Q3 2020 Financial Results

October 27, 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,” “guidance,” “believe,” “intend,” “project,” “outlook,” “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 financial guidance, and therefore actual results might differ materially from those expressed in these 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, including decreases in research and development spending and outsourcing; our ability to keep pace with rapid technological changes that could make our services less competitive or obsolete; the U.S. and international healthcare industry is subject to political, economic and/or regulatory influences and changes, such as healthcare reform, all of which could adversely affect both our customers' and our businesses; 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 including cybersecurity breaches 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 access clinical research sites, attract suitable investigators or enroll a sufficient number of patients (including as a result of COVID-19) 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 on 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, such as the U.S. Foreign Corrupt Practices Act and the United Kingdom Bribery Act of 2010; 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 that could affect our business, reputation and financial condition; any failure of our insurance to cover the potential liabilities, including indemnification obligations, associated with the operation of our business and provision of services; our use of biological and hazardous materials, which could violate law or cause injury or death resulting in liability; international or U.S. economic, currency, political and other risks, such as the COVID-19 pandemic; disruptions 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 relating to 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 such as U.S. tax reform, or interpretations of existing tax laws; our investments in third parties, which are illiquid and subject to loss; 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 certain stockholders have over us; and other factors beyond our control. These cautionary statements should not be construed by you to be exhaustive and are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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 leverage ratio, total liquidity, 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, the most significant of which are incentive compensation (including stock-based compensation), certain fair value measurements, recapitalization portfolio interest consideration and costs related to the uncertainties caused by the global COVID-19 pandemic, 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.

