



+



PRA  
Health  
Sciences

Transaction Announcement

Creating A World Leading Healthcare  
Intelligence and Clinical CRO

February 24<sup>th</sup>, 2021

# Forward-Looking Statement

## Cautionary Note Regarding Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally include statements regarding the potential transaction between ICON plc ("ICON") and PRA Health Sciences, including any statements regarding the expected timetable for completing the potential transaction, the ability to complete the potential transaction, the expected benefits of the potential transaction (including anticipated synergies, projected financial information and future opportunities) and any other statements regarding ICON's and PRA's future expectations, beliefs, plans, objectives, results of operations, financial condition and cash flows, or future events or performance. These statements are often, but not always, made through the use of words or phrases such as "anticipate," "intend," "plan," "believe," "project," "estimate," "expect," "may," "should," "will" and similar expressions. All such forward-looking statements are based on current expectations of ICON's and PRA's management and therefore involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements. Key factors that could cause actual results to differ materially from those projected in the forward-looking statements include the ability to obtain the requisite ICON and PRA stockholder approvals; uncertainties as to the timing to consummate the potential transaction; the risk that a condition to closing the potential transaction may not be satisfied; the risk that regulatory approvals are not obtained or are obtained subject to conditions that are not anticipated by the parties; potential litigation relating to the potential transaction that could be instituted against ICON, PRA or their respective directors; the effects of disruption to ICON's or PRA's respective businesses; restrictions during the pendency of the potential transaction that may impact ICON's or PRA's ability to pursue certain business opportunities or strategic transactions; the effect of this communication on ICON's or PRA's stock prices; transaction costs; ICON's ability to achieve the benefits from the proposed transaction; ICON's ability to effectively integrate acquired operations into its own operations; the ability of ICON or PRA to retain and hire key personnel; unknown liabilities; and the diversion of management time on transaction-related issues. Other important factors that could cause actual results to differ materially from those in the forward-looking statements include the effects of industry, market, economic, political or regulatory conditions outside of ICON's or PRA's control (including public health crises, such as pandemics and epidemics); risks regarding PRA's ability to maintain large customer contracts or enter into new contracts; PRA's ability to attract suitable investigators and patients for its clinical trials; PRA's ability to keep pace with rapid technological change; PRA's potential liability if a patient is harmed; and the factors set forth under the heading "Risk Factors" of ICON's Annual Report on Form 20-F and PRA's Annual Report on Form 10-K, and in subsequent filings with the U.S. Securities and Exchange Commission (the "SEC"). These risks, as well as other risks associated with the potential transaction, are more fully discussed in the joint proxy statement/prospectus to be filed with the SEC in connection with the proposed transaction. Other unpredictable or unknown factors not discussed in this communication could also have material adverse effects on forward-looking statements. Neither ICON nor PRA assumes any obligation to update any forward-looking statements, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

## No Offer or Solicitation

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

## Important Information for Investors and Stockholders

In connection with the potential transaction, ICON expects to file a registration statement on Form F-4 with the SEC containing a preliminary prospectus of ICON that also constitutes a preliminary proxy statement of each of ICON and PRA. After the registration statement is declared effective, each of ICON and PRA will mail a definitive joint proxy statement/prospectus to stockholders of ICON and PRA, respectively. This communication is not a substitute for the joint proxy statement/prospectus or registration statement or for any other document that ICON or PRA may file with the SEC in connection with the potential transaction. INVESTORS AND SECURITY HOLDERS OF ICON AND PRA ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders will be able to obtain free copies of the joint proxy statement/prospectus (when available) and other documents filed with the SEC by ICON or PRA through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by ICON will be available free of charge on ICON's website at <https://www.iconplc.com> and copies of the documents filed with the SEC by PRA will be available free of charge on PRA's website at <https://www.prahs.com/>. Additionally, copies may be obtained by contacting the investor relations departments of ICON or PRA.

ICON and PRA and certain of their respective directors, certain of their respective executive officers and other members of management and employees may be considered participants in the solicitation of proxies with respect to the potential transaction under the rules of the SEC. Information about the directors and executive officers of ICON is set forth in its annual report on Form 20-F, which was filed with the SEC on February 24, 2021. Information about the directors and executive officers of PRA is set forth in its proxy statement for its 2020 annual meeting of stockholders, which was filed with the SEC on April 3, 2020. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the interests of such participants in the solicitation of proxies in respect of the potential transaction will be included in the registration statement and joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

The term "PRA" and such terms as "the company," "the corporation," "our," "we," "us" and "its" may refer to PRA Health Sciences, Inc., one or more of its consolidated subsidiaries, or to all of them taken as a whole. All of these terms are used for convenience only and are not intended as a precise description of any of the separate companies, each of which manages its own affairs.

# Today's presenters

**ICON**



**Brendan Brennan**  
CFO

**ICON**



**Dr. Steve Cutler**  
CEO



**Colin Shannon**  
President, CEO

# ICON & PRA Health Sciences

Creating a leading healthcare intelligence and clinical CRO



Leadership

#6 Clinical CRO<sup>1</sup>

#5 Clinical CRO<sup>1</sup>

Headquarters

Headquarters in **Dublin, Ireland**

Headquarters in **Raleigh, NC, USA**

Footprint

~16k Headcount / Offices in **41 countries**

~19k Headcount / Offices in **42 countries**

Financials

~\$2.8bn revenues<sup>2</sup>

~\$3.2bn revenues<sup>2</sup>

A Global CRO Leader

~35k Combined Headcount

~\$6.0bn PF '20 Revenue

~\$1bn PF '20 Adj. EBITDA<sup>3</sup>

<sup>1</sup> Rank based on 2020 CYE revenue. <sup>2</sup> 2020 CYE revenue. <sup>3</sup> See appendix for reconciliation.

# Together, we are stronger



Combination creates a world leading healthcare intelligence and clinical CRO

Broader service & geographic offerings, deeper therapeutic & functional capabilities

Innovative DNA with best-in-class clinical trial technology

Differentiated decentralized and hybrid trial solutions

Partnerships with majority of world's top biopharma companies

Shared track record of operational excellence and robust financial performance

Significant growth and shareholder value creation expected

# Significant growth and shareholder value creation expected

## Long-Term Growth Outlook

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

## Cost and Revenue Synergies

- **\$150mm** run-rate cost synergies fully realized in ~4 years
- Significant potential for revenue synergies (not included in outlook)

## Tax Impact

- **Target 14%** run-rate blended tax rate within ~4 years

## Shareholder Value

- **Double-digit accretive to Adj. EPS in first full year**, growing to 20%+ thereafter
- **Robust cash flow generation** drives rapid deleveraging

# Transaction summary

## Terms

- \$12bn cash and stock transaction
- \$80 per share in cash and 0.4125 shares of ICON stock based on a fixed exchange ratio
- PRA shareholders will own ~34% of the combined company
- Premium of ~30% to PRA's closing price as of February 23<sup>rd</sup>, 2021

