



Syneos Health

Q2 2019 Financial Results

August 6, 2019



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 anticipated financial results for the full year 2019, plans for capital deployment, and potential acquisitions. 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: reliance on key personnel; principal investigators and patients; general and international economic, political, and other risks, including currency and stock market fluctuations and the uncertain economic environment; the Company's ability to adequately price its contracts and not overrun cost estimates; any adverse effects from the Company's customer or therapeutic area concentration; the Company's ability to maintain or generate new business awards; the Company's ability to increase its market share, grow its business, and execute its growth strategies; the Company's backlog not being indicative of future revenues and its ability to realize the anticipated future revenue reflected in its backlog; risks related to the Company's information systems and cybersecurity; changes and costs of compliance with regulations related to data privacy; risk related to the United Kingdom's withdrawal from the European Union; risks related to the Company's transfer pricing policies; failure to perform services in accordance with contractual requirements, regulatory requirements and ethical considerations; risks relating to litigation and government investigations; risks associated with the Company's early phase clinical facilities; insurance risk; risks of liability resulting from harm to patients; success of investments in the Company's customers' business or drugs; foreign currency exchange rate fluctuations; risks associated with the integration of the Company's businesses with the business of inVentiv Health and its operation of the combined business following the closing of the merger with inVentiv Health in 2017; risks related to the Company's income tax expense and tax reform; risks relating to the Company's intellectual property; risks associated with the Company's acquisition strategy; failure to realize the full value of goodwill and intangible assets; restructuring risk; potential violations of anti-corruption and anti-bribery laws; risks related to the Company's dependence on third parties; downgrades of the Company's credit ratings; competition in the biopharmaceutical services industry; changes in outsourcing trends; regulatory risks; trends in the Company's customers' businesses; the Company's ability to keep pace with rapid technological change; risks related to the Company's indebtedness; fluctuations in the Company's financial results and stock price; and other risk factors set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and 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 revenue, segment adjusted revenue, adjusted net income (including adjusted diluted earnings per share),

EBITDA, adjusted EBITDA, adjusted EBITDA margin, segment adjusted EBITDA and unallocated corporate and other EBITDA, 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, pro forma net leverage, and free cash flow. We also present adjusted revenue growth in constant currency. Constant currency revenue growth is defined as revenues for a given period restated at the comparative period's foreign currency exchange rates measured against the comparative period's reported revenues. 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 revenue and segment adjusted revenue as GAAP revenue and segment revenue, respectively, adjusted to include revenue eliminated as a result of purchase accounting.

The Company defines adjusted net income (including adjusted diluted earnings per share) as net income (including diluted earnings per share) excluding acquisition-related deferred revenue adjustments; acquisition-related amortization; 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 and estimated impact of the enactment of the Tax Act.

EBITDA represents earnings before interest, taxes, depreciation and amortization. The Company defines adjusted EBITDA, both at the company and segment level, as EBITDA, further adjusted to exclude expenses and transactions that the Company believes are not representative of its core operations, namely: acquisition-related deferred revenue adjustments; restructuring and other costs; transaction and integration-related expenses; asset impairment charges; 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 7 and in the Appendix of this presentation.

GAAP Financial Results

\$M (except per share data)	Three months ended June 30,			Six months ended June 30,		
	2018	2019	% Change	2018	2019	% Change
Revenue	\$ 1,072.5	\$ 1,166.8	8.8%	\$ 2,129.7	\$ 2,285.8	7.3%
Gross profit	225.1	249.3	10.8%	441.4	481.5	9.1%
<i>Gross profit margin</i>	<i>21.0%</i>	<i>21.4%</i>	<i>+40 bps</i>	<i>20.7%</i>	<i>21.1%</i>	<i>+40 bps</i>
Selling, general and administrative	100.2	110.9	10.6%	199.5	224.0	12.3%
<i>SG&A as a % of revenue</i>	<i>9.3%</i>	<i>9.5%</i>	<i>+20 bps</i>	<i>9.4%</i>	<i>9.8%</i>	<i>+40 bps</i>
Income from operations	30.7	58.1	89.2%	40.9	85.0	107.7%
<i>Operating margin</i>	<i>2.9%</i>	<i>5.0%</i>	<i>+210 bps</i>	<i>1.9%</i>	<i>3.7%</i>	<i>+ 180 bps</i>
Net income (loss)	13.6	11.3	(16.7%)	(11.0)	(18.7)	(70.2%)
Earnings (loss) per share	\$ 0.13	\$ 0.11	(15.4%)	\$(0.11)	\$(0.18)	(63.6%)

