



**Supplemental Financial Data Workbook  
Fourth Quarter 2015 and Full Year 2015  
February 18, 2016**

**Contact Information:**

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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, non-GAAP gross profit and non-GAAP gross margin as well as non-GAAP selling, general and administrative expenses, 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.
- Non-GAAP selling, general and administrative expenses consist of GAAP selling, general and administrative expenses as reported and adds back severance and other costs, MyWay product consolidation expense, transaction-related costs and stock-based compensation expense, recorded for GAAP purposes.
- Adjusted non-GAAP selling, general and administrative expenses consist of non-GAAP selling, general and administrative expenses as defined above, and adds back incentive compensation, non-cash depreciation expense related to the acquisition of a new ERP system and acquired selling, general and administrative expenses associated with the acquisitions of dBMotion and JarDogs in early 2013 as well as other acquisition activity that occurred in 2015.

Management also believes that non-GAAP revenue, gross profit, gross margin, non-GAAP selling, general and administrative expenses and adjusted non-GAAP selling, general and administrative expenses 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, gross margin, non-GAAP selling, general and administrative expenses and adjusted non-GAAP selling, general and administrative expenses to measure achievement under Allscripts stock and cash incentive compensation plans. Note, however, that non-GAAP revenue, gross profit, gross margin, non-GAAP selling, general and administrative expenses and adjusted non-GAAP selling, general and administrative expenses 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 18, 2016.

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

	2013				2014				2015				YTD		Pct Change	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2014	2015	2015/2014	2015/2014
															Q4	YTD
<b>Bookings:</b>																
Software Delivery	72	104	123	164	120	136	115	138	148	148	120	154	509	570	12%	12%
Client Services	106	110	113	110	103	98	107	106	88	112	152	189	414	541	78%	31%
<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>923</b>	<b>1,111</b>	<b>41%</b>	<b>20%</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	1,999	2,151	8%	8%
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	1,433	1,500	5%	5%
<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>3,432</b>	<b>3,651</b>	<b>6%</b>	<b>6%</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	233.4	234.1	16.1%	0.3%
(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)	(40.6)	(49.3)	35.0%	21.4%
<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>192.9</b>	<b>184.8</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	46.1	46.9	2.7%	1.7%
Gross Capitalization Rate (-B/A)	14%	18%	18%	19%	15%	14%	18%	23%	17%	22%	19%	26%	17%	21%	13.0%	23.5%
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	(5.6)	2.4	307.7%	-142.9%
Net Capitalization Rate -(B+C)/A	-4%	1%	-1%	0%	-5%	-4%	-2%	2%	-4%	1%	-2%	8%	-2%	1%	300.0%	-150.0%
Net Capitalization as percentage of total revenue	-1%	0%	0%	0%	-1%	-1%	0%	0%	-1%	0%	0%	2%	0%	0%	275.0%	-100.0%
<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	1.5	4.2	350.0%	180.0%
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	4.4	4.5	0.0%	2.3%
Total stock-based compensation expense included in cost of revenue	1.4	1.6	1.3	1.3	1.3	2.1	1.3	1.2	2.5	2.5	1.8	1.9	5.9	8.7	58.3%	47.5%
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	25.4	20.0	-4.5%	-21.3%
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	8.0	7.9	20.0%	-1.3%
<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>39.3</b>	<b>36.6</b>	<b>11.3%</b>	<b>-6.9%</b>
Accounts receivable	351.8	346.4	322.3	313.5	341.6	336.8	340.7	331.6	325.2	323.5	324.6	327.8	331.6	327.8	-1.1%	-1.1%
A/R days sales outstanding	92	91	88	81	90	87	89	88	89	84	85	87	88	87	-1.1%	-1.1%

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

	2013					2014					2015				
	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>															
Subscription & recurring transactions	65.5	66.5	69.1	70.6	271.7	73.6	73.0	73.4	73.7	293.7	78.0	79.2	77.3	77.6	312.1
Support & maintenance	117.8	116.4	118.1	121.5	473.9	117.9	113.6	117.5	118.0	467.0	119.4	116.3	116.9	116.3	468.9
System sales & other	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
<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>
Recurring managed services	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
Other client services	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
<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>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>Revenue Mix</b>															
Recurring revenue	69%	67%	71%	70%	69%	73%	69%	72%	74%	72%	77%	75%	75%	77%	76%
Non-recurring revenue	31%	33%	29%	30%	31%	27%	31%	28%	26%	28%	23%	25%	25%	23%	24%
	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
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
<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>154.7</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>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%
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%
<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>

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				
	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
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
<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>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
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
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
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
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
<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>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
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
<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>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
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
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
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
<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>

**Table 4**  
**Allscripts Healthcare Solutions, Inc.**  
**Supplemental Data Sheet**  
**Selling, General and Administrative Expenses**  
(In millions)  
(unaudited)

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>Full Year</b>	<b>Full Year</b>	<b>Full Year</b>	<b>Full Year</b>
GAAP selling, general and administrative expenses	\$384.4	\$419.6	\$358.7	\$339.2
Severance and other costs	(18.9)	(39.0)	(6.3)	(22.8)
MyWay product consolidation	-	(11.3)	(6.4)	-
Transaction-related costs	(3.6)	(8.0)	(3.7)	(0.1)
Stock-based compensation expense	(25.9)	(23.0)	(25.4)	(20.1)
Non-GAAP selling, general and administrative expenses	\$336.0	\$338.3	\$316.9	\$296.2
Incentive compensation	(2.0)	(14.1)	(3.9)	(7.1)
Non-cash depreciation related to new ERP system	(0.7)	(5.0)	(7.6)	(7.6)
Acquired selling, general & administrative expenses	-	(9.6)	(13.8)	(19.6)
Adjusted non-GAAP selling, general and administrative expenses	\$333.2	\$309.6	\$291.6	\$262.0