INC Research Holdings, Inc.
Form S-1/A
August 11, 2015
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As filed with the Securities and Exchange Commission on August 11, 2015

Registration No. 333-206031

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

to

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

INC Research Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**8731**	**27-3403111**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

3201 Beechleaf Court, Suite 600

Raleigh, North Carolina 27604-1547

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

D. Jamie Macdonald, Chief Executive Officer

Christopher L. Gaenzle, Esq., Chief Administrative Officer, General Counsel and Secretary

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Approximate date of commencement of proposed sale to the public:

As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, or the Securities Act, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of accelerated filer, large accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨	Accelerated filer ¨	Non-accelerated filer x (Do not check if a smaller reporting company)	Smaller reporting company ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Amount to be registered**	**Proposed maximum offering price per share**	**Proposed maximum aggregate offering price**	**Amount of registration fee**
Class A Common Stock, $0.01 par value per share	8,000,000 shares	$48.51(1)	$388,080,000(1)	$45,094.90(2)

(1) Estimated solely for the purpose of calculating the registration fee. In accordance with Rule 457(c) under the Securities Act, the price shown is the average of the high and low price of the registrant s Class A common stock on August 7, 2015 as reported on the NASDAQ Global Select Market.

(2) $38,810.80 of the total registration fee was previously paid in connection with the filing of the registration statement on August 3, 2015 for the registration of the proposed maximum aggregate offering price of $334,000,000.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Commission acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, Dated August 11, 2015.

PRELIMINARY PROSPECTUS

8,000,000 Shares

INC Research Holdings, Inc.

Class A Common Stock

The selling stockholders identified in this prospectus are offering 8,000,000 shares of Class A common stock. We will not receive any proceeds from the sale of our Class A common stock by the selling stockholders.

Our Class A common stock is listed on the NASDAQ Global Select Market, or the NASDAQ, under the symbol INCR. The last reported sale price of our Class A common stock on NASDAQ on August 10, 2015, was $49.31 per share.

See Risk Factors beginning on page 17 to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discount(1)	$	$
Proceeds, before expenses, to the selling stockholders	$	$

(1) We refer you to Underwriting beginning of page 73 of this prospectus for additional information regarding total underwriting compensation.

The underwriters expect to deliver the shares against payment in New York, New York on , 2015.

Credit Suisse **J.P. Morgan**

Prospectus dated , 2015.

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You should rely only on the information contained in this prospectus or in any free-writing prospectus we may authorize to be delivered or made available to you. Neither we, the selling stockholders, nor the underwriters (or any of our or their respective affiliates) have authorized anyone to provide any information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. Neither we, the selling stockholders, nor the underwriters (or any of our or their respective affiliates) take any responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We, the selling stockholders, and the underwriters (or any of our or their respective affiliates) are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is only accurate as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

TRADEMARKS

We own or have the rights to use various trademarks referred to or incorporated by reference in this prospectus, including, among others, INC Research, PlanActivation, ProgramAccelerate, QualityFinish, QuickStart, the Trusted Process, Kendle and their respective logos. Solely for convenience, we may refer to trademarks in this prospectus without the TM and ® symbols. Such references are not intended to indicate, in any way, that we will not assert, to the fullest extent permitted by law, our rights to our trademarks. Other trademarks appearing in this prospectus are the property of their respective owners.

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MARKET AND INDUSTRY INFORMATION

Market data used or incorporated by reference throughout this prospectus is based on management s knowledge of the industry and the good faith estimates of management. All of management s estimates presented or incorporated by reference herein are based on industry sources, including analyst reports, and management s knowledge. We also relied, to the extent available, upon management s review of independent industry surveys and publications prepared by a number of sources and other publicly available information. We refer to or incorporate by reference herein to the 2015 CenterWatch Global Investigative Site Relationship Survey, which surveyed more than 1,900 sites globally to evaluate the performance of CROs across 37 specific relationship attributes. CenterWatch, a leading publisher in the clinical trials industry, conducted the biannual global survey of investigative sites between October 2014 and January 2015, soliciting online responses from principal investigators, sub-investigators and study coordinators about CROs they have worked with in the past two years. To develop the mailing list for the most recent survey, CenterWatch solicited investigative site contacts directly from all CROs based on investigative sites the sponsor or CRO has worked with actively in 2012, 2013 and through 2014. The sites selected were required to have sufficient experience with the sponsor or CRO to be able to evaluate the company on multiple project dimensions (sites selected could range from sites having completed at least a few patient visits to sites that have already completed studies). Surveyed respondents from sites were principal investigators, sub-investigators or study coordinators, and sites worldwide, with no limitations on countries.

All of the market data used or incorporated by reference in this prospectus involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we believe the estimated market position, market opportunity and market size information included in this prospectus is generally reliable, such information, which in part is derived from management s estimates and beliefs, is inherently uncertain and imprecise. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in Risk Factors and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in our estimates and beliefs and in the estimates prepared by independent parties.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus or incorporated by reference into this prospectus. This summary is not complete and does not contain all of the information that you should consider before investing in our common stock. Before investing in our common stock, you should read this prospectus carefully in its entirety, especially the risks of investing in our common stock that we discuss in the Risk Factors section of this prospectus together with the documents that we incorporate by reference into this prospectus. Unless the context requires otherwise, references to our company, we, us and our refer to INC Research Holdings, Inc. and its direct and indirect subsidiaries; references to INC Holdings refer to INC Research Holdings, Inc.; and references to INC refer to INC Research, LLC, our wholly-owned subsidiary. Unless the context otherwise requires, references to common stock refer to our Class A common stock and our Class B common stock, which is convertible into our shares of our Class A common stock on a one-for-one basis. References to GAAP are to the generally accepted accounting principles of the United States.

Overview

We are a leading global Contract Research Organization, or CRO, based on revenues, and are exclusively focused on Phase I to Phase IV clinical development services for the biopharmaceutical and medical device industries. We provide our customers highly differentiated therapeutic alignment and expertise, with a particular strength in Central Nervous System, or CNS, oncology and other complex diseases. We consistently and predictably deliver clinical development services in a complex environment and offer a proprietary, operational approach to clinical trials through our Trusted Process® methodology. Our service offerings focus on optimizing the development of, and therefore, the commercial potential for, our customers new biopharmaceutical compounds, enhancing returns on their research and development, or R&D, investments and reducing their overhead by offering an attractive variable cost alternative to fixed cost, in-house resources.

Founded more than two decades ago as an academic CNS research organization, we have translated that expertise into a global organization with a number of therapeutic specialties, as well as functional services such as full data services and standalone biometric services and regulatory and consultancy capabilities. Over the past decade, we have built our scale and capabilities to become a leading global provider of Phase I to Phase IV clinical development services, with approximately 6,100 employees in over 50 countries across six continents as of June 30, 2015. Our broad global reach has enabled us to provide clinical development services in over 100 countries. Our global footprint provides our customers with broad access to diverse markets and patient populations, local regulatory expertise and local market knowledge. We provide robust clinical development services through specialized therapeutic teams that have deep scientific expertise and are strategically aligned with the largest and fastest growing areas of our customers R&D investments. Approximately 68% of our backlog as of June 30, 2015 was in CNS (31%), oncology (24%), and other complex diseases (13%), such as genetic disorders and infectious diseases. INC s therapeutically aligned teams enable us to work more effectively with clinical research sites globally. We were ranked the Top CRO to Work With among large global CROs in the 2015 Global Investigative Site Relationship Survey conducted by CenterWatch, a third-party leading publisher in the clinical trials industry. Results of the 2015 survey reflect responses from more than 1,900 sites globally that evaluated 11 CROs, including top five by revenue, across 37 specific relationship attributes. INC Research ranked top 3 on 33 out of 37 attributes. We believe INC s ranking as Top CRO to Work With among the large global CROs for a second straight time demonstrates the effectiveness of our therapeutic business model and our ability to deliver high-quality clinical trial results on time and on budget for our customers. Our diversified customer base includes a mix of many of the world s largest biopharmaceutical companies as well as high-growth, small and mid-sized biopharmaceutical companies.

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For the years ended December 31, 2013 and 2014, we had total net service revenue of $652.4 million and $809.7 million, respectively, net loss of $(41.5) million and $(23.5) million, respectively, Adjusted Net Income of $16.3 million and $44.6 million, respectively, and Adjusted EBITDA of $105.5 million and $145.3 million, respectively. Net service revenue, Adjusted Net Income and Adjusted EBITDA increased by 24.1%, 174.1% and 37.7%, respectively, and net loss decreased by 43.5% for the year ended December 31, 2014 from the year ended December 31, 2013. For the six months ended June 30, 2014 and 2015, we had total net service revenue of $388.2 million and $438.9 million, respectively, net income of $13.8 million and $48.6 million, respectively, Adjusted Net Income of $17.3 million and $54.9 million, respectively, and Adjusted EBITDA of $68.1 million and $104.5 million, respectively. Net service revenue, net income, Adjusted Net Income and Adjusted EBITDA increased by 13.0%, 253.2%, 216.9% and 53.4%, respectively, for the six months ended June 30, 2015 from the six months ended June 30, 2014. For a reconciliation of Adjusted Net Income and Adjusted EBITDA, each of which are non-GAAP measures, to our net income (loss), see Selected Consolidated Financial Data. Additional information regarding our financial data is presented in our Annual Report on Form 10-K for the year ended December 31, 2014, or 2014 Form 10-K, and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, or Q2 2015 Form 10-Q.

Our Market

The market for our services includes biopharmaceutical companies that outsource clinical development services. We believe we are well-positioned to benefit from the following market trends:

Trends in late-stage clinical development outsourcing. Within the clinical development market, we primarily focus on Phase II to Phase IV clinical trials. Biopharmaceutical companies continue to prioritize the outsourcing of Phase II to Phase IV clinical trials, particularly in complex, high-growth therapeutic areas such as CNS, oncology and other complex diseases. We estimate, based on industry sources, including analyst reports, and management s knowledge, that the market for CRO services for Phase II to Phase IV clinical development services will grow at a rate of 7% to 8% annually through 2020, driven by a combination of increased development spend and further outsourcing penetration. In addition, we estimate that total biopharmaceutical spending on drug development in 2014 was approximately $76.9 billion, of which the clinical development market, which is the market for drug development following pre-clinical research, was approximately $67.0 billion. Of the $67.0 billion, we estimate our total addressable market to be $55.2 billion, after excluding $11.8 billion of indirect fees paid to principal investigators and clinical research sites, which are not a part of the CRO market. We estimate that total biopharmaceutical spending on clinical development will grow at a rate of 3% to 4% annually through 2020. In 2014, we estimate biopharmaceutical companies outsourced approximately $23.0 billion of clinical development spend to CROs, representing a 9% increase in such spending compared to 2013 of approximately $21.0 billion and a penetration rate of 42% of our total addressable market. We estimate that this penetration rate will increase to over 50% of our total addressable market by 2020. We believe that CROs with deep therapeutic expertise, global reach and capabilities, the ability to conduct increasingly complex clinical trials and maintain strong principal investigator and clinical research site relationships will be well-positioned to benefit from these industry trends.

Optimization of biopharmaceutical R&D efficiency. Market forces and healthcare reform, including the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or, collectively, the Affordable Care Act, and other governmental initiatives, place significant pressure on biopharmaceutical companies to improve cost efficiency. Companies need to demonstrate the relative improvement in quality, safety, and effectiveness of new

therapies as compared to existing approved therapies as early as possible in the development process. CROs can help biopharmaceutical companies deploy capital more efficiently, especially because many biopharmaceutical companies do not have adequate in-house development resources. In response to high clinical trial costs, particularly in therapeutic areas such as CNS and oncology, which we believe present the highest mean cost per patient across all clinical trials, biopharmaceutical companies are streamlining operations and shifting development to external providers in order to lower their fixed costs. Based on efficiencies gained through experience, we estimate that CROs have shortened clinical testing timelines by as much as 30%. Full service CROs can deliver operational efficiencies, provide high visibility into trial conduct, and allow biopharmaceutical companies to focus internal resources on their core competencies related to drug discovery and commercialization.

Globalization of clinical trials. Clinical trials have become increasingly global as biopharmaceutical companies seek to accelerate patient recruitment, particularly within protocol-eligible, treatment-naïve patient populations without co-morbidities that could skew clinical outcomes. Additionally, biopharmaceutical companies increasingly seek to expand the commercial potential of their products by applying for regulatory approvals in multiple countries, including in areas of the world with fast-growing economies and middle classes that are spending more on healthcare. As part of the approval process for biopharmaceutical products in newer markets, especially in certain Asian and emerging markets, regulators often require trials to include specific percentages or numbers of people from local populations. Thus, clinical studies to support marketing approval applications frequently include a combination of multinational and domestic trials. These trends emphasize the importance of global experience and geographic coverage, local market knowledge and coordination throughout the development process.

Management of increasingly complex trials. The biopharmaceutical industry operates in an increasingly sophisticated and highly regulated environment and has responded to the demands of novel therapeutics by adapting efficient drug development processes. Complex trial design expertise has emerged as a significant competitive advantage for select CROs that have a track record of successfully navigating country-specific regulatory, trial protocol and patient enrollment barriers, including sometimes subjective, evolving clinical endpoints. Measures of clinical trial complexity significantly increased over the last decade, as evidenced by total procedures per trial protocol increasing by 57% between 2000 and 2011. In addition, the therapeutic areas where we have a particular focus, including CNS, oncology and other complex diseases, often require more complicated testing protocols than other disease indications. For example, studies related to CNS, oncology and other complex diseases often require treatment-naïve patients, and sometimes have subjective endpoints, which can be difficult to measure. Accordingly, these areas demand greater clinical trial proficiency and therapeutic expertise, particularly in light of new methods of testing, such as the use of biomarkers and gene therapy.

Our Competitive Strengths

We believe that we are well positioned to capitalize on positive trends in the CRO industry and provide differentiated solutions to our customers based on our key competitive strengths set forth below:

Deep and long-standing expertise in the largest and fastest growing therapeutic areas. Over the past 20 years, we have focused on building world-class therapeutic expertise to better serve our customers. We provide a broad offering of therapeutic expertise, with our core focus in the largest and fastest growing therapeutic areas, including CNS, oncology and other complex diseases, which collectively constituted 68% of our backlog as of June 30, 2015, respectively. Based

on industry data, we estimate that CNS, oncology and other complex diseases together represent over 60% of total Phase III drugs under development. We believe we have been growing faster than the market, resulting in market share gains in our key therapeutic areas. Our total net service revenue grew by 24% in 2014 and our net service revenue for CNS, oncology and other complex diseases, collectively, grew by 26% in 2014. Our therapeutic expertise is managed by our senior leadership and delivered by our senior scientific and medical staff and our clinical research associates, or CRAs, within our various therapeutic areas. Industry analysts have reported that therapeutic expertise is the most influential factor for small to mid-cap and large sponsors of clinical trials in selecting a CRO. We believe that our expertise in managing complex clinical trials differentiates us from our competitors and has played a key role in our revenue growth, our ability to win new clinical trials and our successful relationship development with principal investigators and clinical research sites.

Clinical development focus and innovative operating model. We derive approximately 98% of our net service revenue from clinical development services without distraction from lower growth, lower margin non-clinical business. Since 2006, we have conducted our clinical trials using our innovative Trusted Process® operating model, which standardizes methodologies, increases the predictability of the delivery of our services and reduces operational risk. Since initiation of the Trusted Process®, we have reduced median study start-up time (defined as the period from finalized protocol to first patient enrolled) on new projects. Based on industry sources for the median study start-up time for the biopharmaceutical industry, we believe we achieved this milestone for our customers at a faster pace than industry medians, primarily due to our proprietary Trusted Process® operating model. In addition to the absolute reduction of cycle times in critical path milestones, we provide greater operating efficiency, more predictable project schedules and a reduction in overall project timelines. Ninety-two percent of our new business awards in 2014 were from repeat customers, which we believe is directly attributable to our innovative business model.

Unmatched, industry-leading principal investigator and clinical research site relationships. We have extensive relationships with principal investigators and clinical research sites. We believe these quality relationships are critical for delivering clinical trial results on time and on budget for our customers. Motivated and engaged investigative sites can facilitate faster patient recruitment, increase retention, maintain safety, ensure compliance with protocols as well as with local and international regulations, and streamline reporting. The ability to recruit and retain principal investigators and patients is an integral part of the clinical trial process. We have dedicated personnel focused on enhancing clinical research site relationships; we work with these sites in collaborative partnerships to improve cycle times and standardize start-up activities to drive efficiency.

Demonstrating our commitment to this important stakeholder group, INC is a Global Impact Partner and Circle of Sustainability Sponsor (the highest level of partnership) with the Society for Clinical Research Sites, or SCRS, the global trade organization fully dedicated to representing the interests of clinical research sites. INC is the first CRO to sponsor SCRS scholarships to provide sites across the globe the benefit of training and mentoring gained through SCRS membership. We are the first and only CRO to utilize Site Advocacy Groups, a new forum providing valuable perspectives from sites earlier in the clinical trials process leading to greater predictability in performance and improved site sustainability.

