



# Investor Presentation

May 2023



# Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on the current beliefs and expectations of NextGen Healthcare management, only speak as of the date that they are made and subject to significant risks and uncertainties. Such statements can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar terms. Examples of forward-looking statements include, among others, statements we make regarding guidance related to expected operating results, such as revenue growth, net income and earnings per share, strategic growth initiatives, strategy for growth, product development, market position, customer retention, financial results and reserves, anticipated levels of capital expenditures and capital developments.

Actual results could differ materially from those indicated in the forward-looking statements.

Important factors that could cause our actual results to differ materially from those indicated in the forward-looking statements include, but are not limited to: risks associated with strategic actions, including acquisitions and dispositions, and our ability to successfully integrate acquired businesses and realize the intended benefits; changes in laws, regulations and industry initiatives applicable to our business model; changes in market conditions and receptivity to our services and offerings; increased government involvement in our industry; our or our clients' failure to see the benefits of government programs; changes in interoperability or other regulatory standards; our ability to maintain and expand our business with existing clients or effectively transition clients to newer products; the volume and timing of systems sales and installations; unpredictability of the sales and implementation cycles for our products and services; the possibility that products will not achieve or sustain market acceptance; changes in tax rates or laws; the impact of governmental and regulatory agency investigations, including the Department of Justice matter; our failure to compete successfully; consolidation in our industry; the timing, cost and success or failure of new product and service introductions, development and product upgrade releases; undetected errors or bugs in software; changing economic, political or regulatory influences in the health-care industry; our ability to establish and maintain strategic relationships;; the continuing impact of the COVID-19 pandemic; the Company's ability or inability to attract and retain qualified personnel; possible regulation of the Company's software by the U.S. Food and Drug Administration; changes of accounting estimates and assumptions used to prepare the prior periods' financial statements; business disruptions; security breaches resulting in unauthorized access to our or our clients' computer systems or data, including denial-of-services, ransomware or other Internet-based attacks; caused by acquisitions of companies, products, or technologies; liability for use of content; price reductions; our ability to license and integrate third-party technologies

A significant portion of the Company's quarterly sales of software product licenses is concluded in the last month of a fiscal quarter, generally with a concentration of such revenues earned in the final ten business days of that month. Due to these and other factors, the Company's revenues and operating results are very difficult to forecast. A major portion of the Company's costs and expenses, such as personnel and facilities, are of a fixed nature and, accordingly, a shortfall or decline in quarterly and/or annual revenues typically results in lower profitability or losses. As a result, comparison of the Company's period-to-period financial performance is not necessarily meaningful and should not be relied upon as an indicator of future performance.

Additional information about these and other risks, uncertainties, and factors affecting our business is contained in our filings with the Securities and Exchange Commission, including under the caption "Risk Factors" in our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Qs. We do not undertake to publicly update forward-looking statements to reflect changed assumptions, the impact of circumstances or events that may arise after the date of the forward-looking statements, or other changes in our business, financial condition or operating results over time.



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**NextGen Healthcare**  
is a leading provider of innovative, cloud-based, healthcare technology solutions that empower physician practices to manage the risk and complexity of delivering care in the US healthcare system.

## Our Mission and Proposition

### Better Healthcare Outcomes for All



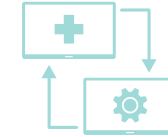
#### Integration

Delivering a broad and highly integrated set of solutions and end-user experiences



#### Insight

Providing intelligence at the point of care to enable better health and financial decisions



#### Interoperability

Building connected data and human networks across ambulatory healthcare



#### Impact

Delivering and shaping outcomes in all aspects of our solutions and services

# Our Goals



**1**

**Achieve 10% Revenue Growth by FY25**

**2**

**Deliver Operating Leverage in FY24 and Beyond**

**3**

**Deliberate and Disciplined Deployment of Capital**



# Industry Change is Large and Accelerating



## Consumerism

Consumers increasingly care about improved access and overall experience



## Digitization

Providers continue to seek to digitize all aspects of their care delivery model



## Risk Reallocation

Payor and provider transition from fee for service (FFS) to value-based care (VBC) models



## Government Activism

Rapidly evolving government efforts will require diligence on behalf of providers

