



# ICON Q2 2023 Results

## Period Ended June 30<sup>th</sup>, 2023

Dr. Steve Cutler, CEO  
Brendan Brennan, CFO  
Kate Haven, VP Investor Relations

# Forward Looking Statement

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, our expectations concerning the ongoing impact of the novel coronavirus identified as 'COVID-19' on our operational results, the challenges associated with the integration of PRA Health Sciences, Inc., 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 24, 2023 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 2023 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



ICON's well-balanced, diversified portfolio offering positions us well for further market penetration



CRO market fundamentals are solid with positive long-term growth prospects



Continued progress with customer partnerships

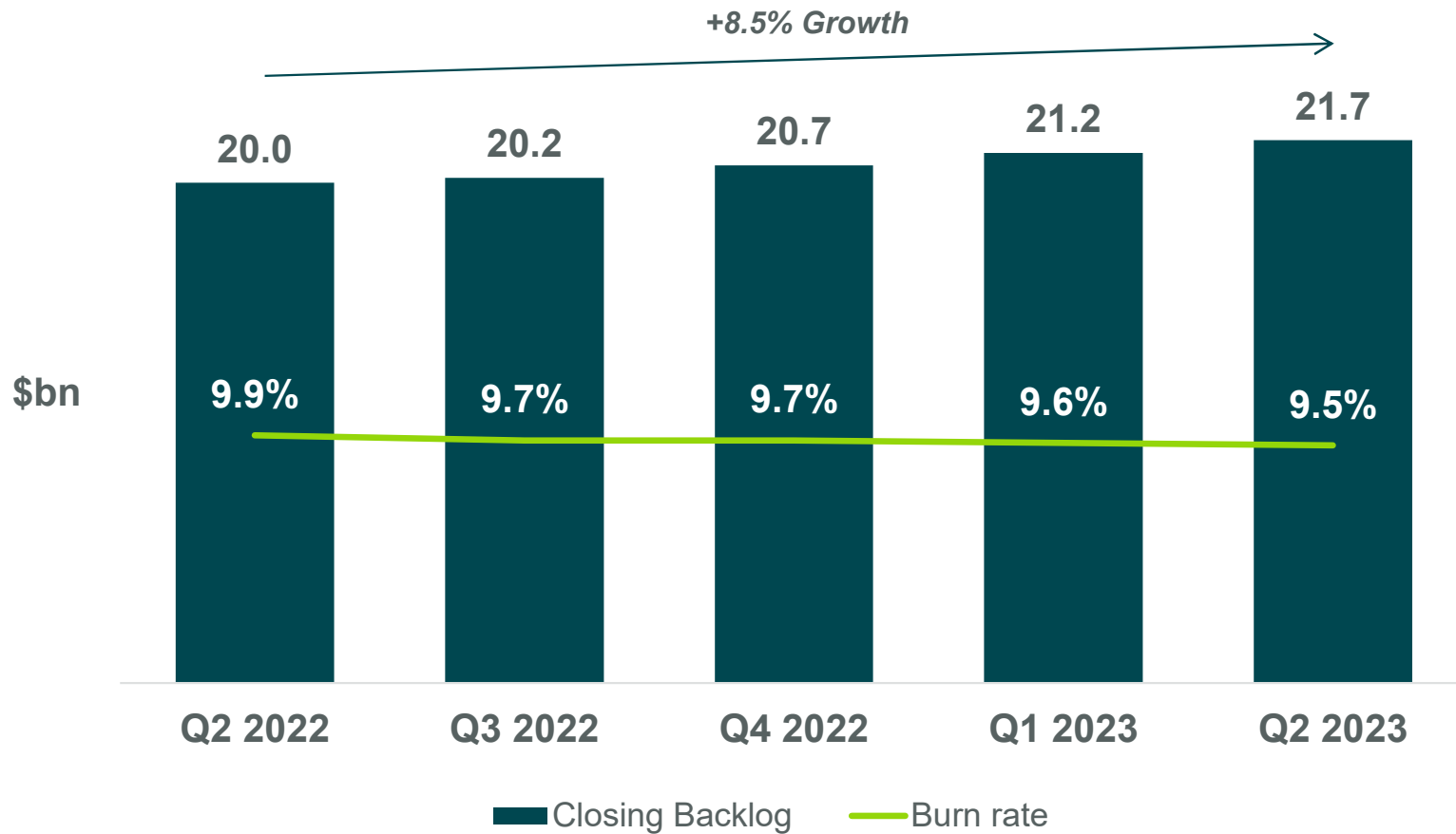


