# INC Research
# Q2 2017 Financial Results

July 27, 2017

INC Research

# 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 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 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; our ability to adequately price our contracts and not overrun cost estimates; our ability to complete the proposed Merger with inVentiv Health in a timely manner or at all, the integration of our business with the business of inVentiv Health, and our operation of the combined business following the closing of the Merger, if that occurs; general and international economic, political and other risks, including currency and stock market fluctuations and the uncertain economic environment; fluctuations in our financial results; reliance on key personnel; 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, 2016, our Form 10-Q for the quarter ended June 30, 2017, our definitive proxy materials filed in conjunction with the inVentiv Health merger, and other SEC filings, copies of which are available free of charge on our website at 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 certain non-GAAP financial measures, including 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; share-based compensation expense; and contingent consideration related to acquisitions and other expense. 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 and other expense. 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, further adjusted to exclude certain expenses and transactions that the Company believes are not representative of its core operations, namely, restructuring, CEO transition, and other costs; transaction expenses; share-based compensation expense; contingent consideration related to acquisitions and other expense; and other expense. 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 ability to 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 certain 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 and Adjusted Net Income (including Adjusted Diluted Earnings per Share) are used by management and the Board to assess the Company's business.

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 23-27 in the appendix of this presentation.

i am INC Research

# Q2 2017 Highlights
## *Key Operating Metrics – GAAP Basis*

| $M (except ratios and per share data) | Three Months Ended June 30 | | | Six Months Ended June 30 | | |
|---|---|---|---|---|---|---|
| | 2016 | 2017 | % Change | 2016 | 2017 | % Change |
| Net New Business Awards | 302.1 | 423.8 | 40.3% | 604.4 | 783.8 | 29.7% |
| Book-to-Bill Ratio | 1.2 x | 1.6 x | | 1.2 x | 1.5 x | |
| Book-to-Bill Ratio (TTM) | 1.2 x | 1.4 x | | 1.2 x | 1.4 x | |
| Net Service Revenue | 258.8 | 258.1 | (0.3%) | 507.8 | 510.2 | 0.5% |
| GAAP Income from Operations[2,3] | 39.7 | 10.3 | (74.2%) | 72.2 | 45.0 | (37.6%) |
| EBITDA[2,3] | 50.9 | 19.0 | (62.6%) | 92.7 | 65.9 | (28.8%) |
| GAAP Net Income[2] | 30.4 | 3.4 | (88.9%) | 47.8 | 24.6 | (48.6%) |
| GAAP Diluted EPS ($)[2] | 0.54 | 0.06 | (88.9%) | 0.85 | 0.45 | (47.1%) |

| $M | June 30, 2016 | June 30, 2017 | % Change |
|---|---|---|---|
| Backlog [1] | 1,909 | 2,292 | 20.1% |

1. For a complete roll forward of backlog for the 4 quarters ended June 30, 2017, including the impact of foreign currency fluctuations, please refer to slide 9.
2. Q2 and YTD 2017 GAAP Income from Operations, EBITDA, GAAP Net Income, and GAAP Diluted EPS reflect $23.7 million of initial transaction expenses associated with our pending merger with inVentiv Health. For a complete reconciliation of GAAP to Non-GAAP measures for the current and historical periods presented, please refer to slides 23-27 in the appendix of this presentation.
3. Q2 and YTD 2017 includes an estimated $3.0-5.0M of additional costs incurred to maintain higher levels of staff in anticipation of the impending start of the large amount of work awarded since late Q1 2017, and to ensure appropriate combined staffing levels and mix following the closing of the inVentiv merger.

# Q2 2017 Highlights
## *Key Operating Metrics – Adjusted Basis*

| $M (except ratios and per share data) | Three Months Ended June 30 | | | Six Months Ended June 30 | | |
|---|---|---|---|---|---|---|
| | 2016 | 2017 | %Change | 2016 | 2017 | %Change |
| Net New Business Awards | 302.1 | 423.8 | 40.3% | 604.4 | 783.8 | 29.7% |
| Book-to-Bill Ratio | 1.2 x | 1.6 x | | 1.2 x | 1.5 x | |
| Book-to-Bill Ratio (TTM) | 1.2 x | 1.4 x | | 1.2 x | 1.4 x | |
| Net Service Revenue | 258.8 | 258.1 | (0.3%) | 507.8 | 510.2 | 0.5% |
| Adjusted Income from Operations[2] | 55.0 | 53.7 | (2.4%) | 107.2 | 105.7 | (1.4%) |
| Adjusted EBITDA[2] | 60.1 | 59.8 | (0.5%) | 117.1 | 117.9 | 0.6% |
| Adjusted Net Income | 34.3 | 35.1 | 2.4% | 66.8 | 68.2 | 2.1% |
| Adjusted Diluted EPS ($) | 0.61 | 0.64 | 4.9% | 1.19 | 1.24 | 4.2% |

| $M | June 30, 2016 | June 30, 2017 | %Change |
|---|---|---|---|
| Backlog [1] | 1,909 | 2,292 | 20.1% |

1. For a complete roll forward of backlog for the 4 quarters ended June 30, 2017, including the impact of foreign currency fluctuations, please refer to slide 9.
2. Q2 and YTD 2017 includes an estimated $3.0-5.0M of additional costs incurred to maintain higher levels of staff in anticipation of the impending start of the large amount of work awarded since late Q1 2017, and to ensure appropriate combined staffing levels and mix following the closing of the inVentiv merger.

For a complete reconciliation of GAAP to Non-GAAP measures for the current and historical periods presented, please refer to slides 23-27 in the appendix of this presentation.

# Q2 2017 Income Statement
## *Adjusted Basis*

| $M (except margin and per share data) | Three Months Ended June 30 | | | Six Months Ended June 30 | | |
|---|---|---|---|---|---|---|
| | 2016 | 2017 | % Change | 2016 | 2017 | % Change |
| Net Service Revenue | $ 258.8 | $ 258.1 | (0.3%) | $ 507.8 | $ 510.2 | 0.5% |
| Direct Costs[1] | 157.9 | 159.1 | 0.7% | 307.9 | 311.2 | 1.1% |
| Gross Profit[1] | 100.9 | 99.0 | (1.8%) | 199.9 | 199.0 | (0.4%) |
| *Gross Profit Margin* | *39.0%* | *38.4%* | *-60 bps* | *39.4%* | *39.0%* | *-40 bps* |
| Selling, General and Administrative | 40.8 | 39.3 | (3.8%) | 82.7 | 81.1 | (2.0%) |
| Depreciation | 5.1 | 6.1 | 19.9% | 10.0 | 12.2 | 22.9% |
| Income from Operations[1] | 55.0 | 53.7 | (2.4%) | 107.2 | 105.7 | (1.4%) |
| *Income from Operations Margin* | *21.3%* | *20.8%* | *-50 bps* | *21.1%* | *20.7%* | *-40 bps* |
| Interest Expense, net | (3.0) | (3.1) | 3.0% | (6.0) | (6.1) | 1.8% |
| Income before Provision for Income Taxes | 52.0 | 50.6 | (2.7%) | 101.2 | 99.6 | (1.6%) |
| Income Tax Expense | (17.7) | (15.4) | (12.6%) | (34.4) | (31.4) | (8.8%) |
| Net Income | $ 34.3 | $ 35.1 | 2.4% | $ 66.8 | $ 68.2 | 2.1% |
| Diluted EPS | $ 0.61 | $ 0.64 | 4.9% | $ 1.19 | $ 1.24 | 4.2% |
| EBITDA[1] | $ 60.1 | $ 59.8 | (0.5%) | $ 117.1 | $ 117.9 | 0.6% |
| *EBITDA Margin* | *23.2%* | *23.2%* | *+0 bps* | *23.1%* | *23.1%* | *+0 bps* |

Note: Due to rounding of specific line items, line item figures might not sum to subtotals.
1. Q2 and YTD 2017 includes an estimated $3.0-5.0M of additional costs incurred to maintain higher levels of staff in anticipation of the impending start of the large amount of work awarded since late Q1 2017, and to ensure appropriate combined staffing levels and mix following the closing of the inVentiv merger

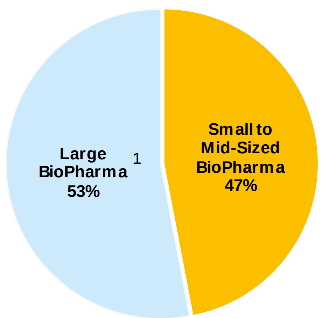
For a complete reconciliation of GAAP to Non-GAAP measures for the current and historical periods presented, please refer to slides 23-27 in the appendix of this presentation.

