

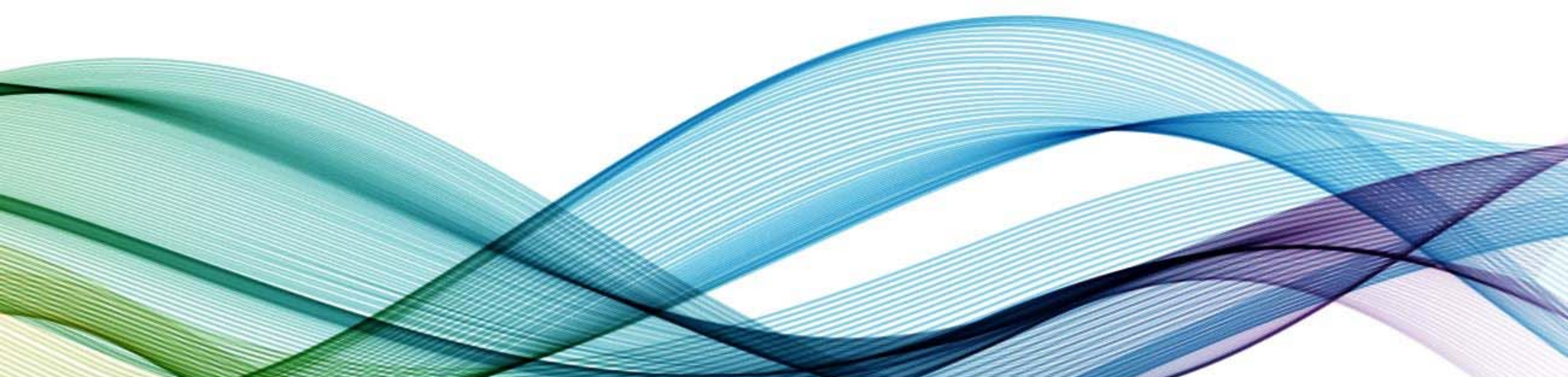


QuintilesIMS™

QuintilesIMS

Q4 2016 Earnings Call

February 14, 2017



Legal

This presentation should be viewed in conjunction with QuintilesIMS's Q4 2016 earnings call

Safe Harbor Statement

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. 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, that our ability to integrate the legacy IMS Health and Quintiles businesses successfully and to achieve anticipated cost savings and other synergies; the possibility that other anticipated benefits of the proposed transaction will not be realized, including without limitation, anticipated revenues, expenses, earnings and other financial results, and growth and expansion of the combined company's operations, and the anticipated tax treatment; possible disruptions from the combination of IMS Health and Quintiles through a “merger of equals” business combination that could harm our businesses, including current plans and operations; our ability to retain, attract and hire key personnel; potential adverse reactions or changes to relationships with clients, employees, suppliers or other parties resulting from the merger; that most of our contracts may be terminated on short notice, and we may be unable to maintain large client contracts or to enter into new contracts; our financial results may be adversely affected if we underprice our contracts, overrun our cost estimates or fail to receive approval for or experience delays in documenting change orders; imposition of restrictions on our use of data by data suppliers or their refusal to license data to us; failure to meet our productivity objectives; failure to successfully invest in growth opportunities; imposition of restrictions on our current and future activities under data protection and privacy laws; breaches or misuse of our or our outsourcing partners' security or communication systems; hardware and software failures, delays in the operation of our computer and communications systems or the failure to implement system enhancements; consolidation in the industries in which our clients operate; 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 risks associated with operating on a global basis, including fluctuations in the value of foreign currencies relative to the U.S. dollar, and the ability to successfully hedge such risks; general economic conditions in the markets in which we operate, including financial market conditions; 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 quarterly report on Form 10-Q for the fiscal quarter ended September 30, 2016, 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 release 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, and Adjusted Basic and Diluted Earnings per Share. In addition, 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. Note that historic Adjusted EBITDA, Adjusted Net Income and Adjusted Diluted EPS are presented using the same legacy calculation each company previously used to calculate such financial metrics. Please refer to the appendix of this presentation for reconciliations of non-GAAP financial measures contained herein to the most comparable GAAP measures.

