

Seth Frank, Vice President, Investor Relations

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# Welcome



# Disclaimer

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, particularly statements and information regarding future economic performance, finances, and the expectations and objectives of Allscripts management. These forward-looking statements are based on the current beliefs and expectations of Allscripts management, only speak as of the date that they are made, and are subject to significant risks and uncertainties. Such statements can be identified by the use of words such as “future,” “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “will,” “would,” “could,” “can,” “may,” and similar terms. Actual results could differ from those set forth in the forward-looking statements, and reported results should not be considered an indication of future performance. Certain factors that could cause Allscripts actual results to differ materially from those described in the forward-looking statements include, but are not limited to: the expected financial contribution and results of the Netsmart joint business entity, Allscripts failure to compete successfully; consolidation in Allscripts industry; current and future laws, regulations and industry initiatives; increased government involvement in Allscripts industry; the failure of markets in which Allscripts operates to develop as quickly as expected; Allscripts or its customers’ failure to see the benefits of government programs; changes in interoperability or other regulatory standards; the effects of the realignment of Allscripts sales, services and support organizations; the unpredictability of the sales and implementation cycles for Allscripts products and services; Allscripts ability to establish and maintain strategic relationships; risks related to the acquisition of new companies or technologies; Allscripts ability to protect its intellectual property rights; the outcome of legal proceedings involving Allscripts; Allscripts ability to hire, retain and motivate key personnel; performance by Allscripts content and service providers; liability for use of content; security breaches; price reductions; Allscripts ability to license and integrate third party technologies; risks related to international operations; changes in tax rates or laws; business disruptions; Allscripts ability to maintain proper and effective internal controls; and asset impairment charges. Additional information about these and other risks, uncertainties and factors affecting Allscripts business is contained in Allscripts filings with the Securities and Exchange Commission, including under the caption “Risk Factors” in the most recent Allscripts Annual Report on Form 10-K. Allscripts does not undertake to update forward-looking statements to reflect changed assumptions, the impact of circumstances or events that may arise after the date of the forward-looking statements, or other changes in its business, financial condition or operating results over time.

# Non-GAAP Financial Measures

This presentation includes references to non-GAAP gross margin, selling, general and administrative expenses (SG&A), non-GAAP earning per share, Adjusted EBITDA and Adjusted EBITDA, net of non-controlling interest which are also considered non-GAAP financial measures under Section 101 of Regulation G under the Securities Exchange Act of 1934, as amended. Each of these measures adjusts for certain items and are not considered financial measures under generally accepted accounting principles in the United States (“GAAP”).

- Non-GAAP revenue consists of GAAP revenue and adds back deferred revenue from the Netsmart transaction that is eliminated for GAAP purposes due to purchase accounting adjustments.
- Non-GAAP gross margin consists of non-GAAP gross profit as a percentage of GAAP revenue in the applicable period, as defined above.
- Non-GAAP selling, general and administrative expenses, as reported, and excludes non-recurring expenses and transaction-related costs and stock-based compensation expense recorded to SG&A.
- Adjusted EBITDA is a non-GAAP measure and consists of GAAP net income (loss) as reported and adjusts for: acquisition-related deferred revenue adjustments; depreciation and amortization; stock-based compensation expense; non-recurring expenses and transaction-related costs; non-cash asset impairment charges; interest expense and other, net; equity in net earnings of unconsolidated investments; and tax provision (benefit).
- Adjusted EBITDA, net of non-controlling interest, is a non-GAAP measure and consists of Adjusted EBITDA as described above, with an adjustment to reduce Adjusted EBITDA for the percentage of non-controlling interest in consolidated subsidiaries. For this presentation, Netsmart preferred stock is treated as if it was converted to common stock.
- Non-GAAP net income attributable to Allscripts Healthcare Solutions, Inc. is a non-GAAP measure and consists of Non-GAAP net income as described above, with an adjustment to reduce Non-GAAP net income for the percentage of non-controlling interest outside Allscripts ownership position. For this presentation, Netsmart preferred stock is treated as if it was converted to common stock.
- Non-GAAP earnings per share consists of non-GAAP net income, as defined above, divided by weighted shares outstanding – diluted in the applicable period.

Management also believes that non-GAAP measures 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 measures to measure achievement under Allscripts stock and cash incentive compensation plans. Note, however, that non-GAAP measures 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 reconciliation of non-GAAP financial measures with GAAP financial measures contained within the company’s press releases dated November 3, 2016 and February 18, 2016. For the purpose of providing financial guidance, the company does not reconcile non-GAAP revenue, non-GAAP earnings, Adjusted net EBITDA or non-GAAP earnings per share guidance to the corresponding GAAP financial measures. Allscripts does not provide guidance for the various reconciling items since certain items that impact GAAP revenue and net income are either outside of its control and/or cannot be reasonably predicted. These are available on Allscripts investor relations website (<http://www.investor.Allscripts.com>).



Paul Black, Chief Executive Officer

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# Positioned For Consistent Growth



# Allscripts Investor Day Agenda

<b>Time</b>	<b>Topic</b>	<b>Presenter</b>
7:30 AM	<i>Breakfast &amp; Registration</i>	
8:00 AM	<b>Welcome – Agenda, Disclosure</b> <b>Allscripts Overview and Corporate Strategy</b>	Seth Frank, VP Investor Relations Paul Black CEO & Rick Poulton, President
8:40 AM	<b>Q&amp;A Session 1: Strategy</b>	Paul Black CEO & Rick Poulton, President
<b>DOMESTIC CORE SYSTEMS</b>		
9:00 AM	– <b>Hospital &amp; Health System Client Growth Strategy</b>	John Sage, SVP Client Organization
9:15 AM	– <b>New Hospital &amp; Health System Sales</b>	Rich Berner, SVP New Enterprise Sales
9:30 AM	– <b>Independent Ambulatory Market, RCMS and Growth Strategy</b>	Steve Lalonde, SVP Ambulatory Client and Sales
9:45 AM	– <b>Client Delivery and Services</b>	Lisa Khorey, EVP Chief Client Deliver Officer
<b>GLOBAL MARKETS</b>		
10:05 AM	– <b>Global Markets</b>	Paul Black, CEO

# Allscripts Investor Day Agenda

Time	Topic	Presenter
10:25 AM	<i>Break</i>	
<b>VALUE-BASED CARE</b>		
10:35 AM	– <b>Population Health: Connecting the Community</b>	James Hewitt, EVP Solutions Development
11:05 AM	– <b>Emerging Payer Solutions</b>	Edward Plut, VP Payer Markets
11:25 AM	– <b>Precision Medicine and 2bPrecise</b>	Assaf Halevy, CEO 2bPrecise
<b>POST ACUTE</b>		
11:40 AM	– <b>Post-Acute: Netsmart Strategy</b>	Kevin Scalia, EVP Corporate Development
12:10 PM	<b>Financial Model and Capital Allocation</b>	Melinda Whittington, Chief Financial Officer
12:30 PM	<i>Lunch/Break</i>	
12:40 PM	<b>Q&amp;A Session 2: Growth Pillars and Follow Ups</b>	All Presenters
1:30 PM	<i>Program Concludes</i>	

# Third Largest Global HCIT Company

## Our Company



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NASDAQ: MDRX  
Public since 1999

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Global HQ: Chicago, IL

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2016 Non-GAAP Revenue:  
~\$1.6B  
~78% recurring

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## Our Team



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7,300 team associates globally

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Veteran executive leadership

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Clients, team members in 13  
countries incl. Australia, Canada,  
Israel & UK

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# Third Largest Global HCIT Company

## Our Complete Portfolio

### Precision Medicine & Consumer Solutions

Integrated, actionable genomic information delivered directly into clinical workflow.

### Electronic Health Record

The power of Allscripts EHRs extends across the continuum, connecting healthcare communities.



### Population Health Management

CareInMotion™ addresses every element of the population health equation.

### Financial Management

Management and operational efficiency.



# Third Largest Global HCIT Company

## Our Breadth and Connectivity



**~2,500**

HOSPITALS



**45K+**

PHYSICIAN PRACTICES



**2B+**

OPEN API  
DATA SHARES



**14M+**

COORDINATED COMMUNITY  
CARE REFERRALS



**100K+**

COORDINATED COMMUNITY  
CARE ORGANIZATIONS



**10M+**

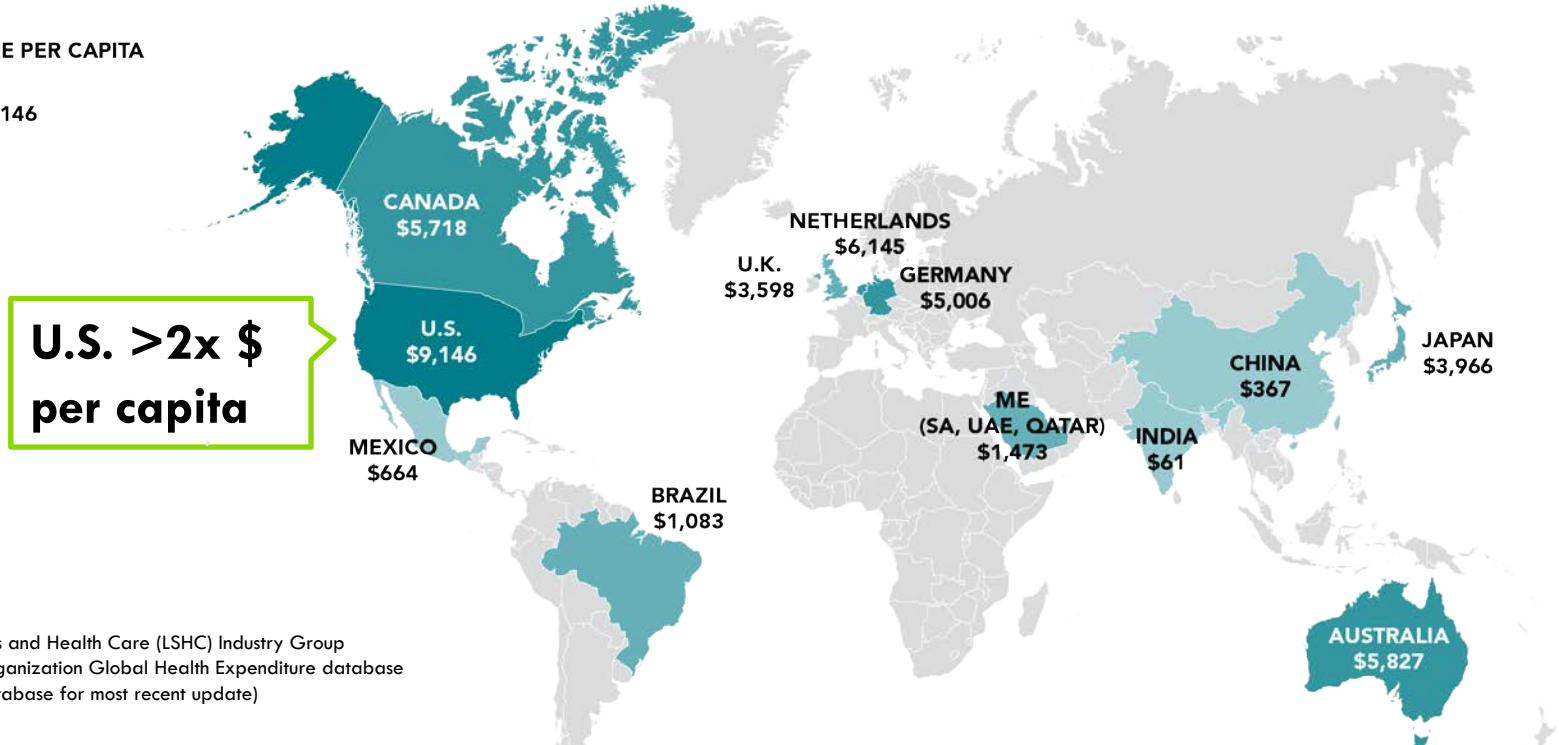
CONNECTED  
CONSUMERS

# Global Market - Massive Untapped Need

## Must Bend the Cost/Quality Curve

HEALTHCARE EXPENDITURE PER CAPITA  
(CURRENT US\$)





















\$12  \$9,146



**U.S. >2x \$  
per capita**

Source: DTL Global Life Sciences and Health Care (LSHC) Industry Group analysis of The World Health Organization Global Health Expenditure database (see <http://apps.who.int/nha/database> for most recent update)

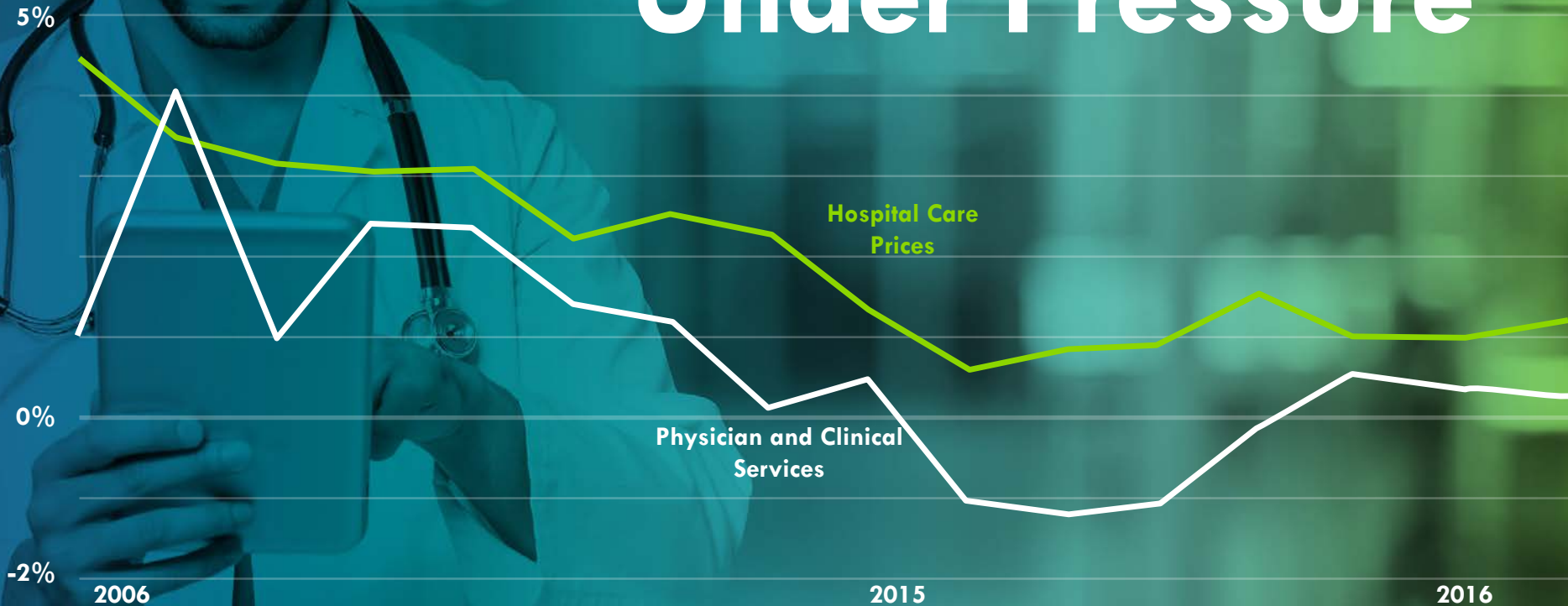
# Underwhelming Outcomes: 2014 v 2009

Current Rank	2009 Rank	Change	Country/Region	Efficiency Score	Life Expectancy	Relative Cost %	Absolute Cost \$
1	1	-	Hong Kong	88.9	83.98	5.40 	2,021 
2	2	-	Singapore	84.2	82.65	4.92 	2,752 
3	8	5	Spain	72.2	83.80	9.03 	2,658 
4	7	3	S. Korea	71.5	82.16	7.37 	2,060 
5	4	-2	Japan	68.2	83.59	10.23 	3,703 
48	49	1	Belarus	35.2	72.98	5.69 	450 
49	51	2	Serbia	34.0	75.53	10.37 	633 
<b>50</b>	<b>49</b>	<b>-1</b>	<b>U.S.</b>	<b>32.6</b>	<b>78.94</b>	<b>17.14</b> 	<b>9,403</b> 
51	53	2	Jordan	32.2	74.50	7.45 	359 
52	47	-5	Colombia	31.9	73.99	7.20 	569 

**U.S.  
Ranked  
#50**

Source: Bloomberg Health-Care Efficiency Index September 28, 2016

# Provider Yields Under Pressure



Source: Altarum Institute analysis of U.S. Bureau of Labor Statistics (BLS) data, Q3 2016

# Opportunity Arises



**BIG DATA  
ANALYTICS**



**CHANGING  
INTEROPERABILITY  
STANDARDS**



**ACA  
UPHEAVAL**



**AI/MACHINE  
LEARNING**



**GENOMICS  
GOING  
MAINSTREAM**



**GOVERNMENT  
PAYMENT  
REFORM**

# Driving Boardroom Dialogue

Requires a full complement of strategic assets



## Issues

- Consumer
- Rising operating costs
- Acute Volume pressure
- Doc/ hospital alignment
- M&A
- ACA future
- Provider shortages
- Rating agencies



## Solutions

- Branding/leakage/engagement
- Costing systems
- VBC arrangements
- MACRA upgrades/training
- Consolidate vendors
- Payer strategies
- Maximize productivity
- Maximize current investments

Source: nrc Health: Healthcare Forecast 2017: Top Trends Driving Board Strategic Priorities

# Creating a Growth Opportunity for Our Solutions- Not Dependent on Economic Environment

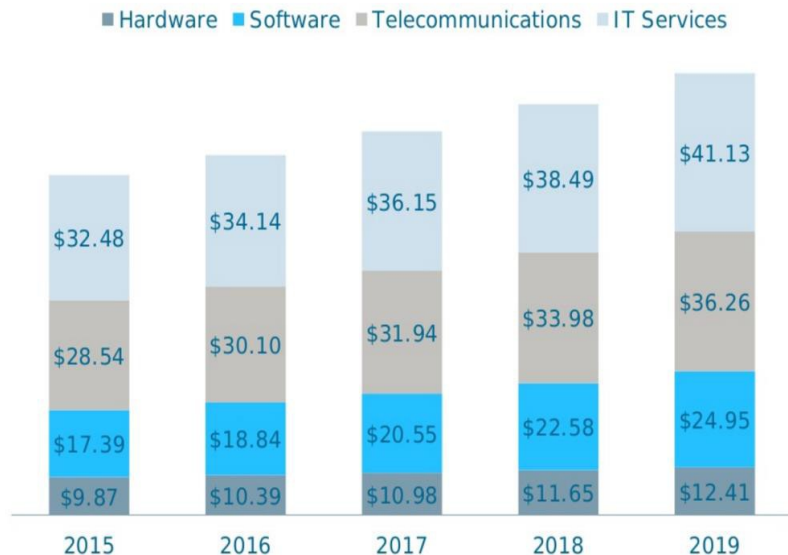
Global Health IT Market



Source: Infiniti Research Limited: TECHNAVIO.COM Global Healthcare IT Spending Market, 2015-2019, 2015

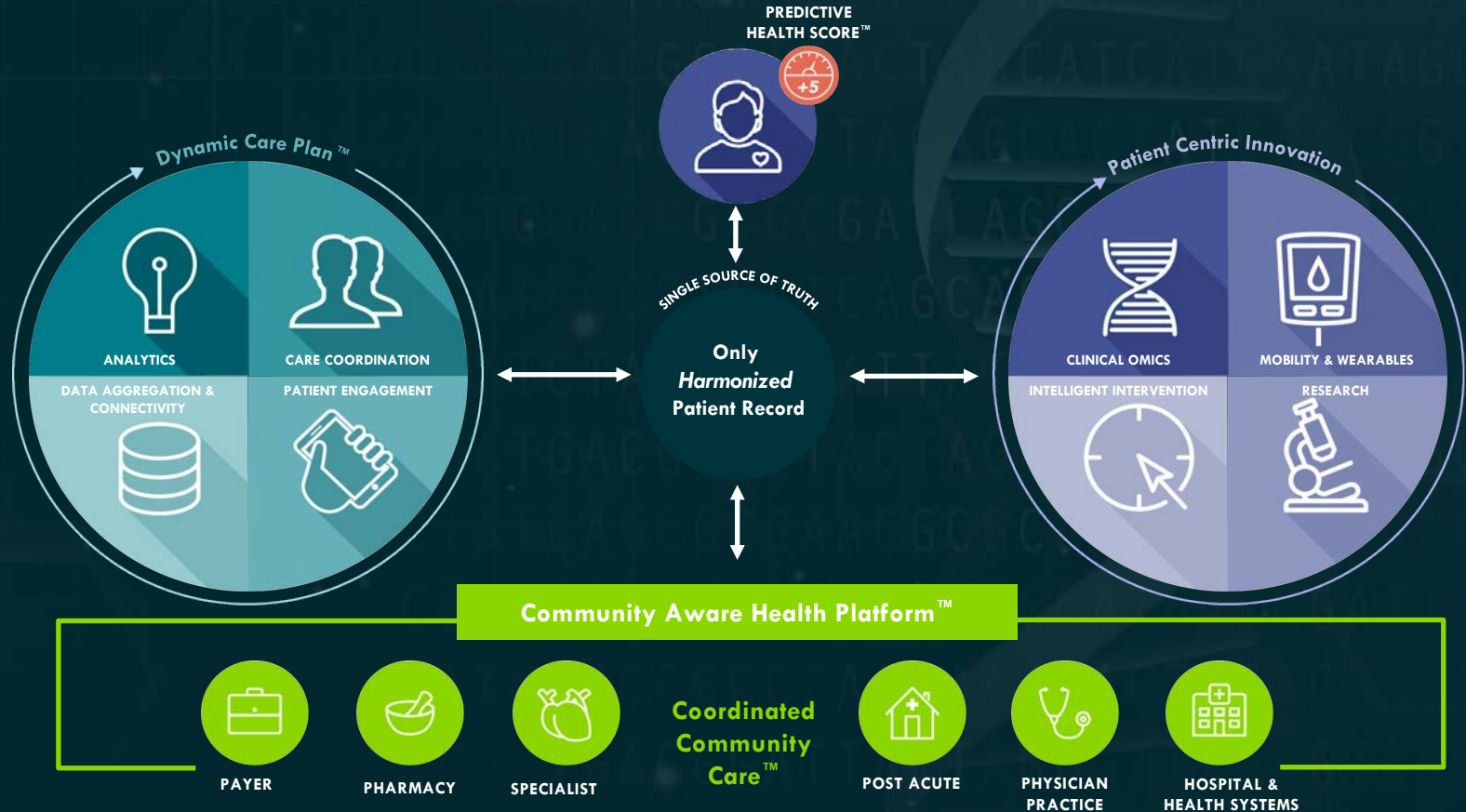
HIMSS Analytics

Global HCIT Market Segments



Source: Infiniti Research Limited: TECHNAVIO.COM Global Healthcare IT Spending Market, 2015-2019, 2015

# Our Vision: Open, Contemporary Platform





# Best Positioning in Our History

- Third largest HCIT company
- Complete portfolio
- Solving large problems with technology
- Positioned exceptionally well in a non-cyclical industry



**CLINICIANS**



**DELIVERY SYSTEMS**



**PATIENTS**



**OPTIMIZED FOR  
WHAT'S NEXT**

Richard Poulton, President

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# Corporate Strategy



# Talk About Two Themes:



**Building the  
Foundation**



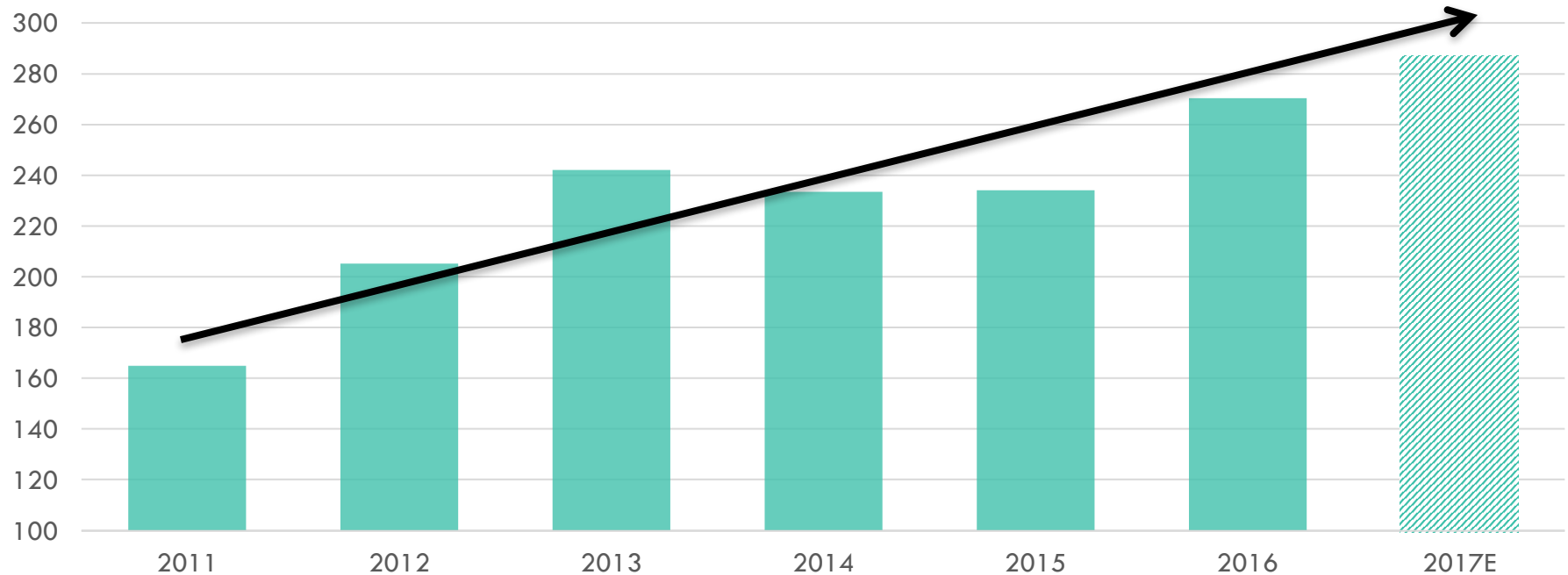
**Growth**

# 2013 – What Was the Five-Point Plan?

1. Win back confidence of clients; deliver on commitments
2. Eliminate technology debt in our existing solutions
3. Pivot from up-front license to recurring revenue model
4. Reduce bloated overhead cost structure
5. Create differentiation in both our technology solutions and through the breadth of our corporate portfolio

# Ramp in Gross R&D Investment

New management team has significantly ramped up investment in the business



# Internal R&D Plus Targeted Acquisitions Creates Portfolio Differentiation

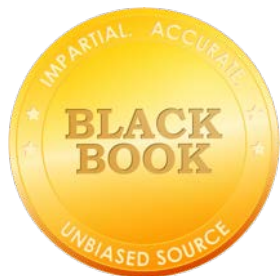
## R&D

- Community Aware EHR
- Advanced 3<sup>rd</sup> Party Interface Platform
- 2bPrecise Genomics Platform
- Care Coordination Platform

## Acquisitions

- Data Harmonization Engine
- Untethered Patient Portal
- International PAS
- Discharge Planning and Monitoring Engine
- Post-Acute Provider Platform

# Lead To: Momentum in Reputation and Recognition



- **HIT Loyalty Index 2016:** Allscripts recognized as a “Most Loyal” vendor by customers – the top tier rating
- **2016, 2015, 2014 Top Rated Inpatient EHR:** Large Hospitals & Academic Medical Centers (+200 beds)
- **2016, 2015, 2014 Top Ambulatory EHR:** Large Group Practices



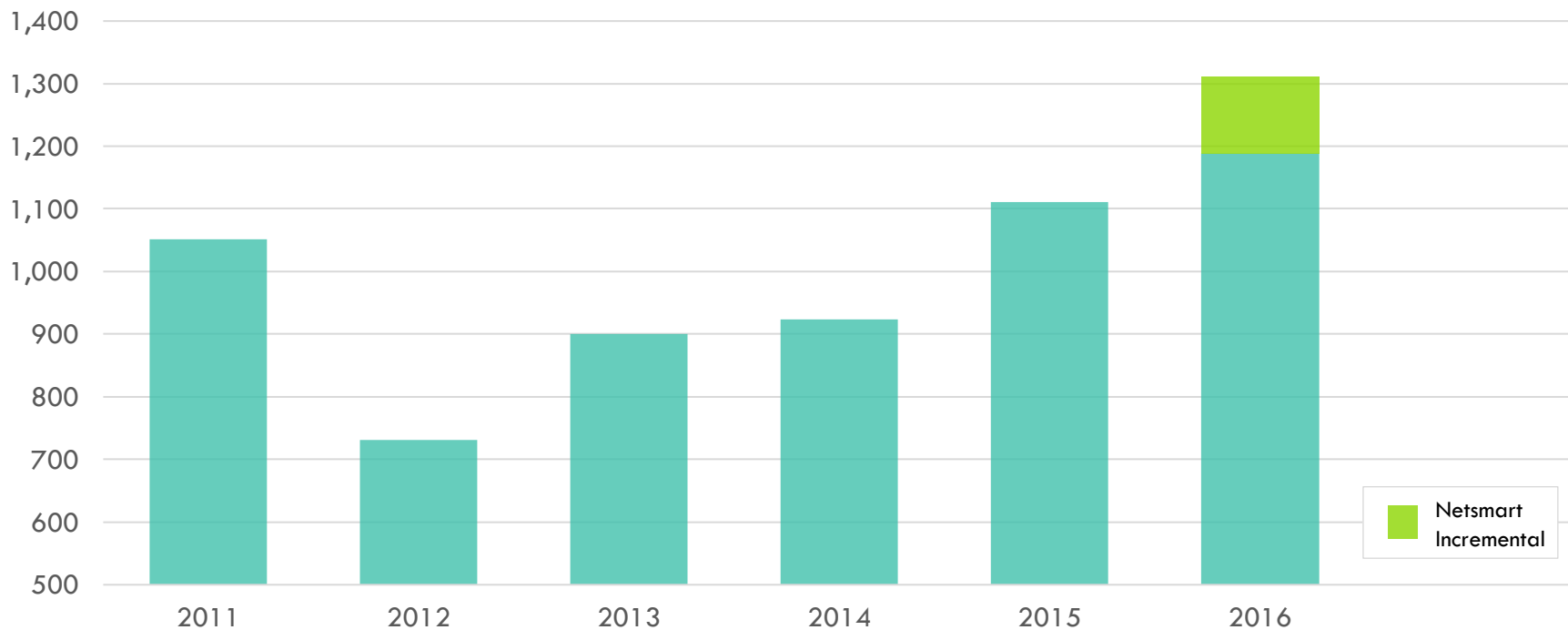
- **Peer60 2016:** Mindshare Leader in Revenue Cycle Management
- **Peer60 2016:** Mindshare Leader in Patient Engagement



