



Overview Presentation

March 2021



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

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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



**Data
Platform**

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



**Analytics
Applications**

**Deliver insights on how
to measurably improve**



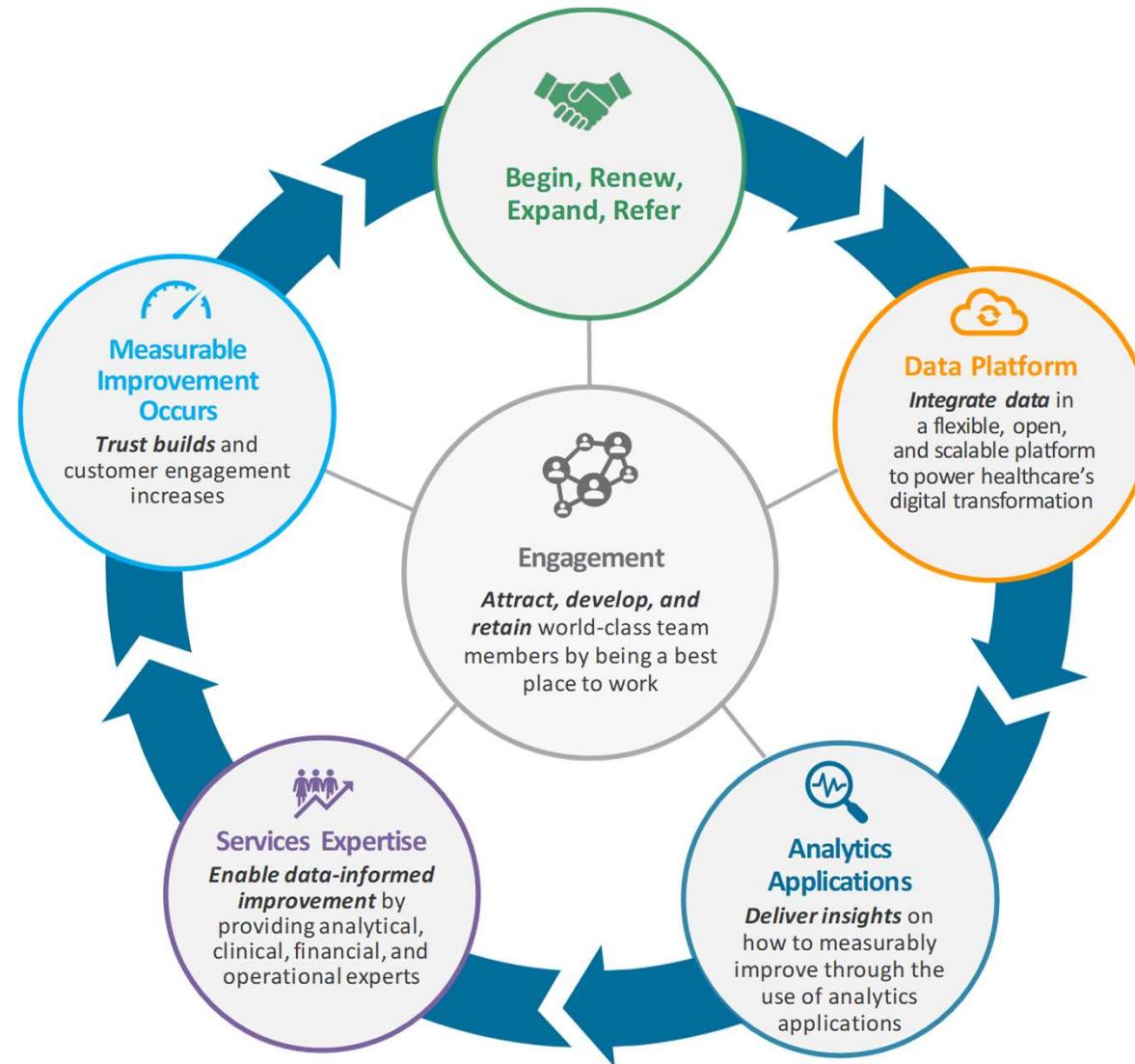
**Services
Expertise**

**Enable and accelerate
data-informed
improvement**

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

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

Our flywheel represents how we accomplish our mission



Investment Highlights

	<p>Recognized industry leader in healthcare data & analytics</p>	<p>\$1T⁽¹⁾ WASTE</p>	<p>\$8B TAM</p>		
	<p>Comprehensive solution: data platform, analytics applications & services expertise</p>	<p>>300 DATA SOURCES</p>	<p>~10-100 TBs / CUSTOMER</p>	<p>10 APP SUITES + LIBRARY</p>	<p>>400 ANALYTICS & DOMAIN EXPERTS</p>
	<p>Measurable clinical, financial & operational improvements</p>	<p>~1,300 IMPROVEMENTS</p>	<p>110% ANNUAL GROWTH 6/YR → 25/YR</p>		
	<p>World-class team member engagement</p>	<p>95th-99th PERCENTILE SATISFACTION</p>		<p>60 BEST PLACE TO WORK AWARDS</p>	
	<p>Attractive operating model</p>	<p>>90%⁽²⁾ RECURRING REVENUE</p>	<p>20%+⁽³⁾ LONG-TERM REVENUE GROWTH TARGET</p>	<p>102%-109%⁽⁴⁾ DOLLAR-BASED RETENTION RATE</p>	



(1) According to estimates in 2018. Research estimates 30% of U.S. healthcare spending is wasteful in nature, implying more than \$1 trillion of waste amongst \$3.6 trillion of total healthcare expenditure in 2018
 (2) In 2020
 (3) Long-term annual revenue growth goal. Given the unknown timeline and the near-term uncertainty of COVID-19 on our business, we are unable to predict the extent to which the global COVID-19 pandemic may adversely impact our business operations, financial performance, and results of operations. Therefore, this figure represents our long-term goals following the impact resulting from the COVID-19 pandemic. Please refer to our Q4 2020 earnings release and our associated Form 10-K for more details.
 (4) Overall range from 2017 - 2020. Excludes customers acquired in Medicity acquisition. 2020 performance of 102% impacted by COVID-19 pandemic.

COVID-19 Impact

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

Near-Term Impact

- **Highly recurring revenue** business model means 2020 revenue impact is relatively muted
- Health systems effectively adjusting financially and operationally to 'new normal', including utilizing Health Catalyst **COVID-19 recovery solutions**
- Technology impact:
 - **Usage** of our data & analytics solutions **continues to increase**; foundational apps realizing **~50% increase** since onset
 - **Strong 2020 full-year tech dollar-based retention**, in line with historicals
 - Expect **2021** dollar-based retention to **continue to be robust**, in line w/ historicals
- Professional Services impact:
 - Resources still **highly engaged**, on both COVID-19-recovery related projects and broader improvement efforts, but **lower professional services dollar-based retention in 2020 in the mid-90%**
 - Expect **2021** dollar-based retention to **significantly improve** from 2020 levels
- Bookings impact:
 - Lower 1H 2020 new DOS subscription customer additions; **strong 2H 2020 pipeline conversion** (in line with 2H 2019) for total of **9 net new DOS customers**
 - **2021** expectations in the **mid-teens** net new DOS customers (in line w/ historicals)

