

WELLS FARGO HEALTHCARE CONFERENCE

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Safe Harbor Provisions for Forward-Looking Statements

This presentation and the accompanying oral statements may contain forward-looking statements within the meaning of the federal securities laws. Statements regarding future events, developments, the Company's future performance, as well as management's expectations, beliefs, intentions, plans, estimates or projections relating to the future (including, without limitation, statements concerning revenue and net income), are forward-looking statements within the meaning of these laws and involve a number of risks and uncertainties. Management believes that these forward looking statements are reasonable and are based on reasonable assumptions and forecasts, however, undue reliance should not be placed on such statements that speak only as of the date hereof. Moreover, these forward-looking statements are subject to a number of risks and uncertainties, some of which are outlined below. As a result, actual results may vary materially from those anticipated by the forward-looking statements. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are: the volume and timing of systems sales and installations; length of sales cycles and the installation process; the possibility that products will not achieve or sustain market acceptance; seasonal patterns of sales and customer buying behavior; impact of incentive payments under The American Recovery and Reinvestment Act on sales and the ability of the Company to meet continued certification requirements; the development by competitors of new or superior technologies; the timing, cost and success or failure of new product and service introductions, development and product upgrade releases; undetected errors or bugs in software; product liability; changing economic, political or regulatory influences in the health-care industry; the effectiveness of M&A strategies and integration efforts; changes in product-pricing policies; availability of third-party products and components; competitive pressures including product offerings, pricing and promotional activities; the Company's ability or inability to attract and retain qualified personnel; disruptions caused by corporate restructuring plans and business strategy shifts; possible regulation of the Company's software by the U.S. Food and Drug Administration; uncertainties concerning threatened, pending and new litigation against the Company including related professional services fees; uncertainties concerning the amount and timing of professional fees incurred by the Company generally; changes of accounting estimates and assumptions used to prepare the prior periods' financial statements; general economic conditions; and the risk factors detailed from time to time in the Company's periodic reports and registration statements filed with the Securities and Exchange Commission.

Investment Highlights

- 1 New management positioning streamlined company for growth
- 2 Highly profitable, strong recurring revenue base
- 3 Large footprint with existing customers, massive cross-selling opportunity
- 4 Launched platform as a services strategy
- 5 Well positioned to capitalize on emerging fee-for-value / population health market
- 6 Significant cash flow with dry powder for both organic and inorganic growth

Company Introduction



NextGen Healthcare at a Glance

Our solutions provide our clients in the ambulatory care market with the ability to redesign patient care and other workflow processes while improving productivity through the facilitation of managed access to patient information

NASDAQ: QSII

Market Cap: ~\$1.0B

LTM Revenues: \$518.3M

Headquarters: Irvine, CA

Employees: ~3,000 worldwide

Founded: 1974



7,000+
Clients

90,000+
Providers

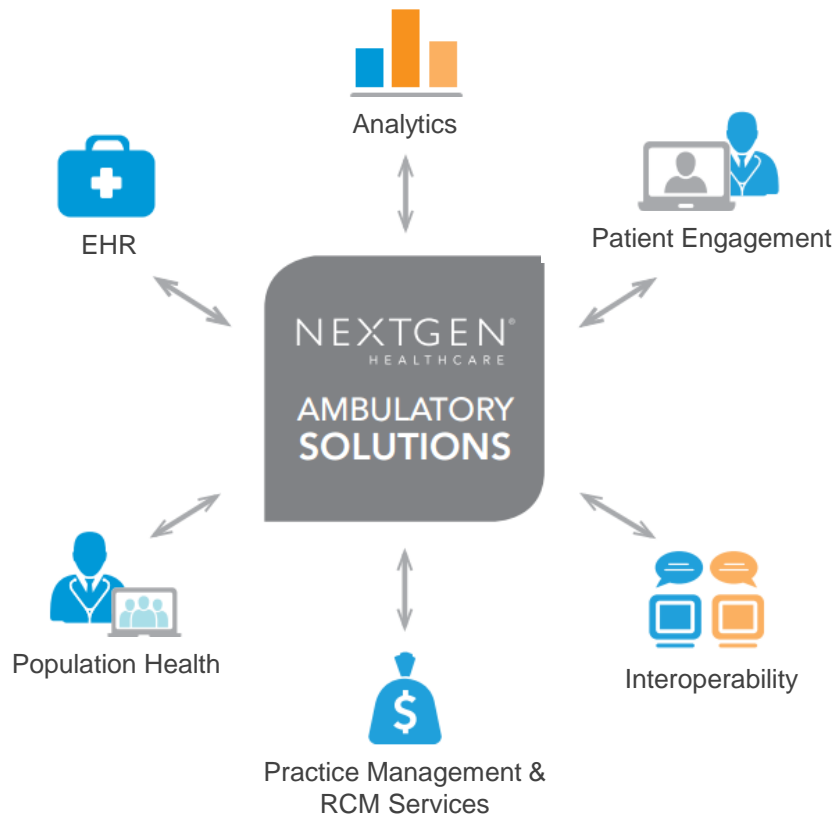
Our Mission

Enrich the ambulatory patient care experience, promote healthy communities and empower physician practice success while lowering the cost of healthcare

