



IQVIA

Investment Memo

August 2019

Deal Team: Andrew Johnson

TRANSACTION SUMMARY

Borrower	IQVIA ("IQVIA", or the "Company")
Geography (HQ Location)	Durham, NC
Use of Proceeds	LBO
Sponsor	RoundTable Healthcare Partners
Ownership	Public Company (NYSE:IQV)
Sellside Advisor	N/A
Financials	\$10,412mm Revenue / \$2,224.0mm EBITDA (2018A)
Total Leverage	6.0x
Total Enterprise Value	\$42,429.5mm (15.3x LTM 6/30/19 EBITDA)

Situation Overview

- **RoundTable Healthcare Partners** ("Roundtable" or the "Sponsor") signed an LOI to acquire IQVIA and take it private for ~\$34 bn or 15.0 x LTM June 2019 EBITDA
 - To support the transaction, the Sponsor is looking to raise ~\$1.0bn of debt
- The Sponsor is looking to close on the transaction by the end of August
 - The Sponsor is seeking final financing proposals by August 16th
- To date the deal team has reviewed the May 2019 investor presentation, 2018 10-K, 2018 10-Qs, earnings calls, equity research reports, and industry research

Business Description

- IQVIA is provider of advanced analytics, technology solutions, and contract research services to the life sciences industry that is headquartered in Durham, NC and was founded in 1982
- The Company operates through three main segments:
 - **Technology and Analytics Solutions (~40% of 2018 Revenue)**: Offers a range of cloud-based applications and related implementation, real world insights, and reference information services; and, strategic and implementation consulting services, such as advanced analytics and commercial processes outsourcing services
 - **Research and Development Solutions (~50% of 2018 Revenue)**: Offers pharmaceutical development services comprising project management and clinical monitoring, clinical trial support, and strategic planning and design services as well as lab services
 - **Contract Sales and Medical Solutions (~10% of 2018 Revenue)**: Provides health care provider and patient engagement services, and scientific strategy and medical affairs services
- IQVIA has been active on the M&A front as the company rebranded to its current name after a merger between Quintiles and IMS Health in 2016. The former being a research medical company and the latter being a company that provides IT solutions to the health industry. Net sales by region are US (x%), Europe and Africa (x%), and Asia-Pacific (x%)
- IQVIA has 61,000+ full-time and part-time employees, and is led by chairman and CEO, Ari Bousbib, who has been with the company since 2010. Mr. Bousbib also is a member of the Harvard Medical School Health Care Policy Advisory Council and was appointed by the President of the United States to serve on the President's Commission on White House Fellowships

Transaction Summary

- Key economic terms are as follows:
 - First Lien: Fixed 450 bps, 1.00% OID, 1.00% Amort
 - Second Lien: Fixed 750 bps, 2.00% OID

SOURCES AND USES									
Sources of Funds					Uses of Funds				
(\$ in mm)		Amount					Amount		
Revolver (\$2000mm)		\$0.0			Acquisition of Company		\$33,360.0		
First Lien Term Loan		8,896.0			Fees		667.2		
Second Lien Term Loan		4,448.0							
Total Debt		\$13,344.0							
Sponsor Equity		20,683.2							
Total Equity		\$20,683.2							
Total Sources		\$34,027.2			Total Uses		\$34,027.2		
PRO FORMA CAPITALIZATION									
Pro Forma Capitalization									
(\$ 1 in mm)		xEBITDA			LIBOR		Issue		Unlevered
	Amount	Gross	Net	% of Capital	Coupon	Floor	Maturity	Price	IRR
Cash and Cash Equivalents	\$0.0								
Revolver (\$2000mm)	\$0.0	0.00x	0.00x	0.0%	500	1.0%	24-Dec	100	--
First Lien Term Loan	8,896.0	4.00x	4.00x	26.1%	500	1.0%	24-Dec	99	7.64%
Total First Lien Term Loan	\$8,896.0	4.00x	4.00x	26.1%					
Second Lien Term Loan	4,448.0	6.00x	6.00x	13.1%	700	1.0%	25-Dec	98	9.92%
Total Debt	\$13,344.0	6.00x	6.00x	39.2%	WACD 7.97%				
Sponsor Equity	20,683.2	9.30x	9.30x	60.8%					
Total Equity	\$20,683.2	9.30x	9.30x	60.8%					
Total Capitalization	\$34,027.2	15.30x	15.30x	100.0%					
2018 Adj. EBITDA		\$2,224.0							

Company Overview

Technology and Analytics Solutions (39.7% of 2018 Revenue)

- The Technology and Analytics Solutions provides cloud-based SaaS solutions that support clinical trial design and planning, site start-up, patient consent site payments, customer relationship management and also glean better insights into the industry
- Offers small and large-scale services and consulting projects, outsourcing projects, and SaaS arrangements
- Growth was mainly driven by IQVIA's CRM platform which provided 7% growth last quarter
- The Company generally competes on the basis of technology, quality, performance, and customer service
- The Company has a 99%+ retention rate for its top 1000 customers

■ Technology Solutions:

- Provides a range of cloud-based applications and associated implementation services.
- Provide mission critical services such as planning product launches, forecasting revenue, marketing, and selling.

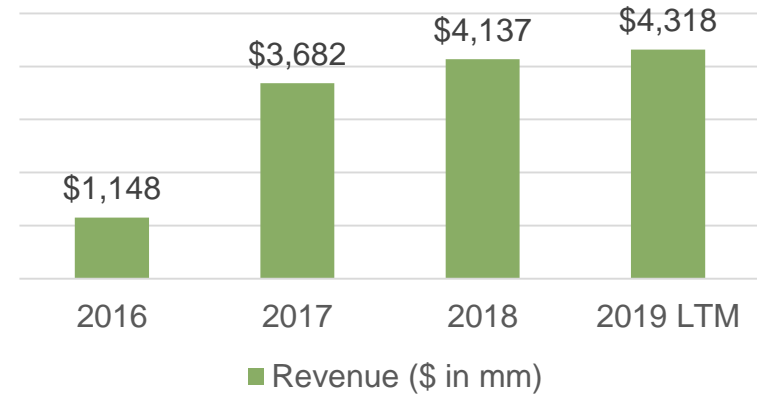
■ Real World Insights:

- Helps healthcare stake holders meet their increasing demand for faster insights and evidence by applying technology, scientific expertise and machine learning
- In December 2018, the FDA released a set of guidelines as well as rhetoric indicating that they positively viewed the real world insights segment in the industry positively

■ Analytics and consulting services:

- Provides a broad set of strategic and implementation consulting services, including advanced analytics and commercial processes to help commercial operations reduce their operating costs
- Clients are likely to continue choosing trusted IQVIA data to preserve continuity

Technology & Analytics Solutions Revenue



IQVIA CORE™

Domain Expertise

Institutional knowledge and domain expertise across diseases, geographies and scientific methods

Transformative Technology

Leading technologies to provide real-time access to operations-critical information

Unparalleled Data

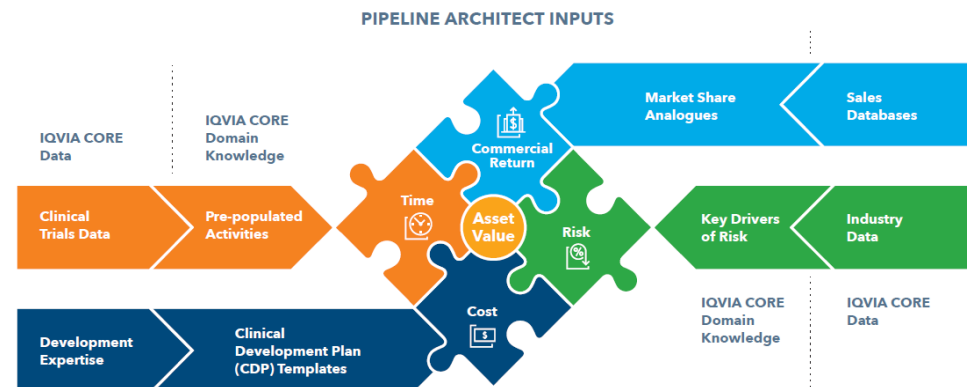
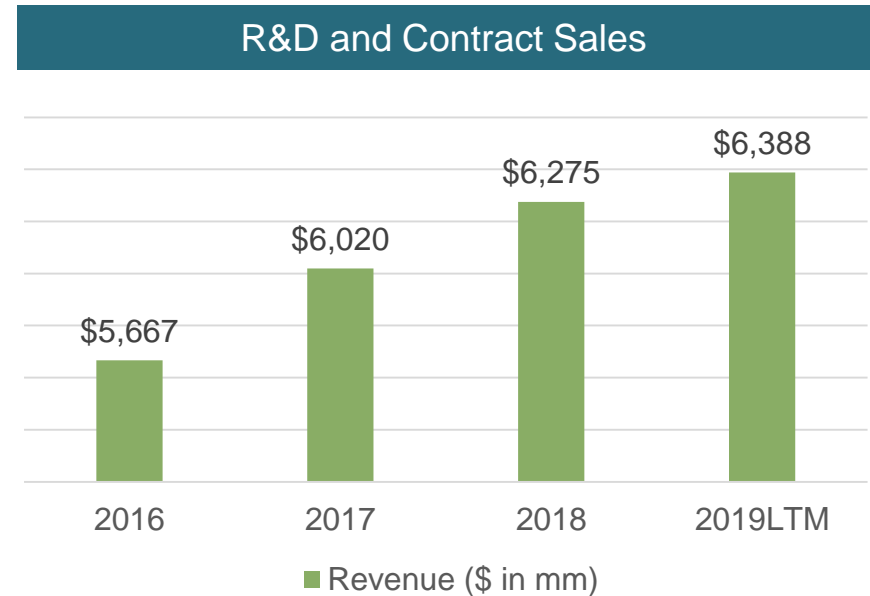
One of the world's largest curated healthcare data sources with innovative privacy protections

Advanced Analytics

Faster, more precise decision-making generated by advanced analytics designed for healthcare

Research and Development Solutions and Contract Sales (60.3% of 2018 Revenue)

- The R&D segment provides biopharmaceutical development services. It offers project management, clinical monitoring, strategic planning and design, site set up, and patient recruitment
- CRO branch of the company. Has backlog growth of 13.4% (TTM) with backlog growing to \$17.2 billion.
- Compiles data from over 100,000 sources and has exclusive access to 500 million patient records that allows them to give insights that allows clients to effectively commercialize its products and more
- The Company is generally involved in late-stage clinical trials, which are larger in scope, complexity, and have a higher rate of failure which imposes switching costs
- IQVIA has the top spot in CRO market share. (IQVIA was formed by a merger between IMS health and Quintiles, which independently had the largest market share)
 - \$4.8 billion of backlog was expected to be converted to revenue this fiscal year
 - Investment intended primarily to increase the quality and capability
 - Enables new core designs
 - Improvement in rubber mixing capabilities
 - Investments for continued improvement in consistency and quality for premium balls
- The Contract Sales segment provides healthcare provider engagement services, patient engagement services, and scientific strategy and medical affairs services (accounts for ~8% of revenue)



Investment Considerations

HIGHLIGHTS

- 1 Leading player in the market
- 2 Intellectual property protection on their proprietary “Human Data Science”
- 3 Exclusive access to large databases which provides competitive differentiation
- 4 Sticky customer base with high switching costs
- 5 Strong Sponsor track record
- 6 Drug Development Pipeline up