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

Non-GAAP Financial Results

\$M (except per share data)	Three months ended June 30,			Six months ended June 30,		
	2018	2019	% Change	2018	2019	% Change
Adjusted revenue	\$ 1,076.3	\$ 1,168.4	8.6%	\$ 2,137.3	\$ 2,289.0	7.1%
Adjusted EBITDA	137.0	153.8	12.2%	265.7	288.8	8.7%
<i>Adjusted EBITDA margin¹</i>	<i>12.7%</i>	<i>13.2%</i>	<i>+50 bps</i>	<i>12.4%</i>	<i>12.6%</i>	<i>+20 bps</i>
Adjusted diluted EPS	\$ 0.62	\$ 0.74	19.4%	\$ 1.16	\$ 1.33	14.7%

Highlights:

- **Building momentum:** \$5.3B of total TTM net awards and 1.16x TTM book-to-bill
 - \$4.0B of Clinical TTM net awards and 1.20x TTM book-to-bill
 - \$1.3B of Commercial TTM net awards and 1.04x TTM book-to-bill
- Commercial Solutions adjusted **revenue growth of 9.6%** year-over-year in Q2 2019
- Clinical Solutions adjusted **revenue growth of 8.2%** year-over-year in Q2 2019
- Repaid **\$40.0M** of Term Loan debt and repurchased **\$23.1M** of common stock in Q2 2019
- Continued progress on integration, **realizing Q2 2019 synergies of \$27M**

1. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Adjusted Revenue.

For a reconciliation of the presented financial measures, please reference slides 12 – 16 in the Appendix of this presentation.

Clinical Solutions Segment Results

Key Operating Metrics:

\$M	As of June 30,		
	2018	2019	% Change
TTM net new business awards		\$ 3,965.3	n/a
TTM book-to-bill ratio		1.20x	n/a
Ending backlog	7,183.8	7,834.0	9.1%

Financial Results:

\$M	Three months ended June 30,		
	2018	2019	% Change
Adjusted revenue	\$ 787.3	\$ 851.5	8.2%
Adjusted EBITDA	110.2	129.5	17.5%
Adjusted EBITDA margin ¹	14.0%	15.2%	+120 bps

\$M	Six months ended June 30,		
	2018	2019	% Change
Adjusted revenue	\$ 1,577.5	\$ 1,658.1	5.1%
Adjusted EBITDA	\$ 219.1	240.6	9.8%
Adjusted EBITDA margin ¹	13.9%	14.5%	+60 bps

Q2 2019 Key Performance Drivers:

Adjusted revenue growth driven by:

- TTM net awards
 - Favorable revenue mix
 - Higher growth in reimbursable expenses
- ... **partially offset by FX headwind²**

Adjusted EBITDA margin strengthened by:

- Favorable revenue mix
- Synergies
- FX tailwind

... **partially offset by the startup of large new customer relationships and higher growth in reimbursable expenses**

1. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Adjusted Revenue.

2. Excluding a \$9.8M foreign currency headwind, Clinical Solutions adjusted revenue growth for Q2 2019 was 9.4% at constant currency compared to Q2 2018.

Note: Due to rounding of specific line items, line item figures might not sum to subtotals. This segment data excludes Unallocated Corporate and Other Adjusted EBITDA. For a reconciliation of the presented segment financial measures, please reference slides 15 - 16 in the Appendix of this presentation.

Commercial Solutions Segment Results

Key Operating Metrics:

\$M	As of June 30,		
	2018	2019	% Change
TTM net new business awards		\$ 1,298.2	n/a
TTM book-to-bill ratio		1.04x	n/a
Deployment Solutions ending backlog	550.2	621.3	12.9%

Financial Results:

\$M	Three months ended June 30,		
	2018	2019	% Change
Adjusted revenue	\$ 289.0	\$ 316.9	9.6%
Adjusted EBITDA	34.5	38.9	12.9%
Adjusted EBITDA margin ¹	11.9%	12.3%	+40 bps

\$M	Six months ended June 30,		
	2018	2019	% Change
Adjusted revenue	\$ 559.8	\$ 631.0	12.7%
Adjusted EBITDA	64.0	74.0	15.6%
Adjusted EBITDA margin ¹	11.4%	11.7%	+30 bps

Q2 2019 Key Performance Drivers:

Adjusted revenue growth driven by:

- TTM net awards
- Kinapse acquisition

... partially offset by lower growth in reimbursable expenses and FX headwind²

Adjusted EBITDA margin strengthened by:

- Favorable revenue mix
- Lower growth in reimbursable expenses
- Cost savings

1. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Adjusted Revenue.

