



**Supplemental Financial Data Workbook**  
**Third Quarter 2018**  
**November 1, 2018**

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## Explanation of Non-GAAP Financial Measures

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

- Non-GAAP revenue consists of GAAP revenue as reported and adds back recognized deferred revenue from the EIS business, Practice Fusion, HealthGrid, Netsmart, NantHealth's provider/patient engagement business and non-material consolidated affiliates that are 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 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 definitions and reconciliations of non-GAAP financial measures with GAAP financial measures contained within the company's press release dated November 1, 2018.

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

	2015				2016				2017				2018			YTD		Pct Change		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	2017	2018	2018/2017	2018/2017	
<b>Bookings:</b>																				
Software Delivery	148	148	120	154	110	221	150	200	128	209	151	197	197	137	127	488	461	-16%	-6%	
Client Services	88	112	152	189	142	141	141	206	158	198	153	117	107	141	119	509	367	-22%	-28%	
<b>Total Bookings</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>286</b>	<b>407</b>	<b>304</b>	<b>314</b>	<b>304</b>	<b>278</b>	<b>246</b>	<b>997</b>	<b>828</b>	<b>-19%</b>	<b>-17%</b>	
<b>Contract Backlog:</b>																				
Software Delivery, Support & Maintenance	2,044	2,114	2,119	2,151	2,148	2,342	2,300	2,379	2,326	2,401	2,384	2,748	2,804	2,818	2,903	N/A	N/A	3%	N/A	
Client Services	1,418	1,419	1,445	1,500	1,506	1,634	1,622	1,671	1,680	1,707	1,724	1,899	1,944	1,950	1,753	N/A	N/A	-10%	N/A	
<b>Total Contract Backlog</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>4,006</b>	<b>4,108</b>	<b>4,108</b>	<b>4,647</b>	<b>4,748</b>	<b>4,768</b>	<b>4,656</b>	<b>N/A</b>	<b>N/A</b>	<b>-2%</b>	<b>N/A</b>	
	2015				2016				2017				2018			YTD		2018/2017	2018/2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	2017	2018	Q3	YTD	
<b>Other Metrics:</b>																				
(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	77.4	79.9	105.3	102.2	117.1	102.0	230.5	321.3	28%	39%	
(B) Capitalized software development costs	(9.3)	(12.4)	(11.0)	(16.6)	(15.1)	(22.0)	(22.9)	(22.5)	(24.0)	(30.9)	(28.8)	(31.8)	(32.2)	(36.8)	(32.3)	(83.7)	(101.3)	12%	21%	
<b>Research and development expenses on GAAP Statement of Operations</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>49.2</b>	<b>46.5</b>	<b>51.1</b>	<b>73.5</b>	<b>70.0</b>	<b>80.3</b>	<b>69.7</b>	<b>146.8</b>	<b>220.0</b>	<b>36%</b>	<b>50%</b>	
(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	13.3	14.7	16.6	17.6	17.3	18.1	40.5	53.0	23%	31%	
Gross Capitalization Rate (-B/A)	17%	22%	19%	26%	24%	31%	34%	32%	33%	40%	36%	30%	32%	31%	32%	36%	32%	-11%	-11%	
Net Capitalization -(B+C)	(2.5)	0.8	(1.2)	5.3	4.9	11.6	12.3	10.4	11.5	17.5	14.1	15.2	14.6	19.5	14.2	43.2	48.3	1%	12%	
Net Capitalization Rate -(B+C)/A	-4%	1%	-2%	8%	8%	17%	18%	15%	16%	23%	18%	14%	14%	17%	14%	19%	15%	-22%	-21%	
Net Capitalization as percentage of total revenue	-1%	0%	0%	2%	1%	3%	3%	2%	3%	4%	3%	3%	3%	4%	3%	3%	3%	0%	0%	
<b>Stock-based compensation expense included in statement of operations line items:</b>																				
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	1.0	0.4	0.4	0.6	0.5	0.5	2.5	1.6	25%	-36%	
Client Services	1.4	1.3	0.8	1.0	1.5	1.1	0.9	1.0	1.6	1.0	0.9	1.1	1.4	1.1	1.1	3.5	3.6	22%	3%	
<b>Total stock-based compensation expense included in cost of revenue</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>2.7</b>	<b>2.0</b>	<b>1.3</b>	<b>1.5</b>	<b>2.0</b>	<b>1.6</b>	<b>1.6</b>	<b>6.0</b>	<b>5.2</b>	<b>23%</b>	<b>-13%</b>	
Selling, general and administrative expenses	5.0	5.2	5.6	4.2	5.2	6.3	6.5	9.3	3.5	7.1	7.2	7.8	7.3	6.5	7.2	17.8	21.0	0%	18%	
Research and development	2.0	2.3	1.8	1.8	2.5	2.1	1.4	2.0	2.6	2.1	1.9	2.0	2.8	2.1	2.4	6.6	7.3	26%	11%	
<b>Total stock-based compensation expense</b>	<b>9.5</b>	<b>10.0</b>	<b>9.2</b>	<b>7.9</b>	<b>10.4</b>	<b>10.6</b>	<b>9.8</b>	<b>13.3</b>	<b>8.8</b>	<b>11.2</b>	<b>10.4</b>	<b>11.3</b>	<b>12.1</b>	<b>10.2</b>	<b>11.2</b>	<b>30.4</b>	<b>33.5</b>	<b>8%</b>	<b>10%</b>	
Accounts receivable	325	323	325	328	340	396	400	405	415	420	443	568	496	522	520	443	520	17%	17%	
A/R days sales outstanding	89	84	85	87	90	91	90	86	91	90	90	95	87	89	89	90	89	-1%	-1%	