# Diversified Customer Base

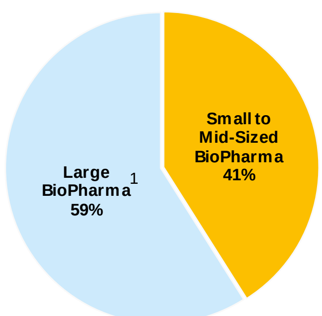
- We have a diversified, loyal customer base that includes many of the top 50 biopharmaceutical companies.
- Our top 5 customers represented approximately 94 compounds in 73 indications across 244 active projects in 2016.
- We were awarded clinical trials from 37 new customers in Q2 2017.

## Customer Profile

**YTD 2017 Revenue**

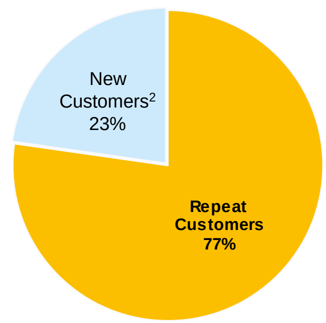



**YTD 2016 Revenue**

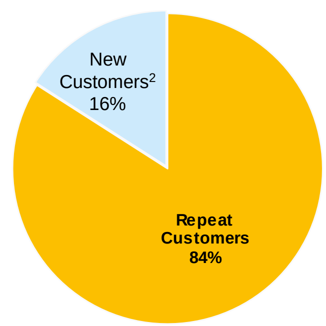



## Customer Loyalty

**YTD 2017 New Business Awards**

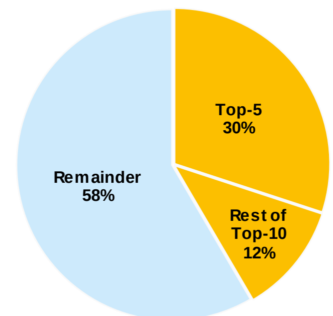



**YTD 2016 New Business Awards**

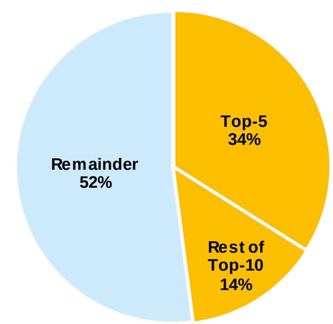



## Limited Customer Concentration

**YTD 2017 Revenue**




**YTD 2016 Revenue**



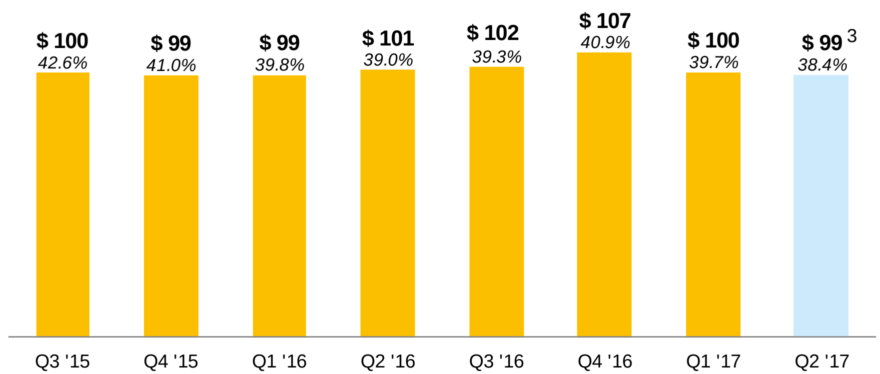

1. Large Pharma is now defined as Top 50 by Prior Year R&D Spend from *EvaluatePharma,* as we believe this is more representative of our addressable market. For a comparison to our historical view of Top 50 by Prior Year Rx Sales as reported by *PharmaExec*, please reference slide 18 in the appendix of this presentation.
2. A customer is defined as a new customer if they had not previously awarded new business to iNC Research between January 1, 2012, and the first day of the current reporting period.

i am INC Research

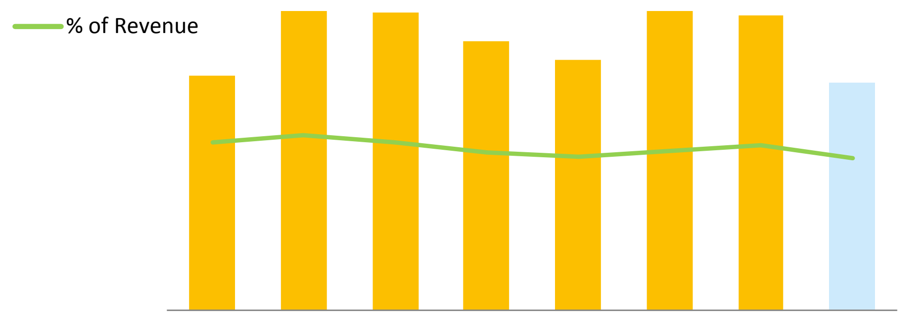
# Historical Trends – Margin and SG&A Expenses

