Q1 2020 Financial Results

May 6, 2020

Forward-Looking Statements and Non-GAAP Financial Measures

Forward-Looking Statements

This investor supplement contains forward-looking statements. These statements often include words such as "anticipate," "expect," "suggest," "plan," "believe," "intend," "project," "forecast," "estimates," "targets," "projections," "should," "could," "would," "may," "might," "will," and other similar expressions, including forward-looking statements about the impact from the novel coronavirus disease (the "COVID-19 pandemic"). Although we believe that these forward-looking statements are based on reasonable assumptions at the time they are made, you should be aware that many factors could affect our actual financial results, including the impact from the COVID-19 pandemic, and our ability to achieve our projected second quarter 2020 guidance, and therefore actual results might differ materially from those expressed in the forward-looking statements. Factors that might materially affect such forward-looking statements include: the magnitude, continued duration, geographic reach and ongoing impact on the global economy and capital and credit markets of the COVID-19 pandemic; the current and uncertain future impact from the COVID-19 pandemic on our business, growth, reputation, prospects, financial condition, results of operations (including components of our financial results), cash flows and liquidity; the fragmented and highly competitive nature of the drug development services industry; changes in trends in the biopharmaceutical industry; our ability to keep pace with rapid technological changes that could make our services less competitive or obsolete; political, economic and/or regulatory influences and changes; any failure of our backlog to accurately predict or convert into future revenue; the fact that our customers can terminate, delay or reduce the scope of our contracts with them upon short notice or with no notice; the impact of industry, customer and therapeutic area concentration; our ability to accurately price our contracts and manage our costs associated with performance of such contracts; any failures in our information and communication systems impacting us or our customers, clinical trial participants or employees; any failure to perform services in accordance with contractual requirements, regulatory standards and ethical standards; our ability to recruit, retain and motivate key personnel, including the loss of any key executive who becomes seriously ill with COVID-19; our ability to attract suitable investigators or enroll a sufficient number of patients for our customers' clinical trials; any failure by us to comply with numerous privacy laws; our dependence on third parties for critical goods and support services, including a significant impact from the COVID-19 pandemic to our suppliers; our dependence on our technology network, and the impact from upgrades to the network; any violation of laws, including laws governing the conduct of clinical trials or other biopharmaceutical research, and anti-corruption laws; competition between our existing and potential customers and the potential negative impact on our business; our management of business restructuring transactions and the integration of acquisitions; risks related to the drug development services industry that could result in potential liability; any failure of our insurance to cover the potential liabilities associated with the operation of our business and provision of services; our use of biological and hazardous materials, which could result in liability; international or U.S. economic, currency, political and other risks, including those caused by the global COVID-19 pandemic; disruption to our operations by the occurrence of a natural disaster, pandemic (such as the COVID-19 pandemic) or other catastrophic events; economic conditions and regulatory changes from the United Kingdom's exit from the European Union; any inability to adequately protect our intellectual property or the security of our systems and the data stored therein; consolidation amongst our customers, and the potential for rationalization of the combined drug development pipeline, resulting in fewer products in clinical development; any patent or other intellectual property litigation we might be involved in; changes in tax laws, or interpretations of existing tax laws; our investments in third parties; the substantial value of our goodwill and intangible assets, which we might not fully realize, resulting in impairment losses; difficult and volatile conditions in the capital and credit markets and in the overall economy, including those caused by the COVID-19 pandemic; risks related to our indebtedness; risks related to ownership of our common stock; the significant influence of certain significant stockholders over us; and other factors beyond our control. We assume no obligation and disclaim any duty to revise or update any forward-looking statements, or make any new forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures, including adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted diluted earnings per share, net debt, net secured debt, net leverage ratio, net secured leverage ratio, annualized cash interest and cash interest coverage. Other companies in our industry may calculate such non-GAAP financial measures differently than we do. As a result, these non-GAAP financial measures have limitations as analytical and comparative tools and should not be considered in isolation, or as a substitute for analysis of our results as reported under GAAP. For a reconciliation of certain non-GAAP financial measures used in this presentation to the closest comparable GAAP measure, see the Appendix to this presentation. PPD has not reconciled the forward-looking adjusted EBITDA guidance included in this presentation to the most directly comparable GAAP measure because this cannot be done without unreasonable effort due to the variability and low visibility with respect to certain costs, including, but not limited to, costs related to unplanned acquisitions, incentive compensation (including stock-based compensation), transaction costs, recapitalization portfolio interest consideration, uncertainties caused by the global COVID-19 pandemic and other items not reflective of PPD's ongoing operations, which are potential adjustments to future earnings. PPD expects the variability of these items to have a potentially unpredictable, and a potentially significant, impact on our future GAAP financial results.

