



Second Quarter 2024 Supplemental Financial Information

August 1, 2024

labcorp

Cautionary Statement Regarding Forward-Looking Statements

This presentation contains forward-looking statements, including, but not limited to, statements with respect to (i) the estimated 2024 guidance and related assumptions, (ii) the spin-off of the company's Clinical Development and Commercialization Services business, now Fortrea Holdings Inc., (iii) the impact of various factors on operating and financial results, including the projected impact of the COVID-19 pandemic on the company's businesses, operating results, cash flows and/or financial condition, as well as global economic and market conditions, (iv) future business strategies, (v) expected savings, synergies and other benefits to the Company, customers or patients from acquisitions and other transactions and partnerships, and (vi) opportunities for future growth.

Each of the forward-looking statements is subject to change based on various important factors, many of which are beyond the company's control, including without limitation: (i) the effect of the reorganization on the company's business generally; (ii) the failure to receive tax-free treatment with respect to the spin-off for U.S. federal income purposes; (iii) the impact of spin-off related items; (iv) potential difficulties with employee retention; (v) the trading price of the company's stock, competitive actions and other unforeseen changes and general uncertainties in the marketplace; (vi) changes in government regulations, including healthcare reform; (vii) customer purchasing decisions, including changes in payer regulations or policies; (viii) other adverse actions of governmental and third-party payers; (ix) changes in testing guidelines or recommendations; (x) federal, state, and local government responses to the COVID-19 pandemic, and the volume of COVID-19 Testing performed by the company; (xi) the impact of global geopolitical events; (xii) the effect of public opinion on the company's reputation; (xiii) adverse results in material litigation matters; (xiv) the impact of changes in laws and regulations applicable to the company; (xv) failure to maintain or develop customer relationships; (xvi) the company's ability to develop or acquire new products and adapt to technological changes; (xvii) failure in information technology, systems, or data security; (xviii) the impact of potential losses under repurchase agreements; (xix) adverse weather conditions; (xx) the number of revenue days in a financial period; (xxi) employee relations; (xxii) personnel costs; (xxiii) inflation; (xxiv) increased competition; and (xxv) the effect of exchange rate fluctuations. These factors, in some cases, have affected and in the future (together with other factors) could affect the company's ability to implement the company's business strategy, and actual results could differ materially from those suggested by these forward-looking statements. As a result, readers are cautioned not to place undue reliance on any of the forward-looking statements.

The company has no obligation to provide any updates to these forward-looking statements even if its expectations change. All forward-looking statements are expressly qualified in their entirety by this cautionary statement. Further information on potential factors, risks and uncertainties that could affect operating and financial results is included in the company's most recent Annual Report on Form 10-K and subsequent Forms 10-Q, including in each case under the heading RISK FACTORS, and in the company's other filings with the SEC. The information in this presentation should be read in conjunction with a review of the company's filings with the SEC including the information in the company's most recent Annual Report on Form 10-K, and subsequent Forms 10-Q, under the heading "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS".

Use of Adjusted Measures

The company has provided in this presentation and accompanying tables “adjusted” financial information that has not been prepared in accordance with GAAP, including adjusted net income, adjusted EBITDA, adjusted EPS (or adjusted net income per share), adjusted operating income, adjusted operating margin, free cash flow, and certain segment information. The company believes these adjusted measures are useful to investors as a supplement to, but not as a substitute for, GAAP measures, in evaluating the company’s operational performance. The company further believes that the use of these non-GAAP financial measures provides an additional tool for investors in evaluating operating results and trends, and growth and shareholder returns, as well as in comparing the company’s financial results with the financial results of other companies. However, the company notes that these adjusted measures may be different from and not directly comparable to the measures presented by other companies. Reconciliations of these non-GAAP measures to the most comparable GAAP measures and an identification of the components that comprise “special items” used for certain adjusted financial information are included in the tables accompanying this presentation.