2. Excluding a \$1.9M foreign currency headwind, Commercial Solutions adjusted revenue growth for Q2 2019 was 10.3% at constant currency compared to Q2 2018.

Note: Due to rounding of specific line items, line item figures might not sum to subtotals. This segment data excludes Unallocated Corporate and Other Adjusted EBITDA. For a reconciliation of the presented segment financial measures, please reference slides 15 - 16 in the Appendix of this presentation.

Cash Flow, Leverage Profile, and Capital Management Update

\$M	December 31, 2018	June 30, 2019
Total Debt ¹	\$ 2,809.0	\$ 2,760.0
Less: Cash and Cash Equivalents	153.9	105.2
Net Debt	\$ 2,655.1	\$ 2,654.8
TTM Adjusted EBITDA	597.2	620.2
Net Leverage ²	4.4 x	4.3 x
Pro Forma Net Leverage ³	4.2 x	4.2 x
Net DSO	38.9	44.9

\$M	Q2 2018	Q2 2019
Cash Flow provided by Operations	\$ 112.2	\$ 96.8
Less: Capital Expenditures	11.3	16.6
Free Cash Flow	\$ 100.9	\$ 80.2

Balanced Approach to Capital Management:

Goal: Lower overall net leverage to targeted 3.5x – 3.9x by December 31, 2019⁴

Actions: Repaid \$40.0M and \$77.5M of Term Loan debt during the three and six months ended June 30, 2019, respectively

Goal: Opportunistic share repurchases

Actions: Repurchased \$23.1M and \$49.7M of common stock during the three and six months ended June 30, 2019, respectively

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 \$2,734.4M and finance leases of \$44.4M less unamortized deferred issuance costs and Senior Notes premium of \$18.9M as of June 30, 2019. For additional details on the Company's long-term debt obligations, please refer to Footnote 4 to the Financial Statements in our Quarterly Report on Form 10-Q for the period ended June 30, 2019.
2. Net leverage is Net Debt divided by TTM Adjusted EBITDA.

3. Pro Forma Net Leverage is Net Debt divided by TTM Adjusted EBITDA further adjusted for \$125M of expected Merger synergies net of approximately \$108M of run-rate synergies as of June 30, 2019.
4. Net leverage target is Net Debt estimated as of December 31, 2019, divided by the FY 2019 Adjusted EBITDA range provided in our guidance on slide 8.

Updated Full-Year 2019 Outlook

\$M (except margin, growth rate, and per share data)	Guidance Issued May 9, 2019		Updated Guidance Issued August 6, 2019	
	Guidance Range	Growth Rate	Guidance Range	Growth Rate
Adjusted revenue^{1,2}	\$ 4,620 - \$ 4,730	4.9% - 7.4%	\$ 4,640 - \$ 4,750	5.4% - 7.9%
<i>Clinical Solutions adjusted revenue</i>	<i>\$ 3,345 - \$ 3,410</i>	<i>3.8% - 5.8%</i>	<i>\$ 3,365 - \$ 3,430</i>	<i>4.4% - 6.4%</i>
<i>Commercial Solutions revenue</i>	<i>\$ 1,275 - \$ 1,320</i>	<i>8.1% - 11.9%</i>	<i>\$ 1,275 - \$ 1,320</i>	<i>8.1% - 11.9%</i>
Adjusted EBITDA	\$ 625 - \$ 660	4.7% - 10.5%	\$ 630 - \$ 660	5.5% - 10.5%
<i>Adjusted EBITDA Margin</i>	<i>13.5% - 14.0%</i>		<i>13.6% - 13.9%</i>	
Adjusted Diluted EPS³	\$ 3.03 - \$ 3.23	5.6% - 12.5%	\$ 3.08 - \$ 3.26	7.3% - 13.6%

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, current foreign currency exchange rates, expected interest rates, and expected tax rate. Guidance includes share repurchases through June 30, 2019, but excludes the impact of any subsequent share repurchases.

