

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**  
**FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2024  
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-11353

**LABCORP HOLDINGS INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

**99-2588107**

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

**358 South Main Street**

**Burlington,**

**North Carolina**

**27215**

(Address of principal executive offices)

(Zip Code)

(Registrant's telephone number, including area code) **336-229-1127**

Securities registered pursuant to Section 12(b) of the Exchange Act.

**Title of Each Class      Trading Symbol      Name of exchange on which registered**

Common Stock, \$0.10 par value      LH      New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

<u>Class</u>	<u>Shares Outstanding</u>	<u>Date</u>
Common Stock \$0.10 par value	83,639,261	October 28, 2024

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## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements (unaudited)

**LABCORP HOLDINGS INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
 (in millions)  
 (unaudited)

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,517.3	\$ 536.8
Accounts receivable, net	2,058.5	1,913.3
Unbilled services	166.3	185.4
Supplies inventory	483.1	474.6
Prepaid expenses and other	684.7	655.3
Total current assets	4,909.9	3,765.4
Property, plant and equipment, net	3,050.0	2,911.8
Goodwill, net	6,482.4	6,142.5
Intangible assets, net	3,540.7	3,342.0
Joint venture partnerships and equity method investments	16.9	26.9
Other assets, net	612.6	536.5
Total assets	<u>\$ 18,612.5</u>	<u>\$ 16,725.1</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 660.9	\$ 827.5
Accrued expenses and other	757.5	804.0
Unearned revenue	403.1	421.7
Short-term operating lease liabilities	184.3	165.8
Short-term finance lease liabilities	6.3	6.4
Short-term borrowings and current portion of long-term debt	1,399.9	999.8
Total current liabilities	3,412.0	3,225.2
Long-term debt, less current portion	5,352.1	4,054.7
Operating lease liabilities	701.3	648.9
Financing lease liabilities	75.2	78.6
Deferred income taxes and other tax liabilities	358.3	417.9
Other liabilities	528.2	409.3
Total liabilities	10,427.1	8,834.6
Commitments and contingent liabilities		
Noncontrolling interest	15.2	15.5
Shareholders' equity:		
Common stock, \$0.10 par value, 83.7 and 83.9 shares outstanding at September 30, 2024, and December 31, 2023, respectively	7.6	7.7
Additional paid-in capital	—	38.4
Retained earnings	8,275.8	7,888.2
Accumulated other comprehensive loss	(113.2)	(59.3)
Total shareholders' equity	8,170.2	7,875.0
Total liabilities and shareholders' equity	<u>\$ 18,612.5</u>	<u>\$ 16,725.1</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**LABCORP HOLDINGS INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in millions, except per share data)  
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Revenues	\$ 3,282.0	\$ 3,056.8	\$ 9,679.5	\$ 9,128.3
Cost of revenues	2,377.6	2,205.6	6,951.4	6,584.8
Gross profit	904.4	851.2	2,728.1	2,543.5
Selling, general and administrative expenses	568.6	525.5	1,634.8	1,488.5
Amortization of intangibles and other assets	63.7	55.7	186.0	160.6
Goodwill and other asset impairments	—	10.2	2.5	15.2
Restructuring and other charges	18.0	7.5	34.6	30.8
Operating income	254.1	252.3	870.2	848.4
Other income (expense):				
Interest expense	(50.4)	(50.3)	(144.9)	(150.8)
Investment income	3.1	15.9	7.3	22.6
Equity method income (expense), net	(0.5)	(0.3)	(0.7)	(1.5)
Other, net	4.3	21.1	43.8	(2.7)
Earnings from continuing operations before income taxes	210.6	238.7	775.7	716.0
Provision for income taxes	41.0	55.1	172.2	168.8
Earnings from continuing operations	169.6	183.6	603.5	547.2
Earnings from discontinued operations, net of tax	—	—	—	38.8
Net earnings	169.6	183.6	603.5	586.0
Less: Net earnings attributable to the noncontrolling interest	(0.3)	(0.3)	(0.9)	(0.9)
Net earnings attributable to Labcorp Holdings Inc.	<u>\$ 169.3</u>	<u>\$ 183.3</u>	<u>\$ 602.6</u>	<u>\$ 585.1</u>
Basic earnings per share:				
Basic earnings per share continuing operations	\$ 2.02	\$ 2.12	\$ 7.17	\$ 6.22
Basic earnings per share discontinued operations	\$ —	\$ —	\$ —	\$ 0.44
Basic earnings per share	<u>\$ 2.02</u>	<u>\$ 2.12</u>	<u>\$ 7.17</u>	<u>\$ 6.66</u>
Diluted earnings per share:				
Diluted earnings per share continuing operations	\$ 2.00	\$ 2.11	\$ 7.13	\$ 6.19
Diluted earnings per share discontinued operations	\$ —	\$ —	\$ —	\$ 0.44
Diluted earnings per share	<u>\$ 2.00</u>	<u>\$ 2.11</u>	<u>\$ 7.13</u>	<u>\$ 6.63</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**LABCORP HOLDINGS INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS**  
(in millions)  
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Net earnings	\$ 169.6	\$ 183.6	\$ 603.5	\$ 586.0
Foreign currency translation adjustments	78.3	(56.0)	(53.2)	43.8
Net benefit plan adjustments	1.6	1.1	(0.1)	3.4
Other comprehensive earnings (loss) before tax	79.9	(54.9)	(53.3)	47.2
Provision for income tax related to items of comprehensive earnings	(1.1)	(0.2)	(0.6)	(0.8)
Other comprehensive earnings (loss), net of tax	78.8	(55.1)	(53.9)	46.4
Comprehensive earnings	248.4	128.5	549.6	632.4
Less: Net earnings attributable to the noncontrolling interest	(0.3)	(0.3)	(0.9)	(0.9)
Comprehensive earnings attributable to Labcorp Holdings Inc.	<u><u>\$ 248.1</u></u>	<u><u>\$ 128.2</u></u>	<u><u>\$ 548.7</u></u>	<u><u>\$ 631.5</u></u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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LABCORP HOLDINGS INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN  
SHAREHOLDERS' EQUITY  
(in millions)  
(unaudited)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Other Comprehensive Earnings (Loss)	Total Shareholders' Equity
<b>BALANCE AT DECEMBER 31, 2022</b>	\$ 8.1	\$ —	\$ 10,581.7	\$ (493.2)	\$ 10,096.6
Net earnings attributable to Labcorp Holdings Inc.	—	—	212.9	—	212.9
Other comprehensive earnings (loss), net of tax	—	—	—	49.0	49.0
Dividends declared	—	—	(64.7)	—	(64.7)
Issuance of common stock under employee stock plans	—	27.6	—	—	27.6
Net share settlement tax payments from issuance of stock to employees	—	(20.5)	—	—	(20.5)
Stock compensation	—	40.6	—	—	40.6
<b>BALANCE AT MARCH 31, 2023</b>	<u>\$ 8.1</u>	<u>\$ 47.7</u>	<u>\$ 10,729.9</u>	<u>\$ (444.2)</u>	<u>\$ 10,341.5</u>
Net earnings attributable to Labcorp Holdings Inc.	—	—	188.9	—	188.9
Other comprehensive earnings (loss), net of tax	—	—	—	52.5	52.5
Fortrea Holdings Inc. spin-off	—	—	(2,018.1)	238.0	(1,780.1)
Dividends declared	—	—	(64.5)	—	(64.5)
Issuance of common stock under employee stock plans	—	26.8	—	—	26.8
Net share settlement tax payments from issuance of stock to employees	—	(18.2)	—	—	(18.2)
Stock compensation	—	38.1	—	—	38.1
<b>BALANCE AT JUNE 30, 2023</b>	<u><u>\$ 8.1</u></u>	<u><u>\$ 94.4</u></u>	<u><u>\$ 8,836.2</u></u>	<u><u>\$ (153.7)</u></u>	<u><u>\$ 8,785.0</u></u>
Net earnings attributable to Labcorp Holdings Inc.	—	—	183.3	—	183.3
Other comprehensive earnings (loss), net of tax	—	—	—	(55.1)	(55.1)
Dividends declared	—	—	(64.6)	—	(64.6)
Net share settlement tax payments from issuance of stock to employees	—	(0.9)	—	—	(0.9)
Stock compensation	—	34.4	—	—	34.4
Purchase of common stock	(0.4)	(123.2)	(885.4)	—	(1,009.0)
<b>BALANCE AT SEPTEMBER 30, 2023</b>	<u><u>\$ 7.7</u></u>	<u><u>\$ 4.7</u></u>	<u><u>\$ 8,069.5</u></u>	<u><u>\$ (208.8)</u></u>	<u><u>\$ 7,873.1</u></u>
<b>BALANCE AT DECEMBER 31, 2023</b>	<u><u>\$ 7.7</u></u>	<u><u>\$ 38.4</u></u>	<u><u>\$ 7,888.2</u></u>	<u><u>\$ (59.3)</u></u>	<u><u>\$ 7,875.0</u></u>
Net earnings attributable to Labcorp Holdings Inc.	—	—	228.0	—	228.0
Other comprehensive earnings (loss), net of tax	—	—	—	(126.1)	(126.1)
Dividends declared	—	—	(60.9)	—	(60.9)
Issuance of common stock under employee stock plans	—	26.7	—	—	26.7
Net share settlement tax payments from issuance of stock to employees	—	(14.7)	—	—	(14.7)
Stock compensation	—	31.6	—	—	31.6
<b>BALANCE AT MARCH 31, 2024</b>	<u><u>\$ 7.7</u></u>	<u><u>\$ 82.0</u></u>	<u><u>\$ 8,055.3</u></u>	<u><u>\$ (185.4)</u></u>	<u><u>\$ 7,959.6</u></u>
Net earnings attributable to Labcorp Holdings Inc.	—	—	205.3	—	205.3
Other comprehensive earnings (loss), net of tax	—	—	—	(6.6)	(6.6)
Dividends declared	—	—	(60.2)	—	(60.2)
Net share settlement tax payments from issuance of stock to employees	—	(23.1)	—	—	(23.1)
Stock compensation	—	30.8	—	—	30.8
Purchase of common stock	—	(77.2)	(22.8)	—	(100.0)
<b>BALANCE AT JUNE 30, 2024</b>	<u><u>\$ 7.7</u></u>	<u><u>\$ 12.5</u></u>	<u><u>\$ 8,177.6</u></u>	<u><u>\$ (192.0)</u></u>	<u><u>\$ 8,005.8</u></u>
Net earnings attributable to Labcorp Holdings Inc.	—	—	169.3	—	169.3
Other comprehensive earnings (loss), net of tax	—	—	—	78.8	78.8
Dividends declared	—	—	(61.1)	—	(61.1)
Issuance of common stock under employee stock plans	—	26.3	—	—	26.3
Net share settlement tax payments from issuance of stock to employees	—	(0.9)	—	—	(0.9)
Stock compensation	—	27.0	—	—	27.0
Purchase of common stock	(0.1)	(64.9)	(10.0)	—	(75.0)
<b>BALANCE AT SEPTEMBER 30, 2024</b>	<u><u>\$ 7.6</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 8,275.8</u></u>	<u><u>\$ (113.2)</u></u>	<u><u>\$ 8,170.2</u></u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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LABCORP HOLDINGS INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in millions)  
(unaudited)

	Nine Months Ended September 30,	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net earnings	\$ 603.5	\$ 586.0
Earnings from discontinued operations, net of tax	—	(38.8)
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	472.9	430.9
Stock compensation	89.4	101.7
Operating lease right-of-use asset expense	136.7	128.5
Goodwill and other asset impairments	2.5	15.2
Deferred income taxes	(58.6)	(18.2)
Other	46.0	3.9
Change in assets and liabilities (net of effects of acquisitions and divestitures):		
Increase in accounts receivable	(143.2)	(173.6)
Decrease in unbilled services	22.8	103.4
Decrease in supplies inventory	2.0	9.7
Increase in prepaid expenses and other	(39.8)	(74.9)
Decrease in accounts payable	(138.2)	(188.6)
(Decrease) increase in unearned revenue	(27.9)	50.7
Decrease in accrued expenses and other	(159.5)	(313.2)
Net cash provided by continuing operating activities	808.6	622.7
Net cash provided by discontinued operating activities	—	125.4
Net cash provided by operating activities	<u>808.6</u>	<u>748.1</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	(377.8)	(286.4)
Proceeds from sale of assets	0.6	0.3
Proceeds from sale of business	13.5	—
Proceeds from sale or distribution of investments	—	6.7
Investments in equity affiliates	(42.3)	(20.1)
Acquisition of businesses, net of cash acquired	(751.2)	(516.7)
Net cash used for continuing investing activities	(1,157.2)	(816.2)
Net cash used for discontinued investing activities	—	(24.7)
Net cash used for investing activities	<u>(1,157.2)</u>	<u>(840.9)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from senior note offerings	2,000.0	—
Payments on senior notes	(600.0)	—
Proceeds from revolving credit facilities	2,463.7	1,968.5
Payments on revolving credit facilities	(2,463.7)	(1,878.9)
Proceeds from accounts receivable securitization	300.0	—
Net share settlement tax payments from issuance of stock to employees	(38.7)	(39.6)
Net proceeds from issuance of stock to employees	53.0	54.4
Dividends paid	(183.0)	(192.9)
Purchase of common stock	(175.0)	(1,009.0)
Other	(29.7)	(15.0)
Net cash provided by (used for) continuing financing activities	<u>1,326.6</u>	<u>(1,112.5)</u>
Net cash provided by discontinued financing activities	—	1,499.7
Net cash provided by financing activities	<u>1,326.6</u>	<u>387.2</u>
Effect of exchange rate changes on cash and cash equivalents	2.5	3.5
Net increase in cash and cash equivalents	980.5	297.9
Cash and cash equivalents at beginning of period	536.8	430.0
Cash and cash equivalents at end of period	<u>\$ 1,517.3</u>	<u>\$ 727.9</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**LABCORP HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(dollars and shares in millions, except per share data)

**1. BASIS OF FINANCIAL STATEMENT PRESENTATION**

Labcorp® Holdings Inc. (Labcorp® or the Company) is a global leader of innovative and comprehensive laboratory services that provides vital information to help doctors, hospitals, pharmaceutical companies, researchers, and patients make clear and confident decisions. By leveraging its unparalleled diagnostics and drug development capabilities, the Company provides insights and accelerates innovations to improve health and improve lives.

On April 25, 2024, the Company announced plans to implement a new public holding company structure, with Labcorp Holdings Inc. as the new holding company. On May 17, 2024, the Company completed the holding company reorganization (Reorganization) and Labcorp Holdings Inc. became the successor issuer to Laboratory Corporation of America Holdings (LCAH). The new holding company has no independent assets or operations and its sole ownership interest is in LCAH.

The Company reports its business in two segments, Diagnostics Laboratories (Dx) and Biopharma Laboratory Services (BLS), formerly Drug Development. For further financial information about these segments, see Note 12 (Business Segment Information) to the Condensed Consolidated Financial Statements. During the three months ended September 30, 2024, Dx and BLS contributed approximately 78% and 22%, respectively, of revenues to the Company. During the nine months ended September 30, 2024, Dx and BLS contributed approximately 78% and 22%, respectively, of revenues to the Company.

The accompanying condensed consolidated financial statements of the Company are unaudited. In the opinion of management, all adjustments necessary for a fair statement of results of operations, cash flows, and financial position have been made. Except as otherwise disclosed, all such adjustments are of a normal recurring nature. Interim results are not necessarily indicative of results for a full year. The year-end condensed consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by generally accepted accounting principles.

The condensed consolidated financial statements and notes are presented in accordance with the rules and regulations of the Securities and Exchange Commission (SEC) and do not contain certain information included in the Company's fiscal year 2023 Annual Report on Form 10-K (Annual Report). Therefore, these interim statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's Annual Report.

