



# Overview Presentation

August 2023

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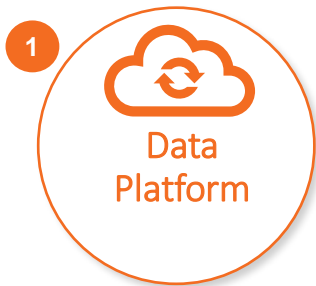
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# Health Catalyst Overview

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**

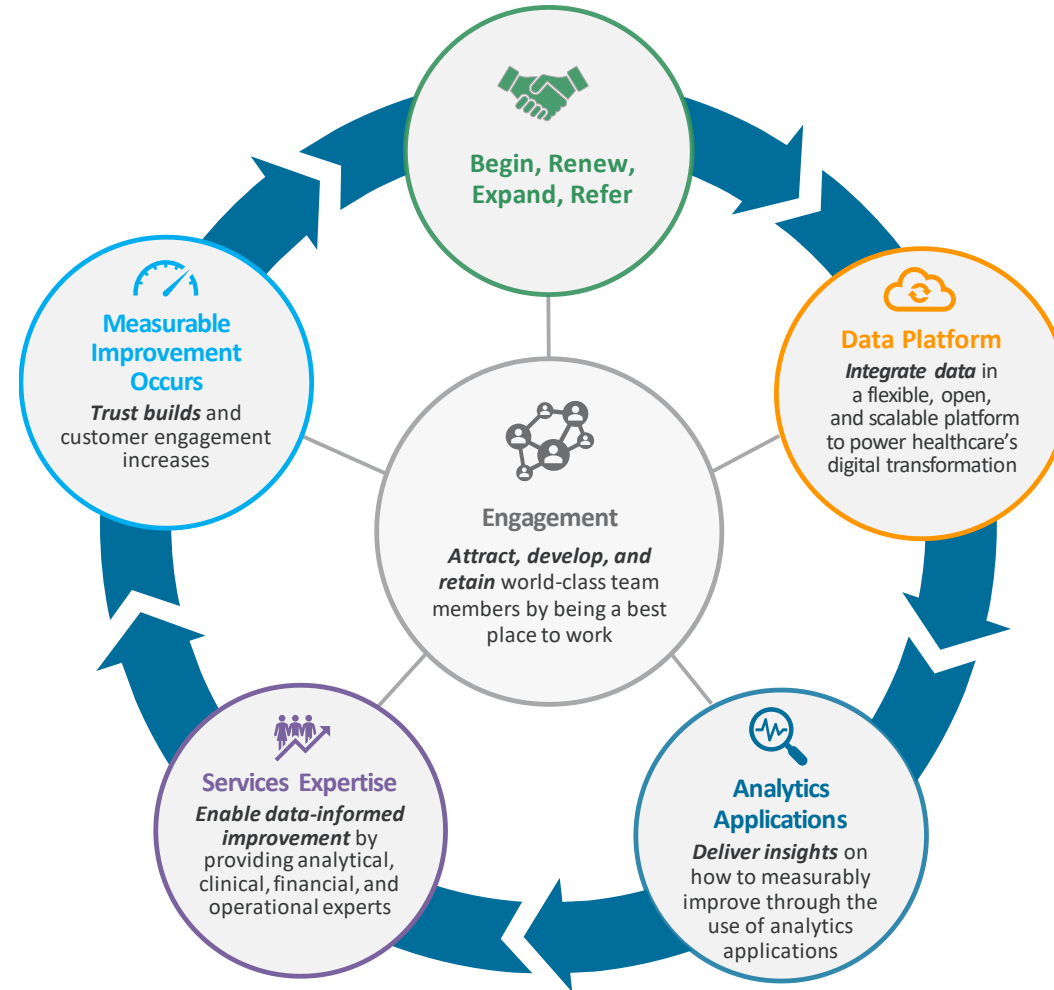


**Enable and accelerate  
data-informed  
improvement**







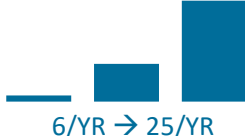


Our clients, which are primarily healthcare providers, use our Solution to manage their data, derive analytical insights to operate their organizations, and produce measurable clinical, financial, and operational improvements

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

Our **flywheel** represents **how** we accomplish our mission—our **company strategy**



# Investment Highlights

	Recognized industry leader in healthcare data & analytics	<div><div>~\$1T<sup>(1)</sup></div><div>WASTE</div></div> <div><div>\$8B<sup>(2)</sup></div><div>TAM</div></div> <div></div>
	Comprehensive solution: data platform, analytics applications & services expertise	<div><div>&gt;300</div><div>DATA SOURCES</div></div> <div><div>~10-100</div><div>TBs / CLIENT</div></div> <div><div>12</div><div>APP SUITES + LIBRARY</div></div> <div><div>&gt;550</div><div>ANALYTICS &amp; DOMAIN EXPERTS</div></div>
	Measurable clinical, financial & operational improvements	<div><div>\$1.5B</div><div>IMPROVEMENTS</div></div> <div><div>340+</div><div>CLIENT CASE STUDIES</div></div> <div><div>6/YR → 25/YR</div></div>
	World-class team member engagement	<div><div>95<sup>th</sup>-99<sup>th</sup></div><div>PERCENTILE ENGAGEMENT</div></div> <div><div>82</div><div>BEST PLACE TO WORK AWARDS</div></div>
	Attractive operating model	<div><div>&gt;90%<sup>(3)</sup></div><div>RECURRING REVENUE</div></div> <div><div>20%+<sup>(4)</sup></div><div>LONG-TERM REVENUE GROWTH TARGET</div></div> <div><div>100%-112%<sup>(5)</sup></div><div>DOLLAR-BASED RETENTION RATE</div></div> <div><div>FY2023E<sup>(6)</sup></div><div>Adj. EBITDA POSITIVE</div></div>

(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) In 2022

(4) Long-term annual revenue growth goal. Given the unknown timeline, impact and near-term uncertainty of macroeconomic challenges (including inflation) and public health emergencies (including the COVID-19 pandemic), we are unable to predict the extent to which such challenges and emergencies may adversely impact our business operations, financial performance, and results of operations. Please refer to our recent earnings releases and our associated Form 10-K and Form 10-Q for more details on these risks.

(5) Overall range from 2017 – 2022 for DOS Subscription Clients, as further defined in our Form 10-K (e.g., excludes clients acquired in Medicity, Able Health, Healthfinch, Vitalware, Twistle, KPI Ninja and ARMUS acquisitions and other non-DOS Subscription Clients). 2020 performance of 102% impacted by COVID-19 pandemic.

(6) Estimated for FY 2023.

# The Problems Health Systems Face



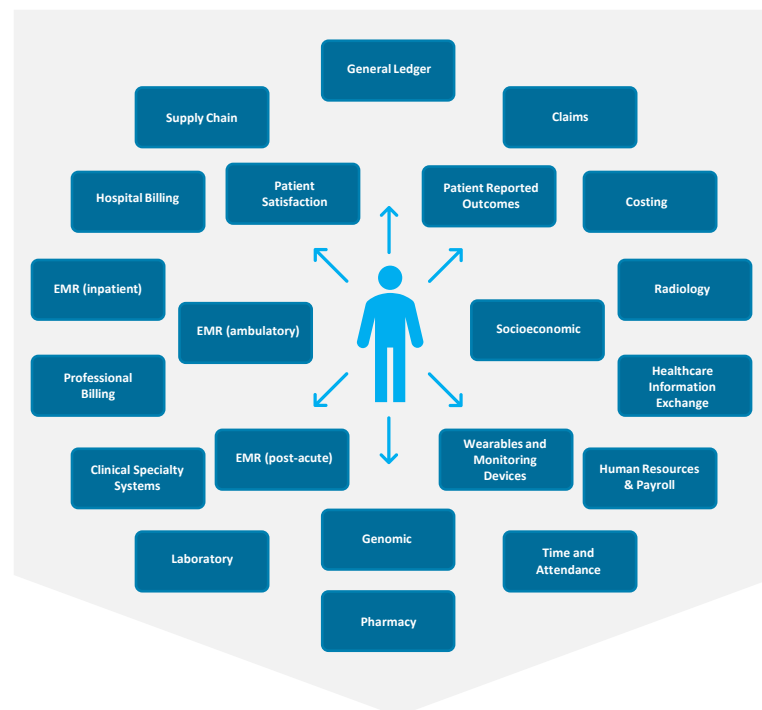
## Waste

- A volume-based US healthcare reimbursement model with \$1 trillion/year of overspend<sup>(1)</sup>
- 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

# Blue Chip Client Base



>520 clients<sup>(1)</sup> include academic medical centers, integrated delivery networks, community hospitals, large physician practices, ACOs, health information exchanges, health insurers, and other risk-bearing entities





# Externally-Validated Industry Leadership



## Broad Recognition



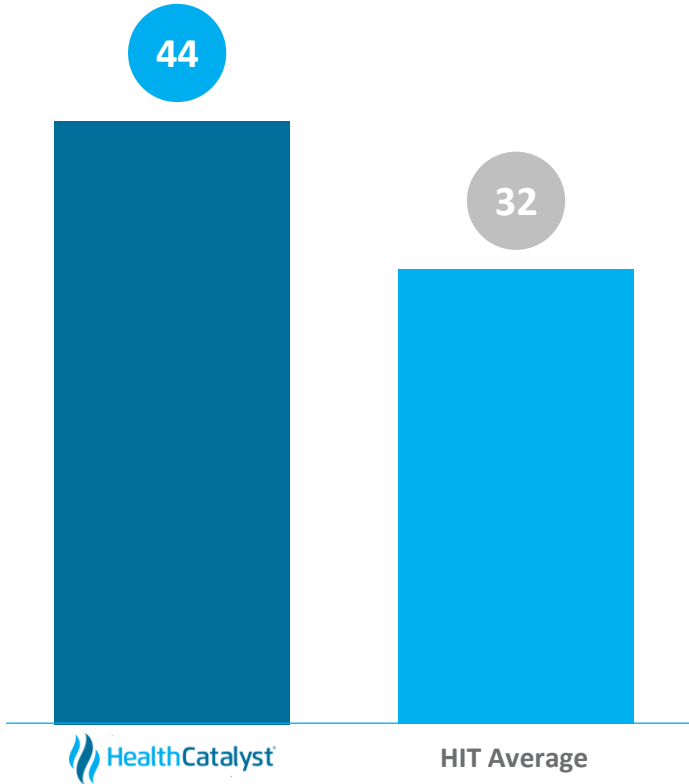
2019 Highest  
Client Satisfaction



## Chilmark Healthcare Analytics Report<sup>(1)</sup>

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
Medecision	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<sup>(2)</sup>



(1) © 2019 Chilmark Research. Source: 2019 Provider Analytics Market Trends Report.  
(2) Similar to a net promoter score, as of 12/31/22. Overall evangelism score is an average of each Health Catalyst solution's average evangelism scores.



# Comprehensive Solution for Data-informed Improvement



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

Analytics Services (Data Analysts, Data Scientists, and Data Engineers)

Domain Expertise & Education Services (Analytics, Clinical, Financial, and Operational)

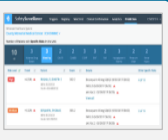
Implementation Services

Tech-Enabled Managed Services (Abstraction, Analytics, etc.)

