MEDPACE

Baird Global Healthcare Conference

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August J. Troendle
President & CEO

Jesse J. Geiger
CFO & COO, Laboratory Operations

Forward Looking Statements & Non-GAAP Financial Measures

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation statements regarding our anticipated financial results and effective tax rate used for non-GAAP adjustment purposes. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," "target," "forecast," "may," "could," "likely," "anticipate," "project," "goal," "objective," similar expressions, and variations or negatives of these words.

These forward-looking statements are based on management's current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our financial condition, actual results, performance (including share price performance), or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following: the potential loss, delay or non-renewal of our contracts, or the non-payment by customers for services we have performed; the failure to convert backlog to revenue at our present or historical conversion rate; fluctuation in our results between fiscal quarters and years; decreased operating margins due to increased pricing pressure or other pressures; failure to perform our services in accordance with contractual requirements, government regulations and ethical considerations; the impact of underpricing our contracts, overrunning our cost estimates or failing to receive approval for or experiencing delays with documentation of change orders; our failure to successfully execute our growth strategies; the impact of a failure to retain key executives or other personnel or recruit experienced personnel; the risks associated with our information systems infrastructure, including potential security breaches and other disruptions which could compromise our information; our failure to manage our growth effectively; adverse results from customer or therapeutic area concentration; the risks associated with doing business internationally, including the effects of tariffs and trade wars; the risks associated with the Foreign Corrupt Practices Act and other anti-corruption laws; future net losses; the impact of changes in tax laws and regulations; the risks associated with our intercompany pricing policies; our failure to attract suitable investigators and patients to our clinical trials; the liability risks associated with our research and development services; the risks related to our Phase I clinical services; inadequate insurance coverage for our operations and indemnification obligations; fluctuations in exchange rates; the risks related to our relationships with existing or potential customers who are in competition with each other; our failure to successfully integrate potential future acquisitions; potential impairment of goodwill or other intangible assets; our limited ability to utilize our net operating loss carryforwards or other tax attributes; the risks associated with the use and disposal of hazardous substances and waste; the failure of third parties to provide us critical support services; our limited ability to protect our intellectual property rights; the risks associated with potential future investments in our customers' business or drugs; general economic conditions in the markets in which we operate, including financial market conditions; the impact of a natural disaster or other catastrophic event; negative outsourcing trends in the biopharmaceutical industry and a reduction in aggregate expenditures and research and development budgets; our inability to compete effectively with other CROs; the impact of healthcare reform; the impact of recent consolidation in the biopharmaceutical industry; failure to comply with federal, state and foreign healthcare laws; the effect of current and proposed laws and regulations regarding the protection of personal data; our potential involvement in costly intellectual property lawsuits; actions by regulatory authorities or customers to limit the scope of or withdraw an approved drug, biologic or medical device from the market; failure to keep pace with rapid technological changes; the impact of industry-wide reputational harm to CROs; the end result of any negotiations between the U.K. government and the EU regarding the terms of the U.K.'s exit from the EU, which could have implications on our research, commercial and general business operations in the U.K. and the EU; changes in U.S. generally accepted accounting principles, including the impact of the changes to the revenue recognition standards; risks related to internal control over financial reporting; our ability to fulfill our debt obligations; the risks associated with incurring additional debt or undertaking additional debt obligations; the effect of covenant restrictions under our debt agreements on our ability to operate our business; our inability to generate sufficient cash to service all of our indebtedness; fluctuations in interest rates; and our dependence on our lenders, which may not be able to fund borrowings under the credit commitments, and our inability to borrow.

These and other important factors discussed under the caption "Risk Factors" in our Annual Report on Form 10-K filed with the Securities and Exchange Commission, or SEC, on February 27, 2018, and our other reports filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this presentation. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in our filings with the SEC. Any such forward-looking statements represent management's estimates as of the date of this presentation. We cannot guarantee that any forward-looking statement will be realized. Achievement of anticipated results is subject to substantial risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this presentation.

Non-GAAP Financial Measures

Certain financial measures presented in this presentation, such as EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income (including Adjusted Net Income per diluted share) and Free Cash Flow, are not recognized under generally accepted accounting principles in the United States of America, or U.S. GAAP. Management uses EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income (including Adjusted Net Income per diluted share) and Free Cash Flow or comparable metrics as a measurement used in evaluating our operating performance on a consistent basis, as a consideration to assess incentive compensation for our employees, for planning purposes, including the preparation of our internal annual operating budget, and to evaluate the performance and effectiveness of our operational strategies.

We believe that EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin are useful to provide additional information to investors about certain material non-cash and non-recurring items. While we believe these financial measures are commonly used by investors to evaluate our performance and that of our competitors, because not all companies use identical calculations, this presentation of EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin may not be comparable to other similarly titled measures of other companies and should not be considered as an alternative to performance measures derived in accordance with U.S. GAAP. EBITDA is calculated as net income (loss) attributable to Medpace Holdings, Inc. before income tax expense, interest expense, net, depreciation and amortization with Adjusted EBITDA being further adjusted for unusual and other items. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by Service revenue, net for each period. Our presentation of EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

We utilize Free Cash Flow as a measure of profitability and an assessment of our ability to generate cash. Free Cash Flow is a commonly utilized metric that companies provide to investors, although the calculation of Free Cash Flow may not be comparable to other similarly titled metrics of other companies and should not be considered as an alternative to cash flow measures derived in accordance with U.S. GAAP. We define Free Cash Flow as net cash provided by operating activities, less capital expenditures and the principal portion of payments related to campus leases classified for accounting purposes as deemed landlord liabilities.

