

Health Catalyst Q2 2023 Financial Highlights & Key Themes

Q2 2023 Revenue and Profitability

- Total Revenue: \$73.2M; actual results exceeded guidance midpoint (range of \$70.3M to \$74.3M)
- Adjusted EBITDA: \$3.5M; actual results exceeded guidance midpoint (range of \$0.75M to \$4.75M)
- Adjusted EBITDA margin increased to ~5%, which represents an improvement of ~200 basis points compared to Q2 2022

2023 Guidance and Bookings Expectations

- We are raising guidance ranges for both FY 2023 Revenue and Adjusted EBITDA
- 2023 Total Revenue range updated to \$290.5M to \$295.5M (up \$0.5M compared to midpoint of prior guidance of \$290M to \$295M)
- 2023 Adjusted EBITDA range updated to \$10.0M to \$12.0M (up \$1M compared to midpoint of prior guidance of \$9.0M to \$11.0M)
- We reiterate our FY 2023 bookings expectations, inclusive of net new DOS subscription client additions in the low double digits & dollar-based retention rate of 102% to 110%

Key Themes

- Our operating environment continues to align with what we shared in prior quarters, with slight improvement in recent months
- This translated to a strong 1H 2023 bookings performance that was consistent with our expectations
- Entering 2H 2023, our pipeline continues to grow and our anticipated 2H 2023 bookings are also in line with our previously shared expectations
- From 7/1/22 through 6/30/23, our Tech-Enabled Managed Services (TEMS) ARR grew by >80% and now represents nearly 50% of total Professional Services ARR
- Long-term TEMS partnerships include multi-year contracts that average >\$8M of total ARR per client, ~4x larger than the average ARR per DOS subscription client
- We continue to feel confident in long-term revenue growth target of 20%+ and long-term Adjusted EBITDA margin target of 20%+

Two Recent Tech-Enabled Managed Services (TEMS) Wins

5-year, ~\$50M contract with long-standing regional health system client:

- Includes All-Access Technology and TEMS in new offering area (ambulatory operations)
- Contract roughly quintuples the size of the client relationship
- Annual spend represents ~5% of the client's net patient revenue
- Includes opportunity to earn annual shared success bonuses (incremental to the ~\$50M)

5-year, ~\$60M contract with long-standing health system client:

- Includes All-Access Technology and TEMS in chart abstraction and analytics focused on clinical improvement and health equity
- Contract roughly doubles the size of the client relationship, to ~\$12M of ARR, becoming one of Health Catalyst's five largest clients