



A Symbol of Excellence

# ICON plc

UBS Global Healthcare

Mr Brendan Brennan

Chief Financial Officer, ICON Plc

21<sup>st</sup> May 2014

# Forward Looking Statement

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Certain statements will be forward looking statements. 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. The company's filings with the Securities and Exchange Commission discuss the risks and uncertainties associated with the company's business.

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 Consolidated Income Statements (Unaudited) (US GAAP). 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.

# ICON: A Market leader positioned for continued growth



# Our History

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- Founded 1990 Dublin, Ireland
- Listed on NASDAQ (1998)
- In 1998
  - \$40M Revenue
  - 560 Employees
  - 11 offices in 8 countries
  - Phase II-III services



# Well positioned for the future: ICON 2014

- **Global Scale**

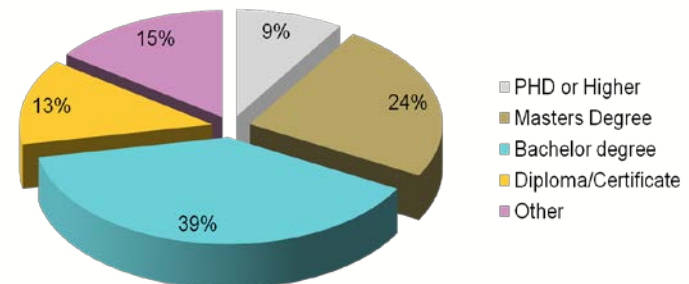
- c\$1.5bn revenue (midpoint FY 14 guidance)
- 97 offices in 38 countries
- Strong and growing in emerging markets

- **Competitively Positioned**

- Deep customer relationships
- Full service portfolio early phase to commercialisation
- Global Site and patient networks
- Innovation reducing development time and cost
- Global business model leveraging support costs

- **Depth of Talent**

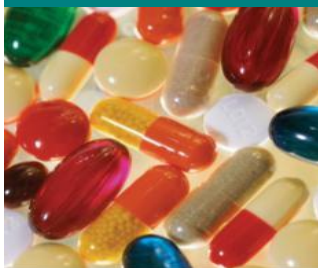
- Experienced management team
- High quality and highly educated staff
- Therapeutically aligned expertise
- Medical & Scientific Networks





# Delivering through integrated global services

## Early Phase Services



- Early Phase Clinical
- Scientific Services

## Clinical Research Services



- Phase II-III Clinical trials
- Clinical & Data Operations
- Study Start Up
- Project Management & Feasibility
- Clinical Risk Management
- Scientific Operations
- Technology Solutions;
  - Medical Imaging
  - ICONIK
  - Firecrest

## Commercialisation & Outcomes



- Peri-approval & Observational Research
- Pricing & Market Access
- Health Economics
- Patient Reported Outcomes
- Epidemiology
- Electronic Clinical Outcomes
- Language Services

## Laboratory Services



- Global central laboratory dedicated to clinical trials
- Bioanalytical laboratory
- Biomarker Development

## Resourcing & FSP Services



- Contract and permanent resourcing solutions
- Functional resourcing
- Executive Search
- Training & Development

**Global site and investigator networks**

# The Market Opportunity



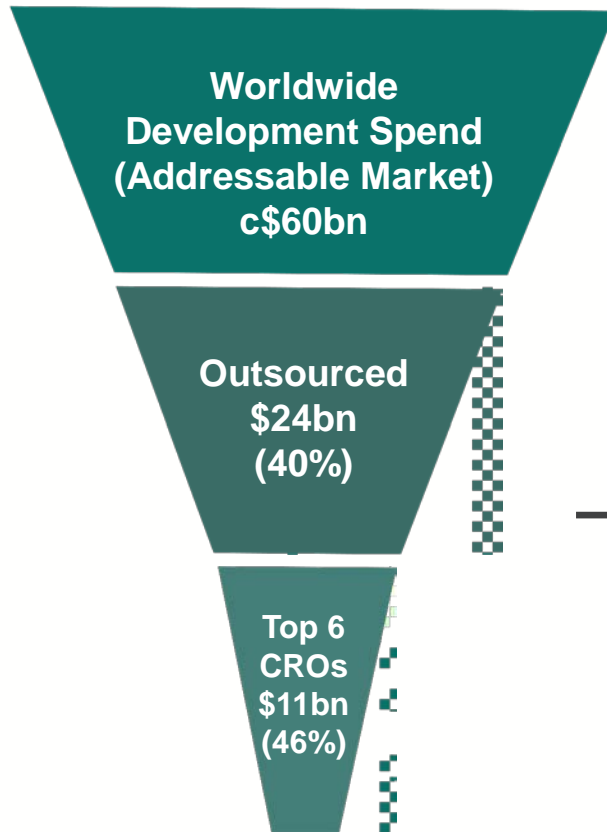
# Current Market forces.





