

# QUALITY SYSTEMS INC.

Raymond James  
Institutional Investors Conference  
March 9, 2009

## **SAFE HARBOR PROVISIONS FOR FORWARD-LOOKING STATEMENTS:**

Statements made during this presentation, the proxy statements filed with the Securities and Exchange Commission (“Commission”), communications to shareholders, press releases and oral statements made by our representatives that are not historical in nature, or that state our or management’s intentions, hopes, beliefs, expectations or predictions of the future, may constitute “forward-looking statements” within the meaning of Section 21E of the Securities and Exchange Act of 1934, as amended. Forward-looking statements can often be identified by the use of forward-looking terminology, such as “could,” “should,” “will,” “will be,” “will lead,” “will assist,” “intended,” “continue,” “believe,” “may,” “expect,” “hope,” “anticipate,” “goal,” “forecast,” “plan,” or “estimate” or variations thereof or similar expressions. Forward-looking statements are not guarantees of future performance.

Forward-looking statements involve risks, uncertainties and assumptions. It is important to note that any such performance and actual results, financial condition or business, could differ materially from those expressed in such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the risk factors discussed under “Risk Factors” in our Annual Report on Form 10-K for fiscal year ended March 31, 2008, as well as factors discussed elsewhere in other reports and documents we file with the Commission. Other unforeseen factors not identified herein could also have such an effect. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results, financial condition or business over time unless required by law. Interested persons are urged to review the risks described under “Risk Factors” and in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for fiscal year ended March 31, 2008, as well as in our other public disclosures and filings with the Commission.

# Quality Systems, Inc. : Company Overview

- Quality Systems and its NextGen Healthcare Information Systems subsidiary develop and provide a broad range of computer-based business applications for U.S. medical and dental groups practices. These include practice management, patient medical records, revenue cycle management and e-business applications.
  - Revenue primarily derived from physician group businesses that utilize the company's high functionality practice management suites
  - Focused is on growing organically with a strong emphasis on reinvestment in new product and service development initiatives
  - Acquisitions of complimentary business lines also contribute to growth

# Proven Track Record

- ◎ Quality Systems' Growth Strategy Continues to Deliver Solid Results:
  - Growing at a rate faster than the industry average
  - Capturing additional market share
  - Diversifying the revenue stream: two-thirds of sales to mid-sized and large customers with remainder to smaller medical groups/practices
  - Leveraging position in the practice management business into the emerging medical record market
    - Currently 75% of our customers buy products in both categories
  - Investing in new products and services
  - Anticipating customers' individual needs to provide solutions they demand

# Proven Strategy

- Results of company's strategic approach reflected in its historical financial performance and ability to consistently deliver shareholder value:
  - Approximately 400% increase in stock price increase during past five years
  - Financial results rank Quality Systems among the most profitable companies and strongest cash flow generators in its sector during the same period according to William Blair, HCIT Index
  - Solid FY'09 third quarter earnings that included a 36% increase in net revenues and 17% improvement in net income versus the same period a year ago

# Industry Growth Drivers

## Growth Drivers

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graph TD; A[Growth Drivers] --> B[Public Sector Initiatives]; A --> C[Technology]; A --> D[Purchaser Influence]; B --> B1[HIPAA]; B --> B2[State / Local]; B --> B3[CCHIT Certification]; B --> B4[P4P Incentives]; B --> B5[Relaxation of Stark Regulations]; C --> C1[Flexibility]; C --> C2[ROI]; C --> C3[Personal Health Records (PHR)]; D --> D1[Payors]; D --> D2[Employers]; D --> D3[Quality Incentives]; D --> D4[Group Initiatives];
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### Public Sector Initiatives

- HIPAA
- State / Local
- CCHIT Certification
- P4P Incentives
- Relaxation of Stark Regulations