Adjusted Net Income (including Adjusted Net Income per diluted share) measures our operating performance by adjusting net income (loss) attributable to Medpace Holdings, Inc. to include cash expenditures related to rental payments on leases classified for accounting purposes as deemed landlord liabilities, and exclude amortization expense, certain stock based compensation award non-cash expenses, certain litigation expenses, deferred financing fees and certain other non-recurring items. Management uses this measure to evaluate our core operating results as it excludes certain items whose fluctuations from period-to-period do not necessarily correspond to changes in the core operations of the business, but includes certain items such as depreciation, interest expense and tax expense, which are otherwise excluded from Adjusted EBITDA. We believe the presentation of Adjusted Net Income (including Adjusted Net Income per diluted share) enhances our investors' overall understanding of the financial performance and cash flow of our business. You should not consider Adjusted Net Income (including Adjusted Net Income per diluted share) as an alternative to net income (loss) attributable to Medpace Holdings Inc., determined in accordance with U.S. GAAP, as an indicator of operating performance.

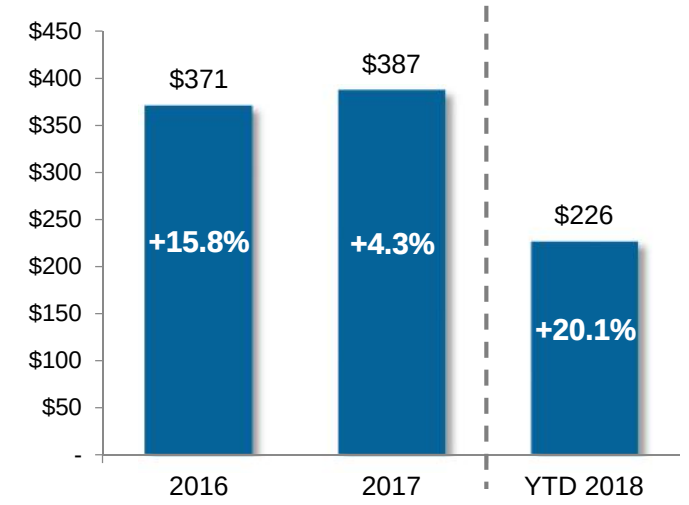
EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income (including Adjusted Net Income per diluted share) and Free Cash Flow have important limitations as analytical tools and you should not consider them in isolation, or as a substitute for, analysis of our results as reported under U.S. GAAP. See the consolidated financial statements included elsewhere in this prospectus for our U.S. GAAP results. Additionally, for reconciliations of EBITDA, Adjusted EBITDA, Adjusted Net Income (including Adjusted Net Income per diluted share) and Free Cash Flow to our closest reported U.S. GAAP measures, refer to the appendix of this presentation.

The Medpace Way: Scientifically-Driven, Full-Service CRO

- **Disciplined and Integrated Full-Service Operating Model**
  - Full-service approach (avoids functional or partial outsourcing services) delivers timely, efficient, and high-quality results for our customers, enabling us to maintain robust margins
- **High-Science Approach with Deep Therapeutic Expertise**
  - Our therapeutic expertise encompasses areas that are among the largest, most complex, and fastest growing in pharmaceutical development, and our therapeutic leads are embedded into every aspect of a clinical trial process
- **Diversified Customer Base**
  - Top ten customers represented 33% of 2Q18 YTD revenue
  - Strong track record of serving our core customer base of small and mid-sized biopharma companies, which we believe represents an attractive growth opportunity
- **Partner of Choice for Biopharmaceutical Customers**
  - Established reputation as a partner of choice to our core customer segment based on our differentiated approach, which yields timely and efficient trial execution
- **Global Platform with Scalable Infrastructure**
  - Scale to compete for global trials provided by ~2,700 employees in 36 countries with centralized operations and integrated technology(1)
- **Impressive Organic Growth Track Record with Robust Margins**
  - Among the highest organic revenue growth stories in the CRO sector – net service revenue growth of 15.8%, 4.3%, and 20.1% for 2016, 2017, and YTD 18, respectively.
  - Robust EBITDA margins of 30.6%, 28.0 %, and 29.5% in 2016, 2017, and YTD 18, respectively.

Robust Historical Net Service Revenue Growth

($ in millions)



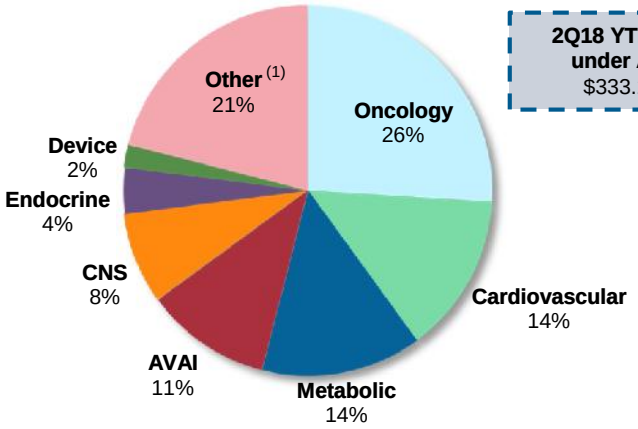
	2016	2017	YTD 2018
Adjusted EBITDA Margin(2)	*30.6%*	*28.0%*	*29.5%*

(1) As of June 30, 2018.
(2) See appendix to this presentation for a definition and reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin to net income (loss) and net income (loss) margin.

High-Science Approach with Deep Therapeutic Expertise

- Entry into, and growth within, target areas hinges on team and training built around highly-qualified physician leads with strong clinical, scientific, and regulatory expertise
- Therapeutic leads are embedded into every aspect of the project to position clinical trials for success
- Demonstrated durable success across multiple therapeutic areas

YTD Revenue by Therapeutic Area (ASC 606)



