UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 30, 2018

MEDPACE HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	001-37856	32-0434904
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5375 Medpace Way
Cincinnati, Ohio 45227
(513) 579-9911

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Item 2.02 Results of Operations and Financial Condition

On April 30, 2018, Medpace Holdings, Inc. (the "Company") issued a press release announcing its financial results for the three months ended March 31, 2018. The full text of the press release was posted on the Company's internet website and is furnished as Exhibit 99.1 hereto and incorporated herein by reference.

Pursuant to General Instruction B.2 of Current Report on Form 8-K, the information contained in, or incorporated into, Item 2.02, including the press release attached as Exhibit 99.1, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any registration statement or other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference to such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press release dated April 30, 2018

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEDPACE HOLDINGS, INC.

Date:	April 30, 2018	By:	/s/ Jesse J. Geiger
		Name:	Jesse J. Geiger
		Title:	Chief Financial Officer and Chief Operating Officer, Laboratory Operations

Exhibit 99.1

Media Contact:
Julie Hopkins
Medpace Holdings, Inc.
513.579.9911 x12627
j.hopkins@medpace.com

Investor Contact:
investor@medpace.com

FOR IMMEDIATE RELEASE

Medpace Holdings, Inc. Reports First Quarter 2018 Results

- *Revenue was $163.1 million in the first quarter of 2018. (Under ASC 605, net service revenue of $108.4 million increased 15.6% from net service revenue of $93.8 million for the comparable prior-year period, representing a backlog conversion rate of 20.7%.)*
- *Under ASC 605, net new business awards were $128.2 million in the first quarter, representing an increase of 36.6% from net new business awards of $93.9 million for the comparable prior-year period, which resulted in a net book-to-bill ratio of 1.18x.*
- *GAAP net income was $14.6 million, or $0.40 per diluted share, and net income margin was 8.9% in the first quarter of 2018. (Under ASC 605, first quarter 2018 GAAP net income was $16.3 million, or $0.45 per diluted share, versus GAAP net income of $8.4 million, or $0.20 per diluted share, for the comparable prior-year period. Net income margin was 15.0% and 9.0% for the first quarter of 2018 and 2017, respectively.)*
- *Adjusted EBITDA was $28.7 million for the first quarter of 2018, resulting in an Adjusted EBITDA margin of 17.6%. (Under ASC 605, Adjusted EBITDA of $31.0 million for the first quarter increased 18.2% from the comparable prior-year period, resulting in an Adjusted EBITDA margin of 28.6%.)*
- *Adjusted Net Income was $20.0 million, or $0.55 per diluted share, for the first quarter of 2018. (Under ASC 605, Adjusted Net Income of $21.8 million for the first quarter increased 54.8% from the comparable prior-year period. Adjusted Net Income per diluted share of $0.60 for the first quarter of 2018 increased 76.5% from the comparable prior-year period.)*

CINCINNATI, OHIO, April 30, 2018-- Medpace Holdings, Inc. (Nasdaq: MEDP) (“Medpace”) today announced financial results for the first quarter ended March 31, 2018.

First Quarter 2018 Financial Results under ASC 606

Revenue for the three months ended March 31, 2018 was $163.1 million. For the first quarter of 2018, total direct costs were $117.3 million, and Adjusted direct costs were $118.0 million. Selling, general and administrative expenses were $16.0 million and Adjusted Selling, general and administrative expenses were $16.2 million for the first quarter 2018.

GAAP net income for the first quarter of 2018 was $14.6 million, or $0.40 per diluted share, which resulted in a net income margin of 8.9%. Adjusted EBITDA for the first quarter of 2018 was $28.7 million, or 17.6% of revenue. Adjusted Net Income was $20.0 million, and Adjusted Net Income per diluted share was $0.55 for the first quarter of 2018.

First Quarter 2018 Financial Results under ASC 605

Net service revenue for the three months ended March 31, 2018 increased 15.6% to $108.4 million, compared to $93.8 million for the comparable prior-year period. On a constant currency basis, net service revenue for the first quarter of 2018 increased 14.2% compared to the first quarter of 2017.

Backlog as of March 31, 2018 grew 13.1% to $547.3 million from $483.8 million as of March 31, 2017. Net new business awards were $128.2 million, representing a net book-to-bill ratio of 1.18x for the first quarter of 2018, as compared to $93.9 million for the comparable prior-year period. The Company calculates net book-to-bill ratio by dividing net new business awards by net service revenue.

For the first quarter of 2018, Direct service costs, excluding depreciation and amortization, were $60.3 million, compared to $51.1 million in the first quarter of 2017. Adjusted Direct service costs were $61.1 million for the first quarter 2018, compared to $51.9 million in the first quarter of 2017.

