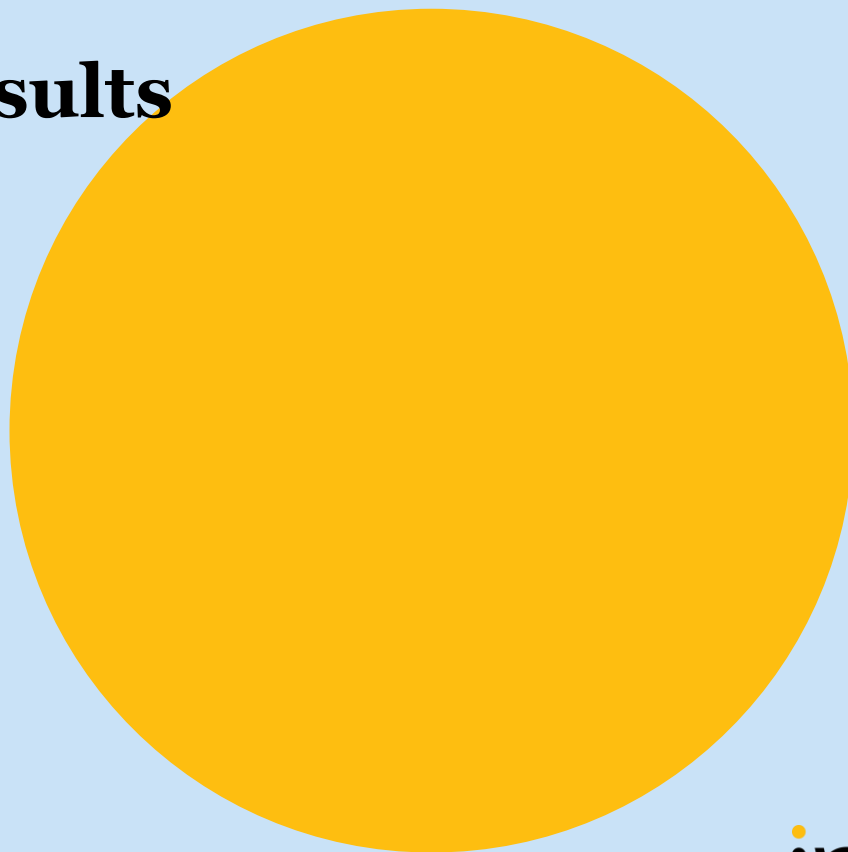


INC Research **Q3 2016 Financial Results**

October 31, 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. 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 20-24 in the appendix of this presentation.

Q3 and YTD Highlights

Key Operating Metrics – Normalized for One-Time Benefits

\$M (except per share data)	Three Months Ended September 30			Nine Months Ended September 30		
	2015	2016	%Change	2015	2016	%Change
Net New Business Awards	327.7	330.1	0.7%	879.1	934.5	6.3%
Book-to-Bill	1.4 x	1.3 x		1.3 x	1.2 x	
Book-to-Bill (TTM)	1.3 x	1.2 x		1.3 x	1.2 x	
Net Service Revenue	234.5	259.6	10.7%	673.4	767.4	14.0%
Adjusted Income from Operations ¹	51.0	56.7	11.1%	143.5	163.9	14.2%
Adjusted EBITDA ¹	55.4	62.0	11.9%	157.1	179.2	14.1%
Adjusted Net Income ¹	30.7	35.3	15.0%	83.8	102.1	21.8%
Adjusted Diluted EPS (\$) ¹	0.52	0.64	23.1%	1.38	1.83	32.6%

\$M	Sept 30, 2015	Sept 30, 2016	%Change
Backlog ²	1,766	1,983	12.3%

1. These financials have been normalized to remove the impact of certain one-time benefits realized in the three and nine months ended September 30, 2015. For a detailed reconciliation of these normalized results, please refer to slides 17-18 in the appendix of this presentation.

2. For a complete roll forward of backlog for the 4 quarters ended September 30, 2016, including the impact of foreign currency fluctuations, please refer to slide 8.

For a complete reconciliation of GAAP to Non-GAAP measures for the current and historical periods presented, please refer to slides 20-24 in the appendix of this presentation.

Q3 and YTD Income Statements

Adjusted Basis – Normalized for One-Time Benefits

\$M (except per share data)	Three Months Ended September 30			Nine Months Ended September 30		
	2015	2016	%Change	2015	2016	%Change
Net Service Revenue	\$ 234.5	\$ 259.6	10.7%	\$ 673.4	\$ 767.4	14.0%
Direct Costs	139.6	157.5	12.8%	403.7	465.4	15.3%
Gross Profit	94.9	102.1	7.6%	269.7	302.0	12.0%
<i>Gross Profit Margin</i>	40.5%	39.3%	-120 bps	40.1%	39.4%	-70 bps
Selling, General and Administrative	39.5	40.1	1.5%	112.6	122.8	9.0%
Depreciation	4.4	5.3	21.8%	13.5	15.3	12.7%
Income from Operations	51.0	56.7	11.1%	143.5	163.9	14.2%
<i>Income from Operations Margin</i>	21.7%	21.8%	+10 bps	21.3%	21.4%	+10 bps
Interest Expense, net	(3.0)	(3.2)	4.2%	(12.5)	(9.2)	(26.8%)
Income before Provision for Income Taxes	48.0	53.5	11.5%	131.0	154.7	18.1%
Income Tax Expense	(17.3)	(18.2)	5.4%	(47.2)	(52.6)	11.5%
Net Income	\$ 30.7	\$ 35.3	15.0%	\$ 83.8	\$ 102.1	21.8%
Diluted EPS	\$ 0.52	\$ 0.64	23.1%	\$ 1.38	\$ 1.83	32.6%
EBITDA	\$ 55.4	\$ 62.0	11.9%	\$ 157.1	\$ 179.2	14.1%
<i>EBITDA Margin</i>	23.6%	23.9%	+30 bps	23.3%	23.3%	+0 bps

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

These financial results have been normalized to remove the impact of certain one-time benefits realized in the three and nine months ended September 30, 2015. For a detailed reconciliation of these normalized results, please refer to slide 17-18 in the appendix of this presentation.

