Q2 2020 Earnings Call

July 22, 2020

Legal

This presentation should be viewed in conjunction with IQVIA’s Q2 2020 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 full-year 2020 and third quarter 2020 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 combined company’s business, see the “Risk Factors” in our annual report on Form 10-K for the fiscal year ended December 31, 2019, 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 and Estimated COVID-19 Impact

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 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. 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 full-year and third-quarter 2020 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, stock-based compensation and other items not reflective of the company's ongoing operations.

The estimates for future periods are based in part on a number of assumptions outside the Company's control. Normal business activities have been substantially disrupted by the COVID-19 outbreak. These business disruptions include various restrictions and limitations on our ability to perform on-site monitoring, execution of change orders, delivery of offerings that rely on face to face interaction or in person gatherings, sale of information offerings, analytics and consulting projects. The unfavorable impact on R&DS revenue attributable to COVID-19 is largely due to operational disruption of clinical research sites, which impacts patient recruitment and patient study participation, and limitations on our ability to travel and access clinical research sites. These site access restrictions and impact on clinical trial conduct by the sites have a direct impact on our ability to perform our services and cause delays relative to pre-COVID-19 timelines. In our TAS business, certain offerings that rely on face-to-face interactions or are dependent on in-person gatherings, events or are expected to experience significant disruption, and where we are unable to execute on our commitments due to COVID-19, we are not able to recognize the associated revenue in the period. Similarly, the portion of our Real World business that requires site monitoring activity will be impacted by site closures, with a reduction in associated revenue. Activity within the Contract Sales and Medical Solutions business has also become more challenging due to a decline in sales rep visits, and physician attention diverted to the COVID-19 crisis.

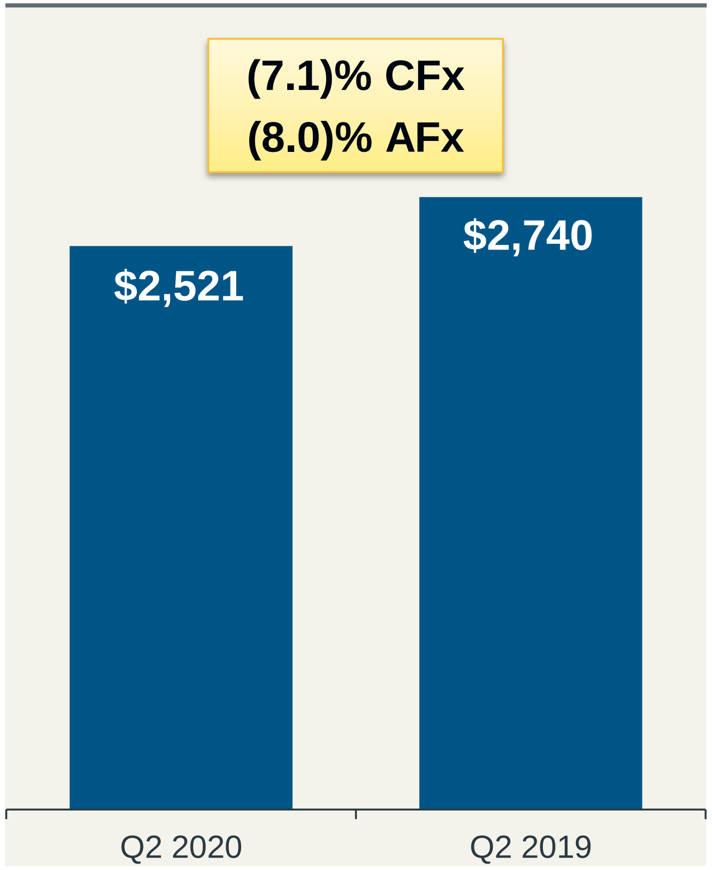
Operational update

	R&DS	TAS	CSMS
Positive Signals	• Site accessibility improving • On-site monitoring visits restarting • Client demand remains strong • No material cancellations due to COVID-19	• Data network access, extraction and processing continue to be fully operational • Client demand remains strong • OCE deployments on track with minimal disruption	• Sales reps returning to the field • No material cancellations, customers remain reluctant to modify commercial footprint
Areas to Watch	• New recruitment activity sluggish • Pace of site “re-opening” is variable • Patients entering sites still below historic levels • Clients still working at home - slowing decision-making	• Delays in decision-making for large projects	• Delayed execution deferring revenue • New business remains challenging due to delays in decision making