## Financing

- Pro forma net debt / PF Adj. EBITDA of ~4.5x at close, targeting <2.5x by the end of 2023

## Company Headquarters

- Headquarters in Dublin, Ireland

## Leadership / Governance

- Dr. Steve Cutler to serve as CEO and Brendan Brennan to serve as CFO
- Ciaran Murray, Chairman of the Board
- Colin Shannon to join ICON board. PRA to designate one additional board member

## Closing Considerations

- Transaction expected to close in Q3 2021
- Subject to customary closing conditions including regulatory and shareholder approvals



## Investment highlights



# As healthcare markets change, customer needs are evolving

## The CRO market is changing...



Shift to emerging therapies e.g. Cell & Gene, requires deeper expertise at CROs



Speed to market during Covid re-setting development timeline expectations



Accelerated adoption of telemedicine & digitization - growing use of decentralized trials



Greater awareness of clinical trials presents opportunity to broaden patient access globally



Clinical research as a care option, greater need to leverage real world data to improve outcomes

## ...leading to changes in customer needs

1

**Globally-scaled expertise & solutions**  
to support faster trials

2

**Flexible delivery approaches**  
to achieve more for the same cost or less

3

**Innovative solutions to**  
deliver decentralized and hybrid trials

4

**Enhanced access to more diverse patients**

5

