



Syneos Health

Q4 and Full Year 2019 Financial Results

February 20, 2020

Forward-Looking Statements and Non-GAAP Financial Measures

Forward-Looking Statements

Except for historical information, all of the statements, expectations, and assumptions contained in this presentation are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995, including anticipated financial results for the full year 2020, our net leverage goals, and plans for capital deployment. Actual results might differ materially from those explicit or implicit in the forward-looking statements. Important factors that could cause actual results to differ materially include, but are not limited to: reliance on key personnel; principal investigators and patients; general and international economic, political, and other risks, including currency and stock market fluctuations and the uncertain economic environment; the Company's ability to adequately price its contracts and not overrun cost estimates; any adverse effects from the Company's customer or therapeutic area concentration; the Company's ability to maintain or generate new business awards; the Company's ability to increase its market share, grow its business, and execute its growth strategies; the Company's backlog not being indicative of future revenues and its ability to realize the anticipated future revenue reflected in its backlog; fluctuations in the Company's operating results and effective income tax rate; risks related to the Company's information systems and cybersecurity; changes and costs of compliance with regulations related to data privacy; risks related to the United Kingdom's withdrawal from the European Union; risks related to the Company's transfer pricing policies; failure to perform services in accordance with contractual requirements, regulatory requirements and ethical considerations; risks relating to litigation and government investigations; risks associated with the Company's early phase clinical facilities; insurance risk; risks of liability resulting from harm to patients; success of investments in the Company's customers' business or drugs; foreign currency exchange rate fluctuations; risks associated with acquired businesses, including the ability to integrate acquired operations, products, and technologies in our business; risks related to the Company's income tax expense and tax reform; risks relating to the Company's intellectual property; risks associated with the Company's acquisition strategy; failure to realize the full value of goodwill and intangible assets; restructuring risk; potential violations of anti-corruption and anti-bribery laws; risks related to the Company's dependence on third parties; downgrades of the Company's credit ratings; competition in the biopharmaceutical services industry; changes in outsourcing trends; regulatory risks; trends in the Company's customers' businesses; the Company's ability to keep pace with rapid technological change; risks related to the Company's indebtedness; fluctuations in the Company's financial results and stock price; and other risk factors set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and other SEC filings, copies of which are available free of charge on the Company's website at investor.syneoshealth.com. The Company assumes no obligation and does not intend to update these forward-looking statements, except as required by law.

Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), this presentation contains certain non-GAAP financial measures, including adjusted revenue, segment adjusted revenue, adjusted net income (including adjusted diluted earnings per share),

EBITDA, adjusted EBITDA, adjusted EBITDA margin, segment adjusted EBITDA and unallocated corporate and other EBITDA, and non-GAAP effective tax rate. We also include in this presentation non-GAAP financial measures to illustrate our cash flow and leverage profile, including net debt, net leverage, pro forma net leverage, and free cash flow. We also present segment adjusted revenue growth in constant currency. Constant currency segment adjusted revenue growth is defined as segment adjusted revenue for a given period restated at the comparative period's foreign currency exchange rates measured against the comparative period's reported segment adjusted revenue. A "non-GAAP financial measure" is generally defined as a numerical measure of a company's financial performance that excludes or includes amounts from the most directly comparable measure calculated and presented in accordance with GAAP in the statements of operations, balance sheets, or statements of cash flows of the Company.

The Company defines adjusted revenue and segment adjusted revenue as GAAP revenue and segment revenue, respectively, adjusted to include revenue eliminated as a result of purchase accounting.

The Company defines adjusted net income (including adjusted diluted earnings per share) as net income (including diluted earnings per share) excluding acquisition-related deferred revenue adjustments; acquisition-related amortization; restructuring and other costs; transaction and integration-related expenses; share-based compensation expense; loss on extinguishment of debt; and other income (expense), net. After giving effect to these items, the Company has also included an adjustment to its income tax rate to reflect the expected long-term income tax rate and impact of the base erosion and anti-abuse tax.

