

# **INC Research Investor Presentation**

## **Nasdaq 35<sup>th</sup> Investor Program**

**November 29, 2016**

# Forward Looking Statements & Non-GAAP Financial Measures

## Forward-Looking Statements

Except for historical information, all of the statements, expectations, and assumptions contained in this presentation, including our updated 2016 guidance, are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Actual results might differ materially from those explicit or implicit in the forward-looking statements. Important factors that could cause actual results to differ materially include, but are not limited to: our ability to adequately price our contracts and not overrun cost estimates; general and international economic, political and other risks, including currency and stock market fluctuations and the uncertain economic environment in Europe as a result of the recent vote by the United Kingdom to exit from the European Union; fluctuations in our financial results; our ability to maintain or generate new business awards; our backlog not being indicative of future revenues and our ability to realize the anticipated future revenue reflected in our backlog; reliance on key personnel; our Board and corporate governance transition as a relatively new public company that has recently lost "controlled company" status; our customer or therapeutic area concentration; our ability to increase our market share, grow our business and execute our growth strategies; and the other risk factors set forth in our Form 10-K for the year ended December 31, 2015, Form 10-Q for the quarter ended June 30, 2016 and other SEC filings, copies of which are available free of charge on our website at [investor.incresearch.com](http://investor.incresearch.com). INC Research assumes no obligation and does not intend to update these forward-looking statements, except as required by law.

## Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with GAAP, this presentation contains the following non-GAAP financial measures; Adjusted Income from Operations, Adjusted Operating Margin, Adjusted Net Income (including Adjusted Diluted Earnings per Share), EBITDA, and Adjusted EBITDA. A "non-GAAP financial measure" is generally defined as a numerical measure of a company's financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of operations, balance sheets or statements of cash flows of the Company.

The Company defines Adjusted Income from Operations as income from operations excluding expenses and transactions that the Company believes are not representative of its core operations, namely, acquisition-related amortization, restructuring, CEO transition and other costs, transaction expenses, asset impairment charges, share-based compensation expense, and contingent consideration related to acquisitions and other. The Company defines Adjusted Operating Margin as adjusted income from operations as a percentage of net service revenue.

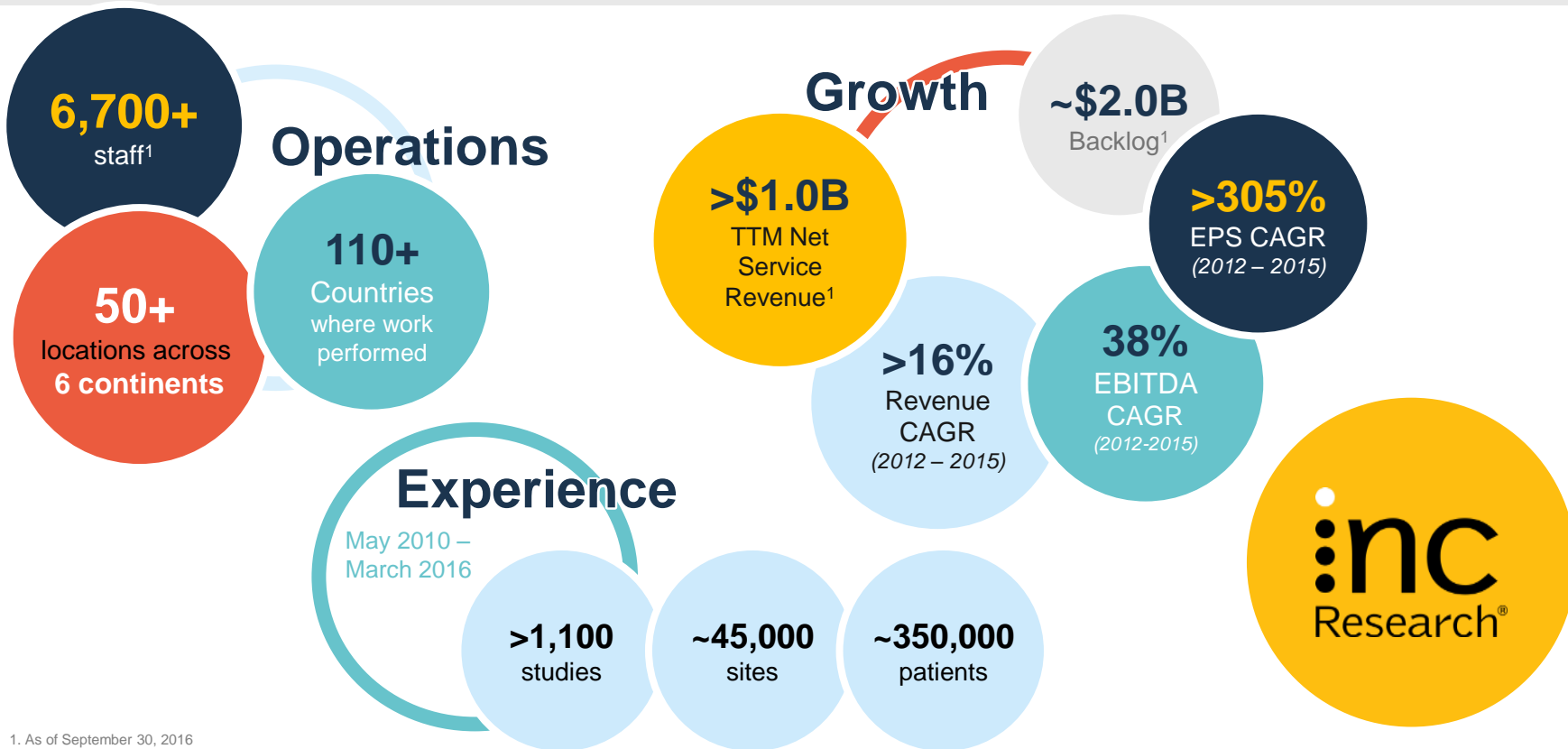
The Company defines Adjusted Net Income (including Adjusted Diluted Earnings per Share) as net income (including diluted earnings per share) excluding the items excluded from adjusted income from operations mentioned previously, other expense (income), and loss on extinguishment of debt. After giving effect to these items and other unusual tax impacts during the period, the Company has also included an adjustment to its income tax rate to reflect the expected long-term income tax rate.

EBITDA represents earnings before interest, taxes, depreciation and amortization. The Company defines Adjusted EBITDA as EBITDA excluding the certain expenses and transactions that the Company believes are not representative of its core operations, namely, restructuring, CEO transition and other costs, transaction expenses, asset impairment charges, share-based compensation expense, contingent consideration related to acquisitions and other, other expense (income), and loss on extinguishment of debt. The Company presents EBITDA and Adjusted EBITDA because it believes they are useful metrics for investors as they are commonly used by investors, analysts and debt holders to measure the Company's financial performance and its ability to service its debt obligations, fund capital expenditures and meet working capital requirements.

Each of the non-GAAP measures noted above are used by management and the Board to evaluate the Company's core operating results as they exclude items whose fluctuations from period to period do not necessarily correspond to changes in the core operations of the business. Adjusted Income from Operations, Adjusted Operating Margin, EBITDA, Adjusted EBITDA and Adjusted Net Income (including Adjusted Diluted Earnings per Share) are used by management and the Board to assess the Company's business. The Company believes these measures are used by investors, analysts and debt holders to measure the Company's performance.

Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the Company's results of operations as determined in accordance with GAAP. Also, other companies might calculate these measures differently. Investors are encouraged to review the reconciliations of the non-GAAP financial measures to their most directly comparable GAAP measures included on slides 24-25 and 29-31 in the appendix of this presentation.

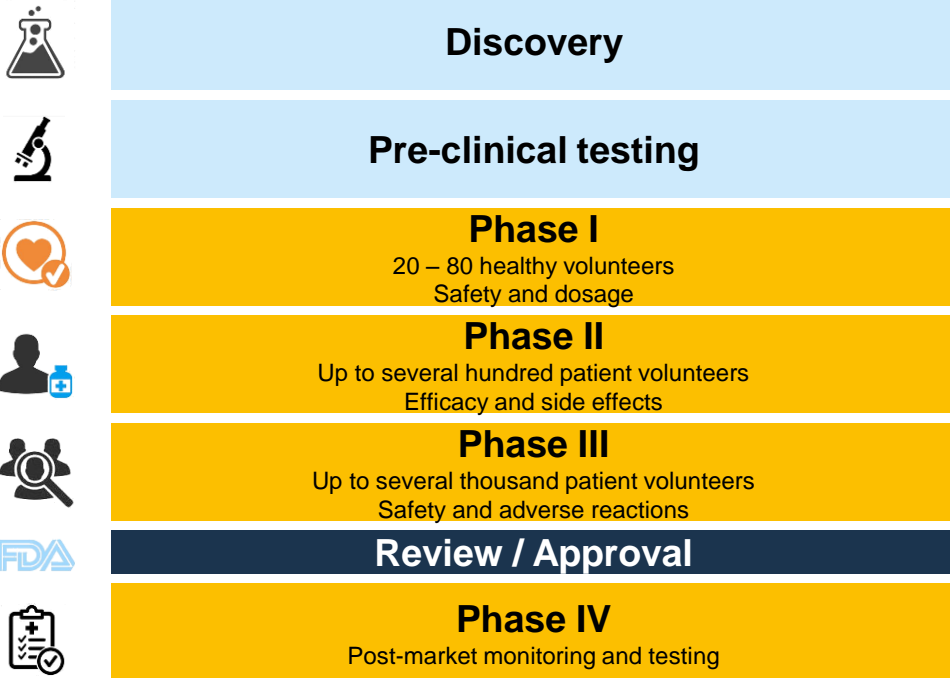
# INC Research at a Glance



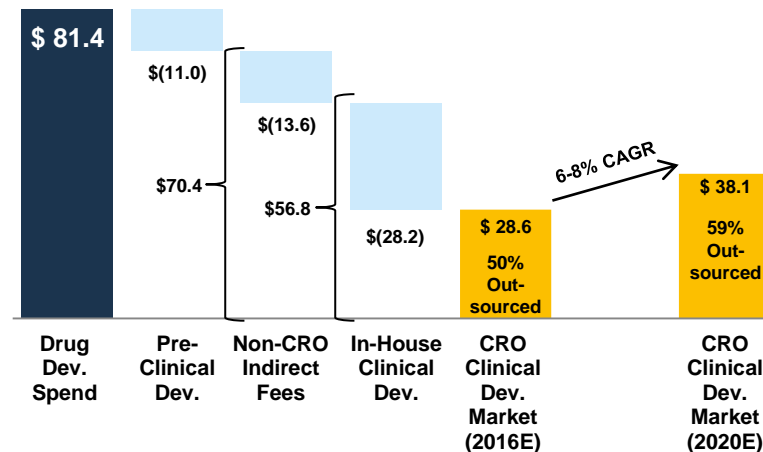
1. As of September 30, 2016

# Market potential and growth drivers

## Stages of clinical development



## Outsourced clinical development market (\$B)<sup>1</sup>



## Industry growth drivers

- Continued R&D productivity (annual growth of 2-4%)<sup>1</sup>
- Acceleration of new therapies / technologies
- Continued establishment and growth of strategic partnerships
- Continuing product flow from biotech research
- Big data and analytics
- Collaboration to drive efficiencies and reduce average R&D costs for new compounds

