FORM 6-K
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 under
the Securities Exchange Act of 1934

For
the month of July, 2023

ICON plc
(Translation of registrant's name into English)

333-08704
(Commission file number)

South County Business Park, Leopardstown, Dublin 18, D18 X5R3, Ireland
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F___**X**___ Form 40-F______

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):
Yes______ No___**X**___

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):
Yes______ No___**X**___

ICON plc

This report on Form 6-K is hereby incorporated by reference in the registration statement on Form F-4 (Registration No. 333-254891) of ICON plc and in the prospectus contained therein, registration statement on Form S-8 (Registration No. 333-152802) of ICON plc, registration statement on Form S-8 (Registration No. 333-204153) of ICON plc, registration statement on Form S-8 (Registration No. 333-231527) of ICON plc, registration statement on Form S-8 (Registration No. 333-254891) of ICON plc, and registration statement on Form S-8 (Registration No. 333-257578) of ICON plc, and this report on Form 6-K shall be deemed a part of each such registration statement from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished by ICON plc under the Securities Act of 1933 or the Securities Exchange Act of 1934.

GENERAL

As used herein, “ICON”, the “Company”, the "Group", and “we” refer to ICON plc and its consolidated subsidiaries, unless the context requires otherwise.

Business

ICON is a clinical research organization (“CRO”), providing outsourced development services on a global basis to the pharmaceutical, biotechnology and medical device industries. We specialize in the strategic development, management and analysis of programs that support all stages of the clinical development process - from compound selection to Phase I-IV clinical studies. Our vision is to be the healthcare intelligence partner of choice by delivering industry leading solutions and best in class performance in clinical development.

We believe that we are one of a select group of CROs with the expertise and capability to conduct clinical trials in most major therapeutic areas on a global basis and have the operational flexibility to provide development services on a stand-alone basis or as part of an integrated “full service” solution. At June 30, 2023 we had approximately 41,160 employees in 108 locations in 53 countries. During the six months ended June 30, 2023, we derived approximately 42.4%, 47.3% and 10.3% of our revenue in the United States, Europe and Rest of World, respectively.

We began operations in 1990 and have expanded our business through organic growth, together with a number of strategic acquisitions to enhance our capabilities and expertise in certain areas of the clinical development process. We are incorporated in Ireland and our principal executive office is located at: South County Business Park, Leopardstown, Dublin 18, D18 X5R3, Republic of Ireland. The contact telephone number of this office is +353-1-291-2000.

Recent developments

Senior Secured Credit Facilities repayment

On June 30, 2023, the Company repaid $150.0 million of the senior secured term loan facility and made a quarterly interest payment of $74.0 million. This repayment resulted in an accelerated charge associated with previously capitalized fees of $1.2 million.

On March 31, 2023, the Company repaid $250.0 million of the senior secured term loan facility and made a quarterly interest payment of $75.3 million. This repayment resulted in an accelerated charge associated with previously capitalized fees of $2.2 million.

On December 30, 2022, the Company repaid $200.0 million of the senior secured term loan facility and made a quarterly interest payment of $66.1 million. This repayment resulted in an accelerated charge associated with previously capitalized fees of $1.8 million.

On September 30, 2022, the Company repaid $200.0 million of the senior secured term loan facility and made a quarterly interest payment of $53.6 million. This repayment resulted in an accelerated charge associated with previously capitalized fees of $1.9 million.

On June 30, 2022, the Company repaid $100.0 million of the senior secured term loan facility and made a quarterly interest payment of $39.4 million. This repayment resulted in an accelerated charge associated with previously capitalized fees of $0.9 million.

On March 31, 2022, the Company repaid $300.0 million of the senior secured term loan facility and made a quarterly interest payment of $35.1 million. This repayment resulted in an additional charge associated with previously capitalized fees of $3.2 million.

Senior secured revolving loan facility

In January 2023, $100.0 million of the senior secured revolving loan facility was drawn down, in the aggregate, at interest rates of 5.89% and 5.80%, representing one month SOFR plus a margin of 1.25%. This was repaid in full in March 2023. On March 31, 2023, $80.0 million of the senior secured revolving loan facility was drawn down at an interest rate of 6.17%, representing one month SOFR plus a margin of 1.25%. In April 2023, the Company drew down $50.0 million of the senior secured revolving loan facility at an interest rate of 6.25%, representing one month SOFR plus a margin of 1.25%. In May 2023, the Company agreed with its lenders to increase the aggregate principal amount of the senior secured revolving loan facility from $300.0 million to $500.0 million. The Company repaid $80.0 million of the senior secured revolving loan facility on June 30, 2023. As at June 30, 2023, interest on the senior secured revolving loan facility is at 6.51% following facility renewal, representing one month SOFR plus a margin of 1.25%.

Foreign exchange translation

The Company prepares its financial statements in United States dollar while the local results of a certain number of our subsidiaries are prepared in currencies other than United States dollars, including, amongst others, the pound sterling and the euro. In addition, the Company's contracts with clients are sometimes denominated in currencies other than the United States dollar. Finally, the Company is exposed to a wider variety of currencies in the expenses line due to most expenses being incurred in the local currencies of where our global operations are based. Accordingly, changes in exchange rates between the United States dollar and those other currencies can impact the Company's financial results.

Ukraine situation

On February 24, 2022, Russia invaded Ukraine, creating significant instability and unrest in the region. Since that time, the Company's key focus has been on the safety of our employees and their families, patients, investigators and on the mitigation of adverse impacts on ongoing clinical trials. The Company has worked to ensure the safety of employees and their families based in Ukraine through the implementation of a number of employee assistance programs. These programs aim to provide affected employees and their families with transportation, accommodation in neighboring countries, financial assistance, communications and other support services as needed.

The Company's operations in these affected regions have been significantly curtailed as a result of these events. The ongoing conflict in Ukraine has resulted in an increasingly complex economic sanctions and export controls environment applicable to our business operations in the region (including Russia and Belarus) as a result of additional trade compliance measures enacted by the United States, United Kingdom and European Union member states. These economic sanctions and export controls restrict our ability to do business with sanctioned entities, require additional compliance resources, and could have a material adverse effect on the results of our operations. The financial impact of the conflict was not material to the Company during the six months ended June 30, 2023.

ICON plc
CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT JUNE 30, 2023 AND DECEMBER 31, 2022

	(Unaudited) June 30, 2023	(Audited) December 31, 2022
ASSETS	**(in thousands)**	
Current assets:		
Cash and cash equivalents	$ 270,176	$ 288,768
Available for sale investments	1,653	1,713
Accounts receivable, net of allowance for credit losses	1,759,111	1,731,388
Unbilled revenue	985,034	957,655
Other receivables	129,101	63,658
Prepayments and other current assets	152,774	137,094
Income taxes receivable	70,021	48,790
Total current assets	3,367,870	3,229,066
Non-current assets:		
Property, plant and equipment, net	346,521	350,320
Goodwill	8,993,583	8,971,670
Intangible assets	4,049,793	4,278,659
Operating right-of-use assets	144,514	153,832
Other receivables	64,140	70,790
Income taxes receivable	25,169	21,380
Deferred tax asset	80,772	76,930
Equity method investments	—	—
Investments in equity- long term	35,298	32,631
Total Assets	$ 17,107,660	$ 17,185,278
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 46,920	$ 81,194
Unearned revenue	1,573,311	1,507,449
Other liabilities	994,883	1,005,025
Income taxes payable	39,885	41,783
Current bank credit lines and loan facilities	105,150	55,150
Total current liabilities	2,760,149	2,690,601
Non-current liabilities:		
Non-current bank credit lines and loan facilities	4,206,936	4,599,037
Lease liabilities	129,079	131,644
Non-current other liabilities	39,438	38,260
Non-current income taxes payable	241,410	239,188
Deferred tax liability	934,208	988,585
Commitments and contingencies	—	—
Total Liabilities	8,311,220	8,687,315
Shareholders' Equity:		
Ordinary shares, par value 6 euro cents per share; 100,000,000 shares authorized, 82,151,049 shares issued and outstanding at June 30, 2023 and 81,723,555 shares issued and outstanding at December 31, 2022	6,676	6,649
Additional paid-in capital	6,891,494	6,840,306
Other undenominated capital	1,162	1,162
Accumulated other comprehensive loss	(156,528)	(171,538)
Retained earnings	2,053,636	1,821,384
Total Shareholders' Equity	8,796,440	8,497,963
Total Liabilities and Shareholders' Equity	$ 17,107,660	$ 17,185,278

The accompanying notes are an integral part of these condensed consolidated financial statements.

ICON plc
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND JUNE 30, 2022
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(in thousands except share and per share data)			
Revenue	$ 2,020,251	$ 1,935,193	$ 3,998,829	$ 3,836,957
Costs and expenses:				
Direct costs (excluding depreciation and amortization)	1,429,540	1,392,062	2,825,086	2,770,529
Selling, general and administrative expense	187,806	189,953	387,812	385,214
Depreciation and amortization	145,059	144,019	290,185	285,424
Transaction and integration-related expenses	12,701	8,884	24,083	20,969
Restructuring	35,661	22,486	45,390	26,693
Total costs and expenses	1,810,767	1,757,404	3,572,556	3,488,829
Income from operations	209,484	177,789	426,273	348,128
Interest income	949	166	2,021	293
Interest expense	(85,206)	(47,111)	(171,757)	(91,536)
Income before provision for income taxes	125,227	130,844	256,537	256,885
Provision for income taxes	(9,629)	(14,254)	(23,902)	(27,540)
Income before share of earnings from equity method investments	115,598	116,590	232,635	229,345
Share of losses in equity method investments	—	(856)	(383)	(1,641)
Net income attributable to the Group	$ 115,598	$ 115,734	$ 232,252	$ 227,704
Net income per Ordinary Share attributable to the Group (note 13):				
Basic	$ 1.41	$ 1.42	$ 2.84	$ 2.80
Diluted	$ 1.40	$ 1.41	$ 2.81	$ 2.76
Weighted average number of Ordinary Shares outstanding (note 13):				
Basic	81,999,746	81,398,071	81,892,662	81,430,507
Diluted	82,627,933	82,312,946	82,617,391	82,462,842

The accompanying notes are an integral part of these condensed consolidated financial statements.

ICON plc
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND JUNE 30, 2022
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(in thousands)		(in thousands)	
Comprehensive income (net of tax):				
Net income attributable to the Group	$ 115,598	$ 115,734	$ 232,252	$ 227,704
Currency translation adjustment	$ (10,638)	$ (66,180)	$ 4,862	(101,998)
Gain on cash flow hedge	$ 14,006	$ —	$ 10,148	—
Total comprehensive income attributable to the Group	$ 118,966	$ 49,554	$ 247,262	$ 125,706

The accompanying notes are an integral part of these condensed consolidated financial statements.

ICON plc
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(UNAUDITED)

	Group						
	Shares	Amount	Additional Paid-in Capital	Other Undenominated Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	(dollars in thousands, except share data)						
Balance at December 31, 2022	81,723,555	$ 6,649	$ 6,840,306	$ 1,162	$ (171,538)	$ 1,821,384	$ 8,497,963
Net income	—	—	—	—	—	116,654	116,654
Exercise of share options	136,649	9	12,927	—	—	—	12,936
Issue of restricted share units / performance share units	68,218	4	—	—	—	—	4
Non-cash stock compensation expense	—	—	14,658	—	—	—	14,658
Share issuance costs	—	—	(4)	—	—	—	(4)
Other comprehensive income, net of tax	—	—	—	—	11,642	—	11,642
Balance at March 31, 2023	**81,928,422**	**6,662**	**6,867,887**	**1,162**	**(159,896)**	**1,938,038**	**8,653,853**
Net income	—	—	—	—	—	115,598	115,598
Exercise of share options	93,304	6	7,223	—	—	—	7,229
Issue of restricted share units / performance share units	129,323	8	—	—	—	—	8
Non-cash stock compensation expense	—	—	16,389	—	—	—	16,389
Share issuance costs	—	—	(5)	—	—	—	(5)
Other comprehensive income, net of tax	—	—	—	—	3,368	—	3,368
Balance at June 30, 2023	**82,151,049**	**6,676**	**6,891,494**	**1,162**	**(156,528)**	**2,053,636**	**8,796,440**

The accompanying notes are an integral part of these condensed consolidated financial statements

	Group						
	Shares	Amount	Additional Paid-in Capital	Other Undenominated Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	(dollars in thousands, except share data)						
Balance at December 31, 2021	81,554,683	$ 6,640	$ 6,733,910	$ 1,134	$ (90,937)	$ 1,416,080	$ 8,066,827
Net income	—	—	—	—	—	111,970	111,970
Exercise of share options	84,090	6	7,491	—	—	—	7,497
Issue of restricted share units / performance share units	74,769	4	—	—	—	—	4
Non-cash stock compensation expense	—	—	18,840	—	—	—	18,840
Share issuance costs	—	—	(3)	—	—	—	(3)
Share repurchase program	(420,530)	(28)	—	28	—	(99,983)	(99,983)
Share repurchase costs	—	—	—	—	—	(17)	(17)
Other comprehensive loss, net of tax	—	—	—	—	(35,818)	—	(35,818)
Balance at March, 31 2022	**81,293,012**	**6,622**	**6,760,238**	**1,162**	**(126,755)**	**1,428,050**	**8,069,317**
Net income	—	—	—	—	—	115,734	115,734
Exercise of share options	75,671	4	7,649	—	—	—	7,653
Issue of restricted share units / performance share units	157,924	11	—	—	—	—	11
Non-cash stock compensation expense	—	—	19,478	—	—	—	19,478
Other comprehensive loss, net of tax	—	—	—	—	(66,180)	—	(66,180)
Balance at June, 30 2022	**81,526,607**	**6,637**	**6,787,365**	**1,162**	**(192,935)**	**1,543,784**	**8,146,013**

