Fourth Quarter / Year-End 2016 Conference Call

February 28, 2017

The best practices are the ones that work for you.SM

research technology consulting

Forward-Looking Statements and Non-GAAP Presentation

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be affected by many factors, including, among others, those described in the Company's news release dated February 28, 2017 and under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's most recent filings on Form 10-K or 10-Q with the Securities and Exchange Commission. Consequently, actual operations and results may differ materially from those expressed or implied in any forward-looking statements made by us. All forward-looking statements are qualified by those factors and the other information disclosed in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.

This presentation contains information regarding adjusted revenue, net adjusted revenue, adjusted EBITDA, net adjusted EBITDA, adjusted earnings per diluted share, adjusted effective tax rate, and adjusted weighted average common shares outstanding - diluted, which are financial measures of performance that are not calculated in accordance with generally accepted accounting principles, or "GAAP." The Appendix presents a reconciliation of each historical non-GAAP financial measure to the most directly comparable GAAP financial measure.

1 Performance Summary / Business Update

2 Financial Performance Review and Update

3 Q & A

Financial Summary; Health Care Market Update

1 2016 total company revenue up 2.9% over 2015 to $803.4M
- Education growth of ~20%+
- Challenging 2016 for Health Care; Revenue declined ~3%

2 Adjusted EBITDA, Adjusted EPS continued to grow faster than revenue
- CY-16 Adjusted EBITDA up 9.6% year over year
- CY-16 Adjusted EPS up 48.3% year over year

3 Contract value (at 12/31/16) increased 2.5% Y-Y to $781.4M
- Continued strength in renewals across the entire company
- Positive Q4 sales across all Education offerings (especially student success technology), Health Care research, Planning 20/20, and strategy and EMR optimization consulting

4 Health care market environment
- Post-election hesitation on purchase decisions (particularly technology)
- Positive member reaction to January announcement that we are focusing technology and consulting offerings
- 2017 sales performance on plan for year (Q1 is smallest sales quarter)

Focus Areas Offer Encompassing Solutions

Linked Technology & Consulting Deliver Enhanced Power and Differentiation

Health System GROWTH
- Planning 20/20
- Network Development
- Service Line Development
- Patient Access & Experience

CARE VARIATION Reduction
- Clinical Alignment Services
- EHR Optimization Services
- Clinical Decision Support
- Crimson Clinical Advantage

REVENUE CYCLE Management
- Payment Integrity & Navigation
- Revenue Capture
- Denials Management
- Process Improvement Services

Driving Superior Member Value

University of Maryland Medical System

$20M Targeted annual savings from unifying physician network to improve patient experience and clinical outcomes

Tift Regional Health System

66% Decrease in mortality rate through physician alignment and education

Cancer Treatment Centers of America

$77M Recovered annually through centralized denials management and appeals processes

Education: Well-Suited to Our Model

Characteristics Perfect for our Membership Model

	Health Care	Education
Large, Fragmented Industry	✔	✔
Willingness to Collaborate	✔	✔
Data/Information Challenges	✔	✔
Complex, Common Problems	✔	✔
Transformational Moment	✔	✔

EAB: Tremendous Growth in Just a Decade

Following our Formula: Research as Differentiator, Growth Engine

Start with best practices…

Through the breadth of our network and the depth of our expertise, we find and forge best practices that:

- Solve pervasive education industry and member challenges
- Are proven to work
- Create real and tangible value

…then hardwire those insights into member organizations through three key areas

RESEARCH

Communicate and teach best practices across our broad education member network through multiple channels

20,000 Administrators served annually

5,000 Best practices across key problem areas

Continuous Source of new business ideas

TECHNOLOGY

Cloud-based software for benchmarking performance, implementing best practice in areas like Student Success and Academic Performance

400+ Technology members

475M+ Course records in student success platform

3.6M+ Daily logins

DATA-ENABLED SERVICES

Apply extensive data assets, technology platforms, proprietary processes to drive results in areas like Admissions, Enrollment, and Advancement

20+ New Capabilities Launched Since EAB Ownership of Royall

Improved Performance off of already strong metrics: sales, renewals, and contract value growth, average revenue per client[1]

