



**ICON Q3 2024 Results**  
**Period Ended September 30, 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.

## Challenging period in 2H24 due to customer specific & market-driven impacts

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Q3 2024

*Revenue shortfall attributable to financially-driven customer decisions; headwinds more significant than expected; identified opportunities didn't materialize to offset decline in revenue*

- Uptick in vaccine-related cancellations (c20% of total cancels) and lower COVID-related trial activity
- Large pharma: budget cuts, development model transitions and slower than expected ramp of new project work with two large customers resulted in shortfall in forecast revenue
- Biotech: Customer caution on decision making and overall spend impacting speed of study start-up, increase in negative study modifications versus expectations

Q4 2024

- Forecasting similar quarterly revenue impact from dynamics above continuing through balance of year
- Implementing cost actions to mitigate revenue impact which will begin to take effect in quarter four and full benefit will take effect 2025
- Expect sequential adjusted earnings per share growth in Q4 at the mid-point of updated FY guidance
- Capital deployment flexibility remains, with total share repurchase authorization increased by \$250 million, leaving \$650 million available for deployment. Priority remains on M&A



## CRO market is mixed but demand drivers in place

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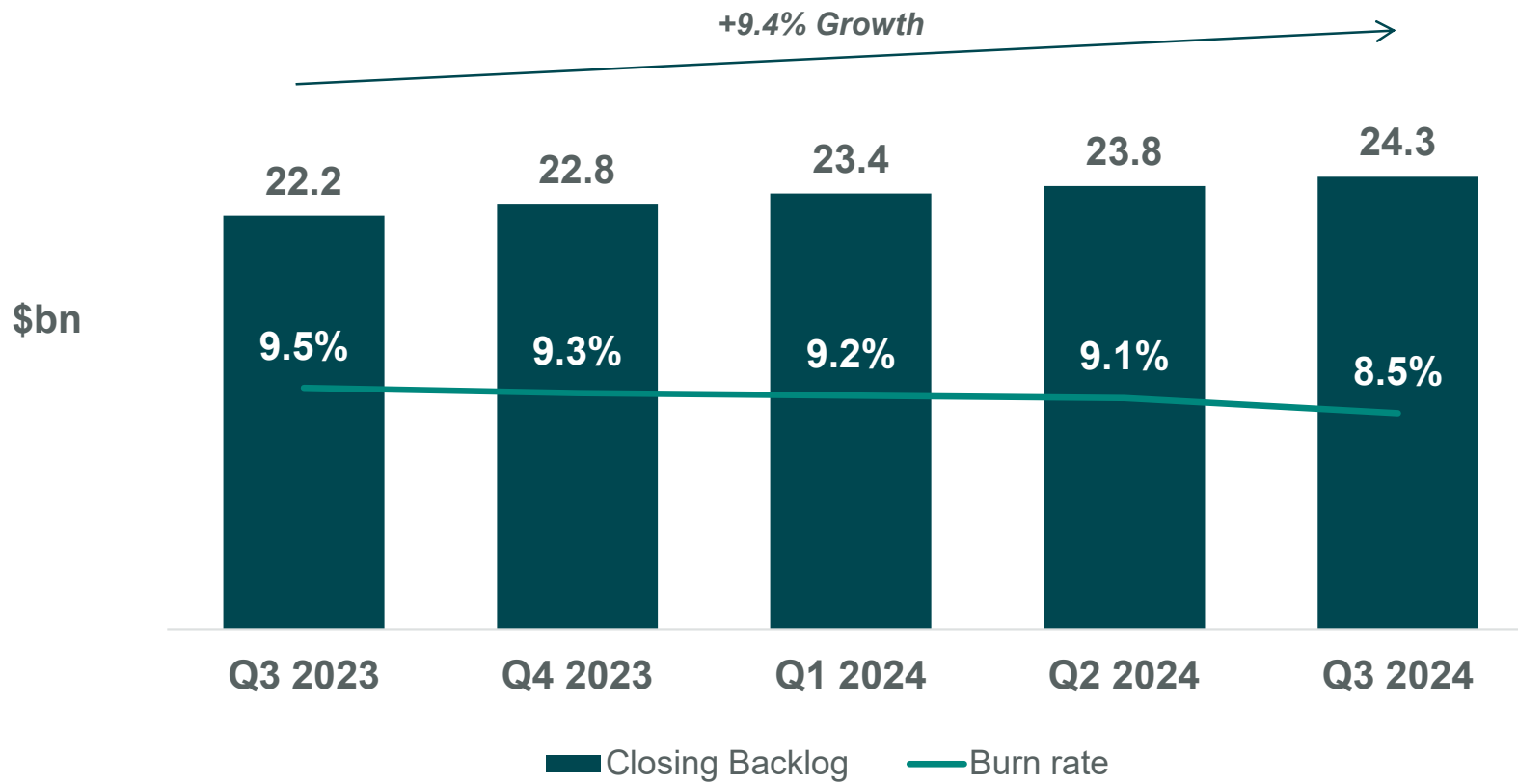
- Biotech market is improving in overall opportunity flow, but volatility remains in decision making on awards and speed to study start-up impacting overall trial activity
- Large pharma demand in totality is positive with spending behavior and overall growth outlook highly variable by customer; continue to see portfolio prioritizations occurring
- Pricing dynamics are competitive, yet stable
- Strategic partnership opportunities remain critical to growth; customers continue to favor large, scaled providers
- Strength in oncology and metabolic opportunities helping to offset vaccine and infectious disease declines
- Growth in ancillary businesses including laboratory and early phase services continues to be strong

