

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 5, 2025

HEALTH CATALYST, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-38993
(Commission File Number)

45-3337483
(IRS Employer
Identification No.)

10897 South River Front Parkway #300
South Jordan, UT 84095
(Address of principal executive offices, including zip code)

(801) 708-6800
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, par value \$0.001 per share

Trading Symbol(s)
HCAT

Name of exchange on which registered
The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On August 7, 2025, Health Catalyst, Inc. (the "Company") issued a press release relating to its financial results for the quarter ended June 30, 2025. A copy of the press release and the Q2 2025 earnings release summary are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively, and are each incorporated herein by reference.

The foregoing information (including Exhibits 99.1 and 99.2 attached hereto) is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**CEO Retirement Announcement**

On August 5, 2025, Dan Burton informed the board of directors of the Company (the "Board") of his plan to retire as the Company's Chief Executive Officer and principal executive officer, effective June 30, 2026. We expect Mr. Burton will continue to serve on the Board. Mr. Burton's planned retirement is not the result of any disagreement or conflict with the Company. The Company will conduct a search to identify a successor Chief Executive Officer.

Board Appointment

On August 5, 2025, the Board, upon the recommendation of the Nominating and Corporate Governance Committee, appointed Justin Spencer to the Board, effective September 1, 2025. Mr. Spencer was appointed to fill a newly created vacant Board seat due to the expansion of the Board from seven (7) to eight (8) directors, also effective September 1, 2025. Mr. Spencer will serve as a Class I director and a member of the Audit Committee of the Board (the "Audit Committee") until the 2026 annual meeting of stockholders, and until his successor is duly elected and qualified, or until his earlier resignation, death, or removal.

Mr. Spencer will receive cash and equity compensation pursuant to the Company's non-employee director compensation policy (the "Non-Employee Director Compensation Policy"). Mr. Spencer will receive a pro-rated \$45,000 annual cash retainer in connection with his service on the Board and a pro-rated \$10,000 cash retainer in connection with his service on the Audit Committee, in each case paid in quarterly installments. Mr. Spencer will receive an initial award of restricted stock units of the Company having a value of \$225,000, vesting in three equal installments on each anniversary of Mr. Spencer's service on the Board. The Company will also reimburse Mr. Spencer for all reasonable and documented travel and lodging expenses associated with Mr. Spencer's attendance at Board and Audit Committee meetings pursuant to the terms of the Non-Employee Director Compensation Policy. Mr. Spencer will also enter into the Company's standard form indemnification agreement.

Mr. Spencer is the Chief Financial Officer of Eko Health Inc., a company that provides technology to clinicians for early detection of heart and lung disease, and joined the company in December 2024. From July 2021 through June 2024, Mr. Spencer and his wife served as full-time voluntary mission leaders for the Church of Jesus Christ of Latter-day Saints. From August 2014 to June 2021, Mr. Spencer was the Chief Financial Officer of Vocera Communications ("Vocera"), which was a publicly traded healthcare technology company that provided digital communication and workflow technology for hospitals, prior to its acquisition by Stryker. Prior to joining Vocera, from September 2008 to November 2013, he served as Chief Financial Officer and Executive Vice President of Finance and Administration at Symmetricom Inc., a then publicly traded company specialized in high-precision timekeeping tools, where he led finance, investor relations, legal and information technology activities. From November 2002 to June 2008, Mr. Spencer worked at Covad Communications Group ("Covad"), a then publicly traded company that provided voice and data communications products and services, overseeing finance, accounting, human resources and corporate development. While at Covad, he served as Executive Vice President and Chief Financial Officer as well as Vice President of Finance, Corporate Development and Investor Relations. Between 2016 and 2019, Mr. Spencer also served as a member of the board of directors for iPass Inc., a publicly traded technology company, and served as its Audit Committee Chair and a member of its Compensation Committee. Mr. Spencer holds a Bachelor's degree in Accounting from the University of Utah and an MBA from The Wharton School of Business.