Recent Highlights







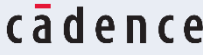








- **Significantly increased customer satisfaction** to 7.0, an increase of 11% over the prior year
- **Reduced maintenance attrition** to 6% compared to 10% a year ago
- **Recognized as “Best in KLAS”** (January 2017) as clients scored the practice management solution 12% points higher year-over-year in the 75+ provider segment of the Most Improved Award Category
- **Acquired Entrada** (April 2017) to increase productivity and satisfaction for physicians and enable a richer patient-provider experience
- **Expanded Partnerships** to streamline our Revenue Cycle Management capability
- **Acquired Eagle Health** (July 2017) to provide data and analytic tools in an effort to optimize practice performance

Consolidated Solutions For Ambulatory Clients



- Streamline and improve patient care
- Enhance care coordination
- Improve clinical outcomes
- Optimize financial results
- Solve interoperability challenges
- Reduce per capita healthcare costs

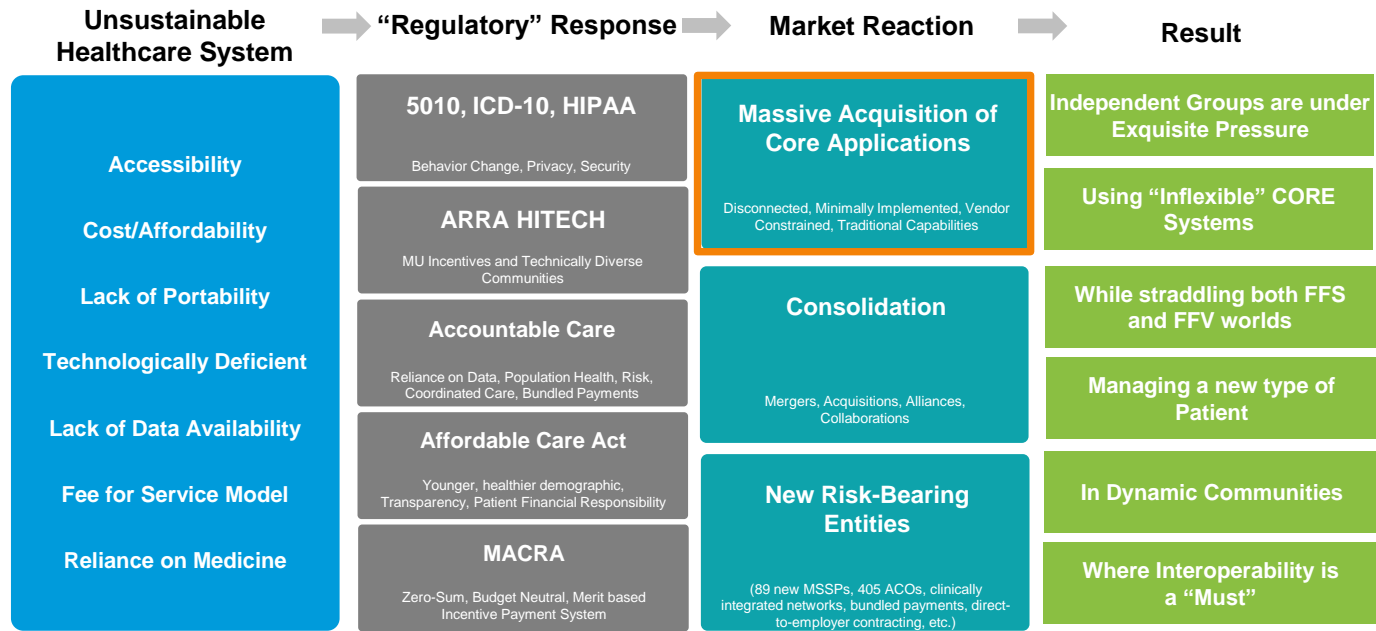
Experienced Executive Leadership Team

Executive	Title	Joined	Experience
Rusty Frantz	CEO	Jun 2015	 CareFusion  Omnicell  PYXIS  OutPurchase
Jamie Arnold	CFO	Mar 2016	 KOFAX  NUANCE  cādence  Informix
David Metcalfe	CTO	Feb 2016	 CareFusion  Allscripts  Hill-Rom
Scott Bostick	COO	Mar 2016	 CareFusion  PYXIS
John Beck	CSO	July 2016	 Connexa HEALTH  Allscripts