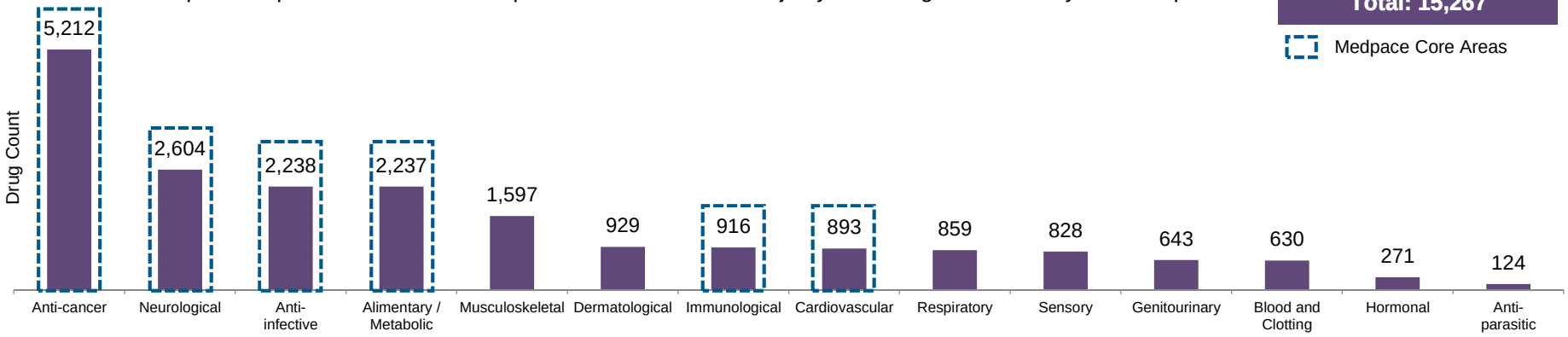
2Q18 YTD Revenue under ASC 606: $333.2 million

Industry Snapshot – 2018 R&D Pipeline by Therapeutic Area(2)

- Core therapeutic expertise covers the therapeutic areas where the majority of all drugs are currently in development

Total: 15,267

Medpace Core Areas

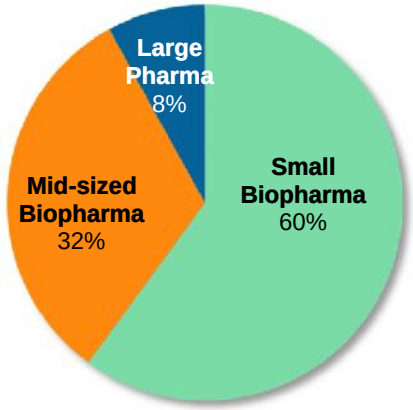


(1) Other primarily includes Nephrology, Rheumatology, Musculoskeletal, Dermatology, Gastroenterology, and Ophthalmology therapeutic areas.
(2) Source: Pharmaprojects Pharma R&D Annual Review 2018 as of May 2018. Note that some pipeline drugs fall into multiple categories.

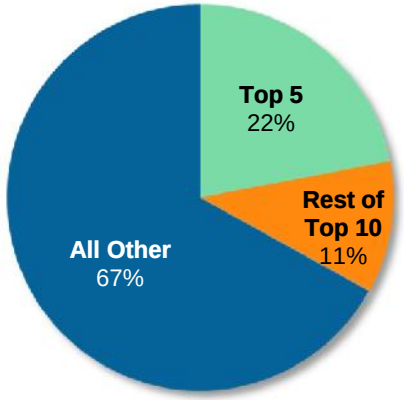
Diversified Customer Base

- Focus on customers utilizing a full-service outsourcing model (more prevalent outside top 20 pharma)
  - These customers often do not have required development expertise and infrastructure in-house
  - These customers represent an attractive R&D growth segment
- Customer Diversification
  - No single customer represented more than 10% of revenue; top ten customers accounted for 33% of YTD 2018 revenue

Attractive Customer Mix(1)(2)

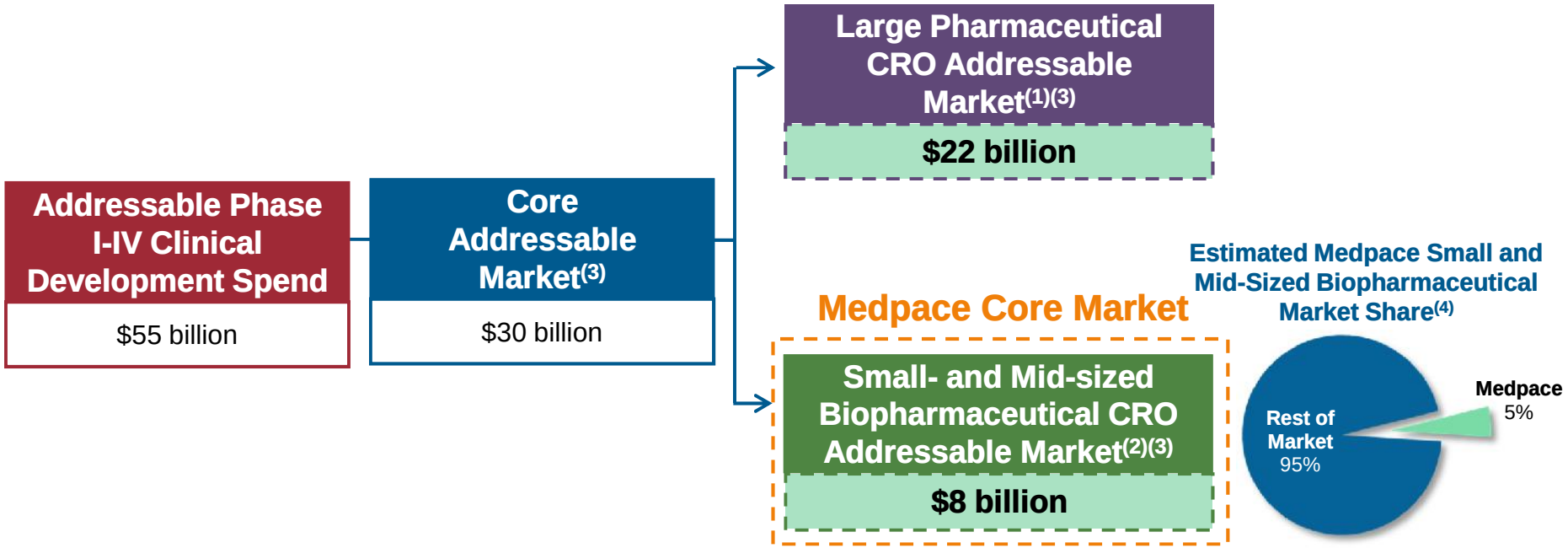


Low Customer Concentration(1)



(1) As a percent of 2Q18 YTD revenue under ASC 606.
(2) See appendix to this presentation for definitions of large pharmaceutical, mid-sized biopharmaceutical and small biopharmaceutical companies.