Since the beginning of the Company's last fiscal year through the present, there have been no other transactions with the Company, and there are currently no proposed transactions with the Company, in which the amount involved exceeds \$120,000 and in which Mr. Spencer had or will have a direct or indirect material interest within the meaning of Item 404(a) of Regulation S-K. No arrangement or understanding exists between Mr. Spencer and any other person pursuant to which Mr. Spencer was selected as a director of the Company.

Health Catalyst Reports Second Quarter 2025 Results

SALT LAKE CITY, UT, August 7, 2025 — Health Catalyst, Inc. (“Health Catalyst,” Nasdaq: HCAT), a leading provider of data and analytics technology and services to healthcare organizations, today reported financial results for the quarter ended June 30, 2025.

“For the second quarter of 2025, I am pleased by our strong financial results, including total revenue of \$80.7 million and Adjusted EBITDA of \$9.3 million, with these results beating our quarterly guidance on each metric.” said Dan Burton, CEO of Health Catalyst. “I also want to share my plan to retire from the CEO role at Health Catalyst effective June 30, 2026. By then, I will have been leading Health Catalyst full-time for 15 years. It has been the highlight of my career to serve in this role, in a company filled with teammates I love, in service of a mission that I believe in, in support of clients who are so deeply committed to that same mission, and with the backing of our shareholders, past and present, who have enabled us to pursue this mission to make healthcare measurably better. For many years, my wife, Sarah, and I have planned to pursue mission-oriented service opportunities associated with our faith, and we look forward to having more time to devote to this service after I complete my tenure as CEO. I will support the Board in its CEO search process and will continue to serve on the Board. Likewise, during this transitional period, I remain deeply committed to strong execution, every day, in support of accomplishing our company’s goals and objectives, including driving client and shareholder value.”

Jack Kane, Chairman of the Health Catalyst Board of Directors, added “We as a Board would like to thank Dan for his many years of outstanding service to the company in the role of CEO. We fully support Dan in pursuing these opportunities and we appreciate the time he is giving us as a Board to manage an effective and orderly transition. We are grateful Dan will continue to serve on the Board. Our Nominating and Corporate Governance Committee will conduct a CEO search to identify an effective, world-class CEO to lead Health Catalyst in its next chapter.”

Financial Highlights for the Three Months Ended June 30, 2025

Key Financial Metrics

	Three Months Ended June 30,		Year over Year Change
	2025	2024	
	(in thousands, except percentages, unaudited)		
GAAP Financial Measures:			
Total revenue	\$ 80,721	\$ 75,902	6%
Gross profit	\$ 30,333	\$ 28,806	5%
Gross margin	38 %	38 %	
Net loss	\$ (40,978)	\$ (13,516)	(203)%
Non-GAAP Financial Measures:⁽¹⁾			
Adjusted Gross Profit	\$ 39,964	\$ 37,803	6%
Adjusted Gross Margin	50 %	50 %	
Adjusted EBITDA	\$ 9,344	\$ 7,522	24%

(1) These measures are not calculated in accordance with generally accepted accounting principles in the United States (GAAP). See the accompanying "Non-GAAP Financial Measures" section below for more information about these financial measures, including the limitations of such measures, and for a reconciliation of each measure to the most directly comparable measure calculated in accordance with GAAP.

Financial Outlook

Health Catalyst provides forward-looking guidance on total revenue, a GAAP measure, and Adjusted EBITDA, a non-GAAP measure.

For the third quarter of 2025, we expect:

- Total revenue of approximately \$75 million, and
- Adjusted EBITDA of approximately \$10.5 million

For the full year of 2025, we expect:

- Total revenue of approximately \$310 million, and
- Adjusted EBITDA of approximately \$41 million

We have not provided forward-looking guidance for net loss, the most directly comparable GAAP measure to Adjusted EBITDA, and therefore have not reconciled guidance for Adjusted EBITDA to net loss, because there are items that may impact net loss, including stock-based compensation, that are not within our control or cannot be reasonably forecasted.