The accompanying notes are an integral part of these condensed consolidated financial statements

ICON plc
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND JUNE 30, 2022 (UNAUDITED)

	Six Months Ended	
	June 30, 2023	**June 30, 2022**
	(in thousands)	
Cash flows from operating activities:		
Net income	$ 232,252	$ 227,704
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	290,185	285,424
Impairment of long lived assets	8,613	20,749
Reduction in carrying value of operating right-of-use assets	23,607	23,570
Loss on equity method investments	383	1,641
Acquisition-related gain	(6,160)	—
Charge on cash flow hedge	3,646	—
Amortization of financing costs and debt discount	7,899	9,188
Stock compensation expense	31,357	38,186
Deferred taxes	(59,177)	(75,265)
Foreign exchange movements	(3,345)	(37,421)
Other non-cash items	18,202	9,159
Changes in operating assets and liabilities:		
Accounts receivable	(40,675)	(41,032)
Unbilled revenue	(27,210)	(33,187)
Unearned revenue	65,266	(176,904)
Other net assets	(165,462)	157,154
Net cash provided by operating activities	379,381	408,966
Cash flows from investing activities:		
Purchase of property, plant and equipment	(58,880)	(47,840)
Purchase of subsidiary undertakings	(5,100)	—
Sale of available for sale investments	482	—
Purchase of available for sale investments	(422)	—
Purchase of investments in equity - long term	(4,733)	(799)
Net cash used in investing activities	(68,653)	(48,639)
Cash flows from financing activities:		
Drawdown of bank credit lines and loan facilities	230,000	25,000
Repayment of bank credit lines and loan facilities	(580,000)	(425,000)
Proceeds from exercise of equity compensation	20,177	15,140
Share issue costs	(9)	(3)
Repurchase of ordinary shares	—	(99,983)
Share repurchase costs	—	(17)
Net cash used in financing activities	(329,832)	(484,863)
Effect of exchange rate movements on cash	512	(12,759)
Net decrease in cash and cash equivalents	(18,592)	(137,295)
Cash and cash equivalents at beginning of period	288,768	752,213
Cash and cash equivalents at end of period	270,176	614,918

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. Basis of presentation

These condensed consolidated financial statements which have been prepared in accordance with United States Generally Accepted Accounting Principles ("US GAAP") have not been audited. The condensed consolidated financial statements reflect all adjustments, which are, in the opinion of management, necessary to present a fair statement of the operating results and financial position for the periods presented. The preparation of the condensed consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect reported amounts and disclosures in the condensed consolidated financial statements. Actual results could differ from those estimates.

The condensed consolidated financial statements should be read in conjunction with the accounting policies and notes to the consolidated financial statements included in ICON's Form 20-F for the year ended December 31, 2022 (see *note 2 - Summary of significant accounting policies*). Operating results for the six months ended June 30, 2023 are not necessarily indicative of the results that may be expected for the fiscal period ending December 31, 2023.

2. Summary of significant accounting policies

Revenue recognition

The Company earns revenues by providing a number of different services to its customers. These services, which are integral elements of the clinical development process, include clinical trials management, consulting, contract staffing, data services and laboratory services. These services, which are described below, can be purchased collectively or individually as part of a clinical trial contract. There is not significant variability in how economic factors affect these services. Contracts range in duration from a number of months to several years.

ASC 606 requires application of five steps: (1) identify the contract(s) with a customer; (2) identify the performance obligation in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies the performance obligation(s), which have been applied to revenue recognized from each service described below.

Clinical trial service revenue

A clinical trial service is a single performance obligation satisfied over time, i.e. the full-service obligation in respect of a clinical trial (including those services performed by investigators and other parties) is considered a single performance obligation. Promises offered to the customer are not distinct within the context of the contract. ICON is the contract principal in respect of both direct services and in the use of third parties (principally investigator services) that support the clinical research projects. The transaction price is determined by reference to the contract or change order value (total service revenue and pass-through/ reimbursable expenses) adjusted to reflect a realizable contract value. Revenue is recognized over time as the single performance obligation is satisfied. The progress towards completion for clinical service contracts is measured based on an input measure being total project costs incurred (inclusive of pass-through/ reimbursable expenses) at each reporting period as a percentage of forecasted total project costs.

Laboratory services revenue

Revenue is recognized when, or as, obligations under the terms of a contract are satisfied, which occurs when control of the products or services are transferred to the customer. Revenue for laboratory services is measured as the amount of consideration we expect to receive in exchange for transferring products or services. Where contracts with customers contain multiple performance obligations, the transaction price is allocated to each performance obligation based on the estimated relative selling price of the promised good or service. Service revenue is recognized over time as the services are delivered to the customer based on the extent of progress towards completion of the performance obligation. The determination of the methodology to measure progress requires judgment and is based on the nature of services provided. This requires an assessment of the transfer of value to the customer. The right to invoice measure of progress is generally related to rate per unit contracts, as the extent of progress towards completion is measured based on discrete service or time-based increments, such as samples tested or labor hours incurred. Revenue is recorded in the amount invoiced since that amount corresponds to the value of the Company's performance and the transfer of value to the customer.

Contracting services revenue

The Company has availed of the practical expedient which results in recognition of revenue on a right to invoice basis. Application of the practical expedient reflects the right to consideration from the customer in an amount that corresponds directly with the value to the customer of the performance completion to date. This reflects hours performed by contract staff.

Consulting services revenue

Our consulting services contracts represent a single performance obligation satisfied over time. The transaction price is determined by reference to contract or change order value. Revenue is recognized over time as the performance obligation is satisfied. The progress towards completion for consulting contracts is measured based on total project inputs (time) at each reporting period as a percentage of forecasted total project inputs.

Data services revenue

The Company provides data reports and analytics to customers based on agreed-upon specifications, including the timing of delivery, which is typically either weekly, monthly, or quarterly. If a customer requests more than one type of data report or series of data reports within a contract, each distinct type of data report is a separate performance obligation. The contracts provide for the Company to be compensated for the value of each deliverable. The transaction price is determined using list prices, discount agreements, if any, and negotiations with the customers, and generally includes any out-of-pocket expenses. Typically, the Company bills in advance of services being provided with the amount being recorded as unearned revenue.

When multiple performance obligations exist, the transaction price is allocated to performance obligations on a relative standalone selling price basis. In cases where the Company contracts to provide a series of data reports, or in some cases data, the Company recognizes revenue over time using the “units delivered” output method as the data or reports are delivered. Expense reimbursements are recorded to revenue as the expenses are incurred as they relate directly to the services performed.

Certain arrangements include upfront customization or consultative services for customers. These arrangements often include payments based on the achievement of certain contractual milestones. Under these arrangements, the Company contracts with a customer to carry out a specific study, ultimately resulting in delivery of a custom report or data product. These arrangements are a single performance obligation given the integrated nature of the service being provided. The Company typically recognizes revenue under these contracts over time, using an output-based measure, generally time elapsed, to measure progress and transfer of control of the performance obligation to the customer. Expense reimbursements are recorded to revenue as the expenses are incurred as they relate directly to the service performed.

The Company enters into contracts with some of its larger data suppliers that involve non-monetary terms. The Company issues purchase credits to be used toward the data supplier's purchase of the Company's services based on the fair value of the data obtained. In exchange, the Company receives monetary discounts on the data received from the data suppliers. The fair value of the revenue earned from the customer purchases is recognized as services are delivered as described above. At the end of the contract year, any unused customer purchase credits may be forfeited or carried over to the next contract year based on the terms of the data supplier contract.

Commissions

Incremental costs of obtaining a contract are recognized as an asset on the Consolidated Balance Sheet in respect of those contracts that exceed one year. Where commission costs relate to contracts that are less than one year, the practical expedient is applied as the amortization period of the asset which would arise on deferral would be one year or less.

Business Combinations

The cost of a business combination is measured as the aggregate of the fair value of assets received, liabilities assumed and equity instruments issued in exchange for control. The Company records and allocates to its reporting units the excess of the cost over the fair value of the net assets acquired, known as goodwill. Where a business combination agreement provides for an adjustment to the cost of the acquisition which is contingent upon future events, the amount of the estimated adjustment is recognized at the acquisition date at the fair value of the contingent consideration. Any changes to this estimate outside the measurement period will depend on the classification of the contingent consideration. If the contingent consideration is classified as equity it shall not be re-measured and the settlement shall be accounted for within equity. If the contingent consideration is classified as a liability any adjustments will be accounted for through the Consolidated Statement of Operations or Other Comprehensive Income depending on whether the liability is considered a financial instrument.

The assets, liabilities and contingent liabilities of businesses acquired are measured at their fair values at the date of acquisition. In the case of a business combination which is completed in stages, the fair values of the identifiable assets, liabilities and contingent liabilities are determined at the date of each exchange transaction. When the initial accounting for a business combination is determined provisionally, any subsequent adjustments to the provisional values allocated to the identifiable assets, liabilities and contingent liabilities are made within twelve months of the acquisition date and presented as adjustments to goodwill in the reporting period in which the adjustments are determined.

The Company allocates a share of net income to the noncontrolling interest holders based on percentage ownership.

Intangible Assets

Intangible assets are measured at their fair value when acquired and amortized on the straight line basis over their respective useful lives. The Company has no indefinite life intangibles other than goodwill. The Company evaluates its intangibles for impairment when indicators of impairment exist.

Intangible assets are amortized on a straight-line basis over the expected useful life, as set forth in the table below:

	Estimated Useful Life
Customer relationships	23 years
Order backlog	3 years
Trade names	3 years
Patient database	7 years
Technology assets	5 years

The Company periodically assesses the useful lives of intangible assets to evaluate whether what was established at acquisition continues to be appropriate.

Income taxes

The Company applies the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance to the amount that is more likely than not to be realized. The Company recognizes the effect of income tax positions only if those positions will more likely than not be sustained. Recognized income tax positions are measured at the largest amount of tax benefit that is greater than 50 percent likely of being realized upon settlement. Interest and penalties related to income taxes are included in income tax expense and classified with the related liability on the Consolidated Balance Sheet. The Company accounts for the impact of GILTI (“global intangible low-taxed income”) in the period it arises and has therefore not provided for deferred taxes in respect of this item.

3. Revenue

Revenue disaggregated by customer concentration is as follows:

	Three Months Ended		**Six Months Ended**	
	June 30, 2023	**June 30, 2022**	**June 30, 2023**	**June 30, 2022**
	(in thousands)		**(in thousands)**	
Clients 1-5	$ 529,792	$ 525,938	$ 1,092,220	$ 1,065,641
Clients 6-10	$ 284,382	$ 260,689	$ 563,908	$ 553,350
Clients 11-25	$ 420,880	$ 368,675	$ 829,047	$ 726,985
Other	$ 785,197	$ 779,891	$ 1,513,654	$ 1,490,981
Total	$ 2,020,251	$ 1,935,193	$ 3,998,829	$ 3,836,957

There was no revenue from individual customers greater than 10% of consolidated revenue in the respective periods.

4. Accounts receivable, unbilled revenue (contract assets) and unearned revenue or payments on account (contract liabilities)

Accounts receivables and unbilled revenue are as follows:

	June 30, 2023	December 31, 2022
	(in thousands)	
Contract assets:		
Billed services (accounts receivable)	$ 1,788,140	$ 1,751,950
Unbilled services (unbilled revenue)	985,034	957,655
Accounts receivable and unbilled revenue, gross	2,773,174	2,709,605
Allowance for credit losses	(29,029)	(20,562)
Accounts receivable and unbilled revenue, net	$ 2,744,145	$ 2,689,043

Unbilled services and unearned revenue or payments on account (contract assets and liabilities) were as follows:

(in thousands, except percentages)	June 30, 2023	December 31, 2022	$ Change	% Change
Unbilled services (unbilled revenue)	$ 985,034	$ 957,655	$ 27,379	2.9 %
Unearned revenue (payments on account)	(1,573,311)	(1,507,449)	(65,862)	4.4 %
Net balance	$ (588,277)	$ (549,794)	$ (38,483)	7.0 %

Timing may differ between the satisfaction of performance obligations and the invoicing and collection of amounts related to our contracts with customers. We record assets for amounts related to performance obligations that are satisfied but not yet billed and/or collected. These assets are recorded as unbilled services and therefore contract assets rather than accounts receivables when receipt of the consideration is conditional on something other than the passage of time. Liabilities are recorded for amounts that are collected in advance of the satisfaction of performance obligations or billed in advance of the revenue being earned.

Unbilled services/revenue balances arise where invoicing or billing is based on the timing of agreed milestones related to service contracts for clinical research. Contractual billing arrangements in respect of certain reimbursable expenses (principally investigators) require billing by the investigator to the Company prior to billing by the Company to the customer. As there is no contractual right to set-off between unbilled services (contract assets) and unearned revenue (contract liabilities), each are separately presented gross on the Condensed Consolidated Balance Sheet.

Unbilled services as at June 30, 2023 increased by $27.4 million compared to December 31, 2022. Unearned revenue increased by $65.9 million over the same period resulting in a decrease of $38.5 million in the net balance of unbilled services and unearned revenue or payments on account between December 31, 2022 and June 30, 2023. These fluctuations are primarily due to timing of payments and invoicing related to the Group's clinical trial management contracts. Billings and payments are established by contractual provisions including predetermined payment schedules which may or may not correspond to the timing of the transfer of control of the Company's services under the contract. Unbilled services arise from long-term contracts when a cost-based input method of revenue recognition is applied and revenue recognized exceeds the amount billed to the customer.

As of June 30, 2023 approximately $13.9 billion (June 30, 2022: $13.9 billion) of revenue is expected to be recognized in the future in respect of unsatisfied performance obligations. The Company expects to recognize revenue on approximately 51% of the unsatisfied performance obligations over the next 12 months, with the remainder recognized thereafter over the duration of the customer contracts.

