



42nd Annual J.P. Morgan Healthcare Conference Fortrea

Tom Pike, Chief Executive Officer & Chairman of the Board
Jill McConnell, Chief Financial Officer

January 10, 2024

FORWARD LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

Forward-Looking Statements Disclosure. Certain information in this presentation contains “forward-looking” statements. You should not place undue reliance on these statements. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategies. These statements often include words such as “believe”, “expect”, “approximately”, “anticipate”, “intend”, “plan”, “estimate”, “seek”, “will”, “should”, “could”, “may” or the negative thereof or variations thereon or similar expressions that are predictions of or indicate future events or trends. These statements are based on certain assumptions that we have made in light of our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate in these circumstances. As you read and consider this presentation, you should understand that these statements are not guarantees of performance or results and that actual future results may vary materially. They involve risks, uncertainties and assumptions. Many factors could affect our actual financial results and could cause actual results to differ materially from those expressed in the forward-looking statements, including the current positive market and customer response to us; our ability to leverage our competitive advantages to achieve or exceed market growth rates; our reliance on our former parent company, Laboratory Corporation of America Holdings to provide financial reporting and other financial and information for periods prior to the spin-off through the end of the relevant transition agreements, as well as IT, accounting, finance, legal, human resources, and other services critical to our businesses; our dependence on third parties generally to provide services critical to our businesses throughout the transition period and beyond; the establishment of our accounting, enterprise resource planning, and other management systems post the transition period could cost more or take longer than anticipated; our ability to successfully implement our business strategies, improve margins, and execute our long-term value creation strategy; risks and expenses associated with our international operations and currency fluctuations; our customer or therapeutic area concentrations; any further deterioration in the macroeconomic environment, which could lead to defaults or cancellations by our customers; the risk that our backlog and net new business may not be indicative of our future revenues and we the might not realize all of the anticipated future revenue reflected in our backlog; our ability to generate sufficient net new business awards, or if net new business awards are delayed, terminated, reduced in scope, or fail to go to contract; the risk that we may underprice our contracts, overrun our cost estimates, or fail to receive approval for, or experience delays in documentation of change orders; and other factors described from time to time in documents that we file with the U.S. Securities and Exchange Commission (the “SEC”), including any updates or amendments thereof. For a further discussion of the risks relating to our business, see the “Risk Factors” Section of our Information Statement filed with our Registration Statement on Form 10, as amended (the “Form 10”), as filed with the SEC.

In light of these risks, uncertainties and assumptions, the forward-looking statements contained in this presentation might not prove to be accurate and you should not place undue reliance upon them. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures. This presentation contains discussions of certain financial measures, such as EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income Net Debt, Net Leverage and Free Cash Flow, which are non-GAAP financial measures. Non-GAAP financial measures are presented only as a supplement to the Company’s financial statements based on GAAP. Non-GAAP financial information is provided to enhance understanding of the Company’s financial and operational performance and cash flow, but none of these non-GAAP financial measures are recognized terms under GAAP, and non-GAAP measures should not be considered in isolation from, or as a substitute analysis for, the Company’s results of operations as determined in accordance with GAAP. The Company believes these adjusted measures are useful to investors as a supplement to, but not as a substitute for, GAAP measures, in evaluating the Company’s operational performance and cash-flow. The Company further believes that the use of these non-GAAP financial measures provides an additional tool for investors in evaluating operating results and trends, growth, indebtedness, cash-flow and shareholder returns, as well as in comparing the Company’s financial results with the financial results of other companies. However, the Company notes that these adjusted measures may be different from and not directly comparable to the measures presented by other companies. Because not all companies use identical calculations, our presentation of these non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. For example, in calculating Adjusted EBITDA, the Company excludes all the amortization of intangible assets associated with acquired customer relationships and backlog, databases, non-compete agreements and trademarks, trade names and other from non-GAAP expense and income measures as such amounts can be significantly impacted by the timing and size of acquisitions.

