

IQVIA Holdings Inc (IQV)

University of Wisconsin–Milwaukee | Lubar College of Business | Investment Management Certificate Program

Analyst: Joel Vij

Recommendation: **BUY**

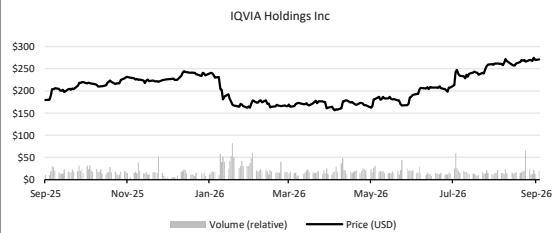
Value Fit **7 / 10**

Philosophy Fit **4 / 5**

As of: 09/28/2026

WISCONSIN VALUE FUND LENS — Maximize return by buying improving companies at reasonable valuations.

|                                           |                                          |
|-------------------------------------------|------------------------------------------|
| Performance level — ROIC (FY2026E) vs. ke | 9.6% vs 9.4% → Above ke                  |
| Change in performance — ΔROIC             | +0.6 pts, FY2026E vs FY2025A → Improving |
| Lifecycle phase                           | Phase III — highest expectations         |
| Valuation gap — target vs. price          | +11.8% → Price below our value           |



BUSINESS DESCRIPTION

IQVIA Holdings, Inc. engages in the provision of analytics, technology solutions, and clinical research services to the life sciences industry. It operates through the following segments: Technology and Analytics Solutions, Research and Development Solutions, and Contract Sales and Medical Solutions. The Technology and Analytics Solutions segment supplies mission-critical information, technology solutions, and real-world evidence services to the company's life sciences clients. The Research and Development Solutions segment provides outsourced clinical research and clinical trial-related services. The Contract Sales and Medical Solutions segment offers healthcare provider and patient engagement services to both biopharmaceutical customers and the broader healthcare market. The company was founded by Dennis B. Gillings and Gary Koch in 1950 and is headquartered in Durham, NC.

INVESTMENT THESIS

IQVIA is the scale leader in outsourced clinical research and healthcare data, and a recovery in biotech funding (trailing twelve-month funding of \$117.5 billion, up 82% year over year, per Mizuho) should lift bookings into 2027. Our \$303 target is 11.8% above the \$270.97 price, but the four methods range from \$108 to \$456, so the case rests on consensus earnings growth being delivered.

MARKET SNAPSHOT

|                      |               |                          |        |                |               |
|----------------------|---------------|--------------------------|--------|----------------|---------------|
| Current Price        | \$270.97      | Market Cap (\$B)         | \$44.6 | Beta           | 1.11          |
| 52-Week Range        | \$157 – \$275 | Inst. Ownership          | 102.1% | Insider Own.   | 1.0%          |
| Shares Out. (mm)     | 171.9         | Short Interest (% float) | 2.5%   | Dividend Yield | 0.0%          |
| Consensus L-T Growth | 7.6%          | Payout Ratio             | 0.0%   | Cost of Equity | 9.4%          |
| Price Target         | \$303.00      | Upside to Target         | 11.8%  | Value Range    | \$108 – \$456 |

VALUATION SUMMARY — equity DCF, FCFE discounted at ke

| Method                       | Value / Share | Upside  | Terminal Assumption     |
|------------------------------|---------------|---------|-------------------------|
| Equity DCF – terminal P/E    | \$419.90      | 55.0%   | 31.0x P/E               |
| Equity DCF – terminal P/S    | \$456.32      | 68.4%   | 3.1x P/S                |
| Equity DCF – terminal P/B    | \$108.21      | (60.1%) | 4.9x P/B                |
| Equity DCF – constant growth | \$226.88      | (16.3%) | 2.0% g, 9.4% ke         |
| Average of methods           | \$302.83      | 11.8%   | Equal-weighted          |
| Analyst price target         | \$303.00      | 11.8%   | Blue = analyst override |