EBITDA represents earnings before interest, taxes, depreciation and amortization. The Company defines adjusted EBITDA, both at the company and segment level, as EBITDA, further adjusted to exclude expenses and transactions that the Company believes are not representative of its core operations, namely: acquisition-related deferred revenue adjustments; restructuring and other costs; transaction and integration-related expenses; asset impairment charges; share-based compensation expense; other income (expense), net; and loss on extinguishment of debt. The Company presents EBITDA and adjusted EBITDA because it believes they are useful metrics for investors as they are commonly used by investors, analysts and debt holders to measure the Company's ability to fund capital expenditures and meet working capital requirements.

Each of the non-GAAP measures noted above are used by management and the Board to evaluate the Company's core operating results because they exclude certain items whose fluctuations from period-to-period do not necessarily correspond to changes in the core operations of the business. Adjusted net income (including adjusted diluted earnings per share) and adjusted EBITDA are used by management and the Board to assess the performance of the Company's business.

Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the Company's results of operations as determined in accordance with GAAP. Also, other companies might calculate these measures differently. Investors are encouraged to review the reconciliations of the non-GAAP financial measures to their most directly comparable GAAP measures included on slide 7 and in the Appendix of this presentation.

GAAP Financial Results

\$M (except per share data)	Three months ended December 31,			Twelve months ended December 31,		
	2018	2019	% Change	2018	2019	% Change
Revenue	\$ 1,145.5	\$ 1,213.0	5.9%	\$ 4,390.1	\$ 4,675.8	6.5%
Gross profit	271.7	285.1	4.9%	955.8	1,029.9	7.8%
<i>Gross profit margin</i>	23.7%	23.5%	-20 bps	21.8%	22.0%	+20 bps
Selling, general and administrative	109.9	112.4	2.3%	406.3	446.3	9.8%
<i>SG&A as a % of revenue</i>	9.6%	9.3%	-30 bps	9.3%	9.5%	+20 bps
Income from operations	79.5	83.4	4.9%	160.2	237.8	48.4%
<i>Operating margin</i>	6.9%	6.9%	0 bps	3.6%	5.1%	+150 bps
Net income	45.7	91.1	99.4%	24.3	131.3	440.5%
Earnings per share	\$ 0.44	\$ 0.86	95.5%	\$ 0.23	\$ 1.25	443.5%

Note: Due to rounding of specific line items, line item figures might not sum to subtotals.

Non-GAAP Financial Results

\$M (except per share data)	Three months ended December 31,			Twelve months ended December 31,		
	2018	2019	% Change	2018	2019	% Change
Adjusted revenue ¹	\$ 1,148.4	\$ 1,214.5	5.8%	\$ 4,403.6	\$ 4,682.2	6.3%
Adjusted EBITDA	173.0	188.6	9.0%	597.2	645.2	8.0%
<i>Adjusted EBITDA margin²</i>	<i>15.1%</i>	<i>15.5%</i>	<i>+ 40 bps</i>	<i>13.6%</i>	<i>13.8%</i>	<i>+20 bps</i>
Adjusted diluted EPS	\$ 0.95	\$ 1.03	8.4%	\$ 2.87	\$ 3.23	12.5%

Highlights:

- **Building momentum:** \$5.4B of total TTM net awards and 1.16x TTM book-to-bill
 - \$4.1B of Clinical TTM net awards and 1.21x TTM book-to-bill
 - \$1.3B of Commercial TTM net awards and 1.04x TTM book-to-bill
- Clinical Solutions **adjusted revenue growth of 6.3%** in FY 2019
- Commercial Solutions **adjusted revenue growth of 6.3%** in FY 2019
- **Redeemed 7.5% Senior Unsecured Notes** and **achieved 3.9x net leverage** target

1. Excluding a \$3.2M foreign currency exchange rate headwind, adjusted revenue growth for Q4 2019 was 6.0% at constant currency compared to Q4 2018, and excluding a \$40.6M foreign currency exchange rate headwind, adjusted revenue growth for FY 2019 was 7.2% at constant currency compared to FY 2018.
2. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Adjusted Revenue.

