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): November 2, 2023

HEALTH CATALYST, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-38993**	**45-3337483**
(State or other jurisdiction of incorporation)	(Commission File Number)	(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	Trading Symbol(s)	Name of exchange on which registered
Common Stock, par value $0.001 per share	**HCAT**	**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 November 2, 2023, Health Catalyst, Inc. (the Company) issued a press release relating to its financial results for the quarter ended September 30, 2023. A copy of the press release and the Q3 2023 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 the exhibits set forth in Item 9.01 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 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	**Description**
99.1*	Health Catalyst, Inc. press release for quarterly financial results, dated November 2, 2023
99.2*	Q3 2023 Earnings Release Summary
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

* Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HEALTH CATALYST, INC.

Date: November 2, 2023

By: /s/ Bryan Hunt
Bryan Hunt
Chief Financial Officer

Exhibit 99.1

Health Catalyst Reports Third Quarter 2023 Results

SALT LAKE CITY, UT, November 2, 2023 — 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 September 30, 2023.

“For the third quarter of 2023, I am pleased by our strong financial results, including total revenue of $73.8 million and Adjusted EBITDA of $2.0 million, with these results beating the mid-point of our quarterly guidance on each metric. Additionally, we are grateful to be in a position to raise our full year 2023 revenue guidance range and reiterate our full year 2023 Adjusted EBITDA guidance range. We are also encouraged by our bookings results through Q3 2023, which are in line with our expectations.” said Dan Burton, CEO of Health Catalyst. “I am also happy to report that in the most recent team member engagement survey, independently administered by the Gallup organization, team member engagement scores at Health Catalyst measured in the 94th percentile. This latest engagement level continues a pattern that has been in place for many years, of industry-leading engagement, consistently ranking at or above this percentile level in overall team member engagement scores. We as a leadership team continue to maintain a primary, prioritized focus on team member engagement – the center of our strategic flywheel – because we recognize the central and foundational contributions that our team members make in building the software and providing the services expertise that enable our clients to achieve massive, measurable improvement.”

Financial Highlights for the Three Months Ended September 30, 2023

Key Financial Metrics

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Year over Year Change
GAAP Financial Data:	(in thousands, except percentages, unaudited)		
Technology revenue	$ 45,973	$ 43,997	4%
Professional services revenue	$ 27,800	$ 24,357	14%
Total revenue	$ 73,773	$ 68,354	8%
Loss from operations	$ (24,580)	$ (45,721)	46%
Net loss	$ (22,032)	$ (45,735)	52%
Other Non-GAAP Financial Data:[(1)]			
Adjusted Technology Gross Profit	$ 31,367	$ 29,993	5%
Adjusted Technology Gross Margin	68 %	68 %	
Adjusted Professional Services Gross Profit	$ 3,205	$ 4,970	(36)%
Adjusted Professional Services Gross Margin	12 %	20 %	
Total Adjusted Gross Profit	$ 34,572	$ 34,963	(1)%
Total Adjusted Gross Margin	47 %	51 %	
Adjusted EBITDA	$ 1,992	$ (4,554)	144%

(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 fourth quarter of 2023, we expect:

- Total revenue between $70.1 million and $75.1 million, and
- Adjusted EBITDA between $0.3 million and $2.3 million

For the full year of 2023, we expect:

- Total revenue between $291.0 million and $296.0 million, and
- Adjusted EBITDA between $10.0 million and $12.0 million

We have not reconciled guidance for Adjusted EBITDA to net loss, the most directly comparable GAAP measure, and have not provided forward-looking guidance for 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, November 2, 2023, at 5:00 p.m. E.T. The conference call can be accessed by dialing (800)-225-9448 for U.S. participants, or 203-518-9708 for international participants, and referencing conference ID "HCAT Q323." 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 is a leading provider of data and analytics technology and services to healthcare organizations committed to being the catalyst for massive, measurable, data-informed healthcare improvement. Its clients leverage the cloud-based data platform — powered by data from more than 100 million patient records and encompassing trillions of facts—as well as its analytics software and professional services expertise to make data-informed decisions and realize measurable clinical, financial, and operational improvements. Health Catalyst envisions a future in which all healthcare decisions are data informed.

