

Decision Forecast Overrides DCF Drivers <u>DCF Review</u> WACC Review

## ICON, PLC (ICLR)

Analyst Notes : Upgraded from Neutral 2/21/20 | Cause: Price Decrease: Lower Market Expectations | New 20-F & Forecast 2/28/20

Overrides are currently inactive. To review overrides click on the Overrides edit page .

— marks items on this page that can be overridden

— marks items on this page that have active overrides in effect

Select Forecast To View: Neutral (Updated 5/4/2016)

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Values in Millions except per share amounts	Y 3: 2022	EY 4: 2023	EY 5: 2024	EY 6: 2025	EY 7: 2026	EY 8: 2027	EY 9: 2028	EY 10: 2029
FCF Present Value	\$313.39	\$320.70	\$321.10	\$322.58	\$322.67	\$322.77	\$322.86	\$322.95
FCF Cumulative Present Value	\$927.85	\$1,248.56	\$1,569.65	\$1,892.24	\$2,214.91	\$2,537.68	\$2,860.53	\$3,183.48
Terminal Value	\$8,383.55	\$8,928.48	\$9,499.90	\$10,107.89	\$10,754.80	\$11,443.11	\$12,175.46	\$12,905.99
Present Value of Terminal Value	\$6,965.82	\$6,974.35	\$6,976.33	\$6,978.31	\$6,980.29	\$6,982.27	\$6,984.25	\$6,959.97
Corporate Value	\$7,893.68	\$8,222.91	\$8,545.98	\$8,870.54	\$9,195.20	\$9,519.94	\$9,844.78	\$10,143.45
Excess Cash	\$513.82	\$513.82	\$513.82	\$513.82	\$513.82	\$513.82	\$513.82	\$513.82
Net Assets from Discontinued Operations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Deferred Tax Liability	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Deferred Compensation Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fair Value of Unconsolidated Subsidiary Assets (non-operating)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fair Value of Total Debt	(\$454.55)	(\$454.55)	(\$454.55)	(\$454.55)	(\$454.55)	(\$454.55)	(\$454.55)	(\$454.55)
Fair Value of Preferred Capital	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Fair Value of Minority Interests	(\$39.51)	(\$39.51)	(\$39.51)	(\$39.51)	(\$39.51)	(\$39.51)	(\$39.51)	(\$39.51)
Value of Outstanding ESO After-Tax	(\$49.42)	(\$49.42)	(\$49.42)	(\$49.42)	(\$49.42)	(\$49.42)	(\$49.42)	(\$49.42)
Pensions Net Funded Status	(\$6.05)	(\$6.05)	(\$6.05)	(\$6.05)	(\$6.05)	(\$6.05)	(\$6.05)	(\$6.05)
Shareholder Value	\$7,857.96	\$8,187.19	\$8,510.26	\$8,834.82	\$9,159.48	\$9,484.22	\$9,809.06	\$10,107.73
<ul> <li>Shares Outstanding</li> </ul>	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6
Shareholder Value per Share	\$146.54	\$152.68	\$158.71	\$164.76	\$170.82	\$176.87	\$182.93	\$188.50
GAP (Growth Appreciation Period)	3	4	5	6	7	8	9	10
Maximum Loss Exposure from Special Purpose Entities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Decision Page pulls Performance Hurdles values from below for the relevant GAPs								
Hurdles values from below for the	7.2%	7.0%	6.9%	6.8%	6.8%	6.7%	6.7%	6.6%
Hurdles values from below for the relevant GAPs	7.2% 17.4%	7.0% 17.4%	6.9% 17.5%	6.8% 17.6%	6.8% 17.6%	6.7% 17.7%	6.7% 17.8%	6.6% 17.8%
Hurdles values from below for the relevant GAPs  Total Operating Revenue CAGR								
Hurdles values from below for the relevant GAPs  Total Operating Revenue CAGR  Average Economic Earnings Margin	17.4%	17.4%	17.5%	17.6%	17.6%	17.7%	17.8%	17.8%
