



Q1 2021 Earnings Call

April 22, 2021

Legal

This presentation should be viewed in conjunction with IQVIA's Q1 2021 earnings call

Safe Harbor Statement for Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, without limitation, our second-quarter and full-year 2021 guidance. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “forecast,” “believe,” “seek,” “see,” “will,” “would,” “target,” similar expressions, and variations or negatives of these words. Actual results may differ materially from our expectations due to a number of factors, including, but not limited to, the following: business disruptions caused by natural disasters, pandemics such as the COVID-19 (coronavirus) outbreak, international conflicts or other disruptions outside of our control; our ability to accurately model or forecast the spread and/or containment of COVID-19, among other sources of business interruption; most of our contracts may be terminated on short notice, and we may lose or experience delays with large client contracts or be unable to enter into new contracts; the market for our services may not grow as we expect; we may be unable to successfully develop and market new services or enter new markets; imposition of restrictions on our use of data by data suppliers or their refusal to license data to us; any failure by us to comply with contractual, regulatory or ethical requirements under our contracts, including current or changes to data protection and privacy laws; breaches or misuse of our or our outsourcing partners’ security or communications systems; failure to meet our productivity or business transformation objectives; failure to successfully invest in growth opportunities; our ability to protect our intellectual property rights and our susceptibility to claims by others that we are infringing on their intellectual property rights; the expiration or inability to acquire third party licenses for technology or intellectual property; any failure by us to accurately and timely price and formulate cost estimates for contracts, or to document change orders; hardware and software failures, delays in the operation of our computer and communications systems or the failure to implement system enhancements; the rate at which our backlog converts to revenue; our ability to acquire, develop and implement technology necessary for our business; consolidation in the industries in which our clients operate; risks related to client or therapeutic concentration; government regulators or our customers may limit the scope of prescription or withdraw products from the market, and government regulators may impose new regulatory requirements or may adopt new regulations affecting the biopharmaceutical industry; the risks associated with operating on a global basis, including currency or exchange rate fluctuations and legal compliance, including anti-corruption laws; risks related to changes in accounting standards; general economic conditions in the markets in which we operate, including financial market conditions and risks related to sales to government entities; the impact of changes in tax laws and regulations; and our ability to successfully integrate, and achieve expected benefits from, our acquired businesses. For a further discussion of the risks relating to the company’s business, see the “Risk Factors” in our annual report on Form 10-K for the fiscal year ended December 31, 2020, filed with the Securities and Exchange Commission (the “SEC”) as such factors may be amended or updated from time to time in our subsequent periodic and other filings with the SEC, which are accessible on the SEC’s website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation and in our filings with the SEC. We assume no obligation to update any such forward-looking statement after the date of this presentation, whether as a result of new information, future developments or otherwise.

Past Performance

In all cases where historical results are presented or past performance is described, we note that past performance is not a reliable indicator of future results and performance.

Trademarks

All trademarks or service marks are the property of IQVIA or their respective owners. Solely for convenience, the trademarks, service marks and trade names are referenced without the ®, (sm) and (TM) symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these marks.