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, 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 Q4 and fiscal year 2023. 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) the impact of the challenging macroeconomic environment (including high inflationary and/or high interest rate environments) on our business and results of operations; 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 September 30, 2023 expected to be filed with the SEC on or about November 2, 2023 and the Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 28, 2023. 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 September 30, 2023	As of December 31, 2022
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 94,971	$ 116,312
Short-term investments	252,726	247,178
Accounts receivable, net	46,085	47,970
Prepaid expenses and other assets	14,671	16,335
Total current assets	408,453	427,795
Property and equipment, net	26,096	25,928
Intangible assets, net	71,996	92,189
Operating lease right-of-use assets	15,277	16,658
Goodwill	185,982	185,982
Other assets	5,116	3,734
Total assets	$ 712,920	$ 752,286
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 6,327	$ 4,424
Accrued liabilities	21,457	19,691
Deferred revenue	53,067	54,961
Operating lease liabilities	3,402	3,434
Total current liabilities	84,253	82,510
Convertible senior notes	227,655	226,523
Deferred revenue, net of current portion	312	105
Operating lease liabilities, net of current portion	18,233	18,017
Other liabilities	73	121
Total liabilities	330,526	327,276
Stockholders' equity:		
Preferred stock, $0.001 par value per share; 25,000,000 shares authorized and no shares issued and outstanding as of September 30, 2023 and December 31, 2022	—	—
Common stock, $0.001 par value per share, and additional paid-in capital; 500,000,000 shares authorized as of September 30, 2023 and December 31, 2022; 57,044,112 and 55,261,922 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	1,469,422	1,424,681
Accumulated deficit	(1,086,858)	(999,023)
Accumulated other comprehensive loss	(170)	(648)
Total stockholders' equity	382,394	425,010
Total liabilities and stockholders' equity	$ 712,920	$ 752,286

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)		(in thousands)	
Revenue:				
Technology	$ 45,973	$ 43,997	$ 140,483	$ 131,624
Professional services	27,800	24,357	80,371	75,450
Total revenue	73,773	68,354	220,854	207,074
Cost of revenue, excluding depreciation and amortization shown below:				
Technology(1)(2)(3)	15,169	14,572	45,755	41,895
Professional services(1)(2)(3)	26,618	21,768	73,774	63,048
Total cost of revenue, excluding depreciation and amortization	41,787	36,340	119,529	104,943
Operating expenses:				
Sales and marketing(1)(2)(3)	15,084	25,401	50,050	67,141
Research and development(1)(2)(3)	17,667	20,770	52,339	56,066
General and administrative(1)(2)(3)(4)(5)	13,625	19,192	61,129	45,551
Depreciation and amortization	10,190	12,372	31,919	36,633
Total operating expenses	56,566	77,735	195,437	205,391
Loss from operations	(24,580)	(45,721)	(94,112)	(103,260)
Interest and other income (expense), net	2,607	142	6,490	(2,700)
Loss before income taxes	(21,973)	(45,579)	(87,622)	(105,960)
Income tax provision (benefit)(2)	59	156	213	(4,339)
Net loss	$ (22,032)	$ (45,735)	$ (87,835)	$ (101,621)
Net loss per share, basic	$ (0.39)	$ (0.84)	$ (1.57)	$ (1.89)
Net loss per share, diluted	$ (0.39)	$ (0.84)	$ (1.57)	$ (1.97)
Weighted-average shares outstanding used in calculating net loss per share, basic	56,711	54,304	56,062	53,667
Weighted-average shares outstanding used in calculating net loss per share, diluted	56,711	54,304	56,062	54,025

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Stock-Based Compensation Expense:	(in thousands)		(in thousands)	
Cost of revenue, excluding depreciation and amortization:				
Technology	$ 497	$ 494	$ 1,408	$ 1,563
Professional services	1,927	1,991	5,682	6,082
Sales and marketing	5,149	7,037	16,049	20,925
Research and development	2,927	3,390	8,677	9,643
General and administrative	3,732	4,392	10,929	15,143
Total	$ 14,232	$ 17,304	$ 42,745	$ 53,356

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Acquisition-related costs (benefit), net:	(in thousands)		(in thousands)	
Cost of revenue, excluding depreciation and amortization:				
Technology	$ 66	$ 74	$ 208	$ 267
Professional services	96	143	298	509
Sales and marketing	102	367	304	1,557
Research and development	198	693	587	2,358
General and administrative	1,664	2,015	1,705	(1,503)
Income tax benefit	—	—	—	(4,533)
Total	$ 2,126	$ 3,292	$ 3,102	$ (1,345)

(3) Includes restructuring costs as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Restructuring costs:	(in thousands)		(in thousands)	
Cost of revenue, excluding depreciation and amortization:				
Technology	$ —	$ —	$ 12	$ —
Professional services	—	247	434	247
Sales and marketing	—	1,559	1,205	1,559
Research and development	—	2,257	286	2,257
General and administrative	—	436	118	436
Total	$ —	$ 4,499	$ 2,055	$ 4,499

(4) Includes litigation costs as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Litigation costs:	(in thousands)		(in thousands)	
General and administrative	$ 24	$ —	$ 21,279	$ —
Total	$ 24	$ —	$ 21,279	$ —

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Non-recurring lease-related charges:	(in thousands)		(in thousands)	
General and administrative	$ —	$ 3,700	$ 2,681	$ 3,700
Total	$ —	$ 3,700	$ 2,681	$ 3,700