## *Key Metrics*

### Adjusted Gross Profit ($M) *(+ Margin %)* [1,2]

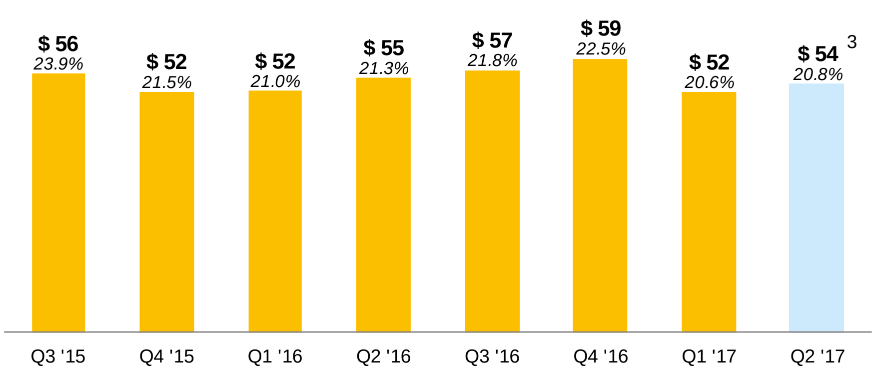



### Adjusted SG&A ($M) *(+ % of Revenue)* [2]

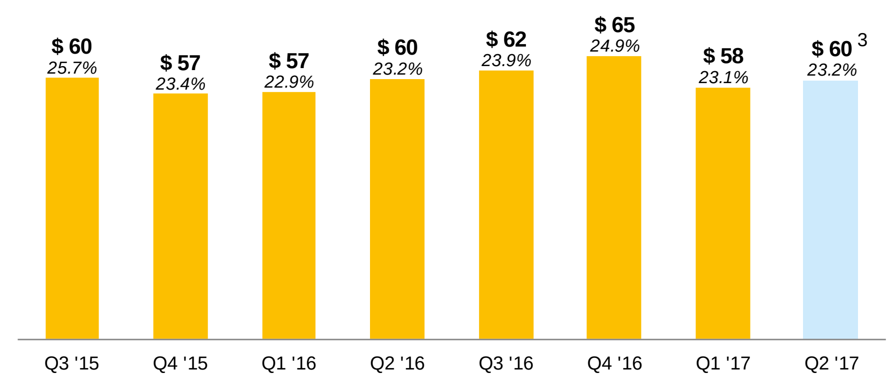



| | Q3 '15 | Q4 '15 | Q1 '16 | Q2 '16 | Q3 '16 | Q4 '16 | Q1 '17 | Q2 '17 |
|---|---|---|---|---|---|---|---|---|
| SG&A | $ 39 | $ 42 | $ 42 | $ 41 | $ 40 | $ 42 | $ 42 | $ 39 |
| % of Revenue | 16.8% | 17.5% | 16.8% | 15.8% | 15.4% | 16.0% | 16.6% | 15.2% |

### Adjusted Income from Operations ($M) *(+ Margin %)* [1,2]




### Adjusted EBITDA ($M) *(+ Margin %)* [1,2]




1. One-time benefits in Q3 2015 favorably impacted Adjusted Gross Profit, Adjusted Income from Operations, and Adjusted EBITDA by $4.9M.
2. For a complete reconciliation of GAAP to Non-GAAP measures, please refer to slides 23-27 in the appendix of this presentation.
3. Q2 2017 includes an estimated $3.0-5.0M of additional costs incurred to maintain higher levels of staff in anticipation of the impending start of the large amount of work awarded since late Q1 2017, and to ensure appropriate combined staffing levels and mix following the closing of the inVentiv merger.

# Cash Flow and Leverage Profile

| $M | Three Months Ended June 30 2016 | Three Months Ended June 30 2017 | Six Months Ended June 30 2016 | Six Months Ended June 30 2017 |
|---|---|---|---|---|
| Cash Flow from Operations | 45.0 | 22.7 | 44.4 | 98.4 |
| Less: Capital Expenditures | 6.7 | 5.4 | 11.5 | 16.0 |
| Free Cash Flow [1] | 38.3 | 17.3 | 32.9 | 82.5 |
| Adjusted EBITDA | 60.1 | 59.8 | 117.1 | 117.9 |

| $M (except ratios) | June 30, 2016 | June 30, 2017 |
|---|---|---|
| Cash | 91.9 | 169.7 |
| Total Debt [2] | 475.0 | 475.0 |
| Net Debt | 383.1 | 305.3 |
| *Net Leverage* [3] | *1.6 x* | *1.2 x* |
| Total Net DSO [4] | 16.4 | 17.7 |

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

1. We calculate free cash flow as cash flow from operations less capital expenditures.
2. Total Debt excludes outstanding letters of credit, which were $0.8 and $0.6 million as of 6/30/16 and 6/30/17, respectively.
3. We calculate net leverage as net debt as of the date presented, divided by trailing twelve month adjusted EBITDA of $234.0M for 6/30/16 and $245.3M for 6/30/17.
4. For DSO trend information, please refer to slides 20 and 21 in the appendix of this presentation.

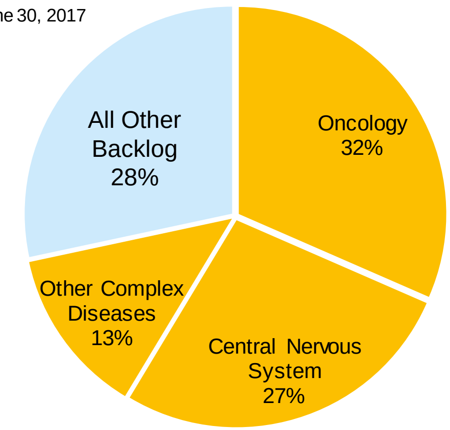
# Backlog Should Support Long-Term Growth

## Backlog Roll Forward ($M)

| | Q3 '16 | Q4 '16 | Q1 '17 | Q2 '17 |
|---|---|---|---|---|
| Beginning Backlog | $ 1,909 | $ 1,983 | $ 1,988 | $ 2,103 |
| + Acquired Backlog | - | - | - | - |
| + Net Awards | 330 | 290 | 360 | 424 |
| - Revenue, as reported | (260) | (263) | (252) | (258) |
| + FX Adjustment | 4 | (22) | 7 | 23 |
| **Ending Backlog** | **$ 1,983** | **$ 1,988** | **$ 2,103** | **$ 2,292** |

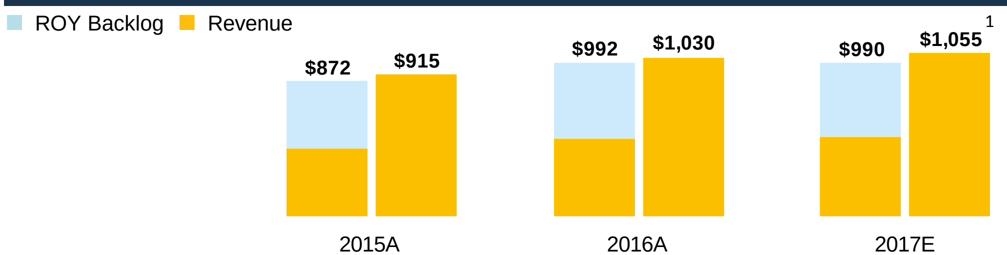
## Backlog by Therapeutic Area[3]

As of June 30, 2017



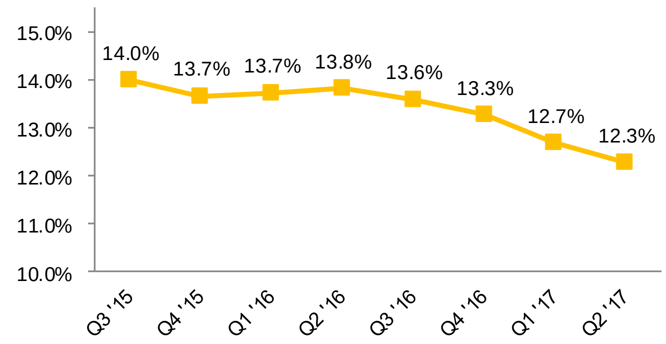

CNS, Oncology, and Other Complex Diseases = 72% of Backlog

## Backlog Coverage ($M)




| | 2015A | 2016A | 2017E |
|---|---|---|---|
| Backlog as of | 6/30/15 | 6/30/16 | 6/30/17 |
| **Coverage Ratio** | **95.3%** | **96.2%** | **93.9%** |
| YoY Revenue Growth | 13.0% | 12.6% | 2.4% |

## Backlog Burn Rate[2]




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

1. 2017 revenue estimate represents the mid-point of the guidance range issued May 10, 2017. This guidance is as of May 10, 2017, and is not being hereby updated or reaffirmed.
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.

