

NextGen Healthcare Jeffries Healthcare Conference 2019

Rusty Frantz, President and Chief Executive Officer



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

Leading Integrated Ambulatory Care Platform consisting of both software and services, creating long-term cross-sell and expansion opportunity.

2

Large and engaged client base, resulting in strong and highly profitable recurring revenue.

3

Capitalizing on emerging fee-for-value trends with a market leading population health and analytics platform.

4

Executing on a multi-year strategic plan, showing bookings growth and poised for revenue and earnings growth.

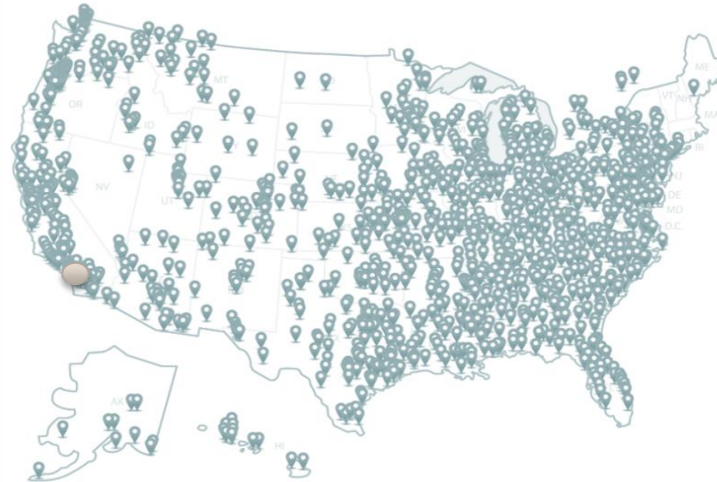
5

Significant cash flow with dry powder for both organic and inorganic investment.

We Empower the Transformation of Ambulatory Care

NextGen Healthcare at a glance

- **NASDAQ:** NXGN
- **Market Cap:** ~\$1.2B
- **LTM Revenues:** \$527M
- **Headquarters:** Irvine, CA
- **Employees:** ~2,700 worldwide
- **Founded:** 1974



7,000+
Clients

90,000+
Providers

We have the breadth, scale and opportunity to make significant, positive impacts on our client's delivery of healthcare, and in doing so, deliver a great win for our employees and investors.

In the Last Twelve Months...

Product Innovation

- ✓ **Launched the NextGen Integrated Ambulatory Platform** at our User Group Meeting
- ✓ **Delivered on cross-product integration and mobile platform strategy**
- ✓ **Made significant progress linking clients to National Interoperability** via the Carequality Framework

Financials & Capital

- ✓ **Delivering ~14% Bookings Growth** YOY in FY19
- ✓ **Showed strong earnings growth** of >8% YOY (on 605 basis)
- ✓ **Continued to retired debt** expecting to pay off credit facility by Q2FY20
- ✓ **Renewed & Expanded credit facility** up to \$400 million borrowing capacity

















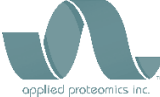





Client Satisfaction

- ✓ **Best in KLAS** for Practice Management (11 – 75 physicians) following two consecutive years of Most Improved (75+ provider segment)
- ✓ **Highest score for Overall Satisfaction and Overall Product Functionality** for Small Practice Ambulatory EMR/PM (10 or Fewer Physicians) KLAS 2019
- ✓ **2019 Frost and Sullivan Enabling Technology Leadership Award** for RCM

Team & Culture

- ✓ **Announced expansion of R&D headcount** in Bangalore facility
- ✓ **Expanding sales team** to focus on Replacement market
- ✓ **Stable and cohesive** leadership team

Experienced Executive Leadership Team

Executive	Title	Joined	Experience
Rusty Frantz	CEO	Jun 2015	 CareFusion   
Jamie Arnold	CFO	Mar 2016	   
David Metcalfe	CTO	Feb 2016	 CareFusion  Allscripts™ 
John Beck	CSO	July 2016	  Allscripts™ 
Donna Greene	HR	Nov 2011	 
Jeff Linton	GC	Dec 2017	   
Dr. Betty Rabinowitz	CMO	Apr 2018	 

Market Dynamics Continue to Evolve



Leaders are placing bets, value-based care is here to stay.