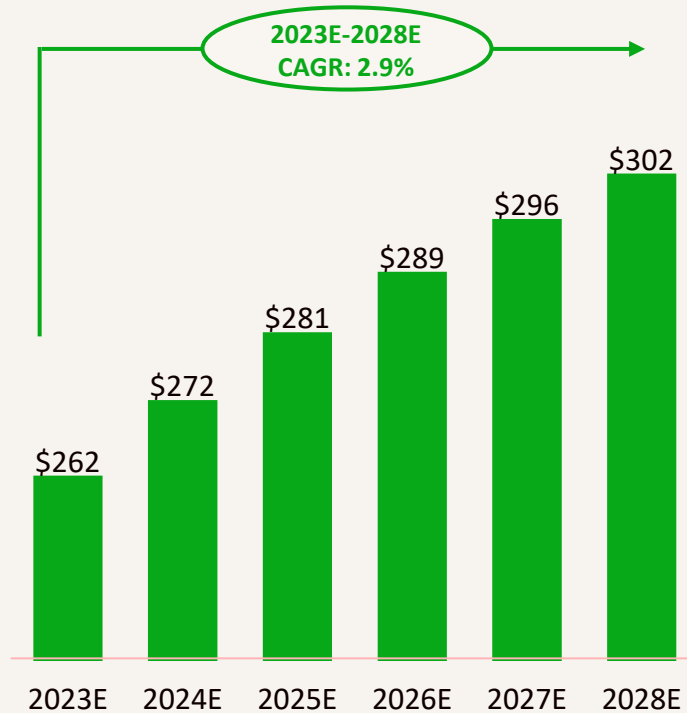
Our Purpose

Delivering solutions that bring life-changing medicines to patients faster and create lasting value for all our stakeholders.



Large Addressable Market with Long-Term Durable Growth

Projected Pharma R&D Spend¹ Over Time (\$ in bn)