1. William Blair Equity Research (October 2016)

# What differentiates INC Research?



Exclusive focus on phase I-IV clinical development

Strategic focus on sites & patients



Strong position in largest and fastest growing therapeutic areas

Best-of-Breed technology strategy



Therapeutically focused down to the CRA level

Highly diversified customer base with global scale



Innovative Trusted Process<sup>®</sup> operating model

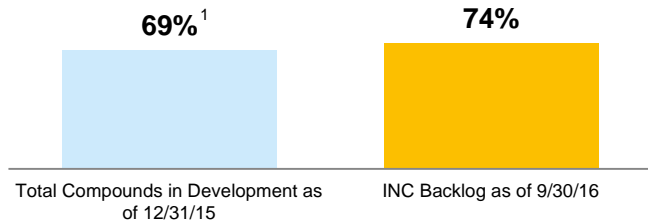
Outstanding financial growth profile



# Therapeutic expertise critical to driving growth and managing complexity

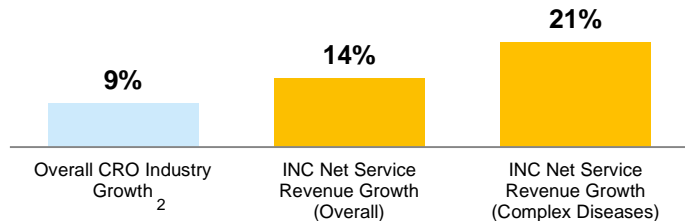
## Mix of high-growth therapies

CNS, Oncology and Other Complex Diseases Mix



## Contributes to above market growth

Service Revenue Growth YTD 2015 – YTD 2016



## During 2015, INC Research ...

- Assisted in the development of **>250** unique compounds
- Contributed to **>10** New Drug Applications
- Collaborated with **over 5,000** sites
- Enrolled **over 36,000** patients world-wide

1. INC estimate of active compounds in development as of 12/31/2015 using *Pharmaprojects* data

2. Estimated 2016 Growth in Clinical Development Outsourced to CROs (William Blair Equity Research, October 2016)

3. Getz, Kenneth. "Improving Protocol Design Feasibility to Drive Drug Development Economics and Performance," (May 2014)

## Increasing trial complexity requires deep therapeutic expertise

- Complex trial expertise, particularly in CNS and Oncology, is a competitive advantage for INC
  - CRO Industry analysts report that the most influential factor of choice for customers is therapeutic expertise
- The majority of INC's CRAs are principally focused in one therapeutic area and solely focused in their area of expertise
- Since 2011, Oncology involved in development of 14 molecules with **26 FDA Special Designations** across 17 indications

## Complexity of a Typical Phase III Protocol<sup>3</sup>

Design Characteristics	2002	2012	Change
Endpoints	7	13	+86%
Procedures	106	167	+58%
Eligibility Criteria	31	50	+61%
Countries	11	34	+209%
Investigative Sites	124	196	+58%
Patients Randomized	729	597	-18%

# Clinical development focus and innovative Trusted Process<sup>®</sup> operating model

Innovative operating model...

...driving superior outcomes

## The Trusted Process<sup>®</sup>



- Greater operating efficiency
- More **predictable** project schedules
- Absolute reduction of cycle times in critical path milestones and overall project timelines
- INC start-up and database lock timeframes are faster than the industry:

**>20%**

Reduced median study start-up time on new INC projects

**15-20%**

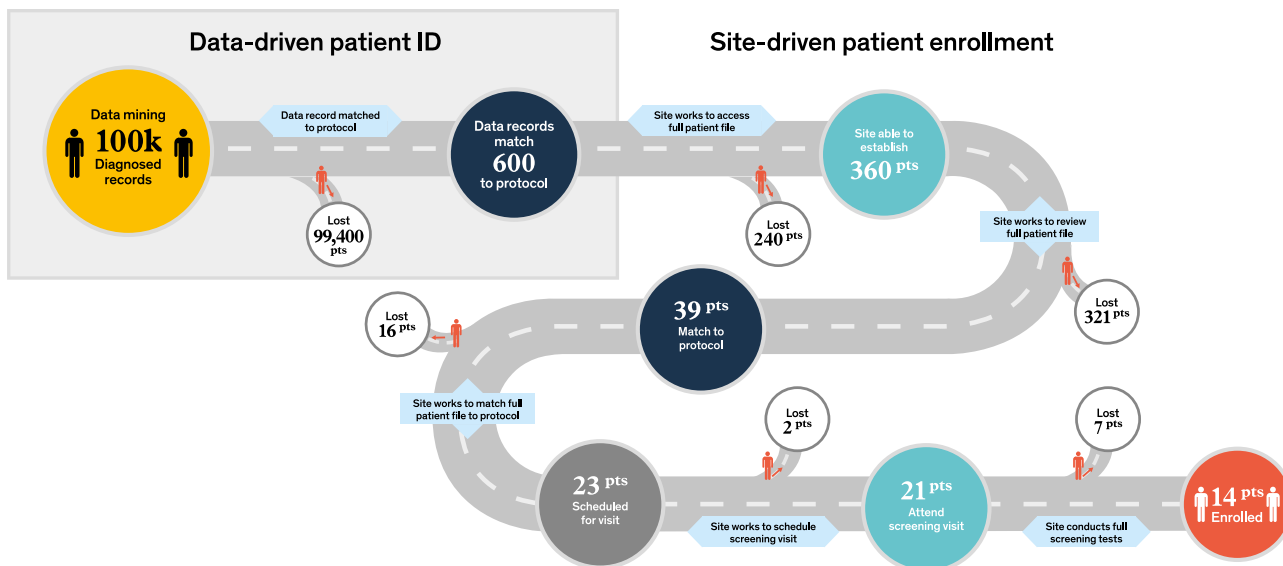
Faster than the industry median start-up time<sup>1</sup>

**>15%**

Faster than the industry median database lock time<sup>1</sup>

1. Based on a 2014 survey by CMR International, a Thomson Reuters' business. Start-up time is defined as the period from finalized protocol to first patient enrolled. Database lock time is defined as time from last patient last visit to database lock.

# Collaboration with sites critical to driving patient enrollment



- Collaborate to make research sites a partner in the clinical development process
- Share best practices to improve delivery and drive new methodologies
- Optimize patient enrollment per site
- Reduce the number of sites we work with on a given study

Data supplied courtesy of ePatientFinder 2016



# Third-party and customer validation of INC differentiation



CenterWatch

**TOP CRO  
TO WORK WITH**

among large  
global CROs

**21.5%**  
CAGR  
**NET  
AWARDS  
GROWTH**

YTD September 30, 2014  
to YTD September 30, 2016



**SCRIP**  
AWARDS 2015  
WINNER

BEST CONTRACT RESEARCH  
ORGANIZATION

# Outstanding financial profile and robust momentum

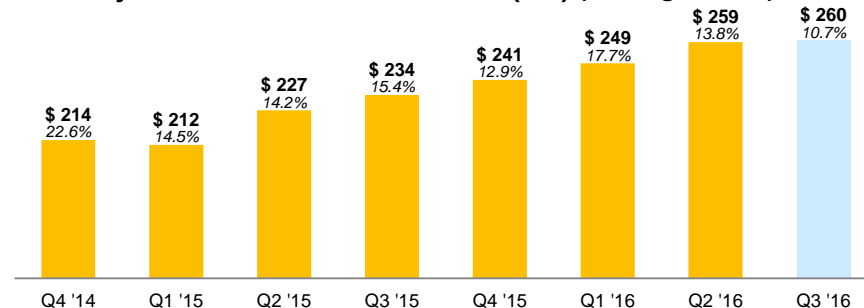
## Robust momentum

- Backlog has grown by 12.3% from 9/30/15 to 9/30/16
- Adjusted net service revenue grew 22.7% in 2014, 14.2% in 2015, and 14.0% YTD 2016
- Adjusted net service revenue grew 19.9% in 2015 and 15.2% YTD 2016, on a constant currency basis<sup>2</sup>
- Revenue growth in 2016 supported by backlog coverage

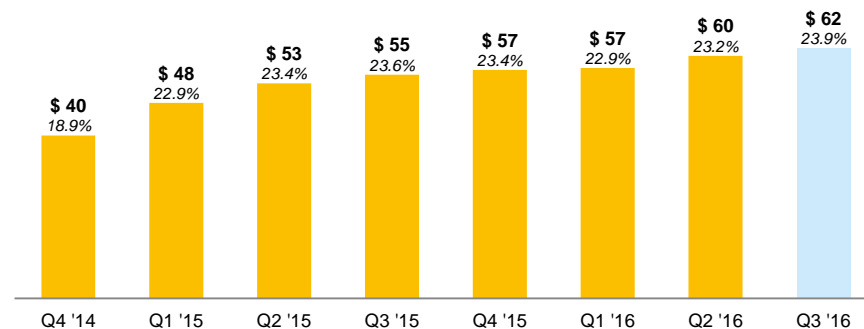
## Continued strong margins

- Therapeutic expertise resonates with customers resulting in a strong value proposition
- Revenue growth leverages both the G&A infrastructure and operational overhead
- Management team provides strong focus on financial discipline, improving utilization of staff and realization of projects
- Staffing closely managed to align with backlog needs