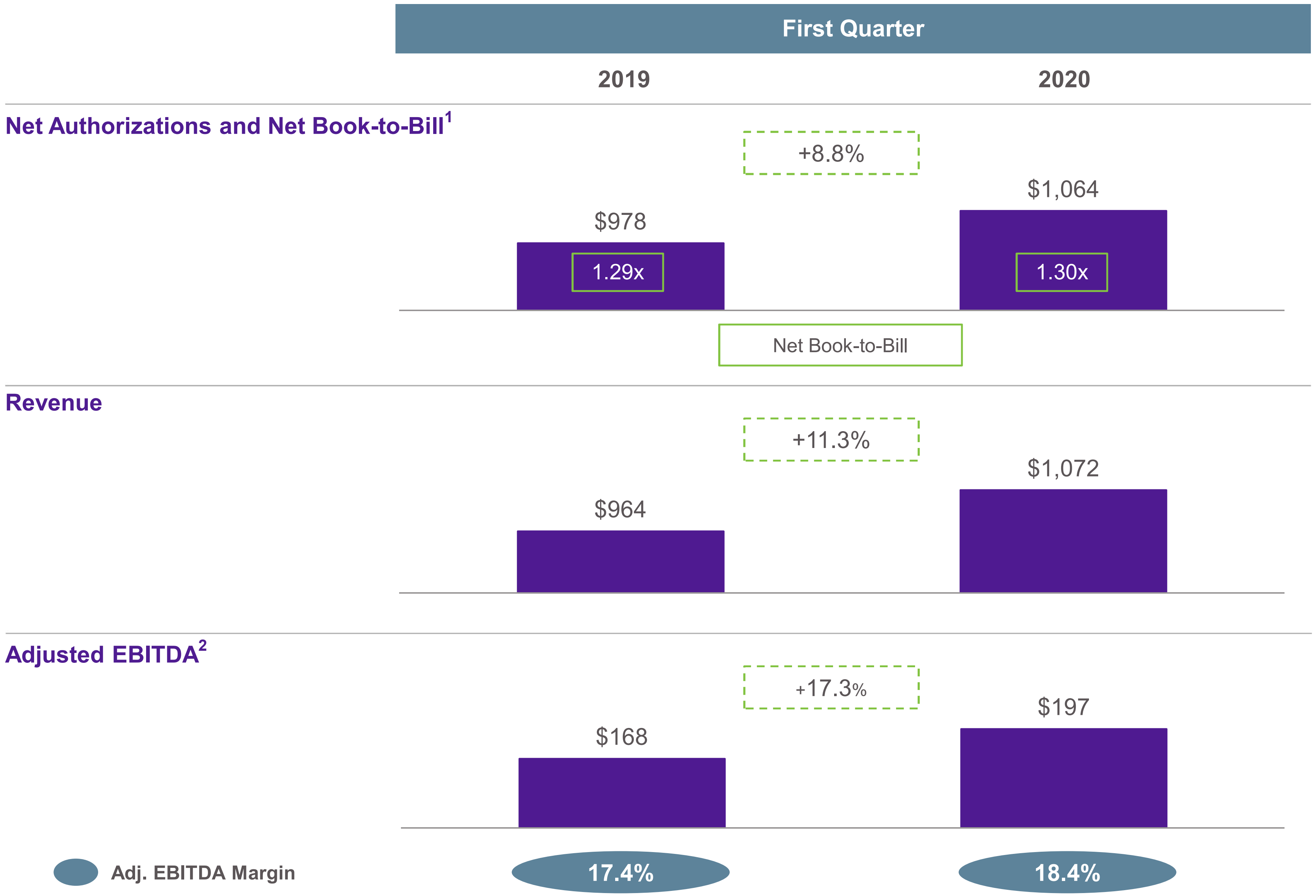
Q1 2020 Highlights

- First quarter 2020 results were at or above prior year first quarter results. Notable metrics include:
  - Net Authorizations of $1,064 million (+8.8% Y/Y) vs. Q1'19 of $978 million on a historical basis
  - Record ending backlog of $7,312 million (+11.9% Y/Y) vs. Q1'19 of $6,536 million on a historical basis
  - Revenue of $1,072 million (+11.3% Y/Y) vs. Q1'19 of $964 million
  - Adjusted EBITDA[1] of $197 million (+17.3% Y/Y) vs. Q1'19 of $168 million
- Leading infectious disease and vaccines franchise playing a meaningful role in COVID-19 related vaccines and treatments with 39 awards to date
  - Clinical experience on 300 infectious disease and vaccine trials over the last five years with labs-related support of 15 FDA approved vaccines during our history
- Robust liquidity position of $886 million represents the strongest liquidity position in the last 10 years. PPD's liquidity at 3/31/20 is comprised of:
  - Cash and cash equivalents of $738 million inclusive of $150 million borrowed on our $300 million revolving credit facility ("revolver") to further strengthen cash given uncertainty in global markets
  - Continue to have access to an additional $148 million under the revolver
- Reduced net leverage ratio[1] to 4.5x as of 3/31/20; from 6.9x as reported at 12/31/19 and 4.7x on an as adjusted basis had PPD received the net IPO proceeds[1] and effected the redemptions[2] of the Senior PIK Toggle Notes as of 12/31/19

[1] See reconciliation of non-GAAP measures included in Appendix
[2] Senior PIK Toggle Note redemptions included accrued interest and redemption premiums

Q1 2020 Results – Consolidated

$ in millions



