NextGen Healthcare
Jeffries Healthcare Conference 2019

Rusty Frantz, President and Chief Executive Officer
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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

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.
<table>
<thead>
<tr>
<th>Product Innovation</th>
<th>Financials &amp; Capital</th>
<th>Client Satisfaction</th>
<th>Team &amp; Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Launched the NextGen Integrated Ambulatory Platform at our User Group Meeting</td>
<td>✓ Delivering ~14% Bookings Growth YOY in FY19</td>
<td>✓ Best in KLAS for Practice Management (11 – 75 physicians) following two consecutive years of Most Improved (75+ provider segment)</td>
<td>✓ Announced expansion of R&amp;D headcount in Bangalore facility</td>
</tr>
<tr>
<td>✓ Delivered on cross-product integration and mobile platform strategy</td>
<td>✓ Showed strong earnings growth of &gt;8% YOY (on 605 basis)</td>
<td>✓ Highest score for Overall Satisfaction and Overall Product Functionality for Small Practice Ambulatory EMR/PM (10 or Fewer Physicians) KLAS 2019</td>
<td>✓ Expanding sales team to focus on Replacement market</td>
</tr>
<tr>
<td>✓ Made significant progress linking clients to National Interoperability via the Carequality Framework</td>
<td>✓ Continued to retired debt expecting to pay off credit facility by Q2FY20</td>
<td>✓ 2019 Frost and Sullivan Enabling Technology Leadership Award for RCM</td>
<td>✓ Stable and cohesive leadership team</td>
</tr>
<tr>
<td></td>
<td>✓ Renewed &amp; Expanded credit facility up to $400 million borrowing capacity</td>
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</table>
# Experienced Executive Leadership Team

<table>
<thead>
<tr>
<th>Executive</th>
<th>Title</th>
<th>Joined</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rusty Frantz</td>
<td>CEO</td>
<td>Jun 2015</td>
<td><img src="https://example.com" alt="CareFusion" />, Omnicell, PYXIS, OutPurchase</td>
</tr>
<tr>
<td>Jamie Arnold</td>
<td>CFO</td>
<td>Mar 2016</td>
<td>KOFAX, NUANCE, cadence, Informix</td>
</tr>
<tr>
<td>David Metcalfe</td>
<td>CTO</td>
<td>Feb 2016</td>
<td>CareFusion, Allscripts, Hill-Rom</td>
</tr>
<tr>
<td>John Beck</td>
<td>CSO</td>
<td>July 2016</td>
<td>Connexa, Allscripts, A Healthcare Systems</td>
</tr>
<tr>
<td>Donna Greene</td>
<td>HR</td>
<td>Nov 2011</td>
<td>Alliance Healthcare Services, Target</td>
</tr>
<tr>
<td>Jeff Linton</td>
<td>GC</td>
<td>Dec 2017</td>
<td>Applied Genomics, sequenom, Beckman Coulter</td>
</tr>
<tr>
<td>Dr. Betty Rabinowitz</td>
<td>CMO</td>
<td>Apr 2018</td>
<td>EagleDream Health, University of Rochester Medical Center</td>
</tr>
</tbody>
</table>
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.

Source(s): HIMSS, MGMA, AMGA, AMA, Black Book
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

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

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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)

- Complementary Adjacent Categories & Markets
- Replacement New Clients + EHR Agnostic
- Within the Base Base Expansion + Cross-Sell

Long-Term Financial Plan

High Single-Digit Revenue Growth with Operating Leverage

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### Cross-selling Meaningfully Through the Base

#### NextGen Ambulatory Client Penetration

<table>
<thead>
<tr>
<th>RCM Services</th>
<th>Mobile</th>
<th>Hosting</th>
<th>Pop Health &amp; Analytics</th>
</tr>
</thead>
<tbody>
<tr>
<td>~10%</td>
<td>~1%</td>
<td>~20%</td>
<td>~1%</td>
</tr>
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</table>

#### Commentary

- 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

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1 TTM Bookings through Nov 2018

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Focused on Retention Management

Retention Management: Proactively identify & intervene on potential future ‘At-Risk’ Clients
- Determine Attrition Drivers & Segments
- Set Risk Mitigation & Action Plans

Attrition Management: Selectively deploy turnaround effort, own offboarding cycle

- Total NextGen Client Base
- Recurring Base
- New Client Additions
- Potential Future ‘At-Risk’
- Identified, Not Notified
- Notified
- Attrited Clients
- Bookings
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 create 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

<table>
<thead>
<tr>
<th>In $Millions</th>
<th>FY18 Q4</th>
<th>FY18 Q1</th>
<th>FY18 Q2</th>
<th>FY18 Q3</th>
<th>FY18 Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription services</td>
<td>$27.4</td>
<td>$28.3</td>
<td>$27.0</td>
<td>$28.5</td>
<td>$27.8</td>
</tr>
<tr>
<td>Support and maintenance</td>
<td>40.6</td>
<td>41.2</td>
<td>38.1</td>
<td>38.1</td>
<td>38.8</td>
</tr>
<tr>
<td>Managed services</td>
<td>27.3</td>
<td>26.3</td>
<td>26.6</td>
<td>26.9</td>
<td>27.9</td>
</tr>
<tr>
<td>Electronic data interchange and data services</td>
<td>23.3</td>
<td>24.2</td>
<td>23.9</td>
<td>23.4</td>
<td>25.9</td>
</tr>
<tr>
<td>Total recurring revenues</td>
<td>118.6</td>
<td>120.0</td>
<td>115.6</td>
<td>116.9</td>
<td>120.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY19 Q4</th>
<th>FY19 Q1</th>
<th>FY19 Q2</th>
<th>FY19 Q3</th>
<th>FY19 Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software license and hardware</td>
<td>10.0</td>
<td>7.4</td>
<td>9.1</td>
<td>8.9</td>
<td>8.4</td>
</tr>
<tr>
<td>Other non-recurring services</td>
<td>7.2</td>
<td>5.8</td>
<td>4.8</td>
<td>4.5</td>
<td>5.5</td>
</tr>
<tr>
<td>Total non-recurring revenues</td>
<td>17.2</td>
<td>13.2</td>
<td>13.9</td>
<td>13.4</td>
<td>13.9</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$135.8</td>
<td>$133.2</td>
<td>$129.5</td>
<td>$130.3</td>
<td>$134.3</td>
</tr>
</tbody>
</table>

*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 service revenue, consisting of software related subscription services, support and maintenance, managed services, and EDI and data services
## FY20 Guidance

<table>
<thead>
<tr>
<th></th>
<th>FY19 Actual</th>
<th>FY20 Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$529M</td>
<td>$543M - $559M</td>
</tr>
<tr>
<td>Non-GAAP EPS</td>
<td>$0.86</td>
<td>$0.86 - $0.94</td>
</tr>
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