## Adjusted Net Service Revenue (\$M) (+ YoY growth %)<sup>1</sup>



## Normalized Adjusted EBITDA (\$M) (+ Margin %)<sup>1</sup>

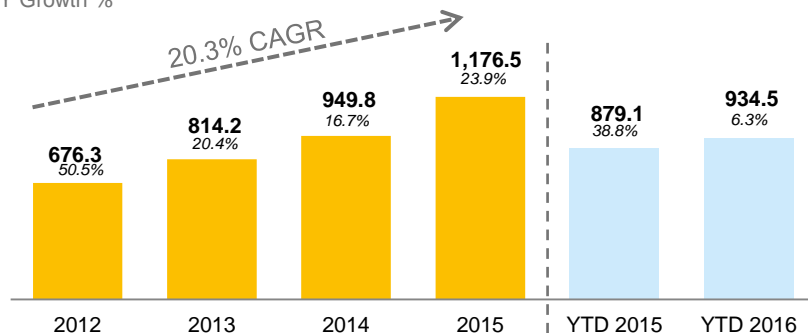


1. For important disclosures and a complete reconciliation of GAAP to Non-GAAP measures and details of normalizing adjustments for historical periods, please refer to slides 19-22, 24-25 and 29-31 in the appendix of this presentation.  
 2. Excludes a foreign currency headwind of approximately \$45.4M for the year ended December 31, 2015, and \$8.6M for the nine months ended September 30, 2016.

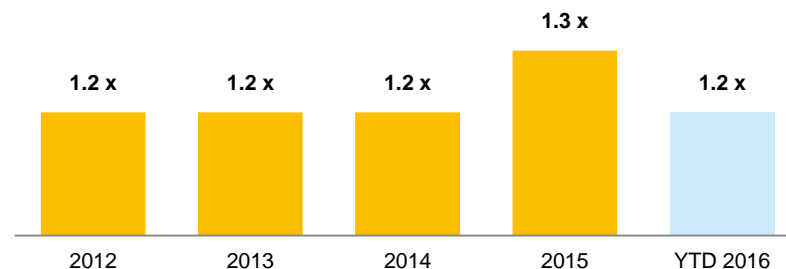
# Consistently strong net new business awards growth driving book-to-bill

## Historical Net New Business Awards (\$M)

YoY Growth %



## Net Book-to-Bill



- Net new business awards growth supports strong future revenue growth
- Net new business awards growth keeping pace with strong adjusted revenue growth
- Awarded clinical trials from 89 new customers in the first nine months of 2016
- 84% of awards from repeat customers YTD 2016
- Twelve out of the last thirteen quarters have net book-to-bill of 1.2x or higher
  - Ranging from 1.2x to 1.8x
- Book-to-bill for 2015 was 1.3x, particularly strong given revenue growth of over 14%

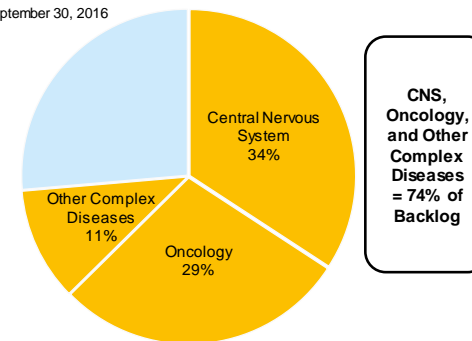
# Backlog should support long-term growth

## Backlog Roll Forward (\$M)

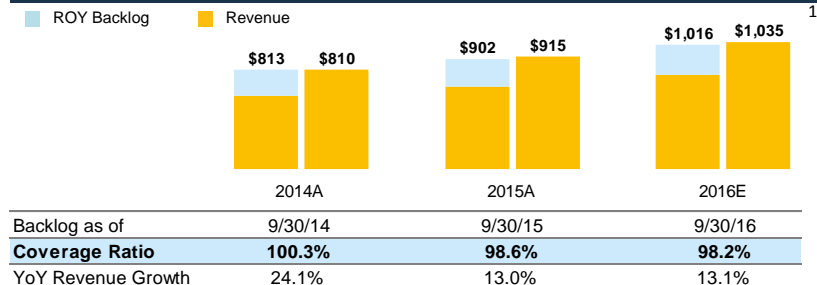
	Q4 '15	Q1 '16	Q2 '16	Q3 '16
Beginning Backlog	\$ 1,766	\$ 1,813	\$ 1,874	\$ 1,909
+ Acquired Backlog	-	-	-	-
+ Net Awards	297	302	302	330
- Revenue, as reported	(241)	(249)	(259)	(260)
+ FX Adjustment	(9)	7	(8)	4
<b>Ending Backlog</b>	<b>\$ 1,813</b>	<b>\$ 1,874</b>	<b>\$ 1,909</b>	<b>\$ 1,983</b>

## Backlog by Therapeutic Area

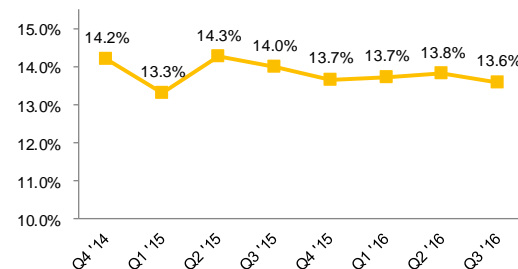
As of September 30, 2016



## Backlog Coverage (\$M)



## Backlog Burn Rate<sup>2</sup>



Note: Due to rounding of specific line items, line item figures might not sum to subtotals.

Financials and related key operating metrics have not been adjusted to exclude the \$9.0 of higher-than-normal change order activity in 2014.

1. 2016 revenue estimate represents the mid-point of the guidance issued October 31, 2016. This guidance is as of October 31, 2016, and is not being hereby updated.

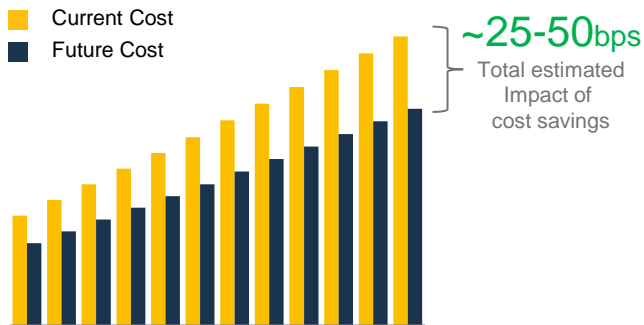
2. Backlog burn represents current quarter net revenue divided by previous quarter ending backlog.

3. CNS was updated during Q2 2016 to include Ophthalmology as a complex disease area.

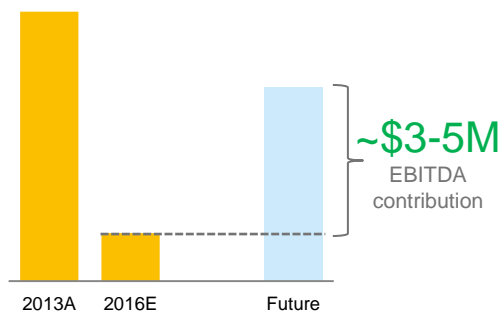
# Margin enhancement opportunities

## It's all about growing dollars faster than the industry

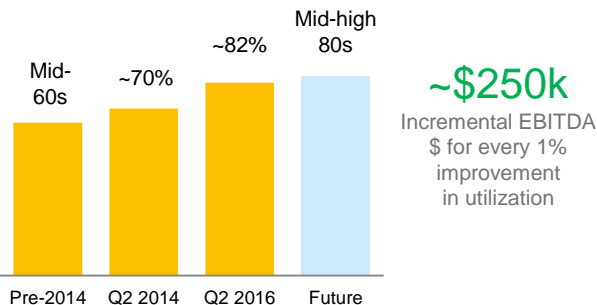
### CTMS Efficiencies



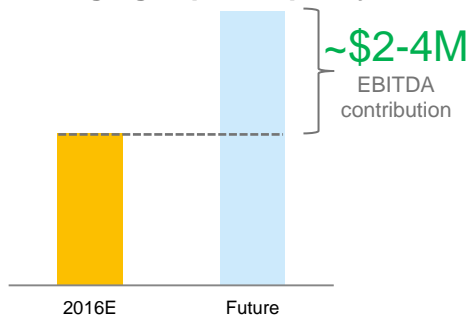
### Phase I Clinic Optimization



### Facilities Utilization



### Leveraging Japan Capacity



### Other Margin Improvement Initiatives:

- Scale leveraging G&A infrastructure
- Additional operating leverage in direct costs... therapeutic business unit structure

### Reinvesting Margin Improvements in 2016 and Beyond to Drive Future Growth:

- Business development resources
- Operational and therapeutic resources to support bid defense process
- Catalyst Site programs
- Expanded recruiting and talent development

### Additional Opportunities to Grow Dollars Faster than the Industry

- FSP, Late Phase, and Top-20
- ...margin % typically 2-300bps lower

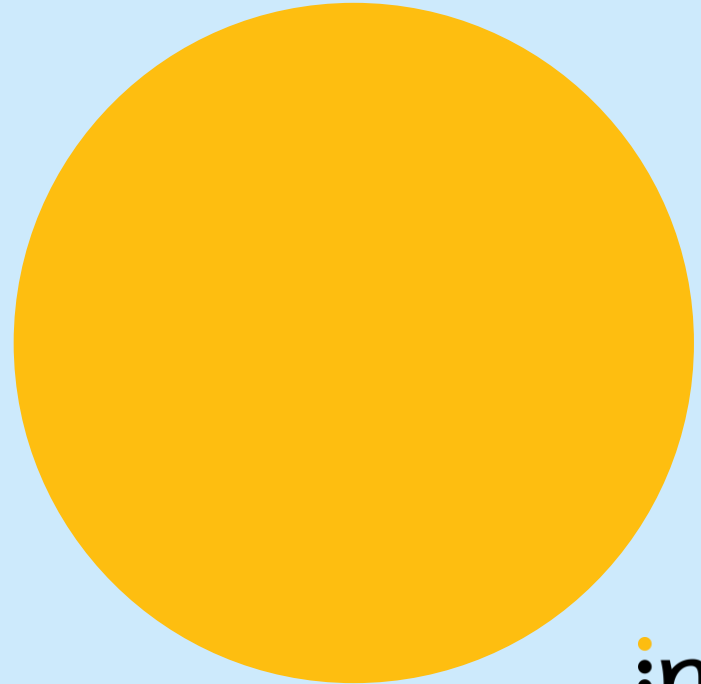
# INC's strong, multi-pronged growth strategy



