



J.P. Morgan 38th Annual Healthcare Conference, San Francisco

Steve Cutler, Chief Executive Officer
ICON plc
14th January 2020

ICON and You.
Partners making
a difference.

Forward Looking Statement



Certain statements will be forward looking statements. Actual results may differ materially from those stated or implied by forward looking statements due to economic and industry conditions and risks and uncertainties associated with the company's business. Listeners are cautioned that forward looking statements are not guarantees of future performance. Forward-looking statements are only as of the date they are made and we do not undertake any obligation to update publicly any forward-looking statement, either as a result of new information, future events or otherwise. Certain of the company's filings with the Securities and Exchange Commission, including its Annual Report on Form 20-F, filed March 1, 2019 discuss the risks and uncertainties associated with the company's business.

This presentation includes selected non-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. For a presentation of the most directly comparable GAAP financial measures, please refer to the latest Form 6-K (Unaudited) filed with the Securities and Exchange Commission.

Agenda

- ICON Overview
- Market Trends and Opportunity
- ICON Strategic Focus
- Financial Performance
- 2020 Guidance
- Investment Summary



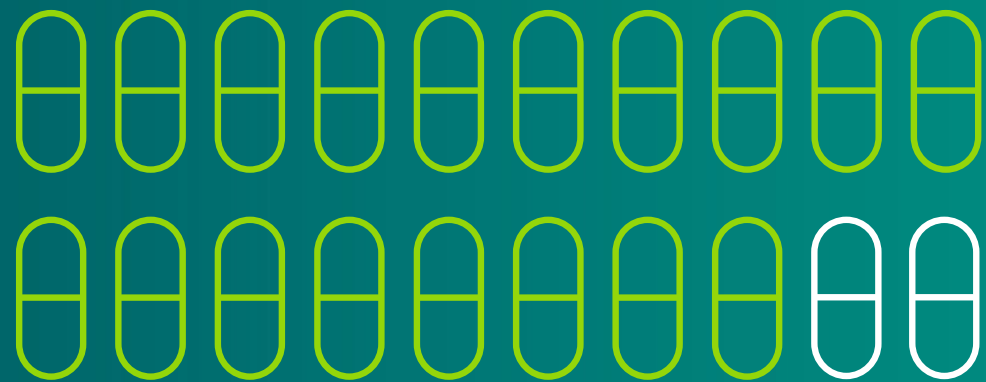
1. ICON Overview

Molecule to Medicine

“ICON’s mission is to help our customers accelerate the development of drugs and devices that save lives and improve the quality of life.”



18



Our award-winning study execution capabilities have led to the approval of 18 of the world's top 20 best-selling drugs

The journey so far...

1990



2019



\$0.5m



\$2.81b*

*mid-point full year revenue guidance



5 Staff



14,600 Staff

Building a Global Platform & Execution Capability for the Future



**c14,600 employees across 99 locations in 40 countries*
providing access to patients and execution capability**

*Employees, locations & countries as at 30 Sept 2019

Across a Comprehensive service portfolio supporting all aspects of drug development

Early Phase Services

- PK/PD Modelling
- Pharmacodynamic Models & Simulation
- Data Visualisation & Analysis
- Clinical Research Unit
- NONMEM® Software
- PDx-POP®

Drug Development Services

- Preclinical/Non-Clinical Development
- Chemistry, Manufacturing & Controls (CMC)
- Clinical Development
- Pharmacokinetics
- Due Diligence & Asset Valuation

Clinical Research Services

- Project Management
- Clinical Operations
- Patient & Site Identification, Feasibility & Study Start-Up
- Site & Patient Solutions
- Investigator Payments and Grant Budgets
- Biometrics
- Data Management
- Biostatistics
- Medical Writing & Publishing
- Adaptive Trials & ADDPLAN®
- Scientific Operations
- Medical Affairs
- Pharmacovigilance
- Regulatory Affairs
- Medical Imaging
- Interactive Response Technology & FLEX ADVANTAGE

Functional Services

- DOCS
- Government & Public Health Solutions

Laboratory Services

- Central Laboratories
- Bioanalytical Laboratories
- Speciality Laboratories

Commercialisation & Outcomes

- RWE Strategy & Analytics
- Strategic Regulatory Services Value, Access and Outcomes
- Access, Commercialisation & Communication
- Patient Centred Sciences Language Services
- Clinical & Medical Translation
- Linguistic Validation



