



ICON Q2 2022 Results

Period Ended June 30th, 2022

Dr. Steve Cutler, CEO
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Forward Looking Statement

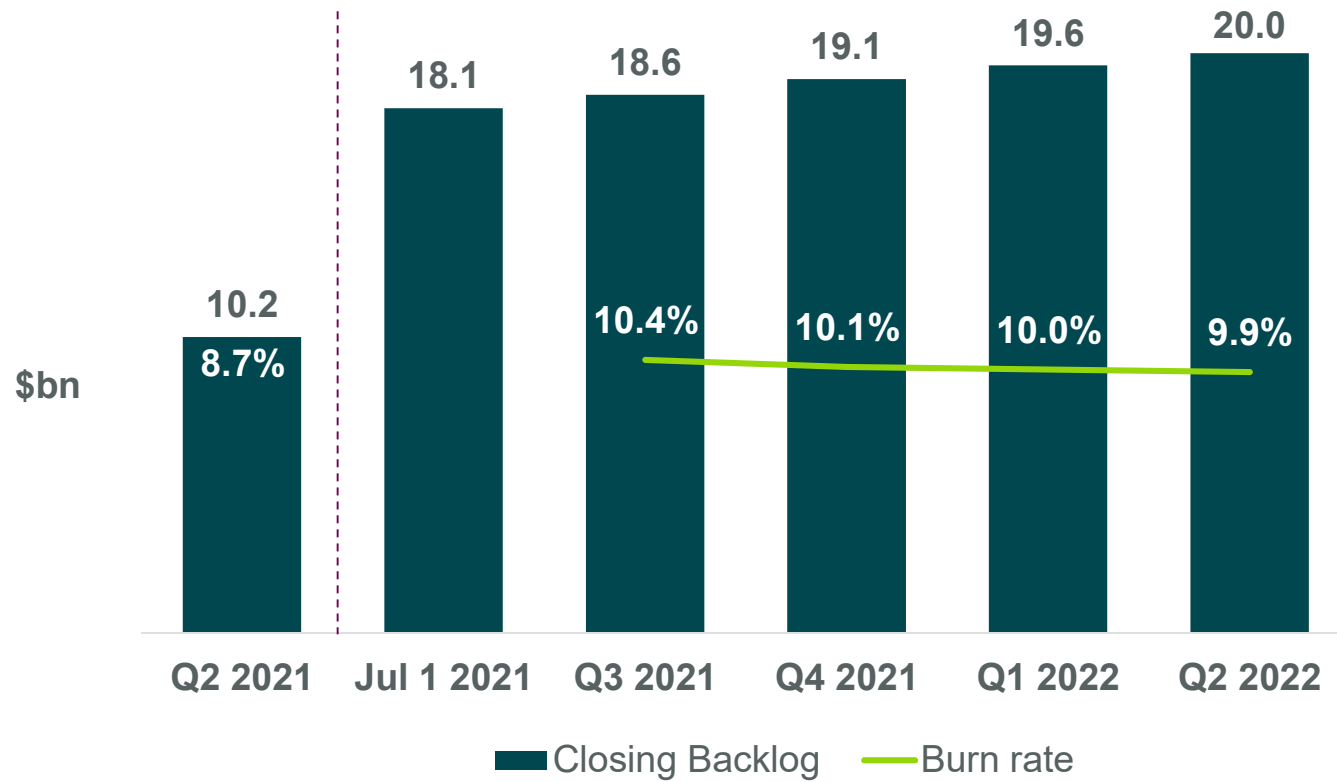
Statements included in this presentation which are not historical facts are forward-looking statements. Such forward-looking statements are made pursuant to the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 (the “PSLRA”). Forward-looking statements may be identified by the use of future tense or other forward looking words such as “believe”, “expect”, “anticipate”, “should”, “may”, “strategy”, or other variations or comparable terminology. The forward looking statements involve a number of risks and uncertainties and are subject to change at any time. In the event such risks or uncertainties materialize, our results could be materially adversely affected. The 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, our expectations concerning the ongoing impact of the novel coronavirus identified as 'COVID-19' on our operational results, the challenges associated with the integration of PRA Health Sciences, Inc., competition and the continuing consolidation of the industry, the dependence on certain key executives, changes in the regulatory environment and other factors identified in the Company’s SEC reports, including the Form 20-F filed on March 1, 2022 and any future filings with the SEC. The Company has no obligation under the PSLRA to update any forward looking statements and does not intend to do so.

