



**Supplemental Financial Data Workbook**  
**Fourth Quarter 2016**  
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**Contact Information:**

Seth R. Frank, Vice President Investor Relations

[seth.frank@allscripts.com](mailto:seth.frank@allscripts.com)

312-506-1213

## 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, non-GAAP gross profit and non-GAAP gross margin, which are non-GAAP financial measures under Section 101 of Regulation G under the Securities Exchange Act of 1934, as amended.

- Non-GAAP revenue consists of GAAP revenue as reported and adds back deferred revenue and other adjustments recorded for GAAP purposes.
- Non-GAAP gross profit consists of GAAP gross profit as reported and adds back deferred revenue and other adjustments booked for GAAP purposes and excludes acquisition-related amortization, stock-based compensation expense, and non-recurring expenses and transaction-related costs. Non-GAAP gross margin consists of non-GAAP gross profit as a percentage of non-GAAP revenue, as defined above.

Management also 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 revenue, gross profit and gross margin to measure achievement under Allscripts stock and cash incentive compensation plans. Note, however, that non-GAAP revenue, gross profit and gross margin 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 release dated February 16, 2017.

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

	2013				2014				2015				2016				YTD		Pct Change		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2015	2016	2016/2015	2016/2015	
<b>Bookings:</b>																					
Software Delivery	72	104	123	164	120	136	115	138	148	148	120	154	110	221	150	200	570	681	30%	19%	
Client Services	106	110	113	110	103	98	107	106	88	112	152	189	142	141	141	206	541	630	9%	16%	
<b>Total Bookings</b>	<b>178</b>	<b>214</b>	<b>236</b>	<b>274</b>	<b>223</b>	<b>233</b>	<b>223</b>	<b>244</b>	<b>236</b>	<b>260</b>	<b>272</b>	<b>343</b>	<b>252</b>	<b>362</b>	<b>291</b>	<b>406</b>	<b>1,111</b>	<b>1,311</b>	<b>18%</b>	<b>18%</b>	
<b>Contract Backlog:</b>																					
Software Delivery, Support & Maintenance	1,735	1,762	1,809	1,855	1,888	1,921	1,962	1,999	2,044	2,114	2,119	2,151	2,148	2,342	2,300	2,379	2,151	2,379	3%	11%	
Client Services	1,009	1,435	1,502	1,551	1,554	1,417	1,452	1,433	1,418	1,419	1,445	1,500	1,506	1,634	1,622	1,671	1,500	1,671	3%	11%	
<b>Total Contract Backlog</b>	<b>2,744</b>	<b>3,196</b>	<b>3,312</b>	<b>3,407</b>	<b>3,442</b>	<b>3,338</b>	<b>3,415</b>	<b>3,432</b>	<b>3,462</b>	<b>3,533</b>	<b>3,564</b>	<b>3,651</b>	<b>3,654</b>	<b>3,976</b>	<b>3,922</b>	<b>4,050</b>	<b>3,651</b>	<b>4,050</b>	<b>3%</b>	<b>11%</b>	