**Greater Real World insights**  
to support enhanced decision making

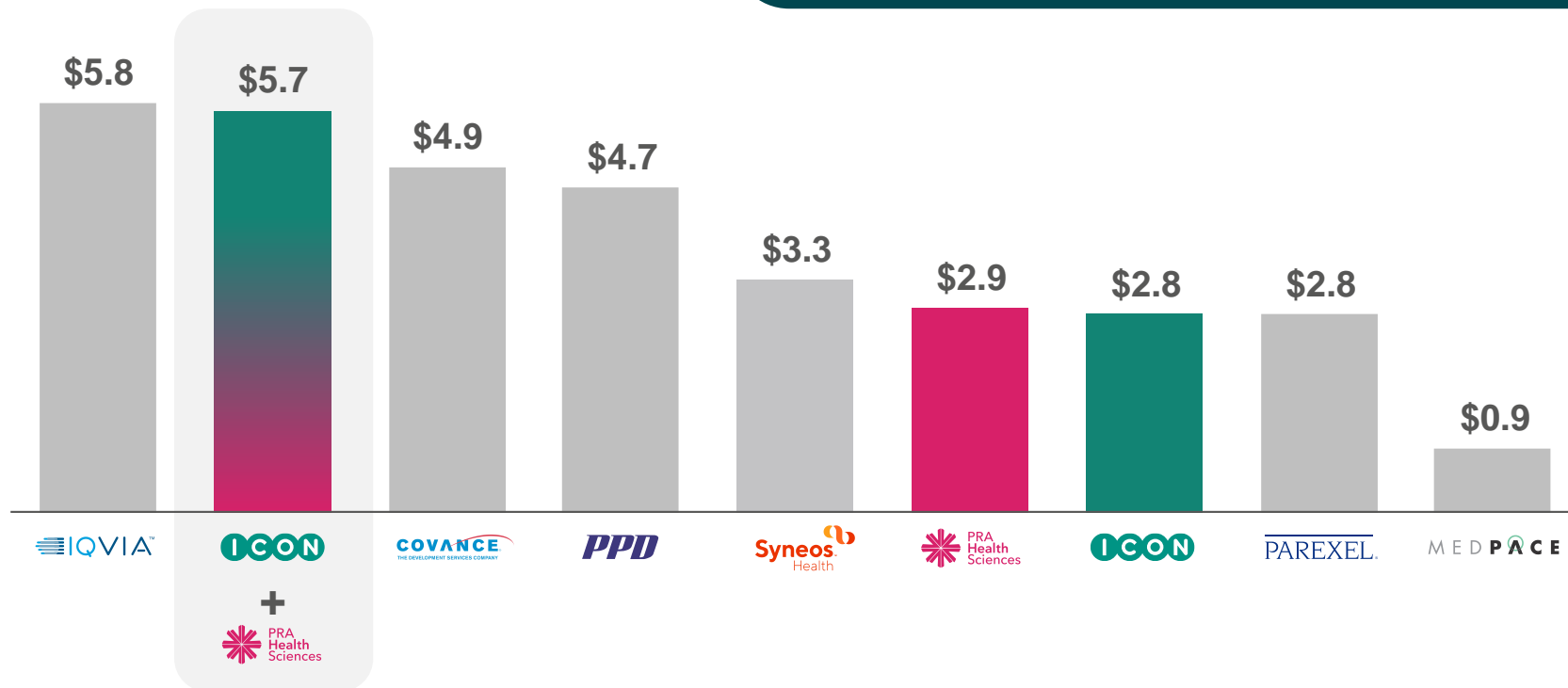


will address these customer needs

# Together, we will create a leading clinical CRO...

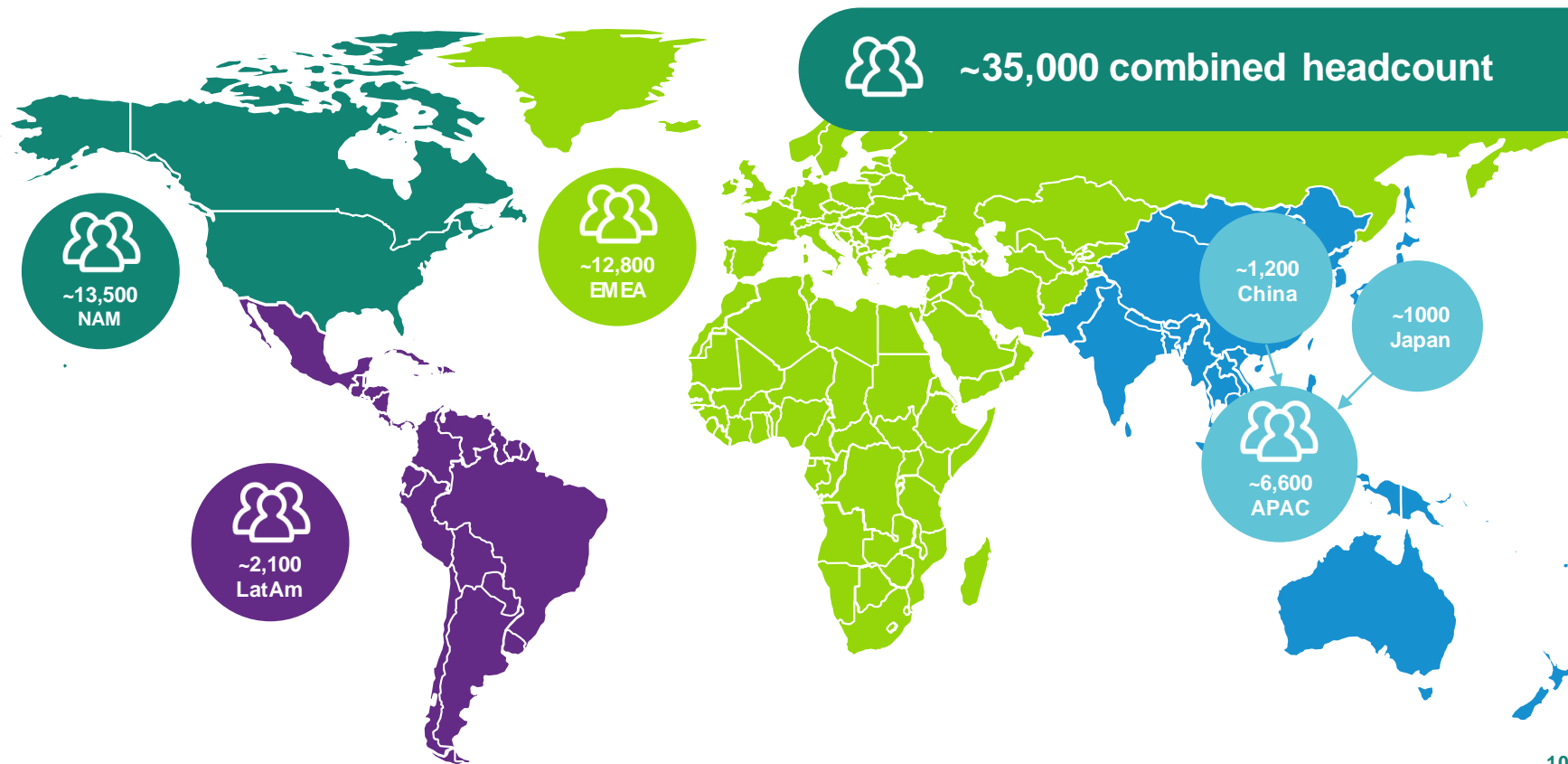
\$ Bn

Estimated 2020 CRO Revenue<sup>1</sup>



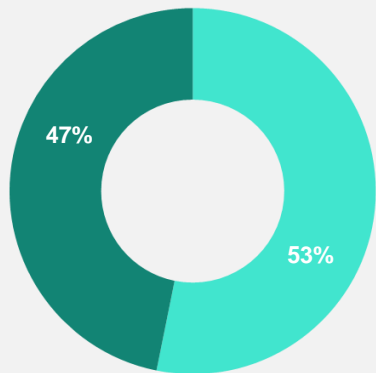
<sup>1</sup> Source: Company filings and management estimates. IQVIA is R&D Solutions segment only. Syneos is Clinical segment only. PRA excludes Data Solutions.

# With enhanced global footprint and leadership in key geographies...



# A Diversified Business...

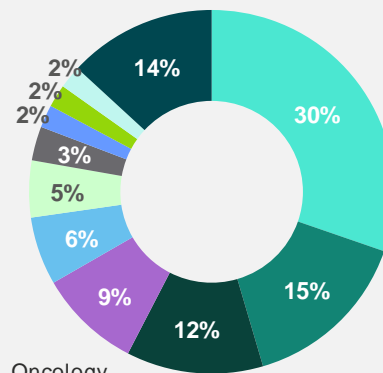
## Well-Represented in All Customer Segments<sup>1</sup>



■ Large Biopharma  
■ Small, Mid & Emerging Biopharma

**Largest Customer <10% of Direct Fee Revenue<sup>1</sup>**

## Broad Therapeutic Mix<sup>2</sup>



■ Oncology  
■ Immunology  
■ Anti-Infectives & Vaccines  
■ Hematology  
■ CNS and Pain  
■ Dermatology  
■ Cardiovascular  
■ Hepatology  
■ Endocrinology  
■ All Other  
■ Gastroenterology

**Diversified Therapeutic Portfolio<sup>2</sup>**

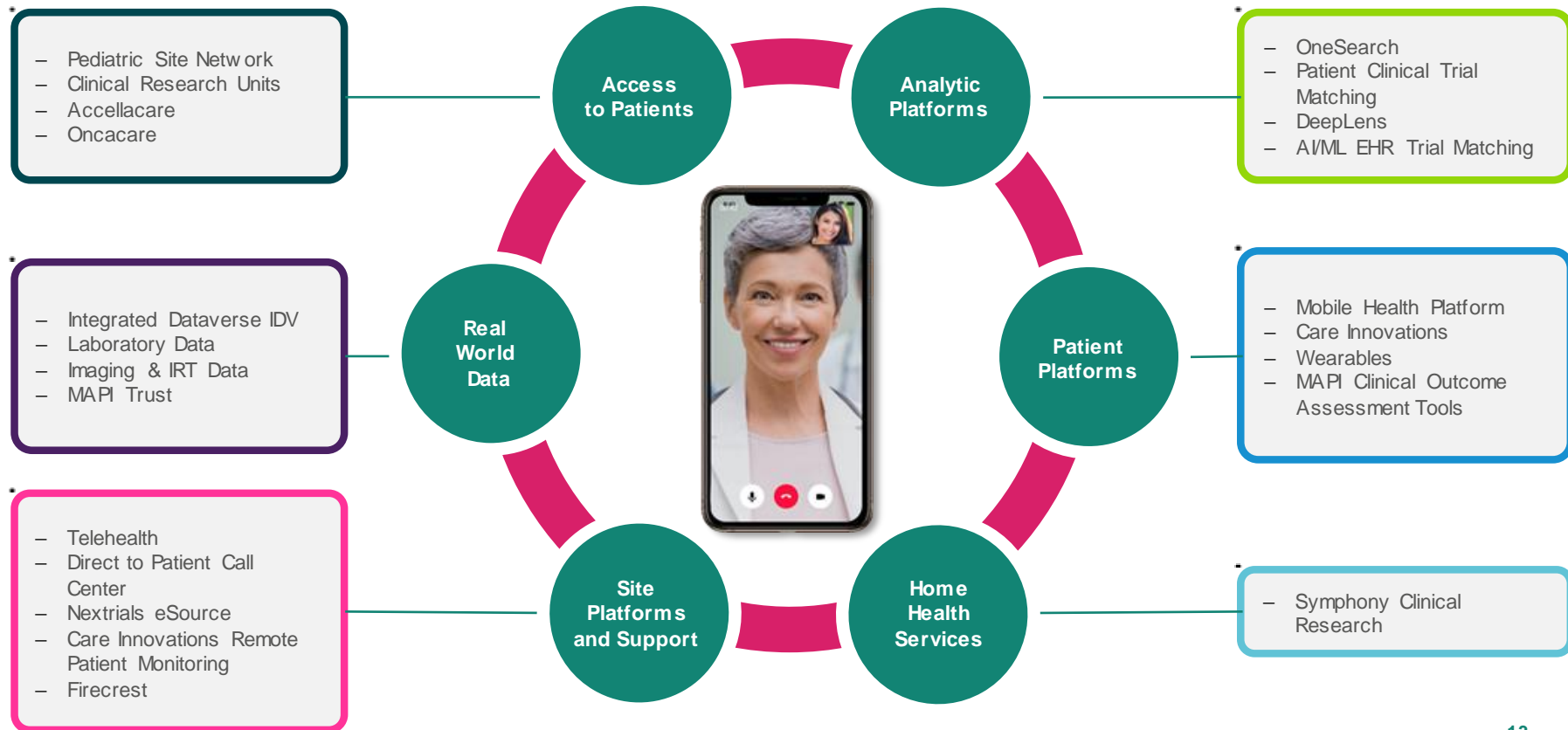
<sup>1</sup> Based on combined 2020 CYE direct fee revenue. <sup>2</sup> Based on combined 2020 CYE direct fee revenue excluding FSP and Data Solutions. "Other" therapeutic category includes Genitourinary, Musculoskeletal, Respiratory, Ophthalmology and other therapeutic areas.

