



Syneos Health, Inc. (Nasdaq: SYNH)

Q2 2022 Financial Results

August 2, 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, inflation, and the war between Russia and Ukraine on our business, financial results and financial condition, expected interest rates, anticipated financial results for the third quarter and full year 2022, our sales pipeline, existing backlog and expectations of net awards, expected non-GAAP tax rate, trends in reimbursable out-of-pocket expenses, benefits of recent acquisitions, 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 of 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 our 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; the risks associated with doing business internationally, including risks related to the war in Ukraine; 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; the need to hire, develop, and retain key personnel; the impact of unfavorable economic conditions, including the uncertain international economic environment, changes in foreign currency 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; impacts from increasing focus on environmental sustainability and social initiatives; 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; intense competition faced by our customers from lower cost generic products and other competing products; 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, revenue excluding reimbursable expenses, 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. Revenue growth excluding reimbursable expenses on a constant currency basis is defined as revenue minus reimbursable out-of-pocket expenses, restated at comparative period's foreign currency exchange rates measured against the comparative period's revenue minus reimbursable expenses. 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, integration-related, and other 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, integration-related, and other 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.

The Company defines revenue excluding reimbursable expenses as revenue minus reimbursable out-of-pocket expenses.

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 June 30,			Six Months ended June 30,		
	2022	2021	% Change	2022	2021	% Change
Revenue	\$ 1,360.7	\$ 1,282.6	6.1%	\$ 2,697.0	\$ 2,491.4	8.3%
Gross profit	325.8	290.0	12.3%	617.7	553.5	11.6%
<i>Gross profit margin</i>	23.9%	22.6%	+130 bps	22.9%	22.2%	+70 bps
Selling, general, and administrative	139.0	144.7	(3.9%)	279.2	282.0	(1.0%)
<i>SG&A as a % of revenue</i>	10.2%	11.3%	-110 bps	10.4%	11.3%	-90 bps
Income from operations	116.6	83.7	39.3%	190.5	144.7	31.6%
<i>Operating margin</i>	8.6%	6.5%	+210 bps	7.1%	5.8%	+130 bps
Net income	77.7	41.9	85.5%	123.9	80.6	53.7%
<i>Net income margin</i>	5.7%	3.3%	+240 bps	4.6%	3.2%	+140 bps
Earnings per share	\$ 0.75	\$ 0.40	87.5%	\$ 1.19	\$ 0.77	54.5%

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

Non-GAAP Financial Results

\$M (except per share data)	Three Months ended June 30,			Six Months ended June 30,		
	2022	2021	% Change	2022	2021	% Change
Clinical Solutions revenue ¹	\$ 1,025.7	\$ 992.9	3.3%	\$ 2,044.1	\$ 1,932.5	5.8%
Commercial Solutions revenue ²	\$ 335.0	\$ 289.7	15.7%	\$ 652.9	\$ 558.9	16.8%
Revenue ³	\$ 1,360.7	\$ 1,282.6	6.1%	\$ 2,697.0	\$ 2,491.4	8.3%
Adjusted EBITDA	208.1	174.6	19.2%	381.7	325.8	17.2%
Adjusted EBITDA margin ⁴	15.3%	13.6%	+170 bps	14.2%	13.1%	+110 bps
Adjusted diluted EPS	\$ 1.25	\$ 0.97	28.9%	\$ 2.26	\$ 1.76	28.4%

- Highlights:**
- **Excluding reimbursable out-of-pocket expenses:**
 - **Clinical TTM Net New Business Awards grew 10.5% to \$3.6B, resulting in a 1.29x TTM book-to-bill**
 - **Commercial TTM Net New Business Awards grew 14.2% to \$1.2B, resulting in a 1.11x TTM book-to-bill**
 - **Clinical Solutions backlog growth of 12.1% and Deployment Solutions backlog growth of 19.6%, excluding reimbursable expenses**

Note: Segment and total revenue presented on a GAAP basis. 2021 segment revenue has been recast to conform to insignificant changes to management reporting in 2022.

