J.P. Morgan Healthcare Conference

Brent Shafer
Chairman & CEO

Don Trigg
President

Marc Naughton
EVP & Chief Financial Officer

January 13, 2021
Cautionary statement regarding forward-looking statements

This presentation may contain forward-looking statements, including without limitation, those regarding projections of future revenues or earnings, operating margins, operating and capital expenses, bookings, new solution, services and offering development, and capital allocation plans; cost optimization and operational improvement initiatives; future business outlook, including new markets or prospects for the Company’s solutions and services; and the expected benefits of our acquisitions, divestitures or other collaborations. These forward-looking statements are based on management’s current beliefs, expectations and assumptions and are subject to significant risks and uncertainties. Cerner’s performance, and actual results, financial condition or business could differ materially from those expressed in such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to:

- the possibility of significant costs and reputational harm related to product and service-related liabilities; potential claims for system errors and warranties; the possibility of interruption at our data centers or client support facilities, or those of third parties with whom we have contracted (such as public cloud providers), that could expose us to significant costs and reputational harm; the possibility of increased expenses, exposure to legal claims and regulatory actions and reputational harm associated with a cyberattack or other breach in our IT security or the IT security of third parties on which we rely; our proprietary technology may be subject to claims for infringement or misappropriation of intellectual property rights of others, or may be infringed or misappropriated by others or subject to claims related to open source licenses; material adverse resolution of legal proceedings or other claims or reputational harm stemming from negative publicity related to such claims or legal proceedings; risks associated with our global operations, including without limitation greater difficulty in collecting accounts receivable; risks associated with fluctuations in foreign currency exchange rates; changes in tax laws, regulations or guidance that could adversely affect our tax position and/or challenges to our tax positions in the U.S. and non-U.S. countries; the uncertainty surrounding the impact of the departure of the United Kingdom from the European Union on our global business; risks associated with the unexpected loss or recruitment and retention of key personnel or the failure to successfully develop and execute succession planning to assure transitions of key associates and their knowledge, relationships and expertise; risks related to our dependence on strategic relationships and third party suppliers, including any impact to the business of such suppliers resulting from the COVID-19 pandemic; risks inherent with business acquisitions or strategic investments and the failure to achieve projected synergies; risks associated with volatility and disruption resulting from global economic or market conditions, including any impact thereon resulting from events such as the COVID-19 pandemic; significant competition and our ability to anticipate or respond quickly to market changes, changing technologies and evolving pricing and deployment methods and to bring competitive new solutions, devices, features and services to market in a timely fashion; managing growth in the new markets in which we offer solutions, health care devices or services; long sales cycles for our solutions and services; risks inherent in contracting with government clients, including without limitation, complying with strict compliance and disclosure obligations, navigating complex procurement rules and processes and defending against bid protests; risks associated with our outstanding and future indebtedness, such as compliance with restrictive covenants, which may limit our flexibility to operate our business; impact of the phase-out of the London Interbank Offered Rate (LIBOR) on the interest rates under our financing agreements and the interest rate swap related to the outstanding indebtedness under our credit agreement; the potential for losses resulting from asset impairment charges; changing political, economic, regulatory and judicial influences, which could impact the purchasing practices and operations of our clients and increase costs to deliver compliant solutions and services; non-compliance with laws, government regulations or certain industry initiatives or failure to deliver solutions or services that enable our clients to comply with laws or regulations applicable to their businesses; variations in our quarterly operating results; potential variations in our sales forecasts compared to actual sales; volatility in the trading price of our common stock and the timing and volume of market activity, including volatility resulting from the COVID-19 pandemic; inability to achieve expected operating efficiencies and sustain or improve operating expense reductions; risks that Cerner’s revenue growth may be lower than anticipated and/or that the mix of revenue shifts to low margin revenue; risks that our capital allocation strategy will not be fully implemented or enhance long-term shareholder value; risks that Cerner’s business may be negatively affected as a result of future proxy fights or the actions of activist shareholders; our directors’ authority to issue preferred stock and the anti-takeover provisions in our corporate governance documents; and the extent to which the COVID-19 pandemic and measures taken in response thereto could adversely affect our financial condition, future bookings and results of operations, including risks associated with the impact of the COVID-19 pandemic on collecting accounts receivable.

