

ICON plc
Ciaran Murray CEO
Steve Cutler CEO Designate

JP Morgan
35TH Annual Healthcare

10th Jan 2017

ICON
A Symbol of Excellence

25 Years of
Making a
Difference

ICON has made a difference to patients around the world by accelerating the development of drugs and devices that have saved lives and improved quality of life. We have helped people fight cancer, manage diabetes, live longer with heart disease and cure life-threatening viruses.

25 YEARS
OF
SUCCESS

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 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 press release statement headed Consolidated Income Statements (Unaudited) (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.

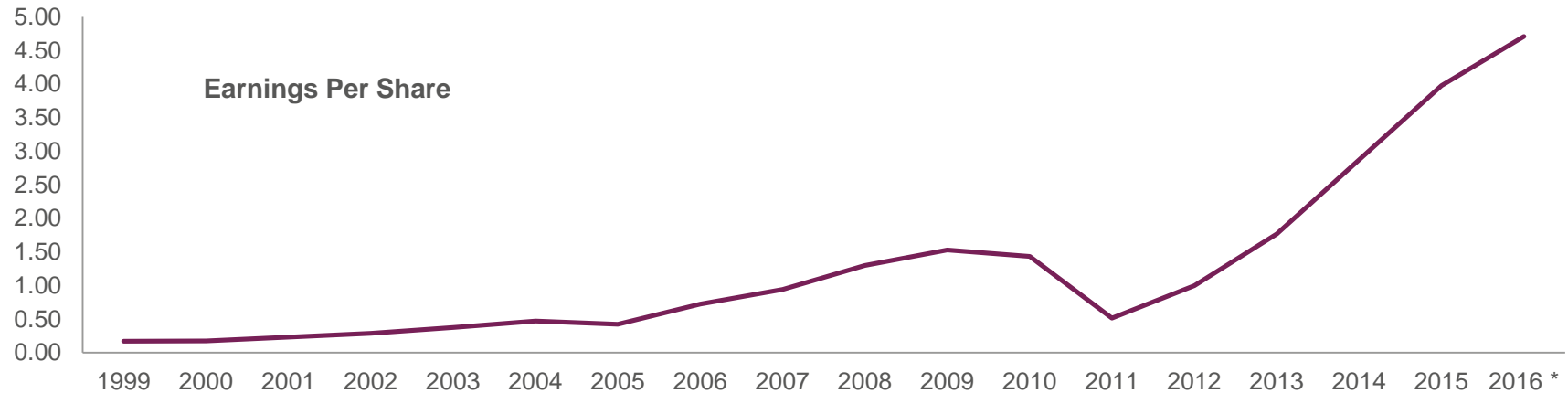
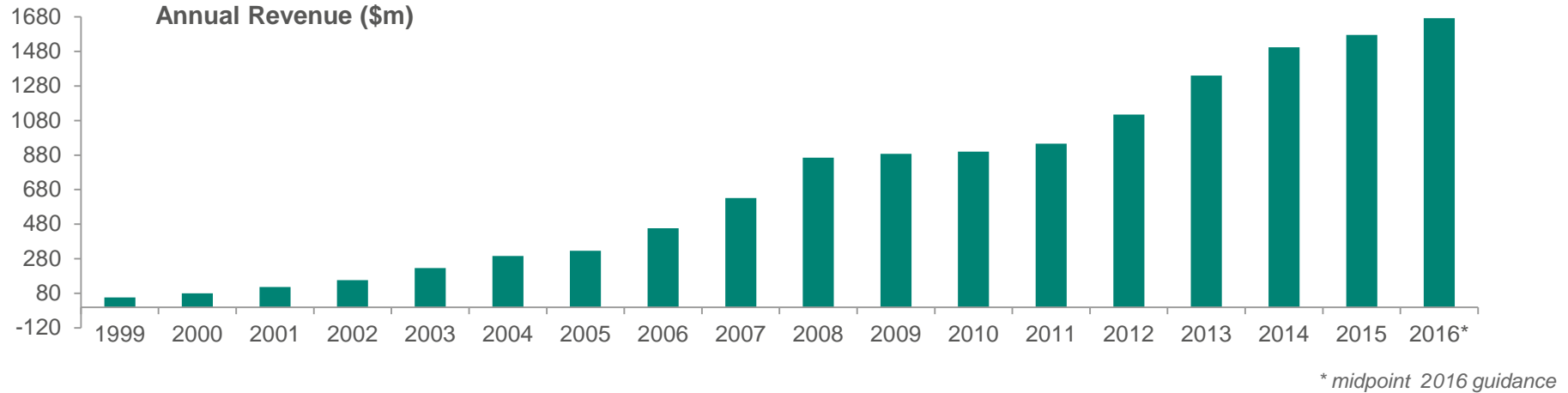
Agenda

- 1** **ICON Overview**
- 2** **Market Trends and Opportunity**
- 3** **ICON Strategic Focus**
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- 6** **Investment Summary**