Commitment to investment in innovation to deliver enhanced outcomes

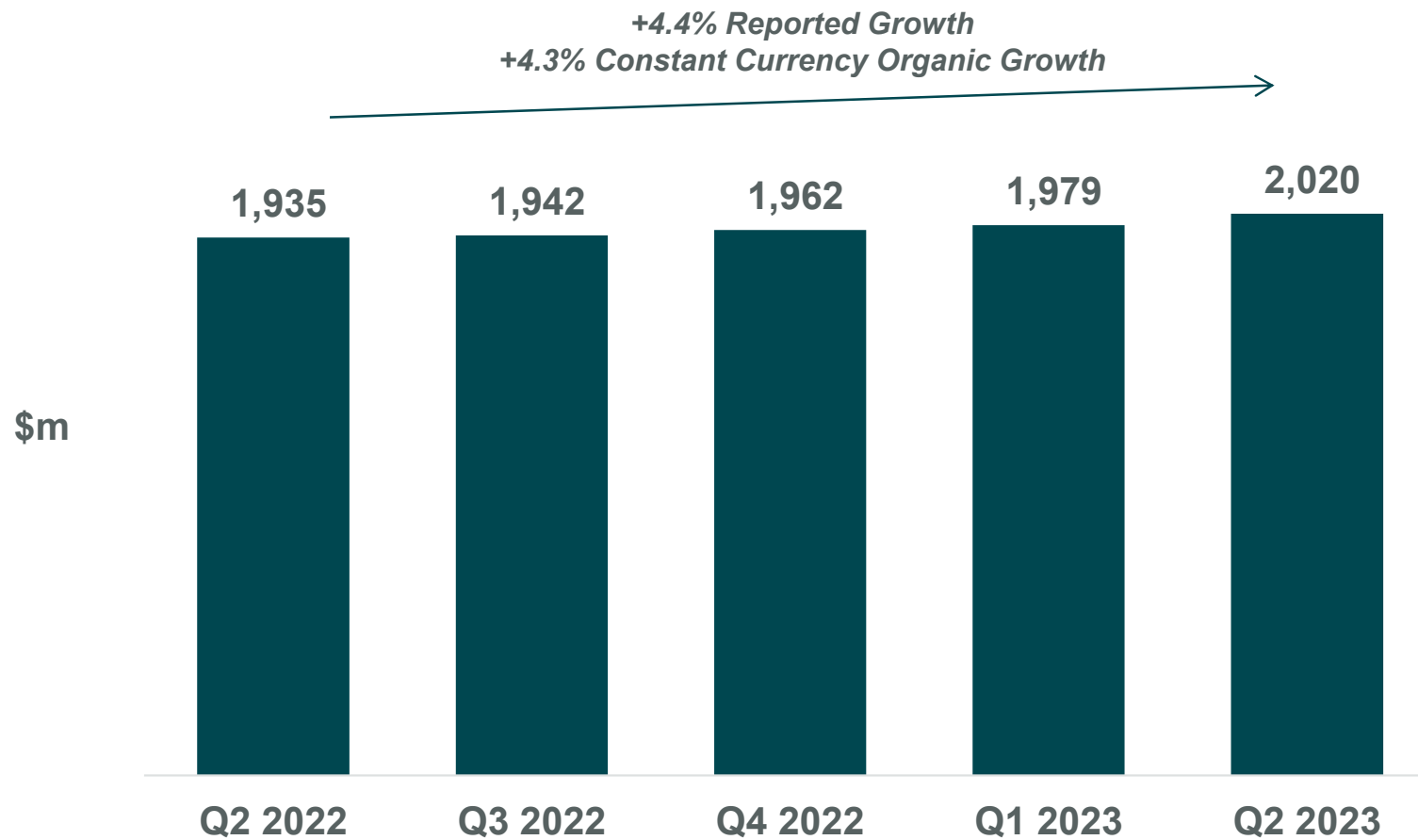


Focused cost management delivering excellent margin expansion

# Backlog Metrics

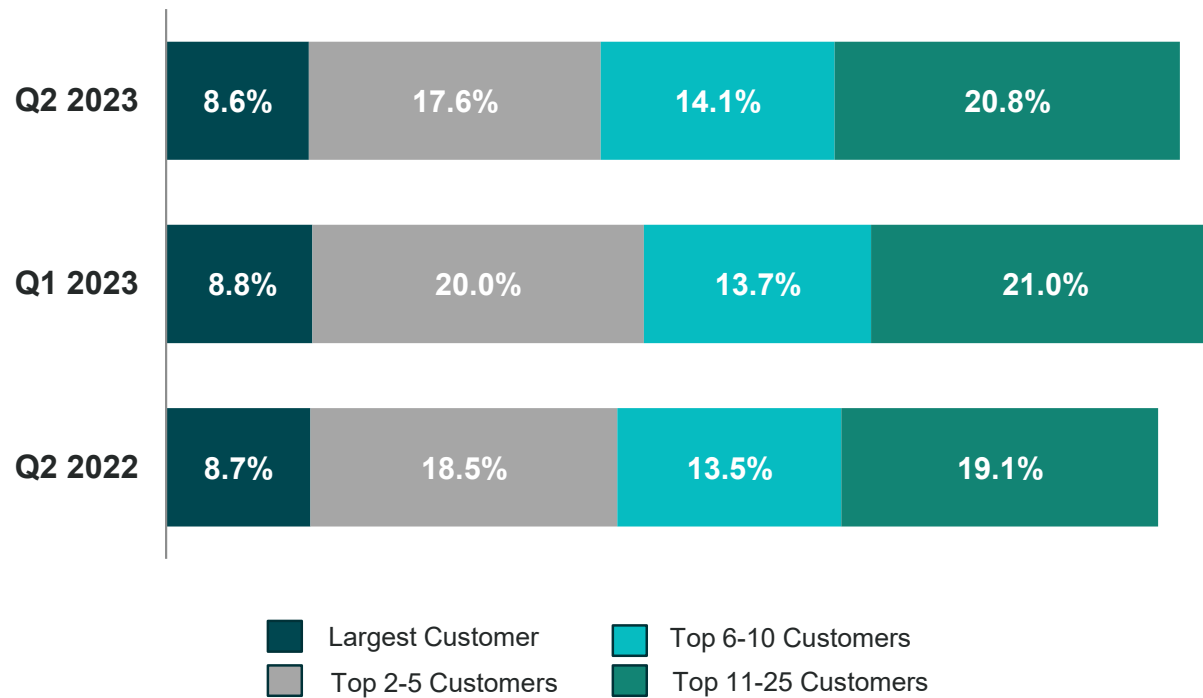


# Revenue

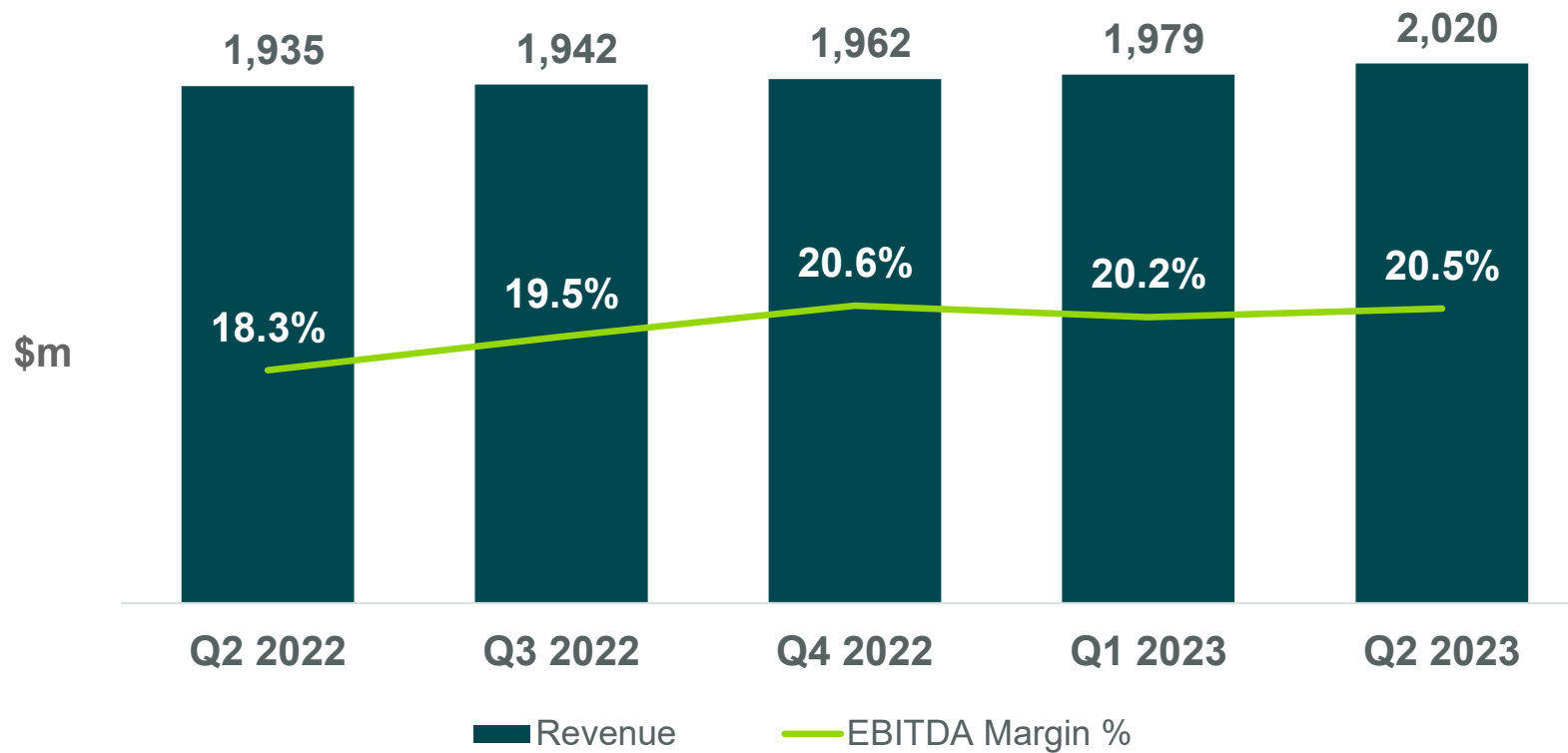


# Customer Concentration

*Percentage of Total Revenue*

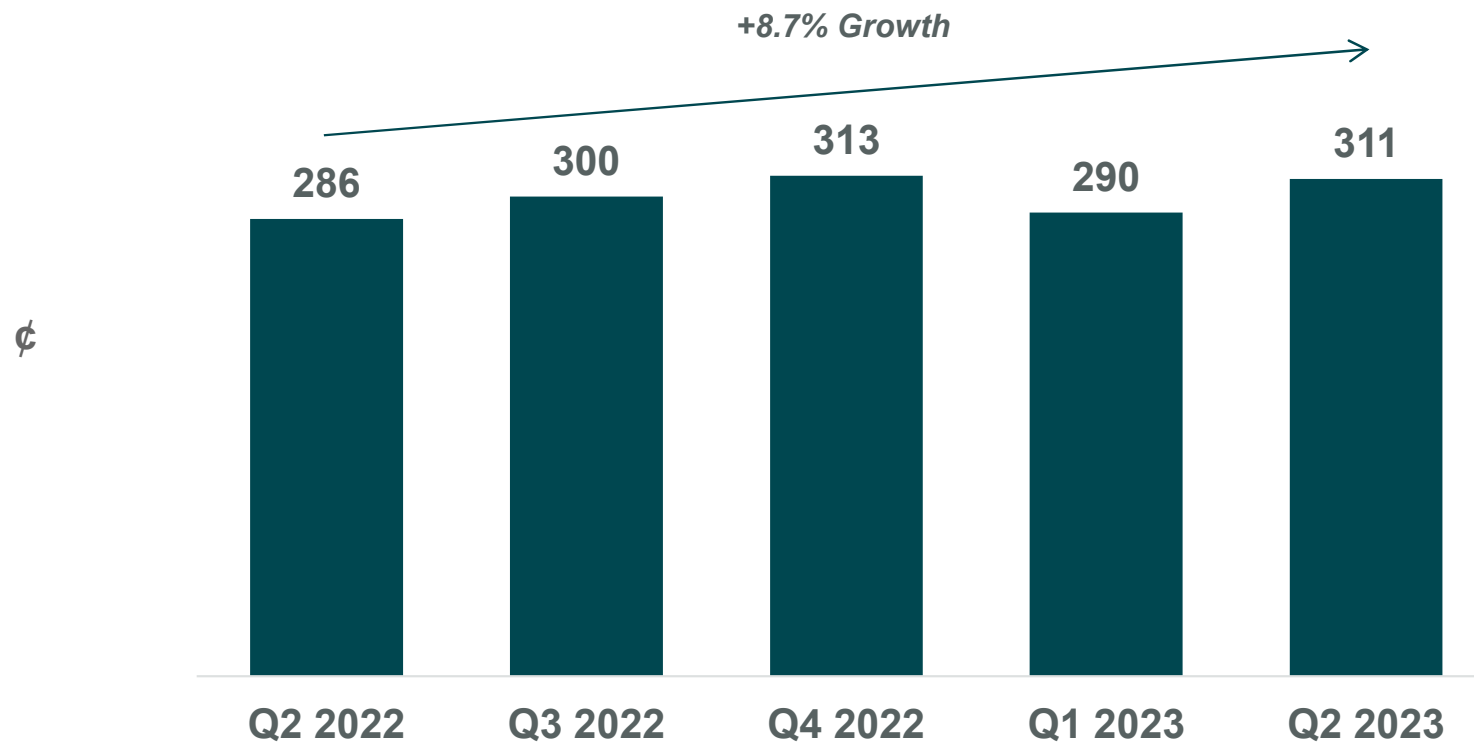