1. Source: William Blair Equity Research (April 2016)

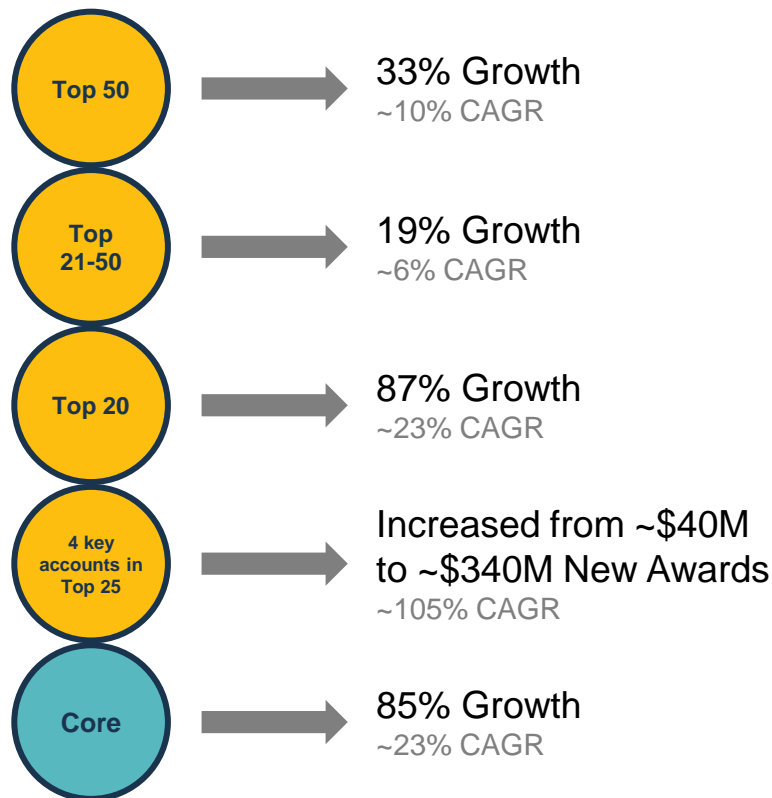
# Appendix

## Additional Financial Information

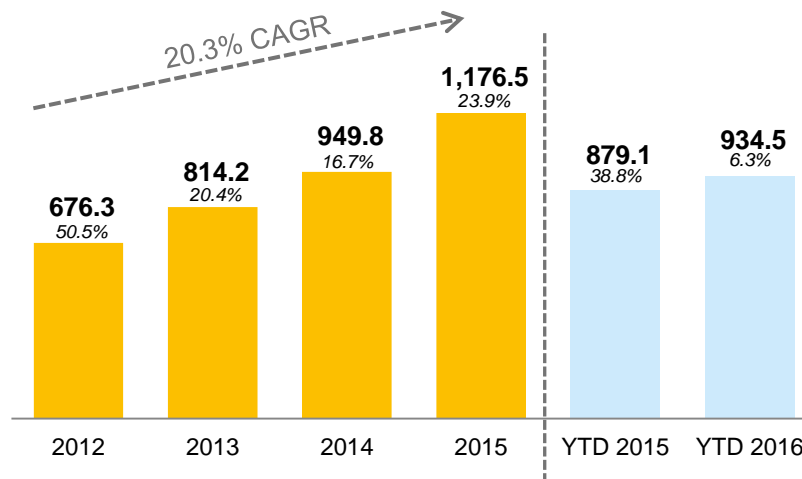


# Expanding our Addressable Market

## New awards into Top 50 pharma from 2012 to 2015



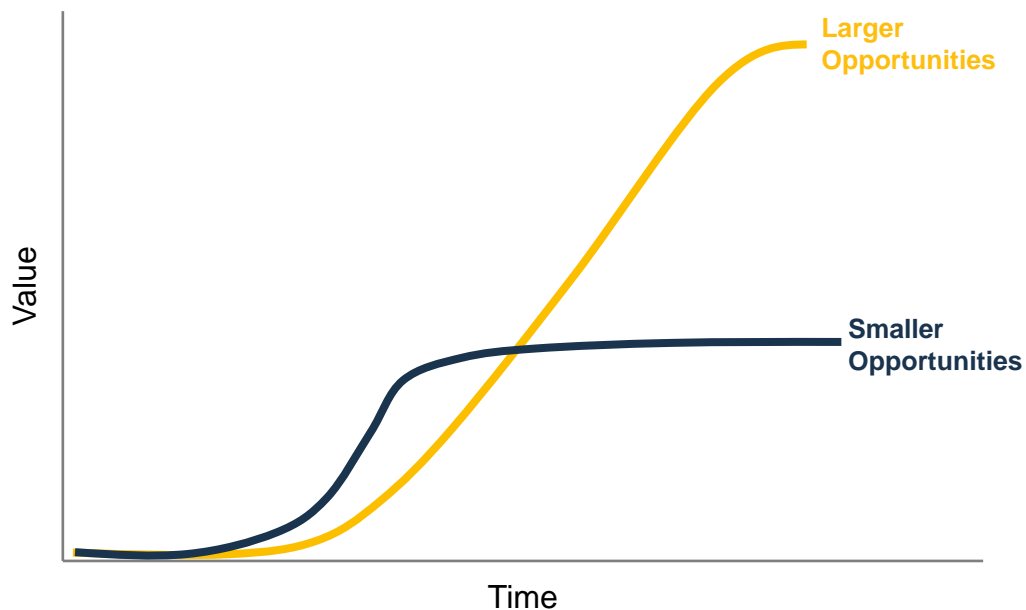
Historical Net New Business Awards  
YoY Growth %





# Expanding our Addressable Market

## Longer sales cycle for large pharma



# Trusted Process<sup>®</sup> drives differentiated results

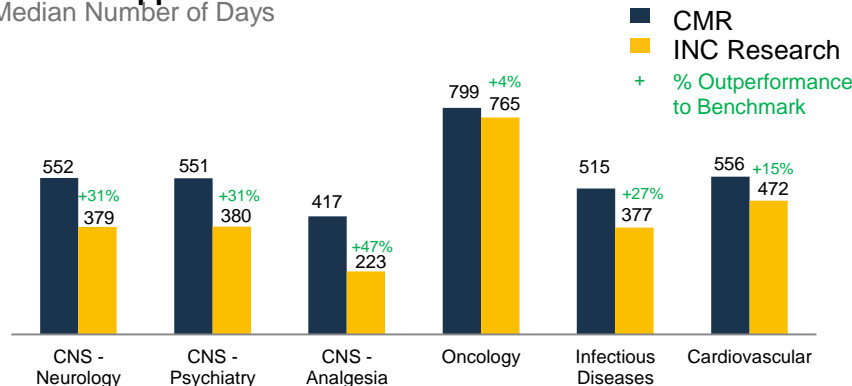
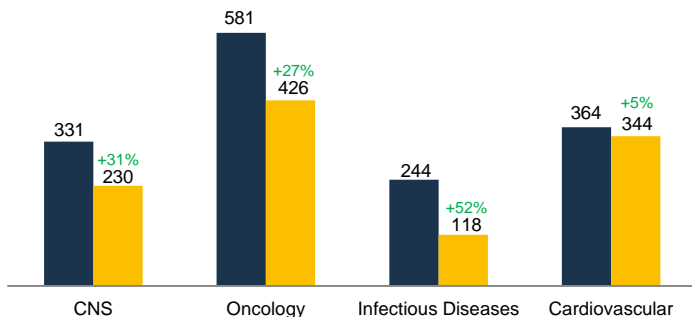
## Outperforming the industry

### First Patient Randomized to Last Patient Randomized<sup>1</sup>

Median Number of Days

### Protocol Approval to Database Lock<sup>1</sup>

Median Number of Days



### Clinical Performance vs Top-Pharma Samples and Industry Average<sup>2</sup>

Days	INC Research			Top-30 Pharma		Industry
	Non-ONC	CNS	Gen Med	A	B	Avg
Study Start-Up	95.0	87.0	105.0	133.0	114.0	134.0
Data Capture	35.5	29.0	32.0	42.0	67.5	51.0
Statistical Analysis	14.0	14.0	14.0	5.0	10.0	14.0
Report Writing	118.0	118.0	118.0	135.0	171.5	150.0

Consistently outperform industry benchmarks for critical cycle times across key therapeutic areas

1. CMR 2013 Industry Benchmark Data. This material is reproduced under a license from CMR International, a Thomson Reuters business. You may not copy or re-distribute this material in whole or in part without the written consent of CMR International

2. CMR 2014 Trial Cycle Time Analysis

INC data is for the period 2014 through 2016 inclusive.

# Q1 2015 Income Statement

## Adjusted Basis – Normalized for One-Time Benefits

\$M (except per share data)	Three Months Ended March 31, 2015			
	Non-GAAP	One-Time Benefits	Expenses Reversed in Q3	Normalized
Net Service Revenue	\$ 211.5	\$ -	\$ -	\$ 211.5
Direct Costs	124.8	5.1 a	(3.4) b	126.5
Gross Profit	86.7	(5.1)	3.4	85.0
<i>Gross Profit Margin</i>	41.0%	(2.4%)	1.6%	40.2%
Selling, General & Administrative	35.5	1.1 a	-	36.6
Depreciation	4.8	-	-	4.8
Income from Operations	46.4	(6.2)	3.4	43.6
<i>Income from Operations Margin</i>	22.0%	(2.9%)	1.6%	20.6%
Interest Expense, net	(5.3)	-	-	(5.3)
Income before Provision for Income Taxes	41.1	(6.2)	3.4	38.3
Income Tax Expense	(14.8)	2.2 c	(1.2) c	(13.8)
Net Income	\$ 26.3	\$ (4.0)	\$ 2.2	\$ 24.5
Diluted EPS (\$)	0.42	(0.06)	0.03	0.39
EBITDA	\$ 51.2	\$ (6.2)	\$ 3.4	\$ 48.4
<i>EBITDA Margin</i>	24.2%	(2.9%)	1.6%	22.9%

Note: Due to rounding of specific line items, line item figures may not sum to subtotals.

a. During the first quarter of 2015, we settled \$6.2M of liabilities (\$5.1M of direct costs and \$1.1M of SG&A expenses) at less than original estimates.

b. During the third quarter of 2015, we settled \$3.4M of study-related obligations that were recorded as an expense during the first quarter of 2015 (necessitating the subsequent adjustment to 1Q normalization amounts).

c. Income tax expense is calculated and the adjustments are tax-affected at an approximate rate of 36%.