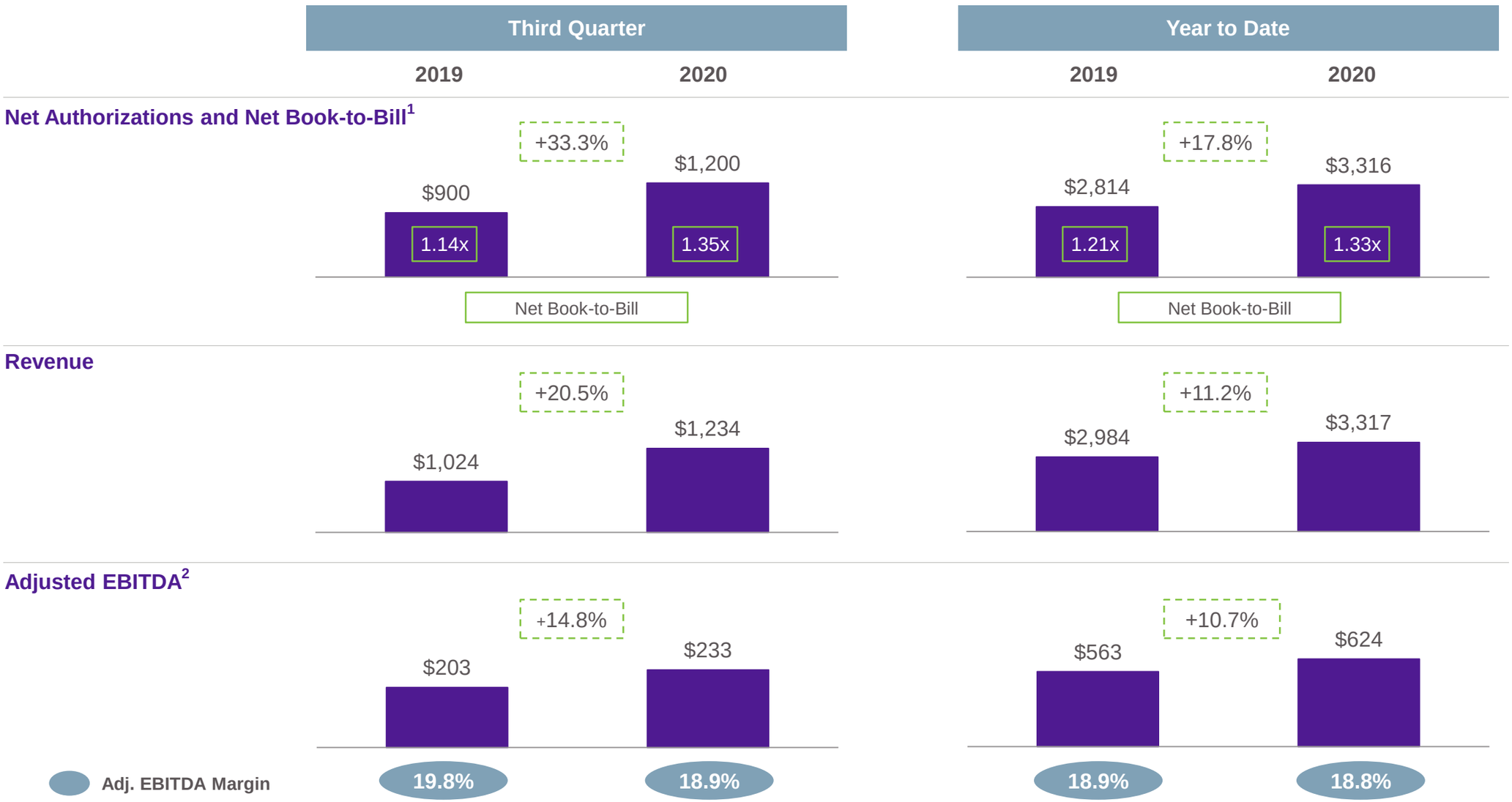
Q3 2020 Highlights

- Key third quarter 2020 results were at or above prior year third quarter results. Notable results include:
  - Net Authorizations of $1,200 million (+33.3% Y/Y) vs. Q3'19 of $900 million on a historical basis
  - Quarterly net book-to-bill of 1.35x; 1.31x for the trailing twelve-month period ended 9/30/20
  - Record ending backlog of $7,890 million (+15.9% Y/Y) vs. Q3'19 of $6,806 million on a historical basis
  - Revenue of $1,234 million (+20.5% Y/Y) vs. Q3'19 of $1,024 million, achieved positive revenue growth excluding revenue from COVID-19 awards
  - Adjusted EBITDA[1] of $233 million (+14.8% Y/Y) vs. Q3'19 of $203 million
- In September, completed a secondary offering where certain stockholders of the Company, including affiliates of Hellman & Friedman and The Carlyle Group, sold 43.7 million shares at a price to the public of $32.25 per share
  - The Company did not receive any proceeds or repurchase any shares as part of the offering
- Significant portfolio of COVID-19 related vaccines and treatments with over 140 awards to date
  - In October, PPD was named winner of the 'Best Central Laboratory' by the Vaccine Industry Excellence Awards during the 2020 World Vaccine Congress
- Robust cash position of $803 million at 9/30/20 with total liquidity[2] of $1,102 million which represents the strongest quarter-end liquidity position in over 10 years
- Net leverage ratio[1] declined to 4.17x as of 9/30/20 from 4.48x as of 6/30/20

[1] See reconciliation of non-GAAP measures included in Appendix
[2] Total liquidity is comprised of cash & cash equivalents plus available revolver capacity

Q3 & YTD 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

Q3 & YTD 2020 Results – Segment Revenue and Operating Income

$ in millions

	Third Quarter Revenue			Year to Date Revenue		
	2019	**2020**	**Y/Y %**	**2019**	**2020**	**Y/Y %**
Clinical Development Services	$846	$1,009	19.2%	$2,489	$2,695	8.3%
Laboratory Services	178	225	26.6%	495	622	25.6%
Total Revenue	**$1,024**	**$1,234**	**20.5%**	**$2,984**	**$3,317**	**11.2%**

	Third Quarter Operating Income			Year to Date Operating Income		
	2019	**2020**	**Y/Y %**	**2019**	**2020**	**Y/Y %**
Clinical Development Services	$207	$231	11.7%	$592	$626	5.7%
Laboratory Services	58	73	26.0%	154	197	27.4%
Total Segment Operating Income	**$265**	**$304**	**14.8%**	**$746**	**$823**	**10.2%**