PHILOSOPHY FIT — Five pillars · Score: 4 / 5

|                                                       | Fit?                                                                             |
|-------------------------------------------------------|----------------------------------------------------------------------------------|
| 1. Fundamental improvement & valuation discipline     | ΔROIC +0.6 pts; price is 0.89x our average value<br><b>Yes</b>                   |
| 2. Investing through company cycles                   | Phase III; EBIT margin 14.0% → 14.0%<br><b>Yes</b>                               |
| 3. Initial position sizing & risk limits              | Initial position sized within fund limits; risk limits set at entry<br><b>No</b> |
| 4. Capital allocation discipline                      | Net debt/invested capital 60.4%; net debt/EBIT 6.2x<br><b>Yes</b>                |
| 5. Identifiable catalysts & conservative underwriting | Three drivers, each with a monitor; equal-weighted FCFE valuation<br><b>Yes</b>  |

VALUE CRITERIA — 10-Point Checklist · Score: 7 / 10

|                                           | Pass?                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Catalyst / Investment Drivers          | <b>Yes</b>                                                                                                                                                                                                                                                                                                                                                                                                     |
| Driver 1 — Biotech Funding Recovery       | Biopharma funding is recovering. August 2026 funding was \$9.1 billion, up 97% year over year, and year-to-date funding of \$76.1 billion is up 90% (Mizuho, BioWorld data). Mizuho calls improving small and mid-cap biotech funding an important tailwind for CRO demand, which supports consensus sales growth of 6.8% in FY2026E and 5.8% in FY2027E.                                                      |
| Driver 2 — EBITDA Dollars over Margin     | Elevated pass-through costs are diluting reported CRO margins, so the group is shifting to EBITDA dollars as the profit measure (Deutsche Bank, September 2026). Street forecasts imply median CRO EBITDA growth of 8.3% year over year, with a larger step-up in 4Q26 (5.3% quarter over quarter) as biotech funding reaches the P&L. Our model holds EBIT margin at 14.0%, so any efficiency gain is upside. |
| Driver 3 — Free Cash Flow Funds Buybacks  | With goodwill and intangibles held flat, the model generates FCFE of \$9.04 per share in FY2026E, rising to \$20.01 by year seven. Returned through buybacks at the current price, that cuts the share count from 171.9 million to 101.2 million, which drives EPS growth even with margins held flat.                                                                                                         |
| What does management say?                 | IQVIA, like ICON, is pointing investors to nominal EBITDA dollars rather than EBITDA margin while pass-throughs stay elevated (Deutsche Bank, September 2026). Deutsche Bank's industry checks also point to stable pricing and efficiency gains as AI use ramps, which supports the view that project economics are intact even where reported margins dilute.                                                |
| 2. Low P/E Ratio                          | <b>Yes</b>                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                           | FY2023A FY2024A FY2025A FY2026E FY2027E FY2028E                                                                                                                                                                                                                                                                                                                                                                |
| EPS (model)                               | \$7.39 \$7.57 \$7.91 \$13.59 \$15.97 \$19.09                                                                                                                                                                                                                                                                                                                                                                   |
| P/E at current price                      | 36.7x 35.8x 34.2x 19.9x 17.0x 14.2x                                                                                                                                                                                                                                                                                                                                                                            |
| Peer median P/E (FactSet, subject excl.)  | 36.3x FY2026E P/E vs. peer median (45%)                                                                                                                                                                                                                                                                                                                                                                        |
| 3. Low Price / Cash Flow                  | <b>No</b>                                                                                                                                                                                                                                                                                                                                                                                                      |
| FCFE / share                              | \$7.82 \$9.85 \$6.93 \$9.04 \$10.28 \$11.87                                                                                                                                                                                                                                                                                                                                                                    |
| Price / FCFE                              | 34.7x 27.5x 39.1x 30.0x 26.4x 22.8x                                                                                                                                                                                                                                                                                                                                                                            |
| Peer median P/CF (FactSet, subject excl.) | 19.4x Price / FCFE (today) vs. peer median +101%                                                                                                                                                                                                                                                                                                                                                               |
| 4. Low Price / Book Value                 | <b>No</b>                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                           | FY2023A FY2024A FY2025A FY2026E FY2027E FY2028E                                                                                                                                                                                                                                                                                                                                                                |
| Book value / share                        | \$33.25 \$33.46 \$37.83 \$40.28 \$43.18 \$39.26                                                                                                                                                                                                                                                                                                                                                                |
| Price / Book                              | 8.1x 8.1x 7.2x 6.7x 6.3x 6.9x                                                                                                                                                                                                                                                                                                                                                                                  |
| ROE (EOY book)                            | 22.2% 22.6% 20.9% 33.7% 37.0% 29.4%                                                                                                                                                                                                                                                                                                                                                                            |
| Peer median P/B (FactSet, subject excl.)  | 4.2x Price / book (today) vs. peer median +70%                                                                                                                                                                                                                                                                                                                                                                 |