NextGen 2.0

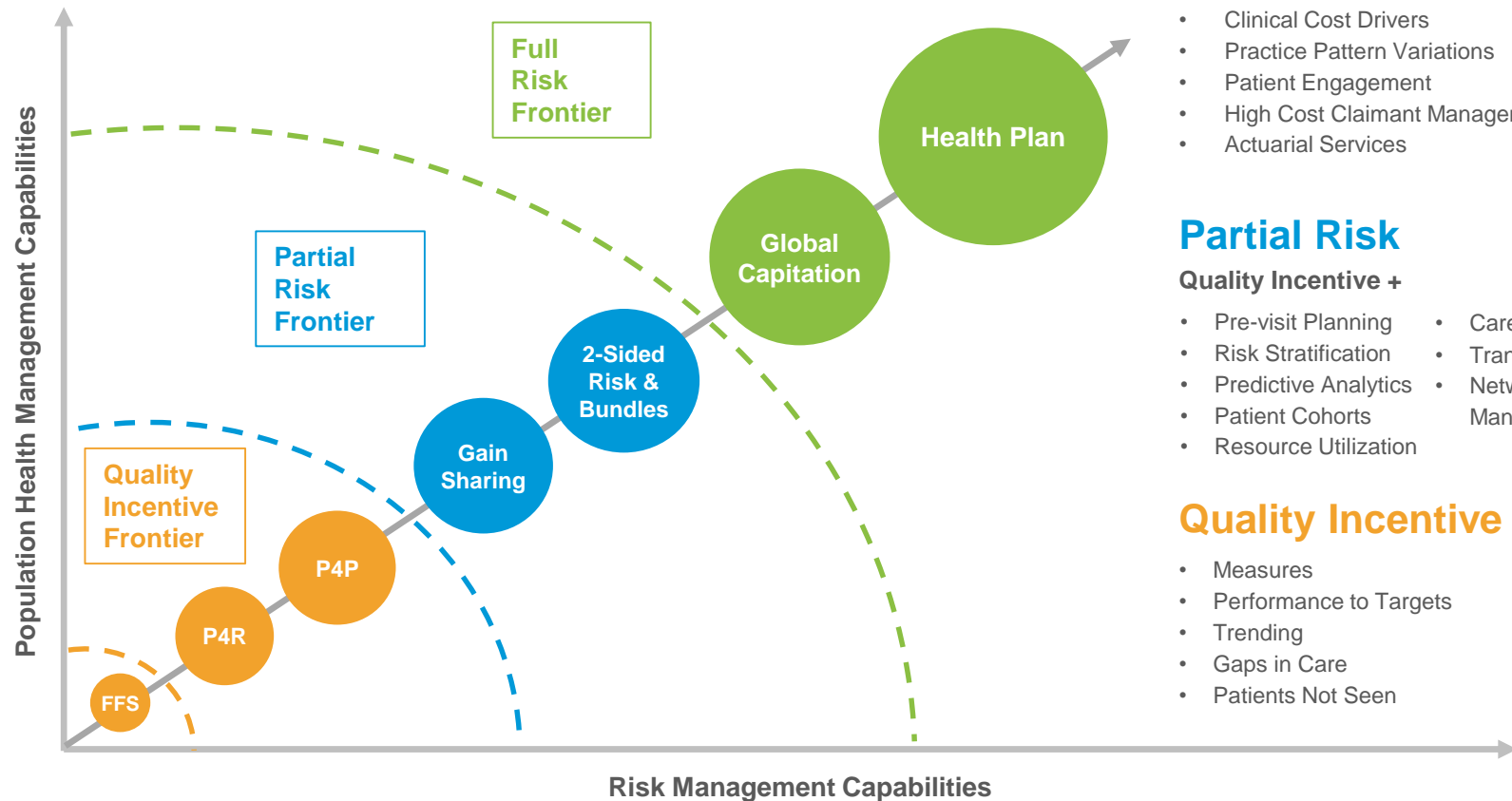


Unsustainable Healthcare Economics Drive Market Evolution



Groups Evolve (Assume Risk) at Different Rates

Robust PHM capabilities enable risk management success



Full Risk

Partial Risk +

- Clinical Cost Drivers
- Practice Pattern Variations
- Patient Engagement
- High Cost Claimant Management
- Actuarial Services