# INC Research & inVentiv Health Merger Update

# Significant Progress towards Merger Closing

- Received all required regulatory approvals
  - Waiting period under Hart-Scott-Rodino Act expired with no inquiries
  - Clearance received from German & Russian authorities
- Filed Preliminary Proxy materials on June 10th
- SEC comments cleared and approval received
  - Filed definitive proxy materials on June 30th
  - Filed proxy supplement on July 19th
- Obtained credit facility commitments with attractive structure & terms[1]:
  - $1.0 Billion Term Loan A, at Libor + 175 bps
  - $1.6 Billion Term Loan B, at Libor + 225 bps
  - $500 Million Revolving Credit Facility, at Libor + 175 bps
  - Weighted average 2018 interest rate of 4.2%, compared to previous estimate of 4.6% utilized in the accretion analysis on slide 24 of the May 10th presentation
    - Including assumed $405 Million of Senior Notes, at 7.5%
- INC Research special shareholder meeting and vote scheduled for July 31, 2017

1. Excluding any unused commitment or other fees, and any original issue discount.

# Update on Integration

- Retention agreements in place for key leadership to ensure widespread continuity
- Engaged outside consultants to drive disciplined process management & ensure prioritization of activities
- Leveraging best practices of past integration successes
  - Established dedicated Transition Management Office
  - Deploying principles of the Trusted Process®
  - Weekly cadence of organizational meetings and reviews
  - Addressing Day 1 priorities and key milestones thereafter for rapid integration
- Announced 3 levels of leadership leveraging combined talent pool, retaining all key talent at those levels
- On track to achieve or exceed initial $100 million of synergies
  - Ongoing evaluation of additional cost and revenue opportunities
- Maintaining key priority of seamless customer delivery
  - Q2 Awards performance highlights customer confidence
  - Combined INC Research and inVentiv clinical Q2 book-to-bill of 1.3x

# inVentiv Health Preliminary Q2 & YTD 2017 Highlights

## *Key Operating Metrics – Adjusted Basis*

| | Three Months Ended June 30 | | | Six Months Ended June 30 | | |
|---|---|---|---|---|---|---|
| **$M (except ratios)** | **2016** | **2017** | **% Change** | **2016** | **2017** | **% Change** |
| **Total Company:** | | | | | | |
| Net Service Revenue | 561.0 | 521.0[1] | (7.1%) | 1,102.3 | 1,054.8[1] | (4.3%) |
| Adjusted EBITDA | 91.6 | 86.7 | (5.3%) | 176.7 | 183.4 | 3.8% |
| Adjusted EBITDA margin | 16.3% | 16.6% | +30bps | 16.0% | 17.4% | +140bps |
| **Selected Clinical Metrics:** | | | | | | |
| Net New Business Awards | 323.0 | 288.0 | (10.8%) | 619.8 | 593.9 | (4.2%) |
| Book-to-Bill Ratio | 1.2x | 1.1x | | 1.2x | 1.1x | |
| LTM Book-to-Bill Ratio | 1.2x | 1.1x | | 1.2x | 1.1x | |
| Backlog | 2,163 | 2,275 | 5.2% | 2,163 | 2,275 | 5.2% |

- Organic clinical net revenue growth of 5.1%[2] during the second quarter of 2017
- Growth in FDA's new product approval pipeline (24 YTD) provides new business opportunity in late 2017 and beyond for commercial … already exceeding the 22 approvals for full-year 2016
- Continued success of Adjusted EBITDA margin expansion initiatives, along with $4.6M of prior period R&D credits, drove ~140bps improvement on a YTD basis
- Robust pipeline of clinical strategic partnership opportunities across customer types

These results were prepared by inVentiv management independent of INC Research. All amounts are presented consistent with inVentiv Health accounting disclosure policies and have not been conformed to INC Research's policies, and will differ when conformed to INC Research's policies

1. Excludes the negative impact of $6.1M of purchase accounting for the three months ended June 30, 2017, and $13.8M for the six months ended June 30, 2017.
2. Excludes the negative impact of $5.5M of purchase accounting and $2.2M of FX.

i am INC Research

# inVentiv Health Preliminary Non-GAAP Financials

| $M | Three Months Ended June 30 | | | Six Months Ended June 30 | | |
|---|---|---|---|---|---|---|
| | 2016 | 2017 | $ Change | 2016 | 2017 | $ Change |
| Net Income (loss) | ($4.4) | ($38.8) | ($34.4) | ($23.0) | ($79.5) | ($56.5) |
| Interest expense, net | 54.4 | 36.5 | (17.9) | 110.3 | 74.3 | (36.0) |
| Income tax provision (benefit) | 3.3 | (13.9) | (17.2) | 11.5 | (28.6) | (40.1) |
| Depreciation and Amortization | 22.2 | 71.4 | 49.2 | 46.0 | 155.9 | 109.9 |
| **EBITDA** | **$75.5** | **$55.2** | **($20.3)** | **$144.7** | **$122.1** | **($22.6)** |
| Stock based compensation (a) | 1.5 | 4.5 | 3.0 | 2.6 | 9.1 | 6.5 |
| Impact of acquisition accounting adjustments (b) | 0.8 | 8.8 | 8.0 | 1.2 | 19.7 | 18.5 |
| Management fees (c) | 0.9 | 1.1 | 0.2 | 1.9 | 2.4 | 0.5 |
| Foreign currency transaction (gains)/losses (d) | (2.6) | 2.2 | 4.8 | (0.5) | 5.1 | 5.6 |
| Impact of unrestricted subsidiaries net of addbacks (e) | 0.4 | - | (0.4) | 0.7 | - | (0.7) |
| Acquisition and financing expense (f) | 2.1 | 8.2 | 6.1 | 2.7 | 8.8 | 6.1 |
| Severance (g) | 2.4 | 2.2 | (0.2) | 5.2 | 5.1 | (0.1) |
| Restructuring costs (h) | 4.3 | 3.3 | (1.0) | 6.8 | 5.0 | (1.8) |
| Other Investment (i) | 5.7 | 0.0 | (5.7) | 10.1 | 0.0 | (10.1) |
| Other (j) | 0.5 | 1.1 | 0.6 | 1.4 | 6.1 | 4.7 |
| **Adjusted EBITDA** | **$91.6** | **$86.7** | **($4.9)** | **$176.7** | **$183.4** | **$6.7** |

These results were prepared by inVentiv management independent of INC Research. All amounts are presented consistent with inVentiv Health accounting disclosure policies and have not been conformed to INC Research's policies, and will differ when conformed to INC Research's policies

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

See slide 15 for detailed footnote explanations.

# inViventiv Health Non-GAAP Financials (Cont’d)

a. Represents stock-based compensation charges in the income statement.

b. Represents non-cash adjustments resulting from the revaluation of certain items such as deferred revenue and deferred rent recognized in connection with inVentiv Health’s prior acquisitions.

c. Represents the annual sponsor management fee paid pursuant to the THL and Advent Management Agreement described in inVentiv Health’s consolidated financial statements with its annual report for the year ended December 31, 2016.

d. Represents the net gain or loss resulting from currency remeasurements.

e. Represents the loss from continuing operations of certain subsidiaries that inVentiv Health previously designated as unrestricted for purposes of its debt instruments.

f. Represents legal and advisory fees incurred in connection with strategic transactions and financings that do not relate to and are not indicative of inVentiv Health’s core on-going operations.

g. Represents employee termination costs.

h. Represents costs in connection with facility closures, relocations, integrations and business optimization.

i. Represents upfront investment incurred in connection with the Aprecia Agreement to provide commercialization services in exchange for future royalties. This was a non-core arrangement that was terminated in the fourth quarter of 2016.

j. Represents third party costs for tax services, franchise taxes, certain non-cash items, one time costs from third party advisors, gain (loss) on extinguishment of debt and equity investment income.