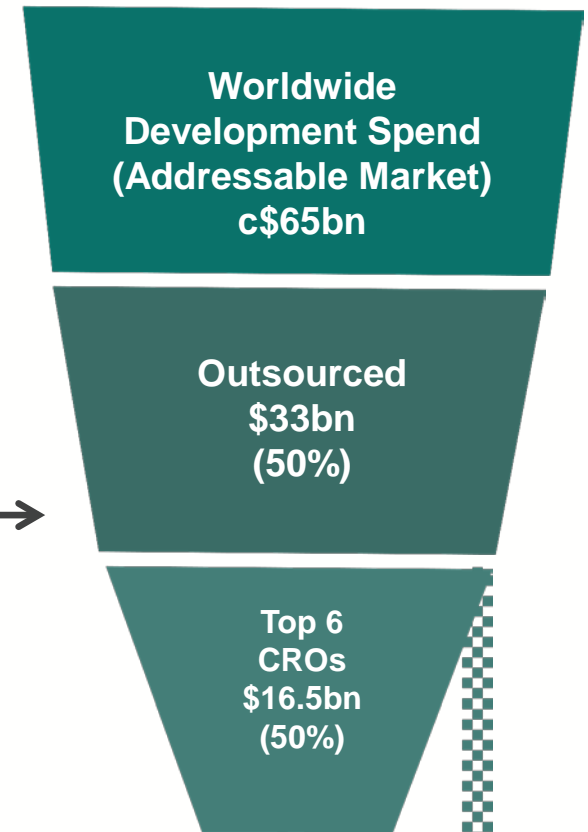
# Drivers of Market Growth

## Global Biopharma Outsourcing Current Estimate

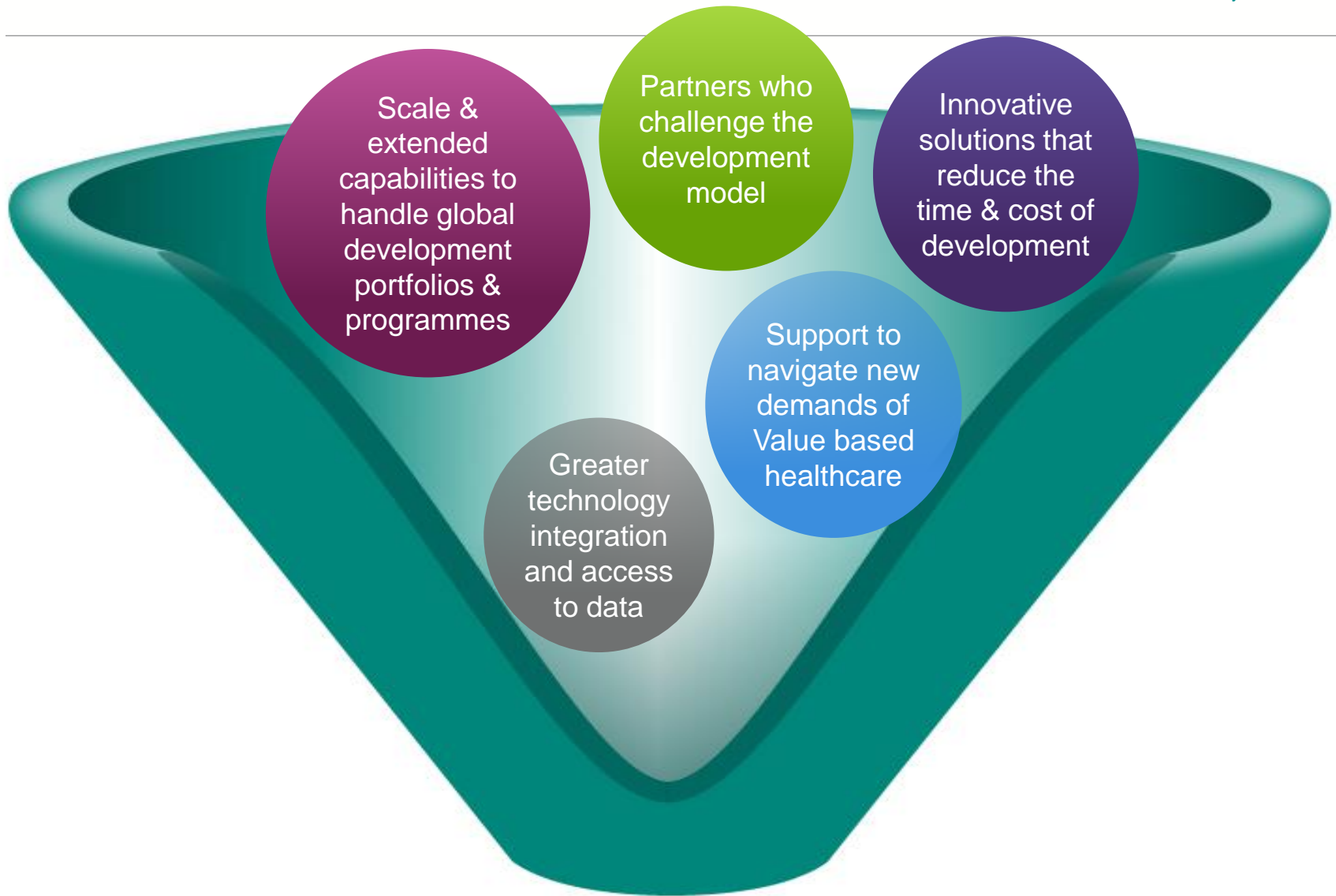


*Customers seeking innovative ways to reduce time and cost of development cycle*

## Global Biopharma Outsourcing Future Estimate

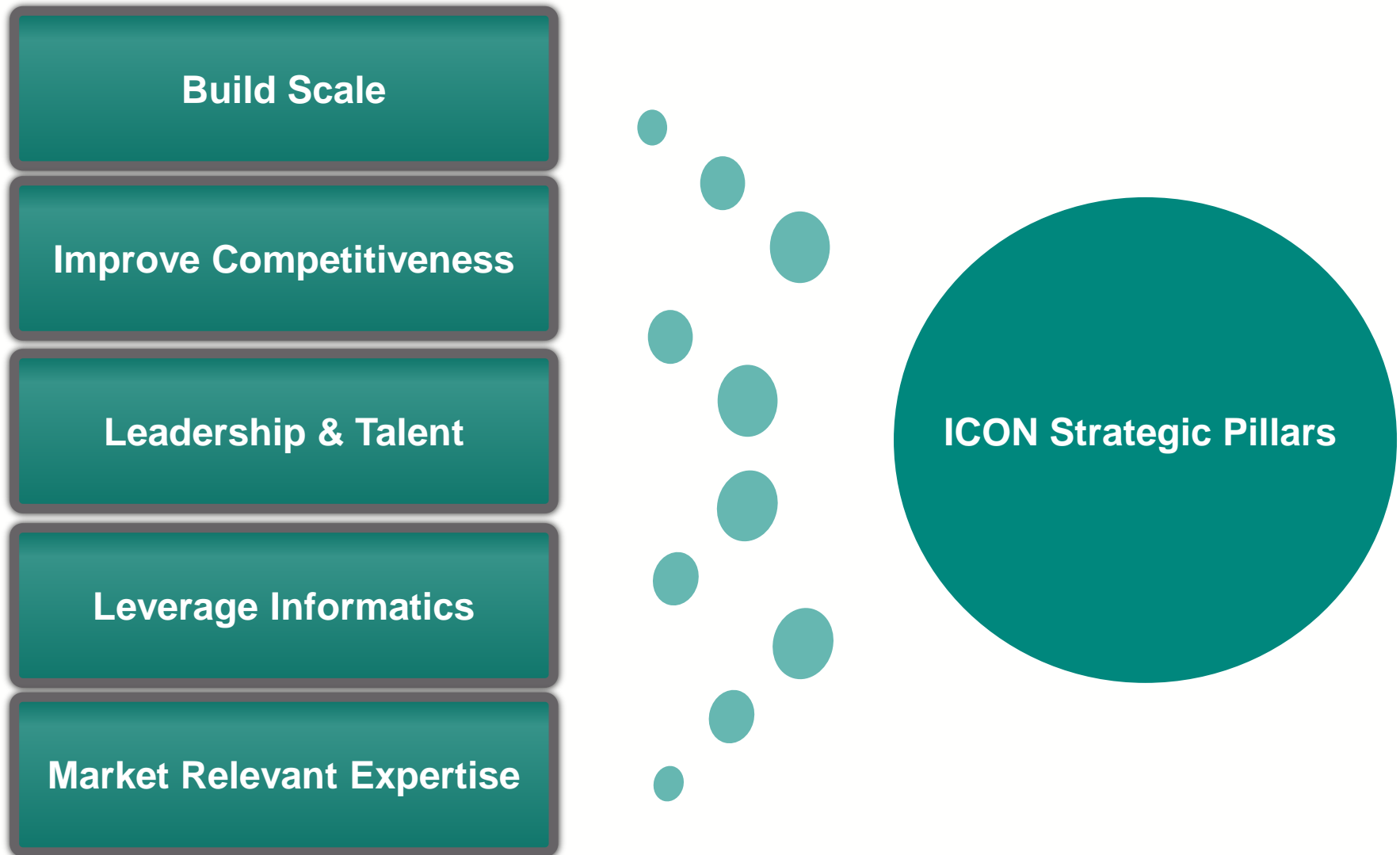