**IQVIA Holdings Inc (IQV) — Value Criteria, continued**

| 5. Financial Soundness                                                                                                                          |                                                                                                                                           |                     |         |                                |         |               | Yes    |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------|--------------------------------|---------|---------------|--------|
|                                                                                                                                                 | FY2023A                                                                                                                                   | FY2024A             | FY2025A | FY2026E                        | FY2027E | FY2028E       |        |
| Total debt (\$mm)                                                                                                                               | 14,231                                                                                                                                    | 14,479              | 16,260  | 16,298                         | 16,334  | 16,371        |        |
| Net debt (\$mm)                                                                                                                                 | 12,735                                                                                                                                    | 12,636              | 14,119  | 13,993                         | 13,877  | 13,753        |        |
| Total debt / equity (gross)                                                                                                                     | 232.8%                                                                                                                                    | 238.7%              | 250.0%  | 246.6%                         | 243.6%  | 240.5%        |        |
| Total debt / assets (gross)                                                                                                                     | 53.3%                                                                                                                                     | 53.8%               | 54.3%   | 53.4%                          | 52.6%   | 51.7%         |        |
| Net debt / invested capital                                                                                                                     | 60.9%                                                                                                                                     | 60.0%               | 60.4%   | 59.5%                          | 58.6%   | 57.7%         |        |
| Net debt / EBIT                                                                                                                                 | 6.2x                                                                                                                                      | 5.6x                | 6.2x    | 5.7x                           | 5.4x    | 5.0x          |        |
| Tax rate                                                                                                                                        | 15.8%                                                                                                                                     | Book equity (\$mm)  |         | 6,503                          |         |               |        |
| 6. Positive Earnings Dynamics                                                                                                                   |                                                                                                                                           |                     |         |                                |         |               | No     |
|                                                                                                                                                 | FY2023A                                                                                                                                   | FY2024A             | FY2025A | FY2026E                        | FY2027E | FY2028E       |        |
| Sales growth                                                                                                                                    | 3.8%                                                                                                                                      | 3.0%                | 5.8%    | 6.8%                           | 5.8%    | 5.9%          |        |
| EBIT margin                                                                                                                                     | 13.6%                                                                                                                                     | 14.7%               | 14.0%   | 14.0%                          | 14.0%   | 14.0%         |        |
| EPS growth                                                                                                                                      | 27.0%                                                                                                                                     | 2.5%                | 4.5%    | 71.7%                          | 17.5%   | 19.6%         |        |
| 7. Business Strategy & Segment Mix                                                                                                              |                                                                                                                                           |                     |         |                                |         |               | Yes    |
| Strategy                                                                                                                                        | Tiered pricing (ad-supported / standard / premium) with content spend growing slower than revenue — the mechanism behind Drivers 1 and 3. |                     |         |                                |         |               |        |
| Segment / geography mix                                                                                                                         | United States, EMEA, APAC, LATAM                                                                                                          |                     |         |                                |         |               |        |
| 8. Capable Management & Insider Ownership                                                                                                       |                                                                                                                                           |                     |         |                                |         |               | Yes    |
| Insider ownership                                                                                                                               | 1.0%                                                                                                                                      | Inst. ownership     | 102.1%  | Buybacks, % of NOPAT (FY1E)    |         | 103.6%        |        |
| Insider activity / governance                                                                                                                   | Recent net insider selling; insider ownership is only 1.0%, so alignment rests on comp design.                                            |                     |         |                                |         |               |        |
| 9. Valuation — Value Creation (ROIC vs. ke)                                                                                                     |                                                                                                                                           |                     |         |                                |         |               | Yes    |
| ROIC (FY1E)                                                                                                                                     | 9.6%                                                                                                                                      | Cost of equity (ke) | 9.4%    | EVA spread (ROIC – ke)         |         | 0.1%          |        |
| Price target / upside                                                                                                                           | \$303.00                                                                                                                                  | 11.8%               |         | Value / share range (low–high) |         | \$108 – \$456 |        |
| 10. Uses of Capital — allocation discipline                                                                                                     |                                                                                                                                           |                     |         |                                |         |               | Yes    |
| Reinvestment -1% of NOPAT, dividends + buybacks 104% in FY2026E; no dividend and no large M&A — full detail in the Uses of Capital table below. |                                                                                                                                           |                     |         |                                |         |               |        |
| VALUE FIT SCORE — criteria met                                                                                                                  |                                                                                                                                           |                     |         |                                |         |               | 7 / 10 |