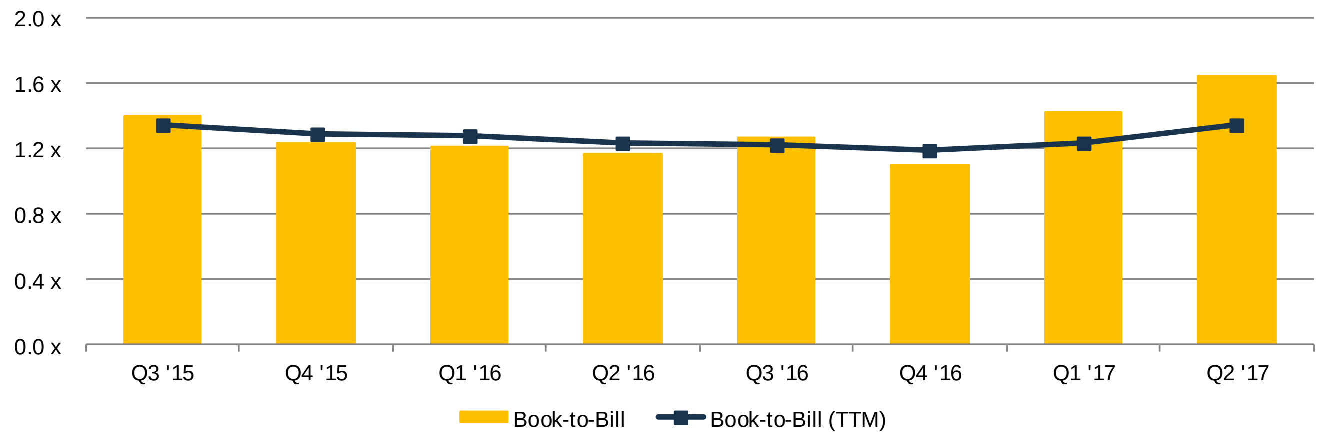
These results were prepared by inVentiv management independent of INC Research. All amounts are presented consistent with inVentiv Health accounting disclosure policies and have not been conformed to INC Research’s policies, and will differ when conformed to INC Research’s policies

# Appendix

# Book to Bill Trend



## Net Book-to-Bill Ratio




| Quarterly | Q3 '15 | Q4 '15 | Q1 '16 | Q2 '16 | Q3 '16 | Q4 '16 | Q1 '17 | Q2 '17 |
|---|---|---|---|---|---|---|---|---|
| Net New Business Awards ($M) | 327.7 | 297.4 | 302.4 | 302.1 | 330.1 | 289.6 | 359.9 | 423.8 |
| Net Service Revenue ($M) | 234.5 | 241.4 | 249.0 | 258.8 | 259.6 | 263.0 | 252.1 | 258.1 |
| **Book-to-Bill Ratio** | **1.4 x** | **1.2 x** | **1.2 x** | **1.2 x** | **1.3 x** | **1.1 x** | **1.4 x** | **1.6 x** |

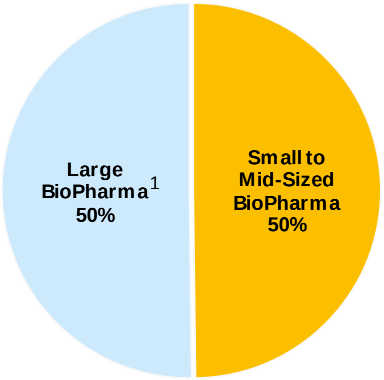
| TTM | Q3 '15 | Q4 '15 | Q1 '16 | Q2 '16 | Q3 '16 | Q4 '16 | Q1 '17 | Q2 '17 |
|---|---|---|---|---|---|---|---|---|
| Net New Business Awards (TTM) ($M) | 1,195.4 | 1,176.5 | 1,223.4 | 1,229.6 | 1,231.9 | 1,224.1 | 1,281.6 | 1,403.4 |
| Net Service Revenue (TTM) ($M) | 887.1 | 914.7 | 952.2 | 983.7 | 1,008.7 | 1,030.3 | 1,033.4 | 1,032.7 |
| **Book-to-Bill Ratio (TTM)** | **1.3 x** | **1.3 x** | **1.3 x** | **1.2 x** | **1.2 x** | **1.2 x** | **1.2 x** | **1.4 x** |

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

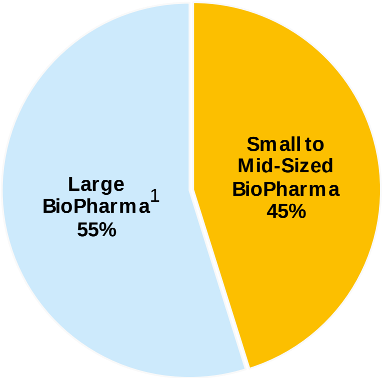
# Customer Profile
## *Based on Rx Sales*