[1] *FY17P compared with historical average pre EAB-ownership of Royall*

Strong ROI Yields Enduring Relationships

Powers Stellar Economic Model and High Renewal Rates

Measurable Member Value Drives Enduring, Expanding Member Relationships

8:1
Average ROI for first-year enrollment partner institutions

Southern Scott University
Significant Gains in Retention
+7.5% Increase in first year, full time retention

Hillman College
Significant Gains in Retention
+7% Increase in retention, first year of SSC

Raymond University
Rapid ROI from Improved Persistence
$1.5M Revenue from improved fall-to-spring persistence

Barnegat University
Significant Gains in Graduation Rates
+11% Increase in graduation rates

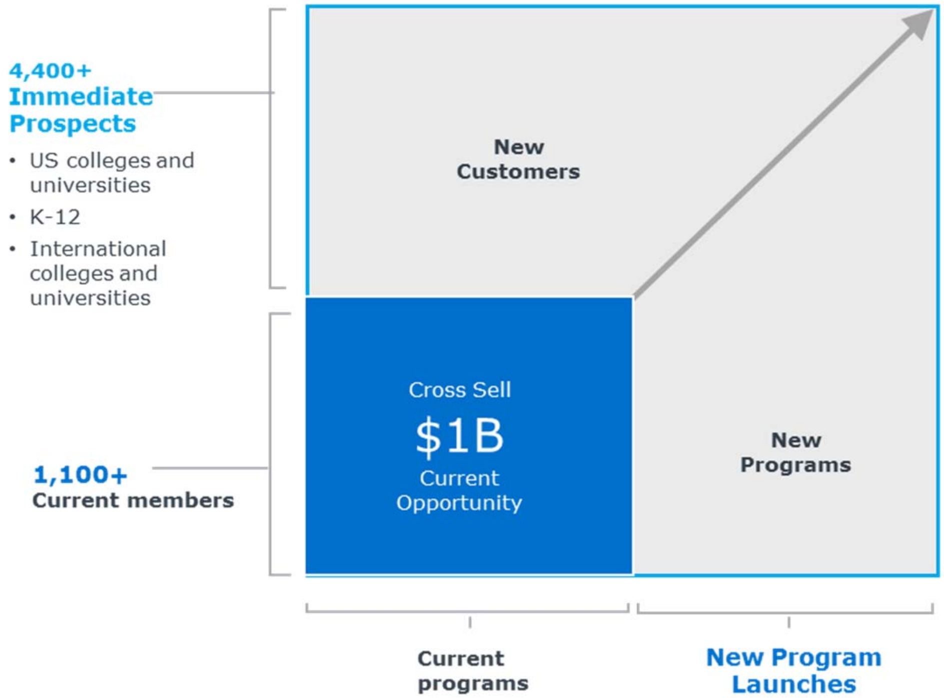
94%
Institutional Renewal Rate

100%
Subscription-based revenue

34%
Member CAGR 2007-2016

$8+ Billion Education Market Opportunity

Strong Cross-Sell Opportunity

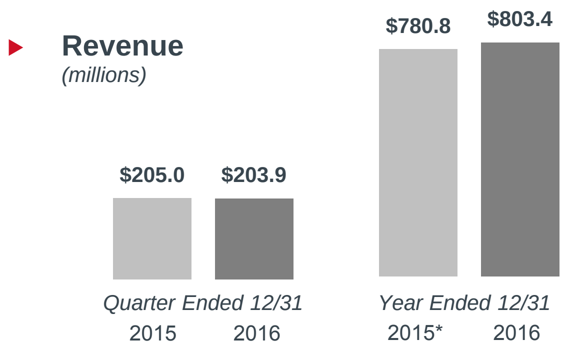


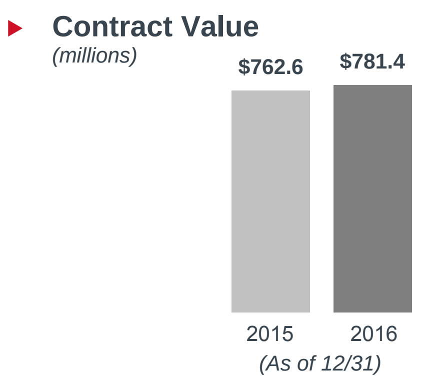
1 Business and Market Update

2 **Financial Performance Review and Update**

3 Q & A

Top-Line Growth





Q4-16 revenue down 0.5% vs. Q4-15

- Lower-than-expected consulting and risk collection revenue in Q4-16
- Decline in new sales in November and December of 2016
- Impact from wind down of to-be-eliminated programs related to health care business restructuring