1. Excluding a \$22.9M and \$34.7M foreign currency headwind during the three and six months ended June 30, 2022, respectively, Clinical Solutions revenue growth was 5.6% and 7.6% at constant currency compared to the same periods in the prior year.
2. Excluding a \$5.3M and \$7.5M foreign currency headwind during the three and six months ended June 30, 2022, respectively, Commercial Solutions revenue growth was 17.5% and 18.2% at constant currency compared to the same periods in the prior year.
3. Excluding a \$28.2M and \$42.2M foreign currency headwind during the three and six months ended June 30, 2022, respectively, total revenue growth was 8.3% and 9.9% at constant currency compared to the same periods in the prior year.
4. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Revenue.

For a reconciliation of the presented financial measures, please reference slides 14 – 17 in the Appendix of this presentation.

Segment Operating Metrics

\$M (except ratios)	Clinical Solutions			Commercial Solutions		
	As of June 30,			As of June 30,		
	2022	2021	% Change	2022	2021	% Change
Including reimbursable out-of-pocket expenses:						
TTM net new business awards ²	\$ 3,901.5	\$ 4,983.2	(21.7%)	\$ 1,400.3	\$ 1,245.7	12.4%
TTM book-to-bill ratio ²	0.94x	1.37x		1.09x	1.14x	
Ending backlog, Clinical Solutions	\$ 10,634.4	\$ 10,972.6	(3.1%)			
Ending backlog, Deployment Solutions				\$ 821.6	\$ 718.4	14.4%
Excluding reimbursable out-of-pocket expenses:						
TTM net new business awards	\$ 3,608.6	\$ 3,265.3	10.5%	\$ 1,234.9	\$ 1,081.6	14.2%
TTM book-to-bill ratio	1.29x	1.33x		1.11x	1.13x	
Ending backlog, Clinical Solutions	\$ 6,980.2	\$ 6,227.6	12.1%			
Ending backlog, Deployment Solutions				\$ 658.3	\$ 550.6	19.6%

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

- 2021 segment backlog and net new business awards have been recast to conform to insignificant changes to management reporting in 2022.
- Clinical Solutions net new business awards and book-to-bill ratios including reimbursable out-of-pocket expenses for the trailing twelve months were impacted by the adjustment made to Clinical Solutions backlog in the fourth quarter of 2021 to reflect the Company's expectation of reduced reimbursable expenses going forward.

Cash Flow, Leverage Profile, and Capital Management Update

\$M	June 30, 2022	December 31, 2021
Total Debt ¹	\$ 2,894.1	\$ 2,840.8
Less: Cash and Cash Equivalents ²	105.9	106.4
Net Debt	\$ 2,788.2	\$ 2,734.4
TTM Adjusted EBITDA	\$ 821.3	\$ 765.3
Net Leverage ³	3.4 x	3.6 x
Net DSO	48.1	44.0
\$M	Q2 22	Q2 21

Cash Flow provided by Operations	\$ 99.9	\$ 88.7
Less: Capital Expenditures	24.4	11.2
Free Cash Flow	\$ 75.5	\$ 77.5

Balanced Approach to Capital Management:

Goal: Continue to reduce net leverage

- Repaid \$95M of revolving credit facility during Q2 2022
- \$550.9M of revolving credit capacity available as of June 30, 2022

Goal: Maximize shareholder value with potential share repurchases

- No repurchases of common stock during Q2 2022 and \$150M of repurchases of common stock YTD Q2 2022
- Board approved \$350M share repurchase authorization during Q2 2022, all of which remains available through the end of 2024, as of June 30, 2022

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

1. Total debt represents the reported long-term debt of \$2,811.8M, finance leases of \$73.1M, and unamortized deferred issuance costs of \$9.2M as of June 30, 2022. Total debt represents the reported long-term debt of \$2,775.7M, finance leases of \$54.8M, and unamortized deferred issuance costs of \$10.3M as of December 31, 2021. 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, 2022.
2. Excludes Restricted Cash of \$0.1M as of June 30, 2022 and December 31, 2021.
3. Net leverage is Net Debt divided by TTM Adjusted EBITDA.