Clinical Solutions Segment Results

Key Operating Metrics:

\$M	As of December 31,		
	2018	2019	% Change
TTM net new business awards		\$ 4,148.0	n/a
TTM book-to-bill ratio		1.21x	n/a
Ending backlog	\$ 7,502.3	\$ 8,220.0	9.6%

Financial Results:

\$M	Three months ended December 31,		
	2018	2019	% Change
Adjusted revenue	\$ 824.2	\$ 900.9	9.3% ²
Adjusted EBITDA	135.3	151.0	11.6%
Adjusted EBITDA margin ¹	16.4%	16.8%	+40 bps

\$M	Twelve months ended December 31,		
	2018	2019	% Change
Adjusted revenue	\$ 3,223.9	\$ 3,428.0	6.3% ²
Adjusted EBITDA	479.6	536.1	11.8%
Adjusted EBITDA margin ¹	14.9%	15.6%	+70 bps

Q4 2019 Key Performance Drivers:

Adjusted revenue growth driven by:

- TTM net new business awards
- ... partially offset by a FX headwind

Adjusted EBITDA margin strengthened by:

- Revenue growth
- Net realized synergies
- ... partially offset by the impact of growth in reimbursable expenses

1. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Adjusted Revenue.

2. Excluding a \$3.6M foreign currency exchange rate headwind, Clinical Solutions adjusted revenue growth for Q4 2019 was 9.7% at constant currency compared to Q4 2018 and excluding a \$36.0M foreign currency exchange rate headwind, Clinical Solutions adjusted revenue growth for FY 2019 was 7.4% at constant currency compared to FY 2018.

Note: Due to rounding of specific line items, line item figures might not sum to subtotals. This segment data excludes Unallocated Corporate and Other Adjusted EBITDA. For a reconciliation of the presented segment financial measures, please reference slides 15 - 16 in the Appendix of this presentation.

Commercial Solutions Segment Results

Key Operating Metrics:

\$M	As of December 31,		
	2018	2019	% Change
TTM net new business awards		\$ 1,305.6	n/a
TTM book-to-bill ratio		1.04x	n/a
Deployment Solutions ending backlog	\$ 691.3	\$ 684.2	(1.0%)

Financial Results:

\$M	Three months ended December 31,		
	2018	2019	% Change
Adjusted revenue	\$ 324.2	\$ 313.7	(3.3%) ²
Adjusted EBITDA	52.5	50.0	(4.8%)
Adjusted EBITDA margin ¹	16.2%	15.9%	-30 bps

\$M	Twelve months ended December 31,		
	2018	2019	% Change
Adjusted revenue	\$ 1,179.7	\$ 1,254.2	6.3% ²
Adjusted EBITDA	156.3	161.3	3.2%
Adjusted EBITDA margin ¹	13.3%	12.9%	-40 bps

Q4 2019 Key Performance Drivers:

Adjusted revenue decline driven by:

- Impact of 2019 project cancellations and delays
- Medication Adherence decline

... partially offset by TTM net new business awards

Adjusted EBITDA margin pressured by:

- Medication Adherence decline
- Impact of European expansion

... partially offset by the impact of cost savings initiatives

1. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Adjusted Revenue.

2. Excluding a \$0.4M foreign currency exchange rate benefit, Commercial Solutions adjusted revenue decline for Q4 2019 was (3.4)% at constant currency compared to Q4 2018 and excluding a \$4.6M foreign currency exchange rate headwind, Commercial Solutions adjusted revenue growth for FY 2019 was 6.7% at constant currency compared to FY 2018.

Note: Due to rounding of specific line items, line item figures might not sum to subtotals. This segment data excludes Unallocated Corporate and Other Adjusted EBITDA. For a reconciliation of the presented segment financial measures, please reference slides 15 - 16 in the Appendix of this presentation.

