



# Syneos Health, Inc. (Nasdaq: SYNH)

Q4 and Full Year 2021 Financial Results

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February 17, 2022

# Forward-Looking Statements and 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, including the future impact of the COVID-19 pandemic on our business, financial results and financial condition, anticipated financial results for the full year and first quarter 2022, benefits from acquisitions, our sales pipeline, existing backlog and expectations of net awards, trends in reimbursable out-of-pocket expenses, trends in cancellations and delays, expected interest rates, expected non-GAAP tax rate, expected DSO, and plans for capital deployment. 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: risks associated with the COVID-19 pandemic; the Company's potential failure to generate a large number of new business awards and the risk of delay, termination, reduction in scope, or failure to go to contract for our business awards; the Company's potential failure to convert backlog to revenue; fluctuations in the Company's operating results and effective income tax rate; the impact of potentially underpricing the Company's contracts, overrunning cost estimates, or failing to receive approval for or experiencing delays with documentation of change orders; cyber-security and other risks associated with the Company's information systems infrastructure; changes and costs of compliance with regulations related to data privacy; concentration of the Company's customers or therapeutic areas; risks associated with doing business internationally; challenges by tax authorities of the Company's intercompany transfer pricing policies; the Company's potential failure to successfully increase its market share, grow its business, and execute its growth strategies; the Company's ability to effectively upgrade its information systems; the Company's failure to perform its services in accordance with contractual requirements, regulatory standards, and ethical considerations; risks related to the management of clinical trials; risks related to investments in the Company's customers' businesses or drugs and the Company's related commercial rights strategies; the need to hire, develop, and retain key personnel; the impact of unfavorable economic conditions, including the uncertain international economic environment, changes in exchange rates; effective income tax rate fluctuations; the Company's ability to protect its intellectual property; risks related to the Company's acquisition strategy, including its ability to realize synergies; the Company's relationships with customers who are in competition with each other; any failure to realize the full value of the Company's goodwill and intangible assets; risks related to restructuring; the Company's compliance with anti-corruption and anti-bribery laws; the Company's dependence on third parties; potential employment liability; the Company's ability to utilize net operating loss carryforwards and other tax attributes; downgrades of the Company's credit ratings; competition in the biopharmaceutical services industry; outsourcing trends and changes in aggregate spending and research and development budgets; the impact of, including changes in, government regulations and healthcare reform; the Company's ability to keep pace with rapid technological change; the cost of and the Company's ability to service its substantial indebtedness; other risks related to ownership of the Company's common stock; and other risk factors set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 as updated by the Company's other SEC filings, copies of which are available free of charge on the Company's website at investor.syneoshealth.com. The Company 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 U.S. Generally Accepted Accounting Principles ("GAAP"), this presentation contains certain non-GAAP financial measures, including adjusted net income (including adjusted diluted earnings per share), EBITDA, adjusted EBITDA, adjusted EBITDA margin, and non-GAAP effective tax rate. We also include in this presentation non-GAAP financial measures to illustrate our cash flow and leverage profile, including net debt, net leverage, and free cash flow. We also present revenue growth in constant currency. Constant currency revenue growth is defined as revenue restated at the comparative period's foreign currency exchange rates measured against the comparative period's revenue. A "non-GAAP financial measure" is generally defined as a numerical measure of a company's financial performance that excludes or includes amounts from 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 net income (including adjusted diluted earnings per share) as net income (including diluted earnings per share) excluding restructuring and other costs; transaction and integration-related expenses; share-based compensation expense; loss on extinguishment of debt; and other income (expense), net. After giving effect to these items, 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 expenses and transactions that the Company believes are not representative of its core operations, namely: restructuring and other costs; transaction and integration-related expenses; share-based compensation expense; other income (expense), net; 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 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 because they exclude certain items whose fluctuations from period-to-period do not necessarily correspond to changes in the core operations of the business. Adjusted net income (including adjusted diluted earnings per share) and adjusted EBITDA are used by management and the Board to assess the performance of 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 slide 6 and in the Appendix of this presentation.

# GAAP Financial Results

\$M (except per share data)	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Revenue	\$ 1,373.4	\$ 1,140.0	20.5%	\$ 5,213.0	\$ 4,415.8	18.1%
Gross profit	348.6	292.0	19.4%	1,218.5	1,017.6	19.7%
<i>Gross profit margin</i>	25.4%	25.6%	-20 bps	23.4%	23.0%	+40 bps
Selling, general, and administrative <sup>1</sup>	149.3	120.8	23.6%	570.8	472.7	20.7%
<i>SG&amp;A as a % of revenue</i>	10.9%	10.6%	+30 bps	10.9%	10.7%	+20 bps
Income from operations	131.2	110.5	18.8%	389.3	293.1	32.8%
<i>Operating margin</i>	9.6%	9.7%	-10 bps	7.5%	6.6%	+90 bps
Net income	76.0	91.9	(17.3%)	234.8	192.8	21.8%
<i>Net income margin</i>	5.5%	8.1%	-260 bps	4.5%	4.4%	+10 bps
Earnings per share	\$ 0.72	\$ 0.87	(17.2%)	\$ 2.24	\$ 1.83	22.4%