# Adjusted EBITDA Margin



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 and Cash Flow

<b>\$m (unless otherwise stated)</b>	<b>Q2 2023 30-Jun-23</b>	<b>Q1 2023 31-Mar-23</b>	<b>Q2 2022 30-Jun-22</b>
Cash and Cash Equivalents + Available for Sale Investments	<b>271.8</b>	281.5	616.6
Total Debt	<b>(4,312.1)</b>	(4,488.7)	(5,045.7)
Net (Debt) / Cash	<b>(4,040.3)</b>	(4,207.2)	(4,429.0)
Net Debt / TTM Adj EBITDA Ratio <i>(inc. synergies)</i>	<b>2.5x</b>	2.8x	3.1x
Cash from Operating Activities	<b>203.9</b>	175.5	182.1
Capital Expenditure	<b>32.1</b>	26.7	28.2
DSO (days)	<b>52</b>	54	41

# 2023 Financial Guidance & Outlook

	FY2022	Previous FY2023 Guidance	Updated FY2023 Guidance	% increase (Updated FY2023 Guidance vs. FY2022 Actuals)
<b>Revenue</b>	\$7,741.4m	\$7,940m - \$8,340m	\$8,070m - \$8,210m	4.3% - 6.1%
<b>Adjusted EPS*</b>	\$11.75	\$12.40 - \$13.05	\$12.63 - \$12.91	7.5% - 9.9%