Cash Flow, Leverage Profile, and Capital Management Update

\$M	December 31, 2018	December 31, 2019
Total Debt ¹	\$ 2,809.0	\$ 2,675.3
Less: Cash and Cash Equivalents	153.9	163.2
Net Debt	\$ 2,655.1	\$ 2,512.0
TTM Adjusted EBITDA	\$ 597.2	\$ 645.2
Net Leverage ²	4.4 x	3.9 x
Net DSO	38.9	46.4

\$M	Q4 2018	Q4 2019
Cash Flow provided by Operations	\$ 112.4	\$ 160.5
Less: Capital Expenditures	11.6	13.3
Free Cash Flow	\$ 100.8	\$ 147.2

Balanced Approach to Capital Management:

Goal: Lower net leverage to 2.5x – 3.0x by December 31, 2021

- Repaid \$67.0M of Term Loan debt during the three months ended December 31, 2019
- Utilized the delayed draw feature on the TLA to redeem the \$403M of 7.5% senior notes to reduce interest costs
- Repaid \$250.4M of Term Loan debt during the year ended December 31, 2019, net of refinancing transactions, partially offset by a \$105.6M increase in our AR Securitization facility³

Goal: Opportunistic share repurchases

- No common stock repurchased during the three months ended December 31, 2019 and repurchased \$56.7M of common stock during the year ended December 31, 2019
- \$168.3M of share repurchase authorization available through the end of 2020

Note: Due to rounding of specific line items, line item figures might not sum to subtotals.

1. Total debt represents the reported long-term debt of \$2,608.5M and finance leases of \$54.7M less unamortized deferred issuance costs of \$12.0M as of December 31, 2019. For additional details on the Company's long-term debt obligations, please refer to Footnote 4 to the Financial Statements in our Annual Report on Form 10-K for the period ended December 31, 2019.

2. Net leverage is Net Debt divided by TTM Adjusted EBITDA.

3. Excludes \$14.1M increase in finance lease obligations for the twelve months ended December 31, 2019.

Reaffirmed Full-Year 2020 Outlook

\$M (except margin, growth rate, and per share data)	Guidance Range	Growth Rate
Revenue^{1,2}	\$ 4,880 - \$ 5,000	4.2% - 6.8%
<i>Clinical Solutions</i>	\$ 3,585 - \$ 3,655	4.6% - 6.6%
<i>Commercial Solutions</i>	\$ 1,295 - \$ 1,345	3.3% - 7.2%
Adjusted EBITDA	\$ 680 - \$ 720	5.4% - 11.6%
<i>Adjusted EBITDA Margin</i>	13.9% - 14.4%	
Adjusted Diluted EPS³	\$ 3.58 - \$ 3.78	10.8% - 17.0%

Note: Financial guidance takes into account a number of factors, including the Company's sales pipeline, existing backlog and expectations of net awards, trends in cancellations and delays, estimated impact of merger synergies and ForwardBound margin enhancement initiatives, current foreign currency exchange rates, expected interest rates resulting in interest expense of \$106 to \$108 million, and expected non-GAAP effective tax rate of 24.0%. Guidance assumes an estimated diluted share count of approximately 106.2 million shares, which will vary by quarter, and excludes the impact of any share repurchases in 2020.

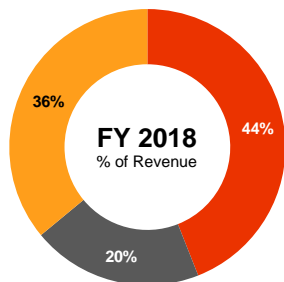
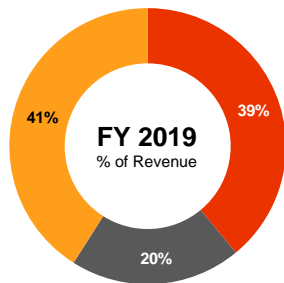
For a reconciliation of the presented non-GAAP financial measures to their most directly comparable GAAP measures, please refer to slides 17 - 18 in the Appendix of this presentation.

1. Revenue guidance assumes current foreign exchange rates as of December 31, 2019 remain unchanged.
2. No deferred revenue adjustment is anticipated for Clinical Solutions in FY 2020. The Clinical Solutions FY 2020 growth rate includes the \$6.4M of deferred revenue adjustment included in FY 2019.
3. Guidance for Adjusted Diluted EPS incorporates interest expense based upon an assumed one-month LIBOR of 2.1% at the end of 2020.