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

### Clinical & Quality

**Patient Safety**  
(Patient Safety Monitor™)



**Clinical Accelerators**  
(CAUTI, CLABSI, COPD, Diabetes, Falls, Heart Failure, Joint Replacement, Labor and Delivery, Patient Flow, Pneumonia, Readmissions, Sepsis, Stroke, etc.)



twistle

### Population Health

**Care Management**  
(Care Flow™)



**EMR Embedded Insights**  
(Care Gaps & Refills)



**Pop Health Strategy**  
(Value Optimizer™)



**Pop Health Analytics**  
(Pop Analyzer™, Stratify, Pop Insights™)



**Quality and Regulatory Measures**  
(MeasureAble™)



**Patient Engagement**  
(Twistle™)



### Financial & Operational

**Activity-based Costing**  
(PowerCosting™)



**Revenue Improvement & Chargemaster Analytics**  
(VitalCDM®)



**Labor Productivity**  
(PowerLabor™)



**Revenue Integrity & Auditing**  
(VitalIntegrity™)



**Price Transparency**  
(Hospital Price Index™)



**Financial Accelerators**  
(Cost Insights, HR System, Revenue Cycle, Supply Chain, Surgical Supply, etc.)



## 1 Data and Analytics Platform (DOS™) : A healthcare-specific, open, flexible, scalable and self-service platform for analytics, app development & interoperability

### Self-Service Analytics

**AI**  
(Healthcare.AI™)



**Analytics**  
(Pop Analyzer™)



**Reporting**  
(Pop Insights™)



**Data Entry**  
(IDEA™)



**Benchmarking Data**  
(Touchstone™)



Data Warehouse



Source Connectors



Cloud-based



Reusable Data Logic



Machine Learning



Terminology Services



Expert Data Collections



Text Processing

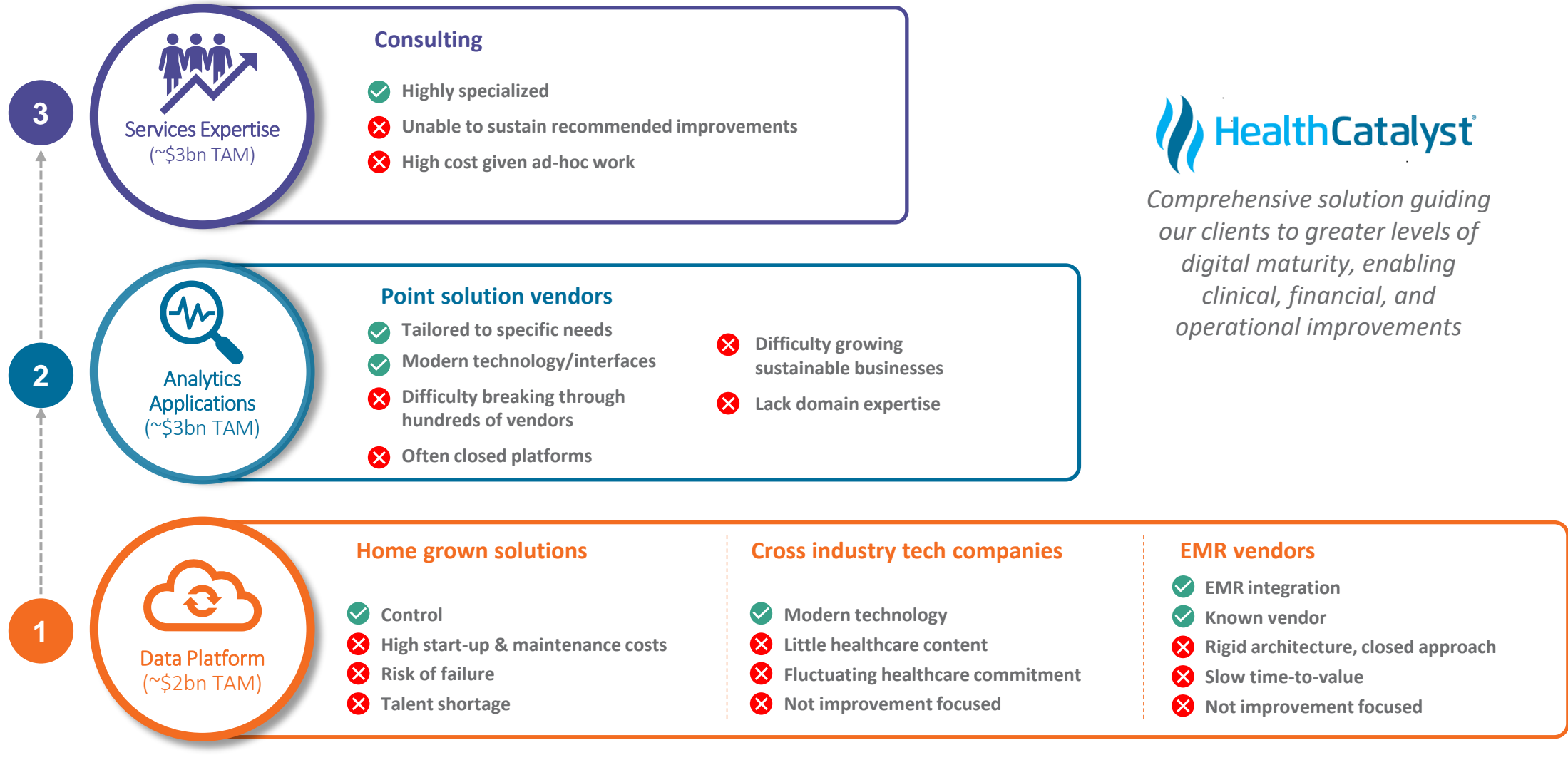


Real-time Streaming & Interoperability



Big Data

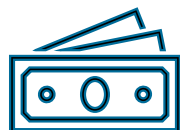
# Highly Differentiated, Comprehensive Solution



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



*Together with our clients, celebrating an important milestone in our journey to fulfill our mission*



**\$1.5B**

client-approved measurable healthcare improvements



**5.4M**

lives positively impacted



**2.9M**

care gaps closed



**More**

# A Health Catalyst Success Story

*Tech-Enabled Managed Services Improves Quality,  
Reduces Costs, and Optimizes Engagement*



As the financial and operational burden of reporting quality measurement in healthcare continues to increase, systems such as Banner Health and Community Health Network (CHNw) look for options to ease their resource spend in this area. These organizations partnered with Health Catalyst in a tech-enabled managed services arrangement for clinical chart abstraction.

The result: lower costs, increased value from data, and a positive experience for team members.



## Challenges & Impact

- Huge and increasing demand for data collection and abstraction, driven by registry reporting
- Numerous clinicians involved in documentation, abstraction
- Data used only for reporting, not analysis for improvement
- **Impact:** Difficulty obtaining timely, accurate data; lost opportunity to learn from data; high costs of manual chart abstraction

## Solution

- Leveraged DOS™ platform to automate the extraction of required data.
- Tech-Enabled Managed Services provided by Health Catalyst:
  - Clinical data abstraction
  - Data analysis: identify variation and trends in cost, quality, and productivity
  - Support for the prioritization of improvement opportunities

## Results

Tech-Enabled Managed Services has improved data quality and yielded these measurable results:

- **15% reduction** in labor costs for clinical chart abstraction at CHNw
- **49% relative improvement** in clinical chart abstraction efficiency at Banner Health
- **30% relative improvement** in team member engagement

# Carle Health: Long-term, Significant Partnership Expansion



Five-year deal, worth up to ~\$80M over the life of the contract

Partnership Expansion Overview	Contractual Terms	Strengthening the Partnership
<ul style="list-style-type: none"><li>• <b>Carle Health is an integrated health system based in Urbana, Illinois</b> that includes 5 hospitals, multi-specialty physician group practices with &gt;1,000 docs &amp; Health Alliance Medical Plans</li><li>• Health Catalyst and Carle first entered a partnership in 2020. This <b>five-year expansion</b> includes an all-access technology subscription, <b>plus tech-enabled managed services in the areas of analytics, data management, reporting, abstraction and project management</b></li><li>• This significant expansion <b>makes Carle one of Health Catalyst’s largest enterprise &amp; tech-enabled managed services</b> clients</li></ul>	<ul style="list-style-type: none"><li>• Five-year deal with Carle Health, worth up to ~\$80M over the life of the contract (<b>\$16M ARR</b>)</li><li>• At <b>\$11M+ ARR expansion</b>, it represents one of the <b>largest expansion contracts in the company’s history</b></li><li>• The contractual growth is inclusive of both technology expansion and <b>tech-enabled managed services</b> (more heavily weighted toward this revenue stream)</li></ul>	<ul style="list-style-type: none"><li>• <b>Carle Health made recent decision to become a meaningful shareholder</b> with the open market purchase of Health Catalyst common stock</li><li>• Matt Kolb, Executive Vice President and COO of Carle Health, was <b>appointed to Health Catalyst’s Board of Directors, effective July 1, 2023</b></li></ul>

“Carle Health is excited to announce this novel partnership with Health Catalyst. When combined with our own clinical expertise, **Health Catalyst will help us transform the way we use data to support organizational decisions and improve patient outcomes.** As a transformative health care system, it’s important that we lay the groundwork to ensure we’re able to provide the right solutions that **blend data, analytics, and medical expertise to optimize the quality of care we provide** for everyone who depend on us.”

- Matt Kolb, Executive Vice President, Chief Operating Officer at Carle Health

# World-class Team Member Engagement

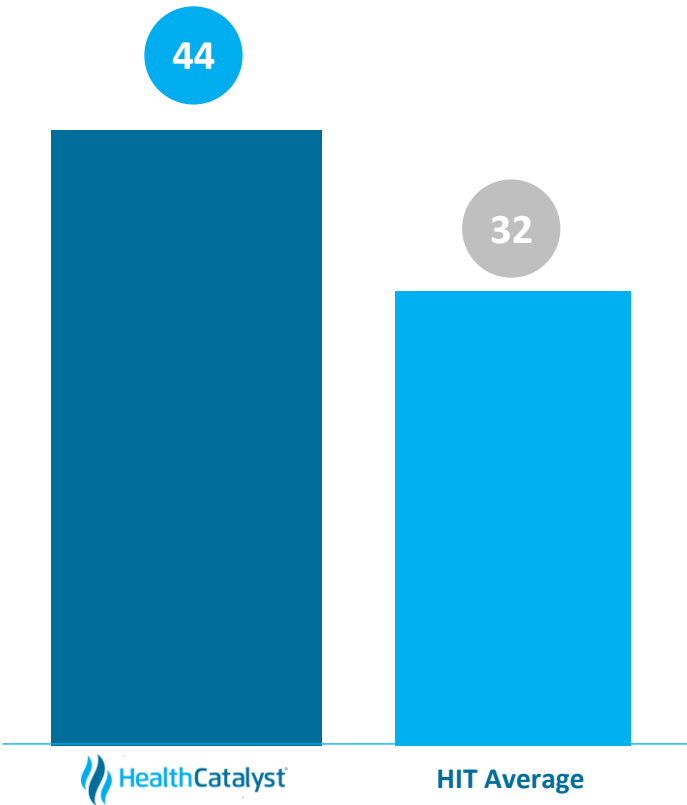
Driving Industry-leading Client Satisfaction, Renewal, Expansion & Referral



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

2015 – 1H 2022 Gallup Overall  
Engagement Score Percentile

KLAS  
Evangelism Score<sup>(1)</sup>



(1) Similar to a net promoter score, as of 12/31/22. Overall evangelism score is an average of each Health Catalyst solution's average evangelism scores.



