



ICON Q3 2021 Results

Period Ended September 30, 2021

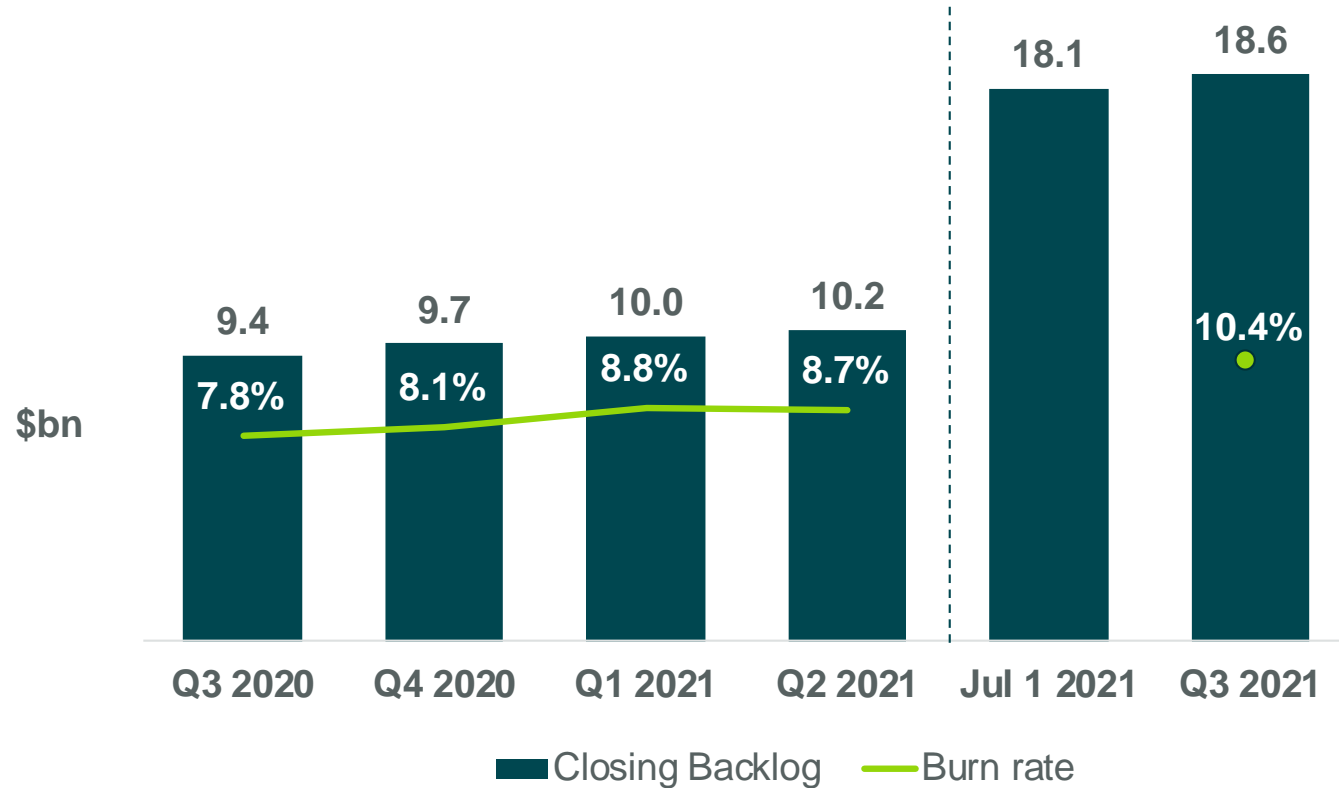
Dr. Steve Cutler, CEO
Brendan Brennan, CFO
Kate Haven, VP Investor Relations

Forward Looking Statement

Certain statements in today's call will be forward looking statements. 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 listeners are cautioned that forward looking statements are not guarantees of future performance. Forward-looking statements are 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. More information about the risks and uncertainties relating to these forward-looking statements may be found in SEC reports filed by the company.