Medium-to-Long-Term Impact

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

The Problems Health Systems Face



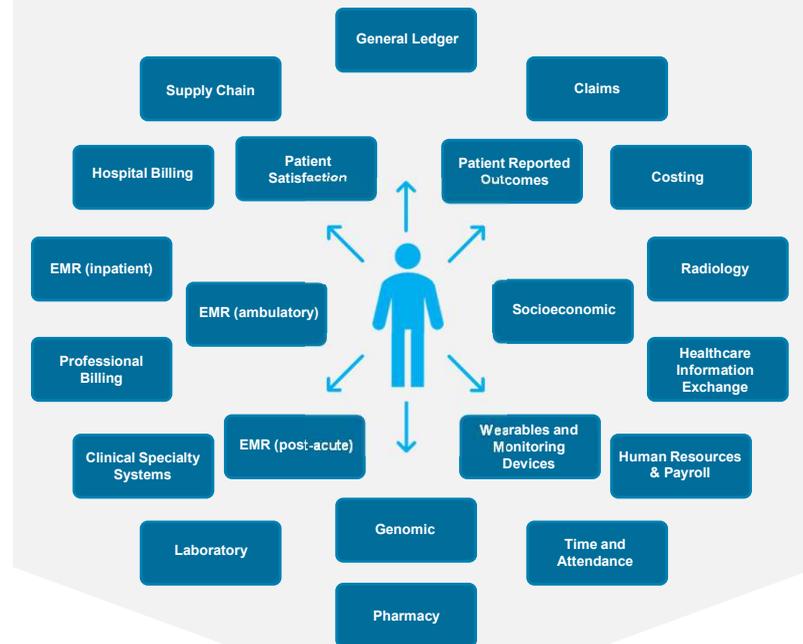
Waste

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

Changing Economics

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

Data Complexity



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

Blue Chip Customer Base



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



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

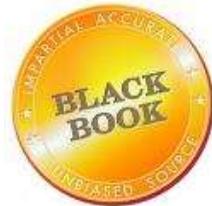
Externally-Validated Industry Leadership



Broad Recognition



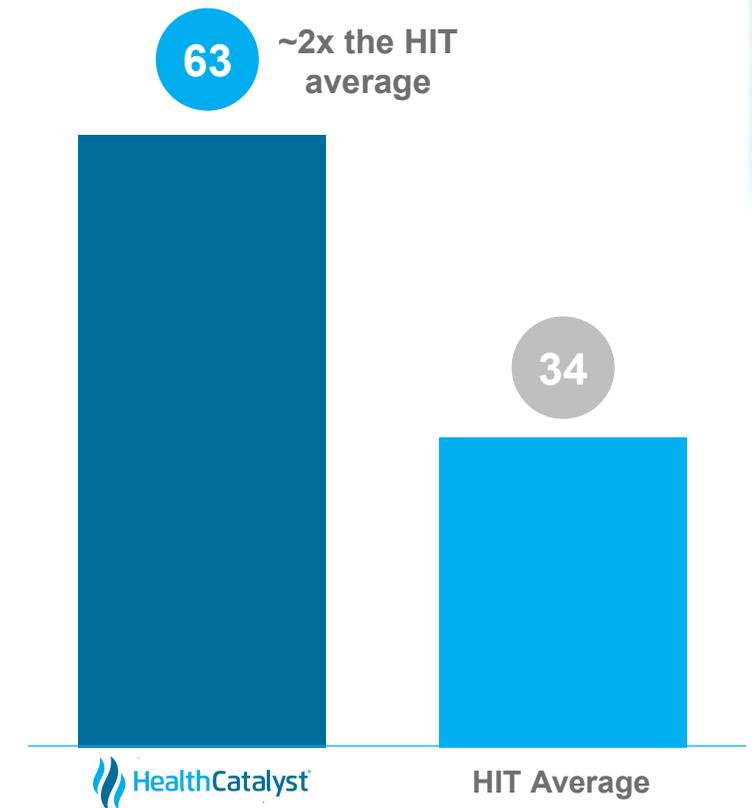
2019 Highest Client Satisfaction



Chilmark Healthcare Analytics Report⁽¹⁾

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

KLAS Evangelism Score⁽²⁾



(1) © 2019 Chilmark Research. Source: 2019 Provider Analytics Market Trends Report.