5. Goodwill

	Six Months Ended June 30, 2023	Year Ended December 31, 2022
	(in thousands)	
Opening balance	$ 8,971,670	$ 9,037,931
Current period acquisition	13,379	—
Prior period acquisition	—	(35,692)
Foreign exchange movement	8,534	(30,569)
Closing balance	$ 8,993,583	$ 8,971,670

On April 20, 2023, the Company completed the purchase of the majority investor's 51% majority voting share capital of Oncacare Limited ("Oncacare"), such that Oncacare and its subsidiaries became wholly-owned subsidiaries of the ICON Group. The Oncacare acquisition resulted in goodwill of $13.4 million and also gave rise to an acquisition-related gain of $6.2 million.

There were no impairment charges for the six months ended June 30, 2023 or for the year ended December 31, 2022.

6. Intangible assets

Intangible assets, net consisted of the following:

	Six Months Ended June 30, 2023	Year Ended December 31, 2022
Cost	(in thousands)	
Customer relationships	$ 4,077,225	$ 4,076,435
Order backlog	537,182	536,934
Trade names & brands	204,636	204,621
Patient database	170,342	170,238
Technology assets	121,110	120,984
Total cost	5,110,495	5,109,212
Accumulated amortization	(1,060,702)	(830,553)
Net book value	$ 4,049,793	$ 4,278,659

The identifiable intangible assets are amortized over their estimated useful lives.

7. Fair value measurements

The Company records certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy that prioritizes the inputs used to measure fair value is described below. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Unobservable inputs that are supported by little or no market activity. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The carrying amounts of financial instruments, including cash and cash equivalents, accounts receivable, unbilled services, contract assets, accounts payable and unearned revenue approximate fair value due to the short maturities of these instruments.

As of June 30, 2023, the fair value of the major classes of the Company's assets and liabilities measured at fair value on a recurring basis were as follows (in thousands):

	Level 1	Level 2	Level 3	Investments Measured at Net Asset Value	Total
			(in thousands)		
Assets:					
Available for sale securities (short-term) (a)	1,653	—	—	—	1,653
Available for sale investments (long-term) (b)	—	—	—	35,298	35,298
Derivative instruments (c)	—	7,433	—	—	7,433
Total assets	$ 1,653	$ 7,433	$ —	$ 35,298	$ 44,384
Liabilities:					
Derivative instruments (c)	—	—	—	—	—
Total liabilities	$ —	$ —	$ —	$ —	$ —

As of December 31, 2022, the fair value of the major classes of the Company's assets and liabilities measured at fair value on a recurring basis were as follows (in thousands):

	Level 1	Level 2	Level 3	Investments Measured at Net Asset Value	Total
			(in thousands)		
Assets:					
Available for sale securities (short-term) (a)	1,713	—	—	—	1,713
Available for sale investments (long-term) (b)	—	—	—	32,631	32,631
Derivative instruments (c)	—	12	—	—	12
Total assets	$ 1,713	$ 12	$ —	$ 32,631	$ 34,356
Liabilities:					
Derivative instruments (c)	—	3,670	—	—	3,670
Total liabilities	$ —	$ 3,670	$ —	$ —	$ 3,670

(a) Represents the fair value of investments in highly liquid investments with maturities of greater than three months and a minimum "A-" rated fixed term deposits and are based on quoted market prices.

(b) To determine the classification of its interests in long-term investments, the Company considered the nature of its investment, the extent of influence over operating and financial decisions and the availability of readily determinable fair values. The Company determined that the interests in funds meet the definition of equity securities without readily determinable fair values, which qualify for the Net Asset Value (NAV) practical expedient in ASC 820 'Fair value measurements and disclosures'. Any increases or decreases in fair value are recognized in net income in the period.

(c) Represents the fair value of interest rate cap and interest rate swap agreements. The fair value of the agreements are the estimated amount that the Company would receive or pay to terminate such agreements, taking into account market interest rates and the remaining time to maturities or using market inputs with mid-market pricing as a practical expedient for bid-ask spread.

Non-recurring Fair Value Measurements

Certain assets and liabilities are carried on the accompanying Condensed Consolidated Balance Sheet at cost and are not re-measured to fair value on a recurring basis. These assets include finite-lived intangible assets that are tested for impairment when a triggering event occurs and goodwill that is tested for impairment annually or when a triggering event occurs. As of June 30, 2023, assets carried on the balance sheet at cost and not re-measured to fair value on a recurring basis totaled approximately $13,043.4 million and are identified as Level 3 assets. These assets are comprised of goodwill of $8,993.6 million and net identifiable intangible assets of $4,049.8 million.

The estimated fair value of the Company’s debt was $4,310.1 million at June 30, 2023. The fair values of the Senior Secured Credit Facilities and Senior Secured Notes were determined based on Level 2 inputs, which are based on rates at which the debt is traded among financial institutions. The fair value of the senior secured revolving loan facility is recorded as its carrying value, due to the short term duration.

8. Restructuring

In the six months ended June 30, 2023, a restructuring charge of $45.4 million was recorded in the Condensed Consolidated Statement of Operations under a restructuring plan adopted following a review of operations. The restructuring plan reflected a workforce reduction of $34.1 million and an office consolidation program to optimize the Company's office footprint of $11.3 million.

	Six Months Ended	
	June 30, 2023	June 30, 2022
	(in thousands)	
Restructuring charges	$ 45,390	$ 26,693
Net charge	$ 45,390	$ 26,693

At June 30, 2023, a total liability of $35.2 million was recorded on the Consolidated Balance Sheet relating to restructuring activities. The total liability included $29.4 million of personnel related liabilities as a result of the workforce reduction; all of which have been classified as short-term. The total liability also included $5.8 million of facilities related liabilities of which $3.2 million is included within other liabilities and $2.6 million is included within non-current other liabilities.

	Six Months Ended	Year ended
	June 30, 2023	December 31, 2022
	(in thousands)	
Opening provision	$ 6,022	$ 10,311
Additional provisions	39,338	4,364
Utilization	(10,188)	(8,653)
Ending provision	$ 35,172	$ 6,022

9. Operating leases

Lease costs recorded under operating leases for the six months ended June 30, 2023 and June 30, 2022 were as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(in thousands)		(in thousands)	
Operating lease costs	12,818	13,548 $	25,689 $	28,812
Income from sub-leases	(283)	(303)	(561)	(630)
Net operating lease costs	12,535	13,245 $	25,128 $	28,182

Of the total cost of $25.1 million incurred in the six months ended June 30, 2023 (June 30, 2022: $28.2 million), $19.3 million (June 30, 2022: $27.1 million) is recorded within selling, general and administration costs and $5.8 million (June 30, 2022: $1.1 million) is recorded within direct costs.

During the six months ended June 30, 2023 and June 30, 2022, costs incurred by the Group related to variable lease payments was de minimis.

Right-of-use assets obtained, in exchange for lease obligations during the three months ended June 30, 2023, totaled $10.2 million (June 30, 2022: $29.0 million). Right-of-use assets obtained, in exchange for lease obligations during the six months ended June 30, 2023, totaled $22.5 million (June 30, 2022: $35.8 million).

The weighted average remaining lease term and weighted-average discount rate at June 30, 2023 were 7.01 years and 2.66%, respectively.

Future minimum lease payments under non-cancelable leases as of June 30, 2023 were as follows:

(in thousands)	Minimum rental payments June 30, 2023
Year 1	$ 44,466
Year 2	33,902
Year 3	26,909
Year 4	22,801
Year 5	16,924
Thereafter	38,952
Total future minimum lease payments	183,954
Lease imputed interest	(14,729)
Total	$ 169,225

Operating lease liabilities are presented as current and non-current. Operating lease liabilities of $40.1 million have been included in other liabilities as at June 30, 2023 (June 30, 2022: $47.0 million).

10. Bank credit lines and loan facilities

The Company had the following debt outstanding as of June 30, 2023 and December 31, 2022:

			Principal amount		
(in thousands)	Interest rate as of June 30, 2023	Interest rate as of December 31, 2022	June 30, 2023	December 31, 2022	Maturity Date
Credit Facilities:					
Senior Secured Term Loan	7.41 %	7.09 %	$ 3,801,213	$ 4,201,213	July 2028
Senior Secured Notes	2.88 %	2.88 %	$ 500,000	$ 500,000	July 2026
Senior Secured Revolving Loan Facility	6.51 %	—	50,000	—	July 2023
Total debt			4,351,213	4,701,213	
Less current portion of long-term debt			(105,150)	(55,150)	
Total long-term debt			4,246,063	4,646,063	
Less debt issuance costs and debt discount			(39,127)	(47,026)	
Total long-term debt, net			$ 4,206,936	$ 4,599,037	

The Company paid a $27.6 million debt discount in connection with the Senior Secured Credit Facility and Senior Secured Notes on July 1, 2021.

As of June 30, 2023, the contractual maturities of the Company's debt obligations were as follows:

Contractual maturities of long-term debt:		**(in thousands)**
2023 (remaining)	$	77,575
2024		55,150
2025		55,150
2026		55,150
2027 and thereafter		4,108,188
Total	$	4,351,213

The Company's primary financing arrangements are its senior secured credit facilities (the "Senior Secured Credit Facilities"), which consists of a senior secured term loan and a revolving credit facility, and the senior secured notes (the "Senior Secured Notes").

Senior Secured Credit Facilities

On July 1, 2021, the Company completed the acquisition of PRA Health Sciences, Inc. ("PRA") by means of a merger whereby Indigo Merger Sub, Inc., a Delaware corporation and subsidiary of ICON, merged with and into PRA, the parent of the PRA Health Sciences ("the Merger"). In conjunction with the completion of the Merger, on July 1, 2021, ICON entered into a credit agreement providing for a senior secured term loan facility of $5,515 million and a senior secured revolving loan facility in an initial aggregate principal amount of $300 million (the "Senior Secured Credit Facilities"). On May 2, 2023, the Company agreed with its lenders to increase the aggregate principal amount of the senior secured revolving loan facility from $300 million to $500 million.

Borrowings under the senior secured term loan facility amortize in equal quarterly installments in an amount equal to 1.00% per annum of the principal amount, with the remaining balance due at final maturity. The interest rate margin applicable to borrowings under the senior secured term loan facility is USD Term SOFR and a Term SOFR Adjustment depending on the interest period chosen plus an applicable margin which is dependent on the Company's net leverage ratio. At June 30, 2023, the applicable margin is 2.25%. The senior secured term loan facility is subject to a floor of 0.50%.

The interest rate margin applicable to borrowings under the revolving loan facility will be, at the option of the borrower, either (i) the applicable base rate plus an applicable margin of 1.00%, 0.60% or 0.25% based on ICON’s current corporate family rating assigned by S&P of BB- (or lower), BB or BB+ (or higher), respectively, or (ii) Term SOFR plus a Term SOFR Adjustment on the interest period chosen plus an applicable margin of 2.00%, 1.60% or 1.25% based on ICON’s current corporate family rating assigned by S&P of BB- (or lower), BB or BB+ (or higher), respectively. In addition, lenders under the revolving loan facility are entitled to commitment fees as a percentage of the applicable margin at the time of drawing and utilization fees dependent on the proportion of the facility drawn.

In January 2023, $100.0 million of the senior secured revolving loan facility was drawn down, in the aggregate, at interest rates of 5.89% and 5.80%, representing one month SOFR plus a margin of 1.25%. This was repaid in full in March 2023. On March 31, 2023, $80.0 million of the senior secured revolving loan facility was drawn down at an interest rate of 6.17%, representing one month SOFR plus a margin of 1.25%. In April 2023, the Company drew down $50.0 million of the senior secured revolving loan facility at an interest rate of 6.25%, representing one month SOFR plus a margin of 1.25%. The Company repaid $80.0 million of the senior secured revolving loan facility on June 30, 2023. As at June 30, 2023, interest on the senior secured revolving loan facility is at 6.51% following facility renewal, representing one month SOFR plus a margin of 1.25%.

The Borrowers’ (as defined in the Senior Secured Credit Facility) obligations under the Senior Secured Credit Facilities are guaranteed by ICON and the subsidiary guarantors. The Senior Secured Credit Facilities are secured by a lien on substantially all of ICON’s, the Borrowers’ and each of the subsidiary guarantor’s assets (subject to certain exceptions), and the Senior Secured Credit Facilities have a first-priority lien on such assets, which will rank pari passu with the lien securing the Senior Secured Notes, subject to other permitted liens. The Company is permitted to make prepayments on the senior secured term loan without penalty.

On March 31, 2023 the Company repaid $250.0 million of the senior secured term loan facility and made a quarterly interest payment of $75.3 million. This repayment resulted in an additional charge associated with previously capitalized fees of $2.2 million.

On June 30, 2023 the Company repaid $150.0 million of the senior secured term loan facility and made a quarterly interest payment of $74.0 million. This repayment resulted in an additional charge associated with previously capitalized fees of $1.2 million.

Senior Secured Notes

In addition to the Senior Secured Credit Facilities, on July 1, 2021, a subsidiary of the Company issued $500 million in aggregate principal amount of 2.875% senior secured notes due 2026 (the "Senior Secured Notes") in a private offering (the “Offering”). The Senior Secured Notes will mature on July 15, 2026.

Fair Value of Debt

The estimated fair value of the Company’s debt was $4,310.1 million at June 30, 2023. The fair values of the Senior Secured Credit Facilities and Senior Secured Notes were determined based on Level 2 inputs, which are based on rates at which the debt is traded among financial institutions. The fair value of the senior secured revolving loan facility is recorded as its carrying value due to the short term duration.

