



Q2 2021 Earnings Call

July 27, 2021

Legal

This presentation should be viewed in conjunction with IQVIA's Q2 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 third-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

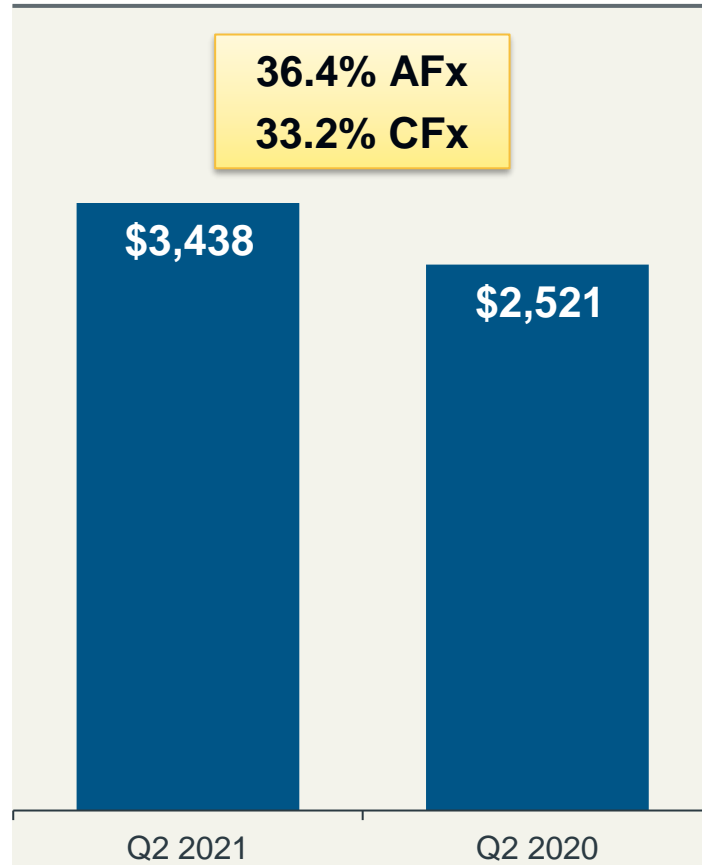
Non-GAAP Information

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 third-quarter and full-year 2021 guidance measures (other than revenue) are provided on a non-GAAP basis without a reconciliation to the most directly comparable GAAP measure because the company is unable to predict with a reasonable degree of certainty certain items contained in the GAAP measures without unreasonable effort. 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.

