UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 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 001-12215

Quest Diagnostics Incorporated

Delaware	**16-1387862**
(State of Incorporation)	(I.R.S. Employer Identification Number)

500 Plaza Drive
Secaucus, NJ 07094
(973) 520-2700

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 Par Value	DGX	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 ☒

As of April 15, 2024, there were outstanding 111,091,574 shares of the registrant’s common stock, $.01 par value.

PART I - FINANCIAL INFORMATION

QUEST DIAGNOSTICS INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(unaudited)
(in millions, except per share data)

	Three Months Ended March 31,	
	2024	2023
Net revenues	$ 2,366	$ 2,331
Operating costs and expenses and other operating income:		
Cost of services	1,595	1,560
Selling, general and administrative	440	439
Amortization of intangible assets	29	26
Other operating expense, net	2	1
Total operating costs and expenses, net	2,066	2,026
Operating income	300	305
Other income (expense):		
Interest expense, net	(43)	(35)
Other income, net	9	7
Total non-operating expense, net	(34)	(28)
Income before income taxes and equity in earnings of equity method investees	266	277
Income tax expense	(66)	(65)
Equity in earnings of equity method investees, net of taxes	8	5
Net income	208	217
Less: Net income attributable to noncontrolling interests	14	15
Net income attributable to Quest Diagnostics	$ 194	$ 202
Earnings per share attributable to Quest Diagnostics' common stockholders:		
Basic	$ 1.74	$ 1.80
Diluted	$ 1.72	$ 1.78
Weighted average common shares outstanding:		
Basic	111	112
Diluted	112	113

The accompanying notes are an integral part of these statements.

QUEST DIAGNOSTICS INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(unaudited)
(in millions)

	Three Months Ended March 31,	
	2024	**2023**
Net income	$ 208	$ 217
Other comprehensive income (loss):		
Foreign currency translation adjustment	(2)	3
Other comprehensive (loss) income	(2)	3
Comprehensive income	206	220
Less: Comprehensive income attributable to noncontrolling interests	14	15
Comprehensive income attributable to Quest Diagnostics	$ 192	$ 205

The accompanying notes are an integral part of these statements.

QUEST DIAGNOSTICS INCORPORATED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2024 AND DECEMBER 31, 2023
(unaudited)
(in millions, except per share data)

	March 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 474	$ 686
Accounts receivable, net of allowance for credit losses of $ 28 and $27 as of March 31, 2024 and December 31, 2023, respectively	1,322	1,210
Inventories	181	190
Prepaid expenses and other current assets	251	286
Total current assets	2,228	2,372
Property, plant and equipment, net	1,810	1,816
Operating lease right-of-use assets	579	602
Goodwill	7,830	7,733
Intangible assets, net	1,192	1,166
Investments in equity method investees	133	135
Other assets	182	198
Total assets	$ 13,954	$ 14,022
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,239	$ 1,359
Current portion of long-term debt	906	303
Current portion of long-term operating lease liabilities	153	153
Total current liabilities	2,298	1,815
Long-term debt	3,804	4,410
Long-term operating lease liabilities	489	503
Other liabilities	817	876
Commitments and contingencies		
Redeemable noncontrolling interest	77	76
Stockholders' equity:		
Quest Diagnostics stockholders' equity:		
Common stock, par value $0.01 per share; 600 shares authorized as of both March 31, 2024 and December 31, 2023; 162 shares issued as of both March 31, 2024 and December 31, 2023	2	2
Additional paid-in capital	2,292	2,320
Retained earnings	8,935	8,825
Accumulated other comprehensive loss	(16)	(14)
Treasury stock, at cost; 51 shares as of both March 31, 2024 and December 31, 2023	(4,781)	(4,826)
Total Quest Diagnostics stockholders' equity	6,432	6,307
Noncontrolling interests	37	35
Total stockholders' equity	6,469	6,342
Total liabilities and stockholders' equity	$ 13,954	$ 14,022

The accompanying notes are an integral part of these statements.

QUEST DIAGNOSTICS INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(unaudited)
(in millions)

	Three Months Ended March 31,	
	2024	**2023**
Cash flows from operating activities:		
Net income	$ 208	$ 217
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	116	107
Provision (credit) for credit losses	1	(1)
Deferred income tax benefit	(18)	(4)
Stock-based compensation expense	22	24
Other, net	11	3
Changes in operating assets and liabilities:		
Accounts receivable	(114)	(58)
Accounts payable and accrued expenses	(152)	(211)
Income taxes payable	42	11
Other assets and liabilities, net	38	6
Net cash provided by operating activities	154	94
Cash flows from investing activities:		
Business acquisitions, net of cash acquired	(142)	(31)
Capital expenditures	(104)	(127)
Other investing activities	33	—
Net cash used in investing activities	(213)	(158)
Cash flows from financing activities:		
Proceeds from borrowings	—	140
Repayments of debt	—	(140)
Exercise of stock options	12	25
Employee payroll tax withholdings on stock issued under stock-based compensation plans	(23)	(28)
Dividends paid	(79)	(74)
Distributions to noncontrolling interest partners	(11)	(14)
Other financing activities, net	(52)	15
Net cash used in financing activities	(153)	(76)
Net change in cash and cash equivalents and restricted cash	(212)	(140)
Cash and cash equivalents and restricted cash, beginning of period	686	315
Cash and cash equivalents and restricted cash, end of period	$ 474	$ 175

The accompanying notes are an integral part of these statements.

QUEST DIAGNOSTICS INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(unaudited)
(in millions)

For the Three Months Ended March 31, 2024		Quest Diagnostics Stockholders' Equity							
	Shares of Common Stock Outstanding	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Compre-hensive Loss	Treasury Stock, at Cost	Non-controlling Interests	Total Stock-holders' Equity	Redeemable Non-controlling Interest
Balance, December 31, 2023	111	$ 2	$ 2,320	$ 8,825	$ (14)	$ (4,826)	$ 35	$ 6,342	$ 76
Net income				194			13	207	1
Other comprehensive loss, net of taxes					(2)			(2)	
Dividends declared				(84)				(84)	
Distributions to noncontrolling interest partners							(11)	(11)	
Issuance of common stock under benefit plans			(42)			48		6	
Stock-based compensation expense			22					22	
Exercise of stock options			(2)			14		12	
Shares to cover employee payroll tax withholdings on stock issued under stock-based compensation plans			(6)			(17)		(23)	
Balance, March 31, 2024	111	$ 2	$ 2,292	$ 8,935	$ (16)	$ (4,781)	$ 37	$ 6,469	$ 77

For the Three Months Ended March 31, 2023		Quest Diagnostics Stockholders' Equity							
	Shares of Common Stock Outstanding	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Compre-hensive Loss	Treasury Stock, at Cost	Non-controlling Interests	Total Stock-holders' Equity	Redeemable Non-controlling Interest
Balance, December 31, 2022	111	$ 2	$ 2,295	$ 8,290	$ (21)	$ (4,673)	$ 37	$ 5,930	$ 77
Net income				202			14	216	1
Other comprehensive income, net of taxes					3			3	
Dividends declared				(80)				(80)	
Distributions to noncontrolling interest partners							(13)	(13)	(1)
Issuance of common stock under benefit plans	1		(42)			48		6	
Stock-based compensation expense			24					24	
Exercise of stock options			(1)			31		30	
Shares to cover employee payroll tax withholdings on stock issued under stock-based compensation plans			(10)			(18)		(28)	
Balance, March 31, 2023	112	$ 2	$ 2,266	$ 8,412	$ (18)	$ (4,612)	$ 38	$ 6,088	$ 77

The accompanying notes are an integral part of these statements.

1. DESCRIPTION OF BUSINESS

Background

Quest Diagnostics Incorporated and its subsidiaries ("Quest Diagnostics" or the "Company") work across the healthcare ecosystem to create a healthier world, one life at a time. The Company's diagnostic information services ("DIS") business provides diagnostic insights from the results of its laboratory testing to empower people, physicians, and organizations to take action to improve health outcomes. Derived from one of the world's largest databases of de-identifiable clinical lab results, the diagnostic insights reveal new avenues to identify and treat disease, inspire healthy behaviors and improve healthcare management. In the right hands and with the right context, the diagnostic insights can inspire actions that transform lives and create a healthier world. The Company provides services to a broad range of customers within its primary customer channels - physicians (including those associated with accountable care organizations and Federally Qualified Health Centers), hospitals, and patients and consumers. Other customers include health plans, employers, emerging retail healthcare providers, government agencies, pharmaceutical companies and other commercial clinical laboratories. The Company offers broad access to clinical testing through a nationwide network of laboratories, patient service centers, phlebotomists in physician offices, and connectivity resources, including call centers and mobile phlebotomists, nurses and other health and wellness professionals. The Company's large in-house staff of medical and scientific experts, including medical directors, scientific directors, genetic counselors and board-certified geneticists, provide medical and scientific consultation to healthcare providers and patients regarding the Company's tests and test results, and help them best utilize Quest Diagnostics' services to improve outcomes and enhance satisfaction. The Company's Diagnostic Solutions ("DS") group, which represents the balance of the Company's consolidated net revenues, includes the Company's risk assessment services business, which offers solutions for insurers, and the Company's healthcare information technology businesses, which offer solutions for healthcare providers and payers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The interim unaudited consolidated financial statements reflect all adjustments which in the opinion of management are necessary for a fair statement of results of operations, comprehensive income, financial condition, cash flows and stockholders' equity for the periods presented. Except as otherwise disclosed, all such adjustments are of a normal recurring nature. Operating results for the interim periods are not necessarily indicative of the results that may be expected for the full year. These interim unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company’s 2023 Annual Report on Form 10-K. The year-end balance sheet data was derived from the audited consolidated financial statements as of December 31, 2023 but does not include all the disclosures required by accounting principles generally accepted in the United States (“GAAP”).

The accounting policies of the Company are the same as those set forth in Note 2 to the audited consolidated financial statements contained in the Company’s 2023 Annual Report on Form 10-K.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Earnings Per Share

The Company's unvested restricted stock units that contain non-forfeitable rights to dividends are participating securities and, therefore, are included in the earnings allocation in computing earnings per share using the two-class method. Basic earnings per common share is calculated by dividing net income attributable to Quest Diagnostics, adjusted for earnings allocated to participating securities, by the weighted average number of common shares outstanding. Diluted earnings per common share is calculated by dividing net income attributable to Quest Diagnostics, adjusted for earnings allocated to participating securities, by the weighted average number of common shares outstanding after giving effect to all potentially dilutive common shares outstanding during the period. Potentially dilutive common shares include the dilutive effect of outstanding stock options and performance share units granted under the Company's Amended and Restated Employee Long-Term Incentive Plan (“ELTIP”) and its Amended and Restated Non-Employee Director Long-Term Incentive Plan (“DLTIP”), as well as the dilutive effect of accelerated share repurchase agreements ("ASRs"), if applicable. Earnings allocable to participating securities include the portion of dividends declared as well as the portion of undistributed earnings during the period allocable to participating securities.

New Accounting Standards to be Adopted

In November 2023, the Financial Accounting Standards Board ("FASB") issued a new accounting standard which will require companies to disclose significant segment expenses that are regularly provided to the chief operating decision maker ("CODM"). The pronouncement is effective for annual filings for the year ended December 31, 2024 and for interim periods within the year ended December 31, 2025. The Company does not expect the adoption of this standard to have a material impact on its results of operations, financial position or cash flows.

In December 2023, the FASB issued a new accounting standard which will require companies to make additional income tax disclosures. The pronouncement is effective for annual filings for the year ended December 31, 2025. The Company does not expect the adoption of this standard to have a material impact on its results of operations, financial position or cash flows.

In March 2024, the Securities and Exchange Commission issued a rule which will require companies to make certain climate-related disclosures in periodic filings. The rule includes certain disclosures in the footnotes of the financial statements:

- capitalized costs, expenditures expensed, and losses incurred as a result of severe weather events and other natural conditions, such as hurricanes, tornadoes, flooding, drought, wildfires, extreme temperatures, and sea level rise;
- capitalized costs, expenditures expensed, and losses related to carbon offsets and renewable energy credits or certificates if they are used as a material component of a registrant’s plans to achieve its disclosed climate-related targets or goals; and
- whether estimates and assumptions used to produce the financial statements were materially impacted by risks and uncertainties associated with severe weather events and other natural conditions or any disclosed climate-related targets or transition plans.

The footnote disclosures are effective for annual filings for the year ended December 31, 2025. The Company is currently evaluating the impact of the adoption of the rule.

3. EARNINGS PER SHARE

The computation of basic and diluted earnings per common share was as follows (in millions, except per share data):

	Three Months Ended March 31,	
	2024	2023
Amounts attributable to Quest Diagnostics' common stockholders:		
Net income attributable to Quest Diagnostics	$ 194	$ 202
Less: Earnings allocated to participating securities	1	1
Earnings available to Quest Diagnostics' common stockholders – basic and diluted	$ 193	$ 201
Weighted average common shares outstanding – basic	111	112
Effect of dilutive securities:		
Stock options and performance share units	1	1
Weighted average common shares outstanding – diluted	112	113
Earnings per share attributable to Quest Diagnostics' common stockholders:		
Basic	$ 1.74	$ 1.80
Diluted	$ 1.72	$ 1.78

The following securities were not included in the calculation of diluted earnings per share due to their antidilutive effect:

	Three Months Ended March 31,	
	2024	2023
Stock options and performance share units	1	—

4. RESTRUCTURING ACTIVITIES

Invigorate Program

The Company is engaged in a multi-year program called Invigorate, which includes structured plans to drive savings and improve productivity across the value chain, including in such areas as patient services, logistics and laboratory operations, revenue services, information technology and procurement. The Invigorate program aims to deliver 3% annual cost savings and productivity improvements to partially offset pressures from the current inflationary environment, including labor and benefit cost increases and reimbursement pressures. The Company is leveraging automation and artificial intelligence to improve productivity and also improve quality across the entire value chain, not just in the laboratory. Other areas of focus include reducing denials and patient concessions, enhancing the digital experience, and selecting and retaining talent.

Restructuring Charges

The Company's pre-tax restructuring charges for the three months ended March 31, 2024 and 2023 were $ 6 million and $15 million, respectively, entirely related to employee separation costs associated with various workforce reduction initiatives as the Company continued to restructure its organization. Of the total restructuring charges incurred during the three months ended March 31, 2024, $4 million and $2 million were recorded in cost of services and selling, general and administrative expenses, respectively. Of the total restructuring charges incurred during the three months ended March 31, 2023, $9 million and $6 million were recorded in cost of services and selling, general and administrative expenses, respectively.

