



A Symbol of Excellence

# ICON plc

JP Morgan 33<sup>rd</sup> Annual Healthcare  
Conference

Mr Ciaran Murray,  
Chief Executive Officer, ICON Plc  
13<sup>TH</sup> Jan 2015

# Forward Looking Statements

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Certain statements in today's presentation 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 third quarter 2014 press release consolidated income statement headed Consolidated Income Statements (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



# ICON: A global leader

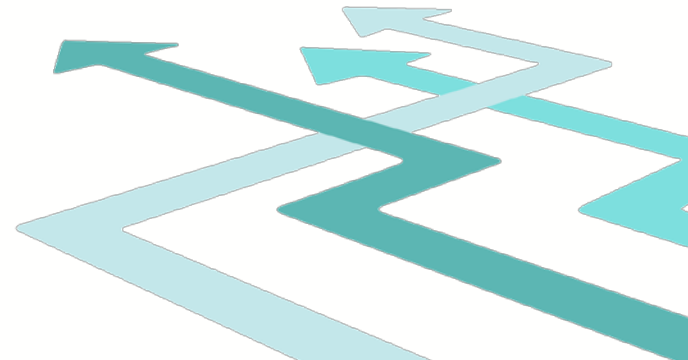


- 38 countries
- c11,000 employees
- \$1.5bn revenue\*

# Well positioned for the future

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- **Global scale and full service portfolio**
- **Industry leading partnerships models**
- **Differentiated technology and analytics**
- **Leader in outcomes research & real world evidence**
- **Outstanding medical and scientific expertise**
- **Experienced management- track record of delivering shareholder value**



# Delivering excellence through integrated global services



## Early Phase Services



- Early Phase Clinical
- Scientific Services

## Clinical Research Services



- Phase II-III Clinical trials
- Medical, Safety & Regulatory
- Biostatistics & DM
- Technologies
  - *Imaging*
  - *ICONIK*
  - *Firecrest*
  - *ADDPlan*

## Commercialisation & Outcomes Research



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

## Laboratory Services



- Global central laboratory
- Bioanalytical Lab
- Immunoassays
- Biomarker Development

## Resourcing FSP Services



- Contract & permanent resourcing solutions
- Functional resourcing
- Executive Search

# The Market Opportunity



# Drivers of CRO Market Growth

## Global Biopharma Outsourcing Current Estimate

Global R&D Spend  
c\$125bn

Worldwide  
Development Spend  
(Addressable Market)\*  
c\$60bn

Outsourced  
\$28bn  
c47%



## Global Biopharma Outsourcing 2020 Estimate

Global R&D Spend  
c\$148bn

Worldwide  
Development Spend  
(Addressable Market)  
c\$72bn

Outsourced  
\$40bn  
c55%



\* Addressable market = estimated outsource spend available for CROs

# Macro trends driving increased healthcare demand

R&D Growth	Outsourcing Penetration	Market Share
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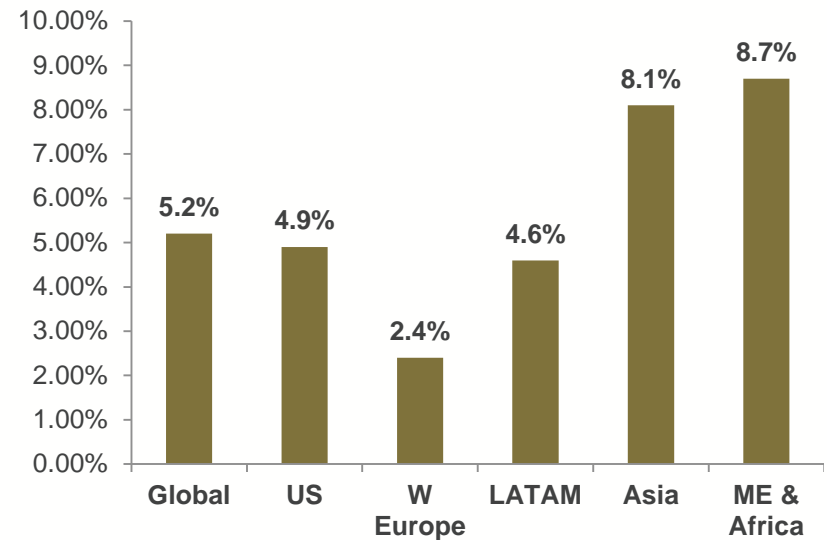
**Aging Populations:** increasing life expectancy

**Chronic lifestyle/age related diseases**  
diabetes, arthritis, alzheimer's

**Treatment /Technology Advances:**  
(personalised medicines, novel delivery mechanisms ...)

**Emerging Market Expansion :** rising wealth fuelling demand

*% increase healthcare spending 2014-2018*



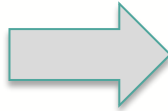
# Pharma R&D is changing –implications for CRO's

R&D Growth	Outsourcing Penetration	Market Share
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## Pharma Trends



**Growth in biologics  
& specialty drugs**



**Reimbursement  
& payer  
challenges**



**Focus on R&D  
productivity**



**Externalising  
innovation  
(partners/licensing)**



## CRO Implications

- Clinical **trials increasingly complex** -a need for scientific/development expertise
- Increased demand for **consulting services**
- Real world evidence –**need for new data sources**
- Need to **demonstrate measurable time, cost savings**
- Customers looking for **innovative solutions**
- Smid pharma / biotech, less in-house capability- opportunity for **CROs to take larger role**, in these customers

# Leading to some signs of improved productivity

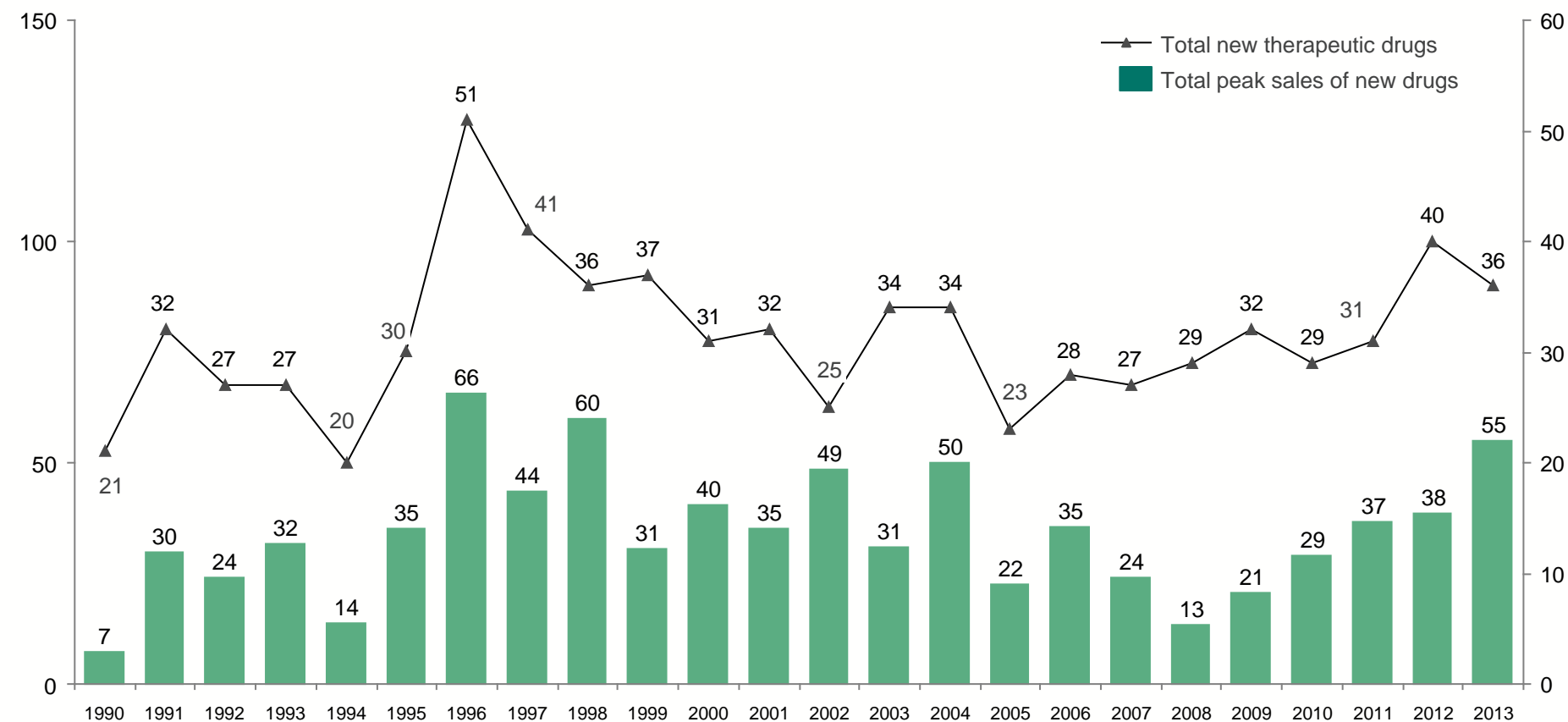
R&D Growth

Outsourcing Penetration

Market Share

Total peak sales (US\$ billion)