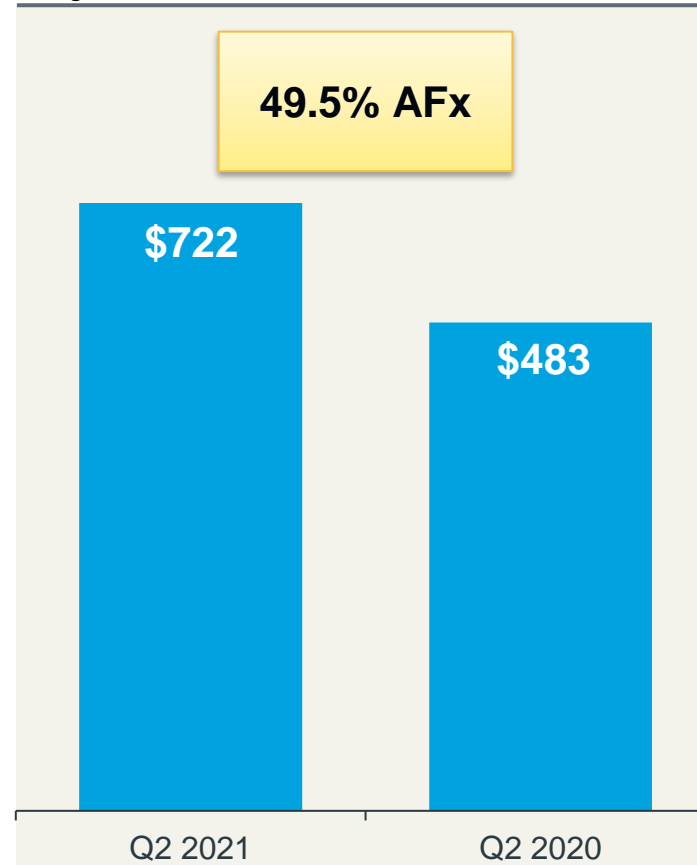
2nd Quarter Results

\$M, except per share data

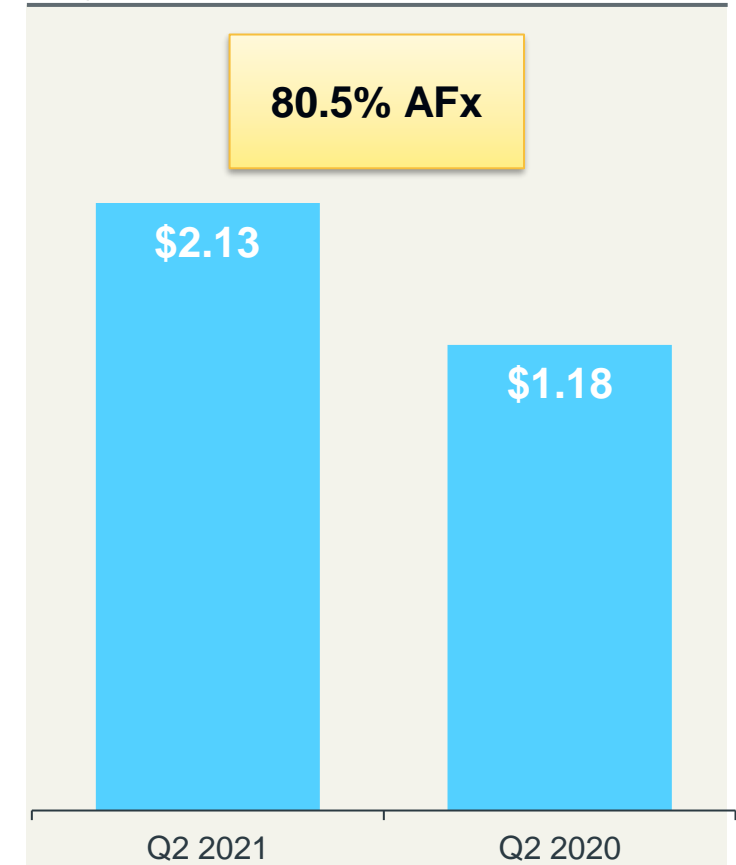
Revenue



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.

2nd Quarter and Year-to-Date Revenue

\$M

	Q2				YTD			
	2021	2020	VPY% AFx	VPY% CFx	2021	2020	VPY% AFx	VPY% CFx
Technology & Analytics Solutions	\$1,353	\$1,109	22.0%	17.9%	\$2,701	\$2,226	21.3%	17.5%
Research & Development Solutions	\$1,891	\$1,235	53.1%	50.7%	\$3,759	\$2,676	40.5%	38.5%
Contract Sales & Medical Solutions	<u>\$194</u>	<u>\$177</u>	<u>9.6%</u>	<u>7.3%</u>	<u>\$387</u>	<u>\$373</u>	<u>3.8%</u>	<u>1.3%</u>
Revenue	\$3,438	\$2,521	36.4%	33.2%	\$6,847	\$5,275	29.8%	27.0%

2nd Quarter and Year-to-Date Profit

\$M, except per share data

	Q2		YTD	
	2021	2020	2021	2020
Adjusted EBITDA ⁽¹⁾	\$722	\$483	\$1,466	\$1,045
Net Income	\$175	\$(23)	\$387	\$59
Diluted Earnings per Share	\$0.90	\$(0.12)	\$1.99	\$0.30
Adjusted Net Income ⁽¹⁾	\$416	\$229	\$841	\$523
Adjusted Diluted Earnings per Share ⁽¹⁾	\$2.13	\$1.18	\$4.32	\$2.68