Participating in value-based care programs can increase payments by as much as **27%**



Providers will integrate to collaborate, capture and engage patients.



Reducing referral leakage by **just 5%** can recover **\$75K** per provider, per year



Patient engagement is a significant determinant in provider success.



76% of consumers prioritize access to treatment over a face-to-face visit



Replacement market is real, but not imminent everywhere; optimization is key.



70% of practices plan to keep their current EHR; **9 of 10** will invest to optimize

Healthcare is challenging....



Loyal,
Engaged
Patients



Engaged,
Productive
Clinicians



Analyze for
Better
Outcomes



Manage for
Financial
Outcomes



Connectivity
Everywhere

... because it ALL matters

Why NextGen?

Our Focus



We commit to enabling provider groups to achieve their unique objectives by providing our best ideas, capabilities and support

Our Primary Differentiators



1. **Ambulatory Only** – We create for, and invest in, the distinct needs of providers of ambulatory care
2. **Flexible & Scalable** – Our platform and capabilities flex to fit your practice and workflows, not the other way around
3. **Integrated Intelligence** – We deliver comprehensive insights that provide a decision advantage for better clinical and financial outcomes

One Integrated Solution Platform Across the Enterprise

Engaged, Productive Clinicians

- Clinical Analytics
- Mobile
- Scribe & Transcription
- Adaptable Workflows

Healthy, Predictable Financial Outcomes

- Financial Analytics
- Denial Management
- Contract Management
- Managed Services

