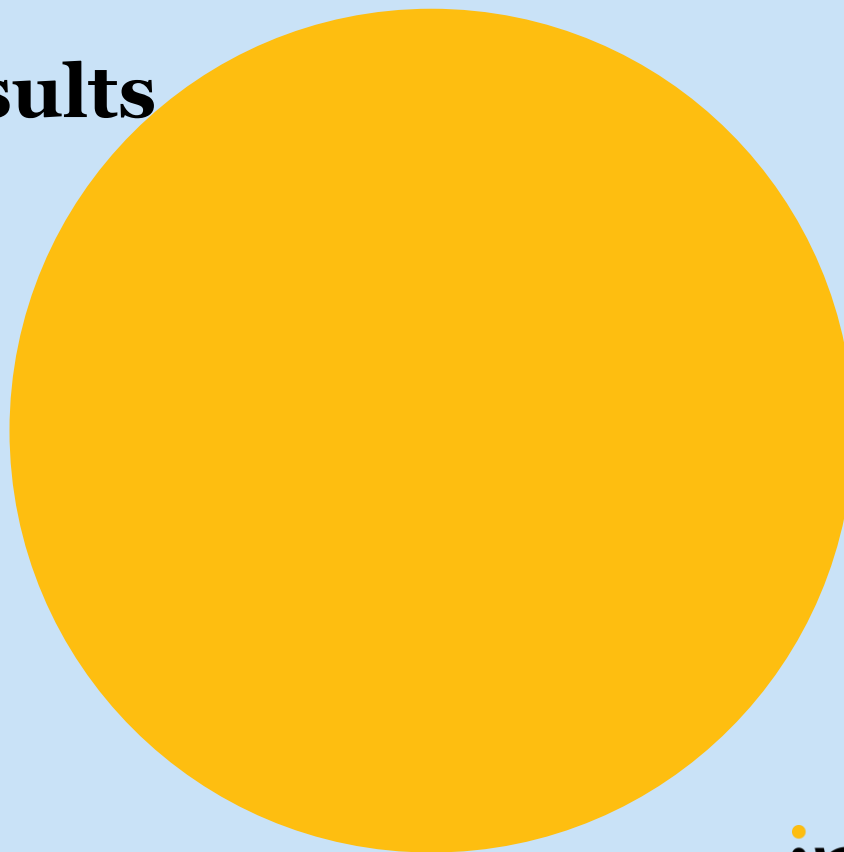


INC Research **Q1 2017 Financial Results**

May 10, 2017



Forward Looking Statements & Non-GAAP Financial Measures

Forward-Looking Statements

Except for historical information, all of the statements, expectations, and assumptions contained in this presentation, including our updated 2017 guidance, are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. 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: our ability to maintain or generate new business awards; our backlog not being indicative of future revenues and our ability to realize the anticipated future revenue reflected in our backlog; our ability to adequately price our contracts and not overrun cost estimates; general and international economic, political and other risks, including currency and stock market fluctuations and the uncertain economic environment; fluctuations in our financial results; reliance on key personnel; our customer or therapeutic area concentration; our ability to increase our market share, grow our business and execute our growth strategies; and the other risk factors set forth in our Form 10-K for the year ended December 31, 2016 and other SEC filings, copies of which are available free of charge on our website at investor.incresearch.com. INC Research 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 GAAP, this press release contains certain non-GAAP financial measures, including Adjusted Income from Operations, Adjusted Operating Margin, Adjusted Net Income (including Adjusted Diluted Earnings per Share), EBITDA and Adjusted EBITDA. A “non-GAAP financial measure” is generally defined as a numerical measure of a company’s financial performance that excludes or includes amounts so as to be different than 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 Income from Operations as income from operations excluding expenses and transactions that the Company believes are not representative of its core operations, namely, acquisition-related amortization; restructuring, CEO transition, and other costs; transaction expenses; share-based compensation expense; and contingent consideration related to acquisitions and other expense. The Company defines Adjusted Operating Margin as adjusted income from operations as a percentage of net service revenue.

The Company defines Adjusted Net Income (including Adjusted Diluted Earnings per Share) as net income (including diluted earnings per share) excluding the items excluded from adjusted income from operations mentioned previously and other expense. After giving effect to these items and other unusual tax impacts during the period, the Company has also included an adjustment to its income tax rate to reflect the expected long-term income tax rate.

EBITDA represents earnings before interest, taxes, depreciation and amortization. The Company defines Adjusted EBITDA as EBITDA, further adjusted to exclude certain expenses and transactions that the Company believes are not representative of its core operations, namely, restructuring, CEO transition, and other costs; transaction expenses; share-based compensation expense; contingent consideration related to acquisitions and other expense; and other expense. 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 as they exclude certain items whose fluctuations from period-to-period do not necessarily correspond to changes in the core operations of the business. Adjusted Income from Operations, Adjusted Operating Margin and Adjusted Net Income (including Adjusted Diluted Earnings per Share) are used by management and the Board to assess 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 slides 19-21 in the appendix of this presentation.

Q1 2017 Highlights

Key Operating Metrics – GAAP Basis

\$M (except ratios and per share data)	Three Months Ended March 31		
	2016	2017	% Change
Net New Business Awards	302.4	359.9	19.0%
Book-to-Bill Ratio	1.2 x	1.4 x	
Book-to-Bill Ratio (TTM)	1.3 x	1.2 x	
Net Service Revenue	249.0	252.1	1.2%
GAAP Income from Operations	32.5	34.8	6.9%
EBITDA	41.7	46.9	12.4%
GAAP Net Income	17.4	21.2	21.7%
GAAP Diluted EPS (\$)	0.31	0.38	22.6%

\$M	Mar 31,	Mar 31,	% Change
	2016	2017	
Backlog ¹	1,874	2,103	12.2%

1. For a complete roll forward of backlog for the 4 quarters ended March 31, 2017, including the impact of foreign currency fluctuations, please refer to slide 9.