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

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Update



Delivered on Financial Commitments



Operational Discipline



Integration Execution



Reorganization



CRO Commercial Strategy Refinement



Data Enabled Site ID Optimization

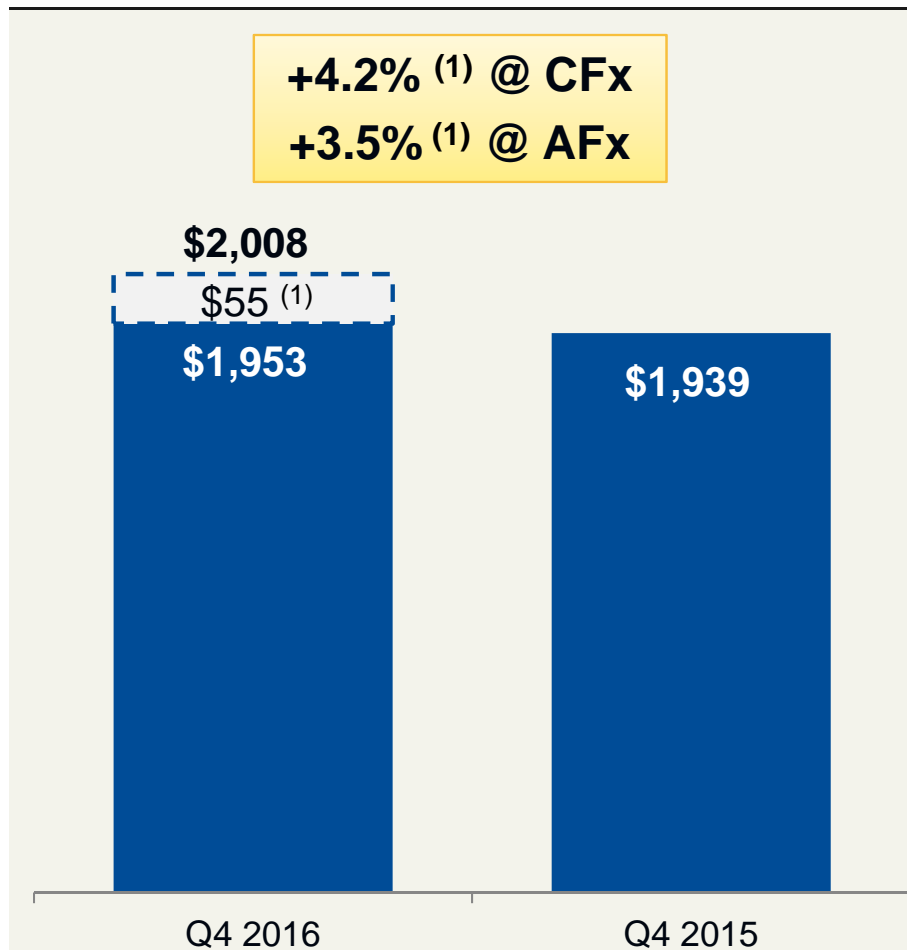


Increased Share Repurchase Authorization to \$2.5B

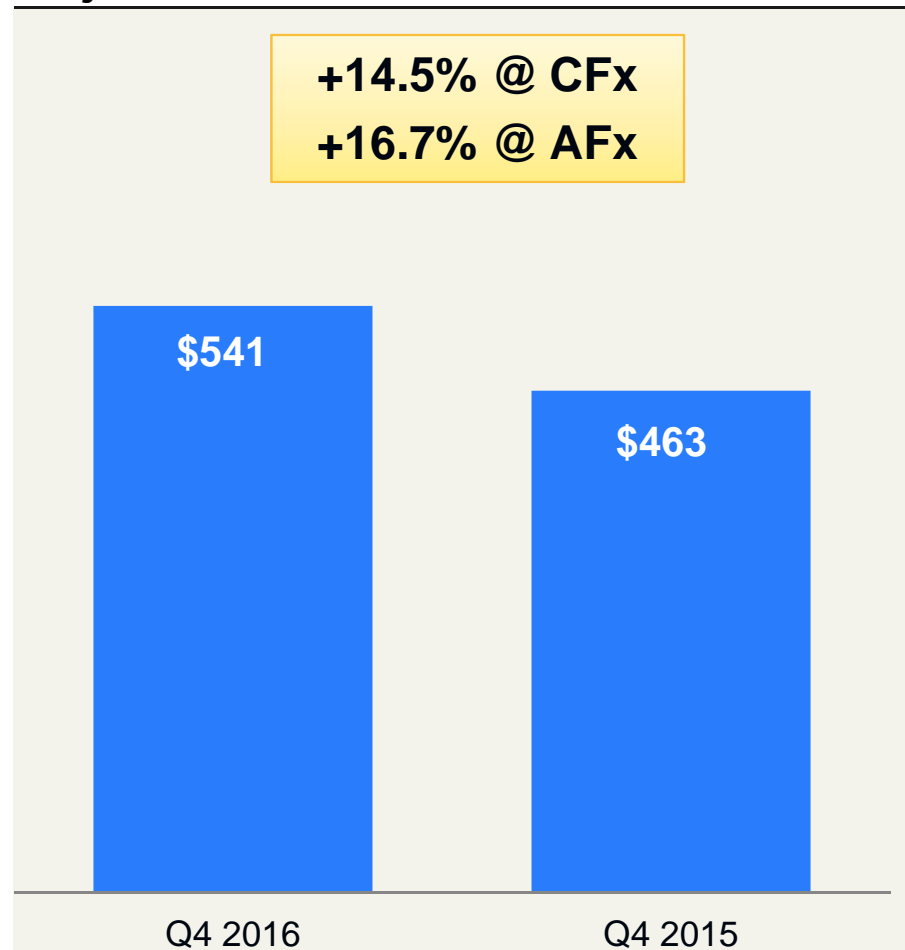
4th Quarter Results: Assumes Merger Closed 1/1/2015