Our focus on principal investigator and clinical research site relationships is unmatched in the industry, as demonstrated by our ranking as the Top CRO to Work With among large global CROs in the 2015 CenterWatch Global Investigative Site Relationship Survey. INC Research is the only CRO to rank consistently among the top three CROs in all seven CenterWatch site relationship surveys conducted since 2007. The Company received an average excellent rating of 49% (up from a 41%

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average excellent rating in 2011; the overall average excellent rating for CROs was 45% in 2015). INC s combined excellent/good rating in 2015 was 82.9%, up from 80.4% in 2013. We were a top-three ranked CRO on four of the five attributes rated by sites as most important to study conduct success, ranking #1 for providing professional medical staff in clinical operations.

Broad global reach with in-depth local market knowledge. We believe that we are one of a few CROs with the scale, expertise, systems and agility necessary to conduct global clinical trials. We offer our services through a highly skilled staff of approximately 6,100 employees in over 50 countries as of June 30, 2015 and have conducted work in over 100 countries. As of June 30, 2015, approximately 48% of our workforce was located in the United States and Canada, 34% in Europe, 10% in Asia-Pacific, 7% in Latin America and 1% in the Middle East and Africa. We have expanded our presence in high-growth international markets such as Asia-Pacific, Latin America and the Middle East and North Africa. Our comprehensive regulatory expertise and extensive local knowledge facilitate timely patient recruitment for complex clinical trials and improved access to treatment-naïve patients and to emerging markets, thereby reducing the time and cost of these trials for our customers while also optimizing the commercialization potential for new therapies.

Diversified, loyal and growing customer base. We have a well-diversified, loyal customer base of over 300 customers that includes many of the world s largest biopharmaceutical companies as well as high-growth, small and mid-sized biopharmaceutical companies. We have several customers with whom we have achieved preferred provider or strategic alliance relationships. We define these customer relationships to include ones where we have executed master service agreements in addition to regularly scheduled strategy meetings to discuss the status of our relationship, and for which we serve as a preferred supplier of services. We believe these relationships provide us enhanced opportunities for more business, although they are not a guarantee of future business. In addition, many of our customers are diversified across multiple projects and compounds. Our top five customers represented approximately 66 compounds in 40 indications across 167 active projects in 2014. Our top five customers accounted for approximately 34% and 37% of our net service revenue in 2013 and 2014, respectively, and 38% and 35% for the six months ended June 30, 2014 and 2015, respectively. Our top 10 customers accounted for approximately 44% and 49% of our net service revenue in 2013 and 2014, respectively, and 49% and 48% for the six months ended June 30, 2014 and 2015, respectively. Our customer base is geographically diverse with well-established relationships in the United States, Europe and Asia. We believe the breadth of our footprint reduces our exposure to potential U.S. and European biopharmaceutical industry consolidation. For example, 31% of our 2014 net service revenue was associated with biopharmaceutical customers whose parent companies are headquartered in Japan. We believe that the tenure of our customer relationships as well as the depth of penetration of our services reflect our strong reputation and track record. While 90% and 92% of our new business awards in 2013 and 2014 were from repeat customers and our top ten customers have worked with us for an average of 7.5 years, we were also awarded clinical trials from 58 new customers in 2014, with particularly strong growth among small to mid-sized biopharmaceutical companies. We have also increased our penetration in the large biopharmaceutical market, which we define as the top 50 biopharmaceutical companies measured by annual drug revenue, with 57% of our net service revenue in 2013 and 2014 coming from large biopharmaceutical companies. In 2014, we performed work for 19 of the top 20 companies in the large biopharmaceutical market. We believe we have increased our market share in recent years and are well positioned to continue growing our customer base.

Outstanding financial performance. We have achieved significant revenue, net income and EBITDA growth over the past several years. For example, during fiscal year 2014, we increased our net service revenue, Adjusted Net Income and Adjusted EBITDA by 24.1%, 174.1%, and 37.7%, respectively, and decreased our net loss by 43.5%. We have continued this growth in the first six months of 2015 with year-over-year increases in our net service revenue, net income, Adjusted Net

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Income and Adjusted EBITDA of 13.0%, 253.2%, 216.9% and 53.4%, respectively. The momentum in our business is also reflected in the growth in our backlog and new business awards (which is the value of future net service revenue supported by contracts or pre-contract written communications from customers for projects that have received appropriate internal funding approval, are not contingent upon completion of another trial or event and are expected to commence within the next 12 months, minus the value of cancellations in the same period). Backlog and new business awards are not necessarily predictive of future financial performance because they will likely be impacted by a number of factors, including the size and duration of projects which can be performed over several years, project change orders resulting in increases or decreases in project scope, and cancellations. For the period from December 31, 2012 to June 30, 2015, our backlog increased by 26.9% and net new business awards grew by 16.7% in 2014 and 20.4% in 2013. We believe our outstanding financial profile and strong momentum demonstrate the quality of the platform we have built to position ourselves for continued future growth.

Highly experienced management team with a deep-rooted culture of quality and innovation. We are led by a dedicated and experienced senior management team with significant industry experience and knowledge focused on clinical development. Each of the members of our senior management has 20 years or more of relevant experience, including significant experience across the CRO and biopharmaceutical industries. Our management team has successfully grown our company into a leading CRO through a combination of organic growth and acquisitions and believes we are well positioned to further capitalize on industry growth trends.

Business Strategy

The key elements of our business strategy include:

Focus on attractive, high-growth late-stage clinical development services market. We believe outsourcing late-stage clinical development services to CROs optimizes returns on invested R&D for biopharmaceutical companies. As development spend and outsourcing penetration rates continue to increase, we estimate that the late-stage clinical development services market will grow at a rate of 7% to 8% annually through 2020 and is poised to realize incremental growth relative to the overall CRO market. We believe that our core focus on the late-stage clinical development services market ideally positions us to benefit from this growth trend. Additionally, we believe that our differentiated approach of investing in highly experienced people, making better use of enabling technology and improving the process of clinical development, will allow our customers to generate superior returns.

Leverage our expertise in complex clinical trials. We intend to continue to develop and leverage our therapeutic expertise in complex clinical trials. We believe that our focus on and deep expertise in complex therapeutic areas such as CNS, oncology and other complex diseases better position us to win new clinical trials in these fast growing and large therapeutic areas. This is enhanced by the use of our proprietary Trusted Process® methodology that reduces operational risk and variability by standardizing processes and minimizing delays, instills quality throughout the clinical development process and leads customers to more confident, better-informed drug development decisions.

Capitalize on our geographic scale. We intend to leverage our global breadth and scale to drive continued growth. We have built our presence across key markets over time, developing strong relationships with principal investigators and clinical research sites around the world. We have expanded our patient recruitment capabilities, principal investigator relationships and local regulatory knowledge, which should continue to position us well for new customer wins in a wide array of markets.

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We have added geographic reach through both acquisitions and organic growth in areas such as Asia- Pacific, Latin America and the Middle East and North Africa, which we believe is critical to obtaining larger new business awards from large and mid-sized biopharmaceutical companies. Our long-term growth opportunities are enhanced by our strong reputation in emerging markets and our track record of efficiently managing trials in accordance with regional regulatory requirements.

Continue to enhance our Trusted Process® methodology to deliver superior outcomes. We intend to continue the development and enhancement of our Trusted Process ® methodology, which has delivered measurable, beneficial results for our customers and improved drug development decisions. We believe our Trusted Process ® will continue to lead to high levels of customer satisfaction. Our Trusted Process® is subject to continual improvement based on feedback from therapeutic leadership, staff and customers as well as the market factors of an evolving regulatory environment and technology innovation. Our Trusted Process ® uses best-in-class and industry-leading third-party technology solutions. We expect that through continuous enhancement of our Trusted Process® methodology, we will achieve better alignment of best-in-class technology to enable increased visibility into critical processes, management and controls in the drug development process. For example, a recent technology and process integration has contributed to a 25% reduction in time required for finalization of our clinical monitoring trip reports. If this integrated approach becomes the standard, and if personnel are able to be appropriately reassigned, this improvement in our productivity would equate to 55 full-time equivalents of additional capacity. We intend to continue to position ourselves to quickly adopt best-in-class technology through effective third-party collaborations without the need for high capital investments and maintenance costs, driving attractive returns on capital.

Continue proven track record of identifying and successfully integrating selective acquisitions to augment our organic growth. Over the past decade, we have developed a systematic approach for integrating acquisitions. Since 2001, we have successfully acquired and integrated ten companies. These strategic acquisitions have increased our size, scale and reach, complementing our organic growth profile as we have become a leading provider of CRO services. Our acquisitions have enabled us to expand our global service offerings across all four phases of biopharmaceutical clinical development while also allowing us to achieve significant synergies and cost reductions. We will continue to evaluate opportunities to acquire and integrate selective tuck-in acquisitions within the CRO sector in order to strengthen our competitive position and realize attractive returns on our investments.

Drive our human capital asset base to grow existing relationships. As a clinical service provider, our employees are critical to our ability to deliver our innovative operational model by engaging with customers, delivering clinical development services in a complex environment, and supporting and executing our growth strategy. All employees undergo comprehensive initial orientation and ongoing training, including a focus on our Trusted Process® methodology. Our recruiting and retention efforts are geared toward maintaining and growing a stable work force focused on delivering results for customers. We have a successful track record of integrating talent from prior acquisitions and believe we have a best-in-class pool of highly experienced project managers and CRAs. As of June 30, 2015, a significant majority of our CRAs are specifically trained in individual therapeutic areas, with over 60% of our CRAs focused on CNS, oncology or other complex diseases. In addition, over 80% of our CRAs are principally focused in one therapeutic area, and over 70% of our CRAs are solely focused in their area of expertise.

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Implications of Having Been an Emerging Growth Company

As a company with less than $1.0 billion in gross revenues during 2013, our last fiscal year prior to our November 2014 initial public offering, or IPO, we qualified at that time as an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other regulatory requirements for up to five years that are otherwise applicable generally to public companies. Even though we are no longer an emerging growth company because our 2014 gross revenues exceeded $1.0 billion, some of these provisions still apply to us, including:

- the exemption from the auditor attestation requirement on the effectiveness of our system of internal control over financial reporting, which applies to us until we file our Annual Report on Form 10-K for the year ended December 31, 2015;
- an exemption from compliance with any new requirements adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation or a supplement to the auditor s report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer; and
- an exemption from the requirement to seek non-binding advisory votes on executive compensation and golden parachute arrangements.

As a result of our decision to avail ourselves of certain provisions of the JOBS Act, the information that we provide may be different than what you may receive from other public companies in which you hold an equity interest. In addition, it is possible that some investors will find our common stock less attractive as a result of our elections, which may cause a less active trading market for our common stock and more volatility in our stock price.

Risks Associated with Our Business

Investing in our common stock involves a number of risks, including the following:

- If we do not generate a large number of new business awards, or if new business awards are delayed, terminated, reduced in scope or fail to go to contract, our business, financial condition, results of operations or cash flows may be materially adversely affected.
- Our backlog might not be indicative of our future revenues, and we might not realize all of the anticipated future revenue reflected in our backlog.
- Our operating results have historically fluctuated between fiscal quarters and may continue to fluctuate in the future, which may adversely affect the market price of our stock after this offering.

We have a history of net losses which may continue and which may negatively impact our ability to achieve or sustain profitability.

If we underprice our contracts, overrun our cost estimates or fail to receive approval for or experience delays in documentation of change orders, our business, and financial condition, results of operations or cash flows may be materially adversely affected.

Our business depends on the continued effectiveness and availability of our information systems, including the information systems we use to provide services to our customers and to store employee data, and failures of these systems, including cyber-attacks, may materially limit our operations or have an adverse effect on our reputation.

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Our customer or therapeutic area concentration may have a material adverse effect on our business, financial condition, results of operations or cash flows.

Our business is subject to international economic, political and other risks that could have a material adverse effect on our business, financial condition, results of operations, cash flows or reputation.

If we are unable to successfully increase our market share, our ability to grow our business and execute our growth strategies could be materially adversely affected.

If we fail to perform our services in accordance with contractual requirements, regulatory standards and ethical considerations, we could be subject to significant costs or liability and our reputation could be harmed.

We may be affected by healthcare reform and potential additional reforms which may adversely impact the biopharmaceutical industry and reduce the need for our services or negatively impact our profitability.

Our substantial debt could adversely affect our financial condition.

We will incur increased costs and obligations as a result of being a public company.

Our Sponsors, as defined below, effectively control our company, and their interests may be different from or conflict with those of our other stockholders.

These and other risks are more fully described in the section entitled Risk Factors below, which you should carefully read and consider before making a decision to invest in our common stock. If any of these risks actually occur, our business, financial condition, results of operations, cash flows or reputation would likely be materially adversely affected. In such case, the trading price of our common stock would likely decline, and you could lose all or part of your investment.

Our Sponsors

Following the closing of this offering, affiliates of Avista Capital Partners II, L.P., or Avista, and affiliates of Teachers Private Capital, or Teachers, the private investment arm of Ontario Teachers Pension Plan Board, or OTPP, together will continue to own a majority of our outstanding Class A common stock. We expect that following this offering Avista will own approximately 28.9% of our outstanding Class A common stock, and Teachers will own approximately 21.7% of our outstanding Class A common stock and 100% of our outstanding Class B common stock following this offering. The Class A common stock and Class B common stock are each entitled to one vote per share and are substantially identical, except that Class B common stock does not carry the right to vote on the election of directors, and each share of Class B common stock is convertible (on a one-for-one basis) into Class A common stock at any time at the election of the holder. We expect Avista and Teachers will each own approximately 27.3% and 26.1%, respectively, of our Class A common stock assuming the conversion of all of the outstanding shares of Class B common stock into shares of Class A common stock. As a result, Avista and Teachers (each, a Sponsor and together, the Sponsors) will be able to exert significant voting influence over fundamental and significant corporate matters and

transactions. See Risk Factors Risks Related to Our Class A Common Stock and this Offering Our Sponsors effectively control our company, and their interests may be different from or conflict with those of our other stockholders. See also Principal and Selling Stockholders.

Avista is a leading private equity firm with over $6 billion of assets under management and offices in New York, NY, Houston, TX and London, UK. Founded in 2005 as a spin-out from the former DLJ Merchant Banking Partners, or DLJMB, franchise, Avista makes controlling or influential minority

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investments primarily in growth-oriented healthcare, energy, communications and media, industrial and consumer businesses. Through its team of seasoned investment professionals and industry experts, Avista seeks to partner with exceptional management teams to invest in and add value to well-positioned businesses.

OTPP is the largest single-profession pension plan in Canada, managing C$154.5 billion in net assets as of December 31, 2014. It is an independent organization responsible for investing the pension fund s assets and administering the pensions of Ontario s 311,000 active and retired teachers. OTPP has offices in Toronto, New York, London and Hong Kong. Teachers is the private investment arm of OTPP, managing $21 billion in invested capital as of December 31, 2014.

Recent Developments

On May 14, 2015, we completed a secondary public offering by certain of our existing stockholders of 8,050,000 shares of the Company s Class A common stock, or the May 2015 Secondary Offering, and the repurchase from certain of our existing stockholders of 5,053,482 shares of our Class A common stock, or the Stock Repurchase. In addition, we refinanced our then-existing credit facility through entry into a new $675 million senior secured credit facility, or 2015 Credit Agreement, consisting of a $525 million term loan and a revolving credit facility of $150 million, referred to as the May 2015 Debt Refinancing. In June 2015, we made a voluntary $50 million prepayment on the term loan. See Description of Material Indebtedness for details regarding the 2015 Credit Agreement.

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Our Structure

The diagram below reflects a simplified overview of our organizational structure following this offering:

(1) See Description of Material Indebtedness.

(2) This entity is the borrower under the 2015 Credit Agreement.

Corporate Information

We are a Delaware corporation and were incorporated on August 13, 2010. Our principal executive office is located at 3201 Beechleaf Court, Suite 600, Raleigh, North Carolina 27604-1547. Our telephone number at our principal executive office is (919) 876-9300. Our corporate website is www.incresearch.com. The information on our corporate website is not part of, and is not incorporated by reference into, this prospectus.

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THE OFFERING

Class A common stock offered by the selling stockholders	8,000,000 shares.
Class A common stock to be outstanding after this offering	53,168,505 shares.
Class B common stock outstanding after this offering	3,167,439 shares.
Voting rights	Each share of the Class A common stock and Class B common stock are entitled to one vote per share, except that Class B common stock does not carry the right to vote on the election of directors.
Conversion rights	The shares of Class B common stock are convertible into Class A common stock, in whole or in part, at any time and from time to time at the option of the holder, on a one-for-one basis, subject to adjustment for any stock splits, combinations or similar events. The shares of Class A common stock held by existing holders of Class B common stock are convertible into Class B common stock on a one-for-one basis, in whole or in part, at any time and from time to time at the option of the holder, subject to adjustment for any stock splits, combinations or similar events.
Use of proceeds	We will not receive any of the proceeds from the sale of shares of common stock by the selling stockholders.
Dividend policy	We do not anticipate paying any dividends on our common stock in the foreseeable future; however, we may change this policy in the future. See Dividend Policy.
Risk factors	Investing in our Class A common stock involves a high degree of risk. See Risk Factors beginning on page 17 of this prospectus for a discussion of factors you should consider carefully before investing in our Class A common stock.