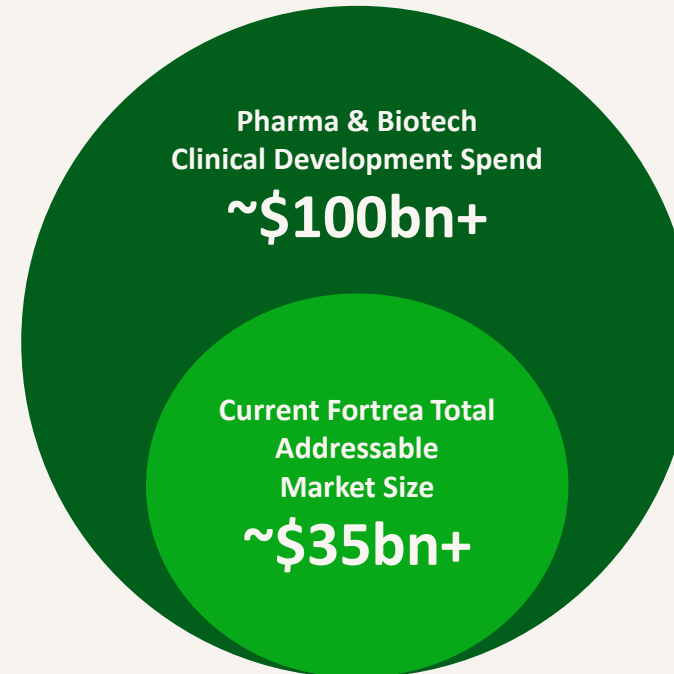


Longer Term Market Opportunity

3 – 5 % near term CRO market growth²

6 – 9 % long term CRO market growth²

~4 % annual increase in CRO outsourcing rate³



Themes

'24-25 may be softer growth year for CROs

From our vantage point, RFP flow is solid

Continuing innovation in drug development will drive future growth

Shorter term issues in biopharma can drive additional business to CROs

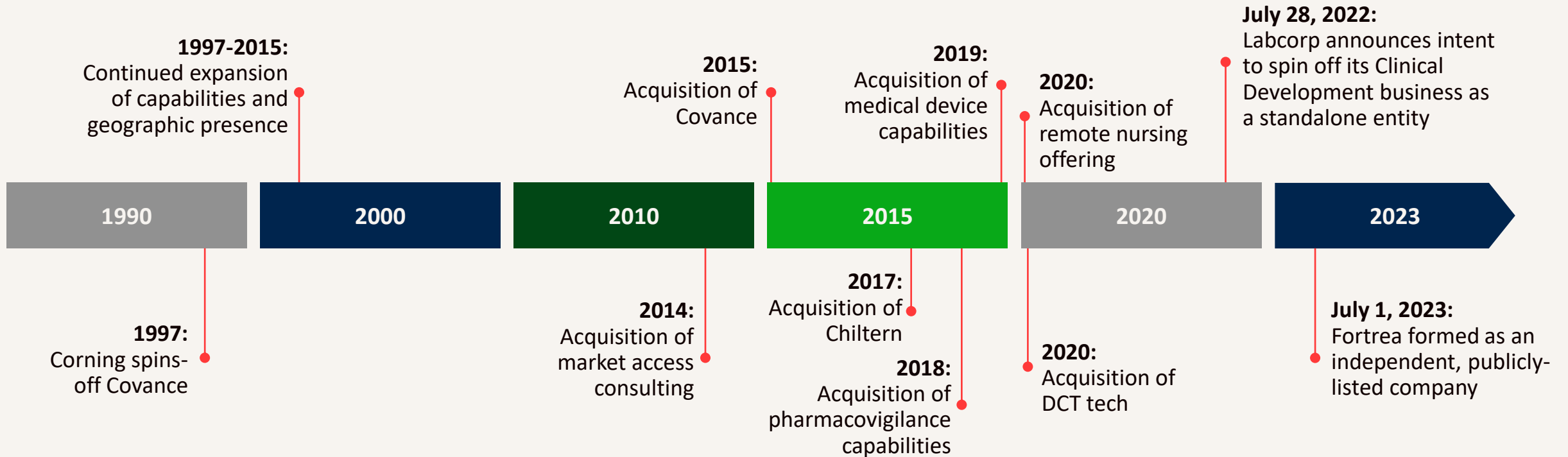
Source: Statista Total Global Pharmaceutical R&D Spend 2014-2028 as of October 2023. Wall Street Research, Global Market for Contract Research Organization Services, January 2022, BCC Publishing Staff Report. Pharma & Biotech Clinical Development Spend Estimated at \$100bn in 2022 in Simoens S and Huys I (2021) R&D Costs of New Medicines: A Landscape Analysis: Front. Med. 8:760762. doi: 10.3389/fmed.2021.760762

¹ Total Pharma R&D Spend includes worldwide preclinical and clinical (insourced and outsourced). ² Peer announced near term guidance, Wall Street Research and Labcorp analysis. ³ CRO Outsourcing rate is the U.S. rate from 2020A-2026E per Wall Street Research.

Labcorp's Clinical Development and Commercialization Services business is now Fortrea (NASDAQ: FTRE).

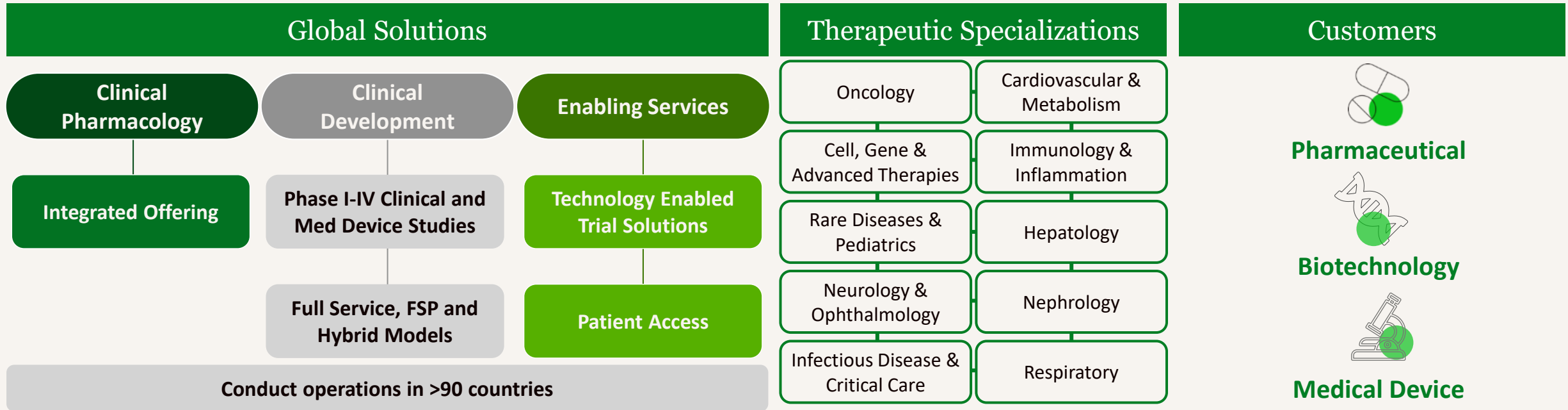
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Fortrea Has Been Built Through Decades of Experience and Fueled By Purpose