# of NTDs<sup>1</sup>

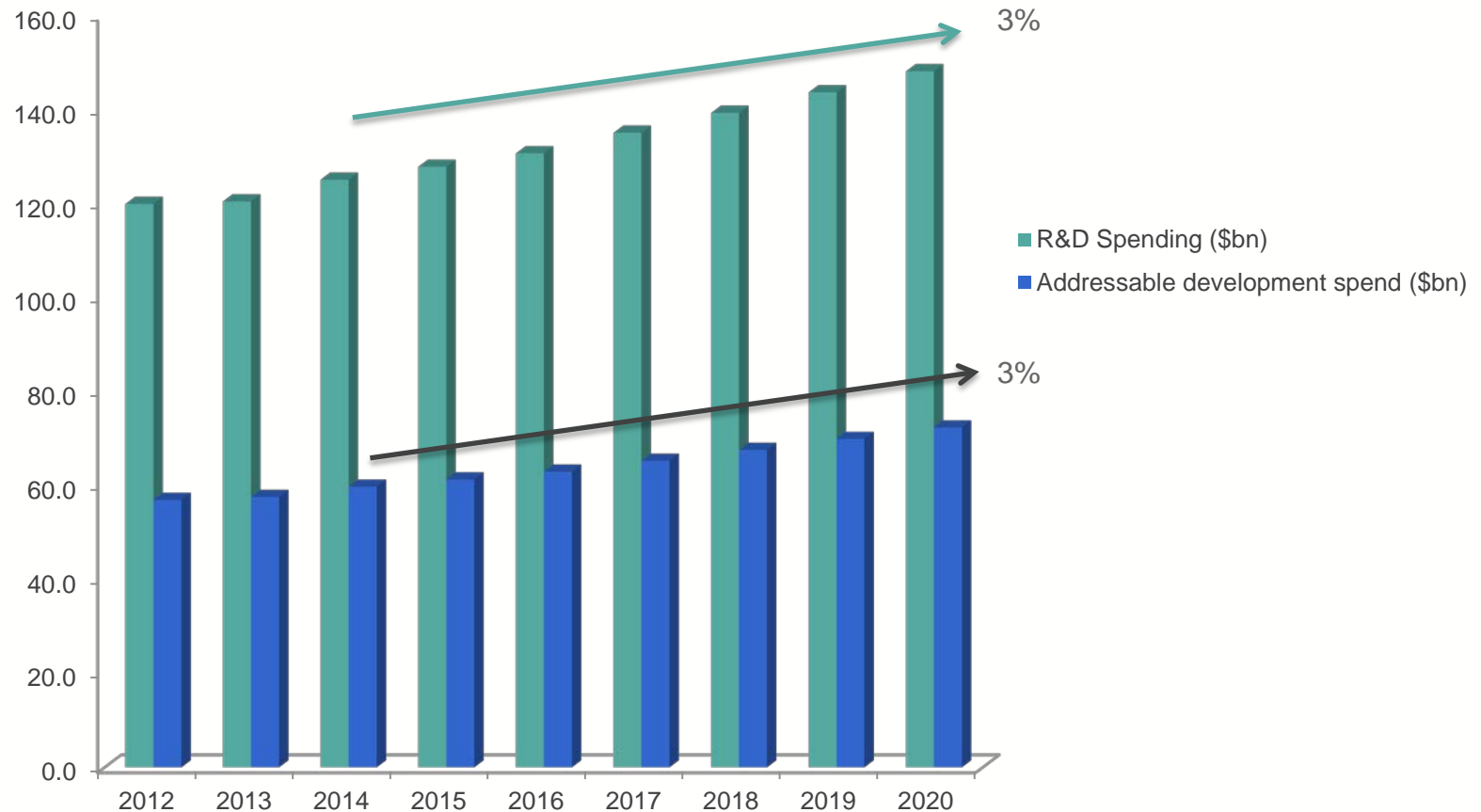


1. NTD= New therapeutic drug

Source: BCG NME database, EvaluatePharma, BCG Analysis

# Overall growth in R&D Spending and CRO addressable market

R&D Growth	Outsourcing Penetration	Market Share
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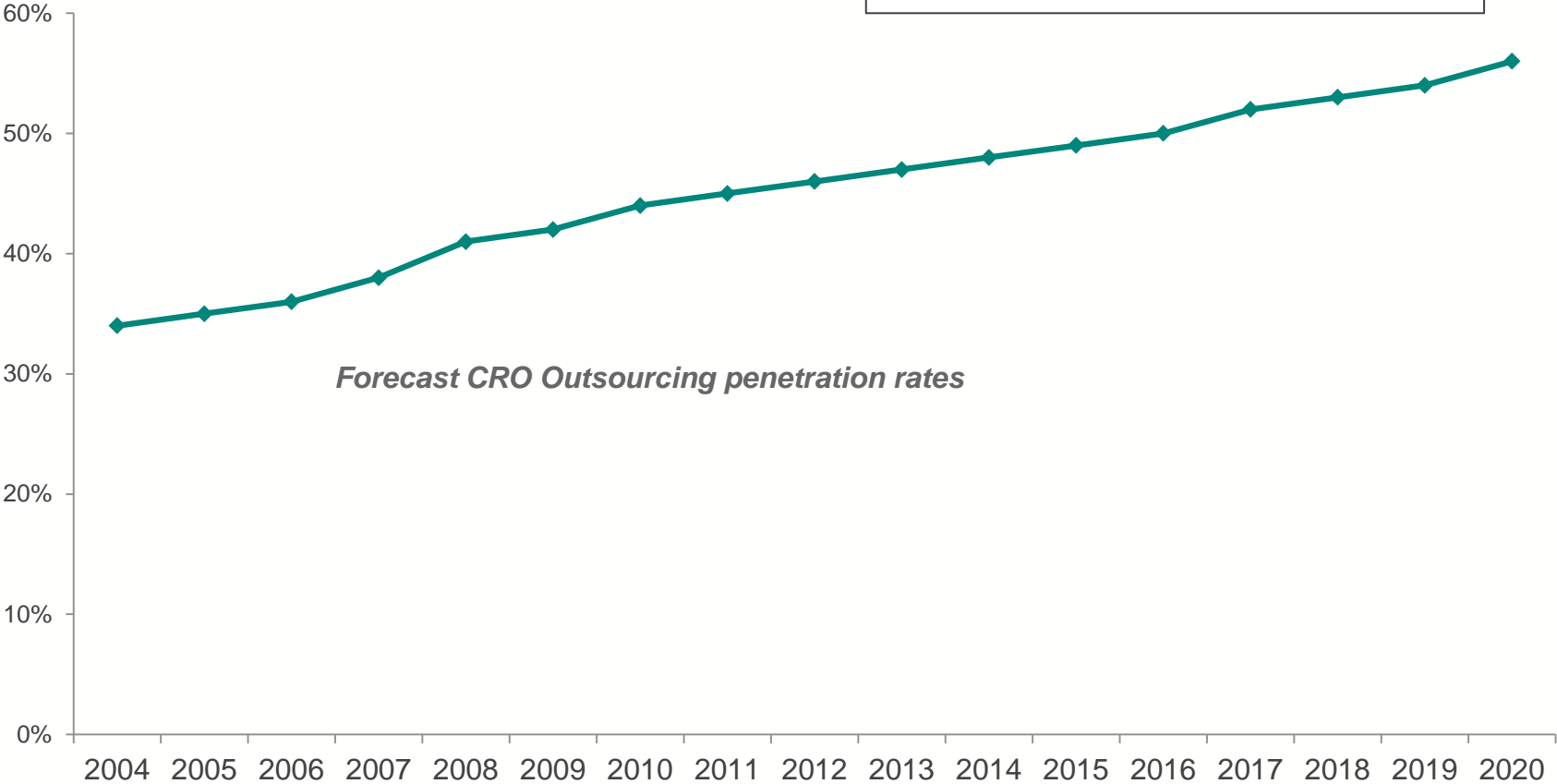
# Outsourcing Penetration of addressable market continues to grow