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 section titled “Condensed Consolidated Statement of Operations”. Please also refer to the Appendix of this presentation for reconciliations of Non-GAAP financial measures contained herein to the most directly comparable GAAP financial measures. 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.

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. Our full-year 2022 guidance measures (other than revenue) are provided on a non-GAAP basis without a reconciliation to the most directly comparable GAAP measure because the company is unable to predict with a reasonable degree of certainty certain items contained in the GAAP measures without unreasonable efforts. Such items include, but are not limited to, transaction-related / integration-related expenses, restructuring and related expenses, and other items not reflective of the company's ongoing operations.

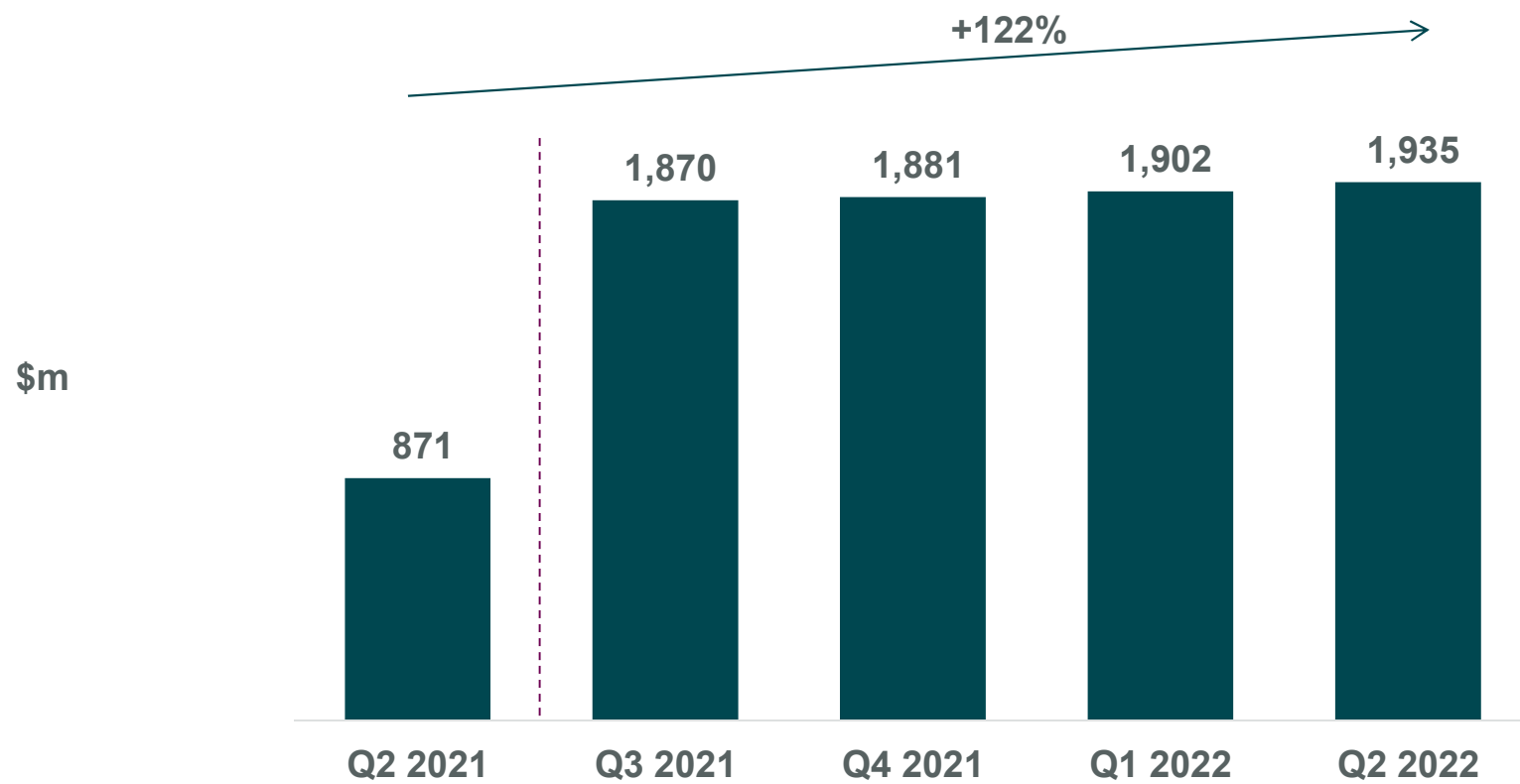
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Backlog Metrics