Fortrea benefits from the history of innovation, operational focus and investments that have guided its story

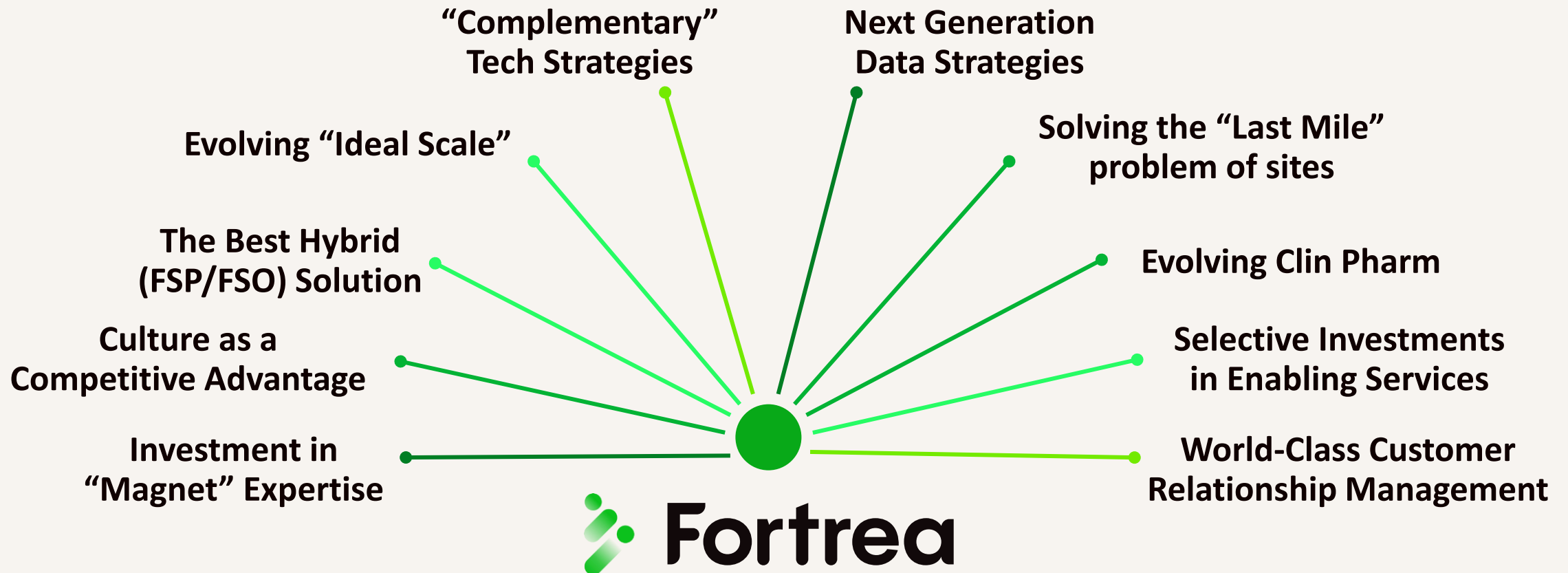
Fortrea's Businesses & Platform Today



Providing Solutions to Customers Across the Clinical Trial Continuum



Key Strategies & Investments to Support Growth and Further Differentiation



Next Gen Data Strategies Powering Improved Outcomes



Fortrea Commercial Evolution

Solid Foundation as a Divisional Commercial Organization

- Diverse customer base with long-term relationships
- Solid capabilities tucked within parent company
- Global commercial footprint
- Strong divisional sales focus

Areas of Focus to Drive Growth as an Independent Company

- Build Fortrea brand
- Land and expand with large pharma
- Partner of choice for biotech
- Drive the right mix of business
- World-class customer relationship management
- Agile processes and decision-making

Fortrea's Continued Progress Post-Spin



Accountable leaders in place across the global organization



Positive market and **customer** response to Fortrea



Demand for Fortrea's services is normalizing with **improved bookings and pipeline**