Leveraging our Differentiated Technology Solutions and Data Collaborations

Patient Identification

Multiple Data Sources



Tools



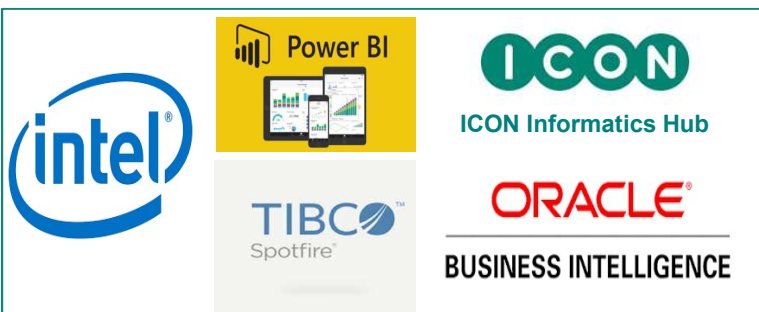
FIT

ONE SEARCH

Real World Data



World Class Analytics & Collaborations



Solutions

ICONIK

Platform delivering studies better, faster, safer, more cost effectively

FIRECREST

Investigator & patient training and support system

ADDPLAN

Software, for design, simulation & analysis of adaptive trials

NONMEM

The gold standard software in Population PK/ PD analysis

To Become the CRO Trusted Partner of Choice for Drug Development

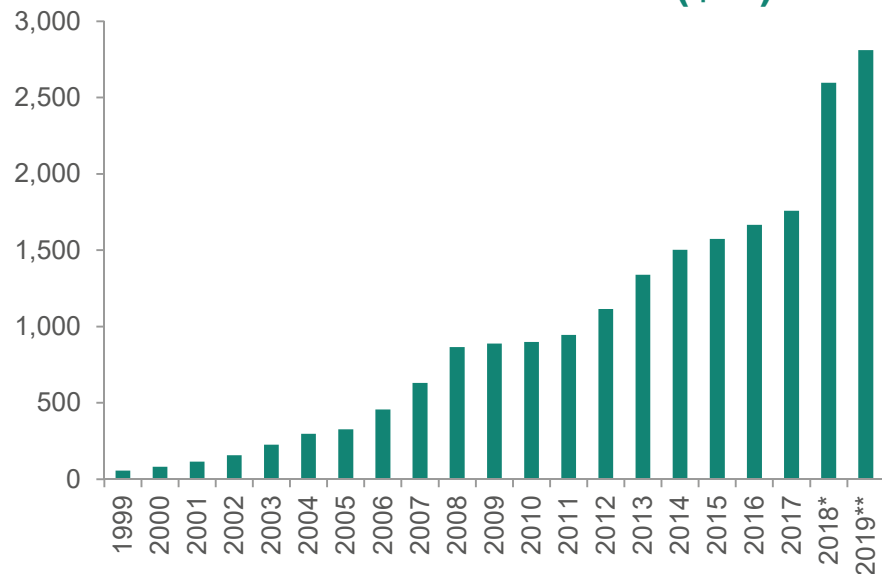


Widely recognised as an industry leader – Recent Industry & Company Awards

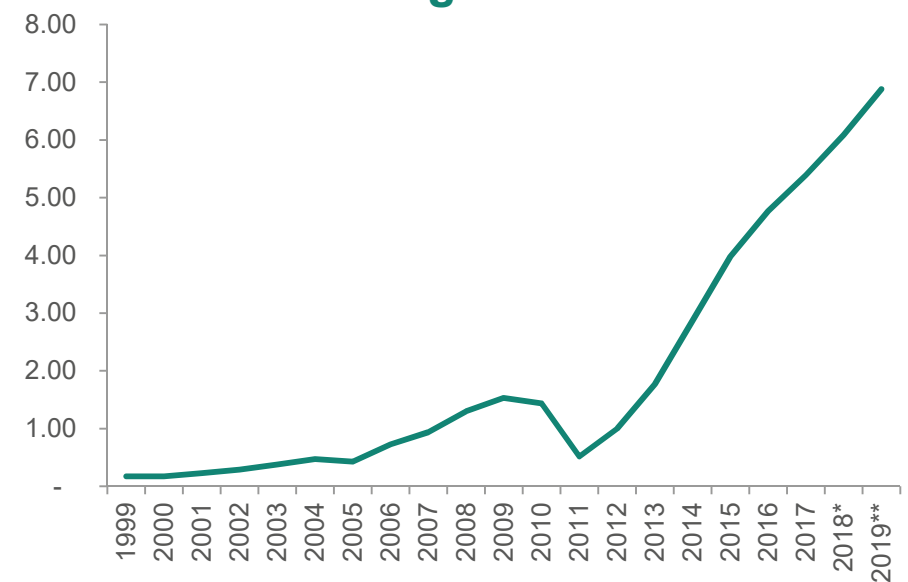


Delivering a History of Growth & Shareholder Value

Annual Revenue (\$m)



Earnings Per Share



* Pre 2018 (ASC605), 2018 & 2019 (ASC606)

** 2019 midpoint guidance

Supported by Balance Sheet Strength & Flexibility to Enhance Growth

Capital Allocation Priorities

Internal Capital Investment



c\$55m p.a.