The condensed consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries for which it exercises control. Long-term investments in affiliated companies in which the Company exercises significant influence, but which it does not control, are accounted for using the equity method. Investments in which the Company does not exercise significant influence (generally, when the Company has an investment of less than 20.0% and no representation on the investee's board of directors) are accounted for at fair value, or at cost minus impairment adjusted for observable price changes in orderly transactions for an identical or similar investment of the same issuer for those investments that do not have readily determinable fair values. All significant inter-company transactions and accounts have been eliminated. The Company does not have any significant variable interest entities or special purpose entities whose financial results are not included in the condensed consolidated financial statements.

The financial statements of the Company's operating foreign subsidiaries are measured using the local currency as the functional currency. Assets and liabilities are translated at exchange rates as of the balance sheet date. Revenues and expenses are translated at average monthly exchange rates prevailing during the period. Resulting translation adjustments are included in "Accumulated other comprehensive income (loss)."

**2. DISCONTINUED OPERATIONS**

On June 30, 2023 (the Distribution Date), Labcorp completed the previously announced separation (the Separation or spin-off) from the Company of Fortrea Holdings Inc. (Fortrea), formerly the Company's Clinical Development and Commercialization Services (CDCS) business, into a separate, publicly-traded company. All historical operating results of Fortrea are presented as Discontinued Operations, net of tax, in the Condensed Consolidated Statements of Operations. The spin-off is expected to be treated as tax-free for the Company and its shareholders for U.S. federal income tax purposes.

The spin-off of Fortrea from Labcorp was achieved through the Company's pro-rata distribution of 100% of the outstanding shares of Fortrea common stock to holders of record of Labcorp common stock. Each holder of record of Labcorp common stock received one share of Fortrea common stock for every share of Labcorp common stock held at 5:00 p.m., Burlington, North Carolina, time on June 20, 2023, the record date for the distribution.

In June 2023, Fortrea, prior to the Separation and while a subsidiary of the Company, issued \$ 570.0 of 7.500% senior secured notes due 2030 (the Fortrea Notes). The proceeds from the Fortrea Notes were used to fund cash payments of

**LABCORP HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(dollars and shares in millions, except per share data)

approximately \$1,600.0 to the Company in connection with the Separation. The Company does not guarantee the Fortrea Notes following the Separation. Also in June 2023, Fortrea entered into three floating secured overnight financing rate (SOFR) credit facilities totaling \$1,520.0. These are comprised of a \$450.0 Revolver maturing June 30, 2028; a \$500.0 Term Loan A maturing June 30, 2028; and a \$ 570.0 Term Loan B maturing June 30, 2030.

In connection with the spin-off, the Company entered into several agreements with Fortrea on or prior to the Distribution Date that, among other things, provide a framework for the Company's relationship with Fortrea after the spin-off, including a separation and distribution agreement, a tax matters agreement, an employee matters agreement, and a transition services agreement. These agreements contain the key provisions relating to the spin-off, including provisions relating to the principal intercompany transactions required to effect the spin-off, the conditions to the spin-off and provisions governing the relationship between Fortrea and the Company after the spin-off. The costs to provide these services are included in operating income but the service fees are included in other income.

**Financial Information of Discontinued Operations**

Earnings from discontinued operations, net of tax in the Consolidated Statements of Operations reflect the after-tax results of Fortrea's business and Separation-related fees, and do not include any allocation of general corporate overhead expense or interest expense of the Company.

The following table summarizes the significant line items included in Earnings from Discontinued Operations, Net of Tax in the Condensed Consolidated Statements of Operations for the nine months ended September 30, 2023:

	<b>Nine Months Ended September 30, 2023</b>
Revenues	\$ 1,506.6
Cost of revenues	1,244.5
Gross profit	262.1
Selling, general and administrative expenses	184.1
Amortization of intangibles and other assets	31.9
Restructuring and other charges	3.0
Operating income	43.1
Other income (expense):	
Other, net	2.5
Earnings before income taxes	45.6
Provision for income taxes	6.8
Net earnings attributable to Labcorp Holdings Inc.	\$ 38.8

**3. REVENUES**

The Company's revenues by segment and by payers/customer groups for the three and nine months ended September 30, 2024, and 2023, were as follows:

Payer/Customer	<b>For the Three Months Ended September 30, 2024</b>				<b>For the Three Months Ended September 30, 2023</b>			
	North America	Europe	Other	Total	North America	Europe	Other	Total
Dx								
Clients	24 %	— %	— %	24 %	24 %	— %	— %	24 %
Patients	10 %	— %	— %	10 %	9 %	— %	— %	9 %
Medicare and Medicaid	8 %	— %	— %	8 %	8 %	— %	— %	8 %
Third party	36 %	— %	— %	36 %	36 %	— %	— %	36 %
<i>Total Dx revenues by payer</i>	<i>78 %</i>	<i>— %</i>	<i>— %</i>	<i>78 %</i>	<i>77 %</i>	<i>— %</i>	<i>— %</i>	<i>77 %</i>
BLS								
Pharmaceutical, biotechnology, and medical device companies	9 %	9 %	4 %	22 %	10 %	9 %	4 %	23 %
<i>Total revenues</i>	<i>87 %</i>	<i>9 %</i>	<i>4 %</i>	<i>100 %</i>	<i>87 %</i>	<i>9 %</i>	<i>4 %</i>	<i>100 %</i>

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Payer/Customer	For the Nine Months Ended September 30, 2024				For the Nine Months Ended September 30, 2023			
	North America	Europe	Other	Total	North America	Europe	Other	Total
Dx								
Clients	24 %	— %	— %	24 %	24 %	— %	— %	24 %
Patients	10 %	— %	— %	10 %	9 %	— %	— %	9 %
Medicare and Medicaid	8 %	— %	— %	8 %	8 %	— %	— %	8 %
Third party	36 %	— %	— %	36 %	36 %	— %	— %	36 %
<i>Total Dx revenues by payer</i>	<i>78 %</i>	<i>— %</i>	<i>— %</i>	<i>78 %</i>	<i>77 %</i>	<i>— %</i>	<i>— %</i>	<i>77 %</i>
BLS								
Pharmaceutical, biotechnology, and medical device companies	9 %	9 %	4 %	22 %	10 %	9 %	4 %	23 %
<b>Total revenues</b>	<b>87 %</b>	<b>9 %</b>	<b>4 %</b>	<b>100 %</b>	<b>87 %</b>	<b>9 %</b>	<b>4 %</b>	<b>100 %</b>

Revenues in the United States were \$2,738.4 (83.4%) and \$2,550.6 (83.4%) for the three months ended September 30, 2024 and 2023, respectively, and were \$8,091.8 (83.6%) and \$7,645.0 (83.8%) for the nine months ended September 30, 2024 and 2023, respectively.

**Accounts Receivable, Unbilled Services and Unearned Revenue**

The following table provides information about accounts receivable, unbilled services, and unearned revenue from contracts with customers as of September 30, 2024 and December 31, 2023:

	September 30, 2024	December 31, 2023
Dx accounts receivable	\$ 1,323.7	\$ 1,135.2
BLS accounts receivable	773.7	810.8
Less BLS allowance for doubtful accounts	(38.9)	(32.7)
Accounts receivable	<u>2,058.5</u>	<u>1,913.3</u>
Gross unbilled services	\$ 167.9	\$ 192.9
Less reserve for unbilled services	(1.6)	(7.5)
Unbilled services	<u>166.3</u>	<u>185.4</u>
Unearned revenue	<u>403.1</u>	<u>421.7</u>

Revenues recognized during the period that were included in the unearned revenue balance at the beginning of the period were \$ 20.2 and \$6.3 for the three months ended September 30, 2024 and 2023, respectively, and \$98.0 and \$79.1 for the nine months ended September 30, 2024 and 2023, respectively.

**Credit Loss Rollforward**

The Company estimates future expected losses on accounts receivable, unbilled services and notes receivable over the remaining collection period of the instrument. The rollforward for the allowance for credit losses for the nine months ended September 30, 2024, was as follows:

	Accounts Receivable	Unbilled Services	Note and Other Receivables	Total
Balance as of December 31, 2023	\$ 32.7	\$ 7.5	\$ 0.7	\$ 40.9
Plus, credit loss expense	7.7	—	—	7.7
Less, write offs	1.5	5.9	—	7.4
Balance as of September 30, 2024	<u>\$ 38.9</u>	<u>\$ 1.6</u>	<u>\$ 0.7</u>	<u>\$ 41.2</u>

The credit loss expense in the first nine months was primarily related to the collection risk from several biotech receivable balances.

**4. BUSINESS ACQUISITIONS AND DISPOSITIONS**

During the nine months ended September 30, 2024, the Company acquired several businesses and related assets for cash of approximately \$ 751.2. These acquisitions consisted of the clinical and outreach businesses of Baystate Medical Center (\$120.2), Providence Medical Foundation (\$54.9), and Westpac Labs, Inc. (\$97.7), and selected assets of the Invitae

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Corporation (\$240.8) and BioReference Health (237.6). The preliminary purchase considerations for these acquisitions were allocated under the acquisition method of accounting to the estimated fair market value of the net assets acquired, including approximately \$393.6 in identifiable intangible assets. A residual amount of tax deductible goodwill of approximately \$349.5 was recorded as of September 30, 2024. The amortization period for non-compete agreements and customer list assets acquired from these businesses are 5 and 15 years, respectively. The purchase price allocations for the Invitae and BioReference Health acquisitions have not been finalized as of September 30, 2024. The preliminary valuation of acquired assets and assumed liabilities, include the following:

	Baystate Medical Center	Providence Medical Foundation	Westpac Labs, Inc.	Invitae Corporation	BioReference Health	Measurement Period	
						Adjustments During the Nine Months	Amounts Acquired During the Nine Months Ended
						Ended September 30, 2024	September 30, 2024
Inventories	—	—	1.8	12.1	—	—	13.9
Property, plant and equipment	7.2	0.9	—	76.7	9.1	(3.9)	90.0
Goodwill	70.7	25.9	45.1	100.4	107.4	(7.4)	342.1
Intangible assets	79.5	29.0	50.8	113.2	121.1	7.4	401.0
Total assets acquired	\$ 157.4	\$ 55.8	\$ 97.7	\$ 302.4	\$ 237.6	\$ (3.9)	\$ 847.0
Unearned revenue	—	—	—	3.3	—	—	3.3
Lease liabilities	7.2	0.9	—	58.3	—	(3.9)	62.5
Other liabilities	—	—	—	—	—	—	—
Total liabilities acquired	7.2	0.9	—	61.6	—	(3.9)	65.8
Net assets acquired	\$ 150.2	\$ 54.9	\$ 97.7	\$ 240.8	\$ 237.6	\$ —	\$ 781.2
Less escrow payment made in 2023	30.0	—	—	—	—	—	30.0
Cash paid for acquisitions	\$ 120.2	\$ 54.9	\$ 97.7	\$ 240.8	\$ 237.6	\$ —	\$ 751.2

On September 17, 2024, the Company announced that it entered into an agreement with Cinven, Inc. to acquire a 15% minority interest in SYNLAB, a leader in medical diagnostic services and specialty testing in Europe, for approximately \$155.9 (€140.0). The transaction is anticipated to close in early 2025, subject to customary closing conditions for a transaction of this type, including applicable regulatory approvals. The Company will acquire the minority interest through an intermediate holding company that will be established to hold the investment with SYNLAB and will be represented on the holding company board with Cinven, Inc. and other investors.

During the nine months ended September 30, 2023, the Company acquired several businesses and the related assets for approximately \$ 516.7 in cash. These acquisitions consisted of the clinical and outreach business of Jefferson Health (\$108.0), Enzo BioChem (\$112.8), Providence Health & Services - Oregon (\$110.0), Tufts Medicine (\$157.0), and other small acquisitions for \$ 28.9. The preliminary purchase considerations for these acquisitions were allocated under the acquisition method of accounting to the estimated fair market value of the net assets acquired, including approximately \$284.6 in identifiable intangible assets. A residual amount of non-tax deductible goodwill of approximately \$ 230.5 was recorded as of September 30, 2023. The amortization period for non-compete agreements and customer list assets acquired from these businesses are 5 and 15 years, respectively.

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During the nine months ended September 30, 2023, the Company recorded several measurement period adjustments for 2022 acquisitions, relating to final valuations and deferred tax true-ups. The adjustments include the following:

	<b>Business Acquisitions</b>	<b>Measurement Period Adjustments During Nine Months Ended September 30, 2023</b>	<b>Amounts Acquired During the Nine Months Ended September 30, 2023</b>
Cash and cash equivalents	\$ —	\$ 0.2	\$ 0.2
Accounts receivable	(3.0)	—	(3.0)
Inventories	1.3	—	1.3
Prepaid expenses and other	0.4	0.6	1.0
Property, plant and equipment	4.7	(1.5)	3.2
Goodwill	230.5	(29.4)	201.1
Intangible assets	284.6	19.5	304.1
Other assets	2.1	—	2.1
Total assets acquired	<u>\$ 520.6</u>	<u>\$ (10.6)</u>	<u>\$ 510.0</u>
Accrued expenses and other	3.9	(8.3)	(4.4)
Deferred income taxes	—	(2.3)	(2.3)
Total liabilities acquired	3.9	(10.6)	(6.7)
Net assets acquired	<u>\$ 516.7</u>	<u>\$ —</u>	<u>\$ 516.7</u>

*Pro Forma Information*

Had the Company's total 2024 and 2023 acquisitions been completed as of January 1, the Company's pro forma results would have been as follows:

	Three Months Ended September 30,	Three Months Ended September 30,	Nine Months Ended September 30,	Nine Months Ended September 30,
	2024	2023	2024	2023
Revenues	\$ 3,333.8	\$ 3,152.7	\$ 9,999.9	\$ 9,354.4
Net earnings from continuing operations attributable to Labcorp Holdings Inc.	\$ 172.2	\$ 174.8	\$ 613.1	\$ 582.7

*Dispositions*

During the nine months ended September 30, 2024, the Company sold the assets of its Beacon Laboratory Benefit Solutions, Inc. for \$ 13.5 and recorded a gain of \$4.9.

**5. EARNINGS PER SHARE**

Basic earnings per share is computed by dividing net earnings attributable to the Company by the weighted average number of shares of the Company's common stock outstanding. Diluted earnings per share is computed by dividing net earnings including the impact of dilutive adjustments by the weighted average number of common shares outstanding plus potentially dilutive shares, as if they had been issued at the earlier of the date of issuance or the beginning of the period presented. Potentially dilutive common shares result primarily from the Company's outstanding stock options, restricted stock awards, restricted stock units, and performance share awards.

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The following represents a reconciliation of basic earnings per share to diluted earnings per share for the three and nine months ended September 30:

	Three Months Ended September 30,						Nine Months Ended September 30,					
	2024			2023			2024			2023		
	Earnings	Shares	Per Share Amount	Earnings	Shares	Per Share Amount	Earnings	Shares	Per Share Amount	Earnings	Shares	Per Share Amount
<b>Basic earnings per share:</b>												
Net earnings	\$ 169.3	84.0	\$ 2.02	\$ 183.3	86.6	\$ 2.12	\$ 602.6	84.0	\$ 7.17	\$ 546.3	87.9	\$ 6.22
Dilutive effect of employee stock options and awards	—	0.4	—	0.4	—	0.5	—	—	—	—	—	0.4
Net earnings including impact of dilutive adjustments	<u>\$ 169.3</u>	<u>84.4</u>	<u>\$ 2.00</u>	<u>\$ 183.3</u>	<u>87.0</u>	<u>\$ 2.11</u>	<u>\$ 602.6</u>	<u>84.5</u>	<u>\$ 7.13</u>	<u>\$ 546.3</u>	<u>88.3</u>	<u>\$ 6.19</u>

Diluted earnings per share represent the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. These potential shares include dilutive stock options and unissued restricted stock awards.

