



Supplemental Financial Data Workbook

First Quarter 2017

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Explanation of Non-GAAP Financial Measures

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

- Non-GAAP revenue consists of GAAP revenue as reported and adds back deferred revenue from the Netsmart transaction that is eliminated for GAAP purposes due to purchase accounting adjustments.
- Non-GAAP gross profit consists of GAAP gross profit as reported and excludes acquisition-related deferred revenue adjustments, acquisition-related amortization, stock-based compensation expense, and transaction-related and other special costs. Non-GAAP gross margin consists of non-GAAP gross profit as a percentage of non-GAAP revenue in the applicable period.

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 gross profit to measure achievement under Allscripts stock and cash incentive compensation plans. Note, however, that non-GAAP gross profit is a performance measure only, and it does not provide any measure of cash flow or liquidity. Non-GAAP financial measures are not in accordance with, or an alternative for, measures of financial performance prepared in accordance with GAAP and may be different from non-GAAP measures used by other companies. Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with Allscripts results of operations as determined in accordance with GAAP. Investors and potential investors are encouraged to review the reconciliation of non-GAAP financial measures with GAAP financial measures contained within the company's press release dated May 4, 2017.

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

	2015				2016				2017	YTD		Pct Change	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	2016	2017	2017/2016	2017/2016
												Q1	YTD
Bookings:													
Software Delivery	148	148	120	154	110	221	150	200	128	110	128	16%	16%
Client Services	88	112	152	189	142	141	141	206	158	142	158	11%	11%
Total Bookings	236	260	272	343	252	362	291	406	286	252	286	13%	13%
												2016/2017	2017/2016
												Q4/Q1	YTD
Contract Backlog:													
Software Delivery, Support & Maintenance	2,044	2,114	2,119	2,151	2,148	2,342	2,300	2,379	2,326	2,148	2,326	-2%	8%
Client Services	1,418	1,419	1,445	1,500	1,506	1,634	1,622	1,671	1,680	1,506	1,680	1%	12%
Total Contract Backlog	3,462	3,533	3,564	3,651	3,654	3,976	3,922	4,050	4,006	3,654	4,006	-1%	10%

	2015				2016				2017	YTD		2017/2016	2017/2016
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	2016	2017	Q1	YTD
Other Metrics:													
(A) Gross research and development expenses (includes stock comp expense)	56.0	56.8	58.7	62.6	62.1	69.9	68.1	70.3	73.2	62.1	73.2	18%	18%
(B) Capitalized software development costs	(9.3)	(12.4)	(11.0)	(16.6)	(15.1)	(22.0)	(22.9)	(22.5)	(24.0)	(15.1)	(24.0)	59%	59%
Research and development expenses on GAAP Statement of Operations	46.7	44.4	47.7	46.0	47.0	47.9	45.2	47.8	49.2	47.0	49.2		
(C) Capitalized software amortization included in cost of revenue	11.8	11.6	12.2	11.3	10.2	10.4	10.6	12.1	12.5	10.2	12.5	23%	23%
Gross Capitalization Rate (-B/A)	17%	22%	19%	26%	24%	31%	34%	32%	33%	24%	33%	38%	38%
Net Capitalization -(B+C)	(2.5)	0.8	(1.2)	5.3	4.9	11.6	12.3	10.4	11.5	4.9	11.5	135%	135%
Net Capitalization Rate -(B+C)/A	-4%	1%	-2%	8%	8%	17%	18%	15%	16%	8%	16%	100%	100%
Net Capitalization as percentage of total revenue	-1%	0%	0%	2%	1%	3%	3%	2%	3%	1%	3%	200%	200%
Stock-based compensation expense included in statement of operations line items:													
Cost of revenue:													
Software Delivery, Support and Maintenance	1.1	1.2	1.0	0.9	1.2	1.1	1.0	1.0	1.1	1.2	1.1	-8%	-8%
Client Services	1.4	1.3	0.8	1.0	1.5	1.1	0.9	1.0	1.6	1.5	1.6	7%	7%
Total stock-based compensation expense included in cost of revenue	2.5	2.5	1.8	1.9	2.7	2.2	1.9	2.0	2.7	2.7	2.7	0%	0%
Selling, general and administrative expenses	5.0	5.2	5.6	4.2	5.2	6.3	6.5	9.3	3.5	5.2	3.5	-33%	-33%
Research and development	2.0	2.3	1.8	1.8	2.5	2.1	1.4	2.0	2.6	2.5	2.6	4%	4%
Total stock-based compensation expense	9.5	10.0	9.2	7.9	10.4	10.7	9.8	13.3	8.8	10.4	8.8	-15%	-15%
Accounts receivable	325	323	325	328	340	396	400	405	415	340	415	22%	22%
A/R days sales outstanding	89	84	85	87	90	91	90	86	91	90	91	1%	1%