For important disclosures and a complete reconciliation of GAAP to Non-GAAP measures for historical periods presented, please refer to slides 24-25 and 29-31 in the appendix of this presentation.

# Q3 2015 Income Statement

## Adjusted Basis – Normalized for One-Time Benefits

\$M (except per share data)	Three Months Ended September 30, 2015		
	<u>Non-GAAP</u>	<u>One-Time Benefits</u>	<u>Normalized</u>
Net Service Revenue	\$ 234.5	\$ -	\$ 234.5
Direct Costs	134.7	4.9 a	139.6
Gross Profit	99.8	(4.9)	94.9
<i>Gross Profit Margin</i>	42.6%	(2.1%)	40.5%
Selling, General and Administrative	39.5	-	39.5
Depreciation	4.4	-	4.4
Income from Operations	56.0	(4.9)	51.0
<i>Income from Operations Margin</i>	23.9%	(2.1%)	21.8%
Interest Expense, net	(3.0)	-	(3.0)
Income before Provision for Income Taxes	52.9	(4.9)	48.0
Income Tax Expense	(19.1)	1.8 b	(17.3)
Net Income	\$ 33.9	\$ (3.2)	\$ 30.7
Diluted EPS	\$ 0.58	\$ (0.06)	\$ 0.52
EBITDA	\$ 60.3	\$ (4.9)	\$ 55.4
<i>EBITDA Margin</i>	25.7%	(2.1%)	23.6%

Note: Due to rounding of specific line items, line item figures may not sum to subtotals.

a. During the third quarter of 2015, we settled \$4.9M of study-related obligations.

b. Income tax expense is calculated and the adjustments are tax-affected at an approximate rate of 36%.

For a complete reconciliation of GAAP to Non-GAAP measures for the current and historical periods presented, please refer to slides 24-25 and 29-31 in the appendix of this presentation.

# YTD 2015 Income Statement

## Adjusted Basis – Normalized for One-Time Benefits

\$M (except per share data)	Nine Months Ended September 30, 2015			
	Non-GAAP	One-Time Benefits	Expenses Reversed in Q3	Normalized
Net Service Revenue	\$ 673.4	\$ -	\$ -	\$ 673.4
Direct Costs	397.1	10.0 a	(3.4) b	403.7
Gross Profit	276.3	(10.0)	3.4	269.7
<i>Gross Profit Margin</i>	<i>41.0%</i>	<i>(1.5%)</i>	<i>0.5%</i>	<i>40.1%</i>
Selling, General and Administrative	111.5	1.1 a	-	112.6
Depreciation	13.5	-	-	13.5
Income from Operations	151.2	(11.1)	3.4	143.5
<i>Income from Operations Margin</i>	<i>22.5%</i>	<i>(1.6%)</i>	<i>0.5%</i>	<i>21.3%</i>
Interest Expense, net	(12.5)	-	-	(12.5)
Income before Provision for Income Taxes	138.7	(11.1)	3.4	131.0
Income Tax Expense	(49.9)	4.0 c	(1.2) c	(47.2)
Net Income	\$ 88.8	\$ (7.1)	\$ 2.2	\$ 83.8
Diluted EPS	\$ 1.46	\$ (0.12)	\$ 0.04	\$ 1.38
EBITDA	\$ 164.8	\$ (11.1)	\$ 3.4	\$ 157.1
<i>EBITDA Margin</i>	<i>24.5%</i>	<i>(1.6%)</i>	<i>0.5%</i>	<i>23.3%</i>

Note: Due to rounding of specific line items, line item figures may not sum to subtotals.

- a. During the first quarter, we settled \$6.2M of liabilities (\$5.1M of direct costs and \$1.1M of SG&A expenses) at less than original estimates. During the third quarter, we settled \$4.9M of study-related obligations.
- b. During the third quarter, we settled \$3.4M of study-related obligations that were recorded as an expense during the first quarter of 2015 (necessitating the subsequent adjustment to Q1 normalization amounts).
- c. Income tax expense is calculated and the adjustments are tax-affected at an approximate rate of 36%.

For a complete reconciliation of GAAP to Non-GAAP measures for the current and historical periods presented, please refer to slides 24-25 and 29-31 in the appendix of this presentation.

# Full Year 2015 Income Statement

## Adjusted Basis – Normalized for One-Time Benefits

\$M (except per share data)	Full Year 2015		
	Non-GAAP	One-Time Benefits	Normalized
Net Service Revenue	\$ 914.7	\$ -	\$ 914.7
Direct Costs	539.6	6.6 a	546.2
Gross Profit	375.2	(6.6)	368.6
<i>Gross Profit Margin</i>	<i>41.0%</i>	<i>(0.7%)</i>	<i>40.3%</i>
Selling, General and Administrative	153.8	1.1 a	154.9
Depreciation	18.1	-	18.1
Income from Operations	203.2	(7.7)	195.5
<i>Income from Operations Margin</i>	<i>22.2%</i>	<i>(0.8%)</i>	<i>21.4%</i>
Interest Expense, net	(15.4)	-	(15.4)
Income before Provision for Income Taxes	187.8	(7.7)	180.1
Income Tax Expense	(67.6)	2.8 b	(64.8)
Net Income	\$ 120.2	\$ (4.9)	\$ 115.2
Diluted EPS	\$ 2.00	\$ (0.08)	\$ 1.92
EBITDA	\$ 221.4	\$ (7.7)	\$ 213.7
<i>EBITDA Margin</i>	<i>24.2%</i>	<i>(0.8%)</i>	<i>23.4%</i>

Note: Due to rounding of specific line items, line item figures might not sum to subtotals.

a. During the first quarter, we settled \$6.2M of liabilities (\$5.1M of direct costs and \$1.1M of SG&A expenses) at less than original estimates. During the third quarter, we settled \$4.9M of study-related obligations, \$3.4M of which were recorded as an expense during the first half of 2015. The net result is a \$6.6M total adjustment to gross profit and a \$1.1M total adjustment to SG&A for the full year.

b. Income tax expense is calculated and the adjustments are tax-affected at an approximate rate of 36%.

For important disclosures and a complete reconciliation of GAAP to Non-GAAP measures for historical periods, please refer to slides 24-25 and 29-31 in the appendix of this presentation.

# Historical Income Statement

(\$ in millions, except per share data)	2012	2013	2014	2015	YTD 2016
Net service revenue	\$ 579.1	\$ 652.4	\$ 809.7	\$ 914.7	\$ 767.4
Reimbursable out-of-pocket expenses	289.5	342.7	369.1	484.5	437.2
<b>Total revenue</b>	<b>\$ 868.6</b>	<b>\$ 995.1</b>	<b>\$ 1,178.8</b>	<b>\$ 1,399.2</b>	<b>\$ 1,204.5</b>
Direct costs	389.1	432.3	515.1	542.4	471.2
Reimbursable out-of-pocket expenses	289.5	342.7	369.1	484.5	437.2
Selling, general, and administrative	109.4	117.9	145.1	156.6	127.8
Restructuring, CEO Transition and other costs <sup>(a)</sup>	35.4	11.8	6.2	1.8	10.3
Transaction expenses <sup>(b)</sup>	-	0.5	7.9	1.6	2.9
Asset impairment charges <sup>(c)</sup>	4.0	-	17.2	3.9	-
Depreciation	19.9	19.2	21.6	18.1	15.3
Amortization of intangibles	58.9	39.3	32.9	37.9	28.4
<b>(Loss) income from operations</b>	<b>\$ (37.5)</b>	<b>\$ 31.5</b>	<b>\$ 63.6</b>	<b>\$ 152.4</b>	<b>\$ 111.6</b>
Interest expense, net	(62.0)	(60.5)	(52.8)	(15.4)	(9.2)
Loss on extinguishment of debt	-	-	(46.8)	(9.8)	(0.4)
Other income (expense), net	4.7	(1.6)	7.7	3.9	(10.8)
<b>(Loss) income before provision for income taxes</b>	<b>\$ (94.9)</b>	<b>\$ (30.7)</b>	<b>\$ (28.2)</b>	<b>\$ 131.0</b>	<b>\$ 91.2</b>
Income tax benefit (expense)	35.7	(10.8)	4.7	(13.9)	(16.0)
<b>Net (loss) income</b>	<b>\$ (59.1)</b>	<b>\$ (41.5)</b>	<b>\$ (23.5)</b>	<b>\$ 117.0</b>	<b>\$ 75.1</b>
Class C common stock dividends	(0.5)	(0.5)	(0.4)	-	-
Redemption of New Class C common stock	-	-	(3.4)	-	-
<b>Net (loss) income attributable to common stockholders</b>	<b>\$ (59.6)</b>	<b>\$ (42.0)</b>	<b>\$ (27.2)</b>	<b>\$ 117.0</b>	<b>\$ 75.1</b>
Diluted earnings per share	\$ (1.14)	\$ (0.81)	\$ (0.51)	\$ 1.95	\$ 1.35
Diluted weighted average common shares outstanding	52.2	52.0	53.3	60.1	55.8

Note: Due to rounding of specific line items, line item figures may not sum to subtotals. Footnote descriptions are on slide 31 in the appendix of this presentation.