**FINANCIAL SUMMARY (\$mm except per share)**

|                                    | FY2023A | FY2024A | FY2025A | FY2026E | FY2027E | FY2028E | CAGR 2023–2028 |
|------------------------------------|---------|---------|---------|---------|---------|---------|----------------|
| Sales                              | 14,963  | 15,405  | 16,304  | 17,410  | 18,424  | 19,509  | 5.4%           |
| Gross margin                       | 27.4%   | 27.7%   | 26.3%   | 26.3%   | 26.3%   | 26.3%   |                |
| EBIT                               | 2,040   | 2,269   | 2,281   | 2,436   | 2,578   | 2,729   | 6.0%           |
| Net income                         | 1,358   | 1,373   | 1,360   | 2,229   | 2,479   | 2,776   | 15.4%          |
| EPS (basic)                        | \$7.39  | \$7.57  | \$7.91  | \$13.59 | \$15.97 | \$19.09 | 20.9%          |
| Dividend / share                   | —       | —       | —       | —       | —       | —       |                |
| FCFE / share                       | \$7.82  | \$9.85  | \$6.93  | \$9.04  | \$10.28 | \$11.87 | 8.7%           |
| Invested capital                   | 20,895  | 21,051  | 23,384  | 23,537  | 23,677  | 23,827  | 2.7%           |
| ROIC                               | 9.7%    | 9.6%    | 9.0%    | 9.6%    | 10.1%   | 10.7%   |                |
| NOPAT margin                       | 12.7%   | 12.1%   | 11.8%   | 11.8%   | 11.8%   | 11.8%   |                |
| Sales / NWC                        | -9.55x  | -8.95x  | -7.12x  | -7.12x  | -7.12x  | -7.12x  |                |
| Sales / NFA                        | 0.71x   | 0.73x   | 0.69x   | 0.73x   | 0.77x   | 0.81x   |                |
| Sales / invested capital (ex cash) | 0.77x   | 0.80x   | 0.76x   | 0.81x   | 0.86x   | 0.91x   |                |

**USES OF CAPITAL — full range, as % of cash generated (NOPAT)**

|                                              | FY2023A       | FY2024A       | FY2025A       | FY2026E       | FY2027E       | FY2028E       | Avg 2023–2028 |
|----------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>NOPAT before reinvestment (\$mm)</b>      | <b>1,899</b>  | <b>1,860</b>  | <b>1,920</b>  | <b>2,050</b>  | <b>2,169</b>  | <b>2,297</b>  |               |
| <i>Uses, as % of NOPAT</i>                   |               |               |               |               |               |               |               |
| CapEx, R&D & content (Δ NFA)                 | 38.4%         | (0.8%)        | 136.7%        | 7.0%          | 6.1%          | 6.1%          | 32.3%         |
| Working capital (Δ NWC)                      | 3.8%          | (8.3%)        | (29.7%)       | (7.6%)        | (6.6%)        | (6.6%)        | (9.2%)        |
| Dividends                                    | —             | —             | —             | —             | —             | —             | —             |
| Share buybacks                               | 53.2%         | 76.2%         | 48.1%         | 103.6%        | 109.8%        | 116.4%        | 84.6%         |
| Debt repaid (neg. = borrowing)               | (46.3%)       | (13.3%)       | (92.8%)       | (1.9%)        | (1.6%)        | (1.6%)        | (26.3%)       |
| Cash & securities build                      | 9.8%          | 18.7%         | 15.5%         | 8.0%          | 7.0%          | 7.0%          | 11.0%         |
| Interest & other (residual)                  | 41.1%         | 27.6%         | 22.1%         | (9.2%)        | (14.7%)       | (21.2%)       | 7.6%          |
| <b>Total uses of capital</b>                 | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |
| <b>Discipline — reinvestment, % of NOPAT</b> | <b>42.2%</b>  | <b>(9.1%)</b> | <b>107.0%</b> | <b>(0.6%)</b> | <b>(0.5%)</b> | <b>(0.5%)</b> | <b>23.1%</b>  |
| <b>Dividends + buybacks, % of NOPAT</b>      | <b>53.2%</b>  | <b>76.2%</b>  | <b>48.1%</b>  | <b>103.6%</b> | <b>109.8%</b> | <b>116.4%</b> | <b>84.6%</b>  |

