



# ICON Q1 2024 Results

## Period Ended March 31, 2024

April 24, 2024



# Forward Looking Statement

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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 include statements regarding our financial guidance and outlook, and 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, 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 February 23, 2024 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 including, but not limited to, adjusted EBITDA and adjusted earnings per share. 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.

The full-year 2024 guidance adjusted earnings per share measures 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. For the same reasons, the company is unable to address the probable significance of the unavailable information.

The information contained in this presentation is being provided for your convenience and information only. This information is accurate as of the date of its initial presentation. If you plan to use this information for any purpose, verification of its continued accuracy is your responsibility. ICON assumes no duty to update or revise the information contained in this presentation.

# The world's leading CRO, powered by healthcare intelligence

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ICON's **leading, scaled offering** positions us well for further penetration across the market



**Positive underlying CRO market dynamics** with stabilization in biotech & strength in large pharma



**Continued success with strategic partnership opportunities**

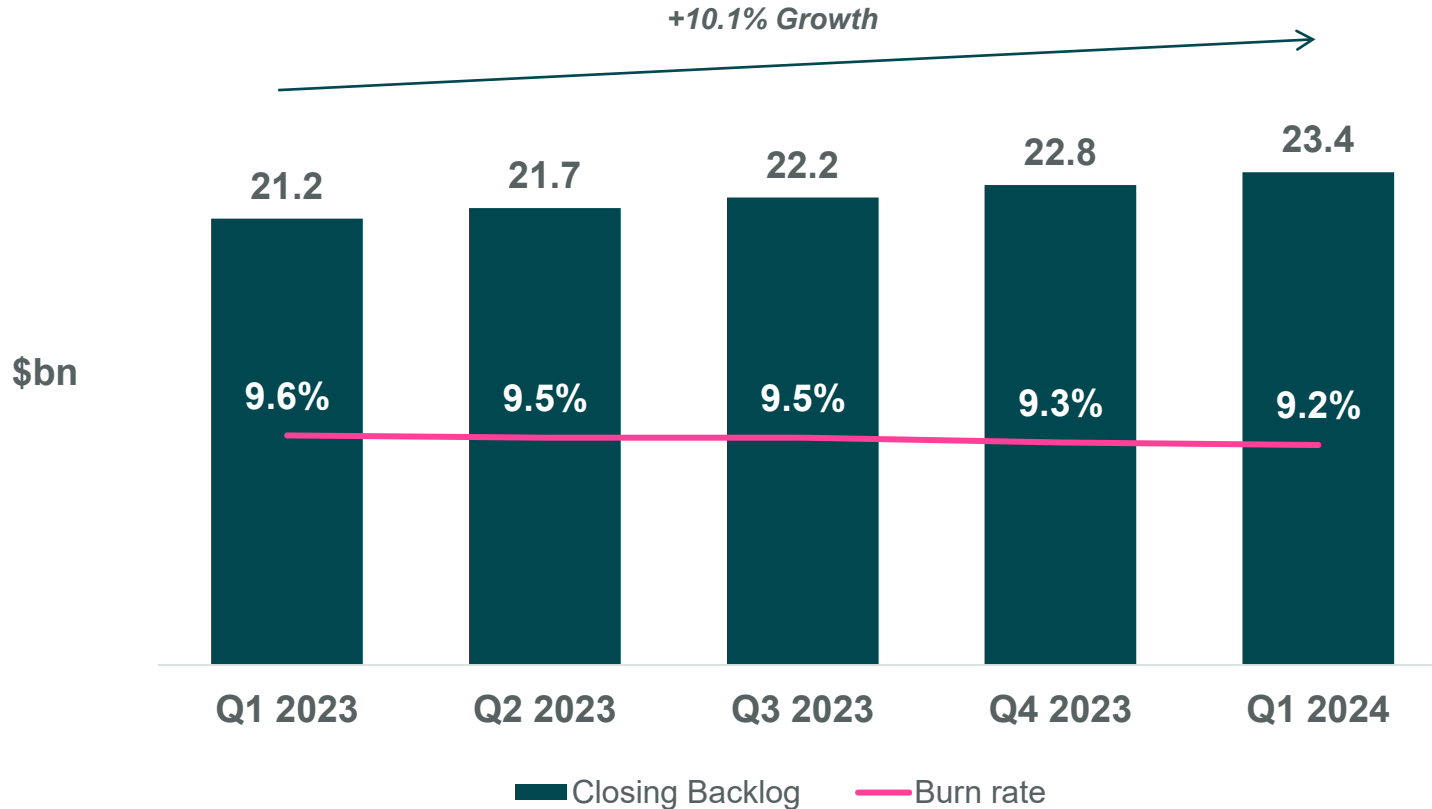


Optimize capital deployment through **increased M&A and potential share repurchase**



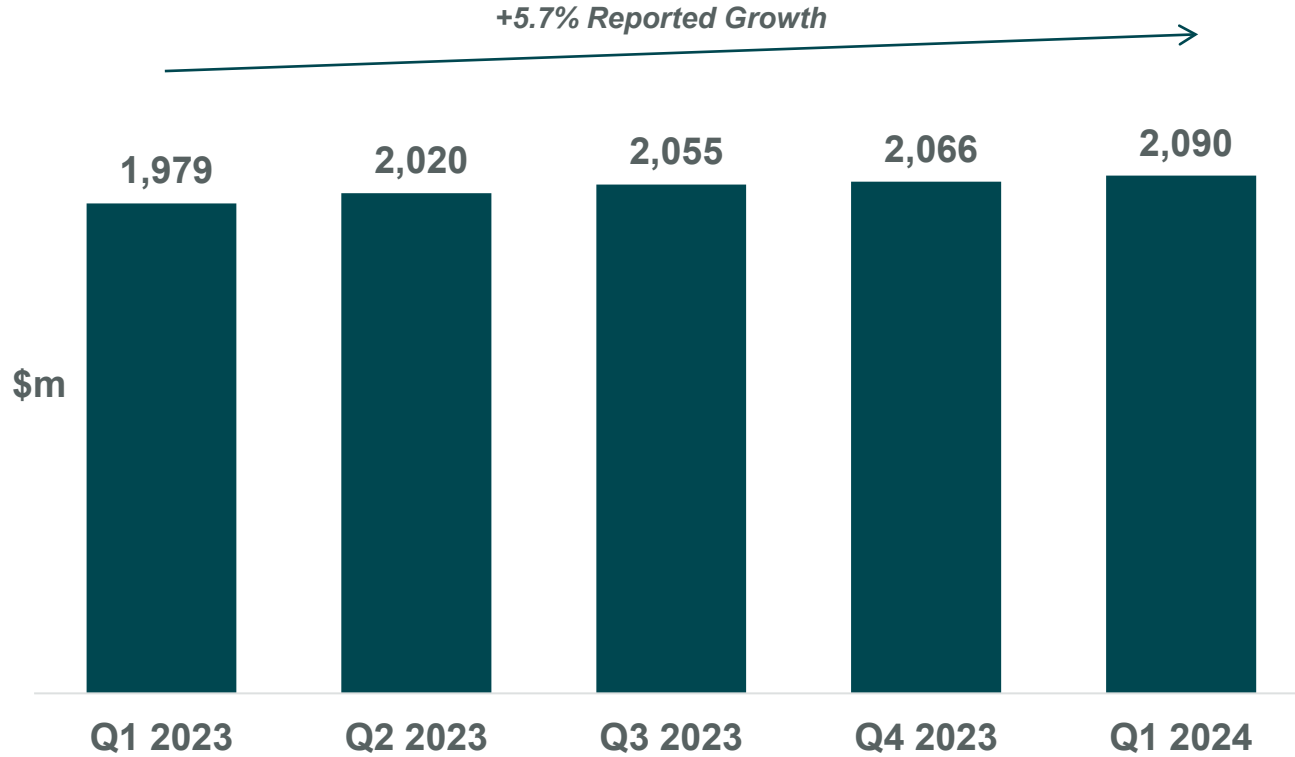
**Upgraded debt profile to investment grade** allowing for refinancing of debt