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

Healthcare Success: Proven Methodology

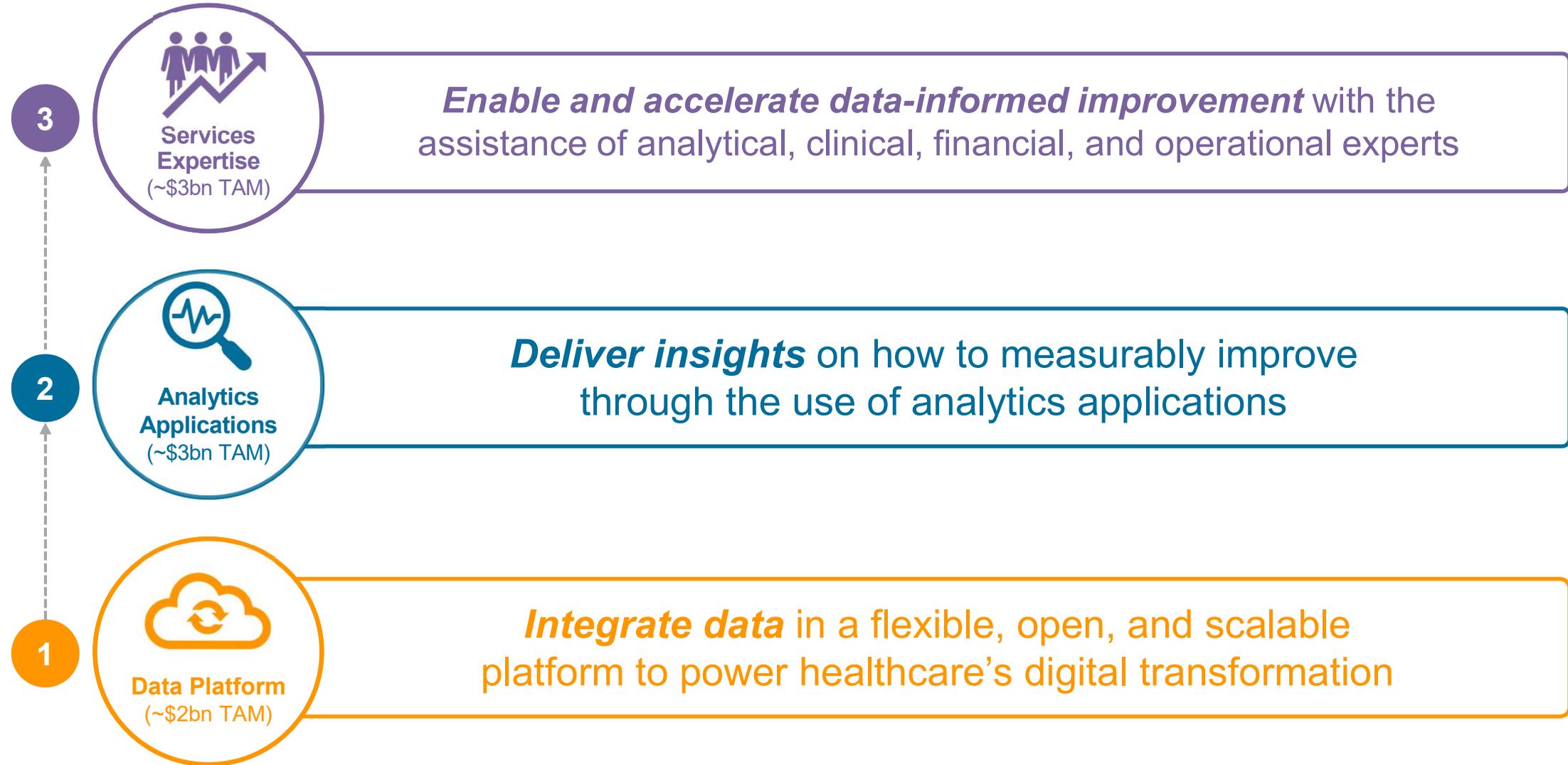


↑ Cost Accuracy and Transparency

↑ COVID-19 Response

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

Comprehensive Solution for Data-informed Improvement



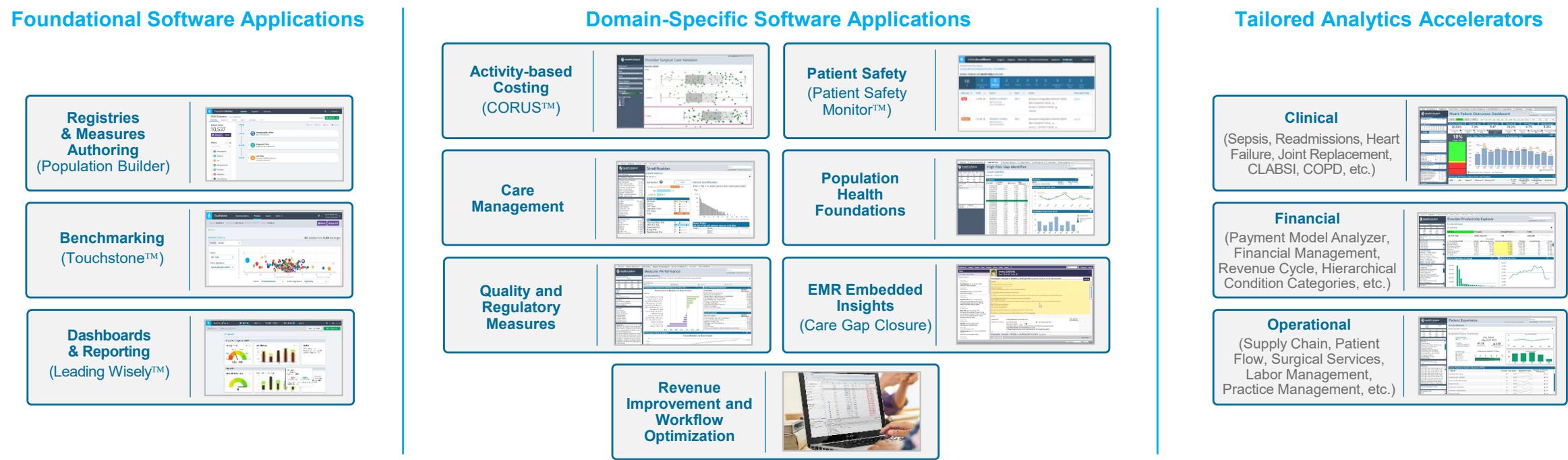
Comprehensive Solution for Data-informed Improvement



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



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



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



Highly Differentiated, Comprehensive Solution



3

Services Expertise
(~\$3bn TAM)

Consulting

- ✓ Highly specialized
- ✗ Unable to sustain recommended improvements
- ✗ High cost given ad-hoc work

2

Analytics Applications
(~\$3bn TAM)

Point solution vendors

- ✓ Tailored to specific needs
- ✗ Difficulty breaking through hundreds of vendors
- ✗ Often closed platforms
- ✗ Difficulty growing sustainable businesses
- ✗ Lack domain expertise

1

Data Platform
(~\$2bn TAM)

<p>Home grown solutions</p> <ul style="list-style-type: none"> ✓ Control ✗ High start-up & maintenance costs ✗ Risk of failure ✗ Talent shortage 	<p>Cross industry tech companies</p> <ul style="list-style-type: none"> ✓ Modern technology ✗ Little healthcare content ✗ Fluctuating healthcare commitment ✗ Not improvement focused 	<p>EMR vendors</p> <ul style="list-style-type: none"> ✓ EMR integration ✓ Known vendor ✗ Rigid architecture, closed approach ✗ Slow time-to-value ✗ Not improvement focused
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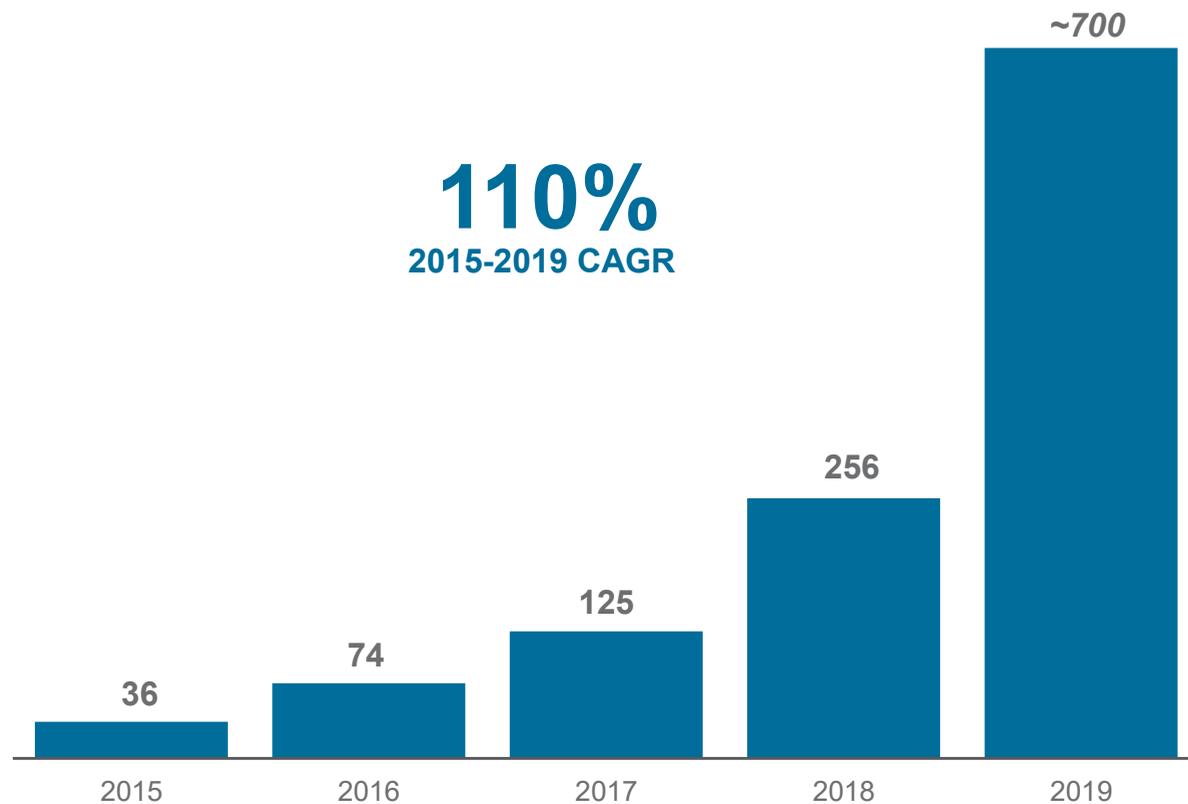
Comprehensive solution guiding our customers to greater levels of digital maturity, enabling clinical, financial, and operational improvements