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

Q3 & YTD 2020 Results – Consolidated Profit

$ in millions, except per share data

	Third Quarter			Year to Date		
	2019	**2020**	**Y/Y %**	**2019**	**2020**	**Y/Y %**
Net income attributable to common stockholders of PPD, Inc.	$27	$52	95.0%	$48	$47	(1.7%)
Adjusted EBITDA[1,2]	$203	$233	14.8%[2]	$563	$624	10.7%[2]
Diluted earnings per share	$0.09	$0.15	66.7%	$0.17	$0.14	(17.6%)
Adjusted net income[1]	$67	$108	62.0%	$195	$272	39.6%
Adjusted diluted earnings per share[1]	$0.24	$0.30	28.4%	$0.70	$0.79	14.0%

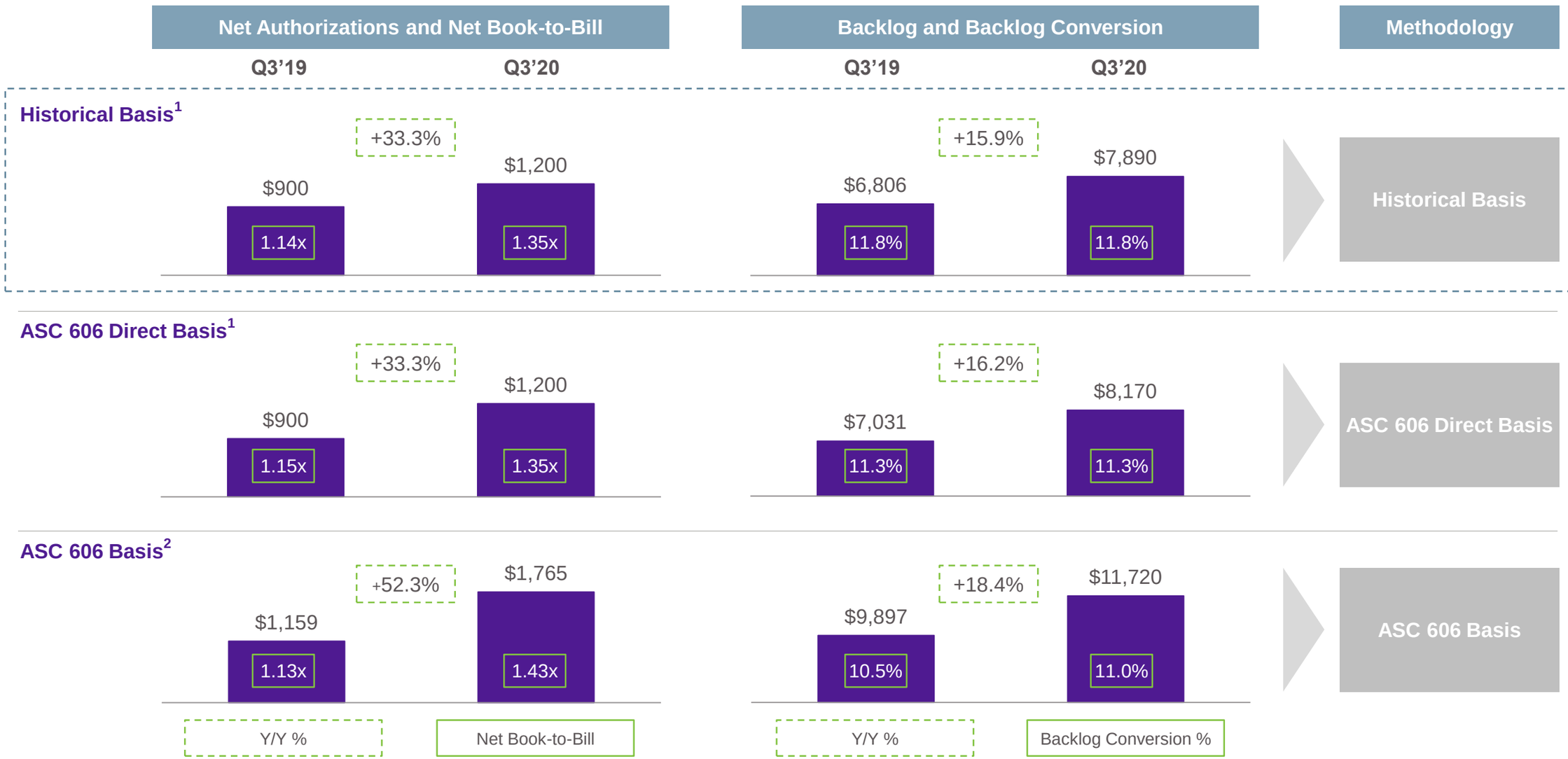
Some %'s may not recalculate due to rounding