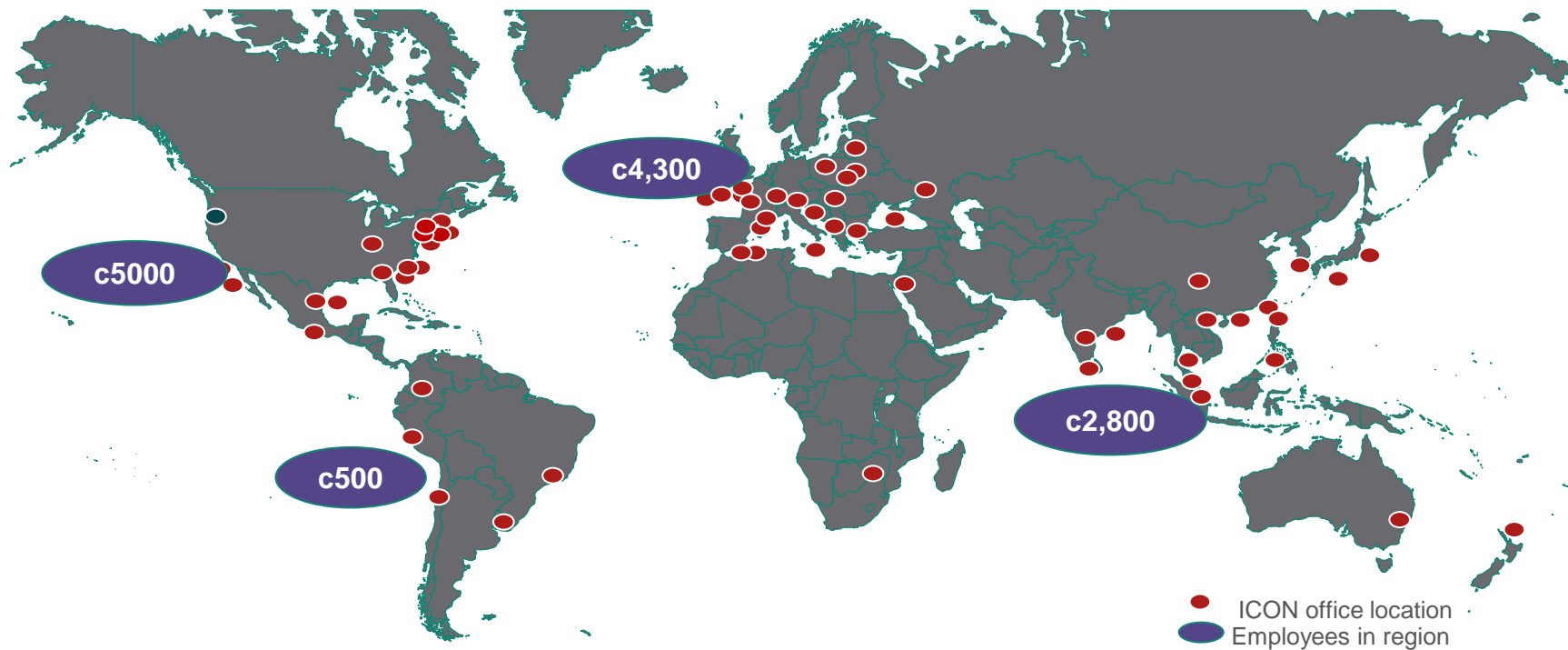


1: ICON Overview

A history of growth & delivering shareholder value



A global platform & execution capability



Established footprint across 37 countries providing access to patients and execution capability

Comprehensive services across the product lifecycle



Differentiated solutions: Enabled by market leading technologies

- Outstanding project teams & culture of **operational excellence**
- **Applied Innovation** to reduce development time and cost
- Industry **leading partnership models**
- Global **therapeutic, scientific & regulatory** expertise
- **Targeted data assets** address specific development challenges



FIRECREST

Investigator & patient engagement

ICONIK

Risk based monitoring

ADDPLAN[®]

Adaptive trials

Balance Sheet Strength & flexibility to enhance growth

Capital Allocation Priorities

Internal Investment

ICONIK FIRECREST ADDPLAN®

c\$20m p.a.

External Investment

c\$650m on M&A since 2008

Enhance Returns

c\$710m share Repurchases since 2014



2: Market Trends and Opportunity

Evolving Macro Trends Driving CRO Demand

- I. Unmet disease & changing demographics increasing healthcare demand
- II. Data /technology potential to disrupt development: *Focus areas for CRO investments*
- III. Continued scientific innovation resulting in a robust pipeline of drugs
- IV. TA Complexity & focus on rare disease increases need for specialist expertise
- V. Reimbursement pressure: sponsors leveraging CRO's capabilities for value evidence



- Strategic use of outsourcing
- R&D growth & increased outsourced penetration

Specific CRO Market Drivers: Fundamentals Remain Healthy

Biopharma Outsourcing *Current*

c\$127bn
Global R&D Spend



c\$63bn
CRO Addressable Development Spend



c\$30bn
Outsourced c48%



Market Share Top 5
c42%



Biopharma Outsourcing *2020e*

c\$148bn
Global R&D Spend

c\$72bn
CRO Addressable Development Spend

c\$40bn
Outsourced c55%

Market Share Top 5
c46%

Where will this market growth come from?