Partial Risk

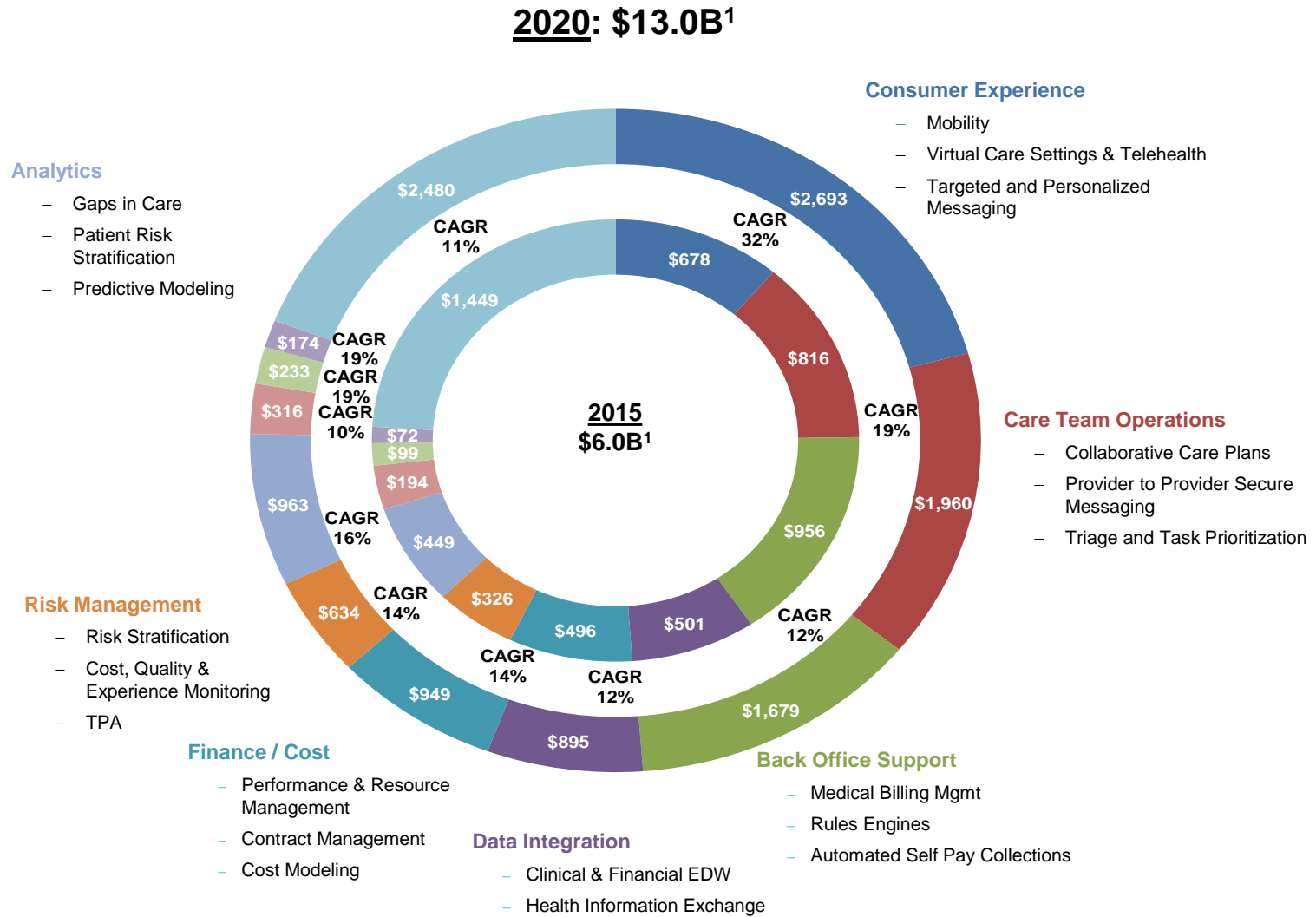
Quality Incentive +

- Pre-visit Planning
- Risk Stratification
- Predictive Analytics
- Patient Cohorts
- Resource Utilization
- Care Management
- Transitions of Care
- Network Design & Management

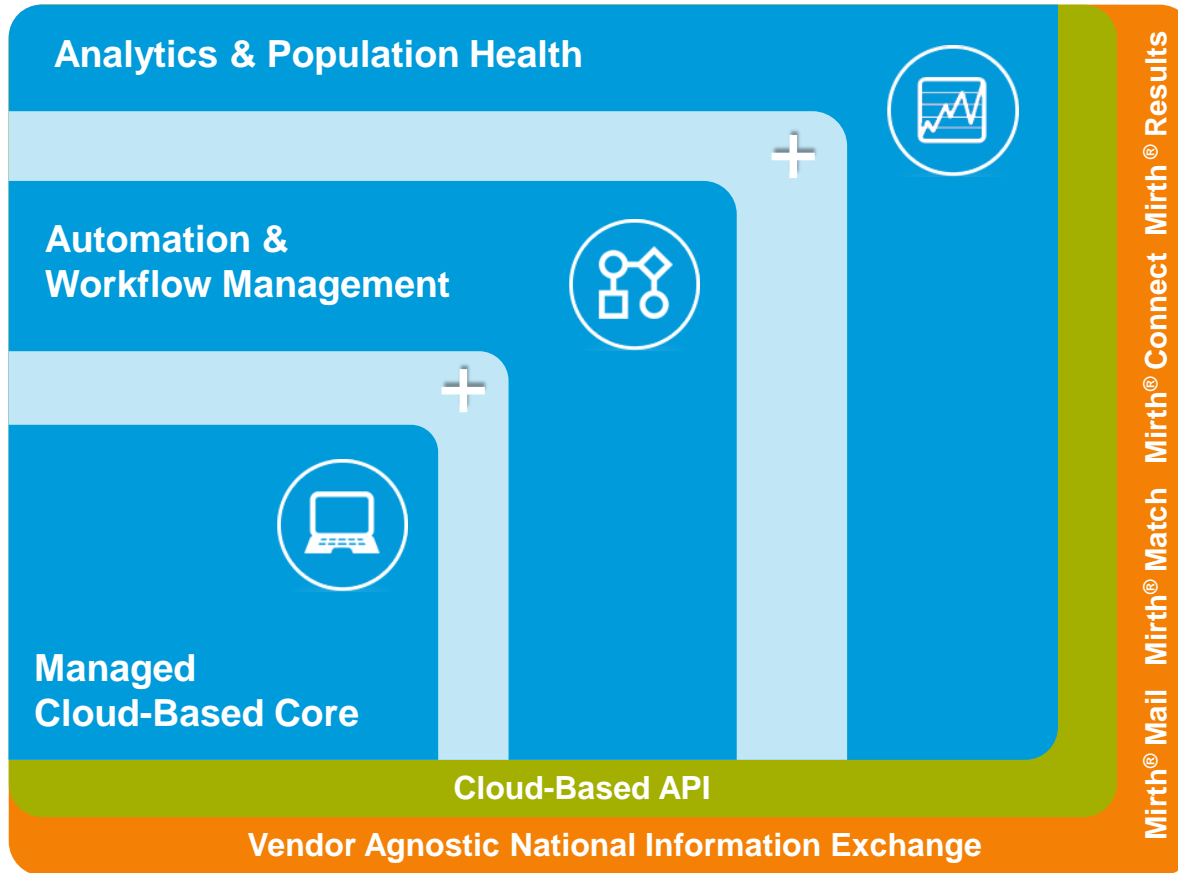
Quality Incentive

- Measures
- Performance to Targets
- Trending
- Gaps in Care
- Patients Not Seen