- **2015 Perfect Scores:** Best practices for User-Centered Design

# New Business Wins / Bookings

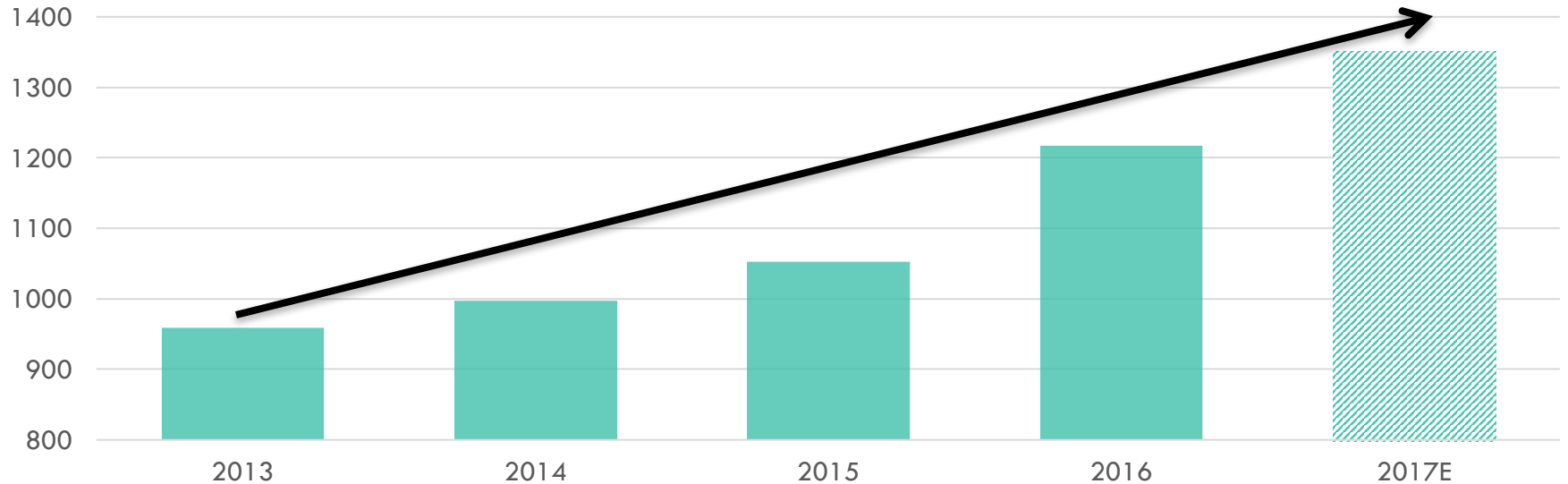
Lead to: Bookings inflection 1-2 years after R&D uptick





# Acceleration in Recurring Revenue

Recurring revenue is approaching ~80% of total revenue



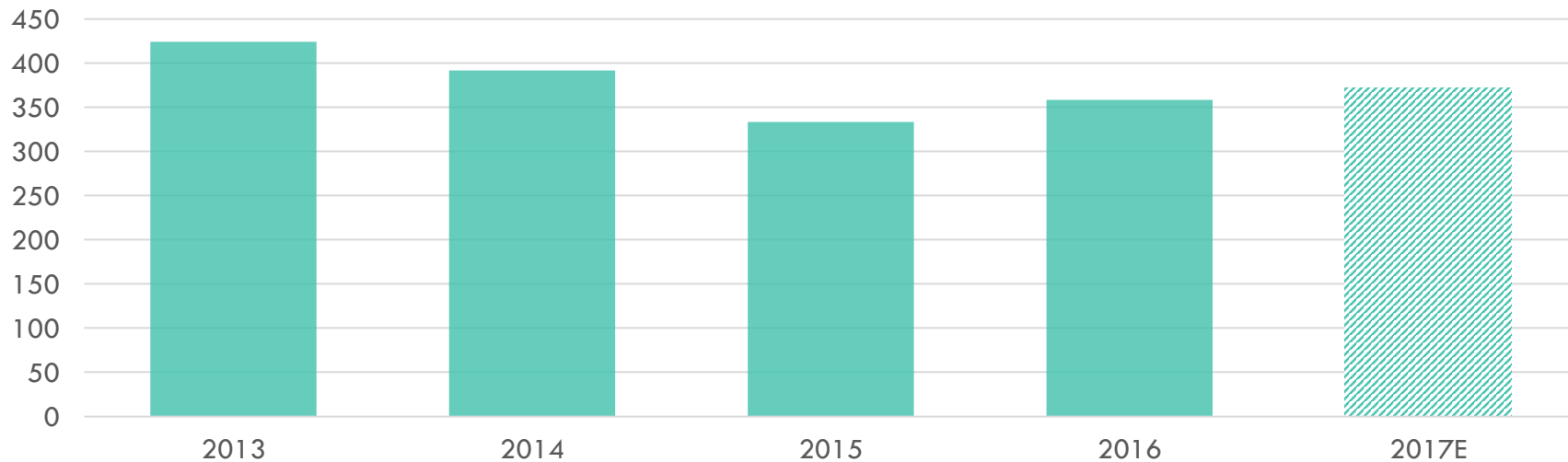
<b>Growth</b>	<b>4%</b>	<b>6%</b>	<b>16%</b>
<b>% of total revenue</b>	<b>72%</b>	<b>76%</b>	<b>77%</b>

2017 numbers based on mid-point of guidance range.

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# Stabilization in Non-recurring

Non-recurring revenues are less significant and no longer expected to be a headwind to growth



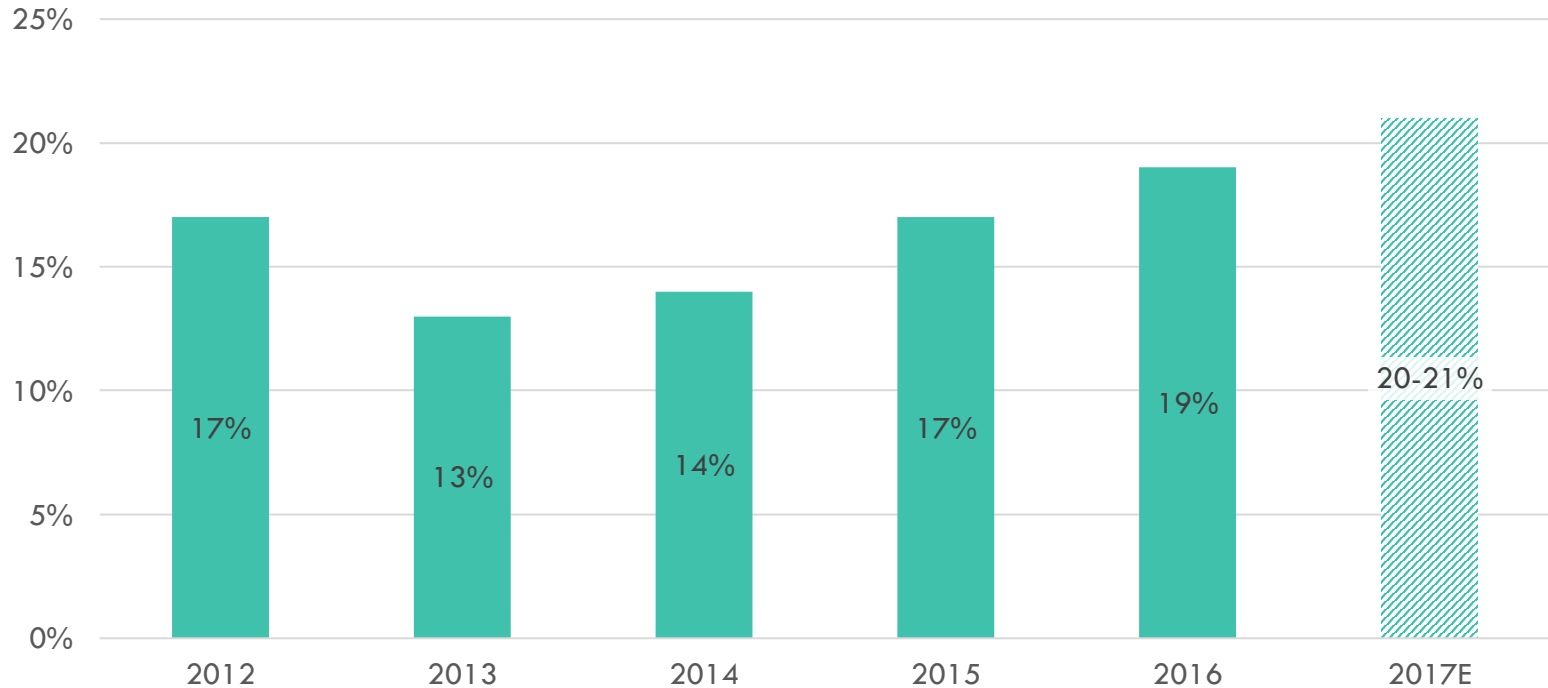
<b>Growth</b>	<b>-7%</b>	<b>-15%</b>	<b>7%</b>
<b>% of total revenue</b>	<b>28%</b>	<b>24%</b>	<b>23%</b>

2017 numbers based on mid-point of guidance range.

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# Growing Adjusted EBITDA Margins

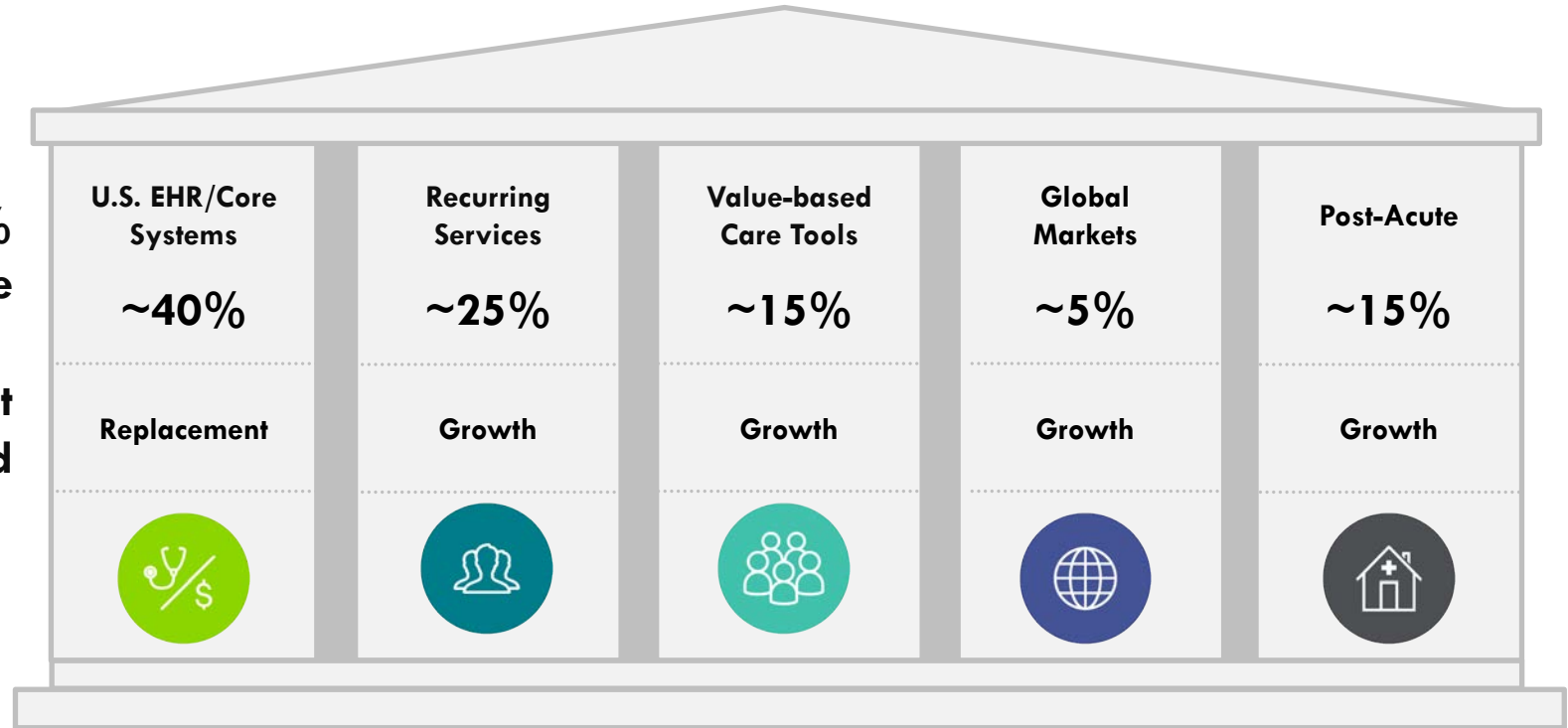
Cost reduction efforts have allowed EBITDA Margins to grow; new revenue growth starting to accelerate this impact



See reconciliation of non-GAAP metrics in the appendix of this presentation. 2017 numbers based on mid-point of guidance range.

# Diversified Growth Strategy

Strong foundational core with multiple growth segments for the future



# 2016 Examples of Growth Momentum

## Expansions



## Wins



## Growth Markets

- RCMS
- Payer Life Sciences



# Inflecting Toward Sustainable Growth

- Higher client satisfaction and improved product offering has led to an acceleration in sales and new business...
- Improved bookings performance has not yet resulted in overall revenue growth due to the multi-year decline in non-recurring revenue, which is finally expected to stabilize in 2017 allowing for overall growth...
- Allscripts expects to realize meaningful operating leverage as top-line revenue starts to grow...
- The combination of operating leverage in the income statement and cash flow statement will drive free cash flow that will be deployed to the benefit of clients and shareholders

# Best Positioning in Our History

- Executing on a consistent strategy since 2013
- Strong foundation to support future growth
- Ramped R&D, advanced reputation
- 2017 begins to demonstrate inflection point of the past four years efforts



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**DELIVERY SYSTEMS**



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Allscripts Investor Conference | March 21, 2017

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# Domestic Core Systems







John Sage | SVP, Client Organization

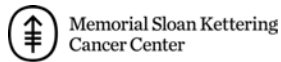
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# Hospital & Health System Client Growth Strategy



# Substantial Institutional Footprint

“Our Client Organization Touches **350** of the Largest Health Care Organizations in the United States...Every Day.”



# 2016 Momentum

## Record Year

- Year over Year Growth
- Bookings & Contract extensions

## New Systems Sales

- 10 Net New Sunrise Hospital Footprints in the base
- OptumCare – Touchworks
- Competitive wins in the Ambulatory base

## Revenue Cycle Wins

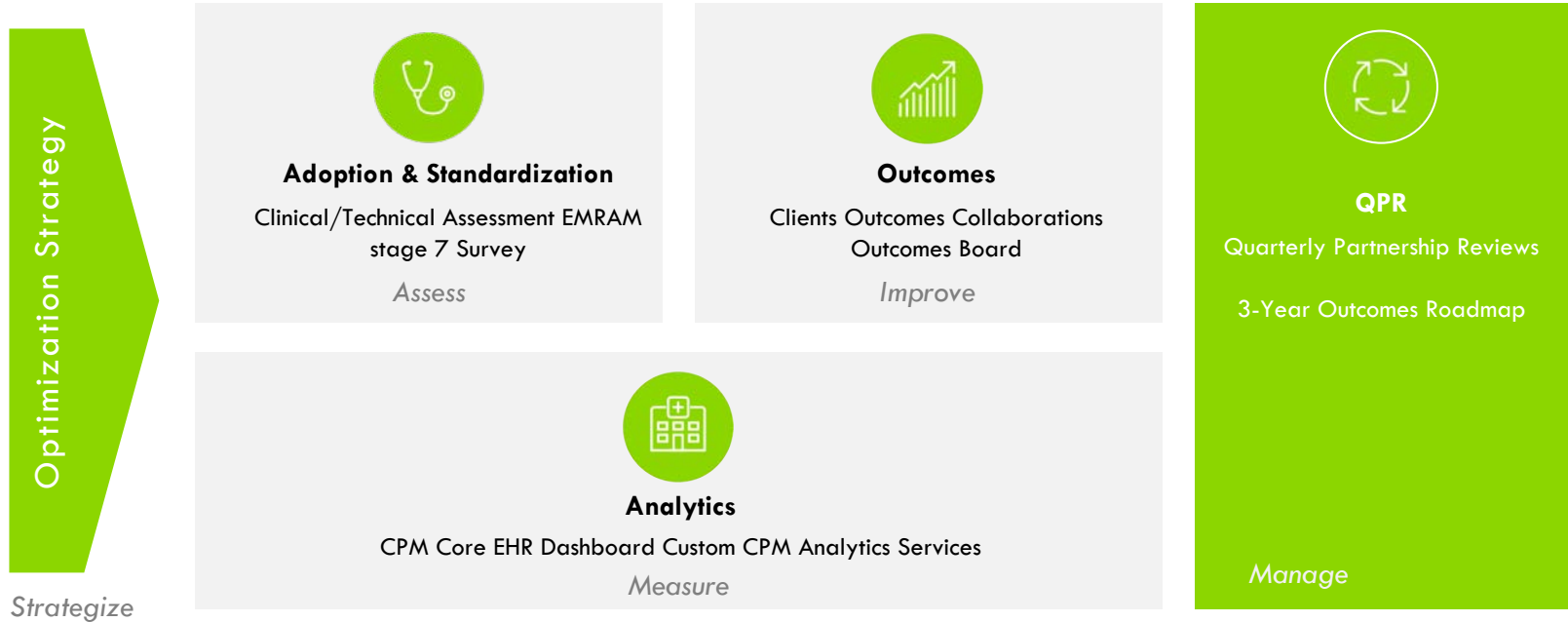
- Sunrise Financial Manager
- Ambulatory Practice Management
- Revenue Cycle Management Services

## Industry/Client Recognition

- Black Book Top Rated Inpatient EHR
- 16% Client Satisfaction across client base

# Perfecting a High Engagement Model

## Program Overview and the Adoption/Outcomes Relationship



*High value approach that raises Allscripts relationship value over time*

# Results: Industry & Client Recognition



## Black Book

- **2014-2017** #1 Inpatient EHR
- **2017** #1 Population Health Management Solution
- **2014-2016** Top Ambulatory EHR
- **2016** Top Rated Core EHR HIT Loyalty Index



## AMA

- **2015** Perfect Scores



## Peer60

- **2016** Mindshare Leader in Revenue Cycle Management
- **2016** Mindshare Leader in Patient Engagement

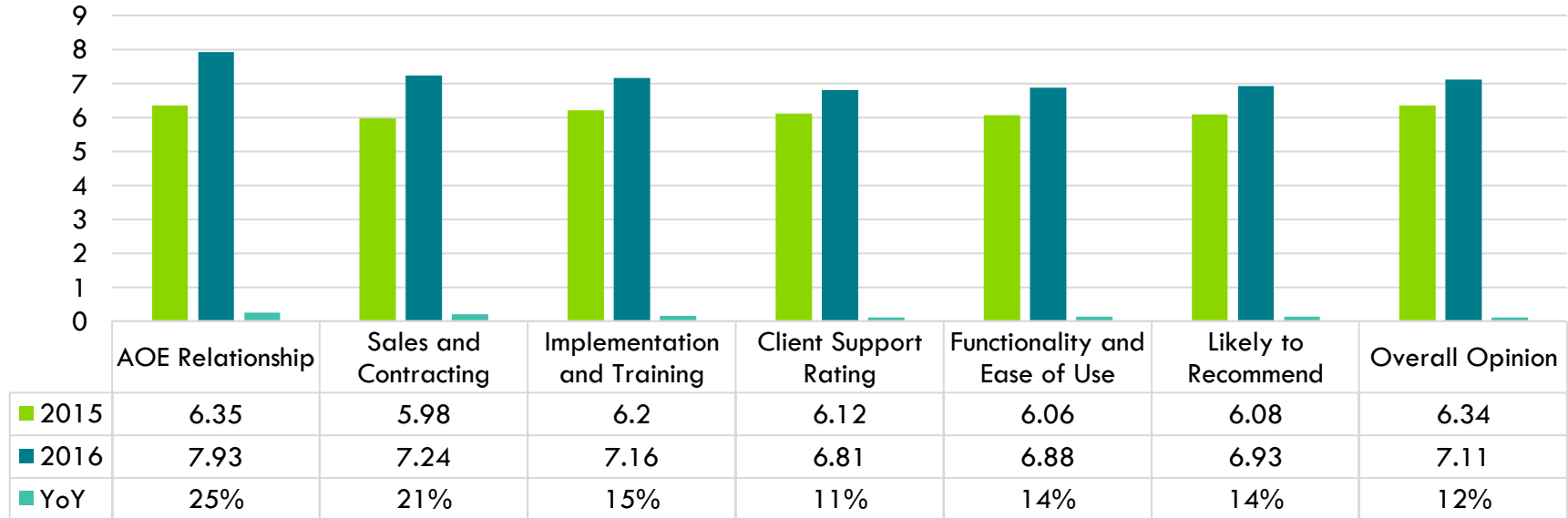


## MedStar Health

- **2015** Perfect Scores: Best practices for User-Centered Design from the American Medical Association and MedStar Health

# Increase in Client Satisfaction

US Acute  
+16% YoY



■ 2015 ■ 2016 ■ YoY

# More Software, Services: Multi-Billion Opportunity



## Add-On Whitespace

- ED
- Surgery/Anesthesia
- Ambulatory
- Revenue Cycle
- Ancillaries
- Other



## Add-On Facilities

- Clients buy assets frequently



## Value Based Care

- Significant shift in the industry
- Needs tools to address their population health needs



## Recurring Services

- Hosting
- Managed Services
- Revenue Cycle Management Services (RCMS)
- Professional Services



## Precision Medicine

- Differentiator
- Competitor displacement

# Best Positioning in Our History

- Industry leading clients
- Multi-year renewed focus on enhanced client success
- Client satisfaction and 3<sup>rd</sup> party recognition gaining momentum
- Multiple growth opportunities within the base



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**PATIENTS**



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Richard Berner | SVP, Hospitals & Health Systems

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# New Hospital & Health System Sales



# Replacement Activity – Multiple Considerations



Large displacement market opportunity



Fully integrated solution still key



Growing focus on EMR + Population Health Solutions



Fiscal Responsibility Returning: ROI/Value Matters



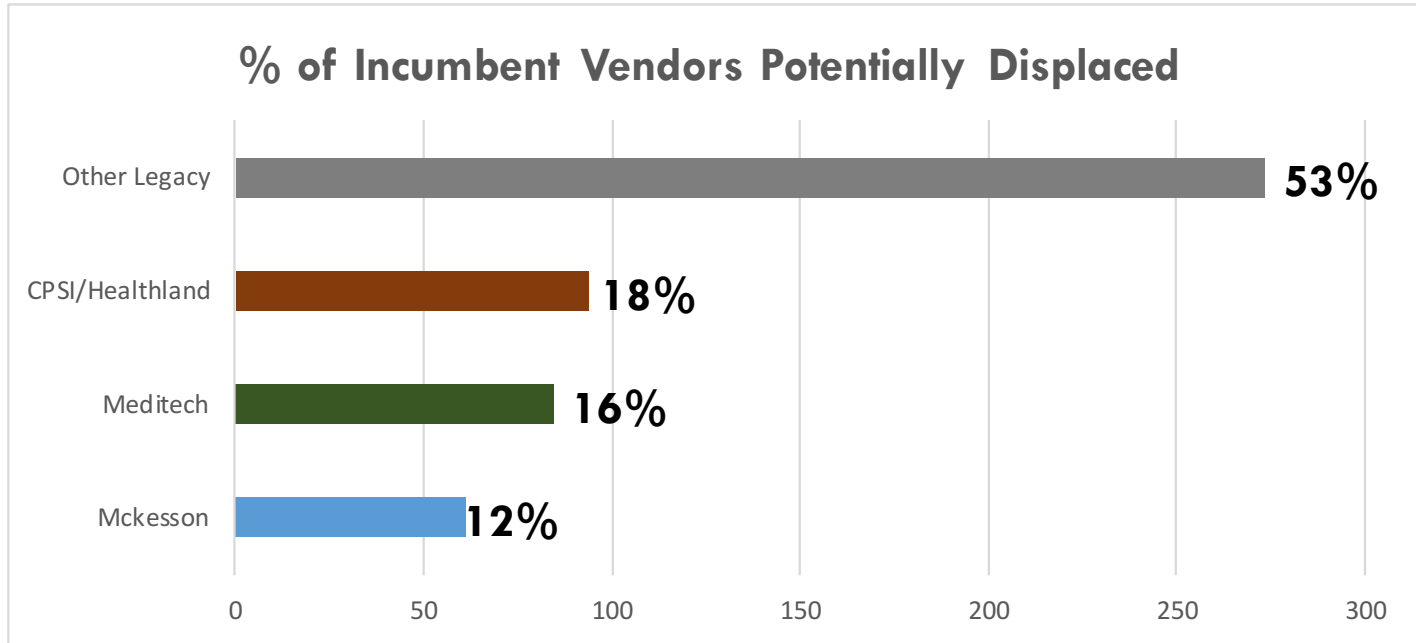
Ease of Use Continues To Matter



Best Practices + Ability To Innovate

# Replacement Opportunity Meaningful

## Hospital Facilities



***Tracking 50+ opportunities currently***

Source: KLAS 2016 Survey

# Go To Market Strategy

Sunrise + CareInMotion + Precision Medicine + Delivery Model Wins!



## Enhanced Functionality Ease of Use Reduce TCO

- Revenue Cycle, Ambulatory, Mobile, Content
- Enhanced Interface
- Lightweight, cloud-based

# Go To Market Strategy

Sunrise + CareInMotion + Precision Medicine + Delivery Model Wins!



## Leverage Base

- Drive dialogue, presentations on client outcomes
- Target/expand geographies w/other Allscripts solutions
- Scale up with clients as they grow

# Go To Market Strategy

Sunrise + CareInMotion + Precision Medicine + Delivery Model Wins!



## Targeted Campaigns

- Value = Outcomes/Cost
- World Class Fully Integrated EMR
- Best Practices, Agile, Innovate

# Go To Market Strategy

Sunrise + CareInMotion + Precision Medicine + Delivery Model Wins!



## Differentiate w/Oncology & Precision Medicine

- Functionality, openness, flexibility
- Population health management functionality – must have
- Growing focus on effective use of genomic information

# Go To Market Strategy

Sunrise + CareInMotion + Precision Medicine + Delivery Model Wins!