Charges for all periods presented were primarily recorded in the Company's DIS business.

The restructuring liability as of March 31, 2024 and December 31, 2023, which is included in accounts payable and accrued expenses, was $ 13 million and $12 million, respectively.

5. BUSINESS ACQUISITIONS

During the three months ended March 31, 2024, the Company completed acquisitions for an aggregate purchase price of $ 148 million (including contingent consideration initially estimated at $6 million), net of cash acquired, including the acquisitions discussed below. Of such amount, $30 million was prepaid during the twelve months ended December 31, 2023. In the Company's consolidated statement of cash flows for the three months ended March 31, 2024, such $30 million is included in business acquisitions, net of cash acquired, with a corresponding offset in other investing activities.

The acquisitions preliminarily resulted in goodwill of $ 99 million, all of which is deductible for tax purposes. The acquisitions also preliminarily resulted in $56 million of customer-related intangible assets.

Acquisition of select assets of Lenco Diagnostic Laboratories, Inc. ("Lenco")

On February 12, 2024, the Company acquired select assets of Lenco, an independent clinical diagnostic laboratory provider serving physicians in New York, in an all-cash transaction for $111 million. Based on the preliminary purchase price allocation, which may be revised as additional information becomes available during the measurement period, the assets acquired and liabilities assumed primarily consist of $75 million of tax-deductible goodwill, $43 million of customer-related intangible assets and $ 7 million of operating lease liabilities. The intangible assets are being amortized over a useful life of 15 years.

The acquisitions were accounted for under the acquisition method of accounting. As such, the assets acquired and liabilities assumed were recorded based on their estimated fair values as of the closing dates. Supplemental pro forma combined financial information has not been presented as the impact of the acquisitions is not material to the Company's consolidated financial statements. The goodwill recorded primarily includes the expected synergies resulting from combining the operations of the acquired entity with those of the Company and the value associated with an assembled workforce and other intangible assets that do not qualify for separate recognition. All of the goodwill acquired in connection with the acquisitions has been allocated to the Company's DIS business. For further details regarding business segment information, see Note 12.

For details regarding the Company's 2023 acquisitions, see Note 6 to the audited consolidated financial statements in the Company's 2023 Annual Report on Form 10-K.

(in millions, unless otherwise indicated)

6. FAIR VALUE MEASUREMENTS

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table provides a summary of the recognized assets and liabilities that are measured at fair value on a recurring basis:

		Basis of Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets/Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs
March 31, 2024	Total	Level 1	Level 2	Level 3
Assets:				
Deferred compensation trading securities	$ 74	$ 74	$ —	$ —
Cash surrender value of life insurance policies	59	—	59	—
Total	$ 133	$ 74	$ 59	$ —
Liabilities:				
Deferred compensation liabilities	$ 138	$ —	$ 138	$ —
Contingent consideration	113	—	—	113
Total	$ 251	$ —	$ 138	$ 113
Redeemable noncontrolling interest	$ 77	$ —	$ —	$ 77

		Basis of Fair Value Measurements		
December 31, 2023	Total	Level 1	Level 2	Level 3
Assets:				
Deferred compensation trading securities	$ 70	$ 70	$ —	$ —
Cash surrender value of life insurance policies	55	—	55	—
Available-for-sale debt securities	2	—	—	2
Total	$ 127	$ 70	$ 55	$ 2
Liabilities:				
Deferred compensation liabilities	$ 131	$ —	$ 131	$ —
Contingent consideration	104	—	—	104
Total	$ 235	$ —	$ 131	$ 104
Redeemable noncontrolling interest	$ 76	$ —	$ —	$ 76

A detailed description regarding the Company's fair value measurements is contained in Note 8 to the audited consolidated financial statements in the Company's 2023 Annual Report on Form 10-K.

The Company offers certain employees the opportunity to participate in a non-qualified supplemental deferred compensation plan. A participant's deferrals, together with Company matching credits, are invested in a variety of participant-directed stock and bond mutual funds that are classified as trading securities. The trading securities are classified within Level 1 of the fair value hierarchy because the changes in the fair value of these securities are measured using quoted prices in active markets based on the market price per unit multiplied by the number of units held, exclusive of any transaction costs. A corresponding adjustment for changes in fair value of the trading securities is also reflected in the changes in fair value of the deferred compensation obligation. The deferred compensation liabilities are classified within Level 2 of the fair value hierarchy because their inputs are derived principally from observable market data by correlation to the trading securities.

(in millions, unless otherwise indicated)

The Company offers certain employees the opportunity to participate in a non-qualified deferred compensation program. A participant's deferrals, together with Company matching credits, are “invested” at the direction of the employee in a hypothetical portfolio of investments which are tracked by an administrator. The Company purchases life insurance policies, with the Company named as beneficiary of the policies, for the purpose of funding the program's liability. Changes in the cash surrender value of the life insurance policies are based upon earnings and changes in the value of the underlying investments. Changes in the fair value of the deferred compensation 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 deferred compensation obligation are classified within Level 2 of the fair value hierarchy because their inputs are derived principally from observable market data by correlation to the hypothetical investments. Deferrals under the plan currently may only be made by participants who made deferrals under the plan in 2017.

The Company's available-for-sale debt securities are measured at fair value using discounted cash flows. These fair value measurements are classified within Level 3 of the fair value hierarchy as the fair value is based on significant inputs that are not observable. Significant inputs include cash flows projections and a discount rate.

During June 2023, the Company acquired Haystack Oncology, Inc. ("Haystack"), an early-stage oncology company focused on minimal residual disease testing to aid in the detection of residual or recurring cancer and better inform therapy decisions. In connection with the acquisition there is a contingent consideration obligation under which the seller can receive up to $100 million of additional consideration dependent upon the achievement of certain revenue benchmarks through 2028 and up to an additional $50 million of consideration dependent upon the Company receiving reimbursement coverage from the Centers for Medicare and Medicaid Services ("CMS"). The portion of the contingent consideration obligation which is dependent upon the achievement of certain revenue benchmarks was measured at fair value using a Monte Carlo method and is classified within Level 3 of the fair value hierarchy as the fair value is determined based on significant inputs that are not observable. Significant inputs include management’s estimate of revenue and other market inputs, including comparable company revenue volatility (40%) and a discount rate (10.5%). The portion of the contingent consideration obligation which is dependent upon the Company receiving reimbursement coverage from the CMS is also classified within Level 3 of the fair value hierarchy as the fair value is principally determined based on management's estimate, which is a significant input that is not observable. Additionally, the fair value of the entire contingent consideration obligation is also impacted by a market discount rate (5%) which adjusts the estimated payments to present value. The fair value of the contingent consideration obligation is not overly sensitive to movements in the comparable company revenue volatility or the discount rate used for the portion of the obligation that is dependent upon the achievement of certain revenue benchmarks. For example, changing the comparable company revenue volatility from 40% to 30% impacts the fair value by $ 8 million (assuming no other inputs are modified) and changing the discount rate from 10.5% to 7.0% impacts the fair value by $ 5 million (assuming no other inputs are modified).

The Company has additional contingent consideration obligations in connection with other acquisitions. The liabilities related to such obligations are included in the amounts below.

The following table provides a reconciliation of the beginning and ending balances of liabilities using significant unobservable inputs (Level 3):

	Contingent Consideration
Balance, December 31, 2023	$ 104
Purchases, additions and issuances	6
Total fair value adjustments included in earnings - realized/unrealized	3
Balance, March 31, 2024	$ 113

The $3 million net loss included in earnings associated with the change in the fair value of contingent consideration for the three months ended March 31, 2024 is reported in other operating expense, net.

Of the aggregate $113 million contingent consideration obligation as of March 31, 2024, $ 79 million and $34 million were included in other liabilities and accounts payable and accrued expenses, respectively, in the Company's consolidated balance sheet. Of the aggregate $104 million contingent consideration obligation as of December 31, 2023, $99 million and $5 million were included in other liabilities and accounts payable and accrued expenses, respectively, in the Company's consolidated balance sheet.

In connection with the sale of an 18.9% noncontrolling interest in a subsidiary to UMass Memorial Medical Center ("UMass") on July 1, 2015, the Company granted UMass the right to require the Company to purchase all of its interest in the subsidiary at fair value commencing July 1, 2020. As of March 31, 2024, the redeemable noncontrolling interest was presented at its fair value. The fair value measurement of the redeemable noncontrolling interest is classified within Level 3 of the fair value hierarchy because the fair value is based on a discounted cash flow analysis that takes into account, among other items, the joint venture's expected future cash flows, long term growth rates, and a discount rate commensurate with economic risk.

The carrying amounts of cash and cash equivalents, accounts receivable, and accounts payable and accrued expenses approximate fair value based on the short maturities of these instruments. As of both March 31, 2024 and December 31, 2023, the fair value of the Company’s debt was estimated at $4.6 billion. Principally all of the Company's debt is classified within Level 1 of the fair value hierarchy because the fair value of the debt is estimated based on rates currently offered to the Company with identical terms and maturities, using quoted active market prices and yields, taking into account the underlying terms of the debt instruments.

7. DEBT

The Company has $600 million of 3.50% senior notes due March 2025. The senior notes are included in current portion of long-term debt in the Company's March 31, 2024 consolidated balance sheet. Such notes were included in long-term debt in the Company's December 31, 2023 consolidated balance sheet. For further details, see Note 14 to the audited consolidated financial statements in the Company's 2023 Annual Report on Form 10-K.

8. FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments, from time to time, to manage its exposure to market risks for changes in interest rates and foreign currencies. This strategy includes the use of interest rate swap agreements, forward-starting interest rate swap agreements, interest rate lock agreements and foreign currency forward contracts to manage its exposure to movements in interest and currency rates. The Company has established policies and procedures for risk assessment and the approval, reporting and monitoring of derivative financial instrument activities. These policies prohibit holding or issuing derivative financial instruments for speculative purposes. The Company does not enter into derivative financial instruments that contain credit-risk-related contingent features or requirements to post collateral.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash and cash equivalents and its debt obligations. Interest income earned on cash and cash equivalents may fluctuate as interest rates change; however, due to their relatively short maturities, the Company does not hedge these assets or their investment cash flows and the impact of interest rate risk is not material. The Company's debt obligations consist of fixed-rate and, from time to time, variable-rate debt instruments. The Company's primary objective is to achieve the lowest overall cost of funding while managing the variability in cash outflows within an acceptable range. In order to achieve this objective, the Company has historically entered into interest rate swap agreements.

Interest rate swaps involve the periodic exchange of payments without the exchange of underlying principal or notional amounts. Net settlements between the counterparties are recognized as an adjustment to interest expense, net.

Interest Rate Derivatives – Cash Flow Hedges

From time to time, the Company has entered into various interest rate lock agreements and forward-starting interest rate swap agreements to hedge part of the Company's interest rate exposure associated with the variability in future cash flows attributable to changes in interest rates.

(in millions, unless otherwise indicated)

Interest Rate Derivatives – Fair Value Hedges

Historically, the Company has entered into various fixed-to-variable interest rate swap agreements in order to convert a portion of the Company's long-term debt into variable interest rate debt. All such fixed-to-variable interest rate swap agreements have been terminated and proceeds from the terminations have been reflected as basis adjustments to the hedged debt instruments and are being amortized as a reduction of interest expense, net over the remaining terms of such debt instruments.

As of March 31, 2024 and December 31, 2023, the following amounts were recorded on the consolidated balance sheets related to cumulative basis adjustments for fair value hedges included in the carrying amount of long-term debt:

	Hedge Accounting Basis Adjustment (a)	
Balance Sheet Classification	**March 31, 2024**	**December 31, 2023**
Long-term debt	$ 10	$ 13

(a) As of both March 31, 2024 and December 31, 2023, the entire balance is associated with remaining unamortized hedging adjustments on discontinued relationships.

A detailed description regarding the Company's use of derivative financial instruments is contained in Note 16 to the audited consolidated financial statements in the Company's 2023 Annual Report on Form 10-K.

9. STOCKHOLDERS’ EQUITY AND REDEEMABLE NONCONTROLLING INTEREST

Stockholders' Equity

Changes in Accumulated Other Comprehensive Loss by Component

Comprehensive income (loss) includes:

- Foreign currency translation adjustments;
- Net deferred gains (losses) on cash flow hedges, which represent deferred gains (losses), net of tax, on interest rate-related derivative financial instruments designated as cash flow hedges, net of amounts reclassified to interest expense (see Note 8); and
- Net changes in available-for-sale debt securities, which represent unrealized holding gains (losses), net of tax, on available-for-sale debt securities.

For the three months ended March 31, 2024 and 2023, the tax effects related to the deferred gains (losses) on cash flow hedges and net changes in available-for-sale debt securities were not material. Foreign currency translation adjustments related to indefinite investments in non-U.S. subsidiaries are not adjusted for income taxes.

Dividend Program

During the first quarter of 2024, the Company's Board of Directors declared a quarterly cash dividend of $ 0.75 per common share. During each of the four quarters of 2023, the Company's Board of Directors declared a quarterly cash dividend of $0.71 per common share.

Share Repurchase Program

As of March 31, 2024, $1.0 billion remained available under the Company’s share repurchase authorization. The share repurchase authorization has no set expiration or termination date.

Share Repurchases

For both the three months ended March 31, 2024 and 2023, the Company repurchased no shares of its common stock.

Shares Reissued from Treasury Stock

For the three months ended March 31, 2024 and 2023, the Company reissued 0.5 million shares and 0.7 million shares, respectively, from treasury stock under its Employee Stock Purchase Plan and its stock-based compensation program. For details regarding the Company's stock ownership and compensation plans, see Note 18 to the audited consolidated financial statements in the Company's 2023 Annual Report on Form 10-K.

Redeemable Noncontrolling Interest

In connection with the sale of an 18.9% noncontrolling interest in a subsidiary to UMass on July 1, 2015, the Company granted UMass the right to require the Company to purchase all of its interest in the subsidiary at fair value commencing July 1, 2020. The subsidiary performs diagnostic information services in a defined territory within the state of Massachusetts. Since the redemption of the noncontrolling interest is outside of the Company's control, it has been presented outside of stockholders' equity at the greater of its carrying amount or its fair value. As of March 31, 2024 and December 31, 2023, the redeemable noncontrolling interest was presented at its fair value. For further details regarding the fair value of the redeemable noncontrolling interest, see Note 6.