# Offering scaled and differentiated customer solutions...



<sup>1</sup> Management estimates. Direct fee revenue basis.

# With a suite of tools to create a new paradigm for bringing clinical research to patients

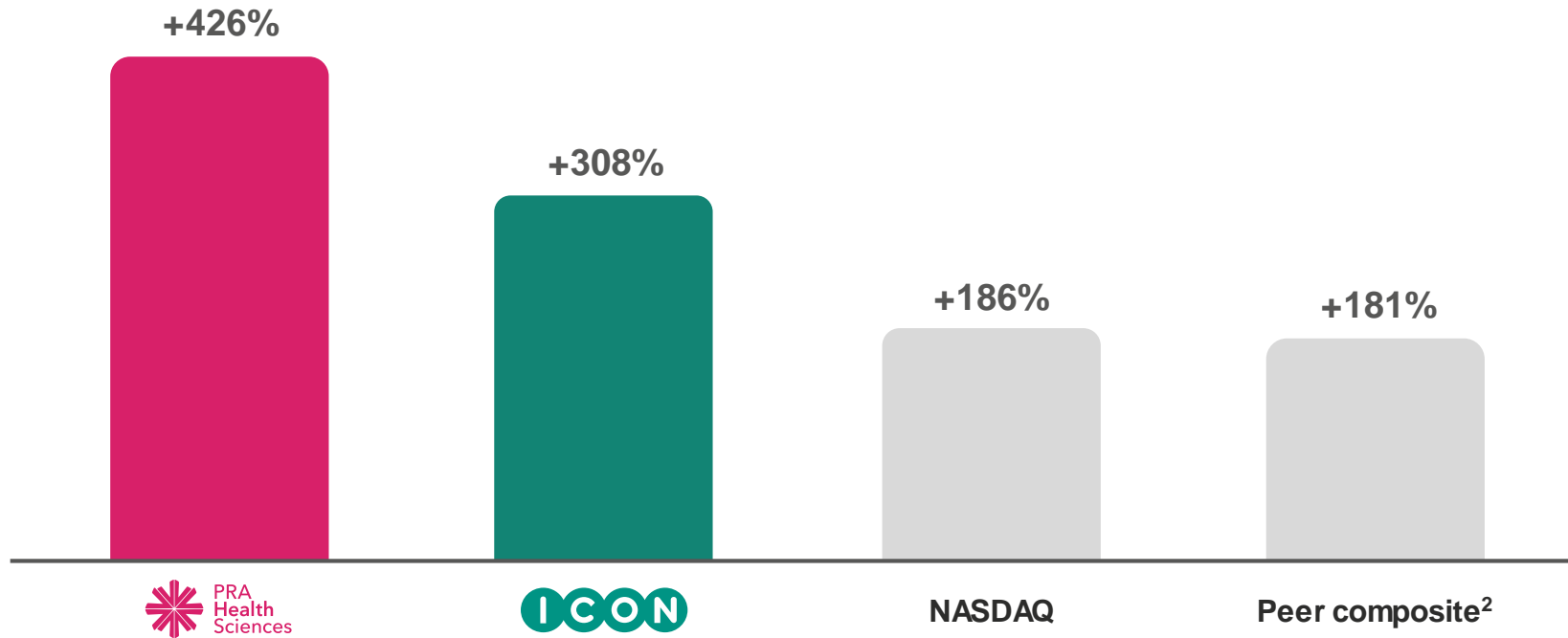




## Financial highlights

# Strong track record of shareholder value creation

## Share price appreciation since 2015<sup>1</sup>



<sup>1</sup> As of February 22, 2021. <sup>2</sup> Includes CRL, SYNH, PRXL, LH and IQV; PRXL share price appreciation measured until unaffected date prior to sale (May 5, 2017).



# Position of strength – Strong Q4 2020 reported performance



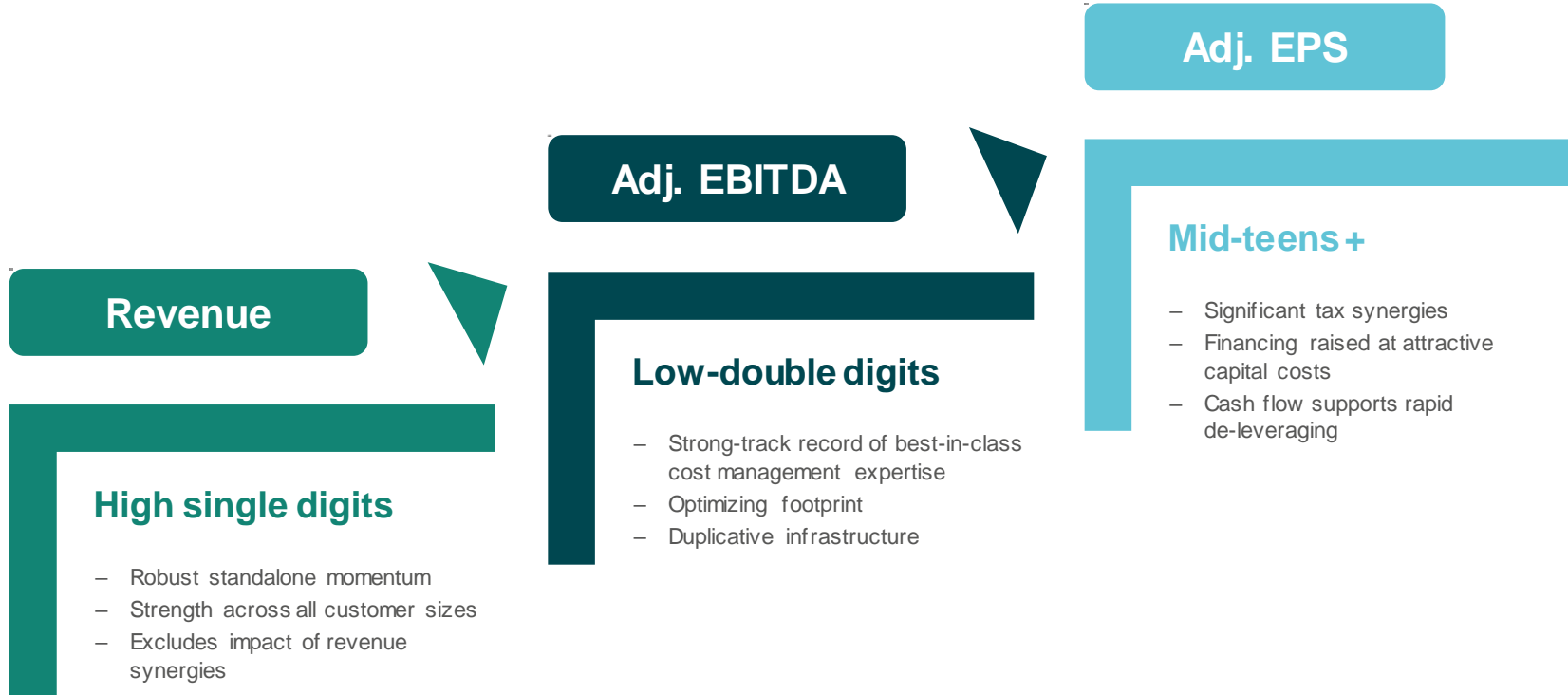
<b>Revenue</b> <i>(Direct Fee &amp; Pass Through)</i>	<b>\$760m</b>
YoY Growth	<b>+4.8%</b>
<b>EBITDA</b>	<b>\$137m</b>
Margin	<b>18.0%</b>
YoY Growth	<b>+4.6%</b>
<b>EPS</b>	<b>\$1.90</b>
YoY Growth	<b>+4.0%</b>
<b>Net Book-to-Bill</b> <i>(Direct Fee &amp; Pass Through)</i>	<b>1.42x</b>