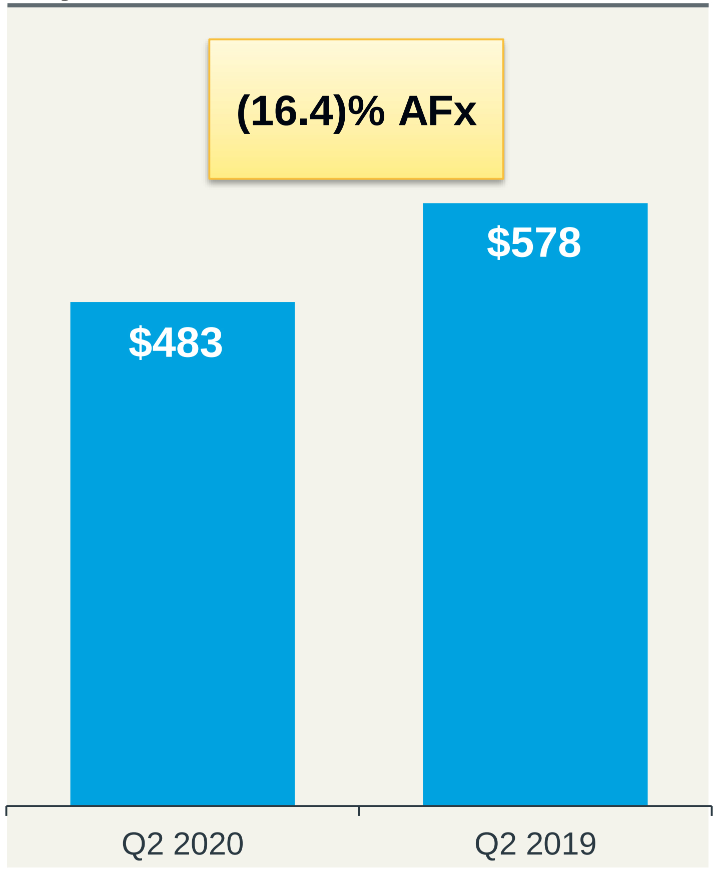
2nd Quarter Results

$M, except per share data

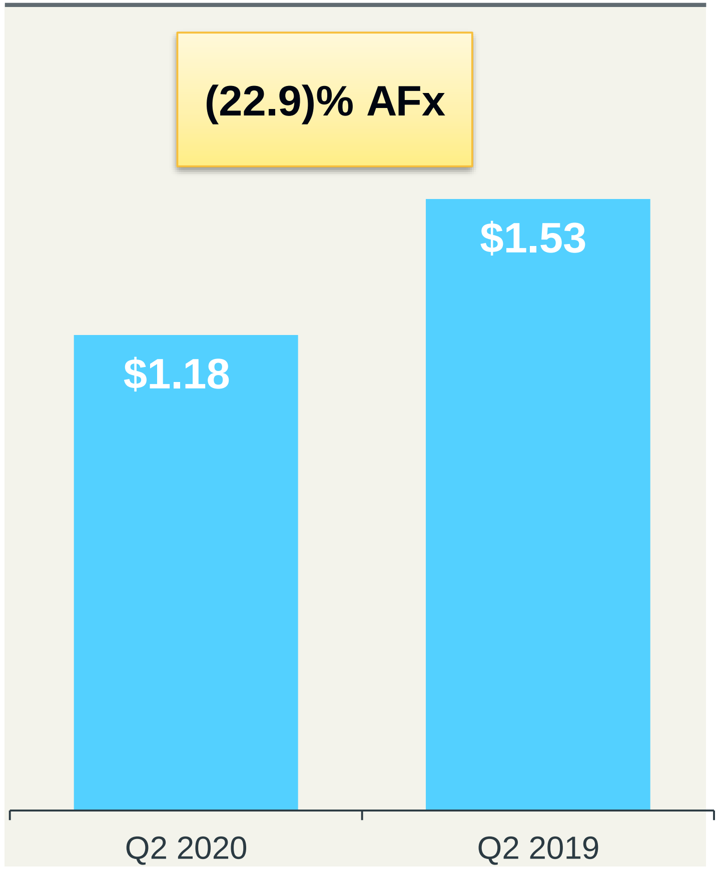
Revenue



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			
	2020	**2019**	**VPY% AFx**	**VPY% CFx**	**2020**	**2019**	**VPY% AFx**	**VPY% CFx**
Technology & Analytics Solutions	$1,109	$1,102	0.6%	2.0%	$2,226	$2,177	2.3%	3.7%
Research & Development Solutions	$1,235	$1,435	(13.9)%	(13.3)%	$2,676	$2,851	(6.1)%	(5.5)%
Contract Sales & Medical Solutions	$177	$203	(12.8)%	(12.3)%	$373	$396	(5.8)%	(5.1)%
Revenue	**$2,521**	**$2,740**	**(8.0)%**	**(7.1)%**	**$5,275**	**$5,424**	**(2.7) %**	**(1.8)%**

Dollars are at actual foreign exchange rates. AFx is actual currency, CFx is constant currency.