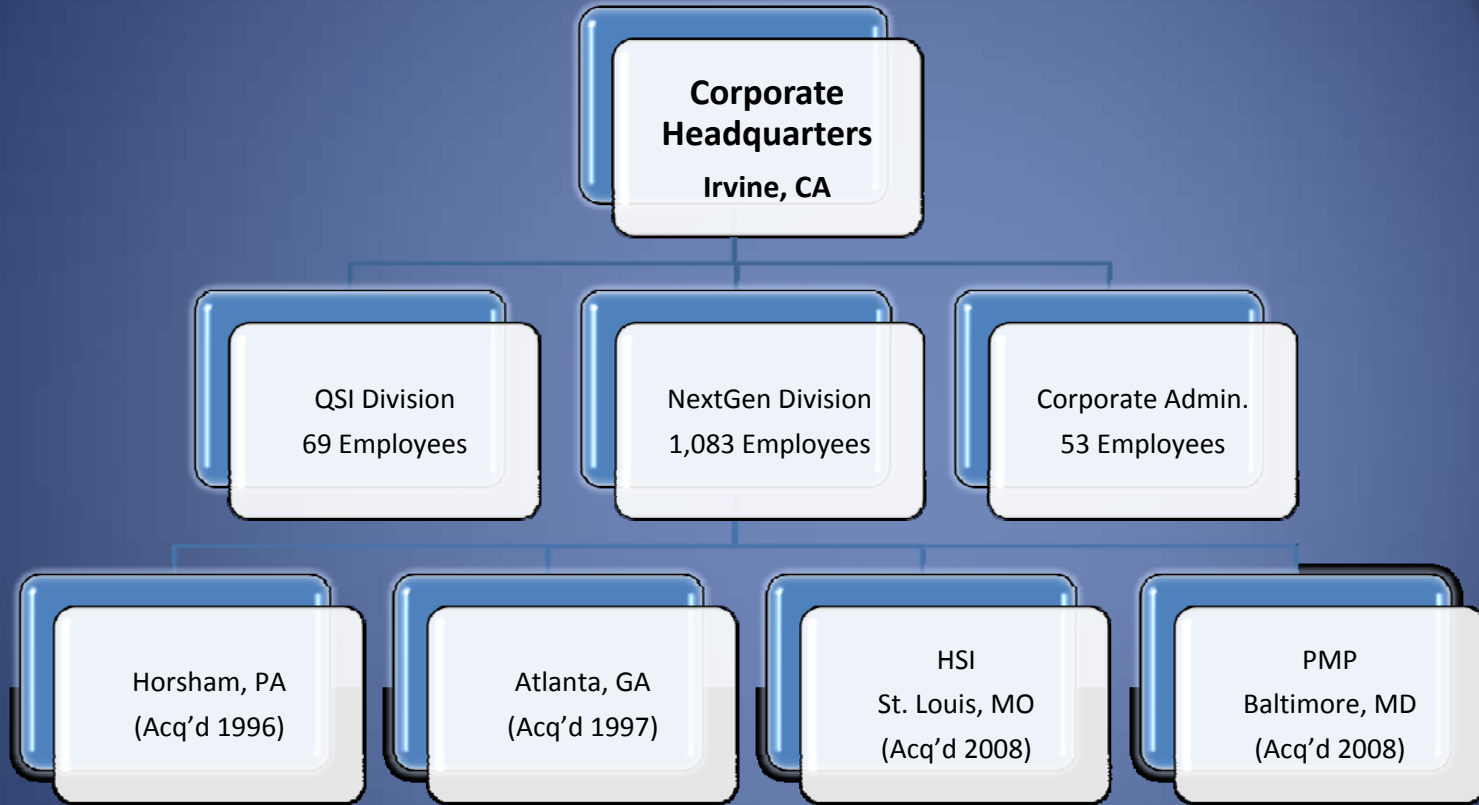
### Technology

- Flexibility
- ROI
- Personal Health Records (PHR)

### Purchaser Influence

- Payors
- Employers
- Quality Incentives
- Group Initiatives

# QUALITY SYSTEMS INC.



# Experienced Management Team

Title	Years of Industry Experience
<b>Steven Plochocki</b> Chief Executive Officer, Quality Systems, Inc.	36
<b>Patrick Cline</b> President, NextGen Healthcare Information Systems	28
<b>Paul Holt</b> Chief Financial Officer, Quality Systems, Inc.	14
<b>Donn Neufeld</b> Executive Vice President and General Manager, Quality Systems, Inc.	29
<b>Fred Neufeld</b> Executive Vice President and General Manager, NextGen Healthcare	31
<b>Scott Decker</b> Senior Vice President, NextGen Healthcare	13
<b>Tim Eggena</b> Executive Vice President, NextGen Practice Solutions, NextGen Healthcare	16