# Backlog Metrics

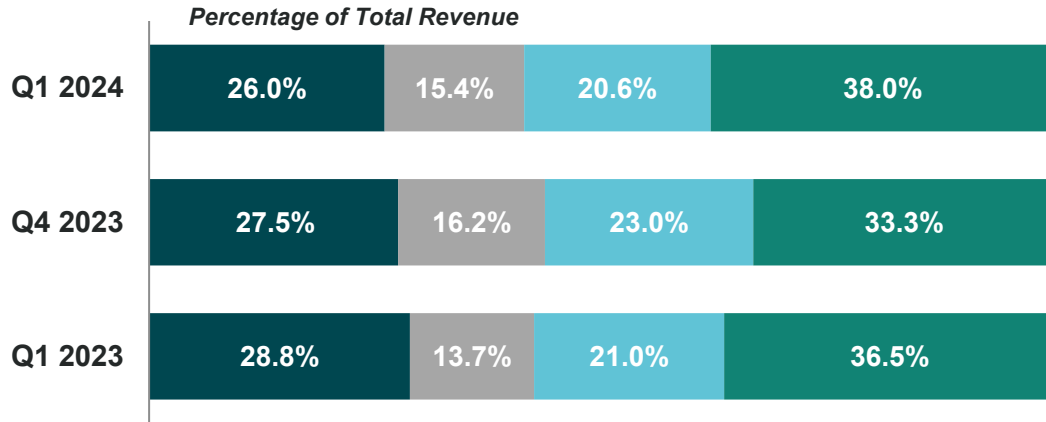


# Revenue

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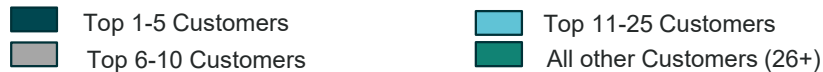


# Customer Concentration & Diversification



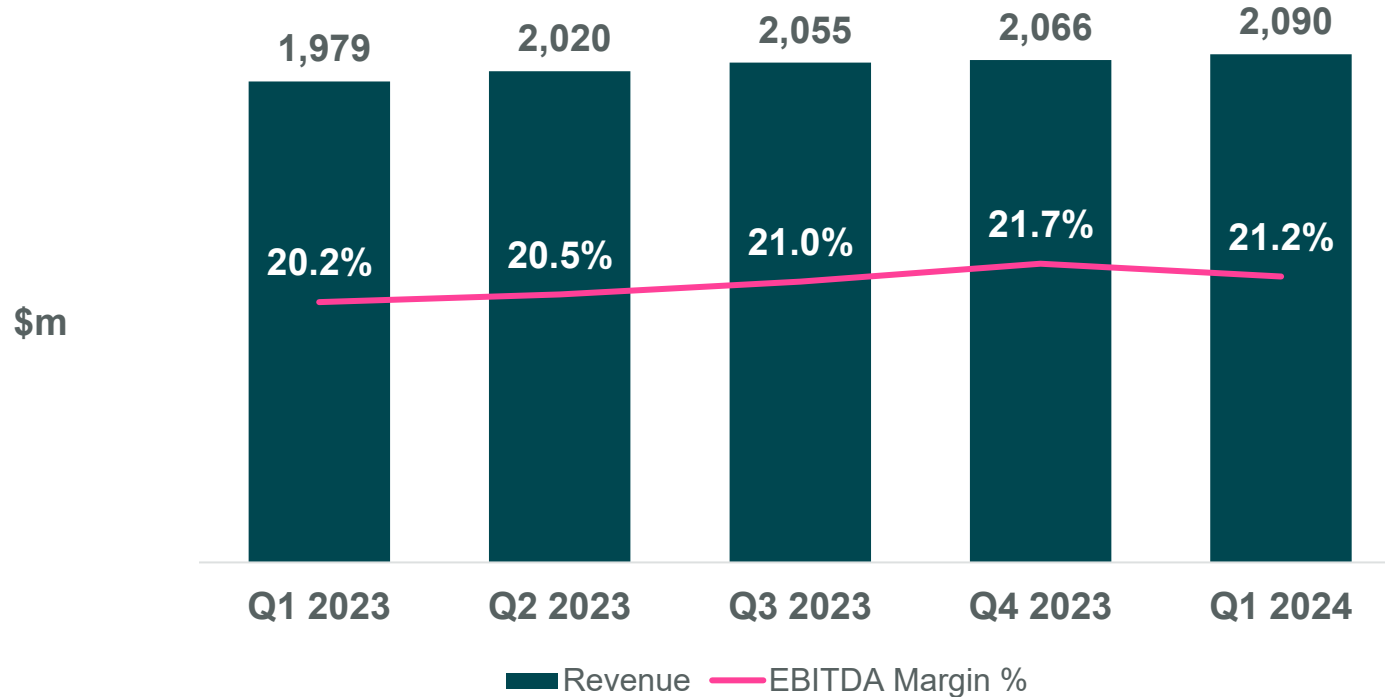
## Average revenue per customer (Q1 2024):

