

Overview Presentation

November 2021



Disclaimer

This presentation and the accompanying oral presentation, if any, contain forward-looking statements. All statements other than statements of historical fact contained in this presentation, including statements as to future results of operations and financial position, planned products and services, business strategy and plans, objectives of management for future operations of Health Catalyst, Inc. and its subsidiaries (“Health Catalyst” or the “Company”), market size and growth opportunities, competitive position and technological and market trends, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “expect,” “plan,” “anticipate,” “intend,” “target,” “project,” “predicts,” “shall,” “potential,” “explore” or “continues” or the negative of these terms or other similar words. Health Catalyst has based these forward-looking statements largely on its current expectations and assumptions and on information available as of the date of this presentation. The Company assumes no obligation to update any forward-looking statements or any other information included in this presentation after the date of this presentation, except as required by law.

The forward-looking statements contained in this presentation and the accompanying oral presentation are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause actual results or outcomes to be materially different from any future results or outcomes expressed or implied by the forward-looking statements. These risks, uncertainties, assumptions and other factors include, but are not limited to, those related to our business and financial performance, the impact of COVID-19 on our business and results of operations, our ability to attract and retain customers, our ability to develop new products and services and enhance existing products and services, our ability to respond rapidly to emerging technology trends, our ability to execute on our business strategy, our ability to compete effectively and our ability to manage growth. These risks and uncertainties may also include those described under the heading “Risk Factors” and elsewhere in the Company’s most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q on file with the Securities and Exchange Commission (the “SEC”) and our other filings with the SEC. Moreover, we operate in a very competitive and rapidly changing environment, and new risks may emerge from time to time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results or outcomes to differ materially from those contained in any forward-looking statements we may make.

In addition to the Company’s GAAP financial information, this presentation includes certain non-GAAP financial measures. The non-GAAP measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for the most directly comparable financial measures prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. We urge you to review the reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measures set forth in the Company’s most recent Annual Report on form 10-K and Quarterly Report on Form 10-Q on file with the SEC and our other filings with the SEC, and not to rely on any single financial measure to evaluate our business.

This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to market size and growth and other industry data. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. The Company has not independently verified the statistical and other industry data generated by independent parties and contained in this presentation and, accordingly, it cannot guarantee their accuracy or completeness. In addition, projections, assumptions and estimates of its future performance and the future performance of the markets in which it competes are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results or outcomes to differ materially from those expressed in the estimates made by the independent parties and by Health Catalyst.

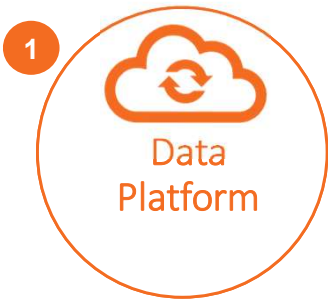
This presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of any securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.



Health Catalyst Overview

We are a leading provider of data and analytics technology and services to healthcare organizations

Components of Our Solution



**Integrate data in a flexible,
open, and scalable
platform**



**Deliver insights on how
to measurably improve**



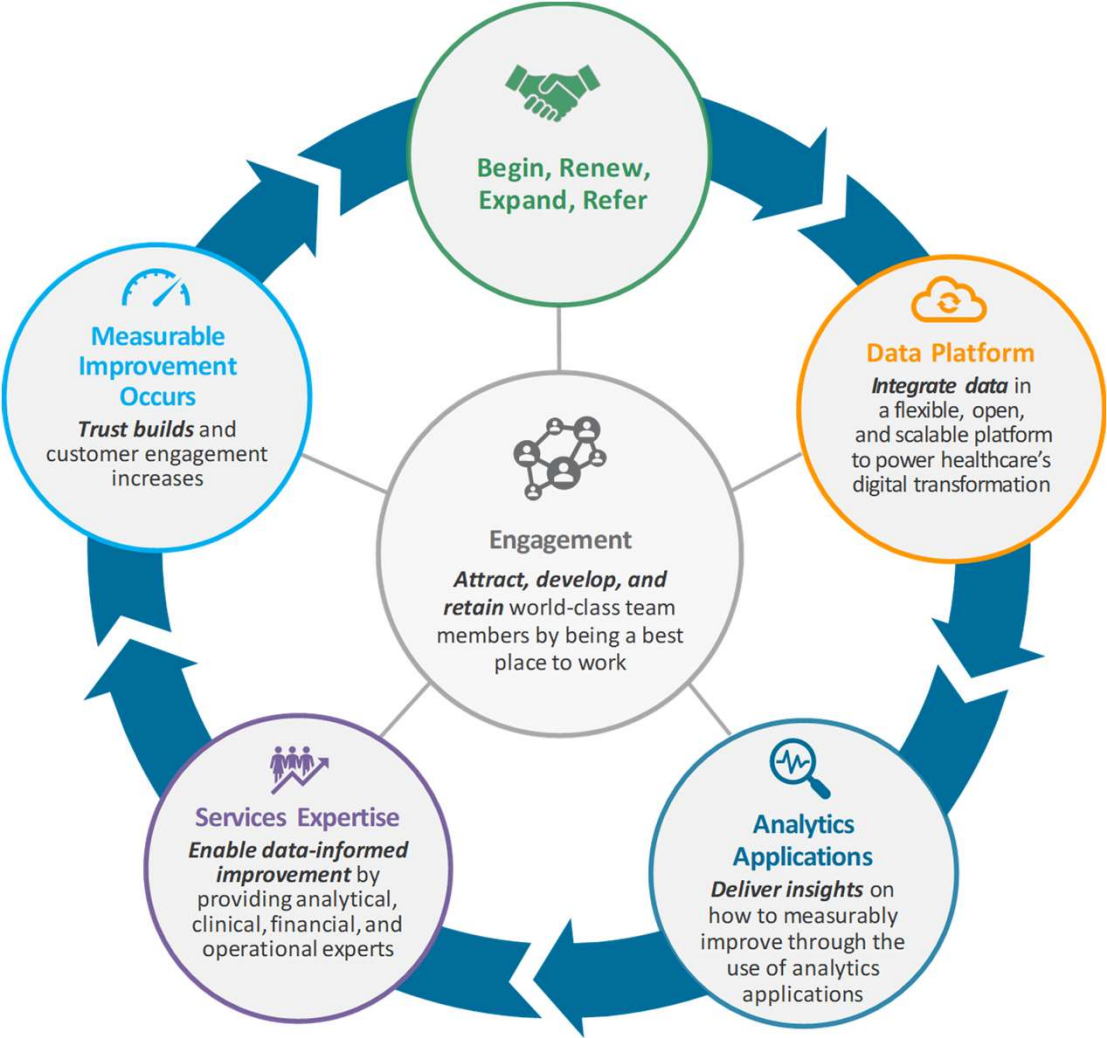
**Enable and accelerate
data-informed
improvement**

Our customers, which are primarily healthcare providers, use our Solution to manage their data, derive analytical insights to operate their organizations, and produce measurable clinical, financial, and operational improvements



Our mission is to be the catalyst for massive, measurable, data-informed healthcare improvement

Our flywheel represents how we accomplish our mission



Investment Highlights

(1) According to estimates in 2019. Research estimates 25% of U.S. healthcare spending is wasteful in nature, implying approximately \$1 trillion of waste amongst \$3.8 trillion of total healthcare expenditure in 2019

(2) As of March 2019

(3) Represents 2015 - 2019 CAGR for documented improvements achieved.

(4) In 2020

(5) Long-term annual revenue growth goal. Given the unknown timeline and the near-term uncertainty of COVID-19 on our business, we are unable to predict the extent to which the global COVID-19 pandemic may adversely impact our business operations, financial performance, and results of operations. Therefore, this figure represents our long-term goals following the impact resulting from the COVID-19 pandemic. Please refer to our recent earnings release and our associated Form 10-Q for more details.

(6) Overall range from 2017 - 2020. Excludes customers acquired in Medicity, Able Health, Healthfinch, Vitalware and Twistle acquisitions. 2020 performance of 102% impacted by COVID-19 pandemic.



Recognized industry leader in healthcare data & analytics

~\$1T⁽¹⁾
WASTE

\$8B⁽²⁾
TAM



Comprehensive solution: data platform, analytics applications & services expertise

>300
DATA
SOURCES

~10-100
TBs
/ CUSTOMER

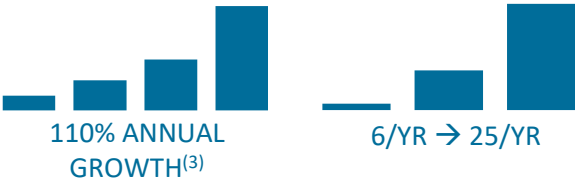
12
APP SUITES
+ LIBRARY

>400
ANALYTICS &
DOMAIN EXPERTS



Measurable clinical, financial & operational improvements

~1,300
IMPROVEMENTS



World-class team member engagement

95th-99th
PERCENTILE
SATISFACTION

74
BEST PLACE TO WORK
AWARDS



Attractive operating model

>90%⁽⁴⁾
RECURRING
REVENUE

20%+⁽⁵⁾
LONG-TERM REVENUE
GROWTH TARGET

102%-109%⁽⁶⁾
DOLLAR-BASED
RETENTION RATE



COVID-19 Impact

*While COVID-19 creates some near-term uncertainties, its impact is largely muted as a result of our highly recurring revenue business model. We believe this crisis will serve as a **medium-to-long-term tailwind**, highlighting the need for a commercial grade data & analytics solution*

Near-Term Impact

- **Highly recurring revenue** business model means 2020 and 2021 revenue impact is relatively muted
- Healthcare provider ecosystem under some continued operational and financial strain, but is much better equipped and prepared to respond to the ongoing pandemic
- Technology impact:
 - **Usage** of our data & analytics solutions **saw significant increase**; foundational apps realized **~50% increase** since onset⁽¹⁾
 - **Strong 2020 full-year tech dollar-based retention**, in line with historicals
 - Expect **2021** dollar-based retention to **continue to be robust**, in line w/ historicals
- Professional Services impact:
 - Resources still **highly engaged**, on both COVID-19-recovery related projects and broader improvement efforts, but **lower professional services dollar-based retention in 2020 in the mid-90%**
 - Expect **2021** dollar-based retention to **significantly improve** from 2020 levels
- Bookings impact:
 - Lower 1H 2020 new DOS subscription customer additions; **strong 2H 2020 pipeline conversion** (in line with 2H 2019) for total of **9 net new DOS customers**
 - **2021** expectations in the **mid-teens** net new DOS customers (in line w/ historicals)

Medium-to-Long-Term Impact

- **Overall tailwind** in the industry's adoption of data and analytics
- Health system level:
 - Highlighting the need for a **commercial grade data & analytics solution** to replace patchwork homegrown systems
 - Health Catalyst is a **comprehensive data & analytics partner**
- Governmental level:
 - **Potential for meaningful government investment** in data & analytics infrastructure modernization
- Life Sciences level:
 - Leverage **one of the largest, clinically rich repositories of health data in the world** for real-world insights

⁽¹⁾ Data disclosed as of Q4 2020 earnings call.