Additional discussion of these and other risks, uncertainties and factors affecting Cerner’s business is contained in Cerner’s filings with the Securities and Exchange Commission. The reader should not place undue reliance on forward-looking statements, since the statements speak only as of the date that they are made. Except as required by law, Cerner undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in our business, results of operations or financial condition over time. A reconciliation of non-GAAP financial measures discussed in this presentation can be found in the Appendix to this presentation and Cerner’s most recent earnings release that was furnished to the SEC and posted on the investor section of www.cerner.com.
40+ years of HCIT experience

$800 million APPROXIMATE ANNUAL R&D INVESTMENT

More than 650,000 PHYSICIAN USERS and 2,200,000 non-physician users

595 PATENTS WORLDWIDE

262 million+ longitudinal records managed within the HealthIntent platform
Includes historical records

NOTE: All data points updated Q4 2020
COVID-19: Addressing urgent needs
Cerner’s response:

Operational tools
• Expanded access to platforms
• Technology-enabled temporary facilities
• Enhanced telehealth capabilities
• Keeping frontline workers safe

COVID data collected and curated for research
• AWS-Cerner collaboration to create one of largest COVID-19 patient datasets
• More than 30 academic organizations accessing to improve treatment & testing

Public health support
• UK delivery and management of COVID-19 vaccines
• CDC: Support for national projections and policy analysis
VA, DoD, U.S. Coast Guard

Seamless care for 18 million Service members and Veterans

Executing the plan and back on track
• First VA go-live at Mann-Grandstaff VA medical center in Spokane, WA
• Now live at 22 DoD sites
• First time in history DoD, VA and USCG using same EHR

Joint Health Information Exchange
• Connected more than 46,000 community partner facilities
• Added 15,000+ community partners with CommonWell
• Since April 2020, patients increased from less than 700,000 to 4 million
Transformation at Cerner

Emphasis on client experience, innovation at scale and profitable growth

- Product lifecycle management improvements
- R&D efficiency
- Rationalization of product portfolio / PPM
- Platform modernization and cloud migration
- Business simplification
- Automation and technology improvements
- Operating efficiencies
- Culture modernization for a global workforce

Continue investing in strategic growth areas

- Extend beyond the EHR through combination of organic and inorganic strategies
Supporting providers, patients and populations

- Improve the quality of health care
- Enhance our clients’ everyday operations
- Create a brighter future using data-driven insights
- Eliminate inequities in health care
Cerner Business Groups

Don Trigg
President
Health Economy: Person, Enterprise, Health Network

Cerner will advance enterprise-level provider business models, build differentiated Health Network strategies and create a category-leading Data business.

Health System
Enterprise

Integrated EMR (Millennium®):
One Record, One Plan, One Bill

Only Cerner:
Business model impact, including Service Line growth, Total Cost of Care, Integrated Revenue Cycle

Health Network

EMR-Agnostic
Health Network (HealthIntent®):
Network management, member outcomes

Only Cerner:
"First mile" data management and “last mile” actions within the provider workflow

Data-Driven
Health Economy

Secondary Use of Data:
Person (ROI), Life Sciences/Pharma (RWE)

Only Cerner:
Clinical data activation advantage to transform clinical trial speed, effectiveness and cost
Scaling a Category-Leading Health Network Business

Health Networks are being advanced by health systems, payers, and new market entrants. COVID-19 is accelerating this macro trend. Cerner’s HealtheIntent platform is purpose-built to enable these strategies.

- **HealtheIntent** is a native cloud, EMR-agnostic, Big Data platform with category-leading data aggregation and processing capabilities.

![Chilmark Research, Gartner, IDC logos]

- The platform is leveraged by health systems, self-insured employers, payers and governments.

- 23 new footprints were added in 2020, now totaling ~200 clients worldwide.

- New products in 2020 for network referrals, member management and consumer engagement.

23 new footprints added in 2020
Building a Category-Defining Data Business

Real-world evidence is disrupting traditional clinical trials. COVID-19 regulatory response is accelerating this shift. Cerner’s large provider client base and healthcare data expertise offer the opportunity to reimagine this market.

Only Cerner Differentiation

- Leading market share (1/3 U.S. hospitals)
- Clinical EMR data is wide & deep
- Unique Master Data Management capabilities and tech enablement

2020 Progress

- Launched Learning Health Network℠ (55 members representing 92mm patients and 500mm+ encounters)
- Demonstrated the value to providers and life sciences, including COVID-19 data cohort
- Developed go-to-market, including strategic investments and partnerships

After COVID-19 Acceleration

- Transform the speed and cost of clinical trials
- Build a category-defining drug discovery leader
- Leverage organic investment and M&A to create a billion-dollar data business
Kantar Health Acceleration

Kantar Health is a building-block acquisition for organic and inorganic efforts to build a billion-dollar data business. Kantar brings differentiated data products, subject matter expertise, and direct access to pharma.