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

	2015					2016					2017
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1
Non-GAAP Revenue											
Software Delivery, Support & Maintenance											
Recurring revenue	197.4	195.5	194.2	193.9	781.0	194.5	215.3	222.9	232.0	864.7	231.8
Non-recurring revenue	30.2	37.0	36.5	33.7	137.4	34.7	42.6	39.4	51.5	168.2	41.2
Total Software Delivery, Support & Maintenance	227.6	232.5	230.7	227.6	918.4	229.2	257.9	262.3	283.5	1,032.9	273.0
Client Services											
Recurring revenue	60.1	67.8	71.0	72.9	271.8	73.5	88.7	93.9	96.4	352.5	97.3
Non-recurring revenue	46.9	51.4	52.8	45.1	196.2	42.9	50.0	47.9	49.5	190.3	44.8
Total Client Services	107.0	119.2	123.8	118.0	468.0	116.4	138.7	141.8	145.9	542.8	142.1
Total non-GAAP revenue	334.6	351.7	354.5	345.6	1,386.4	345.6	396.6	404.1	429.4	1,575.7	415.1
Revenue Mix											
Recurring revenue	77%	75%	75%	77%	76%	78%	77%	78%	76%	77%	79%
Non-recurring revenue	23%	25%	25%	23%	24%	22%	23%	22%	24%	23%	21%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Non-GAAP Gross Profit											
Software Delivery, Support & Maintenance	140.8	145.6	148.7	148.6	583.7	144.8	171.3	168.6	184.9	669.6	178.2
Client Services	0.6	9.7	15.6	14.8	40.7	17.2	19.3	23.8	21.6	81.9	18.9
Total non-GAAP gross profit	141.4	155.3	164.3	163.4	624.4	162.0	190.6	192.4	206.5	751.5	197.1
Non-GAAP Gross Margin											
Software Delivery, Support & Maintenance	61.9%	62.6%	64.5%	65.3%	63.6%	63.2%	66.4%	64.3%	65.2%	64.8%	65.3%
Client Services	0.6%	8.2%	12.6%	12.5%	8.7%	14.8%	13.9%	16.8%	14.8%	15.1%	13.3%
Total non-GAAP gross margin	42.3%	44.2%	46.4%	47.3%	45.0%	46.9%	48.1%	47.6%	48.1%	47.7%	47.5%

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)

	2015					2016					2017
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1
Software Delivery, Support & Maintenance											
Revenue, as reported	227.6	232.5	230.7	227.6	918.4	229.2	249.8	252.7	280.7	1,012.4	272.5
Acquisition-related deferred revenue and other adjustments	0.0	0.0	0.0	0.0	0.0	0.0	8.1	9.6	2.8	20.5	0.5
Total non-GAAP revenue	227.6	232.5	230.7	227.6	918.4	229.2	257.9	262.3	283.5	1,032.9	273.0
Gross profit, as reported	130.6	135.2	138.6	140.0	544.4	136.2	150.5	145.3	167.5	599.5	162.6
Acquisition-related deferred revenue and other adjustments	0.0	0.0	0.0	0.0	0.0	0.0	8.1	9.6	2.8	20.5	0.5
Acquisition-related amortization	9.1	9.2	9.1	7.7	35.1	7.4	11.6	12.7	13.6	45.3	14.0
Stock-based compensation expense	1.1	1.2	1.0	0.9	4.2	1.2	1.1	1.0	1.0	4.3	1.1
Transaction-related and other special costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-GAAP gross profit	140.8	145.6	148.7	148.6	583.7	144.8	171.3	168.6	184.9	669.6	178.2
Client Services											
Revenue, as reported	107.0	119.2	123.8	118.0	468.0	116.4	136.7	139.7	144.7	537.5	141.0
Acquisition-related deferred revenue and other adjustments	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.1	1.2	5.3	1.1
Total non-GAAP revenue	107.0	119.2	123.8	118.0	468.0	116.4	138.7	141.8	145.9	542.8	142.1
Gross profit, as reported	(0.8)	8.4	14.8	13.8	36.2	15.7	16.2	20.8	18.8	71.5	16.1
Acquisition-related deferred revenue and other adjustments	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.1	1.2	5.3	1.1
Stock-based compensation expense	1.4	1.3	0.8	1.0	4.5	1.5	1.1	0.9	1.0	4.5	1.6
Transaction-related and other special costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.1
Non-GAAP gross profit	0.6	9.7	15.6	14.8	40.7	17.2	19.3	23.8	21.6	81.9	18.9