The Problems Health Systems Face



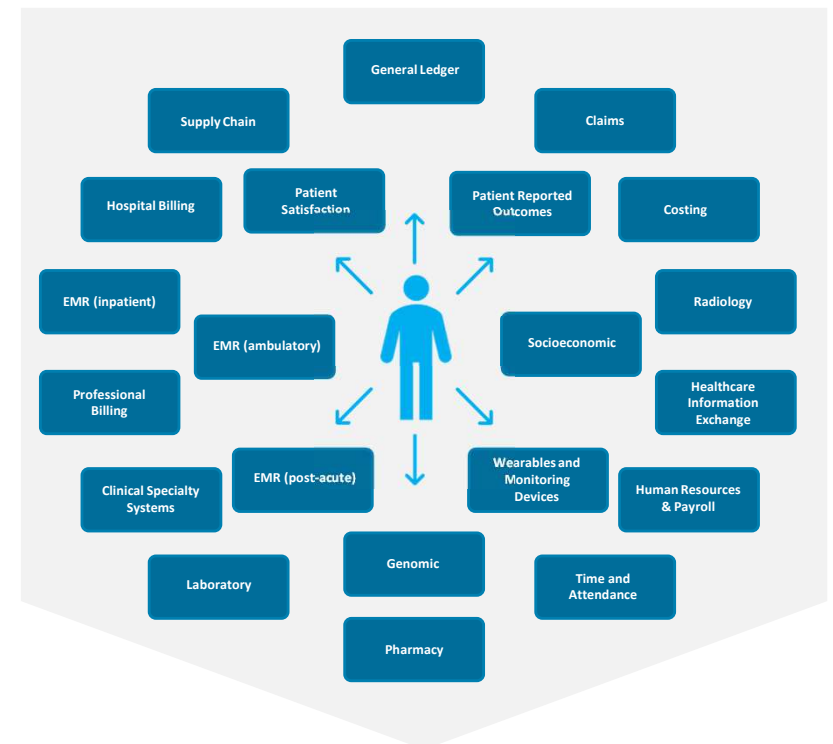
Waste

- A volume-based US healthcare reimbursement model with \$1 trillion/year of overspend⁽¹⁾
- This has led insurers to change to a value-based reimbursement model, but this will take time

Changing Economics

- During the next few decades, both margin pressure and the move to value-based care present economic complexity and change that require **data, analytics & improvement** expertise

Data Complexity



Managing this long-term complexity requires advanced capabilities in data, analytics & improvement

(1) According to estimates in 2019. Research estimates 25% of U.S. healthcare spending is wasteful in nature, implying approximately \$1 trillion of waste amongst \$3.8 trillion of total healthcare expenditure in 2019



Blue Chip Customer Base



>350 customers⁽¹⁾ include academic medical centers, integrated delivery networks, community hospitals, large physician practices, ACOs, health information exchanges, health insurers, and other risk-bearing entities



(1) As of 12/31/20; total customers inclusive of DOS Subscription and Other customers
Note: Representative customer list



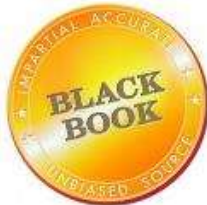
Externally-Validated Industry Leadership



Broad Recognition



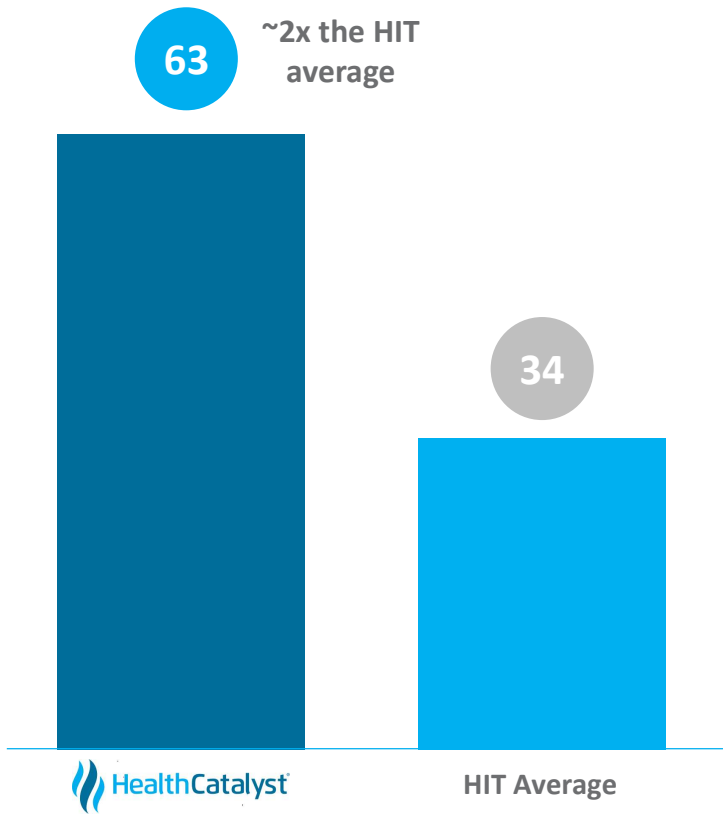
2019 Highest
Client Satisfaction



Chilmark Healthcare Analytics Report⁽¹⁾

Vendor	Product Grade	Market Grade
Allscripts	B+	B
Arcadia	A-	A-
Athenahealth	B+	B+
CareEvolution	A-	A-
Cerner	A	A-
Change Healthcare	B-	B-
eCW	C+	B-
Epic	A	A
Forward Health Group	B-	B
Health Catalyst	A	A
HealthEC	B+	C+
IBM Watson Health	B	B-
Innovaccer	B-	C+
Lightbeam	B-	B
MedeAnalytics	B	B
Meddecision	C	C-
MEDITECH	B	C+
NextGen	B	B+
Optum	B+	B+
Philips	C+	C+
SCIO-EXL	C+	C-
SpectraMedix	C	C+
SPH Analytics	B-	B-

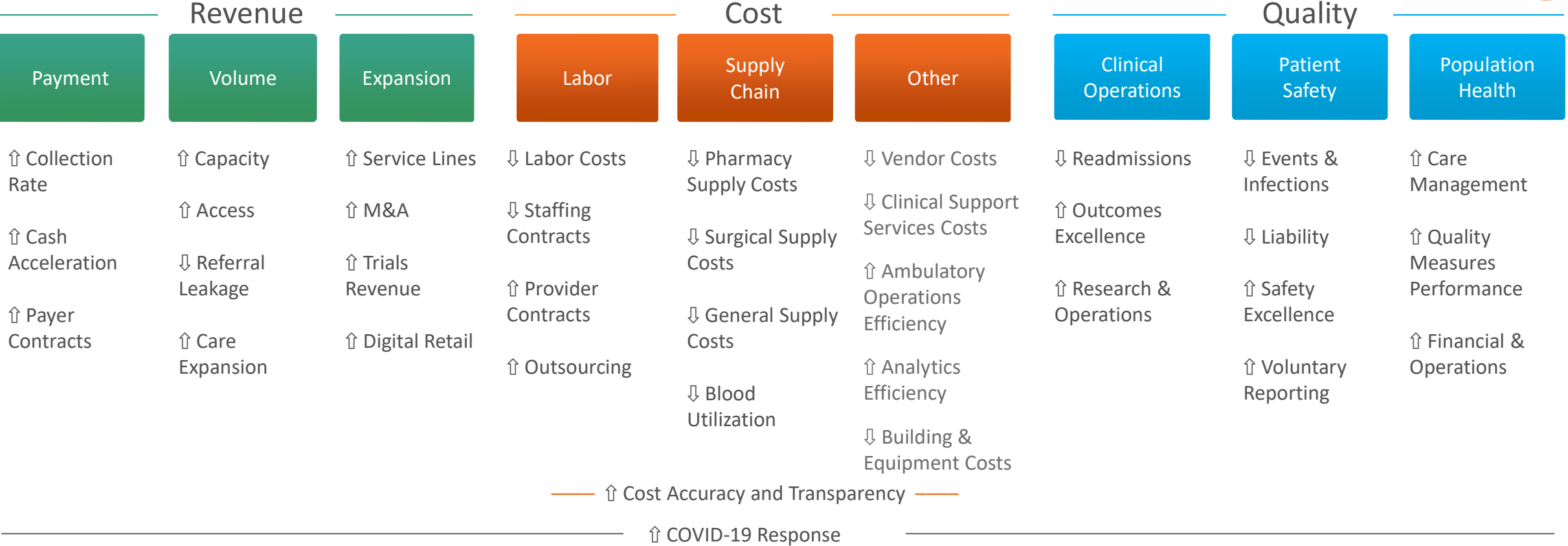
KLAS Evangelism Score⁽²⁾



(1) © 2019 Chilmark Research. Source: 2019 Provider Analytics Market Trends Report.
(2) Similar to a net promoter score, as of 12/31/20



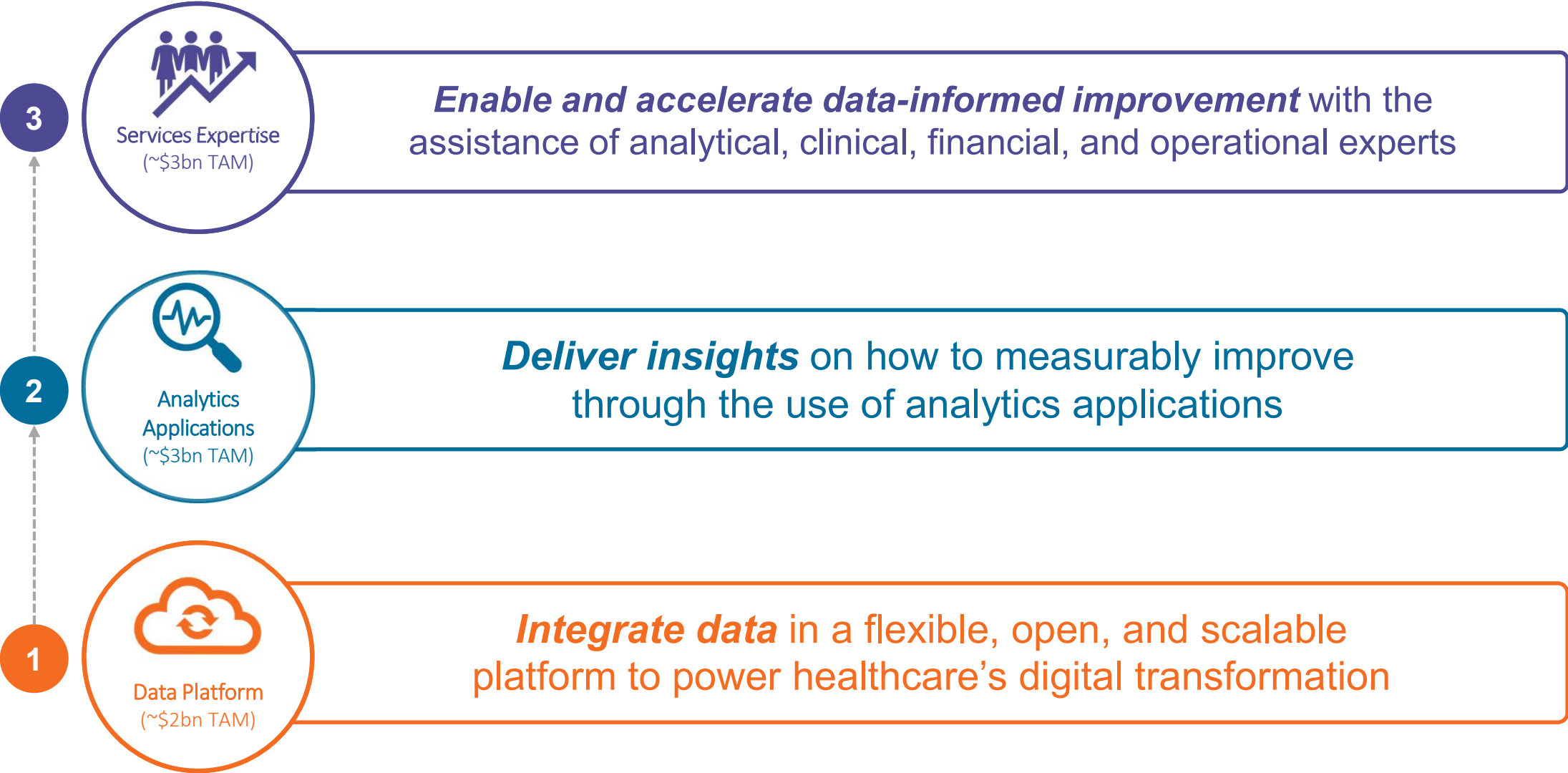
Healthcare Success: Proven Methodology



- 1 Integrate All Revenue, Cost, and Quality Data
- 2 Identify Variation and Generate Actionable Analytics Insights
- 3 Apply Expertise to Drive Sustainable Improvements
- 4 Quantify and Communicate Value