Loyal, Engaged Patients

- Enhanced Portal
- Prior Authorization
- Patient Estimates
- Virtual Visits

Predict & Prioritize for Better Outcomes

- Risk Stratification
- Patient Outreach
- Practice Performance
- Network Design

Connectivity Everywhere

- Direct Messaging
- Referral Exchange
- Chart Exchange
- FHIR APIs

Clinical
Care

Financial
Management

Patient
Access

Population
Health

Connected
Health

Client Engagement, Education, Adoption, & Optimization

API & Interoperability

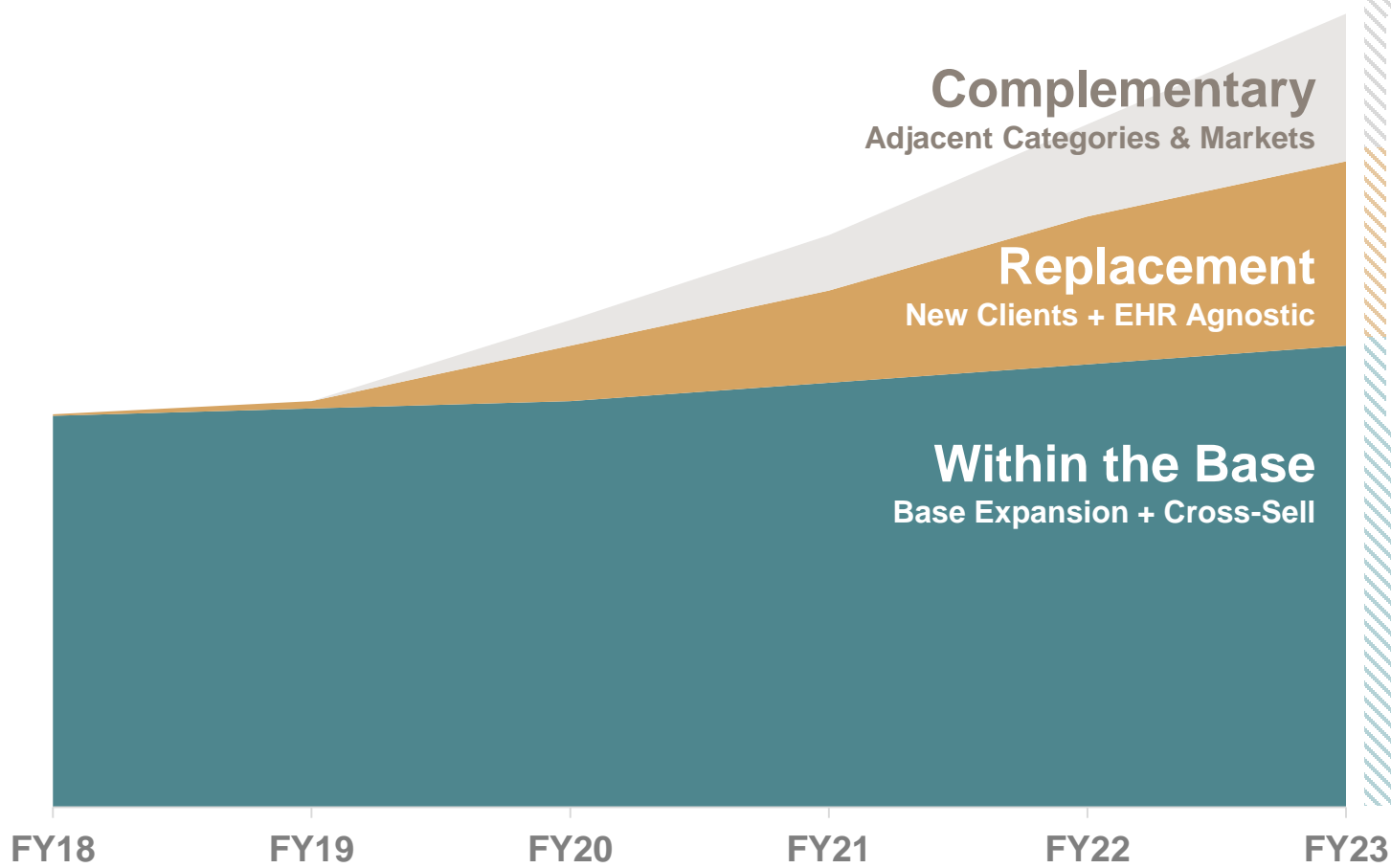
Analytics

Automation & Workflow Management

Integrated Care Platform

Clear Path to Unlocking Significant Value

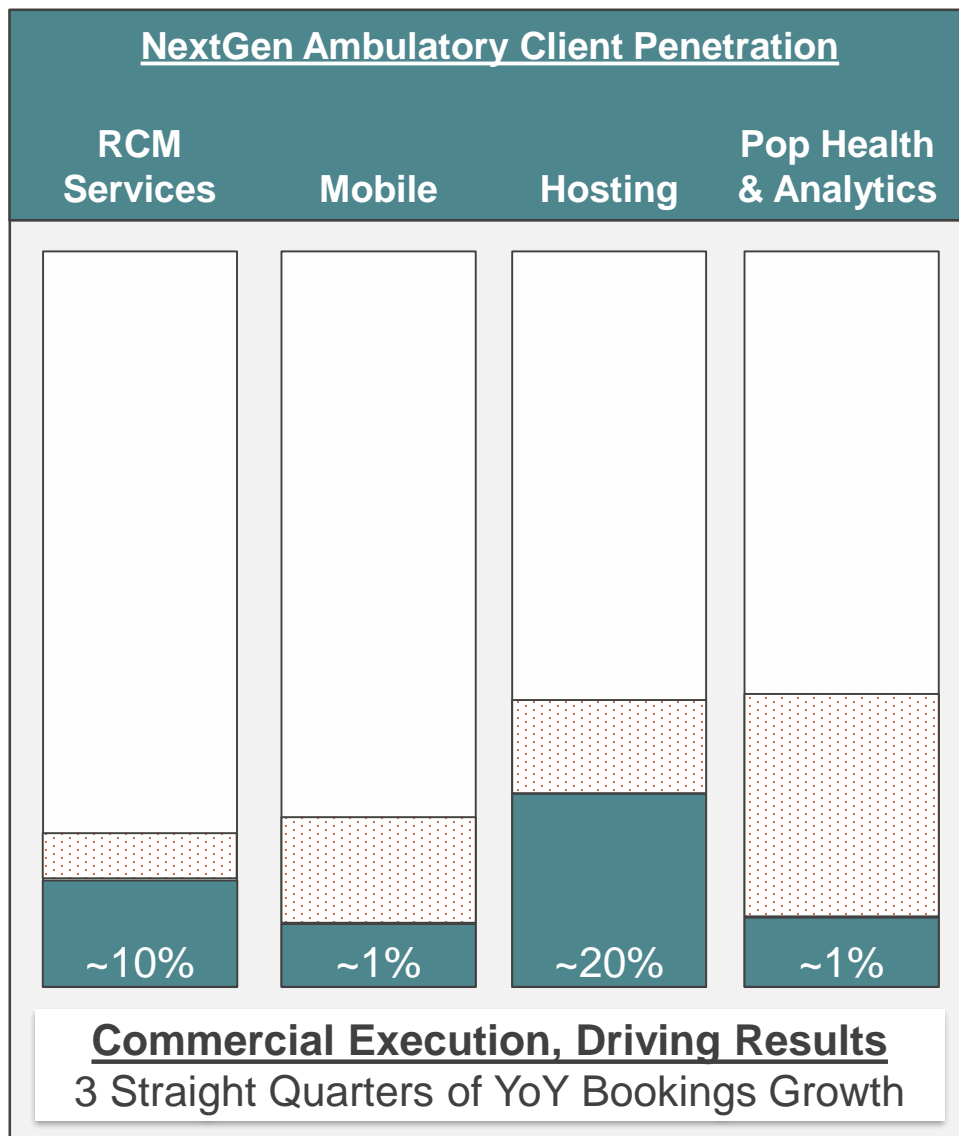
Revenue Growth Drivers (Illustrative)