[1] Net authorizations and net book-to-bill on a historical basis; see Appendix for additional information on the basis for reporting of our backlog and net authorizations

[2] See reconciliation of non-GAAP measures included in Appendix

Q1 2020 Results – Revenue and Segment Operating Income

$ in millions

- Beginning in the first quarter of 2020, PPD revised the presentation of its reportable segments to be on an ASC 606 basis as a result of changes in how management reviews performance and allocates resources
- Segment revenue now includes direct, third-party pass-through and reimbursable out-of-pocket revenue and segment operating income now includes third-party pass-through and reimbursable out-of-pocket costs
- Prior period information has been recast to reflect the change in segment presentation

	First Quarter Revenue			First Quarter Operating Income		
	2019	2020	Y/Y %	2019	2020	Y/Y %
Clinical Development Services	$809	$871	7.6%	$180	$196	9.2%
Laboratory Services	154	202	30.6%	48	65	36.4%
Total	**$964**	**$1,072**	**11.3%**	**$228**	**$262**	**14.9%**

Some totals may not foot and %'s may not recalculate due to rounding

Q1 2020 Results – Consolidated Profit

$ in millions, except per share data

	First Quarter		
	2019	2020	Y/Y %
Net (loss) income attributable to common stockholders of PPD, Inc.	($4)	$4	194.6%
Adjusted EBITDA[1,2]	$168	$197	17.3% / 14.9%[2]
Diluted (loss) earnings per share	($0.02)	$0.01	150.0%
Adjusted net income[1]	$56	$77	36.9%
Adjusted diluted earnings per share[1]	$0.20	$0.24	20.0%

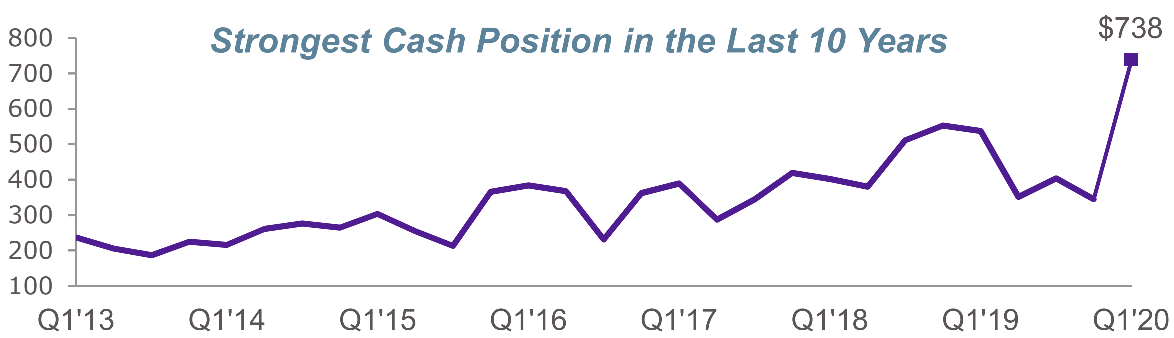
[1] See reconciliation of non-GAAP measures included in Appendix
[2] 14.9% normalized adjusted EBITDA growth reflects a further +$3.5 million adjustment to Q1'19 to normalize for a long-term incentive program migrated to a stock-based program in 2020