R&D Growth	Outsourcing Penetration	Market Share
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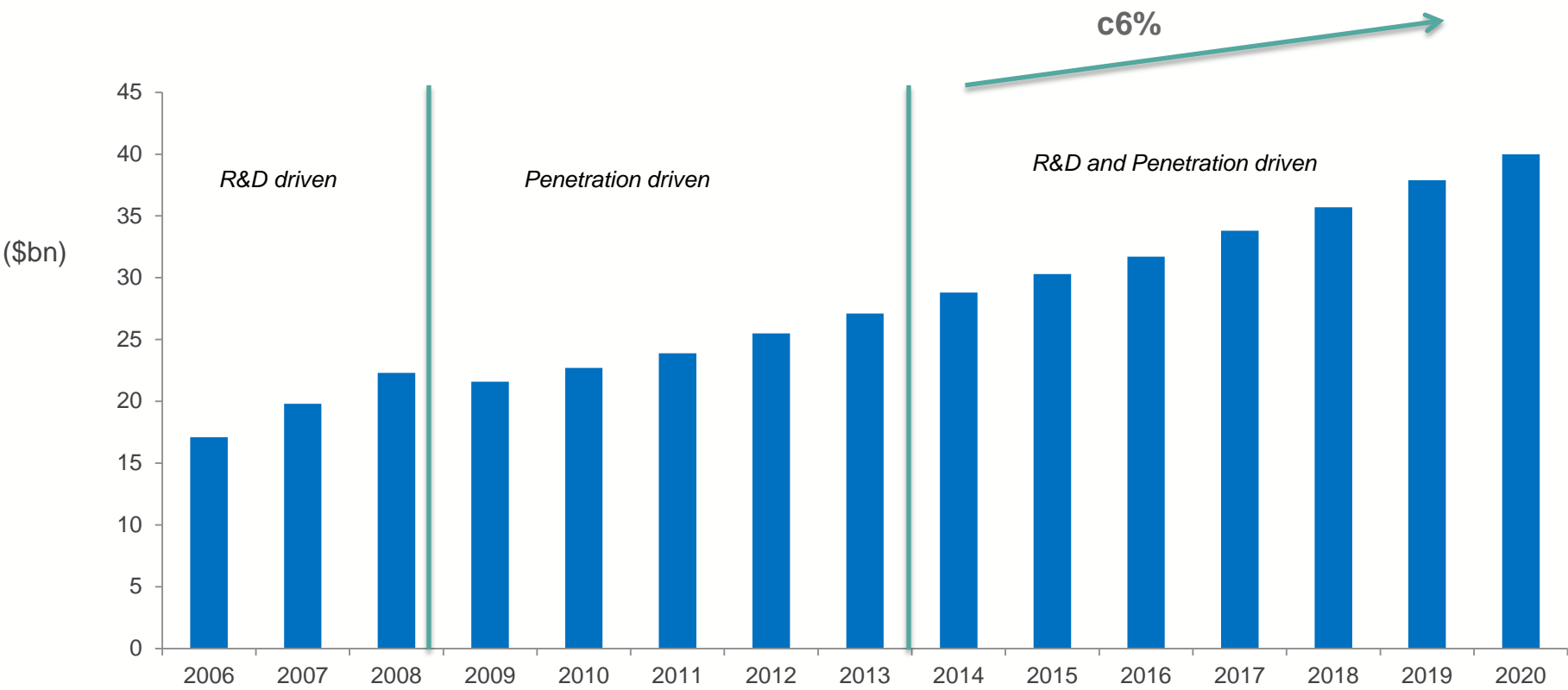
Drivers

- Increasing Study complexity
- Access to patients
- Global Scientific Expertise
- Enhanced R&D Productivity
- Access to innovative trial technologies



Source:  
BCG, ICON  
company  
estimates

# Overall CRO Market Forecast to Grow c6%



Source:; BCG market model, ICON Company estimates

# Potential for larger CRO's to outgrow market by gaining share

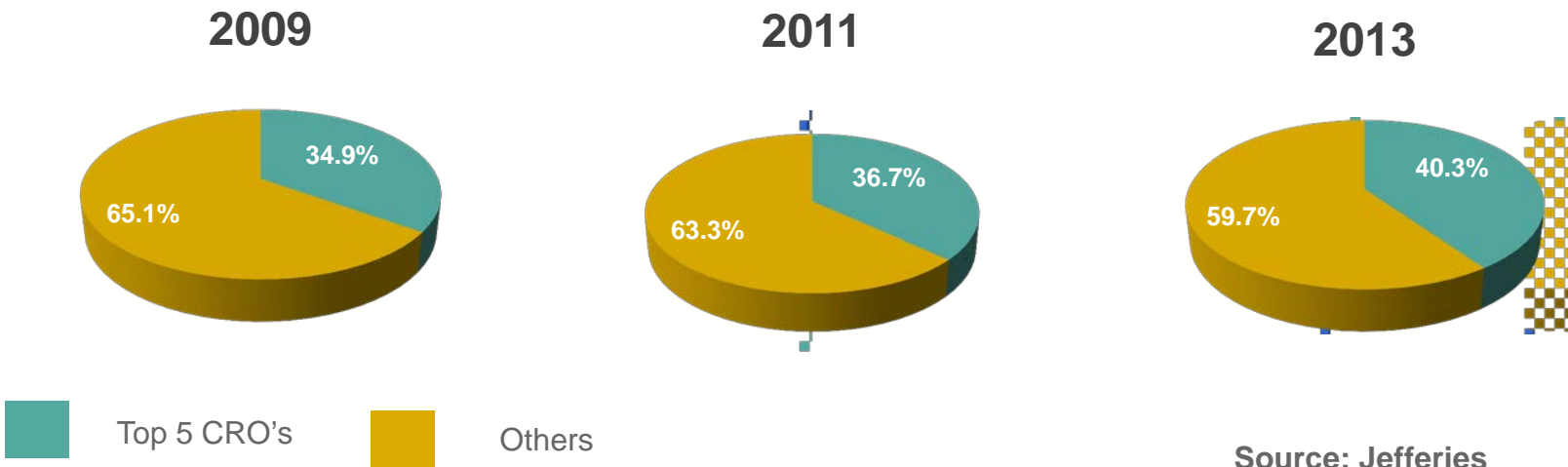


R&D Growth	Outsourcing Penetration	Market Share
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**Drivers**

