



# Allscripts Healthcare Solutions

Investor Update, March 3, 2022



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# Announcement

- Yesterday we announced that we have reached agreement to sell the net assets of our Hospitals & Large Physician Practices business segment to Harris Health, a subsidiary of Constellation Software Inc. (TSE: CSU)
- The Hospitals & Large Physician Practices business segment includes the Company's Sunrise, Paragon, Touchworks, Opal, dbMotion, STAR and Healthquest solutions.
- The transaction does not include any of the assets from the Veradigm business segment
- Purchase consideration of up to \$700M, consisting of a fixed price of \$670M paid at closing plus contingent consideration up to \$30M based on revenue performance from business segment during the two years following transaction closing

# Why We Entered Into This Transaction

- **Increasing Divergence in Momentum Between Our Business Segments**
  - Hospitals and Large Physician Practices Segment expected to shrink for the 3<sup>rd</sup> year in a row in 2022
  - Veradigm Segment growing 6-7% organically with strong competitive positioning
  - Increasingly difficult to manage effectively under one corporate structure with shared services functions
- **Focus**
  - Both business segments operate in intensely competitive markets and require flawless execution to deliver value
  - Separation allows for enhanced focus on priorities and enhanced accountability for results
- **Unlock Value**
  - Have persistently traded at a discount to peers
  - Another step in two-year journey separating the pieces of the Company toward maximizing value of the whole
  - Strategic Optionality enhanced

# Business Segment Performance

- Through 12/31/21 TTM revenue for the business segment was \$928M and TTM adjusted EBITDA was \$145M (see earnings press release filed 2/24/22 for reconciliation of reported adjusted EBITDA)
- Management expectations for the business segment in 2022:
  - revenue for the business segment to be down approximately 3-4% year-over-year;
  - adjusted EBITDA to be down approximately 10-15% year-over-year;
  - estimated to generate approximately \$50-60M in free cash flow