Full Year 2022 Outlook

\$M (except margin, growth rate, and per share data)	Updated Guidance Issued August 2, 2022		Guidance Issued April 29, 2022	
	Guidance Range	Growth Rate	Guidance Range	Growth Rate
Revenue¹	\$5,440 - \$5,540	4.4% - 6.3%	\$5,600 - \$5,750	7.4% - 10.3%
GAAP Net Income	\$281.8 - \$289.6	20.0% - 23.3%	\$283.9 - \$300.5	20.9% - 28.0%
<i>Net Income Margin²</i>	<i>5.2% - 5.2%</i>		<i>5.1% - 5.2%</i>	
GAAP Diluted EPS	\$2.72 - \$2.79	21.4% - 24.6%	\$2.73 - \$2.89	21.9% - 29.0%
Adjusted EBITDA	\$835.0 - \$865.0	9.1% - 13.0%	\$845.0 - \$885.0	10.4% - 15.6%
<i>Adjusted EBITDA Margin²</i>	<i>15.3% - 15.6%</i>		<i>15.1% - 15.4%</i>	
Adjusted Diluted EPS³	\$4.97 - \$5.11	11.4% - 14.6%	\$5.05 - \$5.25	13.2% - 17.7%

Note: The Company updated its full year 2022 guidance for revenue to reflect lower expected reimbursable expenses in its Clinical Solutions segment and the increased impact of foreign currency exchange rate fluctuations. The Company's underlying expectations for constant currency revenue growth, excluding reimbursable expenses, remain unchanged from its prior guidance. The Company updated its full-year 2022 guidance for GAAP Net Income, GAAP diluted EPS, Adjusted EBITDA and Adjusted Diluted EPS to reflect accelerated investments in its operations during the second half of 2022 to drive future growth and margin expansion.

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 \$76.5 – 85.5M, expected non-GAAP tax rate of 23.5%, and estimated diluted share count of 103.6 million shares, which will vary by quarter, and excludes any share repurchases subsequent to the first quarter of 2022. In addition, this guidance represents the Company's best efforts to estimate economic trends, including inflation, expected interest rates, the impact of COVID-19 and the war in Ukraine on its business.

1. Revenue guidance includes an anticipated \$110M headwind from foreign exchange, based upon currency rates as of July 15, 2022. In addition, revenue guidance includes approximately 70bps 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.

Third Quarter 2022 Outlook

\$M (except margin, growth rate, and per share data)	Guidance Range	Growth Rate
Revenue¹	\$1,365 - \$1,395	1.2% - 3.5%
GAAP Net Income	\$78.2 - \$80.7	0.0% - 3.2%
<i>Net Income Margin²</i>	<i>5.7% - 5.8%</i>	
GAAP Diluted EPS	\$0.76 - \$0.78	1.3% - 4.0%
Adjusted EBITDA	\$220.0 - \$230.0	8.6% - 13.5%
<i>Adjusted EBITDA Margin²</i>	<i>16.1% - 16.5%</i>	
Adjusted Diluted EPS³	\$1.32 - \$1.37	8.2% - 12.3%

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 \$20.8 – 23.3M, expected non-GAAP tax rate of 23.5%, and estimated diluted share count of 103.4 million shares and excludes any share repurchases subsequent to the second quarter of 2022. In addition, this guidance represents the Company's best efforts to estimate economic trends, including inflation, expected interest rates, the impact of COVID-19 and the war in Ukraine on its business.

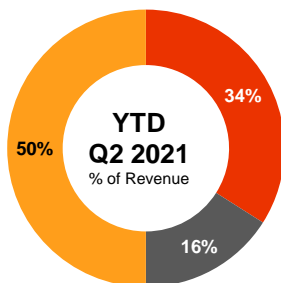
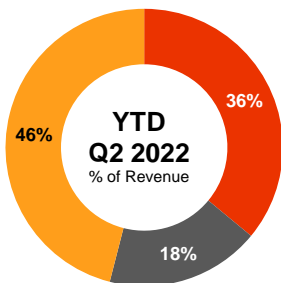
1. Revenue guidance includes an anticipated \$37M headwind from foreign exchange, based upon currency rates as of July 15, 2022. In addition, revenue guidance includes approximately 90 bps of inorganic growth from acquisitions closed during FY 2021.
2. Net income margin is defined as GAAP net income 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 20 – 21 in the Appendix of this presentation.