# Quality Systems Today

## QUALITY SYSTEMS INC.

December 31, 2008 TTM  
Revenue: \$230.9mm  
EPS: \$1.64

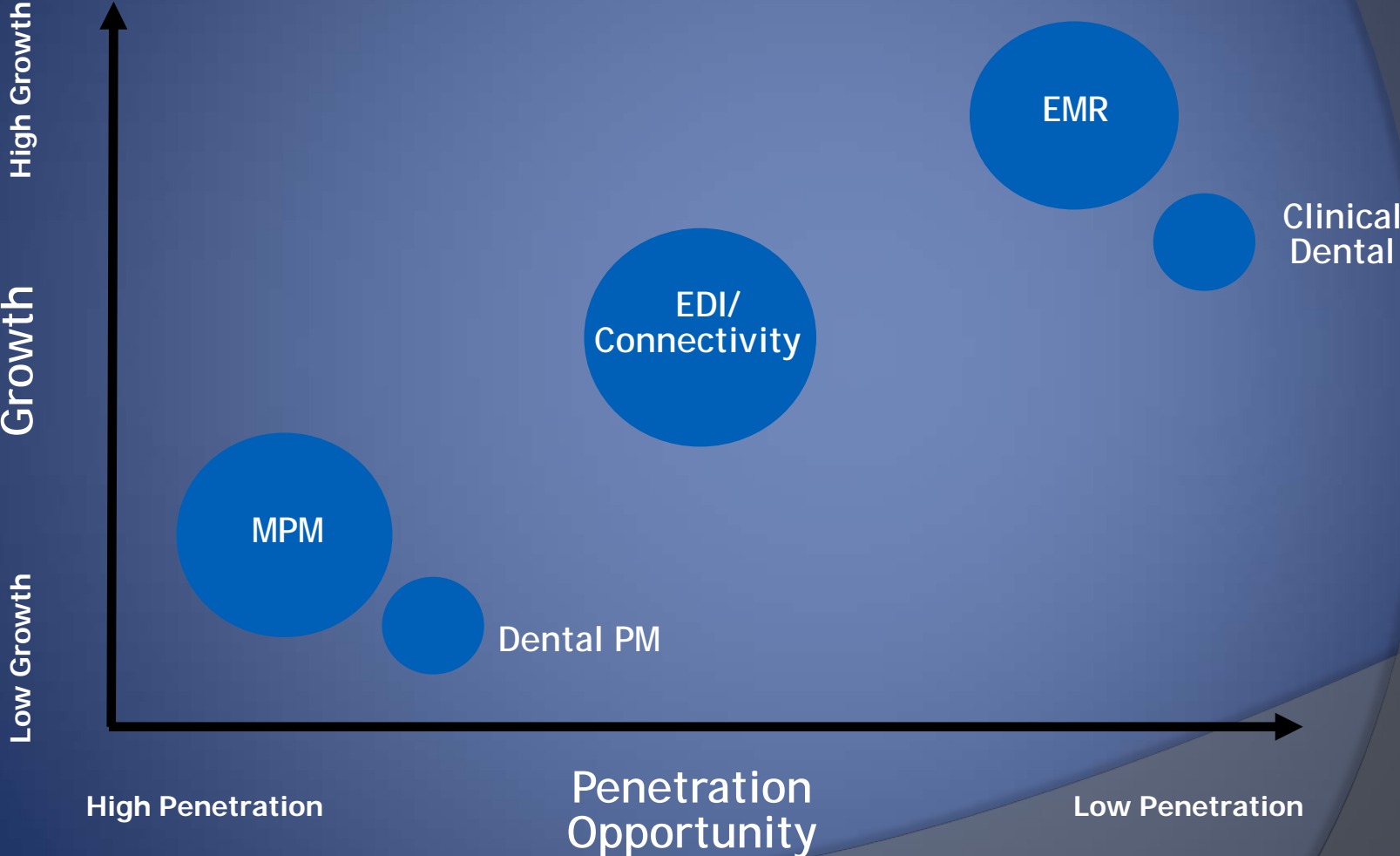
### NEXTGEN HEALTHCARE INFORMATION SYSTEMS

TTM Revenue:	\$214.8mm (93% of total)
Markets Served:	Physicians <ul style="list-style-type: none"><li>• Practice Management</li><li>• EMR</li><li>• EDI</li><li>• Revenue Cycle Management</li></ul>
Billing Sites (12/31/08):	1,248
Locations:	Horsham, PA; Atlanta, GA; St. Louis, MO; Dallas, TX; Baltimore, MD
Employees (12/31/08):	1,083

### QSI DENTAL DIVISION

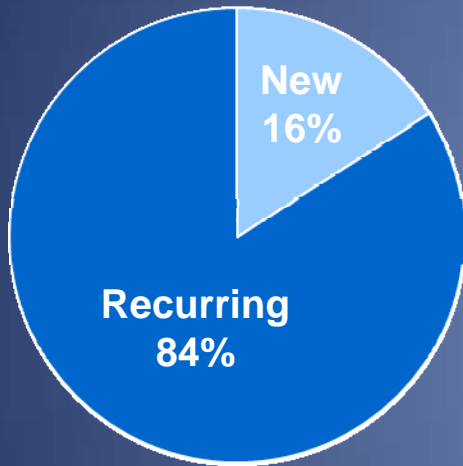
TTM Revenue:	\$16.1mm (7% of total)
Markets Served:	Dentists <ul style="list-style-type: none"><li>• Practice Management</li><li>• EPR</li><li>• EDI</li></ul>
Billing Sites (12/31/08):	253
Locations:	Irvine, CA; Santa Ana, CA
Employees (12/31/08):	69