(in millions, unless otherwise indicated)

10. SUPPLEMENTAL CASH FLOW AND OTHER DATA

Supplemental cash flow and other data for the three months ended March 31, 2024 and 2023 was as follows:

	Three Months Ended March 31,	
	2024	**2023**
Depreciation expense	$ 87	$ 81
Amortization expense	29	26
Depreciation and amortization expense	$ 116	$ 107
Interest expense	$ (49)	$ (37)
Interest income	6	2
Interest expense, net	$ (43)	$ (35)
Interest paid	$ 44	$ 32
Income taxes paid	$ 3	$ 33
Accounts payable associated with capital expenditures	$ 28	$ 22
Dividends payable	$ 84	$ 80
Businesses acquired:		
Fair value of assets acquired	$ 155	$ 31
Fair value of liabilities assumed	7	—
Fair value of net assets acquired	148	31
Merger consideration payable	(6)	—
Cash paid for business acquisitions	142	31
Less: Cash acquired	—	—
Business acquisitions, net of cash acquired	$ 142	$ 31
Leases:		
Leased assets obtained in exchange for new operating lease liabilities	$ 35	$ 44

During the three months ended March 31, 2024 and 2023, other financing activities, net in the Company's consolidated statement of cash flows included changes in bank overdrafts, which are generally settled in cash in the short term, of $(51) million and $33 million, respectively.

11. COMMITMENTS AND CONTINGENCIES

Letters of Credit

The Company can issue letters of credit under its $ 525 million secured receivables credit facility and its $ 750 million senior unsecured revolving credit facility. For further discussion regarding the facilities, see Note 14 to the audited consolidated financial statements in the Company's 2023 Annual Report on Form 10-K.

In support of its risk management program, $ 73 million in letters of credit under the $ 525 million secured receivables credit facility were outstanding as of March 31, 2024, providing collateral for current and future automobile liability and workers' compensation loss payments.

Contingent Lease Obligations

The Company remains subject to contingent obligations under certain real estate leases for which no liability has been recorded. For further details, see Note 19 to the audited consolidated financial statements in the Company's 2023 Annual Report on Form 10-K.

Certain Legal Matters

The Company may incur losses associated with these proceedings and investigations, but it is not possible to estimate the amount of loss or range of loss, if any, that might result from adverse judgments, settlements, fines, penalties, or other resolution of these proceedings and investigations based on the stage of these proceedings and investigations, the absence of specific allegations as to alleged damages, the uncertainty as to the certification of a class or classes and the size of any certified class, if applicable, and/or the lack of resolution of significant factual and legal issues. The Company has insurance coverage rights in place (limited in amount; subject to deductible) for certain potential costs and liabilities related to these proceedings and investigations.

In 2020, two putative class action lawsuits were filed in the U.S. District Court for New Jersey against the Company and other defendants with respect to the Company's 401(k) plan. The complaint alleges, among other things, that the fiduciaries of the 401(k) plan breached their duties by failing to disclose the expenses and risks of plan investment options, allowing unreasonable administration expenses to be charged to plan participants, and selecting and retaining high cost and poor performing investments. In October 2020, the court consolidated the two lawsuits under the caption *In re: Quest Diagnostics ERISA Litigation* and plaintiffs filed a consolidated amended complaint. In May 2021, the court denied the Company's motion to dismiss the complaint. Discovery has been completed. Plaintiffs' motion for class certification and the Company's motion for summary judgment are pending.

On June 3, 2019, the Company reported that Retrieval-Masters Creditors Bureau, Inc./American Medical Collection Agency ("AMCA") had informed the Company and Optum360 LLC that an unauthorized user had access to AMCA's system between August 1, 2018 and March 30, 2019 (the "AMCA Data Security Incident"). Optum360 provides revenue management services to the Company, and AMCA provided debt collection services to Optum360. AMCA first informed the Company of the AMCA Data Security Incident on May 14, 2019. AMCA's affected system included financial information (e.g., credit card numbers and bank account information), medical information and other personal information (e.g., social security numbers). Test results were not included. Neither Optum360's nor the Company's systems or databases were involved in the incident. AMCA also informed the Company that information pertaining to other laboratories' customers was also affected. Following announcement of the AMCA Data Security Incident, AMCA sought protection under the U.S. bankruptcy laws. The bankruptcy proceeding has been dismissed.

Numerous putative class action lawsuits were filed against the Company related to the AMCA Data Security Incident. The U.S. Judicial Panel on Multidistrict Litigation transferred the cases that were then still pending to, and consolidated them for pre-trial proceedings in, the U.S. District Court for New Jersey. In November 2019, the plaintiffs in the multidistrict proceeding filed a consolidated putative class action complaint against the Company and Optum360 that named additional individuals as plaintiffs and that asserted a variety of common law and statutory claims in connection with the AMCA Data Security Incident. In January 2020, the Company moved to dismiss the consolidated complaint; the motion to dismiss was granted in part and denied in part. Plaintiffs filed an amended complaint, which the Company also moved to dismiss. The motion was granted in part and denied in part. Discovery is proceeding.

QUEST DIAGNOSTICS INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED
(unaudited)
(in millions, unless otherwise indicated)

In addition, a group of state attorney general offices are investigating the Company in connection with the AMCA Data Security Incident. The Company is cooperating with the investigation.

ReproSource Fertility Diagnostics, Inc. ("ReproSource"), a subsidiary of the Company, is subject to two putative class action lawsuits related to a data security incident that occurred in August 2021 in which plaintiffs allege that an unauthorized party accessed or acquired protected health information and personally identifiable information of ReproSource patients. *Bickham v. ReproSource Fertility Diagnostics, Inc.* is pending in the U.S. District Court for the District of Massachusetts (the "Massachusetts District Court"), and *Trouville v. ReproSource Fertility Diagnostics, Inc.* , which was originally filed in the U.S. District Court for the Eastern District of California, has now been transferred to the Massachusetts District Court. A third case filed in the Massachusetts District Court, *Gordon v. ReproSource Fertility Diagnostics, Inc.* , was consolidated into the *Bickham* case. The *Bickham* and *Trouville* complaints seek to represent a class of all individuals potentially impacted by the August 2021 data security incident, and generally allege that ReproSource, among other claims, failed to adequately safeguard patients' private information.

On January 10, 2024, ReproSource agreed to settle the *Bickham* case on a class-wide basis. The settlement is pending approval by the District Court. If approved, ReproSource will receive a full release for all claims that the settlement class might possess arising out of the August 2021 data security incident. The Company's motion to stay the *Trouville* case was granted.

The Company is subject to a putative class action entitled *Cole, et al. v Quest Diagnostics Incorporated* , which was filed in the U. S. District Court for the Eastern District of California, for allegedly conspiring with Facebook to track customers' internet communications on Company web platforms without authorization, in violation of the California Invasion of Privacy Act and the California Confidentiality of Medical Information Act. The complaint alleged that the Company's actions were an invasion of privacy and contributed to a loss of value in plaintiffs' personally identifiable information. The Company moved to dismiss the case or, in the alternative, transfer venue to the U.S. District Court for New Jersey. Subsequently, plaintiffs filed an amended complaint, which the Company also moved to dismiss. The Company's motion to transfer the case was granted. The Company has refiled its motion to dismiss with the New Jersey District Court.

As previously disclosed, in August 2011, the Company had received a subpoena from the U.S. Attorney for the Northern District of Georgia seeking various business records, including records related to the Company's compliance program, certain marketing materials, certain product offerings, and certain test ordering and other policies. The Company cooperated with the request. In 2021, a third amended complaint in a qui tam action filed in the U.S. District Court for the Northern District of Georgia was unsealed, which is related to the matter underlying the August 2011 subpoena. Both the U.S. Department of Justice and the State of Georgia declined to intervene in the action. The Company moved to dismiss the complaint and the complaint was dismissed without prejudice in August 2022. The relator subsequently filed a fourth amended complaint. The Company has moved to dismiss the fourth amended complaint.

The Company also received subpoenas from the U.S. Attorney for the District of New Jersey. The subpoenas seek various records relating to the Company's relationship with the New York Giants and adherence to certain company policies and federal laws. The Company is cooperating with the investigation.

Other Legal Matters

In the normal course of business, the Company has been named, from time to time, as a defendant in various legal actions, including arbitrations, class actions and other litigation, arising in connection with the Company's activities as a provider of diagnostic testing, information and services. These actions could involve claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages, and could have an adverse impact on the Company's client base and reputation.

The Company is also involved, from time to time, in other reviews, investigations and proceedings by governmental agencies regarding the Company's business which may result in adverse judgments, settlements, fines, penalties, injunctions or other relief.

The federal or state governments may bring claims based on the Company's current practices, which it believes are lawful. In addition, certain federal and state statutes, including the *qui tam* provisions of the federal False Claims Act, allow private individuals to bring lawsuits against healthcare companies on behalf of government or private payers. The Company is aware of lawsuits, and from time to time has received subpoenas, related to billing or other practices based on the False Claims Act or other federal and state statutes, regulations or other laws. The Company understands that there may be other pending qui tam claims brought by former employees or other "whistleblowers" as to which the Company cannot determine the extent of any potential liability.

Management cannot predict the outcome of such matters. Although management does not anticipate that the ultimate outcome of such matters will have a material adverse effect on the Company's financial condition, given the high degree of judgment involved in establishing loss estimates related to these types of matters, the outcome of such matters may be material to the Company's consolidated results of operations or cash flows in the period in which the impact of such matters is determined or paid.

These matters are in different stages. Some of these matters are in their early stages. Matters may involve responding to and cooperating with various government investigations and related subpoenas. As of March 31, 2024, the Company does not believe that material losses related to legal matters are probable.

Reserves for legal matters totaled $1 million and $6 million as of March 31, 2024 and December 31, 2023, respectively.

Reserves for General and Professional Liability Claims

As a general matter, providers of clinical testing services may be subject to lawsuits alleging negligence or other similar legal claims. These suits could involve claims for substantial damages. Any professional liability litigation could also have an adverse impact on the Company's client base and reputation. The Company maintains various liability insurance coverages for, among other things, claims that could result from providing, or failing to provide, clinical testing services, including inaccurate testing results, and other exposures. The Company's insurance coverage limits its maximum exposure on individual claims; however, the Company is essentially self-insured for a significant portion of these claims.

The Company is subject to a series of individual claims brought by persons in Ireland related to allegations stemming from pap smear screening services performed by the Company. In general, claimants have alleged that the results of certain pap smear screening tests performed by the Company and other providers, pursuant to a program coordinated by the Irish government, were incorrect for individuals who were later diagnosed with cervical cancer. The Irish government and an independent scoping inquiry commissioned by the Irish government found that the Company’s performance of its screening services for the Irish cervical cancer screening program were in accordance with both Ireland’s requirements and international standards. The Company has settled claims made by certain individuals, is a party in multiple lawsuits and may be served as a party in additional lawsuits. The Company does not believe that the resolution of existing or future claims will have a material adverse effect on its financial position or liquidity, but the ultimate outcomes of these claims are unpredictable and subject to significant uncertainties.

Reserves for general and professional liability claims matters, including those associated with both asserted and incurred but not reported claims, are established on an undiscounted basis by considering actuarially determined losses based upon the Company's historical and projected loss experience. Such reserves totaled $166 million and $173 million as of March 31, 2024 and December 31, 2023, respectively.

While the basis for claims reserves is actuarially determined losses based upon the Company's historical and projected loss experience, the process of analyzing, assessing and establishing reserve estimates relative to these types of claims involves a high degree of judgment. Although the Company believes that its present reserves and insurance coverage are sufficient to cover currently estimated exposures, it is possible that the Company may incur liabilities in excess of its recorded reserves or insurance coverage. Changes in the facts and circumstances associated with claims could have a material impact on the Company’s results of operations (principally costs of services), cash flows and financial condition in the period that reserve estimates are adjusted or paid.

(in millions, unless otherwise indicated)

12. BUSINESS SEGMENT INFORMATION

The Company's DIS business is the only reportable segment based on the manner in which the Chief Executive Officer, who is the Company's CODM, assesses performance and allocates resources across the organization. The DIS business provides diagnostic information services to a broad range of customers within its primary customer channels - physicians, hospitals, and patients and consumers. The DIS business accounted for greater than 95% of net revenues in 2024 and 2023.

All other operating segments include the Company's DS businesses, which consist of its risk assessment services and healthcare information technology businesses. The Company's DS businesses offer solutions for insurers and offer solutions for healthcare providers and payers.

As of March 31, 2024, substantially all of the Company's services were provided within the United States, and substantially all of the Company's assets were located within the United States.

The following table is a summary of segment information for the three months ended March 31, 2024 and 2023. Segment asset information is not presented since it is not used by the CODM at the operating segment level. Operating earnings (loss) of each segment represents net revenues less directly identifiable expenses to arrive at operating income (loss) for the segment. General corporate activities included in the table below are comprised of general management and administrative corporate expenses, amortization and impairment of intangible assets and other operating income and expenses, net of certain general corporate activity costs that are allocated to the DIS and DS businesses. The accounting policies of the segments are the same as those of the Company as set forth in Note 2 to the audited consolidated financial statements contained in the Company's 2023 Annual Report on Form 10-K and Note 2 to the interim unaudited consolidated financial statements.

	Three Months Ended March 31,	
	2024	2023
Net revenues:		
DIS business	$ 2,298	$ 2,259
All other operating segments	68	72
Total net revenues	$ 2,366	$ 2,331
Operating earnings (loss):		
DIS business	$ 373	$ 374
All other operating segments	9	8
General corporate activities	(82)	(77)
Total operating income	300	305
Non-operating expense, net	(34)	(28)
Income before income taxes and equity in earnings of equity method investees	266	277
Income tax expense	(66)	(65)
Equity in earnings of equity method investees, net of taxes	8	5
Net income	208	217
Less: Net income attributable to noncontrolling interests	14	15
Net income attributable to Quest Diagnostics	$ 194	$ 202

(in millions, unless otherwise indicated)

13. REVENUE RECOGNITION

DIS

Net revenues in the Company's DIS business accounted for over 95% of the Company's total net revenues for the three months ended March 31, 2024 and 2023 and are primarily comprised of a high volume of relatively low-dollar transactions. The DIS business, which provides clinical testing services and other services, satisfies its performance obligations and recognizes revenues primarily upon completion of the testing process (when results are reported) or when services have been rendered. The Company estimates the amount of consideration it expects to be entitled to receive from payer customer groups in exchange for providing services using the portfolio approach. These estimates include the impact of contractual allowances (including payer denials), and patient price concessions. The portfolios determined using the portfolio approach consist of the following groups of payer customers: healthcare insurers, government payers (Medicare and Medicaid programs), client payers and patients.

