



CPSI Announces Stock Repurchase Program

September 9, 2020

MOBILE, Ala.--(BUSINESS WIRE)--Sep. 9, 2020-- CPSI (NASDAQ: CPSI), a community healthcare solutions company (the "Company"), today announced that its Board of Directors (the "Board") approved a stock repurchase program under which the Company may repurchase up to \$30 million in aggregate amount of its outstanding shares of common stock through open market purchases, privately-negotiated transactions, or otherwise in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These shares may be purchased from time to time over a two-year period depending upon market conditions. Concurrent with the authorization of the value-enhancing stock repurchase program, the Board opted to indefinitely suspend all quarterly dividends.

These decisions build on a multi-year evolution of the Company's capital allocation strategy that is now prioritizing flexibility to allow for more opportunistic uses of capital. By successfully reducing the Company's leverage and refinancing its credit facility to achieve more favorable terms, the targeted flexibility has now been achieved. Coupled with operations that, even in the midst of the COVID-19 pandemic, continue to generate significant levels of cash flow, the Company is well-positioned to deploy capital in a manner aimed at maximizing long-term stockholder value.

Commenting on the announcement, Boyd Douglas, president and chief executive officer of CPSI, said, "As evidenced by our long history of dividends, CPSI clearly views distributions to stockholders as a worthy use of our capital. With our desired flexibility secured, we're now emboldened to pursue a multi-faceted capital allocation strategy that employs value-based stock repurchases while maintaining abundant capital to continue to invest in our business and pursue attractive acquisitions that strengthen our market position, allowing us to dynamically respond to the needs of the communities we serve and further promote growth in stockholder value."

Douglas continued, "We are unwavering in our confidence in the potential long-term growth for CPSI, a confidence rooted in the continued progress towards converting our EHR revenue to a subscription model, a greater than \$1 billion total addressable market for TruBridge, the robust market outside the U.S., and the prior stated strong balance sheet and cash flows."

To facilitate repurchases of the Company's common stock pursuant to the above mentioned stock repurchase program, the Board also authorized management to enter into a trading plan with J.P. Morgan Securities, LLC ("J.P. Morgan") in accordance with Rule 10b5-1 under the Exchange Act (the "Rule 10b5-1 Plan"). The Rule 10b5-1 Plan will allow the Company to repurchase shares at times when it might otherwise be prevented from doing so by securities laws or because of self-imposed trading blackout periods. Under the Rule 10b5-1 Plan, J.P. Morgan will have the authority, subject to the prices, terms and limitations set forth in the Rule 10b5-1 Plan, including compliance with Rule 10b-18 under the Exchange Act, to repurchase shares on the Company's behalf.

Repurchases not made pursuant to the Rule 10b5-1 Plan may be made at management's discretion, subject to the securities laws and blackout periods imposed by the Company's insider trading policy, at prices management considers to be attractive and in the best interests of both the Company and its stockholders, subject to the availability of shares of common stock, general market conditions, the trading price of the common stock, alternative uses for capital, the Company's financial performance and other factors. Open market purchases will be conducted in a manner intended to satisfy the requirements of, and in accordance with the limitations set forth in, Rule 10b-18 under the Exchange Act and other applicable legal requirements.

The Company expects to finance any repurchases from a combination of cash on hand and cash provided by operating activities, with the Company's remaining borrowing capacity under its revolving credit facility providing ample opportunity to pursue M&A activity to further enhance its product and service offerings. The stock repurchase program does not obligate the Company to acquire any specific number of shares in any period, and may be expanded, extended, modified or discontinued at any time. Information regarding stock repurchases will be available in the Company's periodic reports filed with the Securities and Exchange Commission on Forms 10-K and 10-Q as required by the applicable rules of the Exchange Act.

About CPSI

CPSI is a leading provider of healthcare solutions and services for community hospitals, their clinics and post-acute care facilities. Founded in 1979, CPSI is the parent of four companies – Evident, LLC, American HealthTech, Inc., TruBridge, LLC, and iNetXperts, Corp. d/b/a Get Real Health. Our combined companies are focused on helping improve the health of the communities we serve, connecting communities for a better patient care experience, and improving the financial operations of our customers. Evident provides comprehensive EHR solutions for community hospitals and their affiliated clinics. American HealthTech is one of the nation's largest providers of EHR solutions and services for post-acute care facilities. TruBridge focuses on providing business, consulting and managed IT services, along with its complete RCM solution, for all care settings. Get Real Health focuses on solutions aimed at improving patient engagement for individuals and healthcare providers. For more information, visit www.cpsi.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified generally by the use of forward-looking terminology and words such as "expects," "anticipates," "estimates," "believes," "predicts," "intends," "plans," "potential," "may," "continue," "should," "will" and words of comparable meaning. Without limiting the generality of the preceding statement, all statements in this press release relating to the Company's strategy and outlook, including the number of shares of common stock to be repurchased by the Company, if any, and that the Company's repurchase of its shares of common stock and pursuit of more opportunistic uses of capital will benefit the Company and its stockholders, are forward-looking statements. We caution investors that any such forward-looking statements are only predictions and are not guarantees of future performance. Certain risks, uncertainties and other

factors may cause actual results to differ materially from those projected in the forward-looking statements. Such factors may include: the Company's ability to successfully execute its stock repurchase program, including the availability of financing for such repurchases; the Company's ability to successfully pursue mergers and acquisitions that strengthen the Company's market position and enhance the Company's product and service offerings, including the availability of financing for such M&A activity; the impact of COVID-19 and related economic disruptions which have materially affected the Company's revenue and could materially affect the Company's gross margin and income, as well as the Company's financial position and/or liquidity; actions to be taken by the Company in response to the pandemic; the legal, regulatory and administrative developments that occur at the federal, state and local levels; potential disruptions, breaches, or other incidents affecting the proper operation, availability, or security of the Company's or its partners' information systems, including unauthorized access to or theft of patient, business associate, or other sensitive information or inability to provide patient care because of system unavailability; changes in revenues due to declining hospital demand and deteriorating macroeconomic conditions (including increases in uninsured and underinsured patients); potential increased expenses related to labor or other expenditures; and the impact of our substantial indebtedness and the ability to refinance such indebtedness on acceptable terms or at all, as well as risks associated with disruptions in the financial markets and the business of financial institutions as the result of the COVID-19 pandemic which could impact us from a financial perspective. Numerous other risks, uncertainties and other factors may cause actual results to differ materially from those expressed in any forward-looking statements. Such factors include risk factors described from time to time in CPSI's public releases and reports filed with the Securities and Exchange Commission, including but not limited to, CPSI's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. We also caution investors that the forward-looking information described herein represents our outlook only as of this date, and we undertake no obligation to update or revise any forward-looking statements to reflect events or developments after the date of this press release.

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Source: CPSI