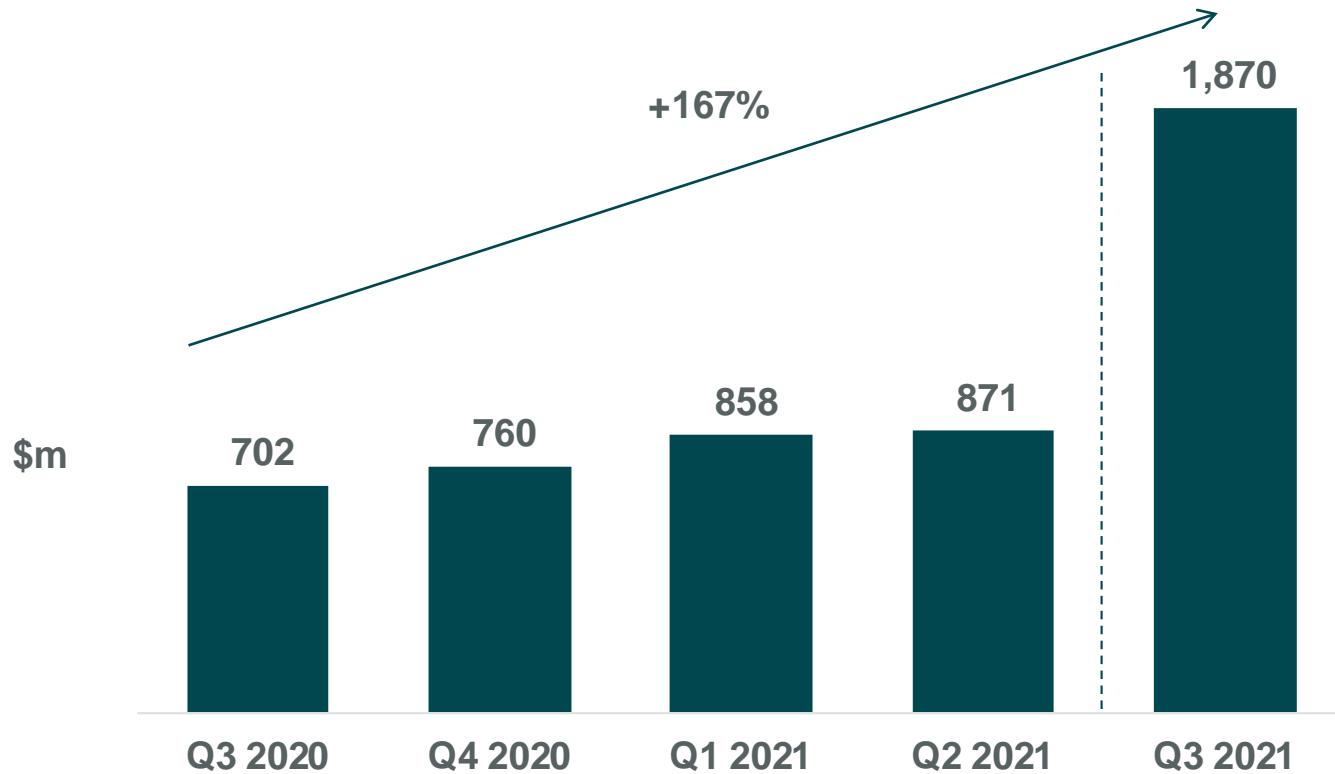
This presentation includes selected non-GAAP financial measures. For a presentation of the most directly comparable GAAP financial measures, please refer to the press release statement headed Condensed Consolidated Statements of Operations (Unaudited). Please refer to the Appendix of this presentation for reconciliations of Non-GAAP financial measures contained herein to the most directly comparable GAAP measures. To assist investors and analysts with year-over-year comparability for the merged business, we have included Combined Company information. These measures include financial information that combines the stand-alone ICON plc and PRA Health Sciences, Inc. information for revenue and Adjusted EBITDA, and other metrics as if the merger had taken place on January 1, 2020, with conforming adjustments to the current year presentation. Specifically, these financials represent the simple addition of the historical adjusted financials of each company. These combined financials are not intended to represent pro forma financial statements prepared in accordance with GAAP or Regulation S-X. While non-GAAP financial measures are not superior to or a substitute for the comparable GAAP measures, we believe certain non-GAAP information is more useful to investors for historical comparison purposes.