# Customer expectations have changed



**TRUSTED PARTNER**

# ICON Strategy supports this evolution



**We are executing well against this strategy**

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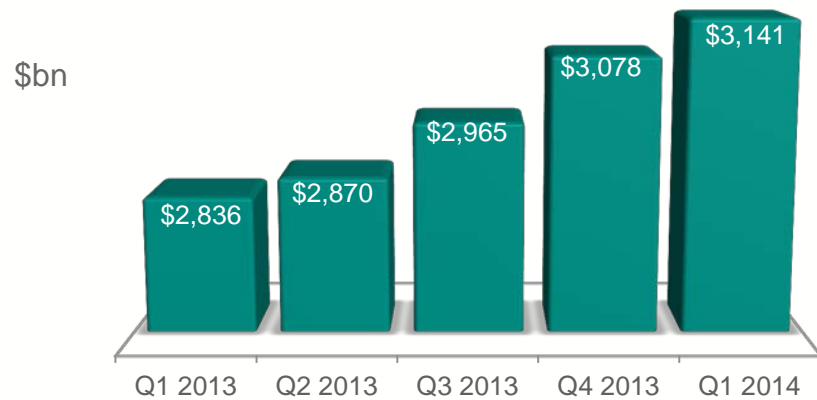
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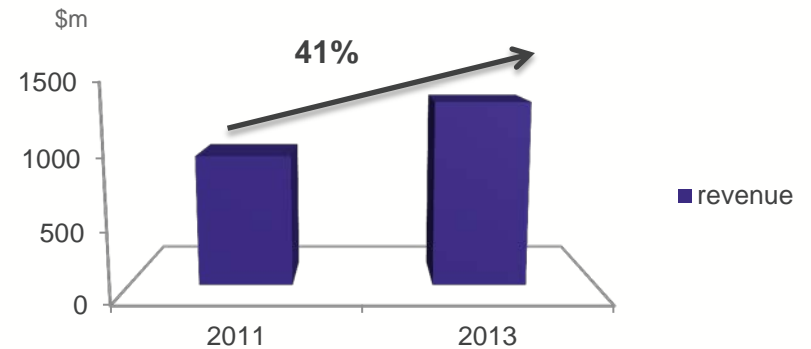