Second Quarter Consolidated Results

(Dollars in Millions, Except Per Share Data)

	<u>2Q24</u>	<u>2Q23</u>	<u>% Change</u>
Revenue	\$3,220.9	\$3,033.7	6.2% ⁽²⁾
Adjusted Operating Income ⁽¹⁾	\$479.9	\$448.3	7.1%
<i>Adjusted Operating Margin</i>	<i>14.9%</i>	<i>14.8%</i>	<i>10 bps</i>
Adjusted EPS ⁽¹⁾	\$3.94	\$3.42	15.2%
Operating Cash Flow from Continuing Operations	\$561.1	\$161.5	247.4%
Less: Capital Expenditures	<u>(\$128.2)</u>	<u>(\$103.3)</u>	24.1%
Free Cash Flow from Continuing Operations	\$432.9	\$58.2	643.8%

(1) Adjusted operating income and Adjusted EPS exclude amortization, restructuring charges, and special items. See Reconciliation of non-GAAP Financial Measures on slides 15-19.

(2) The increase was due to organic revenue of 3.8%, acquisitions, net of divestitures, of 2.5%, partially offset by foreign currency translation of (0.1%). The 3.8% increase in organic revenue was driven by a 4.5% increase in the company's organic Base Business, partially offset by a (0.7%) decrease in COVID-19 PCR testing (COVID-19 Testing). Base Business includes Labcorp's operations except for COVID-19 Testing.

Year to Date Consolidated Results

(Dollars in Millions, Except Per Share Data)

	<u>Six Months Ended June 30, 2024</u>	<u>Six Months Ended June 30, 2023</u>	<u>% Change</u>
Revenue	\$6,397.5	\$6,071.5	5.4% ⁽²⁾
Adjusted Operating Income ⁽¹⁾	\$932.7	\$896.1	4.1%
<i>Adjusted Operating Margin</i>	<i>14.6%</i>	<i>14.8%</i>	<i>(20 bps)</i>
Adjusted EPS ⁽¹⁾	\$7.62	\$6.88	10.8%
Operating Cash Flow from Continuing Operations	\$531.3	\$347.2	53.0%
Less: Capital Expenditures	<u>(\$262.0)</u>	<u>(\$181.5)</u>	(44.4%)
Free Cash Flow from Continuing Operations	\$269.3	\$165.7	62.5%

(1) Adjusted operating income and Adjusted EPS exclude amortization, restructuring charges, special items and impairments. See Reconciliation of non-GAAP Financial Measures on slides 15-19.

(2) The increase was due to organic revenue of 3.0%, acquisitions, net of divestitures, of 2.1%, and foreign currency translation of 0.2%. The 3.0% increase in organic revenue was driven by a 4.3% increase in the company's organic Base Business, partially offset by a (1.3%) decrease in COVID-19 Testing.

Second Quarter Adjusted Segment Results

(Dollars in Millions)

	2Q24	2Q23	% Change
Revenue			
Diagnostics Laboratories	\$2,524.9	\$2,340.8	7.9%
Biopharma Laboratory Services	\$707.0	\$699.0	1.1%
Total Revenue ⁽¹⁾	\$3,220.9	\$3,033.7	6.2%
Adjusted Operating Income ⁽²⁾			
Diagnostics Laboratories	\$441.5	\$409.7	7.8%
<i>Adjusted Operating Margin</i>	<i>17.5%</i>	<i>17.5%</i>	<i>0 bps</i>
Biopharma Laboratory Services	\$107.4	\$104.6	2.7%
<i>Adjusted Operating Margin</i>	<i>15.2%</i>	<i>15.0%</i>	<i>20 bps</i>
Unallocated Corporate Expense	(\$69.0)	(\$66.0)	(4.5%)
Total Adjusted Operating Income ⁽²⁾	\$479.9	\$448.3	7.1%
<i>Total Adjusted Operating Margin</i>	<i>14.9%</i>	<i>14.8%</i>	<i>10 bps</i>

(1) Consolidated revenues and segment adjusted operating income are presented net of intersegment transaction eliminations and other amounts not used in determining segment performance.

(2) Adjusted operating income excludes amortization, restructuring charges, and special items. See Reconciliation of Non-GAAP Financial Measures on slides 15-19.