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

1. Selling, general, and administrative expenses have been recast to include transaction and integration expenses.

# Non-GAAP Financial Results

\$M (except per share data)	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Clinical Solutions revenue <sup>1</sup>	\$ 1,042.5	\$ 863.9	20.7%	\$ 4,009.1	\$ 3,339.5	20.1%
Commercial Solutions revenue <sup>2</sup>	\$ 330.9	\$ 276.1	19.8%	\$ 1,203.9	\$ 1,076.3	11.9%
Revenue <sup>3</sup>	\$ 1,373.4	\$ 1,140.0	20.5%	\$ 5,213.0	\$ 4,415.8	18.1%
Adjusted EBITDA	237.0	194.8	21.6%	765.3	633.6	20.8%
Adjusted EBITDA margin <sup>4</sup>	17.3%	17.1%	+20 bps	14.7%	14.3%	+40 bps
Adjusted diluted EPS	\$ 1.48	\$ 1.11	33.3%	\$ 4.46	\$ 3.41	30.8%

- Highlights:**
- **Excluding reimbursable out-of-pocket expenses:**
    - **Clinical TTM Net New Business Awards grew 17.5% to \$3.6B, resulting in a 1.34x TTM book-to-bill**
    - **Commercial TTM Net New Business Awards grew 25.6% to \$1.2B, resulting in a 1.15x TTM book-to-bill**
  - **Record Cash Flow from Operations of \$450.3M in FY 2021**
  - **Reduced Net Leverage to 3.6x**

**Note:** Segment and total revenue presented on a GAAP basis.

1. Excluding a \$3.2M foreign currency headwind, Clinical Solutions revenue growth was 21.0% at constant currency for the fourth quarter of 2021. Excluding a \$40.9M foreign currency benefit, Clinical Solutions revenue growth was 18.8% at constant currency for the full year 2021.
2. Excluding a \$1.0M foreign currency headwind, Commercial Solutions revenue growth was 20.2% at constant currency for the fourth quarter of 2021. Excluding a \$4.2M foreign currency benefit, Commercial Solutions revenue growth was 11.5% at constant currency for the full year 2021.
3. Excluding a \$4.2M foreign currency headwind, total revenue growth was 20.8% at constant currency for the fourth quarter of 2021. Excluding a \$45.1M foreign currency benefit, total revenue growth was 17.0% at constant currency for the full year 2021.
4. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Revenue.

For a reconciliation of the presented financial measures, please reference slides 13 – 16 in the Appendix of this presentation.

# Segment Operating Metrics

<b>\$M (except ratios)</b>	<b>Clinical Solutions</b>			<b>Commercial Solutions</b>		
	<b>As of December 31,</b>			<b>As of December 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>% Change</b>	<b>2021</b>	<b>2020</b>	<b>% Change</b>
<b>Including reimbursable out-of-pocket expenses:</b>						
TTM net new business awards	\$ 4,362.6	\$ 4,735.1	(7.9%)	\$ 1,370.1	\$ 1,128.0	21.5%
TTM book-to-bill ratio	1.09x	1.42x		1.14x	1.05x	
Ending backlog, Clinical Solutions	\$ 10,567.3	\$ 10,270.5	2.9%			
Ending backlog, Deployment Solutions				\$ 860.3	\$ 711.6	20.9%
<b>Excluding reimbursable out-of-pocket expenses:</b>						
TTM net new business awards	\$ 3,579.5	\$ 3,046.3	17.5%	\$ 1,205.3	\$ 959.6	25.6%
TTM book-to-bill ratio	1.34x	1.35x		1.15x	1.02x	
Ending backlog, Clinical Solutions	\$ 6,771.7	\$ 5,870.2	15.4%			
Ending backlog, Deployment Solutions				\$ 687.9	\$ 547.0	25.8%

For historical trending of the presented segment operational measures, please reference slides 11 - 12 in the Appendix of this presentation.

# Cash Flow, Leverage Profile, and Capital Management Update

\$M	December 31, 2021	December 31, 2020
Total Debt <sup>1</sup>	\$ 2,840.8	\$ 2,967.2
Less: Cash and Cash Equivalents <sup>2</sup>	106.4	271.9
Net Debt	\$ 2,734.4	\$ 2,695.3
TTM Adjusted EBITDA	\$ 765.3	\$ 633.6
Net Leverage <sup>3</sup>	3.6 x	4.3 x
Net DSO	44.0	44.5

\$M	Q4 2021	Q4 2020
Cash Flow provided by Operations	\$ 186.0	\$ 114.3
Less: Capital Expenditures	26.9	11.5
Free Cash Flow	\$ 159.1	\$ 102.8

## Balanced Approach to Capital Management:

**Goal:** Lower net leverage to 3.5x – 4.0x by December 31, 2021

- Expanded the lower cost accounts receivable financing facility from \$365.0M to \$400.0M during Q4 2021
- Made voluntary repayments of \$125 million on Term Loan A during Q4 2021
- Repaid outstanding revolving credit facility during Q4 2021

**Goal:** Share repurchases evaluated based on current conditions

- No repurchases of common stock during Q4 2021 and \$117.5M repurchases of common stock during FY 2021
- \$182.5M of remaining share repurchase authorization available through the end of 2022, as of December 31, 2021

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

1. Total debt represents the reported long-term debt of \$2,775.7M and finance leases of \$54.8M, and unamortized deferred issuance costs of \$10.3M as of December 31, 2021. Total debt represents the reported long-term debt of \$2,902.1M, finance leases of \$49.0M, and unamortized deferred issuance costs of \$16.2M as of December 31, 2020. For additional details on the Company's long-term debt obligations, please refer to Footnote 4 to the Financial Statements in our Annual Report on Form 10-K for the period ended December 31, 2021.
2. Excludes Restricted Cash of \$0.1M as of December 31, 2021, and \$0.3M as of December 31, 2020.
3. Net leverage is Net Debt divided by TTM Adjusted EBITDA.