# Product / Market Dynamics

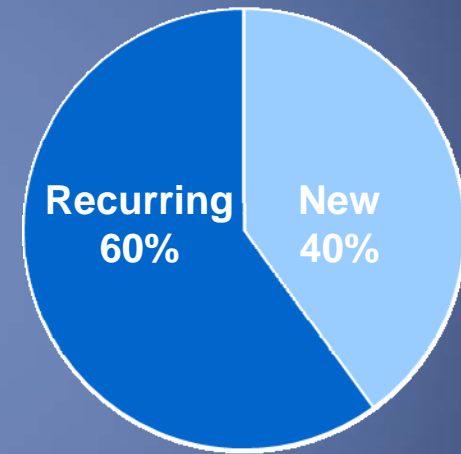


# New vs. Recurring Revenue

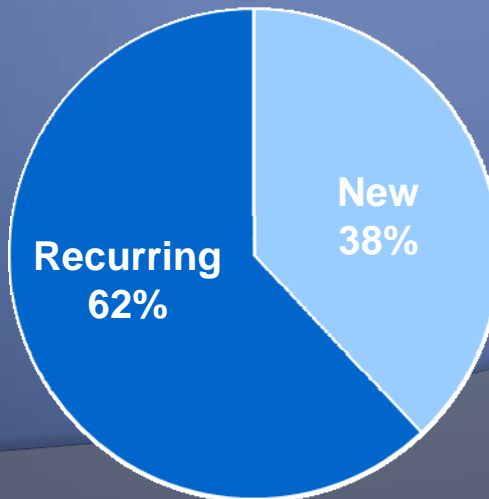
QSI  
Division