Attractive Core Addressable Market



Source: Company estimates based on industry sources, including analyst and other industry reports, and management's knowledge. Market sizing estimates derived from an October 2017 industry research report.

Note: Market sizing estimates represent 2017E. Addressable market excludes non-addressable development spend and non-phase I-IV and lab spend.

(1) Large pharmaceutical companies represent the top 20 pharmaceutical companies by worldwide prescription drug sales in the year ended December 31, 2017 as classified by Evaluate Ltd in EvaluatePharma© World Preview 2018 Outlook to 2024, an industry report.

(2) Mid-sized pharmaceutical companies represent pharmaceutical companies with at least $250 million in sales in the year ended December 31, 2017, based on publicly available data and management's knowledge, that are not classified as a top 20 pharmaceutical company by Evaluate Ltd in EvaluatePharma© World Preview 2018 Outlook to 2024, an industry report. Small- and mid-sized biotechnology companies represent biotechnology companies that have less than $250 million in sales in the year ended December 31, 2017, based on publicly available data and management's knowledge.

(3) Assumes 64% and 51% outsourcing percentage of addressable market for small-and mid-sized biopharmaceutical companies and large pharmaceutical companies, respectively.

(4) Medpace market share based off of 2017 service revenue of small and mid-sized biopharma customers.

Small and Mid-Sized Biopharmaceutical Focus

Risks

- **Funding challenges** could result in uncertain timing of award decisions and ultimately revenue
- **Potential bad debt exposure**
- High **customer turnover**; frequently one product companies
- **Customer consolidation/acquisition**

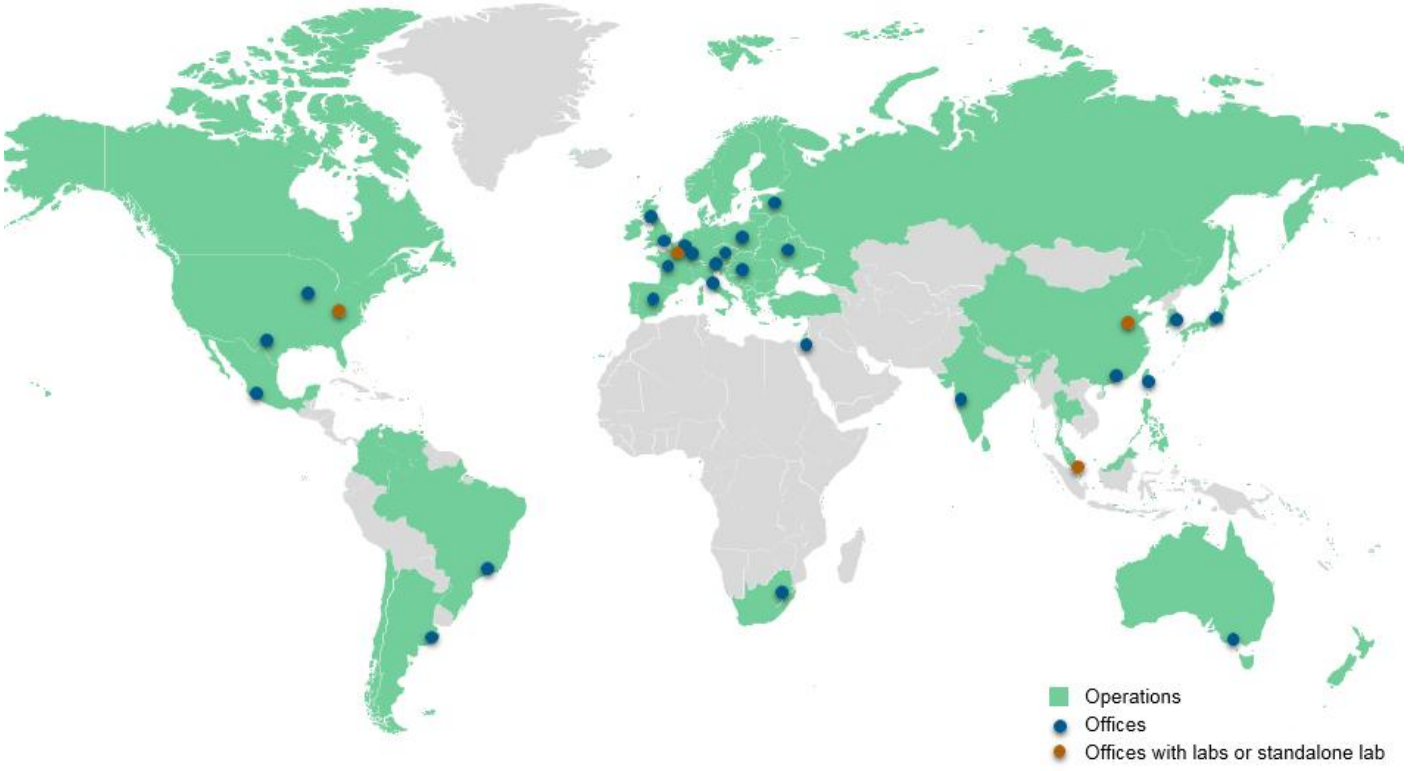
Rewards

- Attractive **opportunity for continued growth**
- Core customer segment firmly at the forefront of **medical innovation**
- Generally higher margin **full-service business model**
- **Diversified mix** of customers
- Value our input and our **reputation for therapeutic expertise**

Focused on serving our core small and mid-sized customers which represents a segment of the market where we see robust opportunities