Legal

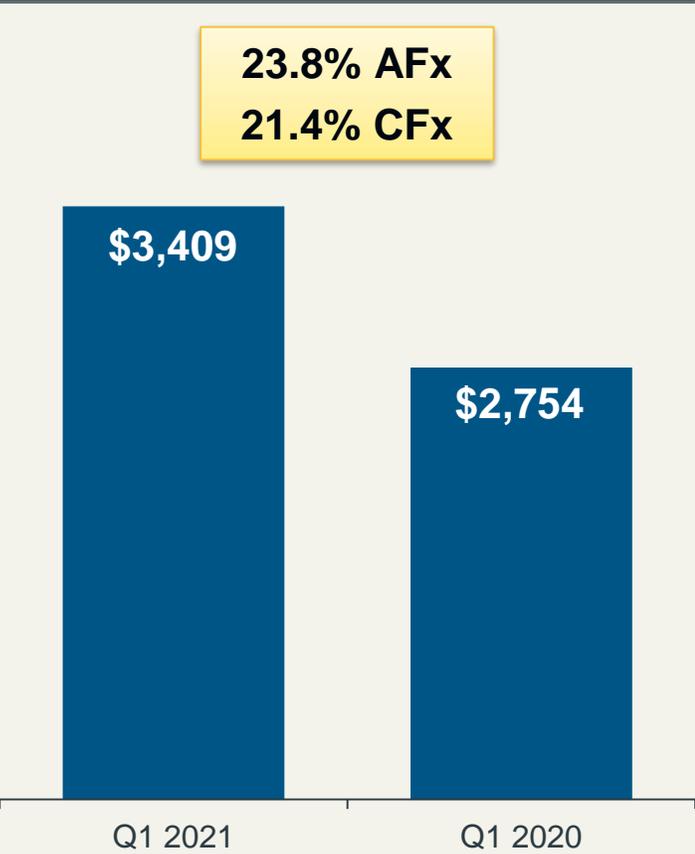
Non-GAAP Information

This presentation includes information based on financial measures that are not recognized under generally accepted accounting principles in the United States (“GAAP”), such as Adjusted EBITDA, Adjusted Net Income, and Adjusted Diluted Earnings per Share. Non-GAAP financial measures are presented only as a supplement to the company’s financial statements based on GAAP. Non-GAAP financial information is provided to enhance understanding of the company’s financial performance, but none of these non-GAAP financial measures are recognized terms under GAAP, and non-GAAP measures should not be considered in isolation from, or as a substitute analysis for, the company’s results of operations as determined in accordance with GAAP. The company uses non-GAAP measures in its operational and financial decision making, and believes that it is useful to exclude certain items in order to focus on what it regards to be a more meaningful indicator of the underlying operating performance of the business. For example, the company excludes all the amortization of intangible assets associated with acquired customer relationships and backlog, databases, non-compete agreements and trademarks, trade names and other from non-GAAP expense and income measures as such amounts can be significantly impacted by the timing and size of acquisitions. Although we exclude amortization of acquired intangible assets from our non-GAAP expenses, we believe that it is important for investors to understand that revenue generated from such intangibles is included within revenue in determining net income attributable to IQVIA Holdings Inc. As a result, internal management reports feature non-GAAP measures which are also used to prepare strategic plans and annual budgets and review management compensation. The company also believes that investors may find non-GAAP financial measures useful for the same reasons, although investors are cautioned that non-GAAP financial measures are not a substitute for GAAP disclosures. The non-GAAP financial measures are not presented in accordance with GAAP. Please refer to the appendix of this presentation for reconciliations of non-GAAP financial measures contained herein to the most directly comparable GAAP measures. Our second-quarter and full-year 2021 guidance measures (other than revenue) are provided on a non-GAAP basis because the company is unable to reasonably predict certain items contained in the GAAP measures. Such items include, but are not limited to, acquisition related expenses, restructuring and related expenses, stock-based compensation and other items not reflective of the company's ongoing operations.