Market Segments

Mid-sized, Specialty, Biotech fastest growth

Large Pharma slower growth but biggest outsourced segment

Medical Devices small but niche growth opportunity



Outsourcing models

Growth expected across all outsourcing models:

- Strategic partnerships
- Functional Service models evolve
- Transactional services still important



Services

Growth across all phases of development

Service sub-segments with above average growth

- Late Phase observational studies
- Medical Affairs/Market Access Consulting
- Pharmacovigilance



Regions

Growth across all regions

West Europe and North America set to remain largest single markets

Faster growth rate expected in APAC

Inherent CRO Market Characteristics

- I. **Pharma M&A:** A medium-term positive but can cause short-term disruption
- II. **Cancellations:** Hard to predict but occur as sponsors change priorities and/or trial data doesn't clear safety, efficacy or value hurdles
- III. **CRO specific customer profiles & concentration:** longer term repeat business but flow can be uneven
- IV. **Increased trial complexity** leading to longer backlog conversion
- V. **Business development best viewed over trailing twelve month** period to even out quarterly variations



3: ICON Strategic Focus

ICON Strategic Pillars

Vision

"To be the global CRO partner of choice, delivering best in class information, solutions & performance in clinical & outcomes research."



**Partnership,
Customer &
Market Focus**



**Operational
Excellence &