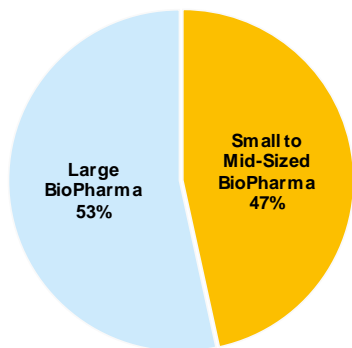
For a complete reconciliation of GAAP to Non-GAAP measures for the current and historical periods presented, please refer to slides 20-24 in the appendix of this presentation.

Diversified Customer Base

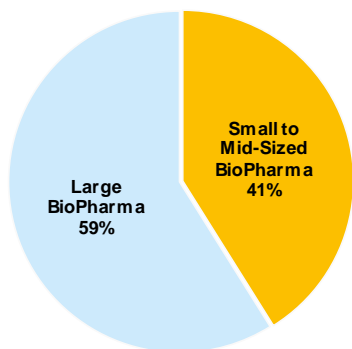
- We have a diversified, loyal customer base that includes many of the top 50 biopharmaceutical companies.
- We were awarded clinical trials from 25 new customers in Q3 2016.

Customer Profile

YTD 2016 Revenue

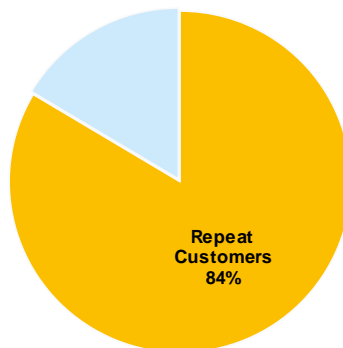


YTD 2015 Revenue

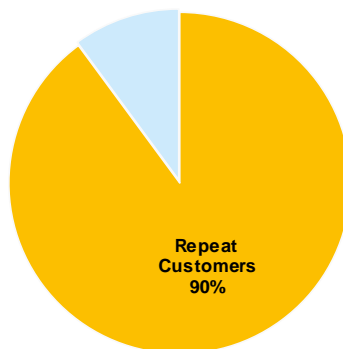


Customer Loyalty

YTD 2016 New Business Awards

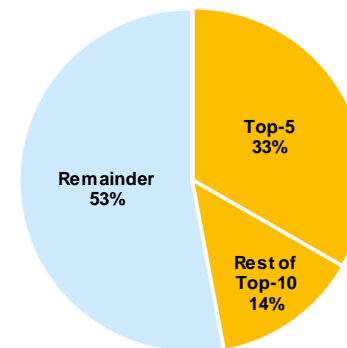


YTD 2015 New Business Awards

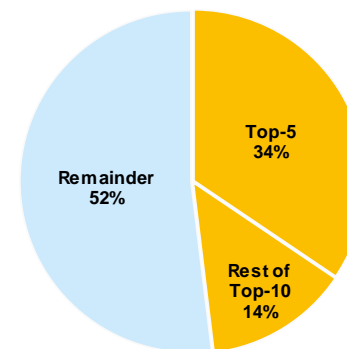


Limited Customer Concentration

YTD 2016 Revenue



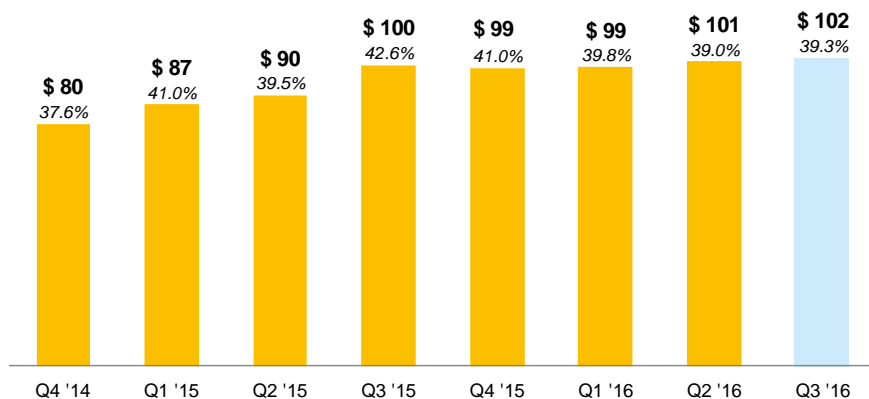
YTD 2015 Revenue



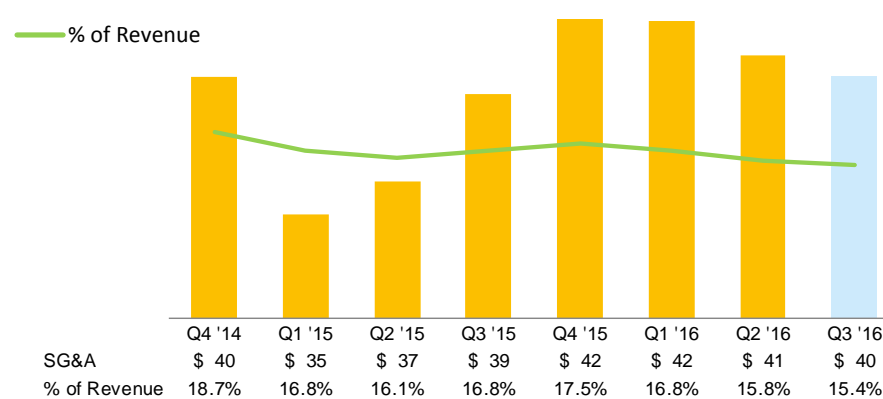
Historical Trends – Margin and SG&A Expenses

Key Metrics

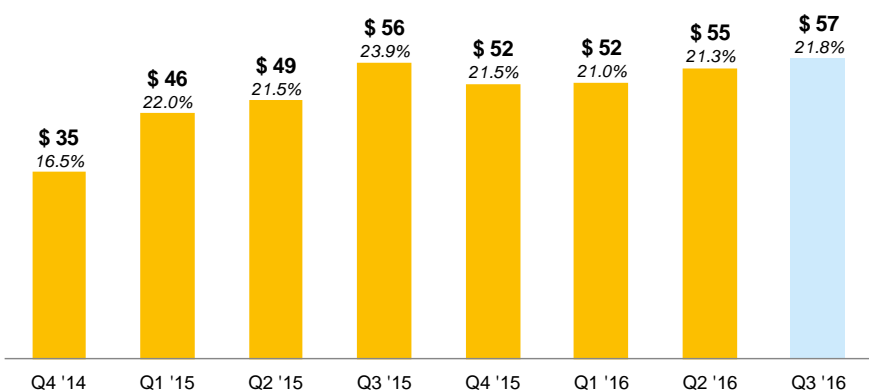
Adjusted Gross Profit (\$M) (+ Margin %) ^{1,2,3}