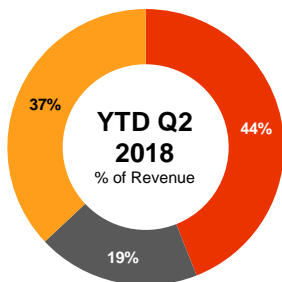
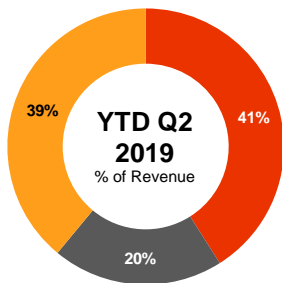
For a reconciliation of the presented non-GAAP financial measures to their most directly comparable GAAP measures, please refer to slides 17 - 18 in the Appendix of this presentation.

- Guidance for adjusted revenue includes an estimated foreign exchange headwind of approximately \$43M for FY 2019, an increase of \$9M since our guidance issued on May 9, 2019.
- Clinical Solutions adjusted revenue is adjusted because it includes an add-back of deferred revenue eliminated in purchase accounting of approximately \$6.5M for FY 2019. No deferred revenue adjustment is anticipated for Commercial Solutions in FY 2019, but the Commercial Solutions FY 2019 growth rate includes the \$0.8M of deferred revenue adjustment included in FY 2018.
- Guidance for Adjusted Diluted EPS incorporates interest expense based upon an assumed one-month LIBOR of 2.03% at the end of 2019.

Appendix

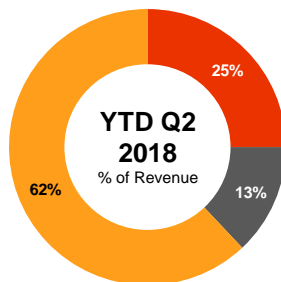
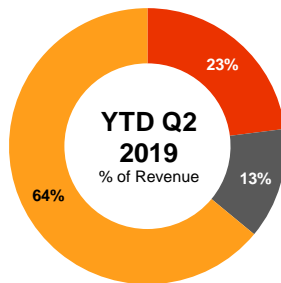
Diversified Customer Base and Service Offerings

Customer Profile



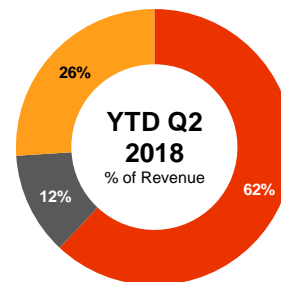
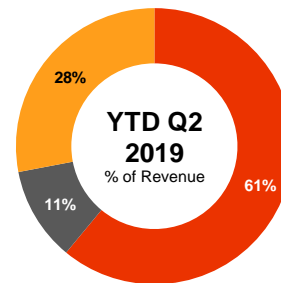
■ Top 20¹ ■ 21-50¹ ■ SMID

Customer Concentration



■ Top 5² ■ 6 - 10² ■ Remainder

Service Mix



■ Full-Service ■ FSP ■ Commercial Solutions
 Clinical Solutions

Total Clinical Solutions
72%

Total Clinical Solutions
74%

1. Top 20 and 21-50 Large Pharma defined by prior year R&D spend from *EvaluatePharma* and excludes medical device companies. To assist with the year-over-year comparison, YTD Q2 2018 has been recast using the updated rankings.
 2. Top 5 and 6 – 10 Syneos Health customers as defined by percentage of revenue.

Book-to-Bill and Backlog Burn Rate

Clinical Solutions

\$M					Q1 19	Q2 19
TTM Clinical Solutions net new business awards ¹				\$	4,193.5	\$ 3,965.3
TTM Clinical Solutions adjusted revenue ²					3,240.2	3,304.4
TTM Clinical Solutions book-to-bill ratio³					1.29 x	1.20 x

\$M						Q2 18	Q3 18	Q4 18	Q1 19	Q2 19
Clinical Solutions adjusted revenue	\$	787.3	\$	822.1	\$	824.2	\$	806.6	\$	851.5
Clinical Solutions beginning backlog		6,728.9		7,183.8		7,263.5		7,502.3		7,612.9
Clinical Solutions backlog burn rate⁴		11.7%		11.4%		11.3%		10.8%		11.2%

Commercial Solutions

\$M					Q1 19	Q2 19
TTM Commercial Solutions net new business awards ¹				\$	1,324.6	\$ 1,298.2
TTM Commercial Solutions adjusted revenue ²					1,223.0	1,250.9
TTM Commercial Solutions book-to-bill ratio³					1.08 x	1.04 x

Note: Beginning January 1, 2019, we began reporting information related to new business awards on a trailing-twelve-month basis under current accounting standard ASC 606 and are not presenting periods prior to Q1 19.