Quality**



**Talent ,
Leadership
Development &
Culture**

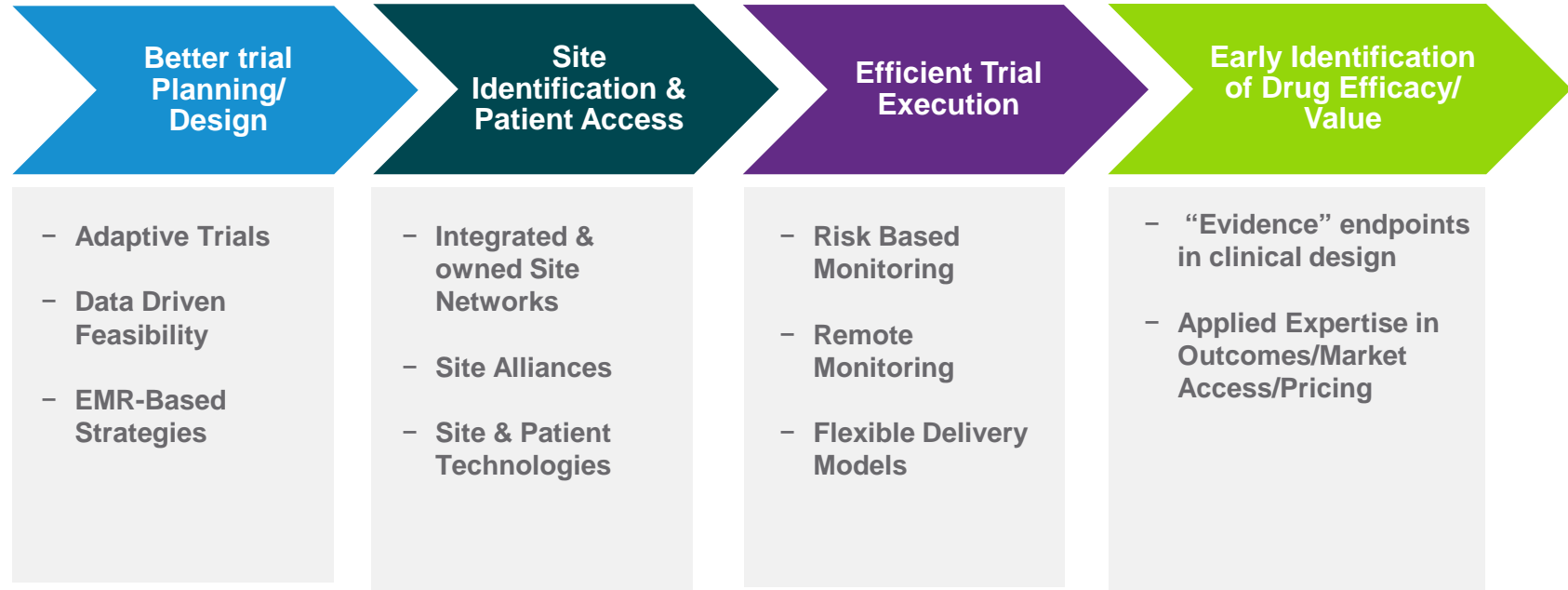


**Enhanced
Capabilities &
Expertise**

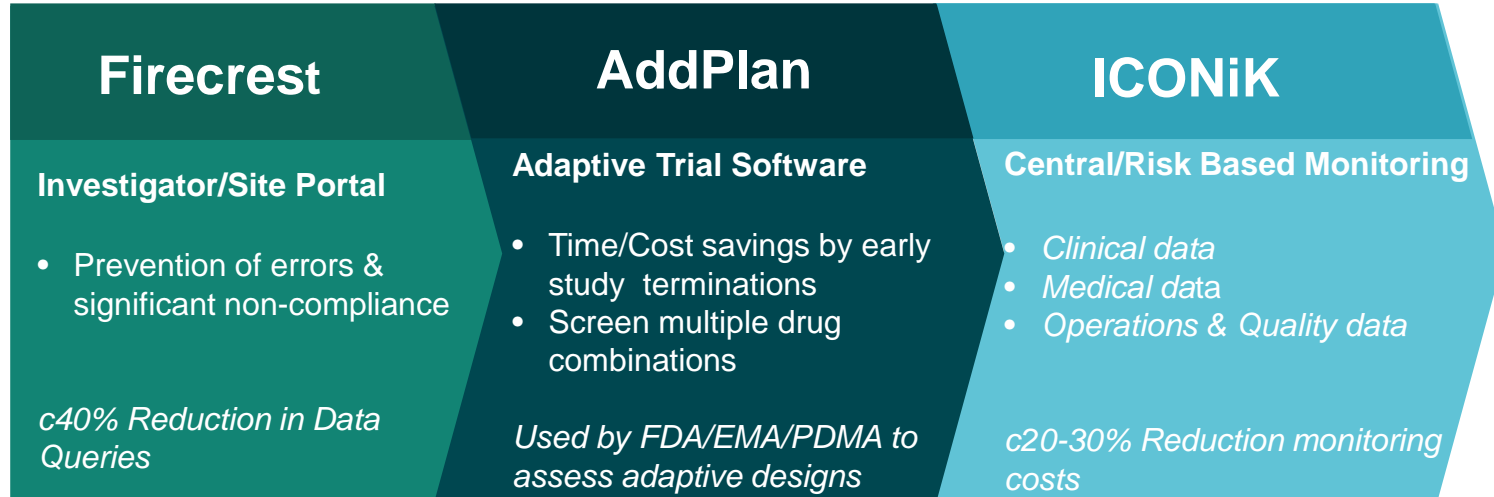
Enabling Technologies & Data that improve development outcomes

M & A Strategy to enhance organic growth

ICON differentiating in areas that enhance ROI today by reducing development time..

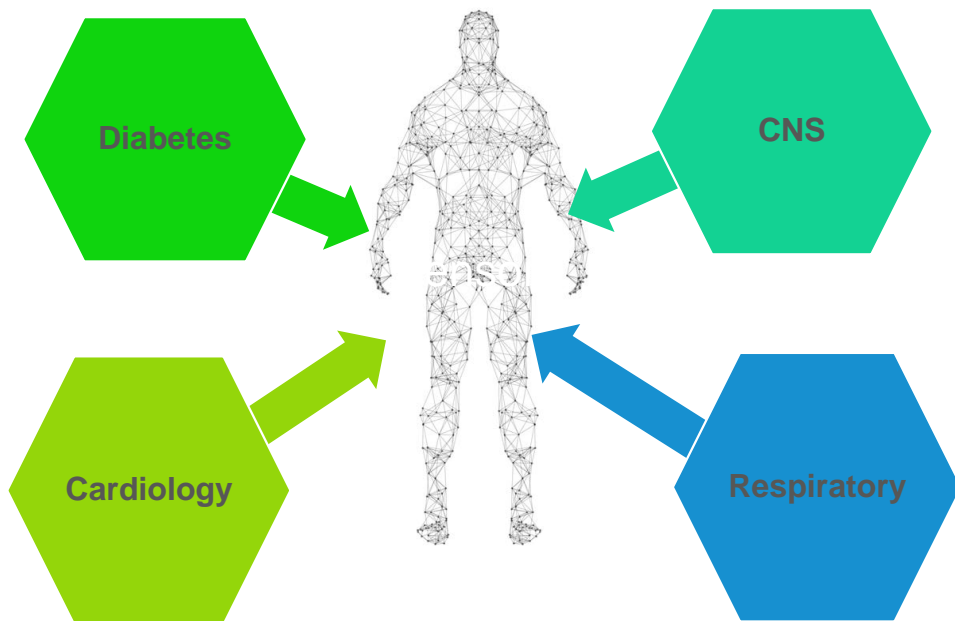


Enabled by market leading innovation



And innovation that can enhance development in the future

ICON *Mapping the Digital Patient*



Potential Value of Wearables

- Continuous data streams
- Remote monitoring
- Real Time adherence data
- New Endpoints
- Patient Burden and Engagement
- Flexibility in Trial Design.
- Real World Data /Evidence

ICON's Enabling Data Strategy

Applying targeted data assets that address specific development challenges

Development Challenge

Data Required

ICON Sources Of Data

Identification of suitable
Patients for study
programmes

Patients that meet
inclusion/exclusion criteria

- EHR/4CR
- IBM Watson
- TriNetx
- PMG

Real time assessment of
patient safety, drug
efficacy during trial

Clinician &
Patient generated trial data

- ICONik
- Firecrest
- Wearables

Assessment of patient
outcomes in “real world”
settings

Patient reported & provider
outcomes data

- ICHOM
- EHR/4CR
- PMG
- Genomics England

ICON'S Enabling M&A Strategy

A history of M&A to enhance service capabilities & global reach

2008-2016: c\$650m
Investment



from insights to impact.