Comprehensive Solution for Data-informed Improvement



Comprehensive Solution for Data-informed Improvement



3 Services Expertise: Analytical, clinical, financial, and operational experts facilitate and accelerate measurable improvement

Clinical, Financial, and Operational Domain Experts

Analysts, Data Scientists, and Data Engineers

Strategic Consulting · Readiness Assessment · Opportunity Analysis · Governance · Outcomes Improvement · Population Health · Training

2 Analytics Applications: A robust set of applications, built on top of DOS, that generate meaningful insights for improvement

Foundational Software Applications

Registries & Measures Authoring (Population Builder)



Benchmarking (Touchstone™)

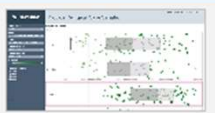


Dashboards & Reporting (Leading Wisely™)



Domain-Specific Software Applications

Activity-based Costing (CORUS™)



Care Management



Quality and Regulatory Measures



Revenue Improvement and Workflow Optimization



Labor Optimization (PowerLabor™)



Patient Safety (Patient Safety Monitor™)



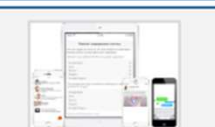
Population Health Foundations



EMR Embedded Insights (Care Gap Closure)



twistle Patient Engagement and Digital Access



Tailored Analytics Accelerators

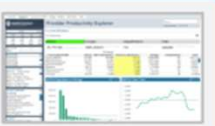
Clinical

(Sepsis, Readmissions, Heart Failure, Joint Replacement, CLABSI, COPD, etc.)



Financial

(Payment Model Analyzer, Financial Management, Revenue Cycle, Hierarchical Condition Categories, etc.)



Operational

(Supply Chain, Patient Flow, Surgical Services, Labor Management, Practice Management, etc.)



1 The Data Operating System (DOS™): A healthcare-specific, open, flexible, scalable platform for analytics, application development, and interoperability



Data Warehouse



Source Connectors



Cloud-based



Reusable Data Logic



Machine Learning



Terminology Services



Closed-Loop EMR Integration



Text Processing

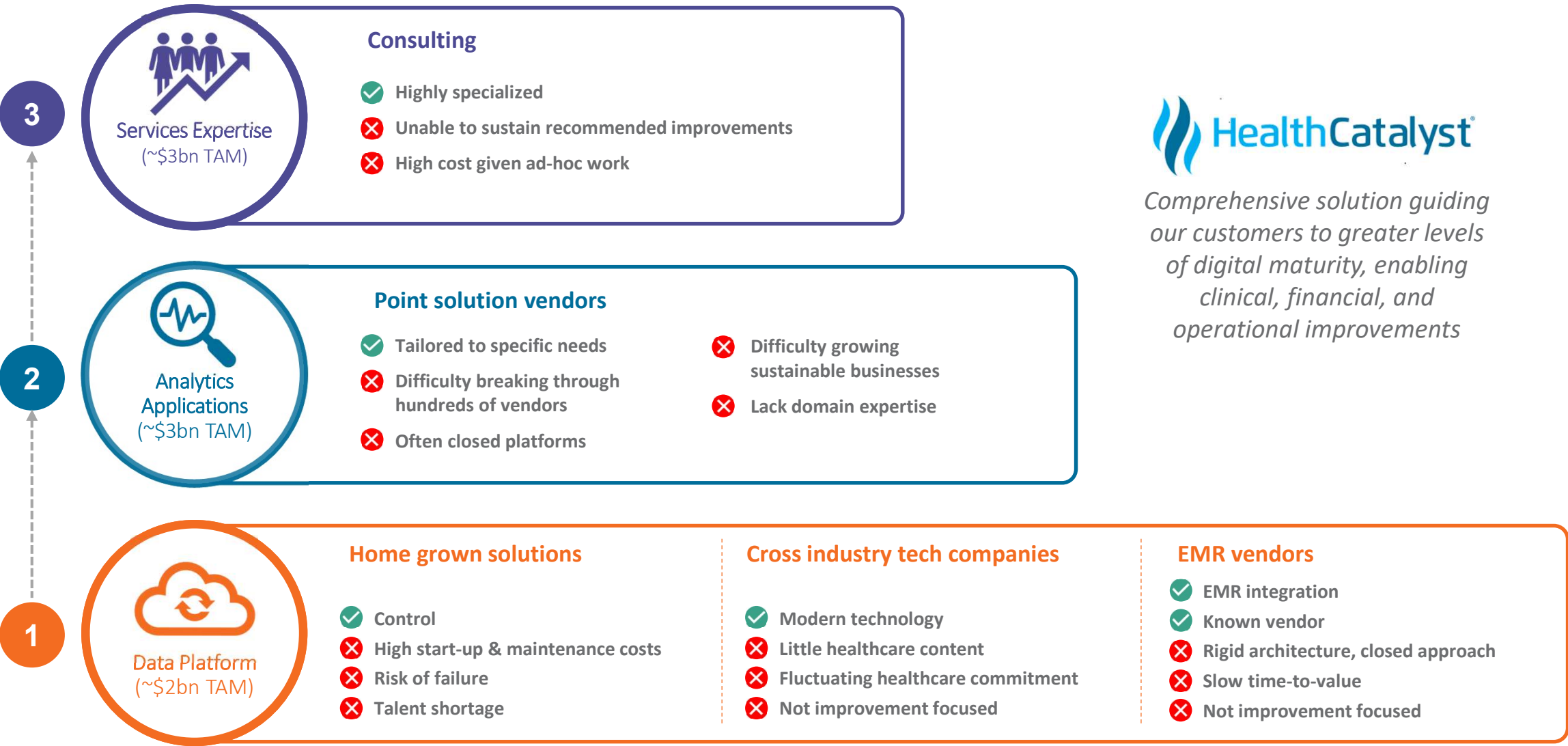


Real-time Streaming & Interoperability



Big Data

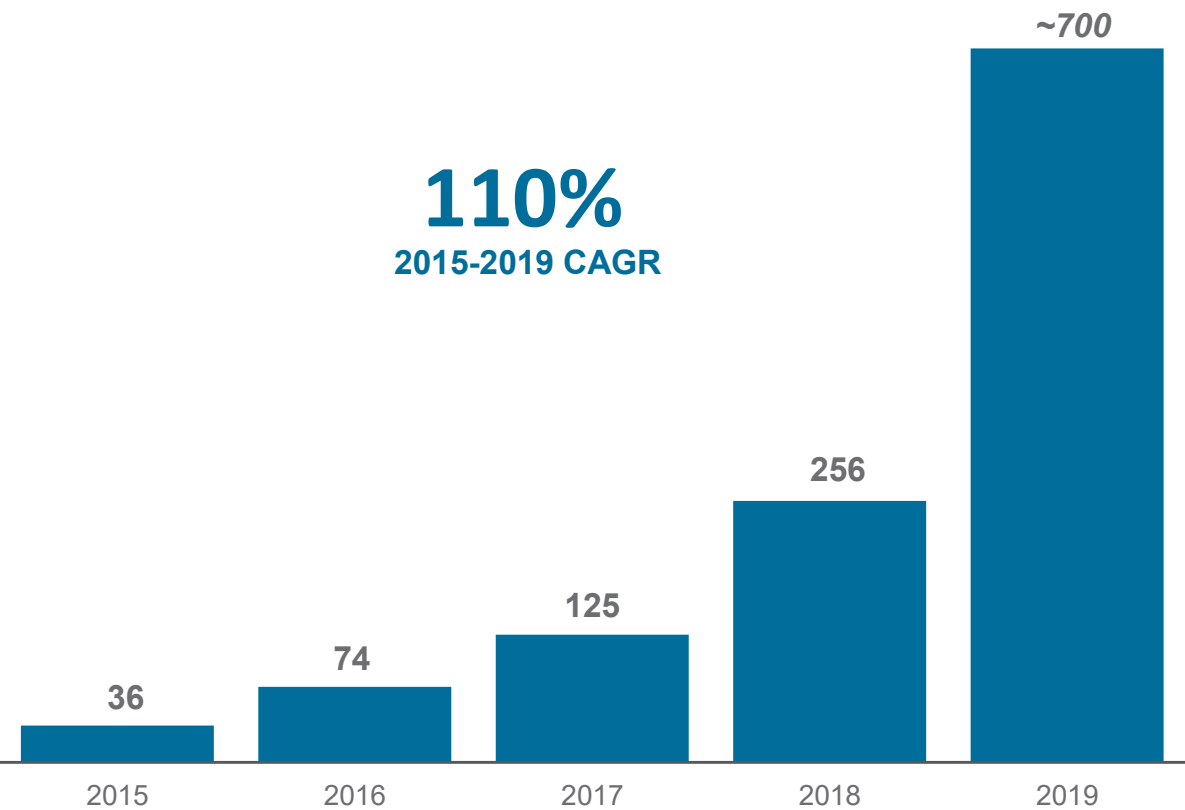
Highly Differentiated, Comprehensive Solution



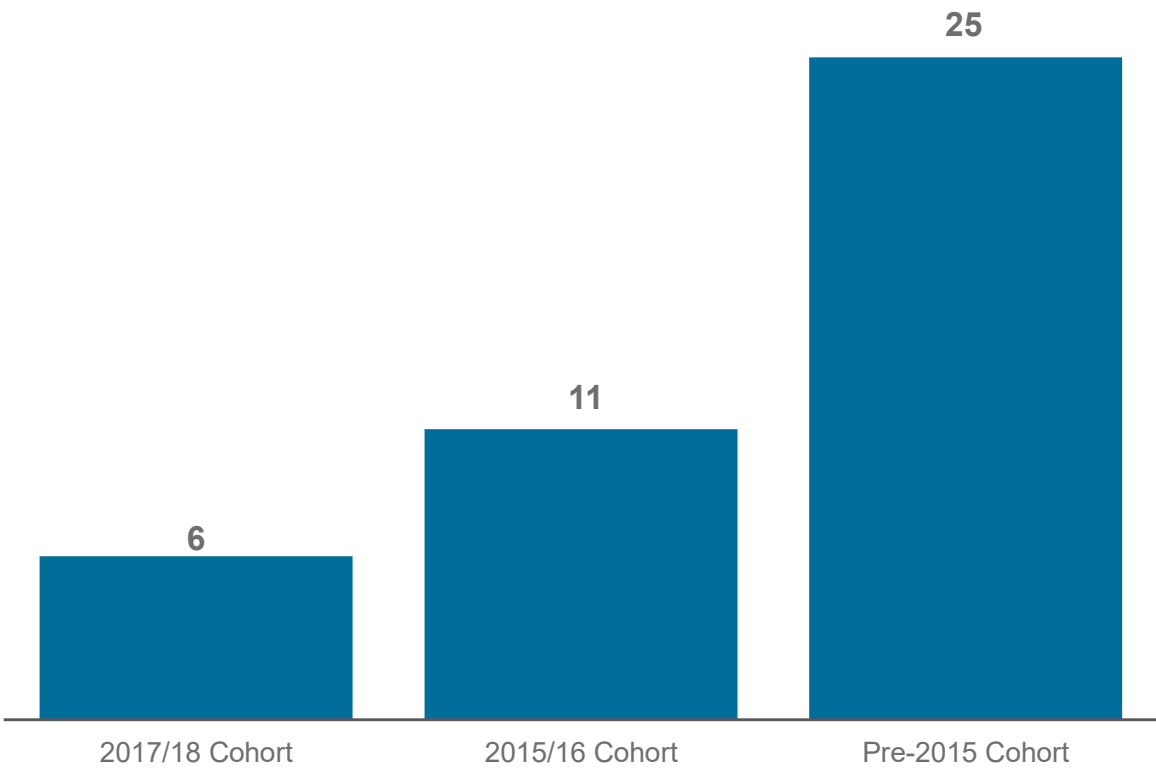
Customers' Realized Improvements Accelerate Over Time, Reinforcing Decisions to Renew and Expand