Backlog Metrics



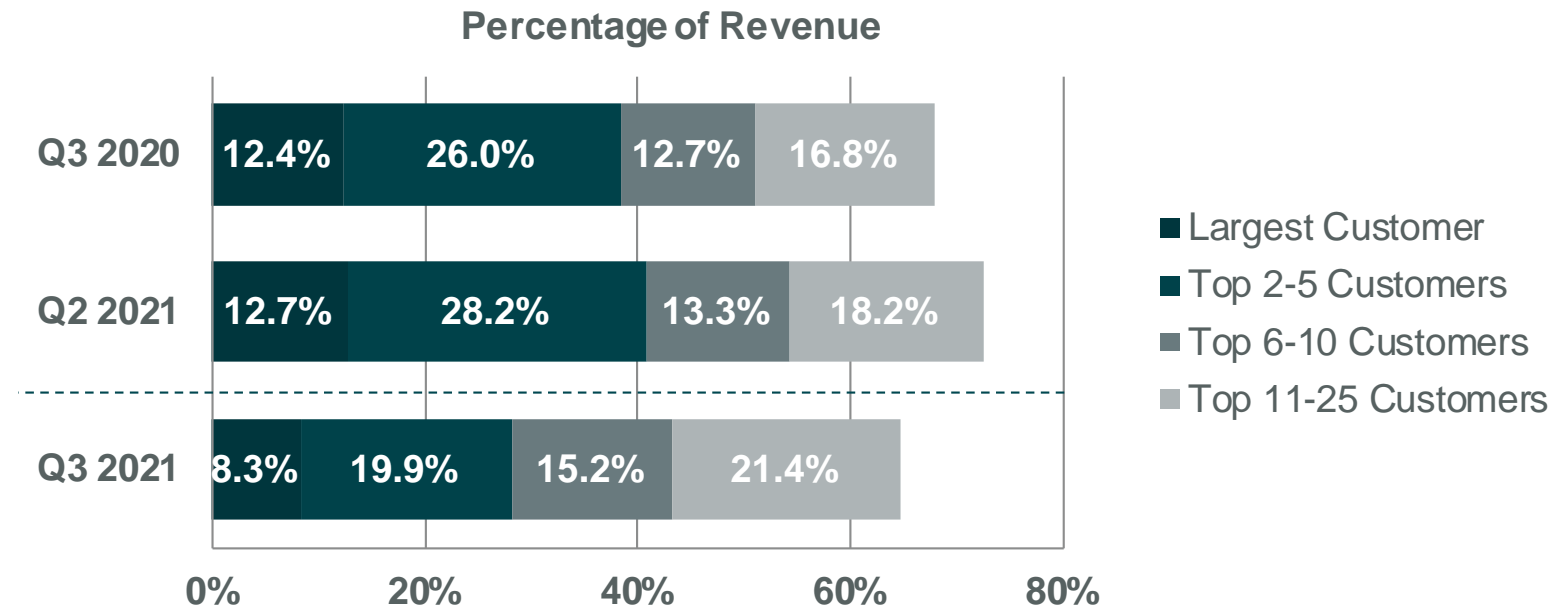
Note: Pre July 1 2021 comparisons are for Legacy ICON only