<b>Other Metrics:</b>																					
(A) Gross research and development expenses (includes stock comp expense)	59.5	62.8	60.3	59.4	61.4	61.9	56.2	53.9	56.0	56.8	58.7	62.6	62.1	69.9	68.1	70.3	234.1	270.4	12%	16%	
(B) Capitalized software development costs	(8.5)	(11.0)	(10.9)	(11.6)	(9.1)	(8.8)	(10.3)	(12.3)	(9.3)	(12.4)	(11.0)	(16.6)	(15.1)	(22.0)	(22.9)	(22.5)	(49.3)	(82.5)	36%	67%	
<b>Research and development expenses on GAAP Income Statement</b>	<b>51.0</b>	<b>51.8</b>	<b>49.4</b>	<b>47.9</b>	<b>52.3</b>	<b>53.1</b>	<b>45.9</b>	<b>41.5</b>	<b>46.7</b>	<b>44.4</b>	<b>47.7</b>	<b>46.0</b>	<b>47.0</b>	<b>47.9</b>	<b>45.2</b>	<b>47.8</b>	<b>184.8</b>	<b>187.9</b>			
(C) Capitalized software amortization included in cost of revenue	10.9	10.6	11.3	11.4	12.2	11.3	11.6	11.0	11.8	11.6	12.2	11.3	10.2	10.4	10.6	12.1	46.9	43.3	7%	-8%	
Gross Capitalization Rate (-B/A)	14%	18%	18%	19%	15%	14%	18%	23%	17%	22%	19%	26%	24%	31%	34%	32%	21%	31%	23%	48%	
Net Capitalization -(B+C)	(2.4)	0.4	(0.4)	0.2	(3.1)	(2.4)	(1.4)	1.3	(2.5)	0.8	(1.2)	5.3	4.9	11.6	12.3	10.4	2.4	39.2	96%	N/M	
Net Capitalization Rate -(B+C)/A	-4%	1%	-1%	0%	-5%	-4%	-2%	2%	-4%	1%	-2%	8%	8%	17%	18%	15%	1%	15%	88%	N/M	
Net Capitalization as percentage of total revenue	-1%	0%	0%	0%	-1%	-1%	0%	0%	-1%	0%	0%	2%	1%	3%	3%	2%	0%	3%	0%	N/M	
<b>Stock-based compensation expense included in statement of operations line items:</b>																					
Cost of revenue:																					
Software Delivery, Support and Maintenance	0.5	0.5	0.4	0.3	0.4	0.6	0.3	0.2	1.1	1.2	1.0	0.9	1.2	1.1	1.0	1.0	4.2	4.3	11%	2%	
Client Services	0.9	1.1	0.9	1.0	0.9	1.5	1.0	1.0	1.4	1.3	0.8	1.0	1.5	1.1	0.9	1.0	4.5	4.5	0%	0%	
<b>Total stock-based compensation expense included in cost of revenue</b>	<b>1.4</b>	<b>1.6</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>2.1</b>	<b>1.3</b>	<b>1.2</b>	<b>2.5</b>	<b>2.5</b>	<b>1.8</b>	<b>1.9</b>	<b>2.7</b>	<b>2.2</b>	<b>1.9</b>	<b>2.0</b>	<b>8.7</b>	<b>8.8</b>	<b>5%</b>	<b>1%</b>	
Selling, general and administrative expenses	4.7	6.1	6.6	5.6	6.2	6.9	7.9	4.4	5.0	5.2	5.6	4.2	5.2	6.3	6.5	9.3	20.0	27.3	121%	37%	
Research and development	1.9	2.4	1.8	2.3	2.6	3.1	0.8	1.5	2.0	2.3	1.8	1.8	2.5	2.1	1.4	2.0	7.9	8.1	11%	3%	
<b>Total stock-based compensation expense</b>	<b>8.0</b>	<b>10.1</b>	<b>9.7</b>	<b>9.2</b>	<b>10.1</b>	<b>12.1</b>	<b>10.0</b>	<b>7.1</b>	<b>9.5</b>	<b>10.0</b>	<b>9.2</b>	<b>7.9</b>	<b>10.4</b>	<b>10.7</b>	<b>9.8</b>	<b>13.3</b>	<b>36.6</b>	<b>44.2</b>	<b>68%</b>	<b>21%</b>	
Accounts receivable	352	346	322	313	342	337	341	332	325	323	325	328	340	396	400	405	328	405	23%	23%	
A/R days sales outstanding	92	91	88	81	90	87	89	88	89	84	85	87	90	91	90	86	87	86	-1%	-1%	