# Building Scale: Organic growth and targeted M&A

## Backlog Growth



## Revenue Growth



## Footprint Expansion



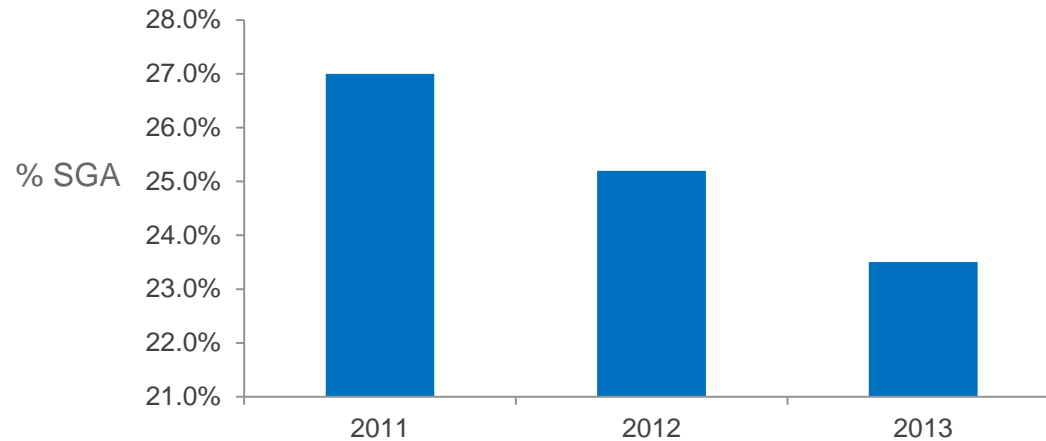
## Targeted M &A



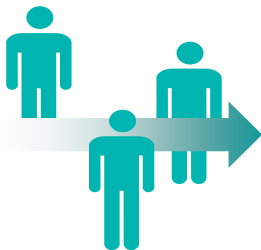


# Improving competitiveness

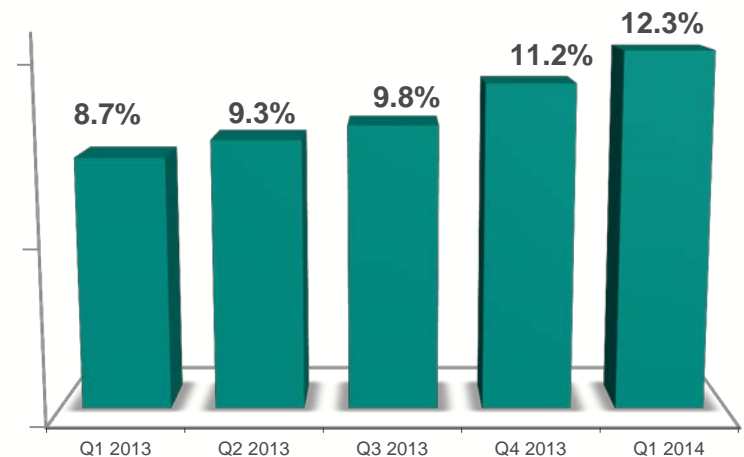
## Global Business Model – leveraging SG&A



## Flat efficient structure



## Operating Margin Improvement



# Developing our Leadership and Talent

## Staff Development



## Career Frameworks



## Attracting Talent: *ICON/UCD Graduate Certificate in Clinical Research*



## Overall reduction in staff turnover





- Risk Based Monitoring
- Safety Signals
- Labs Data



Increasing Firecrest Adoption

## ADDPLAN®

Adaptive Trial Software

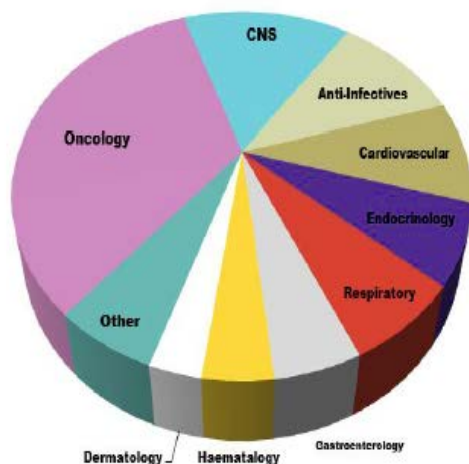
ICON Chair of  
Data Analytics



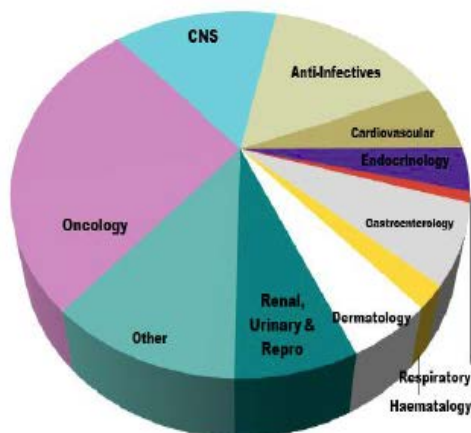
Market leading imaging technology

## Continued enhancement of TA Expertise

Drugs in Development by Indication (#compounds)



ICON Backlog by Indication (US\$)



## Targeted M&A in areas of customer need



Agreement Signed 29TH March,  
Deal Closed May 7th

- **What do they bring**
  - **Adaptive trials:** 160+ adaptive trials, innovation centre, adaptive trial methodologies , proprietary software used by FDA, EMA & PMDA
  - **Japan:** Niphix -oncology focused
  - **Medical Devices:** 11 of top 20 device companies, 600+ device trials
  - **Mid-tier and biotech customers**

Initial conversations with  
ICON customers positive





# Creating value as a trusted partner

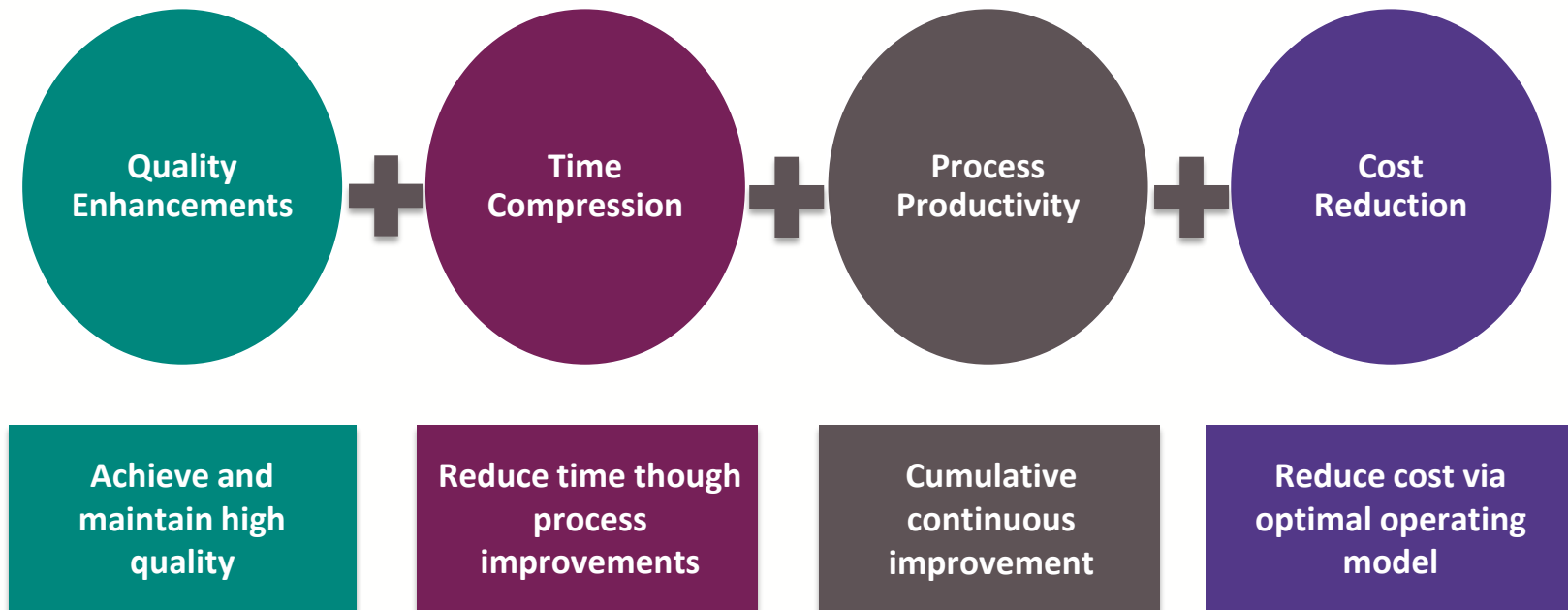
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# Where is this value coming from ?

