INC Research Holdings, Inc.
Form S-1
April 27, 2015
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As filed with the Securities and Exchange Commission on April 27, 2015

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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	9,200,000 shares(1)	$29.66(2)	$272,872,000.00(2)	$31,707.73

(1) Includes 1,200,000 shares subject to the underwriters option to purchase additional shares of Class A common stock.

(2) 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 April 22, 2015 as reported on the NASDAQ Global Select Market.

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. We may not sell these securities 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 April 27, 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.

We intend to enter into an agreement with the Sponsors, as defined herein, who are also selling stockholders in this offering, to repurchase approximately $150.0 million of shares of our Class A common stock from the Sponsors in a private transaction. The closing of the private share repurchase will be concurrent with the closing of this offering, at the price at which the shares of Class A common stock are sold to the public in this offering, less underwriting discounts and commissions. The closing of the share repurchase is contingent on the closing of this offering and the closing of the debt refinancing, as discussed herein. The closing of this offering is not contingent on the closing of the share repurchase or the debt refinancing.

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 April 24, 2015, was $30.12 per share.

See Risk Factors beginning on page 19 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 79 of this prospectus for additional information regarding total underwriting compensation.

To the extent that the underwriters sell more than 8,000,000 shares of Class A common stock, the underwriters have the option to purchase up to an additional 1,200,000 shares from the selling stockholders at the public offering price less the underwriting discount.

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

Goldman, Sachs & Co. **Credit Suisse** **Jefferies**

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 or incorporated 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). Respondents from sites were principal investigators, sub-investigators or study coordinators, and sites worldwide, with no limitations on countries, were surveyed.

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 5,800 employees in over 50 countries across six continents as of March 31, 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 67% of our backlog as of March 31, 2015 was in CNS, oncology and other complex diseases, 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 CROs across 37 specific relationship 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%, 173.6% and 37.7%, respectively, and net loss decreased by 43.4% for the year ended December 31, 2014 from the year ended December 31, 2013. For the three months ended March 31, 2014 and 2015, we had a total net service revenue of $184.7 million and $211.5 million, respectively, net (loss) income of $(1.6) million and $25.3 million, respectively, Adjusted Net Income of $6.2 million and $26.3 million, respectively, and Adjusted EBITDA of $32.6 million and $51.2 million, respectively. Net service revenue, Adjusted Net Income and Adjusted EBITDA increased by 15%, 326% and 57%, respectively, and net income increased by 1,727% for the quarter ended March 31, 2015 from the quarter ended March 31, 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 and Pro Forma 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 March 31, 2015, or Q1 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

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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 67% of our backlog as of March 31, 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) by 23% 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 by approximately 20%, 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 percent (up from a 41

percent average excellent rating in 2011; the overall average excellent rating for CROs was 45 percent in 2015). INC s combined excellent/good rating in 2015 was 82.9 percent, up from 80.4 percent 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 5,800 employees in 50 countries as of March 31, 2015 and have conducted work in over 100 countries. 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 37% and 36% for the first quarter of 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% for both the first quarters of 2014 and 2015. 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 and EBITDA growth over the past several years. For example, during fiscal year 2014, we increased our net service revenue, Adjusted EBITDA and Adjusted Net Income by 24.1%, 37.7%, and 173.6%, respectively, and decreased our net loss by 43.4%. We have continued this growth in the first three months of 2015 with year-over-year increases in our net service revenue, Adjusted Net Income and Adjusted EBITDA of 15%, 326% and 57%, respectively. The momentum in our business is also reflected in the growth in

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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 March 31, 2015, our backlog increased by 20.7% 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. We have added geographic reach through both acquisitions and organic growth in areas such as Asia-

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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. 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 March 31, 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.

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

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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.

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.

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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.

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 and the share repurchase, 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 % of our outstanding Class A common stock, or % if the underwriters option to purchase additional shares is fully exercised, and Teachers will own approximately % of our outstanding Class A common stock, or % if the underwriters option to purchase additional shares is fully exercised, 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 % of our Class A common stock assuming the conversion of all of the outstanding shares of new Class B common stock into shares of new 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 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.

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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.

Share Repurchase

We intend to enter into an agreement with the Sponsors, who are also selling stockholders in this offering, to repurchase approximately $150.0 million of shares of our Class A common stock from the Sponsors in a private transaction. The closing of the private share repurchase will be concurrent with the closing of this offering, at the price at which the shares of Class A common stock are sold to the public in this offering, less underwriting discounts and commissions. We refer to this transaction as the share repurchase. The terms and conditions of the share repurchase were reviewed and approved by our Board of Directors, other than the director nominees of the selling stockholders, who recused themselves from the Board s deliberations.

We intend to fund the share repurchase with cash on hand and increased borrowings from our new senior secured credit agreement, or 2015 Credit Agreement. The completion of the share repurchase is contingent on the satisfaction of customary closing conditions and conditioned upon, among other things, the completion of this offering and the debt refinancing, discussed below. The completion of this offering is not conditioned upon the completion of the share repurchase or the debt refinancing described below. We cannot assure you that the share repurchase will be consummated.

Assuming the share repurchase is completed at the anticipated amounts and after giving effect to the anticipated impact on our interest expense as a result of the debt refinancing, we expect that the share repurchase will result in accretion of approximately $ to $ in pro forma adjusted net income per share in 2014 (assuming the repurchase of 4,980,080 shares at an assumed price of $30.12 per share, the last reported price of our Class A common stock on NASDAQ on April 24, 2015).