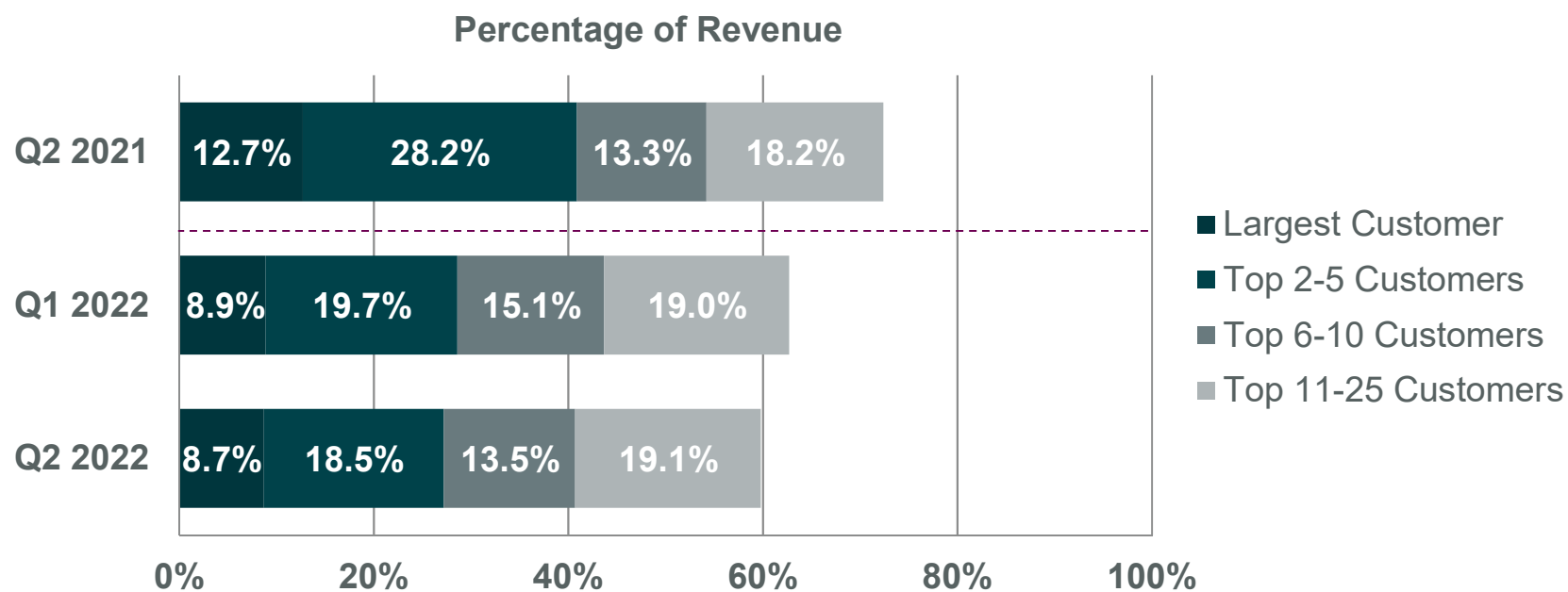
Note: Pre July 1 2021 comparisons are for Legacy ICON only