Aptiv Solutions
Accelerating the Possibilities



M&A: Potential Future Areas

- Patient Engagement/Access
- Niche Therapeutic Areas
- Targeted Geographic Expansion (APAC)
- Late Phase Services
- Medical Devices
- Enhanced Data Services



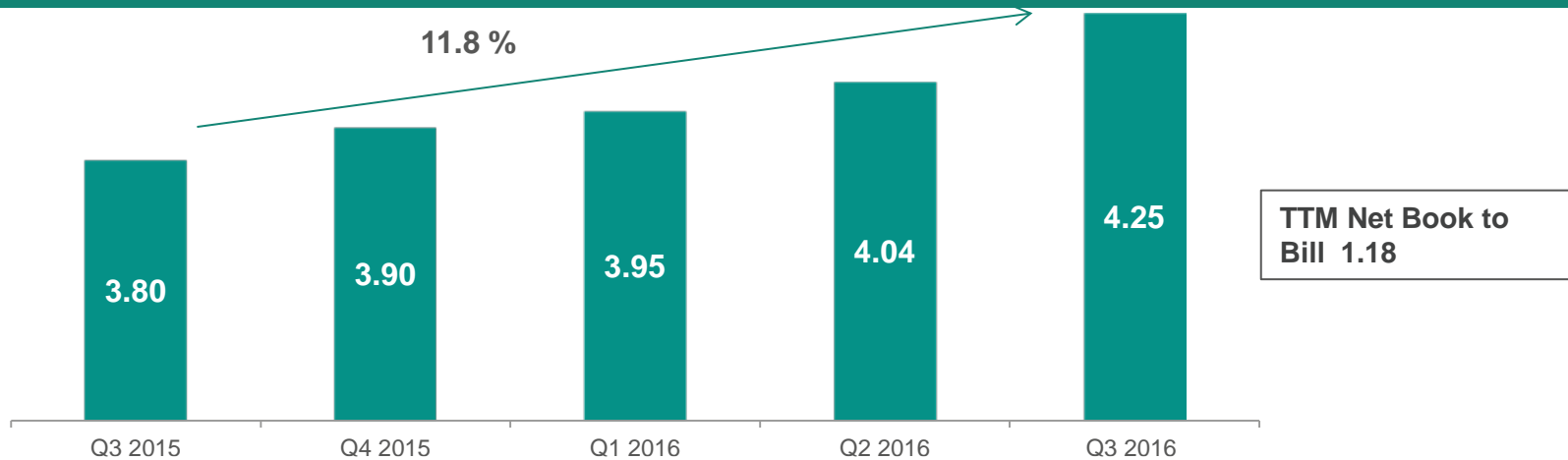
4.0 Financial Performance

2016: Continued Revenue & Earnings growth

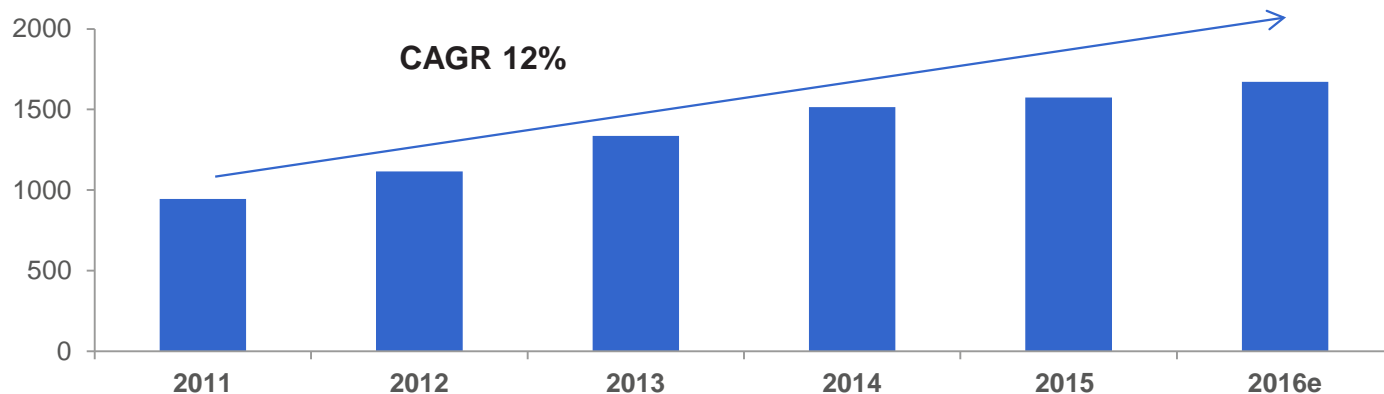
	2015	2016 (Midpoint Guidance)	Variance
Revenue	\$1,575	\$1,672	+6.2%
Operating Margin	17.9%	19.1%	+ 120bps
EPS	\$3.98	\$4.70	+18.1%