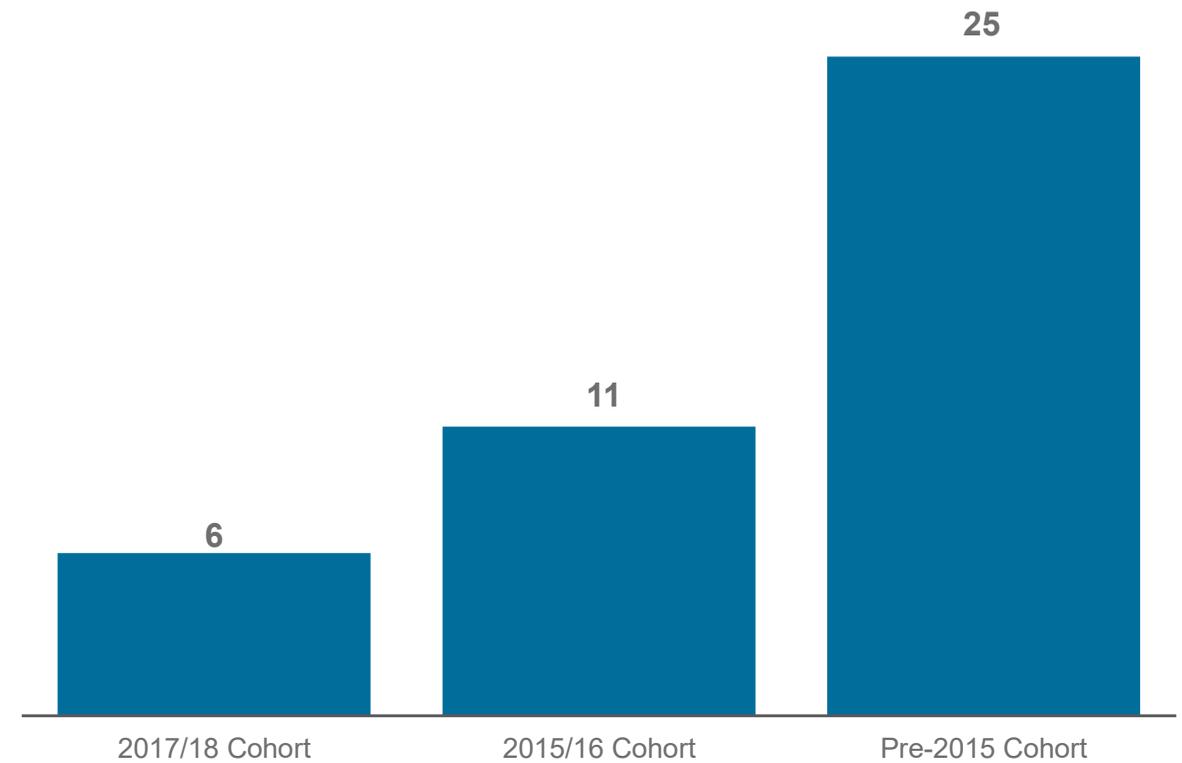
Customers' Realized Improvements Accelerate Over Time, Reinforcing Decisions to Renew and Expand



Documented Improvements Achieved by Period



LTM Average Documented Improvements per Customer⁽¹⁾



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

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

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



3 Professional Services

The Health Catalyst patient and improvement experts work with client teams to **identify opportunities for focused improvement** efforts using 7-guiding questions methodology. Clients have the opportunity to integrate into the Health Catalyst Patient Safety Organization (PSO).



HCP SO #P0201

Patient safety **events** are analyzed by client experts, and shared with HC partners for analysis and improvement work.



Other Health Catalyst applications can be used to track and visualize key metrics in intuitive dashboards (**Leading Wisely**); compare and explore performance via benchmarking (**Touchstone**).

Data-Driven Insights

Opportunities identified:
Sepsis, Opioids, Elective Colorectal Surgery, PIs

Tangible Improvements

Clinical & Financial	<ul style="list-style-type: none"> Over \$1M in sepsis cost savings. 30% reduction in severe sepsis/septic shock mortality rate. Approximately 2M fewer opioids prescribed in 2017 vs. 2016, an 8% relative reduction. 78% relative reduction in elective colorectal surgical site infections.
Operational	<ul style="list-style-type: none"> 18% reduction in length of stay (LOS) for patients with severe sepsis and septic shock. 19% reduction in systemwide LOS for elective colorectal surgery. 216 more cases of pressure injuries (PIs) identified by trigger tool than by voluntary reporting.

2 Analytics Applications

Analytics Applications and Analytics Accelerators

- Patient Safety Monitor™ Suite, plus a multitude of Analytics Accelerators, including the examples noted below:
- Sepsis Prevention Analytics Accelerator enables early recognition and intervention for sepsis, reducing mortality, morbidity, and cost.
- Colorectal Surgery Analytics Accelerator supports optimizing recovery after surgery.

The DOS™ platform integrates **multiple sources of data** from Allina. The Analytics Accelerators are built on the DOS™ platform.

Patient safety **triggers** use machine learning and NLP capabilities; The app also supports development of custom predictive models.

1 Data Integration

Data Warehouse	Source Connectors	Cloud-based	Reusable Data Content	Terminology Services	Machine Learning	NLP
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Up to \$125M of savings in a given year using our Solution



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



3 Professional Services

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

Example - Service Line Report

Service Center Class	Revenue	Cost	Profit	Volume	Rate
Cardiology	1,200,000	800,000	400,000	1,200	1,000
Orthopedics	900,000	600,000	300,000	900	1,000
Neurology	700,000	500,000	200,000	700	1,000
Internal Medicine	500,000	350,000	150,000	500	1,000
Emergency	300,000	200,000	100,000	300	1,000
Other	200,000	150,000	50,000	200	1,000
Total	3,800,000	2,600,000	1,200,000	3,800	1,000

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

Service Line P&L - Activity by Hospital

Service Line	Activity	Revenue	Cost	Profit
Cardiology	1,200	1,200,000	800,000	400,000
Orthopedics	900	900,000	600,000	300,000
Neurology	700	700,000	500,000	200,000
Internal Medicine	500	500,000	350,000	150,000
Emergency	300	300,000	200,000	100,000
Other	200	200,000	150,000	50,000
Total	3,800	3,800,000	2,600,000	1,200,000

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

2 Analytics Applications

The CORUS™ Suite

Activity-Based Costing

Cost Insights

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

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

1 Data Integration

Data Warehouse

Source Connectors

Cloud-based

Reusable Data Content

Terminology Services

Machine Learning

NLP



Data-Driven Insights

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

Tangible Improvements

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

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



3 Professional Services

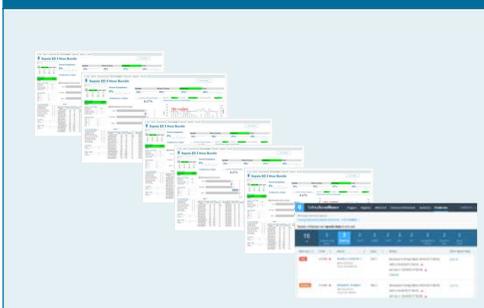
To further build their knowledge and skills in implementing organizational improvement and change, a cross-functional team from Memorial attended the Health Catalyst **Accelerated Practices Program**, an immersive and experiential program designed to prepare healthcare teams to accelerate improvement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

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



2 Analytics Applications

DOS and Analytics Accelerators



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

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

1 Data Integration

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

Data-Driven Insights

Opportunities identified:

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

Tangible Improvements

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

World-class Team Member Engagement

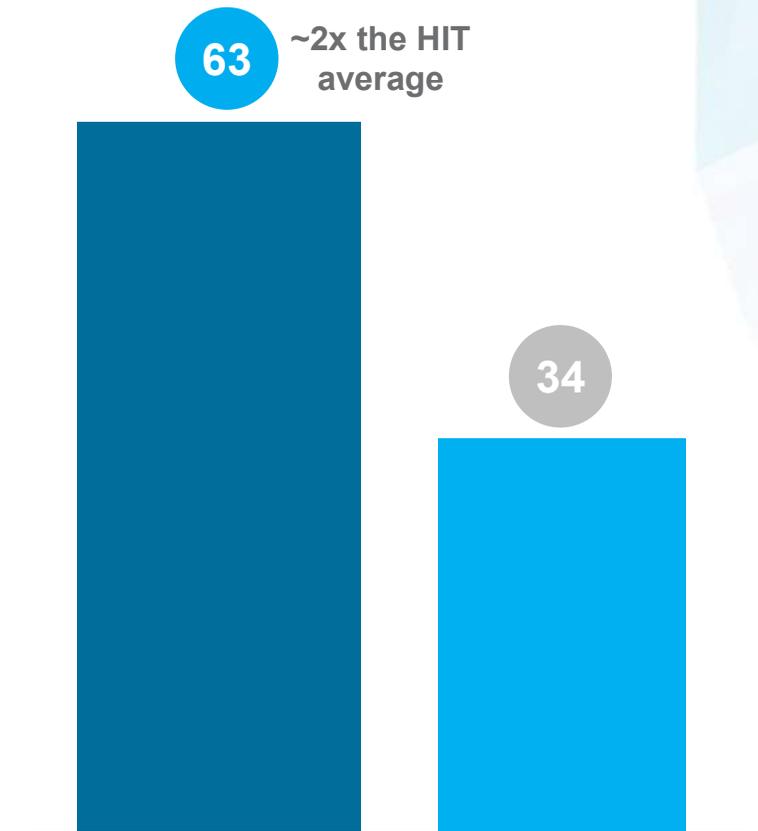
Driving Industry-leading Customer Satisfaction, Renewal, Expansion & Referral



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

2015 – 1H 2020 Gallup Overall Satisfaction Score Percentile

KLAS Evangelism Score⁽¹⁾



HealthCatalyst

HealthCatalyst

HIT Average

Experienced and Visionary Management Team



Daniel Burton

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



Patrick Nelli

President
Tenure at Health Catalyst: 8 years



Paul Horstmeier

Chief Operating Officer
Tenure at Health Catalyst: 9 years



Linda Llewelyn

Chief People Officer
Tenure at Health Catalyst: 8 years



Daniel Orenstein

General Counsel
Tenure at Health Catalyst: 5 years



Bryan Hinton

Chief Technology Officer
Tenure at Health Catalyst: 9 years



Trudy Sullivan

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



Bryan Hunt

Chief Financial Officer
Tenure at Health Catalyst: 7 years



Operating Principles

Govern our daily interactions



Improvement

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

Ownership

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

Respect

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

Transparency

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

Cultural Attributes

Prioritize in our hiring, retention, and promotion



Continuous Learner

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

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

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

World-Class

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

Strategic Levers to Drive Long-term Growth



Expand within our current customer base

Sell additional applications and services

Built-in, annual technology escalators

High dollar-based retention rate of **102%-109%**⁽¹⁾



Grow our overall customer base

74 DOS subscription customers⁽²⁾ amidst ~1,200 potential customers → ~6% penetration

Cross-sell DOS to hundreds of application-specific customers & cross-sell applications to DOS customers



Add new applications and services

Developed 8 new software applications in last few years⁽³⁾

Partnerships and open platform provide insights into new offerings

Accelerates as relationships deepen and dataset grows



Grow addressable market through adjacencies

Life sciences market

International

Additional types of healthcare organizations



Partnerships and M&A

Consolidate data assets and best-of-breed applications

Selectively pursue complementary capabilities

Best-in-class culture a differentiating factor in sourcing opportunities

Monetize Core

Expand Opportunity



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

Attractive Financial Model



Recurring revenue streams across technology, analytics and services

>90%⁽¹⁾
Recurring Revenue



Long-term Revenue Growth Target

20%+⁽²⁾
Long-term Growth Target



Strong customer retention and stickiness

102%-109%⁽³⁾ **34**⁽⁴⁾ → **74**⁽⁴⁾
Dollar-based 2017 2020
Retention Rate Customers Customers



Improving gross margin

41%⁽⁵⁾ → **50%**⁽⁵⁾
2017 2020
Gross Margin Gross Margin



Continued operating leverage

90%⁽⁶⁾ → **62%**⁽⁶⁾
2017 2020
Operating Expense Operating Expense
% of Revenue % of Revenue



1) In 2020

2) Long-term annual revenue growth goal. Given the unknown timeline and the near-term uncertainty of COVID-19 on our business, we are unable to predict the extent to which the global COVID-19 pandemic may adversely impact our business operations, financial performance, and results of operations. Therefore, this figure represent our long-term goals following the impact resulting from the COVID-19 pandemic. Please refer to our Q4 2020 earnings release and our associated Form 10-K for more details.

3) Overall range from 2017 - 2020. Excludes customers acquired in Medicity acquisition. 2020 performance of 102% impacted by COVID-19 pandemic.

4) DOS subscription customers only.

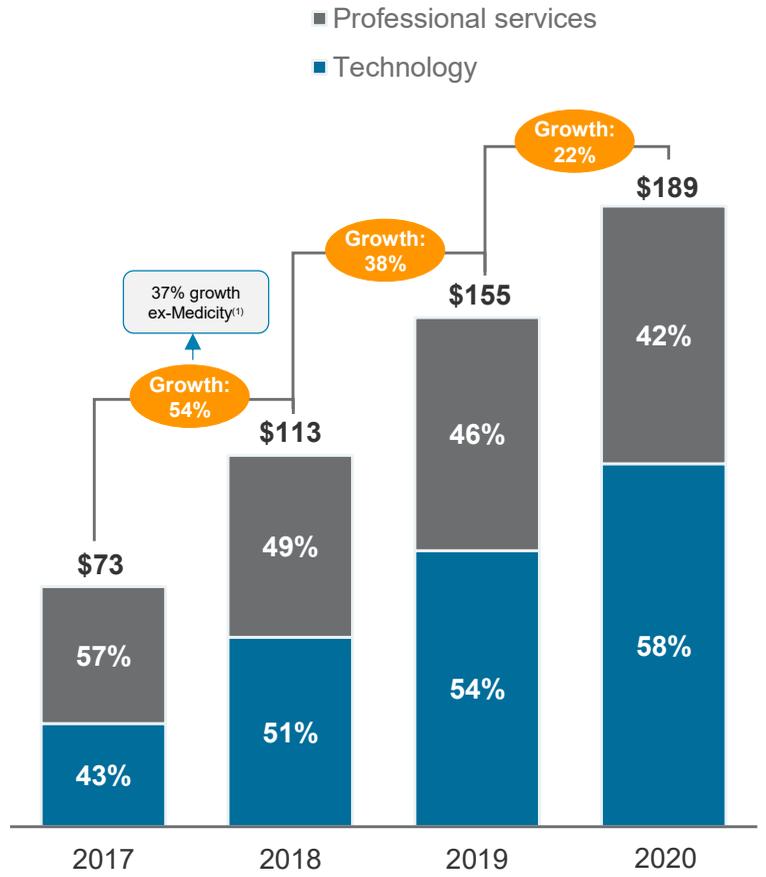
5) Adjusted Gross Margin. We define Adjusted Gross Margin as our Adjusted Gross Profit divided by our revenue – see Appendix and our most recent Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for more information.

6) Excluding D&A, stock-based compensation, tender offer payments deemed compensation, post-acquisition restructuring costs, acquisition transaction costs, change in fair value of contingent consideration liabilities and duplicate headquarters rent expense.