Revenue



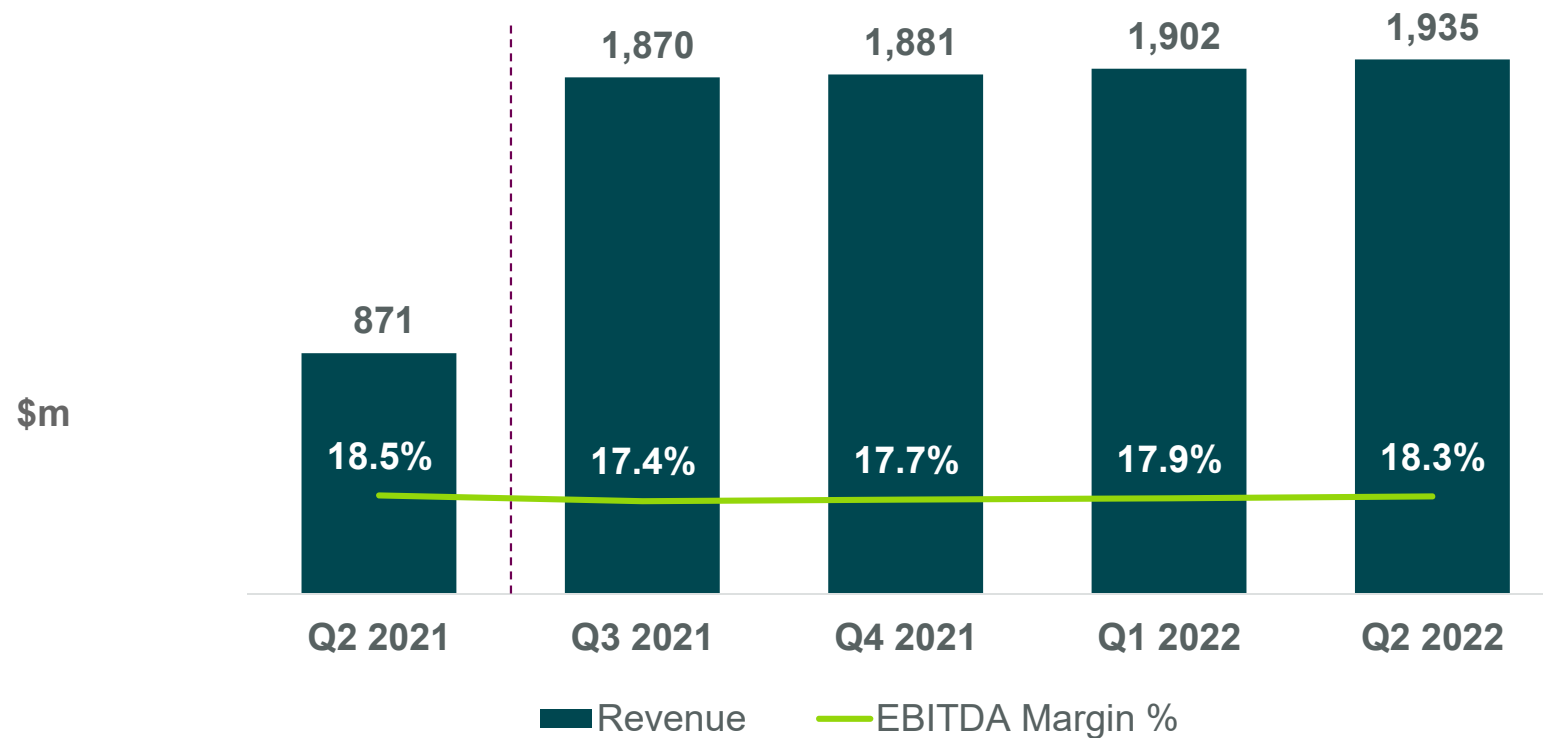
Note: Pre July 1 2021 revenue relates to Legacy ICON only