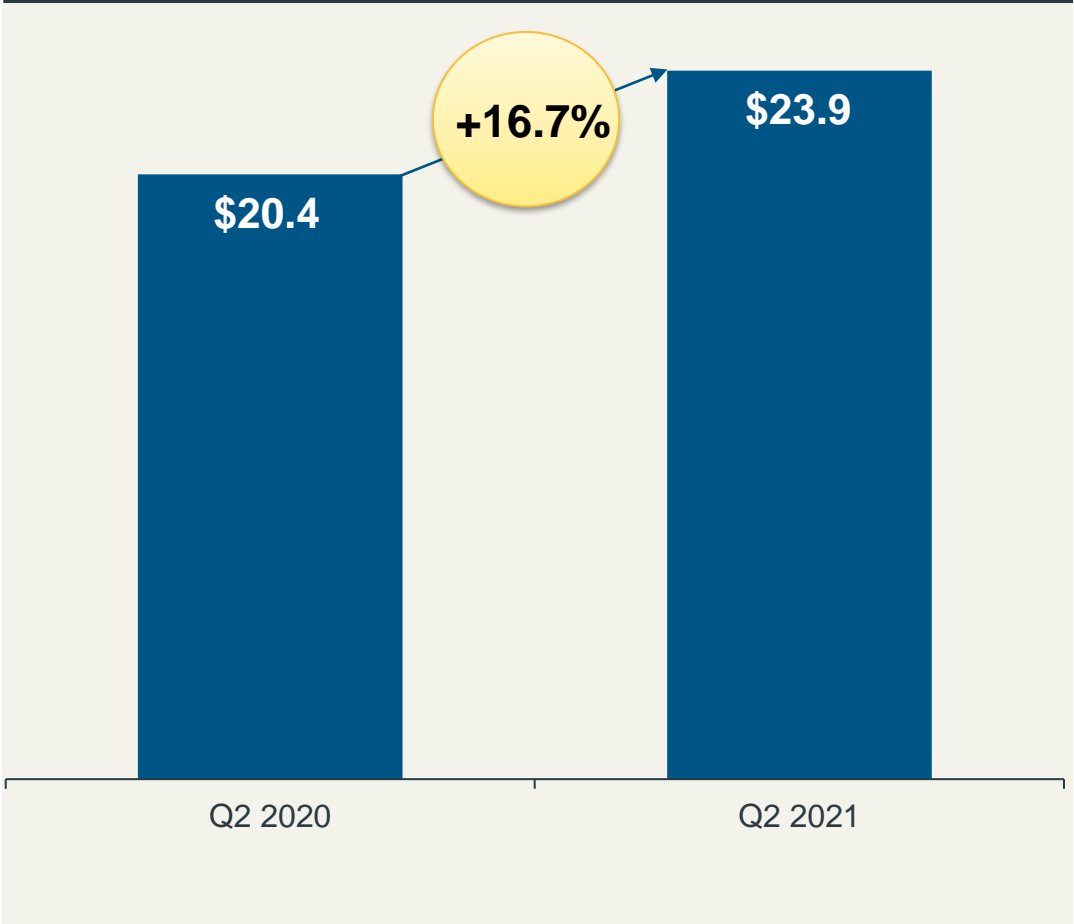
Dollars are at actual foreign exchange rates.