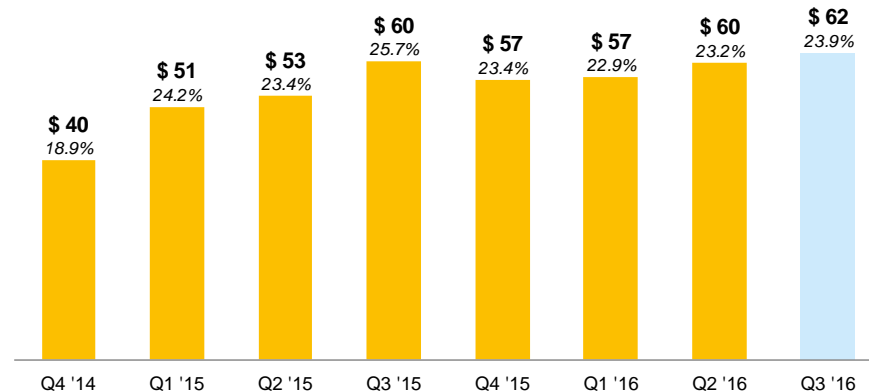
Adjusted SG&A (\$M) (+ % of Revenue) ^{1,3}



Adjusted Income from Operations (\$M) (+ Margin %) ^{1,2,3}



Adjusted EBITDA (\$M) (+ Margin %) ^{1,2,3}



- One-time benefits in Q1 2015 favorably impacted Adjusted Gross Profit by \$1.7M, Adjusted SG&A by \$1.1M, Adjusted Income from Operations by \$2.8M, and Adjusted EBITDA by \$2.8M.
- One-time benefits in Q3 2015 favorably impacted Adjusted Gross Profit, Adjusted Income from Operations, and Adjusted EBITDA by \$4.9M.
- For a complete reconciliation of GAAP to Non-GAAP measures, please refer to slides 20-24 in the appendix of this presentation. For a detailed reconciliation of normalized results for the three months ended September 30, 2015, please refer to slide 17 in the appendix of this presentation.

Cash Flow and Leverage Profile

\$M	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2016	2015	2016
Cash Flow from Operations	45.8	50.7	141.1	95.1
Less: Capital Expenditures	3.9	5.3	11.6	16.8
Free Cash Flow ¹	41.9	45.4	129.6	78.3
Adjusted EBITDA	60.3	62.0	164.8	179.2

\$M (except ratios)	Sept 30, 2015	Dec 31, 2015	Sept 30, 2016
Cash	136.1	85.0	102.9
Total Debt ²	475.1	505.0	500.0
Net Debt	339.0	420.0	397.1
<i>Net Leverage</i> ³	1.7 x	1.9 x	1.7 x
Total Net DSO ⁴	(1.7)	(3.0)	15.0

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 \$1.0, \$0.8, and \$0.8 million as of September 30, 2015, December 31, 2015, and September 30, 2016, respectively.

3. We calculate net leverage as net debt as of the date presented, divided by trailing twelve month adjusted EBITDA of \$205.1M for 9/30/15, \$221.4M for 12/31/15, and \$235.7M for 9/30/16.

4. For DSO trend information, please refer to slides 13 and 14 in the appendix of this presentation.

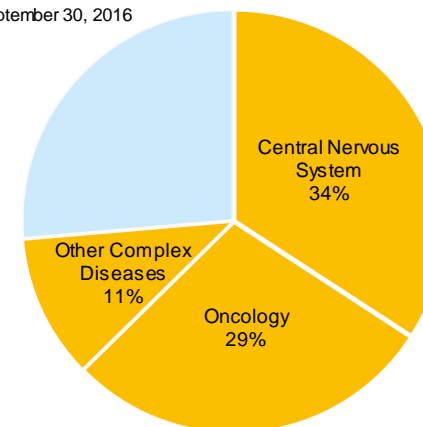
Backlog Should Support Long-Term Growth

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
Ending Backlog	\$ 1,813	\$ 1,874	\$ 1,909	\$ 1,983

Backlog by Therapeutic Area³

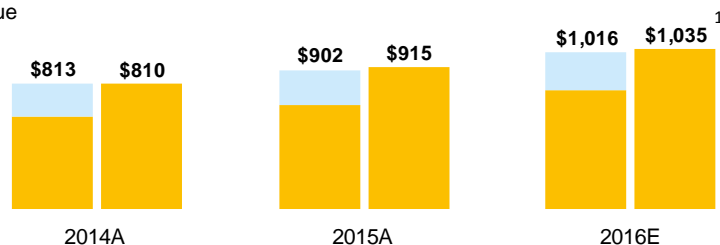
As of September 30, 2016



**CNS,
Oncology,
and Other
Complex
Diseases
= 74% of
Backlog**

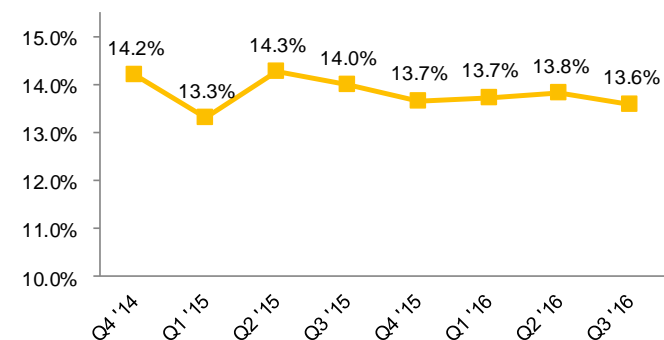
Backlog Coverage (\$M)

ROY Backlog Revenue



	9/30/14	9/30/15	9/30/16
Backlog as of	9/30/14	9/30/15	9/30/16
Coverage Ratio	100.3%	98.6%	98.2%
YoY Revenue Growth	24.1%	13.0%	13.1%

Backlog Burn Rate²



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 updated guidance range on slide 9 of this presentation.

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.