11. Derivatives

On November 29, 2022, the Company entered into two interest rate cap agreements ("2022 Caps") with an initial total notional value of $2,101 million to limit its exposure to changes in the variable interest rate on its Senior Secured Credit Facilities. Interest on the 2022 Caps began accruing on December 30, 2022 and the interest rate cap expires on December 31, 2024. The Company pays a fixed rate of 0.42% and receives a variable rate equal to the amount that the three-month SOFR rate exceeds 4.75%.

On November 29, 2022, the Company entered into an interest rate swap agreement ("2022 Swap") with an initial notional value of $1,101 million to limit its exposure to changes in the variable interest rate on its Senior Secured Credit Facilities. Interest on the 2022 Swaps begins accruing on December 31, 2024 and the interest rate swap expires on December 31, 2026. The Company pays a fixed rate of 3.4% and receives a variable rate of interest equal to the three-month SOFR on the 2022 Swap.

The fair value of the Company’s derivative financial instruments, on a gross basis, and the line items on the accompanying consolidated balance sheets to which they were recorded are summarized in the following table:

		June 30, 2023			**December 31, 2022**		
		Asset	**Liability**	**Notional**	**Asset**	**Liability**	**Notional**
		(in thousands)			**(in thousands)**		
Derivatives designated as hedging instruments:							
Interest Rate Caps	Other Current Liabilities, Other Assets and Liabilities	$4,461	$—	$1,900,606	$12	$3,363	$2,100,606
Interest Rate Swap	Other Assets and Liabilities	$2,972	$—	$1,100,606	$—	$307	$1,100,606
Total derivatives designated as hedging instruments		$7,433	$—	$3,001,212	$12	$3,670	$3,201,212

During the next 12 months, the Company estimates that an additional $1.2 million will be reflected as interest income in the consolidated statements.

The Company recognized $14.9 million of a gain within other comprehensive income ("OCI") for the three months ended June 30, 2023 (June 30, 2022: $nil) after a reclassification of $1.4 million of a loss from OCI to the income statement (June 30, 2022: $nil). The Company recognized $10.1 million of a net gain within OCI for the six months ended June 30, 2023 (June 30, 2022: $nil) after a reclassification of $3.6 million of a loss from OCI to the income statement (June 30, 2022: $nil).

12. Income taxes

Income taxes recognized during the three and six months ended June 30, 2023 and June 30, 2022, comprise:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(in thousands)		(in thousands)	
Provision for income taxes	$ 9,629	$ 14,254	$ 23,902	$ 27,540

As at June 30, 2023 the Company maintains a $249.6 million liability (December 31, 2022: $240.2 million) for unrecognized tax benefit, which is comprised of $220.4 million (December 31, 2022: $217.6 million) related to items generating unrecognized tax benefits and $29.2 million (December 31, 2022: $22.6 million) for interest and penalties related to such items. The Company recognizes interest accrued on unrecognized tax benefits as an additional income tax expense.

The Company has analyzed the filing positions in all of the significant federal, state and foreign jurisdictions where it is required to file income tax returns, as well as open tax years in these jurisdictions. The only periods subject to audit by the major tax jurisdictions where the Company does business are the 2016 through 2022 tax years. During such audits, local tax authorities may challenge the positions taken by us in our tax returns.

13. Net income per ordinary share

Basic net income per ordinary share attributable to the Group has been computed by dividing net income available to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted net income per ordinary share is computed by adjusting the weighted average number of ordinary shares outstanding during the period for all potentially dilutive ordinary shares outstanding during the period and adjusting net income for any changes in income or loss that would result from the conversion of such potential ordinary shares. There is no difference in net income used for basic and diluted net income per ordinary share.

The reconciliation of the number of shares used in the computation of basic and diluted net income per ordinary share is as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Weighted average number of ordinary shares outstanding for basic net income per ordinary share	81,999,746	81,398,071	81,892,662	81,430,507
Effect of dilutive share options and other awards outstanding under share based compensation programs	628,187	914,875	724,729	1,032,335
Weighted average number of ordinary shares outstanding for diluted net income per ordinary share	82,627,933	82,312,946	82,617,391	82,462,842

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net income per Ordinary Share attributable to the Group:				
Basic	1.41	1.42	2.84	2.80
Diluted	1.40	1.41	2.81	2.76

14. Share-based awards

Share Options

The following table summarizes option activity for the six months ended June 30, 2023:

	Options Outstanding Number of Shares		Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Life
Outstanding at December 31, 2022	1,378,119	$	119.86		4.69
Granted	82,472	$	232.48		
Exercised	(229,953)	$	87.69		
Canceled/expired	(6,885)	$	116.33		
Outstanding at June 30, 2023	1,223,753	$	133.51		4.67
Exercisable at June 30, 2023	952,614	$	113.27		4.20

The Company issues ordinary shares for all options exercised. The total amount of fully vested share options which remained outstanding at June 30, 2023 was 952,614. Fully vested share options at June 30, 2023 have an average remaining contractual term of 4.20 years and an average exercise price of $113.27.

Fair value of Stock Options Assumptions

The weighted average fair value of options granted during the six months ended June 30, 2023 and June 30, 2022 was calculated using the Black-Scholes option pricing model. The weighted average grant date fair values and assumptions used were as follows:

	Six Months Ended			
		June 30, 2023		June 30, 2022
Weighted average grant date fair value	$	85.12	$	68.40
Assumptions:				
Expected volatility		33 %		31 %
Dividend yield		— %		— %
Risk-free interest rate		3.98 %		1.85 %
Expected life		5 years		5 years

Expected volatility is based on the historical volatility of our common stock over a period equal to the expected term of the options; the expected life represents the weighted average period of time that options granted are expected to be outstanding given consideration to vesting schedules and our historical experience of past vesting and termination patterns. The risk-free rate is based on the U.S. government zero-coupon bonds yield curve in effect at time of the grant for periods corresponding with the expected life of the option.

Restricted Share Units and Performance Share Units

On April 23, 2013 the Company adopted the 2013 Employees Restricted Share Unit and Performance Share Unit Plan (the "2013 RSU Plan") pursuant to which the Compensation and Organization Committee of the Company's Board of Directors may select any employee, or any Director holding a salaried office or employment with the Company, or a Subsidiary to receive an award under the plan. On May 11, 2015 the 2013 RSU Plan was amended and restated in order to increase the number of shares that can be issued under the RSU Plan by 2.5 million shares. Accordingly, an aggregate of 4.1 million ordinary shares have been reserved for issuance under the 2013 RSU Plan. The shares are awarded at par value and vest over a service period. Awards under the 2013 RSU Plan may be settled in cash or shares at the option of the Company. No awards may be granted under the 2013 RSU Plan after May 11, 2025.

On April 30 2019, the Company approved the 2019 Consultants and Directors Restricted Share Unit Plan (the “2019 Consultants RSU Plan”), which was effective as of May 16, 2019, pursuant to which the Compensation and Organization Committee of the Company’s Board of Directors may select any consultant, adviser or non-executive Director retained by the Company, or a Subsidiary to receive an award under the plan. 250,000 ordinary shares have been reserved for issuance under the 2019 Consultants RSU Plan. The awards are at par value and vest over a service period. Awards granted to non-executive directors during 2020, 2021 and 2022 vest in twelve months.

The Company has awarded RSUs and PSUs to certain key individuals of the Group. The following table summarizes RSU and PSU activity for the six months ended June 30, 2023:

	PSU Outstanding Number of Shares	PSU Weighted Average Grant Date Fair Value	RSU Outstanding Number of Shares	RSU Weighted Average Grant Date Fair Value
Outstanding at December 31, 2022	152,420	$ 192.29	582,612	$ 207.73
Granted	60,374	$ 232.51	294,683	$ 217.52
Shares vested	(47,026)	$ 159.57	(150,515)	$ 187.96
Forfeited	—	$ —	(31,396)	$ 209.13
Outstanding at June 30, 2023	165,768	$ 216.22	695,384	$ 216.09

The fair value of PSUs vested for the six months ended June 30, 2023 totaled $7.5 million (full year 2022: $6.5 million).

The fair value of RSUs vested for the six months ended June 30, 2023 totaled $28.3 million (full year 2022: $34.1 million).

The PSUs vest based on service and specified EPS targets over the periods 2021 - 2023, 2022 - 2024, and 2023 - 2025. Depending on the amount of EPS from 2021 to 2025, up to an additional 82,884 PSUs may also be granted.

Non-cash stock compensation expense

Non-cash stock compensation expense for the three and six months ended June 30, 2023 and June 30, 2022 has been allocated as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(in thousands)		(in thousands)	
Direct costs	$ 6,420	$ 5,833	$ 12,088	$ 10,832
Selling, general and administrative	$ 10,178	$ 13,450	$ 19,269	$ 27,354
Total	$ 16,598	$ 19,283	$ 31,357	$ 38,186

15. Share capital

The Company can acquire up to 10% of its outstanding ordinary shares (by way of redemption), in accordance with Irish law and the Company’s constitutional documents through open market share acquisitions.

On February 18, 2022, the Company commenced a share buyback program which was fully complete at March 31, 2022. Under this buyback program, 420,530 ordinary shares were redeemed by the Company for total consideration of $100.0 million. The buyback program gives a broker authority to acquire the Company’s ordinary shares from time to time on the open market in accordance with agreed terms and limitations. All ordinary shares that were redeemed under the buyback program were canceled in accordance with the Constitution of the Company and the nominal value of these shares transferred to other undenominated capital reserve as required under Irish Company Law.

16. Business Segment and Geographical Information

The Company is a clinical research organization ("CRO"), providing outsourced development services on a global basis to the pharmaceutical, biotechnology and medical device industries. It specializes in the strategic development, management and analysis of programs that support all stages of the clinical development process - from compound selection to Phase I-IV clinical studies. The Company has the expertise and capability to conduct clinical trials in most major therapeutic areas on a global basis and has the operational flexibility to provide development services on a stand-alone basis or as part of an integrated "full-service" solution. The Company has expanded through internal growth, together with a number of strategic acquisitions to enhance its expertise and capabilities in certain areas of the clinical development process.

The Company determines and presents operating segments based on the information that is internally provided to the chief operating decision maker, the (‘CODM’) in accordance with ASC 280 *'Segment Reporting'*. The Company determined that the CODM was comprised of the Chief Executive Officer and the Chief Financial Officer.

The Company operates as one reporting segment, which is the provision of outsourced development services on a global basis to the pharmaceutical, biotechnology and medical devices industries.

Revenues are allocated to individual entities based on where the work is performed in accordance with the Company's global transfer pricing model. Revenues and income from operations in Ireland are a function of our global contracting model and the Group’s transfer pricing model.

ICON Ireland (Ireland Segment) acts as the Group entrepreneur under the Company’s global transfer pricing model given its role in the development and management of the Group, its ownership of key intellectual property and customer relationships, its key role in the mitigation of risks faced by the Group and its responsibility for maintaining the Company’s global network. ICON Ireland enters into the majority of the Company's customer contracts.

ICON Ireland remunerates other operating entities in the Group on the basis of a guaranteed cost plus mark-up for the services they perform in each of their local territories. The cost plus mark-up for each ICON entity is established to ensure that each of ICON Ireland and the ICON entities that are involved in the conduct of services for customers, earn an appropriate arms-length return having regard to the assets owned, risks borne and functions performed by each entity from these intercompany transactions. The cost plus mark-up policy is reviewed annually to ensure that it is market appropriate. The integration of entities acquired through the Merger into this global network and global transfer pricing model remains ongoing.

The geographic split of revenue disclosed for each region outside Ireland is the cost plus revenue attributable to these entities. The residual revenues of the Group, once each ICON entity has been paid its respective intercompany service fee, generally fall to be retained by ICON Ireland. As such, revenues and income from operations in Ireland are a function of this global transfer pricing model and comprise revenues of the Group after deducting the cost plus revenues attributable to the activities performed outside Ireland.

The geographical distribution of the Company's segment measures for the three and six months ended June 30, 2023 and June 30, 2022 and at June 30, 2023 and December 31, 2022 is as follows:

a) The distribution of revenue by geographical area was as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(in thousands)		(in thousands)	
Ireland	$ 593,407	$ 500,972	$ 1,105,241	$ 868,330
Rest of Europe	373,810	428,393	788,033	884,458
U.S.	848,019	894,016	1,692,423	1,864,645
Rest of World	205,015	111,812	413,132	219,524
Total	$ 2,020,251	$ 1,935,193	$ 3,998,829	$ 3,836,957

b) The distribution of income from operations by geographical area was as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(in thousands)		(in thousands)	
Ireland *	$ 125,896	$ 55,544	$ 177,223	$ 65,418
Rest of Europe	22,489	59,173	82,255	118,682
U.S.	55,744	53,321	143,833	113,789
Rest of World	5,355	9,751	22,962	50,239
Total	$ 209,484	$ 177,789	$ 426,273	$ 348,128

* Includes the full amount of the amortization charge associated with the intangible asset acquired in the Merger.

c) The distribution of long-lived assets (property, plant and equipment and operating right-of-use assets), net, by geographical area was as follows:

	June 30, 2023	December 31, 2022
	(in thousands)	
Ireland	$ 148,242	$ 143,025
Rest of Europe	95,048	99,721
U.S.	195,407	213,311
Rest of World	52,338	48,095
Total	$ 491,035	$ 504,152

17. Subsequent events

The Company has evaluated subsequent events from the balance sheet date through to the date at which the financial statements were available to be issued. The Company has determined that there are no items to disclose.

Management's discussion and analysis of financial condition and results of operations

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements and accompanying notes included elsewhere herein and the consolidated financial statements and related notes thereto included in our Form 20-F for the year ended December 31, 2022. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

Overview

We are a CRO providing outsourced development services on a global basis to the pharmaceutical, biotechnology and medical device industries. We specialize in the strategic development, management and analysis of programs that support all stages of the clinical development process - from compound selection to Phase I-IV clinical studies. Our vision is to be the healthcare intelligence partner of choice by delivering industry leading solutions and best in class performance in clinical development.