The following table summarizes the potential common shares not included in the computation of diluted earnings per share because their impact would have been antidilutive:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024		2023	2024		2023
	Employee stock options and awards	0.2	0.2	0.2	0.2	0.4

## 6. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill for the nine months ended September 30, 2024, were as follows:

	Dx	BLS	Total
Balance as of December 31, 2023	\$ 4,813.9	\$ 1,328.6	\$ 6,142.5
Goodwill acquired during the period	349.5	—	349.5
Foreign currency impact and other adjustments to goodwill	(9.5)	(0.1)	(9.6)
Balance as of September 30, 2024	<u>\$ 5,153.9</u>	<u>\$ 1,328.5</u>	<u>\$ 6,482.4</u>

The Company assesses goodwill and indefinite-lived intangibles for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The Company recognizes an impairment charge for the amount by which the reporting unit's carrying amount exceeds its fair value.

Although the Company believes that the current assumptions and estimates used in its goodwill analysis are reasonable, supportable, and appropriate, the Company's business could be impacted by unfavorable changes, including those that impact the existing assumptions used in the impairment analysis. Various factors could reasonably be expected to unfavorably impact existing assumptions: primarily, a worsening economic environment and protracted economic downturn and related impacts, including delays in revenue from new customers; increases in customer termination activity; or increases in operating costs. Accordingly, there can be no assurance that the estimates and assumptions made for the purposes of the goodwill impairment analysis will prove to be accurate predictions of future performance.

The Company will continue to monitor the financial performance of, and assumptions for, its reporting units. A significant increase in the discount rate, decrease in the revenue and terminal growth rates, decreased operating margin, or substantial reductions in end markets and volume assumptions, could have a negative impact on the estimated fair value of the reporting units. A future impairment charge for goodwill or intangible assets could have a material effect on the Company's consolidated financial position and results of operations.

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The components of identifiable intangible assets were as follows:

	September 30, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	\$ 4,208.6	\$ (1,512.5)	\$ 2,696.1	\$ 3,868.6	\$ (1,367.2)	\$ 2,501.4
Patents, licenses, and technology	523.8	(292.1)	231.7	526.6	(273.3)	253.3
Non-compete agreements	192.2	(78.9)	113.3	130.3	(60.4)	69.9
Canadian licenses	484.6	—	484.6	498.8	—	498.8
Other	34.3	(19.3)	15.0	34.1	(15.5)	18.6
	<u>5,443.5</u>	<u>(1,902.8)</u>	<u>3,540.7</u>	<u>5,058.4</u>	<u>(1,716.4)</u>	<u>3,342.0</u>

Amortization of intangible assets for the three and nine months ended September 30, 2024, and 2023, was \$ 63.7 and \$55.7 and \$186.0 and \$160.6, respectively. The amortization expense for the net carrying amount of intangible assets is estimated to be \$71.0 for the remainder of fiscal 2024, \$260.4 in fiscal 2025, \$251.4 in fiscal 2026, \$240.1 in fiscal 2027, \$232.2 in fiscal 2028, and \$1,915.4 thereafter.

## 7. DEBT

Short-term borrowings and the current portion of long-term debt at September 30, 2024, and December 31, 2023, consisted of the following:

	September 30, 2024	December 31, 2023
2.30% senior notes due 2024	400.0	400.0
3.25% senior notes due 2024	—	600.0
3.60% senior notes due 2025	1,000.0	—
Debt issuance costs	(0.5)	(1.3)
Current portion of note payable	0.4	1.1
Total short-term borrowings and current portion of long-term debt	<u>\$ 1,399.9</u>	<u>\$ 999.8</u>

Long-term debt at September 30, 2024, and December 31, 2023, consisted of the following:

	September 30, 2024	December 31, 2023
3.60% senior notes due 2025	—	1,000.0
1.55% senior notes due 2026	500.0	500.0
3.60% senior notes due 2027	600.0	600.0
2.95% senior notes due 2029	650.0	650.0
4.35% senior notes due 2030	650.0	—
2.70% senior notes due 2031	442.9	430.4
4.55% senior notes due 2032	500.0	—
4.80% senior notes due 2034	850.0	—
4.70% senior notes due 2045	900.0	900.0
Debt issuance costs	(41.1)	(26.3)
AR facility	300.0	—
Note payable	0.3	0.6
Total long-term debt	<u>\$ 5,352.1</u>	<u>\$ 4,054.7</u>

## Credit Facilities

The Company maintains a senior revolving credit facility, which was amended and restated on January 13, 2023. It consists of a five-year facility in the principal amount of up to \$1,000.0, with the option of increasing the facility by up to an additional \$ 500.0, subject to the agreement of one or more new or existing lenders to provide such additional amounts and certain other customary conditions. The revolving credit facility also provides for a subfacility of up to \$100.0 for swing line borrowings and a subfacility of up to \$ 150.0 for issuances of letters of credit. The Company is required to pay a facility fee on the aggregate commitments under the revolving credit facility, at a per annum rate ranging from 0.10% to 0.225%, depending on the Company's debt ratings. The revolving credit facility is permitted to be used for general corporate purposes, including working capital, capital expenditures, funding of share repurchases and certain other payments, acquisitions, and other investments. The revolving credit facility also provides for the issuance of letters of credit without a reduction of the availability of borrowings

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under the facility. There was \$0.0 outstanding on the Company's current revolving credit facility and \$ 91.9 in outstanding letters of credit on the Company's subfacility as of September 30, 2024. As of September 30, 2024, the effective interest rate on the revolving credit facility was 6.26%. The credit facility expires on April 30, 2026.

Under the revolving credit facility, the Company is subject to negative covenants limiting subsidiary indebtedness and certain other covenants typical for investment grade-rated borrowers, and the Company is required to maintain certain leverage ratios. The Company was in compliance with all covenants in the revolving credit facility at September 30, 2024, and expects that it will remain in compliance with its existing debt covenants for the next twelve months.

On August 23, 2024, the Company and a bankruptcy-remote special purpose vehicle (SPV) entered into an accounts receivable securitization facility (AR Facility) with PNC Bank, National Association (PNC) with a three-year term. The AR Facility allows the Company to borrow from PNC an amount of up to \$300.0 through August of 2027 and may increase up to \$ 700.0, subject to the satisfaction of certain conditions.

The SPV is a variable interest entity (VIE) for which the Company is the primary beneficiary. The SPV's sole business consists of the continuous purchase of receivables from the Company which is used as collateral for the loan with PNC. Although the SPV is included in the Company's consolidated financial statements, it is a separate legal entity with separate creditors.

Upon the transfer of ownership and control of the receivables to the SPV, the Company has no retained interests in the receivables sold and they become unavailable to the Company's creditors should the relevant seller become insolvent. The Company has collection and administrative responsibilities for the receivables sold to the SPV.

During the three months ended September 30, 2024, the Company received loan proceeds of \$ 300.0 under the AR Facility, which is included in cash from financing activities in the Condensed Consolidated Statement of Cash Flows.

#### **Senior Notes**

On September 23, 2024, LCAH entered into an indenture with U.S. Bank Trust Company, National Association, as trustee (the Trustee) (the Indenture). Also, on September 23, 2024, the Company, LCAH, and the Trustee entered into certain first, second, and third supplemental indentures to the Indenture under each of which LCAH issued, and the Company guaranteed, \$650.0 aggregate principal amount of 4.35% Senior Notes due 2030 (the 2030 Notes), \$500.0 aggregate principal amount of 4.55% Senior Notes due 2032 (the 2032 Notes) and \$ 850.0 aggregate principal amount of 4.80% Senior Notes due 2034, respectively (the 2034 Notes and, together with the 2030 Notes and the 2032 Notes, the Notes), totaling \$2,000.0. Interest on the Notes is payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2025. Net proceeds from the offering of the Notes were approximately \$ 1,982.1 after deducting underwriting discounts and other estimated expenses of the offering. The net proceeds will be used to redeem or repay indebtedness and, to the extent not used for such purpose, for other general corporate purposes. Indebtedness to be redeemed or repaid at or prior to maturity were the Company's 2.30% senior notes due 2024, its 3.60% senior notes due 2025 and \$ 350.0 of borrowings under its revolving credit facility.

#### **8. PREFERRED STOCK AND COMMON SHAREHOLDERS' EQUITY**

The Company is authorized to issue up to 265.0 shares of common stock, par value \$ 0.10 per share. The Company is authorized to issue up to 30.0 shares of preferred stock, par value \$0.10 per share. There were no preferred shares outstanding as of September 30, 2024, and December 31, 2023.

The changes in common shares issued during the nine months ended September 30, 2024 are summarized below:

	<u>Issued and Outstanding</u>
Common shares at December 31, 2023	83.9
Shares issued under employee stock plans	0.6
Shares repurchased	(0.8)
Common shares at September 30, 2024	<u>83.7</u>

#### **Share Repurchase Program**

When the Company repurchases shares of Common Stock, the amount paid to repurchase the shares in excess of the par or stated value is allocated to additional paid-in-capital unless subject to limitation or the balance in additional paid-in-capital is exhausted. Remaining amounts are recognized as a reduction in retained earnings.

During the nine months ended September 30, 2024, the Company purchased 0.8 shares of its common stock at an average price of \$ 211.63 for a total cost of \$175.0. On July 24, 2024, the Board adopted a new share repurchase plan authorizing up to

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\$1,000.0 of the Company's shares in addition to the remaining amount outstanding under the previous plan. As of September 30, 2024, the Company had outstanding authorization from the board of directors to purchase up to \$1,355.4 of the Company's common stock.

#### Dividends

For the nine months ended September 30, 2024, the Company paid \$ 183.0 in common stock dividends. On October 10, 2024, the Company announced a cash dividend of \$0.72 per share of common stock for the third quarter, or approximately \$ 61.0 in the aggregate. The dividend will be payable on December 13, 2024, to stockholders of record of all issued and outstanding shares of common stock as of the close of business on November 26, 2024. The declaration and payment of any future dividends will be at the discretion of the Company's board of directors.

#### Accumulated Other Comprehensive Earnings (Loss)

The components of accumulated other comprehensive earnings (loss) during the nine months ended September 30, 2024 were as follows:

	Foreign Currency Translation Adjustments	Net Benefit Plan Adjustments	Accumulated Other Comprehensive Earnings (Loss)
Balance as of December 31, 2023	\$ (47.6)	\$ (11.7)	\$ (59.3)
Current year adjustments	(53.2)	(2.6)	(55.8)
Amounts reclassified from accumulated other comprehensive income	—	2.5	2.5
Tax effect of adjustments	—	(0.6)	(0.6)
Balance as of September 30, 2024	<u><u>\$ (100.8)</u></u>	<u><u>\$ (12.4)</u></u>	<u><u>\$ (113.2)</u></u>

#### 9. COMMITMENTS AND CONTINGENCIES

The Company (and/or its subsidiaries and affiliates) is involved from time to time in various claims and legal actions, including arbitrations, class actions, and other litigation (including those described in more detail below), arising in the ordinary course of business. Some of these actions involve claims that are substantial in amount. These matters include, but are not limited to, intellectual property disputes, commercial and contract disputes, professional liability claims, employee-related matters, transaction-related disputes, securities and corporate law matters, and inquiries, including subpoenas and other civil investigative demands, from governmental agencies, Medicare or Medicaid payers and managed care organizations (MCOs) reviewing billing practices or requesting comment on allegations of billing irregularities that are brought to their attention through billing audits or third parties. The Company receives civil investigative demands or other inquiries from various governmental bodies in the ordinary course of its business. Such inquiries can relate to the Company or other parties, including physicians and other health care providers. The Company works cooperatively to respond to appropriate requests for information.

The Company also is named from time to time in suits brought under the qui tam provisions of the False Claims Act and comparable state laws. These suits typically allege that the Company has made false statements and/or certifications in connection with claims for payment from U.S. federal or state healthcare programs. The suits may remain under seal (hence, unknown to the Company) for some time while the government decides whether to intervene on behalf of the qui tam plaintiff. Such claims are an inevitable part of doing business in the healthcare field today.

The Company believes that it is in compliance in all material respects with all statutes, regulations, and other requirements applicable to its commercial laboratory operations and biopharma laboratory services. These industries are, however, subject to extensive regulation, and the courts have not interpreted many of the applicable statutes and regulations. Therefore, the applicable statutes and regulations could be interpreted or applied by a prosecutorial, regulatory, or judicial authority in a manner that would adversely affect the Company. Potential sanctions for violation of these statutes and regulations include significant civil and criminal penalties, fines, the loss of various licenses, certificates and authorizations, additional liabilities from third-party claims, and/or exclusion from participation in government programs.

Many of the current claims and legal actions against the Company are in preliminary stages, and many of these cases seek an indeterminate amount of damages. The Company records an aggregate legal reserve, which is determined using calculations based on historical loss rates and assessment of trends experienced in settlements and defense costs. In accordance with FASB Accounting Standards Codification Topic 450 "Contingencies," the Company establishes reserves for judicial, regulatory, and arbitration matters outside the aggregate legal reserve if and when those matters present loss contingencies that are both

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probable and reasonably estimable. When loss contingencies are not both probable and reasonably estimable, the Company does not establish separate reserves.

The Company is unable to estimate a range of reasonably probable loss for the proceedings described in more detail below in which damages either have not been specified or, in the Company's judgment, are unsupported and/or exaggerated and (i) the proceedings are in early stages, (ii) there is uncertainty as to the outcome of pending appeals or motions, (iii) there are significant factual issues to be resolved, and/or (iv) there are novel legal issues to be presented. For these proceedings, however, the Company does not believe, based on currently available information, that the adverse outcomes are probable and reasonably estimable, and it does not believe they will have a material adverse effect on the Company's financial statements.

The Company has received various subpoenas and other civil investigative demands related to Medicaid billing. In October 2013, the Company received a Civil Investigative Demand from the State of Texas Office of the Attorney General requesting documents related to its billing to Texas Medicaid. The Company cooperated with this request. On October 5, 2018, the Company received a second Civil Investigative Demand from the State of Texas Office of the Attorney General requesting documents related to its billing to Texas Medicaid. The Company cooperated with this request. On January 26, 2021, the Company was notified that a qui tam Petition was pending under seal in the District Court, 250th Judicial District, Travis County, Texas, and that the State of Texas had intervened. On April 14, 2021, the Petition was unsealed. The Petition alleges that the Company submitted claims for reimbursement to Texas Medicaid that were higher than permitted under Texas Medicaid's alleged "best price" regulations, and that the Company offered remuneration to Texas health care providers in the form of discounted pricing for certain laboratory testing services in exchange for the providers' referral of Texas Medicaid business to the Company. The Petition seeks actual and double damages and civil penalties, as well as recovery of costs, attorney's fees, and legal expenses. On August 1, 2022, the District Court entered an order granting the Company's Motion for Partial Summary Judgment with respect to the claim that the Company submitted claims for reimbursement to Texas Medicaid that were higher than permitted under Texas Medicaid's alleged "best price" regulations. Plaintiffs filed a Notice of Non-Suit and Motion for Entry of Final Judgment and, on November 11, 2022, the court entered a Judgment. Plaintiffs filed a Notice of Appeal with respect to the court's order granting the Company's Motion for Partial Summary Judgment, referenced above. The Company will vigorously defend the lawsuit.