NASDAQ trading symbol	INCR.

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Unless otherwise indicated, the number of shares of our common stock outstanding after this offering:

- excludes 3,919,452 shares of our Class A common stock issuable upon exercise of outstanding stock options as of June 30, 2015 with a weighted average exercise price of $12.87 per share;

- excludes 2,962,667 shares of our Class A common stock reserved for the future issuance, as of June 30, 2015, under our 2014 Equity Incentive Plan, or the 2014 Plan;

- excludes 81,928 shares of nonvested restricted stock units outstanding as of June 30, 2015; and

- assumes the net exercise of options by certain stockholders selling shares in this offering using the last reported price of our Class A common stock on August 10, 2015 of $49.31.

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SELECTED CONSOLIDATED FINANCIAL DATA

The following tables set forth our selected consolidated financial data for the periods ending on and as of the dates indicated. We derived the consolidated statements of operations data for the years ended December 31, 2012, 2013 and 2014 and the consolidated balance sheet data as of December 31, 2013 and 2014 from our audited consolidated financial statements included in the 2014 Form 10-K. We derived the consolidated statements of operations data for the years ended December 31, 2011 and the consolidated balance sheet data as of December 31, 2011 and 2012 from our audited consolidated financial statements not included in this prospectus or our 2014 Form 10-K. The consolidated statements of operations data for the six months ended June 30, 2014 and 2015 and the consolidated balance sheet data as of June 30, 2015 have been derived from our unaudited consolidated financial statements included in our Q2 2015 Form 10-Q. You should read the consolidated financial data set forth below in conjunction with our consolidated financial statements, Selected Financial Data and Management s Discussion and Analysis of Financial Condition and Results of Operations , included in our 2014 Form 10-K, and our consolidated financial statements and Management s Discussion and Analysis of Financial Condition and Results of Operations in our Q2 2015 Form 10-Q. Our historical results are not necessarily indicative of the results we may achieve in any future period.

	Year Ended December 31,				Six Months Ended June 30,	
	2011(1)	2012	2013	2014	2014	2015
	(in thousands, except per share amounts)					
Statement of Operations Data:						
Net service revenue(2)	$ 437,005	$ 579,145	$ 652,418	$ 809,728	$ 388,240	$ 438,890
Reimbursable out-of-pocket expenses	218,981	289,455	342,672	369,071	164,280	207,319
Total revenue	655,986	868,600	995,090	1,178,799	552,520	646,209
Costs and operating expenses:						
Direct costs	279,840	389,056	432,261	515,059	251,545	263,458
Reimbursable out-of-pocket expenses	218,981	289,455	342,672	369,071	164,280	207,319
Selling, general, and administrative	95,063	109,428	117,890	145,143	66,147	72,925
Restructuring and other costs(3)	27,839	35,380	11,828	6,192	3,175	1,594
Transaction expenses(4)	10,322		508	7,902	2,042	519
Assets impairment charges(5)		4,000		17,245	17,245	3,931
Depreciation	15,700	19,915	19,175	21,619	11,894	9,186
Amortization	48,436	58,896	39,298	32,924	13,740	18,951
(Loss) income from operations	(40,195)	(37,530)	31,458	63,644	22,452	68,326
Interest expense, net	(65,482)	(62,007)	(60,489)	(52,787)	(28,724)	(9,493)
Loss on extinguishment of debt				(46,750)		(9,795)
Other income (expense), net	11,519	4,679	(1,649)	7,689	1,041	5,141
(Loss) income before provision for income taxes	(94,158)	(94,858)	(30,680)	(28,204)	(5,231)	54,179
Income tax benefit (expense)	34,611	35,744	(10,849)	4,734	18,986	(5,602)
Net (loss) income	(59,547)	(59,114)	(41,529)	(23,470)	13,755	48,577

Class C common stock dividends	(4,500)	(500)	(500)	(375)	(250)	
Redemption of New Class C common stock				(3,375)		
Net (loss) income attributable to common stockholders	$ (64,047)	$ (59,614)	$ (42,029)	$ (27,220)	$ 13,505	$ 48,577
Earnings per share attributable to common stockholders:						
Basic	$ (1.46)	$ (1.14)	$ (0.81)	$ (0.51)	$ 0.26	0.81
Diluted	$ (1.46)	$ (1.14)	$ (0.81)	$ (0.51)	$ 0.26	0.79
Weighted average common shares outstanding:						
Basic	43,875	52,203	52,009	53,301	51,897	59,731
Diluted	43,875	52,203	52,009	53,301	52,066	61,805

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	Year Ended December 31,				Six Months Ended June 30,	
	2011(1)	2012	2013	2014	2014	2015
	(in thousands, except per share amounts)					
Statement of Cash Flow Data:						
Net cash (used in) provided by:						
Operating activities	$ (18,533)	$ 42,999	$ 37,270	$ 131,447	80,396	95,275
Investing activities	(369,670)	(12,974)	(17,714)	(27,853)	(15,241)	(7,669)
Financing activities	422,053	(18,932)	(6,841)	(67,698)	(7,323)	(107,393)
Other Financial Data:						
EBITDA(6)	$ 35,460	$ 45,960	$ 88,282	$ 79,126	$ 49,127	91,809
Adjusted EBITDA(6)	65,450	84,366	105,521	145,276	68,113	104,459
Adjusted Net (Loss) Income(6)	(9,950)	1,539	16,290	44,647	17,322	54,898
Adjusted Diluted Earnings per share(6)	$ (0.23)	$ 0.03	$ 0.31	$ 0.83	$ 0.33	0.89
Capital expenditures	(4,763)	(9,591)	(17,714)	(25,551)	(12,939)	(7,670)
Dividends paid	(4,500)	(500)	(500)	(375)	(250)	
Redemption of New Class C common stock				(3,375)		
Operating Data:						
Backlog(7)	$ 1,221,641	$ 1,320,548	$ 1,490,787	$ 1,589,386	$ 1,492,661	$ 1,675,993
Net new business awards(8)	$ 449,254	$ 676,250	$ 814,177	$ 949,790	$ 384,258	$ 551,405
Net Book-to-Bill ratio(8)	1.0X	1.2X	1.2X	1.2X	1.0X	1.3X

	December 31, 2014	June 30, 2015
Balance Sheet Data:		
Cash and cash equivalents	$ 126,453	$ 98,511
Total assets	1,245,087	1,215,744
Total debt and capital leases(9)	419,979	475,111
Total stockholders equity	392,209	280,368

(1) We acquired Trident Clinical Research Pty Ltd., or Trident, on June 1, 2011 and Kendle on July 12, 2011. The financial results of these entities have been included as of and since the dates of acquisition.

(2) During the second and third quarters of 2014, we experienced higher-than-normal change order activity estimated to be between $6 million and $12 million. Net service revenue for 2014 after adjusting for the estimated impact of $9 million in higher-than-normal change order activity was $800.7 million.

(3)

Restructuring and other costs consist of: (i) severance costs associated with the reduction of our workforce in line with our future business operations and duplicative staff; (ii) lease obligation and termination costs in connection with the abandonment and closure of redundant facilities as a result of our restructuring initiatives; and (iii) other costs consisting primarily of information technology and other consulting and legal fees attributable to our integration of Kendle.

(4) Transaction expenses of $10.3 million for the year ended December 31, 2011 were related to legal fees, accounting fees and the noncapitalizable portion of bank fees related to our acquisition of Kendle. Transaction expenses of $0.5 million for the year ended December 31, 2013 consisted of third-party fees associated with debt refinancing and the legal fees associated with our acquisition of MEK Consulting, which we completed in March 2014. Transaction expenses for the year ended December 31, 2014 were $7.9 million including $4.2 million in debt issuance costs and third-party fees associated with the debt refinancings in February 2014 and November 2014, $3.4 million of fees associated with the termination of the Avista Capital Holdings, L.P. Advisory Services and Monitoring Agreement, and $0.3 million of legal fees associated with the MEK Consulting acquisition. Transaction expenses of $2.0 million for the six months ended June 30, 2014 were comprised of $1.7 million in fees associated with the debt refinancing in February 2014 and $0.3 million of legal fees associated with the MEK Consulting acquisition. Transaction expenses of $0.5 million for the six months ended June 30, 2015, were comprised of legal fees incurred in connection with the May 2015 Secondary Offering and the Stock Repurchase.

(5) During the year ended December 31, 2012, we recorded a $4.0 million impairment charge related to the goodwill associated with our Phase I Services reporting unit. During the year ended December 31, 2014, we recorded a $17.2 million impairment charge related to intangible assets and goodwill associated with our Phase I Services and Global Consulting reporting units. During the first quarter of 2015, we recorded a $3.9 million impairment charges related to the long-lived assets and goodwill for our Phase I Services reporting unit.

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(6) We report our financial results in accordance with GAAP. To supplement this information, we also use the following non-GAAP financial measures in this prospectus: EBITDA, Adjusted EBITDA, Adjusted Net (Loss) Income and Adjusted Diluted Earnings per share. For a discussion of the non-GAAP financial measures in this prospectus, see Non-GAAP Financial Measures. For reconciliations of EBITDA, Adjusted EBITDA and Adjusted Net (Loss) Income to our closest reported GAAP measures, see Selected Consolidated Financial Data.

(7) Backlog consists of anticipated net service revenue from contract and pre-contract commitments that are supported by written communications. The dollar amount of our backlog consists of anticipated future net service revenue from business awards that either have not started but are anticipated to begin in the next 12 months, or are in process and have not been completed. The majority of our contracts can be terminated by our customers with 30 days notice. Backlog has been adjusted to reflect any cancellations or adjustments to the related contracts and changes in the foreign currency exchange rates of awards not denominated in U.S. dollars. Included within backlog at June 30, 2015 is approximately $0.4 billion that we expect to generate revenue in 2015, with the remainder expected to generate revenue beyond 2015. For comparative purposes at June 30, 2013 and 2014, we had approximately $0.3 billion and $0.4 billion that we expected to generate revenue in the years ended December 31, 2013 and 2014, respectively. Backlog is not necessarily indicative of future financial performance because it will likely be impacted by a number of factors, including the size and duration of projects, which can be performed over several years; project change orders resulting in increases or decreases in project scope, and cancellations.

(8) Net new business awards represent the value of future net service revenue awarded during the period supported by contracts or written pre-contract communications from our customers for projects that have received appropriate internal funding approval, are not contingent upon completion of another trial or event, and are expected to commence within the next 12 months, minus the value of cancellations in the same period. Net book-to-bill ratio represents net new business awards divided by net service revenue. We believe net book-to-bill ratio is commonly used in our industry and represents a useful indicator of our potential future revenue growth rate in that it measures the rate at which we are generating net new business awards compared to our current revenues. Net book-to-bill is better viewed on a trailing twelve-month basis due to the variability within any particular quarter that can be caused by a very large award or cancellation. The trailing twelve-month net book-to-bill ratio was 1.3x for both June 30, 2014 and 2015. However, we cannot assure you that the net book-to-bill rate is predictive of future financial performance because it will likely be impacted by a number of factors, including the size and duration of projects, which can be performed over several years, project change orders resulting in increases or decreases in project scope, and cancellations.

(9) Includes $8.0 million, $6.7 million, $4.6 million, $5.5 million, and $3.5 million of unamortized discounts as of December 31, 2011, 2012, 2013 and 2014, and June 30, 2014, respectively. As a result of the May 2015 Debt Refinancing, the remaining unamortized discount was written off and included as a component of loss on extinguishment of debt.

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RISK FACTORS

Investing in our common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below together with the other information included in or incorporated by reference into this prospectus, and other information included in our securities filings, including the risks and uncertainties described under the caption Risk Factors in our 2014 Form 10-K and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 and other information in our consolidated financial statements incorporated by reference herein, before deciding to purchase our Class A common stock. The occurrence of any of the following risks may materially and adversely affect our business, financial condition, results of operations, cash flows, reputation and future prospects. In this event, the market price of our Class A common stock could decline, and you could lose part or all of your investment.

Risks Related to Our Business

If we do not generate a large number of new business awards, or if new business awards are delayed, terminated, reduced in scope or fail to go to contract, our business, financial condition, results of operations or cash flows may be materially adversely affected.

Our business is dependent on our ability to generate new business awards from new and existing customers and maintain existing customer contracts for clinical development services and other services. Our inability to generate new business awards on a timely basis and subsequently enter into contracts for such awards could have a material adverse effect on our business, financial condition, results of operations or cash flows.

The time between when a study is awarded and when it goes to contract is typically several months, and prior to a new business award going to contract, our customers can cancel the award without notice. Once an award goes to contract, the majority of our customers can terminate the contract with 30 days notice. Our contracts may be delayed or terminated by our customers or reduced in scope for a variety of reasons beyond our control, including but not limited to:

- decisions to forego or terminate a particular trial;
- budgetary limits or changing priorities;
- actions by regulatory authorities;
- production problems resulting in shortages of the drug being tested;
- failure of products being tested to satisfy safety requirements or efficacy criteria;
- unexpected or undesired clinical results for products;

insufficient patient enrollment in a trial;

insufficient principal investigator recruitment;

shift of business to a competitor or internal resources; or

product withdrawal following market launch.

As a result, contract terminations, delays and modifications are a regular part of our business. In the event of termination, our contracts often provide for fees for winding down the project, which include both fees incurred and actual and non-cancellable expenditures and may include a fee to cover a percentage of the remaining professional fees on the project. These fees may not be sufficient for us to maintain our margins, and termination may result in lower resource utilization rates and therefore lower operating margins. In addition, cancellation of a clinical trial for the reasons noted above may result in the unwillingness or inability of our customer to satisfy certain associated accounts receivable,

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which may in turn result in a material impact to our results of operations and cash flow. Historically, cancellations and delays have negatively impacted our operating results. In addition, we might not realize the full benefits of our backlog if our customers cancel, delay or reduce their commitments to us, which may occur if, among other things, a customer decides to shift its business to a competitor or revoke our status as a preferred provider. Thus, the loss or delay of a large business award or the loss or delay of multiple awards could adversely affect our service revenues and profitability. Additionally, a change in the timing of a new business award could affect the period over which we recognize revenue and reduce our revenue in any one quarter.

Our backlog might not be indicative of our future revenues, and we might not realize all of the anticipated future revenue reflected in our backlog.

Backlog consists of anticipated net service revenue awarded from contract and pre-contract commitments that are supported by written communications. Once work begins on a project, revenue is recognized over the duration of the project, provided the award has gone to contract. Projects may be canceled or delayed by the customer or delayed by regulatory authorities for reasons beyond our control. To the extent projects are delayed, the timing of our revenue could be adversely affected. In addition, if a customer terminates a contract, we typically would be entitled to receive payment for all services performed up to the termination date and subsequent customer-authorized services related to terminating the canceled project. Typically, however, we have no contractual right to the full amount of the future revenue reflected in our backlog in the event of a contract termination or subsequent changes in scope that reduce the value of the contract. The duration of the projects included in our backlog, and the related revenue recognition, typically range from a few months to several years. Our backlog might not be indicative of our future revenues, and we might not realize all the anticipated future revenue reflected in our backlog. A number of factors may affect backlog, including:

- the size, complexity and duration of projects or strategic relationships;
- the cancellation or delay of projects;
- the failure of one or more business awards to go to contract; and
- changes in the scope of work during the course of projects.

The rate at which our backlog converts to revenue may vary over time. The revenue recognition on larger, more global projects could be slower than on smaller, more regional projects for a variety of reasons, including, but not limited to, an extended period of negotiation between the time the project is awarded to us and the actual execution of the contract, as well as an increased timeframe for obtaining the necessary regulatory approvals.

Our backlog at June 30, 2015 was $1.7 billion. Although an increase in backlog will generally result in an increase in revenues over time, an increase in backlog at a particular point in time does not necessarily correspond directly to an increase in revenues during any particular period, or at all. The extent to which contracts in backlog will result in revenue depends on many factors, including, but not limited to, delivery against project schedules, scope changes, contract terminations and the nature, duration and complexity of the contracts, and can vary significantly over time.

Our operating results have historically fluctuated between fiscal quarters and may continue to fluctuate in the future, which may adversely affect the market price of our stock after this offering.

Our operating results have fluctuated in previous quarters and years and may continue to vary significantly from quarter to quarter and are influenced by a variety of factors, such as:

- timing of contract amendments for changes in scope that could affect the value of a contract and potentially impact the amount of net new business awards and net service revenues from quarter to quarter;

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commencement, completion, execution, postponement or termination of large contracts;

contract terms for the recognition of revenue milestones;

progress of ongoing contracts and retention of customers;

timing of and charges associated with completion of acquisitions and other events;

changes in the mix of services delivered, both in terms of geography and type of services;

potential customer disputes, penalties or other issues that may impact the revenue we are able to recognize or the collectability of our related accounts receivable; and

exchange rate fluctuations.

Our operating results for any particular quarter are not necessarily a meaningful indicator of future results and fluctuations in our quarterly operating results could negatively affect the market price and liquidity of our shares.

We have a history of net losses which may continue and which may negatively impact our ability to achieve or sustain profitability.