# Full Year 2022 Outlook

<b>\$M (except margin, growth rate, and per share data)</b>	<b>Guidance Range</b>	<b>Growth Rate</b>
<b>Revenue<sup>1</sup></b>	<b>\$ 5,600 - \$ 5,750</b>	<b>7.4% - 10.3%</b>
<b>GAAP Net Income</b>	<b>\$ 281.1 - \$ 300.7</b>	<b>19.7% - 28.0%</b>
<i>Net Income Margin<sup>2</sup></i>	<i>5.0% - 5.2%</i>	
<b>GAAP Diluted EPS</b>	<b>\$ 2.66 - \$ 2.84</b>	<b>18.8% - 26.8%</b>
<b>Adjusted EBITDA</b>	<b>\$ 840.0 - \$ 880.0</b>	<b>9.8% - 15.0%</b>
<i>Adjusted EBITDA Margin<sup>2</sup></i>	<i>15.0% - 15.3%</i>	
<b>Adjusted Diluted EPS<sup>3</sup></b>	<b>\$ 4.98 - \$ 5.24</b>	<b>11.7% - 17.5%</b>

**Note:** Financial guidance takes into account a number of factors, including the Company's sales pipeline, existing backlog and expectations of net awards, trends in cancellations and delays, trends in reimbursable out-of-pocket expenses, expected interest rates resulting in interest expense of approximately \$70 - 72M, expected non-GAAP tax rate of 23.5%, and estimated diluted share count of 105.7 million shares, which will vary by quarter, and excludes any share repurchases subsequent to the fourth quarter of 2021. In addition, this guidance represents the Company's best efforts to estimate the impact of COVID-19 on its business, recognizing that factors related to COVID-19, including the severity and duration of the pandemic, are outside of the Company's control and, given their uncertain nature, could cause the Company's future operating results to be materially different from the Company's current estimates.

1. Revenue guidance includes an anticipated \$40M headwind from foreign exchange currency rates. In addition, revenue guidance includes approximately 100 bps of inorganic growth from acquisitions closed during FY 2021.
2. Net income margin is defined as GAAP net income divided by Revenue. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Revenue.
3. Adjusted Diluted EPS assumes current US tax law remains in effect for FY 2022.

For a reconciliation of the presented Non-GAAP financial measures, please reference slides 17 – 18 in the Appendix of this presentation.

# First Quarter 2022 Outlook

<b>\$M (except margin, growth rate, and per share data)</b>	<b>Guidance Range</b>	<b>Growth Rate</b>
<b>Revenue<sup>1</sup></b>	<b>\$ 1,315 - \$ 1,335</b>	<b>8.8% - 10.4%</b>
<b>GAAP Net Income</b>	<b>\$ 35.4 - \$ 38.9</b>	<b>(8.7)% - 0.3%</b>
<i>Net Income Margin<sup>2</sup></i>	<i>2.7% - 2.9%</i>	
<b>GAAP Diluted EPS</b>	<b>\$ 0.34 - \$ 0.37</b>	<b>(8.1)% - 0.0%</b>
<b>Adjusted EBITDA</b>	<b>\$ 163.0 - \$ 173.0</b>	<b>7.9% - 14.5%</b>
<i>Adjusted EBITDA Margin<sup>2</sup></i>	<i>12.4% - 13.0%</i>	
<b>Adjusted Diluted EPS<sup>3</sup></b>	<b>\$ 0.92 - \$ 0.99</b>	<b>16.5% - 25.3%</b>

**Note:** Financial guidance takes into account a number of factors, including the Company's sales pipeline, existing backlog and expectations of net awards, trends in cancellations and delays, trends in reimbursable out-of-pocket expenses, expected interest rates resulting in interest expense of approximately \$16 - 17M, expected non-GAAP tax rate of 23.5%, and estimated diluted share count of 105.2 million shares and excludes any share repurchases subsequent to the fourth quarter of 2021. In addition, this guidance represents the Company's best efforts to estimate the impact of COVID-19 on its business, recognizing that factors related to COVID-19, including the severity and duration of the pandemic, are outside of the Company's control and, given their uncertain nature, could cause the Company's future operating results to be materially different from the Company's current estimates.

1. Revenue guidance includes an anticipated \$14M headwind from foreign exchange currency rates. In addition, revenue guidance includes approximately 90 bps of inorganic growth from acquisitions closed during FY 2021.
2. Net income margin is defined as GAAP net income divided by Revenue. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Revenue.
3. Adjusted Diluted EPS assumes current US tax law remains in effect for FY 2022.

For a reconciliation of the presented Non-GAAP financial measures, please reference slides 19 – 20 in the Appendix of this presentation.