- Operating efficiencies, productivity gains as partnerships deepen & evolve*



# Where is this value coming from ?

- Innovations, expertise that enhances the overall development process, examples;*

**Adaptive Trials**

**Patient Centric  
(Adaptive) Monitoring**

**Demonstrating *Proof  
of Value***

- Enabled by market leading technologies*



**ADDPLAN®**

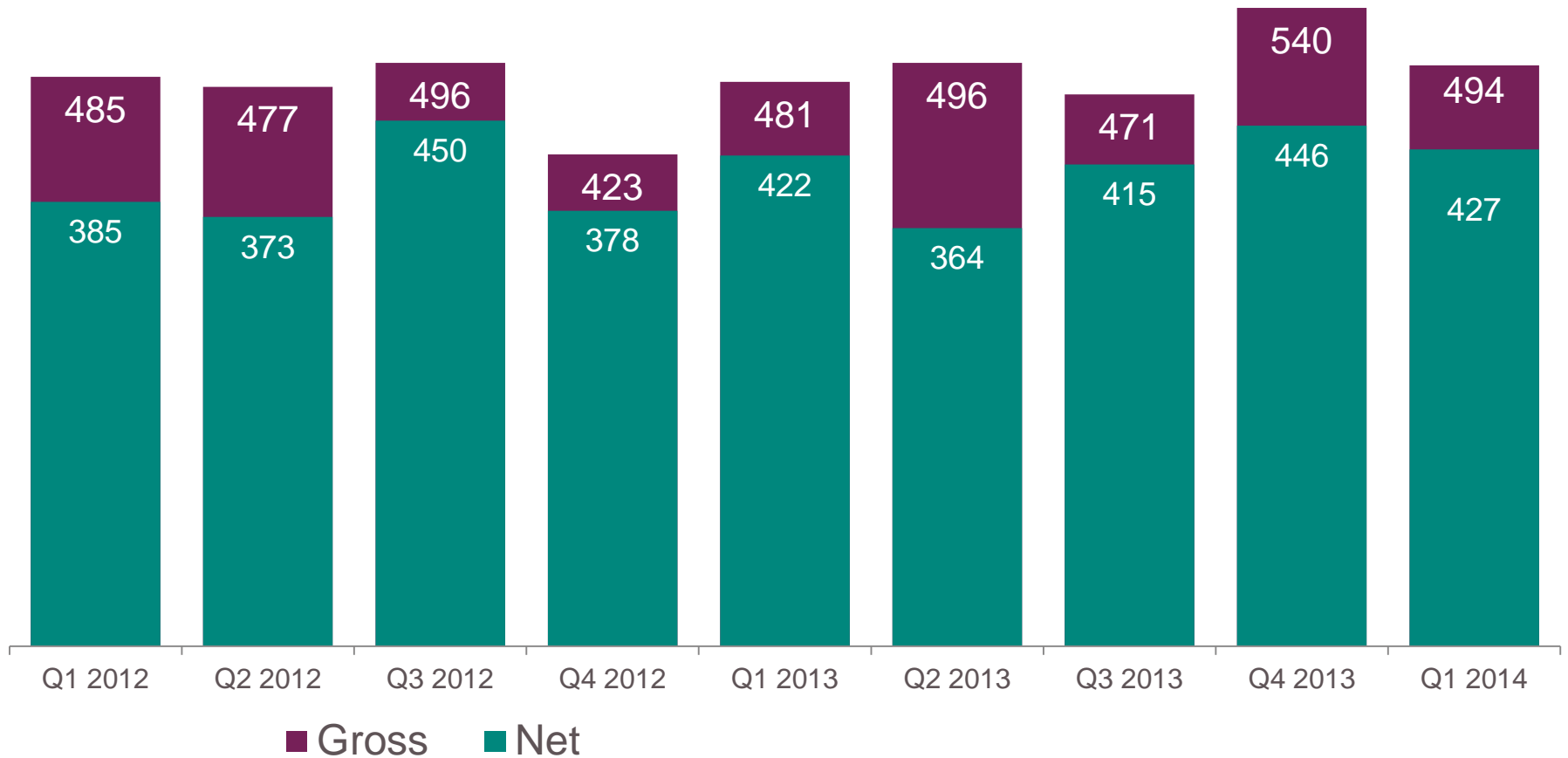


