



## **Supplemental Financial Data Workbook**

**First Quarter 2020**

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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 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.

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 7, 2020.

**Table 1**  
**Allscripts Healthcare Solutions, Inc.**

	2019				2020	2020/2019
	Q1	Q2	Q3	Q4	Q1	Q1
<b>Total Bookings</b>	286	276	236	312	205	-28%
	2019				2020	2020/2019
	Q1	Q2	2019	Q4	Q1	Q4 vs Q1
<b>Total Contract Backlog</b>	4,041	3,885	3,909	4,367	4,507	3%
	2019				2020	2020/2019
	Q1	Q2	Q3	Q4	Q1	Q1
<b>Other Metrics:</b>						
(A) Gross research and development expenses (includes stock based compensation expense)	92.0	89.3	94.1	89.8	90.0	-2%
(B) Capitalized software development costs	(27.7)	(25.9)	(30.2)	(26.9)	(27.8)	0%
<b>Research and development expenses on GAAP Statement of Operations</b>	<b>64.3</b>	<b>63.4</b>	<b>63.9</b>	<b>62.9</b>	<b>62.2</b>	-3%
(C) Capitalized software amortization included in cost of revenue	19.2	20.0	20.1	20.3	22.1	15%
Gross Capitalization Rate (-B/A)	30%	29%	32%	30%	31%	N/A
Accounts receivable	458	428	427	460	471	3%
A/R days sales outstanding	97	88	88	93	103	6%

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

**Table 2**  
**Allscripts Healthcare Solutions, Inc.**  
**Non-GAAP Financial Information**

(In millions)  
(unaudited)

	2019					2020
	Q1	Q2	Q3	Q4	Total	Q1
<b><u>Software Delivery, Support &amp; Maintenance</u></b>						
Revenue	275.9	285.4	284.6	281.9	1,127.8	263.6
Gross profit	176.5	182.1	181.9	179.0	719.5	166.4
Gross margin	64.0%	63.8%	63.9%	63.5%	63.8%	63.1%
<b><u>Client Services</u></b>						
Revenue	156.7	159.6	160.0	169.6	645.9	153.1
Gross Profit	10.0	14.3	10.1	12.9	47.3	5.0
Gross Margin	6.4%	9.0%	6.3%	7.6%	7.3%	3.3%
<b><u>Total Allscripts, non-GAAP</u></b>						
Revenue	432.6	445.0	444.6	451.5	1,773.7	416.7
Gross profit	186.5	196.4	192.0	191.9	766.8	171.4
Gross margin	43.1%	44.1%	43.2%	42.5%	43.2%	41.1%
<b>Total Non-GAAP Revenue Mix</b>						
Recurring Revenue	349.0	350.4	349.7	348.0	1,397.1	341.2
Non-Recurring Revenue	83.6	94.6	94.9	103.5	376.6	75.5
	432.6	445.0	444.6	451.5	1,773.7	416.7
<b>Total Non-GAAP Revenue Mix</b>						
Recurring Revenue	81%	79%	79%	77%	79%	82%
Non-Recurring Revenue	19%	21%	21%	23%	21%	18%
	100%	100%	100%	100%	100%	100%

Note: During the first quarter of 2020, we changed the presentation of certain hosting cost of revenue. Such cost of revenue was previously included as part of software delivery, support and maintenance cost of revenue. Under the new presentation, such cost of revenue is included as part of client services cost of revenue. All prior periods have been recast to reflect this new presentation.

**Table 3**  
**Allscripts Healthcare Solutions, Inc.**  
**Non-GAAP Financial Information**

(In millions)

(unaudited)