This Evolved Market Has New Needs



Our Solutions Vision - Putting Independent Groups in Control



Aligned to the Quadruple Aim

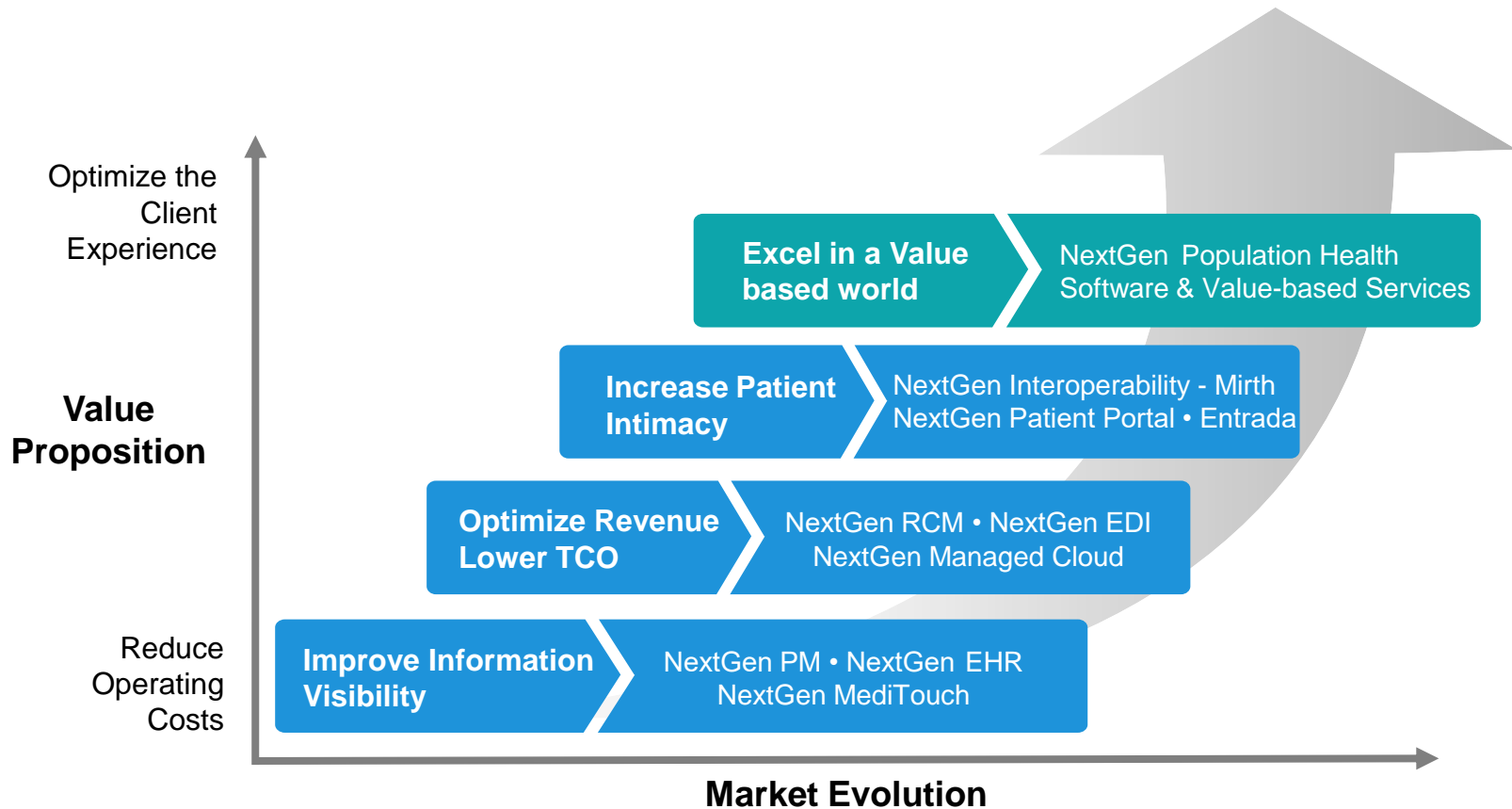
Patient Experience

Caregiver Experience

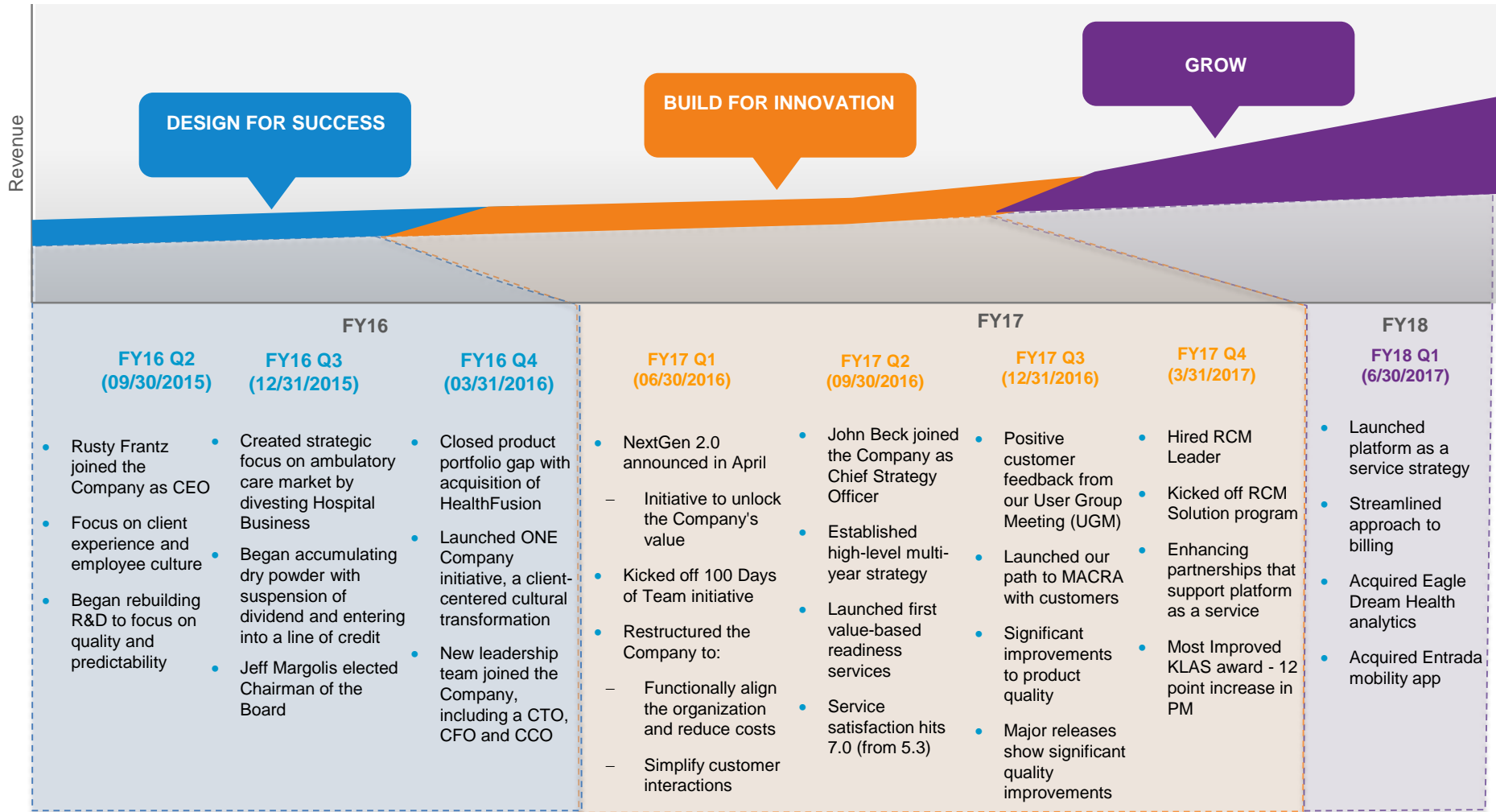
Financial Outcomes

Clinical Outcomes

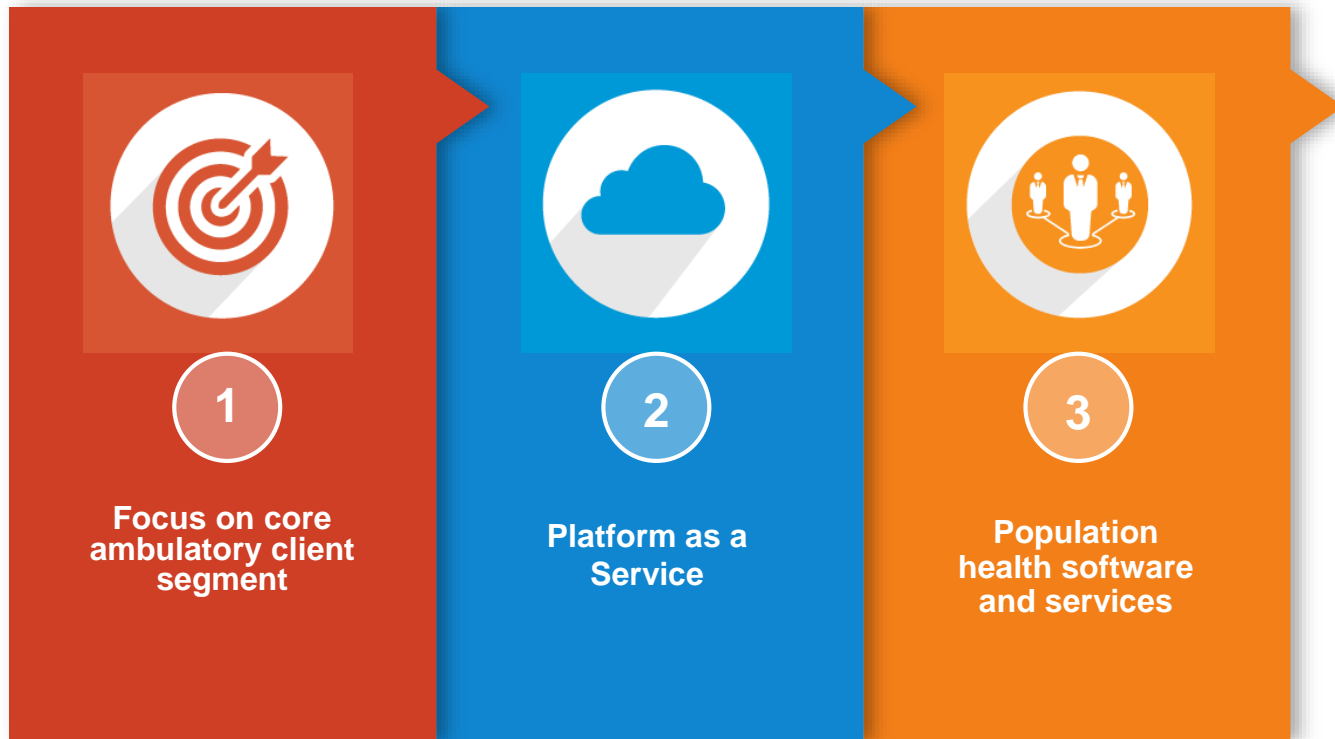
Solution Evolution



3 Phase Approach to Unlock Value “Progress Every Day”



Aligned Around Three Key Strategies

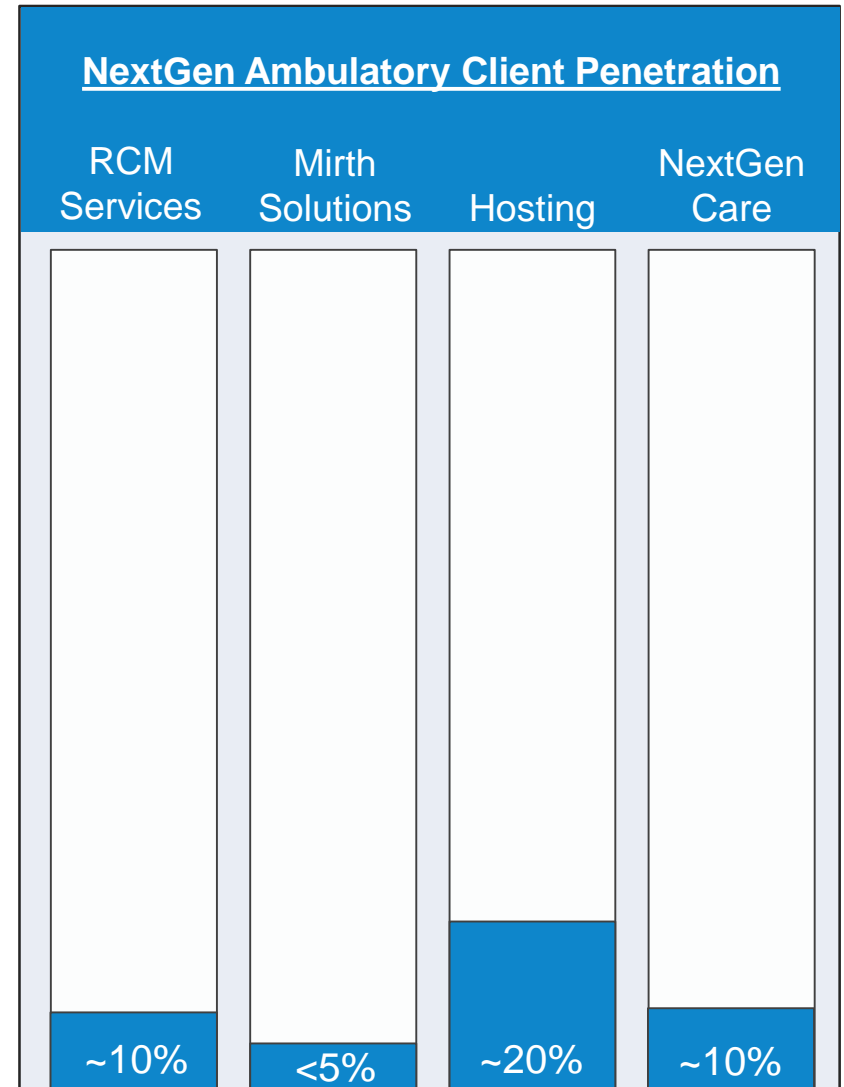


Financial Highlights



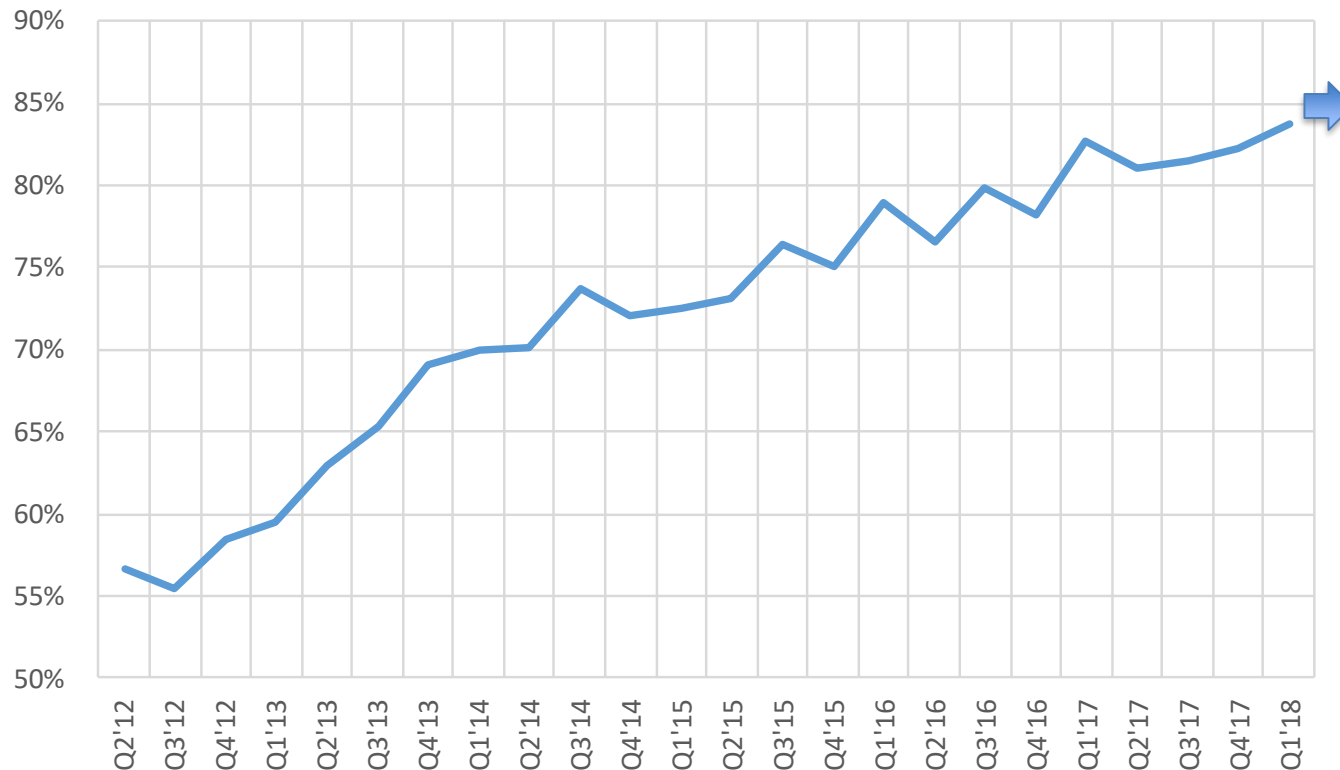
Diverse Revenue Streams with Meaningful Cross Selling Opportunity

<u>Revenue Trends</u>				
	FY15	FY16	FY17	FY18 Outlook
Software Sales	\$81.6	\$70.5	\$65.5	●
Maintenance*	169.2	165.2	158.8	●
Subscriptions*	44.6	55.4	87.1	●
EDI*	76.4	82.3	89.0	●
RCM*	74.2	83.0	82.6	●
Professional Services	44.2	36.0	26.7	●