Q1 2017 Highlights

Key Operating Metrics – Adjusted Basis

\$M (except ratios and per share data)	Three Months Ended March 31		
	2016	2017	% Change
Net New Business Awards	302.4	359.9	19.0%
Book-to-Bill Ratio	1.2 x	1.4 x	
Book-to-Bill Ratio (TTM)	1.3 x	1.2 x	
Net Service Revenue	249.0	252.1	1.2%
Adjusted Income from Operations	52.2	52.0	(0.4%)
Adjusted EBITDA	57.1	58.1	1.8%
Adjusted Net Income	32.5	33.1	1.8%
Adjusted Diluted EPS (\$)	0.58	0.60	3.4%

\$M	Mar 31,	Mar 31,	% Change
	2016	2017	
Backlog ¹	1,874	2,103	12.2%

1. For a complete roll forward of backlog for the 4 quarters ended March 31, 2017, including the impact of foreign currency fluctuations, please refer to slide 9. For a complete reconciliation of GAAP to Non-GAAP measures for the current and historical periods presented, please refer to slides 19-21 in the appendix of this presentation.

Q1 2017 Income Statement

Adjusted Basis

\$M (except margin and per share data)	Three Months Ended March 31		
	2016	2017	% Change
Net Service Revenue	\$ 249.0	\$ 252.1	1.2%
Direct Costs	150.0	152.1	1.4%
Gross Profit	99.0	100.0	1.0%
<i>Gross Profit Margin</i>	39.8%	39.7%	-10 bps
Selling, General and Administrative	41.9	41.8	(0.2%)
Depreciation	4.9	6.2	26.0%
Income from Operations	52.2	52.0	(0.4%)
<i>Income from Operations Margin</i>	21.0%	20.6%	-40 bps
Interest Expense, net	(3.0)	(3.0)	0.6%
Income before Provision for Income Taxes	49.2	49.0	(0.5%)
Income Tax Expense	(16.7)	(15.9)	(4.9%)
Net Income	\$ 32.5	\$ 33.1	1.8%
Diluted EPS	\$ 0.58	\$ 0.60	3.4%
EBITDA	\$ 57.1	\$ 58.1	1.8%
<i>EBITDA Margin</i>	22.9%	23.1%	+20 bps

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

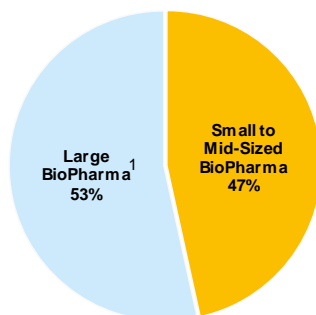
For a complete reconciliation of GAAP to Non-GAAP measures for the current and historical periods presented, please refer to slides 19-21 in the appendix of this presentation.

Diversified Customer Base

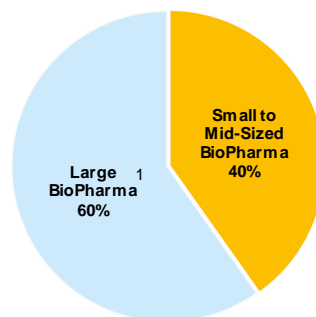
- We have a diversified, loyal customer base that includes many of the top 50 biopharmaceutical companies.
- Our top 5 customers represented approximately 94 compounds in 73 indications across 244 active projects in 2016.
- We were awarded clinical trials from 26 new customers in Q1 2017.

Customer Profile

Q1 2017 Revenue

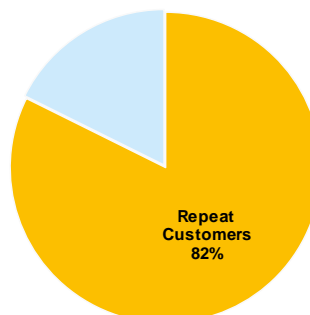


Q1 2016 Revenue

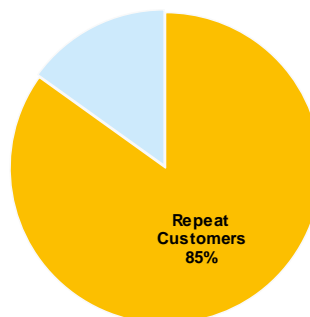


Customer Loyalty

Q1 2017 New Business Awards

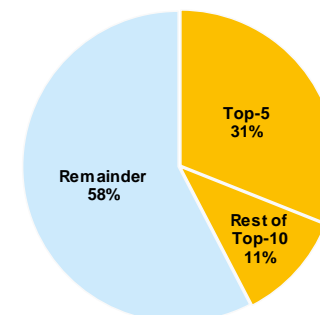


Q1 2016 New Business Awards

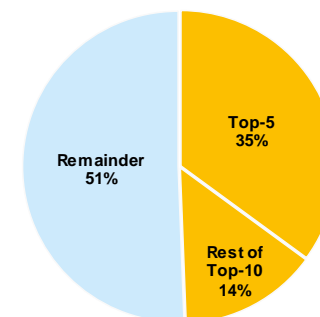


Limited Customer Concentration

Q1 2017 Revenue



Q1 2016 Revenue

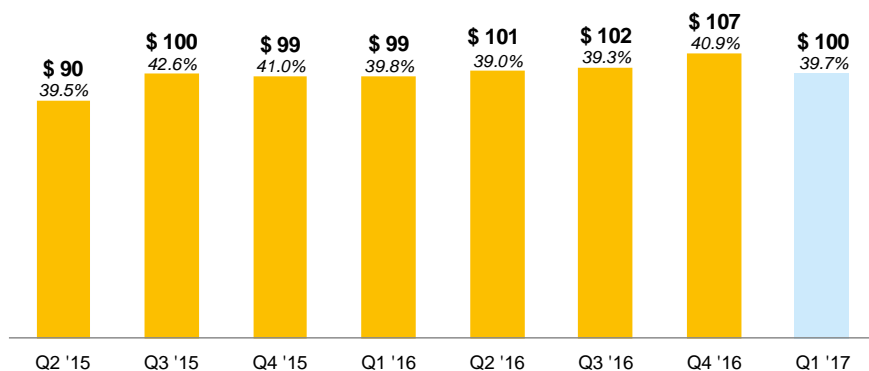


1. Large Pharma is now defined as Top 50 by Prior Year R&D Spend from *EvaluatePharma*, as we believe this is more representative of our addressable market. For a comparison to our historical view of Top 50 by Prior Year Rx Sales as reported by *PharmaExec*, please reference slide 13 in the appendix of this presentation.