We have a history of net losses and cannot assure you that we will achieve or sustain profitability on a quarterly or annual basis in the future. For the six months ended June 30, 2015, we had net income of $48.6 million. However, for the years ended December 31, 2012, 2013 and 2014 we incurred net losses of $59.1 million, $41.5 million and $23.5 million, respectively. If we cannot reach or maintain profitability, the value of our stock price may be impacted.

If we underprice our contracts, overrun our cost estimates or fail to receive approval for or experience delays in documentation of change orders, our business, financial condition, results of operations or cash flows may be materially adversely affected.

We price our contracts based on assumptions regarding the scope of work required and cost to complete the work. We bear the financial risk if we initially underprice our contracts or otherwise overrun our cost estimates, which could adversely affect our cash flows and financial performance. In addition, contracts with our customers are subject to change orders, which occur when the scope of work we perform needs to be modified from that originally contemplated in our contract with the customers. This can occur, for example, when there is a change in a key study assumption or parameter or a significant change in timing. We may be unable to successfully negotiate changes in scope or change orders on a timely basis or at all, which could require us to incur cost outlays ahead of the receipt of any additional revenue. In addition, under GAAP, we cannot recognize additional revenue anticipated from change orders until appropriate documentation is received by us from the customer authorizing the change. However, if we incur additional expense in anticipation of receipt of that documentation, we must recognize the expense as incurred. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations or cash flows.

Our business depends on the continued effectiveness and availability of our information systems, including the information systems we use to provide services to our customers and to store employee data, and failures of these systems, including cyber-attacks, may materially limit our operations or have an adverse effect on our reputation.

Our information systems are comprised of systems we have purchased or developed, legacy information systems from organizations we have acquired and, increasingly, web-enabled and other integrated information systems. In using these information systems, we frequently rely on third-party vendors to provide hosting services, where our infrastructure is dependent upon the reliability of their underlying platforms, facilities and communications systems. We also utilize integrated information systems that we provide customers access to or install for our customers in conjunction with our delivery of services.

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As the breadth and complexity of our information systems continue to grow, we will increasingly be exposed to the risks inherent in maintaining the stability of our legacy systems due to prior customization, attrition of employees or vendors involved in their development, and obsolescence of the underlying technology as well as risks from the increasing number and scope of external data breaches on multi-national companies. Because certain customers and clinical trials may be dependent upon these legacy systems, we also face an increased level of embedded risk in maintaining the legacy systems and limited options to mitigate such risk. We are also exposed to risks associated with the availability of all our information systems, including:

- disruption, impairment or failure of data centers, telecommunications facilities or other key infrastructure platforms, including those maintained by our third-party vendors;

- security breaches of, cyber-attacks on and other failures or malfunctions in our internal systems, including our employee data and communications, critical application systems or their associated hardware; and

- excessive costs, excessive delays or other deficiencies in systems development and deployment.

The materialization of any of these risks may impede the processing of data, the delivery of databases and services, and the day-to-day management of our business and could result in the corruption, loss or unauthorized disclosure of proprietary, confidential or other data. While we have disaster recovery plans in place, they might not adequately protect us in the event of a system failure. Despite any precautions we take, damage from fire, floods, hurricanes, power loss, telecommunications failures, computer viruses, break-ins and similar events at our various computer facilities or those of our third-party vendors could result in interruptions in the flow of data to us and from us to our customers. Corruption or loss of data may result in the need to repeat a trial at no cost to the customer, but at significant cost to us, the termination of a contract or damage to our reputation. Additionally, significant delays in system enhancements or inadequate performance of new or upgraded systems once completed could damage our reputation and harm our business. Finally, long-term disruptions in the infrastructure caused by events such as natural disasters, the outbreak of war, the escalation of hostilities and acts of terrorism, particularly involving cities in which we have offices, and cyber-attacks such as those recently faced by other multi-national companies could adversely affect our businesses. As our business continues to expand globally, these types of risks may be further increased by instability in the geopolitical climate of certain regions, underdeveloped and less stable utilities and communications infrastructure, and other local and regional factors. Although we carry property and business interruption insurance which we believe is customary for our industry, our coverage might not be adequate to compensate us for all losses that may occur.

Unauthorized disclosure of sensitive or confidential data, whether through systems failure or employee negligence, cyber-attacks, fraud or misappropriation, could damage our reputation and cause us to lose customers. Similarly, we have been and expect that we will continue to be subject to attempts to gain unauthorized access to or through our information systems or those we internally or externally develop for our customers, including a cyber-attack by computer programmers and hackers who may develop and deploy viruses, worms or other malicious software programs. To date these attacks have not had a material impact on our operations or financial results. Nonetheless, successful attacks in the future could result in negative publicity, significant remediation costs, legal liability and damage to our reputation and could have a material adverse effect on our financial condition, results of operations and cash flows. In addition, our liability insurance might not be sufficient in type or amount to cover us against claims related to security breaches, cyber-attacks and other related breaches.

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Our customer or therapeutic area concentration may have a material adverse effect on our business, financial condition, results of operations or cash flows.

If any large customer decreases or terminates its relationship with us, our business, financial condition, results of operations or cash flows could be materially adversely affected. For the year ended December 31, 2014, our top ten customers based on revenue accounted for approximately 49% of our net service revenue and our top ten customers based on backlog accounted for approximately 54% of our total backlog. For the six months ended June 30, 2015, our top ten customers based on revenue accounted for approximately 48% of our net service revenue and our top ten customers based on backlog accounted for approximately 52% of our total backlog. Various subsidiaries of Otsuka Holdings Co., Ltd. accounted for approximately 12%, 15% and 14% of our net service revenue in the years ended December 31, 2012, 2013 and 2014, respectively, and 14% for six months ended June 30, 2014. Various subsidiaries of Astellas Pharma, Inc. accounted for 12% of net service revenue for the year ended December 31, 2014, and 12% and 10% for the six months ended June 30, 2014 and 2015, respectively. It is possible that an even greater portion of our revenues will be attributable to a smaller number of customers in the future, including as a result of our entering into strategic provider relationships with customers. Also, consolidation in our potential customer base results in increased competition for important market segments and fewer available customer accounts.

Additionally, conducting multiple clinical trials for different sponsors in a single therapeutic class involving drugs with the same or similar chemical action may adversely affect our business if some or all of the trials are canceled because of new scientific information or regulatory judgments that affect the drugs as a class. Similarly, marketing and selling products for different sponsors with similar drug action subjects us to risk if new scientific information or regulatory judgment prejudices the products as a class, leading to compelled or voluntary prescription limitations or withdrawal of some or all of the products from the market.

Our business is subject to international economic, political and other risks that could have a material adverse effect on our business, financial condition, results of operations, cash flows or reputation.

We have operations in many foreign countries, including, but not limited to, countries in the Asia-Pacific region, Europe, Latin America and the Middle East and Africa. As of June 30, 2015, approximately 57% of our workforce was located outside of the United States, and for the fiscal quarter ended June 30, 2015, approximately 29% of our net service revenue was billed to locations outside the United States. Our international operations are subject to risks and uncertainties inherent in operating in these regions, including:

- conducting a single trial across multiple countries is complex, and issues in one country, such as a failure to comply with or unanticipated changes to local regulations or restrictions such as restrictions on import or export of clinical trial material or availability of clinical trial data may affect the progress of the trial in the other countries, resulting in delays or potential termination of contracts, which in turn may result in loss of revenue;

- the United States or other countries could enact legislation or impose regulations or other restrictions, including unfavorable labor regulations, tax policies, data protection regulations or economic sanctions, which could have an adverse effect on our ability to conduct business in or expatriate profits from the countries in which we operate;

foreign countries are expanding or may expand their banking regulations that govern international currency transactions, particularly cross-border transfers, which may inhibit our ability to transfer funds into or within a jurisdiction, impeding our ability to pay our principal investigators, vendors and employees, thereby impacting our ability to conduct trials in such jurisdictions;

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- foreign countries are expanding or may expand their regulatory framework with respect to patient informed consent, protection and compensation in clinical trials, additional transparency reporting requirements (similar to the Physician Payment Sunshine Act in the United States), which could delay, inhibit or prohibit our ability to conduct trials in such jurisdictions;

- the regulatory or judicial authorities of foreign countries might not enforce legal rights and recognize business procedures in a manner in which we are accustomed or would reasonably expect;

- changes in political and economic conditions, including inflation, may lead to changes in the business environment in which we operate, as well as changes in foreign currency exchange rates;

- potential violations of existing or newly adopted local laws or anti-bribery laws, such as the United States Foreign Corrupt Practices Act, or FCPA, and the UK Bribery Act of 2010, may cause a material adverse effect on our business, financial condition, results of operations, cash flows or reputation;

- customers in foreign jurisdictions may have longer payment cycles, and it may be more difficult to collect receivables in those jurisdictions;

- natural disasters, pandemics or international conflict, including terrorist acts, could interrupt our services, endanger our personnel or cause project delays or loss of trial materials or results;

- political unrest, such as the current situation in the Ukraine, could delay or disrupt the ability to conduct clinical trials; and

- foreign governments may enact currency exchange controls that may limit the ability to fund our operations or significantly increase the cost of maintaining operations.

These risks and uncertainties could negatively impact our ability to, among other things, perform large, global projects for our customers. Furthermore, our ability to deal with these issues could be affected by applicable U.S. laws. Any such risks could have an adverse impact on our business, financial condition, results of operations, cash flows or reputation.

Governmental authorities may question our intercompany transfer pricing policies or change their laws in a manner that could increase our effective tax rate or otherwise harm our business.

As a U.S. company doing business in international markets through subsidiaries, we are subject to foreign tax and intercompany pricing laws, including those relating to the flow of funds between the parent and subsidiaries. Regulators in the United States and in foreign markets closely monitor our corporate structure and how we account for intercompany fund transfers. If regulators challenge our corporate structure, transfer pricing mechanisms or intercompany transfers, our operations may be negatively impacted and our effective tax rate may increase. Tax rates vary from country to country and if regulators determine that our profits in one jurisdiction should be increased, we might not be able to fully utilize all foreign tax credits that are generated, which would increase our effective tax rate.

Additionally, the Organization for Economic Cooperation and Development, or OECD, has issued certain proposed guidelines regarding base erosion and profit sharing. Once these guidelines are formally adopted by the OECD, it is possible that separate taxing jurisdictions may also adopt some form of these guidelines. In such case, we may need to change our approach to intercompany transfer pricing in order to maintain compliance under the new rules. Our effective tax rate may increase or decrease depending on the current location of global operations at the time of the change. Finally, we might not always be in compliance with all applicable customs, exchange control, Value Added Tax and transfer pricing laws despite our efforts to be aware of and to comply with such laws. If these laws change we may need to adjust our operating procedures and our business could be adversely affected.

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If we are unable to successfully increase our market share, our ability to grow our business and execute our growth strategies could be materially adversely affected.

A key element of our growth strategy is increasing our market share both within the clinical development market and in the geographic markets in which we operate. As we grow our market share, we might not have or adequately build the competencies necessary to perform our services satisfactorily or may face increased competition. If we are unable to succeed in increasing our market share, we will be unable to implement this element of our growth strategy, and our ability to grow our business could be adversely affected.

Upgrading the information systems that support our operating processes and evolving the technology platform for our services pose risks to our business.

Continued efficient operation of our business requires that we implement standardized global business processes and evolve our information systems to enable this implementation. We have continued to undertake significant programs to optimize business processes with respect to our services. Our inability to effectively manage the implementation of new information systems or upgrades and adapt to new processes designed into these new or upgraded systems in a timely and cost-effective manner may result in disruption to our business and negatively affect our operations.

We have entered into agreements with certain vendors to provide systems development, integration and hosting services that develop or license to us the information technology, or IT, platforms and capacity for programs to optimize our business processes. If such vendors or their products fail to perform as required or if there are substantial delays in developing, implementing and updating our IT platforms, our customer delivery may be impaired, and we may have to make substantial further investments, internally or with third parties, to achieve our objectives. For example, we rely on an external vendor to provide the clinical trial management software used in managing the completion of our customer clinical trials. If that externally provided system is not properly maintained we might not be able to meet the obligations of our contracts or may need to incur significant costs to replace the system or capability. Additionally, our progress may be limited by parties with existing or claimed patents who seek to enjoin us from using preferred technology or seek license payments from us.

Meeting our objectives is dependent on a number of factors which might not take place as we anticipate, including obtaining adequate technology-enabled services, depending upon our third-party vendors to develop and enhance existing applications to adequately support our business, creating IT-enabled services that our customers will find desirable and implementing our business model with respect to these services. Also, increased IT-related expenditures and our potential inability to anticipate increases in service costs may negatively impact our business, financial condition, results of operations or cash flows.

If we fail to perform our services in accordance with contractual requirements, regulatory standards and ethical considerations, we could be subject to significant costs or liability and our reputation could be harmed.

We contract with biopharmaceutical companies to perform a wide range of services to assist them in bringing new drugs to market. Our services include monitoring clinical trials, data and laboratory analysis, electronic data capture, or EDC, patient recruitment and other related services. Such services are complex and subject to contractual requirements, regulatory standards and ethical considerations. For example, we must adhere to applicable regulatory requirements such as the United States Food and Drug Administration, or the FDA, current Good Clinical Practice, or GCP, regulations, which govern, among other things, the design, conduct, performance, monitoring, auditing, recording, analysis, and reporting of clinical trials. If we fail to perform our services in accordance with these requirements, regulatory agencies may take action against us or our customers. Such actions may

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include sanctions such as injunctions or failure of such regulatory authorities to grant marketing approval of products, imposition of clinical holds or delays, suspension or withdrawal of approvals, rejection of data collected in our studies, license revocation, product seizures or recalls, operational restrictions, civil or criminal penalties or prosecutions, damages or fines. Additionally, there is a risk that actions by regulatory authorities, if they result in significant inspectional observations or other measures, could harm our reputation and cause customers not to award us future contracts or to cancel existing contracts. Any such action could have a material adverse effect on our business, financial condition, results of operations, cash flows or reputation.

Such consequences could arise if, among other things, the following occur:

Improper performance of our services. The performance of clinical development services is complex and time-consuming. For example, we may make mistakes in conducting a clinical trial that could negatively impact or obviate the usefulness of the trial or cause the results of the trial to be reported improperly. If the trial results are compromised, we could be subject to significant costs or liability, which could have an adverse impact on our ability to perform our services and our reputation could be harmed. As examples:

- non-compliance generally could result in the termination of ongoing clinical trials or the disqualification of data for submission to regulatory authorities;

- compromise of data from a particular trial, such as failure to verify that adequate informed consent was obtained from subjects or improper monitoring of data, could require us to repeat the trial under the terms of our contract at no further cost to our customer, but at a substantial cost to us; and

- breach of a contractual term could result in liability for damages or termination of the contract.

Large clinical trials can cost hundreds of millions of dollars and improper performance of our services could have a material adverse effect on our financial condition, damage our reputation and result in the termination of current contracts by or failure to obtain future contracts from the affected customer or other customers.

Interactive Voice/Web Response Technology malfunction. We develop, maintain and use third-party computer run interactive voice/web response systems to automatically manage the randomization of patients in a given clinical trial to different treatment arms and regulate the supply of investigational drugs, all by means of interactive voice/web response systems. An error in the design, programming or validation of these systems could lead to inappropriate assignment or dosing of patients which could give rise to patient safety issues, invalidation of the trial or liability claims against us. Furthermore, negative publicity associated with such a malfunction could have an adverse effect on our business and reputation. Additionally, errors in randomization may require us to repeat the trial at no further cost to our customer, but at a substantial cost to us.

Investigation of customers. From time to time, one or more of our customers are audited or investigated by regulatory authorities or enforcement agencies with respect to regulatory compliance of their clinical trials, programs or the marketing and sale of their drugs. In these situations, we have often provided services to our customers with respect to the clinical trials, programs or activities being audited or investigated, and we are called upon to respond to requests for information by the authorities and agencies. There is a risk that either our customers or regulatory authorities could claim that we performed our services improperly or that we are responsible for clinical trial or program compliance. If our customers or regulatory authorities make such claims against us and prove them, we could

be subject to damages, fines or penalties. In addition, negative publicity regarding regulatory compliance of our customers clinical trials, programs or drugs could have an adverse effect on our business and reputation.

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Insufficient customer funding to complete a clinical trial. As noted above, clinical trials can cost hundreds of millions of dollars. There is a risk that we may initiate a clinical trial for a customer, and then the customer becomes unwilling or unable to fund the completion of the trial. In such a situation, notwithstanding the customer s ability or willingness to pay for or otherwise facilitate the completion of the trial, we may be ethically bound to complete or wind down the trial at our own expense.

In addition to the above U.S. laws and regulations, we must comply with the laws of all countries where we do business, including laws governing clinical trials in the jurisdiction where the trials are performed. Failure to comply with applicable requirements could subject us to regulatory risk, liability and potential costs associated with redoing the trials, which could damage our reputation and adversely affect our operating results.

Any future litigation against us could be costly and time-consuming to defend.