Global Platform with Scalable Infrastructure

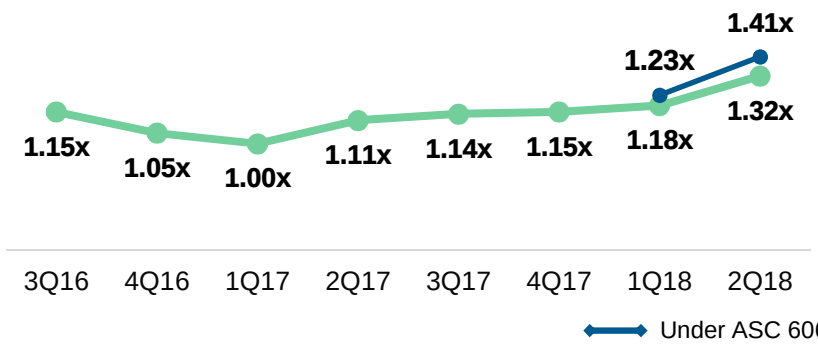
- Global, full-service CRO with requisite scale to support large, multi-national studies
- Operations in 36 countries, 30 offices in 25 countries(1)



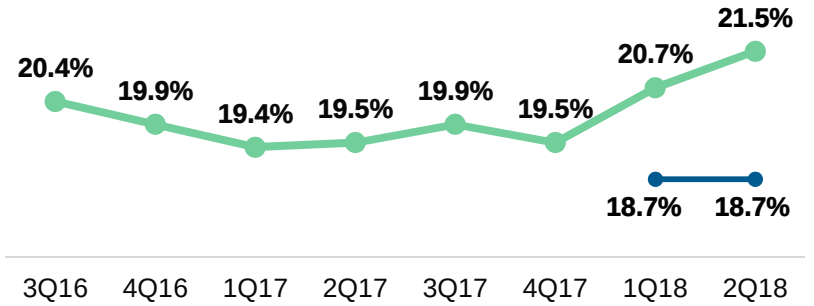
(1) As of June 30, 2018.

Backlog and New Award Trends

Net Book-to-Bill



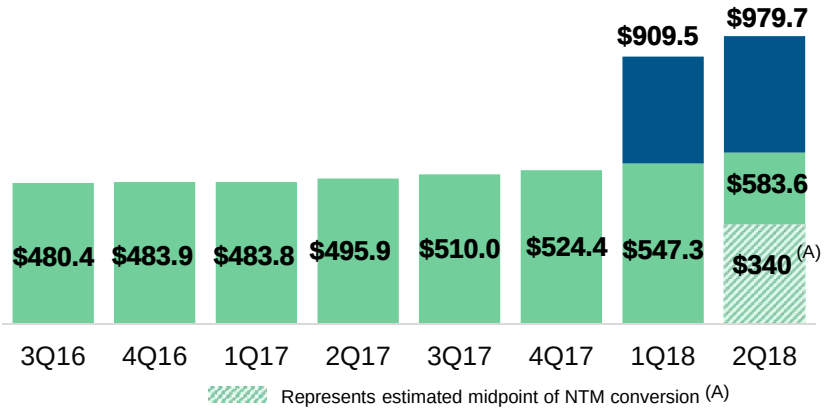
Backlog Conversion Rate



Under ASC 606 Under ASC 605

Net New Business Awards

Ending Backlog and Est. NTM Backlog Conversion[A]