**Our strategy is delivering: Financial Performance**



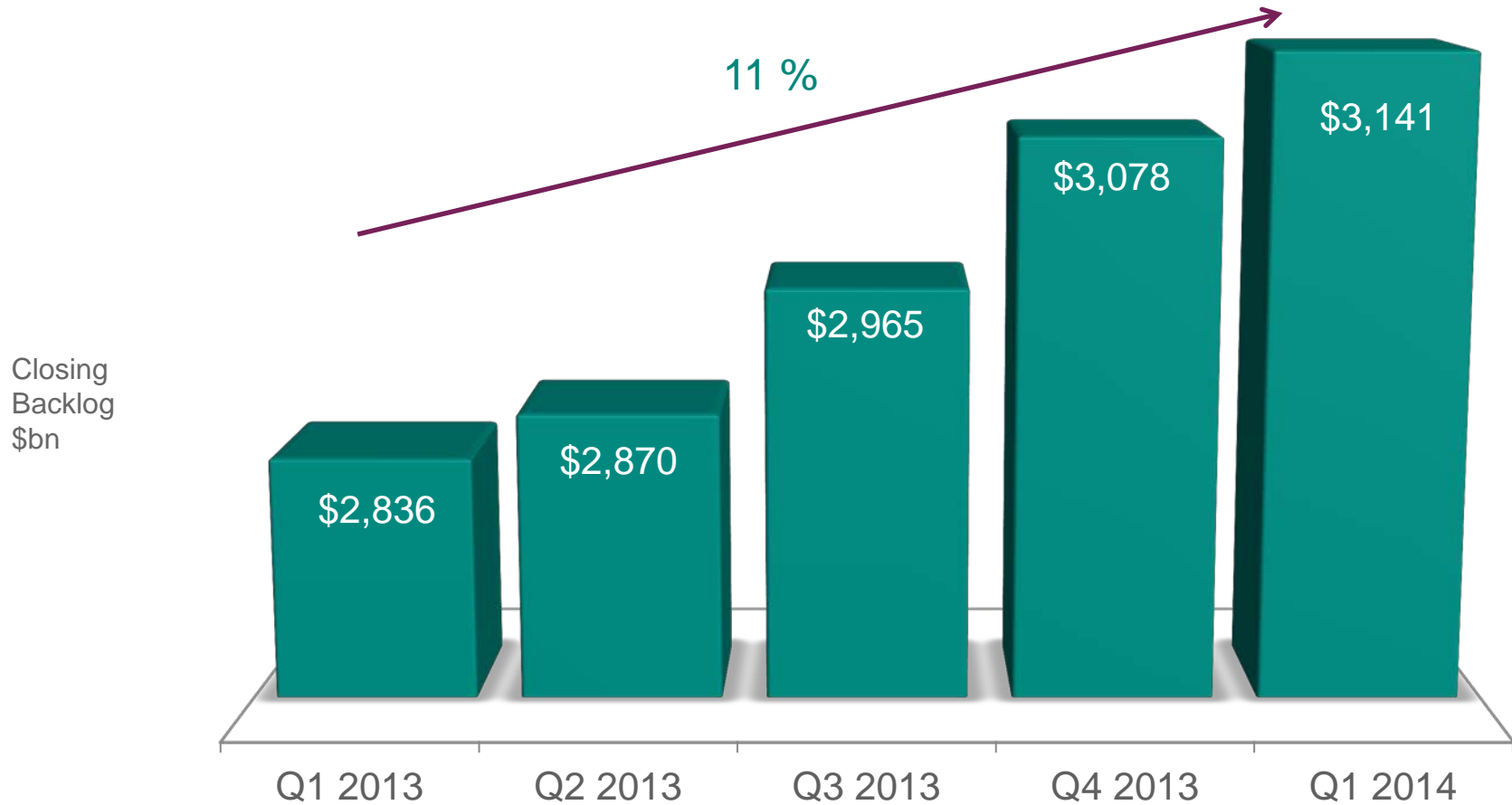
# New Business Wins

Trailing 12mth Net book to bill 1.22x

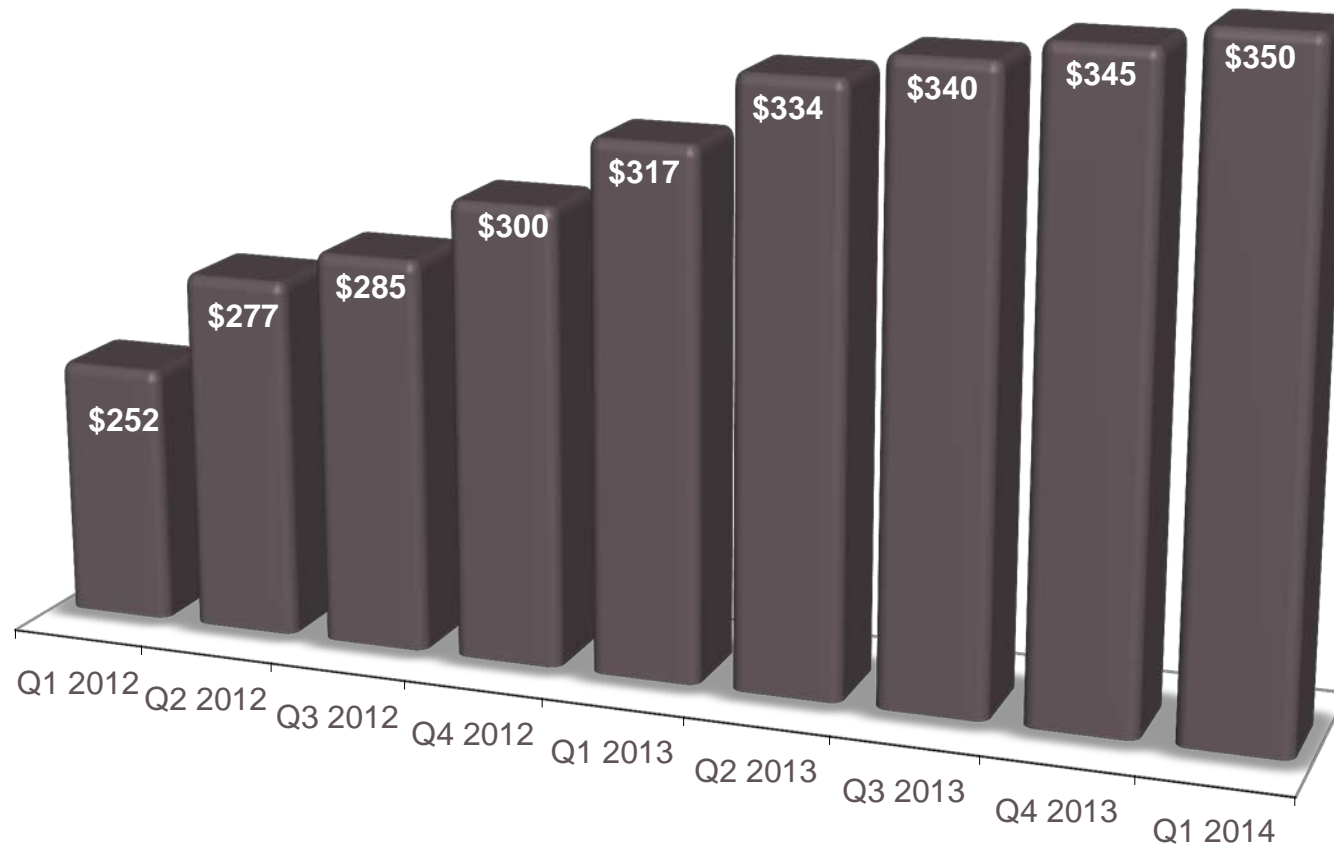




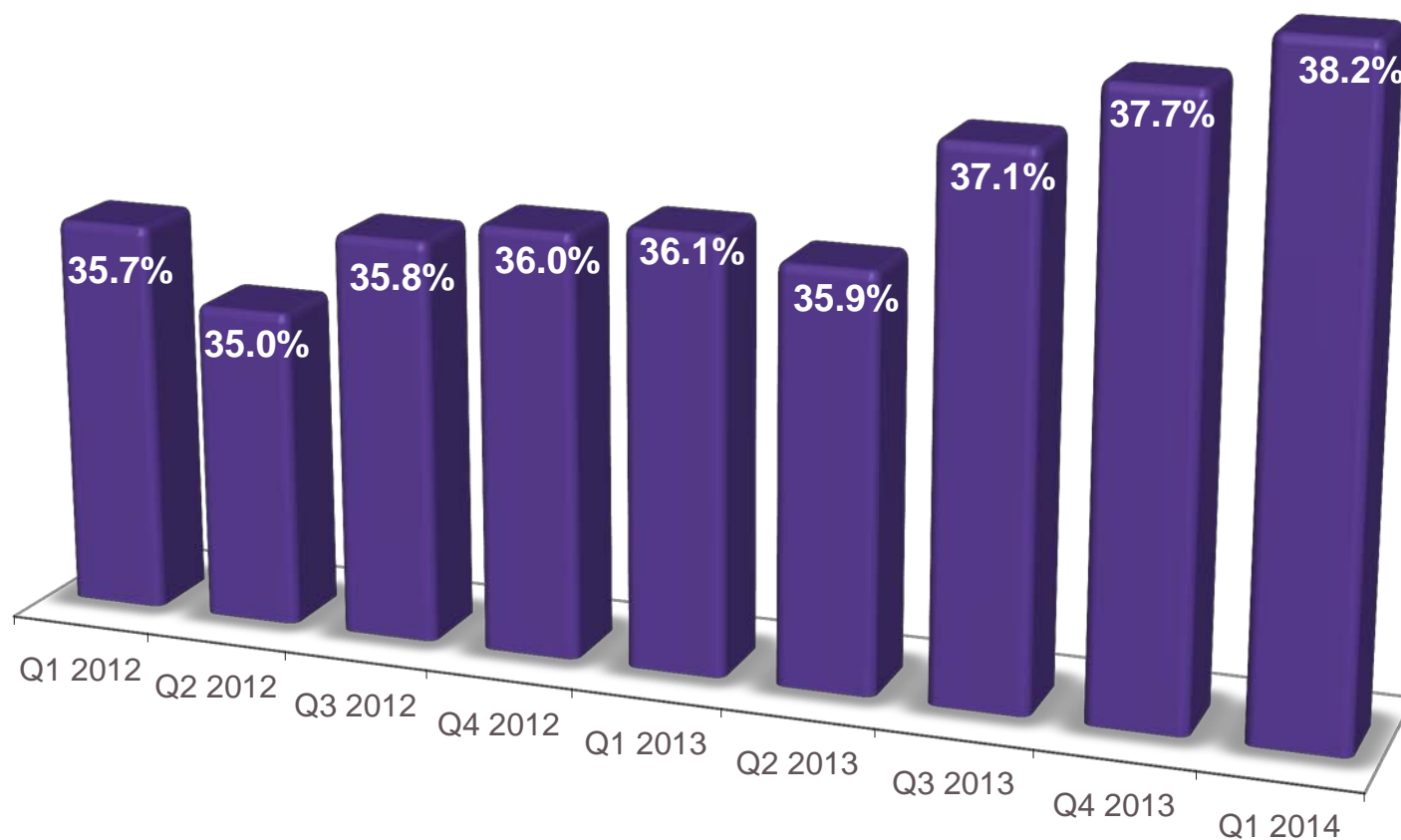
# Backlog Growth



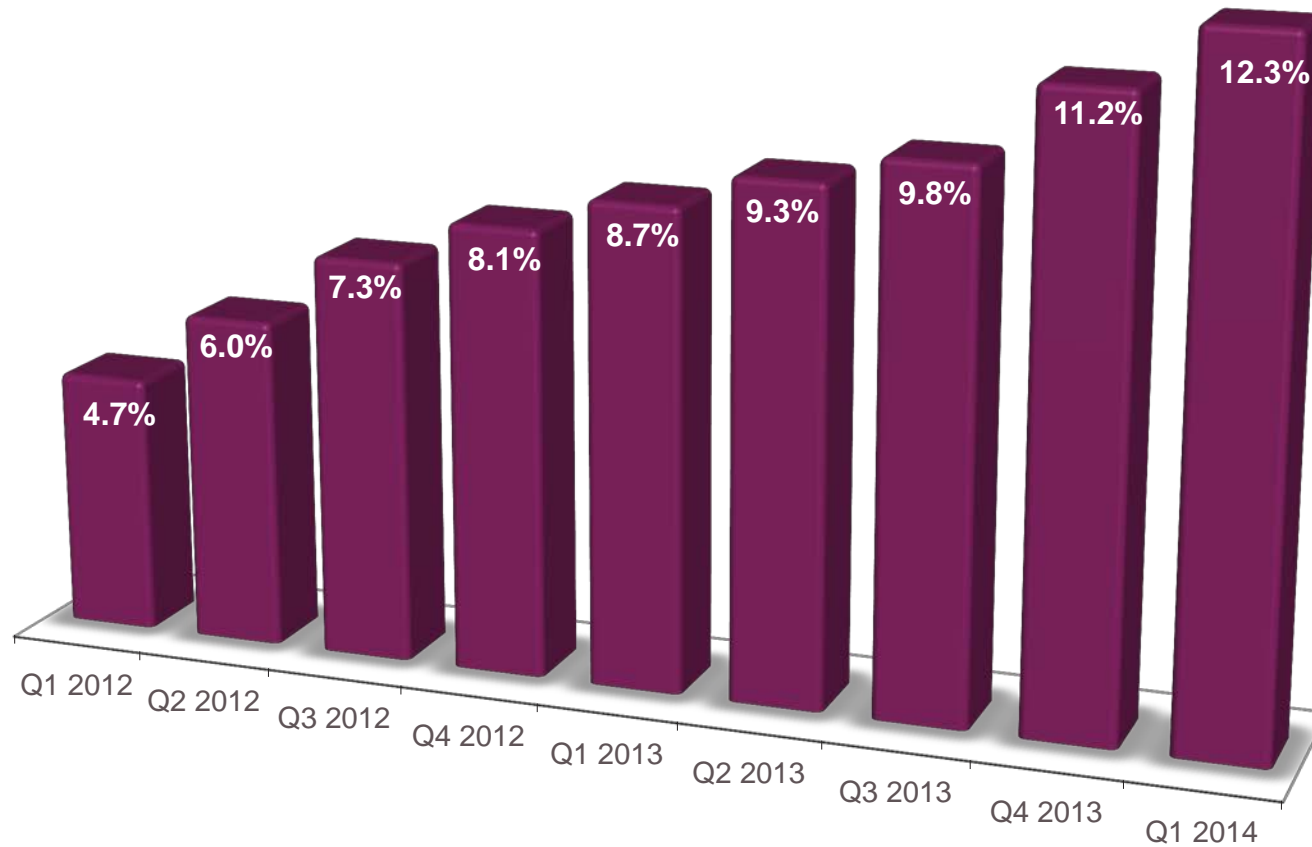
# Net Revenue Growth



# Gross Margin Expansion

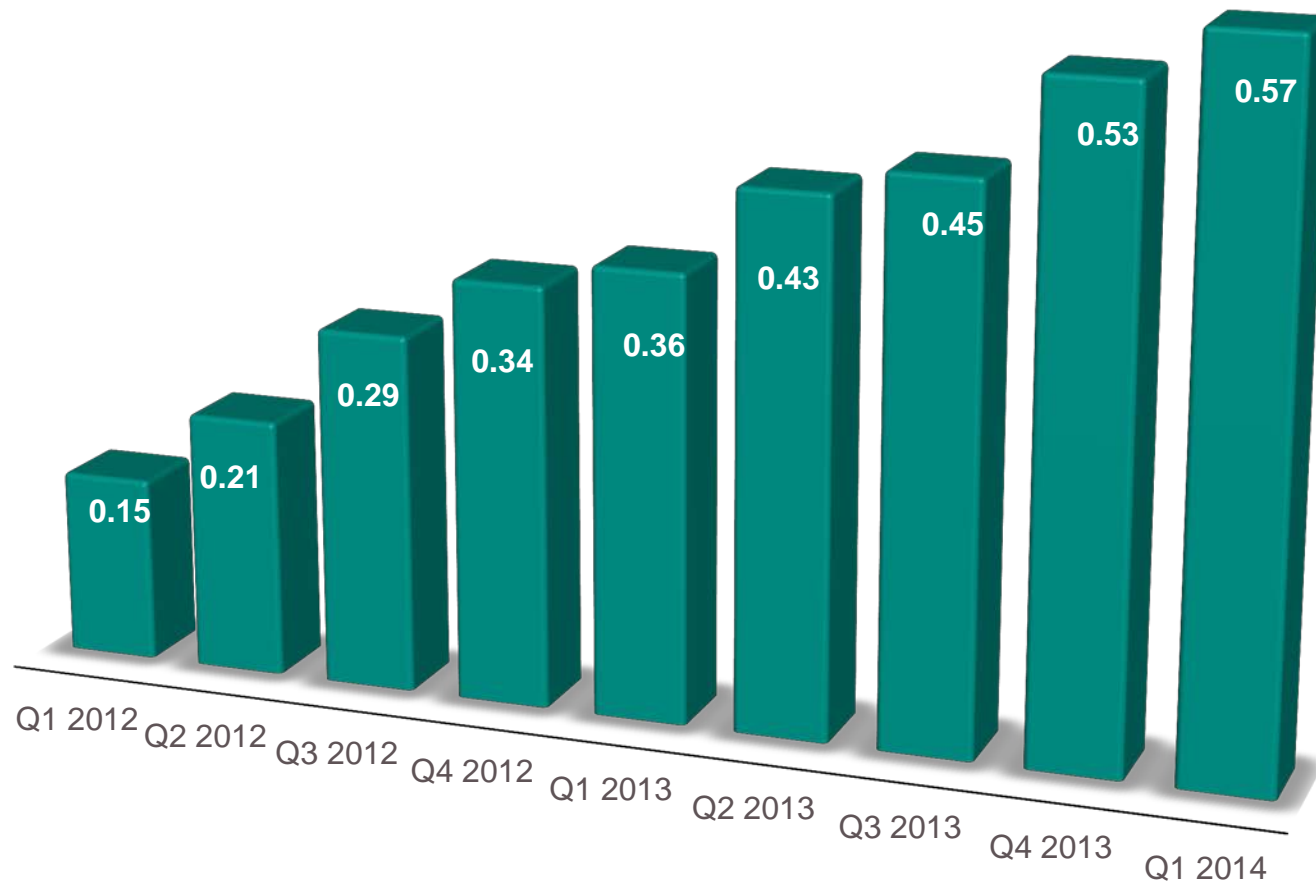


# Operating Margin Expansion \*



\*Operating margins for Q1 2013 and Q2 2013 have been adjusted to exclude restructuring and other items of \$4.4m and \$4.6m respectively.

# Earnings per share growth\*



\* EPS for Q2 2012 and Q1 2013 have been adjusted to exclude charges of \$5.6m and \$ 4.4m respectively in relation to restructuring and other items net of associated tax benefits



## Revised Guidance for 2014

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	Revenue Range	EPS Range
Previous	\$1,415- \$1,465m	\$2.05- \$2.20
<b>Updated</b>	<b>\$1,480- \$1,540m</b>	<b>\$2.30- \$2.40</b>

# Summary



- A track record of success
- Outsourcing- still headroom to grow & global players benefiting
- ICON Well positioned
  - A Clear strategy that is delivering
  - Experienced team focused on execution
  - Deep and evolving customer partnerships
  - Innovative solutions increasing the ROI of R&D