For further details regarding revenue recognition in the Company's DIS business, see Note 3 to the audited consolidated financial statements in the Company's 2023 Annual Report on Form 10-K.

DS

The Company's DS businesses primarily satisfy their performance obligations and recognize revenues when delivery has occurred or services have been rendered.

Net Revenue and Net Accounts Receivable by Payer Customer Type

The approximate percentage of net revenue by type of payer customer was as follows:

	Three Months Ended March 31,	
	2024	2023
Healthcare insurers:		
Fee-for-service	37 %	37 %
Capitated	3	3
Total healthcare insurers	40	40
Government payers	12	12
Client payers	33	33
Patients (including coinsurance and deductible responsibilities)	12	12
Total DIS	97	97
DS	3	3
Net revenues	100 %	100 %

The approximate percentage of net accounts receivable by type of payer customer was as follows:

	March 31, 2024	December 31, 2023
Healthcare Insurers	28 %	24 %
Government Payers	7	7
Client Payers	40	45
Patients (including coinsurance and deductible responsibilities)	21	20
Total DIS	96	96
DS	4	4
Net accounts receivable	100 %	100 %

14. SUBSEQUENT EVENTS

During April 2024, the Company repaid in full the outstanding indebtedness under the Company's $ 300 million of 4.25% senior notes which matured on April 1, 2024.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Our Company

Diagnostic Information Services

Quest Diagnostics works across the healthcare ecosystem to create a healthier world, one life at a time. Our diagnostic information services ("DIS") business provides diagnostic insights from the results of our laboratory testing to empower people, physicians, and organizations to take action to improve health outcomes. Derived from one of the world's largest databases of de-identifiable clinical lab results, our diagnostic insights reveal new avenues to identify and treat disease, inspire healthy behaviors and improve healthcare management. In the right hands and with the right context, our diagnostic insights can inspire actions that transform lives and create a healthier world. We provide services to a broad range of customers within our primary customer channels - physicians (including those associated with accountable care organizations and Federally Qualified Health Centers), hospitals, and patients and consumers. Our other customers include health plans, employers, emerging retail healthcare providers, government agencies, pharmaceutical companies and other commercial clinical laboratories. We offer broad access to clinical testing through a nationwide network of laboratories, patient service centers, phlebotomists in physician offices, and our connectivity resources, including call centers and mobile phlebotomists, nurses and other health and wellness professionals. Our large in-house staff of medical and scientific experts, including medical directors, scientific directors, genetic counselors and board-certified geneticists, provide medical and scientific consultation to healthcare providers and patients regarding our tests and test results, and help them best utilize our services to improve outcomes and enhance satisfaction. Our DIS business makes up greater than 95% of our consolidated net revenues.

We assess our revenue performance for our DIS business based upon, among other factors, volume (measured by test requisitions) and revenue per requisition. Each test requisition accompanies patient specimens, indicating the test(s) to be performed and the party to be billed for the test(s). Revenue per requisition is impacted by various factors, including, among other items, the impact of fee schedule changes (i.e., unit price), test mix, payer mix, business mix and the number of tests per requisition. Management uses number of requisitions and revenue per requisition data to assist with assessing the growth and performance of the business, including understanding trends affecting number of requisitions, pricing and test mix. Therefore, we believe that information related to changes in these metrics from period to period are useful information for investors as it allows them to assess the performance of the business.

Diagnostic Solutions

Our Diagnostic Solutions ("DS") group, which represents the balance of our consolidated net revenues, includes our risk assessment services business, which offers solutions for insurers, and our healthcare information technology businesses, which offer solutions for healthcare providers and payers.

First Quarter Highlights

	Three Months Ended March 31,	
	2024	2023
	(dollars in millions, except per share data)	
Net revenues	$2,366	$2,331
DIS revenues	$2,298	$2,259
Revenue per requisition change	0.1%	(7.7)%
Requisition volume change	1.6%	(3.8)%
Organic requisition volume change	1.0%	(3.9)%
DS revenues	$68	$72
Operating income	$300	$305
Net income attributable to Quest Diagnostics	$194	$202
Diluted earnings per share	$1.72	$1.78
Net cash provided by operating activities	$154	$94
Capital expenditures	$104	$127

For further discussion of the year-over-year changes for the three months ended March 31, 2024 compared to the three months ended March 31, 2023, see "Results of Operations" below.

Acquisition of select assets of Lenco Diagnostic Laboratories, Inc. ("Lenco")

On February 12, 2024, we acquired select assets of Lenco, an independent clinical diagnostic laboratory provider serving physicians in New York, in an all-cash transaction for $111 million. The acquired business is included in our DIS business.

For further details, see Note 5 to the interim unaudited consolidated financial statements.

Invigorate Program

We are engaged in a multi-year program called Invigorate, which includes structured plans to drive savings and improve productivity across the value chain, including in such areas as patient services, logistics and laboratory operations, revenue services, information technology and procurement. The Invigorate program aims to deliver 3% annual cost savings and productivity improvements to partially offset pressures from the current inflationary environment, including labor and benefit cost increases and reimbursement pressures. We are leveraging automation and artificial intelligence to improve productivity and also improve quality across our entire value chain, not just in the laboratory. Other areas of focus include reducing denials and patient concessions, enhancing the digital experience, and selecting and retaining talent.

For the three months ended March 31, 2024, we incurred $17 million of pre-tax charges in connection with restructuring and integration activities, including $6 million of employee separation costs, with the remainder primarily consisting of integration costs related to facility closures. Most of the charges will result in cash expenditures. Additional restructuring and integration charges may be incurred in future periods, including as we identify additional opportunities to achieve further savings and productivity improvements.

Critical Accounting Policies

There have been no significant changes to our critical accounting policies from those disclosed in our 2023 Annual Report on Form 10-K *.*

Impact of New Accounting Standards

The adoption of new accounting standards, if any, is discussed in Note 2 to the interim unaudited consolidated financial statements.

The impact of recent accounting pronouncements not yet effective on our consolidated financial statements, if any, is also discussed in Note 2 to the interim unaudited consolidated financial statements.

Results of Operations

The following tables set forth certain results of operations data for the periods presented:

	Three Months Ended March 31,			
	2024	2023	$ Change	% Change
	(dollars in millions, except per share amounts)			
Net revenues:				
DIS business	$ 2,298	$ 2,259	$ 39	1.7 %
DS businesses	68	72	(4)	(5.0)
Total net revenues	$ 2,366	$ 2,331	$ 35	1.5 %
Operating costs and expenses and other operating income:				
Cost of services	$ 1,595	$ 1,560	$ 35	2.3 %
Selling, general and administrative	440	439	1	0.1
Amortization of intangible assets	29	26	3	9.1
Other operating expense, net	2	1	1	NM
Total operating costs and expenses, net	$ 2,066	$ 2,026	$ 40	2.0 %
Operating income	$ 300	$ 305	$ (5)	(1.7) %
Other income (expense):				
Interest expense, net	$ (43)	$ (35)	$ (8)	24.4 %
Other income, net	9	7	2	NM
Total non-operating expense, net	$ (34)	$ (28)	$ (6)	NM
Income tax expense	$ (66)	$ (65)	$ (1)	1.5 %
Effective income tax rate	25.0 %	23.6 %		
Equity in earnings of equity method investees, net of taxes	$ 8	$ 5	$ 3	51.0 %
Net income attributable to Quest Diagnostics	$ 194	$ 202	$ (8)	(3.9) %
Diluted earnings per common share attributable to Quest Diagnostics' common stockholders	$ 1.72	$ 1.78	$ (0.06)	(3.4) %

NM - Not Meaningful

The following table sets forth certain results of operations data as a percentage of net revenues for the periods presented:

	Three Months Ended March 31,	
	2024	2023
Net revenues:		
DIS business	97.1 %	96.9 %
DS businesses	2.9	3.1
Total net revenues	100.0 %	100.0 %
Operating costs and expenses and other operating income:		
Cost of services	67.4 %	67.0 %
Selling, general and administrative	18.6	18.8
Amortization of intangible assets	1.2	1.1
Other operating expense, net	0.1	—
Total operating costs and expenses, net	87.3 %	86.9 %
Operating income	12.7 %	13.1 %

Operating Results

Results for the three months ended March 31, 2024 were affected by certain items that on a net basis decreased diluted earnings per share by $0.32 as follows:

- pre-tax amortization expense of $29 million recorded in amortization of intangible assets or $0.19 per diluted share;
- pre-tax charges of $17 million ($13 million in cost of services and $4 million in selling, general and administrative expenses), or $0.12 per diluted share, primarily associated with workforce reductions and integration costs incurred in connection with further restructuring and integrating our business; and
- pre-tax charges of $3 million, or $0.03 per diluted share, representing a loss associated with the increase in the fair value of the contingent consideration accrual associated with previous acquisitions, recorded in other operating expense, net; partially offset by
- excess tax benefits associated with stock-based compensation arrangements of $2 million, or $0.02 per diluted share, recorded in income tax expense.

Results for the three months ended March 31, 2023 were affected by certain items that on a net basis decreased diluted earnings per share by $0.26 as follows:

- pre-tax amortization expense of $26 million recorded in amortization of intangible assets or $0.17 per diluted share;
- pre-tax charges of $19 million ($10 million in cost of services and $9 million in selling, general and administrative expenses), or $0.12 per diluted share, primarily associated with workforce reductions and integration costs incurred in connection with further restructuring and integrating our business, and
- pre-tax charges of $3 million, or $0.02 per diluted share, representing net losses associated with changes in the carrying value of our strategic investments, recorded in equity in earnings of equity method investees, net of taxes; partially offset by
- excess tax benefits associated with stock-based compensation arrangements of $5 million, or $0.05 per diluted share, recorded in income tax expense.

Net Revenues

Net revenues for the three months ended March 31, 2024 increased by 1.5% compared to the prior year period.

DIS revenues for the three months ended March 31, 2024 increased by 1.7% compared to the prior year period.

For the three months ended March 31, 2024:

- The increase in DIS revenues compared to the prior year period was driven primarily by growth in the base business (which excludes COVID-19 testing) and, to a lesser extent, the impact of recent acquisitions, largely offset by a decrease in COVID-19 testing. For the three months ended March 31, 2024, recent acquisitions contributed approximately 0.7% to DIS revenues.
- DIS volume increased by 1.6% compared to the prior year period driven primarily by growth in the base business and the impact of recent acquisitions, which contributed approximately 0.6% to DIS volume, largely offset by a decrease in COVID-19 testing.
- Revenue per requisition increased by 0.1% compared to the prior year period principally due to an increase in the number of tests per requisition and favorable test mix, largely offset by the impact of the decrease in COVID-19 testing.
- DIS revenues in the base business (including the impact of recent acquisitions) increased by 6.1% compared to the prior year period.
- Testing volume in the base business (including the impact of recent acquisitions) was up 3.3% compared to the prior year period.
- Revenue per requisition in the base business increased by 2.6% compared to the prior year period principally due to an increase in the number of tests per requisition and favorable test mix.

DS revenues for the three months ended March 31, 2024 decreased by 5.0% compared to the prior year period due to lower revenues associated with both our risk assessment services offered to insurers and our healthcare information technology businesses.

Cost of Services

Cost of services consists principally of costs for obtaining, transporting and testing specimens as well as facility costs used for the delivery of our services.

For the three months ended March 31, 2024, cost of servi ces increased by $35 million com pared to the prior year period. The increase was primarily driven by higher supplies expenses (principally due to the increased volumes), wage increases and higher benefit costs, partially offset by cost savings and productivity improvements from our Invigorate program.

Selling, General and Administrative Expenses ("SG&A")

SG&A consist principally of the costs associated with our sales and marketing efforts, billing operations, credit loss expense and general management and administrative support as well as administrative facility costs.

SG&A for the three months ended March 31, 2024 was principally consistent with the prior year period. Year-over-year wage increases were principally offset by the impact of year-over-year reductions in headcount.

The changes in the value of our deferred compensation obligations is largely offset by changes in the value of the associated investments, which are recorded in other income, net. For further details regarding our deferred compensation plans, see Note 18 to the audited consolidated financial statements included in our 2023 Annual Report on Form 10-K.

Amortization Expense

For the three months ended March 31, 2024, amortization expense increased by $3 million compared to the prior year period as a result of recent acquisitions.

Interest Expense, Net

For the three months ended March 31, 2024, interest expense, net increased by $8 million compared to the prior year period primarily due to increased borrowings associated with the issuance, during November 2023, of $750 million aggregate principal amount of 6.40% senior notes due 2033.

Other Income, Net

Other income, net represents miscellaneous income and expense items related to non-operating activities, such as gains and losses associated with investments and other non-operating assets.

For the three months ended March 31, 2024, other income, net included $9 million of gains associated with investments in our deferred compensation plans.

For the three months ended March 31, 2023, other income, net included $7 million of gains associated with investments in our deferred compensation plans.

Income Tax Expense

Income tax expense for the three months ended March 31, 2024 and 2023 was $66 million and $65 million, respectively.

The effective income tax rates for the three months ended March 31, 2024 and 2023 were 25.0% and 23.6%, respectively. The effective income tax rates benefited from $2 million and $5 million of excess tax benefits associated with stock-based compensation arrangements for the three months ended March 31, 2024 and 2023, respectively.

Equity in Earnings of Equity Method Investees, Net of Taxes

Equity in earnings of equity method investees, net of taxes, increased by $3 million for the three months ended March 31, 2024 compared to the prior year period primarily due to the three months ended March 31, 2023 including losses associated with changes in the carrying value of our strategic investments.

Quantitative and Qualitative Disclosures About Market Risk

We address our exposure to market risks, principally the risk of changes in interest rates, through a controlled program of risk management that includes the use of derivative financial instruments. We do not hold or issue derivative financial instruments for speculative purposes. We seek to mitigate the variability in cash outflows that result from changes in interest rates by maintaining a balanced mix of fixed-rate and variable-rate debt obligations. In order to achieve this objective, we have historically entered into interest rate swap agreements. Interest rate swap agreements involve the periodic exchange of payments without the exchange of underlying principal or notional amounts. Net settlements are recognized as an adjustment to interest expense, net. We believe that our exposures to foreign exchange impacts and changes in commodity prices are not material to our consolidated results of operations, financial position or cash flows.