## Opportunities at ICON remain well intact

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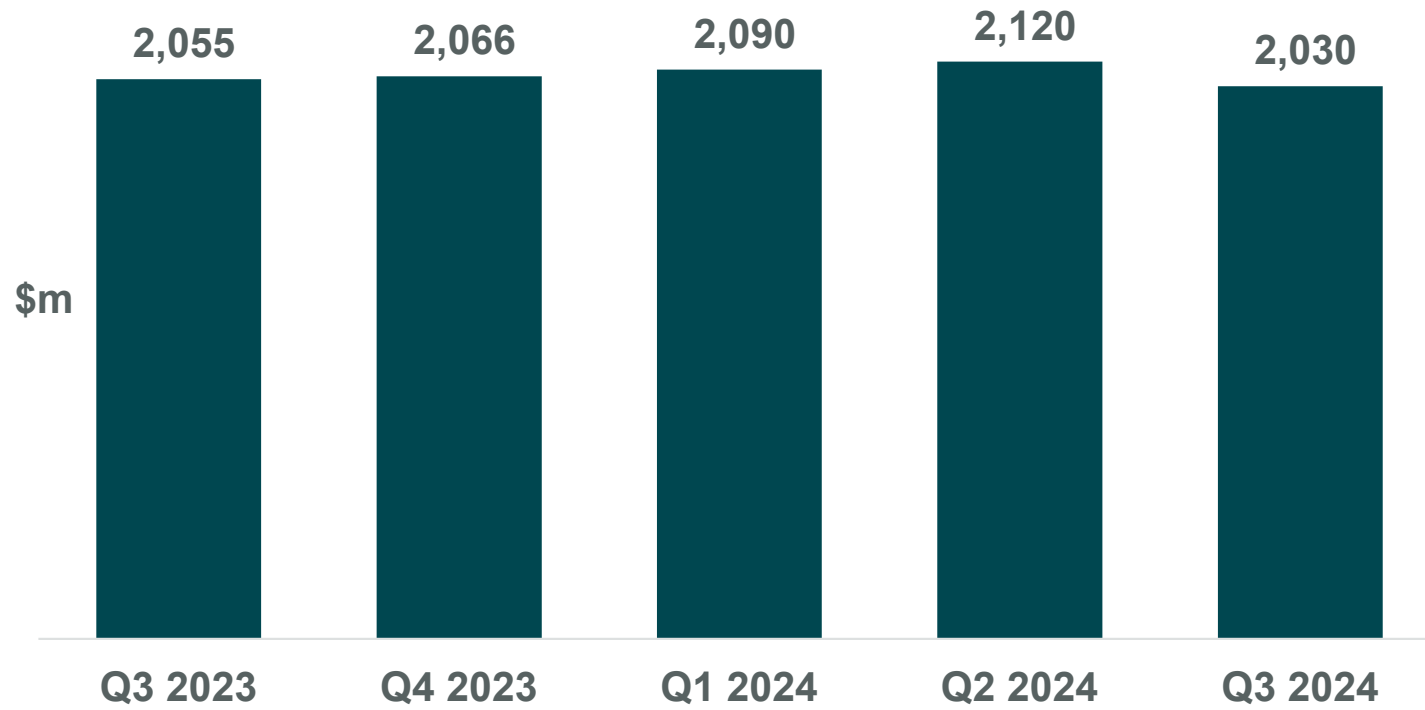
<i>Year-to-date 2024 revenue growth ex-COVID</i>	 5.6%
<i>Year-to-date 2024 Adjusted EPS growth</i>	 13.5%
<i>Strong balance sheet position &amp; cash conversion</i>	1.6x Net Debt / Adj EBITDA
<i>Diversifying customer base &amp; evidence of continued market share gain within large pharma</i>	3 new strategic partnerships within top 30 pharma in last 12 months