Maintained focus on customers, project delivery and operational excellence



Program of actions commenced to **exit TSAs**¹ and improve cost structure over time



Investments continue in support of our **growth** strategy

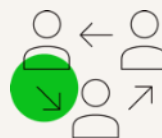
¹ Transition Services Agreement

Fortrea's Program for Change: Significant Opportunity for Growth and Margin Expansion



Leverage Competitive Advantages to Lay Foundation for Growth in '23

- ✓ Leverage existing scale, skills and capabilities
- ✓ Selective further organic investments to differentiate
- ✓ World-class customer relationship development



Improve Margins & Optimize the Business in '24

- ✓ Continued execution of growth and operational initiatives
- ✓ Exit TSAs with fit-for-purpose infrastructure
- ✓ Begin to align SG&A to benchmarks
- ✓ Improve workforce productivity



Disciplined Strategy to Drive Long-term Growth & Margins

- ✓ Positioned for sustained long-term growth
- ✓ Investing for further differentiation
- ✓ Operating within industry leading delivery cost structures
- ✓ Move to 2.5x to 3.0x leverage

Opportunities for Revenue Growth and Margin Expansion



Solid bookings environment, with appropriate mix of work across business offerings



Emphasis on building the pipeline and enterprise-wide focus on winning new awards



Implemented new structure and cadence for managing performance



More than 1/3 of TSAs exited by December 31st, 2023. Remainder targeted for exit by December 31st, 2024 – includes multiple complex system related projects



Identified and executed initial cost structure reductions



Roadmap defined and execution underway to align SG&A with peer benchmarks over medium term

Fortrea's Quality Organization

- Fortrea's Quality System is built on our 30-year heritage. It is a living set of standards that demonstrate our ability to consistently provide products and services that meet customer and regulatory requirements
- Quality management is integrated into all our business activities through policies and procedures – quality is the responsibility of all our employees
- Our controls and results are routinely audited by:
 - **Customers – 797 audits** since 2020
 - **Regulatory agencies – 391 inspections** since 2020
 - Our **independent RCQA¹ group** - 129 QA professionals globally, >42% have 5+ years tenure with Fortrea
- Implemented Veeva Quality Vault in 2019 for quality issue reporting and resolution, with automated workflows to ensure on-time follow-up

Examples of our Experts

- Chief Quality, Reg Affairs & Sustainability Officer
- >30 yrs industry experience
- Certified in Regulatory Affairs and Healthcare Compliance
- Served on industry associations (ACRO², CRO Forum with TransCelerate)

- VP, Global Head RCQA
- >20 yrs industry experience
- Adjunct Professor: graduate courses in reg affairs, clinical research & QA
- MS Regulatory Affairs

- Regional VP, RCQA India
- >20 yrs industry experience
- MS Pharma Operations & Management

- Global Head of QA – Clinical Pharmacology Services & GMP/GDP Supply Chain
- >30 yrs industry experience
- Certified Qualified Person
- MSc Pharmaceutical QA
- MSc Analytical Chemistry

- QA Director, Regulatory Intelligence
- >20 yrs industry experience
- ACRO representative on multiple working parties
- Member of ABPI³ Regulatory Expert Network

¹ Regulatory Compliance & Quality Assurance . ² Association of Contract Research Organizations. ³ Association of the British Pharmaceutical Industry
Labcorp's Clinical Development and Commercialization Services business is now Fortrea (NASDAQ: FTRE).
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A Culture Focused on Delivering Excellence



2021, 2022, 2023
Multiple Awards



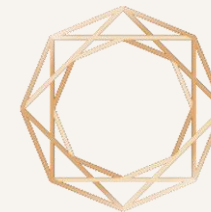
2018, 2019, 2020, 2021, 2022, 2023



DIGITAL INNOVATION
AWARD 2023



2022



PRINCESS ROYAL
TRAINING AWARD
2022

2021, 2022

Our Commitment and Approach to Strong Governance and ESG

Governance

Corporate Integrity
Accountable Governance
Transparent Operations
Privacy & Data Security



Environmental

Employee Health & Safety
Environmental Health



Fortrea

Social

Employee Culture of Respect
Diversity & Inclusion in Clinical Trials
Human Rights & Labor Standards



Questions & Discussion