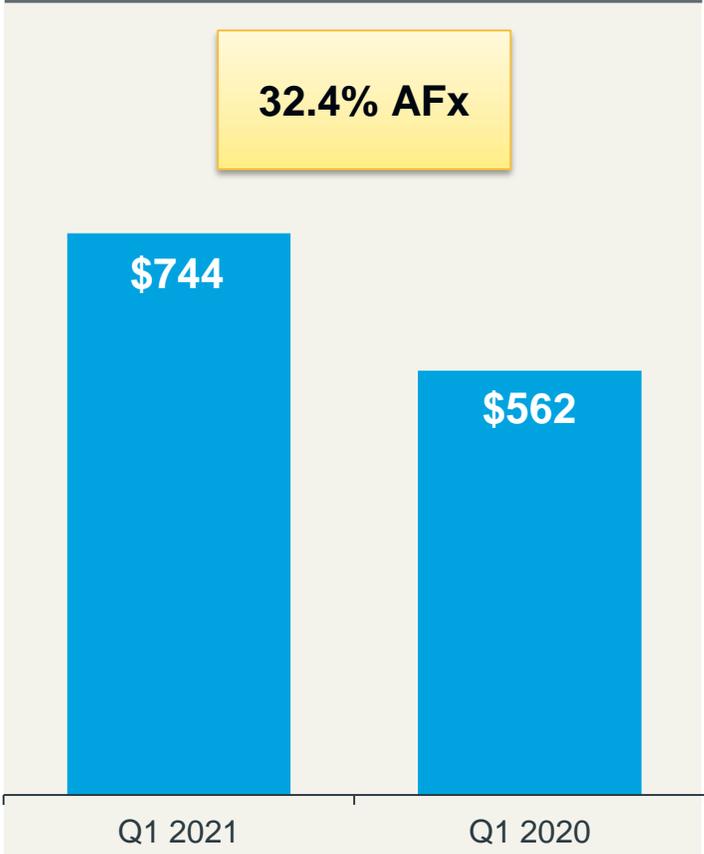
1st Quarter Results

\$M, except per share data

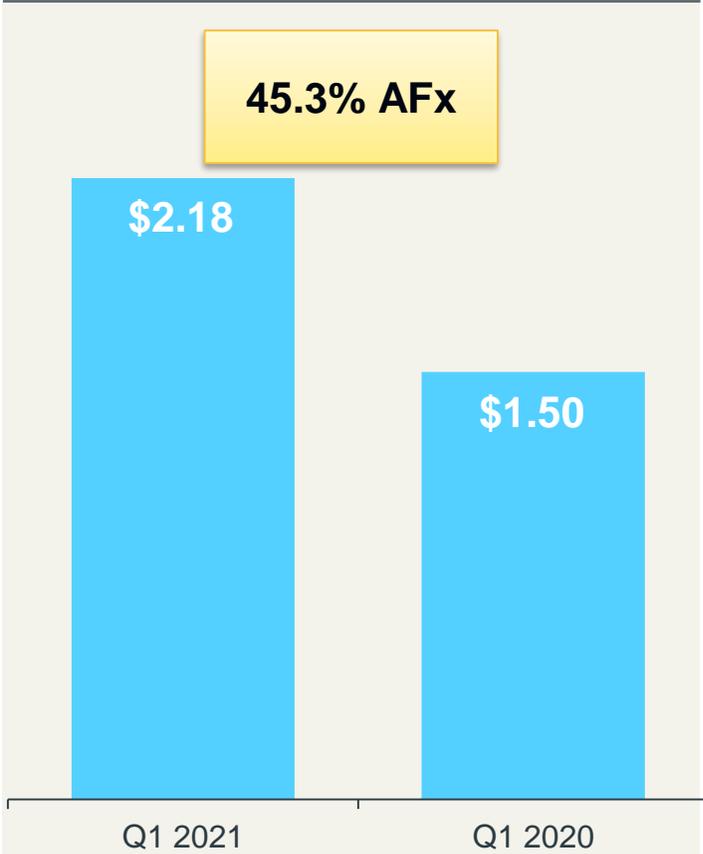
Revenue



Adjusted EBITDA⁽¹⁾



Adjusted Diluted EPS⁽¹⁾



Dollars are at actual foreign exchange rates. AFX is actual currency. CFX is constant currency.
(1) See reconciliation of non-GAAP items in the Appendix.

1st Quarter Revenue

\$M

	2021	2020	VPY% AFx	VPY% CFx
Technology & Analytics Solutions	\$1,348	\$1,117	20.7%	17.1%
Research & Development Solutions	\$1,868	\$1,441	29.6%	28.1%
Contract Sales & Medical Solutions	<u>\$193</u>	<u>\$196</u>	(1.5)%	(4.1)%
Revenue	\$3,409	\$2,754	23.8%	21.4%

1st Quarter Profit

\$M, except per share data

	2021	2020
Adjusted EBITDA ⁽¹⁾	\$744	\$562
Net Income	\$212	\$82
Diluted Earnings per Share	\$1.09	\$0.42
Adjusted Net Income ⁽¹⁾	\$425	\$294
Adjusted Diluted Earnings per Share ⁽¹⁾	\$2.18	\$1.50

