



Supplemental Financial Data Workbook

Third Quarter 2021

November 4, 2021

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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 gross profit consists of GAAP gross profit, as reported, and excludes acquisition-related amortization, stock-based compensation expense, and restructuring and other costs. Non-GAAP gross margin consists of non-GAAP gross profit as a percentage of non-GAAP revenue in the applicable period.
- Non-GAAP income from operations consists of GAAP income from operations, as reported, and excludes acquisition-related amortization, stock-based compensation expense, and restructuring and other costs.
- For purposes of segment reporting, the Company views operating income as the most directly comparable GAAP measure to segment Adjusted EBITDA because the Company does not reflect taxes or interest at the segment level. Adjusted EBITDA is a non-GAAP measure and consists of GAAP income from operations as reported and adjusts for: acquisition related amortization; stock-based compensation expense; restructuring and other costs; and depreciation and amortization. Adjusted EBITDA margin consists of Adjusted EBITDA as a percentage of non-GAAP revenue in the applicable period.

Management also believes that non-GAAP revenue, gross profit, gross margin, operating expense, income from operations, Adjusted EBITDA and Adjusted EBITDA margin provide useful supplemental information to management and investors regarding the underlying performance of Allscripts business operations. Acquisition accounting adjustments and restructuring and other costs 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, operating expense, operating income, and/or Adjusted EBITDA to measure achievement under Allscripts stock and cash incentive compensation plans. Note, however, that non-GAAP gross profit, operating income and Adjusted EBITDA are performance measures only, and they do 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 November 4, 2021.

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

	2020				2021			YTD		2021/2020	2021/2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	2020	2021	Q3	YTD
Total Bookings	183	164	160	181	194	180	166	506	540	4%	7%
	2020				2021			YTD		2021/2020	2021/2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	2020	2021	Q3 vs Q4	YTD
Total Contract Backlog	4,177	4,132	4,061	4,071	4,038	3,863	3,906	N/A	N/A	-4%	N/A
	2020				2021			YTD		2021/2020	2021/2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	2020	2021	Q3	YTD
Other Metrics:											
(A) Gross research and development expenses (includes stock based compensation expense)	85.2	69.5	66.8	70.6	67.3	68.6	65.5	221.5	201.4	-2%	-9%
(B) Capitalized software development costs	(25.7)	(23.5)	(20.4)	(16.3)	(18.1)	(17.4)	(20.0)	(69.6)	(55.5)	-2%	-20%
Research and development expenses on GAAP Statement of Operations	59.4	46.0	46.4	54.3	49.2	51.2	45.5	151.8	145.9	-2%	-4%
(C) Capitalized software amortization included in cost of revenue	19.9	21.2	22.5	22.7	22.6	23.2	23.0	63.6	68.8	2%	8%
Gross Capitalization Rate (-B/A)	30%	34%	30%	23%	27%	25%	31%	31%	28%	N/A	N/A
Accounts receivable	441	388	363	347	359	339	341	363	341	-6%	N/A
A/R days sales outstanding	105	96	91	82	89	83	84	91	84	-8%	N/A

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

	2020					2021				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<u>Software Delivery, Support & Maintenance</u>										
Gross profit, as reported	133.2	125.3	116.7	142.1	517.3	125.3	123.2	124.4	131.6	372.9
Acquisition-related amortization	8.2	8.2	8.2	7.5	32.1	6.9	6.9	6.8	6.8	20.6
Stock-based compensation expense	0.5	0.3	0.3	0.5	1.6	0.5	0.3	0.4	0.4	1.2
Restructuring and other	0.8	0.1	(0.1)	(0.1)	0.7	0.0	0.0	0.0	0.0	0.0
Non-GAAP Gross profit	142.7	133.9	125.1	150.0	551.7	132.7	130.4	131.6	131.6	394.7
<u>Client Services</u>										
Gross profit, as reported	(1.2)	12.3	18.4	18.9	48.4	24.8	28.5	24.4	24.4	77.7
Stock-based compensation expense	1.1	0.8	1.5	1.0	4.4	1.3	1.0	0.7	0.7	3.0
Restructuring and other	3.4	(1.3)	0.0	0.0	2.1	0.0	0.0	0.0	0.0	0.0
Non-GAAP Gross profit	3.3	11.8	19.9	19.9	54.9	26.1	29.5	25.1	25.1	80.7
<u>Total Allscripts</u>										
Gross profit, as reported	132.0	137.6	135.1	161.0	565.7	150.1	151.7	148.8	148.8	450.6
Acquisition-related amortization	8.2	8.2	8.2	7.5	32.1	6.9	6.9	6.8	6.8	20.6
Stock-based compensation expense	1.6	1.1	1.8	1.5	6.0	1.8	1.3	1.1	1.1	4.2
Restructuring and other	4.2	(1.2)	(0.1)	(0.1)	2.8	0.0	0.0	0.0	0.0	0.0
Non-GAAP Gross profit	146.0	145.7	145.0	169.9	606.6	158.8	159.9	156.7	156.7	475.4