OneSearch application
Site ID and Feasibility
FIRECREST
ICONIK
ADDPLAN
Laboratory
RPA

External Investment



c\$910m

on M&A
since 2008

Enhance Returns



c\$1.1bn

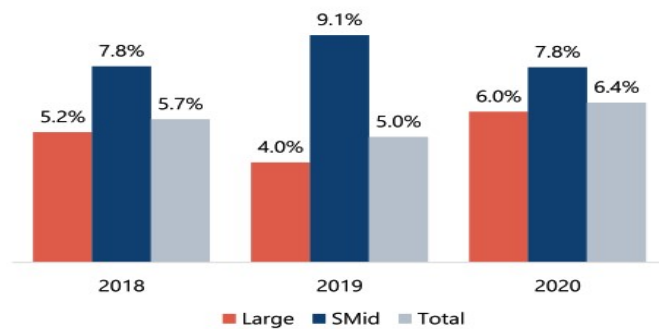
Share Repurchases since
2014



2. Market Trends and Opportunity

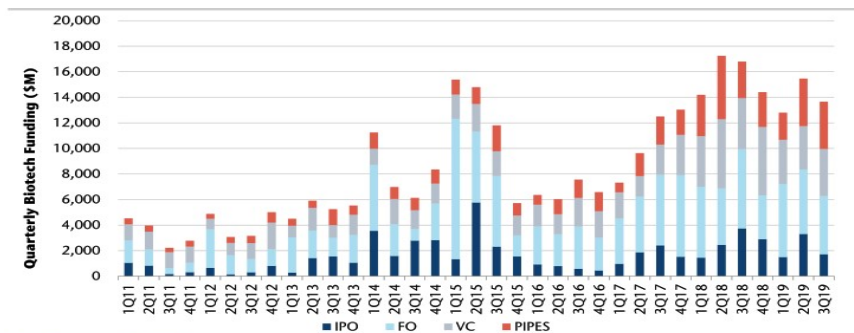
Near-Term Market Fundamentals Continue to Remain Healthy

Aggregate R&D Spending growth- by segment



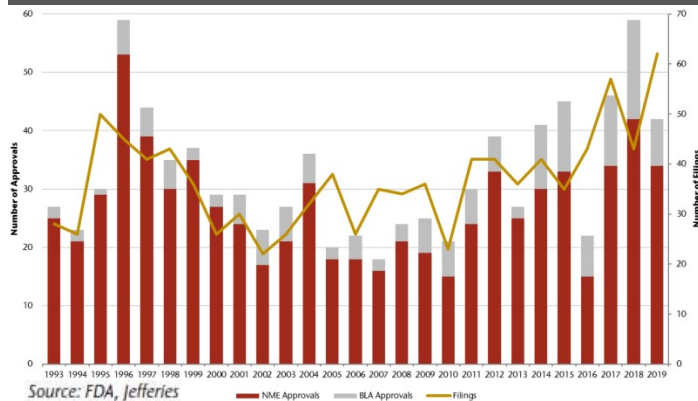
Source: JelfData Compilation

Quarterly Biotech Funding



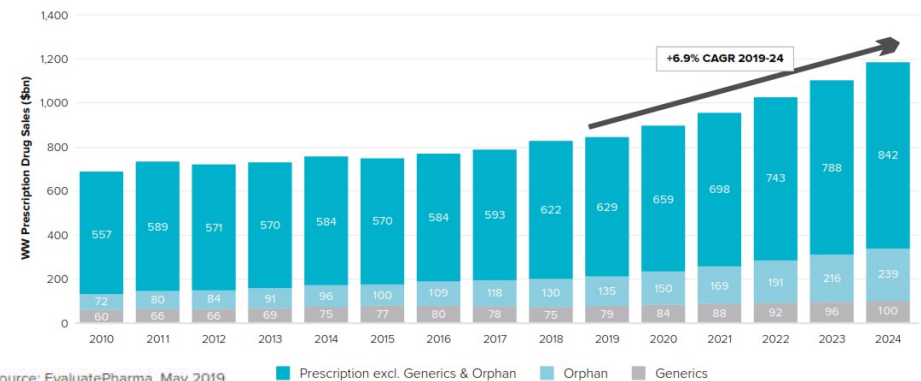
Source: Factset, Jefferies LLC

FDA Approvals by year



Source: FDA, Jefferies

Worldwide Total Prescription Drug Sales (2010 – 2024)