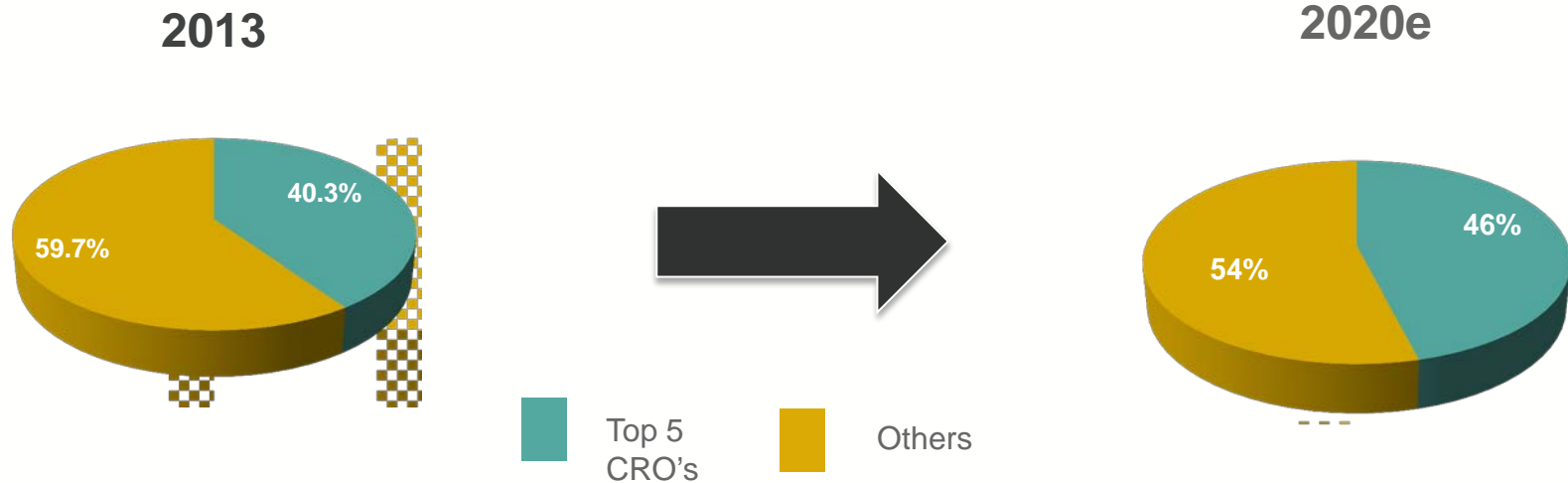
- Need for global reach
- Portfolio management v single studies
- Depth and breadth of services
- Partner models driving efficiency gains
- Increasing use of larger CRO's in mid-mkt

Market Share Top 5 CRO's



Source: Jefferies

# Potential for larger CRO's to outgrow market by gaining share



**Implies CAGR Rate 2014-2020 of 8%**

# ICON: A clear strategy to address evolving customer needs

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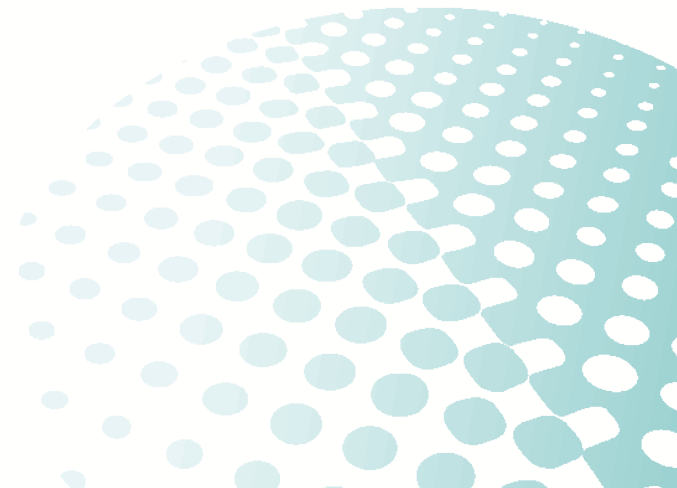
**ICON**  
A Symbol of Excellence



# What do customers expect from us?

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- **Global access to patients and full range of services**
- **Solutions that reduce development time and costs**
- **Access to the best people & experience**
- **Insights from new clinical and real world data sources**



# Global access to patients and full range of services



Global Execution Capability



BeijingWits



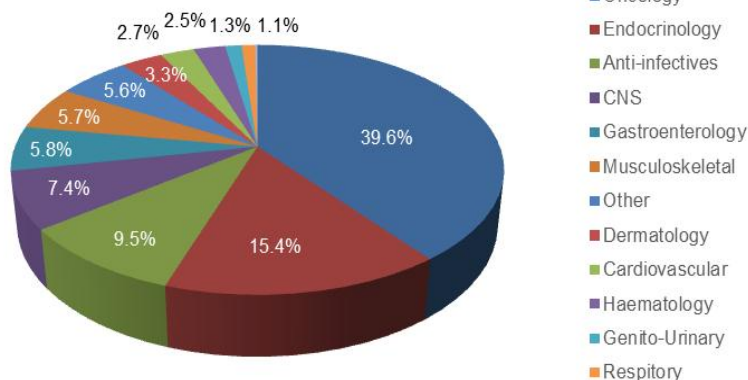
*Enhanced APAC Coverage*

Scale to deliver industry leading Partner models



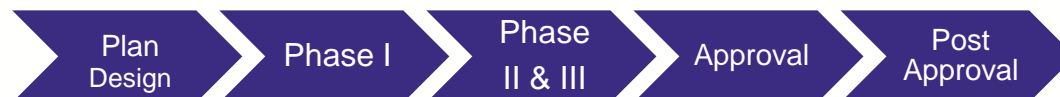
Therapeutic Depth

ICON Backlog by TA



*2014: Vaccines CRO of the year*

Broad portfolio spanning entire product lifecycle



*Enhanced Adaptive trial Capabilities*



**AptivSolutions**  
Accelerating the Possibilities

# Solutions reducing development time and costs

## Operating efficiencies via partnership models

### Continuous Process Improvement

SOPS  
Enabling Technologies  
New trial methods



### Efficient operating model

Governance  
Contracting  
Resourcing  
Forecasting



### Partnership Investment

People  
Innovation  
New Capabilities

## Differentiated trial solutions and technologies

- ***Adaptive Trials***
- ***Patient Centric Monitoring***
- ***Enhanced Site performance***



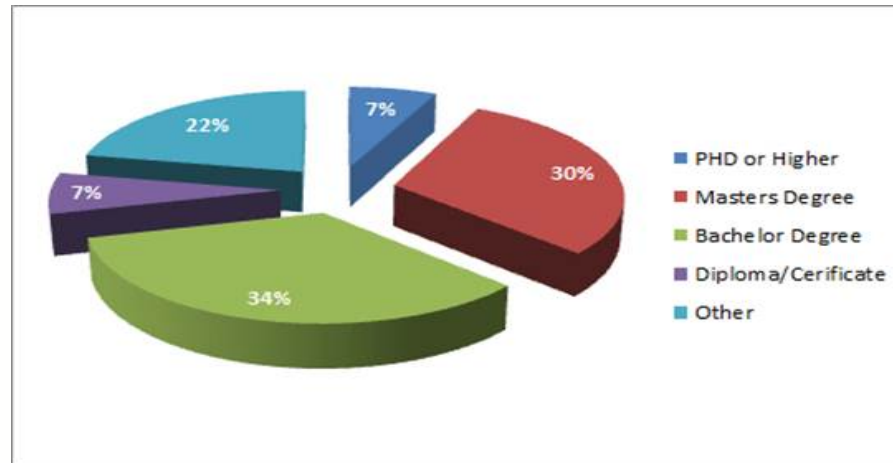
**Firecrest**  
Site Performance. Ignited.