On August 31, 2015, the Company was served with a putative class action lawsuit, *Patty Davis v. Laboratory Corporation of America, et al.*, filed in the Circuit Court of the Thirteenth Judicial Circuit for Hillsborough County, Florida. The complaint alleges that the Company violated the Florida Consumer Collection Practices Act by billing patients who were collecting benefits under the Workers' Compensation Statutes. The lawsuit seeks injunctive relief and actual and statutory damages, as well as recovery of attorney's fees and legal expenses. In April 2017, the Circuit Court granted the Company's Motion for Judgment on the Pleadings. The Plaintiff appealed the Circuit Court's ruling to the Florida Second District Court of Appeal. On October 16, 2019, the Florida Second District Court of Appeal reversed the Circuit Court's dismissal, but certified a controlling issue of Florida law to the Florida Supreme Court. On February 17, 2020, the Florida Supreme Court accepted jurisdiction of the lawsuit. The court held oral arguments on December 9, 2020. On May 26, 2022, the Florida Supreme Court issued an opinion approving the result of the Florida Second District Court of Appeal in favor of the Plaintiff. The Company will vigorously defend the lawsuit.

On December 29, 2021, the Company was served with a putative class action lawsuit, *Nathaniel J. Nolan, et al. v. Laboratory Corporation of America Holdings*, filed in the U.S. District Court for the Middle District of North Carolina. The complaint alleges that the Company's patient acknowledgement of estimated financial responsibility form is misleading. The lawsuit seeks a declaratory judgment under the consumer protection laws of Nevada and Florida that the form is materially misleading and deceptive, an injunction barring the use of the form, damages on behalf of an alleged class, and attorney's fees and expenses. On February 28, 2022, the Company filed a Motion to Dismiss all claims. On February 13, 2023, the court entered an order granting the Company's Motion to Dismiss. On March 13, 2023, Plaintiffs filed a Notice of Appeal. On April 10, 2024, the U.S. Court of Appeals for the Fourth Circuit issued an order affirming in part, reversing in part, and remanding the case to the District Court for further proceedings. The Company will vigorously defend the lawsuit.

On April 1, 2019, Covance Research Products was served with a Grand Jury Subpoena issued by the Department of Justice (DOJ) in Miami, Florida requiring the production of documents related to the importation into the United States of live non-human primate shipments originating from or transiting through China, Cambodia, and/or Vietnam from April 1, 2014 through March 28, 2019. The Company is cooperating with the DOJ.

On May 14, 2019, Retrieval-Masters Creditors Bureau, Inc. d/b/a American Medical Collection Agency (AMCA), an external collection agency, notified the Company about a security incident AMCA experienced that may have involved certain personal information about some of the Company's patients (the AMCA Incident). The Company referred patient balances to

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AMCA only when direct collection efforts were unsuccessful. The Company's systems were not impacted by the AMCA Incident. Upon learning of the AMCA Incident, the Company promptly stopped sending new collection requests to AMCA and stopped AMCA from continuing to work on any pending collection requests from the Company. AMCA informed the Company that it appeared that an unauthorized user had access to AMCA's system between August 1, 2018, and March 30, 2019, and that AMCA could not rule out the possibility that personal information on AMCA's system was at risk during that time period. Information on AMCA's affected system from the Company may have included name, address, and balance information for the patient and person responsible for payment, along with the patient's phone number, date of birth, referring physician, and date of service. The Company was later informed by AMCA that health insurance information may have been included for some individuals, and because some insurance carriers utilize the Social Security Number as a subscriber identification number, the Social Security Number for some individuals may also have been affected. No ordered tests, laboratory test results, or diagnostic information from the Company were in the AMCA affected system. The Company notified individuals for whom it had a valid mailing address. For the individuals whose Social Security Number was affected, the notice included an offer to enroll in credit monitoring and identity protection services that was provided free of charge for 24 months.

Twenty-three putative class action lawsuits were filed against the Company related to the AMCA Incident in various U.S. District Courts. Numerous similar lawsuits have been filed against other health care providers who used AMCA. These lawsuits were consolidated into a multidistrict litigation in the District of New Jersey. On November 15, 2019, the Plaintiffs filed a Consolidated Class Action Complaint in the U.S. District Court of New Jersey. The consolidated Complaint generally alleged that the Company did not adequately protect its patients' data and failed to timely notify those patients of the AMCA Incident. The Complaint asserted various causes of action, including but not limited to negligence, breach of implied contract, unjust enrichment, and the violation of state data protection statutes. The Complaint sought damages on behalf of a class of all affected Company customers. On January 22, 2020, the Company filed Motions to Dismiss all claims. On December 16, 2021, the court granted in part and denied in part the Company's Motion to Dismiss. On March 31, 2022, the Plaintiffs filed an Amended Complaint alleging claims for negligence, negligence *per se*, breach of confidence, invasion of privacy, and various state statutory claims, including a claim under the California Confidentiality of Medical Information Act. The Company filed a Motion to Dismiss certain claims of the Amended Complaint. On May 5, 2023, the court granted in part and denied in part the Company's Motion to Dismiss. The Company will vigorously defend the remaining claims in the multi-district litigation.

The Company was served with a shareholder derivative lawsuit, *Raymond Eugenio, Derivatively on Behalf of Nominal Defendant, Laboratory Corporation of America Holdings v. Lance Berberian, et al.*, filed in the Court of Chancery of the State of Delaware on April 23, 2020. The complaint asserts derivative claims on the Company's behalf against the Company's board of directors and certain executive officers. The complaint generally alleges that the defendants failed to ensure that the Company utilized proper cybersecurity safeguards and failed to implement a sufficient response to data security incidents, including the AMCA Incident. The complaint asserts derivative claims for breach of fiduciary duty and seeks relief including damages, certain disclosures, and certain changes to the Company's internal governance practices. On June 2, 2020, the Company filed a Motion to Stay the lawsuit due to its overlap with the multi-district litigation referenced above. On July 2, 2020, the Company filed a Motion to Dismiss. On July 14, 2020, the court entered an order staying the lawsuit pending the resolution of the multi-district litigation. The Company will vigorously defend the lawsuit.

Certain governmental entities have requested information from the Company related to the AMCA Incident. The Company received a request for information from the Office for Civil Rights (OCR) of the Department of Health and Human Services. On April 28, 2020, OCR notified the Company of the closure of its inquiry. The Company has also received requests from a multi-state group of state Attorneys General and is cooperating with these requests for information.

On January 31, 2020, the Company was served with a putative class action lawsuit, *Luke Davis and Julian Vargas, et al. v. Laboratory Corporation of America Holdings*, filed in the U.S. District Court for the Central District of California. The lawsuit alleges that visually impaired patients are unable to use the Company's touchscreen kiosks at Company patient service centers in violation of the Americans with Disabilities Act and similar California statutes. The lawsuit seeks statutory damages, injunctive relief, and attorney's fees and costs. On March 20, 2020, the Company filed a Motion to Dismiss Plaintiffs' Complaint and to Strike Class Allegations. In August 2020, the Plaintiffs filed an Amended Complaint. On April 26, 2021, the Plaintiffs and the Company each filed Motions for Summary Judgment and the Plaintiffs filed a Motion for Class Certification. On May 23, 2022, the court entered an order granting Plaintiffs' Motion for Class Certification. On June 6, 2022, the Company filed a Petition for Permission to Appeal the Order Granting Class Certification with the U.S. Court of Appeals for the Ninth Circuit. On September 22, 2022, the Ninth Circuit granted the Company's Petition for Permission to Appeal the Order Granting Class Certification. On February 8, 2024, the Ninth Circuit affirmed the trial court's decision to certify both a California damages class and a nationwide injunctive class. On March 25, 2024, the Company filed a Petition for Rehearing En Banc with the Ninth Circuit. On April 18, 2024, the Ninth Circuit denied the Petition for Rehearing En Banc. On September 13, 2024, the

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Company filed a Petition for Writ of Certiorari with the United States Supreme Court. The Company will vigorously defend the lawsuit.

On October 16, 2020, Ravgen Inc. filed a patent infringement lawsuit, *Ravgen Inc. v. Laboratory Corporation of America Holdings*, in the U.S. District Court for the Western District of Texas, alleging infringement of two Ravgen-owned U.S. patents. The lawsuit seeks monetary damages, enhancement of those damages for willfulness, and recovery of attorney's fees and costs. On September 28, 2022, a jury rendered a verdict in favor of the Plaintiff on the remaining patent at issue, finding that the Company willfully infringed Ravgen's patent, and awarded damages of \$272.0. Plaintiff filed post-trial motions seeking enhanced damages of up to \$817.0 based on the finding of willfulness, as well as attorney's fees and costs. On May 12, 2023, the court issued an order granting Plaintiff's motion in part and awarding enhanced damages of \$100.0. The Company strongly disagrees with the verdict, based on a number of legal factors, and will vigorously defend the lawsuit through the appeal process. On June 4, 2021, the Company also instituted proceedings before the Patent Trial and Appeal Board of the U.S. Patent and Trademark Office challenging the validity of the Ravgen patent at issue in the trial. In November 2022, the Patent Trial and Appeal Board issued a decision upholding the validity of the Ravgen patent, and the Company has filed an appeal of this decision.

On May 14, 2020, the Company was served with a putative class action lawsuit, *Jose Bermejo v. Laboratory Corporation of America (Bermejo I)* filed in the Superior Court of California, County of Los Angeles Central District, alleging that certain non-exempt California-based employees were not properly compensated for driving time or properly paid wages upon termination of employment. The Plaintiff asserts these actions violate various California Labor Code provisions and Section 17200 of the Business and Professional Code. The lawsuit seeks monetary damages, civil penalties, and recovery of attorney's fees and costs. On June 15, 2020, the lawsuit was removed to the U.S. District Court for the Central District of California. On June 16, 2020, the Company was served with a Private Attorney General Act lawsuit by the same plaintiff in *Jose Bermejo v. Laboratory Corporation of America (Bermejo II)*, filed in the Superior Court of California, County of Los Angeles Central District, alleging that certain Company practices violated California Labor Code penalty provisions related to unpaid and minimum wages, unpaid overtime, unpaid meal and rest break premiums, untimely payment of wages following separation of employment, failure to maintain accurate pay records, and non-reimbursement of business expenses. The second lawsuit seeks to recover civil penalties and recovery of attorney's fees and costs. On October 28, 2020, the court issued an order staying proceedings in *Bermejo II* pending resolution of *Bermejo I*. The second lawsuit seeks to recover civil penalties and recovery of attorney's fees and costs. On February 24, 2022, the parties entered into a Memorandum of Understanding of the terms of a settlement of the *Bermejo I* and *Bermejo II* lawsuits. The court granted preliminary approval of the parties' settlement agreement of the *Bermejo I* lawsuit on March 17, 2023, and of the *Bermejo II* lawsuit on November 29, 2023. The settlement funds for the *Bermejo I* and *Bermejo II* settlements have been transferred to a claims administrator for processing. Once the claims administration is completed, the parties will seek final settlement approval from the court.

On June 14, 2021, a single plaintiff filed a Private Attorney General Act lawsuit, *Becker v. Laboratory Corporation of America*, in the Superior Court of California, County of Orange, alleging various violations of the California Labor Code, including that the Plaintiff was not properly compensated for work and overtime hours, not properly paid meal and rest break premiums, not reimbursed for certain business-related expenses, and received inaccurate wage statements. The lawsuit seeks monetary damages, civil penalties, and recovery of attorney's fees and costs. On July 28, 2024, the Court issued a dismissal of the lawsuit pursuant to a settlement agreement between plaintiff and the Company.

On November 23, 2021, the Company was served with a single plaintiff Private Attorney General Act lawsuit, *Poole v. Laboratory Corporation of America*, filed in the Superior Court of California, County of Kern, alleging various violations of the California Labor Code, including that Plaintiff was not properly paid wages owed, not properly paid meal and rest break premiums, not reimbursed for certain business related expenses, and other allegations including the untimely payment of wages and receipt of inaccurate wage statements. The lawsuit seeks monetary damages, civil penalties, and recovery of attorney's fees and costs. The case was removed to the U.S. District Court for the Eastern District of California. A settlement of the *Bermejo I* and *Bermejo II* lawsuits, if approved by the court, will resolve the portion of the *Poole* lawsuit relating to service representatives and senior service representatives.

On October 5, 2020, the Company was served with a putative class action lawsuit, *Williams v. LabCorp Employer Services, Inc. et al.*, filed in the Superior Court of California, County of Los Angeles, alleging that certain non-exempt California-based employees were not properly compensated for work and overtime hours, not properly paid meal and rest break premiums, not reimbursed for certain business-related expenses, not properly paid for driving or wait times, and received inaccurate wage statements. The Plaintiff also asserts claims for unfair competition under Section 17200 of the Business and Professional Code. On November 4, 2020, the lawsuit was removed to the U.S. District Court for the Central District of California. The lawsuit seeks monetary damages, liquidated damages, civil penalties, and recovery of attorney's fees and costs. On June 24, 2021, the

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District Court remanded the case to the Superior Court of California, County of Los Angeles on the grounds that potential damages did not meet the Class Action Fairness Act (CAFA), 28 U.S.C. § 1332(d), jurisdictional threshold. The parties entered into a settlement agreement which received court preliminary approval on December 13, 2023. Settlement proceeds were transferred to the settlement fund administrator in January 2024 and have been distributed by the settlement fund administrator. On September 13, 2024, the court issued its final approval of the settlement and dismissed the lawsuit.

On June 7, 2023, the Company was served with a putative class action lawsuit, Connie Howard, Yadira Yazmin Hernandez, and Deborah Reynolds, et al. v. Laboratory Corporation of America, Laboratory Corporation of America Holdings, and Meta Platforms, Inc., filed in the U.S. District Court for the Northern District of California, alleging that the Company's website includes a tracking code created by Meta, known as the Meta Pixel, that sent information related to Plaintiffs and their online activities to Meta. Plaintiffs assert claims against the Company under California and Pennsylvania law and seek to represent classes of all persons in California, or in Pennsylvania, who allegedly entered search terms into the Company's website and who used Facebook during a time that Plaintiffs allege the Meta Pixel was active on the Company's website. Plaintiffs seek an injunction, damages, attorneys' fees, and costs. On August 23, 2023, the Company filed a Motion to Dismiss. On September 5, 2023, the lawsuit was transferred to the U.S. District Court for the Middle District of North Carolina. On September 9, 2023, Plaintiffs filed an Amended Complaint. Among other things, the Amended Complaint contains allegations that in addition to the Meta Pixel, the Company's website uses Google Analytics and other online tracking technologies. On October 11, 2023, the Company filed a Motion to Dismiss the Amended Complaint. On September 27, 2024, the Court denied the Motion to Dismiss the Amended Complaint. The Company will vigorously defend the lawsuit.

On August 14, 2020, the Company was served with a Subpoena Duces Tecum issued by the State of Colorado Office of the Attorney General requiring the production of documents related to urine drug testing in all states. The Company is cooperating with this request.

On February 7, 2022, the Company was served with a Subpoena Duces Tecum issued by the DOJ in Camden, New Jersey requiring the production of documents related to non-invasive prenatal screening tests. The Company responded to the DOJ.

On June 27, 2022, the Company was served with a Subpoena Duces Tecum issued by the DOJ in Boston, Massachusetts requiring the production of documents related to urine drug testing. The Company is cooperating with the DOJ.

In April 2023, the Company received Civil Investigative Demands issued by the DOJ in Washington, D.C. requiring the production of information related to the Medicare billing rule regarding reimbursement for laboratory testing performed for hospital patients. The Company cooperated with the DOJ and entered into an agreement dated September 26, 2024 to resolve the matter.