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

	2015					2016					2017					2018			
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Total
<b>Non-GAAP Revenue</b>																			
<b>Software Delivery, Support &amp; Maintenance*</b>																			
Recurring revenue	197.4	195.5	194.2	193.9	781.0	194.5	215.3	222.9	232.0	864.7	227.8	224.6	231.1	309.7	993.2	296.5	296.8	292.4	885.7
Non-recurring revenue	30.2	37.0	36.5	33.7	137.4	34.7	42.6	39.4	51.5	168.2	40.9	51.3	58.8	39.4	190.4	35.7	44.6	46.1	126.4
<b>Total Software Delivery, Support &amp; Maintenance</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>268.7</b>	<b>275.9</b>	<b>289.9</b>	<b>349.1</b>	<b>1,183.6</b>	<b>332.2</b>	<b>341.4</b>	<b>338.5</b>	<b>1,012.1</b>
<b>Client Services*</b>																			
Recurring revenue	60.1	67.8	71.0	72.9	271.8	73.5	88.7	93.9	96.4	352.5	101.8	103.5	109.3	125.1	439.7	122.4	133.6	135.5	391.5
Non-recurring revenue	46.9	51.4	52.8	45.1	196.2	42.9	50.0	47.9	49.5	190.3	44.6	48.3	52.0	72.6	217.5	64.0	60.8	61.8	186.6
<b>Total Client Services</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>146.4</b>	<b>151.8</b>	<b>161.3</b>	<b>197.7</b>	<b>657.2</b>	<b>186.4</b>	<b>194.4</b>	<b>197.3</b>	<b>578.1</b>
<b>Total non-GAAP revenue</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>415.1</b>	<b>427.7</b>	<b>451.2</b>	<b>546.8</b>	<b>1,840.8</b>	<b>518.6</b>	<b>535.8</b>	<b>535.8</b>	<b>1,590.2</b>
<b>Revenue Mix</b>																			
Recurring revenue	77%	75%	75%	77%	76%	78%	77%	78%	76%	77%	79%	77%	75%	80%	78%	81%	80%	80%	80%
Non-recurring revenue	23%	25%	25%	23%	24%	22%	23%	22%	24%	23%	21%	23%	25%	20%	22%	19%	20%	20%	20%
	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	140.8	145.6	148.7	148.6	583.7	144.8	171.3	168.6	184.9	669.6	173.9	174.5	188.9	224.3	761.6	210.9	213.8	211.1	635.8
Client Services	0.6	9.7	15.6	14.8	40.7	17.2	19.3	23.8	21.6	81.9	23.2	30.8	29.5	36.9	120.4	34.6	37.9	40.2	112.7
<b>Total non-GAAP gross profit</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>197.1</b>	<b>205.3</b>	<b>218.4</b>	<b>261.2</b>	<b>882.0</b>	<b>245.5</b>	<b>251.7</b>	<b>251.3</b>	<b>748.5</b>
<b>Non-GAAP Gross Margin</b>																			
Software Delivery, Support & Maintenance	61.9%	62.6%	64.5%	65.3%	63.6%	63.2%	66.4%	64.3%	65.2%	64.8%	64.7%	63.2%	65.2%	64.3%	64.3%	63.5%	62.6%	62.4%	62.8%
Client Services	0.6%	8.2%	12.6%	12.5%	8.7%	14.8%	13.9%	16.8%	14.8%	15.1%	15.8%	20.3%	18.3%	18.7%	18.3%	18.6%	19.5%	20.4%	19.5%
<b>Total non-GAAP gross margin</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>	<b>47.5%</b>	<b>48.0%</b>	<b>48.4%</b>	<b>47.8%</b>	<b>47.9%</b>	<b>47.3%</b>	<b>47.0%</b>	<b>46.9%</b>	<b>47.1%</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.

\* During the first quarter of 2018, we changed the presentation of certain bundled revenue streams. Such revenue was previously included as part of software delivery, support and maintenance revenue. Under the new presentation, such revenue is included as part of client services revenue. The revenue previously reported for 2017 has been recast to match the new presentation by reducing software delivery, support and maintenance and increasing client services by the same amount.