Full Year 2016 Updated Guidance

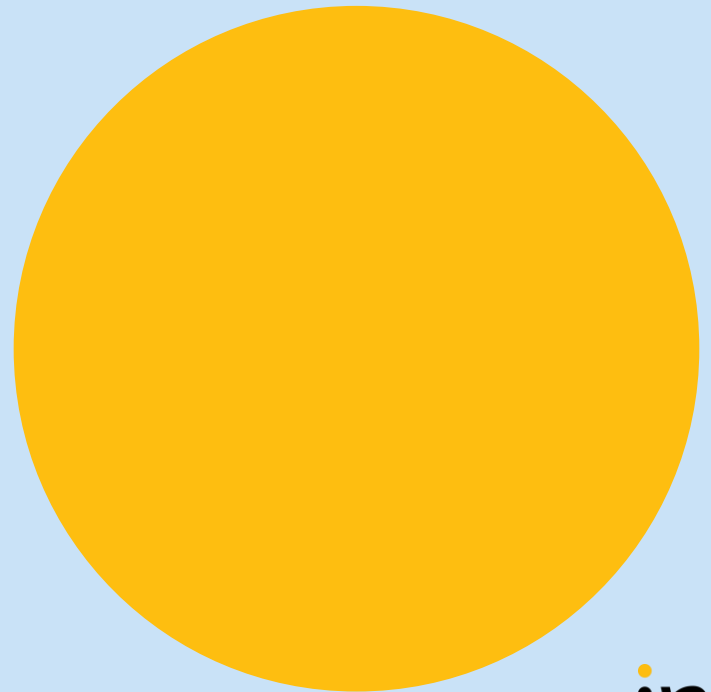
Financial Measurement	Guidance Issued 7/28/2016		Revised Guidance	
	Guidance Range	Growth Rate ²	Guidance Range	Growth Rate ²
Net Service Revenue ¹	\$ 1,030.0 - 1,040.0M	12.6 - 13.7%	\$ 1,030.0 - 1,040.0M	12.6 - 13.7%
Adjusted Net Income	\$ 134.5 - 140.5M	16.7 - 21.9%	\$ 137.0 - 140.5M	18.9 - 21.9%
Adjusted Diluted EPS	\$ 2.39 - 2.50	24.5 - 30.2%	\$ 2.48 - 2.52	29.2 - 31.3%
GAAP Diluted EPS	\$ 1.74 - 1.85	(10.8) - (5.1)%	\$ 1.74 - 1.81	(10.8) - (7.2)%

Note: Financial guidance takes into account a number of factors, including our sales pipeline, existing backlog and our expectations for net awards for the remainder of 2016, current foreign currency exchange rates, current interest rates, and our expected tax rate, and does not take into account the effects of future stock repurchases.

1. Guidance for Net Service Revenue includes foreign exchange headwind of approximately \$10.0M (a negative impact of approximately 110 basis points) resulting in a constant currency growth rate of approximately 13.7– 14.8%.
2. 2016 growth rates are based on adjusted 2015 financials normalized for one-time benefits, with the exception of GAAP Diluted EPS. For a detailed reconciliation of normalized results, please refer to slide 19 in the appendix of this presentation.

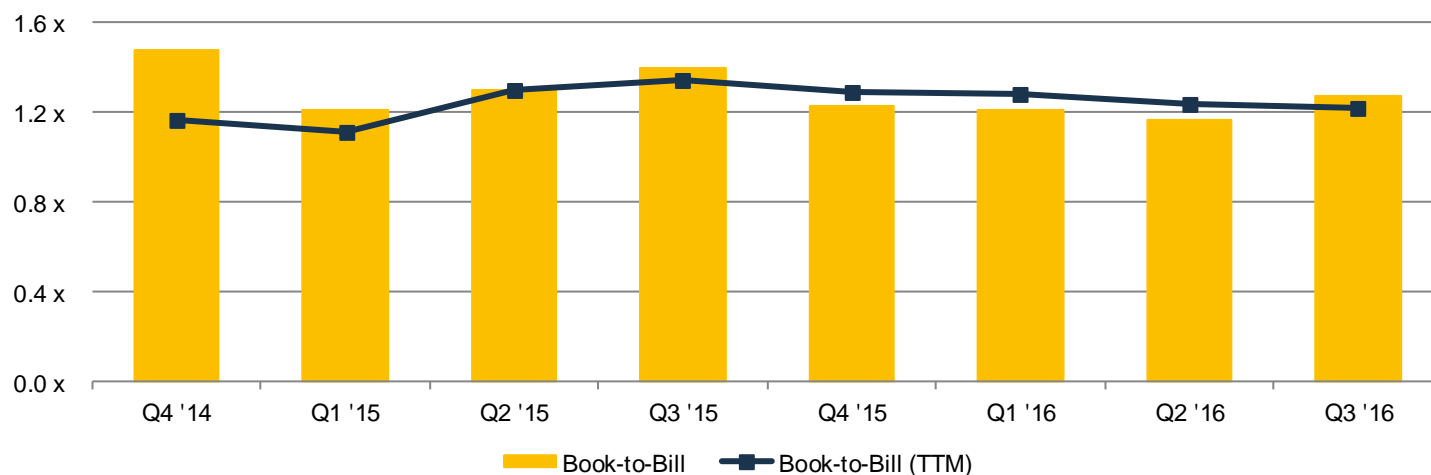
For a reconciliation of GAAP Net Income and diluted earnings per share to Non-GAAP Net Income and diluted earnings per share, please refer to slide 15 in the appendix of this presentation.