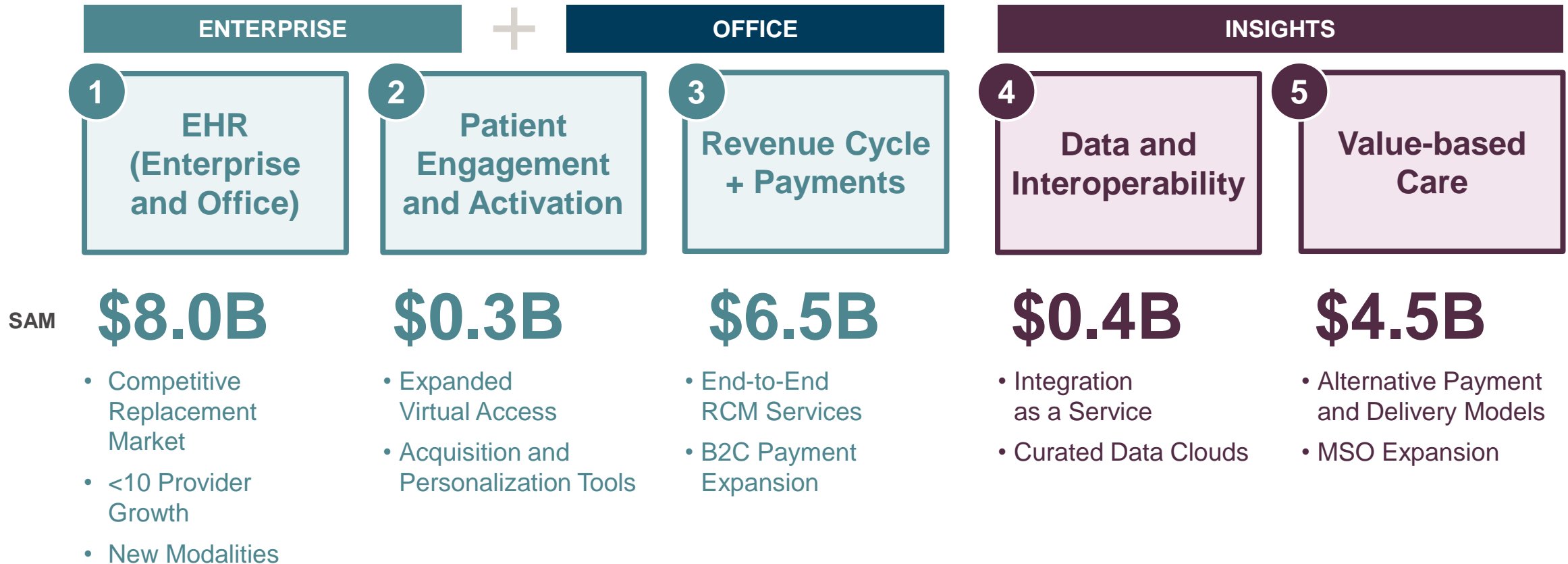


## Integrated Care and Health Equity

Breadth of solutions critical to delivering whole person health

**Our Comprehensive and Integrated Offering Keeps Clients Ahead of Important Trends**

# Meaningful Opportunity in Core Markets



Source: McKinsey & Company and internal estimates; Serviceable Addressable Market; '22-'25