## Market Entry Criteria

- **Megatrend/strategic tailwind**
- **TAM > $3B & achievable market share (≥15%)**
- **Speed-to-revenue**
- **EMR-agnostic; Cerner assets are leverageable**
- **Surmountable barriers-to-entry (including regulatory)**

### KANTAR HEALTH

- **RWE and commercialization data, analytics and research for life sciences**
- **650 associates across 17 countries**
- **>100 life sciences clients, including top 20 pharma decision-makers**

### Differentiated Data Products, Subject Matter Expertise

- **Scientific research expertise with KH’s emphasis in oncology, rare disease and patient reported outcomes.**
- **KH’s RWE business has double-digit growth. Cerner’s clinical data offers compelling opportunities to accelerate it.**

### Selected Clients

- Abbvie
- Roche
- Bristol-Myers Squibb
- Novartis
- Pfizer
- AstraZeneca
- Gilead
- Johnson & Johnson
- MSD
- Lilly

Global scale and data collection capabilities

<table>
<thead>
<tr>
<th>Differentiated Data Products, Subject Matter Expertise</th>
<th>50+ years of epidemiology coverage</th>
<th>75+ RWE studies annually</th>
<th>400+ Oncology studies annually</th>
</tr>
</thead>
</table>
Health Economy: Person, Enterprise, Health Network

Health System Enterprise

Accelerate provider business model strategies

Health Network

Build health network management capabilities and outcomes

Data-Driven Health Economy

Create health care’s leading data business

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Financial Overview

Marc Naughton
Executive Vice President and Chief Financial Officer
### Solid Results in Challenging Environment

<table>
<thead>
<tr>
<th>Q320</th>
<th>2020**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Result</strong></td>
<td><strong>Guidance As of 10/28/20</strong></td>
</tr>
<tr>
<td>Revenue</td>
<td>$1.369 billion</td>
</tr>
<tr>
<td>GAAP Operating Margin %</td>
<td>30.1%</td>
</tr>
<tr>
<td>Adj. Operating Margin % *</td>
<td>20.4% (230 basis points)</td>
</tr>
<tr>
<td>GAAP EPS</td>
<td>$1.16</td>
</tr>
<tr>
<td>Adjusted Diluted EPS*</td>
<td>$0.72</td>
</tr>
</tbody>
</table>

- All key metrics at expected levels in Q320
- Q320 GAAP results include the impact of gains on investments and divestitures
- Revenue decline driven by divestitures and COVID was offset by strong margin expansion, leading to good earnings growth
- Strong full-year margin expansion drives 6% EPS growth on lower revenue
- Expect return to growth and ongoing margin expansion in 2021

*Adjusted Operating Margin & Adjusted Diluted EPS reflect adjustments compared to results reported on a GAAP basis in our 2020 Form 10-Qs. Non-GAAP results should not be substituted as a measure of our performance but instead should be used along with GAAP results as a supplemental measure of financial performance.

**Guidance as of October 28, 2020. This presentation does not represent an update or confirmation of guidance.
Strong balance sheet and cash flow

Balance Sheet (as of Q320)

• $892 million cash
• Increased debt in 2019 and early 2020 to fund expanded capital return program and M&A; still have significant capacity
  • Current debt of $1.3 billion is <1X EBITDA
  • ~$2 billion available under existing lending relationships (subject to certain conditions)

Cash Flow

• Still delivering solid cash flow in 2020 despite COVID impact
• Expect to be generating over $1 billion of annual free cash flow in coming years

Capital Deployment

• Increased quarterly dividend 22% to $0.22/share (~$270M/year)
• Announced ~$375M Kantar Health acquisition to close in 1H21
• $650M share repurchases in Q120; resumed in Q420 after pause due to COVID
  • Anticipate executing up to $1B+ in 2021 ($900M currently authorized)
  • Cash position and low leverage position us to use this authorization and fund M&A

* Free cash flow reflects adjustments compared to results reported on a U.S. Generally Accepted Accounting Principles (GAAP) basis in our 2019 annual report on Form 10-K and most recent Form 10-Q. Non-GAAP results should not be substituted as a measure of our performance but instead should be used along with GAAP results as a supplemental measure of financial performance. Please see the Appendix for a reconciliation of these items to GAAP results.
Summary

1. Solid YTD performance considering circumstances

2. COVID has impacted results, but resilience of business and expense control have mitigated impact

3. Strategic Growth and Federal position Cerner for solid growth; margin expansion opportunities remain

4. Strong balance sheet and cash flow position Cerner to manage through pandemic and deploy capital for dividend, share repurchases and M&A
Questions
OUR MISSION
To relentlessly seek breakthrough innovation that will shape health care of tomorrow.

OUR VISION
We believe in a seamless and connected world where everyone thrives.