Year to Date Adjusted Segment Results

(Dollars in Millions)

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	% Change
Revenue			
Diagnostics Laboratories	\$5,004.6	\$4,723.6	5.9%
Biopharma Laboratory Services	\$1,417.9	\$1,360.3	4.2%
Total Revenue ⁽¹⁾	\$6,397.5	\$6,071.5	5.4%
Adjusted Operating Income ⁽²⁾			
Diagnostics Laboratories	\$859.4	\$851.2	1.0%
<i>Adjusted Operating Margin</i>	<i>17.2%</i>	<i>18.0%</i>	<i>(80 bps)</i>
Biopharma Laboratory Services	\$207.3	\$178.2	16.3%
<i>Adjusted Operating Margin</i>	<i>14.6%</i>	<i>13.1%</i>	<i>150 bps</i>
Unallocated Corporate Expense	(\$134.0)	(\$133.3)	0.5%
Total Adjusted Operating Income ⁽²⁾	\$932.7	\$896.1	4.1%
<i>Total Adjusted Operating Margin</i>	<i>14.6%</i>	<i>14.8%</i>	<i>(20 bps)</i>

(1) Consolidated revenues and segment adjusted operating income are presented net of intersegment transaction eliminations and other amounts not used in determining segment performance.

(2) Adjusted operating income excludes amortization, restructuring charges, special items and impairments. See Reconciliation of non-GAAP Financial Measures on slides 15-19.

Select Financial Metrics

(Dollars in Millions)

	<u>2Q23</u>	<u>3Q23</u>	<u>4Q23</u>	<u>1Q24</u>	<u>2Q24</u>
Total Depreciation	\$91.3	\$90.4	\$87.2	\$94.4	\$94.6
Total Amortization ⁽¹⁾	\$51.5	\$55.7	\$59.2	\$60.1	\$62.2
Total Adjusted EBITDA ⁽²⁾	\$543.5	\$515.5	\$482.2	\$547.2	\$574.6
Total Debt to Last Twelve Months Adjusted EBITDA ⁽²⁾	2.6x	2.7x	2.5x	2.5x	2.4x
Total Net Debt to Last Twelve Months Adjusted EBITDA ⁽²⁾⁽³⁾	1.7x	2.3x	2.3x	2.5x	2.3x

(1) Excludes amortization of deferred financing fees.

(2) Adjusted EBITDA excludes restructuring charges and special items. See Reconciliation of non-GAAP Financial Measures on slide 15.

(3) Net debt equals total debt less cash and cash equivalents.

Biopharma Laboratory Services: Select Financial Metrics⁽¹⁾

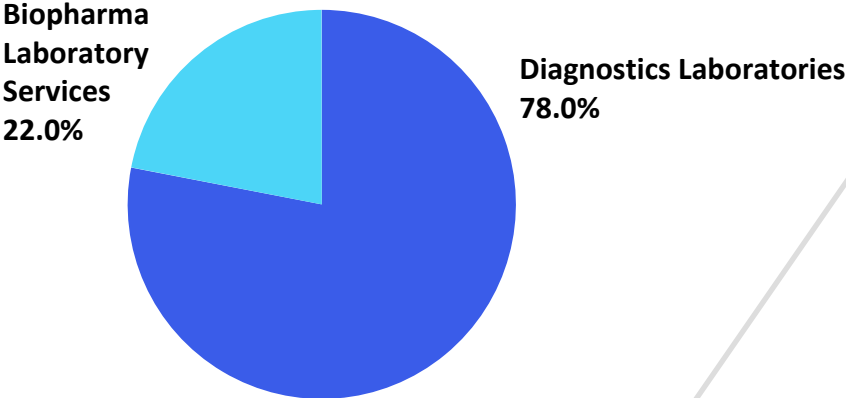
Trailing Twelve Month (TTM) Results		
	Net Orders	Net Book-to-Bill
TTM Ending June 30, 2024	\$2.82 billion	1.00x
TTM Ending March 31, 2024	\$2.83 billion	1.00x
TTM Ending December 31, 2023	\$2.89 billion	1.04x
TTM Ending September 30, 2023	\$3.05 billion	1.12x
TTM Ending June 30, 2023	\$3.30 billion	1.23x