## Consulting Awareness

- Educate & Partner



# 34 New U.S. Logos Since 2013 – ¾ since '15



# Compelling and Differentiated Offering



Sunrise + CareInMotion + Precision Medicine



Best Practices + Ability To Innovate



Value = Outcomes/Cost



Delivery Model



Executive Relationships/Partnership



Ease of Use

# Best Positioning in Our History

- Replacement opportunity has runway
- Multiple industry drivers
- Allscripts offers a complete solution from EHR and beyond
- Recent momentum, stable client base bodes well for additional growth



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Steve Lalonde | SVP & General Manager

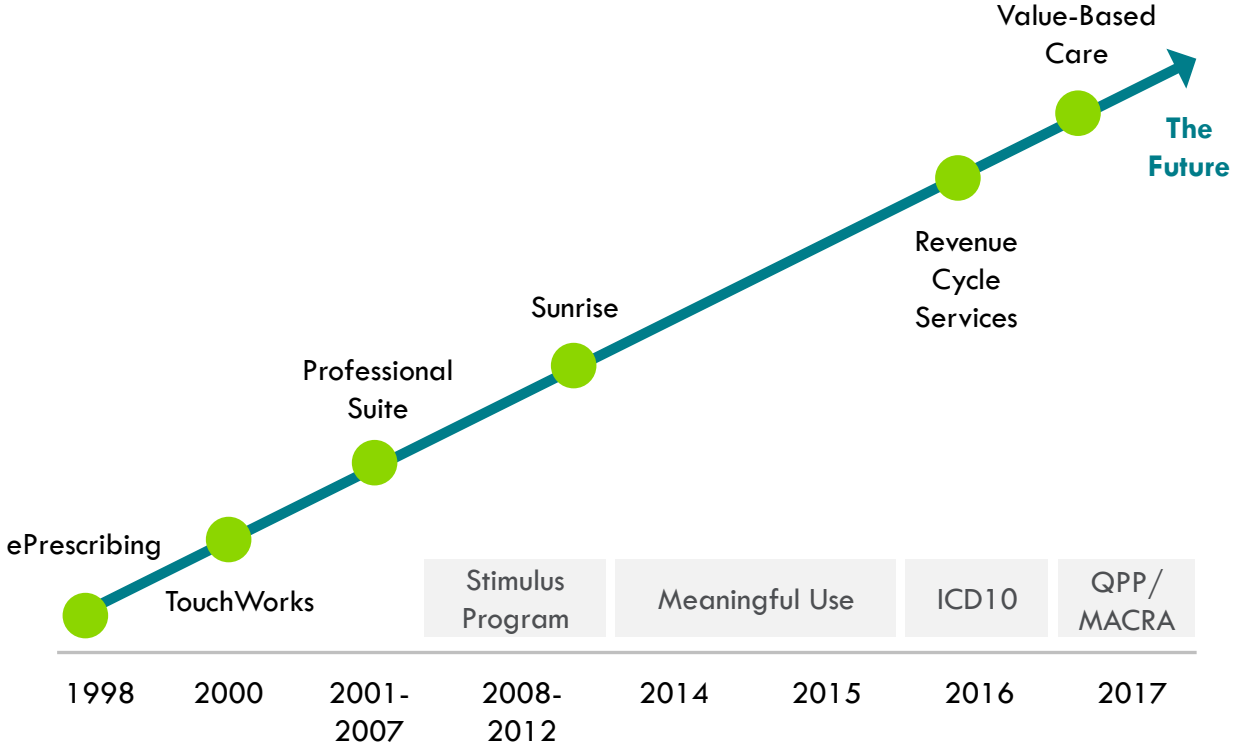
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# Independent Ambulatory Physician Business



# Long-Standing Ambulatory Leadership

- #1 Black Book Rating
- #2 Share<sup>(1)</sup>
- ~80,000 physicians



1. EHR Market Share Among Top 10 Competitors  
Source: HIMSS Analytics 3/17

# 2016 Momentum

## Largest Signings Ever

- OptumCare- Touchworks
- Major Health System IDN – Professional
- Concentra – Allscripts Practice Management

## New Systems Sales

- Competitive wins – Net New Footprints
- Cross/upsell base, legacy conversions

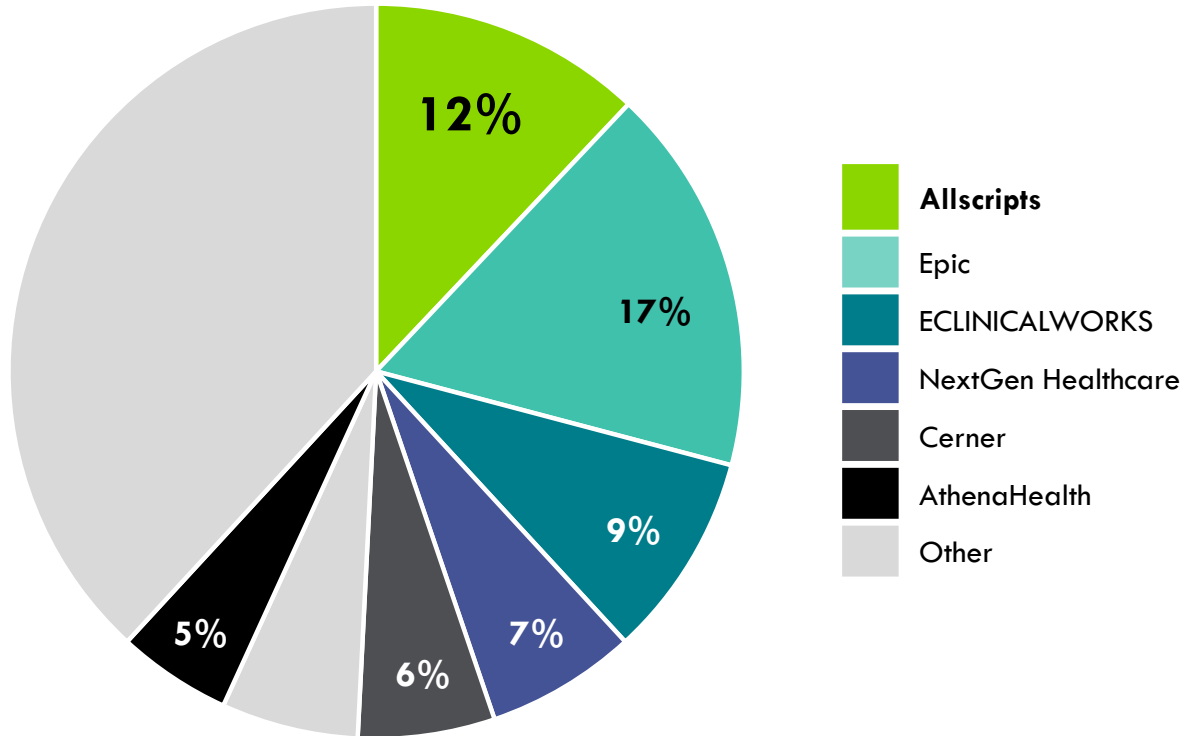
## RCMS Launch

- 6,000 physicians – multi-specialites
- \$1.5B revenue under management
- Professional & TW penetration

## Innovation

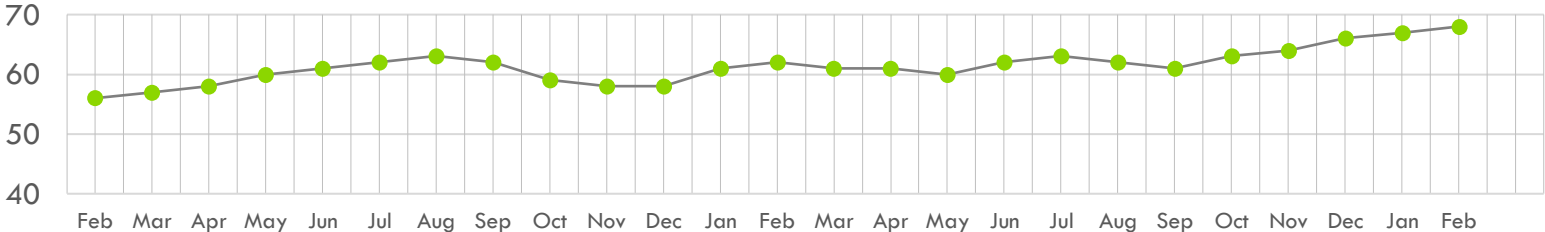
- ProMobile and TouchworksMobile
- eAuth and eChart Courier

# EHR Independent Physician Market



Source: EHR Share Among Competitors | Source: HIMSS Analytics 3/17 and Allscripts estimates.

# Rising Rankings and Client Satisfaction



## 1 Year Trend

 Sales & Contracting	 Implementation & Training	 Functionality & Upgrades	 Service & Support	 General
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**KLAS Revenue Cycle Management Report**  
 Highest in overall satisfaction 1-10 physician market  
 2<sup>nd</sup> in overall satisfaction in the >10 physician market

**Black Book Rating**  
 2014-2016 Top Ambulatory EHR  
 2016 Top Rated Core EHR HIT Loyalty Index



# Practice Challenges Abound

## Regulatory



**Physician frustration!**  
Care is impeded

**Usability**  
Challenged by  
usability/functionality

## Getting Paid



**CMS Mandate**  
50% value based pay by 2018

**Pay-for-Performance**  
Cash flow worries

## Operational Costs



**Compliance costs jump**  
Data loss and legal fees

**Partnerships**  
Joint ventures, alliances,  
affiliations

*Need comprehensive solutions to complex business challenges*

# Independent Physician Strategy

**Grow with Current Clients**

**Win Net New Clients**

**Differentiate value proposition**

**Expand RCMS business**

## **Leverage for Growth:**

- Client base size/breadth
- Client Rankings
- Comprehensive Solution Set

# Grow with Current Clients

## Strengthen Clinical and Financial Foundation

- Leading Regulatory Change Requirements
- Cross-sell and Upsell new systems
- Drive higher client satisfaction

## Improve Client Productivity

- Consultative ‘Go-to’ for Practice Optimization
- Streamline upgrades
- Hosting (private cloud)

## Industry Leading Innovation

- Ease of Use/Efficient Documentation
- Premier Configurability
- Community Aware Electronic Health Record

# Win Net New Footprints

## Accelerate Market Replacements



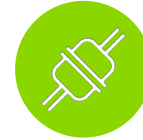
- Multi Vendor “one off” Solutions
- Practices Outsourcing Work

## Go Where the Business Is



- ACO's and MSO's
- Employers
- Private Equity

## Connect our Solutions



- EHR Platform sale
- RCMS
- Population Health Management

# Differentiated Value Proposition

## Surround Solutions

- Patient Strategy with FollowMyHealth
- Payerpath Penetration/Buying Rate
- New Payer Collaboration Offerings

## Open Platform

- 160 ADP Partners
- 2.25 Billion data shares
- Increase Physician Productivity

## Population Health

- CareInMotion Platform
- Analytics for New Reimbursement Models
- Care Coordination & Outcomes

# Expand RCMS Business

## Strong Asset Base



- Leader in Practice Management & Payerpath
- Acquired Revenue Cycle Services

## Differentiated Offering



- Flexibility
- Account Management
- Transparency
- Full or Shared Services
- Maximize Revenue

## Market Opportunity



- Convert Existing Clients
- Target New Business
- RCMS by the Numbers – ROI

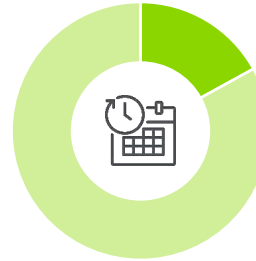
# RCMS By the Numbers



**99%**

NET COLLECTIONS

MGMA Benchmark 91-93%



**17%**

A/R OVER 90 DAYS

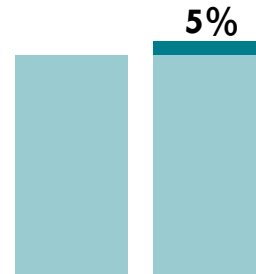
MGMA Benchmark  
Mid 20%



**98%**

FIRST PASS CLEAN CLAIMS RATE

MGMA Benchmark low 90%



2015

2016

**5%**

AVG. INCREASE IN COLLECTIONS

# Best Positioning in Our History

- 2nd largest independent physician base
- Rising client satisfaction
- Multiple significant cross-sell opportunities
- RCMS a major business driver today



**CLINICIANS**



**DELIVERY SYSTEMS**



**PATIENTS**



**OPTIMIZED FOR  
WHAT'S NEXT**



Lisa Khorey | EVP, Client Delivery Organization

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# Client Delivery and Services

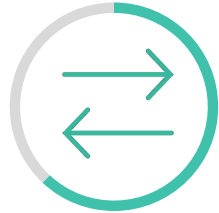


# Although few physicians would stop using their current EHR system, nearly all physicians would like improvements.



**3 out of 5**

would **keep the current EHR system** they have and not replace it



**62%**

want **interoperability**



**57%**

want **improved workflow and increased productivity**



Only **12%**

**do not seek improvements** to their current system

Source: [Deloitte 2016 Survey of US Physicians](#)

# A Former Client's Perspective



- Interface Programmer
- Healthcare Junkie
- Consultant
- Allscripts BELIEVER



## Client Delivery Office Focus:

Client centric success powered by Allscripts technology.

*“I am deeply committed to forming trusting relationships with our clients to better serve their needs and empower them to provide smarter care to their patients.”*

# Who has great service?



amazon

NORDSTROM

Southwest<sup>®</sup>



THE RITZ-CARLTON<sup>®</sup>



*Healthcare = the next big client service opportunity*

# Allscripts Has Massive Diversity in Client Base – Delivering a Consistent Experience is Critical

## Trustworthy

The experience instills a sense of confidence.



## Effective

The experience delivers value to customers.

## Reliable

The experience is consistent and predictable.

*Products don't have to be perfect for customers to be happy...  
client and delivery experience is the glue.*

# Client Delivery Organization

## Opportunity Drivers

- Complexity, non-core, capital constraints
- No scale for efficient technology deployment, staffing

## Allscripts Offerings



Professional Services



Hosting Services



Managed Services



Client Support Services

# Significant White Space Growth Opportunity Within Allscripts Client Base

**Sunrise**

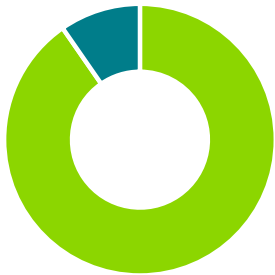


**46%**  
Hosting  
Opportunity

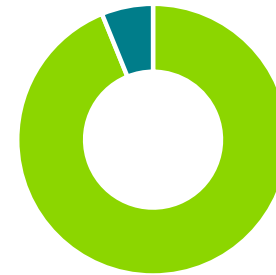


**65%**  
Outsourcing  
Opportunity

**TouchWorks**



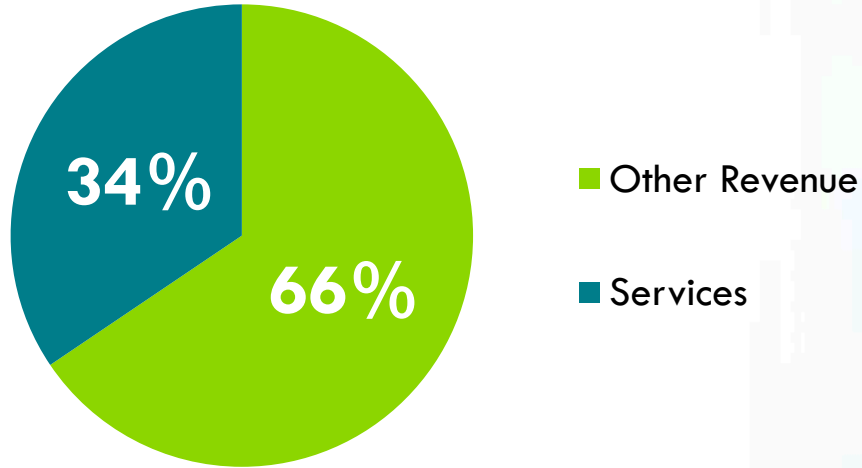
**90%**  
Hosting  
Opportunity



**94%**  
Outsourcing  
Opportunity

# Services as a % of Revenue

## Allscripts



***We have room to grow***

*See reconciliation of non-GAAP metrics in the appendix of this presentation.*





# Case Study – Helping Clients Maximize the Power of Allscripts Investments

## Large, non-profit, faith-based health system

**Customer:** Operates in multiple states at more than 100 hospitals, including academic health centers, major teaching hospitals and critical access facilities.

**Goals:** Install management team and adjust staffing levels to meet requirements; realign and transform team from tactical to strategic; provide resource flexibility; and create ongoing optimization processes.

**Solution:** Allscripts Managed Services for a 5 year term.

- Application management for TouchWorks and TouchWorks Analytics, Practice Management, CQS and other planned and ongoing projects



**\$4M**

**Savings in five years  
for outsourcing  
vs in-house**

# Best Positioning in Our History

- Major commitment to consistent client execution
- Multiple “white space” opportunities w/ high ROI
- Increase Allscripts strategic value to clients



**CLINICIANS**



**DELIVERY SYSTEMS**



**PATIENTS**



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Allscripts Investor Conference | March 21, 2017

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# Global Markets





Paul Black | Chief Executive Officer

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# Global Markets



# Our Global Presence

USA

Bahamas

Haiti

Costa Rica

Canada

Great Britain

Ireland

Belgium

Italy

Germany

Israel

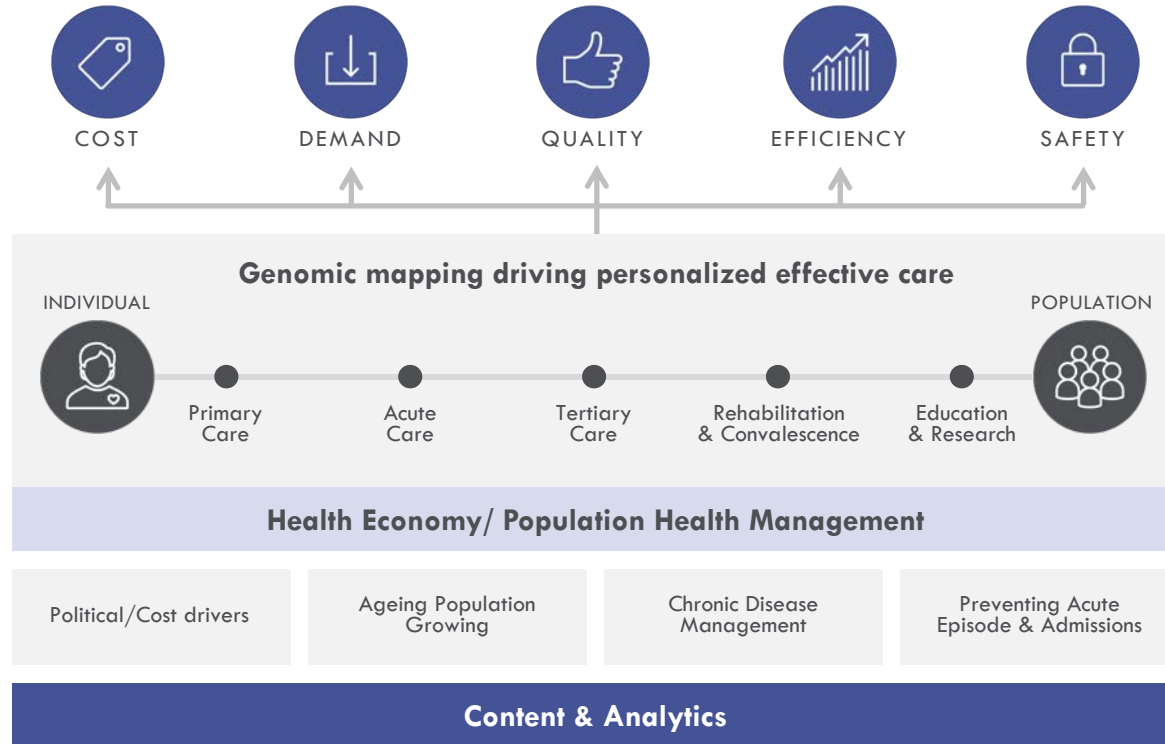
United Arab Emirates

Singapore

Australia



# Government Drivers: From Treatment to Wellness & Prevention



Digitization is seen as a key initiative to 'manage' costs in many markets, although the point of intersection and timing varies e.g.

- EHR
- Admin / Financials
- Connectivity
- Patient engagement
- Clinical documentation

# Global Strategy

- Government funded digitization programs
- Consolidating markets where larger players will make single decisions
- “Framework” contracts
- Investment lead Initiatives
- Leverage existing solutions – speed to value
- Multi-site – strategic “client partners”
- Partner locally, enhancing brand awareness



Currently ~5%  
of corporate revenue



Five-year plan to  
grow multi-fold

# Allscripts Value Proposition

- Innovative solutions, open architecture, Microsoft based
- Strong value proposition – flexible implementations align w/ client requirements
- Value Based Care – clinical & financial solutions
- Subscription, SaaS model
- Capex/op-ex flexibility
- Ability to localize the solutions effectively
- Supports vision for a health economy
- Demonstrated outcomes



# Country Focus: UK

1. Leverage LLP Framework contract
2. Launch cloud solution
3. Upsell Sunrise to U.K. PAS clients
4. Upsell CareInMotion™ to Sunrise base
5. Deliver all wins at high, referenceable quality



# Country Focus: Canada

1. Manitoba & Saskatchewan
  - Expand Allscripts solutions to at least 18 hospitals over the next 5 years
2. Ontario – Large Replacement Market
  - Replacement market where over 160 hospitals must replace or upgrade in 5-10 years
3. Maritime Provinces
  - NFLD, NB and NS all need to upgrade or replace at over 100 hospitals in the next 5 to 10 years
4. Alberta
  - Represents opportunity of over 90 hospitals
5. Post-Acute and Homecare a National Priority
  - Millions in Infoway spend over the next 4 years

# Regional Focus: APAC

1. Singapore National EMR
2. Underpin MyHealthRecord (Australia) with dbMotion
3. Upsell Sunrise to Core Medical clients (Northwest Territories, S. Australia)
4. Geographic expansion
  - Sunrise via S.E. Asian Private Sponsors
5. Population Health across APAC region driven by rising health costs and aging population



# Growing an “Anchor” Global Base

- Kings NHS: **970 beds**



- Salford Royal NHS: **728 beds**



- Dudley NHS: **750 beds**



- New Royal Adelaide: **800 beds**



- Sing Health General: **1700 beds**



- Total population of Israel 8.5m citizens covered by dbMotion™



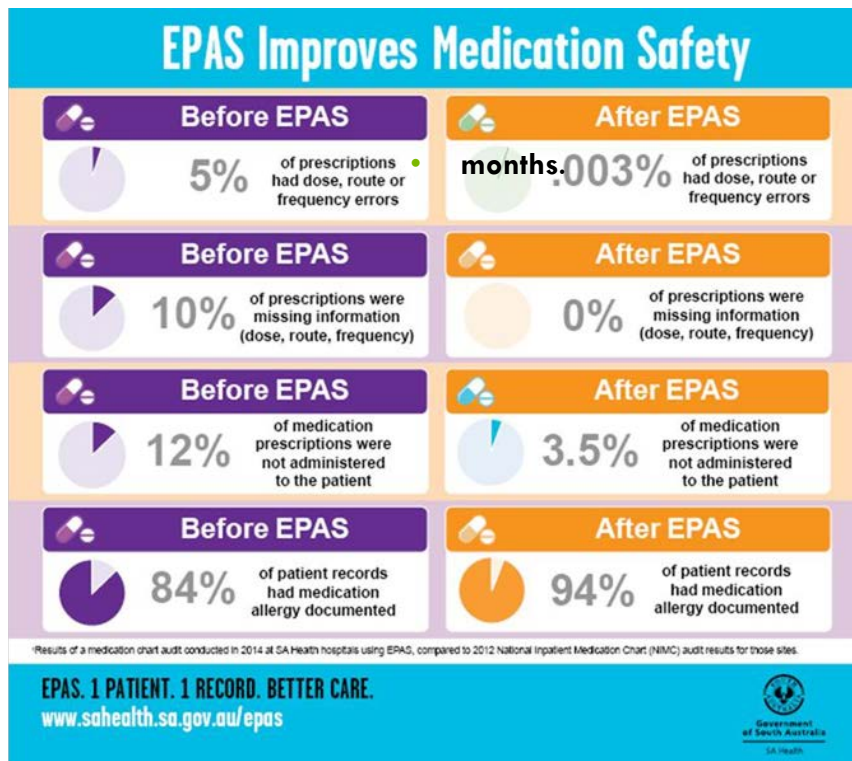
- Manitoba Connect >500 sites



- Fraser Health (British Columbia) – connects 12 hospitals + provincial assets funded by Canada Health Infoway



# Demonstrating Positive, Reproducible Outcomes



- **20% reduction** in chemistry tests DAY ONE go-live (Rockyview General Hospital)
- Improved diabetes management:
  - **two day reduction in LOS**
- Care plans reduce ED visits/cost
  - Significant dollar cost savings
- Re-engineering blood product work flows drove **50% reduction** in consumption of high priced therapeutics w/ subsequent **cost savings of \$600,000 in the first 8 months**

# Best Positioning in Our History

- Strong global reputation
- Focused strategy
- Leveraging domestic assets
- New geography and sell through opportunities



**CLINICIANS**



**DELIVERY SYSTEMS**



**PATIENTS**



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# Value-Based Care



James Hewitt | EVP Solutions Development

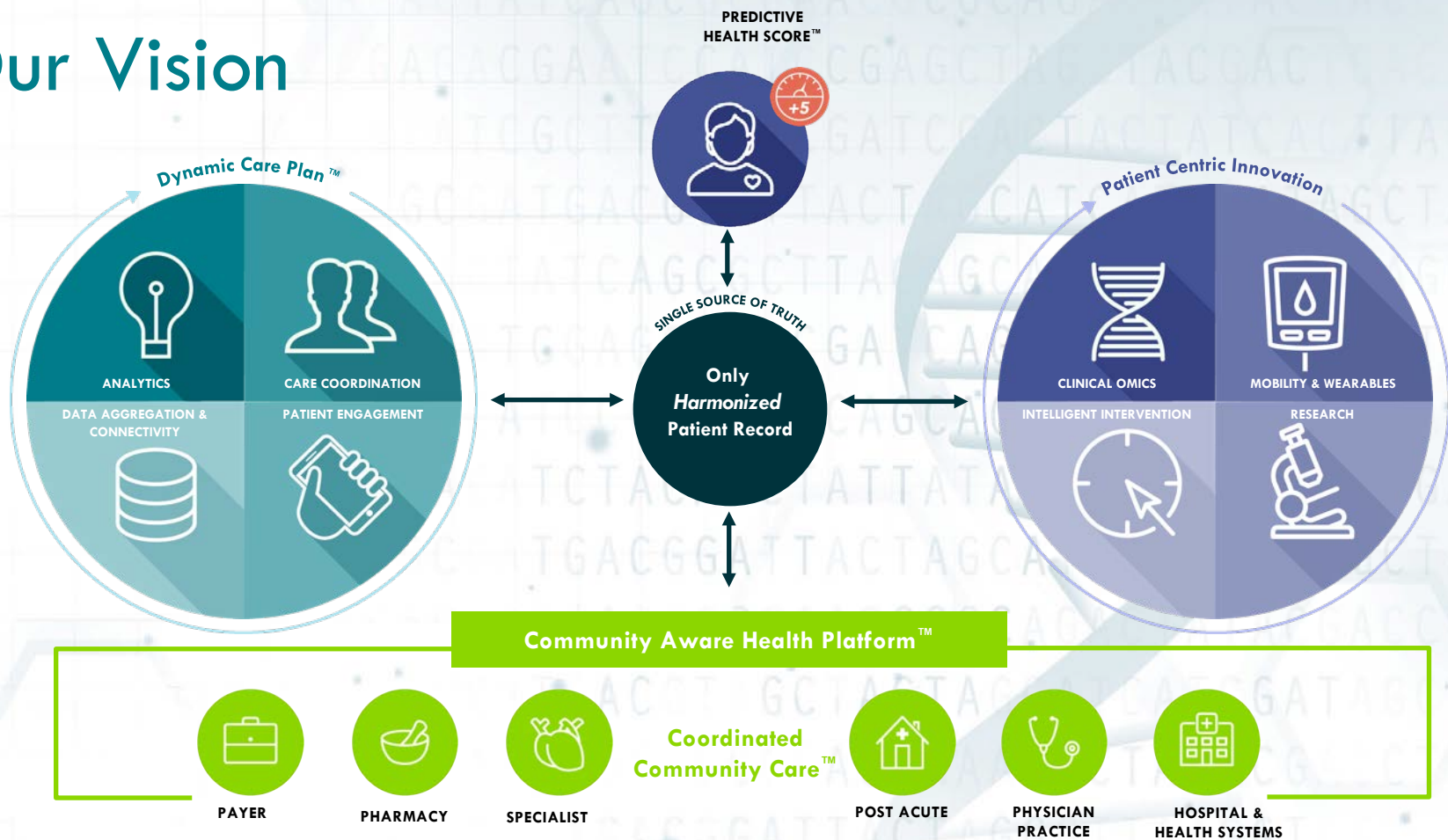
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# Population Health: Connecting the Community