On February 13, 2024, a putative class action lawsuit, *Michael Wiggins and Teri Stevens v. Laboratory Corporation of America Holdings*, was filed in the U.S. District Court for the Eastern District of Pennsylvania, alleging that the Company's website includes a computer code created by Google that sent information to Google related to Plaintiffs and their online activities. Plaintiffs assert statutory and common law claims against the Company and seek to represent a class of all persons whose health information was allegedly shared with Google from the Company's website before March 8, 2023. Plaintiffs seek an injunction, damages, attorneys' fees, and costs. On April 12, 2024, the Company filed a Motion to Compel Arbitration and Stay Proceedings. On October 11, 2024, the Court granted the Motion to Compel Arbitration and Stay Proceedings. The Company will vigorously defend any arbitration proceeding.

There are various other pending legal proceedings involving the Company including, but not limited to, additional employment-related lawsuits, professional liability lawsuits, and commercial lawsuits. While it is not feasible to predict the outcome of such proceedings, in the opinion of the Company, the likelihood of loss is remote and any reasonably possible loss associated with the resolution of such proceedings is not expected to be material to the Company's financial condition, results of operations, or cash flows, either individually or in the aggregate.

Under the Company's present insurance programs, coverage is obtained for catastrophic exposure as well as those risks required to be insured by law or contract. The Company is responsible for the uninsured portion of losses related primarily to general, professional and vehicle liability, certain medical costs and workers' compensation. The self-insured retentions are on a per-occurrence basis without any aggregate annual limit. Provisions for losses expected under these programs are recorded based upon the Company's estimates of the aggregated liability of claims incurred.

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## 10. FAIR VALUE MEASUREMENTS

The Company's population of financial assets and liabilities subject to fair value measurements as of September 30, 2024, and December 31, 2023, was as follows:

	Balance Sheet Classification	Fair Value as of September 30, 2024	Fair Value Measurements as of September 30, 2024		
			Using Fair Value Hierarchy		
			Level 1	Level 2	Level 3
Noncontrolling interest put	Noncontrolling interest	\$ 15.2	\$ —	\$ 15.2	\$ —
Cross currency swaps	Other liabilities	175.4	—	175.4	—
Interest rate swaps	Other liabilities	57.1	—	57.1	—
Cash surrender value of life insurance policies	Other assets, net	97.9	—	97.9	—
Deferred compensation asset	Other assets, net	34.3	—	34.3	—
Deferred compensation liability	Other liabilities	127.3	—	127.3	—
Contingent consideration	Accrued expenses and other; Other liabilities	22.0	—	—	22.0

	Balance Sheet Classification	Fair Value as of December 31, 2023	Fair Value Measurements as of December 31, 2023		
			Using Fair Value Hierarchy		
			Level 1	Level 2	Level 3
Noncontrolling interest put	Noncontrolling interest	\$ 15.5	\$ —	\$ 15.5	\$ —
Cross currency swaps	Accrued expenses and other; Other liabilities	109.0	—	109.0	—
Interest rate swaps	Other liabilities, net	69.6	—	69.6	—
Cash surrender value of life insurance policies	Other assets, net	95.4	—	95.4	—
Deferred compensation asset	Other assets, net	21.1	—	21.1	—
Deferred compensation liability	Other liabilities	107.4	—	107.4	—
Contingent consideration	Accrued expenses and other; Other liabilities	66.1	—	—	66.1

The Company has a noncontrolling interest put related to its Ontario subsidiary that has been classified as mezzanine equity in the Company's condensed consolidated balance sheets. The noncontrolling interest put is valued at its contractually determined value, which approximates fair value.

The Company offers certain employees the opportunity to participate in an employee-funded deferred compensation plan (DCP). A participant's deferrals are allocated by the participant to one or more of multiple measurement funds, which are indexed to externally managed funds. From time to time, to offset the cost of the growth in the participant's investment accounts, the Company purchases life insurance policies, with the Company named as beneficiary of the policies. Changes in the cash surrender value of the life insurance policies are based upon earnings and changes in the value of the underlying investments, which are typically invested in a similar manner to the participant's allocations. Changes in the fair value of the DCP obligation are derived using quoted prices in active markets based on the market price per unit multiplied by the number of units. The cash surrender value and the DCP obligations are classified within Level 2 because their inputs are derived principally from observable market data by correlation to the hypothetical investments.

Contingent accrued earn-out business acquisition consideration liabilities are measured at fair value using Level 3 valuations. These contingent consideration liabilities were recorded at fair value on the acquisition date and are remeasured quarterly based on the then assessed fair value and adjusted if necessary. The increases or decreases in the fair value of contingent consideration payable can result from changes in anticipated revenue levels and changes in assumed discount periods and rates. As the fair value measure is based on significant inputs that are not observable in the market, they are categorized as Level 3.

The carrying amounts of cash and cash equivalents, accounts receivable, income taxes receivable, and accounts payable are considered to be representative of their respective fair values due to their short-term nature. The fair market value of the senior notes, based on market pricing, was approximately \$6,314.0 and \$4,850.4 as of September 30, 2024, and December 31, 2023, respectively. The Company's note and debt instruments are classified as Level 2 instruments, as the fair market values of these instruments are determined using other observable inputs.

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#### **Cross-Currency Swap**

During the fourth quarter of 2018, the Company entered into U.S. Dollar (USD) to Swiss Franc cross-currency swap agreements with an aggregate notional value of \$600.0. During the second quarter of 2022, the Company terminated \$ 300.0 of those cross-currency swap agreements and entered into new USD to Swiss Franc cross-currency swap agreements with an aggregate notional value of \$300.0 that were set to mature in 2024.

During the first quarter of 2024, the Company terminated its 2024 and 2025 USD to Swiss Franc cross currency swaps and entered into two new swaps, each with a notional value of \$300.0 and maturity dates of 2031 and 2034, respectively.

During the third quarter of 2024, the Company entered into five new USD to Swiss Franc cross currency swaps, with an aggregate notional value of \$600.0, of which \$300.0 matures in 2029 and \$300.0 matures in 2034.

The cross currency swaps, in aggregate, are included in Accrued expenses and other and other long-term liabilities, as appropriate, with an aggregate fair value of \$175.4 and \$109.0 as of September 30, 2024 and December 31, 2023, respectively.

Changes in the fair value of the cross-currency swaps are charged or credited through accumulated other comprehensive income in the Consolidated Balance Sheet until the hedged item is recognized in earnings. The cumulative amount of the fair value hedging adjustments are recognized as currency translation within the Condensed Consolidated Statement of Comprehensive Earnings.

#### **11. SUPPLEMENTAL CASH FLOW INFORMATION**

	Nine Months Ended September 30,	
	2024	2023
Cash paid during period for:		
Interest	\$ 179.0	\$ 180.3
Income taxes, net of refunds	194.5	181.2
Disclosure of non-cash financing and investing activities:		
Change in accrued property, plant, and equipment	(35.6)	23.1

#### **12. BUSINESS SEGMENT INFORMATION**

The following table is a summary of segment information for the three and nine months ended September 30, 2024, and 2023. The "management approach" has been used to present the following segment information. This approach is based upon the way the management of the Company organizes segments within an enterprise for making operating decisions and assessing performance. Financial information is reported on the basis that it is used internally by the chief operating decision maker (CODM) for evaluating segment performance and deciding how to allocate resources to segments. The Company's chief executive officer has been identified as the CODM.

Segment asset information is not presented because it is not used by the CODM at the segment level. The Corporate costs not allocated to segments include the costs of centralized functions, other charges such as acquisition expenses, spin-off costs, remaining unallocated costs of the CDCS business, and COVID-19 related costs unrelated to the segment. Centralized functions include corporate governance, executive management and related human resources, finance, legal, risk management, and information technology functions.

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Revenues:</b>				
Dx	\$ 2,553.5	\$ 2,344.7	\$ 7,558.1	\$ 7,068.3
BLS	737.7	719.1	2,155.6	2,079.4
Intercompany eliminations and other	(9.2)	(7.0)	(34.2)	(19.4)
Total revenues	<u>\$ 3,282.0</u>	<u>\$ 3,056.8</u>	<u>\$ 9,679.5</u>	<u>\$ 9,128.3</u>
<b>Operating Earnings:</b>				
Dx segment operating income	\$ 387.4	\$ 386.3	\$ 1,246.8	\$ 1,237.5
BLS segment operating income	120.9	109.0	328.2	287.2
Segment operating income	508.3	495.3	1,575.0	1,524.7
General corporate and unallocated expenses	(172.5)	(169.6)	(481.7)	(469.7)
Amortization of intangibles and other assets	(63.7)	(55.7)	(186.0)	(160.6)
Goodwill and other asset impairments	—	(10.2)	(2.5)	(15.2)
Restructuring and other charges	(18.0)	(7.5)	(34.6)	(30.8)
Total operating income	<u>\$ 254.1</u>	<u>\$ 252.3</u>	<u>\$ 870.2</u>	<u>\$ 848.4</u>

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**FORWARD-LOOKING STATEMENTS**

The Company has made in this report, and from time to time may otherwise make in its public filings, press releases, and discussions by Company management, forward-looking statements concerning the Company's operations, performance, and financial condition, as well as its strategic objectives. Some of these forward-looking statements relate to future events and expectations and can be identified by the use of forward-looking words such as "believes", "expects", "may", "will", "should", "seeks", "approximately", "intends", "plans", "estimates", or "anticipates" or the negative of those words or other comparable terminology. Such forward-looking statements speak only as of the time they are made and are subject to various risks and uncertainties and the Company claims the protection afforded by the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those currently anticipated due to a number of factors in addition to those discussed elsewhere herein, including in the "Summary of Material Risks" and "Risk Factors" section of the Annual Report on Form 10-K, and in the Company's other public filings, press releases, and discussions with Company management, including:

1. changes in government and third-party payer regulations, reimbursement, or coverage policies or other future reforms in the U.S. healthcare system (or in the interpretation of current regulations), new insurance or payment systems, including state, regional or private insurance cooperatives (e.g., health insurance exchanges) affecting governmental and third-party coverage or reimbursement for commercial laboratory testing, including the impact of the U.S. Protecting Access to Medicare Act of 2014 (PAMA);
2. significant monetary damages, fines, penalties, assessments, refunds, repayments, damage to the Company's reputation, unanticipated compliance expenditures, and/or exclusion or debarment from or ineligibility to participate in government programs, among other adverse consequences, arising from enforcement of anti-fraud and abuse laws and other laws applicable to the Company in jurisdictions in which the Company conducts business;
3. significant fines, penalties, costs, unanticipated compliance expenditures, and/or damage to the Company's reputation arising from the failure to comply with applicable privacy and security laws and regulations, including the U.S. Health Insurance Portability and Accountability Act of 1996, the U.S. Health Information Technology for Economic and Clinical Health Act, the European Union's General Data Protection Regulation and similar laws and regulations in jurisdictions in which the Company conducts business;
4. loss or suspension of a license or imposition of fines or penalties under, or future changes in, or interpretations of applicable licensing laws or regulations regarding the operation of clinical laboratories, the development and commercialization of laboratory-developed tests (LDTs), and the delivery of clinical laboratory test results, including, but not limited to, the U.S. Clinical Laboratory Improvement Act of 1967, the U.S. Clinical Laboratory Improvement Amendments of 1988, the European Union In Vitro Diagnostics Regulation, and similar laws and regulations in jurisdictions in which the Company conducts business;
5. penalties or loss of license arising from the failure to comply with applicable occupational and workplace safety laws and regulations, including the U.S. Occupational Safety and Health Administration requirements, the U.S. Needlestick Safety and Prevention Act, and similar laws and regulations in jurisdictions in which the Company conducts business;
6. fines, unanticipated compliance expenditures, suspension of manufacturing, enforcement actions, damage to the Company's reputation, injunctions, or criminal prosecution arising from failure to maintain compliance with current good manufacturing practice regulations and similar requirements of various regulatory agencies in jurisdictions in which the Company conducts business;
7. sanctions or other remedies, including fines, unanticipated compliance expenditures, enforcement actions, injunctions or criminal prosecution arising from failure to comply with the Animal Welfare Act or applicable national, state and local laws and regulations in jurisdictions in which the Company conducts business;
8. changes in testing guidelines or recommendations by government agencies, medical specialty societies, and other authoritative bodies affecting the development, validation, approval, clearance, commercialization, or utilization of laboratory tests;
9. changes in and failure to comply with applicable government regulations or policies affecting the approval, availability of, and the selling and marketing of diagnostic tests, including LDTs, drug development, or the conduct of drug development and medical device and diagnostic studies and trials, including regulations and policies of the U.S. Food and Drug Administration, the U.S. Department of Agriculture, the Medicine and Healthcare products Regulatory Agency in the United Kingdom, the National Medical Products Administration in China, the Pharmaceutical and

Medical Devices Agency in Japan, the European Medicines Agency, the European Union, and similar regulations and policies of agencies in other jurisdictions in which the Company conducts business;

10. changes in government regulations or reimbursement pertaining to the pharmaceutical, biotechnology and medical device and diagnostic industries, changes in reimbursement of pharmaceutical products, or reduced spending on research and development by pharmaceutical, biotechnology and medical device and diagnostic customers;
11. liabilities that result from the failure to comply with corporate governance requirements;
12. increased competition, including price competition, potential reduction in rates in response to price transparency initiatives and consumerism, competitive bidding and/or changes or reductions to fee schedules, and competition from companies that do not comply with existing applicable laws or regulations or otherwise disregard compliance standards in the industry;
13. changes in payer mix or payment structure or process, including insurance carrier participation in health insurance exchanges, an increase in capitated reimbursement mechanisms, the impact of clearinghouses on the claims reimbursement process, the impact of a shift to consumer-driven health plans or plans carrying an increased level of member cost-sharing, and adverse changes in payer reimbursement or payer coverage policies (implemented directly or through a third-party utilization management organization) related to specific diagnostic tests, categories of testing or testing methodologies;
14. failure to retain or attract business from managed care organizations (MCOs) as a result of changes in business models, including risk based or network approaches, out-sourced laboratory network management or utilization management companies, or other changes in strategy or business models by MCOs;
15. failure to obtain and retain new customers, an unfavorable change in the mix of testing services ordered, or a reduction in tests ordered, specimens submitted, or services requested by existing customers, and delays in payments from customers;
16. consolidation and convergence of customers, competitors, and suppliers, potentially causing material shifts in insourcing, utilization, pricing, reimbursement and supply chain access;
17. failure to invest in or effectively develop and deploy new systems, system modifications or enhancements required in response to evolving market, business, and customer trends and needs;
18. customers choosing to insource services that are or could be purchased from the Company;
19. failure to identify, successfully close and effectively integrate and/or manage acquisitions of new businesses or failure to maintain key customers and/or employees as a result of uncertainty surrounding the integration of acquisitions;
20. inability to achieve the expected benefits and synergies of newly-acquired businesses, including due to items not discovered in the due diligence process, and the impact on the Company's cash position, levels of indebtedness and stock price;
21. termination, loss, delay, reduction in scope or increased costs of contracts, including large contracts and multiple contracts;
22. liability arising from errors or omissions in the performance of testing and other services or other contractual arrangements;
23. changes or disruption in the provision or transportation of services or supplies provided by third parties; or their termination for failure to follow the Company's performance standards and requirements;
24. damage or disruption to the Company's facilities;
25. damage to the Company's reputation, loss of business, or other harm from acts of animal rights activists or potential harm and/or liability arising from animal research activities;
26. adverse results in litigation matters;
27. inability to attract, retain, and develop experienced and qualified personnel or the loss of significant personnel as a result of illness, increased competition for talent, wage growth, or other market factors beyond the Company's control;
28. failure to develop or acquire licenses for new or improved technologies, such as point-of-care testing, mobile health technologies, and digital pathology, or potential use of new technologies by customers and/or consumers to perform their own tests;
29. substantial costs arising from the inability to commercialize newly licensed tests or technologies or to obtain appropriate coverage or reimbursement for such tests;