	Backlog	Estimated revenue expected to convert from backlog in the next twelve months
As of June 30, 2024	\$7.92 billion	\$2.50 billion
As of March 31, 2024	\$7.90 billion	\$2.46 billion
As of December 31, 2023	\$8.25 billion	\$2.47 billion
As of September 30, 2023	\$7.79 billion	\$2.41 billion
As of June 30, 2023	\$7.96 billion	\$2.46 billion

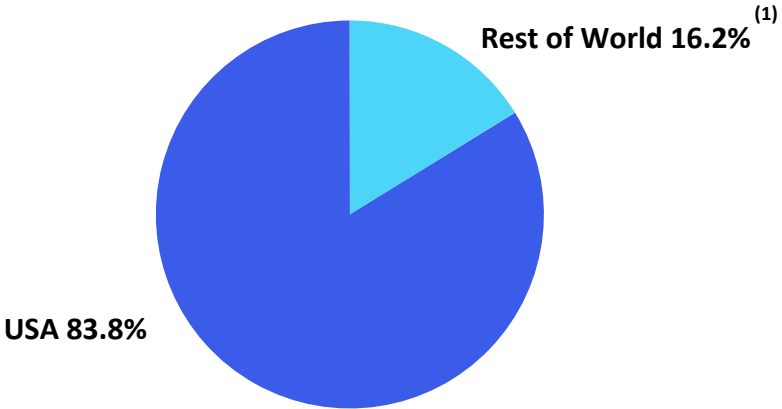
(1) Results shown include the impact from cancellations and foreign currency translation.

Second Quarter 2024 Revenue Distribution

Segment Distribution



Geographic Distribution



(1) Revenues recognized in over 10 currencies; the largest foreign currency accounts for less than 10% of total revenue.

Second Quarter 2024 Foreign Exchange Impact to Revenue⁽¹⁾ (Dollars in Millions)

	Dollars	Year over Year % Growth
<u>Consolidated</u>		
Revenues, as Reported	\$3,221	6.2%
Foreign Exchange Impact	\$2	0.1%
Revenues, Constant Currency	\$3,223	6.2%
<u>Diagnostics Laboratories</u>		
Revenues, as Reported	\$2,525	7.9%
Foreign Exchange Impact	\$2	0.1%
Revenues, Constant Currency	\$2,527	7.9%
<u>Biopharma Laboratory Services</u>		
Revenues, as Reported	\$707	1.1%
Foreign Exchange Impact	\$—	0.1%
Revenues, Constant Currency	\$707	1.2%

(1) May not foot due to rounding.

Year to Date Foreign Exchange Impact to Revenue⁽¹⁾ (Dollars in Millions)

	<u>Dollars</u>	<u>Year over Year % Growth</u>
<u>Consolidated</u>		
Revenues, as Reported	\$6,398	5.4%
Foreign Exchange Impact	(\$14)	(0.2%)
Revenues, Constant Currency	\$6,384	5.1%
<u>Diagnostics Laboratories</u>		
Revenues, as Reported	\$5,005	5.9%
Foreign Exchange Impact	\$1	—%
Revenues, Constant Currency	\$5,006	6.0%
<u>Biopharma Laboratory Services</u>		
Revenues, as Reported	\$1,418	4.2%
Foreign Exchange Impact	(\$15)	(1.1%)
Revenues, Constant Currency	\$1,403	3.1%

(1) May not foot due to rounding.

Diagnostics Laboratories Price / Mix & Days

Revenue breakdown by Volume and Price / Mix							
Year over Year % Change	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Revenue ⁽¹⁾	(12.8%)	(2.9%)	3.8%	6.2%	2.6%	4.1%	7.9%
Volume (in requisitions) ⁽²⁾	(11.8%)	(3.3%)	1.4%	2.3%	2.4%	3.4%	5.7%
Price / mix ⁽³⁾	(1.0%)	0.4%	2.4%	3.9%	0.2%	0.6%	2.1%

Days in 2024 Versus 2023 ⁽⁴⁾					
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year ⁽⁵⁾
Revenue Day Variance	—	+ 0.25 Day	- 0.50 Day	+ 0.25 Day	—
Payroll Day Variance	—	—	+ 1.00 Day	+ 1.00 Day	+ 2.00 Day

(1) Revenue variance percent: YOY change in revenue divided by prior year revenue.

(2) Volume (in requisitions) variance percent: YOY change in volume divided by prior year volume.