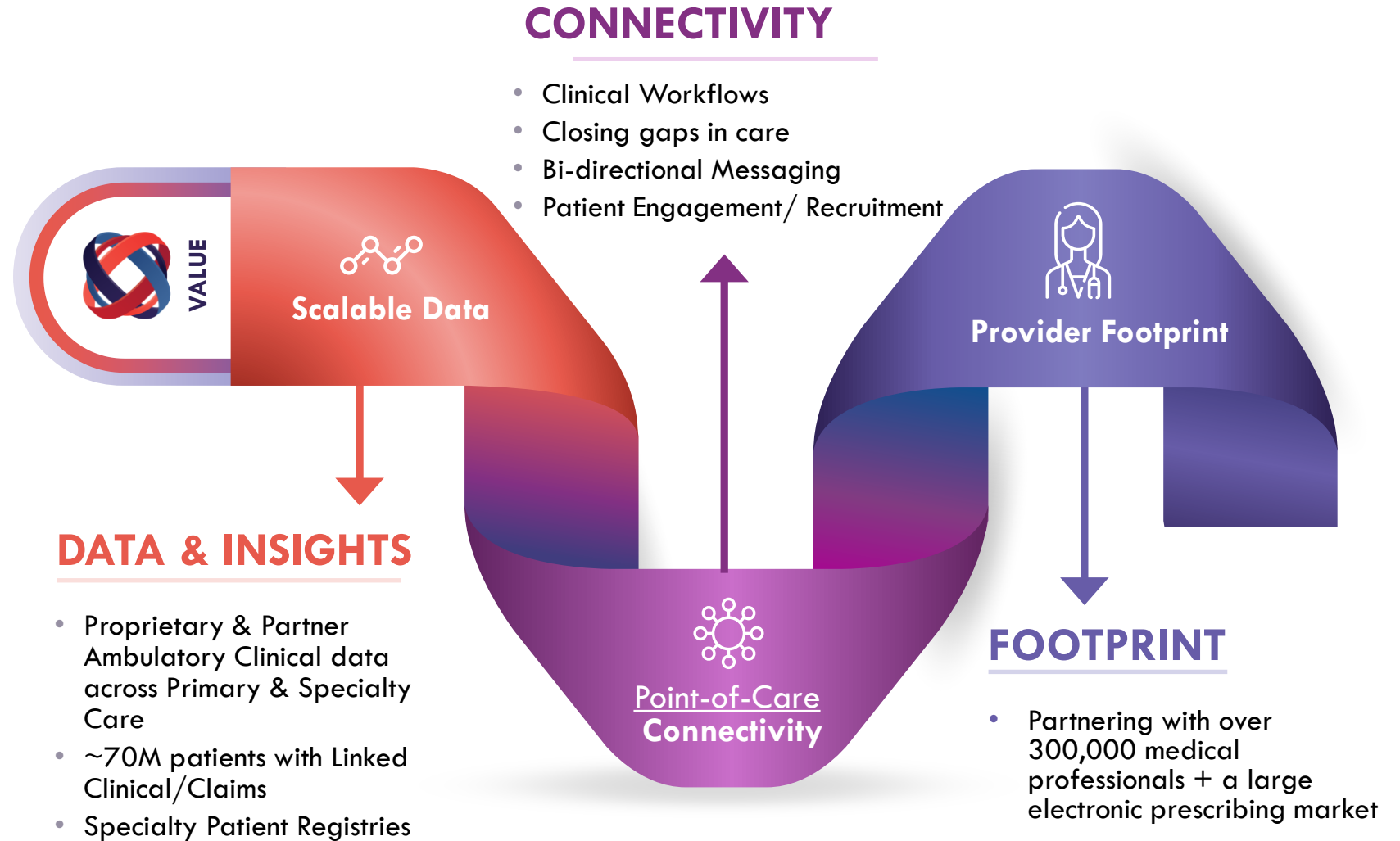
# Use of Proceeds

- Net of deal related transaction costs, after-tax proceeds are expected to approximate \$600 million
- Proceeds will be used to support continued share repurchases, as well as strategic M&A for the remaining Veradigm business