Backlog and Net Revenue Growth

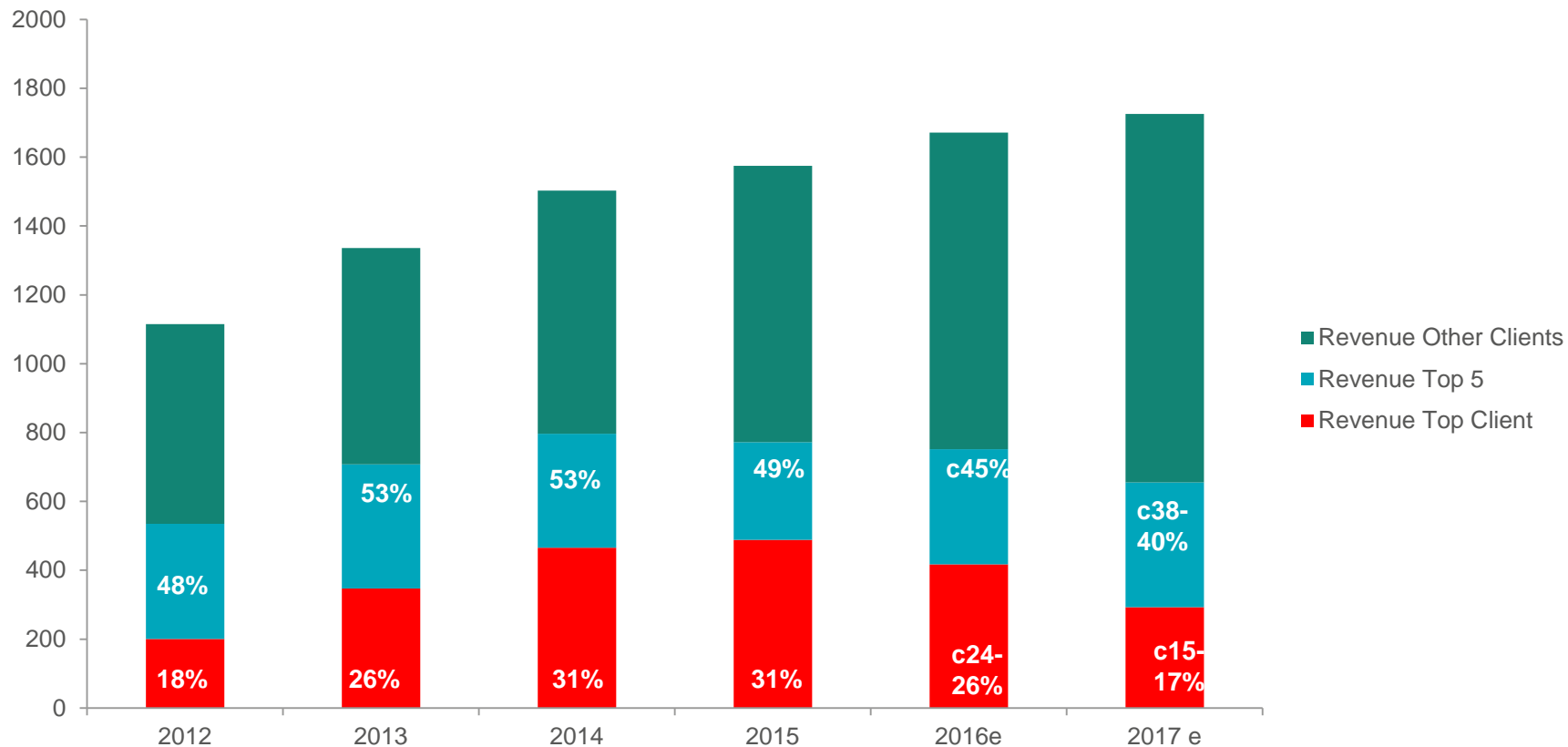
Closing
Backlog
\$Bn



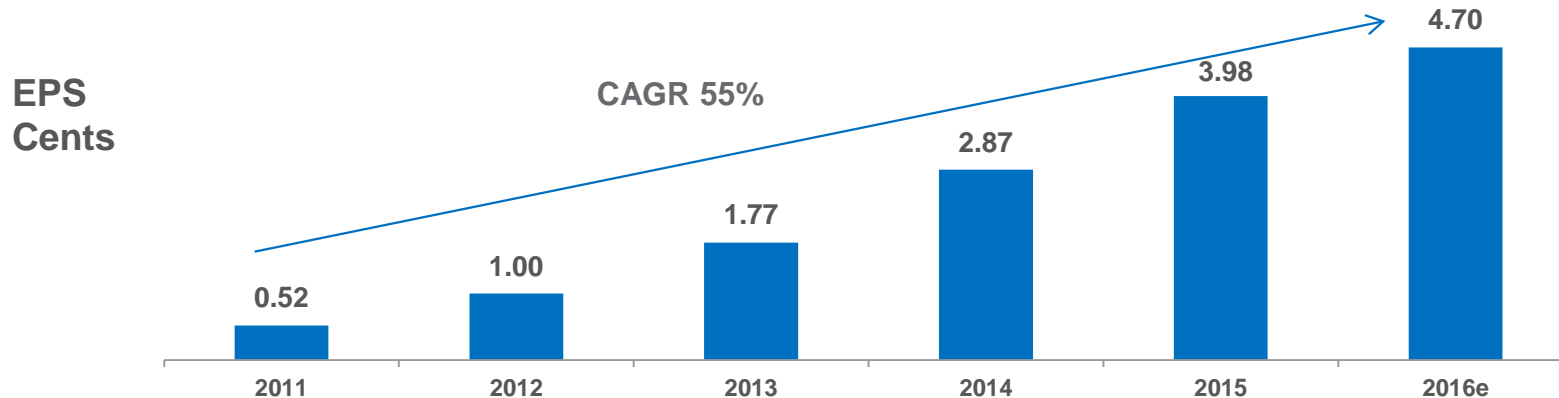
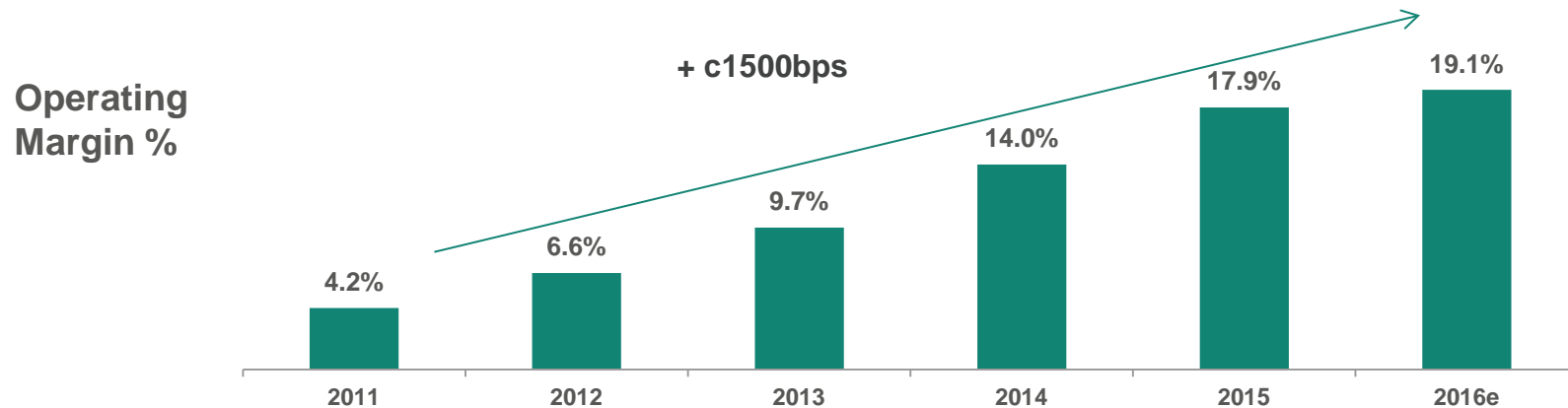
Net
Revenue
\$M