CY-16 revenue up 2.9% vs. CY-15

- Supported by consistent, high renewal rates and ~20% Education growth (28% of CY-16 revenue), offset by ~3% decline in Health Care

Contract value growth of 2.5% vs. 12/31/15

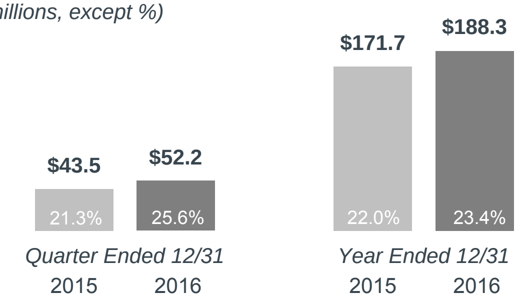
- Continued strong renewals in both Health Care and Education
- Lack of uniform buying activity and sharp decline in Q4-16 new sales
- Sales strength across all Education offerings, Health Care research, Planning 20/20, and strategy and EMR optimization consulting

* Adjusted revenue reflects the exclusion of revenue contribution from to-be-eliminated products and services.

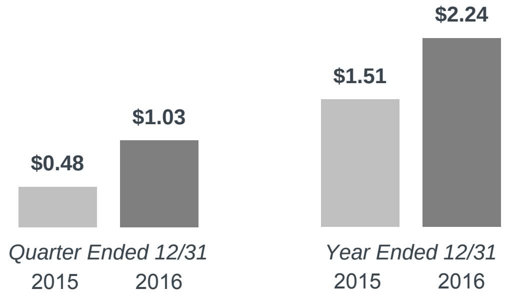
Earnings Growth and Margin Expansion

Adjusted EBITDA & Margin

(millions, except %)



Non-GAAP Adjusted EPS



140 basis points of CY 16 Adjusted EBITDA margin improvement due to:

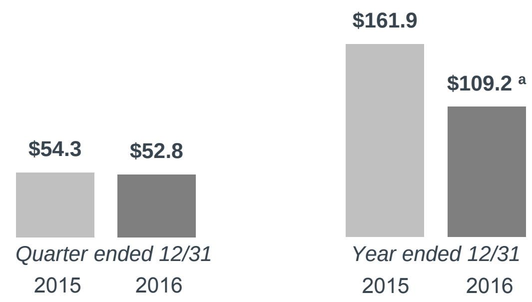
- Continued strong growth in high margin Education products
- Gross margin expansion due to scaling revenue over fixed cost base
- Continued cost management

CY-16 adjusted EPS growth of 48.3% due to:

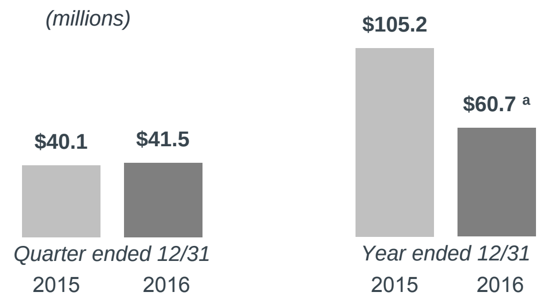
- Incremental R&D tax credit benefit from prior years, which reduced CY-16 tax rate to 17.5%
- Repurchase of $115M of ABCO stock in CY-15 and CY-16 reduced average share count by 4.0% to 40.6 M at year-end 2016
- Year-over-year reduction of interest expense by 14%

Cash Flow and Capital Position

Cash Flow from Operations
(millions)



Free Cash Flow [b]
(millions)