**ICONik**  
Immediate Knowledge

**ADDPLAN<sup>®</sup>DF**

# The best people & experience

## Experienced and Highly Qualified Team



## Industry leading people development programmes

### *The ICON University*

**ICON  
Business  
Academy**



*Collaboration with University College Dublin (UCD), Business School*

*1400 ICON attendees to date*

**ICON  
Clinical  
Academy**



*Advanced modules in Project, Portfolio & Programme management*

*Unique graduate programmes in Clinical Research-UCD Medical School & pilots US, China*

# Insights from new clinical & real world data



ICON Informatics Hub



Clinical Data



Patient Communities Data



Real World Data

Enhanced Access to clinical, patient, real world data

Analytical & Consulting  
expertise to deliver insights  
from data



ICON Commercialisation &  
Outcomes

ICON  
Consulting Services

Innovative data  
Collaborations



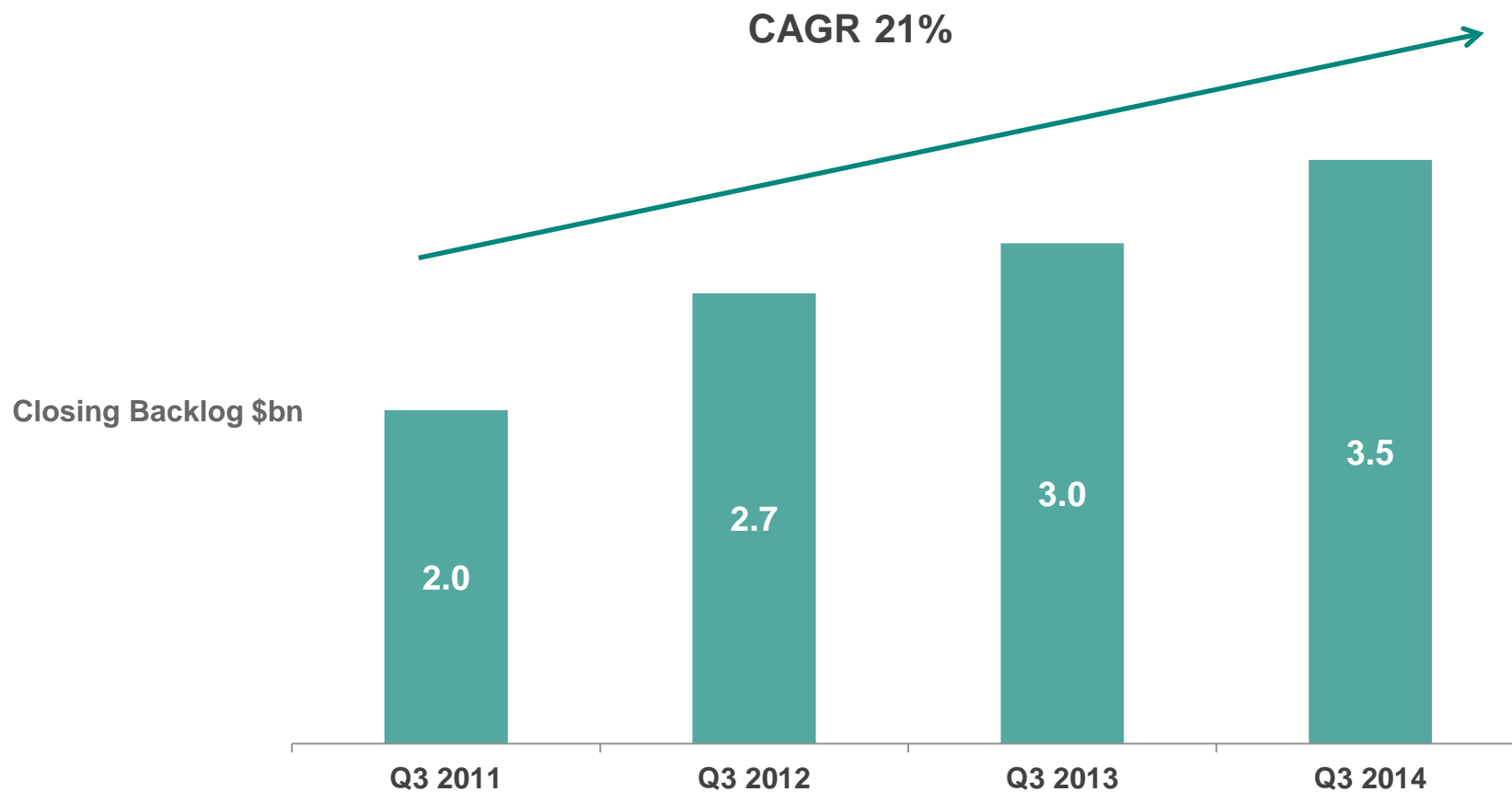
Chair Data Analytics



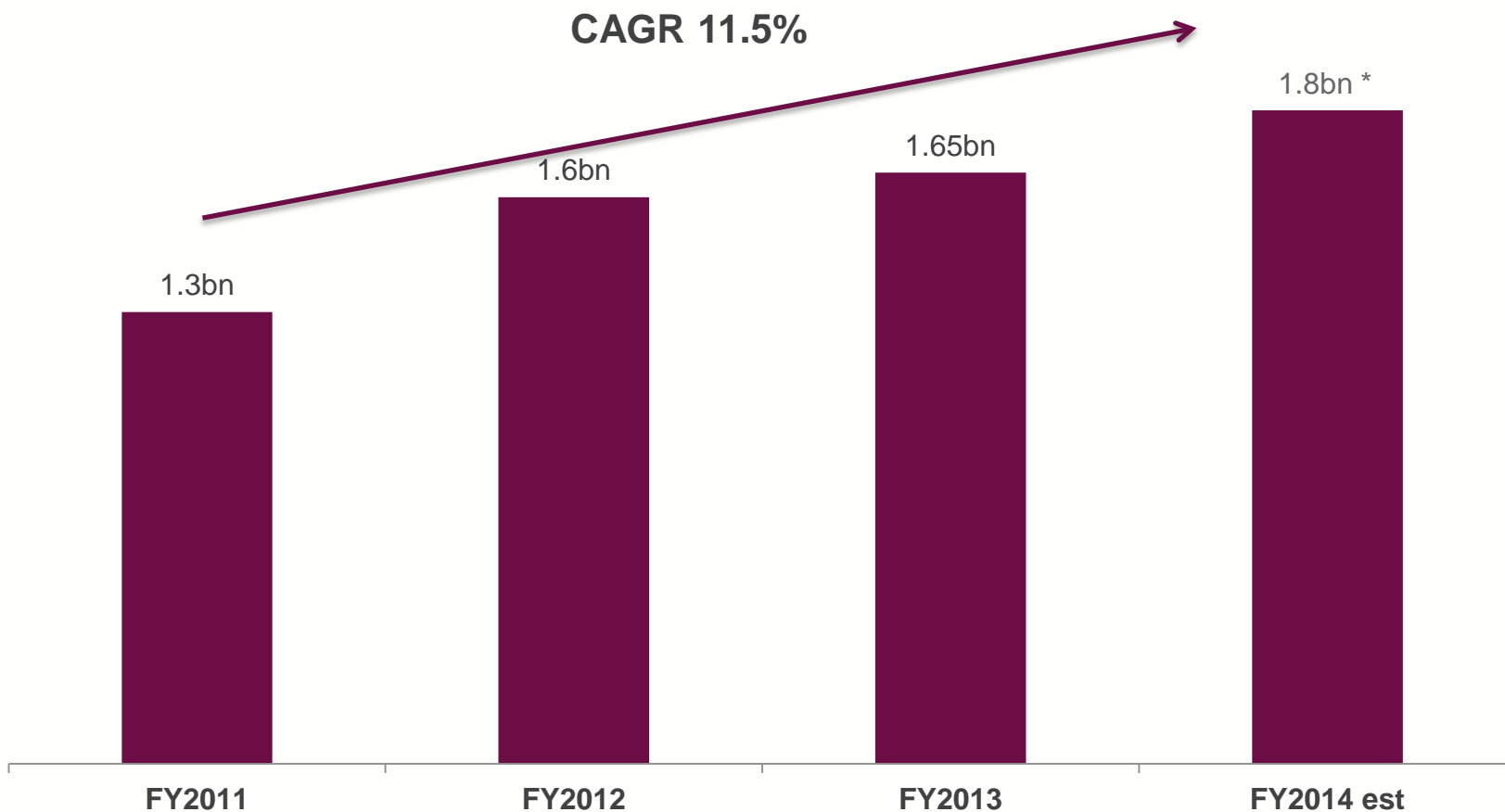
**Our strategy is delivering: Financial Performance**