Documented Improvements Achieved by Period



LTM Average Documented Improvements per Customer⁽¹⁾

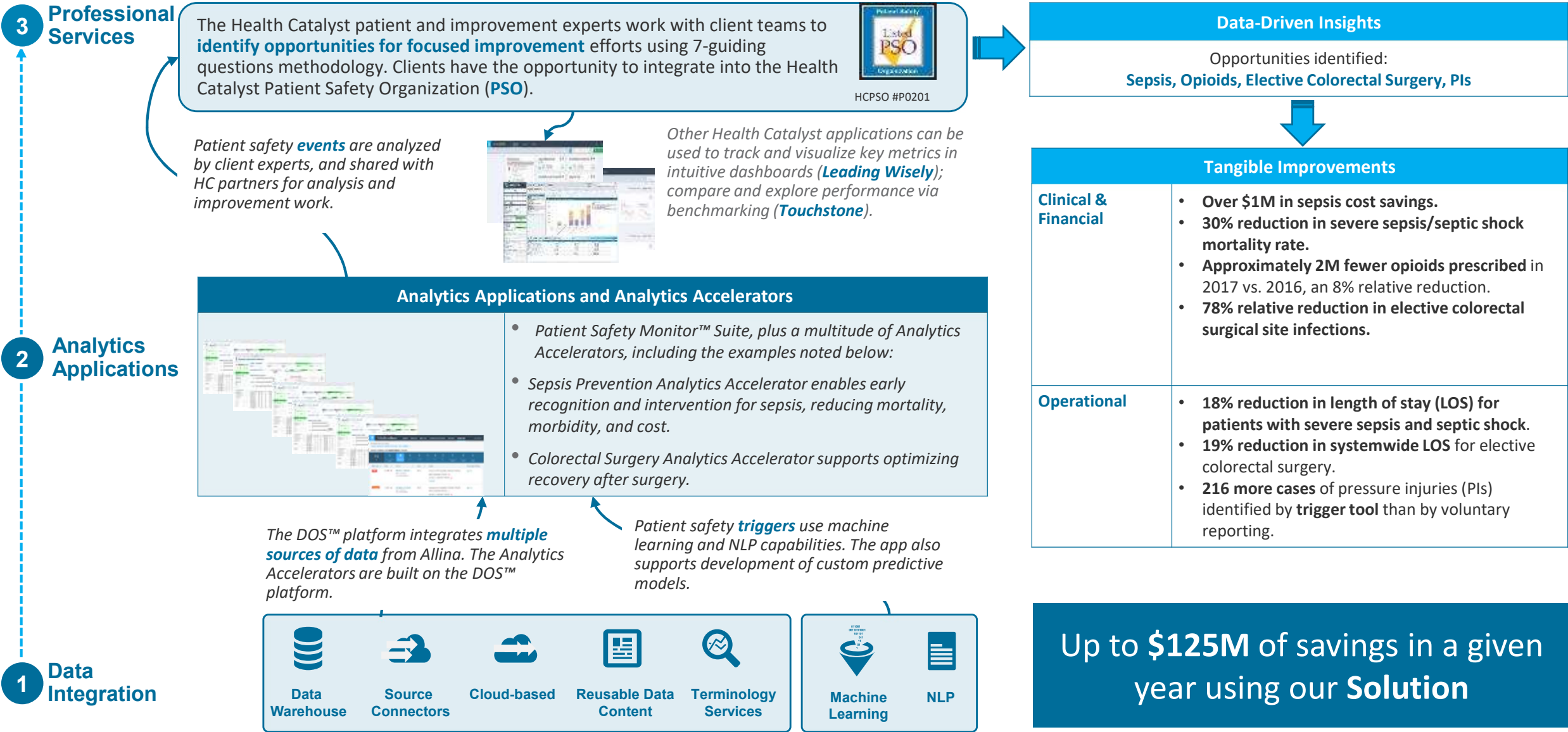


~1,300 documented improvements across a blue-chip customer base

(1) LTM as of December 31, 2019; excludes acquisition-acquired customers; cohort names correspond to the date the customers first began working with the Company and figures represent the average improvements per active client in each cohort



Allina Health Uses the Patient Safety Monitor™ Suite & Analytics Accelerators to Improve Patient Safety

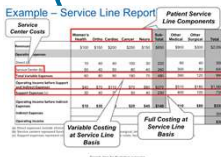


UPMC Uses the CORUS™ Suite to Drive Financial & Clinical Improvement

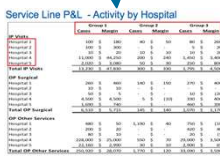


3 Professional Services

Nationally recognized domain experts work with UPMC teams to **define what should be measured** and to **quantify the projected value and effort** for each improvement opportunity.



Integrated **financial and clinical outcome reports** are provided to UPMC leadership teams for eleven different service lines.



Accessible and interactive financial application shows how improvement efforts are impacting **service-line margins**.

2 Analytics Applications

The CORUS™ Suite

Activity-Based Costing

Cost Insights

- Activity-based costing and insights into the true cost of patient care to drive decisions.
- Support for service line reporting relating cost to patient outcomes.
- Acceleration of cost-management transformation.

The CORUS Suite is built on the DOS platform and integrates **multiple sources of data** from UPMC.

1 Data Integration

Data Warehouse

Source Connectors

Cloud-based

Reusable Data Content

Terminology Services

Machine Learning

NLP

Data-Driven Insights

Opportunity identified:
\$42M in net savings for FY2017

Tangible Improvements

Clinical and Financial	\$38M in improvements, including: <ul style="list-style-type: none">\$15M in supply, drug, and pharmaceutical reduction initiatives.\$13M through reduction of under-utilized clinical space.\$5M after restructure of OB programs.
Operational	<ul style="list-style-type: none">3-day reduction in time to close -executives receive financial data up to 3 days sooner.Up to 97% improvement in time to access service line performance information.50% reduction in FTE required for interdepartmental cost management integration.



Memorial Hospital at Gulfport Used Analytics to Avoid Regulatory Penalties, Lower Length of Stay, and Improve Care Coordination



3 Professional Services

To further build their knowledge and skills in implementing organizational improvement and change, a cross-functional team from Memorial attended the Health Catalyst **Accelerated Practices Program**, an immersive and experiential program designed to prepare healthcare teams to accelerate improvement and lead change throughout the organization supported through the effective use of analytics.

DOS and analytics enabled Memorial to quickly identify and report its regulatory measures, and to track and monitor progress on its LOS initiatives, including the improvement of its weekend discharge process, and the active monitoring of readmission rates to ensure any decreases in LOS did not adversely impact its readmission rates.



Data-Driven Insights

Opportunities identified:
Centers for Medicare and Medicaid Services (CMS) penalty avoidance. LOS, which impacts clinical outcomes by minimizing the risk of hospital-acquired conditions and reduces costs (i.e., supplies, medication, staffing). Care coordination and physician engagement.

2 Analytics Applications

DOS and Analytics Accelerators

- Experiencing declining revenue related to changes in reimbursements, Memorial partnered with Health Catalyst to establish a systematic, data driven approach to reduce its LOS in an effort to lower costs and risk for patients.
- Additionally, faced with a potential 4 percent regulatory penalty, Memorial needed a way to quickly integrate and analyze its outcome measures.
- Memorial leveraged DOS and analytics accelerators to address these challenges.

*DOS integrates and organizes **over 20 of Memorial's different data sources**, many of which were necessary for regulatory reporting and its length of stay (LOS) initiative.*

1 Data Integration

Data Warehouse**Source Connectors****Cloud-based****Reusable Data Content****Terminology Services****Machine Learning****NLP**

Tangible Improvements	
Clinical & Financial	<ul style="list-style-type: none">\$2M in cost savings, the result of decreased LOS and decreased utilization of supplies and medications.0.47-day percentage point reduction in LOS, enabled by improved care coordination and physician engagement.Avoided a 4% Medicare reimbursement adjustment from the Physician Quality Reporting System (PQRS) and the CMS' Value-Based Payment Modifier (VM) programs by being able to quickly pull together the data that was needed by the submission deadline—data that was locked in two separate EHRs.
Operational	<ul style="list-style-type: none">3% increase in the number of discharges occurring on the weekend over one year.



World-class Team Member Engagement

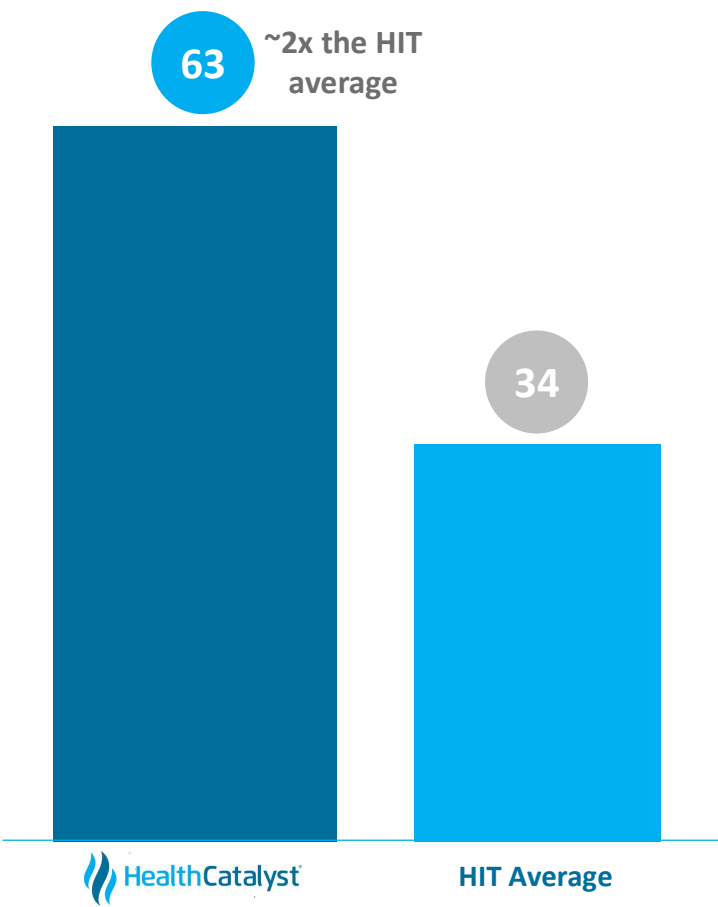
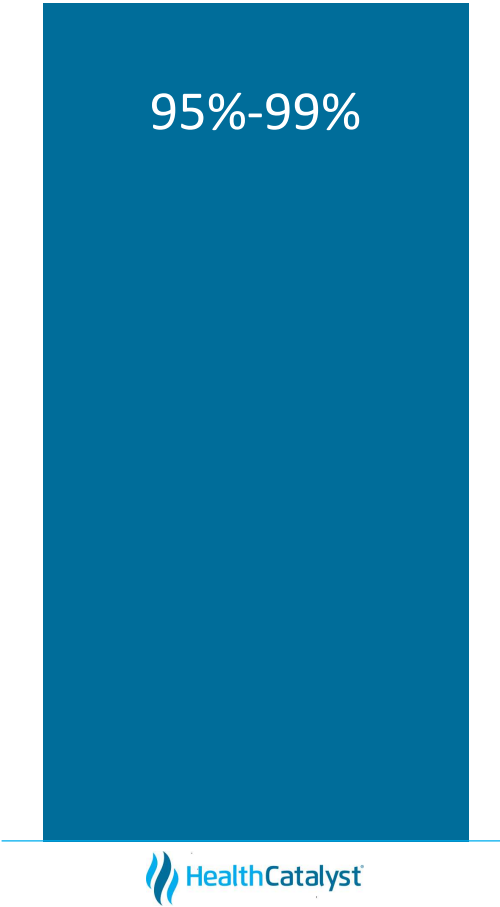
Driving Industry-leading Customer Satisfaction, Renewal, Expansion & Referral