Selling, general and administrative expenses were $16.0 million in the first quarter of 2018, compared to $15.2 million in the first quarter of 2017. Adjusted Selling, general and administrative expenses were $16.2 million for the first quarter 2018 versus $15.3 million in the first quarter of 2017.

GAAP net income for the first quarter of 2018 was $16.3 million, or $0.45 per diluted share, versus GAAP net income of $8.4 million, or $0.20 per diluted share, for the first quarter of 2017. This resulted in a net income margin of 15.0% and 9.0% for the first quarter of 2018 and 2017, respectively.

Adjusted EBITDA for the first quarter of 2018 increased 18.2% to $31.0 million, or 28.6% of net service revenue, compared to $26.2 million, or 28.0% of net service revenue, for the comparable prior-year period. On a constant currency basis, Adjusted EBITDA for the first quarter of 2018 increased 22.0% from the first quarter of 2017.

Adjusted Net Income for the first quarter of 2018 increased 54.8% to $21.8 million, compared to $14.1 million for the comparable prior-year period. Adjusted Net Income per diluted share for the first quarter of 2018 was $0.60 compared to Adjusted Net Income per diluted share of $0.34 for the comparable prior-year period.

A reconciliation of the Company's non-GAAP financial measures, including EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Direct costs, Adjusted Selling, general and administrative expenses, Adjusted Net Income, and Adjusted Net Income per diluted share to the corresponding GAAP measures is provided below.

Balance Sheet and Liquidity

The Company's Cash and cash equivalents were $22.2 million at March 31, 2018, and the Company generated $23.3 million in cash flow from operating activities during the first quarter of 2018.

Financial Guidance

On January 1, 2018, the Company adopted ASC 606 "Revenue from Contracts with Customers." For full-year 2018, the Company is providing guidance under ASC 605, excluding the impact of the new accounting standard, for comparability purposes. The Company forecasts 2018 net service revenue in the range of $421 million to $435 million, representing growth of 8.9% to 12.6% over 2017 net service revenue of $386.5 million. GAAP net income for full year 2018 is forecasted in the range of $46.2 million to $50.4 million. Additionally, full-year 2018 Adjusted EBITDA is expected in the range of $105 million to $111 million.

Based on forecasted 2018 net service revenue of $421 million to $435 million and GAAP net income of $46.2 million to $50.4 million, diluted earnings per share (GAAP) is forecasted in the range of $1.27 to $1.38. Adjusted Net Income for 2018 is forecasted in the range of $68.0 million to $72.0 million, compared to Adjusted Net Income of $60.5 million for 2017. Furthermore, Adjusted Net Income per diluted share for 2018 is expected in the range of $1.87 to $1.97 per share.

Conference Call Details

Medpace will host a conference call at 9:00 a.m. ET, Tuesday, May 1, 2018, to discuss its first quarter 2018 results.

To participate in the conference call, dial 800-219-7113 (domestic) or 574-990-1030 (international) using the passcode 5992038.

To access the conference call via webcast, visit the "Investors" section of Medpace's website at medpace.com. The webcast replay of the call will be available at the same site approximately one hour after the end of the call.

A supplemental slide presentation will also be available at the "Investors" section of Medpace's website prior to the start of the call.

A recording of the call will be available at 12:00 p.m. ET on Tuesday, May 1, 2018 until 12:00 p.m. ET on Tuesday, May 15, 2018. To hear this recording, dial 855-859-2056 (domestic) or 404-537-3406 (international) using the passcode 5992038.

About Medpace

Medpace is a scientifically-driven, global, full-service clinical contract research organization (CRO) providing Phase I-IV clinical development services to the biotechnology, pharmaceutical and medical device industries. Medpace's mission is to accelerate the global development of safe and effective medical therapeutics through its high-science and disciplined operating approach that leverages regulatory and therapeutic expertise across all major areas including oncology, cardiology, metabolic disease, endocrinology, central nervous system and anti-viral and anti-infective. Headquartered in Cincinnati, Ohio, Medpace employs approximately 2,600 people across 35 countries.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release 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 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 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; 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 press release. 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. 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 press release. 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 press release.

Non-GAAP Financial Measures

Certain financial measures presented in this press release, such as EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Direct costs, Adjusted Selling, general and administrative expenses, Adjusted Net Income, and Adjusted Net Income per diluted share, 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 Direct costs, Adjusted Selling, general and administrative expenses, Adjusted Net Income, and Adjusted Net Income per diluted share 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.

EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Direct costs, Adjusted Selling, general and administrative expenses, Adjusted Net Income, and Adjusted Net Income per diluted share 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 condensed consolidated financial statements included elsewhere in this release for our U.S. GAAP results. Additionally, for reconciliations of EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Direct costs, Adjusted Selling, general and administrative expenses, Adjusted Net Income, Adjusted Net Income per diluted share to our closest reported U.S. GAAP measures, refer to the appendix of this press release.

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin

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.

Adjusted Net Income and Adjusted Net Income per diluted share

Adjusted Net Income 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. Adjusted Net Income per diluted share measures Adjusted Net Income on a per diluted share basis. Management uses these measures 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 and Adjusted Net Income per diluted share enhances our investors' overall understanding of the financial performance. You should not consider Adjusted Net Income or Adjusted Net Income per diluted share as an alternative to Net income (loss) or Net income per diluted share attributable to Medpace Holdings Inc., determined in accordance with U.S. GAAP, as an indicator of operating performance.

Adjusted Direct costs and Adjusted Selling, general and administrative expenses

Adjusted Direct costs and Adjusted Selling, general and administrative expenses are useful to provide information to investors to evaluate core operating expenses as they exclude 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 certain lease payments which are otherwise excluded from core operating expenses. We believe that reporting these metrics enhance our investors' overall understanding of our core recurring operating expenses. You should not consider Adjusted Direct costs and Adjusted Selling, general and administrative expenses as an alternative to Direct costs, excluding depreciation and amortization and Selling, general and administrative expenses, determined in accordance with U.S. GAAP, as an indicator of operating performance.

MEDPACE HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(Amounts in thousands, except per share amounts)	As Reported under ASC 606	Adjustments	As Revised under ASC 605	As Reported under ASC 605
	Three Months Ended March 31,			
	2018	2018	2018	2017
Revenue:				
Revenue, net	$ 163,077	$ (163,077)	$ -	$ -
Service revenue, net	-	108,428	108,428	93,781
Reimbursed out-of-pocket revenue	-	15,017	15,017	12,830
Total revenue	163,077	(39,632)	123,445	106,611
Operating expenses:				
Direct service costs, excluding depreciation and amortization	60,341	-	60,341	51,105
Reimbursed out-of-pocket expenses	56,913	(41,896)	15,017	12,830
Total Direct Costs	117,254	(41,896)	75,358	63,935
Selling, general and administrative	15,999	-	15,999	15,154
Depreciation	2,314	-	2,314	2,130
Amortization	7,391	-	7,391	9,448
Total operating expenses	142,958	(41,896)	101,062	90,667
Income from operations	20,119	2,264	22,383	15,944
Other expense, net:				
Miscellaneous expense, net	(153)	-	(153)	(372)
Interest expense, net	(2,309)	-	(2,309)	(1,794)
Total other expense, net	(2,462)	-	(2,462)	(2,166)
Income before income taxes	17,657	2,264	19,921	13,778
Income tax provision	3,106	511	3,617	5,331
Net income	$ 14,551	$ 1,753	$ 16,304	$ 8,447
Net income per share attributable to common shareholders:				
Basic	$ 0.41	$ 0.05	$ 0.46	$ 0.21
Diluted	$ 0.40	$ 0.05	$ 0.45	$ 0.20
Weighted average common shares outstanding:				
Basic	35,486	-	35,486	40,669
Diluted	36,449	-	36,449	41,508