# Veradigm Refresher

# Veradigm Value Drivers

Uniquely positioned to drive improved outcomes at lower costs





# Veradigm Footprint Provides Sustainable Advantage

## By the Numbers

**331,000**

PHYSICIANS AGGREGATED,  
COVERING SPECIALTIES IN  
ALL 50 STATES

**180,000,000**

PATIENTS RECORDS  
WITH REAL-TIME FEEDS

**1+ Billion**

PRESCRIPTIONS

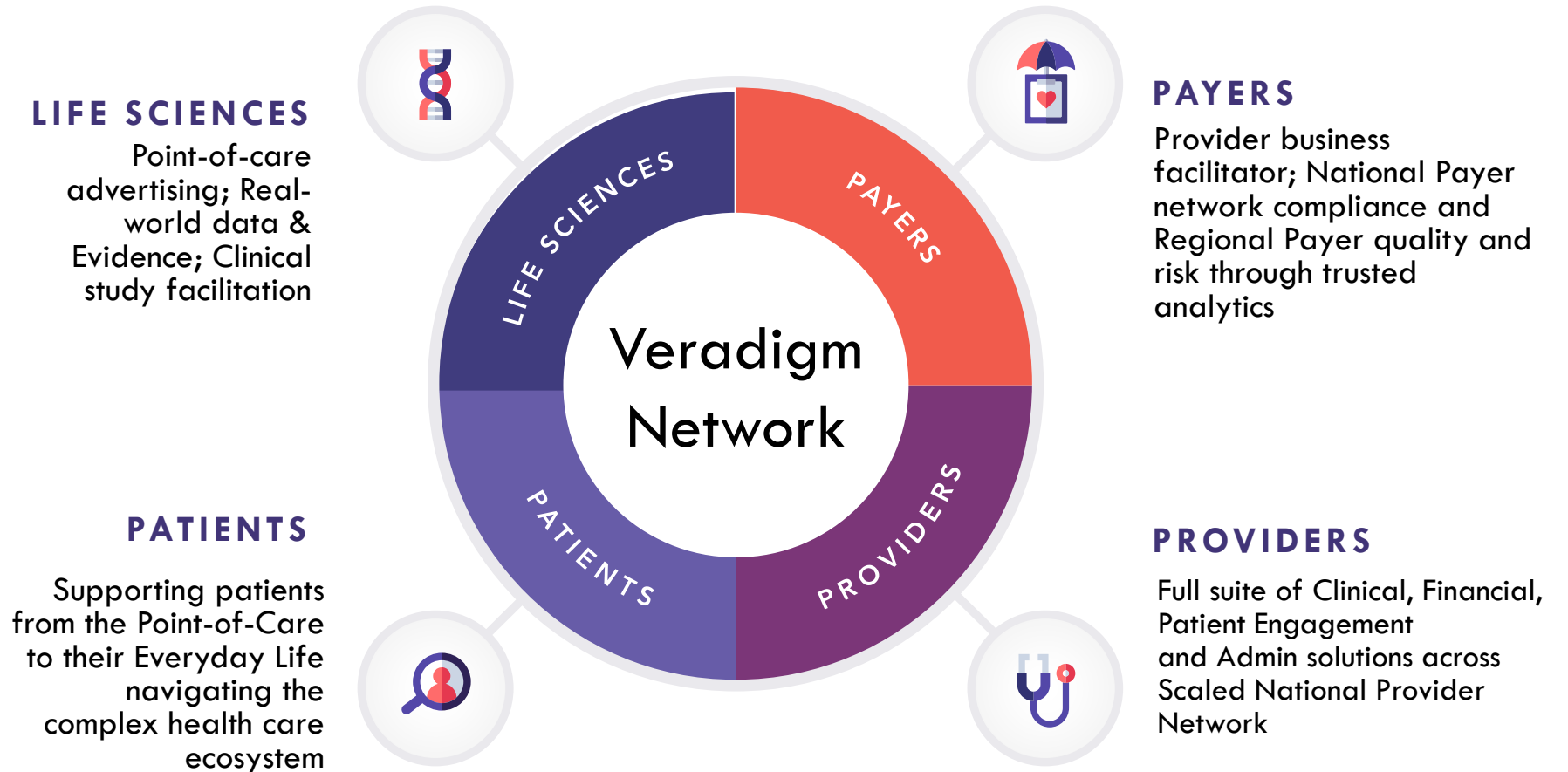
**70,000,000+**

LINKED EHR CLAIMS (PATIENTS)

**5+ billion**

LAB RESULTS

**Value-Based Care Driving Market Convergence  
= Increased Value of Veradigm Footprint**



# Bringing An Unmatched Provider Base to Large Market Opportunities Across Payer & Life Sciences

— PROVIDERS —



— LIFE SCIENCES —

— PAYERS —



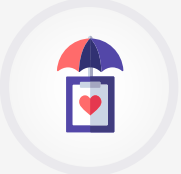
Set Up For Long-Term Growth



# Diversified customer base across healthcare ecosystem



## BIOPHARMA



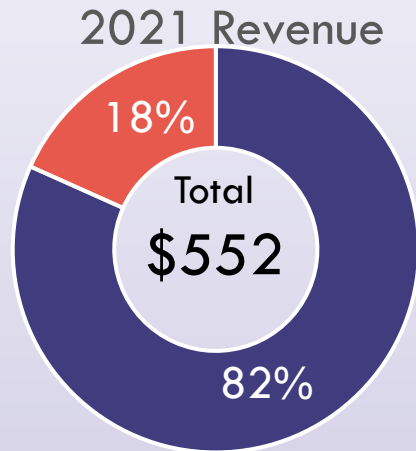
## HEALTH PLANS AND PAYERS



## HCIT



# Veradigm Financial Profile



■ Provider ■ Payer & Life Sciences

→ Payer & Life Sciences Revenue Expected to Grow 20-25%

→ Provider Revenue Expected to Grow 3-4%



- ❖ Overall Revenue expected to grow 6-7% in 2022
- ❖ Gross Margin of 51% and Adjusted EBITDA margin of 27% in 2021 both expected to expand in 2022

# Revised Outlook for 2022

# Outlook and Timing

- As a result of the transaction, we are withdrawing the guidance we provided in our February 24, 2022 Outlook and replacing it with the following:
  - We expect Veradigm revenue to grow year-over-year in a range of 6% to 7%
  - We expect Veradigm adjusted EBITDA to grow year-over-year in a range of 10% to 15%
  - We expect free cash flow from continuing operations to be in a range of \$110 million to \$120 million
- Transaction is subject to HSR review and customary closing conditions but is expected to close in the 2<sup>nd</sup> quarter of 2022