Appendix



Book to Bill Trend

Net Book-to-Bill Ratio



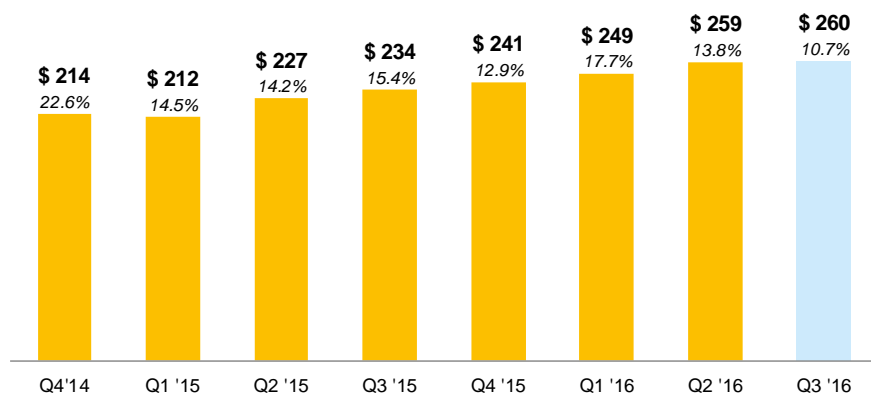
Quarterly	Q4 '14	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16
Net New Business Awards (\$M)	316.3	255.5	295.9	327.7	297.4	302.4	302.1	330.1
Net Service Revenue (\$M)	213.7	211.5	227.4	234.5	241.4	249.0	258.8	259.6
Book-to-Bill Ratio	1.5 x	1.2 x	1.3 x	1.4 x	1.2 x	1.2 x	1.2 x	1.3 x

TTM	Q4 '14	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16
Net New Business Awards (TTM) (\$M)	949.8	924.4	1,116.9	1,195.4	1,176.5	1,223.4	1,229.6	1,231.9
Net Service Revenue (TTM) (\$M)	809.7	836.5	860.4	887.1	914.7	952.2	983.7	1,008.7
Book-to-Bill Ratio (TTM)	1.2 x	1.1 x	1.3 x	1.3 x	1.3 x	1.3 x	1.2 x	1.2 x

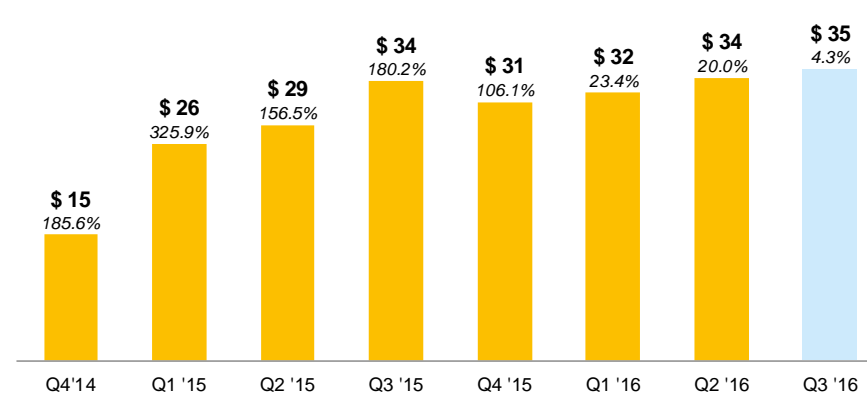
Historical Financial Performance Trends

Key Metrics

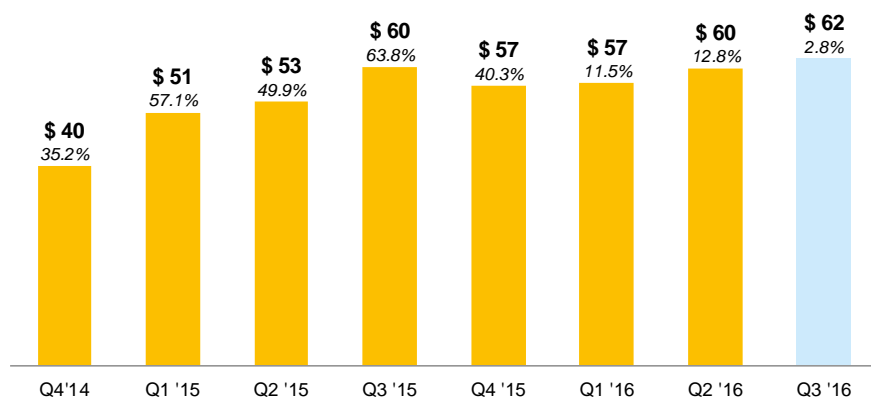
Net Service Revenue (\$M) (+ YoY growth)