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

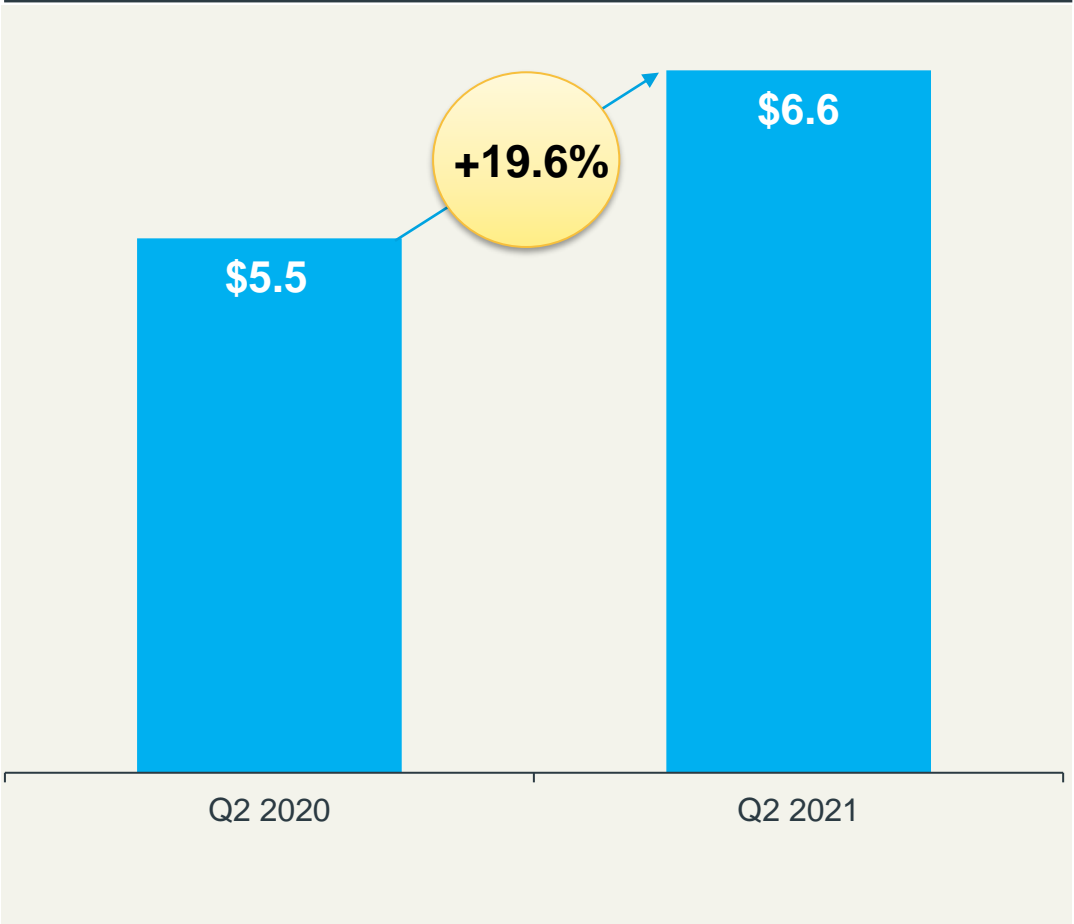
R&D Solutions Backlog and NTM Revenue

\$B

Backlog



Next Twelve Months Revenue



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

2nd Quarter Balance Sheet and Cash Flow Items and Metrics

\$M

Cash & Cash Equivalents	\$1,807
Gross Debt	\$12,287
Net Debt	\$10,480
Gross Leverage Ratio ⁽¹⁾	4.38x
Net Leverage Ratio ⁽¹⁾	3.74x
Net Cash Provided by Operating Activities	\$539
Capital Expenditures	\$145
Free Cash Flow	\$394

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 July 27	Prior Guidance April 22
Revenue <i>VPY%⁽¹⁾</i>	\$13,550 - \$13,700 <i>19.3% - 20.6%</i>	\$13,200 - \$13,500 <i>16.2% - 18.8%</i>
Adjusted EBITDA <i>VPY%⁽¹⁾</i>	\$2,950 - \$3,000 <i>23.7% - 25.8%</i>	\$2,900 - \$2,965 <i>21.6% - 24.4%</i>
Adjusted Diluted EPS <i>VPY%⁽¹⁾</i>	\$8.70 - \$8.90 <i>35.5% - 38.6%</i>	\$8.50 - \$8.75 <i>32.4% - 36.3%</i>

(1) Growth rates are at actual foreign currency exchange rates
All financial guidance assumes June 30th foreign exchange rates remain in effect for the forecast period