We may become subject, from time to time, to legal proceedings and claims that arise in the ordinary course of business or pursuant to governmental or regulatory enforcement activity. While we do not believe that the resolution of any currently pending lawsuits against us will, individually or in the aggregate, have a material adverse effect on our business, financial condition, results of operations or cash flows, litigation to which we subsequently become a party might result in substantial costs and divert management s attention and resources, which might seriously harm our business, financial condition, results of operations and cash flows. Insurance might not cover such claims, might not provide sufficient payments to cover all of the costs to resolve one or more such claims, and might not continue to be available on terms acceptable to us. In particular, any claim could result in potential liability for us if the claim is outside the scope of the indemnification agreement we have with our customers, our customers do not abide by the indemnification agreement as required or the liability exceeds the amount of any applicable indemnification limits or available insurance coverage. A claim brought against us that is uninsured or underinsured could result in unanticipated costs and could have a material adverse effect on our financial condition, results of operations, cash flows or reputation.

Our business exposes us to potential liability for personal injury or claims that could materially adversely affect our business, financial condition, results of operations, cash flows or reputation.

Our business involves clinical trial management, which is one of our clinical development service offerings and includes the testing of new drugs on human volunteers. This business exposes us to the risk of liability for personal injury or death to patients resulting from, among other things, possible unforeseen adverse side effects or improper administration of a drug or device. Many of these volunteers and patients are already seriously ill and are at risk of further illness or death. Although we attempt to negotiate indemnification arrangements with our customers or vendors, we might not be able to collect under these arrangements and our exposure could exceed any contractual limits on indemnification. Any claim or liability could have a material adverse effect on our business, financial condition, results of operations, cash flows or reputation.

If our insurance does not cover all of our indemnification obligations and other liabilities associated with our operations, our business, financial condition, results of operations or cash flows may be materially adversely affected.

We maintain insurance designed to provide coverage for ordinary risks associated with our operations and our ordinary indemnification obligations which we believe to be customary for our industry. The coverage provided by such insurance might not be adequate for all claims we may make or may be contested by our insurance carriers. If our insurance is not adequate or available to pay all claims or exposures associated with our operations, or if we are unable to purchase adequate insurance at reasonable rates in the future, our business, financial condition, results of

operations or cash flows may be materially adversely affected.

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If we are unable to attract suitable principal investigators and recruit and enroll patients for clinical trials, our clinical development business might suffer.

The recruitment of principal investigators and patients for clinical trials is essential to our business. Principal investigators are typically located at hospitals, clinics or other sites and supervise the administration of the investigational drug to patients during the course of a clinical trial. Patients generally include people from the communities in which the clinical trials are conducted. Our clinical development business could be adversely affected if we are unable to attract suitable and willing principal investigators or recruit and enroll patients for clinical trials on a consistent basis. The expanding global nature of clinical trials increases the risk associated with attracting suitable principal investigators and patients, especially if these trials are conducted in regions where our resources or experience may be more limited. For example, if we are unable to engage principal investigators to conduct clinical trials as planned or enroll sufficient patients in clinical trials, we might need to expend additional funds to obtain access to more principal investigators and patients than planned or else be compelled to delay or modify the clinical trial plans, which may result in additional costs to us or cancellation of the trial by our customer. If realized, these risks may also inhibit our ability to attract new business, particularly in certain regions.

Many of the costs for our Phase I Services segment are fixed in nature, which could adversely affect our business, financial condition, results of operations and cash flows.

Since a large amount of the operating costs for our Phase I Services segment are relatively fixed while revenue is subject to fluctuation, moderate variations in the commencement, progress or completion of the Phase I studies in our Phase I Services segment may cause variations in our financial condition, results of operations and cash flows. Expenses must be recognized when incurred and the delay of a contract could adversely affect our service revenues and profitability. Net service revenue from our Phase I Services segment for the year ended December 31, 2014 represented approximately 1% of our total net service revenue for that period.

If we lose the services of key personnel or are unable to recruit experienced personnel, our business, financial condition, results of operations, cash flows or reputation could be materially adversely affected.

Our success substantially depends on the collective performance, contributions and expertise of our senior management team and other key personnel including qualified management, professional, scientific and technical operating staff and business development personnel. There is significant competition for qualified personnel, particularly those with higher educational degrees, in the biopharmaceutical and related services industries. In addition, the close proximity of some of our facilities to offices of our major competitors could adversely impact our ability to successfully recruit and retain key personnel. The departure of any key executive, or our inability to continue to identify, attract and retain qualified personnel or replace any departed personnel in a timely fashion, might impact our ability to grow our business and compete effectively in our industry and might negatively affect our business, financial condition, results of operations, cash flows or reputation.

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Exchange rate fluctuations may have a material adverse effect on our business, financial condition, results of operations or cash flows.

Approximately 28% of our fiscal year 2014 net service revenues were contracted in currencies other than U.S. dollars and 39% of our direct and operating costs are incurred in countries with functional currencies other than U.S. dollars. Our financial statements are reported in U.S. dollars and changes in foreign currency exchange rates could significantly affect our financial condition, results of operations and cash flows. Exchange rate fluctuations between local currencies and the U.S. dollar create risk in several ways, including:

Foreign Currency Risk from Differences in Customer Contract Currency and Operating Costs Currency. The majority of our global contracts are denominated in U.S. dollars or Euros while the currency used to fund our operating costs in foreign countries is denominated in various different currencies. Fluctuations in the exchange rates of the currencies we use to contract with our customers and the currencies in which we incur cost to complete those contracts can have a significant impact on our results of operations.

Foreign Currency Translation Risk. The revenue and expenses of our international operations are generally denominated in local currencies and translated into U.S. dollars for financial reporting purposes. Accordingly, exchange rate fluctuations will affect the translation of international results into U.S. dollars for purposes of reporting our consolidated results.

Foreign Currency Transaction Risk. We are subject to foreign currency transaction risk for fluctuations in exchange rates during the period of time between the consummation and cash settlement of a transaction. We earn revenue from our service contracts denominated in currencies other than U.S. dollars over a period of several months and, in many cases, over several years. Accordingly, exchange rate fluctuations during this period may affect our profitability with respect to such contracts.

We may limit these risks through exchange rate fluctuation provisions stated in our service contracts, or we may hedge our transaction risk with foreign currency exchange contracts or options. We have not, however, mitigated all of our foreign currency transaction risk, and we may experience fluctuations in financial results from our operations outside the United States and foreign currency transaction risk associated with our service contracts.

Unfavorable economic conditions could have a material adverse effect on our business, financial condition, results of operations or cash flows.

Unfavorable economic conditions, including disruptions in the credit and capital markets, could have a negative effect on our business, financial condition, results of operations or cash flows. For example, our customers might not be able to raise money to conduct existing clinical trials, or to fund new drug development and related future clinical trials. In addition, economic or market disruptions could negatively impact our vendors, contractors, or principal investigators which might have a negative effect on our business.

Our effective income tax rate may fluctuate, which may adversely affect our results of operations.

Our effective income tax rate is influenced by our projected profitability in the various taxing jurisdictions in which we operate. Changes in the distribution of profits and losses among taxing jurisdictions may have a significant impact on our effective income tax rate, which in turn could have an adverse effect on our results of operations. Further, we have a full valuation allowance on our net operating loss, or NOL, carryforwards and other net deferred tax assets in the United States and

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United Kingdom, our principal contracting locations. Accordingly, under GAAP, we do not recognize a tax benefit or expense in current operations for income generated in these jurisdictions. Factors that may affect our effective income tax rate include, but are not limited to:

- the requirement to exclude from our quarterly worldwide effective income tax calculations the benefit for losses in jurisdictions where no income tax benefit can be recognized;
- actual and projected full year pre-tax income;
- the repatriation of foreign earnings to the United States;
- uncertain tax positions;
- changes in tax laws in various taxing jurisdictions;
- audits by taxing authorities;
- the establishment of valuation allowances against deferred income tax assets if we determine that it is more likely than not that future income tax benefits will not be realized;
- the release of a previously established valuation allowances against deferred income tax assets if we determine that it is more likely than not that future income tax benefits will be realized; and
- changes in the relative mix and size of clinical studies in various tax jurisdictions.

These changes may cause fluctuations in our effective income tax rate that could adversely affect our results of operations and cause fluctuations in our earnings and earnings per share.

We may be limited in our ability to utilize, or may not be able to utilize, net operating loss, or NOL, carryforwards to reduce our future tax liability.

As of December 31, 2014, we had U.S. federal NOL carryforwards of approximately $185 million and state NOL carryforwards of approximately $263 million, which are limited annually due to certain change in ownership provisions of Section 382 of the Internal Revenue Code of 1986, as amended, or the Code. Based on our estimates, approximately $5.1 million of our federal NOL carryforwards are subject to limitation under Section 382 of the Code and will expire unused. In addition, as a result of the Kendle acquisition, approximately $76.6 million in NOL carryforwards are subject to an annual Section 382 base limitation of $7.7 million. The limitation is not expected to impact the realization of the deferred tax assets associated with these NOLs. Our federal NOL carryforwards will begin to expire in 2018 and will completely expire in 2033. Our state NOL carryforwards may be used over various

periods ranging from one to 20 years. See Note 10 to our consolidated financial statements included in our 2014 Form 10-K for a further discussion of our tax loss carryovers and current limitations on our ability to utilize NOLs.

Future ownership changes within the meaning of Section 382(g) of the Code may subject our tax loss carryforwards to annual limitations which would restrict our ability to use them to offset our taxable income in periods following the ownership changes. In general, the annual use limitation equals the aggregate value of our equity at the time of the ownership change multiplied by a specified tax-exempt interest rate.

We have had significant financial losses in previous years and, as a result, we currently maintain a full valuation allowance for our deferred tax assets including our federal and state NOL carryforwards.

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We have only a limited ability to protect our intellectual property rights, and these rights are important to our success.

We develop, use and protect our proprietary methodologies, analytics, systems, technologies and other intellectual property. Existing laws of the various countries in which we provide services or solutions offer only limited protection of our intellectual property rights, and the protection in some countries may be very limited. We rely upon a combination of trade secrets, confidentiality policies, nondisclosure agreements, and other contractual arrangements, and copyright and trademark laws, to protect our intellectual property rights. These laws are subject to change at any time and certain agreements might not be fully enforceable, which could further restrict our ability to protect our innovations. Our intellectual property rights might not prevent competitors from independently developing services similar to or duplicative of ours or alleging infringement by us of their intellectual property rights in certain jurisdictions. The steps we take in this regard might not be adequate to prevent or deter infringement or misappropriation of our intellectual property or claims against us for alleged infringement or misappropriation by competitors, former employees or other third parties. Furthermore, we might not be able to detect unauthorized use of, or take appropriate and timely steps to enforce, our intellectual property rights. Enforcing our rights might also require considerable time, money and oversight, and we might not be successful in enforcing our rights.

If we are unable to successfully integrate potential future acquisitions, our business, financial condition, results of operations and cash flows could be materially adversely affected.

We have completed a number of acquisitions in the past and anticipate that a portion of our future growth may come from strategic tuck-in acquisitions. The success of any acquisition will depend upon, among other things, our ability to effectively integrate acquired personnel, operations, products and technologies into our business and to retain the key personnel and customers of our acquired businesses. In addition, we may be unable to identify suitable acquisition opportunities or obtain any necessary financing on commercially acceptable terms. We may also spend time and money investigating and negotiating with potential acquisition targets but not complete the transaction. Any acquisition could involve other risks, including, among others, the assumption of additional liabilities and expenses, difficulties and expenses in connection with integrating the acquired companies and achieving the expected benefits, issuances of potentially dilutive securities or interest-bearing debt, loss of key employees of the acquired companies, transaction expenses, diversion of management s attention from other business concerns and, with respect to the acquisition of international companies, the inability to overcome differences in international business practices, language and customs. Our failure to successfully integrate potential future acquisitions could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Potential future investments in our customers businesses or drugs could have a negative impact on our financial results.

Although we historically have not engaged in business transactions with our customers other than to provide our services, we may in the future enter into arrangements with our customers or other drug companies in which we take on some of the risk of the potential success or failure of their businesses or drugs, including making strategic investments in our customers or other drug companies, providing financing to customers or other drug companies or acquiring an interest in the revenues from customers drugs or in entities developing a limited number of drugs. Our financial results would be adversely affected if any such investments or the underlying drugs result in losses or do not achieve the level of success that we anticipate and/or our return or payment from any such drug investment or financing is less than our direct and indirect costs with respect to these arrangements.

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Our relationships with existing or potential customers who are in competition with each other may adversely impact the degree to which other customers or potential customers use our services, which may adversely affect our business, financial condition, results of operations or cash flows.

The biopharmaceutical industry is highly competitive, with biopharmaceutical companies each seeking to persuade payers, providers and patients that their drug therapies are better and more cost-effective than competing therapies marketed or being developed by competing firms. In addition to the adverse competitive interests that biopharmaceutical companies have with each other, biopharmaceutical companies also have adverse interests with respect to drug selection and reimbursement with other participants in the healthcare industry, including payers and providers. Biopharmaceutical companies also compete to be first to market with new drug therapies. We regularly provide services to biopharmaceutical companies who compete with each other, and we sometimes provide services to such customers regarding competing drugs in development. Our existing or future relationships, particularly broader strategic provider relationships, with our biopharmaceutical customers may therefore deter other biopharmaceutical customers from using our services or may result in our customers seeking to place limits on our ability to serve other biopharmaceutical industry participants. In addition, our further expansion into the broader healthcare market may adversely impact our relationships with biopharmaceutical customers, and such customers may elect not to use our services, reduce the scope of services that we provide to them or seek to place restrictions on our ability to serve customers in the broader healthcare market with interests that are adverse to theirs. Any loss of customers or reductions in the level of revenues from a customer could have a material adverse effect on our business, financial condition, results of operations or cash flows.

Our results of operations may be adversely affected if we fail to realize the full value of our goodwill and intangible assets.

As of June 30, 2015, we had goodwill and net intangible assets of $724.9 million, which constituted approximately 60% of our total assets. We periodically (at least annually unless triggering events occur that cause an interim evaluation) evaluate goodwill and other acquired intangible assets for impairment. Any future determination requiring the write off of a portion of our goodwill or other acquired intangible assets could adversely affect our business, financial condition, and results of operations. If we are not able to realize the value of the goodwill and indefinite-lived intangible assets, we may be required to incur material charges relating to the impairment of those assets. During the year ended December 31, 2014, we recorded an impairment of our intangible assets of $8.0 million and our goodwill of $9.2 million associated with our Phase I Services and Global Consulting reporting units. During the first quarter of 2015, we continued to observe deteriorating performance in our Phase I Services reporting unit, resulting in a triggering event requiring an evaluation of both long-lived assets and goodwill for potential impairment. As a result of this evaluation, for the six months ended June 30, 2015, we recorded a total asset impairment charge of $3.9 million, consisting of a long-lived assets impairment charge of $1.0 million and a goodwill impairment charge of $2.9 million. As of June 30, 2015, there were no intangible assets associated with Phase I Services. Similar impairment charges in the future could materially and adversely affect our business, financial condition, results of operations and cash flows.

We face risks arising from the restructuring of our operations which could adversely affect our business, financial condition, results of operations, cash flows or reputation.

From time to time, we have adopted cost savings initiatives to improve our operating efficiency through various means such as reduction of overcapacity, primarily in our costs of services (billable) function, or other realignment of resources. For example, in the second quarter of 2015, we initiated restructuring activities to better align our resources worldwide, resulting in the reduction in workforce by approximately 60 employees, primarily across the United States and certain countries in Europe and

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principally within the Clinical Development Services operations group and several corporate administrative functions. We expect to be completed with these restructuring activities by the end of 2015. In the second quarter of 2014, we initiated restructuring activities related to the closure of our Glasgow facility and partial closure of our Cincinnati facility. The plan was substantially completed by December 31, 2014. Similarly, in March 2013, we adopted a plan to better align headcount and costs with current geographic sources and mix of revenue. The plan was completed by December 31, 2013 and involved the elimination of approximately 325 employee and contract positions. As a result of these restructuring activities, we incurred significant one-time costs, which consist primarily of severance, retention bonuses, professional fees, IT costs, facility closure costs, legal expenses and various other costs. In March 2012, in addition to synergies directly related to our acquisition of Kendle, we initiated a restructuring plan to align headcount with our existing book of business that led to a reduction in global headcount of approximately 250 employees. In order to realize the synergies related to our acquisition of Kendle and the cost savings from these additional staff realignment initiatives, we incurred significant one-time costs, which consist primarily of severance, retention bonuses, professional fees, IT transition costs, facility closure costs, legal expenses and various other costs. During the six months ended June 30, 2015, and the years ended December 31, 2014, 2013 and 2012, we incurred total pre-tax charges of $1.6 million, $6.2 million, $11.8 million and $35.4 million, respectively, associated with our restructuring initiatives. Restructuring presents significant potential risks of events occurring that could adversely affect us, including a decrease in employee morale, a greater number of employment claims, the failure to achieve targeted cost savings and the failure to meet operational targets and customer requirements due to the loss of employees and any work stoppages that might occur, which, individually or in aggregate, could have a material adverse effect on our business, financial condition, results of operations, cash flows or reputation.

We operate in many different jurisdictions and we could be adversely affected by violations of the FCPA, UK Bribery Act of 2010 and/or similar worldwide anti-corruption laws.

