



TabulaRasa

HealthCare®

Fourth Quarter and
Full Year 2020 Earnings Call

Calvin H. Knowlton | CEO, Chairman & Founder
Brian W. Adams | CFO
February 24, 2021

Forward-looking Statements & Non-GAAP Information

▶ In addition to reporting all financial information required in accordance with GAAP, TRHC is also reporting Adjusted EBITDA and Adjusted Diluted EPS, each of which is considered a non-GAAP financial measure. Generally, a non-GAAP financial measure is a numerical measure of a company's performance or financial position that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. Adjusted EBITDA consists of net income or loss excluding certain other expenses, which includes interest expense, provision (benefit) for income tax, depreciation and amortization, change in fair value of acquisition-related contingent consideration expense (income), intangible asset impairment charge, severance expense incurred in 2020 in connection with the Company's reorganization, acquisition-related expense, and stock-based compensation expense. TRHC defines Adjusted Diluted EPS as net income or loss before fair value adjustments for acquisition-related contingent consideration, intangible asset impairment charge, amortization of acquired intangibles, amortization of debt discount and issuance costs, severance expense incurred in 2020 in connection with the Company's reorganization, acquisition-related expense, stock-based compensation expense, and the tax impact of those items using a normalized tax rate on pre-tax income (loss) adjusted for those items expressed on a per share basis using weighted average diluted shares outstanding. TRHC considers acquisition-related expense to include non-recurring direct transaction and integration costs, severance, and the impact of purchase accounting adjustments related to the fair value of acquired deferred revenue. TRHC believes the exclusion of these items assists in providing a more complete understanding of the company's underlying operations results and trends and allows for comparability with TRHC's peer company index and industry and to be more consistent with TRHC's expected capital structure on a going forward basis. Please note that other companies may define their non-GAAP financial measures differently than TRHC. TRHC presents these non-GAAP financial measures in this release because it considers them to be important supplemental measures of performance. TRHC uses these non-GAAP financial measures for planning purposes, including analysis of the company's performance against prior periods, the preparation of operating budgets and determination of appropriate levels of operating and capital investments. TRHC believes that these non-GAAP financial measures provide additional insight for analysts and investors in evaluating the company's financial and operational performance. TRHC also intends to provide these non-GAAP financial measures as part of the company's future earnings discussions and, therefore, their inclusion should provide consistency in the company's financial reporting.

This press release includes 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, that we believe to be reasonable as of today's date. Forward-looking statements give current expectation or forecasts of future events or our future financial or operating performance, and include TRHC's expectations regarding healthcare regulations, industry trends, available opportunities to TRHC, the financial and operating performance of TRHC, the impacts of the COVID-19 pandemic, and TRHC's expectations for 2021. Such statements are identified by use of the words "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "projects," "should," and similar expressions. These forward-looking statements are based on management's good-faith expectations, judgements and assumptions as of the date of this press release. Actual results might differ materially from those explicit or implicit in the forward-looking statements. Important factors that could cause actual results to differ materially include: the impacts of the current COVID-19 pandemic and other health epidemics; our continuing losses and need to achieve profitability; fluctuations in our financial results; the acceptance and use of our products and services by PACE organizations; the need to innovate and provide useful products and services; risks related to changing healthcare and other applicable regulations; our ability to maintain relationships with a specified drug wholesaler; increasing consolidation in the healthcare industry; managing our growth effectively; our ability to adequately protect our intellectual property; the requirements of being a public company; our ability to recognize the expected benefits from acquisitions on a timely basis or at all; and the other risk factors set forth from time to time in our filings with the Securities and Exchange Commission ("SEC"), including those factors discussed under the caption "Risk Factors" in our most recent annual report on Form 10-K, filed with the SEC on March 2, 2020, and in subsequent reports filed with or furnished to the SEC, copies of which are available free of charge within the Investor Relations section of the Tabula Rasa HealthCare website <http://ir.trhc.com> or upon request from our Investor Relations Department. Tabula Rasa HealthCare assumes no obligation and does not intend to update these forward-looking statements, except as required by law, to reflect events or circumstances occurring after today's date.

