



Q4 2018 Earnings Call

February 14, 2019

Legal

This presentation should be viewed in conjunction with IQVIA's Q4 2018 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 2019 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," "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: that 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; 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; hardware and software failures, delays in the operation of our computer and communications systems or the failure to implement system enhancements; 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; 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; 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, including the impact of the changes to the revenue recognition 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 combined company's business, see the "Risk Factors" in our annual report on Form 10-K for the fiscal year ended December 31, 2017, filed with 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 release, whether as a result of new information, future developments or otherwise.

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, Adjusted Basic and Diluted Earnings per Share. Management believes that these measures are useful to assess the company's operating performance trends on a more consistent basis from period to period because they exclude certain non-cash items, certain variable costs and certain other adjustments. The non-GAAP 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 comparable GAAP measures.

Our 2019 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 and integration related expenses, restructuring and related charges, share-based compensation and other items not reflective of the company's ongoing operations.

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.

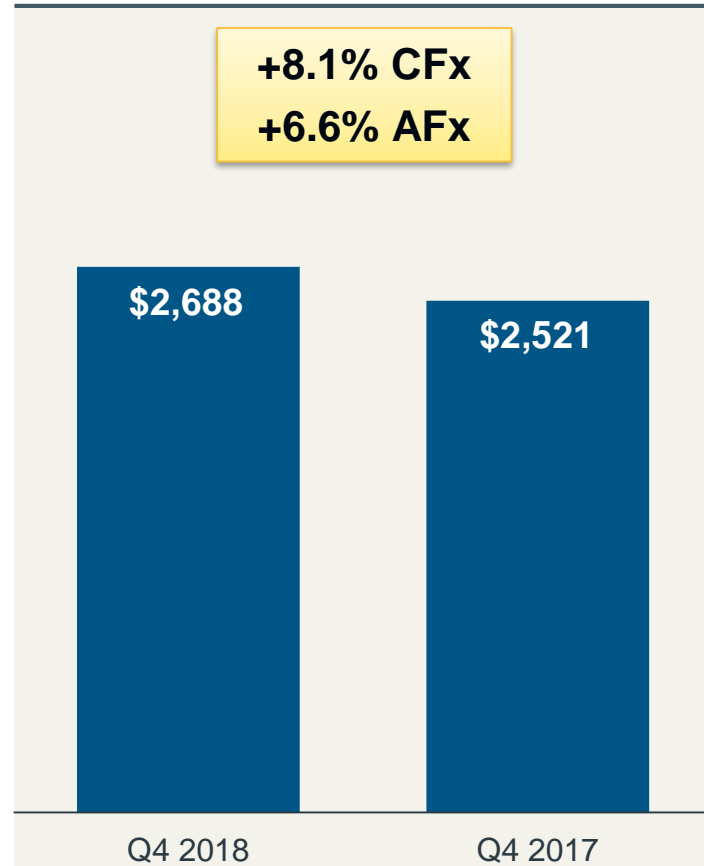
Trademarks

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.