The FCPA, UK Bribery Act of 2010 and similar worldwide anti-corruption laws prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. Our internal policies mandate compliance with these anti-corruption laws. We operate in many parts of the world that have experienced corruption to some degree and, in certain circumstances, anti-corruption laws have appeared to conflict with local customs and practices. Despite our training and compliance programs, we cannot assure that our internal control policies and procedures will protect us from acts in violation of anti-corruption laws committed by persons associated with us, and our continued expansion outside the United States, including in developing countries, could increase such risk in the future. Violations of the FCPA or other non-U.S. anti-corruption laws, or even allegations of such violations, could disrupt our business and result in a material adverse effect on our financial condition, results of operations, cash flows and reputation. For example, violations of anti-corruption laws can result in restatements of, or irregularities in, our financial statements as well as severe criminal or civil sanctions. In some cases, companies that violate the FCPA might be debarred by the U.S. government and/or lose their U.S. export privileges. In addition, U.S. or other governments might seek to hold us liable for successor liability FCPA violations or violations of other anti-corruption laws committed by companies that we acquire or in which we invest. Changes in anti-corruption laws or enforcement priorities could also result in increased compliance requirements and related costs which could adversely affect our business, financial condition, results of operations and cash flows.

The failure of third parties to provide us critical support services could adversely affect our business, financial condition, results of operations, cash flows or reputation.

We depend on third parties for support services vital to our business. Such support services include, but are not limited to, laboratory services, third-party transportation and travel providers, freight forwarders and customs brokers, drug depots and distribution centers, suppliers or contract

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manufacturers of drugs for patients participating in clinical trials, and providers of licensing agreements, maintenance contracts or other services. In addition, we also rely on third-party CROs and other contract clinical personnel for clinical services either in regions where we have limited resources, or in cases where demand cannot be met by our internal staff. The failure of any of these third parties to adequately provide us critical support services could have a material adverse effect on our business, financial condition, results of operations, cash flows or reputation.

The operation of our Phase I clinical facility and the services we provide there including direct interaction with clinical trial patients or volunteers could create potential liability that may adversely affect our business, financial condition, results of operations, cash flows and reputation.

We operate one facility where Phase I clinical trials are conducted. Phase I clinical trials ordinarily involve testing an investigational drug on a limited number of healthy individuals, typically 20 to 120 persons, to evaluate its safety, determine a safe dosage range and identify side effects. Some of these trials involve the administration of investigational drugs to known substance abusers. Failure to operate such a facility in accordance with applicable regulations could result in that facility being shut down, which could disrupt our operations and adversely affect our business, financial condition, results of operations, cash flows and reputation. Additionally, we face risks resulting from the administration of drugs to volunteers, including adverse events, and the professional malpractice of medical care providers. We also directly employ nurses and other trained employees who assist in implementing the testing involved in our clinical trials, such as drawing blood from healthy volunteers. Any professional malpractice or negligence by such principal investigators, nurses or other employees could potentially result in liability to us in the event of personal injury to or death of a volunteer in clinical trials. This liability, particularly if it were to exceed the limits of any indemnification agreements and insurance coverage we may have, may adversely affect our business and financial condition, results of operations, cash flows and reputation.

Risks Related to Our Industry

We face intense competition in many areas of our business and, if we do not compete effectively, our business may be harmed.

The CRO industry is highly competitive. We often compete for business with other CROs and internal development departments, some of which could be considered large CROs in their own right. We also compete with universities and teaching hospitals. Some of these competitors have greater financial resources and a wider range of service offerings over a greater geographic area than we do. If we do not compete successfully, our business will suffer. The industry is highly fragmented, with numerous smaller specialized companies and a handful of full-service companies with global capabilities similar to ours. Increased competition has led to price and other forms of competition, such as acceptance of less favorable contract terms, which could adversely affect our operating results. In recent years our industry has experienced consolidation and a number of going private transactions. This trend is likely to produce more competition from the resulting larger companies, and ones without the cost pressures of being public, for both customers and acquisition candidates. In addition, there are few barriers to entry for smaller specialized companies considering entering the industry. Because of their size and focus, small CROs might compete effectively against larger companies such as us, especially in lower cost geographic areas, which could have a material adverse effect on our business.

Outsourcing trends in the biopharmaceutical industry and changes in aggregate spending and research and development budgets could adversely affect our operating results and growth rate.

Our revenues depend on the level of R&D expenditures, size of the drug-development pipelines and outsourcing trends of the biopharmaceutical industry, including the amount of such R&D spend

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that is outsourced and subject to competitive bidding among CROs. Accordingly, economic factors and industry trends that affect biopharmaceutical companies affect our business. Biopharmaceutical companies continue to seek long-term strategic collaborations with global CROs with favorable pricing terms. Competition for these collaborations is intense and we might not be selected, in which case a competitor may enter into the collaboration and our business with the customer, if any, may be limited. Our success depends in part on our ability to establish and maintain preferred provider relationships with large biopharmaceutical companies. Our failure to develop or maintain these preferred provider relationships could have a material adverse effect on our business and results of operations. Furthermore, in order to obtain preferred provider relationships, we may have to reduce the prices for our services, which could negatively impact our gross margin for these services.

In addition, if the biopharmaceutical industry reduces its outsourcing of clinical trials or such outsourcing fails to grow at projected rates, our business, financial condition, results of operations and cash flows could be materially and adversely affected. We may also be negatively impacted by consolidation and other factors in the biopharmaceutical industry, which may slow decision making by our customers, result in the delay or cancellation of existing projects, cause reductions in overall R&D expenditures, or lead to increased pricing pressures. Further, in the event that one of our customers combines with a company that is using the services of one of our competitors, the combined company could decide to use the services of that competitor or another provider. All of these events could adversely affect our business, financial condition, cash flows or results of operations.

If we fail to comply with federal, state, and foreign healthcare laws, including fraud and abuse laws, we could face substantial penalties and our business, financial condition, results of operations, cash flows and prospects could be adversely affected.

Even though we do not and will not order healthcare services or bill directly to Medicare, Medicaid or other third-party payers, certain federal and state healthcare laws and regulations pertaining to fraud and abuse are and will be applicable to our business. We could be subject to healthcare fraud and abuse laws of both the federal government and the states in which we conduct our business. Because of the breadth of these laws and the narrowness of available statutory and regulatory exceptions, it is possible that some of our business activities could be subject to challenge under one or more of such laws. If we or our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including civil and criminal penalties, damages, fines, imprisonment, and the curtailment or restructuring of our operations, any of which could materially adversely affect our ability to operate our business and our financial results.

We may be affected by healthcare reform and potential additional reforms which may adversely impact the biopharmaceutical industry and reduce the need for our services or negatively impact our profitability.

Numerous government bodies are considering or have adopted healthcare reforms and may undertake, or are in the process of undertaking, efforts to control healthcare costs through legislation, regulation and agreements with healthcare providers and biopharmaceutical companies, including many of our customers. By way of example, in March 2010, the Affordable Care Act was signed into law. Among other things, this law imposes cost-containment measures intended to reduce or constrain the growth of healthcare spending, enhances available remedies for addressing healthcare fraud and abuse, adds new requirements for biopharmaceutical companies to disclose payments to physicians, including principal investigators, imposes new taxes and fees on biopharmaceutical manufacturers and imposes additional health policy reforms. We are uncertain as to the full effect of these reforms on our business at this time and are unable to predict what legislative proposals, if any, will be adopted in the future. If regulatory cost-containment efforts limit the profitability of new drugs by, for example,

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continuing to place downward pressure on pharmaceutical pricing and/or increasing regulatory burdens and operating costs of the biopharmaceutical industry, our customers may reduce their R&D spending, which could reduce the business they outsource to us. In addition, if regulatory requirements are relaxed or simplified drug approval procedures are adopted, the demand for our services could decrease.

Government bodies have also adopted and may continue to adopt new healthcare legislation or regulations that are more burdensome than existing regulations. For example, product safety concerns and recommendations by the Drug Safety Oversight Board could change the regulatory environment for drug products, and new or heightened regulatory requirements may increase our expenses or limit our ability to offer some of our services. We might have to incur additional costs to comply with these or other new regulations, and failure to comply could harm our financial condition, results or operations, cash flows, and reputation. Additionally, new or heightened regulatory requirements may have a negative impact on the ability of our customers to conduct industry-sponsored clinical trials, which could reduce the need for our post-approval development services.

Current and proposed laws and regulations regarding the protection of personal data could result in increased risks of liability or increased cost to us or could limit our service offerings.

The confidentiality, collection, use and disclosure of personal data, including clinical trial patient-specific information, are subject to governmental regulation generally in the country in which the personal data was collected or used. For example, U.S. federal regulations under the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health, or HITECH, Act, or collectively, HIPAA, generally require individuals written authorization, in addition to any required informed consent, before protected health information, or PHI, may be used for research and such regulations specify standards for de-identifications and for limited data sets. We may also be subject to applicable state privacy and security laws and regulations in states in which we operate. We are indirectly affected by the privacy provisions surrounding individual authorizations because many principal investigators with whom we are involved in clinical trials are directly subject to them as a HIPAA covered entity. In addition, we obtain identifiable health information from third parties that are subject to such regulations. While we do not believe we are a business associate under HIPAA, regulatory agencies may disagree. Because of amendments to the HIPAA data security and privacy rules that were promulgated on January 25, 2013, some of which went into effect on March 26, 2013, there are some instances where HIPAA business associates of a covered entity may be directly liable for breaches of PHI and other HIPAA violations. These amendments may subject business associates to HIPAA s enforcement scheme, which, as amended, can yield up to $1.5 million in annual civil penalties for each HIPAA violation.

In the European Union, or EU, personal data includes any information that relates to an identified or identifiable natural person with health information carrying additional obligations, including obtaining the explicit consent from the individual for collection, use or disclosure of the information. In addition, we are subject to EU rules with respect to cross-border transfers of such data out of the EU. The United States, the EU and its member states, and other countries where we have operations, such as Japan, South Korea, Malaysia, the Philippines, Russia and Singapore, continue to issue new privacy and data protection rules and regulations that relate to personal data and health information. Failure to comply with certain certification/registration and annual re-certification/registration provisions associated with these data protection and privacy regulations and rules in various jurisdictions, or to resolve any serious privacy or security complaints, could subject us to regulatory sanctions, delays in clinical trials, criminal prosecution or civil liability. Federal, state and foreign governments may propose or have adopted additional legislation governing the collection, possession, use or dissemination of personal data, such as personal health information, and personal financial data as well as security breach notification rules for loss or theft of such data. Additional legislation or regulation of this type

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might, among other things, require us to implement new security measures and processes or bring within the legislation or regulation de-identified health or other personal data, each of which may require substantial expenditures or limit our ability to offer some of our services. Additionally, if we violate applicable laws, regulations or duties relating to the use, privacy or security of personal data, we could be subject to civil liability or criminal prosecution, be forced to alter our business practices and suffer reputational harm. In the next few years, the European data protection framework may be revised as a generally applicable data regulation. The text has not yet been finalized, but it contains new provisions specifically directed at the processing of health information, sanctions of up to 2% of worldwide gross revenue and extra-territoriality measures intended to bring non-EU companies under the proposed regulation.

Actions by regulatory authorities or customers to limit the scope of or withdraw an approved drug from the market could result in a loss of revenue.

Government regulators have the authority, after approving a drug or device, to limit its indication for use by requiring additional labeled warnings or to withdraw the drug or device s approval for its approved indication based on safety concerns. Similarly, customers may act to voluntarily limit the availability of approved drugs or devices or withdraw them from the market after we begin our work. If we are providing services to customers for drugs or devices that are limited or withdrawn, we may be required to narrow the scope of or terminate our services with respect to such drugs or devices, which would prevent us from earning the full amount of service revenue anticipated under the related service contracts.

If we do not keep pace with rapid technological change, our services may become less competitive or obsolete.

The biopharmaceutical industry generally, and drug development and clinical research more specifically, are subject to rapid technological change. Our current competitors or other businesses might develop technologies or services that are more effective or commercially attractive than, or render obsolete, our current or future technologies and services. If our competitors introduce superior technologies or services and if we cannot make enhancements to remain competitive, our competitive position would be harmed. If we are unable to compete successfully, we may lose customers or be unable to attract new customers, which could lead to a decrease in our revenue and have an adverse impact on our financial condition.

In addition, the operation of our business relies on IT infrastructure and systems delivered across multiple platforms. The failure of our systems to perform could severely disrupt our business and adversely affect our results of operations. Our systems are also vulnerable to demise from natural or man-made disasters, terrorist attacks, computer viruses or hackers, power loss or other technology system failures. These events could adversely affect our business or results of operations.

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Risks Related to Our Indebtedness

Our substantial debt could adversely affect our financial condition.

As of June 30, 2015, our total principal amount of indebtedness, including capital leases, was $475.1 million and we had up to $149.0 million of additional borrowing capacity available under the 2015 Credit Agreement. Our substantial indebtedness could adversely affect our financial condition and thus make it more difficult for us to satisfy our obligations with respect to our senior secured facilities. If our cash flow is not sufficient to service our debt and adequately fund our business, we may be required to seek further additional financing or refinancing or dispose of assets. We might not be able to influence any of these alternatives on satisfactory terms or at all. Our substantial indebtedness could also:

increase our vulnerability to adverse general economic, industry or competitive developments;

require us to dedicate a more substantial portion of our cash flows from operations to payments on our indebtedness, thereby reducing the availability of our cash flows to fund working capital, investments, acquisitions, capital expenditures, and other general corporate purposes;

limit our ability to make required payments under our existing contractual commitments, including our existing long-term indebtedness;

limit our ability to fund a change of control offer;

require us to sell certain assets;

restricting us from making strategic investments, including acquisitions or causing us to make non-strategic divestitures;

limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

place us at a competitive disadvantage compared to our competitors that have less debt;

cause us to incur substantial fees from time to time in connection with debt amendments or refinancings;

increase our exposure to rising interest rates because a substantial portion of our borrowings is at variable interest rates; and

limit our ability to borrow additional funds or to borrow on terms that are satisfactory to us.

Despite our level of indebtedness, we are able to incur more debt and undertake additional obligations. Incurring such debt or undertaking such additional obligations could further exacerbate the risks to our financial condition.

We may be able to incur substantial additional indebtedness in the future. Although covenants under our credit agreement limit our ability to incur certain additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. To the extent we incur additional indebtedness, the risks associated with our leverage described above, including our possible inability to service our debt obligations would increase.

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Servicing our debt will require a significant amount of cash, and our ability to generate sufficient cash depends on many factors, some of which are beyond our control.

Our ability to make payments on and refinance our debt, make strategic acquisitions and to fund capital expenditures depends on our ability to generate cash flow in the future. To some extent, our ability to generate future cash flow is subject to general economic, financial, competitive and other factors that are beyond our control. We cannot assure you that:

- our business will generate sufficient cash flow from operations;
- we will continue to realize the cost savings, revenue growth and operating improvements that resulted from the execution of our long-term strategic plan; or
- future sources of funding will be available to us in amounts sufficient to enable us to fund our liquidity needs.

We also may experience difficulties repatriating cash from foreign subsidiaries and accounts due to law, regulation or contracts which could further constrain our liquidity. If we cannot fund our liquidity needs, we will have to take actions such as reducing or delaying capital expenditures, marketing efforts, strategic acquisitions, investments and alliances, selling assets, restructuring or refinancing our debt or seeking additional equity capital. We cannot assure you that any of these remedies could, if necessary, be effected on commercially reasonable or favorable terms, or at all, or that they would permit us to meet our scheduled debt service obligations. Any inability to generate sufficient cash flow or refinance our debt on favorable terms could have a material adverse effect on our financial condition. In addition, if we incur additional debt, the risks associated with our substantial leverage, including the risk that we will be unable to service our debt or generate enough cash flow to fund our liquidity needs, could intensify.

Covenant restrictions under our credit agreement may limit our ability to operate our business.

Our credit agreement contains covenants that may restrict our ability to, among other things, borrow money, pay dividends, make capital expenditures, make strategic acquisitions and effect a consolidation, merger or disposal of all or substantially all of our assets. Although the covenants in our credit agreement are subject to various exceptions, we cannot assure you that these covenants will not adversely affect our ability to finance future operations or capital needs or to engage in other activities that may be in our best interest. In addition, in certain circumstances, our long-term debt requires us to maintain a specified financial ratio and satisfy certain financial condition tests, which may require that we take action to reduce our debt or to act in a manner contrary to our business objectives. A breach of any of these covenants could result in a default under our credit agreement. If an event of default under our credit agreement occurs, the lenders thereunder could elect to declare all amounts outstanding, together with accrued interest, to be immediately due and payable. In such case, we might not have sufficient funds to repay all the outstanding amounts. In addition, our credit agreement is secured by first priority security interests on substantially all of our real and personal property, including the capital stock of certain of our subsidiaries. If an event of default under our credit agreement occurs, the lenders thereunder could exercise their rights under the related security documents. Any acceleration of amounts due under our credit agreement or the substantial exercise by the lenders of their rights under the security documents would likely have a material adverse effect on us.

Interest rate fluctuations may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Because we have variable rate debt, fluctuations in interest rates may affect our business, financial condition, results of operations and cash flows. We may attempt to minimize interest rate risk and lower our overall borrowing costs through the utilization of derivative financial instruments, primarily interest rate swaps. As of June 30, 2015 we had approximately $475.0 million of total indebtedness with variable interest rates.