30. failure to obtain, maintain, and enforce intellectual property rights for protection of the Company's products and services and defend against challenges to those rights;
31. scope, validity, and enforceability of patents and other proprietary rights held by third parties that may impact the Company's ability to develop, perform, or market the Company's products or services or operate its business;
32. business interruption, receivables impairment, delays in cash collection impacting days sales outstanding, supply chain disruptions or inventory obsolescence, increases in material cost or other operating costs, or other impacts on the business due to natural disasters, including adverse weather, fires and earthquakes; geopolitical crises, including terrorism and war; public health crises and disease epidemics and pandemics, including, but not limited to the continued impact of COVID-19; and other events beyond the Company's control;
33. discontinuation or recalls of existing testing products;
34. a failure in the Company's information technology systems, including with respect to testing turnaround time and billing processes, the failure of the Company or its third-party suppliers and vendors to maintain the security of business information or systems or to protect against cybersecurity incidents such as denial of service attacks, malware, ransomware, and computer viruses, delays or failures in the development and implementation of the Company's automation platforms, or adverse effects from the use of or regulation of artificial intelligence and machine learning tools, any of which could result in a negative effect on the Company's performance of services, a loss of business or increased costs, delays in cash collections, damages to the Company's reputation, significant litigation exposure, an inability to meet required financial reporting deadlines, or the failure to meet future regulatory or customer information technology, data security and connectivity requirements;
35. business interruption, increased costs, and other adverse effects on the Company's operations due to the unionization of employees, union strikes, work stoppages, general labor unrest or failure to comply with labor or employment laws;
36. failure to maintain the Company's days sales outstanding levels, cash collections (in light of increasing levels of patient responsibility), profitability and/or reimbursement arising from unfavorable changes in third-party payer policies, payment delays introduced by third-party utilization management organizations, and increasing levels of patient payment responsibility;
37. impact on the Company's revenues, cash collections, and the availability of credit for general liquidity or other financing needs arising from a significant deterioration in the economy or financial markets or in the Company's credit ratings by Standard & Poor's and/or Moody's;
38. failure to maintain the expected capital structure for the Company, including failure to maintain the Company's investment grade rating, or leverage ratio covenants under its revolving credit facility;
39. changes in reimbursement by foreign governments and foreign currency fluctuations;
40. inability to obtain certain billing information from physicians, resulting in increased costs and complexity, a temporary disruption in receipts, and ongoing reductions in reimbursements and revenues;
41. expenses and risks associated with international operations, including, but not limited to, compliance with the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act, other applicable anti-corruption laws and regulations, trade sanction laws and regulations, and economic, political, legal and other operational risks associated with foreign jurisdictions;
42. failure to achieve expected efficiencies, benefits, and savings in connection with the Company's business process improvement initiatives;
43. changes in tax laws and regulations or changes in their interpretation;
44. changing global economic conditions and government and regulatory changes;
45. risks associated with the impacts and expected benefits and costs of the completed spin-off of Fortrea, including but not limited to factors that could adversely affect the Company's ability to realize the expected benefits of the spin-off, the failure of the spin-off to qualify as a tax-free transaction for U.S. federal income tax purposes, and potential exposure to unexpected claims, liabilities, or costs under the Company's agreements with Fortrea and/or otherwise in connection with the spin-off; and
46. risks and uncertainties as to the expected benefits of the Reorganization, including, but not limited to the effect of the Reorganization on the Company's business generally, and unexpected issues that may arise as a result of the Reorganization.

Except as may be required by applicable law, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Given these uncertainties, one should not put undue reliance on any forward-looking statements.

#### **Separation of Fortrea Holdings Inc.**

On June 30, 2023, Labcorp completed the previously announced separation of Fortrea from the Company.

All historical operating results of Fortrea are presented as Discontinued Operations, net of tax, in the Condensed Consolidated Statements of operations. The spin-off is expected to be treated as tax-free for the Company and its shareholders for U.S. federal income tax purposes.

As a result of the separation of Fortrea, the Company recast segment results to exclude the historical results of the CDCS business for all periods presented. The remaining operations of the previously reported Drug Development segment have been renamed the Biopharma Laboratory Services segment.

#### **GENERAL (dollars in millions, except per share data)**

Revenues for the nine months ended September 30, 2024, were \$9,679.5, an increase of 6.0% from \$9,128.3 during the nine months ended September 30, 2023. The increase was due to organic revenue of 3.4%, acquisitions, net of divestitures, of 2.4%, and favorable foreign currency translation of 0.2%. The 3.4% increase in organic revenue was driven by a 4.5% increase in the Company's organic Base Business, partially offset by a 1.1% decrease in COVID-19 PCR testing (COVID-19 Testing). Base Business includes Labcorp's operations except for COVID-19 Testing.

The Company defines organic growth as the increase in revenue excluding the year-over-year impact of acquisitions, divestitures, and currency. Acquisition and divestiture impact is considered for a twelve month period following the close of each transaction.

#### **RESULTS OF OPERATIONS (dollars in millions)**

##### **Revenues**

	Three Months Ended September 30,		Change
	2024	2023	
Dx	\$ 2,553.5	\$ 2,344.7	8.9 %
BLS	737.7	719.1	2.6 %
Intercompany eliminations and other	(9.2)	(7.0)	33.2 %
<b>Total</b>	<b>\$ 3,282.0</b>	<b>\$ 3,056.8</b>	<b>7.4 %</b>

Total revenues for the three months ended September 30, 2024, were \$3,282.0, an increase of 7.4% over \$3,056.8 in the third quarter of 2023. The increase was due to organic revenue of 4.2%, acquisitions, net of divestitures, of 3.1%, and favorable foreign currency translation of 0.1%. The 4.2% increase in organic revenue was driven by a 4.8% increase in the Company's organic Base Business, partially offset by a 0.6% decrease in COVID-19 Testing.

Dx revenues for the three months ended September 30, 2024, were \$2,553.5, an increase of 8.9% over \$2,344.7 in the third quarter of 2023. The increase was due to organic revenue of 5.0% and acquisitions, net of divestitures, of 4.0%, partially offset by unfavorable foreign currency translation of 0.1%. The 5.0% increase in organic growth was due to a 5.7% increase in the Base Business, partially offset by a 0.7% decrease in COVID-19 Testing.

Dx organic volume increased by 2.2% for the three months ended September 30, 2024, while total volume (measured by requisitions) increased by 5.1% as acquisition volume, net of divestitures, contributed 2.8%. Organic volume was up due to a 2.7% increase in the Base Business, partially offset by a 0.5% decrease in COVID-19 Testing. Price/mix increased by 3.8% due to organic Base Business growth of 3.0% and acquisitions, net of divestitures, of 1.2%, partially offset by a decrease in COVID-19 Testing of 0.3%.

BLS revenues for the three months ended September 30, 2024, were \$737.7, an increase of 2.6% over \$719.1 in the third quarter of 2023. The increase was due to organic growth of 2.0% and favorable foreign currency translation of 0.6%.

##### **Cost of Revenues**

	Three Months Ended September 30,		Change
	2024	2023	
Cost of revenues	\$ 2,377.6	\$ 2,205.6	7.8 %
Cost of revenues as a % of revenues	72.4 %	72.2 %	

Cost of revenues increased 7.8% during the three months ended September 30, 2024, as compared with the corresponding period in 2023. Cost of revenues as a percentage of revenues during the three months ended September 30, 2024, increased to 72.4% as compared to 72.2% in the corresponding period in 2023. This increase in cost of revenues as a percent of revenues was primarily due to higher personnel costs and the impact of the Invitae transaction, partially offset by demand and LaunchPad savings.

**Selling, General and Administrative Expenses**

	Three Months Ended September 30,			Change
	2024	2023		
Selling, general and administrative expenses	\$ 568.6	\$ 525.5		8.2 %
Selling, general and administrative expenses as a % of revenues	17.3 %	17.2 %		

Selling, general and administrative expenses as a percentage of revenues was 17.3% and 17.2% during the three months ended September 30, 2024, and 2023, respectively. The increase is primarily due to higher personnel costs and the impact from Invitae, partially offset by LaunchPad savings and demand.

**Amortization of Intangibles and Other Assets**

	Three Months Ended September 30,			Change
	2024	2023		
Amortization of intangibles and other assets	\$ 63.7	\$ 55.7		14.3 %

The increase in amortization of intangibles and other assets primarily reflects additional amortization for assets acquired subsequent to September 30, 2023.

**Goodwill and Other Asset Impairments**

	Three Months Ended September 30,			Change
	2024	2023		
Goodwill and other asset impairments	\$ —	\$ 10.2		(100.0)%

The Company recorded no impairment charges during the three months ended September 30, 2024. The Company recorded impairment charges of \$10.2 in intangible assets during the three months ended September 30, 2023.

**Restructuring and Other Charges**

	Three Months Ended September 30,			Change
	2024	2023		
Restructuring and other charges	\$ 18.0	\$ 7.5		138.9 %

During the three months ended September 30, 2024, the Company recorded net restructuring and other charges of \$18.0. The charges were comprised of \$19.3 related to severance and other personnel costs. The charges were adjusted by the reversal of a previously established liability of \$1.2 in unused severance-related costs and \$0.1 in unused facility-related costs.

During the three months ended September 30, 2023, the Company recorded net restructuring and other charges of \$7.5. The charges were comprised of \$11.2 related to severance and other personnel costs and \$0.9 in facility closures, lease terminations, and general integration activities. The charges were adjusted by the reversal of a previously established liability of \$0.1 in unused severance liabilities and the increase of a previously established liability of \$4.5 in facility-related costs.

**Interest Expense**

	Three Months Ended September 30,			Change
	2024	2023		
Interest expense	\$ (50.4)	\$ (50.3)		0.3 %

For the three months ended September 30, 2024, interest expense remained relatively flat as compared to the same period in 2023. There was a decrease in interest expense related to the repayment of the November 2023 \$300.0 senior notes which was offset by increased interest expense related to the revolving credit facility and the new accounts receivable securitization facility (AR Facility).

**Equity Method Income**

	Three Months Ended September 30,			Change
	2024	2023		
Equity method income (expense), net	\$ (0.5)	\$ (0.3)		66.3 %

Equity method income (expense) represents the Company's ownership share in joint venture partnerships along with equity investments in other companies in the health care industry. The decrease in income for the three months ended September 30, 2024, as compared with the corresponding period in 2023, was partially due to the sale of the Company's interest in one joint venture and the acquisition of the remaining interest in another joint venture during 2023.

**Other, net**

	Three Months Ended September 30,			Change
	2024	2023		
Other, net	\$ 4.3	\$ 21.1		78.5 %

The change in Other, net for the three months ended September 30, 2024, as compared to the three months ended September 30, 2023, is partially due to a decrease of \$4.3 of 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. In addition, the Company recorded investment losses of \$1.6 for the three months ended September 30, 2024 compared to investment gains of \$4.0 for the corresponding period of 2023. Foreign currency transaction losses of \$10.0 were recognized for the three months ended September 30, 2024, as compared to losses of \$2.8 for the corresponding period of 2023.

**Income Tax Expense**

	Three Months Ended September 30,			Change
	2024	2023		
Income tax expense	\$ 41.0	\$ 55.1		(25.6)%
Income tax expense as a % of earnings before income taxes	19.5 %	23.1 %		

The year-over-year decrease in the effective tax rate for the three months ended September 30 is primarily attributable to the relative geographical mix of earnings among domestic and foreign entities resulting in favorable foreign rate differentials along with year-over-year increases in the U.S. research and development tax credits.

**Operating Income by Segment**

	Three Months Ended September 30,			Change
	2024	2023		
Dx segment operating income	\$ 387.4	\$ 386.3		0.3 %
Dx segment operating margin	15.2 %	16.5 %		(1.3) %
BLS segment operating income	120.9	109.0		10.8 %
BLS segment operating margin	16.4 %	15.2 %		1.2 %
Segment operating income	508.3	495.3		2.6 %
General corporate and unallocated expenses	(172.5)	(169.6)		1.7 %
Amortization of intangibles and other assets	(63.7)	(55.7)		14.3 %
Goodwill and other asset impairments	—	(10.2)		(100.0) %
Restructuring and other charges	(18.0)	(7.5)		138.9 %
Total operating income	\$ 254.1	\$ 252.3		0.7 %

Dx operating income was \$387.4 for the three months ended September 30, 2024, an increase of \$1.1 over operating income of \$386.3 in the corresponding period of 2023, and Dx operating margin decreased 130 basis points year-over-year. The decrease in operating margin was due to the Invitae transaction and the unfavorable impact of weather and days.

BLS operating income was \$120.9 for the three months ended September 30, 2024, an increase of \$11.9 over operating income of \$109.0 in the corresponding period of 2023, and BLS operating margin increased 120 basis points year-over-year. The increase was due to organic growth and LaunchPad savings, partially offset by higher personnel costs.

General corporate, unallocated expenses, and other are comprised primarily of administrative services such as executive management, human resources, legal, finance, corporate affairs, and information technology. General corporate and unallocated expenses were \$172.5 for the three months ended September 30, 2024, an increase of \$2.9 over corporate expenses of \$169.6 in the corresponding period of 2023, primarily due to costs related to acquisitions and personnel costs.

The Company remains on track to deliver approximately \$100.0 to \$125.0 of Launchpad savings in fiscal 2024.

Revenues

	Nine Months Ended September 30,			Change
	2024	2023		
Dx	\$ 7,558.1	\$ 7,068.3		6.9 %
BLS	\$ 2,155.6	\$ 2,079.4		3.7 %
Intercompany eliminations and other	(34.2)	(19.4)		76.6 %
<b>Total</b>	<b>\$ 9,679.5</b>	<b>\$ 9,128.3</b>		<b>6.0 %</b>

The increase in revenues for the nine months ended September 30, 2024, as compared with the corresponding period in 2023 was 6.0%. The increase was due to organic revenue of 3.4%, acquisitions, net of divestitures, of 2.4%, and favorable foreign currency translation of 0.2%. The 3.4% increase in organic revenue was driven by a 4.5% increase in the Company's organic Base Business, partially offset by a 1.1% decrease in COVID-19 Testing.

Dx revenues for the nine months ended September 30, 2024, were \$7,558.1, an increase of 6.9% over \$7,068.3 during the nine months ended September 30, 2023. The increase was due to organic revenue of 3.8% and acquisitions, net of divestitures, of 3.2%. The 3.8% increase in organic growth was due to a 5.2% increase in the Base Business, partially offset by a 1.4% decrease in COVID-19 Testing. Total Base Business growth compared to the Base Business in the prior year was 8.5%.

Dx total volume (measured by requisitions) for the nine months ended September 30, 2024, increased by 4.7% as acquisition volume, net of divestitures, contributed 2.6%, while organic volume increased by 2.1%. Organic volume was up due to a 2.9% increase in the Base Business, partially offset by a 0.8% decrease in COVID-19 Testing. Price/mix increased by 2.2% due to organic Base Business growth of 2.3% and acquisitions, net of divestitures of 0.5%, partially offset by a decrease in COVID-19 Testing of 0.6%. Base Business volume increased 5.6% compared to the Base Business last year. Price/mix was up 2.9% in the Base Business compared to the Base Business last year.

BLS revenues for the nine months ended September 30, 2024, were \$2,155.6, an increase of 3.7% over \$2,079.4 during the nine months ended September 30, 2023. The increase was due to organic growth of 2.7% and favorable foreign currency translation of 0.9%.