Table 4
Allscripts Healthcare Solutions, Inc.
Non-GAAP Segment Financial Information from Continuing Operations
(In millions)
(unaudited)

	2020					2021				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Total	
<u>Hospitals & Large Physician Practices Segment, non-GAAP</u>										
Revenue	240.6	238.3	233.6	237.7	950.2	236.1	233.7	225.6	695.4	
Gross profit	73.9	79.3	80.3	89.7	323.2	93.8	89.4	85.1	268.3	
Gross margin	30.7%	33.3%	34.4%	37.7%	34.0%	39.7%	38.3%	37.7%	38.6%	
Income from operations	(9.2)	4.3	9.2	14.5	18.8	22.0	9.0	9.5	40.5	
Adjusted EBITDA	10.7	24.4	29.8	34.7	99.6	41.1	33.5	35.1	109.7	
Adjusted EBITDA margin	4.4%	10.2%	12.8%	14.6%	10.5%	17.4%	14.3%	15.6%	15.8%	
<u>Veradigm Segment, non-GAAP</u>										
Revenue	135.4	125.1	125.0	142.5	528.0	126.4	133.4	137.2	397.0	
Gross profit	68.0	62.5	59.6	75.9	266.0	60.7	65.7	67.7	194.1	
Gross margin	50.2%	50.0%	47.7%	53.3%	50.4%	48.0%	49.3%	49.3%	48.9%	
Income from operations	19.7	22.7	19.3	34.0	95.7	19.0	25.2	24.2	68.4	
Adjusted EBITDA	27.4	30.9	27.8	42.8	128.9	28.4	35.3	34.5	98.2	
Adjusted EBITDA margin	20.2%	24.7%	22.2%	30.0%	24.4%	22.5%	26.5%	25.1%	24.7%	
<u>Unallocated</u>										
Revenue	5.4	5.9	7.0	6.2	24.5	5.9	6.6	6.4	18.9	
Gross Profit	4.1	3.9	5.1	4.3	17.4	4.3	4.8	3.9	13.0	
Income from operations	(2.6)	(2.4)	(1.2)	(1.8)	(8.0)	(3.1)	(0.8)	1.4	(2.5)	
Adjusted EBITDA	(1.4)	(1.2)	0.0	(0.7)	(3.3)	(2.2)	0.0	1.7	(0.5)	
<u>Total Allscripts, non-GAAP</u>										
Revenue	381.4	369.3	365.6	386.4	1,502.7	368.4	373.7	369.2	1,111.3	
Gross profit	146.0	145.7	145.0	169.9	606.6	158.8	159.9	156.7	475.4	
Gross margin	38.3%	39.5%	39.7%	44.0%	40.4%	43.1%	42.8%	42.4%	42.8%	
Income from operations	7.9	24.6	27.3	46.7	106.5	37.9	33.4	35.1	106.4	
Adjusted EBITDA	36.7	54.1	57.6	76.8	225.2	67.3	68.8	71.3	207.4	
Adjusted EBITDA margin	9.6%	14.6%	15.8%	19.9%	15.0%	18.3%	18.4%	19.3%	18.7%	

Table 5
Allscripts Healthcare Solutions, Inc.
Non-GAAP Financial Information
(In millions)
(unaudited)