\$M, except per share data

Revenue



Adjusted EBITDA ^(2,3)



 Deferred Revenue Add-back

4th Quarter Revenue

\$M

Segment	Assumes Merger Closed 1/1/2015				Quintiles Standalone		
	2016	2015 ⁽²⁾	VPY% AFx	VPY% CFx	2015 ⁽³⁾	VPY% AFx	VPY% CFx
Legacy IMS Comm.	\$860	\$811	6.1%	6.9%	-	-	-
Legacy Q Comm.	<u>\$74</u>	<u>\$86</u>	(14.2)%	(14.0)%	<u>\$86</u>	(14.2)%	(14.0)%
Commercial Solutions	\$934	\$897	4.2%	4.9%	\$86	984.6%	992.2%
R&D Solutions	\$882	\$837	5.4%	6.6%	\$837	5.4%	6.6%
Integrated Engagement Services	<u>\$192</u>	<u>\$205</u>	(6.7)%	(8.4)%	<u>\$205</u>	(6.7)%	(8.4)%
Revenue	\$2,008	\$1,939	3.5%	4.2%	\$1,129	77.9%	79.0%
<i>Deferred Revenue Adjustment (DRA) ⁽¹⁾</i>	<u>\$(55)</u>	-	-	-	-	-	-
<i>Revenue with DRA</i>	\$1,953	\$1,939	0.7%	1.4%	\$1,129	73.1%	74.2%

Dollars are at actual foreign exchange rates. AFx is actual currency, CFx is constant currency; revenue does not include reimbursed expense revenue
Numbers may not add up to total due to rounding

(1) Deferred revenue adjustment only impacts the Commercial Solutions segment

(2) Legacy IMS commercial revenue excludes \$1 million of intercompany revenue

(3) Reflects the recasting of legacy Quintiles segments

4th Quarter Adjusted EBITDA

\$M

	<u>Assumes Merger Closed</u> <u>1/1/2015</u>				<u>Quintiles Standalone</u>		
	2016	2015 ⁽²⁾	VPY% AFx	VPY% CFx	2015 ⁽²⁾	VPY% AFx	VPY% CFx
Adj. EBITDA ⁽¹⁾	\$541	\$463	16.7%	14.5%	\$231	133.7%	129.2%
Adj. EBITDA Margin	27.7%	23.9%	380 bps	310 bps	20.5%	720 bps	650 bps
Adj. EBITDA Margin without DRA	26.9%	23.9%	300 bps	230 bps	20.5%	640 bps	570 bps

4th Quarter 2016 P&L

\$M, except per share data, at reported FX rates

Net Loss / Income	\$(178)
Diluted Loss / Earnings per Share	\$(0.74)
Adjusted Net Income ⁽¹⁾	\$266
Adjusted Diluted Earnings per Share ⁽¹⁾	\$1.09