Revenue continuing to grow - top customer c15-17%



Operating Margin Expansion & EPS Growth



* Estimated based on Midpoint FY 2016 guidance



5.0 2017 Guidance

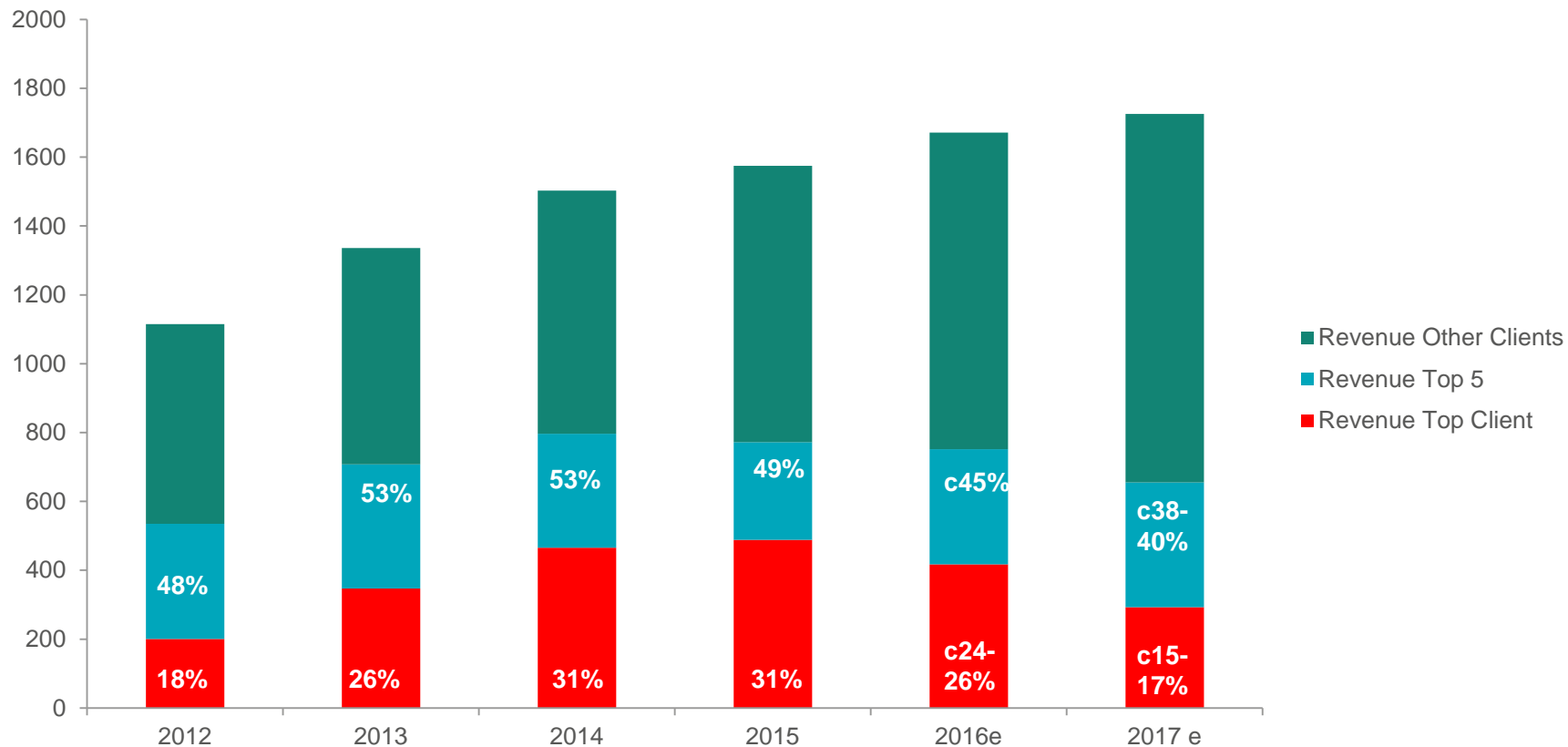
Financial Guidance Ranges Full Year 2017