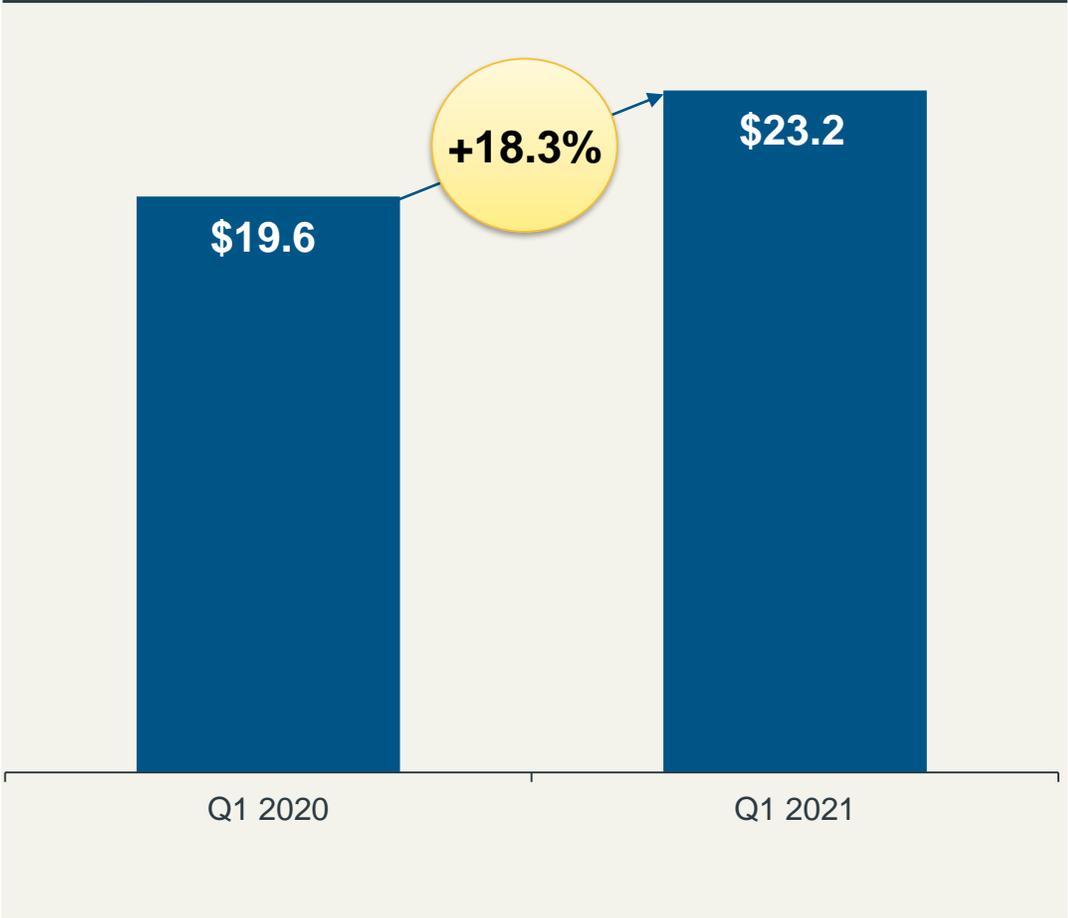
Dollars are at actual foreign exchange rates.

(1) See reconciliations of non-GAAP items in appendix.