Appendix

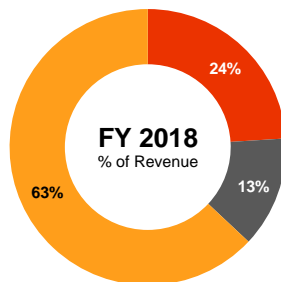
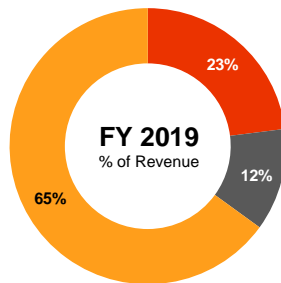
Diversified Customer Base and Service Offerings

Customer Profile



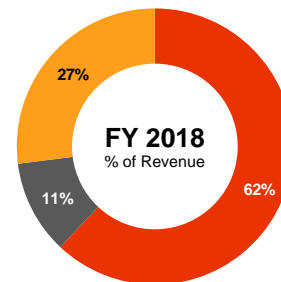
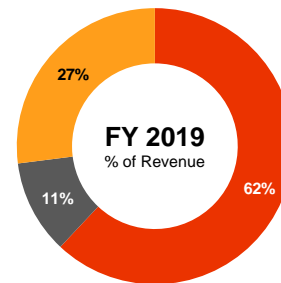
■ Top 20¹ ■ 21-50¹ ■ SMID

Customer Concentration



■ Top 5² ■ 6 - 10² ■ Remainder

Service Mix



■ Full-Service ■ FSP ■ Commercial Solutions
 Clinical Solutions

Total Clinical Solutions
73%

Total Clinical Solutions
73%

1. Top 20 and 21-50 Large Pharma defined by prior year R&D spend from *EvaluatePharma* and excludes medical device companies. To assist with the year-over-year comparison, FY 2018 has been recast using the updated rankings.
 2. Top 5 and 6 – 10 Syneos Health customers as defined by percentage of revenue.

Book-to-Bill and Backlog Burn Rate

Clinical Solutions

\$M		Q1 19	Q2 19	Q3 19	Q4 19
	TTM Clinical Solutions net new business awards ¹	\$ 4,193.5	\$ 3,967.0	\$ 3,911.9	\$ 4,148.0
	TTM Clinical Solutions adjusted revenue ²	3,240.2	3,304.4	3,351.3	3,428.0
	TTM Clinical Solutions book-to-bill ratio³	1.29 x	1.20 x	1.17 x	1.21 x

\$M		Q4 18	Q1 19	Q2 19	Q3 19	Q4 19
	Clinical Solutions adjusted revenue	\$ 824.2	\$ 806.6	\$ 851.5	\$ 869.0	\$ 900.9
	Clinical Solutions beginning backlog	7,263.5	7,502.3	7,612.9	7,834.0	7,781.8
	Clinical Solutions backlog burn rate⁴	11.3%	10.8%	11.2%	11.1%	11.6%

Commercial Solutions

\$M		Q1 19	Q2 19	Q3 19	Q4 19
	TTM Commercial Solutions net new business awards ¹	\$ 1,323.1	\$ 1,296.8	\$ 1,260.1	\$ 1,305.6
	TTM Commercial Solutions adjusted revenue ²	1,223.0	1,250.9	1,264.8	1,254.2
	TTM Commercial Solutions book-to-bill ratio³	1.08 x	1.04 x	1.00 x	1.04 x

Note: Beginning January 1, 2019, we began reporting information related to new business awards on a trailing-twelve-month (TTM) basis under current accounting standard ASC 606 and are not presenting periods prior to Q1 19.

1. We recognize new business awards when we enter into a contract or when we receive a written commitment from the customer selecting us as a service provider. For additional information on new business awards, including our new business award recognition policy, please refer to Item 7 in our Annual Report on Form 10-K for the year ended December 31, 2019.
2. For a reconciliation of GAAP revenue by segment to Non-GAAP adjusted revenue by quarter starting on January 1, 2018, please reference slide 12 in the Appendix of this presentation.
3. TTM book-to-bill represents TTM net new business awards divided by TTM adjusted revenue.
4. Backlog burn is calculated as the quarterly segment adjusted revenue divided by the respective quarter's beginning backlog.