Full-Year Revenue

\$M

Segment	Assumes Merger Closed 1/1/2015				Quintiles Standalone			
	2016	2015 ⁽²⁾	VPY% AFx	VPY% CFx	2016	2015 ⁽³⁾	VPY% AFx	VPY% CFx
Legacy IMS Comm.	\$3,224	\$2,917	10.5%	11.3%	\$860	-	-	-
Legacy Q Comm.	<u>\$291</u>	<u>\$323</u>	(9.8)%	(9.6)%	<u>\$291</u>	<u>\$323</u>	(9.8)%	(9.6)%
Commercial	\$3,515	\$3,241	8.5%	9.1%	\$1,152	\$323	256.8%	258.9%
R&D Solutions	\$3,472	\$3,159	9.9%	10.6%	\$3,472	\$3,159	9.9%	10.6%
Integrated Engagement Services	<u>\$796</u>	<u>\$844</u>	(5.8)%	(7.9)%	<u>\$796</u>	<u>\$844</u>	(5.8)%	(7.9)%
Revenue	\$7,783	\$7,244	7.4%	7.8%	\$5,419	\$4,326	25.3%	25.5%
<i>Deferred Revenue Adjustment (DRA) ⁽¹⁾</i>	<u>\$(55)</u>	-	-	-	<u>\$(55)</u>	-	-	-
<i>Revenue with DRA</i>	<i>\$7,728</i>	<i>\$7,244</i>	<i>6.7%</i>	<i>7.0%</i>	<i>\$5,364</i>	<i>\$4,326</i>	<i>24.0%</i>	<i>24.2%</i>

Dollars are at actual foreign exchange rates. AFx is actual currency, CFx is constant currency; revenue does not include reimbursed expense revenue
Numbers may not add up to total due to rounding

- (1) The deferred revenue adjustment only impacts the Commercial Solutions segment
- (2) Legacy IMS commercial revenue excludes \$4 million of intercompany revenue
- (3) Reflects the recasting of legacy Quintiles segments

Net New Business and Backlog on a Contracted Basis

\$B, except BTB & Backlog Coverage

Net New Business	<u>Last Twelve Months</u>		<u>As of</u> <u>12/31/16</u>	<u>Next Twelve Months</u>
	Book-to-Bill	Backlog Coverage ⁽¹⁾	Backlog	Backlog Estimated to Convert to Revenue
~\$4.3	1.25x	2.73x	~\$9.5	~\$2.9

Full-Year Adjusted EBITDA

\$M

	<u>Assumes Merger Closed 1/1/2015</u>				<u>Quintiles Standalone</u>			
	2016	2015 ⁽²⁾	VPY% AFx	VPY% CFx	2016	2015 ⁽²⁾	VPY% AFx	VPY% CFx
Adj. EBITDA ⁽¹⁾	\$1,956	\$1,736	12.6%	9.1%	\$1,244	\$850	46.3%	40.5%
Adj. EBITDA Margin	25.3%	24.0%	130 bps	50 bps	23.2%	19.7%	350 bps	260 bps
Adj. EBITDA Margin without DRA	25.1%	24.0%	110 bps	30 bps	23.0%	19.7%	330 bps	240 bps