	2019					2020
	Q1	Q2	Q3	Q4	Total	Q1
<b><u>Software Delivery, Support &amp; Maintenance</u></b>						
<b>Revenue, as reported</b>	<b>275.5</b>	<b>285.0</b>	<b>284.4</b>	<b>281.6</b>	<b>1,126.5</b>	<b>263.6</b>
Acquisition-related deferred revenue adjustments	0.4	0.4	0.2	0.3	1.3	0.0
<b>Non-GAAP Revenue</b>	<b>275.9</b>	<b>285.4</b>	<b>284.6</b>	<b>281.9</b>	<b>1,127.8</b>	<b>263.6</b>
<b>Gross profit, as reported</b>	<b>166.3</b>	<b>171.9</b>	<b>171.7</b>	<b>168.9</b>	<b>678.8</b>	<b>156.6</b>
Acquisition-related deferred revenue adjustments	0.4	0.4	0.2	0.3	1.3	0.0
Acquisition-related amortization	9.0	9.0	9.2	9.3	36.5	8.6
Stock-based compensation expense	0.5	0.6	0.4	0.5	2.0	0.6
Restructuring and other	0.3	0.2	0.4	0.0	0.9	0.6
<b>Non-GAAP Gross profit</b>	<b>176.5</b>	<b>182.1</b>	<b>181.9</b>	<b>179.0</b>	<b>719.5</b>	<b>166.4</b>
<b><u>Client Services</u></b>						
<b>Revenue, as reported</b>	<b>156.5</b>	<b>159.5</b>	<b>159.8</b>	<b>169.4</b>	<b>645.2</b>	<b>153.1</b>
Acquisition-related deferred revenue adjustments	0.2	0.1	0.2	0.2	0.7	0.0
<b>Non-GAAP Revenue</b>	<b>156.7</b>	<b>159.6</b>	<b>160.0</b>	<b>169.6</b>	<b>645.9</b>	<b>153.1</b>
<b>Gross profit, as reported</b>	<b>7.8</b>	<b>12.2</b>	<b>3.6</b>	<b>11.2</b>	<b>34.8</b>	<b>0.3</b>
Acquisition-related deferred revenue adjustments	0.2	0.1	0.2	0.2	0.7	0.0
Stock-based compensation expense	1.1	1.2	0.7	1.1	4.1	1.1
Restructuring and other	0.8	0.9	5.6	0.4	7.7	3.6
<b>Non-GAAP Gross profit</b>	<b>10.0</b>	<b>14.3</b>	<b>10.1</b>	<b>12.9</b>	<b>47.3</b>	<b>5.0</b>
<b><u>Total Allscripts</u></b>						
<b>Revenue, as reported</b>	<b>432.0</b>	<b>444.5</b>	<b>444.2</b>	<b>451.0</b>	<b>1,771.7</b>	<b>416.7</b>
Acquisition-related deferred revenue adjustments	0.6	0.5	0.4	0.5	2.0	0.0
<b>Non-GAAP Revenue</b>	<b>432.6</b>	<b>445.0</b>	<b>444.6</b>	<b>451.5</b>	<b>1,773.7</b>	<b>416.7</b>
<b>Gross profit, as reported</b>	<b>174.1</b>	<b>184.1</b>	<b>175.3</b>	<b>180.1</b>	<b>713.6</b>	<b>156.9</b>
Acquisition-related deferred revenue adjustments	0.6	0.5	0.4	0.5	2.0	0.0
Acquisition-related amortization	9.0	9.0	9.2	9.3	36.5	8.6
Stock-based compensation expense	1.6	1.8	1.1	1.6	6.1	1.7
Restructuring and other	1.2	1.0	6.0	0.4	8.6	4.2
<b>Non-GAAP Gross profit</b>	<b>186.5</b>	<b>196.4</b>	<b>192.0</b>	<b>191.9</b>	<b>766.8</b>	<b>171.4</b>

**Table 4**  
**Allscripts Healthcare Solutions, Inc.**  
**Non-GAAP Financial Information**  
(In millions)  
(unaudited)

	<b>2019</b>					<b>2020</b>
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>	<b>Q1</b>
<b><u>R&amp;D</u></b>						
<b>R&amp;D, as reported</b>	<b>64.3</b>	<b>63.4</b>	<b>63.9</b>	<b>62.9</b>	<b>254.5</b>	<b>62.2</b>
Stock-based compensation expense	2.9	2.5	1.7	2.1	9.2	2.4
Restructuring and other	1.0	0.3	0.7	(0.7)	1.3	1.7
<b>Non-GAAP R&amp;D</b>	<b>60.4</b>	<b>60.6</b>	<b>61.5</b>	<b>61.5</b>	<b>244.0</b>	<b>58.1</b>
<b><u>SG&amp;A</u></b>						
<b>SG&amp;A, as reported</b>	<b>100.2</b>	<b>105.6</b>	<b>101.1</b>	<b>112.9</b>	<b>419.8</b>	<b>97.3</b>
Stock-based compensation expense	8.3	6.9	5.6	6.5	27.3	7.0
Restructuring and other	7.5	7.7	9.1	19.9	44.2	3.3
<b>Non-GAAP SG&amp;A</b>	<b>84.4</b>	<b>91.0</b>	<b>86.4</b>	<b>86.5</b>	<b>348.3</b>	<b>87.0</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>164.5</b>	<b>169.0</b>	<b>165.0</b>	<b>175.8</b>	<b>674.3</b>	<b>159.5</b>
Stock-based compensation expense	11.2	9.4	7.3	8.6	36.5	9.4
Restructuring and other	8.5	8.0	9.8	19.2	45.5	5.0
<b>Non-GAAP R&amp;D and SG&amp;A</b>	<b>144.8</b>	<b>151.6</b>	<b>147.9</b>	<b>148.0</b>	<b>592.3</b>	<b>145.1</b>