First Quarter 2017 Conference Call

May 4, 2017

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 May 4, 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, adjusted EBITDA, and adjusted earnings per diluted share, 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

Performance Summary

1

Q1-17 total adjusted revenue and adjusted EBITDA ahead of guidance

- Total adjusted revenue of $194.1M vs. guidance of $185 - 190M
  - Education grew 15%
  - Health Care declined 6.6%, as expected
- Adjusted EBITDA of $45.0M vs. guidance of $37 - 42M
  - Adjusted EBITDA margin of 23.2%

2

Contract value* increased 1.5% Y-Y to $756.2M

- Education grew mid-teens
- Health Care declined mid single digits
- Continued strength in renewals across the entire company

3

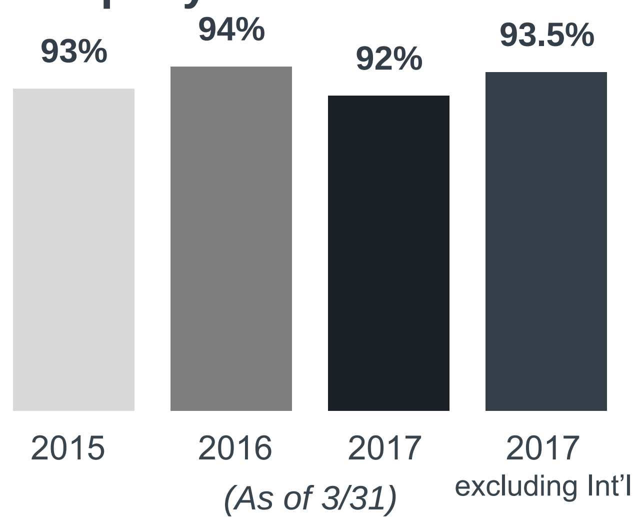
New Sales

- Positive YTD sales pacing vs. 2016
- Strong performance across all Education offerings
- New sales mix in Health Care reflects higher member demand for consulting

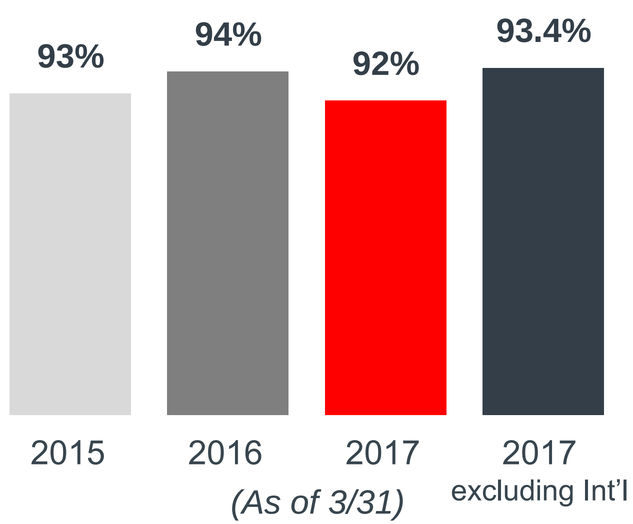
* Excludes exited programs.