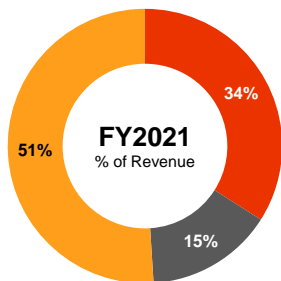


# Appendix

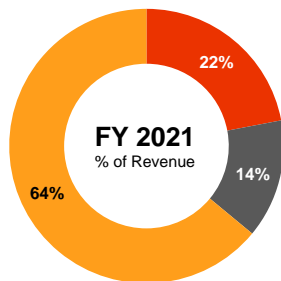
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# Diversified Customer Base and Service Offerings

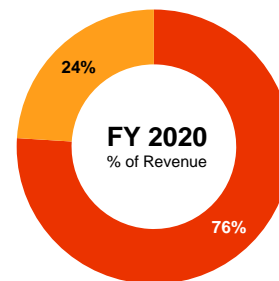
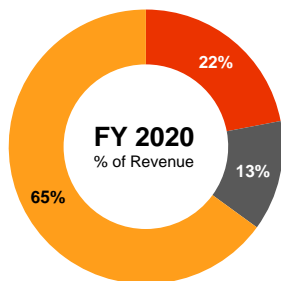
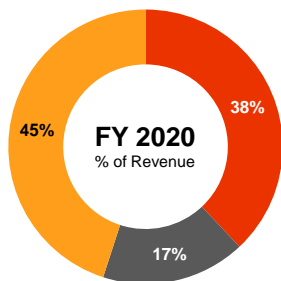
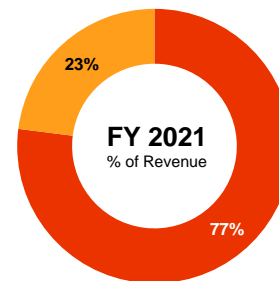
## Customer Profile



## Customer Concentration



## Service Mix



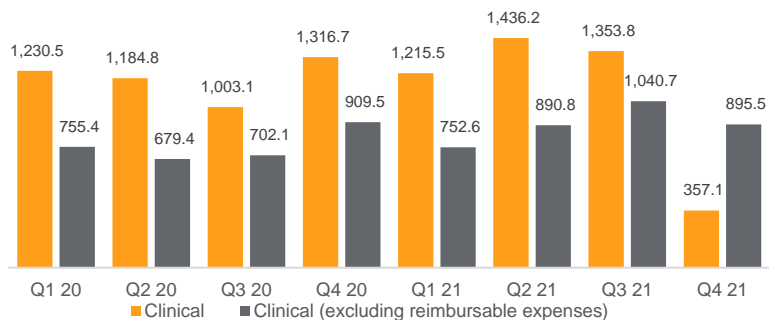
■ Top 20<sup>1</sup> ■ 21-50<sup>1</sup> ■ SMID

■ Top 5<sup>2</sup> ■ 6 - 10<sup>2</sup> ■ Remainder

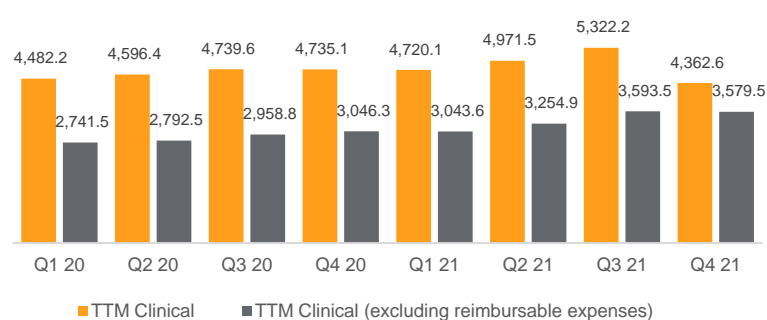
■ Clinical Solutions ■ Commercial Solutions

# Clinical Solutions Net New Business Awards and Book-to-Bill

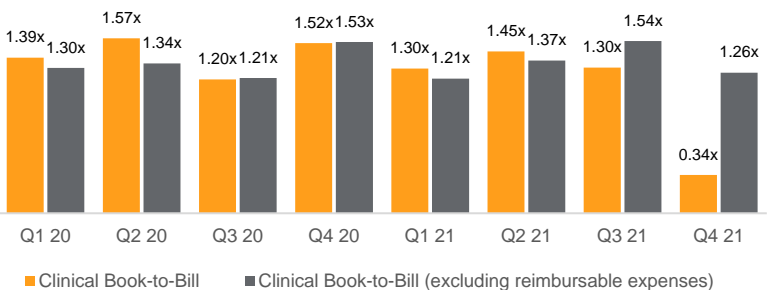
Clinical Solutions Net Awards (\$M)



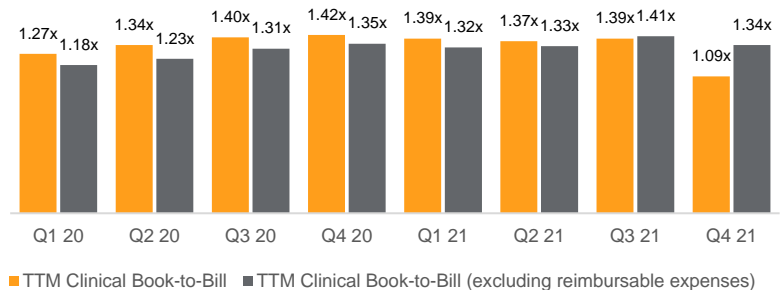
Clinical Solutions TTM Net Awards (\$M)