## Key Assumptions for FY2023 Guidance

- Effective tax rate of 15.5%
- Free Cash Flow target of c.\$1.0bn
- Total capital expenditure spend of c.\$150m
- Total interest expense of c.\$310 million
- Hedging solution finalized resulting in proportion of fixed debt amounting to c60% of total debt
- Excludes M&A and share repurchase activity

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

Note: Adjusted EPS 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

# Delivering on PRA Deal Commitments

	Target / Indicative Goals at Deal Close <i>July 2021</i>	Progress to Targets
 <b>Long-Term Growth Targets</b>	Revenue: <b>high-single digits</b> Adj. EBITDA: <b>low-teens</b> Adj. EPS: <b>mid-teens+</b>	<b>Met or exceeded all targets in FY2022</b>
 <b>Capital Deployment</b>	Decrease leverage ratio to <b>&lt;2.5x at YE2023</b>	<b>2.5x Net Debt / Adj EBITDA at Q2 23</b>
 <b>Synergies</b>	<b>\$150mm run-rate cost synergies</b> fully realized in ~4 yrs <b>\$100mm revenue synergies</b> (cross-sell) realized in 2024 <b>14% target tax rate</b> in 4 yrs	Cost synergies: \$150mm run-rate delivered in FY2023 - <b>one year ahead of target</b> Revenue synergies <b>on-track</b> <b>Adjusted Effective Tax rate 16.5% in FY22, Estimated at 15.5% for FY23</b>
 <b>Customer Partnerships</b>	Increased penetration in <b>top 20 pharma</b> Manage customer delivery and <b>minimize disruption</b>	Excellent customer retention – <b>no significant customer losses</b> <b>2 announced partnership wins and 1 expansion since deal close</b>

# Appendices

## Reconciliation of Non-GAAP Measures (EBITDA)

<i>\$m except share and per share data</i>	2022					2023	
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023
<b>Adjusted EBITDA</b>							
Net income/(loss) attributable to the Group	112.0	115.7	160.2	117.4	505.3	116.7	115.6
Share of equity method investments	0.8	0.9	1.0	0.5	3.1	0.4	-
Provision for / (benefit from) income taxes	13.3	14.3	21.0	10.9	59.4	14.3	9.6
Net interest expense	44.3	46.9	61.6	74.6	227.4	85.5	84.3
Depreciation and amortization	141.4	144.0	141.9	142.2	569.5	145.1	145.1
Stock-based compensation expense <sup>(a)</sup>	19.2	18.9	16.7	15.0	69.9	14.8	16.6
Foreign currency losses (gains), net <sup>(b)</sup>	(6.6)	(17.8)	(36.9)	35.4	(26.0)	1.3	0.9
Restructuring <sup>(c)</sup>	4.2	22.5	6.2	(1.7)	31.1	9.7	35.7
Transaction-related / integration-related costs <sup>(d)</sup>	12.1	8.9	8.0	10.7	39.7	11.4	12.7
Oncacare (gain) <sup>(f)</sup>	-	-	-	-	-	-	(6.2)
<b>Adjusted EBITDA</b>	<b>340.6</b>	<b>354.3</b>	<b>379.6</b>	<b>405.0</b>	<b>1,479.5</b>	<b>399.1</b>	<b>414.2</b>
<i>Adjusted EBITDA Margin %</i>	<i>17.9%</i>	<i>18.3%</i>	<i>19.5%</i>	<i>20.6%</i>	<i>19.1%</i>	<i>20.2%</i>	<i>20.5%</i>