(3) Price / mix percent: Calculated as revenue variance percent, less volume (in requisitions) variance percent.

(4) Day variances are rounded to the nearest quarter day.

(5) May not foot due to rounding.

Outlook for 2024 as of August 1, 2024

(Dollars in billions, except per share data)

	Full Year Results (in Dollars)	Updated 2024 Guidance (in Dollars)		Updated 2024 Guidance (% Versus 2023)		Invitae Impact In Guidance
	<u>2023</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>at Midpoint</u>
Revenue						
Labcorp Enterprise ⁽¹⁾⁽²⁾	\$12.16	\$12.94	\$13.07	6.4%	7.5%	1.0%
Diagnostics Laboratories	\$9.42	\$10.06	\$10.16	6.9%	7.9%	1.3%
Biopharma Laboratory Services ⁽³⁾	\$2.77	\$2.88	\$2.91	3.7%	5.0%	
Adjusted EPS	\$13.56	\$14.30	\$14.90	5.5%	9.9%	(\$0.40)
Free Cash Flow from Cont. Ops ⁽⁴⁾	\$0.89	\$0.85	\$1.00	(4.3%)	12.6%	(\$0.15)

(1) 2024 Guidance includes an impact from foreign currency translation of 0.1%.

(2) Enterprise level revenue is presented net of intersegment transaction eliminations.

(3) 2024 Guidance includes an impact from foreign currency translation of 0.4%.

(4) 2023 Free Cash Flow from continuing operations excluding spin-related items.

Additional Quarterly Business Segment Information (Dollars in Millions)

	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 ⁽¹⁾	Q2
Diagnostics Laboratories Revenue										
Routine vs. Esoteric Mix Base Business:										
Routine	59.9%	58.8%	59.1%	62.3%	62.5%	61.8%	61.3%	61.5%	61.8%	61.2%
Esoteric	40.1%	41.2%	40.9%	37.7%	37.5%	38.2%	38.7%	38.5%	38.2%	38.8%
Payer Mix Base Business:										
Clients	28.0%	29.0%	29.5%	34.2%	32.0%	32.0%	31.1%	31.9%	32.0%	31.0%
Patients	10.2%	12.8%	11.4%	10.0%	12.5%	13.0%	12.0%	12.4%	13.0%	13.4%
Medicare and Medicaid	11.0%	11.0%	10.7%	10.2%	10.2%	10.1%	10.2%	10.1%	9.8%	10.1%
Third Party	50.8%	47.2%	48.5%	45.7%	45.3%	44.9%	46.8%	45.5%	45.2%	45.6%
Biopharma Laboratory Services										
Quarterly Book-to-Bill	1.24	1.26	1.33	1.60	0.96	1.06	0.88	1.26	0.81	1.03
Quarterly Net Orders	871.9	853.0	884.3	1,036.3	637.1	742.8	635.0	878.3	577.5	729.4
Business Unit Revenue										
Early Development Research Labs	226.8	243.4	226.3	218.1	207.9	225.4	239.3	213.2	199.9	191.2
Central Laboratories	477.4	434.5	440.0	430.7	453.4	473.6	479.8	481.6	510.9	515.8
Total Biopharma Laboratory Services Revenue	704.2	677.9	666.4	648.8	661.3	699.0	719.1	694.8	710.9	707.0

(1) Q1 2024 Patients and Third Party Payer Mix updated from prior version.

Reconciliation of Non-GAAP Financial Measures – Adjusted EBITDA (Dollars in Millions)

	2Q23	3Q23	4Q23	1Q24	2Q24
Operating Income	\$266.3	\$252.3	(\$122.8)	\$321.3	\$294.8
Add:					
Restructuring and other charges	15.8	7.5	18.3	5.0	11.6
Goodwill and other asset impairments	—	10.2	333.8	2.5	—
Other special charges ⁽¹⁾	68.2	98.2	106.4	63.9	111.3
Depreciation	91.3	90.4	87.2	94.4	94.6
Amortization of intangibles and other assets	51.5	55.7	59.2	60.1	62.2
Equity method income (expense), net	1.9	(0.3)	0.1	0.1	(0.3)
EBITDA adjustments to equity method income, net	2.0	1.5	—	(0.1)	0.4
CDCS not included in Discontinued Operations	46.5	—	—	—	—
Adjusted EBITDA	543.5	515.5	482.2	547.2	574.6

(1) Other special charges represent the summation of the adjustments that impacted operating income excluding Restructuring and other charges, Goodwill and other asset impairments, and Amortization of intangibles and other assets.