Clinical Solutions Book-to-Bill



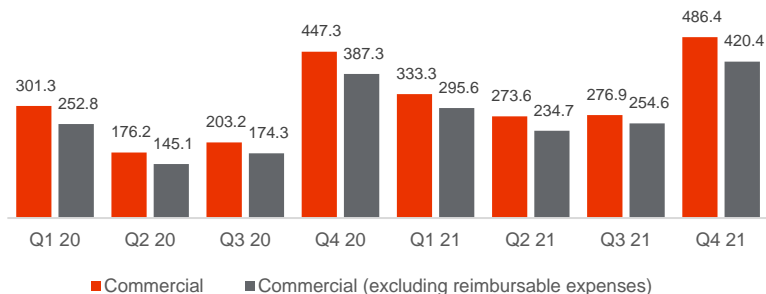
Clinical Solutions TTM Book-to-Bill



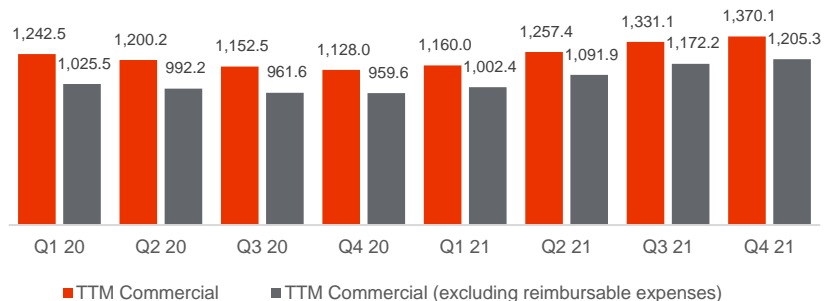
1. We recognize new business awards when we enter into a contract or when we receive a written commitment from the customer selecting us as a service provider. For additional information on new business awards, please refer to Item 7 in our Annual Report on Form 10-K for the twelve months ended December 31, 2021.
2. Clinical Solutions book-to-bill, quarterly or TTM, represents Clinical Solutions net new business awards divided by Clinical Solutions revenue, in each case for the respective period. Clinical Solutions book-to-bill, excluding reimbursable out-of-pocket expenses, quarterly or TTM, represents Clinical Solutions net new business awards, excluding reimbursable out-of-pocket expenses, divided by Clinical Solutions revenue, excluding reimbursable out-of-pocket expenses, in each case for the respective period.

# Commercial Solutions Net New Business Awards and Book-to-Bill

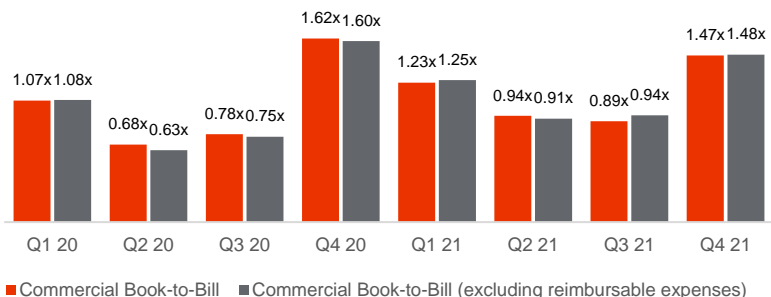
Commercial Solutions Net New Business Awards (\$M)



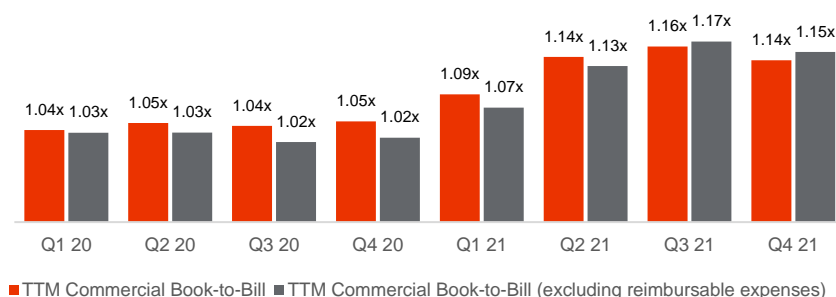
Commercial Solutions TTM Net Awards (\$M)



Commercial Solutions Book-to-Bill



Commercial Solutions TTM Book-to-Bill



1. We recognize new business awards when we enter into a contract or when we receive a written commitment from the customer selecting us as a service provider. For additional information on new business awards, please refer to Item 7 in our Annual Report on Form 10-K for the twelve months ended December 31, 2021.
2. Commercial Solutions book-to-bill, quarterly or TTM, represents Commercial Solutions net new business awards divided by Commercial Solutions revenue, in each case for the respective period. Commercial Solutions book-to-bill, excluding reimbursable out-of-pocket expenses, quarterly or TTM, represents Commercial Solutions net new business awards, excluding reimbursable out-of-pocket expenses, divided by Commercial Solutions revenue, excluding reimbursable out-of-pocket expenses, in each case for the respective period.