Long-Term Financial Plan

High Single-Digit Revenue Growth with Operating Leverage

Cross-selling Meaningfully Through the Base

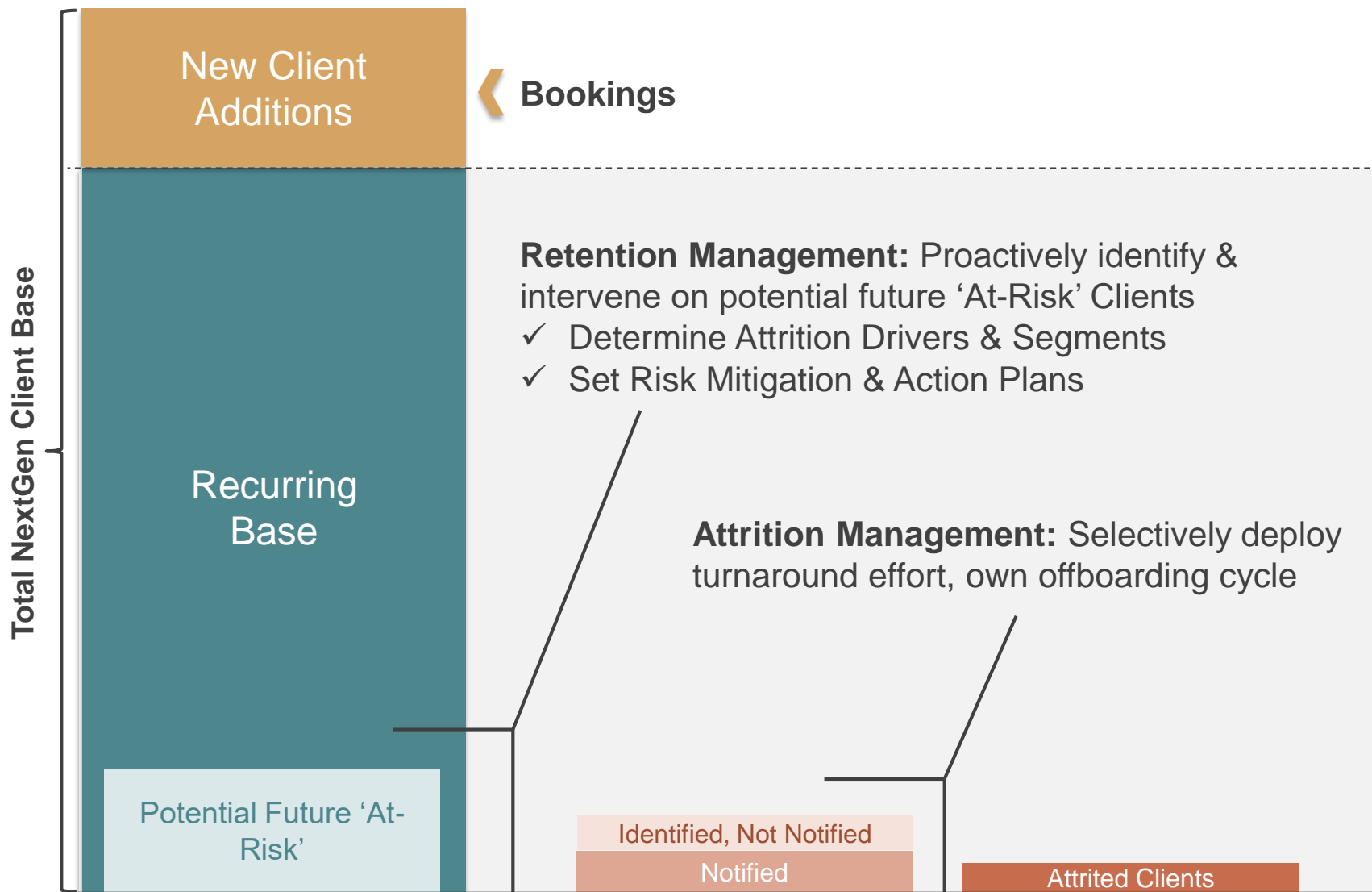


Commentary¹

- Closing opportunities in the white space can provide significant incremental revenue
- RCM \$26.4M of TTM bookings; ~15% penetration could produce \$80M of incremental revenue
- Analytics \$5.1M of bookings TTM; ~25% penetration could produce \$50M of incremental revenue
- Mobile \$7.2M bookings TTM; ~20% penetration could produce \$30M of incremental revenue
- Sales pipeline strengthening across all components of our solution

¹TTM Bookings through Nov 2018

Focused on Retention Management



Financial Highlights

Improving Revenue Visibility

- Approximately 90,000 providers currently use our solutions
- Recurring revenue is ~90% of total revenue
- Revenue streams comprised of diversified but related solutions which creates significant cross selling opportunities

Expansion Opportunities

- Increased R&D capacity and M&A investments to enhance platform, stabilize base, and provide cross sell opportunity
- Enhanced sales and marketing capabilities to drive bookings growth from selling whole solution and support new offerings
- Significant dry powder and organizational capabilities to execute on inorganic activities

Leverageable Infrastructure

- Common back office, commercial teams and R&D group require minimal additional investment to support growth
- Maturing organization with scalable skills – focus on a performance culture and sole face-to-the-customer
- Continuing to make structural changes to drive capabilities and cost structure

Experienced, Successful Leadership team with demonstrated history of disciplined management