Balance Sheet, Cash Flow and Capital Structure

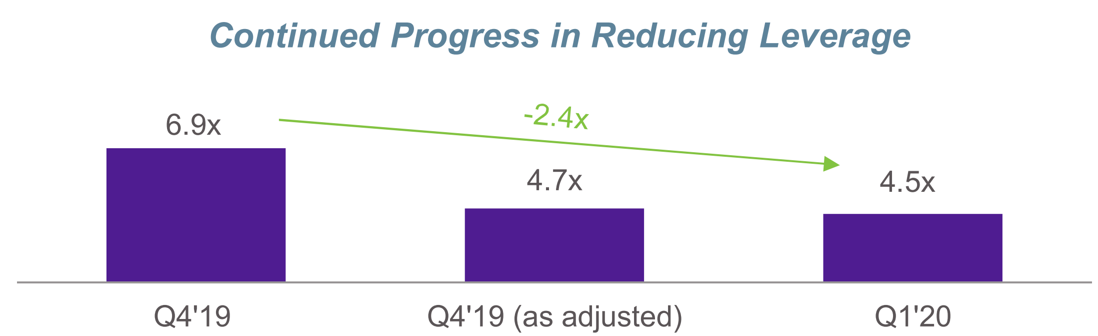
$ in millions

- Cash position of $738 million represents the largest quarter-end cash balance in the last 10 years
- Significant progress against leverage targets – net leverage has declined from 6.9x at Q4’19 to 4.5x at Q1’20
- Rigorous working capital management driving consistent improvement in days sales outstanding metrics
- High quality backlog and careful risk management result in high quality A/R base with limited collection risk

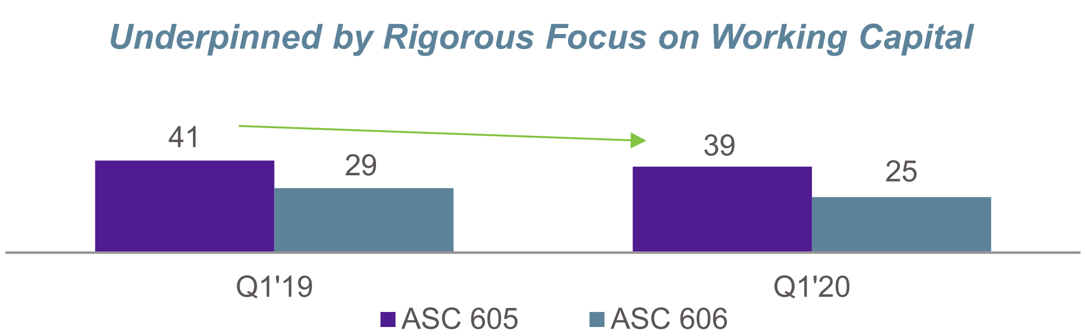
Cash & Cash Equivalents



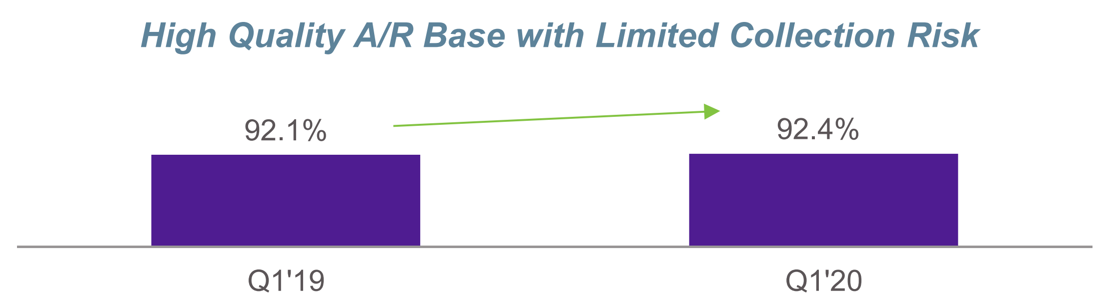
Net Leverage Ratio[1]



Days Sales Outstanding (DSO)[2]



A/R Aging (% Current – 30 Days)[3]