Consistently Recognized as One of the
“Best Places to Work”

2015 – 1H 2021 Gallup Overall
Satisfaction Score Percentile

KLAS
Evangelism Score⁽¹⁾



(1) Similar to a net promoter score, as of 12/31/20



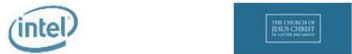
Experienced and Visionary Management Team



Anne Marie Bickmore
Chief Product Officer
Tenure at Health Catalyst: 9 years



Bryan Hinton
Chief Technology Officer
Tenure at Health Catalyst: 9 years



Daniel Burton
Chief Executive Officer and Director
Tenure at Health Catalyst: 10 years



Paul Horstmeier
Chief Operating Officer
Tenure at Health Catalyst: 10 years



Bryan Hunt
Chief Financial Officer
Tenure at Health Catalyst: 7 years



Linda Llewelyn
Chief People Officer
Tenure at Health Catalyst: 8 years



Patrick Nelli
President
Tenure at Health Catalyst: 8 years



Daniel Orenstein
General Counsel
Tenure at Health Catalyst: 6 years



Holly Rimmasch
Chief Clinical Officer
Tenure at Health Catalyst: 9 years



Trudy Sullivan
Chief Communications and Diversity, Equity & Inclusion Officer
Tenure at Health Catalyst: 2 years



Operating Principles

Govern our daily interactions



Improvement

- We are deeply committed to enabling our customers to achieve and sustain measurable clinical, financial, and operational improvements
- We nurture deep, long-term customer partnerships because achieving and sustaining improvement is a transformational journey (not a quick trip)
- We pragmatically balance the vision, priority, and pace of innovation for data and analytics technology. We prioritize innovations that accelerate improvement
- We attract, develop, and retain experts who know best practices in their domain, leverage analytics for insight, and accelerate adoption for sustained improvement

Ownership

- We are accountable, as owners, to enable our customers' measurable improvements
- We make decisions that balance and optimize the interests of our teammates, customers, patients, and owners
- We avoid an entitlement mentality and are good stewards of our assets
- We don't micro-manage and we encourage autonomy while also supporting scalable consistency

Respect

- We recognize the immeasurable value of every individual
- We listen carefully to one another and learn from each of our colleagues
- We care deeply about our colleagues, including teammates, customers, patients, and owners
- We benefit from one another's diverse backgrounds and experiences

Transparency

- We courageously tell the truth and we face the truth
- We are the same company, culture, and people in all settings
- We treat confidential information appropriately, and we protect the private data of our customers' patients
- We recommend the best solutions for our customers, whether or not those solutions come from Health Catalyst



Cultural Attributes

Prioritize in our hiring, retention, and promotion



Continuous Learner

- I can learn from anyone
- I love to learn, and I am a lifelong student
- I recognize my mistakes and correct them quickly; I fail fast
- I am open to and respond favorably to feedback and coaching
- I value my autonomy and use it to gain new knowledge and skills
- I recognize that diversity of perspectives leads to better decisions
- I am self-aware and seek improvement, personally and professionally
- I watch, listen, and learn from others; thank them for their teachings; and apply the teachings to the mastery of my profession

Hard Working

- I have a deep commitment to massive healthcare improvement
- I stick to the task until the job is completed, then take on new work
- I lead a balanced, healthy life that enables me to sustain my pace
- I am willing to contribute more than my fair share to a project
- I make personal sacrifices, as needed, to get the work done
- I recognize that not every part of my job will be fun

Humble

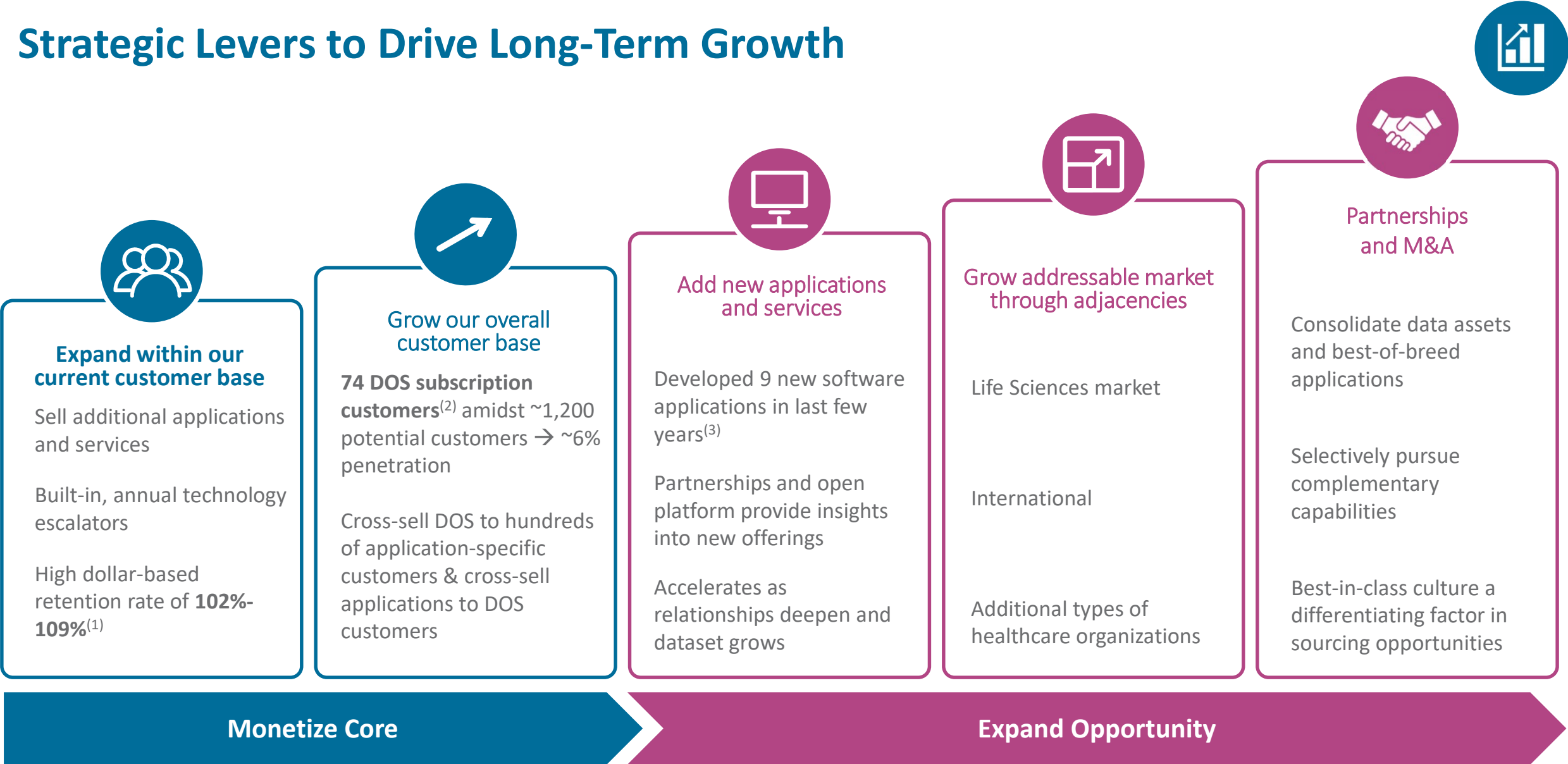
- I listen first
- I assume positive intent
- I ask for help when I need it
- I serve others without looking for recognition
- I am secure in my own abilities (quiet self-confidence)
- I seek to improve myself before trying to improve others
- I am excited when others succeed and I offer sincere praise
- I often acknowledge others for their contributions to my success
- I frequently express gratitude and appreciation to those around me

World-Class

- I strive to be the best in the world at what I do by continuously learning
- I recognize the importance of excellence in pursuit of our mission
- I am well informed about events and trends in healthcare, data, and analytics
- I actively contribute to the company's pursuit of excellence - in the data and analytics technology we build, in the domain expertise we provide, and in the functions that support this important work



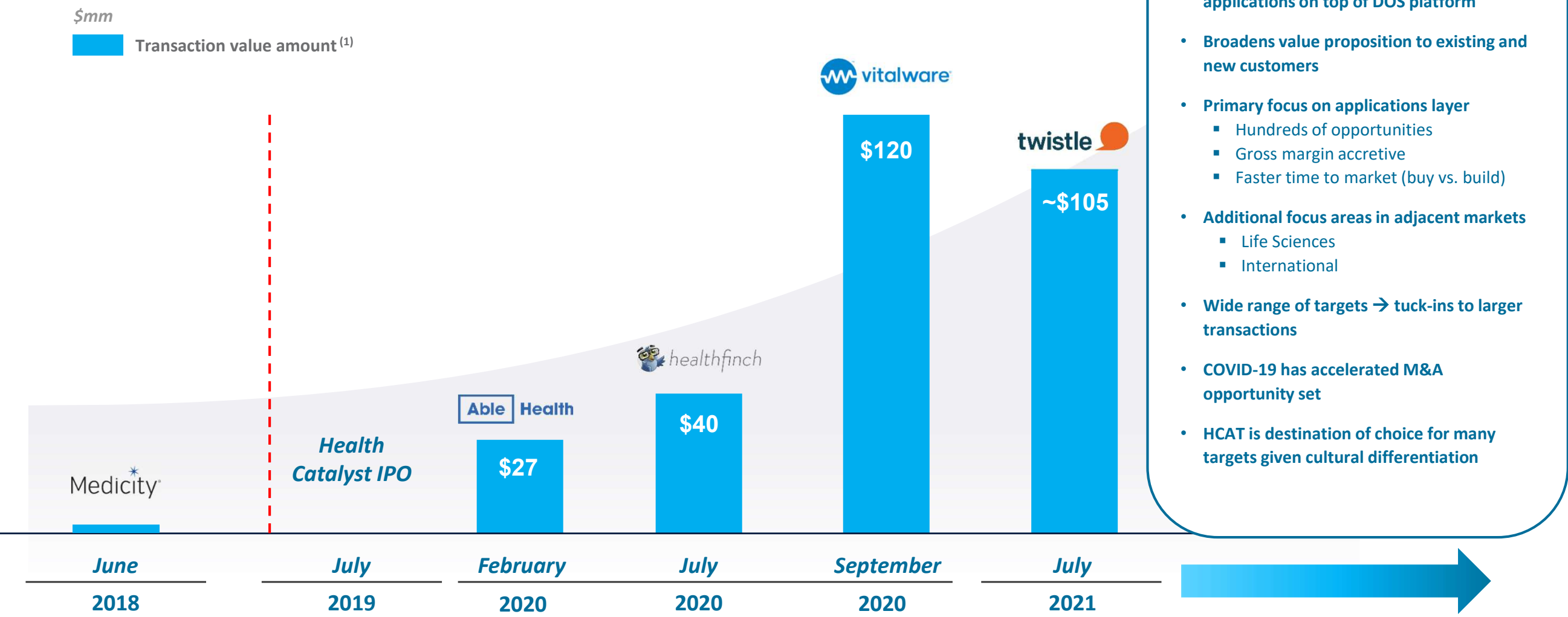
Strategic Levers to Drive Long-Term Growth