# Experienced and Visionary Management Team



**Anne Marie Bickmore**  
Chief Operating Officer & Chief Product Officer  
Tenure at Health Catalyst: 11 years



**Daniel Burton**  
Chief Executive Officer and Director  
Tenure at Health Catalyst: 12 years



**Kevin Freeman**  
Chief Commercial Officer  
Tenure at Health Catalyst: 3 years



**Bryan Hunt**  
Chief Financial Officer  
Tenure at Health Catalyst: 9 years



**Ben Landry**  
General Counsel & Corporate Secretary  
Tenure at Health Catalyst: 4 years



**Linda Llewelyn**  
Chief People Officer  
Tenure at Health Catalyst: 10 years



**Tarah Neujahr Bryan**  
Chief Marketing & Communications Officer  
Tenure at Health Catalyst: 10 years



**Holly Rimmasch**  
Chief Clinical Officer  
Tenure at Health Catalyst: 11 years



**Dave Ross**  
Chief Technology Officer  
Tenure at Health Catalyst: 2 years



**Trudy Sullivan**  
Chief Diversity, Equity & Inclusion Officer  
Tenure at Health Catalyst: 4 years





# The Health Catalyst Operating Principles

The principles that govern our daily interactions



## Improvement

- We are deeply committed to enabling our clients to achieve and sustain measurable clinical, financial, and operational improvements
- We nurture deep, long-term 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, & retain experts who know best practice in their domain, leverage analytics for insight, & accelerate adoption for sustained improvement

## Ownership

- We are accountable, as owners, to enable our clients' measurable improvements
- We make decisions that balance and optimize the interests of our teammates, clients, 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, clients, 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 clients' patients
- We recommend the best solutions for our clients, whether or not those solutions come from Health Catalyst

# The Health Catalyst Cultural Attributes

The attributes we 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

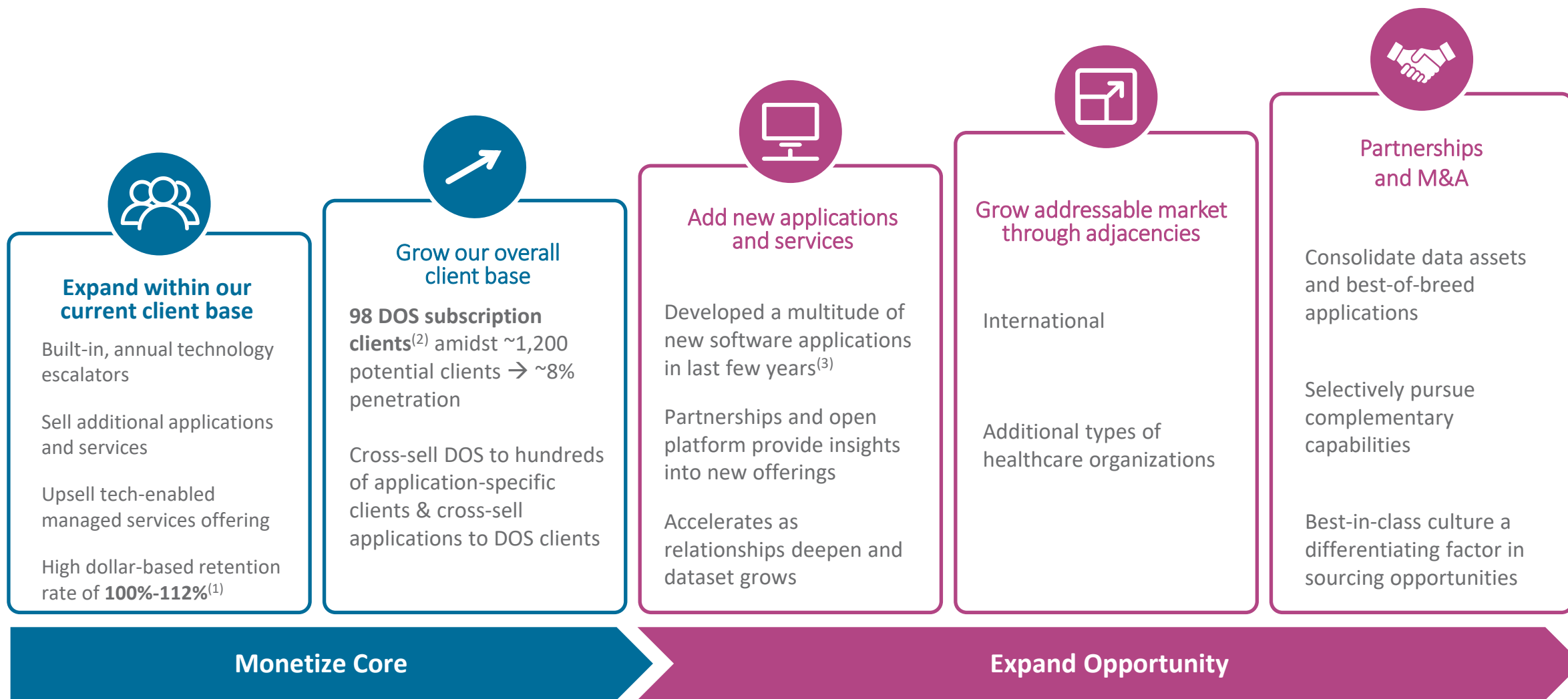
## Humble

- 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 & trends in healthcare, data & 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 - 2022 for DOS Subscription Clients, as further defined in our Form 10-K (e.g., excludes clients acquired in Medicity, Able Health, Healthfinch, Vitalware, Twistle, KPI Ninja and ARMUS acquisitions and other non-DOS Subscription Clients). 2020 performance of 102% impacted by COVID-19 pandemic.

(2) As of 12/31/22

(3) Added to this figure recently via M&A

# Strong Balance Sheet & High Confidence in our Outlook / Path to Profitability

*Leading to Share Repurchase Program and Insider Purchases*

## Share Repurchase Program

- Authorization to purchase up to **\$40 million** of HCAT Common Stock
- Demonstrates our **confidence in the future of our business** and our **commitment to creating long-term, sustainable value** for our shareholders, our clients and our team members
- We believe the **current market does not reflect the long-term value of our shares** of common stock and this share repurchase program will allow us to unlock more of the long-term value and opportunity we see ahead



## Insider Purchases

- Dan Burton (CEO & Director): **~\$6M<sup>(1)</sup>**
- Duncan Gallagher (Director): **~\$175K**

As of ending Q2 2023, >\$340M of cash and equivalents on our balance sheet

# Attractive Financial Model



- (1) In 2022
- (2) Long-term annual revenue growth goal. Given the unknown timeline, impact and near-term uncertainty of macroeconomic challenges (including inflation) and public health emergencies (including the COVID-19 pandemic), we are unable to predict the extent to which such challenges and emergencies may adversely impact our business operations, financial performance, and results of operations. Please refer to our recent earnings releases and our associated Form 10-K and Form 10-Q for more details on these risks
- (3) Overall range from 2017 - 2022 for DOS Subscription Clients, as further defined in our Form 10-K (e.g., excludes clients acquired in Medicity, Able Health, Healthfinch, Vitalware, Twistle, KPI Ninja and ARMUS acquisitions and other non-DOS Subscription Clients). 2020 performance of 102% impacted by COVID-19 pandemic.
- (4) DOS Subscription Clients only.
- (5) Adjusted Gross Margin is a non-GAAP financial measure we define 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, loss on extinguishment of debt, acquisition-related costs, net, non-recurring lease-related charges, income tax provision (benefit), interest expense and other (net) and restructuring charges. Please see the Appendix and our recent Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for more details.