Condensed Consolidated Statements of Cash Flows

(in thousands, unaudited)

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Cash flows from operating activities		
Net loss	$ (87,835)	$ (101,621)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	42,745	53,356
Depreciation and amortization	31,919	36,633
Impairment of long-lived assets	2,681	4,925
Non-cash operating lease expense	2,272	2,458
Amortization of debt discount and issuance costs	1,132	1,124
Investment discount and premium (accretion) amortization	(6,816)	(608)
Provision for expected credit losses	1,626	700
Deferred tax provision (benefit)	6	(4,527)
Change in fair value of contingent consideration liabilities	—	(4,668)
Other	101	(71)
Change in operating assets and liabilities:		
Accounts receivable, net	259	(800)
Prepaid expenses and other assets	385	2,020
Accounts payable, accrued liabilities, and other liabilities	1,847	873
Deferred revenue	(1,688)	(4,365)
Contingent consideration liabilities	—	(3,234)
Operating lease liabilities	(2,673)	(2,644)
Net cash used in operating activities	(14,039)	(20,449)
Cash flows from investing activities		
Proceeds from the sale and maturity of short-term investments	256,101	270,171
Purchase of short-term investments	(254,448)	(274,529)
Capitalization of internal-use software	(9,331)	(10,024)
Purchase of intangible assets	(986)	(1,317)
Purchases of property and equipment	(981)	(1,752)
Proceeds from the sale of property and equipment	21	20
Acquisition of businesses, net of cash acquired	—	(27,846)
Net cash used in investing activities	(9,624)	(45,277)
Cash flows from financing activities		
Proceeds from exercise of stock options	937	3,927
Proceeds from employee stock purchase plan	3,206	2,558
Repurchase of common stock	(1,808)	(8,393)
Payments of acquisition-related consideration	—	(1,342)
Net cash provided by (used in) financing activities	2,335	(3,250)
Effect of exchange rate changes on cash and cash equivalents	(13)	(27)
Net decrease in cash and cash equivalents	(21,341)	(69,003)
Cash and cash equivalents at beginning of period	116,312	193,227
Cash and cash equivalents at end of period	$ 94,971	$ 124,224

Non-GAAP Financial Measures

To supplement our financial information presented in accordance with GAAP, we believe certain non-GAAP measures, including Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, Adjusted Net Income (Loss), and Adjusted Net Income (Loss) 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 measures differently or may use other measures to evaluate their performance. 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

Adjusted Gross Profit is a non-GAAP financial measure that we define as revenue less cost of revenue, excluding depreciation and amortization, adding back stock-based compensation and acquisition-related costs, net 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. The following is a reconciliation of revenue, the most directly comparable GAAP financial measure, to Adjusted Gross Profit, for the three months ended September 30, 2023 and 2022:

	Three Months Ended September 30, 2023 (in thousands, except percentages)		
	Technology	Professional Services	Total
Revenue	$ 45,973	$ 27,800	$ 73,773
Cost of revenue, excluding depreciation and amortization	(15,169)	(26,618)	(41,787)
Gross profit, excluding depreciation and amortization	30,804	1,182	31,986
Add:			
Stock-based compensation	497	1,927	2,424
Acquisition-related costs, net[(1)]	66	96	162
Adjusted Gross Profit	$ 31,367	$ 3,205	$ 34,572
Gross margin, excluding depreciation and amortization	67 %	4 %	43 %
Adjusted Gross Margin	68 %	12 %	47 %

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

	Three Months Ended September 30, 2022 (in thousands, except percentages)		
	Technology	Professional Services	Total
Revenue	$ 43,997	$ 24,357	$ 68,354
Cost of revenue, excluding depreciation and amortization	(14,572)	(21,768)	(36,340)
Gross profit, excluding depreciation and amortization	29,425	2,589	32,014
Add:			
Stock-based compensation	494	1,991	2,485
Acquisition-related costs, net(1)	74	143	217
Restructuring costs(2)	—	247	247
Adjusted Gross Profit	$ 29,993	$ 4,970	$ 34,963
Gross margin, excluding depreciation and amortization	67 %	11 %	47 %
Adjusted Gross Margin	68 %	20 %	51 %

(1) Acquisition-related costs, net include deferred retention expenses attributable to the ARMUS, KPI Ninja, and Twistle acquisitions.
(2) Restructuring costs include severance and other team member costs from workforce reductions.