# Our Vision



*Third Party Clinical Systems*

Athena

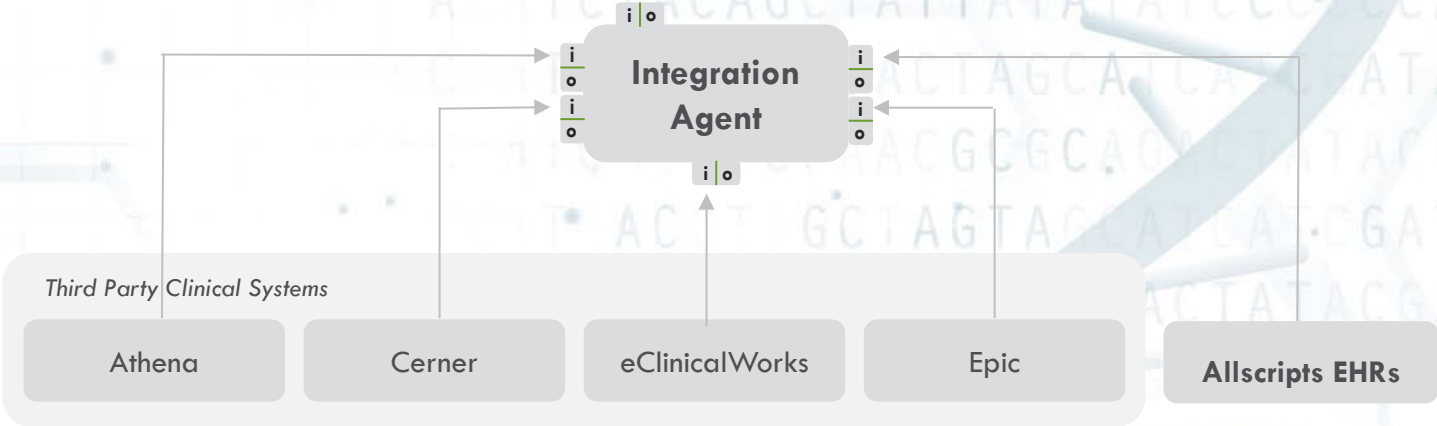
Cerner

eClinicalWorks

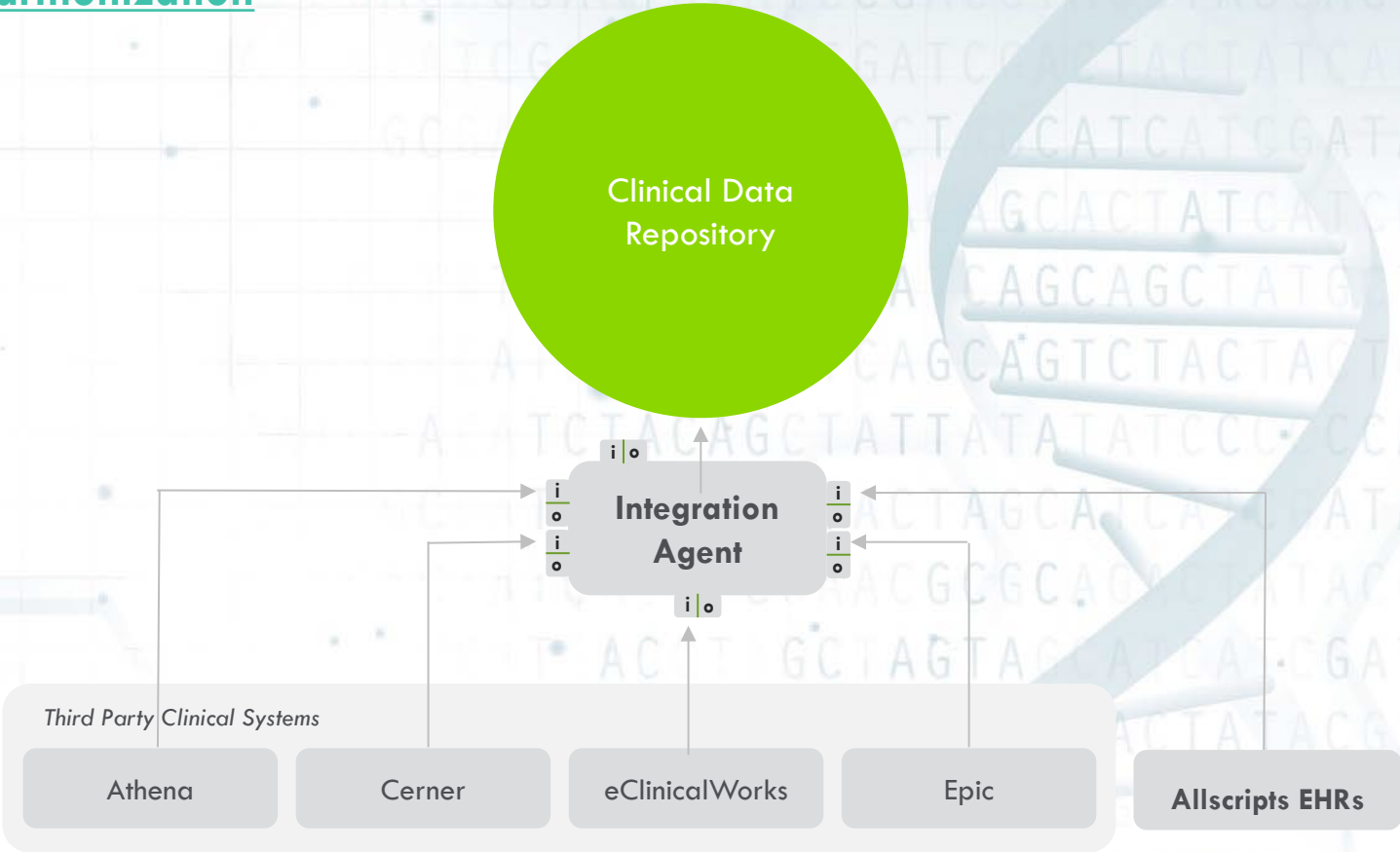
Epic

**Allscripts EHRs**

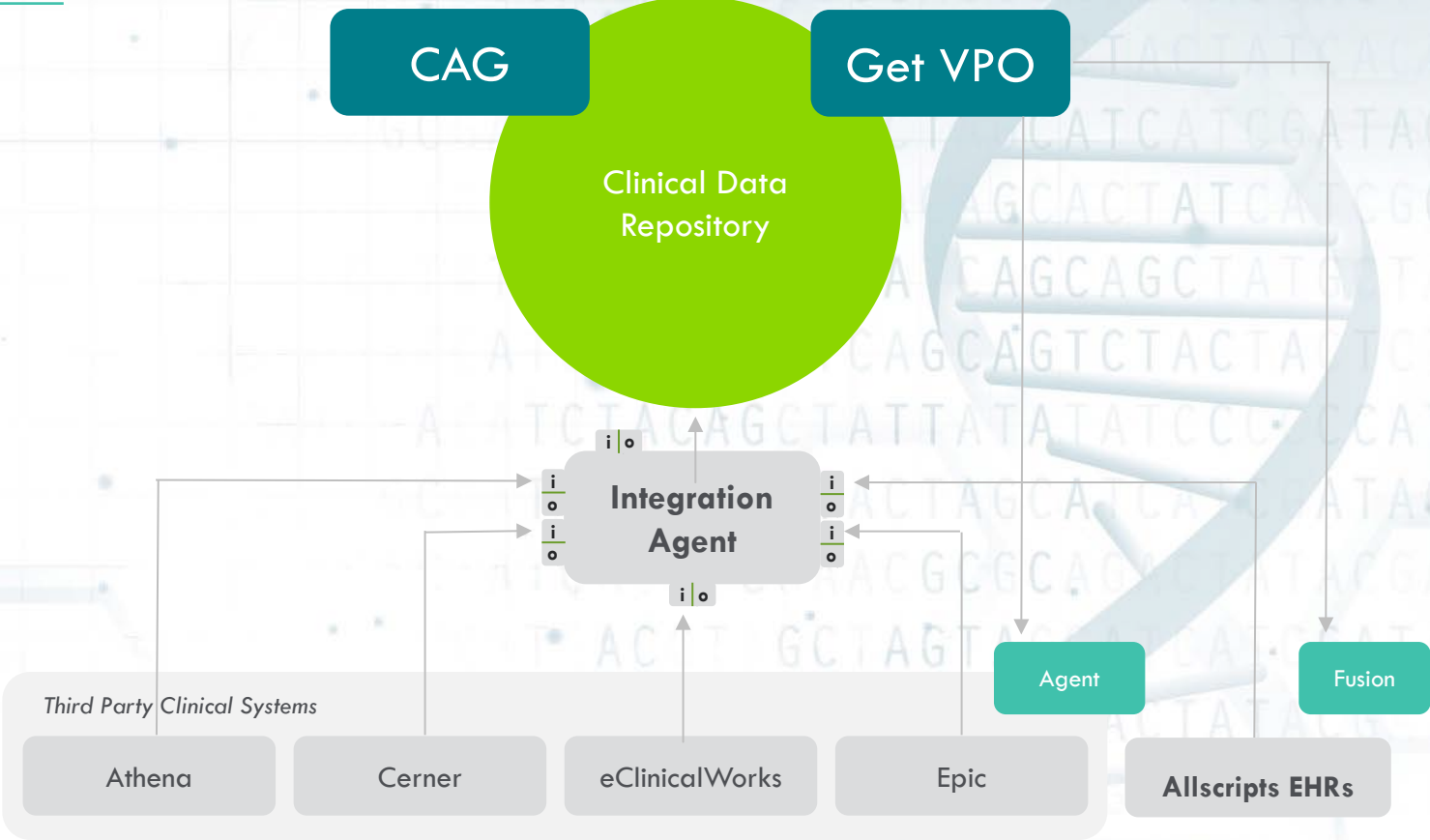
# Data Acquisition



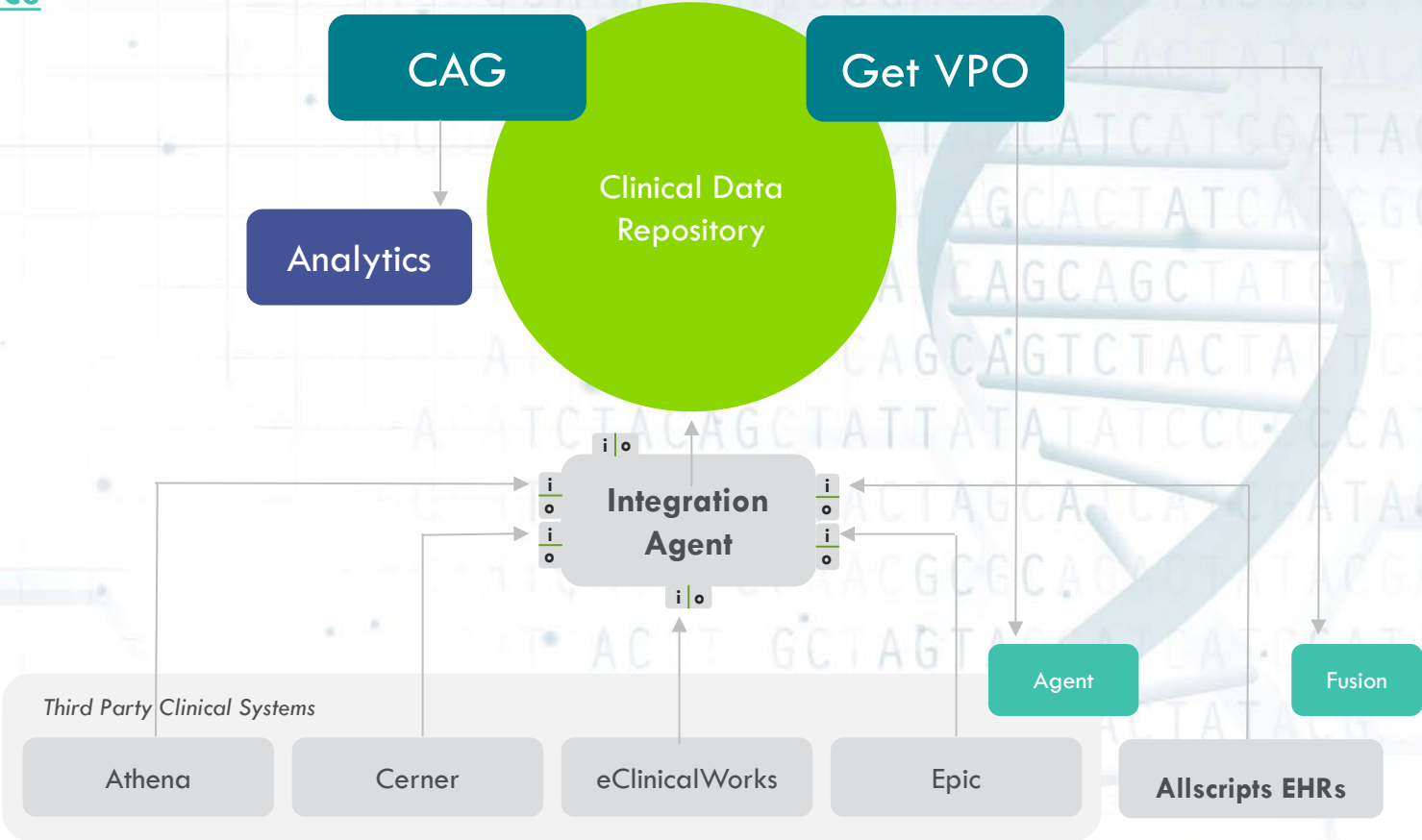
# Data Harmonization



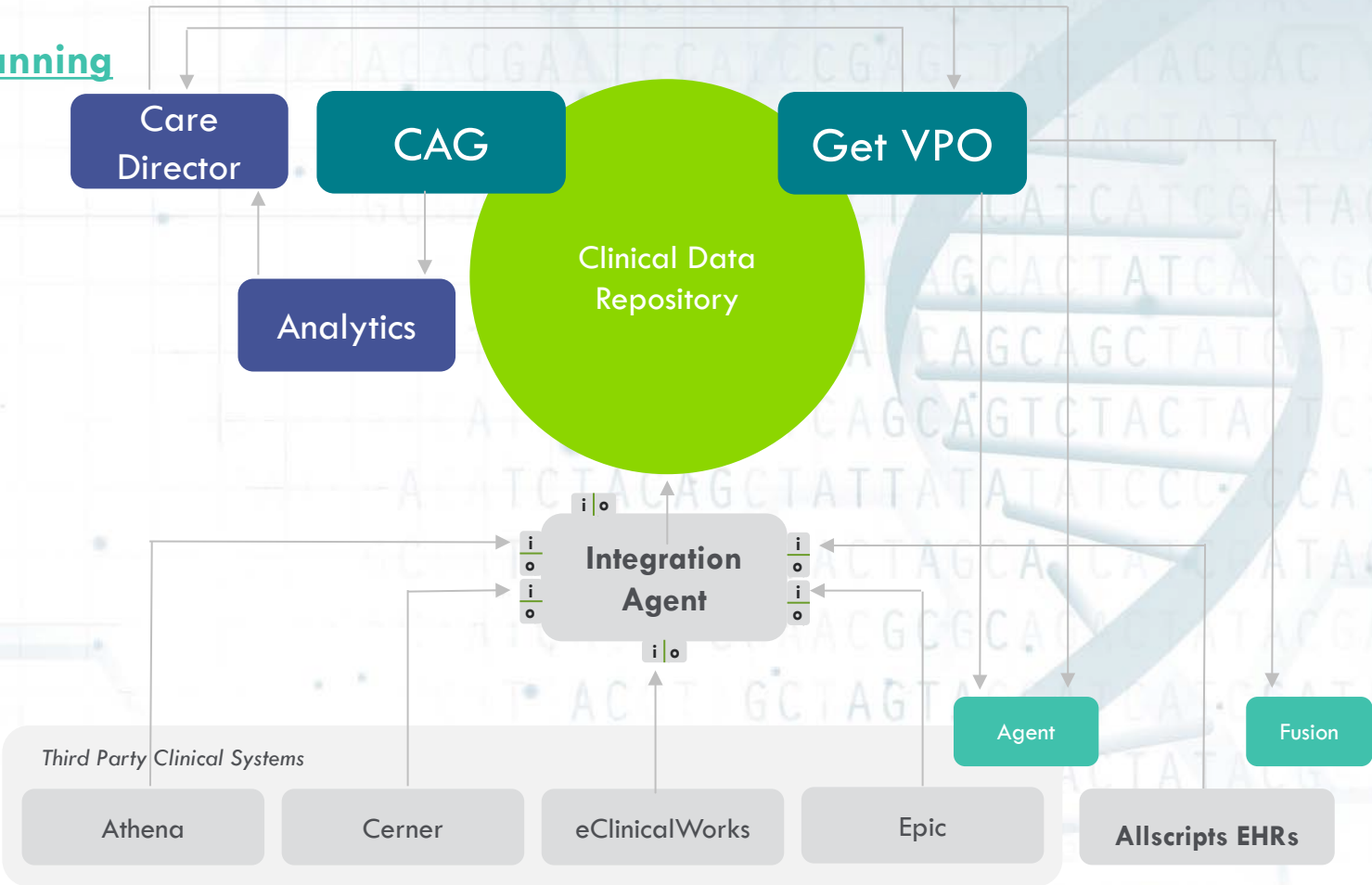
Data View



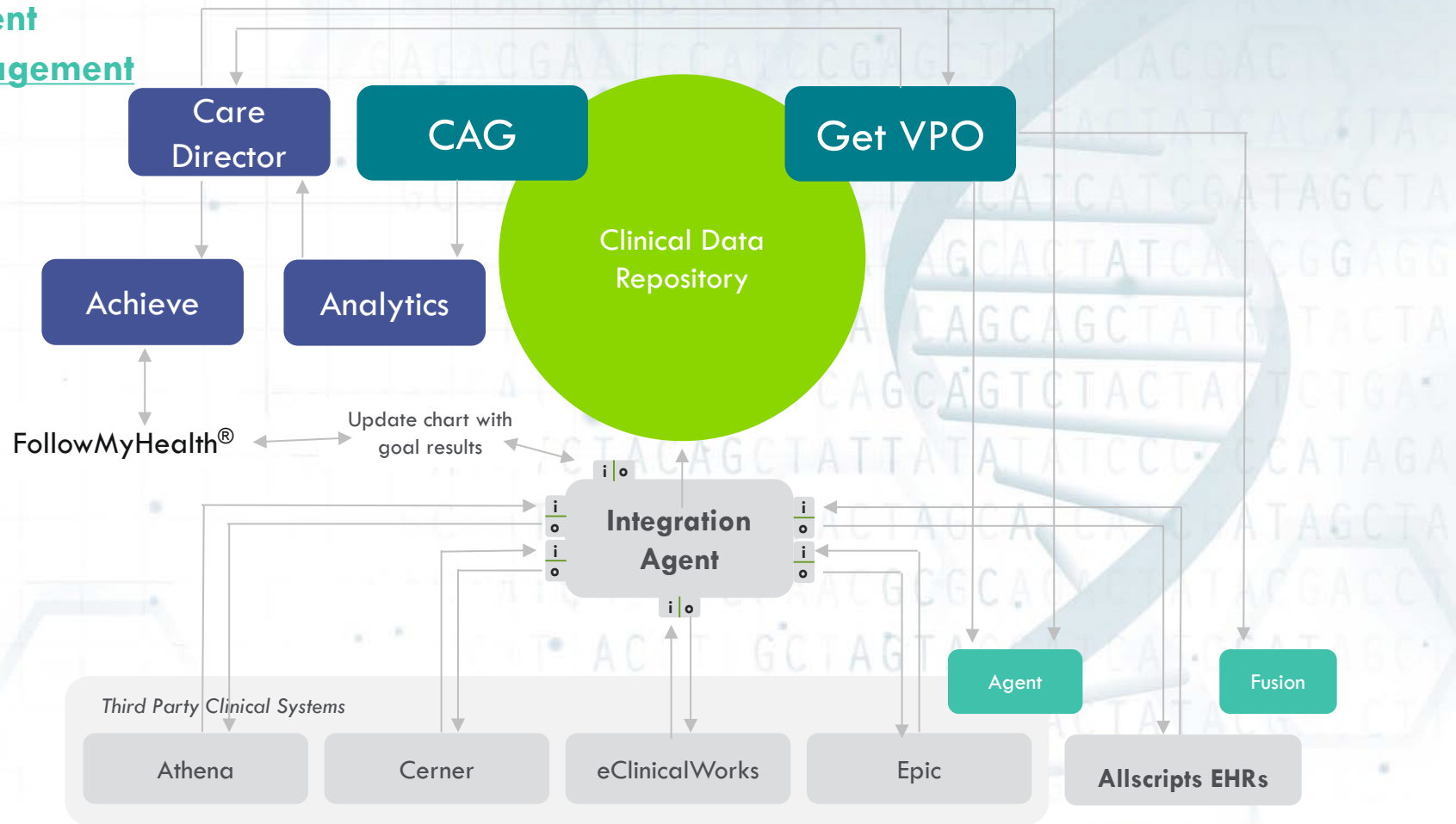
Analytics



# Care Planning



# Patient Engagement

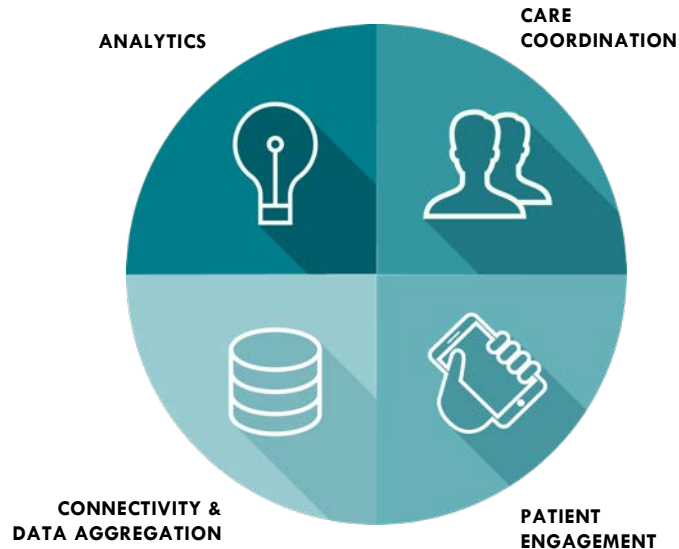




# CareInMotion™ Differentiators

## Population Health Management

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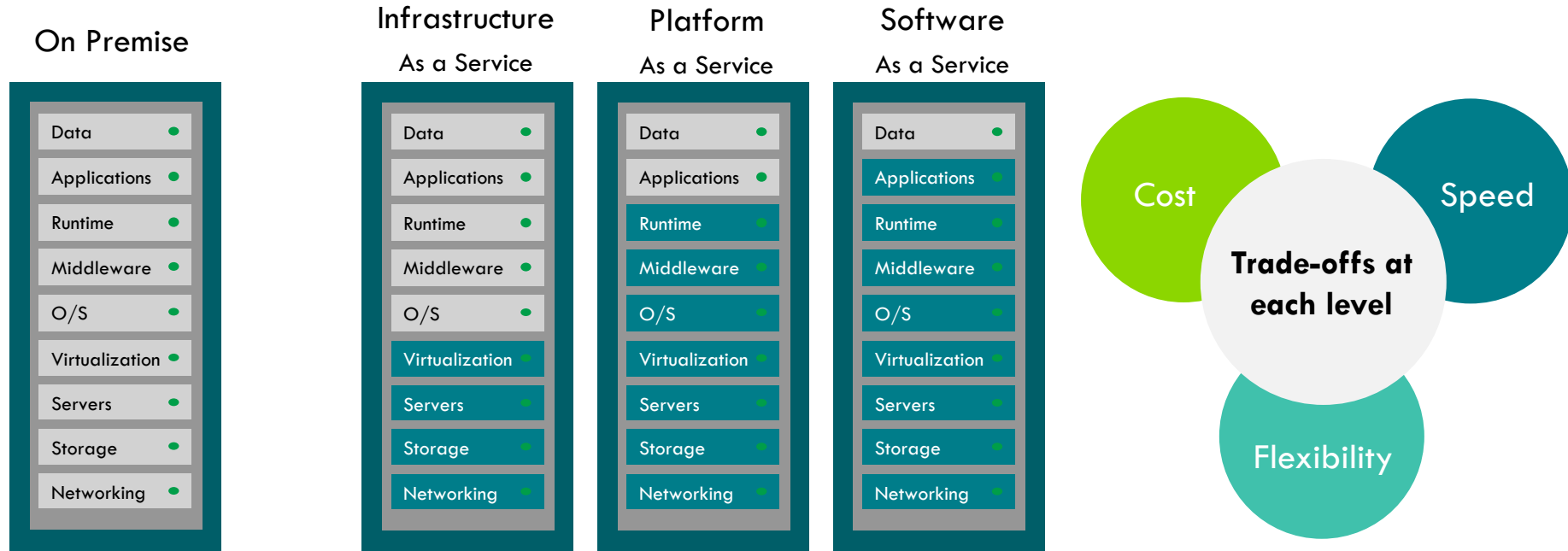
- Aggregates community data to create a **True Harmonized View** of the patient
- Puts care plans and interventions **Into Action**
- **Patient-Centric** engagement across all settings of care
- Enables **Full** Enterprise Financial Performance Management

---

# Allscripts Cloud Strategy

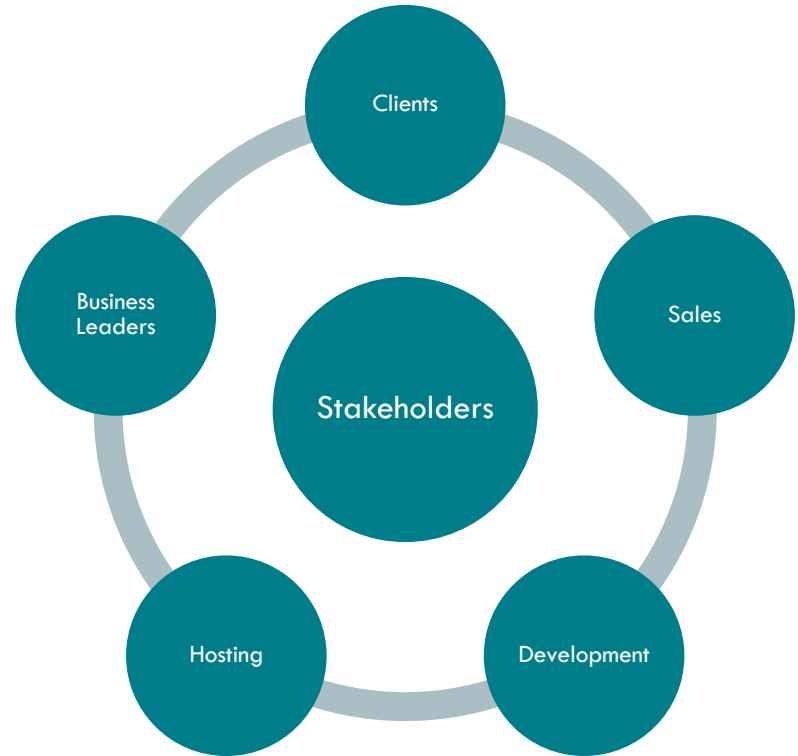


# Cloud Perspective: Complex Decisions



# Why is Cloud Strategic to Allscripts

- Rapid deployment of our solution sets:
  - No hardware acquisition
  - Standard configurations are managed
- Reduced direct and indirect total cost of ownership:
  - Capital procurement and associated financial accounting
  - Hardware deployment personnel and related costs
- Pay for what you use:
  - No upfront procurement for planned but yet-unused growth
  - Expand/reduce infrastructure manually in minutes or automatically on load
- Takes us from capital to operating expense:
  - No upfront capital
  - Smoother operating expense
- Customer benefits:
  - Software as a service model
  - Business continuity and DR
  - Faster upgrades
  - Subscription based payments



# Allscripts Cloud Today & Tomorrow



## **Future Applications:**

On-premise GA today and native applications in development



## **Hybrid Cloud Solutions**

Business continuity & DR



## **Platform-as-Service:**

Care Management, Care Director, FollowMyHealth™, PayerPath™



## **Private Cloud and Applications:**

Sunrise, TouchWorks, ProSuite



# Best Positioning in Our History

- Comprehensive population health platform
- CareInMotion as community architecture
- EHR agnostic
- Significant cloud presence today increasing into the future



**CLINICIANS**



**DELIVERY SYSTEMS**



**PATIENTS**



**OPTIMIZED FOR  
WHAT'S NEXT**



Edward M. Plut, PharmD | VP, Payer Markets

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# Allscripts Emerging Payer Solutions



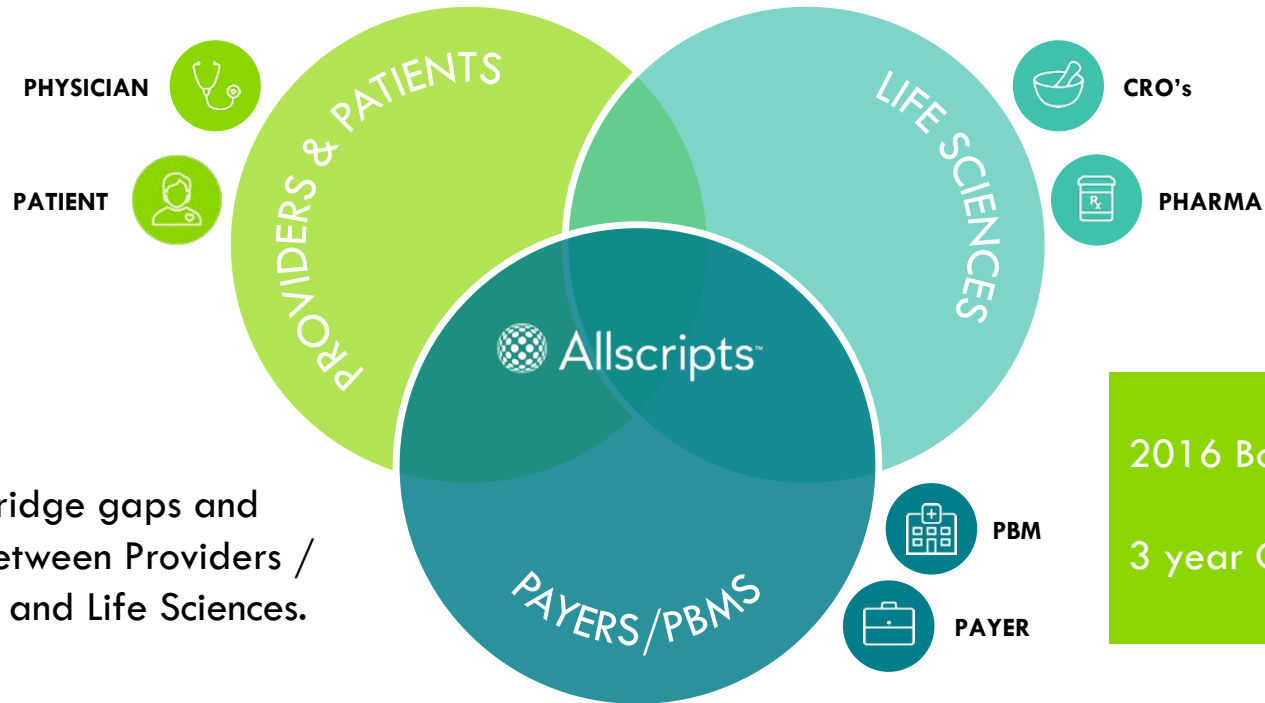
# Agenda: Allscripts Payer & Life Sciences (PLS)

- PLS Value Proposition
- Payer Line of Business
- Life Sciences Line of Business



# Payer & Life Sciences – Our Value

Leveraging MDRX Install base and Core Technology to drive incremental revenue



Solutions that bridge gaps and deliver value between Providers / Patients, Payers and Life Sciences.