Cost of Revenues

	Nine Months Ended September 30,			Change
	2024	2023		
Cost of revenues	\$ 6,951.4	\$ 6,584.8		5.6 %
Cost of revenues as a % of revenues	71.8 %	72.1 %		

Cost of revenues increased 5.6% during the nine months ended September 30, 2024, as compared with the corresponding period in 2023. Cost of revenues as a percentage of revenues during the nine months ended September 30, 2024, decreased to 71.8% as compared to 72.1% in the corresponding period in 2023. This decrease in cost of revenues as a percent of revenues was primarily due to demand, LaunchPad savings, and CDSCS costs in 2023 that do not qualify as discontinued operations, largely offset by higher personnel costs, lower COVID-19 Testing, and the impact from the Invitae transaction.

Selling, General and Administrative Expenses

	Nine Months Ended September 30,			Change
	2024	2023		
Selling, general and administrative expenses	\$ 1,634.8	\$ 1,488.5		9.8 %
Selling, general and administrative expenses as a % of revenues	16.9 %	16.3 %		

Selling, general and administrative expenses as a percentage of revenues were 16.9% and 16.3% during the nine months ended September 30, 2024, and 2023, respectively. The increase is primarily due to higher personnel costs, a reduction in COVID-19 Testing revenues, and the impact from the Invitae transaction, partially offset by LaunchPad savings and demand.

Amortization of Intangibles and Other Assets

	Nine Months Ended September 30,			Change
	2024	2023		
Amortization of intangibles and other assets	\$ 186.0	\$ 160.6		15.8 %

The increase in amortization of intangibles and other assets primarily reflects additional amortization for assets acquired subsequent to September 30, 2023.

Goodwill and Other Asset Impairments

	Nine Months Ended September 30,			Change
	2024	2023		
Goodwill and other asset impairments	\$ 2.5	\$ 15.2		(83.8)%

The Company recorded impairment charges of \$2.5 related to a decommissioned robotic asset during the nine months ended September 30, 2024. The Company recorded impairment charges of \$15.2 in capitalized software costs and other intangible assets nine months ended September 30, 2023.

Restructuring and Other Charges

	Nine Months Ended September 30,			Change
	2024	2023		
Restructuring and other charges	\$ 34.6	\$ 30.8		12.3%

During the nine months ended September 30, 2024, the Company recorded net restructuring and other charges of \$34.6. The charges were comprised of \$34.4 related to severance and other personnel costs and \$1.8 in facility-related costs. The charges were adjusted by the reversal of a previously established liability of \$1.2 in unused severance-related costs and \$0.4 in unused facility-related costs.

During the nine months ended September 30, 2023, the Company recorded net restructuring and other charges of \$30.8. The charges were comprised of \$20.4 related to severance and other personnel costs and \$14.0 in facility closures, lease terminations, and general integration activities. The charges were adjusted by the reversal of a previously established liability of \$1.1 in unused severance liabilities and the increase of a previously established liability of \$2.5 in facility-related costs.

Interest Expense

	Nine Months Ended September 30,			Change
	2024	2023		
Interest expense	\$ (144.9)	\$ (150.8)		(3.9)%

The decrease in interest expense for the nine months ended September 30, 2024, as compared with the corresponding period in 2023, is primarily due to the repayment of the November 2023 \$300.0 senior notes.

Equity Method Income

	Nine Months Ended September 30,			Change
	2024	2023		
Equity method income (expense), net	\$ (0.7)	\$ (1.5)		(50.7)%

Equity method income (expense) represents the Company's ownership share in joint venture partnerships along with equity investments in other companies in the health care industry. The decrease in equity method expense for the nine months ended September 30, 2024, as compared with the corresponding period in 2023, was partially due to the sale of the Company's interest in one joint venture and the acquisition of the remaining interest in another joint venture during 2023.

Other, net

	Nine Months Ended September 30,			Change
	2024	2023		
Other, net	\$ 43.8	\$ (2.7)		1,721.5 %

The change in Other, net for the nine months ended September 30, 2024, as compared to the nine months ended September 30, 2023, is primarily due to \$41.0 of additional transition services fees charged to Fortrea related to administrative and IT systems support during the nine months ended September 30, 2024 as compared to the same period in 2023. The costs to provide these services are included in operating income but the service fees are included in other income. In addition, the Company recorded investment losses of \$7.3 for the nine months ended September 30, 2024 compared to investment losses of \$1.6 for the corresponding period of 2023. Foreign currency transaction losses of \$15.2 were recognized for the nine months ended September 30, 2024, as compared to losses of \$8.6 for the corresponding period of 2023. The Company also recorded a \$4.9 gain on the sale of the assets of its Beacon Laboratory Benefit Solutions, Inc. business in 2024.

**Income Tax Expense**

	Nine Months Ended September 30,			Change
	2024	2023		
Income tax expense	\$ 172.2	\$ 168.8		2.0 %
Income tax expense as a % of earnings before income taxes	22.2 %	23.6 %		

The current year and prior year effective tax rate differs from the U.S. federal statutory rate of 21.0% primarily due to state income taxes and the disallowance of certain executive compensation, which were partially offset by research and development tax credits and favorable foreign rate differentials.

**Operating Income by Segment**

During the fourth quarter of 2022, the Company modified the segment performance measure to exclude the amortization of intangibles and other assets, restructuring and other charges, goodwill and other asset impairments, and certain corporate charges for items such as transaction costs, remaining unallocated costs of the CDSC business, COVID-19-related costs, and other special items. These changes align with how the CODM now evaluates segment performance and allocates resources. Prior periods have been conformed for comparability.

	Nine Months Ended September 30,			Change
	2024	2023		
Dx segment operating income	\$ 1,246.8	\$ 1,237.5		0.7 %
Dx segment operating margin	16.5 %	17.5 %		(1.0) %
BLS segment operating income	328.2	287.2		14.2 %
BLS segment operating margin	15.2 %	13.8 %		1.4 %
Segment operating income	1,575.0	1,524.7		3.3 %
General corporate and unallocated expenses	(481.7)	(469.7)		2.6 %
Amortization of intangibles and other assets	(186.0)	(160.6)		15.8 %
Goodwill and other asset impairments	(2.5)	(15.2)		(83.8) %
Restructuring and other charges	(34.6)	(30.8)		12.3 %
Total operating income	\$ 870.2	\$ 848.4		2.6 %

Dx operating income was \$1,246.8 for the nine months ended September 30, 2024, an increase of \$9.3 over operating income of \$1,237.5 in the corresponding period of 2023, and Dx operating margin decreased 100 basis points year-over-year. The decrease in operating margin was due to a reduction in COVID-19 Testing, higher personnel costs, and the impact from the Invitae transaction, partially offset by growth in the Base Business.

BLS operating income was \$328.2 for the nine months ended September 30, 2024, an increase of \$41.0 over operating income of \$287.2 in the corresponding period of 2023, and BLS operating margin increased 140 basis points year-over-year. The increase was due to organic growth and LaunchPad savings, partially offset by higher personnel expense.

General corporate expenses are comprised primarily of administrative services such as executive management, human resources, legal, finance, corporate affairs, and information technology. Corporate expenses were \$481.7 for the nine months ended September 30, 2024, an increase of \$12.0 over corporate expenses of \$469.7 in the corresponding period of 2023, primarily due to costs related to acquisitions, and personnel costs.

The Company remains on track to deliver approximately \$100.0 to \$125.0 of Launchpad savings in fiscal 2024.

**LIQUIDITY AND CAPITAL RESOURCES (dollars and shares in millions)**

The Company's cash-generating ability and financial condition typically have provided ready access to capital markets. The Company's principal source of liquidity is operating cash flow, supplemented by proceeds from debt offerings. The Company believes that its balances of cash and cash equivalents and borrowing capacity, along with cash generated from operations, will be sufficient to satisfy its cash requirements, cash dividends, and share repurchases over the next twelve months and beyond. The Company's senior unsecured revolving credit facility is further discussed in Note 7 (Debt) to the Company's condensed consolidated financial statements.

In summary, the Company's cash flows from continuing operations were as follows for the nine months ended September 30, 2024, and 2023, respectively:

	Nine Months Ended September 30,	
	2024	2023
Net cash provided by operating activities from continuing operations	\$ 808.6	\$ 622.7
Net cash used for investing activities from continuing operations	(1,157.2)	(816.2)
Net cash provided by (used for) financing activities from continuing operations	1,326.6	(1,112.5)
Effect of exchange rate changes on cash and cash equivalents	2.5	3.5
Net increase (decrease) in cash and cash equivalents from continuing operations	\$ 980.5	\$ (1,302.5)

#### **Cash and Cash Equivalents**

Cash and cash equivalents at September 30, 2024, and 2023, totaled \$1,517.3 and \$727.9, respectively. Cash and cash equivalents consist of highly liquid instruments, such as time deposits, commercial paper, and other money market investments, which have original maturities of three months or less.

#### **Cash Flows from Operating Activities**

During the nine months ended September 30, 2024, the Company's continuing operations used \$808.6 of cash as compared to providing \$622.7 during the same period in 2023. The \$185.9 increase in cash provided from operations in 2024 as compared with the corresponding 2023 period is primarily due to higher cash earnings.

#### **Cash Flows from Investing Activities**

Net cash used for investing activities from continuing operations for the nine months ended September 30, 2024, was \$1,157.2 as compared to \$816.2 for the nine months ended September 30, 2023. The change in cash used for investing activities was primarily due to an increase in business acquisitions and higher capital expenditures during the nine months ended September 30, 2024. Capital expenditures were \$377.8 and \$286.4 for the nine months ended September 30, 2024, and 2023, respectively.

On September 17, 2024, the Company announced that it entered into an agreement with Cinven, Inc. to acquire a 15% minority interest in SYNLAB, a leader in medical diagnostic services and specialty testing in Europe, for approximately \$155.9 (€140.0). The transaction is anticipated to close in early 2025, subject to customary closing conditions for a transaction of this type, including applicable regulatory approvals. The Company will acquire the minority interest through an intermediate holding company that will be established to hold the investment with SYNLAB and will be represented on the holding company board with Cinven, Inc. and other investors.

#### **Cash Flows from Financing Activities**

Net cash provided by financing activities from continuing operations for the nine months ended September 30, 2024, was \$1,326.6 as compared to net cash used for financing activities of \$1,112.5 for the nine months ended September 30, 2023. The change in cash flows from financing activities from continuing operations for the nine months ended September 30, 2024, as compared to the nine months ended September 30, 2023, was primarily due to \$2,000.0 of proceeds for new debt securities, and \$300.0 of proceeds for the AR Facility, offset by the \$600.0 payment of the 3.25% senior notes due September 2024.

On September 23, 2024, LCAH entered into an indenture with U.S. Bank Trust Company, National Association, as trustee (the Trustee) (the Indenture). Also, on September 23, 2024, the Company, LCAH, and the Trustee entered into certain first, second, and third supplemental indentures to the Indenture under each of which LCAH issued, and the Company guaranteed, \$650.0 aggregate principal amount of 4.35% Senior Notes due 2030 (the 2030 Notes), \$500.0 aggregate principal amount of 4.55% Senior Notes due 2032 (the 2032 Notes) and \$850.0 aggregate principal amount of 4.80% Senior Notes due 2034, respectively (the 2034 Notes and, together with the 2030 Notes and the 2032 Notes, the Notes), totaling \$2,000.0. Interest on the Notes is payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2025. Net proceeds from the offering of the Notes were approximately \$1,982.1 after deducting underwriting discounts and other estimated expenses of the offering. The net proceeds were used to redeem or repay indebtedness and, to the extent not used for such purpose, for other general corporate purposes. Indebtedness redeemed or repaid at or prior to maturity were the Company's 2.30% senior notes due 2024, its 3.60% senior notes due 2025 and \$350.0 of borrowings under its revolving credit facility.

On August 23, 2024, the Company and a bankruptcy-remote special purpose vehicle entered into an AR Facility with PNC Bank, National Association with a three-year term. The AR Facility provides for purchases of accounts receivable by PNC in an amount of up to \$300.0 through August of 2027 and may increase to up to \$700.0, subject to the satisfaction of certain conditions.

During the three months ended September 30, 2024, the Company received loan proceeds of \$300.0 under the AR Facility, which is included in cash from financing activities in the Condensed Consolidated Statement of Cash Flows.

At September 30, 2024, the Company had \$1,517.3 of cash and \$1,000.0 of available borrowings under its revolving credit facility, which does not mature until 2026. Under the Company's credit facilities and indentures relating to the Company's senior notes, the Company is subject to negative covenants limiting subsidiary indebtedness and certain other covenants typical for investment grade-rated borrowers, and with respect to the credit facilities, the Company is required to maintain certain leverage ratios. The Company was in compliance with all covenants under the credit facilities and the indentures related to the Company's outstanding senior notes at September 30, 2024. The Company expects that it will remain in compliance with all covenants associated with its existing debt obligations for the next twelve months.

On July 24, 2024, the Board adopted a new share repurchase plan authorizing up to \$1,000.0 of the Company's shares in addition to the remaining amount outstanding under the previous plan. As of September 30, 2024, the Company had outstanding authorization from the board of directors to purchase up to \$1,355.4 of the Company's common stock.

For the nine months ended September 30, 2024, the Company paid \$183.0 in common stock dividends. On October 10, 2024, the Company announced a cash dividend of \$0.72 per share of common stock for the fourth quarter, or approximately \$61.0 in the aggregate. The dividend will be payable on December 13, 2024, to stockholders of record of all issued and outstanding shares of common stock as of the close of business on November 26, 2024. The declaration and payment of any future dividends will be at the discretion of the Company's board of directors.

#### **Guarantor Information**

In connection with the Reorganization, the Company, LCAH and the Trustee entered into a seventeenth supplemental indenture (the Seventeenth Supplemental Indenture) to an indenture, dated as of November 19, 2010, between LCAH and the Trustee (the 2010 Indenture). In addition, the Company, LCAH and the Trustee entered into the 2024 Indenture (the 2010 Indenture, together with the 2024 Indenture, the Indentures). The Seventeenth Supplemental Indenture, among other things, provides for the full and unconditional guarantee by the Company of LCAH's obligations under the 2010 Indenture, and each series of senior unsecured notes issued and outstanding thereunder, and the 2024 Indenture provides for the full and unconditional guarantee by the Company of LCAH's obligations, and each series of senior unsecured notes issued and outstanding, thereunder (collectively, the Labcorp Holdings Guarantees). Also, the Indentures permit the Company to satisfy LCAH's reporting obligations so long as the Labcorp Holdings Guarantees remain in place and the Company's financial statements and other information comply with the requirements of Rule 3-10 of Regulation S-X and the Exchange Act (Regulation S-X).

As of September 30, 2024, there was \$4,492.9 and \$2,000.0 aggregate principal amount of issued and outstanding senior notes of LCAH, issued under the 2010 Indenture and the 2024 Indenture, respectively, that are fully and unconditionally guaranteed by the Company. Accordingly, pursuant to Rule 3-10 of Regulation S-X, separate consolidated financial statements of LCAH have not been presented. As permitted under Rule 13-01(a)(4)(vi) of Regulation S-X, we have excluded the summarized financial information for LCAH because the assets, liabilities and results of operations of LCAH are not materially different than the corresponding amounts in the Company's consolidated financial statements and management believes such summarized financial information would be repetitive and would not provide incremental value to investors.

#### **Credit Ratings**

The Company's investment grade debt ratings from Moody's and from Standard and Poor's (S&P) contribute to its ability to access capital markets.

#### **ITEM 3. Quantitative and Qualitative Disclosures about Market Risk (dollars in millions)**

Market risk is the potential loss arising from adverse changes in market rates and prices, such as foreign currency exchange rates, interest rates, and other relevant market rate or price changes. In the ordinary course of business, the Company is exposed to various market risks, including changes in foreign currency exchange and interest rates, and the Company regularly evaluates its exposure to such changes. The Company addresses its exposure to market risks, principally the market risks associated with changes in foreign currency exchange rates and interest rates, through a controlled program of risk management that includes, from time to time, the use of derivative financial instruments such as foreign currency forward contracts, and interest rate and cross currency swap agreements.