The description and the other information in this prospectus regarding the share repurchase is included solely for informational purposes. Nothing in this prospectus should be construed as an offer to sell, or the solicitation of an offer to buy, any of our Class A common stock subject to the share repurchase.

Debt Refinancing

We intend to enter into a new senior secured credit agreement concurrently with the consummation of this offering that would (1) convert our existing Term Loan B into a new Term Loan A, (2) increase the principal amount of the Term Loan from $423.9 million outstanding at March 31, 2015 to $525.0 million, and (3) increase the borrowing capacity under our Revolving Credit Facility from $100.0 million to $150.0 million (collectively, the 2015 Credit Agreement). We expect that the terms of the 2015 Credit Agreement will differ materially from our 2014 Credit Agreement as follows:

- the existing 7-year term will be reduced to 5 years;
- the Applicable Margin will be reduced to 200-225bps from 350bps;

the loans may be LIBOR-based with no LIBOR Floor;

the existing springing financial covenant will convert to a full maintenance covenant with a Maximum Secured Net Leverage Ratio of not more than 4.0x;

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a Minimum Interest Coverage Ratio of not less than 3.0x will be added;

the amortization of the term loan will increase from 1% per annum with the remainder due at the Maturity Date to 5% in Year 1, 7.5% in Year 2, 7.5% in Year 3, 10% in Year 4, 12.5% in Year 5 and 57.5% due at the Maturity Date;

the existing Excess Cash Flow Sweep will be eliminated; and

certain negative covenants will be adjusted to reflect our current circumstances and anticipated business strategies.

See Description of Material Indebtedness.

The incremental $101.1 million proceeds from the 2015 Credit Agreement and approximately $50 million of cash on hand will be used to fund the share repurchase described above.

See Risk Factors Risks related to our indebtedness Our substantial indebtedness could adversely affect our financial condition. The debt refinancing is subject to a number of customary conditions. The completion of this offering is not conditioned upon completion of the refinancing, and there can be no assurance that this debt refinancing will be completed in the near future or at all.

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Our Structure

The diagram below reflects a simplified overview of our organizational structure following this offering, the refinancing of our senior secured credit facility and the share repurchase:

(1) See Description of Material Indebtedness.

(2) This entity will be 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.increasearch.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 (9,200,000 shares if the underwriters option to purchase additional shares is exercised in full).
Class A common stock to be outstanding after this offering and the share repurchase	shares.
Option to purchase additional shares of Class A common stock	The underwriters have the option to purchase up to an additional 1,200,000 shares of Class A common stock from the selling stockholders. The underwriters can exercise their option at any time within 30 days from the date of this prospectus.
Class B common stock outstanding after this offering and the share repurchase	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.

Share repurchase	We intend to enter into an agreement with the Sponsors, who are also selling stockholders in this offering, to repurchase approximately $150.0 million of shares of our Class A common stock from the Sponsors in a private transaction. The closing of the share repurchase will be concurrent with the closing of this offering, at the price at which the shares of Class A common stock are sold to the public in this offering, less underwriting discounts and commissions. We intend to fund the share repurchase using the

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	proceeds from additional borrowings under our 2015 Credit Agreement of $101.1 million and approximately $50.0 million of cash on hand. The repurchased shares will be cancelled and no longer outstanding after this offering. The share repurchase was approved by the disinterested directors on our Board. The closing of this offering is not contingent on the closing of the share repurchase or the debt refinancing.
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 19 of this prospectus for a discussion of factors you should consider carefully before investing in our Class A common stock.
NASDAQ trading symbol	INCR.

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

- excludes 3,915,924 shares of our Class A common stock issuable upon exercise of outstanding stock options as of March 31, 2015 with a weighted average exercise price of $11.74 per share;
- excludes 3,183,497 shares of our Class A common stock reserved for the future issuance under our 2014 Equity Incentive Plan, or the 2014 Plan;
- excludes 8,319 shares of nonvested restricted stock units outstanding as of March 31, 2015; and
- assumes the repurchase of an estimated 4,980,080 shares of Class A common stock, based on an assumed purchase price of $30.12 per share, the last reported price of our Class A common stock on NASDAQ on April 24, 2015, and an actual aggregate purchase price of $150.0 million, concurrently with this offering.

In addition, except where otherwise stated, the information in this prospectus assumes no exercise of the underwriters option to purchase up to 1,200,000 additional shares from the selling stockholders.

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SUMMARY AND PRO FORMA CONSOLIDATED FINANCIAL DATA

The following tables set forth our selected and pro forma 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 Annual Report on Form 10-K, or 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 three months ended March 31, 2014 and 2015 and the consolidated balance sheet data as of March 31, 2015 have been derived from our unaudited consolidated financial statements included in our Q1 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 Q1 2015 Form 10-Q. Our historical results are not necessarily indicative of the results we may achieve in any future period.

The summary unaudited pro forma results of operations for the year ended December 31, 2014 and the three months ended March 31, 2015, and the unaudited pro forma balance sheet data as of March 31, 2015 have been prepared to give effect to the refinancing of our senior secured credit facilities and share repurchase as part of this offering and the proceeds of our initial public offering, refinancing of our senior secured credit facility and repayment of our 2011 Senior Notes in November 2014.

	Year Ended December 31,				Three Months Ended March 31,	
	2011(1)	2012	2013	2014	2014	2015