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, including our new business award recognition policy, please refer to Item 2 in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2019.
2. For a reconciliation of GAAP revenue by segment to Non-GAAP adjusted revenue by quarter starting on January 1, 2018, please reference slide 12 in the Appendix of this presentation.
3. TTM book-to-bill represents TTM net new business awards divided by TTM adjusted revenue.
4. Backlog burn is calculated as the quarterly segment adjusted revenue divided by the respective quarter's beginning backlog.

Reconciliation of GAAP Revenue by Segment to Adjusted Revenue by Segment

\$M	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	Q2 YTD 18	Q2 YTD 19	TTM
Clinical Solutions revenue, as reported	\$ 786.8	\$ 783.9	\$ 819.2	\$ 821.2	\$ 805.0	\$ 849.9	\$ 1,570.8	\$ 1,654.9	\$ 3,295.3
Clinical Solutions deferred revenue adjustment (a)	3.4	3.4	2.9	2.9	1.6	1.6	6.8	3.2	9.1
Clinical Solutions adjusted revenue	\$ 790.2	\$ 787.3	\$ 822.1	\$ 824.2	\$ 806.6	\$ 851.5	\$ 1,577.5	\$ 1,658.1	\$ 3,304.4
Commercial Solutions revenue, as reported	\$ 270.4	\$ 288.6	\$ 295.7	\$ 324.2	\$ 314.0	\$ 316.9	\$ 559.0	\$ 631.0	\$ 1,250.9
Commercial Solutions deferred revenue adjustment (a)	0.4	0.4	-	-	-	-	0.8	-	-
Commercial Solutions adjusted revenue	\$ 270.8	\$ 289.0	\$ 295.7	\$ 324.2	\$ 314.0	\$ 316.9	\$ 559.8	\$ 631.0	\$ 1,250.9
Revenue, as reported	\$ 1,057.2	\$ 1,072.5	\$ 1,114.9	\$ 1,145.5	\$ 1,119.0	\$ 1,166.8	\$ 2,129.7	\$ 2,285.8	\$ 4,546.2
Deferred revenue adjustment (a)	3.8	3.8	2.9	2.9	1.6	1.6	7.6	3.2	9.1
Adjusted revenue	\$ 1,061.0	\$ 1,076.3	\$ 1,117.9	\$ 1,148.4	\$ 1,120.6	\$ 1,168.4	\$ 2,137.3	\$ 2,289.0	\$ 4,555.3

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 (Loss) to Adjusted Net Income and Adjusted Diluted Earnings Per Share

\$M (except per share data)	Three months ended June 30,		Six months ended June 30,	
	2018	2019	2018	2019
Net income (loss), as reported	\$ 13.6	\$ 11.3	\$ (11.0)	\$ (18.7)
Acquisition-related deferred revenue adjustment (a)	3.8	1.6	7.6	3.2
Amortization (b)	49.9	41.5	99.9	83.1
Restructuring and other costs (c)	8.6	11.9	22.3	26.3
Transaction and integration-related expenses (d)	18.0	7.7	43.2	24.3
Share-based compensation (e)	8.4	13.8	16.2	28.1
Other expense, net (f)	(32.0)	(7.6)	(19.4)	1.3
Loss on extinguishment of debt (g)	1.9	-	2.1	4.4
Income tax adjustment to normalized rate (h)	(8.2)	(4.8)	(39.1)	(22.1)
Impact of base erosion and anti-abuse tax (i)	-	2.0	-	9.5
Adjusted net income	\$ 64.0	\$ 77.3	\$ 121.8	\$ 139.4
Diluted weighted average common shares outstanding	104.0	104.8	104.7	104.8
Adjusted diluted earnings per share	\$ 0.62	\$ 0.74	\$ 1.16	\$ 1.33