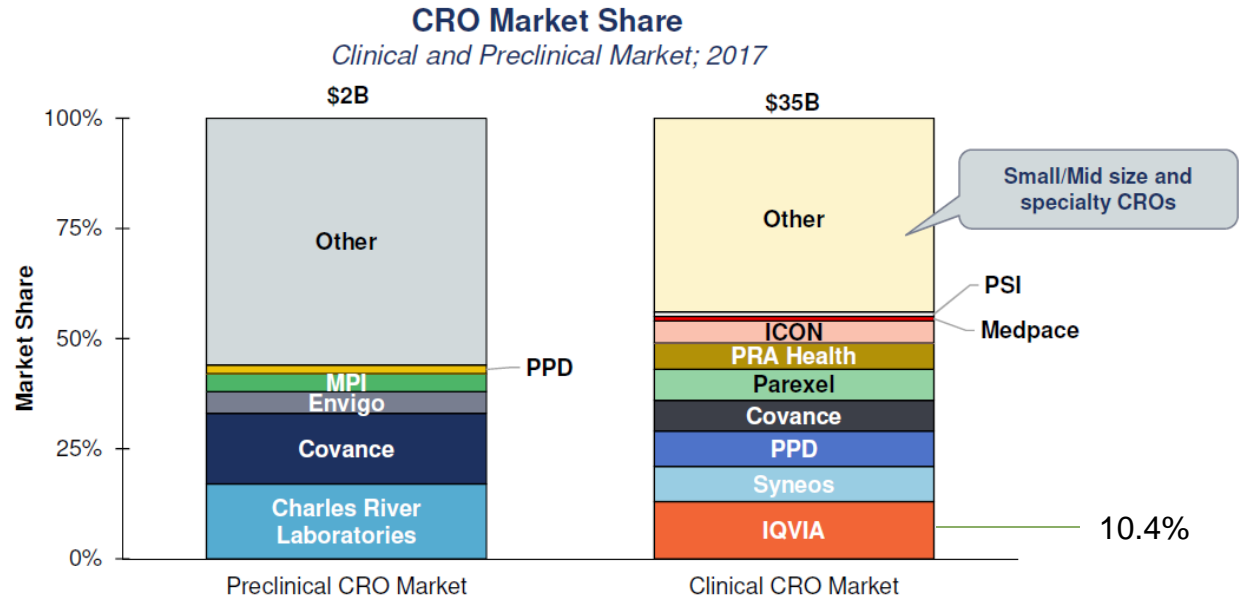
RISKS

- 1 Financial performance during recession given discretionary private R&D spend
- 2 Changes in data privacy and health care regulation
- 3 Performance of Contract Sales & Medical Solutions
- 4 Biopharma consolidation
- 5 Valuation

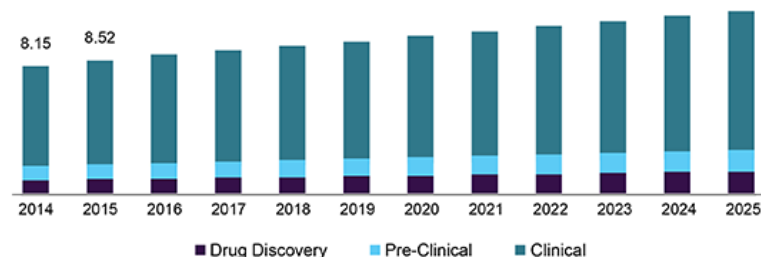
Investment Highlights

Market Leader in the Life Science Industry expanding the Real World Evidence Sector

- IQVIA was formed out of a merger of Quintiles and IMS Health in 2016, combining a CRO with a technical analytics company
- Currently leads the industry that it currently occupies and has arguably pioneered it
- #1 leader in the CRO space, life sciences data and analytics, and real world evidence.
- Has averaged a 35.7% growth rate (revenue-wise) over the past 3 years
- Adds value by allowing companies to use de-identified patient data sets can be used in lieu of traditional clinical trial cohorts for regulatory approval
- Highly educated workforce: 1,100+ medical doctors, 850+ biostatisticians and statistical programmers



U.S. healthcare CRO market size, by type, 2014 - 2025 (USD Billion)



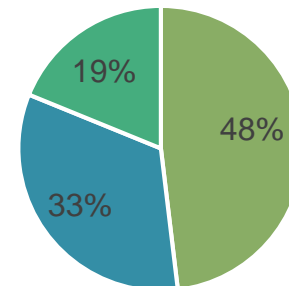
Source: www.grandviewresearch.com

Wide Moat protecting the business

- Has access to a proprietary data set
 - Sources data from 100,000 sources and has access to over 500 million de-personalized patient files that no other company has access too
 - Has 15+ petabytes of encrypted and secured data covering about 90 markets
- Unmatched Scale and Niche Provider
 - IQVIA is nearly twice as big as its closest competitor
 - Only company of its scale providing its interdisciplinary service
 - Delivered insights on ~85% of the world's pharmaceuticals (based on 2017 revenue)
- Intellectual Property Protection
 - Uses inhouse advancements in what they call human data science to optimize answers to the question: How do we know what is working?
 - Years of experience in working with complex human data that isn't uniform and has qualitative and quantitative aspects by incorporating physiology, environment, status, behavior and genetics
 - Team of specialists that have developed individual techniques that specialize to case, country, language, data type, and delivery procedures.
 - Was one of six companies selected to participate in an exclusive partnership that leverages its RWE segment
 - Large amounts of goodwill and intangible assets: \$11.8 bn in 2018

(\$ in mm)	2018 Revenue	2018 EBITDA	2018 EV/EBITDA
IQVIA	\$10,412.0	\$1,795.0	22.4x
Syneos	4,546.2	565.0	13.7x
Bioanalytical Systems	33.0	2.3	13.5x
BioClinica	79.0	10.3	14.2x
Change Healthcare Holdings	1,575.4	376.2	19.3x

Revenue By Geography



■ America ■ Europe and Africa ■ Asia - Pacific

Investment Risks

Performance in a Downturn

- The CRO industry is dependent on R&D spending and the willingness of its customers to outsource work
- The majority of sales go to companies in life sciences, including pharmaceutical companies, biotechnology companies, device and diagnostic companies, and consumer health companies. These companies are private so spend can be discretionary
- IQVIA makes money on clinical trials and they may initiate a clinical trial, which costs hundreds of millions for a client, to later find that the client can no longer fund the operation in which case IQVIA may have to complete the trial at its own expense
- Merger between Quintiles and IMS Health took place in 2016 no data is available as to how the combined platform of IQVIA will perform in a downturn

■ Mitigant:

- The US CRO market is growing at 5.4% CAGR and is expected to be \$22.2bn by 2021
- IQVIA is the largest player in the CRO space and has a well-diversified revenue base with no one client making up more than 10% of its revenue
- In the past downturn, total R&D spend decreased in growth but overall stayed relatively flat and then grew with the recovery
- The commercial CRO market is \$37 bn and spending within the market is slated to increase at 7% CAGR.
 - Companies within the industry are expected to increase their budget and increase outsourcing both of which would benefit IQVIA

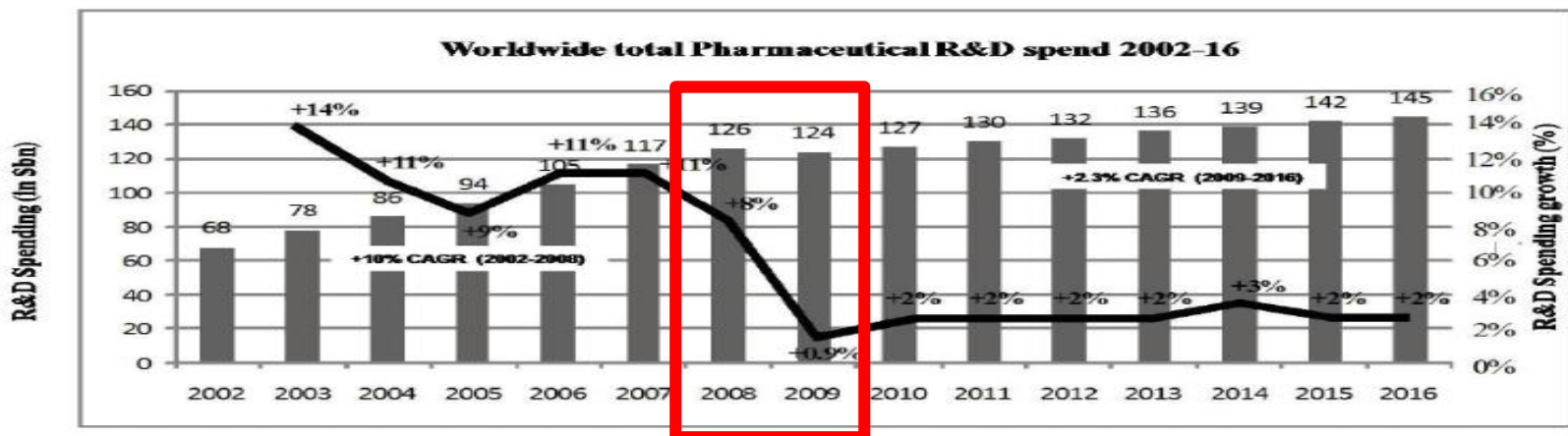


Fig. 2. Worldwide total pharmaceutical R&D spend in 2002-16 (Evaluate Pharma 2011)

Changes in data privacy and health care regulation

- IQVIA is only able to provide its Real World Evidence services if it is allowed to access large data sets of de-identified patient data, so it is heavily dependent on regulatory cooperation
- Recent concerns about data privacy could adversely affect IQVIA's ability to do business as it could affect the supply of data

- **Mitigant:**

- The FDA has released a statement expressing positive views on Real World Evidence
- The data they have amassed is de-personalized. There is no way to match the data back to the individual and the government has taken no steps to combat data collection.
- IQVIA has an internal branch called Privacy Analytics to ensure de-identification and compliance with government mandates



UnityPoint Health could be sued for data breach affecting 1.4M

Julie Spitzer - Tuesday, August 7th, 2018 Print | Email

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UnityPoint Health in West Des Moines, Iowa, could face a class-action lawsuit over a recent data breach that affected 1.4 million patients, according to the *Wisconsin State Journal*.

This would mark the second class-action lawsuit against the system since May. The first complaint involved an email phishing attack, which compromised 16,429 patients' protected health information in February. It alleged UnityPoint Health failed to notify patients in a timely matter and falsely told affected patients no Social Security numbers were compromised. The attorney who filed that suit is investigating whether the most recent breach would warrant a separate action.

The latest breach involves a separate phishing attack that compromised patients' names, addresses and medical information, as well as a limited number of driver's license, Social Security, and payment card or bank account numbers. The breach was discovered May 31, and UnityPoint notified the 1.4 million individuals July 30.

Internal Branch for Compliance



PRIVACY ANALYTICS

an IQVIA company

Financial Overview

Financial Model – Management Case

- Assumes the growth to the T&A segment will be more conservative
- Assumes growth of the R&D segment at the market rate
- Assumes the CS&MS segment underperforms in line with the 2017A decline