Quarterly Conference Call Details

We will host a conference call to review the results today, Thursday, August 7, 2025, at 5:00 p.m. E.T. The conference call can be accessed by dialing (800) 343-5172 for U.S. participants, or (203) 518-9856 for international participants, and referencing conference ID "HCATQ225." A live audio webcast will be available online at <https://ir.healthcatalyst.com/>. A replay of the call will be available via webcast for on-demand listening shortly after the completion of the call, at the same web link, and will remain available for approximately 90 days.

About Health Catalyst

Health Catalyst (Nasdaq: HCAT) is a leading provider of data and analytics technology and services that ignite smarter healthcare, lighting the path to measurable clinical, financial, and operational improvement. More than 1,000 organizations worldwide rely on Health Catalyst's offerings, including our cloud-based technology ecosystem Health Catalyst Ignite™, AI-enabled data and analytics solutions, and expert services to drive meaningful outcomes across hundreds of millions of patient records. Powered by high-value data, standardized measures and registries, and deep healthcare domain expertise, Ignite helps organizations transform complex information into actionable insights. Backed by a multi-decade mission and a proven track record of delivering billions of dollars in measurable results, Health Catalyst continues to serve as the catalyst for massive, measurable, data-informed healthcare improvement and innovation.

Available Information

Our investors and others should note that we announce material information to the public about our company, products and services, and other matters related to our company through a variety of means, including our website (<https://www.healthcatalyst.com/>), our investor relations website (<https://ir.healthcatalyst.com/>), press releases, SEC filings, public conference calls, and social media, including our and our CEO's social media accounts such as LinkedIn (<https://www.linkedin.com/in/danburton/> and <https://www.linkedin.com/company/healthcatalyst/>), in order to achieve broad, non-exclusionary distribution of information to the public and to comply with our disclosure obligations under Regulation FD.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements include statements regarding our future growth and our financial outlook for the third quarter and full year 2025 and our CEO retirement and transition. Forward-looking statements are subject to risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Actual results may differ materially from the results predicted, and reported results should not be considered as an indication of future performance.

Important risks and uncertainties that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: (i) changes in laws and regulations applicable to our business model; (ii) changes in market or industry conditions, regulatory environment, and receptivity to our technology and services; (iii) results of litigation or a security incident; (iv) the loss of one or more key clients or partners; (v) macroeconomic challenges (including high inflationary and/or high interest rate environments, tariffs, or market volatility and measures taken in response thereto) and natural disasters or new public health crises; and (vi) changes to our abilities to recruit and retain qualified team members.

For a detailed discussion of the risk factors that could affect our actual results, please refer to the risk factors identified in our SEC reports, including, but not limited to the Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2025, expected to be filed with the SEC on or about August 8, 2025, and the Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 26, 2025. All information provided in this release and in the attachments is as of the date hereof, and we undertake no duty to update or revise this information unless required by law.

Condensed Consolidated Balance Sheets
(in thousands, except share and per share data, unaudited)

	As of June 30, 2025 <i>(unaudited)</i>	As of December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 50,712	\$ 249,645
Short-term investments	46,626	142,355
Accounts receivable, net	68,378	57,182
Prepaid expenses and other assets	14,860	16,468
Total current assets	180,576	465,650
Property and equipment, net	33,399	29,394
Intangible assets, net	98,346	86,052
Operating lease right-of-use assets	12,345	12,058
Goodwill	286,095	259,759
Other assets	5,419	6,016
Total assets	\$ 616,180	\$ 858,929
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 8,940	\$ 11,433
Accrued liabilities	17,367	26,340
Deferred revenue	67,011	53,281
Operating lease liabilities	3,878	3,614
Current portion of long-term debt	1,627	231,182
Total current liabilities	98,823	325,850
Long-term debt, net of current portion	151,401	151,178
Deferred revenue, net of current portion	329	249
Operating lease liabilities, net of current portion	15,883	16,291
Contingent consideration liabilities, net of current portion	2,145	—
Other liabilities	52	154
Total liabilities	268,633	493,722
Stockholders' equity:		
Preferred stock, \$0.001 par value per share; 25,000,000 shares authorized and no shares issued and outstanding as of June 30, 2025 and December 31, 2024	—	—
Common stock, \$0.001 par value per share, and additional paid-in capital; 500,000,000 shares authorized as of June 30, 2025 and December 31, 2024; 70,267,429 and 64,043,799 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	1,596,707	1,552,714
Accumulated deficit	(1,251,392)	(1,186,672)
Accumulated other comprehensive income (loss)	2,232	(835)
Total stockholders' equity	347,547	365,207
Total liabilities and stockholders' equity	\$ 616,180	\$ 858,929