<b>Revenue</b> <i>(Direct Fee &amp; Pass Through)</i>	<b>\$873m</b>
YoY Growth	<b>+9.1%</b>
<b>Adj. EBITDA<sup>1</sup></b>	<b>\$153m</b>
Margin	<b>17.5%</b>
YoY Growth	<b>+2.7%</b>
<b>Adj. EPS<sup>2</sup></b>	<b>\$1.55</b>
YoY Growth	<b>+0.6%</b>
<b>Net Book-to-Bill</b> <i>(Direct Fee &amp; Pass Through)</i>	<b>1.80x</b>

EBITDA and EPS figures are on existing reporting policies basis.

<sup>1</sup> Excludes impact of stock-based compensation and non-recurring items. <sup>2</sup> Excludes impact of stock-based compensation, amortization of intangible assets and non-recurring items.

# Strong growth expected



# Significant cost and tax synergies

## Cost synergies

- Optimizing business processes
- Leveraging global support infrastructure
- Optimizing IT infrastructure
- Reducing corporate costs
- Facilities-related savings

**\$150mm run-rate cost synergies fully realized in ~4 years**

## Tax synergies

- Targeting ~14% blended tax rate within ~4 years
- Industry low tax rate and strong cash flow generation supports growth and reinvestment into new capabilities

# Free cash flow generation to drive rapid deleveraging and support growth

## Anticipated sources & uses

(\$ in billions)

New Transaction Debt	\$6.0
Equity	5.8
Cash from Balance Sheet at Close	1.7
<b>Total Sources</b>	<b>\$13.5</b>
Equity Purchase Price	\$11.1
Refinance Existing Target & Buyer Debt	1.6
Minimum Cash and Other Transaction Expenses	0.7
<b>Total Uses</b>	<b>\$13.5</b>

*Strong balance sheet and free cash flow*

## Highlights

*Rapid deleveraging driven by expected strong free cash flow generation*



## Anticipated pro forma cap table

New Term Loan	\$4.0
Other Secured Indebtedness	2.0
<b>Total Gross Debt</b>	<b>\$6.0</b>
Net Debt / PF Adj. EBITDA	~4.5x

# Together, we are stronger



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Innovative DNA with best-in-class clinical trial technology

Differentiated decentralized and hybrid trial solutions

Partnerships with majority of world's top biopharma companies

Shared track record of operational excellence and robust financial performance

Significant growth and shareholder value creation expected

# Our shared mission is to innovate to save lives – together, we can go even faster



*Our mission is to accelerate the development of drugs and devices that save lives and improve quality of life.*

**Innovating  
to  
save lives**



**PRA  
Health  
Sciences**

*We help change people's lives for the better every single day. It's who we are. Innovating to help people is at the heart of our process, but it's even more than that. It's also our privilege.*

# Appendix

# 2020 CYE Reconciliation of Pro Forma Financials

	ICON	PRA	Pro Forma
Revenue	\$2,797.3m	\$3,183.4m	\$5,980.7m
YoY Growth	(0.3%)	3.8%	
Net income attributable to ICON / PRA (GAAP)	\$332.3m	\$197.0m	\$529.4m
Net income attributable to noncontrolling interest	\$0.6m	-	\$0.6m
Share of equity method investments	\$0.4m	-	\$0.4m
Depreciation and amortization expense	\$66.1m	\$131.6m	\$197.8m
Interest expense, net	\$10.3m	\$43.1m	\$53.4m
Provision for income taxes	\$47.9m	\$62.0m	\$109.8m
<b>EBITDA</b>	<b>\$457.6m</b>	<b>\$433.8m</b>	<b>\$891.4m</b>
Margin %	16.4%	13.6%	14.9%
Stock-based compensation expense	\$27.8m	\$69.4m	\$97.2m
Contingent consideration adjustments <sup>1</sup>	(\$0.8m <sup>1</sup> )	(\$44.5m <sup>2</sup> )	(\$45.2m)
Restructuring	\$18.1m	-	\$18.1m
<b>Adjusted EBITDA</b>	<b>\$502.8m</b>	<b>\$458.7m</b>	<b>\$961.5m</b>
Margin %	18.0%	14.4%	16.1%