Client Concentration



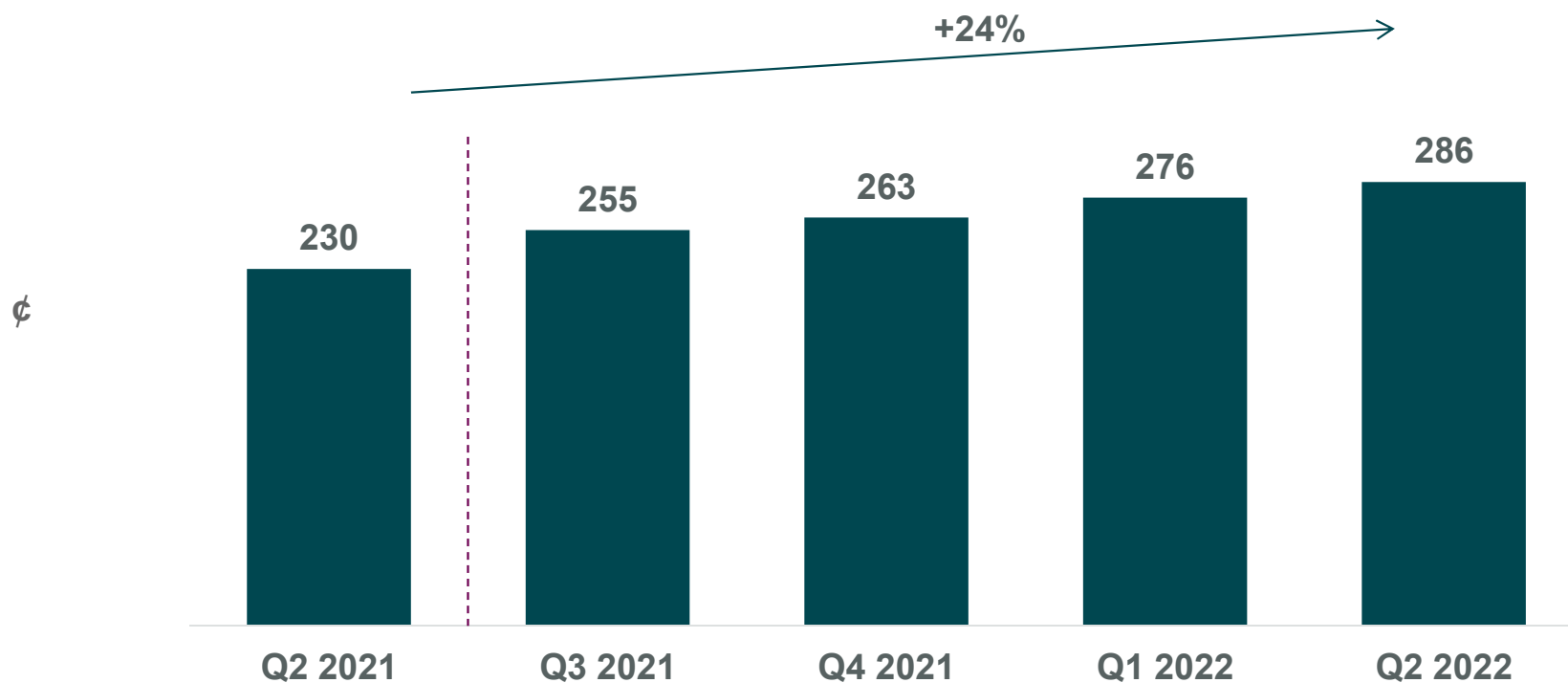
Note: Pre July 1 2021 revenue relates to Legacy ICON only

Adjusted EBITDA Margin



Notes: (a) Pre July 1 2021 revenue and EBITDA margins relates to Legacy ICON only
(b) All values exclude amortization, stock compensation, restructuring, FX and transaction-related / integration-related costs

Adjusted Earnings per Share attributable to the Group



Notes: (a) Pre July 1 2021 EPS relates to 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)	Q2 2022 30-Jun-22	Q1 2022 31-Mar-22	Q2 2021 30-Jun-21
Cash and Cash Equivalents	614.9	559.1	1,055.5
Short-Term Investments	1.7	1.7	1.7
Total Debt	(5,045.7)	(5,142.1)	(350.0)
Net (Debt) / Cash	(4,429.0)	(4,581.3)	707.2
Net Debt / TTM Adj EBITDA Ratio (inc. synergies)	3.1x	3.3x	NA
Cash from Operating Activities	182.1	226.9	128.4
Capital Expenditure	28.2	19.6	12.9
DSO (days)	41	35	43

Notes: (a) Q2 2021 values relate to Legacy ICON only
 (b) DSO presented on a comparable basis

Updated 2022 Financial Guidance & Outlook

	FY2021	Previous FY2022 Guidance	Updated FY2022 Guidance	% increase (Updated FY2022 Guidance vs. FY 2021)
Revenue	\$5,481m	\$7,770m - \$8,050m	\$7,690m - \$7,810m	40% - 43%
Adjusted EPS*	\$9.65	\$11.55 - \$11.95	\$11.65 - \$11.85	21% - 23%

Key Assumptions for FY2022 Guidance

- Share repurchase (\$100M completed in Q1 2022)
- Excludes M&A
- Effective tax rate of 16.5%
- Free Cash Flow target of c\$1bn
- Total capital expenditure spend of c\$150m
- Updated transaction-related targets:
 - Less than 3x Debt-Adjusted EBITDA (inc. synergies) exiting 2022
 - \$100m cost synergies realised in 2022

**Adjusted EPS excludes amortisation, stock-based compensation, FX and transaction & integration-related adjustments*

Appendices

Reconciliation of Non-GAAP Measures (Revenue & EBITDA)