We believe that we are one of a select group of CROs with the expertise and capability to conduct clinical trials in most major therapeutic areas on a global basis and have the operational flexibility to provide development services on a stand-alone basis or as part of an integrated "full service" solution. At June 30, 2023, we employed approximately 41,160 employees in 108 locations in 53 countries. During the three months ended June 30, 2023 we derived approximately 42.0%, 47.9% and 10.1% of our revenue in the United States, Europe and Rest of World, respectively.

Revenue consists of fees earned under contracts with third-party clients. In most cases, a portion of the contract fee is paid at the time the study or trial is started, with the balance of the contract fee generally payable in installments over the study or trial duration, based on the delivery of certain performance targets or milestones. Revenue from long term contracts is recognized on a proportional performance method based on the relationship between cost incurred and the total estimated costs of the trial or on a fee-for-service basis according to the particular circumstances of the contract. As is customary in the CRO industry, we contract with third party investigators in connection with clinical trials. Investigator costs and certain other third party costs are included in our assessment of progress towards completion and costs incurred in measuring revenue. Where these costs are reimbursed by clients, they are included in the total contract value recognized over time, based on our assessment of progress towards completion.

As the nature of our business involves the management of projects, the majority of which have a duration of one to four years, the commencement or completion of projects in a fiscal year can have a material impact on revenues earned with the relevant clients in such years. In addition, as we typically work with some, but not all, divisions of a client, fluctuations in the number and status of available projects within such divisions can also have a material impact on revenues earned from clients from year to year.

Termination or delay in the performance of an individual contract may occur for various reasons, including, but not limited to, unexpected or undesired results, production problems resulting in shortages of the drug, adverse patient reactions to the drug, the client's decision to de-emphasize a particular trial or inadequate patient enrollment or investigator recruitment. In the event of termination, the Company is usually entitled to all sums owed for work performed through the notice of termination and certain costs associated with the termination of the study. In addition, contracts generally contain provisions for renegotiation in the event of changes in the scope, nature, duration, or volume of services of the contract.

Our unsatisfied performance obligation comprises our assessment of contracted revenue yet to be earned from projects awarded by clients. At June 30, 2023 we had unsatisfied performance obligations of approximately $13.9 billion (see *note 4 - Accounts receivable, unbilled revenue (contract assets) and unearned revenue or payments on account (contract liabilities)* for further details). We believe that our unsatisfied performance obligations as of any date is not necessarily a meaningful predictor of future results, due to the potential for cancellation or delay of the projects included in the unsatisfied performance obligation, and no assurances can be given on the extent to which we will be able to realize the unsatisfied performance obligation.

Although we are domiciled in Ireland, we report our results in U.S. dollars. As a consequence, the results of our non-U.S. based operations, when translated into U.S. dollars, could be materially affected by fluctuations in exchange rates between the U.S. dollar and the currencies of those operations.

In addition to translation exposures, we are also subject to transaction exposures where the currency in which contracts are priced can be different from the currencies in which costs relating to those contracts are incurred. Our operations in the United States are not materially exposed to such currency differences as the majority of our revenues and costs are in U.S. dollars. However, outside of the United States the multinational nature of our activities means that contracts are usually priced in a single currency, most often U.S. dollars or euro, while costs arise in a number of currencies, depending, among other things, on which of our offices provide staff for the contract and the location of investigator sites. Although many such contracts benefit from some degree of natural hedging, due to the matching of contract revenues and costs in the same currency, where costs are incurred in currencies other than those in which contracts are priced, fluctuations in the relative value of those currencies could have a material effect on our results of operations. We regularly review our currency exposures.

As we conduct operations on a global basis, our effective tax rate has depended, and will depend, on the geographic distribution of our revenue and earnings among locations with varying tax rates. Our results therefore may be affected by changes in the tax rates of the various jurisdictions. In particular, as the geographic mix of our results of operations among various tax jurisdictions changes, our effective tax rate may vary significantly from period to period.

Operating Results

The following tables sets forth for the periods indicated certain financial data as a percentage of revenue and the percentage change in these items compared to the prior comparable period. The trends illustrated in the following table may not be indicative of future results.

Three Months Ended June 30, 2023

	Three Months Ended		
	June 30, 2023	June 30, 2022	2022 to 2023
	Percentage of Revenue		Percentage Increase/ (Decrease)
Revenue	100.0 %	100.0 %	4.4 %
Costs and expenses:			
Direct costs	70.8 %	71.9 %	2.7 %
Selling, general and administrative	9.3 %	9.8 %	(1.1)%
Depreciation	1.5 %	1.3 %	18.5 %
Amortization	5.7 %	6.1 %	(3.1)%
Transaction and integration-related	0.6 %	0.5 %	43.0 %
Restructuring	1.8 %	1.2 %	58.6 %
Income from operations	10.4 %	9.2 %	17.8 %

Six Months Ended June 30, 2023

	Six Months Ended		
	June 30, 2023	June 30, 2022	2022 to 2023
	Percentage of Revenue		Percentage Increase/ (Decrease)
Revenue	100.0 %	100.0 %	4.2 %
Costs and expenses:			
Direct costs	70.6 %	72.2 %	2.0 %
Selling, general and administrative	9.7 %	10.0 %	0.7 %
Depreciation	1.5 %	1.4 %	16.4 %
Amortization	5.7 %	6.1 %	(1.6)%
Transaction and integration-related	0.6 %	0.5 %	14.9 %
Restructuring	1.1 %	0.7 %	70.0 %
Income from operations	10.7 %	9.1 %	22.4 %

Revenue

	Three Months Ended June 30,		Change	
(dollars in thousands)	2023	2022	$	%
Revenue	$ 2,020,251	$ 1,935,193	$ 85,058	4.4 %

Revenue for the three months ended June 30, 2023 increased by $85.1 million, or 4.4%, to $2,020.3 million, compared to $1,935.2 million for the three months ended June 30, 2022. Revenue increased by 4.3% in constant currency terms. The increase in revenue for the three months ended June 30, 2023 is due to continued organic growth across the Company's markets.

During the three months ended June 30, 2023, we derived approximately 42.0%, 47.9% and 10.1% of our revenue in the United States, Europe and Rest of World respectively. During the three months ended June 30, 2023, $529.8 million or 26.2% of our revenues were derived from our top 5 customers. New customer accounts are continually added across the full portfolio of large pharma customers, mid-tier pharma customers and biotech customers.

Revenue in Ireland for the three months ended June 30, 2023 increased to $593.4 million compared to $501.0 million for the three months ended June 30, 2022. Regional revenue is principally a function of the Company’s global transfer pricing model (see *note 16 - Business Segment and Geographical Information* for further details). Revenue in our Rest of Europe region decreased to $373.8 million compared to $428.4 million for the three months ended June 30, 2022. Revenue in the Rest of World region increased to $205.0 million compared to $111.8 million for the three months ended June 30, 2022. Revenue in the U.S. region decreased to $848.0 million from $894.0 million for the three months ended June 30, 2022.

	Six Months Ended June 30,		Change	
(dollars in thousands)	2023	2022	$	%
Revenue	$ 3,998,829	$ 3,836,957	$ 161,872	4.2 %

Revenue for the six months ended June 30, 2023 increased by $161.9 million, or 4.2%, to $3,998.8 million, compared to $3,837.0 million for the six months ended June 30, 2022. Revenue increased by 4.7% in constant currency terms. The increase in revenue for the six months ended June 30, 2023 is due to continued organic growth across the Company's markets.

During the six months ended June 30, 2023 we derived approximately 42.4%, 47.3% and 10.3% of our revenue in the United States, Europe and Rest of World, respectively. During the six months ended June 30, 2023, $1,092.2 million or 27.3% of our revenues were derived from our top 5 customers. New customer accounts are continually added across the full portfolio of large pharma customers, mid-tier pharma customers and biotech customers.

Revenue in Ireland for the six months ended June 30, 2023 increased to $1,105.2 million compared to $868.3 million for the six months ended June 30, 2022. Revenue in Ireland is principally a function of the Company's global transfer pricing model (see *note 17 - Business segment information* for further details). Revenue in our Rest of Europe region decreased to $788.0 million compared to $884.5 million for the six months ended June 30, 2022. Revenue in the Rest of World region increased to $413.1 million compared to $219.5 million for the six months ended June 30, 2022. Revenue in the U.S. region decreased to $1,692.4 million compared to $1,864.6 million for the six months ended June 30, 2022.

Direct costs

	Three Months Ended June 30,			**Six Months Ended June 30,**		
(dollars in thousands)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Direct costs	$ 1,429,540	$ 1,392,062	$ 37,478	$ 2,825,086	$ 2,770,529	$ 54,557
% of revenue	70.8 %	71.9 %	2.7 %	70.6 %	72.2 %	2.0 %

Direct costs for the three months ended June 30, 2023 increased by $37.5 million, or 2.7%, to $1,429.5 million compared to $1,392.1 million for the three months ended June 30, 2022. Direct costs consist primarily of investigator and other reimbursable costs, compensation, associated fringe benefits and share based compensation expense for project-related employees and other direct project driven costs. The increase in direct costs arose due to an increase in third party investigator and other reimbursable costs in the period to June 30, 2023 combined with an increase in other direct project related costs, an increase in travel related costs and an increase in laboratory costs.

Direct costs for the six months ended June 30, 2023 increased by $54.6 million, or 2.0%, to $2,825.1 million compared to $2,770.5 million for the six months ended June 30, 2022. The increase in direct costs relates to an increase in third party investigator and other reimbursable costs, an increase in other direct project related costs, an increase in travel related cost and an increase in laboratory costs during the period. As a percentage of revenue, direct costs have decreased to 70.6% compared to 72.2% for the six months ended June 30, 2022.

Selling, general and administrative expense

	Three Months Ended June 30,			**Six Months Ended June 30,**		
(dollars in thousands)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Selling, general and administrative expense	$ 187,806	$ 189,953	$ (2,147)	$ 387,812	$ 385,214	$ 2,598
% of revenue	9.3 %	9.8 %	(1.1)%	9.7 %	10.0 %	0.7 %

Selling, general and administrative expenses for the three months ended June 30, 2023 decreased by $2.1 million, or 1.1%, to $187.8 million, compared to $190.0 million for the three months ended June 30, 2022. Selling, general and administrative expenses comprise primarily of compensation, related fringe benefits and routine share based compensation expense for non-project-related employees, recruitment expenditure, professional service costs, advertising costs and all costs related to facilities and information systems. As a percentage of revenue, selling, general and administrative expenses decreased to 9.3% compared to 9.8% for the three months ended June 30, 2022. The decrease in selling, general and administrative expenses relates to decreases in general overhead costs, facility related costs, marketing costs, professional fees and a gain of $6.2 million related to the Oncacare acquisition. These decreases were offset by increases in personnel related expenditures and foreign exchange movements.

Selling, general and administrative expenses for the six months ended June 30, 2023 increased by $2.6 million, or 0.7%, to $387.8 million compared to $385.2 million for the six months ended June 30, 2022. As a percentage of revenue, selling, general and administrative expenses have decreased to 9.7% compared to 10.0% for the six months ended June 30, 2022. The increase in costs for the six months ended June 30, 2023 is primarily due to an increase in foreign exchange losses driven mainly by the movement in the Euro to U.S. dollar exchange rate over the six month period compared to the six month period ended June 30, 2022, partially offset by a gain of $6.2 million related to the Oncacare acquisition.

Depreciation and amortization

	Three Months Ended June 30,			Six Months Ended June 30,		
(dollars in thousands)	2023	2022	Change	2023	2022	Change
Depreciation	$ 30,442	$ 25,694	$ 4,748	$ 60,890	$ 52,297	$ 8,593
% of revenue	1.5 %	1.3 %	18.5 %	1.5 %	1.4 %	16.4 %
Amortization	$ 114,617	$ 118,325	$ (3,708)	$ 229,295	$ 233,127	$ (3,832)
% of revenue	5.7 %	6.1 %	(3.1)%	5.7 %	6.1 %	(1.6)%

The depreciation charge reflects investments in facilities, information systems and equipment to support the Company's continued growth. The depreciation expense for the three months ended June 30, 2023 increased by $4.7 million, or 18.5%, to $30.4 million compared to $25.7 million for the three months ended June 30, 2022. As a percentage of revenue the depreciation expense was 1.5%, which increased from 1.3% for the three months ended June 30, 2022. The depreciation expense for the six months ended June 30, 2023 increased by $8.6 million, or 16.4%, to $60.9 million compared to $52.3 million for the six months ended June 30, 2022. As a percentage of revenue the depreciation expense was 1.5%, which increased from 1.4% for the six months ended June 30, 2022. The depreciation charge, from a value perspective, for the three and six months ended June 30, 2022 has increased mainly due to an increase in our depreciable asset base and additional spend related to computer hardware and software.

The amortization expense represents the amortization of intangible assets acquired in business combinations. Amortization of intangibles for the three months ended June 30, 2023 decreased by $3.7 million, or 3.1%, to $114.6 million compared to $118.3 million for the three months ended June 30, 2022. As a percentage of revenue, the amortization expense decreased to 5.7%, compared to 6.1% for the three months ended June 30, 2022. The amortization expense for the six months ended June 30, 2023 decreased by $3.8 million, or 1.6%, to $229.3 million compared to $233.1 million for the six months ended June 30, 2022. As a percentage of revenue, the amortization expense was 5.7%, which decreased from 6.1% for the six months ended June 30, 2022.