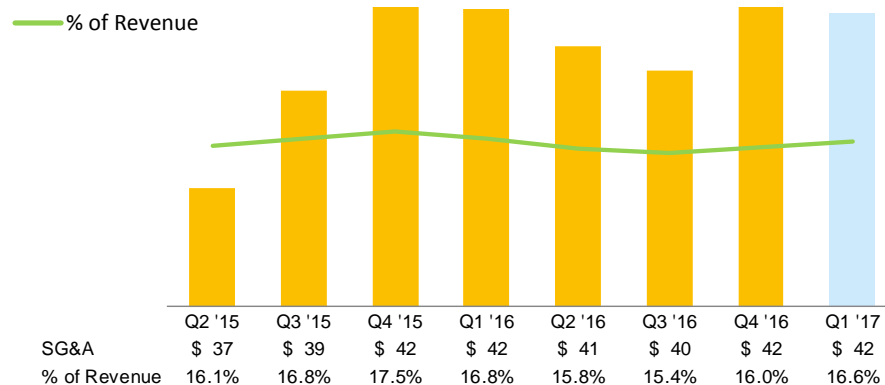
Historical Trends – Margin and SG&A Expenses

Key Metrics

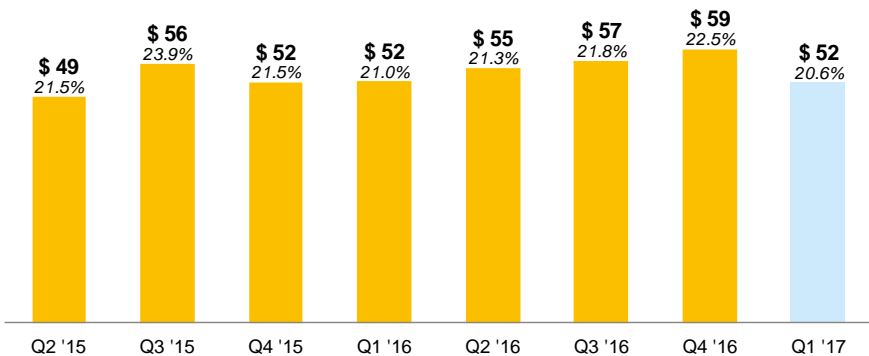
Adjusted Gross Profit (\$M) (+ Margin %) ^{1,2}



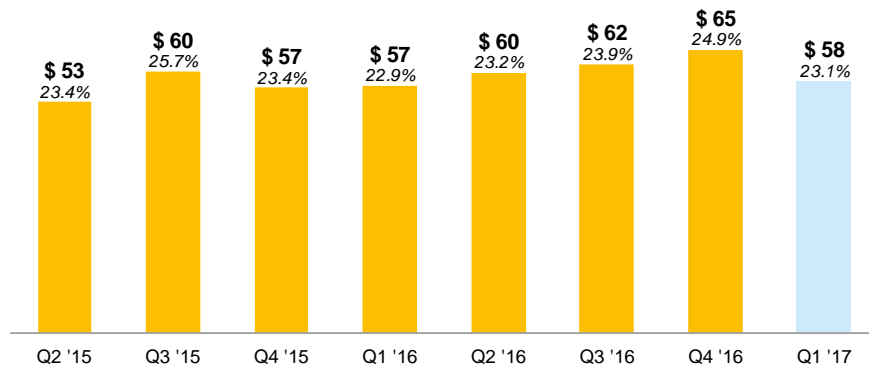
Adjusted SG&A (\$M) (+ % of Revenue) ²



Adjusted Income from Operations (\$M) (+ Margin %) ^{1,2}



Adjusted EBITDA (\$M) (+ Margin %) ^{1,2}



1. One-time benefits in Q3 2015 favorably impacted Adjusted Gross Profit, Adjusted Income from Operations, and Adjusted EBITDA by \$4.9M.
 2. For a complete reconciliation of GAAP to Non-GAAP measures, please refer to slides 19-21 in the appendix of this presentation.

Cash Flow and Leverage Profile

\$M	Three Months Ended March 31	
	2016	2017
Cash Flow from Operations	(0.6)	75.7
Less: Capital Expenditures	4.8	10.6
Free Cash Flow ¹	(5.4)	65.1
Adjusted EBITDA	57.1	58.1

\$M (except ratios)	Mar 31, 2016	Mar 31, 2017
Cash	53.2	164.4
Total Debt ²	475.0	490.0
Net Debt	421.8	325.6
<i>Net Leverage</i> ³	1.9 x	1.3 x
Total Net DSO ⁴	17.8	13.9

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

1. We calculate free cash flow as cash flow from operations less capital expenditures.
2. Total Debt excludes outstanding letters of credit, which were \$0.8 and \$0.7 million as of 3/31/16 and 3/31/17, respectively.
3. We calculate net leverage as net debt as of the date presented, divided by trailing twelve month adjusted EBITDA of \$227.2M for 3/31/16 and \$245.6M for 3/31/17.
4. For DSO trend information, please refer to slides 15 and 16 in the appendix of this presentation.