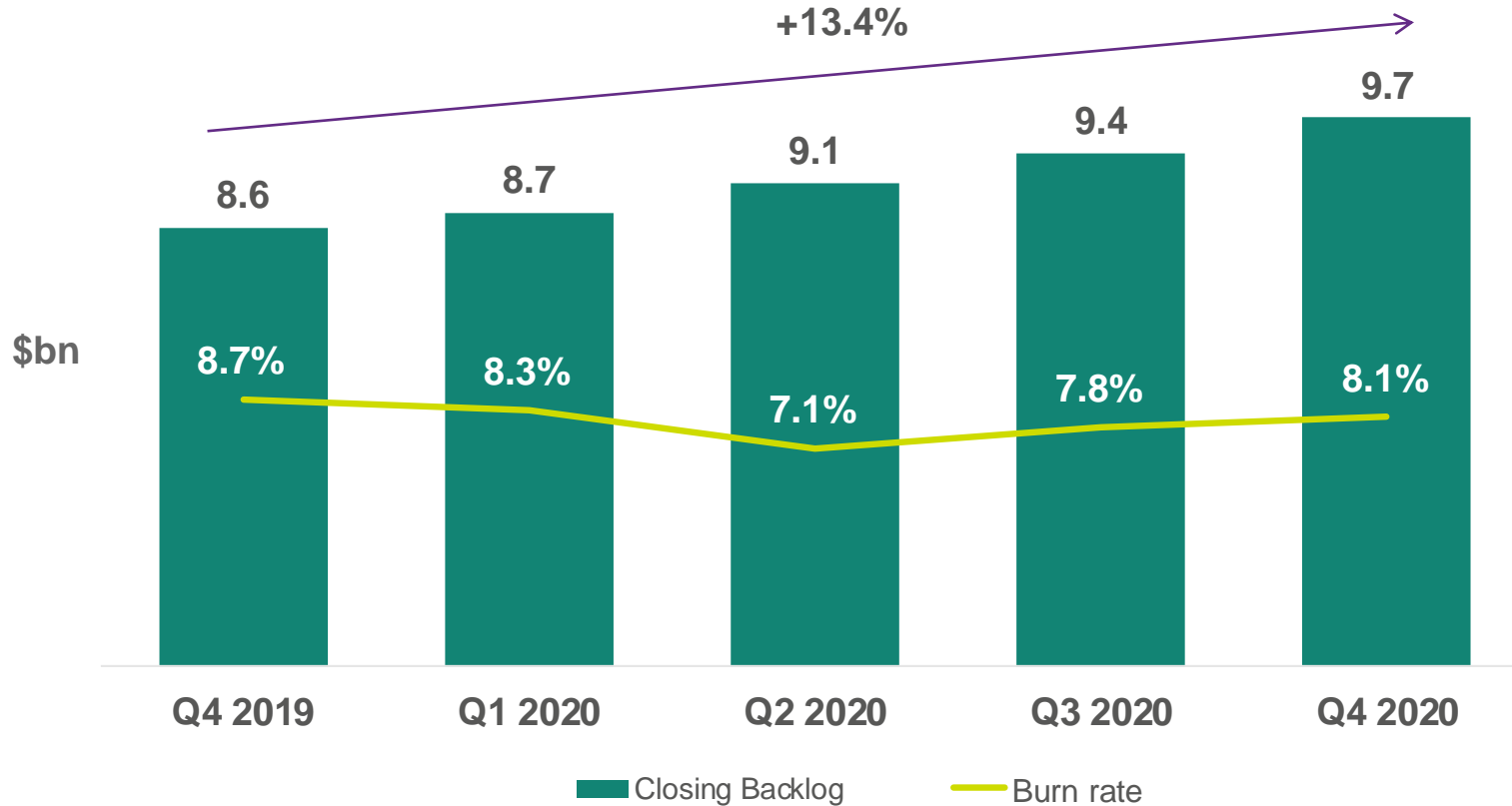
<sup>1</sup> Release of contingent consideration related to the acquisition of Symphony Clinical Research and revaluation of liabilities related to the acquisition of MeDiNova.

<sup>2</sup> Release of contingent consideration related to the acquisition of Care Innovations.

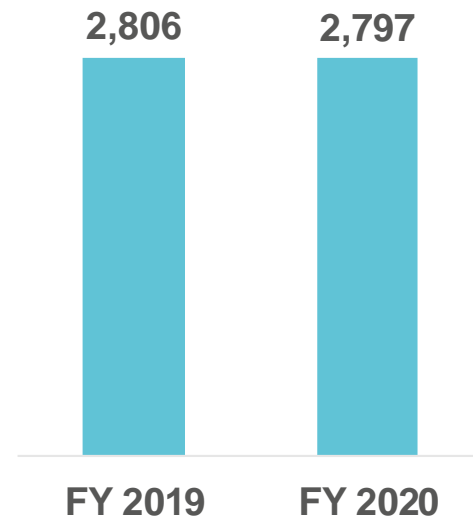
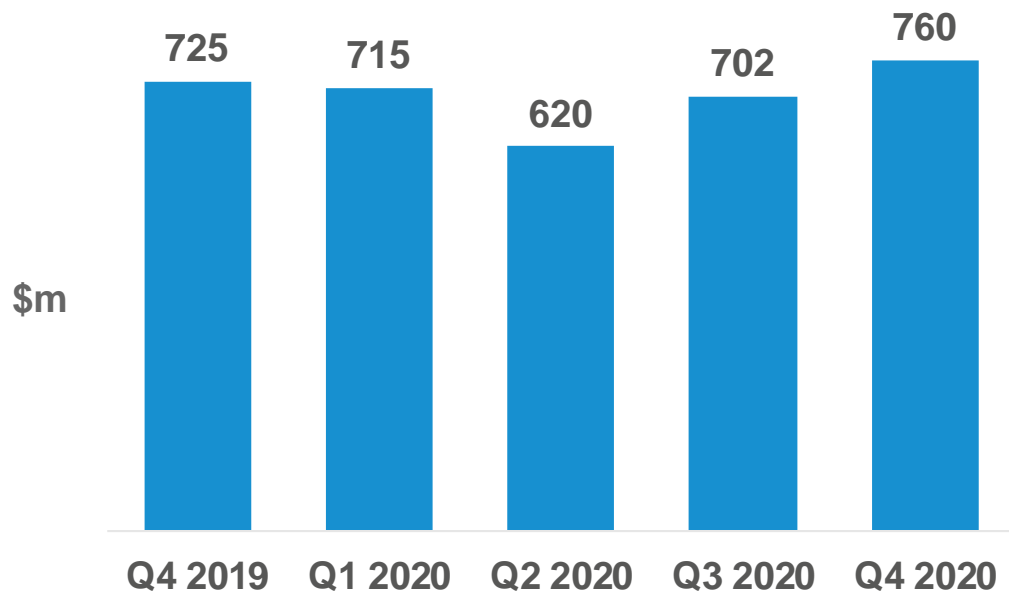