# Backlog Growth

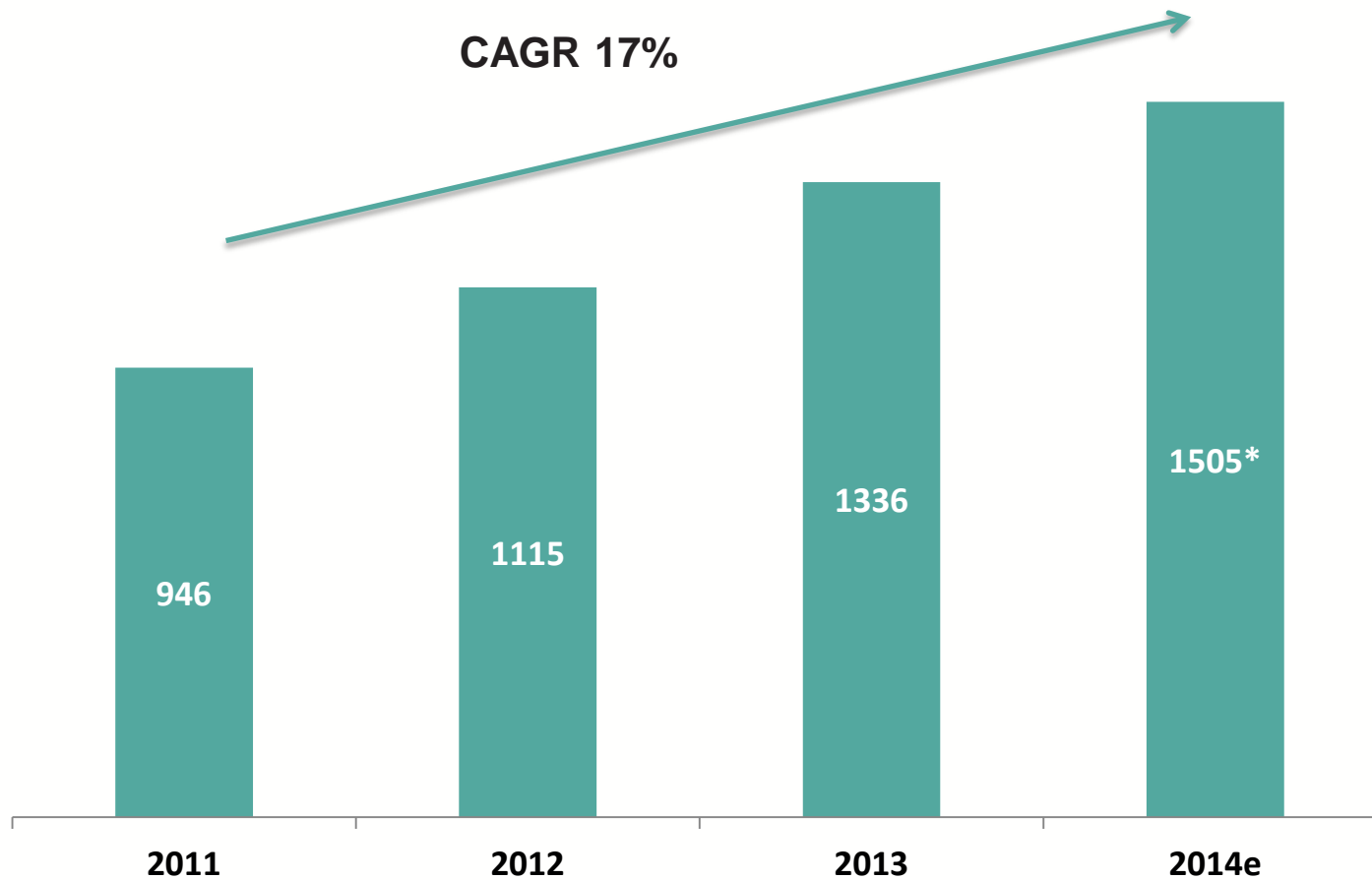


# Net New Business Wins



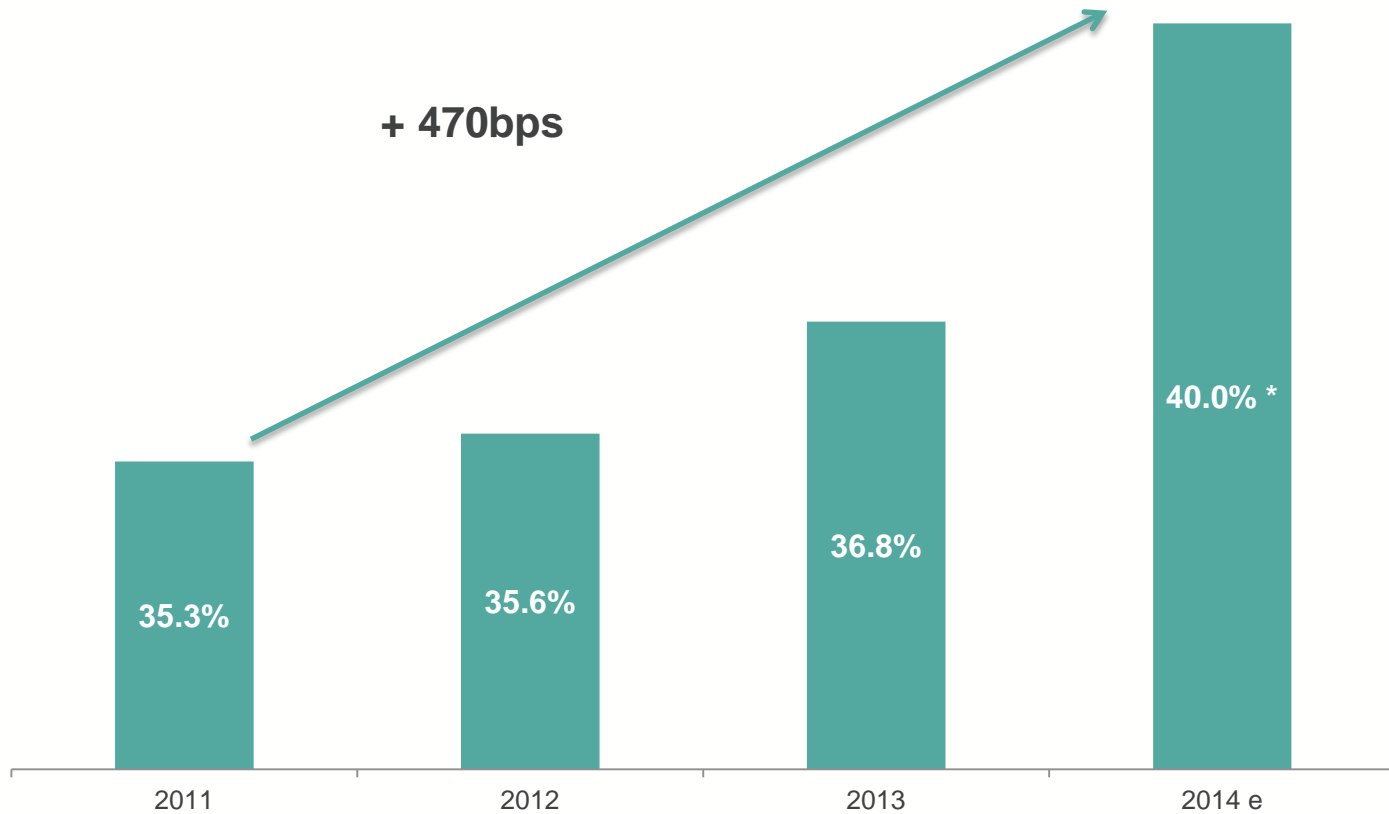
\* Estimate based on 1.2x Midpoint FY 2014 revenue guidance