Management Case	Historical FY Ended 12/31			Projected FY Ending 12/31					
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Technology & Analytics Solutions	\$1,148.0	\$3,682.0	\$4,137.0	\$4,509.3	\$4,915.2	\$5,357.5	\$5,839.7	\$6,365.3	\$6,938.2
Research & Development Solutions	4,737.0	5,105.0	5,465.0	5,853.0	6,268.6	6,713.6	7,190.3	7,700.8	8,247.6
Contract Sales & Medical Solutions	930.0	915.0	810.0	793.8	777.9	762.4	747.1	732.2	717.5
Total Revenue	\$6,815.0	\$9,702.0	\$10,412.0	\$11,156.1	\$11,961.7	\$12,833.5	\$13,777.1	\$14,798.3	\$15,903.3
% growth		42.4%	7.3%	7.1%	7.2%	7.3%	7.4%	7.4%	7.5%
COGS	\$4,748.0	\$6,301.0	\$6,746.0	\$7,228.1	\$7,750.0	\$8,314.9	\$8,926.3	\$9,587.9	\$10,303.8
Gross Profit	\$2,067.0	\$3,401.0	\$3,666.0	\$3,928.0	\$4,211.7	\$4,518.6	\$4,850.8	\$5,210.4	\$5,599.5
% margin	30.3%	35.1%	35.2%	35.2%	35.2%	35.2%	35.2%	35.2%	35.2%
SG&A	\$1,016.0	\$1,622.0	\$1,716.0	\$1,838.6	\$1,971.4	\$2,115.1	\$2,270.6	\$2,438.9	\$2,621.0
Total Operating Expenses	\$1,016.0	\$1,622.0	\$1,716.0	\$1,838.6	\$1,971.4	\$2,115.1	\$2,270.6	\$2,438.9	\$2,621.0
% margin	14.9%	16.7%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%
Reported EBITDA	\$1,051.0	\$1,779.0	\$1,950.0	\$2,089.4	\$2,240.2	\$2,403.5	\$2,580.2	\$2,771.5	\$2,978.4
% margin	15.4%	18.3%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%
Total Adjustments	\$905.0	\$231.0	\$274.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Adjusted EBITDA	\$1,956.0	\$2,010.0	\$2,224.0	\$2,089.4	\$2,240.2	\$2,403.5	\$2,580.2	\$2,771.5	\$2,978.4
% margin	28.7%	20.7%	21.4%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%
Total Capex	\$164.0	\$369.0	\$459.0	\$491.8	\$527.3	\$565.7	\$607.3	\$652.3	\$701.1
% of revenue	2.4%	3.8%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Free Cash Flow				2019	2020	2021	2022	2023	2024
Adjusted EBITDA				\$2,089.4	\$2,240.2	\$2,403.5	\$2,580.2	\$2,771.5	\$2,978.4
Less: Total Capex				(491.8)	(527.3)	(565.7)	(607.3)	(652.3)	(701.1)
Operating Cash Flow (EBITDA - Capex)				\$1,597.6	\$1,712.9	\$1,837.8	\$1,972.9	\$2,119.1	\$2,277.4
Less: Cash Taxes				0.0	0.0	0.0	0.0	0.0	0.0
Less: Cash Interest				(719.7)	(715.7)	(711.7)	(707.7)	(703.7)	(699.7)
Less: Management Fees				(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Less: Cash Adjustments				0.0	0.0	0.0	0.0	0.0	0.0
Less: Change in NWC				32.2	34.9	37.8	40.9	44.2	47.9
Cash Flow Available for Debt Amortization				\$908.1	\$1,030.1	\$1,161.9	\$1,304.1	\$1,457.6	\$1,623.6
Less: Scheduled Amortization				(89.0)	(89.0)	(89.0)	(89.0)	(89.0)	(89.0)
Excess Free Cash Flow				\$819.1	\$941.1	\$1,072.9	\$1,215.1	\$1,368.6	\$1,534.6
Cumulative Levered Free Cash Flow				\$908.1	\$1,938.2	\$3,100.1	\$4,404.2	\$5,861.8	\$7,485.4
% of Initial Total Debt				6.8%	14.5%	23.2%	33.0%	43.9%	56.1%
Cash Summary									
Beginning Cash				\$0.0	\$819.1	\$1,760.2	\$2,833.1	\$4,048.2	\$5,416.8
Plus: Excess Free Cash Flow				819.1	941.1	1,072.9	1,215.1	1,368.6	1,534.6
Plus: Revolver Draw/(Repayment)				0.0	0.0	0.0	0.0	0.0	0.0
Less: Excess Cash Flow				0.0	0.0	0.0	0.0	0.0	0.0
Ending Cash				\$819.1	\$1,760.2	\$2,833.1	\$4,048.2	\$5,416.8	\$6,951.4
Credit Stats		At Close		2019	2020	2021	2022	2023	2024
Total Debt									
Revolver (\$2000mm)		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
First Lien Term Loan		8,896.0	8,807.0	8,718.1	8,629.1	8,540.2	8,451.2	8,363.2	8,274.2
Second Lien Term Loan		4,448.0	4,448.0	4,448.0	4,448.0	4,448.0	4,448.0	4,448.0	4,448.0
Total Debt		\$13,344.0	\$13,255.0	\$13,166.1	\$13,077.1	\$12,988.2	\$12,899.2	\$12,811.2	\$12,726.2
Net Debt		\$13,344.0	\$12,435.9	\$11,405.9	\$10,244.0	\$8,940.0	\$7,482.4	\$5,859.8	\$4,417.8
First Lien Leverage Ratio		4.0x	4.2x	3.9x	3.6x	3.3x	3.0x	2.8x	2.6x
Frist Lien Net Leverage Ratio		4.0x	3.8x	3.1x	2.4x	1.7x	1.1x	0.5x	0.0x
Total Leverage Ratio		6.0x	6.3x	5.9x	5.4x	5.0x	4.7x	4.3x	3.9x
Net Leverage Ratio		6.0x	6.0x	5.1x	4.3x	3.5x	2.7x	2.0x	1.4x
Fixed Charge Coverage Ratio			2.0x	2.1x	2.3x	2.5x	2.7x	2.9x	3.1x
Interest Coverage Ratio			2.9x	3.1x	3.4x	3.6x	3.9x	4.3x	4.7x
EBITDA - Capex / Interst Expenses			2.2x	2.4x	2.6x	2.8x	3.0x	3.3x	3.6x