Framework: the full range of capital allocation — CapEx/R&D/brand, dividends, buybacks, cash and debt. Cautious at the top of the cycle; invest for the future at the bottom, without over-levering. Total ties to 100% by construction, with interest and unallocated items in the residual.

**COMPS OVERVIEW (current multiples, FactSet)**

| Ticker                                     | Company                                        | P/E          | P/S         | P/B         | P/CF         | EV/EBIT      |
|--------------------------------------------|------------------------------------------------|--------------|-------------|-------------|--------------|--------------|
| ICLR                                       | ICON Plc                                       | 318.7x       | 1.6x        | 1.4x        | 12.5x        | 16.3x        |
| MEDP                                       | Medpace Holdings, Inc.                         | 36.1x        | 6.3x        | 39.5x       | 23.4x        | 30.1x        |
| CRL                                        | Charles River Laboratories International, Inc. |              | 3.5x        | 5.0x        | 24.3x        | 23.4x        |
| FTRE                                       | Fortrea Holdings Inc.                          |              | 0.7x        | 3.6x        | 8.3x         |              |
| LH                                         | Labcorp Holdings Inc.                          | 25.6x        | 1.8x        | 2.9x        | 15.5x        | 17.3x        |
| TMO                                        | Thermo Fisher Scientific Inc.                  | 36.5x        | 5.4x        | 4.8x        | 27.9x        | 29.6x        |
| <b>Median</b>                              | <b>Peer median (subject excluded)</b>          | <b>36.3x</b> | <b>2.7x</b> | <b>4.2x</b> | <b>19.4x</b> | <b>23.4x</b> |
| <b>IQV</b>                                 | <b>Subject, at current price</b>               | <b>34.2x</b> | <b>2.9x</b> | <b>7.2x</b> | <b>39.1x</b> | <b>26.6x</b> |
| <i>Premium / (discount) to peer median</i> |                                                | (6%)         | +8%         | +70%        | +101%        | +14%         |

Peer set from AutoTearSheet-SPageID4:DI9. Median is of peers only and excludes blanks.

**KEY RISKS**

1. Funding reverses. Mizuho notes markets are pricing in roughly one more 25 basis point Fed hike by year-end and further hikes in 2027, and venture funding is the piece to watch. A relapse would put 6.8% FY2026E sales growth at risk. Watch new bookings and book-to-bill.
  2. Pass-throughs stay high into 2027. That dilutes reported margins and could push initial 2027 guidance below consensus even if EBITDA dollars grow. Watch the 2027 outlook on the fourth-quarter call.
  3. Leverage and valuation spread. Debt of \$16.3 billion is 76% of operating capital, and the four methods range from \$108 to \$456. The P/S value leans on a peer median lifted by Veeva and Thermo Fisher, and the P/B value is 60.1% below the price.
- Exit discipline: exit if ROIC falls below the 9.4% cost of equity for two consecutive quarters, if 2027 guidance implies EBITDA dollar growth below mid-single digits, or if the position breaches the fund's

Sources: model outputs linked to Auto-FinandValInfo and AutoTearSheet-SPage (FactSet). Information for educational purposes only. Not a recommendation to buy or sell any security.