Revenue



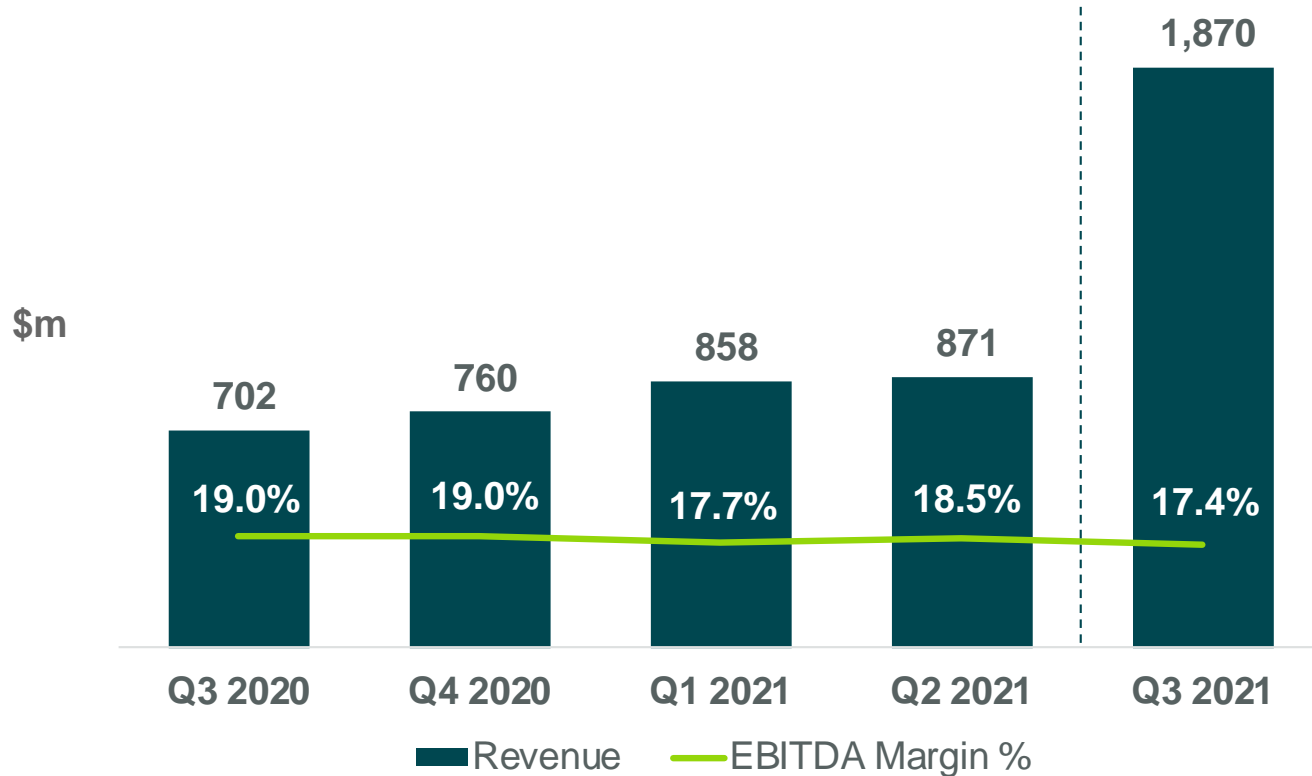
Note: Comparisons are for Legacy ICON only