**Recurring revenue streams across technology, analytics and services**

**>90%**<sup>(1)</sup>

Recurring Revenue



**Long-term Revenue Growth Target**

**20%+**<sup>(2)</sup>

Long-term Growth Target



**Strong client retention and stickiness**

**100%-112%**<sup>(3)</sup>

Dollar-based  
Retention Rate

**34**<sup>(4)</sup> → **98**<sup>(4)</sup>

2017  
Clients      2022  
Clients



**Improving gross margin**

**41%**<sup>(5)</sup> → **51%**<sup>(5)</sup>

2017      Q1-Q2 2023  
Adj. Gross Margin      Adj. Gross Margin



**Continued Adj. EBITDA leverage**

**(1%)**<sup>(6)</sup> → **~4%**<sup>(6)</sup> → **10%**<sup>(6)</sup> → **20%**<sup>(6)</sup> +

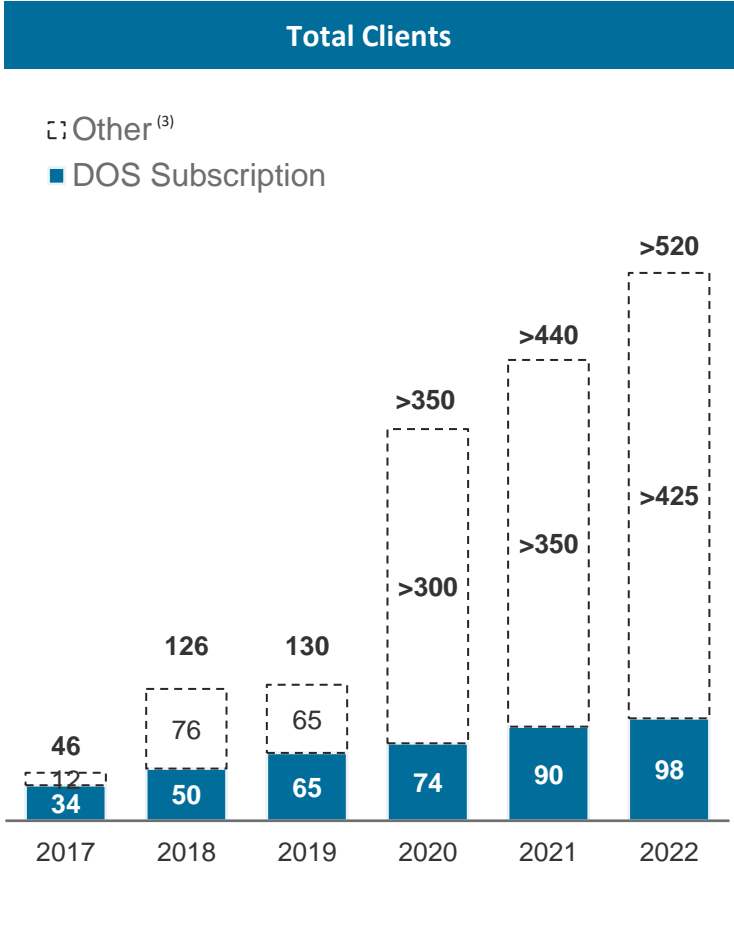
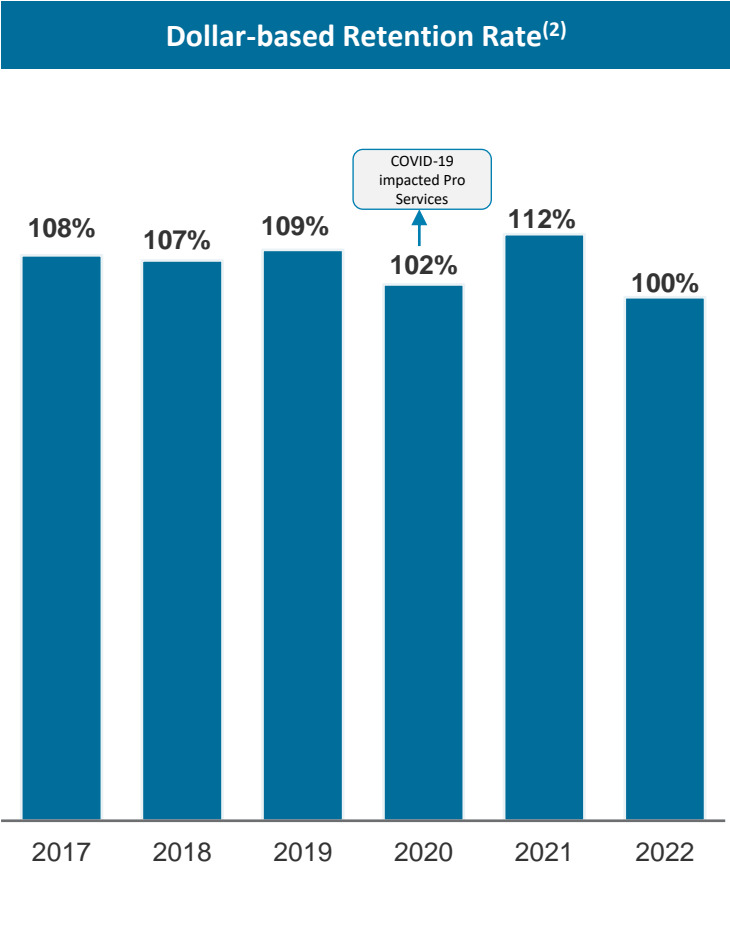
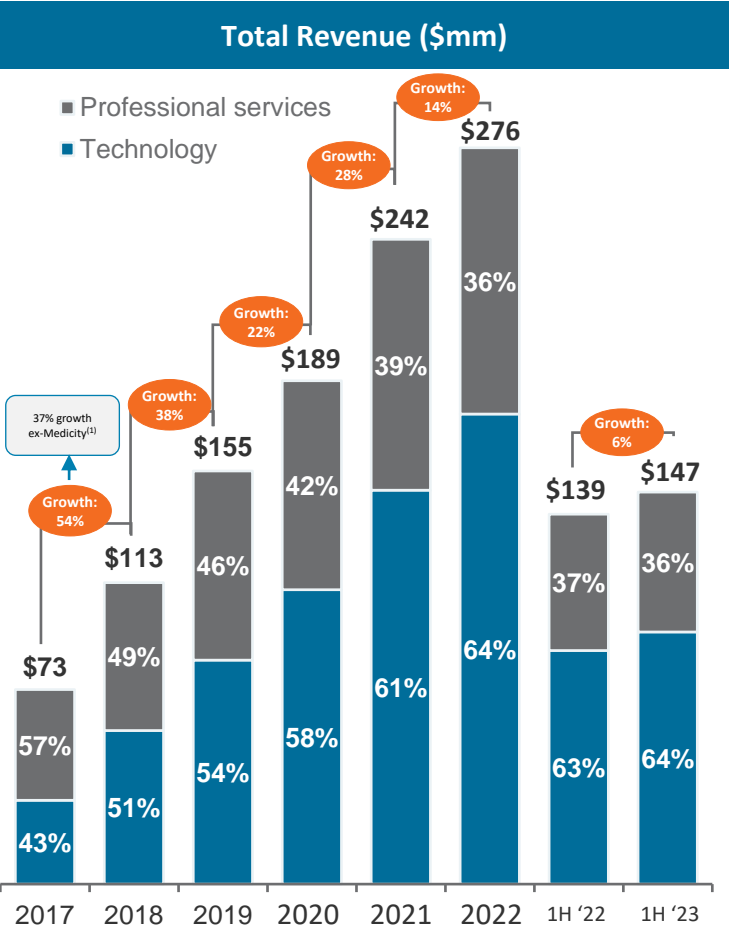
2022      2023      2025 Target      Long-term Target  
Adj. EBITDA      Adj. EBITDA      Adj. EBITDA      Adj. EBITDA  
% of Revenue      % of Revenue      % of Revenue      % of Revenue

# High Engagement, Satisfaction & Expansion

Produces a High-Growth, Predictable, Recurring Revenue Business



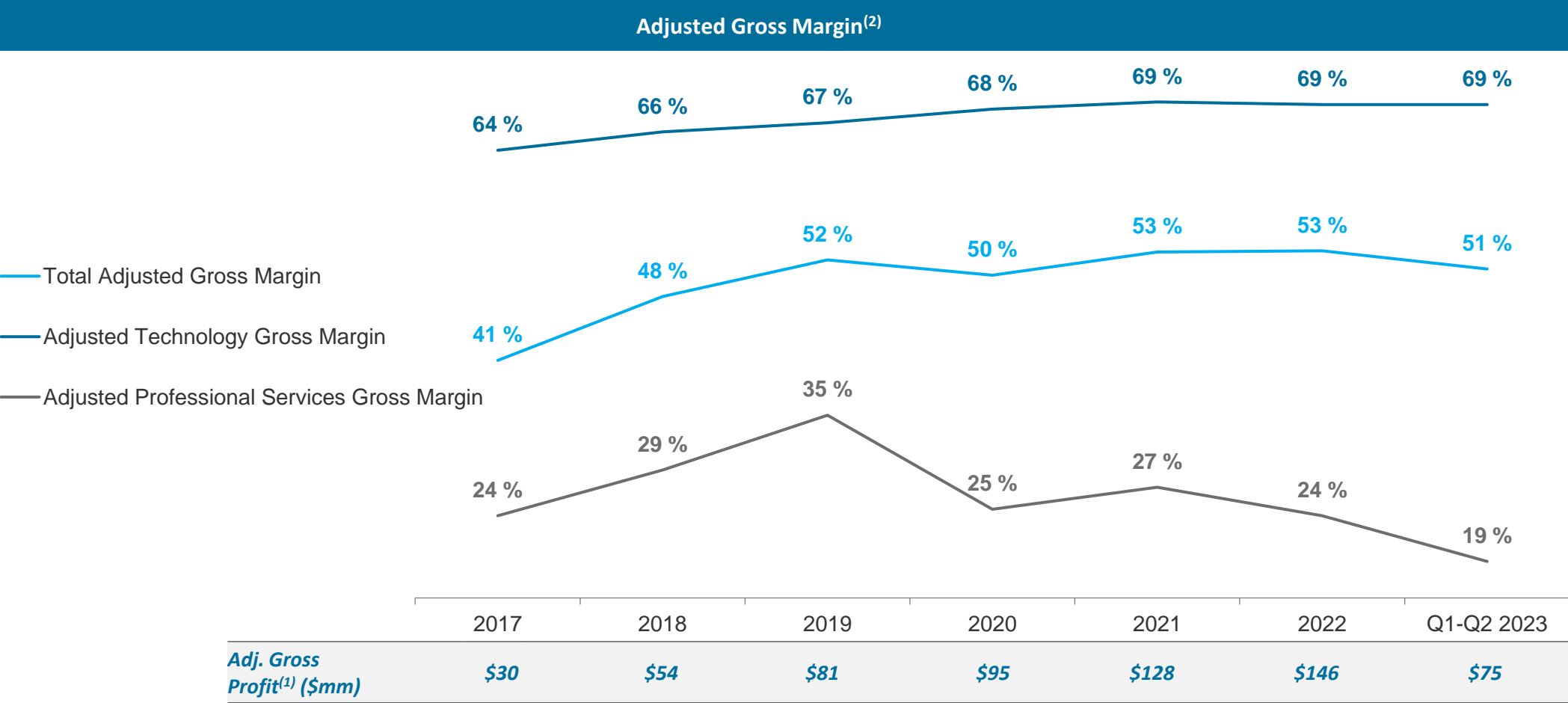
Relative to 2022, we anticipate material improvement in our bookings metrics in 2023, including dollar-based retention between 102% - 110% and net new DOS subscription client additions in the low double digits



(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 DOS subscription clients 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 clients as of the current period end (current period ARR).  
(3) Vast majority of Other clients were acquired via 2018 Medicity acquisition and 2020, 2021 and 2022 acquisitions of Vitalware, Healthfinch, Able Health, Twistle, KPI Ninja and ARMUS.

# 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, stock-based compensation, tender offer payments deemed compensation, acquisition-related costs, net, and restructuring charges. 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) Adjusted Gross Margin is a non-GAAP financial measure that we define 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.



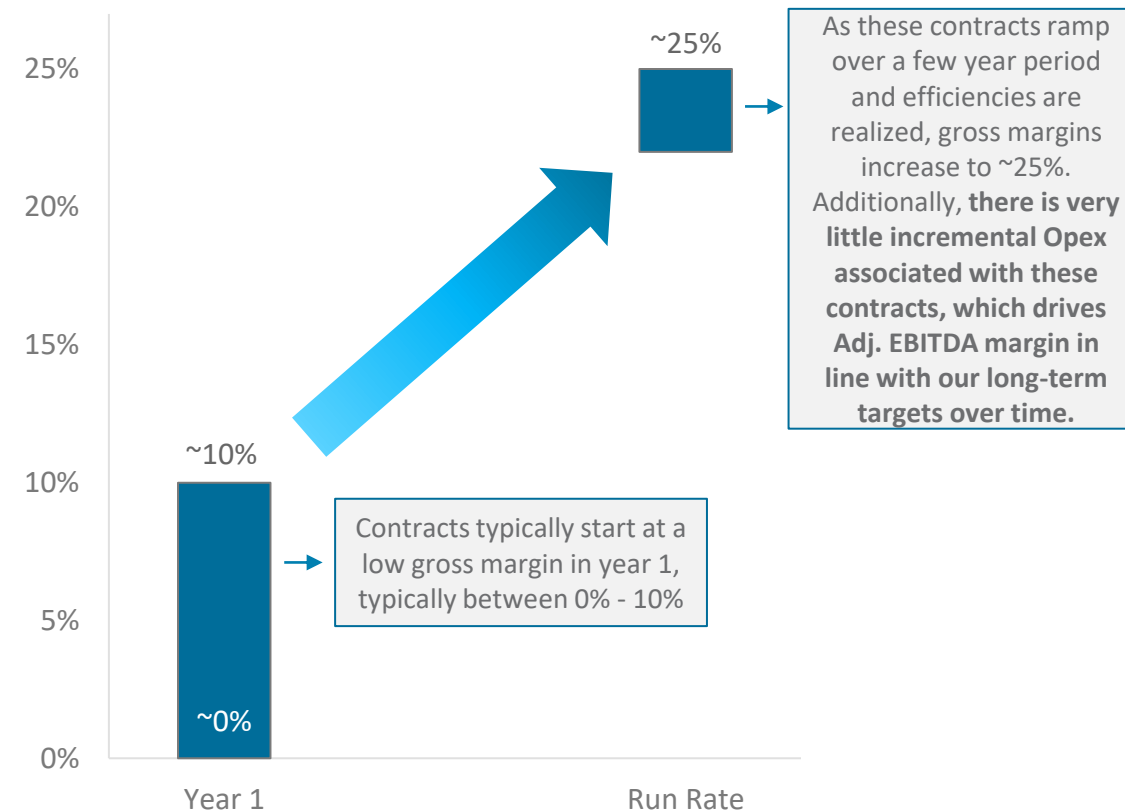
# Tech-enabled Managed Services: Unit Economics

*Our Tech-enabled Managed Services arrangements include long-term, locked-in contracts for both Tech and Pro Services, which create additional stickiness within our largest clients. These deals are typically large & generate limited incremental Opex, which drives Adj. EBITDA margin in line with our long-term targets over time.*

## Typical Contract Structure

- Tech-enabled managed services (TEMS) relationships are structured as **long-term, locked in contracts, which also require clients to sign a long-term, locked in technology subscription renewal or expansion** (at typical technology gross margin levels)
- Health Catalyst typically **re-badges existing health system team members** within the applicable functional area (currently offered in chart abstraction and analytics) as employees of HCAT
- **Health Catalyst provides a cost savings to the client's existing spend**, typically starting nine months after contract signing
- The **TEMS Pro Services gross margin starts out low in Year 1 and grows to ~25% over a few year period** by leveraging our technology, finding scale efficiencies, and improving processes to reduce the labor footprint at that client in the relevant functional area