# Backlog Metrics

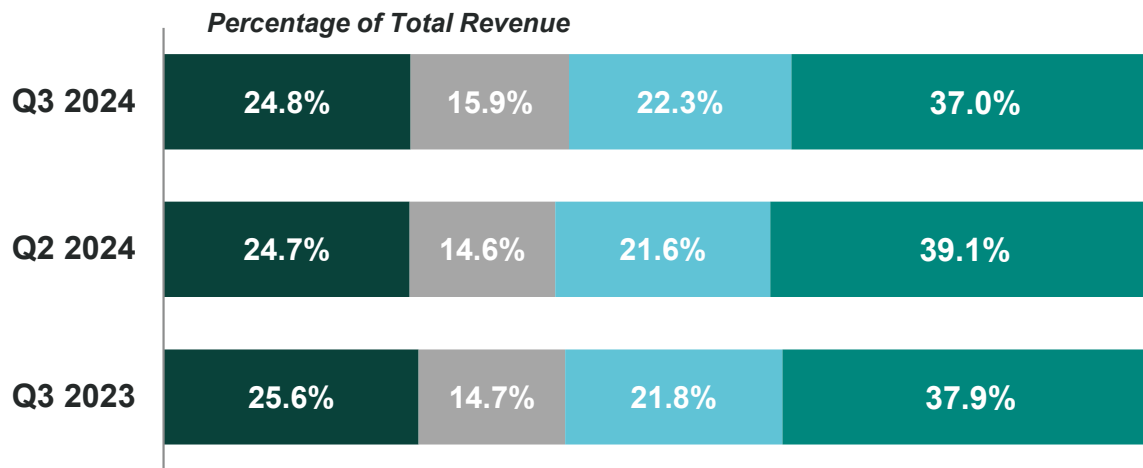


# Revenue

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# Customer Concentration & Diversification