	Range	% Increase
Revenue	\$1,700m – \$1,750m	2% - 5%
EPS	\$5.00 - \$5.20	6% - 11%

Guidance Assumptions

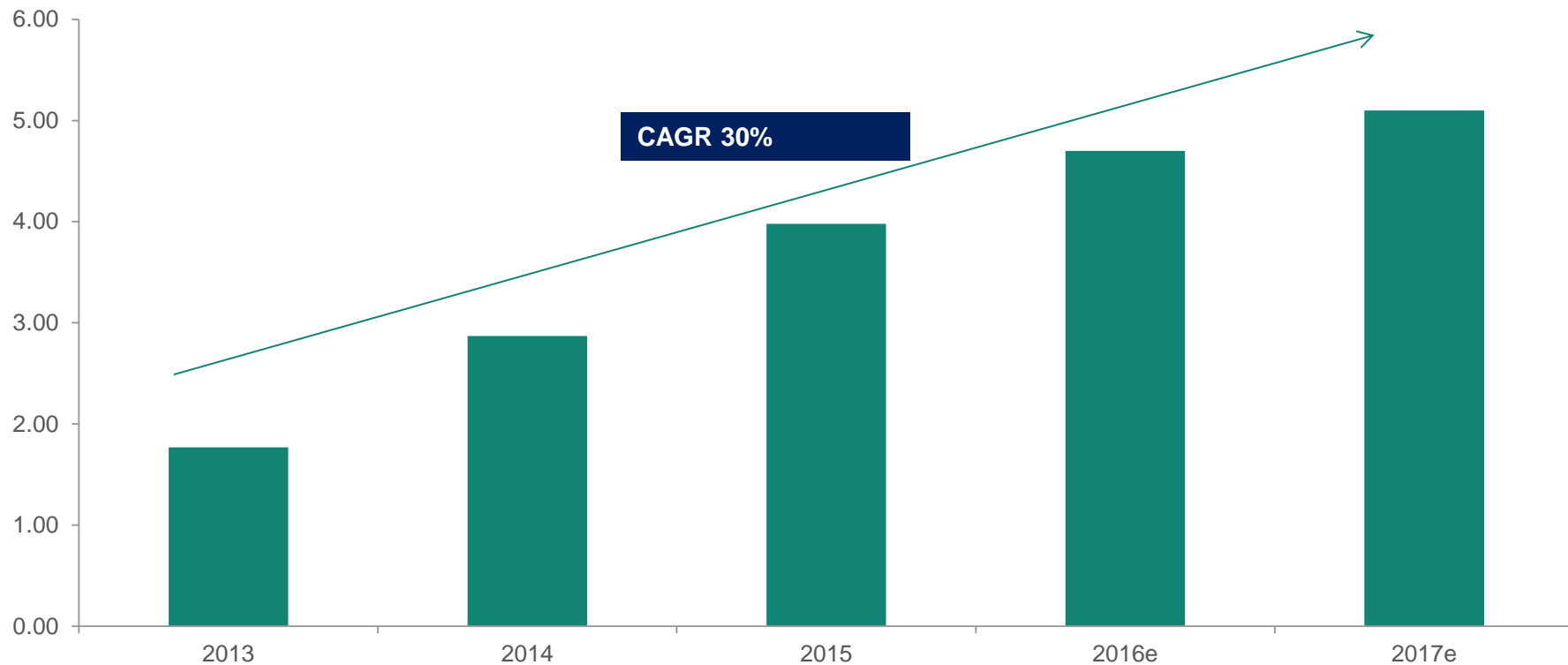
- Top customer concentration to reduce to circa **15 - 17%** of revenue from circa **24 - 26%** in 2016.
- US dollar to Euro exchange rate of **\$1.05** (constant currency revenue growth of circa 3-6%).
- An effective tax rate of circa **14%**.
- **Circa \$300 million** of Free cash flow and capital expenditures of **circa \$45 million**.
- \$110 million worth of shares repurchased Q4 2016 from current \$400 million repurchase programme contributing circa 10c to 2017 earnings.
- Remaining authorization of \$290 million to be executed opportunistically during 2017 depending on cash commitments to support M&A pipeline, no additional earnings benefit included in guidance

Revenue continuing to grow - top customer c15-17%



Earnings continue to grow

\$ EPS



* Estimated based on *Midpoint FY 2016, 2017 guidance*



6.0 Investment Summary

Investment Summary

- **Guiding growth for 2017**
 - Revenue +2 to +5%,
 - EPS +6 to +11 %,
 - Top customer concentration reducing to c15 - 17 %
- **ICON with scale, capabilities & people to capitalize on favorable market trends**
- **Innovation focus in areas of differentiation that enhance ROI of R&D**
- **Clear strategy of organic growth supported by targeted M&A**
- **Financial strength & flexibility to support growth plans**