Client Concentration



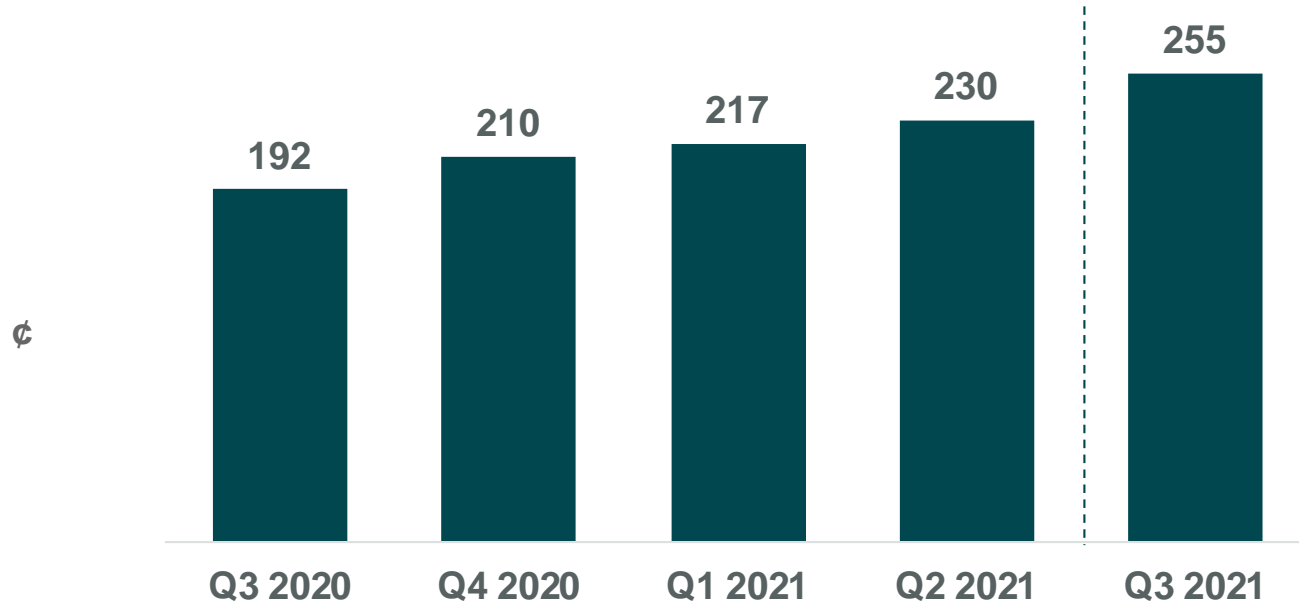
Note: Comparisons are for Legacy ICON only

EBITDA Margin



Notes: (a) Comparisons are for Legacy ICON only
(b) All values exclude amortization, stock compensation, restructuring, FX and transaction-related / integration-related costs

Earnings per Share attributable to the Group



- Notes:
- (a) Comparisons are for Legacy ICON only
 - (b) All values exclude amortization, stock compensation, restructuring, FX and transaction-related / integration-related costs

Balance Sheet and Cash Flow

\$m (unless otherwise stated)	Q3 2021 30-Sept-21	Q2 2021 30-Jun-21	Q3 2020 30-Sept-20
Cash	1,010.2	1,057.2	709.7
Total Debt	(5,927.9)	(350.0)	(349.9)
Net (Debt) / Cash	(4,917.6)	707.2	359.8
Cash from Operating Activities	299.0	128.4	112.0
Capital Expenditure	24.4	12.9	6.9
DSO (days)	26	43	64

Notes: (a) Comparisons (Q2 2021 and Q3 2020) are for Legacy ICON only
(b) Cash includes Cash and Cash Equivalents and Available for Sale Investments
(c) DSO presented on a comparable basis

Updated FY 2021 Guidance

	Current Guidance	Previous Guidance	% increase
Revenue	\$5,430m - \$5,530m	\$5,300m - \$5,500m	+2.5% - +0.5% <i>+1.5% at midpoint</i>
Adjusted EPS	\$9.55 - \$9.75	\$9.10 - \$9.50	+4.9 - +2.6% <i>+3.8% at midpoint</i>

Adjusted earnings per share excludes amortization, stock compensation, FX and transaction-related / integration-related costs

Key Financial Targets



Long-term Growth Targets

- Revenue CAGR: high single digits
- Adj. EBITDA CAGR: low-teens
- Adj. EPS CAGR: mid-teens +