[1] See reconciliation of non-GAAP measures included in Appendix and per the FY 2019 earnings IR investor supplement
[2] DSO represents accounts receivable plus unbilled services less unearned revenues divided by average gross revenue per day for the quarter
[3] A/R Aging represents % of outstanding accounts receivable that is within payment terms or within 30 days of payment terms

Balance Sheet, Cash Flow and Capital Structure

$ in millions

- Flexible capital structure with significant cushion on compliance with financial ratios and nearest material debt maturity in May '22
- Given COVID-19 market disruptions, opportunistically borrowed $150 million against our revolver to further bolster cash position to $738 million at March 31, 2020
  - Continue to have $148 million in remaining capacity under the revolver

Capital Structure[1]

	12/31/2019	3/31/2020	Rate	Maturity
Revolving credit facility (RC)	$ —	$ 150	LIBOR + 3.0%	May-22
Term loan B	3,096	3,088	LIBOR + 2.5%	Aug-22
Total secured debt	**$3,096**	**$3,238**		
Finance leases	29	28	—	—
Unsecured notes	1,125	1,125	6.375%	Aug-23
Unsecured notes	1,450	—	*Redeemed in Feb '20*	
Other debt	6	4		
Total debt	**$5,705**	**$4,395**		
Less cash and cash equivalents	(345)	(738)		
Net total debt	**$5,361**	**$3,657**		
TTM Adjusted EBITDA	$777	$806		
Net secured leverage ratio RC	3.6x	3.1x		
Net secured leverage ratio max	n/a	5.0x	*Applies if >30% RC drawn*	
Net leverage ratio	6.9x	4.5x		
Cash interest coverage	2.7x	4.3x		

Revolver Net Secured Leverage Ratio – Q1'20[1]

Significant Cushion

Cash Interest Coverage[1]

Strong and Growing Cash Interest Coverage

Some totals may not foot due to rounding

[1] See reconciliation of non-GAAP measures included in Appendix

COVID-19 and Guidance Update

$ in millions

- Due to uncertainties associated with the extent and duration of the impacts of the COVID-19 pandemic, PPD is withdrawing its previously issued full year 2020 guidance for revenue and adjusted EBITDA
- Today, PPD is issuing the following guidance ranges for the second quarter of 2020:
  - Revenue of $907 million to $946 million representing year-on-year declines of -9% to -5%
  - Adjusted EBITDA[1] of $170 million to $177 million representing year-on-year declines of -12% to -8% on an as reported basis and -14% to -10% on a normalized basis after accounting for the termination of a long-term incentive program and its replacement with a traditional stock-based program which we completed during Q1'20[3]
- Guidance reflects the estimated impacts to our second quarter results based on experience through April 30, 2020

	Low – High ($)[2]	**Low – High (Y/Y %)**
Revenue	$907 to $946	-9% to -5%
Adjusted EBITDA[1]	$170 to $177	As Reported -12% to -8% *Normalized*[3] *-14% to -10%*

[1] See reconciliation of non-GAAP measures included in Appendix
[2] Guidance ranges assume foreign exchange rates as of 4/30/20 through the remainder of the second quarter of 2020
[3] Represents normalized growth if Q2'20 ranges are compared against Q2'19 Adj. EBITDA further adjusted by +$4.6M assuming such costs in Q2'19 were related to a stock-based compensation program and added back to Adj. EBITDA

Appendix

Backlog and Net Authorizations

Revenue is comprised of direct, third-party pass-through and out-of-pocket revenue from providing services to PPD's customers. Direct revenue represents revenue associated with the direct services provided under contracts with customers. Third-party pass-through and out-of-pocket revenue (collectively, "indirect revenue") represents the reimbursement by customers of third-party pass-through and out-of-pocket costs incurred by PPD under its contracts.

Historically, PPD reported backlog and net authorizations on a basis which excluded indirect revenues and the impact of Accounting Standards Codification ("ASC") 606 ("ASC 606") on direct revenue ("Backlog and Net Authorizations - Historical Basis"). During the first quarter of 2020, PPD began to assess backlog and net authorizations on an ASC 606 direct revenue basis ("Backlog and Net Authorizations - Direct Basis") and on an ASC 606 total direct and indirect revenue basis ("Backlog and Net Authorizations - Direct and Indirect Basis").