OUR PROMISE
Health care is too important to stay the same.
Appendix – Reconciliation of GAAP to non-GAAP financial measures

We report our financial results in accordance with accounting principles generally accepted in the United States of America ("GAAP"). However, we supplement our GAAP results with certain non-GAAP financial measures, which we believe enable investors to better understand and evaluate our ongoing operating results and allows for greater transparency in the review and understanding of our overall financial, operational and economic performance. These non-GAAP financial measures are not meant to be considered in isolation, as a substitute for, or superior to GAAP results and investors should be aware that non-GAAP measures have inherent limitations and should be read only in conjunction with Cerner’s consolidated financial statements prepared in accordance with GAAP. These non-GAAP measures may also be different from similar non-GAAP financial measures used by other companies and may not be comparable to similarly titled captions of other companies due to potential inconsistencies in the method of calculations. We provide the measures of adjusted operating expenses, adjusted operating earnings, adjusted operating margin, adjusted net earnings and adjusted diluted earnings per share as such measures are used by management, along with GAAP results, to analyze Cerner’s business, make strategic decisions, assess long-term trends on a comparable basis, and for management compensation purposes. We provide the non-GAAP measure of free cash flow as such measure takes into account certain capital expenditures necessary to operate our business. Free cash flow is used by management, along with GAAP results, to analyze our earnings quality and overall cash generation of the business, and for management compensation purposes.

Any future period non-GAAP guidance in this presentation includes adjustments for items not indicative of our core operations, which may include, without limitation, share-based compensation expense, organizational restructuring and other expense and acquisition-related expenses. Such adjustments may be affected by changes in ongoing assumptions and judgments, as well as nonrecurring, unusual or unanticipated charges, expenses or gains or other items that may not directly correlate to the underlying performance of our business operations. The exact amount of these adjustments are not currently determinable, but may be significant. It is therefore not practicable to provide the comparable GAAP measures or reconcile this non-GAAP guidance to the most comparable GAAP measures.

Please see the accompanying table for a reconciliation of GAAP results to non-GAAP financial measures.

### Reconciliation of GAAP Results to Non-GAAP Results*

#### Adjusted Operating Earnings

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>2019</th>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating earnings (GAAP)</td>
<td>$601</td>
<td>$178</td>
<td>$147</td>
<td>$412</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>109</td>
<td>35</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>Acquisition-related amortization</td>
<td>85</td>
<td>17</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Organizational restructuring and other expense</td>
<td>221</td>
<td>41</td>
<td>46</td>
<td>32</td>
</tr>
<tr>
<td>COVID-19 related expense</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Gain on sale of business</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charge related to client dispute</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted Operating Earnings (non-GAAP)</strong></td>
<td><strong>$1,052</strong></td>
<td><strong>$274</strong></td>
<td><strong>$245</strong></td>
<td><strong>$279</strong></td>
</tr>
</tbody>
</table>

#### Adjusted Net Earnings and Adjusted Diluted Earnings Per Share

<table>
<thead>
<tr>
<th>($ in millions, except per share data)</th>
<th>2019</th>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net earnings (GAAP)</td>
<td>$529</td>
<td>$147</td>
<td>$135</td>
<td>$357</td>
</tr>
<tr>
<td>Pre-tax adjustments for Adjusted Net Earnings:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>109</td>
<td>35</td>
<td>38</td>
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<td>221</td>
<td>41</td>
<td>46</td>
<td>32</td>
</tr>
<tr>
<td>COVID-19 related expense</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Investment gains</td>
<td>(30)</td>
<td>(0)</td>
<td>(26)</td>
<td>(49)</td>
</tr>
<tr>
<td>Gain on sale of business</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charge related to client dispute</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted Net Earnings (non-GAAP)</strong></td>
<td><strong>$862</strong></td>
<td><strong>$233</strong></td>
<td><strong>$193</strong></td>
<td><strong>$222</strong></td>
</tr>
</tbody>
</table>

#### Free Cash Flow

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>2019</th>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities (GAAP)</td>
<td>$1,313</td>
<td>$284</td>
<td>$259</td>
<td>$382</td>
</tr>
<tr>
<td>Capital purchases</td>
<td>(472)</td>
<td>(49)</td>
<td>(117)</td>
<td>(72)</td>
</tr>
<tr>
<td>Capitalized software development costs</td>
<td>(274)</td>
<td>(74)</td>
<td>(78)</td>
<td>(73)</td>
</tr>
<tr>
<td><strong>Free Cash Flow (non-GAAP)</strong></td>
<td><strong>$568</strong></td>
<td><strong>$160</strong></td>
<td><strong>$64</strong></td>
<td><strong>$237</strong></td>
</tr>
<tr>
<td>Cash flows from investing activities (GAAP)</td>
<td>($640)</td>
<td>($137)</td>
<td>($248)</td>
<td>($212)</td>
</tr>
<tr>
<td>Cash flows from financing activities (GAAP)</td>
<td>($605)</td>
<td>($296)</td>
<td>($27)</td>
<td>($23)</td>
</tr>
</tbody>
</table>

*More detail on these adjustments and management’s use of non-GAAP results is in our most recent Form 10-K and our current reports on Form 8-K.

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