- Q4-16 and CY-16 cash flow included cash tax payment of $17.6M from sale of Evolent Health common stock in Q3-16. Gross proceeds of $48.6M from Evolent stock sales included in the investing activities section of Statements of Cash Flows
- Excluding these taxes, CFFO was $70.4M in Q4-16 and $126.8M in CY-16
- Q4-16 cash flow improvement from enhanced cash collections and expected Royall timing

As of 12/31/16

- Cash and Cash Equivalents: $91.2 M
- Total Outstanding Debt: $522.1 M
- Debt / Adjusted EBITDA (TTM): 2.8x *(2.3x net of cash)*
- Evolent Ownership Value: ~$183.0 M *(gross value not reflected on balance sheet)*

a) Includes $17.6 million in cash taxes paid from the sale of Evolent Health common stock in the third quarter of 2016. Gross proceeds of $48.6 million included in the investing activities section of the Statements of Cash Flows.
b) Cash Flow From Operations minus capital expenditures (Purchases of property and equipment, and Capitalized external-use software development costs).

Guidance for Calendar Year 2017

	CY-17 Guidance [a]	2016 Actual
Net Adjusted Revenue	$780 - $840 M (0.6) - 7.9% growth	$786.1 M [b]
Net Adjusted EBITDA	$190 - $215 M 2.7 - 16.2% growth 24.4 - 25.6% margin	$185.0 M [b] 23.5% margin
Adjusted EPS	$1.80 - $2.10 (3.2) - 12.9% growth	$1.86 [c]
Stock-based Compensation	$29 M	$29.4 M
Interest Expense	$19 M	$18.1 M
Acquisition-related Amortization	$26 M	$31.0 M
Depreciation & Amortization	$50 M	$42.1 M
Capital Expenditures	$50 - 55 M	$48.5 M
Share Count	41.5 M	40.9 M
Tax Rate	36% - 38%	17.5%
Operating Cash Flow	$135 M	$109.2 M
Free Cash Flow	$80 M	$60.7 M

a) Excludes restructuring and contribution from to-be-eliminated products and services.
b) Excludes contribution from to-be-eliminated products and services
c) Excludes a $0.38 per-share benefit related to incremental R&D tax credits from prior years recorded in the fourth quarter of 2016.

A Compelling Investment Opportunity

1

Unique Position in Our Markets

- Insight-driven best practices research, technology, and consulting
- $2B+ of member-validated ROI; hundreds of impact case studies
- 30-year track record in health care; 10-year track record in education

2

Broad Reach and Enduring Relationships

- 4,400+ health care members; 1,100+ education members
- Deep C-suite partnerships in two high-demand target markets
- Consistently high renewal rates (~93% in 2016)

3

Powerful Economic Model

- 85% recurring revenue from research and technology subscriptions
- Scalable solutions/programs drive margin expansion
- Balanced capital allocation: share repurchase; debt reduction; growth

4

Tremendous Opportunities for Growth

- Execute on compelling cross-selling opportunities
- Enhance solution platform as industries transform
- Identify and execute on select, strategic M&A

APPENDIX

Reconciliation of GAAP to Non-GAAP Measures

Adjusted Revenue and Adjusted EBITDA

	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Twelve Months Ended December 31, 2016	Twelve Months Ended December 31, 2015
Revenue	$ 203,852	$ 204,951	$ 803,424	$ 768,348
Effect on revenue of fair value adjustments to acquisition-related deferred revenue	-	-	-	12,499
Adjusted revenue	$ 203,852	$ 204,951	$ 803,424	$ 780,847

	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Twelve Months Ended December 31, 2016	Twelve Months Ended December 31, 2015
Net income (loss)	$ 37,165	$ (105,280)	$ 92,537	$ (119,014)
Effect on revenue of fair value adjustments to acquisition-related deferred revenue	-		-	12,499
(Gain) loss from equity method investments	(12,382)	2,728	(46,666)	4,396
Benefit (provision) for income taxes	(4,071)	3,516	9,741	15,200
Loss on financing activities	-	-	-	17,398
Interest expense	4,399	4,905	18,137	21,121
Other expense, net	409	4,102	2,789	6,499
Depreciation and amortization	19,411	18,852	77,268	73,134
Impairment of capitalized software	-	8,166	-	8,166
Goodwill impairment	-	99,145	-	99,145
Acquisition and similar transaction charges	-	-	-	6,610
Fair value adjustment to acquisition-related earn-out liabilities	(201)	475	1,292	(1,665)
Build-to-suit land rent	932	-	3,733	-
Vacation accrual adjustment	-	-	-	(850)
Stock-based compensation expense	6,522	6,962	29,435	29,093
Adjusted EBITDA	$ 52,184	$ 43,571	$ 188,266	$ 171,732