Condensed Consolidated Statements of Operations
(in thousands, except per share data, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue:				
Technology	\$ 52,876	\$ 47,635	\$ 104,358	\$ 94,601
Professional services	27,845	28,267	55,776	56,024
Total revenue	80,721	75,902	160,134	150,625
Cost of revenue, excluding depreciation and amortization:				
Technology ⁽¹⁾⁽²⁾⁽³⁾	18,352	16,067	35,917	31,382
Professional services ⁽¹⁾⁽²⁾⁽³⁾	24,128	23,993	49,741	47,195
Total cost of revenue, excluding depreciation and amortization	42,480	40,060	85,658	78,577
Operating expenses:				
Sales and marketing ⁽¹⁾⁽²⁾⁽³⁾	13,206	12,745	27,944	31,803
Research and development ⁽¹⁾⁽²⁾⁽³⁾	12,392	13,884	27,578	28,755
General and administrative ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	8,284	14,363	22,446	28,927
Depreciation and amortization	12,684	10,657	25,004	21,182
Goodwill impairment	28,769	—	28,769	—
Total operating expenses	75,335	51,649	131,741	110,667
Loss from operations	(37,094)	(15,807)	(57,265)	(38,619)
Interest and other (expense) income, net	(3,803)	2,361	(7,159)	4,699
Loss before income taxes	(40,897)	(13,446)	(64,424)	(33,920)
Income tax provision	81	70	296	183
Net loss	\$ (40,978)	\$ (13,516)	\$ (64,720)	\$ (34,103)
Net loss per share, basic and diluted	\$ (0.59)	\$ (0.23)	\$ (0.94)	\$ (0.58)
Weighted-average shares outstanding used in calculating net loss per share, basic and diluted	69,626	59,304	69,092	58,948

(1) Includes stock-based compensation expense as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Stock-Based Compensation Expense:	(in thousands)		(in thousands)	
Cost of revenue, excluding depreciation and amortization:				
Technology	\$ 295	\$ 391	\$ 514	\$ 756
Professional services	1,194	1,349	2,196	2,681
Sales and marketing	2,542	2,452	4,704	6,442
Research and development	1,316	1,676	2,449	3,520
General and administrative	2,976	3,098	6,003	6,405
Total	\$ 8,323	\$ 8,966	\$ 15,866	\$ 19,804

(2) Includes acquisition-related costs, net, as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Acquisition-related costs, net:	(in thousands)		(in thousands)	
Cost of revenue, excluding depreciation and amortization:				
Technology	\$ 33	\$ 104	\$ 107	\$ 169
Professional services	56	117	176	208
Sales and marketing	(57)	523	441	587
Research and development	190	228	357	430
General and administrative	(3,942)	2,459	(1,772)	2,850
Total	\$ (3,720)	\$ 3,431	\$ (691)	\$ 4,244

(3) Includes restructuring costs as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)		(in thousands)	
Restructuring costs:				
Cost of revenue, excluding depreciation and amortization:				
Technology	\$ —	\$ —	\$ 401	\$ 79
Professional services	145	—	1,142	181
Sales and marketing	—	—	352	449
Research and development	237	—	1,909	443
General and administrative	—	275	136	936
Total	\$ 382	\$ 275	\$ 3,940	\$ 2,088

(4) Includes non-recurring lease-related charges as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)		(in thousands)	
Non-recurring lease-related charges:				
General and administrative	\$ —	\$ —	\$ —	\$ 2,200
Total	\$ —	\$ —	\$ —	\$ 2,200