Leverage

- Target of <math><2.5\times</math> net debt / Adj. EBITDA by end of 2023

Cost & Revenue Synergies

- \$150mm run-rate cost synergies fully realized in ~4 years
- Estimated \$100mm run-rate revenue synergies fully realized in ~4 years

Tax Outlook

- To be revised with issued 2022 guidance

Appendices

Reconciliation of Non-GAAP Measures (Revenue & EBITDA)

<i>\$m except share and per share data</i>	2020					2021			Nine months ended	
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	September 30, 2020	September 30, 2021
Adjusted revenue										
Revenue, as reported	715.1	620.2	701.7	760.2	2,797.3	858.2	871.2	1,866.4	2,037.1	3,595.7
Acquisition related deferred revenue adjustment ^(a)								4.0		4.0
Adjusted revenue	715.1	620.2	701.7	760.2	2,797.3	858.2	871.2	1,870.4	2,037.1	3,599.7
Adjusted EBITDA										
Net income/(loss) attributable to the Group	91.7	47.8	91.6	101.2	332.3	97.1	73.9	(94.3)	231.1	76.7
Net income/(loss) attributable to non-controlling interest	0.6	-	-	-	0.6	-	-	-	0.6	-
Share of equity method investments	-	-	0.1	0.3	0.4	0.3	0.5	0.7	0.1	1.5
Provision for income taxes	12.6	6.4	13.7	15.2	47.9	16.1	14.1	(3.6)	32.7	26.7
Net interest expense ^(b)	1.4	2.8	3.0	3.2	10.3	2.5	24.4	102.3	7.1	129.1
Depreciation and amortization	16.3	15.9	16.8	17.1	66.1	17.4	17.3	140.6	49.0	175.3
Stock-based compensation expense ^(c)	6.6	7.5	7.3	6.4	27.8	6.8	8.8	26.4	21.4	42.0
Foreign currency losses (gains), net ^(d)	3.0	1.3	0.6	1.0	6.0	(1.1)	1.9	(7.2)	5.0	(6.3)
Restructuring ^(e)	-	18.1	-	-	18.1	-	-	6.2	18.1	6.2
Acquisition related deferred revenue adjustment ^(a)	-	-	-	-	-	-	-	4.0	-	4.0
Transaction-related / integration-related costs ^(f)	(0.9)	0.0	0.4	(0.3)	(0.8)	12.5	20.0	149.8	(0.5)	182.3
Adjusted EBITDA	131.4	99.8	133.5	144.1	508.8	151.7	160.9	324.9	364.6	637.4
<i>Adjusted EBITDA Margin %</i>	18.4%	16.1%	19.0%	19.0%	18.2%	17.7%	18.5%	17.4%	17.9%	17.7%

Reconciliation of Non-GAAP Measures (Net Income & EPS)