**Table 2**  
**Allscripts Healthcare Solutions, Inc.**  
**Non-GAAP Financial Information**  
(In millions)  
(unaudited)

	2013					2014					2015					2016				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>Non-GAAP Revenue</b>																				
<b>Software Delivery, Support &amp; Maintenance</b>																				
Recurring revenue	183.3	183.0	187.2	192.1	745.6	191.5	186.6	190.9	191.8	760.8	197.4	195.5	194.2	193.9	781.0	194.5	215.3	222.9	232.0	864.7
Non-recurring revenue	42.6	48.8	41.0	44.3	176.7	38.1	38.7	37.6	35.7	150.1	30.2	37.0	36.5	33.7	137.4	34.7	42.6	39.4	51.5	168.2
<b>Total Software Delivery, Support &amp; Maintenance</b>	<b>225.9</b>	<b>231.8</b>	<b>228.3</b>	<b>236.4</b>	<b>922.3</b>	<b>229.6</b>	<b>225.3</b>	<b>228.5</b>	<b>227.5</b>	<b>910.9</b>	<b>227.6</b>	<b>232.5</b>	<b>230.7</b>	<b>227.6</b>	<b>918.4</b>	<b>229.2</b>	<b>257.9</b>	<b>262.3</b>	<b>283.5</b>	<b>1,032.9</b>
<b>Client Services</b>																				
Recurring revenue	56.3	51.0	51.2	54.5	213.1	58.7	57.8	58.8	61.3	236.5	60.1	67.8	71.0	72.9	271.8	73.5	88.7	93.9	96.4	352.5
Non-recurring revenue	65.8	64.3	54.7	62.7	247.4	56.5	70.7	60.4	54.5	242.2	46.9	51.4	52.8	45.1	196.2	42.9	50.0	47.9	49.5	190.3
<b>Total Client Services</b>	<b>122.1</b>	<b>115.4</b>	<b>105.9</b>	<b>117.2</b>	<b>460.5</b>	<b>115.2</b>	<b>128.5</b>	<b>119.2</b>	<b>115.8</b>	<b>478.7</b>	<b>107.0</b>	<b>119.2</b>	<b>123.8</b>	<b>118.0</b>	<b>468.0</b>	<b>116.4</b>	<b>138.7</b>	<b>141.8</b>	<b>145.9</b>	<b>542.8</b>
<b>Total non-GAAP revenue</b>	<b>348.0</b>	<b>347.1</b>	<b>334.2</b>	<b>353.5</b>	<b>1,382.8</b>	<b>344.8</b>	<b>353.8</b>	<b>347.7</b>	<b>343.2</b>	<b>1,389.5</b>	<b>334.6</b>	<b>351.7</b>	<b>354.5</b>	<b>345.6</b>	<b>1,386.4</b>	<b>345.6</b>	<b>396.6</b>	<b>404.1</b>	<b>429.4</b>	<b>1,575.7</b>
<b>Revenue Mix</b>																				
Recurring revenue	69%	67%	71%	70%	69%	73%	69%	72%	74%	72%	77%	75%	75%	77%	76%	78%	77%	78%	76%	77%
Non-recurring revenue	31%	33%	29%	30%	31%	27%	31%	28%	26%	28%	23%	25%	25%	23%	24%	22%	23%	22%	24%	23%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Non-GAAP Gross Profit</b>																				
Software Delivery, Support & Maintenance	137.6	144.9	137.9	146.3	566.6	144.4	132.3	140.5	139.4	556.6	140.8	145.6	148.7	148.6	583.7	144.8	171.3	168.6	184.9	669.6
Client Services	10.3	7.9	7.7	10.6	36.5	10.2	22.5	6.4	11.5	50.6	0.6	9.7	15.6	14.8	40.7	17.2	19.3	23.8	21.6	81.9
<b>Total non-GAAP gross profit</b>	<b>147.9</b>	<b>152.8</b>	<b>145.6</b>	<b>156.9</b>	<b>603.1</b>	<b>154.6</b>	<b>154.8</b>	<b>146.9</b>	<b>150.9</b>	<b>607.2</b>	<b>141.4</b>	<b>155.3</b>	<b>164.3</b>	<b>163.4</b>	<b>624.4</b>	<b>162.0</b>	<b>190.6</b>	<b>192.4</b>	<b>206.5</b>	<b>751.5</b>
<b>Non-GAAP Gross Margin</b>																				
Software Delivery, Support & Maintenance	60.9%	62.5%	60.4%	61.9%	61.4%	62.9%	58.7%	61.5%	61.3%	61.1%	61.9%	62.6%	64.5%	65.3%	63.6%	63.2%	66.4%	64.3%	65.2%	64.8%
Client Services	8.5%	6.9%	7.2%	9.0%	7.9%	8.9%	17.5%	5.4%	9.9%	10.6%	0.6%	8.2%	12.6%	12.5%	8.7%	14.8%	13.9%	16.8%	14.8%	15.1%
<b>Total non-GAAP gross margin</b>	<b>42.5%</b>	<b>44.0%</b>	<b>43.6%</b>	<b>44.4%</b>	<b>43.6%</b>	<b>44.8%</b>	<b>43.8%</b>	<b>42.3%</b>	<b>44.0%</b>	<b>43.7%</b>	<b>42.3%</b>	<b>44.2%</b>	<b>46.4%</b>	<b>47.3%</b>	<b>45.0%</b>	<b>46.9%</b>	<b>48.1%</b>	<b>47.6%</b>	<b>48.1%</b>	<b>47.7%</b>

Note: Please refer to Table 3 within this Supplemental Financial Data Workbook for a reconciliation of GAAP and non-GAAP revenue and gross profit.