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# Platforms for Growth

Differentiated Offerings Tailored to Our Clients

## ENTERPRISE



## OFFICE



## INSIGHTS



*Professional Services / Client Experience*

### Clinical Care Solutions

*NextGen® Enterprise EHR*

### Financial Solutions

*NextGen® Enterprise PM*

### Patient Engagement Solutions

*NextGen® Enterprise PxP*

### Integrated Clinical Care and Financial Solutions

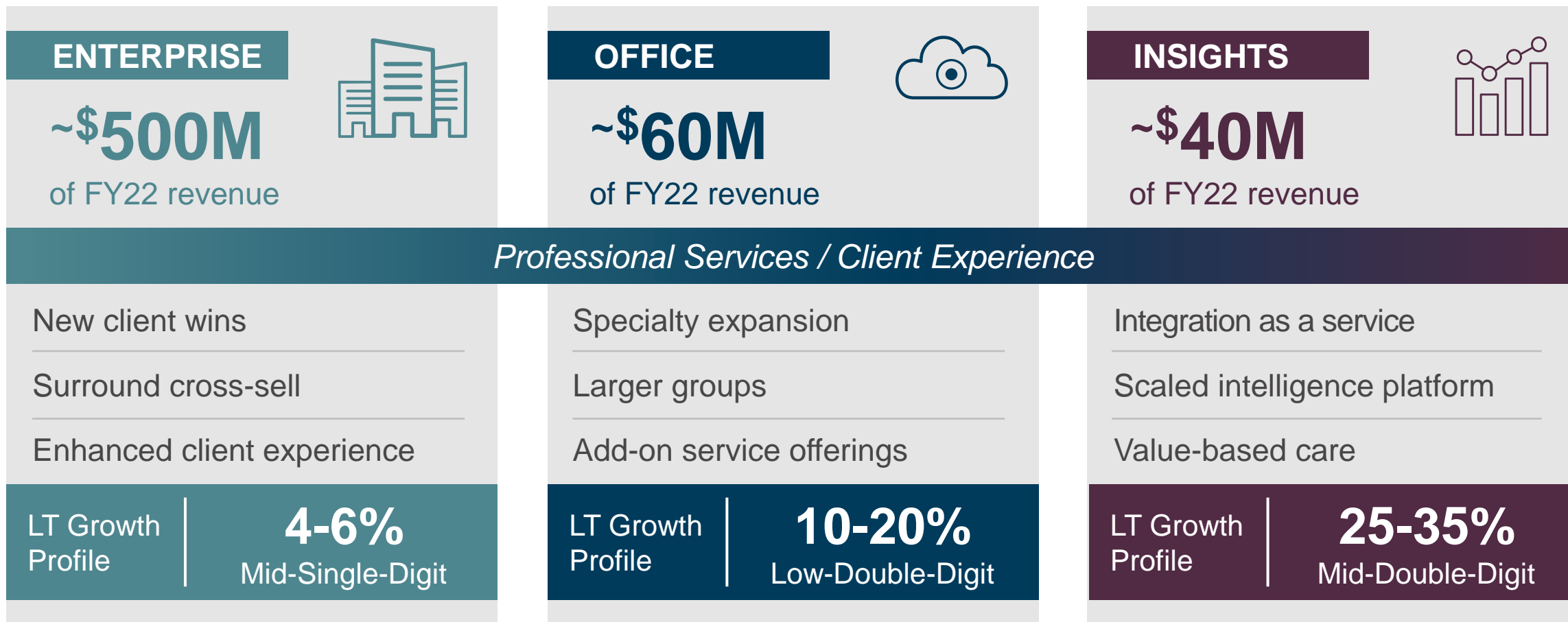
*NextGen® Office*

### Interoperability, Data & Analytics, Value Based Care

- *Mirth® Connect by NextGen Healthcare*
- *NextGen® Share*
- *NextGen® Health Data Hub*
- *NextGen® Population Health Solutions*