Reconciliation of GAAP Revenue by Segment to Adjusted Revenue by Segment

\$M	Q1 18	Q2 18	Q3 18	Q4 18	FY 2018	Q1 19	Q2 19	Q3 19	Q4 19	FY 2019
Clinical Solutions revenue, as reported	\$ 786.8	\$ 783.9	\$ 819.2	\$ 821.2	\$ 3,211.2	\$ 805.0	\$ 849.9	\$ 867.4	\$ 899.3	\$ 3,421.6
Clinical Solutions deferred revenue adjustment (a)	3.4	3.4	2.9	2.9	12.7	1.6	1.6	1.6	1.6	6.4
Clinical Solutions adjusted revenue	\$ 790.2	\$ 787.3	\$ 822.1	\$ 824.2	\$ 3,223.9	\$ 806.6	\$ 851.5	\$ 869.0	\$ 900.9	\$ 3,428.0
Commercial Solutions revenue, as reported	\$ 270.4	\$ 288.6	\$ 295.7	\$ 324.2	\$ 1,178.9	\$ 314.0	\$ 316.9	\$ 309.6	\$ 313.7	\$ 1,254.2
Commercial Solutions deferred revenue adjustment (a)	0.4	0.4	-	-	0.8	-	-	-	-	-
Commercial Solutions adjusted revenue	\$ 270.8	\$ 289.0	\$ 295.7	\$ 324.2	\$ 1,179.7	\$ 314.0	\$ 316.9	\$ 309.6	\$ 313.7	\$ 1,254.2
Revenue, as reported	\$ 1,057.2	\$ 1,072.5	\$ 1,114.9	\$ 1,145.5	\$ 4,390.1	\$ 1,119.0	\$ 1,166.8	\$ 1,177.0	\$ 1,213.0	\$ 4,675.8
Deferred revenue adjustment (a)	3.8	3.8	2.9	2.9	13.5	1.6	1.6	1.6	1.6	6.4
Adjusted revenue	\$ 1,061.0	\$ 1,076.3	\$ 1,117.9	\$ 1,148.4	\$ 4,403.6	\$ 1,120.6	\$ 1,168.4	\$ 1,178.6	\$ 1,214.5	\$ 4,682.2

Note: Due to rounding of specific line items, line item figures might not sum to subtotals.
For a description of all GAAP to Non-GAAP adjustments, please reference slide 16 in the Appendix of this presentation.

Reconciliation of GAAP Net Income to Adjusted Net Income and Adjusted Diluted Earnings Per Share

\$M (except per share data)	Three months ended December 31,		Twelve months ended December 31,	
	2018	2019	2018	2019
Net income, as reported	\$ 45.7	\$ 91.1	\$ 24.3	\$ 131.3
Acquisition-related deferred revenue adjustment (a)	2.9	1.6	13.5	6.4
Amortization (b)	51.2	41.5	201.5	165.9
Restructuring and other costs (c)	9.1	2.4	50.8	42.1
Transaction and integration-related expenses (d)	3.0	26.5	64.8	61.3
Share-based compensation (e)	8.3	14.3	34.2	55.2
Other (income) expense, net (f)	(13.1)	53.5	(28.2)	24.2
Loss (gain) on extinguishment of debt (g)	0.2	(14.8)	4.2	(10.4)
Income tax adjustment to normalized rate (h)	(22.5)	(85.1)	(79.6)	(121.6)
Impact of base erosion and anti-abuse tax (i)	15.1	(22.5)	15.1	(15.1)
Adjusted net income	\$ 99.9	\$ 108.6	\$ 300.5	\$ 339.3
Diluted weighted average common shares outstanding	104.8	105.4	104.7	105.0
Adjusted diluted earnings per share	\$ 0.95	\$ 1.03	\$ 2.87	\$ 3.23

Note: Due to rounding of specific line items, line item figures might not sum to subtotals.
For a description of all GAAP to Non-GAAP adjustments, please reference slide 16 in the Appendix of this presentation.