<i>\$m except share and per share data</i>	2020				FY 2020	2021			Nine months ended	
	Q1 2020	Q2 2020	Q3 2020	Q4 2020		Q1 2021	Q2 2021	Q3 2021	September 30, 2020	September 30, 2021
Adjusted net income attributable to the Group and adjusted diluted net income per Ordinary Share attributable to the Group										
Net income attributable to the Group	91.7	47.8	91.6	101.2	332.3	97.1	73.9	(94.3)	231.1	76.7
Provision for income taxes	12.6	6.4	13.7	15.2	47.9	16.1	14.1	(3.6)	32.7	26.7
Amortisation	4.9	4.6	4.9	4.8	19.2	4.7	4.1	115.9	14.4	124.6
Stock-based compensation expense ^(c)	6.6	7.5	7.3	6.4	27.8	6.8	8.8	26.4	21.4	42.0
Foreign currency losses (gains), net ^(d)	3.0	1.3	0.6	1.0	6.0	(1.1)	1.9	(7.2)	5.0	(6.3)
Restructuring ^(e)	-	18.1	-	-	18.1	-	-	6.2	18.1	6.2
Acquisition related deferred revenue adjustment ^(a)	-	-	-	-	-	-	-	4.0	-	4.0
Transaction-related / integration-related costs ^(f)	(0.9)	0.0	0.4	(0.3)	(0.8)	12.5	20.0	149.8	(0.5)	182.3
Transaction-related financing costs ^(g)						0.4	22.1	55.8	-	78.3
Adjusted tax expense ^(h)	(15.0)	(10.7)	(16.1)	(16.7)	(58.5)	(20.9)	(22.0)	(43.1)	(41.8)	(86.0)
Adjusted net income attributable to the Group	103.0	75.0	102.4	111.7	392.1	115.7	122.9	209.8	280.4	448.4
Diluted weighted average number of Ordinary Shares outstanding	53,905,022	53,028,567	53,194,327	53,291,849	53,283,585	53,310,453	53,381,501	82,293,287	53,283,680	63,095,857
Adjusted diluted net income per Ordinary Share attributable to the Group	1.91	1.42	1.92	2.10	7.36	2.17	2.30	2.55	5.26	7.11

Note: Earnings per share for the quarters may not add to the amounts for year to date or full year, as each period is computed on a discrete basis.

Reconciliation of Non-GAAP Measures Combined Company

<i>\$m except share and per share data</i>	2020					2021			Nine months ended	
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	September 30, 2020	September 30, 2021
Combined Company adjusted revenue										
Revenue, as reported	715.1	620.2	701.7	760.2	2,797.3	858.2	871.2	1,866.4	2,037.1	3,595.7
Pre-merger PRA Health Sciences Revenue	783.7	729.9	796.3	873.5	3,183.4	933.8	1,047.4	-	2,309.9	1,981.2
Combined Company Revenue, before adjustments	1,498.8	1,350.1	1,498.0	1,633.7	5,980.7	1,792.0	1,918.6	1,866.4	4,347.0	5,576.9
Acquisition related deferred revenue adjustment ^(a)								4.0		4.0
Combined Company adjusted revenue	1,498.8	1,350.1	1,498.0	1,633.7	5,980.7	1,792.0	1,918.6	1,870.4	4,347.0	5,580.9
Combined adjusted EBITDA										
Net income/(loss) attributable to the Group, as reported	91.7	47.8	91.6	101.2	332.3	97.1	73.9	(94.3)	231.1	76.7
Pre-merger PRA Health Sciences Net income attributable to the Group	40.7	13.9	91.3	51.3	197.0	56.9	71.1	-	145.8	128.0
Combined Company Net income/(loss) attributable to the Group	132.4	61.6	182.9	152.5	529.4	154.1	144.9	(94.3)	376.9	204.7
Net income/(loss) attributable to non-controlling interest	0.6	-	-	-	0.6	-	-	-	0.6	-
Share of equity method investments	-	-	0.1	0.3	0.4	0.3	0.5	0.7	0.1	1.5
Provision for income taxes	29.5	13.5	26.8	40.1	109.8	35.8	1.1	(3.6)	69.7	33.4
Net interest expense ^(b)	14.9	14.7	13.7	10.7	53.9	7.7	29.0	102.3	43.2	139.0
Depreciation and amortization	48.6	48.3	50.1	50.7	197.8	50.0	50.5	140.6	147.1	241.1
Stock-based compensation expense ^(c)	22.1	23.4	26.6	25.2	97.2	25.6	27.5	26.4	72.0	79.5
Foreign currency losses (gains), net ^(d)	(4.8)	12.1	9.7	14.5	31.5	(13.4)	8.0	(7.2)	17.0	(12.6)
Restructuring ^(e)	-	18.1	-	-	18.1	-	-	6.2	18.1	6.2
Acquisition related deferred revenue adjustment ^(a)	-	-	-	-	-	-	-	4.0	-	4.0
Transaction-related / integration-related costs ^(f)	0.5	0.4	(44.3)	1.2	(42.2)	25.9	43.4	149.8	(43.4)	219.2
Combined Company adjusted EBITDA	243.7	192.2	265.5	295.0	996.4	285.9	305.1	324.9	701.4	915.8
<i>Combined Company adjusted EBITDA Margin %</i>	<i>16.3%</i>	<i>14.2%</i>	<i>17.7%</i>	<i>18.1%</i>	<i>16.7%</i>	<i>16.0%</i>	<i>15.9%</i>	<i>17.4%</i>	<i>16.1%</i>	<i>16.4%</i>