**ICON Q4 & FY 2020**

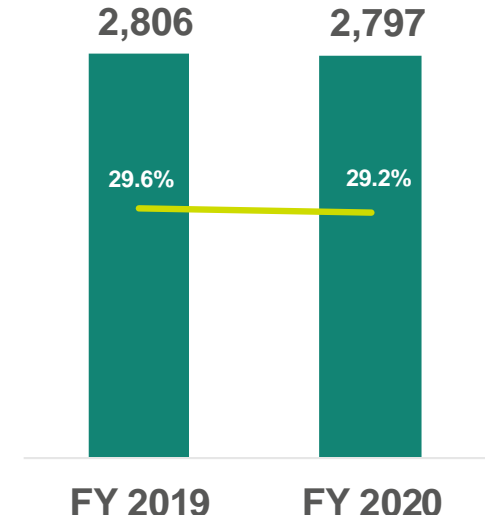
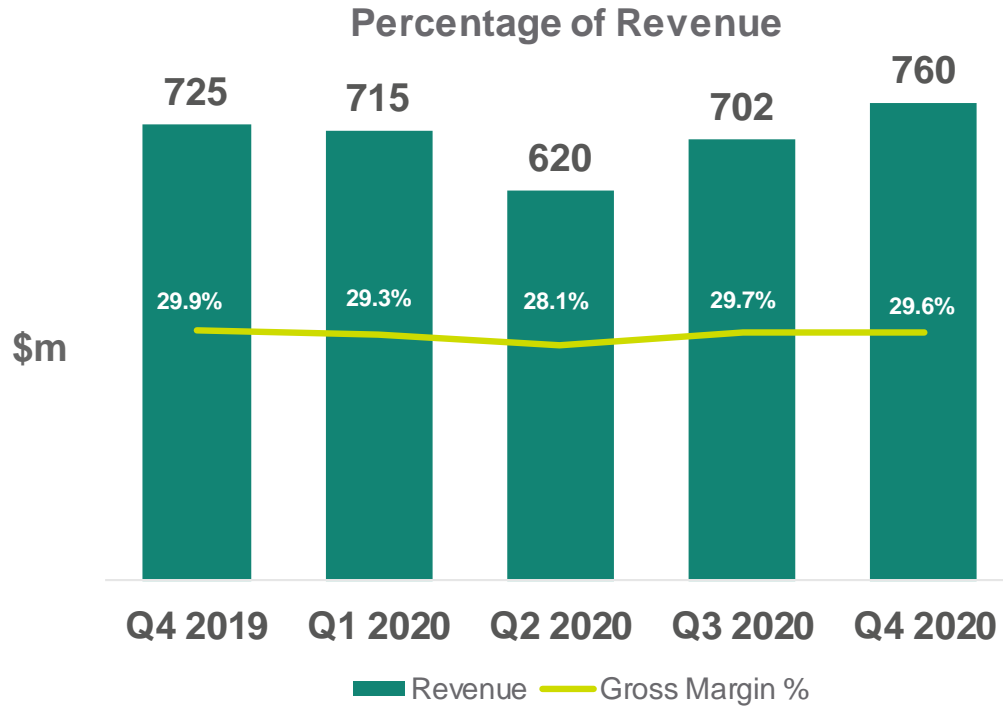
# Backlog metrics (\$bn)



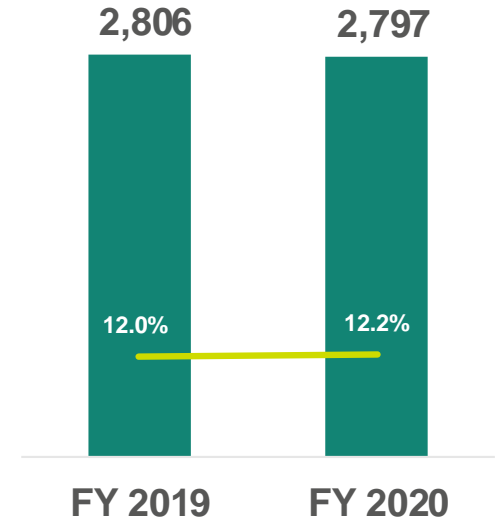
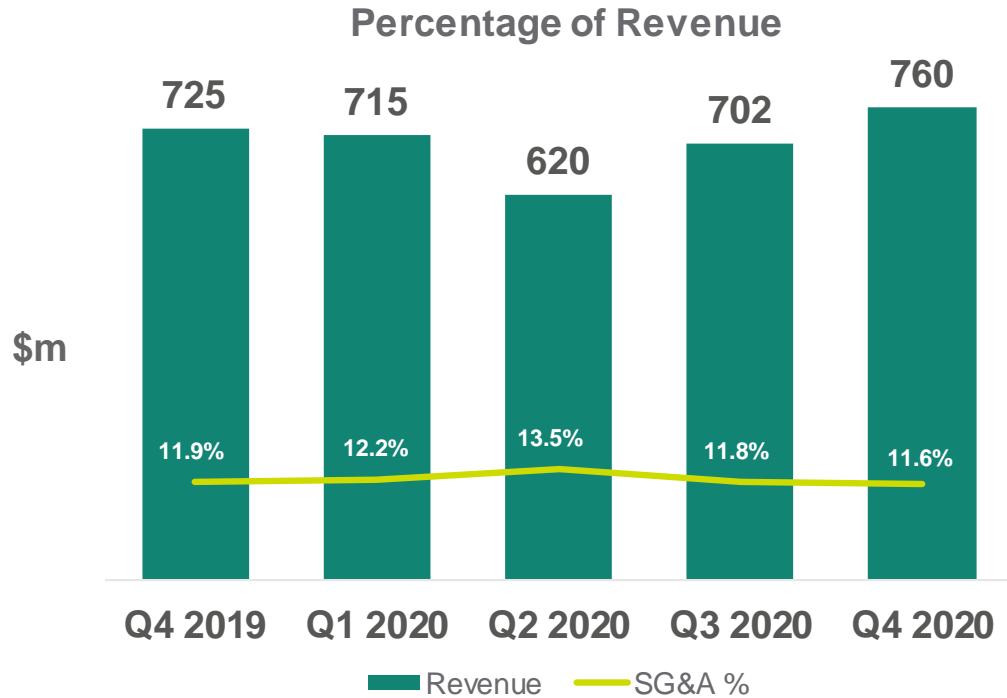
# Revenue: quarterly & annual (\$m)