#### **Foreign Currency Exchange Rates**

Approximately 13.6% of the Company's revenues for the nine months ended September 30, 2024, and approximately 13.7% of the Company's revenue for the nine months ended September 30, 2023, were denominated in currencies other than the U.S. Dollar (USD). The Company's financial statements are reported in USD and, accordingly, fluctuations in exchange rates will affect the translation of revenues and expenses denominated in foreign currencies into USD for purposes of reporting the Company's consolidated financial results. In the third quarter of 2024 and the year ended December 31, 2023, the most significant currency exchange rate exposures were to the Canadian dollar, Swiss Franc, Euro and British Pound. Excluding the

impacts from any outstanding or future hedging transactions, a hypothetical change of 10% in average exchange rates used to translate all foreign currencies to USD would have impacted income before income taxes for the nine months ended September 30, 2024, by approximately \$20.8. Gross accumulated currency translation adjustments recorded as a separate component of shareholders' equity were \$78.3 and \$(56.0) for the quarter ended September 30, 2024 and 2023, respectively. The Company does not have significant operations in countries in which the economy is considered to be highly inflationary.

The Company earns revenue from service contracts over a period of time, ranging from months to years. Accordingly, exchange rate fluctuations during this period may affect the Company's profitability with respect to such contracts. The Company is also subject to foreign currency transaction risk for fluctuations in exchange rates during the period of time between the consummation and cash settlement of transactions. The Company limits its foreign currency transaction risk through exchange rate fluctuation provisions stated in some of its contracts with customers, or it may hedge transaction risk with foreign currency forward contracts. At September 30, 2024, the Company had 9 open foreign exchange forward contracts with various amounts maturing monthly through October 2024 with a notional value totaling approximately \$382.0. At December 31, 2023, the Company had 9 open foreign exchange forward contracts with various amounts maturing monthly through January 2024 with a notional value totaling approximately \$305.8.

The Company is party to USD to Swiss Franc cross-currency swap agreements with an aggregate notional amount of \$1,200.0, \$300.0 maturing in 2029, 300.0 maturing in 2031 and 600.0 maturing in 2034, as a hedge against the impact of foreign exchange movements on its net investment in a Swiss Franc functional currency subsidiary.

#### **Interest Rates**

Some of the Company's debt from time to time is subject to interest at variable rates. As a result, fluctuations in interest rates can affect the business. The Company attempts to manage interest rate risk and overall borrowing costs through an appropriate mix of fixed and variable rate debt including by the utilization of derivative financial instruments, primarily interest rate swaps.

Borrowings under the Company's term loan credit facility, now repaid, and revolving credit facility are subject to variable interest rates, unless fixed through interest rate swaps or other agreements.

In May 2021, to hedge against changes in the fair value portion of the Company's long-term debt, the Company entered into fixed-to-variable interest rate swap agreements for the 2.70% senior notes due 2031 with an aggregate notional value of \$500.0 and variable interest rates based on three-month SOFR plus 1.0706%.

#### **ITEM 4. Controls and Procedures**

##### ***Evaluation of Disclosure Controls and Procedures***

As of the end of the period covered by this Quarterly Report on Form 10-Q, the Company carried out, under the supervision and with the participation of the Company's management, including the Company's principal executive officer and principal financial officer, an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules13a-15 and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon this evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective as of September 30, 2024.

##### ***Changes in Internal Control Over Financial Reporting***

There were no changes in the Company's internal control over financial reporting (as defined in Rules13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) that occurred during the quarter ended September 30, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## LABCORP HOLDINGS INC. AND SUBSIDIARIES

### PART I - OTHER INFORMATION

#### Item 1. Legal Proceedings

See Note 9 (Commitments and Contingencies) to the Company's condensed consolidated financial statements, above, which is incorporated herein by reference.

#### Item 1A. Risk Factors

The risk factors set forth below revise and supplement the corresponding risk factors set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. With the exception of the following, there have been no material changes in the risk factors that appear in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

**U.S. Food and Drug Administration (FDA) regulation of diagnostic products, increased FDA regulation of laboratory-developed tests (LDTs), and regulation by other countries of diagnostic tests and related products could result in increased costs and the imposition of fines or penalties, and could have a material adverse effect upon the Company's business.**

The FDA has regulatory responsibility for instruments, test kits, reagents and other devices used by clinical laboratories. The FDA enforces laws and regulations that govern the development, testing, manufacturing, performance, labeling, advertising, marketing, distribution, and surveillance of diagnostic products, and it regularly inspects and reviews the manufacturing processes and product performance of diagnostic products. Dx's point-of-care testing devices are subject to regulation by the FDA.

LDTs developed by high complexity clinical laboratories are currently generally offered as services to health care providers under the CLIA regulatory framework administered by CMS, without the requirement for FDA clearance or approval. However, since the 1990s, the FDA has asserted that it has authority to regulate LDTs as medical devices but has exercised enforcement discretion to refrain from systematic regulation of LDTs. In 2014, the FDA issued draft guidance describing how it intended to discontinue its enforcement discretion policy and begin regulating LDTs as medical devices; however, that draft guidance was not finalized, and the FDA instead continued its enforcement discretion policy and indicated that it intended to work with Congress to enact comprehensive legislative reform of diagnostics oversight. In February 2020, the FDA issued a statement with a table of pharmacogenetic associations setting forth certain gene-drug interactions that the agency determined are supported by the scientific literature to help ensure that claims being made for pharmacogenetic tests are grounded in sound science, thereby reducing the risk of enforcement actions with respect to LDTs offering claims consistent with the table. The FDA noted that it could take enforcement actions under the current medical device framework regarding diagnostic claims the agency determines not to be sufficiently supported. In addition, in 2021, the Verifying Accurate, Leading-edge, IVCT Development (VALID) Act was introduced in Congress and provided a framework to regulate in vitro diagnostics and LDTs as in vitro clinical tests. In 2022, the VALID Act was incorporated into the Senate user fee bill but was not included in the year-end Consolidated Appropriations Act of 2022. On March 29, 2023, the VALID Act was reintroduced and remains pending. On April 29, 2024, the FDA released a final rule purporting to clarify its authority to regulate LDTs as medical devices under the federal Food, Drug, and Cosmetic Act, under which it will phase out its general enforcement discretion approach for LDTs under a four-year period subject to certain continuing enforcement discretion policies. More specifically, among other policies, the final rule provides that the FDA will continue to exercise discretion not to enforce premarket review and most FDA quality system requirements for unmodified LDTs first marketed prior to issuance of the final rule; will continue to exercise discretion not to enforce premarket review requirements for LDTs approved by the State of New York; and will continue to exercise discretion not to enforce premarket review and most FDA quality system requirements for LDTs developed and performed by a laboratory integrated into a health system for unmet needs for patients under the care of the same health system, where no FDA cleared or approved test is available. The final rule was published on May 6, 2024, and in the absence of a successful legal challenge, will become effective on May 6, 2025. On May 29, 2024, the American Clinical Laboratory Association (ACLA) and its member company, HealthTrackRx, filed a lawsuit against the FDA in the United States District Court for the Eastern District of Texas, challenging the FDA's final rule. While the lawsuit may change the final rule or delay or prevent its enforcement, the issuance of the final rule presents an increased risk of FDA enforcement actions for laboratory tests offered by companies without FDA clearance or approval that do not fall within the ongoing enforcement discretion policies. However, the outcome and its ultimate impact on the Company's business remain difficult to predict at this time.

Current FDA regulation of the Company's diagnostic products and the potential for future increased regulation of the Company's LDTs could result in increased costs and administrative and legal actions for noncompliance, including warning letters, fines, penalties, product suspensions, product recalls, injunctions, and other civil and criminal sanctions, and could impair the development and commercialization of new tests, which could have a material adverse effect upon the Company.

Regulation of diagnostics products in jurisdictions outside the U.S. in which the Company operates may impact laboratory testing offered by the Company in both Dx and BLS. For example, the European Union In Vitro Diagnostics Regulation (Regulation (EU) 2017/746 (EU IVDR)) established a new legislative framework for in vitro diagnostic devices that are used in certain circumstances, and includes a rule-based classification and quality and safety standards. The EU IVDR, where applicable to BLS's services, could impact BLS's ability to support trials, result in increased costs and administrative and legal actions, and have an adverse effect.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds (dollars and shares in millions, except per share data)**

During the three months ended September 30, 2024, the Company repurchased the following shares of its common stock:

	Total Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Repurchased as Part of Publicly Announced Program	Maximum Dollar Value of Shares that May Yet Be Repurchased Under the Program
July 1 - July 31	—	\$ —	—	\$ 1,430.4
August 1 - August 31	—	—	—	1,430.4
September 1 - September 30	0.3	224.91	0.3	1,355.4
	0.3	\$ 224.91	0.3	\$ 1,355.4

On July 24, 2024, the Board adopted a new share repurchase plan authorizing up to \$1,000.0 of the Company's shares in addition to the remaining amount outstanding under the previous plan. As of September 30, 2024, the Company had outstanding authorization from the board of directors to purchase up to \$1,355.4 of the Company's common stock. The repurchase authorization has no expiration date.

**Item 5. Other Information**

Insider Adoption or Termination of Trading Arrangements:

During the fiscal quarter ended September 30, 2024, none of the Company's directors or officers informed it of the adoption, modification or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Regulation S-K, Item 408, except as described in the table below:

Name and Title	Date Adopted	Character of Trading Agreement	Aggregate Number of Shares of Common Stock to be (Sold) Purchased Pursuant to Trading Agreement			Duration
			Up to	(27,276) <sup>(1)</sup>		
Adam H. Schechter <i>Chief Executive Officer</i>	August 7, 2024	Rule 10b5-1 Trading Arrangement				8/29/2025 <sup>(2)</sup>

(1) The figure presented represents the shares to be sold on the vesting of equity awards before reduction for shares to be withheld for tax purposes

(2) This trading arrangement permits transactions through and including the earlier to occur of (a) the completion of all sales on the respective order entry date or (b) the date listed in the table.

**Item 6. Exhibits**

(a)

4.1	<a href="#">Indenture, dated as of September 23, 2024, by and between Laboratory Corporation of America Holdings, as issuer, and U.S. Bank National Trust Company Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on September 23, 2024)</a>
4.2	<a href="#">First Supplemental Indenture, dated as of September 23, 2024, among Laboratory Corporation of America Holdings, as issuer, Labcorp Holdings Inc., as guarantor, and U.S. Bank Trust Company, National Association, as trustee, including the form of the 2030 Notes (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on September 23, 2024)</a>
4.3	<a href="#">Second Supplemental Indenture, dated as of September 23, 2024, by and among Laboratory Corporation of America Holdings, as issuer, Labcorp Holdings, Inc., as guarantor, and U.S. Bank Trust Company, National Association, as trustee, including the form of the 2032 Notes (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on September 23, 2024)</a>
4.4	<a href="#">Third Supplemental Indenture, dated as of September 23, 2024, by and among Laboratory Corporation of America Holdings, as issuer, Labcorp Holdings, Inc., as guarantor, and U.S. Bank Trust Company, National Association, as trustee, including the form of the 2034 Notes (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on September 23, 2024)</a>
10.1	<a href="#">Receivables Purchase Agreement, dated as of August 23, 2024, by and among Labcorp Receivables, LLC, as seller, persons from time to time party hereto, as purchasers, PNC Bank National Association, as administrative agent, Laboratory Corporation of America Holdings, as Servicer, and PNC Capital Markets, as structuring agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 23, 2024)</a>
10.2	<a href="#">Sale and Contribution Agreement, dated as of August 23, 2024, by and among each of the persons from time to time party hereto, as originators, Laboratory Corporation of America Holdings, as an originator and as servicer, and Labcorp Receivable LLC, as buyer (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 23, 2024)</a>
10.3	<a href="#">Performance Guaranty, dated as August 23, 2024, by Labcorp Holdings, Inc., in favor of PNC Bank National Association, as administrative agent (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on August 23, 2024)</a>
22.1*	<a href="#">Subsidiary Issuers of Guaranteed Securities</a>
31.1*	<a href="#">Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a)</a>
31.2*	<a href="#">Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a)</a>
32**	<a href="#">Written Statement of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)</a>
101.INS*	Inline XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and included in Exhibit 101)

\* filed herewith

\*\* furnished herewith

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LABCORP HOLDINGS INC.

Registrant

By: /s/ ADAM H. SCHECHTER

Adam H. Schechter

Chief Executive Officer

By: /s/ GLENN A. EISENBERG

Glenn A. Eisenberg

Executive Vice President and

Chief Financial Officer

October 29, 2024

### Subsidiary Issuers of Guaranteed Securities

#### Guaranteed Securities

The following securities (collectively referred to in this exhibit as the "Senior Notes") issued by Laboratory Corporation of America Holdings ("LCAH"), a Delaware corporation and wholly-owned subsidiary of Labcorp Holdings Inc. ("LHI"), a Delaware corporation, were outstanding as of September 30, 2024.

#### **Description of Senior Notes**

- 2.30% Senior Notes due 2024 (issued under the Thirteenth Supplemental Indenture to the Indenture, dated as of November 19, 2010, by and between LCAH and U.S. Bank Trust Company, National Association, as trustee (the "2010 Indenture"))
- 3.60% Senior Notes due 2025 (issued under the Ninth Supplemental Indenture to the 2010 Indenture)
- 1.55% Senior Notes due 2026 (issued under the Fifteenth Supplemental Indenture to the 2010 Indenture)
- 3.60% Senior Notes due 2027 (issued under the Twelfth Supplemental Indenture to the 2010 Indenture)
- 2.95% Senior Notes due 2029 (issued under the Fourteenth Supplemental Indenture to the 2010 Indenture)
- 4.35% Senior Notes due 2030 (issued under the First Supplemental Indenture to the Indenture, dated as of September 23, 2024, by and between LCAH and U.S. Bank Trust Company, National Association, as trustee (the "2024 Indenture"))
- 2.70% Senior Notes due 2031 (issued under the Sixteenth Supplemental Indenture to the 2010 Indenture)
- 4.55% Senior Notes due 2032 (issued under the Second Supplemental Indenture to the 2024 Indenture)
- 4.80% Senior Notes due 2034 (issued under the Third Supplemental Indenture to the 2024 Indenture)
- 4.70% Senior Notes due 2045 (issued under the Tenth Supplemental Indenture to the 2010 Indenture)

#### Obligors

As of September 30, 2024, the obligors under the Senior Notes consisted of LHI, as guarantor, and LCAH, as issuer.

**Exhibit 31.1**

Certification

I, Adam H. Schechter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Labcorp Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2024

By: /s/ ADAM H. SCHECHTER

Adam H. Schechter

Chief Executive Officer

(Principal Executive Officer)

**Exhibit 31.2**

Certification

I, Glenn A. Eisenberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Labcorp Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2024

By: /s/ GLENN A. EISENBERG  
Glenn A. Eisenberg  
Chief Financial Officer  
(Principal Financial Officer)

**Exhibit 32**

Written Statement of  
Chief Executive Officer and Chief Financial Officer  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)

The undersigned, the Chief Executive Officer and the Chief Financial Officer of Labcorp Holdings Inc. (the "Company"), each hereby certifies that, to his knowledge on the date hereof:

(a) the Form 10-Q of the Company for the Period Ended September 30, 2024, filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ ADAM H. SCHECHTER  
Adam H. Schechter  
Chief Executive Officer  
October 29, 2024

By: /s/ GLENN A. EISENBERG  
Glenn A. Eisenberg  
Chief Financial Officer  
October 29, 2024

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A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Labcorp Holdings Inc. and will be retained by Labcorp Holdings Inc. and furnished to the Securities and Exchange Commission or its staff upon request.