Member Renewal Rate *

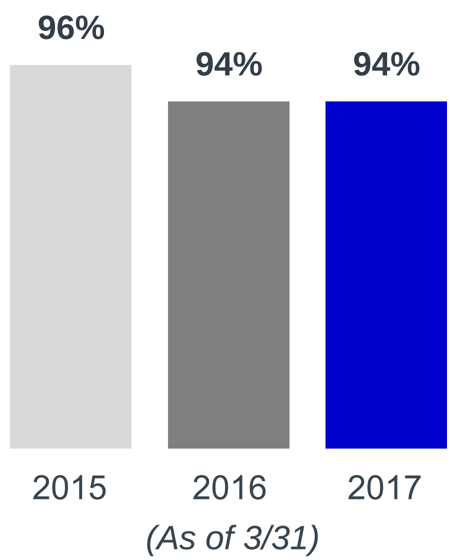
Total Company



Health Care



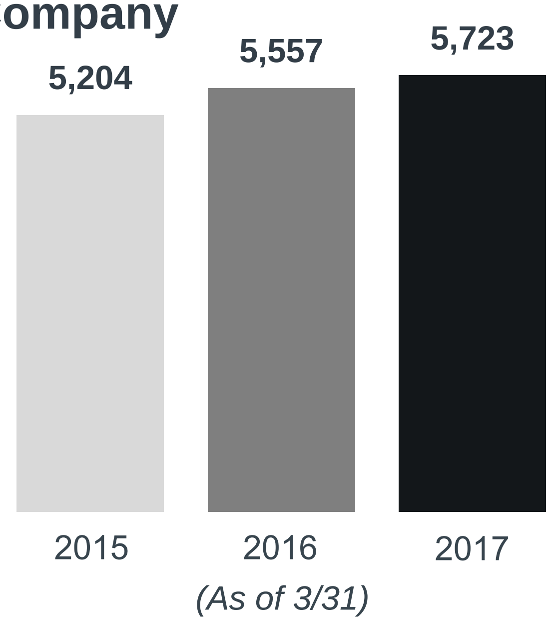
Education



* Excludes exited programs.

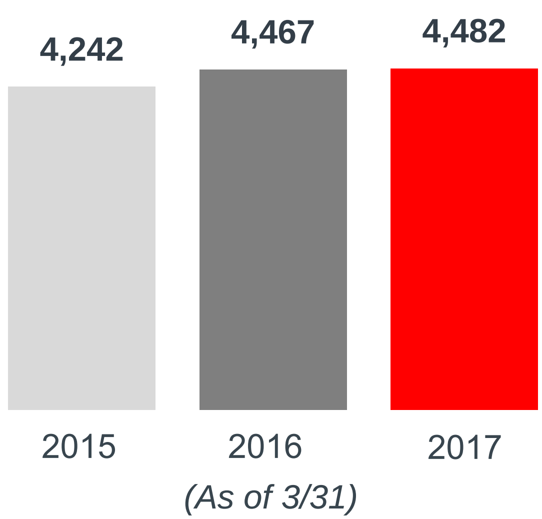
Member Count *

Total Company

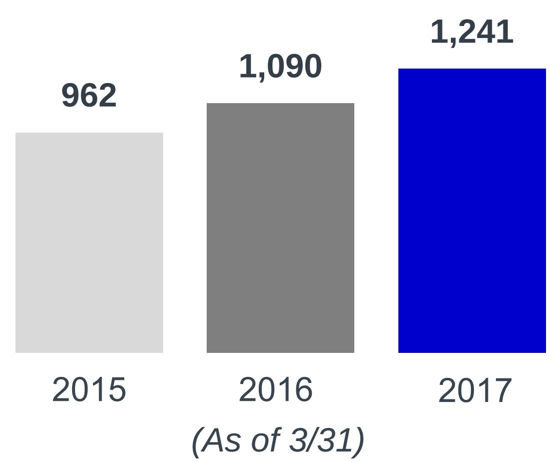


- 3/31/17 member count increased by 176 organizations
- Education member growth of 14% brings total to 1,200+
- Health Care membership up slightly, with growth in U.S. hospital and non-provider organizations, offset by international membership decline

Health Care



Education



* Excludes exited programs.

Health Care Update

- Vitally important for providers to continue to build networks, reduce clinical variation, and improve financial performance
- Recent nationwide Advisory Board survey of health system C-suite executives found top areas of interest that align directly with our Company's Focus Areas:

Member Interest:	• Improve ambulatory access • Boost outpatient procedural market share	• Minimize unwarranted clinical variation • Control avoidable utilization	• Employ innovative approaches to improve financial performance and reduce expense
Focus Areas:	**Drive Health System Growth**	**Reduce Care Variation.**	**Optimize the Revenue Cycle**
	Help members attract, retain, and engage patients in an optimal delivery network	Help members implement best-practice protocols to deliver cost-effective, high quality care	Help members improve the efficiency and effectiveness of revenue management to ensure financial viability

Advisory Board Success

- Reducing clinical variation is a critical area of member focus to drive improved patient outcomes and reduce the cost of care delivery
- EHR Optimization leverages clinical and IT expertise to:
  - Secure accurate clinical documentation to capture patient complexity
  - Present relevant, real-time information to clinicians at the point of care
  - Streamline clinical workflows to enhance reliability and efficiency