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 (Loss) to Adjusted EBITDA

\$M	Three months ended June 30,		Six months ended June 30,		Twelve months ended	
	2018	2019	2018	2019	December 31, 2018	June 30, 2019
Net income (loss), as reported	\$ 13.6	\$ 11.3	\$ (11.0)	\$ (18.7)	\$ 24.3	\$ 16.6
Interest expense, net	31.2	32.1	62.1	65.3	127.0	130.1
Income tax expense	16.0	22.3	7.1	32.7	33.0	58.6
Depreciation	17.6	19.2	35.6	38.8	72.2	75.4
Amortization (b)	49.9	41.5	99.9	83.1	201.5	184.7
EBITDA	128.3	126.5	193.7	201.2	458.0	465.4
Acquisition-related deferred revenue adjustment (a)	3.8	1.6	7.6	3.2	13.5	9.1
Restructuring and other costs (c)	8.6	11.9	22.3	26.3	50.8	54.8
Transaction and integration-related expenses (d)	18.0	7.7	43.2	24.3	64.8	45.9
Share-based compensation (e)	8.4	13.8	16.2	28.1	34.2	46.1
Other (income) expense, net (f)	(32.0)	(7.6)	(19.4)	1.3	(28.2)	(7.4)
Loss on extinguishment of debt (g)	1.9	-	2.1	4.4	4.2	6.4
Adjusted EBITDA	\$ 137.0	\$ 153.8	\$ 265.7	\$ 288.8	\$ 597.2	\$ 620.2

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 to Non-GAAP Financial Measures by Segment

	Clinical Solutions		Commercial Solutions		Clinical Solutions		Commercial Solutions	
	Three months ended June 30,		Three months ended June 30,		Six months ended June 30,		Six months ended June 30,	
	2018	2019	2018	2019	2018	2019	2018	2019
\$M								
Revenue, as reported	\$ 783.9	\$ 849.9	\$ 288.6	\$ 316.9	\$ 1,570.8	\$ 1,654.9	\$ 559.0	\$ 631.0
Deferred revenue adjustment (a)	3.4	1.6	0.4	-	6.8	3.2	0.8	-
Adjusted revenue	\$ 787.3	\$ 851.5	\$ 289.0	\$ 316.9	\$ 1,577.5	\$ 1,658.1	\$ 559.8	\$ 631.0
Operating income, as reported	\$ 106.8	\$ 127.9	\$ 34.1	\$ 38.9	\$ 212.3	\$ 237.4	\$ 63.2	\$ 74.0
Deferred revenue adjustment (a)	3.4	1.6	0.4	-	6.8	3.2	0.8	-
Segment adjusted EBITDA	\$ 110.2	\$ 129.5	\$ 34.5	\$ 38.9	\$ 219.1	\$ 240.6	\$ 64.0	\$ 74.0
Unallocated Corporate and Other Adjusted EBITDA:								
			Three months ended June 30,				Six months ended June 30,	
\$M			2018	2019			2018	2019
Operating income, as reported			\$ 30.7	\$ 58.1			\$ 40.9	\$ 85.0
Segment operating income, as reported			140.9	166.8			275.5	311.4
Unallocated corporate operating loss			(110.1)	(108.6)			(234.6)	(226.4)
Amortization (b)			49.9	41.5			99.9	83.1
Restructuring and other costs (c)			8.6	11.9			22.3	26.3
Transaction and integration-related expenses (d)			18.0	7.7			43.2	24.3
Share-based compensation (e)			8.4	13.8			16.2	28.1
Depreciation			17.6	19.2			35.6	38.8
Unallocated corporate and other adjusted EBITDA			\$ (7.6)	\$ (14.6)			\$ (17.4)	\$ (25.8)
Clinical Solutions segment adjusted EBITDA			110.2	129.5			219.1	240.6
Commercial Solutions segment adjusted EBITDA			34.5	38.9			64.0	74.0
Adjusted EBITDA			\$ 137.0	\$ 153.8			\$ 265.7	\$ 288.8

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 to Non-GAAP Financial Measures

Footnotes

- a) Represents non-cash adjustments resulting from the revaluation of deferred revenue and the subsequent elimination of revenue in purchase accounting in connection with business combinations.
- b) Represents the amortization of intangible assets associated with acquired customer relationships, backlog, and trademarks.
- c) Restructuring 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) consulting costs incurred for the continued consolidation of legal entities and restructuring of the Company's contract management process to meet the requirements of accounting regulation changes, and (iii) 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-related activities which primarily relate to the merger with inVentiv Health in 2017.
- e) Represents non-cash share-based compensation expense related to awards granted under equity incentive plans.
- f) Represents other expense (income) comprised primarily of foreign exchange gains and losses.
- g) Represents loss on extinguishment of debt associated with the debt prepayments and refinancing activities.
- h) 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 24.5% for the three and six months ended June 30, 2019, and 27.5% for the three and six months ended June 30, 2018. 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.
- i) Represents the net income tax effect recorded in the three and six months ended June 30, 2019 as a result of the base erosion and anti-abuse tax.