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

	2013					2014					2015					2016				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>Software Delivery, Support &amp; Maintenance</b>																				
<b>Revenue, as reported</b>	225.8	231.4	228.0	233.5	918.7	227.4	225.0	228.0	226.9	907.3	227.6	232.5	230.7	227.6	918.4	229.2	249.8	252.7	280.7	1,012.4
Acquisition-related deferred revenue and other adjustments	0.1	0.4	0.2	2.9	3.6	2.2	0.3	0.4	0.6	3.6	0.0	0.0	0.0	0.0	0.0	0.0	8.1	9.6	2.8	20.5
<b>Total non-GAAP revenue</b>	<b>225.9</b>	<b>231.8</b>	<b>228.3</b>	<b>236.4</b>	<b>922.3</b>	<b>229.6</b>	<b>225.3</b>	<b>228.5</b>	<b>227.5</b>	<b>910.9</b>	<b>227.6</b>	<b>232.5</b>	<b>230.7</b>	<b>227.6</b>	<b>918.4</b>	<b>229.2</b>	<b>257.9</b>	<b>262.3</b>	<b>283.5</b>	<b>1,032.9</b>
<b>Gross profit, as reported</b>	125.8	131.3	122.6	128.3	508.0	131.2	121.9	129.9	130.0	513.0	130.6	135.2	138.6	140.0	544.4	136.2	150.5	145.3	167.5	599.5
Acquisition-related deferred revenue and other adjustments	0.1	0.4	0.2	2.9	3.6	2.2	0.3	0.4	0.6	3.6	0.0	0.0	0.0	0.0	0.0	0.0	8.1	9.6	2.8	20.5
Acquisition-related amortization	8.7	9.4	11.7	11.3	41.1	8.8	8.6	9.0	8.7	35.1	9.1	9.2	9.1	7.7	35.1	7.4	11.6	12.7	13.6	45.3
Stock-based compensation expense	0.5	0.5	0.4	0.3	1.7	0.4	0.6	0.3	0.2	1.5	1.1	1.2	1.0	0.9	4.2	1.2	1.1	1.0	1.0	4.3
Non-recurring expenses and transaction-related costs	2.5	3.2	3.0	3.5	12.2	1.9	0.9	0.8	(0.1)	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-GAAP gross profit</b>	<b>137.6</b>	<b>144.9</b>	<b>137.9</b>	<b>146.3</b>	<b>566.6</b>	<b>144.4</b>	<b>132.3</b>	<b>140.5</b>	<b>139.4</b>	<b>556.6</b>	<b>140.8</b>	<b>145.6</b>	<b>148.7</b>	<b>148.6</b>	<b>583.7</b>	<b>144.8</b>	<b>171.3</b>	<b>168.6</b>	<b>184.9</b>	<b>669.6</b>
<b>Client Services</b>																				
<b>Revenue, as reported</b>	121.3	113.5	102.1	117.5	454.4	112.9	126.3	117.3	114.0	470.5	107.0	119.2	123.8	118.0	468.0	116.4	136.7	139.7	144.7	537.5
Acquisition-related deferred revenue and other adjustments	0.8	1.9	3.7	(0.3)	6.1	2.3	2.2	1.9	1.8	8.1	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.1	1.2	5.3
<b>Total non-GAAP revenue</b>	<b>122.1</b>	<b>115.4</b>	<b>105.9</b>	<b>117.2</b>	<b>460.5</b>	<b>115.2</b>	<b>128.5</b>	<b>119.2</b>	<b>115.8</b>	<b>478.6</b>	<b>107.0</b>	<b>119.2</b>	<b>123.8</b>	<b>118.0</b>	<b>468.0</b>	<b>116.4</b>	<b>138.7</b>	<b>141.8</b>	<b>145.9</b>	<b>542.8</b>
<b>Gross profit, as reported</b>	8.6	4.9	3.0	9.9	26.4	7.0	18.1	1.5	6.5	33.1	(0.8)	8.4	14.8	13.8	36.2	15.7	16.2	20.8	18.8	71.5
Acquisition-related deferred revenue and other adjustments	0.8	1.9	3.7	(0.3)	6.1	2.3	2.2	1.9	1.8	8.1	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.1	1.2	5.3
Stock-based compensation expense	0.9	1.1	0.9	1.0	3.9	0.9	1.5	1.0	1.0	4.4	1.4	1.3	0.8	1.0	4.5	1.5	1.1	0.9	1.0	4.5
Non-recurring expenses and transaction-related costs	0.0	0.0	0.0	0.0	0.0	0.0	0.7	2.0	2.3	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.6
<b>Non-GAAP gross profit</b>	<b>10.3</b>	<b>7.9</b>	<b>7.7</b>	<b>10.6</b>	<b>36.5</b>	<b>10.2</b>	<b>22.5</b>	<b>6.4</b>	<b>11.5</b>	<b>50.6</b>	<b>0.6</b>	<b>9.7</b>	<b>15.6</b>	<b>14.8</b>	<b>40.7</b>	<b>17.2</b>	<b>19.3</b>	<b>23.8</b>	<b>21.6</b>	<b>81.9</b>