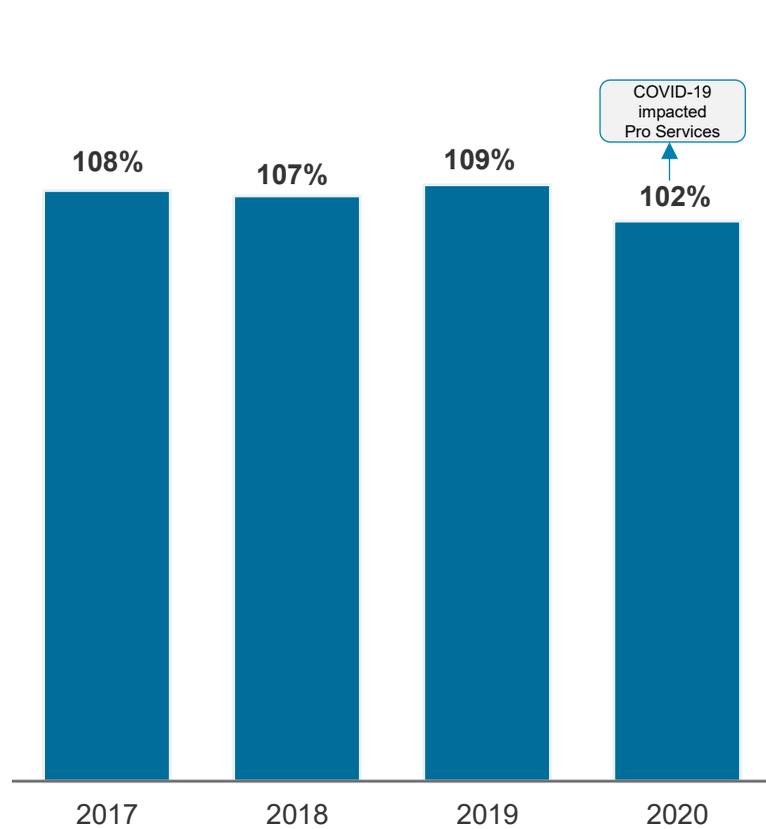
High Engagement, Satisfaction & Expansion Produces a High-Growth, Predictable, Recurring Revenue Business



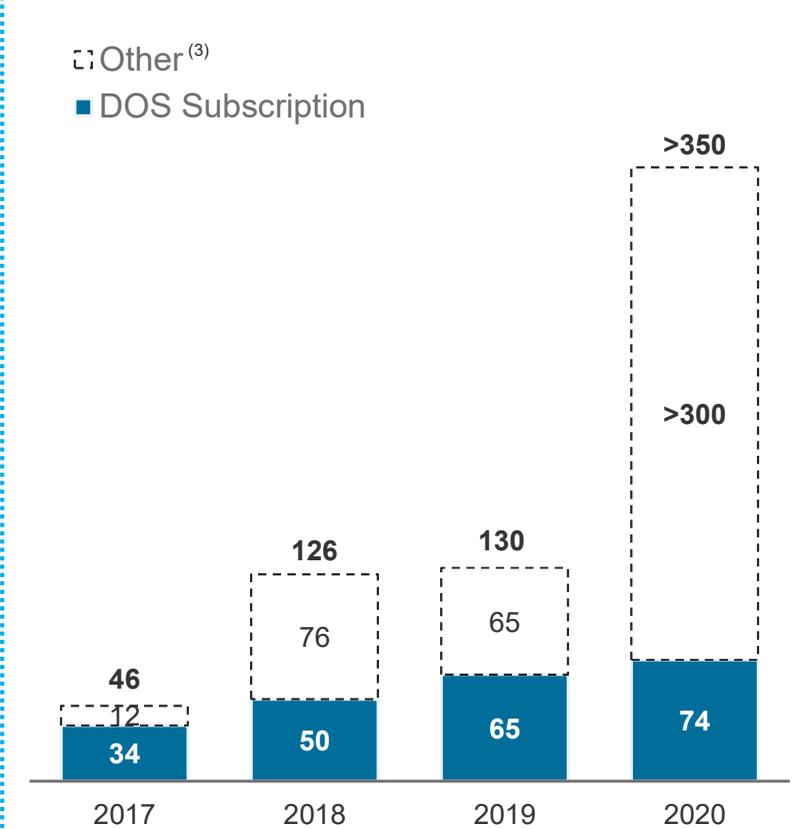
Total Revenue (\$mm)



Dollar-based Retention Rate⁽²⁾

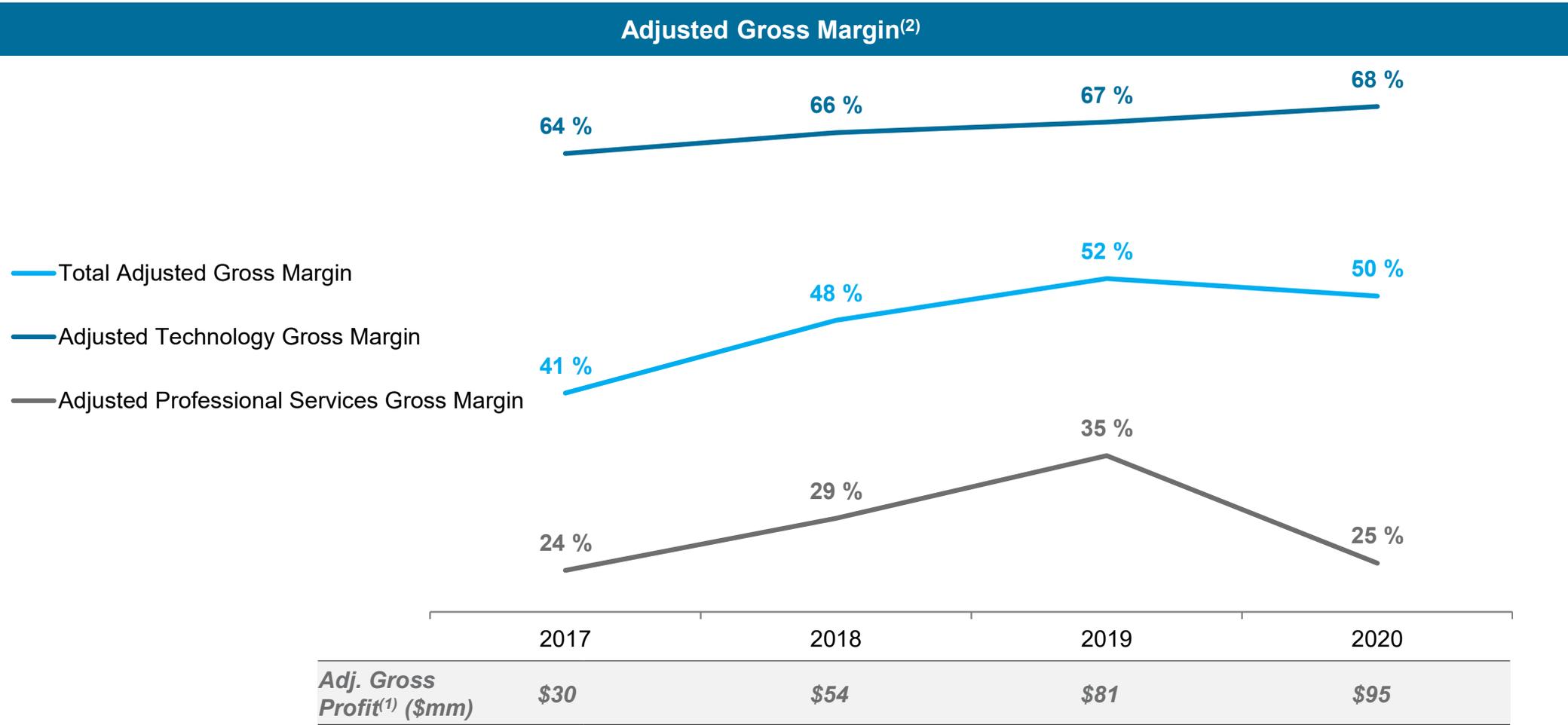


Total Customers



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

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



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

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

Long Term Target Model (Non-GAAP)