As of both March 31, 2024 and December 31, 2023, the fair value of our debt was estimated at approximately $4.6 billion, principally using quoted prices in active markets and yields for the same or similar types of borrowings, taking into account the underlying terms of the debt instruments. As of March 31, 2024 and December 31, 2023, the estimated fair value was less than the carrying value of the debt by $159 million and $127 million, respectively. A hypothetical 10% increase in interest rates (representing 50 basis points as of both March 31, 2024 and December 31, 2023) would potentially reduce the estimated fair value of our debt by approximately $139 million as of both March 31, 2024 and December 31, 2023.

Borrowings under our secured receivables credit facility and our senior unsecured revolving credit facility are subject to variable interest rates. Interest on our secured receivables credit facility is based on either commercial paper rates for highly-rated issuers or the adjusted Term Secured Overnight Financing Rate ("Term SOFR"), plus a spread. Interest on our senior unsecured revolving credit facility is based on certain published rates plus an applicable margin based on changes in our public debt ratings. As such, our borrowing cost under this credit arrangement is subject to fluctuations in interest rates and changes in our public debt ratings. As of March 31, 2024, the borrowing rates under these debt instruments were: for our secured receivables credit facility, commercial paper rates for highly-rated issuers or the adjusted Term SOFR, plus a spread of 0.80%; and for our senior unsecured revolving credit facility, the adjusted Term SOFR, plus 1.00%. As of March 31, 2024, there were no borrowings outstanding under the secured receivables credit facility and there were no borrowings outstanding under the senior unsecured revolving credit facility.

Based on our net exposure to interest rate changes, a hypothetical 10% change to the variable rate component of our variable rate indebtedness would not materially change our annual interest expense.

For further details regarding our outstanding debt, see Note 7 to the interim unaudited consolidated financial statements and Note 14 to the audited consolidated financial statements included in our 2023 Annual Report on Form 10-K. For details regarding our financial instruments and hedging activities, see Note 8 to the interim unaudited consolidated financial statements and Note 16 to the audited consolidated financial statements included in our 2023 Annual Report on Form 10-K.

Risk Associated with Investment Portfolio

Our investment portfolio primarily includes equity investments comprised mostly of strategic holdings in companies concentrated in the life sciences and healthcare industries. Equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) with readily determinable fair values are measured at fair value in our consolidated balance sheet with changes in fair value recorded in current earnings in our consolidated statement of operations. Equity investments that do not have readily determinable fair values (which consist of investments in preferred and common shares of private companies) are measured at cost minus impairment, if any, plus or minus changes resulting from observable price changes.

We regularly evaluate equity investments that do not have readily determinable fair values to determine if there are any indicators that the investments are impaired. The carrying value of our equity investments that do not have readily determinable fair values was $26 million as of March 31, 2024. In conjunction with the preparation of our March 31, 2024 financial statements, we considered whether the carrying values of our investments were impaired and concluded that no such impairment existed.

We do not hedge our equity price risk. The impact of an adverse movement in equity prices on our holdings in privately held companies cannot be easily quantified as our ability to realize returns on investments depends on, among other things, the enterprises' ability to raise additional capital or derive cash inflows from continuing operations or through liquidity events such as initial public offerings, mergers or private sales.

Liquidity and Capital Resources

	Three Months Ended March 31,		
	2024	**2023**	**Change**
		(dollars in millions)	
Net cash provided by operating activities	$ 154	$ 94	$ 60
Net cash used in investing activities	(213)	(158)	(55)
Net cash used in financing activities	(153)	(76)	(77)
Net change in cash and cash equivalents and restricted cash	$ (212)	$ (140)	$ (72)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly-liquid short-term investments with original maturities, at the time of acquisition, of three months or less. Cash and cash equivalents as of March 31, 2024 totaled $474 million, compared to $686 million as of December 31, 2023.

As of March 31, 2024, approximately 8% of our $474 million of consolidated cash and cash equivalents were held outside of the United States.

Cash Flows from Operating Activities

Net cash provided by operating activities for the three months ended March 31, 2024 and 2023 was $154 million and $94 million, respectively. The $60 million increase in net cash provided by operating activities for the three months ended March 31, 2024, compared to the prior year period, was primarily a result of:

- lower performance-based compensation payments in 2024; and
- the timing of income tax payments.

Days sales outstanding, a measure of billing and collection efficiency, was 50 days as of March 31, 2024, 50 days as of of December 31, 2023 and 47 days as of March 31, 2023.

Cash Flows from Investing Activities

Net cash used in investing activities for the three months ended March 31, 2024 and 2023 was $213 million and $158 million, respectively. This $55 million increase in net cash used in investing activities for the three months ended March 31, 2024, compared to the prior year period, was primarily a result of increased cash used for business acquisitions (see above for further discussion), partially offset by decreased capital expenditures.

Cash Flows from Financing Activities

Net cash used in financing activities for the three months ended March 31, 2024 and 2023 was $153 million and $76 million, respectively. This $77 million increase in net cash used in financing activities for the three months ended March 31, 2024, compared to the prior year period, was primarily a result of a change in bank overdrafts, which are generally settled in cash in the short term.

During the three months ended March 31, 2024, there were no borrowings or repayments under our secured receivables credit facility and our senior unsecured revolving credit facility.

During the three months ended March 31, 2023, we borrowed $140 million under our secured receivables credit facility, which was repaid prior to March 31, 2023, and there were no borrowings or repayments under our senior unsecured revolving credit facility.

Dividend Program

During the first quarter of 2024, our Board of Directors declared a quarterly cash dividend of $0.75 per common share. During each of the four quarters of 2023, our Board of Directors declared a quarterly cash dividend of $0.71 per common share.

Share Repurchase Program

As of March 31, 2024, $1.0 billion remained available under our share repurchase authorization. The share repurchase authorization has no set expiration or termination date.

Share Repurchases

For both the three months ended March 31, 2024 and 2023, we repurchased no shares of our common stock.

Equity Method Investees

Our equity method investees primarily consist of a diagnostic information services joint venture and an investment in a fund that purchases strategic holdings in private companies in the healthcare industry. Such investees are accounted for under the equity method of accounting. Our investment in equity method investees is less than 5% of our consolidated total assets. Our proportionate share of income before income taxes associated with our equity method investees is less than 5% of our consolidated income before income taxes and equity in earnings of equity method investees. We have no material unconditional obligations or guarantees to, or in support of, our equity method investees and their operations.

In conjunction with the preparation of our March 31, 2024 financial statements, we considered whether the carrying values of our equity method investments were impaired and concluded that no such impairment existed.

Requirements and Capital Resources

We estimate that we will invest approximately $420 million during 2024 for capital expenditures, to support and grow our existing operations, principally related to investments in laboratory equipment and facilities, including laboratory automations and information technology to support our diagnostic offerings.

During April 2024, we repaid in full the outstanding indebtedness under our $300 million of 4.25% senior notes which matured on April 1, 2024. Additionally, we have $600 million of 3.50% senior notes due March 2025.

As of March 31, 2024, we had $1.2 billion of borrowing capacity available under our existing credit facilities, including $452 million available under our secured receivables credit facility and $750 million available under our senior unsecured revolving credit facility. There were no borrowings outstanding under either the secured receivables credit facility or the senior unsecured revolving credit facility as of March 31, 2024. In support of our risk management program, $73 million in letters of credit under the secured receivables credit facility were outstanding as of March 31, 2024.

Our secured receivables credit facility is subject to customary affirmative and negative covenants, and certain financial covenants with respect to the receivables that comprise the borrowing base and secure the borrowings under the facility. Our senior unsecured revolving credit facility is also subject to certain financial covenants and limitations on indebtedness. As of March 31, 2024, we were in compliance with all such applicable financial covenants.

We believe that our cash and cash equivalents and cash from operations, together with our borrowing capacity under our credit facilities, will provide sufficient financial flexibility to fund seasonal and other working capital requirements, capital expenditures, debt service requirements and other obligations, cash dividends on common shares, share repurchases and additional growth opportunities, including acquisitions, for the foreseeable future. However, should it become necessary, we believe that our credit profile should provide us with access to additional financing in order to fund normal business operations, make interest payments, fund growth opportunities and satisfy upcoming debt maturities.

Forward-Looking Statements

Some statements and disclosures in this document are forward-looking statements. Forward-looking statements include all statements that do not relate solely to historical or current facts and can be identified by the use of words such as “may,” “believe,” “will,” “expect,” “project,” “estimate,” “anticipate,” “plan”, "aim", or “continue.” These forward-looking statements are based on our current plans and expectations and are subject to a number of risks and uncertainties that could cause our plans and expectations, including actual results, to differ materially from the forward-looking statements. Risks and uncertainties that may affect our future results include, but are not limited to, adverse results from pending or future government investigations, lawsuits or private actions, the competitive environment, the complexity of billing, reimbursement and revenue recognition for clinical laboratory testing, changes in government regulations, changing relationships with customers, payers, suppliers and strategic partners and other factors discussed in our most recently filed Annual Report on Form 10-K and subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, including those discussed in the “Business,” “Risk Factors,” “Cautionary Factors that May Affect Future Results” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of those reports.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

See Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Item 4. Controls and Procedures

Management, including our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined under Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended). Based upon that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report.

During the first quarter of 2024, there were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended) that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See Note 11 to the interim unaudited consolidated financial statements for information regarding the status of legal proceedings involving the Company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The table below sets forth the information with respect to purchases made by or on behalf of the Company of its common stock during the first quarter of 2024.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands)
January 1, 2024 – January 31, 2024				
Share Repurchase Program (A)	—	$ —	—	$ 1,035,913
Employee Transactions (B)	—	$ —	N/A	N/A
February 1, 2024 - February 29, 2024				
Share Repurchase Program (A)	—	$ —	—	$ 1,035,913
Employee Transactions (B)	183,728	$ 125.55	N/A	N/A
March 1, 2024 – March 31, 2024				
Share Repurchase Program (A)	—	$ —	—	$ 1,035,913
Employee Transactions (B)	556	$ 127.29	N/A	N/A
Total				
Share Repurchase Program (A)	—	$ —	—	$ 1,035,913
Employee Transactions (B)	184,284	$ 125.56	N/A	N/A

(A) Since the share repurchase program's inception in May 2003, our Board of Directors has authorized $13 billion of share repurchases of our common stock through March 31, 2024. The share repurchase authorization has no set expiration or termination date.

(B) Includes: (1) shares delivered or attested to in satisfaction of the exercise price and/or tax withholding obligations by holders of stock options (granted under the Company's Amended and Restated Employee Long-Term Incentive Plan) who exercised options; and (2) shares withheld (under the terms of grants under the Amended and Restated Employee Long-Term Incentive Plan) to offset tax withholding obligations that occur upon the delivery of outstanding common shares underlying restricted stock units and performance share units.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibits:

10.1	Form of Quest Diagnostics Incorporated 2024 Equity Award Agreement
22	Subsidiary Guarantors of Securities
31.1	Rule 13a-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a) Certification of Chief Financial Officer
32.1	Section 1350 Certification of Chief Executive Officer
32.2	Section 1350 Certification of Chief Financial Officer
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 Document - dgx-20240331.xsd
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document - dgx-20240331_cal.xml
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document - dgx-20240331_def.xml
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document - dgx-20240331_lab.xml
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document - dgx-20240331_pre.xml
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

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.

April 24, 2024
Quest Diagnostics Incorporated

By /s/ James E. Davis

James E. Davis
Chairman, Chief Executive Officer
and President

By /s/ Sam A. Samad

Sam A. Samad
Executive Vice President and
Chief Financial Officer

Quest Diagnostics Incorporated
2024 Equity Award Agreement

This Equity Award Agreement (the "***Agreement***") dated as of [Grant Date] (the "***Grant Date***") between Quest Diagnostics Incorporated, 500 Plaza Drive, Secaucus, NJ 07094 (the "***Company***") and the employee to whom the awards described herein are made (the "***Employee***") is subject in all respects to the Company's Amended and Restated Employee Long-Term Incentive Plan (the "***Plan***"). All references to "Shares" mean shares of the Company's Common Stock.

> **This Agreement and the awards described herein are effective as of the grant date but shall be canceled if the Employee fails to complete, not later than thirty (30) days after such awards are communicated electronically to the Employee, all the steps to accept the Options (as hereinafter defined) electronically at the Fidelity Net Benefits website (https://nb.fidelity.com) (the "*Site*"), including without limitation acknowledging that the Employee has read all of the documentation provided at the Site and confirming acceptance of the Options.**
>
> **If the Site does not reflect confirmation of acceptance of the Options by Midnight on the thirtieth (30th) day after the awards described herein are communicated electronically to the Employee, this Agreement, and the awards described herein, shall be cancelled.**
>
> **The Employee's taking the necessary steps so that the Site reflects confirmation of acceptance for the Options will suffice to reflect the Employee's acceptance of the RSUs (as hereinafter defined) and the Performance Shares (as hereinafter defined) as well as the Options. Thus, it is not necessary for the Employee to make a separate electronic acceptance of the RSUs or the Performance Shares.**

If you are not a United States citizen or resident as such term is defined by the Internal Revenue Code and you are employed outside the United States, please consult the "International Supplement" attached as Appendix B to this Agreement. The International Supplement amends certain terms and conditions of this Agreement as they apply to individuals employed outside the United States.

AWARDS COVERED BY THIS AGREEMENT

SECTION 1. Award of Stock Options. The Company hereby awards stock options (each, an "***Option***") to the Employee under the Plan. The number of Options awarded to the Employee is indicated at the Site. Each Option entitles the Employee, subject to the terms and conditions of this Agreement and the Plan, to purchase from the Company at the exercise price set forth for the Options at the Site (the "***Exercise Price***") one Share (an "***Option Share***"). The Options shall vest and become exercisable on the terms set forth in Section 4. The Options shall expire on, and no Option Shares may be purchased pursuant to this Agreement after, the tenth anniversary of the Grant Date (such tenth anniversary is referred to as the "***Option***

Expiration Date"). The Compensation and Leadership Development Committee of the Board of Directors of the Company (the "***Compensation Committee***") may, in its sole discretion, convert any or all of the Options at any time to a stock-settled stock appreciation grant. The Options are not intended to be "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "***Code***"), and this Agreement shall be construed and interpreted in accordance with such intention.

SECTION 2. Restricted Share Units. The Company hereby awards restricted share units (each, an "***RSU***") to the Employee under the Plan. The number of RSUs awarded to the Employee is indicated at the Site. Each RSU corresponds to one Share and constitutes a contingent and unsecured promise of the Company to pay the Employee one Share for each vested RSU, subject to the terms and conditions set forth in the Plan and this Agreement. The RSUs shall vest and convert to Shares on the terms set forth in Section 4. For purposes of this Agreement, an "***RSU Share***" means a Share delivered upon conversion of an RSU.