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

[2] Normalized Q3'20 adjusted EBITDA growth was 13.1% reflecting a further +$3.0 million adjustment to Q3'19; normalized YTD adjusted EBITDA growth was +8.6% reflecting a further +$11.2 million adjustment to YTD Q3'19. These adjustments normalize for a long-term incentive program migrated to a stock-based program in 2020

Q3 2020 Results – Net Authorizations and Backlog Metrics

$ in millions



[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

Balance Sheet and Cash Flow

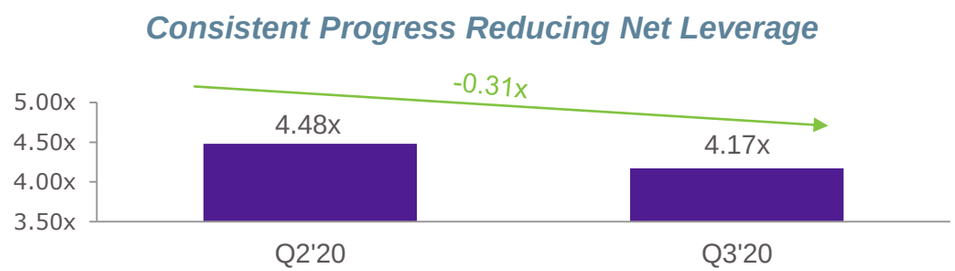
$ in millions

- Total liquidity[1] of $1,102 million at 9/30/20; largest quarter-end liquidity position in over 10 years
- Net leverage ratio[2] further declined to 4.17x at 9/30/20; down from 4.48x as of 6/30/20
- Strong cash interest coverage[2] of 5.02x at 9/30/20
- Stable DSO, accounts receivable and cash receipts metrics

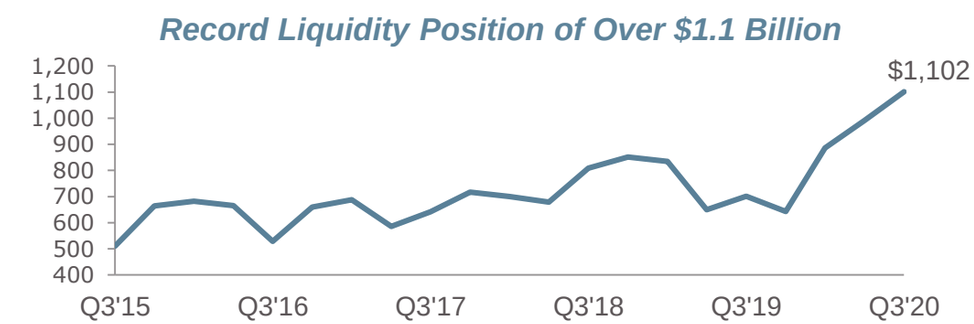
Capital Structure[2]

	6/30/2020	9/30/2020	Rate	Maturity
Revolving credit facility (RC)	—	—	LIBOR + 3.0%	May-22
Term loan B	3,080	3,072	LIBOR + 2.5%	Aug-22
Total secured debt	**$3,080**	**$3,072**		
Finance leases	27	27	—	—
Unsecured notes	700	700	5.000%	Jun-28
Unsecured notes	500	500	4.625%	Jun-25
Total debt	**$4,308**	**$4,299**		
Less cash and cash equivalents	(693)	(803)		
Net debt	**$3,614**	**$3,496**		
TTM adjusted EBITDA	$808	$837		
Annualized cash interest	$167	$167		
Net leverage ratio	4.48x	4.17x		
Cash interest coverage	4.83x	5.02x		