Condensed Consolidated Statements of Cash Flows
(in thousands, unaudited)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities		
Net loss	\$ (64,720)	\$ (34,103)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Stock-based compensation expense	15,866	19,804
Depreciation and amortization	25,004	21,182
Impairment of long-lived assets	—	2,200
Non-cash operating lease expense	1,484	1,434
Amortization of debt discount, issuance costs, and deferred financing costs	2,089	759
Investment discount and premium accretion	(933)	(3,148)
Provision for expected credit losses	1,110	3,438
Deferred tax provision	(157)	16
Change in fair value of contingent consideration liabilities	(5,168)	—
Goodwill impairment	28,769	—
Other	(784)	12
Change in operating assets and liabilities:		
Accounts receivable, net	(10,633)	2,047
Prepaid expenses and other assets	2,468	1,922
Accounts payable, accrued liabilities, and other liabilities	(12,638)	(2,380)
Deferred revenue	11,423	501
Operating lease liabilities	(1,897)	(1,806)
Net cash (used in) provided by operating activities	(8,717)	11,878
Cash flows from investing activities		
Proceeds from the sale and maturity of short-term investments	143,208	158,200
Purchase of short-term investments	(46,760)	(50,197)
Acquisition of businesses, net of cash acquired	(41,114)	(18,659)
Capitalization of internal-use software	(10,086)	(6,287)
Purchase of intangible assets	(296)	(365)
Purchases of property and equipment	(440)	(498)
Proceeds from the sale of property and equipment	25	7
Net cash provided by investing activities	44,537	82,201
Cash flows from financing activities		
Proceeds from employee stock purchase plan	1,003	1,431
Proceeds from exercise of stock options	—	130
Repurchase of common stock	(5,000)	—
Repayment of debt	(230,814)	—
Net cash (used in) provided by financing activities	(234,811)	1,561
Effect of exchange rate changes on cash and cash equivalents	58	(21)
Net (decrease) increase in cash and cash equivalents	(198,933)	95,619
Cash and cash equivalents at beginning of period	249,645	106,276
Cash and cash equivalents at end of period	\$ 50,712	\$ 201,895

Non-GAAP Financial Measures

To supplement our financial information presented in accordance with GAAP, we believe certain non-GAAP financial measures, including Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, Adjusted Net Income, and Adjusted Net Income per share, basic and diluted, are useful in evaluating our operating performance. For example, we exclude stock-based compensation expense because it is non-cash in nature and excluding this expense provides meaningful supplemental information regarding our operational performance and allows investors the ability to make more meaningful comparisons between our operating results and those of other companies. We use this non-GAAP financial information to evaluate our ongoing operations, as a component in determining employee bonus compensation, and for internal planning and forecasting purposes.

We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies, including companies in our industry, may calculate similarly-titled 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. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business.

Adjusted Gross Profit and Adjusted Gross Margin

Gross profit is a GAAP financial measure that is calculated as revenue less cost of revenue, including depreciation and amortization of capitalized software development costs and acquired technology. We calculate gross margin as gross profit divided by our revenue. Adjusted Gross Profit is a non-GAAP financial measure that we define as gross profit, adjusted for (i) depreciation and amortization, (ii) stock-based compensation, (iii) acquisition-related costs, net, and (iv) restructuring costs, as applicable. We define Adjusted Gross Margin as our Adjusted Gross Profit divided by our revenue. We believe Adjusted Gross Profit and Adjusted Gross Margin are useful to investors as they eliminate the impact of certain non-cash expenses and allow a direct comparison of these measures between periods without the impact of non-cash expenses and certain other non-recurring operating expenses.

We present both of these measures for our technology and professional services business. We believe these non-GAAP financial measures are useful in evaluating our operating performance compared to that of other companies in our industry, as these metrics generally eliminate the effects of certain items that may vary from company to company for reasons unrelated to overall profitability.