- Top 1-5: c5% on average
- Top 6-10: c3% on average
- Top 11-25: c1.5% on average



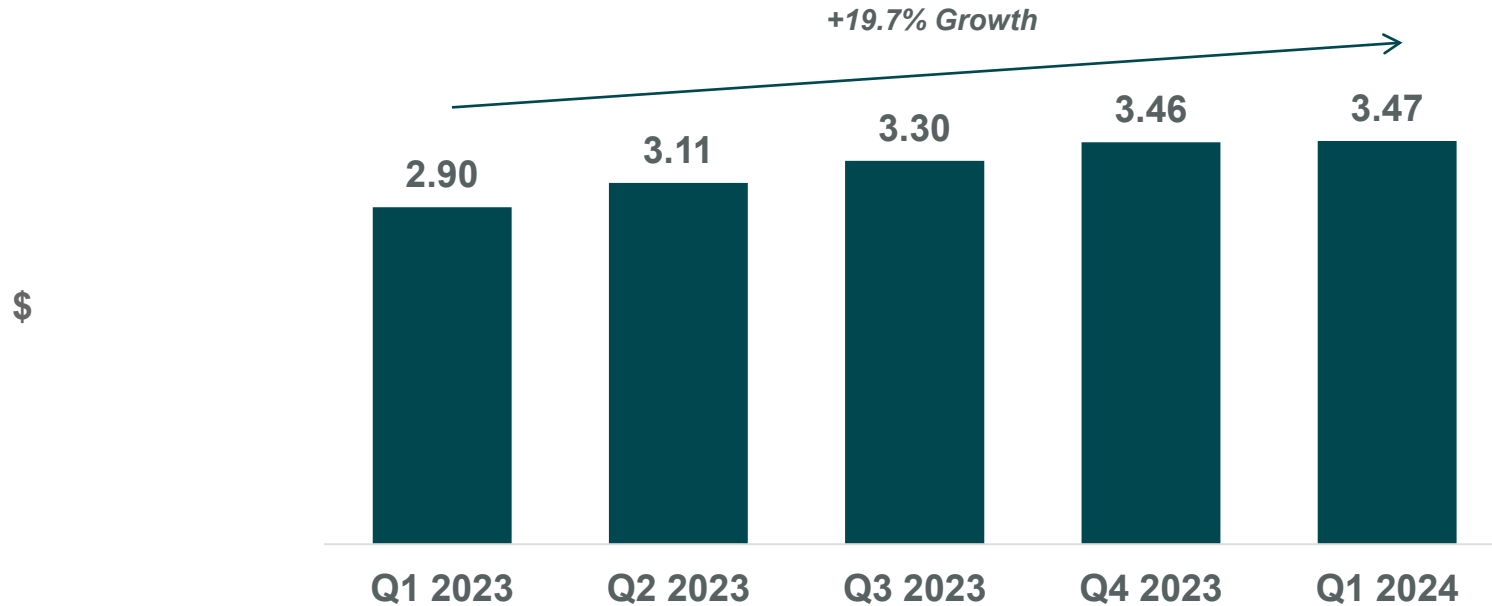
- Beginning in Q1 2024, customer segmentation aligned with GAAP reporting
- No particular concentration risk given average revenue contribution per customer