Q3 2021 Adjusted Net Income Reconciliation

<i>\$m except share and per share data</i>	Q3 2021		
	GAAP	Adjustments	Non-GAAP
Revenue ^(a)	1,866.4	4.0	1,870.4
Costs and expenses:			
Direct costs (excluding depreciation and amortization) ^(c)	1,357.9	(8.8)	1,349.2
Selling, general and administrative expense ^{(c),(d)}	206.7	(10.4)	196.3
Depreciation and amortization	140.6	(115.9)	24.8
Transaction and integration-related expenses ^(f)	149.8	(149.8)	-
Restructuring ^(e)	6.2	(6.2)	-
Total costs and expenses	1,861.2	(291.0)	1,570.2
Income from operations	5.1	295.0	300.1
Interest income	0.1	-	0.1
Interest expense ^{(b),(g)}	(102.3)	55.8	(46.5)
Net interest expense ^{(b),(g)}	(102.3)	55.8	(46.5)
(Loss) income before provision for income taxes	(97.1)	350.8	253.6
Benefits arising/(provision) for income taxes ^(h)	3.6	(46.7)	(43.1)
(Loss) income before share of earnings from equity method investments	(93.6)	304.1	210.5
Share of equity method investments	(0.7)	-	(0.7)
Net (loss) income	(94.3)	304.1	209.8
Net income attributable to noncontrolling interest	-	-	-
Net (loss) income attributable to the Group	(94.3)	304.1	209.8
Diluted weighted average number of Ordinary Shares outstanding ⁽ⁱ⁾	80,771,397		82,293,287
Net (loss) income per Ordinary Share attributable to the Group	(1.17)		2.55

Reconciliation of Non-GAAP Measures Notes

- a) Acquisition related deferred revenue adjustment represents non-cash adjustments resulting from the revaluation of deferred revenue and the subsequent charge to revenue in connection with business combinations.
- b) Net Interest expense includes losses on modification or extinguishment of debt.
- c) Stock-based compensation expense represents the amount of recurring non-cash expense related to the Company's equity compensation programs.
- d) Foreign currency losses (gains), net relates to gains or losses that arise in connection with the revaluation of non-US dollar denominated assets and liabilities. We exclude these gains and losses from adjusted EBITDA and adjusted net income because fluctuations from period-to-period do not necessarily correspond to changes in our operating results.
- e) Restructuring charges incurred relate to charges incurred in connection with the termination of leases at locations that are no longer being used and amounts incurred in connection with the elimination of redundant positions within the organization.
- f) Transaction-related / integration-related costs include expenses associated with our acquisitions, share-based compensation expense related to the acceleration of share-based compensation awards and replacement share-based awards, contingent consideration valuation adjustments, and any other costs incurred directly related to the integration of these acquisitions.
- g) Transaction-related financing costs includes costs incurred in connection with changes to our long-term debt and amortization of financing fees. We exclude these costs from Adjusted EBITDA and Adjusted Net Income because they result from financing decisions rather than from decisions made related to our ongoing operations.
- h) Represents the tax effect of adjusted pre-tax income at our estimated effective tax rate.
- i) Share count used for GAAP Condensed Consolidated Statements of Operations reflects the basic share count because the Group is in a net loss for the 3 months ended September 30, 2021.

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