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Risks Related to Our Class A Common Stock and this Offering

Our stock price might fluctuate significantly, which could cause the value of your investment in our common stock to decline, and you might not be able to resell your shares at a price at or above the public offering price.

Since our IPO in November 2014, the price of our Class A common stock, as reported by NASDAQ, has ranged from a low of $19.61 on November 7, 2014 to a high of $51.69 on August 3, 2015. In addition, securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our common stock regardless of our results of operations. The public market of our Class A common stock is very new, and its trading price is likely to be volatile and subject to significant price fluctuations in response to many factors, including:

- market conditions or trends in our industry, including with respect to the regulatory environment, or the economy as a whole;
- fluctuations in quarterly operating results, as well as differences between our actual financial and operating results and those expected by investors;
- changes in key personnel;
- entry into new markets;
- announcements by us or our competitors of new service offerings or significant acquisitions, divestitures, strategic partnerships, joint ventures or capital commitments;
- actions by competitors;
- changes in operating performance and stock market valuations of other companies;
- investors perceptions of our prospects and the prospects of the industry;
- the public s response to press releases or other public announcements by us or third parties, including our filings with the SEC;
- announcements related to litigation;

guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance;

changes in financial estimates or ratings by any securities analysts who follow our common stock, our failure to meet these estimates or the failure of those analysts to initiate or maintain coverage of our common stock;

changes in the credit ratings of our debt;

the development and sustainability of an active trading market for our common stock;

investor perceptions of the investment opportunity associated with our common stock relative to other investment alternatives;

future sales of our common stock by our officers, directors and significant stockholders;

other events or factors, including those resulting from system failures and disruptions, earthquakes, hurricanes, war, acts of terrorism, other natural disasters or responses to these events; and

changes in accounting principles.

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These and other factors may cause the market price and demand for shares of our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of our common stock and may otherwise negatively affect the liquidity of our Class A common stock. In that event, the price of our Class A common stock would likely decrease. In the past, when the market price of a stock has been volatile, security holders have often instituted class action litigation against the company that issued the stock. If we become involved in this type of litigation, regardless of the outcome, we could incur substantial legal costs and our management s attention could be diverted from the operation of our business, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We do not expect to pay any cash dividends for the foreseeable future.

We do not anticipate that we will pay any dividends to holders of our Class A common stock for the foreseeable future. Any payment of cash dividends will be at the discretion of our Board and will depend on our financial condition, capital requirements, legal requirements, earnings and other factors. Our ability to pay dividends is restricted by the terms of our credit agreement and might be restricted by the terms of any indebtedness that we incur in the future. Consequently, you should not rely on dividends in order to receive a return on your investment. See Dividend Policy.

Future sales of our common stock in the public market could cause the market price of our Class A common stock to decrease significantly.

Sales of substantial amounts of our Class A common stock in the public market may cause the market price of our Class A common stock to decrease significantly. The perception that such sales could occur could also depress the market price of our Class A common stock. Any such sales could also create public perception of difficulties or problems with our business and might also make it more difficult for us to raise capital through the sale of equity securities in the future at a time and price that we deem appropriate.

Upon the consummation of this offering, we will have 53,168,505 outstanding shares of Class A common stock and 3,167,439 outstanding shares of our Class B common stock, of which:

- 8,000,000 shares are shares that our selling stockholders are selling to the public in this offering unless purchased by affiliates, may be resold in the public market immediately after this offering; and
- 30,652,076 shares will be restricted securities, as defined under Rule 144 under the Securities Act, and be eligible for sale in the public market subject to the requirements of Rule 144; of these, 30,558,856 shares are subject to lock-up agreements expiring 60 days after the date of this prospectus, respectively, and the remainder will become available for resale in the public market immediately following this offering.

The lock-up agreements with the underwriters prohibit a stockholder from selling, contracting to sell or otherwise disposing of any common stock or securities that are convertible or exchangeable for common stock or entering into any arrangement that transfers the economic consequences of ownership of our common stock until at least 60 days from the date of the prospectus filed in connection with this offering, although the representatives may, in their sole discretion and at any time without notice, release all or any portion of the securities subject to these lock-up agreements. Upon a request to release any shares subject to a lock-up, the representatives would consider the particular circumstances surrounding the request including, but not limited to, the length of time before the lock-up expires, the number of shares requested to be released, reasons for the request, the possible impact on the market for

our common stock and whether the holder of our shares requesting the release is an officer, director or other affiliate of ours. See Shares Eligible for Future Sale and Underwriting.

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As restrictions on resale expire or as shares are registered, our share price could drop significantly if the holders of these restricted or newly registered shares sell them or are perceived by the market as intending to sell them. These sales might also make it more difficult for us to raise capital through the sale of equity securities in the future at a time and at a price that we deem appropriate.

See the information under the heading Shares Eligible for Future Sale for a more detailed description of the shares that will be available for future sales upon consummation of this offering.

Our Sponsors effectively control our company, and their interests may be different from or conflict with those of our other stockholders.

After the consummation of this offering, the Sponsors will collectively beneficially own % of our outstanding Class A common stock. As a consequence, the Sponsors will be continue to be able to exert a significant degree of influence or actual control over our management and affairs and will control matters requiring stockholder approval, including the election of directors, a merger, consolidation or sale of all or substantially all of our assets, and any other significant transaction. Additionally, the Sponsors are and, following the completion of this offering, will continue to be parties to a stockholders agreement, or the Stockholders Agreement. The Stockholders Agreement, among other things, imposes certain transfer restrictions on the shares held by such stockholders and requires such stockholders to vote in favor of certain nominees to our Board. For a discussion of the Stockholders Agreement, see Certain Relationships and Related Person Transactions. The interests of the Sponsors might not always coincide with our interests or the interests of our other stockholders. For instance, this concentration of ownership and/or the restrictions imposed by the Stockholders Agreement may have the effect of delaying or preventing a change in control of us otherwise favored by our other stockholders and could depress our stock price.

The Sponsors each make investments in companies and may, from time to time, acquire and hold interests in businesses that compete directly or indirectly with us. The Sponsors may also pursue, for its own accounts, acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities might not be available to us. Our organizational documents contain provisions renouncing any interest or expectancy held by our directors affiliated with the Sponsors in certain corporate opportunities. Accordingly, the interests of the Sponsors may supersede ours, causing the Sponsors or their affiliates to compete against us or to pursue opportunities instead of us, for which we have no recourse. Such actions on the part of the Sponsors and inaction on our part could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The Sponsors control four seats on our Board. Since the Sponsors could invest in entities that directly or indirectly compete with us, when conflicts arise between the interests of the Sponsors and the interests of our stockholders, these directors may not be disinterested.

We are a controlled company within the meaning of the NASDAQ rules and, as a result, rely on exemptions from certain corporate governance requirements. Our stockholders will not have the same protections afforded to stockholders of companies that are subject to such requirements.

Following this offering, the Sponsors will together continue to control a majority of the voting power of our outstanding common stock. As a result, we are a controlled company within the meaning of the corporate governance standards of the NASDAQ. Under these rules, a company of which more than 50% of the voting power is held by an individual, group or another company is a controlled company and may elect not to comply with certain corporate governance requirements, including:

the requirement that a majority of our Board consist of independent directors;

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the requirement that we have a nominating/corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities, or otherwise have director nominees selected by vote of a majority of the independent directors;

the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities; and

the requirement for an annual performance evaluation of the nominating/corporate governance and compensation committees.

As a result, we will not have a majority of independent directors, our nominating and corporate governance committee and compensation committee will not consist entirely of independent directors and such committees will not be subject to annual performance evaluations. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NASDAQ.

The Sponsors are not subject to any contractual obligation to retain their controlling interest, except that they have agreed, subject to certain exceptions, not to sell or otherwise dispose of any shares of our common stock or other capital stock or other securities exercisable or convertible therefor for a period of at least 60 days after the date of this prospectus without the prior written consent of the underwriters in this offering. Except for this brief period, there can be no assurance as to the period of time during which the Sponsors will maintain their ownership of our common stock following the offering. As a result, there can be no assurance as to the period of time during which we will be able to avail ourselves of the controlled company exemptions.

Provisions of our corporate governance documents and Delaware law could make an acquisition of our company more difficult and may prevent attempts by our stockholders to replace or remove our current management, even if beneficial to our stockholders.

Provisions of our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that delay, defer or discourage transactions involving an actual or potential change in control of us or change in our management that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our Class A common stock, thereby depressing the market price of our Class A common stock. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board. Because our Board is responsible for appointing the members of our management team, these provisions could in turn affect any attempt to replace current members of our management team. Among others, these provisions include, (1) our ability to issue preferred stock without stockholder approval, (2) the requirement that our stockholders may not act without a meeting, (3) requirements for advance notification of stockholder nominations and proposals contained in our bylaws, (4) the absence of cumulative voting for our directors, (5) requirements for stockholder approval of certain business combinations and (6) the limitations on director nominations contained in our Stockholders Agreement. See Description of Capital Stock for more detail.

Additionally, Section 203 of the Delaware General Corporation Law, or the DGCL, prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder, generally a person which together with its affiliates owns, or within the last three years has owned, 15% of our voting stock, for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a

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prescribed manner. The existence of the foregoing provision could also limit the price that investors might be willing to pay in the future for shares of our Class A common stock, thereby depressing the market price of our Class A common stock.

We will incur increased costs and obligations as a result of being a public company.

As a new public company, we are required to comply with certain additional corporate governance and financial reporting practices and policies required of a publicly traded company. As a result, we have and will continue to incur significant legal, accounting and other expenses that we were not required to incur as a privately held company, due to compliance requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley, the Dodd-Frank Act, the listing requirements of NASDAQ and other applicable securities rules and regulations. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and operating results with the SEC. We are also required to ensure that we have the ability to prepare financial statements that are fully compliant with all SEC reporting requirements on a timely basis. We expect to incur additional annual expenses of $3.0 million to $5.0 million related to these increased requirements, including additional directors and officers liability insurance, director fees, transfer agent fees, accounting, legal and administrative personnel expenses, and increased auditing and legal fees. Compliance with these rules and regulations will increase our legal and financial compliance costs, and might make some activities more difficult, time-consuming or costly and increase demand on our systems and resources.

As a public company, we will, among other things:

- prepare and distribute periodic public reports and other stockholder communications in compliance with our obligations under the federal securities laws and applicable NASDAQ rules;
- create or expand the roles and duties of our board of directors, or our Board, and committees of the Board;
- institute more comprehensive financial reporting and disclosure compliance functions;
- enhance our investor relations function;
- establish new internal policies, including those relating to disclosure controls and procedures; and
- involve and retain to a greater degree outside counsel and accountants in the activities listed above.

These changes will require a significant commitment of additional resources. We might not be successful in complying with these obligations and the significant commitment of resources required for complying with them could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our internal control over financial reporting does not currently meet all the standards of Section 404 of Sarbanes-Oxley and failure to achieve and maintain effective internal control over financial reporting when required could have a material adverse effect on our stock price, reputation, business, financial condition, results

of operations and cash flows.

Section 404 of Sarbanes-Oxley requires annual management assessments of the effectiveness of internal control over financial reporting, starting with our annual report on Form 10-K for the year ended December 31, 2015. Because we are no longer an emerging growth company, our independent registered public accounting firm will also be required to attest to the effectiveness of our internal control over financial reporting on an annual basis beginning with our annual report on Form 10-K for the year ended December 31, 2015. The rules governing the standards that must be met for our

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management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation of our existing controls and could result in incurring significant additional expenditures.

We are in the process of designing, implementing, and testing the internal control over our financial reporting in order to comply with this obligation. The process necessary to meet these requirements is time consuming, costly, and complicated. In connection with the implementation of the necessary procedures and practices related to internal control over financial reporting, we may identify deficiencies that cause us to incur significant costs and cause distractions from our business objectives and for which we might not be able to remediate deficiencies in time to meet the deadlines imposed by Sarbanes-Oxley for compliance with the requirements of Section 404. In addition, we may encounter problems or delays in completing the implementation of any required improvements and receiving a favorable attestation in connection with the attestation provided by our independent registered public accounting firm. Further, material weaknesses or significant deficiencies in our internal control over financial reporting may exist or otherwise be discovered in the future. If we are not able to meet the compliance requirements of the applicable provisions of Section 404, we will be unable to issue securities in the public markets through the use of a shelf registration statement. In addition, failure to achieve and maintain an effective internal control environment could limit our ability to report our financial results accurately and timely, result in misstatements and restatements of our consolidated financial statements, cause investors to lose confidence and have a material adverse effect on our stock price, reputation, business, financial condition, results of operations and cash flows.

We are a holding company and rely on dividends and other payments, advances and transfers of funds from our subsidiaries to meet our obligations and pay any dividends.

We have no direct operations and no significant assets other than ownership of 100% of the capital stock of our subsidiaries. Because we conduct our operations through our subsidiaries, we depend on those entities for dividends and other payments to generate the funds necessary to meet our financial obligations, and to pay any dividends with respect to our common stock. Legal and contractual restrictions in our credit agreement and other agreements which may govern future indebtedness of our subsidiaries, as well as the financial condition and operating requirements of our subsidiaries, may limit our ability to obtain cash from our subsidiaries. The earnings from, or other available assets of, our subsidiaries might not be sufficient to pay dividends or make distributions or loans to enable us to pay any dividends on our common stock or other obligations. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and cash flows.

If securities analysts or industry analysts downgrade our shares, publish negative research or reports, or do not publish reports about our business, our share price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us, our business and our industry. If one or more analysts adversely change their recommendation regarding our shares or our competitors stock, our share price would likely decline. If one or more analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our share price or trading volume to decline. As a result, the market price for our common stock may decline below the public offering price and you might not be able to resell your shares of our common stock at or above the public offering price.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference into this prospectus contain forward looking statements within the meaning of Section 27A of the Securities Act. All statements other than statements of historical facts contained in this prospectus, including statements regarding our future results of operations and financial position, business strategy and plans and our objectives for future operations, are forward looking statements. The words anticipates, believes, can, continue, could, estimates, expects, intends, seeks, may, might, pla would, targets, will and the negative thereof and similar words and expressions are intended to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make regarding: (i) trends in R&D spending, outsourcing penetration rates and the incremental growth of the late-stage clinical development services market relative to the overall market; (ii) fast growing therapeutic areas and (iii) the continuous enhancement of our Trusted Process ® to deliver superior outcomes. Forward looking statements are based largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short term and long term business operations and objectives, and financial needs. These forward looking statements are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward looking statements we may make. In light of these risks, uncertainties and assumptions, the forward looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward looking statements. We caution you therefore against relying on these forward-looking statements.

Some of the key factors that could cause actual results to differ from our expectations include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- our failure to generate a large number of new business awards and the risk of delay, termination, reduction in scope or failure to go to contract of our business awards;
- the failure to convert backlog to revenue;
- fluctuation in our results between fiscal quarters and years;
- our history of net losses which may continue;
- the impact of underpricing our contracts, overrunning our cost estimates or failing to receive approval for or experiencing delays with documentation of change orders;
- the risks associated with our information systems infrastructure;

adverse results from customer or therapeutic area concentration;

the risks associated with doing business internationally;

the risks associated with our intercompany transfer pricing policies;

our failure to successfully increase our market share, grow our business and execute our growth strategies;

the risks associated with upgrading our information systems and evolving the technology platform for our services;

the risks associated with implementing a new version of our Enterprise Resource Planning system;

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failure to perform our services in accordance with contractual requirements, regulatory standards and ethical considerations;

the risk of litigation and personal injury claims;

inadequate insurance coverage for our operations and indemnification obligations;

our failure to attract principal investigators and patients for our clinical trials;

the risks related to our Phase I Services segment;

the impact of a failure to retain qualified management and key personnel;

the impact of unfavorable economic conditions and exchange rate and effective income tax rate fluctuations;

our limited ability to protect our intellectual property rights;

the risks associated with potential future acquisitions or investments in our customers businesses or drugs;

the risks related to our relationships with existing or potential customers who are in competition with each other;

potential impairment of goodwill or other intangible assets;

the risks arising from the restructuring of our operations;

our inability to compete effectively for the services we provide;

changes in trends in the biopharmaceutical industry, including our customers reducing their R&D spend or limiting the amount of such spend that is subject to competitive bidding among CROs;

the impact of changes in government regulations and healthcare reform;

failure to keep pace with rapid technological changes;

our ability to service our substantial indebtedness;

the effect of covenant restrictions in our debt agreements on our ability to operate our business;

fluctuations in interest rates; and

the other factors set forth in Risk Factors.

The forward looking statements included in this prospectus are made only as of the date hereof. You should not rely upon forward looking statements as predictions of future events. Although we believe that the expectations reflected in the forward looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward looking statements. We undertake no obligation to update publicly any forward looking statements for any reason after the date of this prospectus to conform these statements to actual results or to changes in our expectations, except as may be required by law.

You should read this prospectus with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

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USE OF PROCEEDS

We will not receive any of the proceeds from the sale of shares of our Class A common stock by selling stockholders in this offering.