**Average revenue per customer (Q3 2024):**

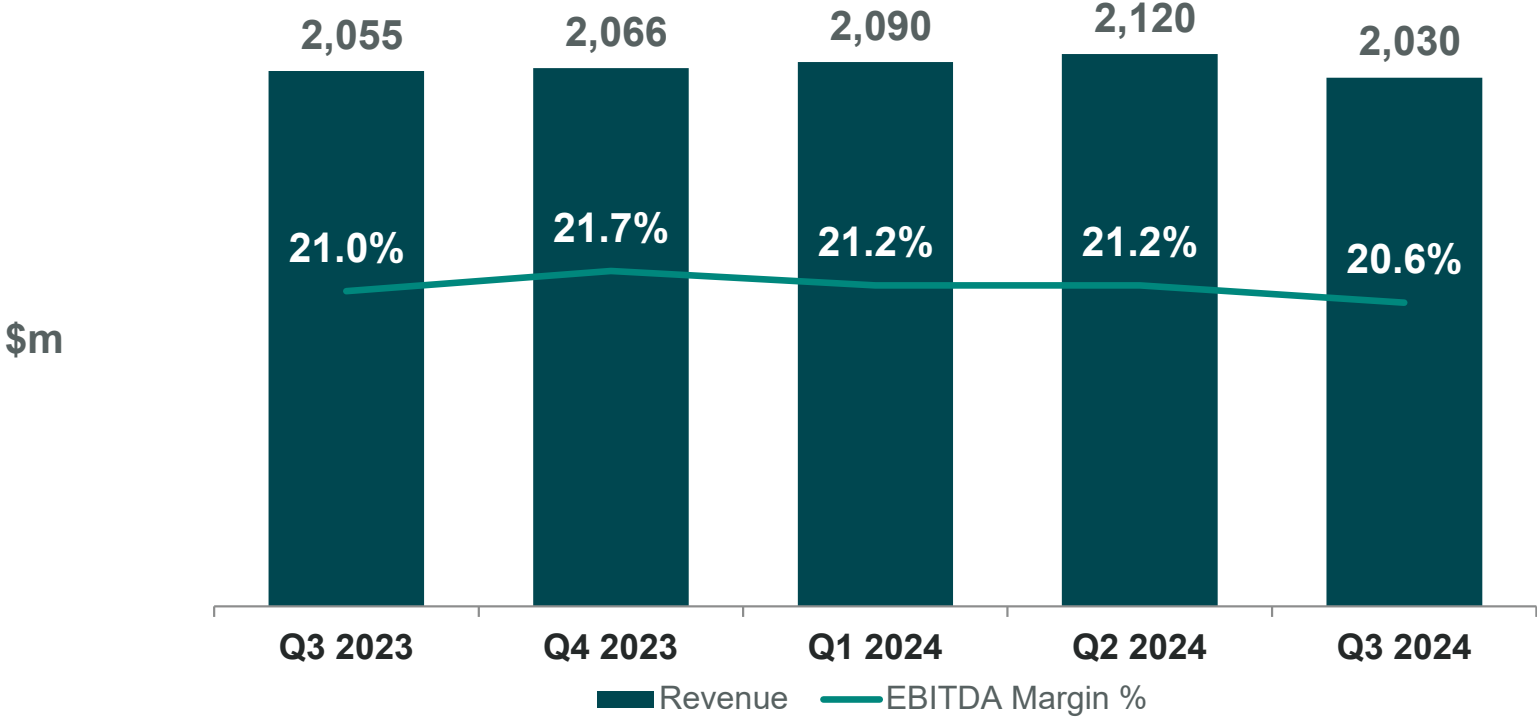
- Top 1-5: c5% on average
- Top 6-10: c3% on average
- Top 11-25: c1.5% on average

- Top 1-5 Customers
- Top 6-10 Customers
- Top 11-25 Customers
- All other Customers (26+)