# Consolidated Statement of Operations

Q1 20 – Q4 21

<b>\$M (except per share data)</b>	<b>Q1 20</b>	<b>Q2 20</b>	<b>Q3 20</b>	<b>Q4 20</b>	<b>FY 20</b>	<b>Q1 21</b>	<b>Q2 21</b>	<b>Q3 21</b>	<b>Q4 21</b>	<b>FY 21</b>
Clinical Solutions revenue	882.5	755.8	837.2	863.9	3,339.5	938.0	991.1	1,037.4	1,042.5	4,009.1
Commerical Solutions revenue	280.9	257.6	261.8	276.1	1,076.3	270.8	291.5	310.8	330.9	1,203.9
<b>Total revenue</b>	<b>1,163.4</b>	<b>1,013.4</b>	<b>1,099.0</b>	<b>1,140.0</b>	<b>4,415.8</b>	<b>1,208.7</b>	<b>1,282.6</b>	<b>1,348.2</b>	<b>1,373.4</b>	<b>5,213.0</b>
Direct costs	924.0	805.9	820.2	848.0	3,398.1	945.3	992.6	1,031.9	1,024.8	3,994.5
Selling, general, and administrative	125.5	108.3	118.1	120.8	472.7	137.3	144.7	139.5	149.3	570.8
Restructuring and other costs	8.7	8.2	6.5	6.0	29.4	7.2	4.0	7.2	4.4	22.8
Depreciation	17.2	17.3	17.3	18.4	70.2	18.4	18.2	17.7	19.5	73.8
Amortization	38.9	38.7	38.1	36.4	152.2	39.5	39.6	38.6	44.2	161.8
<b>Income from operations</b>	<b>49.0</b>	<b>35.0</b>	<b>98.8</b>	<b>110.5</b>	<b>293.1</b>	<b>61.0</b>	<b>83.7</b>	<b>113.4</b>	<b>131.2</b>	<b>389.3</b>
Interest expense, net	26.1	21.6	20.4	22.8	90.9	23.3	22.6	16.8	16.5	79.1
Loss on extinguishment of debt	-	-	0.3	1.2	1.6	0.6	2.2	-	0.8	3.6
Other (income) expense, net	(18.9)	5.8	10.6	(0.4)	(3.0)	(9.9)	7.8	(3.8)	(2.8)	(8.6)
<b>Income before provision for income taxes</b>	<b>41.8</b>	<b>7.6</b>	<b>67.4</b>	<b>86.9</b>	<b>203.7</b>	<b>47.0</b>	<b>51.0</b>	<b>100.4</b>	<b>116.7</b>	<b>315.2</b>
Income tax expense (benefit)	8.2	3.7	4.0	(5.0)	10.9	8.3	9.1	22.2	40.7	80.3
<b>Net income</b>	<b>33.6</b>	<b>3.9</b>	<b>63.4</b>	<b>91.9</b>	<b>192.8</b>	<b>38.7</b>	<b>41.9</b>	<b>78.2</b>	<b>76.0</b>	<b>234.8</b>
Diluted earnings per share	\$ 0.32	\$ 0.04	\$ 0.60	\$ 0.87	\$ 1.83	\$ 0.37	\$ 0.40	\$ 0.75	\$ 0.72	\$ 2.24
<b>Reimbursable out-of-pocket expenses included in Direct Costs:</b>	<b>Q1 20</b>	<b>Q2 20</b>	<b>Q3 20</b>	<b>Q4 20</b>	<b>FY 20</b>	<b>Q1 21</b>	<b>Q2 21</b>	<b>Q3 21</b>	<b>Q4 21</b>	<b>FY 21</b>
<i>Clinical Solutions reimbursable out-of-pocket expenses</i>	302.6	249.7	257.8	271.2	1,081.2	313.9	339.6	362.7	331.2	1,347.4
<i>Commercial Solutions reimbursable out-of-pocket expenses</i>	46.3	28.8	30.6	33.5	139.2	34.9	34.3	40.5	46.4	156.2
Reimbursable out-of-pocket expenses	348.8	278.5	288.4	304.7	1,220.4	348.7	373.9	403.2	377.7	1,503.5



**Note:** Reimbursable out-of-pocket expenses represent third-party passthrough and out-of-pocket costs we incur as a result of providing services to our customers. We are reimbursed by our customers for the third-party passthrough and out-of-pocket expenses we incur, and we include these amounts in our total revenue in the period the reimbursable out-of-pocket expenses are incurred.

# Reconciliation of GAAP Net Income to Adjusted Net Income and Adjusted Diluted Earnings Per Share

<b>\$M (except per share data)</b>	Three months ended December 31,		Twelve months ended December 31,	
	2021	2020	2021	2020
Net income, as reported	\$ 76.0	\$ 91.9	\$ 234.8	\$ 192.8
Amortization (a)	44.2	36.4	161.8	152.2
Restructuring and other costs (b)	4.4	6.0	22.8	29.4
Transaction and integration-related expenses (c)	21.3	12.3	52.4	30.2
Share-based compensation (d)	16.3	11.2	65.2	58.5
Other (income) expense, net (e)	(2.8)	(0.4)	(8.6)	(3.0)
Loss on extinguishment of debt (f)	0.8	1.2	3.6	1.6
Income tax adjustment to normalized rate (g)	(4.4)	(41.9)	(63.6)	(102.5)
<b>Adjusted net income</b>	<b>\$ 155.8</b>	<b>\$ 116.8</b>	<b>\$ 468.4</b>	<b>\$ 359.2</b>
Diluted weighted average common shares outstanding	105.0	105.4	105.1	105.5
<b>Adjusted diluted earnings per share</b>	<b>\$ 1.48</b>	<b>\$ 1.11</b>	<b>\$ 4.46</b>	<b>\$ 3.41</b>

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

For a description of all GAAP to Non-GAAP adjustments, please reference slide 16 in the Appendix of this presentation.