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MARKET PRICE OF OUR COMMON STOCK

Our Class A common stock has been listed on the NASDAQ under the symbol INCR since November 7, 2014. Prior to that time, there was no public market for our Class A common stock. The following table sets forth for the periods indicated the high and low sale prices of our Class A common stock on NASDAQ.

	High	Low
2014		
Fourth Quarter (from November 7, 2014)	$ 26.85	$ 19.61
2015		
First Quarter	$ 34.54	$ 22.17
Second Quarter	$ 42.45	$ 29.03
Third Quarter (through August 10, 2015)	$ 51.69	$ 38.42

The closing price of our Class A common stock as of August 10, 2015 was $49.31 per share.

On August 10, 2015, we had approximately 40 holders of record of our Class A common stock. The actual number of stockholders is greater than this number of record holders, and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees.

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DIVIDEND POLICY

We have not declared or paid cash dividends on our existing common stock. In the years ended December 31, 2012, 2013 and 2014, we paid dividends of $500,000, $500,000 and $375,000, respectively, to holders of our Class C common stock. In November 2014, we redeemed all of the outstanding Class C common stock for $3,375,000 in connection with our corporate reorganization at the time of the IPO. Following our corporate reorganization, we no longer had authorized Class C common stock. We do not intend to pay cash dividends on our common stock in the foreseeable future. See Risk Factors Risks Related to Our Class A Common Stock and this Offering We do not expect to pay any cash dividends for the foreseeable future. However, in the future, subject to the factors described below and our future liquidity and capitalization, we may change this policy and choose to pay dividends.

We are a holding company that does not conduct any business operations of our own. As a result our ability to pay cash dividends on our common stock is dependent upon cash dividends and distributions and other transfers from our subsidiaries. The ability of our subsidiaries to pay dividends is currently restricted by the terms of our credit facilities, and may be further restricted by any future indebtedness we or they incur. In addition, under Delaware law, our Board may declare dividends only to the extent of our surplus (which is defined as total assets at fair market value minus total liabilities, minus statutory capital) or, if there is no surplus, out of our net profits for the then current and/or immediately preceding fiscal year.

Any future determination to pay dividends will be at the discretion of our Board and will take into account:

- restrictions in our debt instruments, including our credit facilities;
- general economic business conditions;
- our financial condition, results of operations and cash flows;
- our capital requirements;
- our business prospects;
- the ability of our operating subsidiaries to pay dividends and make distributions to us;
- legal restrictions; and
- such other factors as our Board may deem relevant.

See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources incorporated by reference from our Q2 2015 Form 10-Q.

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NON-GAAP FINANCIAL MEASURES

We report our financial results in accordance with GAAP. To supplement this information, we also use the following non-GAAP financial measures in this prospectus: EBITDA, Adjusted EBITDA, Adjusted Net Income (Loss) and Adjusted Diluted Earnings per share. Management believes that these non-GAAP measures provide useful supplemental information to management and investors regarding the underlying performance of our business operations. We use these non-GAAP measures to, among other things, evaluate our operating performance on a consistent basis, calculate incentive compensation for our employees and assess compliance with various metrics associated with our credit agreement.

EBITDA represents earnings before interest, taxes, depreciation and amortization. We define Adjusted EBITDA as EBITDA, adjusted to exclude the higher-than-normal revenue change order activity and certain expenses and transactions that we believe are not representative of our core operating results, namely, management fees that terminated upon our IPO, restructuring costs, transaction expenses, stock compensation expense, contingent consideration related to acquisitions, asset impairment charges, debt refinancing expenses, results of and gains or losses from the sale of unconsolidated affiliates, loss on extinguishment of debt and other income (expense).

We define Adjusted Net Income (Loss) and Adjusted Diluted Earnings per share as net income (loss) (including diluted earnings per share) adjusted to exclude the higher-than-normal revenue change order activity and certain expenses and transactions that we believe are not representative of our core operationg results, namely, management fees that terminated upon our IPO, acquisition-related amortization, restructuring costs, transaction expenses, stock compensation expense, contingent consideration related to acquisitions, asset impairment charges, debt refinancing expenses, results of and gains or losses from the sale of unconsolidated affiliates, loss on extinguishment of debt and other income (expense), and an adjustment to our tax rate to reflect an expected long-term tax rate.

We believe that EBITDA is a useful metric for investors as it is a common metric used by investors, analysts and debt holders to measure our ability to service our debt obligations, fund capital expenditures and meet working capital requirements.

Each of the non-GAAP measures are used by management and the Board of Directors 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. Adjusted Net Income (loss) (including Adjusted Diluted Earnings per Share) are used by management and the Board to assess our business, as well as by investors and analysts, to measure our performance, Adjusted EBITDA is also a useful metic for management and investors to measure our ability to service our debt obligations.

These non-GAAP measures are performance measures only and are not measures of our cash flows or liquidity. EBITDA, Adjusted EBITDA, Adjusted Net Income (Loss) and Adjusted Diluted Earnings per share are non-GAAP financial measures that are not in accordance with, or an alternative for, measures of financial performance prepared in accordance with GAAP and may be different from similarly titled non-GAAP measures used by other companies. Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP. Some of the limitations are:

- EBITDA and Adjusted EBITDA do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt

although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and EBITDA, Adjusted EBITDA and Adjusted Net Income (Loss) do not reflect the cash requirements for such replacements; and

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EBITDA, Adjusted EBITDA, and Adjusted Net Income (Loss) do not reflect our actual tax expense or, in the case of EBITDA and Adjusted EBITDA, the cash requirements to pay our taxes.

See the consolidated financial statements included in the 2014 Form 10-K and Q2 2015 Form 10-Q, for our GAAP results. Additionally, for reconciliations of EBITDA, Adjusted EBITDA, Adjusted Net Income (Loss) and Adjusted Diluted Earnings per share, to our closest reported GAAP measures see Selected Consolidated Financial Data.

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SELECTED CONSOLIDATED FINANCIAL DATA

The following tables set forth our selected consolidated financial data for the periods ending on and as of the dates indicated. We derived the consolidated statements of operations data for the years ended December 31, 2012, 2013 and 2014 and the consolidated balance sheet data as of December 31, 2013 and 2014 from our audited consolidated financial statements included in our 2014 Form 10-K. We derived the consolidated statements of operations data for the years ended December 31, 2011 and the consolidated balance sheet data as of December 31, 2011 and 2012 from our audited consolidated financial statements not included in this prospectus or our 2014 Form 10-K. The consolidated statements of operations data for the six months ended June 30, 2014 and 2015 and the consolidated balance sheet data as of June 30, 2015 have been derived from our unaudited consolidated financial statements included in our Q2 2015 Form 10-Q. You should read the consolidated financial data set forth below in conjunction with our consolidated financial statements, Selected Financial Data and Management s Discussion and Analysis of Financial Condition and Results of Operations , included in our 2014 Form 10-K, and our consolidated financial statements and Management s Discussion and Analysis of Financial Condition and Results of Operations in our Q2 2015 Form 10-Q. Our historical results are not necessarily indicative of the results we may achieve in any future period.

	Year Ended December 31,				Six Months Ended June 30,	
	2011(1)	2012	2013	2014	2014	2015
	(in thousands, except per share amounts)					
Statement of Operations Data:						
Net service revenue(2)	$ 437,005	$ 579,145	$ 652,418	$ 809,728	$ 388,240	$ 438,890
Reimbursable out-of-pocket expenses	218,981	289,455	342,672	369,071	164,280	207,319
Total revenue	655,986	868,600	995,090	1,178,799	552,520	646,209
Costs and operating expenses:						
Direct costs	279,840	389,056	432,261	515,059	251,545	263,458
Reimbursable out-of-pocket expenses	218,981	289,455	342,672	369,071	164,280	207,319
Selling, general, and administrative	95,063	109,428	117,890	145,143	66,147	72,925
Restructuring and other costs(3)	27,839	35,380	11,828	6,192	3,175	1,594
Transaction expenses(4)	10,322		508	7,902	2,042	519
Asset impairment charges(5)		4,000		17,245	17,245	3,931
Depreciation	15,700	19,915	19,175	21,619	11,894	9,186
Amortization	48,436	58,896	39,298	32,924	13,740	18,951
(Loss) income from operations	(40,195)	(37,530)	31,458	63,644	22,452	68,326
Interest expense, net	(65,482)	(62,007)	(60,489)	(52,787)	(28,724)	(9,493)
Loss on extinguishment of debt				(46,750)		(9,795)
Other income (expense), net	11,519	4,679	(1,649)	7,689	1,041	5,141
(Loss) income before provision for income taxes	(94,158)	(94,858)	(30,680)	(28,204)	(5,231)	54,179
Income tax benefit (expense)	34,611	35,744	(10,849)	4,734	18,986	(5,602)
Net (loss) income	(59,547)	(59,114)	(41,529)	(23,470)	13,755	48,577
Class C common stock dividends	(4,500)	(500)	(500)	(375)	(250)	

Redemption of New Class C common stock				(3,375)		
Net (loss) income attributable to common stockholders	$ (64,047)	$ (59,614)	$ (42,029)	$ (27,220)	$ 13,505	$ 48,577
Earnings per share attributable to common stockholders:						
Basic	$ (1.46)	$ (1.14)	$ (0.81)	$ (0.51)	$ 0.26	$ 0.81
Diluted	$ (1.46)	$ (1.14)	$ (0.81)	$ (0.51)	$ 0.26	$ 0.79
Weighted average common shares outstanding:						
Basic	43,875	52,203	52,009	53,301	51,897	59,731
Diluted	43,875	52,203	52,009	53,301	52,066	61,805

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	Year Ended December 31,				Six Months Ended June 30,	
	2011(1)	2012	2013	2014	2014	2015
	(in thousands, except per share amounts)					
Statement of Cash Flow Data:						
Net cash (used in) provided by:						
Operating activities	$ (18,533)	$ 42,999	$ 37,270	$ 131,447	$ 80,396	$ 95,275
Investing activities	(369,670)	(12,974)	(17,714)	(27,853)	(15,241)	(7,669)
Financing activities	422,053	(18,932)	(6,841)	(67,698)	(7,323)	(107,393)
Other Financial Data:						
EBITDA(6)	$ 35,460	$ 45,960	$ 88,282	$ 79,126	$ 49,127	$ 91,809
Adjusted EBITDA(6)	65,450	84,366	105,521	145,276	68,113	104,459
Adjusted Net (Loss) Income(6)	(9,950)	1,539	16,290	44,647	17,322	54,898
Adjusted Diluted Earnings per share(6)	$ (0.23)	$ 0.03	$ 0.31	$ 0.83	$ 0.33	$ 0.89
Capital expenditures	(4,763)	(9,591)	(17,714)	(25,551)	(12,939)	(7,670)
Dividends paid	(4,500)	(500)	(500)	(375)	(250)	
Redemption of New Class C common stock				(3,375)		
Operating Data:						
Backlog(7)	$ 1,221,641	$ 1,320,548	$ 1,490,787	$ 1,589,386	$ 1,492,661	$ 1,675,993
Net new business awards(8)	$ 449,254	$ 676,250	$ 814,177	$ 949,790	$ 384,258	$ 551,405
Net Book-to-Bill ratio(8)	1.0X	1.2X	1.2X	1.2X	1.0X	1.3X

	As of December 31,				As of June 30,	
	2011(1)	2012	2013	2014	2014	2015
Balance Sheet Data:						
Cash and cash equivalents	$ 70,960	$ 81,363	$ 96,972	$ 126,453	$ 155,549	$ 98,511
Total assets	1,373,905	1,257,654	1,233,111	1,245,087	1,320,521	1,215,744
Total debt and capital leases(9)	605,593	594,186	594,479	419,979	588,998	475,111
Total stockholders equity	379,490	316,830	276,207	392,209	289,027	280,368

(1) We acquired Trident Clinical Research Pty Ltd., or Trident, on June 1, 2011 and Kendle on July 12, 2011. The financial results of these entities have been included as of and since the dates of acquisition.

(2) During the second and third quarters of 2014, we experienced higher-than-normal change order activity estimated to be between $6 million and $12 million. Net service revenue for 2014 after adjusting for the estimated impact of $9 million in higher-than-normal change order activity was $800.7 million.

(3)

Restructuring and other costs consist of: (i) severance costs associated with the reduction of our workforce in line with our future business operations and duplicative staff; (ii) lease obligation and termination costs in connection with the abandonment and closure of redundant facilities as a result of our restructuring initiatives, and (iii) other costs consisting primarily of information technology and other consulting and legal fees attributable to our integration of Kendle.

(4) Transaction expenses of $10.3 million for the year ended December 31, 2011 were related to legal fees, accounting fees and the noncapitalizable portion of bank fees related to our acquisition of Kendle. Transaction expenses of $0.5 million for the year ended December 31, 2013 consisted of third-party fees associated with debt refinancing and the legal fees associated with our acquisition of MEK Consulting, which we completed in March 2014. Transaction expenses for the year ended December 31, 2014, were $7.9 million including $4.2 million in debt issuance costs and third-party fees associated with the debt refinancings in February 2014 and November 2014, $3.4 million of fees associated with the termination of the Avista Capital Holdings, L.P. Advisory Services and Monitoring Agreement, and $0.3 million of legal fees associated with the MEK Consulting acquisition. Transaction expenses of $2.0 million for the six months ended June 30, 2014 were comprised of $1.7 million in fees associated with the debt refinancing in February 2014 and $0.3 million of legal fees associated with the MEK Consulting acquisition. Transaction expenses of $0.5 million for the six months ended June 30, 2015, were comprised of legal fees incurred in connection with the May 2015 Secondary offering and the Stock Repurchase.

(5) During the year ended December 31, 2012, we recorded a $4.0 million impairment charge related to the goodwill associated with our Phase I Services reporting unit. During the year ended December 31, 2014, we recorded a $17.2 million impairment charge related to intangible assets and goodwill associated with our Phase I Services and Global Consulting reporting units. During the first quarter of 2015, we recorded a $3.9 million impairment charge related to the long-lived assets and goodwill for our Phase I Services reporting unit.

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(6) We report our financial results in accordance with GAAP. To supplement this information, we also use the following non-GAAP financial measures in this prospectus: EBITDA, Adjusted EBITDA, Adjusted Net Income (Loss) and Adjusted Diluted Earnings per share. For a discussion of the non-GAAP financial measures in this prospectus, see Non-GAAP Financial Measures.

Investors and potential investors are encouraged to review the following reconciliation of EBITDA, Adjusted EBITDA, Adjusted Net Income (Loss) and Adjusted Diluted Earnings per share, to our closest reported GAAP measures:

	Year Ended December 31,				Six Months Ended June 30,	
	2011	2012	2013	2014	2014	2015
EBITDA and Adjusted EBITDA:						
Net (loss) income	$ (59,547)	$ (59,114)	$ (41,529)	$ (23,470)	$ 13,755	$ 48,577
Interest expense, net	65,482	62,007	60,489	52,787	28,724	9,493
Income tax (benefit) expense	(34,611)	(35,744)	10,849	(4,734)	(18,986)	5,602
Depreciation	15,700	19,915	19,175	21,619	11,894	9,186
Amortization	48,436	58,896	39,298	32,924	13,740	18,951
EBITDA	35,460	45,960	88,282	79,126	49,127	91,809
Restructuring and other costs	27,839	35,380	11,828	6,192	3,175	1,594
Transaction expenses(a)	10,322		508	7,902	2,042	519
Asset impairment charges		4,000		17,245	17,245	3,931
Stock-based compensation	1,176	1,248	2,419	3,370	1,424	1,620
Contingent consideration treated as compensation expense(b)	1,540	1,867	253	918	358	332
Monitoring and advisory fees(c)	632	590	582	462	283	
Other (income) expense	(9,864)	(1,944)	1,453	(7,689)	(1,041)	(5,141)
Loss (gain) on unconsolidated affiliates	(1,655)	(2,735)	196			
Loss on extinguishment of debt				46,750		9,795
Change order adjustment(d)				(9,000)	(4,500)	
Adjusted EBITDA	$ 65,450	$ 84,366	$ 105,521	$ 145,276	$ 68,113	$ 104,459
Adjusted Net (Loss) Income:						
Net (loss) income	$ (59,547)	$ (59,114)	$ (41,529)	$ (23,470)	$ 13,755	$ 48,577
Amortization	48,436	58,896	39,298	32,924	13,740	18,951
Restructuring and other costs	27,839	35,380	11,828	6,192	3,175	1,594
Transaction expenses(a)	10,322		508	7,902	2,042	519
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Stock-based compensation expense	1,176	1,248	2,419	3,370	1,424	1,620
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Monitoring and advisory fees(c)	632	590	582	462	283	
Other (income) expense	(9,864)	(1,944)	1,453	(7,689)	(1,041)	(5,141)
Loss (gain) on unconsolidated affiliates	(1,655)	(2,735)	196			
Loss on extinguishment of debt				46,750		9,795
Change order adjustment(d)				(9,000)	(4,500)	
Adjust income tax to normalized rate(e)	(28,829)	(36,649)	1,282	(30,957)	(29,159)	(25,280)
Adjusted Net (Loss) Income	$ (9,950)	$ 1,539	$ 16,290	$ 44,647		