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) litigation costs, and (vii) 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 and litigation costs 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 GAAP financial measure, to Adjusted EBITDA, for the three months ended September 30, 2023 and 2022:

	Three Months Ended September 30, 2023 (in thousands)	Three Months Ended September 30, 2022 (in thousands)
Net loss	$ (22,032)	$ (45,735)
Add:		
Interest and other (income) expense, net	(2,607)	(142)
Income tax provision	59	156
Depreciation and amortization	10,190	12,372
Stock-based compensation	14,232	17,304
Acquisition-related costs, net(1)	2,126	3,292
Litigation costs(2)	24	—
Restructuring costs(3)	—	4,499
Non-recurring lease-related charges(4)	—	3,700
Adjusted EBITDA	$ 1,992	$ (4,554)

(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) Litigation costs include costs related to litigation that are outside the ordinary course of our business. For additional details, refer to Note 14 in our condensed consolidated financial statements.
(3) Restructuring costs include severance and other team member costs from workforce reductions. For additional details, refer to Note 18 in our condensed consolidated financial statements.
(4) Non-recurring lease-related charges include the lease-related impairment charge related to our corporate office space designated for subleasing. For additional details, refer to Note 1 in our condensed consolidated financial statements.

Adjusted Net Income (Loss) and Adjusted Net Income (Loss) Per Share

Adjusted Net Income (Loss) 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) litigation costs, (vi) non-recurring lease-related charges, and (vii) non-cash interest expense related to our convertible senior notes. We believe Adjusted Net Income (Loss) 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.

	Three Months Ended September 30,	
	2023	2022
	(in thousands, except share and per share amounts)	
Numerator:		
Net loss	$ (22,032)	$ (45,735)
Add:		
Stock-based compensation	14,232	17,304
Amortization of acquired intangibles	7,063	9,400
Restructuring costs	—	4,499
Acquisition-related costs, net[1]	2,126	3,292
Litigation costs[2]	24	—
Non-recurring lease-related charges[3]	—	3,700
Non-cash interest expense related to convertible senior notes	378	375
Adjusted Net Income (Loss)	$ 1,791	$ (7,165)
Denominator:		
Weighted-average number of shares used in calculating net loss per share, basic	56,710,602	54,303,667
Non-GAAP weighted-average effect of dilutive securities	857,570	—
Non-GAAP weighted-average number of shares used in calculating Adjusted Net Income (Loss) per share, diluted	57,568,172	54,303,667
Adjusted Net Income (Loss) per share, basic	$ 0.03	$ (0.13)
Adjusted Net Income (Loss) per share, diluted	$ 0.03	$ (0.13)

(1) 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.
(2) Litigation costs include costs related to litigation that are outside the ordinary course of our business. For additional details, refer to Note 14 in our condensed consolidated financial statements.
(3) Non-recurring lease-related charges include the lease-related impairment charge related to our corporate office space designated for subleasing. For additional details, refer to Note 1 in our condensed consolidated financial statements.

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Health Catalyst Q3 2023 Financial Highlights & Key Themes

Q3 2023 Revenue and Profitability	• Total Revenue: $73.8M; actual results exceeded guidance midpoint (range of $70.2M to $74.2M) • Adjusted EBITDA: $2.0M; actual results exceeded guidance midpoint (range of $0M to $2.5M) • Adjusted EBITDA margin of ~3%, which represents an improvement of ~900 basis points compared to Q3 2022
2023 Guidance and Bookings Expectations	• We are raising the guidance range for FY 2023 Revenue and reiterating the guidance range for Adjusted EBITDA • 2023 Total Revenue range updated to $291.0M to $296.0M (up $0.5M compared to midpoint of prior guidance of $290.5M to $295.5M) • 2023 Adjusted EBITDA range unchanged at $10.0M to $12.0M • 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 bookings performance YTD that was consistent with our expectations through Q3 2023 • Entering Q4 2023, our pipeline continues to grow and our anticipated Q4 2023 bookings are also in line with our previously shared expectations • Q4 2023 is anticipated to be a large bookings quarter, consistent with our commentary since the beginning of the year and with what we have experienced historically • We anticipate the largest component of our Q4 2023 bookings will be from our tech-enabled managed services offering, supported by our robust pipeline in this offering • We continue to feel confident in our mid-term targets, which include a reacceleration of our revenue growth rate in 2024, a 10% Adjusted EBITDA margin in 2025 and meaningful positive adjusted free cash flow in 2025, as well as our long-term revenue growth target of 20%+ and long-term Adjusted EBITDA margin target of 20%+
Recent New DOS Client Win	• Announced meaningful new DOS client partnership with Accountable Health Partners, a Clinically Integrated Network in greater Rochester with roughly 400,000 patients • Accountable Health Partners will leverage the DOS data platform, including Healthcare.AI, and a subset of applications, such as MeasureAble, along with Professional Services expertise, in an effort to improve its operations across clinical, financial and operational use cases • We are honored that Accountable Health Partners has entrusted us to provide technology and professional services to support their mission, and we look forward to supporting the realization of meaningful improvements that they will achieve through our partnership

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