Source: EvaluatePharma, May 2019

CRO Near-Term Market Fundamentals Remain Healthy

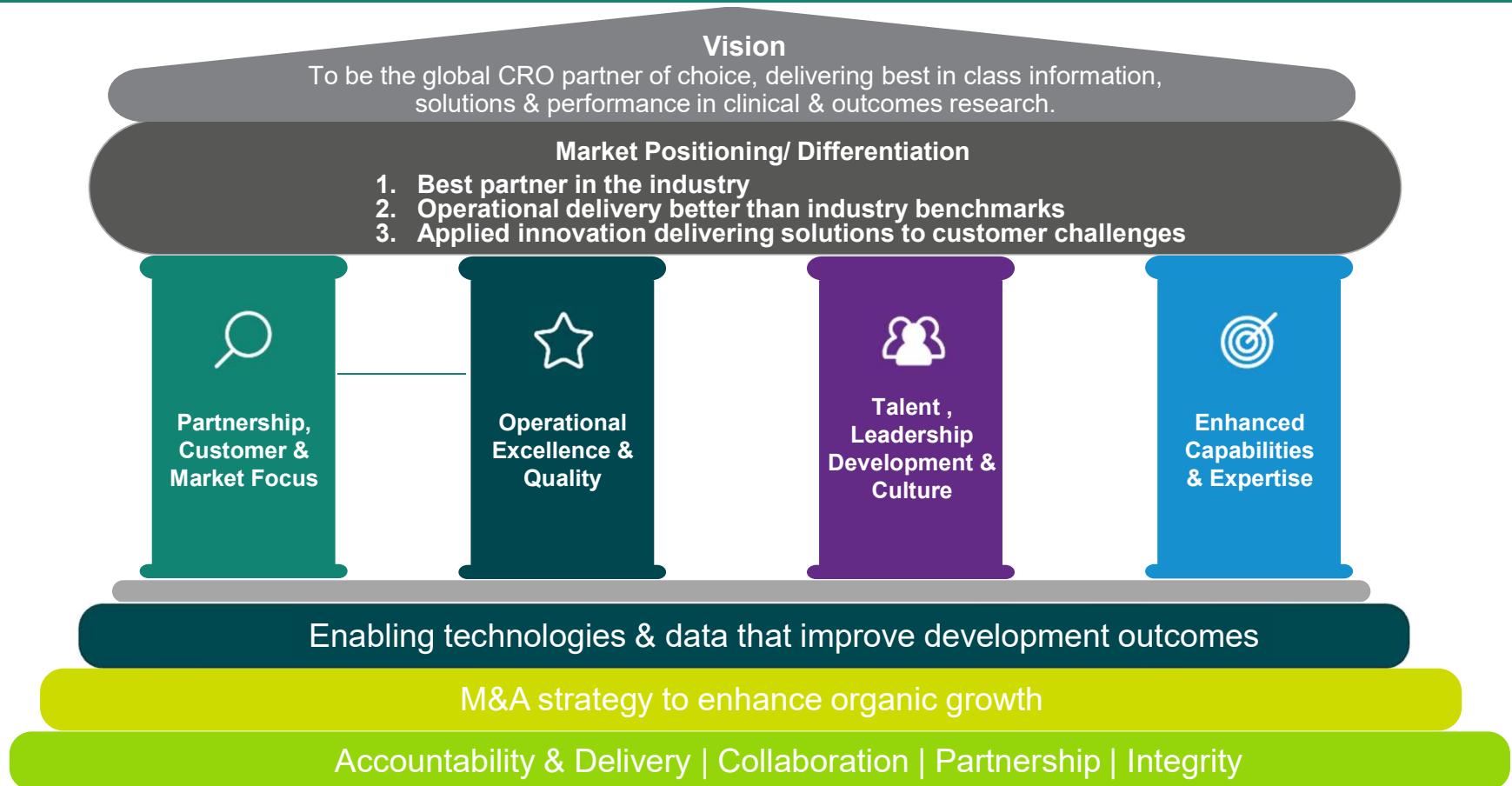
Attractive fundamentals: 2020 ~ 5-7% market growth driven by:

- Expanding R&D budgets: 2-6% pa
- CRO R&D spend penetration: currently ~50% increasing ~ 1-2% pa . . .
- Biotech funding environment remains healthy; cash reserves in place
- Continued strong 2019 drug approvals at FDA; 45 approvals in 2019