Reconciliation of Non-GAAP Income Statement (Dollars in Millions, Except Per Share Data)

	GAAP		Non-GAAP	
	Three Months Ended June 30,		Three Months Ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 3,220.9	\$ 3,033.7	\$ 3,220.9	\$ 3,033.7
Cost of revenues	2,294.5	2,191.5	2,263.4	2,146.7
Gross profit	926.4	842.2	957.5	887.0
Selling, general and administrative expenses	557.8	505.8	477.6	438.7
Amortization of intangibles and other assets	62.2	51.5	—	—
Goodwill and other asset impairments	—	2.8	—	—
Restructuring and other charges	11.6	15.8	—	—
Operating income	294.8	266.3	479.9	448.3
Other income (expense):				
Interest expense	(47.6)	(49.8)	(47.6)	(50.3)
Investment income	1.3	4.5	1.3	3.3
Equity method income, net	(0.3)	0.9	(0.3)	1.9
Other, net	19.5	(16.9)	(1.6)	(3.1)
Earnings from continuing operations before income taxes	267.7	205.0	431.7	400.1
Provision for income taxes	62.1	49.8	99.4	95.7
Earnings from continuing operations	205.6	155.2	332.3	304.4
Earnings from discontinued operations, net of tax	—	33.9	—	—
Net earnings	205.6	189.1	332.3	304.4
Less: Net earnings (loss) attributable to the noncontrolling interest	(0.3)	(0.2)	(0.3)	(0.2)
Net earnings attributable to Labcorp Holdings Inc.	205.3	188.9	332.0	\$ 304.2
Diluted earnings per common share:				
Diluted earnings per common share continuing operations	\$ 2.43	\$ 1.74	\$ 3.94	\$ 3.42
Diluted earnings per common share discontinued operations	\$ —	\$ 0.38	\$ —	\$ —
Diluted earnings per common share	\$ 2.43	\$ 2.12	\$ 3.94	\$ 3.42
Weighted average diluted shares outstanding	84.3	89.0	84.3	89.0

Reconciliation of Non-GAAP Income Statement (Dollars in Millions, Except Per Share Data)

	GAAP		Non-GAAP	
	Six Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 6,397.5	\$ 6,071.5	\$ 6,397.5	\$ 6,071.5
Cost of revenues	4,573.8	4,379.2	4,521.0	4,307.5
Gross profit	1,823.7	1,692.3	1,876.5	1,764.0
Selling, general and administrative expenses	1,066.2	963.0	943.8	867.9
Amortization of intangibles and other assets	122.3	104.9	—	—
Goodwill and other asset impairments	2.5	5.0	—	—
Restructuring and other charges	16.6	23.3	—	—
Operating income	616.1	596.1	932.7	896.1
Other income (expense):				
Interest expense	(94.5)	(100.5)	(94.5)	(101.0)
Investment income	4.2	6.7	4.2	5.5
Equity method income, net	(0.2)	(1.2)	(0.2)	1.3
Other, net	39.5	(23.8)	(4.7)	(6.4)
Earnings from continuing operations before income taxes	565.1	477.3	837.5	795.5
Provision for income taxes	131.2	113.7	192.7	183.0
Earnings from continuing operations	433.9	363.6	644.8	612.5
Earnings from discontinued operations, net of tax	—	38.8	—	—
Net earnings	433.9	402.4	644.8	612.5
Less: Net earnings (loss) attributable to the noncontrolling interest	(0.6)	(0.6)	(0.6)	(0.6)
Net earnings attributable to Labcorp Holdings Inc.	<u>\$ 433.3</u>	<u>\$ 401.8</u>	<u>\$ 644.2</u>	<u>\$ 611.9</u>
Diluted earnings per common share:				
Diluted earnings per common share continuing operations	\$ 5.13	\$ 4.08	\$ 7.62	\$ 6.88
Diluted earnings per common share discontinued operations	\$ —	\$ 0.43	\$ —	\$ —
Diluted earnings per common share	\$ 5.13	\$ 4.51	\$ 7.62	\$ 6.88
Weighted average diluted shares outstanding	84.5	89.0	84.5	89.0