Net authorizations represent new business awards, net of award or contract modifications, contract cancellations, foreign currency fluctuations and other adjustments. Backlog for all periods represents anticipated revenues for work not yet completed or performed (i) under signed contracts, letters of intent and, in some cases, awards that are supported by other forms of written communication and (ii) where there is sufficient or reasonable certainty about the customer's ability and intent to fund and commence the services within six months. Backlog conversion represents the quarterly average of revenues for the period divided by opening backlog for that period. The net book-to-bill ratio represents the amount of net authorizations for the period divided by revenues recognized in that period.

Due to the COVID-19 pandemic, some PPD customers have delayed new studies and/or paused ongoing studies or certain activities in ongoing studies, such as patient recruitment, patient enrollment, site visits and site monitoring. These delays have impacted, and will continue to impact, the timing and extent to which backlog has and will convert to revenue. PPD has not adjusted backlog to remove the backlog associated with these studies as the customers for these studies have not canceled these studies or notified PPD of their intent to cancel these studies.

Q1 2020 Results – Net Authorizations and Backlog Metrics

$ in millions

	Net Authorizations and Net Book-to-Bill			Backlog and Backlog Conversion			Methodology
	Q1'19	Y/Y %	Q1'20	Q1'19	Y/Y %	Q1'20	
Historical Basis - ASC 605[1]	$978 (1.29x)	+8.8%	$1,064 (1.30x)	$6,536 (12.0%)	+11.9%	$7,312 (11.6%)	ASC 605 – Direct Basis
Direct Basis - ASC 606[1]	$978 (1.34x)	+8.8%	$1,064 (1.31x)	$6,733 (11.3%)	+12.5%	$7,575 (11.1%)	ASC 606 – Direct Revenue Basis
Direct and Indirect Basis - ASC 606[2]	$1,277 (1.33x)	+11.0%	$1,417 (1.32x)	$9,499 (10.5%)	+11.8%	$10,620 (10.4%)	ASC 606 – Direct and Indirect Revenue Basis

Y/Y % | Net Book-to-Bill | Y/Y % | Backlog Conversion %

[1] Metrics exclude the impact of anticipated third-party pass-through and out-of-pocket revenue
[2] Metrics include the impact of anticipated third-party pass-through and out-of-pocket revenue

PPD®

Adjusted EBITDA and Adjusted EBITDA Margin Reconciliation

$ in millions

	First Quarter		TTM Q1
	2019	2020	2020
Net (loss) income attributable to common stockholders of PPD, Inc.	($4)	$4	$63
Recapitalization investment portfolio consideration	(11)	(20)	(16)
Net income attributable to noncontrolling interests	1	3	7
Net (loss) income	**($14)**	**($13)**	**$54**
Interest expense, net	67	65	310
Benefit from income taxes	(3)	(8)	(1)
Depreciation and amortization	65	66	266
Stock-based compensation expense	4	5	17
Option holder special bonuses (a)	—	2	21
Other expense (income), net	24	(29)	(26)
Goodwill and long-lived asset impairments	—	—	1
Sponsor fees and related costs (b)	1	—	3
Severance and charges for other cost reduction activities (c)	3	1	9
Transaction-related and public company transition costs (d)	4	4	23
Loss on extinguishment of debt	—	50	50
Loss on investments (e)	14	27	32
Other adjustments (f)	4	27	49
Adjusted EBITDA	**$168**	**$197**	**$806**
Revenue	$964	$1,072	
Adjusted EBITDA Margin	**17.4%**	**18.4%**	

Some totals may not foot due to rounding

Adjusted Net Income and Adjusted Diluted EPS Reconciliation

$ in millions, except per share data

	First Quarter	
	2019	2020
Net loss	**($14)**	**($13)**
Amortization of intangible assets	41	40
Amortization of debt issuance and modification costs and debt discount	3	4
Amortization of accumulated other comprehensive income on derivatives	(2)	(2)
Stock-based compensation expense	4	5
Option holder special bonuses (a)	—	2
Other expense (income), net	24	(29)
Sponsor fees and related costs (b)	1	—
Severance and charges for other cost reduction activities (c)	3	1
Transaction-related and public company transition costs (d)	4	4
Loss on extinguishment of debt	—	50
Loss on investments (e)	14	27
Other adjustments (f)	4	27
Total adjustments	**$94**	**$128**
Tax effect of adjustments (g)	(24)	(33)
Other tax adjustments (g)	—	(5)
Adjusted net income	**$56**	**$77**
Diluted weighted average common shares outstanding	279	322
Adjusted diluted earnings per share (h)	**$0.20**	**$0.24**