The following is a calculation of our gross profit and gross margin and a reconciliation of gross profit and gross margin, the most directly comparable financial measures calculated in accordance with GAAP, to our Adjusted Gross Profit and Adjusted Gross Margin in total and for technology and professional services for the three months ended June 30, 2025 and 2024.

	Three Months Ended June 30, 2025		
	(in thousands, except percentages)		
	Technology	Professional Services	Total
Revenue	\$ 52,876	\$ 27,845	\$ 80,721
Cost of revenue, excluding depreciation and amortization	(18,352)	(24,128)	(42,480)
Amortization of intangible assets, cost of revenue	(4,857)	—	(4,857)
Depreciation of property and equipment, cost of revenue	(3,051)	—	(3,051)
Gross profit	26,616	3,717	30,333
Gross margin	50 %	13 %	38 %
Add:			
Amortization of intangible assets, cost of revenue	4,857	—	4,857
Depreciation of property and equipment, cost of revenue	3,051	—	3,051
Stock-based compensation	295	1,194	1,489
Acquisition-related costs, net ⁽¹⁾	33	56	89
Restructuring costs ⁽²⁾	—	145	145
Adjusted Gross Profit	\$ 34,852	\$ 5,112	\$ 39,964
Adjusted Gross Margin	66 %	18 %	50 %

(1) Acquisition-related costs, net include deferred retention expenses attributable to the Upfront, Intraprise, ARMUS, and KPI Ninja acquisitions.

(2) Restructuring costs include severance and other team member costs from workforce reductions. For additional details, refer to Note 19 in our condensed consolidated financial statements.

	Three Months Ended June 30, 2024		
	(in thousands, except percentages)		
	Technology	Professional Services	Total
Revenue	\$ 47,635	\$ 28,267	\$ 75,902
Cost of revenue, excluding depreciation and amortization	(16,067)	(23,993)	(40,060)
Amortization of intangible assets, cost of revenue	(4,583)	—	(4,583)
Depreciation of property and equipment, cost of revenue	(2,453)	—	(2,453)
Gross profit	24,532	4,274	28,806
Gross margin	51 %	15 %	38 %
Add:			
Amortization of intangible assets, cost of revenue	4,583	—	4,583
Depreciation of property and equipment, cost of revenue	2,453	—	2,453
Stock-based compensation	391	1,349	1,740
Acquisition-related costs, net ⁽¹⁾	104	117	221
Adjusted Gross Profit	\$ 32,063	\$ 5,740	\$ 37,803
Adjusted Gross Margin	67 %	20 %	50 %

(1) Acquisition-related costs, net include deferred retention expenses attributable to the Carevive, ARMUS, and KPI Ninja acquisitions.

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure that we define as net loss adjusted for (i) interest and other (income) expense, net, (ii) income tax provision, (iii) depreciation and amortization, (iv) stock-based compensation, (v) acquisition-related costs, net, (vi) restructuring costs, (vii) goodwill impairment, and (viii) non-recurring lease-related charges. We view acquisition-related expenses when applicable, such as transaction costs and changes in the fair value of contingent consideration liabilities that are directly related to business combinations, as costs that are unpredictable, dependent upon factors outside of our control, and are not necessarily reflective of operational performance during a period. We believe that excluding restructuring costs, goodwill impairment, and non-recurring lease-related charges, as applicable, allows for more meaningful comparisons between operating results from period to period as these are separate from the core activities that arise in the ordinary course of our business and are not part of our ongoing operations. We believe Adjusted EBITDA provides investors with useful information on period-to-period performance as evaluated by management and a comparison with our past financial performance, and is useful in evaluating our operating performance compared to that of other companies in our industry, as this metric generally eliminates the effects of certain items that may vary from company to company for reasons unrelated to overall operating performance. The following is a reconciliation of our net loss, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted EBITDA for the three months ended June 30, 2025 and 2024:

	Three Months Ended June 30,	
	2025	2024
	(in thousands)	
Net loss	\$ (40,978)	\$ (13,516)
Add:		
Interest and other (income) expense, net	3,803	(2,361)
Income tax provision	81	70
Depreciation and amortization	12,684	10,657
Stock-based compensation	8,323	8,966
Acquisition-related costs, net ⁽¹⁾	(3,720)	3,431
Restructuring costs ⁽²⁾	382	275
Goodwill impairment ⁽³⁾	28,769	—
Adjusted EBITDA	<u>\$ 9,344</u>	<u>\$ 7,522</u>

(1) Acquisition-related costs, net include third-party fees associated with due diligence, deferred retention expenses, post-acquisition restructuring costs incurred as part of business combinations, and changes in fair value of contingent consideration liabilities for potential earn-out payments.