- Significant financial impact by creating best-practice protocols and standardization
- Case Study: 23-hospital health system
  - Phased approach to assess patient risk, drive accurate, risk-adjusted reimbursement, and build physician and community support
  - $5.4M in incremental revenue in 10 weeks
  - Projected ~$3M in annual cost savings from clinical decision support

EHR Optimization

Education Update

- Complex market issues: declines in state funding, stagnant enrollments, and focus on value and outcomes
- EAB forges best practices to solve pervasive industry and member challenges
  - Applying extensive data assets, cloud-based software, and data-enabled services to drive student success, deliver ROI, and build partnerships
  - Vice chancellor: EAB’s “…array of data and initiatives helped us prove AND disprove assumptions about barriers to student success.”

<u>EAB Case Study: “Hardwiring” Student Success with Guided Pathways</u>

- $7.7B/year spent annually by students for courses <u>not</u> counting toward a degree
- Avg. community college student earns 20+ excess credits
- *EAB Navigate*: incorporates regional job data, personal commitments and study habits to help students choose a program of study to prepare for a career
  - Helping students make informed class registration decisions
  - Engaging at-risk students to help reduce drop-out rate

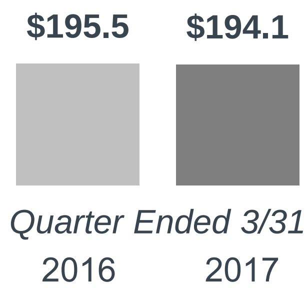
1 Business and Market Update

2 **Financial Performance Review and Update**

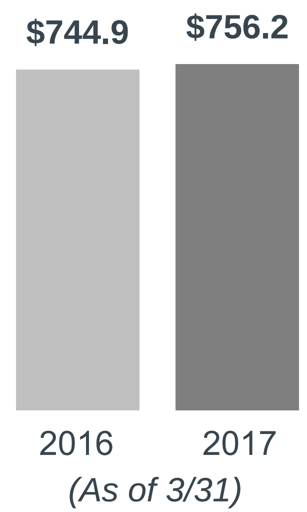
3 Q & A

Revenue and Contract Value *

Adjusted Revenue
(millions)



Contract Value
(millions)



Q1-17 adjusted revenue down 0.7% vs. Q1-16

- Education growth of 15%, offset by 6.6% decline in Health Care
- Lower Health Care revenue due primarily to a decline in new Technology sales in 2H-16

Contract value growth of 1.5% vs. 3/31/16

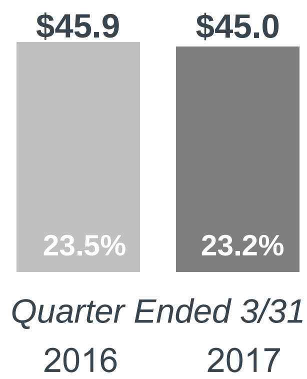
- Continued strong renewals in both Health Care and Education
- Sales strength across all Education offerings, EMR optimization, cost and revenue cycle consulting, and Planning 20/20

* Excludes exited programs from current and prior year periods.

EBITDA and EPS

Adjusted EBITDA & Margin

(millions, except %)

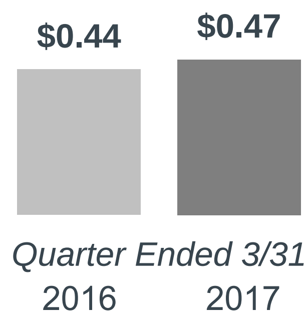


Q1-17 Adjusted EBITDA down $0.9M vs. Q1-16 due to revenue decrease of $1.4M

Q1-17 Adjusted EPS grew 6.8% due to:

- Year-over-year reduction of interest expense by 6.7%
- Year-over-year reduction in share count by 2%

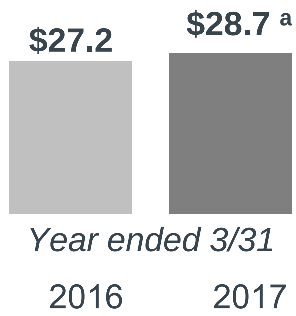
Non-GAAP Adjusted EPS



Cash Flow and Capital Position

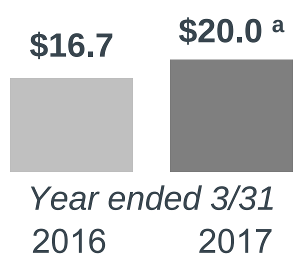
Cash Flow from Operations (CFFO)