## Illustrative TEMS Pro Services Gross Margin Over Time



# Long Term Target Model (Non-GAAP)



		2019 (IPO year)	2020	2021	2022	Q1-Q2 2023	Long-Term Goals <sup>(3)</sup>
Total Revenue Growth		38%	22%	28%	14%	6%	20%+
Adj. Gross Margin <sup>(1)</sup>		52%	50%	53%	53%	51%	Tech: mid-70% Pro Serv: mid-30% Overall: high 50%
Operating Expenses <sup>(2)</sup>	S&M as % of Revenue	28%	22%	21%	20%	15%	
	R&D as % of Revenue	27%	24%	21%	20%	19%	
	G&A as % of Revenue	15%	15%	15%	14%	11%	
Adj. EBITDA Margin <sup>(2)</sup>		(18%)	(11%)	(5%)	(1%)	5%	20%+

# Appendix

# 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

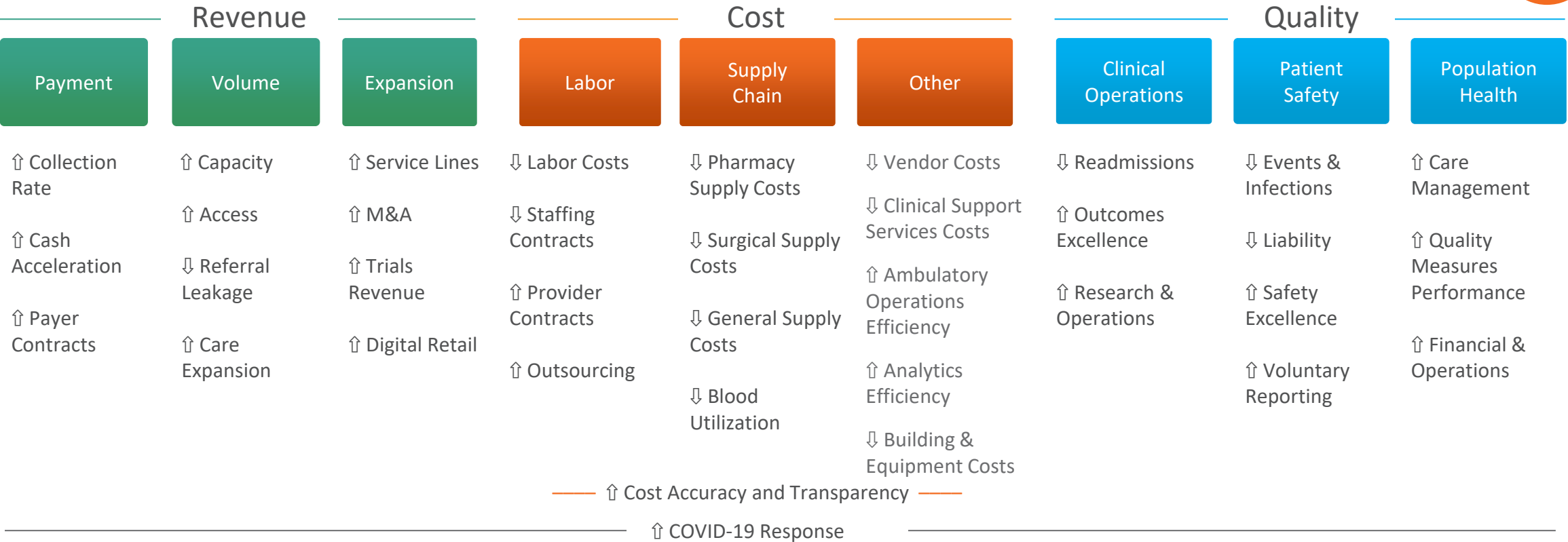
### 5-year, ~\$50M contract with long-standing regional health system client:

- 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:

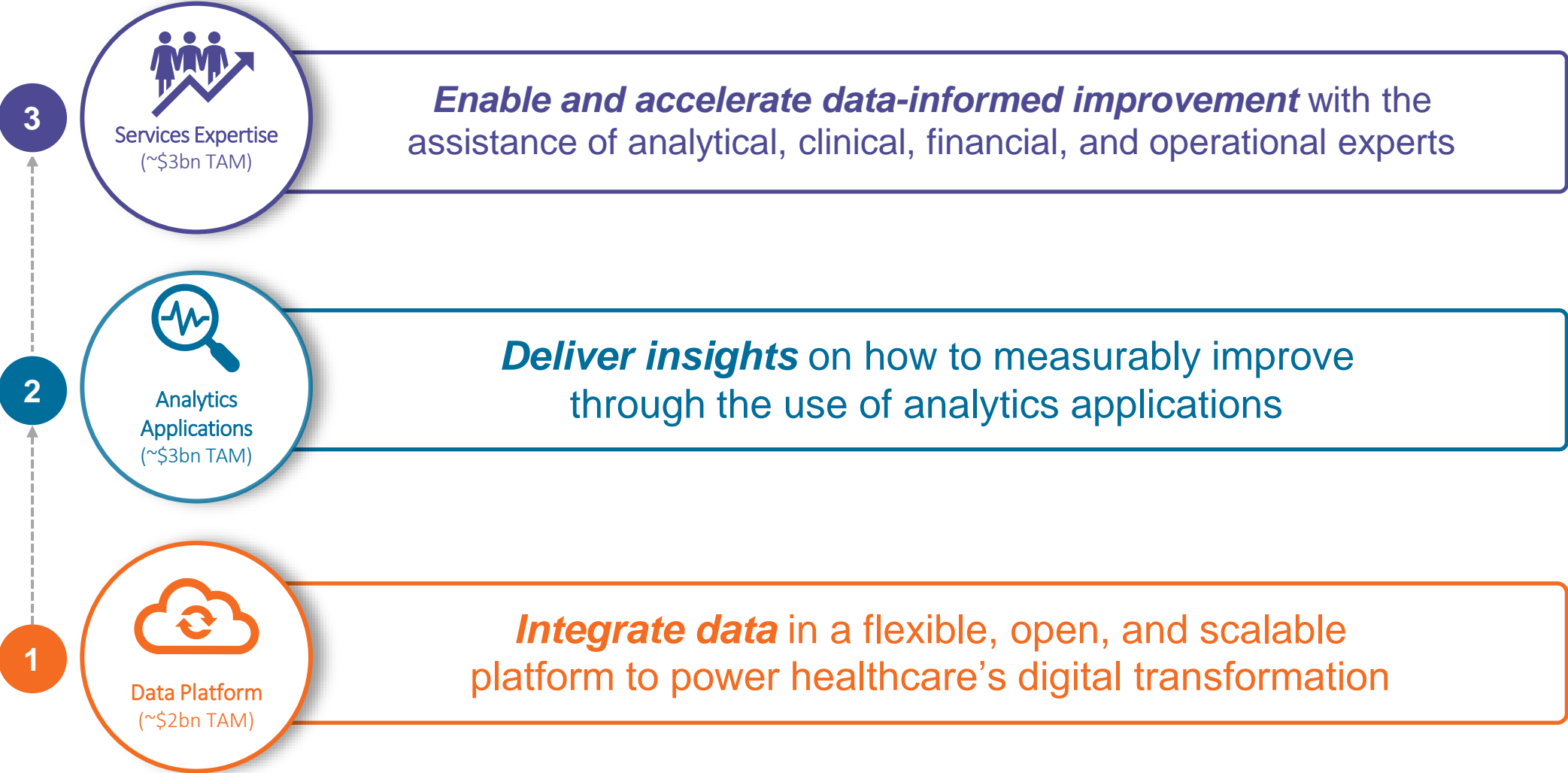
- Includes All-Access Technology and TEMS in chart abstraction and analytics focused on clinical improvement and health equity
- Contract roughly doubles the size of the client relationship, to ~\$12M of ARR, becoming one of Health Catalyst's five largest clients

# 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

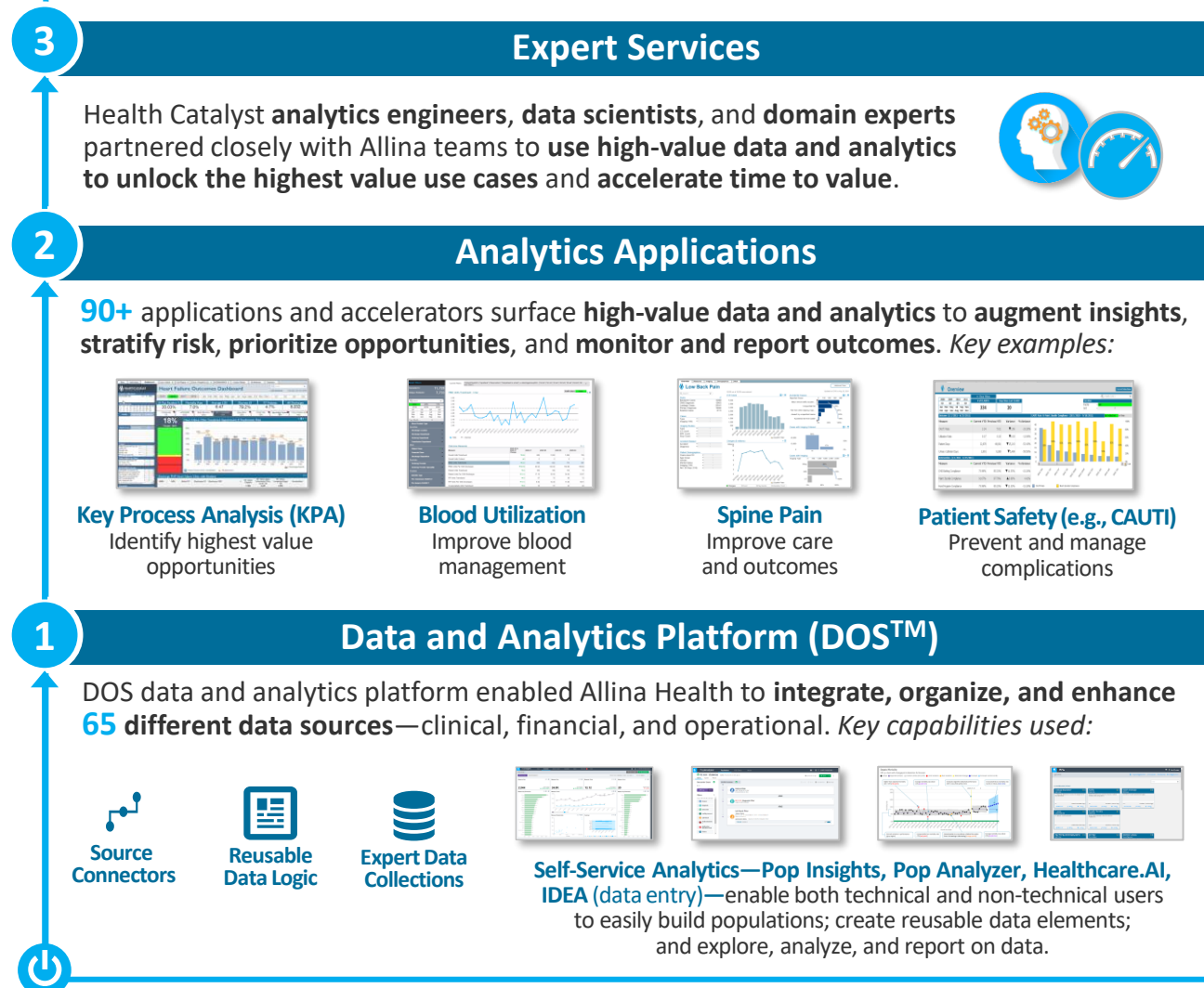
# Comprehensive Solution for Data-informed Improvement



# Allina Health: High-Value Data & Analytics Drive \$33M+ in Quality & Operations Improvements

**The Challenge:** As the breadth, complexity, and volume of healthcare data grow, Allina Health recognized the need to manage data as a strategic asset by ensuring ongoing data utilization and building capacity for continuous, data-driven improvement.