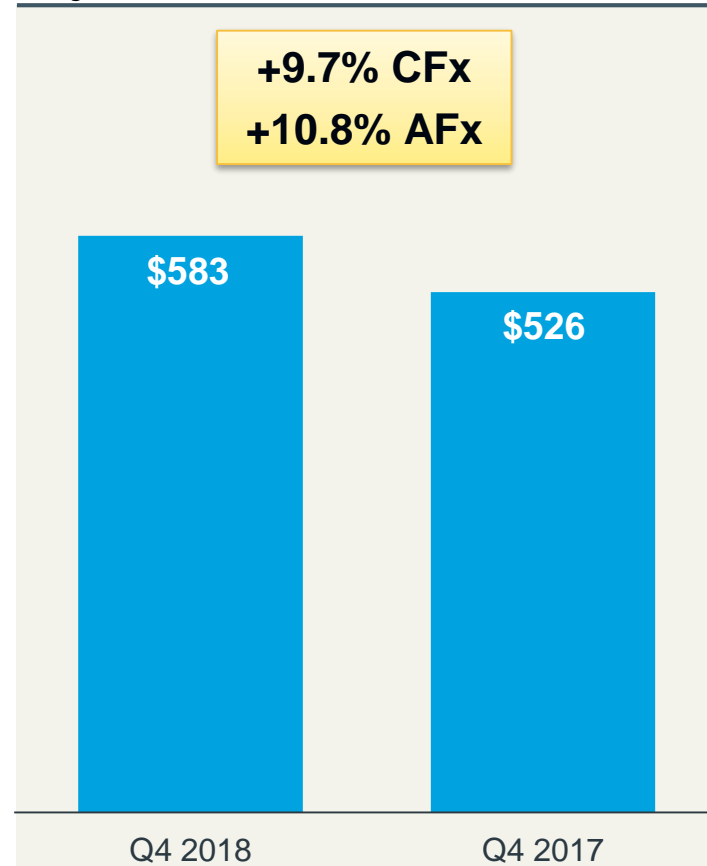
4th Quarter Results

\$M, except per share data

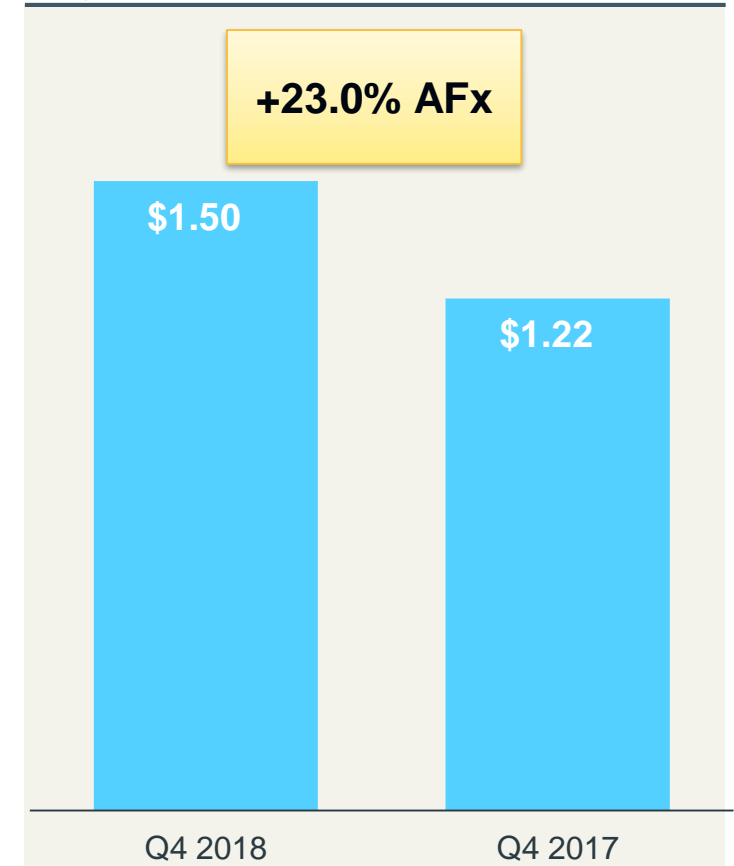
Revenue



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
Financials reported under ASC 606 "Revenue from Contracts with Customers". Prior year values recast.

4th Quarter and Full-Year Revenue

\$M

	Q4				Full Year			
	2018	2017	VPY% AFx	VPY% CFx	2018	2017	VPY% AFx	VPY% CFx
Technology & Analytics Solutions	\$1,127	\$1,036	8.8%	10.9%	\$4,137	\$3,682	12.4%	12.1%
Research & Development Solutions	\$1,368	\$1,269	7.8%	8.7%	\$5,465	\$5,105	7.1%	6.5%
Contract Sales & Medical Solutions	<u>\$193</u>	<u>\$216</u>	(10.6)%	(8.8)%	<u>\$810</u>	<u>\$915</u>	(11.5)%	(12.2)%
Revenue	\$2,688	\$2,521	6.6%	8.1%	\$10,412	\$9,702	7.3%	6.8%

Dollars are at actual foreign exchange rates. AFx is actual currency, CFx is constant currency.
 Numbers may not add up to total due to rounding.
 Financials reported under ASC 606 "Revenue from Contracts with Customers". Prior year values recast.

4th Quarter and Full-Year Profit

\$M, except per share data

	Q4		Full Year	
	2018	2017	2018	2017
Adjusted EBITDA ⁽¹⁾	\$583	\$526	\$2,224	\$2,010
Net Income ⁽²⁾	\$69	\$1,027	\$259	\$1,277
Diluted Earnings per Share ⁽²⁾	\$0.34	\$4.79	\$1.24	\$5.74
Adjusted Net Income ⁽¹⁾	\$307	\$261	\$1,156	\$1,014
Adjusted Diluted Earnings per Share ⁽¹⁾	\$1.50	\$1.22	\$5.55	\$4.55