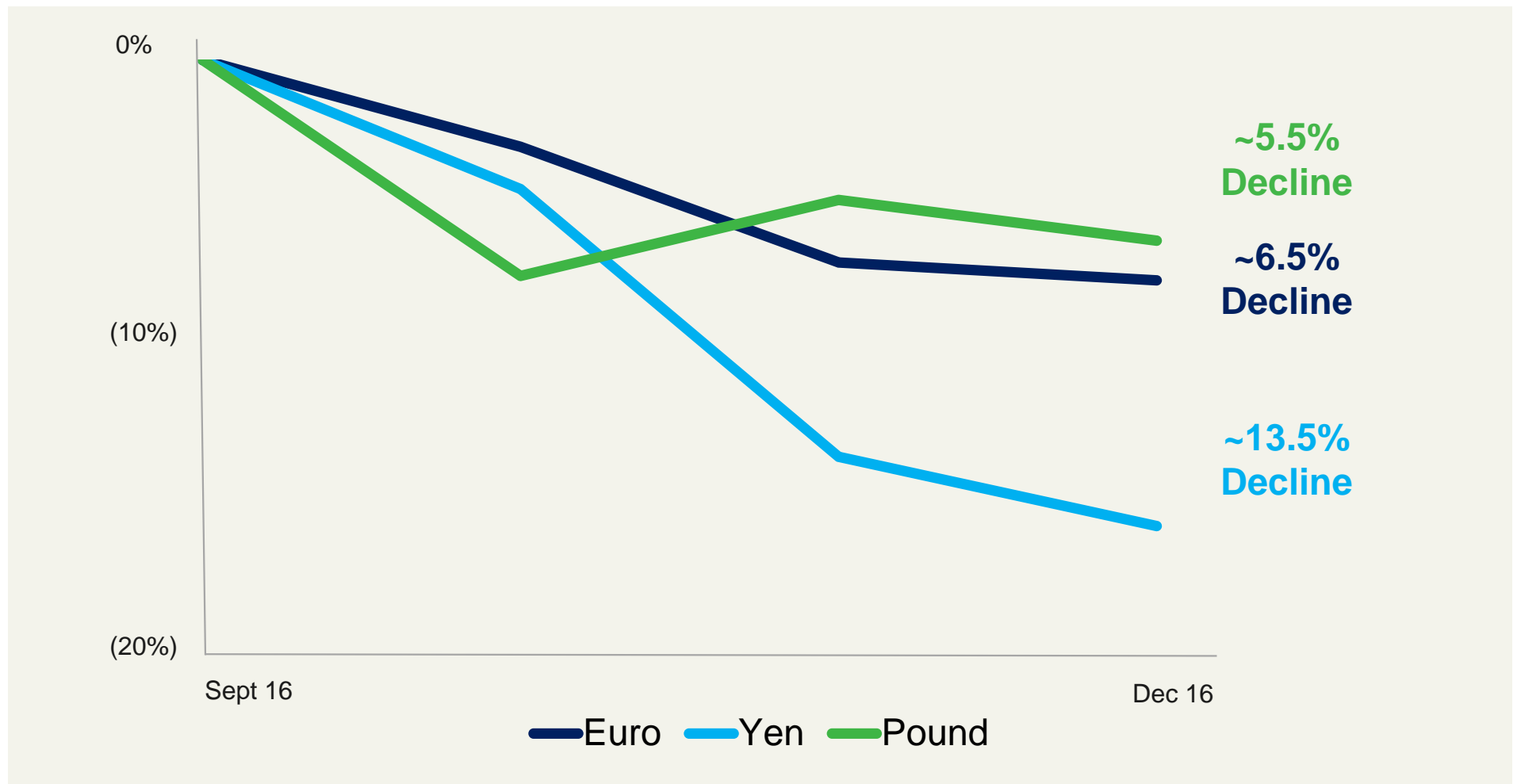
4th Quarter 2016 Balance Sheet Items & Metrics

\$M, at reported FX rates

Cash & Cash Equivalents	\$1,198
Principal Balance of Debt ⁽¹⁾	\$7,219
Gross Leverage Ratio ⁽²⁾	3.7x
Net Leverage Ratio ⁽²⁾	3.1x
Net Cash Provided by Operating Activities	\$447
Capital Expenditures	\$86
Free Cash Flow	\$361

Foreign Currency Movement Since Sept 2016

EUR, JPY and GBP vs. USD



Full-Year 2017

\$M, except per share data

Revenue at Constant Currency	8,125 – 8,225
<i>FX Impact</i>	<u>(125)</u>
Revenue at Actual Currency	8,000 – 8,100
<i>Commercial Solutions</i>	3,600 – 3,650
<i>Research & Development Solutions</i>	3,655 – 3,690
<i>Integrated Engagement Services</i>	745 – 760
Adjusted EBITDA	2,000 – 2,100
Adjusted Diluted EPS	4.40 – 4.55
Adjusted Book Tax Rate ⁽¹⁾	~30%
<i>Adjusted Cash Tax Rate ⁽¹⁾</i>	~16%
GAAP Book Tax Rate	~25%

Q1 2017 Guidance

\$M, except per share data

Revenue	1,890 – 1,925
<i>Commercial Solutions</i>	850 – 865
<i>Research & Development Solutions</i>	855 – 870
<i>Integrated Engagement Services</i>	185 – 190
Adjusted EBITDA	450 – 465
Adjusted Diluted EPS	0.93 – 0.97

Q&A

Appendix: Historical Segment Revenue & Non- GAAP Financial Measures

Segment Revenue and Adjusted EBITDA

\$M, Combined Company as if Merger Closed 1/1/2015

	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4
Commercial Solutions ⁽¹⁾	\$897	\$849	\$872	\$861	\$934
R&D Solutions	\$837	\$835	\$887	\$869	\$882
Integrated Engagement Services	<u>\$205</u>	<u>\$198</u>	<u>\$210</u>	<u>\$196</u>	<u>\$192</u>
Revenue	\$1,939	\$1,881	\$1,969	\$1,926	\$2,008
Adjusted EBITDA ⁽²⁾	\$463	\$460	\$466	\$489	\$541