(1) Overall range from 2017 - 2020. Excludes customers acquired in Medicity, Able Health, Healthfinch, Vitalware and Twistle acquisitions. 2020 performance of 102% impacted by COVID-19 pandemic.
(2) As of 12/31/20
(3) Added to this figure recently via M&A



Continued Execution of M&A Strategy



M&A Strategy

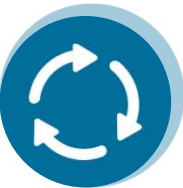




- Ability to integrate and scale software applications on top of DOS platform
- Broadens value proposition to existing and new customers
- Primary focus on applications layer
 - Hundreds of opportunities
 - Gross margin accretive
 - Faster time to market (buy vs. build)
- Additional focus areas in adjacent markets
 - Life Sciences
 - International
- Wide range of targets → tuck-ins to larger transactions
- COVID-19 has accelerated M&A opportunity set
- HCAT is destination of choice for many targets given cultural differentiation

Note: Transaction close date shown
(1) Transaction value includes only the upfront purchase price amount anticipated at the time of the execution of the respective acquisition agreements

Attractive Financial Model



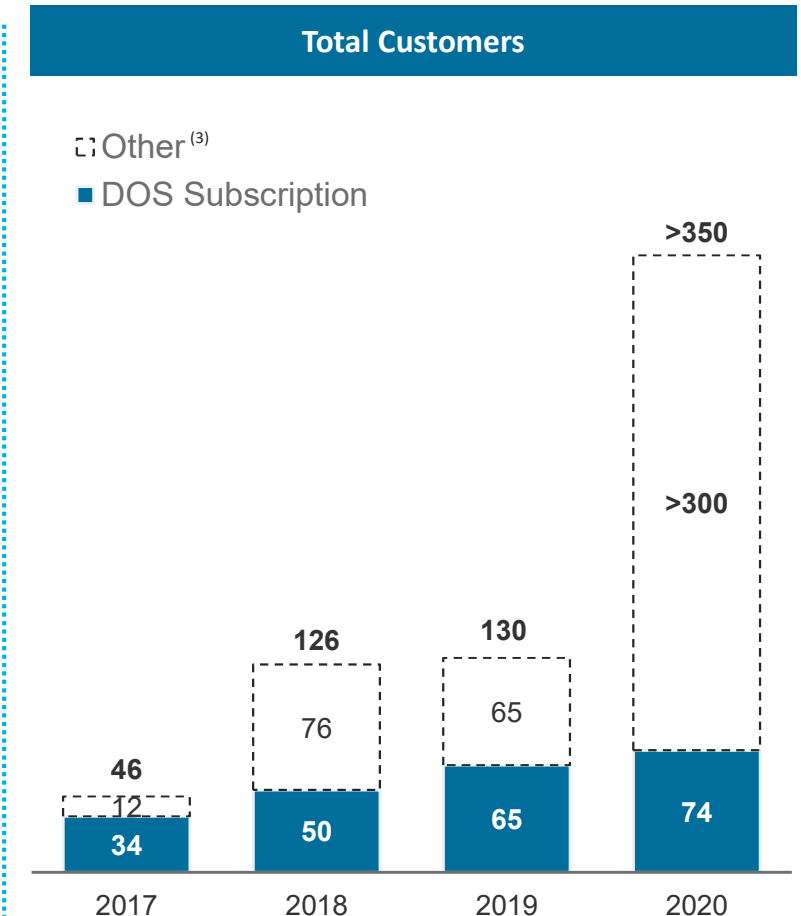
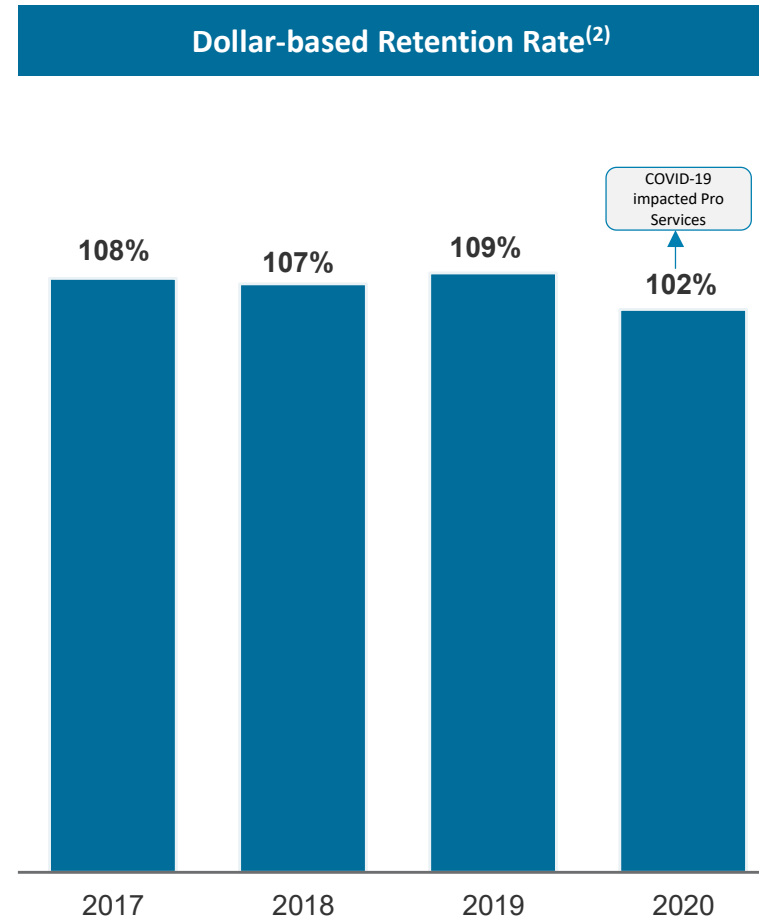
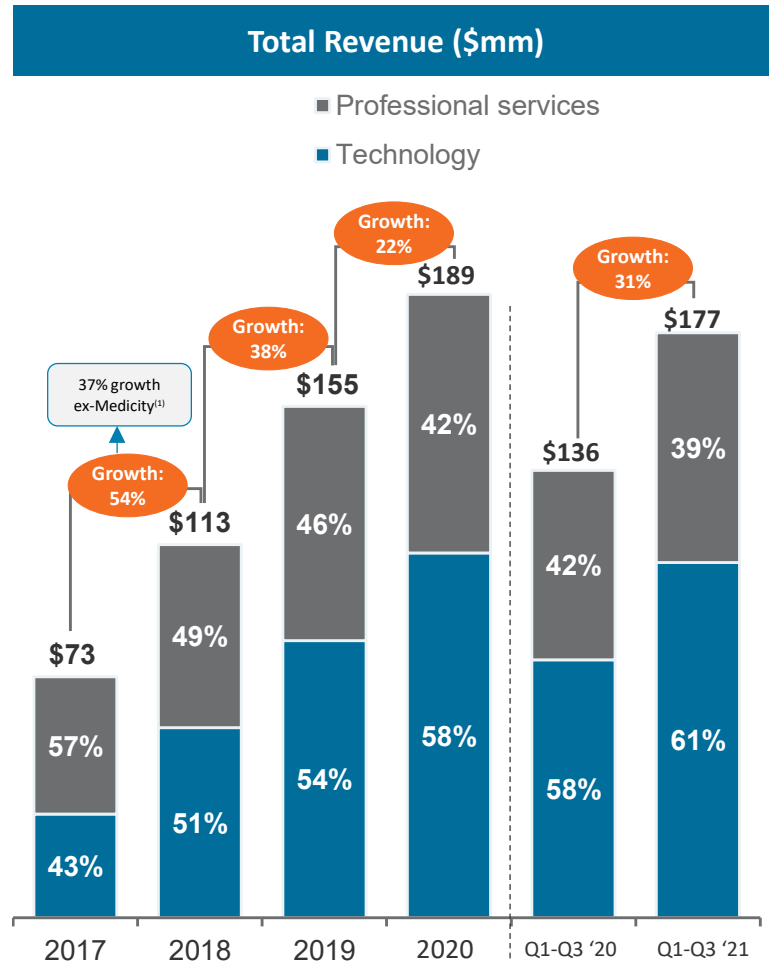
1) In 2020
 2) Long-term annual revenue growth goal. Given the unknown timeline and the near-term uncertainty of COVID-19 on our business, we are unable to predict the extent to which the global COVID-19 pandemic may adversely impact our business operations, financial performance, and results of operations. Therefore, this figure represent our long-term goals following the impact resulting from the COVID-19 pandemic. Please refer to our Q4 2020 earnings release and our associated Form 10-K for more details.
 3) Overall range from 2017 - 2020. Excludes customers acquired in Medicity, Able Health, Healthfinch, Vitalware and Twistle acquisitions. 2020 performance of 102% impacted by COVID-19 pandemic.
 4) DOS subscription customers only.
 5) Adjusted Gross Margin. We define Adjusted Gross Margin as our Adjusted Gross Profit divided by our revenue – see Appendix and our most recent Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for more information. See Appendix for reconciliation to GAAP.
 6) Excluding D&A, stock-based compensation, tender offer payments deemed compensation, acquisition-related costs, net and duplicate headquarters rent expense.

	Recurring revenue streams across technology, analytics and services	>90%⁽¹⁾ Recurring Revenue
	Long-term Revenue Growth Target	20%+⁽²⁾ Long-term Growth Target
	Strong customer retention and stickiness	<div> 102%-109%⁽³⁾ Dollar-based Retention Rate </div> <div> 34⁽⁴⁾ → 74⁽⁴⁾ 2017 Customers 2020 Customers </div>
	Improving gross margin	<div> 41%⁽⁵⁾ → 53%⁽⁵⁾ 2017 Gross Margin Q1-Q3 2021 Gross Margin </div>
	Continued operating leverage	<div> 90%⁽⁶⁾ → 56%⁽⁶⁾ 2017 Operating Expense % of Revenue Q1-Q3 2021 Operating Expense % of Revenue </div>