Net Leverage Ratio[2]



Total Liquidity[1]



Some totals may not foot due to rounding

[1] Total liquidity is comprised of cash & cash equivalents plus available revolver capacity

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

Guidance Update

$ in millions

- Assuming there is no material deterioration in site access, patient enrollment and other key operating metrics as a result of COVID-19 and that there are no material delays or cancellations in COVID-19 studies during the fourth quarter from safety concerns or other issues, fourth quarter and full year 2020 guidance is as follows:

	Low – High ($)[1]	Low – High (Y/Y %)[2,3]
Q4 2020 Revenue	$1,256 to $1,298	+20.0% to +24.0%
Q4 2020 Adjusted EBITDA[1]	$244 to $250	+14.0% to +17.0%[2]
FY 2020 Revenue	$4,573 to $4,615	+13.5% to +14.5%
FY 2020 Adjusted EBITDA[1]	$867 to $874	+11.6% to +12.5%[3]
Net Leverage Outlook	Net leverage to continue to be in the low 4's at the end of 2020 and drop into the 3's in 2021	

[1] Guidance ranges assume foreign exchange rates as of 9/30/20 will remain in effect through the fourth quarter of 2020

[2] Represents normalized Q4'20 adjusted EBITDA growth range of +12.5% to +15.4% when compared against Q4'19 adjusted EBITDA further adjusted by +$2.9 million related to a long-term incentive program migrated to a stock-based program in 2020

[3] Represents normalized FY'20 adjusted EBITDA growth range of +9.6% to +10.5% when compared against FY'19 adjusted EBITDA further adjusted by +$14.1 million related to a long-term incentive program migrated to a stock-based program in 2020

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 with customers.

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 ("Historical Basis"). During the first quarter of 2020, PPD began to assess backlog and net authorizations on an ASC 606 direct revenue basis ("ASC 606 Direct Basis") and on an ASC 606 total direct and indirect revenue basis ("ASC 606 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 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. Net authorizations and backlog include new business awards associated with COVID-19.

Adjusted EBITDA and Adjusted EBITDA Margin Reconciliation

$ in millions

	Third Quarter		Year to Date		TTM Q2[1]	TTM Q3[1]
	2019	**2020**	**2019**	**2020**	**2020**	**2020**
Net income attributable to common stockholders of PPD, Inc.	$27	$52	$48	$47	$29	$54
Recapitalization investment portfolio consideration	(11)	(44)	(17)	7	50	17
Net income attributable to noncontrolling interests	1	2	3	4	6	6
Net income	**$17**	**$9**	**$34**	**$58**	**$84**	**$76**
Interest expense, net	86	50	229	166	284	249
Provision for income taxes	9	11	12	21	9	11
Depreciation and amortization	67	71	198	206	269	273
Stock-based compensation expense	3	5	12	16	18	20
Option holder special bonuses (a)	3	1	15	6	11	10
Other (income) expense, net	(9)	17	3	14	12	38
Long-lived asset impairments	—	1	—	1	1	3
Sponsor fees and related costs (b)	1	—	3	—	2	1
Severance and charges for other cost reduction activities (c)	2	—	8	2	7	5
Transaction-related and public company transition costs (d)	4	3	13	9	20	19
Loss on extinguishment of debt	—	—	—	94	94	94
Loss (gain) on investments (e)	15	53	23	(17)	(58)	(20)
Other adjustments (f)	6	10	13	47	55	59
Adjusted EBITDA	**$203**	**$233**	**$563**	**$624**	**$808**	**$837**
Revenue	$1,024	$1,234	$2,984	$3,317		
Adjusted EBITDA Margin	**19.8%**	**18.9%**	**18.9%**	**18.8%**		