NextGen  
Division

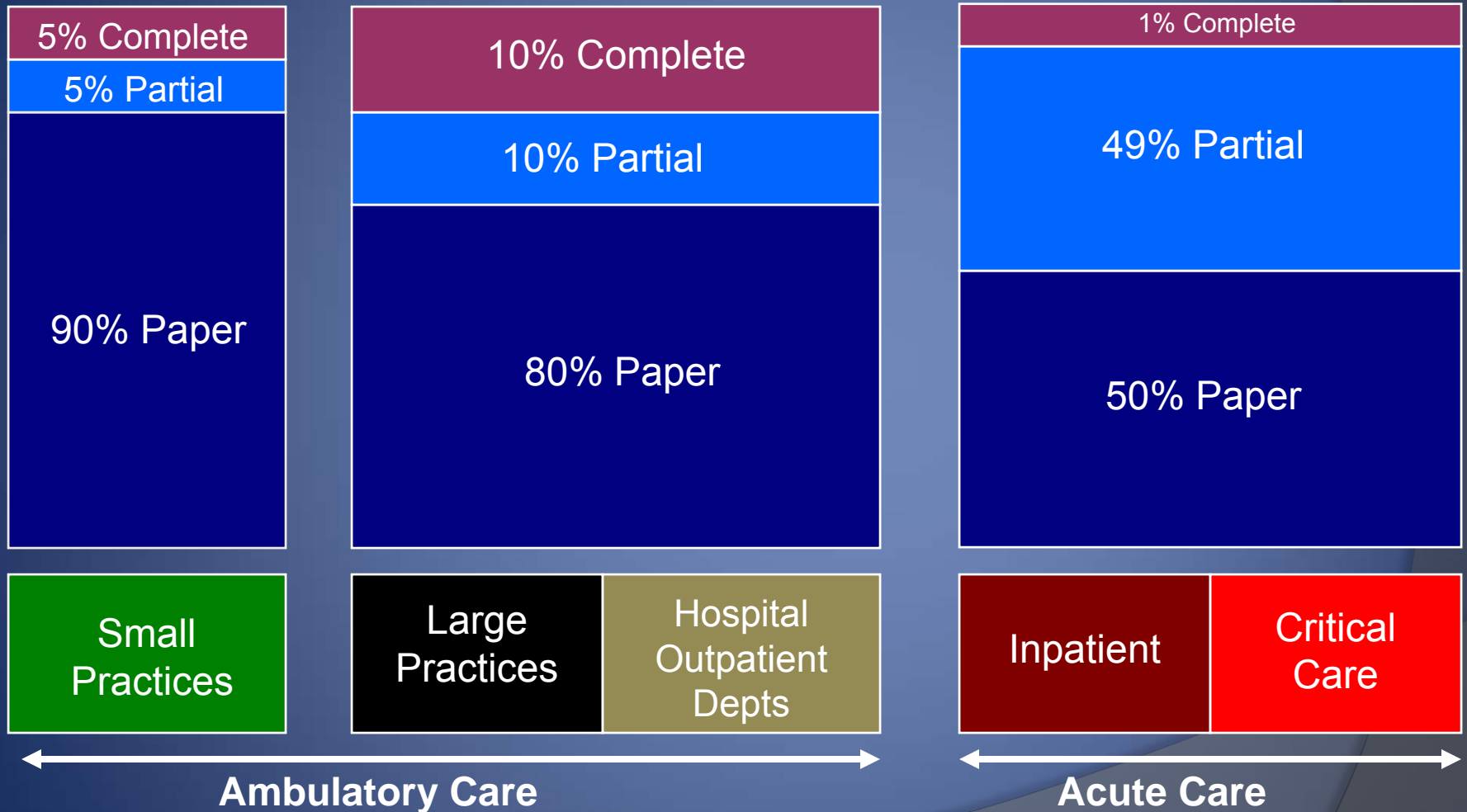


Company

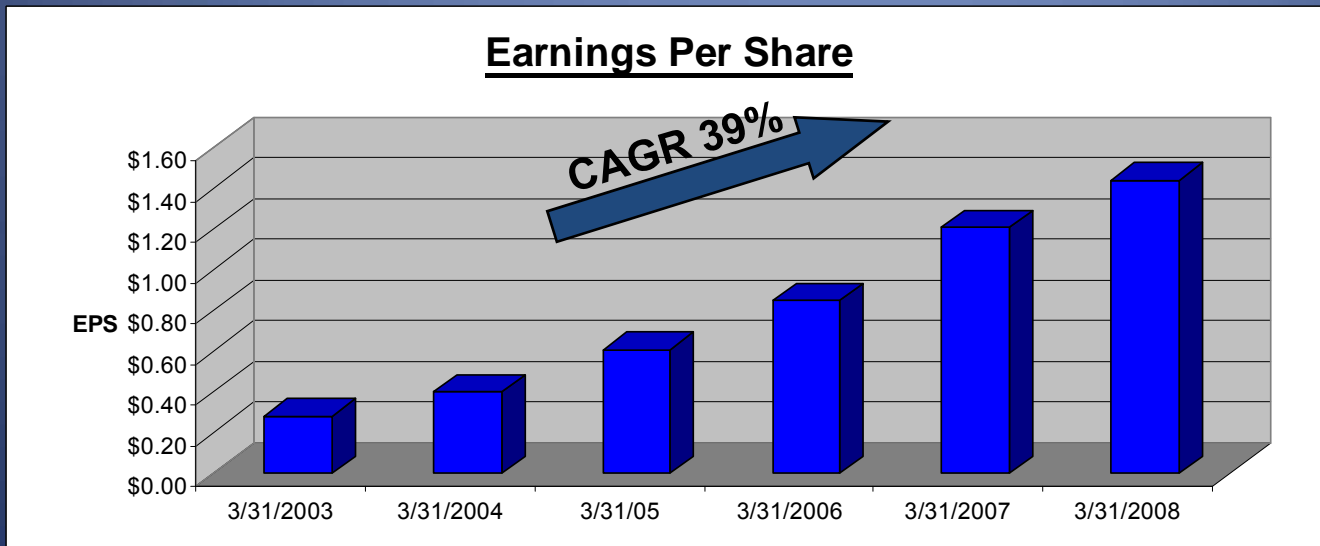
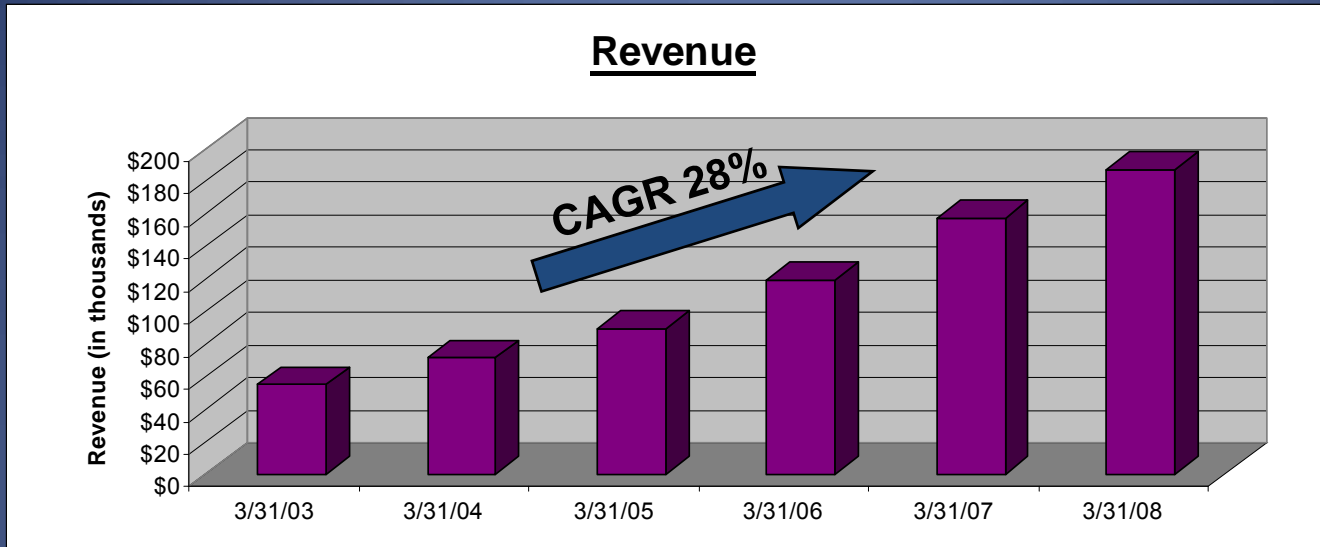