# Adjusted EBITDA Margin



Notes: All values exclude amortization, stock compensation, restructuring, FX and transaction-related / integration-related costs  
Adjusted EBITDA Margin is a non-GAAP financial measure. Refer to "Forward Looking Statement" at the beginning of this presentation for a discussion of our non-GAAP financial measures

# Adjusted Earnings per Share attributable to the Group



Notes: All values exclude amortization, stock compensation, restructuring, FX and transaction-related / integration-related costs  
Adjusted earnings per share is a non-GAAP financial measure. Refer to "Forward Looking Statement" at the beginning of this presentation for a discussion of our non-GAAP financial measures



# Balance Sheet

<b>\$m (unless otherwise stated)</b>	<b>Q1 2024 31-Mar-24</b>	<b>Q4 2023 31-Dec-23</b>	<b>Q1 2023 31-Mar-23</b>
Cash and Cash Equivalents + Available for Sale Investments	<b>398.0</b>	380.1	281.5
Total Debt	<b>(3,499.5)</b>	(3,775.6)	(4,488.7)
Net (Debt) / Cash	<b>(3,101.5)</b>	(3,395.5)	(4,207.2)
Net Debt / TTM Adj EBITDA Ratio *	<b>1.8x</b>	2.0x	2.8x
DSO (days)	<b>49</b>	47	54

\* TTM Adjusted EBITDA to 31 March 2023 includes synergies. TTM Adjusted EBITDA to 31 December 2023 and 31 March 2024 do not include synergies as the \$150 million synergy target was achieved in TTM to 31 December 2023

# Cash Flow

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Quarterly Cash Flow (\$m)	Q1 2024	Q4 2023	Q1 2023
Cash from Operating Activities	327.1	440.1	175.5
Capital Expenditure	(27.2)	(52.7)	(26.7)
Free Cash Flow*	300.0	387.4	148.8

\* Excludes purchases of subsidiary undertakings

# 2024 Updated Financial Guidance & Outlook

	FY2023	FY2024 Guidance	<i>% increase</i> (FY2024 Guidance vs. FY2023 Actuals)
<b>Revenue</b>	\$8,120m	\$8,480m - \$8,720m	4.4% - 7.4%
<b>Adjusted EPS*</b>	\$12.79	\$14.65 - \$15.15	14.5% - 18.5%

## Key Assumptions for FY2024 Guidance

- Effective tax rate of 16.5%
- Excludes share repurchase activity
- Excludes additional M&A
- Free Cash Flow target of c\$1.1bn
- Adjusted EBITDA\* margin expansion of c50bps over FY2023
- Total interest expense in the range of \$200-230m
- Total capital expenditure spend in the range of \$150-200m

\*Adjusted EBITDA and adjusted EPS exclude amortization, stock compensation, restructuring, FX and transaction-related / integration-related costs

Note: Adjusted EBITDA and adjusted EPS are non-GAAP financial measures. Refer to "Forward Looking Statement" at the beginning of this presentation for a discussion of our non-GAAP financial measures



# Appendices

# Reconciliation of Non-GAAP Measures (Adjusted EBITDA)

<i>\$000 except share and per share data</i>	<b>Q1 2023</b>	<b>Q1 2024</b>
<b>Adjusted EBITDA</b>		
Net income	116,654	187,438
Share of losses from equity method investments	383	-
Income tax expense	14,273	28,324
Net interest expense	85,479	69,735
Depreciation and amortization	145,126	149,181
Stock-based compensation expense <sup>(a)</sup>	14,759	13,181
Foreign currency losses/ (gains), net <sup>(b)</sup>	1,338	(10,814)
Restructuring <sup>(c)</sup>	9,729	-
Transaction and integration related costs <sup>(d)</sup>	11,382	6,991
<b>Adjusted EBITDA</b>	<b>399,123</b>	<b>444,036</b>
<i>Adjusted EBITDA Margin %</i>	<i>20.2%</i>	<i>21.2%</i>