# A Winning Combination

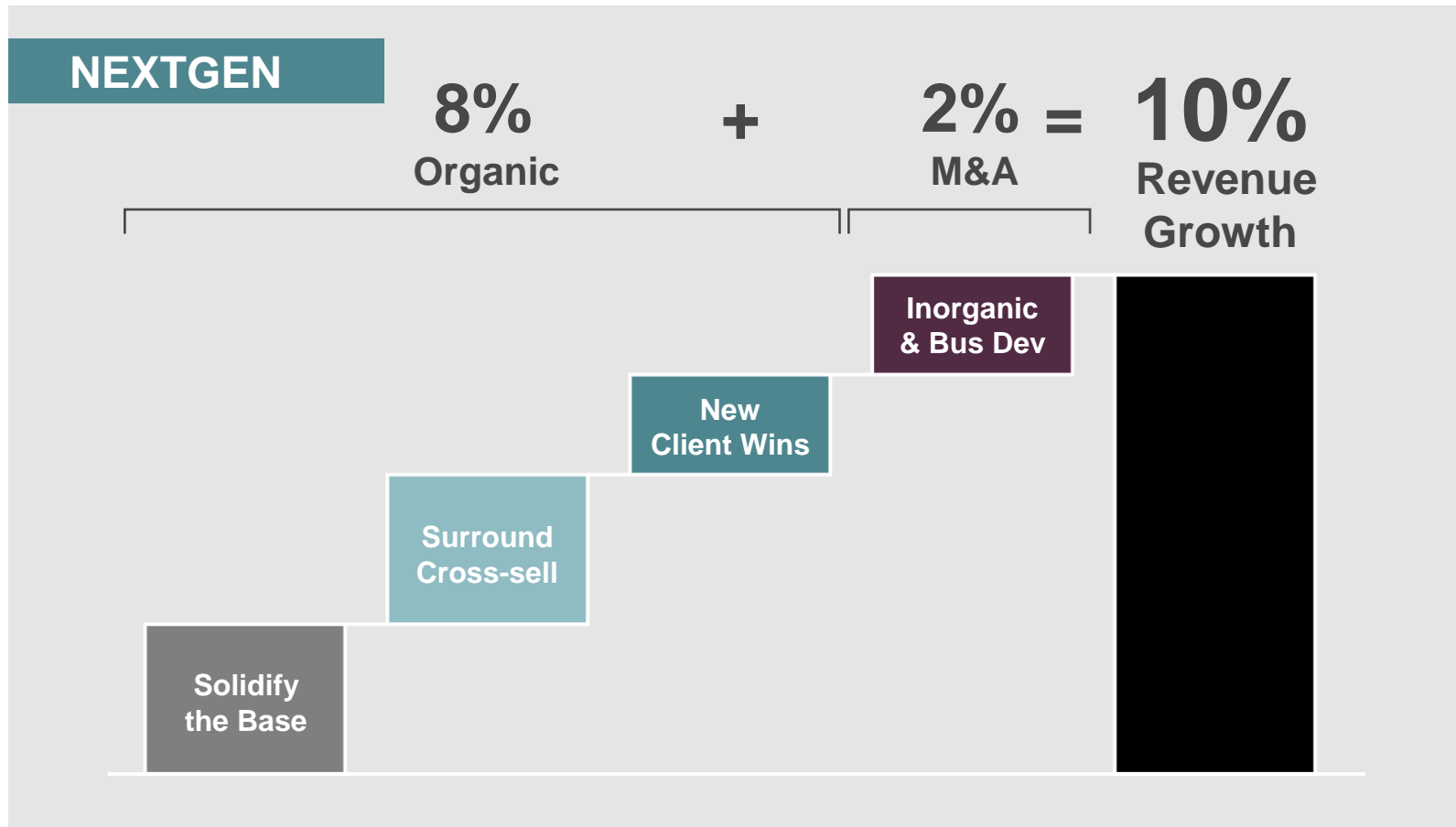
## Attractive Long-term Growth Profile





# Our Growth Model

Formula to Achieve Sustained Double-digit Top-line Growth

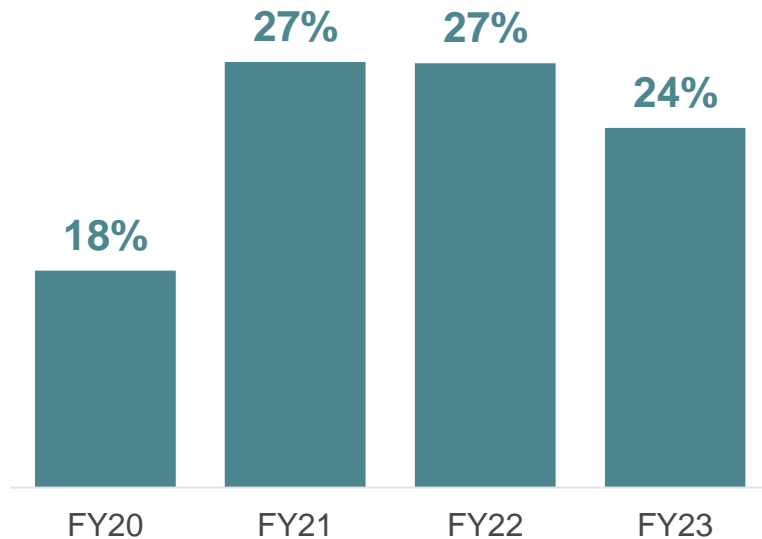


## Investments in Core Assets Driving Growth

- ✓ Client services
- ✓ Insights at the point of care
- ✓ Data interoperability
- ✓ Value-based care
- ✓ Provider channel expansion