**Customer Profile**

**YTD 2017 Revenue**



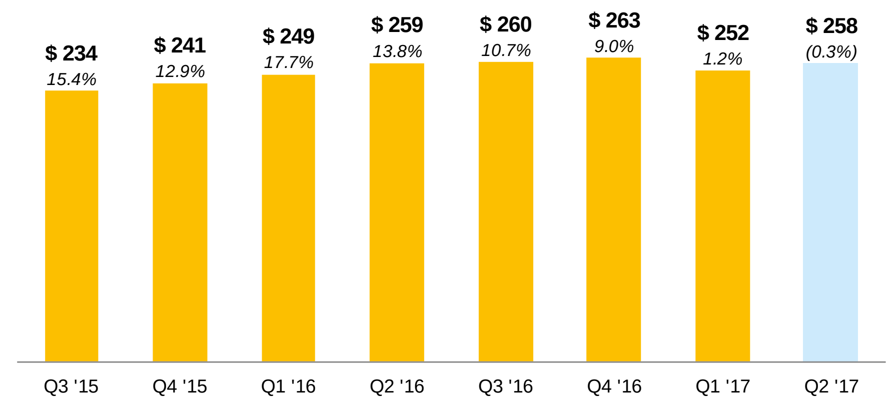

**YTD 2016 Revenue**



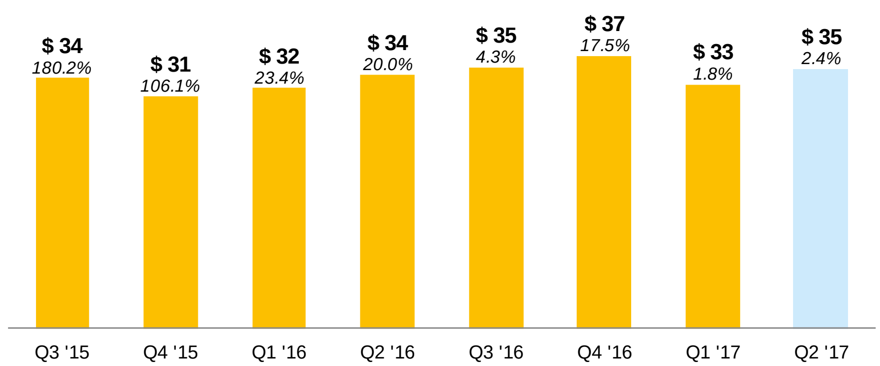

1. Large Pharma previously defined as Top 50 by 2016 Rx Sales from *PharmaExec.*

# Historical Financial Performance Trends
## *Key Metrics*

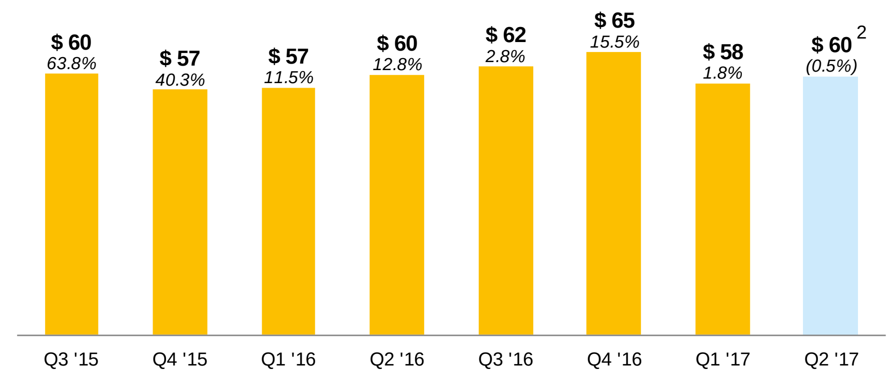
### Net Service Revenue ($M) *(+ YoY growth)*




### Adjusted Net Income ($M) *(+ YoY growth)* [1]




### Adjusted EBITDA ($M) *(+ YoY growth)* [1]

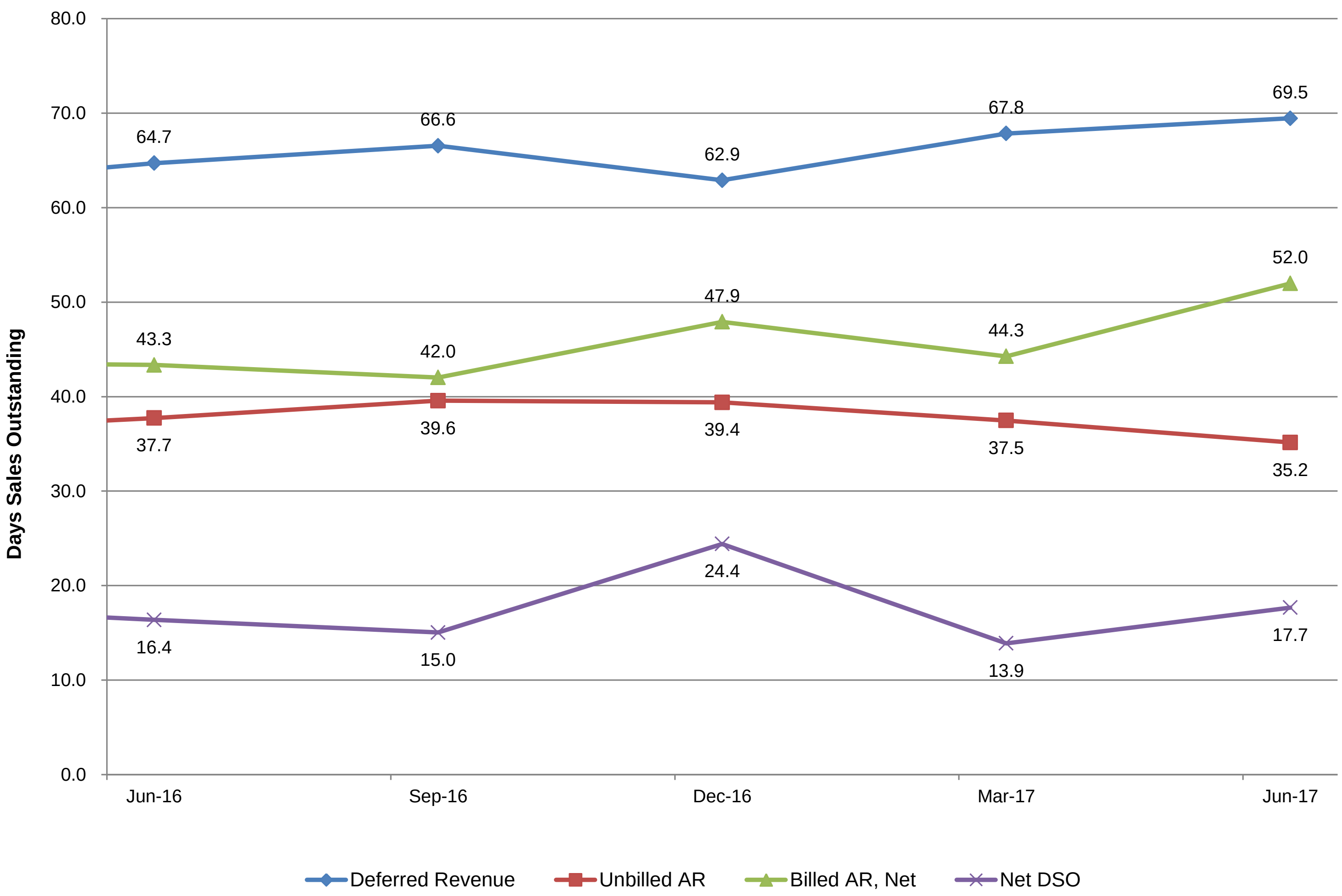



1. One-time benefits in Q3 2015 favorably impacted Adjusted EBITDA by $4.9M and Adjusted Net Income, net of tax of 36%, by $3.2M
2. Q2 2017 includes an estimated $3.0-5.0M of additional costs incurred to maintain higher levels of staff in anticipation of the impending start of the large amount of work awarded since late Q1 2017, and to ensure appropriate combined staffing levels and mix following the closing of the inVentiv merger..

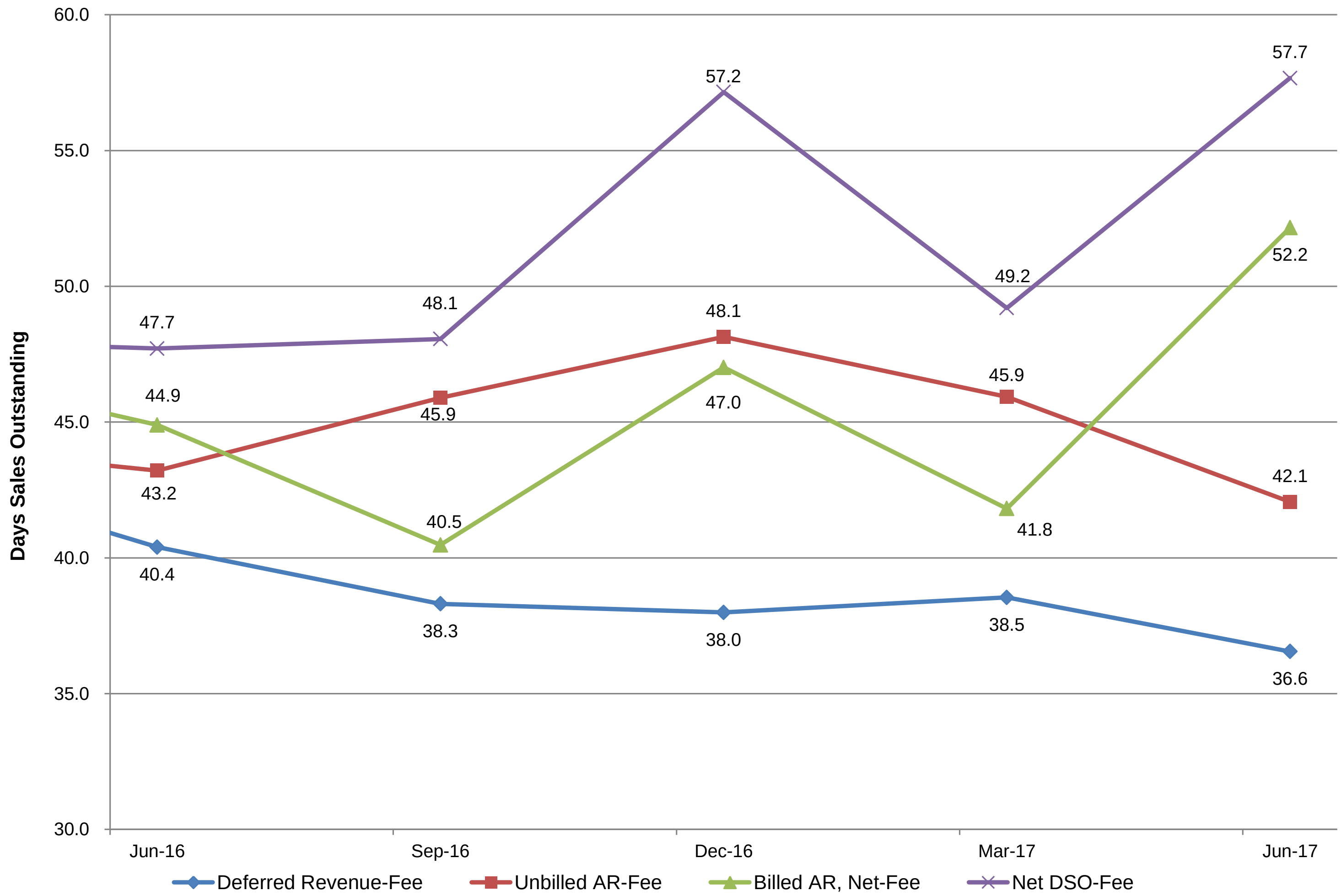
For a complete reconciliation of GAAP to Non-GAAP measures, please refer to slides 23-27 in the appendix of this presentation.