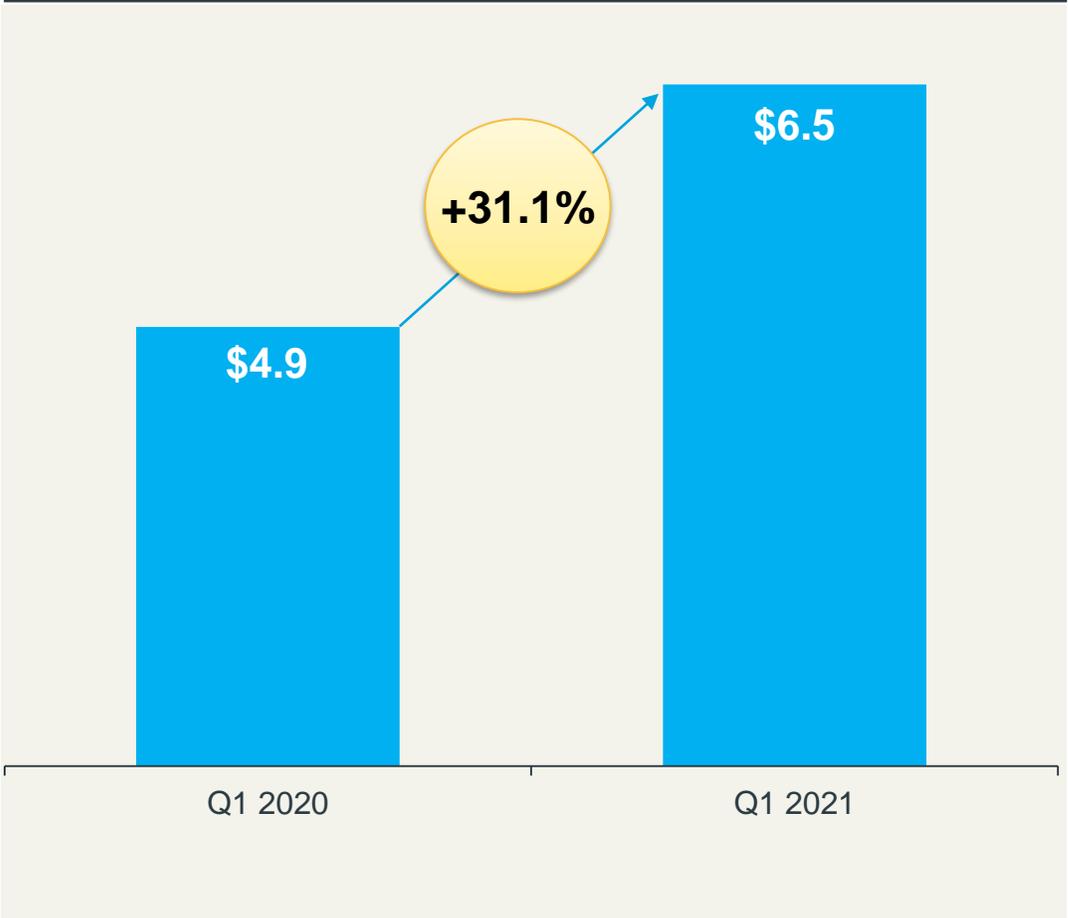
R&D Solutions Backlog and NTM Revenue

\$B

Backlog



Next Twelve Months Revenue



Dollars are at actual foreign exchange rates. NTM: Next Twelve Months

1st Quarter Balance Sheet and Cash Flow Items and Metrics

\$M

Cash & Cash Equivalents	\$2,305
Gross Debt	\$12,236
Net Debt	\$9,931
Gross Leverage Ratio ⁽¹⁾	4.8x
Net Leverage Ratio ⁽¹⁾	3.9x
Net Cash Provided by Operating Activities	\$867
Capital Expenditures	\$149
Free Cash Flow	\$718

Dollars are at actual foreign exchange rates.

(1) Calculated using last twelve months Adjusted EBITDA.

Full-Year 2021 Guidance

\$M, except per share data

	Updated Guidance April 22	Updated Guidance April 1 ⁽¹⁾	Guidance Feb 10 ⁽²⁾
Revenue VPY% ⁽³⁾	\$13,200 - \$13,500 16.2% - 18.8%	\$12,550 - \$12,900 10.5% - 13.6%	\$12,550 - \$12,900 10.5% - 13.6%
Adjusted EBITDA VPY% ⁽³⁾	\$2,900 - \$2,965 21.6% - 24.4%	\$2,760 - \$2,840 15.8% - 19.1%	\$2,760 - \$2,840 15.8% - 19.1%
Adjusted Diluted EPS VPY% ⁽³⁾	\$8.50 - \$8.75 32.4% - 36.3%	\$7.89 - \$8.20 22.9% - 27.7%	\$7.77 - \$8.08 21.0% - 25.9%

(1) Updated on April 1, 2021 as a result of the Q² Solutions transaction.

(2) As disclosed during Q4 2020 Earnings Call on February 10, 2021.

(3) Growth rates are at actual foreign currency exchange rates

All financial guidance assumes current foreign currency exchange rates remain in effect for the forecast period.