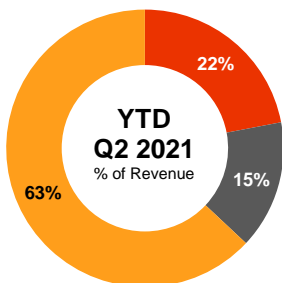
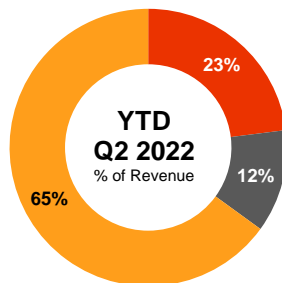
Appendix

Diversified Customer Base and Service Offerings

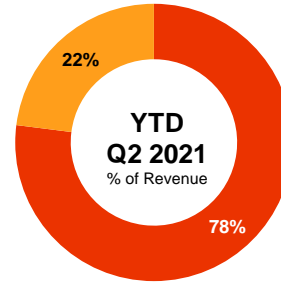
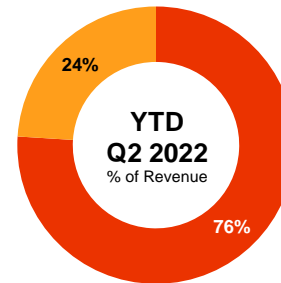
Customer Profile



Customer Concentration



Service Mix



■ Top 20¹ ■ 21-50¹ ■ SMID

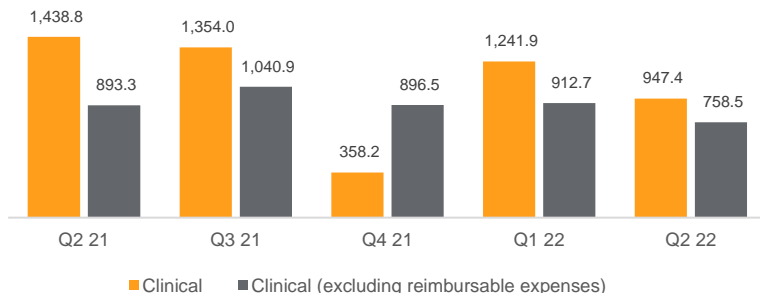
■ Top 5² ■ 6 - 10² ■ Remainder

■ Clinical Solutions ■ Commercial Solutions

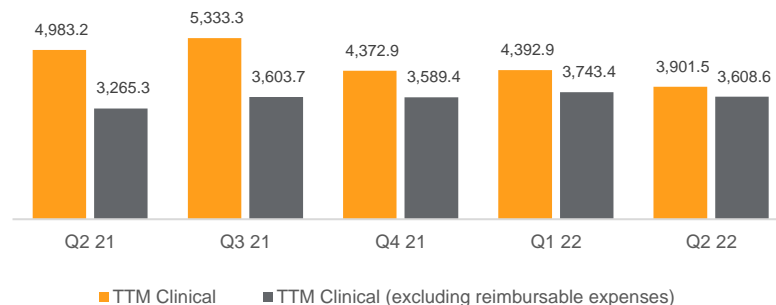
1. Top 20 and 21-50 Large Pharma defined by prior year R&D spend from *EvaluatePharma* and excludes medical device companies.
 2. Top 5 and 6 – 10 Syneos Health customers as defined by percentage of revenue.

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

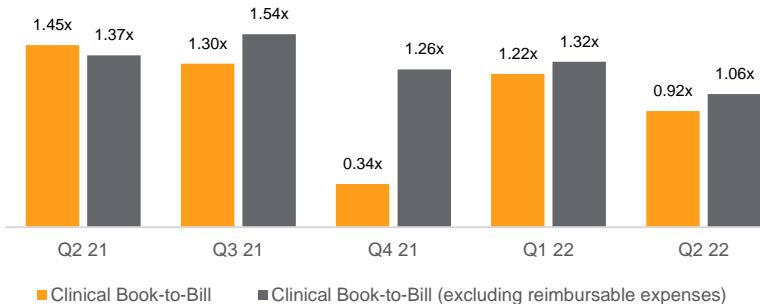
Clinical Solutions Net Awards (\$M)



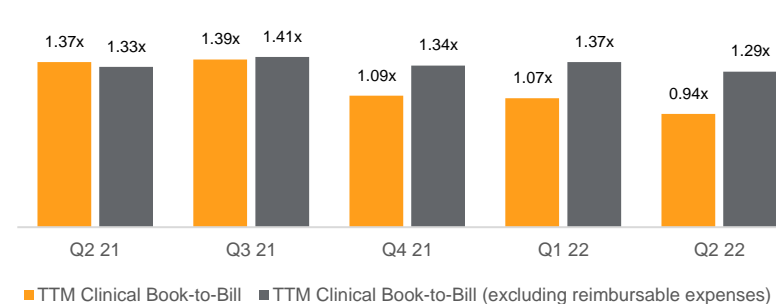
Clinical Solutions TTM Net Awards (\$M)