Some totals may not foot due to rounding

Net Leverage Ratio Reconciliation
$ in millions

	Full Year 2019		Q1'20
	As Reported	*As Adjusted*[1]	
Gross debt	$5,706	$4,256	$4,395
Less: Cash and cash equivalents	345	626	738
Net debt	**$5,361**	**$3,630**	**$3,657**
Less: Unsecured debt	Financial covenant not applicable at December 31, 2019		1,157
Net secured debt			**$2,500**
Adjusted EBITDA (trailing twelve months)	$777	$777	$806
Net leverage ratio (net debt / TTM adjusted EBITDA)	**6.9x**	**4.7x**[1]	**4.5x**
Net secured leverage ratio (net secured debt / TTM adjusted EBITDA)			**3.1x**

Some totals may not foot due to rounding

[1] As adjusted assuming receipt of $1.77 billion in net IPO proceeds and redemption of Senior PIK Toggle Notes as of 12/31/19. For additional details, see note (i) in the Notes to Non-GAAP Reconciliations

Cash Interest Coverage

$ in millions

	As of December 31, 2019			As of March 31, 2020		
	Balance	Rate	Interest	Balance	Rate	Interest
Revolving credit facility - undrawn	$300	0.375%	1	$148	0.375%	$1
Revolving credit facility - drawn[1]	—	—	—	150	3.96%	6
Term loan B	3,096	3.5%	108	3,088	3.5%	108
Unsecured notes	1,125	6.375%	72	1,125	6.375%	72
Unsecured notes - redeemed Feb '20	550	7.625%	42	—	—	—
Unsecured notes - redeemed Feb '20	900	7.75%	70	—	—	—
Other	6	1.14%	0	4	1.14%	0
Annualized cash interest[2]			**$293**			**$186**
TTM adjusted EBITDA			**$777**			**$806**
Cash interest coverage[2,3]			**2.7x**			**4.3x**

Some totals may not foot due to rounding
[1] March 31, 2020 interest rate based on stated rate of 4.0%
[2]Annualized cash interest based on stated rates, excluding gains or losses on swap values
[3]Cash interest coverage = TTM adjusted EBITDA / annualized cash interest

Notes to Non-GAAP Reconciliations

(a) Represents PPD’s costs associated with special cash bonuses paid to PPD’s option holders.

(b) Represents management fees incurred under consulting services agreements with certain investment funds of Hellman & Friedman LLC and its affiliates and The Carlyle Group, Inc. and its affiliates. These consulting services agreements terminated upon consummation of PPD's IPO.

(c) Represents employee separation costs, exit and disposal costs with the full or partial exit of certain leased facilities, costs associated with planned employee reorganizations and other contract termination costs from various cost-reduction activities.

(d) Represents integration and transaction costs incurred with completed or contemplated acquisitions, costs incurred in connection with PPD's IPO, other transaction costs and costs associated with PPD’s public company transition.

(e) Represents the fair value accounting gains or losses primarily from PPD’s investments in Auven Therapeutics Holdings, L.P. and venBio Global Strategic Fund, L.P.

(f) Other adjustments include amounts that management believes are not representative of our operating performance. These adjustments include implementation costs associated with a new enterprise resource planning application, one-time costs incurred in 2020 associated with the termination of a long-term incentive program which is being replaced by a traditional stock-based program in 2020, advisory costs associated with the adoption of new accounting standards and other unusual charges or income.

(g) Non-GAAP adjustments were tax effected at an estimated blended effective tax rate of 26%, excluding the change in recapitalization investment portfolio consideration. The non-recurring net benefit for the three months ended March 31, 2020 is reflected as an adjustment as it is not representative of PPD’s operating performance.

(h) The effect of certain securities considered anti-dilutive under GAAP, if included, would not change adjusted diluted earnings per share as presented for the three months ended March 31, 2019.

(i) As adjusted net debt and net leverage ratio give effect to receipt of the net proceeds from our IPO (which was completed on February 10, 2020) and the use of a portion of such net proceeds to redeem (i) $550.0 million of aggregate principal amount of 7.625%/8.375% Senior PIK Toggle Notes due 2022 and (ii) $900.0 million of aggregate principal amount of 7.75%/8.50% Senior PIK Toggle Notes due 2022 issued by a subsidiary of PPD, including payment of the applicable premium and accrued interest thereon (which occurred on February 18, 2020) as if the IPO and such redemption had occurred on December 31, 2019.