(2) Restructuring costs include severance and other team member costs from workforce reductions. For additional details, refer to Note 19 in our condensed consolidated financial statements.

(3) Goodwill impairment was recognized as a result of impairment indicators and a quantitative test indicating the fair values of the Technology and the Professional Services reporting units were below their respective carrying values as of June 30, 2025. For additional details, refer to Note 4 in our condensed consolidated financial statements.

Adjusted Net Income and Adjusted Net Income Per Share

Adjusted Net Income is a non-GAAP financial measure that we define as net loss adjusted for (i) stock-based compensation, (ii) amortization of acquired intangibles, (iii) restructuring costs, (iv) acquisition-related costs, net, including the change in fair value of contingent consideration liabilities, (v) goodwill impairment, and (vi) non-cash interest expense related to debt facilities. We believe Adjusted Net Income provides investors with useful information on period-to-period performance as evaluated by management and comparison with our past financial performance and is useful in evaluating our operating performance compared to that of other companies in our industry, as this metric generally eliminates the effects of certain items that may vary from company to company for reasons unrelated to overall operating performance. The following is a reconciliation of our net loss, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted Net Income, for the three months ended June 30, 2025 and 2024:

	Three Months Ended June 30,	
	2025	2024
(in thousands, except share and per share amounts)		
Numerator:		
Net loss	\$ (40,978)	\$ (13,516)
Add:		
Stock-based compensation	8,323	8,966
Amortization of acquired intangibles	9,047	7,535
Restructuring costs ⁽¹⁾	382	275
Acquisition-related costs, net ⁽²⁾	(3,720)	3,431
Goodwill impairment ⁽³⁾	28,769	—
Non-cash interest expense related to debt facilities	881	380
Adjusted Net Income	<u>\$ 2,704</u>	<u>\$ 7,071</u>
Denominator:		
Weighted-average shares outstanding used in calculating net loss per share, basic and diluted, and Adjusted Net Income per share, basic	69,625,540	59,303,791
Non-GAAP dilutive effect of stock-based awards	164,532	165,226
Non-GAAP weighted-average shares outstanding used in calculating Adjusted Net Income per share, diluted	<u>69,790,072</u>	<u>59,469,017</u>
Net loss per share, basic and diluted	<u>\$ (0.59)</u>	<u>\$ (0.23)</u>
Adjusted Net Income per share, basic and diluted	<u>\$ 0.04</u>	<u>\$ 0.12</u>

(1) Restructuring costs include severance and other team member costs from workforce reductions. For additional details, refer to Note 19 in our condensed consolidated financial statements.

(2) Acquisition-related costs, net includes third-party fees associated with due diligence, deferred retention expenses, 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) Goodwill impairment was recognized as a result of impairment indicators and a quantitative test indicating the fair values of the Technology and the Professional Services reporting units were below their respective carrying values as of June 30, 2025. For additional details, refer to Note 4 in our condensed consolidated financial statements.