# NextGen Healthcare

## Current State of Adoption

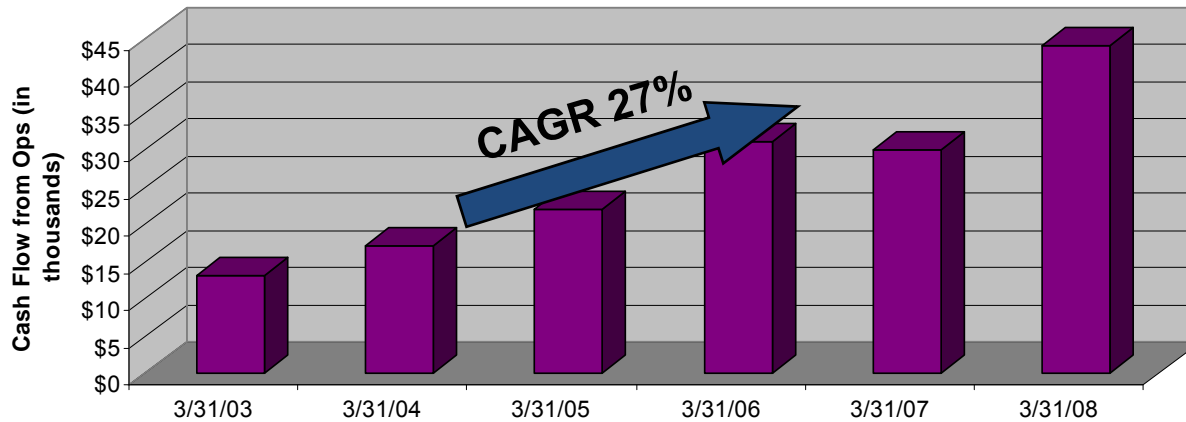


# Our Strategy Is Working

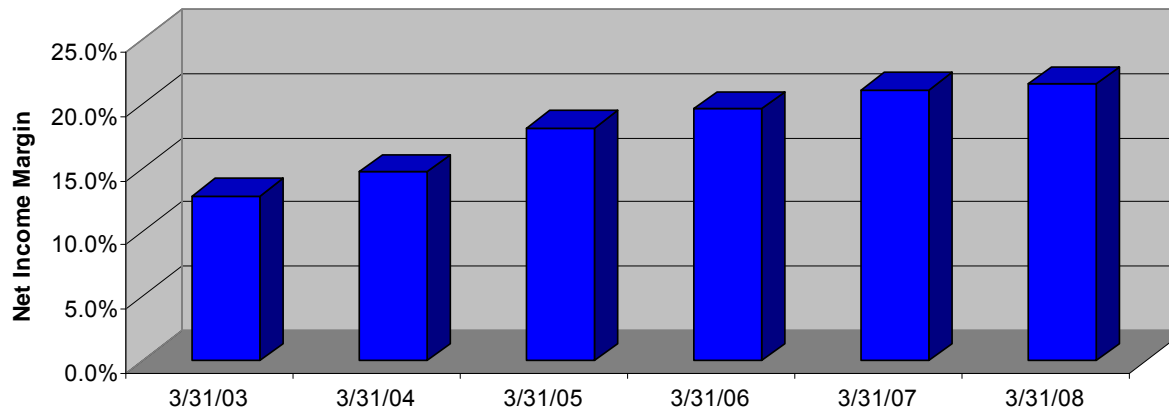