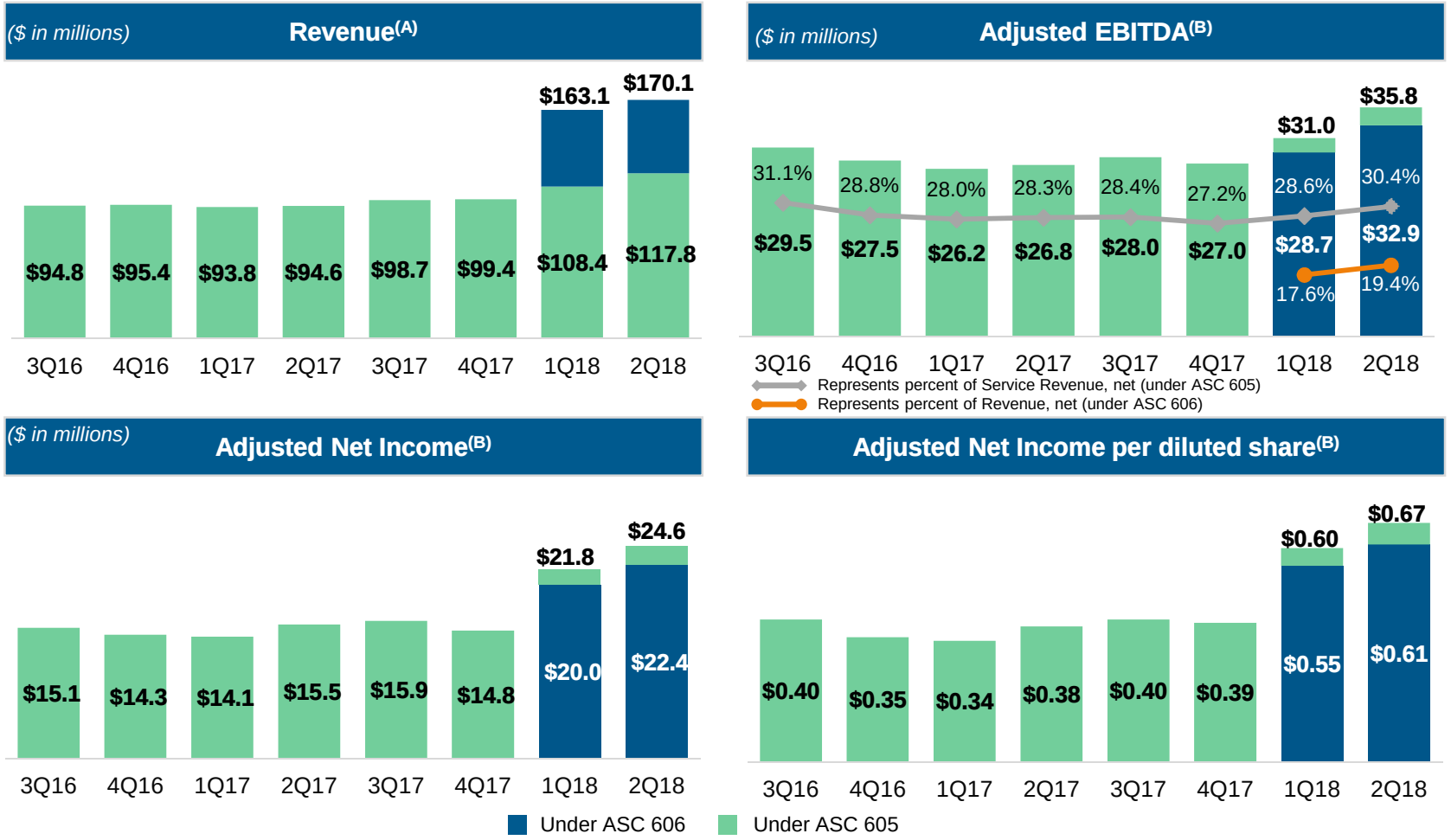


Under ASC 606 Under ASC 605

($ in millions)

A. Amount of backlog estimated to convert to revenue in the next twelve months under ASC 605.

Key Financial Trends

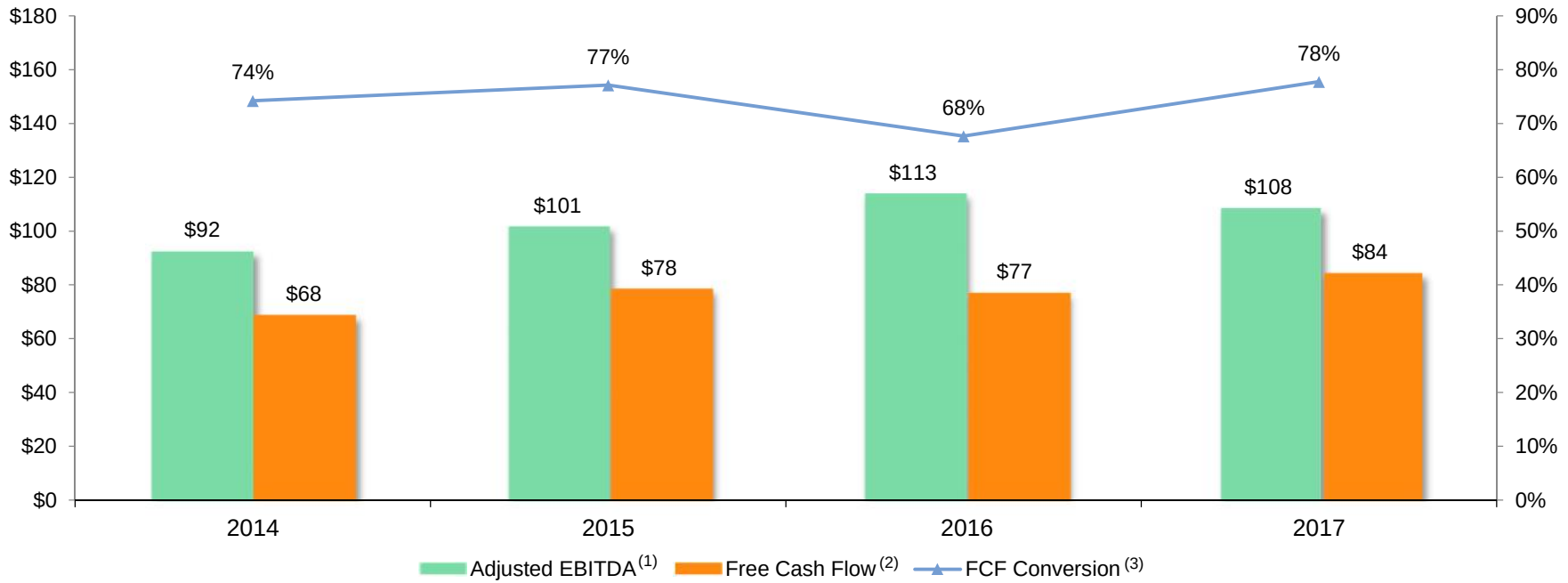


A. Represents Revenue, net under ASC 606 and Service Revenue, net under ASC 605.
B. See the appendix for the non-GAAP reconciliation of the Adjusted EBITDA, Adjusted Net Income and Adjusted Net Income per diluted share calculations.

Note: Adjusted Net Income is reflective of an estimated effective tax rate of 23% for 2Q18 and an estimated effective tax rate of 36% for 2Q17.

Attractive Free Cash Flow Profile

($ in millions)



Net Debt / LTM Adj. EBITDA	4.9x	3.7x	1.1x	1.8x
Capital Expenditures	$5.3	$6.5	$13.5	$11.7
% of Net Service Revenue	1.8%	2.0%	3.6%	3.0%

(1) See appendix to this presentation for a definition and reconciliation of EBITDA and Adjusted EBITDA to net income (loss).
(2) See appendix to this presentation for a definition and reconciliation of Free Cash Flow.
(3) FCF Conversion equals Free Cash Flow divided by Adjusted EBITDA.

Confidence in Future Growth

1. **Small and Mid-Sized Biopharma continues to be a growing and innovative segment of the market**

2. **We have a good reputation in this segment as a leader in drug development**

3. **Our full-service approach positions us well to add value to our customers' programs**

Appendix

Adjusted EBITDA Reconciliation

($ in millions)		2014	2015	2016	2017
Net income (loss) (GAAP)		$ (15.6)	$ (8.7)	$ 13.4	$ 39.1
Income tax provision (benefit)		(5.7)	0.8	8.5	17.8
Interest expense, net		26.5	27.3	19.4	7.6
Depreciation		6.4	6.4	7.5	8.6
Amortization		61.6	63.1	50.7	37.9
EBITDA (non-GAAP)		$ 73.3	$ 88.9	$ 99.5	$ 111.0
Adjustments to EBITDA:					
Corporate campus lease payments	(A)	(3.7)	(3.7)	(3.7)	(3.8)
Stock compensation expense: liability awards mark-to-market and CEO award	(B)	-	9.8	5.7	-
Litigation matters	(C)	0.9	(3.1)	-	-
Other transaction expenses	(D)	-	-	1.2	0.8
Loss on extinguishment of debt	(E)	-	-	10.7	-
Impairment of goodwill	(F)	-	9.3	-	-
Private equity transaction related cost	(G)	21.7	-	-	-
Adjusted EBITDA - (non-GAAP)		$ 92.2	$ 101.2	$ 113.4	$ 108.0
Adjusted EBITDA margin (non-GAAP)		31.8%	31.6%	30.6%	28.0%