	2020					2021				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Total	
<u>Hospitals & Large Physician Practices</u>										
Gross profit, GAAP	63.1	74.1	73.4	83.1	293.7	87.2	83.3	79.2	249.7	
Acquisition-related amortization	5.5	5.6	5.6	5.5	22.2	5.1	5.1	5.1	15.3	
Stock-based compensation expense	1.4	0.9	1.5	1.0	4.8	1.5	1.0	0.8	3.3	
Restructuring and other	3.9	(1.3)	(0.2)	0.1	2.5	0.0	0.0	0.0	0.0	
Non-GAAP Gross profit	73.9	79.3	80.3	89.7	323.2	93.8	89.4	85.1	268.3	
Income (loss) from operations, GAAP	(33.0)	(26.1)	(16.8)	(78.4)	(154.3)	5.6	(6.4)	(6.2)	(7.0)	
Acquisition-related amortization	9.0	9.0	9.0	9.0	36.0	8.6	8.5	8.6	25.7	
Stock-based compensation expense	7.6	4.9	6.7	6.0	25.2	7.8	6.9	7.1	21.8	
Restructuring and other	7.2	16.5	10.3	77.9	111.9	0.0	0.0	0.0	0.0	
Non-GAAP Income (loss) from operations	(9.2)	4.3	9.2	14.5	18.8	22.0	9.0	9.5	40.5	
Asset Impairment Charges	0.0	0.0	0.0	0.0	0.0	0.0	5.0	6.0	11.0	
Depreciation and amortization	19.9	20.1	20.6	20.2	80.8	19.1	19.5	19.6	58.2	
Adjusted EBITDA	10.7	24.4	29.8	34.7	99.6	41.1	33.5	35.1	109.7	
<u>Veradigm</u>										
Gross profit, GAAP	64.8	59.5	56.7	73.6	254.6	58.6	63.6	65.7	187.9	
Acquisition-related amortization	2.7	2.6	2.6	2.0	9.9	1.8	1.8	1.7	5.3	
Stock-based compensation expense	0.2	0.2	0.2	0.3	0.9	0.3	0.3	0.3	0.9	
Restructuring and other	0.3	0.1	0.1	(0.1)	0.4	0.0	0.0	0.0	0.0	
Non-GAAP Gross profit	68.0	62.5	59.6	75.9	266.0	60.7	65.7	67.7	194.1	
Income (loss) from operations, GAAP	9.6	6.2	8.8	13.6	38.2	11.5	17.9	16.9	46.3	
Acquisition-related amortization	5.9	5.5	5.5	4.9	21.8	4.1	4.2	4.1	12.4	
Stock-based compensation expense	2.7	2.2	3.3	2.9	11.1	3.4	3.1	3.2	9.7	
Restructuring and other	1.5	8.8	1.7	12.6	24.6	0.0	0.0	0.0	0.0	
Non-GAAP Income (loss) from operations	19.7	22.7	19.3	34.0	95.7	19.0	25.2	24.2	68.4	
Asset Impairment Charges	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.6	0.8	
Depreciation and amortization	7.7	8.2	8.5	8.8	33.2	9.4	9.9	9.7	29.0	
Adjusted EBITDA	27.4	30.9	27.8	42.8	128.9	28.4	35.3	34.5	98.2	
<u>Unallocated</u>										
Gross Profit, as reported	4.1	4.0	5.0	4.3	17.4	4.3	4.8	3.9	13.0	
Stock-based compensation expense	0.0	0.0	0.1	0.2	0.3	0.0	0.0	0.0	0.0	
Non-GAAP Gross Profit	4.1	3.9	5.1	4.3	17.4	4.3	4.8	3.9	13.0	
Income (loss) from operations, GAAP	(3.5)	(4.7)	(3.2)	(3.4)	(14.8)	(3.7)	(1.1)	1.3	(3.5)	
Stock-based compensation expense	0.6	0.4	0.5	0.6	2.1	0.6	0.3	0.1	1.0	
Restructuring and other	0.3	1.9	1.5	1.0	4.7	0.0	0.0	0.0	0.0	
Non-GAAP Income (loss) from operations	(2.6)	(2.4)	(1.2)	(1.8)	(8.0)	(3.1)	(0.8)	1.4	(2.5)	
Asset Impairment Charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Depreciation and amortization	1.2	1.2	1.2	1.1	4.7	0.9	0.8	0.3	2.0	
Adjusted EBITDA	(1.4)	(1.2)	0.0	(0.7)	(3.3)	(2.2)	0.0	1.7	(0.5)	