Reconciliation of Non-GAAP Financial Measures⁽¹⁾ (Dollars in Millions, Except Per Share Data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Adjusted Operating Income				
Operating Income	\$294.8	\$266.3	\$616.1	\$596.1
Amortization of intangibles and other assets ^(a)	62.2	51.5	122.3	104.9
Restructuring and other charges ^(b)	11.6	15.8	16.6	23.3
Acquisition and disposition-related costs ^(c)	25.1	12.6	46.0	28.7
Launchpad Costs ^(d)	31.5	—	40.4	—
Spin off transaction costs ^(e)	—	38.6	—	51.7
Asset impairments ^(f)	—	2.8	2.5	5.0
Other	31.8	14.2	43.5	16.9
TSA Reimbursement ^(g)	22.9	—	45.3	—
CDCS not included in discontinued operations ^(h)	—	46.5	—	69.5
Adjusted operating income	<u>\$479.9</u>	<u>\$448.3</u>	<u>\$932.7</u>	<u>\$896.1</u>
Adjusted Net Income				
Net Income	\$205.3	\$188.9	\$433.3	\$401.8
Impact of adjustments to operating income	185.1	135.5	316.6	230.5
(Gains) / losses on venture fund investments, net ⁽ⁱ⁾	1.5	2.4	5.7	3.9
(Gain) / loss on sale of business ^(j)	—	—	(4.9)	—
Pension settlement ^(k)	—	—	—	7.9
TSA Reimbursement ^(g)	(22.9)	—	(45.3)	—
Other	0.3	—	0.3	1.5
Income tax impact of adjustments ^(l)	(37.3)	(45.9)	(61.5)	(69.3)
Earnings from discontinued operations, net of tax ^(h)	—	(33.9)	—	(38.8)
CDCS not included in discontinued operations ^(h)	—	57.2	—	74.4
Adjusted net income	<u>\$332.0</u>	<u>\$304.2</u>	<u>\$644.2</u>	<u>\$611.9</u>
Weighted average diluted shares outstanding	84.3	89.0	84.5	89.0
Adjusted earnings per share	\$3.94	\$3.42	\$7.62	\$6.88

Reconciliation of Non-GAAP Financial Measures – Footnotes

- (a) Amortization of intangible assets acquired as part of business acquisitions.
- (b) Restructuring and other charges represent amounts incurred in connection with the elimination of redundant positions and facilities within the organization in connection with our LaunchPad initiatives, the spin-off of Fortrea Holdings Inc. (Fortrea), and acquisitions or dispositions of businesses by the company.
- (c) Acquisition and disposition-related costs include due-diligence legal and advisory fees, retention bonuses, impact of delayed contract or license transfers and other integration or disposition related activities.
- (d) LaunchPad costs include non-capitalized costs associated with the implementation of systems, consolidation of processes, and consulting costs incurred as part of various business process improvement initiatives.
- (e) The company incurred various costs to prepare for the spin-off of Fortrea and reorganization of the remaining Labcorp business.
- (f) The company impaired certain fixed assets and capitalized software costs which are no longer realizable by the business.
- (g) Represents transition services fees charged to Fortrea related to administrative and IT systems support. The costs to provide these services are included in operating income but the service fees are included in other income.
- (h) These adjustments remove the impact of the Clinical Development and Commercialization Services business pursuant to the spin-off of Fortrea.
- (i) The company makes investments in companies or investment funds developing promising technology related to its operations. The company recorded net gains and losses related to several distributions from venture funds, increases in the market value of investments, and impairments of other investments due to the underlying performance of the investments.
- (j) The company recorded a gain on the disposition of the Beacon Laboratory Benefits Solutions business.
- (k) The company incurred a charge related to the US pension plan due to settlement of certain obligations to retired employees.
- (l) Income tax impact of adjustments calculated based on the tax rate applicable to each item.