2016 Bookings: \$170M

3 year CAGR: >60%

# Best in Class Network of Payer Clients

Allscripts has the most robust network of payer clients and we continue to grow and deepen these relationships

 Allscripts  
PAYERS/PBMS



# Payer Vendor Complexity

Payer spending significant \$\$ w/ vendors – moving to consolidating relationships

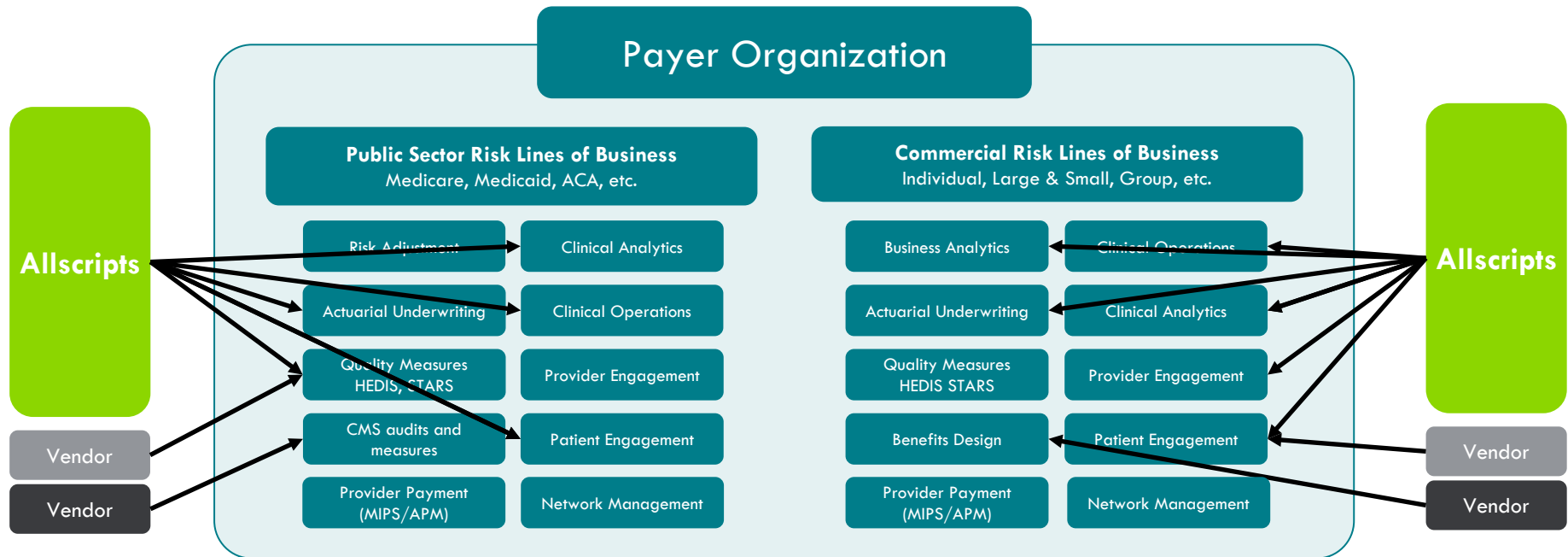
Payers Spend 3X to 4X on IT Vendors vs other industries



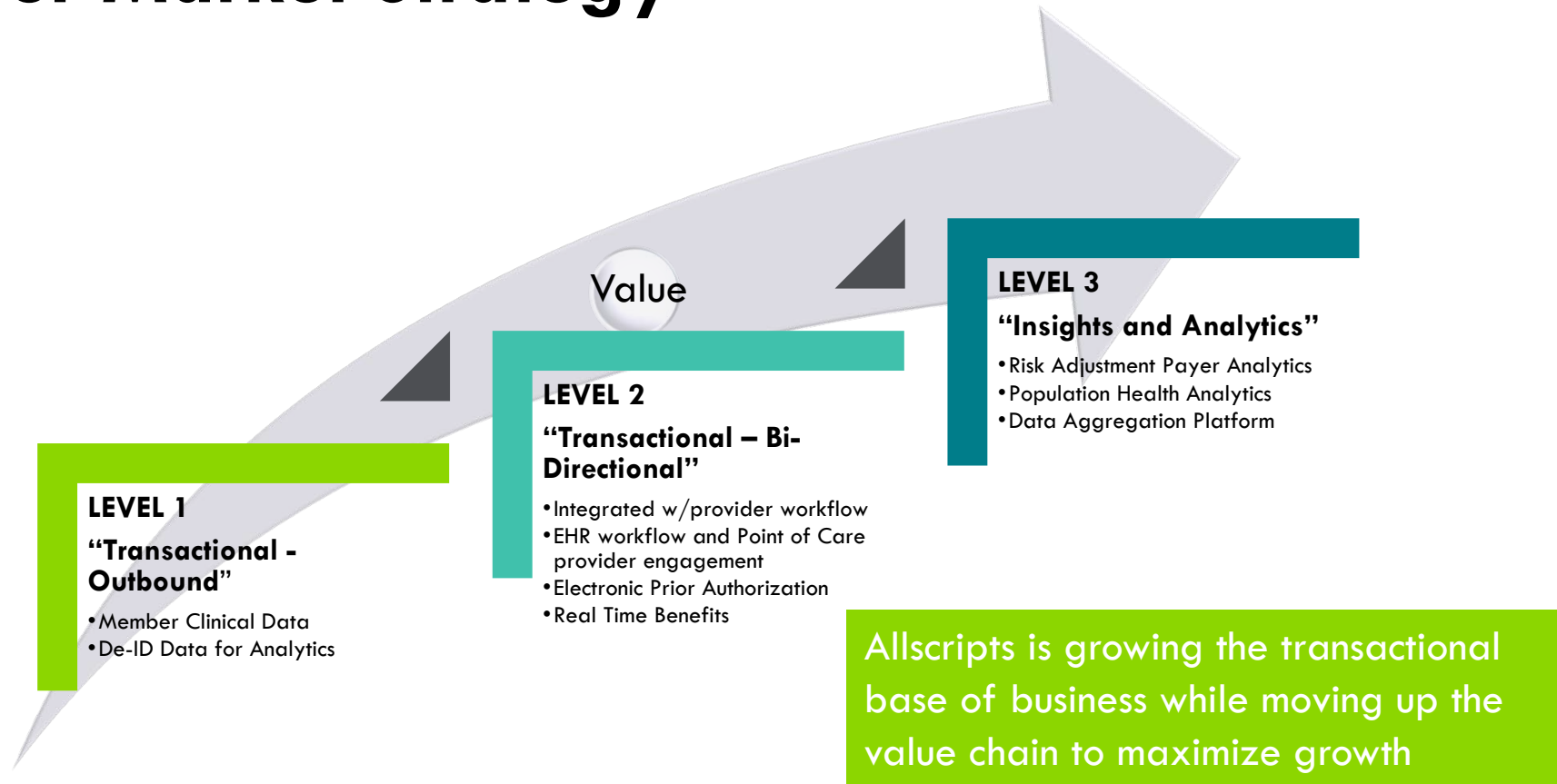
# Payer Vendor Complexity

Payer spending significant \$\$ w/ vendors – moving to consolidating relationships

Allscripts is best positioned in HCIT to win with payers



# Payer Market Strategy



# Bi-Directional Data Exchange

We facilitate collaboration between payers & providers through bi-directional data exchange

## Allscripts Providers

### Solutions

ePrescribe  
(Future)

Pro EHR

TouchWorks

Sunrise EHR  
(Future)

eChart Courier



## Payers/ Health Plans

Risk Adjustment

Clinical Analytics

Clinical  
Operations

Business Analytics

CMS audits and  
measures

Quality Measures

Actuarial  
Underwriting

Payer Health Profile

Payer Gaps-in-care

> 100 Million Chart Pulls  
Annually\* – converting to  
electronic and monetized

\*Source: Allscripts Estimates

# Population Health — CareInMotion™

Proprietary infrastructure solutions for Payers to receive, aggregate, normalize data – common platform for all data analytics



**Electronic chart**



**Data aggregation  
(disparate sources)**



**Normalize data**

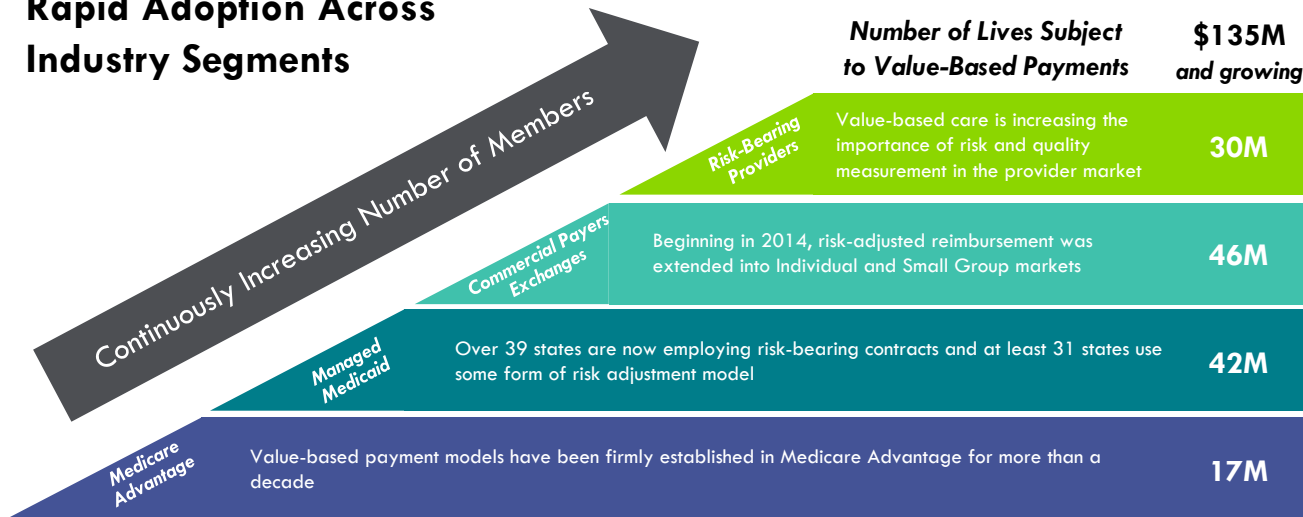


**Platform to run analytics  
on normalized data**

# Payer Analytics, Growth Opportunity

The number of members (and associated coding requirements) tied to value-based payments has steadily expanded into adjacent markets over the past decade, creating an exponentially larger market opportunity.

## Rapid Adoption Across Industry Segments



Healthcare Analytics segment worth \$25B by 2021\*

Allscripts Opportunity for Payer Analytics >\$3B\*\*

\*Source: <http://www.marketsandmarkets.com/PressReleases/healthcare-data-analytics.asp> | \*\*Source: Allscripts data on file



# Payer Analytics – Payers are Entering an Era of Value-Based Payments

Rising healthcare costs are fueling the migration from legacy volume-based models towards new value-based payment models.

- **Risk Drivers:** A comprehensive understanding of a member's medical history, acuity level, chronic and co-morbid conditions, medication history, disease interactions, etc., over a period of time
- **Quality Drivers:** Clinical and non-clinical performance criteria to incentivize quality care and establish the link between healthcare quality and payment

We have the capability to enable health plans and risk-bearing providers in their transition to value-based payments

## Value-Based Payments



Value-based payments align outcomes, patient and episode-specific characteristics, and reimbursements to improve the overall quality and efficiency of care.

## Representative Examples

### Risk Payments

*Risk Adjustment Models:*

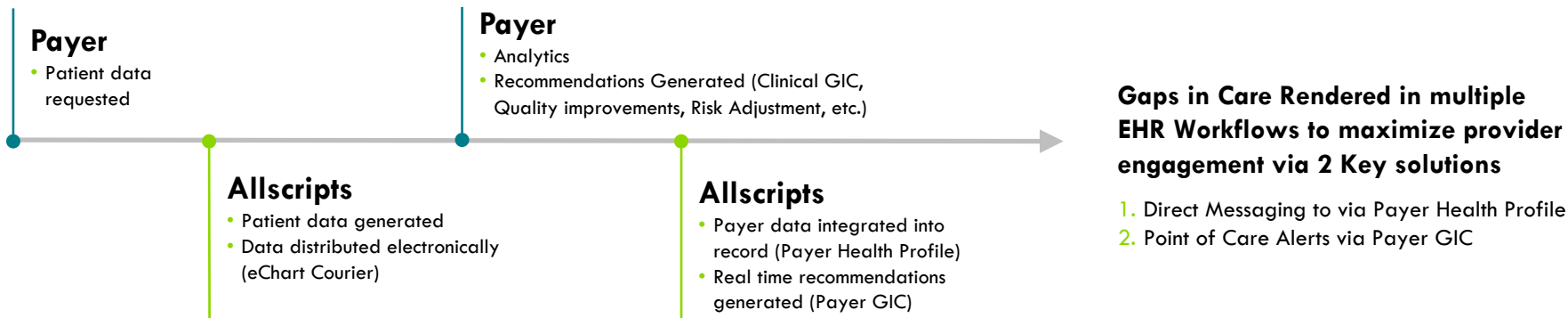
- HHS-HCC (Exchanges)
- CMS-HCC (MA)
- CDPS, ACG, etc. (Medicaid)
- Fee-for-Value / Medicare VBP

### Quality Payments

- HEDIS
- 5-Star Bonus / Quality Rating System (QRS)
- Pay-for-Performance (P4P)
- Physician Quality Reporting Initiative (PQRI)

# Provider Engagement – Closing the Loop After Clinical Data Exchange and Analytics

Allscripts facilitates actionable provider engagement to deliver Payer recommendations generated by Analytics



## Payer

- Reduction in total cost of care
- Adherence to value-based payment structure

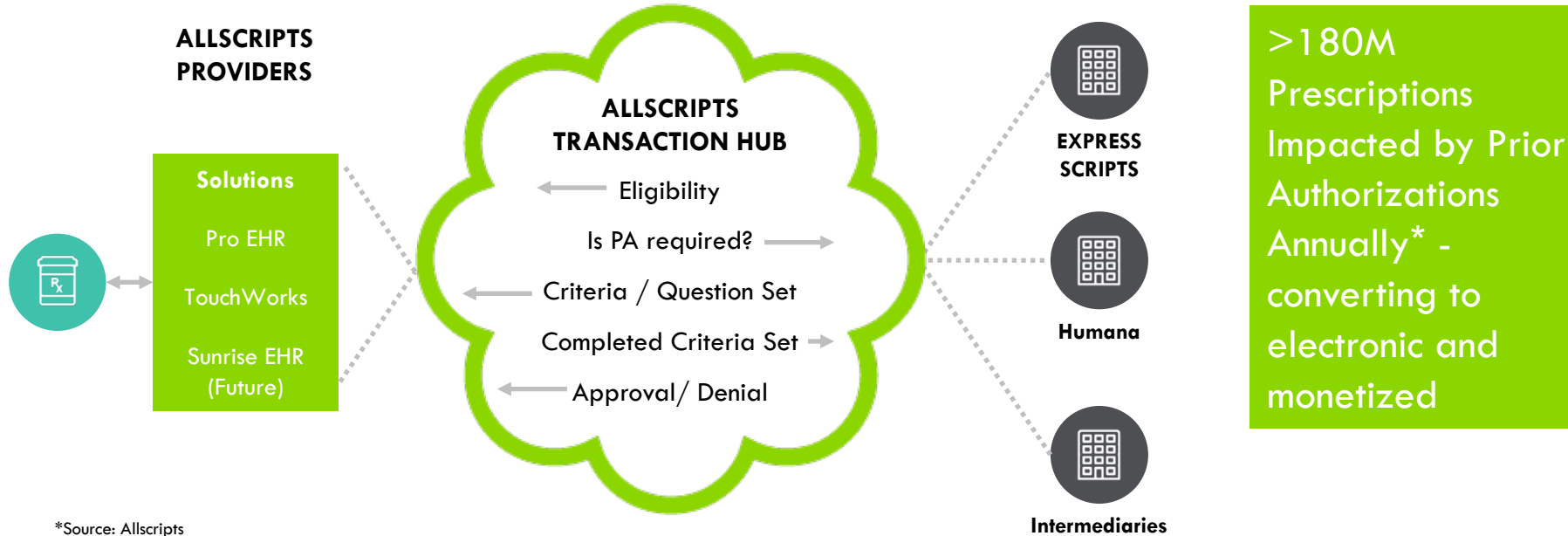


## Provider

- Value-based payments
- Improved clinical outcomes for patients

# Electronic Prior Authorization – eAuth

Allscripts is leading in high growth area to convert manual transactions into monetized efficient electronic transactions (ePA)



\*Source: Allscripts

*Allscripts eAuth is a transaction integrated into the Allscripts physician E-PRESCRIBING WORKFLOW that facilitates prior authorization in an AUTOMATED fashion without forms, phone calls, faxes or other manual processes*

# Life Science Solutions – Pharma, CRO, Data Markets

## Population Health Management Insights

RWE & COMMERCIAL ANALYTICS

CARE COORDINATION



CLINICAL DECISION SUPPORT

CLINICAL RESEARCH

## Precision Medicine & Consumer Solutions Behavior Change

CLINICAL OMICS

MOBILITY AND WEARABLES



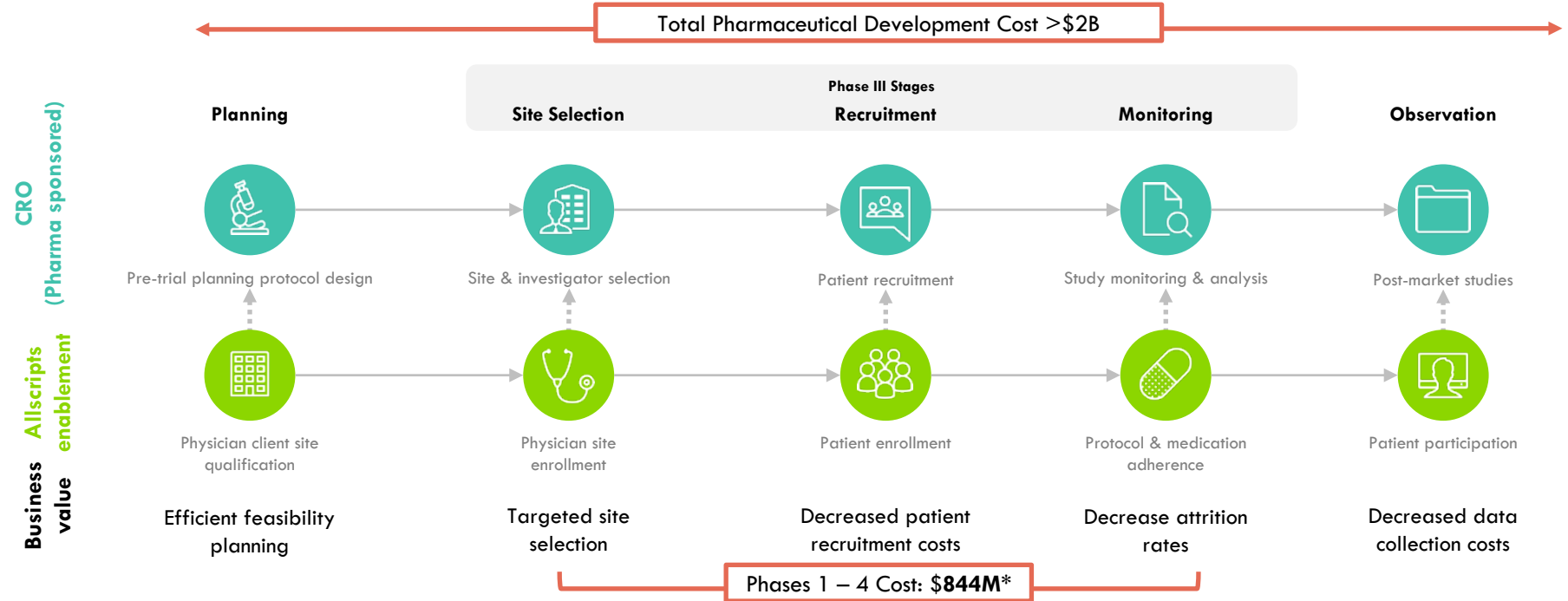
PATIENT ADHERENCE

PATIENT ENGAGEMENT



# Allscripts Clinical Trial Solutions

Allscripts' value-add enables efficiencies across clinical trial phases, resulting in study **costs reduction**, **trial duration reduction**, and **decreased time to market**.



Source: Examination of Clinical Trial Costs and Barriers for Drug Development. July 25, 2014. Study prepared by ERG under Assistant Secretary for Planning and Evaluation.

# Best Positioning in Our History

- Leveraging the EHR base
- Innovative solutions which simplify Payer Supply Chain
- Strong growth in Payer and Life Science segment



**CLINICIANS**



**DELIVERY SYSTEMS**



**PATIENTS**



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WHAT'S NEXT**

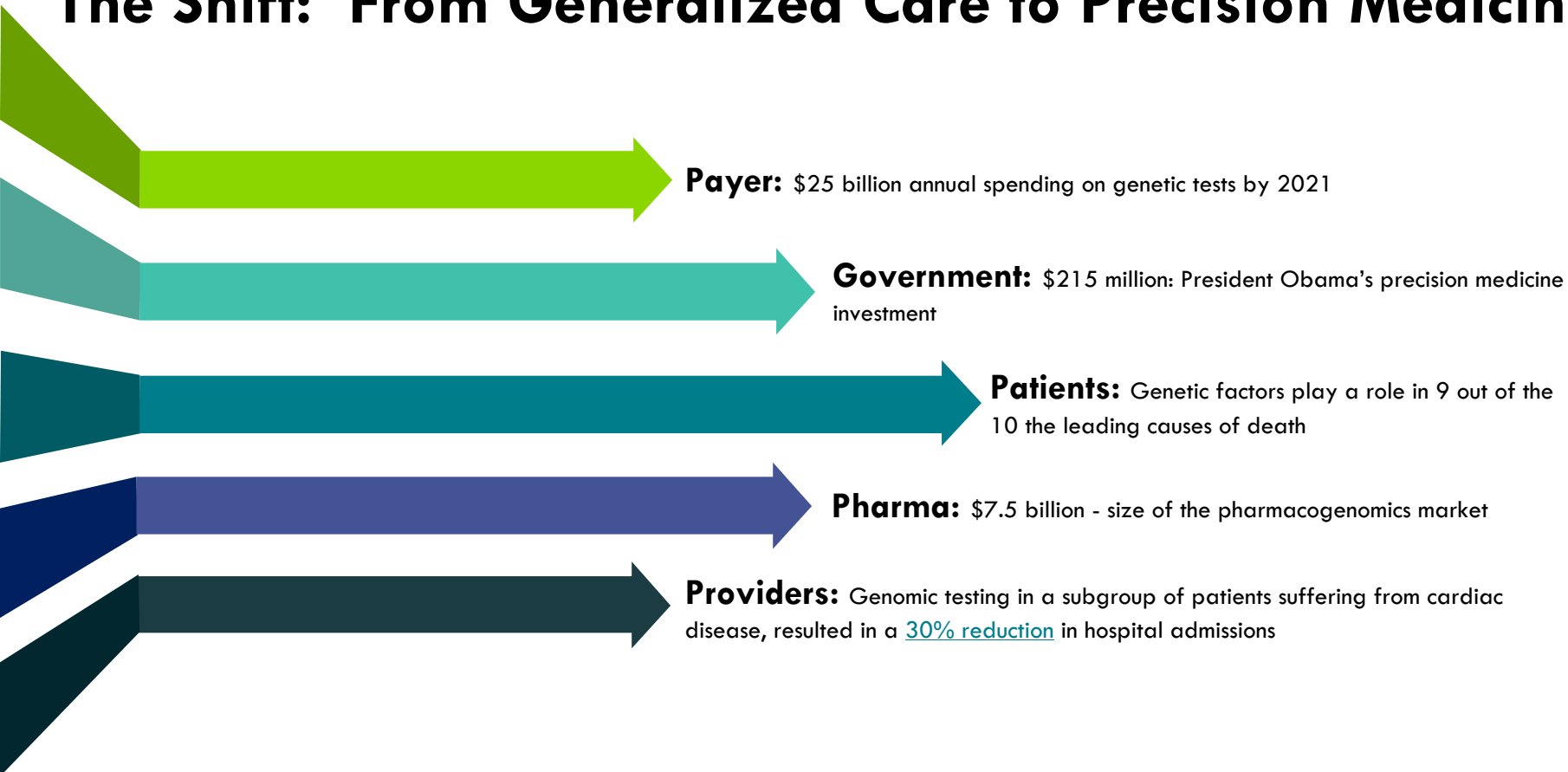
Assaf Halevy | Chief Executive Officer, 2bPrecise

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# Precision Medicine and 2bPrecise



# The Shift: From Generalized Care to Precision Medicine



Source: Medco, Mayo Clinic Study, 2010. Other source references on file with Allscripts.

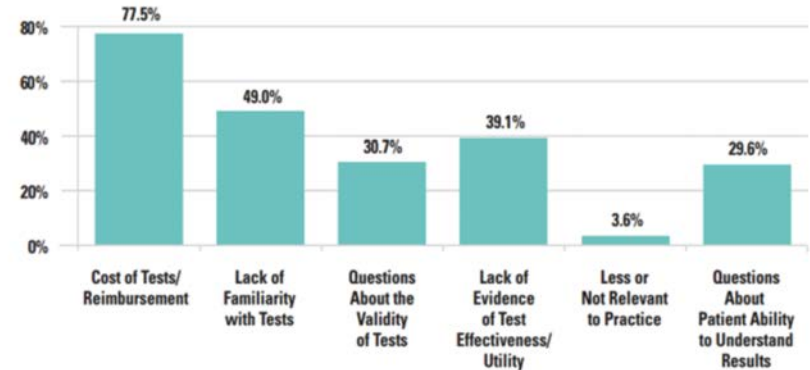


# Challenges in Precision Medicine

- Physicians are overwhelmed by the sheer number and types of genetic tests, and need support in their interpretation
- Genomic insights are not available in the already busy clinical workflow
- Patients expect their physician to understand their genetic results

Barriers identified by physicians and concern over cost of genetic tests to patients

*What are the barriers to incorporating genetic tests in your practice?*



2bPrecise solves for this

Source: Colorado.gov - Department of Healthcare Policy and Financing, 2013

# Obstacles Remain: Paper Not Actionable

Patient Name: DOMVILLE, STEPHEN      Physician: Jan Silverman, M.D.  
 Birthdate: 12/31/1969      Referring Physician: Khalid Malik, M.D.  
 Specimen #: 15-155PB      Specimen Origin: Allegheny General Hospital  
 Hospital #: 001095639      Report Date: 12/03/2015  
 Indication for Studies: Adenocarcinoma

**MOLECULAR CYTOGENETICS RESULTS**

Paraffin Section AGN16-4622-B was received in our laboratory on 11/18/2015 for interphase FISH. The section consisted of formalin fixed lymph node tissue. The cells were evaluated with fluorescence microscopes by two or more cytogenetic technologists.

**KARYOTYPE:** nuc [46,XX,t(4;11)(p16.3;p23)ROSL1-4,-8,ROSL12-7(3)ROSL1 con 5R

**DIAGNOSIS:** **NEGATIVE for ALK Gene Rearrangements**  
**POSITIVE for Abnormal RDS1-Delta FISH test**

As requested, FISH analysis was performed using FISH ASR probes for the ALK gene on chromosome 2, and the RDS1 gene on chromosome 12. At least 100 interphase nuclei with each probe, and at least 100 nuclei with both probes, were analyzed. For the ALK gene, these results are not indicative of an ALK rearrangement.

For the RDS1 gene, 16% of cells were abnormal. These cells contain 0 or 1 copy of only the telomeric (3') region of RDS1. This deletion or variant rearrangement of RDS1, possibly involving fusion with a gene in the RDS1 region, is not indicative of an ALK rearrangement.

This analysis also detected aneuploidy (loss/gain) of the ALK gene in 5 cells. This finding may reflect general aneuploidy often found in tumor tissue.

The Vysis ALK Break Apart FISH Probe Kit is a qualitative test and has been used to identify and quantify rearrangements of the ALK gene via fluorescence in situ hybridization (FISH) in formalin-fixed paraffin-embedded (FFPE) non-small cell lung cancer (NSCLC) tissue. This test is used to identify those patients eligible for treatment with Xalkor® (Crizotinib), a tyrosine kinase inhibitor, in the treatment of NSCLC. The clinical interpretation of any test results also takes into account the patient's medical history and other diagnostic laboratory test results.

This test has been approved by the FDA for in vitro diagnostic use. The ROS1 gene and its performance characteristics determined by the cytogenetics laboratory at Allegheny General Hospital. It has not been cleared or approved by the FDA. This test is not intended for use in the diagnosis of disease or other purposes.

FAX to  
 724-226-7106  
 Rita A. Finley

**EGFR Mutation Analysis, NSCLC**

**EGFR Mutation Analysis, NSCLC**

**NEGATIVE**

No mutations were detected within the analyzed region of the EGFR gene in the sample provided for analysis.

**Interpretation:**  
 Less than 5% of non-small-cell lung carcinoma (NSCLC) tumors with identifiable mutations are reported to be responsive to EGFR tyrosine kinase inhibitor therapies. Results should be interpreted in conjunction with clinical and other laboratory test results for accurate interpretation.

**Background:**  
 A subgroup of non-small-cell lung cancer (NSCLC) has shown clinical responsiveness to the epidermal growth factor receptor (EGFR) inhibitors gefitinib (IRESSA) and erlotinib (Tarceva®), including never smokers, and those with adenocarcinoma histology. In the majority of patients with highly responsive tumors, a somatic mutation within the EGFR tyrosine kinase domain is present. The presence of a somatic EGFR mutation is significantly associated with response to erlotinib, and is strongly predictive of prolonged survival in NSCLC patients.