i am INC Research

# Days Sales Outstanding – Total Revenue



# Days Sales Outstanding – Net Service Revenue
## *(Excluding Reimbursable Out-of-Pocket Expenses)*



# Reconciliation of Share-based Compensation
## *Q2 and YTD 2017*

| $M | Q2 2017 | YTD 2017 |
|---|---|---|
| **Share-based Compensation Expense:** | | |
| Direct Costs | 3.0 | 5.7 |
| SG&A Expense | 3.3 | 6.4 |
| Total Share-based Compensation | 6.2 | 12.0 |
| Tax Impact of Share-based Compensation[1] | (2.2) | (4.2) |
| **Share-based Compensation, Net of Tax - Non-GAAP Impact** | **4.0** | **7.8** |
| Excess Income Tax Benefit from Share-based Transactions[2] | (0.8) | (3.4) |
| **Total Share-based Compensation, Net of Tax - GAAP Impact** | **3.2** | **4.4** |

Note: Due to rounding of specific line items, line item figures might not sum to subtotals.
1. Tax effected at the blended statutory rate applicable to the recorded deduction.
2. Tax effected at the blended statutory rate applicable to the excess deduction.

# Reconciliation of Adjusted Net Income & EBITDA
## *Three Months Ended June 30, 2017*

| | Three Months Ended June 30, 2017 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Thousands, except per share data** | | GAAP | | Adjustments | | | Adjusted | |
| Net service revenue | $ | 258,087 | $ | - | | $ | 258,087 |
| Reimbursable out-of-pocket expenses | | 133,048 | | - | | | 133,048 |
| Total revenue | | 391,135 | | - | | | 391,135 |
| *Cost and operating expenses:* | | | | | | | |
| Direct costs (exclusive of depreciation and amortization) | | 162,010 | | (2,954) | a | | 159,056 |
| | | | | - | b | | |
| Reimbursable out-of-pocket expenses | | 133,048 | | - | | | 133,048 |
| Selling, general, and administrative | | 42,531 | | (3,275) | a | | 39,256 |
| Restructuring, CEO transition, and other costs | | 4,029 | | (4,029) | c | | - |
| Transaction expenses | | 23,739 | | (23,739) | d | | - |
| Depreciation and amortization | | 15,528 | | (9,462) | e | | 6,066 |
| Total operating expenses | | 380,885 | | (43,459) | | | 337,426 |
| Income from operations | | 10,250 | | 43,459 | | | 53,709 |
| Other income (expense), net: | | | | | | | |
| Interest expense, net | | (3,134) | | - | | | (3,134) |
| Other expense, net | | (6,754) | | 6,754 | f | | - |
| Total other income (expense), net | | (9,888) | | 6,754 | | | (3,134) |
| Income before provision for income taxes | | 362 | | 50,213 | | | 50,575 |
| Income tax benefit | | 3,027 | | (18,469) | g | | (15,442) |
| **Net income** | **$** | **3,389** | **$** | **31,744** | | **$** | **35,133** |
| Diluted earnings per share | $ | 0.06 | | | | $ | 0.64 |
| Diluted weighted average common shares outstanding | | 55,307 | | | | | 55,307 |
| **Adjusted EBITDA Reconciliation** | | | | | | | |
| EBITDA | $ | 19,024 | | | | $ | 19,024 |
| Other expense, net | | | | 6,754 | f | | 6,754 |
| Restructuring, CEO transition, and other costs | | | | 4,029 | c | | 4,029 |
| Share-based compensation | | | | 6,229 | a | | 6,229 |
| Contingent consideration and other expenses | | | | - | b | | - |
| Transaction expenses | | | | 23,739 | d | | 23,739 |
| **Adjusted EBITDA** | **$** | **19,024** | **$** | **40,751** | | **$** | **59,775** |

⁝ am INC Research

# Reconciliation of Adjusted Net Income & EBITDA

## *Six Months Ended June 30, 2017*

| Thousands, except per share data | Six Months Ended June 30, 2017 GAAP | | Adjustments | | | Adjusted | |
|---|---|---|---|---|---|---|---|
| Net service revenue | $ | 510,165 | $ | - | | $ | 510,165 |
| Reimbursable out-of-pocket expenses | | 262,888 | | - | | | 262,888 |
| Total revenue | | 773,053 | | - | | | 773,053 |
| *Cost and operating expenses:* | | | | | | | |
| Direct costs (exclusive of depreciation and amortization) | | 316,845 | | (5,667) | a | | 311,178 |
| | | | | - | b | | |
| Reimbursable out-of-pocket expenses | | 262,888 | | - | | | 262,888 |
| Selling, general, and administrative | | 87,465 | | (6,381) | a | | 81,084 |
| Restructuring, CEO transition, and other costs | | 5,956 | | (5,956) | c | | - |
| Transaction expenses | | 23,741 | | (23,741) | d | | - |
| Depreciation and amortization | | 31,156 | | (18,926) | e | | 12,230 |
| Total operating expenses | | 728,051 | | (60,671) | | | 667,380 |
| Income from operations | | 45,002 | | 60,671 | | | 105,673 |
| Other income (expense), net: | | | | | | | |
| Interest expense, net | | (6,122) | | - | | | (6,122) |
| Other expense, net | | (10,211) | | 10,211 | f | | - |
| Total other income (expense), net | | (16,333) | | 10,211 | | | (6,122) |
| Income before provision for income taxes | | 28,669 | | 70,882 | | | 99,551 |
| Income tax expense | | (4,093) | | (27,266) | g | | (31,359) |
| **Net income** | **$** | **24,576** | **$** | **43,616** | | **$** | **68,192** |
| Diluted earnings per share | $ | 0.45 | | | | $ | 1.24 |
| Diluted weighted average common shares outstanding | | 55,215 | | | | | 55,215 |