A. Represents cash rental payments on two corporate headquarter buildings that are accounted for as deemed assets and subject to depreciation expense over the life of the lease. Payments made for these leases are accounted for with a principal portion and an interest portion, consistent with deemed landlord liability accounting. These adjustments for purposes of arriving at Adjusted EBITDA have the effect of presenting these leases consistently with all other office lease rentals that we have globally.
B. Represents period end mark-to-market fair value adjustments associated with liability classified awards and the impact of a one-time stock based compensation award to our chief executive officer. Future stock based awards activity is expected to be classified as equity for accounting purposes and will not be subject to period ending fair value adjustments.
C. Represents non-recurring costs and recovery related to a customer bad debt and non-recurring expenses related to the settlement of an employment related matter.
D. Represents advisory costs and other fees related to the August 2016 initial public offering and the 2017 S-3 registration statement and the Prospectus.
E. Represents a loss on extinguishment of long-term debt in connection with the repayment and extinguishment of our obligations under the previous Senior Secured Credit Facilities during the fourth quarter of 2016.
F. Represents an impairment of goodwill on the Clinics reporting unit that was recorded in the fourth quarter of 2015
G. Represents attorney fees, advisory fees and other professional service fees incurred in connection with the Cinven transaction.

Note: Numbers may not sum due to rounding

Free Cash Flow Reconciliation

($ in millions)		2014	2015	2016	2017
Operating Cash Flow (GAAP)		$ 75.2	$ 85.9	$ 91.7	$ 97.4
Less: CAPEX		(5.3)	(6.5)	(13.5)	(11.7)
Less: Campus Lease	(A)	(1.4)	(1.3)	(1.5)	(1.7)
Free Cash Flow (non-GAAP)		$ 68.4	$ 78.1	$ 76.7	$ 84.0
Adjusted EBITDA - (non-GAAP)		$ 92.2	$ 101.2	$ 113.4	$ 108.0
Free Cash Flow Conversion % (non-GAAP)	(B)	74.2%	77.2%	67.6%	77.7%

A. Represents principal portion of Corporate Campus Lease payment.
B. Free Cash Flow Conversion % is equal to Free Cash Flow divided by Adjusted EBITDA.

Note: Numbers may not sum due to rounding

Adjusted EBITDA Reconciliation Trends

($ in millions)		ASC 605								ASC 606	
		3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	1Q18	2Q18
Net income (loss) as reported (GAAP)		$ 5.0	$ (-)	$ 8.4	$ 9.6	$ 9.8	$ 11.3	$ 16.3	$ 18.8	$ 14.6	$ 16.6
Income tax provision		2.5	0.2	5.3	4.8	5.3	2.4	3.6	5.6	3.1	4.9
Interest expense, net		4.7	2.8	1.8	1.8	1.9	2.1	2.3	2.3	2.3	2.3
Depreciation		1.9	2.0	2.1	2.1	2.2	2.1	2.3	2.2	2.3	2.2
Amortization		12.7	12.7	9.4	9.5	9.5	9.5	7.4	7.4	7.4	7.4
EBITDA (non-GAAP)		$ 26.8	$ 17.7	$ 27.2	$ 27.7	$ 28.8	$ 27.3	$ 31.9	$ 36.3	$ 29.7	$ 33.4
Adjustments to EBITDA:											
Corporate campus lease payments	(A)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
Stock compensation expense: liability awards mark-to-market	(B)	3.1	-	-	-	-	-	-	-	-	-
Other transaction expenses	(C)	0.5	-	-	-	0.2	0.6	-	0.4	-	0.4
Loss on extinguishment of debt	(D)	-	10.7	-	-	-	-	-	-	-	-
Adjusted EBITDA (non-GAAP)		$ 29.5	$ 27.5	$ 26.2	$ 26.8	$ 28.0	$ 27.0	$ 31.0	$ 35.8	$ 28.7	$ 32.9

A. Represents cash rental payments on two corporate headquarter buildings that are accounted for as deemed assets and subject to depreciation expense over the life of the lease. Payments made for these leases are accounted for with a principal portion and an interest portion, consistent with deemed landlord liability accounting. These adjustments for purposes of arriving at Adjusted EBITDA have the effect of presenting these leases consistently with all other office lease rentals that we have globally.

B. Represents period end mark-to-market fair value adjustments associated with liability classified awards. Future stock based awards activity is expected to be classified as equity for accounting purposes and will not be subject to period ending fair value adjustments.

C. Represents advisory costs and other fees incurred in connection with the August 2016 initial public offering, the 2017 S-3 registration statement, and follow-on offerings.

D. Represents a loss on extinguishment of long-term debt in connection with the repayment and extinguishment of our obligations under the previous Senior Secured Credit Facilities during the fourth quarter of 2016.