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

\$m except share and per share data	2022					2023	
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023
<b>Adjusted net income attributable to the Group and adjusted diluted net income per Ordinary Share attributable to the Group</b>							
Net income attributable to the Group	112.0	115.7	160.2	117.4	505.3	116.7	115.6
Provision for / (benefit from) income taxes	13.3	14.3	21.0	10.9	59.4	14.3	9.6
Amortization	114.8	118.3	115.0	115.0	463.1	114.7	114.6
Stock-based compensation expense <sup>(a)</sup>	19.2	18.9	16.7	15.0	69.9	14.8	16.6
Foreign currency losses (gains), net <sup>(b)</sup>	(6.6)	(17.8)	(36.9)	35.4	(26.0)	1.3	0.9
Restructuring <sup>(c)</sup>	4.2	22.5	6.2	(1.7)	31.1	9.7	35.7
Transaction-related / integration-related costs <sup>(d)</sup>	12.1	8.9	8.0	10.7	39.7	11.4	12.7
Transaction-related financing costs <sup>(e)</sup>	5.8	3.5	4.4	4.2	17.8	4.5	3.4
Oncacare (gain) <sup>(f)</sup>	-	-	-	-	-	-	(6.2)
Adjusted tax expense <sup>(g)</sup>	(46.7)	(48.5)	(47.3)	(49.2)	(191.7)	(47.5)	(46.0)
<b>Adjusted net income attributable to the Group</b>	<b>228.0</b>	<b>235.8</b>	<b>247.2</b>	<b>257.7</b>	<b>968.7</b>	<b>239.8</b>	<b>256.9</b>
Diluted weighted average number of Ordinary Shares outstanding	82,613,098	82,312,946	82,493,211	82,452,097	82,468,363	82,605,659	82,627,933
<b>Adjusted diluted net income per Ordinary Share attributable to the Group</b>	<b>2.76</b>	<b>2.86</b>	<b>3.00</b>	<b>3.13</b>	<b>11.75</b>	<b>2.90</b>	<b>3.11</b>

# Q2 2023 Adjusted Net Income Reconciliation

\$m except share and per share data	Q2 2022			Q2 2023		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Revenue	1,935.2	-	1,935.2	2,020.3	-	2,020.3
Costs and expenses:						
Direct costs (excluding depreciation and amortization) <sup>(a)</sup>	1,392.1	(5.6)	1,386.5	1,429.5	(6.4)	1,423.1
Selling, general and administrative expense <sup>(a),(b),(f)</sup>	190.0	4.5	194.5	187.8	(4.9)	182.9
Depreciation and amortization	144.0	(118.3)	25.7	145.1	(114.6)	30.4
Transaction and integration-related expenses <sup>(d)</sup>	8.9	(8.9)	-	12.7	(12.7)	-
Restructuring <sup>(c)</sup>	22.5	(22.5)	-	35.7	(35.7)	-
Total costs and expenses	1,757.4	(150.8)	1,606.6	1,810.8	(174.3)	1,636.4
Income from operations	177.8	150.8	328.6	209.5	174.3	383.8
Net interest expense <sup>(e)</sup>	(46.9)	3.5	(43.5)	(84.3)	3.4	(80.9)
Income before provision for income taxes	130.8	154.2	285.1	125.2	177.7	303.0
Provision for income taxes <sup>(g)</sup>	(14.3)	(34.2)	(48.5)	(9.6)	(36.4)	(46.0)
Income before share of earnings from equity method investments	116.6	120.0	236.6	115.6	141.3	256.9
Share of equity method investments	(0.9)	-	(0.9)	-	-	-
Income attributable to the Group	115.7	120.0	235.8	115.6	141.3	256.9
Diluted weighted average number of Ordinary Shares outstanding	82,312,946		82,312,946	82,627,933		82,627,933
<b>Net income per Ordinary Share attributable to the Group</b>	<b>1.41</b>		<b>2.86</b>	<b>1.40</b>		<b>3.11</b>

## Reconciliation of Non-GAAP Measures Notes

- a) Stock-based compensation expense represents the amount of recurring non-cash 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 charges relate to charges incurred in connection with the termination of leases at locations that are no longer being used and amounts incurred in connection with the elimination of redundant positions within the organization.
- d) Transaction-related / integration-related costs include expenses 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) On April 20, 2023, the Company completed the purchase of the majority investor's 51% majority voting share capital of Oncacare Limited ("Oncacare"). This gave rise to an acquisition-related gain of \$6.2 million. This gain was excluded from adjusted EBITDA and adjusted net income.
- g) Represents the tax effect of adjusted pre-tax income at our estimated effective tax rate.



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