Adjusted Net Income (\$M) (+ YoY growth) ^{1,2}



Adjusted EBITDA (\$M) (+ YoY growth) ^{1,2}

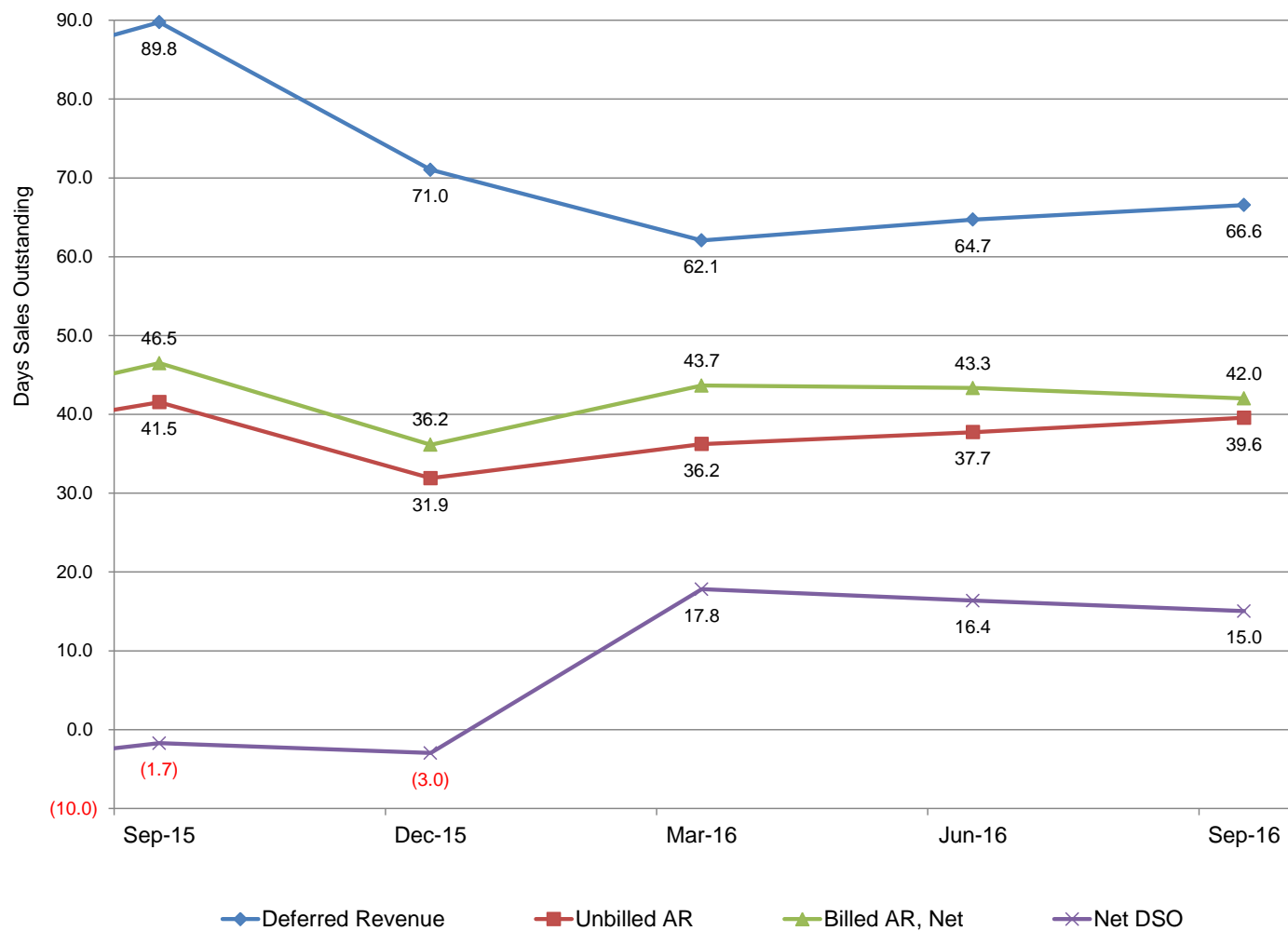


1. One-time benefits in Q1 2015 favorably impacted Adjusted EBITDA by \$2.8M and Adjusted Net Income, net of tax of 36%, by \$1.8M.

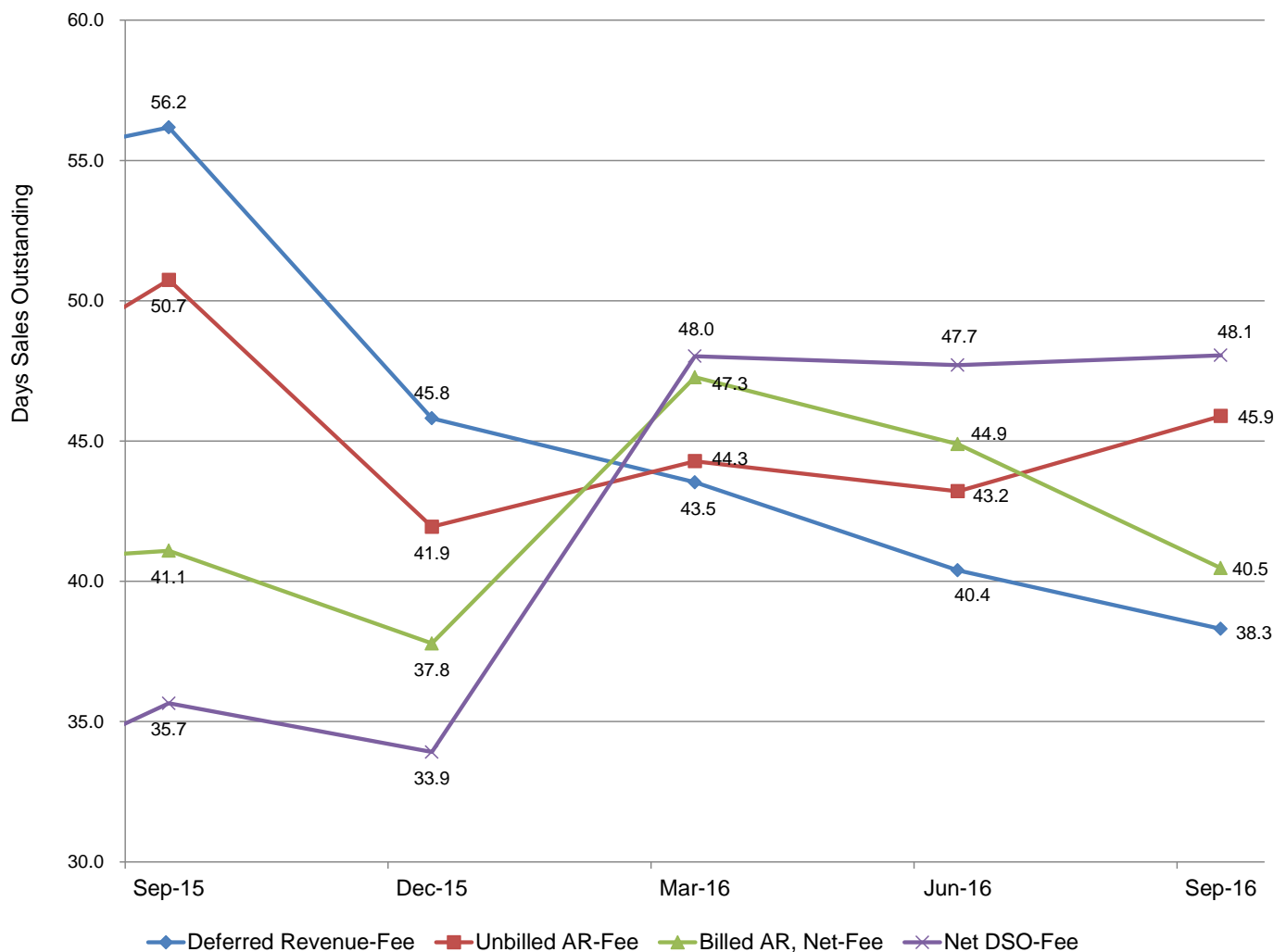
2. One-time benefits in Q3 2015 favorably impacted Adjusted EBITDA by \$4.9M and Adjusted Net Income, net of tax of 36%, by \$3.2M.

For a complete reconciliation of GAAP to Non-GAAP measures, please refer to slides 20-24 in the appendix of this presentation. For the normalized income statement for the three months ended September 30, 2015, please refer to slide 17 in the appendix of this presentation.