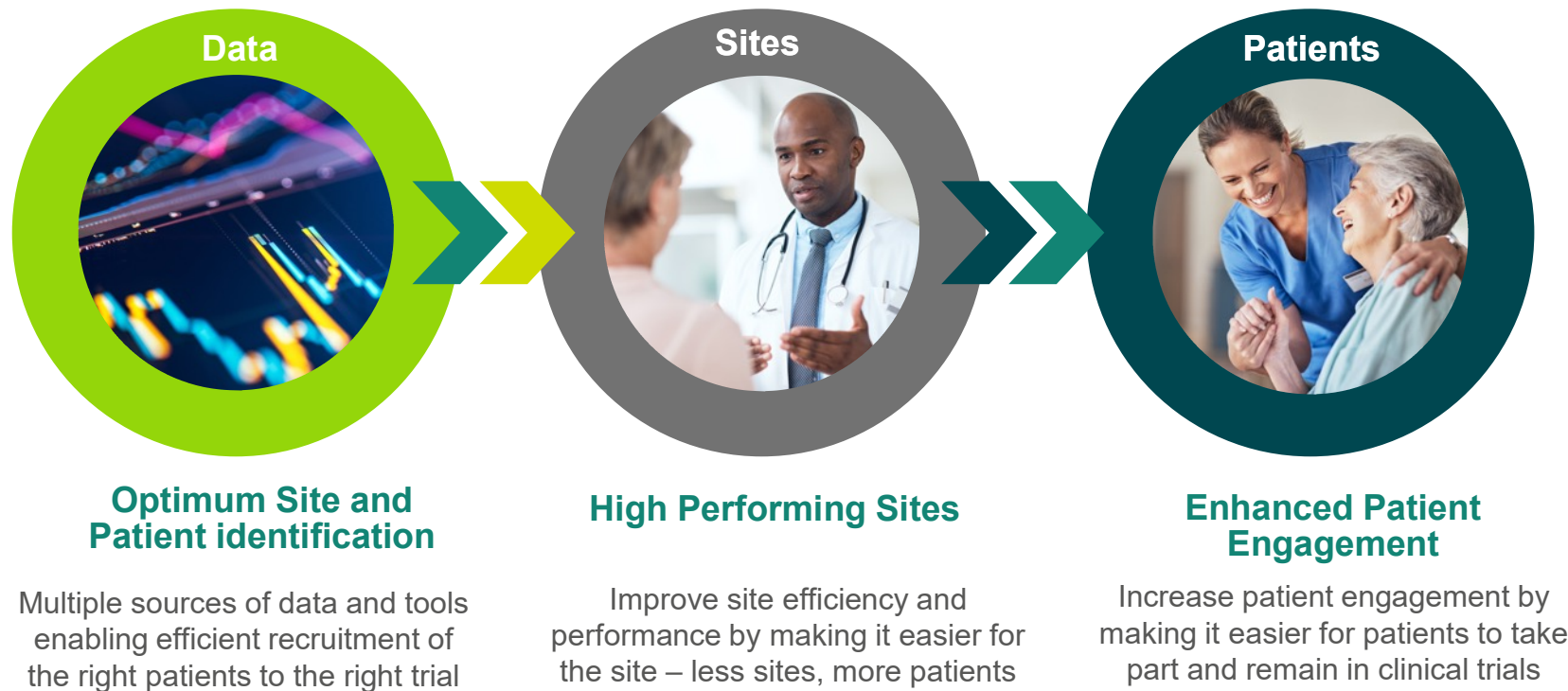
3. ICON Strategic Focus

Building towards our vision through our strategy



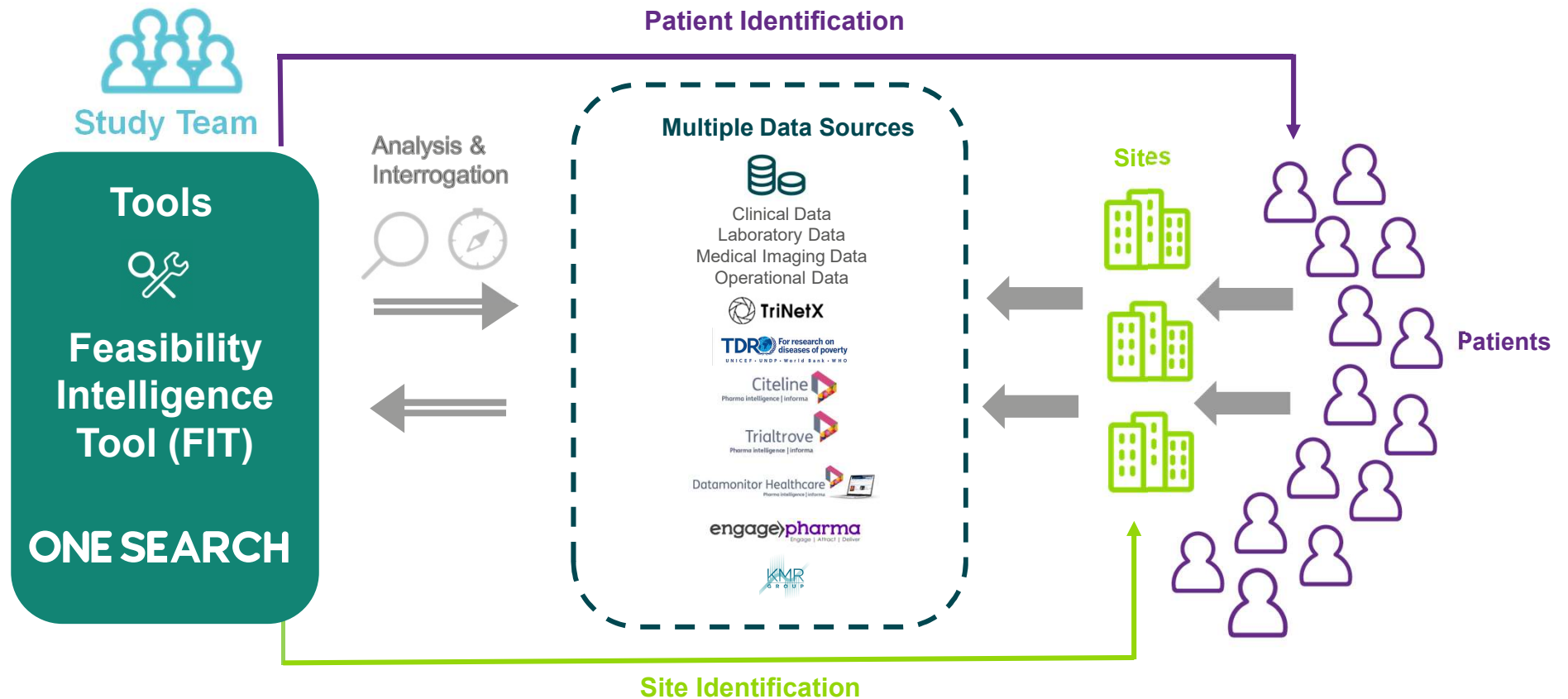
ICON's Solutions to Key Industry Challenges