Financial Model – Flat Case

Assumes business stays flat after 2019

Flat Case	Historical FY Ended 12/31			Projected FY Ending 12/31					
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Technology & Analytics Solutions	\$1,148.0	\$3,682.0	\$4,137.0	\$4,509.3	\$4,509.3	\$4,509.3	\$4,509.3	\$4,509.3	\$4,509.3
Research & Development Solutions	4,737.0	5,105.0	5,465.0	5,853.0	5,853.0	5,853.0	5,853.0	5,853.0	5,853.0
Contract Sales & Medical Solutions	930.0	915.0	810.0	793.8	793.8	793.8	793.8	793.8	793.8
Total Revenue	\$6,815.0	\$9,702.0	\$10,412.0	\$11,156.1	\$11,156.1	\$11,156.1	\$11,156.1	\$11,156.1	\$11,156.1
% growth		42.4%	7.3%	7.1%	0.0%	0.0%	0.0%	0.0%	0.0%
COGS	\$4,748.0	\$6,301.0	\$6,746.0	\$7,228.1	\$7,228.1	\$7,228.1	\$7,228.1	\$7,228.1	\$7,228.1
Gross Profit	\$2,067.0	\$3,401.0	\$3,666.0	\$3,928.0	\$3,928.0	\$3,928.0	\$3,928.0	\$3,928.0	\$3,928.0
% margin	30.3%	35.1%	35.2%	35.2%	35.2%	35.2%	35.2%	35.2%	35.2%
SG&A	\$1,016.0	\$1,622.0	\$1,716.0	\$1,838.6	\$1,838.6	\$1,838.6	\$1,838.6	\$1,838.6	\$1,838.6
Total Operating Expenses	\$1,016.0	\$1,622.0	\$1,716.0	\$1,838.6	\$1,838.6	\$1,838.6	\$1,838.6	\$1,838.6	\$1,838.6
% margin	14.9%	16.7%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%
Reported EBITDA	\$1,051.0	\$1,779.0	\$1,950.0	\$2,089.4	\$2,089.4	\$2,089.4	\$2,089.4	\$2,089.4	\$2,089.4
% margin	15.4%	18.3%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%
Total Adjustments	\$905.0	\$231.0	\$274.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Adjusted EBITDA	\$1,956.0	\$2,010.0	\$2,224.0	\$2,089.4	\$2,089.4	\$2,089.4	\$2,089.4	\$2,089.4	\$2,089.4
% margin	28.7%	20.7%	21.4%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%
Total Capex	\$164.0	\$369.0	\$459.0	\$491.8	\$491.8	\$491.8	\$491.8	\$491.8	\$491.8
% of revenue	2.4%	3.8%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Free Cash Flow				2019	2020	2021	2022	2023	2024
Adjusted EBITDA				\$2,089.4	\$2,089.4	\$2,089.4	\$2,089.4	\$2,089.4	\$2,089.4
Less: Total Capex				(491.8)	(491.8)	(491.8)	(491.8)	(491.8)	(491.8)
Operating Cash Flow (EBITDA - Capex)				\$1,597.6	\$1,597.6	\$1,597.6	\$1,597.6	\$1,597.6	\$1,597.6
Less: Cash Taxes				0.0	0.0	0.0	0.0	0.0	0.0
Less: Cash Interest				(719.7)	(715.7)	(711.7)	(707.7)	(703.7)	(699.7)
Less: Management Fees				(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Less: Cash Adjustments				0.0	0.0	0.0	0.0	0.0	0.0
Less: Change in NWC				32.2	0.0	0.0	0.0	0.0	0.0
Cash Flow Available for Debt Amortization				\$908.1	\$879.9	\$883.9	\$887.9	\$891.9	\$895.9
Less: Scheduled Amortization				(89.0)	(89.0)	(89.0)	(89.0)	(89.0)	(89.0)
Excess Free Cash Flow				\$819.1	\$790.9	\$794.9	\$798.9	\$802.9	\$806.9
Cumulative Levered Free Cash Flow				\$908.1	\$1,787.9	\$2,671.8	\$3,559.6	\$4,451.5	\$5,347.3
% of Initial Total Debt				6.8%	13.4%	20.0%	26.7%	33.4%	40.1%
Cash Summary									
Beginning Cash				\$0.0	\$819.1	\$1,609.9	\$2,404.8	\$3,203.6	\$4,006.5
Plus: Excess Free Cash Flow				819.1	790.9	794.9	798.9	802.9	806.9
Plus: Revolver Draw/(Repayment)				0.0	0.0	0.0	0.0	0.0	0.0
Less: Excess Cash Flow				0.0	0.0	0.0	0.0	0.0	0.0
Ending Cash				\$819.1	\$1,609.9	\$2,404.8	\$3,203.6	\$4,006.5	\$4,813.3
Credit Stats		At Close		2019	2020	2021	2022	2023	2024
Total Debt									
Revolver (\$20000mm)		\$0.0		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
First Lien Term Loan		8,896.0		8,807.0	8,718.1	8,629.1	8,540.2	8,451.2	8,363.2
Second Lien Term Loan		4,448.0		4,448.0	4,448.0	4,448.0	4,448.0	4,448.0	4,448.0
Total Debt		\$13,344.0		\$13,255.0	\$13,166.1	\$13,077.1	\$12,988.2	\$12,899.2	\$12,811.2
Net Debt		\$13,344.0		\$12,435.9	\$11,556.2	\$10,672.3	\$9,784.6	\$8,892.7	\$7,997.9
First Lien Leverage Ratio		4.0x		4.2x	4.2x	4.1x	4.1x	4.0x	4.0x
Frist Lien Net Leverage Ratio		4.0x		3.8x	3.4x	3.0x	2.6x	2.1x	1.7x
Total Leverage Ratio		6.0x		6.3x	6.3x	6.3x	6.2x	6.2x	6.1x
Net Leverage Ratio		6.0x		6.0x	6.0x	5.1x	4.7x	4.3x	3.8x
Fixed Charge Coverage Ratio				2.0x	2.0x	2.0x	2.0x	2.0x	2.0x
Interest Coverage Ratio				2.9x	2.9x	2.9x	3.0x	3.0x	3.0x
EBITDA - Capex / Interst Expenses				2.2x	2.2x	2.2x	2.3x	2.3x	2.3x

Financial Model – ASP Downside Case

- Projects constant decline of CS&MS at 17-18' rate
- Assumes constant downturn of R&D segment at the rate of the last downturn
- Assumes worse T&A segment growth