## The Health Catalyst Solution



## Data-Driven Insights and Measurable Results

### Key Opportunities Identified

Length of stay | Readmissions | Supply costs

### Key Improvements

- **\$33M+** in **positive margin impact** by expense reduction and additional hospital inpatient and outpatient revenue.
- **\$2.3M** decrease in **annual blood product acquisition costs.**
- **Improved care for patients undergoing spine surgery**
  - **31%** of expected **complications** avoided
  - **22%** relative reduction in **surgical site infections**
  - **8.8%** relative reduction in **length of stay**
- **350K+** **unique sessions** in Allina Health's top 10 analytics applications and accelerators in one year.



### Unleashing the data at Allina Health

*has been key to increasing organizational efficiency, reducing costs, and improving outcomes for our patients.*

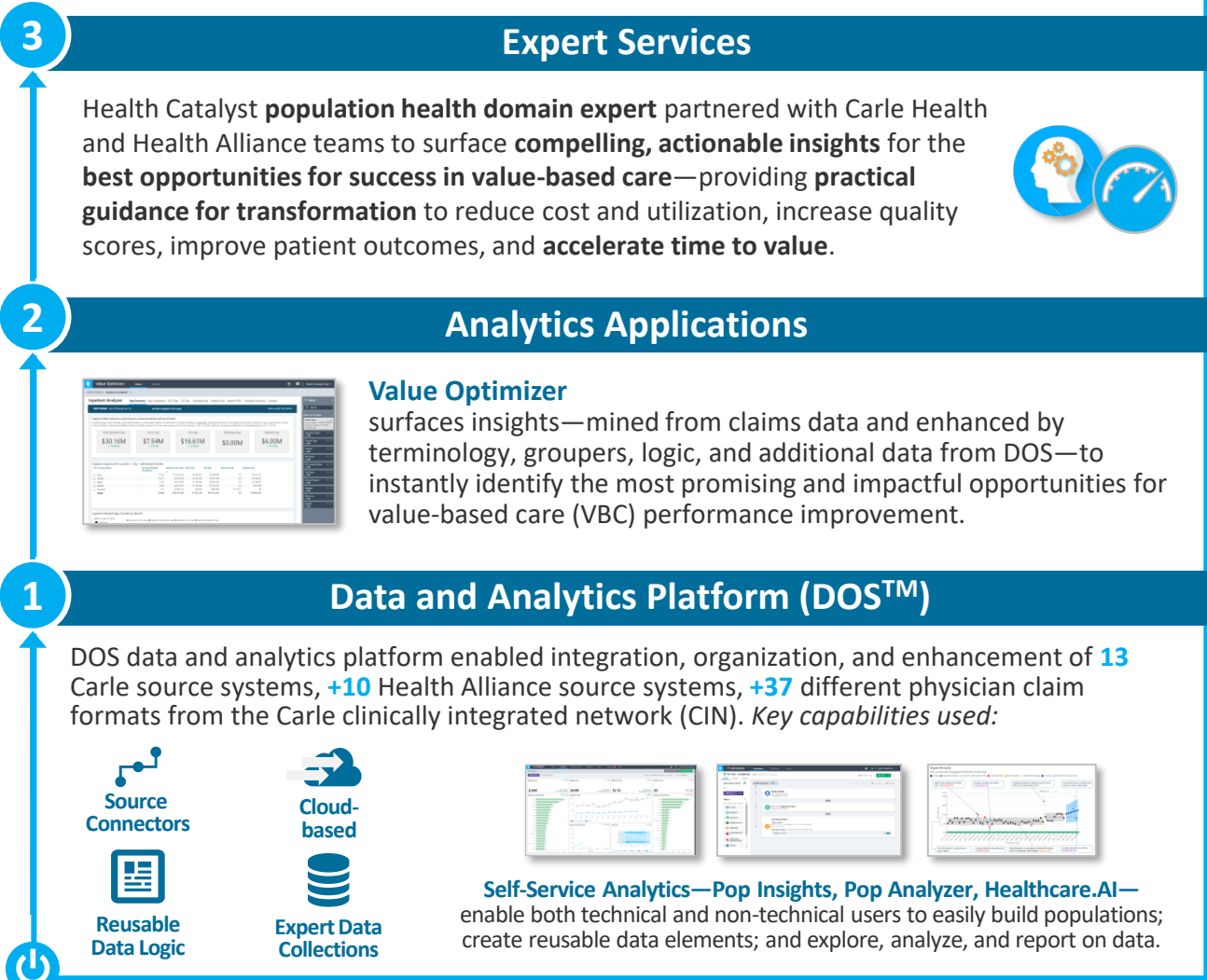
—Jonathan Shoemaker, SVP, CIO, Allina Health



# Carle Health & Health Alliance: Solution Uncovers \$10M+ in Population Health Opportunities

**The Challenge:** For Carle Health and Health Alliance\*, burdensome manual data collection and reporting processes made it difficult—and time-consuming—to identify and address opportunities for value-based care improvement across its populations.

## The Health Catalyst Solution



## Data-Driven Insights and Measurable Results

### Key Opportunities Identified

Cost, utilization, and performance metrics across **10** key population health areas, *including:*

Emergency department utilization | Inpatient utilization  
Ambulatory utilization | Post-acute care

### Key Improvements

- **\$10M+** in **cost and utilization** opportunity identified
- **\$100K** **manual labor costs avoided** by eliminating multiple iterations and meetings to obtain the necessary data and analyses
- **>90%** improvement in **analytic efficiency**; analyses that previously required months to complete are now complete in minutes



***Value Optimizer** allows us to uncover opportunities quickly and easily without building a data set to see the likely impact. We can quickly drill down into the data and recommend potential interventions.*

Rich Balbach, Director  
Clinical and Business Intelligence  
Health Alliance

\*Health Alliance Medical Plans is a leading provider-driven health plan

# MultiCare Health System: Operational and Charge Capture Improvements Help Realize \$75M+ in Annual Revenue

**The Challenge:** Inconsistent improvement methods, differing competencies, and inefficient data collection and analytics were impeding MultiCare Health System's ability to improve—leaving financial and operational metrics below expectations.

## The Health Catalyst Solution

## Data-Driven Insights and Measurable Results

3

### Expert Services

Health Catalyst experts partnered with MultiCare teams to help increase **organizational alignment**, boost **data utilization** and **analytic acumen** for more **proactive revenue management**, and realize **new efficiencies** by optimizing technology and processes.



2

### Analytics Applications

**20+** applications and accelerators surface **high-value data and analytics** to **augment insights**, **stratify risk**, **prioritize opportunities**, and **monitor and report outcomes**. *Key examples:*



**Key Process Analysis (KPA)**  
Identify highest value opportunities



**VitalIntegrity**  
Improve charge capture and revenue performance



**Departmental Explorer**  
Review and improve operational efficiency

1

### Data and Analytics Platform (DOS™)

DOS data and analytics platform enabled MultiCare Health System to **integrate, organize, and enhance 35 different data sources**—clinical, financial, and operational. *Key capabilities used:*



Source Connectors  
Reusable Data Logic



Cloud-based  
Expert Data Collections



**Self-Service Analytics—Pop Insights, Pop Analyzer, Healthcare.AI, IDEA (data entry)**—enable both technical and non-technical users to easily build populations; create reusable data elements; and explore, analyze, and report on data.

### Key Opportunities Identified

Charge capture | Contribution margins | Length of stay

### Key Improvements

- **\$6.1M net revenue retained**, the result of resolving more than 350 charge capture issues.
- **\$48M in revenue**, surpassing three-year market share goals in year two.
  - **Overall market share** improved in every submarket.
- **\$24M in savings**, the result of a 0.6-day reduction in LOS across the health system.



*VitalIntegrity enabled us to **efficiently identify and resolve charge capture issues**, retaining **\$6.1M** in net revenue in just three months, while supporting **root cause analyses** for ongoing process improvement."*

— Nicole Gorder, MBA,  
Executive Director of Revenue Integrity & CDM  
MultiCare Health System

# INTEGRIS: Healthcare.AI Helps Drive Executive Alignment and Decision-making

**The Challenge:** INTEGRIS Health had high volumes of data but lacked the timely, accurate, and actionable insight needed to support key leadership decisions and drive meaningful improvements.

## The Health Catalyst Solution

3

### Expert Services

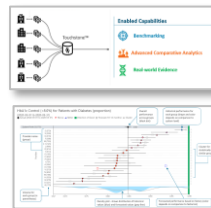
Health Catalyst's **analytics engineers, data scientists, and domain experts** partnered with INTEGRIS teams to **optimally leverage integrated data, analytics, and machine-learning-driven algorithms** to identify and realize meaningful opportunities for improvement.



2

### Analytics Applications

**Touchstone®** enabled INTEGRIS to analyze risk-adjusted benchmarks and integrated machine-learning algorithms to enhance understanding of performance compared to peer organizations—and proactively prioritize improvement opportunities.



**Healthcare.AI capabilities**, integrated within Touchstone and other BI tools, deliver **easy-to-use statistical and AI capabilities** to help analysts produce **more accurate, faster insights**.

1

### Data and Analytics Platform (DOS™)

DOS data and analytics platform **enabled integration, organization, and enhancement of 10 different data source systems**. *Key capabilities used:*



Source Connectors



Cloud-based



Reusable Data Logic



Expert Data Collections



**Self-Service Analytics—Pop Insights, Pop Analyzer, Healthcare.AI** enable both technical and non-technical users to easily build populations; create reusable data elements; and explore, analyze, and report on data

## Data-Driven Insights and Measurable Results

### Key Opportunities Identified

Value-based care measures performance | Patient safety targeted mortality and readmissions (e.g., sepsis)