		2017	2018	2019	2020	Long-Term Goals ⁽⁴⁾
Total Revenue Growth			54% <hr/> 37% <i>Excl. Medicity⁽¹⁾</i>	38%	22%	20%+ → <div style="display: inline-block; vertical-align: middle;"> <div style="background-color: #00a0e3; color: white; padding: 2px; font-size: 8px;">~11%-13%</div> <i>New customers</i> <div style="background-color: #004a7c; color: white; padding: 2px; font-size: 8px;">~7%-9%</div> <i>Existing customers</i> </div>
Adj. Gross Margin⁽²⁾		41%	48%	52%	50%	<i>Tech: mid-70%</i> <i>Pro Serv: mid-30%</i> <i>Overall: high 50%</i>
Operating Expenses⁽³⁾	S&M as % of Sales	34%	34%	28%	22%	
	R&D as % of Sales	38%	32%	27%	24%	
	G&A as % of Sales	18%	16%	15%	15%	
Adj. EBITDA Margin⁽³⁾		(48%)	(34%)	(18%)	(11%)	20%+

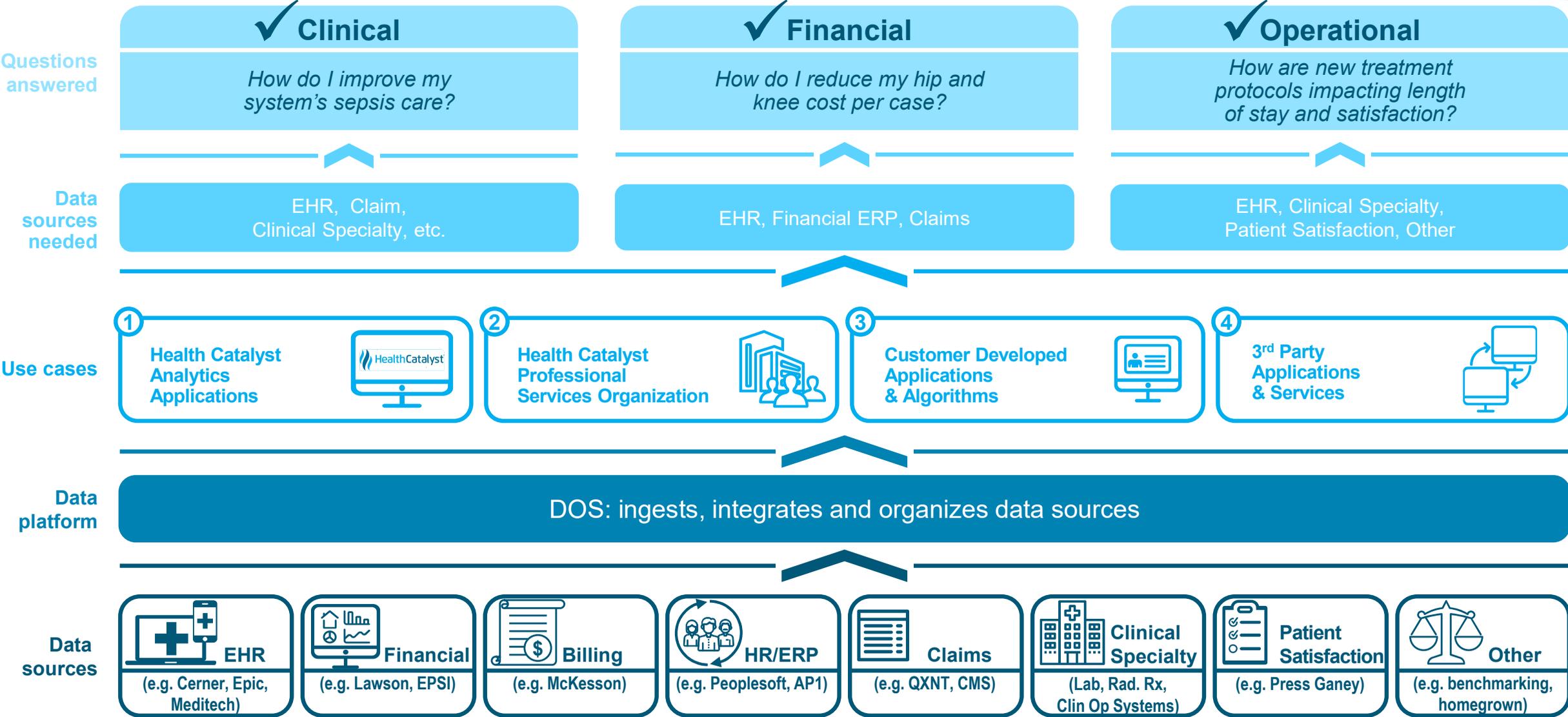
- (1) We acquired Medicity on June 29, 2018. We expect flat to declining revenue from Medicity customers in the foreseeable future. As the Medicity acquisition closed on June 29, 2018, we expect Medicity will impact our organic overall growth rate moving forward.
- (2) Adjusted Gross Profit is a non-GAAP financial measure that we define as revenue less cost of revenue, excluding depreciation and amortization and excluding stock-based compensation, tender offer payments deemed compensation, and post-acquisition restructuring costs. We define Adjusted Gross Margin as our Adjusted Gross Profit divided by our revenue. Please see the Appendix and our recent Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for more details.
- (3) Excluding D&A, stock-based compensation, tender offer payments deemed compensation, loss on extinguishment of debt, post-acquisition restructuring costs, acquisition transaction costs and change in fair value of contingent consideration liabilities. Please see the Appendix and our recent Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for more details.
- (4) Given the unknown timeline and the near-term uncertainty of COVID-19 on our business, we are unable to predict the extent to which the global COVID-19 pandemic may adversely impact our business operations, financial performance, and results of operations. Therefore, these figures represent our long-term goals following the impact resulting from the COVID-19 pandemic. Please refer to our Q4 2020 earnings release and our Annual Report on Form 10-K for more details.