# Strong Financial Performance

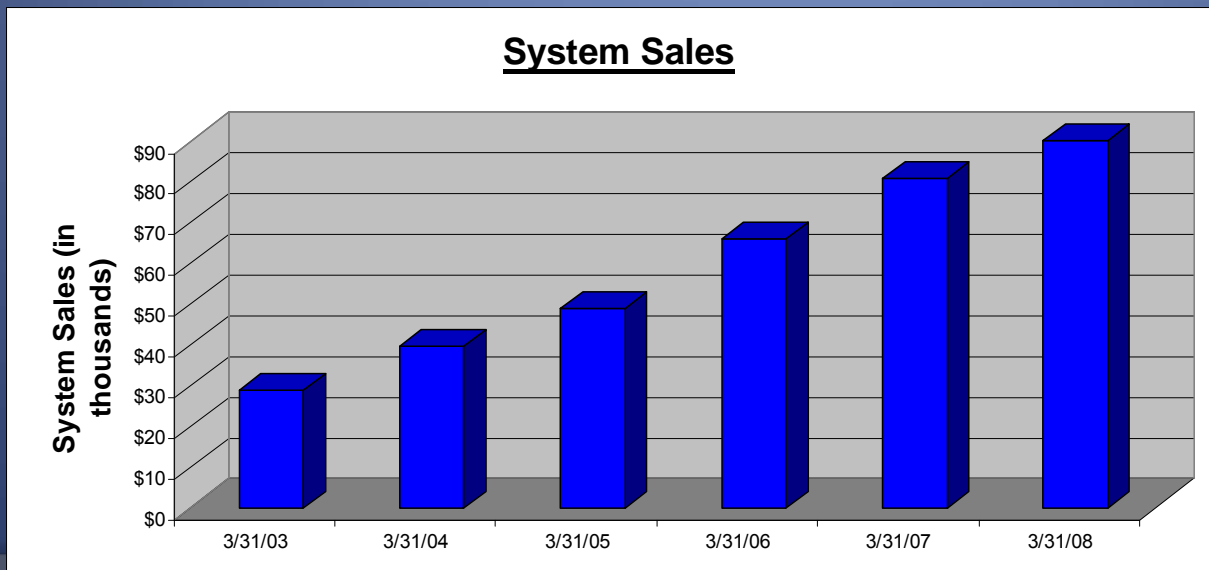
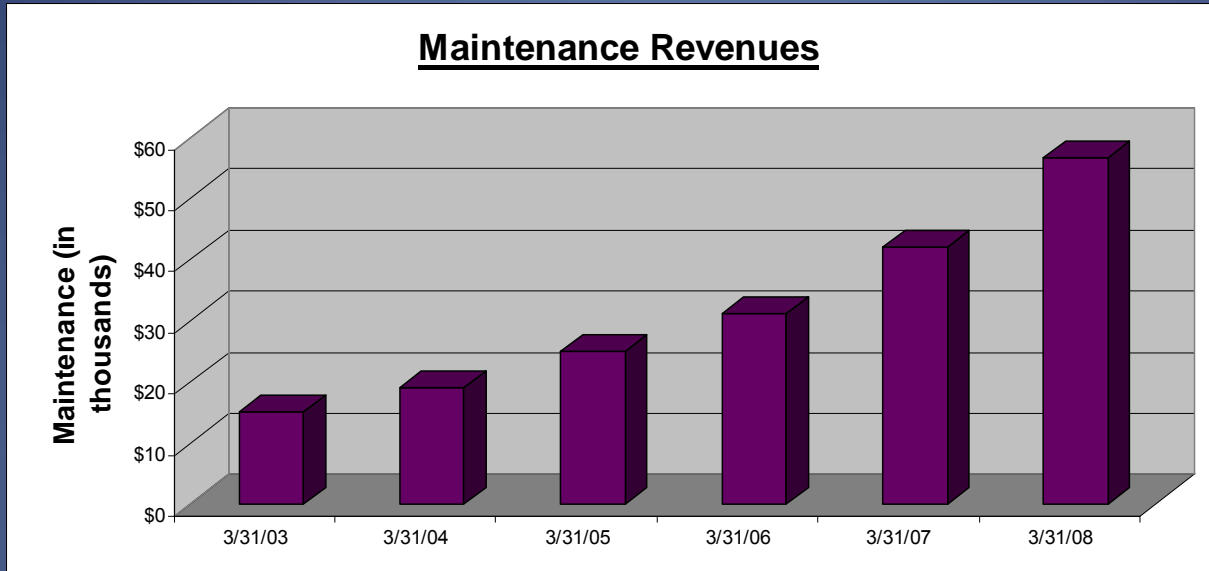
## Cash Flow from Operations