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



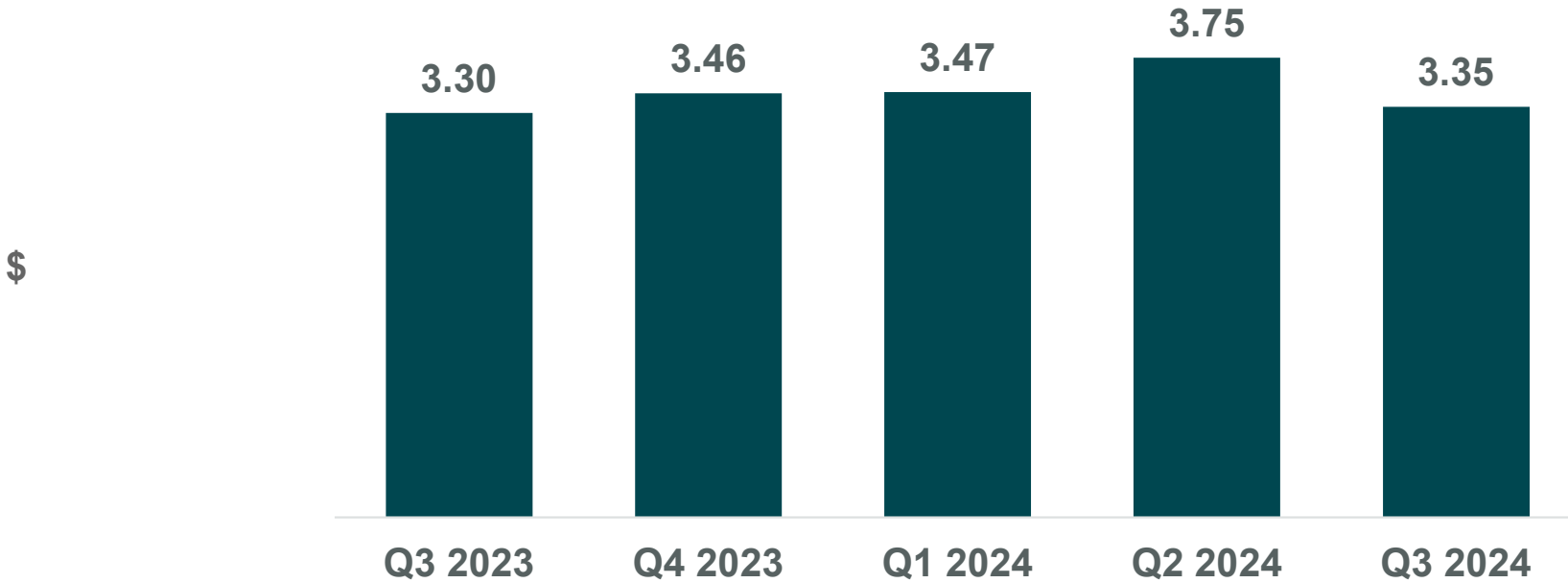
# Adjusted EBITDA Margin



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

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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>30-Sep-24</b>	<b>30-Jun-24</b>	<b>30-Sep-23</b>
Cash and Cash Equivalents + Available for Sale Investments	<b>695.5</b>	506.6	315.0
Total Debt	<b>(3,432.1)</b>	(3,437.9)	(4,041.7)
Net (Debt) / Cash	<b>(2,736.6)</b>	(2,931.4)	(3,726.7)
Net Debt / TTM Adj EBITDA Ratio	<b>1.6x</b>	1.7x	2.3x
DSO (days)	<b>52</b>	51	49

## Cash Flow

Quarterly Cash Flow (\$m)	Q3 2024	Q2 2024	Q3 2023
Cash from Operating Activities	402.7	218.6	341.5
Capital Expenditure	(43.3)	(36.3)	(29.1)
Free Cash Flow*	359.4	182.4	312.4

TTM Cash Flow (\$m)	Q3 2024	Q2 2024	Q3 2023
Cash from Operating Activities	1,388.5	1,327.3	661.5
Capital Expenditure	(159.5)	(145.3)	(145.0)
Free Cash Flow*	1,229.0	1,182.0	516.4

\* Excludes purchases of subsidiary undertakings

## 2024 Updated Financial Guidance & Outlook

	FY2023	FY2024 Guidance	% increase (FY2024 Guidance vs. FY2023 Actuals)	% increase Excluding COVID- related trials
<b>Revenue</b>	\$8,120.2m	\$8,260m - \$8,300m	1.7% - 2.2%	4.3% - 4.8%
<b>Adjusted EPS*</b>	\$12.79	\$13.90 - \$14.10	8.7% - 10.2%	