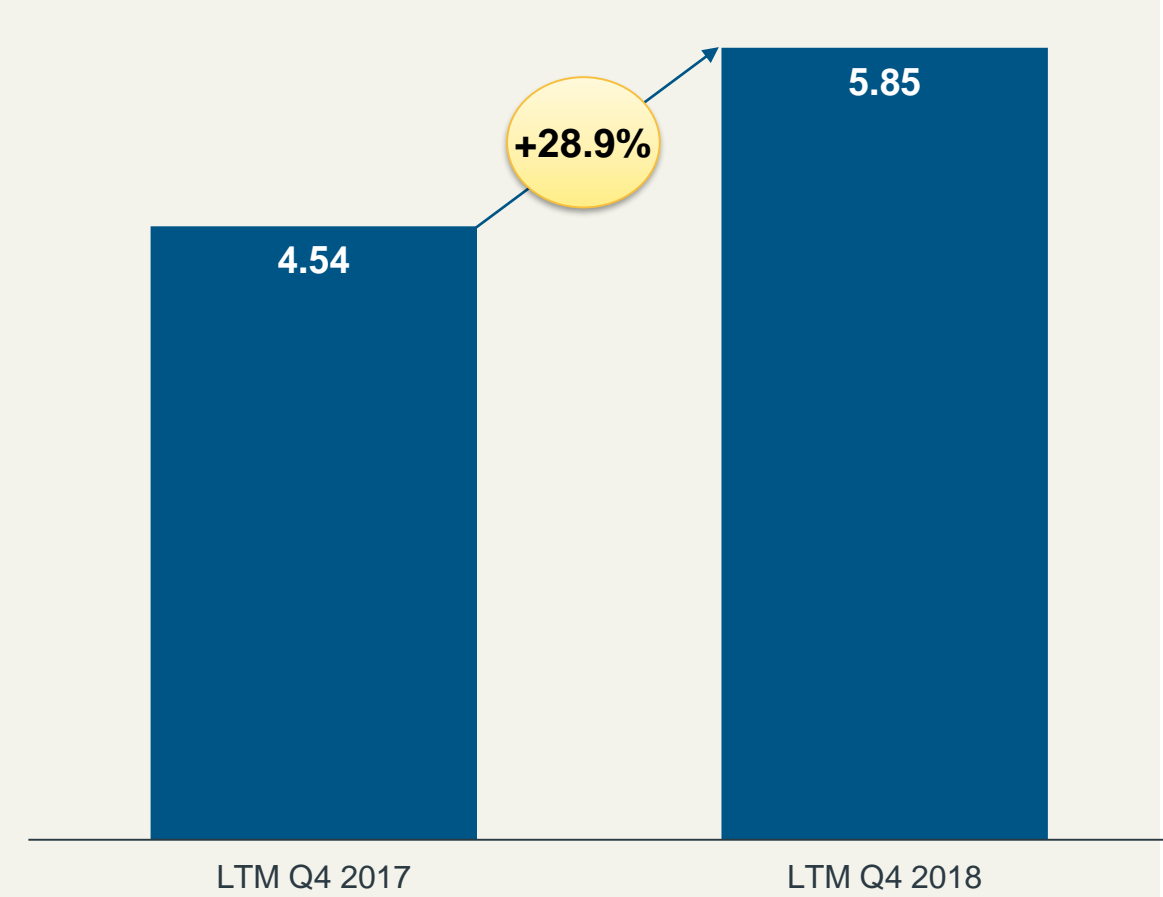
Dollars are at actual foreign exchange rates.

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

(2) 2017 GAAP Net Income and GAAP EPS included a one-time reduction of net deferred tax liabilities in the U.S. of \$977 million. This reduction related to the Tax Cuts and Jobs Act enacted in 2017. Financials reported under ASC 606 "Revenue from Contracts with Customers". Prior year values recast.

R&D Solutions Contracted Services⁽¹⁾ Net New Business

\$B



LTM: Last twelve months.

(1) Services New Business excludes reimbursed expenses (i.e. pass through).

4th Quarter Balance Sheet and Cash Flow Items and Metrics

\$M

Cash & Cash Equivalents	\$891
Gross Debt	\$11,007
Net Debt	\$10,116
Gross Leverage Ratio ⁽¹⁾	4.9x
Net Leverage Ratio ⁽¹⁾	4.5x
Net Cash Provided by Operating Activities	\$417
Capital Expenditures	\$(138)
Free Cash Flow	\$279

Dollars are at actual foreign exchange rates.

(1) Calculated using last twelve months Adjusted EBITDA.

Full-Year 2019 Guidance

\$M, except per share data

Revenue VPY%	\$10,900 - \$11,125 4.7% - 6.8%
Adjusted EBITDA VPY%	\$2,375 - \$2,425 6.8% - 9.0%
Adjusted Diluted EPS VPY%	\$6.20 - \$6.40 11.7% - 15.3%
Adjusted Book Tax rate ⁽¹⁾	~22%
Adjusted Cash Tax rate ⁽¹⁾	~15%

Dollars are at actual foreign exchange rates.