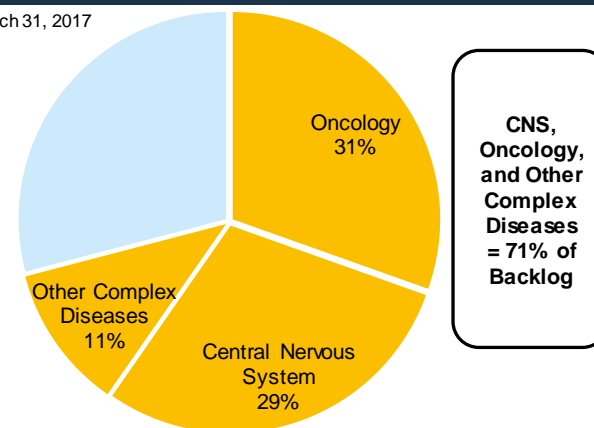
Backlog Should Support Long-Term Growth

Backlog Roll Forward (\$M)

	Q2 '16	Q3 '16	Q4 '16	Q1 '17
Beginning Backlog	\$ 1,874	\$ 1,909	\$ 1,983	\$ 1,988
+ Acquired Backlog	-	-	-	-
+ Net Awards	302	330	290	360
- Revenue, as reported	(259)	(260)	(263)	(252)
+ FX Adjustment	(8)	4	(22)	7
Ending Backlog	\$ 1,909	\$ 1,983	\$ 1,988	\$ 2,103

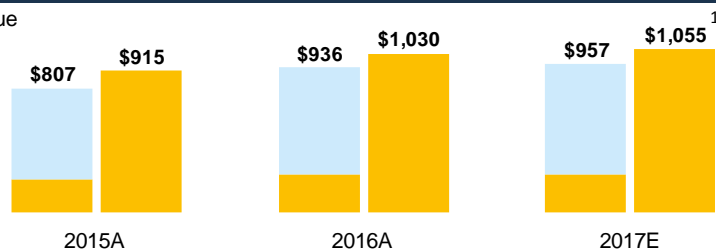
Backlog by Therapeutic Area³

As of March 31, 2017



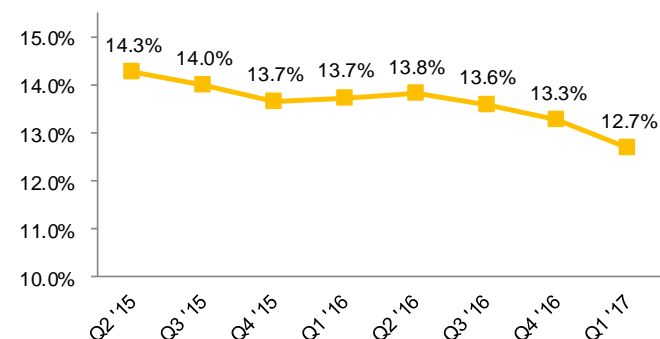
Backlog Coverage (\$M)

■ ROY Backlog ■ Revenue



	3/31/15	3/31/16	3/31/17
Backlog as of			
Coverage Ratio	88.2%	90.8%	90.7%
YoY Revenue Growth	13.0%	12.6%	2.4%

Backlog Burn Rate²



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

- 2017 revenue estimate represents the mid-point of the updated guidance range on slide 10 of this presentation.
- Backlog burn represents current quarter net revenue divided by previous quarter ending backlog.
- CNS was updated during Q2 2016 to include Ophthalmology as a complex disease area.

Full Year 2017 Guidance

Financial Measurement	Guidance Issued 2/28/2017		Revised Guidance Issued 5/10/2017	
	Guidance Range	Growth Rate ²	Guidance Range	Growth Rate ²
Net Service Revenue ¹	\$ 1,030.0 - 1,100.0M	0.0 - 6.8%	\$ 1,040.0 - 1,070.0M	0.9 - 3.8%
Adjusted Net Income	\$ 146.5 - 153.5M	5.4 - 10.4%	\$ 147.5 - 152.0M	6.1 - 9.3%
Adjusted Diluted EPS	\$ 2.63 - 2.75	5.2 - 10.0%	\$ 2.66 - 2.74	6.4 - 9.6%
GAAP Diluted EPS	\$ 1.94 - 2.10	(4.4) - 3.4%	\$ 2.04 - 2.15	0.5 - 5.9%

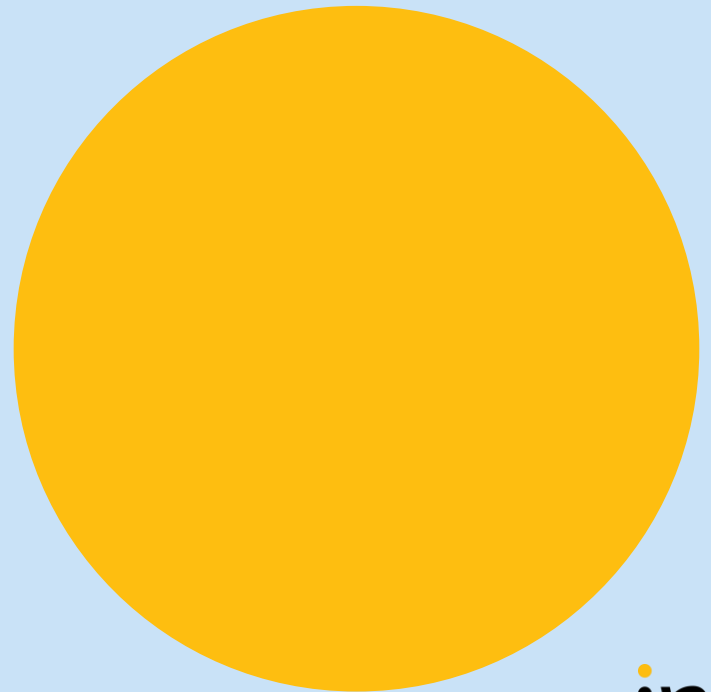
Note: Financial guidance takes into account a number of factors, including our sales pipeline, existing backlog and our expectations for net awards, current foreign currency exchange rates, current interest rates, and our expected tax rate, and does not take into account the effects of any future stock repurchases.

1. Guidance for Net Service Revenue includes foreign exchange headwind of approximately \$15.0M (a negative impact of approximately 150 basis points) resulting in a constant currency growth rate of approximately 2.4 – 5.3%.