Reconciliation of GAAP Net Income to Adjusted EBITDA

\$M	Three months ended December 31,		Twelve months ended December 31,	
	2018	2019	2018	2019
Net income, as reported	\$ 45.7	\$ 91.1	\$ 24.3	\$ 131.3
Interest expense, net	32.8	26.8	127.0	122.3
Income tax expense (benefit)	13.9	(73.3)	33.0	(29.5)
Depreciation	18.9	18.9	72.2	76.5
Amortization (b)	51.2	41.5	201.5	165.9
EBITDA	162.5	105.0	458.0	466.5
Acquisition-related deferred revenue adjustment (a)	2.9	1.6	13.5	6.4
Restructuring and other costs (c)	9.1	2.4	50.8	42.1
Transaction and integration-related expenses (d)	3.0	26.5	64.8	61.3
Share-based compensation (e)	8.3	14.3	34.2	55.2
Other (income) expense, net (f)	(13.1)	53.5	(28.2)	24.2
Loss (gain) on extinguishment of debt (g)	0.2	(14.8)	4.2	(10.4)
Adjusted EBITDA	\$ 173.0	\$ 188.6	\$ 597.2	\$ 645.2

Note: Due to rounding of specific line items, line item figures might not sum to subtotals.

For a description of all GAAP to Non-GAAP adjustments, please reference slide 16 in the Appendix of this presentation.

Reconciliation of GAAP to Non-GAAP Financial Measures by Segment

\$M	Clinical Solutions		Commercial Solutions		Clinical Solutions		Commercial Solutions	
	Three months ended December 31,		Three months ended December 31,		Twelve months ended December 31,		Twelve months ended December 31,	
	2018	2019	2018	2019	2018	2019	2018	2019
Revenue, as reported	\$ 821.2	\$ 899.3	\$ 324.2	\$ 313.7	\$ 3,211.2	\$ 3,421.6	\$ 1,178.9	\$ 1,254.2
Deferred revenue adjustment (a)	2.9	1.6	-	-	12.7	6.4	0.8	-
Adjusted revenue	\$ 824.2	\$ 900.9	\$ 324.2	\$ 313.7	\$ 3,223.9	\$ 3,428.0	\$ 1,179.7	\$ 1,254.2
Operating income, as reported	\$ 132.3	\$ 149.4	\$ 52.5	\$ 50.0	\$ 466.9	\$ 529.7	\$ 155.5	\$ 161.3
Deferred revenue adjustment (a)	2.9	1.6	-	-	12.7	6.4	0.8	-
Segment adjusted EBITDA	\$ 135.3	\$ 151.0	\$ 52.5	\$ 50.0	\$ 479.6	\$ 536.1	\$ 156.3	\$ 161.3
Unallocated Corporate and Other Adjusted EBITDA:								
\$M	Three months ended December 31,				Twelve months ended December 31,			
	2018		2019		2018		2019	
Operating income, as reported	\$ 79.5		\$ 83.4		\$ 160.2		\$ 237.8	
Segment operating income, as reported	184.9		199.4		622.4		691.0	
Unallocated corporate operating loss	(105.4)		(116.0)		(462.2)		(453.2)	
Amortization (b)	51.2		41.5		201.5		165.9	
Restructuring and other costs (c)	9.1		2.4		50.8		42.1	
Transaction and integration-related expenses (d)	3.0		26.5		64.8		61.3	
Share-based compensation (e)	8.3		14.3		34.2		55.2	
Depreciation	18.9		18.9		72.2		76.5	
Unallocated corporate and other adjusted EBITDA	\$ (14.8)		\$ (12.4)		\$ (38.7)		\$ (52.2)	
Clinical Solutions segment adjusted EBITDA	135.3		151.0		479.6		536.1	
Commercial Solutions segment adjusted EBITDA	52.5		50.0		156.3		161.3	
Adjusted EBITDA	\$ 173.0		\$ 188.6		\$ 597.2		\$ 645.2	

Note: Due to rounding of specific line items, line item figures might not sum to subtotals.
For a description of all GAAP to Non-GAAP adjustments, please reference slide 16 in the Appendix of this presentation.