Driving predictability in patient recruitment

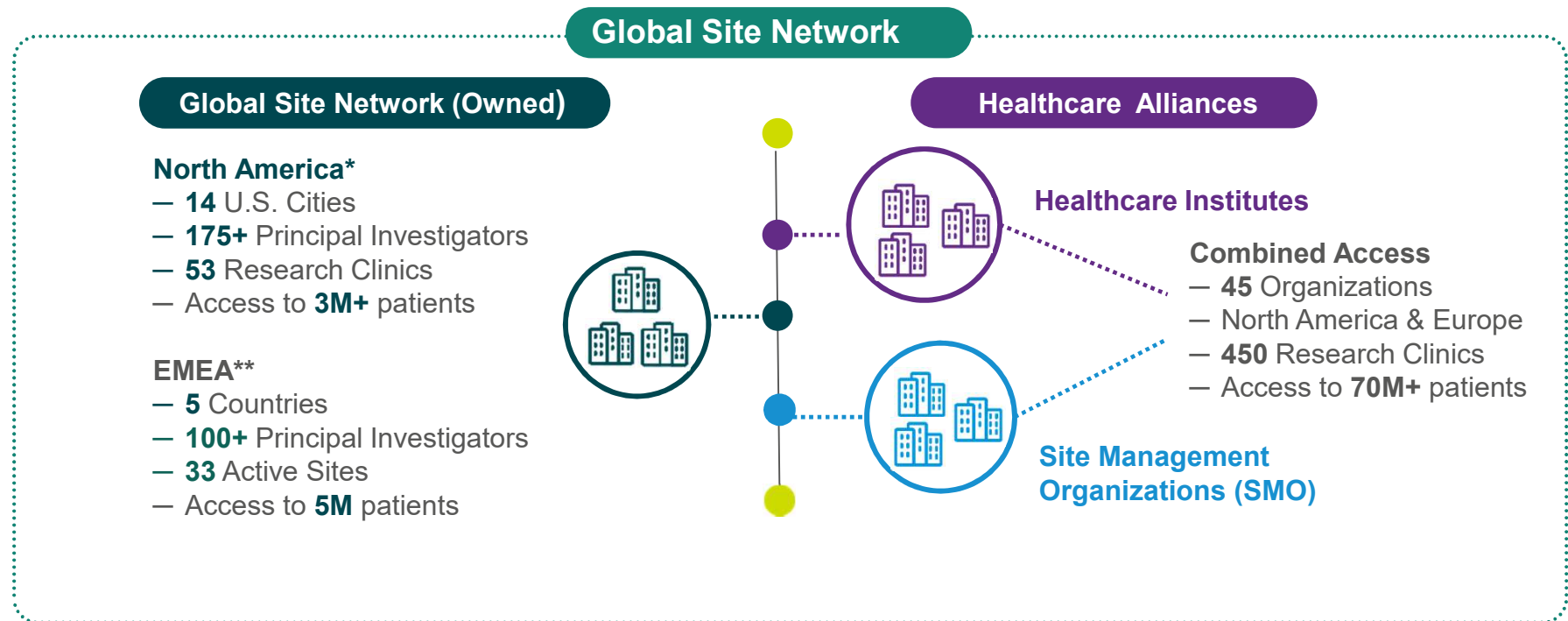


Accelerate the delivery of new effective medicines to patients and reduce cost to sponsors