### Key Assumptions for FY2024 Guidance

- Effective tax rate of 16.5%
- Excludes additional share repurchase activity (beyond \$100 million complete in Q3)
- Excludes additional M&A (beyond transactions completed in Q3)
- Free Cash Flow target of \$1.1 bn
- Total interest expense in the range of \$200-210m
- Total capital expenditure spend of c\$150m

\*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>Q3 2023</b>	<b>Q3 2024</b>
<b>Adjusted EBITDA</b>		
Net income	163,665	197,128
Income tax expense	18,011	37,437
Net interest expense	82,635	50,869
Depreciation and amortization	146,032	93,029
Stock-based compensation expense <sup>(a)</sup>	16,465	13,038
Foreign currency losses/ (gains), net <sup>(b)</sup>	(4,706)	19,434
Transaction and integration related costs <sup>(c)</sup>	10,433	7,856
<b>Adjusted EBITDA</b>	<b>432,535</b>	<b>418,791</b>
<i>Adjusted EBITDA Margin %</i>	<i>21.0%</i>	<i>20.6%</i>

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

<i>\$000 except share and per share data</i>	<b>Q3 2023</b>	<b>Q3 2024</b>
<b>Adjusted net income and adjusted diluted net income per Ordinary Share</b>		
Net Income	163,665	197,128
Income tax expense	18,011	37,437
Amortization	114,573	58,026
Stock-based compensation expense <sup>(a)</sup>	16,465	13,038
Foreign currency losses/ (gains), net <sup>(b)</sup>	(4,706)	19,434
Transaction and integration related costs <sup>(c)</sup>	10,433	7,856
Transaction-related financing costs <sup>(d)</sup>	4,587	1,462
Adjusted tax expense <sup>(e)</sup>	(49,100)	(55,173)
<b>Adjusted net income</b>	<b>273,928</b>	<b>279,208</b>
Diluted weighted average number of Ordinary Shares outstanding	82,972,888	83,445,827
<b>Adjusted diluted net income per Ordinary Share</b>	<b>3.30</b>	<b>3.35</b>



## Q3 2024 Adjusted Net Income Reconciliation

\$000 except share and per share data	Q3 2023			Q3 2024		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Revenue	2,055,099	-	2,055,099	2,030,030	-	2,030,030
Costs and expenses:						
Direct costs (excluding depreciation and amortization) <sup>(a)</sup>	1,449,136	(6,637)	1,442,499	1,438,616	(7,745)	1,430,871
Selling, general and administrative <sup>(a),(b)</sup>	185,187	(5,122)	180,065	205,095	(24,727)	180,368
Depreciation and amortization	146,032	(114,573)	31,459	93,029	(58,026)	35,003
Transaction and integration related <sup>(c)</sup>	10,433	(10,433)	-	7,856	(7,856)	-
Restructuring <sup>(c)</sup>	-	-	-	-	-	-
Total costs and expenses	1,790,788	(136,766)	1,654,023	1,744,596	(98,354)	1,646,242
Income from operations	264,311	136,766	401,076	285,434	98,354	383,788
Net interest expense <sup>(d)</sup>	(82,635)	4,587	(78,047)	(50,869)	1,462	(49,407)
Income before income tax expense	181,676	141,353	323,029	234,565	99,816	334,381
Income tax expense <sup>(e)</sup>	(18,011)	(31,089)	(49,100)	(37,437)	(17,736)	(55,173)
Net Income	163,665	110,264	273,928	197,128	82,080	279,208
Diluted weighted average number of Ordinary Shares outstanding	82,972,888		82,972,888	83,445,827		83,445,827
<b>Diluted net income per Ordinary Share</b>	<b>1.97</b>		<b>3.30</b>	<b>2.36</b>		<b>3.35</b>

## Reconciliation of Non-GAAP Measures Notes

- (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) Transaction and integration related costs include expenses associated with our acquisitions and any other costs incurred directly related to the integration of these acquisitions.
- (d) 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.
- (e) Represents the tax effect of adjusted pre-tax income at our estimated effective tax rate.

# ICON



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