\$m	2021				FY 2021	2022	
	Q1 2021	Q2 2021	Q3 2021	Q4 2021		Q1 2022	Q2 2022
Adjusted revenue							
Revenue, as reported	858.2	871.2	1,866.4	1,885.1	5,480.8	1,901.8	1,935.2
Acquisition related deferred revenue adjustment ^(a)	-	-	4.0	(4.0)	-	-	-
Adjusted revenue	858.2	871.2	1,870.4	1,881.1	5,480.8	1,901.8	1,935.2
Adjusted EBITDA							
Net income/(loss) attributable to the Group	97.1	73.9	(94.3)	76.5	153.2	112.0	115.7
Share of equity method investments	0.3	0.5	0.7	0.7	2.2	0.8	0.9
Provision for / (benefit from) income taxes	16.1	14.1	(3.6)	14.6	41.3	13.3	14.3
Net interest expense ^(b)	2.5	24.4	102.3	52.8	181.8	44.3	46.9
Depreciation and amortization	17.4	17.3	140.6	139.7	315.0	141.4	144.0
Stock-based compensation expense ^(c)	6.8	8.8	26.4	19.4	61.4	19.2	18.9
Foreign currency losses (gains), net ^(d)	(1.1)	1.9	(7.2)	(8.0)	(14.3)	(6.6)	(17.8)
Restructuring ^(e)	-	-	6.2	24.9	31.1	4.2	22.5
Acquisition related deferred revenue adjustment ^(a)	-	-	4.0	(4.0)	-	-	-
Transaction-related / integration-related costs ^(f)	12.5	20.0	149.8	16.0	198.3	12.1	8.9
Adjusted EBITDA	151.7	160.9	324.9	332.5	970.0	340.6	354.3
<i>Adjusted EBITDA Margin %</i>	<i>17.7%</i>	<i>18.5%</i>	<i>17.4%</i>	<i>17.7%</i>	<i>17.7%</i>	<i>17.9%</i>	<i>18.3%</i>

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

<i>\$m except share and per share data</i>	2021				FY 2021	2022	
	Q1 2021	Q2 2021	Q3 2021	Q4 2021		Q1 2022	Q2 2022
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	97.1	73.9	(94.3)	76.5	153.2	112.0	115.7
Provision for / (benefit from) income taxes	16.1	14.1	(3.6)	14.6	41.3	13.3	14.3
Amortisation	4.7	4.1	115.9	114.9	239.5	114.8	118.3
Stock-based compensation expense ^(c)	6.8	8.8	26.4	19.4	61.4	19.2	18.9
Foreign currency losses (gains), net ^(d)	(1.1)	1.9	(7.2)	(8.0)	(14.3)	(6.6)	(17.8)
Restructuring ^(e)	-	-	6.2	24.9	31.1	4.2	22.5
Acquisition related deferred revenue adjustment ^(a)	-	-	4.0	(4.0)	-	-	-
Transaction-related / integration-related costs ^(f)	12.5	20.0	149.8	16.0	198.3	12.1	8.9
Transaction-related financing costs ^(g)	0.4	22.1	55.8	8.5	86.7	5.8	3.5
Adjusted tax expense ^(h)	(20.9)	(22.0)	(43.1)	(44.8)	(130.8)	(46.7)	(48.5)
Adjusted net income attributable to the Group	115.7	122.9	209.8	218.0	666.4	228.0	235.8
Diluted weighted average number of Ordinary Shares outstanding	53,310,453	53,381,501	82,293,287	82,827,674		82,613,098	82,312,946
Adjusted diluted net income per Ordinary Share attributable to the Group (\$) ⁽ⁱ⁾	2.17	2.30	2.55	2.63	9.65	2.76	2.86

Reconciliation of Non-GAAP Measures (Combined Company)