## Net Income Margin

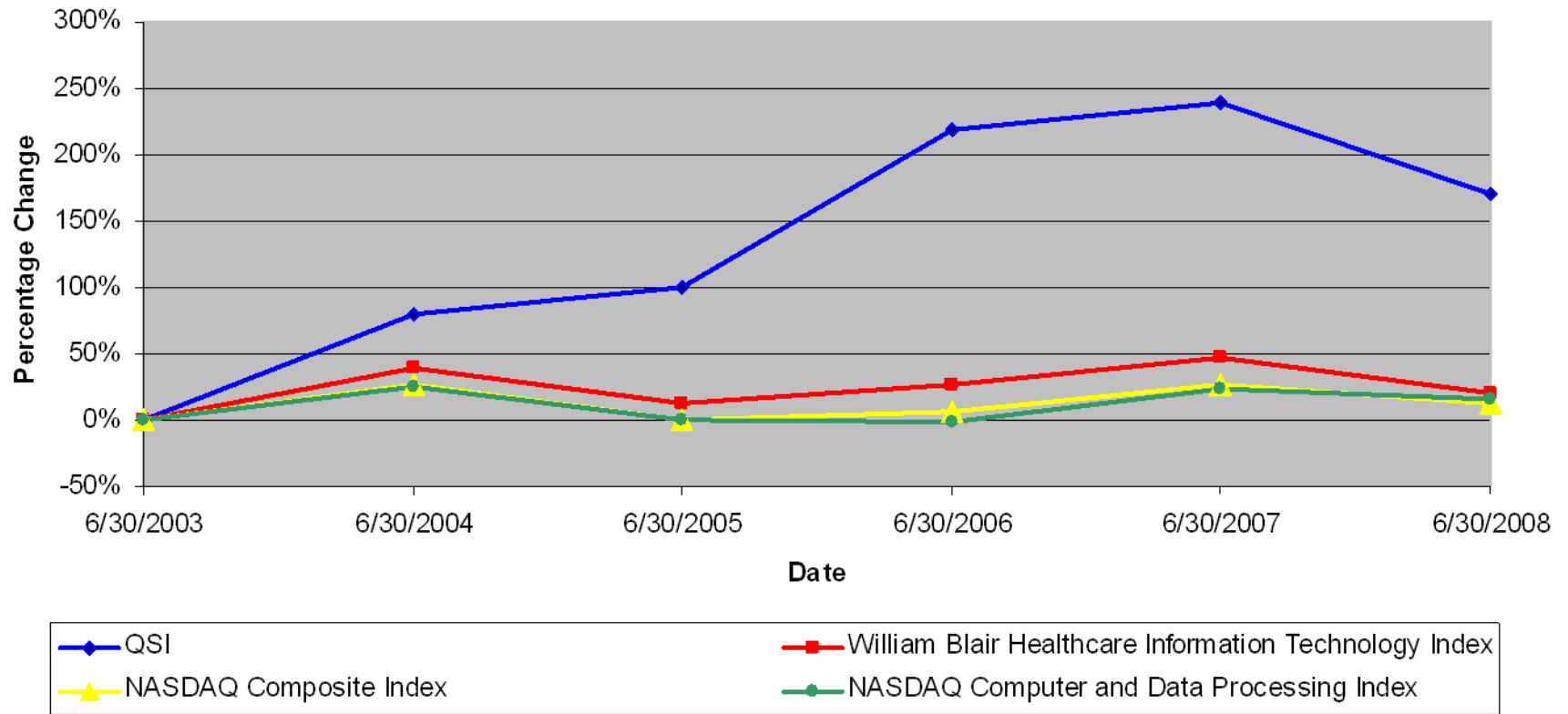


# Strong Financial Performance



# Building Shareholder Value

## Cumulative Returns





# Third-Party Recognition



- Forbes ranked QSI one of the 200 Best Small Companies for the eighth consecutive year - #4 in 2008
- Fortune ranked QSI #41 in 2007 list of 100 Fastest Growing Small Public Companies
- Business Week named QSI to 100 Hot Growth Companies list- #19 in 2007
- Business 2.0's 100 Fastest Growing Technology Companies named QSI #78 in 2007



- AC Group rates NextGen #1 in 2007/2008 - EMR/EHR for multi-specialty, community health, FQHC's, large, mid-size and small practice categories
- TEPR awards at 2001, 2002, 2003, 2004 conferences
- HIMSS/HUG awards at 2003, 2004, 2005, 2006, 2007 and 2008 conferences
  - Administrative / Financial Systems
  - Clinical / Patient Information Systems
  - Interoperability / RHIO
  - Disease Surveillance

# Vision

- Maximize top/bottom line growth at NextGen and EDI/Connectivity
- Maximize profit in QSI Division
- Stepped investments in Sales, Marketing, Implementation, Support and Development
- Continued improvements – compensation and process
- Further expand revenue cycle management division service capabilities
- Prioritize organic growth – selectively evaluate inbound acquisition opportunities
  - Market share
  - Niche products
- Channel expansion

# Why Quality Systems?

## Proven Growth and Profitability

- Proven track record of organic growth and profitability
  - Five-year revenue CAGR of 28% and Net Income CAGR of 42%
  - Most profitable company in market segment with 30%+ EBITDA margins
- Self-funded, highly profitable growth strategy
  - Recurring revenue base provides stable cash flow

## Robust Sales Pipeline

- \$86 million NextGen sales pipeline @ 12/31/08

## Substantial Customer Base

- Over 1,400 billing sites
- Substantial cross-selling opportunities
- Relationships with key health care institutions

## Leading Suite of HCIT Products

- Scalable technology platform with significant adoption in mid/large physician practice

## Positive HCIT Industry Trends

- Increasing focus on technology benefits in healthcare
- Stark law relaxation
- Pay for Performance initiatives
- Economic Stimulus Package/Obama Plan from U.S. Government

## Experienced Management Team

- Extensive years of experience and working collaboratively as a management team

# Equity Profile (NASDAQ: QSII) as of 12/31/08

● Recent Price	\$43.62/share
● Book Value	\$5.47/share
● Cash & marketable securities	\$2.38/share
● P/E – LTM	26.6
● Incl. cash & marketable securities	
● P/E – LTM	25.1
● Excl. cash & marketable securities	
● Market cap	\$1.2B
● Shares Outstanding (FD)	28.4M