Reconciliation of GAAP to Non-GAAP Financial Measures

Footnotes

- a) Represents non-cash adjustments resulting from the revaluation of deferred revenue and the subsequent elimination of revenue in purchase accounting in connection with business combinations.
- b) Represents the amortization of intangible assets associated with acquired customer relationships, backlog, and trademarks.
- c) Restructuring and other costs consist primarily of: (i) severance costs associated with a reduction/optimization of our workforce in line with our expectations of future business operations; (ii) termination costs in connection with abandonment and closure of redundant facilities and other lease-related charges; and (iii) consulting costs incurred for the continued consolidation of legal entities and restructuring of our contract management process to meet the requirements of accounting regulation changes.
- d) Represents fees associated with business combinations, stock repurchases and secondary stock offerings, debt placement and refinancings, and other corporate transactions costs.
- e) Represents non-cash share-based compensation expense related to awards granted under equity incentive plans.
- f) Other (income) expense is comprised primarily of foreign currency exchange gains and losses.
- g) Loss (gain) on extinguishment of debt is associated with debt prepayment and refinancing activities.
- h) Represents the income tax effect of the non-GAAP adjustments made to arrive at adjusted net income using an estimated non-GAAP effective tax rate of approximately 24.0% for the three months ended December 31, 2019, 24.0% for the twelve months ended December 31, 2019, 17.7% for the three months ended December 31, 2018, and 24.5% for twelve months ended December 31, 2018. The Company believes the Non-GAAP effective tax rate reflects our future GAAP effective tax rate. These rates have been adjusted to exclude tax impacts related to valuation allowances recorded against deferred tax assets.
- i) Represents the net income tax (benefit) expense recorded as a result of the base erosion and anti-abuse tax.

FY 2020 Guidance Reconciliation

Adjusted Net Income and Adjusted Diluted EPS

\$M (except per share data)	Adjusted Net Income		Adjusted Diluted Earnings Per Share	
	Low	High	Low	High
GAAP net income and diluted earnings per share	\$ 176.7	\$ 201.6	\$ 1.67	\$ 1.89
<i>Adjustments:</i>				
Amortization ¹	148.0	148.0	1.40	1.40
Restructuring and other costs ¹	32.0	32.0	0.30	0.30
Transaction expenses ¹	18.0	18.0	0.17	0.17
Share-based compensation expense ¹	67.0	67.0	0.63	0.63
Income tax effect of above adjustments ²	(62.3)	(64.9)	(0.59)	(0.61)
Adjusted net income and adjusted diluted earnings per share^{3,4}	\$ 379.4	\$ 401.7	\$ 3.58	\$ 3.78

Note: Due to rounding of specific line items, line item figures might not sum to subtotals.

1. Amounts are estimates with an estimated range of +/- 5% and are presented gross without the benefit of associated income tax reductions.
2. Income tax expense is calculated and the adjustments are tax-affected at an approximate rate of 24.0%, which represents the Company's estimated full-year non-GAAP effective tax rate.
3. Guidance for Adjusted Diluted EPS incorporates interest expense based upon an assumed one-month LIBOR of 2.1% through the end of 2020.
4. Guidance for Adjusted Diluted EPS is based on an expectation of a fully diluted weighted average share count for 2020 of approximately 106.2 million shares, which will vary by quarter.

Q1 and FY 2020 Guidance Reconciliation

Adjusted EBITDA

\$M	FY 2020		Q1 2020	
	Low	High	Low	High
GAAP Net income	\$ 176.7	\$ 201.6	\$ 16.8	\$ 22.4
<i>Adjustments:</i>				
Interest expense, net ¹	106.0	108.0	25.0	27.0
Income tax expense ¹	54.3	65.4	7.2	9.6
Depreciation ¹	78.0	80.0	18.5	18.5
Amortization ¹	148.0	148.0	39.0	39.0
EBITDA	563.0	603.0	106.5	116.5
Restructuring and other costs ¹	32.0	32.0	6.0	6.0
Transaction expenses ¹	18.0	18.0	6.0	6.0
Share-based compensation expense ¹	67.0	67.0	16.5	16.5
Adjusted EBITDA	\$ 680.0	\$ 720.0	\$ 135.0	\$ 145.0

Note: Due to rounding of specific line items, line item figures might not sum to subtotals.

1. Amounts are estimates with an estimated range of +/- 5% and are presented gross without the benefit of associated income tax reductions.

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