| Adjusted EBITDA Reconciliation | | | | | | | |
|---|---|---|---|---|---|---|---|
| EBITDA | $ | 65,947 | | | | $ | 65,947 |
| Other expense, net | | | | 10,211 | f | | 10,211 |
| Restructuring, CEO transition, and other costs | | | | 5,956 | c | | 5,956 |
| Share-based compensation | | | | 12,048 | a | | 12,048 |
| Contingent consideration and other expenses | | | | - | b | | - |
| Transaction expenses | | | | 23,741 | d | | 23,741 |
| **Adjusted EBITDA** | **$** | **65,947** | **$** | **51,956** | | **$** | **117,903** |

i am INC Research

# Reconciliation of Adjusted Net Income & EBITDA

## *Three Months Ended June 30, 2016*

| | Three Months Ended June 30, 2016 | | | | | | |
|---|---|---|---|---|---|---|---|
| **Thousands, except per share data** | | GAAP | | Adjustments | | | Adjusted |
| Net service revenue | $ | 258,804 | $ | - | | $ | 258,804 |
| Reimbursable out-of-pocket expenses | | 140,843 | | - | | | 140,843 |
| Total revenue | | 399,647 | | - | | | 399,647 |
| *Cost and operating expenses:* | | | | | | | |
| Direct costs (exclusive of depreciation and amortization) | | 159,497 | | (1,283) | a | | 157,928 |
| | | | | (286) | b | | |
| Reimbursable out-of-pocket expenses | | 140,843 | | - | | | 140,843 |
| Selling, general, and administrative | | 42,596 | | (1,788) | a | | 40,808 |
| Restructuring, CEO transition, and other costs | | 1,364 | | (1,364) | c | | - |
| Transaction expenses | | 1,169 | | (1,169) | d | | - |
| Depreciation and amortization | | 14,523 | | (9,463) | e | | 5,060 |
| Total operating expenses | | 359,992 | | (15,353) | | | 344,639 |
| Income from operations | | 39,655 | | 15,353 | | | 55,008 |
| Other income (expense), net: | | | | | | | |
| Interest expense, net | | (3,044) | | - | | | (3,044) |
| Other expense, net | | (3,260) | | 3,260 | f | | - |
| Total other income (expense), net | | (6,304) | | 3,260 | | | (3,044) |
| Income before provision for income taxes | | 33,351 | | 18,613 | | | 51,964 |
| Income tax expense | | (2,948) | | (14,720) | g | | (17,668) |
| **Net income** | **$** | **30,403** | **$** | **3,893** | | **$** | **34,296** |
| Diluted earnings per share | $ | 0.54 | | | | $ | 0.61 |
| Diluted weighted average common shares outstanding | | 56,078 | | | | | 56,078 |
| **Adjusted EBITDA Reconciliation** | | | | | | | |
| EBITDA | $ | 50,918 | | | | $ | 50,918 |
| Other expense, net | | | | 3,260 | f | | 3,260 |
| Restructuring, CEO transition, and other costs | | | | 1,364 | c | | 1,364 |
| Share-based compensation | | | | 3,071 | a | | 3,071 |
| Contingent consideration and other expenses | | | | 286 | b | | 286 |
| Transaction expenses | | | | 1,169 | d | | 1,169 |
| **Adjusted EBITDA** | **$** | **50,918** | **$** | **9,150** | | **$** | **60,068** |

# Reconciliation of Adjusted Net Income & EBITDA

## *Six Months Ended June 30, 2016*

iam INC Research

| Thousands, except per share data | Six Months Ended June 30, 2016 GAAP | | Adjustments | | | Adjusted | |
|---|---|---|---|---|---|---|---|
| Net service revenue | $ | 507,801 | $ | - | | $ | 507,801 |
| Reimbursable out-of-pocket expenses | | 304,933 | | - | | | 304,933 |
| Total revenue | | 812,734 | | - | | | 812,734 |
| *Cost and operating expenses:* | | | | | | | |
| Direct costs (exclusive of depreciation and amortization) | | 311,555 | | (2,542) | a | | 307,928 |
| | | | | (1,085) | b | | |
| Reimbursable out-of-pocket expenses | | 304,933 | | - | | | 304,933 |
| Selling, general, and administrative | | 86,075 | | (3,345) | a | | 82,730 |
| Restructuring, CEO transition, and other costs | | 7,402 | | (7,402) | c | | - |
| Transaction expenses | | 1,730 | | (1,730) | d | | - |
| Depreciation and amortization | | 28,876 | | (18,924) | e | | 9,952 |
| Total operating expenses | | 740,571 | | (35,028) | | | 705,543 |
| Income from operations | | 72,163 | | 35,028 | | | 107,191 |
| Other income (expense), net: | | | | | | | |
| Interest expense, net | | (6,014) | | | | | (6,014) |
| Other expense, net | | (8,377) | | 8,377 | f | | - |
| Total other income (expense), net | | (14,391) | | 8,377 | | | (6,014) |
| Income before provision for income taxes | | 57,772 | | 43,405 | | | 101,177 |
| Income tax expense | | (9,964) | | (24,437) | g | | (34,401) |
| **Net income** | **$** | **47,808** | **$** | **18,968** | | **$** | **66,776** |
| Diluted earnings per share | $ | 0.85 | | | | $ | 1.19 |
| Diluted weighted average common shares outstanding | | 55,970 | | | | | 55,970 |

| Adjusted EBITDA Reconciliation | | | | | | | |
|---|---|---|---|---|---|---|---|
| EBITDA | $ | 92,662 | | | | $ | 92,662 |
| Other expense, net | | | | 8,377 | f | | 8,377 |
| Restructuring, CEO transition, and other costs | | | | 7,402 | c | | 7,402 |
| Share-based compensation | | | | 5,887 | a | | 5,887 |
| Contingent consideration and other expenses | | | | 1,085 | b | | 1,085 |
| Transaction expenses | | | | 1,730 | d | | 1,730 |
| **Adjusted EBITDA** | **$** | **92,662** | **$** | **24,481** | | **$** | **117,143** |

# Reconciliation of Adjusted Net Income & EBITDA

## *Footnotes for Q2 & YTD 2017 and Q2 & YTD 2016*

a. Represents non-cash share-based compensation expense related to awards granted under equity incentive plans.

b. Represents contingent consideration expense incurred as a result of acquisitions and other expenses accounted for as compensation expense under GAAP.

c. Restructuring, CEO transition, and other costs consist primarily of: (i) severance costs associated with a reduction/optimization of the Company's workforce in line with the Company's expectations of future business operations, (ii) transition costs associated with the change in the Company's Chief Executive Officer during the fourth quarter of 2016, (iii) consulting costs incurred for the continued consolidation of legal entities and restructuring of the Company's contract management process to meet the requirements of upcoming accounting regulation changes, and (iv) termination costs in connection with abandonment and closure of redundant facilities and other lease related charges.

d. Represents fees associated with corporate transactions and integration activities that were primarily related to our pending merger with inVentiv Health in 2017.

e. Represents the amortization of intangible assets associated with previously acquired customer relationships.

f. Represents other (income) expense comprised primarily of foreign exchange gains and losses.

g. Represents the income tax effect of the non-GAAP adjustments made to arrive at adjusted net income using an estimated effective tax rate of approximately 31.5% for 2017 and 34% in 2016. This rate has been adjusted to exclude tax impacts related to valuation allowances recorded against deferred tax assets.