2. 2017 growth rates are based on adjusted 2016 financials, with the exception of GAAP Diluted EPS.

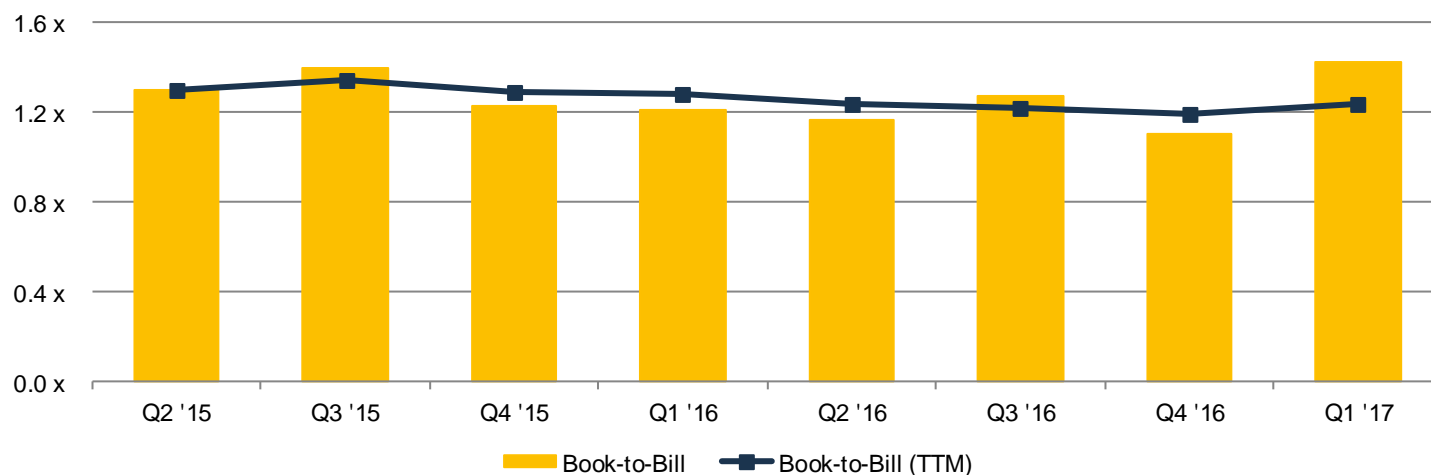
For a reconciliation of GAAP Net Income and diluted earnings per share to Non-GAAP Net Income and diluted earnings per share, please refer to slide 17 in the appendix of this presentation.

Appendix



Book to Bill Trend

Net Book-to-Bill Ratio



Quarterly	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17
Net New Business Awards (\$M)	295.9	327.7	297.4	302.4	302.1	330.1	289.6	359.9
Net Service Revenue (\$M)	227.4	234.5	241.4	249.0	258.8	259.6	263.0	252.1
Book-to-Bill Ratio	1.3 x	1.4 x	1.2 x	1.2 x	1.2 x	1.3 x	1.1 x	1.4 x

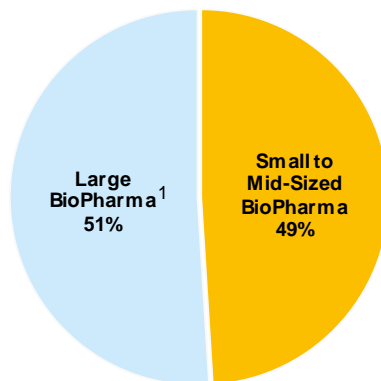
TTM	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17
Net New Business Awards (TTM) (\$M)	1,116.9	1,195.4	1,176.5	1,223.4	1,229.6	1,231.9	1,224.1	1,281.6
Net Service Revenue (TTM) (\$M)	860.4	887.1	914.7	952.2	983.7	1,008.7	1,030.3	1,033.4
Book-to-Bill Ratio (TTM)	1.3 x	1.3 x	1.3 x	1.3 x	1.2 x	1.2 x	1.2 x	1.2 x