Clinical Solutions Book-to-Bill



Clinical Solutions TTM Book-to-Bill

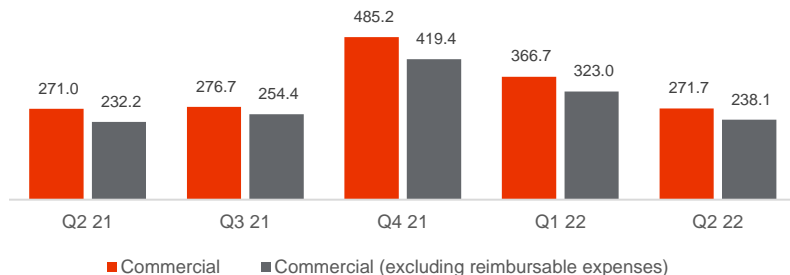


Note: Segment revenue and net new business awards have been recast to conform to insignificant changes to management reporting in 2022.

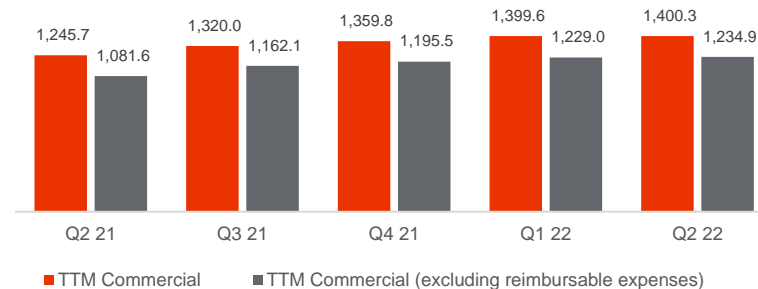
1. We recognize new business awards when we enter into a contract or when we receive a written commitment from the customer selecting us as a service provider. For additional information on new business awards, please refer to Item 2 in our Quarterly Report on Form 10-Q for the three months ended June 30, 2022.
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

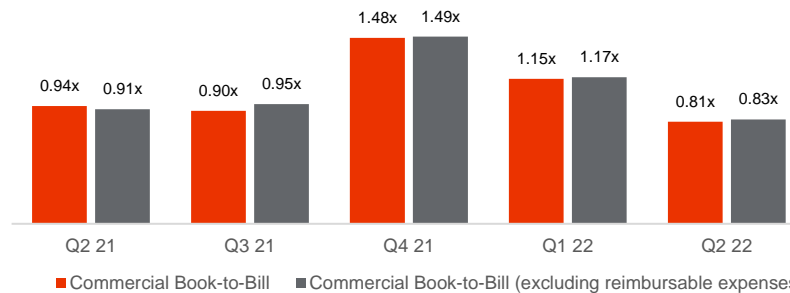
Commercial Solutions Net Awards (\$M)



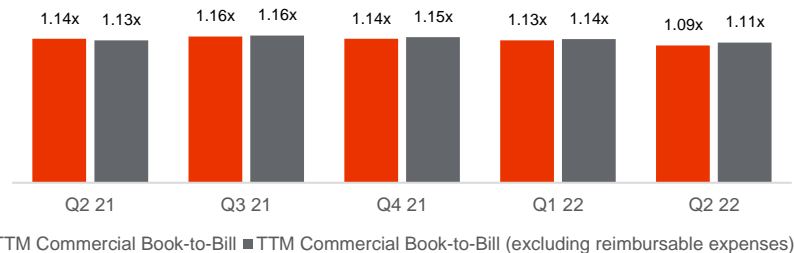
Commercial Solutions TTM Net Awards (\$M)



Commercial Solutions Book-to-Bill



Commercial Solutions TTM Book-to-Bill



Note: Segment revenue and net new business awards have been recast to conform to insignificant changes to management reporting in 2022.