FY 2019 Guidance Reconciliation

Adjusted Net Income and Adjusted Diluted EPS

SM (except per share data)	Guidance Issued May 9, 2019				Updated Guidance Issued August 6, 2019			
	Adjusted Net Income		Adjusted Diluted Earnings Per Share		Adjusted Net Income		Adjusted Diluted Earnings Per Share	
	Low	High	Low	High	Low	High	Low	High
GAAP net income and diluted earnings per share	\$ 82.4	\$ 102.0	\$ 0.78	\$ 0.96	\$ 70.5	\$ 86.6	\$ 0.67	\$ 0.82
<i>Adjustments:</i>								
Acquisition-related deferred revenue adjustment ¹	6.5	6.5	0.06	0.06	6.5	6.5	0.06	0.06
Amortization ¹	166.0	166.0	1.57	1.57	166.0	166.0	1.58	1.58
Restructuring and other costs ¹	17.0	17.0	0.16	0.16	39.0	39.0	0.37	0.37
Transaction expenses ¹	41.0	41.0	0.39	0.39	41.0	41.0	0.39	0.39
Share-based compensation expense ¹	62.5	62.5	0.59	0.59	62.5	62.5	0.60	0.60
Other expense, net ¹	8.9	8.9	0.08	0.08	8.9	8.9	0.08	0.08
Loss on extinguishment of debt ¹	4.4	4.4	0.04	0.04	4.4	4.4	0.04	0.04
Income tax effect of above adjustments ²	(67.7)	(66.3)	(0.64)	(0.63)	(74.8)	(71.9)	(0.71)	(0.68)
Adjusted net income and adjusted diluted earnings per share^{3,4}	\$ 321.0	\$ 342.0	\$ 3.03	\$ 3.23	\$ 324.0	\$ 343.0	\$ 3.08	\$ 3.26

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. Income tax expense is calculated and the adjustments are tax-affected at an approximate rate of 24.0 – 25.0%, which represents the Company's estimated full-year non-GAAP effective tax rate and includes the Company's reassessment of certain provisions of the Tax Act as a result of updated guidance that was released and considered by the Company in late 2018.
3. Guidance for Adjusted Diluted EPS incorporates interest expense based upon an assumed one-month LIBOR of 2.03% through the end of 2019.
4. Guidance for Adjusted Diluted EPS is based on an expectation of a fully diluted weighted average share count for 2019 of approximately 105.2 million shares, which will vary by quarter.

FY 2019 Guidance Reconciliation

Adjusted EBITDA

\$M	Guidance Issued May 9, 2019		Updated Guidance Issued August 6, 2019		Q3 2019	
	FY 2019		FY 2019		Q3 2019	
	Low	High	Low	High	Low	High
GAAP Net income	\$ 82.4	\$ 102.0	\$ 70.5	\$ 86.6	\$ 25.5	\$ 29.7
<i>Adjustments:</i>						
Interest expense, net ¹	122.0	127.0	122.0	127.0	30.0	32.0
Income tax expense ¹	35.3	43.7	30.2	37.1	10.9	12.7
Depreciation ¹	79.0	81.0	79.0	81.0	20.0	22.0
Amortization ¹	166.0	166.0	166.0	166.0	41.5	41.5
EBITDA	484.7	519.7	467.7	497.7	127.9	137.9
Acquisition-related deferred revenue adjustment ¹	6.5	6.5	6.5	6.5	1.6	1.6
Restructuring and other costs ¹	17.0	17.0	39.0	39.0	7.0	7.0
Transaction expenses ¹	41.0	41.0	41.0	41.0	9.0	9.0
Share-based compensation expense ¹	62.5	62.5	62.5	62.5	14.5	14.5
Other expense, net ¹	8.9	8.9	8.9	8.9	-	-
Loss on extinguishment of debt ¹	4.4	4.4	4.4	4.4	-	-
Adjusted EBITDA	\$ 625.0	\$ 660.0	\$ 630.0	\$ 660.0	\$ 160.0	\$ 170.0

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.

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