(millions)



Free Cash Flow [b]

(millions)



- Q1-17 CFFO and FCF increased 5.4% and 19.3%, respectively, vs. Q1-16
- Q1-17 cash flow included $10M in cash costs related to Health Care business restructuring and related severance expenses
- Q1-17 cash flow improvement from improved cash collections

As of 3/31/17

- Cash and Cash Equivalents: $150.1 M
- Total Outstanding Debt: $515.1 M
- Debt / Adjusted EBITDA (TTM): 2.8x *(2.0x net of cash)*
- Evolent Ownership Value: ~$170.4 M *(gross value not reflected on balance sheet)*

a) Includes $10 million in cash costs related to the Company's Health Care business restructuring and related severance expenses.
b) Cash Flow From Operations less capital expenditures (Purchases of property and equipment, and Capitalized external-use software development costs).

Guidance Unchanged for Calendar Year 2017

	CY-17 Guidance [a]	2016 Actual
Adjusted Revenue	**$780 - $840 M** (0.6) - 7.9% growth	**$786.1 M** [b]
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 exited programs.
b) Excludes contribution from exited programs.
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 annual 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

- ~4,500 health care members; 1,200+ education members
- Deep C-suite partnerships in two high-demand target markets
- Consistently high renewal rates (92% in 2017)

3

Powerful Economic Model

- 85% recurring revenue from research and technology subscriptions
- Scalable solutions/programs drive margin expansion

4

Tremendous Opportunities for Growth

- Execute on compelling cross-selling opportunities
- Enhance solution platform as industries transform

APPENDIX

Reconciliation of GAAP to Non-GAAP Measures

Adjusted Revenue and Adjusted EBITDA

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Revenue	$ 194,539	$ 200,735
Less: Revenue from exited programs	482	5,278
Adjusted revenue	$ 194,057	$ 195,457

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net income	$ 19,654	$ 10,339
(Gain) loss from equity method investments	(21,577)	34
(Benefit) provision for income taxes	(724)	5,663
Interest expense	4,500	4,821
Other expense, net	(233)	(61)
Depreciation and amortization	22,334	19,767
Fair value adjustment to acquisition-related earn-out liabilities	400	(1,070)
Build-to-suit land rent	931	876
Stock-based compensation expense	5,711	6,982
Loss (income) from exited programs	4,049	(988)
Depreciation and amortization from exited programs	(1,238)	(469)
Restructuring charges	11,213	-
Adjusted EBITDA	$ 45,020	$ 45,894

The Advisory Board Company

Reconciliation of GAAP to Non-GAAP Measures

Net Income Per Share to Adjusted EPS

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net income	$ 19,654	$ 10,339
(Gain) loss from equity method investments	(21,577)	34
Amortization of acquisition-related intangibles	6,807	7,038
Fair value adjustment to acquisition-related earn-out liabilities	400	(1,070)
Build-to-suit land rent	931	876
Stock-based compensation expense	5,711	6,982
Loss (income) from exited programs	4,049	(988)
Restructuring charges	11,213	-
Income tax effects and adjustments	(7,962)	(4,599)
Adjusted net income	$ 19,226	$ 18,612

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net income per share - diluted	$ 0.48	$ 0.25
(Gain) loss from equity method investments	(0.53)	-
Amortization of acquisition-related intangibles	0.17	0.17
Fair value adjustment to acquisition-related earn-out liabilities	0.01	(0.03)
Build-to-suit land rent	0.02	0.02
Stock-based compensation expense	0.14	0.17
Loss (income) from exited programs	0.10	(0.02)
Restructuring charges	0.27	-
Income tax effects and adjustments	(0.19)	(0.12)
Non-GAAP adjusted earnings per share	$ 0.47	$ 0.44

Reconciliation of GAAP to Non-GAAP Measures

Cash Flow from Operations to Free Cash Flow

	Three Months Ended March 31,	
	2017	2016
Net cash provided by operating activities	$ 28,667	$ 27,204
Purchases of property and equipment	(7,970)	(9,632)
Capitalized external-use software development costs	(734)	(836)
Free cash flow	$ 19,963	$ 16,736

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