# Reconciliation of GAAP Net Income and Net Income Margin to Adjusted EBITDA and Adjusted EBITDA Margin

\$M	Three months ended December 31,				Twelve months ended December 31,			
	2021	2020	2021	2020	2021	2020	2021	2020
Net income and net income margin, as reported	\$ 76.0	\$ 91.9	5.5%	8.1%	\$ 234.8	\$ 192.8	4.5%	4.4%
Interest expense, net	16.5	22.8	1.2%	2.0%	79.1	90.9	1.5%	2.1%
Income tax expense (benefit)	40.7	(5.0)	3.0%	(0.4)%	80.3	10.9	1.5%	0.2%
Depreciation	19.5	18.4	1.4%	1.6%	73.8	70.2	1.4%	1.6%
Amortization (a)	44.2	36.4	3.2%	3.2%	161.8	152.2	3.1%	3.4%
EBITDA and EBITDA margin	196.9	164.4	14.3%	14.4%	629.9	516.9	12.1%	11.7%
Restructuring and other costs (b)	4.4	6.0	0.3%	0.5%	22.8	29.4	0.4%	0.7%
Transaction and integration-related expenses (c)	21.3	12.3	1.5%	1.1%	52.4	30.2	1.0%	0.7%
Share-based compensation (d)	16.3	11.2	1.2%	1.0%	65.2	58.5	1.3%	1.3%
Other (income) expense, net (e)	(2.8)	(0.4)	(0.2)%	0.0%	(8.6)	(3.0)	(0.2)%	(0.1)%
Loss on extinguishment of debt (f)	0.8	1.2	0.1%	0.1%	3.6	1.6	0.1%	0.0%
<b>Adjusted EBITDA and adjusted EBITDA margin</b>	<b>\$ 237.0</b>	<b>\$ 194.8</b>	<b>17.3%</b>	<b>17.1%</b>	<b>\$ 765.3</b>	<b>\$ 633.6</b>	<b>14.7%</b>	<b>14.3%</b>

**Note:** Due to rounding of specific line items, line item figures might not sum to subtotals. Net income margin is defined as net income divided by revenue. Adjusted EBITDA margin is defined as adjusted EBITDA divided by revenue.

For a description of all GAAP to Non-GAAP adjustments, please reference slide 16 in the Appendix of this presentation.

# Reconciliation of GAAP to Non-GAAP Financial Measures

## Footnotes

- a) Represents the amortization of intangible assets associated with acquired backlog, customer relationships, trade names and trademarks, intellectual property, patient communities, and acquired technologies.
- b) Restructuring and other costs consist primarily of severance costs associated with a reduction/optimization of our workforce in line with our expectations of future business operations and termination costs in connection with abandonment and closure of redundant facilities and other lease-related charges.
- c) Represents fees associated with acquisitions, stock repurchases and secondary stock offerings, debt placement and refinancings, and other corporate transactions costs.
- d) Represents non-cash share-based compensation expense related to awards granted under equity incentive plans.
- e) Other (income) expense is comprised primarily of foreign currency exchange gains and losses, other gains and losses related to investments, and contingent consideration on divested businesses.
- f) Loss on extinguishment of debt is associated with debt prepayment and refinancing activities.
- g) Represents the income tax effect of the non-GAAP adjustments made to arrive at adjusted net income using an estimated non-GAAP effective tax rate of approximately 22.5% for the three months ended December 31, 2021, 23.5% for the twelve months ended December 31, 2021, and 24.0% for the three and twelve months ended December 31, 2020. The Company believes the Non-GAAP effective tax rate reflects our future GAAP effective tax rate. These rates have been adjusted to exclude tax impacts related to valuation allowances recorded against deferred tax assets.



# Full Year 2022 Guidance Reconciliation

## Adjusted Net Income and Adjusted Diluted EPS

\$M (except per share data)	Adjusted Net Income		Adjusted Diluted Earnings Per Share	
	Low	High	Low	High
<b>GAAP net income and diluted earnings per share</b>	<b>281.1</b>	<b>300.7</b>	<b>\$ 2.66</b>	<b>\$ 2.84</b>
<i>Adjustments:</i>				
Amortization <sup>1</sup>	160.0	162.0	1.51	1.53
Restructuring and other costs <sup>1</sup>	29.5	31.5	0.28	0.30
Transaction and integration-related expenses <sup>1</sup>	29.0	31.0	0.27	0.29
Share-based compensation <sup>1</sup>	68.0	70.0	0.64	0.66
Income tax effect of above adjustments <sup>2</sup>	(41.2)	(41.3)	(0.39)	(0.39)
<b>Adjusted net income and adjusted diluted earnings per share<sup>3</sup></b>	<b>526.4</b>	<b>553.9</b>	<b>\$ 4.98</b>	<b>\$ 5.24</b>

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

- Amounts are estimates with an estimated range of +/- 5% and are presented gross without the benefit of associated income tax reductions.
- Income tax expense is calculated and the adjustments are tax-affected at an approximate rate of 23.5%, which represents the Company's estimated full-year non-GAAP effective tax rate.
- Guidance for Adjusted Diluted EPS is based on an expectation of a fully diluted weighted average share count for 2022 of approximately 105.7 million shares, which will vary by quarter.