Appendix

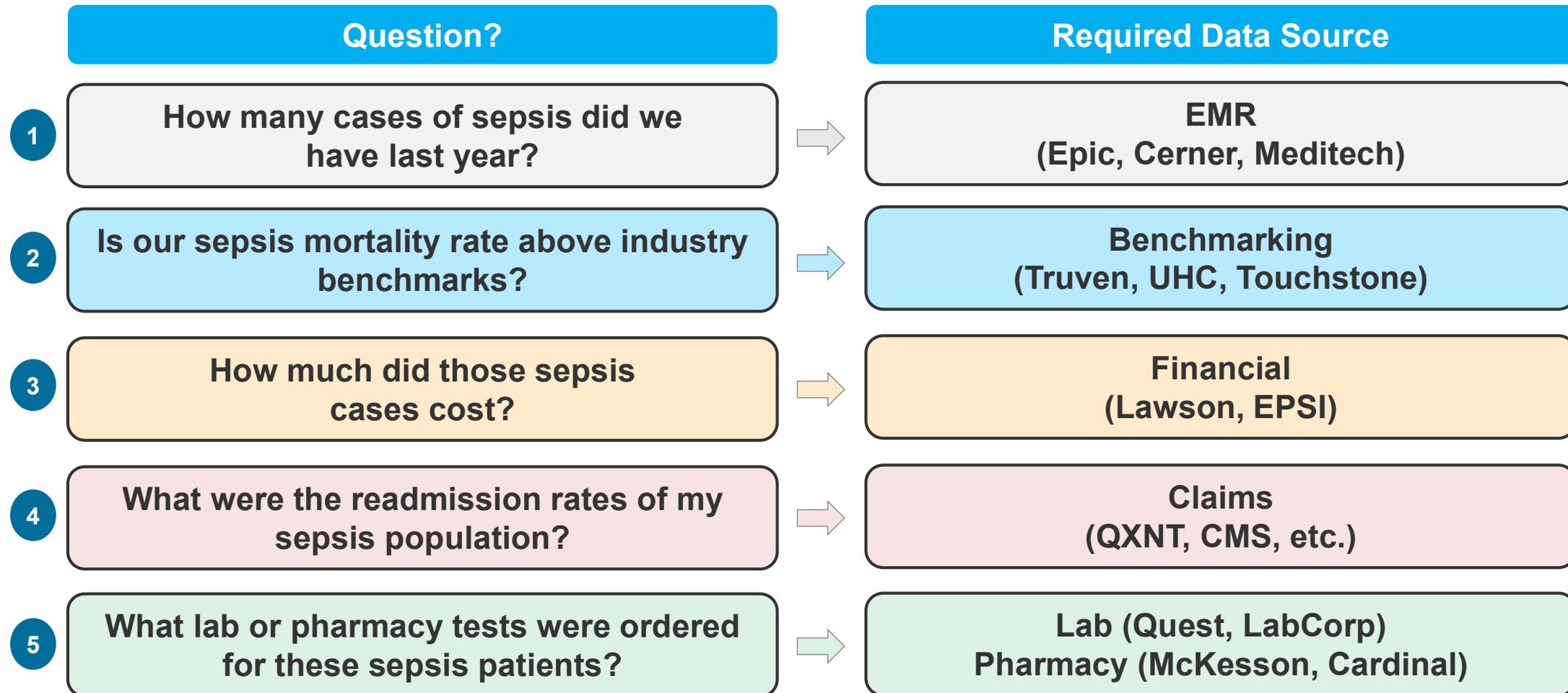
How We Engage With Our Customers

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

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

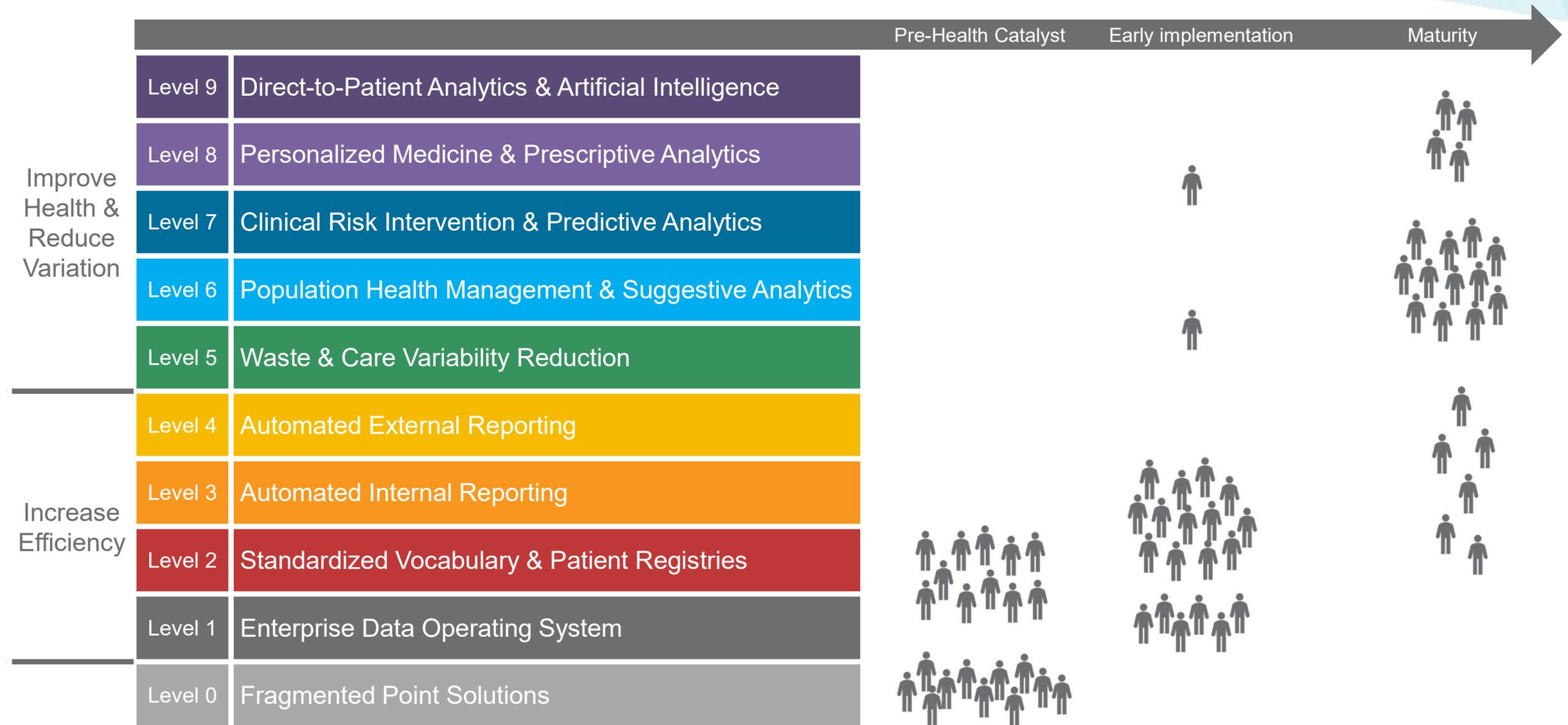


A typical problem facing a healthcare organization most often requires data from multiple source systems: Sepsis example



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

The Healthcare Analytics Adoption Model



GAAP to Non-GAAP Reconciliation: Gross Profit

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

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

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

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

- (1) Tender offer payments deemed compensation relate to employee compensation from repurchases of common stock at a price in excess of its estimated fair value.
- (2) Post-acquisition restructuring costs included in the Adjusted Gross Profit reconciliation relate to severance charges following the 2018 acquisition of Medicity.

GAAP to Non-GAAP Reconciliation: Adjusted EBITDA

<i>(in thousands)</i>	Year Ended December 31,			
	2020	2019	2018	2017
Net loss	(\$115,017)	(\$60,096)	(\$61,984)	(\$47,035)
Add:				
Interest and other expense, net	\$11,572	\$3,419	\$2,024	\$1,469
Loss on extinguishment of debt	\$8,514	\$1,670	\$0	\$0
Income tax provision (benefit)	(\$1,194)	\$142	(\$135)	\$26
Depreciation and amortization	\$18,725	\$9,212	\$7,412	\$5,892
Stock-based compensation	\$37,957	\$17,844	\$4,198	\$4,241
Tender offer payments deemed compensation ⁽¹⁾	\$0	\$0	\$8,318	\$0
Post-acquisition restructuring costs ⁽²⁾	\$0	\$446	\$2,114	\$0
Change in fair value of contingent consideration liabilities ⁽³⁾	\$14,088	\$0	\$0	\$0
Acquisition transaction costs ⁽⁴⁾	\$2,670	\$0	\$0	\$0
Duplicate headquarters rent expense ⁽⁵⁾	\$1,398	\$0	\$0	\$0
Adjusted EBITDA	(\$21,287)	(\$27,363)	(\$38,053)	(\$35,407)

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

(2) Post-acquisition restructuring costs relate to severance charges following the 2018 acquisition of Medicity.

(3) The change in fair value of contingent consideration liabilities relates to changes in the estimated fair value of shares of our common stock that will be issued if certain performance targets for Able Health, Healthfinch, and Vitalware are met during the respective earn-out periods.

(4) Acquisition transaction costs relate to legal, diligence, valuation, and other third-party fees incurred as part of the acquisitions of Able Health, Healthfinch, and Vitalware.

(5) Duplicate rent expense for our corporate headquarters relocation.