Net Income to Adjusted EBITDA

\$M, Combined Company as if Merger Closed 1/1/2015

	2015 Q4	2016 Q1	2016 Q2	2016 Q3
Net Income ⁽¹⁾	\$ 134	\$ 150	\$ 111	\$ 153
Provision for (benefit from) income taxes	70	63	44	52
Depreciation and amortization	113	119	120	124
Interest expense, net	69	71	68	72
(Income) loss in unconsolidated affiliates	-	(2)	4	-
(Income) loss in non-controlling interests	3	2	4	5
Deferred revenue purchasing accounting adjustments	4	1	2	2
Stock-based compensation	16	16	18	24
Other income (expense), net	(11)	8	(1)	3
Impairment charges	3	-	-	28
Restructuring and related charges	45	19	76	10
Acquisition related charges	17	13	10	5
Merger related charges	-	-	10	11
Adjusted EBITDA	\$ 463	\$ 460	\$ 466	\$ 489

Net Income to Adjusted EBITDA

\$M, Historical Data for Quintiles Standalone

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Net Income	\$ (178)	\$ 105	\$ 115	\$ 387
Provision for (benefit from) income taxes	227	51	345	159
Depreciation and Amortization	190	35	288	127
Interest Expense, net	70	25	141	97
(Income) loss in unconsolidated affiliates	3	3	4	(8)
(Income) loss in non-controlling interests	3	-	15	1
Deferred revenue purch. acctg. Adjustment	55	-	55	-
Stock-based compensation	24	9	59	38
Other income (expense), net	20	(4)	26	10
Impairment charges	-	-	28	3
Restructuring and Related Charges	43	7	70	31
Acquisition Related Charges	9	-	11	5
Merger Related Charges	75	-	87	-
Adjusted EBITDA	\$ 541	\$ 231	\$ 1,244	\$ 850

Net Income to Adjusted EBITDA

\$M, Combined Company as if Merger Closed 1/1/2015

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Net Income	\$ (178)	\$ 134	\$ 236	\$ 804
Provision for (benefit from) income taxes	227	70	385	(41)
Depreciation and Amortization	190	113	551	469
Interest Expense, net	70	69	281	263
(Income) loss in unconsolidated affiliates	3	-	4	(8)
(Income) loss in non-controlling interests	3	3	15	1
Deferred revenue purch. acctg. Adjustment	55	4	60	10
Stock-based compensation	24	16	82	67
Other income (expense), net	20	(11)	33	(10)
One time IPO expense	-	-	-	2
Impairment charges	-	3	28	2
Restructuring and Related Charges	43	45	147	121
Acquisition Related Charges	9	17	38	56
Merger Related Charges	75	-	96	-
Adjusted EBITDA	\$ 541	\$ 463	\$ 1,956	\$ 1,736

Net Income to Adjusted Net Income & Per Share Data

\$M, except per share data

	Three Months Ended December 31,	
	<u>2016</u>	
Net Income	\$	(178)
Provision for income taxes		227
Purchase Accounting Amortization		131
(Income) Loss from Unconsolidated Affiliates		3
(Income) Loss from Minority Interest		3
Deferred revenue purch. acctg. Adjustment		55
Stock-based compensation		24
Other Income (Loss), net		20
Royalty Hedge Gain/(Loss)		(3)
Restructuring and Related Charges		43
Acquisition Related Charges		9
Merger Related Charges		75
Adjusted Pre Tax Income	\$	409
Provision for income taxes		(227)
(Income) Loss from Minority Interest		(3)
Other Income Tax Adjustments		209
Minority Interest effect in Non GAAP adjustments		(1)
Tax effect of Non GAAP adjustments		(121)
Adjusted Net Income	\$	266
Adjusted Earnings per Share Attributable to Common Shareholders:		
Basic	\$	1.11
Diluted	\$	1.09
Weighted-Average Common Shares Outstanding:		
Basic		238.8
Diluted		243.9

Leverage Ratios

\$M

Gross Debt as of December 31, 2016	\$	7,219
Net Debt as of December 31, 2016	\$	6,021
Adjusted EBITDA ⁽¹⁾ for the twelve months ended December 31, 2016	\$	1,956
Gross Leverage Ratio (Gross Debt/LTM Adjusted EBITDA)		3.7x
Net Leverage Ratio (Net Debt/LTM Adjusted EBITDA)		3.1x