# Full Year 2022 Guidance Reconciliation

## Adjusted EBITDA and Adjusted EBITDA Margin

<b>\$M</b>	<b>Adjusted EBITDA</b>		<b>Adjusted EBITDA Margin<sup>2</sup></b>	
	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>
<b>GAAP Net income and net income margin</b>	<b>281.1</b>	<b>300.7</b>	<b>5.0%</b>	<b>5.2%</b>
<i>Adjustments:</i>				
Interest expense, net <sup>1</sup>	70.0	72.0	1.3%	1.3%
Income tax expense <sup>1</sup>	120.4	128.8	2.2%	2.2%
Depreciation <sup>1</sup>	82.0	84.0	1.5%	1.5%
Amortization <sup>1</sup>	160.0	162.0	2.9%	2.8%
<b>EBITDA and EBITDA margin</b>	<b>713.5</b>	<b>747.5</b>	<b>12.7%</b>	<b>13.0%</b>
Restructuring and other costs <sup>1</sup>	29.5	31.5	0.5%	0.5%
Transaction and integration-related expenses <sup>1</sup>	29.0	31.0	0.5%	0.5%
Share-based compensation <sup>1</sup>	68.0	70.0	1.2%	1.2%
<b>Adjusted EBITDA and adjusted EBITDA margin</b>	<b>840.0</b>	<b>880.0</b>	<b>15.0%</b>	<b>15.3%</b>

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

1. Amounts are estimates with an estimated range of +/- 5% and are presented gross without the benefit of associated income tax reductions.
2. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Revenue.

# First Quarter 2022 Guidance Reconciliation

## Adjusted Net Income and Adjusted Diluted EPS

\$M (except per share data)	Adjusted Net Income		Adjusted Diluted Earnings Per Share	
	Low	High	Low	High
<b>GAAP net income and diluted earnings per share</b>	<b>35.4</b>	<b>38.9</b>	<b>\$ 0.34</b>	<b>\$ 0.37</b>
<i>Adjustments:</i>				
Amortization <sup>1</sup>	40.0	41.0	0.38	0.39
Restructuring and other costs <sup>1</sup>	12.5	13.5	0.12	0.13
Transaction and integration-related expenses <sup>1</sup>	8.0	9.0	0.08	0.09
Share-based compensation <sup>1</sup>	16.0	17.0	0.15	0.16
Income tax effect of above adjustments <sup>2</sup>	(14.6)	(15.2)	(0.14)	(0.14)
<b>Adjusted net income and adjusted diluted earnings per share<sup>3</sup></b>	<b>97.3</b>	<b>104.2</b>	<b>\$ 0.92</b>	<b>\$ 0.99</b>

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

- Amounts are estimates with an estimated range of +/- 5% and are presented gross without the benefit of associated income tax reductions.
- Income tax expense is calculated and the adjustments are tax-affected at an approximate rate of 23.5%, which represents the Company's estimated full-year non-GAAP effective tax rate.
- Guidance for Adjusted Diluted EPS is based on an expectation of a fully diluted weighted average share count for 2022 of approximately 105.2 million shares, which will vary by quarter.

# First Quarter 2022 Guidance Reconciliation

## Adjusted EBITDA and Adjusted EBITDA Margin

<b>\$M</b>	<b>Adjusted EBITDA</b>		<b>Adjusted EBITDA Margin<sup>2</sup></b>	
	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>
<b>GAAP Net income and net income margin</b>	<b>35.4</b>	<b>38.9</b>	<b>2.7%</b>	<b>2.9%</b>
<i>Adjustments:</i>				
Interest expense, net <sup>1</sup>	16.0	17.0	1.2%	1.3%
Income tax expense <sup>1</sup>	15.2	16.7	1.1%	1.2%
Depreciation <sup>1</sup>	20.0	20.0	1.5%	1.5%
Amortization <sup>1</sup>	40.0	41.0	3.0%	3.0%
<b>EBITDA and EBITDA margin</b>	<b>126.5</b>	<b>133.5</b>	<b>9.5%</b>	<b>9.9%</b>
Restructuring and other costs <sup>1</sup>	12.5	13.5	0.9%	1.0%
Transaction and integration-related expenses <sup>1</sup>	8.0	9.0	0.6%	0.7%
Share-based compensation <sup>1</sup>	16.0	17.0	1.2%	1.3%
<b>Adjusted EBITDA and adjusted EBITDA margin</b>	<b>163.0</b>	<b>173.0</b>	<b>12.3%</b>	<b>12.9%</b>

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

1. Amounts are estimates with an estimated range of +/- 5% and are presented gross without the benefit of associated income tax reductions.
2. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Revenue.



# Shortening the Distance from Lab to Life<sup>®</sup>.

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