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 2 in our Quarterly Report on Form 10-Q for the three months ended June 30, 2022.
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

Q2 21 – Q2 22

\$M (except per share data)	Q1 21	Q2 21	Q3 21	Q4 21	2021	Q1 22	Q2 22
Clinical Solutions revenue	\$ 939.6	\$ 992.9	\$ 1,040.0	\$ 1,045.2	\$ 4,017.7	\$ 1,018.4	\$ 1,025.7
Commerical Solutions revenue	269.2	289.7	308.2	328.2	1,195.3	317.9	335.0
Total revenue	1,208.7	1,282.6	1,348.2	1,373.4	5,213.0	1,336.3	1,360.7
Direct costs	945.3	992.6	1,031.9	1,024.8	3,994.5	1,044.4	1,034.9
Selling, general, and administrative	137.3	144.7	139.5	149.3	570.8	140.2	139.0
Restructuring and other costs	7.2	4.0	7.2	4.4	22.8	15.6	9.0
Depreciation	18.4	18.2	17.7	19.5	73.8	20.6	21.2
Amortization	39.5	39.6	38.6	44.2	161.8	41.6	40.0
Income from operations	61.0	83.7	113.4	131.2	389.3	73.9	116.6
Interest expense, net	23.3	22.6	16.8	16.5	79.1	15.8	18.1
Loss on extinguishment of debt	0.6	2.2	-	0.8	3.6	-	-
Other (income) expense, net	(9.9)	7.8	(3.8)	(2.8)	(8.6)	4.6	(5.2)
Income before provision for income taxes	47.0	51.0	100.4	116.7	315.2	53.5	103.7
Income tax expense	8.3	9.1	22.2	40.7	80.3	7.3	25.9
Net income	38.7	41.9	78.2	76.0	234.8	46.2	77.7
Diluted earnings per share	\$ 0.37	\$ 0.40	\$ 0.75	\$ 0.72	\$ 2.24	\$ 0.44	\$ 0.75
Reimbursable out-of-pocket expenses included in Direct Costs:	Q1 21	Q2 21	Q3 21	Q4 21	2021	Q1 22	Q2 22
<i>Clinical Solutions reimbursable out-of-pocket expenses</i>	314.0	339.5	362.7	331.1	1,347.3	325.2	309.3
<i>Commercial Solutions reimbursable out-of-pocket expenses</i>	34.8	34.4	40.5	46.5	156.3	40.7	48.3
Reimbursable out-of-pocket expenses	348.7	373.9	403.2	377.7	1,503.5	365.9	357.6

Note: Excluding reimbursable expenses, Total Company, Clinical Solutions and Commercial Solutions revenue growth for the three months ended June 30, 2022 was 10.4%, 9.6% and 12.3%, respectively, compared to the same period in the prior year. Excluding reimbursable expenses and on a constant currency basis, Total Company, Clinical Solutions and Commercial Solutions revenue growth for the three months ended June 30, 2022 was 12.4%, 11.7% and 14.2%, respectively, compared to the same periods in the prior year. The constant currency revenue growth excluding reimbursable expenses for Total Company, Clinical Solutions, and Commercial Solutions includes foreign exchange headwinds, excluding reimbursables expenses, of \$18.4M, \$13.4M, and \$5.0M, respectively.

Reconciliation of GAAP Net Income 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,	
	2022	2021	2022	2021
Net income, as reported	\$ 77.7	\$ 41.9	\$ 123.9	\$ 80.6
Amortization (a)	40.0	39.6	81.6	79.0
Restructuring and other costs (b)	9.0	4.0	24.5	11.2
Transaction, integration-related, and other expenses (c)	5.1	12.8	9.8	20.4
Share-based compensation (d)	16.2	16.4	33.5	33.8
Other (income) expense, net (e)	(5.2)	7.8	(0.5)	(2.0)
Loss on extinguishment of debt (f)	-	2.2	-	2.8
Income tax adjustment to normalized rate (g)	(13.7)	(23.0)	(38.7)	(41.0)
Adjusted net income	\$ 129.1	\$ 101.7	\$ 234.2	\$ 184.9
Diluted weighted average common shares outstanding	103.1	105.0	103.7	105.2
Adjusted diluted earnings per share	\$ 1.25	\$ 0.97	\$ 2.26	\$ 1.76