Restructuring, transaction and integration-related expenses associated with the Merger

	Three Months Ended June 30,			Six Months Ended June 30,		
(dollars in thousands)	2023	2022	Change	2023	2022	Change
Transaction and integration-related expenses	$ 12,701	$ 8,884	$ 3,817	$ 24,083	$ 20,969	$ 3,114
% of revenue	0.6 %	0.5 %	43.0 %	0.6 %	0.5 %	14.9 %
Restructuring costs	$ 35,661	$ 22,486	$ 13,175	$ 45,390	$ 26,693	$ 18,697
% of revenue	1.8 %	1.2 %	58.6 %	1.1 %	0.7 %	70.0 %

During the three and six months ended June 30, 2023, the Company incurred $48.4 million and $69.5 million, respectively, for restructuring, transaction and integration-related expenses. The charge includes transaction and integration costs of $12.7 million and costs amounting to $24.1 million comprising professional fees, severance arrangements, retention agreements and ongoing integration activities.

During the three and six months ended June 30, 2023 the Company has undertaken a restructuring program aimed at realigning its workforce as well as reviewing its global office footprint and optimizing its locations to best fit the requirements of the Company. This program has resulted in a restructuring charge of $35.7 million in the three months ended June 30, 2023 and $45.4 million in the six months ended June 30, 2023.

We expect to incur additional integration expenses associated with the Merger; however, the timing and the amount of these expenses depends on various factors such as, but not limited to, the execution of integration activities and the aggregate amount of synergies we achieve from these activities.

Income from operations

	Three Months Ended June 30,		
(dollars in thousands)	**2023**	**2022**	**Change**
Income from operations	$ 209,484	$ 177,789	$ 31,695
% of revenue	10.4 %	9.2 %	17.8 %

Income from operations for the three months ended June 30, 2023 increased by $31.7 million or 17.8% to $209.5 million compared to $177.8 million for the three months ended June 30, 2022. As a percentage of revenue, income from operations increased to 10.4% compared to 9.2% of revenue for the three months ended June 30, 2022.

Income from operations in Ireland increased to $125.9 million compared to $55.5 million for the three months ended June 30, 2022.

In the Rest of Europe region, income from operations decreased to $22.5 million compared to $59.2 million for the three months ended June 30, 2022. As a percentage of revenues in the Rest of Europe region, income from operations in the Rest of Europe region decreased to 6.0% compared to 13.8% for the period ended June 30, 2022.

In the U.S. region, income from operations increased by $2.4 million, to $55.7 million, compared to $53.3 million for the period ended June 30, 2022. As a percentage of revenues in the U.S. region, income from operations in the U.S. region increased to 6.6% compared to 6.0% for the period ended June 30, 2022.

In the Rest of World region, income from operations decreased by $4.4 million to $5.4 million compared to $9.8 million for the three months ended June 30, 2022. As percentage of revenues in other regions, income from operations in other regions decreased to 2.6% compared to 8.7% for the period ended June 30, 2022.

	Six Months Ended June 30,		
(dollars in thousands)	**2023**	**2022**	**Change**
Income from operations	$ 426,273	$ 348,128	$ 78,145
% of revenue	10.7 %	9.1 %	22.4 %

Income from operations for the six months ended June 30, 2023 increased by $78.1 million or 22.4% to $426.3 million compared to $348.1 million for the six months ended June 30, 2022. As a percentage of revenue, income from operations increased to 10.7% compared to 9.1% of revenue for the six months ended June 30, 2022.

Income from operations in Ireland increased to $177.2 million compared to $65.4 million for the six months ended June 30, 2022. Income from operations in Ireland and other geographic regions are reflective of the Company’s global transfer pricing model.

In the Rest of Europe region, income from operations decreased to $82.3 million compared to $118.7 million for the six months ended June 30, 2022. As a percentage of revenues in the Rest of Europe region, income from operations in the Rest of Europe region decreased to 10.4% compared to 13.4% for the six months ended June 30, 2022.

In the U.S. region, income from operations increased by $30.0 million, to $143.8 million compared to $113.8 million, for the six months ended June 30, 2022. As a percentage of revenues in the US region, income from operations in the U.S. region increased to 8.5% compared to 6.1% for the six months ended June 30, 2022.

In other regions, income from operations decreased by $27.2 million to $23.0 million compared to $50.2 million for the six months ended June 30, 2022. As percentage of revenues in other regions, income from operations in other regions decreased to 5.6% compared to 22.9% for the six months ended June 30, 2022.

Interest income and expense

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(dollars in thousands)	2023	2022	$	%	2023	2022	$	%
Interest income	$ 949	$ 166	$ 783	471.7 %	$ 2,021	$ 293	$ 1,728	589.8 %
Interest expense	$ (85,206)	$ (47,111)	$ (38,095)	80.9 %	$ (171,757)	$ (91,536)	$ (80,221)	87.6 %

Interest expense for the three months ended June 30, 2023 increased to $85.2 million, compared to $47.1 million for the three months ended June 30, 2022. The increase during the period reflects the impact of financing costs associated with the Merger and the impact of rising interest rates. Interest income for the three months ended June 30, 2023 increased to $0.9 million, compared to $0.2 million for the three months ended June 30, 2022.

Interest expense for the six months ended June 30, 2023 increased to $171.8 million, compared to $91.5 million for the six months ended June 30, 2022 due to the impact of financing costs associated with the Merger. Interest income for the six months ended June 30, 2023 increased to $2.0 million, compared to $0.3 million for the six months ended June 30, 2022. The increase in interest income can be attributed to rising interest rates over the last six months.

Income tax expense

	Three Months Ended June 30,		Change	Six Months Ended June 30,		Change
(dollars in thousands)	2023	2022		2023	2022	
Income tax expense	$ 9,629	$ 14,254	$ (4,625)	$ 23,902	$ 27,540	(3,638)
Effective income tax rate	7.7 %	10.9 %	(32.4)%	9.3 %	10.7 %	(13.2)%

Provision for income taxes decreased to a $9.6 million charge for the three months ended June 30, 2023, compared to a $14.3 million charge for the three months ended June 30, 2022. The Company’s effective tax rate for the three months ended June 30, 2023 was 7.7% compared with 10.9% for the three months ended June 30, 2022.

Provision for income taxes decreased to a $23.9 million charge for the six months ended June 30, 2023, compared to $27.5 million for the six months ended June 30, 2022. The Company’s effective tax rate for the six months ended June 30, 2023 was 9.3% compared with 10.7% for the six months ended June 30, 2022.

The Company’s effective tax rate remains principally a function of the distribution of pre-tax profits amongst the territories in which it operates.

Liquidity and capital resources

The CRO industry is generally not capital intensive. The Company’s principal operating cash needs are payment of salaries, office rents, travel expenditures and payments to investigators. Investing activities primarily reflect capital expenditures for facilities and information systems enhancements, the purchase and sale of short term investments and acquisitions. Financing activities primarily reflect the servicing of the Company's external debt.

Our clinical research and development contracts are generally fixed price with some variable components and range in duration from a few weeks to several years. Revenue from contracts is generally recognized as income on the basis of the relationship between time incurred and the total estimated contract duration or on a fee-for-service basis. The cash flow from contracts typically consists of a down payment at the time the contract is entered into, with the balance paid in installments over the contract's duration, in some cases on the achievement of certain milestones. Therefore, cash receipts do not correspond to costs incurred and revenue recognized on contracts.

Cash and cash equivalents and net borrowings

	Balance December 31, 2022	(Drawn Down)	Repaid	Net cash inflow/ (outflow)	Other non-cash adjustments	Effect of exchange rates	Balance June 30, 2023
				$ (in thousands)			
Cash and cash equivalents	288,768	—	—	(19,104)	—	512	270,176
Available for sale investments	1,713	—	—	(60)	—	—	1,653
Senior Secured Credit Facilities & Senior Secured Notes	(4,654,187)	(230,000)	580,000	—	(7,899)	—	(4,312,086)
	(4,363,706)	(230,000)	580,000	(19,164)	(7,899)	512	(4,040,257)

The Company’s cash and short term investment balances at June 30, 2023 amounted to $271.8 million compared with cash and short term investment balances of $290.5 million at December 31, 2022.

In conjunction with the completion of the Merger, on July 1, 2021, ICON entered into a credit agreement providing for a senior secured term loan facility of $5,515 million and a senior secured revolving loan facility in an initial aggregate principal amount of $300 million (the "Senior Secured Credit Facilities"). The senior secured term loan facility will mature in July 2028 and the revolving loan facility will mature in July 2026. In January 2023, $100.0 million of the senior secured revolving loan facility was drawn down, in the aggregate, at interest rates of 5.89% and 5.80%, representing one month SOFR plus a margin of 1.25%. This was repaid in full in March 2023. On March 31, 2023, $80.0 million of the senior secured revolving loan facility was drawn down at an interest rate of 6.51%, representing one month SOFR plus a margin of 1.25%. In April 2023, the Company drew down $50.0 million of the senior secured revolving loan facility at an interest rate of 6.25%, representing one month SOFR plus a margin of 1.25%. In May 2023, the Company agreed with its lenders to increase the aggregate principal amount of the senior secured revolving loan facility from $300.0 million to $500.0 million. The Company repaid $80.0 million of the senior secured revolving loan facility on June 30, 2023.

On March 31, 2023 the Company repaid $250.0 million of the senior secured term loan facility and made a quarterly interest payment of $75.3 million. This repayment resulted in an additional charge associated with previously capitalized fees of $2.2 million.

On June 30, 2023 the Company repaid $150.0 million of the senior secured term loan facility and made a quarterly interest payment of $74.0 million. This repayment resulted in an additional charge associated with previously capitalized fees of $1.2 million.

In addition to the Senior Secured Credit Facilities, on July 1, 2021, a subsidiary of the Company issued $500 million in aggregate principal amount of 2.875% senior secured notes due 2026 in a private offering. The senior secured notes will mature on July 15, 2026.

Cash flows

Net cash from operating activities

Net cash provided by operating activities decreased by $29.6 million to $379.4 million for the six months ended June 30, 2023 as compared to net cash provided by operating activities of $409.0 million for the six months ended June 30, 2022. The decrease in net cash provided by operating activities of $29.6 million is due to changes in other assets and liabilities of $322.6 million, offset by changes in working capital of $248.5 million.

The change in working capital is primarily attributable to an increase in accounts receivable of $0.3 million, an increase in unbilled revenue of $6.0 million and an increase in unearned revenue of $242.2 million. These changes result from differences in timing of revenue recognition and billing on clinical trials. The number of days’ revenue outstanding at June 30, 2023 was 52 days compared to 54 days at December 31, 2022 and 41 days at June 30, 2022. Cash generated from working capital and days’ revenue outstanding may be positively or negatively impacted by, amongst others, the scheduling of contractual milestones over a study or trial duration, the achievement of a particular milestone during the period, the timing of receipt of invoices from third parties for reimbursable costs and the timing of cash receipts from customers. Contract fees are generally payable in installments based on the achievement of certain performance targets or “milestones” (e.g. target patient enrollment rates, clinical testing sites initiated or case report forms completed), such milestones being specific to the terms of each individual contract, while revenues on contracts are recognized as contractual obligations are performed. A decrease in the number of days’ revenue outstanding during a period will result in cash inflows to the Company while an increase in days revenue outstanding will lead to cash outflows.

Net cash used in investing activities

Net cash used in investing activities was $68.7 million for the six months ended June 30, 2023 compared to net cash used in investing activities of $48.6 million for the six months ended June 30, 2022. Net cash used in investing activities during the six months ended June 30, 2023 was primarily related to cash outflows of $58.9 million for capital expenditures made mainly relating to investment in facilities and IT infrastructure, $5.1 million in relation to purchase of subsidiary undertakings, and $4.7 million in relation to investments in long-term equity.

Net cash used in financing activities

Net cash used in financing activities during the six months ended June 30, 2023 amounted to $329.8 million compared to net cash used in financing activities of $484.9 million for the six months ended June 30, 2022. During the six months ended June 30, 2023, the Company made a net repayment of $350.0 million on external financing. This was offset by $20.2 million that was received by the Company from the exercise of share options.

Net cash outflow

As a result of these cash flows, cash and cash equivalents decreased by $18.6 million for the six months ended June 30, 2023 compared to a decrease of $137.3 million for the six months ended June 30, 2022.

Legal proceedings

We are not party to any material pending legal proceedings, and we do not expect any litigation which could have an adverse effect on our financial condition or results of operations. However, from time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

Forward-Looking Statements

Certain statements contained herein are forward looking statements, particularly in the discussion under the caption “Management’s discussion and analysis of financial condition and results of operations”. All statements other than statements of historical fact are forward-looking. Examples of forward-looking statements include, but are not limited to, statements regarding industry prospects, future business, future results of operations or financial condition, our ability to integrate the businesses we have acquired into our existing operations, management strategies and our competitive position. You can identify many forward-looking statements by words such as “may,” “will,” “would,” “should,” “could,” “expects,” “aims,” “anticipates,” “believes,” “estimates,” “intends,” “plans,” “predicts,” “projects,” “seeks,” “potential,” “opportunities” and other similar expressions and the negatives of such expressions. However, not all forward-looking statements contain these words. These statements are based on management's current expectations and information currently available, including current economic and industry conditions. Actual results may differ materially from those stated or implied by forward looking statements due to risks and uncertainties associated with the Company’s business and forward looking statements are not guarantees of future performance. Such risks and uncertainties include, but are not limited to, dependence on the pharmaceutical industry and certain clients, the need to regularly win projects and then to execute them efficiently and correctly, the challenges presented by rapid growth, the challenges associated with the integration of the PRA, competition and the continuing consolidation of the industry, the dependence on certain key executives, changes in the regulatory environment and other factors. Forward-looking statements speak only as of the date they are made and we do not undertake any obligation to update publicly any forward-looking statement, either as a result of new information, future events or otherwise. Please also refer to the Form 20-F filed on February 24, 2023 for risks and uncertainties facing the Company.

Exhibits of ICON plc and subsidiaries

Exhibit Number	Title
99.1*	Second Amendment to Credit Agreement, dated as of May 2, 2023, by and among various subsidiaries of ICON plc, Citibank, N.A., as administrative agent and swingline lender, and various revolving lenders.

* Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ICON plc

/s/Brendan Brennan

Date: July 28, 2023

Brendan Brennan
Chief Financial Officer

SECOND AMENDMENT TO
CREDIT AGREEMENT

This SECOND AMENDMENT to the Credit Agreement referred to below, dated as of May 2, 2023 (this "Second Amendment"), by and among ICON LUXEMBOURG S.À R.L., a *société à responsabilité limitée* incorporated and existing under Luxembourg law, having its registered office at 61, rue de Rollingergrund, L-2440, Luxembourg and registered with the Luxembourg register of commerce and companies (*R.C.S. Luxembourg*) under number B66588 (the "Lux Borrower"), PRA HEALTH SCIENCES, INC., a Delaware corporation (the "U.S. Borrower"), ICON CLINICAL RESEARCH LIMITED, a limited liability company incorporated under the laws of Ireland with registration number 201978 and with registered address at South County Business Park, Leopardstown, Dublin 18, Ireland ("Icon Clinical"), ICON GLOBAL TREASURY UNLIMITED COMPANY, an unlimited liability company incorporated under the laws of Ireland with registration number 649443 and with registered address at South Country Business Park, Leopardstown, Dublin 18, Ireland ("Icon Global"), ICON US HOLDINGS INC., a Delaware corporation ("U.S. Holdco", and collectively with Lux Borrower, U.S. Borrower, Icon Clinical and Icon Global, the "Revolving Borrowers"), the other Loan Parties party hereto, CITIBANK, N.A. ("Citibank"), as administrative agent (in such capacity, the "Administrative Agent"), CITIBANK, N.A., as Swingline Lender ("Swingline Lender"), the 2023 Incremental Revolving Lenders (as defined below), which include all of the Revolving Lenders both before and after giving effect to this Second Amendment and, thus, constitute the Required Revolving Lenders. Capitalized terms not otherwise defined in this Second Amendment have the same meanings as specified in the Credit Agreement (as defined below), as amended by this Second Amendment.

RECITALS

WHEREAS, the Revolving Borrowers, ICON PUBLIC LIMITED COMPANY, an Irish public limited company ("Holdings"), the other parties party thereto, and the several Lenders (as defined in the Credit Agreement) from time to time party thereto and the Administrative Agent, have entered into that certain Credit Agreement, dated as of July 1, 2021 (together with all exhibits and schedules attached thereto, and as amended by that certain First Amendment to Credit Agreement, dated as of November 29, 2022, the "Credit Agreement", and as amended by this Second Amendment, the "Amended Credit Agreement");

WHEREAS, pursuant to Section 2.20 of the Credit Agreement, the Revolving Borrowers have requested an increase to the existing Revolving Commitments in an aggregate principal amount of $200,000,000 (the "2023 Incremental Revolving Commitments", and the loans made pursuant thereto, the "2023 Incremental Revolving Loans"), to be provided by each lender set forth on Schedule 1 to this Second Amendment and party hereto (each, a "2023 Incremental Revolving Lender") and effective on the Second Amendment Effective Date (as defined below) pursuant to the terms hereof;

WHEREAS, pursuant to Section 9.02 of the Credit Agreement, the Revolving Borrowers have requested an increase of $75,000,000 to the maximum aggregate principal amount of Swingline Loans (the "Swingline Increase"), to be effective on the Second Amendment Effective Date pursuant to the terms hereof;

WHEREAS, as contemplated by Section 2.20 of the Credit Agreement, subject to the satisfaction of the conditions precedent set forth in Section 3 hereof, each of the Revolving Borrowers and the 2023 Incremental Revolving Lenders have determined, in their reasonable judgment and pursuant to its authority under Section 2.20 of the Credit Agreement, that it is necessary or appropriate to amend certain terms of the Credit Agreement as provided herein to give effect to the 2023 Incremental Revolving Commitments;

WHEREAS, as contemplated by Section 9.02(b)(viii) of the Credit Agreement, subject to the satisfaction of the conditions precedent set forth in Section 3 hereof, each of the Revolving Borrowers, the Revolving Lenders party hereto (constituting the Required Revolving Lenders) and the Swingline Lender desire to amend the Credit Agreement to give effect to the Swingline Increase;

WHEREAS, each 2023 Incremental Revolving Lender is prepared to provide the 2023 Incremental Revolving Loans up to an amount equal to its 2023 Incremental Revolving Commitment set forth on Schedule 1, subject to the terms and conditions set forth herein and in the Amended Credit Agreement;

WHEREAS, the Swingline Lender is prepared to provide the Swingline Increase, subject to the terms and conditions set forth herein and in the Amended Credit Agreement; and

WHEREAS, each Loan Party party hereto (collectively, the "Reaffirming Parties", and each, a "Reaffirming Party") expects to realize substantial direct and indirect benefits as a result of this Second Amendment becoming effective and the consummation of the transactions contemplated hereby and agrees to reaffirm its obligations pursuant to the Credit Agreement, the Collateral Documents, and the other Loan Documents to which it is a party;

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. 2023 Incremental Revolving Commitments. Pursuant to Section 2.20 of the Credit Agreement, and subject solely to the satisfaction of the conditions precedent set forth in Section 3 hereof, on and as of the Second Amendment Effective Date:

(a) Each 2023 Incremental Revolving Lender hereby severally and not jointly agrees to provide its respective 2023 Incremental Revolving Commitment set forth on Schedule 1.

(b) The parties hereto agree that this Second Amendment shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents.

(c) The 2023 Incremental Revolving Commitments shall constitute a Revolving Commitment Increase of each 2023 Incremental Revolving Lender under the Credit Agreement and the terms of the 2023 Incremental Revolving Loans and the 2023 Incremental Revolving Commitments shall have the same terms, including, without limitation, with respect to maturity, interest rate, margin and commitment fees, and shall be treated as the same Class as the existing Revolving Loans and the existing Revolving Commitment. Each reference to (i) the "Revolving Commitment," (ii) the "Revolving Loans," and (iii) the "Revolving Lenders" in the Amended Credit Agreement shall be deemed to include the 2023 Incremental Revolving Commitments, the 2023 Incremental Revolving Loans and each 2023 Incremental Revolving Lender, as applicable, and all related terms shall be deemed to have correlative meanings.

(d) The notice requirement set forth in Section 2.20(a) of the Credit Agreement is hereby waived by the Administrative Agent and each 2023 Incremental Revolving Lender.

(e) On the Second Amendment Effective Date, (i) each Revolving Lender immediately prior to giving effect to the 2023 Incremental Revolving Commitments hereunder (the "Existing Revolving Lenders") will automatically and without further act be deemed to have assigned to the 2023 Incremental Revolving Lenders, and the 2023 Incremental Revolving Lenders will automatically and without further act be deemed to have assumed a portion of such Existing Revolving Lenders' participations under the Amended Credit Agreement in outstanding

Swingline Loans and Letters of Credit, if applicable, such that, after giving effect to each deemed assignment and assumption of participations, all of the Revolving Lenders' (including the 2023 Incremental Revolving Lenders) participations under the Amended Credit Agreement in Swingline Loans and Letters of Credit, if applicable, shall be held on a pro rata basis on the basis of their respective Revolving Credit Exposure (after giving effect to any increase in the Revolving Commitment pursuant to this Agreement), and (ii) if any Revolving Loans are outstanding on such date, the Existing Revolving Lenders will automatically and without further act be deemed to have assigned Revolving Loans to the 2023 Incremental Revolving Lender, and the 2023 Incremental Revolving Lender will automatically and without further act be deemed to have purchased such Revolving Loans, in each case to the extent necessary so that all of the Revolving Lenders participate in each outstanding Borrowing of Revolving Loans pro rata on the basis of their respective Revolving Credit Exposure (after giving effect to any increase in the Revolving Commitments pursuant to this Agreement); *provided* that it is understood and agreed that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in the Credit Agreement shall not apply to the transactions effected pursuant to this clause (e).

(f) In order to give effect to the provisions of Section 2.20 of the Credit Agreement, each of the Revolving Borrowers and the 2023 Incremental Revolving Lenders hereby acknowledge and agree that it is necessary and appropriate to amend the Credit Agreement pursuant to the terms of this Second Amendment.

SECTION 2. Amendments. Pursuant to Sections 2.20 and 9.02 of the Credit Agreement, the Amended Credit Agreement is, effective as of the Second Amendment Effective Date (as defined below), and subject to the satisfaction of the conditions precedent set forth in Section 3 below, the Credit Agreement shall be amended to reflect the Revolving Commitment Increase and the Swingline Increase as follows:

(a) the table setting forth the Initial Revolving Commitments on Schedule 2.01 of the Credit Agreement is hereby replaced with the table setting forth the Initial Revolving Commitments set forth on Schedule 2 hereto.

(b) Section 1.01 of the Credit Agreement is hereby amended by adding the following new definitions thereto in proper alphabetical order:

"Second Amendment" shall mean that certain Second Amendment to Credit Agreement, dated as of May 2, 2023, by and among the Revolving Borrowers, the other Loan Parties party thereto, the Administrative Agent, the Swingline Lender, the 2023 Incremental Revolving Lenders party thereto and the Revolving Lenders constituting the Required Revolving Lenders.

"Second Amendment Effective Date" means May 2, 2023.

(c) Section 1.01 of the Credit Agreement is hereby amended by amending and restating the definition of "Initial Revolving Commitment" in its entirety as follows:

"Initial Revolving Commitment" means, with respect to each Revolving Lender, its Revolving Commitment as of the Closing Date, as may be increased or decreased from time to time in accordance with this Agreement. The amount of each Revolving Lender's Initial Revolving Commitment as of the Closing Date is set forth on Schedule 2.01. The aggregate principal Dollar Amount of the Initial Revolving Commitments on the Closing Date was $300,000,000. After giving effect to the Revolving Commitment Increase contemplated by the Second Amendment, the aggregate Initial Revolving Commitments of all Lenders as of the Second Amendment Effective Date is $500,000,000, as such amount may be adjusted from time to time in accordance with the terms of this Agreement.

(d) Section 2.05(a)(i) of the Credit Agreement is hereby amended by replacing the reference to "$25,000,000" therein with "$100,000,000".

SECTION 1. Conditions of Effectiveness. The effectiveness of this Second Amendment is subject to the satisfaction (or written waiver) of the following conditions (the date of satisfaction of such conditions being referred to herein as the "Second Amendment Effective Date"):

(a) This Second Amendment shall have been duly executed by the Revolving Borrowers, the Loan Parties, the Administrative Agent, the Swingline Lender, the 2023 Incremental Revolving Lenders and the Revolving Lenders constituting the Required Revolving Lenders, and delivered to the Administrative Agent;

(b) The Administrative Agent shall have received (i) a customary written opinion of Cahill Gordon & Reindel LLP, New York counsel for the Loan Parties, in form and substance reasonably acceptable to the Administrative Agent, (ii) a capacity and authority opinion of A&L Goodbody LLP, Irish counsel for the Loan Parties, in form and substance reasonably acceptable to the Administrative Agent, (iii) an enforceability opinion of Matheson LLP, Irish counsel for the Administrative Agent and the Lenders, in form and substance reasonably acceptable to the Administrative Agent, (iv) a capacity opinion of Loyens & Loeff Luxembourg S.à r.l., Luxembourg counsel for the Loan Parties, in form and substance reasonably acceptable to the Administrative Agent, (v) an enforceability opinion of NautaDutilh Avocats Luxembourg S.à r.l., Luxembourg counsel for the Administrative Agent and the Lenders, in form and substance reasonably acceptable to the Administrative Agent, and (vi) a written opinion of McGuire Woods LLP, Virginia counsel for the Loan Parties, in form and substance reasonably acceptable to the Administrative Agent, in each case (A) dated the Second Amendment Effective Date, (B) addressed to the Administrative Agent and the Lenders, and, in each case, each of their permitted assigns, and (C) each Revolving Borrower and each other Loan Party and the Administrative Agent hereby request such counsel to deliver such opinions;

(c) The Administrative Agent shall have received a certificate dated the Second Amendment Effective Date executed by a Responsible Officer of Holdings confirming compliance with the conditions set forth in clauses (e), (f) and (g) of this Section 3;

(d) The Administrative Agent shall have received (i) a copy of the certificate of incorporation, memorandum of association or articles of incorporation or association and all applicable, if any, certificates of incorporation on a change of name or certificates of re-registration or other formation documents, including all amendments thereto, of each Loan Party as of the Second Amendment Effective Date, certified as of a recent date by the Secretary of State of the state of its organization in the case of a corporation incorporated in the United States, and a certificate as to or of compliance evidencing the good standing of each such Loan Party as of a recent date, from such Secretary of State in the case of a corporation incorporated in the United States; (ii) a certificate of the secretary or assistant secretary, manager or director of each Loan Party as of the Second Amendment Effective Date dated the Second Amendment Effective Date and certifying (A) that attached thereto is a true and complete copy of the by-laws (or similar governing documentation) of such Loan Party as in effect on the Second Amendment Effective Date and at all times since a date prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the board of directors or similar governing body of such Loan Party authorizing the execution, delivery and performance of the Second Amendment and other agreement related to or contemplated hereby to which such Person is a party, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) if applicable, that the certificate or articles of incorporation or other formation documents of such Loan Party have not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to clause (i) above or where a certificate of good standing is not applicable in its jurisdiction of incorporation that attach a true, up to date and correct copy of the certificate or articles of incorporation or other formation documents of each Loan Party duly certified as being true, up to date and correct and (D) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party; (iii) a certificate of another officer as to the incumbency and specimen signature of the secretary or assistant secretary (or manager or director, if applicable) executing the certificate pursuant to clause (ii) above; and (iv) with respect to any Loan Party incorporated in Luxembourg (A) an electronic copy of an excerpt (*extrait*) issued by the Luxembourg Register of Commerce and Companies dated as of the Second Amendment Effective Date; (B) an electronic copy of a certificate of non-registration of a judicial decision or of an administrative dissolution without liquidation (*certificat de non-inscription d'une décision judiciare ou de dissolution administrative sans liquidation*) issued by the Luxembourg Register of Commerce and Companies on the Second Amendment Effective Date, stating that as of the date prior to the Second Amendment Effective Date, no judicial decision pursuant to which the Company would be subject to one of the judicial proceedings referred to therein including, but not limited to, bankruptcy (*faillite*), controlled management (*gestion contrôlée*), reprieve from payments (*sursis de paiement*), composition with creditors (*concordat préventif de la faillite*) or judicial liquidation (*liquidation judiciaire*), has been registered with the Luxembourg register of commerce and companies by application of article 13, items 4 to 12 and items 16 and 17 of the Luxembourg law of 19 December 2002 on the Luxembourg register of commerce and companies and on the accounting and annual accounts of undertakings, as amended; (C) a confirmation that such Loan Party is renting its premises; (D) confirmation that borrowing or guaranteeing or securing, as appropriate, by the entry by the Loan Party into the Loan Documents would not cause any borrowing, guarantee, security or similar limit binding on such Loan Party to be exceeded and (E) a confirmation that each copy document relating to such Loan Party is correct, complete and in full force and effect as at the date no earlier than the Second Amendment Effective Date;