**Methodology:**  
 Genomic DNA was isolated from the provided tumor specimen. Exons 18 through 21 of the EGFR gene were subjected to SNaPshot multiplex PCR and primer extension for mutation detection. This assay is able to detect 2-20% mutation in a background of wild-type DNA.  
 This test was developed and its performance characteristics

TP53	RESULT	FLAG	UNIT	REFERENCE
18	E709	E709X, E709Q	24	
	G719	G719S, G719C, G719A, G719D	2-54	
19	Insertions	18bp ins	14	
	Deletions	9, 12, 15, 16, 24bp del	454	
20	Insertions	3, 6, 8, 12bp ins	5-104	
	S768	S768T	1-24	
	R776	R776C	<1%	
	T790	T790K	2%	
21	L858	L858R	<1%	
	A859	A859T	2-54	
	L861	L861Q, L861R		

\*This assay does not distinguish between the 18bp insertion and deletions at the nucleotide position: 2235 and 2237.

References:  
 1. Janne PA, Engelman JA, Johnson BE. Epidermal Growth Factor Receptor Mutations in Non-Small-Cell Lung Cancer: Implications for Treatment and Tumor Biology. J Clin Oncol 2005; 23:3227-3234.  
 2. Su ZL, et al. A Platform for Rapid Detection of Multiple Oncogenic Mutations with Relevance to Targeted Therapy in Non-Small-Cell Lung Cancer. J Mol Diagn 2011; 13(1):74-84.

Director Review:  
 Li Cai, PhD, FACMG  
 Director, Molecular Genetics  
 LabCorp Center for Molecular  
 Biology and Pathology  
 Research Triangle Park, NC  
 1-800-533-0567



Enables **precision**  
medicine by merging  
**clinical and genetic data**  
to deliver actionable  
**insights to clinicians**

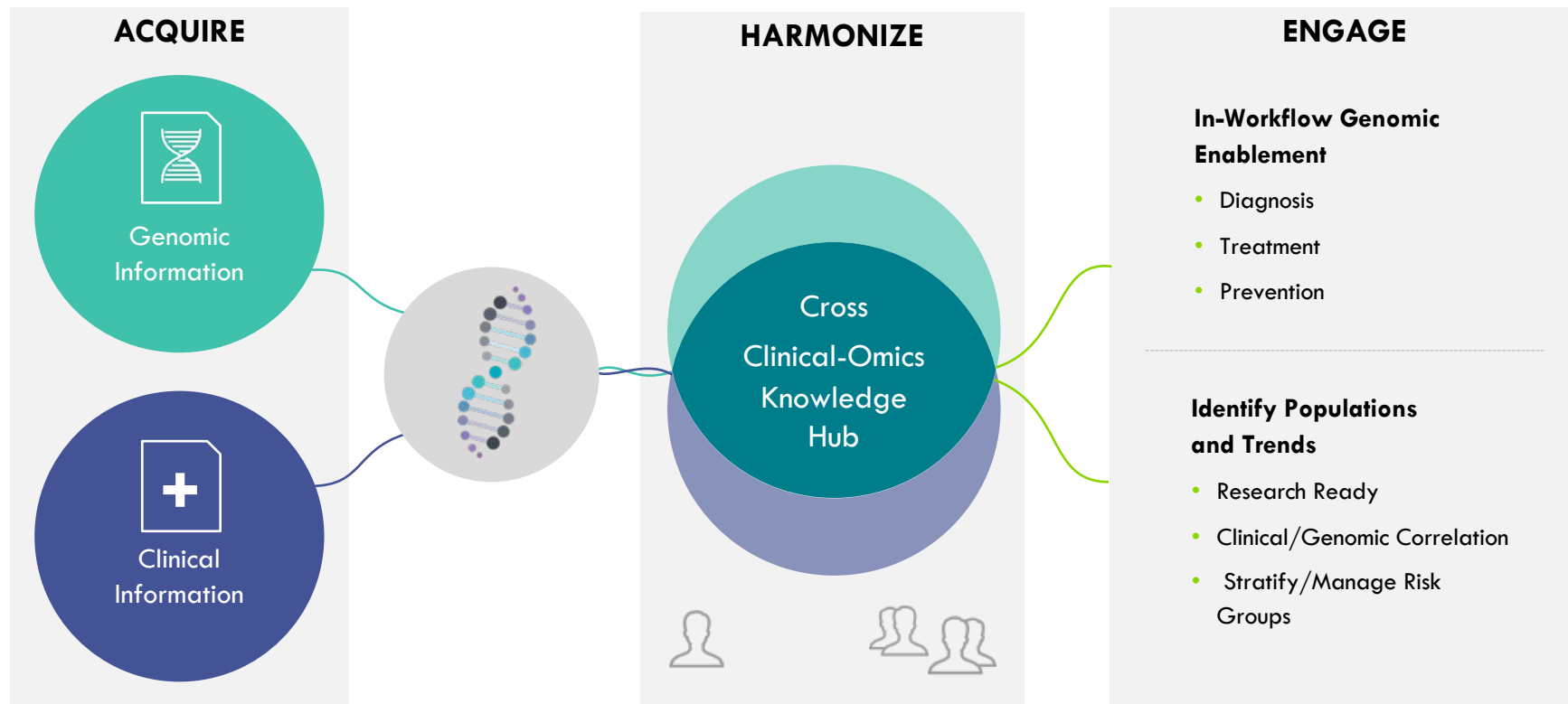
# Where We Matter

- Academic Research Institutions
- Integrated Health Systems
- Accountable Care Organizations
- Cancer Centers
- Children's Hospitals
- Acute Psychiatric Facilities
- And More

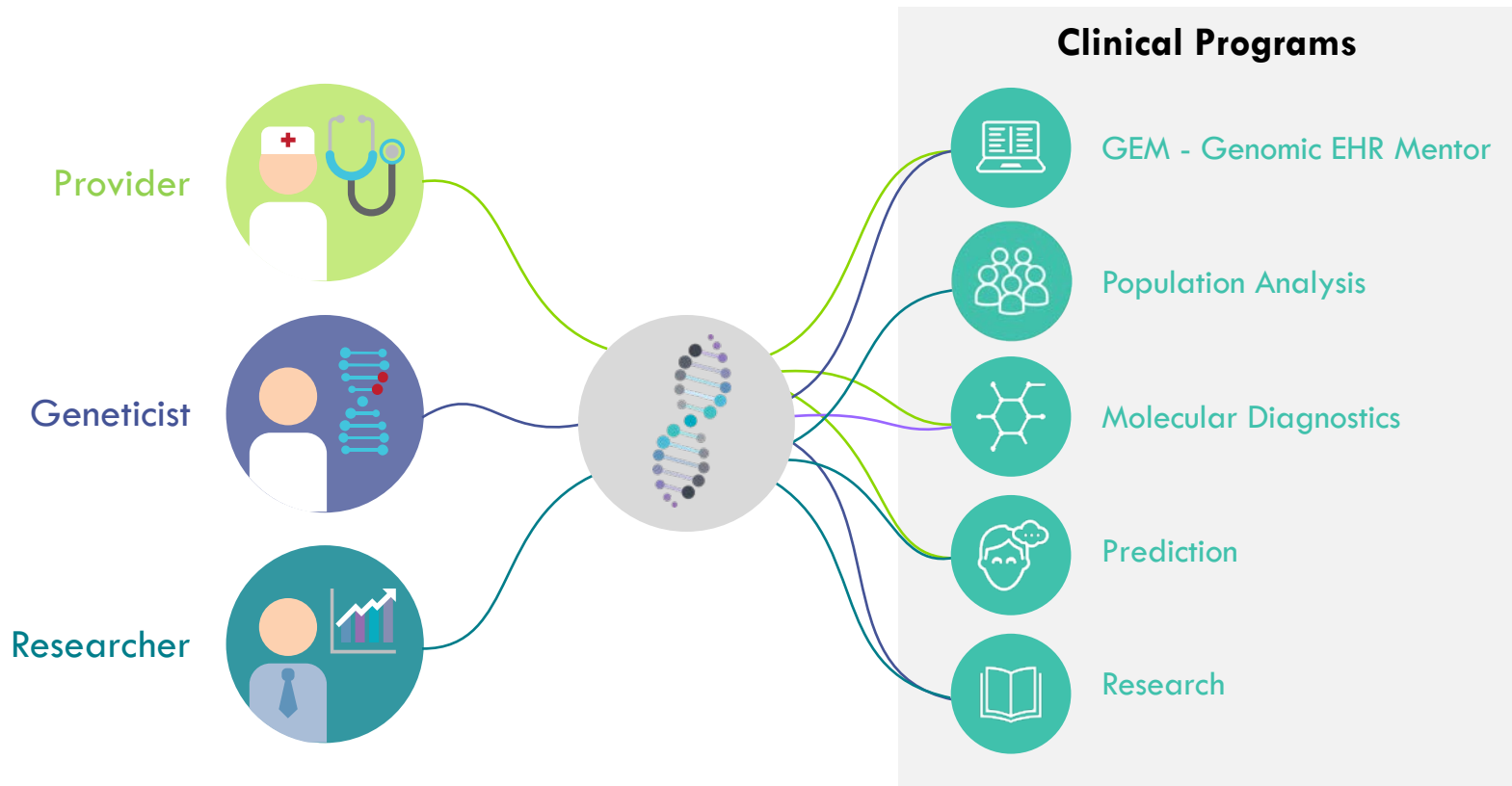


To Patients!

# 2bPrecise Turns Silos of Data to Actionable Knowledge



# 2bPrecise – Care Delivery and Research Value



# On-demand, In-workflow Intelligence

**TAYLOR, Beth**  
Note: [SELECT](#)  
Allergies: Med & Non Med  
Directives: DNR  
Curr Chart: AKA:  
FYI: FYI  
Age: 45 Years  
DOB: 24-Oct-1970  
MRN: 150605081903810  
Email:

**Recommendations** [View All Candidates](#)

- CYP2D6 Mutation Detection Panel 22-Apr-2016  
Description goes here
- Familial Hypercholesterolemia (F... 22-Apr-2016  
Description goes here
- Alport Syndrome (AS) Panel 22-Apr-2016  
Description goes here

**Problems** | Meds/Orders | Allergies | Health Management Plan | Chart Viewer | Encounter

Name	ICD-9	ICD-10	Managed By	Last Assessed
<b>Chronic</b>				
Obesity		E66.9	Gartner, Gary MD	07-Jan-2016 Gartner, Gary, Medici & Associates
Hypertension		I10	Gartner, Gary MD	07-Jan-2016 Gartner, Gary, Medici & Associates
Hyperlipidemia		E78.5	Gartner, Gary MD	
<b>Acute</b>				
Abdominal Pain	789.0	R10.9	Medici, James MD	

# On-demand, In-workflow Intelligence

The screenshot displays a clinical information system interface for a patient named Beth Taylor. The interface is divided into several sections:

- Header:** Patient name (TAYLOR, Beth), date of birth (24-Oct-1970), age (45y), gender (Female), and MRN (2487655602261).
- Left Sidebar:** Navigation menu with options like Chart, User Options, Homebase, Schedule, Pat. Financials, Pat. Registration, DemoBlaster, Pat. Scheduling, and 2bPrecise. A 'Problems' section lists chronic conditions (Obesity, Hypertension, Hyperlipidemia) and acute conditions (Abdominal Pain).
- Genetic Test Results:**
  - Familial Hypercholesterolemia (FH) & PCSK9 Inhibitors Therapy Panel:** Results Summary shows LDLR (Clinically Significant Variant Found), BRCA1 (Clinically Significant Variant Found (Incidental Finding)), and PCSK9, APOB (No Clinically Significant Variant Found). Results Interpretation states the patient is heterozygous for a mutation in the familial LDLR gene, consistent with a diagnosis of Familial Hypercholesterolemia (FH). ICD-10: E78.0.
  - CYP2D6 Mutation Detection:** 01-Jan-2015. The patient is heterozygous for a mutation in the CYP2D6 gene.
  - COL845 Gene Sequencing:** 01-Jan-2015. No clinically significant variants were found in relation to the disorder Alport Syndrome.
- Relevant Clinical Information:**
  - Problems:** Premature CAD (I24.1), Hypertension (I10), Hyperlipidemia (E78.5).
  - Family History:** Hypercholesterolemia Mutations, Parent with CAD.
  - Labs:** LDL 320 mg/dL.
- Diagram:** A diagram titled 'Familial Hypercholesterolemia' shows a central node connected to 'Cardiovascular & Circulatory System' and 'LDLR'. A callout box lists associated conditions: Premature CAD, Hypertension, Hyperlipidemia, Family History of Hypercholesterolemia Mutations, Parent with CAD, and LDL 320 mg/dL.



# Early Adopters Program



Value Based Care & Research Focused

# Best Positioning in Our History

- Leading innovation
- Disruptive solutions for a paradigm shift in care
- Actionable clinical genomic information at the EHR-agnostic point of care
- Strong early partnerships



**CLINICIANS**



**DELIVERY SYSTEMS**



**PATIENTS**



**OPTIMIZED FOR  
WHAT'S NEXT**

Kevin Scalia | EVP, Corporate Development

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# Post-Acute: Netsmart Strategy



# NETSMART

FOUNDED IN 1968

BUILDING TOMORROW'S SOLUTIONS TODAY

#1  
PROVIDER OF  
COMMUNITY CARE

SOLUTIONS  
FOCUSED  
— ON DRIVING —  
HEALTHCARE  
FORWARD

1,300+ ASSOCIATES

CLIENTS  
IN ALL  
**50**  
STATES

Kansas

New York



Behavioral  
Health



Public  
Health



Addiction  
Treatment



Child &  
Family  
Services



Intellectual &  
Developmental  
Disabilities



Autism

## COMMUNITIES WE SERVE

Home Health  
and Hospice



Palliative  
Care



Private  
Duty



Continuing Care  
Retirement  
Community



Skilled  
Nursing



Assisted Living/  
Independent  
Living



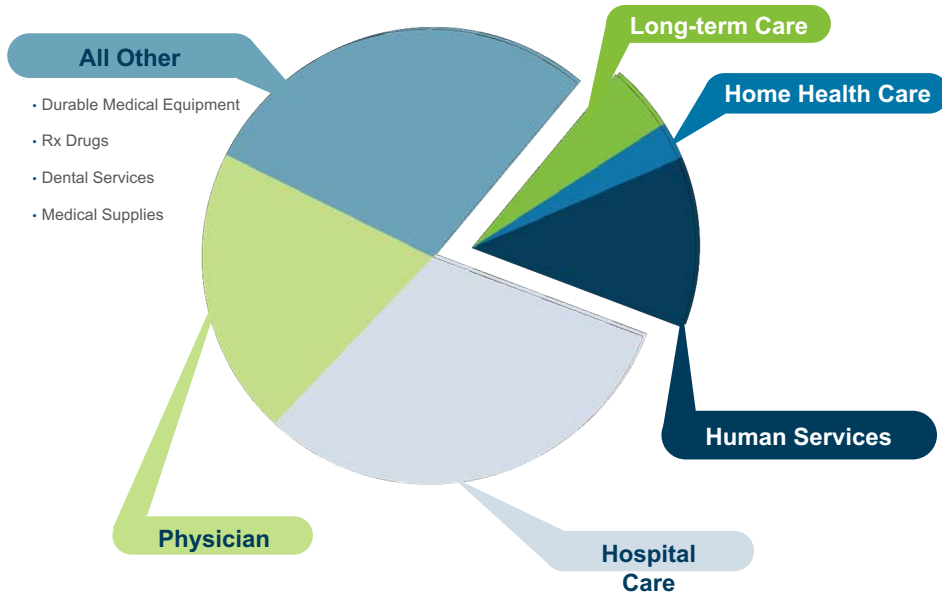
500,000  
PROVIDERS

24,000+  
CLIENT ORGANIZATIONS

25 MILLION+  
CONSUMERS

# Human Services, Home Health Care and Long-term Care Combined Represent the 2<sup>nd</sup> Largest Category of Healthcare Spend

Total US annual healthcare spend: \$3.2 trillion



**Human Services**  
\$317 billion

- Behavioral Health
- Public Health
- Child/Family Services
- Substance Use
- Intellectual/Developmental Disabilities



Software and technology solutions  
TAM \$17 billion

**Home Health Care**  
\$90 billion

- Homecare
- Hospice
- Private Duty
- Hospital affiliated



Software and technology solutions  
TAM \$3 billion

**Long-term Care**  
\$160 billion

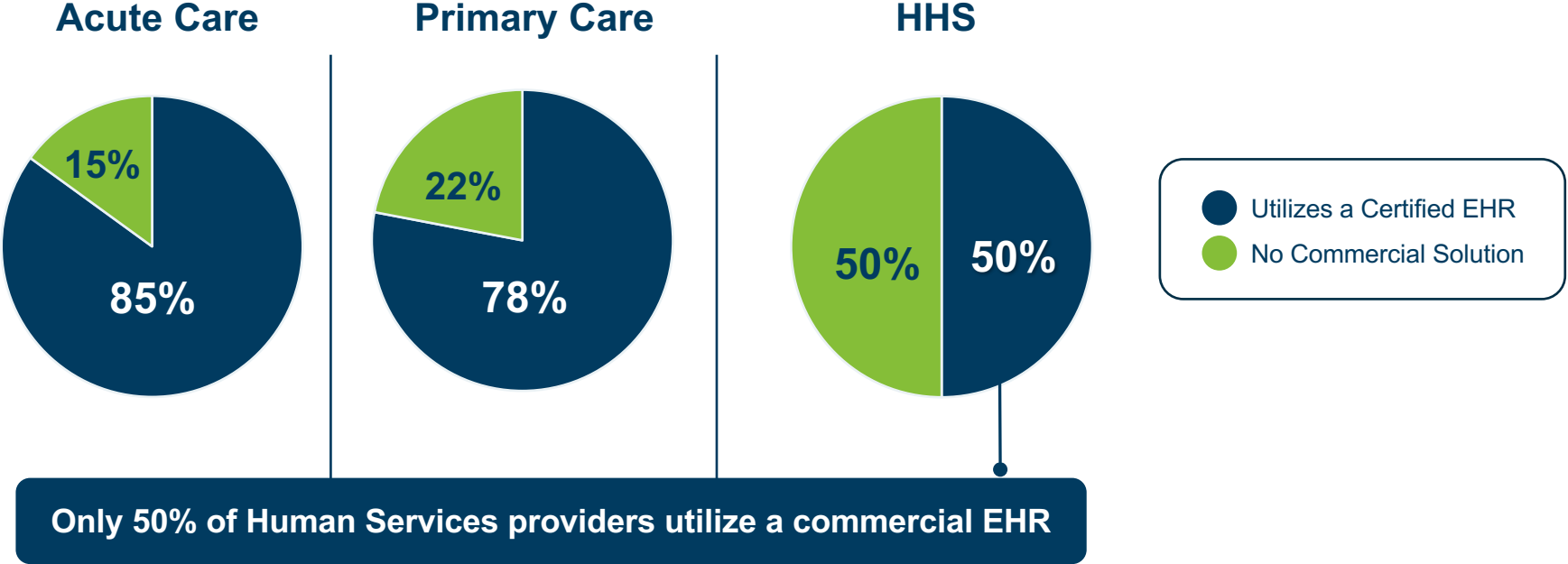
- Skilled Nursing Facilities
- Assisted Living
- Independent Living
- Continuing Care Retirement Communities



Software and technology solutions  
TAM \$5 billion

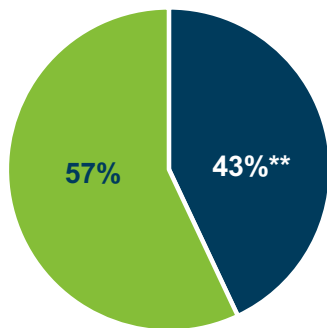
NME Source: CMS 2015 National Health Expenditures

# Large Greenfield Opportunity in HHS vs. Physical Health

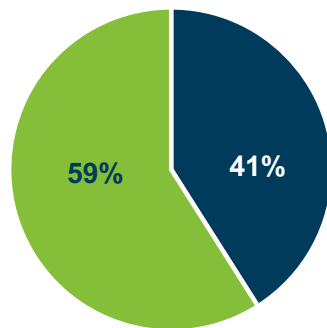


# Even Lower Adoption in Homecare and LTC

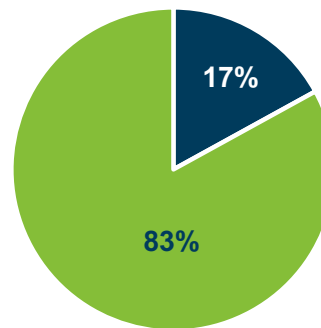
## Skilled Nursing Facilities



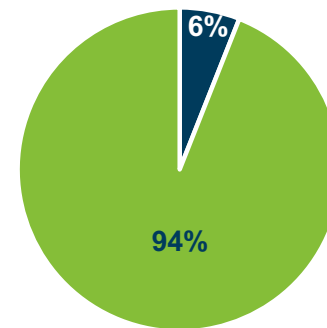
## Home and Hospice Care Facilities



## Residential Facilities



## Long-term Acute Care Hospital



● Utilizes an EHR

● No Commercial Solution

Source: <http://aspe.hhs.gov/daltcp/reports/2013/HIEengage.pdf>

\*EHR adoption rates are measured differently across provider types and comparisons across provider type is not advised.

\*\*Survey question was adoption of “electronic information systems.”

# What Our Communities Have In Common



- Need to connect to the rest of healthcare
- Play a care coordination role for the community
- Highly mobile workforce
- High complexity reimbursement level/models
- Shift towards value-based care
- Different margin profile than acute care
- Care models tend to be less episodic



# Netsmart's 10 Year-Vision

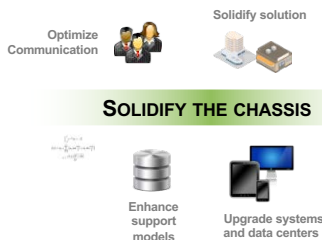
Become the platform that serves the providers that traditionally sit outside of health systems

2010

2020+

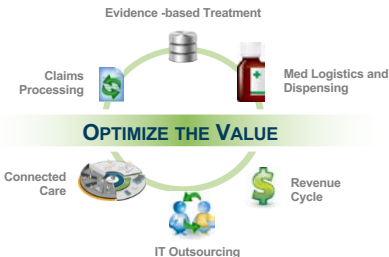
## Solidify the Chassis

- Clarify and complete solution strategy
- Enhance and expand support models
- Create a centralized implementation and upgrade capability
- Expand data center and accelerate cloud
- Create 'nerve center' processes to optimize communications



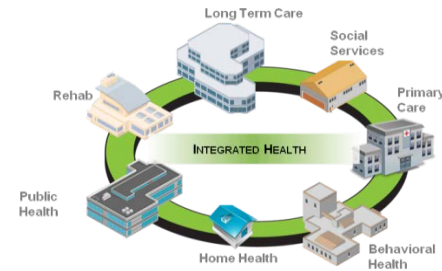
## Optimize the Value

- Leverage our scale to help our clients improve efficiency
- Improve client cash collections through RCM
- Leverage our technology capabilities through IT outsourcing
- Partner to optimize the medication dispensing workflow
- Identify and implement evidence based protocols in the workflow

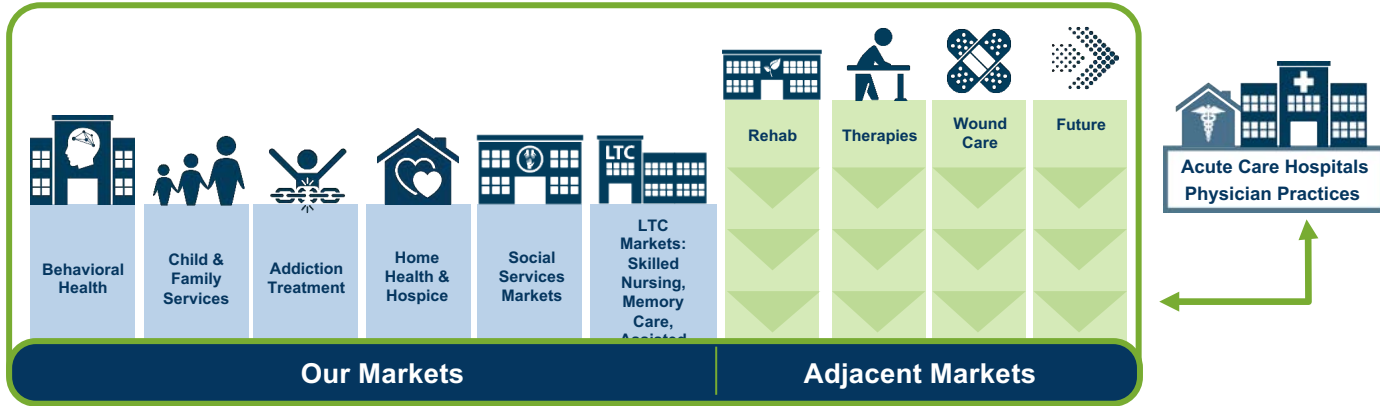


## Integrated Health

- From Behavioral Care to Integrated Health
  - Leverage The Value of The Network (ACOs)
  - Care Coordination and Clinical Integration
  - Practice Based Evidence

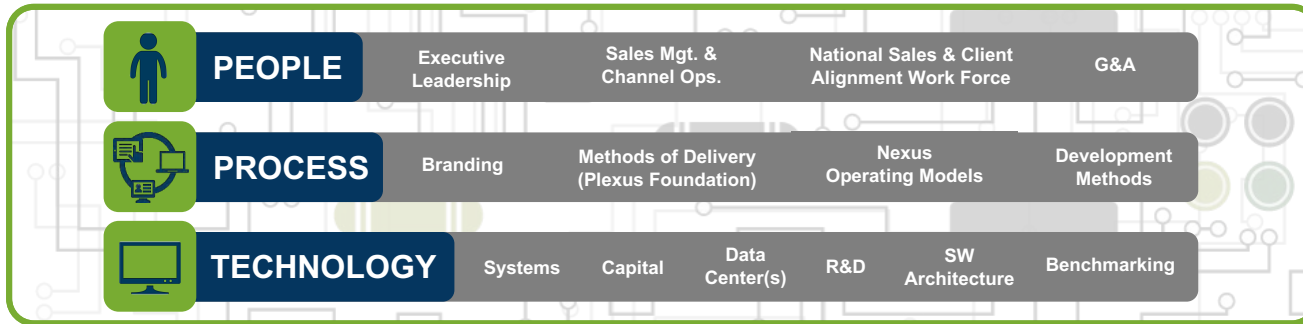


# Leveraging the Chassis to Scale Netsmart



## Creating Value from the Chassis

- Proven teams, processes and delivery functions accelerate strategies
- Provides cost and productivity synergies for entering new markets
- Leverage the common platform to integrate post acute care and offer expanded solutions to the install base