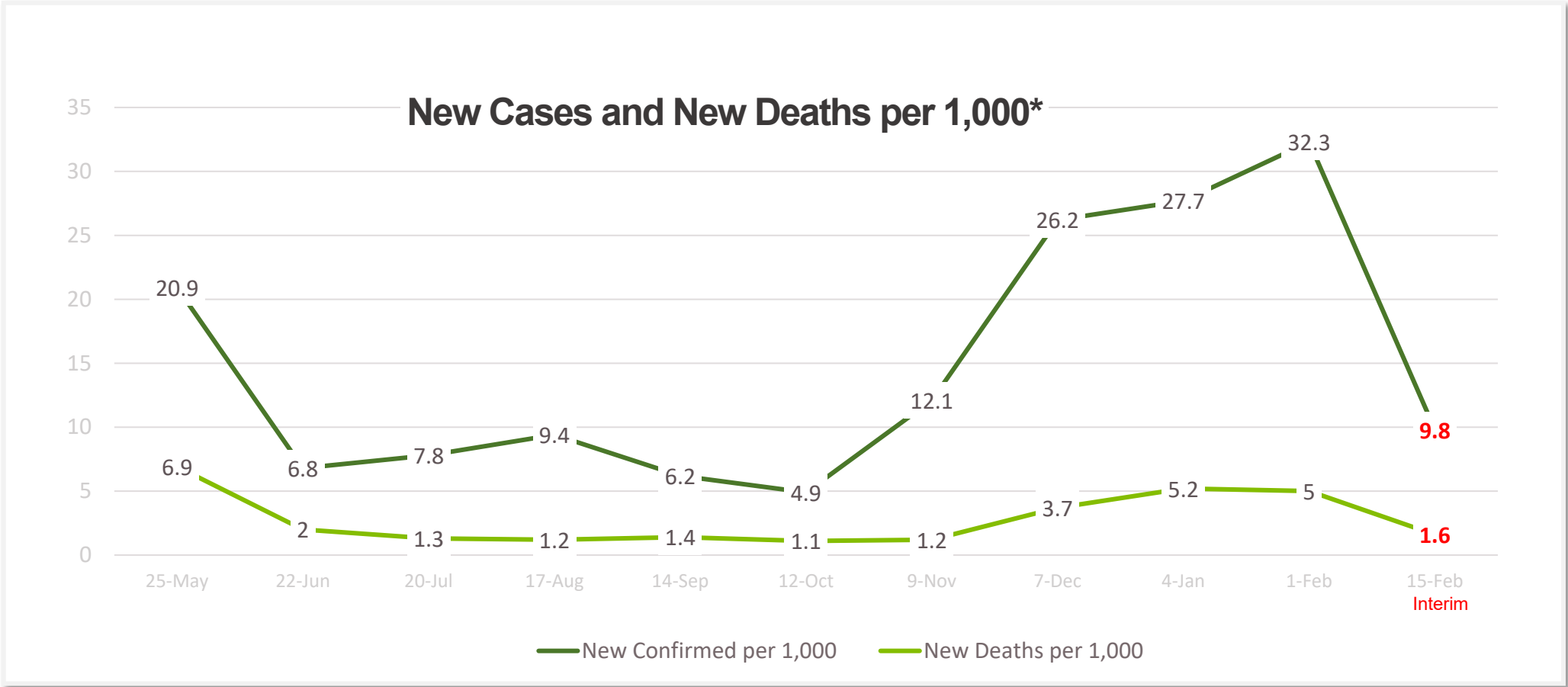
▶ **PACE**

▶ **Pharmacists & PrescribeWellness**

▶ **2021 & Future Growth Initiatives**

▶ **R&D Pillar Achievements**

New Cases and New Deaths per 1,000



*Source: National PACE Association

Segment Results – Fourth Quarter 2020

	Q4 FY20	Q4 FY19	% Change	Commentary
Revenue				
CareVention HealthCare				
PACE product revenue	\$ 43,589	\$ 37,810	15%	Growth driven by new clients, census growth at existing clients, and Personica (5% points).
PACE solutions	\$ 13,270	\$ 12,021	10%	Excluding renegotiated contract, increase of \$2.2 million or 18%, 4% organic plus 14% attributable to Personica.
Total CareVention	\$ 56,859	\$ 49,831	14%	Organic growth of 7%.
MedWise HealthCare				
Product revenue	\$ 179	\$ -	0%	
Medication safety services	\$ 10,019	\$ 13,362	-25%	Fewer CMRs due to CMS Star Rating changes elevating 2019 activity and M&A among our largest health plan clients.
Software subscriptions	\$ 9,995	\$ 10,030	0%	
Total MedWise	\$ 20,193	\$ 23,392	-14%	
Total Revenue	\$ 77,052	\$ 73,223	5%	
Gross Margin (1)				(1) Excludes depreciation and amortization.
Product	\$ 11,476	\$ 9,726	18%	
Margin %	26.2%	25.7%		Improvement due to reduced drug costs from new prime vendor in Q4 2019.
Services/software subscriptions	\$ 9,783	\$ 15,407	-37%	
Margin %	29.4%	43.5%		Similar cost structures year-over-year but with revenue decline in medication safety services.
Total Gross Margin	\$ 21,259	\$ 25,133	-15%	
Margin %	27.6%	34.3%		
Operating Expense (2)				(2) Excludes change in fair value of acquisition-related contingent consideration expens and intangible asset impairment.
Sales & Marketing	\$ 5,950	\$ 6,668	-11%	Decline driven by reallocation of expenses for certain employees to G&A including our Strategy team.
R&D	\$ 4,430	\$ 5,090	-13%	Adjusted for capitalized software, R&D up 13% to \$8.6 million vs. \$7.6 million a year ago.
G&A	\$ 16,464	\$ 12,116	36%	Driven by expense reallocation of 2020 reorganization, higher employee compensation costs, and Personica (\$221k).
D&A	\$ 12,717	\$ 9,757	30%	Higher intangible amortization including Personica acquisition and capitalized software amortization.
Total Operating Expense	\$ 39,561	\$ 33,631	18%	
Adjusted EBITDA (3)				(3) Adjusted EBITDA calculated by adding back stock compensation and acquisition-related costs to EBITDA.
CareVention HealthCare	\$ 13,840	\$ 12,773	8%	
Margin %	24.3%	25.6%		
MedWise HealthCare	\$ 743	\$ 2,181	-66%	
Margin %	3.7%	9.3%		
Corporate shared services	\$ (9,843)	\$ (6,952)	42%	
Adjusted EBITDA	\$ 4,740	\$ 8,002	-41%	
Margin %	6.2%	10.9%		

2020 to 2021 Guidance Bridge

