alternative for, measures of financial performance prepared in accordance with GAAP and may be different from non-GAAP measures used by other companies. Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with Allscripts results of operations as determined in accordance with GAAP. Investors and potential investors are encouraged to review the definitions and reconciliations of non-GAAP financial measures with GAAP financial measures contained within the company's press release dated May 2, 2019.

**Table 1**  
**Allscripts Healthcare Solutions, Inc.**  
**Contract Backlog and Other Metrics**  
(In millions)  
(unaudited)

	2017				2018				2019	Pct Change
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	2019/2018
<b>Total Bookings</b>	234	315	194	265	263	211	198	295	286	9%
	2017				2018				2019	2019/2018
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q4 vs Q1
<b>Total Contract Backlog</b>	3,672	3,712	3,604	4,157	4,277	4,320	4,127	3,857	4,041	5%
	2017				2018				2019	2019/2018
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q1
<b>Other Metrics:</b>										
(A) Gross research and development expenses (includes stock based compensation expense)	64.5	68.3	69.7	94.7	91.0	105.7	88.8	96.3	92.0	1%
(B) Capitalized software development costs	(19.3)	(26.1)	(23.2)	(26.3)	(26.2)	(31.2)	(25.8)	(30.2)	(27.7)	6%
<b>Research and development expenses on GAAP Statement of Operations</b>	<b>45.2</b>	<b>42.2</b>	<b>46.5</b>	<b>68.4</b>	<b>64.8</b>	<b>74.5</b>	<b>63.0</b>	<b>66.1</b>	<b>64.3</b>	-1%
(C) Capitalized software amortization included in cost of revenue	11.5	12.1	13.1	14.9	15.8	15.3	15.9	17.4	19.2	22%
Gross Capitalization Rate (-B/A)	30%	38%	33%	28%	29%	30%	29%	31%	30%	N/A
Accounts receivable	339	346	366	493	429	445	448	465	458	7%
A/R days sales outstanding	91	91	91	97	90	90	93	96	97	8%

Note: A/R days sales outstanding are calculated using Non-GAAP revenue.



**Table 3**  
**Allscripts Healthcare Solutions, Inc.**  
**Non-GAAP Financial Information**  
(In millions)  
(unaudited)