### Key Improvements

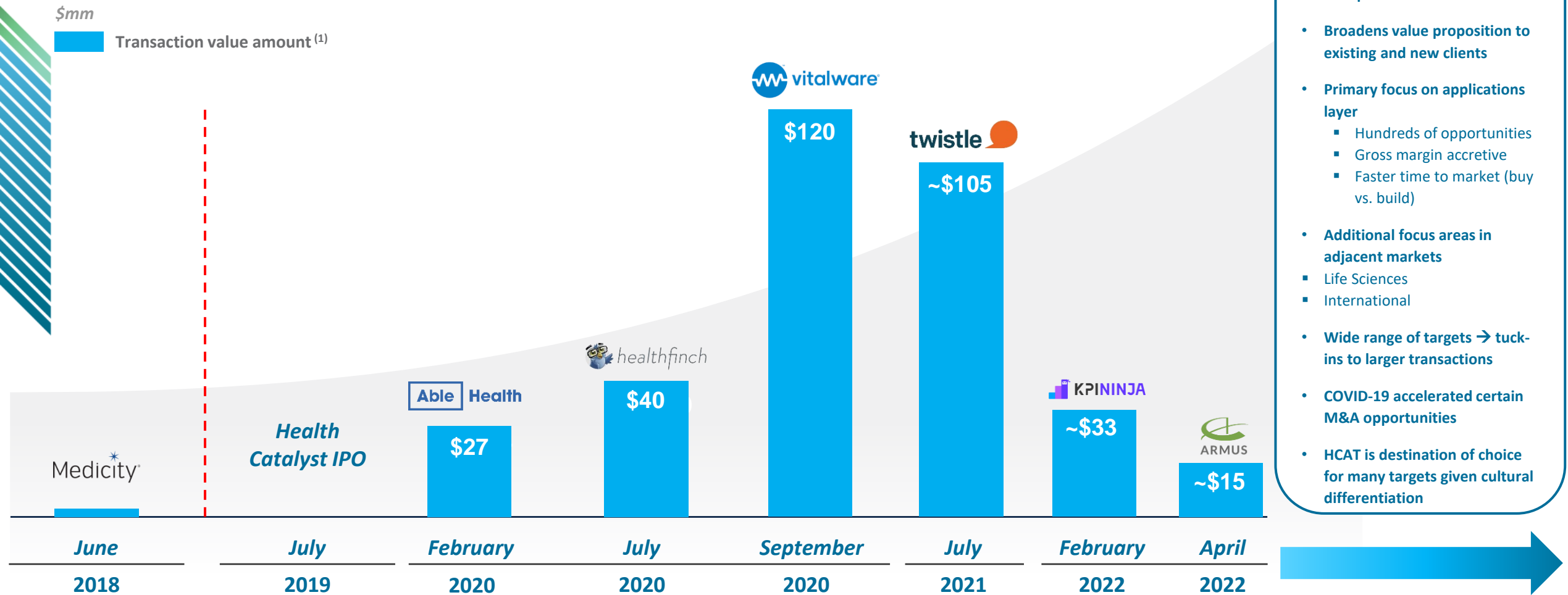
- **Aligned executive incentives** based on shared understanding of highest value and most actionable improvement opportunities
- **\$500K** saved annually by sunsetting a third-party benchmarking tool
- **50x faster data refresh** than previous benchmarking tool—and benchmarks are now **more adaptive** as well as **more detailed**



*Using DOS and Touchstone has been transformational for our organization. The data and analytics are exactly what our CEO, CMO, and CNE need to set our organization's course. We've effectively separated the signals from noise in the data and are able to clearly see where the organization needs to go.*

Benjamin Mansalis, MD  
Chief Information Officer, INTEGRIS Health

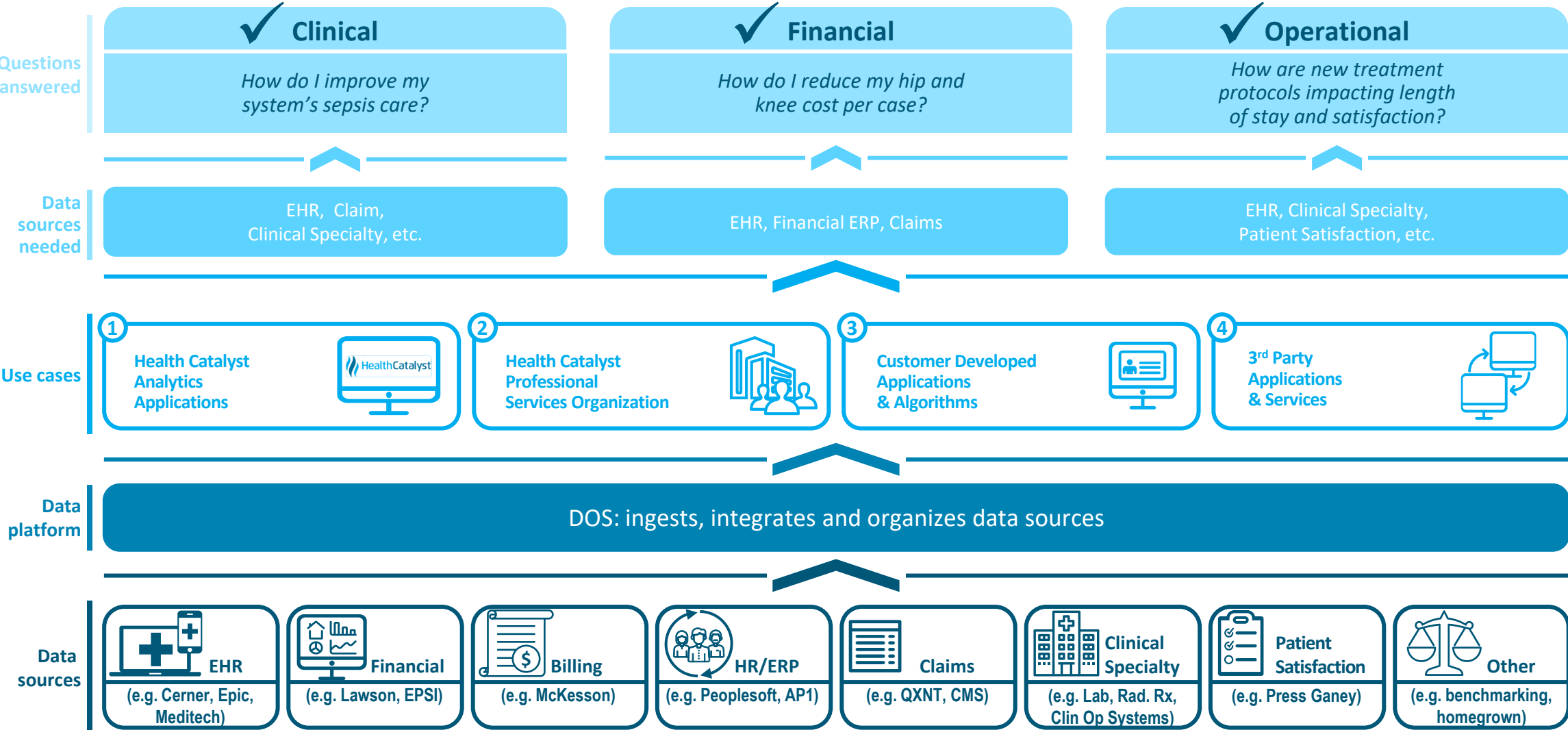
# Historical M&A Transactions



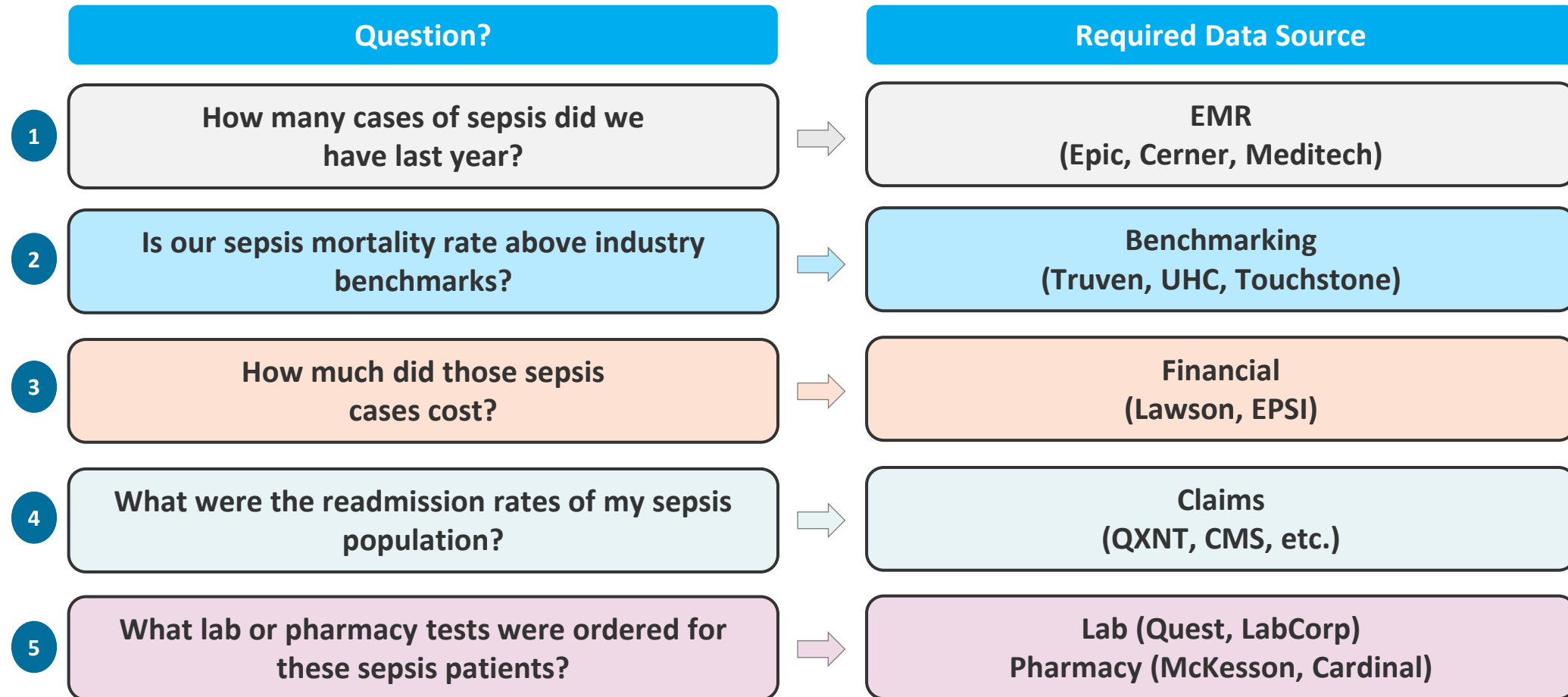
# How We Engage With Our Clients

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

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



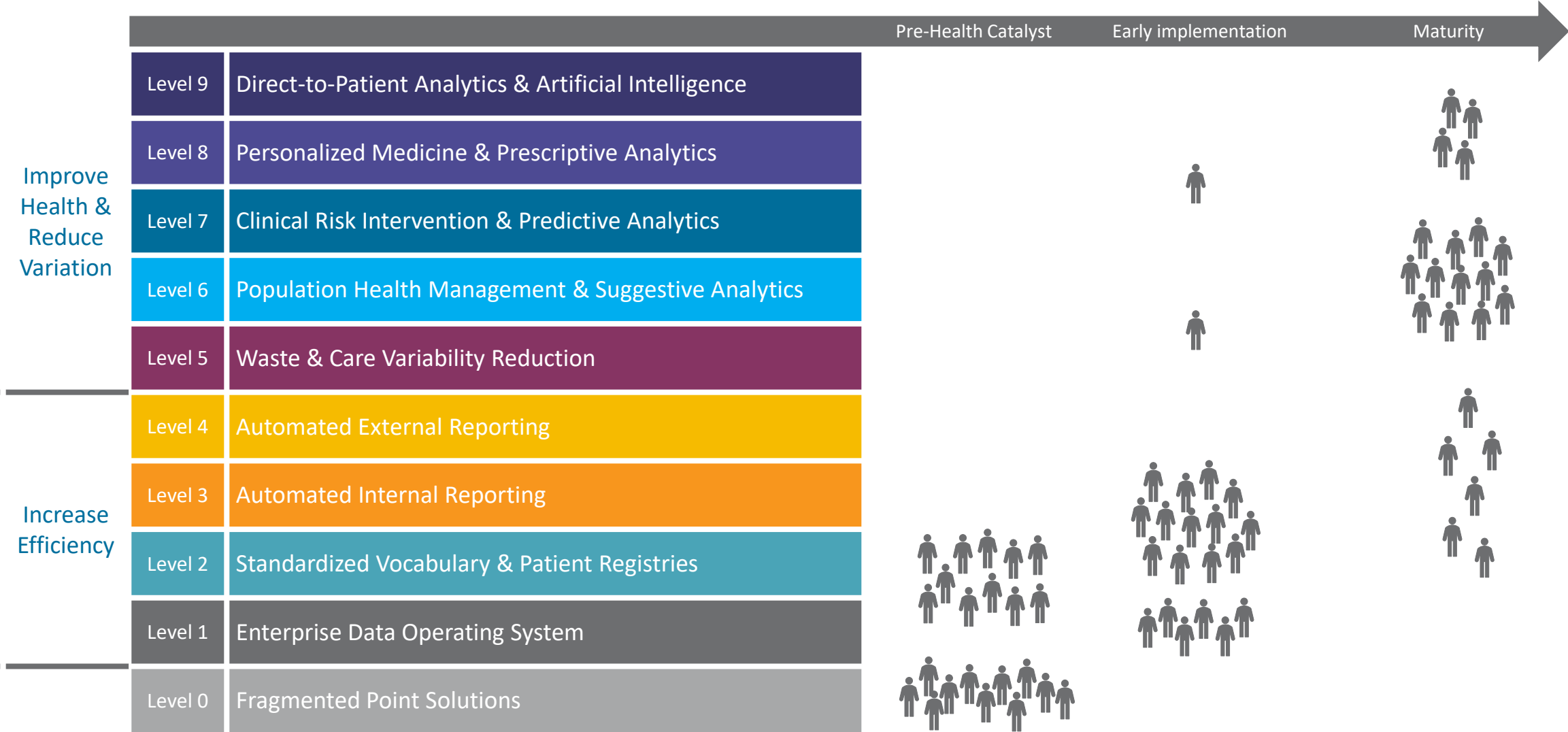
# A typical problem facing a healthcare organization most often requires data from multiple source systems: Sepsis example