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

<i>\$000 except share and per share data</i>	<b>Q1 2023</b>	<b>Q1 2024</b>
<b>Adjusted net income and adjusted diluted net income per Ordinary Share</b>		
Net Income	116,654	187,438
Income tax expense	14,273	28,324
Amortization	114,678	116,498
Stock-based compensation expense <sup>(a)</sup>	14,759	13,181
Foreign currency losses/ (gains), net <sup>(b)</sup>	1,338	(10,814)
Restructuring <sup>(c)</sup>	9,729	-
Transaction and integration related costs <sup>(d)</sup>	11,382	6,991
Transaction-related financing costs <sup>(e)</sup>	4,498	3,907
Adjusted tax expense <sup>(f)</sup>	(47,469)	(57,012)
<b>Adjusted net income</b>	<b>239,842</b>	<b>288,513</b>
Diluted weighted average number of Ordinary Shares outstanding	82,605,659	83,249,303
<b>Adjusted diluted net income per Ordinary Share</b>	<b>2.90</b>	<b>3.47</b>

# Q1 2024 Adjusted Net Income Reconciliation

\$000 except share and per share data	Q1 2023			Q1 2024		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Revenue	1,978,578	-	1,978,578	2,090,386	-	2,090,386
Costs and expenses:						
Direct costs (excluding depreciation and amortization) <sup>(a)</sup>	1,395,546	(5,668)	1,389,879	1,471,367	(6,746)	1,464,621
Selling, general and administrative <sup>(a),(b)</sup>	200,006	(10,429)	189,577	177,350	4,379	181,729
Depreciation and amortization	145,126	(114,678)	30,448	149,181	(116,498)	32,683
Transaction and integration related <sup>(d)</sup>	11,382	(11,382)	-	6,991	(6,991)	-
Restructuring <sup>(c)</sup>	9,729	(9,729)	-	-	-	-
Total costs and expenses	1,761,789	(151,885)	1,609,904	1,804,889	(125,856)	1,679,033
Income from operations	216,789	151,885	368,674	285,497	125,856	411,353
Net interest expense <sup>(e)</sup>	(85,479)	4,498	(80,980)	(69,735)	3,907	(65,828)
Income before income tax expense	131,310	156,384	287,694	215,762	129,763	345,525
Income tax expense <sup>(f)</sup>	(14,273)	(33,196)	(47,469)	(28,324)	(28,688)	(57,012)
Income before share of losses from equity method investments	117,037	123,187	240,225	187,438	101,075	288,513
Share of losses from equity method investments	(383)	-	(383)	-	-	-
Net Income	116,654	123,187	239,842	187,438	101,075	288,513
Diluted weighted average number of Ordinary Shares outstanding	82,605,659		82,605,659	83,249,303		83,249,303
<b>Net income per Ordinary Share</b>	<b>1.41</b>		<b>2.90</b>	<b>2.25</b>		<b>3.47</b>

# Reconciliation of Non-GAAP Measures Notes

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- a) Stock-based compensation expense represents the amount of recurring expense related to the Company's equity compensation programs (inclusive of employer related taxes).
- b) Foreign currency losses / (gains), net relates to gains or losses that arise in connection with the revaluation or settlement 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.
- c) Restructuring relates to charges incurred in connection with the company's realignments of its workforce, with the elimination of redundant positions as well as reviewing its global office footprint and optimizing its locations to best fit the requirements of the company.
- d) Transaction and integration related costs include expenses/credits associated with our acquisitions and any other costs incurred directly related to the integration of these acquisitions.
- e) 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.
- f) Represents the tax effect of adjusted pre-tax income at our estimated effective tax rate.



# ICON



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