Days Sales Outstanding – Total Revenue



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



Full Year 2016 Updated Guidance

Reconciliation

\$M (except per share data)

	Adjusted Net Income		Adjusted Diluted Earnings Per Share	
	Low	High	Low	High
Net income and diluted earnings per share	\$ 97.0	\$ 101.0	\$ 1.74	\$ 1.81
<i>Adjustments:</i>				
Amortization ¹	37.8	37.8		
Share-based compensation expense ¹	14.5	14.5		
Contingent consideration and other expense ¹	1.7	1.7		
Restructuring, CEO transition and other costs ¹	13.8	13.8		
Transaction costs ¹	3.3	3.3		
Loss on extinguishment of debt ¹	0.4	0.4		
Other ¹	11.1	11.2		
Income tax effect of share-based compensation ²	(17.7)	(17.7)		
Income tax effect of above adjustments ³	(24.9)	(25.5)		
Adjusted net income and adjusted diluted earnings per share	\$ 137.0	\$ 140.5	\$ 2.48	\$ 2.52

1. Amounts are estimates with an estimated range of +/- 5% and are presented gross without the benefit of income tax reduction.

2. Income tax effect of share-based compensation is calculated using the statutory rates applicable to the tax jurisdictions of the applicable deduction, plus the amount of discrete tax adjustments related to excess tax benefits on share-based payments as a result of share-based payments activity.

3. Income tax expense is calculated and the adjustments are tax-affected at an approximate rate of 34%, which is the midpoint of our range for the expected income tax rate of 33% to 35%. This adjustment also excludes unusual tax impacts during the period.

Reconciliation of Share-based Compensation

Third Quarter, YTD and 2016 Guidance

\$M

	<u>Q3 2016</u>	<u>YTD 2016</u>	<u>Guidance</u>
Share-based Compensation Expense:			
Direct Costs	\$ 1.9	\$ 4.4	\$ 6.7
SG&A Expense	1.6	5.0	7.8
Total Share-based Compensation	3.5	9.4	14.5
Tax Impact of Share-based Compensation	(1.2)	(3.3)	(5.1) a
Share-based Compensation, Net of Tax - Non-GAAP Impact	2.3	6.1	9.4
Excess Income Tax Benefit from Share-based Transactions	(4.6)	(12.6)	(12.6) b
Total Share-based Compensation, Net of Tax - GAAP Impact	\$ (2.3)	\$ (6.5)	\$ (3.2)

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

a. Tax-effected at the blended statutory rate applicable to the recorded deduction.

b. Tax-effected at the blended statutory rate applicable to the excess deduction. Amount included in Guidance includes only the benefit included in the YTD 2016 and does not include any forecasted benefit.

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 20-24 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>	41.0%	(1.5%)	0.5%	40.1%
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>	22.5%	(1.6%)	0.5%	21.3%
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>	24.5%	(1.6%)	0.5%	23.3%

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 20-24 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		
	<u>Non-GAAP</u>	<u>Adjustments</u>	<u>Normalized</u>
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>	41.0%	(0.7%)	40.3%
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>	22.2%	(0.8%)	21.4%
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>	24.2%	(0.8%)	23.4%

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 a complete reconciliation of GAAP to Non-GAAP measures for the current and historical periods, please refer to slides 20-24 in the appendix of this presentation.

Reconciliation of Adjusted Net Income & EBITDA

Three Months Ended September 2016

Three Months Ended September 30, 2016			
Thousands, except per share data	GAAP	Adjustments	Adjusted
Net service revenue	\$ 259,557	\$ -	\$ 259,557
Reimbursable out-of-pocket expenses	132,234	-	132,234
Total revenue	391,791	-	391,791
<i>Cost and operating expenses:</i>			
Direct costs	159,641	(1,860) a	157,460
		(321) b	
Reimbursable out-of-pocket expenses	132,234	-	132,234
Selling, general and administrative	41,743	(1,657) a	40,086
Restructuring, CEO transition and other costs	2,881	(2,881) c	-
Transaction expenses	1,127	(1,127) d	-
Asset impairment charges	-	-	-
Depreciation and amortization	14,769	(9,464) f	5,305
Total operating expenses	352,395	(17,310)	335,085
Income from operations	39,396	17,310	56,706
<i>Other income (expense), net:</i>			
Interest expense, net	(3,164)	-	(3,164)
Loss on extinguishment of debt	(439)	439 g	-
Other income (expense), net	(2,384)	2,384 h	-
Total other income (expense), net	(5,987)	2,823	(3,164)
Income before provision for income taxes	33,409	20,133	53,542
Income tax expense	(6,078)	(12,126) i	(18,204)
Net income	\$ 27,331	\$ 8,007	\$ 35,338
Diluted earnings per share	\$ 0.49		\$ 0.64
Diluted weighted average common shares outstanding	55,567		55,567
Adjusted EBITDA Reconciliation			
EBITDA	\$ 51,342		\$ 51,342
Other expense, net		2,384 h	2,384
Restructuring, CEO transition and other costs		2,881 c	2,881
Share-based compensation		3,517 a	3,517
Contingent consideration and other		321 b	321
Transaction expenses		1,127 d	1,127
Asset impairment charges		-	-
Loss on extinguishment of debt		439 g	439
Adjusted EBITDA	\$ 51,342	\$ 10,669	\$ 62,011

Reconciliation of Adjusted Net Income & EBITDA

Nine Months Ended September 2016

Nine Months Ended September 30, 2016			
Thousands, except per share data	GAAP	Adjustments	Adjusted
Net service revenue	\$ 767,358	\$ -	\$ 767,358
Reimbursable out-of-pocket expenses	437,167	-	437,167
Total revenue	1,204,525	-	1,204,525
<i>Cost and operating expenses:</i>			
Direct costs	471,196	(4,402) a	465,388
		(1,406) b	
Reimbursable out-of-pocket expenses	437,167	-	437,167
Selling, general and administrative	127,818	(5,002) a	122,816
Restructuring, CEO transition and other costs	10,283	(10,283) c	-
Transaction expenses	2,857	(2,857) d	-
Asset impairment charges	-	-	-
Depreciation and amortization	43,645	(28,388) f	15,257
Total operating expenses	1,092,966	(52,338)	1,040,628
Income from operations	111,559	52,338	163,897
<i>Other income (expense), net:</i>			
Interest expense, net	(9,178)		(9,178)
Loss on extinguishment of debt	(439)	439 g	-
Other income (expense), net	(10,761)	10,761 h	-
Total other income (expense), net	(20,378)	11,200	(9,178)
Income before provision for income taxes	91,181	63,538	154,719
Income tax expense	(16,042)	(36,563) i	(52,605)
Net income	\$ 75,139	\$ 26,975	\$ 102,114
Diluted earnings per share	\$ 1.35		\$ 1.83
Diluted weighted average common shares outstanding	55,836		55,836
Adjusted EBITDA Reconciliation			
EBITDA	\$ 144,004		\$ 144,004
Other expense, net		10,761 h	10,761
Restructuring, CEO transition and other costs		10,283 c	10,283
Share-based compensation		9,404 a	9,404
Contingent consideration and other		1,406 b	1,406
Transaction expenses		2,857 d	2,857
Asset impairment charges		-	-
Loss on extinguishment of debt		439 g	439
Adjusted EBITDA	\$ 144,004	\$ 35,150	\$ 179,154