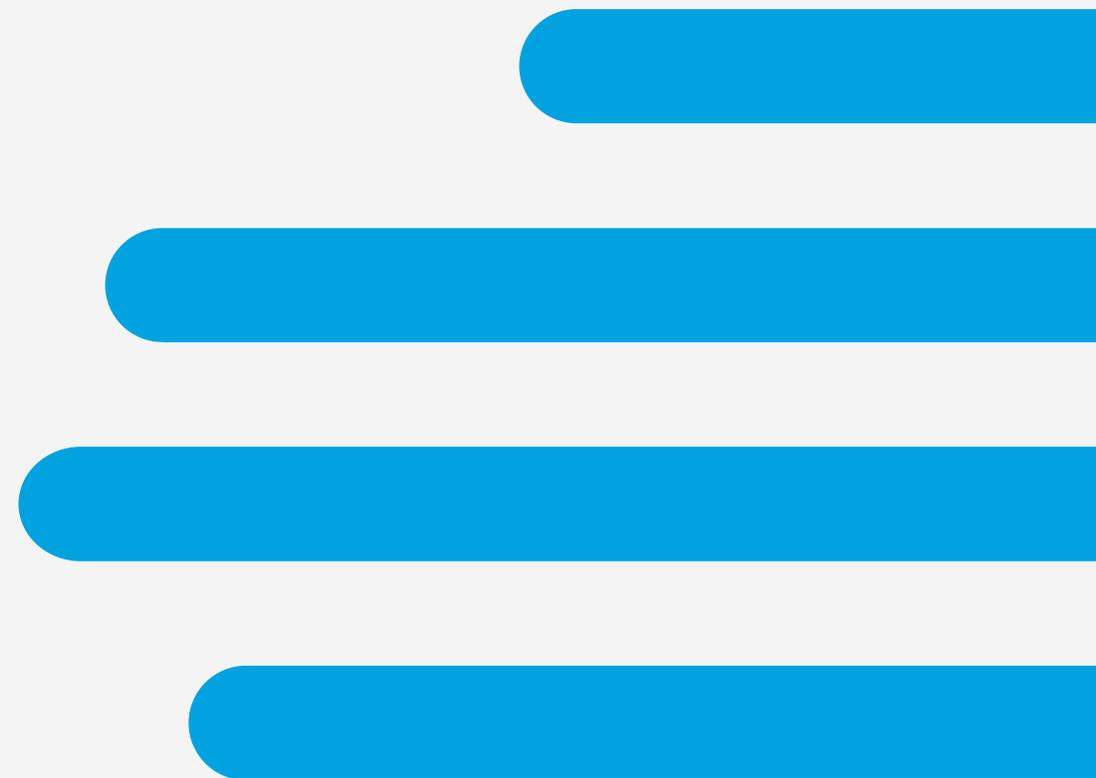
Q2 2021 Guidance

\$M, except per share data

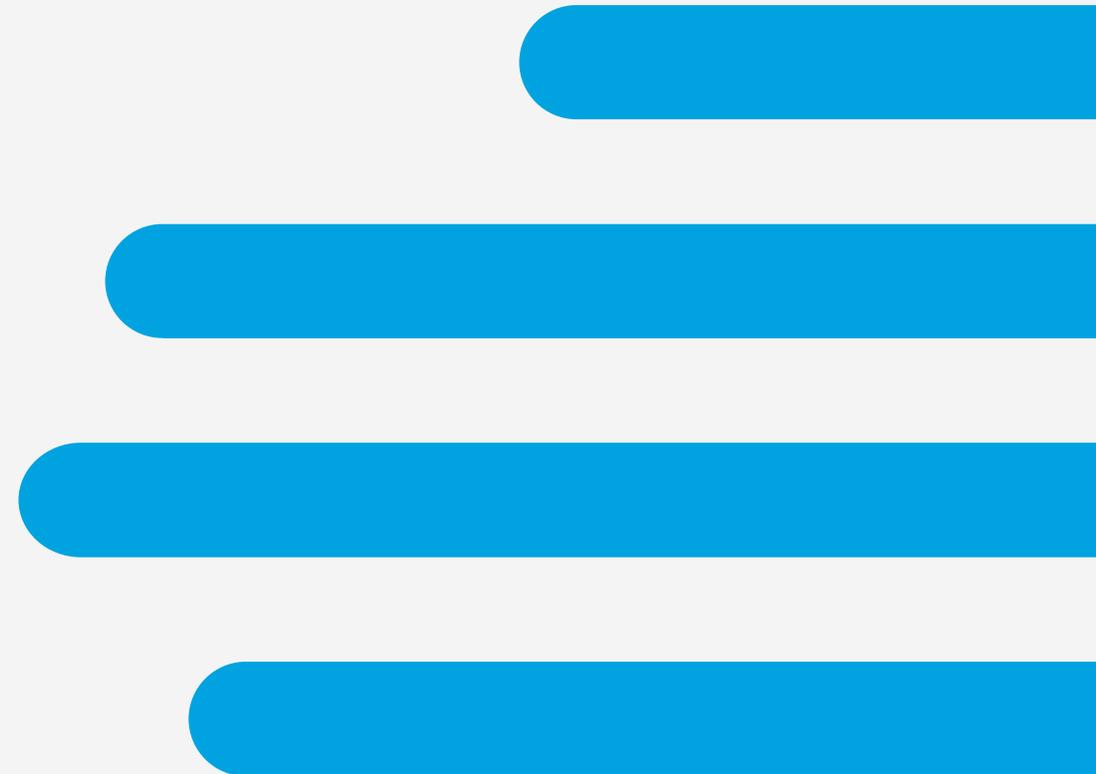
	Guidance	VPY% ⁽¹⁾
Revenue	\$3,225 – \$3,300	27.9% – 30.9%
Adjusted EBITDA	\$690 – \$715	42.9% – 48.0%
Adjusted Diluted EPS	\$2.00 – \$2.10	69.5% – 78.0%

(1) Growth rates are at actual foreign currency exchange rates
All financial guidance assumes current foreign currency exchange rates remain in effect for the forecast period

Q&A



Appendix



Net Income to Adjusted EBITDA Reconciliation

\$M

	Three Months Ended March 31,	
	2021	2020
Net Income Attributable to IQVIA Holdings Inc.	\$ 212	\$ 82
Provision for income taxes	44	17
Depreciation and amortization	323	316
Interest expense, net	98	104
Income in unconsolidated affiliates	(4)	(6)
Income from non-controlling interests	5	9
Stock-based compensation	32	—
Other income, net	(27)	(15)
Loss on extinguishment of debt	24	—
Restructuring and related expenses	19	15
Acquisition related expenses	18	40
Adjusted EBITDA	\$ 744	\$ 562

Net Income to Adj. Net Income and Per Share Data Reconciliation

\$M, except per share data

	Three Months Ended March 31,	
	2021	2020
Net Income Attributable to IQVIA Holdings Inc.	\$ 212	\$ 82