	2017					2018					2019
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1
<b><u>Software Delivery, Support &amp; Maintenance</u></b>											
<b>Revenue, as reported</b>	<b>221.8</b>	<b>225.5</b>	<b>236.4</b>	<b>274.5</b>	<b>958.2</b>	<b>280.6</b>	<b>284.5</b>	<b>274.1</b>	<b>289.1</b>	<b>1,128.3</b>	<b>275.5</b>
Acquisition-related deferred revenue adjustments	(0.1)	0.3	0.4	24.8	25.4	2.2	4.9	4.8	0.5	12.4	0.4
<b>Non-GAAP Revenue</b>	<b>221.7</b>	<b>225.8</b>	<b>236.8</b>	<b>299.3</b>	<b>983.6</b>	<b>282.8</b>	<b>289.4</b>	<b>278.9</b>	<b>289.6</b>	<b>1,140.7</b>	<b>275.9</b>
<b>Gross Profit, as reported</b>	<b>134.9</b>	<b>133.7</b>	<b>149.0</b>	<b>160.3</b>	<b>577.9</b>	<b>168.7</b>	<b>167.0</b>	<b>161.7</b>	<b>171.0</b>	<b>668.4</b>	<b>159.2</b>
Acquisition-related deferred revenue adjustments	0.0	0.3	0.4	24.8	25.5	2.2	4.9	4.8	0.7	12.6	0.4
Acquisition-related amortization	8.1	8.1	7.1	9.8	33.1	10.2	9.3	9.5	9.5	38.5	9.0
Stock-based compensation expense	1.2	1.0	0.3	0.4	2.9	0.6	0.5	0.5	0.6	2.2	0.5
Transaction, legal and other costs	(0.2)	0.1	0.2	0.0	0.1	(0.2)	3.4	(0.0)	(0.2)	3.0	0.3
<b>Non-GAAP Gross Profit</b>	<b>144.0</b>	<b>143.2</b>	<b>157.0</b>	<b>195.3</b>	<b>639.5</b>	<b>181.5</b>	<b>185.1</b>	<b>176.5</b>	<b>181.6</b>	<b>724.7</b>	<b>169.4</b>
<b><u>Client Services</u></b>											
<b>Revenue, as reported</b>	<b>121.3</b>	<b>124.6</b>	<b>131.7</b>	<b>161.9</b>	<b>539.5</b>	<b>153.2</b>	<b>157.0</b>	<b>158.3</b>	<b>153.2</b>	<b>621.7</b>	<b>156.5</b>
Acquisition-related deferred revenue adjustments	(2.5)	(2.5)	(2.1)	0.7	(6.4)	(0.6)	2.7	2.6	(1.9)	2.8	0.2
<b>Non-GAAP Revenue</b>	<b>118.8</b>	<b>122.1</b>	<b>129.6</b>	<b>162.6</b>	<b>533.1</b>	<b>152.6</b>	<b>159.7</b>	<b>160.9</b>	<b>151.3</b>	<b>624.5</b>	<b>156.7</b>
<b>Gross Profit, as reported</b>	<b>9.3</b>	<b>16.5</b>	<b>13.2</b>	<b>15.9</b>	<b>54.9</b>	<b>16.1</b>	<b>6.8</b>	<b>16.2</b>	<b>17.1</b>	<b>56.2</b>	<b>14.9</b>
Acquisition-related deferred revenue adjustments	0.0	0.0	0.3	3.8	4.1	1.7	5.0	4.8	0.2	11.7	0.2
Stock-based compensation expense	1.7	1.0	0.8	1.0	4.5	1.4	1.1	1.0	0.5	4.0	1.1
Transaction, legal and other costs	0.0	0.1	(0.3)	0.1	(0.1)	1.2	8.4	1.2	0.4	11.2	0.8
<b>Non-GAAP Gross Profit</b>	<b>11.0</b>	<b>17.6</b>	<b>14.0</b>	<b>20.8</b>	<b>63.4</b>	<b>20.4</b>	<b>21.3</b>	<b>23.2</b>	<b>18.2</b>	<b>83.1</b>	<b>17.1</b>
<b><u>Total Allscripts</u></b>											
<b>Revenue, as reported</b>	<b>343.1</b>	<b>350.1</b>	<b>368.1</b>	<b>436.4</b>	<b>1,497.7</b>	<b>433.8</b>	<b>441.5</b>	<b>432.4</b>	<b>442.3</b>	<b>1,750.0</b>	<b>432.0</b>
Acquisition-related deferred revenue adjustments	(2.6)	(2.2)	(1.7)	25.5	19.0	1.6	7.6	7.4	(1.4)	15.2	0.6
<b>Non-GAAP Revenue</b>	<b>340.5</b>	<b>347.9</b>	<b>366.4</b>	<b>461.9</b>	<b>1,516.7</b>	<b>435.4</b>	<b>449.1</b>	<b>439.8</b>	<b>440.9</b>	<b>1,765.2</b>	<b>432.6</b>
<b>Gross Profit, as reported</b>	<b>144.2</b>	<b>150.2</b>	<b>162.2</b>	<b>176.2</b>	<b>632.8</b>	<b>184.8</b>	<b>173.8</b>	<b>177.9</b>	<b>188.1</b>	<b>724.6</b>	<b>174.1</b>
Acquisition-related deferred revenue adjustments	0.0	0.3	0.6	28.6	29.5	3.9	9.9	9.6	0.9	24.3	0.6
Acquisition-related amortization	7.9	8.3	7.1	9.8	33.1	10.2	9.3	9.5	9.5	38.5	9.0
Stock-based compensation expense	2.9	2.0	1.1	1.4	7.4	2.0	1.6	1.5	1.1	6.2	1.6
Transaction, legal and other costs	0.0	0.0	0.0	0.1	0.1	1.0	11.8	1.2	0.2	14.2	1.2
<b>Non-GAAP Gross Profit</b>	<b>155.0</b>	<b>160.8</b>	<b>171.0</b>	<b>216.1</b>	<b>702.9</b>	<b>201.9</b>	<b>206.4</b>	<b>199.7</b>	<b>199.8</b>	<b>807.8</b>	<b>186.5</b>

**Table 4**  
**Allscripts Healthcare Solutions, Inc.**  
**Non-GAAP Financial Information**

(In millions)

(unaudited)

	<b>2018</b>				<b>Total</b>	<b>2019</b>
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>		<b>Q1</b>
<b><u>R&amp;D</u></b>						
<b>R&amp;D, as reported</b>	<b>64.8</b>	<b>74.5</b>	<b>63.0</b>	<b>66.1</b>	<b>268.4</b>	<b>64.3</b>
Stock-based compensation expense	2.8	2.1	2.3	1.7	8.9	2.9
Transaction, legal and other costs	1.4	12.1	1.0	1.4	15.9	1.0
<b>Non-GAAP R&amp;D</b>	<b>60.6</b>	<b>60.3</b>	<b>59.7</b>	<b>63.0</b>	<b>243.6</b>	<b>60.4</b>
<b><u>SG&amp;A</u></b>						
<b>SG&amp;A, as reported</b>	<b>120.0</b>	<b>122.9</b>	<b>108.1</b>	<b>100.0</b>	<b>451.0</b>	<b>100.2</b>
Stock-based compensation expense	6.1	5.3	6.2	6.6	24.2	8.3
Transaction, legal and other costs	19.1	19.4	11.8	2.1	52.4	7.5
<b>Non-GAAP SG&amp;A</b>	<b>94.8</b>	<b>98.2</b>	<b>90.1</b>	<b>91.3</b>	<b>374.4</b>	<b>84.4</b>
<b><u>Total R&amp;D and SG&amp;A</u></b>						
<b>R&amp;D and SG&amp;A, as reported</b>	<b>184.8</b>	<b>197.4</b>	<b>171.1</b>	<b>166.1</b>	<b>719.4</b>	<b>164.5</b>
Stock-based compensation expense	8.9	7.4	8.5	8.3	33.1	11.2
Transaction, legal and other costs	20.5	31.5	12.8	3.5	68.3	8.5
<b>Non-GAAP R&amp;D and SG&amp;A</b>	<b>155.4</b>	<b>158.5</b>	<b>149.8</b>	<b>154.3</b>	<b>618.0</b>	<b>144.8</b>