# 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)
<b>Gross Profit, Excluding Depreciation and Amortization</b>	<b>\$20,083</b>	<b>\$9,356</b>	<b>\$29,439</b>
Add:			
Stock-Based Compensation	65	514	579
<b>Adjusted Gross Profit</b>	<b>\$20,148</b>	<b>\$9,870</b>	<b>\$30,018</b>
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)
<b>Gross Profit, Excluding Depreciation and Amortization</b>	<b>\$37,795</b>	<b>\$14,927</b>	<b>\$52,722</b>
Add:			
Stock-Based Compensation	78	480	558
Tender Offer Payments Deemed Compensation <sup>(1)</sup>	28	284	312
Acquisition-related costs, net <sup>(2)</sup>	0	337	337
<b>Adjusted Gross Profit</b>	<b>\$37,901</b>	<b>\$16,028</b>	<b>\$53,929</b>
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)
<b>Gross Profit, Excluding Depreciation and Amortization</b>	<b>\$56,178</b>	<b>\$23,418</b>	<b>\$79,596</b>
Add:			
Stock-Based Compensation	200	968	1,168
Acquisition-related costs, net <sup>(2)</sup>	0	108	108
<b>Adjusted Gross Profit</b>	<b>\$56,378</b>	<b>\$24,494</b>	<b>\$80,872</b>
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)
<b>Gross Profit, Excluding Depreciation and Amortization</b>	<b>\$74,863</b>	<b>\$15,905</b>	<b>\$90,768</b>
Add:			
Stock-Based Compensation	803	3,453	4,256
<b>Adjusted Gross Profit</b>	<b>\$75,666</b>	<b>\$19,358</b>	<b>\$95,024</b>
Gross Margin, Excluding Depreciation and Amortization	68%	20%	48%
Adjusted Gross Margin	68%	25%	50%

(in thousands, except percentages)	Year Ended 31-Dec-2021		
	Technology	Professional Services	Total
Revenue	\$147,718	\$94,208	\$241,926
Cost of Revenue, Excluding Depreciation and Amortization	(\$47,516)	(\$76,838)	(\$124,354)
<b>Gross Profit, Excluding Depreciation and Amortization</b>	<b>\$100,202</b>	<b>\$17,370</b>	<b>\$117,572</b>
Add:			
Stock-Based Compensation	2,063	8,047	10,110
Acquisition-related costs, net <sup>(2)</sup>	61	127	188
<b>Adjusted Gross Profit</b>	<b>\$102,326</b>	<b>\$25,544</b>	<b>\$127,870</b>
Gross Margin, Excluding Depreciation and Amortization	68%	18%	49%
Adjusted Gross Margin	69%	27%	53%

(in thousands, except percentages)	Year Ended 31-Dec-2022		
	Technology	Professional Services	Total
Revenue	\$176,288	\$99,948	\$276,236
Cost of Revenue, Excluding Depreciation and Amortization	(\$56,642)	(\$86,407)	(\$143,049)
<b>Gross Profit, Excluding Depreciation and Amortization</b>	<b>\$119,646</b>	<b>\$13,541</b>	<b>\$133,187</b>
Add:			
Stock-Based Compensation	2,058	8,230	10,288
Acquisition-related costs, net <sup>(2)</sup>	351	655	1,006
Restructuring Charges <sup>(3)</sup>	229	1,139	1,368
<b>Adjusted Gross Profit</b>	<b>\$122,284</b>	<b>\$23,565</b>	<b>\$145,849</b>
Gross Margin, Excluding Depreciation and Amortization	68%	14%	48%
Adjusted Gross Margin	69%	24%	53%

(in thousands, except percentages)	6-Months Ended 30-Jun-2023		
	Technology	Professional Services	Total
Revenue	\$94,510	\$52,571	\$147,081
Cost of Revenue, Excluding Depreciation and Amortization	(\$30,586)	(\$47,156)	(\$77,742)
<b>Gross Profit, Excluding Depreciation and Amortization</b>	<b>\$63,924</b>	<b>\$5,415</b>	<b>\$69,339</b>
Add:			
Stock-Based Compensation	911	3,755	4,666
Acquisition-related costs, net <sup>(2)</sup>	142	202	344
Restructuring Charges <sup>(3)</sup>	12	434	446
<b>Adjusted Gross Profit</b>	<b>\$64,989</b>	<b>\$9,806</b>	<b>\$74,795</b>
Gross Margin, Excluding Depreciation and Amortization	68%	10%	47%
Adjusted Gross Margin	69%	19%	51%



- (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 included in the Adjusted Gross Profit reconciliation relate to post acquisition restructuring costs and deferred retention expenses incurred as part of business combinations.
- (3) Restructuring charges include severance and other team member costs from workforce reductions.

# GAAP to Non-GAAP Reconciliation: Adjusted EBITDA

(in thousands)	6 Months Ended June 30,		Year Ended December 31,					
	2023	2022	2022	2021	2020	2019	2018	2017
Net loss	(\$65,803)	(\$55,886)	(\$137,403)	(\$153,210)	(\$115,017)	(\$60,096)	(\$61,984)	(\$47,035)
Add:								
Interest and other expense, net	(\$3,883)	\$2,842	\$1,678	\$16,458	\$11,572	\$3,419	\$2,024	\$1,469
Loss on extinguishment of debt	\$0	\$0	\$0	\$0	\$8,514	\$1,670	\$0	\$0
Income tax provision (benefit)	\$154	(\$4,495)	(\$4,280)	(\$6,898)	(\$1,194)	\$142	(\$135)	\$26
Depreciation and amortization	\$21,729	\$24,261	\$48,297	\$37,528	\$18,725	\$9,212	\$7,412	\$5,892
Stock-based compensation	\$28,513	\$36,052	\$72,104	\$65,145	\$37,957	\$17,844	\$4,198	\$4,241
Tender offer payments deemed compensation <sup>(1)</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$8,318	\$0
Acquisition-related costs, net <sup>(2)</sup>	\$976	(\$104)	\$4,894	\$27,929	\$16,758	\$446	\$2,114	\$0
Restructuring costs <sup>(3)</sup>	\$2,055	\$0	\$8,425	\$0	\$0	\$0	\$0	\$0
Non-recurring lease-related charges <sup>(4)</sup>	\$2,681	\$0	\$3,798	\$1,800	\$1,398	\$0	\$0	\$0
Litigation Costs <sup>(5)</sup>	\$21,255	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Adjusted EBITDA</b>	<b>\$7,677</b>	<b>\$2,670</b>	<b>(\$2,487)</b>	<b>(\$11,248)</b>	<b>(\$21,287)</b>	<b>(\$27,363)</b>	<b>(\$38,053)</b>	<b>(\$35,407)</b>



(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 third party fees associated with due diligence, deferred retention expenses, and post-acquisition restructuring costs incurred as part of business combinations, and changes in fair value of contingent consideration liabilities for potential earnout payments.

(3) Restructuring costs include severance and other team member costs from workforce reductions, impairment of discontinued capitalized software projects, and other minor miscellaneous charges.

(4) 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.

(5) Reflects costs related to litigation that are outside the ordinary course of our business. We believe it is useful to exclude such charges because we do not consider such amounts to be part of the ongoing operations of our business and because of the singular nature of the claims underlying the matter.

# GAAP to Non-GAAP Reconciliation: Adjusted Operating Expenses

(in thousands)	6 Months Ended June 30,		Year Ended December 31,					
	2023	2022	2022	2021	2020	2019	2018	2017
Operating expenses	\$138,871	\$127,656	\$273,192	\$261,222	\$186,893	\$134,461	\$112,817	\$74,979
Less:								
Depreciation and amortization	(\$21,729)	(\$24,261)	(\$48,297)	(\$37,528)	(\$18,725)	(\$9,212)	(\$7,412)	(\$5,892)
Stock-based compensation	(\$23,847)	(\$30,892)	(\$61,816)	(\$55,035)	(\$33,701)	(\$16,676)	(\$3,640)	(\$3,662)
Tender offer payments deemed compensation <sup>(1)</sup>	\$0	\$0	\$0	\$0	\$0	\$0	(\$8,006)	\$0
Acquisition-related costs, net <sup>(2)</sup>	(\$632)	\$663	(\$3,888)	(\$27,741)	(\$16,758)	(\$338)	(\$1,777)	\$0
Restructuring costs <sup>(3)</sup>	(\$1,609)	\$0	(\$7,057)	\$0	\$0	\$0	\$0	\$0
Non-recurring lease-related charges <sup>(4)</sup>	(\$2,681)	\$0	(\$3,798)	(\$1,800)	(\$1,398)	\$0	\$0	\$0
Litigation Costs <sup>(5)</sup>	(\$21,255)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Operating Expenses</b>	<b>\$67,118</b>	<b>\$73,166</b>	<b>\$148,336</b>	<b>\$139,118</b>	<b>\$116,311</b>	<b>\$108,235</b>	<b>\$91,982</b>	<b>\$65,425</b>
<i>Adjusted Operating Expenses as % of Revenue</i>	<i>46%</i>	<i>53%</i>	<i>54%</i>	<i>58%</i>	<i>62%</i>	<i>70%</i>	<i>82%</i>	<i>90%</i>



(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 third party fees associated with due diligence, deferred retention expenses, and post-acquisition restructuring costs incurred as part of business combinations, and changes in fair value of contingent consideration liabilities for potential earnout payments.

(3) Restructuring costs include severance and other team member costs from workforce reductions, impairment of discontinued capitalized software projects, and other minor miscellaneous charges.

(4) 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.

(5) Reflects costs related to litigation that are outside the ordinary course of our business. We believe it is useful to exclude such charges because we do not consider such amounts to be part of the ongoing operations of our business and because of the singular nature of the claims underlying the matter.