*Recurring Revenue

Recurring Revenue Percent of Total



- Recurring service revenue, consisting of software related subscription services, support and maintenance, RCM and related services, and EDI and data services, increased to \$109.7M for Q1 FY18 from \$109.0M last quarter and \$101.1M in the year-ago quarter
- Recurring service revenue currently represents 84% of total revenue, which is up from 83% in the year-ago quarter, with the primary driver being HealthFusion subscription revenue

Balance Sheet

\$ in Millions	FY2017	FY2016
Cash and ST investments	\$42.6	\$36.5
Accounts receivable	83.4	94.0
Other current assets	20.8	53.5
Current assets	\$146.8	\$184.0
Noncurrent assets	326.4	346.8
Total assets	\$473.2	\$530.8
Deferred revenue	52.4	59.3
Credit facility ¹	15.0	105.0
Other liabilities	100.8	97.1
Total liabilities	\$168.2	\$261.4
Shareholders' equity	\$305.0	\$239.4
Total liabilities & shareholders' equity	\$473.2	\$530.8

¹ Total credit facility of \$250M

- DSO of 57 days
- \$205M remaining on \$250M available line of credit
- At the end of FY1Q18, total excess liquidity of \$228M

Note: Debt covenant ratios utilize different definitions and calculations from ratios above
[^]Q4'17 interest expense annualized

FY18 Guidance

	FY18 Range	FY17 Actual
Revenue	\$512M - \$530M	\$510M
Non-GAAP EPS	\$0.66 - \$0.74	\$0.82

Key Financial Takeaways

Diverse Revenue Streams

- Approximately 90k providers using our technology & solutions
- Recurring revenue now represents 84% of total
- Diversified but related revenue streams create white space opportunity to cross sell

Expansion Opportunities

- Spend directed towards enhancing the Flagship NextGen platform
- While we have increased R&D spend in FY18, 55-60% of R&D spend is on Flagship NextGen platform
- Increased sales & marketing to drive bookings growth later this year and into next year

Leverageable Infrastructure

- Integrated 8 acquisitions into one administrative infrastructure
- R&D spend expected to decrease as a percent of revenue in FY19
- Significant dry powder available for inorganic opportunities

Produces strong free cash flow

Take Aways

- 1 Rebuilding the foundation of this organization
- 2 Creating a more stable client base
- 3 Building capabilities into the organization
- 4 Have our levers on the financial dials of this business
- 5 Pivot from playing defense to playing offense
- 6 Bookings growth in FY2H18 leads to revenue growth in FY2019
- 7 Track record of execution, driving change, confidence to deliver great shareholder result