Downside Case	Historical FY Ended 12/31			Projected FY Ending 12/31					
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Technology & Analytics Solutions	\$1,148.0	\$3,682.0	\$4,137.0	\$4,509.3	\$4,779.9	\$5,066.0	\$5,370.7	\$5,692.9	\$6,034.5
Research & Development Solutions	4,737.0	5,105.0	5,465.0	5,853.0	5,800.3	5,748.1	5,696.4	5,645.1	5,594.3
Contract Sales & Medical Solutions	930.0	915.0	810.0	793.8	702.5	621.7	550.2	486.9	431.0
Total Revenue	\$6,815.0	\$9,702.0	\$10,412.0	\$11,156.1	\$11,282.7	\$11,435.8	\$11,617.3	\$11,824.9	\$12,059.8
% growth		42.4%	7.3%	7.1%	1.1%	1.4%	1.6%	1.8%	2.0%
COGS	\$4,748.0	\$6,301.0	\$6,746.0	\$7,228.1	\$7,269.1	\$7,319.0	\$7,377.5	\$7,444.8	\$7,520.9
Gross Profit	\$2,067.0	\$3,401.0	\$3,666.0	\$3,928.0	\$4,013.6	\$4,116.8	\$4,239.8	\$4,380.1	\$4,538.9
% margin	30.3%	35.1%	35.2%	35.2%	35.6%	36.0%	36.5%	37.0%	37.6%
SG&A	\$1,016.0	\$1,622.0	\$1,716.0	\$1,838.6	\$1,843.9	\$1,850.2	\$1,857.6	\$1,866.2	\$1,875.9
Total Operating Expenses	\$1,016.0	\$1,622.0	\$1,716.0	\$1,838.6	\$1,843.9	\$1,850.2	\$1,857.6	\$1,866.2	\$1,875.9
% margin	14.9%	16.7%	16.5%	16.5%	16.3%	16.2%	16.0%	15.8%	15.6%
Reported EBITDA	\$1,051.0	\$1,779.0	\$1,950.0	\$2,089.4	\$2,169.7	\$2,266.6	\$2,382.2	\$2,513.9	\$2,663.0
% margin	15.4%	18.3%	18.7%	18.7%	19.2%	19.8%	20.5%	21.3%	22.1%
Total Adjustments	\$905.0	\$231.0	\$274.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Adjusted EBITDA	\$1,956.0	\$2,010.0	\$2,224.0	\$2,089.4	\$2,169.7	\$2,266.6	\$2,382.2	\$2,513.9	\$2,663.0
% margin	28.7%	20.7%	21.4%	18.7%	19.2%	19.8%	20.5%	21.3%	22.1%
Total Capex	\$164.0	\$369.0	\$459.0	\$491.8	\$497.4	\$504.2	\$512.1	\$521.3	\$531.8
% of revenue	2.4%	3.8%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Free Cash Flow				2019	2020	2021	2022	2023	2024
Adjusted EBITDA				\$2,089.4	\$2,169.7	\$2,266.6	\$2,382.2	\$2,513.9	\$2,663.0
Less: Total Capex				(491.8)	(497.4)	(504.2)	(512.1)	(521.3)	(531.8)
Operating Cash Flow (EBITDA - Capex)				\$1,597.6	\$1,672.3	\$1,762.4	\$1,870.1	\$1,992.6	\$2,131.2
Less: Cash Taxes				0.0	0.0	0.0	0.0	0.0	0.0
Less: Cash Interest				(719.7)	(715.7)	(711.7)	(707.7)	(703.7)	(699.7)
Less: Management Fees				(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Less: Cash Adjustments				0.0	0.0	0.0	0.0	0.0	0.0
Less: Change in NWC				32.2	5.5	6.7	7.8	9.0	10.2
Cash Flow Available for Debt Amortization				\$908.1	\$960.1	\$1,055.4	\$1,168.2	\$1,295.9	\$1,439.7
Less: Scheduled Amortization				(89.0)	(89.0)	(89.0)	(89.0)	(89.0)	(89.0)
Excess Free Cash Flow				\$819.1	\$871.1	\$966.4	\$1,079.2	\$1,206.9	\$1,350.7
Cumulative Levered Free Cash Flow				\$908.1	\$1,868.2	\$2,923.6	\$4,091.8	\$5,387.7	\$6,827.4
% of Initial Total Debt				6.8%	14.0%	21.9%	30.7%	40.4%	51.2%
Cash Summary									
Beginning Cash				\$0.0	\$819.1	\$1,690.2	\$2,656.6	\$3,735.8	\$4,942.7
Plus: Excess Free Cash Flow				819.1	871.1	966.4	1,079.2	1,206.9	1,350.7
Plus: Revolver Draw/(Repayment)				0.0	0.0	0.0	0.0	0.0	0.0
Less: Excess Cash Flow				0.0	0.0	0.0	0.0	0.0	0.0
Ending Cash				\$819.1	\$1,690.2	\$2,656.6	\$3,735.8	\$4,942.7	\$6,293.4
Credit Stats			At Close	2019	2020	2021	2022	2023	2024
Total Debt									
Revolver (\$2000mm)		\$0.0		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
First Lien Term Loan		8,896.0		8,807.0	8,718.1	8,629.1	8,540.2	8,451.2	8,363.2
Second Lien Term Loan		4,448.0		4,448.0	4,448.0	4,448.0	4,448.0	4,448.0	4,448.0
Total Debt		\$13,344.0		\$13,255.0	\$13,166.1	\$13,077.1	\$12,988.2	\$12,899.2	\$12,811.2
Net Debt		\$13,344.0		\$12,435.9	\$11,475.9	\$10,420.5	\$9,252.4	\$7,956.5	\$6,517.8
First Lien Leverage Ratio		4.0x		4.2x	4.0x	3.8x	3.6x	3.4x	3.1x
Frist Lien Net Leverage Ratio		4.0x		3.8x	3.2x	2.6x	2.0x	1.4x	0.8x
Total Leverage Ratio		6.0x		6.3x	6.1x	5.8x	5.5x	5.1x	4.8x
Net Leverage Ratio		6.0x		6.0x	5.3x	4.6x	3.9x	3.2x	2.5x
Fixed Charge Coverage Ratio				2.0x	2.1x	2.2x	2.3x	2.5x	2.6x
Interest Coverage Ratio				2.9x	3.0x	3.2x	3.4x	3.6x	3.8x
EBITDA - Capex / Interst Expenses				2.2x	2.3x	2.5x	2.6x	2.8x	3.0x