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 17 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 June 30,				Six Months ended June 30,			
	2022	2021	2022	2021	2022	2021	2022	2021
Net income and net income margin, as reported	\$ 77.7	\$ 41.9	5.7%	3.3%	\$ 123.9	\$ 80.6	4.6%	3.2%
Interest expense, net	18.1	22.6	1.3%	1.8%	33.8	45.9	1.3%	1.8%
Income tax expense	25.9	9.1	1.9%	0.7%	33.3	17.4	1.2%	0.7%
Depreciation	21.2	18.2	1.6%	1.4%	41.8	36.6	1.5%	1.5%
Amortization (a)	40.0	39.6	2.9%	3.1%	81.6	79.0	3.0%	3.2%
EBITDA and EBITDA margin	183.0	131.4	13.4%	10.2%	314.4	259.6	11.7%	10.4%
Restructuring and other costs (b)	9.0	4.0	0.7%	0.3%	24.5	11.2	0.9%	0.4%
Transaction, integration-related, and other expenses (c)	5.1	12.8	0.4%	1.0%	9.8	20.4	0.4%	0.8%
Share-based compensation (d)	16.2	16.4	1.2%	1.3%	33.5	33.8	1.2%	1.4%
Other (income) expense, net (e)	(5.2)	7.8	(0.4%)	0.6%	(0.5)	(2.0)	-	(0.1%)
Loss on extinguishment of debt (f)	-	2.2	-	0.2%	-	2.8	-	0.1%
Adjusted EBITDA and adjusted EBITDA margin	\$ 208.1	\$ 174.6	15.3%	13.6%	\$ 381.7	\$ 325.8	14.2%	13.1%

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 17 in the Appendix of this presentation.

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

\$M	Twelve months ended			
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Net income and net income margin, as reported	\$ 278.1	\$ 234.8	5.1%	4.5%
Interest expense, net	67.1	79.1	1.2%	1.5%
Income tax expense	96.2	80.3	1.8%	1.5%
Depreciation	79.0	73.8	1.5%	1.4%
Amortization (a)	164.4	161.8	3.0%	3.1%
EBITDA and EBITDA margin	684.8	629.9	12.6%	12.1%
Restructuring and other costs (b)	36.2	22.8	0.7%	0.4%
Transaction, integration-related, and other expenses (c)	41.7	52.4	0.8%	1.0%
Share-based compensation (d)	64.9	65.2	1.2%	1.3%
Other (income) expense, net (e)	(7.1)	(8.6)	(0.1%)	(0.2%)
Loss on extinguishment of debt (f)	0.8	3.6	-	0.1%
Adjusted EBITDA and adjusted EBITDA margin	\$ 821.3	\$ 765.3	15.2%	14.7%

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 17 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. Other expenses for the three and six months ended June 30, 2022 include costs resulting from the war in Ukraine, including costs related to impacted employees and ongoing assessment of imposed sanctions.
- 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 related to divested businesses.
- f) Loss on extinguishment of debt is associated with debt prepayments and refinancing activities.
- g) Represents the income tax effect of the non-GAAP adjustments made to arrive at adjusted net income using an estimated effective tax rate of approximately 23.5% for the three and six months ended June 30, 2022, and 24.0% for the three and six months ended June 30, 2021. 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

SM (except per share data)	Updated Guidance Issued August 2, 2022				Guidance Issued April 29, 2022			
	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	\$ 281.8	\$ 289.6	\$ 2.72	\$ 2.79	\$ 283.9	\$ 300.5	\$ 2.73	\$ 2.89
<i>Adjustments:</i>								
Amortization ¹	162.0	162.0	1.56	1.56	162.0	162.0	1.56	1.56
Restructuring and other costs ¹	37.0	39.0	0.36	0.38	30.0	32.0	0.29	0.31
Transaction, integration-related, and other expenses ¹	23.7	26.3	0.23	0.25	28.5	29.5	0.27	0.28
Share-based compensation ¹	62.2	65.8	0.60	0.63	66.0	68.0	0.64	0.65
Other (income) expense	(0.1)	(0.1)	-	-	4.6	4.6	0.04	0.04
Income tax effect of above adjustments ²	(51.4)	(52.9)	(0.50)	(0.51)	(50.7)	(50.8)	(0.49)	(0.49)
Adjusted net income and adjusted diluted earnings per share³	\$ 515.2	\$ 529.7	\$ 4.97	\$ 5.11	\$ 524.3	\$ 545.8	\$ 5.05	\$ 5.25

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 23.5%, which represents the Company's estimated full-year non-GAAP effective tax rate.
3. Guidance for Adjusted Diluted EPS is based on an expectation of a fully diluted weighted average share count for 2022 of approximately 103.6 million shares for the updated guidance issued on August 2, 2022, which will vary by quarter, and 103.9 million shares for the original guidance issued on April 29, 2022.