SECTION 3. Performance Shares. Capitalized terms used in this Section 3 without definition have the meanings set forth in Appendix A. The Employee shall be eligible to receive and vest in Shares as provided in this Section 3 and Section 8 based on (a) the number of target performance shares indicated for the Employee at the Site ("***Target Performance Shares***") and (b) the Company's performance during the Performance Period. Performance will be measured as of the end of the performance period that began on January 1, 2024, and will continue through December 31, 2026 (the "***Performance Period***"). 50% of the Target Performance Shares will be earned based on the annual compounded growth of Net Revenues ("***Revenue Growth***") during the Performance Period, determined by comparing the Company's Net Revenues for the Final Year of the Performance Period (as reported by the Company for the relevant year) with the Company's Net Revenues for the Baseline Year (as reported by Company for the year). After the Performance Period, Revenue Growth will be calculated and the number of Shares to be issued (subject to vesting under Section 8 and withholding of taxes under Section 15) in respect of the Revenue Growth performance measure shall be based upon the following formula (such Shares, and the Shares determined using the Average ROIC and Relative TSR performance measures described below in this Section 3 being "***Earned Performance Shares***"):

Annual Compounded Revenue Growth*	**"Earnings Multiple"* multiplied by 50% of Target Performance Shares = Earned Performance Shares**
Greater Than or Equal to %	2 x 50% x Target Performance Shares
Equal to %………………………………..	1 x 50% x Target Performance Shares
Equal to %	0.25 x 50% x Target Performance Shares
Less Than %	0 x 50% x Target Performance Shares

*The Earnings Multiple for Revenue Growth between the percentages designated in the above table will be interpolated.

30% of the Target Performance Shares will be earned based on the Company's Average ROIC (as defined in Appendix A) during the Performance Period. After the Performance Period, the Average ROIC will be calculated and the number of Earned Performance Shares to be issued (subject to vesting under Section 8 and withholding of taxes under Section 15) in respect of the Average ROIC performance measure shall be based upon the following formula:

Average ROIC*	**"Earnings Multiple"* multiplied by 30% of Target Performance Shares = Earned Performance Shares**
Greater Than or Equal to %	2 x 30% x Target Performance Shares
Equal to % …………………………..	1 x 30% x Target Performance Shares
Equal to %	0.25 x 30% x Target Performance Shares
Less Than %	0 x 30% x Target Performance Shares

*The Earnings Multiple for Average ROIC between the percentages designated in the above table will be interpolated.

The remaining 20% of the Target Performance Shares will be earned based on the Company's Relative TSR (as defined in Appendix A) during the Performance Period. After the Performance Period, the Relative TSR will be calculated and the number of Earned Performance Shares to be issued (subject to vesting under Section 8 and withholding of taxes under Section 15) in respect of the Relative TSR performance measure shall be based upon the following formula:

Relative TSR* †	**"Earnings Multiple"* multiplied by 20% of Target Performance Shares = Earned Performance Shares**
Greater Than or Equal to Percentile	2 x 20% x Target Performance Shares
Equal to Percentile	1 x 20% x Target Performance Shares
Equal to Percentile	0.5 x 20% x Target Performance Shares
Less Than Percentile	0 x 20% x Target Performance Shares

*The Earnings Multiple for Relative TSR between the percentiles designated in the above table will be interpolated.

† Notwithstanding the formula set forth in the table, the Earnings Multiple shall be no greater than 1.25x if the Company's TSR for the Performance Period is negative.

The aggregate number of Earned Performance Shares will equal the sum of the number of Performance Shares earned in respect of the Revenue Growth performance measure, the number of Earned Performance Shares earned in respect of the Average ROIC performance measure and the number of Earned Performance Shares earned in respect of the Relative TSR performance measure. The maximum number of Earned Performance Shares is 2x the number of Target Performance Shares.

STOCK OPTIONS AND RESTRICTED SHARE UNITS

SECTION 4. Vesting of Options and RSUs.

(a) General Vesting Requirements for Options. Except as otherwise provided below, the Options shall vest and become exercisable on the vesting dates set forth below (the "***Option Vesting Dates***"), provided that the Employee remains in continuous employment with the Company Group (as defined in Section 24) through the applicable Option Vesting Date. Options shall be exercisable only to the extent vested.

Option Vesting Dates	Vesting Percent	Cumulative
First anniversary of Grant Date	33.3%	33.3%
Second anniversary of Grant Date	33.3%	66.6%
Third anniversary of Grant Date	33.4%	100%

(b) General Vesting Requirements and Conversion Rules for RSUs. Except as otherwise provided in this Agreement, the RSUs shall vest on the vesting dates set forth below (the "***RSU Vesting Dates***"), provided that the Employee remains in continuous employment with the Company Group through the applicable RSU Vesting Date.

RSU Vesting Dates	Vesting Percent	Cumulative
First anniversary of Grant Date	33.3%	33.3%
Second anniversary of Grant Date	33.3%	66.6%
Third anniversary of Grant Date	33.4%	100%

In the case of an Employee who continues in employment through an RSU Vesting Date, the RSUs that vest on that RSU Vesting Date will convert to Shares as soon as practicable, and in all cases within fourteen (14) days, after the RSU Vesting Date. In the case of RSUs that vest as provided in Sections 4(d) through 4(f), the RSUs, although vested, will not convert to shares by virtue of having vested and instead will convert to Shares as soon as practical, and in all cases within fourteen (14) days, after each remaining RSU Vesting Date following the relevant vesting event specified in Sections 4(d) through 4(f); in other words, the RSUs will convert to Shares as though the Employee's employment had continued through the applicable RSU Vesting Date. In all cases, upon conversion, the RSU Shares, net of required tax withholding as described in Section 15 below, shall be transferred into the Employee's account at the Company's dedicated broker.

(c) Termination of Employment Generally. If the Employee's employment terminates for any reason other than those described in Section 4(d) through 4(f) prior to the third anniversary of the Grant Date, any Options and any RSUs that have not vested as of the date of termination of employment (the Employee's "***Termination Date***") will be canceled.

(d) Death and Disability. If the Employee's employment terminates due to death or Disability (as defined in Section 24), all Options and all RSUs shall immediately vest.

(e) Change in Control. If within two years following the date of a Change in Control (as defined in the Plan), the Employee's employment is terminated by the Company Group (or its successor) without Cause (as defined in Section 24) or the Employee resigns from his or her employment for Good Reason (as defined in Section 24), then all Options and all RSUs shall immediately vest on the Employee's Termination Date. Notwithstanding the preceding sentence, in the event of a Change in Control in which the Company is not the surviving entity, and the surviving entity or successor to the Company does not agree to assume the Company's obligations with respect to the Options under this Equity Award Agreement or to grant the Employee a Replacement Award (as defined in Section 24), then all Options and all RSUs shall vest immediately prior to the Change in Control in such a manner that will enable the Employee to participate in the Change in Control with respect to the Shares issuable upon exercise of the Options and conversion of the RSUs on the same basis as other holders of the Company's outstanding Common Stock.

(f) Retirement. If on or after the first anniversary of the Grant Date, the Employee's employment with the Company Group terminates due to Retirement (as defined in Section 24), the Employee will immediately vest in any Options and any RSUs that have not vested as of the Termination Date.

SECTION 5. Exercise of Options. The Employee may exercise Options in accordance with the procedures specified by the Company from time to time. The Exercise Price of Options shall be paid in full with, or in a combination of: (a) cash; (b) Shares that are owned by the Employee and are fully vested and freely transferable by the Employee, duly endorsed or accompanied by stock powers executed in blank; (c) a net share settlement procedure; or (d) through the withholding of Shares subject to the Options. The Company in its discretion may permit the Employee (if the Employee owns Shares that are fully vested and fully transferable by the Employee) to “attest” to his/her ownership of the number of Shares required to pay all or part of the purchase price (and not require delivery of the Shares), in which case the Company will deliver to the Employee the number of Shares to which the Employee is entitled, net of the “attested” Shares. If payment is made in whole or in part with Shares (including through the withholding of Shares subject to Options), the value of such Shares shall be the mean of its high and low prices on the New York Stock Exchange Composite list (or such other stock exchange as shall be the principal public trading market for the Shares) on the day of exercise. No “reload” or other option will be granted by reason of any such exercise.

SECTION 6. Exercise of Option After Termination of Employment, Death, Disability or Retirement. The provisions covering the exercise of the Options following termination of employment are as follows, provided that in no event may any Options be exercised after the Option Expiration Date:

(a) Termination in General. If the Employee’s employment terminates for any reason other than those described in Section 6(b) through 6(d), the Options that have vested simultaneously with or before the Employee’s termination of employment may be exercised for ninety (90) days following such termination (but not beyond the Option Expiration Date) and such vested Options shall thereafter expire and cease to be exercisable.

(b) Death. If the Employee shall die while employed, then any Options that are vested and exercisable (including any Options that become vested and exercisable under Section 4(d)) may be exercised through the fifth anniversary of the date of termination (but not beyond the Option Expiration Date) and shall thereafter expire. If the Employee shall die after termination of employment but while all or any portion of the Options are still exercisable, they shall remain exercisable through the first anniversary of the date of death but not beyond the Option Expiration Date.

(c) Disability. If the Employee’s employment shall terminate due to Disability, then any Options that are vested and exercisable (including any Options that become vested and exercisable under Section 4(d)), may be exercised through the fifth anniversary of the date of termination (but not beyond the Option Expiration Date) and shall thereafter expire.

(d) Retirement. If the Employee’s employment with the Company Group terminates due to Retirement, then any Options that are vested and exercisable (including any Options that become vested and exercisable under Section 4(f)) may be exercised through the fifth anniversary of the date of termination (but not beyond the Option Expiration Date) and shall thereafter expire.

SECTION 7. Automatic Exercise.

(a) At market open on the earliest of (i) the Option Expiration Date and (ii) the last date that the Option may be exercised as determined pursuant to Section 6 (the "***Automatic Exercise Time***") (or market open on the immediately preceding trading date if the Automatic Exercise Time is not on a trading day), if the Exercise Spread Test (as defined in Section 24) is met, then the Options shall be automatically exercised using the method described in clause (d) of Section 5, with additional shares retained for purposes of satisfying the applicable tax withholdings (the "***Automatic Exercise***"). For the avoidance of doubt, if the Exercise Spread Test is not met, the Options shall expire at the Automatic Exercise Time.

(b) The Automatic Exercise procedure is provided as a convenience for the Employee and as a protection against inadvertent expiration of an Option. The Employee agrees that the Employee is normally responsible for the exercise of the Options and neither the Company nor any of its employees or agents will be liable for any damages if an Automatic Exercise does not occur for any reason and the Option expires.

(c) The Employee acknowledges and agrees that the Automatic Exercise procedure set forth in this Section 7 shall apply to all Options granted to the Employee prior to the date hereof and is incorporated into the Award Agreements for the Prior Awards (as defined below) mutatis mutandis.

PERFORMANCE SHARES

SECTION 8. Vesting of Performance Shares.

(a) Performance Share Vesting Period. Except as otherwise provided in this Agreement, Earned Performance Shares will vest at the end of the vesting period beginning on the Grant Date and continuing through February 14, 2027 (the "***Performance Share Vesting Period***"), provided that the Employee remains in continuous employment with the Company Group through the end of the Performance Share Vesting Period. Earned Performance Shares, net of required tax withholding as described in Section 15 below, will be transferred into the Employee's account at the Company's dedicated broker as soon as practicable after the final calculation of the number of Earned Performance Shares but in any event on or prior to March 15, 2027.

(b) Change in Control. If a Change in Control occurs prior to the end of the Performance Share Vesting Period then a number of Earned Performance Shares shall be calculated as of the Change in Control and shall be equal to the greater of:

(i) the number of Earned Performance Shares that would be awarded if the calculation under Section 3 were based on the most recent fiscal year end results of the Company (rather than the Final Year of the Performance Period); and

(ii) the number of Target Performance Shares.

Such Earned Performance Shares shall not vest solely by virtue of the occurrence of the Change in Control but shall instead remain subject to vesting, and shall be transferred into the Employee’s account at the Company’s dedicated broker, as provided in Section 8(a); *provided*, *however*, that in the event of a Change in Control in which the Company is not the surviving entity, and the surviving entity or successor to the Company does not agree to assume the Company’s obligations with respect to the Performance Shares under this Equity Award Agreement or to grant the Employee a Replacement Award, such Earned Performance Shares, net of required tax withholding as described in Section 15 below, will be transferred to the Employee’s account at the Company’s dedicated broker within five business days after the consummation of the Change in Control. If within two years following the date of a Change in Control, the Employee’s employment is terminated by the Company Group (or successor to the Employee’s employer within the Company Group) without Cause or the Employee resigns from his or her employment for Good Reason, the Employee shall immediately vest in the number of Earned Performance Shares calculated in accordance with the first sentence of this Section 8(b), and (to the extent not previously transferred pursuant to the preceding sentence) such Earned Performance Shares, net of required tax withholding as described in Section 15 below, will be transferred to the Employee’s account at the Company’s dedicated broker within five business days after the Employee’s Termination Date. If (and only if) the Company continues to file annual reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, following the Change in Control, including for the Final Year of the Performance Period, then following the end of the Performance Period, to the extent that the number of Earned Performance Shares calculated pursuant to Section 3 exceeds the number of Earned Performance Shares calculated pursuant to the first sentence of this Section 8(b), the full amount of Earned Performance Shares resulting from the calculation in accordance with Section 3 (net of the number of Earned Performance Shares, if any, previously delivered or withheld for taxes under the preceding two sentences) will be so transferred as provided in Section 8(a). If the Employee terminates employment prior to the Change in Control, the Earned Performance Shares will vest, be pro-rated or be canceled, as applicable, in accordance with Section 8(c).

(c) Adjustments to Earned Performance Shares and Vesting of Earned Performance Shares on Termination of Employment. The Employee (or, in the case of death, the Employee’s beneficiary or estate) shall be entitled to receive 100% of the Earned Performance Shares calculated pursuant to Section 3, and such Earned Performance Shares shall not be subject to a service-based vesting requirement, if prior to the end of the Performance Share Vesting Period (x) the Employee’s employment terminates by reason of death or Disability or (y) the Employee’s employment terminates by reason of Retirement on or after the first anniversary of the Grant Date. Such Earned Performance Shares (if any) will be delivered as provided in Section 8(a) or Section 8(b), if applicable. The number of Earned Performance Shares calculated pursuant to Section 3 to which the Employee is entitled will be adjusted in the following circumstances:

(i) Termination of Employment Generally. If the Employee’s employment terminates prior to the end of the Performance Share Vesting Period for any reason other than death, Disability, Retirement on or after the first anniversary of the Grant Date or the circumstances described in Section 8(b) or 8(c)(ii), all of the Target

Performance Shares will be canceled and none of the Earned Performance Shares will vest.