\$m	2021					2022	
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022
Combined Company adjusted revenue							
Revenue, as reported	858.2	871.2	1,866.4	1,885.1	5,480.8	1,901.8	1,935.2
Pre-merger PRA Health Sciences Revenue	933.8	1,047.4	-	-	1,981.2	-	-
Combined Company Revenue, before adjustments	1,792.0	1,918.6	1,866.4	1,885.1	7,462.0	1,901.8	1,935.2
Acquisition related deferred revenue adjustment ^(a)			4.0	(4.0)	-		-
Combined Company adjusted revenue	1,792.0	1,918.6	1,870.4	1,881.1	7,462.0	1,901.8	1,935.2
Combined adjusted EBITDA							
Net income/(loss) attributable to the Group, as reported	97.1	73.9	(94.3)	76.5	153.2	112.0	115.7
Pre-merger PRA Health Sciences Net income attributable to the Group	56.9	71.1	-	-	128.0	-	-
Combined Company Net income/(loss) attributable to the Group	154.1	144.9	(94.3)	76.5	281.2	112.0	115.7
Share of equity method investments	0.3	0.5	0.7	0.7	2.2	0.8	0.9
Provision for / (benefit from) income taxes	35.8	1.1	(3.6)	14.6	48.0	13.3	14.3
Net interest expense ^(b)	7.7	29.0	102.3	52.8	191.7	44.3	46.9
Depreciation and amortization	50.0	50.5	140.6	139.7	380.7	141.4	144.0
Stock-based compensation expense ^(c)	25.6	27.5	26.4	19.4	98.9	19.2	18.9
Foreign currency losses (gains), net ^(d)	(13.4)	8.0	(7.2)	(8.0)	(20.6)	(6.6)	(17.8)
Restructuring ^(e)	-	-	6.2	24.9	31.1	4.2	22.5
Acquisition related deferred revenue adjustment ^(a)	-	-	4.0	(4.0)	-	-	-
Transaction-related / integration-related costs ^(f)	25.9	43.4	149.8	16.0	235.1	12.1	8.9
Combined Company adjusted EBITDA	285.9	305.1	324.9	332.5	1,248.4	340.6	354.3
<i>Combined Company adjusted EBITDA Margin %</i>	<i>16.0%</i>	<i>15.9%</i>	<i>17.4%</i>	<i>17.7%</i>	<i>16.7%</i>	<i>17.9%</i>	<i>18.3%</i>

Q2 2022 Adjusted Net Income Reconciliation

<i>\$m except share and per share data</i>	Q2 2022			YTD 2022		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Revenue	1,935.2	-	1,935.2	3,837.0	-	3,837.0
Costs and expenses:						
Direct costs (excluding depreciation and amortization) ^(c)	1,392.1	(5.6)	1,386.5	2,770.5	(10.7)	2,759.8
Selling, general and administrative expense ^{(c),(d)}	190.0	4.5	194.5	385.2	(2.9)	382.3
Depreciation and amortization	144.0	(118.3)	25.7	285.4	(233.1)	52.3
Transaction and integration-related expenses ^(f)	8.9	(8.9)	-	21.0	(21.0)	-
Restructuring ^(e)	22.5	(22.5)	-	26.7	(26.7)	-
Total costs and expenses	1,757.4	(150.8)	1,606.6	3,488.8	(294.4)	3,194.4
Income from operations	177.8	150.8	328.6	348.1	294.4	642.6
Net interest expense ^{(b),(g)}	(46.9)	3.5	(43.5)	(91.2)	9.3	(82.0)
Income before provision for income taxes	130.8	154.2	285.1	256.9	303.7	560.6
Provision for income taxes ^(h)	(14.3)	(34.2)	(48.5)	(27.5)	(67.7)	(95.2)
Income before share of earnings from equity method investments	116.6	120.0	236.6	229.3	236.0	465.4
Share of equity method investments	(0.9)	-	(0.9)	(1.6)	-	(1.6)
Income attributable to the Group	115.7	120.0	235.8	227.7	236.0	463.7
Diluted weighted average number of Ordinary Shares outstanding	82,312,946		82,312,946	82,462,842		82,462,842
Net income per Ordinary Share attributable to the Group	1.41		2.86	2.76		5.62

Reconciliation of Non-GAAP Measures Notes

- a) In Q3 2021, an acquisition related deferred revenue adjustment was reflected representing non-cash adjustments resulting from the revaluation of deferred revenue and the subsequent charge to revenue in connection with business combinations. In Q4 2021, the charge to revenue was reversed as the company took the option to early adopt amendments to the relevant accounting standard.
- 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 (inclusive of employer related taxes).
- 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 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) Earnings per share for FY 2021 reflects sum of earnings per share for the four quarters of 2021. FY 2021 EPS calculated using the diluted weighted average number of Ordinary Shares in 2021 would be higher at \$9.79.

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