# Net Revenue

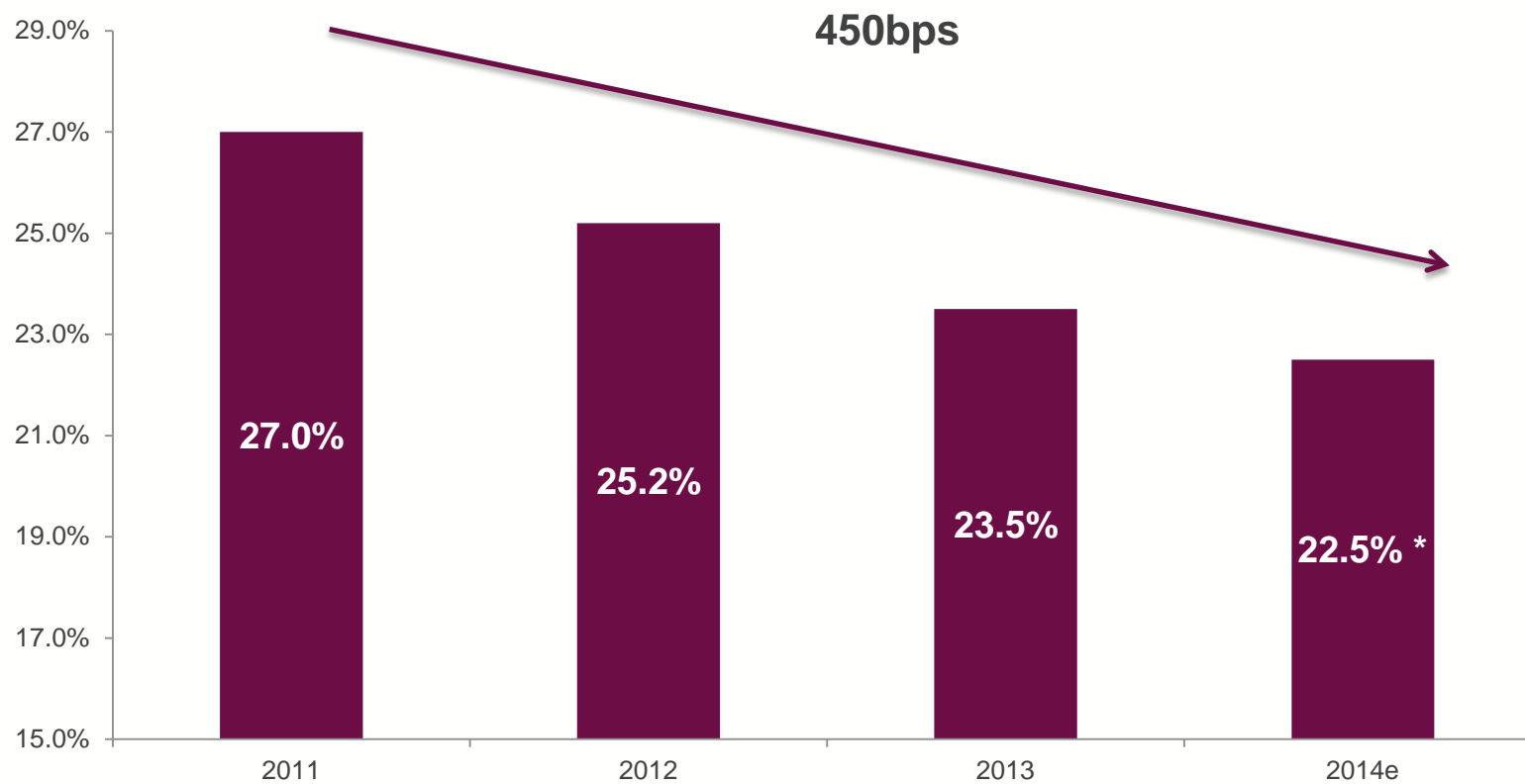


\* Estimate based on midpoint FY 2014 guidance

# Gross Margin

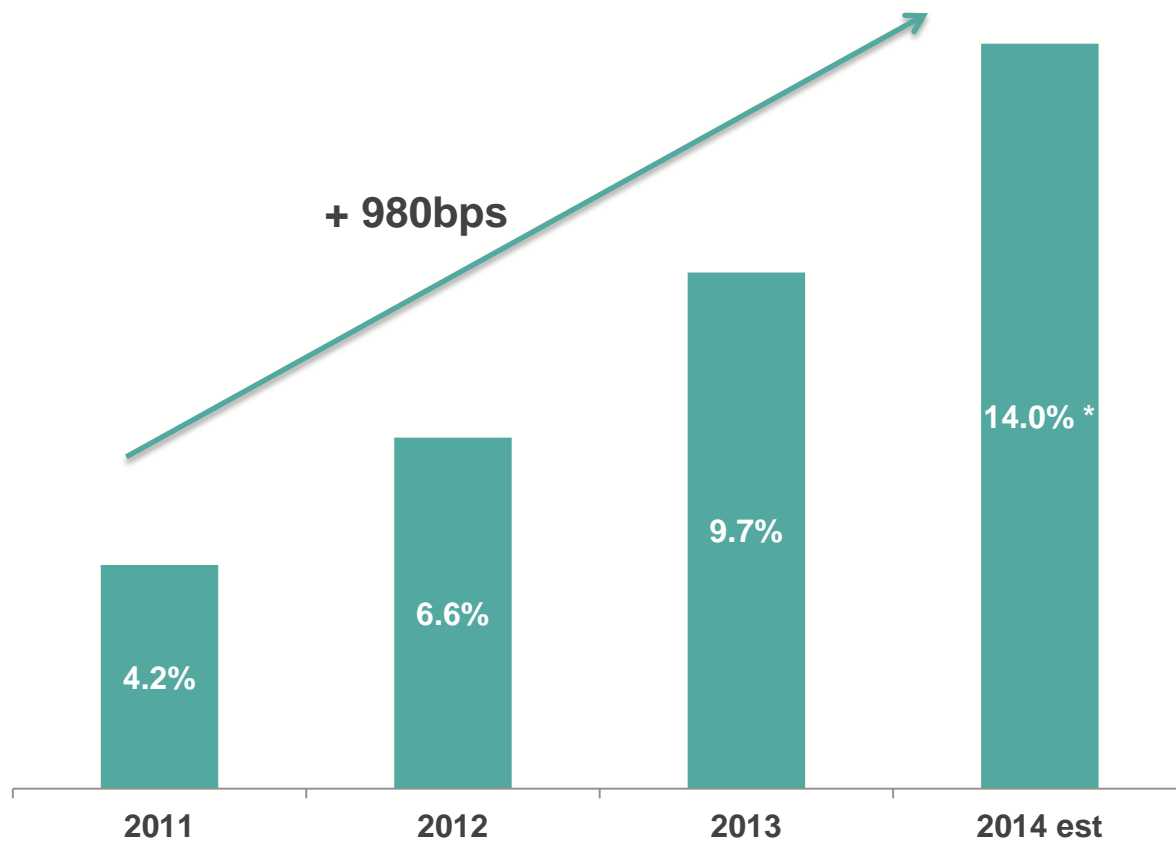


\* Estimated based on *Midpoint FY 2014 guidance*



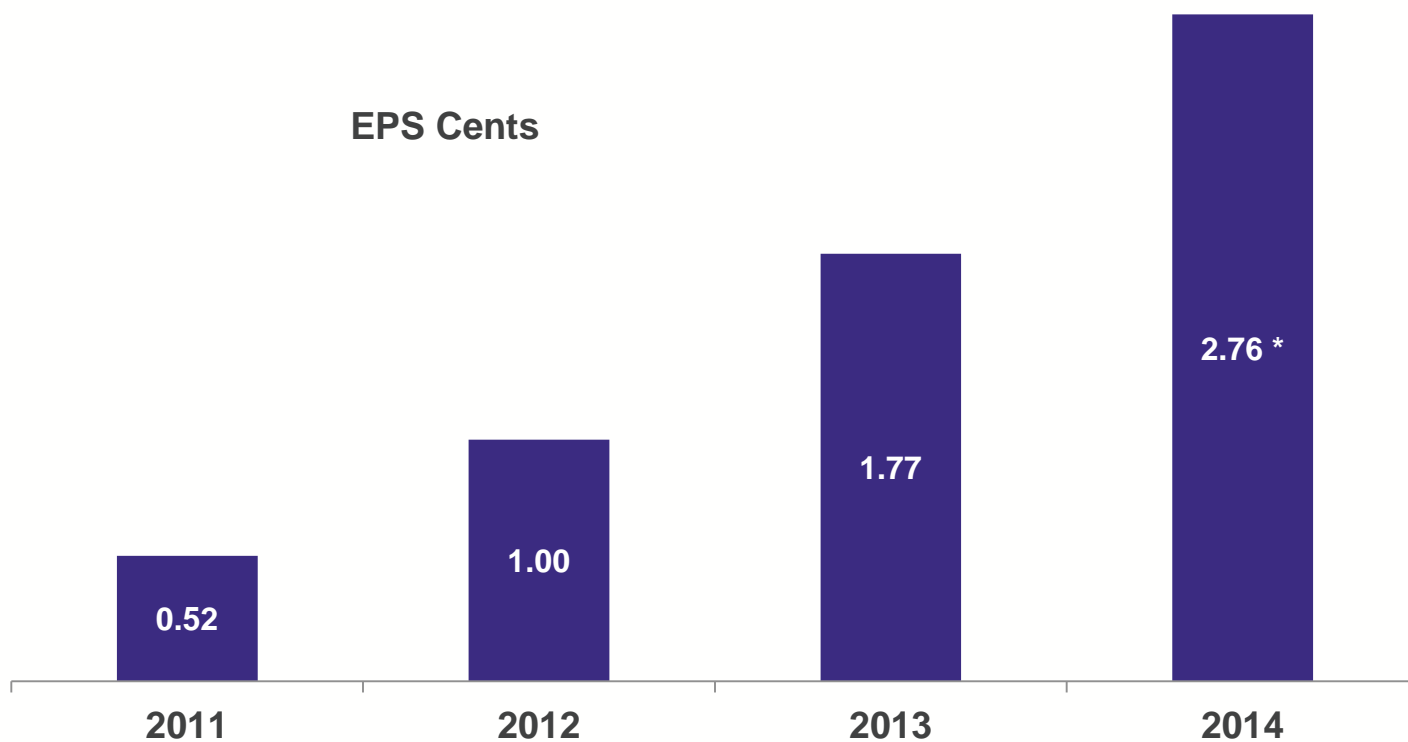
\* Estimated based on *Midpoint FY 2014 guidance*

# Operating Margin



\* Estimated based on *Midpoint FY 2014 guidance*

# Earnings per share



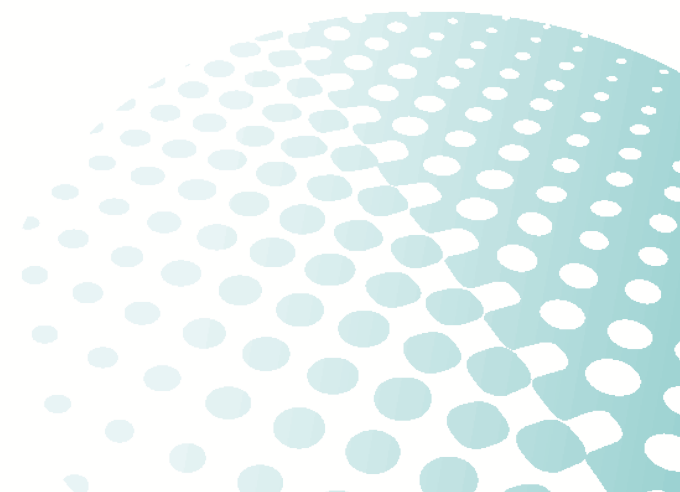
*\* Midpoint FY 2014 guidance*

- **Continued focus on “string of pearls” M&A**

- Prior: \$300m on targeted M&A since 2008
- 2014: Aptiv Solutions acquired \$143.5M
- 2015: Continued string of pearls

- **Share buyback**

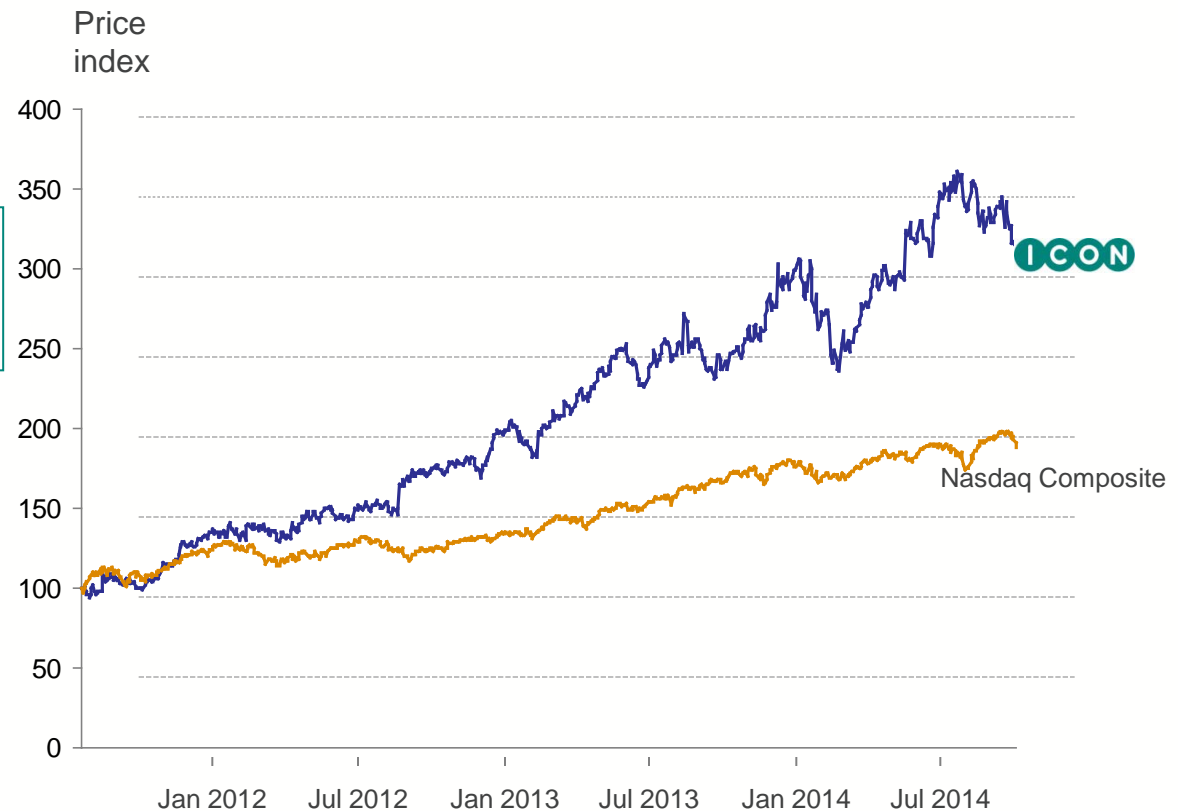
- Prior: Share repurchases of c\$25m
- 2014: \$140m completed
- 2015: Intent to review buybacks that reduce impact of dilution



# Strong performance has resulted in leading Shareholder Returns '11-'14...



**ICON**  
Avg. annual TSR (2011-2014<sup>1</sup>) of 44 %



*ICLR Share price growth v Nasdaq Composite Sep11-Dec14*

1. TSR from Sep 30 2011 through Dec 16 2014

Source: S&P Capital IQ; BCG ValueScience Center

# Summary



# Investment Case Summary

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- Tier one global CRO
  - Track record of delivering shareholder value
  - Good Market fundamentals
    - R&D Increasing, Outsourcing penetration increasing, market share to global players
  - Differentiated Offering
    - Differentiated technology and analytics
    - Leader in outcomes research & real world evidence
    - Industry leader in partnership models
  - Strong balance sheet enabling investment in business innovation & areas of future growth
- 