MEDPACE HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(Amounts in thousands, except share amounts)	As Reported under ASC 606	Adjustments	As Revised under ASC 605	As Reported under ASC 605
	As Of			
	March 31,			December 31,
	2018	2018	2018	2017
ASSETS				
Current assets:				
Cash and cash equivalents	$ 22,245	$ -	$ 22,245	$ 26,485
Restricted cash	7	-	7	7
Accounts receivable and unbilled, net	110,654	(12,733)	97,921	83,079
Prepaid expenses and other current assets	20,848	-	20,848	20,400
Total current assets	153,754	(12,733)	141,021	129,971
Property and equipment, net	51,079	-	51,079	48,739
Goodwill	660,981	-	660,981	660,981
Intangible assets, net	91,349	-	91,349	98,740
Deferred income taxes	9,970	(3,347)	6,623	6,343
Other assets	5,891	-	5,891	5,943
Total assets	$ 973,024	$ (16,080)	$ 956,944	$ 950,717
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$ 17,924	$ -	$ 17,924	$ 16,674
Accrued expenses	63,576	(45,145)	18,431	23,673
Pre-funded study costs	-	57,487	57,487	57,406
Advanced billings	126,387	(40,356)	86,031	73,756
Current portion of long-term debt	16,500	-	16,500	16,500
Other current liabilities	8,105	511	8,616	4,697
Total current liabilities	232,492	(27,503)	204,989	192,706
Long-term debt, net, less current portion	181,067	-	181,067	205,111
Deemed landlord liability, less current portion	26,091	-	26,091	26,602
Deferred income tax liability	596	-	596	560
Deferred credit	11,265	-	11,265	11,468
Other long-term liabilities	10,440	-	10,440	10,740
Total liabilities	461,951	(27,503)	434,448	447,187
Commitments and contingencies				
Shareholders' equity:				
Preferred stock - $0.01 par-value; 5,000,000 shares authorized; no shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	-	-	-	-
Common stock - $0.01 par-value; 250,000,000 shares authorized at March 31, 2018 and December 31, 2017, respectively; 35,504,675 and 35,466,510 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	355	-	355	355
Treasury stock - 200,000 shares at December 31, 2017	(6,030)	-	(6,030)	(6,030)
Additional paid-in capital	632,374	-	632,374	630,341
Accumulated deficit	(115,521)	11,423	(104,098)	(120,402)
Accumulated other comprehensive loss	(105)	-	(105)	(734)
Total shareholders' equity	511,073	11,423	522,496	503,530
Total liabilities and shareholders' equity	$ 973,024	$ (16,080)	$ 956,944	$ 950,717

MEDPACE HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(Amounts in thousands)	As Reported under ASC 606	Adjustments	As Revised under ASC 605	As Reported under ASC 605
	Three Months Ended March 31,			
	2018	2018	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 14,551	$ 1,753	$ 16,304	$ 8,447
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	2,314	-	2,314	2,130
Amortization	7,391	-	7,391	9,448
Stock-based compensation expense	1,467	-	1,467	1,034
Amortization of debt issuance costs and discount	159	-	159	165
Deferred income tax benefit	(248)	-	(248)	(410)
Amortization and adjustment of deferred credit	(203)	-	(203)	-
Other	(32)	-	(32)	(252)
Changes in assets and liabilities:		-		
Accounts receivable and unbilled, net	(17,760)	2,980	(14,780)	(2,292)
Prepaid expenses and other current assets	(214)	-	(214)	(247)
Accounts payable	699	-	699	(1,331)
Accrued expenses	5,268	(10,664)	(5,396)	(10,508)
Pre-funded study costs	-	50	50	(3,497)
Advanced billings	6,817	5,370	12,187	(5,246)
Other assets and liabilities, net	3,089	511	3,600	1,884
Net cash provided by operating activities	23,298	-	23,298	(675)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Property and equipment expenditures	(3,951)	-	(3,951)	(4,374)
Other	23	-	23	16
Net cash used in investing activities	(3,928)	-	(3,928)	(4,358)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from stock option exercises	566	-	566	193
Payment of debt	(4,125)	-	(4,125)	(3,094)
Payments on revolving loan	(20,000)	-	(20,000)	-
Payment of deemed landlord liability	(451)	-	(451)	(404)
Net cash used in financing activities	(24,010)	-	(24,010)	(3,305)
EFFECT OF EXCHANGE RATES ON CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	400	-	400	540
DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(4,240)	-	(4,240)	(7,798)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH — Beginning of period	26,492		26,492	37,407
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH — End of period	$ 22,252	$ -	$ 22,252	$ 29,609

MEDPACE HOLDINGS, INC. AND SUBSIDIARIES

RECONCILIATION OF NON-GAAP MEASURES (UNAUDITED)