# Adjusted Net Income Reconciliation

(\$ in millions, except per share data)	2012	2013	2014	2015	YTD 2016
Net (loss) income, as reported	\$ (59.1)	\$ (41.5)	\$ (23.5)	\$ 117.0	\$ 75.1
Amortization	58.9	39.3	32.9	37.9	28.4
Restructuring, CEO transition and other costs <sup>(a)</sup>	35.4	11.8	6.2	1.8	10.3
Transaction expenses <sup>(b)</sup>	-	0.5	7.9	1.6	2.9
Asset impairment charges <sup>(c)</sup>	4.0	-	17.2	3.9	-
Share-based compensation	1.2	2.4	3.4	5.1	9.4
Contingent consideration and other <sup>(d)</sup>	1.9	0.3	0.9	0.6	1.4
Monitoring and advisory fees <sup>(e)</sup>	0.6	0.6	0.5	-	-
Other (income) expense	(1.9)	1.5	(7.7)	(3.9)	10.8
(Gain) loss on unconsolidated affiliates	(2.7)	0.2	-	-	-
Loss on extinguishment of debt	-	-	46.8	9.8	0.4
Change order adjustment <sup>(f)</sup>	-	-	(9.0)	-	-
Adjust income tax to normalized rate <sup>(g)</sup>	(36.6)	1.3	(31.0)	(53.7)	(36.6)
<b>Adjusted Net Income</b>	<b>\$ 1.5</b>	<b>\$ 16.3</b>	<b>\$ 44.6</b>	<b>\$ 120.2</b>	<b>\$ 102.1</b>
Adjusted diluted earnings per share	\$ 0.03	\$ 0.31	\$ 0.83	\$ 2.00	\$ 1.83
Diluted weighted average common shares outstanding	52.2	52.0	53.9	60.1	55.8

Note: Due to rounding of specific line items, line item figures may not sum to subtotals. Footnote descriptions are on slide 31 in the appendix of this presentation.



# Adjusted Income from Operations, EBITDA, and Adjusted EBITDA Reconciliations

(\$ in millions)	2012	2013	2014	2015	YTD 2016
(Loss) income from operations, as reported	\$ (37.5)	\$ 31.5	\$ 63.6	\$ 152.4	\$ 111.6
Amortization	58.9	39.3	32.9	37.9	28.4
Restructuring, CEO transition and other costs <sup>(a)</sup>	35.4	11.8	6.2	1.8	10.3
Transaction expenses <sup>(b)</sup>	-	0.5	7.9	1.6	2.9
Asset impairment charges <sup>(c)</sup>	4.0	-	17.2	3.9	-
Share-based compensation	1.2	2.4	3.4	5.1	9.4
Contingent consideration and other <sup>(d)</sup>	1.9	0.3	0.9	0.6	1.4
Monitoring and advisory fees <sup>(e)</sup>	0.6	0.6	0.5	-	-
Change order adjustment <sup>(f)</sup>	-	-	(9.0)	-	-
<b>Adjusted Income from Operations</b>	<b>\$ 64.5</b>	<b>\$ 86.3</b>	<b>\$ 123.7</b>	<b>\$ 203.2</b>	<b>\$ 163.9</b>
Net (loss) income, as reported	\$ (59.1)	\$ (41.5)	\$ (23.5)	\$ 117.0	\$ 75.1
Interest expense, net	62.0	60.5	52.8	15.4	9.2
Income tax (benefit) expense	(35.7)	10.8	(4.7)	13.9	16.0
Depreciation	19.9	19.2	21.6	18.1	15.3
Amortization	58.9	39.3	32.9	37.9	28.4
<b>EBITDA</b>	<b>\$ 46.0</b>	<b>\$ 88.3</b>	<b>\$ 79.1</b>	<b>\$ 202.4</b>	<b>\$ 144.0</b>
Restructuring, CEO transition and other costs <sup>(a)</sup>	35.4	11.8	6.2	1.8	10.3
Transaction expenses <sup>(b)</sup>	-	0.5	7.9	1.6	2.9
Asset impairment charges <sup>(c)</sup>	4.0	-	17.2	3.9	-
Share-based compensation	1.2	2.4	3.4	5.1	9.4
Contingent consideration and other <sup>(d)</sup>	1.9	0.3	0.9	0.6	1.4
Monitoring and advisory fees <sup>(e)</sup>	0.6	0.6	0.5	-	-
Other (income) expense	(1.9)	1.5	(7.7)	(3.9)	10.8
(Gain) loss on unconsolidated affiliates	(2.7)	0.2	-	-	-
Loss on extinguishment of debt	-	-	46.8	9.8	0.4
Change order adjustment <sup>(f)</sup>	-	-	(9.0)	-	-
<b>Adjusted EBITDA</b>	<b>\$ 84.4</b>	<b>\$ 105.5</b>	<b>\$ 145.3</b>	<b>\$ 221.4</b>	<b>\$ 179.2</b>

Note: Due to rounding of specific line items, line item figures may not sum to subtotals. Footnote descriptions are on slide 31 in the appendix of this presentation.

# Historical Balance Sheet

(\$ in millions)	Dec 31, 2013	Dec 31, 2014	Dec 31, 2015	Sep 30, 2016
Cash and cash equivalents	\$ 97.0	\$ 126.5	\$ 85.0	\$ 102.9
Restricted cash	0.6	0.5	0.5	0.6
Accounts receivable, net	228.8	248.4	298.0	347.5
Current portion of deferred income taxes	14.4	16.2	-	-
Prepaid expenses and other current assets	34.0	34.8	38.6	36.0
<b>Total current assets</b>	<b>\$ 374.8</b>	<b>\$ 426.2</b>	<b>\$ 422.0</b>	<b>\$ 487.0</b>
Property and equipment, net	40.9	43.7	44.8	46.0
Goodwill	563.4	556.9	553.0	553.0
Intangible assets, net	231.1	190.4	152.3	124.0
Deferred income taxes, less current portion	3.8	15.7	12.1	10.5
Other long-term assets	13.6	8.5	26.9	23.6
<b>Total assets</b>	<b>\$ 1,227.5</b>	<b>\$ 1,241.4</b>	<b>\$ 1,211.2</b>	<b>\$ 1,244.2</b>
Accounts payable	9.6	16.5	22.5	22.2
Accrued liabilities	94.2	111.7	111.3	146.1
Deferred revenue	207.2	246.9	311.0	283.4
Current portion of long-term debt and capital lease obligations	5.6	4.1	29.8	30.9
<b>Total current liabilities</b>	<b>\$ 316.6</b>	<b>\$ 379.2</b>	<b>\$ 474.6</b>	<b>\$ 482.7</b>
Long-term debt and capital lease obligations, less current portion	583.2	412.2	472.0	466.6
Deferred income taxes	29.2	30.4	28.1	4.1
Other long-term liabilities	22.2	27.4	19.1	28.9
<b>Total liabilities</b>	<b>\$ 951.2</b>	<b>\$ 849.2</b>	<b>\$ 993.8</b>	<b>\$ 982.3</b>
Common stock <sup>1</sup>	1.1	0.6	0.5	0.5
Additional paid-in capital	480.6	634.9	559.9	565.5
Treasury stock, at cost	(6.8)	-	-	-
Accumulated other comprehensive loss	(9.8)	(26.2)	(41.5)	(36.6)
Accumulated deficit	(188.8)	(217.1)	(301.5)	(267.5)
<b>Total stockholders' equity</b>	<b>\$ 276.2</b>	<b>\$ 392.2</b>	<b>\$ 217.4</b>	<b>\$ 261.9</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,227.5</b>	<b>\$ 1,241.4</b>	<b>\$ 1,211.2</b>	<b>\$ 1,244.2</b>

Note: Due to rounding of specific line items, line item figures may not sum to subtotals.

During 2015, we adopted ASU 2015-03, Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. As a result, total assets, total debt and capital leases have been reduced by \$3.2 million, \$3.7 million, and \$5.7 million of debt issuance costs associated with our Term Loans and 2015 Revolver as of December 31, 2015, 2014, and 2013, respectively.

1. \$0.01 par value; 236,686,440, 600,000,000, 600,000,000, and 600,000,000 shares authorized; 105,137,137, 61,233,850, 53,871,484, and 53,579,958 shares issued; 103,794,889, 61,233,850, 53,871,484, and 53,579,958 shares outstanding at 12/31/13, 12/31/14, 12/31/15, and 9/30/16 respectively.

# Historical Cash Flow Statement

(\$ in millions)	2012	2013	2014	2015	YTD 2016
Net (loss) income	\$ (59.1)	\$ (41.5)	\$ (23.5)	\$ 117.0	\$ 75.1
Depreciation and amortization	78.8	58.5	54.5	56.0	43.6
Stock repurchase cost	-	-	-	1.6	-
Amortization of capitalized loan fees	5.2	7.1	5.7	1.3	0.8
Share-based compensation	1.2	2.4	3.4	5.1	9.4
Allowance for doubtful accounts	0.8	0.1	2.4	(0.1)	1.9
Deferred income taxes	(45.2)	3.6	(14.8)	4.1	(5.2)
Foreign currency adjustments	(2.5)	0.4	(7.4)	(0.8)	18.8
Gain on purchase of equity affiliate	(2.7)	-	-	-	-
Impairment of goodwill and intangible assets	4.0	-	17.2	3.9	-
Loss on extinguishment of debt and other debt refinancing costs	-	-	49.2	9.8	0.4
Excess income tax benefits from share-based awards	-	-	-	(1.0)	-
Other adjustments	3.4	0.5	(0.9)	(0.1)	0.2
Changes in operating assets and liabilities	59.1	6.2	45.5	7.8	(49.9)
<b>Net cash provided by operating activities</b>	<b>\$ 43.0</b>	<b>\$ 37.3</b>	<b>\$ 131.4</b>	<b>\$ 204.7</b>	<b>\$ 95.1</b>
Acquisition of business, net of cash acquired	(3.4)	-	(2.3)	-	-
Purchase of property and equipment	(9.6)	(17.7)	(25.6)	(21.1)	(16.8)
<b>Net cash used in investing activities</b>	<b>\$ (13.0)</b>	<b>\$ (17.7)</b>	<b>\$ (27.9)</b>	<b>\$ (21.1)</b>	<b>\$ (16.8)</b>
Proceeds from issuance of long-term debt	-	2.8	288.4	525.0	-
Payments of debt financing cost	-	-	(5.4)	(5.0)	(0.9)
Payments on long-term debt	(3.0)	(3.5)	(164.1)	(475.0)	-
Proceeds from revolving credit facility	-	-	-	45.0	100.0
Repayment of revolving credit facility	(7.0)	-	-	(15.0)	(105.0)
Payment of notes payable and breakage fees	-	-	(336.4)	-	-
Payments of contingent consideration related to business combinations	(2.7)	(1.3)	-	(1.0)	-
Principal payments toward capital lease obligations	(3.4)	(3.3)	(2.7)	(0.5)	-
Proceeds from the issuance of common stock	0.4	-	156.1	-	-
Payments for repurchase of common stock	(2.8)	(1.4)	(0.0)	(285.0)	(64.5)
Payments of stock issuance costs	-	-	-	(1.4)	-
Proceeds from the exercise of stock options	0.0	0.3	0.1	3.7	14.4
Excess income tax benefits from share-based awards	-	-	-	1.0	-
Payments related to tax withholdings for stock-based compensation	-	-	-	(3.2)	(0.8)
Dividends paid and redemption of New Class C and D common stock	(0.5)	(0.5)	(3.8)	-	-
<b>Net cash used in financing activities</b>	<b>\$ (18.9)</b>	<b>\$ (6.8)</b>	<b>\$ (67.7)</b>	<b>\$ (211.4)</b>	<b>\$ (56.8)</b>
Effect of exchange rate changes on cash and cash equivalents	(0.7)	2.9	(6.4)	(13.7)	(3.6)
<b>Cash and cash equivalents at the end of the period</b>	<b>\$ 81.4</b>	<b>\$ 97.0</b>	<b>\$ 126.5</b>	<b>\$ 85.0</b>	<b>\$ 102.9</b>