Appendix

Appendix

IQVIA Management

Name	Position	Description
Ari Bousbib	Chairman, CEO, and President	Ari Bousbib is chairman and chief executive officer of IQVIA. He has served in this role since October 2016 following the merger of Quintiles and IMS Health. From 2010 until the merger, Ari was chairman and CEO of IMS Health. Prior to his appointment at IMS Health, Ari spent 14 years at United Technologies Corporation (UTC), the parent company of Otis Elevator Company, Carrier Corporation, UTC Power, UTC Fire & Security, Pratt & Whitney, Sikorsky Aircraft and Hamilton Sundstrand, where he held several senior leadership positions. Ari joined UTC in 1997 as chief strategy and development officer, became chief operating officer of Otis in 2000 and president and chief executive officer of Otis in 2002. In 2008, Ari was appointed president of UTC Commercial Companies with executive leadership responsibility for the worldwide operations of Otis, Carrier, UTC Fire and Security and UTC Power, generating \$36 billion in annual revenues and leading a team of 150,000 employees around the world. Ari is a former partner at global management and technology consulting firm Booz Allen Hamilton. He joined the firm in 1987 as an associate and was elected to its partnership in 1992. Ari has been serving on the board of directors of The Home Depot since 2007, and is a member of the Harvard Medical School Health Care Policy Advisory Council. In 2008, Ari was appointed by the President of the United States to serve on the President's Commission on White House Fellowships.
Michael R McDonnell	EVP and CFO	Mike McDonnell is executive vice president and chief financial officer for IQVIA. He directs all finance operations for the Human Data Science Company that was created following the merger of Quintiles and IMS Health. This includes corporate accounting, financial planning and analysis, internal audit, tax, treasury, investor relations, corporate development, insurance, and the real estate and procurement functions. Mike joined Quintiles in 2015 and previously served for seven years as CFO at Intelsat, a leading global satellite service provider. Before that, he was CFO at both MCG Capital Corporation and EchoStar Communications (DishNetwork). Earlier in his career, he was a partner at PricewaterhouseCoopers, LLP. Mike also served as a member of the board of directors of Catalyst Health Solutions, Inc., a publicly held pharmacy benefits management company. Mike earned a bachelor's degree in accounting from Georgetown University and is a certified public accountant.
W. Richard Staub, III	President, R&D Solutions	Richard Staub is president of the Research & Development Solutions global business unit at IQVIA, where he leads the world's largest contract research organization (CRO). Supported by high-powered information and technology assets, the clinical experts in R&D Solutions leverage comprehensive, evidence-driven trial design, accelerate site activation and patient recruitment, and optimize trial execution. Richard also serves as chair of the Research & Development Solutions Executive Committee. Previously, Richard was president of Novella Clinical, a Quintiles company, a specialty clinical research organization acquired by Quintiles in 2013, and the leader of QuintilesIMS's Global Functional Resourcing business. Joining Novella in 2004, he served as both president and CEO from 2008-13. Under his leadership, Novella became a distinctively agile, results-oriented CRO in the highly complex and fast-growing areas of specialty pharma and medical technology. Prior to joining Novella, he was senior vice president of global business development for one of the world's largest CROs. Richard's career in the pharmaceutical industry began at Zeneca Pharmaceuticals in 1989 where he was given increasing responsibilities as a medical and hospital sales representative, cardiovascular portfolio analyst and marketing manager. Richard holds a bachelor's degree in Economics from the University of North Carolina at Chapel Hill.
Kevin C. Knightly	President, IT Solutions	Kevin Knightly is president, Technology & Commercial Solutions for IQVIA, responsible for the growth of the company's information assets, delivery of innovative offerings for commercial operations, and development of leading-edge database management, patient engagement and end-user technology solutions. Kevin previously served as senior vice president, Information Offerings at IMS Health from April 2015 to September 2016, driving the delivery of precision insights for market and performance measurement. With more than two decades of service at IMS Health and its predecessor companies, Kevin has held a variety of senior financial, operations, marketing and general management posts. His roles include serving as senior vice president, Supply Management, senior vice president, Pharma Business Management, and president, Europe, Middle East and Africa. Kevin also was chief financial officer for both IMS Health North America and Europe, and senior vice president, Marketing and Major Markets, EMEA. Kevin holds a bachelor of science degree in Economics and Accounting from the College of the Holy Cross, and an MBA from New York University's Stern Business School.
Eric Sherbet	EVP and General Council	Eric Sherbet is executive vice president, general counsel for IQVIA, The Human Data Science Company™. He is responsible for the company's global legal operations, as well as compliance, privacy and external affairs. Eric has more than 25 years of legal experience, of which 17 are in the global life science and technology industries. Prior to joining IQVIA in February 2018, he served as general counsel and secretary at Patheon, where he oversaw the company's initial public offering and its recent \$7.2 billion acquisition by Thermo Fisher. Before that, Eric was general counsel and secretary at InVentiv Health, where he built the legal and compliance division into a global team. He also served as vice president, deputy general counsel and corporate secretary at Foster Wheeler AG and as vice president, corporate and securities law and corporate secretary at Avaya. Eric earned his J.D. from the New York University School of Law and received his bachelor's degree in commerce/accounting from the University of Virginia. Eric started his career as a CPA at KPMG.

Top 10 Owners of Iqvia Holdings Inc

Stockholder	Stake	Shares owned	Total value (\$)	Shares bought / sold	Total change
The Vanguard Group, Inc.	9.00%	17,747,474	2,855,568,567	+34,412	+0.19%
BlackRock Fund Advisors	4.05%	7,990,054	1,285,599,689	+241,278	+3.11%
Lone Pine Capital LLC	3.91%	7,708,139	1,240,239,565	0	0.00%
SSgA Funds Management, Inc.	3.42%	6,746,541	1,085,518,447	+251,835	+3.88%
Longview Partners LLP	3.15%	6,213,751	999,792,536	-3,118,116	-33.41%
Jackson Square Partners LLC	3.03%	5,970,698	960,685,308	-158,997	-2.59%
Canada Pension Plan Investment Bo...	2.99%	5,905,572	950,206,535	0	0.00%
Fidelity Management & Research Co...	2.70%	5,329,981	857,593,943	+1,143,410	+27.31%
Glenview Capital Management LLC	1.98%	3,910,507	629,200,576	-1,452,425	-27.08%
AQR Capital Management LLC	1.85%	3,642,793	586,125,394	+561,276	+18.21%

NYSE:IQV 5 Year Stock Chart