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

	2015					2016					2017					2018			
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Total
<b>Software Delivery, Support &amp; Maintenance</b>																			
<b>Revenue, as reported*</b>	227.6	232.5	230.7	227.6	918.4	229.2	249.8	252.7	280.7	1,012.4	268.2	275.1	289.1	324.0	1,156.4	329.8	336.4	330.4	996.6
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	0.8	0.8	25.1	27.2	2.4	5.0	8.1	15.5
<b>Total non-GAAP revenue</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>268.7</b>	<b>275.9</b>	<b>289.9</b>	<b>349.1</b>	<b>1,183.6</b>	<b>332.2</b>	<b>341.4</b>	<b>338.5</b>	<b>1,012.1</b>
<b>Gross profit, as reported</b>	130.6	135.2	138.6	140.0	544.4	136.2	150.5	145.3	167.5	599.5	158.3	158.5	174.4	182.7	673.9	191.6	189.3	186.0	566.9
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	0.8	0.8	25.1	27.2	2.4	5.0	8.1	15.5
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	14.2	13.3	16.1	57.6	16.2	15.4	16.4	48.0
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	1.0	0.4	0.4	2.9	0.6	0.5	0.5	1.6
Transaction-related and other special costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	3.6	0.1	3.8	
<b>Non-GAAP gross profit</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>173.9</b>	<b>174.5</b>	<b>188.9</b>	<b>224.3</b>	<b>761.6</b>	<b>210.9</b>	<b>213.8</b>	<b>211.1</b>	<b>635.8</b>
<b>Client Services</b>																			
<b>Revenue, as reported*</b>	107.0	119.2	123.8	118.0	468.0	116.4	136.7	139.7	144.7	537.5	145.3	151.0	160.3	193.3	649.9	184.2	189.1	191.9	565.2
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	0.8	1.0	4.4	7.3	2.2	5.3	5.4	12.9
<b>Total non-GAAP revenue</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>146.4</b>	<b>151.8</b>	<b>161.3</b>	<b>197.7</b>	<b>657.2</b>	<b>186.4</b>	<b>194.4</b>	<b>197.3</b>	<b>578.1</b>
<b>Gross profit, as reported</b>	(0.8)	8.4	14.8	13.8	36.2	15.7	16.2	20.8	18.8	71.5	20.4	28.9	27.6	31.3	108.2	29.4	23.3	32.4	85.1
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	0.8	1.0	4.4	7.3	2.2	5.3	5.4	12.9
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	1.0	0.9	1.1	4.6	1.4	1.1	1.1	3.6
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	0.1	0.0	0.1	0.3	1.6	8.2	1.3	11.1
<b>Non-GAAP gross profit</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>	<b>23.2</b>	<b>30.8</b>	<b>29.5</b>	<b>36.9</b>	<b>120.4</b>	<b>34.6</b>	<b>37.9</b>	<b>40.2</b>	<b>112.7</b>
<b>Consolidated</b>																			
<b>Revenue, as reported</b>	334.6	351.7	354.5	345.6	1,386.4	345.6	386.5	392.4	425.4	1,549.9	413.5	426.1	449.4	517.3	1,806.3	514.0	525.5	522.3	1,561.8
Acquisition-related deferred revenue and other adjustments	0.0	0.0	0.0	0.0	0.0	0.0	10.1	11.7	4.0	25.8	1.6	1.6	1.8	29.5	34.5	4.6	10.3	13.5	28.4
<b>Total non-GAAP revenue</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>415.1</b>	<b>427.7</b>	<b>451.2</b>	<b>546.8</b>	<b>1,840.8</b>	<b>518.6</b>	<b>535.8</b>	<b>535.8</b>	<b>1,590.2</b>
<b>Gross profit, as reported</b>	129.8	143.6	153.4	153.8	580.6	151.9	166.7	166.1	186.3	671.0	178.7	187.4	202.0	214.0	782.1	221.0	212.6	218.4	652.0
Acquisition-related deferred revenue and other adjustments	0.0	0.0	0.0	0.0	0.0	0.0	10.1	11.7	4.0	25.8	1.6	1.6	1.8	29.5	34.5	4.6	10.3	13.5	28.4
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	14.2	13.3	16.1	57.6	16.2	15.4	16.4	48.0
Stock-based compensation expense	2.5	2.5	1.8	1.9	8.7	2.7	2.2	1.9	2.0	8.8	2.7	2.0	1.3	1.5	7.5	2.0	1.6	1.6	5.2
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	0.1	0.0	0.1	0.3	1.7	11.8	1.4	14.9
<b>Non-GAAP gross profit</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>197.1</b>	<b>205.3</b>	<b>218.4</b>	<b>261.2</b>	<b>882.0</b>	<b>245.5</b>	<b>251.7</b>	<b>251.3</b>	<b>748.5</b>

\* During the first quarter of 2018, we changed the presentation of certain bundled revenue streams. Such revenue was previously included as part of software delivery, support and maintenance revenue. Under the new presentation, such revenue is included as part of client services revenue. The revenue previously reported for 2017 has been recast to match the new presentation by reducing software delivery, support and maintenance and increasing client services by the same amount.