Note: Due to rounding of specific line items, line item figures may not sum to subtotals.

# Quarterly Financial Results of Operations

## Income Statements

(\$ in millions, except per share data)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Net service revenue	\$ 169.1	\$ 174.4	\$ 184.7	\$ 203.5	\$ 207.8	\$ 213.7	\$ 211.5	\$ 227.4	\$ 234.5	\$ 241.4	\$ 249.0	\$ 258.8	\$ 259.6
Reimbursable out-of-pocket expenses	89.6	79.7	82.1	82.2	90.9	113.9	97.4	109.9	115.7	161.5	164.1	140.8	132.2
<b>Total revenue</b>	<b>\$ 258.7</b>	<b>\$ 254.0</b>	<b>\$ 266.8</b>	<b>\$ 285.7</b>	<b>\$ 298.6</b>	<b>\$ 327.7</b>	<b>\$ 308.9</b>	<b>\$ 337.3</b>	<b>\$ 350.1</b>	<b>\$ 402.9</b>	<b>\$ 413.1</b>	<b>\$ 399.6</b>	<b>\$ 391.8</b>
Direct costs	108.9	112.1	120.8	130.8	129.6	134.0	125.4	138.0	135.5	143.4	152.1	159.5	159.6
Reimbursable out-of-pocket expenses	89.6	79.7	82.1	82.2	90.9	113.9	97.4	109.9	115.7	161.5	164.1	140.8	132.2
Selling, general, and administrative	27.5	34.2	32.2	34.0	38.2	40.8	35.8	37.1	40.4	43.3	43.5	42.6	41.7
Restructuring, CEO transition and other costs <sup>(a)</sup>	3.1	1.6	0.8	2.4	3.0	0.1	(0.4)	2.0	(0.0)	0.2	6.0	1.4	2.9
Transaction expenses <sup>(b)</sup>	(0.0)	0.2	2.0	-	-	5.9	0.1	0.4	0.4	0.7	0.6	1.2	1.1
Asset impairment charges <sup>(c)</sup>	-	-	-	17.2	-	-	3.9	-	-	-	-	-	-
Depreciation	4.7	5.2	6.9	5.0	4.7	5.0	4.8	4.4	4.4	4.6	4.9	5.1	5.3
Amortization	9.8	9.8	7.5	6.2	9.6	9.6	9.5	9.5	9.5	9.5	9.5	9.5	9.5
<b>Income (loss) from operations</b>	<b>\$ 15.0</b>	<b>\$ 11.3</b>	<b>\$ 14.6</b>	<b>\$ 7.9</b>	<b>\$ 22.7</b>	<b>\$ 18.5</b>	<b>\$ 32.4</b>	<b>\$ 35.9</b>	<b>\$ 44.3</b>	<b>\$ 39.7</b>	<b>\$ 32.5</b>	<b>\$ 39.7</b>	<b>\$ 39.4</b>
Interest expense, net	(14.8)	(16.1)	(15.9)	(12.8)	(12.9)	(11.2)	(5.3)	(4.2)	(3.0)	(2.9)	(3.0)	(3.0)	(3.2)
Loss on extinguishment of debt <sup>(h)</sup>	-	-	-	-	-	(46.8)	-	(9.8)	-	-	-	-	(0.4)
Other (expense) income, net	(0.4)	(0.2)	1.4	(0.3)	5.1	1.5	3.5	1.7	(1.0)	(0.3)	(5.1)	(3.3)	(2.4)
<b>Income (loss) before provision for income taxes</b>	<b>\$ (0.1)</b>	<b>\$ (5.1)</b>	<b>\$ 0.1</b>	<b>\$ (5.3)</b>	<b>\$ 15.0</b>	<b>\$ (37.9)</b>	<b>\$ 30.5</b>	<b>\$ 23.6</b>	<b>\$ 40.3</b>	<b>\$ 36.5</b>	<b>\$ 24.4</b>	<b>\$ 33.4</b>	<b>\$ 33.4</b>
Income tax (expense) benefit	(1.1)	(7.9)	(1.6)	20.6	(2.4)	(11.8)	(5.3)	(0.3)	(2.5)	(5.8)	(7.0)	(2.9)	(6.1)
<b>Net (loss) income</b>	<b>\$ (1.2)</b>	<b>\$ (13.0)</b>	<b>\$ (1.6)</b>	<b>\$ 15.3</b>	<b>\$ 12.6</b>	<b>\$ (49.8)</b>	<b>\$ 25.3</b>	<b>\$ 23.3</b>	<b>\$ 37.8</b>	<b>\$ 30.7</b>	<b>\$ 17.4</b>	<b>\$ 30.4</b>	<b>\$ 27.3</b>
Class C common stock dividends	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	-	-	-	-	-	-	-	-
Redemption of New Class C common stock	-	-	-	-	-	(3.4)	-	-	-	-	-	-	-
<b>Net (loss) income attributable to common stockholders</b>	<b>\$ (1.3)</b>	<b>\$ (13.1)</b>	<b>\$ (1.7)</b>	<b>\$ 15.2</b>	<b>\$ 12.4</b>	<b>\$ (53.2)</b>	<b>\$ 25.3</b>	<b>\$ 23.3</b>	<b>\$ 37.8</b>	<b>\$ 30.7</b>	<b>\$ 17.4</b>	<b>\$ 30.4</b>	<b>\$ 27.3</b>
Diluted net (loss) income per share	\$ (0.02)	\$ (0.25)	\$ (0.03)	\$ 0.29	\$ 0.24	\$ (0.92)	\$ 0.40	\$ 0.39	\$ 0.64	\$ 0.53	\$ 0.31	\$ 0.54	\$ 0.49
Diluted weighted average common shares outstanding	52.0	52.0	51.9	52.2	52.5	57.5	63.1	60.5	58.8	58.0	55.9	56.0	55.6

Note: Due to rounding of specific line items, line item figures may not sum to subtotals. Footnote descriptions are on slide 31 in the appendix of this presentation.

# Quarterly Financial Results of Operations

## Reconciliation of Adjusted Net Income

(\$ in millions, except per share data)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Net (loss) income, as reported	\$ (1.2)	\$ (13.0)	\$ (1.6)	\$ 15.3	\$ 12.6	\$ (49.8)	\$ 25.3	\$ 23.3	\$ 37.8	\$ 30.7	\$ 17.4	\$ 30.4	\$ 27.3
Amortization	9.8	9.8	7.5	6.2	9.6	9.6	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Restructuring, CEO transition and other costs <sup>(a)</sup>	3.1	1.6	0.8	2.4	3.0	0.1	(0.4)	2.0	(0.0)	0.2	6.0	1.4	2.9
Transaction expenses <sup>(b)</sup>	(0.0)	0.2	2.0	-	-	5.9	0.1	0.4	0.4	0.7	0.6	1.2	1.1
Asset impairment charges <sup>(c)</sup>	-	-	-	17.2	-	-	3.9	-	-	-	-	-	-
Share-based compensation	0.1	1.6	0.5	0.9	0.9	1.1	0.7	0.9	1.7	1.8	2.8	3.1	3.5
Contingent consideration and other <sup>(d)</sup>	-	-	0.2	0.2	0.3	0.3	0.2	0.1	0.1	0.1	0.8	0.3	0.3
Monitoring and advisory fees <sup>(e)</sup>	0.1	0.2	0.1	0.1	0.1	0.0	-	-	-	-	-	-	-
Other expense (income)	0.2	0.2	(1.4)	0.3	(5.1)	(1.5)	(3.5)	(1.7)	1.0	0.3	5.1	3.3	2.4
Loss (gain) on unconsolidated affiliates	0.2	-	-	-	-	-	-	-	-	-	-	-	-
Loss on extinguishment of debt <sup>(h)</sup>	-	-	-	-	-	46.8	-	9.8	-	-	-	-	0.4
Change order adjustment <sup>(f)</sup>	-	-	-	(4.5)	(4.5)	-	-	-	-	-	-	-	-
Adjust income tax to normalized rate <sup>(g)</sup>	(3.9)	4.8	(2.0)	(27.1)	(4.7)	2.9	(9.5)	(15.8)	(16.6)	(11.8)	(9.7)	(14.7)	(12.1)
<b>Adjusted Net Income</b>	<b>\$ 8.4</b>	<b>\$ 5.3</b>	<b>\$ 6.2</b>	<b>\$ 11.1</b>	<b>\$ 12.1</b>	<b>\$ 15.2</b>	<b>\$ 26.3</b>	<b>\$ 28.6</b>	<b>\$ 33.9</b>	<b>\$ 31.4</b>	<b>\$ 32.5</b>	<b>\$ 34.3</b>	<b>\$ 35.3</b>
Adjusted diluted net income per share	\$ 0.16	\$ 0.10	\$ 0.12	\$ 0.21	\$ 0.23	\$ 0.26	\$ 0.42	\$ 0.47	\$ 0.58	\$ 0.54	\$ 0.58	\$ 0.61	\$ 0.64
Diluted weighted average common shares outstanding	52.0	52.0	51.9	52.2	52.5	58.8	63.1	60.5	58.8	58.0	55.9	56.1	55.6

Note: Due to rounding of specific line items, line item figures may not sum to subtotals. Footnote descriptions are on slide 31 in the appendix of this presentation.