# New Client Wins Across the Portfolio

New Clients as % of Total Company Bookings



- ✓ Integrated platform architected for scale
- ✓ Unmatched **configurability** for dynamic practices
- ✓ Delivering **outcomes** for whole-person health

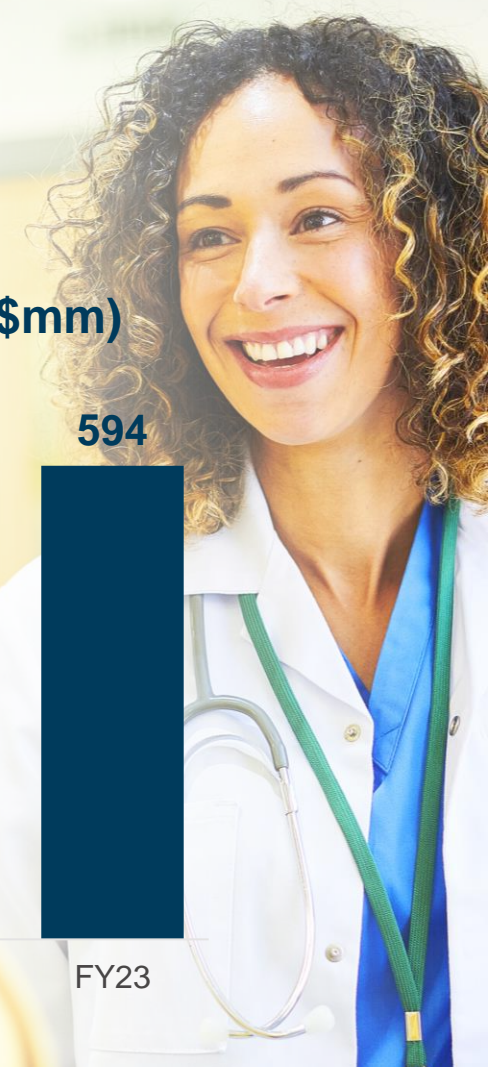
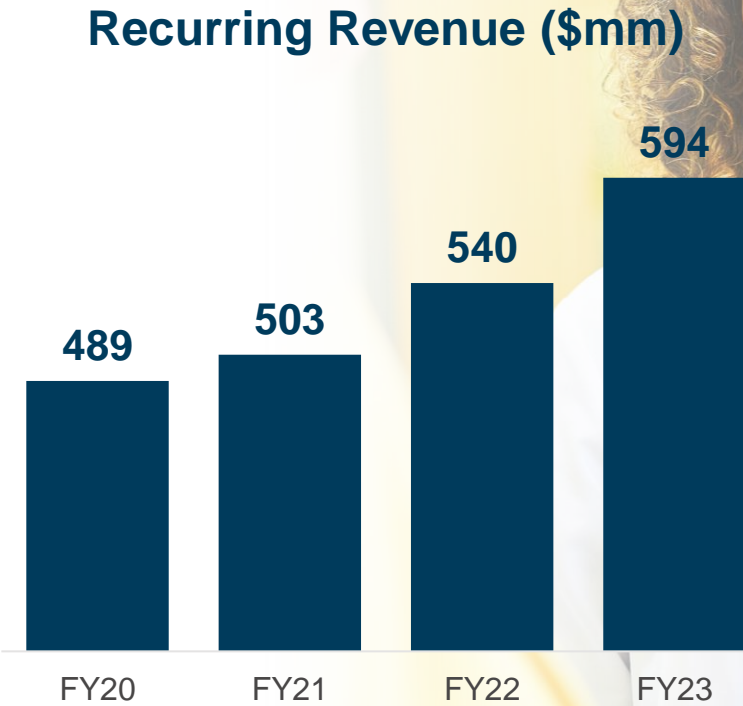


Our differentiators, recognized by third party research, position us to win

# Cross-sell Drives Recurring Revenue

Up to  
**\$10k+**  
Recurring Revenue per  
Provider per Year\*

Surround Solutions
Patient Experience Platform
Patient Pay
Virtual Visits
Mobile
Population Health Analytics
Financial Analytics
Managed Cloud Services
Revenue Cycle Management