(e) No Event of Default shall exist on the Second Amendment Effective Date both immediately before and after giving effect to the 2023 Incremental Revolving Commitments and the transactions contemplated hereby;

(f) The representations and warranties of the Loan Parties set forth in this Second Amendment shall be true and correct in all material respects (or, if qualified as to "materiality" or "Material Adverse Effect", in all respects) on and as of the Second Amendment Effective Date both immediately before and after giving effect to the 2023 Incremental Revolving Commitments and the transactions contemplated hereby; <u>provided</u> that to the extent that a representation and warranty expressly relates to an earlier date, it shall be true and correct in all material respects (or, if qualified by materiality or "Material Adverse Effect", in all respects) on such earlier date;

(g) The Revolving Commitment Increase does not exceed the maximum amount of Incremental Commitments permitted to be established pursuant to <u>Section 2.20(d)</u> of the Credit Agreement on the Second Amendment Effective Date;

(h) To the extent requested at least 10 business days prior to the Second Amendment Effective Date, the Lenders shall have received all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Patriot Act and, if applicable, the requirements of

31 C.F.R. § 1010.230, at least three business days prior to the Second Amendment Effective Date; and

(i) Substantially concurrently with the consummation of the transactions contemplated hereby, (i) the Revolving Borrowers shall have paid all accrued and unpaid expenses of the Administrative Agent (including the reasonable and documented accrued and unpaid fees and out-of-pocket expenses of counsel thereto) in connection with this Second Amendment, and (ii) the Revolving Borrowers shall have paid all fees as the Revolving Borrowers shall have agreed in writing to pay to the 2023 Incremental Revolving Lenders; provided in the case of expenses to be paid pursuant to clause (i) that the Revolving Borrowers shall have received invoices in respect of the payment thereof at least three (3) Business Days in advance of the Second Amendment Effective Date.

SECTION 2. Representations and Warranties. To induce the other parties hereto to enter into this Second Amendment, each Revolving Borrower represents and warrants that, as of the Second Amendment Effective Date:

(a) This Second Amendment has been duly authorized, executed and delivered by each Loan Party and constitutes, and the Credit Agreement, as amended by this Second Amendment constitutes, its legal, valid and binding obligation, enforceable against each such Loan Party in accordance with its respective terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); and

(b) The representations and warranties of each Loan Party set forth in Article III of the Credit Agreement are true and correct in all material respects on and as of the Second Amendment Effective Date (immediately after giving effect to this Second Amendment); provided that (i) to the extent that a representation and warranty specifically refers to an earlier date, it shall be true and correct in all material respects as of such earlier date and (ii) any representation and warranty that is qualified as to "Material Adverse Effect" shall be true and correct in all respects on and as of the Second Amendment Effective Date or on such earlier date, as the case may be.

SECTION 3. Effects on Loan Documents. Except as specifically amended herein or contemplated hereby, all Loan Documents shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. The execution, delivery and effectiveness of this Second Amendment shall not operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of the Loan Documents or in any way limit, impair or otherwise affect the rights and remedies of the Lenders or the Administrative Agent under the Loan Documents. Each Revolving Borrower and each other Loan Party acknowledges and agrees that, on and after the Second Amendment Effective Date, this Second Amendment shall constitute a Loan Document for all purposes of the Amended Credit Agreement. On and after the Second Amendment Effective Date, each reference in the Amended Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Second Amendment, and this Second Amendment and the Credit Agreement as amended by this Second Amendment shall be read together and construed as a single instrument. Nothing herein shall be deemed to entitle the Revolving Borrowers or any other Loan Party to a further consent to, or a further waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement as amended by this Second Amendment or any other Loan Document in similar or different circumstances.

SECTION 4. Indemnification. Holdings and the Borrowers hereby confirm that the indemnification provisions set forth in Section 9.03 of the Credit Agreement as amended by this Second Amendment shall apply to this Second Amendment and the transactions contemplated hereby.

SECTION 5. Amendments; Severability.

(a) This Second Amendment may not be amended nor may any provision hereof be waived except pursuant to a writing signed by each of the parties hereto; and

(b) To the extent any provision of this Second Amendment is prohibited by or invalid under the applicable law of any jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity and only in such jurisdiction, without prohibiting or invalidating such provision in any other jurisdiction or the remaining provisions of this Second Amendment in any jurisdiction.

SECTION 6. Reaffirmation. Each of the Reaffirming Parties, as party to the Credit Agreement and certain of the Collateral Documents and the other Loan Documents, in each case as amended, supplemented or otherwise modified from time to time, hereby (i) acknowledges and agrees that all of its obligations under the Credit Agreement, the Collateral Documents and the other Loan Documents to which it is a party are reaffirmed and remain in full force and effect on a continuous basis, (ii) reaffirms (A) each Lien granted by it to the Administrative Agent or the Collateral Agent for the benefit of the Secured Parties and (B) any guaranties made by it pursuant to the Credit Agreement, (iii) acknowledges and agrees that the grants of security interests by it contained in the Collateral Documents shall remain, in full force and effect after giving effect to the Second Amendment, and (iv) agrees that the Obligations include, among other things and without limitation, the prompt and complete payment and performance by the Revolving Borrowers when due and payable (whether at the stated maturity, by acceleration or otherwise) of principal and interest on, and premium (if any) on, the Initial Revolving Loans, including for the avoidance of doubt the 2023 Incremental Revolving Loans, under the Credit Agreement as amended by this Second Amendment. Nothing contained in this Second Amendment shall be construed as substitution or novation of the obligations outstanding under the Credit Agreement or the other Loan Documents, which shall remain in full force and effect, except to any extent modified hereby.

SECTION 7. Collateral Agent. Each of the parties hereto acknowledges and agrees that Citibank., N.A., London Branch, in its capacity as collateral agent under the Credit Agreement (i) will serve as Collateral Agent under the Amended Credit Agreement and (ii) is a third party beneficiary with respect to this Second Amendment.

SECTION 8. Governing Law; Waiver of Jury Trial; Jurisdiction. This Second Amendment shall be governed by, and construed in accordance with, the law of the State of New York. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SECOND AMENDMENT, THE AMENDED CREDIT AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD

NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS SECOND AMENDMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. The other provisions of Sections 9.09 and 9.10 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*.

SECTION 9. Headings. Section headings in this Second Amendment are for convenience of reference only, are not part of this Second Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Second Amendment.

SECTION 10. Counterparts. This Second Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Second Amendment by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Second Amendment. The words “execution,” “signed,”, “delivery”, “signature,” and words of like import in this Second Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other state laws based on the Uniform Electronic Transactions Act, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

Revolving Borrowers:

ICON LUXEMBOURG S.À R.L., as the Lux Borrower and as a Revolving Borrower

By: /s/ Emer Lyons
Name: Emer Lyons
Title: Manager

PRA HEALTH SCIENCES, INC., as U.S. Borrower and as a Revolving Borrower

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham
Title: Secretary

SIGNED for and on behalf of
ICON CLINICAL RESEARCH LIMITED, as a Revolving Borrower, by its lawfully appointed attorney

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham

SIGNED for and on behalf of
ICON GLOBAL TREASURY UNLIMITED COMPANY, as a Revolving Borrower, by its lawfully appointed attorney

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham

ICON US HOLDINGS INC., as a Revolving Borrower

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham
Title: Secretary

Loan Parties:

SIGNED for and on behalf of
ICON PUBLIC LIMITED COMPANY
by its lawfully appointed attorney

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham

ICON CLINICAL INVESTMENTS, LLC, as the Lux U.S. Subsidiary Borrower

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham
Title: Secretary

SIGNED for and on behalf of
ICON HOLDINGS UNLIMITED COMPANY
by its lawfully appointed attorney

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham

SIGNED for and on behalf of
DOCS RESOURCING LIMITED
by its lawfully appointed attorney

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham

SIGNED for and on behalf of
ICON CLINICAL INTERNATIONAL UNLIMITED COMPANY
by its lawfully appointed attorney

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham

SIGNED for and on behalf of
ICON CLINICAL RESEARCH PROPERTY DEVELOPMENT (IRELAND) LIMITED
by its lawfully appointed attorney

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham

SIGNED for and on behalf of
ACCELLACARE LIMITED, by its lawfully appointed attorney

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham

SIGNED for and on behalf of
ICON OPERATIONAL HOLDINGS UNLIMITED COMPANY, by its lawfully appointed attorney

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham

SIGNED for and on behalf of
ICON OPERATIONAL FINANCING UNLIMITED COMPANY, by its lawfully appointed attorney

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham

SIGNED for and on behalf of
ICON INVESTMENTS FOUR UNLIMITED COMPANY
by its lawfully appointed attorney

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham

SIGNED for and on behalf of
ICON CLINICAL GLOBAL HOLDINGS UNLIMITED COMPANY
by its lawfully appointed attorney

By: /s/ Diarmaid Cunningham
Name: Diarmaid

BEACON BIOSCIENCE, INC.
ICON CLINICAL RESEARCH LLC
ICON LABORATORY SERVICES, INC.
PRICESPECTIVE LLC

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham
Title: Secretary

ICON EARLY PHASE SERVICES, LLC
MOLECULARMD CORP.
DOCS GLOBAL, INC.

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham
Title: Authorized Person

ACCELLACARE US INC.

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham
Title: Vice President

CLINICAL RESOURCE NETWORK, LLC
CRN HOLDINGS, LLC

By: /s/ Simon Hollywood
Name: Simon Hollywood
Title: Vice President

RESEARCH PHARMACEUTICAL SERVICES, INC.
SOURCE HEALTHCARE ANALYTICS, LLC
SYMPHONY HEALTH SOLUTIONS CORPORATION
PHARMACEUTICAL RESEARCH ASSOCIATES, INC.
PRA HOLDINGS, INC.
PRA INTERNATIONAL, LLC
RPS GLOBAL HOLDINGS, LLC
RPS PARENT HOLDINGS LLC
ROY RPS HOLDINGS LLC

By: /s/ Diarmaid Cunningham
Name: Diarmaid Cunningham
Title: Assistant Secretary

CITIBANK, N.A., as Administrative Agent, Swingline Lender, a 2023 Incremental Revolving Lender and a Revolving Lender

By: /s/ Adrian Bain
Name: Adrian Bain
Title: Director

BANCO SANTANDER, S.A., PARIS BRANCH, as 2023 Incremental Revolving Lender and a Revolving Lender

By: /s/ Louis L'Heureux
Name: Louis L'Heureux
Title: Managing Director

By: /s/ Matthew Thomas
Name: Matthew Thomas
Title: Executive Director

HSBC CONTINENTAL EUROPE, as 2023 Incremental Revolving Lender and a Revolving Lender

By: /s/ Thomas McDonagh
Name: Thomas McDonagh
Title: Director

By: /s/ Nigel Fallon
Name: Nigel Fallon
Title: Director

JPMORGAN CHASE BANK, N.A., LONDON BRANCH**,** as 2023 Incremental Revolving Lender and a Revolving Lender

By: /s/ Ursula Murphy
Name: Ursula Murphy
Title: Executive Director

MORGAN STANLEY SENIOR FUNDING, INC., as 2023 Incremental Revolving Lender and a Revolving Lender

By: /s/ Michael King
Name: Michael King
Title: Authorized Signatory

SCHEDULE 1

2023 Incremental Revolving Commitments

Name of 2023 Incremental Revolving Lender	**2023 Incremental Revolving Commitments ($)**	**Percentage**
Citibank, N.A.	$40,000,000.00	20%
Banco Santander, S.A., Paris Branch	$40,000,000.00	20%
HSBC Continental Europe	$40,000,000.00	20%
JPMorgan Chase Bank, N.A., London Branch	$40,000,000.00	20%
Morgan Stanley Senior Funding, Inc.	$40,000,000.00	20%
Total	**$200,000,000**	**100%**

SCHEDULE 2

SCHEDULE 2.01 – COMMITMENTS

Initial Revolving Commitments

Revolving Lender	Initial Revolving Commitments	Percentage
CITIBANK, N.A.	USD $100,000,000	20%
BANCO SANTANDER, S.A., PARIS BRANCH	USD $100,000,000	20%
HSBC CONTINENTAL EUROPE	USD $100,000,000	20%
JPMORGAN CHASE BANK, N.A., LONDON BRANCH	USD $100,000,000	20%
MORGAN STANLEY SENIOR FUNDING, INC.	USD $100,000,000	20%
Total	**USD $500,000,000**	**100%**