



Supplemental Financial Data Workbook
Second Quarter 2017
August 3, 2017

Contact Information:

Seth R. Frank, Vice President Investor Relations

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, 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 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 August 3, 2017.

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	Q2	Total
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	228.5	460.3
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	51.6	92.8
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	280.1	553.1
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	99.2	196.5
Non-recurring revenue	46.9	51.4	52.8	45.1	196.2	42.9	50.0	47.9	49.5	190.3	44.8	48.4	93.2
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	147.6	289.7
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	427.7	842.8
Revenue Mix													
Recurring revenue	77%	75%	75%	77%	76%	78%	77%	78%	76%	77%	79%	77%	78%
Non-recurring revenue	23%	25%	25%	23%	24%	22%	23%	22%	24%	23%	21%	23%	22%
	100%	100%	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	178.7	356.9
Client Services	0.6	9.7	15.6	14.8	40.7	17.2	19.3	23.8	21.6	81.9	18.9	26.6	45.5
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	205.3	402.4
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%	63.8%	64.5%
Client Services	0.6%	8.2%	12.6%	12.5%	8.7%	14.8%	13.9%	16.8%	14.8%	15.1%	13.3%	18.0%	15.7%
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%	48.0%	47.7%

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	Q2	Total
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	279.3	551.8
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	1.3
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	280.1	553.1
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	162.7	325.3
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	1.3
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	28.2
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	2.1
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	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	178.7	356.9
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	146.8	287.8
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	1.9
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	147.6	289.7
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	24.7	40.8
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	1.9
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	2.6
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	0.2
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	26.6	45.5