Provision for income taxes	44	17
Purchase accounting amortization ⁽¹⁾	225	239
Income in unconsolidated affiliates	(4)	(6)
Income from non-controlling interests	5	9
Stock-based compensation	32	—
Other income, net	(27)	(15)
Loss on extinguishment of debt	24	—
Restructuring and related expenses	19	15
Acquisition related expenses	18	40
Adjusted Pre Tax Income	\$ 548	\$ 381
Adjusted tax expense	(114)	(78)
Income from non-controlling interests	(5)	(9)
Minority interest effect in non-GAAP adjustments ⁽²⁾	(4)	—
Adjusted Net Income	\$ 425	\$ 294
Adjusted earnings per share attributable to common stockholders:		
Basic	\$ 2.22	\$ 1.53
Diluted	\$ 2.18	\$ 1.50
Weighted average common shares outstanding:		
Basic	191.5	191.6
Diluted	194.9	195.7

(1) Reflects all the amortization of acquired intangible assets.

(2) Reflects the portion of Q2 Solutions' after-tax non-GAAP adjustments attributable to the minority interest partner.

Leverage Ratios

\$M

Gross Debt, net of Original Issue Discount, as of March 31, 2021	\$ 12,236
Net Debt as of March 31, 2021	\$ 9,931
Adjusted EBITDA for the twelve months ended March 31, 2021	\$ 2,566
Gross Leverage Ratio (Gross Debt/LTM Adjusted EBITDA)	4.8x
Net Leverage Ratio (Net Debt/LTM Adjusted EBITDA)	3.9x