# Quarterly Financial Results of Operations

## Reconciliations of Adjusted Income from Operations, EBITDA, and Adjusted EBITDA

(\$ in millions, except per share data)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Income (Loss) from operations, as reported	\$ 15.0	\$ 11.3	\$ 14.6	\$ 7.9	\$ 22.7	\$ 18.5	\$ 32.4	\$ 35.9	\$ 44.3	\$ 39.7	\$ 32.5	\$ 39.7	\$ 39.4
Amortization	9.8	9.8	7.5	6.2	9.6	9.6	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Restructuring, CEO transition and other costs <sup>(a)</sup>	3.1	1.6	0.8	2.4	3.0	0.1	(0.4)	2.0	(0.0)	0.2	6.0	1.4	2.9
Transaction expenses <sup>(b)</sup>	(0.0)	0.2	2.0	-	-	5.9	0.1	0.4	0.4	0.7	0.6	1.2	1.1
Asset impairment charges <sup>(c)</sup>	-	-	-	17.2	-	-	3.9	-	-	-	-	-	-
Share-based compensation	0.1	1.6	0.5	0.9	0.9	1.1	0.7	0.9	1.7	1.8	2.8	3.1	3.5
Contingent consideration and other <sup>(d)</sup>	-	-	0.2	0.2	0.3	0.3	0.2	0.1	0.1	0.1	0.8	0.3	0.3
Monitoring and advisory fees <sup>(e)</sup>	0.1	0.2	0.1	0.1	0.1	0.0	-	-	-	-	-	-	-
Change order adjustment <sup>(f)</sup>	-	-	-	(4.5)	(4.5)	-	-	-	-	-	-	-	-
<b>Adjusted Income from Operations</b>	<b>\$ 28.2</b>	<b>\$ 24.6</b>	<b>\$ 25.7</b>	<b>\$ 30.5</b>	<b>\$ 32.1</b>	<b>\$ 35.3</b>	<b>\$ 46.4</b>	<b>\$ 48.8</b>	<b>\$ 56.0</b>	<b>\$ 52.0</b>	<b>\$ 52.2</b>	<b>\$ 55.0</b>	<b>\$ 56.7</b>
Net (loss) income, as reported	\$ (1.2)	\$ (13.0)	\$ (1.6)	\$ 15.3	\$ 12.6	\$ (49.8)	\$ 25.3	\$ 23.3	\$ 37.8	\$ 30.7	\$ 17.4	\$ 30.4	\$ 27.3
Interest expense, net	14.8	16.1	15.9	12.8	12.9	11.2	5.3	4.2	3.0	2.9	3.0	3.0	3.2
Income tax expense (benefit)	1.1	7.9	1.6	(20.6)	2.4	11.8	5.3	0.3	2.5	5.8	7.0	2.9	6.1
Depreciation	4.7	5.2	6.9	5.0	4.7	5.0	4.8	4.4	4.4	4.6	4.9	5.1	5.3
Amortization	9.8	9.8	7.5	6.2	9.6	9.6	9.5	9.5	9.5	9.5	9.5	9.5	9.5
<b>EBITDA</b>	<b>\$ 29.2</b>	<b>\$ 26.1</b>	<b>\$ 30.3</b>	<b>\$ 18.8</b>	<b>\$ 42.2</b>	<b>\$ (12.2)</b>	<b>\$ 50.1</b>	<b>\$ 41.7</b>	<b>\$ 57.2</b>	<b>\$ 53.5</b>	<b>\$ 41.7</b>	<b>\$ 50.9</b>	<b>\$ 51.3</b>
Restructuring and other costs	3.1	1.6	0.8	2.4	3.0	0.1	(0.4)	2.0	(0.0)	0.2	6.0	1.4	2.9
Transaction expenses	(0.0)	0.2	2.0	-	-	5.9	0.1	0.4	0.4	0.7	0.6	1.2	1.1
Goodwill and intangible assets impairment	-	-	-	17.2	-	-	3.9	-	-	-	-	-	-
Share-based compensation	0.1	1.6	0.5	0.9	0.9	1.1	0.7	0.9	1.7	1.8	2.8	3.1	3.5
Contingent consideration and other	-	-	0.2	0.2	0.3	0.3	0.2	0.1	0.1	0.1	0.8	0.3	0.3
Monitoring and advisory fees	0.1	0.2	0.1	0.1	0.1	0.0	-	-	-	-	-	-	-
Other expense (income)	0.2	0.2	(1.4)	0.3	(5.1)	(1.5)	(3.5)	(1.7)	1.0	0.3	5.1	3.3	2.4
Loss (gain) on unconsolidated affiliates	0.2	-	-	-	-	-	-	-	-	-	-	-	-
Loss on extinguishment of debt <sup>(h)</sup>	-	-	-	-	-	46.8	-	9.8	-	-	-	-	0.4
Change order adjustment	-	-	-	(4.5)	(4.5)	-	-	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>\$ 32.9</b>	<b>\$ 29.8</b>	<b>\$ 32.6</b>	<b>\$ 35.5</b>	<b>\$ 36.8</b>	<b>\$ 40.3</b>	<b>\$ 51.2</b>	<b>\$ 53.3</b>	<b>\$ 60.3</b>	<b>\$ 56.6</b>	<b>\$ 57.1</b>	<b>\$ 60.1</b>	<b>\$ 62.0</b>

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# Income Statement and Adjusted Reconciliation

## Footnotes

- a. Restructuring, CEO transition and other costs consist of: (i) severance costs associated with a reduction of workforce in line with the Company's expectations of future business operations, (ii) transition costs associated with the transition of the Company's new Chief Executive Officer, (iii) legal and consulting costs incurred for the continued consolidation of legal entities and restructuring of the Company's contract financial process to meet the requirements of upcoming accounting regulation changes, and (iv) lease obligation and termination costs in connection with abandonment and closure of redundant facilities.
- b. Transaction expenses of \$0.5M for the year ended December 31, 2013 consisted of third-party fees associated with debt refinancing and the legal fees associated with our acquisition of MEK Consulting, which we completed in March 2014. Transaction expenses for the year ended December 31, 2014 were \$7.9M including \$4.2M in debt issuance costs and third-party fees associated with the debt refinancings in February 2014 and November 2014, \$3.4M of fees associated with the termination of the Avista Capital Holdings, L.P. Advisory Services and Monitoring Agreement, and \$0.3M of legal fees associated with the MEK Consulting acquisition. Transaction expenses of \$1.6M for the year ended December 31, 2015 were comprised primarily of third party fees associated with the Company's May, August, and December 2015 secondary common stock offerings, debt placement and refinancing, and other corporate transactions. For the nine months ended September 30, 2016, we incurred transaction expenses of \$2.9 million primarily consisting of third-party fees associated with proposed corporate transactions.
- c. During the year ended December 31, 2012, we recorded a \$4.0M impairment charge related to the goodwill associated with our Phase I Services reporting unit. During the year ended December 31, 2014, we recorded a \$17.2 million impairment charge related to intangible assets and goodwill associated with our Global Consulting, a component of the Clinical Development Services segment, and Phase I Services reporting units. During the year ended December 31, 2015, we recorded a \$3.9M impairment charge related to the long-lived assets and goodwill for our Phase I Services reporting unit.
- d. Represents contingent consideration expense incurred as a result of acquisitions and other expenses accounted for as compensation expense under GAAP.
- e. Represents monitoring and advisory fees paid to affiliates of Avista Capital Holdings, L.P. in the periods prior to the initial public offering in November 2014, as well as reimbursements of expenses paid to affiliates of Avista Capital Holdings, L.P. and affiliates of Teachers' Private Capital pursuant to the Expense Reimbursement Agreement. These arrangements were terminated upon completion of the Company's initial public offering.
- f. During the second and third quarters of 2014, the Company experienced higher-than-normal change order activity estimated to be between \$6M and \$12M. Both Adjusted Net Service Revenue and Adjusted EBITDA have been adjusted by \$9.0M (\$4.5M in both the second and third quarters) in 2014 to remove the impact of this higher-than-normal change order activity. Adjusted Net Income, net of tax of 37%, has been adjusted by \$5.7M (\$2.8M in both the second and third quarters).
- g. The Company's effective tax rate has been adjusted in order to reflect the removal of the tax impact of our valuation allowances recorded against our deferred tax assets and changes in the assertion to indefinitely reinvest the undistributed earnings of foreign subsidiaries. The overall tax rate used was 37% in the fiscal years ended December 31, 2012, 2013 and 2014, 36% in the fiscal year ended December 31, 2015, and 34% in the nine months ended September 30, 2016. Historically, we recorded a valuation allowance against some of our deferred tax assets, but we believe that these valuation allowances cause significant fluctuations in our financial results that are not indicative of our underlying financial performance. Specifically, the majority of our revenue was generated in jurisdictions in which we recognized no tax expense or benefit due to changes in this valuation allowance. In 2014 we reversed the valuation allowance in one of our foreign jurisdictions, net of establishment of additional valuation allowance in our U.S. jurisdiction, creating a tax benefit of \$18.2 million. During 2015, we reversed the valuation allowance in our U.S. jurisdiction, creating a tax benefit of \$31.9 million. In addition, 2015 has also been adjusted for the elimination of a \$2.6M benefit from the release of a reserve for a pre-acquisition uncertain tax position associated with Kendle International, Inc., a company we acquired in July 2011.
- h. Represents loss on extinguishment of debt associated with the 2015 debt refinancing and 2016 debt amendment.