Full Year 2022 Guidance Reconciliation

Adjusted EBITDA and Adjusted EBITDA Margin

SM	Updated Guidance Issued August 2, 2022				Guidance Issued April 29, 2022				
	Adjusted EBITDA		Adjusted EBITDA Margin ²		Adjusted EBITDA		Adjusted EBITDA Margin ²		
	Low	High	Low	High	Low	High	Low	High	
GAAP Net income and net income margin	\$ 281.8	\$ 289.6	5.2%	5.2%	\$ 283.9	\$ 300.5	5.1%	5.2%	
<i>Adjustments:</i>									
Interest expense, net ¹	76.5	85.5	1.4%	1.5%	76.0	86.0	1.4%	1.5%	
Income tax expense ¹	106.9	109.9	2.0%	2.0%	110.4	116.9	2.0%	2.0%	
Depreciation ¹	85.0	87.0	1.6%	1.6%	83.6	85.6	1.5%	1.5%	
Amortization ¹	162.0	162.0	3.0%	2.9%	162.0	162.0	2.9%	2.8%	
EBITDA and EBITDA margin	712.2	734.0	13.1%	13.2%	715.9	750.9	12.8%	13.1%	
Restructuring and other costs ¹	37.0	39.0	0.7%	0.7%	30.0	32.0	0.5%	0.6%	
Transaction, integration-related, and other expenses ¹	23.7	26.3	0.4%	0.5%	28.5	29.5	0.5%	0.5%	
Share-based compensation ¹	62.2	65.8	1.1%	1.2%	66.0	68.0	1.2%	1.2%	
Other (income) expense	(0.1)	(0.1)	(0.0%)	(0.0%)	4.6	4.6	0.1%	0.1%	
Adjusted EBITDA and adjusted EBITDA margin	\$ 835.0	\$ 865.0	15.3%	15.6%	\$ 845.0	\$ 885.0	15.1%	15.4%	

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.

Third 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
GAAP net income and diluted earnings per share	\$ 78.2	\$ 80.7	\$ 0.76	\$ 0.78
<i>Adjustments:</i>				
Amortization ¹	40.0	40.0	0.39	0.39
Restructuring and other costs ¹	6.5	6.9	0.06	0.07
Transaction, integration-related, and other expenses ¹	6.8	8.8	0.07	0.09
Share-based compensation ¹	13.3	14.9	0.13	0.14
Income tax effect of above adjustments ²	(8.4)	(9.1)	(0.08)	(0.09)
Adjusted net income and adjusted diluted earnings per share³	\$ 136.4	\$ 142.1	\$ 1.32	\$ 1.37

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

Total Company revenue growth, excluding reimbursable expenses and on a constant currency basis for the third quarter 2022, is estimated at 12.6% compared to the same period in 2021. The 12.6% growth rate is calculated using the \$1,380 midpoint of revenue guidance, less estimated reimbursable expenses of \$340M, and an anticipated foreign exchange headwind excluding reimbursable expenses of \$24.2M.

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 23.5%, which represents the Company's estimated full-year non-GAAP effective tax rate.
3. Guidance for Adjusted Diluted EPS is based on an expectation of a fully diluted weighted average share count for 2022 of approximately 103.4 million shares, which will vary by quarter.

Third Quarter 2022 Guidance Reconciliation

Adjusted EBITDA and Adjusted EBITDA Margin

\$M	Adjusted EBITDA		Adjusted EBITDA Margin ²	
	Low	High	Low	High
GAAP Net income and net income margin	\$ 78.2	\$ 80.7	5.7%	5.8%
<i>Adjustments:</i>				
Interest expense, net ¹	20.8	23.3	1.5%	1.7%
Income tax expense ¹	33.5	34.6	2.5%	2.5%
Depreciation ¹	21.0	21.0	1.5%	1.5%
Amortization ¹	40.0	40.0	2.9%	2.9%
EBITDA and EBITDA margin	193.4	199.5	14.2%	14.3%
Restructuring and other costs ¹	6.5	6.9	0.5%	0.5%
Transaction, integration-related, and other expenses ¹	6.8	8.8	0.5%	0.6%
Share-based compensation ¹	13.3	14.9	1.0%	1.1%
Adjusted EBITDA and adjusted EBITDA margin	\$ 220.0	\$ 230.0	16.1%	16.5%

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[®].