High Engagement, Satisfaction & Expansion

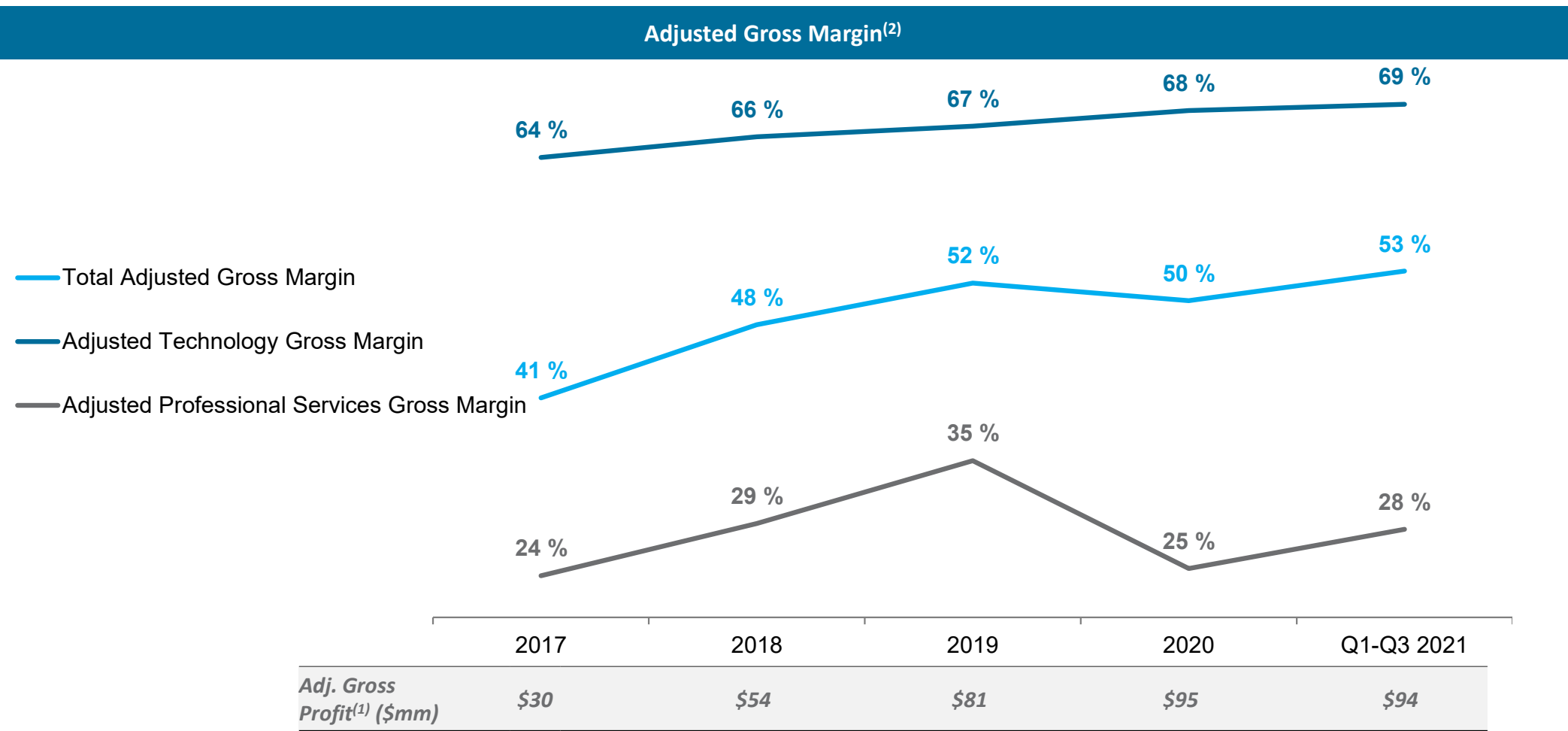
Produces a High-Growth, Predictable, Recurring Revenue Business



(1) Excludes impact of Medicity acquisition, which occurred on June 29, 2018. (2) We calculate our dollar-based retention rate as of a period end by starting with the sum of the Annual Recurring Revenue (ARR) from all customers as of the date 12 months prior to such period end (prior period ARR). We then calculate the sum of the ARR from these same customers as of the current period end (current period ARR). Represents DOS customers. (3) Vast majority of Other customers were acquired via 2018 Medicity acquisition and 2020 acquisitions of Vitalware, Healthfinch and Able Health.



High Engagement, Satisfaction & Expansion Leads to Technology Gross Margin Expansion




(1) Adjusted Gross Profit is a non-GAAP financial measure that we define as revenue less cost of revenue, excluding depreciation and amortization and excluding stock-based compensation, tender offer payments deemed compensation, and post-acquisition restructuring costs. Please see the Appendix and our recent Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for more details.

(2) We define Adjusted Gross Margin as our Adjusted Gross Profit divided by our revenue. Please see the Appendix and our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q for more information.



Long Term Target Model (Non-GAAP)



		2017	2018	2019	2020	Q1-Q3 2021	Long-Term Goals ⁽⁴⁾
Total Revenue Growth			54% <hr/> 37% Excl. Medicity ⁽¹⁾	38%	22%	31%	20%+ 
Adj. Gross Margin ⁽²⁾		41%	48%	52%	50%	53%	Tech: mid-70% Pro Serv: mid-30% Overall: high 50%
Operating Expenses ⁽³⁾	S&M as % of Sales	34%	34%	28%	22%	20%	
	R&D as % of Sales	38%	32%	27%	24%	21%	
	G&A as % of Sales	18%	16%	15%	15%	15%	
Adj. EBITDA Margin ⁽³⁾		(48%)	(34%)	(18%)	(11%)	(3%)	20%+

~11%-13%

~7%-9%

New customers
Existing customers

(1) We acquired Medicity on June 29, 2018. We expect flat to declining revenue from Medicity customers in the foreseeable future. As the Medicity acquisition closed on June 29, 2018, we expect Medicity will impact our organic overall growth rate moving forward.

(2) Adjusted Gross Profit is a non-GAAP financial measure that we define as revenue less cost of revenue, excluding depreciation and amortization and excluding stock-based compensation, tender offer payments deemed compensation, and post-acquisition restructuring costs. We define Adjusted Gross Margin as our Adjusted Gross Profit divided by our revenue. Please see the Appendix and our recent Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for more details.

(3) Excluding D&A, stock-based compensation, tender offer payments deemed compensation, loss on extinguishment of debt, acquisition-related costs, net and duplicate headquarters rent expense. Please see the Appendix and our recent Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for more details.

(4) Given the unknown timeline and the near-term uncertainty of COVID-19 on our business, we are unable to predict the extent to which the global COVID-19 pandemic may adversely impact our business operations, financial performance, and results of operations. Therefore, these figures represent our long-term goals following the impact resulting from the COVID-19 pandemic. Please refer to our recent earnings release and our recent Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for more details.



Appendix

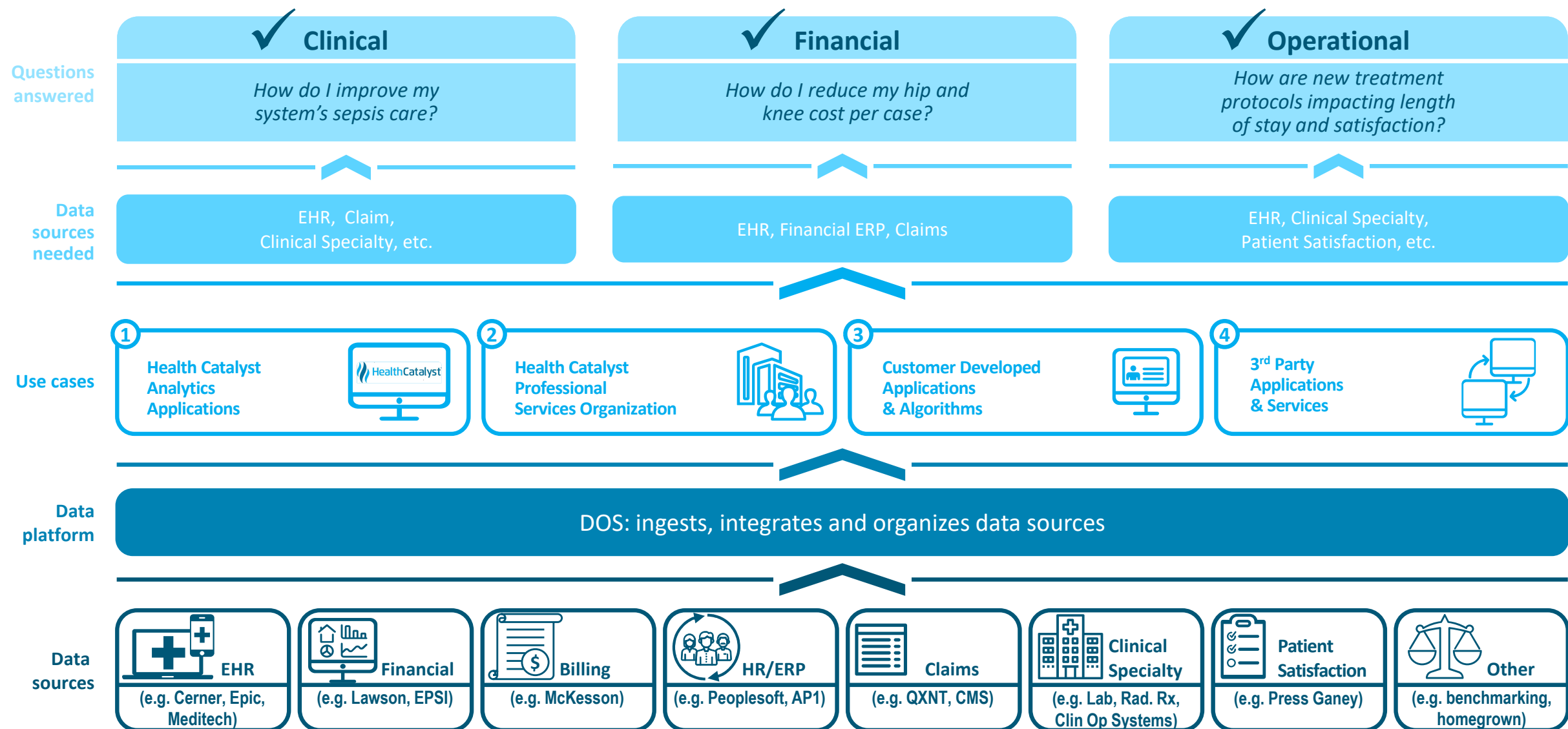


How We Engage With Our Customers

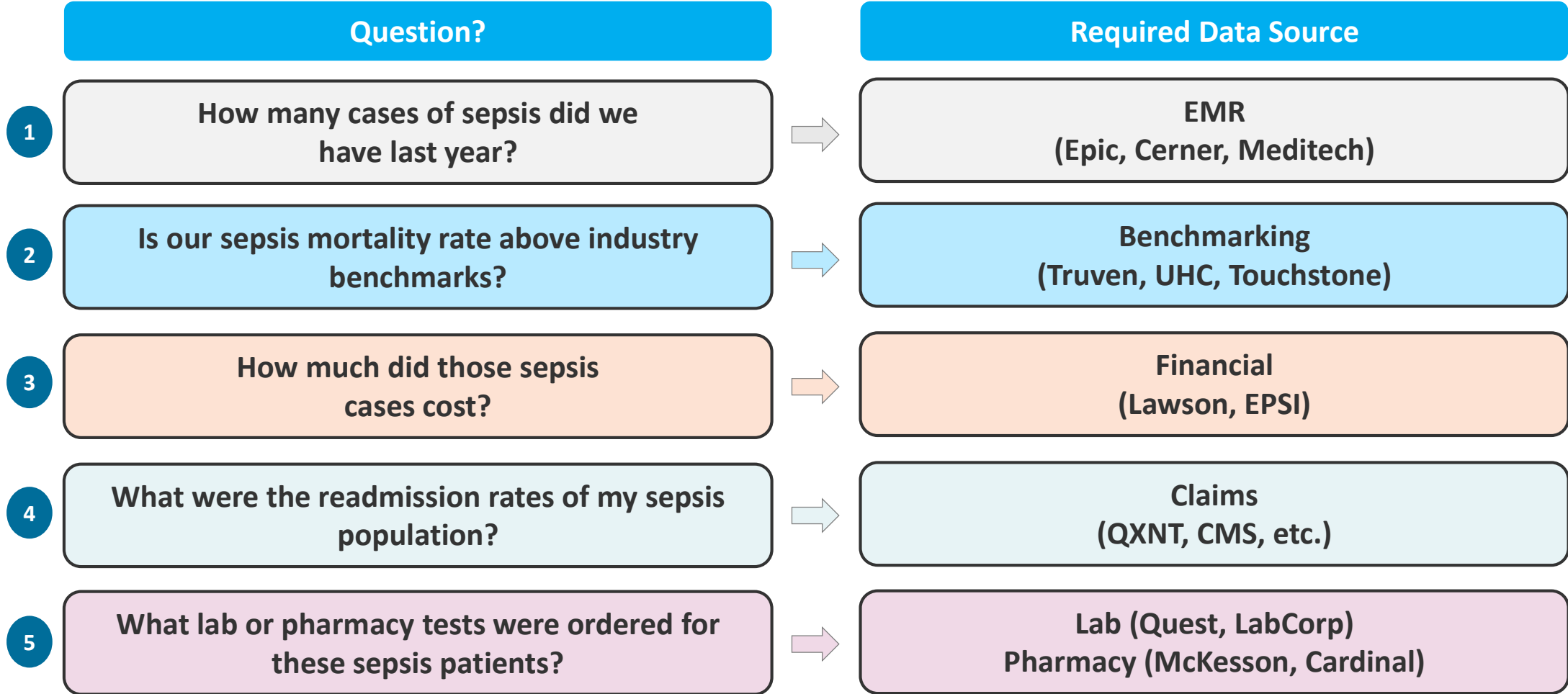
	Option 1	Option 2
	All-Access	Limited-Access / Modular
Overview	Includes subscription access to DOS and all Analytics Applications	Includes subscription access to DOS only or DOS plus selected Analytics Applications
Technology Access Subscription	Based on customer size and data footprint; includes annual price escalators	Includes opportunity to upsell additional applications
<hr/>		
Professional Services Subscription	Recurring access to a specific number of FTEs that is listed in the contract	
	Historically ~70% of our DOS Subscription customers have chosen the all-access model All-access provides customers budget predictability and use-case flexibility and aligns with customers' increases in improvements, data sources, users, and analytics applications	