(ii) Involuntary Termination without Cause or Divestiture. If prior to the end of the Performance Share Vesting Period the Employee's employment is terminated by the Company Group without Cause or as a result of a divestiture and the Employee is employed by the divested or purchasing entity, then, notwithstanding the provision of Section 8(c)(i), the Employee shall vest in the number of Earned Performance Shares determined by multiplying the Earned Performance Shares by a fraction (A) the numerator of which is the number of full months that the Employee was employed by the Company Group during the Performance Share Vesting Period and (B) the denominator of which is the number of months in the Performance Share Vesting Period; and the balance of the Earned Performance Shares will be canceled.

TERMS AND CONDITIONS APPLICABLE TO ALL AWARDS

SECTION 9. Cancellation. The Employee acknowledges and agrees that, in consideration for the Employee's being granted the award covered by this Agreement, the Employee shall abide by the terms and conditions of the restrictive covenant agreement attached hereto as Appendix C (the "***Restrictive Covenant Agreement***"), which terms and conditions are incorporated herein by reference. Notwithstanding anything to the contrary contained herein, this Agreement shall expire and be canceled, the Employee will not vest in any additional Options, the Employee may not exercise any Options, whether or not vested, and all RSUs, RSU Shares, Target Performance Shares (whether or not vested or earned) and Earned Performance Shares shall be canceled if:

(a) the Employee shall cause the Company or any other member of the Company Group to suffer financial harm or damage to its reputation (either before or after termination of employment) through (x) dishonesty, (y) violation of law in the course of the Employee's employment or violation of the Company's Corporate Compliance Manual and compliance bulletins or other written policies or (z) material deviation from the duties owed the Company Group by the Employee; or

(b) the Employee is subject to the Executive Share Ownership Policy, as such policy may be amended from time to time (the "***Ownership Policy***"), and the Employee makes any false attestation under the Ownership Policy; or

(c) the Employee violates the terms of the Restrictive Covenant Agreement or any other confidentiality, non-solicit or non-compete obligation, or any other restrictive covenant set forth in any agreement between the Employee and the Company or any other member of the Company Group, or otherwise pursuant to any written policy of the Company or any other member of the Company Group (each, a "***Restrictive Covenant***").

The Company may require the Employee to provide a written certification or other evidence, from time to time in the Company's sole discretion, to confirm that no cancellation event identified in clauses (a), (b) or (c) above has occurred, including upon or following a termination of employment for any reason and/or during a specified period of time prior to the exercise of any Options or the scheduled delivery of any Option Shares, RSU Shares or Earned Performance Shares. If the Employee fails to provide any required certification or other evidence by the specified deadline, the Company shall have the right to cancel the Employee's awards and/or, as discussed in the next paragraph, to cause the exercise of any Option and the delivery of any Option Shares, RSU Shares or Earned Performance Shares under this Agreement to be rescinded (and if the Employee has previously sold the Shares issued pursuant to this Agreement, the Employee would be required to pay back to the Company the pre-tax proceeds received from the sale of such Shares).

The Employee understands that the cancellation of any awards or rights under this Agreement is only one of the remedies that potentially may be asserted against the Employee for injuries or damages sustained by the Company or any other member of the Company Group as a result of any action described in this Section 9 or a violation of any Restrictive Covenant. Such cancellation shall be in addition to any equitable and legal rights the Company or any other member of the Company Group has or may have and shall not constitute a release of any claim that the Company or any other member of the Company Group may have for damages, past, present, or future. In addition, a breach by the Employee of any provisions of any Restrictive Covenant that occurs after any exercise of any Option or delivery of Shares pursuant to this Agreement (including any breach occurring after termination of employment) shall cause the exercise of the Option and the delivery of any Option Shares, RSU Shares or Earned Performance Shares under this Agreement to be rescinded (and if the Employee has previously sold the Shares issued pursuant to this Agreement, the Employee would be required to pay back to the Company the pre-tax proceeds received from the sale of such Shares).

SECTION 10. Executive Share Ownership Policy.

(a) Employees Subject to Ownership Policy. In consideration of the grant of the awards under this Agreement, the Employee agrees that, if the Employee is or becomes subject to the Ownership Policy, the Options and all Option Shares, the RSUs and all RSU Shares, the Target Performance Shares and all Earned Performance Shares shall be subject to cancellation pursuant to Section 9(b) of this Agreement and all Options, Option Shares, RSUs, RSU Shares, Target Performance Shares, Earned Performance Shares and shares of restricted stock granted to the Employee by the Company prior to the date hereof (the "***Prior Awards***") shall be subject to cancellation pursuant to Section 9(b) of this Agreement (for false attestation under the Ownership Policy), the Shares obtained on exercise of such Prior Awards after the date hereof shall be subject to the Ownership Policy pursuant to Section 10(b) of this Agreement and the terms of Sections 9 and 10(b) hereof are made a part of the terms of each of the Prior Awards.

(b) Shares Subject to Ownership Policy. If the Employee is subject to the Ownership Policy, any Shares issued under this Agreement or pursuant to any Prior Award (in each case net of tax withholdings) are subject to such Policy. The Employee hereby acknowledges and agrees that the investment risk associated with the retention of any Shares, whether pursuant to the Ownership Policy or otherwise, is the sole responsibility of the Employee and the Employee hereby holds the Company and each other member of the Company Group harmless against any claim of loss related to the retention of the Shares.

SECTION 11. Non-Transferability; Voting Rights and Dividends.

(a) Non-Transferability. The awards and rights under this Agreement shall not be transferable other than by will or the laws of descent and distribution. The Options may be exercised during the lifetime of the Employee only by the Employee except in the case of the Employee's Disability, in which case the Options may be exercised by the Employee's legal representative.

(b) Voting and Dividend Rights. The Employee will not have any voting, dividend or other rights as a stockholder with respect to any Option Shares, RSUs, RSU Shares, Target Performance Shares or Earned Performance Shares prior to the date on which he/she is recorded as the holder of such Option Shares, RSU Shares or Earned Performance Shares on the records of the Company; *provided*, *however*, that until RSUs convert to Shares, if the Company declares and pays a regular or ordinary dividend on its Common Stock, the Employee will be paid a dividend equivalent for vested and unvested RSUs, but no dividend equivalents will be paid on any RSUs that are canceled. The Employee understands that the Option Shares will not be issued to the Employee until after (and to the extent that) Options are exercised, that Shares will not be issued to the Employee in respect of RSUs until after (and to the extent that) RSUs convert to Shares and that, except as provided in Section 8(b), Earned Performance Shares will not be issued to the Employee until after the final calculation of the Earnings Multiple as contemplated by Section 3 and any adjustment under Section 8, it being understood that such issuance shall occur in any event on or prior to March 15, 2027. The Employee further understands that all deliveries of Shares under this Agreement shall be net of required tax withholding as described in Section 15 below. Until Shares have been delivered to or on behalf of the Employee in respect of any RSUs or Earned Performance Shares, the Employee shall have only the rights of a general unsecured creditor.

(c) Assignment. Until Shares are transferred to the Employee's account at the Company's dedicated broker or the Employee otherwise receives possession of any such Shares, the Employee shall have no right to sell, assign, transfer, pledge or otherwise encumber Shares in any manner. Any purported attempt to sell, assign, transfer, pledge or otherwise encumber any award under this Agreement will be void and shall result in the cancellation of such award. Unless otherwise provided at the time of such transfer or delivery to the Employee of any Shares issued in respect of vested RSUs or Earned Performance Shares or Shares issued upon full or partial exercise of the Options, upon such transfer or delivery to the Employee the Shares will not be subject to any restrictions on transfer other than those that may arise under the securities laws or the Company's policies, but the Shares shall remain subject to cancellation as provided in Section 9.

SECTION 12. Consideration. In consideration for the awards under this Agreement, the Employee hereby agrees to be bound by the Restrictive Covenant Agreement and all other Restrictive Covenants applicable to the Employee.

SECTION 13. Clawback. By accepting the awards under this Agreement the Employee agrees that all awards hereunder, and any other awards granted to the Employee under the Plan or any other equity or cash incentive plan of the Company (whether before or after the date of this Agreement), shall be subject to cancellation and recoupment by the Company, and shall be repaid by the Employee to the Company, to the extent required by law, regulation or listing requirement, or as determined in accordance with any Company incentive compensation recoupment policy, in each case, as in effect from time to time.

SECTION 14. The Plan. The Plan is incorporated herein by reference. The Employee acknowledges that he/she has read the terms of the Plan and that those terms shall govern in the event of any conflict with the terms of this Agreement. Capitalized terms not defined in this Agreement have the meanings set forth in the Plan.

SECTION 15. Taxes. The partial or full exercise of any Option, the transfer of Shares upon conversion of any vested RSUs and the delivery of any Earned Performance Shares under this Agreement will result in the Employee's recognition of income for U.S. federal income tax purposes and shall be subject to tax and tax withholdings as appropriate. The Company or any other member of the Company Group that employs the Employee may make such provisions and take such steps as it may deem necessary or appropriate for the withholding of all federal, state, local and other taxes required or permitted by law to be withheld with respect to the exercise of any Options. On the delivery of Shares upon conversion of any RSUs and upon payment of any Earned Performance Shares, the Company will reduce the number of Shares to be delivered to the Employee by the amount of the taxes due (with the Shares valued at the mean of its high and low prices on the New York Stock Exchange Composite list (or such other stock exchange as shall be the principal public trading market for the Shares) on the date that the Shares are valued for purposes of reporting compensation for Federal income tax purposes). The Company or any other member of the Company Group that employs the Employee shall have the authority to make arrangements for payment of the Employee's share of any employment/payroll taxes (including Federal Insurance Contributions Act taxes), whether imposition of such taxes occurs upon exercise of Options, conversion of RSUs, transfer of Earned Performance Shares or at some other time. In particular, the Employee authorizes his or her employer to withhold such taxes from any payroll or other payment or compensation owed to the Employee, subject to the limitations imposed under Section 409A of the Code.

SECTION 16. Consent Requirement. If the Company shall at any time determine that any consent (as hereinafter defined) is necessary or desirable as a condition of, or in connection with, the granting of the Options, the issuance or purchase of Shares or other rights hereunder, or the taking of any other action hereunder (a "***Plan Action***"), then no such Plan Action shall be taken, in whole or in part, unless and until such consent shall have been effected or obtained to the full satisfaction of the Company. The term "consent" as used herein with respect to any action referred to in this Section 16 means (a) any and all listings, registrations or qualifications in respect thereof upon any securities exchange or under any federal, state or local law, rule or regulation, (b) any and all written agreements and representations by the Employee with respect to the disposition of Shares, or with respect to any other matter, which the Company shall deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made, (c) any and all consents, clearances and approvals in respect of a Plan Action by any governmental or other regulatory bodies, and (d) any and all consents or authorizations required to comply with, or required to be obtained under, applicable local law or otherwise required by the Company. Nothing herein shall require the Company to list, register or qualify the Shares on any securities exchange.

SECTION 17. Invalidity and Enforcement. If any provision of this Agreement is deemed invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or to modify, as set forth in this Section, the offending provision or provisions and to alter the bounds of this Agreement in order to render it valid and enforceable. The Company and the Employee specifically request that any court having jurisdiction over any dispute relating to this Agreement modify, if possible, any offending provision so that such provision will be enforceable to the maximum extent permitted by law.

SECTION 18. No Entitlements. This Agreement is not an employment agreement, and nothing in this Agreement or the Plan shall alter an Employee's status as an "at-will" employee of the Company Group subject to the rights (if any) that the Employee may have under any employment agreement existing between any member of the Company Group and the Employee.

SECTION 19. Entire Agreement. Other than with respect to any Restrictive Covenant and the Ownership Policy, this Agreement constitutes the entire agreement between the Company and the Employee regarding the Options, the RSUs and the Performance Shares. No modification of this Agreement will have any force or effect unless such modification is in writing, signed by the Chief Executive Officer (or by the Senior Vice President, Chief Human Resources Officer or successor officer) of the Company and the Employee, and expressly indicates an intent to modify this Agreement.

SECTION 20. Interpretation. Any dispute, disagreement or matter of interpretation which shall arise under the Agreement shall be finally determined by the Compensation Committee in its absolute discretion.

SECTION 21. Governing Law. This Agreement and all rights hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the state of New Jersey applicable to contracts made and to be performed entirely within such state (without reference to its principles of conflicts of law). Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New Jersey state court or federal court of the United States of America sitting in New Jersey, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New Jersey state court or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in state or federal court in New Jersey. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

SECTION 22. Enforcement by Successors and Assigns. The Company and any of its successors or assignees may enforce the Company's rights under this Agreement.

SECTION 23. Section 409A. It is the intention and understanding of the parties that the RSUs are either exempt from or comply with the provisions of Section 409A of the Code, and that none of the Options or the Performance Shares provide for a deferral of compensation subject to Section 409A of the Code. This Agreement shall be interpreted and administered to give effect to such intention and understanding and to avoid the imposition on the Employee of any tax, interest or penalty under Section 409A of the Code in respect of any Options, RSUs or Performance Shares. Notwithstanding any other provision of this Agreement, the Employee's consent shall not be required for any amendment to this Agreement which, in the reasonable, good faith judgment of the Company, is necessary or appropriate to avoid the imposition on the Employee of any tax, interest or penalty under Section 409A of the Code.

SECTION 24. Defined Terms. As used in this Equity Award Agreement, the following terms have the meanings indicated below:

(a) Cause. "***Cause***" means:

(i) as to any Employee who is a party to an employment agreement with the Company or any other member of the Company Group which contains a definition of "cause," the definition set forth in such employment agreement;

(ii) as to any Employee who is not a party to such an employment agreement but who is eligible to receive severance under a severance plan of the Company or any other member of the Company Group (other than the Quest Diagnostics Severance Pay Plan) which contains a definition of "cause", the definition set forth in such severance plan; and

(iii) as to any other Employee:

(A) repeated failure or refusal to perform duties and responsibilities of his or her job as required by the Employee's employer (other than any such failure resulting from the Employee's incapacity due to physical or mental illness);

(B) violation of any fiduciary duty or duty of loyalty owed to the Company or any other member of the Company Group, including without limitation any acts of theft or dishonesty;

(C) conduct or misconduct that is or threatens to be injurious to the Company or any other member of the Company Group or that harms or threatens to harm the reputation or financial position of the Company or any other member of the Company Group;

(D) the commission of conduct that meets the definition of any felony under state or federal law, or conviction of, or plea of *nolo contendere* to, any other criminal charge that is or threatens to be injurious to the Company or any member of the Company Group;

(E) willful conduct that violates the Company's Corporate Compliance Manual, compliance bulletins or other written policies;

(F) (x) obstructing or impeding, (y) endeavoring to influence, obstruct or impede or (z) failing to cooperate with a Company investigation, whether or not related to the Employee's employment, or the willful destruction of or willful failure to preserve documents or other material known to be relevant to any such investigation;

(G) being found liable in any Securities and Exchange Commission or other civil or criminal securities law action; or

(H) other egregious conduct that has or could have a serious and detrimental impact on the Company or any other member of the Company Group.