Our “Surround Solutions” contours to the needs of our clients

\*Revenue per provider includes EHR/PM and Surround Subscriptions, Maintenance, Managed Services and Transactional & Data Services  
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# Investments for Operational Leverage



## Operational Efficiencies

(Services COE, Best Practice  
and Process Improvement)

## Intelligent Automation

(Robotic Process Automation,  
Workflow Mgmt. Solutions)

## Global Work from Anywhere

(Remote-first Company,  
Minimized Facilities Footprint)

## Optimal Resource Deployment

(US/India Workforce,  
Sales Development Reps)



# Disciplined Capital Deployment

## Category

## Focus

**Invest in organic innovation**

**Create new offerings and further differentiate our solutions**

**Accelerate growth through M&A**

**Broaden our addressable market by acquiring new technologies and capabilities**

**Return capital to shareholders**

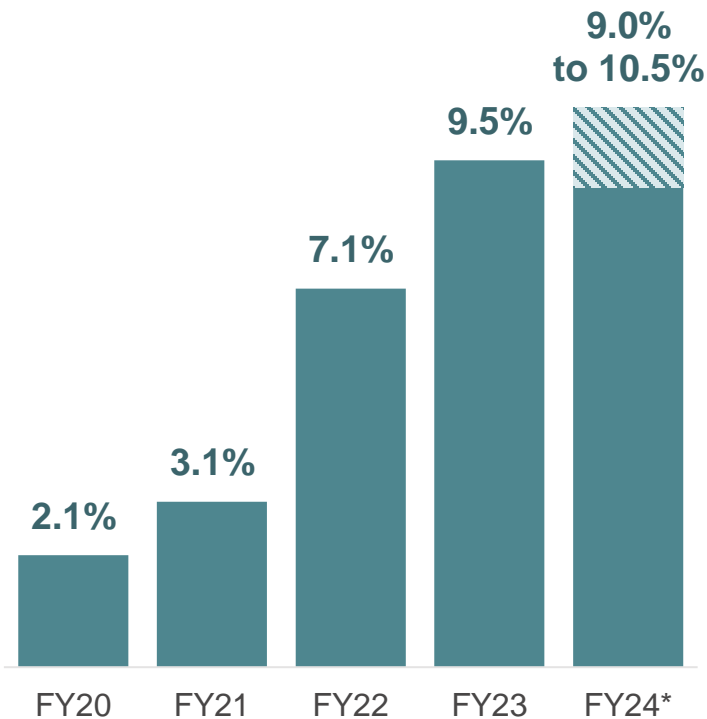
**Leverage share repurchase program to enhance shareholder return**

## Sources of Capital

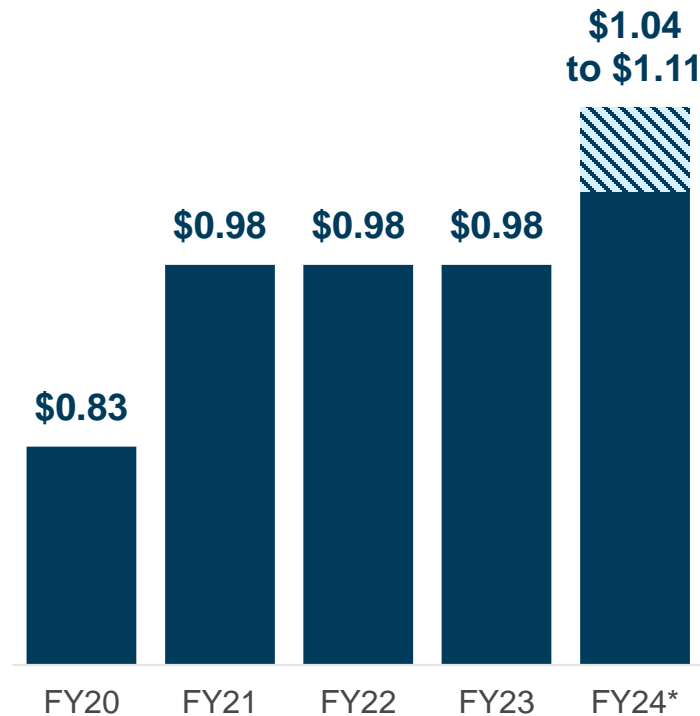
- ✓ Free cash flow generation
- ✓ Proceeds from convertible note
- ✓ \$300M+ committed borrowing capacity