Note: Numbers may not sum due to rounding

Adjusted Net Income Reconciliation Trends

($ in millions, expect per share amounts)		ASC 605								ASC 606	
		3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	1Q18	2Q18
Net income (loss) as reported (GAAP)		$ 5.0	$ (-)	$ 8.4	$ 9.6	$ 9.8	$ 11.3	$ 16.3	$ 18.8	$ 14.6	$ 16.6
Amortization		12.7	12.7	9.4	9.5	9.5	9.5	7.4	7.4	7.4	7.4
Stock based compensation expense: liability awards mark-to-market	(A)	3.1	-	-	-	-	-	-	-	-	-
Corporate campus lease payments-principal portion	(B)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)
Deferred financing fees	(C)	0.7	0.6	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other transaction expenses	(D)	0.5	-	-	-	0.2	0.6	-	0.4	-	0.4
Loss on extinguishment of debt	(E)	-	10.7	-	-	-	-	-	-	-	-
Income tax effect of adjustments	(F)	(6.4)	(9.2)	(3.6)	(3.3)	(3.4)	(3.5)	(1.6)	(1.7)	(1.6)	(1.7)
Tax reform adjustments	(G)	-	-	-	-	-	(2.8)	-	-	-	-
Adjusted Net Income (non-GAAP)		$ 15.1	$ 14.3	$ 14.1	$ 15.5	$ 15.9	$ 14.8	$ 21.8	$ 24.6	$ 20.0	$ 22.4
Net Income (loss) per diluted share (GAAP)		$ 0.13	$ (-)	$ 0.20	$ 0.23	$ 0.25	$ 0.30	$ 0.45	$ 0.51	$ 0.40	$ 0.45
Adjusted Net Income per diluted share (non-GAAP)		$ 0.40	$ 0.35	$ 0.34	$ 0.38	$ 0.40	$ 0.39	$ 0.60	$ 0.67	$ 0.55	$ 0.61
Diluted weighted average common shares outstanding (GAAP)		37.6	40.7	41.5	40.8	39.3	37.8	36.4	36.7	36.4	36.7
Adjusted diluted weighted average common shares outstanding (non-GAAP)	(H)	37.6	41.4	41.5	40.8	39.3	37.8	36.4	36.7	36.4	36.7

A. Represents period end mark-to-market fair value adjustments associated with liability classified awards. Future stock based awards activity is expected to be classified as equity for accounting purposes and will not be subject to period ending fair value adjustments.
B. Represents cash rental payments on two corporate headquarter buildings that are accounted for as deemed assets and subject to depreciation expense over the life of the lease. Payments made for these leases are accounted for with a principal portion and an interest portion, consistent with deemed landlord liability accounting. These adjustments for purposes of arriving at Adjusted Net Income have the effect of presenting these leases consistently with all other office lease rentals that we have globally.
C. Represents amortization of the discount and issuance costs deferred on the consolidated balance sheet associated with the issuance of the Senior Secured Credit Facility.
D. Represents advisory costs and other fees incurred in connection with the August 2016 initial public offering, the 2017 S-3 registration statement, and follow-on offerings.
E. Represents a loss on extinguishment of long-term debt in connection with the repayment and extinguishment of our obligations under the previous Senior Secured Credit Facilities during the fourth quarter of 2016.
F. Represents the tax effect of the total adjustments at an estimated effective tax rate of 39% for 3Q16 through 1Q17, an estimated tax rate of 36% for 2Q17 through 4Q17, and an estimated tax rate of 23% for 1Q18 through 2Q18.
G. Consists of one time adjustments due to U.S. federal tax reform passed in December 2017, including revaluation of deferred credit, partially offset by revaluation of deferred tax assets and deferred tax liabilities, transition tax, and other miscellaneous tax reform related items.
H. For GAAP purposes, in a period where a net loss is recorded there is no dilution to weighted average common shares outstanding. When considering Adjusted Net Income, however, dilution would be applicable and is considered for purposes of determining Adjusted Net Income per diluted share.

Note: Numbers may not sum due to rounding

Glossary

1) **Adjusted EBITDA** is defined as EBITDA, adjusted to exclude non-cash liability-based stock awards, mark-to-market adjustments and CEO 2015 award, private equity transaction-related cost, corporate campus lease payments, non-recurring litigation matters, goodwill impairment charges, a loss on extinguishment of debt, and advisory costs and other fees related to our initial public offering, S-3 registration statement, and follow-on offerings.
2) **Backlog** represents anticipated future revenue from net new business awards that have not commenced or are currently in process but not complete.
3) **Backlog conversion** is defined as Revenue, net, for the quarter divided by beginning backlog under ASC 606, and Service Revenue, net, for the quarter divided by beginning backlog under ASC 605. Year-end backlog conversion figures represent the average historical backlog conversion for all quarters in the relevant year-end periods.
4) **Free Cash Flow** is defined as net cash provided by operating activities, less capital expenditures and the principal portion of payments related to campus leases classified for accounting purposes as deemed landlord liabilities.
5) **Large pharmaceutical companies** represent the top 20 pharmaceutical companies by worldwide prescription drug sales in the year ended December 31, 2017 as classified by Evaluate Ltd in *EvaluatePharma© World Preview 2018 Outlook to 2024*, an industry report.
6) **Mid-sized biopharmaceutical companies** represent biopharmaceutical companies with at least $250 million in sales in the year ended December 31, 2017, based on publicly available data and management's knowledge, that are not classified as a top 20 pharmaceutical company by Evaluate Ltd in *EvaluatePharma© World Preview 2018 Outlook to 2024*, an industry report.
7) **Net book-to-bill** is defined as net new business awards divided by Revenue, net, for a given period under ASC 606 and Service Revenue, net, under ASC 605.
8) **Net new business awards** are new business awards net of award modifications and cancellations that had previously been recognized in backlog during the period. New business awards represent the value of anticipated future revenue that has been awarded during the period that is recognized in backlog. This value is recognized upon the signing of a contract or receipt of a written pre-contract confirmation from a customer that confirms an agreement in principle on budget and scope. New business awards also include contract amendments, or changes in scope, where the customer has provided written authorization for changes in budget and scope or has approved us to perform additional work as of the measurement date. Awards may not be recognized as backlog after consideration of a number of factors, including whether (i) the relevant net service revenue is expected only after a pending regulatory hurdle, which might result in cancellation of the study, (ii) the customer funding needed for commencement of the study is not believed to have been secured or (iii) study timelines are uncertain or not well defined. In addition, study amounts that extend beyond a three-year timeline are not included in backlog.
9) **Small biopharmaceutical companies** represent biopharmaceutical companies that have less than $250 million in sales in the year ended December 31, 2017, based on publicly available data and management's knowledge.