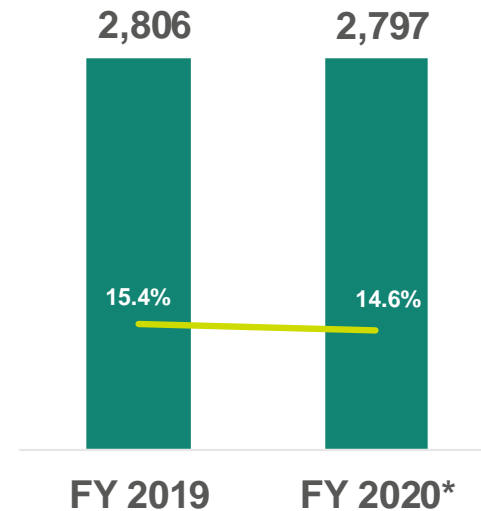
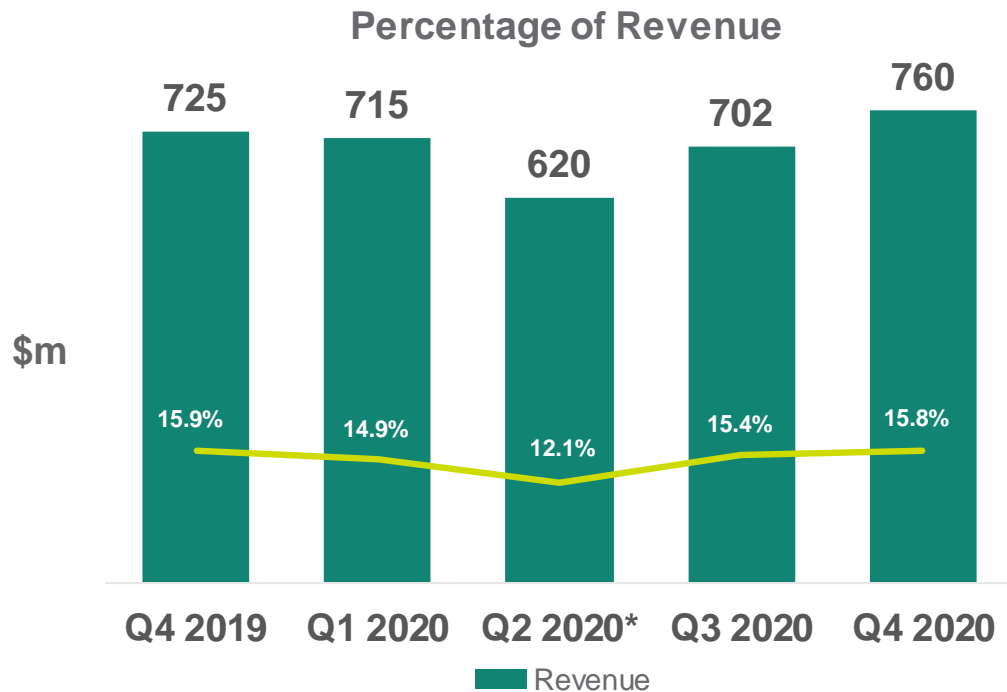
# Gross margin: quarterly and annual



# SG&A: quarterly and annual

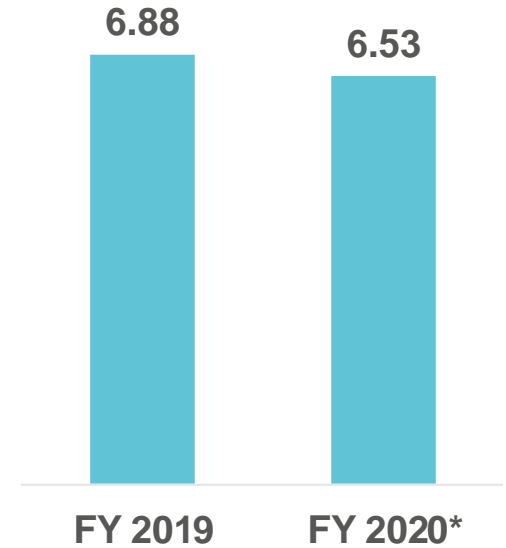
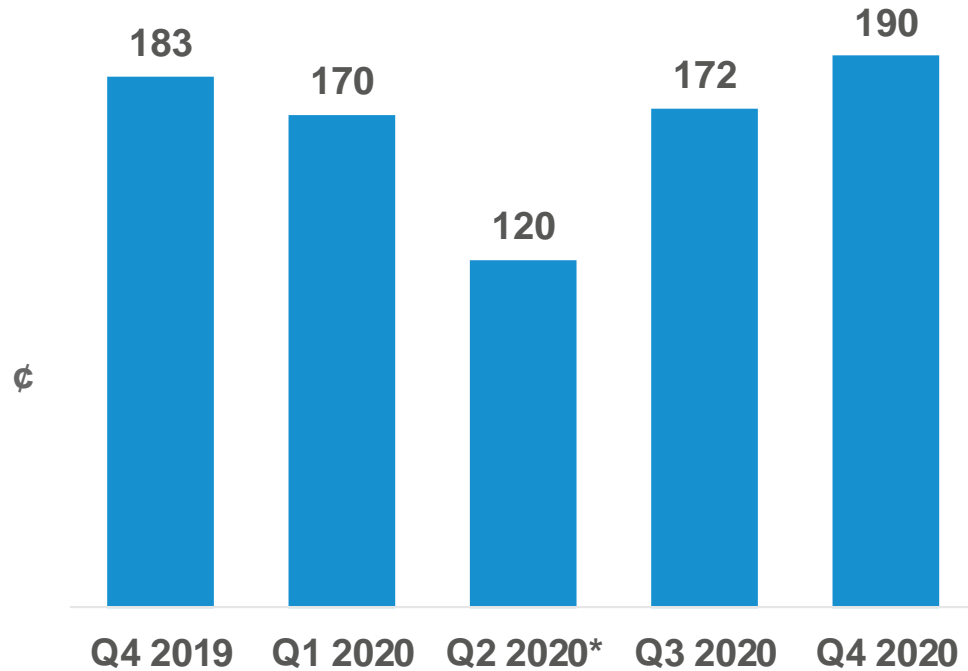


# Operating margin: quarterly and annual



\* Excludes impact of non-recurring charges.

# Earnings per Share attributable to the group: quarterly and annual



\* Excludes impact of non-recurring charges.

# Balance sheet and cash flow

	FY 2020 31-Dec-20	FY 2019 31-Dec-19
DSO*	41	54
Capital Expenditure	\$51.1m	\$50.6m
Cash from Operating Activities	\$568.0m	\$412.5m
Net Cash Balance	\$493.6m	\$220.3m
Gross Cash Balance	\$842.0m	\$569.9m
Gross Debt**	\$350.0m	\$350.0m

\* Calculated on a comparative non-GAAP basis. \*\* Reflects principal value.



## Q4 year-on-year comparison summary

	Q4 2020	Q4 2019
Revenue <sup>^</sup>	\$760m	\$725m
Gross Margin	29.6%	29.9%
SG&A (percentage of revenue)	11.6%	11.9%
Operating Margin	15.8%	15.9%
Net Income attributable to Group (percentage of revenue)	13.3%	13.6%
EPS attributable to Group	190c	183c

<sup>^</sup> 4.8% reported increase. 3.3% constant currency growth.

# FY year-on-year comparison summary

	FY 2020*	FY 2019
Revenue^	\$2,797m	\$2,806m
Gross Margin	29.2%	29.6%
SG&A (percentage of revenue)	12.2%	12.0%
Operating Margin	14.6%	15.4%
Net Income attributable to Group (percentage of revenue)	12.4%	13.3%
EPS attributable to Group	\$6.53	\$6.88

\* Excludes impact of non-recurring charges.

^ 0.3% reported decline. 0.5% constant currency decline.

## FY 2021 guidance – ICON Standalone

	Guidance	YoY % Increase
Revenue	\$3,200m - \$3,300m	14.4% - 18.0%
EPS	\$8.10 - \$8.50	24.0% - 30.2%

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