(Amounts in thousands, except per share amounts)	As Reported under ASC 606	Adjustments	As Revised under ASC 605	As Reported under ASC 605
	Three Months Ended March 31,			
	2018	2018	2018	2017
RECONCILIATION OF GAAP NET INCOME TO EBITDA AND ADJUSTED EBITDA				
Net income (GAAP)	$ 14,551	$ 1,753	$ 16,304	$ 8,447
Interest expense, net	2,309	-	2,309	1,794
Income tax provision	3,106	511	3,617	5,331
Depreciation	2,314	-	2,314	2,130
Amortization	7,391	-	7,391	9,448
EBITDA (Non-GAAP)	$ 29,671	$ 2,264	$ 31,935	$ 27,150
Corporate campus lease payments (a)	(953)	-	(953)	(936)
Adjusted EBITDA (Non-GAAP)	$ 28,718	$ 2,264	$ 30,982	$ 26,214
Net income margin (GAAP)	8.9%	6.1%	15.0%	9.0%
Adjusted EBITDA margin (Non-GAAP)	17.6%	11.0%	28.6%	28.0%
RECONCILIATION OF GAAP NET INCOME TO ADJUSTED NET INCOME				
Net income (GAAP)	$ 14,551	$ 1,753	$ 16,304	$ 8,447
Amortization	7,391	-	7,391	9,448
Corporate campus lease payments - principal portion (a)	(451)	-	(451)	(404)
Deferred financing fees (b)	159	-	159	165
Income tax effect of adjustments (d)	(1,633)	-	(1,633)	(3,592)
Adjusted net income (Non-GAAP)	$ 20,017	$ 1,753	$ 21,770	$ 14,064
Net income per diluted share (GAAP)	$ 0.40	$ 0.05	$ 0.45	$ 0.20
Adjusted net income per diluted share (Non-GAAP)	$ 0.55	$ 0.05	$ 0.60	$ 0.34
Diluted average common shares outstanding	36,449	-	36,449	41,508
RECONCILIATION OF ADJUSTED DIRECT COSTS				
Total direct costs (GAAP)	$ 117,254	(41,896)	$ 75,358	$ 63,935
Corporate campus lease payments (a)	772	-	772	796
Adjusted total direct costs (Non-GAAP)	$ 118,026	$ (41,896)	$ 76,130	$ 64,731
RECONCILIATION OF ADJUSTED DIRECT SERVICE COSTS				
Direct service costs, excluding depreciation and amortization (GAAP)	$ 60,341	$ -	$ 60,341	$ 51,105
Corporate campus lease payments (a)	772	-	772	796
Adjusted direct service costs (Non-GAAP)	$ 61,113	$ -	$ 61,113	$ 51,901
RECONCILIATION OF ADJUSTED SELLING, GENERAL AND ADMINISTRATIVE				
Selling, general and administrative (GAAP)	$ 15,999	$ -	$ 15,999	$ 15,154
Corporate campus lease payments (a)	181	-	181	140
Adjusted selling, general and administrative (Non-GAAP)	$ 16,180	$ -	$ 16,180	$ 15,294

MEDPACE HOLDINGS, INC. AND SUBSIDIARIES

FY 2018 GUIDANCE RECONCILIATION UNDER ASC 605 (UNAUDITED)

(Amounts in millions, except per share amounts)	Forecast 2018 Adjusted Net Income		Forecast 2018 Adjusted Diluted Earnings Per Share		Year ended December 31, 2017	
	Low	High	Low	High	Adjusted Net Income	Adjusted Net Income per diluted share
Net income and diluted earnings per share (GAAP)	$ 46.2	$ 50.4	$ 1.27	$ 1.38	$ 39.1	$ 0.98
Adjustments:						
Amortization	29.6	29.6	0.81	0.81	37.9	0.95
Other transaction expenses (c)	-	-	-	-	0.8	0.02
Corporate campus lease payments - principal portion (a)	(1.9)	(1.9)	(0.05)	(0.05)	(1.6)	(0.04)
Deferred financing fees (b)	0.7	0.7	0.02	0.02	0.7	0.02
Income tax effect of adjustments (d)	(6.6)	(6.8)	(0.18)	(0.19)	(13.6)	(0.34)
Tax reform adjustments (e)	-	-	-	-	(2.8)	(0.07)
Adjusted net income and adjusted net income per diluted share (Non-GAAP)	$ 68.0	$ 72.0	$ 1.87	$ 1.97	$ 60.5	$ 1.52
Depreciation	9.5	9.5				
Income tax provision	20.7	22.7				
Interest expense, net	6.8	6.8				
Adjusted EBITDA (Non-GAAP)	$ 105.0	$ 111.0				

(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. The interest portion of these payments is included in net cash provided by operating activities in our statement of cash flows. The principal portion is reflected as a financing activity in our statement of cash flows. These adjustments for purposes of arriving at Adjusted EBITDA, Adjusted Direct costs, Adjusted Selling, general and administrative expenses and Adjusted Net Income have the effect of presenting these leases consistently with all other office lease rentals that we have globally.

(b) Represents amortization of the discount and issuance costs deferred on the consolidated balance sheet associated with the issuance of the Senior Secured Credit Facility.

(c) Represents advisory costs and other fees incurred in connection with the 2017 S-3 registration statement and the Prospectus.

(d) Represents the tax effect of the total adjustments at 36% for 2017. First quarter of 2018 is reflective of an estimated effective tax rate of 23%. For full year 2018 guidance, a tax rate of 22.0% to 25.0% is assumed.

(e) 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.