Guidance assumes current exchange rates remain unchanged from January 1, 2019 to the end of the year.

Guidance based on ASC 606 "Revenue from Contracts with Customers".

(1) Adjusted Book Tax Rate is defined as adjusted book tax divided by adjusted pre-tax income; Adjusted Cash Tax Rate is defined as cash taxes divided by adjusted pre-tax income.

Full-Year 2019 Segment Revenue Guidance

\$M

	2019	VPY% CFx	VPY% Afx
Technology & Analytics Solutions	\$4,350 - \$4,425	6.7% - 8.6%	5.1% - 7.0%
Research & Development Solutions	\$5,750 - \$5,900	6.0% - 8.8%	5.2% - 8.0%
Contract Sales & Medical Solutions	<u>~\$800</u>	<u>~flat</u>	<u>~(1.2)%</u>
Revenue	\$10,900 – \$11,125	5.8% - 7.9%	4.7% - 6.8%

Dollars are at actual foreign exchange rates. Afx is actual currency, CFx is constant currency.
 Guidance assumes current exchange rates remain unchanged from January 1, 2019 to the end of the year.
 Guidance based on ASC 606 "Revenue from Contracts with Customers".



Q&A

Appendix

Net Income to Adjusted EBITDA Reconciliation

\$M

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Net Income Attributable to IQVIA Holdings Inc.	\$ 69	\$ 1,027	\$ 259	\$ 1,277
Provision for (benefit from) income taxes	30	(999)	59	(992)
Depreciation and amortization	294	278	1,141	1,011
Interest expense, net	103	95	406	339
Income in unconsolidated affiliates	(2)	(3)	(15)	(10)
Income from non-controlling interests	7	8	25	19
Deferred revenue purchasing accounting adjustments	1	5	7	15
Stock-based compensation	35	24	113	106
Other expense, net	—	22	27	37
(Gain) Loss on extinguishment of debt	—	(2)	2	19
Impairment charges	—	—	—	40
Restructuring and related charges	2	25	68	63
Acquisition related charges	12	17	50	44
Integration related costs	32	29	82	42
Adjusted EBITDA	\$ 583	\$ 526	\$ 2,224	\$ 2,010

Numbers may not add to total due to rounding.

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

\$M, except per share data

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Net Income Attributable to IQVIA Holdings Inc.	\$ 69	\$ 1,027	\$ 259	\$ 1,277
Provision for (benefit from) income taxes	30	(999)	59	(992)
Purchase accounting amortization	212	217	863	770
Income in unconsolidated affiliates	(2)	(3)	(15)	(10)
Income from non-controlling interests	7	8	25	19
Deferred revenue purchasing accounting adjustments	1	5	7	15
Stock-based compensation	35	24	113	106
Other expense, net	—	22	27	37
(Gain) Loss on extinguishment of debt	—	(2)	2	19
Impairment charges	—	—	—	40
Royalty hedge gain	2	—	—	8
Restructuring and related charges	2	25	68	63
Acquisition related charges	12	17	50	44
Integration related costs	32	29	82	42
Adjusted Pre Tax Income	\$ 400	\$ 369	\$ 1,540	\$ 1,437
Adjusted tax expense	(84)	(98)	(350)	(395)
Income from non-controlling interests	(7)	(8)	(25)	(19)
Minority interest effect in non-GAAP adjustments ⁽¹⁾	(2)	(4)	(9)	(11)
Adjusted Net Income	\$ 307	\$ 261	\$ 1,156	\$ 1,014
Adjusted earnings per share attributable to common stockholders:				
Basic	\$ 1.54	\$ 1.25	\$ 5.68	\$ 4.66
Diluted	\$ 1.50	\$ 1.22	\$ 5.55	\$ 4.55
Weighted-average common shares outstanding:				
Basic	199.5	209.3	203.7	217.8
Diluted	204.1	214.2	208.2	222.6

⁽¹⁾ Reflects the portion of Q² Solutions' after-tax non-GAAP adjustments attributable to the minority interest partner.

Note: Numbers may not add to total due to rounding.

Leverage Ratios

\$M

Gross Debt, net of Original Issue Discount, as of December 31, 2018	\$	11,007
Net Debt as of December 31, 2018	\$	10,116
Adjusted EBITDA for the year ended December 31, 2018	\$	2,224
Gross Leverage Ratio (Gross Debt/LTM Adjusted EBITDA)		4.9x
Net Leverage Ratio (Net Debt/LTM Adjusted EBITDA)		4.5x