# CAREFABRIC Platform

Revenue Cycle Management



RCM

Hosted Services and Solutions



PLEXUS CLOUD

Implementation and Consulting Services



SOLUTION DELIVERS

Full IT Shared Services



ONE TEAM

Advanced App Support



PRIME



CAREMANAGEMENT



PLEXUS™



HUMAN SERVICES

LONG-TERM CARE

HOME CARE

CARERECORD™



CAREGUIDANCE™



CAREPATHWAYS™



CARECONNECT™



CAREPOINTS™



CAREPOV™



CARELIBRARY™

Benchmarking and Analytics

Connectivity/ Health Information Exchange

Consumer Applications

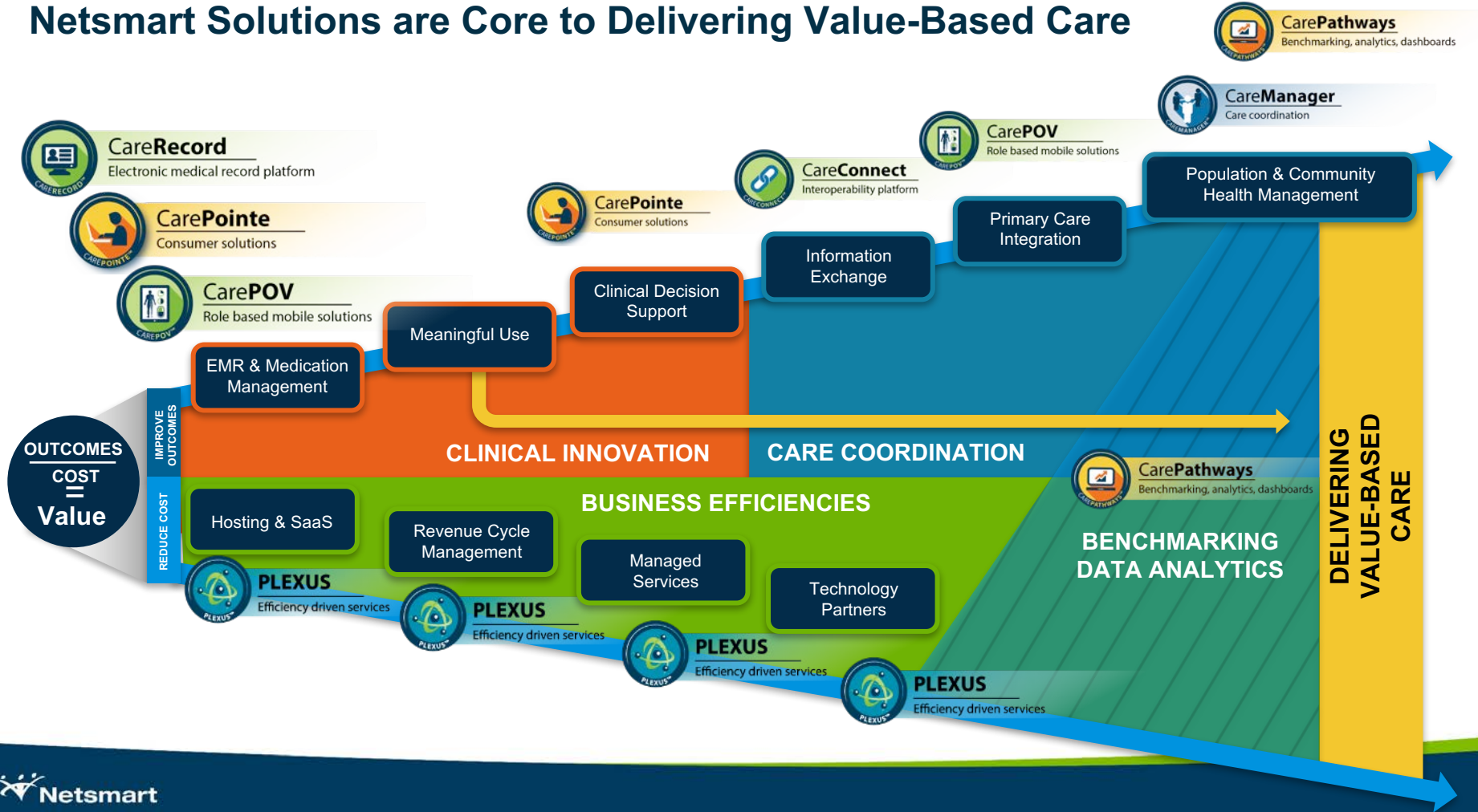
Role-based Mobile Apps

Content Solutions

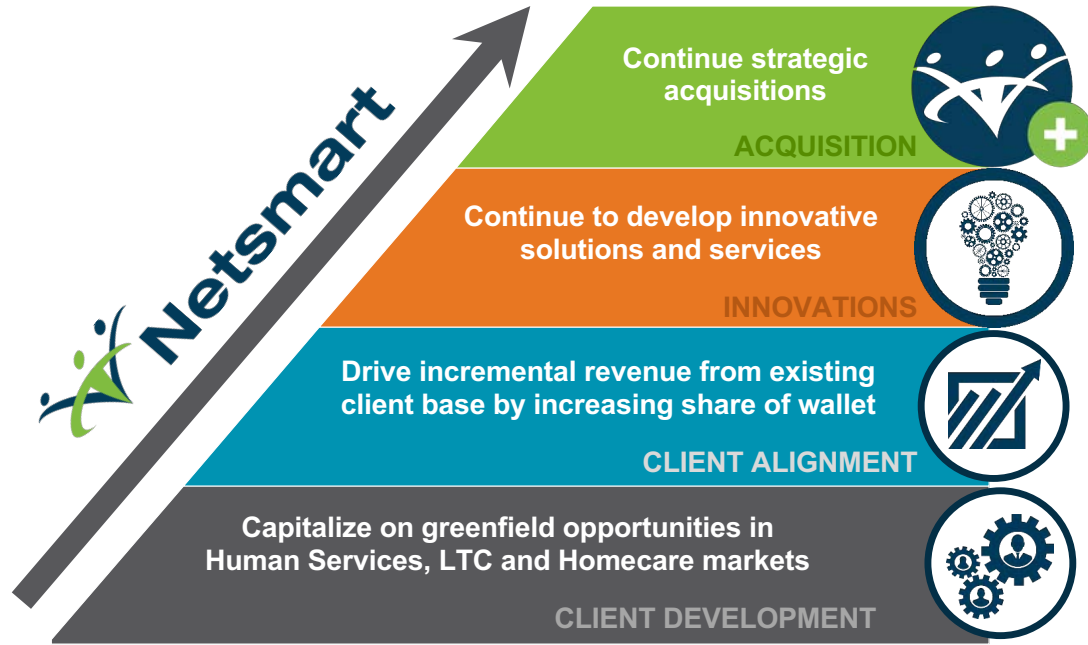
## Driving Value-based Care

Behavioral Health | Intellectual & Developmental Disabilities | Child & Family Services | Addiction Treatment  
Autism | Home Health, Hospice, Private Duty & Palliative Care | Public Health | Vital Records  
Continuing Care Retirement Community, Skilled Nursing, Assisted & Independent Living

# Netsmart Solutions are Core to Delivering Value-Based Care

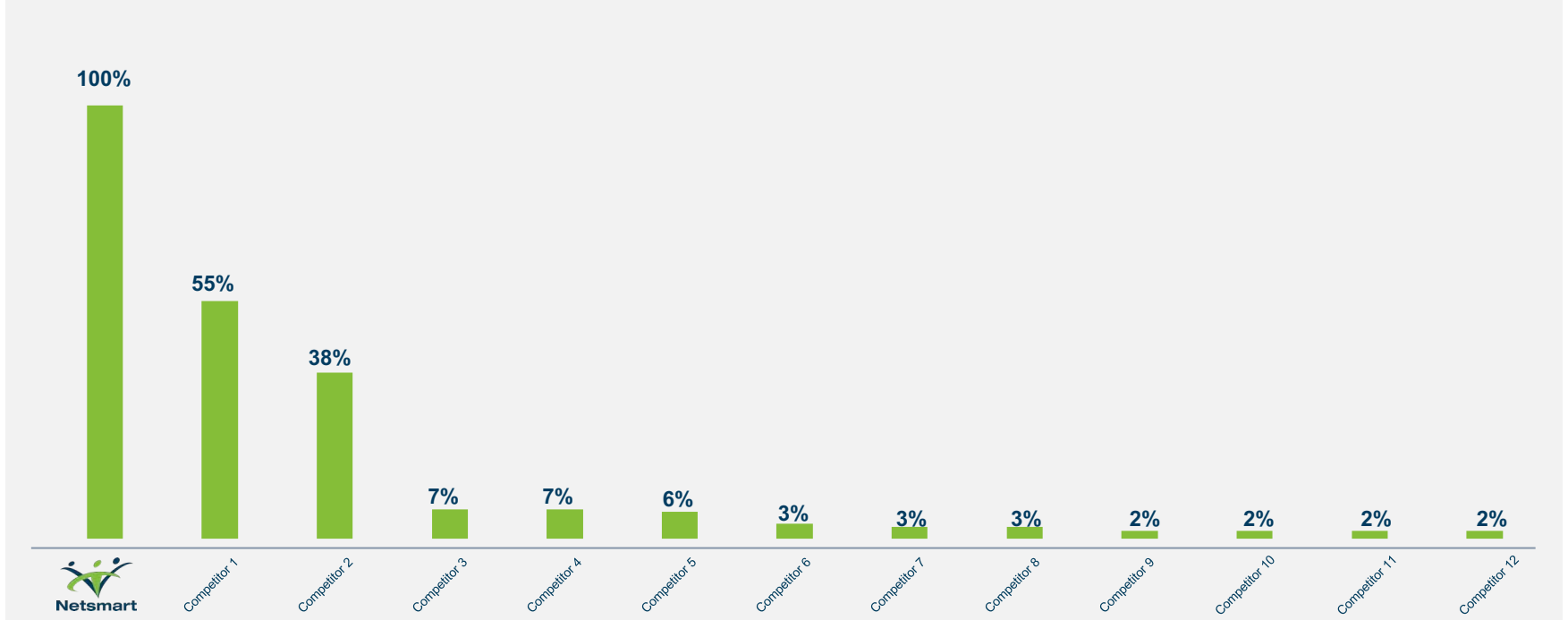


# Growth Strategies



# Netsmart's Scale is a Differentiator in Our Marketplace: Nearly 2x Next Largest Competitor

## Estimated Relative Revenue <sup>1</sup>



<sup>1</sup> Management Estimates

# Post-Acute Market Entry

- Only integrated platform across LTC/HC
- Clients very positive about merger
- Clients are eager for care coordination and connections: referrals, CCD, lab results
- Substantial investments initiated in solution expansion



Homecare/Hospice/  
Private Duty



Skilled Nursing



Assisted/  
Independent Living



Adult Day Care



Memory Care



# The Move To Value



**Up to 35% of residents**  
in long-term care facilities

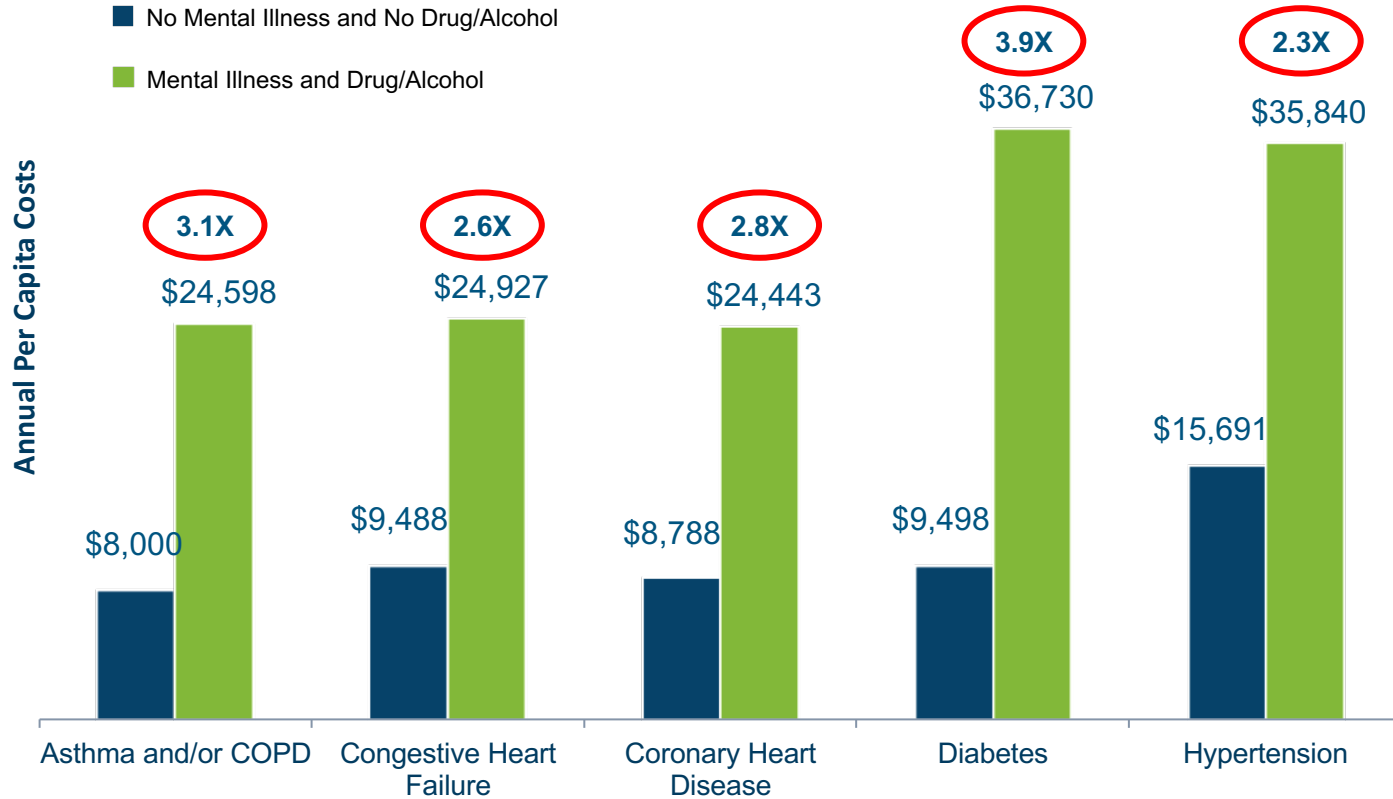
may experience either **major depression** or clinically  
**significant depressive symptoms**

*Source: Department of Psychiatry and Behavioral Sciences, Duke University Medical Center, Durham, NC 27710, USA.*

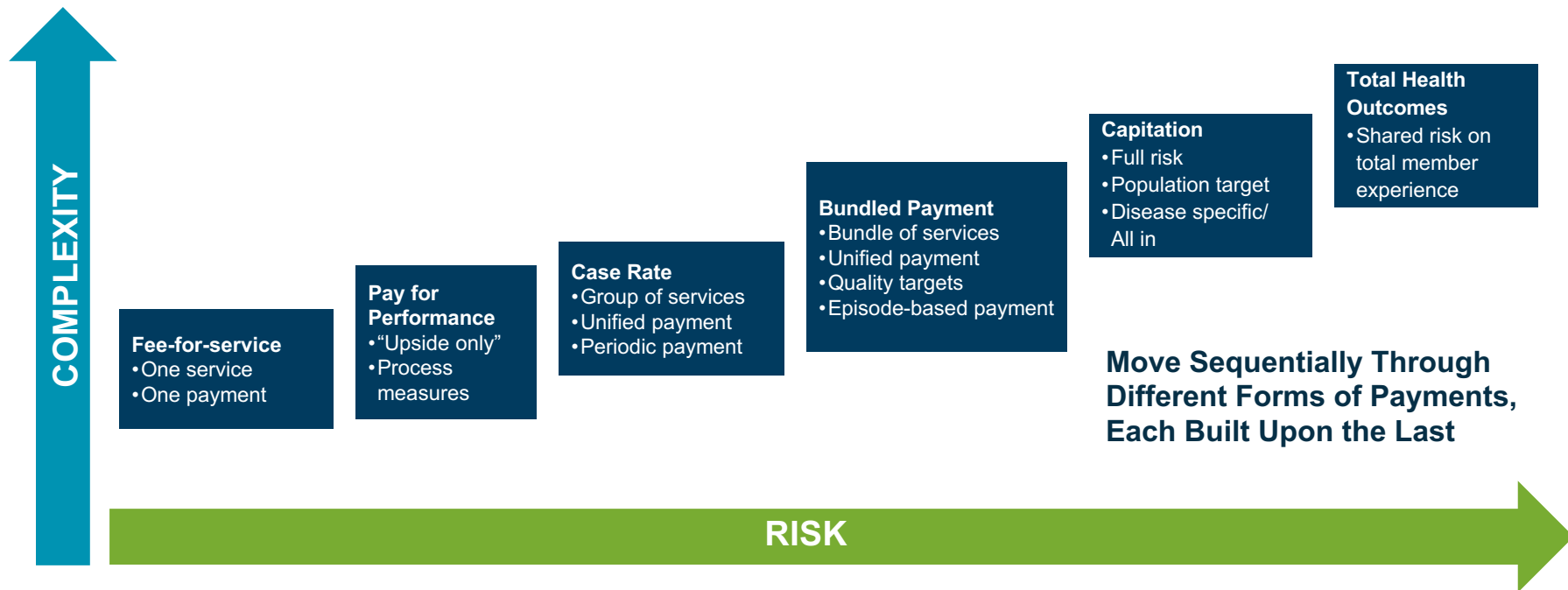
Patients who have **a high chronic medical condition,**  
such as CHD, **and comorbid depression**  
have **significantly more** ambulatory visits, emergency  
room visits, days in bed due to illness, and functional disability.

*Source: Stewart WF, Ricci JA, Chee E, Hahn SR, Morganstein D. Cost of lost productive work time among us workers with depression. JAMA. 2003;289:3135-3144.*


# Behavioral Health Co-morbidities Have Significant Impact On Healthcare Costs



# Risk Continuum



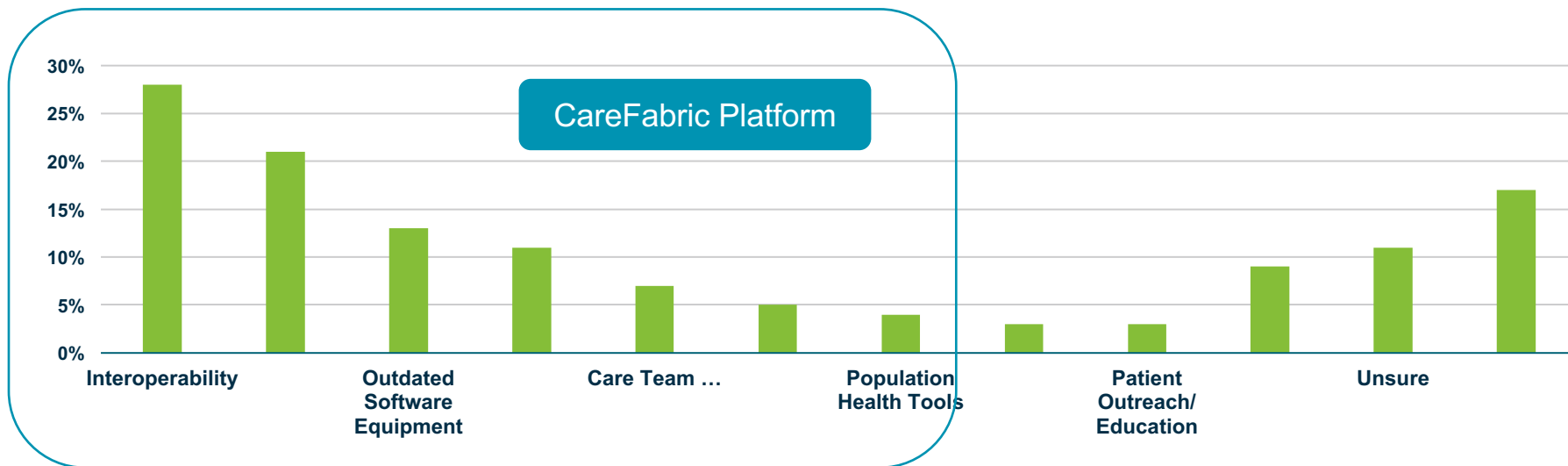
# Post-acute Care Integration will be Critical in most Value-based Care Reimbursement Models

LEVEL OF RISK BEARING 				
Pay-for-performance	Bundled payments	Shared-savings models	Shared-risk models	Full risk models
Hospital value-based payments	BCPI initiative	Medicare shared-savings program (MSSP) Track 1 (savings only, no downside risk)	MSSP Track 2 (60% sharing)	Next Generation ACO (full risk model)
Hospital readmission penalties	Comprehensive joint replacement (CJR)		Medicare Track 3 (up to 75% sharing)	Medicare advantage (MA)
Hospital-acquired infection program	Cardiac bundles		Next Generation ACO (80-85% sharing option)	Managed Medicaid
Merit-based incentive payments	Movement toward 50% bundled payments			Exchange-based plans
Post-acute readmission penalties				

**Note: Risk models highlighted by these boxes indicate post-acute care will be a key focus**

Source: The Advisory Board Company and William Blair

# Hospital View of The Biggest Technology Gaps As They Prepare for Value-based Care

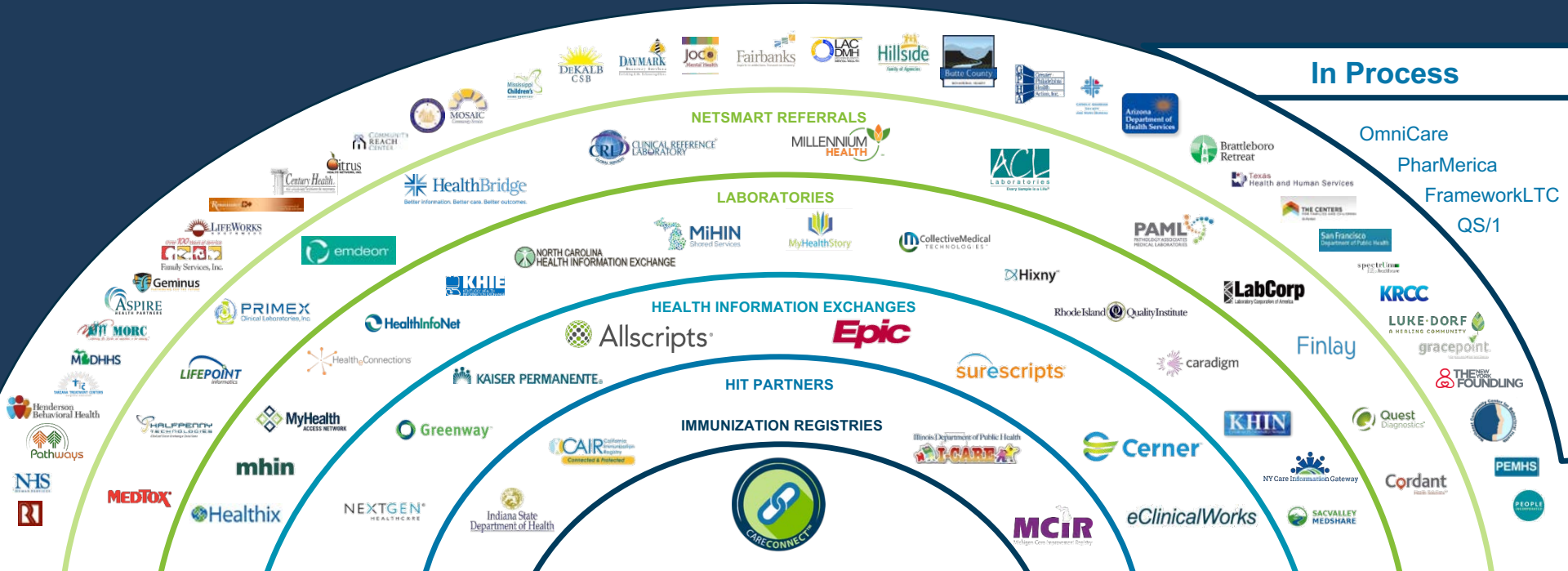


Source: KLAS Survey

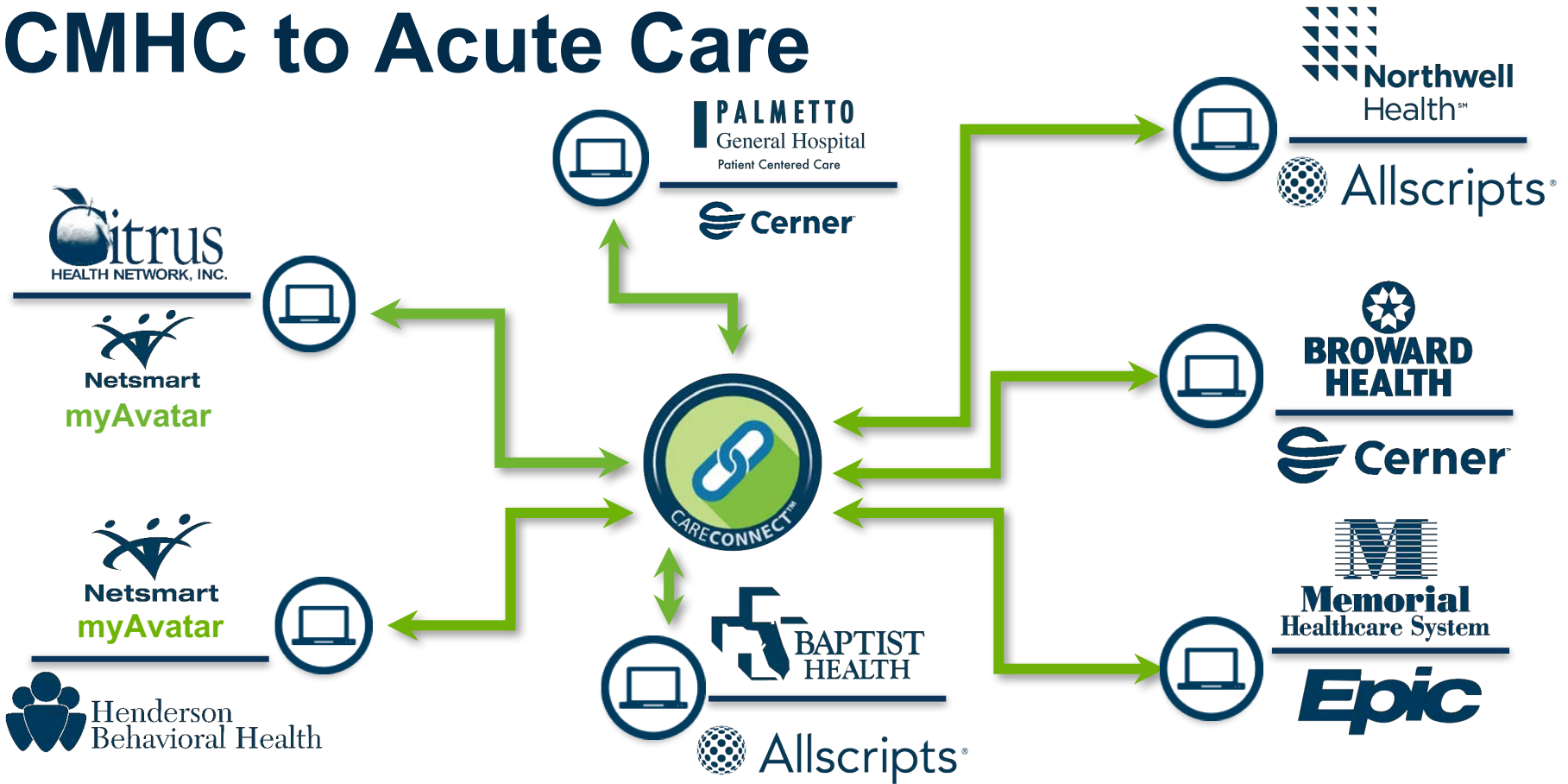
# Expanded Connectivity – CareConnect

68,819  
ORGANIZATIONS

945,658  
INDIVIDUAL PROVIDERS

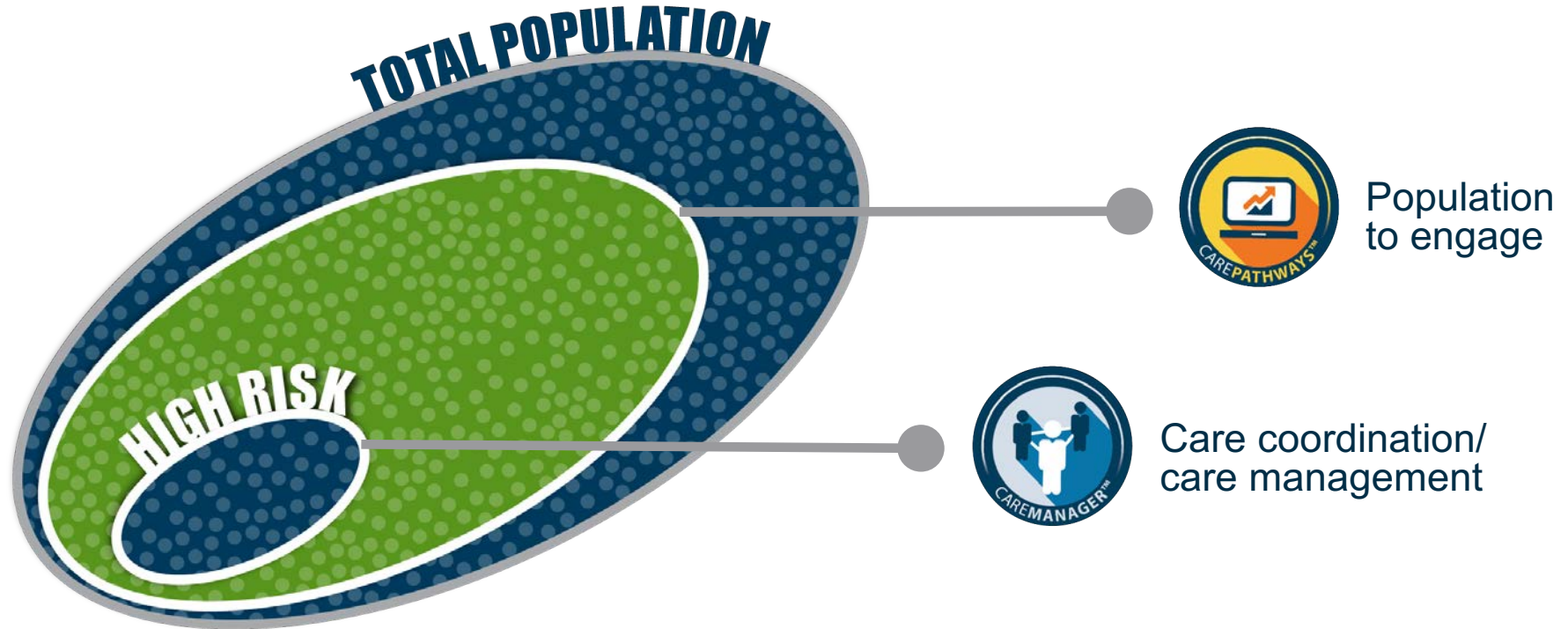


# CMHC to Acute Care

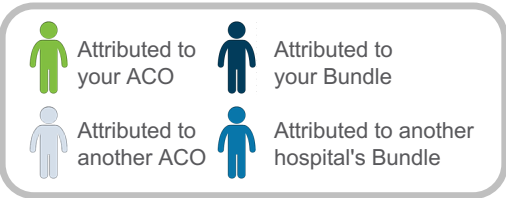




# Population Health Strategy



# BH/HC/LTC as a Care Coordinator



Home Care | Behavioral Health | Long-term Care



Clinical & Outcomes Data



CCD Data | ED Alerts | ACO Pts | Bundle Pts | Care Plans | Referral Data



# Best Positioning in Our History

- Largest community care provider in the second largest area of healthcare spend
- Significant greenfield opportunity
- Multiple segments and growth opportunities with high barriers to entry
- Critical component for addressing overall population health equation



**CLINICIANS**



**DELIVERY SYSTEMS**



**PATIENTS**



**OPTIMIZED FOR  
WHAT'S NEXT**



Allscripts Investor Conference | March 21, 2017

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# Financial Model & Capital Allocation



Melinda Whittington, CFO

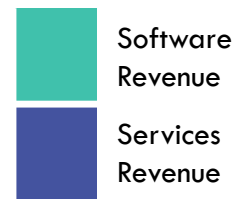
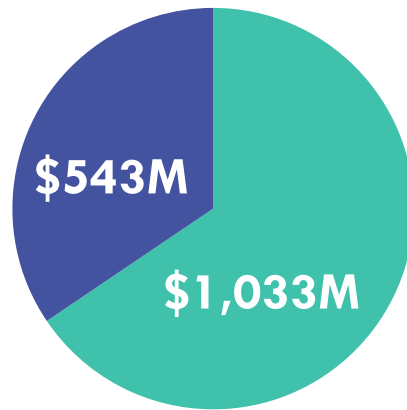
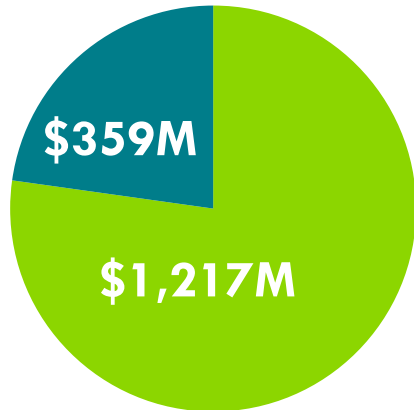
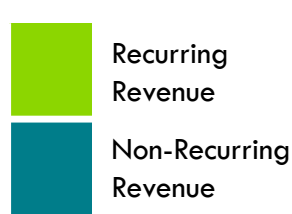
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# Financial Model & Capital Allocation



# Allscripts Strong Financial Results 2016



<b>Bookings</b>	<b>\$1.3B</b>	<b>↑ 18%</b>
<b>Backlog</b>	<b>\$4B</b>	<b>↑ 11%</b>
<b>Revenue</b>	<b>\$1.6B</b>	<b>↑ 14%</b>



See reconciliation of non-GAAP metrics in the appendix of this presentation.