Customer Profile

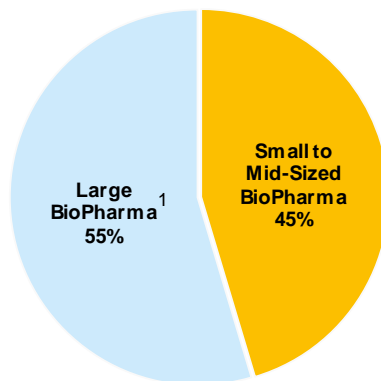
Based on Rx Sales

Customer Profile

Q1 2017 Revenue



Q1 2016 Revenue

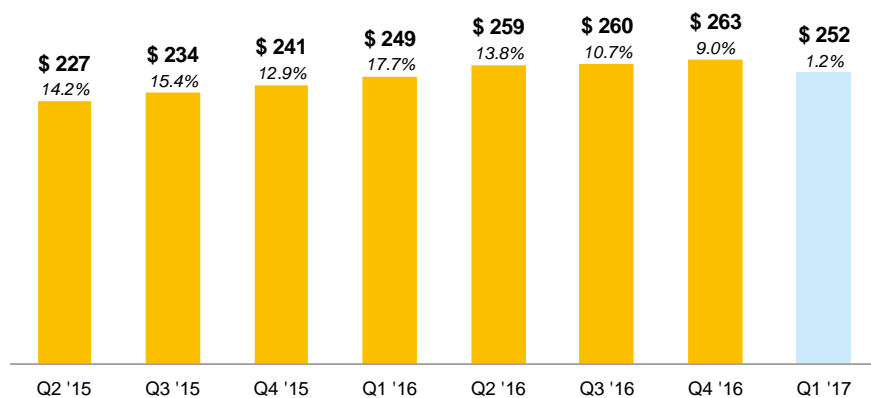


1. Large Pharma previously defined as Top 50 by 2015 Rx Sales from *PharmaExec*.

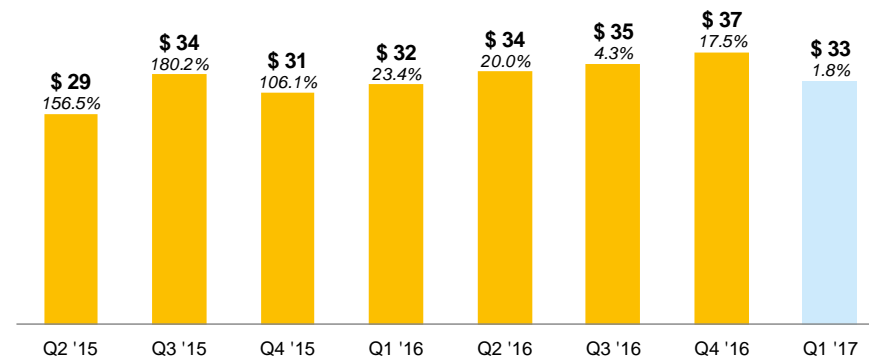
Historical Financial Performance Trends

Key Metrics

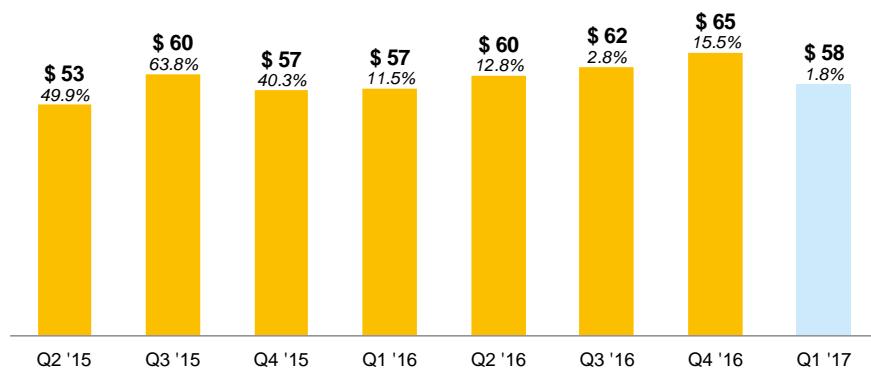
Net Service Revenue (\$M) (+ YoY growth)