Some totals may not foot due to rounding

[1] Trailing 12 months

Adjusted Net Income and Adjusted Diluted EPS Reconciliation

$ in millions, except per share data

	Third Quarter		Year to Date	
	2019	2020	2019	2020
Net income	**$17**	**$9**	**$34**	**$58**
Amortization of intangible assets	40	40	121	119
Amortization of debt issuance, modification costs and debt discount	6	2	12	8
Amortization of accumulated other comprehensive income on derivatives	(2)	(3)	(7)	(9)
Stock-based compensation expense	3	5	12	16
Option holder special bonuses (a)	3	1	15	6
Other (income) expense, net	(9)	17	3	14
Long-lived asset impairments	—	1	—	1
Sponsor fees and related costs (b)	1	—	3	—
Severance and charges for other cost reduction activities (c)	2	—	8	2
Transaction-related and public company transition costs (d)	4	3	13	9
Loss on extinguishment of debt	—	—	—	94
Loss (gain) on investments (e)	15	53	23	(17)
Other adjustments (f)	6	10	13	47
Total adjustments	**$68**	**$130**	**$216**	**$290**
Tax effect of adjustments (g)	(17)	(33)	(55)	(74)
Other tax adjustments (g)	—	3	—	(2)
Adjusted net income	**$67**	**$108**	**$195**	**$272**
Diluted weighted-average common shares outstanding	281	355	280	343
Adjusted diluted earnings per share	**$0.24**	**$0.30**	**$0.70**	**$0.79**

Some totals may not foot due to rounding

Net Leverage Ratio Reconciliation

$ in millions

	Full Year 2019		Q1'20	Q2'20	Q3'20
	As Reported	*As Adjusted*[1]			
Gross debt	$5,706	$4,256	$4,395	$4,308	$4,299
Less: Cash and cash equivalents	345	626	738	693	803
Net debt	**$5,361**	**$3,630**	**$3,657**	**$3,614**	**$3,496**
Adjusted EBITDA (trailing twelve months)	$777	$777	$806	$808	$837
Net leverage ratio (net debt / TTM adjusted EBITDA)	**6.90x**	**4.67x**	**4.54x**	**4.48x**	**4.17x**

Some totals may not foot due to rounding

[1] As adjusted gives pro forma effect to $1.77 billion of net proceeds from our initial public offering and redemption of Senior PIK Toggle Notes due 2022 as of 12/31/19. For additional details, see note (h) in the Notes to Non-GAAP Reconciliations

Cash Interest Coverage

$ in millions

	As of December 31, 2019			As of March 31, 2020			As of June 30, 2020			As of September 30, 2020		
	Balance	**Rate**	**Interest**	**Balance**	**Rate**	**Interest**	**Balance**	**Rate**	**Interest**	**Balance**	**Rate**	**Interest**
Revolving credit facility - undrawn	$300	0.375%	$1	$148	0.375%	$1	$300	0.375%	$1	$300	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	3,080	3.5%	108	3,072	3.5%	108
Unsecured notes - redeemed Feb '20	550	7.625%	42	—	—	—	—	—	—	—	—	—
Unsecured notes - redeemed Feb '20	900	7.75%	70	—	—	—	—	—	—	—	—	—
Unsecured notes - redeemed May '20	1,125	6.375%	72	1,125	6.375%	72	—	—	—	—	—	—
Unsecured notes - issued May '20	—	—	—	—	—	—	700	5.000%	35	700	5.000%	35
Unsecured notes - issued May '20	—	—	—	—	—	—	500	4.625%	23	500	4.625%	23
Other	6	1.14%	0	4	1.14%	0	—	—	—	—	—	—
Annualized cash interest[2]			**$293**			**$186**			**$167**			**$167**
TTM adjusted EBITDA			**$777**			**$806**			**$808**			**$837**
Cash interest coverage[2,3]			**2.65x**			**4.32x**			**4.83x**			**5.02x**

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 initial public offering ("IPO").

(c) Represents employee separation costs, exit and disposal costs associated 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, secondary offering, 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, one-time costs and income associated with the COVID-19 pandemic 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 expense and net benefit for the three and nine months ended September 30, 2020, respectively, are reflected as adjustments as they are not representative of PPD's operating performance.

(h) 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.