A single clinical, financial, or operational question often requires integrated data from multiple source systems

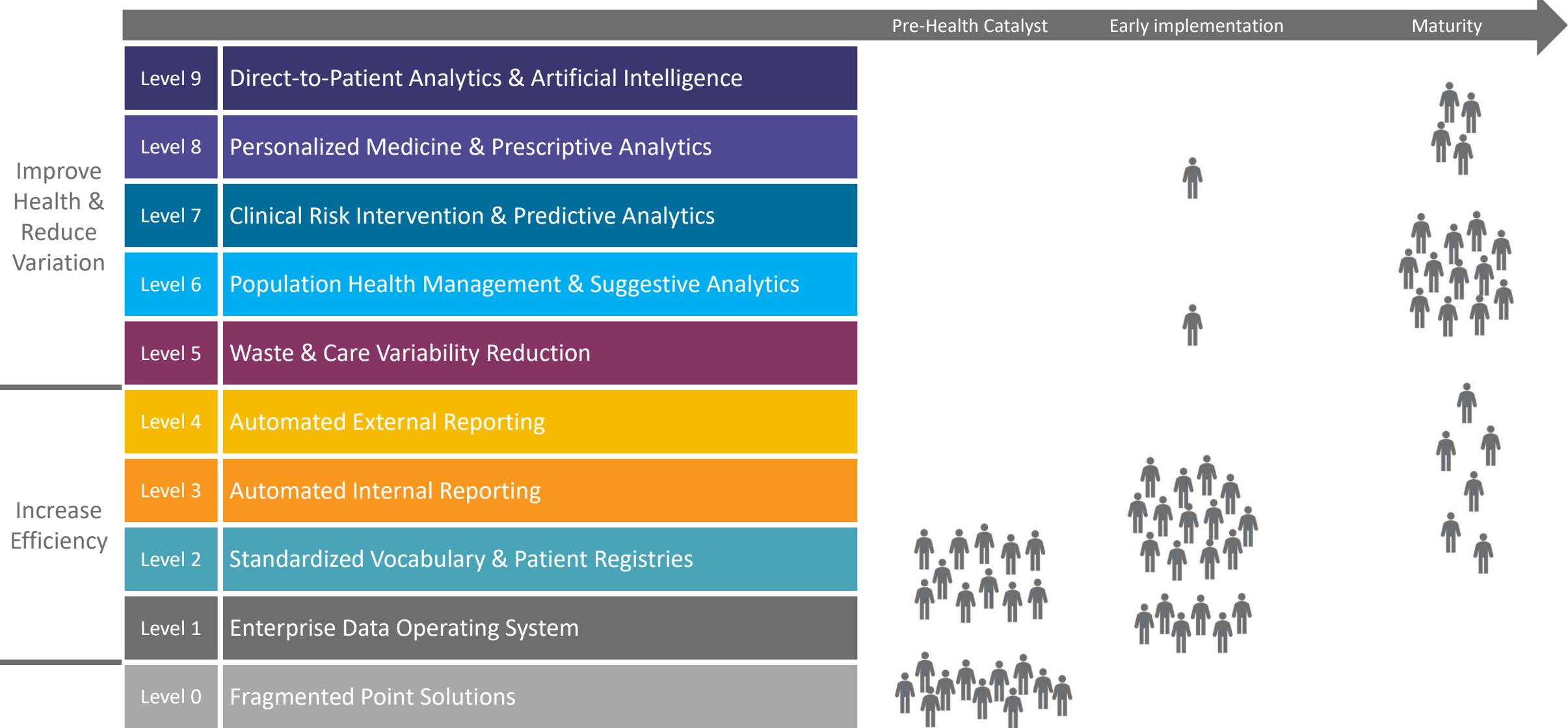


A typical problem facing a healthcare organization most often requires data from multiple source systems: Sepsis example



A Customer's Path to Greater Digital Maturity with Health Catalyst

The Healthcare Analytics Adoption Model



(1) Healthcare Analytics Adoption Model created by Health Catalyst's former CTO Dale Sanders; HIMSS was granted a creative commons copyright, which they call HIMSS Analytics Adoption Model for Analytics Maturity (AMAM) <https://www.himssanalytics.org/amam>



GAAP to Non-GAAP Reconciliation: Gross Profit and Gross Margin

(in thousands, except percentages)	Year Ended 31-Dec-2017		
	Technology	Professional Services	Total
Revenue	\$31,693	\$41,388	\$73,081
Cost of Revenue, Excluding Depreciation and Amortization	(\$11,610)	(\$32,032)	(\$43,642)
Gross Profit, Excluding Depreciation and Amortization	\$20,083	\$9,356	\$29,439
Add:			
Stock-Based Compensation	65	514	579
Adjusted Gross Profit	\$20,148	\$9,870	\$30,018
Gross Margin, Excluding Depreciation and Amortization	63%	23%	40%
Adjusted Gross Margin	64%	24%	41%

(in thousands, except percentages)	Year Ended 31-Dec-2018		
	Technology	Professional Services	Total
Revenue	\$57,224	\$55,350	\$112,574
Cost of Revenue, Excluding Depreciation and Amortization	(\$19,429)	(\$40,423)	(\$59,852)
Gross Profit, Excluding Depreciation and Amortization	\$37,795	\$14,927	\$52,722
Add:			
Stock-Based Compensation	78	480	558
Tender Offer Payments Deemed Compensation ⁽¹⁾	28	284	312
Post-Acquisition Restructuring Costs ⁽²⁾	0	337	337
Adjusted Gross Profit	\$37,901	\$16,028	\$53,929
Gross Margin, Excluding Depreciation and Amortization	66%	27%	47%
Adjusted Gross Margin	66%	29%	48%

(in thousands, except percentages)	Year Ended 31-Dec-2019		
	Technology	Professional Services	Total
Revenue	\$83,975	\$70,966	\$154,941
Cost of Revenue, Excluding Depreciation and Amortization	(\$27,797)	(\$47,548)	(\$75,345)
Gross Profit, Excluding Depreciation and Amortization	\$56,178	\$23,418	\$79,596
Add:			
Stock-Based Compensation	200	968	1,168
Post-Acquisition Restructuring Costs ⁽²⁾	0	108	108
Adjusted Gross Profit	\$56,378	\$24,494	\$80,872
Gross Margin, Excluding Depreciation and Amortization	67%	33%	51%
Adjusted Gross Margin	67%	35%	52%

(in thousands, except percentages)	Year Ended 31-Dec-2020		
	Technology	Professional Services	Total
Revenue	\$110,467	\$78,378	\$188,845
Cost of Revenue, Excluding Depreciation and Amortization	(\$35,604)	(\$62,473)	(\$98,077)
Gross Profit, Excluding Depreciation and Amortization	\$74,863	\$15,905	\$90,768
Add:			
Stock-Based Compensation	803	3,453	4,256
Adjusted Gross Profit	\$75,666	\$19,358	\$95,024
Gross Margin, Excluding Depreciation and Amortization	68%	20%	48%
Adjusted Gross Margin	68%	25%	50%

(in thousands, except percentages)	9-months Ended 30-Sep-2021		
	Technology	Professional Services	Total
Revenue	\$107,630	\$69,580	\$177,210
Cost of Revenue, Excluding Depreciation and Amortization	(\$34,766)	(\$55,711)	(\$90,477)
Gross Profit, Excluding Depreciation and Amortization	\$72,864	\$13,869	\$86,733
Add:			
Stock-Based Compensation	1,481	5,866	7,347
Acquisition-related costs, net ⁽³⁾	30	64	94
Adjusted Gross Profit	\$74,375	\$19,799	\$94,174
Gross Margin, Excluding Depreciation and Amortization	68%	20%	49%
Adjusted Gross Margin	69%	28%	53%

- (1) Tender offer payments deemed compensation relate to employee compensation from repurchases of common stock at a price in excess of its estimated fair value.
- (2) Post-acquisition restructuring costs included in the Adjusted Gross Profit reconciliation relate to severance charges from prior acquisitions.
- (3) Acquisition-related costs, net impacting Adjusted Gross Profit includes deferred retention payments and post-acquisition restructuring costs incurred as part of business combinations

GAAP to Non-GAAP Reconciliation: Adjusted EBITDA

(in thousands)	9 Months Ended September 30,		Year Ended December 31,			
	2021	2020	2020	2019	2018	2017
Net loss	(\$104,218)	(\$71,999)	(\$115,017)	(\$60,096)	(\$61,984)	(\$47,035)
Add:						
Interest and other expense, net	\$12,082	\$7,500	\$11,572	\$3,419	\$2,024	\$1,469
Loss on extinguishment of debt	\$0	\$8,514	\$8,514	\$1,670	\$0	\$0
Income tax provision (benefit)	(\$6,749)	(\$1,218)	(\$1,194)	\$142	(\$135)	\$26
Depreciation and amortization	\$26,604	\$10,952	\$18,725	\$9,212	\$7,412	\$5,892
Stock-based compensation	\$48,724	\$27,283	\$37,957	\$17,844	\$4,198	\$4,241
Tender offer payments deemed compensation ⁽¹⁾	\$0	\$0	\$0	\$0	\$8,318	\$0
Acquisition-related costs, net ⁽²⁾	\$16,787	\$1,666	\$16,758	\$446	\$2,114	\$0
Non-recurring lease-related charges ⁽³⁾	\$1,800	\$709	\$1,398	\$0	\$0	\$0
Adjusted EBITDA	(\$4,970)	(\$16,593)	(\$21,287)	(\$27,363)	(\$38,053)	(\$35,407)

(1) Tender offer payments deemed compensation relate to employee compensation from repurchases of common stock at a price in excess of its estimated fair value.

(2) Acquisition-related costs, net impacting Adjusted EBITDA includes legal, due diligence, accounting, consulting fees, deferred retention payments, and post-acquisition restructuring costs incurred as part of business combinations, and changes in fair value of contingent consideration liabilities for potential earn-out payments.

(3) Includes the lease-related impairment charge for the subleased portion of our corporate headquarters and duplicate rent expense incurred during the relocation of our corporate headquarters.