Adjusted Net Income (\$M) (+ YoY growth) ¹

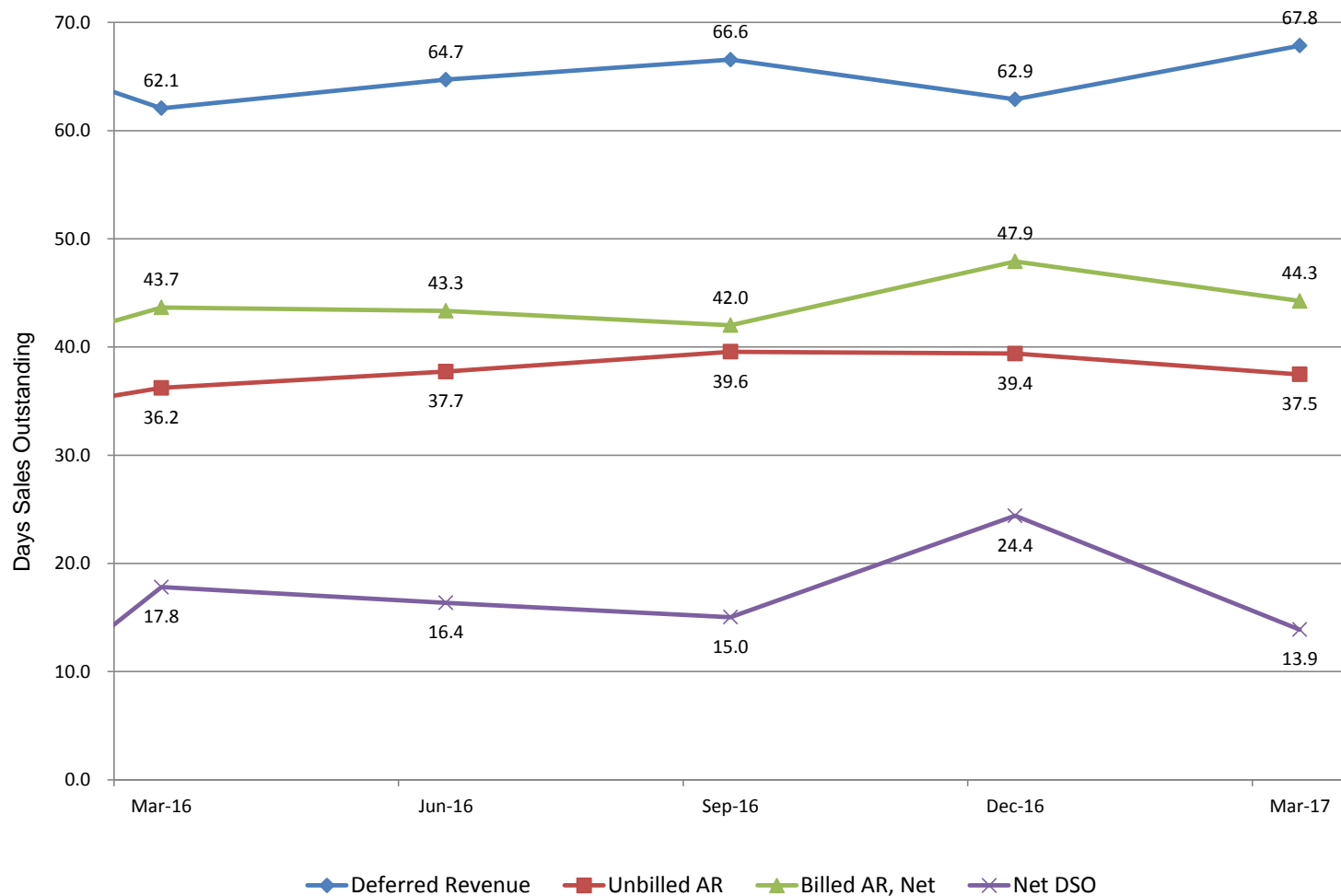


Adjusted EBITDA (\$M) (+ YoY growth) ¹

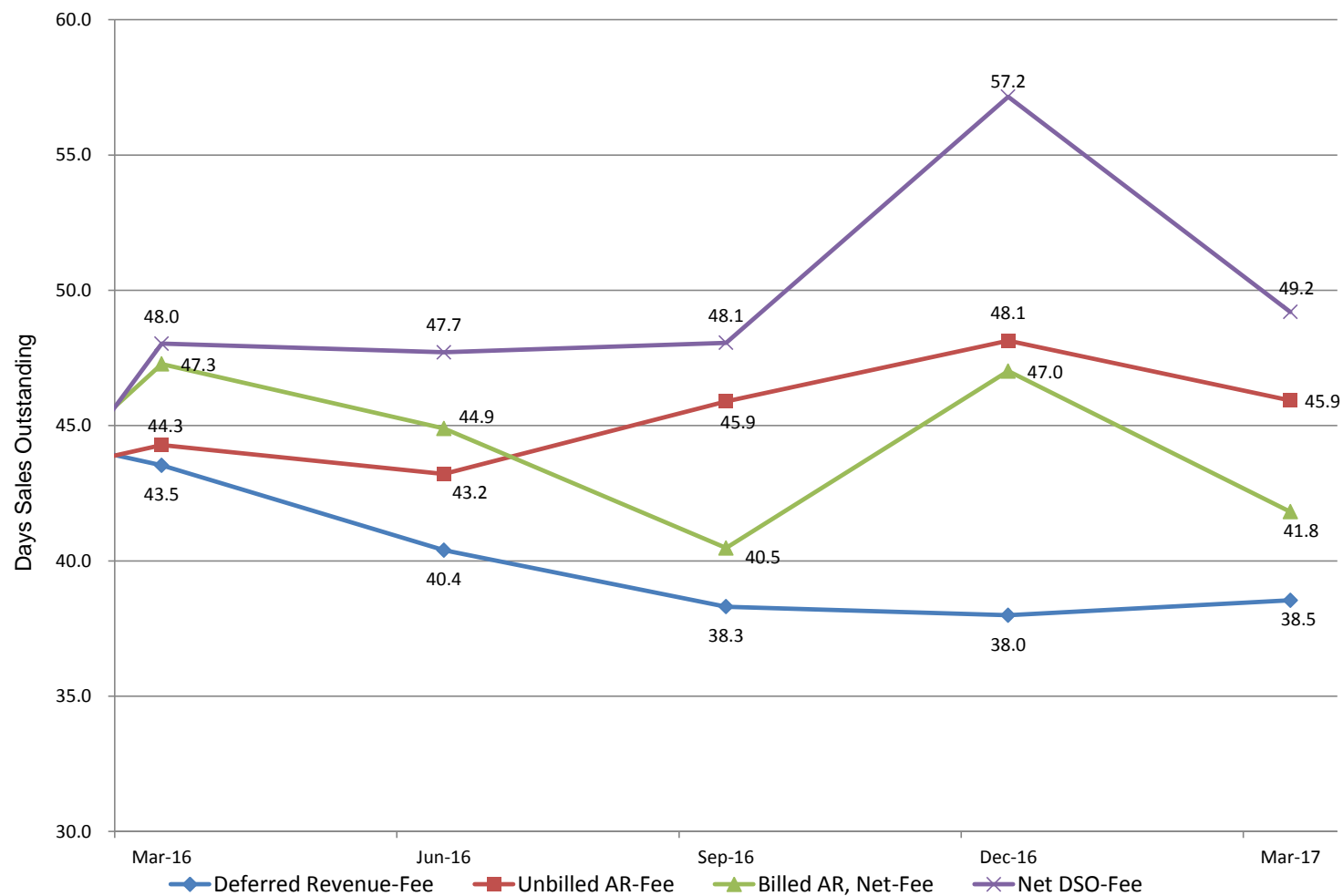


1. One-time benefits in Q3 2015 favorably impacted Adjusted EBITDA by \$4.9M and Adjusted Net Income, net of tax of 36%, by \$3.2M. For a complete reconciliation of GAAP to Non-GAAP measures, please refer to slides 19-21 in the appendix of this presentation.

Days Sales Outstanding – Total Revenue



Days Sales Outstanding – Net Service Revenue (Excluding Reimbursable Out-of-Pocket Expenses)



Full Year 2017 Guidance Reconciliation

\$M (except per share data)

	Adjusted Net Income		Adjusted Diluted Earnings Per Share	
	Low	High	Low	High
Net income and diluted earnings per share	\$ 113.0	\$ 119.5	\$ 2.04	\$ 2.15
<i>Adjustments:</i>				
Amortization ¹	28.5	28.5		
Share-based compensation expense ¹	24.0	24.0		
Restructuring, CEO transition and other costs ¹	7.0	7.0		
Other ¹	4.6	4.4		
Income tax effect of share-based compensation ²	(11.0)	(11.0)		
Income tax effect of above adjustments ³	(18.6)	(20.4)		
Adjusted net income and adjusted diluted earnings per share	\$ 147.5	\$ 152.0	\$ 2.66	\$ 2.74

1. Amounts are estimates with an estimated range of +/- 5% and are presented gross without the benefit of income tax reduction.
2. Income tax effect of share-based compensation is calculated using the statutory rates applicable to the tax jurisdictions of the applicable deduction, plus the amount of discrete tax adjustments related to excess tax benefits on share-based payments as a result of share-based payments activity.
3. Income tax expense is calculated and the adjustments are tax-affected at an approximate rate of 32%, which is the midpoint of our range for the expected income tax rate of 31% to 33%, less the income tax effect of share-based compensation. This adjustment also excludes any unusual tax impacts during the period.