Reconciliation of Adjusted Net Income & EBITDA

Three Months Ended September 2015

Three Months Ended September 30, 2015			
Thousands, except per share data	GAAP	Adjustments	Adjusted
Net service revenue	\$ 234,494	\$ -	\$ 234,494
Reimbursable out-of-pocket expenses	115,651	-	115,651
Total revenue	350,145	-	350,145
<i>Cost and operating expenses:</i>			
Direct costs	135,530	(732) a	134,684
		(114) b	
Reimbursable out-of-pocket expenses	115,651	-	115,651
Selling, general and administrative	40,429	(936) a	39,493
Restructuring, CEO transition and other costs	(28)	28 c	-
Transaction expenses	403	(403) d	-
Asset impairment charges	-	-	-
Depreciation and amortization	13,819	(9,462) f	4,357
Total operating expenses	305,804	(11,619)	294,185
Income from operations	44,341	11,619	55,960
<i>Other income (expense), net:</i>			
Interest expense, net	(3,037)	-	(3,037)
Loss on extinguishment of debt	-	-	-
Other income (expense), net	(1,003)	1,003 h	-
Total other income (expense), net	(4,040)	1,003	(3,037)
Income before provision for income taxes	40,301	12,622	52,923
Income tax expense	(2,487)	(16,565) i	(19,052)
Net income	\$ 37,814	\$ (3,943)	\$ 33,871
Diluted earnings per share	\$ 0.64		\$ 0.58
Diluted weighted average common shares outstanding	58,764		58,764
Adjusted EBITDA Reconciliation			
EBITDA	\$ 57,157		\$ 57,157
Other expense, net		1,003 h	1,003
Restructuring, CEO transition and other costs		(28) c	(28)
Share-based compensation		1,668 a	1,668
Contingent consideration and other		114 b	114
Transaction expenses		403 d	403
Asset impairment charges		-	-
Loss on extinguishment of debt		-	-
Adjusted EBITDA	\$ 57,157	\$ 3,160	\$ 60,317

Reconciliation of Adjusted Net Income & EBITDA

Nine Months Ended September 2015

Nine Months Ended September 30, 2015			
Thousands, except per share data	GAAP	Adjustments	Adjusted
Net service revenue	\$ 673,384	\$ -	\$ 673,384
Reimbursable out-of-pocket expenses	322,970	-	322,970
Total revenue	996,354	-	996,354
<i>Cost and operating expenses:</i>			
Direct costs	398,988	(1,468) a	397,074
		(446) b	
Reimbursable out-of-pocket expenses	322,970	-	322,970
Selling, general and administrative	113,354	(1,820) a	111,534
Restructuring, CEO transition and other costs	1,566	(1,566) c	-
Transaction expenses	922	(922) d	-
Asset impairment charges	3,931	(3,931) e	-
Depreciation and amortization	41,956	(28,413) f	13,543
Total operating expenses	883,687	(38,566)	845,121
Income from operations	112,667	38,566	151,233
<i>Other income (expense), net:</i>			
Interest expense, net	(12,530)		(12,530)
Loss on extinguishment of debt	(9,795)	9,795 g	-
Other income (expense), net	4,138	(4,138) h	-
Total other income (expense), net	(18,187)	5,657	(12,530)
Income before provision for income taxes	94,480	44,223	138,703
Income tax expense	(8,089)	(41,845) i	(49,934)
Net income	\$ 86,391	\$ 2,378	\$ 88,769
Diluted earnings per share	\$ 1.42		\$ 1.46
Diluted weighted average common shares outstanding	60,826		60,826
Adjusted EBITDA Reconciliation			
EBITDA	\$ 148,966		\$ 148,966
Other expense, net		(4,138) h	(4,138)
Restructuring, CEO transition and other costs		1,566 c	1,566
Share-based compensation		3,288 a	3,288
Contingent consideration and other		446 b	446
Transaction expenses		922 d	922
Asset impairment charges		3,931 e	3,931
Loss on extinguishment of debt		9,795 g	9,795
Adjusted EBITDA	\$ 148,966	\$ 15,810	\$ 164,776

Reconciliation of Adjusted Net Income & EBITDA

Footnotes for Q3 & YTD 2016 and Q3 & YTD 2015

- a. Represents 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 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.
- d. Represents fees associated with stock repurchases, debt placement and refinancings and other corporate transactions.
- e. Represents impairment of goodwill and long-lived assets associated with the Company's Phase I Services reporting unit.
- f. Represents the amortization of intangible assets primarily for customer relationships and backlog.
- g. Represents loss on extinguishment of debt associated with the 2015 debt refinancing and 2016 debt amendment.
- h. Represents other (income) expense comprised primarily of foreign exchange gains and losses.
- i. Adjustment for the income tax effect of the non-GAAP adjustments made to arrive at adjusted net income using the estimated effective tax rate of 34% in 2016 and 36% in 2015 and 2014. In 2015, the Company's effective tax rate has been adjusted in order to reflect the removal of the tax impact of its valuation allowances recorded against its deferred tax assets and changes in the assertion to indefinitely reinvest the undistributed earnings of foreign subsidiaries. Historically, the Company has recorded a valuation allowance against some of its deferred tax assets, but believes that these valuation allowances cause significant fluctuations in its financial results that are not indicative of the Company's underlying financial performance. Specifically, the majority of the Company's revenue was generated in jurisdictions in which it recognized no tax expense or benefit due to changes in this valuation allowance.