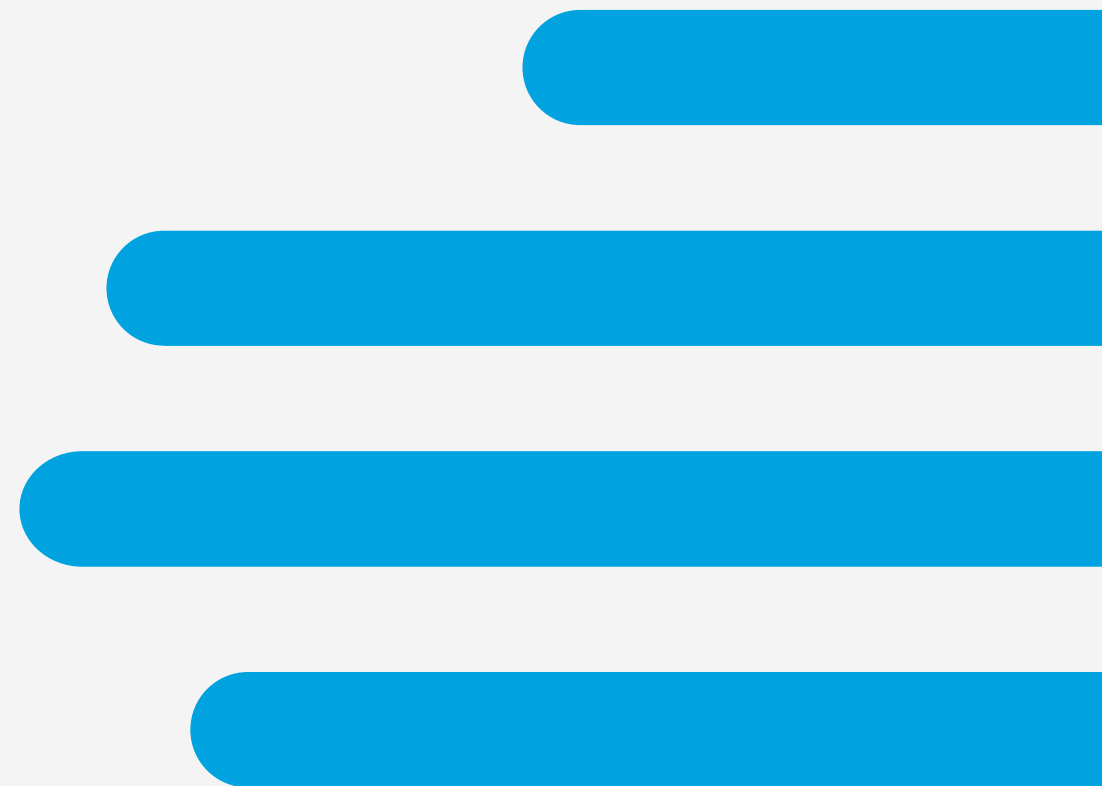
Q3 2021 Guidance

\$M, except per share data

	Guidance	VPY%⁽¹⁾
Revenue	\$3,290 – \$3,365	18.1% – 20.8%
Adjusted EBITDA	\$710 – \$730	17.5% – 20.9%
Adjusted Diluted EPS	\$2.06 – \$2.13	26.4% – 30.7%

(1) Growth rates are at actual foreign currency exchange rates
All financial guidance assumes June 30th foreign exchange rates remain in effect for the forecast period

Q&A



Appendix

Net Income to Adjusted EBITDA Reconciliation

\$M

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net Income (Loss) Attributable to IQVIA Holdings Inc.	\$ 175	\$ (23)	\$ 387	\$ 59
Provision for (benefit from) income taxes	48	(5)	92	12
Depreciation and amortization	343	308	666	624
Interest expense, net	93	107	191	211
(Loss) income in unconsolidated affiliates	(1)	1	(5)	(5)
Income from non-controlling interests	—	2	5	11
Deferred revenue purchase accounting adjustments	—	1	—	1
Stock-based compensation	48	36	80	36
Other income, net	(11)	(17)	(38)	(32)
Loss on extinguishment of debt	—	12	24	12
Restructuring and related expenses	12	25	31	40
Acquisition related expenses	15	36	33	76
Adjusted EBITDA	\$ 722	\$ 483	\$ 1,466	\$ 1,045

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

\$M, except per share data

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net Income (Loss) Attributable to IQVIA Holdings Inc.	\$ 175	\$ (23)	\$ 387	\$ 59
Provision for (benefit from) income taxes	48	(5)	92	12
Purchase accounting amortization ⁽¹⁾	239	226	464	465
(Loss) income in unconsolidated affiliates	(1)	1	(5)	(5)
Income from non-controlling interests	—	2	5	11
Deferred revenue purchase accounting adjustments	—	1	—	1
Stock-based compensation	48	36	80	36
Other income, net	(11)	(17)	(38)	(32)
Loss on extinguishment of debt	—	12	24	12
Restructuring and related expenses	12	25	31	40
Acquisition related expenses	15	36	33	76
Adjusted Pre Tax Income	\$ 525	\$ 294	\$ 1,073	\$ 675
Adjusted tax expense	(109)	(61)	(223)	(139)
Income from non-controlling interests	—	(2)	(5)	(11)
Minority interest effect in non-GAAP adjustments ⁽²⁾	—	(2)	(4)	(2)
Adjusted Net Income	\$ 416	\$ 229	\$ 841	\$ 523
Adjusted earnings per share attributable to common stockholders:				
Basic	\$ 2.17	\$ 1.20	\$ 4.39	\$ 2.73
Diluted	\$ 2.13	\$ 1.18	\$ 4.32	\$ 2.68
Weighted average common shares outstanding:				
Basic	191.6	190.9	191.6	191.3
Diluted	194.9	194.3	194.9	195.0

(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

<u>Gross Debt, net of Original Issue Discount, as of June 30, 2021</u>	<u>\$ 12,287</u>
<u>Net Debt as of June 30, 2021</u>	<u>\$ 10,480</u>
<u>Adjusted EBITDA for the twelve months ended June 30, 2021</u>	<u>\$ 2,805</u>
Gross Leverage Ratio (Gross Debt/LTM Adjusted EBITDA)	4.4x
<u>Net Leverage Ratio (Net Debt/LTM Adjusted EBITDA)</u>	<u>3.7x</u>

Operating Cash Flow to Free Cash Flow Reconciliation

\$M

	Three Months Ended June 30,	Six Months Ended June 30,
	2021	2021
Net Cash provided by Operating Activities	\$ 539	\$ 1,406
Acquisition of property, equipment and software	(145)	(294)
Free Cash Flow	\$ 394	\$ 1,112