Reconciliation of Share-based Compensation

First Quarter and FY 2017 Guidance

\$M

	<u>Q1 2017</u>	<u>YTD 2017</u>	<u>Guidance</u>
Share-based Compensation Expense:			
Direct Costs	2.7	2.7	11.5
SG&A Expense	3.1	3.1	12.5
Total Share-based Compensation	5.8	5.8	24.0
Tax Impact of Share-based Compensation	(2.0)	(2.0)	(8.4) a
Share-based Compensation, Net of Tax - Non-GAAP Impact	3.8	3.8	15.6
Excess Income Tax Benefit from Share-based Transactions	(2.6)	(2.6)	(2.6) b
Total Share-based Compensation, Net of Tax - GAAP Impact	1.2	1.2	13.0

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

a. Tax-effected at the blended statutory rate applicable to the recorded deduction.

b. Tax-effected at the blended statutory rate applicable to the excess deduction. Amount included in Guidance does not include any forecasted benefit.

Reconciliation of Adjusted Net Income & EBITDA

Three Months Ended March 31, 2017

Three Months Ended March 31, 2017			
Thousands, except per share data	GAAP	Adjustments	Adjusted
Net service revenue	\$ 252,078	\$ -	\$ 252,078
Reimbursable out-of-pocket expenses	129,840	-	129,840
Total revenue	381,918	-	381,918
<i>Cost and operating expenses:</i>			
Direct costs	154,835	(2,713) a	152,122
		- b	
Reimbursable out-of-pocket expenses	129,840	-	129,840
Selling, general, and administrative	44,934	(3,106) a	41,828
Restructuring, CEO transition, and other costs	1,927	(1,927) c	-
Transaction expenses	2	(2) d	-
Depreciation and amortization	15,628	(9,464) e	6,164
Total operating expenses	347,166	(17,212)	329,954
Income from operations	34,752	17,212	51,964
<i>Other income (expense), net:</i>			
Interest expense, net	(2,988)	-	(2,988)
Other income (expense), net	(3,457)	3,457 f	-
Total other income (expense), net	(6,445)	3,457	(2,988)
Income before provision for income taxes	28,307	20,669	48,976
Income tax expense	(7,120)	(8,797) g	(15,917)
Net income	\$ 21,187	\$ 11,872	\$ 33,059
Diluted earnings per share	\$ 0.38		\$ 0.60
Diluted weighted average common shares outstanding	55,123		55,123
Adjusted EBITDA Reconciliation			
EBITDA	\$ 46,923		\$ 46,923
Other expense, net		3,457 f	3,457
Restructuring, CEO transition, and other costs		1,927 c	1,927
Share-based compensation		5,819 a	5,819
Contingent consideration and other expenses		- b	-
Transaction expenses		2 d	2
Adjusted EBITDA	\$ 46,923	\$ 11,205	\$ 58,128

Reconciliation of Adjusted Net Income & EBITDA

Three Months Ended March 31, 2016

Three Months Ended March 31, 2016			
Thousands, except per share data	GAAP	Adjustments	Adjusted
Net service revenue	\$ 248,997	\$ -	\$ 248,997
Reimbursable out-of-pocket expenses	164,090	-	164,090
Total revenue	413,087	-	413,087
<i>Cost and operating expenses:</i>			
Direct costs	152,058	(1,259) a	150,000
		(799) b	
Reimbursable out-of-pocket expenses	164,090	-	164,090
Selling, general, and administrative	43,479	(1,557) a	41,922
Restructuring, CEO transition, and other costs	6,038	(6,038) c	-
Transaction expenses	561	(561) d	-
Depreciation and amortization	14,353	(9,461) e	4,892
Total operating expenses	380,579	(19,675)	360,904
Income from operations	32,508	19,675	52,183
<i>Other income (expense), net:</i>			
Interest expense, net	(2,970)	-	(2,970)
Other income (expense), net	(5,117)	5,117 f	-
Total other income (expense), net	(8,087)	5,117	(2,970)
Income before provision for income taxes	24,421	24,792	49,213
Income tax expense	(7,016)	(9,717) g	(16,733)
Net income	\$ 17,405	\$ 15,075	\$ 32,480
Diluted earnings per share	\$ 0.31		\$ 0.58
Diluted weighted average common shares outstanding	55,862		55,862
Adjusted EBITDA Reconciliation			
EBITDA	\$ 41,744		\$ 41,744
Other expense, net		5,117 f	5,117
Restructuring, CEO transition, and other costs		6,038 c	6,038
Share-based compensation		2,816 a	2,816
Contingent consideration and other expenses		799 b	799
Transaction expenses		561 d	561
Adjusted EBITDA	\$ 41,744	\$ 15,331	\$ 57,075

Reconciliation of Adjusted Net Income & EBITDA

Footnotes for Q1 2017 and Q1 2016

- a. Represents non-cash share-based compensation expense related to awards granted under equity incentive plans.
- b. Represents contingent consideration expense incurred as a result of acquisitions and other expenses accounted for as compensation expense under GAAP.
- c. Restructuring, CEO transition, and other costs consist primarily of: (i) severance costs associated with a reduction of workforce in line with the Company's expectations of future business operations, (ii) transition costs associated with the change in the Company's Chief Executive Officer during the fourth quarter of 2016, (iii) consulting costs incurred for the continued consolidation of legal entities and restructuring of the Company's contract management process to meet the requirements of upcoming accounting regulation changes, and (iv) termination costs in connection with abandonment and closure of redundant facilities and other lease related charges.
- d. Represents fees associated with other corporate transactions.
- e. Represents the amortization of intangible assets associated with previously acquired customer relationships.
- f. Represents other (income) expense comprised primarily of foreign exchange gains and losses.
- g. Represents the income tax effect of the non-GAAP adjustments made to arrive at adjusted net income using an estimated effective tax rate of approximately 32.5% for the first quarter of 2017 and 34% in 2016. This rate has been adjusted to reflect the removal of the tax impact of valuation allowances recorded against deferred tax assets.