2nd Quarter and Year-to-Date Profit

$M, except per share data

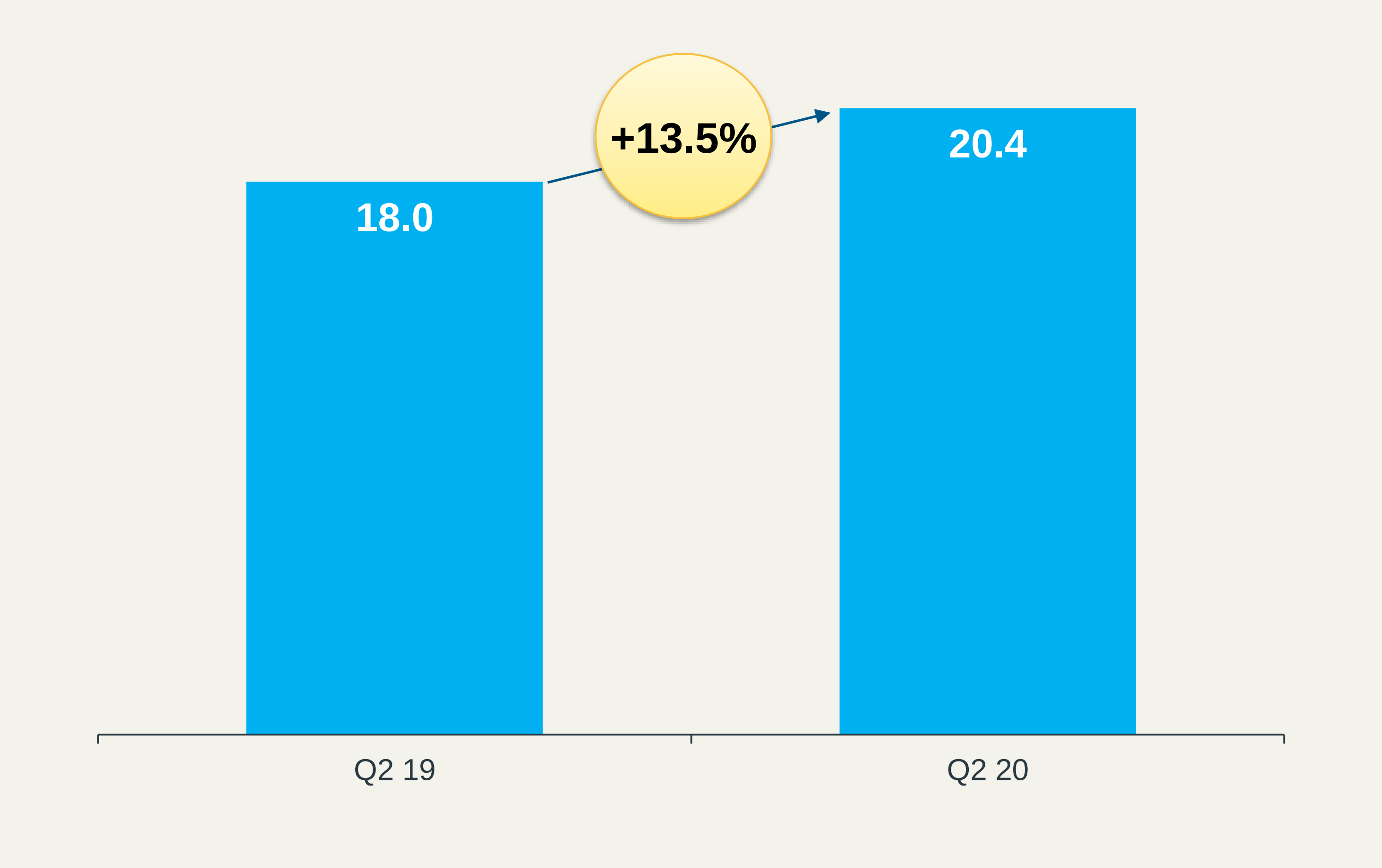
	Q2		YTD	
	2020	**2019**	**2020**	**2019**
Adjusted EBITDA (1)	$483	$578	$1,045	$1,165
Net Income	$(23)	$60	$59	$118
Diluted Earnings per Share	$(0.12)	$0.30	$0.30	$0.59
Adjusted Net Income (1)	$229	$306	$523	$615
Adjusted Diluted Earnings per Share (1)	$1.18	$1.53	$2.68	$3.06

Dollars are at actual foreign exchange rates.