# Executing on a Multi-year Plan

Revenue Growth (%)



Non-GAAP EPS



## Delivering Profitable Revenue Growth

- ✓ **FY23 Results:** Achieved 9.5% revenue growth
- ✓ **FY24 Outlook\*:** Guidance reflects ~9.8% revenue growth and \$1.08 non-GAAP EPS at the midpoint

\*Based on management guidance provided May 16, 2023, FY-end March 31

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# Investment Highlights

- 1** **Leading provider of innovative, cloud-based, healthcare technology solutions**
- 2** **Ambulatory market trends driving demand for comprehensive solutions**
- 3** **Clear path to durable double-digit top line growth and margin expansion**
- 4** **Disciplined capital deployment focused on growth and shareholder return**
- 5** **Focused and energized management team to lead the next chapter of growth**

**BELIEVE IN BETTER.®**



# Non-GAAP Financial Measures

This presentation contains certain non-GAAP (Generally Accepted Accounting Principles) financial measures, which are provided only as supplemental information. Investors should consider these non-GAAP financial measures only in conjunction with the comparable GAAP financial measures. These non-GAAP measures are not in accordance with or a substitute for U.S. GAAP. Pursuant to the requirements of Regulation G, the Company has provided a reconciliation of non-GAAP financial measures to the most directly comparable financial measure in the accompanying financial tables. Other companies may calculate non-GAAP measures differently than NextGen Healthcare, Inc., which limits comparability between companies. The Company believes that its presentation of non-GAAP diluted earnings per share provides useful supplemental information to investors and management regarding the Company's financial condition and results. The presentation of non-GAAP financial information is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP.

The Company calculates non-GAAP diluted earnings per share by excluding net acquisition costs, amortization of acquired intangible assets, amortization of deferred debt issuance costs, impairment of assets, restructuring costs, shareholder disputes and related costs, net of insurance, which include net securities litigation defense and related costs, share-based compensation, and other non-run-rate expenses from GAAP income before provision for income taxes.

The Company utilizes a normalized non-GAAP tax rate to provide better consistency across the interim reporting periods within a given fiscal year by eliminating the effects of non-recurring and period-specific items, which can vary in size and frequency, and which are not necessarily reflective of the Company's longer-term operations. The normalized non-GAAP tax rate expected to be applied to each quarter of fiscal year 2023 is 20.0%. The determination of this rate is based on the consideration of both historic and projected financial results. The Company may adjust its non-GAAP tax rate as additional information becomes available and in conjunction with any other significant events occur that may materially affect this rate, such as merger and acquisition activity, changes in business outlook, or other changes in expectations regarding tax regulations.

The Company calculates non-GAAP adjusted EBITDA by excluding net acquisition costs, amortization of acquired intangible assets, impairment of assets, restructuring costs, shareholder disputes and related costs, net of insurance, which include net securities litigation defense and related costs, share-based compensation, and other non-run-rate expenses from GAAP income from operations and then adding back amortization of capitalized software costs and depreciation as presented within the condensed consolidated statements of cash flows. Non-GAAP adjusted EBITDA margin is calculated as non-GAAP adjusted EBITDA divided by total revenues.

The Company's future period guidance in this presentation includes adjustments for items not indicative of the Company's core operations. Such adjustments are generally expected to be of a nature similar to those adjustments applied to the Company's historic GAAP financial results in the determination of the Company's non-GAAP diluted earnings per share. Such adjustments, however, may be affected by changes in ongoing assumptions and judgments as to the items that are excluded in the calculation of non-GAAP adjusted net income and adjusted diluted earnings per share, as described in this presentation. The exact amount and probable significance of these adjustments, including net acquisition costs, impairment of assets, restructuring costs, shareholder disputes and related costs, and other non-run-rate expenses, are not currently determinable without unreasonable efforts, but may be significant. These items cannot be reliably quantified or forecasted due to the combination of their historic and expected variability. It is therefore not practicable to reconcile this non-GAAP guidance to the most comparable GAAP measures.