Hurdles values from below for the relevant GAPs  Total Operating Revenue CAGR  Average Economic Earnings Margin  Average ROIC	17.4% 23.8%	17.4% 23.9%	17.5% 24.0%	17.6% 24.0%	17.6% 24.1%	17.7% 24.2%	17.8% 24.2%	17.8% 24.3%
Hurdles values from below for the relevant GAPs  Total Operating Revenue CAGR  Average Economic Earnings Margin  Average ROIC  ROIC (Return On Invested Capital)	17.4% 23.8% 24.0%	17.4% 23.9% 24.1%	17.5% 24.0% 24.3%	17.6% 24.0% 24.4%	17.6% 24.1% 24.5%	17.7% 24.2% 24.6%	17.8% 24.2% 24.7%	17.8% 24.3% 24.8%
Hurdles values from below for the relevant GAPs  Total Operating Revenue CAGR  Average Economic Earnings Margin  Average ROIC  ROIC (Return On Invested Capital)  WACC (Weighted Average Cost of Capital)	17.4% 23.8% 24.0% 6.4%	17.4% 23.9% 24.1% 6.4%	17.5% 24.0% 24.3% 6.4%	17.6% 24.0% 24.4% 6.4%	17.6% 24.1% 24.5% 6.4%	17.7% 24.2% 24.6% 6.4%	17.8% 24.2% 24.7% 6.4%	17.8% 24.3% 24.8% 6.4%
Hurdles values from below for the relevant GAPs  Total Operating Revenue CAGR  Average Economic Earnings Margin  Average ROIC  ROIC (Return On Invested Capital)  WACC (Weighted Average Cost of Capital)  Incremental Return on Invested Capital	17.4% 23.8% 24.0% 6.4% 28.2%	17.4% 23.9% 24.1% 6.4% 26.2%	17.5% 24.0% 24.3% 6.4% 28.1%	17.6% 24.0% 24.4% 6.4% 27.7%	17.6% 24.1% 24.5% 6.4% 28.1%	17.7% 24.2% 24.6% 6.4% 28.1%	17.8% 24.2% 24.7% 6.4% 28.1%	17.8% 24.3% 24.8% 6.4% 28.1%
Hurdles values from below for the relevant GAPs  Total Operating Revenue CAGR  Average Economic Earnings Margin  Average ROIC  ROIC (Return On Invested Capital)  WACC (Weighted Average Cost of Capital)  Incremental Return on Invested Capital  Average NOPAT Margin	17.4% 23.8% 24.0% 6.4% 28.2% 14.5%	17.4% 23.9% 24.1% 6.4% 26.2% 14.5%	17.596 24.096 24.396 6.496 28.196 14.596	17.6% 24.0% 24.4% 6.4% 27.7%	17.6% 24.1% 24.5% 6.4% 28.1% 14.5%	17.796 24.296 24.696 6.496 28.196 14.596	17.8% 24.2% 24.7% 6.4% 28.1% 14.5%	17.8% 24.3% 24.8% 6.4% 28.1%
Hurdles values from below for the relevant GAPs  Total Operating Revenue CAGR  Average Economic Earnings Margin  Average ROIC  ROIC (Return On Invested Capital)  WACC (Weighted Average Cost of Capital)  Incremental Return on Invested Capital  Average NOPAT Margin  Average Avg Invested Capital Turns	17.4% 23.8% 24.0% 6.4% 28.2% 14.5%	17.4% 23.9% 24.1% 6.4% 26.2% 14.5%	17.5% 24.0% 24.3% 6.4% 28.1% 14.5%	17.6% 24.0% 24.4% 6.4% 27.7% 14.5%	17.6% 24.1% 24.5% 6.4% 28.1% 14.5%	17.7% 24.2% 24.6% 6.4% 28.1% 14.5%	17.8% 24.2% 24.7% 6.4% 28.1% 14.5%	17.8% 24.3% 24.8% 6.4% 28.1% 14.5% 1.67
Hurdles values from below for the relevant GAPs  Total Operating Revenue CAGR  Average Economic Earnings Margin  Average ROIC  ROIC (Return On Invested Capital)  WACC (Weighted Average Cost of Capital)  Incremental Return on Invested Capital  Average NOPAT Margin  Average Avg Invested Capital Turns  NOPAT CAGR	17.4% 23.8% 24.0% 6.4% 28.2% 14.5% 1.64 7.1%	17.496 23.996 24.196 6.496 26.296 14.596 1.655 7.096	17.5% 24.0% 24.3% 6.4% 28.1% 14.5% 1.65 6.9%	17.6% 24.0% 24.4% 6.4% 27.7% 14.5% 1.66 6.8%	17.6% 24.1% 24.5% 6.4% 28.1% 14.5% 1.66	17.7% 24.2% 24.6% 6.4% 28.19 14.5% 1.66 6.7%	17.8% 24.2% 24.7% 6.4% 28.1% 14.5% 1.67 6.7%	17.8% 24.3% 24.8% 6.4% 28.1% 14.5% 1.67 6.6%