# Allscripts Strong Financial Results 2016



Adjusted EBITDA	<b>\$304M</b>		<b>25%</b>
Non-GAAP EPS	<b>\$0.55</b>		<b>17%</b>

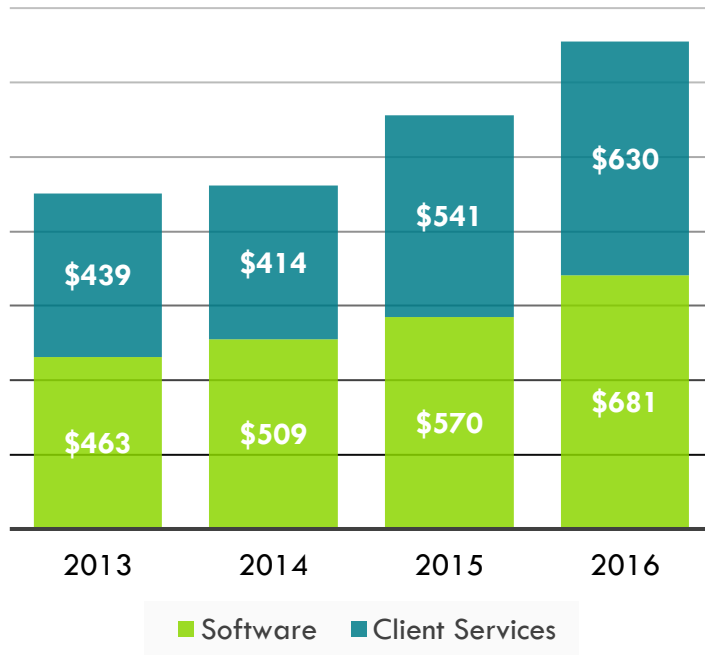


Operating Cash Flow	<b>\$269M</b>
Free Cash Flow	<b>\$131M</b>
FCF Yield	<b>6%</b>

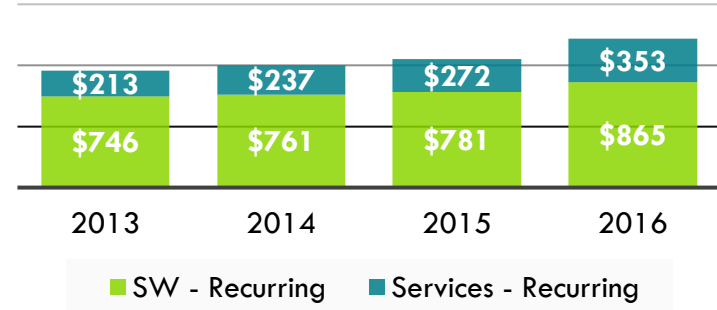
See reconciliation of non-GAAP metrics in the appendix of this presentation.

# Strong Sales Trends

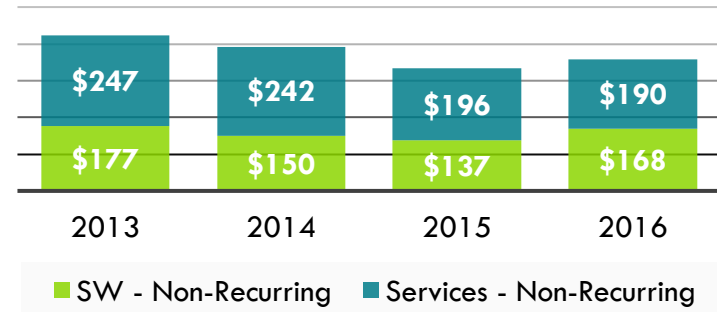
## Bookings



## Recurring Revenue



## Non-Recurring Revenue

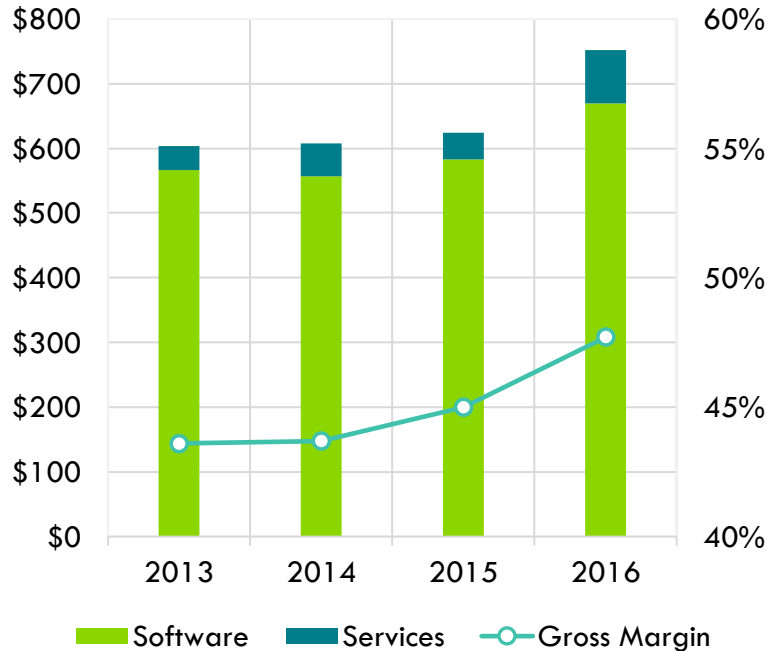


Dollars in millions. See reconciliation of non-GAAP metrics in the appendix of this presentation.

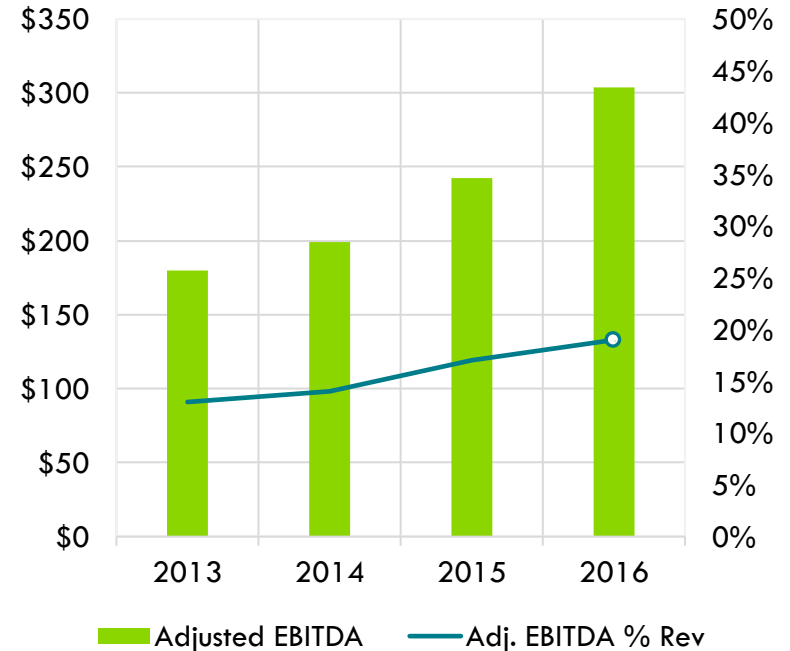


# Expanding Margins

## Gross Profit & Margin



## Adjusted EBITDA & Margin



See reconciliation of non-GAAP metrics in the appendix of this presentation.

# Strong Cash Delivery Enables Capital Allocation Strategy



1. Invest to Accelerate Growth
  - Continue to innovate across our growth pillars
  - Gross R&D Spend = \$270M in 2016
2. M&A
  - Broaden portfolio with opportunistic M&A. In 2016:
    - Core Medical Solutions; International expansion
    - Careport; Value Based Care expansion
3. Share Repurchase
  - \$176M remaining under current authorization through 2019
  - In 2016, repurchases totaled \$121M
4. Optimize Liquidity

*Free cash flow is a non-GAAP measure. See reconciliation of non-GAAP metrics in the appendix of this presentation.*

***Industry Leader in FCF Yield ~6%***

# History of Delivering on Commitments

## Multi-Year CAGR Analysis (2014-2016): Key Metrics

METRICS	2013	2014	2015	2016	3-Yr CAGR ( '13-'16)	2-Yr CAGR ( '14-'16)	3-Yr Outlook
							JPM 2014 ( '13-'16)
Bookings	\$901	\$923	\$1,111	\$1,311	13.3%	19.2%	NA
Revenue	\$1,383	\$1,390	\$1,386	\$1,576	4.4%	6.5%	5-8%
Adjusted EBITDA (100%)	\$179.8	\$199.0	\$242.6	\$303.7	19.1%	23.5%	18-22%
Non-GAAP EPS	\$0.27	\$0.31	\$0.47	\$0.55	26.8%	33.2%	NA
Cash Flow from Operations	\$81.0	\$103.5	\$211.6	\$269.0	49.2%	61.2%	NA
Free Cash Flow	-\$35.2	\$36.4	\$144.0	\$131.1	NA	89.8%	NA

All figures in dollar millions, except non-GAAP earnings per share. See reconciliation of non-GAAP metrics in the appendix of this presentation.

Source: Allscripts Press Releases, Supplemental Data Book

# 2017 Outlook

- Revenue between \$1.71 billion and \$1.74 billion
- Adjusted EBITDA between \$345 million and \$365 million, consisting of:
  - Allscripts, excluding Netsmart, Adjusted EBITDA between \$255-265 million, and;
  - Netsmart Adjusted EBITDA between \$90-100 million
- Non-GAAP earnings per share growth of between 10 to 15 percent

Note: Based on disclosure of February 16, 2017. This presentation is not an affirmation of prior financial guidance. For a reconciliation of GAAP and non-GAAP results, please see the reconciliation of non-GAAP financial measures with GAAP financial measures contained within this presentation as well as within the company's press release dated February 16, 2017. These are available on Allscripts investor relations website on (<http://www.investor.allscripts.com>).

# Allscripts 3-Year CAGR Targets 2018-2020

**Non-GAAP Revenue** +6 to 8%

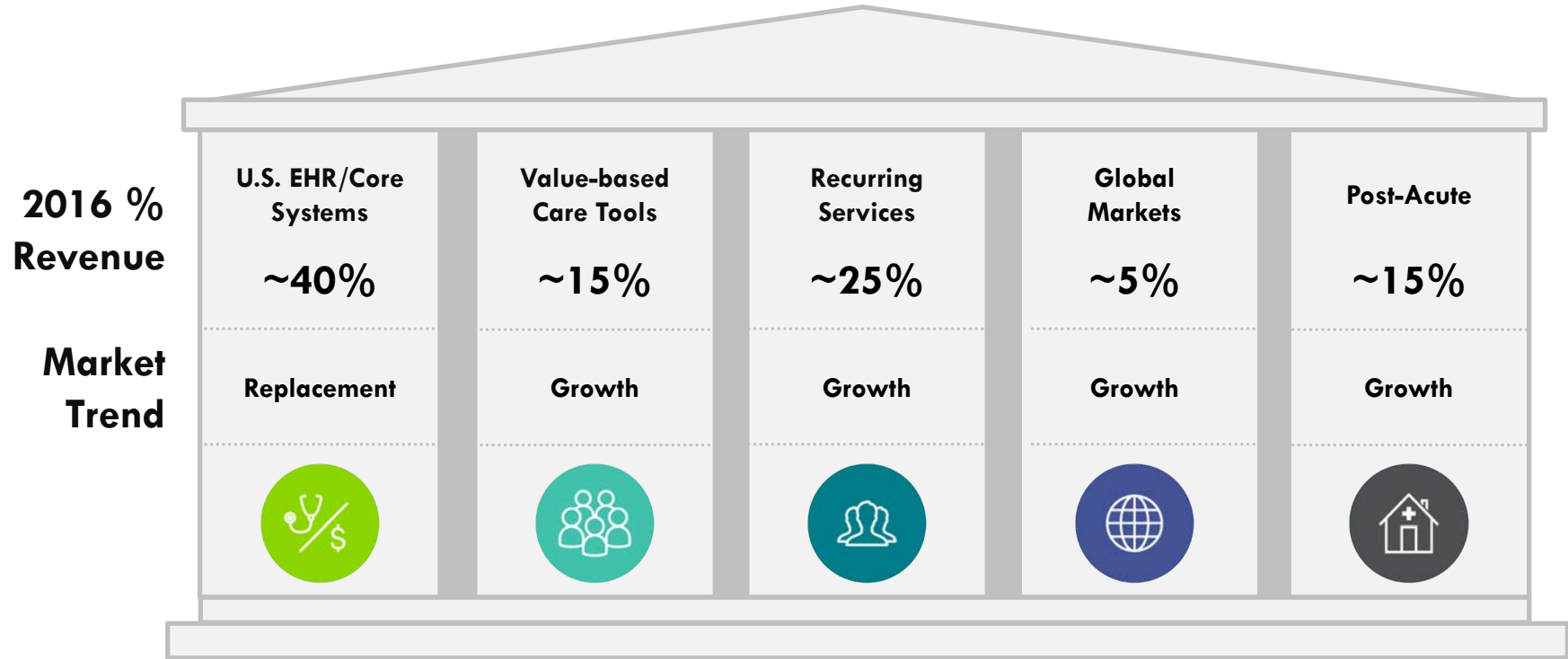


- **Consistent gross margins**
  - Improved services margin, offset by higher cap software amortization
- **Improved operating leverage**
  - Overhead expenses grow only with inflation
- **Utilize excess free cash flow**
  - Share repurchases to offset management dilution
  - Balance will be used to reinvest in business and distribution to shareholders

**Non-GAAP EPS** +12 to 15%



# Diversified Growth Strategy



***Strong foundational core with multiple growth segments for the future***

# Top Line Growth Derived Across Multiple Lines

	CAGR	Relative Size	Weighted Impact
<b>Core Plus Managed Services</b>	~4-5%	x 65%	2.6 – 3.3
<b>Value Based Care Tools</b>	~9-13%	x 15%	1.4 – 2.0
<b>International</b>	~10-18%	x 5%	0.5 – 0.9
<b>Post-Acute</b>	~10-12%	x 15%	<u>1.5 – 1.8</u>
<b>3-Year 2018-2020 Non-GAAP Revenue CAGR</b>			<b>6.0% – 8.0%</b>

# Netsmart – Different Capital Structure Than Allscripts

- Three large post-acute HCIT assets<sup>(1)</sup> sold at significant EBITDA multiples premiums to traditional HCIT assets (range ~12-16x)
- Extrapolating such post-acute multiples and their higher than sector average growth rates - Allscripts investment in Netsmart should be calculated as follows...

***Requiring different valuation considerations v. Allscripts core***

*(1) Privately held Medware, BrightTree and Netsmart and other comparable transactions.*



# Netsmart Valuation Considerations - Illustrative

Potential Value In 2020	Scenario 1	Scenario 2
2017 Adjusted EBITDA mid-point	\$95M	\$95M
3-Year CAGR (>50% core revenue growth)	15%	18%
2020 Adjusted EBITDA(E)	\$144	\$156
Market Multiple	10x	14x
Enterprise Value	\$1,440	\$2,184
Less Debt	(\$600)	(\$600)
Theoretical Equity Value	\$840	\$1,584
Allscripts Share	49%	49%
<b>Potential Value to Allscripts Shareholders</b>	<b>\$412</b>	<b>\$776</b>

Adjusted EBITDA is a non-GAAP measure. Please see explanations of non-GAAP financial measures in this presentation and on Allscripts Investor Relations website [www.investor.Allscripts.com](http://www.investor.Allscripts.com). Multiples based on recent transactions. Figures constitute theoretical estimates and are illustrative - not specific financial guidance.

# Best Positioning in Our History

- Strong 2016 performance
- Sector-leading cash flow yield - clear capital deployment strategy to drive shareholder value
- Revenue visibility generated by diverse business lines
- Three-year targets illustrate confidence in sustainable growth
- Netsmart an under-appreciated asset



**CLINICIANS**



**DELIVERY SYSTEMS**



**PATIENTS**



**OPTIMIZED FOR  
WHAT'S NEXT**

## Appendix: Non-GAAP Reconciliations

---



# Reconciliations: Services as a % of Non-GAAP Revenue

Allscripts Healthcare Solutions, Inc.

Non-GAAP Financial Information

(In millions)

(unaudited)

	Total
<b>Client Services</b>	
<b>Revenue, as reported</b>	537.5
Acquisition-related deferred revenue and other adjustments	5.3
<b>Total non-GAAP revenue</b>	<b>542.8</b>
<b>Consolidated</b>	
<b>Revenue, as reported</b>	1,549.9
Acquisition-related deferred revenue and other adjustments	25.8
<b>Total non-GAAP revenue</b>	<b>1,575.7</b>
<b>Services as a % of Revenue</b>	<b>34%</b>

# Reconciliations: Rec/Non-Rec and SW/Services

Allscripts Healthcare Solutions, Inc.

Non-GAAP Financial Information

(In millions)

(unaudited)

	2013	2014	2015	2016
	Total	Total	Total	Total
<b>Non-GAAP Revenue</b>				
<b>Software Delivery, Support &amp; Maintenance</b>				
Recurring revenue	745.6	760.8	781.0	864.7
Non-recurring revenue	176.7	150.1	137.4	168.2
<b>Total Software Delivery, Support &amp; Maintenance</b>	922.3	910.9	918.4	1,032.9
<b>Client Services</b>				
Recurring revenue	213.1	236.5	271.8	352.5
Non-recurring revenue	247.4	242.2	196.2	190.3
<b>Total Client Services</b>	460.5	478.7	468.0	542.8
<b>Total non-GAAP revenue</b>	1,382.8	1,389.5	1,386.4	1,575.7

# Reconciliations: Adjusted EBITDA & Margins ('15-16)

Allscripts Healthcare Solutions, Inc.

## Non-GAAP Financial Information - Adjusted EBITDA

(In millions, except percentages)

(Unaudited)

	Year Ended December 31,	
	2016	2015
Total revenue, as reported	\$1,549.9	\$1,386.4
Acquisition-related deferred revenue adjustments	25.8	-
<b>Total non-GAAP revenue</b>	<b>\$1,575.7</b>	<b>\$1,386.4</b>
Net income (loss), as reported	3.0	(\$2.0)
Acquisition-related deferred revenue adjustments	25.8	-
Depreciation and amortization	172.4	161.0
Stock-based compensation expense	44.2	36.6
Non-recurring expenses and transaction-related costs	13.4	23.4
Non-cash asset impairment charges	4.7	1.5
Interest expense and other, net (a)	50.5	17.4
Equity in net earnings of unconsolidated investments	7.5	2.1
Tax (benefit)/provision	(17.8)	2.6
<b>Adjusted EBITDA (c)</b>	<b>\$303.7</b>	<b>\$242.6</b>
<i>Adjusted EBITDA margin (b)</i>	<i>19%</i>	<i>17%</i>

# Reconciliations: Adjusted EBITDA & Margins ('13-14)

## Allscripts Healthcare Solutions, Inc.

### Non-GAAP Financial Information - Adjusted EBITDA

(In millions)

(Unaudited)

	Year Ended December 31,	
	2014	2013
Total revenue, as reported	\$1,377.9	\$1,373.1
Deferred revenue and other adjustments	11.6	9.8
<b>Total non-GAAP revenue</b>	<b>\$1,389.5</b>	<b>\$1,382.9</b>
Net loss, as reported	(\$66.5)	(\$104.0)
Deferred revenue and other adjustments	11.6	9.8
Depreciation and amortization	174.3	178.8
Stock-based compensation expense	39.3	37.0
Non-recurring expenses and transaction-related costs (a)	24.2	71.5
Non-cash asset impairment charges	2.4	11.5
Interest expense and other income net (b)	15.4	19.5
Tax provision/(benefit)	(1.7)	(44.3)
<b>Adjusted EBITDA</b>	<b>\$199.0</b>	<b>\$179.8</b>
<i>Adjusted EBITDA margin (c)</i>	<i>14%</i>	<i>13%</i>

(a) Depreciation expense totaling \$0.0 million and \$1.3 million has been excluded from non-recurring expenses for the three months ended December 31, 2014 and 2013, respectively, and \$0.9 million and \$2.5 million for the year ended December 31, 2014 and 2013, respectively, since these amounts are also included in depreciation

(b) Interest expense (income) and other (income) expense has been adjusted from the amounts presented in the statements of operations in order to remove the amortization of the fair value of the cash conversion option embedded in the 1.25% Cash Convertible Notes and deferred debt issuance costs from interest expense since such amortization is also included in depreciation and amortization.

(c) Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by total non-GAAP revenue.

# Reconciliations: Adjusted EBITDA & Margins ('12)

Allscripts Healthcare Solutions, Inc.  
 Non-GAAP Financial Information - Adjusted EBITDA  
 (In millions)  
 (Unaudited)

	<u>Year Ended</u>
	<u>12/31/12</u>
Total revenue, as reported	\$1,446.3
Provision for revenue deferral	16.8
Deferred revenue and other adjustments	2.1
<b>Total non-GAAP revenue</b>	<b>\$1,465.2</b>
Net loss, as reported	(\$1.2)
Income tax benefit	(16.3)
Interest expense (income) and other (income) expense (a)	25.5
Stock-based compensation expense	39.1
Depreciation and amortization	150.2
Deferred revenue and other adjustments	2.1
Provision for revenue deferral	16.8
Non-recurring expenses and transaction-related costs (b)	26.2
Asset impairment charges	11.1
<b>Non-GAAP adjusted EBITDA</b>	<b>\$253.5</b>
<i>Non-GAAP adjusted EBITDA margin (c)</i>	<i>17%</i>

(a) Interest expense (income) and other (income) expense has been adjusted from the amounts presented in the statements of operations in order to remove the amortization of the fair value of the cash conversion option embedded in the 1.25% Cash Convertible Notes and deferred debt issuance costs from interest expense since such amortization is also included in depreciation and

(b) Depreciation expense totaling approximately \$1.3 million and \$2.5 million has been excluded from non-recurring expenses for the three months and year ended December 31, 2013, respectively, since these amounts are also included in depreciation and amortization.

(c) Non-GAAP adjusted EBITDA margin is calculated by dividing Non-GAAP adjusted EBITDA by Total non-GAAP revenue.



# Reconciliations: Non-GAAP EPS ('15-16)

Allscripts Healthcare Solutions, Inc.  
Condensed Non-GAAP Financial Information  
(In millions, except per share amounts and percentages)  
(Unaudited)

	<u>Year Ended December 31,</u>	
	<u>2016</u>	<u>2015</u>
Net (loss) income attributable to Allscripts Healthcare Solutions, Inc. stockholders, as reported	(\$25.7)	(\$2.2)
Less: Net loss attributable to non-controlling interest	0.2	0.2
Less: Accretion of redemption preference on redeemable convertible non-controlling interest - Netsmart	28.5	0.0
Net income (loss), as reported	<u>\$3.0</u>	<u>(\$2.0)</u>
Acquisition-related deferred revenue adjustments	25.8	0.0
Acquisition-related amortization	71.1	58.3
Stock-based compensation expense	44.2	36.6
Non-recurring expenses and transaction-related costs (a)	13.4	23.4
Non-cash asset impairment charges	4.7	1.5
Non-cash charges to interest expense and other	16.6	12.0
Equity in net earnings of unconsolidated investments	7.5	3.2
Tax effect of adjustments to reconcile GAAP to non-GAAP net income	(64.1)	(47.4)
Tax rate alignment	(12.6)	2.5
<b>Total Non-GAAP net income</b>	<u>\$109.6</u>	<u>\$88.1</u>
Less: Non-GAAP net income attributable to non-controlling interest	(5.5)	(0.1)
<b>Non-GAAP net income attributable to Allscripts Healthcare Solutions, Inc.</b>	<u>\$104.1</u>	<u>\$88.0</u>
Non-GAAP effective tax rate	35%	35%
Weighted shares outstanding - diluted	187.9	186.5
(Loss) earnings per share - basic and diluted, as reported	(\$0.14)	(\$0.01)
<b>Non-GAAP earnings per share attributable to Allscripts Healthcare Solutions, Inc. - diluted</b>	<u>\$0.55</u>	<u>\$0.47</u>

# Reconciliations: Non-GAAP EPS ('13-14)

Allscripts Healthcare Solutions, Inc.  
Non-GAAP Financial Information  
(Unaudited)

	<u>Year Ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
Net loss, as reported	(\$66.5)	(\$104.0)
Deferred revenue and other adjustments	7.6	7.2
Acquisition-related amortization	43.2	52.5
Stock-based compensation expense	25.6	26.8
Non-recurring expenses and transaction-related costs	16.1	54.0
Non-cash asset impairment charges	1.6	8.6
Non-cash charges to interest expense and other	6.5	7.4
Tax rate alignment	22.2	(4.3)
<b>Non-GAAP net income</b>	<u>\$56.3</u>	<u>\$48.2</u>
Non-GAAP effective tax rate	35%	28%
Weighted shares outstanding - diluted	179.8	177.0
Loss per share - diluted, as reported	(\$0.37)	(\$0.59)
<b>Non-GAAP earnings per share - diluted</b>	<u>\$0.31</u>	<u>\$0.27</u>

Note: all adjustments to reconcile GAAP to non-GAAP net income are net of tax.

(a) Non-recurring expenses and transaction-related costs included in cost of revenue and operating expenses are comprised of the following for the periods presented.

# Reconciliations: Non-GAAP Gross Profit and Margin

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

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

	2013	2014	2015	2016
	Total	Total	Total	Total
<b>Software Delivery, Support &amp; Maintenance</b>				
<b>Revenue, as reported</b>	918.7	907.3	918.4	1,012.4
Acquisition-related deferred revenue and other adjustments	3.6	3.6	0.0	20.5
<b>Total non-GAAP revenue</b>	<b>922.3</b>	<b>910.9</b>	<b>918.4</b>	<b>1,032.9</b>
<b>Gross profit, as reported</b>	508.0	513.0	544.4	599.5
Acquisition-related deferred revenue and other adjustments	3.6	3.6	0.0	20.5
Acquisition-related amortization	41.1	35.1	35.1	45.3
Stock-based compensation expense	1.7	1.5	4.2	4.3
Non-recurring expenses and transaction-related costs	12.2	3.5	0.0	0.0
<b>Non-GAAP gross profit</b>	<b>566.6</b>	<b>556.6</b>	<b>583.7</b>	<b>669.6</b>

**Client Services**

<b>Revenue, as reported</b>	454.4	470.5	468.0	537.5
Acquisition-related deferred revenue and other adjustments	6.1	8.1	0.0	5.3
<b>Total non-GAAP revenue</b>	<b>460.5</b>	<b>478.6</b>	<b>468.0</b>	<b>542.8</b>

<b>Gross profit, as reported</b>	26.4	33.1	36.2	71.5
Acquisition-related deferred revenue and other adjustments	6.1	8.1	0.0	5.3
Stock-based compensation expense	3.9	4.4	4.5	4.5
Non-recurring expenses and transaction-related costs	0.0	5.0	0.0	0.6
<b>Non-GAAP gross profit</b>	<b>36.5</b>	<b>50.6</b>	<b>40.7</b>	<b>81.9</b>

**Total non-GAAP gross margin**

2013	2014	2015	2016
Total	Total	Total	Total
43.6%	43.7%	45.0%	47.7%

# Reconciliations: Free Cash Flow

## Allscripts Healthcare Solutions, Inc.

### Non-GAAP Financial Information - Free Cash Flow

(In millions)

(Unaudited)

	Year Ended December 31,	
	2016	2015
Net cash provided by operating activities	\$269.0	\$211.6
Cash flows from investing activities:		
Capital expenditures	(35.4)	(18.3)
Capitalized software	(102.5)	(49.3)
Free cash flow	<u>\$131.1</u>	<u>\$144.0</u>