Reconciliation of GAAP to Non-GAAP Measures

Net Income (Loss) Per Share to Adjusted EPS

	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Twelve Months Ended December 31, 2016	Twelve Months Ended December 31, 2015
Net income (loss) per share - diluted	$ 0.92	$ (2.52)	$ 2.26	$ (2.84)
Effect of adjusted weighted average common shares outstanding - diluted on earnings (loss) per share	$ -	$ 0.03	$ -	$ 0.02
Effect on revenue of fair value adjustments to acquisition-related deferred revenue	-	-	-	0.30
(Gain) loss from equity method investments	(0.31)	0.06	(1.14)	0.10
Impairment of capitalized software	-	0.19	-	0.19
Goodwill impairment	-	2.34	-	2.34
Amortization of acquisition-related intangibles	0.17	0.18	0.70	0.73
Loss on financing activities	-	-	-	0.41
Acquisition and similar transaction charges	-	-	-	0.16
Fair value adjustment to acquisition-related earn-out liabilities	(0.01)	0.01	0.03	(0.04)
Loss on investment in common stock warrants	-	0.01	-	0.01
Loss on cost method investment	-	0.08	0.04	0.08
Build-to-suit land rent	0.02	-	0.09	-
Vacation accrual adjustment	-	-	-	(0.02)
Stock-based compensation expense	0.17	0.17	0.72	0.69
Income tax effects and adjustments	0.07	(0.07)	(0.46)	(0.62)
Non-GAAP adjusted earnings per share	$ 1.03	$ 0.48	$ 2.24	$ 1.51

Reconciliation of GAAP to Non-GAAP Measures

Adjusted Tax Rate and Adjusted Shares Outstanding

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Effective tax rate	-19.7%	-3.6%	17.5%	-15.3%
Effect on tax rate of Washington, D.C. tax law change including write-off of DC income tax credits	0.0%	0.0%	0.0%	18.0%
Effect on tax rate of asset impairment	0.0%	27.8%	0.0%	52.1%
Effect on tax rate of loss on financing activities	0.0%	0.0%	0.0%	-13.0%
Effect on tax rate of equity method investment related FIN 48 liability	0.0%	0.0%	0.0%	0.0%
Effect on tax rate of Royall acquisition costs and other tax items	0.0%	0.0%	0.0%	-2.6%
Adjusted effective tax rate	-19.7%	24.2%	17.5%	39.2%

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Weighted average common shares outstanding - diluted	40,555	41,854	40,871	41,888
Dilutive shares outstanding (1)	-	485	-	516
Adjusted weighted average common shares outstanding - diluted	40,555	42,339	40,871	42,404

(1) For non-GAAP purposes, the Company has net income and, therefore, used adjusted diluted shares in its calculation of non-GAAP adjusted EPS.

Reconciliation of GAAP to Non-GAAP Measures

Net Adjusted Revenue and Net Adjusted EBITDA

	Qtr Ended 3/31/16	Qtr Ended 6/30/16	Qtr Ended 9/30/16	Qtr Ended 12/31/16	Year Ended 12/31/16
Revenue	$ 200,735	$ 198,382	$ 200,455	$ 203,852	$ 803,424
Less: Product/Services to be Eliminated	5,278	4,711	3,624	3,685	$ 17,298
Net Adjusted Revenue	$ 195,457	$ 193,671	$ 196,831	$ 200,167	$ 786,126
Adjusted EBITDA	$ 47,351	$ 47,740	$ 40,993	$ 52,184	$ 188,267
Less: Products/Services to be Eliminated	1,457	554	633	595	$ 3,239
Net Adjusted EBITDA	$ 45,894	$ 47,186	$ 40,360	$ 51,589	$ 185,028

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