Accessing Data . . . Driving Optimum Site & Patient Identification



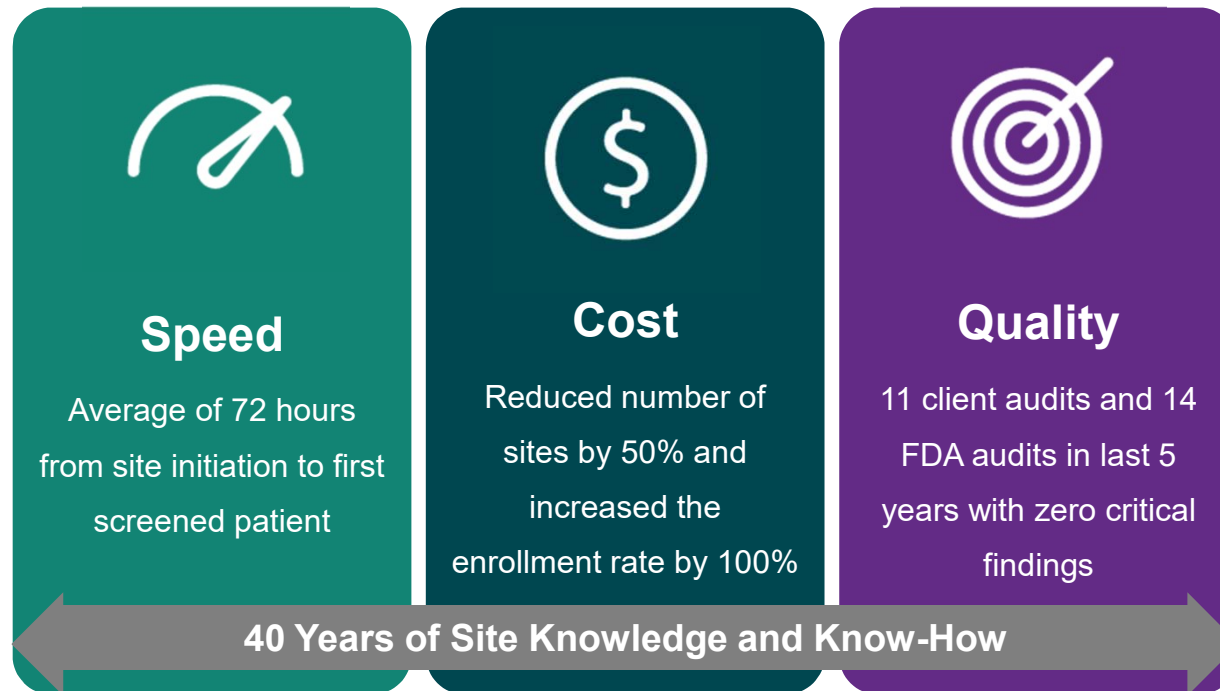
Global Site Networks and Alliances . . . Maximizing Patient Recruitment and Retention



*North America – PMG Research acquired 2015

**EMEA – MeDiNova Research acquired 2019

Optimal Sites . . . Improving Trial Speed, Cost and Quality



Focused on reducing start-up times, early achievement of enrollment targets and high retention rates by delivering an excellent patient experience

Engaging Patients – Improving retention and compliance



Patient Recruitment & Engagement Services – Proof Points

Increasing the speed and number of patients enrolled

Central Managed
Digital Outreach
Campaign

Delivered 28%
of randomised
patients in 3
months

Global Cardiovascular Outcome

- Individual site recruitment plans and patient recruitment specialists supported site staff
- 69% of sites participated following digital outreach and advertising in selected countries

Site
Engagement
Liaisons

8 weeks ahead
of forecast

Non Small Cell Lung Carcinoma

- Performing sites Increased by 72% after deployment
- Site enrollment rates doubled