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

R&D Solutions Backlog

$B as of June 30



Dollars are at actual foreign exchange rates

2nd Quarter Balance Sheet and Cash Flow Items and Metrics

$M

Cash & Cash Equivalents	$1,109
Gross Debt	$12,107
Net Debt	$10,998
Gross Leverage Ratio (1)	5.3x
Net Leverage Ratio (1)	4.8x
Net Cash Provided by Operating Activities	$472
Capital Expenditures	$142
Free Cash Flow	$330

Dollars are at actual foreign exchange rates.

(1) Calculated using last twelve months Adjusted EBITDA.

Full-Year 2020 Guidance

$M, except per share data

	PRIOR	UPDATED
Revenue	\$10,600 - \$10,925	\$11,000 - \$11,100
Adjusted EBITDA	\$2,200 - \$2,300	\$2,295 - \$2,345
Adjusted Diluted EPS	\$5.75 - \$6.10	\$6.10 - \$6.30

Guidance assumes foreign currency rates at the end of the second quarter remain in effect for the remainder of the year

Q3 2020 Guidance

$M, except per share data

Revenue	$2,725 - $2,775
Adjusted EBITDA	$564 - $582
Adjusted Diluted EPS	$1.47 - $1.55

Guidance assumes foreign currency rates at the end of the second quarter remain in effect for the remainder of the third quarter

Q&A

Appendix

Net Income to Adjusted EBITDA Reconciliation

$M

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net (Loss) Income Attributable to IQVIA Holdings Inc.	**$ (23)**	**$ 60**	**$ 59**	**$ 118**
(Benefit from) provision for income taxes	(5)	8	12	49
Depreciation and amortization	308	294	624	589
Interest expense, net	107	112	211	220
Loss (income) in unconsolidated affiliates	1	(1)	(5)	—
Income from non-controlling interests	2	11	11	20
Deferred revenue purchasing accounting adjustments	1	2	1	5
Stock-based compensation	36	34	36	60
Other (income) expense, net	(17)	12	(32)	18
Loss on extinguishment of debt	12	—	12	—
Restructuring and related charges	25	14	40	26
Acquisition and integration related charges	36	32	76	60
Adjusted EBITDA	**$ 483**	**$ 578**	**$ 1,045**	**$ 1,165**

IQVIA

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,	
	2020	2019	2020	2019
Net (Loss) Income Attributable to IQVIA Holdings Inc.	**$ (23)**	**$ 60**	**$ 59**	**$ 118**
(Benefit from) provision for income taxes	(5)	8	12	49
Purchase accounting amortization (1)	226	225	465	450
Loss (income) in unconsolidated affiliates	1	(1)	(5)	—
Income from non-controlling interests	2	11	11	20
Deferred revenue purchasing accounting adjustments	1	2	1	5
Stock-based compensation	36	34	36	60
Other (income) expense, net	(17)	12	(32)	18
Loss on extinguishment of debt	12	—	12	—
Royalty hedge gain	—	3	—	6
Restructuring and related charges	25	14	40	26
Acquisition and integration related charges	36	32	76	60
Adjusted Pre Tax Income	**$ 294**	**$ 400**	**$ 675**	**$ 812**
Adjusted tax expense	(61)	(81)	(139)	(173)
Income from non-controlling interests	(2)	(11)	(11)	(20)
Minority interest effect in non-GAAP adjustments (2)	(2)	(2)	(2)	(4)
Adjusted Net Income	**$ 229**	**$ 306**	**$ 523**	**$ 615**
Adjusted earnings per share attributable to common stockholders:				
Basic	$ 1.20	$ 1.56	$ 2.73	$ 3.13
Diluted	$ 1.18	$ 1.53	$ 2.68	$ 3.06
Weighted-average common shares outstanding:				
Basic	190.9	196.2	191.3	196.6
Diluted	194.3	200.6	195.0	201.2

(1) Reflects all the amortization of acquired intangible assets.
(2) Reflects the portion of Q[2] Solutions' after-tax non-GAAP adjustments attributable to the minority interest partner.

Leverage Ratios

$M

Gross Debt, net of Original Issue Discount, as of June 30, 2020	**$**	**12,107**
Net Debt as of June 30, 2020	**$**	**10,998**
Adjusted EBITDA for the twelve months ended June 30, 2020	**$**	**2,280**
Gross Leverage Ratio (Gross Debt/LTM Adjusted EBITDA)		**5.3x**
Net Leverage Ratio (Net Debt/LTM Adjusted EBITDA)		**4.8x**