(b) Company Group. The "***Company Group***" means (i) the Company, (ii) any company or other entity in which the Company owns at least a 50% interest within the meaning of Section 424(f) of the Code, and (iii) any company or other entity in which the Company owns at least a 20% interest within the meaning of Section 424(f) of the Code and which the Administrator has designated as a member of the Company Group for purposes of awards under the Plan. References to employment by or with the Company Group shall be understood to refer to employment by or with the Company or any other member of the Company Group.

(c) Disability. "***Disability***" means permanent and total disability as determined under the Company's long-term disability program for employees then in effect.

(d) Exercise Spread Test. "***Exercise Spread Test***" means the price of a Share at the Automatic Exercise Time (or market open on the immediately preceding trading date if the Automatic Exercise Time is not on a trading day) is greater than the Exercise Price.

(e) Good Reason. "***Good Reason***" means:

(i) as to any Employee who is a party to an employment agreement with the Company or any other member of the Company Group which contains a definition of "good reason," the definition set forth in such employment agreement;

(ii) as to any Employee who is not a party to such an employment agreement but who is eligible to receive severance under a severance plan of the Company or any member of the Company Group which contains a definition of "good reason," the definition set forth in such severance plan; and

(iii) as to any other Employee, the termination of the Employee's employment by the Employee after one of the following events, provided that the Employee's termination of employment occurs within sixty (60) days after the occurrence of any such event:

(A) any material change in the duties, responsibilities or status (including reporting responsibilities) of the Employee that is inconsistent in any material and adverse respect with the Employee's position(s), duties, responsibilities or authority with his or her employer immediately prior to such Change in Control (including any material and adverse diminution of such duties or responsibilities); *provided*, *however*, that Good Reason shall not be deemed to occur upon a change in duties, responsibilities (other than reporting responsibilities) or status that is solely and directly a result of the Company no longer being a publicly traded entity and does not involve any other event set forth in this paragraph (d);

(B) a material reduction in the Employee's aggregate rate of annual base salary, annual bonus opportunity and equity incentive compensation target opportunity (including any material and adverse change in the formula for such targets) as in effect immediately prior to such Change in Control;

(C) the Employee's employer requiring the Employee to be based at any office or location more than fifty (50) miles from the office where the Employee is located at the time of the Change in Control and as a result causing the Employee's commute from his residence at the time of the Change in Control to the new location to increase by more than fifty (50) miles; or

(D) a material reduction in the Employee's retirement, welfare, perquisite (if any) and other benefits taken as a whole, unless the Employee is permitted to participate in other plans providing the Employee with materially equivalent benefits in the aggregate (at materially equivalent or lower cost with respect to welfare benefit plans);

provided, *however*, that an event described in (A) through (D) above shall permit an Employee to terminate his or her employment for Good Reason only if written notice of such event has been provided by the Employee to his or her employer and the employer failed to cure such action within thirty (30) days following receipt of such notice.

(f) Replacement Award. "***Replacement Award***" means an equity award that is made by the surviving entity in a Change in Control in substitution for Options, RSUs or Performance Shares covered by this Equity Award Agreement and that, in the sole judgment of the Compensation Committee, affords the Employee economic opportunity and protections in the event of termination of employment that are at least as favorable to the Employee in the aggregate as the economic opportunity and protections afforded by the terms of the Options, RSUs or Performance Shares, as the case may be, set forth in this Equity Award Agreement.

(g) Retirement. "***Retirement***" means the voluntary cessation of employment by the Employee upon the attainment of age sixty (60) and the completion of not less than five (5) completed years of service with the Company or any other member of the Company Group; *provided*, *however*, that there is no basis for the Company or any member of the Company Group to terminate the employment of the Employee for Cause at the time of the Employee's voluntary cessation of employment.

SECTION 25. Leave of Absence and Transfer.

(a) Leave of Absence. Unless the Administrator expressly provides otherwise, the Employee's employment with the Company Group will be deemed to have terminated when the Employee is no longer employed by or in a service relationship with the Company or another member of the Company Group (including by reason of a member of the Company Group ceasing to be such a member); *provided*, *however*, that the Employee's employment will not be deemed to have terminated during a bona fide leave of absence approved by the Employee's direct employer for medical, personal, educational and/or other permissible purposes pursuant to policies of the Company Group as in effect from time to time if such absence does not exceed six months or, if longer, so long as the Participant retains a right by statute or by contract to return to employment or other service relationship with the Company Group. The Employee's leave of absence shall be considered "bona fide" only if there is a reasonable expectation that the Employee will return to perform services for the employer.

(b) Transfers. If the Employee shall be transferred from the Company to another member of the Company Group or vice versa or from one member of the Company Group to another, the Employee's employment shall not be deemed to have terminated for purposes of this Equity Award Agreement. If, while the Employee is employed by a member of the Company Group, such entity shall cease to be a member of the Company Group (whether by virtue of a sale, spin-off or other disposition or otherwise) and the Employee is not thereupon transferred to and employed by the Company or another member of the Company Group, then the Employee's employment will be treated as a termination due to a divestiture on the date that the Employee's employer ceases to be a member of the Company Group, and the provisions of Section 8(c)(ii) (Performance Shares) shall govern, as applicable.

SECTION 26. Acknowledgements. By accepting this Equity Award Agreement, the Employee agrees that he/she has received and reviewed a copy of:

(a) the Prospectus (**link to Prospectus)** relating to the Company's Employee Equity Participation Program;

(b) the Quest Diagnostics Incorporated 2023 Annual Report on Form 10-K (**link to 2023 Annual Report**); and

(c) the Company's Policy for Purchasing and Selling Securities (the "***Policy***") (link to **Trading Policy**). The Employee further agrees to fully comply with the terms of the Policy.

Appendix A
Quest Diagnostics Incorporated
Performance Shares Award Terms
2024 – 2026 Performance Period

Baseline Year – 2023.

Final Year – The Company's Fiscal Year ended December 31, 2026.

Performance Period – January 1, 2024 through December 31, 2026.

ROIC – NOPAT/Invested Capital.

Net Revenues – The net revenues of the Company's business.

Net Revenues for the Baseline Year – The Company's Net Revenues during the Baseline Year were $ million.

NOPAT – (Income from continuing operations – net income attributable to non-controlling interests) + (gross interest expense x (1 – statutory tax rate)).

Invested Capital – Average total Quest Diagnostics stockholders equity + average total debt.

Average ROIC – Average of the Annual Average ROIC for each year in the Performance Period.

Annual Average ROIC – For a given year within the Performance Period, NOPAT/Invested Capital.

Peer Index – The companies listed in the S&P 500 Health Care Industry Index at the start of the Performance Period. The Compensation Committee may, in its sole discretion, adjust the Peer Index in the event of: (i) the merger of two members of the Peer Index; (ii) the acquisition of a member of the Peer Index by another member of the Peer Index; (iii) the acquisition of a member of the Peer Index by a company that is not a member of the Peer Index; and (iv) a split of a member of the Peer Index (in which case the Compensation Committee may, in its sole discretion, include both companies in the Peer Index). A Peer Company shall remain in the Peer Index following its bankruptcy or delisting (and shall be listed at the bottom of the Peer Index).

Relative TSR – The percentile rank of the Company's TSR as compared to the TSR of each member of the Peer Index, determined by dividing the number of members of the Peer Index with TSR equal to or lower than the Company's TSR for the Performance Period by the total number of members of the Peer Index minus 1.

Total Shareholder Return or TSR – The change in a company's stock price over the Performance Period (counting any dividends paid as if such dividends were reinvested at the time of issuance) divided by that company's stock price at the beginning of the Performance

Period, expressed as a percentage. The stock price at the beginning of the Performance Period shall be calculated using the relevant company’s 20 trading-day average closing stock price leading up to, but not including, January 1, 2024. The stock price at the end of the Performance Period shall be calculated using the relevant company’s 20 trading-day average closing stock price leading up to, and including, December 31, 2026.

Performance Share Vesting Period – February 14, 2024 through February 14, 2027.

Appendix B
International Supplement

This International Supplement amends certain terms and conditions of, and is made a part of, the Quest Diagnostics Incorporated Equity Award Agreement dated as of [Grant Date], 2024 (the "***Agreement***") to which this International Supplement is attached as Appendix B. This International Supplement applies to awards made to individuals who are not United States citizens or residents, as such term is defined by the Internal Revenue Code, and who are employed outside the United States. Capitalized terms that are used without definition in this International Supplement have the meanings set forth in the Agreement.

A. Provisions applicable to all individuals who are not United States citizens or residents

1. Disability. Section 4(d) is amended to provide that if the Employee's employment shall terminate as a result of a medical condition for which the Employee receives disability income benefits from a governmental program, all Options and all RSUs shall vest. All references in the Agreement to Section 4(d), including without limitation the reference to Section 4(d) set forth in Section 6(c), shall be understood as referring to Section 4(d) as so amended.

2. Taxes. The first two sentences of Section 15 are replaced in their entirety to read as follows: "Depending on applicable tax rules, the Employee may recognize income for income tax purposes upon the grant, vesting, exercise or settlement of the awards covered by this Agreement, and the Employee shall be subject to tax and tax withholdings as appropriate." References in Section 15 to Federal income tax and Federal Insurance Contribution Act taxes shall be understood as references to the comparable taxes in the jurisdiction in which the Employee is employed.

B. Provisions applicable to individuals who are citizens or residents of Finland

1. Definition of Termination Date. The definition of "Termination Date" in Section 4(c) is replaced in its entirety with the defined term "Expiry Date", which shall mean the date of the Employee's expiry of employment. All references in the Agreement to Termination Date shall be understood as referring to Expiry Date.

2. Leave of Absence and Transfer. Each use of the term "terminated" in Section 25 is replaced with the term "expired." Section 25 is amended to provide that, in addition to the enumerated permissible *bona fide* leaves of absence, an Employee's employment will not be deemed to have expired as a result of a *bona fide* leave of absence permitted pursuant to statute.

3. Definition of Good Reason. Section 24(e)(iii) is amended to provide that the events set forth in Sections 24(e)(iii)(A) through (D) shall provide grounds for a termination by the Employee with Good Reason if the Employee serves notice of Employee's termination of employment within sixty (60) days of the occurrence of any such event and the employer fails to cure the event giving rise to Good Reason within thirty (30) days following receipt of such notice.

Appendix C

RESTRICTIVE COVENANT AGREEMENT

Exhibit 22

Subsidiary Guarantors of Securities

As of April 24, 2024, the following subsidiaries of Quest Diagnostics Incorporated provided, subject to the terms of such senior notes, unconditional and irrevocable guarantees to the senior notes listed below that were issued by Quest Diagnostics Incorporated pursuant to an offering registered under the Securities Act of 1933, as amended:

Securities	Issuer	Subsidiary Guarantor	State of Organization
6.95% Senior Notes due 2037 5.75% Senior Notes due 2040	Quest Diagnostics Incorporated	American Medical Laboratories, Incorporated	Delaware
		AmeriPath, Inc.	Delaware
		AmeriPath Consolidated Labs, Inc.	Florida
		AmeriPath Florida, LLC	Delaware
		AmeriPath Hospital Services Florida, LLC	Delaware
		AmeriPath Kentucky, Inc.	Kentucky
		AmeriPath New York, LLC	Delaware
		AmeriPath Texas, Inc.	Delaware
		Blueprint Genetics Inc.	Delaware
		Diagnostic Pathology Services, Inc.	Oklahoma
		ExamOne World Wide, Inc.	Pennsylvania
		ExamOne World Wide of NJ, Inc.	New Jersey
		Kailash B. Sharma, M.D., Inc.	Georgia
		LabOne, LLC	Missouri
		LabOne of Ohio, Inc.	Delaware
		Ocmulgee Medical Pathology Association, Inc.	Georgia
		Quest Diagnostics Clinical Laboratories, Inc.	Delaware
		Quest Diagnostics Holdings Incorporated	Delaware
		Quest Diagnostics Incorporated	Maryland
		Quest Diagnostics Incorporated	Nevada
		Quest Diagnostics Investments LLC	Delaware
		Quest Diagnostics LLC	Connecticut
		Quest Diagnostics LLC	Illinois
		Quest Diagnostics LLC	Massachusetts
		Quest Diagnostics Nichols Institute	California
		Quest Diagnostics Nichols Institute, Inc.	Virginia
		Quest Diagnostics of Pennsylvania Inc.	Delaware
		Specialty Laboratories, Inc.	California
		Unilab Corporation	Delaware

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James E. Davis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Quest Diagnostics Incorporated;
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 Rules 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.

April 24, 2024

By /s/ James E. Davis

James E. Davis
Chairman, Chief Executive Officer and
President

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Sam Samad, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Quest Diagnostics Incorporated;
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 Rules 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.

April 24, 2024

By /s/ Sam Samad

Sam Samad
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. § 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. § 1350, the undersigned certifies that, to the best of my knowledge, the Quarterly Report on Form 10-Q for the period ended March 31, 2024 of Quest Diagnostics Incorporated, as being filed with the Securities and Exchange Commission concurrently herewith, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. § 78m or 78o(d)) and that the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Quest Diagnostics Incorporated.

Dated: April 24, 2024

/s/ James E. Davis

James E. Davis
Chairman, Chief Executive Officer and
President

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. § 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. § 1350, the undersigned certifies that, to the best of my knowledge, the Quarterly Report on Form 10-Q for the period ended March 31, 2024 of Quest Diagnostics Incorporated, as being filed with the Securities and Exchange Commission concurrently herewith, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. § 78m or 78o(d)) and that the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Quest Diagnostics Incorporated.

Dated: April 24, 2024	/s/ Sam Samad
	Sam Samad
	Executive Vice President and
	Chief Financial Officer