Home
Healthcare
Visits

65% faster
enrollment

Pulmonary

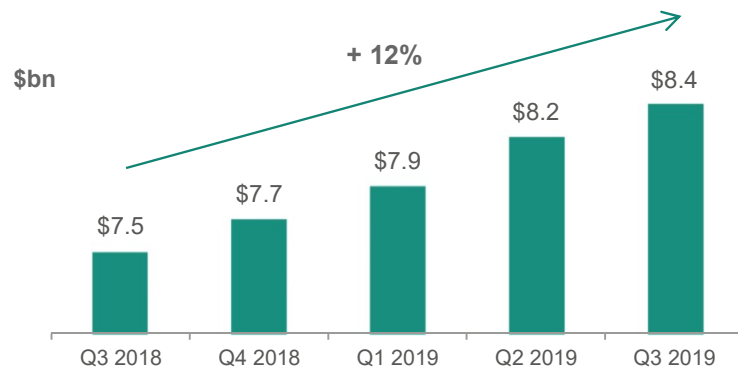
- Weekend and evening services available
- 8 months saved in expected enrollment time
- Completed enrollment ahead of schedule



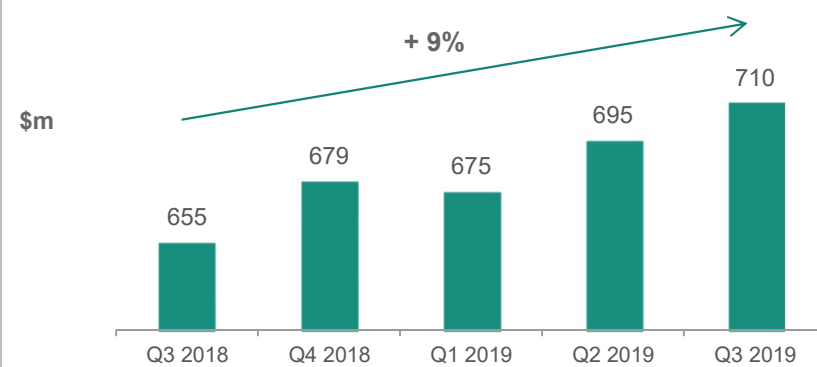
4. Financial Performance

2019: Continued Backlog, Revenue, Margin & Earnings growth

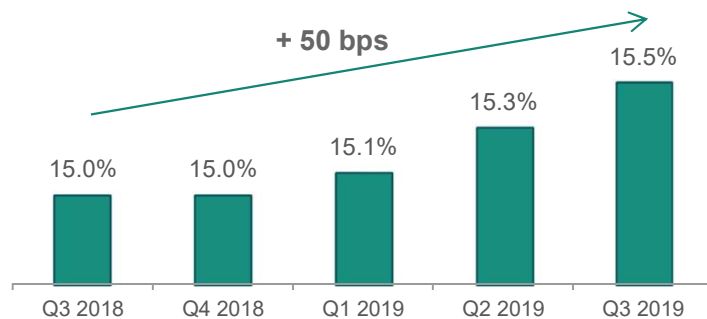
Backlog



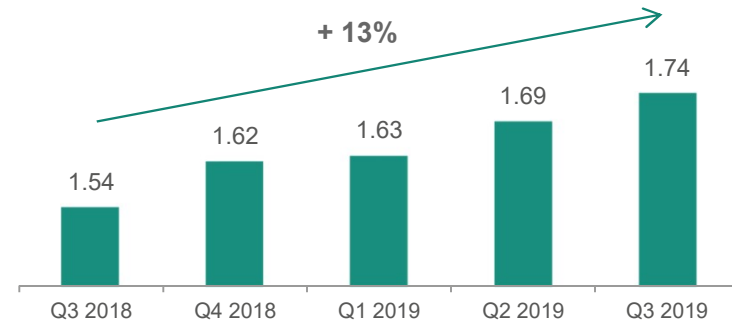
Revenue



Operating Margin



Earnings Per Share





5. 2020 Guidance

Financial Guidance Ranges Full Year 2020

	Range	% YOY Increase
Revenue	\$2,972m – \$3,092m	5.8% - 10.0%
EPS	\$7.55 - \$7.85	9.7% - 14.1%

Guidance Assumptions

- No 2020 acquisitions included.
- Top customer concentration of circa **12-14%**.
- US Dollar to Euro exchange rate of **\$1.11**.
- An effective tax rate of circa **12-13%**.
- **Circa \$350m - \$370m** of free cash flow and capital expenditures of **circa \$55 million**.
- **1 million** shares to be repurchased over 2020.



6. Investment Summary

Investment Summary



- Scale, capabilities & resources to capitalize on positive market trends



- Strategic focus on key areas of importance to customers – patients, site and data strategy



- Clear strategy of organic growth supported by targeted M&A



- Strong balance sheet & flexibility to support growth plans
- Industry low tax rate and strong cash flow generation



- Share repurchase: ~ 1 million shares to be repurchased during 2020



- Consistent record of EPS growth over past decade



- Guiding growth for 2020
 - Revenue +5.8% to +10.0%
 - EPS +9.7% to +14.1%



Thank you

iconplc.com