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Health Catalyst Q2 2025 Financial Highlights, 2025 Guidance & Key Themes⁽¹⁾

Q2 2025 Results	<ul style="list-style-type: none"> Total Revenue of \$80.7M (+6%), exceeding Q2 2025 guidance of ~\$80.5M; Technology Revenue of \$52.9M (+11%) Net Loss of \$41.0M; no guidance was previously provided (includes \$28.8 million of goodwill impairment) Adj. EBITDA⁽²⁾ of \$9.3M (+24%, 12% Margin), above Q2 2025 guidance of ~\$8M
Q3 & FY 2025 Guidance and Forward-Looking Commentary	<ul style="list-style-type: none"> Q3 2025 Total Revenue: ~\$75M (-2%) Q3 2025 Adj. EBITDA⁽⁴⁾: ~\$10.5M (+44%, 14% Margin⁽⁵⁾) 2025 Total Revenue: ~\$310M (+1%) 2025 Adj. EBITDA⁽⁴⁾: ~\$41M (+57%, 13% Margin⁽⁵⁾) – ~100 BP higher margin than previous expectation 2025 Dollar-Based Retention⁽⁶⁾: Low-90s; of note: 98 of our 100 largest Platform Client relationships have been maintained⁽⁷⁾ 2025 net new Platform Clients⁽³⁾: ~30 (+43%), with average ARR + non-recurring revenue range expected to be on the lower end of the \$300k to \$700k range
Key Themes & Recent Updates	<ul style="list-style-type: none"> Medicaid & Research Funding Cuts Lead to HCAT Revenue Reduction: Funding cuts are likely a multi-year headwind and cause HCAT 2025 Revenue reduction from four factors: 1. platform clients pocketing Ignite savings (20+%) and fewer and smaller expansions (~five points); 2. HCAT proactive focus on restructuring services contracts to improve profitability (~two points); 3. Carevive life sciences delays (~one point); 4. lower next-year bookings for net new platform client contracts (~less than one point). Momentum in Application Solutions: While we are seeing revenue pressures in two components of our offering, Platform Technology and Professional Services revenue, we are encouraged with the growth and profitability of Application Technology (>20% revenue growth in LTM June 30, 2025, with our highest profit margins). Announced Restructuring Event: Includes meaningful non-headcount cost reductions and will also impact ~9% of our total workforce. We anticipate this restructuring plan and our updates to client contracts will improve Adj. EBITDA by over \$40 Million on an annualized basis. Confidence in Profitability Improvement Even with Macro Headwinds: Despite a meaningful reduction in revenue expectations, we are on track to deliver ~\$41M of 2025 Adj. EBITDA in 2025, with run-rate annualized Adj EBITDA of \$60M (~20% margin) in Q4 2025. CEO Transition: Dan Burton will retire from CEO role as of June 30, 2026, after 15 years leading HCAT full-time, enabling him to pursue faith-based volunteer service opportunities with his wife; Nominating and Corporate Governance Committee will run a CEO search over the next several months.

Note: This summary contains forward-looking statements within the meaning of Section 270 of the Securities Act of 1933, as amended, and Section 27E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements include statements regarding our future growth and our financial outlook for Q3 and FY 2025. See press release dated August 7, 2025. Forward as Exhibit B1 to a Current Report on Form 8-K filed with the Securities and Exchange Commission on August 7, 2025 (the "Earnings Release"), for additional information about our forward-looking statements.

(1) - Stock price reference, based on our performance.

(2) - See "Non-GAAP Financial Measures-Adjusted EBITDA" in the earnings release.

(3) - See "Our Plan for February 26, 2025" for a description of the definition of Platform Clients for 2025 and future years.

(4) - We have not provided forward-looking guidance for net loss, the most directly comparable GAAP measure, to Adjusted EBITDA, and therefore have not recorded guidance for Adjusted EBITDA to net loss because there are items that may impact net loss, including stock-based compensation, that are not within our control or cannot be reasonably forecasted.

(5) - We have not provided forward-looking guidance for net loss margin, the most directly comparable GAAP measure, to Adjusted EBITDA margin, and therefore have not recorded guidance for Adjusted EBITDA margin to net loss margin, because there are items that may impact net loss, including stock-based compensation, that are not within our control or cannot be reasonably forecasted.

(6) - See "Our Plan for February 26, 2025" for a description of the variables of Dollar-Based Retention (DBR) %.

(7) - Comparison of Platform Clients as of June 30, 2025 relative to year end 2024 and calculated based on Technology Revenue.