Financial Highlights

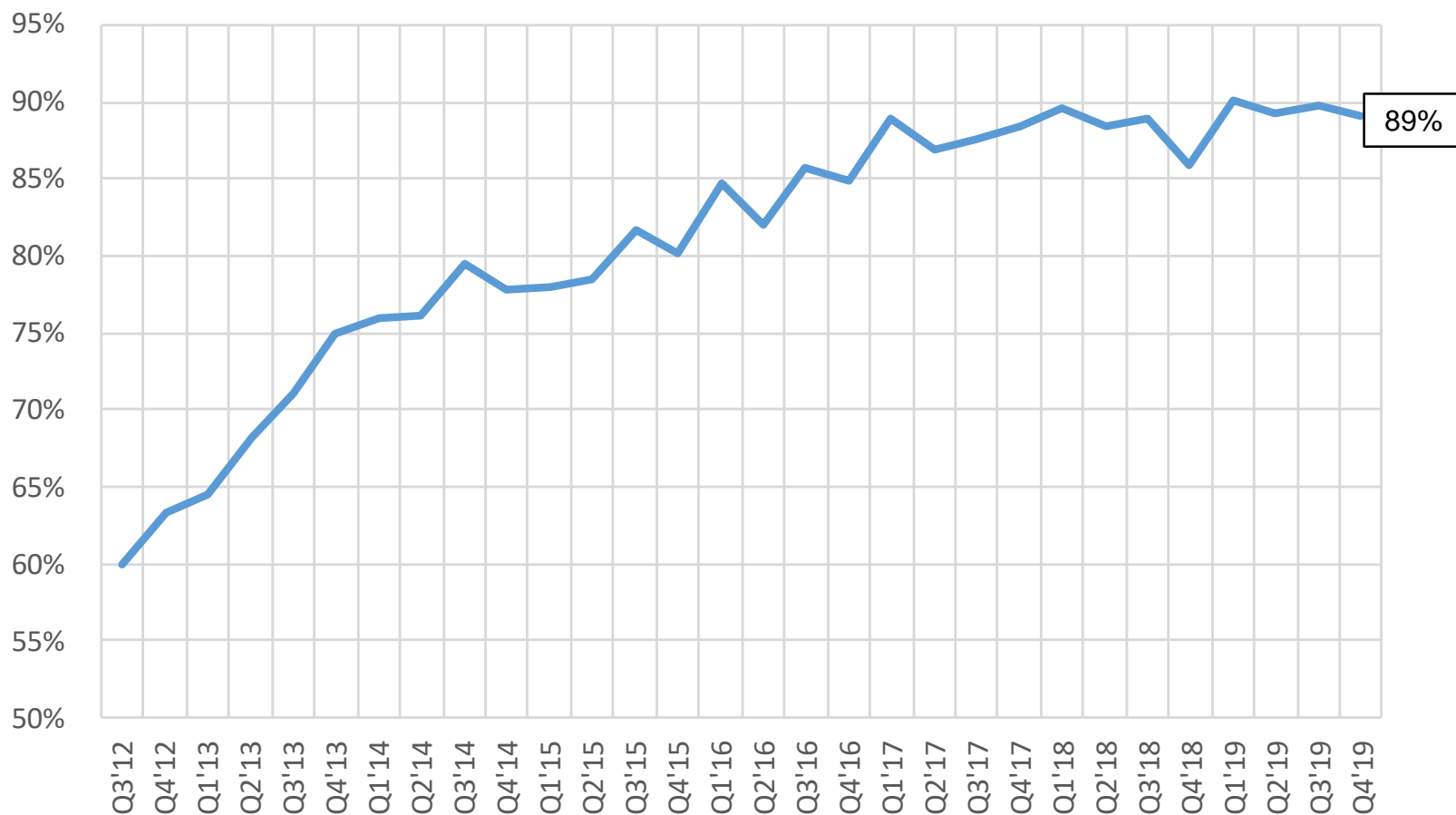
In \$Millions	FY18	FY19			
	Q4	Q1	Q2	Q3	Q4
Subscription services	\$27.4	\$28.3	\$27.0	\$28.5	\$27.8
Support and maintenance	40.6	41.2	38.1	38.1	38.8
Managed services	27.3	26.3	26.6	26.9	27.9
Electronic data interchange and data services	23.3	24.2	23.9	23.4	25.9
Total recurring revenues	118.6	120.0	115.6	116.9	120.4
Software license and hardware	10.0	7.4	9.1	8.9	8.4
Other non-recurring services	7.2	5.8	4.8	4.5	5.5
Total non-recurring revenues	17.2	13.2	13.9	13.4	13.9
Total revenues	\$135.8	\$133.2	\$129.5	\$130.3	\$134.3

* Reported under 605

Commentary

- Long term growth driver based on new offerings and market opportunities
- Near Term increased attrition; LT decline aa sales and CPI insufficient to overcome attrition
- Near-term Challenge; Mid to long term growth opportunity
- Steady growth opportunity via add-on sales
- Largely saturated market for perpetual, on-premise licenses
- Return to modest growth due to new client wins & upgrade cycle

Recurring Revenue Percent of Total



- Recurring service revenue, consisting of software related subscription services, support and maintenance, managed services, and EDI and data services

FY20 Guidance

	FY19 Actual	FY20 Range
Revenue	\$529M	\$543M - \$559M
Non-GAAP EPS	\$0.86	\$0.86 - \$0.94

Investment Highlights

1

Leading Integrated Ambulatory Care Platform consisting of both software and services, creating long-term cross-sell and expansion opportunity.

2

Large and engaged client base, resulting in strong and highly profitable recurring revenue.

3

Capitalizing on emerging fee-for-value trends with a market leading population health and analytics platform.

4

Executing on a multi-year strategic plan, showing bookings growth and poised for revenue and earnings growth.

5

Significant cash flow with dry powder for both organic and inorganic investment.